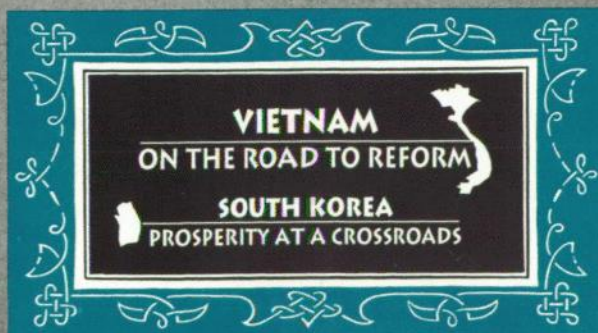


AGRICULTURAL OUTLOOK

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Economic Research Service
United States Department of Agriculture

March 1993



AGRICULTURAL OUTLOOK



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Central Hanoi, Vietnam

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The next issue of *Agricultural Outlook* (AO-195) is scheduled for mailing on April 2, 1993. If you do not receive AO-195 by April 22, call the managing editor at (202) 219-0494 (be sure to have your mailing label handy). The full text of AO-195 will also be distributed electronically; additional information on this is available at (202) 720-5505.

News of Farm Credit Availability, Oats Imports, Economic Reform in Vietnam, and Trade Prospects in South Korea

The outlook for the farm financial picture in 1993 projects income and asset values strong enough to support moderate increases in debt levels. Nonetheless, both borrowers and lenders will be slow to generate new debt. Producers will continue to be cautious in taking on new debt, and lenders will carefully scrutinize the creditworthiness of borrowers. Farm debt is expected to increase 1-2 percent in 1993, following increases of 1.4 percent and 0.7 percent in 1991 and 1992.

As the U.S. wrestles with the challenge of competing in an increasingly interdependent world economy, mechanisms for stimulating job growth and generating investment are of paramount importance. Among the options for using the tax code to address this challenge, *Agricultural Outlook* looks at two which could have considerable impact on the agricultural sector. One option aims to create more jobs through an investment tax credit for capital purchases. A second would reinstate some form of preferential tax treatment of capital gains. Either option could stimulate capital investment in agriculture, which could increase farm output.

Large orange crops in Florida and Brazil in 1992/93 are pushing down orange juice prices. Near-term futures prices for frozen concentrate fell as low as 67 cents per pound solids in February from \$1.42 a year earlier.

U.S. output and disappearance of corn, soybeans, and rice are expected to reach record or near-record levels in 1992/93. While U.S. wheat production was up 24 percent from the reduced level of 1991, in the global wheat market larger output in the former Soviet Union and China is expected to dampen wheat import demand in 1992/93.



U.S. oats imports are projected down in 1992/93—a result of decreased exportable supplies from Sweden and Finland, uncertain availability of high-quality oats from Canada, and a larger U.S. crop. Once a key producer and exporter of oats, the U.S. has been the world's largest importer since 1983/84. Low net returns for oats compared with other feed grains, the consequent decline in domestic oats supplies, and greater demand for high-quality oats for food and feed uses accounted for the shift to imports.

In the world rice market, a relatively new major player is Vietnam, which entered the top ranks of rice exporters in 1989. Vietnam was the third-largest rice exporter in calendar 1992, and prospects are good for continued strong exports in

1993. Since the early 1980's, a series of political, economic, and legal reforms has altered the domestic economy and, together with a new open-door policy, led to rapid increases in foreign trade and investment in Vietnam. The process of reform accelerated in 1989 with a package of monetary, price, and exchange rate policies. In 1988/89, the rice sector benefited from reforms that privatized the agricultural sector, decentralized input supplies, and gave individual farms more leverage in production decisions.

Vietnam's ability to sustain its success as a rice exporter depends on how far it will progress on the path of economic reform. The country has made remarkable progress in economic growth and stabilization despite the lack of foreign aid since 1990.

After 30 years of impressive economic development, South Korea faces a crossroads. While labor-intensive manufacturing industries were the foundation of South Korea's "economic miracle," higher wages are beginning to erode the competitiveness of these enterprises. A series of economic reforms is aimed at preparing the country to succeed in more technically advanced sectors.

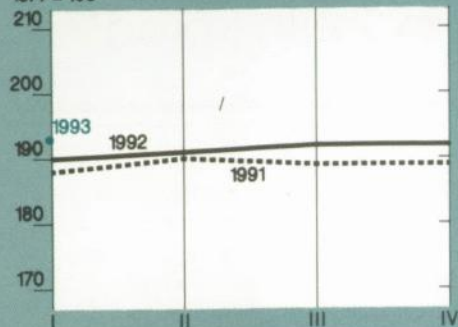
South Korea's agricultural sector is in transition as well. Compared with the industrial sector, agriculture's productivity is low, and the country is under strong international pressure to open its markets to agricultural imports. The Korean government recently announced a 10-year Structural Reform Plan to modernize the sector and prepare for trade liberalization. U.S. exporters can expect strong demand for high-value and processed farm products and weaker demand for some bulk products and raw materials.

Commodity Overview

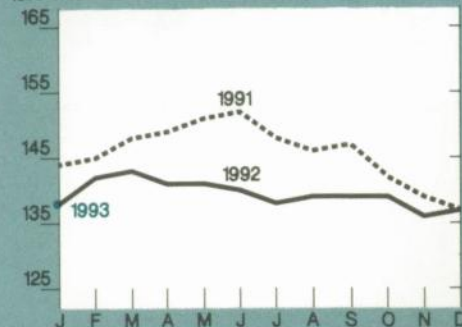
Prime Indicators

Index of prices paid by farmers

1977 = 100

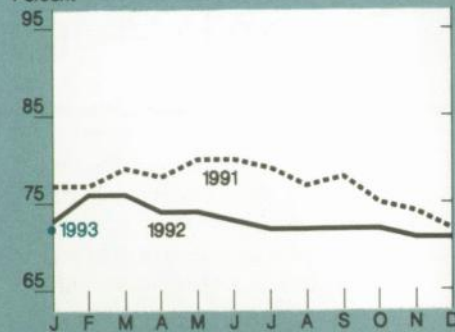
Index of prices received by farmers¹

1977 = 100

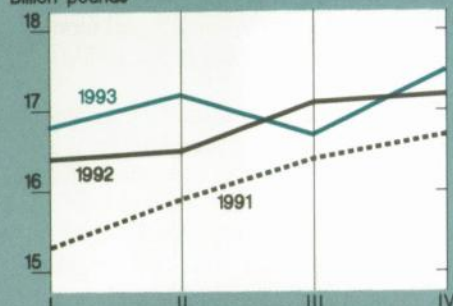


Ratio of prices received/prices paid

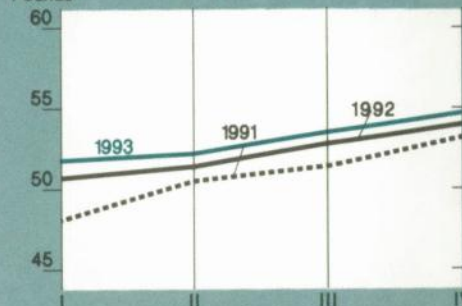
Percent

Total red meat & poultry production²

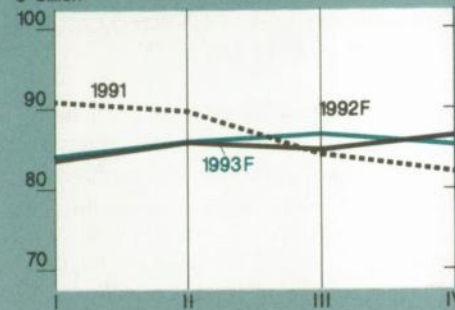
Billion pounds

Red meat & poultry consumption, per capita^{2,3}

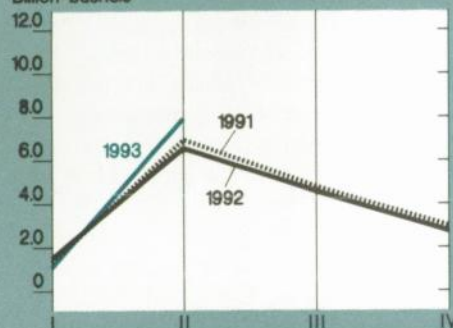
Pounds

Cash receipts from livestock & products⁴

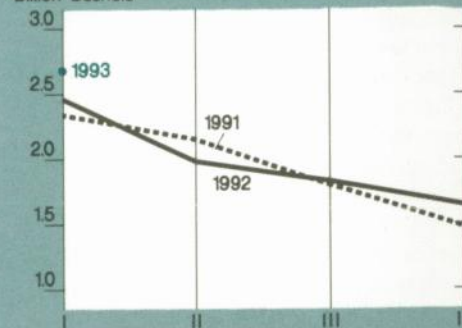
\$ billion

Corn beginning stocks⁵

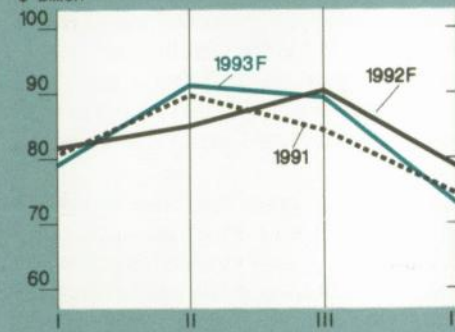
Billion bushels

Corn disappearance⁵

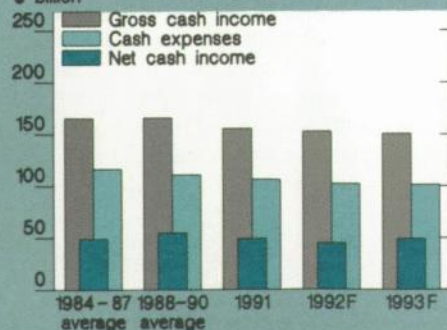
Billion bushels

Cash receipts from crops⁴

\$ billion

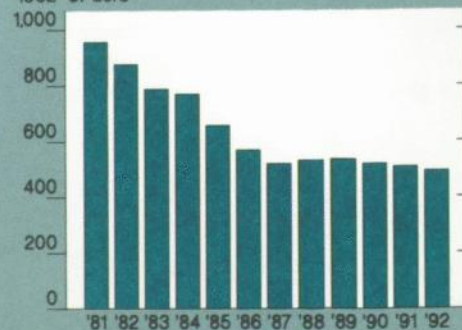
Real cash income (1987\$)⁶

\$ billion



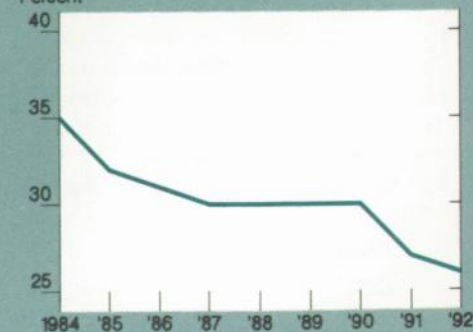
Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent

¹For all farm products. ²Calendar quarters. Future quarters are forecasts for livestock, corn, and cash receipts.³Retail weight. ⁴Seasonally adjusted annual rate.⁵I=Sept.-Nov.; II=Dec.-Feb.; III=Mar.-May; IV=June-Aug. Marketing years ending with year indicated.⁶Cash expenses plus net cash income equals gross cash income. F=forecast.

Commodity Overview



Field Crops Overview

Domestic Outlook—
February Projections
For 1992/93Record-High
Corn Output

Corn output in 1992 surpassed the record set in 1985, by over 600 million bushels. Corn disappearance is expected to set a record in 1992/93. Feed and residual use is projected record-high due to strong livestock output, large corn supplies, and lower corn prices.

- U.S. average yield of 131.4 bushels per acre topped the record 119.8 bushels set in 1987. Twenty-four of 41 reporting states broke their yield records.
- Corn disappearance is expected up more than 5 percent in 1992/93, exceeding the record 8.1 billion bushels set in 1989.
- Food, seed, and industrial use is a record; exports are up from last year, but far less than the 1979 peak.

- Because of the extremely large crop, ending stocks for corn are projected to double the carryin of 1.1 billion.
- The season-average price is projected in the range of \$1.90-\$2.20 per bushel, down from last year's \$2.37.

Soybean Crop Largest Since 1979

Soybean production in 1992 fell slightly short of the record crop of 1979, even though yields were a record.

- Output was 2.197 billion bushels—up nearly 11 percent from the pre-

vious season, and just below the record 2.26 billion set in 1979, when nearly 12 million acres were harvested.

- The average yield, 37.6 bushels per acre, topped last year's record by 3.4 bushels per acre. Fifteen of 29 reporting states set yield records.

Soybean disappearance in 1992/93 is expected to exceed the record set in 1982. Soybean exports are buoyed by continued strong demand, especially in Asia.

- Disappearance is expected to be up 4 percent. Crush is expected up slightly. Soybean exports are projected to be 745 million bushels—up 9 percent above 1991/92.

U.S. Field Crops—Market Outlook at a Glance

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	— Mil. acres —	Bu/acre							
Wheat									
1991/92	69.9	57.7	34.3	1,981	2,888	1,135	1,281	472	3.00
1992/93	72.3	62.4	39.4	2,459	2,996	1,140	1,350	506	3.25-3.35
Corn									
1991/92	76.0	68.8	108.6	7,475	9,016	6,332	1,584	1,100	2.37
1992/93	79.3	72.1	131.4	9,479	10,582	6,695	1,650	2,237	1.90-2.20
Sorghum									
1991/92	11.1	9.9	59.3	585	727	383	292	53	2.25
1992/93	13.3	12.2	72.8	884	937	510	300	127	1.75-2.05
Barley									
1991/92	8.9	8.4	55.2	464	624	401	94	129	2.10
1992/93	7.8	7.3	62.4	456	600	360	90	150	2.00-2.05
Oats									
1991/92	8.7	4.8	50.7	243	489	360	2	128	1.20
1992/93	8.0	4.5	65.6	295	472	355	5	112	1.30-1.35
Soybeans									
1991/92	59.2	58.0	34.2	1,987	2,319	1,356	685	278	5.58
1992/93	59.3	58.4	37.6	2,197	2,477	1,377	745	355	5.40-5.55
			Lb./acre		Mil. cwt (rough equiv.)				\$/cwt
Rice									
1991/92	2.88	2.78	5,674	157.5	187.3	93.7	66.4	27.3	7.58
1992/93	3.17	3.13	5,722	179.1	212.1	97.8	76.0	38.3	5.95-6.45
			Lb./acre		Mil. bales				¢/lb
Cotton									
1991/92	14.1	13.0	652	17.6	20.0	9.6	6.7	3.7	56.80
1992/93	13.3	11.2	700	16.3	20.0	9.7	6.2	4.2	*53.60

Based on February 10, 1993 World Agricultural Supply and Demand Estimates; U.S. marketing years for exports.

*Weighted-average price for August-November; not a season average. See table 17 for complete definition of terms.

Commodity Overview

- Ending soybean stocks are projected up 28 percent above carryin.
- The season-average soybean price is expected in the \$5.40-\$5.55 range, down from last season's \$5.58.

Winter Wheat Plantings Up Slightly

Winter wheat seedings for the 1993 crop, which was planted last fall, are up 1 percent from 1992. Wet weather and late fall harvests likely limited planted acreage in certain areas, particularly for soft red winter. White wheat plantings are likely up due to strong prices in the Pacific Northwest.

- Seeded acreage for all winter wheat is indicated up from 51.1 million to 51.5 million.
- Plantings for the hard red winter class are up very slightly. Soft red winter plantings are 2 percent over last year. White wheat plantings are up 5 percent.

Wheat production in 1992 was 24 percent above 1991's reduced level, at nearly 2.5 billion bushels. Yields averaged 5.1 bushels per acre above 1991's crop, and were only one-tenth of a bushel short of the 1990 record.

Wheat use for all classes is forecast up in 1992/93.

- Total wheat use is expected to be up 3 percent to nearly 2.5 billion bushels. Food use is expected to set a new record. Exports are expected up about 5 percent, still far short of the record 1.77 billion bushels exported in 1981/82.
- Ending stocks are forecast 7 percent above carryin, at 506 million bushels, the second-lowest carryout since 1974/75.
- Season-average prices are expected in the \$3.25-\$3.35 range, up from \$3 estimated for 1991/92.

Rice Output Revised Upward

Both rice acreage and the U.S. average yield in 1992 were higher than forecast on November 1. Largely because of the upward revision in production, USDA revised the 1993 rice ARP to 5 percent in late January, up from the initial December announcement of zero percent.

- Rice production, at 179.1 million cwt, is up 14 percent above 1991, and up 6 percent from the November forecast. This is the largest rice crop since 1981 and the second highest on record.
- Total rice use is expected to set a new record in 1992/93. Due to the larger crop and lower prices, domestic use and exports are expected

higher than in 1991/92, up 4 and 14 percent.

- Prices are expected in the range of \$5.95-\$6.45 per cwt for 1992/93, below the previous year's \$7.58.
- Ending stocks are forecast at 38.3 million cwt, up slightly from last month and up 40 percent above carryin.

Cotton Production Down

Although yield records were set in Arkansas, California, and Florida, lower acreage pulled down cotton production in 1992. Strong foreign competition is limiting cotton exports.

World Wheat Exports Are Down, Corn Trade Steady

	Year ¹	Production	Exports ²	Consumption ³	Carryover
			Mil. tons		
Wheat	1991/92	542.9	108.2	557.3	129.5
	1992/93	558.3	101.4	550.1	137.8
Coarse grains	1991/92	798.4	93.4	803.0	131.9
	1992/93	847.9	91.3	822.7	157.2
Corn	1991/92	484.3	61.5	484.5	78.7
	1992/93	526.0	61.0	502.1	102.6
Rice	1991/92	348.3	15.1	353.2	55.3
	1992/93	351.9	14.6	355.6	51.5
Oilseeds	1991/92	223.8	36.8	185.9	21.2
	1992/93	224.7	37.8	185.0	22.4
Soybeans	1991/92	106.6	28.1	92.7	18.0
	1992/93	114.4	30.6	95.1	20.0
Soybean meal	1991/92	73.5	28.9	73.3	2.9
	1992/93	75.2	27.3	74.7	3.0
Soybean oil	1991/92	16.8	4.2	16.0	2.2
	1992/93	17.0	4.3	17.1	1.8
			Mil. bales		
Cotton	1991/92	96.0	22.4	85.0	40.6
	1992/93	84.1	22.4	85.1	39.4

¹ Marketing years are: wheat, July-June; coarse grains and corn, October/September; oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October-September; cotton, August-July. ² Rice trade is for the second calendar year. ³ Crush only for soybeans and oilseeds.

Source: Foreign Agricultural Service, USDA.

- Production was down about 8 percent from the previous season. Yields were up about 7 percent.
- Total use in 1992/93 is expected to fall 2 percent from 1991/92. Domestic use is expected up 1 percent from 1991/92 as mill use remains strong. Exports are forecast down 7 percent from 1991/92.
- Ending stocks are forecast at 4.2 million bales, up more than 13 percent from the carryin level.
- Upland prices received by farmers averaged 53.4 cents per pound during the final three months of calendar 1992, more than 6 cents below the 1991 average for that period.

[Joy Harwood (202) 219-0840]

Global Market— Outlook for 1992/93

World Wheat Trade Down

Larger wheat output in the former Soviet Union (FSU) and China is expected to dampen global import demand in 1992/93, despite gains in other foreign countries' imports.

- EC and Australian exports are projected up 2 million tons, while Canada's exports decline.
- U.S. exports rise, with market share expected to climb to 36 from 32 percent last year.

Winter Wheat Crops Faring Well

Generally good weather is expected to aid world winter wheat crops in 1993/94. Policy changes also influenced last fall's planting.

FSU Credit Purchases Come to a Standstill

In September 1992, the U.S. authorized \$900 million in GSM-102 export credit guarantees to Russia, of which \$100 million was used in September for fiscal year 1992. For fiscal year 1993, \$525 million was released in October and another \$275 million was to be released in January. In October, the U.S. authorized \$200 million in export credit guarantees for Ukraine, of which \$70 million was released for immediate use and another \$130 million was scheduled for later release.

But subsequent events have halted the use of the remaining October credits and prevented the release of Russia's \$275 million and Ukraine's \$130 million.

By February 23, creditors had notified the Commodity Credit Corporation (CCC) that the former Soviet Union is

late in paying about \$360 million in credit guaranteed under the GSM-102 program. Notifying the CCC of late payments by importers is required of creditors before submitting claims to CCC for payment. When a bank recently filed for payment from the CCC, it was the first time a claim was filed since the FSU was suspended under the program for nonpayment in November 1992.

As of February 23, Russia still had \$30 million in credit guarantees for pork and about \$80 million for wheat remaining of the sum released in October 1992. Further, the country has not been eligible to receive the remaining \$275 million scheduled to be announced in January. Ukraine had used almost all \$70 million released in October, but its remaining \$130 million also has not been released.

[Mark Smith (202) 219-0820]

- Government pressure may have convinced China's farmers not to switch winter area out of wheat, despite last season's marketing difficulties.
- EC planted area is declining only slightly under CAP reforms, and mild temperatures and plentiful precipitation favor yields in the north.
- Delayed planting in the FSU reduced winter grain area.
- Drought continues in North Africa, but in Turkey favorable weather is likely to lead to another large crop.

No Growth in Corn Trade

Sharply declining FSU imports in the face of economic problems and a shrinking livestock sector are expected to flatten 1992/93 world corn trade.

- FSU imports are projected down 3 million tons, but other foreign coun-

tries' imports are expected to rise 2.5 million.

- Rising exports are expected from Argentina, but China's exports weaken.
- U.S. exports and market share begin to recover from 1991/92's low.

Rice Imports Drop

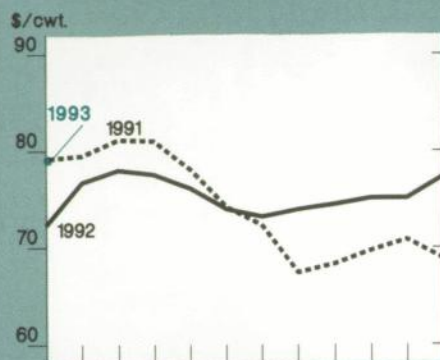
Smaller calendar 1993 rice exports reflect Indonesia's sharply reduced import demand. And major competitors' abundant exportable supplies suggest heightened price competitiveness. Nevertheless, lower U.S. export prices are projected to improve U.S. competitiveness.

- Indonesia switches from importing 650,000 tons in 1992 to exporting 250-500,000 tons in 1993.
- U.S. exports are forecast up 14 percent, and market share at 16 percent is up from last year's 14 percent.

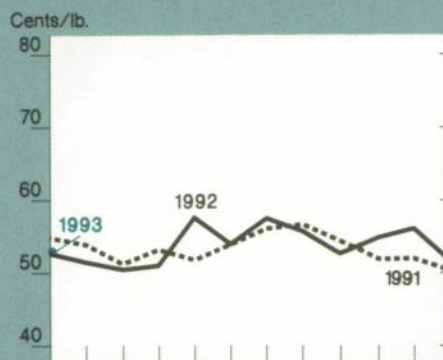
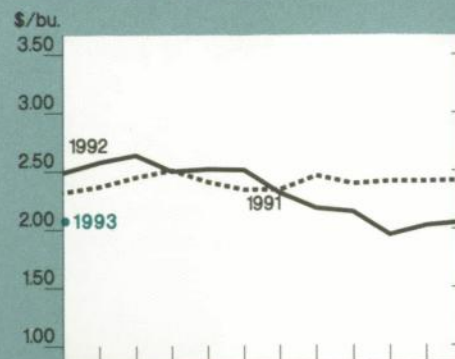
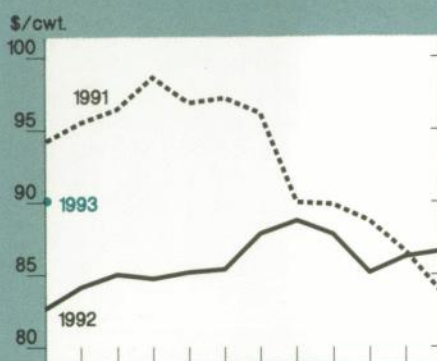
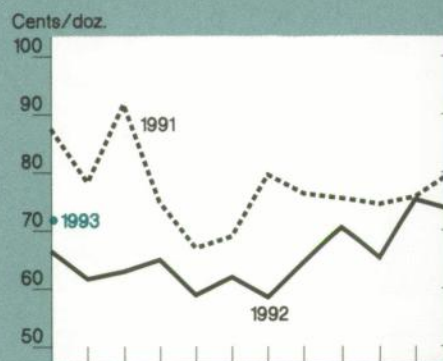
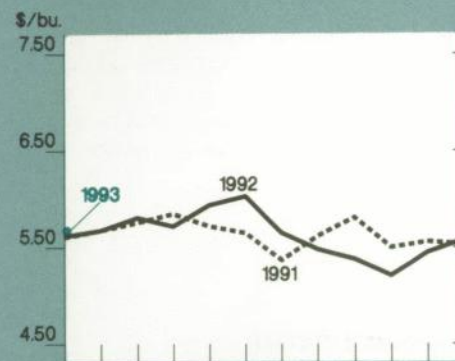
Commodity Overview

Commodity Market Prices

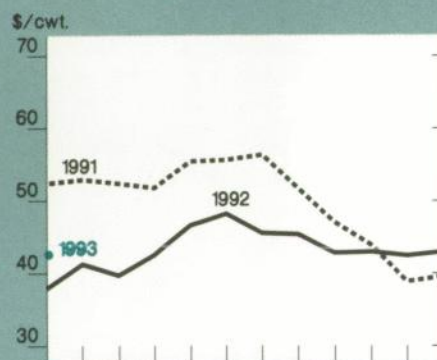
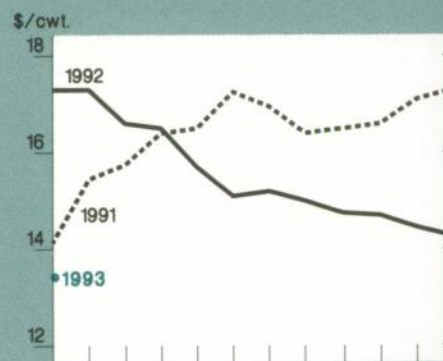
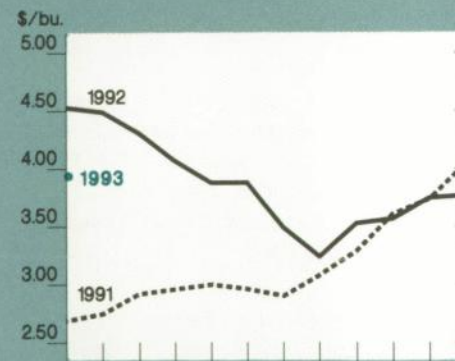
Choice steers, Nebraska



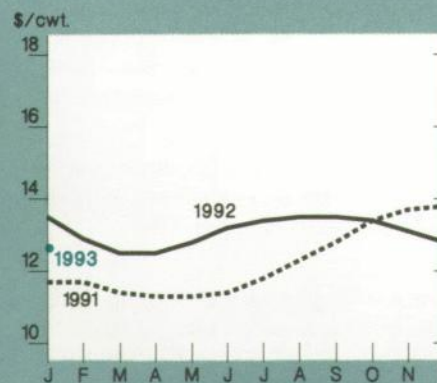
Broilers, 12-city average

Corn, Central Illinois¹Medium steers, Oklahoma City²Eggs, New York³Soybeans, Central Illinois⁴

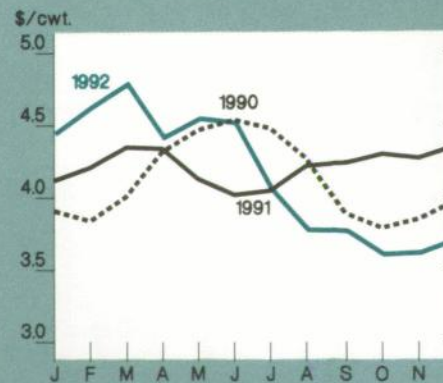
Barrows and gilts, 6 markets, Omaha

Milled rice, SW Louisiana⁵Wheat, Kansas City⁶

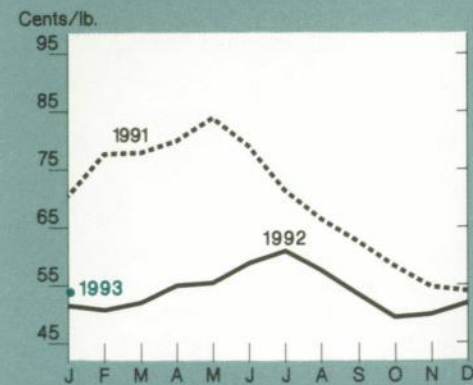
All milk



Sorghum, Kansas City



Cotton, average spot market

¹No. 2 yellow. ²600-700 lbs. medium no. 2. ³Grade A large. ⁴No. 1 yellow. ⁵U.S. No. 2, long-grain. ⁶No. 1 HRW.

Commodity Overview

**Soybean, Meal Output Up,
Bean Imports Strong**

Global soybean and meal production is expected to increase in 1992/93, with large increases in both the U.S. and Brazil and smaller gains in Argentina and Paraguay. World demand for soybeans has strengthened as production of other oilseeds declines, supporting prices despite the high outturn.

- Strong export competition is expected in the second half of the year as Brazil and Argentina are projected to increase soybean exports 13 and 3 percent.
- Demand strength maintains the U.S. share of the soybean market at 66 percent, but market share for U.S. soybean meal exports is forecast to fall to 20 percent as global meal imports decline.

**Cotton Import
Demand Shrinks**

Import demand for cotton is expected to decrease in 1992/93 because of China's reduced imports and continued sluggish world economic growth. U.S. export opportunities improve, but remain below last year.

- Enhanced export opportunities reflect a projected 600,000-bale drop in Pakistan's exports because of its flood-damaged crop.
- Expected attractively priced export of an additional 700,000 bales of FSU stocks still dampens U.S. market share.

- At 6.2 million bales and 28 percent, expected U.S. exports and market share, although revised upward from last month, remain below last year.

[Carol Whitton (202) 219-0824]

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**Livestock,
Dairy & Poultry
Overview****U.S. Cattle Herd
Expanding Slowly**

Modest expansion of U.S. cattle inventory is continuing.

- Cattle inventory totaled 100.9 million head on January 1, 1993, up 1 percent from a year earlier.
- Beef cow inventory, at 34 million head, increased 1 percent in 1992—the fourth year of a very modest expansion that has increased the beef cow herd by less than 1 million.
- The number of heifers being held for possible replacement in beef herds also increased, by 7 percent. Heifers entering beef cow herds during the second half of 1992 increased sharply from the previous year after declining slightly in the first half.
- The number of feeder cattle outside feedlots on January 1 was about the

same as a year ago at 31.7 million head.

- Inventories of lighter weight calves outside feedlots declined about 1 percent, while the supply of yearlings rose 1 percent.

More and heavier cattle on feed could put pressure on winter prices. Many were placed on feed during September and likely will be marketed by the end of the winter quarter. Winter storms forced large numbers on feed in December.

- The number of cattle on feed on January 1 increased nearly 7 percent from a year earlier.
- Fed cattle prices traded near \$80 per cwt during January and moved higher in February as poor feeding conditions slowed weight gains and delayed marketings.

Less expensive feed grains and generally stable prices for slaughter cattle are expected to support stocker cattle going on feed and lighter cattle going back to grass.

- Fed cattle marketings could increase over half a million head this year to 22.6 million, the largest since 1989.
- Heavyweight feeder cattle prices are expected to range in the mid-\$80's this year, with lighter weight cattle above \$90 and slaughter cattle again trading in the \$72-\$78 range for most of the year.

Increased beef exports in 1993 are expected to support the higher cattle prices. Beef imports will be limited, as Voluntary Restraint Agreements already have been negotiated with Australia and New Zealand.

- Annual exports could reach 1.4 billion pounds compared with 1.33 billion in 1992.
- Total beef imports are forecast to reach 2.33 billion pounds, down from 2.42 billion pounds last year.

Commodity Overview

Adjusting Beef Import Levels

The U.S. produces and consumes more beef than any other country in the world. It is also the world's largest beef importer. Imports supplement domestic production to provide beef for processed meat products, largely hamburger.

U.S. imports of beef are controlled by the Meat Import Act of 1979, amended in 1988. The act provides for a basic import quota of 1,147.6 million pounds (product weight) of beef, veal, mutton, and goat. The quota is the average import level of quota meats for 1968-77, adjusted annually by production and countercyclical factors calculated by USDA.

Calculating Import Adjustment Factors

The production adjustment factor changes the allowable beef import level each year to reflect trends in U.S. domestic meat production. The adjustment factor is calculated as a ratio: the moving average of the last 3 years' domestic production of all meats covered by the law, divided by average production of these meats in the base period (1968-77).

The U.S. production figures used to calculate the averages are actually net amounts—the result of deducting carcass-weight equivalents of all live imported cattle. This has the effect of tightening allowable imports of processed beef as imports of live cattle increase.

Beef production in the U.S. is expanding. The cattle inventory is in the early stages of a modest expansion that began in 1990. For 1993 the production adjustment factor is increasing as lower 1990 production levels are replaced by the larger 1993 estimates.

The production adjustment factor is designed to allow the beef import level to expand over time with the

longrun expansion in U.S. beef production. In the shorter term, however, the production adjustment factor would increase beef imports during a liquidation in the cattle cycle. Increased imports when beef supplies are already plentiful place additional downward pressure on prices. The countercyclical factor is designed to offset the short-term effects of the production adjustment factor.

The countercyclical factor measures the speed and duration of change in the beef-cow herd through slaughter levels. It is the ratio of the 5-year moving average of annual per capita U.S. supply of cow beef to the 2-year moving average of per capita supply.

The countercyclical factor tends to tighten imports during years when domestic cattle herds are being temporarily downsized by increased cow slaughter. For example, if U.S. producers were to reduce herd size during a drought, the 2-year average supply of beef would increase dramatically. While the production factor would increase, the countercyclical factor would decrease, holding down the level of allowable imports.

The countercyclical factor has been declining. Cow slaughter reached its low level in 1991 as the cattle inventory began to expand. Slaughter has been increasing slowly as the cow herd expands. The 5-year average remains larger than the 2-year average, but the difference is declining.

Import Quota Tightening

U.S. beef imports subject to the law are forecast to drop to 1,259.1 million pounds, product weight, in 1993, 100,000 pounds below the level that would trigger a quota. The total beef, veal, mutton, and goat meat import trigger level for 1993 (quota x 1.1) was calculated to be 1,259.2 million pounds, about 52 million pounds be-

low 1992. The decline from the 1992 trigger, despite a production increase of 241 million pounds over the previous 3 years, is due to increased imports of live cattle, up 156 million pounds on a carcass-weight basis. In addition, the per capita cow beef supply factor (countercyclical) used to dampen price fluctuations continues to decline from 1.051 for 1992 to 1.014 for 1993.

In response to the smaller quota calculated for 1993, the U.S. has negotiated Voluntary Restraint Agreements (VRA's) with Australia and New Zealand. This is the third straight year that VRA's have been in effect. Under the VRA's the amount of beef entering the U.S. from Australia and New Zealand will be limited.

Australia and New Zealand are major sources of imported processed beef, as well as the major sources regulated by the Meat Import Act. Beef imports from Canada, the third-largest supplier, have been excluded from the Meat Import Act by the U.S.-Canada Free Trade Agreement. Imports from Canada have been increasing, rising about 60 percent in 1992, and are up to about 17 percent of the size of quota meat imports.

Prices have responded recently to adjustment in the processed beef supply. Prices of fresh 90-percent boneless beef rose sharply in late 1992 as imports from Australia and New Zealand approached levels agreed to under the VRA's. The import slowdown, combined with declining cow slaughter and fewer fed cattle reaching desired marketing weight, tightened the supply of processed beef. Cold storage stocks of beef at the end of 1992 were 13 percent below a year earlier.

In late 1992, beef from Australia and New Zealand continued to be delivered to the U.S. but was placed in bonded warehouses to be released in 1993. Release of the supplies during January helped to pull processed beef

Commodity Overview

prices down and created a 10-cent-per-pound spread between domestic and imported lean beef prices. The normal spread is 4-5 cents, primarily because some firms use only domestic beef in their products.

While fresh boneless beef prices rose to \$135 per cwt in late December, they declined to near \$125 in early

February as imported beef supplies entered the market and as cattle slaughter increased. In late winter, fed cattle slaughter continued to be held down. Storm-related weight losses beginning in late November led to upward price movements to \$135-\$140 in mid-February.

[Ron Gustafson (202) 219-1285]

Calculating the 1993 Meat Import Quota

	Mil. lbs.	
<i>Base import quantity:</i>		
Annual average imports of quota meats, 1968-77	= 1,147.6	
<i>Production adjustment factor:</i>		
Average U.S. commercial production of quota meats, 1991-93	23,422.2	
minus annual carcass weight of live cattle imports, 1991-93	- 822.8	
	22,599.4	
Average U.S. production of quota meats, 1968-77	23,184	
minus annual carcass weight of live cattle, 1968-77	- 220	
	22,964	= 0.98412
<i>Countercyclical factor:</i>	Lbs.	
Average U.S. per capita cow beef supply, 1989-93	12.59	
Average U.S. per capita cow beef supply, 1992-93	12.42	= 1.01356
<i>Quota:</i>	Mil. lbs.	
Base import quantity x production adjustment factor x countercyclical factor	= 1,145	
<i>Trigger level:</i>		
Quota x 1.1	= 1,259	

Quota meats are beef, veal, mutton, and goat. Per capita cow beef supply derived from federally inspected cow slaughter.

Milk Output Stable in 1993

Milk production is expected to be stable in 1993.

- Milk cow numbers will be down slightly because of lower milk prices.
- Growth in annual milk per cow is likely to be relatively slow because summer levels are unlikely to match 1992's weather-boosted levels.

Milkfat use is likely to continue growing because of economic expansion and favorable prices.

- Commercial use of milkfat is projected to post another 2-percent rise.
- Commercial stocks of milkfat at yearend were similar to the moderate level of a year ago.
- Skim solids holdings were large, due mostly to stocks of nonfat dry milk and other-than-American cheese.
- Demand for skim solids is projected to be weaker, as delayed reaction to high prices of recent years is expected to trim some uses.

Farm milk prices are projected to fall because of weaker domestic demand for skim milk solids.

- Milk prices are expected to slip 3-5 percent in 1993.
- A projected decrease in surplus milkfat will have little price impact because the surplus will remain large.

Exports under the Dairy Export Incentive Program (DEIP) will likely be sizable.

- Contracts accepted at the end of 1992 likely will remove about 80 million pounds of nonfat dry milk during January-May.
- Additional contracts under the 1993 DEIP are likely.

Commodity Overview

DEIP Helps U.S. Exporters Compete

The goal of the Dairy Export Incentive Program (DEIP) is to enable exporters of U.S. products to meet prevailing world prices for targeted dairy products and destinations. The program, announced by USDA in February 1987, offers exporters a cash bonus paid by the Commodity Credit Corporation (CCC) to help them meet competition from other subsidizing nations, particularly the European Community.

Milk powder, butterfat, and cheddar, mozzarella, gouda, feta, cream, and processed American cheeses are currently eligible for inclusion in the DEIP. Purchasing countries may be recommended for inclusion in the program by USDA program experts, members of the U.S. agricultural community, and foreign government officials. Selected countries are markets where U.S. dairy exporters face subsidized competition from other suppliers.

The Food Security Act of 1985, which made the DEIP mandatory through fiscal 1988, required that exporters receive their subsidies, or bonuses, in the form of dairy products in the CCC stockpile. The program was amended by the Omnibus Trade and Competitiveness Act of 1988 to allow subsidies to be paid by issuing generic certificates. USDA revised the program in January 1990. The Food, Agriculture, Conservation, and Trade Act of 1990 extended the DEIP through December 31, 1995.

Since November 6, 1991 the DEIP bonuses have been paid in cash rather than commodity certificates because CCC stocks available for redemption have dwindled. USDA reserves the right to restrict the quantity of dairy products available under the DEIP in order to meet other mandates for CCC programs.

USDA follows four guidelines in selecting countries and commodities under the DEIP. The guidelines take into account effects on trade policy negotiations, U.S. dairy product exports, other exporting nations that do not subsidize dairy products and exports, and overall benefits of subsidies under the program.

All sales under DEIP are made by private exporters, not the government. Once an initiative is announced, it is up to dairy exporters to contact prospective buyers in eligible countries. After an exporter and a buyer come to a tentative agreement on prices, quantities, and other terms of a sale, the prospective exporter submits a bid to CCC requesting a subsidy—or bonus—to enable the sale to take place at the agreed-upon price. CCC reviews all bids, and has the right to reject any or all. The bonus is paid to the exporter, not the target country.

In 1992, 42 countries purchased dairy commodities under the DEIP. In 1993, 97 countries are eligible to purchase DEIP commodities, with Algeria and Mexico the leading markets.

farrowing have posted year-over-year increases. Producers' returns, which fell below total costs in the fall, remain above cash costs. Feed costs are expected to be slightly lower in 1993.

- Live hog futures for 1993 are trading in the low \$40's to low \$50's per cwt.
- December *Hogs and Pigs* report indicated that inventories increased a modest 4 percent.
- Farrowings were up 3 percent in September-November. In December, producers indicated plans to have 3 percent more sows farrow in December-February and 1 percent more in March-May.

Commercial pork production is projected to reach a record high.

- Based on the December market hog inventory and farrowing intentions, pork production is projected to reach 17.85 billion pounds in 1993—nearly 4 percent above the 1992 record.
- Forecast is slightly higher than earlier projections, with producers planning to have a larger-than-expected number of sows farrowing in March-May.

Abundant supplies of pork and competing meats are expected to exert downward pressure on producers' prices throughout the year. An improved economy and continuing growth in exports should help support prices. Retail pork prices are expected to be generally stable with seasonal variations. The abundant pork supply should provide retailers with many featuring opportunities throughout the year.

- Barrow and gilt prices in 1993 are expected to average about \$1 lower than 1992's \$43 per cwt.
- First- and fourth-quarter prices are projected to average in the low \$40's per cwt, while second- and third-quarter prices could average \$3-\$4 higher.
- Retail prices in 1993 will average near 1992's \$1.98 per pound.

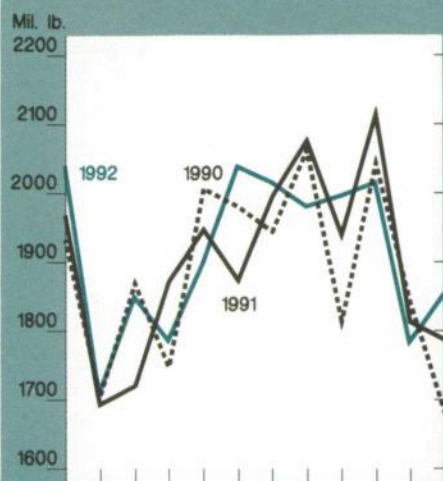
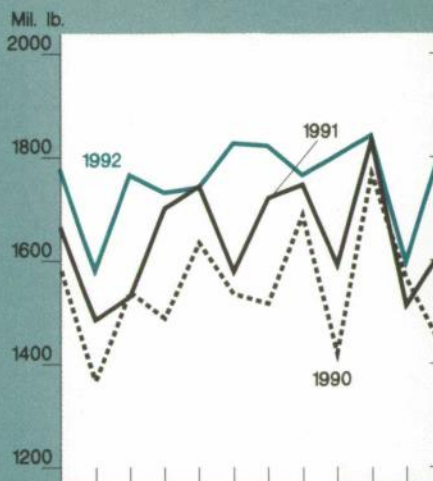
Pork Supplies Abundant

Hog inventories continue to expand as returns cover cash costs. Since the beginning of 1991, inventories and sows

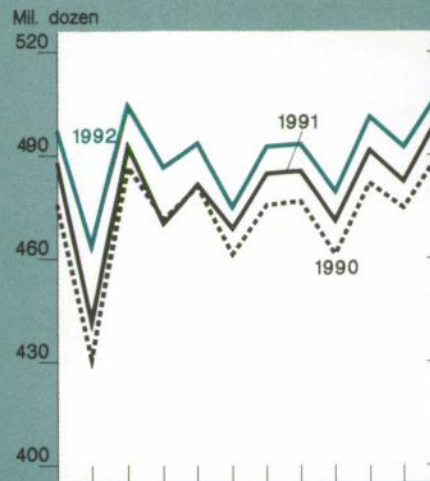
Livestock & Product Output

Commodity Overview

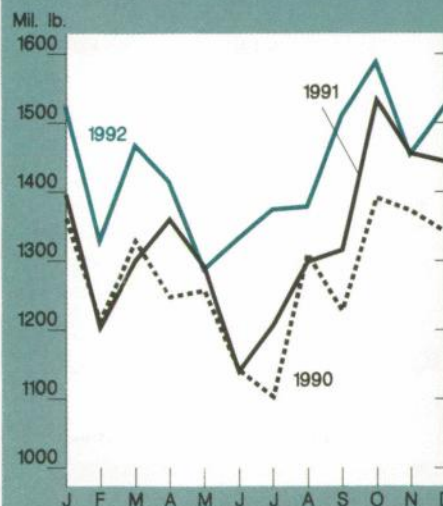
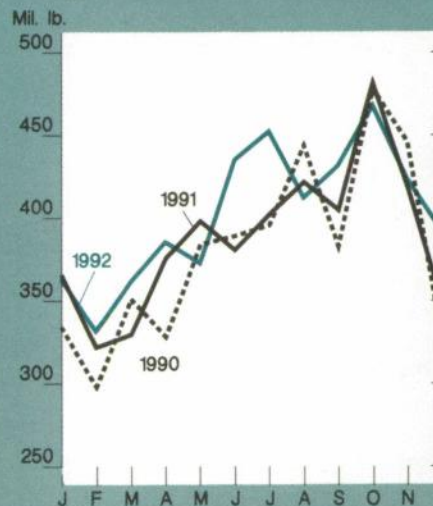
Commercial beef

Broilers¹

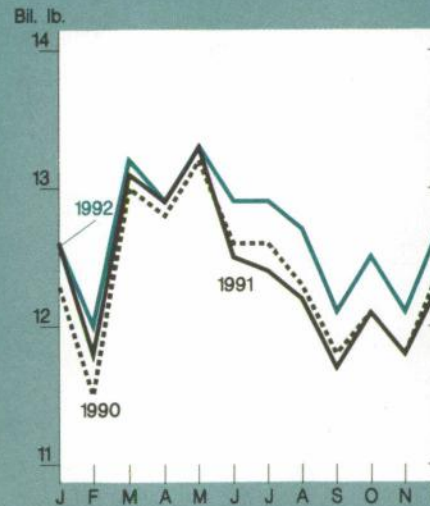
Eggs



Commercial pork

Turkeys¹

Milk



¹Federally inspected production, ready-to-cook.

Strong Demand Supports Broiler Prices

Positive net returns are encouraging broiler growth, continuing consecutive year-over-year production increases since 1974.

- Production will likely increase to nearly 22 billion pounds, a 4-percent rise in 1993 following a 6.6-percent increase in 1992.
- First-quarter 1993 production is expected to be 3-4 percent above first-quarter 1992.

- Weekly chick placements were up an average of 3 percent from November through January.

- Average live weights rose to 4.5 pounds in 1992.

While production is increasing, strong demand in both domestic and international markets is expected to keep broiler prices steady to slightly above last year.

- Wholesale prices for whole birds are expected to average 49-55 cents a pound in 1993, compared with 52.6 cents in 1992.

- First-quarter wholesale prices are expected to average 51-55 cents per pound compared with 50.2 cents in 1992.

- January's wholesale price was about 52 cents, compared with 50 cents a year earlier, driven mainly by stronger breast meat prices.

- Retail prices will likely rise slightly above a year earlier, to around 87 cents in the first quarter, reflecting slightly higher wholesale prices.

Attractive U.S. prices, especially for leg quarters, propel exports to record 1992 levels. Most major markets gained,

Commodity Overview

except for Japan, where U.S. market share declined; the former Soviet Union (FSU) declined due to lack of credit.

- Broiler exports were up about 18 percent in 1992 to a record 1.5 billion pounds. About 7 percent of broiler production was exported.
- Exports to Hong Kong increased 40 percent to 325 million pounds, as Hong Kong replaced Japan as the top export market. Exports to Mexico, Canada, and Jamaica also increased sharply.
- Sales of whole broilers under the Export Enhancement Program (EEP), mainly to the Middle East, totaled 38.3 million pounds in 1992 compared with 42.1 million in 1991.

Another U.S. broiler export record is expected in 1993. The level of sales to the FSU will continue to be influenced by availability of financing for purchases and by terms for repayment.

- Exports are forecast to rise to around 1.6 billion pounds.
- Exports to the FSU in 1993 are expected to recover, aided by USDA export credit guarantees or other assistance to Russia.
- The Pacific area, Mexico, and Canada will continue as major markets.
- EEP is continuing to support broiler exports in early 1993, mainly to the Middle East.

Low Turkey Prices To Continue

Turkey production increased moderately in 1992.

- Annual production rose 3.8 percent.
- Although only about 1.6 percent more turkeys were slaughtered, average weights were about 2 percent above year a earlier.

Increased product movement and improved returns in fourth-quarter 1992 make increases in turkey production likely in 1993. Lower feed costs are expected to continue. Expectations of continued growth in exports and an improved economy also provide support. Strong competition from pork is likely again in 1993.

- Output is expected to grow about 2 percent.
- Growers intend to raise about 2 percent more turkeys in 1993, according to a USDA survey of growers in major states.
- Based on last fall's poult placements, first-quarter production is expected to be about the same or slightly higher than a year earlier.

Competition for market share, particularly with large supplies of pork at relatively low prices, resulted in low turkey prices in 1992.

- Eastern region wholesale hen prices averaged 59.9 cents per pound, the lowest since the 1987 level of 57.8 cents.
- Turkey consumption per capita held steady at 18 pounds in 1992, contrasting with usual growth.

Continued sharp competition with pork as well as other meats, is expected to keep turkey prices low in 1993.

- Wholesale prices for Eastern region hens are likely to average around 57 cents in the first quarter.
- Prices for the year will average 58-64 cents, about the same as in 1992.
- With lower feed prices expected in 1993, net returns could improve slightly and average near breakeven for the year.

Stocks of turkey, at record levels during most of 1992, declined sharply in the fourth quarter.

- Stocks dropped to 277 million pounds on January 1, 1993, but were still about 5 percent above a year earlier.
- Heavier birds in the Thanksgiving whole-bird market probably facilitated the consumption increase that reduced stocks.

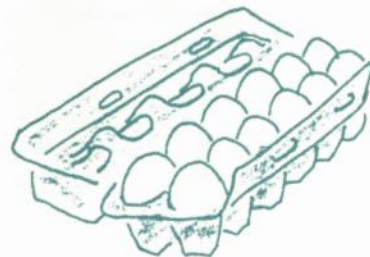
Turkey exports reached another record in 1992, aided by relatively low turkey meat prices.

- Exports totaled about 165 million pounds, 60 percent above 1991, and nearly 3.5 percent of production.
- Exports to Mexico, at about 60 percent of the total, were up sharply. South Korea accounted for about 10 percent, followed by the United Kingdom.
- Exports are expected to reach another record in 1993 as U.S. producers capitalize on the expanding world market for turkey.

Egg Prices Up in 1993

Total egg production is expected to match 1992 levels. Table-egg output is expected to be fractionally below 1992 levels.

- Total production in 1993 is expected at about 5.9 billion dozen, unchanged from 1992, which was the highest since 1988.



- The table-egg flock continues relatively high, at 236 million layers on January 1, only fractionally below a year earlier.

- Hatching-egg production will likely increase around 3 percent.

Reflecting expected lower per capita supplies, egg prices are likely to rise in 1993.

- Wholesale New York large egg prices will likely average 71-77 cents per dozen, 8-9 cents above 1992.
- Prices in the first quarter will average around 72 cents per dozen. The January price was 71.7 cents, compared with 66.6 cents a year earlier.
- Net returns improved in the second half of last year, and are expected to move higher in 1993, given expected stronger egg prices and lower feed costs.

Egg product use continues to grow, reflecting increases in food-service establishments.

- Product use will be 25-26 percent of the per capita egg consumption of 232 in 1993.
- Total use of shell eggs in the production of liquid, frozen, and dried egg products increased about 8 percent in 1992, to around 1.234 billion dozen.

Lower egg prices encouraged exports in 1992. Increased competition in the large Japanese market came from Japan's expanded domestic egg production, from subsidized EC egg products, and from Canada, Brazil, Thailand, and Israel. The Mexican government granted licenses for substantial imports when domestic egg prices increased in mid-1992.

- U.S. egg exports were strong, totaling about 157 million dozen equivalent, valued at \$150 million.

- Exports of egg products were little changed, at about 72 million dozen equivalent in 1992, accounting for about 37 percent of the total value of egg exports.

- Japan continued to be the largest market, taking about 25 percent of total value, mostly as egg products.

- Hatching-egg exports, while declining, still made up about 33 percent of U.S. egg export value. About one-third went to Canada.

- Table eggs, representing about 30 percent of egg export value, were estimated as slightly higher than in 1991. Sales to Canada, where production is restrained by quotas, were about steady, but exports increased to the Middle East and to Mexico.

- Exports were aided by increased sales of table eggs to Hong Kong and the Middle East through the EEP. Table-egg sales under EEP increased to 38.3 million dozen, compared with 18.3 million dozen in 1991.

Competitive U.S. prices and EEP sales are expected to contribute to steady egg exports in 1993.

- Total exports are forecast at around 157 million dozen equivalent.
- Exports of egg products to Japan are expected to increase, as the U.S. maintains its lead in supplying egg products to Japan. Exports to Canada should hold steady.
- Hong Kong is expected to continue to be a big market for U.S. table eggs, but China remains its largest supplier.

For further information, contact:
Richard Stillman and Agnes Perez, coordinators; Steve Reed, cattle; Leland Southard, hogs; Lee Christensen and Larry Witucki, poultry; Jim Miller and Sara Short, dairy. All are at (202) 219-1285. **AO**

Specialty Crops Overview

Orange Juice Prices Head Down

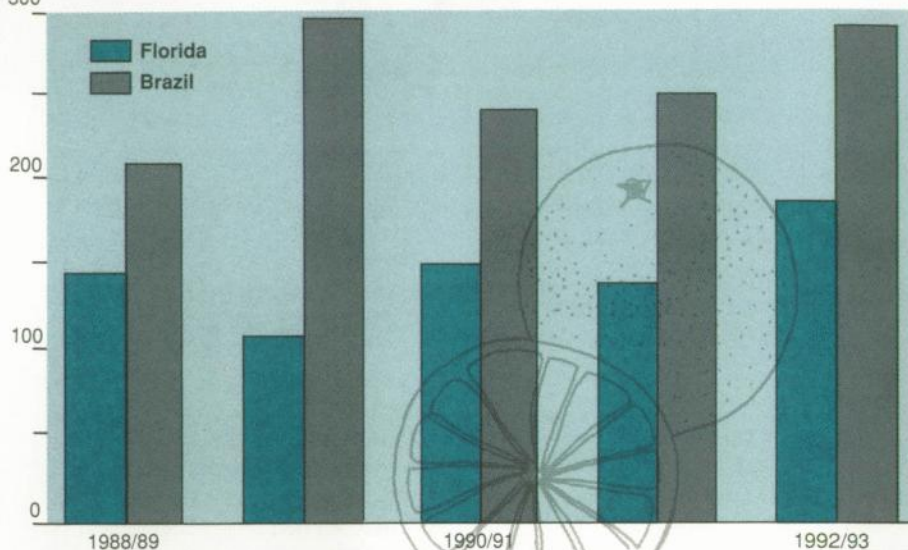
Large orange crops in Florida and Brazil in 1992/93 are pushing down orange juice prices. The Florida crop is expected to escape damage by cold temperatures. Some 90 percent of the Florida crop is usually processed into juice. Brazil supplies 80 percent of world orange juice exports. Sao Paulo accounts for 84 percent of Brazilian orange production and processes about 86 percent into juice. The U.S. is a major importer, but imports are expected to decline this season.

- Near-term futures prices for frozen concentrate fell as low as 67 cents per pound of solids in February from \$1.42 a year earlier. Near-term futures prices fell 32 cents between October and February.
- USDA forecasts the Florida crop at 188 million boxes—1 percent above the estimate made in October.
- In January, USDA raised its forecast for the Sao Paulo, Brazil commercial orange crop from 275 to 290 million boxes for the 1991/92 USDA crop year (Brazil's 1992 harvest).
- Brazil's 1992 orange juice production is estimated at 1.04 million metric tons (65 degrees Brix)—up 10 percent from 1991.
- U.S. orange juice consumption is expected to rise in 1993 because of lower prices.

Commodity Overview

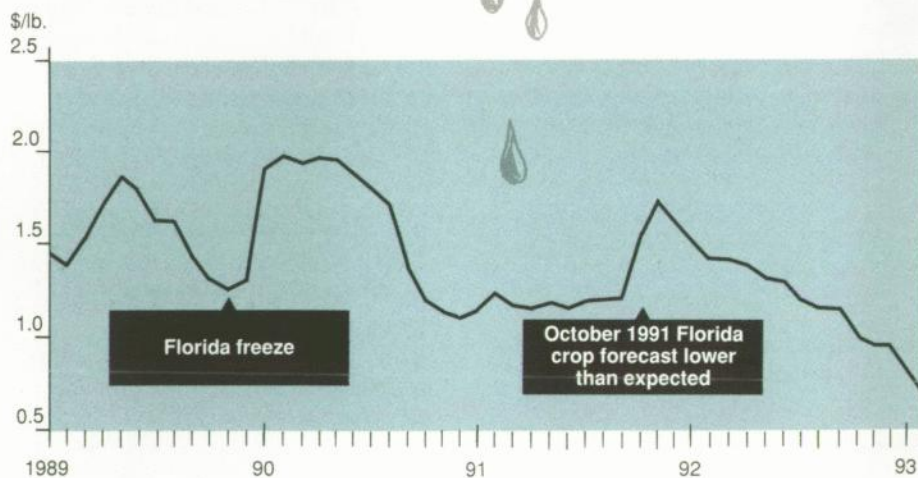
Larger Orange Crops in Florida and Brazil . . .

Mil. boxes
300



Sao Paulo, Brazil production; accounts for 84 percent of Brazilian orange crop. 1992/93 forecast.

...Squeeze Orange Juice Prices



Near-term futures contract price per pound solids.

Fresh Citrus Supplies Higher

A large California crop means larger supplies of fresh oranges in 1992/93. California provides nearly 80 percent of U.S. fresh-market oranges. California navels are grown for the fresh market, with only about 25 percent being processed.

- California's all-orange crop is up 8 percent from 1991/92.

- Navel orange crop in California is forecast 34 percent higher than last year, while Valencia production is expected to drop 19 percent.
- Marketing order restrictions on weekly shipments of navel oranges for fresh domestic use were discontinued on January 1, 1993.

- California's export volume as of early February was running almost even with a year earlier.

Fresh-market orange prices are lower than a year ago.

- Shipping-point prices for fresh oranges in California through January 1993 were 25 percent below a year earlier.
- Navel orange retail prices in December 1992 averaged 51.6 cents per pound—down 21 percent from December 1991.

Near-record grapefruit production in Florida will boost U.S. output in 1992/93. Texas expects its first substantial crop since the December 1989 freeze wiped out production. In recent non-freeze years, Florida has accounted for 80-85 percent of U.S. production, California 10-15 percent, with Arizona and Texas supplying the balance. Grapefruit prices are under pressure.

- U.S. grapefruit production is forecast up 25 percent in 1992/93.
- Florida's production is forecast 27 percent higher than last year.
- Forecast production in Texas is 1.3 million boxes—about 25 percent of the pre-freeze level.
- January shipping point prices for fresh Florida grapefruit were 10-25 percent below a year earlier.
- December retail prices averaged 52.4 cents per pound—1 percent below a year ago.

Lower domestic prices and bountiful Florida supplies should expand grapefruit exports. A late crop has held early-season exports below a year ago, but exports should pick up as the season progresses.

- Exports are expected to increase in 1992/93 despite the slow start this season.

Navel Orange Marketing Order Restrictions Lifted

On December 29, 1992, a Federal District Court upheld a USDA decision not to approve regulation of the weekly sales volume of fresh navel oranges from California and Arizona for the remainder of the 1992/93 season. The Secretary of Agriculture had announced on December 14 an intention to discontinue Federal marketing order volume restrictions, or "prorates," for the remainder of the 1992/93 marketing season (November-April). But a temporary restraining order delayed implementation of the Secretary's decision until the District Court ruling. Regulation was suspended beginning January 1, 1993.

Federal marketing orders are authorized under the Agricultural Marketing Agreement Act of 1937 and subsequent amendments to the act. The prorate under the California-Arizona navel orange marketing order regulates the amount of oranges that shippers (also called handlers) may sell each week in the domestic fresh market, which is defined to include Canada. Each handler's share of the industry district prorate is proportional to the share of industry production under the handler's control in his or her production district. Export sales and sales to processors are not regulated.

The December suspension drew particular attention largely because of its timing, coming relatively early in the marketing season. Suspension of the prorate usually occurs near the end of the season. In all but two marketing seasons in the past, at least 75 percent of the California and Arizona navel orange crop had been harvested before volume regulations were discontinued for the season.

Restrictions were suspended in 1984/85 after 52 percent of the orange crop had been harvested, and in 1991/92 when 37 percent had been harvested. By contrast, only 26 percent of the crop was harvested at the time of the January 1, 1993 suspension—the earliest point in the season since the marketing order was established in 1953.

Secretary of Agriculture Reviews Regulation

Marketing orders are initiated by the industry and approved by growers through a voting process. The provisions of each marketing order are conceived by industry representatives, and upon being approved by the Secretary of Agriculture are administered by the Navel Orange Administrative Committee (NOAC), made up of a group of growers and handlers.

Prior to the beginning of each marketing season, the NOAC prepares a marketing policy statement that includes a proposed marketing plan based on estimated crop size and conditions and prospective consumer demand. NOAC can recommend to the Secretary of Agriculture that volume restrictions be implemented. Based on supply and demand estimates, a tentative shipping schedule is developed for the season and published in the *Federal Register* for public comment.

During the season, NOAC meets each Tuesday to decide on the quantity of oranges to recommend for shipment to the domestic fresh market during the week beginning on the following Friday. The Secretary evaluates the Committee's recommended volume of shipments and, based on the review,

can approve the Committee's recommendation, change volumes recommended, or not approve volume restrictions. Once the Secretary approves a quantity, each handler is legally bound, subject to adjustments, to ship no more than its share of the prorated amount.

Proponents argue that prorates prevent market gluts that unduly lower grower prices. They also claim that consumers benefit from greater within-season stability in volume and prices than in an unregulated market. Opponents argue that volume restrictions are an interference with freedom in individual decision making. They argue that the restrictions do not take quality into consideration since growers and handlers with low-quality produce are given the same access to the regulated market as those with high-quality produce. Opponents also argue that volume restrictions artificially inflate orange prices.

A federal marketing order for California and Arizona Valencia oranges also provides for weekly volume restrictions, but these have not been used in the past six seasons. There are no prorate regulations on fresh oranges from Florida and Texas.

In 1991/92, there were over 116,000 bearing acres of navel oranges in California and Arizona, and about 3,900 growers and 150 handlers. The farm value of the crop delivered to the packing houses was almost \$350 million. California and Arizona navel oranges accounted for nearly 75 percent of the total U.S. fresh utilization including exports of early, midseason and navel oranges in 1991/92.

[Boyd Buxton and Glenn Zepp (202) 219-0883]

- The U.S. is the major grapefruit exporting country, selling nearly 30 percent of its fresh use to foreign buyers.

Prices of lemons are expected to be lower in 1992/93. Price gains are not likely to be as strong as usual this spring. The lime crop was damaged by Hurri-

cane Andrew, but imports of Mexican limes are expected to dampen price hikes.

- The lemon crop is 15 percent larger than last year.

Commodity Overview

Winter Fresh Market Vegetable Acreage Is Up 2 Percent

	Harvested area		Percent change
	1992	1993	
	1,000 acres		
Snap beans	8.2	10.9	33
Broccoli*	27.0	26.0	-4
Cabbage	9.4	9.0	-4
Carrots*	26.2	27.7	6
Cauliflower*	10.0	10.5	5
Celery*	7.9	7.9	0
Sweet corn	4.0	5.3	33
Eggplant	0.8	0.5	-37
Escarole/endive	1.5	1.3	-13
Head lettuce	67.6	66.3	-2
Bell peppers*	4.4	4.5	2
Tomatoes	17.1	18.0	5
Total	184.1	187.9	2

*Includes fresh market and processing.

- F.o.b prices for California-Arizona lemons averaged \$11.40 per 38-pound carton through January—down from \$14.66 a year earlier.
- Imports of limes are expected to account for nearly 80 percent of total U.S. fresh market supply in 1992/93.

Flue-cured tobacco prices were stable in 1992/93 despite higher supports, because of larger marketings and beginning stocks, and weaker demand.

- U.S.-grown flue-cured supplies total about 2.1 billion pounds—about 1 percent higher than a year before.
- Growers' prices for flue-cured tobacco averaged \$1.728 per pound—up only 0.3 cents.
- The 1993 flue-cured basic quota at 892 million pounds is unchanged from 1992.

U.S. cigarette production was likely down in 1992 as export growth probably failed to offset the drop in domestic consumption. Growing foreign demand, larger supplies, and a weak U.S. dollar are boosting exports of unmanufactured U.S. tobacco. American tobacco is blended into foreign-made cigarettes.

- Exports likely set a record 200 billion cigarettes in 1992.
- Domestic cigarette consumption declined about 2 percent.
- Tobacco leaf exports rose about 15 percent, and are expected to increase slightly in 1993.

Burley Tobacco Prices Higher

Burley tobacco beginning stocks and estimated marketings for 1992/93 are higher than a year earlier.

- U.S.-grown burley tobacco supply is estimated at 1.5 billion pounds—up 4 percent.
- Marketings included 7-8 million pounds of 1991-crop tobacco that was unsold because of insufficient quota.
- Auction prices for burley average \$1.82 a pound, 3 cents above last year.
- The basic burley quota was reduced 10 percent to 603 million pounds for 1993. Burley supports have not been set.

Fresh Vegetable Winter Acreage Up

Supplies of major vegetables are expected to be ample in 1993 despite heavy rains in Florida and California. U.S. prices soared last winter as volume from Mexico was disrupted by torrential rains. Mexican growers reportedly are expecting to ship near-normal volume this season.

- U.S. winter fresh vegetable acreage is up 2 percent.
- First-quarter prices at all levels of the marketing chain are expected to average at or below those of a year earlier.

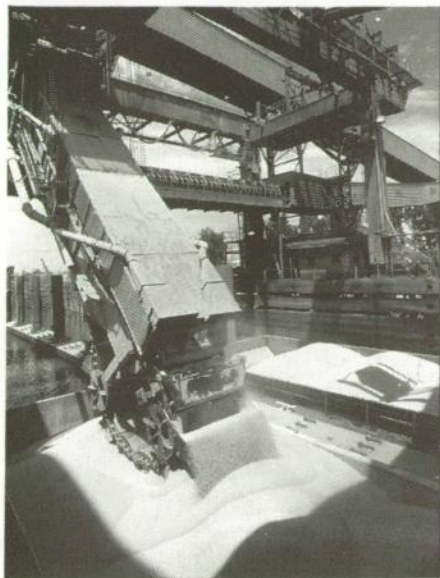
[Glenn Zepp and Boyd Buxton (202) 219-0883]

For further information, contact:

Dennis Shields and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco; David Harvey, aquaculture; Lewrene Glaser, industrial crops. All are at (202) 219-0883. **AO**



Commodity Spotlight



Courtesy Port of New Orleans

While oats planted acres in the U.S. continued to decline in 1992, the decline in harvested acres may be leveling off. Nongrain uses for oats include forage, pasture, conservation, and as a companion crop. In recent years, oats have been planted on ARP acres as a cover crop but not permitted to be harvested for grain. As the number of ARP acres has fallen, the number of oats acres planted has fallen as well. Oats were harvested for grain from 4.5 million acres in 1992, down only modestly from 1991.

The foremost reason for recent declines in harvested acreage is low net returns for oats compared with other grains. Program participants expected oats returns to be around \$35 per acre over variable

costs. If they planted wheat or barley on oats land, expected returns would have been about \$20 per acre higher. This difference has caused farmers to switch oats acres to other crops.

Participation in government price and income support programs for oats has been low. In 1990/91, only 9 percent of the eligible oats base was enrolled. In crop years 1991 and 1992, the oats participation rate rose to 38 and 40 percent, the highest since the 45-percent rate reached in 1987. Factors contributing to the rise include expected deficiency payments, a 0-percent acreage reduction program (ARP) requirement, and the opportunity to shift acreage out of oats under the flex acreage provisions.

U.S. Marks 10th Year As Top Oats Importer

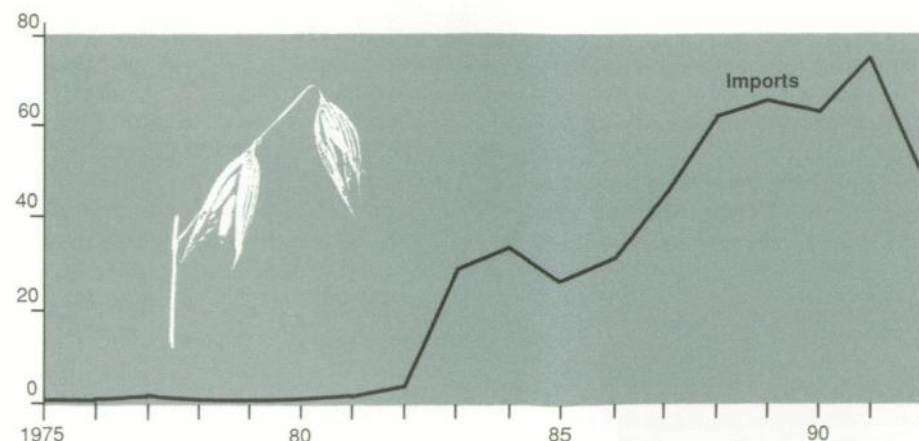
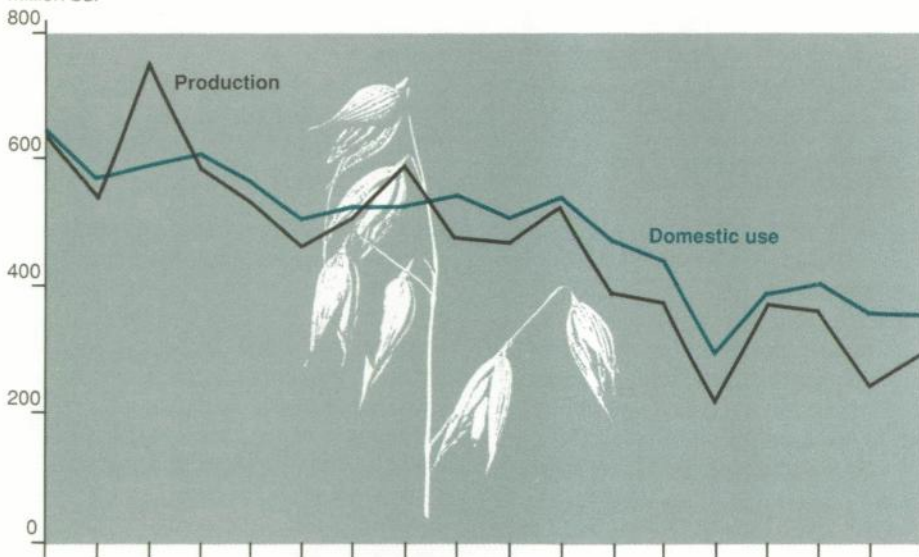
Once a major producer and exporter of oats, the U.S. has become the world's largest importer. A decline in domestic oats supplies, combined with greater demand for high-quality oats for food and feed uses, accounted for the shift. A net exporter until 1982, the U.S. in 1991/92 imported the equivalent of nearly 10 percent of total domestic supplies, amounting to about 12 percent of total use. Sweden, Finland, and Canada have together supplied the U.S. with about 70 million bushels annually since 1989/90.

U.S. Oats Acreage Trends Downward

Since 1950, both planted and harvested acres of U.S. oats have declined steadily. While yields have increased, oats production has fallen from a high of 1.5 billion bushels in 1955 to an estimated 295 million bushels in 1992. Oats were planted on more than 47 million acres during 1955, compared with only 8 million in 1992.

U.S. Oats Imports Increase As Domestic Output Falls

Million bu.



Commodity Spotlight

U.S. Has Reversed Its Role in Global Oats Trade

	1970-74	1975-79	1980-84	1985-89	1990-92
<i>Percent of total</i>					
Major exporters					
U.S.	21.9	8.7	3.0	0.7	1.3
Canada	5.7	13.4	5.1	23.6	21.2
Australia	18.3	25.6	16.7	13.7	11.3
Sweden	15.9	10.6	24.7	19.1	19.7
Finland	4.9	2.0	10.7	10.5	20.8
Argentina	8.5	11.7	7.0	7.8	5.8
Others	24.7	28.0	32.8	24.6	20.1
<i>1,000 metric tons</i>					
Total exports	1,659	1,451	1,336	1,706	1,733
<i>Percent of total</i>					
Major importers					
FSU	10.0	8.9	5.3	10.5	2.3
Japan	10.0	12.4	10.1	5.4	5.9
Italy	10.6	8.8	7.8	4.7	3.4
Belgium/Luxembourg	3.9	5.4	5.0	3.4	3.6
Netherlands	4.3	3.1	3.4	3.7	3.0
Switzerland	10.2	10.9	11.6	6.0	4.5
U.S.	1.2	1.1	18.0	44.7	60.6
Others	49.6	49.5	38.8	21.5	16.7
<i>1,000 metric tons</i>					
Total imports	1,651	1,352	1,122	1,522	1,422

Data include intra-EC trade. World exports and imports do not balance due to differences in marketing years, grain in transit, and reporting discrepancies in some countries.

Nonetheless, oats participation in 1992/93 is just over half the rate for all other feed grains.

U.S. livestock feeders now rely less on oats than on other feed grains. Feed and residual use of oats throughout the 1950's averaged over 1 billion bushels annually. During the 1980's, the figure fell to around 400 million, and in 1992/93, only 230 million bushels are projected for feed and residual use.

Feed Use Declines As Food Use Grows

Oats use has declined steadily for many years, and throughout the 1970's, domestic supplies were more than enough to meet demand. Further, oats have typically had difficulty competing with other feed grains.

Heightened feeding efficiencies in livestock production have resulted in a switch away from oats. With a lower energy content, oats are not as efficient as

corn for finishing or fattening animals. Oilseed meals and grain-byproduct feeds are more economical sources of protein. A combination of corn for energy and soybean meal for protein has replaced most other livestock feeds, including oats, in the typical animal ration. With abundant supplies of corn, oilseed meals, and byproduct feeds, U.S. demand for oats as a livestock feed has fallen dramatically. Use of high-quality oats by the U.S. racehorse industry has offset this decline somewhat.

Food uses of oats began to soar in 1987 following news reports that oat bran reduced serum cholesterol. In that year, oats consumed as food amounted to almost 50 million bushels. By the beginning of the 1990's, food use in the U.S. exceeded 100 million bushels annually for the first time. While food use has continued to climb, it is showing signs of leveling off.

U.S. Metamorphosis: Exporter to #1 Importer

For many years, the U.S. ranked among the world's largest oats exporters. U.S. sales abroad peaked in 1973 at 57 million bushels, over 40 percent of the world total. However, in 1982, the U.S. switched from net exporter to net importer, and since 1983/84 has been the world's largest importer.

The long decline in domestic production, the low test weights for some domestically grown oats, the nonwhite color of U.S. oats, as well as subsidized exports from other countries, helped keep U.S. oats off world markets. The first year for large imports occurred in the 1983/84 drought year, when about 30 million bushels entered the country. By 1991/92, imports reached an estimated 75 million bushels. These imports were the largest on record and accounted for about two-thirds of world trade.

Most of the oats imported into the U.S. in recent years have come from Sweden, Finland, and Canada. Small shipments have been imported from Norway and Poland. Although the proximity of Canada generally constitutes an economic advantage over trade with Sweden and Finland, Scandinavian oats offer desired characteristics in color, test weight, and milling capabilities.

In 1991/92, Sweden and Finland together exported about 60 million bushels to the U.S. But the costs of maintaining exportable supplies, and continued use of export subsidies, have taken a toll in Sweden and Finland. Both have tried to scale back production of many agricultural commodities, including oats.

World Supplies Tightening

Exportable supplies of Scandinavian oats have fallen dramatically in 1992/93, because of drought. During the summer of 1992, Scandinavia experienced higher-than-normal temperatures and lower rainfall. As a result, Finland's oats yields for 1992 are forecast at 3.02 tons per hectare, down from the 1991 record of 3.37

Commodity Spotlight

tons, and in Sweden, estimated yields fell to only 2.41 tons per hectare (down from 1991's near-record 4.13 tons).

Also in 1992, harvested oats acreage in Finland was below 1990's level by 120,000 hectares (27 percent). The harvested area in Sweden has held steady for about 3 years at about 350,000 hectares, but is about 70,000 hectares (17 percent) below 1989.

Canadian yields in 1992 are forecast to improve somewhat to reach 2.28 tons per hectare, and production is expected to rebound by more than 50 percent from the reduced level of a year earlier. Canadian exports in 1992/93 are projected at 650,000 tons, almost three times the level of 1991/92. Nonetheless, the 1992/93 level is likely to fall well short of 1988/89 and 1989/90 shipments of 700,000 and 728,000 tons.

U.S. oats imports are projected down in 1992/93, as a result of decreased exportable supplies from Sweden and Finland, uncertain availability of quality Canadian oats, and a larger U.S. crop. Imports are projected at 50 million bushels, compared with 75 million the previous year. The U.S., taking around three-fifths of all global oats imports forecast for 1992/93, will continue to account for the major world market share, although its import level will likely drop significantly.

The U.S. has been the major oats importing country for 10 years largely because of competitively priced foreign exportable supplies, foreign subsidies and, at times, relatively high domestic prices. If the Scandinavian countries are successful in curtailing oats production and in removing export subsidies, Canada will probably fill some of the gap. But it is unlikely that the U.S. will reach the 1991/92 level of imports in the near future. More important, if the level of foreign exportable supplies declines significantly, oats supplies and use in the U.S. are likely to fall out of balance. In the absence of a new and much higher equilibrium price in U.S. markets, adjustments that lead either to increase domestic production or decreased domestic use will become necessary.

[Jim Cole and Linwood Hoffman (202) 219-0840] **AO**

Farm Finance



Farm Credit Is Ample

Farm income and asset values are expected to be strong enough to support moderate increases in debt levels in 1993. Funds for agricultural lending will be more than adequate, and farmers with sufficient collateral and income should have little trouble getting loans.

Nonetheless, both borrowers and lenders will be slow to generate new debt. Producers will continue to be cautious in taking on new debt, and lenders will carefully scrutinize the creditworthiness of borrowers. In a more vigilant regulatory environment, commercial banks are watching collateral requirements and placing greater emphasis on borrowers' ability to repay loans from current income.

Commercial banks, the source of about 40 percent of farm loans, will continue to be the largest supplier of agricultural credit. Those that lend to agriculture have loan-to-deposit ratios well below historic highs, which puts them in a good position to meet increased credit demand. The loan-to-deposit ratio inched up to 58.1 percent in the year ending September 30, 1992, but is far below the high of 68.2 percent recorded in 1968. Bankers

report that actual loan-to-deposit ratios are below desired levels.

The Farm Credit System (FCS), which makes about 25 percent of farm loans, is offering competitive interest rates and credit arrangements in an effort to enhance loan quality and expand market share. Competition to attract quality farm loans continues to be especially keen in many regions between FCS and commercial banks.

The availability of direct Farmers' Home Administration (FmHA) operating loans, which are made to family-sized farms unable to obtain credit elsewhere, is expected to be sufficient in fiscal 1993. Although FmHA's direct lending authority will decline, it is expected to remain well above actual lending. FmHA's operating loan authority, which is used for inputs such as seed, fertilizer, and chemicals, will be \$825 million, down 2.9 percent from fiscal 1992. FmHA's farm ownership authority, which covers farm mortgage borrowing, will be \$66.75 million, unchanged from 1992.

The extent of FmHA's authority to guarantee loans by commercial and cooperative lenders is expected to be sufficient in 1993, despite a decline of 9.8 percent. Only 92.5 percent and 55.9 percent of the ownership and operating 1992 credit lines were used. In 1992 a total of about \$1.57 billion of the overall \$2.48 billion of FmHA guaranteed loan authority was used. In 1993, \$2.24 billion will be available, and demand for loan guarantees is not expected to differ greatly from 1992.

Keen competition will likely continue among lenders for high-quality farm loans, and interest rates are expected to remain low. Farmers who are good credit risks and who can demonstrate adequate cash flow will have no difficulty in acquiring credit in 1993.

Farm Debt To Grow Slightly

Interest rates on farm loans declined in 1992 among the major agricultural lenders. Rates on new farm real estate loans declined about 90 basis points while those on new nonreal estate farm loans

Farm Finance

How Was Debt Capacity Estimated?

Debt capacity, the amount of money a farm business could borrow, depends on interest rates, repayment schedules, and the amount of income available to repay debt interest and principal. For the farm sector as a whole, income available to repay debt was approximated by net cash income from farm businesses. Aggregate off-farm income, living expenses, and income taxes were assumed to offset one another, and were excluded in the analysis presented here.

Debt capacity was assessed by applying a debt coverage ratio often used by agricultural lenders that debt repayments should not exceed 80 percent of available income. A ratio of maximum supportable debt-assets is derived by dividing estimated debt capacity by actual asset values.

declined about 190 basis points from 1991. The average interest rate on all outstanding farm debt declined from 11.01 percent in 1982, its highest level since 1960, to an estimated 9.26 percent in 1992. Interest rates on new farm loans are expected to increase modestly throughout 1993, particularly for nonreal estate loans.

Farm debt is expected to increase 1-2 percent in 1993, following increases of 1.4 and 0.7 percent in 1991 and 1992. The volume of outstanding loans from commercial banks gained \$2 billion, or 3.9 percent, in 1992. The FCS reported \$52.4 billion in total program loans outstanding on September 30, 1992, 1.8 percent above a year earlier.

FmHA direct lending rose 12.4 percent in 1992, but with weak demand for its loan guarantees, total FmHA lending decreased 10.6 percent. FmHA's total farm loans outstanding at the end of the year amounted to 44.6 percent (\$10.9 billion) below the volume reported during the financial crisis of the mid-1980's. Lending by life insurance companies, which

in 1992 was 22.1 percent below its 1981 peak, is expected to be unchanged in 1993.

Farm real estate lending by commercial banks rose 6.3 percent in 1992, its 10th consecutive annual increase. The increase is due partly to continued stringent loan collateral requirements implemented during the farm financial crisis of the mid-1980's. More loans are now required to be secured by real estate, and the use of revolving lines of credit backed by real estate has increased.

FCS long-term real estate loans outstanding decreased 1.5 percent during the year ending September 30, 1992, reflecting a roughly stable demand for mortgage credit. FmHA made direct operating loans during fiscal 1992 of \$570.7 million, up 16.5 percent from fiscal 1991. Total FmHA direct obligations (operating, ownership, and emergency) increased 12.4 percent in 1992 from 1991 to \$712.2 million.

Essentially stable nominal farmland values will support growth in farm real estate debt. U.S. farmland values increased 1 percent in 1991, rose an estimated 1-2 percent in 1992, and are expected to increase about 2 percent in 1993. Al-

though inflation has exceeded gains in farmland values, the overall stability of land values and healthy cash income have lessened lenders' concerns about the erosion of collateral values.

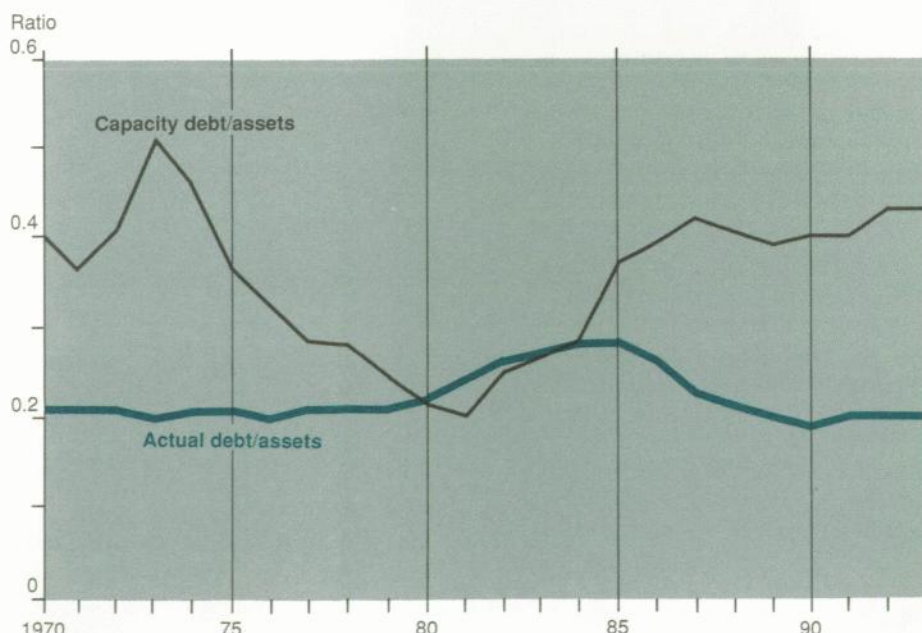
Demand for nonreal estate loans should remain moderate in 1993. Farmers are expected to spend between \$144 and \$148 billion in 1993 for agricultural inputs, an increase of 1-2 percent from the estimated 1992 level. While planted acreage of major crops may decline slightly in 1993 and reduce the use of most crop inputs, total input expenses will likely remain stable or increase slightly, due to higher prices for manufactured inputs.

Farmers continue to be cautious in non-real estate expenditures. Sales of farm machinery and equipment are sluggish despite lower interest rates and generally good harvests. Farmers appear to be purchasing new machinery less frequently.

Credit Tight For Some Borrowers

Credit is available on competitive terms for qualified borrowers. However, according to a study by the U.S. General Accounting Office (GAO), loan stan-

Farm Debt Is Only About Half What Farmers Could Support



1993 projected.

Farm Finance

dards remain stringent because of ongoing problems in the banking and savings and loan industries, and rural banks' losses during the mid-1980's farm financial crisis. Beginning and marginal farmers, those growing alternative crops, and others considered to be high credit risks may face special difficulties in obtaining credit. The availability of credit for minority farmers is a concern expressed by state officials and in several studies involving farm credit.

To obtain a commercial loan, a new farmer must have a substantial amount of equity because of high startup costs and risk associated with farming. Beginning farmers often lack the required equity to obtain credit.

The GAO looked at agricultural credit in Kansas, Mississippi, Montana, and Virginia. Lenders told GAO that financing 100 percent of a beginning farming operation would be extremely risky. To address the problem, some states have established programs to aid beginning farmers. In October 1992, Congress passed legislation requiring FmHA to provide credit assistance to beginning farmers and ranchers. FmHA is expected to put out proposed regulations this spring for implementing the program.

Farmers Can Support More Debt

Farm operators have the ability to carry additional debt. Despite the gradual erosion of real farm equity, farmers are expected to have adequate net cash income to meet their credit obligations and to support additional farm debt.

Historical evidence suggests that the actual level of debt in the farm sector is far below what could be supported. Since 1970, the maximum level of debt that could have been supported by farm businesses, relative to asset values, exceeded the actual debt-to-asset ratio in the farm sector in every year except 1980-82. Farm operators rapidly exhausted their debt repayment capacity during the late 1970's. By 1980-82, when interest rates continued to be high and asset values dropped, farm operators found themselves saddled with excessive debt.

During the remainder of the 1980's, farm debt was restructured, and as incomes recovered, debt was retired. Incomes in the mid- to late 1980's could have supported higher levels of debt, but as land values declined and heavily indebted farmers experienced loan repayment problems, lenders were reluctant to extend farm credit.

Total farm sector debt is about half of what could be repaid from current income. Debt could likely rise by about 20 percent without producing an uncomfortably high debt-to-asset ratio for the sector. This is not to suggest that farmers should again dramatically expand their borrowing: prudent borrowing depends on accurate expectations of the future profitability of farming activities. The gap between maximum supportable debt and actual debt does, however, indicate that the farm sector has the capability to tap its growing credit reserves.

[Jerome M. Stam, James T. Ryan, and George B. Wallace (202) 219-0892]. AO

March Releases from USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. Eastern time on the dates shown.

March

- 3 Broiler Hatchery
Egg Products
Poultry Slaughter
- 4 Dairy Products
- 10 Broiler Hatchery
Crop Production
- 11 Potato Stocks
- 12 Livestock Slaughter, Annual
Turkey Hatchery
- 15 Milk Production
- 17 Broiler Hatchery
- 18 Agricultural Chemical
Usage-Field Crops
- 19 Cattle on Feed
Livestock Slaughter
- 22 Catfish Processing
Cold Storage
Cotton Ginnings
- 23 Eggs, Chickens, & Turkeys
Sheep & Lambs on Feed
- 24 Broiler Hatchery
- 25 Hop Stocks
- 26 Hogs & Pigs
- 29 Peanut Stocks & Processing
- 30 Agricultural Prices
Wool & Mohair
- 31 Broiler Hatchery
Grain Stocks
Prospective Plantings
Rice Stocks

Policy



Tax Policy Options & the Farm Sector

Stimulating job growth and generating more investment to compete in an increasingly interdependent world economy are major challenges facing the U.S. economy. Two options for using the tax code to address these challenges could have considerable impact on the agricultural sector.

One option aims to create more jobs through an investment tax credit for capital purchases such as machinery and equipment. A second option is to reinstate some form of preferential tax treatment of capital gains to encourage the formation and expansion of businesses.

Both measures have been part of the tax code at various times, and both were among the many tax preferences eliminated in the Tax Reform Act of 1986, which also lowered overall rates.

Tax Policies Past

Investments in depreciable capital have at times been eligible for an investment tax credit of 7-10 percent. For farmers, eligible assets have included machinery

Policy

and equipment as well as certain live-stock and farm structures. The Federal income tax code historically has also contained some form of preferential treatment for gains generated from the sale of capital assets. Between 1922 and 1986, as much as 60 percent of the gains from the sale of long-term capital assets could be excluded from taxable income. Preferential treatment for capital gains has covered income from the sale of farmland and of breeding and dairy livestock.

The Tax Reform Act of 1986 repealed the 60-percent income exclusion for long-term gains while capping the maximum tax rate on realized capital gains at 28 percent, providing a 3-percentage-point tax rate benefit to individuals subject to the maximum Federal marginal income tax rate (31 percent). The repeal of the 60-percent exclusion for long-term capital gains resulted in a substantial increase in Federal income tax liabilities for farmers, especially livestock farmers.

Both an investment tax credit and a lower tax rate on capital gains, if applicable to assets used in farming, could increase agricultural output. The increased rate of return on farmland would be capitalized into land values, increasing farmland prices.

Investment Tax Credit: Effective but Costly

An investment tax credit has the effect of substantially reducing the cost of eligible capital assets. Research examining the impact of tax policies on investment in agricultural equipment over the 1956-78 period concluded that over 20 percent of net investment was attributable to tax policies. A USDA study of the repeal of the investment tax credit and other policies affecting the cost of capital contained in the Tax Reform Act of 1986 estimated that the stock of farm machinery and equipment would be 25 percent (\$4 million) less than under pre-1986 law. The repeal of the investment tax credit accounted for approximately 89 percent of the projected decline.

Tax Options in Brief

An investment tax credit allows a taxpayer to subtract a specific amount spent on capital purchases from his or her tax liability. For example, if a farmer purchases a \$30,000 tractor and it is covered by a 10-percent investment tax credit, he or she could subtract \$3,000 from the year's tax liability. In effect, the government would pay 10 percent of the purchase price of the machinery or equipment, providing a powerful purchase incentive.

Capital gains are increases in the values of capital assets, such as stocks in a corporation or farmland. Capital gains are "realized" and taxed when the assets are sold. Preferential treatment of capital gains means the income from asset sales is taxed at a rate lower than other income, or that part of the gain is excluded from income. Under the current Federal tax code, the full amount of the gain on the sale of a capital asset is taxed at ordinary income tax rates but is subject to a maximum rate of 28 percent. With a capital gains exclusion, the tax code would encourage more investment in capital assets.

For many farmers, the investment tax credit substantially reduced Federal income tax liability. For example, in 1982, about half of all farmers were eligible for an average tax credit of approximately \$1,400 per year. The benefit to large farms was even greater, with nearly 85 percent of farms with gross receipts over \$250,000 eligible for an investment tax credit on average of over \$10,000.

While an investment tax credit is an effective policy tool for stimulating investment, it tends to favor certain forms of economic activity over others and to discriminate among firms within an industry. Investment decisions may be distorted by encouraging investments in assets or activities eligible for the credit rather than in those that would produce a greater economic return in the absence of such a credit.

The tax credit, by lowering the cost of capital purchases, benefits farm machinery dealers and other input suppliers. It expands the production capacity of the farm sector and induces productivity growth. This can result in lower commodity prices and increased costs to government for some farm programs, particularly deficiency payments. And for some farmers, the reduced income associated with lower prices could more than offset the benefit from the investment tax credit.

Tax Credits In Many Shades

The array of policy alternatives regarding the investment tax credit includes the following:

- continue the current policy of no investment tax credit;
- restore a broad-based 10-percent investment tax credit similar to what existed before the Tax Reform Act of 1986;
- provide an incremental tax credit applied only to investment above a specified base or threshold amount;
- enact a targeted investment tax credit for investment only in specified classes of property determined to be the most productive or socially desirable.

Among the alternatives, restoration of an across-the-board investment tax credit of 10 percent would result in the greatest revenue loss to the government. In farming alone, the revenue loss could approach \$2 billion. A broad-based investment tax credit could be enacted at a lower rate, but the credit would be less effective.

Enactment of an incremental tax credit for investment above a certain base would substantially limit tax revenue loss. While this approach would favor some new businesses, it would provide

little or no benefit to those firms that had invested heavily during the base period.

Under the final alternative, a targeted tax credit, a much narrower class of property would be eligible for a tax credit. The tax credit could be withheld for certain types of farm property, such as single-purpose agricultural structures, or for farms likely to expand production in response to a tax credit and increase the cost of government farm commodity programs. While a targeted tax credit may be the most cost-effective alternative, it may be the most difficult to enact due to equity concerns that would arise in favoring certain industries or classes of assets over others.

Impacts of Capital Gains

Preferential tax treatment of capital assets reduces potential income tax liability, increasing the relative rate of return on assets and providing incentives to invest. By increasing the amount of capital available for investment, the capital gains preference reduces the cost of capital to businesses.

Policies aimed at restoring some form of preferential treatment for capital assets have important implications for farmers. From 1987 to 1989, a minimum of 35 percent of the tax returns of farm sole proprietors reported capital gains. This compares with 11-13 percent of nonfarm returns over the same period. The average capital gain reported by farm sole proprietors ranged from slightly over \$13,000 to nearly \$16,000.

A lower capital gains tax would reduce Federal income tax liability for many farmers. But for both nonfarm and farm sole proprietors, a large portion of the resulting tax reductions would accrue to relatively high-income individuals. In 1989, approximately 48 percent of the capital gains to farm sole proprietors was reported by those with adjusted gross incomes above \$200,000.

A lower tax rate on capital gains could spur investment in farmland. It could also encourage farm proprietors to adopt management practices designed to maximize income eligible for capital gains treatment.

Since 1986, the tax liability associated with the sale of farmland that has been held for many years has been a significant concern for farmers planning to retire. On the other hand, the higher capital gains taxes have reduced the incentive to convert fragile rangeland and wetlands to cropland.

Capital Gains Options

Since the Tax Reform Act of 1986 repealed the 60-percent exclusion of capital gains from taxable income, various proposals have been made regarding policy on preferential treatment:

- maintain the current 28-percent maximum tax rate on realized capital gains;
- index capital assets for inflation;
- provide a graduated exclusion depending upon the length of time an asset is held; one recent proposal would exclude gains from assets held between 1 and 2 years, 2 and 3 years, and 3 or more years at 10, 20, and 30 percent;
- target preferential treatment to certain types of capital investments.

Under current law, only high-income individuals subject to the maximum 31-percent income tax rate benefit from the 28-percent tax rate cap for capital gains. These benefits would increase substantially if the top marginal income tax rate is increased—an option that has been considered. The differential between the rate on capital gains and the rate on other income could encourage individuals to invest more in agricultural assets such as farmland, and breeding and dairy livestock, in order to generate capital income.

Indexation of capital gains would ensure that only real gains, and not inflationary gains, would be subject to taxation. Under current law, taxes are imposed on nominal changes in asset values. The primary benefits of indexing in agriculture would accrue to owners of farmland held for a long period, since a large part of the increase in value is often attributed to inflation. Other eligible farm assets, such as livestock, are generally held for shorter periods and would not likely benefit from indexation.

A graduated exclusion would encourage long-term investment by increasing the tax benefits the longer the asset is held. If the exclusion of capital gains from taxable income applied to all capital assets, all farmers reporting capital gains would benefit, with the benefits depending on the individual's marginal tax rate and on how long the assets were held.

An example of targeted preferential treatment is a proposal to exclude 50 percent of the capital gains from newly issued stock of small companies held for 5 or more years. This policy approach would target specific types of investment deemed to be the most effective in stimulating the economy and creating jobs. The foregone tax revenue would also be lower than under a general capital gains exclusion. The implications for agriculture would depend upon the types of investments targeted for capital gains treatment.

[Ron Durst and Michael Compson (202) 219-0897] **AO**

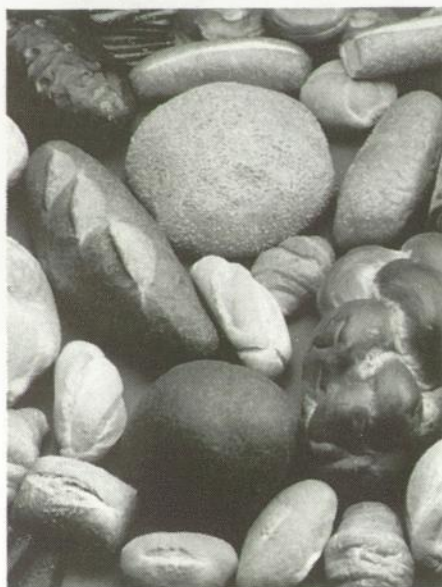
Upcoming Reports from USDA's Economic Research Service

The following are March release dates for summaries of the ERS reports listed. Summaries are issued at 3 p.m. Eastern time.

March

- 12 Sugar & Sweeteners
- 17 Fruit & Tree Nuts
- 18 Agricultural Outlook
- 24 Aquaculture

Food & Marketing



Food Prices: 1992 Wrap-up, 1993 Outlook

Final data for 1992 confirm ERS expectations for the smallest food price rise in 25 years, with the Consumer Price Index (CPI) for food up 1.2 percent from 1991. The price of food in grocery stores rose 0.7 percent, while food sold in restaurants and fast-food outlets averaged 2 percent above 1991. By comparison, the CPI for all goods and services rose 3 percent.

Large supplies of foodstuffs, as well as weak consumer demand resulting from sluggish economic conditions, account for the small rise in food prices in 1992.

Weakness in consumer demand for food can affect the mix of food purchased. As incomes were squeezed, consumers were "buying down"—the term used by the grocery trade to mean that consumers are steering away from highly processed, premium-priced foods. Sales of prepared foods, such as entrees for microwaving and other "heat and serve" foods, were down as much as 40 to 50 percent for

some items in 1992. These indications of weak consumer demand were evident over most of the last 2 years.

Restaurant and other away-from-home food prices also felt the impact of weaker consumer demand. Nonfood costs such as labor, rent, and fixtures—85-90 percent of the away-from-home food dollar—usually rise at about the same rate as inflation. In 1992, weak consumer demand dampened menu price increases, and the CPI for food away from home was 1 percent lower than the 3-percent general inflation rate.

Price Increases Moderate in 1993

Food prices in 1993 are expected to rise 2-4 percent, still a relatively moderate pace. This year, supplies of foodstuffs will be more than ample, while consumer demand will be stronger as economic

conditions improve. These offsetting effects on food prices will work to hold increases in the low-to-moderate range.

Meat supplies will surpass 1992 record levels as pork and poultry production continues to expand. Larger supplies of meat and the resulting lower prices were major factors dampening food CPI growth last year. Meat and poultry account for about 25 percent of consumer food expenditures in grocery stores. Stronger consumer demand in 1993 should offset the price-depressing effect of larger supplies and keep meat prices very near last year's levels. Currently, beef, pork, and poultry prices are expected to remain within 2 percent above or below 1992 prices.

Supplies of oranges are also ample this season, both for processing and fresh markets. The Florida crop is 34 percent larger than last year. Since most of the Florida crop is used for processing,

Prices for Meat, Fish, and Fresh Fruits To Be Lower in 1993

	1990	1991	1992	Forecast 1993
Consumer Price Index				
	Percent change			
All items	5.4	4.2	3.0	2 to 4
Food	5.8	2.9	1.2	2 to 4
Food away from home	4.7	3.4	2.0	2 to 4
Food at home	6.5	2.6	0.7	1 to 3
Meat, poultry, and fish	7.3	2.3	-0.8	-2 to 2
Meats	10.1	3.1	-1.4	-2 to 2
Beef and veal	8.0	2.8	-0.1	-2 to 2
Pork	14.7	3.3	-4.7	-2 to 2
Other meats	9.3	3.7	0.2	-2 to 2
Poultry	-0.2	-0.8	-0.1	-2 to 2
Fish and seafood	2.2	1.1	2.3	-2 to 2
Eggs	4.7	-2.3	-10.6	4 to 6
Dairy products	9.4	-1.1	2.7	2 to 4
Fats and oils	4.2	4.3	-1.4	1 to 3
Fresh fruits and vegetables	8.0	4.6	-0.3	1 to 3
Fresh fruits	12.1	13.5	-5.0	-3 to -1
Fresh vegetables	5.6	2.2	2.3	2 to 4
Processed fruits and vegetables	6.2	-1.9	2.7	1 to 3
Processed fruits	8.7	-3.7	4.5	1 to 3
Processed vegetables	2.7	0.8	0.2	1 to 3
Sugar and sweets	4.4	3.7	2.9	2 to 4
Cereals and bakery products	5.7	4.1	3.9	3 to 5
Nonalcoholic beverages	2.0	0.5	0.2	1 to 3
Other prepared foods	4.5	4.5	2.2	3 to 5

Source: Bureau of Labor Statistics.

Food & Marketing Indicators

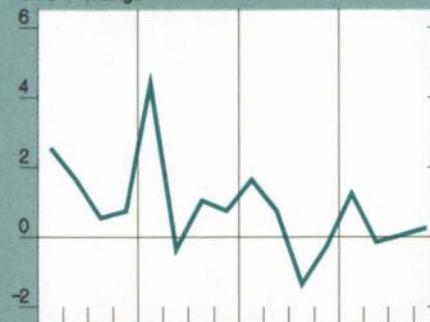
Food & Marketing

CPI: Total food^o

Percent change

**CPI: Food at home^o**

Percent change

**CPI: Food away from home^o**

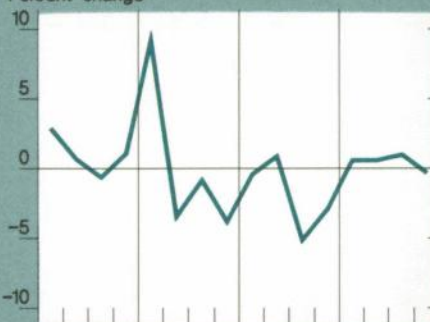
Percent change

**Retail cost of food¹**

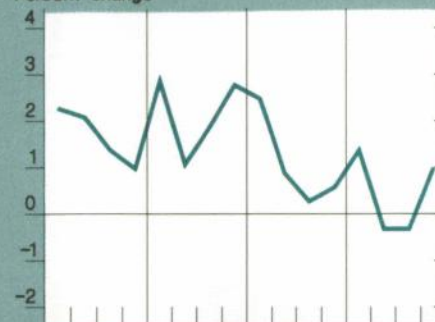
Percent change

**Farm value of food¹**

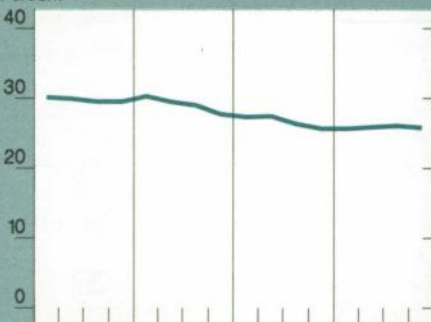
Percent change

**Farm-retail spread¹**

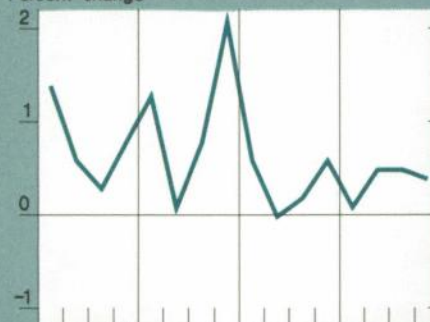
Percent change

**Farm share of retail cost¹**

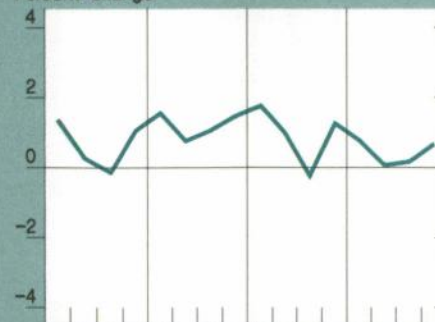
Percent

**Food marketing cost index²**

Percent change

**Index of hourly earnings^{3,4}**

Percent change

**Index of packaging prices⁴**

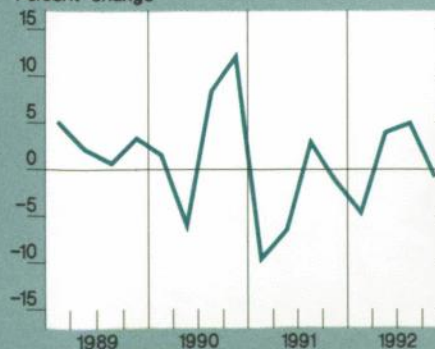
Percent change

**Index of rail freight rates⁴**

Percent change

**Index of energy rates⁴**

Percent change



^oCPI unadjusted. ¹Index based on market basket of farm foods. ²Index of changes in labor, packaging, transportation, energy, and other marketing costs.

³In food retailing, wholesaling, and processing. ⁴Component of food marketing cost index.

All series expressed as percentage change from preceding quarter, except for "Farm share of retail cost" chart.

Food & Marketing

How Do Food Prices Follow Grain Prices?

Common sense dictates that falling grain prices exert downward pressure on food prices, yet one may want to know by how much, how soon, and for how long. Historical movements of monthly producer price indexes since 1975 indicate that when grain prices fall, wholesale price indexes of foodstuffs/feedstuffs (for example, fruits and vegetables, grains ready to be processed, eggs, fish, and live poultry), of processed foods, and of food generally began falling within a month.

Historically, each percentage point decline in grain prices has led to an average decline of about a quarter (.23) of a percent in wholesale foodstuff/feedstuff prices and declines of about a tenth of a percent in processed and wholesale prices. On average, these decreases have endured from 3-6 months after the fall in grain prices.

A statistical model was used to describe the relationships among grain prices, prices of foodstuffs/feedstuffs, meat prices, processed food prices, and wholesale food prices. A grain price decrease rather than an increase was chosen as the shock for the model simulation because grain prices are falling this year. The model simulated the effects of a decline of nearly 5 percent (4.6 percent) in grain prices because this has been the average random change in the grain price index over the sample period.

In the food marketing chain, the pricing of foodstuffs and feedstuffs more closely follows grain price movements than does the pricing of processed and wholesale food products. Foodstuff/feedstuff products involve less preparation and packaging, compared with processed and wholesale food products. So grain prices are a larger component of foodstuff/feedstuff product prices. Hence, a grain price shock results in a more severe change in the prices of foodstuffs and feedstuffs than in the prices of processed and wholesale foods, both in magnitude and duration.

Put another way, history shows that a one-time 10-percent drop in grain prices is associated with declines of 2.3 percent in the prices of foodstuffs/feedstuffs and declines of only about 1 percent in the prices of processed and wholesale foods. Effects on foodstuff/feedstuff prices would last 6 months, on average, compared with 3 months for the prices of processed and wholesale foods.

The effect of a drop in grain prices on the meat price index is negligible. This may be because the aggregate meat price index is a weighted average of individual meat prices—47 percent beef, 1.2 percent lamb, 26.1 percent pork, and 26 percent other meats—that can move in offsetting directions when grain prices change. [Ronald A. Babula (202) 219-0785]

Grain Price Change Has Longest, Strongest Effect on Feedstuffs/Foodstuffs

Months following grain price decline of 4.6%	Feedstuffs/foodstuffs	Processed foods	Wholesale foods
Percent change			
1	-1.17	-0.30	-0.28
2	-1.22	-0.35	-0.36
3	-1.10	-0.29	-0.31
4	-0.98	—	—
5	-0.88	—	—
6	-0.79	—	—

Price changes not shown were not statistically different from zero at the 2 percent level.

orange juice prices will be lower in 1993. The California navel orange crop is record high this season, exerting downward pressure on fresh orange prices.

Large supplies and lower prices for oranges, along with record-large supplies of apples and ample supplies of other fresh fruits, will likely keep fruit prices moderate this year. The CPI for fresh fruit is forecast to fall 1-3 percent in 1993.

No foods are anticipated to be in short supply in 1993, indicating that farm prices will likely be near last year's levels for most commodities. Some commodities are in exceptionally large supply, so farm prices will be lower than last year. As a result, the farm value of food is not likely to boost the retail cost.

Costs of processing and distributing food generally change at a rate close to the inflation rate for all goods and services. This year, even with a stronger economy, inflation is not likely to be much different from last year's rate of 3 percent. But the costs of processing and distributing account for about 70 percent of the retail food dollar, so even a small change in those costs would be a significant factor in food price increases in 1993.

The very small rise in food processing and distribution costs, somewhat stronger consumer demand, and probable lower farm values for food will hold retail food price increases in the range of 2-4 percent.

[Ralph Parlett (202) 219-0870] **AO**



FOCUS ON FOOD: COSTS AND CONSUMPTION

How much are food costs changing? Why? How much of the consumer food dollar goes to farmers and how much goes to food processors and marketers? How has American per capita food consumption changed in the past 20 years? Find the answers in these NEW products from the Economic Research Service.

Food Cost Review, 1991. August 1992. **Order # AER 662.** 60 pages. \$8.00.

This annual publication reports recent developments in food prices, farm-to-retail price spreads, food spending, profits, and marketing costs in the food industry. This report also discusses price-spread changes for leading food items, such as Choice beef, milk, and bread. Topics include why consumers had to pay moderately higher prices for most foods at the supermarket in 1991 and why some food were better buys. Why the the 1991 farm value (what farmers receive) of USDA's market basket of foods was lower than in 1990. And why marketing charges (labor, packaging, transportation, and energy) made up more than three-fourths of last year's retail expenditures for food that originated on U.S. farms.

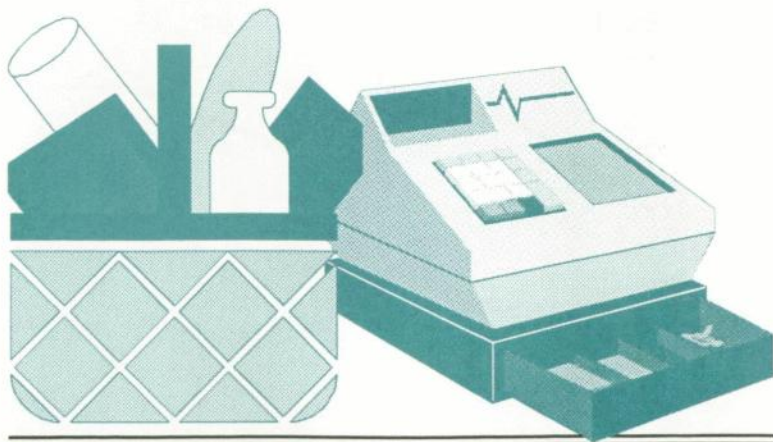
Food Consumption, Prices, and Expenditures, 1970-90. August 1992. **Order # SB 840.** 160 pages. \$14.00

This report is a comprehensive and convenient source for historical data on per capita consumption of major food commodities in the United States, including the basic data on supplies and disposition from which the consumption estimates are derived. It also includes information about population, income, prices, and expenditures related to food consumption. This statistical bulletin makes good use of fact-filled tables and illustrative charts.

Food Consumption Electronic Database. July 1992. **Order # 89015B** (one 3.5" disk) [Lotus 1-2-3 (.WK1)]. \$25.00.

These disks provide per capita food consumption by commodity and commodity group, 1966-90; supply and use by commodity and commodity group, 1966-90, and food expenditures, 1869-1990.

SPECIAL PACKAGE! Food Consumption, Prices, and Expenditures, 1970-90 Report AND Electronic Database. August 1992. **Order # 92PK01** (one copy of SB 840 and one 3.5" disk). \$30.00.



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Special Articles



New Directions for Vietnam's Economy

Vietnam entered the top ranks of rice exporters in 1989, as government reforms moved the economy in a more market-oriented direction. The economic and institutional changes have altered the domestic economy, and together with a new open-door policy, have led to rapid increases in foreign trade and investment.

A number of factors point to continued prosperity for Vietnam's economy: its strong natural resource base, well-educated and low-cost labor force, and relatively small state sector by Communist-country standards. The country has made impressive progress in economic stabilization and growth despite the lack of foreign aid since 1990. Moreover, southern Vietnam's capitalist legacy has kept alive its entrepreneurial spirit.

Still, continued economic growth will depend on keeping the reform process moving in the face of a high budget deficit, a heavy debt burden, and growing unemployment. Low levels of education and health spending are threatening the development of the nation's human capital, and increased foreign aid will likely be necessary in order for economic progress to continue. And the recent growth in rice exports raises questions about the future direction of the nation's food policy.

While much has been accomplished, further institutional reforms are needed to address problems in the banking system, land tenure, and the legal environment if domestic and foreign investment are to continue rising.

The Rocky Path Toward a Market Economy

Vietnam's transition toward a market-based economy from a centrally planned system began in the early 1980's. Before then, the country's development strategy was designed to extract agricultural surplus from rural areas and channel state investment to support developing a heavy industrial base.

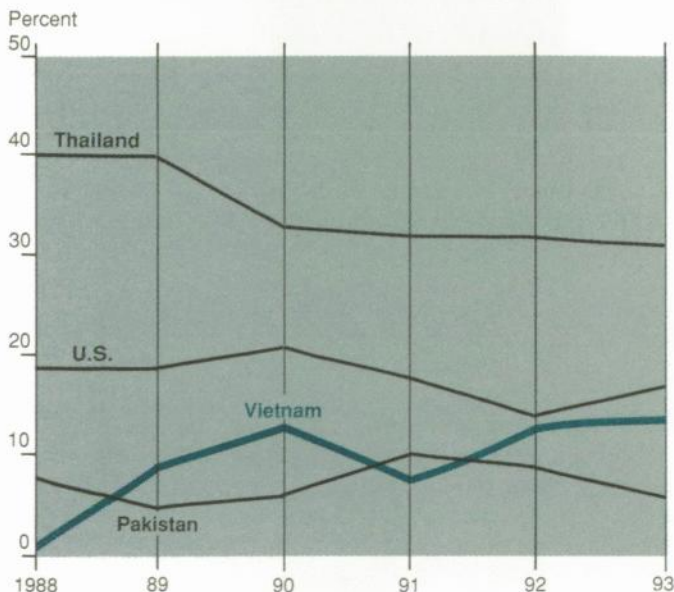
In 1981, the government introduced several market-oriented economic reforms to boost the stagnant economy. But these had relatively little effect because of the continued heavy emphasis on industry.

That emphasis shifted in 1986, when the "Doi Moi," or renovation policy, was implemented with the objective of developing a multisectoral market economy. Policy makers, realizing they had favored industry to the detriment of agriculture, placed greater emphasis on food production and the farm sector.

Nonetheless, economic problems persisted. Growth and investment were low. The government relied heavily on Soviet concessional loans and aid. The government also accelerated money creation in order to finance its expenditures, resulting in near-hyperinflation. Agricultural production stagnated, and northern Vietnam suffered food shortages in 1987.

By the second half of 1988, an economic crisis had developed. Rapid inflation of 30 percent per month and a sharp reduction in Soviet assistance prompted another round of reforms in late

Vietnam Has Become a Major Player In the World Rice Export Business



Percent of world rice exports, 1993 forecast.
Source: USDA, Foreign Agricultural Service.

1988. But it was not until 1989 that a set of well-coordinated institutional and price reforms was put in place and began to take effect.

1989: A Turning Point

In early 1989, a more integrated package of monetary, price, and exchange-rate policies was implemented to stabilize the economy. Prices were decontrolled. Other critical changes included a restructuring of financial arrangements so that interest rates became positive after adjusting for inflation, a massive exchange-rate devaluation, and the elimination of consumer subsidies.

Price and institutional reforms decentralized and liberalized many markets. Price controls on most goods and services were abolished, a new land law was put into effect, and trade liberalization was advanced by stripping state trading companies of their monopoly control over imports and exports.

The immediate effects were profound. Inflation subsided, and as a result households shifted part of their assets from rice, gold, and dollars and back into the domestic currency, the dong. Goods shortages disappeared, and Vietnam's real growth rose to 8 percent. Rice production increased, and Vietnam shifted from being a net importer of rice to the world's third-largest exporter.

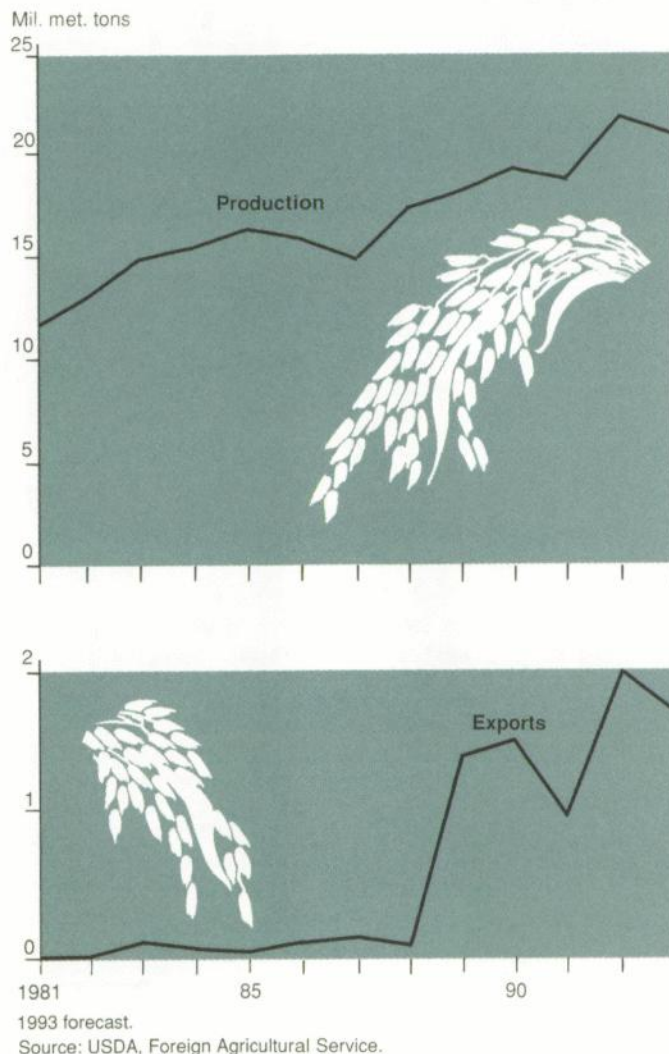
Growth slowed in 1991, however, as the country encountered a new set of constraints. Poor weather reduced rice output by 1.3 million tons, and exports declined 600,000 tons. Unemployment, officially estimated at 4.7 percent, was thought to be as high as 20 percent by some analysts. An inadequate banking system, credit constraints, a growing budget deficit, and a large debt burden also dampened the positive effects of reforms.

Nevertheless, industrial production increased by 5.3 percent, inflation remained under control, and real interest rates were positive. Despite the collapse and loss of its major trading partner, the Soviet Union, Vietnam ended 1991 with an overall increase in total trade value to \$4 billion, up 10 percent from 1990.

Although exports to areas without freely convertible currencies (Soviet Union and Eastern Europe) fell by over 90 percent, from 1990 to 1991 Vietnam was able to increase trade with countries such as Singapore, Japan, Hong Kong, and Taiwan. Exports to Asian countries increased by 73 percent.

Vietnam intends to continue trade with the former Soviet republics, and is developing trade relations with China, through both formal and informal channels. Smuggling across the border of Vietnam and southern China is estimated to account for almost \$300 million each year, 5-10 percent of the total trade between the two countries.

After 1988, Vietnam's Rice Exports Grew As Production Rose



Unless Vietnam obtains additional foreign aid and loans, it may be difficult to consolidate its reforms further without harming short-term socioeconomic development. In April 1992, the U.S. lifted an embargo on humanitarian and food aid, farm inputs, and farm machinery. The embargo had been in place since 1975. In November, Japan announced its intention to provide development assistance to Vietnam. More recently, France announced it would nearly double its aid this year. South Korea, Australia, and Finland are also planning to give aid in 1993.

A key question in Vietnam's future economic growth and development is the timing of a resumption of assistance from the U.S. and from multilateral agencies such as the World Bank and the International Monetary Fund.

Special Articles

Vietnam: Not By Rice Alone...

Vietnam, with a population of 68 million, is the largest country in Indochina—a region associated with decades of war and destruction. Vietnam's economy is based on agriculture. Nearly 80 percent of its population lives in rural areas, and 72 percent of the labor force works in the agricultural sector. Agriculture accounts for 51 percent of the nation's gross domestic product (GDP) and 35-40 percent of total export value.

The main agricultural activities are centered in the Red River Delta in the north and the Mekong Delta in the south. Rice is the single most important crop, contributing over 60 percent of average daily caloric intake and providing a large share of farmers' household income. Approximately 50 percent of the rice is produced along the Mekong Delta, 20 percent along the Red River Delta, and the remainder elsewhere in hilly and mountainous regions.

Sweet potatoes, corn, cassava, and wheat are other important staples, especially among low-income households.

Raw materials, minerals, food, and other agricultural commodities make up the majority of Vietnam's exports. Crop and livestock products accounted for 42 percent of total trade value in 1990 and 35 percent in 1991. In addition to rice, agricultural exports include peanuts, coffee, tea, and rubber. Vietnam experienced a trade surplus in the first nine months of 1992, due mostly to an increase in crude oil exports.

Rice & Reform

The collectivization of Vietnamese agriculture, modeled on the Soviet and Chinese systems, began in 1959 in North Vietnam, following land reform and redistribution programs. Attempts to collectivize the south followed the collapse of the South Vietnamese government in 1975. But success in the south was limited. By 1986, only 42 percent of southern farmers were collectivized, compared with 96.7 percent in the north. In the Mekong Delta province, the south's major farming area, as few as 6 percent of the farmers belonged to cooperatives.

Rice production increased immediately following the war and unification of North and South, but soon stagnated, and actually declined in 1977 and 1978. The poor performance led to agricultural reforms in the early 1980's.

Farmers switched from a collectivized system of crop production controlled by the state to a contract system patterned on the Chinese model. Under the new system, farmers entered into contracts with cooperatives to produce a specified amount on

their land. Farmers could use their excess crops for home consumption or sale to private traders.

Among Vietnam's crops, rice has responded most dramatically to the agricultural reforms. The switch to a contract system lifted rice productivity, mostly through growth in yields and increases in double cropping. From 1980 to 1984, yields in the north increased by 32 percent, and in the south by 24 percent. The country's total rice production increased 2.8 percent a year from 1982 to 1987, while area planted grew by less than 1 percent.

From Rice Importer To Exporter

The contract system was successful in boosting production. But because of remaining institutional barriers, it was less effective in sustaining productivity growth. In 1988, most of these barriers were removed in a series of reforms that liberalized the rice sector. The reforms privatized the rice markets, decentralized input supplies, and granted households long-term leases on their land with intergenerational transfer rights. Individuals were given greater freedom to make their own decisions about how much to work and which crops to grow.

By 1989, Vietnamese rice production had begun the transition to a market-oriented system, and the country became a major exporter of rice. Other economic reform measures contributed to the rise in Vietnamese exports:

- elimination of subsidized rice sales to government employees;
- control of inflation so that rice was no longer used as a store of wealth;
- devaluation of the currency, increasing Vietnam's competitiveness in international markets; and
- release of farm-level stocks acquired under the old system.

In 1990/91, drought, floods, and insect infestations reduced rice output. During the next year, the agricultural situation improved and food grain production grew by about 17 percent. Favorable weather, adequate fertilizer supplies, and a record planted area contributed to the large 1991/92 crop, estimated at 14.5 million tons. Exports for calendar 1992 likely reached 2 million tons, double the 1991 level. Planted area is expected to increase and exports are expected to be strong in 1993.

Will Rice Exports Continue To Grow?

Many of Vietnam's economic reforms were initially expected to give a one-time boost to the economy, including the agriculture sector. But the effects of the most recent round of reforms have surpassed past reforms both in duration and magnitude. The

question remains whether increased growth in rice production and exports will continue.

Policy reforms have led to improved production technology through increased fertilizer use, greater use of modern high-yielding seed varieties, and more investment in irrigation. As a result, yield growth has outpaced area expansion in the last decade, a trend likely to continue as land availability and multiple-cropping potential decline. But without significant investment in water management, soil conservation, and basic research, additional use of high-yielding varieties can be expected to produce only marginal gains in output.

New rice varieties able to overcome conditions faced by farmers in the Red River and Mekong Deltas could substantially increase output in those areas. Rice production in the Red River Delta is susceptible to weather-related problems, such as cold spells and drought in the dry season and uncontrolled flooding in the rainy season. In the south, pest infestation is a problem, and acidic and saline soils hinder the use of imported cultivars.

Aside from biophysical constraints are questions about access to agricultural resources and the future direction of the reform process. For instance, in northern and central Vietnam, access to land in villages still depends on collective decisions, while in the south, access is "less" collectivized and more "private." In both areas, land-use conflicts have increased as some families try to regain land appropriated during reform and collectivization drives.

A lack of well-developed markets for inputs, output, and labor continue to inhibit agricultural production. While domestic markets operate freely for both inputs and output at the retail level, state companies still control some of the wholesale trade in agri-

cultural inputs. The state still provides subsidized inputs, subsidized credit, and tax breaks to the state's agriculture sector at the expense of individual farmers. And farmers face credit constraints, a lack of agricultural extension services, and high transport costs for moving grains from surplus to deficit regions and to ports for export. Traders and food processing companies face shortages of hard currency and a lack of capital, which continue to hinder their ability to move the rice.

Sustained growth of agriculture in general will depend on several steps:

- further decentralization of decisions on land use and crop planting;
- reform of the price and marketing structure for imported inputs and exported outputs;
- increased availability of longer term agricultural credit; and
- privatization of land holdings to encourage more efficient production.

Investments in irrigation, water control, soil conservation, and new technologies for secondary crops are also critical to sustaining growth in agricultural output.

A critical issue is the relationship between rice exports and domestic consumption. To what degree will rice exports limit domestic food consumption? Although the country is self-sufficient in rice, its regional imbalances in production and availability may lead to food deficiencies in some areas. Poor marketing infrastructure and transportation inhibit the movement of grains from surplus to deficit regions.

Policy Reforms Have Reshaped Vietnam's Economy Since 1980



Monetary reform	1989	<ul style="list-style-type: none"> – Interest rate restructured – Exchange devaluation; exchange rate to be determined by the market and adjusted for inflation
Fiscal reform	1989	<ul style="list-style-type: none"> – Elimination of consumer subsidies to state employees and military – Introduction of revenue-elastic taxes (i.e., personal income tax)
Financial reform	1988	<ul style="list-style-type: none"> – Liberalization and decentralization of banking system – Removal of banks from state control; commercial banks to serve agriculture, industry, commerce, and foreign trade
Price reform	1989	<ul style="list-style-type: none"> – Removal of price controls on most goods and services
Agrarian reform	1981-87	<ul style="list-style-type: none"> – Decollectivization of agriculture to a cooperatively managed contract system – Restoration of family farm as basic economic unit
	1988	<ul style="list-style-type: none"> – New land law, granting households user rights to farmland for up to 15 years, and intergenerational transfer rights – Privatization of output markets, decentralization of input supplies, and greater decision-making power for individual farm households
Trade reform	1987	<ul style="list-style-type: none"> – Foreign investment law ushering in new open-door policy
	1989	<ul style="list-style-type: none"> – New tariff schedule; reduction of quotas on imports and exports – Reduction of monopoly control by centralized state trading companies
	1991	<ul style="list-style-type: none"> – Granting of direct access to foreign markets for all enterprises, private or state owned – Establishment of preferential tax and financial measures to encourage export production

Special Articles

Vietnam's Rice Exports Reshuffle World Market

Rice exports from Vietnam in calendar 1992 likely reached 2 million metric tons, nearly displacing the U.S. as the second-largest exporter. Vietnam's share of world exports is estimated at 13.4 percent, just behind the U.S. market share of 14.4 percent. This share represents the highest ever attained by Vietnam, while the U.S. share is its lowest since 1961.

In calendar 1989, Vietnam burst onto the international market with rice exports totaling 1.4 million metric tons (milled basis). That year Vietnam became the world's third-largest exporter, behind only Thailand and the U.S. Thailand also made dramatic gains in market share in 1989, capturing 40 percent of world trade, while the U.S. market share held steady at about 20 percent.

Prior to 1989, Vietnam had been a net importer. The country averaged only 79,000 metric tons of exports from 1980 to 1988, while its imports averaged 230,000 metric tons per year. In the mid-1980's the government began to implement a series of market-oriented agricultural policy changes that unleashed the productivity of the Vietnamese farmer.

Vietnam's jump in the share of world rice exports came mostly at the expense of the low-quality, long grain markets previously dominated by Pakistan, China, and Burma

(now Myanmar). Since 1989, Vietnam's market share has continued to grow, almost entirely at the expense of Thailand's low-quality markets in Africa, South and Southeast Asia, and Latin America. Vietnam has been able to sell its rice at a 10- to 15-percent discount to rice of comparable grade and quality from Thailand.

As Vietnam's dominance in low-quality markets has risen, Thailand has focused more intensely on its higher quality markets, where it competes directly with the U.S. With this shifting trade pattern, Thailand has made inroads into U.S. market share, particularly in Middle Eastern and Latin American markets. Recently Pakistan, Italy, India, China, and Uruguay have regained their pre-1989 market shares.

Recent policy reforms suggest that Vietnam will remain a major player in the international rice market. To date, Vietnam's export focus has been in the low-quality market. That may be changing. Increased investment in domestic infrastructure, as well as storage, milling, and handling capabilities could lift exports of higher quality rice in the future and offer stiffer competition to Thai and U.S. growers.

[Randy Schnepf (202) 219-0826]

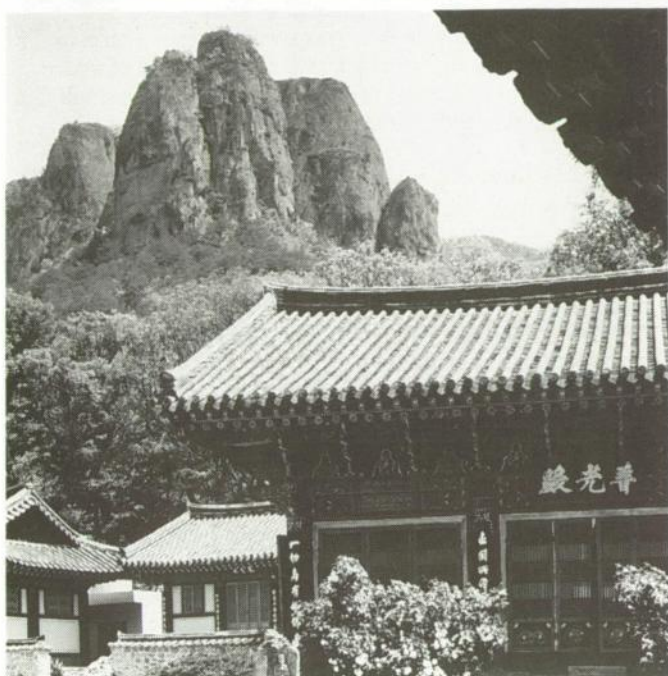
In order to ensure national food security, the government could intervene in the market by restricting rice exports and redistributing rice from surplus to deficit areas. A broader national food policy would likely confront issues of equitable food distribution across regions, attempting to balance the interests of rural areas, producers and consumers, and socioeconomic groups with different resource endowments.

Whether or not Vietnam can sustain or increase rice exports in the coming decade depends upon answers to several questions:

- Will Vietnam continue on its path of economic growth, stability, and increased agricultural productivity?

- What will be the longer term effects of the reforms on income growth and distribution across regions and socioeconomic groups?
- How will these changes affect households' abilities to diversify diets away from rice and toward wheat-based foods and livestock products?
- What shape would a national food policy take?
- What lies ahead in world export markets?

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Korea National Tourism Corporation

South Korea: Prosperity at a Crossroads

South Korea's steady march to prosperity has reached a crossroads. After years of self-denial and sacrifice to boost economic growth, Korea's 43 million people have begun earning higher wages and enjoying richer lifestyles. This trend, in turn, has begun to erode the competitiveness of labor-intensive manufacturing industries that were the foundation of South Korea's "economic miracle."

Still, the country posted a 5.5-percent growth rate in its real Gross National Product (GNP) in 1992, and that rate is forecast to reach 6 percent this year. While Korea's growth is the envy of many countries, it is down sharply from the impressive gains of the last decade.

Agriculture is in transition as well. The government recently announced a 10-year restructuring plan that is expected to help modernize the sector. This and other changes suggest Korea's agriculture is becoming more market-oriented, although the pace is decidedly gradual.

South Korea's imports of agricultural products will continue increasing, regardless of the pace of reform. The imports will include a broad spectrum of commodities, although the composition is shifting. U.S. exporters can expect a stronger demand for high-value and further processed products, and weaker demand for some bulk and nonfood raw commodities.

Policy To Determine Growth

In December, South Korea elected a new president, Kim Young Sam, in what observers say was the most open election in the country's history. Greater democracy involves some critical choices. Will Korea, for example, become a "major-party democracy," like Japan and Taiwan, or a multiparty democracy as is common in the West?

Defenders of the one-party system consider that a healthy dose of Confucian conformity, administered by a benevolent regime, is essential to the longevity of the country's "economic miracle." Others, however, favor more political debate on policies. A major issue is the degree of government intervention in the economy.

The policy debate is sharp also because many in South Korea assert that the strategies of the past several decades no longer work. Wages in Korea are now at a level that requires the country to compete in technically advanced sectors, but the country's capacity for investment in research and development may be inadequate. Lacking the sophisticated technology of Japan and the low-wage labor of Asian rivals, Koreans suddenly find themselves guarding an unstable middle ground in an evolving global marketplace.

In order to enhance competitiveness, South Korean firms are investing directly in neighboring Asian countries. Recently, South Korean manufacturing operations have relocated to China, Indonesia, and Vietnam, where labor is cheaper. Some 200 Korean companies are already doing business in China—a key reason Seoul recently abandoned its support for Taiwan and established diplomatic relations with the People's Republic of China. Korean investment in Vietnam is especially aggressive, and Korean companies will soon assemble cars there.

Neighboring Asian countries also provide new and expanding markets for Korea's exports. Korea's exports in 1992 are estimated to show improvement, largely as a result of shifting from U.S., Japanese, and European markets to the faster growing outlets in Southeast Asia and China.

To develop domestic production, the Korean government plans to raise spending on research and development from 1.7 percent to 5 percent of GNP within the next decade. Tax incentives will encourage research on technologies such as memory chips and high-definition television systems.

The government has also drawn up a plan for deregulating the country's capital markets, although implementation of the most significant reforms is delayed until 1997. Government control of the banking system has resulted in high interest rates and a tight supply of capital, although rates have recently dropped somewhat. Interest rates are still 3-5 percentage points higher than international borrowing rates, putting Korea's business

Special Articles

South Korea To Restructure Farm Sector

The Korean government has for many years supported farm income through restrictive trade measures, government purchases, and high food prices. But these measures have hindered agricultural development, and so has the legal limit on farm size. Farmers' incomes are substantially below what can be earned in other sectors. By the end of this decade, the number of Korean farmers is expected to drop to 2 million, down from 3.28 million in 1990.

In order to ease this adjustment, the government announced a 10-year, \$55-billion agricultural restructuring plan in late 1991. Of these funds, 85 percent would be spent on restructuring the agricultural and fisheries sectors, and the remainder on projects and programs to increase rural income and improve the quality of life in rural communities.

One of the principal sections of the plan concerns land reform. Agricultural Promotion Zones will be designated, where investment will be encouraged by certain tax exemptions, and where self-employed farmers may be allowed to own up to 20 hectares of land rather than the current legal limit of 3 hectares. Another major initiative gives a legal foundation and financial assistance to large-scale contract farming operations.

The plan concentrates on 13 agricultural products regarded as potentially competitive after market liberalization. These include apples, pears, tangerines, persimmons, kiwifruit, mushrooms, a type of domestic prune, fresh vegetables, medicinal herbs, flowers, poultry, swine, and silkworms. Assistance in mechanization and modernization, and the establishment of commodity-specific laboratories and research centers, are also part of the plan.

rivals in the region, with their far lower borrowing costs, at a competitive advantage.

Change Has Eluded Korea's Farm Structure

South Korea's export-driven economy has been enormously successful at providing jobs and income growth in urban areas for the past 30 years. But farm income remains relatively low, despite high agricultural price supports, government purchases, and import restrictions. Compared with the industrial sector, agriculture is at an early stage of development, with small farms, an aging farm population, a labor-intensive structure, low productivity, and a relatively underdeveloped agricultural marketing system.

Rice remains the dominant crop, accounting for 39 percent of agricultural output value in 1990. About 60 percent of arable land is devoted to rice, most of which is cultivated on small family farms averaging little more than 1 hectare.

Until the mid-1980's, South Korea had great difficulty in maintaining self-sufficiency in rice. Late in the decade, as consumption stabilized and yields continued to grow, the government, through market interventions, began to accumulate surpluses. Rice imports for commercial sale are banned to protect domestic growers, even though minor amounts have been allowed entry for processing and re-export.

Wheat area in Korea continues to fall. Production in 1991 was well under 1,000 metric tons. So imports meet virtually all the country's requirements. The import market is divided between a relatively stable, quality-oriented milling wheat segment, supplied primarily by the U.S., and a volatile and price-sensitive feed wheat segment. Soybean demand is increasing both in the food and feed sectors, with imports accounting for about 96 percent of consumption.

Korean barley, soybean, and corn production is sustained almost solely by government subsidies and trade policies. The government continues to ban barley imports for feed use and to restrict imports to malting barley and barley malt.

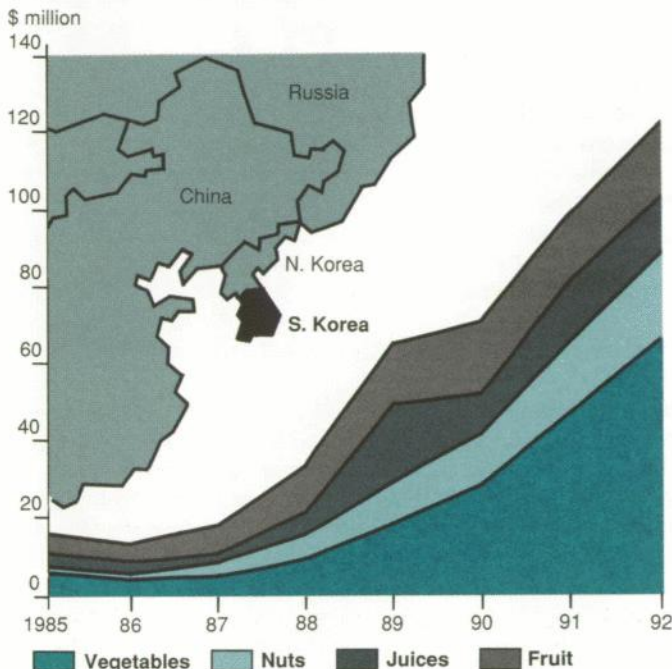
Corn production in Korea supplies only 1-2 percent of the country's requirements. In recent years, much of the corn imported from the U.S. has gone to the processing sector, while China has become the major supplier of corn for feed use. In 1991 and 1992, Korean imports of low-priced feed corn from China almost totally displaced imports from the U.S., traditionally the largest supplier.

Rapid Growth in Livestock Sector

While South Korea must import about three-quarters of all livestock feed ingredients—coarse grains, feed-quality wheat, and soybeans—the country is self-sufficient in pork, poultry, eggs, and dairy products. A highly protective import regime is responsible. The exceptions are beef, hides, processed pork, frozen turkey meat, and animal fats: domestic supplies of these commodities must be supplemented by imports. Output of pork, poultry, eggs, and milk more than doubled during the last decade.

Korean beef production is far from adequate to keep up with growth in domestic demand, which has risen sharply with the rapid rise in per capita income. Per capita consumption of beef rose 21 percent in 1992, and almost 25 percent in 1991. But output, though volatile, has not increased over the last 10 years, and prospects for a strong expansion in the near future are poor.

South Korea Is Importing More High-Value Farm Products



For much of the 1980's, Korea banned all imports of beef. However, in response to high domestic prices, and under pressure from major beef exporting countries, the government of Korea signed agreements with the U.S., Australia, and New Zealand obligating it to gradually open the beef market. In order to stabilize beef prices, the government has been allowing imports to exceed initial quotas. By 1991, the country imported 53 percent of its beef supply.

Pork and poultry imports are tightly controlled. Both are relatively recent additions to the Korean diet. Unlike the Chinese diet, Korea's did not include much pork. However, with beef in short supply and relatively expensive, pork has become the leading meat in the diet.

Broiler consumption is an even newer item in the national diet. The introduction of fast-food chicken franchises has generated a rapid expansion in poultry production and consumption. Korean poultry firms have grown steadily, lowering average production costs. Eggs have long been used in Korean cooking, and consumption is still growing.

Demand Shifts to High-Value Products

Korean demand for fruits and vegetables increased steadily in recent years as incomes grew. Korean vegetable and fruit production has risen rapidly, reaching about 25 percent of total agricultural value in 1990. Much of the increased production is on land formerly used for grains. Historically, trade and phytosanitary barriers have afforded the sector almost complete protection from foreign competition.

Besides high-value fresh products, a variety of processed foods has become popular and offers the greatest potential for growth in consumption and trade. Imports of these products grew dramatically in 1991, reaching about 17 percent of total agricultural imports.

The outlook for imports of farm-related industrial raw materials is not bright. Domestic production of hides and skins and of cotton is extremely limited, so imports are relatively unrestricted since they serve as raw materials for export industries. But these shoe and clothing industries face labor shortages,

How Soon Will the Beef Market Open?

Major beef producing countries, including the U.S., have been calling on the South Korean government to open its beef import market completely.

In 1990, South Korea signed formal agreements with the U.S., Australia, and New Zealand to eliminate its remaining import restrictions on beef or to otherwise bring them into conformity with the GATT by July 1, 1997. Korea signed the accord under pressure of a U.S. Section 301 investigation, an unfavorable GATT Beef Panel decision, and revocation of GATT balance-of-payments protection.

Although initial import quotas for the first three years of the agreement were extremely low, the government of Korea has imported more than double the base quotas in an effort to hold down beef prices. The 1992 base quota, initially set at 94,000 metric tons (carcass basis), was raised to 185,000 metric tons.

Korea currently imports 60 percent of the beef it consumes. The import level of approximately 185,000 tons in 1992 was up from 176,000 a year earlier. Imports in 1993 are forecast to reach 200,000 tons. Live cattle imports, except for dairy bulls, are still banned.

Beef exporting nations, led by the U.S., Australia, and New Zealand, continue to press for a completely open beef market by 1997.

Special Articles

U.S. Exports to South Korea Show Strong Growth in Beef, Turkey, and Vegetables

	1989	1990	1991	1992
\$ million				
All agricultural exports	2,593.4	2,643.8	2,103.9	2,222.4
Animals and animal products	843.3	961.9	866.6	877.7
Beef and veal	79.0	115.8	177.1	212.1
Pork	3.6	1.4	4.2	3.2
Turkey	0.1	3.9	5.6	15.0
Other poultry	0.3	3.2	2.7	5.8
Tallow—inedible	17.5	13.5	10.2	14.7
Cattle hides	612.9	699.6	551.2	535.5
Grains and feeds	958.7	840.2	412.5	461.6
Wheat	297.9	216.2	209.5	235.2
Rice	0.2	2.4	0.1	0.3
Corn	639.6	602.5	177.6	203.4
Fruits and products ¹	36.6	28.0	33.0	32.8
Nuts and products	10.9	13.8	19.0	23.1
Vegetables and products	18.4	28.8	47.4	67.5
Oilseeds and products	247.9	230.9	274.0	312.8
Soybeans	220.0	193.8	240.0	245.8
Vegetable oils	17.9	26.3	20.0	16.4
Tobacco, unmanufactured	10.9	13.7	28.7	33.7
Cotton ²	428.1	480.7	356.3	347.0

¹ Including juices. ² Excluding linters.

relatively high wages, and increasing competition from less developed countries in Asia. As a result, Korea's cotton imports peaked in 1988, and imports of hides and skins are expected to peak in the near future. However, the country remains one of the world's largest importers of these raw materials.

Trade Barriers Slow to Fall

South Korea has come under strong pressure to open its markets to agricultural imports. The proposed agricultural reforms of the Uruguay Round pose a serious challenge to Korea's agri-

cultural sector, and are at odds with the country's domestic agricultural policy. Moreover, the need for significant policy reform is complicated by a large rural-urban income disparity.

Except for a few key commodities, notably rice, Korea maintains that it has accepted the principle of tariffication. Tariffication means converting nontariff trade barriers to tariff equivalents. Gradual declines are then negotiated in the tariffs. The government is not yet ready to liberalize rice. Many small farmers depend on rice, and concerns about food security have dictated a policy of self-sufficiency in rice. Nevertheless, partly in response to international pressures, the Korean government in late 1991 initiated the 10-year Structural Reform Plan to prepare the agricultural sector for broad trade liberalization.

The first phase of the plan—1992-94—includes liberalizing trade in 131 agricultural, forestry, and fishery products. By 1994, the government will announce a second liberalization plan for 1995-97. However, during the past several years Korea has reduced certain tariffs, import bans, or licensing restrictions on many agricultural and fisheries products only to replace them with other nontariff barriers.

Korean opposition to the Uruguay Round has been particularly strong—25 percent of the population signed petitions opposing the opening of the rice market to imports. So far, Korea has made no concessions on its ban of rice imports. Rice accounts for more than half of farmers' crop income.

Liberalization is proceeding even though many Koreans believe that the proposed agricultural reforms of the Uruguay Round are too radical. Regardless of the outcome of the Uruguay Round, Korean agriculture is gradually moving toward an open market economy.

The U.S. could gain from the growing import needs of Korea in the 1990's, even if the pace of trade reform is slow. Korea's agricultural imports will increase over a broad spectrum of commodities. But the opportunities for U.S. exporters have shifted. Korea's market for high-value products is gradually opening, while the U.S. share of Korea's bulk imports, such as feed grains, wheat, and cotton, has fallen over the last decade and a half.

[Ruth Elleson and John Dyck (202) 219-0610] **AO**

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Statistical Indicators

Summary Data

Table 1.—Key Statistical Indicators of the Food & Fiber Sector

	1992					1993			
	I	II	III	IV	Annual	I F	II F	III F	Annual F
Prices received by farmers (1977=100)	141	141	138	137	139	138	---	---	---
Livestock & products	154	156	159	157	157	158	---	---	---
Crops	127	124	117	116	121	117	---	---	---
Prices paid by farmers, (1977=100)									
Production items	172	174	175	175	174	176	---	---	---
Commodities & services, interest, taxes, & wages	190	191	192	192	191	193	---	---	---
Cash receipts (\$ bil.) 1/	166	171	175	---	---	---	---	---	---
Livestock (\$ bil.)	84	86	85	---	---	---	---	---	---
Crops (\$ bil.)	82	85	90	---	---	---	---	---	---
Market basket (1982-84=100)									
Retail cost	138	138	138	139	138	---	---	---	---
Farm value	102	103	104	104	103	---	---	---	---
Spread	157	157	157	158	157	---	---	---	---
Farm value/retail cost (%)	26	26	26	26	26	---	---	---	---
Retail prices (1982-84=100)									
Food	138	138	138	139	138	140	---	---	---
At home	137	137	137	137	137	138	---	---	---
Away from home	140	140	141	142	141	143	---	---	---
Agricultural exports (\$ bil.) 2/	11.3	10.1	9.7	11.3	42.4	11.3	10.1	8.8	41.5
Agricultural imports (\$ bil.) 2/	6.1	6.2	6.2	5.8	24.3	6.1	6.2	5.9	24.0
Commercial production									
Red meat (mil. lb.)	10,086	9,915	10,405	10,374	40,780	10,295	10,282	10,650	41,887
Poultry (mil. lb.)	6,309	6,624	6,816	6,633	26,383	6,525	6,880	7,000	27,210
Eggs (mil. doz.)	1,458	1,454	1,464	1,500	5,882	1,465	1,455	1,460	5,880
Milk (bil. lb.)	38.0	39.1	37.7	37.3	152	38.2	39.4	37.2	152.0
Consumption, per capita									
Red meat and poultry (lb.)	50.7	51.4	52.8	53.7	208.6	51.8	52.2	53.5	212.1
Corn beginning stocks (mil. bu.) 3/	1,521.2	6,541.1	4,561.0	2,738.6	---	1,100.3	7,901.7	---	---
Corn use (mil. bu.) 3/	2,462.1	1,984.5	1,827.8	1,641.6	7,916.1	2,678.8	---	---	8,345.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	75.77	75.94	73.88	75.86	75.36	75-79	72-78	70-76	72-78
Barrows & gilts—IA, So. MN (\$/cwt)	39.55	45.79	44.39	42.48	43.05	40-44	40-46	40-46	39-45
Broilers—12-city (cts./lb.)	50.2	52.3	54.5	53.3	52.6	51-55	50-56	51-57	50-56
Eggs—NY gr. A large (cts./doz.)	63.8	62.0	64.5	71.4	65.4	70-74	67-73	73-79	71-77
Milk—all at plant (\$/cwt)	12.97	12.87	13.47	13.1	13.1	11.80-	11.45-	11.90-	12.05-
				13.35	13.20	12.60	12.45	12.90	13.05
Wheat—KC HRW ordinary (\$/bu.)	4.50	3.94	3.45	3.73	3.91	---	---	---	---
Corn—Chicago (\$/bu.)	2.66	2.59	2.26	2.12	2.41	---	---	---	---
Soybeans—Chicago (\$/bu.)	5.75	5.93	5.51	5.52	5.68	---	---	---	---
Cotton—Avg. spot 41-34 (cts./lb.)	51.4	56.4	57.3	50.4	53.9	---	---	---	---
	1985	1986	1987	1988	1989	1990	1991	1992	1993 F
Gross cash income (\$ bil.)	157.9	152.8	165.2	172.7	180.2	186.4	183.2	185	183-191
Gross cash expenses (\$ bil.)	110.7	105.0	109.4	114.6	121.2	125.2	125.2	124	123-129
Net cash income (\$ bil.)	47.1	47.8	55.8	58.1	58.9	61.3	58.0	60	58-64
Net farm income (\$ bil.)	28.8	31.0	39.7	41.1	49.9	51.0	44.6	51	42-48
Farm real estate values 5/									
Nominal (\$ per acre)	713	640	599	632	661	668	681	685	---
Real (1982 \$)	657	568	518	530	533	517	506	491	---

1/ Quarterly data seasonally adjusted at annual rates. 2/ Annual data based on Oct.-Sept. fiscal years ending with year indicated. 3/ Sept.-Nov. first quarter; Dec.-Feb. second quarter; Mar.-May third quarter; Jun.-Aug. fourth quarter; Sept.-Aug. annual. Use includes exports & domestic disappearance. 4/ Simple averages, Jan.-Dec. 5/ 1990-92 values as of January 1. 1986-89 values as of February 1. 1984-85 values as of April 1. F = forecast, -- = not available.

U.S. & Foreign Economic Data

Table 2.—U.S. Gross Domestic Product & Related Data

	Annual			1991	1992				
	1990	1991	1992	IV	I	II	III R	IV P	
\$ billion (quarterly data seasonally adjusted at annual rates)									
Gross domestic product	5,522.2	5,677.5	5,945.7	5,753.3	5,840.2	5,902.2	5,978.5	6,061.9	
Gross national product	5,542.9	5,694.9	—	5,764.1	5,859.8	5,909.3	5,992.0	—	
Personal consumption expenditures	3,748.4	3,887.7	4,093.9	3,942.9	4,022.8	4,057.1	4,108.7	4,187.1	
Durable goods	464.3	446.1	479.9	450.4	469.4	470.6	482.5	497.3	
Nondurable goods	1,224.5	1,251.5	1,289.5	1,251.4	1,274.1	1,277.5	1,292.8	1,313.4	
Clothing & shoes	206.9	209.0	221.5	206.8	216.5	217.4	224.3	227.8	
Food & beverages	601.4	617.7	630.1	620.0	627.9	623.2	627.3	641.9	
Services	2,059.7	2,190.1	2,324.5	2,241.1	2,279.3	2,309.0	2,333.3	2,376.4	
Gross private domestic investment	799.5	721.1	769.7	736.1	722.4	773.2	781.6	801.5	
Fixed investment	793.2	731.3	766.3	726.9	738.2	765.1	766.6	795.1	
Change in business inventories	6.3	-10.2	3.4	9.2	-15.8	8.1	15.0	6.4	
Net exports of goods & services	-68.9	-21.8	-32.7	-16.0	-8.1	-37.1	-36.0	-49.7	
Government purchases of goods & services	1,043.2	1,090.5	1,114.8	1,090.3	1,103.1	1,109.1	1,124.2	1,123.0	
1987 \$ billion (quarterly data seasonally adjusted at annual rates)									
Gross domestic product	4,877.5	4,821.0	4,919.9	4,838.5	4,873.7	4,892.4	4,933.7	4,979.8	
Gross national product	4,895.9	4,836.4	—	4,848.2	4,890.7	4,899.1	4,945.6	—	
Personal consumption expenditures	3,260.4	3,240.8	3,312.4	3,249.0	3,289.3	3,288.5	3,318.4	3,353.6	
Durable goods	439.3	414.7	438.9	416.1	432.3	430.0	439.8	453.3	
Nondurable goods	1,056.5	1,042.4	1,053.1	1,035.6	1,049.6	1,045.6	1,052.0	1,065.3	
Clothing & shoes	185.9	181.3	188.1	177.5	184.1	184.4	190.8	193.0	
Food & beverages	520.8	515.8	517.8	515.3	518.9	513.5	514.3	524.3	
Services	1,764.6	1,783.7	1,820.5	1,797.4	1,807.3	1,812.9	1,826.6	1,835.1	
Gross private domestic investment	739.1	661.1	712.3	676.9	668.9	713.6	724.9	741.9	
Fixed investment	732.9	670.4	708.0	669.3	681.4	705.9	710.0	734.7	
Change in business inventories	6.2	-9.3	4.4	7.5	-12.6	7.8	15.0	7.2	
Net exports of goods & services	-51.8	-21.8	-43.2	-20.5	-21.5	-43.9	-52.7	-54.6	
Government purchases of goods & services	929.9	941.0	938.3	933.1	937.0	934.2	943.0	938.9	
GDP implicit price deflator (% change)	4.3	4.1	2.6	2.4	3.1	2.7	2.0	1.7	
Disposable personal income (\$ bil.)	4,042.9	4,209.6	4,429.6	4,284.9	4,360.9	4,411.8	4,433.2	4,512.5	
Disposable per. income (1987 \$ bil.)	3,516.5	3,509.0	3,584.1	3,530.8	3,565.7	3,576.0	3,580.5	3,614.3	
Per capita disposable per. income (\$)	16,174	16,658	17,341	16,885	17,143	17,297	17,332	17,592	
Per capita dis. per. income (1987 \$)	14,068	13,886	14,032	13,913	14,017	14,021	13,998	14,090	
U.S. population, total, incl. military abroad (mil.) *	249.9	252.7	255.4	253.7	254.3	254.9	255.7	256.4	
Civilian population (mil.) *	247.8	250.6	253.5	251.6	252.3	253.0	253.7	254.5	
	Annual			1991	1992				
	1990	1991	1992	Dec	Sept	Oct	Nov	Dec	
Monthly data seasonally adjusted									
Industrial production (1987=100)	109.2	107.1	108.7	107.4	108.9	109.7	110.1	110.5	
Leading economic indicators (1982=100)	143.8	143.4	—	144.7	148.4	149.1	150.1	153.0	
Civilian employment (mil. persons)	117.9	116.9	117.6	116.8	117.7	117.7	118.1	118.3	
Civilian unemployment rate (%)	5.5	6.7	7.4	7.1	7.5	7.4	7.3	7.3	
Personal income (\$ bil. annual rate)	4,664.2	4,828.3	5,056.8	4,944.9	5,080.9	5,141.8	5,137.5	5,187.7	
Money stock—M2 (daily avg.) (\$ bil.) 1/	3,339.0	3,439.8	3,503.4	3,439.8	3,481.9	3,497.1	3,507.3	3,503.4	
Three-month Treasury bill rate (%)	7.51	5.42	3.45	4.12	2.97	2.84	3.14	3.25	
AAA corporate bond yield (Moody's) (%)	9.32	8.77	8.14	8.31	7.92	7.99	8.10	7.98	
Housing starts (1,000) 2/	1,193	1,014	1,202	1,118	1,222	1,223	1,234	1,302	
Auto sales at retail, total (mil.)	9.5	8.4	8.4	7.9	8.3	8.3	8.2	8.7	
Business inventory/sales ratio	1.53	1.55	—	1.56	1.50	1.49	1.49	—	
Sales of all retail stores (\$ bil.)	150.6	151.8	—	154.4	162.2	165.6	164.8	166.8	
Nondurable goods stores (\$ bil.)	97.1	99.1	—	99.1	102.9	104.4	104.3	104.8	
Food stores (\$ bil.)	30.2	30.9	—	32.0	32.2	32.5	32.7	32.9	
Eating & drinking places (\$ bil.)	15.2	15.8	—	16.7	16.6	17.2	17.1	17.1	
Apparel & accessory stores (\$ bil.)	7.9	8.0	—	7.8	8.7	8.8	8.9	8.9	

1/ Annual data as of December of the year listed. 2/ Private, including farm. R = revised. P = preliminary. — = not available.
 Note: * Population estimates based on 1990 census.

Information contact: Ann Duncan (202) 219-0313.

Table 3.—Foreign Economic Growth, Inflation, & Exports

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 E	1993 F	Average 1981-90
Annual percent change												
World, less U.S.												
Real GDP	2.4	3.6	3.4	3.0	3.5	4.4	3.5	3.0	1.4	1.3	1.8	3.0
GDP deflator	8.3	7.8	8.0	7.5	9.0	10.8	10.8	24.5	16.4	43.2	35.0	10.5
Real exports	2.2	9.5	3.9	2.1	5.9	7.8	8.7	6.4	3.8	3.7	4.2	5.3
Developed less U.S.												
Real GDP	2.1	3.2	3.4	2.7	3.2	4.5	3.6	3.5	1.9	1.2	1.2	2.9
GDP deflator	6.2	4.8	3.8	3.9	2.8	3.6	4.2	4.4	4.4	4.0	3.7	5.0
Real exports	2.7	10.6	5.4	-0.1	4.1	7.3	9.7	7.8	4.8	4.0	3.7	5.7
Eastern Europe & C.I.S.												
Real GDP	3.6	4.0	2.2	3.6	2.6	3.8	1.5	-3.2	-13.3	-12.2	-6.9	2.2
GDP deflator 1/	4.2	5.0	6.4	8.1	12.8	35.3	41.3	192.6	68.9	176.0	84.1	32.2
Real exports	4.6	6.2	-4.0	9.1	7.6	8.5	-5.3	-6.9	-22.1	-9.1	0.6	2.6
Developing												
Real GDP	3.1	4.7	4.0	3.9	4.5	4.4	3.6	3.2	3.7	4.4	5.1	3.6
GDP deflator	38.7	37.3	36.4	25.5	33.1	26.4	19.2	16.9	14.4	15.3	14.9	28.9
Real exports	0.4	7.2	1.7	7.5	11.1	9.4	9.0	5.5	6.1	5.3	6.0	4.9
Asia												
Real GDP	8.2	7.9	5.9	7.2	8.6	9.1	5.5	5.7	5.0	6.3	6.3	7.0
GDP deflator	6.3	7.5	5.9	4.4	7.8	8.2	6.1	8.4	7.5	9.2	8.3	6.7
Real exports	6.4	11.3	2.9	19.0	15.8	14.9	8.2	7.3	9.2	8.9	10.7	9.2
Latin America												
Real GDP	-2.7	3.7	3.6	4.4	3.0	0.0	1.3	-1.3	2.6	1.7	2.9	1.1
GDP deflator 1/	30.3	40.8	69.0	62.8	125.5	66.5	35.9	29.6	22.7	23.8	20.5	49.6
Real exports	2.0	12.0	2.0	0.0	8.0	6.8	10.4	3.9	3.1	2.6	2.2	5.2
Africa												
Real GDP	1.1	2.2	2.3	1.4	0.6	2.9	2.8	0.9	2.2	1.8	2.9	1.7
GDP deflator	16.7	12.2	12.2	8.4	25.3	17.4	19.6	15.0	18.0	13.7	18.9	14.5
Real exports	-5.3	-1.5	3.5	-1.0	0.0	2.9	5.0	7.5	6.1	1.7	1.5	-2.0
Middle East												
Real GDP	4.5	1.2	1.7	-3.6	-0.1	-0.2	2.5	5.8	2.9	5.7	6.8	1.9
GDP deflator	-4.5	1.2	3.1	5.7	14.6	9.5	13.5	20.4	2.7	8.9	12.6	7.9
Real exports	-19.6	-6.7	-7.1	-3.8	24.6	4.8	21.0	5.0	17.2	9.8	4.9	0.1

1/ Excludes Yugoslavia, Argentina, Brazil, & Peru starting in 1989. E = estimate. F = forecast.

Information contact: Alberto Jerardo, (202) 219-0717.

Farm Prices

Table 4.—Indexes of Prices Received & Paid by Farmers, U.S. Average

	Annual			1992						1993
	1990	1991	1992 P	Jan	Aug	Sept	Oct	Nov	Dec R	Jan P
1977 = 100										
Prices received										
All farm products	149	145	139	138	139	138	139	136	137	138
All crops	127	129	121	123	117	117	116	115	118	117
Food grains	127	129	121	146	123	130	130	133	134	139
Feed grains & hay	123	118	115	119	110	109	104	104	104	106
Feed grains	118	115	114	119	108	107	101	100	99	101
Cotton	107	108	87	85	89	87	87	84	90	87
Tobacco	152	161	155	157	148	163	163	164	163	161
Oil-bearing crops	94	91	85	84	82	85	83	85	86	89
Fruit, all	186	262	183	207	162	159	157	170	162	140
Fresh market 1/	196	285	186	217	160	156	154	168	161	136
Commercial vegetables	142	135	151	137	155	156	166	141	168	166
Fresh market	144	140	157	139	163	164	179	144	176	174
Potatoes & dry beans	189	141	126	101	163	130	120	127	129	132
Livestock & products	170	161	157	152	160	158	160	156	156	158
Meat animals	193	186	176	167	178	176	180	172	174	179
Dairy products	141	126	135	139	139	139	138	135	132	130
Poultry & eggs	131	124	117	115	119	120	120	127	124	122
Prices paid										
Commodities & services,										
Interest, taxes, & wage rates	184	189	191	190	192	192	192	192	192	193
Production items	171	174	174	172	175	175	175	175	175	176
Feed	128	123	123	124	---	---	119	---	---	121
Feeder livestock	213	214	202	199	---	---	206	---	---	216
Seed	165	163	162	163	---	---	162	---	---	162
Fertilizer	131	134	131	132	---	---	128	---	---	128
Agricultural chemicals	139	151	159	154	---	---	161	---	---	161
Fuels & energy	204	203	199	192	---	---	205	---	---	198
Farm & motor supplies	154	154	160	160	---	---	161	---	---	161
Autos & trucks	231	244	258	248	---	---	262	---	---	265
Tractors & self-propelled machinery	202	211	219	216	---	---	224	---	---	224
Other machinery	216	226	233	230	---	---	235	---	---	235
Building & fencing	143	146	150	147	---	---	152	---	---	152
Farm services & cash rent	166	170	172	172	---	---	172	---	---	172
Int. payable per acre on farm real estate debt	177	172	167	167	---	---	167	---	---	164
Taxes payable per acre on farm real estate	158	160	171	171	---	---	171	---	---	178
Wage rates (seasonally adjusted)	193	201	210	216	---	---	201	---	---	201
Production items, interest, taxes, & wage rates	172	175	176	174	---	---	176	---	---	177
Ratio, prices received to prices paid (%) 2/	81	77	73	73	72	72	72	71	71	72
Prices received (1910-14=100)	681	665	636	630	633	631	633	623	628	631
Prices paid, etc. (parity index) (1910-14=100)	1,267	1,298	1,317	1,305	---	---	1,323	---	---	1,330
Parity ratio (1910-14=100) (%)2/	54	51	48	48	48	48	48	47	47	48

1/ Fresh market for noncitrus; fresh market & processing for citrus. 2/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary. --- = not available.

Information contact: Ann Duncan (202) 219-0313.

Table 5.—Prices Received by Farmers, U.S. Average

	Annual 1/			1992						1993
	1990	1991	1992 P	Jan	Aug	Sept	Oct	Nov	Dec R	Jan P
CROPS										
All wheat (\$/bu.)	2.61	3.00	3.30	3.54	3.01	3.21	3.21	3.29	3.31	3.44
Rice, rough (\$/cwt)	6.70	7.58	6.10	7.84	6.61	6.40	6.37	6.38	6.39	6.31
Corn (\$/bu.)	2.28	2.37	2.05	2.40	2.15	2.15	2.04	1.98	1.98	2.02
Sorghum (\$/cwt)	3.79	4.02	3.39	4.07	3.77	3.68	3.23	3.22	3.27	3.30
All hay, baled (\$/ton)	80.60	71.00	74.00	68.70	69.60	68.50	70.50	74.10	73.80	75.10
Soybeans (\$/bu.)	5.74	5.60	5.40	5.54	5.40	5.35	5.26	5.36	5.46	5.59
Cotton, upland (cts./lb.)	68.2	58.3	—	51.7	53.8	52.6	52.7	51.0	54.2	52.5
Potatoes (\$/cwt)	6.08	4.96	5.28	4.07	6.60	4.99	4.68	4.88	5.01	5.15
Lettuce (\$/cwt) 2/	11.50	11.40	12.40	7.23	19.90	20.80	13.40	9.50	16.90	12.70
Tomatoes fresh (\$/cwt) 2/	27.40	31.80	36.20	40.50	24.50	30.10	59.60	39.70	39.50	34.20
Onions (\$/cwt)	10.50	12.50	12.80	10.70	15.90	12.40	12.20	12.60	15.20	17.60
Dry edible beans (\$/cwt)	18.50	15.60	21.00	14.70	18.90	20.20	20.30	21.30	21.50	21.30
Apples for fresh use (cts./lb.)	20.9	25.0	—	24.5	30.4	29.3	22.4	19.9	20.0	19.2
Pears for fresh use (\$/ton)	360.00	385.00	399.00	377.00	276.00	426.00	398.00	449.00	380.00	362.00
Oranges, all uses (\$/box) 3/	6.16	6.78	5.83	6.19	1.65	1.37	1.79	3.80	2.90	2.66
Grapefruit, all uses (\$/box) 3/	5.86	5.48	6.16	6.02	3.32	3.73	7.09	4.11	4.66	3.00
LIVESTOCK										
Beef cattle (\$/cwt)	74.80	72.90	71.50	68.90	71.80	71.70	73.90	70.20	70.80	73.20
Calves (\$/cwt)	96.50	99.90	89.60	88.30	90.60	87.40	86.40	86.50	87.00	91.40
Hogs (\$/cwt)	54.00	48.80	41.80	36.40	43.90	41.90	41.90	40.90	41.80	41.50
Lambs (\$/cwt)	56.00	52.50	60.70	53.50	56.00	56.70	55.40	58.20	65.30	67.60
All milk, sold to plants (\$/cwt)	13.70	12.20	13.10	13.50	13.50	13.50	13.40	13.10	12.80	12.60
Milk, manuf. grade (\$/cwt)	12.34	11.05	—	11.80	12.40	12.30	12.20	12.00	11.50	11.20
Broilers (cts./lb.)	32.4	31.0	31.7	30.0	34.6	31.8	32.9	33.2	31.3	31.5
Eggs (cts./doz.) 4/	70.4	66.2	56.4	58.2	53.4	59.5	56.9	64.9	64.4	63.7
Turkeys (cts./lb.)	38.4	37.7	37.4	37.4	37.9	37.1	38.6	39.0	39.2	35.9
Wool (cts./lb.) 5/	80.0	55.0	55.0	30.6	65.0	52.2	69.5	61.7	48.8	43.3

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns.
 4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 5/ Average local market price, excluding incentive payments.
 P = preliminary. R = revised. — = not available.

Information contact: Ann Duncan (202) 219-0313.

Producer & Consumer Prices

Table 6.—Consumer Price Index for All Urban Consumers, U.S. Average (Not Seasonally Adjusted)

	Annual	1992								1993
	1992	Jan	June	July	Aug	Sept	Oct	Nov	Dec	Jan
		1982-84=100								
Consumer Price Index, all items	140.3	138.1	140.2	140.5	140.9	141.3	141.8	142.0	141.9	142.6
Consumer Price Index, less food	140.8	138.3	140.7	141.1	141.4	141.8	142.4	142.7	142.5	143.1
All food	137.9	137.2	137.4	137.2	138.0	138.5	138.3	138.3	138.7	139.8
Food away from home	140.7	139.7	140.7	140.8	141.0	141.2	141.3	141.5	141.6	142.0
Food at home	136.8	136.4	136.1	135.7	136.9	137.4	137.2	137.0	137.5	139.1
Meats 1/	130.7	130.0	131.0	130.0	130.6	130.9	131.1	131.2	131.1	132.3
Beef & veal	132.3	131.2	132.7	130.7	131.4	131.8	132.6	132.9	132.8	135.1
Pork	127.8	127.8	127.9	129.1	129.5	129.4	128.7	127.9	127.4	127.9
Poultry	131.4	131.2	130.7	132.1	133.7	134.0	133.3	133.6	133.7	134.6
Fish	151.7	154.6	149.1	150.4	151.6	151.2	151.4	151.2	152.0	157.2
Eggs	108.3	113.9	100.7	104.7	102.2	111.6	109.3	113.4	117.7	116.2
Dairy products 2/	128.5	128.2	127.8	128.3	129.2	129.7	130.1	129.4	129.1	129.5
Fats & oils 3/	129.8	130.7	130.2	129.9	129.5	129.9	129.9	128.5	128.4	130.2
Fresh fruit	184.2	188.6	182.9	173.3	181.4	189.2	182.1	181.4	181.8	191.0
Processed fruit	137.7	136.0	138.3	138.4	138.2	138.0	136.4	135.5	134.8	133.3
Fresh vegetables	157.9	152.7	146.9	148.1	153.8	152.8	155.2	158.4	166.1	172.4
Potatoes	141.5	130.9	141.0	155.9	164.7	153.1	143.0	136.0	137.2	139.7
Processed vegetables	128.8	129.2	129.0	129.2	130.2	129.1	129.1	127.7	127.3	129.8
Cereals & bakery products	151.5	148.9	151.6	152.4	153.1	152.6	152.8	152.7	153.3	153.4
Sugar & sweets	133.1	132.0	133.3	133.8	133.8	133.7	133.7	133.0	132.1	133.1
Beverages, nonalcoholic	114.3	114.9	115.0	113.9	114.1	114.2	114.1	112.4	112.3	113.5
Apparel										
Apparel, commodities less footwear	130.2	126.0	129.0	126.8	128.1	131.7	133.7	133.1	129.4	127.3
Footwear	125.0	121.3	125.4	124.4	124.9	126.3	127.1	126.0	125.1	124.4
Tobacco & smoking products	219.8	212.6	219.2	220.5	221.5	224.0	225.6	225.0	228.9	234.6
Beverages, alcoholic	147.3	144.8	147.5	147.7	147.6	148.0	148.2	148.2	148.1	148.7

1/ Beef, veal, lamb, pork, & processed meat. 2/ Includes butter. 3/ Excludes butter.

Information contact: Ann Duncan (202) 219-0313.

Table 7.—Producer Price Indexes, U.S. Average (Not Seasonally Adjusted)

	Annual			1991	1992					
	1989	1990	1991	Dec	July R	Aug R	Sept	Oct	Nov	Dec
1982 = 100										
All commodities	112.2	116.3	116.5	115.9	117.9	117.7	117.8	118.1	117.8	117.6
Finished goods 1/	113.6	119.2	121.7	122.1	123.7	123.6	123.3	124.3	123.9	123.8
All foods 2/	117.8	123.2	122.2	120.2	120.4	120.6	120.6	121.0	120.9	121.7
Consumer foods	118.7	124.4	124.1	123.0	122.8	123.4	123.2	123.6	123.3	124.1
Fresh fruit & melons	113.2	118.1	129.9	100.8	70.8	78.6	72.8	78.5	91.1	84.1
Fresh & dried vegetables	116.7	118.1	103.8	80.1	99.9	118.8	107.6	141.4	114.3	134.1
Dried fruit	103.0	106.7	111.8	114.9	114.5	114.2	113.8	113.6	113.7	114.9
Canned fruit & juice	122.7	127.0	128.6	133.5	135.7	135.5	133.5	132.3	130.8	129.9
Frozen fruit & juice	123.9	139.0	116.3	131.6	123.7	123.1	121.7	117.5	116.3	113.8
Fresh veg. excl. potatoes	103.9	107.8	100.2	76.1	85.5	114.8	115.1	149.4	108.2	133.4
Canned veg. & juices	118.6	116.7	112.9	110.4	109.5	109.6	108.8	109.1	110.0	110.5
Frozen vegetables	115.5	118.4	117.6	116.8	115.4	115.4	116.8	116.5	117.6	118.2
Potatoes	153.6	157.3	125.7	96.4	195.0	171.8	115.8	107.0	112.9	108.4
Eggs for fresh use	3/	3/	3/	—	71.5	73.7	85.8	78.1	91.9	89.9
Bakery products	135.4	141.0	146.6	149.0	153.0	153.2	153.4	153.9	153.8	154.7
Meats	104.8	117.0	113.5	105.5	107.1	106.7	106.0	106.6	105.3	108.4
Beef & veal	108.9	116.0	112.2	106.9	107.5	107.8	107.4	109.5	108.7	114.8
Pork	97.7	119.8	113.4	98.2	103.4	101.7	100.0	98.8	95.8	97.0
Processed poultry	120.4	113.6	109.9	105.3	110.0	111.8	111.8	111.8	111.3	109.2
Fish	142.9	147.2	149.5	149.9	155.8	147.8	149.8	140.4	139.6	147.5
Dairy products	110.6	117.2	114.6	120.0	119.4	120.0	120.2	119.5	118.8	117.3
Processed fruits & vegetables	119.9	124.7	119.6	121.6	120.6	120.5	119.8	119.0	119.0	118.8
Shortening & cooking oil	116.6	123.2	116.5	114.3	115.3	112.4	112.8	112.6	115.6	118.5
Soft drinks	177.7	122.3	125.5	124.4	124.9	125.0	125.0	125.4	125.9	126.1
Consumer finished goods less foods	108.9	115.3	118.7	121.7	122.0	121.5	121.4	122.2	121.7	121.1
Beverages, alcoholic	115.2	117.2	123.7	123.3	126.7	126.6	125.7	125.4	125.6	125.4
Apparel	114.5	117.5	119.6	120.6	122.0	122.0	122.3	122.8	122.9	123.0
Footwear	120.8	125.6	128.6	129.6	132.1	132.5	132.6	131.5	132.2	133.2
Tobacco products	194.8	221.4	249.7	267.2	283.4	265.9	273.9	274.0	276.6	285.1
Intermediate materials 4/	112.0	114.5	114.4	113.9	115.5	115.5	115.6	115.4	115.1	114.9
Materials for food manufacturing	112.7	117.9	115.3	114.6	114.8	114.0	114.3	112.8	112.8	113.3
Flour	114.6	103.6	96.8	105.0	107.0	101.6	102.9	106.8	107.5	105.4
Refined sugar 5/	118.2	122.7	121.6	120.4	120.0	120.4	119.8	119.9	119.8	119.8
Crude vegetable oils	103.7	115.8	103.0	95.9	97.3	89.7	92.8	91.5	96.1	101.9
Crude materials 6/	103.1	108.9	101.2	98.3	101.7	100.6	102.0	101.8	101.5	100.5
Foodstuffs & feedstuffs	111.2	113.1	105.5	102.9	105.0	103.7	103.0	103.5	102.8	104.4
Fruits & vegetables & nuts 7/	114.6	117.5	114.7	88.7	85.2	95.9	89.1	104.9	101.9	106.0
Grains	106.4	97.4	92.0	97.7	95.0	84.2	90.6	87.8	95.8	97.1
Livestock	106.1	115.6	107.9	97.7	103.7	104.2	103.4	104.2	101.8	106.3
Poultry, live	128.8	118.8	111.2	105.1	124.1	120.5	111.8	119.3	121.7	108.9
Fibers, plant & animal	107.8	117.8	115.1	89.7	102.0	96.6	93.8	82.8	83.2	87.3
Fluid milk	98.8	100.8	89.5	99.6	99.6	100.1	99.5	97.9	96.9	93.9
Oilseeds	123.8	112.1	106.4	103.0	109.2	104.9	105.1	101.2	104.0	107.1
Tobacco, leaf	93.8	95.8	101.1	104.8	90.5	96.3	106.1	105.5	106.1	106.1
Sugar, raw cane	115.5	119.2	113.7	113.5	111.0	111.7	112.8	113.6	112.7	111.0

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. R = revised.

Information contact: Ann Duncan (202) 219-0313.

Farm-Retail Price Spreads

Table 8.—Farm-Retail Price Spreads

	Annual			1991		1992				
	1990	1991	1992	Dec	July	Aug	Sept	Oct	Nov	Dec
Market basket 1/										
Retail cost (1982-84=100)	133.5	137.4	138.4	137.2	137.2	138.4	139.1	138.9	138.9	139.6
Farm value (1982-84=100)	113.1	106.1	103.4	101.5	103.7	104.5	104.1	104.5	103.5	103.6
Farm-retail spread (1982-84=100)	144.5	154.2	157.3	156.5	155.3	156.6	157.9	157.5	158.0	158.9
Farm value-retail cost (%)	29.7	27.0	26.2	25.9	26.5	26.4	26.2	26.3	26.1	26.0
Meat products										
Retail cost (1982-84=100)	128.5	132.5	130.7	130.8	130.0	130.6	130.9	131.1	131.2	131.1
Farm value (1982-84=100)	116.8	110.0	104.5	97.8	107.2	104.7	104.8	104.2	103.5	105.5
Farm-retail spread (1982-84=100)	140.4	155.6	157.5	164.7	153.4	157.1	157.7	158.7	159.6	157.4
Farm value-retail cost (%)	46.0	42.0	40.5	37.9	41.8	40.6	40.6	40.3	40.0	40.8
Dairy products										
Retail cost (1982-84=100)	126.5	125.1	128.5	127.4	128.3	129.2	129.7	130.1	129.4	129.1
Farm value (1982-84=100)	101.7	90.0	95.9	101.9	97.8	99.1	99.3	97.4	95.0	94.5
Farm-retail spread (1982-84=100)	149.5	157.5	158.6	150.9	156.4	157.0	157.7	160.2	161.1	161.0
Farm value-retail cost (%)	38.5	34.5	35.8	38.4	36.6	36.8	36.7	35.9	35.2	35.1
Poultry										
Retail cost (1982-84=100)	132.5	131.5	131.4	130.2	132.1	133.7	134.0	133.3	133.6	133.7
Farm value (1982-84=100)	107.6	102.5	104.0	98.4	110.1	112.1	104.1	107.9	108.8	103.8
Farm-retail spread (1982-84=100)	161.1	164.9	163.0	166.8	157.4	158.5	168.4	162.6	162.1	168.1
Farm value-retail cost (%)	43.5	41.7	42.4	40.4	44.6	44.9	41.6	43.3	43.6	41.6
Eggs										
Retail cost (1982-84=100)	124.1	121.2	108.3	123.5	104.7	102.2	111.6	109.3	113.4	117.7
Farm value (1982-84=100)	108.0	100.9	77.8	109.8	68.6	70.7	84.1	78.2	94.7	95.4
Farm-retail spread (1982-84=100)	153.2	157.6	163.2	148.1	169.6	158.9	161.1	165.2	147.0	157.8
Farm value-retail cost (%)	55.9	53.5	46.1	57.1	42.1	44.4	48.4	46.0	53.7	52.1
Cereal & bakery products										
Retail cost (1982-84=100)	140.0	145.8	151.5	147.4	152.4	153.1	152.6	152.8	152.7	153.3
Farm value (1982-84=100)	90.5	85.3	94.7	95.8	90.9	87.7	89.9	89.7	90.8	91.2
Farm-retail spread (1982-84=100)	146.9	154.3	159.4	154.6	161.0	162.2	161.3	161.6	161.3	162.1
Farm value-retail cost (%)	7.9	7.2	7.7	8.0	7.3	7.0	7.2	7.2	7.3	7.3
Fresh fruits										
Retail cost (1982-84=100)	174.6	200.1	189.6	196.9	178.3	183.7	195.3	188.0	188.3	189.6
Farm value (1982-84=100)	128.3	174.4	122.5	138.4	117.2	119.7	127.6	114.7	122.1	127.1
Farm-retail spread (1982-84=100)	195.9	211.9	220.6	223.9	206.5	213.2	226.6	221.8	218.9	218.4
Farm value-retail cost (%)	23.2	27.5	20.4	22.2	20.8	20.6	20.6	19.3	20.5	21.2
Fresh vegetables										
Retail costs (1982-84=100)	151.1	154.4	157.9	150.7	148.1	153.8	152.8	155.2	158.4	166.1
Farm value (1982-84=100)	124.4	110.8	121.6	82.5	110.3	128.5	117.5	141.0	115.0	124.1
Farm-retail spread (1982-84=100)	164.9	176.8	176.6	185.7	167.5	166.8	170.9	162.5	180.7	187.7
Farm value-retail cost (%)	28.0	24.4	26.1	18.6	25.3	28.4	26.1	30.8	24.7	25.4
Processed fruits & vegetables										
Retail cost (1982-84=100)	132.7	130.2	133.7	129.7	134.2	134.6	134.0	133.1	132.0	131.4
Farm value (1982-84=100)	144.0	121.6	129.0	131.9	129.9	129.9	128.9	128.3	125.9	111.2
Farm-retail spread (1982-84=100)	129.1	132.9	135.2	129.0	135.6	136.1	135.6	134.6	133.9	137.7
Farm value-retail costs (%)	25.8	22.2	22.9	24.2	23.0	22.9	22.9	22.9	22.7	20.1
Fats & oils										
Retail cost (1982-84=100)	126.3	131.7	129.8	129.3	129.9	129.5	129.9	129.9	128.5	128.4
Farm value (1982-84=100)	107.1	98.0	93.2	91.0	89.2	88.7	89.1	90.0	98.4	98.2
Farm-retail spread (1982-84=100)	133.4	144.2	143.3	143.4	144.9	144.5	144.9	144.6	139.6	139.5
Farm value-retail cost (%)	22.8	20.0	19.3	18.9	18.5	18.4	18.4	18.6	20.6	20.6
	Annual			1992						
	1990	1991	1992	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Beef, Choice										
Retail price 2/ (cts./lb.)	281.0	288.3	284.6	278.7	280.1	284.1	285.6	287.1	287.3	288.4
Wholesale value 3/ (cts.)	189.6	182.5	179.6	176.6	175.8	175.9	177.5	177.1	184.2	188.5
Net farm value 4/ (cts.)	168.4	160.2	161.8	155.2	159.0	159.6	160.1	159.5	165.1	170.2
Farm-retail spread (cts.)	112.6	128.1	122.8	123.5	121.1	124.5	125.5	127.6	122.2	118.2
Wholesale-retail 5/ (cts.)	91.4	105.8	105.0	102.1	104.3	108.2	108.1	110.0	103.1	99.9
Farm-wholesale 6/ (cts.)	21.2	22.3	17.8	21.4	16.8	16.3	17.4	17.6	19.1	18.3
Farm value-retail price (%)	60	56	57	56	57	56	56	56	57	59
Pork										
Retail price 2/ (cts./lb.)	212.6	211.9	198.0	198.7	200.4	199.6	198.4	196.4	196.3	196.0
Wholesale value 3/ (cts.)	118.3	108.9	98.9	93.6	101.7	99.6	98.8	96.9	98.8	95.0
Net farm value 4/ (cts.)	87.2	78.4	67.8	59.2	71.6	67.4	67.1	66.0	66.6	66.0
Farm-retail spread (cts.)	125.4	133.5	130.2	139.5	128.8	132.2	131.3	130.4	129.7	130.0
Wholesale-retail 5/ (cts.)	94.3	103.0	99.1	105.1	98.7	100.0	99.6	99.5	97.5	101.0
Farm-wholesale 6/ (cts.)	31.1	30.5	31.1	34.4	30.1	32.2	31.7	30.9	32.2	29.0
Farm value-retail price (%)	41	37	34	30	36	34	34	34	34	34

1/ Retail costs are based on CPI-U of retail prices for domestically produced farm foods, published monthly by BLS. The farm value is the payment for the quantity of farm equivalent to the retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale & may include marketing charges such as grading & packing for some commodities. The farm-retail spread, the difference between the retail price & the farm value, represents charges for assembling, processing, transporting, distributing. 2/ Weighted average price of retail cuts from pork & choice yield grade 3 beef. Prices from BLS. 3/ Value of wholesale (boxed beef) & wholesale cuts (pork) equivalent to 1 lb. of retail cuts adjusted for transportation costs & byproduct values. 4/ Market value to producer for live animal equivalent to 1 lb. of retail cuts, minus value of byproducts. 5/ Charges for retailing & other marketing services such as wholesaling, and in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Denis Dunham (202) 219-0870, Larry Duewer (202) 219-0712.

Table 9.—Price Indexes of Food Marketing Costs

	Annual			1991		1992			
	1990	1991	1992	III	IV	I	II	III	IV P
	1967=100*								
Labor—hourly earnings									
& benefits	393.2	409.7	419.3	408.8	414.3	417.7	418.1	419.2	422.1
Processing	404.4	420.4	435.1	418.8	425.2	430.5	436.5	435.1	438.4
Wholesaling	422.0	443.8	458.7	443.2	446.6	454.3	456.6	460.0	463.7
Retailing	369.5	383.9	386.9	383.7	389.1	392.2	382.7	385.3	387.5
Packaging & containers	367.6	371.2	364.4	369.8	368.0	364.0	364.0	364.1	365.6
Paperboard boxes & containers	323.9	320.3	324.8	317.9	322.5	324.4	324.8	325.1	324.9
Metal cans	455.0	470.5	478.1	471.7	473.0	477.4	479.6	477.7	477.7
Paper bags & related products	413.0	410.9	351.5	411.4	389.6	351.0	350.2	348.5	356.2
Plastic films & bottles	307.1	310.7	309.9	306.8	306.3	308.6	307.4	310.2	313.2
Glass containers	427.3	446.0	444.4	446.2	446.3	446.1	444.3	444.0	443.1
Metal foil	258.4	251.6	241.0	245.0	240.8	241.4	240.0	241.5	240.9
Transportation services	411.3	422.6	426.1	422.7	423.7	425.4	427.9	426.9	424.0
Advertising	433.0	460.1	484.0	462.2	466.7	477.6	482.0	486.0	490.2
Fuel & power	671.4	655.7	654.6	656.8	649.6	620.4	645.6	678.3	673.9
Electric	477.7	508.3	514.0	530.6	506.9	497.1	511.1	536.2	511.8
Petroleum	744.8	649.8	639.9	626.4	634.4	564.2	628.7	685.6	681.1
Natural gas	1,071.0	1,065.0	1061.1	1,051.5	1,062.6	1,049.6	1,039.4	1053.5	1061.1
Communications, water & sewage	253.1	261.7	266.9	263.5	264.5	265.3	266.2	267.5	268.4
Rent	273.0	282.7	278.3	282.3	280.7	279.9	279.4	277.0	277.0
Maintenance & repair	426.7	442.7	454.8	445.4	448.5	451.8	453.5	455.2	458.6
Business services	405.6	425.4	440.9	428.4	432.2	436.6	440.9	442.5	443.7
Supplies	321.1	319.3	318.1	314.6	317.5	314.5	317.0	320.9	320.1
Property taxes & insurance	462.2	480.5	496.7	482.4	488.0	491.3	494.2	497.8	503.2
Interest, short-term	155.5	114.5	74.5	114.1	96.2	82.0	78.9	66.7	70.3
Total marketing cost index	397.6	409.3	415.0	409.0	411.4	411.8	414.0	416.2	417.8

* Indexes measure changes in employee earnings & benefits & in prices of supplies & services used in processing, wholesaling, & retailing U.S. farm foods purchased for at-home consumption. P = preliminary.

Information contact: Denis Dunham (202) 219-0870.

Livestock & Products

Table 10.—U.S. Meat Supply & Use

	Beg. stocks	Produc- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
Million pounds 4/							Pounds		
Beef									
1990	335	22,743	2,356	25,434	1,006	397	24,031	67.8	78.55
1991	397	22,917	2,406	25,720	1,188	419	24,113	66.8	74.28
1992	419	23,075	2,420	25,914	1,325	362	24,227	66.4	75.36
1993 F	362	23,517	2,335	26,214	1,380	350	24,484	66.4	72-78
Pork									
1990	313	15,354	898	16,565	238	296	16,030	49.8	55.32
1991	296	15,999	775	17,070	283	393	16,394	50.3	49.69
1992	393	17,231	644	18,268	397	391	17,480	53.1	43.05
1993 F	391	17,901	650	18,942	450	375	18,117	54.5	39-45
Veal 5/									
1990	4	327	0	331	0	6	325	1.1	96.51
1991	6	306	0	312	0	7	305	1.0	99.94
1992	7	309	0	316	0	5	311	1.0	89.59
1993 F	5	307	0	312	0	4	308	1.0	85-91
Lamb & mutton									
1990	8	363	59	430	3	8	419	1.5	55.54
1991	8	363	60	431	3	6	422	1.5	53.21
1992	6	348	66	420	3	8	409	1.4	61.00
1993 F	8	345	60	413	2	9	402	1.4	58-64
Total red meat									
1990	660	38,787	3,313	42,760	1,247	707	40,806	120.1	---
1991	707	39,585	3,241	43,533	1,474	825	41,234	119.6	---
1992	825	40,963	3,130	44,918	1,725	766	42,427	121.9	---
1993 F	766	42,070	3,045	45,881	1,832	738	43,311	123.3	---
Broilers									
1990	38	18,430	0	18,468	1,143	26	17,299	61.1	54.8
1991	26	19,591	0	19,617	1,261	36	18,320	63.9	52.0
1992	36	20,892	0	20,929	1,485	33	19,411	67.0	52.6
1993 F	33	21,629	0	21,662	1,555	35	20,072	68.6	50-56
Mature chicken									
1990	189	523	0	713	25	224	464	1.9	---
1991	224	508	0	732	28	274	429	1.7	---
1992	274	519	0	793	40	346	408	1.6	---
1993 F	346	522	0	868	34	300	534	2.1	---
Turkeys									
1990	236	4,514	0	4,750	54	306	4,390	17.6	63.2
1991	306	4,603	0	4,909	103	264	4,541	18.0	61.3
1992	264	4,776	0	5,040	165	277	4,599	18.0	59.9
1993 F	277	4,858	0	5,134	175	275	4,684	18.2	58-64
Total poultry									
1990	463	23,468	0	23,931	1,222	557	22,152	80.5	---
1991	557	24,701	0	25,258	1,392	575	23,291	83.6	---
1992	575	26,188	0	26,762	1,689	655	24,418	86.6	---
1993 F	655	27,009	0	27,664	1,764	610	25,290	88.8	---
Red meat & poultry									
1990	1,123	62,255	3,313	66,691	2,469	1,264	62,958	200.6	---
1991	1,264	64,286	3,241	68,791	2,867	1,400	64,525	203.2	---
1992	1,400	67,151	3,130	71,680	3,415	1,421	66,844	208.6	---
1993 F	1,421	69,079	3,045	73,545	3,596	1,348	68,601	212.1	---

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5). 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100-1,300 lb.; pork: barrows & gilts, Iowa, Southern Minnesota; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys; wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning 1989 veal trade no longer reported separately. F = forecast. --- = not available.

Information contacts: Polly Cochran or Maxine Davis (202) 219-0767.

Table 11.—U.S. Egg Supply & Use

	Beg. stocks	Pro- duc- tion	Im- ports	Total supply	Ex- ports	Hatch- ing use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
	Million dozen								No.	Cts./doz.
1987	10.4	5,868.2	5.6	5,884.2	111.2	599.1	14.4	5,159.5	254.9	61.6
1988	14.4	5,784.2	5.3	5,803.9	141.8	605.9	15.2	5,041.0	246.9	62.1
1989	15.2	5,598.2	25.2	5,638.5	91.6	643.9	10.7	4,892.4	237.3	81.9
1990	10.7	5,665.6	9.1	5,685.3	100.5	678.5	11.6	4,894.7	235.0	82.2
1991	11.6	5,779.3	2.3	5,793.3	154.3	708.1	13.0	4,917.9	233.5	77.5
1992 F	13.0	5,898.8	4.1	5,893.3	157.1	726.6	13.5	5,001.5	235.0	65.4

* Cartoned grade A large eggs, New York. F = forecast.

Information contact: Maxine Davis (202) 219-0767.

Table 12.—U.S. Milk Supply & Use^{1/}

	Production	Farm use	Commercial			Total commercial supply	CCC net re-movals	Commercial		All milk price 1/	CCC net removals	
			Farm market-ings	Beg. stock	Im-ports			Ending stocks	Disap-pear-ance		Skim solids basis	Total solids basis 2/
			Billion pounds (milkfat basis)									\$/cwt
1985	143.0	2.5	140.6	4.8	2.8	148.2	13.3	4.5	130.4	12.76	17.2	15.6
1986	143.1	2.4	140.7	4.5	2.7	147.9	10.8	4.1	133.0	12.51	14.3	12.9
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.2	2.2	142.9	4.6	2.4	149.9	9.1	4.3	136.5	12.26	5.5	6.9
1989	144.2	2.1	142.2	4.3	2.5	149.0	9.4	4.1	135.4	13.56	0.4	4.0
1990	148.3	2.0	146.3	4.1	2.7	153.1	9.0	5.1	138.9	13.68	1.6	4.6
1991	148.5	2.0	146.5	5.1	2.6	154.3	10.4	4.5	139.4	12.24	3.9	6.5
1992 F	151.9	2.0	149.8	4.5	2.5	156.8	10.2	4.5	142.1	13.21	1.7	5.1
1993 F	151.5	2.0	149.4	4.5	2.6	156.5	7.1	4.5	145.0	12.50	3.0	4.6

1/ Delivered to plants & dealers; does not reflect deductions. 2/ Arbitrarily weighted average of milkfat basis (40 percent) & skim solids basis (60 percent). F = forecast.

Information contact: Jim Miller (202) 219-0770.

Table 13.—Poultry & Eggs

	Annual			1991 Dec	1992					
	1990	1991	1992		July	Aug	Sept	Oct	Nov	Dec
Broilers										
Federally inspected slaughter, certified (mil. lb.)	18,553.9	19,727.7	21,038.1	1,615.9	1,819.9	1,763.3	1,803.5	1,834.0	1,595.0	1,808.3
Wholesale price, 12-city (cts./lb.)	54.8	52.0	52.6	49.5	56.0	56.1	51.3	53.7	55.0	51.2
Price of grower feed (\$/ton)	218	208	208	207	211	210	212	206	201	202
Broiler-feed price ratio 1/	3.0	3.0	3.1	2.8	3.2	3.3	3.0	3.2	3.3	3.1
Stocks beginning of period (mil. lb.)	38.3	26.1	36.1	38.8	33.7	35.1	36.0	31.1	28.8	29.0
Broiler-type chicks hatched (mil.) 2/	6,324.4	6,613.3	6,813.3	571.5	584.1	573.0	554.5	546.2	524.5	587.1
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,560.7	4,651.9	4,827.6	346.1	452.0	411.9	431.3	467.6	423.0	391.8
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	63.2	61.2	59.9	65.2	57.0	57.8	61.0	63.9	65.6	65.1
Price of turkey grower feed (\$/ton)	238	230	242	224	246	245	247	241	244	245
Turkey-feed price ratio 1/	3.2	3.3	3.1	3.4	3.1	3.1	3.0	3.2	3.2	3.2
Stocks beginning of period (mil. lb.)	235.9	306.4	264.1	305.5	580.1	662.1	672.7	734.4	714.7	320.5
Poulters placed in U.S. (mil.)	304.9	308.1	309.2	24.4	29.3	25.5	21.6	21.9	22.1	24.1
Eggs										
Farm production (mil.)	67,987	69,352	70,581	6,007	5,905	5,914	5,748	6,010	5,904	6,088
Average number of layers (mil.)	270	275	278	280	275	274	276	279	281	281
Rate of lay (eggs per layer on farms)	251.7	252.4	253.9	21.6	21.5	21.6	20.8	21.5	21.0	21.7
Cartoned price, New York, grade A large (cts./doz.) 3/	82.2	77.5	65.4	80	58.6	64.6	70.5	65.3	75.3	73.6
Price of laying feed (\$/ton)	200	192	199	199	201	202	202	196	197	195
Egg-feed price ratio 1/	7.0	6.8	5.7	7.2	5.2	5.3	5.9	5.8	6.6	6.6
Stocks, first of month										
Shell (mil. doz.)	0.36	0.45	0.63	0.36	0.90	0.87	0.69	0.66	0.51	0.45
Frozen (mil. doz.)	10.3	11.2	12.3	11.5	16.1	14.8	15.3	15.2	16.5	14.2
Replacement chicks hatched (mil.)	398	417	385	32.7	32.0	28.2	27.9	31.9	26.5	29.5

1/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. 2/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 3/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Maxine Davis (202) 219-0767.

Table 14.—Dairy

	Annual			1991	1992					
	1990	1991	1992	Dec	July	Aug	Sept	Oct	Nov	Dec
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	12.21	11.05	11.88	12.10	12.59	12.54	12.28	12.05	11.84	11.34
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	102.1	99.3	82.5	98.4	76.6	76.6	81.7	82.2	80.7	78.6
Am. cheese, Wis. assembly pt. (cts./lb.)	136.7	124.4	131.9	130.2	141.8	142.0	136.9	132.4	129.4	123.2
Nonfat dry milk (cts./lb.) 2/	100.6	94.0	107.1	108.5	115.0	111.6	105.1	108.0	109.1	109.2
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,017.2	10,433.9	10,092.8	752.7	408.4	405.8	364.2	249.2	337.8	615.2
Butter (mil. lb.)	400.3	442.8	444.4	33.8	16.7	17.6	13.9	9.6	13.9	26.9
Am. cheese (mil. lb.)	21.5	77.6	13.2	1.5	0.1	0.8	0.3	0.9	0.9	0.9
Nonfat dry milk (mil. lb.)	117.8	269.5	174.6	14.4	15.4	11.3	14.7	21.2	32.6	39.4
Milk										
Milk prod. 21 States (mil. lb.)	125,772	125,671	128,300	10,453	10,900	10,673	10,263	10,532	10,184	10,659
Milk per cow (lb.)	14,778	14,977	15,546	1,256	1,322	1,295	1,246	1,278	1,237	1,292
Number of milk cows (1,000)	8,512	8,391	8,253	8,322	8,247	8,243	8,237	8,238	8,235	8,247
U.S. milk production (mil. lb.)	148,284	148,477	151,747	7/ 12,368	7/ 12,826	7/ 12,613	7/ 12,076	7/ 12,465	7/ 12,072	7/ 12,629
Stock, beginning										
Total (mil. lb.)	9,036	13,359	15,841	15,886	21,469	22,026	20,832	18,406	16,244	14,880
Commercial (mil. lb.)	4,120	5,146	4,461	4,257	5,104	5,675	5,676	5,234	4,981	4,657
Government (mil. lb.)	4,916	8,213	11,379	11,629	16,364	16,350	15,156	13,172	11,263	10,223
Imports, total (mil. lb.)	2,690	2,624	—	287	220	170	196	226	264	—
Commercial disappearance (mil. lb.)	138,922	139,376	—	11,505	11,958	12,265	12,244	12,573	12,204	—
Butter										
Production (mil. lb.)	1,302.2	1,336.3	1,344.5	129.4	96.8	84.8	90.0	100.4	98.3	115.1
Stocks, beginning (mil. lb.)	256.2	416.1	539.4	543.0	766.2	780.6	732.3	630.7	551.2	490.1
Commercial disappearance (mil. lb.)	915.2	903.0	—	89.8	68.4	63.4	90.2	94.2	95.7	—
American cheese										
Production (mil. lb.)	2,894.2	2,804.9	2,938.7	247.7	259.3	242.4	222.9	240.2	233.1	251.2
Stocks, beginning (mil. lb.)	236.2	347.4	318.7	320.3	345.1	370.1	364.8	350.5	328.9	324.8
Commercial disappearance (mil. lb.)	2,784.4	2,791.9	—	246.9	233.2	245.7	233.5	259.3	244.0	—
Other cheese										
Production (mil. lb.)	3,167.0	3,285.9	3,518.8	286.0	286.7	293.5	297.1	321.5	314.4	307.7
Stocks, beginning (mil. lb.)	93.2	110.6	97.5	89.8	121.8	127.1	123.9	121.1	121.7	121.9
Commercial disappearance (mil. lb.)	3,426.4	3,575.2	—	310.2	304.7	316.3	321.2	345.6	343.1	—
Nonfat dry milk										
Production (mil. lb.)	879.2	877.5	873.0	86.0	76.0	59.2	52.8	53.6	56.6	80.9
Stocks, beginning (mil. lb.)	49.5	161.9	214.8	225.9	149.5	148.7	138.1	112.0	90.8	87.6
Commercial disappearance (mil. lb.)	697.6	662.7	—	47.6	46.6	46.9	56.1	46.1	26.0	—
Frozen dessert										
Production (mil. gal.) 5/	1,174.6	1,196.1	1,238.2	76.0	125.4	117.7	105.2	92.0	79.7	80.4
	Annual			1991	1992					
	1990	1991	1992	II	III	IV	I	II	III	IV
Milk production (mil. lb.)	148,284	148,477	151,747	38,586	36,232	36,270	37,989	39,077	37,515	37,166
Milk per cow (lb.)	14,642	14,860	15,423	3,859	3,643	3,655	3,852	3,971	3,818	3,782
No. of milk cows (1,000)	10,127	9,992	9,839	10,000	9,944	9,923	9,863	9,841	9,826	9,827
Milk-feed price ratio 6/	1.71	1.58	1.69	1.46	1.59	1.77	1.68	1.65	1.75	1.69
Returns over concentrate costs (\$/cwt milk) 6/	10.17	8.95	9.74	8.05	9.25	10.45	9.61	9.47	10.08	9.80

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP).

4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Based on average milk price after adjustment for price support deductions.

7/ Estimated. 8/ Entire period not available. Average of weeks reported. — = not available.

Information contact: LaVerne T. Williams (202) 219-0770.

Table 15.—Wool

	Annual			1991			1992			
	1990	1991	1992	II	III	IV	I	II	III	IV
U.S. wool price, (cts./lb.) 1/	256	199	204	200	217	182	209	222	210	176
Imported wool price, (cts./lb.) 2/	287	187	210	199	194	222	250	233	203	189
U.S. mill consumption, scoured										
Apparel wool (1,000 lb.)	120,622	137,187	139,715	37,111	34,578	33,916	36,929	36,045	34,462	32,279
Carpet wool (1,000 lb.)	12,124	14,352	14,726	3,118	4,561	3,588	4,580	3,623	3,145	3,378

1/ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60–22.04 microns) staple 2–3/4" & up. 2/ Wool price, Charleston, SC warehouse, clean basis, Australian 60/62's, type 64A (24 micron). Duty since 1982 has been 10.0 cents. P = preliminary. — = not available.

Information contact: John Lawler (202) 219-0840.

Table 16.—Meat Animals

	Annual			1991	1992					
	1990	1991	1992	Dec	July	Aug	Sept	Oct	Nov	Dec
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,378	8,992	8,397	8,894	7,337	7,000	6,968	7,495	8,584	8,894
Placed on feed (1,000 head)	21,030	19,704	20,498	1,456	1,432	1,641	2,179	2,658	1,843	1,694
Marketings (1,000 head)	19,198	19,066	18,623	1,443	1,684	1,592	1,586	1,493	1,442	1,414
Other disappearance (1,000 head)	1,218	1,233	1,199	93	85	81	66	76	91	101
Beef steer—corn price ratio, Omaha 2/	32.8	31.6	33.3	29.7	32.2	34.7	35.1	37.4	38.0	38.8
Hog—corn price ratio, Omaha 2/	23.1	21.1	19.0	16.8	20.0	21.3	20.3	21.3	21.0	21.2
Market prices (\$/cwt)										
Slaughter cattle										
Choice steers, Omaha 1,000–1,100 lb.	77.40	73.83	74.65	68.64	73.05	73.08	73.68	74.13	74.41	76.58
Choice steers, Neb. Direct, 1,100–1,300 lb.	78.56	74.28	75.36	69.07	73.23	73.96	74.44	75.12	75.11	77.34
Boning utility cows, Sioux Falls	53.60	50.31	44.84	47.21	44.28	46.13	46.43	45.69	42.09	44.71
Feeder cattle										
Medium no. 1, Oklahoma City 600–700 lb.	92.15	92.74	85.57	83.08	87.46	88.18	87.48	85.23	85.90	86.67
Slaughter hogs										
Barrows & gilts, Iowa, S. Minn.	55.32	49.69	43.05	39.54	45.22	45.27	42.68	42.69	42.03	42.73
Feeder pigs										
S. Mo. 40–50 lb. (per head)	51.46	39.84	31.71	28.17	26.20	31.28	31.18	32.44	30.69	29.78
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	55.54	53.21	61.00	54.92	58.17	52.38	53.61	52.81	56.93	67.25
Ewes, Good, San Angelo	35.21	31.98	35.39	32.92	33.57	35.38	32.39	29.56	32.92	40.75
Feeder lambs										
Choice, San Angelo	62.95	53.54	62.09	54.75	56.43	53.69	55.43	52.94	58.75	71.13
Wholesale meat prices, Midwest										
Boxed beef cut-out value	123.21	118.31	116.73	111.18	112.79	114.36	114.40	115.51	115.26	119.95
Canner & cutter cow beef	99.96	99.42	93.85	93.02	94.29	96.74	93.23	90.85	88.13	95.31
Pork loins, 14–18 lb. 3/	117.52	108.39	101.41	90.19	108.22	111.18	102.98	96.98	89.64	96.22
Pork bellies, 12–14 lb.	53.80	47.79	30.39	28.79	32.77	35.13	29.09	29.13	30.48	28.80
Hams, skinned, 17–20 lb.	84.87	75.68	67.42	73.89	67.16	68.34	73.7	78.58	82.45	72.67
All fresh beef retail price 4/	254.99	262.12		261.70	257.09	258.21	258.72	261.50	267.14	266.95
Commercial slaughter (1,000 head) 5/										
Cattle	33,241	32,690	32,857	2,562	2,860	2,782	2,809	2,863	2,558	2,701
Steers	16,587	16,728	0	1,299	1,571	1,494	1,458	1,433	1,270	1,382
Heifers	10,090	9,725	0	700	796	802	808	802	706	709
Cows	5,920	5,623	0	519	435	427	482	564	531	560
Bulls & stags	644	614	0	44	58	59	61	64	51	50
Calves	1,789	1,436	1,371	134	109	110	110	115	113	124
Sheep & lambs	5,654	5,722	5,493	488	444	418	489	470	428	477
Hogs	85,136	88,169	94,862	7,925	7,639	7,682	8,414	8,791	7,983	8,359
Commercial production (mil. lb.)										
Beef	22,634	22,800	22,958	1,782	2,015	1,980	1,995	2,014	1,783	1,853
Veal	316	296	300	27	24	24	23	24	23	22
Lamb & mutton	358	358	344	31	27	25	30	29	27	25
Pork	15,300	15,948	17,180	1,409	1,374	1,378	1,510	1,588	1,454	1,525

	Annual			1991			1992			
	1990	1991	1992	II	III	IV	I	II	III	IV
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	9,943	10,827	10,135	10,739	9,461	8,620	10,135	9,693	8,847	8,920
Placed on feed (1,000 head)	24,803	23,208	24,246	5,006	5,414	7,086	5,403	5,273	6,107	7,463
Marketings (1,000 head)	22,526	22,383	22,061	5,820	5,973	5,262	5,441	5,675	5,766	5,179
Other disappearance (1,000 head)	1,393	1,517	1,436	464	282	309	404	444	268	320
Hogs & pigs (10 States) 6/										
Inventory (1,000 head) 1/	42,200	45,735	47,940	42,010	44,520	47,080	45,735	44,800	47,255	49,175
Breeding (1,000 head) 1/	5,275	5,610	5,800	5,455	5,720	5,680	5,610	5,555	5,845	5,840
Market (1,000 head) 1/	36,925	40,125	42,140	36,555	38,800	41,400	40,125	39,245	39,245	43,335
Farrowings (1,000 head)	8,960	9,516	9,938	2,588	2,441	2,348	2,296	2,663	2,663	2,458
Pig crop (1,000 head)	70,589	75,330	80,490	20,648	19,278	18,551	18,532	21,570	21,570	19,829

1/ Beginning of period. 2/ Bushels of corn equal in value to 100 pounds live weight. 3/ Prior to 1984, 8–14 lb.; 1984 & 1985, 14–17 lb.; beginning 1986, 14–18 lb. 4/ New series estimating the composite price of all beef grades & ground beef sold by retail stores. This new series is in addition to, but does not replace, the series for the retail price of Choice beef that appears in table 8. 5/ Classes estimated. 6/ Quarters are Dec. of preceding year–Feb. (I), Mar.–May (II), June–Aug. (III), & Sept.–Nov. (IV). May not add to NASS totals due to rounding. — = not available. * Intentions.

Information contact: Polly Cochran (202) 219-0767.

Crops & Products

Table 17.—Supply & Utilization^{1,2}

	Area			Yield	Production	Total supply 4/	Feed and resid- ual	Other domes- tic use	Ex- ports	Total use	Ending stocks	Farm price 5/
	Set aside 3/	Planted	Harvested									
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Wheat												
1987/88	23.9	65.8	55.9	37.7	2,108	3,945	290	806	1,588	2,684	1,261	2.57
1988/89	22.4	65.5	53.2	34.1	1,812	3,096	150	829	1,415	2,394	702	3.72
1989/90	9.6	76.6	62.2	32.7	2,037	2,762	144	849	1,232	2,225	536	3.72
1990/91*	7.5	77.2	69.3	39.5	2,736	3,309	499	875	1,068	2,443	866	2.61
1991/92*	15.9	69.9	57.7	34.3	1,981	2,888	257	879	1,281	2,416	472	3.00
1992/93*	7.0	72.3	62.4	39.4	2,459	2,996	225	915	1,350	2,490	506	3.25-3.35
Rice												
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
1987/88	1.57	2.36	2.33	5,555	129.6	184.0	—	6/ 80.4	72.2	152.6	31.4	7.27
1988/89	1.09	2.93	2.90	5,514	159.9	195.1	—	6/ 82.4	85.9	168.4	26.7	6.83
1989/90	1.18	2.73	2.69	5,749	154.5	185.6	—	6/ 82.1	77.2	159.3	26.4	7.35
1990/91*	1.02	2.90	2.82	5,529	156.1	187.2	—	6/ 91.7	70.9	162.7	24.6	6.70
1991/92*	0.9	2.88	2.78	5,674	157.5	187.3	—	6/ 93.7	66.4	160.1	27.3	7.58
1992/93*	0.4	3.17	3.13	5,722	179.1	212.1	—	6/ 97.8	76.0	173.8	38.3	5.95-6.45
Corn												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1987/88	23.1	66.2	59.5	119.8	7,131	12,016	4,798	1,243	1,716	7,757	4,259	1.94
1988/89	20.5	67.7	58.3	84.6	4,929	9,191	3,941	1,293	2,026	7,260	1,930	2.54
1989/90	10.8	72.2	64.7	116.3	7,525	9,458	4,389	1,356	2,368	8,113	1,344	2.36
1990/91*	10.7	74.2	67.0	118.5	7,934	9,282	4,669	1,367	1,725	7,761	1,521	2.28
1991/92*	7.4	76.0	68.8	108.6	7,475	9,016	4,898	1,434	1,584	7,916	1,100	2.37
1992/93*	5.3	79.3	72.1	131.4	9,479	10,582	5,200	1,495	1,650	8,345	2,237	1.90-2.20
Sorghum												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1987/88	4.1	11.8	10.5	69.4	731	1,474	555	25	232	812	663	1.70
1988/89	3.9	10.3	9.0	63.8	577	1,239	466	22	312	577	440	2.27
1989/90	3.3	12.6	11.1	55.4	615	1,055	517	15	303	835	220	2.08
1990/91*	3.3	10.5	9.1	63.1	573	793	110	9	232	651	143	2.12
1991/92*	2.5	11.1	9.9	59.3	585	727	373	9	292	674	53	2.25
1992/93*	1.9	13.3	12.2	72.8	884	937	500	10	300	810	127	1.75-2.05
Barley												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1987/88	2.9	11.0	10.0	52.4	521	869	253	174	121	548	321	1.81
1988/89	2.8	9.8	7.6	38.0	290	622	171	175	79	425	196	2.80
1989/90	2.3	9.1	8.3	48.6	404	614	193	175	84	453	161	2.42
1990/91*	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92*	2.2	8.9	8.4	55.2	464	624	230	171	94	496	129	2.10
1992/93*	2.1	7.8	7.3	62.4	456	600	195	165	90	450	150	2.00-2.05
Oats												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1987/88	0.8	17.9	6.9	54.3	374	552	358	81	1	440	112	1.56
1988/89	0.3	13.9	5.5	39.3	218	392	194	100	1	294	98	2.61
1989/90	0.4	12.1	6.9	54.3	374	538	266	115	1	381	157	1.49
1990/91*	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92*	0.6	8.7	4.8	50.7	243	489	235	125	2	362	128	1.20
1992/93*	0.5	8.0	4.5	65.6	295	472	230	125	5	360	112	1.30-1.35
Soybeans												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1987/88	0	58.2	57.2	33.9	1,938	2,375	7/ 97	1,174	802	2,073	302	5.88
1988/89	0	58.8	57.4	27.0	1,549	1,855	7/ 88	1,058	527	1,673	182	7.42
1989/90	0	60.8	59.5	32.3	1,924	2,108	7/ 100	1,146	623	1,869	239	5.69
1990/91*	0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92*	0	59.2	58.0	34.2	1,987	2,319	7/ 102	1,254	685	2,041	278	5.58
1992/93*	0	59.3	58.4	37.6	2,197	2,477	7/ 102	1,265	745	2,122	355	5.40-5.55
Soybean oil												
								Mil. lbs.				\$/Cts./lb.
1987/88	—	—	—	—	12,974	14,895	—	10,930	1,873	12,803	2,092	22.67
1988/89	—	—	—	—	11,737	13,967	—	10,591	1,661	12,252	1,715	21.10
1989/90	—	—	—	—	13,004	14,741	—	12,083	1,353	13,436	1,305	22.30
1990/91*	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92*	—	—	—	—	14,345	16,132	—	12,245	1,648	13,893	2,239	19.10
1992/93*	—	—	—	—	13,684	15,925	—	12,675	1,700	14,375	1,550	20.0-22.0
Soybean meal												
								1,000 tons				\$/ton
1987/88	—	—	—	—	28,060	28,300	—	21,293	6,854	28,147	153	239
1988/89	—	—	—	—	24,943	25,100	—	19,657	5,270	24,927	173	252
1989/90	—	—	—	—	27,719	27,900	—	22,263	5,319	27,582	318	186
1990/91*	—	—	—	—	28,325	28,666	—	22,912	5,469	28,381	285	181
1991/92*	—	—	—	—	29,831	30,183	—	23,103	6,850	29,953	230	189
1992/93*	—	—	—	—	30,045	30,325	—	23,950	6,075	30,025	300	170-190

See footnotes at end of table.

Table 17.—Supply & Utilization, continued

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Ex- ports	Total use	Ending Stocks	Farm price 5/
	Set Aside 3/	Planted	Harvested									
	Mil. acres		Lb./acre	Mil. bales								
Cotton 10/												
1987/88	4.0	10.4	10.0	706	14.8	19.8	—	7.6	6.6	14.2	5.8	64.30
1988/89	2.2	12.5	11.9	619	15.4	21.2	—	7.8	6.1	13.9	7.1	56.60
1989/90	3.5	10.6	9.5	614	12.2	19.3	—	8.8	7.7	16.5	3.0	66.20
1990/91*	2.0	12.3	11.7	634	15.5	18.5	—	8.7	7.8	16.5	2.3	67.10
1991/92*	1.2	14.1	13.0	652	17.6	20.0	—	9.6	6.7	16.3	3.7	56.80
1992/93*	1.6	13.3	11.2	700	16.3	20.0	—	9.7	6.2	15.9	4.2	11/ 53.30

*February 10, 1993 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum, October 1 for soybean meal & soybean oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds. Data for 1992/93 are preliminary. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 48 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August–November; not a projection for the marketing year. — = not available or not applicable.

Information contact: Commodity Economics Division, Crops Branch (202) 219-0840.

Table 18.—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1991	1992				
	1988/89	1989/90	1990/91	1991/92	Dec	Aug	Sept	Oct	Nov	Dec
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	4.17	4.22	2.94	3.77	4.06	3.27	3.56	3.60	3.78	3.81
Wheat, DNS, Minneapolis (\$/bu.) 3/	4.36	4.16	3.06	3.82	4.11	3.65	3.79	3.85	3.94	3.88
Rice, S.W. La. (\$/cwt) 4/	14.85	15.55	15.25	16.48	17.35	15.00	14.75	14.70	14.45	14.25
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.68	2.54	2.41	2.52	2.50	2.23	2.17	2.06	2.13	2.17
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.17	4.21	4.08	4.36	4.35	3.77	3.76	3.60	3.61	3.70
Barley, feed, Duluth (\$/bu.) 5/	2.32	2.20	2.13	2.17	2.18	2.03	2.12	2.11	2.08	2.06
Barley, malting, Minneapolis (\$/bu.)	4.11	3.28	2.42	2.38	2.54	2.19	2.30	2.39	2.35	2.36
U.S. price, SLM, 1-1/16 in. (cts./lb.) 6/	57.7	69.8	74.8	56.7	53.9	57.6	53.5	49.5	50.0	51.9
Northern Europe prices index (cts./lb.) 7/	66.4	82.3	82.9	62.9	61.8	59.2	56.3	52.9	52.6	54.3
U.S. M 1-3/32 in. (cts./lb.) 8/	69.2	83.6	88.2	66.3	64.3	62.9	60.3	58.0	60.6	61.9
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	7.41	5.86	5.76	5.75	5.88	5.40	5.42	5.33	5.56	5.66
Soybean oil, crude, Decatur (cts./lb.)	21.10	22.30	21.00	19.13	18.99	17.87	18.28	18.36	20.10	20.52
Soybean meal, 48% protein, Decatur (\$/ton) 9/	252.40	186.50	181.40	181.38	183.10	186.00	187.00	180.60	181.90	187.60

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean meal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotlook "A" Index; average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. 9/ Note change to 48% protein. NQ = no quotation.

Information contacts: Wheat, rice, & feed grains, Joy Harwood (202) 219-0840; Cotton, Les Meyer (202) 219-0840; Soybeans, Brenda Toland, (202) 219-0840.

Table 19.—Farm Programs, Price Supports, Participation & Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates			Effective base acres 2/	Program 3/	Participation rate 4/
				Total deficiency	Paid land diversion				
					Mandatory	Optional			
				\$/bu.			Mil. acres	Percent of base	Percent of base
Wheat									
1987/88	4.38	2.85	2.28	1.81	---	---	87.6	27.5/0/0	88
1988/89	4.23	2.76	2.21	0.69	---	---	84.8	27.5/0/0	86
1989/90	4.10	2.58	2.06	0.32	---	---	82.3	10/0/0	78
1990/91 5/	4.00	2.44	1.95	1.28	---	---	80.5	6/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	---	---	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	**0.81	---	---	79.0	5/0/0	82
1993/94	4.00	2.86	2.45	***1.05	---	---	---	0/0/0	---
				\$/cwt					
Rice									
1987/88	11.66	6.84	7/ 5.79	4.82	---	---	4.2	35/0/0	96
1988/89	11.15	6.63	7/ 6.21	4.31	---	---	4.2	25/0/0	94
1989/90	10.80	6.50	7/ 5.74	3.56	---	---	4.2	25/0/0	94
1990/91 5/	10.71	6.50	7/ 5.94	4.16	---	---	4.2	20/0/0	94
1991/92	10.71	6.50	7/ 5.85	3.07	---	---	4.2	5/0/0	95
1992/93	10.71	6.50	---	**4.21	---	---	4.1	0/0/0	97
1993/94	10.71	6.50	---	***4.21	---	---	---	5/0/0	---
				\$/bu.					
Corn									
1987/88	3.03	2.28	1.82	1.09	---	2.00	81.5	20/0/15	90
1988/89	2.93	2.21	1.77	0.36	---	1.75	82.9	20/0/10	87
1989/90	2.84	2.06	1.65	0.58	---	---	82.7	10/0/0	79
1990/91 5/	2.75	1.96	1.57	0.51	---	---	82.6	10/0/0	78
1991/92	2.75	1.89	1.62	0.41	---	---	82.7	7.5/0/0	77
1992/93	2.75	2.01	1.72	**0.48	---	---	82.2	5/0/0	75
1993/94	2.75	1.99	1.72	***0.72	---	---	---	10/0/0	---
				\$/bu.					
Sorghum									
1987/88	2.88	2.17	1.74	1.14	---	1.90	17.4	8/ 20/0/15	84
1988/89	2.78	2.10	1.68	0.48	---	1.65	16.8	20/0/10	82
1989/90	2.70	1.96	1.57	0.66	---	---	16.2	10/0/0	71
1990/91 5/	2.61	1.86	1.49	0.56	---	---	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	---	---	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	**0.46	---	---	13.6	5/0/0	77
1993/94	2.61	1.89	1.63	***0.70	---	---	---	5/0/0	---
				\$/bu.					
Barley									
1987/88	2.60	1.86	1.49	0.79	---	1.60	12.5	8/ 20/0/15	85
1988/89	2.51	1.80	1.44	0.00	---	1.40	12.5	20/0/10	79
1989/90	2.44	1.68	1.34	0.00	---	---	12.3	10/0/0	67
1990/91 5/	2.36	1.60	1.28	0.20	---	---	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	0.62	---	---	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	**0.56	---	---	11.1	5/0/0	74
1993/94	2.36	1.62	1.40	***0.52	---	---	---	0/0/0	---
				\$/bu.					
Oats									
1987/88	1.60	1.17	0.94	0.20	---	0.80	8.4	8/ 20/0/15	45
1988/89	1.55	1.14	0.91	0.00	---	---	7.9	5/0/0	30
1989/90	1.50	1.06	0.85	0.00	---	---	7.6	5/0/0	18
1990/91 5/	1.45	1.01	0.81	0.32	---	---	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	---	---	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	**0.17	---	---	7.3	0/0/0	40
1993/94	1.45	1.02	0.88	***0.15	---	---	---	0/0/0	---
				\$/bu.					
Soybeans 9/									
1987/88	---	---	4.77	---	---	---	---	---	---
1988/89	---	---	4.77	---	---	---	---	---	---
1989/90	---	---	4.53	---	---	---	---	10/ 10/25	---
1990/91 5/	---	---	4.50	---	---	---	---	10/ 0/25	---
1991/92	---	---	5.02	---	---	---	---	10/ 0/25	---
1992/93	---	---	5.02	---	---	---	---	10/ 0/25	---
1993/94	---	---	5.02	---	---	---	---	10/ 0/25	---
				Cts./lb.					
Upland cotton									
1987/88	79.4	52.25	11/ 52.25	17.3	---	---	14.5	25/0/0	93
1988/89	75.9	51.80	11/ 51.80	19.4	---	---	14.5	12.5/0/0	89
1989/90	73.4	50.00	11/ 50.00	13.1	---	---	14.6	25/0/0	89
1990/91 5/	72.9	50.27	11/ 50.27	7.3	---	---	14.4	12.5/0/0	86
1991/92 12/	72.9	50.77	11/ 47.23	10.1	---	---	14.6	5/0/0	84
1992/93	72.9	52.35	11/ ---	**20.3	---	---	14.9	10/0/0	87
1993/94	72.9	52.35	11/ ---	***20.55	---	---	---	7.5/0/0	---

1/ There are no Findley loan rates for rice or cotton. See footnotes 7/ & 11/. 2/ National effective crop acreage base as determined by ASCS. Net of CRP.

3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans must be reduced by 1.4 percent in 1990/91 due to Gramm-Rudman-Hollings. Budget Reconciliation Act reductions to deficiency payments rates were also in effect in that year. Data do not include these reductions. 6/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 7/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to annual average loan repayment rates. 8/ The sorghum, oats, & barley programs are the same as for corn except as indicated. 9/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 10/ Nominal percentage of program crop base acres permitted to shift into soybeans without loss of base. 11/ A marketing loan has been in effect for cotton since 1986/87. In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average loan repayment rates. 12/ A marketing certificate program was implemented on Aug. 1, 1991. --- = not available.

* For wheat, the 1991/92 rate is the total deficiency payment rate for the "regular" program. For the winter wheat option, the rate is \$1.25.

** For wheat, barley, and oats, regular deficiency payment rate based on the 5-month price. For rice and upland cotton, total deficiency payment rate. For corn and sorghum, estimated total deficiency payment rate.

*** Estimated total deficiency payment rate. Minimum guaranteed payment rate for 0/92 (wheat & feed grains) & 50/92 (rice and upland cotton) programs. Sign-up for 1993 programs is March 1-April 30, 1993.

Table 20.—Fruit

	1984	1985	1986	1987	1988	1989	1990	1991 P	1992 P
Citrus 1/ Production (1,000 ton)	10,832	10,525	11,058	11,993	12,761	13,186	10,860	11,888	12,386
Per capita consumpt. (lbs.) 2/	22.6	21.6	24.3	24.0	25.4	25.1	22.1	19.9	—
Noncitrus 3/ Production (1,000 tons)	14,301	14,191	13,874	16,011	15,893	16,365	15,656	15,801	16,939
Per capita consumpt. (lbs.) 2/	66.3	65.3	68.8	73.5	72.0	73.6	70.5	70.7	—
	1992								
	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
F.o.b. shipping point prices									
Apples (\$/carton) 4/	15.00	15.13	15.50	16.56	25.70	16.73	15.38	14.46	13.60
Pears (\$/box) 5/	13.68	18.13	15.10	14.30	—	—	13.05	13.54	13.86
Grower prices									
Oranges (\$/box) 6/	6.44	6.50	4.75	2.06	1.65	1.37	1.79	3.80	2.90
Grapefruit (\$/box) 6/	6.68	4.23	4.45	4.00	3.32	3.73	7.09	4.11	4.66
Stocks, ending									
Fresh apples (mil. lbs.)	1,073.3	672.9	327.1	106.5	33.5	3,479.5	5,580.0	4,988.3	4,114.1
Fresh pears (mil. lbs.)	57.0	18.7	4.7	49.4	139.1	523.1	380.4	276.7	223.3
Frozen fruits (mil. lbs.)	582.0	613.7	668.1	803.1	881.0	935.3	1,073.5	1,008.2	927.1
Frozen orange juice (mil. lbs.)	1,269.3	1,306.2	1,133.4	978.0	874.9	742.0	666.2	638.0	899.3

1/ 1991 indicated 1990/91 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Red delicious, Washington, extra fancy, carton tray pack, 125's. 5/ D'Anjou, Washington, standard box wrapped, U.S. no. 1, 135's. 6/ U.S. equivalent on-tree returns. P = preliminary. — = not available.

Information contact: Wynne Napper (202) 219-0884.

Table 21.—Vegetables

	Calendar year									
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 P
Production										
Total vegetables (1,000 cwt)	403,509	456,334	453,030	448,629	478,381	468,779	542,437	561,704	564,582	534,951
Fresh (1,000 cwt) 1/ 3/	185,782	201,817	203,549	203,165	220,539	228,397	239,281	239,104	229,506	236,140
Processed (tons) 2/ 3/	10,886,350	12,725,880	12,474,040	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,753,820	14,940,550
Mushrooms (1,000 lbs.) 4/	561,531	595,681	587,956	614,393	631,819	667,759	714,992	749,151	738,832	—
Potatoes (1,000 cwt)	333,726	362,039	406,609	361,743	389,320	356,438	370,444	402,110	417,622	411,636
Sweetpotatoes (1,000 cwt)	12,083	12,902	14,573	12,368	11,611	10,845	11,358	12,594	11,203	11,760
Dry edible beans (1,000 cwt)	15,520	21,070	22,298	22,960	26,031	19,253	23,729	32,379	33,765	22,047
	1992									
	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec
Shipments										
Fresh (1,000 cwt) 5/	17,527	26,955	28,050	29,056	25,358	15,813	18,112	14,931	16,629	19,492
Potatoes (1,000 cwt)	14,325	22,793	14,643	11,768	10,946	9,418	13,306	11,363	11,967	13,641
Sweetpotatoes (1,000 cwt)	247	387	176	184	246	130	346	359	771	539

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Asparagus & cucumber estimates were not available for 1982 & 1983. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 - June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, lettuce, onions, bell peppers, squash, tomatoes, cantaloupes, honeydews, & watermelons. P = preliminary.

Information contacts: Gary Lucier or Cathy Greene (202) 219-0884.

Table 22.—Other Commodities

	Annual					1991		1992		
	1987	1988	1989	1990	1991	July-Sept	Oct-Dec	Jan-Mar	Apr-June	July-Sept
Sugar										
Production 1/	7,309	7,087	6,841	6,335	7,145	647	3,667	2,138	733	741
Deliveries 1/	8,167	8,188	8,340	8,661	8,696	2,340	2,234	2,007	2,218	2,433
Stocks, ending 1/	3,195	3,132	2,947	2,729	3,039	1,513	3,039	3,625	2,761	1,358
Coffee										
Composite green price N.Y. (cts./lb.)	109.14	119.59	95.17	76.93	70.09	68.18	64.84	59.19	51.72	48.36
Imports, green bean equiv. (mil. lbs.) 2/	2,638	2,072	2,630	2,714	2,572	562	699	840	720	704
	Annual			1991		1992				
	1989	1990	1991	Sept	Apr	May	June	July	Aug	Sept
Tobacco										
Prices at auctions 3/										
Flue-cured (\$/lb.)	167.4	167.3	172.3	1.77	—	—	—	155.0	160.0	182.5
Burley (\$/lb.)	167.2	175.3	178.8	—	—	—	—	—	—	—
Domestic consumption 4/										
Cigarettes (bil.)	540.0	523.1	516.3	43.4	43.6	39.0	51.7	38.3	43.7	43.0
Large cigars (mil.)	2,467.6	2,343.5	2,231.9	183.4	161.7	165.1	217.2	167.7	185.7	194.3

1/ 1,000 short tons, raw value. Quarterly data shown at end of each quarter. 2/ Net imports of green & processed coffee. 3/ Crop year July-June for flue-cured, Oct.-Sept. for burley. 4/ Taxable removals. — = not available.

Information contacts: sugar, Peter Buzzanell (202) 219-0886, coffee, Fred Gray (202) 219-0888, tobacco, Verner Grise (202) 219-0890.

World Agriculture

Table 23.—World Supply & Utilization of Major Crops, Livestock & Products

	1986/87	1987/88	1988/89	1989/90	1990/91	1991/92 P	1992/93 F
Million units							
Wheat							
Area (hectares)	228.1	219.7	217.4	225.8	231.4	221.2	220.9
Production (metric tons)	524.1	495.7	495.0	532.9	588.1	542.9	558.3
Exports (metric tons) 1/	90.7	107.1	97.9	97.0	94.4	108.2	101.4
Consumption (metric tons) 2/	515.9	524.9	525.4	529.9	565.2	557.3	550.1
Ending stocks (metric tons) 3/	177.6	148.4	118.0	120.9	143.9	129.5	137.8
Coarse grains							
Area (hectares)	335.3	323.1	323.2	320.8	313.6	317.9	319.7
Production (metric tons)	822.2	783.9	721.1	792.5	819.5	798.4	847.9
Exports (metric tons) 1/	83.6	83.7	96.4	101.8	86.7	93.4	91.3
Consumption (metric tons) 2/	795.8	806.5	787.0	815.6	807.2	803.0	822.7
Ending stocks (metric tons) 3/	235.7	213.1	147.2	124.1	136.4	131.9	157.2
Rice, milled							
Area (hectares)	145.1	141.7	145.4	146.7	147.2	146.3	147.2
Production (metric tons)	316.7	314.5	330.0	342.6	350.6	348.3	351.9
Exports (metric tons) 4/	12.9	11.9	15.0	12.2	12.8	15.1	14.6
Consumption (metric tons) 2/	320.7	320.0	327.6	335.8	345.6	353.2	355.6
Ending stocks (metric tons) 3/	51.4	45.9	48.3	55.1	60.1	55.3	51.5
Total grains							
Area (hectares)	708.5	684.5	686.0	693.3	692.2	685.4	687.8
Production (metric tons)	1,663.0	1,594.1	1,546.1	1,668.0	1,758.2	1,689.6	1,758.1
Exports (metric tons) 1/	187.2	202.7	209.3	211.0	193.9	216.7	207.3
Consumption (metric tons) 2/	1,632.4	1,651.4	1,640.0	1,681.3	1,718.0	1,713.5	1,728.4
Ending stocks (metric tons) 3/	464.7	407.4	313.5	300.1	340.4	316.7	346.5
Oilseeds							
Crush (metric tons)	161.8	168.4	164.5	172.0	177.4	185.9	185.0
Production (metric tons)	194.9	210.5	201.7	212.5	216.0	223.8	224.7
Exports (metric tons)	37.7	39.5	31.5	35.5	33.0	36.8	37.8
Ending stocks (metric tons)	23.3	24.0	22.1	23.3	22.8	21.2	22.4
Meals							
Production (metric tons)	110.7	115.4	111.3	117.1	120.0	125.5	125.5
Exports (metric tons)	36.7	35.8	37.4	38.5	39.5	42.2	40.1
Oils							
Production (metric tons)	50.4	53.3	53.3	57.1	58.2	60.6	60.7
Exports (metric tons)	16.9	17.5	18.1	19.8	20.2	20.3	20.4
Cotton							
Area (hectares)	29.2	30.8	33.7	31.5	33.0	34.8	32.6
Production (bales)	70.6	81.1	84.4	79.8	87.0	96.0	84.1
Exports (bales)	25.9	23.1	25.8	23.9	22.9	22.4	22.4
Consumption (bales)	82.8	84.1	85.3	86.7	85.5	85.0	85.1
Ending stocks (bales)	35.7	32.8	31.9	26.3	28.7	40.6	39.4
	1987	1988	1989	1990	1991	1992 P	1993 F
Million							
Red meat							
Production (metric tons)	112.9	116.6	118.1	120.3	121.3	121.3	123.5
Consumption (metric tons)	111.0	114.6	116.7	118.1	119.3	119.8	121.8
Exports (metric tons) 1/	6.7	7.4	7.6	7.6	8.0	7.8	8.1
Poultry 5/							
Production (metric tons)	31.3	32.7	34.0	35.8	37.8	39.2	40.9
Consumption (metric tons)	30.8	31.9	33.1	34.8	37.0	38.7	—
Exports (metric tons) 1/	1.5	1.8	1.8	2.0	2.1	2.3	—
Dairy							
Milk production (metric tons)	425.7	428.9	434.7	442.0	429.4	415.1	408.2

1/ Excludes intra-EC trade. 2/ Where stocks data not available (excluding USSR), consumption includes stock changes. 3/ Stocks data are based on differing marketing years & do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. 4/ Calendar year data. 1987 data correspond with 1986/87, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. P = preliminary. F = forecast. — = not available.

Information contacts: Crops, Carol Whitton (202) 219-0824; red meat & poultry, Linda Bailey (202) 219-1285; dairy, Sara Short (202) 219-0770.

U.S. Agricultural Trade

Table 24.—Prices of Principal U.S. Agricultural Trade Products

	Annual			1991		1992				
	1990	1991	1992	Dec	July	Aug	Sept	Oct	Nov	Dec
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	3.72	3.52	4.13	4.40	3.72	3.50	3.79	3.85	4.03	4.03
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.79	2.75	2.66	2.73	2.61	2.49	2.50	2.42	2.44	2.42
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.65	2.69	2.63	2.76	2.42	2.41	2.41	2.33	2.39	2.45
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.24	6.05	6.01	5.91	6.01	5.86	5.82	5.67	5.84	5.96
Soybean oil, Decatur (cts./lb.)	22.75	20.14	19.16	18.67	18.73	17.76	18.10	18.31	19.98	20.58
Soybean meal, Decatur (\$/ton)	169.37	172.90	177.79	171.38	174.34	174.31	174.33	180.63	181.18	188.30
Cotton, 7-market avg. spot (cts./lb.)	71.25	69.69	53.90	53.89	60.93	57.56	53.49	49.47	49.98	51.85
Tobacco, avg. price at auction (cts./lb.)	170.57	179.23	173.58	180.55	155.02	165.49	182.51	181.93	182.97	182.51
Rice, f.o.b. mill, Houston (\$/cwt)	15.52	16.46	16.80	17.50	16.50	16.50	16.50	16.50	16.13	15.63
Inedible tallow, Chicago (cts./lb.)	13.54	13.26	14.37	12.50	14.75	15.42	15.25	15.73	16.75	16.00
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.81	0.71	0.50	0.57	0.44	0.38	0.40	0.49	0.55	0.66
Rubber, N.Y. spot (cts./lb.)	46.28	45.73	46.25	44.15	46.78	47.05	46.86	47.83	48.00	48.03
Cocoa beans, N.Y. (\$/lb.)	0.55	0.52	0.47	0.59	0.47	0.50	0.47	0.46	0.46	0.44

Information contact: Mary Teymourian (202) 219-0824.

Table 25.—Indexes of Real Trade-Weighted Dollar Exchange Rates ^{1/}

	1992											
	Jan	Feb	Mar	Apr	May	June	July	Aug P	Sept P	Oct P	Nov P	Dec P
	1985 = 100											
Total U.S. trade 2/	62.4	63.7	68.6	65.0	63.9	59.9	59.7	59.1	59.2	61.9	65.6	65.9
Agricultural trade												
U.S. markets	75.7	76.4	80.9	78.2	76.5	75.2	74.7	74.4	74.1	75.2	75.6	75.5
U.S. competitors	76.4	76.8	81.1	76.6	76.4	75.0	74.7	74.3	76.2	74.6	76.3	80.6
Wheat												
U.S. markets	95.4	95.8	100.9	100.4	96.8	96.1	95.3	94.5	93.5	94.2	91.7	90.7
U.S. competitors	70.0	71.2	86.7	70.9	71.1	69.4	69.2	69.2	74.3	71.0	73.2	79.6
Soybeans												
U.S. markets	63.1	63.7	66.2	65.5	63.6	61.8	61.4	60.9	60.7	62.2	64.5	64.7
U.S. competitors	57.1	57.0	57.7	57.4	56.5	54.9	54.9	54.2	53.5	52.9	52.8	51.9
Corn												
U.S. markets	68.3	69.0	71.1	70.6	67.8	67.7	67.3	67.4	66.8	67.5	68.7	68.7
U.S. competitors	60.2	60.8	61.4	60.6	60.0	56.9	56.4	55.8	55.6	55.8	57.2	56.9
Cotton												
U.S. markets	71.6	72.3	75.8	74.0	72.7	71.4	71.2	71.2	70.6	71.7	70.3	69.7
U.S. competitors	100.6	100.7	100.5	99.9	100.3	110.7	109.9	109.3	111.6	108.9	109.6	112.8

^{1/} Real indexes adjust nominal exchange rates for differences in rates of inflation, to avoid the distortion caused by high-inflation countries. A higher value means the dollar has appreciated. See the October 1988 issue of Agricultural Outlook for a discussion of the calculations and the weights used. ^{2/} Federal Reserve Board Index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance in world financial markets. P = preliminary.

Information contact: Tim Baxter, (202) 219-0718.

Table 26.—Trade Balance

	Fiscal year 1/								Nov
	1986	1987	1988	1989	1990	1991	1992	1993 F	1992
	\$ million								
Exports									
Agricultural	26,312	27,876	35,316	39,590	40,220	37,609	42,417	41,500	3,885
Nonagricultural	179,291	202,911	258,656	301,269	326,059	356,682	377,223	---	31,752
Total 2/	205,603	230,787	293,972	340,859	366,279	394,291	419,640	---	35,637
Imports									
Agricultural	20,884	20,650	21,014	21,476	22,560	22,588	24,323	24,000	1,941
Nonagricultural	342,846	367,374	409,138	441,075	458,101	463,720	487,554	---	43,647
Total 3/	363,730	388,024	430,152	462,551	480,661	486,308	511,877	---	45,588
Trade balance									
Agricultural	5,428	7,226	14,302	18,114	17,660	15,021	18,094	17,500	1,944
Nonagricultural	-163,555	-164,463	-150,482	-139,806	-132,042	-107,038	-110,331	---	-11,895
Total	-158,127	-157,237	-136,180	-121,692	-114,382	-92,017	-92,237	---	-9,951

^{1/} Fiscal years begin October 1 & end September 30. Fiscal year 1992 began Oct. 1, 1991 & ended Sept. 30, 1992. ^{2/} Domestic exports including Department of Defense shipments (F.A.S. value). ^{3/} Imports for consumption (customs value). F = forecast. --- = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 27.—U.S. Agricultural Exports & Imports

	Fiscal year*			Nov	Fiscal year*			Nov
	1991	1992	1993 F	1992	1991	1992	1993 F	1992
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,235	1,476	—	97	546	567	—	39
Meats & preps., excl. poultry (mt)	936	1,108	2/ 1,000	99	2,773	3,236	—	295
Dairy products (mt) 1/	43	172	—	19	293	638	600	72
Poultry meats (mt)	628	795	800	86	737	915	—	92
Fats, oils, & greases (mt)	1,169	1,392	1,400	127	419	498	—	49
Hides & skins incl. furskins	—	—	—	—	1,451	1,337	—	102
Cattle hides, whole (no.) 1/	21,548	20,822	—	1,563	1,191	1,107	—	85
Mink pelts (no.) 1/	3,941	3,160	—	57	74	52	—	1
Grains & feeds (mt)	94,583	100,744	—	9,699	12,175	13,858	3/ 13,400	1,277
Wheat (mt)	26,792	34,287	33,500	2,946	2,867	4,318	4/ 4,500	394
Wheat flour (mt)	987	816	900	89	191	165	—	17
Rice (mt)	2,395	2,279	2,100	192	747	757	700	60
Feed grains, incl. products (mt)	52,353	50,646	51,500	5,515	5,790	5,793	5,200	563
Feeds & fodders (mt)	10,943	11,267	5/ 11,800	825	1,882	2,019	—	162
Other grain products (mt)	1,113	1,449	—	132	697	807	—	80
Fruits, nuts, & preps. (mt)	2,849	3,505	—	287	3,038	3,514	—	288
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	6,311	7,767	—	522	338	427	—	28
Vegetables & preps. (mt)	2,589	2,703	—	230	2,597	2,790	—	259
Tobacco, unmanufactured (mt)	239	246	—	27	1,533	1,568	1,600	167
Cotton, excl. linters (mt)	1,565	1,494	1,300	88	2,605	2,183	1,800	124
Seeds (mt)	514	701	—	38	617	659	700	62
Sugar, cane or beet (mt)	589	492	—	26	219	154	—	8
Oilseeds & products (mt)	22,295	28,642	—	3,191	5,643	7,156	7,100	734
Oilseeds (mt)	15,615	19,970	—	2,385	3,807	4,743	—	526
Soybeans (mt)	15,139	19,247	19,300	2,291	3,465	4,311	4,100	489
Protein meal (mt)	5,628	7,022	—	689	1,113	1,431	—	137
Vegetable oils (mt)	1,051	1,650	—	117	723	982	—	71
Essential oils (mt)	13	13	—	1	183	184	—	14
Other	92	91	—	7	2,441	2,733	—	275
Total	128,104	142,098	144,000	13,925	37,609	42,417	41,500	3,885
IMPORTS								
Animals, live (no.) 1/	3,168	2,830	—	318	1,131	1,275	1,300	142
Meats & preps., excl. poultry (mt)	1,191	1,134	—	75	3,016	2,684	—	183
Beef & veal (mt)	811	813	900	51	2,025	1,933	2,100	120
Pork (mt)	322	263	260	20	865	625	800	53
Dairy products (mt) 1/	231	232	—	21	767	816	800	79
Poultry & products 1/	—	—	—	—	119	132	—	13
Fats, oils, & greases (mt)	33	46	—	4	19	26	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	153	185	—	14
Wool, unmanufactured (mt)	50	54	—	5	175	167	—	17
Grains & feeds (mt)	4,189	5,446	5,000	384	1,282	1,548	1,500	140
Fruits, nuts, & preps., excl. juices (mt)	5,650	5,883	6,000	463	2,741	2,919	—	226
Bananas & plantains (mt)	3,399	3,626	3,800	325	993	1,083	1,100	90
Fruit juices (1,000 hectoliters) 1/	27,948	26,049	28,000	2,376	737	871	—	60
Vegetables & preps. (mt)	2,416	2,171	—	187	2,183	2,125	2,200	178
Tobacco, unmanufactured (mt)	215	364	180	26	698	1,299	800	53
Cotton, unmanufactured (mt)	18	11	—	1	16	10	—	1
Seeds (mt)	169	174	180	9	173	214	200	14
Nursery stock & cut flowers 1/	—	—	—	—	538	578	—	57
Sugar, cane or beet (mt)	1,785	1,623	—	41	717	633	—	18
Oilseeds & products (mt)	2,077	2,330	—	226	959	1,124	1,200	121
Oilseeds (mt)	445	429	—	28	151	135	—	10
Protein meal (mt)	412	629	—	48	57	84	—	7
Vegetable oils (mt)	1,220	1,273	—	150	750	904	—	104
Beverages excl. fruit juices (1,000 hectoliters) 1/	12,987	13,739	—	1,152	1,858	2,044	—	205
Coffee, tea, cocoa, spices	2,045	2,391	2,320	179	3,294	3,415	—	236
Coffee, incl. products (mt)	1,116	1,330	1,300	93	1,831	1,798	1,800	108
Cocoa beans & products (mt)	700	773	750	64	1,019	1,122	1,200	89
Rubber & allied gums (mt)	792	920	950	69	664	756	800	59
Other	—	—	—	—	1,348	1,503	—	123
Total	—	—	—	—	22,588	24,323	24,000	1,941

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1992 began Oct. 1, 1991 & ended Sept. 30, 1992. 1/ Not included in total volume and also other dairy products for 1991 & 1992. 2/ Forecasts for footnoted items 2/–6/ are based on slightly different groups of commodities. Fiscal 1991 exports of categories used in the 1991 forecasts were 2/ 676,000 m. tons. 3/ 16,014 million. 4/ 4,426 million i.e. includes flour. 5/ 11,065 million m. tons. 6/ Less than \$500. F = forecast. — = not available.

Information contact: Stephen MacDonald (202) 219-0822.

Table 28.—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Nov	Change from year* earlier			Nov
	1991	1992	1993 F	1992	1991	1992	1993 F	1992
	\$ million				Percent			
WESTERN EUROPE	7,312	7,740	7,900	762	-1	6	3	-14
European Community (EC-12)	6,776	7,194	7,400	727	-1	6	3	-13
Belgium-Luxembourg	464	461	---	62	9	-1	---	14
France	571	618	---	61	22	8	---	-13
Germany	1,135	1,091	---	124	2	-4	---	8
Italy	675	684	---	51	-4	1	---	-31
Netherlands	1,561	1,813	---	187	-5	16	---	-23
United Kingdom	883	882	---	83	16	0	---	-6
Portugal	251	240	---	5	-26	-4	---	-80
Spain, incl. Canary Islands	855	951	---	103	-12	11	---	-2
Other Western Europe	536	546	500	35	9	2	0	-32
Switzerland	194	187	---	9	13	-4	---	-53
EASTERN EUROPE	306	222	300	63	-36	-28	50	432
Poland	46	49	---	33	-54	6	---	1,650
Yugoslavia	74	88	---	6	-43	-41	---	57
Romania	82	76	---	15	-61	-8	---	311
Former USSR	1,758	2,691	2,100	207	-42	53	-22	-48
ASIA	16,094	17,782	17,100	1,544	-11	10	-4	-5
West Asia (Mideast)	1,430	1,770	1,800	134	-28	24	0	-31
Turkey	224	344	---	15	-14	54	---	-14
Iraq	0	0	0	0	-100	0	0	0
Israel, incl. Gaza & W. Bank	287	346	---	27	1	20	---	-8
Saudi Arabia	536	549	500	36	7	2	0	-57
South Asia	375	536	---	65	-48	43	---	142
Bangladesh	67	123	---	8	-44	83	---	1,397
India	94	117	---	14	-19	24	---	33
Pakistan	144	226	100	35	-63	57	-50	229
China	668	691	400	5	-27	3	-43	-93
Japan	7,736	8,383	8,100	674	-5	8	-4	-7
Southeast Asia	1,239	1,470	---	145	5	19	---	14
Indonesia	279	353	---	17	1	27	---	-36
Philippines	373	443	400	61	6	19	0	69
Other East Asia	4,646	4,934	5,000	521	-11	6	2	9
Taiwan	1,739	1,916	1,900	201	-4	10	0	-14
Korea, Rep.	2,159	2,200	2,300	220	-20	2	5	27
Hong Kong	745	817	800	100	9	10	0	38
AFRICA	1,882	2,304	2,300	258	-6	22	0	57
North Africa	1,386	1,412	1,500	132	-9	2	7	30
Morocco	129	156	---	27	-21	21	---	158
Algeria	477	478	500	34	-3	0	0	-31
Egypt	692	709	600	60	-9	2	-14	54
Sub-Saharan	496	892	800	126	2	80	-11	102
Nigeria	44	31	---	16	38	-30	---	783
Rep. S. Africa	74	328	---	73	-9	345	---	699
LATIN AMERICA & CARIBBEAN	5,499	6,438	6,700	596	7	17	5	17
Brazil	271	143	100	63	158	-47	0	16
Caribbean Islands	1,010	970	---	87	0	-4	---	-2
Central America	498	587	---	55	8	18	---	-7
Colombia	124	142	---	35	-16	14	---	862
Mexico	2,885	3,676	4,100	249	8	27	11	25
Peru	150	179	---	18	-20	19	---	-6
Venezuela	307	394	300	48	-11	28	-25	33
CANADA	4,409	4,812	4,700	415	19	9	-2	6
OCEANIA	349	428	400	41	10	23	0	-22
TOTAL	37,609	42,417	41,500	3,885	-6	13	-2	-4
Developed countries	20,106	21,969	21,900	1,986	2	9	0	-5
Developing countries	16,831	19,756	---	1,894	-14	17	---	1
Other countries	672	693	---	5	-26	3	---	-93

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1992 began Oct. 1, 1991 & ended Sept. 30, 1992. F = forecast. --- = not available.
 Note: Adjusted for transshipments through Canada.

Information contact: Stephen MacDonald (202) 219-0822.

Farm Income

Table 29.—Farm Income Statistics

	Calendar year										
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F	1993 F
	\$ billion										
1. Farm receipts	141.9	147.7	150.1	140.0	148.5	158.2	169.2	177.1	174.8	177	172 to 179
Crops (incl. net CCC loans)	67.2	69.9	74.3	63.7	65.9	71.7	76.9	80.0	80.5	84	81 to 86
Livestock	69.6	72.9	69.8	71.6	76.0	79.4	84.1	89.9	86.7	86	83 to 87
Farm related 1/	5.1	4.9	6.0	5.7	6.6	7.1	8.2	7.2	7.6	7	6 to 8
2. Direct Government payments	9.3	8.4	7.7	11.8	16.7	14.5	10.9	9.3	8.2	8	9 to 13
Cash payments	4.1	4.0	7.6	8.1	6.6	7.1	9.1	8.4	8.2	8	9 to 13
Value of PIK commodities	5.2	4.5	0.1	3.7	10.1	7.4	1.7	0.9	0.0	0	0 to 1
3. Gross cash income (1+2) 2/	151.1	156.1	157.9	152.8	165.1	171.7	180.2	186.4	183.2	185	183 to 191
4. Nonmoney income 3/	13.6	5.9	5.6	5.5	5.6	6.1	6.2	6.1	5.9	6	5 to 7
5. Value of inventory change	-10.9	6.0	-2.3	-2.2	-2.3	-3.4	4.8	3.5	0.4	4	-5 to -1
6. Total gross farm income (3+4+5)	153.9	168.0	161.2	156.1	168.5	175.4	191.1	196.0	189.5	195	186 to 195
7. Cash expenses 4/	112.8	118.7	110.7	105.0	109.4	114.6	121.2	125.2	125.2	124	123 to 129
8. Total expenses	139.6	141.9	132.4	125.1	128.8	134.3	141.2	145.1	144.9	144	143 to 149
9. Net cash income (3-7)	38.4	37.4	47.1	47.8	55.8	58.1	58.9	61.3	58.0	60	58 to 64
10. Net farm income (6-8)	14.2	26.1	28.8	31.0	39.7	41.1	49.9	51.0	44.6	51	42 to 48
Deflated (1987\$)	16.3	28.7	30.5	32.0	39.7	39.5	46.0	45.1	37.9	42	33 to 39

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. F = forecast.

Information contact: Robert McElroy (202) 219-0800.

Table 30.—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/										
	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992 F	1993 F
	\$ billion										
Assets											
Real estate	753.4	661.8	586.2	542.3	578.9	595.5	615.5	627.5	623.4	623	620 to 630
Non-real estate	189.8	195.2	186.5	182.1	193.7	205.4	213.4	219.0	218.5	223	218 to 228
Livestock & poultry	49.5	49.5	46.3	47.8	58.0	62.2	66.2	70.9	68.4	72	71 to 75
Machinery & motor vehicles	85.8	85.0	82.9	81.5	80.0	81.0	84.5	84.3	83.7	83	81 to 85
Crops stored 2/	23.6	26.1	22.9	16.3	17.5	23.3	23.4	22.8	23.6	23	21 to 25
Purchased inputs	—	2.0	1.2	2.1	3.2	3.5	2.6	2.8	2.5	3	2 to 4
Financial assets	30.9	32.6	33.3	34.5	35.1	35.4	36.8	38.3	40.3	42	41 to 45
Total farm assets	943.2	857.0	772.7	724.4	772.6	800.9	828.9	846.5	842.4	846	845 to 855
Liabilities											
Real estate debt 3/	103.2	106.7	100.1	90.4	82.4	77.6	75.4	73.7	74.4	75	73 to 77
Non-real estate debt 4/	87.9	87.1	77.5	66.6	62.0	61.7	61.8	63.1	64.3	65	64 to 68
Total farm debt	191.1	193.8	177.6	157.0	144.4	139.4	137.2	136.8	138.8	140	138 to 144
Total farm equity	752.2	663.3	595.1	567.5	628.2	661.6	691.8	709.8	703.1	707	705 to 715
	Percent										
Selected ratios											
Debt-to-assets	20.3	22.6	23.0	21.7	18.7	17.4	16.6	16.2	16.5	17	16 to 17
Debt-to-equity	25.5	29.2	29.8	27.7	23.0	21.1	19.8	19.3	19.7	20	19 to 21
Debt-to-net cash income	498	518	377	328	259	240	233	223	2,395	2,300	2,200 to 2,400

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. F = forecast.

Information contacts: Ken Erickson or Jim Ryan (202) 219-0798.

Table 31.—Cash Receipts From Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1990	1991	Oct 1992	Nov 1992	1990	1991	Oct 1992	Nov 1992	1990	1991	Oct 1992	Nov 1992
	\$ million 2/											
NORTH ATLANTIC												
Maine	258	252	21	21	234	192	15	18	493	445	36	39
New Hampshire	63	63	5	6	80	80	6	5	143	143	11	10
Vermont	397	368	34	31	60	66	4	5	456	433	38	36
Massachusetts	125	121	10	9	321	355	40	56	446	476	49	65
Rhode Island	14	13	1	1	58	58	4	4	71	71	5	5
Connecticut	223	209	17	19	250	255	17	16	474	463	35	35
New York	1,971	1,782	165	151	986	1,087	102	84	2,958	2,868	267	236
New Jersey	196	197	17	17	455	464	41	42	650	660	57	59
Pennsylvania	2,714	2,470	192	185	1,043	1,033	86	90	3,757	3,503	278	275
NORTH CENTRAL												
Ohio	1,847	1,681	148	145	2,299	2,212	380	270	4,146	3,893	528	416
Indiana	2,040	1,893	152	167	2,871	2,582	512	374	4,911	4,475	664	541
Illinois	2,452	2,344	201	209	5,338	5,165	726	596	7,789	7,509	927	804
Michigan	1,407	1,288	109	103	1,720	1,793	191	237	3,126	3,081	300	340
Wisconsin	4,573	4,215	372	374	1,161	1,234	128	173	5,734	5,449	501	547
Minnesota	3,749	3,577	310	311	3,135	3,359	365	386	6,885	6,936	675	697
Iowa	5,862	5,721	441	433	4,420	4,458	633	498	10,282	10,179	1,073	931
Missouri	2,329	2,203	193	203	1,660	1,658	312	229	3,989	3,861	505	432
North Dakota	801	699	100	96	1,730	1,857	288	283	2,532	2,556	388	380
South Dakota	2,294	2,176	266	208	965	1,088	225	99	3,259	3,264	490	308
Nebraska	6,076	5,934	531	437	2,632	2,888	319	302	8,708	8,821	851	738
Kansas	4,996	4,802	382	319	2,024	2,133	322	189	7,020	6,935	705	508
SOUTHERN												
Delaware	460	438	45	32	176	181	38	24	636	620	84	57
Maryland	823	779	74	67	542	554	77	70	1,364	1,332	151	137
Virginia	1,383	1,363	166	137	739	732	136	62	2,122	2,095	302	199
West Virginia	269	253	29	24	70	77	6	6	339	330	34	31
North Carolina	2,658	2,608	255	274	2,268	2,316	390	208	4,926	4,924	645	482
South Carolina	581	549	52	52	588	677	74	58	1,169	1,225	126	110
Georgia	2,270	2,153	215	170	1,596	1,825	374	202	3,866	3,978	589	372
Florida	1,261	1,172	103	92	4,483	4,969	183	235	5,744	6,141	286	327
Kentucky	1,699	1,704	123	244	1,404	1,475	70	266	3,103	3,179	193	509
Tennessee	1,111	1,045	104	78	950	933	144	173	2,061	1,978	247	251
Alabama	2,193	2,219	170	144	632	759	150	93	2,826	2,978	320	237
Mississippi	1,322	1,275	134	105	1,111	1,147	269	270	2,433	2,422	403	376
Arkansas	2,701	2,680	213	221	1,555	1,631	440	387	4,256	4,311	652	608
Louisiana	633	621	53	48	1,296	1,172	267	274	1,929	1,793	320	322
Oklahoma	2,342	2,767	217	165	1,200	1,040	95	83	3,542	3,808	311	248
Texas	7,751	7,914	628	624	4,081	4,212	477	442	11,831	12,126	1,104	1,067
WESTERN												
Montana	888	790	116	158	766	741	97	107	1,654	1,531	213	266
Idaho	1,137	1,073	98	88	1,748	1,543	289	251	2,885	2,616	387	339
Wyoming	595	643	131	84	159	170	12	45	754	813	144	130
Colorado	3,073	2,664	221	247	1,144	1,097	110	145	4,216	3,761	332	392
New Mexico	1,001	1,019	108	86	482	482	49	57	1,483	1,501	157	142
Arizona	813	786	91	80	1,097	1,104	115	181	1,910	1,890	206	261
Utah	587	553	56	52	175	178	19	14	762	731	74	66
Nevada	209	187	20	12	115	89	8	9	324	276	28	21
Washington	1,396	1,290	120	108	2,402	2,657	351	261	3,798	3,947	471	368
Oregon	753	824	76	75	1,620	1,631	240	189	2,374	2,454	316	263
California	5,533	5,272	437	405	13,624	12,615	1,721	1,670	19,158	17,887	2,158	2,075
Alaska	8	6	1	1	19	20	2	2	27	27	3	3
Hawaii	86	91	8	8	514	506	43	41	600	597	50	49
UNITED STATES	89,923	86,746	7,730	7,327	79,998	80,550	10,960	9,781	169,921	167,292	18,690	17,108

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

Information contact: Roger Strickland (202) 219-0806.

Table 32.—Cash Receipts From Farming

	Annual							1992				
	1986	1987	1988	1989	1990	1991	Nov	July	Aug	Sep	Oct	Nov
	\$ million											
Farm marketings & CCC loans*	135,361	141,844	151,102	161,027	169,920	167,292	17,571	12,783	13,298	14,974	18,690	17,108
Livestock & products	71,553	75,993	79,438	84,148	89,921	86,745	7,447	6,723	7,147	7,223	7,730	7,327
Meat animals	39,081	44,478	46,492	46,857	51,911	51,093	4,143	3,356	3,878	4,141	4,530	4,037
Dairy products	17,724	17,727	17,641	19,396	20,210	18,114	1,649	1,762	1,724	1,645	1,666	1,591
Poultry & eggs	12,701	11,515	12,868	15,372	15,243	15,063	1,346	1,229	1,358	1,217	1,360	1,389
Other	2,048	2,274	2,437	2,524	2,557	2,476	309	376	187	220	174	311
Crops	63,807	65,851	71,663	76,879	79,999	80,547	10,123	6,060	6,150	7,751	10,960	9,781
Food grains	5,723	5,790	7,474	8,247	7,512	6,823	591	1,134	697	836	843	578
Feed crops	16,993	14,635	14,298	17,054	18,690	19,012	2,537	1,441	1,444	1,342	1,969	2,275
Cotton (lint & seed)	3,371	4,189	4,546	5,033	5,489	5,589	1,418	43	174	218	1,063	1,464
Tobacco	1,894	1,816	2,083	2,415	2,741	2,886	177	223	461	653	217	244
Oil-bearing crops	10,614	11,283	13,500	11,866	12,294	12,547	1,658	657	696	1,198	3,337	1,588
Vegetables & melons	8,859	9,898	9,788	11,534	11,455	11,293	563	868	1,215	1,393	1,299	631
Fruits & tree nuts	7,252	8,065	9,202	9,296	9,534	9,882	1,388	966	761	1,063	1,156	1,300
Other	9,101	10,176	10,772	11,435	12,284	12,514	1,791	728	704	1,049	1,076	1,699
Government payments	11,813	16,747	14,480	10,887	9,298	8,214	325	82	63	516	1,812	302
Total	147,174	158,591	165,582	171,914	179,218	175,506	17,896	12,865	13,361	15,490	20,502	17,410

* Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period.

Information contact: Roger Strickland (202) 219-0806.

Table 33.—Farm Production Expenses

	Calendar year									
	1984	1985	1986	1987	1988	1989	1990	1991	1992F	1993F
	\$ million									
Feed purchased	19,383	16,949	17,472	17,463	20,393	21,002	20,706	19,800	20,000	18,000 to 22,000
Livestock & poultry purchased	9,487	9,184	9,758	11,842	12,764	13,138	14,832	14,358	14,000	12,000 to 16,000
Seed purchased	3,386	3,128	3,188	3,259	3,359	3,558	3,576	3,975	4,000	3,000 to 5,000
Farm-origin inputs	32,256	29,261	30,418	32,564	36,515	37,698	39,114	38,133	38,000	35,000 to 39,000
Fertilizer & lime	8,361	7,513	6,820	6,453	6,947	7,249	7,135	7,419	7,000	5,000 to 9,000
Fuels & oils	7,296	6,436	5,310	4,957	4,903	4,798	5,730	5,472	5,000	4,000 to 7,000
Electricity	2,060	1,878	1,795	2,156	2,289	2,543	2,480	2,483	2,000	2,000 to 4,000
Pesticides	4,688	4,334	4,324	4,512	4,577	5,437	5,730	6,313	6,000	5,000 to 7,000
Manufactured inputs	22,404	20,160	18,249	18,077	18,716	20,027	21,063	21,687	21,000	20,000 to 24,000
Short-term interest	10,396	8,735	7,367	6,767	6,797	6,910	6,911	6,615	6,000	5,000 to 8,000
Real estate interest 1/	10,733	9,878	9,131	8,187	7,885	7,781	7,807	7,319	7,000	6,000 to 8,000
Total interest charges	21,129	18,613	16,498	14,954	14,682	14,691	14,518	13,934	14,000	12,000 to 16,000
Repair & maintenance 1/	6,416	6,370	6,426	6,760	6,858	7,340	7,347	7,234	7,000	7,000 to 9,000
Contract & hired labor	9,427	10,008	9,484	9,975	10,441	11,110	12,541	12,595	12,000	10,000 to 14,000
Machine hire & custom work	2,566	2,354	2,099	2,105	2,354	2,682	2,633	2,722	3,000	2,000 to 4,000
Marketing, storage, & transportation	4,012	4,127	3,652	4,078	3,450	4,080	4,046	4,532	5,000	4,000 to 6,000
Misc. operating expenses 1/ 2/	10,331	10,010	9,759	11,171	11,791	12,522	12,364	13,256	13,000	11,000 to 15,000
Other operating expenses	32,751	32,868	31,420	34,089	34,894	37,734	38,931	40,339	40,000	39,000 to 44,000
Capital consumption 1/	20,847	19,299	17,788	17,092	17,344	17,780	17,494	17,352	18,000	16,000 to 20,000
Taxes 1/	4,337	4,542	4,612	4,853	4,848	5,127	5,623	5,980	6,000	5,000 to 7,000
Net rent to nonoperator landlord	8,150	7,690	6,099	7,124	7,290	8,187	8,334	7,464	8,000	7,000 to 9,000
Other overhead expenses	33,334	31,531	28,499	29,069	29,482	31,094	31,451	30,796	31,000	30,000 to 33,000
Total production expenses	141,873	132,433	125,084	128,772	134,285	141,244	145,077	144,889	144,000	143,000 to 149,000

1/ Includes operator dwellings. 2/ Beginning in 1982, miscellaneous operating expenses include other livestock purchases, dairy assessments & feeding fees paid by nonoperators. Totals may not add because of rounding. F = forecast.

Information contacts: Chris McGath (202) 219-0804, Robert McElroy (202) 219-0800.

Table 34.—CCC Net Outlays by Commodity & Function

	Fiscal year									
	1985	1986	1987	1988	1989	1990	1991	1992	1993 E	1994 E
	\$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	4,403	10,524	12,346	8,227	2,863	2,450	2,387	2,105	5,250	3,180
Grain sorghum	463	1,185	1,203	764	467	361	243	190	423	274
Barley	336	471	394	57	45	-93	71	174	185	103
Oats	2	26	17	-2	1	-5	12	32	17	6
Corn & oat products	7	5	7	7	8	8	9	9	8	10
Total feed grains	5,211	12,211	13,967	9,053	3,384	2,721	2,722	2,510	5,883	3,573
Wheat	4,691	3,440	2,836	678	53	806	2,958	1,719	2,274	1,847
Rice	990	947	906	128	631	667	867	715	889	741
Upland cotton	1,553	2,142	1,786	666	1,461	-79	382	1,443	2,436	2,317
Tobacco	455	253	-346	-453	-367	-307	-143	29	-2	-13
Dairy	2,085	2,337	1,166	1,295	679	505	839	232	145	230
Soybeans	711	1,597	-476	-1,676	-86	5	40	-29	41	-40
Peanuts	12	32	8	7	13	1	48	41	33	1
Sugar	184	214	-65	-246	-25	15	-20	-19	-28	-30
Honey	81	89	73	100	42	47	19	17	17	12
Wool	109	123	152	1/ 5	93	104	172	191	183	191
Operating expense 3/	346	457	535	614	620	618	625	6	7	6
Interest expenditure	1,435	1,411	1,219	425	98	632	745	532	194	154
Export programs 4/	134	102	276	200	-102	-34	733	1,455	2,698	1,853
1989/92 Disaster/Tree/										
livestock assistance	0	0	0	0	3,919	2/ 161	121	1,054	1,226	0
Other	-314	486	371	1,665	110	609	2	-158	1,094	1,330
Total	17,683	25,841	22,408	12,461	10,523	6,471	10,110	9,738	17,090	12,255
FUNCTION										
Price-support loans (net)	6,272	13,628	12,199	4,579	-926	-399	418	584	2,183	785
Direct payments 5/										
Deficiency	6,302	6,166	4,833	3,971	5,798	4,178	6,224	5,491	8,813	7,009
Diversification	1,525	64	382	8	-1	0	0	0	0	0
Dairy termination	0	489	587	260	168	189	96	2	0	0
Loan Deficiency	0	27	60		42	3	21	214	390	438
Other	0	0	0	0	0	0	0	140	200	175
Disaster	0	0	0	6	4	0	0	0	0	0
Total direct payments	7,827	6,746	5,862	4,245	6,011	4,370	6,341	5,847	9,403	7,622
1988-92 crop disaster	0	0	0	0	3,386	2/ 5	6	960	1,137	0
Emergency livestock/tree/										
forage assistance	0	0	0	31	533	156	115	94	89	0
Purchases (net)	1,331	1,670	-479	-1,131	116	-48	646	321	485	298
Producer storage										
payments	329	485	832	658	174	185	1	14	19	67
Processing, storage,										
& transportation	657	1,013	1,659	1,113	659	317	394	185	135	128
Operating expense 3/	346	457	535	614	620	618	625	6	7	6
Interest expenditure	1,435	1,411	1,219	425	98	632	745	532	194	154
Export programs 4/	134	102	276	200	-102	-34	733	1,455	2,698	1,853
Other	-648	329	305	1,727	-46	669	86	-260	740	1,342
Total	17,683	25,841	22,408	12,461	10,523	6,471	10,110	9,738	17,090	12,255

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager, Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 Export Guarantee Program - Credit Reform, Export Enhancement Program, & Dairy Export Incentive Program. 5/ Includes cash payments only. Excludes payment-in-kind in fiscal 83-85 & generic certificates in fiscal 86-94. E = Estimated in the fiscal 1994 Budget Baseline based on November, 1992 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

Information contact: Richard Pazdalski (202) 720-5148.

Food Expenditures

Table 35.—Food Expenditures Estimates

	Annual			1992		1992 year-to-date		1993
	1990	1991	1992	Nov	Dec P	Nov	Dec P	Jan P
\$ billion								
Sales 1/								
Off-premise use 2/	296.7	309.0	315.1	25.8	28.6	286.4	315.1	25.5
Meals & snacks 3/	218.7	227.0	233.7	19.2	20.0	213.7	233.7	18.5
1991 \$ billion								
Sales 1/								
Off-premise use 2/	304.2	308.9	312.7	25.6	28.3	284.5	312.7	24.9
Meals & snacks 3/	226.0	226.9	229.0	18.7	19.4	209.5	229.0	18.0
Percent change from year earlier (\$ bil.)								
Sales 1/								
Off-premise use 2/	8.2	4.1	2.0	-0.5	5.6	1.6	2.0	1.1
Meals & snacks 3/	6.0	3.8	2.9	3.6	5.1	2.8	2.9	3.1
Percent change from year earlier (1991 \$ bil.)								
Sales 1/								
Off-premise use 2/	1.4	1.4	1.2	-1.9	4.1	1.0	1.2	-0.9
Meals & snacks 3/	1.2	0.4	0.9	2.0	3.6	0.7	0.9	1.4

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food not alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr.-Econ. Rpt. No. 575, Aug 1987.

Information contact: Alden Manchester (202) 219-0880.

Transportation

Table 36.—Rail Rates; Grain & Fruit-Vegetable Shipments

	Annual			1991	1992					
	1990	1991	1992	Dec	July	Aug	Sept	Oct	Nov	Dec
Rail freight rate index 1/ (Dec. 1984=100)										
All products	107.5	109.3	110.0	109.3	109.8	109.9	109.9 P	110.1 P	110.2 P	110.3 P
Farm products	110.4	111.4	111.1	111.0	110.2	110.2	110.2 P	112.1 P	112.4 P	113.7 P
Grain	110.1	111.2	111.4	111.3	110.3	110.3	110.3 P	112.7 P	113.3 P	113.3 P
Food products	105.4	108.1	108.7	108.3	108.1	108.1	108.1 P	108.1 P	108.1 P	109.0 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.6	26.6	27.6	29.7	25.8 P	26.2 P	25.8 P	30.8 P	31.5 P	27.6 P
Barge shipments (mil. ton) 3/	3.8	3.3	3.4	2.9	4.8	4.6	3.2	2.6	3.3	2.9
Fresh fruit & vegetable shipments 4/ 5/										
Piggy back (mil. cwt)	1.8	1.5	1.6	1.3	1.9	1.2	1.5	1.3	1.4	1.4
Rail (mil. cwt)	2.3	2.1	2.6	2.8	2.1	0.1	1.8	2.0	2.4	3.0
Truck (mil. cwt)	41.5	41.9	44.0	44.4	43.2	38.9	37.5	42.2	39.4	41.1
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	130.5	126.5	126.5	124.0	124.8	124.7	125.1	125.0	124.8	125.1

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways, U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. 5/ Preliminary data for 1992. P = preliminary. — = not available.

Information contact: T.Q. Hutchinson (202) 219-0840.

Indicators of Farm Productivity

Table 37.—Indexes of Farm Production, Input Use & Productivity ^{1/}

	1982	1983	1984	1985	1986	1987	1988	1989	1990 2/	1991 2/
1977=100										
Farm output	116	96	112	118	111	110	102	114	119	120
All livestock products 3/	107	109	107	110	110	113	116	116	118	119
Meat animals	101	104	101	102	100	102	105	105	104	104
Dairy products	110	114	110	117	116	116	118	117	120	121
Poultry & eggs	119	120	123	128	133	144	148	153	162	168
All crops 4/	117	88	111	118	109	108	92	107	114	111
Feed grains	122	67	116	134	123	106	73	108	112	106
Hay & forage	109	100	107	106	106	102	89	101	102	103
Food grains	138	117	129	121	107	107	98	107	136	104
Sugar crops	96	93	95	97	106	111	105	105	107	112
Cotton	85	55	91	94	69	103	107	86	109	122
Tobacco	104	75	90	81	63	62	72	71	84	87
Oil crops	121	91	106	117	110	108	89	106	107	114
Cropland used for crops	101	88	99	98	94	88	87	90	90	—
Crop production per acre	116	100	112	120	116	123	106	119	127	—
Farm input 5/	98	96	95	91	89	89	87	87	88	—
Farm real estate	102	101	99	97	96	95	94	93	93	—
Mechanical power & machinery	89	86	85	80	77	74	74	73	71	—
Agricultural chemicals	118	102	120	115	109	111	112	119	122	—
Feed, seed, & livestock purchases	107	103	103	102	109	116	111	113	113	—
Farm output per unit of input	119	100	118	129	124	124	116	130	135	—
Output per hour of labor										
Farm 6/	125	99	121	139	139	142	135	147	142	—
Nonfarm 7/	99	102	105	106	108	109	111	112	111	—

1/ For historical data & indexes, see Economic Indicators of the Farm Sector: Production & Efficiency Statistics, 1986, ECIFS 5-6. 2/ Preliminary indexes for 1991 based on Crop Production: 1991 Summary, released in January 1992, & unpublished data from the Agricultural Statistics Board, NASS. 3/ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. 4/ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output. 5/ Includes other items not included in the separate groups shown. 6/ Economic Research Service. 7/ Bureau of Labor Statistics. — = not available.

Information contact: Eldon Ball (202) 219-0432.

Food Supply & Use

Table 38.—Per Capita Consumption of Major Food Commodities ^{1/}

Commodity	1984	1985	1986	1987	1988	1989	1990	1991 2/
	Pounds							
Red meats 3/4/5/	123.7	124.9	122.2	117.4	119.5	115.9	112.4	111.9
Beef	73.9	74.6	74.4	69.6	68.6	65.4	63.9	63.1
Veal	1.5	1.5	1.6	1.3	1.1	1.0	0.9	0.8
Lamb & mutton	1.1	1.1	1.0	1.0	1.0	1.1	1.1	1.1
Pork	47.2	47.7	45.2	45.6	48.8	48.4	46.4	46.9
Poultry 3/4/5/	43.7	45.2	47.1	50.7	51.7	53.6	55.9	58.0
Chicken	35.0	36.1	37.0	39.1	39.3	40.5	42.1	43.9
Turkey	8.7	9.1	10.2	11.6	12.4	13.1	13.8	14.1
Fish & shellfish 4/	14.1	15.0	15.4	16.1	15.1	15.6	15.0	14.8
Eggs 5/	33.0	32.4	32.2	32.2	31.2	29.9	29.6	29.4
Dairy products								
Cheese (excluding cottage) 3/6/	21.5	22.5	23.1	24.1	23.7	23.8	24.7	25.2
American	11.9	12.2	12.1	12.4	11.5	11.0	11.2	11.2
Italian	5.8	6.5	7.0	7.6	8.1	8.5	9.0	9.4
Other cheese 7/	3.9	3.9	4.0	4.1	4.1	4.3	4.6	4.6
Cottage cheese	4.1	4.1	4.1	3.9	3.9	3.6	3.4	3.2
Beverage milks 3/	227.3	229.7	228.6	226.5	222.4	224.3	221.7	221.5
Fluid whole milk 8/	126.9	123.4	116.5	111.9	105.7	97.6	90.4	87.5
Fluid lowfat milk 9/	88.9	93.7	98.6	100.6	100.5	106.5	108.4	110.1
Fluid skim milk	11.6	12.6	13.5	14.0	16.1	20.2	22.9	23.8
Fluid cream products 10/	6.3	6.7	7.0	7.1	7.1	7.3	7.1	7.0
Yogurt (excluding frozen)	3.7	4.1	4.4	4.4	4.7	4.3	4.1	4.3
Ice cream	18.2	18.1	18.4	18.4	17.3	16.1	15.8	16.4
Ice milk	7.0	6.9	7.2	7.4	8.0	8.4	7.7	7.3
Frozen yogurt	—	—	—	—	—	2.0	2.8	3.5
All dairy products, milk equivalent, milkfat basis 11/	582.0	593.8	591.5	601.3	582.9	565.2	570.8	564.7
Fats & oils — Total fat content	58.9	64.3	64.4	62.9	63.0	61.1	62.7	63.6
Butter & margarine (product weight)	15.3	15.7	16.0	15.2	14.8	14.6	15.3	14.8
Shortening	21.3	22.9	22.1	21.4	21.5	21.5	22.2	22.1
Lard & edible tallow (direct use)	3.8	3.7	3.5	2.7	2.6	2.7	3.0	3.1
Salad & cooking oils	19.9	23.5	24.2	25.4	25.8	24.0	24.2	25.2
Fresh fruits 12/	88.9	86.8	93.1	97.5	97.4	98.8	92.6	90.6
Canned fruit 13/	12.3	12.7	12.9	13.6	13.2	13.3	13.4	12.3
Dried fruit	2.6	2.9	2.9	2.7	3.0	3.3	3.2	3.6
Frozen fruit	3.0	3.3	3.6	3.9	3.8	4.6	4.3	3.9
Frozen citrus juices 14/	35.7	40.5	43.2	40.2	40.1	34.3	27.2	—
Vegetables 12/								
Fresh	100.6	100.7	99.3	105.7	109.7	112.9	110.9	106.0
Canning	90.9	87.8	87.9	87.6	83.5	90.7	96.4	94.3
Freezing	17.5	17.1	15.8	16.8	18.3	17.8	18.3	19.3
Potatoes, all 12/	0.0	122.4	125.8	125.8	122.2	127.4	127.8	130.5
Sweetpotatoes 12/	5.4	5.8	4.8	4.8	4.5	4.5	5.0	4.4
Peanuts (shelled)	6.0	6.3	6.4	6.4	6.9	7.0	6.0	6.4
Tree nuts (shelled)	2.3	2.3	2.3	2.2	2.3	2.3	2.5	2.5
Flour & cereal products 15/	150.4	157.5	163.7	172.5	174.3	174.9	183.0	184.3
Wheat flour	119.2	124.7	125.7	129.9	130.0	129.2	135.7	135.9
Rice (milled basis)	8.5	9.0	11.6	14.0	14.3	15.2	16.2	17.0
Caloric sweeteners 16/	127.0	131.3	129.6	133.7	135.1	136.4	139.1	140.2
Coffee (green bean equiv.)	10.2	10.5	10.5	10.2	9.8	10.1	10.3	10.3
Cocoa (chocolate liquor equiv.)	3.4	3.7	3.8	3.8	3.8	4.0	4.3	4.4

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Preliminary.

3/ Total may not add due to rounding. 4/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occurs when chicken is cut up before packaging. 5/ Excludes shipments to the U.S. territories. 6/ Natural equivalent of cheese & cheese & other dairy products. Includes miscellaneous cheese not shown separately.

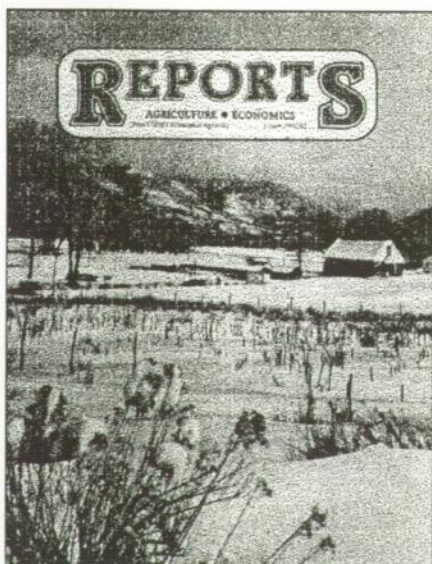
7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products.

12/ Farm weight. 13/ Excludes pineapple & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 16/ Dry weight equivalent. — not available.

Information contact: Judy Jones Putnam (202) 219-0870.

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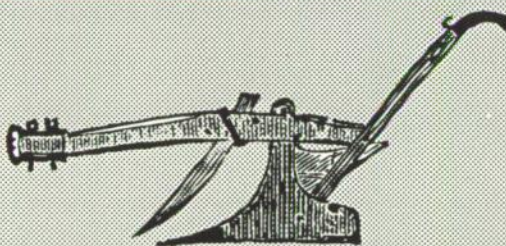
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