

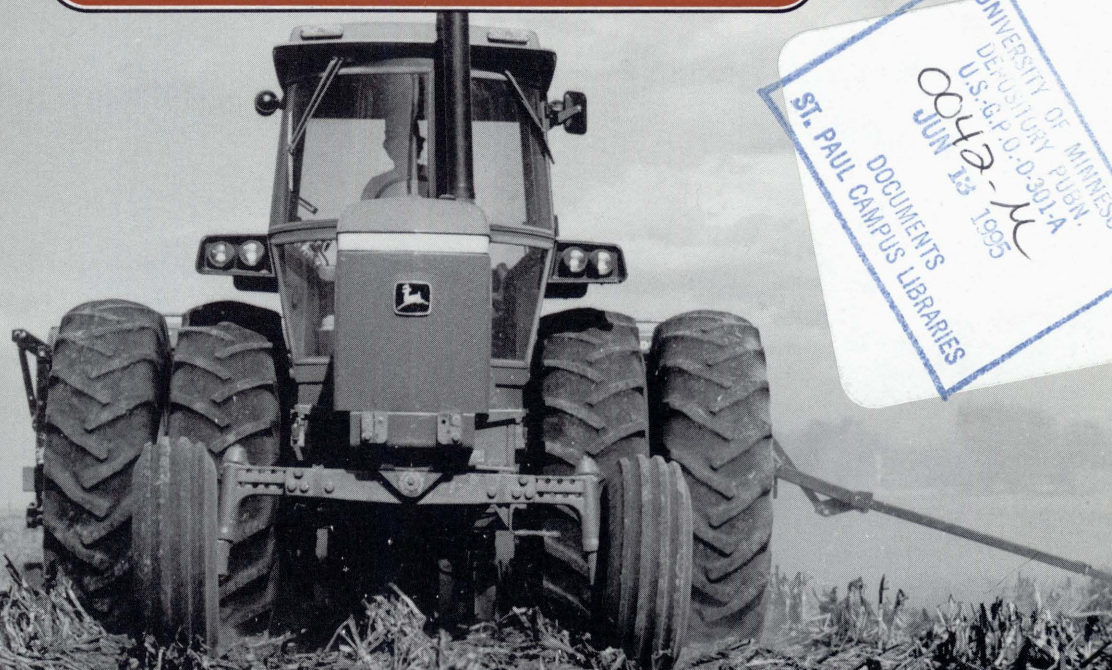
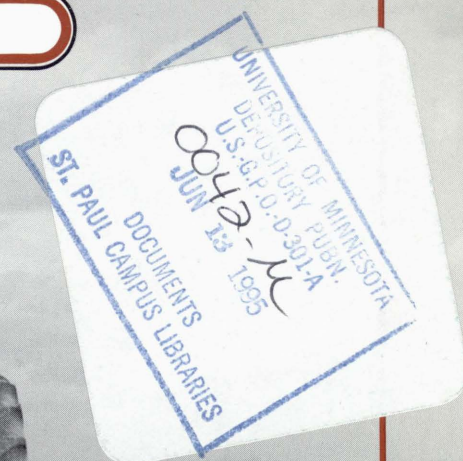
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May 1995



Farmers' 1995
Planting Intentions

Canada's Formula for
Stabilizing Farm Incomes

AGRICULTURAL OUTLOOK



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Cover photo: No-till planting of soybeans on corn stubble.

Big Rise in Cotton Acreage . . . Chile as NAFTA Candidate . . . Coffee Price Movements . . . & a Canadian Farm Program

Cotton Plantings Up 18 Percent

U.S. producers plan to expand cotton acreage significantly in 1995, to reduce area for corn, other feed grains, and rice, and to maintain wheat and soybean acreage at close to last year's levels. The first indications of farmers' 1995 planting intentions were released on March 31 in USDA's *Prospective Plantings* report.

Cotton producers indicated that they would plant 16.2 million acres in 1995, up 18 percent from last year. This would be the largest area since 1962, and assuming normal weather, another record crop is likely. The zero ARP (acreage reduction program) in effect for 1995, the strong runup in cotton prices in recent months, and favorable new-crop futures prices are encouraging cotton area expansion at the expense of corn, soybeans, and sorghum. The report shows corn area dropping nearly 5 percent from 1994, to 75.3 million acres. Soybean plantings are expected to drop about 1 percent.

NAFTA Plus Chile

As a first step toward a "Free Trade Area of the Americas" (FTAA), Chile has been invited to join the North American Free Trade Agreement (NAFTA). While some subsectors of U.S. agriculture could benefit from increased export opportunities, the overall impact of Chile's accession to NAFTA will be small because Chile's tariffs are already low. Total U.S.-Chile trade has expanded in recent years, partly because of liberalized trade initiatives in both countries.

Perhaps the key benefit of Chile's joining NAFTA will be a precedent for other countries wishing to enter NAFTA. This could encourage other Latin American countries to liberalize markets, providing better access for U.S. products and investment and promoting the goal of an FTAA in place by 2005.



What's Brewing for Coffee Prices?

International coffee prices spiraled upward in 1994, triggered by frosts that hit Brazil in June and July, as well as by drought throughout Brazil's coffee growing areas. While U.S. wholesale prices for Brazilian and other Arabica coffees started falling in October after rains returned, current wholesale prices are still double the depressed levels of early 1994. Prices remain relatively high due mainly to tight U.S. stocks, and partly to some coffee exporters' withholding supplies from world markets.

When New York wholesale prices rose, retail prices followed suit. Following Brazil's reduced crop, retail prices moved up, reaching \$4.48 per pound in November 1994. In March 1995, U.S. prices remained at a relatively high \$4.11, up from 1993's average \$2.47.

Stabilizing Canada's Farm Income

A major component of Canada's current farm policy is its "Net Income Stabilization Accounts" or NISA program,

begun in 1991 and intended as a risk management tool for producers. Under NISA, the Canadian government subsidizes producers who build savings accounts from which to draw in low revenue years, by matching producers' contributions up to a preset limit. Because NISA operates at the farm level rather than on a crop-specific basis, more producers can be covered than under commodity-specific programs. NISA causes little distortion in farmers' decisions, such as on acreage allocations and input levels, and the program involves little government budget exposure in years of low prices.

The effect of a Canadian-style income stabilization program for a 500-acre corn and soybean farm in Iowa was modeled over a 30 year-period, assuming no other farm programs. In one scenario, the producer contributed up to the government matching level, and in the other, nearly twice as much. Variation in the producer's annual income was 21-44 percent less than with no farm program in effect. However, in each scenario, the account was drawn down to zero in some years.

Fresh Cherry Exports Blossom

Export shipments of U.S. fresh sweet cherries reached nearly \$130 million in 1994, up from less than \$50 million in 1987. With freer trade under NAFTA and GATT, export prospects appear bright for the remainder of the decade.

In contrast to the export expansion, U.S. domestic demand for fresh cherries has been declining, attributed to the short marketing season and higher prices compared with some other fresh-market fruits. But rising sales of U.S. fresh sweet cherries abroad has sustained growth in U.S. cherry output. While total U.S. bearing acreage of cherries will likely stabilize for the remainder of the decade, production could continue upward with the maturing of trees planted in the West in the late 1980's.

Agricultural Economy



National Cotton Council

Field Crops Overview

Domestic Outlook—1995 Planting Intentions

U.S. producers plan to greatly expand cotton acreage in 1995, to reduce area for corn, other feed grains, and rice, and to maintain wheat and soybean acreage at close to last year's levels. The first indications of farmers' 1995 planting intentions were released March 31 in USDA's Prospective Plantings report, based on a survey taken in the first 2 weeks of March.

The actual planted area will depend on what happens between early March—when the survey was conducted—and the end of May, by which time most of the crops will have been planted. Major determinants will be the weather, relative prices of commodities, and producers' perceptions of the 1995/96 market. USDA will publish its first supply and demand forecasts for 1995/96 on May 10 and 11.

Farmers are planning a big expansion of cotton acreage. Although cotton is not the largest crop in terms of acreage, this year cotton producers' intentions were watched closely because of the potential for back-to-back record crops.

Cotton producers indicated that they would be planting 16.2 million acres, up 18 percent from last year's planted acreage. This would be the largest area planted to cotton since 1962, and assuming normal weather, another record crop is likely.

The drop in the acreage reduction program (ARP) requirement for cotton from 11 percent in 1994 to 0 for 1995 accounts for much of the increase in cotton's prospective plantings. The strong runup in cotton prices in recent months and favorable new-crop futures prices are encouraging growers to expand cotton area at the expense of corn, soybeans, and sorghum.

All of the cotton growing regions are likely to increase area, but the rise is greatest for the southeastern states—up 45 percent from 1994. In that region, the successful boll weevil eradication program, together with the lower ARP and high prices, are providing producers with strong incentives to increase acreage. Producers intend to raise acreage 15 percent in the Delta, 13 percent in the Southwest, and 7 percent in the West. Much of the rise in area to be planted to cotton in the South will come from area planted to corn last year.

However, cotton supplies could remain tight in 1995/96, even with the huge expected crop in 1995, as 1995/96 beginning stocks will be very low.

Domestic and foreign demand for cotton have been vigorous this marketing year, and are expected to remain strong during the next marketing year. Foreign supplies are expected to increase only modestly, boding well for U.S. cotton export prospects. Some analysts think that these factors could lead to even more acreage being planted to cotton than indicated in the report, especially in the Delta and in California, where irrigation supplies are especially large this year.

Corn area is likely to decline. The Prospective Plantings report shows corn area dropping nearly 5 percent from 1994, to 75.3 million acres. The 7.5-percent ARP in effect for 1995 (up from 0 in 1994) accounts for much of the decline. However, many analysts did not expect such a sharp drop. The soybean/corn price ratio appears to be favoring corn for the coming marketing year, supporting assumptions that producers would plant more "flex" acres to corn and less acreage to soybeans.

Several factors might account for the larger-than-expected decline in prospective corn plantings. The first is the shift from corn to cotton in the South. Second, fertilizer prices are much higher than a year ago. Since corn uses more fertilizer than soybeans, corn's relative cost of production will likely rise, increasing soybeans' attractiveness. In addition, consistent high yields for soybeans over the past few years may lead

Big Jump in Cotton Acreage Seen for 1995

	Planted acres			Percent change 1994-95 *
	1993	1994	1995	
	— — — Million acres — — —			
Corn	73.2	79.2	75.3	-4.8
Sorghum	9.9	9.8	9.2	-5.8
Oats	7.9	6.6	6.8	1.6
Barley	7.8	7.2	7.0	-1.7
All wheat	72.2	70.4	70.9	0.7
Winter	51.6	49.2	49.3	0
Durum	2.2	2.9	3.3	15.4
Other spring	18.3	18.3	18.4	0.3
Rice	2.9	3.4	3.1	-6.5
Soybeans	60.1	61.9	61.5	-0.8
Sunflowers	2.8	3.6	3.5	-1.5
Cotton	13.4	13.7	16.2	18.0

* Calculated from unrounded numbers.
Source: Prospective Plantings, March 31.

Agricultural Economy

cotton to expectations of higher and less variable returns for soybeans than for corn. Finally, some producers in the Corn Belt whose crops have suffered from outbreaks of corn borer infestations may be choosing to rotate out of corn and into soybeans this year.

If corn area falls to the level producers indicated, feed grain supplies will be tighter than earlier anticipated. Producers also signaled that there will be less acreage planted to all the other feed grains. Planted acreage for sorghum will drop to the lowest level since 1929, and for barley, to the lowest since 1926. While planted area for oats will be up, harvested oats area will drop to the lowest level since 1866. Oats are widely used as a cover crop, and on average only 50-60 percent of oats planted area is harvested.

Prospects for lower feed grain supplies mean that weather will be an especially important factor throughout the growing season, and corn prices could become volatile. Even though feed grain beginning stocks in 1995/96 will be nearly double those of a year ago, demand is likely to remain strong in 1995/96, and poor weather and low yields would cause corn prices to rise sharply.

China's actions in the global corn market in the coming months will be another important factor in determining U.S. corn prices. If China buys more U.S. old-crop corn than expected, 1995/96 beginning stocks will decline further than currently projected, leading to tighter supplies and higher prices. And if China's corn exports continue to decline in 1995/96, overseas demand for U.S. corn could expand even more than in 1994/95, further pressuring prices upward.

Soybean area will be down marginally. Producers indicated that soybean planted area would fall less than 1 percent from 1994, to 61.5 million acres. Some analysts had expected a larger decline in soybean area. While area is likely to fall in the Southeast, where cotton will be planted on some soybean acreage, little change is expected in the Corn Belt. Consistent high yields for soybeans in recent years, lower fertilizer requirements than for corn, and rotational con-

U.S. Field Crops--Market Outlook

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price		
	Planted	Harvested									
	— Mil. acres —		Bu/acre	—	—	—	—	—	—	\$/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	1,238	1,250	491		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	10,963	7,350	2,025	1,588		2.20-2.30	
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	407	210	86		2.05-2.15	
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	579	400	70	109		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	440	335	1	104		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	1,540	800	435		5.35-5.45	
			Lb/acre	—	—	—	Mil. cwt (rough equiv.)		—	—	\$/cwt
Rice											
1993/94	2.92	2.83	5,510	156.1	202.5	98.3	78.4	25.8		7.98	
1994/95	3.35	3.32	5,964	197.8	231.5	108.2	83.0	40.3		6.50-6.80	
				—	—	—	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	708	19.7	23.2	11.3	10.0	2.0		*	

Based on April 11, 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.

siderations are all likely causing Corn Belt producers to sustain soybean acreage. And *Prospective Plantings* also indicated that soybean area would expand in Kansas, Nebraska, and South Dakota.

Reduced soybean acreage in the South—where yields tend to be lower—might push up national average soybean yields. Beginning stocks of soybeans will be large in 1995/96, and assuming normal weather, supplies should be ample. Abundant supplies and little change expected in domestic or foreign demand for U.S. soybeans will likely put prices only slightly higher than in 1994/95.

Among the minor oilseeds, prospective plantings are reported only for sunflowers and flaxseed. Flaxseed area will likely increase from 1994, but sunflower area is expected to decline 1.5 percent, to 3.5 million acres. The effect of low prices received for soybeans in 1994/95 spilled over to sunflowerseeds, likely

accounting for the expected area decline in North Dakota, where other crops such as durum wheat and dry beans show strong acreage increases.

Wheat acreage is not likely to change.

Prospective Plantings indicates that 70.9 million acres of wheat will be planted in 1995, about equal to the area planted last year. Spring wheat area—which includes durum wheat—will increase slightly because of high durum prices in 1994/95 relative to other spring wheat. But winter wheat and other spring wheat area will remain almost steady, despite 4 years of season-average prices at \$3 or above and 3 years of 0-percent ARP's.

While USDA reported in January that winter wheat area would expand slightly, the March report showed no increase. One explanation is that wet conditions last fall in eastern Kansas, which prevented some winter wheat area from being planted, may be behind a shift from winter wheat to soybeans.

Agricultural Economy

Producers indicated that acreage planted to durum wheat will rise 15 percent from 1994, to 3.3 million acres, while area planted to other spring wheat, at 18.4 million acres, will be only slightly above 1994's area. High durum wheat prices are likely encouraging farmers to shift area from other spring wheat to durum, especially in North Dakota. In that state, other spring wheat area will drop 7 percent. The decline in other spring wheat acreage in North Dakota will be almost totally offset by rises in Montana and Washington, where adverse weather damaged the winter wheat crop and many growers have likely decided to reseed winter wheat area with spring wheat.

Wheat supplies are likely to remain tight in 1995/96, with no expansion from 1994/95. Wheat crop conditions at the beginning of April were better than a year earlier, portending larger production in 1995/96, given normal weather. But 1995/96 beginning stocks are forecast to be smaller than in 1994/95. U.S. wheat exports are likely to fall in 1995/96, as competitor supplies will likely increase, and global imports are expected to show only modest gains. The reduced foreign demand would moderate rises in domestic wheat prices induced by tight supplies.

A decline in rice area is expected. Rice area will reportedly drop 6.5 percent in 1995, to 3.1 million acres. The 5-percent ARP in effect for 1995 accounts for much of the decline, but relatively low prices compared with a year ago are also likely a factor.

While production is expected to slip below 1994/95's record, supplies will remain ample, given normal weather. Strong export demand is bolstering U.S. rice prices in 1994/95. However, a combination of reduced foreign demand expected in 1995/96, and relatively large U.S. supplies, will likely pressure prices downward in 1995/96.

[Sara Schwartz (202) 501-8514]

Global Market— 1994/95 U.S. Trade Outlook

The export picture for U.S. corn continues to brighten. The projection for U.S. corn exports in 1994/95 continues to climb monthly, and as of April, exports were forecast to reach 51.5 million tons, 53 percent above last year's level. U.S. share of the world corn market is expected to rise to a record 81 percent.

Sharply reduced Chinese corn exports have widened the gateway for U.S. corn exports to Asia. Exports to the region in 1994/95, as of the end of March, accounted for 70 percent of total U.S. corn shipments, up from 60 percent during the same period last year. The recent sale of U.S. corn to North Korea, the first since the Korean conflict, is a symbol of increased market opportunities for U.S. corn in the region.

Tight corn supplies in China have sustained high domestic prices, curtailed exports, and necessitated imports—forecast at 2.5 million tons in 1994/95. Projections of China's corn exports for 1994/95 have continued to sink, and exports are currently forecast to fall to 2.5 million tons, down almost 80 percent from 1993/94.

The forecast for U.S. corn exports to Mexico in 1994/95 was trimmed in April to 2.75 million tons, from 3 million. Continued economic uncertainties in Mexico stemming from the sharp devaluation of the peso, and related weaker demand for imported feed grains, were behind the lower forecast. Although the forecast of U.S. sales to Mexico was revised downward, Mexico's total corn imports—primarily from the U.S.—are expected to grow in 1995 by more than 1 million tons from last year. Mexico's minimum import quota for U.S. corn

World Commodity Market Outlook

	Year ¹	Production	Exports ²	Consumption ³	Carryover
Million tons					
Wheat	1993/94	559.2	99.5	564.3	140.1
	1994/95	525.0	96.5	552.4	112.7
Corn	1993/94	468.8	56.3	505.4	70.5
	1994/95	554.7	63.3	538.0	87.2
Barley	1993/94	170.0	18.5	170.6	31.3
	1994/95	161.5	16.0	167.9	24.9
Rice	1993/94	353.3	16.0	357.7	49.7
	1994/95	356.3	15.7	358.0	48.0
Oilseeds	1993/94	227.6	37.3	187.6	20.0
	1994/95	258.2	43.9	201.6	28.8
Soybeans	1993/94	117.5	28.2	100.7	17.5
	1994/95	138.3	33.0	107.9	24.9
Soybean meal	1993/94	79.8	29.4	80.3	3.3
	1994/95	85.3	30.6	85.0	3.3
Soybean oil	1993/94	18.0	5.0	18.3	1.5
	1994/95	19.4	5.2	19.0	1.6
Million bales					
Cotton	1993/94	76.9	26.7	85.4	29.6
	1994/95	83.8	28.7	85.0	29.3

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.

Grain Traders Face Higher Shipping Rates

Record 1994 crops have pushed U.S. corn and soybean export prices below a year earlier. Yet, even with a weaker dollar reducing delivered prices on U.S. exports, rising ocean shipping rates are causing some regular customers to take a second look at the delivered prices of U.S. grain and soybeans and to shop for lower commodity prices to offset the high freight rates.

Booming world trade in bulk commodities, which include grains, iron ore, coal, phosphates, and bauxite, is pushing up global freight rates to record levels, especially on routes to Asia. These rates are likely to continue because harvest of Southern Hemisphere crops has begun, creating demand for additional shipping.

Freight rates for grain shipments have been on the increase since the fall of 1994 due to rising fuel costs, strong U.S. grain exports, and increasing demand for vessels for nonagricultural trade. Strong demand from China and South Korea for U.S. corn is pushing export commitments to East and Southeast Asia in 1994/95 to nearly 70 percent of total U.S. corn sales, up from an average of 55 percent during 1988/89 to 1993/94.

Much of the jump in ocean shipping costs to Asia can be attributed to increasing iron ore and coal shipments. Grain shipments generally account for less than 20 percent of total world oceanborne cargo movements, while coal, iron ore, and minerals account for 50 percent. Rising steel production in the Far East and Europe, boosted by stronger economic growth in 1994, has resulted in a significant increase in world seaborne movement of coal and ore. And strong economic growth in 1995, particularly in China, is likely to continue to fuel demand for raw materials for steel production.

Ocean shipping rates can be quite volatile, as the total supply of vessel space is relatively fixed in the short term, allowing small changes in demand to have a considerable impact on rates. The increase in demand for vessel space to move coal, ore, and other commodities exceeded the growth in world merchant fleet capacity in 1994.

Tighter vessel supplies, along with a 50-75-percent rise in the costs of some grades of fuel, have caused shipping rates to rise substantially. Average freight rates for U.S. grain shipments from the Gulf of Mexico to Japan reached a record \$31.70 per ton in the first quarter of 1995. These rates are 58 percent above a year earlier, and 27 percent above 1989, when the U.S. shipped similar volumes of corn and soybeans.

Since 1985, U.S. grain exporters have paid, on average, \$12 per metric ton in ocean transportation charges for grain and oilseed shipments from the U.S. Gulf to Europe, and \$20 per metric ton to Asia. During this time, rates to Japan were equivalent to 20 percent of the average Gulf export price for corn and 10 percent for soybeans. The higher ocean freight rates of \$31.68 per ton for corn and soybeans to Japan that grain exporters are presently facing are moving these percentages significantly higher, to 30 and 14 percent.

The competitiveness of U.S. grains, and the sourcing decisions by importers, are dependent on a variety of factors, ranging from supply availabilities to export prices, quality considerations, exchange rates, and transportation costs. Among these factors, transportation costs are critical in the highly competitive international grain market.

The significance of freight rates is highlighted by traditional U.S. customers, such as Japan, taking a second look at delivered prices of U.S. versus South American grain and oilseeds. Lower post-harvest prices for South American corn and soybean exports would tend to swing the competitive advantage temporarily away from the U.S. This year, however, the unusually rapid pace of Argentine corn sales is pushing up export prices, narrowing the Argentine discount to U.S. corn.

The advantage typically enjoyed by Argentina this time of year is also limited by higher costs of shipping to most destinations. While rates for Argentine and Brazilian grain and oilseed shipments to Japan typically follow trends similar to U.S. Gulf shipments, they are generally \$5-\$15 per ton higher due to the longer sailing time to Japanese markets, smaller ships dictated by South American port restrictions, and less efficient ports.

As the Southern Hemisphere's harvest moves into full tilt, demand for the smaller bulk carriers that are used by Argentina to service countries with small port facilities will continue to strengthen. This will raise rates disproportionately for the small ships that do not enjoy the cost efficiencies achieved by larger vessels. The global nature of the shipping industry implies that more upward pressure on freight rates will occur. Overseas corn and oilseed customers will continue monitoring transportation rates, weighing Argentine and U.S. export prices against the higher freight rates.

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Agricultural Economy

under NAFTA is 2.6 million tons in calendar 1995, and early this year the Mexican government authorized import allocations of 3.1 million tons.

Export prospects for U.S. soybeans and soybean oil are still very favorable.

U.S. soybean exports in 1994/95 are projected to reach 21.8 million tons, up one-third from last year, and U.S. soybean oil exports are forecast to exceed 1 million tons, up 45 percent and the highest since 1979. The U.S. share of the world soybean market in 1994/95 is expected to move up 9 percentage points to 66 percent.

Brazil's 1995 soybean crop is forecast at a record 25.5 million tons, 3 percent above 1994, and Argentina's is pegged at 12.7 million tons, also up 3 percent. Despite the huge crops, record global output and consequent low export prices are expected to keep South America's soybean exports in 1994/95 about the same as last year.

Larger U.S. soybean oil exports are forecast, despite higher predicted soybean production in South America, chiefly because of greater-than-anticipated shipments to China. U.S. exports to China are expected to account for about 45 percent of total U.S. soybean oil shipments, up from 11 percent in 1993/94, and less than 1 percent in 1992/93. With world vegetable oil prices high, U.S. soybean oil exports have managed to climb without the aid of export subsidies.

The pace of U.S. wheat shipments is slow. As a result, the projection for U.S. wheat exports in 1994/95 was revised downward in April to 34.2 million tons, leading to only a slight upturn from last year. Sharply lower wheat imports by the former Soviet Union, currently projected at 10 million tons, are contributing to a 3-percent drop in world trade.

The U.S. share of world wheat trade in 1994/95 is estimated to rise to 36 percent, from 33 percent last year. U.S. prospects have been buoyed by reduced competitor exports, especially from the European Union and Australia.

U.S. rice and cotton exports continue to be brisk. Rice exports in 1994/95 are currently projected at 2.95 million tons (milled), up nearly 12 percent from last year, and only slightly below the record 3 million in 1980/81. Strong demand for rice in Asia has bolstered Asian rice export prices, narrowing their traditional large discount to U.S. prices. As a result, U.S. rice has remained very competitive in Latin American and European markets.

Despite record-high cotton prices, the pace of U.S. shipments remains brisk, with exports in 1994/95 projected to jump to 10 million bales, 46 percent above last year. Reduced competitor export supplies have boosted the U.S. world market share in 1994/95 to a forecast 35 percent, up from 26 percent last year.

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Livestock, Dairy & Poultry Overview

The U.S. hog breeding herd is declining in 1995. The hog breeding inventory has continued to shrink since December 1994, and as of March 1 was 3 percent below a year earlier. First-quarter sow slaughter was higher than last year, as continued weak hog prices encouraged additional culling from breeding herds. In addition, the rate at which replacement gilts have been added to the herd has been declining.

The number of sows farrowing during December-February was nearly unchanged from the previous year, but about 5 percent fewer sows are expected to farrow during March-May, based on producers' intentions reported in the March 1 *Hogs and Pigs* survey. The decline in farrowings will likely cause fourth-quarter 1995 production to fall about 3 percent from a year earlier. However, output for the year is still forecast to reach a record 18 billion pounds.

Despite a smaller breeding herd, production in 1996 could be close to this year because of a larger number of pigs saved per sow. The summer-quarter pig crop will be slaughtered in the first quarter of 1996, and June-August sow farrowings are forecast to drop 3 percent from the same quarter a year earlier. More pigs saved per litter could offset the reduced sow farrowings. (Annual increases in pigs per litter in recent years have averaged about 1.5 percent, and the average number saved per litter is about 8.2).

Live hog prices are expected to continue to move lower this spring, although seasonally smaller production during April and May should help offset the effect of weaker pork retail demand. First-quarter hog prices fell 15 percent from the year before, as 7-percent-larger pork supplies flooded the market.

Further seasonal production declines during June and July, and seasonally

Agricultural Economy

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	24,386	2,371	27,286	1,611	548	25,127	67.4	68.84
	1995	548	24,933	2,450	27,931	1,675	450	25,806	68.5	66-69
Pork	1994	359	17,696	743	18,798	531	438	17,829	53.0	40.03
	1995	438	18,038	730	19,206	515	405	18,286	53.8	38-40
										¢/lb
Broilers*	1994	358	23,666	0	24,024	2,876	458	20,690	69.9	55.7
	1995	458	25,233	0	25,691	3,225	490	21,976	73.4	51-54
Turkeys	1994	249	4,937	0	5,187	246	254	4,686	18.0	65.7
	1995	254	5,247	0	5,501	250	300	4,951	18.8	61-64
		— — — — — — — Million doz.						— — — — — — — No.		¢/doz.
Eggs**	1994	10.7	6,176.6	3.7	6,191.0	187.6	14.9	5,186.6	238.5	67.3
	1995	14.9	6,265.0	4.0	6,283.9	190.0	12.0	5,246.9	238.9	64-67

Based on April 11, 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.

heavier retail demand, will likely prod live hog prices higher in the summer, but prices may advance only to the low \$40's per cwt. Large supplies of competing meats will continue to pressure hog prices through this fall, even as year-over-year production declines.

Larger beef supplies will pressure prices. Rising beef supplies this spring and summer will dampen cattle and retail beef prices. Although the number of cattle on feed on March 1 remained below a year earlier, many cattle were ready to be marketed earlier than usual because the mild winter allowed cattle to gain weight rapidly.

Cattle marketed in the spring and summer will be slaughtered at heavier weights, as feedlot placement weights remain heavy. In addition, cattle feeders have delayed marketing dates for some cattle to improve grades and yields. Also, the January-April seasonal decline in weights is expected to be much less than usual. Steer and heifer slaughter weights in the first quarter were near record levels, and are expected to remain high through the summer.

Retail beef prices in 1995 are expected to average 2-4 percent below last year, and if the declines are realized, prices would be the weakest since 1990. In-

creased production of beef and competing meats in the first quarter pushed retail beef prices about 3 cents below a year earlier, and larger meat supplies will likely continue to pressure retail prices for the rest of the year.

Australia, because of the resumption of drought, will likely ship larger amounts of frozen processing beef to the U.S. for the remainder of the year. Rain in early 1995 resulted in reduced slaughter and exports of processing beef to the U.S. earlier in the year. Labor disruptions in slaughtering plants in March also contributed to the decrease in Australian exports. Because domestic supplies are rising, prices for this product have already dropped to the lowest levels since the late 1980's.

Although feedlot placements were near record large this winter, supplies of feeder cattle outside feedlots are plentiful. Larger beginning inventory of stocker-feeder cattle, combined with a jump in imports from Mexico (mainly feeder cattle), have contributed to the increase in supply. Imports of cattle in January-February swelled to 321,043 head, up 46 percent from a year ago, and data from USDA's Animal and Plant Health Inspection Service suggest imports remained large in March.

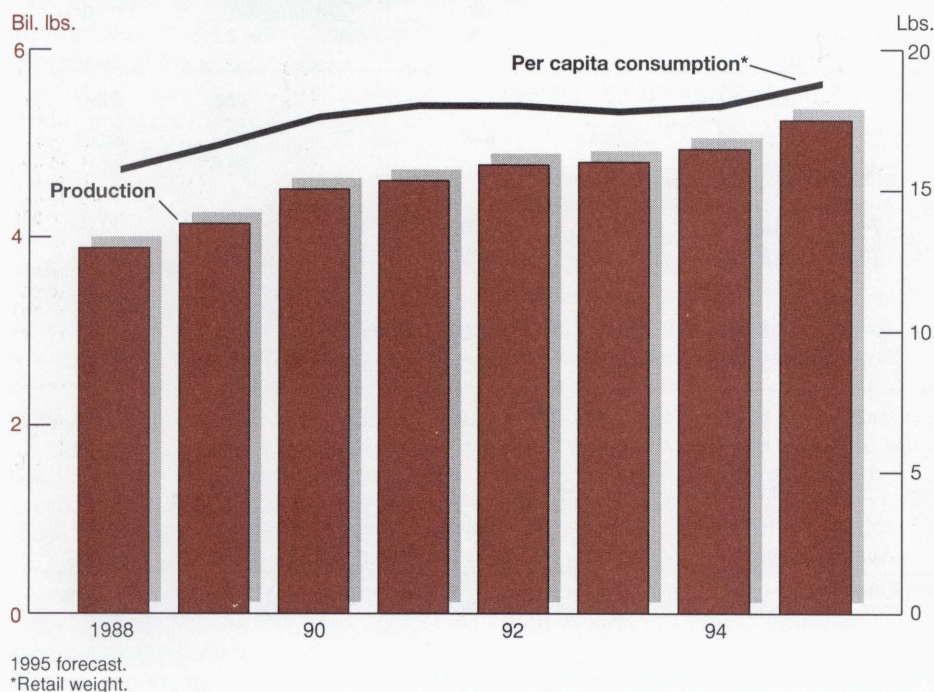
Declining fed-cattle prices since mid-March and large supplies of heavier feeder cattle moving off pasture forced down average prices for 750-800-pound feeder steers to the mid-\$60's per cwt in mid-April. Feeder cattle prices will likely remain weak through the summer, despite strong demand for stocker cattle due to favorable early-spring grazing conditions in most areas.

Beef exports in 1995 are projected to rise 4 percent from last year, despite smaller expected shipments to Mexico. U.S. beef exports to Mexico declined sharply in early 1995 as a result of the peso devaluation and its adverse impact on consumer incomes. Exports to Pacific Rim countries are likely to expand, especially to Japan because of the yen's strength relative to the dollar, boosting overall sales.

Broiler output will expand less than expected. With first-quarter slaughter weights below expectations, the 1-2-percent gain in weights projected earlier for 1995 is unlikely to materialize. January weights were unchanged from last year, and weights in February and March were up less than 1 percent. If slaughter weights continue lighter than expected, broiler output in 1995 could expand slightly less than the 6-7 percent currently projected.

Agricultural Economy

Turkey Production and Consumption To Reach Record



Whole-broiler prices in March and April were about 5-7 cents per pound below last year. Vigorous exports, especially to Russia, have supported leg-quarter prices, and fast-food promotions have lifted wing prices about 15-30 percent higher than a year earlier. But breast-meat prices continue to be depressed by increased broiler output and larger supplies of competing red meats. Wholesale breast prices during March traded 15-20 percent below a year earlier, the lowest since 1979.

Broiler exports in 1995 are forecast to climb to over 3.2 billion pounds, a 12-percent increase from 1994 and about 13 percent of production. Continued economic growth in Asia and the weakness of the dollar against some Asian currencies are expected to increase demand for U.S. poultry meat in the region. Strong sales to Russia are also predicted. Shipments to Mexico, however, are projected to decline in 1995 because of the peso devaluation. The recent approval of Export Enhancement Program funding for whole and cut-up broilers will aid exports to some countries this year.

Per capita turkey supplies will be record large. Increased production, up about 10 percent in the first quarter, and flat export sales, have caused domestic sup-

plies to grow. Cold storage stocks have been building, with stocks on March 1 up 20 percent from a year ago. Exports of turkey thighs to Mexico—the largest customer for U.S. turkey meat—are expected drop sharply because of the devalued peso. However, Mexican consumers may be switching purchases from turkey parts to lower priced ground turkey, or to chicken leg quarters, which might be behind the recent U.S. wholesale price gains for those items.

Wholesale turkey prices in the first quarter were slightly below last year due to increased supplies, although the introduction of rotisserie turkey breast entrees in restaurants and grocery deli sections has bolstered turkey prices somewhat. First-quarter retail turkey prices were above a year earlier, and the wholesale-to-retail price gap widened to a more usual level. For the year, retail turkey prices are forecast to average 2 percent below 1994.

Commercial use of dairy products will increase. Continuing economic growth and steady retail dairy prices will boost commercial use of dairy products in 1995. Sales of skim solids are projected to expand about 2 percent, and domestic commercial milkfat use could rise at about the same rate. Strong exports of

unsubsidized butter (non-Dairy Export Incentive Program sales) are likely to add about 1 percent to the gain in commercial milkfat use.

Larger use of cheese, butter, and fluid milk is forecast for 1995. Cheese sales were robust early in the year, and exports will spur commercial butter use, despite slower expected growth in domestic butter sales. Commercial use of nonfat dry milk will likely be unchanged or decline from last year, as larger milk output projected in the Midwest will reduce nonfat dry milk use in cheese production. Surpluses of milkfat and skim solids are forecast to remain below 4 percent of production. But with slightly larger surpluses of skim solids in 1995 than last year, farm milk prices will dip 2-5 percent.

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Upcoming Reports—USDA's Economic Research Service

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

May

- 11 Cotton & Wool Outlook (4 pm)**
- 12 Feed Outlook (4 pm)**
Oil Crops Outlook (4 pm)**
Rice Outlook (4 pm)**
Wheat Outlook (4 pm)**
- 15 Cattle & Sheep Outlook (9 am)
- 16 Poultry Outlook (9 am)
- 19 Agricultural Outlook* (3 pm)
- 22 U.S. Agricultural Trade Update (3 pm)
- 23 NAFTA (3 pm)*
Livestock, Dairy, & Poultry (9 am)
Former USSR (3 pm)*
- 31 Agricultural Exports (3 pm)*

*Release of summary

**Available electronically only

Specialty Crops Overview

U.S. dry edible bean growers will plant another big crop. Encouraged by relatively high prices and expanding export demand since October 1994, growers in 1995 will plant more than 2 million acres for the second consecutive year. That represents a 2-percent increase over 1994.

Dry bean production in 1995 could top 30 million cwt—assuming average yields—up from 29.2 million in 1994. But while last year's crop was 33 percent higher than the previous year, the average monthly price since the fall 1994 harvest has declined only 10-15 percent from 1993. What has kept prices from dipping lower is that exports have been running 50 percent ahead of a year earlier since October. Unless export demand keeps pace, the two successive large crops would put downward pressure on prices in early 1996.

Exports of dry edible beans average about 30 percent of U.S. production. The major destinations for U.S. dry bean exports are Western Europe (42-percent share of exports), Latin America (24 percent), Africa (15 percent), and Asia (12 percent). During October 1994 to February 1995, exports totaled 4.1 million cwt, compared with 2.8 million a year earlier.

While exports are a significant factor in the demand for dry edible beans, an upward trend in U.S. consumption is also boosting the market. In 1994, per capita use of dry beans exceeded 7 pounds, up from 5 pounds a decade ago. Dry edible beans comprise many types, and their uses differ by type. The growing popularity of Mexican cuisine and increases in the U.S. Latino population have led to a bigger market for pinto and red kidney beans. Consumption of navy and Great Northern beans has expanded more slowly, but black turtle soup beans are gaining in popularity.

The bean industry is in the midst of an expansionary phase of a production cycle. In a typical cycle, producers expand output for 2-3 years, then cut back after a buildup of inventories depresses prices. Dry beans are currently selling at a profitable \$22 per cwt. Ordinarily, when the season-average price drops below \$20 a cwt, the market is telling growers to reduce area planted. But as long as prices stay above \$20, growers increase area planted the next season. Bean dealers are able to store dry beans, even into the next season.

North Dakota, Michigan, Colorado, and Nebraska are the four major states producing dry edible beans. Although the mix of dry beans differs in each state, together these states account for about two-thirds of total U.S. dry bean area. North Dakota, Colorado, and Nebraska specialize in pinto beans, Michigan and North Dakota in navies, and Nebraska in Great Northerns. In 1995, prospective area for dry beans in both North Dakota and Michigan is up 5 percent, Colorado up 2 percent, and Nebraska unchanged.

Market indicators signal a cutback in prospective fall potato plantings (not estimated by USDA). The marketing-year average price of 1994-crop potatoes is headed down to \$5 a cwt, nearly 20 percent below the 1993 price. Fewer

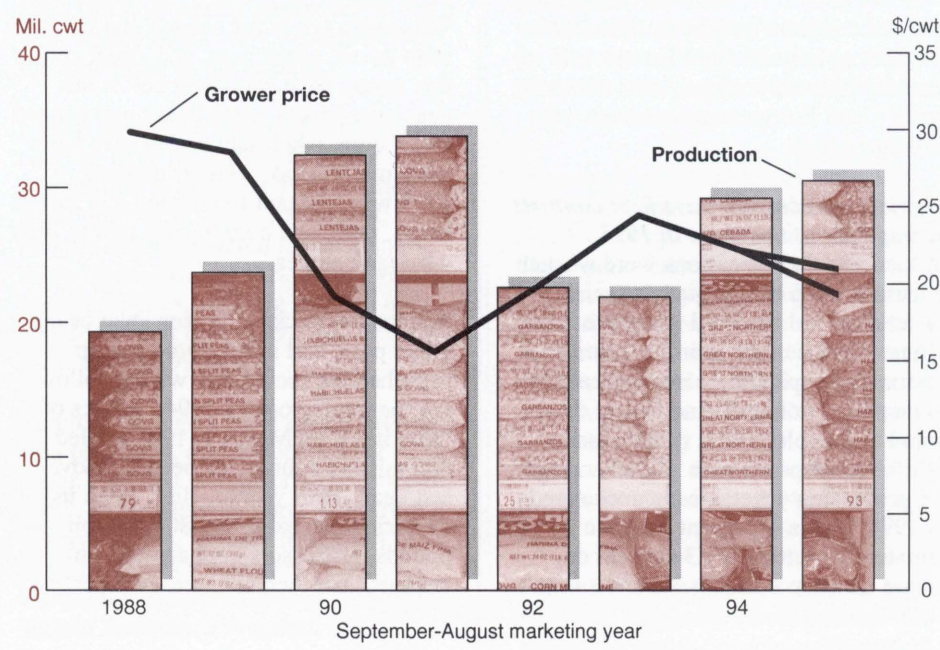
potatoes for seed were shipped this winter, supporting a consensus that potato acreage planted this spring for the fall crop is also likely down.

Acreage contracts for processing potatoes are normally completed by early April, and contract specifics vary by region. The general mood among western potato processors is cautious. At least one major firm in the Columbia River Basin of Washington and Oregon has negotiated significant cuts in acreage.

Growers typically cut back on fall potato plantings when the average price falls as it has this year. During January to March 1995, potato prices averaged \$4.92 a cwt, 27 percent below the same period in 1994. Growers last cut acreage in 1992 (4 percent) after January-March prices hit \$4.26 a cwt. Based on recent trends in price and acreage, 1995 fall acreage is likely to drop 1-3 percent from 1994. Fall potato area has varied between 1 and 1.2 million acres, with 1.21 million planted in 1994.

Exports of U.S. potato products (e.g., potato chips, french fries, and dehydrated potatoes) are up. However, growers are sensing that if Western Europe has favorable growing conditions during 1995, the booming exports to that region

Dry Edible Bean Prices Still Support an Expansion Phase



1995 projection.

Agricultural Economy

Issues in U.S.-Canada Sugar Trade

Canadian sugar producers have expressed concern about the potential for U.S. sugar exports to Canada and new limits on Canadian sugar exported to the U.S. Some U.S. sugar which has been blocked from the domestic market under U.S. sugar marketing allotments is being exported to Canada. Furthermore, Canadian sugar exports to the U.S. have been cut following implementation of the Uruguay Round GATT accord, and U.S. reclassification of certain sugar-containing products will limit Canadian exports.

Canada's demand for raw sugar is met mostly by imports, which average about 1.2 million short tons a year. Canada also has two beet sugar factories which produce about 150,000 tons of sugar annually. Under the U.S. Refined Sugar Re-Export Program, the U.S. imports, refines, and re-exports over 100,000 tons to Canada at world prices. In addition, some of the domestic sugar the marketing allotments are blocking from U.S. sales could be exported to Canada.

Canada has been shipping 40-50,000 tons of refined beet sugar annually to the U.S. in recent years. But the new U.S. tariff schedule, beginning January 1, 1995, will limit those shipments to less than half the recent levels. For the period January 1-September 30, 1995, the Canadian within-quota amount is 8,800 tons raw value (8,000 metric tons).

As of January 1, 1995, the U.S. placed several categories of sugar-containing products into tariff categories with tariff-rate quotas (i.e., fixed amounts can be imported at low tariffs and additional quantities face higher tariffs). Canada had been rapidly increasing exports of these products, such as powdered-drink mixes. They will now be limited to a tariff-rate quota of about 72,000 tons (64,000 metric tons), well below the amounts Canada had been exporting to the U.S.

In response, Canadian sugar companies in March filed antidumping and countervailing duty charges against the U.S. and other countries. The Canadian Department of National Revenue has accepted the petition.

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will not continue next year. The 1994 potato supply in Western Europe was severely reduced by low yields and poor quality, and European prices have been extremely high.

Vegetable processors have kept contract acreage about the same in 1995.

Influencing their decisions were weaker prices for snap beans, green peas, and sweet corn and the need to reduce inventories. On the other hand, tomato processors are expanding acreage, reacting to increased domestic and export demand and stable prices, despite last year's record production. Total acreage for processing vegetables is unchanged in 1995, with a 4-percent increase in tomatoes offsetting a 1.3-percent decrease for snap beans, peas, and sweet corn.

Wholesale prices for canned and frozen snap beans, green peas, and sweet corn this spring have been well below last year. For frozen green beans and canned sweet corn, wholesale prices have been particularly weak. Export demand in 1994 was stagnant for canned and frozen beans, peas, and corn, due in part to high wholesale prices.

Warehouse stocks of frozen snap beans, green peas, and sweet corn have approached the record this winter, following the large crops of 1994. Stocks of these items on March 1, 1995 totaled 805 million pounds, 22 percent above last year. Four years earlier, when inventories also exceeded 800 million pounds, processors kept acreage unchanged, but then cut acreage 6 percent

the following year when stocks surpassed 900 million pounds. Similarly, if processors cannot increase sales in 1995, a buildup in stocks is likely to force area cuts in 1996.

Tomato processors, on the other hand, continue to test the market's potential with another increase in area under contract. Processors packed a record 11.4 million tons of tomatoes in 1994, and the 1995 crop could top 12 million tons. The large supplies have not pushed down wholesale prices for canned tomatoes and tomato products, due in part to increases in export demand.

Tomato paste and sauce exports have increased an average 25 percent per year since 1990, and could total 225,000 tons in 1995. Converted to a farm-weight equivalent, paste and sauce exports would account for nearly 10 percent of the total crop. Canada is the major foreign market for U.S. tomato paste and sauce, with a 60-percent share of U.S. exports in 1994. Canada is also a rapidly growing market, vaulting over 30 percent per year since 1990.

U.S. growers intend to plant 1.45 million acres of sugarbeets in 1995, down 2 percent from last year. Over half of the decline is expected in California, where the 125,000 acres would be the lowest since World War II. Higher prices for alternative crops such as cotton and processing tomatoes explain some of the decline. Another factor is the relatively lower beet sugar prices in California brought on by increased competition from beet sugar producers in the northwest and central regions of the country.

Planted acreage in Minnesota and North Dakota, which account for 43 percent of national acreage, is forecast down 1 percent, ending several years of expansion. The cooperatives in those two states are unable to sell significant amounts of sugar this year due to domestic marketing allotments, and they may carry surplus stocks into next year.

The 1995 sugarbeet crop is unlikely to top last year's record of 32 million tons, which resulted from a near-record yield of 22.2 tons per acre. USDA will report its first forecast of beet and cane sugar

Agricultural Economy

production on May 11, and its first estimate of 1995 sugarcane acreage on June 30.

U.S. tobacco manufacturers are looking to foreign markets. While U.S. cigarette output rose about 8 percent last year, domestic use was flat. In 1994, U.S. cigarette consumption shrank 1 percent from 1993, to 2,514 cigarettes per capita. Per capita consumption is expected to continue declining in 1995 as prices rise, public smoking restrictions proliferate, and adverse publicity continues.

On the other hand, the value of U.S. leaf and tobacco product exports rose 20 percent in 1994 to a record \$6.7 billion, supported by an increase in cigarette shipments. Booming cigarette sales abroad accounted for a record U.S. trade surplus in leaf and tobacco products, exceeding \$5.8 billion. Cigarette exports rose 13 percent to 220 billion, while exports of unmanufactured leaf fell 5 percent to 434 million pounds.

Exports of U.S. tobacco leaf may fall further in 1995 because of ample foreign supplies and lower foreign prices. Competition from Brazil, Zimbabwe, and Malawi, and reduced consumption in Canada and the United Kingdom, will hold down U.S. exports. However, if the 1995 U.S. flue-cured crop is of high quality, exports could pick up in late 1995.

USDA set this season's burley marketing quota at 549 million pounds, 1 percent above last year. However, the 1995 quota effectively totals about 576 million pounds because of adjustments from last season's actual marketings. The effective quota is 30 million pounds less than last season's marketings.

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Commodity Spotlight



Northwest Cherry Growers

Exports Boost Prospects for Fresh Sweet Cherries

Increased exports of fresh sweet cherries from California and the Pacific Northwest since the early 1980's have sustained growth in U.S. cherry output. With freer trade under NAFTA and GATT, prospects appear bright for U.S. fresh sweet cherry exports during the remainder of the decade.

Export shipments of U.S. fresh sweet cherries have risen from less than \$50 million in calendar 1987 to about \$130 million in 1994. As a result, exports have accounted for an increasingly larger share of U.S. fresh sweet cherry supplies, growing from an average 24 percent during 1985-89 to one-third during 1990-94.

Funding through USDA export promotion programs, and the opening of Japan's market to California cherries in 1987, have helped to boost U.S. fresh cherry exports. (Under the export programs, such as the Market Promotion Program and its predecessor Targeted Export Assistance Program, USDA

shares the costs of promotions with commodity and regional trade associations and eligible companies, which conduct the promotional activities.)

Japan—the top export market for U.S. fresh sweet cherries—took 34 million pounds in 1994, or just over half of all U.S. fresh sweet cherry exports. Canada accounted for 20 percent, Western Europe 12 percent, Taiwan 10 percent, and Hong Kong nearly 5 percent. U.S. sales of sweet cherries to Japan have blossomed because Japanese cherry production is insufficient to satisfy demand and Japanese consumers are willing to pay more than U.S. consumers for high-quality cherries.

Japan has allowed imports of U.S. fresh cherries since 1978. But until 1992, when Japan lifted the only remaining restrictions, imported cherries could be sold only within a limited time period each year, so that the imported fruit would not compete with local cherries. The removal of restrictions has allowed West Coast cherries to be transported to Japan earlier in the year, and has permitted California to ship the fruit at its peak harvest time.

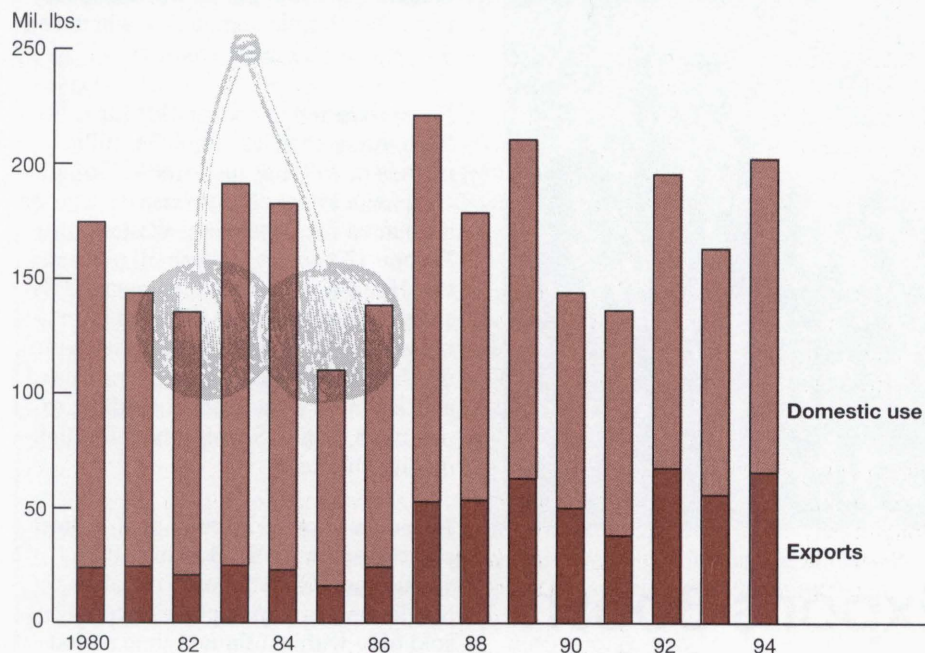
Future exports to Japan could be thwarted by a prospective EPA ban on the fumigant methyl bromide after 2001. Japan requires that imported cherries be fumigated to treat for codling moth, and a substitute for methyl bromide has not yet been found. Japan's import demand for U.S. cherries also hinges on the quality of the U.S. crop and the performance of the Japanese economy.

In contrast to expanding exports, U.S. domestic demand for fresh cherries has been declining. Among the reasons are that fresh cherries have a short marketing season (May-July) and are relatively expensive compared with some other fresh-market fruits. In addition, rising exports have reduced U.S. supplies for domestic consumption. Per capita consumption fell by about 28 percent over the last decade, from an average 0.61 pounds in 1980-84 to 0.44 pounds in 1994.

Further, growth in U.S. consumer demand for processed sweet cherries has stalled, as health-conscious consumers

Commodity Spotlight

Export Share of U.S. Fresh Cherry Production Is Up from the 1980's



Includes imports, which comprised less than 2 percent of domestic use, on average, since 1980.

have switched from sweetened, processed products to fresh fruit. Typically, about half of the U.S. sweet cherry crop is used fresh and half is processed. On average, one-third of the last four sweet cherry crops was brined (mainly for maraschino cherries), 5 percent was canned, and 9 percent was frozen, dried, or used for juice. (Soaking cherries in brine—a sulfur dioxide solution—is the first step in the maraschino process.)

The annual average amounts of cherries brined—the largest processing use of sweet cherries—declined about 2 percentage points between 1985-89 and 1990-94. Over the same period, canned use has declined, while freezing and drying use has increased slightly. Typically, over half of U.S. canned sweet cherries is exported, compared with less than 10 percent of maraschino cherries.

The presence of sulfites and dyes in maraschino cherries caused some consumer alarm in the 1980's. The Food and Drug Administration prohibited the use of red dye #3, a nonbleeding dye that had been used for fruit-cocktail cherries (not for cocktail-style maraschinos, which use a vegetable-based dye).

California Cherry Supplies Tight in 1995

Sweet cherries from California—the third-largest producer of U.S. sweet cherries after Washington and Oregon—may be in short supply in May. Heavy rains in California in March slowed honeybee activity, resulting in poor pollination. However, cherries from Washington will be available in June and July. Washington and California supply mainly dark, sweet Bing cherries for fresh use, while Oregon and Michigan supply predominantly light-colored cherries for the maraschino process.

California produces cherries for the fresh market earlier in the spring than any other state, and usually receives the highest season-average prices. Harvest of California's sweet cherry crop begins in late April and continues through early June. More than half of the crop is usually harvested during the last 2 weeks of May. In the last four seasons, grower prices for California fresh-market sweet cherries averaged 85 cents a pound, compared with 72 cents for Washington cherries and 58 cents for cherries from Oregon.

California harvested, on average, nearly one-fifth of all U.S. sweet cherries in 1991-94, providing 30 percent of fresh supplies and 10 percent of processed supplies. Most of the state's production comes from the northern San Joaquin Valley.

During the same period, Washington's output accounted, on average, for 42 percent of all U.S. sweet cherries, providing 52 percent of fresh supplies and 29 percent of processed (42 percent of canned). Washington's sweet cherry orchards are located in the central part of the state, almost entirely in the arid region east of the Cascade Mountains. Major cherry producing areas are in the Yakima Valley and along the Columbia River near Wenatchee.

Oregon is usually second to Washington in sweet cherry output, producing 23 percent of the U.S. crop, on average, in 1991-94—nearly 13 percent of fresh sweet cherry supplies and 34 percent of processed. Sweet cherry orchards are located mainly in north central Oregon, near the Washington border—with production concentrated in a small area known as the Dalles—and in the western part of the state in the Willamette Valley.

Total utilized sweet cherry output in 1994 from Washington, Oregon, California, Michigan, Pennsylvania, New York, Montana, Idaho, and Utah reached 385.7 million pounds, over \$200 million in farm-gate receipts. This was up 20 percent from 1993's reduced harvest of 321.1 million pounds. Washington and California provide the majority of the U.S. fresh cherry supply—82 percent in 1991-94—while Oregon and Michigan supply cherries used mainly for brining, accounting for 64 percent of all U.S. brined cherries in 1991-94.

Half of Production Costs Are Harvesting, Marketing

U.S. sweet cherry output is highly variable, with annual fluctuations due mostly to weather conditions. Over the last decade, total production (including non-utilized output) has ranged from a low of 265 million pounds in 1985 to a peak of 430 million in 1987.

Sweet Cherry Varieties Abound

Although not native to North America, cherries have been regarded as an American fruit since about a century before George Washington admitted cutting down a cherry tree. The sweet cherry is probably native to the Caspian-Black Sea area of Europe and to parts of Asia as far east as northern India. Early colonists brought sweet cherry seeds to America, where the first recorded cultivation was in Massachusetts in 1627. The first record of grafted or budded named varieties appeared in New York in 1767. Sweet cherries had been carried west by travelers into Michigan by 1750 and to California missions by 1800. Commercial orchards were established in the Pacific Northwest in the mid-1800's and in California in the early 1900's.

The sweet cherry is a drupe or stone fruit that, along with almonds, peaches, plums, and apricots, belongs to the genus *Prunus*. Both sweet and sour (tart) cherries belong to the same family, *Rosaceae*, but to different species. Sweet cherry trees have larger leaves than sour cherry trees, and the fruit is larger.

Sweet cherry trees can grow very tall, but in commercial orchards they are usually no more than 15 feet. The fruit is a berry, consisting of a single seed (stone) surrounded by flesh, growing on a 1-3-inch stem. Sweet cherries can be round or heart-shaped and are usually between 0.75 and 1.25 inches in diameter. Fruit color varies: "light" cherries have clear to light yellow flesh and the skin is yellow, sometimes with a pink blush; "dark" cherries usually have purplish-red flesh and skin color varying from mahogany to black.

There are more than 500 sweet cherry cultivars (varieties) in the world, but fewer than 20 are commercially important in the U.S. In addition to fruit color and size, varieties differ in cold tolerance, hardiness, and in resistance to rain cracking. Some varieties are more suited to growing conditions in one area than in another.

Bing is the dominant sweet cherry cultivar grown commercially in the U.S. Although not as vigorous as some varieties, *Bing* produces large, firm, mahogany-colored fruit with excellent storage and shipping qualities. The stone is relatively small and the flesh is thick, crisp, and juicy. However, the fruit is susceptible to rain cracking and doubling (two

cherries on one stem). *Bing* cherry trees are reasonably vigorous in the Pacific Northwest, but lack cold hardiness and are susceptible to a number of diseases.

The *Lambert* cultivar has a wider geographic adaption than the *Bing* because the trees are more vigorous and cold-tolerant, but the fruit is also susceptible to rain cracking. *Lambert* cherries are moderately firm and dark colored, but not as dark as *Bing*. They have a milder flavor and ripen about a week later than *Bing*. *Lambert* cherries are firm enough to be transported for fresh use and are also suitable for processing.

The *Napoleon* variety (also called *Royal Ann*) has clear-to-yellow flesh, and the skin has a variable amount of pink blush on a yellow background. *Napoleon* cherries usually ripen a few days before *Bing*, but are easily bruised and not suitable for long-distance shipping. The fruit is moderately firm-fleshed with a slightly acidic flavor and is widely used for canning and brining. Although hardy when dormant, *Napoleon* trees are quite susceptible to early fall freeze damage, but more resistant to rain cracking than *Bing*.

The *Rainier* cultivar was developed in Washington from *Bing* and *Van* progeny, and introduced in 1960. It combines cold-hardiness with large fruit size. *Rainier* cherries have sufficient firmness for distance shipping and are suitable for brining and canning. The fruit's skin color is yellow with considerable pink blush, the flesh is clear, and the juice is colorless.

Larian and *Early Burlat* are dark-colored sweet cherry varieties developed in California during the 1960's. They ripen earlier than *Bing* and are more heat-tolerant. *Larian* is compatible with *Bing* for pollinization and is more resistant to rain cracking.

Gold, the dominant variety grown in Michigan, produces small, sweet cherries with yellow skin and no blush, which are well suited to brining. *Gold* cherries mature later than the *Napoleon* variety and are less susceptible to fungal disease and rain cracking. *Emperor Francis* is another popular cultivar used for brining in Michigan. The fruit is similar to *Napoleon* in color—yellow with a red blush—but larger sized, and earlier maturing.

Sweet cherries are especially vulnerable to damage from rain and freezing temperatures. Rain during, or just preceding harvest can cause the skin of the fruit to crack, rendering it totally unmarketable. Rain within 10 days of harvest is likely to cause substantial damage to the fruit, and rain within 5 days of harvest can cause severe damage. A slow, warm rain

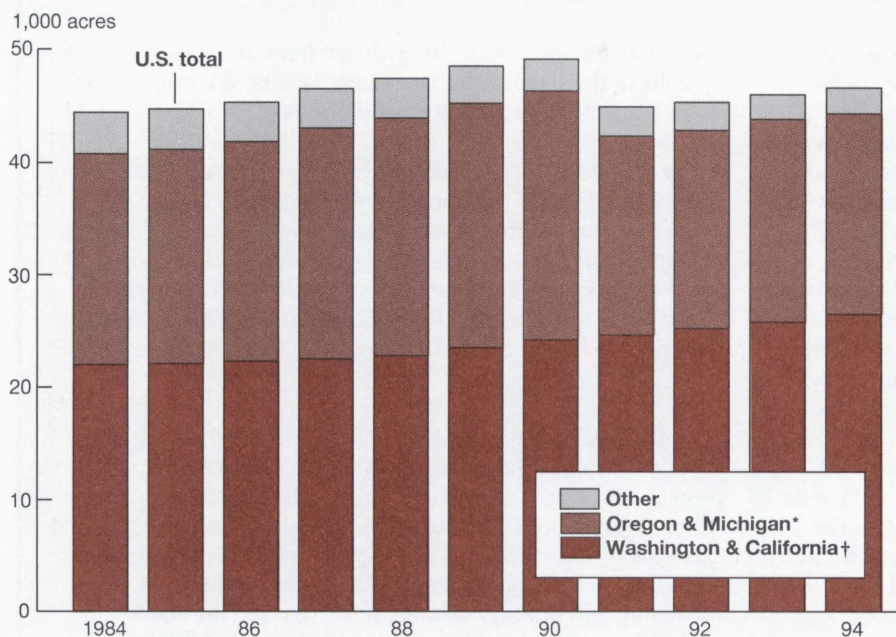
has the most potential for harming the fruit.

Freezing temperatures are a major hazard to sweet cherries. Cherry buds are more sensitive than other buds to spring frosts just before flower clusters are fully open. In most areas, cherries blossom early, while spring frost is still a threat. Sudden drops in winter tempera-

tures can kill flower buds, and extreme cold can damage the tree. Growers use wind machines (or even helicopters) to dry cherries after rain, as well as to prevent frost and freeze damage. Growers can also raise the temperature a few critical degrees with orchard heaters and irrigation water.

Commodity Spotlight

Washington and California Expand Cherry Acreage



*Provided 64 percent of cherries for brining in 1991-94. †Provided 82 percent of cherries for fresh market in 1991-94.

As is typical for other hand-picked fruit, harvesting and marketing costs amount to half of the total production costs for sweet cherries. Labor costs are high because the highly perishable and fragile fruit must be handled carefully, picked within a short time period, and kept at cool temperatures immediately after harvesting.

Use is determined mainly by variety and handling method (hand picked or mechanically harvested). Undersized and/or blemished cherries that do not meet fresh-grade standards are often processed. Maturity (ripeness) and cosmetic standards are somewhat lower for processing than for fresh use. Smaller, mechanically harvested fruit with no stem can be brined immediately (the brine acts as a preservative and bleaching agent) and processed into maraschino cherries for fruit cocktail, yogurt, candy, cake, and ice cream.

The degree of maturity when picked is a major determinant of cherry quality and shelf life. Cherries do not continue ripening in storage, and those picked too

early will have a sharp, sour taste and may shrivel soon after harvest. On the other hand, if cherries are fully ripe or overmature when picked, they quickly lose their gloss and flavor, and are more susceptible to decay.

Both color and sweetness are indicators of maturity. After the fruit matures, harvest dates are particularly critical. Mature sweet cherries can be kept on the tree for only 7-10 days, and during that time most varieties are very susceptible to rain cracking.

Sweet cherries intended for the fresh market or for premium-priced cocktail-style maraschino cherries (used in alcoholic drinks and on ice cream sundaes) are picked by hand with the stems attached, rather than mechanically harvested, as the stems are easily detached when shaken by mechanical pickers. Leaving the stem attached minimizes fruit shrinkage during storage and transit, but careful handling is required to avoid punctures and scratches by stems. Cherries can be easily bruised, which accelerates fruit breakdown and reduces shelf life.

Because cherries are highly perishable, immediate and continuous cooling to slow respiration and retard moisture loss is essential after harvest. Picked cherries are kept covered and out of the sun, and are transported to packing facilities no more than 2 hours after picking. Boxes or bins of newly harvested cherries are sometimes placed in 36-40° F storage rooms overnight to reduce field heat.

Some handlers have installed hydro-cooling systems, which shower or submerge cherries in cold water as they are graded and sorted along the packing line. Packed cherries are usually placed in cold storage overnight to bring fruit temperature down close to 32° F before shipping. Sweet cherries that have been sealed in polyethylene can be held at 31-32° F for 2 weeks after harvest without quality deterioration.

Over the last decade, cherry acreage has expanded in Washington and California, and has decreased in Oregon and Michigan. Bearing acreage was estimated up nearly 30 percent in Washington and 11 percent in California, but down nearly 8 percent in Michigan and 3 percent in Oregon. Growing export demand for fresh cherries has encouraged increased plantings in Washington and California, while flat demand for processing cherries has discouraged replanting in Michigan, where acreage fell sharply in the late 1980's due to freeze damage.

In 1994, Washington had 14,500 acres of bearing-age sweet cherry trees, California had 12,000 acres, Oregon 10,500 acres, and Michigan 7,400. For the rest of the 1990's, total U.S. bearing acreage of cherries—46,700 acres in 1994—will likely stabilize due to a slower planting rate in Michigan than in the late 1980's. However, production could continue on an upward trend as trees planted in the West in the late 1980's mature.

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World Agriculture & Trade



Chile: The Next NAFTA Partner

The goal of a "Free Trade Area of the Americas" (FTAA) is to progressively reduce and eliminate barriers to trade and investment among countries in the Western Hemisphere by 2005. President Clinton and 33 other heads of state agreed at the Summit of the Americas on December 12, 1994 to form an FTAA. As a significant first step, President Eduardo Frei of Chile, together with the leaders of the U.S., Canada, and Mexico, announced that Chile had been invited to join the North American Free Trade Agreement (NAFTA). Formal negotiations will be underway by mid-1995.

With Chile's accession to NAFTA, the U.S. would gain economically by increased trade and opportunities for investment. In addition, this would be the first step toward further opening the rest of the hemisphere to U.S. agricultural exports. Politically, the most important ramification would be the precedent set for future hemispheric economic integration.

While the impact of Chile's accession to NAFTA on U.S. agriculture will depend on the final terms of the treaty, the effects as a whole will be small because Chile's tariffs are already low. However, some subsectors could benefit from increased export opportunities. Even without a formal free trade agreement (FTA), U.S.-Chile trade has expanded in recent years because each country offers products that attract the other. An FTA will formalize and reinforce what has already occurred because of liberalized trade initiatives in both economies.

Reforms Have Strengthened Economy

Chile has a population of 13.8 million—5 percent of the U.S. population, or about equal to the state of Florida. Chilean per capita income in 1993 was \$3,170, about 13 percent of the U.S. level.

Chile's climate, similar to California's, supports the production of a variety of farm goods. Arable land area is about 50,000 square kilometers, less than 3 percent of that in the U.S. Approximately a quarter of Chile's arable land is cultivated. Wheat covers over 40 percent of the cultivated area, while corn and fruit cover about 10 percent each. Beef, sugarbeets, rice, tobacco, poultry, pork, and wine are also important farm products.

Chile was selected as the next in line for NAFTA membership partly because its sweeping economic reforms undertaken in the mid-1970's have created one of the most open, market-driven economies in the world. The reforms opened the country's borders to world trade, ending an era of protectionism. Chile's economic success has resulted to a large extent from privatization of key industries, trade liberalization, diversification of the export base, and significant debt reduction. Total external debt as a share of exports of goods and services in 1994 was 145 percent, compared with 272 percent for Mexico and 280 percent for Latin American countries on average.

As a result of the reforms, Chile's economy is stable and robust today. Its GDP has grown at an average annual rate of

more than 6 percent since the late 1980's. The country also has increasing rates of domestic and foreign investment, and falling rates of unemployment and inflation. Total investment growth was 15.7 percent in 1993, more than twice the growth in GDP. Chile's unemployment fell from 5.7 percent in 1990 to 4.5 percent in 1994, the lowest in 30 years. The inflation rate was 12 percent in 1994, down from 26 in 1990.

The Chilean government's agricultural and trade policies have remained relatively market-oriented and nondistorting since the reforms. As a result, the agriculture sector has flourished, and total agricultural output expanded 70 percent between 1975 and 1993. The agriculture sector currently accounts for just under 10 percent of Chile's GDP, and agricultural, forestry, and fishery product exports are approaching a 40-percent share of Chile's total exports.

A Small but Growing U.S. Market

Chile is a small but rapidly growing market for U.S. products. Since 1990, total U.S. exports to Chile have grown 13 percent per year, resulting in an expanding U.S. trade surplus with Chile. In 1994, total U.S. exports to Chile amounted to \$2.8 billion. This comprised a small proportion of total U.S. exports, however—less than half a percent. Imports from Chile in 1994 totaled \$1.8 billion.

U.S. agricultural exports to Chile have increased at a robust pace in recent years, peaking at \$108 million in 1993. (A decline to \$98 million in 1994 was principally because of a decline in wheat exports.) Despite the upward trend, the U.S. has run an agricultural trade deficit with Chile since 1985.

U.S. agricultural exports to Chile are highly diversified, and export volumes of individual commodities fluctuate significantly from year to year. The two most important commodities the U.S. exported to Chile during 1991-93 were wheat and coarse grains, accounting for, on average, 11 and 30 percent of U.S. agricultural exports to Chile.

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U.S. agricultural imports from Chile represent just 2 percent of total U.S. agricultural imports, and fruits account for a large proportion. The U.S. purchased \$543 million in agricultural products from Chile in 1994, about 70 percent of which were horticultural products (including fruits, vegetables, tree nuts, and cut flowers). Chile has become an increasingly important supplier of these products to the U.S. during the last 15 years.

The value of U.S. horticultural imports from Chile rose from \$40 million in 1980 to \$388 million in 1994. Off-season table grapes comprised almost 40 percent of the value of U.S. agricultural imports from Chile. Chile accounts for virtually all U.S. imports of fresh plums and peaches, over 80 percent of table grapes, and more than 60 percent of the fresh pears and kiwi.

Apples are also among the important fresh fruit imports from Chile. Smaller quantities of apple juice, processed tomatoes, prunes, apricots, raspberries, dry beans, lentils, garlic, onions, wine, wool, avocados, and asparagus are also shipped to the U.S.

Chile accounts for only a small share of U.S. imports of fresh vegetables because Chilean products are dwarfed by winter

vegetable imports from Mexico. The one exception is tomato products: Chile's share of total U.S. imports of processed tomato products (whole, paste, and sauce) has grown from about 1 percent in 1986 to 18 percent in 1994.

Because Chile is in the Southern Hemisphere, its crop production cycle is opposite that of the U.S. Thus, many horticultural products imported from Chile do not compete with U.S. products because they enter when few domestic supplies are available. Some supply overlap does occur for fresh grapes at the beginning and end of the U.S. shipping season, and there is smaller overlap for peaches and plums.

In contrast, much of the U.S. pear, apple, and avocado production is marketed year round, making Chilean imports of those commodities competitive with domestic supplies. Kiwi from Chile is competitive with U.S. supplies toward the end of the U.S. marketing season. Chilean exports of apple juice and tomato products, both storable items, also directly compete with domestic supplies.

From Chile's perspective, the U.S. is an important agricultural trading partner. About 16 percent of Chile's agricultural imports come from the U.S., and almost 35 percent of its agricultural exports go

to the U.S. Chile is striving to diversify its export markets, and thus agricultural exports to the U.S. are growing only one-third as rapidly as Chile's total exports. Of course, with greater access to the U.S. market in an enlarged NAFTA, exports to the U.S. could grow faster.

Agricultural imports currently comprise only 7 percent of Chile's total imports, and consist largely of grains, oilseeds and products, and livestock products. Besides the U.S., major suppliers of Chile's agricultural imports are Argentina, with a 30-percent share; the European Union, about 9 percent; and Brazil, 7 percent.

The Issues For Negotiation

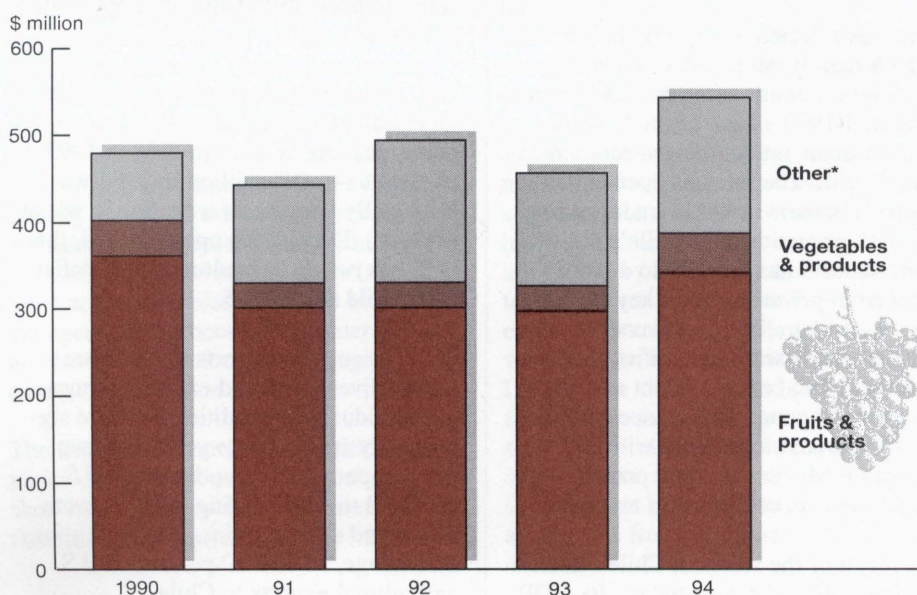
Both Chile and the U.S. have market economies that are open to trade in most commodities. Nevertheless, some policies, programs, and market access barriers will likely be sensitive issues during negotiations on Chile's NAFTA membership.

Chile maintains a uniform 11-percent tariff which is applied to almost all imported goods, the lowest rate in Latin America and well below Chile's World Trade Organization (WTO) ceiling of 25 percent. Therefore, reducing tariffs to zero would likely have little effect on trade.

Chile's 18-percent value-added tax (or general sales tax) is applied on both domestic and imported goods bought and sold within the country. Chilean government intervention in the agriculture sector is limited. Support for the sector comes in the form of import protection under a price-band mechanism (for wheat, wheat flour, vegetable oils, and sugar), export rebates for minor commodities, and production subsidies for the forest sector.

The price-band mechanism, supported by a system of variable surcharges, aims to maintain domestic producer prices between designated floor and ceiling prices announced by the government.

Fruit Accounts for Bulk of U.S. Ag Imports from Chile



*Wine comprises 26 percent of "other" imports.

World Agriculture & Trade

The WTO-bound tariff rates on the price-band commodities are set at 31.5 percent, higher than for most other commodities.

Strict phytosanitary restrictions have effectively closed Chile to imports of fresh fruits and vegetables from all countries, including the U.S. In general, the principal cause of many of these disputes is philosophical differences. Chile usually applies a zero-risk standard, resulting in fumigation requirements even for minor pests. The only exceptions are bananas, pineapples (excluding those from Hawaii), and coconuts. The U.S. and Chile are discussing the possibility of opening Chile's market to a small group of U.S. horticultural commodities, including apples, pears, grapes, stone fruits, and citrus.

U.S. exports of fruit to Chile amounted to less than \$120,000 in 1994, while U.S. imports of Chilean fruit totaled \$340 million. Chilean importers estimate that if these plant health issues

were resolved, there would be an initial \$16-million market for quality U.S. fruits in Chile. Cherries, nectarines, peaches, apricots, and grapes from the U.S. would be the most likely products to find an off-season market in Chile.

U.S. tariffs on most agricultural imports from Chile are low, so reducing them to zero would likely have little effect on imports. However, a few products are subject to relatively high U.S. tariffs, most notably wine and processed fruits and vegetables. For example, U.S. tariffs assessed on Chilean wine range from zero to 29 cents per liter. Chile faces tariffs of 14-19 percent on canned peaches, pears, tomato products, and processed asparagus.

Elimination of Chile's phytosanitary restrictions on fruits, and of remaining trade barriers such as Chile's price bands on wheat, wheat flour, vegetable oils, and sugar, would enhance U.S. market access for these commodities. Chile could also import significantly larger

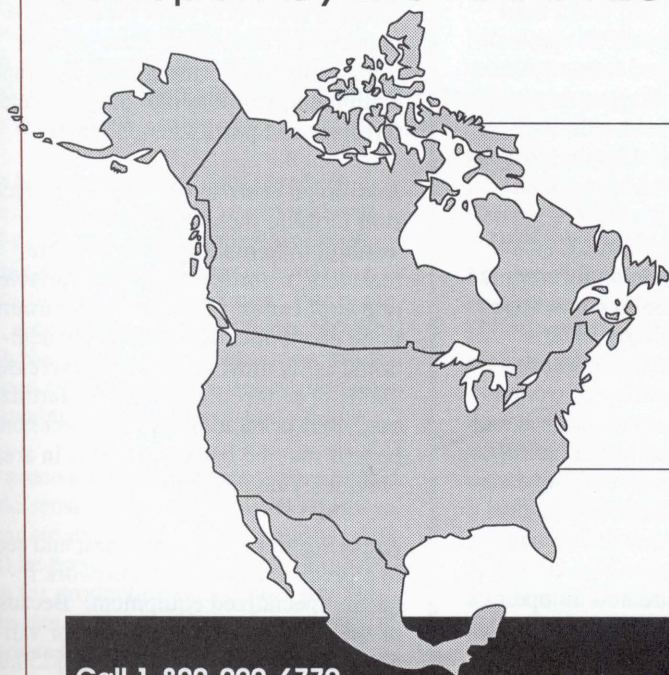
quantities of grains—especially wheat and possibly corn—under an FTA. However, any increase in the U.S. share of this market would depend on the final terms of Chile's accession to NAFTA and on Chile's associate membership in the Southern Cone Common Market—Argentina, Brazil, Paraguay, and Uruguay (MERCOSUR). Both are still being negotiated.

Perhaps most important, by joining NAFTA, Chile will set precedents for other countries wishing to enter the NAFTA trade bloc. This could encourage other Latin American countries to liberalize their markets, improving access for U.S. trade and investment and promoting the 2005 goal of a "Free Trade Area of the Americas."

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NAFTA Year One

A Report by the NAFTA Economic Monitoring Taskforce



- The economies
- The commodities
- The trade issues
- The outlook

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Environment & Resources



Rod Swoboda, Wallaces Farmer Magazine

Precision Farming: Harnessing Technology

Precision farming is emerging as a promising method of improving agricultural efficiency while meeting environmental goals. In its broadest sense, precision farming combines satellite and computer technology, detailed soil mapping, yield monitoring, and variable rate planting and application equipment.

Still in its infancy, precision farming is enabling farmers to apply fertilizers, pesticides, and seeds to small areas with a precision never before achieved outside experimental plots. It can improve farm efficiency and reduce the use of chemicals, as well as aid in developing detailed maps of soil characteristics for whole fields.

Precision farming, or site-specific farming, refers to the management of a crop production operation on a very small area of land, from soil sampling, nutrient application, tillage, planting, and pest control, through harvesting.

Recognizing that soil conditions can vary even within several feet, the technology allows for site-specific management, controlling several production factors at specific locations to optimize yields.

Precision farming involves small-area soil testing and mapping, continuous yield monitoring in a field, and variable-rate application of fertilizers, pesticides, and seeds. In its most advanced stage to date, precision farming employs a global positioning system (GPS) that uses satellites to determine exact locations in a field.

Precision farming enables a small area within a field to be managed as a unique unit. It is able to achieve a more precise application of fertilizers and other agricultural inputs because it is based on the inherent yield capability and the available nutrients of the soil in a small area. Thus, fertilizers can be applied in the exact amount needed, reducing the potential for pollution problems and possibly raising yields.

For example, fertilizer needs for specific crops and accompanying target yields have traditionally been determined from field-level research data and crop history, with the needs differing among soil types. But with the use of a variable-rate fertilizer spreader and exact field locations determined by GPS, application rates can be changed instantly in response to varying soil types as equipment moves across a field. Similar equipment is under development to control weeds and insects using variable-rate applicators.

The use of GPS in precision farming is an application of technology developed for military purposes in the 1970's. GPS was designed to use satellites to locate precisely the position of troops and of weapons such as submarines and artillery. GPS was used in the Gulf War, and is increasingly being used in peacetime applications, such as helping drivers locate their positions and to navigate in unfamiliar areas. Over 20 global positioning satellites are now in operation.

Receivers on the ground and in farm machinery provide a link with the satellites, allowing farmers to pinpoint the exact location of agricultural equipment as it moves through a field. Farmers can then transfer soil and yield data to a computer which generates maps that can be used in applying precise amounts of fertilizers, herbicides, and seeds on specific areas in a field.

Higher Yields May Be Primary Benefit

Given the newness and limited application of precision farming, analyses of the cost and benefits are only beginning to become available. While the concept of precision farming is technologically feasible, less is known of its economic feasibility, a key to its widespread adoption.

Precision farming is information-intensive, from planting through harvesting to planning for the next crop. It requires specific equipment for measuring yields and applying fertilizers and other chemicals. It also requires detailed soil testing and satellite mapping.

The costs of precision farming are easier to estimate than its benefits. The costs include soil testing throughout a field, location receivers, yield monitors, detailed maps developed from satellite information, data storage and computer equipment, variable-rate planters, and fertilizer and pesticide applicators.

Additional costs to operators for precision farming include detailed soil testing, map making from satellite receivers, recordkeeping, and variable-rate application. For precision farming to be economically feasible, the additional costs must be offset by increased yields or reduced expenses for fertilizer, seed, and pesticides. A major economic benefit may be boosts in yields in areas previously underfertilized.

Applying fertilizer, pesticides, and seeds in a precision farming framework requires specialized equipment. Because of the high cost of equipment for variable-rate application—roughly \$250,000—some fertilizer and pesticide dealers are purchasing the equipment and pro-

Environment & Resources

viding the use as a service to their customers. For planting equipment, on the other hand, which typically costs less than fertilizer equipment, farmers may prefer to purchase their own precision applicators, which can adjust seeding rates and switch varieties in response to varying soil types and conditions within a field.

Manufacturers are beginning to offer yield sensor options on their combines. Individual yield sensors can be added to combines at an estimated cost of around \$3,000. Farmers would have to purchase receivers to mount in combines and other moving equipment to obtain their exact location from satellites. Farmers may buy the computer hardware and software to do the necessary mapping, or have it done by specialized firms.

Soil sampling to establish nutrient needs is essential to site-specific fertilizer management. One barrier to the economic success of precision farming is the costs of additional soil tests. Soil testing on a grid rather than whole-field basis is costly and time consuming, and generates large amounts of data which must be analyzed. Techniques are emerging for reducing costs through the use of automated soil sampling, with locations pinpointed by satellites precisely recorded into a data base to guide subsequent application of nutrients. This soil information is processed and used to develop a program for variable-rate application.

The large amounts of data resulting from precision farming, i.e., yield and soil data—can create an information overload for some farmers, creating opportunities for consultants. For example, a network of farm advisors familiar with the technology is becoming available to assist farmers in developing and managing precision farming systems.

As precision mapping techniques and yield sensing and soil analysis equipment are improved, more and more data will be transformed into useful information for production decisions. As variable-rate equipment is perfected and produced in larger numbers, its costs may decline.

Some private analysts estimate that in 10 years roughly 50 percent of field crop acreage will be farmed in this way. It is likely that large farms and input-intensive crops such as potatoes, sugarbeets, and cotton will initially adopt precision farming technology on a wide scale.

As with most new technologies, questions arise about who will gain and who will lose from its adoption. Is it a technology that will be limited to farms of a minimum size, or will it be readily available to all? Will there be a difference in the value of precision farming between specialty crops and row crops? Because of its current high costs, it is likely that large farms would benefit initially. However, costs will likely decline with increased adoption, encouraging a broader based application.

Another issue in site-specific farming relates to the management, ownership, and value of data collected on farms. Some expect these historical records will add to land values, as well as figure prominently in environmental issues. Others are concerned about who owns the data—the farmer or the consultant.

Precision Farming Aids Environmental Goals

More precise placement and application rates for commercial fertilizers, herbicides, and pesticides are clearly consistent with conservation and environmental goals of reducing pollution of surface- and ground water. Vital information for planning the next crop can be collected from precise notations during harvest in areas where weeds are excessive, pests have damaged or destroyed plants, plant populations are low, or soil erosion has occurred.

Such information, for example, can help target fertilizer, insecticide, and herbicide applications to specific areas within a field, rather than using a general field application, thus reducing chemical runoff. As its adoption spreads, excess application of fertilizer and other chemicals will decline.

Perhaps more significant will be the creation of site-specific data bases on chemical use on farms, which can provide a historical record of what was applied. Such information would be helpful to farmers in meeting environmental requirements and in future land sales.

Information generated from precision farming could present both a significant challenge and opportunity for scientists to better understand soil and crop production interactions. Yield monitoring of very small areas in a field may raise some questions about the assumed factors behind yield variability—which can be as much as 40 percent—within a given soil type.

While the availability of nitrogen, phosphorous, and potassium, as well as pH levels and plant populations, have long been emphasized as growth factors, several other factors have not traditionally been measured by soil tests. For instance, current soil tests typically provide no information on the depth to which nutrients are available (corn roots often penetrate 50 inches or more into the soil), on soil compaction (which may prevent plant roots from penetrating to proper depths to obtain moisture and nutrients), on the level of weed and insect populations, or on surface or subsurface drainage problems.

Even if tests for some of these factors become economically feasible, the weighting of each factor to maximize economic returns within an acceptable environmental framework would be a challenge to soil and plant scientists and farm operators.

While there are unanswered questions related to the costs and benefits of precision farming, the concept will likely be adopted by commercial agriculture as it becomes economically feasible. As the technology is further refined and becomes available on a larger scale, its costs are likely to drop, encouraging wider adoption.

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Farm Bill '95



Jack Harrison

The Farm Bill: Economic & Political Environment

Provisions of the 1990 farm bill expire this year, a time when the legislative agenda is focused on the budget, regulatory reform, and the role of the Federal government. These considerations, together with ongoing changes in farming and the rural economy, are expected to set the stage for an intense debate over the 1995 farm bill.

The management revolution occurring in U.S. agriculture is affecting farm production, processing, income, and marketing, and is redefining farm constituencies. The character of U.S. agriculture is vastly different from the days when many of the farm programs were initiated. And change has continued since passage of the last farm bill. Moreover, change in the nature and composition of interests vying for attention to their particular concerns will contribute to the intensity of the debate.

Budgetary Pressure Plays Key Role

The drive to reduce the *Federal budget deficit* is the most critical of the legislative concerns—and the one that could have a major impact in shaping the farm bill. Although farm program outlays are a relatively small part of total Federal expenditures, and recent expenditures are substantially less than the \$26 billion peak reached in fiscal 1986, other considerations are influencing how farm program expenditures are viewed.

First, current levels of commodity program outlays do not look low when compared with the outlays for these programs in the 1960's and the 1970's when a larger share of the cost of farm support was borne by consumers in the form of higher market prices. For example, in the 1970's, CCC outlays for commodity programs, including operating costs and export programs, averaged \$3 billion annually, or about \$9.4 billion in current dollars when adjusted for inflation. Outlays exceeded \$10.3 billion in fiscal 1994 and are expected to be slightly higher in 1995.

Second, the press to reduce the deficit is intense. This intensity is heightened by the political desire to reduce Federal taxes, which could require even greater cuts. Third, benefits are concentrated among large producers of a limited number of crops.

Fourth, nominal budget numbers for commodity program expenditures do not indicate the exposure to budget overruns associated with the entitlement aspect of the programs. If commodity prices plummet in any year, for example, expenditures could rise substantially. Such considerations indicate that continuation of farm programs will receive intense scrutiny, and with a view to limiting budget exposure and outlays.

Pressure in Congress for *legislative and regulatory reform* could spotlight the extensive and complex requirements the commodity programs involve. Debate on the farm bill in this regard has concentrated on environmental and conservation requirements, as well as on making commodity program rules more

"flexible," thus giving farmers greater choice in their decisions.

Concerns about the *role of the Federal government* include questions about state versus Federal responsibilities. There has been little discussion of substantial shifts of current farm program functions from the Federal government to the states—or to producer organizations. By contrast, vigorous discussions have occurred on the relative merits of state or Federal administration of programs like food stamps.

Many argue that a shift of current Federal responsibilities for commodity programs to the states would be inconsistent with the nature of farm commodity markets, which in many respects are national in scope and increasingly global in nature.

Today's Revolution In Farm Management

U.S. agriculture is experiencing a revolution in management—of both farm and nonfarm resources—involving inputs, marketing, processing, distribution, information, finance, consumption, and production. Central to this revolution is the timely collection and use of relevant information to manage production and marketing activities. Information, together with the technologies intrinsic to the gathering and effective use of the information, is fostering changes in ways resources are organized and, in turn, structural changes throughout agriculture.

There were inklings of this revolution in the late 1970's and early 1980's, but they were blurred in the early and mid-1980's when farm assets were being revalued downward after the booming 1970's, and farm liquidations were on the rise.

Developments associated with this revolution in management include *the declining relative importance of agriculture in the economy of rural America*. The farm population dropped from about 30 million in 1940 to just 4.7 million in 1992. Less than 2 percent of the nation's labor force is employed in production agriculture. This decline was

associated with the growth in farm productivity.

In the late 1950's and 1960's, the shift of manufacturing into rural areas began to transform the economic base of much of rural America. An expansion of rural employment into services and industry occurred. Thus, there was a pervasive shift in the economic and social character of rural counties. Farm employment declined and nonfarm employment increased. Today, only one-fourth of the nation's 2,276 nonmetropolitan counties obtain 20 percent or more of their total income from agriculture.

Increased concentration is a key feature of the management revolution. Farm numbers shrank and farm size increased as the exodus of the farm population proceeded. From 1945 to 1974, farm numbers fell from 5.9 to 2.3 million, while average size rose from 195 acres to 440 acres. These trends have slowed somewhat in more recent years, but are still continuing. The 1992 Census of Agriculture reported 1.9 million farms and an average size of 491 acres.

A dramatic illustration of the changing size of farms and concentration of U.S. farm production is provided by the change in number of farms required to produce half of U.S. farm product sales. In 1900, 17 percent of U.S. farms, nearly 984,000, produced one half of U.S. farm products. Today, no more than

60,000 farms, about 3 percent of the U.S. total, produce one half of the sales value of U.S. farm products.

The separation of ownership and operation of production resources is yet another aspect of the revolution in farm management. For crops, a growing share of land is farmed by someone other than the owner. One measure of this change is the share of farmland rented by tenants and part owners. After rising during the Great Depression, the share of farmland rented by operators dropped in the early 1950's to about 35 percent. Since then, the share rented has increased to 43 percent and is expected to continue rising. And at least half of today's farmland owners—including retired farmers who rent land to others—live outside the community where their farmland is located.

While the separation of ownership and operation has increased and production units have specialized and enlarged, the concentration of farmland ownership has also increased. Today, half the nation's farmland is owned by less than 5 percent of the landowners. At the other end of the scale, the half of farmland owners with the smallest holdings own less than 8 percent of total U.S. farmland.

Recognition that "non-farmers" own and rent out farmland, and that farm size often exceeds the general conception of a "family farm," are important consider-

ations in identifying who benefits from programs designed to increase returns to farming. To be eligible for commodity program payments, a participant must be "actively engaged" in farming. Generally, in order to be considered actively engaged in farming, a person must make a significant contribution of capital, land, and/or equipment to their farming operation.

The revolution in agriculture goes beyond the farm. There have been **rapid adjustments throughout agriculture**—among input suppliers, processors, wholesalers, distributors, and retailers. For example, new technologies and changing consumer demands have created opportunities for farm and nonfarm interests to innovate. These same developments create competitive pressures to lower costs while responding to changing consumer demands.

Finally, **the financial condition of farmers as a whole has improved** considerably since the difficult years in the first half of the 1980's. Net income is running at about 38 percent of debt, compared with 20 percent in 1980. The farm debt-to-asset ratio for the sector is now between 16 and 17 percent, compared with nearly 23 percent in 1985.

Farming, in short, is no longer disadvantaged compared with other sectors of the economy. At one time, average earnings of farm households were below those of the rest of the nation. For example, farm operator family income 35 years ago was only 60 percent of the national average. Today, average farm household income is comparable to the national average. From 1991 through 1993, average farm household annual income was \$39,500. For all U.S. households it was \$40,500.

Moreover, the average value of assets held by farmers—and their net worth—is well above the average for all Americans. At the same time, it is important to recognize that returns to farm resources are relatively low when compared with many other parts of the economy.

Farm Operators Derive Growing Share of Household Income From Off-farm Sources

	1988	89	90	91	92	93	94	95
	\$ billion							
Net cash income ¹	53.9	54.2	55.1	53.2	57.4	58.5	51.0	49-53
Direct government payments ²	14.5	10.9	9.3	8.2	9.2	13.4	7.8	8-10
	\$1,000							
Average farm household income ³	33.0	32.0	39.0	37.4	42.9	38.3	39.2	39-41.8
	Percent							
Household income source:								
Farming	12.8	18.1	14.6	15.6	16.8	13.3	12.5	11.8
Off-farm	87.2	81.9	85.4	84.4	83.2	86.3	87.5	88.2

¹ 1994 preliminary; 1995 forecast.

² Calendar year receipts minus cash expenses. ³ Includes PIK commodities. ³ From USDA's Farm Costs and Returns Survey. Data after 1990 include about 350,000 small farms not included in earlier surveys, many with gross sales under \$10,000 or negative net farm incomes.

Farm Bill '95

Off-farm income of farm families is an important reason for the relative improvement of their income. Farm income has become a progressively less important part of the income of farm operator households, as a result of several factors, including the pressures to supplement farm-related incomes and the availability of nonfarm employment opportunities in many rural areas.

In 1994, for example, farm income accounted on average for about 12 percent of the income of farm operator households, down from almost 16 percent in 1991. Although the importance of off-farm income varies widely among individual farms, classes of farms, and regions, the declining importance of farming as a source of income for rural households is a clear trend.

Thus, the farming sector that the farm programs seek to support is vastly different from the one that existed when most programs were initiated, as are the programs themselves. For example, today's programs are not tied to parity prices as they were for many years. And changes in the farming sector have continued, and in some cases accelerated (e.g., concentration in size of some operations), since the 1980's. Rural America is far less dependent on farming for economic viability, production in the sector is much more concentrated, and producers' financial conditions are much improved, particularly compared with the first half of the 1980's.

More Interests Claim Stake In Farm Policy

Change is evident in the composition of those interested in farm policy, and in their particular interests. Partly as a result of the changes in U.S. farming, the financial, and therefore the policy, interests of today's producers and landowners are becoming more splintered, more specialized, and thus less homogeneous. This is reflected in the ways producer groups organize to participate in policy making.

In addition, the prosperity of the U.S. economy has contributed to the changes in the mix of those taking a strong interest in agricultural policy. Higher incomes, for example, help explain the strong interest in environmental and food safety issues among a broad segment of individuals and organizations. For many years farmers enjoyed a public image as protectors of natural resources. But more recently they have been challenged to demonstrate that they are responsible stewards of natural resources and are practicing sound food safety measures.

In the past, various accommodations were made with environmental interests and with budget demands so that the commodity programs continued, although somewhat changed. However, with the current deficit reduction pressures, it may be difficult to avoid direct budgetary tradeoffs, such as among appropriations for commodity programs, programs favored by environmentalists, and nutrition programs.

[For further information, contact Nathan Childs (202) 501-8540 or Stacey Rosen (202) 501-8553.] **AO**

May Releases—USDA's Agricultural Statistics Board

The following reports are issued at 3 PM ET unless otherwise indicated.

May

- 1 Crop Progress*
- 2 Poultry—Production & Value
- 3 Broiler Hatchery Poultry Slaughter
- 5 Dairy Products Dairy Products, Annual Egg Products
- 8 Crop Progress*
- 10 Broiler Hatchery Cotton Ginnings, Annual Crop Production—Cotton/Citrus
- 11 Crop Production**
- 12 Potato Stocks Turkey Hatchery
- 15 Crop Progress*
- 16 Farm Labor Milk—Production, Dispos., & Income Milk Production
- 17 Broiler Hatchery
- 19 Cattle on Feed Livestock Slaughter
- 22 Cold Storage Crop Progress*
- 23 Catfish Processing
- 24 Broiler Hatchery
- 25 Chickens & Eggs
- 26 Peanut Stocks & Processing
- 30 Crop Progress*
- 31 Agricultural Prices Broiler Hatchery

*After 4 pm

**8:30 am

Food & Marketing



Peet's Coffee & Tea—California

Will Coffee Prices Remain High?

International coffee prices spiraled upward in 1994, triggered by frosts that hit Brazil in June and July, as well as by drought (June-October) throughout Brazil's coffee growing areas. While U.S. wholesale prices for coffee started falling in October after rains returned, current wholesale prices for Brazilian and other Arabica coffee are still double the depressed levels of early 1994.

Brazil accounted for almost 28 percent of world coffee production in 1994/95, and 1994 was not the first year that U.S. coffee prices felt the effect of Brazil's inclement weather. Wholesale prices for Brazilian and other Arabica coffee shot up to \$3.69 per pound in 1977 after Brazil suffered killing frosts, and again in 1986—to \$3.03—because of drought. Even though the 1994 price did not reach the 1977 record-high levels, coffee roasters were taken by surprise. Before the 1994 frost damage, U.S. buyers had been paying record-low wholesale prices for Brazilian and other Arabica coffee, averaging as low as \$0.46 per pound in August 1992.

Wholesale and retail coffee prices moved back down within a year after the price spikes in 1977 and 1986. But this time, the pattern is different, and prices have not fallen to pre-frost levels of June 1994. Prices remain relatively high due mainly to low U.S. stocks and, partly to the coffee retention schemes negotiated by the 29-member Association of Coffee Producing Countries (ACPC) in 1993 and 1995, which are designed to boost prices.

U.S. Prices Linked To Brazil's Supplies

Brazil is the world's largest coffee producer, and the U.S. is the largest consumer. In 1993, U.S. coffee imports totaled 19.3 million bags (green bean equivalent—GBE), a quarter of the estimated world import total of 77 million bags. While Hawaii and Puerto Rico grow small amounts of coffee, these producers provide less than 1 percent of the coffee currently consumed in the U.S.—the rest is from foreign sources.

In recent years, U.S. consumers have exhibited a preference for gourmet coffee blends. Arabica beans are crucial to these blends because their taste is mellow, unlike the Robusta beans which are used in less expensive blends, particularly instant coffee. Brazil supplies nearly half of the Arabica beans used in the U.S., and the higher prices in 1994 induced U.S. roasters to draw on the stocks imported when prices were lower. Total U.S. coffee stocks fell from 7.62 million bags in February 1994 to 5.29 million in July 1994, to 3.94 million bags in February 1995.

Prices paralleled the change in stocks. New York wholesale prices for Brazilian and other Arabica coffee jumped to \$2.13 per pound in September 1994. Just 6 months earlier, the price had been less than \$0.85 per pound. However, supplies were adequate to meet near-term demand. Wholesale prices declined at yearend, from the peak of \$2.13 in September to \$1.60 in December.

Consumer hoarding following the frosts, the return of rains in Brazil, and reduced market speculation all contributed to the

drop in prices. Nevertheless, current wholesale prices remain relatively high, as coffee producing countries attempt to control supplies.

Wholesale prices of coffee had increased even before the Brazilian frosts and drought. This was due, in part, to the export retention scheme negotiated by 29 coffee-producing countries (the ACPC), effective October 1, 1993. The retention scheme, spurred by low wholesale prices in 1992 and 1993, required ACPC members to withhold up to 20 percent of their exportable output, depending on market prices. The scheme helped to raise prices in May and June 1994, before the Brazil frosts.

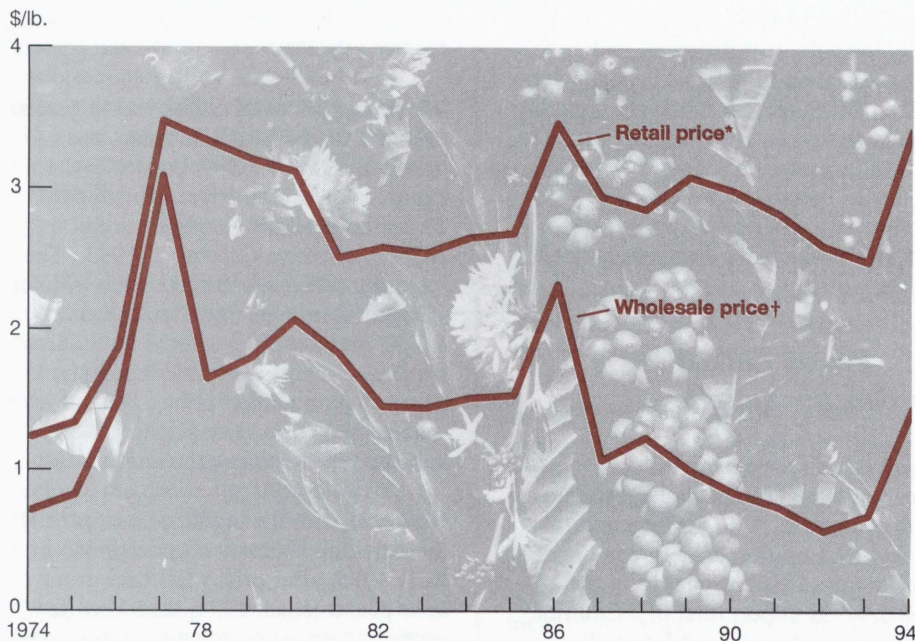
However, with the higher prices in 1994, the retention program was dropped. In early 1995, after prices fell back from their peaks of late 1994, several coffee producing countries attempted to revive the program, but with higher price triggers than the 1993-94 retention levels. To date, the new program has not been fully implemented by all the countries that agreed to participate. The ACPC is expected to meet in May 1995 to assess how exports should be restricted on a long-term basis.

The ACPC's retention schemes, to a certain extent, attempt to fulfill the function of a previous mechanism for maintaining international coffee prices. The International Coffee Agreement (ICA) had given the International Coffee Organization (ICO) the authority to set price ranges which triggered export quotas for coffee producing countries, but quotas were suspended in 1989. The suspension followed objections to some exporters' discount sales to nonmembers, disagreements over the distribution of export quotas, and importers' concerns over the availability of certain types and qualities of coffee.

A new ICA, effective October 1, 1994, has no economic provisions such as export quotas. Instead, its objectives focus on enhanced international cooperation concerning coffee matters; monitoring trade, prices, and consumption; disseminating information; promoting coffee consumption; and sponsoring studies and surveys.

Food & Marketing

Coffee Prices Reached Highest Level Since 1986



*Roasted coffee in 13.1-20-oz. cans. †New York spot price for Brazilian and other Arabica coffee.
Sources: USDA, Foreign Agricultural Service (wholesale); Bureau of Labor Statistics (retail).

The U.S. withdrew its membership from the ICO in September 1993, because Congress denied funding for continued participation and the U.S. coffee industry indicated a strong preference for a "free coffee market." The U.S. had been an active member of the ICO since its inception more than 30 years ago.

Coffee Remains Popular Despite Higher Prices

World coffee prices were on a bullish trend even in early 1994, with New York wholesale prices for Brazilian and other Arabica coffee increasing from \$0.71 per pound in January to \$1.18 in May. This reflected prospects for a third consecutive year of global supply shortfalls as well as the effects of the producers' export retention scheme. These price increases were not very noticeable at the retail level, as the higher priced imported coffee was being blended with the lower priced U.S. coffee stocks to meet the demand of U.S. roasters and consumers.

Low world market prices following suspension of the ICO export quotas in July 1989 had discouraged coffee producers from planting new trees and applying adequate farm management practices. Even now, with higher wholesale prices, growers may be reluctant to increase plantings, as some view the current market strength as temporary. Some growers, however, encouraged by higher wholesale prices, have increased fertilizer applications and have provided other yield-enhancing cultural practices, such as pruning and more complete harvesting of trees.

When New York wholesale prices increased in June-July 1994, retail prices followed suit. U.S. retail prices had ranged from \$2.35 to \$2.69 per pound, in 1992 and 1993. After Brazil's 1994 frosts, retail prices moved upward, reaching \$4.48 per pound in November. Because the U.S. grows less than 1 percent of the coffee it consumes, projections of reduced supplies from a major producer like Brazil can cause a rapid increase in U.S. retail prices.

In March 1995, the New York wholesale price was \$1.71 per pound, and retail prices were down to \$4.11 per pound. But even with prices relatively high in the fall of 1994, the average cost of coffee prepared at home was still only around 8 cents for one cup. By comparison, Bureau of Labor Statistics (BLS) data indicate that the cost of a 6-ounce glass of whole milk is approximately 14 cents, and a 6-ounce glass of orange juice made from frozen concentrate costs around 15 cents.

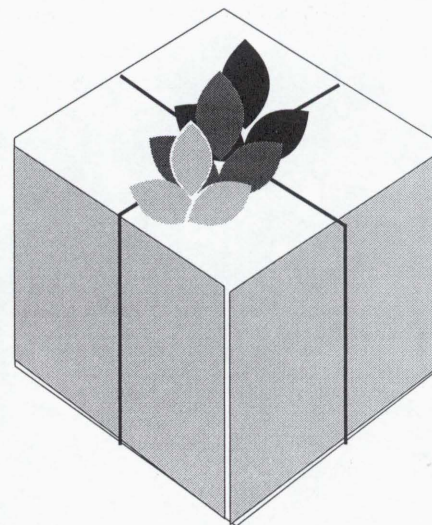
Findings of the latest survey available from the National Coffee Association (NCA)—the 1993 Winter Coffee Drinking Study—indicated that nearly 60 percent of American coffee drinkers viewed coffee as very affordable, making it one of the country's most popular beverages. Breakfast continues to be the preferred time of day to drink coffee, with 51 percent consumed then, 35 percent consumed between meals, and 14 percent at other meals.

BLS data indicate that coffee is second only to soft drinks as the beverage of choice. In 1993, per capita consumption of soft drinks was 46.6 gallons, rising sharply from 43.7 gallons in 1990. Coffee consumption was 26 gallons, down from 27 gallons in 1990. Milk consumption was 24.8 gallons in 1993, also down from 1990 levels. BLS data indicate that fruit juices and bottled water are gaining in popularity, with a combined per capita consumption of 17.6 gallons in 1993, up from 14.9 gallons in 1990.

The NCA survey also found that nearly 70 percent of all coffee drinkers believe that the quality of coffee they consume both at home and away from home has improved. A growing taste for double lattes, mocha blasts, and similar coffee-based drinks has led to the proliferation of specialty coffee shops across the U.S., providing new blends and choices. The near-term direction of wholesale and retail coffee prices will likely be influenced by the ACPC's cohesiveness in maintaining an effective coffee retention scheme in future green bean coffee sales.

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

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Special Article



Courtesy Canadian Embassy

Canada's NISA Program: A Strategy For Stabilizing Farm Incomes

Proposals suggested to date in the 1995 farm bill debate range from minor revisions of existing U.S. farm programs to complete revamping of the programs. The debate will take place within the context of tight budget constraints and pressure to make farm programs more flexible, and hence more market-oriented.

Since 1993, Canada has been in the process of revamping its own farm programs while confronted with budget limitations and market orientation issues similar to those faced in the U.S. One of the major components of Canada's current farm policy is its "Net Income Stabilization Account" or NISA program, begun in 1991 and intended as a risk management tool for producers.

Through this program, the Canadian government subsidizes producers who build savings accounts in high revenue years, by matching producers' contributions up to a preset limit. Then, in years of low income, producers are allowed to draw from their accounts. Whatever the outcome of Canada's farm policy restructuring, the NISA program is expected to remain an important component.

Flexibility Is Retained Under NISA

The NISA program operates at the farm level rather than on a crop-specific basis. It protects revenue instead of supporting prices of certain crops, or guaranteeing payment for a minimum yield. The NISA program is considered one piece of a total risk protection package. As additional layers of protection, Canadian farmers have yield insurance and, in some provinces, the Gross Revenue Insurance Program (GRIP). The GRIP is a voluntary revenue insurance plan available to grain and oil crop producers who pay a premium, guaranteeing a minimum target revenue for the insured crop, and shielding producers from price and/or yield variability (AO September 1991).

Producers of approximately 80 percent of eligible production currently make NISA contributions, and most contribute up to the maximum the government will match. NISA will likely be a part of any future farm support system, according to the administrator of Canada's NISA program. In fact, this year's budget increased the federal contribution to NISA.

By contrast, some provinces are abandoning GRIP due to high government costs and rising premiums. Saskatchewan has opted out of GRIP for the 1995/96 crop year, and Alberta and British Columbia will no longer participate in GRIP after the 1996/97 crop year.

The revenue protection and increased flexibility afforded to farmers by NISA makes this program similar to the revenue assurance plan which has received attention in the U.S. (AO April 1994). The revenue assurance plan, as proposed by the Iowa Farm Bill Study Team, would guarantee a farmer 70 percent of a 5-year moving average of a qualifying crop's revenue. However, NISA is distinct from revenue assurance in many ways. Mainly, NISA subsidizes producers' self-stabilization of farm income across good and bad years, as opposed to guaranteeing producers a fixed percentage of revenue on a crop-specific basis.

Under the NISA program, participating farmers contribute up to 2 percent of each year's eligible sales, and contributions are matched dollar for dollar by the government (federal, 1 percent; provincial, 1 percent). Farmers are also allowed to make additional nonmatched contributions of up to 20 percent of eligible sales each year. ("Eligible sales" is the revenue from sales of qualifying commodities produced on the farm, minus any purchases of qualifying commodities such as seed and feed, plus the value of feed produced for on-farm livestock consumption.)

Qualifying commodities include all primary agricultural commodities except dairy, poultry, and eggs, which are covered by separate income programs. Eligible sales on which contributions are based for any year must not exceed \$250,000 per farmer, thus limiting government contributions to \$5,000 per year.

Farmers are allowed to accumulate a maximum of 150 percent of the previous 5-year average of eligible sales. Farmers' contributions are taxed the year they are deposited, and taxes on government contributions are deferred until they are withdrawn. Accounts may be maintained in local banks or in the Canadian government's Consolidated Revenue Fund. Accounts earn market interest rates, with producers' contributions receiving an additional 3 percent annual return from the government.

Withdrawals from the account are allowed when net farm income falls below the average of the last 5 years, or below a minimum household income level. Annual withdrawals are limited to an amount necessary to equate current-year farm income with the previous 5-year average, or equate this year's income with the minimum income threshold. Farmers may not overdraw their accounts. A farmer who retires or wishes to discontinue participating in the program may withdraw the entire balance, including the government contributions.

One attractive feature of NISA is that it would cause little distortion in farmers' decisions, such as on acreage allocations between program and nonprogram crops, or on levels of inputs to apply. This contrasts with U.S. programs which, in some years, for example, require participating farmers to idle a portion of their base acreage.

For a specified level of government expenditures, risk protection at the farm level more directly protects farmers' income than a set of independent programs, such as the U.S. now has in place. Through NISA, risk protection can be provided to farmers at relatively low cost to the government.

Another difference between NISA and U.S. programs is that the NISA program provides benefits to producers not currently eligible for deficiency payments. Livestock and specialty crop production, not included in current U.S. price support programs, could be covered under a whole-farm income stabilization program similar to NISA. In this way, farm program benefits could be extended to more farmers than currently supported.

Income stabilization can raise farm revenues only when account balances are positive. A producer who has participated in the program only a few years or who incurs several poor revenue years in a row may receive little or no risk protection from the program because the account has been drained. Current U.S. programs have no such restrictions and are subject to substantial budget exposure in years of low commodity prices.

The timing of benefits received by producers under an income stabilization program is not necessarily tied to the crop year. The Canadian program is operated on a calendar year basis, with the farmer's contribution or withdrawal determined at the time of tax filing. This contrasts with U.S. deficiency payments which provide preliminary payments when producers sign up, and with crop insurance which determines benefits no later than harvest time. In addition to matching government contributions, the Canadian NISA program provides two other government subsidies: an interest rate bonus on producers' contributions, and deferred taxes on the government's contribution.

It is expected that a program like NISA would provide the greatest benefits to economically successful and more established farmers who would be able to make larger contributions. Among regions, producers in areas of greater farm revenue variability (which tend to be areas with high yield variability), or in areas relying on a single crop, would likely find this program most beneficial.

Producer Contributions Are Key to Risk Protection

The potential effect of a Canadian-style income stabilization program was examined for a 500-acre corn and soybean farm in Iowa, on which acres are allocated evenly between corn and soybeans. Two NISA scenarios were modeled over a 30-year period. In the first, the farmer's annual contribution is 2 percent of eligible sales, plus any net revenue in excess of 140 percent of the last 5-year average net revenue. In the second, the farmer makes contributions only up to the government matching level of 2 percent of eligible sales. Contributions occur only in years of positive income, and no other farm programs are included in the model.

In the first scenario, the producer contributes, on average, slightly more than twice as much to the NISA account as in scenario two. Under the low-contribution scenario, the producer achieved 21 percent less variation in annual income compared with no programs. Under the high-contribution scenario, the reduction in income variation was 44 percent.

In both scenarios, NISA accounts were at times drawn down to zero, leaving the farmer with no risk protection the following year. When the farmer contributed only up to the government match, the probability of this occurring in any one year was 31 percent. Contributing at the higher rate reduced this likelihood to around 20 percent.

Background for U.S. Farm Legislation

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Special Article

The simulations also illustrate that this program would provide greater risk protection as the number of participation years increases. In the early years of participation, little risk protection is provided, because account balances are small.

Actual costs to the government of an income stabilization program would depend on the program's provisions and the level of producer participation. The simulation found that for the same Iowa corn and soybean farm the average cost to the government for NISA from 1991 to 1994 would have been \$2.91 per acre. This compares with an average Iowa corn deficiency payment of \$47.46 per acre from 1991 to 1994, or \$23.73 per acre farmed for the 500-acre corn and soybean operation. Consequently, this program may be expected to be less costly per acre than the current deficiency program, but expansion to non-program commodities such as soybeans and livestock could increase budget exposure.

The matching contribution and interest rate subsidies require direct government outlays. And tax deferrals reduce longrun government revenues because producers would withdraw funds from the account in years of low incomes, paying taxes on the government's contribution at lower marginal tax rates. The government would also incur an opportunity cost associated with the deferred tax revenues.

While an income stabilization program assists producers in transferring income across time, producers already have the ability to make many of these transfers, albeit without subsidies and tax advantages. U.S. farmers already use private savings and borrowing to stabilize family living expenditures. There-

fore, the producer is likely to perceive the benefits of this type of program to be tax savings and government contributions, as much as additional risk reduction. Evidence that Canadian producers predominantly contribute up to the maximum government match and no further suggests that they are extracting maximum subsidies, but not taking full advantage of the risk protection potential of the program.

To implement a NISA-style program in the U.S. would require the resolution of numerous issues. Modifications of the Canadian NISA program could certainly be made. For example, requiring incomes to fall 5-10 percent below average before allowing withdrawals would conserve the account balances for years of larger revenue shortfalls. This could in the long run provide greater risk protection than the current trigger. In addition, provisions and limits could be used to target the beneficiaries.

Also, alternative government matching schemes could be implemented which would encourage greater contributions from producers. The Canadian government has considered a "value-added" NISA program which allows farmers to contribute based on net revenue instead of gross revenue as in the current design.

The feasibility of a program such as NISA in the U.S. is largely unknown. In Canada, NISA is one component of a total risk protection package for farmers. In the U.S., the implementation of an income stabilization program like NISA would depend in large part on what other programs would coexist with it.

[Keith Coble (202) 219-0847] **AO**

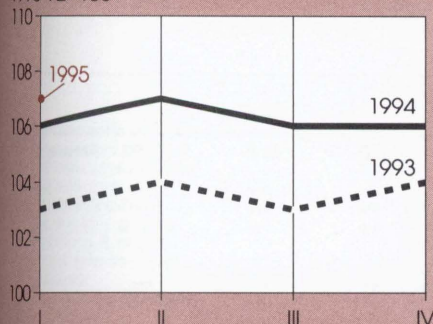
Coming in *Agricultural Outlook* . . .

- Farm bill issues—technology, environmental incentives, and commodity programs
- Trade impacts of Russia's agricultural reform
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Prime Indicators

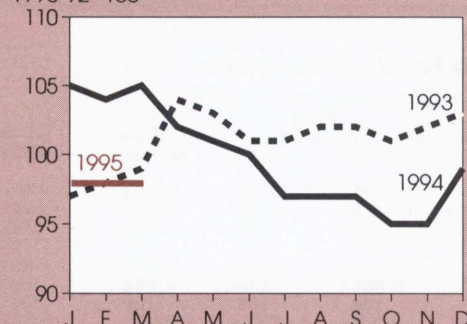
Index of prices paid by farmers

1990-92=100



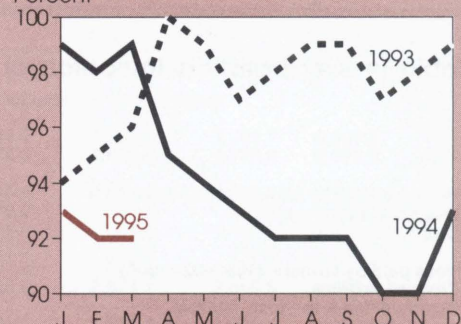
Index of prices received by farmers ¹

1990-92=100



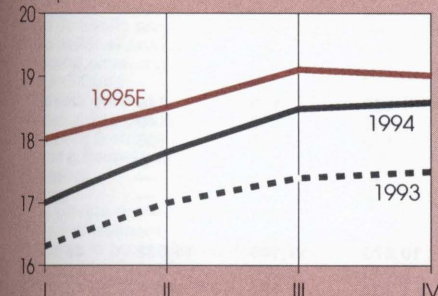
Ratio of prices received/prices paid

Percent



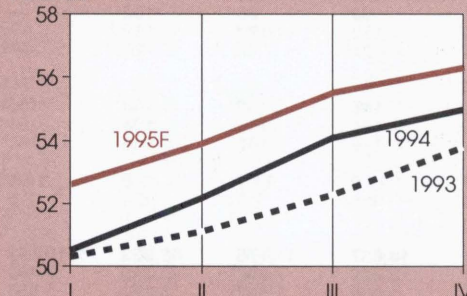
Total red meat & poultry production ²

Billion pounds



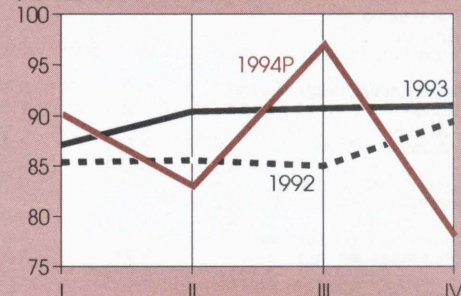
Red meat & poultry consumption, per capita ^{2,3}

Pounds



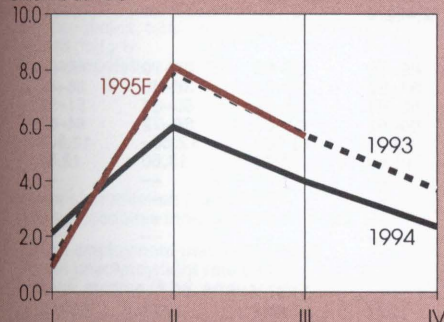
Cash receipts from livestock & products ⁴

\$ billion



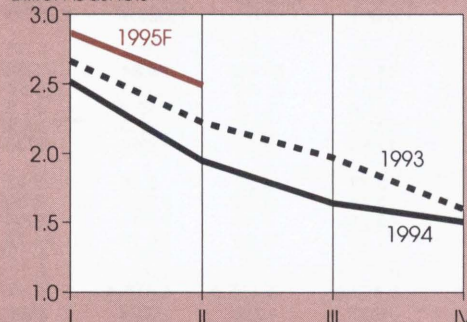
Corn beginning stocks ⁵

Billion bushels



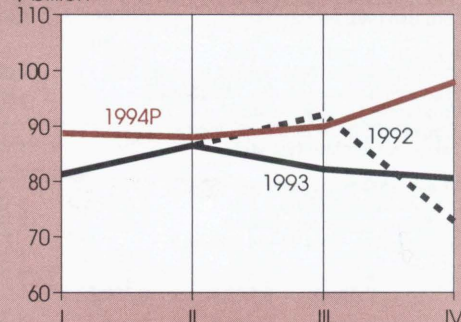
Corn disappearance ⁵

Billion bushels



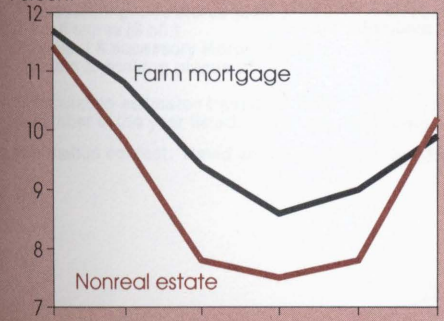
Cash receipts from crops ⁴

\$ billion



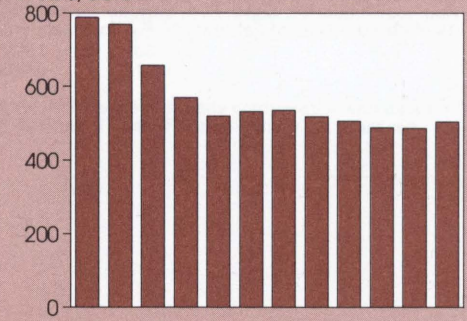
Farm loan interest rates ⁶

Percent



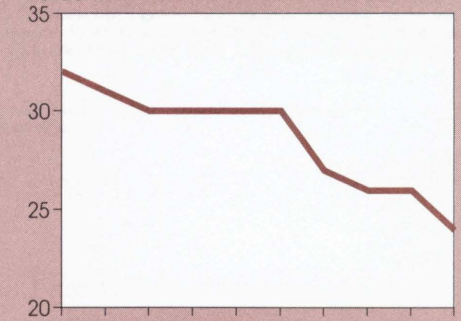
Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent



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

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

⁶ 1994 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.

Statistical Indicators

Summary Data

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

	1994				1995				
	II	III	IV	Annual	I F	II F	III F	IV F	Annual F
Prices received by farmers (1990-92=100*)	101	97	96	100	98	—	—	—	—
Livestock & products	97	93	90	95	93	—	—	—	—
Crops	107	101	102	105	103	—	—	—	—
Prices paid by farmers, (1990-92=100*)									
Production items	108	105	105	106	105	—	—	—	—
Commodities & services, interest, taxes, & wages	107	106	106	106	107	—	—	—	—
Cash receipts (\$ bil.) 1/	171	196	—	—	—	—	—	—	—
Livestock (\$ bil.)	83	97	78	87	—	—	—	—	—
Crops (\$ bil.)	88	90	98	91	—	—	—	—	—
Market basket (1982-84=100)									
Retail cost	145	145	146	145	—	—	—	—	—
Farm value	103	99	98	102	—	—	—	—	—
Spread	168	170	172	169	—	—	—	—	—
Farm value/retail cost (%)	25	24	24	25	—	—	—	—	—
Retail prices (1982-84=100)									
Food	144	145	146	144	149	150	149	149	149
At home	145	146	145	144	150	150	150	149	150
Away from home	145	146	147	146	148	149	149	150	149
Agricultural exports (\$ bil.) 2/	10.3	10.2	14.1	43.5	13.3	—	—	—	48.5
Agricultural imports (\$ bil.) 2/	6.6	6.6	7.0	26.4	7.5	—	—	—	28.5
Commercial production									
Red meat (mil. lb.)	10,428	10,837	11,175	42,523	10,553	10,670	11,109	11,068	43,400
Poultry (mil. lb.)	7,372	7,629	7,462	29,346	7,480	7,840	8,030	7,905	31,255
Eggs (mil. doz.)	1,521	1,550	1,597	6,177	1,550	1,565	1,560	1,590	6,265
Milk (bil. lb.)	39.9	38.2	37.9	153.6	39.0	41.1	39.2	38.7	158.0
Consumption, per capita									
Red meat and poultry (lb.)	52.2	54.1	55.0	211.9	52.6	53.9	55.5	56.3	218.3
Corn beginning stocks (mil. bu.) 3/	5,936.5	3,995.7	2,359.9	2,113.0	850.1	8,080.5	5,591.4	—	850.1
Corn use (mil. bu.) 3/	1,948.8	1,642.1	1,511.1	7,620.1	2,874.8	2,492.6	—	—	9,375.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	68.79	65.83	67.63	68.84	71.58	66-68	62-66	64-70	66-69
Barrows & gilts—IA, So. MN (\$/cwt)	42.90	40.5	31.03	40.03	38.56	37-39	38-41	36-40	38-40
Broilers—12-city (cts./lb.)	60.0	55.9	51.8	55.7	51.8	52-54	52-56	50-54	51-54
Eggs—NY gr. A large (cts./doz.)	63.3	67.0	67.2	67.3	65.2	60-62	64-68	66-72	64-67
Milk—all at plant (\$/cwt)	13.03	12.53	13.03	13.04	12.60	12.00	12.00-	12.60-	12.30-
						12.40	12.70	13.60	12.80
Wheat—KC HRW ordinary (\$/bu.)	3.63	3.74	4.27	3.86	3.97	—	—	—	—
Corn—Chicago (\$/bu.)	2.75	2.24	2.14	2.52	2.38	—	—	—	—
Soybeans—Chicago (\$/bu.)	6.73	5.79	5.43	6.18	5.53	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	77.40	71.00	73.83	66.12	94.73	—	—	—	—
	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 R	IV	I	II	III	IV R
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	6,020.2	6,343.3	6,738.4	6,478.1	6,574.7	6,689.9	6,791.7	6,897.2
Gross national product	6,025.8	6,347.8	6,726.9	6,476.2	6,574.0	6,682.5	6,779.6	6,871.3
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,469.6	4,535.0	4,586.4	4,657.5	4,734.8
Durable goods	492.7	538.0	591.5	562.8	576.2	580.3	591.5	617.7
Nondurable goods	1,295.5	1,339.2	1,394.3	1,355.2	1,368.9	1,381.4	1,406.1	1,420.7
Clothing & shoes	227.7	235.4	246.5	240.7	241.9	243.9	247.8	252.6
Food & beverages	626.8	649.7	679.6	660.8	667.9	675.5	683.7	691.2
Services	2,348.7	2,501.0	2,642.7	2,551.6	2,589.9	2,624.7	2,659.9	2,696.4
Gross private domestic investment	788.3	882.0	1,032.9	922.5	966.6	1,034.4	1,055.1	1,075.6
Fixed investment	785.2	866.7	980.7	913.5	942.5	967.0	992.5	1,020.8
Change in business inventories	3.0	15.4	52.2	9.0	24.1	67.4	62.6	54.8
Net exports of goods & services	-30.3	-65.3	-98.2	-71.2	-86.7	-97.6	-109.6	-98.9
Government purchases of goods & services	1,125.3	1,148.4	1,175.3	1,157.2	1,159.8	1,166.7	1,188.8	1,185.8
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,979.3	5,134.5	5,344.0	5,218.0	5,261.1	5,314.1	5,367.0	5,433.8
Gross national product	4,985.7	5,140.3	5,337.3	5,218.7	5,262.7	5,310.5	5,359.9	5,416.0
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,506.2	3,546.3	3,557.8	3,584.7	3,629.6
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	1,109.5	1,088.0	1,098.3	1,104.3	1,113.4	1,121.9
Clothing & shoes	193.2	197.8	208.8	202.4	203.8	204.9	210.2	216.4
Food & beverages	514.7	524.0	535.6	528.1	531.9	536.1	535.7	538.5
Services	1,839.1	1,890.3	1,938.1	1,907.4	1,926.3	1,931.4	1,941.8	1,952.9
Gross private domestic investment	725.3	819.9	951.5	862.5	898.9	950.9	967.3	989.1
Fixed investment	722.9	804.6	903.8	851.7	873.4	891.7	910.2	939.7
Change in business inventories	2.5	15.3	47.8	10.8	25.4	59.2	57.1	49.4
Net exports of goods & services	-32.3	-73.9	-110.0	-82.2	-104.0	-111.8	-117.0	-107.1
Government purchases of goods & services	936.9	929.8	922.8	931.5	919.9	917.1	932.0	922.2
GDP implicit price deflator (% change)	2.8	2.2	2.1	1.3	2.9	2.9	1.9	1.3
Disposable personal income (\$ bil.)	4,505.8	4,688.7	4,959.6	4,777.6	4,832.8	4,913.5	4,990.3	5,101.9
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	3,911.0
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/	253.4	256.3	258.9	257.3	257.9	258.5	259.2	259.9
	Annual			1994			1995	
	1992	1993	1994	Feb	Nov	Dec	Jan P	Feb P
Monthly data seasonally adjusted								
Industrial production (1987=100)	108.0	112.9	119.7	116.7	122.6	123.8	124.3	124.8
Leading economic indicators (1987=100)	98.2	98.8	101.7	100.7	102.3	102.5	102.5	102.3
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	122.2	124.4	124.6	124.6	125.1
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	6.6	5.6	5.4	5.7	5.4
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,576.0	5,842.5	5,885.2	5,927.0	5,956.7
Money stock-M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,614.2	3,586.1	3,608.6	3,613.1	3,626.2	3,621.7
Three-month Treasury bill rate (%)	3.45	3.02	4.29	3.21	5.25	5.64	5.81	5.80
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	7.08	8.68	8.46	8.46	8.26
Housing starts (1,000) 4/	1,200	1,288	1,457	1,318	1,536	1,527	1,359	1,323
Business inventory/sales ratio	1.50	1.45	1.40	1.4	1.39	1.37	1.38	—
Sales of all retail stores (\$bil.) 5/	1,959.1	2,081.6	2,241.3	181.6	192.6	192.7	193.3	191.3
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	111.2	114.7	115.0	116.5	115.5
Food stores (\$ bil.)	382.4	392.4	405.6	32.9	34.4	34.4	34.3	33.7
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.1	9.2	9.0	9.1	9.0
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	18.6	19.2	19.4	19.6	19.6

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. R = revised. — = 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	3.0	3.0	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	3.0	3.2	2.6
Developed	3.2	2.7	3.1	4.4	3.3	2.4	0.9	1.7	1.0	2.8	2.7	2.4	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	2.4	2.5	2.6
United States	3.0	2.6	3.0	3.9	2.6	0.8	-0.7	2.3	3.1	4.1	3.2	2.3	2.5
Canada	4.7	3.3	4.1	4.7	2.5	0.4	-1.7	0.6	2.2	4.3	3.6	2.6	2.5
Japan	5.0	2.7	4.1	6.2	4.7	5.2	4.3	1.4	0.0	0.6	1.0	2.0	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	1.1	-4.4
Russia	2.6	3.4	2.1	5.6	2.5	-2	-9	-19	-12	-15	-4.4	1.3	-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	5.3	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	3.4	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	3.2	3.5	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	3.2	3.4	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	Mar	Oct	Nov	Dec	Jan	Feb R	Mar P
1990-92 = 100										
Prices received										
All farm products	98	101	100	105	95	95	99	98	98	98
All crops	101	102	105	109	99	100	106	103	102	104
Food grains	113	105	118	129	121	120	121	120	116	113
Feed grains & hay	98	98	106	118	92	90	96	97	100	102
Cotton	88	89	109	110	108	114	121	132	135	140
Tobacco	101	101	101	98	104	106	105	108	110	98
Oil-bearing crops	100	108	110	121	95	97	100	98	97	99
Fruit & nuts, all	99	92	89	86	97	81	71	73	72	79
Commercial vegetables	111	116	107	91	116	121	161	125	114	123
Potatoes & dry beans	88	106	111	133	88	92	92	90	89	92
Livestock & products	97	100	95	101	90	90	90	93	94	93
Meat animals	96	100	90	98	83	83	83	89	91	89
Dairy products	100	98	100	103	100	100	99	96	96	96
Poultry & eggs	97	105	106	107	106	104	103	101	100	101
Prices paid										
Commodities & services,										
interest, taxes, & wage rates	101	103	106	106	106	106	106	107	107	107
Production items	101	103	106	106	105	104	104	105	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	—	—
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 (%) 1/	98	98	94	99	90	93	92	93	92	92
Prices received (1910-14=100)	626	642	634	664	605	605	626	624	620	622
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	—	1,386	—	—	1,397	—	—
Parity ratio (1910-14=100) (%) 1/	47	47	46	—	44	44	45	44	—	—

1/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wages 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

Average 1985-94	Annual 1/			1994				1995		
	1992	1993	1994 P	Mar	Oct	Nov	Dec	Jan	Feb R	Mar P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.70	3.77	3.76	3.73	3.69	3.62	3.50
Rice, rough (\$/cwt)	5.89	7.98	6.25	10.10	6.47	6.53	6.56	6.78	6.71	6.60
Corn (\$/bu.)	2.07	2.50	2.20	2.74	2.06	1.99	2.13	2.19	2.23	2.27
Sorghum (\$/cwt)	3.38	4.13	3.65	4.36	3.35	3.38	3.53	3.63	3.69	3.75
All hay, baled (\$/ton)	74.30	84.70	86.50	91.10	86.50	86.50	85.10	84.80	85.00	86.70
Soybeans (\$/bu.)	5.56	6.40	5.35	6.73	5.30	5.36	5.41	5.47	5.40	5.53
Cotton, upland (cts./lb.)	53.7	58.1	67.4	6.66	65.5	68.9	73.2	79.7	81.6	85.1
Potatoes (\$/cwt)	5.52	6.22	5.36	7.67	4.57	4.80	4.86	4.70	4.92	5.13
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	9.69	22.30	20.60	37.50	13.50	9.44	14.00
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	24.50	27.10	30.70	37.20	41.60	27.00	24.80
Onions (\$/cwt)	13.00	15.80	14.46	17.90	10.80	12.00	12.10	13.80	17.10	17.10
Dry edible beans (\$/cwt)	19.90	24.60	21.70	26.20	23.20	22.70	22.50	22.40	21.00	21.80
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	16.6	20.0	16.7	17.9	20.2	18.9	18.3
Pears for fresh use (\$/ton)	378.00	280.00	261.00	202.00	256.00	285.00	290.00	274.00	301.00	363.00
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	4.76	2.62	2.60	2.91	3.05	3.29	3.77
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	2.98	5.96	2.84	2.60	2.19	2.24	2.28
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	72.30	63.10	64.40	64.40	67.50	68.70	67.00
Calves (\$/cwt)	89.38	95.92	87.16	97.60	78.40	80.30	81.90	85.00	86.90	85.70
Hogs (\$/cwt)	41.82	45.40	39.48	44.40	31.90	28.00	30.80	36.90	39.10	38.30
Lambs (\$/cwt)	60.78	64.60	64.86	58.60	68.20	71.30	68.70	67.50	70.40	72.20
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	13.50	13.10	13.10	12.90	12.60	12.60	12.60
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	12.50	12.30	12.10	11.50	11.40	11.60	11.70
Broilers (cts./lb.)	30.8	34.2	35.0	35.3	34.7	32.7	32.5	32.6	32.6	32.8
Eggs (cts./doz.) 4/	56.2	62.7	60.9	65.9	57.6	62.5	63.0	62.0	61.6	61.4
Turkeys (cts./lb.)	37.6	39.0	40.7	38.4	44.3	44.8	42.3	39.3	37.2	38.3

1/ Season average price by crop year for crops. Calendar year average of monthly prices for livestock. 2/ Excludes Hawaii. 3/ Equivalent on-tree returns.

4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. 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	Mar	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
1982-84=100										
Consumer Price Index, all items	148.2	147.2	149.0	149.4	149.5	149.7	149.7	150.3	150.9	151.4
Consumer Price Index, less food	149.0	148.0	149.8	150.2	150.4	150.6	150.2	150.8	151.5	152.1
All food	144.3	143.2	144.8	145.0	145.0	145.3	146.8	147.5	147.4	147.4
Food away from home	145.7	144.8	145.9	146.2	146.4	146.8	147.1	147.4	147.6	148.1
Food at home	144.1	142.8	144.7	145.0	144.8	145.1	147.3	148.2	147.9	147.6
Meats 1/	135.4	136.4	135.1	135.0	135.0	134.6	133.7	134.9	134.9	135.5
Beef & veal	136.0	138.0	134.9	135.1	135.3	134.5	134.7	135.8	136.6	136.9
Pork	133.9	134.6	134.7	134.8	133.7	133.4	130.1	132.2	131.8	132.9
Poultry	141.5	140.1	141.7	143.3	141.5	140.2	140.4	140.2	141.4	143.3
Fish & seafood	163.7	161.8	163.6	164.9	164.8	167.0	166.9	169.0	170.4	171.2
Eggs	114.3	120.5	115.5	113.9	110.4	115.4	116.4	115.4	113.9	115.3
Dairy products 2/	131.7	131.8	131.8	131.3	131.5	131.7	131.6	132.7	132.1	132.2
Fats & oils 3/	133.5	132.6	134.1	134.2	135.0	134.3	134.2	136.4	136.8	136.8
Fresh fruits	201.2	199.1	201.9	203.9	199.1	199.5	213.1	214.2	213.3	207.0
Processed fruits	133.1	133.3	132.1	132.4	133.3	132.5	133.3	134.4	135.3	136.5
Fresh vegetables	172.3	167.0	163.7	163.5	167.0	178.4	212.7	209.4	198.6	193.8
Potatoes	174.3	179.8	190.4	168.8	157.3	154.2	154.2	157.1	157.2	161.8
Processed vegetables	136.6	135.7	138.5	137.7	136.8	134.0	134.7	138.0	137.7	136.9
Cereals & bakery products	163.0	160.4	164.7	164.8	164.6	163.7	164.2	164.6	165.8	165.3
Sugar & sweets	135.2	135.3	135.1	135.4	135.6	134.5	134.5	135.5	135.8	136.4
Beverages, nonalcoholic	123.2	116.0	131.3	132.1	132.7	132.4	131.7	133.3	133.7	132.9
Apparel										
Apparel, commodities less footwear	131.2	134.5	128.4	132.3	133.5	132.1	127.9	126.3	128.3	132.3
Footwear	126.0	127.0	124.5	125.1	125.5	125.7	123.6	124.0	124.8	125.9
Tobacco & smoking products	220.0	217.7	221.7	220.8	221.3	221.4	222.0	222.2	222.7	222.5
Beverages, alcoholic	151.5	151.4	151.3	151.4	151.6	151.9	151.8	152.0	152.4	153.1

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	
	1992	1993	1994	Feb	Sept	Oct R	Nov	Dec	Jan	Feb
	1982 = 100									
All commodities	117.2	118.9	120.4	119.3	121.0	120.9	121.5	121.8	122.6	123.5
Finished goods 1/	123.2	124.7	125.5	124.8	125.6	125.8	126.1	126.2	126.5	126.9
All foods 2/	120.9	123.7	125.2	125.1	124.5	123.9	125.6	126.6	125.4	125.9
Consumer foods	123.3	125.7	126.8	126.7	126.3	126.1	126.8	128.5	127.8	128.3
Fresh fruits & melons	84.0	84.5	82.5	85.5	85.2	75.7	71.2	83.5	81.7	78.8
Fresh & dried vegetables	115.0	135.2	129.1	116.9	111.7	118.1	133.3	215.2	157.9	148.5
Dried fruit	114.6	117.9	121.0	121.5	120.0	120.1	119.1	118.6	119.4	119.9
Canned fruits & juices	134.5	126.2	126.0	126.8	125.4	125.6	125.5	125.0	125.7	126.9
Frozen fruits, juices & ades	125.9	110.7	111.9	113.6	110.6	110.6	111.2	111.3	114.4	114.0
Fresh veg. excl. potatoes	116.4	126.6	117.8	99.3	107.1	113.8	128.1	244.7	163.5	149.2
Canned vegetables & juices	109.5	110.5	116.2	116.1	116.0	116.0	114.0	112.4	112.6	114.2
Frozen vegetables	116.4	120.9	126.0	126.1	125.2	124.9	125.5	125.1	125.1	124.8
Potatoes	118.4	144.9	142.3	165.6	107.5	106.9	104.6	101.0	101.3	103.0
Eggs for fresh use (1991=100)	78.6	86.6	80.9	88.3	81.4	74.4	85.0	85.9	78.7	80.4
Bakery products	152.5	156.6	160.0	158.0	160.5	161.0	161.6	161.9	162.2	162.6
Meats	106.7	110.6	104.6	108.6	102.4	100.7	100.5	99.9	102.8	104.3
Beef & veal	109.5	112.9	103.6	105.5	101.1	99.8	102.8	101.3	104.2	106.3
Pork	98.9	105.7	101.2	111.3	98.0	94.6	90.1	90.1	95.7	97.4
Processed poultry	109.0	111.7	114.7	113.1	115.7	114.7	111.0	109.1	109.8	110.6
Fish, unprocessed & packaged	156.1	156.5	161.5	155.3	162.2	160.9	165.5	162.2	170.2	175.2
Dairy products	117.9	118.1	119.5	119.9	118.8	119.2	119.5	118.5	116.9	117.6
Processed fruits & vegetables	120.8	118.2	121.2	121.6	120.6	120.6	120.0	119.4	120.0	120.9
Shortening & cooking oil	115.1	122.9	138.6	140.2	135.0	135.2	141.6	144.4	147.9	144.4
Soft drinks	125.6	126.2	126.9	127.9	126.3	127.1	126.7	127.4	130.6	132.1
Consumer finished goods less foods	120.8	121.7	121.6	120.5	122.2	122.0	122.3	121.7	122.2	122.6
Alcoholic beverages	126.1	126.0	124.7	126.6	124.2	124.5	124.3	124.9	125.3	127.4
Apparel	122.2	123.2	123.5	123.5	123.5	123.6	123.4	123.6	123.2	123.8
Footwear	132.0	134.4	135.5	135.1	135.6	135.8	135.9	136.4	137.0	138.6
Tobacco products	275.3	260.3	224.6	224.7	224.9	224.6	224.2	224.9	225.0	226.0
Intermediate materials 4/	114.7	116.2	118.5	116.6	120.1	120.0	120.9	121.1	122.2	123.3
Materials for food manufacturing	113.9	115.6	118.5	119.2	118.5	116.8	118.0	117.5	118.0	118.5
Flour	109.5	108.9	110.4	112.6	111.0	113.9	113.1	113.9	113.6	110.6
Refined sugar 5/	119.8	118.2	118.3	118.0	117.9	118.4	119.3	119.3	120.0	120.9
Crude vegetable oils	97.1	110.5	135.0	138.4	132.7	125.4	141.3	141.5	140.2	138.8
Crude materials 6/	100.4	102.4	101.7	101.8	99.7	98.2	99.4	99.9	100.9	102.7
Foodstuffs & feedstuffs	105.1	108.4	106.5	113.1	101.3	98.9	100.2	101.7	102.1	104.0
Fruits & vegetables & nuts 7/	96.9	106.9	104.5	99.4	97.2	99.9	115.4	136.7	110.5	105.6
Grains	97.3	94.5	102.7	116.8	94.2	91.1	91.2	95.3	95.5	96.9
Livestock	104.7	107.0	96.4	103.6	91.3	88.1	89.6	91.6	96.4	100.5
Poultry, live	112.6	122.0	124.4	119.6	128.3	125.0	114.4	114.2	108.6	109.3
Plant & animal fibers	89.8	91.3	120.7	119.0	122.1	111.1	120.4	132.6	143.5	149.4
Fluid milk	96.1	94.1	95.9	98.2	94.9	95.9	93.9	94.2	92.1	90.9
Oilseeds	107.5	115.9	117.4	127.4	107.6	99.0	105.3	106.5	104.5	103.9
Leaf tobacco	101.0	100.3	101.2	109.4	102.8	104.8	106.1	107.4	107.4	112.5
Raw cane sugar	112.1	113.2	115.2	114.9	114.4	113.2	113.2	116.0	117.7	118.4

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	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	144.4	145.4	145.2	145.6	148.0	148.7	148.3
Farm value (1982-84=100)	103.2	104.9	101.6	105.3	98.5	97.8	97.7	99.6	100.4	101.6
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	165.4	170.7	170.8	171.5	174.1	174.8	173.5
Farm value-retail cost (%)	26.1	25.9	24.5	25.6	23.7	23.6	23.5	23.6	23.6	24.0
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	136.0	135.0	135.0	134.6	133.7	134.9	134.9
Farm value (1982-84=100)	104.5	107.2	96.1	103.6	92.6	88.5	87.3	86.3	92.7	96.9
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	169.2	178.6	182.8	183.1	182.3	178.2	173.9
Farm value-retail cost (%)	40.5	40.3	35.9	38.6	34.7	33.2	32.9	32.7	34.8	36.4
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	131.8	131.3	131.5	131.7	131.6	132.7	132.1
Farm value (1982-84=100)	95.8	93.0	94.5	96.3	92.3	93.3	94.1	93.8	91.9	88.6
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	164.6	167.3	166.8	166.4	165.5	170.3	172.2
Farm value-retail cost (%)	35.8	34.5	34.4	35.0	33.7	34.0	34.3	34.6	33.2	32.2
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	140.4	143.3	141.5	140.2	140.4	140.2	141.4
Farm value (1982-84=100)	104.0	111.5	114.6	110.1	116.8	115.5	110.3	108.5	107.4	106.4
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	175.3	173.8	171.5	174.6	177.1	178.0	181.7
Farm value-retail cost (%)	42.4	43.6	43.3	42.0	43.6	43.7	42.1	41.4	41	40.3
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	117.4	113.9	110.4	115.4	116.4	115.4	113.9
Farm value (1982-84=100)	77.8	88.9	83.5	89.9	82.0	76.5	87.0	89.7	86.8	86.1
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	166.8	171.3	171.3	166.5	164.4	166.8	163.8
Farm value-retail cost (%)	46.1	48.8	47.0	49.2	46.2	44.5	48.4	49.5	48.3	48.6
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	161.3	164.8	164.6	164.6	163.7	164.6	165.8
Farm value (1982-84=100)	94.2	91.8	102.6	108.9	99.1	101.8	102.3	102.5	102.3	100.8
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	168.6	174.0	173.4	173.3	172.2	173.3	174.9
Farm value-retail cost (%)	7.6	7.2	7.7	8.3	7.4	7.6	7.6	7.7	7.6	7.4
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	198.8	212.5	208.0	208.3	222.8	221.7	221.0
Farm value (1982-84=100)	122.4	134.8	119.4	116.2	124.7	126.3	114.9	118.8	121.6	120.7
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	236.9	253.1	245.7	251.4	270.8	267.9	267.3
Farm value-retail cost (%)	20.4	21.7	18.1	18.5	18.5	19.2	17.4	16.8	17.3	17.2
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	168.1	163.5	167.0	178.4	212.7	209.4	198.6
Farm value (1982-84=100)	120.6	127.1	121.1	130.1	99.5	111.3	117.2	153.3	135.0	144.8
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	187.6	196.4	195.6	209.9	243.2	247.6	226.3
Farm value-retail cost (%)	25.9	25.6	23.9	26.3	20.7	22.6	22.3	24.5	21.9	24.8
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	134.2	134.5	134.7	133.0	133.8	135.8	136.2
Farm value (1982-84=100)	128.6	107.0	112.5	113.0	112.5	113.0	112.7	112.0	112.2	115.6
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	140.8	141.4	141.5	139.3	140.6	143.2	142.6
Farm value-retail costs (%)	22.9	19.3	19.9	20.0	19.9	19.9	20.1	19.9	19.6	20.2
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	131.5	134.2	135.0	134.3	134.2	136.4	136.8
Farm value (1982-84=100)	93.1	107.5	125.5	126.2	118.3	120.7	132.5	136.2	130.3	126.5
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	133.5	140.0	140.3	135.0	133.5	138.6	140.6
Farm value-retail cost (%)	19.3	22.3	25.3	25.8	23.7	24.0	26.5	27.3	25.7	24.9
	Annual			1994				1995		
	1992	1993	1994	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	288.3	277.9	280.2	279.4	282.6	284.3	284.7
Wholesale value 3/ (cts.)	179.6	182.5	166.7	176.9	159.2	163.8	164.3	171.7	170.4	165.7
Net farm value 4/ (cts.)	161.8	164.1	145.5	160.6	136.8	141.7	142.0	150.0	151.3	146.3
Farm-retail spread (cts.)	122.8	129.3	137.4	127.7	141.1	138.5	137.4	132.6	133.0	138.4
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	111.4	118.7	116.4	115.1	110.9	113.9	119.0
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	16.3	22.4	22.1	22.3	21.7	19.1	19.4
Farm value-retail price (%)	57	56	51	56	49	51	51	53	53	51
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	201.4	197.3	195.0	188.4	191.4	189.9	193.5
Wholesale value 3/ (cts.)	98.9	102.8	98.9	105.0	91.6	86.6	88.9	91.1	93.0	91.4
Net farm value 4/ (cts.)	67.8	72.5	62.9	70.2	50.7	44.0	50.7	59.0	61.9	59.7
Farm-retail spread (cts.)	130.2	125.1	135.1	131.2	146.6	151.0	137.7	132.4	128.0	133.8
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	96.4	105.7	108.4	99.5	100.3	96.9	102.1
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	34.8	40.9	42.6	38.2	32.1	31.1	31.7
Farm value-retail price (%)	34	37	32	35	26	23	27	31	33	31

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/	
Million pounds 4/							Pounds		
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	24,386	2,371	27,286	1,611	548	25,127	67.5	68.84
1995 F	548	24,933	2,450	27,931	1,675	450	25,806	68.6	66-69
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	17,696	743	18,798	531	438	17,829	53.1	40.03
1995 F	438	18,038	730	19,206	515	405	18,286	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	293	0	297	0	6	291	0.9	87.21
1995 F	6	299	0	305	0	5	300	0.8	79-83
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	308	49	365	9	11	345	1.2	66.77
1995 F	11	290	45	346	8	11	327	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	42,683	3,163	46,746	2,151	1,003	43,592	122.5	—
1995 F	1,003	43,560	3,225	47,788	2,198	871	44,719	124.3	—
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	23,666	0	24,024	2,875	458	20,690	69.8	55.7
1995 F	458	25,234	0	25,692	3,225	490	21,977	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	525	0	539	100	10	429	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	4,937	0	5,186	245	254	4,686	17.9	65.7
1995 F	254	5,247	0	5,501	250	300	4,951	18.8	61-64
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	29,113	0	29,728	3,212	727	25,790	89.4	—
1995 F	727	31,007	0	31,734	3,575	800	27,358	93.9	—
Red meat & poultry									
1992	1,395	67,178	3,134	71,707	3,441	1,408	66,859	207.7	—
1993	1,408	68,088	3,195	72,691	3,953	1,515	67,221	207.7	—
1994	1,515	71,796	3,163	76,474	5,363	1,730	69,382	211.8	—
1995 F	1,730	74,567	3,225	79,522	5,773	1,671	72,077	218.3	—

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	Production	Imports	Total supply	Exports	Hatching use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
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	769.6	10.7	5,082.0	236.2	72.5
1994 P	10.7	6,176.6	3.7	6,191.0	187.6	803.0	14.9	5,185.6	238.5	67.3
1995 F	14.9	6,265.0	4.0	6,283.9	190.0	835.0	12.0	5,246.9	238.9	64-67

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

Information contact: Milton Madison (202) 219-1192.

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 marketings	Beg. stock	Imports			Ending stocks	Disappearance		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	158.0	1.9	156.1	4.3	3.0	163.4	4.0	4.4	155.0	12.55	5.9	5.1

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	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Broilers										
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	1,751.6	2,079.1	2,062.9	1,986.4	1,979.2	2,059.4	1,888.0
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.7	55.2	55.8	54	50.5	50.9	51.1	51.7
Price of grower feed (\$/ton) 1/	125	130.1	135.2	151	122	118	117	120	123	121
Broiler-feed price ratio 2/	5.1	5.3	5.2	4.5	5.8	5.9	5.6	5.4	5.3	5.4
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	381.0	411.2	419.6	429.8	438.0	458.4	448.1
Broiler-type chicks hatched (mil.) 3/	6,892.8	7,220.8	7,549.8	558.6	625.9	618.0	597.3	658.9	661.4	599.0
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	342.0	447.7	459.1	453.9	397.5	389.1	371.2
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	59.3	69.0	73.1	74.0	70.4	60.7	58.5
Price of turkey grower feed (\$/ton) 1/	117.3	118.8	125.5	137	117	114	112	116	117	116
Turkey-feed price ratio 2/	6.4	6.6	6.6	5.4	7.3	7.8	8	7.3	6.7	6.4
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	279.8	623.4	648.6	636.2	280.7	254.4	317.6
Poulters placed in U.S. (mil.)	307.8	308.9	317.5	25	23.9	23.5	24.6	25.6	27	25.9
Eggs										
Farm production (mil.)	70,860	72,037	74,119	5,598	6,125	6,377	6,265	6,519	6,374	5,719
Average number of layers (mil.)	279	285	292	290	293	295	297	299	298	296
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	19.3	20.9	21.6	21.1	21.8	21.4	19.3
Cartoned price, New York, grade A large (cts./doz.) 4/	65.4	72.5	67.3	72.1	66.7	63.8	68.5	69.3	65.2	64.3
Price of laying feed (\$/ton) 1/	135.5	134.2	144.4	159	132	128	121	124	128	128
Egg-feed price ratio 2/	8.5	9.4	8.5	8	9.2	9	10.3	10.2	9.7	9.6
Stocks, first of month										
Shell (mil. doz.)	0.63	0.45	0.3	0.21	0.42	0.27	0.21	0.09	0.12	0.36
Frozen (mil. doz.)	12.3	13.0	10.4	11.2	15.0	13.5	15.2	14.5	14.8	14.8
Replacement chicks hatched (mil.)	391	406	379	31.1	30.9	31.8	25.5	29.1	31.5	31.7

1/ Calculated from price ratios that were revised February 1995. 2/ Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight. (Revised February 1995). 3/ Placement of broiler chicks is currently reported for 15 States only; henceforth, hatch of broiler-type chicks will be used as a substitute. 4/ Price of cartoned eggs to volume buyers for delivery to retailers.

Information contact: Milton Madison (202) 219-1192.

Table 14—Dairy

	Annual			1994					1995	
	1992	1993	1994	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	12.41	12.04	12.29	11.86	11.38	11.35	11.79
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	64.0	71.5	71.5	71.5	67.0	64.0	65.5
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	134.2	135.6	135.4	127.9	121.3	124.5 ²	130.4
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	109.9	106.6	107.0	107.1	106.9	106.7	107.1
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,936.0	6,653.9	4,812.3	999.5	-21.4	68.4	282.3	488.2	596.1	121.2
Butter (mil. lb.)	439.5	288.8	204.4	45.2	-3.2	0.9	10.9	20.7	24.2	3.1
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.2	1.7	1.8	1.9	0.3	0.3	0.3
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	21.8	23.2	28.3	32.4	26.7	31.1	48.6
Milk										
Milk prod. 22 States (mil. lb.)	129,613	129,577	132,240	9,990	10,689	10,970	10,624	11,090	11,280	10,441
Milk per cow (lb.)	15,764	15,893	16,334	1,236	1,318	1,354	1,312	1,370	1,394	1,291
Number of milk cows (1,000)	8,222	8,153	8,096	8,082	8,109	8,104	8,098	8,094	8,090	8,088
U.S. milk production (mil. lb.)	150,885	150,582	153,626	6/ 11,662	6/ 12,360	6/ 12,732	6/ 12,330	6/ 12,871	6/ 13,149	6/ 12,171
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	10,166	9,049	7,882	6,293	5,862	5,761	6,238
Commercial (mil. lb.)	4,461	4,688	4,550	5,019	4,886	4,611	4,374	4,198	4,264	4,780
Government (mil. lb.)	11,379	9,526	5,020	5,148	4,162	3,271	2,549	1,664	1,497	1,458
Imports, total (mil. lb.)	2,524	2,807	2,858	180	238	238	299	295	---	---
Commercial disappearance (mil. lb.)	141,318	144,976	150,058	11,009	12,738	12,976	12,366	12,449	---	---
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,297.2	119.6	90.6	101.5	101.8	118.7	132.0	120.3
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	251.0	206.6	163.4	124.6	84.5	79.4	89.9
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,100.9	80.8	96.1	108.2	92.5	95.8	---	---
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,983.3	221.3	245.2	243.1	240.1	255.5	262.0	240.2
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	347.6	327.9	311.5	313.4	310.2	310.4	326.1
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,040.4	240.1	261.5	240.1	242.8	257.1	---	---
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,730.0	286.2	318.7	330.8	320.9	321.6	303.6	288.2
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	147.9	147.2	141.7	135.2	124.5	126.8	131.5
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,024.8	308.2	351.0	363.5	364.2	352.2	---	---
Nonfat dry milk										
Production (mil. lb.)	872.1	948.1	1,198.0	85.4	79.9	86.0	86.0	113.5	106.7	98.3
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	86.6	152.4	135.5	132.4	121.4	131.2	140.9
Commercial disappearance (mil. lb.)	720.5	642.3	873.1	66.8	79.2	62.5	57.5	72.5	---	---
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,202.7	86.2	96.0	85.3	82.6	78.5	81.6	85.5
	Annual			1993		1994				1995
	1992	1993	1994	III	IV	I	II	III	IV	IP
Milk production (mil. lb.)	150,885	150,582	153,622	37,238	36,509	37,560	39,916	38,217	37,933	39,064
Milk per cow (lb.)	15,574	15,704	16,129	3,891	3,828	3,951	4,188	4,007	3,983	4,104
No. of milk cows (1,000)	9,688	9,589	9,525	9,570	9,537	9,506	9,530	9,539	9,524	9,518
Milk-feed price ratio	1.69	1.64	1.62	1.62	1.66	1.65	1.60	1.57	1.68	1.65
Returns over concentrate costs (\$/cwt milk)	9.95	9.54	9.65	9.35	9.95	10.10	9.60	9.15	9.75	9.40

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				1995
	1992	1993	1994	IV	I	II	III	IV	I	
U.S. wool price, (cts./lb.) 1/	204	137	212	132	153	219	238	238	254	
Imported wool price, (cts./lb.) 2/	210	142	216	150	171	192	200	222	259	
U.S. mill consumption, scoured										
Apparel wool (1,000 lb.)	136,143	141,380	138,694	34,419	36,452	35,605	32,695	33,942	NA	
Carpet wool (1,000 lb.)	14,695	15,431	14,400	3,925	4,380	3,414	3,570	3,036	NA	

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	Feb	Sep	Oct	Nov	Dec	Jan	Feb
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	9,232	7,486	7,840	8,629	8,914	8,865	8,866
Placed on feed (1,000 head)	20,508	20,474	19,992	1,356	2,060	2,478	1,854	1,585	1,725	1,607
Marketings (1,000 head)	18,548	19,048	19,602	1,501	1,656	1,633	1,498	1,540	1,636	1,481
Other disappearance (1,000 head)	1,194	1,219	895	76	50	56	71	94	88	66
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	73.03	66.79	66.51	69.43	69.35	73.60	73.79
Neb. Direct	75.35	76.36	68.84	72.44	66.21	65.89	68.67	68.34	71.97	72.55
Boning utility cows, Sioux Falls	44.84	47.52	42.51	44.06	40.56	37.06	36.69	36.30	38.79	40.63
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	---	91.72	83.24	88.59	76.63	75.28	78.88	79.88	79.88	76.91
750–800 lb.	---	86.45	77.72	81.91	73.66	72.40	75.19	76.63	76.50	72.53
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	48.25	35.86	32.44	28.51	32.14	37.96	39.60
6 markets	42.31	45.38	39.57	47.87	35.46	32.18	28.03	31.48	37.68	39.03
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	45.63	24.71	20.61	18.54	18.63	27.74	31.79
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	62.31	76.08	69.96	73.60	67.50	65.38	75.08
Ewes, Good, San Angelo	35.24	37.46	40.47	44.56	38.44	37.04	42.45	43.25	35.60	41.75
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	77.69	67.94	67.08	78.30	74.38	75.60	82.69
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	110.28	102.16	100.85	104.56	105.50	112.08	110.46
Select, 700–800 lb.	111.66	113.53	102.08	107.93	96.72	95.04	97.72	98.10	107.22	108.25
Canner & cutter cow beef	93.85	95.43	84.39	92.91	79.82	74.51	72.21	73.17	73.63	76.63
Pork cutout, No. 2	58.37	62.19	57.29	64.43	54.61	52.38	50.82	51.66	53.72	56.38
Pork loins, 14–18 lb.	101.41	107.47	101.50	110.75	105.34	95.65	80.00	89.50	96.94	102.20
Pork bellies, 12–14 lb.	30.39	41.62	40.00	51.66	31.50	31.33	29.09	29.29	36.03	35.80
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	67.60	49.22	46.51	52.10	50.74	46.40	54.34
All fresh beef retail price	266.79	273.43	265.99	269.88	264.86	264.29	262.24	262.79	262.03	263.66
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	2,559	2,942	2,949	2,808	2,871	2,869	2,581
Steers	17,138	17,222	18,027	1,300	1,562	1,507	1,366	1,453	1,434	1,286
Heifers	9,236	9,358	9,589	743	838	854	800	788	819	759
Cows	5,846	6,086	5,941	470	484	535	590	580	564	484
Bulls & stags	653	659	641	46	58	53	52	50	52	52
Calves	1,371	1,195	1,268	96	109	116	117	124	124	106
Sheep & lambs	5,496	5,182	4,938	419	400	398	407	426	386	375
Hogs	94,889	93,068	95,714	6,949	8,390	8,799	8,737	8,786	8,092	7,329
Barrows & gilts	89,964	88,387	90,775	6,596	7,969	8,365	8,274	8,313	7,682	6,969
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	1,802	2,135	2,116	1,978	2,020	2,009	1,808
Veal	299	267	283	22	23	25	25	26	27	24
Lamb & mutton	343	329	304	27	23	23	24	26	24	24
Pork	17,184	17,030	17,658	1,275	1,539	1,631	1,639	1,642	1,500	1,354

	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	59,992
Breeding (1,000 head) 1/	7,229	7,109	7,130	7,320	7,130	7,165	7,210	7,565	7,415	7,061
Market (1,000 head) 1/	50,420	51,093	50,739	51,075	51,900	50,739	50,140	53,150	54,905	52,932
Farrowings (1,000 head)	12,272	11,982	12,341	2,972	2,982	2,885	3,389	3,107	2,960	2,871
Pig crop (1,000 head)	99,142	97,050	101,400	24,041	24,003	23,368	27,976	25,547	24,509	23,736

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.

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

Crops & Products

Table 17—Supply & Utilization^{1,2}

	Area			Yield	Production	Total supply ^{4/}	Feed and resid-ual	Other domes-tic use	Exports	Total use	Ending stocks	Farm price ^{5/}
	Set aside ^{3/}	Planted	Harvested									
	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	934	1,354	2,481	531	3.24
1993/94*	5.7	72.2	62.7	38.2	2,396	3,036	272	968	1,228	2,467	568	3.26
1994/95*	5.2	70.4	61.8	37.6	2,321	2,979	275	963	1,250	2,488	491	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	77.1	173.7	39.4	5.89
1993/94*	0.7	2.92	2.83	5,510	156.1	202.5	--	6/ 98.3	78.4	176.7	25.8	7.98
1994/95*	0.3	3.35	3.32	5,964	197.8	231.5	--	6/ 108.2	83.0	191.2	40.3	6.50-6.80
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	10,963	5,650	1,700	2,025	9,375	1,588	2.20-2.30
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	7	210	617	86	2.05-2.15
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	1.89
1994/95*	2.7	7.2	6.7	56.2	375	579	225	175	70	470	109	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	382	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	440	210	125	1	336	104	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/ 130	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/ 170	1,370	800	2,340	435	5.35-5.45
Soybean oil												
								Mil. lbs.				¢/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	1,788	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*	--	--	--	--	15,212	16,325	--	13,000	2,250	15,250	1,075	26.5-27.5
Soybean meal												
								1,000 tons				¢/\$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*	--	--	--	--	32,390	32,600	--	26,600	5,800	32,400	200	150-160

See footnotes at end of table.

Table 17—Supply & Utilization (continued)

Farm price 5/	Area				Production	Total supply 4/	Feed and resid- ual	Other domes- tic use	Exports	Total use	Ending Stocks	Farm price 5/
	Set Aside 3/	Planted	Harvested	Yield								
	Mil. acres		Lb./acre									
Cotton 10/												Cts./lb.
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	708	19.7	23.2	--	11.3	10.0	21.3	2.0 11/	72.00

*Apr. 11, 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 oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds, sesame, and crambe. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 48 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighed average for August-March, 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	Feb	Oct	Nov	Dec	Jan	Feb
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	3.80	4.31	4.24	4.27	4.06	3.98
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	5.29	4.40	4.41	4.37	4.21	4.09
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	25.40	14.15	14.00	13.25	13.35	13.75
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.99	2.06	2.11	2.24	2.32	2.37
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	4.81	3.55	3.60	3.81	3.92	3.90
Barley, feed, Duluth (\$/bu.) 5/	2.13	2.17	2.11	2.05	2.16	1.95	2.04	2.00	2.02	2.06
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.63	2.81	2.90	2.81	2.81	2.82
U.S. price, SLM, 1-1/16 in. (cts./lb.) 6/	74.8	56.7	54.1	66.1	72.7	67.6	72.0	81.9	88.1	91.9
Northern Europe prices index (cts./lb.) 7/	82.9	62.9	56.9	70.7	80.5	74.1	77.3	87.1	95.6	100.5
U.S. M 1-3/32 in. (cts./lb.) 8/	88.2	66.3	62.5	73.1	103.9	76.9	80.9	92.1	100.3	103.4
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.77	5.27	5.47	5.54	5.45	5.48
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	28.73	26.60	29.41	30.37	29.00	27.97
Soybean meal, 48% protein, Decatur (\$/ton) 9/	181.40	189.20	193.75	161.10	198.40	168.50	161.30	156.90	156.40	151.30

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean & 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/
				Paid land diversion		Total deficiency			
				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	---
				\$/cwt					
Rice									
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	---
				\$/bu.					
Corn									
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	---
				\$/bu.					
Sorghum									
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	---
				\$/bu.					
Barley									
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	---
				\$/bu.					
Oats									
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	---
				\$/bu.					
Soybeans 8/									
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	---	---	---	---	---	---
				Cts./lb.					
Upland cotton									
1989/90	73.4	50.00	9/ 50.00	13.1	---	---	14.6	25/0/0	89
1990/91 5/	72.9	50.27	9/ 50.27	7.3	---	---	14.4	12.5/0/0	86
1991/92 10/	72.9	50.77	9/ 47.23	10.1	---	---	14.6	5/0/0	84
1992/93	72.9	52.35	9/ 43.81	20.3	---	---	14.9	10/0/0	89
1993/94	72.9	52.35	9/ 47.50	18.6	---	---	15.1	7.5/0/0	91
1994/95	72.9	50.00	9/ ---	**4.6	---	---	15.3	11/0/0	89
1995/96	72.9	51.92	9/ ---	***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/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 9/ 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. 10/ 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	15,995
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	
	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb
Grower prices									
Apples (cents/pound) 4/	13.5	13.1	20.3	21.7	20.0	16.7	17.9	20.2	18.9
Pears (cents/pound) 4/	8.8	16.3	14.7	17.3	12.8	14.3	14.5	13.7	15.1
Oranges (\$/box) 5/	5.15	4.44	4.56	2.53	2.62	2.60	2.91	3.05	3.29
Grapefruit (\$/box) 5/	2.30	1.49	3.67	4.39	5.96	2.84	2.60	2.19	2.24
Stocks, ending									
Fresh apples (mil. lbs.)	567.4	260.1	69.4	3,874.3	6,163.3	5,198.8	4,486.0	3,722.2	2,986.3
Fresh pears (mil. lbs.)	14.8	44.2	198.7	588.8	487.7	387.3	323.4	214.3	149.8
Frozen fruits (mil. lbs.)	812.1	981.5	1,039.6	1,056.5	1,439.4	1,341.2	1,257.1	1,119.6	1,042.8
Frozen conc. orange juice (mil. single-strength gallons)	598.2	569.1	494.4	420.7	382.1	346.2	492.5	588.3	604.7

1/ 1995 indicates 1994/95 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									
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 P
Production										
Total vegetables (1,000 cwt)	453,030	448,629	478,379	467,914	543,435	562,938	565,754	677,975	674,940	746,676
Fresh (1,000 cwt) 1/ 3/	203,549	203,165	220,537	228,191	240,289	240,519	230,689	378,503	373,604	378,702
Processed (tons) 2/ 3/	12,474,040	12,273,200	12,892,100	11,986,160	15,157,290	16,120,960	16,753,270	14,973,630	15,066,800	18,398,680
Mushrooms (1,000 lbs) 4/	587,956	614,393	631,819	667,759	714,992	749,151	746,832	776,357	754,783	780,000
Potatoes (1,000 cwt)	406,609	361,743	389,320	356,438	370,444	402,110	417,622	425,367	428,693	459,342
Sweetpotatoes (1,000 cwt)	14,573	12,368	11,611	10,945	11,358	12,594	11,203	12,005	11,053	13,081
Dry edible beans (1,000 cwt)	22,298	22,960	26,031	19,253	23,729	32,379	33,765	22,615	21,913	29,187
	1994							1995		
	Jan	Feb	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Shipments (1,000 cwt)										
Fresh	18,451	17,917	19,977	17,349	15,934	16,574	17,424	17,535	17,505	17,802
Iceberg lettuce	3,547	3,405	4,222	3,765	3,879	3,697	3,669	3,270	3,835	3,575
Tomatoes, all	2,756	3,109	3,188	2,614	2,661	2,862	2,252	2,195	2,320	3,238
Dry-bulb onions	2,605	2,461	3,221	3,375	3,916	4,019	3,660	3,291	3,510	2,759
Other 5/	9,543	8,942	9,346	7,595	5,478	5,996	7,843	8,779	7,840	8,230
Potatoes, all	14,263	12,486	9,545	10,444	11,271	11,886	13,364	14,900	13,418	12,815
Sweetpotatoes	207	212	80	104	241	310	673	388	214	237

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
	Annual			1993	1994					
	1991	1992	1993	Nov	June	July	Aug	Sept	Oct	Nov
Tobacco										
Avg. price to grower 3/										
Flue-cured (\$/lb.)	172.3	172.6	168.8	169.5	—	150.0	160.0	177.0	180.5	182.5
Burley (\$/lb.)	178.8	181.5	181.5	182.5	—	—	—	—	—	180.5
Domestic consumption 4/										
Cigarettes (bil.)	516.3	509.5	462.9	36.5	48.8	36.9	48.5	39.6	40.7	38.3
Large cigars (mil.)	2,231.9	2,217.1	2,237.8	175.4	241.6	164.3	217.9	225.5	204.0	202.4

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 P	1994/95 F
	Million units						
Wheat							
Area (hectares)	217.4	225.8	231.4	222.4	222.9	222.1	215.4
Production (metric tons)	495.0	533.2	588.0	542.6	561.9	559.2	525.0
Exports (metric tons) 1/	104.3	103.9	101.0	110.8	112.7	99.5	96.5
Consumption (metric tons) 2/	524.3	532.7	561.5	555.1	549.5	564.3	552.4
Ending stocks (metric tons) 3/	118.4	118.9	145.4	132.8	145.2	140.1	112.7
Coarse grains							
Area (hectares)	323.4	321.1	314.4	318.2	319.0	311.0	314.0
Production (metric tons)	721.0	791.3	821.5	803.0	862.8	787.0	863.9
Exports (metric tons) 1/	97.6	104.5	89.5	96.2	91.2	85.3	89.4
Consumption (metric tons) 2/	786.4	815.6	809.4	802.9	834.6	829.4	854.6
Ending stocks (metric tons) 3/	146.6	122.3	134.5	134.6	162.8	120.3	129.6
Rice, milled							
Area (hectares)	145.5	146.6	146.8	146.0	145.3	144.5	145.1
Production (metric tons)	329.7	343.1	350.7	349.7	352.9	353.3	356.3
Exports (metric tons) 4/	13.9	11.7	12.1	14.1	14.9	16.0	15.7
Consumption (metric tons) 2/	325.4	338.3	345.9	351.7	355.4	357.6	358.0
Ending stocks (metric tons) 3/	49.0	53.9	58.6	56.6	54.1	49.7	48.0
Total grains							
Area (hectares)	686.3	693.5	692.6	686.6	687.2	677.6	674.5
Production (metric tons)	1545.7	1,667.6	1,760.2	1,695.3	1,777.6	1,699.5	1,745.2
Exports (metric tons) 1/	215.8	220.1	202.6	221.1	218.8	200.8	201.6
Consumption (metric tons) 2/	1636.1	1,686.6	1,716.8	1,709.7	1,739.5	1,751.3	1,765.0
Ending stocks (metric tons) 3/	314.0	295.1	338.5	324.0	362.1	310.1	290.3
Oilseeds							
Crush (metric tons)	164.5	171.7	176.7	185.1	183.8	187.6	201.6
Production (metric tons)	201.6	212.4	215.7	224.4	227.5	227.6	258.2
Exports (metric tons)	31.5	35.6	33.4	37.6	37.7	37.3	43.9
Ending stocks (metric tons)	22.1	23.7	23.4	21.8	23.3	20.0	28.8
Meals							
Production (metric tons)	111.1	116.8	119.3	125.1	124.6	128.8	138.0
Exports (metric tons)	37.4	39.8	40.7	43.2	41.7	43.9	46.3
Oils							
Production (metric tons)	53.3	57.1	58.1	60.6	60.9	62.5	67.3
Exports (metric tons)	18.1	20.4	20.5	21.1	20.9	22.8	24.5
Cotton							
Area (hectares)	33.8	31.6	33.2	34.8	32.6	30.6	32.4
Production (bales)	84.4	79.7	87.0	96.0	82.8	76.9	83.8
Exports (bales)	33.4	31.3	29.7	28.1	25.5	26.8	28.7
Consumption (bales)	85.3	86.6	85.5	84.6	85.8	85.4	85.0
Ending stocks (bales)	31.1	25.5	27.8	39.6	37.5	29.6	29.3
	1989	1990	1991	1992	1993	1994 P	1995 F
Red meat							
Production (metric tons)	112.3	113.3	114.9	115.9	116.6	119.3	122.1
Consumption (metric tons)	110.9	111.4	113.2	113.4	114.5	117.8	120.8
Exports (metric tons) 1/	8.2	7.9	8.1	7.6	7.7	8.0	7.8
Poultry 5/							
Production (metric tons)	33.1	33.8	35.7	37.6	39.8	42.1	44.5
Consumption (metric tons)	32.6	32.6	34.5	36.6	38.0	40.0	42.0
Exports (metric tons) 1/	1.7	2.7	3.0	3.3	3.9	4.6	4.8
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	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	4.01	4.33	4.55	4.42	4.48	4.25	4.20
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	3.15	2.47	2.43	2.44	2.61	2.72	2.72
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	3.07	2.36	2.43	2.54	2.67	2.73	2.69
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	7.12	5.91	5.69	5.94	6.04	6.01	5.97
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	28.73	26.14	26.57	29.41	30.37	29.01	27.98
Soybean meal, Decatur (cts./ton)	177.79	199.18	182.63	198.37	174.48	167.73	161.02	156.90	156.40	151.96
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	72.69	71.10	67.58	72.00	81.92	88.11	91.89
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	201.48	176.99	180.55	185.04	183.54	188.03	192.05
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	25.50	15.50	13.90	13.75	13.75	13.75	13.75
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	15.14	19.50	19.63	19.75	22.88	22.62	18.79
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	0.68	2.13	1.90	1.68	1.56	1.60	1.57
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	46.12	67.15	73.46	71.76	77.35	85.68	92.61
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.51	0.62	0.61	0.60	0.59	0.62	0.64

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

Table 25—Indexes of Real Trade-Weighted Dollar Exchange Rates¹

	1994									1995			
	Apr	May	Jun	July	Aug	Sep P	Oct P	Nov P	Dec P	Jan P	Feb P	Mar P	Apr P
	1990 = 100												
Total U.S. trade	106.1	104.3	103.3	100.7	100.9	99.7	98.0	99.3	101.4	99.9	98.9	98.6	98.4
Agricultural trade													
U.S. markets	97.4	97.0	96.9	95.3	95.2	94.3	93.7	94.1	96.6	99.3	98.9	99.7	100.7
U.S. competitors	107.6	105.7	104.5	101.5	101.2	100.1	98.4	99.1	100.5	99.6	98.8	98.5	98.2
Wheat													
U.S. markets	106.5	107.3	107.9	106.4	105.5	104.5	103.8	102.9	103.3	103.3	102.9	102.5	102.1
U.S. competitors	109.3	108.0	107.1	105.5	105.4	104.3	103.1	103.8	104.8	104.6	104.3	104.1	104.1
Soybeans													
U.S. markets	95.5	94.5	94.2	91.9	91.6	90.8	89.8	90.5	93.1	94.6	94.0	94.4	95.1
U.S. competitors	77.8	77.7	76.8	71.8	70.2	68.6	67.3	66.5	66.3	65.8	65.2	64.4	63.7
Corn													
U.S. markets	90.8	91.2	91.6	89.8	89.5	88.6	88.3	88.3	90.2	91.3	91.0	91.3	91.8
U.S. competitors	102.8	101.9	100.7	98.7	98.5	97.5	96.3	97.2	98.2	96.9	96.4	96.0	95.8
Cotton													
U.S. markets	100.1	99.9	99.7	98.1	97.8	97.3	96.7	96.6	97.6	98.1	97.8	97.8	98.0
U.S. competitors	128.2	126.8	125.5	123.3	124.5	123.6	121.9	121.1	120.9	120.8	121.1	120.5	120.1

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/								Jan
	1988	1989	1990	1991	1992	1993	1994	1995 F	1995
	\$ million								
Exports									
Agricultural	35,316	39,590	40,220	37,609	42,430	42,589	43,511	48,500	4,469
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	35,985
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	40,454
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	28,500	2,522
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	54,373
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	56,895
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	20,000	1,947
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-18,388
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-16,441

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*			Jan	Fiscal year*			Jan
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,107	1,162	--	51	358	469	--	34
Meats & preps., excl. poultry (mt)	1,160	1,316	2/ 1,100	119	3,349	3,503	--	282
Dairy products (mt) 1/	211	188	--	5	762	709	800	33
Poultry meats (mt)	986	1,377	1,600	131	1,031	1,420	--	128
Fats, oils, & greases (mt)	1,362	1,341	1,300	105	519	515	--	52
Hides & skins incl. furskins	--	--	--	--	1,288	1,439	--	152
Cattle hides, whole (no.) 1/	19,786	20,065	--	1,989	1,062	1,128	--	124
Mink pelts (no.) 1/	3,119	3,197	--	584	56	79	--	9
Grains & feeds (mt)	103,701	88,090	--	9,629	14,103	13,130	3/ 15,300	1,364
Wheat (mt)	36,039	31,145	33,500	2,547	4,737	4,026	4/ 5,000	389
Wheat flour (mt)	1,075	1,024	1,000	54	217	201	--	12
Rice (mt)	2,710	2,433	2,900	293	766	889	800	85
Feed grains, incl. products (mt)	50,701	40,441	57,000	5,444	5,260	4,744	6,000	591
Feeds & fodders (mt)	11,500	11,380	5/12,100	1,139	2,147	2,231	--	205
Other grain products (mt)	1,676	1,667	--	152	976	1,039	--	82
Fruits, nuts, & preps. (mt)	3,398	3,597	--	307	3,409	3,827	4,400	274
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	7,845	7,018	--	569	423	467	--	37
Vegetables & preps. (mt)	2,790	2,920	--	254	3,220	3,489	--	310
Tobacco, unmanufactured (mt)	231	196	--	21	1,443	1,260	1,300	143
Cotton, excl. linters (mt)	1,125	1,566	2,200	243	1,526	2,287	3,400	399
Seeds (mt)	529	490	--	62	648	601	600	105
Sugar, cane or beet (mt) 1/	337	392	--	32	106	130	--	12
Oilseeds & products (mt)	29,190	24,051	--	3,459	7,211	6,856	7,600	863
Oilseeds (mt)	21,044	16,958	--	2,485	4,981	4,559	--	580
Soybeans (mt)	20,400	16,364	21,400	2,431	4,606	4,161	4,500	543
Protein meal (mt)	6,545	5,406	--	744	1,262	1,085	--	120
Vegetable oils (mt)	1,601	1,687	--	229	968	1,213	--	163
Essential oils (mt)	13	15	--	2	185	206	--	20
Other	92	132	--	15	3,008	3,203	--	261
Total	145,125	125,671	156,600	14,384	42,589	43,511	48,500	4,469
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	--	329	1,569	1,360	1,300	119
Meats & preps., excl. poultry (mt)	1,128	1,159	--	97	2,726	2,721	--	213
Beef & veal (mt)	793	776	900	69	1,919	1,822	2,100	148
Pork (mt)	276	318	300	22	663	744	700	53
Dairy products (mt) 1/	231	260	--	19	860	955	900	75
Poultry & products 1/	--	--	--	--	137	133	--	15
Fats, oils, & greases (mt)	44	40	--	4	30	26	--	3
Hides & skins, incl. furskins 1/	--	--	--	--	181	195	--	27
Wool, unmanufactured (mt)	59	56	--	7	173	152	--	23
Grains & feeds (mt)	4,942	10,009	6,500	663	1,639	2,328	1,700	182
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,500	573	2,988	2,996	--	277
Bananas & plantains (mt)	3,737	3,836	4,000	330	1,083	1,057	1,100	93
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	30,000	2,120	640	686	--	50
Vegetables & preps. (mt)	2,733	2,866	--	349	2,440	2,642	2,900	355
Tobacco, unmanufactured (mt)	386	319	300	9	1,101	912	900	29
Cotton, unmanufactured (mt)	12	16	--	2	11	17	--	2
Seeds (mt)	189	309	300	20	214	255	300	19
Nursery stock & cut flowers 1/	--	--	--	--	629	685	--	64
Sugar, cane or beet (mt)	1,569	1,619	2,100	94	591	616	--	40
Oilseeds & products (mt)	2,484	3,219	3,300	267	1,204	1,479	1,500	138
Oilseeds (mt)	373	895	--	67	130	273	--	22
Protein meal (mt)	618	760	--	75	89	108	--	10
Vegetable oils (mt)	1,492	1,564	--	124	985	1,098	--	107
Beverages excl. fruit juices (1,000 hectoliters) 1/	14,014	15,710	--	967	1,975	2,122	--	128
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,200	188	3,018	3,622	5,300	511
Coffee, incl. products (mt)	1,185	969	1,200	92	1,502	2,019	3,700	335
Cocoa beans & products (mt)	770	748	800	68	1,028	1,077	1,100	118
Rubber & allied gums (mt)	981	1,001	1,000	83	839	885	1,100	111
Other	--	--	--	--	1,489	1,578	--	139
Total	--	--	--	--	24,454	26,365	28,500	2,522

*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*			Jan	Change from year* earlier			Jan
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	\$ million				Percent			
WESTERN EUROPE	7,499	7,077	7,700	826	-3	-6	9	11
European Union	7,022	6,557	7,100	797	-2	-7	8	13
Belgium-Luxembourg	482	504	--	57	5	5	--	16
France	613	466	--	44	-1	-24	--	22
Germany	1,146	1,028	--	99	5	-10	--	-7
Italy	568	564	--	77	-17	-1	--	30
Netherlands	1,801	1,609	--	186	-1	-11	--	-10
United Kingdom	916	931	--	77	4	2	--	9
Portugal	223	224	--	35	-7	0	--	86
Spain, incl. Canary Islands	829	780	--	155	-13	-6	--	50
Other Western Europe	477	519	600	29	-13	9	16	-22
Switzerland	152	154	--	15	-19	1	--	38
EASTERN EUROPE	468	312	400	22	111	-33	28	-30
Poland	230	111	--	4	368	-52	--	-17
Former Yugoslavia	47	98	--	1	-6	107	--	-96
Romania	107	50	--	6	42	-53	--	883
Former Soviet Union	1,561	1,486	1,200	86	-42	-5	-19	-12
ASIA	17,832	19,390	1/ 21,400	2,205	0	9	-100	40
West Asia (Mideast)	1,922	1,698	1,900	220	9	-12	12	49
Turkey	369	240	--	33	7	-35	--	88
Iraq	1	3	--	0	150	116	--	0
Israel, incl. Gaza & W. Bank	382	361	500	19	10	-6	39	-58
Saudi Arabia	463	500	500	40	-16	8	0	-16
South Asia	641	556	--	97	20	-13	--	35
Bangladesh	52	120	--	27	-58	131	--	39
India	226	130	--	15	93	-43	--	7
Pakistan	236	212	400	44	4	-10	89	19
China	322	877	1,700	218	-53	172	94	1,132
Japan	8,461	9,208	9,600	839	1	9	4	17
Southeast Asia	1,551	1,789	--	241	6	15	--	53
Indonesia	327	408	--	78	-7	25	--	148
Philippines	512	554	600	45	16	8	8	-5
Other East Asia	4,935	5,262	6,700	589	0	7	27	26
Taiwan	1,999	2,103	2,500	171	4	5	19	-16
Korea, Rep.	2,041	2,055	2,700	316	-7	1	31	61
Hong Kong	880	1,103	1,500	102	8	25	36	55
AFRICA	2,671	2,237	2,500	212	16	-16	12	-13
North Africa	1,659	1,470	1,800	161	18	-11	22	-14
Morocco	310	167	--	3	98	-46	--	-87
Algeria	458	608	600	38	-4	33	-1	-57
Egypt	756	613	1,100	108	7	-19	79	68
Sub-Saharan	1,012	766	700	51	13	-24	-9	-9
Nigeria	158	111	--	8	413	-30	--	119
Rep. S. Africa	383	113	--	21	17	-70	--	61
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,100	614	7	5	-2	0
Brazil	231	228	600	59	61	-1	163	77
Caribbean Islands	1,015	952	--	107	5	-6	--	53
Central America	675	729	--	55	15	8	--	4
Colombia	234	258	--	14	65	10	--	-42
Mexico	3,660	4,133	3,600	274	0	13	-13	-21
Peru	172	205	--	22	-4	19	--	61
Venezuela	502	410	400	34	27	-18	-2	-12
CANADA	5,220	5,261	5,700	444	8	1	8	16
OCEANIA	456	497	600	59	7	9	21	31
TOTAL	42,589	43,511	48,500	4,469	0	2	11	20
Developed countries	22,337	22,453	24,100	2,206	2	1	7	14
Developing countries	18,357	18,683	21,100	1,958	8	2	13	16
Other countries	1,896	2,375	3,300	305	-56	25	39	164

*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 after 1990 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 F	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. P = preliminary. 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	Dec 1994	Jan 1995	1993	1994	Dec 1994	Jan 1995	1993	1994	Dec 1994	Jan 1995
	\$ million 2/											
NORTH ATLANTIC												
Maine	274	284	22	23	198	220	15	19	472	503	36	42
New Hampshire	65	65	6	6	99	96	6	5	164	161	12	11
Vermont	403	402	34	35	81	86	4	3	484	488	39	38
Massachusetts	122	122	10	10	375	372	36	20	497	495	46	45
Rhode Island	12	12	1	1	67	66	8	3	79	79	9	8
Connecticut	258	252	21	20	263	262	17	39	521	513	38	36
New York	1,888	1,885	159	165	930	943	80	56	2,818	2,827	238	220
New Jersey	199	199	17	17	508	552	30	20	707	751	47	37
Pennsylvania	2,621	2,582	207	226	1,091	1,151	108	117	3,712	3,733	315	340
NORTH CENTRAL												
Ohio	1,673	1,618	115	143	2,720	2,884	272	220	4,393	4,502	387	360
Indiana	1,931	1,807	134	144	3,186	3,056	285	322	5,117	4,863	419	460
Illinois	2,248	2,087	152	183	5,834	6,117	495	830	8,082	8,204	648	1,011
Michigan	1,376	1,359	112	117	1,991	1,979	268	158	3,367	3,338	381	275
Wisconsin	4,164	4,034	315	359	1,086	1,337	183	173	5,250	5,370	498	530
Minnesota	3,774	3,529	284	302	2,799	3,065	535	448	6,573	6,595	820	750
Iowa	5,829	5,105	342	557	4,173	5,034	629	788	10,002	10,140	971	1,345
Missouri	2,270	2,188	174	183	1,783	2,079	250	276	4,053	4,267	423	460
North Dakota	706	654	56	84	2,227	2,268	290	319	2,933	2,922	346	400
South Dakota	2,173	1,996	165	204	1,147	1,665	222	181	3,320	3,662	387	360
Nebraska	5,842	5,174	381	539	3,067	3,173	519	473	8,909	8,347	900	1,010
Kansas	4,870	4,636	343	474	2,493	2,885	317	318	7,363	7,521	660	780
SOUTHERN												
Delaware	463	473	27	32	159	156	9	7	622	629	35	30
Maryland	806	802	45	62	560	544	37	28	1,366	1,346	82	80
Virginia	1,385	1,375	105	117	683	730	59	40	2,068	2,105	164	157
West Virginia	328	326	24	23	77	81	8	7	405	407	32	30
North Carolina	3,201	3,388	232	262	2,256	2,400	196	116	5,457	5,788	428	370
South Carolina	603	586	46	48	618	693	72	46	1,221	1,278	119	94
Georgia	2,572	2,504	147	175	1,639	1,929	211	165	4,211	4,434	358	340
Florida	1,202	1,166	62	100	4,548	4,886	542	588	5,750	6,052	603	680
Kentucky	1,720	1,638	93	119	1,656	1,628	394	288	3,376	3,266	487	407
Tennessee	1,012	967	72	81	1,027	1,175	209	148	2,039	2,141	280	220
Alabama	2,184	2,104	115	146	726	811	89	76	2,910	2,915	204	220
Mississippi	1,577	1,639	86	110	1,028	1,255	213	224	2,605	2,895	300	334
Arkansas	2,902	2,885	165	218	1,480	2,187	256	237	4,382	5,071	421	450
Louisiana	688	669	51	56	1,069	1,308	240	183	1,757	1,977	292	240
Oklahoma	2,762	2,575	166	202	1,108	1,171	100	93	3,870	3,746	266	280
Texas	8,342	8,057	527	711	4,275	4,719	755	437	12,617	12,776	1,282	1,140
WESTERN												
Montana	938	902	60	102	843	1,084	116	114	1,781	1,986	176	210
Idaho	1,167	1,112	74	122	1,680	1,685	189	95	2,847	2,797	263	217
Wyoming	657	605	23	36	160	204	36	18	817	808	59	50
Colorado	2,879	2,660	206	261	1,204	1,238	139	131	4,083	3,898	344	380
New Mexico	1,135	1,065	85	113	486	453	42	24	1,621	1,518	126	157
Arizona	885	842	58	71	1,037	1,083	211	174	1,922	1,925	269	240
Utah	626	633	60	48	177	219	20	17	803	853	80	64
Nevada	187	186	13	16	102	116	9	7	289	302	22	20
Washington	1,561	1,604	145	131	3,013	3,010	236	225	4,574	4,614	380	350
Oregon	739	707	52	57	1,737	1,841	135	94	2,476	2,548	187	150
California	5,246	5,366	436	461	14,604	14,624	1,614	1,364	19,850	19,990	2,050	1,820
Alaska	6	6	0	0	20	21	2	1	26	26	2	1
Hawaii	85	85	7	7	406	412	35	39	491	498	41	40
UNITED STATES	90,555	86,916	6,232	7,680	84,497	90,954	10,744	9,775	175,052	177,870	16,976	17,450

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					1995
	1989	1990	1991	1992	1993	1994	Jan	Sept	Oct	Nov	Dec	Jan
	\$ million											
Farm marketings & CCC loans*	161,142	169,974	168,795	171,202	175,052	177,870	16,197	15,081	20,422	20,580	16,976	17,455
Livestock & products	84,122	89,843	86,735	86,350	90,555	86,916	7,770	6,781	7,654	7,362	6,232	7,680
Meat animals	46,857	51,911	51,089	48,467	51,364	47,305	4,500	3,527	4,383	3,932	3,295	4,536
Dairy products	19,396	20,149	18,037	19,835	19,316	19,847	1,683	1,557	1,625	1,594	1,651	1,721
Poultry & eggs	15,372	15,243	15,122	15,480	17,241	17,128	1,379	1,467	1,457	1,517	1,101	1,209
Other	2,498	2,540	2,487	2,569	2,635	2,636	208	231	188	319	186	215
Crops	77,020	80,131	82,060	84,853	84,497	90,954	8,426	8,299	12,768	13,218	10,744	9,775
Food grains	8,247	7,517	7,414	8,455	8,221	9,597	919	1,108	947	803	708	893
Feed crops	17,054	18,671	19,491	19,782	19,338	21,011	2,525	1,521	2,329	3,965	2,936	2,887
Cotton (lint & seed)	5,033	5,489	5,236	5,192	5,015	6,527	691	306	961	1,814	1,988	1,654
Tobacco	2,415	2,741	2,886	2,961	2,949	2,650	337	466	299	341	492	332
Oil-bearing crops	11,866	12,258	12,709	13,277	13,046	15,156	1,752	1,301	4,427	2,168	1,328	1,766
Vegetables & melons	11,592	11,449	11,561	11,767	12,656	12,504	813	1,378	1,305	728	698	828
Fruits & tree nuts	9,157	9,420	9,909	10,123	9,927	9,948	542	1,068	1,275	1,469	1,100	555
Other	11,657	12,586	12,854	13,297	13,345	13,561	848	1,151	1,227	1,929	1,494	859
Government payments	10,887	9,298	8,214	9,169	13,174	7,881	615	96	1,688	90	467	91
Total	172,029	179,272	177,009	180,371	188,226	185,751	16,812	15,176	22,110	20,670	17,444	17,547

*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	17,463	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									
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
Diversion	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			1995			1995 year-to-date	
	1992 R	1993 R	1994 R	Jan R	Feb R	Mar P	Feb R	Mar P
\$ billion								
Sales 1/								
Off-premise use 2/	319.7	327.0	338.4	26.9	25.3	26.8	51.5	79.7
Meals & snacks 3/	237.9	251.2	264.8	21.0	20.6	23.4	41.6	65.0
1994 \$ billion								
Sales 1/								
Off-premise use 2/	326.8	327.0	327.8	26.1	24.6	27.5	50.8	78.3
Meals & snacks 3/	242.1	251.2	260.1	20.8	20.3	23.0	41.1	64.1
Percent change from year earlier (\$ bil.)								
Sales 1/								
Off-premise use 2/	0.4	2.3	3.4	2.4	1.4	5.3	0.7	2.2
Meals & snacks 3/	3.6	5.6	5.4	13.2	5.3	5.5	12.0	9.5
Percent change from year earlier (1994 \$ bil.)								
Sales 1/								
Off-premise use 2/	-0.8	0.1	0.1	-0.7	0.9	1.8	0.0	0.7
Meals & snacks 3/	1.6	3.7	3.6	9.8	3.1	3.1	6.4	5.2

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. R = revised. 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	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Rail freight rate index 1/										
(Dec. 1984=100)										
All products	109.9	110.9	111.9	111.7	111.2	111.3	111.3	111.3	111.9 P	111.7 P
Farm products	111.1	113.7	114.5	114.8	114.1	115.8	115.4	115.3	115.9 P	115.8 P
Grain	111.4	114.7	115.5	115.6	114.6	116.7	116.7	116.6	117.1 P	116.9 P
Food products	108.7	109.0	111.0	110.2	111.9	111.9	111.1	111.1	111.3 P	111.3 P
Barge freight rate index 1/										
(Dec. 1984=100)										
Grain	105.8	101.2	111.5	83.5	152.6	184.3	160.1	154.4	170.8	159.2
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.8	25.7	25.8 P	30.4 P	29.5 P	27.9 P	28.3 P	29.3 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	1.7	2.0	2.9	3.6	3.1	2.4	2.0
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	1.1	1.3	1.0	1.1	1.2	1.1 P	1.0 P
Rail (mil. cwt)	2.6	2.2	2.3	2	2.2	2.2	2.6	3.0	2.5 P	2.1 P
Truck (mil. cwt)	44.0	44.8	43.8	37.8	36.4	40.6	39.7	42.8	39.2 P	33.9 P
Cost of operating trucks										
hauling produce 4/										
Fleet operation (cts./mile)	124.1	127.2	128.0	128.3	128.0	128.0	129.1	128.6	128.9	129.2

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.

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	—
Sweetpotatoes 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	136.9	138.8	143.3	143.5
Rice (milled basis)	11.6	14.0	14.3	15.2	16.2	16.8	16.9	17.5	17.8
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	—

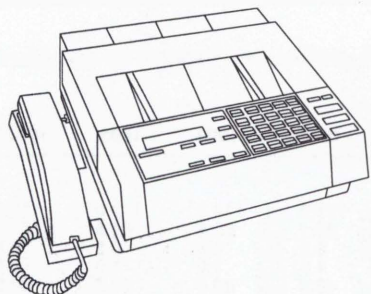
1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Totals may not add due to rounding. 3/ Boneless, trimmed 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. 6/ Natural equivalent of cheese & cheese products. 7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products. 12/ Farm weight. 13/ Excludes pineapples & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 16/ Dry weight equivalent. — = not available.

P = preliminary.

Information contact: Jane Allshouse (202) 219-0901.

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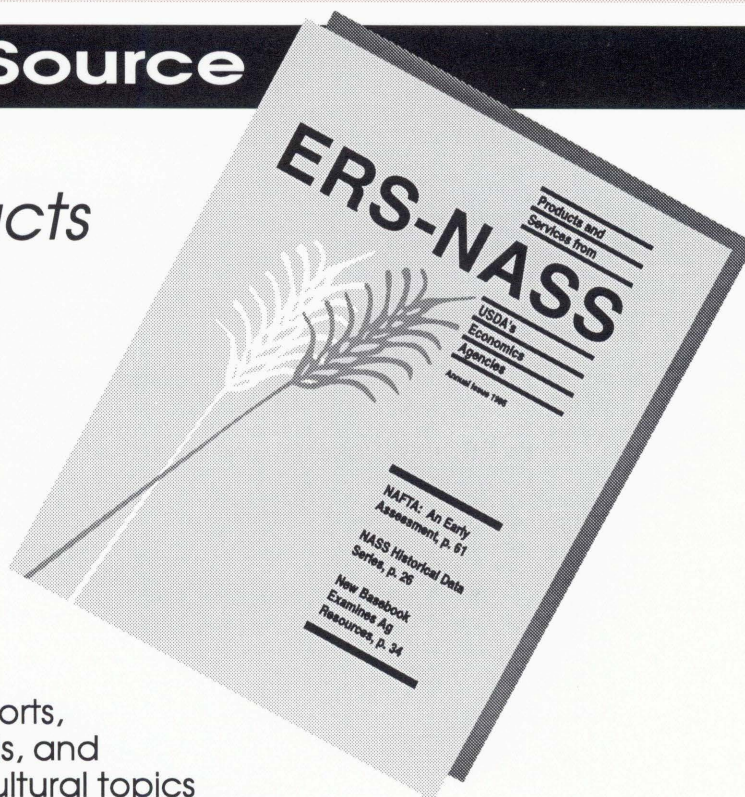
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