

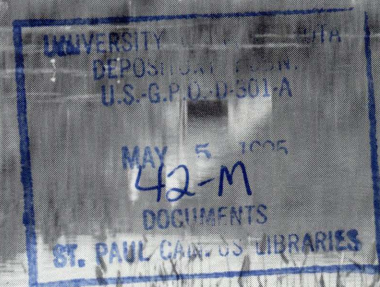
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Economic Lessons of Conservation Programs

Peso Devaluation: The Ag Trade Impact

AGRICULTURAL OUTLOOK



Economics Editor
Nathan Childs (202) 501-8540

Associate Editors
Stacey Rosen (202) 501-8553
Lois Caplan (202) 501-8542

Managing Editor
Mary Reardon (202) 219-0566

Overview Coordinators
Field Crops: Carol Whitton,
Sara Schwartz, Bryan Just,
Nancy Morgan
Livestock: Leland Southard
Specialty Crops: John Love

Design & Layout Coordinator
Victor Phillips, Jr.

Statistical Coordinator
David Johnson (202) 219-0355

Editorial Staff
Trina J. Myers

Tabular Composition
Joyce Bailey, Ciliola Peterson

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Peso Devaluation, New Export Forecast, Rules for Poultry Labels, & the Lessons of Conservation Initiatives

U.S. Ag Exports to Mexico Drop

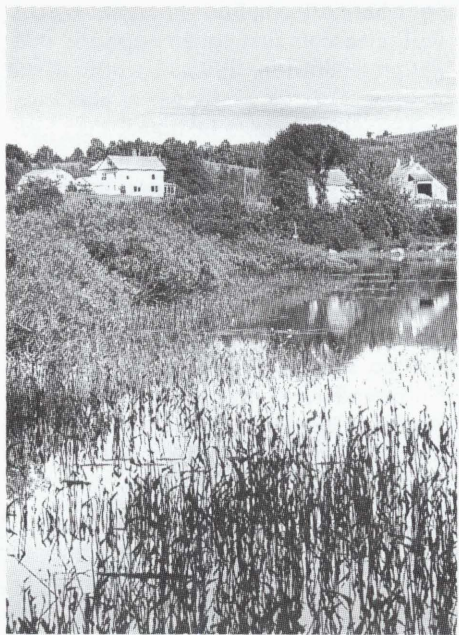
Sharp devaluation of the peso is expected to dim prospects for U.S. farm exports to Mexico in 1995 by raising the price of imports and slowing income gains in Mexico. However, if Mexico's recently announced austerity program proves successful, medium- and long-term prospects for increased U.S. farm sales remain favorable. The primary impact of peso devaluation on the U.S. will be the short-term erosion of some trade gains from the North American Free Trade Agreement (NAFTA).

Current projections place U.S. agricultural exports to Mexico for fiscal 1995 at \$3.6 billion, down 12 percent from 1994. Reduced U.S. exports of sorghum, wheat, fruit, nuts, fresh vegetables, meats, processed cereals, and snack foods are expected. Little or no decline is expected in U.S. exports of corn, soybeans, and processed vegetables.

Export Forecast Revised Upward

U.S. farm exports in fiscal 1995 are forecast, as of February, to be a record \$48.5 billion, up \$3.5 billion from the November projection. Despite record imports, the agricultural trade balance will widen to \$20 billion, the largest since 1982. The value of U.S. exports to nearly every region is projected to rise in fiscal 1995, except to the former Soviet Union and Mexico.

Export value has been boosted mainly by improved prospects for corn and cotton as competitor supplies have tightened. U.S. bulk exports are expected to swell to 117 million tons, worth nearly \$21 billion—up from \$17.6 last year. Bulk exports' share of the total forecast value will increase to 43 percent in 1995, reversing the downward trend. Sales of U.S. high-value products (HVP's) in fiscal 1995 are expected to continue rising, with shipments forecast to reach almost \$28 billion. Gains in livestock, poultry, and horticultural exports have driven HVP sales upward.



Lessons of Previous Farm Bills

The conservation provisions of the 1995 farm bill will be shaped to a large extent by mounting budgetary pressure, and by concern about the cost-effectiveness of current conservation programs. The experience of meeting environmental goals of the 1985 and 1990 Farm Acts can provide some important lessons. First, both the costs and benefits of environmental programs must be considered. Evaluations of the Conservation Reserve Program, and the conservation compliance provisions introduced in the 1985 Farm Act, indicate that benefits have exceeded costs.

A second lesson is that farm commodity programs can be designed to support environmental goals. Conservation compliance provisions, which link farmers' program benefits to conservation requirements, are an example. Third, targeting conservation programs to regions where soil and water quality improvements are most needed, or to operations that cause a disproportionate share of environmental problems, can increase

cost-effectiveness. And cost-effectiveness can also be improved by employing a mix of economic incentives, regulations, technological approaches, and voluntary initiatives.

Credit Demand Up for 3rd Year

Farm credit demand was strong in 1994 and is expected to remain lively in 1995. Demand for credit in 1994 for short- to intermediate-term farm business loans (nonreal estate) was especially vigorous, up about 7 percent. Total farm business debt—real estate and nonreal estate—rose \$6 billion, to an estimated \$148 billion at the end of 1994. Continued debt expansion is expected to add another \$4 billion to outstanding farm debt by the end of 1995. The financial condition of the farm sector remains sound, despite the recent rise in farm debt.

Interest rates charged on new farm loans rose throughout 1994, reversing 4 years of declining rates, and are expected to rise further in 1995. The three major farm lenders—commercial banks, the cooperative Farm Credit System (FCS), and life insurance companies—report adequate ability to finance further expansion of credit to U.S. farms.

Poultry: Fresh or Frozen?

Has the "fresh" chicken in the supermarket been frozen before reaching the display case? Under a proposed USDA regulation, any poultry item that has ever been held below 26° F during the distribution process must be labeled in the grocery case as "previously frozen."

The amount of poultry affected by the ruling should be minimal, because most nonfrozen poultry shipping methods keep the meat above 26° F. But consumers would be better able to distinguish between fresh and previously frozen poultry. The impact on retail prices is uncertain. The comment period for the proposed labeling regulations has been extended through May 19, 1995.

Agricultural Economy



Jack Harrison

Field Crops Overview

U.S. and foreign wheat area should be higher in 1995/96. While U.S. winter wheat seedings for 1995 are estimated up only slightly from a year earlier, total wheat area may increase by as much as 1 million acres. Higher durum wheat prices may encourage an increase in spring wheat acreage. And while hard red spring wheat prices are lower than a year ago, prices for feed grains and oilseeds have declined relatively more than for wheat. Given higher expected area, total U.S. wheat production is likely to rise in 1995/96, assuming average yields.

Total supplies are likely to be little changed in 1995/96, as smaller beginning stocks offset the expected larger production. But supplies could turn out to be larger if average wheat yields are above trend. Domestic demand will likely change only slightly from last year, as food use continues to expand, while feed and residual use declines.

Total use is expected to decline in 1995/96, as exports are likely to be lower because of increased competitor supplies. With a decline in total use forecast, ending stocks will be higher,

leading to lower prices in 1995/96 compared with 1994/95.

In other parts of the Northern Hemisphere, weather has been favorable for 1995/96 winter wheat, except in Morocco, where dry conditions persist. USDA will release its first country-specific output projections for 1995/96 winter wheat in May. Foreign winter wheat plantings in 1995/96 appear to be higher than last year. Prospects appear good for increased global production, if normal weather occurs during the season.

Winter grain area for 1995/96 is down in Russia and Ukraine, but up in the European Union (EU), China, Eastern Europe, and India. Spring wheat in the Northern Hemisphere and wheat in the Southern Hemisphere will not be planted for several months, but forecasters in

Canada and Australia are projecting higher plantings and greater production.

U.S. corn exports are gaining as crops shrink in southern Africa. Drought conditions in southern Africa have diminished prospects for corn crops of several countries in the region, especially South Africa. The projection for the 1994/95 harvest in South Africa was reduced in March to 5 million tons, down from 12.9 million the year before.

Because of sharply lower production, South Africa has halted corn exports for the remainder of the 1994/95 (October-September) marketing year. Before exports ceased in March, South Africa's corn shipments amounted to 2.75 million tons, down from 3.2 million during the same period a year earlier.

U.S. Field Crops—Market Outlook

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	—Mil. acres—		Bu/acre			Mil. bu			\$/bu
Wheat									
1993/94	72.2	62.7	38.2	2,396	3,036	1,240	1,228	568	3.26
1994/95	70.4	61.8	37.6	2,321	2,979	1,223	1,275	481	3.40-3.50
Corn									
1993/94	73.2	62.9	100.7	6,336	8,470	6,292	1,328	850	2.50
1994/95	79.2	72.9	138.6	10,103	10,960	7,350	2,000	1,610	2.15-2.25
Sorghum									
1993/94	9.9	8.9	59.9	534	709	460	202	48	2.31
1994/95	9.8	9.0	73.0	655	703	408	220	75	2.00-2.10
Barley									
1993/94	7.8	6.8	58.9	398	621	416	66	139	1.99
1994/95	7.2	6.7	56.2	375	574	400	70	104	2.01
Oats									
1993/94	7.9	3.8	54.4	207	427	318	3	106	1.36
1994/95	6.6	4.0	57.2	230	435	325	1	109	1.21
Soybeans									
1993/94	60.1	57.3	32.6	1,871	2,170	1,372	589	209	6.40
1994/95	61.9	61.1	41.9	2,558	2,775	1,480	785	510	5.20-5.50
			Lb./acre			Mil. cwt (rough equiv.)			\$/cwt
Rice									
1993/94	2.92	2.83	5,510	156.1	202.5	96.9	79.6	26.0	7.98
1994/95	3.35	3.32	5,964	197.8	231.8	102.0	89.0	40.8	6.50-7.00
						Mil. bales			¢/lb
Cotton									
1993/94	13.4	12.8	606	16.1	20.8	10.4	6.9	3.5	59.00
1994/95	13.7	13.3	710	19.7	23.3	11.3	10.0	2.1	*

Based on March 10, 1995 World Agricultural Supply and Demand Estimates; U.S. marketing years for exports.

* USDA is prohibited from publishing cotton price projections.

See table 17 for complete definition of terms.

To meet its own requirements, South Africa, as of March, is expected to import 500,000 tons of corn in 1994/95, and may import an even larger quantity in 1995/96. Import forecasts were also raised in March for other southern African countries hurt by drought. With South Africa's exports sharply curtailed, other countries in the region, which usually depend on South African supplies for much of their corn, will need to look elsewhere for imports.

The 1994/95 U.S. corn export forecast was increased in March by 1 million tons, to 51 million (2 billion bushels), due to the increase in world demand. U.S. trade prospects in 1994/95 were boosted earlier in the year because of reduced competition from major exporters other than South Africa, such as China, whose domestic consumption has increased. U.S. corn exports are projected to be 54 percent higher than last year, and the U.S. share of global trade should rise to 81 percent, well above the average of 67 percent during 1990-93.

U.S. exports of soybeans and products are up despite strong competition. With record world soybean production forecast for 1994/95, export prices are down. And global demand for soybeans for crushing is up, bolstered by vigorous demand for soybean oil. U.S. exports of soybeans and soybean oil are projected to rise significantly in 1994/95, by about one-third over last year, and soybean meal by about 8 percent.

The U.S. share of the world soybean market in 1994/95 is projected to climb to 65 percent, from 57 percent last year, and the U.S. soybean oil share is forecast to move up to 18 percent, from 14 percent. However, the U.S. share of the world soybean meal market is expected to nudge up only slightly to 17 percent, from 16 percent last year.

Export competition for U.S. soybeans and products will intensify in April, when the bulk of South America's harvest—expected to be record—arrives on the market. South American exports, especially of soybean meal, are likely to provide keen competition into at least the early part of the next U.S. soybean marketing year (October 1995 to September 1996), as South American

World Commodity Market Outlook

	Year ¹	Production	Exports ²	Consumption ³	Carryover
<i>Million tons</i>					
Wheat	1993/94	559.0	99.5	563.6	143.7
	1994/95	524.6	97.5	551.6	116.7
Corn	1993/94	467.9	55.6	504.8	68.3
	1994/95	551.9	63.1	534.8	85.3
Barley	1993/94	170.0	18.1	169.6	37.5
	1994/95	161.5	15.7	167.5	31.5
Rice	1993/94	352.2	16.1	356.9	49.4
	1994/95	354.3	15.7	356.4	47.2
Oilseeds	1993/94	227.7	37.2	187.6	20.0
	1994/95	257.5	43.6	200.6	30.5
Soybeans	1993/94	117.5	28.1	100.7	17.5
	1994/95	137.9	32.8	107.4	26.5
Soybean meal	1993/94	79.6	29.6	79.3	3.3
	1994/95	84.9	30.5	84.5	3.5
Soybean oil	1993/94	18.0	5.0	18.4	1.5
	1994/95	19.3	5.0	18.9	1.7
<i>Million bales</i>					
Cotton	1993/94	76.9	26.8	85.1	30.7
	1994/95	84.0	28.9	85.2	30.4

¹ Marketing years are: wheat, July-June; coarse grains, October-September; oilseeds, soybeans, meal, and oil, local marketing years except Brazil and Argentina adjusted to October-September trade; cotton, August-July. ² Rice trade is for the second calendar year. All trade now has been inflated to include trade among the countries of the former Soviet Union. In addition, rice trade, like other grain trade, excludes intra-EU trade. Oilseed and cotton trade, however, still include intra-EU trade. ³ Crush only for soybeans and oilseeds.

countries are unlikely to be able to ship all of their huge export supplies between now and the end of September.

U.S. soybean meal exports will also face greater competition from India in 1994/95. Under a new government re-export scheme, India is expected to import 300,000 tons of soybeans for crushing, which will boost India's soybean meal exports 8 percent this year, to 2.2 million tons.

Record soybean output is anticipated in 1994/95 for each of the three major producers in South America—Brazil, Argentina, and Paraguay—where harvesting has just begun. Brazil's production is forecast at 25.1 million tons, 4 percent larger than last year's record output. Moisture and temperature conditions in Brazil have been ideal, and input use and capital investments have increased. Weather conditions have also been very favorable in Argentina and

Paraguay. Argentina's 1994/95 soybean crop is forecast up 3 percent, to 12.7 million tons, and Paraguay's harvest is expected to reach 2 million tons, up from 1.8 million in 1993/94.

Brazil and Argentina together are expected to retain their dominant shares of the global soybean meal and soybean oil markets (56 and 50 percent) in 1994/95. Brazil's soybean meal exports are forecast to rise 2 percent from last year, to 10.3 million tons, and Argentina's exports are projected up marginally, to 7 million tons. However, their expected combined share of world soybean oil exports would be 7 percent lower than last year.

Despite the expected huge crops in Brazil and Argentina, the two countries' share of the global soybean market in 1994/95 is forecast to decline to 24 percent from 30 percent last year, because of large U. S. supplies, and increased

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crushing for meal and oil in Brazil and Argentina due to favorable crushing margins.

U.S. rice and cotton exports continue to climb. U.S. rice exports in 1994/95 are projected to climb to a near-record 89 million cwt (2.95 million tons, milled basis). Higher import demand from Indonesia and China is absorbing much of the export supply from Southeast Asia, leading to greater U.S. sales to other markets, particularly to Latin American countries such as Brazil, and to the European Union. Despite stronger U.S. prices, U.S. rice exports are very competitive, as Asian export prices have been rising relative to U.S. prices.

Although U.S. cotton prices have continued to strengthen, U.S. cotton exports and global market share continue to expand. Production problems in several exporting countries have hindered their exports, and global demand remains robust.

New York futures prices for old-crop cotton exceeded \$1 per pound in February, but futures prices for new-crop cotton were well below that level due to expectations of expanded plantings in 1995/96, stimulating importers' interest in forward contracting.

[Carol Whitton (202) 219-0825, Sara Schwartz (202) 501-8514, Bryan Just (202) 501-8524, and Nancy Morgan (202) 501-8511]

For further information, contact:

Carol Whitton, world wheat; Edward Allen, domestic wheat; Randy Schnepf, world and domestic rice; Nancy Morgan, world feed grains; Allen Baker and Pete Riley, domestic feed grains; Jaime Castaneda, world oilseeds; Scott Sanford and Mark Ash, domestic oilseeds; Steve MacDonald, world cotton; Bob Skinner and Les Meyer, domestic cotton. World information (202) 219-0820; domestic (202) 219-0840. **AO**

Livestock, Dairy & Poultry Overview

Slower first-quarter beef marketings portend lower prices. First-quarter beef output was above a year earlier, but tight supplies of cattle grading Choice or better kept fed cattle prices in the low \$70's per cwt through mid-March. Large numbers of heavier weight cattle will remain available for marketing this spring, but marketing dates may continue to be delayed as cattle feeders attempt to improve grades and yields.

If the slow marketing pace continues through April, increased marketings of heavier cattle could push down fed cattle prices during the summer to the low \$60's per cwt, or lower.

Net feedlot placements in January were up 12 percent from a year earlier, and placements are likely to remain large through spring. Large numbers of heavy stocker cattle coming off wheat pasture will contribute to larger fed cattle marketings through mid-summer.

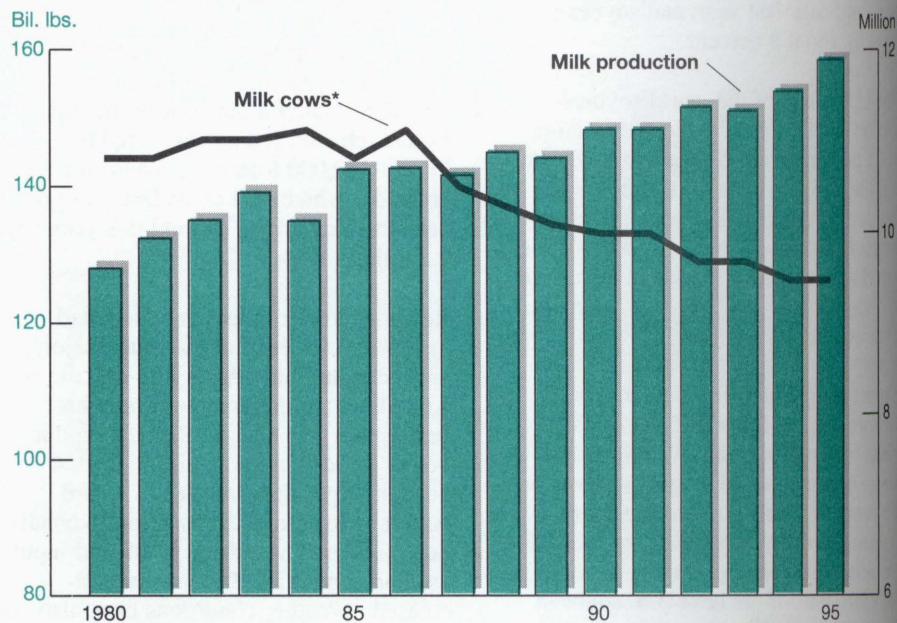
With particularly good wheat grazing conditions this past fall and winter, cattle in many areas achieved outstanding weight gains. Many of the heavier weight cattle will require fewer days in feedlots, adding to pressure to keep feedlot marketings flowing to avoid marketing gluts.

Marketing weights are likely to stay at record levels. The January-to-April seasonal decline in weights is expected to be much less than usual because of fewer calves on feed and reduced weather stress on the cattle this past winter.

Although returns to feedlot operators were negative for much of 1994, rising fed cattle prices and lower feed costs following the fall harvest turned November returns positive, where they are likely to remain until mid-spring. With increased movement of cattle off pasture, prices paid by feedlot operators for 750-800-pound feeder steers dropped from \$76.53 per cwt in January to near \$70 in March.

As a result, breakeven prices for feedlot operators are likely to remain near the mid-\$60's per cwt, even as grain prices rise seasonally. By mid-summer, selling prices for fed cattle will likely fall below operators' breakeven prices.

Record Milk Production Is Expected



1994 estimate; 1995 projection.

*Dairy cow inventory, January 1.

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U.S. Livestock and Poultry Products--Market Outlook

		Beginning stocks	Production	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price	
								Total	Per capita		
		— — — — — Million lbs.					— — — — — Lbs.			\$/cwt	
Beef	1994	529	24,388	2,371	27,288	1,611	548	25,129	67.4	68.84	
	1995	548	24,782	2,635	27,965	1,715	450	25,800	68.6	66-70	
Pork	1994	359	17,719	743	18,821	531	438	17,852	53.1	40.03	
	1995	438	17,983	730	19,151	495	375	18,281	53.9	38-40	
									¢/lb		
Broilers*	1994	358	23,667	0	24,025	2,876	458	20,691	69.9	55.7	
	1995	458	25,209	0	25,667	3,225	490	21,952	73.4	51-54	
Turkeys	1994	249	4,940	0	5,189	246	254	4,689	18.0	65.7	
	1995	254	5,250	0	5,504	250	300	4,954	18.8	60-63	
		— — — — — Million doz.					— — — — — No.		¢/doz.		
Eggs**	1994	10.7	6,176.6	3.7	6,191.0	187.6	14.9	5,186.6	238.6	67.3	
	1995	14.9	6,275.0	4.0	6,293.9	190.0	12.0	5,256.9	239.5	64-68	

Based on March 10, 1995 World Agricultural Supply and Demand Estimates.

* Cold storage stocks previously classified as "other chicken" are now included with broiler stocks. ** Total consumption does not include eggs used for hatching. See tables 10 and 11 for complete definition of terms.

First-quarter hog prices were down nearly 20 percent from a year earlier and are unlikely to strengthen much in the spring. Continued record pork supplies are expected to limit seasonal price gains. First-quarter commercial hog slaughter was up nearly 7 percent from a year earlier.

Increased barrow and gilt slaughter, at higher dressed weights, combined with higher sow slaughter, pushed up pork supplies. First-quarter average weights for barrows and gilts—which make up about 95 percent of all slaughter hogs—averaged nearly 2 pounds above last year.

First-quarter sow slaughter was higher than last year, as continued weak hog prices encouraged additional culling from breeding herds. In the December *Hogs and Pigs* survey, producers indicated plans to reduce farrowings 6 percent during March-May from the previous year, which could put fourth-quarter production below 1994's by nearly 200 million pounds. Nonetheless, production for the year is forecast to be a record 18 billion pounds.

Ham prices remain depressed in the weeks before Easter, stifled by record freezer stocks and ample supplies of

fresh hams. And prices could move sharply lower after the Easter buying season ends, as slaughter is expected to remain well above last year.

Large broiler supplies are pressuring prices, with wholesale prices forecast to decline 3-4 cents per pound in 1995. In January-February, prices averaged 2-4 cents lower than a year earlier. Continued large exports have kept prices for dark-meat parts relatively strong, but breast-meat prices continue to be checked by increased broiler output and larger supplies of competing red meats.

Sharply higher broiler meat exports in 1994 absorbed more than half of last year's 7-percent production increase. Exports surged 46 percent, by 910 million pounds. Largely as a result, per capita broiler consumption in the U.S., which has been on a rising trend, posted the smallest gain since 1988.

Turkey output in the first quarter is the largest since 1990. Increased poult placements last fall and heavier birds led to a 10-percent rise in first-quarter 1995 production. Supplies of turkeys for Easter should be plentiful as a result, and they will be competing with ample ham supplies.

Low whole-bird stocks and firm consumer demand have propped up prices. First-quarter turkey prices were about the same as a year earlier, and continue to be relatively strong. However, large production increases and abundant supplies of competing products are expected to drive down wholesale prices later in the year.

Following excellent returns in the second half of 1994, producers' returns in the first quarter of 1995 were only slightly above breakeven. But with feed costs lower, returns for the year should average about the same as last year, despite predicted lower turkey prices.

Eggs will be plentiful for Easter, with per capita supplies expected to be the highest in 5 years. First-quarter egg production was up about 3 percent from a year earlier, but output growth could slow for the rest of 1995 if flocks decrease. Large numbers of flocks are typically sold off when egg prices decline after delivery for Easter specials.

Larger production is expected to drive down U.S. egg prices and help U.S. egg exports in 1995. Slightly higher exports are forecast for hatching eggs, table eggs, and egg products. Canada is expected to remain the largest market for

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hatching eggs, while exports to Mexico are likely to rise as growers rebuild flocks depleted by Avian Influenza.

Hong Kong is forecast to continue as the largest market for U.S. table eggs, accounting for over 50 percent of total export sales. A large portion of U.S. table-egg shipments to Hong Kong and Middle Eastern countries are EEP sales.

Milk production is projected to grow rapidly, rising 2-3 percent from last year. Stronger milk prices during 1992-94, continued adoption of bovine somatotropin (bST), and generally plentiful feed supplies are behind the expansion. Despite the higher output, only a moderate price decline and a modest dairy surplus is foreseen, because of robust domestic demand and, at least for a while, strong commercial butter exports.

The rate of increase in bST use in 1995 is projected to be similar to 1994. Many producers who have already adopted bST (estimated to have been used in almost a third of dairy herds in 1994) will inject more of their cows. And while additional producers might begin to experiment with bST, some early users may have decided that bST use is not currently profitable for them.

An expected 3-percent rise in milk per cow in 1995 (bST has been a key factor in the gains) should easily offset produc-

tion losses anticipated from a slight decline in milk cow numbers. A large herd of replacement heifers and continued low cull cow prices will help slow declines in milk cow numbers.

On January 1, there were more than 43 replacement dairy heifers per 100 milk cows, continuing the trend of relatively high ratios in recent years. Stable, relatively strong prices for replacement cows in recent years have encouraged the retention of heifer calves. In addition, many exiting dairy farmers continue to raise heifers after disposing of their milking herd.

The milk/feed price ratio (the price received for milk relative to the price paid for feed) is expected to average close to 1.6 in 1995, similar to 1994's unfavorable level. This ratio will provide only a modest incentive to boost concentrate feeding (high in energy and low in fiber) and thus, the amount of milk per cow. However, more ample supplies of good forage in 1995 should help increase milk per cow during the first half of the year.

For further information, contact:

Leland Southard coordinator; Ron Gustafson, cattle; Steve Reed, hogs; Milton Madison, poultry; Jim Miller, dairy; David Harvey, aquaculture. All are at (202) 219-0713. **AO**

April Releases—USDA's Agricultural Statistics Board

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Specialty Crops Overview

Consumers will see plenty of fresh apples on the U.S. market this spring. Storage supplies from the 1994 crop are even with last year, but export demand from Mexico is likely to be down from last spring. Retail apple prices in early 1995 were slightly lower than a year earlier, while banana and orange prices were higher. Apples are poised for aggressive pricing in the produce section this spring.

Apple growers harvested a fall 1994 crop of an estimated 10.9 billion pounds—up slightly from 1993—and about 6 billion pounds are likely to be sold fresh. Washington, the major fresh apple state, produced slightly more than 4 billion pounds for fresh sales out of a 5.7-billion-pound crop. Washington's total harvest was up 12 percent over 1993, pressuring exporters to keep sales trending upward.

U.S. fresh apple inventories amounted to 2.3 billion pounds entering the 1994/95 season's final months, about the same as a year earlier. Supplies are up for many varieties, including Red Delicious, Golden Delicious, and Fuji, according to the International Apple Institute.

Apple imports, mainly from the Southern Hemisphere, are expected higher this spring, as New Zealand, South Africa, and Chile are expected to produce larger crops. Because of plentiful domestic U.S. supplies, imports are likely to meet stiff price competition.

U.S. fresh apple exports have nearly doubled in 4 years, increasing from 836 million pounds in 1990 to 1.6 billion pounds in 1994. Exports to Mexico have soared from 26 million pounds in 1990 to 337 million in 1994, making Mexico the top market for U.S. apples.

However, Mexico's demand for U.S. apples is not likely to continue expanding in the 1994/95 season. The peso

devaluation inflated prices to Mexican consumers, dampening prospects for another good season in Mexico for Washington shippers. January and February shipments from Washington to Mexico were down 65 percent from a year earlier, and the effect of devaluation is likely to last through spring.

In addition, Washington's exports to Mexico got off to a slow start this season, due to technical problems in Mexico's approving the phytosanitary measures used by U.S. exporters. The slow start and the peso devaluation are likely to cut Washington's apple exports to Mexico in half compared with last season.

The U.S. is shipping more fresh apples to Asia, more than offsetting the slow-down to Mexico. October 1994-January 1995 exports to Asia were up 23 percent from a year earlier, and total apple exports were down 17 percent. Exports to Hong Kong, Taiwan, Indonesia, Thailand, and other Asian countries accounted for 782 million pounds in calendar 1994, about 13 percent of U.S. fresh-market utilization.

The Asian market has grown rapidly in the last 4 years, nearly doubling from

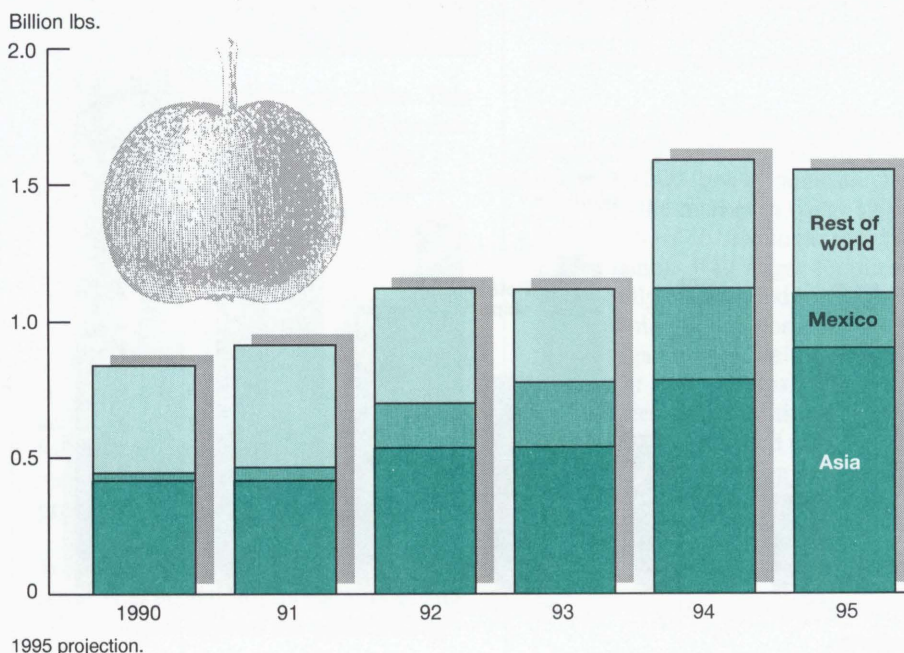
the 417 million pounds shipped in 1990. Japan, which in January accepted its first shipment ever of Washington State apples, is a promising market if U.S. prices and quality are attractive.

Fresh-market orange prices have been increasing, as California rains disrupted the harvest during January-March and export demand has run ahead of last year. Based on higher prices paid to California growers, retailers have been charging U.S. consumers 10 to 15 percent more than a year earlier.

However, Florida growers—producing mainly for juice—received lower prices from processors. Florida's 1994/95 orange crop is an estimated near-record 203 million boxes, equivalent to 9.1 million short tons, up 17 percent from 1993/94. Florida juice-orange production is expected to remain high next season as well, based on increased acreage of maturing trees.

Export demand for U.S. fresh oranges was higher during the first half of the 1994/95 season than a year earlier. U.S. fresh orange exports, which account for 25 percent of production, totaled 328 million pounds during October 1994-January 1995, 11 percent more than the

Asia and Mexico Account for the 1990's Surge in U.S. Apple Exports



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same period in 1993/94. Asia purchases about 60 percent of U.S. orange exports, while Canada takes about 35 percent.

The upswing in U.S. orange exports coincides with California output at last season's level, or just slightly above it. Fresh orange prices are expected to continue strong through June as the California supply tapers off.

Lower potato prices are spurring demand. Abundant potatoes available for the fresh market are keeping grower prices lower and retail prices 5-10 percent below a year earlier. Potatoes in storage on March 1 totaled 6 percent above a year earlier. The larger supply comes from a record 1994 fall crop of 41 billion pounds, 7 percent above the 1993 fall crop. During the spring, however, grower and retail prices tend to rise seasonally, and they peak by mid-summer before falling again with the onset of next fall's harvest.

U.S. grower prices for all potatoes averaged \$4.71 per cwt during January-February 1995, 25 percent below the first 2 months of 1994. The weaker grower prices have spurred demand for both processing and fresh-market potatoes.

The 1994/95 season's fresh-market shipments from Colorado, Idaho, North Dakota, and Minnesota through February are up 16 percent from 1993/94. Processor usage of potatoes through February 1995 was up 9 percent from a year ago. Frozen french fry demand remains strong in both domestic and foreign markets. U.S. exports of frozen potatoes totaled 618 million pounds in 1994, up 22 percent from 1993. The value of frozen potato exports increased 26 percent in 1994, reaching \$214 million.

Asian countries accounted for 80 percent of U.S. frozen potato exports in 1994, down from 84 percent in 1993. Western Europe increased its purchases of U.S. frozen potatoes after a crop shortfall in 1994. U.S. exports of frozen potatoes to Western Europe during October 1994-January 1995 increased to 29 million pounds, compared with only 0.4 million a year earlier. Increased demand for frozen potatoes is expected to continue for the next 6 months, as European supplies are limited.

U.S. potato chip exports have increased even more rapidly than frozen potato exports. The export market for potato chips is the fastest growing segment of

the U.S. potato industry. The value of potato chip exports, which includes reconstituted (Pringle-type) chips, reached \$200 million in 1994, 53 percent above 1993. The annual increase in potato chip exports has averaged 37 percent since 1990.

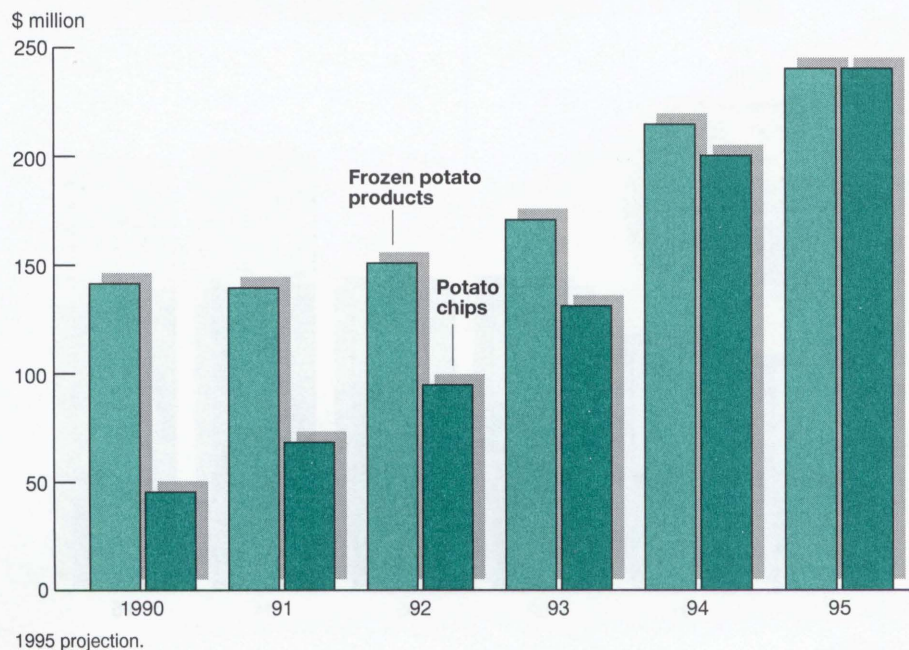
About half of 1994 U.S. potato chip exports went to Canada, Japan, and the European Union. Taiwan, the Philippines, Mexico, and Hong Kong represent another quarter, while numerous other countries account for the remainder.

Lower supplies push fresh vegetable prices higher. A 9-percent reduction in 1995 winter-quarter acreage led to higher prices for fresh vegetables. In addition, some residual effects of a tropical storm in Florida, and cool weather in California during the fall of 1994, pushed up U.S. consumer prices for fresh vegetables in January and February. Damage from heavy rain in California during March has reduced supplies of lettuce and a number of other fruits and vegetables from central California.

U.S. domestic shipments of tomatoes during January-February 1995 were down about 40 percent from a year earlier, and average grower prices stayed firm. A surge of fresh tomato imports from Mexico in February pushed grower prices downward for several weeks. However, with lower production expected from Florida, the dominant supplier in April, prices are expected to rise.

Spring-quarter grower prices for vegetables were below average in 1994, possibly discouraging growers in California and Florida from expanding acreage this year. Supplies of fresh-market vegetables come mostly from Florida, California, and Texas during the spring season. Georgia and South Carolina enter the market in the latter half of the season. Spring-season fresh-market tomato acreage in Florida and lettuce acreage in California have been decreasing in recent years, as demand for these items has stagnated.

U.S. Exports of Potato Chips Have Soared



Agricultural Economy

California Rains To Affect Lettuce & Strawberry Prices

Unusually heavy and protracted rains hit central and northern California in mid-March, damaging the lettuce, broccoli, cauliflower, and strawberry crops, and reducing supplies. Damage to these crops was greatest in the Salinas-Watsonville area on the central coast near Monterey. As a result of the shortage, consumers can expect higher prices for these items during April and May.

Central California is the nation's main supplier of iceberg lettuce and strawberries during March-June. The area also supplies nearly all of the broccoli and cauliflower on the market during April-June.

The winter supply of lettuce from Arizona and southern California typically tapers off during March. And during May and June, strawberries from central California supplant the Florida harvest. Few alternative supplies of lettuce and strawberries are available during the early spring months, but in late May and June, strawberry harvests begin throughout the middle U.S.

Assuming favorable weather, storm-damaged lettuce fields will be replanted in time for harvest in late May, but strawberry fields that were destroyed will have to be replanted for harvest in 1996. Where the berries were damaged but the plants not destroyed, harvest could resume in mid-April.

The full extent of damage to California tree fruit and nuts is uncertain. Almond trees were reported to be blown over in northern California, and pollination and fruit set of peach, cherry, and plum trees may have been affected. The storms caused citrus picking to slow, but new-crop Valencia oranges and grapefruit were continuing to mature.

The rain damage will likely have a minor impact on total food price increases during March-June. However, consumers are likely to see notices in retail produce sections concerning high prices for strawberries and lettuce. Higher prices for other fresh-market vegetables, such as tomatoes, were already anticipated due to reduced planted acreage.

Lower U.S. production would tend to increase prices, but may also cause retailers to look for fresh vegetables from Mexico. Imports of vegetables from Mexico usually decrease from April to June. However, Mexico's peso devaluation since late December 1994 provided a price incentive for U.S. buyers to seek Mexican supplies. Imports of tomatoes, cucumbers, peppers, eggplant, squash, and snap beans from Mexico during January-February 1995 were up 13 percent from a year earlier.

U.S. sugar output for fiscal 1994/95 is forecast at a record 8.24 million tons, raw value, up 7 percent from last year. Beet sugar production is forecast at a

record 4.65 million tons, raw value. This would top last year's level by 15 percent. The increase is due to higher yields, particularly in Minnesota and North Dakota, which together account for 40 percent of national sugarbeet production.

Cane sugar production, including Puerto Rico's, is estimated at 3.59 million tons, marginally higher than last year's record crop. Louisiana finished its season in early January with a record 1.02 million tons, due to improved yields and near-record acreage harvested, well above the previous high of 893,000 tons last year.

While a record 1.84 million tons of cane sugar is expected in Florida, processing will continue beyond the usual ending

date of early April, because of heavy rains which halted harvesting in the fall. Florida's crop accounts for about half of the total U.S. cane harvest. Hawaii's forecast production is 540,000 tons, 22 percent below last year.

Domestic use of sugar in fiscal 1995 is estimated at 9.43 million tons, raw value, up 1 percent from 1994. Underpinning growth in sugar use are the bakery and cereal industries, whose use in fiscal 1994 was up 8.4 percent from 1993.

On December 30, USDA announced the continuation of marketing allotments for domestic sugar for fiscal 1995, with the overall allotment unchanged at 7.89 million tons. Marketing allotments give each U.S. sugarcane and sugarbeet processor a specific limit on sales for the year, above which penalties would apply. The cane sugar allotment was raised by 3,000 tons, while the beet sugar allotment was lowered by this amount. USDA must make quarterly reviews of the need for allotments—another review was expected by April 1.

U.S. raw sugar prices were up in February, from 21.6 cents a pound in October and November to 22.69 cents. The Midwest beet sugar price averaged 25.5 cents a pound in February, equal to December's. If marketing allotments are maintained during fiscal 1995, the refined sugar price is unlikely to fall, even if current crop prospects improve.

The domestic marketing allotment program will strengthen prices by blocking about 310,000 tons of domestic production from the market in fiscal 1995 (260,000 tons of beet sugar and 50,000 tons of cane). Raw sugar supplies are additionally constrained by quota imports running below normal. The shortfall of sugar imports below the quota is forecast at 120,000 tons. Sugar users and refiners are requesting that USDA reallocate the projected quota shortfall to other suppliers who can provide the sugar.

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The world raw sugar price averaged 14.4 cents a pound in February, 34 percent higher than the February 1994 level of 10.8 cents. The nearby or "spot" world price is higher than the futures price for 6 and 12 months out. Foreign suppliers are taking advantage of the current high world price to sell sugar on the world market now, and supply the premium U.S. market later in the year when prices on sales to other markets would be lower.

[John Love (202) 219-0388]

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—all are at (202) 219-0882. Lewrene Glaser, industrial crops (202) 219-0085. **AO**

Upcoming Reports—USDA's Economic Research Service

The following reports will be issued on dates and at times (ET) indicated.

April

- 3 Tobacco (3 pm)*
- 11 Cotton & Wool Outlook (4 pm)**
- 12 Feed Outlook (4 pm)**
Oil Crops Outlook (4 pm)**
Rice Outlook (4 pm)**
Wheat Outlook (4 pm)**
- 13 Hog Outlook (9 am)
- 19 Agricultural Outlook (3 pm)*
- 21 Livestock, Dairy, & Poultry (9 am)
U.S. Agricultural Trade Update (3 pm)*
- 26 Vegetables & Specialties (3 pm)*

*Release of summary.

**Available electronically only.

Commodity Spotlight



Proposed Poultry Labels Define Fresh vs. Frozen

Has the "fresh" chicken in the supermarket been frozen before reaching the display case? A proposed USDA poultry regulation aims at helping consumers distinguish between fresh and previously frozen poultry, defining "fresh" as meat that has never been chilled below 26° F (internal temperature).

The issue of fresh versus frozen poultry has been debated extensively during the past year. After three public hearings throughout the U.S., and a comment and recommendation period, USDA's Food Safety and Inspection Service (FSIS), which currently inspects all poultry processing plants, has proposed new labeling for poultry, designed to meet consumer expectations of what is fresh.

Under the proposed rule, if a poultry item has never been held below 26° F during the distribution process, it can be labeled as "fresh." If the product, on the other hand, has ever been held below 26° F at any point during the distribution

process (including time spent in transporting, warehousing, or retail storage), it must be labeled in the grocery case as "previously frozen."

Under current regulations, raw poultry can be labeled and sold as "fresh" even if the internal temperature was at one time below 26° F. Poultry products are chilled and packaged in various ways for shipping, with the shelf life—the period of time the poultry is suitable for use—varying with the type of preparation and handling. The amount of poultry potentially affected by the proposed rule should be minimal, however, because most of the nonfrozen poultry shipping methods keep the meat above 26° F, and only 10 to 20 percent of poultry is shipped long distances, which may require colder chilling.

Rule Covers Handling & Labeling

According to a recent study by the National Broiler Council (NBC), which included broiler marketing practices for calendar year 1993, 42 percent of all broilers (the majority of poultry shipped) was transported from the processing plant in ice, or wet or CO₂ (carbon dioxide) pack, with a quarter of the 42 percent going to the retail market.

Ice or CO₂ pack is a form of refrigeration in which processed raw poultry products are chilled to approximately 35° to 40° F and packed in containers with shaved ice, crushed ice, or solid carbon dioxide (sometimes referred to as "dry ice" or "snow"). Ice or CO₂ pack poultry typically has a shelf life of 5-8 days when maintained at about 35° to 40° F.

Another common method was chilled prepack, with 19 percent of all broilers shipped by that method in 1993, and half of the 19 percent going to the retail market. Chilled prepack or deep chill is a form of refrigeration in which processed raw poultry products are chilled at 28° to 32° F and packed in containers without ice or solid carbon dioxide. Chill pack poultry products normally have a shelf life of 10 to 14 days when maintained at approximately 32° F, or 21 days if held

Commodity Spotlight

at 28° F. The shelf life for all methods includes transport time.

Under the proposed FSIS regulation, everyone handling the poultry (the processor, handler/shipper, and wholesaler/purchaser) would be responsible for maintaining the temperature at 26° or above if the product is to be labeled "fresh." The shipping method and temperature would be specified in the contract by the wholesaler/purchaser, and if the poultry shipment did not arrive within an acceptable range of the specified temperature, the wholesaler/purchaser would have the right to refuse the order.

Fish and seafood items are already governed by labeling rules that went into effect soon after their publication January 6, 1993 in the *Federal Register*. The Food and Drug Administration is responsible for regulating labels on these items. For fish and seafood, the term "fresh" suggests or implies that the food is unprocessed, and that the item is in its raw state—neither frozen or subjected to any form of thermal processing. The terms "fresh frozen" and "frozen fresh" on a fish or seafood label mean that the item was quickly frozen while still fresh.

Will Prices Be Affected?

Chicken has gained rapidly in popularity over the past decade for both at-home and away-from-home consumption. Per capita consumption increased from 51.7 pounds (retail weight) in 1984 to 71.5 pounds in 1994. During this period, per capita pork consumption increased only 2.1 pounds, and per capita beef consumption fell 10.8 pounds.

The principal buyers of broilers as of 1993 were retail grocery stores, taking 35 percent, and restaurants, buying 25 percent, according to the NBC study. Over 14 percent of the restaurant broilers went to fast-food establishments, the study found—one of the fastest growing segments for poultry consumption.

The increase in chicken consumption can be attributed in part to changes in eating habits, but also to higher incomes and the quite modest rise in the average retail price of chicken. Bureau of Labor Statistics data indicate that the average retail price for fresh, whole chicken increased from 81 cents per pound in 1984 to just 89 cents in 1994; chicken breast, bone-in, averaged \$1.70 in 1984

compared with \$2.10 in 1994; and chicken legs, bone-in prices dipped from \$1.15 in 1984 to \$1.13 in 1994. By comparison, center-cut pork chops increased from \$2.38 per pound in 1984 to \$3.24 in 1994, and U.S. choice bone-in chuck roast averaged \$1.68 per pound in 1984, rising to \$2.13 in 1994.

Up to now, poultry products sold as fresh have not been identified as "fresh" versus "previously frozen" at the point of retail sale. So, while there is some question about possible quality differences under the proposed regulation, no national data exist to evaluate the impact on prices for "fresh" versus "previously frozen" poultry.

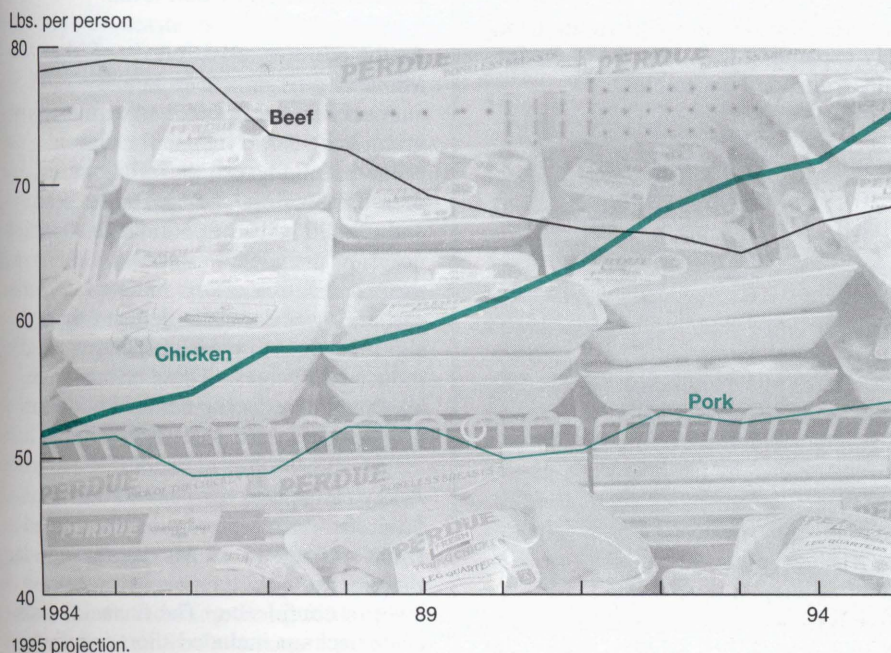
Differing quality perceptions and consumer preferences could generate a willingness to pay a higher price for poultry labeled "fresh" than for "previously frozen" if consumers were made aware of the difference. In the fall of 1994, FSIS conducted a telephone hotline survey of 200 individuals regarding consumers' views on "fresh" chicken. The majority of respondents interpreted "fresh" to mean the chicken had never been frozen. Other respondents said "fresh" meant the chicken had been slaughtered recently, was produced locally, or had been wrapped and displayed in their store quite recently.

"Frozen" chicken, a number of respondents reported, meant solid or hard to the touch, that the meat had likely been in the store for a long time, and/or that it was older than fresh chicken. Many of the respondents did not know that raw chicken in their stores may have been previously frozen (held below 26° F at some point in the distribution system). Seventy-five percent of respondents said they would prefer "fresh" over "frozen" chicken.

Americans consumed 18.2 billion pounds of chicken (retail weight) in 1994 and are expected to consume 19.3 billion pounds in 1995. Comments on the proposed labeling regulation were initially due to USDA by March 20, 1995, but an extension was granted through May 19, 1995 to ensure consideration of all issues.

[Annette Clauson (202) 501-6552] **AO**

Chicken Consumption Continues Rapid Gain



World Agriculture & Trade



Peso Devaluation: The Impact On Ag Trade

The sharp devaluation of the Mexican peso is expected to dim short-term prospects for U.S. farm exports to Mexico by raising the price of imports and by slowing, or reversing, income gains in Mexico. However, if the recently announced government austerity program developed in response to devaluation succeeds in stabilizing the Mexican economy, the medium- and long-term prospects for increased U.S. farm sales to Mexico remain favorable.

The primary impact of peso devaluation on the U.S. will be the short-term erosion of some trade gains from the North American Free Trade Agreement (NAFTA). Higher domestic prices in Mexico are expected to encourage expansion of feed grain production at the expense of imports. The higher feed costs, plus tighter credit supplies, are expected to increase herd liquidation, especially for hogs. In the short-term, this will increase meat supplies and reduce imports.

The devaluation will lead to an increase in consumption of corn as a food staple and a reduction in consumption of beef, pork, and poultry. As more competitive export prices for Mexican goods offset rising credit and input costs, acreage in export-oriented crops, including horticultural products and cotton, will likely expand.

During calendar 1994, the first year of implementation of NAFTA, U.S. agricultural exports to Mexico increased \$910 million, to a record \$4.5 billion. With exports rising substantially above imports in 1994, the U.S. agricultural trade surplus with Mexico widened nearly \$800 million to \$1.6 billion, the largest surplus ever with Mexico.

USDA expects U.S. agricultural exports to Mexico to decline to \$3.6 billion in fiscal year (October-September) 1995, down from \$4.1 billion last year. Reduced U.S. exports of fruits and fresh vegetables, nuts, meats, processed cereals, and snack foods to Mexico are expected. U.S. exports of these commodities had expanded significantly in recent years as incomes in Mexico grew.

U.S. imports of agricultural goods from Mexico for fiscal 1995 are projected to rise to \$3.1 billion, up from \$2.8 billion last year. The devaluation has lowered prices for Mexican products in the U.S., likely expanding U.S. imports of feeder cattle, fruits, and vegetables.

Mexico's Trade Deficit Is Factor in Devaluation

A primary cause of the peso's devaluation was Mexico's sizable current account deficit—largely the trade deficit—which increased from \$23 billion 1993 to \$29 billion in 1994. The deficit was financed by selling short-term bonds, which are easily redeemable, rather than by long-term direct investments in productive assets such as plant and equipment. Before devaluation, Mexican authorities had forecast a current account deficit in excess of \$31 billion for 1995.

Lack of confidence in the government's ability to continue financing the large current account deficit induced domestic

and foreign investors to sell their holdings of short-term government securities (*tesobonos*—peso-denominated bonds that guaranteed holders repayment of the dollar value of their original investment). These bondholders rushed to convert their pesos into dollars. In late March, the Mexican government announced that the repayments would be made in dollars. These sales increased demand for dollars, lowering the value of the peso relative to U.S. currency.

In response to this strong demand for dollars, and in an effort to conserve foreign currency reserves (which had fallen from a high of \$30 billion in February 1994 to about \$6 billion prior to devaluation), the Mexican government devalued the peso on December 20, 1994. At that time, the peso was allowed to depreciate to 4 pesos per dollar—a 15-percent devaluation.

However, the lack of international currency reserves to support the value of the peso forced the government to abandon its effort to manage the devaluation, thus allowing market forces alone to determine the value. Once the peso was allowed to float, speculation started in the financial markets, and the peso slipped to almost 6 pesos per dollar early in 1995, a 42-percent depreciation from the predevaluation level.

As the currency crisis persisted, the Mexican government in January 1995 announced an economic adjustment program designed to reduce the current account deficit, restrain inflationary pressures, restore strength to the peso, and rebuild investor confidence. The program included measures to accelerate the privatization efforts initiated 5 years earlier, lower domestic demand through significant cuts in public spending, and reduce real wages. These efforts were all aimed at reducing demand and thus bringing down the trade deficit.

A key element of the peso stabilization program was an internationally funded credit package to get Mexico through its short-term liquidity crisis and restore investor confidence. The financial assistance package included short-term international credit lines from the U.S. government (\$20 billion), the International Monetary Fund (\$17.8 billion), the Bank

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for International Settlements (\$10 billion), Canada (\$1 billion), and several Latin American countries (\$1 billion). The funds will allow Mexico to pay off short-term obligations and maturing certificates of deposit, while restructuring what it owes into longer term loans.

The U.S.-Mexican accord, signed in February, gives Mexico provisional access to \$20 billion in U.S. loans and loan guarantees. On March 14, \$3 billion was extended. Mexico pledged to make fundamental reforms to its economy, including a tighter monetary policy and increases in short-term interest rates to almost 50 percent.

The administration of President Ernesto Zedillo announced, on March 9, 1995, the "Revised Agreement of Unity to Overcome the Economic Emergency." The plan envisions tax increases and further cuts in government spending, and aims at an annual inflation rate of no more than 42 percent, up from 7 percent in 1994. The inflation rate could be even higher. The Pacto agreement between government, business, and labor, which had kept a lid on wages and prices since 1987, has not been renewed. Already, the government has announced significantly higher prices for fuel and electricity.

The plan forecasts the exchange rate will stabilize at 6-6.5 pesos to the dollar in 1995. This would mean that the total devaluation from 3.46 pesos will have been around 45 percent. A 2-percent contraction in gross domestic product is expected in 1995, down from 3.1-percent growth in 1994. The plan forecasts the current account deficit to shrink significantly, and the trade deficit to fall to 2 percent of gross domestic product (from about 4 percent in 1994).

The economic consequences of devaluation remain uncertain. The austerity program developed in response to devaluation will hinder economic growth and may result in a higher inflation rate than previously expected for 1995. The new economic program should lower Mexico's imports, reducing the agricultural trade deficit. If the "emergency plan" succeeds in stabilizing the economy, a modest recovery from the recession

could be expected within the next 2 to 4 years.

Over the medium term, the outlook for Mexico's economic growth is favorable, with an improvement in private consumption as employment grows and wages rise. Mexico has undertaken significant economic reforms in the last 5 years that resulted in a more flexible economy. These changes may help facilitate the adjustment to devaluation.

NAFTA Trade Gains Stalled in 1995

In response to the peso devaluation, USDA lowered its forecast for U.S. farm exports to Mexico in fiscal 1995 from \$4.4 billion in November 1994 to \$3.6 billion in February. The increase in U.S. imports is not expected to match the drop in exports, thus lowering total agricultural trade between the two countries in fiscal 1995.

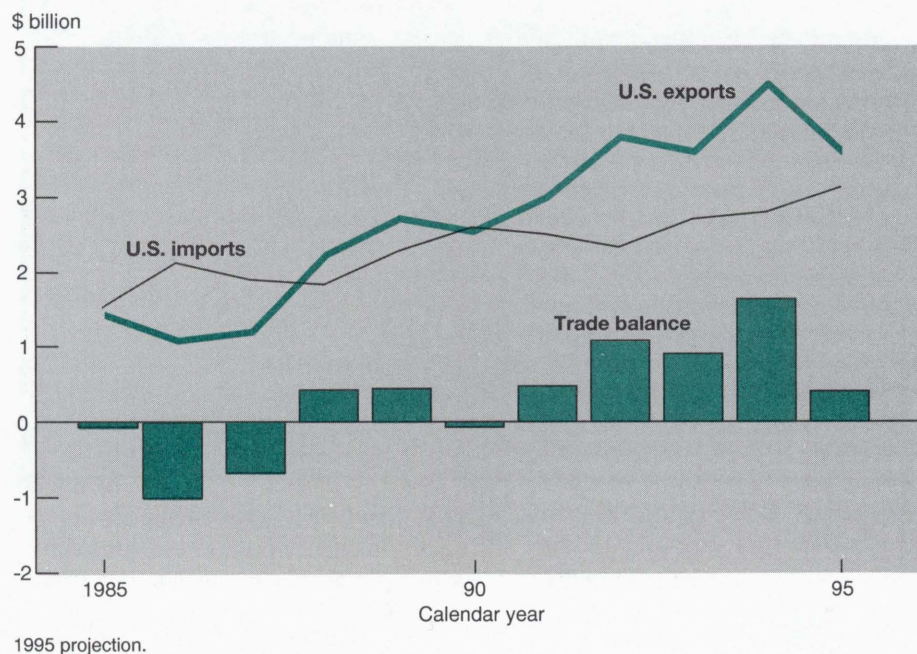
Trade results for calendar 1994 indicated early gains from NAFTA for both the U.S. and Mexico. Two-way agricultural trade between the U.S. and Mexico increased to \$7.4 billion in 1994, a 17-percent increase from the previous year.

During January-December 1994, U.S. agricultural exports to Mexico reached a record \$4.5 billion, 25 percent over the previous year. U.S. export commodities showing the most significant increases since implementation of NAFTA include, corn, beef, pork, poultry, fresh and processed fruits, vegetables and preparations, oilseed products, and nuts.

The impact of peso devaluation on U.S. exports of individual agricultural products to Mexico differs among commodities, depending on the income and price response of buyers. U.S. corn exports to Mexico are expected to reach, and perhaps exceed, the 1995 NAFTA minimum import quota of 2.6 million tons. Early this year, the Mexican government authorized import allocations for corn, including cracked corn, of 3.1 million tons. Allocations have been distributed between the wet and dry milling industries, the feed-livestock sector, and several individual producer associations.

U.S. sorghum exports to Mexico are expected to decline from the high levels of the past 3 years, as increased domestic producer prices in Mexico lead to a modest recovery in acreage and greater sorghum production, compared with the predevaluation forecast. In addition,

U.S. Ag Trade Surplus with Mexico To Fall in 1995



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Mexico's Economy To Stall in 1995

The devaluation of the peso in December 1994 stifled the strong economic recovery that had been underway in Mexico. Prior to the devaluation, the economy seemed to be on its way to 4-percent real growth in 1995, the average pace during the last three quarters of 1994. Although the trade and investment impacts of NAFTA benefited Mexico's economy, recent trade expansion widened Mexico's trade deficit as imports grew faster than its exports. Worries about the sustainability of the trade imbalance with the U.S. increased the outflow of funds from Mexico, contributing to the peso's drastic devaluation.

Industrial production in Mexico expanded 4.4 percent in 1994, despite short-term interest rates averaging 15 percent. The boost to trade provided by NAFTA led to greater production, increased foreign and domestic investment, and higher real wages (due to productivity gains), contributing in total to a 3.1-percent expansion in Mexico's real GDP in 1994. These factors brought about conditions conducive to trade, benefiting the overall Mexican economy. However, the collapse of the peso halted economic gains in late 1994.

The speed of Mexico's recovery will depend on how strictly it adheres to its present belt-tightening policies. The objective of President Zedillo's austerity plan is to stabilize the peso and wring Mexico's economy of inflation. A key ingredient in the recovery process is regaining the confidence of foreign investors. The low domestic savings rate may not be sufficient for the investment required to push the economy to the 4-percent growth rate achieved during the last three quarters of 1994.

Foreign capital will remain critical in meeting the country's investment needs for years to come. To increase domestic savings and reduce dependence on foreign capital, interest rates must be kept above the inflation rate. However, high interest rates and the cutoff of foreign funds will slow capital spending. Consumption will also decline because the purchasing power of wages has been cut by higher prices. But the peso's lower value relative to the dollar will boost Mexico's exports and sharply trim its trade deficit.

Higher taxes and a 20-percent real reduction in the money supply, as outlined by the current austerity program, will severely depress domestic demand in 1995. In the absence of a "Pacto" between government, business, and labor in Mexico's current economic austerity plan, inflation could increase substantially if wage demands and price pass-through become excessive.

The fall in real incomes due to higher prices will likely outweigh the gains from greater exports in 1995. Total merchandise trade with the U.S. will switch from a deficit in 1994 (\$1.4 billion) to a surplus in 1995. In the last quarter of 1994, Mexico already showed a trade surplus with the U.S. The trade surplus with the U.S. and a slow return of foreign capital will help replenish Mexico's foreign currency reserves, which are needed to meet debt obligations and afford the peso some measure of stability, allowing the country to regain financial credibility.

[Alberto Jerardo (202) 501-8318]

down consumer prices for wheat products (flour and bread bolillo), are expected to limit the drop in wheat imports from the U.S.

U.S. exports of soybeans to Mexico are expected to maintain volumes near last year's level. This is due largely to direct subsidies provided to Mexico's crushing industry. However, Mexico's imports of U.S. soymeal and soyoil are expected to decline with higher prices in Mexico, reduced incomes, and a slowdown in the growth of the Mexican pork and poultry sectors.

Beef consumption, which had been expanding very rapidly on both a total and per capita basis over the past 3 years, is expected to decline with reduced incomes, leading to a drop in U.S. beef exports to Mexico in 1995. However, higher prices for imported beef could increase the demand for domestic beef and provide some price support for domestic producers. U.S. pork and poultry exports to Mexico are expected to fall, as the combined effect of higher consumer prices and reduced incomes leads to lower demand.

Mexico's imports of U.S. fruit, nuts, and vegetables are forecast to decline sharply in FY 1995 because of reduced incomes in Mexico. However, imports of processed vegetables, which account for over half of U.S. vegetable exports to Mexico, are expected to maintain their current level. Processed vegetables are purchased primarily for restaurant use, typically serving a clientele of higher-than-average incomes.

U.S. agricultural imports from Mexico are forecast to be \$3.1 billion in FY 1995, up from \$2.8 billion in 1994. U.S. animal product imports from Mexico are expected to increase—primarily feeder cattle imports. Higher feed costs will make it less attractive to feed livestock in Mexico, while the price effect of devaluation increases prices received for selling feeders to the U.S.

U.S. imports of horticultural products are expected to increase due to higher domestic prices and tight supplies resulting from weather conditions in California. Much of Mexico's winter crop of horticultural commodities was planted

increased corn use in feed rations (as the Mexican government continues to subsidize corn sales to livestock producers), together with reduced domestic hog inventories, will lead to lower sorghum imports.

U.S. sales of wheat to Mexico are expected to decline in 1995 as higher consumer prices reduce demand. However, the direct subsidies provided to the domestic milling industry, which help keep

before the devaluation, thereby limiting Mexico's ability to expand production in the first and second quarters of fiscal 1995.

However, some production could be diverted from the Mexican market to the export market. In addition, with higher and more attractive export prices, Mexican horticultural production could increase later in the year and next year. The expected increase, however, will depend on the availability of new credit and the size of producers' current debt.

The potential short-term effects of devaluation on U.S.-Mexican agricultural trade may vary depending on how the Mexican economy responds to the stabilization program. For example, projections of income growth play a large role in determining forecasts for consumption, and if income falls more than current projections, Mexico's imports will contract further.

Also, the level at which exchange rates eventually stabilize will affect import demand as well as export potential. A rapid recovery of the peso could brighten U.S. agricultural export prospects.

[Constanza Valdes (202) 219-0919] **AO**

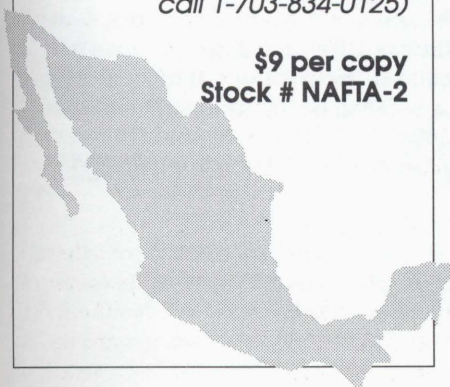
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U.S. Ag Export Forecast Revised Upward

U.S. farm exports in fiscal 1995 are forecast at a record \$48.5 billion, \$3.5 billion higher than the November 1994 estimate and the largest since \$43.8 billion in 1981. Despite record imports—\$28.5 billion—the agricultural trade surplus will widen to \$20 billion—the largest since 1982.

Export value has been boosted mainly by improved prospects for corn and cotton because of reduced competitor supplies. Largely on the strength of vigorous corn and cotton sales, U.S. bulk exports are expected to reach 117 million tons, worth nearly \$21 billion—the highest value since 1990. Bulk exports' share of the total forecast value will increase to 43 percent in 1995, reversing the downward trend in share.

In addition, exports of U.S. high-value products (HVP's) in fiscal 1995 are expected to continue rising, with sales forecast to reach almost \$28 billion, up from \$25.9 billion last year. Continued gains in livestock, poultry, and horticultural exports have driven HVP sales

upward. HVP exports would account for a 57-percent share of the total forecast value.

Corn exports are predicted to reach 50 million tons, a gain of over 50 percent from 1994, and are valued at \$5.3 billion. The surge in U.S. corn exports is due chiefly to a switch in China's trade status from a large exporter (and the major U.S. competitor) to a corn importer in 1995.

China's corn exports are currently projected at just 3 million tons, down from almost 12 million last year. Because of reduced shipments from China, the U.S. has benefited from expanded exports to Korea and Japan, and from new corn sales to other Asian countries like Indonesia and Malaysia.

China is expected to import 2.5 million tons, leading to the first significant U.S. corn shipments to China since 1990. A combination of factors is behind China's reduced corn exports and larger imports, including increased demand for grain

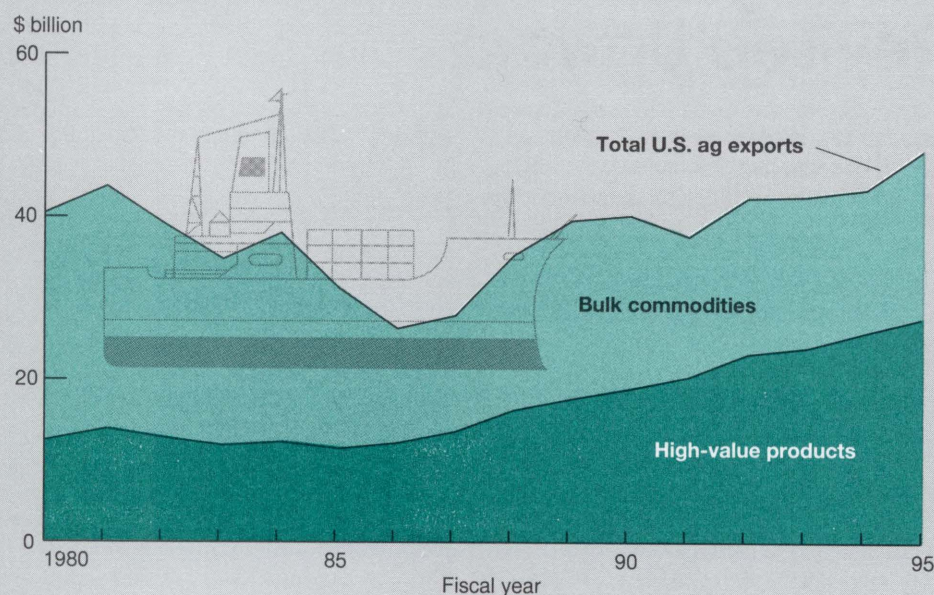
Stronger Corn and Cotton Sales Lift U.S. Ag Export Forecast

	1993	1994	1995 forecast	
			Nov. 94	Feb. 95
			\$ billion	
Wheat and flour	5.0	4.2	4.6	5.0
Rice	0.8	0.9	0.8	0.8
Corn	4.3	3.8	4.2	5.3
Soybeans	4.6	4.2	4.4	4.5
Cotton and linters	1.5	2.3	2.5	3.4
Beef, pork, and variety meats	3.1	3.2	3.4	3.4
Hides, skins, and furs	1.3	1.4	1.5	1.5
Poultry and products	1.3	1.7	1.8	1.9
Soybean oil	0.3	0.4	0.5	0.6
Fruits and preparations	2.7	3.0	3.3	3.3
Vegetables and preparations	2.1	2.2	2.3	2.4
Nuts	0.9	1.1	1.0	1.1
Total	42.5	43.6	45.0	48.5

October-September fiscal year.

World Agriculture & Trade

U.S. Ag Exports To Top 1981 Peak



1995 projection. High-value products include processed and semi-processed commodities, animal products, and fresh and processed fruit and vegetables. Bulk commodities include wheat, coarse grains, rice, soybeans, tobacco, and cotton.

for feeding livestock, and fast-rising domestic grain prices. Rapid income growth has fueled demand for meat in China, and meat production is rising rapidly. While arable land continues to decline as a result of industrialization, China's 1994/95 corn harvest is projected to be about the same as last year.

U.S. cotton exports are forecast to climb more than a third in 1995, to 2.2 million tons (worth \$3.4 billion), despite higher U.S. export prices. This volume would boost the U.S. share of global exports to the highest since the early 1960's. Strong Chinese import demand has fueled U.S. cotton sales, as well as low production in India and Pakistan (major U.S. competitors), and short exportable supplies in several central Asian countries, such as Uzbekistan.

Growing world incomes and the strength of local currencies relative to the dollar in certain countries, particularly in Asia, are likely factors in HVP export expansion. Exports of livestock and poultry products are expected to be up nearly

\$500 million in 1995—global demand for beef and poultry meat remains strong. Reduced shipments to Mexico this year—due to the late-December peso devaluation and the weaker economic growth outlook—are likely to be more than offset by increased exports to other countries, such as Japan, South Korea, Hong Kong, and Russia.

The outlook for U.S. exports of horticultural products—mainly fruit, tree nuts, and vegetables—is bright, with sales forecast \$800 million above 1994. Larger exports to Canada, the European Union (EU), and Asia (especially the higher income markets of Japan, Hong Kong, Taiwan, and South Korea) have continued to propel U.S. horticultural sales to new records.

The value of U.S. exports to nearly every region is expected to rise in 1995, except to the former Soviet Union (FSU) and Mexico. Asia continues to be a robust market for U.S. products, with sales in 1995 forecast to exceed \$21 billion. This would lift Asia's share of

U.S. farm exports to 44 percent, up from around 41 percent in 1994. Higher income Asian markets are expected to take larger amounts of U.S. red meats, poultry, fruits and vegetables, corn, and cotton. U.S. sales to China in 1995 are forecast to almost double to \$1.7 billion, with strong import demand for corn, cotton, and soybean oil.

U.S. exports to Mexico in 1995 are now predicted to fall below 1994's peak \$4.1 billion, to \$3.6 billion, because of the peso devaluation and related adverse effects on consumer incomes and demand. U.S. bulk exports to Mexico are expected to remain fairly stable, except for a small decline in sorghum. (Higher effective feed costs are expected initially to curtail the use of imported grains in some hog and poultry operations.) The most severe cuts in sales to Mexico are expected in high-value products such as meat, and fruits and vegetables. The U.S. shipped record amounts of these items to Mexico in 1994.

Exports to the FSU in 1995 are also forecast down, from \$1.5 to \$1.2 billion, primarily because of weak demand for bulk imports. In 1994, the FSU was the leading purchaser of U.S. poultry meat and chocolate products. U.S. poultry meat exports remained fairly strong during October-December 1994, but future sales could hinge on whether FSU countries impose and enforce tariffs that could potentially choke off imports. Until now, Russia—the largest FSU poultry importer—has not rigorously enforced tariff regulations.

The 8-percent rise in U.S. import value projected for 1995 is due chiefly to higher coffee and rubber prices. In addition, U.S. imports of vegetables and live animals from Mexico will likely increase, as the peso devaluation lowers their relative import prices. Total agricultural imports from Mexico are pegged at \$3.1 billion, up from \$2.8 billion in 1994.

[Joel Greene (202) 219-0816] AO

Farm Finance



Farm Debt Up Again In 1995

Demand for farm credit was strong in 1994 and is expected to remain lively in 1995. Total farm business debt—real estate and nonreal estate—rose \$6 billion, to an estimated \$148 billion at the end of 1994. In the past 2 years, farmers have added nearly \$10 billion in debt, reversing a trend of net debt retirement in 7 of the 8 previous years. Continued debt expansion is expected to add another \$4 billion to outstanding farm debt by the end of 1995.

Short- to intermediate-term farm business loan demand (nonreal estate) in 1994 was especially vigorous—up about 7 percent. Some of the demand resulted from flood- and drought-ravaged crops of 1993, and some was generated by increased purchases of capital goods, such as farm machinery. Sales of farm machinery were up both in 1993 and 1994.

Demand for farm business credit is expected to increase more modestly in 1995—about 2 percent. Declining farm income prospects and higher financing costs for 1995 are expected to dampen

demand for machinery and other capital purchases. Seasonal demand for operating credit should be up slightly, despite a small drop in projected planted acres, due to somewhat higher input costs for 1995.

Land market sales activity should create only moderate demand for farm mortgage credit in 1995. Per-acre U.S. farmland values rose an estimated 3-4 percent in 1994, and are expected to advance another 3 percent in 1995. Midwest farmland prices have jumped as much as 10 percent in some localities, according to reports. Despite higher land prices (with a greater dollar volume being traded), real estate farm debt increased only 2 percent in 1994, as many farmers continue to purchase land with cash or large down payments.

Interest Rates Moving Up

Interest rates charged on new farm loans rose throughout 1994, reversing 4 years of declining rates. Agricultural interest rates are likely to rise further in 1995, although to a lesser extent than rates anticipated for the general economy. The upward movement in farm rates mainly reflects developments outside the farm sector, especially the Federal Reserve's tighter monetary policy in response to fears of higher inflation.

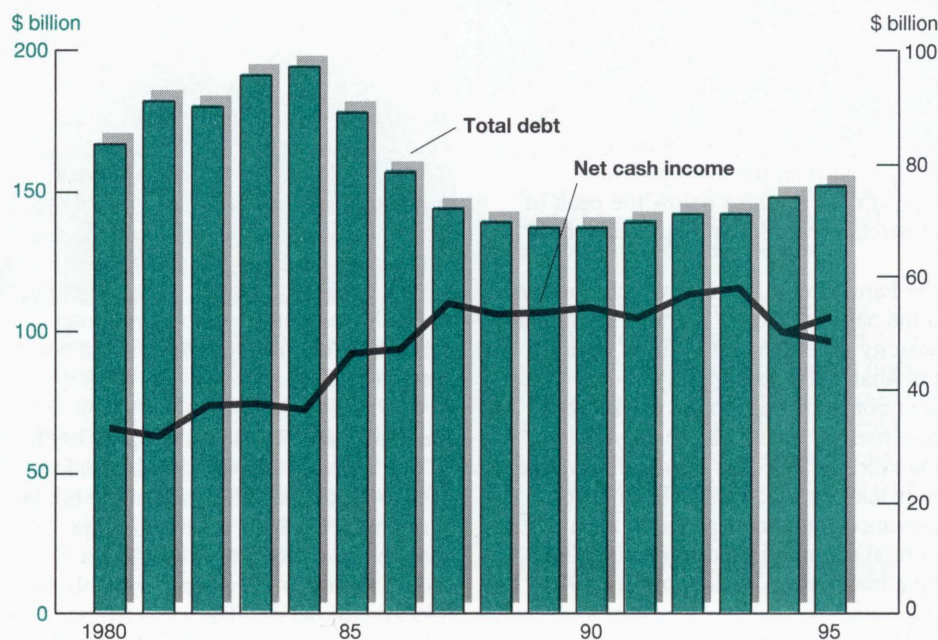
Farm loan rate increases during 1994 were less than those for the general economy, because greater competition among agricultural lenders and a generally healthy farm economy have reduced the credit risk premium for farm lending rates stemming from potential loan repayment problems. The difference between the historically higher farm nonreal estate loan rates and the commercial bank prime rate has been narrowing since the mid-1980's. Fourth-quarter 1994 average rates on new farm loans rose 1 percentage point from a year earlier.

Farm operators can expect to see the largest loan rate increases for short-term loans. Since most farm loans carry variable interest rates, farmers will experience interest rate increases quickly when their loan repricing dates arrive.

The major farm lenders report adequate ability to finance further debt expansion of U.S. farms. Most lenders report that competition for loans to creditworthy farm borrowers remains high and is expected to continue strong throughout 1995.

Commercial banks and the Farm Credit System (FCS)—a collection of federally chartered borrower-owned credit cooperatives that lend primarily to agriculture—hold over two-thirds of outstanding

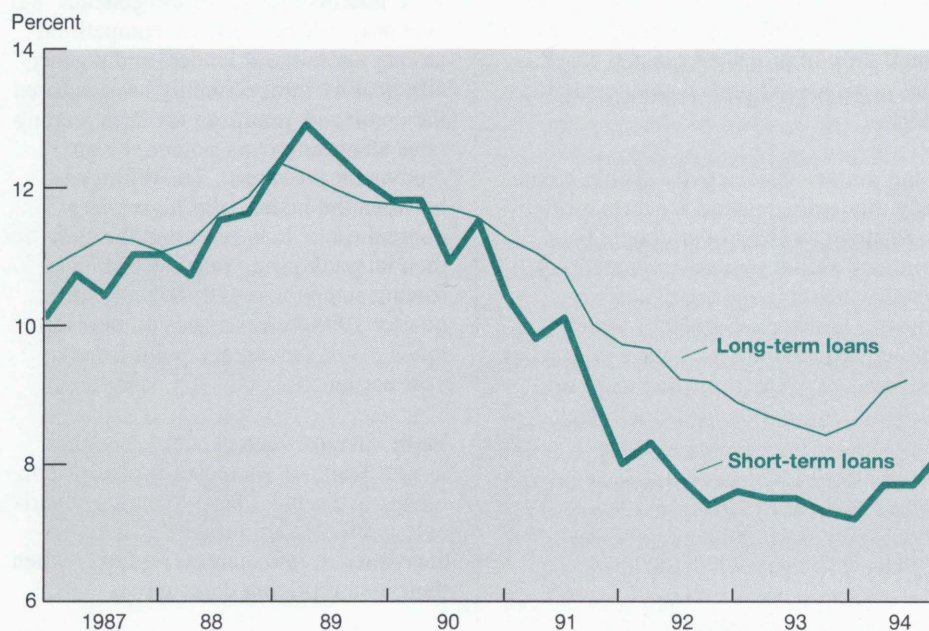
Farm Debt Expansion Continues



1995 projection.

Farm Finance

Ag Interest Rates Reverse Course



Quarterly ag rates of commercial banks. Short-term loans are for less than 1 year and primarily for operating expenses. Long-term loans are multiyear and primarily for real estate.

farm debt. Commercial banks are the largest suppliers of farm loans, and their share of total farm debt continues to grow. Collectively, these banks accounted for about three-quarters of 1994's increase in outstanding farm debt.

While commercial banks appear, on the whole, to be capable of further financing the expansion in farm debt, there is some question about how long this situation might continue. The average loan-to-deposit ratio—a common measure of a bank's lending capacity—grew to 64 percent for agricultural banks on September 30, 1994. The ratio was just 58 percent 2 years earlier. (The lower the ratio, the greater a bank's lending capacity). However, the average loan-to-deposit ratio remains below the peak of 68 percent recorded in September 1968.

The Farm Credit System, which borrows in the national money market, has ample capacity to lend to agriculture, because it is financially strong and can sell sufficient bonds on the money market to raise needed funds. In recent years, however, the FCS has been conservative in its lending practices. The six life insurance companies active in farm mortgage lending report generous lending allocations to agriculture for 1995.

Life insurance companies hold about 12 percent of farm real estate debt.

Farmers failing to meet the credit standards of commercial lenders, and who turn instead to USDA farm lending programs as a last resort, face tighter funding in 1995. USDA direct and guaranteed loan program authorities, now administered by the Consolidated Farm Service Agency (CFSA), were cut by about 10 percent in fiscal 1995.

Applicants for direct loans from these programs, particularly operating loans, are more likely to confront funding shortages, and in some regions shortages could occur as early as this spring. Some applicants not served by direct lending programs will likely be able to obtain credit through guaranteed loan programs. Under a guaranteed loan, CFSA agrees to guarantee repayment of up to 90 percent of an approved loan made by a qualifying lender, if the borrower defaults.

Demand for CFSA loans is up in 1995, in part because a backlog of unfunded 1994 applications remained at the beginning of fiscal 1995. Satisfying the 1994 backlog cut into funding that would normally have been available for 1995 credit needs. The 1993 Midwest

floods and drought partially explain the delayed loan demand, as well as the slightly diminished creditworthiness of farm borrowers.

With reorganization of USDA last fall, the Farmers Home Administration's (FmHA) farm credit programs were transferred to the CFSA. Created in the aftermath of the Great Depression, FmHA was nearly 50 years old at the time of reorganization. It once had responsibilities for a range of grant and loan programs for agriculture and for rural businesses, communities, and housing.

Before the reorganization, FmHA had some 2,000 offices. This delivery structure will change, as the reorganization calls for closing and consolidating some 1,300 USDA offices into field service centers. For example, FmHA's county committees have been disbanded, with no decision yet on a permanent replacement. Many closure and staffing decisions regarding the delivery of farm credit programs will be made during the year.

In 1995, lower incomes, larger indebtedness, and rising interest costs may signal that a greater number of operators will have less income available to meet loan payments. However, with the exception of some localized problems, there is no indication that widespread financial stress will occur in the immediate future. Despite the recent rise in total farm debt, the financial condition of the farm sector remains sound.

Projections for farmers' 1994 net cash income fell to under \$51 billion (in nominal terms), or about 13 percent below the 1993 record of \$58.5 billion. Forecasts indicate that 1995 net cash income will be nearly unchanged from last year. However, net farm income is forecast to decline 10-20 percent in 1995. (Net farm income is a broader measure than net cash farm income, including not only the profit or loss from a given year's output, but also the value of farm-grown food consumption as well as the value of commodities produced that year but placed in storage.)

Much of the expected decline in net farm income is attributable to lower

Credit Provisions in the Farm Bill?

The decisions involved in any farm legislation this year will affect financial institutions and their customers in a variety of ways. These range from the conduct of government lending programs to the effects of policy on incomes, collateral values, and risks associated with agricultural activity.

Traditionally, farm bills reauthorize existing programs or introduce new policies (generally 5-year plans), but changes in the political climate indicate that the 1995 farm bill might be different, possibly curtailing programs or not adding new ones. Not only does the farm bill debate coincide with a shrinking agricultural constituency and acute budgetary constraints, but it will be the first farm bill in 40 years to be written by a Republican-controlled Congress.

Farm bills have historically not been major vehicles for explicit financial legislation, but provisions dealing with farm credit have appeared in the last two bills—1990 and 1985. An important credit issue is the decline of new entrants into farming, and the debate over this issue will likely center on the effectiveness of credit subsidies to assist beginning farmers.

Changes to existing CFSA beginning-farmer credit programs and to the FCS's Federal charter are two possibilities that Congress might consider to ensure beginning farmers' access to credit. The Agricultural Credit Act of 1992 created new FmHA loan programs targeted to assist young and beginning farmers and directed more funding into these programs. If total CFSA lending authority is reduced, resources targeted to beginning farmers will likely comprise a larger share of CFSA programs.

The budgetary costs of government credit programs could force Congress to reconsider the objectives and operation of all CFSA farm credit programs. This is especially true of direct lending programs, where credit subsidy costs are the highest. In the last 10 years, direct farm loan programs have racked up over \$17 billion in loan losses alone.

The FCS will likely be seeking new powers to serve nonfarm business and rural homeowners in communities up to 20,000 (currently 2,500), and to support rural infrastructure and community development (AO May 1994). Such changes would represent a major expansion of the FCS mission and Federal charter.

Commercial bankers have indicated interest in obtaining further access to loan funds from government-sponsored enterprises, such as the Farm Credit System, Farmer Mac, and the Federal Home Loan Banks. At the same time, the commercial banks oppose any expansion of FCS retail lending authority. Farmer Mac, the struggling secondary market for agricultural and rural housing mortgages, may soon seek legislation to improve its charter by expanding its authority. Past farm legislation has been used as a vehicle to change Farmer Mac's charter.

livestock receipts. Regions where cattle or hogs comprise a large share of agricultural production are expected to experience the greatest income declines. Low hog prices in the Midwest, where many farm operators are still recovering from the 1993 floods, are contributing to some financial stress there. Also, higher production costs for all farmers will pressure net farm incomes.

Higher interest and fertilizer expenses are two key forces likely to drive up 1995 production expenses. Interest rates can have a significant bearing on farmers' cash expenses; projected 1994 interest expense accounted for 8 percent of total cash expenses, and is one of the single largest cost categories.

Most Farm Lenders Are Healthy

The financial condition of farm lenders was stable or slightly improved in 1994, and some additional modest gains are possible in 1995. Like most farm lenders, commercial banks and the FCS are financially healthy and capable of handling a downturn in loan quality (more delinquent loans), if that were to occur 1995.

The FCS entered 1995 on a solid financial footing. Earnings, although off somewhat in 1994, still totaled over \$1 billion. Profits in 1995 will likely drop even more, as the rise in national short-term interest rates trims net interest margins and thus overall earnings for the FCS.

With past profits, the FCS has amassed over \$10 billion in "at-risk" capital. At-risk capital measures all resources that can be liquidated without impairing bondholders, and includes loan loss reserves, borrowers' stock, and retained earnings. The increasingly wealthy FCS continues to build up capital even though loan quality is improving and its lending activity remains sluggish. Delinquent loan volume dropped 28 percent in 1994, while farm loan volume rose less than 2 percent.

The 3,700 commercial agricultural banks—those banks with a higher-than-industry average of farm lending activity—reported solid profitability for 1994. Substantial gains were made in the quality of the banks' agricultural loan portfolios, with delinquent loans reduced to less than 1 percent of total lending volume. For the first time in at least 15 years, no agricultural bank failures occurred during the year.

In contrast to commercial lenders, CFSA credit programs continued to be plagued by delinquent loans and high loan losses. Of \$12.6 billion in outstanding farm loans, CFSA reported \$3.6 billion in delinquent payments and \$1.3 billion in loan losses for the past fiscal year.

[Steve Koenig (202) 501-6749 and Jerome Stam (202) 219-0722] **AO**

Environment & Resources



New Method For Estimating Land Values

A new method of estimating annual U.S. farmland values and cash rents will produce more accurate estimates and allow linkages with other resource data sets. USDA's Economic Research Service (ERS) and National Agricultural Statistics Service (NASS) have over the years cooperated in conducting surveys to estimate farmland values and cash rents. The estimates have relied on various methods, survey techniques, and aggregation approaches. Survey techniques, for example, have incorporated data on actual farm sales, farmer opinions, and estimates from rural appraisers and lenders.

The enhanced statistical reliability ERS and NASS have built into the revised method will improve researchers' ability to examine such issues as the economic costs of soil erosion and the effects of Federal commodity programs on farmland values and cash rents. Because the shift in procedure has meant a change in the timing of data collection, estimates will now be published in August instead of the traditional release time in April.

U.S. farm real estate accounts for nearly 75 percent of the value of all farm assets. Of this 75 percent, only about one-fifth is accounted for by farm buildings. The remainder is actual land: cropland, pasture, range, and woodland.

The value of land and buildings is a vital indicator of the health of the farm sector. Real property is often used as collateral to buy additional land and equipment, so the property's value determines how much the farmer may borrow. In addition, the value of farmland is a measure of wealth in the agriculture sector, and is a major determinant of the net worth of the U.S. farm sector. Therefore, a shift in property values affects farmers' net worth and creditworthiness.

Obtaining an accurate estimate of the value of U.S. farmland is vital for a number of other reasons. Many individuals and institutions rely on USDA's estimates of farmland values in making investment, tax, and other decisions. And because agricultural programs and policies affect the value of farm commodities, it is important for policymakers to gauge the overall health of the farm sector, which is largely reflected in farmland values.

Farmland values and cash rents are affected by a host of factors primarily related to the income-generating capacity of the land. These include agricultural productivity, credit policies, and technological change. Other factors affecting farmland values and cash rents include interest rates, inflation, international currency rates, export policies, and levels of urbanization. USDA is currently developing methods to incorporate these elements into annual projections of farmland values used in long-term forecasting exercises.

Since 1984, ERS and NASS have primarily used the Agricultural Land Values Survey (ALVS) to estimate annual farmland values and cash rents. The ALVS, an annual survey, polled a sample of farmers about their opinions of farmland values and cash rents in their localities. The ALVS has been discontinued. Beginning in 1995, estimates of farmland values and cash rents will come from new questions added to the June Agricultural Survey (JAS) conducted by

NASS. The JAS is an area frame survey, dividing the 48 contiguous states into segments averaging 1 square mile each, which are then placed in categories based on land use. Land use categories are based primarily on the share of total land that is cultivated.

NASS's area frame sample is comprised of over 15,000 randomly selected segments, representing about 1 percent of the total U.S. land area. Once a segment is selected, it remains in the survey for 5 years, with 20 percent of the sample replaced each year. Using personal interviews, the JAS collects data on land values and cash rents for about 50,000 tracts of land operated by farmers.

The JAS is a probability survey which will, for the first time, allow ERS and NASS to derive statistical measures of the accuracy of their farmland values and cash rents estimates. Moreover, the face-to-face interviews used to enumerate the JAS will increase response rates. Thus, the results from the JAS will greatly enhance the statistical reliability of USDA estimates of farmland values and cash rents. The JAS data set could also be used to conduct research into land and resource use issues.

As a quality control measure, NASS regularly reviews the accuracy of the land use stratification. A new area frame is constructed for states on a rotating basis. NASS also geo-references the updated state's area frame sample by attaching latitude and longitude designations for each segment. NASS has completed geo-referencing in 27 states.

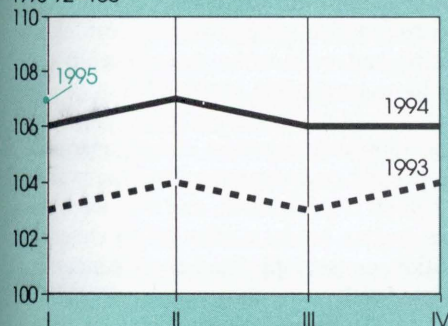
The area frame design of the JAS allows direct linkages to other geographically based data sets, notably the National Resources Inventory (NRI) and the Census of Population. These data sets contain considerable information on farm production practices and site-specific environmental conditions. As a result of the geo-referencing, the JAS becomes more than just a survey of crop acreage, livestock inventories, and farmland value—it provides a rich data set on resource use and production practices for the entire nation.

[David Westenbarger (202) 219-0429, Doug Beach (202) 219-0443, and Chris Cadwallader (202) 690-2388] **AO**

Prime Indicators

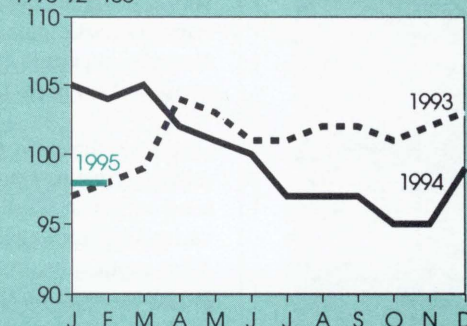
Index of prices paid by farmers

1990-92=100



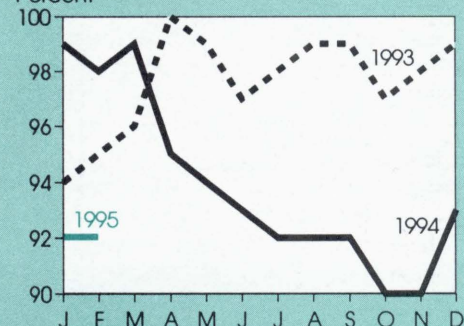
Index of prices received by farmers¹

1990-92=100



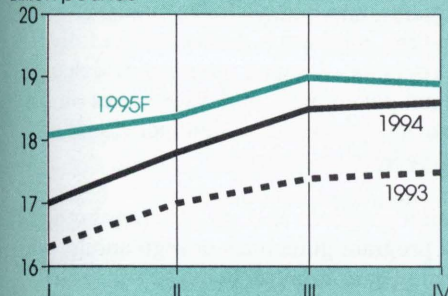
Ratio of prices received/prices paid

Percent



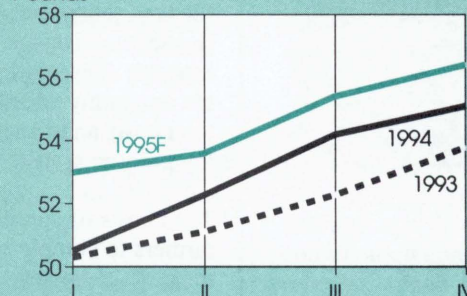
Total red meat & poultry production²

Billion pounds



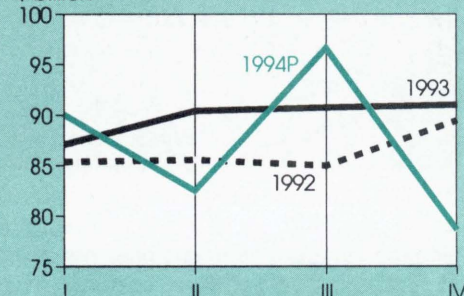
Red meat & poultry consumption, per capita^{2,3}

Pounds



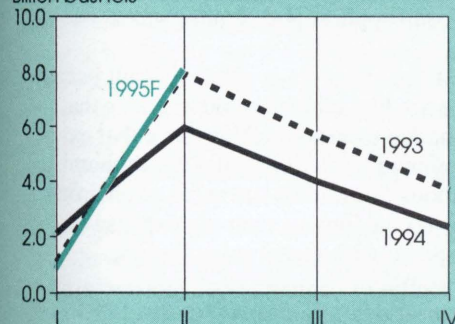
Cash receipts from livestock & products⁴

\$ billion



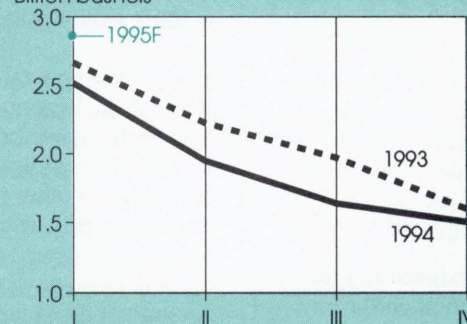
Corn beginning stocks⁵

Billion bushels



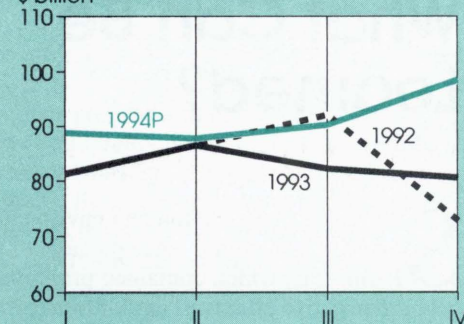
Corn disappearance⁵

Billion bushels



Cash receipts from crops⁴

\$ billion



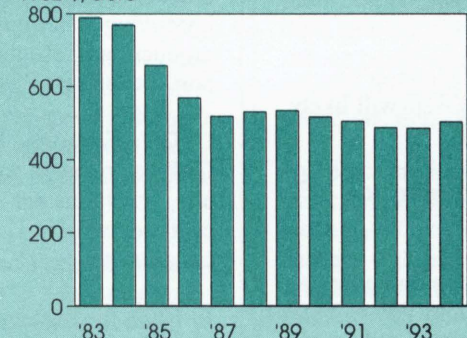
Farm loan interest rates⁶

Percent



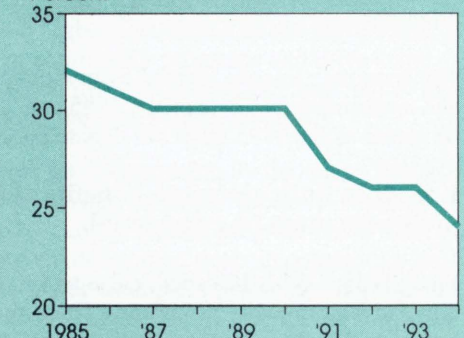
Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent



¹For all farm products. ²Calendar quarters. ³Retail weight.

⁴Seasonally adjusted annual rate. ⁵I=Sept.-Nov.; II=Dec.-Feb.; III=Mar.-May.; IV=June-Aug. Marketing years ending with year indicated.

⁶1994 farm mortgage rate is for the 1st 3 quarters of 1994; nonreal estate rate for 1994 is for all 4 quarters.

P=Preliminary, F=Forecast.

Special Article



Meeting Conservation Goals: What Can Be Learned?

Significant conservation and environmental gains have been made in agriculture since passage of the 1985 and 1990 Farm Acts, which contained programs designed to mitigate the negative effects of agricultural production on the environment. The next generation of conservation programs will be shaped by mounting budgetary pressure, the passage of NAFTA and GATT, continued emphasis on market-based agriculture, and concern about the cost-effectiveness of current conservation programs.

The economic lessons learned from meeting the conservation and environmental goals of the 1985 and 1990 Acts will likely be useful as the 1995 farm bill debate proceeds.

Lesson 1: Both costs and benefits of conservation programs must be considered.

Since 1983, USDA has spent close to \$30 billion on conservation and water quality programs. These programs utilize a mixture of technical assistance, cost-sharing assistance, public works projects, paid land retirement programs, and funded research. In addition, a wide range of direct commodity

program payments and benefits, though not counted as conservation program expenditures, are linked to conservation. Farmers participating in commodity programs must restrict production on certain types of land, or in some cases develop a conservation plan, in order to be eligible for benefits.

However, these programs represent only part of the government's effort to create a cleaner environment. To achieve safer food supplies, wildlife habitat improvement, and cleaner water, various Federal agencies operate programs that affect water and other input use. In addition, conservation and environmental programs exist on the state level.

To evaluate conservation and environmental programs, it is useful for policymakers to know both the costs and benefits of these programs. One measure of a program's cost is the net cost to the government, which includes annual rental payments for land retirement programs, and outlays for technical and financial assistance. But this measure is inadequate to fully evaluate conservation programs. Another measure, which cannot be simply added to net government outlays, focuses on the total costs and benefits of the programs, which include all of the programs' costs and benefits to society.

Total costs of conservation programs include the costs borne by farmers to comply with program guidelines or regulations, plus the costs to society should fewer farm products be offered or should prices be raised due to changes in farming practices. On the other side of the scale, benefits from conservation programs include long-term improvements in farm productivity, rural amenities such as recreation and scenic beauty, improved wildlife habitat, safer food supplies, and cleaner water.

But measuring total costs and benefits is often difficult because some of the benefits are not like typically traded goods that have well-established market prices—such as those that exist for most agricultural commodities. Consequently, economists have devised other methods to estimate the value of environmental benefits, such as taking into account the expense of reducing damages associated with increased pollution.

An evaluation of the Conservation Reserve Program (CRP) provides a good illustration of how to assess total costs and benefits of long-term land retirement. It is generally acknowledged that the CRP has achieved many of its objectives: reducing soil erosion on highly erodible land, reducing sedimentation, improving water quality, protecting wildlife habitat, curbing the production of surplus commodities, and providing income support for farmers.

USDA's Economic Research Service estimates that, to date, the CRP has reduced soil erosion by nearly 700 million tons annually, or 19 tons per acre on average. This represents a 22-percent reduction in U.S. cropland erosion compared with pre-CRP conditions.

In 1990, the discounted present value of the total net benefits of a 33-million-acre CRP was estimated to be \$4.1-\$9 billion over the life of the program. The estimated total benefits over the life of the program include increases in net farm income

(\$2.1-\$6.3 billion), more timber (\$3.3 billion), preservation of soil productivity (\$0.6-\$1.7 billion), improved surface water quality (\$1.3-\$4.2 billion), lower damages from windblown dust (\$0.3-\$0.9 billion), and enhanced wildlife habitat (\$1.9-\$3.1 billion). The total costs of the CRP over the life of the program include higher consumer food prices (\$2.9-\$7.8 billion), the cost of establishing vegetative cover on CRP acres (\$2.4 billion), and USDA technical assistance (\$0.1 billion).

The net benefits of the conservation compliance provisions introduced in the 1985 Farm Act can be similarly evaluated. Conservation compliance requires farmers to implement conservation plans on highly erodible land in order to retain eligibility for USDA programs and benefits. Costs associated with conservation compliance include the costs to the government and producers of implementing plans, and the supply and price effects of implementing conservation plans. Long-term benefits include higher farm productivity and reduced off-farm effects of soil erosion. Preliminary estimates indicate that the benefits of conservation compliance exceed the costs by a 2-to-1 ratio.

With budgetary pressure setting much of the tone of the 1995 farm bill process, the cost/benefit relationship of past—and proposed—programs could guide policymakers in the decisions that need to be made.

Lesson 2: Commodity programs can be designed to support environmental goals.

In the past, commodity programs, which are designed primarily to support farm incomes, were associated with creating indirect incentives for farmers to bring marginal land into production and for increasing the use of chemicals on farmland. In addition, program planting restrictions often were at odds with environmentally sound planting and crop rotation decisions, as farmers planted to maximize program benefits by maximizing land yields of a limited number of program crops.

The negative impacts of commodity programs on the environment have diminished significantly over the last decade as program provisions have changed to reflect environmental concerns. Two basic types of adjustment have been made: one reduces incentives to “farm the programs,” and the other requires farmers either to implement conservation plans or restrict the use of certain kinds of land in order to remain eligible for commodity payments and other program benefits.

Adjustments of the *first type* include freezing program payment yields at the 1985 program level. Previously, program yields were determined by calculating a moving average of a farmer's historic yield, so that farmers had incentives to increase their yields. By freezing program payment yields, farmers will likely respond more to market forces.

The 1990 Farm Act introduced the Integrated Farm Management Program (IFM), which allows farmers to adopt resource-conserving crop rotations on the program-crop base acreage that determines program benefits. Flexible base acreage, also introduced in the 1990 Act, permits farmers to plant a specified portion of their base acreage to nonprogram crops while

protecting their historical base acreage. Flexibility was promoted as a way to reduce budget outlays, increase responsiveness to market forces, and increase incentives for farmers to adopt environmentally sounder crop rotations.

As currently implemented, participating farmers can receive deficiency payments on up to 85 percent of their eligible crop base. On the remaining 15 percent, or “normal flex acres,” producers have the option of planting the program commodity, flexing into a variety of alternative crops, or leaving the land idle. In addition, producers have the option of forgoing deficiency payments on an additional 10 percent of their program-crop base (“optional flex acres”) and planting the acreage to an alternative crop, while still retaining their base.

Flexibility provisions increase incentives to plant for the market rather than to plant for deficiency payments (“farming the programs”). Environmental benefits can result if the new crop mix uses fewer agricultural chemicals, is less erosive, or leaves more land idle.

The *second type* of adjustment—requiring specific performance from farmers to retain commodity program eligibility and benefits—includes conservation compliance, and sodbuster and swampbuster provisions, all introduced in the 1985 Act. Under conservation compliance, any land classified as highly erodible must be farmed using an approved conservation system in order to retain eligibility for USDA program benefits. Sodbuster and swampbuster provisions are designed to protect the noncropped highly erodible land and nonconverted wetlands by discouraging intensive agricultural use on such lands.

Although compliance programs have benefited the environment, their scope is limited, as is the range of environmental problems they address. Compliance programs have not been used to achieve comprehensive soil quality, water quality, or wildlife habitat goals, which many consider as important as reducing soil erosion. Additionally, their effectiveness is dependent on program participation—if commodity programs become unattractive to farmers for any reason, the compliance leverage is weakened.

If the compliance programs are expanded to include additional environmental goals, such as the use of a whole-farm plan, both the costs (to farmers and the government) and the benefits of a more comprehensive program must be estimated. On-farm costs that are either too high, or perceived as too high, could reduce participation in commodity programs and drive some farmers, possibly those on the most vulnerable land, out of the programs, thus defeating the compliance purpose.

By removing incentives for environmentally damaging practices, commodity programs can be made “greener,” which in some cases may help reduce the overall program costs. But success with including environmental goals in commodity programs has been limited. For example, environmental programs such as IFM are undersubscribed. While up to 5 million acres are eligible for enrollment annually, less than 400,000 acres in total were enrolled between 1991 and 1994. And fewer than

Special Article

Glossary

Crop acreage base (historical base) is used to determine farm program benefits. For wheat and feed grains, it is the average of a farm's acreage planted and considered planted to each of these crops in the previous 5 years. For rice and cotton, the crop acreage base is the average acreage planted and considered planted during the previous 3 years. Acreage "considered planted" includes land idled for acreage reduction requirements, and "flex" acres not planted to the program crop.

Normal flex acres comprise 15 percent of any participating program crop acreage base. Farmers may grow program crops or any permissible nonprogram crops, or may leave the land idle. Producers receive no deficiency payments on these acres, but lose no historical base.

Optional flex acres are up to 10 percent of a crop's acreage base beyond the normal flex acres that can be planted to another crop. If not planted to the original program crop, these acres are ineligible for deficiency payments, but base acreage is retained.

Program yield is a farm's commodity yield of record, which along with eligible acreage, determines the level of production eligible for deficiency payments. Program yields, which are determined by a specified formula, have been fixed at the 1985 program level.

Conservation compliance provision requires farmers with highly erodible cropland to have an approved conservation plan for that land and to have fully implemented that plan by January 1, 1995, in order to maintain eligibility for farm program benefits.

Sodbuster provision requires that, in order to be eligible for program benefits, farmers who convert highly erodible land

to commodity production must have an approved conservation system on the land.

Swampbuster provision states that farmers who convert wetlands for the production of an agricultural commodity are ineligible for farm program benefits, unless it is determined that conversion would have only a minimal effect on wetland hydrology and biology.

Integrated Farm Management Program (IFM), enacted in 1990, allows producers to adopt resource-conserving crop rotations without losing farm program benefits. Participants devote at least 20 percent of their enrolled crop-acreage base to resource-conserving crops such as legumes or legume-grass-small-grain mixtures, without losing crop acreage base or reducing farm program yields. The IFM's goal is to enroll 3-5 million acres per year through 1995.

Conservation Reserve Program (CRP) allows farmers to voluntarily retire highly erodible or environmentally sensitive cropland from crop production for 10 to 15 years. In exchange, participants receive annual rental payments up to \$50,000, plus 50 percent cost-share assistance for establishing vegetative cover on the land. Farm program participants who retire land under CRP reduce their crop acreage base permanently by the CRP portion.

Agricultural Conservation Program (ACP), initiated in 1936, is USDA's major cost-sharing program. ACP provides cost-sharing and technical assistance to farmers who carry out approved conservation and environmental protection practices on agricultural land and farmsteads. About 115,000 farmers received assistance in 1993. An increasing portion of cost-sharing assistance is being directed to support implementation of water quality practices, including those in Water Quality Program activities.

one-third of acres eligible for flex are actually planted to alternative crops.

Lesson 3: Targeting of program goals increases cost-effectiveness.

Targeting conservation programs refers to directing technical assistance, educational efforts, financial resources, or regulations to those regions where soil and water quality improvements are most needed, or to operations that cause a disproportionate share of soil and water quality problems. Targeting programs requires information that links farm practices to environmental quality and identifies those regions that contribute to problems. To better utilize targeting, it is necessary to identify how and where the environmental benefits of the program dollar can be maximized.

Targeting is already a feature of a number of Federal environmental programs. Many of the activities associated with USDA's Water Quality Program are directed specifically at problem regions. Water Quality Special Projects extended cost-share assistance to farmers and ranchers for installing approved water quality practices in watersheds with identified agricultural nonpoint-source water quality problems.

Another example of targeting is the 74 Hydrologic Unit Area Projects (HUA) which are located in watersheds with identified nonpoint-source water quality problems. Landowners in these areas receive financial and technical assistance to implement water quality practices in order to meet state goals without undue economic hardship.

Many targeting activities are funded through USDA's primary cost-sharing program, the Agricultural Conservation Program, which began in 1936. In the past, USDA's cost-sharing

Water Quality Program (WQP), enacted in 1990, aims at protecting the nation's waters from contamination by agricultural chemicals and waste products. The WQP develops and encourages adoption of technically and economically effective agrichemical management and agricultural production strategies that protect surface- and ground water quality. The WQP involves research and development, education, technical and financial assistance, and maintenance of a database.

Water Quality Special Projects extend cost-sharing assistance to farmers and ranchers for installing approved water quality practices in small watersheds with identified agricultural nonpoint-source problems. No new projects were funded after 1992, when resources were shifted to the Water Quality Incentives Projects.

Water Quality Incentives Projects (WQIP) are designed to achieve reductions of nonpoint-source agricultural pollutants in an environmentally and economically sound manner. Farmers in a project area are provided with financial assistance to make changes in management systems to restore or enhance water resources impaired by agricultural sources of pollution. Incentive payments are for management practices, such as integrated pest management, not for construction or earth movement, and are funded through the ACP. WQIP provides annual incentive payments of up to \$3,500 for 3-5 years to farmers who implement a USDA-approved water quality resource management plan.

Hydrologic Unit Area Projects (HUA) are located in watersheds with identified nonpoint-source water quality problems. Local landowners receive financial and technical assistance for applying water quality practices to meet state goals without undue economic hardship. Water quality practices focus on nutrient and pesticide management and animal waste utilization. Assistance is also provided to protect wellheads,

increase irrigation efficiency, and decrease erosion and sediment delivery to receiving waters.

Integrated pest management (IPM) is an ecologically sound approach to pest management that combines economic use of chemical pesticides—applying only when pests reach economically dangerous levels—with use of biological, cultural, and other nonchemical control methods. The objective under IPM is to limit the growth of pest populations to below economically damaging levels while minimizing hazards to humans, plants, and the environment. This approach began evolving in the 1950's as agricultural scientists became concerned about the unintended effects of pesticides—such as killing nontarget species and increasing resistance to pesticides.

Federal Insecticide, Fungicide and Rodenticide Act, administered by the Environmental Protection Agency (EPA), provides the legal basis under which pesticides are regulated. A pesticide can be restricted or banned if it poses unacceptable risks to human health or the environment.

Coastal Zone Management Act (CZMA), enacted in 1972, established a program for resource protection and management in coastal areas. The Coastal Zone Act Reauthorization, passed by Congress in 1990, added nonpoint-source water pollution requirements that states must meet to continue receiving coastal zone funds. As amended, the CZMA was the first federally mandated program requiring specific measures to deal with agricultural nonpoint sources of pollution. In total, 29 states have approved management programs and are developing nonpoint programs for approval. The nonpoint programs must specify and implement management measures to address problems caused by erosion and sediment, nutrients, pesticides, grazing, and animal waste. The CZMA is administered by the National Oceanic and Atmospheric Administration and the EPA.

approach to conservation was criticized for offering funds for projects that improve on-farm productivity and income, such as draining of hydric soils, but which may have limited impact on environmental quality. In recent years, cost-share programs have been aimed at meeting public conservation goals in targeted regions. But cost-share funding has declined dramatically during the last few years, and pressure will likely increase to better target remaining cost-share funds.

The success of targeted cost-sharing programs depends on adequate funding and carefully adjusting payment levels to achieve maximum benefit per dollar expended. Possible initiatives include innovative programs such as the Water Quality Incentives Projects (WQIP), designed to reduce nonpoint sources of agricultural pollution in an environmentally and economically sound manner. WQIP, with 178 ongoing projects and over 65 additions in 1995, is targeted to small watersheds: agricultural

producers are provided with the necessary financial assistance to make changes in management systems to restore or enhance water resources impaired by agricultural sources of pollution.

Targeting is also an important feature in the discussion about the future of the CRP: how can environmental benefits be maximized for any given level of CRP funding? While the early CRP sign-ups targeted only highly erodible land, it is recognized that other types of land can provide higher benefits per program dollar.

Since 1990, the CRP bid assessment process has explicitly ranked each offered parcel according to an index of environmental benefits, which include multiple criteria such as water quality and soil erosion. Alternative targeting approaches are being explored to determine how to maximize environmental benefits for any new acres enrolled in the CRP.

Special Article

Lesson 4: Technology still plays a major role in meeting conservation challenges.

Through technical assistance, demonstration projects, and education, USDA has long stressed technological solutions to environmental problems. But without readily available, cost-effective technologies, farmers have little incentive to change current practices voluntarily. The development and transfer of new technologies, the interaction between conservation policy and technology, and the factors affecting the demand for technology all play important roles in meeting environmental goals.

Productivity growth in U.S. agriculture typically outpaces most other sectors of the economy, growing about 1.9 percent per year. Agricultural research provides the foundation for technological innovation and productivity growth in the farm sector.

Public sector research, such as that conducted by USDA and state universities, is important when the private sector is unable to capture the financial returns from these investments. This is particularly true for basic research and for some applied research such as environmental protection, natural resource conservation, and food safety. While demand for public sector research has increased, funding levels have remained roughly constant at about \$2 billion annually (in 1990 dollars) since the late 1970's. The bulk of public research expenditures (32 percent) is allocated to reducing the production costs of food and forest products; 24 percent is allocated to pest and disease protection; and 14 percent goes for natural resource management.

While research and development activities are vital, the transfer of technologies to farmers and ranchers is of equal importance. Agricultural technology is often transferred through technical assistance and demonstration projects. Yet concerns have been raised that technical guidance sometimes fails to include the full range of available management practices to address environmental needs. This is partly attributable to the emphasis by Federal conservation policies on control of soil erosion, to the neglect of other environmental concerns such as water quality. To avoid this type of conflict and maximize environmental benefits per dollar, technical assistance needs to include the full complement of available technology and consider an enterprise's complete environmental needs.

An extensive body of economic research focuses on the factors that affect a farmer's decision to adopt new technology. Important factors include policy variables, input and output prices, the cost of the new technology, farm size, type of farm, and the farmer's education level. In the case of technologies designed to address environmental problems, research has demonstrated that adoption of technology also depends on environmental conditions. The implication is that the range of resource characteristics, such as susceptibility to pest infestation, surface- or ground water vulnerability, and erodibility, will determine the effectiveness of policies aimed at new technologies to solve environmental problems.

Lesson 5: Conservation policies should employ a mix of approaches.

Competitive markets and prices often fail to account for environmental consequences, such as the effect of farming on water quality. That is, the cost of these effects is not fully reflected in the prices producers and processors pay for inputs or the prices farmers receive for products. Instead, the public often bears the costs when agricultural runoff, sediment, or farm chemicals degrade the quality of the nation's natural resources. Governments can make environmental improvement a requirement through regulations, or a matter of self-interest through the use of economic policy instruments such as taxes, subsidies, and market incentives.

Agriculture is affected by a broad range of regulations, such as those issued through the Federal Insecticide, Fungicide and Rodenticide Act and the amendments to the Coastal Zone Management Act. Regulations are often the policy instrument of choice when restriction of an action, such as the use of a particular pesticide or the location of a feedlot, is in the best interest of the public.

But regulations can be costly and difficult to implement. Regulations such as *design standards* (restrictions on farm-level input use, or "approved" land management practices) are generally associated with low administrative costs. But they tend to be generic prescriptions rather than least-cost plans, and some farmers are required to apply standards that do not minimize costs. *Performance standards*, such as maximum levels of soil erosion or sediment flows, can be difficult and costly to monitor. Like design standards, performance standards are unlikely to be cost-minimizing means of achieving environmental goals.

Economic instruments, such as taxes, subsidies, and market-based incentives, can be used to achieve environmental goals. These instruments focus on imposing costs on undesired activities, theoretically encouraging farmers and processors to find the least-cost method to avoid these added costs. But for many environmental problems, economic instruments are often not well suited. In the case of nonpoint-source pollution, for example, it is often impossible to find the exact source of pollution and thus levy an appropriate tax on sediment flows or chemicals leaching into waterways.

Other incentive-based policies, such as pollution trading, can likely be used only in a limited range of geographic regions. One possible trading scheme to reduce pollution in a watershed would allow point sources of pollution (such as sewage treatment plants) to fund programs to reduce nonpoint sources (such as agriculture). This type of scheme is shown to be cost-effective in areas with both point and nonpoint sources of pollution, or in areas with point loadings supplied by large sources. However, these criteria describe only a small number of watersheds.

Because there is no one superior approach to meeting environmental goals, most Federal and state policies use a mixture of regulations, economic incentives, technological approaches, and voluntary initiatives backed by technical assistance. Finding the right mix of approaches is crucial under shrinking budgets

and increasing concerns over the level and degree of environmental regulation. And meeting the public's demand for environmental protection will require innovative approaches at the state and Federal levels as well as state-Federal coordination.

[Margot Anderson (202) 219-0449] **AO**

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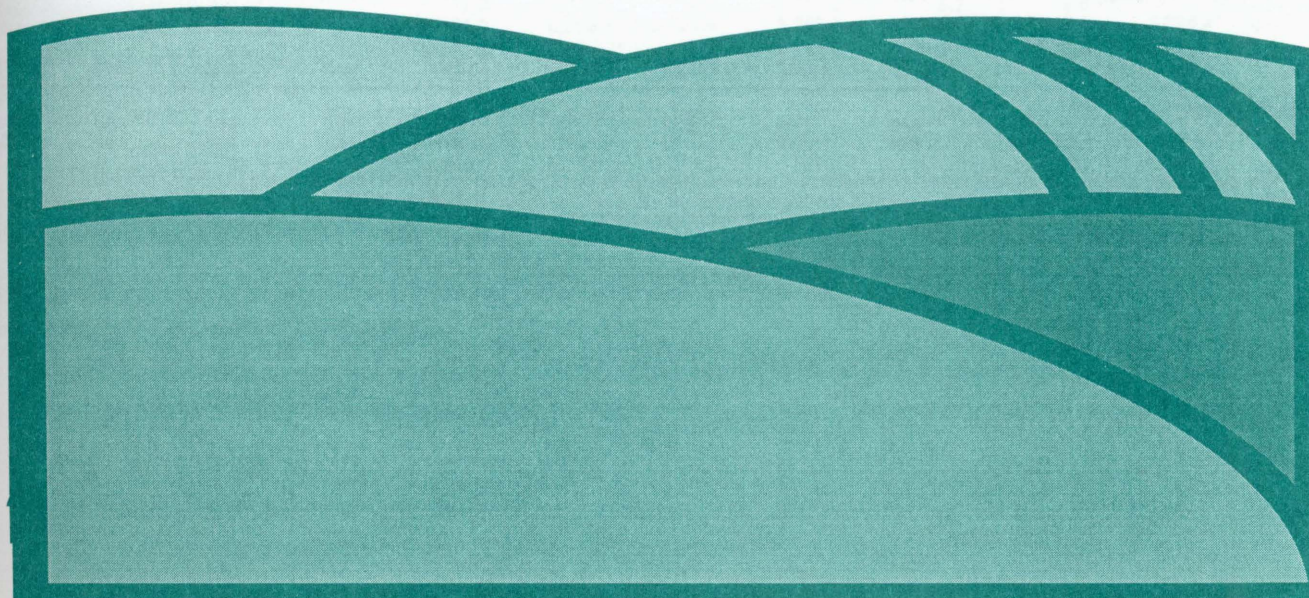
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Statistical Indicators

Summary Data

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

	1994					1995			
	I	II	III	IV	Annual	I F	II F	III F	Annual F
Prices received by farmers (1990-92=100*)	105	102	97	95	100	98	—	—	—
Livestock & products	98	100	93	90	95	93	—	—	—
Crops	110	106	101	99	105	103	—	—	—
Prices paid by farmers, (1990-92=100*)									
Production items	106	108	105	105	106	105	—	—	—
Commodities & services, interest, taxes, & wages	106	107	106	106	106	107	—	—	—
Cash receipts (\$ bil.) 1/	178	171	196	—	—	—	—	—	—
Livestock (\$ bil.)	90	83	97	78	87	—	—	—	—
Crops (\$ bil.)	89	88	90	98	91	—	—	—	—
Market basket (1982-84=100)									
Retail cost	145	145	145	146	145	—	—	—	—
Farm value	107	103	99	98	102	—	—	—	—
Spread	166	168	170	172	169	—	—	—	—
Farm value/retail cost (%)	26	25	24	24	25	—	—	—	—
Retail prices (1982-84=100)									
Food	143	144	145	146	144	148	148	149	150
At home	143	143	145	146	144	148	148	150	151
Away from home	145	145	146	147	146	148	148	149	150
Agricultural exports (\$ bil.) 2/	11.1	10.3	10.2	14.1	43.5	—	—	—	48.5
Agricultural imports (\$ bil.) 2/	6.6	6.6	6.6	7.0	26.4	—	—	—	28.5
Commercial production									
Red meat (mil. lb.)	10,083	10,431	10,838	11,177	42,529	10,579	10,594	11,008	43,173
Poultry (mil. lb.)	6,891	7,371	7,622	7,462	29,346	7,475	7,815	8,030	31,225
Eggs (mil. doz.)	1,509	1,521	1,550	1,597	6,177	1,560	1,565	1,560	6,275
Milk (bil. lb.)	37.6	39.9	38.2	37.9	153.6	38.8	40.9	39.1	157.6
Consumption, per capita									
Red meat and poultry (lb.)	50.5	52.3	54.2	55.1	212.1	53.0	53.6	55.4	218.4
Corn beginning stocks (mil. bu.) 3/	2,113.0	5,936.5	3,995.7	2,359.9	2,113.0	850.1	8,080.7	—	850.1
Corn use (mil. bu.) 3/	2,518.1	1,948.8	1,642.1	1,511.1	7,620.1	2,874.5	—	—	9,350.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	73.11	68.79	65.83	67.63	68.84	71-72	66-70	62-68	66-70
Barrows & gilts—IA, So. MN (\$/cwt)	45.70	42.90	40.5	31.03	40.03	38-39	37-39	38-42	38-40
Broilers—12-city (cts./lb.)	55.1	60.0	55.9	51.8	55.7	51-52	52-54	52-56	51-54
Eggs—NY gr. A large (cts./doz.)	71.5	63.3	67.0	67.2	67.3	66-67	59-63	63-69	64-68
Milk—all at plant (\$/cwt)	13.57	13.03	12.53	13.03	13.04	12.60-12.80	11.95-12.45	11.95-12.75	12.30-12.90
Wheat—KC HRW ordinary (\$/bu.)	3.81	3.63	3.74	4.27	3.86	—	—	—	—
Corn—Chicago (\$/bu.)	2.97	2.75	2.24	2.14	2.52	—	—	—	—
Soybeans—Chicago (\$/bu.)	6.77	6.73	5.79	5.43	6.18	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	70.7	77.4	71.0	73.8	66.1	—	—	—	—
	1986	1987	1988	1989	1990	1991	1992	1993	1994 F
Farm real estate values 5/									
Nominal (\$ per acre)	640	599	632	661	668	681	684	699	744
Real (1982 \$)	568	518	530	533	517	505	487	485	503

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/ 1990-94 values as of January 1. 1986-89 values as of February 1. F = forecast, — = not available.

* Beginning January 1995, New Base 1990-92=100.

U.S. & Foreign Economic Data

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

	Annual			1993	1994			
	1992	1993	1994	IV	I	II	III	IV P
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	6,020.2	6,343.3	6,736.9	6,478.1	6,574.7	6,689.9	6,791.7	6,891.1
Gross national product	6,025.8	6,347.8	—	6,476.2	6,574.0	6,682.5	6,779.6	—
Personal consumption expenditures	4,136.9	4,378.2	4,627.0	4,469.6	4,535.0	4,586.4	4,657.5	4,728.9
Durable goods	492.7	538.0	590.9	562.8	576.2	580.3	591.5	615.6
Nondurable goods	1,295.5	1,339.2	1,393.8	1,355.2	1,368.9	1,381.4	1,406.1	1,418.9
Clothing & shoes	227.7	235.4	246.5	240.7	241.9	243.9	247.8	252.4
Food & beverages	626.8	649.7	679.1	660.8	667.9	675.5	683.7	689.3
Services	2,348.7	2,501.0	2,642.2	2,551.6	2,589.9	2,624.7	2,659.9	2,694.5
Gross private domestic investment	788.3	882.0	1,037.5	922.5	966.6	1,034.4	1,055.1	1,093.9
Fixed investment	785.2	866.7	979.8	913.5	942.5	967.0	992.5	1,017.1
Change in business inventories	3.0	15.4	57.7	9.0	24.1	67.4	62.6	76.8
Net exports of goods & services	-30.3	-65.3	-102.1	-71.2	-86.7	-97.6	-109.6	-114.3
Government purchases of goods & services	1,125.3	1,148.4	1,174.5	1,157.2	1,159.8	1,166.7	1,188.8	1,182.6
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,979.3	5,134.5	5,342.3	5,218.0	5,261.1	5,314.1	5,367.0	5,426.8
Gross national product	4,985.7	5,140.3	—	5,218.7	5,262.7	5,310.5	5,359.9	—
Personal consumption expenditures	3,349.5	3,458.7	3,578.5	3,506.2	3,546.3	3,557.8	3,584.7	3,625.1
Durable goods	452.6	489.9	531.5	510.8	521.7	522.2	529.6	552.4
Nondurable goods	1,057.7	1,078.5	1,109.3	1,088.0	1,098.3	1,104.3	1,113.4	1,121.1
Clothing & shoes	193.2	197.8	208.8	202.4	203.8	204.9	210.2	216.6
Food & beverages	514.7	524.0	535.2	528.1	531.9	536.1	535.7	537.0
Services	1,839.1	1,890.3	1,937.8	1,907.4	1,926.3	1,931.4	1,941.8	1,951.7
Gross private domestic investment	725.3	819.9	955.5	862.5	898.9	950.9	967.3	1,004.9
Fixed investment	722.9	804.6	903.1	851.7	873.4	891.7	910.2	936.9
Change in business inventories	2.5	15.3	52.4	10.8	25.4	59.2	57.1	68.0
Net exports of goods & services	-32.3	-73.9	-114.2	-82.2	-104.0	-111.8	-117.0	-124.1
Government purchases of goods & services	936.9	929.8	922.5	931.5	919.9	917.1	932.0	920.9
GDP implicit price deflator (% change)	2.8	2.2	2.1	1.3	2.9	2.9	1.9	1.6
Disposable personal income (\$ bil.)	4,505.8	4,688.7	4,959.3	4,777.6	4,832.8	4,913.5	4,990.3	5,100.7
Disposable per. income (1987 \$ bil.)	3,648.1	3,704.1	3,835.4	3,747.8	3,779.2	3,811.5	3,840.9	3,910.1
Per capita disposable per. income (\$)	17,636	18,153	19,002	18,421	18,588	18,853	19,095	19,468
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,451	14,535	14,625	14,697	14,924
U.S. population, total, incl. military abroad (mil.) 1/	255.4	258.1	260.7	259.1	259.7	260.2	260.9	261.6
Civilian population (mil.) 1/	253.5	256.4	258.9	257.3	257.9	258.5	259.2	259.9
	Annual			1994				1995
	1992	1993	1994	Sept	Oct	Nov	Dec	Jan P
Monthly data seasonally adjusted								
Industrial production (1987=100)	108.0	112.9	119.7	120.9	121.5	122.6	123.8	124.2
Leading economic indicators (1987=100)	98.2	98.8	101.7	102.3	102.2	102.3	102.5	102.5
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	123.6	124.1	124.4	124.6	124.6
Civilian unemployment rate (%) 2/	7.4	6.8	6.2	5.8	5.7	5.6	5.4	5.7
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.9	5,768.4	5,844.9	5,842.5	5,885.2	5,935.3
Money stock-M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,613.1	3,611.3	3,607.6	3,608.6	3,613.1	3,626.4
Three-month Treasury bill rate (%)	3.45	3.02	4.29	4.64	4.96	5.25	5.64	5.81
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	8.34	8.57	8.68	8.46	8.46
Housing starts (1,000) 4/	1,200	1,288	1,455	1,511	1,451	1,536	1,527	1,377
Business inventory/sales ratio	1.50	1.45	1.40	1.40	1.40	1.39	1.37	—
Sales of all retail stores (\$bil.) 5/	1,959.1	2,081.6	2,241.3	189.5	191.8	192.6	192.7	193.9
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	114.0	114.1	114.7	115.0	116.2
Food stores (\$ bil.)	382.4	392.4	405.6	34.1	34.1	34.4	34.4	35.1
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	8.9	9.1	9.2	9.0	9.0
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	19.0	19.1	19.2	19.4	19.1

1/ Population estimates based on 1990 census. 2/ Data for 1994 are not directly comparable with data for 1993 and earlier years. 3/ Annual data as of December of the year listed. 4/ Private, including farm. 5/ Annual total. P = preliminary. — = not available.

Information contact: David Johnson (202) 219-0355.

Table 3—World Economic Growth

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 E	1995 F	1996 F	Average 1985-94
Real GDP, annual percent change													
World	3.3	2.7	3.1	4.4	3.3	2.2	0.7	1.7	1.4	2.9	3.2	3.1	2.6
World, less U.S.	3.4	2.7	3.1	4.6	3.6	2.7	1.2	1.5	0.8	2.4	3.2	3.4	2.6
Developed	3.2	2.7	3.1	4.4	3.3	2.4	0.9	1.7	1.0	2.8	2.9	2.6	2.5
Developed, less U.S.	3.4	2.7	3.2	4.5	3.6	3.5	1.9	1.1	0.0	2.1	2.7	2.7	2.6
United States	3.0	2.6	3.0	3.9	2.6	0.8	-0.7	2.3	3.1	4.0	3.3	2.4	2.5
Canada	4.7	3.3	4.1	4.7	2.5	0.4	-1.7	0.6	2.2	4.1	3.5	2.6	2.5
Japan	5.0	2.7	4.1	6.2	4.7	5.2	4.3	1.4	0.0	0.8	2.0	2.5	3.4
Western Europe	2.5	2.7	2.6	3.7	3.2	2.8	1.1	0.9	-0.4	2.6	3.0	2.8	2.2
European Union	2.4	2.7	2.7	3.9	3.3	2.9	1.5	1.1	-0.3	2.6	3.0	2.8	2.3
Germany	1.9	2.2	1.4	3.7	3.6	5.7	4.5	1.9	-1.1	2.8	3.1	2.8	2.7
Central Europe	2.4	2.9	2.2	2.2	-0.5	-6.8	-11.4	-4.4	0.4	2.8	3.7	4.0	-1.0
Former Soviet Union	1.7	3.6	2.8	5.3	3.0	-2.0	-11.6	-18.2	-12.8	-16.0	-4.5	1.6	-4.4
Russia	2.6	3.4	2.1	5.6	2.5	-2	-9	-19	-12	-15	-4.4	1.9	-4.1
Developing	3.8	3.6	4.2	4.4	3.5	3.4	3.8	5.2	5.3	5.6	5.2	5.2	4.3
Asia	6.2	6.3	7.4	9.1	5.6	6.1	5.1	7.6	7.8	7.9	7.4	7.0	6.9
Pacific-Asia	6.7	7.3	9.0	9.5	6.1	6.6	6.4	9.0	9.2	9.1	8.3	7.6	7.9
China	12.3	8.2	11.0	10.7	4.3	5.4	6.4	13.0	13.4	11.8	10.0	8.9	9.6
South Asia	5.6	4.9	4.8	9.4	5.1	5.5	1.8	4.0	4.3	4.6	4.9	5.2	5.0
India	5.4	4.1	4.9	9.7	5.0	5.8	1.3	4.3	4.6	4.9	5.2	5.6	5.0
Latin America	3.0	4.9	3.2	0.7	0.9	0.0	3.4	2.8	3.2	3.9	2.7	3.5	2.6
Mexico	2.7	-3.9	1.8	1.2	3.4	4.5	3.6	2.8	0.4	3.1	-2.7	2.3	2.0
Caribbean/Central	6.5	1.0	4.6	-0.9	-0.2	0.6	0.1	0.2	2.2	2.4	2.6	2.8	1.6
South America	2.3	8.4	3.2	0.9	0.4	-1.4	3.5	2.9	4.2	4.5	4.2	3.9	2.9
Brazil	7.9	8.0	3.3	-0.2	3.3	-4.2	0.9	-0.9	4.1	5.7	4.2	3.3	2.8
Middle East	-0.9	-6.9	-2.3	-2.5	2.3	3.1	1.9	7.5	4.5	3.1	3.8	3.1	1.0
Africa	3.1	2.2	1.7	2.4	3.1	1.3	1.7	0.3	0.9	1.6	2.9	3.1	1.8
North Africa	3.3	-0.3	0.2	1.5	3.8	2.2	2.8	1.4	-0.3	1.0	3.1	3.4	1.6
Sub-Saharan	2.9	3.8	2.6	2.9	2.6	0.8	1.0	-0.5	1.7	2.0	2.8	2.9	2.0
Middle East & N. Africa	0.5	-4.7	-1.4	-1.1	2.8	2.8	2.2	5.4	2.9	2.4	3.5	3.2	1.2

E = estimate. F = forecast.

Information contact: Alberto Jerardo, (202) 501-8318.

Farm Prices

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

	Annual			1994					1995	
	1992	1993	1994 P	Feb	Sept	Oct	Nov	Dec	Jan R	Feb P
1990-92 = 100										
Prices received										
All farm products	98	101	100	104	97	95	95	99	98	98
All crops	101	102	105	110	102	99	100	106	103	103
Food grains	113	105	118	126	117	121	120	121	120	116
Feed grains & hay	98	98	106	119	97	92	90	96	97	99
Feed grains	—	—	—	—	—	—	—	—	—	—
Cotton	88	89	109	108	109	108	114	121	132	134
Tobacco	101	101	101	116	102	104	106	105	108	110
Oil-bearing crops	100	108	110	120	99	95	97	100	98	97
Fruit & nuts, all	99	92	89	82	100	97	81	71	73	75
Fresh market 1/	—	—	—	—	—	—	—	—	—	—
Commercial vegetables	111	116	107	108	103	116	121	161	125	121
Fresh market	—	—	—	—	—	—	—	—	—	—
Potatoes & dry beans	88	106	111	115	93	88	92	92	90	87
Livestock & products	97	100	95	100	91	90	90	90	93	94
Meat animals	96	100	90	97	84	83	83	83	89	92
Dairy products	100	98	100	103	98	100	100	99	96	96
Poultry & eggs	97	105	106	103	108	106	104	103	101	100
Prices paid										
Commodities & services,										
interest, taxes, & wage rates	101	103	106	106	106	106	106	106	107	107
Production items	101	103	106	106	105	105	104	104	105	105
Feed	99	99	105	—	—	98	—	—	96	—
Livestock & poultry	96	104	95	—	—	87	—	—	92	—
Seeds	99	105	109	—	—	110	—	—	110	—
Fertilizer	100	97	106	—	—	111	—	—	114	—
Agricultural chemicals	103	107	112	—	—	114	—	—	116	—
Fuels	96	92	84	—	—	87	—	—	82	—
Farm supplies & repairs	104	107	110	—	—	111	—	—	111	—
Autos & trucks	102	109	115	—	—	116	—	—	119	—
Farm machinery	104	106	110	—	—	108	—	—	109	—
Other machinery	—	—	—	—	—	—	—	—	—	—
Building materials	101	105	109	—	—	111	—	—	112	—
Farm services	104	109	112	—	—	113	—	—	114	—
Cash rent	104	100	108	—	—	108	—	—	108	—
Int. payable per acre on farm real estate debt	93	88	92	—	—	92	—	—	101	—
Taxes payable per acre on farm real estate	104	107	112	—	—	112	—	—	115	—
Wage rates (seasonally adjusted)	105	108	111	—	—	112	—	—	112	—
Production items, interest, taxes, & wage rates	101	103	106	—	—	104	—	—	106	—
Ratio, prices received to prices paid (%) 2/	98	98	94	98	92	90	93	92	93	93
Prices received (1910-14=100)	626	642	634	663	614	605	605	626	624	621
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	—	—	1,386	—	—	1,397	—
Parity ratio (1910-14=100) (%) 2/	47	47	46	—	44	44	44	45	44	—

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: David Johnson (202) 219-0355.

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

	Annual 1/			1994					1995	
	1992	1993	1994 P	Feb	Sept	Oct	Nov	Dec	Jan R	Feb P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.60	3.56	3.77	3.76	3.73	3.69	3.61
Rice, rough (\$/cwt)	5.89	7.98	6.25	9.99	6.89	6.47	6.53	6.56	6.78	6.68
Corn (\$/bu.)	2.07	2.50	2.20	2.79	2.19	2.06	1.99	2.13	2.19	2.21
Sorghum (\$/cwt)	3.38	4.13	3.65	4.59	3.56	3.35	3.38	3.53	3.63	3.65
All hay, baled (\$/ton)	74.30	84.70	86.50	88.10	82.00	86.50	86.50	85.10	84.80	85.00
Soybeans (\$/bu.)	5.56	6.40	5.35	6.71	5.47	5.30	5.36	5.41	5.47	5.40
Cotton, upland (cts./lb.)	53.7	58.1	67.4	65.7	65.9	65.5	68.9	73.2	79.7	81.0
Potatoes (\$/cwt)	5.52	6.22	5.36	6.43	5.03	4.57	4.80	4.86	4.70	4.72
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	11.60	17.10	22.30	20.60	37.50	13.50	9.07
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	19.30	22.70	27.10	30.70	37.20	41.60	47.10
Onions (\$/cwt)	13.00	15.80	14.46	32.10	9.55	10.80	12.00	12.10	13.80	16.40
Dry edible beans (\$/cwt)	19.90	24.60	21.70	25.40	21.30	23.20	22.70	22.50	22.40	21.20
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	17.8	21.7	20.0	16.7	17.9	20.2	18.9
Pears for fresh use (\$/ton)	378.00	280.00	261.00	220.00	345.00	256.00	285.00	290.00	274.00	301.00
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	4.20	2.53	2.62	2.60	2.91	3.05	3.29
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	3.27	4.39	5.96	2.84	2.60	2.19	2.24
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	70.10	63.50	63.10	64.40	64.40	67.50	68.70
Calves (\$/cwt)	89.38	95.92	87.16	94.90	80.10	78.40	80.30	81.90	85.00	86.50
Hogs (\$/cwt)	41.82	45.40	39.48	47.90	35.30	31.90	28.00	30.80	36.90	39.40
Lambs (\$/cwt)	60.78	64.60	64.86	59.40	73.00	68.20	71.30	68.70	67.50	70.60
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	13.50	12.80	13.10	13.10	12.90	12.60	12.5
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	12.30	11.90	12.30	12.10	11.50	11.40	11.5
Broilers (cts./lb.)	30.8	34.2	35.0	34.0	35.5	34.7	32.7	32.5	32.6	32.6
Eggs (cts./doz.) 4/	56.2	62.7	60.9	63.7	60.5	57.6	62.5	63.0	62.0	61.6
Turkeys (cts./lb.)	37.6	39.0	40.7	37.1	42.6	44.3	44.8	42.3	39.3	37.2

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. P = preliminary. R = revised.

— = not available.

Information contact: David Johnson (202) 210-0355.

Producer & Consumer Prices

Table 6—Consumer Price Indexes for All Urban Consumers, U.S. Average (not seasonally adjusted)

	Annual	1994							1995	
	1994	Feb	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
		1982-84=100								
Consumer Price Index, all items	148.2	146.7	148.4	149.0	149.4	149.5	149.7	149.7	150.3	150.9
Consumer Price Index, less food	149.0	147.3	149.1	149.8	150.2	150.4	150.6	150.2	150.8	151.5
All food	144.3	142.9	144.2	144.8	145.0	145.0	145.3	146.8	147.5	147.4
Food away from home	145.7	144.6	145.6	145.9	146.2	146.4	146.8	147.1	147.4	147.6
Food at home	144.1	142.6	144.0	144.7	145.0	144.8	145.1	147.3	148.2	147.9
Meats 1/	135.4	136.0	134.7	135.1	135.0	135.0	134.6	133.7	134.9	134.9
Beef & veal	136.0	136.9	134.4	134.9	135.1	135.3	134.5	134.7	135.8	136.6
Pork	133.9	134.1	134.7	134.7	134.8	133.7	133.4	130.1	132.2	131.8
Poultry	141.5	140.4	144.1	141.7	143.3	141.5	140.2	140.4	140.2	141.4
Fish & seafood	163.7	160.9	163.2	163.6	164.9	164.8	167.0	166.9	169.0	170.4
Eggs	114.3	117.4	109.2	115.5	113.9	110.4	115.4	116.4	115.4	113.9
Dairy products 2/	131.7	131.8	131.8	131.8	131.3	131.5	131.7	131.6	132.7	132.1
Fats & oils 3/	133.5	131.5	135.1	134.1	134.2	135.0	134.3	134.2	136.4	136.8
Fresh fruits	201.2	194.8	199.6	201.9	203.9	199.1	199.5	213.1	214.2	213.3
Processed fruits	133.1	133.0	133.8	132.1	132.4	133.3	132.5	133.3	134.4	135.3
Fresh vegetables	172.3	168.1	170.2	163.7	163.5	167.0	178.4	212.7	209.4	198.6
Potatoes	174.3	171.3	194.1	190.4	168.8	157.3	154.2	154.2	157.1	157.2
Processed vegetables	136.6	136.1	138.4	138.5	137.7	136.8	134.0	134.7	138.0	137.7
Cereals & bakery products	163.0	161.3	163.9	164.7	164.8	164.6	163.7	164.2	164.6	165.8
Sugar & sweets	135.2	135.6	135.2	135.1	135.4	135.6	134.5	134.5	135.5	135.8
Beverages, nonalcoholic	123.2	116.0	122.8	131.3	132.1	132.7	132.4	131.7	133.3	133.7
Apparel										
Apparel, commodities less footwear	131.2	130.1	128.1	128.4	132.3	133.5	132.1	127.9	126.3	128.3
Footwear	126.0	125.9	125.0	124.5	125.1	125.5	125.7	123.6	124.0	124.8
Tobacco & smoking products	220.0	217.4	221.3	221.7	220.8	221.3	221.4	222.0	222.2	222.7
Beverages, alcoholic	151.5	151.1	151.6	151.3	151.4	151.6	151.9	151.8	152.0	152.4

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

Information contact: David Johnson (202) 219-0355

Table 7—Producer Price Indexes, U.S. Average (not seasonally adjusted)

	Annual			1994						1995
	1991	1992	1993	Jan	Aug	Sept R	Oct	Nov	Dec	Jan
	1982 = 100									
All commodities	116.5	117.2	118.9	119.1	121.2	121.0	120.9	121.5	121.8	122.6
Finished goods 1/	121.7	123.2	124.7	124.5	126.5	125.6	125.8	126.1	126.2	126.5
All foods 2/	122.2	120.9	123.7	125.8	125.0	124.5	123.9	125.6	126.6	125.4
Consumer foods	124.1	123.3	125.7	127.0	126.6	126.3	126.1	126.8	128.5	127.8
Fresh fruit & melons	129.9	84.0	84.5	82.7	80.8	85.2	74.9	71.2	83.5	81.7
Fresh & dried vegetables	103.8	115.0	135.2	154.3	111.4	111.7	117.5	133.3	215.2	157.9
Dried fruit	111.8	114.6	117.9	121.1	122.3	120.0	118.9	119.1	118.6	119.4
Canned fruits & juices	128.6	134.5	126.2	126.7	125.6	125.4	125.8	125.5	125.0	125.7
Frozen fruits, juices & ades	116.3	125.9	110.7	116.1	110.0	110.6	110.5	111.2	111.3	114.4
Fresh veg. excl. potatoes	100.2	116.4	126.6	146.3	95.7	107.1	113.0	128.1	244.7	163.5
Canned veg. & juices	112.9	109.5	110.5	113.1	118.1	116.0	115.7	114.0	112.4	112.6
Frozen vegetables	117.6	116.4	120.9	125.5	126.4	125.2	125.6	125.5	125.1	125.1
Potatoes	125.7	118.4	144.9	170.5	154.0	107.5	106.9	104.6	101.0	101.3
Eggs for fresh use (1991=100)	3/	78.6	86.6	82.9	81.6	81.4	74.4	85.0	85.9	78.7
Bakery products	146.6	152.5	156.6	158.5	160.2	160.5	160.9	161.6	161.9	162.2
Meats	113.5	106.7	110.6	106.2	105.0	102.4	100.5	100.5	99.9	102.8
Beef & veal	112.2	109.5	112.9	105.0	103.3	101.1	99.9	102.8	101.3	104.2
Pork	113.4	98.9	105.7	104.0	103.2	98.0	94.0	90.1	90.1	95.7
Processed poultry	109.9	109.0	111.7	112.7	114.6	115.7	114.9	111.0	109.1	109.8
Fish	149.5	156.1	156.5	171.2	160.5	162.2	161.3	165.5	162.2	170.2
Dairy products	114.6	117.9	118.1	120.3	118.2	118.8	118.2	119.5	118.5	116.9
Processed fruits & vegetables	119.6	120.8	118.2	120.8	121.6	120.6	120.5	120.0	119.4	120.0
Shortening & cooking oil	116.5	115.1	122.9	140.1	131.2	135.0	136.9	141.6	144.4	147.9
Soft drinks	125.5	125.6	126.2	126.9	126.1	126.3	126.8	126.7	127.4	130.6
Consumer finished goods less foods	118.7	120.8	121.7	119.9	123.4	122.2	122.0	122.3	121.7	122.2
Beverages, alcoholic	123.7	126.1	126.0	126.4	123.8	124.2	124.5	124.3	124.9	125.3
Apparel	119.6	122.2	123.2	123.3	123.5	123.5	123.7	123.4	123.6	123.2
Footwear	128.6	132.0	134.4	135.5	135.3	135.6	136.0	135.9	136.4	137.0
Tobacco products	249.7	275.3	260.3	224.7	224.1	224.9	223.7	224.2	224.9	225.0
Intermediate materials 4/	114.4	114.7	116.2	116.2	119.5	120.1	120.0	120.9	121.1	122.2
Materials for food manufacturing	115.3	113.9	115.6	118.9	117.8	118.5	116.5	118.0	117.5	118.0
Flour	96.8	109.5	108.9	113.9	103.1	111.0	114.8	113.1	113.9	113.6
Refined sugar 5/	121.6	119.8	118.2	117.8	118.5	117.9	118.7	119.3	119.3	120.0
Crude vegetable oils	103.0	97.1	110.5	142.4	122.8	132.7	129.7	141.3	141.5	140.2
Crude materials 6/	101.2	100.4	102.4	103.2	101.9	99.7	98.6	99.4	99.9	100.9
Foodstuffs & feedstuffs	105.5	105.1	108.4	112.2	101.8	101.3	98.8	100.2	101.7	102.1
Fruits & vegetables & nuts 7/	114.7	96.9	106.9	113.3	95.3	97.2	99.3	115.4	136.7	110.5
Grains	92.0	97.3	94.5	118.0	90.2	94.2	91.1	91.2	95.3	95.5
Livestock	107.9	104.7	107.0	100.7	96.8	91.3	88.1	89.6	91.6	96.4
Poultry, live	111.2	112.6	122.0	110.9	119.9	128.3	125.0	114.4	114.2	108.6
Fibers, plant & animal	115.1	89.8	91.3	107.1	118.7	122.1	111.1	120.4	132.6	143.5
Fluid milk	89.5	96.1	94.1	99.3	92.1	94.9	95.7	93.9	94.2	92.1
Oilseeds	106.4	107.5	115.9	127.4	107.7	107.6	99.0	105.3	106.5	104.5
Tobacco, leaf	101.1	101.0	100.3	105.5	91.1	102.8	104.8	106.1	107.4	107.4
Sugar, raw cane	113.7	112.1	113.2	115.1	115.0	114.4	113.2	113.2	116.0	117.7

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: David Johnson (202) 219-0355.

Farm-Retail Price Spreads

Table 8—Farm-Retail Price Spreads

	Annual			1994						1995
	1992	1993	1994	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	145.8	145.2	145.4	145.2	145.6	148.0	148.7
Farm value (1982-84=100)	103.2	104.9	101.6	105.7	99.6	98.5	97.8	97.7	99.6	100.4
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	167.4	169.8	170.7	170.8	171.5	174.1	174.8
Farm value-retail cost (%)	26.1	25.9	24.5	25.4	24.0	23.7	23.6	23.5	23.6	23.6
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	136.1	135.1	135.0	135.0	134.6	133.7	134.9
Farm value (1982-84=100)	104.5	107.2	96.1	99.3	96.6	92.6	88.5	87.3	86.3	92.7
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	173.8	174.6	178.6	182.8	183.1	182.3	178.2
Farm value-retail cost (%)	40.5	40.3	35.9	37.0	36.2	34.7	33.2	32.9	32.7	34.8
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	131.6	131.8	131.3	131.5	131.7	131.6	132.7
Farm value (1982-84=100)	95.8	93.0	94.5	98.1	89.8	92.3	93.3	94.1	93.8	91.9
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	162.5	170.6	167.3	166.8	166.4	165.5	170.3
Farm value-retail cost (%)	35.8	34.5	34.4	35.8	32.7	33.7	34.0	34.3	34.6	33.2
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	140.5	141.7	143.3	141.5	140.2	140.4	140.2
Farm value (1982-84=100)	104.0	111.5	114.6	108.3	115.3	116.8	115.5	110.3	108.5	107.4
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	177.5	172.1	173.8	171.5	174.6	177.1	178.0
Farm value-retail cost (%)	42.4	43.6	43.3	41.3	43.6	43.6	43.7	42.1	41.4	41
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	118.5	115.5	113.9	110.4	115.4	116.4	115.4
Farm value (1982-84=100)	77.8	88.9	83.5	86.6	80.6	82.0	76.5	87.0	89.7	86.8
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	175.8	178.2	171.3	171.3	166.5	164.4	166.8
Farm value-retail cost (%)	46.1	48.8	47.0	47.0	44.8	46.2	44.5	48.4	49.5	48.3
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	160.3	164.7	164.8	164.6	164.6	163.7	164.6
Farm value (1982-84=100)	94.2	91.8	102.6	106.4	93.9	99.1	101.8	102.3	102.5	102.3
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	167.8	174.6	174.0	173.4	173.3	172.2	173.3
Farm value-retail cost (%)	7.6	7.2	7.7	8.1	7.0	7.4	7.6	7.6	7.7	7.6
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	217.0	208.6	212.5	208.0	208.3	222.8	221.7
Farm value (1982-84=100)	122.4	134.8	119.4	133.2	119.6	124.7	126.3	114.9	118.8	121.6
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	255.7	249.7	253.1	245.7	251.4	270.8	267.9
Farm value-retail cost (%)	20.4	21.7	18.1	19.4	18.1	18.5	19.2	17.4	16.8	17.3
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	181.7	163.7	163.5	167.0	178.4	212.7	209.4
Farm value (1982-84=100)	120.6	127.1	121.1	147.0	113.0	99.5	111.3	117.2	153.3	135.0
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	199.6	189.8	196.4	195.6	209.9	243.2	247.6
Farm value-retail cost (%)	25.9	25.6	23.9	27.5	23.4	20.7	22.6	22.3	24.5	21.9
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	135.0	134.7	134.5	134.7	133.0	133.8	135.8
Farm value (1982-84=100)	128.6	107.0	112.5	114.3	113.6	112.5	113.0	112.7	112.0	112.2
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	141.4	141.3	141.4	141.5	139.3	140.6	143.2
Farm value-retail costs (%)	22.9	19.3	19.9	20.1	20.0	19.9	19.9	20.1	19.9	19.6
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	131.3	134.1	134.2	135.0	134.3	134.2	135.8
Farm value (1982-84=100)	93.1	107.5	125.5	137.2	112.5	118.3	120.7	132.5	136.2	112.2
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	129.1	142.1	140.0	140.3	135.0	133.5	143.2
Farm value-retail cost (%)	19.3	22.3	25.3	28.1	22.6	23.7	24.0	26.5	27.3	19.6
	Annual			1994						1995
	1992	1993	1994	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	284.9	280.0	277.9	280.2	279.4	282.6	284.3
Wholesale value 3/ (cts.)	179.6	182.5	166.7	172.7	162.0	159.2	163.8	164.3	171.7	170.4
Net farm value 4/ (cts.)	161.8	164.1	145.5	155.5	136.8	136.8	141.7	142.0	150.0	151.3
Farm-retail spread (cts.)	122.8	129.3	137.4	129.4	143.2	141.1	138.5	137.4	132.6	133.0
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	112.2	118.0	118.7	116.4	115.1	110.9	113.9
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	17.2	25.2	22.4	22.1	22.3	21.7	19.1
Farm value-retail price (%)	57	56	51	55	49	49	51	51	53	53
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	199.9	197.3	197.3	195.0	188.4	191.4	189.9
Wholesale value 3/ (cts.)	98.9	102.8	98.9	108.1	95.5	91.6	86.6	88.9	91.1	93.0
Net farm value 4/ (cts.)	67.8	72.5	62.9	76.6	55.9	50.7	44.0	50.7	59.0	61.9
Farm-retail spread (cts.)	130.2	125.1	135.1	123.3	141.4	146.6	151.0	137.7	132.4	128.0
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	91.8	101.8	105.7	108.4	99.5	100.3	96.9
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	31.5	39.6	40.9	42.6	38.2	32.1	31.1
Farm value-retail price (%)	34	37	32	38	28	26	23	27	31	33

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, & in-city transportation. 6/ Charges for livestock marketing, processing, & transportation.

Information contacts: Howard Elitzak (202) 219-1254, Larry Duewer (202) 219-1269.

Table 9—Price Indexes of Food Marketing Costs

See the March 1995 issue.

Information contact: Howard Elitzak (202) 219-1254.

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/	
							Pounds		
Million pounds 4/									
Beef									
1992	419	23,086	2,440	25,945	1,324	360	24,261	66.4	75.36
1993	360	23,049	2,401	25,810	1,275	529	24,006	65.0	76.36
1994	529	24,388	2,371	27,288	1,611	548	25,129	67.4	68.84
1995 F	548	24,782	2,635	27,965	1,715	450	25,800	68.6	66-70
Pork									
1992	388	17,233	645	18,266	407	385	17,474	53.1	43.03
1993	385	17,088	740	18,213	435	359	17,419	52.3	46.10
1994	359	17,719	743	18,821	531	438	17,852	53.1	40.03
1995 F	438	17,983	730	19,151	495	375	18,281	53.9	38-40
Veal 5/									
1992	7	310	0	317	0	5	312	0.9	89.38
1993	5	285	0	290	0	4	286	0.8	95.92
1994	4	301	0	305	0	6	299	0.9	87.21
1995 F	6	302	0	308	0	5	303	1.0	80-84
Lamb & mutton									
1992	6	348	49	403	8	8	388	1.3	61.00
1993	8	337	54	399	8	8	381	1.2	65.85
1994	8	312	49	369	9	11	349	1.2	66.77
1995 F	11	293	45	349	8	9	332	1.2	66-70
Total red meat									
1992	820	40,977	3,134	44,931	1,739	758	42,435	121.9	--
1993	758	40,759	3,195	44,712	1,718	900	42,092	119.7	--
1994	900	42,720	3,163	46,783	2,151	1,003	43,629	122.7	--
1995 F	1,003	43,364	3,410	47,777	2,218	839	44,720	124.5	--
Broilers									
1992	300	20,904	0	21,204	1,489	368	19,348	65.9	52.6
1993	368	22,016	0	22,384	1,965	358	20,059	68.4	55.2
1994	358	23,667	0	24,025	2,876	458	20,691	69.8	55.7
1995 F	458	25,209	0	25,667	3,225	490	21,952	73.4	51-54
Mature chicken									
1992	10	519	0	529	41	10	478	1.9	--
1993	10	515	0	525	57	8	462	1.8	--
1994	8	508	0	516	90	14	413	1.6	--
1995 F	14	520	0	534	100	10	434	1.6	--
Turkeys									
1992	264	4,778	0	5,042	170	272	4,598	18.0	60.2
1993	272	4,798	0	5,070	213	249	4,608	17.9	62.6
1994	249	4,940	0	5,189	246	254	4,689	18.0	65.7
1995 F	254	5,250	0	5,504	250	300	4,954	18.8	60-63
Total poultry									
1992	575	26,201	0	26,776	1,700	650	24,425	85.7	--
1993	650	27,329	0	27,979	2,234	615	25,129	88.0	--
1994	615	29,116	0	29,731	3,212	727	25,793	89.4	--
1995 F	727	30,980	0	31,707	3,575	790	27,342	93.9	--
Red meat & poultry									
1992	1,395	67,178	3,134	71,707	3,441	1,408	66,859	208.3	--
1993	1,408	68,088	3,195	72,691	3,953	1,515	67,221	207.5	--
1994	1,515	71,836	3,163	76,514	5,363	1,730	69,422	212.1	--
1995 F	1,730	74,344	3,410	79,484	5,793	1,629	72,062	218.4	--

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 in 1989, veal trade is no longer reported separately. F = forecast. -- = not available.

Information contacts: Leland Southard (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		Wholesale price*
								Total	Per capita	
									No.	
Million dozen										
1988	14.4	5,803.4	5.3	5,823.1	141.8	606.0	15.2	5,060.1	247.8	62.1
1989	15.2	5,620.9	25.2	5,661.3	91.6	641.8	10.7	4,917.2	238.6	81.9
1990	10.7	5,687.0	9.1	5,706.8	100.8	678.5	11.6	4,915.8	236.0	82.2
1991	11.6	5,800.6	2.3	5,814.5	154.5	708.6	13.0	4,938.5	234.5	77.5
1992	13.0	5,905.0	4.3	5,922.3	157.0	732.0	13.5	5,019.8	235.8	65.4
1993	13.5	6,003.1	4.7	6,021.2	158.9	769.3	10.7	5,082.3	236.2	72.5
1994 P	10.7	6,176.6	3.7	6,191.0	187.6	801.9	14.9	5,186.6	238.6	67.3
1995 F	14.9	6,275.0	4.0	6,293.9	190.0	835.0	12.0	5,256.9	239.5	64-68

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

Information contact: Milton Madison (202) 219-0771.

Table 12—U.S. Milk Supply & Use¹

	Production	Farm use	Commercial			Total commercial supply	CCC net removals	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		Billion pounds	
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	145.0	2.2	142.8	4.6	2.4	149.8	9.1	4.3	136.4	12.26	5.5	6.9
1989	143.9	2.1	141.8	4.3	2.5	148.6	9.4	4.1	135.0	13.56	0.4	4.0
1990	147.7	2.0	145.7	4.1	2.7	152.5	9.0	5.1	138.3	13.68	1.6	4.6
1991	147.7	2.0	145.7	5.1	2.6	153.4	10.4	4.5	138.6	12.24	3.9	6.5
1992	150.9	1.9	149.0	4.5	2.5	155.9	9.9	4.7	141.3	13.09	2.0	5.2
1993	150.6	1.9	148.7	4.7	2.8	156.2	6.7	4.6	145.0	12.86	3.9	5.0
1994	153.6	1.9	151.7	4.6	2.9	159.1	4.8	4.3	150.1	13.05	3.8	4.2
1995 F	157.6	1.9	155.7	4.3	3.0	163.0	4.3	4.4	154.3	12.60	5.9	5.3

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			1994						1995
	1992	1993	1994	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Broilers										
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	1,887.0	2,214.4	2,070.5	2,062.9	1,986.4	1,979.2	2,039.1
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.7	52.7	54.7	55.8	54	50.5	50.9	51.14
Price of grower feed (\$/ton)	208	209	214	223	213	209	198	198	197	198
Broiler-feed price ratio 1/	3.1	3.3	3.3	3	3.3	3.4	3.5	3.3	3.3	3.3
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	357.9	405.3	411.2	419.6	429.8	438.0	458.4
Broiler-type chicks hatched (mil.) 2/	6,892.8	7,218.3	7,569.3	617.7	658.1	630.0	621.2	596.8	658.5	661.4
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	347.8	483.8	447.7	459.1	453.9	397.5	389
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	60.1	66.4	69.0	73.1	74.0	70.4	60.7
Price of turkey grower feed (\$/ton)	240	249	257	254	261	258	253	256	256	254
Turkey-feed price ratio 1/	3.1	3.1	3.2	2.9	3.2	3.3	3.5	3.5	3.3	3.1
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	249.1	598.1	623.4	648.6	636.2	280.7	254.4
Poults placed in U.S. (mil.)	307.8	308.9	317.0	25.4	26.4	23.8	23.4	24.6	25.5	27
Eggs										
Farm production (mil.)	70,860	72,037	74,119	6,186	6,272	6,125	6,377	6,265	6,519	6,374
Average number of layers (mil.)	279	285	292	290	290	293	295	297	299	298
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	21.3	21.6	20.9	21.6	21.1	21.8	21.4
Cartoned price, New York, grade A large (cts./doz.) 3/	65.4	72.5	67.3	68	68.0	66.7	63.8	68.5	69.3	65.2
Price of laying feed (\$/ton)	200	202	211	217	207	205	202	202	203	170
Egg-feed price ratio 1/	5.7	6.2	5.8	5.7	5.8	5.9	5.7	6.2	6.2	7.3
Stocks, first of month										
Shell (mil. doz.)	0.63	0.45	0.3	0.3	0.42	0.42	0.27	0.21	0.09	0.12
Frozen (mil. doz.)	12.3	13.0	10.4	10.4	14.4	15.0	13.5	15.2	14.5	14.8
Replacement chicks hatched (mil.)	391	406	378	32.8	31.5	30.9	31.8	25.4	28.6	31.5

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: Milton Madison (202) 219-1192.

Table 14—Dairy

	Annual			1993	1994					
	1992	1993	1994	Dec	July	Aug	Sept	Oct	Nov	Dec
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	12.51	11.41	11.73	12.04	12.29	11.86	11.38
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	69.7	66.9	71.5	71.5	71.5	71.5	67.0
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	133.7	129.1	132.2	135.6	135.4	127.9	121.3
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	112.7	105.6	106.5	106.6	107.4	107.1	106.9
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,936.0	6,653.9	4,812.2	467.6	96.1	-316.9	-21.4	68.4	282.3	488.2
Butter (mil. lb.)	439.5	288.8	204.4	20.6	3.2	-16.0	-3.2	0.9	10.9	20.7
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.2	0.2	0.2	1.7	1.8	1.9	0.3
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	20.7	29.0	28.5	23.2	28.3	32.4	26.7
Milk										
Milk prod. 22 States (mil. lb.)	129,613	129,577	132,240	---	11,260	11,102	10,689	10,970	10,624	11,090
Milk per cow (lb.)	15,764	15,893	16,334	---	1,389	1,369	1,318	1,354	1,312	1,370
Number of milk cows (1,000)	8,222	8,153	8,096	---	8,104	8,108	8,109	8,104	8,098	8,094
U.S. milk production (mil. lb.)	150,885	150,582	153,622	6/ 12,423	6/ 13,020	6/ 12,837	6/ 12,360	6/ 12,730	6/ 12,329	6/ 12,869
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	10,438	11,129	10,319	9,049	7,882	6,293	5,862
Commercial (mil. lb.)	4,461	4,688	4,550	4,579	5,363	5,206	4,886	4,611	4,374	4,198
Government (mil. lb.)	11,379	9,526	5,020	5,860	5,766	5,113	4,162	3,271	2,549	1,664
Imports, total (mil. lb.)	2,524	2,807	2,858	335	252	225	238	238	299	295
Commercial disappearance (mil. lb.)	141,318	144,976	150,058	12,159	13,172	13,538	12,738	12,976	12,366	12,449
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,297.2	120.3	86.2	88.7	90.6	101.5	101.8	118.7
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	276.3	275.1	245.9	206.6	163.4	124.6	84.5
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,100.9	102.5	85.7	105.1	96.1	108.2	92.5	95.8
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,983.3	246.3	254.0	241.8	245.2	243.1	240.1	255.5
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	362.5	357.9	347.4	327.9	311.5	313.4	310.2
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,040.4	250.6	266.6	262.5	261.5	240.1	242.8	257.1
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,730.0	312.6	295.8	311.0	318.7	330.8	320.9	321.6
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	100.5	163.6	159.1	147.2	141.7	135.2	124.5
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,024.8	346.7	328.6	348.6	351.0	363.5	364.2	352.2
Nonfat dry milk										
Production (mil. lb.)	872.1	948.1	1,198.0	94.0	97.8	86.5	79.9	86.0	86.0	113.5
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	66.4	149.0	159.8	152.4	135.5	132.4	121.4
Commercial disappearance (mil. lb.)	720.5	642.3	873.1	48.8	67.9	83.5	79.2	62.5	57.5	72.5
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,202.7	78.4	120.5	118.8	96.0	85.3	82.6	78.5
	Annual			1993	1994					
	1992	1993	1994	II	III	IV	I P	II P	III P	IV P
Milk production (mil. lb.)	150,885	150,582	153,622	39,321	37,238	36,509	37,560	39,916	38,217	37,928
Milk per cow (lb.)	15,574	15,704	16,128	4,092	3,891	3,828	3,951	4,188	4,007	3,982
No. of milk cows (1,000)	9,688	9,589	9,525	9,610	9,570	9,537	9,506	9,530	9,539	9,524
Milk-feed price ratio	1.69	1.64	1.62	1.67	1.62	1.66	1.65	1.60	1.57	1.68
Returns over concentrate costs (\$/cwt milk)	9.95	9.54	9.65	9.55	9.35	9.95	10.10	9.60	9.15	9.75

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/ Estimated. --- = not available. P = preliminary.

Information contact: LaVerne T. Williams (202) 219-1268.

Table 15—Wool

	Annual			1993		1994			
	1992	1993	1994	III	IV	I	II	III	IV
U.S. wool price, (cts./lb.) 1/	204	137	212	136	132	153	219	238	238
Imported wool price, (cts./lb.) 2/	210	142	216	128	150	171	192	200	222
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	136,143	139,941	138,694	35,502	34,419	36,452	35,605	32,695	33,942
Carpet wool (1,000 lb.)	14,695	15,665	14,400	2,650	3,925	4,380	3,414	3,570	3,036

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. NA = not available.

Information contact: John Lawler (202) 501-8525.

Table 16—Meat Animals

	Annual			1994						1995
	1992	1993	1994	Jan	Aug	Sep	Oct	Nov	Dec	Jan
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	9,370	7,463	7,486	7,840	8,629	8,914	8,865
Placed on feed (1,000 head)	20,508	20,474	19,992	1,543	1,846	2,060	2,478	1,854	1,585	1,725
Marketings (1,000 head)	18,548	19,048	19,602	1,610	1,767	1,656	1,633	1,498	1,540	1,636
Other disappearance (1,000 head)	1,194	1,219	895	71	56	50	56	71	94	88
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	72.88	68.04	66.79	66.51	69.43	69.35	73.60
Neb. Direct	75.35	76.36	68.84	72.04	66.42	66.21	65.89	68.67	68.34	71.97
Boning utility cows, Sioux Falls	44.84	47.52	42.51	42.54	43.74	40.56	37.06	36.69	36.30	38.79
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	91.72	83.24	86.88	82.95	76.63	75.28	78.88	79.88	79.88
750–800 lb.	—	86.45	77.72	83.20	77.45	73.66	72.40	75.19	76.63	76.50
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	44.26	42.72	35.86	32.44	28.51	32.14	37.96
6 markets	42.31	45.38	39.57	43.73	42.33	35.46	32.18	28.03	31.48	37.68
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	34.67	29.38	24.71	20.61	18.54	18.63	27.74
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	56.67	79.50	76.08	69.96	73.60	67.50	65.38
Ewes, Good, San Angelo	35.24	37.46	40.47	40.30	39.00	38.44	37.04	42.45	43.25	35.60
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	71.06	70.08	67.94	67.08	78.30	74.38	75.60
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	110.08	106.04	102.16	100.85	104.56	105.50	112.08
Select, 700–800 lb.	111.66	113.53	102.08	107.13	99.63	96.72	95.04	97.72	98.10	107.22
Canner & cutter cow beef	93.85	95.43	84.39	91.51	82.31	79.82	74.51	72.21	73.17	73.63
Pork cutout, No. 2	58.37	62.19	57.29	59.75	59.33	54.61	52.38	50.82	51.66	53.72
Pork loins, 14–18 lb.	101.41	107.47	101.50	103.90	112.86	105.34	95.65	80.00	89.50	96.94
Pork bellies, 12–14 lb.	30.39	41.62	40.00	50.63	39.60	31.50	31.33	29.09	29.29	36.03
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	59.52	54.92	49.22	46.51	52.10	50.74	46.40
All fresh beef retail price	266.79	273.43	265.99	269.29	264.75	264.86	264.29	262.24	262.79	262.03
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,200	2,743	3,060	2,944	2,949	2,809	2,871	2,869
Steers	17,138	17,222	18,027	1,402	1,685	1,563	1,507	1,366	1,453	1,434
Heifers	9,236	9,358	9,592	784	821	839	854	801	788	819
Cows	5,846	6,086	5,941	510	490	484	535	590	580	564
Bulls & stags	653	659	641	47	64	58	53	52	50	52
Calves	1,371	1,195	1,268	102	108	109	116	117	124	124
Sheep & lambs	5,496	5,182	4,936	394	400	401	397	406	426	386
Hogs	94,889	93,068	95,716	7,466	8,190	8,390	8,799	8,737	8,786	8,092
Barrows & gilts	89,964	88,387	90,748	7,100	7,744	7,969	8,365	8,274	8,313	7,682
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,281	1,942	2,215	2,136	2,117	1,978	2,020	2,009
Veal	299	267	283	23	24	23	25	25	26	27
Lamb & mutton	343	329	304	25	24	23	23	24	26	24
Pork	17,184	17,030	17,661	1,376	1,493	1,540	1,632	1,639	1,642	1,500

	Annual			1993		1994				1995
	1992	1993	1994	III	IV	I	II	III	IV	I
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,135	10,974	11,196	9,543	9,691	11,196	10,734	9,124	9,252	10,598
Placed on feed (1,000 head)	24,251	24,102	23,441	6,341	7,076	5,372	4,675	6,305	7,089	—
Marketings (1,000 head)	21,981	22,376	22,979	5,918	5,246	5,559	5,951	5,986	5,483	—
Other disappearance (1,000 head)	1,431	1,504	1,060	275	325	275	334	191	260	—
Hogs & pigs (U.S.) 3/										
Inventory (1,000 head) 1/	57,649	58,202	57,904	58,395	59,030	57,904	57,350	60,715	62,320	59,612
Breeding (1,000 head) 1/	7,229	7,109	7,130	7,320	7,130	7,165	7,210	7,565	7,415	6,956
Market (1,000 head) 1/	50,420	51,093	50,739	51,075	51,900	50,739	50,140	53,150	54,905	52,657
Farrowings (1,000 head)	12,272	11,982	12,341	2,972	2,982	2,885	3,389	3,107	2,960	2,858
Pig crop (1,000 head)	99,142	97,050	101,117	24,041	24,003	23,368	27,976	25,547	24,226	0

1/ Beginning of period. 2/ Classes estimated. 3/ Quarters are Dec. of preceding year–Feb. (I), Mar.–May (II), June–Aug. (III), & Sept.–Nov. (IV). — = not available.
* Intentions.

Information contact: Leland Southard (202) 219-0767.

Crops & Products

Table 17—Supply & Utilization^{1,2}

	Area		Harvested	Yield	Production	Total supply	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price
	Set aside	Planted										
	3/					4/						5/
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Wheat												
1989/90	9.6	76.6	62.2	32.7	2,037	2,761	139	853	1,232	2,224	536	3.72
1990/91	7.5	77.0	69.1	39.5	2,730	3,303	482	883	1,069	2,435	868	2.61
1991/92	15.9	69.9	57.8	34.3	1,980	2,889	244	887	1,282	2,414	475	3.00
1992/93*	7.3	72.2	62.8	39.3	2,467	3,012	194	933	1,354	2,481	531	3.24
1993/94*	5.7	72.2	62.7	38.2	2,396	3,036	274	966	1,228	2,467	568	3.26
1994/95*	5.2	70.4	61.8	37.6	2,321	2,979	250	973	1,275	2,498	481	3.40-3.50
Rice												
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
1989/90	1.2	2.73	2.69	5,749	154.5	185.6	—	6/ 82.2	77.1	159.3	26.3	7.35
1990/91	1.0	2.90	2.82	5,529	156.1	187.2	—	6/ 91.6	71.0	162.6	24.6	6.68
1991/92	0.9	2.88	2.78	5,731	159.4	189.2	—	6/ 95.4	66.4	161.8	27.4	7.58
1992/93*	0.4	3.18	3.13	5,736	179.7	213.2	—	6/ 96.7	77.0	173.7	39.4	5.89
1993/94*	0.7	2.92	2.83	5,510	156.1	202.5	—	6/ 96.9	79.6	176.4	26.0	7.98
1994/95*	0.3	3.35	3.32	5,964	197.8	231.8	—	6/ 102.0	89.0	191.0	40.8	6.50-7.00
Corn												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1989/90	10.8	72.3	64.8	116.3	7,532	9,464	4,396	1,356	2,368	8,120	1,344	2.36
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,761	1,521	2.28
1991/92	7.4	76.0	68.8	108.6	7,475	9,016	4,877	1,454	1,584	7,915	1,100	2.37
1992/93*	5.3	79.3	72.1	131.5	9,477	10,584	5,296	1,511	1,663	8,471	2,113	2.07
1993/94*	10.9	73.2	62.9	100.7	6,336	8,470	4,704	1,588	1,328	7,620	850	2.50
1994/95*	2.4	79.2	72.9	138.6	10,103	10,960	5,650	1,700	2,000	9,350	1,610	2.15-2.25
Sorghum												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1989/90	3.3	12.6	11.1	55.4	615	1,055	517	15	303	835	220	2.10
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	8	292	674	53	2.25
1992/93*	2.0	13.2	12.1	72.6	875	928	469	8	277	753	175	1.89
1993/94*	2.3	9.9	8.9	59.9	534	709	453	8	202	662	48	2.31
1994/95*	1.6	9.8	9.0	73.0	655	703	400	8	220	628	75	2.00-2.10
Barley												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1989/90	2.3	9.1	8.3	48.6	404	614	193	176	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	225	176	94	496	129	2.10
1992/93*	2.3	7.8	7.3	62.5	455	595	192	171	80	444	151	2.04
1993/94*	2.5	7.8	6.8	58.9	398	621	241	175	66	482	139	1.99
1994/95*	2.7	7.2	6.7	56.2	375	574	225	175	70	470	104	2.01
Oats												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
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	50.6	244	490	235	125	2	362	128	1.21
1992/93*	0.7	7.9	4.5	65.4	294	477	233	125	6	364	113	1.32
1993/94*	0.8	7.9	3.8	54.4	207	427	193	125	3	321	106	1.36
1994/95*	0.6	6.6	4.0	57.2	230	435	200	125	1	326	109	1.21
Soybeans												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1989/90	0.0	60.8	59.5	32.3	1,924	2,109	7/ 101	1,146	623	1,870	239	5.69
1990/91	0.0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92	0.0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	684	2,041	278	5.58
1992/93*	0.0	59.2	58.2	37.6	2,190	2,471	7/ 120	1,279	770	2,179	292	5.58
1993/94*	0.0	60.1	57.3	32.6	1,871	2,170	7/ 100	1,272	589	1,961	209	6.40
1994/95*	0.0	61.9	61.1	41.9	2,558	2,775	7/ 115	1,365	785	2,265	510	5.20-5.50
Soybean oil												
								Mil. lbs.				8/ Cts./lb.
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*	—	—	—	—	13,778	16,028	—	13,054	1,419	14,473	1,555	21.40
1993/94*	—	—	—	—	13,906	15,528	—	12,896	1,529	14,425	1,103	27.10
1994/95*	—	—	—	—	15,162	16,280	—	13,000	2,050	15,050	1,230	25.5-28.5
Soybean meal												
								1,000 tons				9/ \$/ton
1989/90	—	—	—	—	27,719	27,900	—	22,263	5,319	27,582	318	186.48
1990/91	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181.40
1991/92	—	—	—	—	29,831	30,183	—	23,008	6,945	29,953	230	189.20
1992/93*	—	—	—	—	30,364	30,687	—	24,251	6,232	30,483	204	193.75
1993/94*	—	—	—	—	30,417	30,691	—	25,185	5,356	30,541	150	193.00
1994/95*	—	—	—	—	32,340	32,550	—	26,500	5,800	32,300	250	145-165

See footnotes at end of table.

Table 17—Supply & Utilization (continued)

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Set Aside 3/	Planted	Harvested									
	Mil. acres		Lb./acre				Mil. bales				Cts./lb.	
Cotton 10/												
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	58.10
1992/93*	1.7	13.2	11.1	700	16.2	19.9	—	10.3	5.2	15.5	4.7	54.90
1993/94*	1.4	13.4	12.8	606	16.1	20.8	—	10.4	6.9	17.3	3.5	59.00
1994/95*	1.7	13.7	13.3	710	19.7	23.3	—	11.3	10.0	21.3	2.1 11/	71.00

*Mar. 10, 1995 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 & soybean meal. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2,204.622 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. 4/ 92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds, sesame, and crambe. 5/ Includes imports. 6/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 7/ Residual included in domestic use. 8/ Includes seed. 9/ Simple average of crude soybean oil, Decatur. 10/ Simple average of 48 percent, Decatur. 11/ 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/ Weighed average for August-January, not a projection for the marketing year. — = not available or not applicable.

Information contacts: Wheat, rice & feed grains, Jenny Gonzales (202) 501-8552; soybeans, soybean products & cotton, Mae Dean Johnson (202) 501-8522.

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

	Marketing year 1/				1994					1995
	1990/91	1991/92	1992/93	1993/94	Jan	Sept	Oct	Nov	Dec	Jan
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	4.00	4.05	4.31	4.24	4.27	4.06
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	5.32	4.27	4.40	4.41	4.37	4.21
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	26.25	14.65	14.15	14.00	13.25	13.35
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	3.02	2.17	2.06	2.11	2.24	2.32
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	4.93	3.72	3.55	3.60	3.81	3.92
Barley, feed, Duluth (\$/bu.) 5/	2.13	2.17	2.11	2.05	2.15	2.04	1.95	2.04	2.00	2.02
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.55	2.57	2.81	2.90	2.81	2.81
U.S. price, SLM, 1-1/16 in. (cts./lb.) 6/	74.8	56.7	54.1	66.1	66.5	71.1	67.6	72.0	81.9	88.1
Northern Europe prices index (cts./lb.) 7/	82.9	62.9	56.9	70.7	69.3	75.0	74.1	77.3	87.1	95.6
U.S. M 1-3/32 in. (cts./lb.) 8/	88.2	66.3	62.5	73.1	73.2	77.6	76.9	80.9	92.1	100.3
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.92	5.58	5.27	5.47	5.54	5.45
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	29.39	26.15	26.60	29.41	30.37	29.00
Soybean meal, 48% protein, Decatur (\$/ton) 9/	181.40	189.20	193.75	161.10	198.30	174.50	168.50	161.30	156.90	156.40

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 Cotton "A" Index; average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. 9/ Note change to 48% protein.

Information contacts: Wheat, rice, & feed grains, Jenny Gonzales (202) 501-8552; Soybeans, soybean products, & cotton, Mae Dean Johnson (202) 501-8522.

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									
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	---	---	78.9	5/0/0	83
1993/94	4.00	2.86	2.45	1.03	---	---	78.5	0/0/0	88
1994/95	4.00	2.72	2.58	**0.95	---	---	78.1	0/0/0	87
1995/96	4.00	---	---	***0.70	---	---	---	0/0/0	---
Rice				\$/cwt					
1989/90	10.80	6.50	7/ 6.00	3.56	---	---	4.2	25/0/0	94
1990/91 5/	10.71	6.50	7/ 5.40	4.16	---	---	4.2	20/0/0	95
1991/92	10.71	6.50	7/ 5.85	3.07	---	---	4.2	5/0/0	95
1992/93	10.71	6.50	7/ 4.70	4.21	---	---	4.1	0/0/0	96
1993/94	10.71	6.50	7/ 5.75	3.98	---	---	4.1	5/0/0	97
1994/95	10.71	6.50	7/ ---	**3.89	---	---	4.2	0/0/0	95
1995/96	10.71	6.50	7/ ---	***4.21	---	---	---	5/0/0	---
Corn				\$/bu.					
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	0.73	---	---	82.1	5/0/0	76
1993/94	2.75	1.99	1.72	0.28	---	---	81.8	10/0/0	81
1994/95	2.75	1.99	1.89	**0.57	---	---	81.5	0/0/0	82
1995/96	2.75	---	---	***0.40	---	---	---	7.5/0/0	---
Sorghum				\$/bu.					
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	0.72	---	---	13.6	5/0/0	79
1993/94	2.61	1.89	1.63	0.25	---	---	13.5	5/0/0	82
1994/95	2.61	1.89	1.80	**0.59	---	---	13.5	0/0/0	81
1995/96	2.61	---	---	***0.39	---	---	---	0/0/0	---
Barley				\$/bu.					
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	75
1993/94	2.36	1.62	1.40	0.67	---	---	10.8	0/0/0	83
1994/95	2.36	1.62	1.54	**0.52	---	---	10.7	0/0/0	84
1995/96	2.36	---	---	***0.40	---	---	---	0/0/0	---
Oats				\$/bu.					
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	---	---	7.2	0/0/0	40
1993/94	1.45	1.02	0.88	0.11	---	---	7.1	0/0/0	46
1994/95	1.45	1.02	0.97	**0.20	---	---	6.8	0/0/0	40
1995/96	1.45	---	---	***0.05	---	---	---	0/0/0	---
Soybeans 9/				\$/bu.					
1989/90	---	---	4.53	---	---	---	---	---	---
1990/91 5/	---	---	4.50	---	---	---	---	---	---
1991/92	---	---	5.02	---	---	---	---	---	---
1992/93	---	---	5.02	---	---	---	---	---	---
1993/94	---	---	5.02	---	---	---	---	---	---
1994/95	---	---	4.92	---	---	---	---	---	---
1995/96	---	---	4.92	---	---	---	---	---	---
Upland cotton				Cts./lb.					
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/ 43.81	20.3	---	---	14.9	10/0/0	89
1993/94	72.9	52.35	11/ 47.50	18.6	---	---	15.1	7.5/0/0	91
1994/95	72.9	50.00	11/ ---	**4.6	---	---	15.3	11/0/0	89
1995/96	72.9	51.92	11/ ---	***3.7	---	---	---	0/0/0	---

1/ There are no Findley loan rates for rice or cotton. See footnotes 7/ & 11/. 2/ National effective crop acreage base as determined by CFSA. 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 were 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 market-year 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, corn, sorghum, barley and oats, regular deficiency payment rate based on the 5-month price. For rice and upland cotton, total deficiency payment rate.

*** Estimated total deficiency payment rate based on Fiscal Year 1996 President's Budget.

Note: 1994 effective base acres and participation rates are from the December 30 Preliminary Compliance Report for 1994.

Information contact: Consolidated Farm Service Agency (202) 690-0640.

Table 20—Fruit

	1987	1988	1989	1990	1991	1992	1993	1994	1995 P
Citrus 1/ Production (1,000 ton)	11,993	12,761	13,186	10,860	11,285	12,452	15,274	14,499	15,924
Per capita consumpt. (lbs.) 2/	23.9	25.4	23.5	21.4	19.1	24.4	26.0	23.4	24.2
Noncitrus 3/ Production (1,000 tons)	16,011	15,893	16,365	15,657	15,748	17,116	16,566	16,861	—
Per capita consumpt. (lbs.) 2/	72.5	72.4	73.1	71.1	70.6	73.9	74.0	—	—
1994									1995
	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan
Grower prices									
Apples (cents/pound) 4/	14.4	13.5	13.1	20.3	21.7	20.0	16.7	17.9	20.2
Pears (cents/pound) 4/	8.6	8.8	16.3	14.7	17.3	12.8	14.3	14.5	13.7
Oranges (\$/box) 5/	5.53	5.15	4.44	4.56	2.53	2.62	2.60	2.91	3.05
Grapefruit (\$/box) 5/	1.85	2.30	1.49	3.67	4.39	5.96	2.84	2.60	2.19
Stocks, ending									
Fresh apples (mil. lbs.)	1,021.9	567.4	260.1	69.4	3,874.3	6,163.3	5,198.8	4,486.0	3,719.4
Fresh pears (mil. lbs.)	55.6	14.8	44.2	198.7	588.8	487.7	387.3	323.4	214.0
Frozen fruits (mil. lbs.)	737.1	812.1	981.5	1,039.6	1,056.5	1,439.4	1,341.2	1,257.1	1,115.0
Frozen conc. orange juice (mil. single-strength gallons)	531.6	598.2	569.1	494.4	420.7	382.1	346.2	492.5	587.9

1/ 1992 indicated 1991/92 season. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Fresh use. 5/ U.S. equivalent on-tree returns. P = preliminary.
 — = not available.

Information contact: Dennis Shields (202) 501-7702.

Table 21—Vegetables

	Calendar year								
	1986	1987	1988	1989	1990	1991	1992	1993	1994
Production									
Total vegetables (1,000 cwt)	448,629	478,381	468,779	542,437	561,704	564,581	677,975	674,940	746,676
Fresh (1,000 cwt) 1/ 3/	203,165	220,539	228,397	239,281	239,104	229,505	378,503	373,604	378,702
Processed (tons) 2/ 3/	12,273,200	12,892,100	12,019,110	15,157,790	16,130,020	16,753,820	14,973,630	15,066,800	18,398,680
Mushrooms (1,000 lbs) 4/	614,393	631,819	667,759	714,992	749,151	746,832	776,357	754,783	780,000
Potatoes (1,000 cwt)	361,743	389,320	356,438	370,444	402,110	417,622	425,367	428,693	459,342
Sweetpotatoes (1,000 cwt)	12,368	11,611	10,945	11,358	12,594	11,203	12,005	11,053	13,081
Dry edible beans (1,000 cwt)	22,960	26,031	19,253	23,729	32,379	33,765	22,615	21,913	29,187
1994									
	Mar	Apr	May	June	July	Aug	Sept	Oct	Nov
Shipments (1,000 cwt)									
Fresh	24,149	22,043	24,714	33,842	18,145	18,743	14,284	14,740	19,245
Iceberg lettuce	4,615	3,849	4,119	4,774	3,891	4,205	3,543	3,427	4,267
Tomatoes, all	3,876	3,114	2,830	3,999	2,898	2,818	2,478	2,610	2,461
Dry-bulb onions	3,450	3,368	2,864	3,482	3,000	3,643	3,623	3,644	4,060
Other 5/	12,208	11,712	14,901	21,587	8,356	8,077	4,640	5,059	8,457
Potatoes, all	20,075	18,218	15,166	13,447	8,703	10,944	10,082	10,342	15,726
Sweetpotatoes	347	165	163	135	83	132	215	265	690

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes through 1991. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Data after 1991 not comparable to previous years because commodity estimates reinstated in 1992 are included. 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, bell peppers, squash, cantaloupes, honeydews, & watermelons. P = preliminary.

Information contacts: Gary Lucier (202) 219-0117 or John Love (202) 219-0388.

Table 22—Other Commodities

	Annual					1993	1994			
	1990	1991	1992	1993	1994	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Sugar										
Production 1/	6,334	7,145	7,569	7,841	7,692	3,922	2,247	639	870	3,937
Deliveries 1/	8,661	8,704	8,936	9,064	9,317	2,303	2,144	2,306	2,579	2,287
Stocks, ending 1/	2,729	3,039	3,225	3,512	3,145	3,512	4,041	2,685	1,338	3,145
Coffee										
Composite green price N.Y. (cts./lb.)	76.93	70.09	55.30	64.31	138.62	72.21	76.08	110.27	197.50	170.63
Imports, green bean equiv. (mil. lbs.) 2/	2,716	2,555	2,943	2,445	2,048	570	560	447	550	491
1994										
	Annual			1993						
	1991	1992	1993	Oct	May	June	July	Aug	Sept	Oct
Tobacco										
Avg. price to grower 3/ Flue-cured (\$/lb.)	172.3	172.6	168.8	174.5	—	—	150.0	160.0	177.0	180.5
Burley (\$/lb.)	178.8	181.5	181.5	—	—	—	—	—	—	—
Domestic consumption 4/ Cigarettes (bil.)	516.3	509.5	462.9	32.1	41.6	48.8	36.9	48.5	39.6	40.7
Large cigars (mil.)	2,231.9	2,217.1	2,237.8	184.3	198.9	241.6	164.3	217.9	225.5	204.0

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) 219-0888, Coffee, Fred Gray (202) 219-0013, Tobacco, Verner Grise (202) 219-0890.

World Agriculture

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

	1988/89	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 P
Million units							
Wheat							
Area (hectares)	217.4	225.8	231.4	222.4	222.9	222.0	215.4
Production (metric tons)	495.0	533.2	588.0	542.6	561.9	558.9	524.1
Exports (metric tons) 1/	102.4	102.8	101.2	109.3	112.5	99.5	96.2
Consumption (metric tons) 2/	524.3	532.2	563.2	558.5	543.9	563.8	552.1
Ending stocks (metric tons) 3/	120.5	121.5	146.3	130.3	148.3	143.4	115.4
Coarse grains							
Area (hectares)	323.4	321.1	314.4	318.2	318.9	310.7	310.0
Production (metric tons)	721.0	791.3	821.8	803.0	863.0	786.7	863.9
Exports (metric tons) 1/	95.5	103.9	88.3	94.4	90.2	84.6	87.9
Consumption (metric tons) 2/	785.0	814.3	809.7	805.4	833.7	829.1	854.7
Ending stocks (metric tons) 3/	151.0	128.5	140.6	138.1	167.5	125.1	134.3
Rice, milled							
Area (hectares)	145.5	146.6	146.7	146.1	145.2	144.5	144.8
Production (metric tons)	330.1	343.1	350.7	349.5	352.6	350.9	353.3
Exports (metric tons) 4/	13.9	11.7	12.1	14.1	14.7	15.9	15.4
Consumption (metric tons) 2/	327.7	338.2	345.9	351.5	355.1	356.7	356.0
Ending stocks (metric tons) 3/	47.9	53.9	58.7	56.7	54.2	48.4	45.7
Total grains							
Area (hectares)	686.3	693.5	692.5	686.7	687.0	677.2	670.2
Production (metric tons)	1546.1	1,667.6	1,760.5	1,695.1	1,777.5	1,696.5	1,741.3
Exports (metric tons) 1/	211.8	218.4	201.6	217.8	217.4	200.0	199.5
Consumption (metric tons) 2/	1637.0	1,684.7	1,718.8	1,715.4	1,732.7	1,749.6	1,762.8
Ending stocks (metric tons) 3/	319.4	303.9	345.6	325.1	370.0	316.9	295.4
Oilseeds							
Crush (metric tons)	164.5	171.7	176.6	185.1	183.7	186.8	198.0
Production (metric tons)	201.6	212.4	215.7	224.4	227.5	227.5	253.6
Exports (metric tons)	31.5	35.6	33.4	37.6	37.7	37.1	43.4
Ending stocks (metric tons)	22.1	23.7	23.4	21.8	23.3	20.0	30.6
Meals							
Production (metric tons)	111.1	116.8	119.2	125.0	124.3	128.1	135.5
Exports (metric tons)	37.4	39.8	40.7	43.2	41.7	43.9	45.5
Oils							
Production (metric tons)	53.3	57.1	58.1	60.6	60.9	62.4	65.7
Exports (metric tons)	18.1	20.4	20.5	21.1	21.0	22.5	23.5
Cotton							
Area (hectares)	33.8	31.6	33.2	34.8	32.6	30.6	32.3
Production (bales)	84.4	79.7	87.0	96.0	82.7	76.9	84.0
Exports (bales)	33.4	31.3	29.7	28.1	25.4	26.8	28.6
Consumption (bales)	85.3	86.6	85.5	84.5	85.7	84.9	85.0
Ending stocks (bales)	31.4	25.8	28.1	40.1	37.3	30.1	30.2
	1988	1989	1990	1991	1992	1993 P	1994 F
Red meat							
Production (metric tons)	110.5	112.3	113.3	114.9	115.8	116.6	118.4
Consumption (metric tons)	108.3	110.9	111.4	112.2	113.2	114.2	116.4
Exports (metric tons) 1/	8.0	8.2	7.8	8.1	7.4	7.4	8.1
Poultry 5/							
Production (metric tons)	32.0	32.4	33.8	35.7	37.6	39.3	41.6
Consumption (metric tons)	31.4	31.8	32.6	34.5	36.6	38.0	40.1
Exports (metric tons) 1/	1.7	1.7	2.7	3.0	3.3	3.8	4.4
Dairy							
Milk production (metric tons) 6/	—	387.4	395.3	385.3	379.6	379.9	381.1

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. 1989 data correspond with 1988/89, etc. 5/ Poultry excludes the Peoples Republic of China before 1986. 6/ Data prior to 1989 no longer comparable. P = preliminary. F = forecast. — = not available.

Information contacts: Crops, Carol Whitton (202) 219-0825; red meat & poultry, Shayle Shagam (202) 219-0360; dairy, James Miller (202) 219-0770.

U.S. Agricultural Trade

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

	Annual			1994						1995
	1992	1993	1994	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	4.22	4.03	4.33	4.55	4.42	4.48	4.25
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	3.23	2.44	2.47	2.43	2.44	2.61	2.72
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	3.14	2.44	2.36	2.43	2.54	2.67	2.73
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	7.30	5.96	5.91	5.69	5.94	6.04	6.01
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	29.89	24.49	26.14	26.57	29.41	30.37	29.01
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	198.44	178.95	174.48	167.73	161.02	156.90	156.40
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	66.53	70.32	71.10	67.58	72.00	81.92	88.11
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	175.93	183.54	160.08	176.99	180.55	185.04	183.54	188.03
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	25.50	15.80	15.50	13.90	13.75	13.75	13.75
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	15.33	19.00	19.50	19.63	19.75	22.88	22.62
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	0.64	1.89	2.13	1.90	1.68	1.56	1.6
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	44.91	66.35	67.15	73.46	71.76	77.35	85.68
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.53	0.65	0.62	0.61	0.60	0.59	0.62

Information contact: Mary Teymourian (202) 501-8516.

Table 25—Indexes of Real Trade-Weighted Dollar Exchange Rates

	1994										1995	
	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
	1990 = 100											
Total U.S. trade	106.3	106.1	104.3	103.3	100.7	100.9	99.7	98.0	99.3	101.4	100.1	100.0
Agricultural trade												
U.S. markets	97.1	97.4	97.0	96.9	95.3	95.2	94.3	93.7	94.1	96.6	96.7	97.0
U.S. competitors	107.3	107.3	105.7	104.5	101.5	101.2	100.1	98.4	99.2	100.4	99.1	98.7
Wheat												
U.S. markets	105.0	106.5	107.3	107.9	106.4	105.5	104.5	103.8	102.8	103.2	102.6	102.0
U.S. competitors	108.5	109.3	108.0	107.1	105.5	105.4	104.3	103.2	103.8	104.9	104.8	104.7
Soybeans												
U.S. markets	96.0	95.5	94.5	94.2	91.9	91.6	90.8	89.8	90.5	93.1	92.4	92.6
U.S. competitors	77.9	77.8	77.7	76.8	71.8	70.2	68.6	67.3	66.5	66.1	64.3	63.2
Corn												
U.S. markets	90.5	90.9	91.2	91.6	89.8	89.5	88.6	88.3	88.3	90.2	89.9	90.0
U.S. competitors	102.0	102.8	101.9	100.7	98.7	98.5	97.5	96.3	97.2	98.2	97.1	96.8
Cotton												
U.S. markets	100.1	100.1	99.9	99.7	98.1	97.8	97.3	96.7	96.6	97.6	97.3	97.2
U.S. competitors	128.6	128.2	126.8	125.5	122.9	124.1	123.1	121.4	120.5	120.5	120.0	119.6

Real indexes adjust nominal exchange rates to avoid the distortion caused by different levels of inflation among countries. A higher value means the dollar has appreciated. "Total U.S. trade" Index uses the Federal Reserve Board Index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance of major U.S. customers & competitors in world markets. Indexes are subject to revision for up to 1 year due to delayed reporting by some countries.

Information contact: Douglas Rhoades (202) 219-0754.

Table 26—Trade Balance

	Fiscal year 1/								Dec
	1988	1989	1990	1991	1992	1993	1994	1995 F	1994
	\$ million								
Exports									
Agricultural	35,316	39,590	40,220	37,609	42,430	42,589	43,511	48,500	5,033
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	39,285
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	44,318
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	28,500	2,384
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	54,500
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	56,884
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	20,000	2,649
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-15,215
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-12,566

1/ Fiscal years begin October 1 & end September 30. Fiscal year 1994 began Oct. 1, 1993 & ended Sept. 30, 1994. 2/ Domestic exports including Department of Defense shipments (F.A.S. value). 3/ Imports for consumption (customs value). F = forecast. — = not available.

Information contact: Joel Greene (202) 219-0816.

Table 27—U.S. Agricultural Exports & Imports

	Fiscal year*			Dec	Fiscal year*			Dec
	1993	1994	1995 F	1994	1993	1994	1995 F	1994
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,107	1,162	—	138	358	469	—	43
Meats & preps., excl. poultry (mt)	1,160	1,316	2/ 1,100	130	3,349	3,503	—	332
Dairy products (mt) 1/	211	188	—	20	762	709	800	67
Poultry meats (mt)	986	1,377	1,600	169	1,031	1,420	—	174
Fats, oils, & greases (mt)	1,362	1,341	1,300	159	519	515	—	78
Hides & skins incl. furskins	—	—	—	—	1,288	1,439	—	138
Cattle hides, whole (no.) 1/	19,786	20,065	—	1,898	1,062	1,128	—	116
Mink pelts (no.) 1/	3,119	3,197	—	77	56	79	—	2
Grains & feeds (mt)	103,701	88,090	—	10,697	14,103	13,130	3/ 15,300	1,467
Wheat (mt)	36,039	31,145	33,500	2,834	4,737	4,026	4/ 5,000	426
Wheat flour (mt)	1,075	1,024	1,000	94	217	201	—	18
Rice (mt)	2,710	2,433	2,900	406	766	889	800	103
Feed grains, incl. products (mt)	50,701	40,441	57,000	5,986	5,260	4,744	6,000	618
Feeds & fodders (mt)	11,500	11,380	5/ 12,100	1,223	2,147	2,231	—	214
Other grain products (mt)	1,676	1,667	—	154	976	1,039	—	89
Fruits, nuts, & preps. (mt)	3,398	3,597	—	297	3,409	3,827	4,400	305
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	7,845	7,018	—	643	423	467	—	41
Vegetables & preps. (mt)	2,790	2,920	—	286	3,220	3,489	—	475
Tobacco, unmanufactured (mt)	231	196	—	19	1,443	1,260	1,300	133
Cotton, excl. linters (mt)	1,125	1,566	2,200	239	1,526	2,287	3,400	389
Seeds (mt)	529	490	—	51	648	601	600	99
Sugar, cane or beet (mt) 1/	337	392	—	40	106	130	—	17
Oilseeds & products (mt)	29,190	24,051	—	3,838	7,211	6,856	7,600	981
Oilseeds (mt)	21,044	16,958	—	2,942	4,981	4,559	—	671
Soybeans (mt)	20,400	16,364	21,400	2,837	4,606	4,161	4,500	618
Protein meal (mt)	6,545	5,406	—	602	1,262	1,085	—	105
Vegetable oils (mt)	1,601	1,687	—	294	968	1,213	—	205
Essential oils (mt)	13	15	—	2	185	206	—	19
Other	92	132	—	16	3,008	3,203	—	275
Total	145,125	125,671	156,600	15,963	42,589	43,511	48,500	5,033
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	—	296	1,569	1,360	1,300	101
Meats & preps., excl. poultry (mt)	1,128	1,159	—	77	2,726	2,721	—	180
Beef & veal (mt)	793	776	900	52	1,919	1,822	2,100	114
Pork (mt)	276	318	300	21	663	744	700	54
Dairy products (mt) 1/	231	260	—	24	860	955	900	93
Poultry & products 1/	—	—	—	—	137	133	—	11
Fats, oils, & greases (mt)	44	40	—	4	30	26	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	181	195	—	17
Wool, unmanufactured (mt)	59	56	—	4	173	152	—	16
Grains & feeds (mt)	4,942	10,009	6,500	670	1,639	2,328	1,700	184
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,500	491	2,988	2,996	—	247
Bananas & plantains (mt)	3,737	3,836	4,000	291	1,083	1,057	1,100	82
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	30,000	2,003	640	686	—	53
Vegetables & preps. (mt)	2,733	2,866	—	261	2,440	2,642	2,900	271
Tobacco, unmanufactured (mt)	386	319	300	40	1,101	912	900	86
Cotton, unmanufactured (mt)	12	16	—	2	11	17	—	3
Seeds (mt)	189	309	300	15	214	255	300	19
Nursery stock & cut flowers 1/	—	—	—	—	629	685	—	58
Sugar, cane or beet (mt)	1,569	1,619	2,100	70	591	616	—	33
Oilseeds & products (mt)	2,484	3,219	3,300	304	1,204	1,479	1,500	160
Oilseeds (mt)	373	895	—	76	130	273	—	24
Protein meal (mt)	618	760	—	66	89	108	—	9
Vegetable oils (mt)	1,492	1,564	—	161	985	1,098	—	128
Beverages excl. fruit								
juices (1,000 hectoliters) 1/	14,014	15,710	—	1,157	1,975	2,122	—	169
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,200	158	3,018	3,622	5,300	445
Coffee, incl. products (mt)	1,185	969	1,200	77	1,502	2,019	3,700	297
Cocoa beans & products (mt)	770	748	800	48	1,028	1,077	1,100	87
Rubber & allied gums (mt)	981	1,001	1,000	77	839	885	1,100	99
Other	—	—	—	—	1,489	1,578	—	135
Total	—	—	—	—	24,454	26,365	28,500	2,384

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1994 began Oct. 1, 1993 & ended Sept. 30, 1994. 1/ Not included in total volume.

2/ Forecasts for footnoted items 2/–5/ are based on slightly different groups of commodities. Totals for fiscal 1994 forecast commodities were 2/ 1.025 million tons. 3/ \$13,413 million. 4/ \$4,228 million, includes flour. 5/ 11.797 million tons. F = forecast. — = not available.

Information contact: Joel Greene (202) 219-0816.

Table 28—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Dec	Change from year* earlier			Dec
	1993	1994	1995 F	1994	1993	1994	1995 F	1994
	\$ million				Percent			
WESTERN EUROPE	7,499	7,077	7,700	916	-3	-6	9	21
European Union	7,022	6,557	7,100	864	-2	-7	8	21
Belgium-Luxembourg	482	504	---	54	5	5	---	26
France	613	466	---	45	-1	-24	---	-28
Germany	1,146	1,028	---	134	5	-10	---	30
Italy	568	564	---	83	-17	-1	---	-18
Netherlands	1,801	1,609	---	265	-1	-11	---	74
United Kingdom	916	931	---	93	4	2	---	4
Portugal	223	224	---	33	-7	0	---	47
Spain, incl. Canary Islands	829	780	---	110	-13	-6	---	31
Other Western Europe	477	519	600	52	-13	9	16	17
Switzerland	152	154	---	15	-19	1	---	3
EASTERN EUROPE	468	312	400	37	111	-33	28	38
Poland	230	111	---	6	368	-52	---	-11
Former Yugoslavia	47	98	---	1	-6	107	---	-80
Romania	107	50	---	26	42	-53	---	197
Former Soviet Union	1,561	1,486	1,200	65	-42	-5	-19	-70
ASIA	17,832	19,390	1/ 21,400	2,132	0	9	-100	21
West Asia (Mideast)	1,922	1,698	1,900	233	9	-12	12	51
Turkey	369	240	---	38	7	-35	---	30
Iraq	1	3	---	0	150	116	---	0
Israel, incl. Gaza & W. Bank	382	361	500	42	10	-6	39	77
Saudi Arabia	463	500	500	48	-16	8	0	46
South Asia	641	556	---	64	20	-13	---	-15
Bangladesh	52	120	---	18	-58	131	---	0
India	226	130	---	8	93	-43	---	-59
Pakistan	236	212	400	26	4	-10	89	18
China	322	877	1,700	168	-53	172	94	848
Japan	8,461	9,208	9,600	782	1	9	4	-5
Southeast Asia	1,551	1,789	---	241	6	15	---	53
Indonesia	327	408	---	74	-7	25	---	144
Philippines	512	554	600	47	16	8	8	25
Other East Asia	4,935	5,262	6,700	644	0	7	27	19
Taiwan	1,999	2,103	2,500	231	4	5	19	-13
Korea, Rep.	2,041	2,055	2,700	272	-7	1	31	40
Hong Kong	880	1,103	1,500	141	8	25	36	70
AFRICA	2,671	2,237	2,500	323	16	-16	12	30
North Africa	1,659	1,470	1,800	250	18	-11	22	29
Morocco	310	167	---	3	98	-46	---	-82
Algeria	458	608	600	60	-4	33	-1	-24
Egypt	756	613	1,100	158	7	-19	79	85
Sub-Saharan	1,012	766	700	73	13	-24	-9	33
Nigeria	158	111	---	7	413	-30	---	-54
Rep. S. Africa	383	113	---	24	17	-70	---	609
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,100	927	7	5	-2	55
Brazil	231	228	600	112	61	-1	163	399
Caribbean Islands	1,015	952	---	120	5	-6	---	29
Central America	675	729	---	85	15	8	---	30
Colombia	234	258	---	53	65	10	---	159
Mexico	3,660	4,133	3,600	424	0	13	-13	34
Peru	172	205	---	27	-4	19	---	106
Venezuela	502	410	400	49	27	-18	-2	42
CANADA	5,220	5,261	5,700	559	8	1	8	34
OCEANIA	456	497	600	74	7	9	21	53
TOTAL	42,589	43,511	48,500	5,033	0	2	11	23
Developed countries	22,337	22,453	24,100	2,392	2	1	7	16
Developing countries	18,357	18,683	21,100	2,404	8	2	13	35
Other countries	1,896	2,375	3,300	238	-56	25	39	1

*Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1994 began Oct. 1, 1993 & ended Sept. 30, 1994. F = forecast. --- = not available.
 1/ Asia forecast excludes West Asia (Mideast). Note: Adjusted for transshipments through Canada.

Information contact: Joel Greene (202) 219-0816.

Farm Income

Table 29—Farm Income Statistics

	Calendar year										
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 F	1995 F
	\$ billion										
1. Farm receipts	150.1	140.0	148.5	158.4	168.9	177.5	176.6	179.0	183.9	185.9	180 to 190
Crops (incl. net CCC loans)	74.3	63.7	65.9	71.7	77.0	80.1	82.1	84.9	84.5	91.0	89 to 93
Livestock	69.8	71.6	76.0	79.4	84.1	89.8	86.7	86.3	90.6	86.9	84 to 88
Farm related 1/	6.0	5.7	6.6	7.3	7.8	7.6	7.8	7.8	8.8	8.0	7 to 9
2. Direct Government payments	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9.2	13.4	7.8	8 to 10
Cash payments	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9.2	13.4	7.8	8 to 10
Value of PIK commodities	0.1	3.7	10.1	7.4	1.7	0.9	0.0	0.0	0.0	0.0	0 to 1
3. Gross cash income (1+2) 2/	157.9	152.8	165.1	172.9	179.8	186.8	184.9	188.2	197.2	193.7	188 to 200
4. Nonmoney income 3/	5.6	5.5	5.6	6.3	8.1	8.0	7.7	7.8	7.9	8.1	7 to 9
5. Value of inventory change	-2.3	-2.2	-2.3	-3.4	4.8	3.4	-0.3	4.3	-3.6	7.6	-2 to 2
6. Total gross farm income (3+4+5)	161.2	156.1	168.5	175.8	192.8	198.2	192.3	200.2	201.4	209.4	193 to 211
7. Cash expenses 4/	110.7	105.0	109.4	119.0	125.6	131.8	131.7	130.8	138.7	142.7	139 to 147
8. Total expenses	132.4	125.1	128.8	137.8	144.9	151.3	151.2	150.1	158.0	162.1	159 to 167
9. Net cash income (3-7)	47.1	47.8	55.8	53.9	54.2	55.1	53.2	57.4	58.5	51.0	49 to 53
10. Net farm income (6-8)	28.8	31.0	39.7	38.0	47.9	46.9	41.1	50.1	43.4	47.3	34 to 44
Deflated (1987\$)	30.5	32.0	39.7	37.3	43.3	41.1	34.9	41.5	34.9	37.5	25 to 35

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. P = preliminary. F = forecast.
 Note: 1988-92 accounts (primarily expenses) have been revised to reflect improved methods for estimating farm income. Call contact for information.

Information contact: John Jenkins (202) 219-0798.

Table 30—Average Income to Farm Operator Households

	Calendar year					
	1990	1991	1992	1993 P	1994 F	1995 F
	\$ per operator household					
Farm income to household 1/	5,742	5,810	7,180	5,125	4,858	4,400 to 5,200
Self-employment farm income	4,973	4,458	5,172	4,710	—	—
Other farm income to household	768	1,352	2,008	415	—	—
Plus: Total off-farm income	33,265	31,638	35,731	33,176	34,370	34,600 to 36,600
Income from wages, salaries, and non-farm businesses	24,778	23,551	27,022	23,868	—	—
Income from interest, dividends, transfer payments, etc.	8,487	8,087	8,709	9,308	—	—
Equals: Farm operator household income	39,007	37,447	42,911	38,300	39,228	39,000 to 41,800

1/ Farm income to the household equals self-employment income plus amounts that operators pay themselves & family members to work on the farm, income from renting out acreage, & net income from a farm business other than the one being surveyed. Data for 1990 are based on a survey that did not fully account for small farms. Data for 1991 include an additional 350,000 farms, many with gross sales under \$10,000 & negative net farm incomes. P = preliminary. F = forecasts. — = not available at this time.

Information contact: Susan Bentley (202) 219-0931.

Table 31—Balance Sheet of the U.S. Farming Sector

	Calendar year 1/											
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994		1995F
	\$ billion											
Assets												
Real estate	586.2	542.3	578.9	595.5	615.7	628.2	623.2	633.1	656.3	682.0	692	to 702
Non-real estate	186.5	182.1	193.7	205.6	214.1	220.2	219.2	228.4	231.8	238.1	228	to 238
Livestock & poultry	46.3	47.8	58.0	62.2	66.2	70.9	68.1	71.0	72.8	74.1	72	to 74
Machinery & motor vehicles	82.9	81.5	80.0	81.2	85.1	85.4	85.8	85.6	85.2	88.0	84	to 88
Crops stored 2/	22.9	16.3	17.5	23.3	23.4	22.8	22.0	24.1	23.4	26.0	24	to 26
Purchased inputs	1.2	2.1	3.2	3.5	2.6	2.8	2.7	3.9	4.2	3.0	2	to 4
Financial assets	33.3	34.5	35.1	35.4	36.8	38.3	40.6	43.1	46.2	47.0	46	to 48
Total farm assets	772.7	724.4	772.6	801.1	829.7	848.4	842.2	861.5	888.0	920.1	925	to 935
Liabilities												
Real estate debt 3/	100.1	90.4	82.4	77.6	75.4	74.1	74.5	75.0	76.0	77.2	77	to 81
Non-real estate debt 4/	77.5	66.6	62.0	61.7	61.9	63.2	64.3	63.6	65.9	70.8	72	to 74
Total farm debt	177.6	157.0	144.4	139.4	137.2	137.4	138.8	138.6	141.9	148.1	150	to 154
Total farm equity	595.1	567.4	628.2	661.7	692.6	711.0	703.6	722.9	746.2	772.0	773	to 783
	Percent											
Selected ratios												
Debt-to-assets	23.0	21.7	18.7	17.4	16.5	16.2	16.5	16.1	16.0	16.1	16	to 17
Debt-to-equity	29.8	27.7	23.0	21.1	19.8	19.3	19.7	19.2	19.0	19.2	19	to 21
Debt-to-net cash income	377	328	259	256	251	249.4	261	242	243	290	296	to 300

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, (202) 219-0799, Jim Ryan (202) 219-0796.

Table 32—Cash Receipts from Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1993	1994	Nov 1994	Dec 1994	1993	1994	Nov 1994	Dec 1994	1993	1994	Nov 1994	Dec 1994
	\$ million 2/											
NORTH ATLANTIC												
Maine	274	284	24	22	198	220	25	15	472	503	49	38
New Hampshire	65	65	6	6	99	96	14	6	164	161	20	12
Vermont	403	402	33	34	81	86	13	4	484	488	46	39
Massachusetts	122	122	10	10	375	372	64	36	497	495	73	46
Rhode Island	12	12	1	1	67	66	5	8	79	79	6	9
Connecticut	258	252	24	21	263	262	23	17	521	513	47	38
New York	1,888	1,885	156	159	930	943	87	80	2,818	2,827	243	238
New Jersey	199	199	17	17	508	552	52	30	707	751	69	47
Pennsylvania	2,621	2,582	227	207	1,091	1,151	121	108	3,712	3,733	347	315
NORTH CENTRAL												
Ohio	1,673	1,618	129	115	2,720	2,884	355	272	4,393	4,502	484	387
Indiana	1,931	1,807	162	134	3,186	3,056	460	285	5,117	4,863	622	419
Illinois	2,248	2,087	155	152	5,834	6,117	818	495	8,082	8,204	972	648
Michigan	1,376	1,359	112	112	1,991	1,979	260	268	3,367	3,338	372	381
Wisconsin	4,164	4,034	338	315	1,086	1,337	238	183	5,250	5,370	577	498
Minnesota	3,774	3,529	293	284	2,799	3,065	827	535	6,573	6,595	1,120	820
Iowa	5,829	5,105	389	342	4,173	5,034	1,064	629	10,002	10,140	1,454	971
Missouri	2,270	2,188	175	174	1,783	2,079	268	250	4,053	4,267	443	423
North Dakota	706	654	63	56	2,227	2,268	351	290	2,933	2,922	414	348
South Dakota	2,173	1,996	187	165	1,147	1,665	314	222	3,320	3,662	501	387
Nebraska	5,842	5,174	427	381	3,067	3,173	599	519	8,909	8,347	1,026	900
Kansas	4,870	4,636	440	343	2,493	2,885	355	317	7,363	7,521	796	660
SOUTHERN												
Delaware	463	473	32	27	159	156	22	9	622	629	54	35
Maryland	806	802	65	45	560	544	69	37	1,366	1,346	134	82
Virginia	1,385	1,375	118	105	683	730	78	59	2,068	2,105	196	164
West Virginia	328	326	31	24	77	81	9	8	405	407	40	32
North Carolina	3,201	3,388	290	232	2,256	2,400	224	196	5,457	5,788	514	428
South Carolina	603	586	54	46	618	693	73	72	1,221	1,278	126	119
Georgia	2,572	2,504	191	147	1,639	1,929	263	211	4,211	4,434	453	358
Florida	1,202	1,166	92	62	4,548	4,886	362	542	5,750	6,052	454	603
Kentucky	1,720	1,638	231	93	1,656	1,628	327	394	3,376	3,266	559	487
Tennessee	1,012	967	74	72	1,027	1,175	261	209	2,039	2,141	335	280
Alabama	2,184	2,104	167	115	726	811	127	89	2,910	2,915	294	204
Mississippi	1,577	1,639	122	86	1,028	1,255	302	213	2,605	2,895	424	300
Arkansas	2,902	2,885	251	165	1,480	2,187	419	256	4,382	5,071	670	421
Louisiana	688	669	47	51	1,069	1,308	295	240	1,757	1,977	342	292
Oklahoma	2,762	2,575	210	166	1,108	1,171	133	100	3,870	3,746	343	268
Texas	8,342	8,057	623	527	4,275	4,719	869	755	12,617	12,776	1,492	1,282
WESTERN												
Montana	938	902	91	60	843	1,084	138	116	1,781	1,986	229	178
Idaho	1,167	1,112	90	74	1,680	1,685	262	189	2,847	2,797	351	260
Wyoming	657	605	95	23	160	204	46	36	817	808	141	59
Colorado	2,879	2,660	232	206	1,204	1,238	163	139	4,083	3,898	396	344
New Mexico	1,135	1,065	102	85	486	453	54	42	1,621	1,518	156	128
Arizona	885	842	60	58	1,037	1,083	133	211	1,922	1,925	193	268
Utah	626	633	56	60	177	219	23	20	803	853	79	80
Nevada	187	186	12	13	102	116	10	9	289	302	22	22
Washington	1,561	1,604	151	145	3,013	3,010	242	236	4,574	4,614	394	380
Oregon	739	707	63	52	1,737	1,841	197	135	2,476	2,548	260	187
California	5,246	5,366	436	436	14,604	14,624	1,769	1,614	19,850	19,990	2,206	2,050
Alaska	6	6	0	0	20	21	2	2	26	26	2	2
Hawaii	85	85	7	7	406	412	35	35	491	498	42	41
UNITED STATES	90,555	86,916	7,362	6,232	84,497	90,954	13,218	10,744	175,052	177,870	20,580	16,978

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. To receive current monthly cash receipts via postal mail or e-mail contact Bob Dubman at (202) 219-0809 or BDUBMAN@ERS.BITNET.

Table 33—Cash Receipts from Farming

	Annual						1994				
	1989	1990	1991	1992	1993	1994	Aug	Sept	Oct	Nov	Dec
	\$ million										
Farm marketings & CCC loans*	161,142	169,974	168,795	171,202	175,052	177,870	13,783	15,081	20,422	20,580	16,976
Livestock & products	84,122	89,843	86,735	86,350	90,555	88,916	7,626	6,781	7,654	7,362	6,232
Meat animals	46,857	51,911	51,089	48,467	51,364	47,305	4,343	3,527	4,383	3,932	3,295
Dairy products	19,398	20,149	18,037	19,835	19,316	19,847	1,599	1,557	1,625	1,594	1,651
Poultry & eggs	15,372	15,243	15,122	15,480	17,241	17,128	1,484	1,467	1,457	1,517	1,101
Other	2,498	2,540	2,487	2,569	2,635	2,636	200	231	188	319	186
Crops	77,020	80,131	82,060	84,853	84,497	90,954	6,157	8,299	12,768	13,218	10,744
Food grains	8,247	7,517	7,414	8,455	8,221	9,597	923	1,108	947	803	708
Feed crops	17,054	18,671	19,491	19,782	19,338	21,011	1,165	1,521	2,329	3,965	2,936
Cotton (lint & seed)	5,033	5,489	5,236	5,192	5,015	6,527	134	306	961	1,814	1,988
Tobacco	2,415	2,741	2,886	2,961	2,949	2,650	539	466	299	341	492
Oil-bearing crops	11,866	12,258	12,709	13,277	13,046	15,156	414	1,301	4,427	2,168	1,328
Vegetables & melons	11,592	11,449	11,561	11,767	12,656	12,504	1,443	1,378	1,305	728	698
Fruits & tree nuts	9,157	9,420	9,909	10,123	9,927	9,948	789	1,068	1,275	1,469	1,100
Other	11,657	12,586	12,854	13,297	13,345	13,561	751	1,151	1,227	1,929	1,494
Government payments	10,887	9,298	8,214	9,169	13,174	7,966	75	97	1,706	91	472
Total	172,029	179,272	177,009	180,371	188,226	185,835	13,858	15,178	22,128	20,671	17,448

*Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. — = not available.

Information contact: Roger Strickland (202) 219-0806. To receive current monthly cash receipts via mail contact Bob Dubman at (202) 219-0809 or BDUBMAN@ERS.BITNET.

Table 34—Farm Production Expenses

	Calendar year									
	1986	1987	1988	1989	1990	1991	1992	1993	1994 F	1995 F
	\$ million									
Feed purchased	17,472	17,483	20,246	20,744	20,387	19,331	20,132	21,433	23,202	21,000 to 25,000
Livestock & poultry purchased	9,758	11,842	12,764	13,138	14,833	14,274	13,868	14,949	13,753	12,000 to 18,000
Seed purchased	3,188	3,259	4,060	4,397	4,518	5,113	4,913	5,162	5,332	4,000 to 6,000
Farm-origin inputs	30,418	32,564	37,069	38,278	39,738	38,718	38,913	41,545	42,287	40,000 to 44,000
Fertilizer & lime	6,820	6,453	7,679	8,176	8,208	8,667	8,333	8,398	9,109	7,000 to 11,000
Fuels & oils	5,310	4,957	4,800	4,772	5,790	5,608	5,299	5,364	5,033	4,000 to 7,000
Electricity	1,795	2,156	2,360	2,648	2,607	2,634	2,611	2,677	2,444	2,000 to 4,000
Pesticides	4,324	4,512	4,148	5,012	5,362	6,319	6,469	6,718	7,002	6,000 to 8,000
Manufactured inputs	18,249	18,078	18,987	20,607	21,967	23,228	22,712	23,157	23,588	22,000 to 26,000
Short-term interest	7,367	6,767	6,712	6,740	6,656	6,124	5,395	5,334	5,839	5,000 to 8,000
Real estate interest 1/	9,131	8,205	7,581	7,190	6,740	5,963	5,772	5,501	5,698	5,000 to 7,000
Total interest charges	16,498	14,972	14,293	13,930	13,395	12,088	11,167	10,836	11,537	11,000 to 15,000
Repair & maintenance 1/	6,426	6,759	7,717	8,407	8,553	8,630	8,469	9,154	9,346	8,000 to 10,000
Contract & hired labor	9,484	9,975	10,911	12,034	14,120	14,012	14,008	15,005	15,595	14,000 to 18,000
Machine hire & custom work	2,099	2,105	3,112	3,380	3,565	3,520	3,836	4,411	4,451	3,000 to 5,000
Marketing, storage, & transportation	3,652	4,078	3,516	4,206	4,211	4,719	4,541	5,591	6,183	5,000 to 7,000
Misc. operating expenses 1/ 2/	9,759	11,171	11,991	11,998	12,725	13,536	12,835	14,099	12,186	10,000 to 14,000
Other operating expenses	31,420	34,088	37,248	40,025	43,173	44,417	43,690	48,260	49,833	47,000 to 52,000
Capital consumption 1/	17,788	17,091	17,610	18,168	18,267	18,249	18,317	18,422	18,399	17,000 to 21,000
Taxes 1/	4,612	4,853	4,954	5,213	5,687	5,615	5,834	6,259	6,453	6,000 to 8,000
Net rent to nonoperator landlords	6,099	7,124	7,619	8,667	9,049	8,879	9,507	9,551	9,981	9,000 to 11,000
Other overhead expenses	28,499	29,069	30,183	32,048	33,003	32,743	33,658	34,233	34,833	34,000 to 37,000
Total production expenses	125,084	128,772	137,780	144,888	151,277	151,194	150,139	158,030	162,080	159,000 to 167,000

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. P = preliminary. F = forecast.

Information contacts: Chris McGath (202) 219-0808, John Jenkins (202) 219-0798.

Table 35—CCC Net Outlays by Commodity & Function

COMMODITY/PROGRAM	Fiscal year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995 E	1996 E
	\$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	12,346	8,227	2,863	2,435	2,387	2,105	5,143	625	3,309	2,305
Grain sorghum	1,203	764	467	349	243	190	410	130	212	229
Barley	394	57	45	-94	71	174	186	202	160	116
Oats	17	-2	1	-5	12	32	16	5	20	9
Corn & oat products	7	7	8	8	9	9	10	10	0	0
Total feed grains	13,967	9,053	3,384	2,693	2,722	2,510	5,765	972	3,701	2,659
Wheat	2,836	678	53	796	2,805	1,719	2,185	1,731	1,181	1,701
Rice	906	128	631	667	867	715	887	837	959	856
Upland cotton	1,786	666	1,461	-79	382	1,443	2,239	1,539	354	875
Tobacco	-346	-453	-367	-307	-143	29	235	693	-50	-155
Dairy	1,166	1,295	679	505	839	232	253	158	267	323
Soybeans	-476	-1,676	-86	5	40	-29	109	-183	-21	0
Peanuts	8	7	13	1	48	41	-13	37	119	91
Sugar	-65	-246	-25	15	-20	-19	-35	-24	-37	-32
Honey	73	100	42	47	19	17	22	0	6	10
Wool	152	1/ 5	93	104	172	191	179	211	108	55
Operating expense 3/	535	614	620	618	625	6	6	6	7	7
Interest expenditure	1,219	425	98	632	745	532	129	-17	12	125
Export programs 4/	276	200	-102	-34	733	1,459	2,193	1,950	1,843	1,316
1989/94 Disaster/Tree/										
livestock assistance	0	0	3,919	2/ 161	121	1,054	944	2,566	1,080	20
Other	371	1,665	110	647	155	-162	949	-140	1,094	1,222
Total	22,408	12,461	10,523	6,471	10,110	9,738	16,047	10,336	10,623	9,073
FUNCTION										
Price-support loans (net)	12,199	4,579	-926	-399	418	584	2,065	559	1,390	12
Direct payments 5/										
Deficiency	4,833	3,971	5,798	4,178	6,224	5,491	8,607	4,395	4,606	5,702
Diversions	382	8	-1	0	0	0	0	0	0	0
Dairy termination	587	260	168	189	96	2	0	0	0	0
Loan Deficiency	60	0	42	3	21	214	387	495	55	59
Other	0	0	0	0	0	140	149	171	81	182
Disaster	0	6	4	0	0	0	0	0	0	0
Total direct payments	5,862	4,245	6,011	4,370	6,341	5,847	9,143	5,061	4,742	5,943
1988-94 crop disaster	0	0	3,386	2/ 5	6	960	872	2,461	1,000	0
Emergency livestock/tree/										
forage assistance	0	31	533	156	115	94	72	105	80	20
Purchases (net)	-479	-1,131	116	-48	646	321	525	293	343	452
Producer storage										
payments	832	658	174	185	1	14	9	12	32	102
Processing, storage,										
& transportation	1,659	1,113	659	278	240	185	136	112	108	107
Operating expense 3/	535	614	620	618	625	6	6	6	7	7
Interest expenditure	1,219	425	98	632	745	532	129	-17	12	125
Export programs 4/	276	200	-102	-34	733	1,459	2,193	1,950	1,843	1,316
Other	305	1,727	-46	708	240	-264	897	-206	1,066	989
Total	22,408	12,461	10,523	6,471	10,110	9,738	16,047	10,336	10,623	9,073

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 in FY 90 & 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 the Export Guarantee Program - Credit Reform, Export Enhancement Program, Dairy Export Incentive Program, and Technical Assistance to Emerging Democracies. 5/ Includes cash payments only. Excludes generic certificates in FY 86-94. E = Estimated in the FY 1996 President's Budget which was released February 6, 1995 based on November/December, 1994 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

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

Food Expenditures

Table 36—Food Expenditures

	Annual			1994	1995		1995 year-to-date	
	1992	1993	1994 P	Dec	Jan	Feb P	Jan P	Feb P
\$ billion								
Sales 1/								
Off-premise use 2/	319.7	327.0	338.4	32.6	27.4	26.1	27.4	53.5
Meals & snacks 3/	237.9	251.2	264.8	23.4	20.6	20.2	20.6	40.8
1993 \$ billion								
Sales 1/								
Off-premise use 2/	326.8	327.0	327.8	30.9	25.8	24.7	25.8	50.5
Meals & snacks 3/	242.1	251.2	260.1	22.7	20.0	19.6	20.0	39.6
Percent change from year earlier (\$ bil.)								
Sales 1/								
Off-premise use 2/	0.4	2.3	3.4	4.4	4.3	5.0	4.3	4.6
Meals & snacks 3/	3.6	5.6	5.4	8.3	10.9	5.4	10.9	8.2
Percent change from year earlier (1993 \$ bil.)								
Sales 1/								
Off-premise use 2/	-0.8	0.1	0.1	0.4	1.2	1.2	1.2	1.2
Meals & snacks 3/	1.6	3.7	3.6	6.1	9.7	3.4	9.7	6.0

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, excluding 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) 219-0756.

Transportation

Table 37—Rail Rates; Grain & Fruit-Vegetable Shipments

	Annual			1994						1995
	1992	1993	1994	Jan	Aug	Sept	Oct	Nov	Dec	Jan
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	110.9	111.9	111.6	111.9	111.8	111.8	111.8 P	111.8 P	111.9 P
Farm products	111.1	113.7	114.5	114.9	113.2	114.1	115.8	115.3 P	115.3 P	115.9 P
Grain	111.4	114.7	115.5	116.1	114.3	114.6	116.7	116.7 P	116.6 P	117.1 P
Food products	108.7	109.0	111.0	110.2	111.9	111.9	111.9	111.0 P	111.1 P	111.3 P
Barge freight rate index 1/ (Dec. 1984=100)										
Grain	105.8	101.2	111.5	85.9	88.9	152.6	184.5	160.3	154.4	170.8
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.8	26.5	26.1 P	25.8 P	30.4 P	29.5 P	27.9 P	28.3 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	1.5	3.1	2.0	2.9	3.6	3.1	2.4
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	1.2	1.3	1.3	1.0	1.1	1.2	1.1 P
Rail (mil. cwt)	2.6	2.2	2.3	2.4	1.6	2.2	2.2	2.6	3.0	2.5 P
Truck (mil. cwt)	44.0	44.8	43.8	42	38.0	36.4	40.6	39.7	42.8	39.2 P
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	124.1	127.2	128.0	127.0	128.0	128.0	128.0	129.1	128.6	129.1

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. P = preliminary.

Information contact: T.Q. Hutchinson (202) 219-0353.

Indicators of Farm Productivity

Table 38—Indexes of Farm Production, Input Use, & Productivity¹

	1983	1984	1985	1986	1987	1988	1989	1990	1991 1/	1992 2/
	1982=100									
Farm output	84	101	105	102	104	97	108	112	112	--
All livestock products	102	100	103	103	106	108	110	112	114	--
Meat animals	102	100	99	99	100	102	102	102	105	--
Dairy products	103	99	105	106	105	107	106	109	109	--
Poultry & eggs	100	103	108	112	122	125	130	138	144	--
All crops	71	100	106	99	101	88	105	112	109	--
Feed crops	31	108	125	119	101	63	116	113	113	--
Food grains	84	93	87	77	77	70	77	99	76	--
Oil crops	75	87	96	88	88	71	87	87	92	--
Cotton and cotton seed	68	111	113	83	127	133	103	138	140	--
Tobacco	75	89	77	58	61	69	71	83	85	--
Vegetables and melons	97	103	109	110	117	111	114	123	122	--
Fruits and nuts	100	100	99	95	109	117	111	113	105	--
Other crops	101	110	111	120	132	137	141	141	148	--
Farm input	96	98	95	92	89	87	87	89	89	--
Farm Labor	95	97	89	87	84	86	82	87	88	--
Farm real estate	92	97	97	94	91	90	91	90	89	--
Durable equipment	95	91	86	80	74	70	67	65	63	--
Energy	97	100	90	84	93	93	91	90	89	--
Agricultural chemicals	93	106	101	111	100	90	93	90	94	--
Feed, seed, and livestock purchases	99	101	106	105	101	98	99	105	104	--
Other purchased inputs	107	108	99	89	92	90	96	97	100	--
Farm output per unit of input	88	103	111	111	117	112	124	127	126	--
Output per unit of labor										
Farm 3/	88	104	118	117	123	114	131	129	127	--
Nonfarm 4/	102	105	106	108	109	110	109	109	110	114

1/ New data and methods were used to calculate the 1991 indexes and to revise them back to 1948. 2/ Preliminary. 3/ Economic Research Service. 4/ Bureau of Labor Statistics. -- = not available.

Information contact: Rachel Evans (202) 501-8362.

Red meat
Beef
Veal
Lamb
Pork
Poultry 2/
Chicken
Turkey
Fish & shellfish
Eggs 4/
Dairy products
Cheese
American
Italian
Other
Cottage
Beverages
Fluid milk
Fluid cream
Fluid whole
Fluid skim
Yogurt (c)
Ice cream
Ice milk
Frozen yogurt
All dairy products
equivalent
Fats & oils
Butter & margarine
Shortening
Lard & tallow
Salad oil
Fresh fruit
Canned fruit
Dried fruit
Frozen fruit
Selected fresh
Vegetables
Fresh
Canning
Freezing
Potatoes, sweet
Sweet potatoes
Peanuts (shelled)
Tree nuts
Flour & cereals
Wheat flour
Rice (milled)
Caloric sweeteners
Coffee (ground)
Cocoa (chocolate)
1/ In poultry
Calendar-
3/ Boneless
that occurs
Natural egg
flavored, salted
& dry milk
& barley products
P = preliminary

Food Supply & Use

Table 39—Per Capita Consumption of Major Food Commodities¹

Commodity	1986	1987	1988	1989	1990	1991	1992	1993	1994P
Pounds									
Red meats 2/3/4/	122.2	117.4	119.5	115.9	112.3	111.9	114.1	112.0	115.1
Beef	74.4	69.6	68.6	65.4	64.0	63.1	62.8	61.5	63.8
Veal	1.6	1.3	1.1	1.0	0.9	0.8	0.8	0.8	0.8
Lamb & mutton	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
Pork	45.2	45.6	48.8	48.4	46.4	46.9	49.5	48.7	49.6
Poultry 2/3/4/	47.4	51.0	51.9	53.9	56.3	58.4	60.9	62.6	64.0
Chicken	37.2	39.4	39.6	40.9	42.5	44.2	46.7	48.5	49.7
Turkey	10.2	11.6	12.4	13.1	13.8	14.1	14.2	14.1	14.3
Fish & shellfish 3/	15.4	16.1	15.1	15.6	15.0	14.8	14.7	14.9	—
Eggs 4/	32.6	32.7	31.6	30.4	30.1	30.0	30.2	30.1	30.4
Dairy products									
Cheese (excluding cottage) 2/5/	23.1	24.1	23.7	23.8	24.6	25.0	26.0	26.3	—
American	12.1	12.4	11.5	11.0	11.1	11.1	11.3	11.4	—
Italian	7.0	7.6	8.1	8.5	9.0	9.4	10.0	9.8	—
Other cheese 6/	4.0	4.1	4.1	4.3	4.5	4.6	4.7	5.0	—
Cottage cheese	4.1	3.9	3.9	3.6	3.4	3.3	3.1	2.9	—
Beverage milks 2/	228.6	226.5	222.4	224.3	221.7	221.2	218.7	214.2	—
Fluid whole milk 7/	116.5	111.9	105.7	97.6	90.4	87.4	84.2	80.5	—
Fluid lowfat milk 8/	98.6	100.6	100.5	106.5	108.4	109.9	109.5	107.0	—
Fluid skim milk	13.5	14.0	16.1	20.2	22.9	23.9	25.0	26.7	—
Fluid cream products 9/	7.0	7.1	7.1	7.3	7.1	7.3	7.5	7.6	—
Yogurt (excluding frozen)	4.4	4.4	4.7	4.3	4.1	4.2	4.3	4.3	—
Ice cream	18.4	18.4	17.3	16.1	15.8	16.3	16.3	16.1	—
Ice milk	7.2	7.4	8.0	8.4	7.7	7.4	7.1	6.9	—
Frozen yogurt	—	—	—	2.0	2.8	3.5	3.1	3.5	—
All dairy products, milk equivalent, milkfat basis 10/	591.5	601.2	582.9	565.2	570.7	565.3	564.9	572.2	—
Fats & oils — Total fat content	64.4	62.9	63.0	60.4	62.2	63.8	65.6	65.0	—
Butter & margarine (product weight)	16.0	15.2	14.8	14.6	15.3	14.8	15.2	15.3	—
Shortening	22.1	21.4	21.5	21.5	22.2	22.4	22.4	22.9	—
Lard & edible tallow (direct use)	3.5	2.7	2.6	2.1	2.5	3.1	4.1	3.8	—
Salad & cooking oils	24.2	25.4	25.8	24.0	24.2	25.2	25.6	24.3	—
Fresh fruits 11/	117.7	120.6	121.5	123.2	117.1	113.0	122.7	124.3	—
Canned fruit 12/	16.5	16.6	16.3	16.6	16.5	15.4	17.8	16.1	—
Dried fruit	2.8	3.1	3.3	3.2	3.4	3.1	2.8	3.2	—
Frozen fruit	3.4	3.6	3.3	3.7	3.5	3.4	3.6	3.5	—
Selected fruit juices 13/	69.4	71.5	71.8	67.3	60.0	69.0	63.6	73.2	—
Vegetables 11/									
Fresh	100.4	107.0	110.8	114.9	112.3	109.6	114.0	113.0	—
Canning	95.6	95.2	91.2	98.9	107.2	109.4	107.2	107.9	—
Freezing	18.6	19.3	21.2	20.9	20.5	21.8	21.0	22.8	—
Potatoes, all 11/	126.0	126.0	122.4	127.1	127.7	130.4	132.4	135.7	—
Sweet potatoes 11/	4.4	4.4	4.1	4.1	4.6	4.0	4.3	3.9	—
Peanuts (shelled)	6.4	6.4	6.9	7.0	6.0	6.5	6.2	6.0	—
Tree nuts (shelled)	2.2	2.2	2.3	2.4	2.6	2.3	2.4	2.3	—
Flour & cereal products 14/	162.0	170.7	175.4	175.2	183.3	185.6	187.0	189.2	—
Wheat flour	125.6	129.8	131.7	129.4	135.6	136.6	138.1	139.4	—
Rice (milled basis)	11.6	14.0	14.3	15.2	16.2	16.8	16.9	17.5	—
Caloric sweeteners 15/	129.7	134.5	135.5	135.9	139.6	140.6	143.8	147.1	—
Coffee (green bean equiv.)	10.5	10.2	9.8	10.1	10.3	10.4	10.3	10.0	—
Cocoa (chocolate liquor equiv.)	3.8	3.8	3.8	4.0	4.3	4.6	4.6	4.6	—

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/ Totals may not add due to rounding.

3/ 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. 4/ Excludes shipments to the U.S. territories. 5/ Whole & part-skim milk cheese.

Natural equivalent of cheese & cheese products. 6/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 7/ Plain & flavored. 8/ Plain & flavored & buttermilk. 9/ Heavy cream, light cream, half & half, & sour cream & dip. 10/ Includes condensed & evaporated milk & dry milk products. 11/ Farm weight. 12/ Excludes pineapples & berries. 13/ Single strength equivalent. 14/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 15/ Dry weight equivalent. — = not available.

P = preliminary.

Information contact: Judy Jones Putnam (202) 219-0862.

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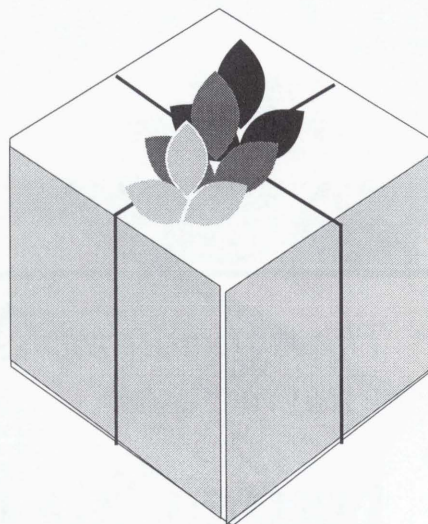
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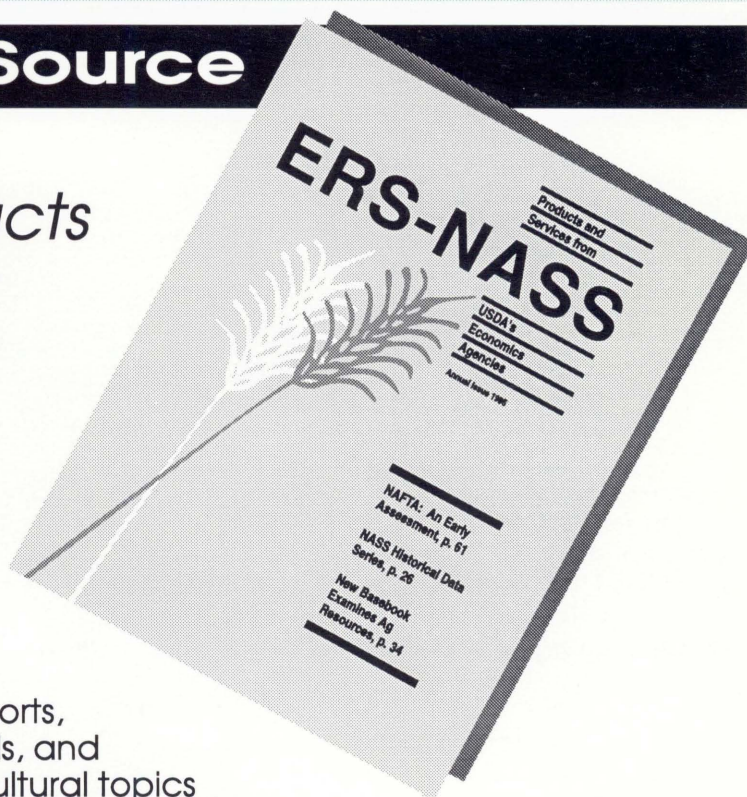
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