

AGRICULTURAL OUTLOOK

Economic Research Service
United States Department of Agriculture

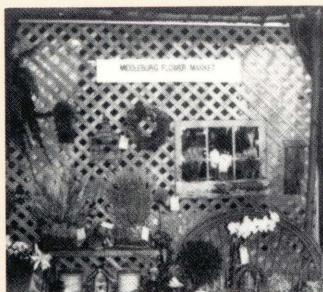
June 1995

UNIVERSITY OF MINNESOTA
DEPOSITORY PUBL.
U.S. G.P.O. D 301-8
42-M
JUL 1995
DOCUMENTS
ST. PAUL CAMPUS LIBRARIES

Cotton Boom: How Durable?

China's Ag Imports
on the Rise

AGRICULTURAL OUTLOOK



Economics Editor
Nathan Childs (202) 501-8540

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

Managing Editor
Mary Reardon (202) 219-0566

Overview Coordinators
Field Crops: Sara Schwartz,
Mark Ash, & Carolyn Whitton
Livestock: Leland Southard
Specialty Crops: John Love

Design & Layout Coordinator
Victor Phillips, Jr.

Statistical Coordinator
David Johnson (202) 219-0355

Editorial Staff
Trina J. Myers

Tabular Composition
Joyce Bailey, Ciliola Peterson

2 *Agricultural Economy* Commodity Overviews

12 *Commodity Spotlight* Cotton Boom To Stretch into 1995/96 Season

*Stephen MacDonald &
Bob Skinner*

15 *Environment & Resources* Commodity Payments & Farmland Values

*Doug Beach, Robbin
Shoemaker &
Janet Perry*

17 *Farm Bill '95* Commodity Programs in the Spotlight "Green Payments" as a Policy Option

Ralph Heimlich

26 *Special Article* China: A Major Force in World Ag Markets

*Frederick Crook &
Francis Tuan*

Statistical Indicators

30	Summary	45	World Agriculture
31	U.S. & Foreign Economic Data	46	U.S. Agricultural Trade
32	Farm Prices	49	Farm Income
33	Producer & Consumer Prices	54	Food Expenditures
35	Farm-Retail Price Spreads	54	Transportation
37	Livestock & Products	55	Indicators of Farm Productivity
41	Crops & Products	56	Food Supply & Use

Published monthly (except February) by the Economic Research Service, U.S. Department of Agriculture. Materials may be reprinted without permission.

Contents have been approved by the World Agricultural Outlook Board and the summary released May 19, 1995. Price and quantity forecasts for crops are based on the May 11 World Agricultural Supply and Demand Estimates.

To renew—Call 1-800-999-6779. Subscription expires in month and year indicated on top line of address label.

Subscription: \$42 per year (\$52.50 for foreign addresses, including Canada); single issues \$9. Order from ERS-NASS, 341 Victory Drive, Herndon, VA 22070. Or call 1-800-999-6779 (U.S. and Canada). All other areas, call (703) 834-0125. Checks payable to ERS-NASS.

The next issue (AO-220) is scheduled for mailing on July 6, 1995. If not delivered by July 26, call (202) 219-0566 (please have mailing label handy). The full text will also be distributed electronically; call (202) 720-9045.

Cover: Cotton is loaded from harvester bins into cotton wagons at end of field.

Crop Projections for 1995/96 . . . the Thriving Cotton Market . . . China's High Imports . . . & Farm Bill Commodity Issues

Smaller U.S. Corn, Soybean Crops

Initial USDA supply and demand projections for 1995/96 are for U.S. production of corn to be down 15 percent from 1994/95, soybeans down 14 percent, and rice off 11 percent. Wheat output will likely change little, and cotton should rise 7 percent. Behind the projected production decreases are forecast declines in area and a projected return to trend yields from last year's records.

Supplies of cotton, despite projected record output, are also expected to remain tight in 1995/96, as strong demand in 1994/95 has sharply lowered stocks, and robust demand is predicted to continue in 1995/96.

Record Meat Production for 1996

Total U.S. red meat and poultry output is expected to rise 4 percent in 1996, with all major categories showing an increase over this year. USDA's first supply and demand projections for 1996 red meat and poultry, released on May 11, project lower wholesale and retail prices and, except for pork, rising per capita consumption.

Beef and broilers will account for most of the production increase, with total beef output just short of 1976's record. Broiler output, propelled by favorable returns, is projected to hit a record. Pork production is projected to rise just 1 percent in 1996, largely in response to weak returns in 1994 and 1995 caused largely by low hog prices.

Cotton Boom To Continue

The world price of cotton has doubled since November 1993, as production contracted across Asia and consumption remained stable. Even the 1994/95 record harvest by the U.S., the world's largest exporter, failed to prevent prices from soaring to their highest since the 1860's. The current high prices, as well as a drop in the acreage reduction pro-



gram (ARP) requirement, account for the expected rise in U.S. planted acreage this season. With normal weather conditions, the U.S. cotton industry could produce back-to-back record crops.

U.S. exports and domestic mill consumption together are expected to total 21.6 million bales in 1994/95, the largest total offtake on record. The U.S. stocks-to-use ratio for 1994/95 is expected to be the lowest since 1924/25. Because total demand, domestic and foreign, for U.S. cotton next season is expected at a near-record level, another record crop would boost stock levels only moderately.

China: A Major Ag Importer

A convergence of several factors led to China's importing large volumes of corn, cotton, edible oil, rice, and wheat in 1994/95, with substantial impacts on world prices. Among the factors were rising demand and commodity prices, government policies, and inadequate transportation and marketing systems. China—usually a large corn exporter—is expected to become a net corn importer

in 1994/95. China is expected to continue to import large amounts of these commodities in 1995/96.

Stronger Chinese import demand for corn, cotton, and vegetable oil has boosted the dollar value of U.S. agricultural shipments to China in fiscal 1995, with total U.S. farm sales to China forecast nearly to triple from 1994. Two key factors—population and income growth—will drive China's demand for most commodities over the next decade. This will substantially increase demand for meats (thus for feed grains and soy-meal), food grains, vegetable oils, soybeans, and cotton, leading to potentially large gains in imports—and reduced exports—of these products.

Crafting the Farm Bill

In the 1995 farm bill debate, ideas for commodity programs, the core of farm legislation, range from fine tuning existing programs, to changing funding for particular provisions, to discontinuing or phasing out current programs. Issues likely to be addressed include the impacts of idling cropland; how to build more producer flexibility into the programs; and how to accommodate budget constraints. A "total farm" approach to base acreage, in which program participation would not be tied to the planting of specific commodities, is among the options being discussed.

Pressure for deriving environmental benefits from agriculture is also generating proposals to revise, reduce, or eliminate certain farm programs. One policy alternative has been variously labeled "stewardship," "environmental incentive," or "green support program (GSP) payments." The idea of GSP is to compensate farmers for changing input management practices to benefit the environment. A "whole farm" concept applied to GSP would involve an integrated resource management plan for an entire farm rather than a practice-by-practice approach.

Agricultural Economy



Field Crops Overview

U.S. grain and oilseed production is projected to fall from 1994/95's record, while cotton production is expected to exceed last year's record, according to USDA's initial supply and demand projections for 1995/96. Reduced supplies and relatively strong demand are likely to boost farm prices for grains and oilseeds in 1995/96.

Initial USDA projections for global supply and demand in 1995/96 point to increased export competition for wheat, coarse grains, and cotton, as foreign production rises. U.S. exports of wheat, rice, soybeans, soybean oil, soybean meal, and cotton are all projected to contract from 1994/95's forecast levels.

USDA published its first supply and demand forecasts for 1995/96 on May 10 and 11. Except for winter wheat, U.S. production projections were based on the planting intentions reported in the National Agricultural Statistics Service's (NASS) March 31 Prospective Plantings report, and on trend yields. NASS released initial estimates for 1995/96 winter wheat production on May 11. The results of the first NASS acreage survey for the other field crops will be published June 30, and USDA produc-

tion forecasts based on the acreage survey and objective yield surveys will be released July 12 for barley, oats, and spring wheat, and August 11 for corn, sorghum, rice, soybeans, and cotton.

USDA's global projections released in May include country-specific projections for wheat and each of the coarse grains, but only world, foreign, and U.S. totals for rice, oilseeds, and cotton. Country-specific projections for rice, oilseeds, and cotton will be released July 12.

Wet, cool weather in the Northern Plains and in the Corn Belt has delayed plantings and raised concerns that actual U.S. grain area planted will fall short of reported planting intentions as of March 31. And the longer plantings are delayed, the greater the risk that yields could fall below trend.

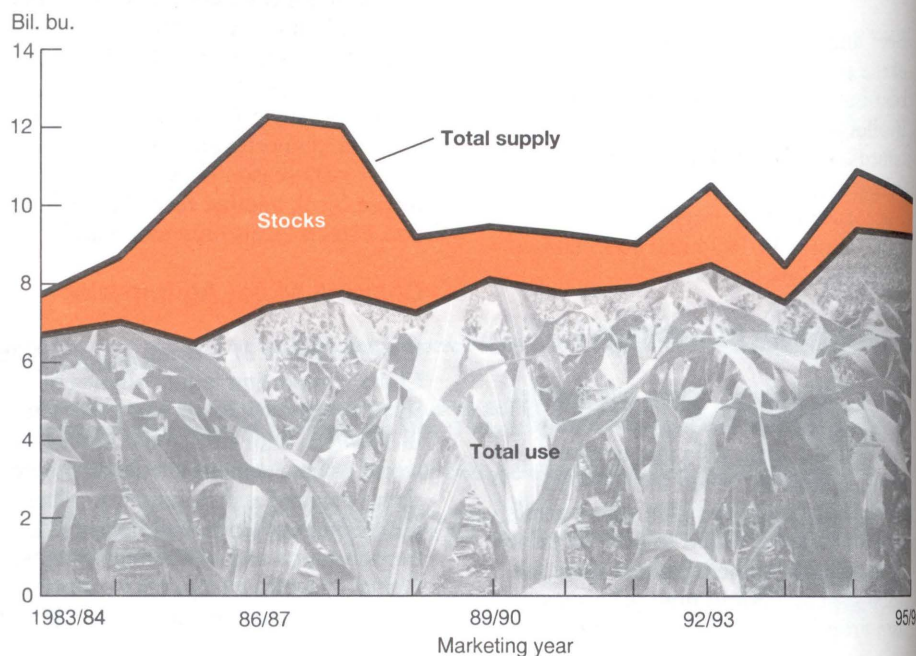
As of May 21, 56 percent of corn area was planted, compared with the 1990-94 average of 81 percent for that date, while 48 percent of spring wheat area was seeded, compared with the 5-year average of 93 percent. The planting delays have increased volatility in the soybean market, as chances increase that farmers will plant soybeans instead of grain.

U.S. and global feed grain supplies are tightening. U.S. feed grain production in 1995/96 is projected to be down 14 percent from 1994/95. But expanding foreign coarse grain use in 1995/96 is projected to keep demand strong for U.S. coarse grains, despite higher projected competitor exports. Global coarse grain consumption is likely to increase to record levels in 1995/96, with China accounting for the largest share of the gain. The lower U.S. production prospects will push down the global stocks-to-use ratio to a projected 30-year low of 11.7 percent, implying higher prices and only a small increase in global trade, to 90.1 million tons.

U.S. corn production is projected to be down 15 percent in 1995/96. Planted corn area is projected to decline 5 percent from 1994/95 because of the 7.5-percent acreage reduction program (ARP) requirement and the substitution of cotton for corn by many producers in the Delta and southeastern states. In addition, trend yields suggest that this year's average yields will decline sharply from last year's record.

While beginning stocks are expected to be nearly double those of a year ago, the smaller projected production will lead to much lower ending stock levels. U.S.

Corn Stocks To Tighten



1994/95 estimate; 1995/96 projection.

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	— Mil. acres —		Bu/acre	—	—	—	—	—	\$/bu
Wheat									
1994/95	70.4	61.8	37.6	2,321	2,979	1,238	1,250	491	3.45
1995/96	70.9	61.4	37.8	2,323	2,914	1,223	1,200	491	3.25-3.65
Corn									
1994/95	79.2	72.9	138.6	10,103	10,963	7,350	2,025	1,588	2.20-2.30
1995/96	75.3	68.5	125.6	8,600	10,198	7,200	2,000	998	2.30-2.70
Sorghum									
1994/95	9.8	9.0	73.0	655	703	407	220	76	2.00-2.10
1995/96	9.2	8.2	67.4	555	631	382	200	49	2.15-2.55
Barley									
1994/95	7.2	6.7	56.2	375	579	400	70	109	2.01
1995/96	7.0	6.5	58.1	380	549	385	60	104	2.10-2.50
Oats									
1994/95	6.6	4.0	57.2	230	440	335	1	104	1.21
1995/96	6.8	3.7	54.7	200	404	300	1	103	1.25-1.65
Soybeans									
1994/95	61.9	61.1	41.9	2,558	2,775	1,551	800	425	5.40
1995/96	61.5	60.3	36.5	2,200	2,630	1,491	760	380	5.10-6.10
			Lb./acre	—	—	Mil. cwt (rough equiv.)		—	\$/cwt
Rice									
1994/95	3.35	3.32	5,964	197.8	231.5	104.2	87.0	40.3	6.60-6.80
1995/96	3.14	3.11	5,700	177.0	226.3	107.2	81.0	38.1	6.25-7.75
				—	—	Mil. bales		—	¢/lb
Cotton									
1994/95	13.7	13.3	708	19.7	23.2	11.4	10.2	1.7	72.60
1995/96	16.2	15.2	665	21.0	22.7	11.6	8.5	2.7	*

See table 17 for complete definition of terms.

However, spring wheat production is projected to rise slightly from a year ago, as durum area is expected to increase considerably. Although the *Prospective Plantings* report indicated that area for other spring wheat would equal that of a year ago, planting in the Northern Plains as of mid-May was well behind average for that date.

Agricultural Economy

However, strong demand in 1994/95—domestic and foreign—is lowering beginning stocks for 1995/96, projected to be the lowest since 1925. In 1995/96, domestic consumption is projected to be record high, and foreign demand is predicted to remain vigorous, which will keep supplies tight and ending stocks low.

World production is projected to rise 5.5 million bales in 1995/96, and foreign area to rise by 5.5 percent, to 28.4 million hectares. Higher prices have induced a much smaller acreage response in foreign countries than in the U.S. in 1995/96, and responses are weaker than in 1994/95.

Despite a projected 1.8-million-bale increase in consumption, world exports are likely to fall in 1995/96, to a projected 27.2 million bales, a 1.7-million-bale drop from forecast exports in 1994/95. Improved beginning stocks or higher production in a number of countries will permit local supplies to substitute for imports, cutting world trade and U.S. exports.

As the primary beneficiary of 1994/95's surge in world cotton trade, the U.S. will bear the brunt of lower trade and greater foreign competition in 1995/96. U.S. exports are projected to fall to 8.5 million bales in 1995/96, from a forecast 10.2 million bales in 1994/95.
[Sara Schwartz (202) 501-8514, Mark Ash (202) 219-0838, and Carolyn Whitton (202) 219-0825]

For further information, contact:

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

Livestock, Dairy & Poultry Overview

Per capita meat supplies could increase another 5 pounds in 1996, with total U.S. red meat and poultry output projected up 4 percent. Beef and broilers will account for most of the production increase. The larger supplies will pressure red meat and poultry prices downward. USDA's first supply and demand projections for 1996 red meat and poultry, released May 11, project lower wholesale and retail prices and, except for pork, rising per capita consumption. Steady to lower livestock prices and expected higher feed grain prices will likely reduce producers' returns.

Red meat and poultry exports are projected to rise 5-6 percent in 1996, tapering off from double-digit increases in recent years. Imports are projected to remain about unchanged from 1995, as lower domestic prices make U.S. markets less attractive.

Pork output is expected to increase slightly in 1996. Due to lackluster returns during most of 1994 and thus far in 1995, hog producers are expected to have fewer sows farrow year-over-year through mid-1996. However, with the number of pigs per litter increasing, pork production in 1996 will likely total about 18.1 billion pounds, up 1 percent from 1995's record.

Relatively weak hog prices are expected to continue through 1996, as large supplies of competing meats will continue to dampen pork prices. Hog prices are expected to average around \$39 per cwt in 1996, about the same as this year. Retail pork prices may decline slightly in 1996.

In addition to low hog prices, prospects for higher feed grain prices will affect hog producers' decisions. Corn prices have risen this year due to record-large feed use and strong exports. With farmers intending to plant fewer acres to corn in 1995/96, higher expected feed grain

costs would make hog production less attractive, leading to a decline in future farrowings.

Seasonally smaller hog supplies will push weekly slaughter below 1.8 million head this spring and summer. But with U.S. market hog inventories the largest on record as of March 1, 1995—58.4 million head—total slaughter during this period will be above a year earlier. On the basis of a 5-percent drop in March-May farrowing intentions (reported in the March 1 *Hogs and Pigs* survey), slaughter this fall is expected to decline year-over-year—the first decrease since first-quarter 1994.

Record production and freezer stocks contributed to weaker first-quarter live hog prices—the average price was down 15 percent from a year earlier—and both factors will continue to constrain near-term price gains. Freezer stocks have been building since the beginning of January, and on April 1 they were up 6 percent from a year earlier.

Lower pork retail prices since last fall have spurred consumption. But with live hog prices in April down about \$7 per cwt from last year, and retail prices down only about 8 cents per pound, farm-to-retail price spreads remained wide. Spreads widened by nearly 6 cents per pound in March, and increased an additional 1 cent in April.

Pork exports to Japan—the largest customer for U.S. pork—expanded 35 percent in January-March from the same period a year earlier. Lower U.S. export prices and a strong yen relative to the dollar have made U.S. pork very attractive to Japanese buyers, and U.S. pork exports to Japan are expected to remain strong for the rest of the year.

U.S. pork sales to Russia under the Export Enhancement Program (EEP) continued to be vigorous through the first quarter, but commercial shipments are expected to continue after shipments under EEP end this summer, as required under GATT. Total U.S. pork exports in 1995 are forecast at 540 million pounds, the highest since World War II.

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	1995	548	24,910	2,430	27,888	1,680	450	25,758	68.5	66-69
	1996	450	25,858	2,480	28,788	1,715	475	26,598	70.1	63-69
Pork	1995	438	18,026	730	19,194	540	405	18,249	53.8	38-39
	1996	405	18,138	685	19,228	545	400	18,283	53.4	37-41
										¢/lb
Broilers*	1995	458	25,218	0	25,676	3,435	490	21,751	72.8	52-54
	1996	490	26,796	0	27,286	3,700	530	23,056	76.4	48-52
Turkeys	1995	254	5,241	0	5,496	250	350	4,896	18.6	61-64
	1996	350	5,539	0	5,889	258	300	5,331	20.1	58-63
					Million doz.				No.	¢/doz.
Eggs**	1995	14.9	6,265.1	4.0	6,284.0	192.0	12.0	5,243.8	239.1	64-67
	1996	12.0	6,380.0	4.0	6,396.0	193.0	12.0	5,321.0	240.3	62-67

Based on May 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.

Cattle supplies and beef output will rise in 1996. Total beef production (commercial and farm) in 1996 is projected to reach 25.9 billion pounds, up almost 4 percent from this year and just short of 1976's record. Most of the increase is due to expected larger slaughter, although dressed cattle weights will remain heavy.

In 1996, for the first time since 1986, fed-cattle prices will likely not climb above \$70 per cwt. Prices in the upper \$60's per cwt predicted for the first quarter will likely be the highest for the year, and the average annual price should decline \$1-\$2 per cwt from 1995. Large supplies of U.S. feeder cattle and a surge in shipments from Mexico will continue to pressure feeder cattle prices, and prices during this fall and in 1996 are likely to drop to near or below cash production costs.

First-quarter net feedlot placements in the 13 quarterly reporting states jumped 10 percent from a year earlier. Most of these placements were heavy stocker cattle coming off wheat pasture that had made excellent weight gains over the winter. This pushed cattle-on-feed inventories as of April 1 close to the year-earlier level, and to the highest level since the early 1970's. First-quarter steer and heifer slaughter was up

nearly 3 percent from a year earlier, but marketings from feedlots were below expectations.

Fed-cattle prices are expected to average \$67-68 per cwt in 1995, down \$1-\$2 from last year. Prices likely peaked this year near \$74 per cwt in mid-February. By mid-May, fed-cattle prices had dropped to the low \$60's per cwt, and could dip below \$60 per cwt at times this summer. Prices this fall will likely rise seasonally, but only to about \$66-\$68 per cwt.

Low fed-cattle prices and tight grain supplies will intensify pressure on feeder cattle prices. As a result, cattle feeders will continue to find it difficult to price lighter weight cattle into feedlots. If forage supplies during the spring and summer remain adequate, most lighter weight stocker-feeders will remain on pasture, continuing to gain weight.

Declining fed-cattle prices and large supplies of heavier feeder cattle reduced prices for 750-800-pound feeder steers in Oklahoma City to the low \$60's per cwt in late April. Prices for the remainder of the year may average only in the mid-\$60's per cwt, nearly \$10 below last year.

Beef consumption will average near 70 pounds per capita in 1996—the largest since 1988's nearly 73 pounds. Per capita beef consumption began rising in 1994 after falling to a low of 65.1 pounds in 1993. Increased retail beef sales have been accompanied by declining retail prices.

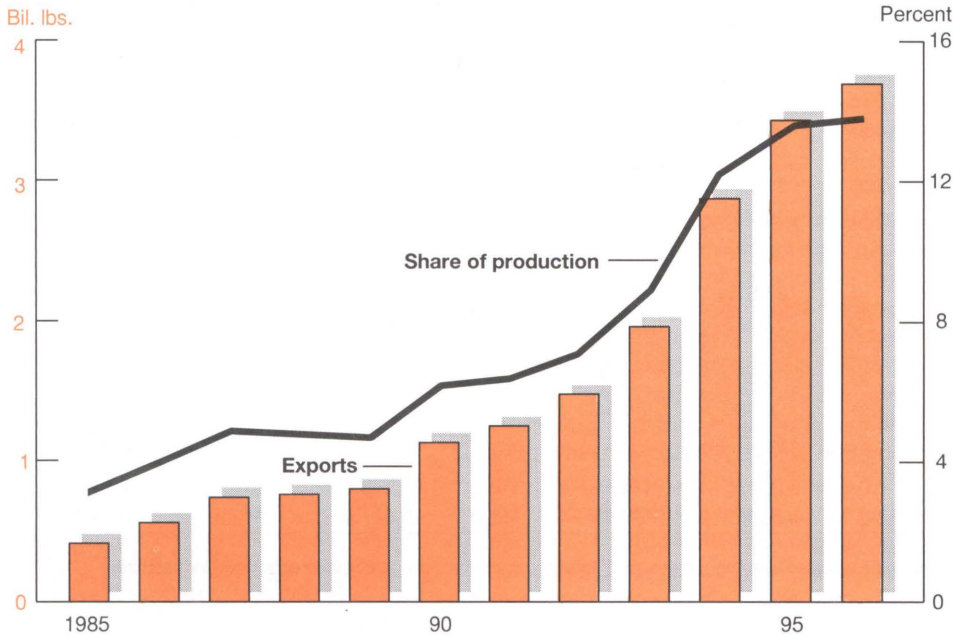
Retail prices for Choice beef have declined from \$2.93 a pound in 1993, when supplies were reduced by weather, to \$2.83 in 1994. Prices are expected to decline further, to \$2.80 per pound this year. Retail beef prices are likely to drop another 2 cents a pound in 1996, as supplies of beef and competing meats continue to rise.

Broiler production continues to increase. Broiler output in 1996 is expected to increase about 6 percent from this year. Slightly lower net returns projected in 1995 and higher feed costs anticipated for 1996 are expected to keep production increases below 1994 and 1995.

First-quarter broiler production was up 8 percent from a year earlier, and a 7-percent increase is projected for the second quarter. Production gains are expected to moderate in the second half of 1995, with a 6-7 percent increase expected for the year.

Agricultural Economy

Broiler Exports Soar



1995 and 1996 projections.

Broiler weights remain unchanged from last year. Weight increases of 1 to 2 percent per year have been common over the last 20 years. An increased incidence of respiratory disease may be a factor in holding down weights this year, although respiratory diseases typically become less of a problem as the weather turns warmer.

Respiratory disease may also have had some effect on the broiler hatching-egg flock. Some reduction in flocks has been occurring since last fall, when the flock was 13 percent larger than the previous year. By April, the flock was only 4 percent larger than a year earlier. If the smaller rate of growth in the broiler hatching-egg flock and flat growth in slaughter weights continue, increases in broiler production for the second half of 1995 could be lower than currently projected.

Wholesale broiler prices are projected to average 3 cents per pound lower in 1995 than the year before, and to drop about 2 cents more in 1996. With retail broiler prices expected to fall slightly less than wholesale prices in 1995 and 1996, wholesale-to-retail spreads should widen.

Per capita turkey consumption will be up in 1996. Per capita turkey consumption is projected to increase about half a pound in 1995—to 18.6 pounds—and an additional 1-pound gain seems likely for 1996. These increases would be the largest since the late 1980's. Two factors are contributing to the rise: larger production and slower export growth.

Strong net returns to producers in the second half of 1994 contributed to 9-percent growth in output in the first quarter of 1995. Growth for the rest of the year is expected to moderate, with an annual increase of near 6 percent foreseen. This would be the largest production increase since 1990. Bird numbers and average weights are each expected to be up about 3 percent.

Continued strong returns in early 1995 are expected to support a 5-6-percent rise in production in 1996. Returns in the second half of 1995 are expected to drop below 1994 as feed costs increase, but for the year, returns should remain above breakeven. Feed costs in 1996 are expected to be higher than in 1995, which will put pressure on net returns. However, production is not expected to be significantly affected until 1997.

Larger turkey supplies, combined with more red meat and broilers, are expected to pressure wholesale and retail prices for whole birds. Wholesale prices for 1995 are expected to decline 3 cents per pound from the year before. Year-over-year price differences should be greatest in the fourth quarter, as abundant cold storage stocks will limit wholesale price gains that typically occur during the holidays late in the year. With retail prices projected to be about 2 cents lower, margins will widen a little at the retail level. For 1996, wholesale and retail prices are projected to be about 2 cents lower than in 1995.

Egg production continues to increase slowly. First-quarter 1995 table-egg production increased nearly 2 percent. However, low hatch rates in early 1995, plus increased fowl slaughter, will temper production gains for the rest of the year. Annual production is expected to rise about 1 percent. With net returns expected to be nearly unchanged from 1994, slow growth in output is likely to continue into 1996.

Table-egg production is projected to increase 1-2 percent in 1996, while hatching-egg production is predicted to increase 4-5 percent. Continued growth in the broiler sector is driving the rise in hatching-egg production.

Wholesale egg prices in the first quarter were 6 cents per dozen below a year earlier. Larger production contributed to the price drop, but the decline was also due to the mid-April occurrence of the Easter holidays, 2 weeks later than last year. For the year, wholesale prices are expected to fall 2 cents per dozen below 1994, while prices in 1996 are expected to decline 1 cent from this year.

Retail egg prices are expected to be 1 cent lower in 1995, allowing the wholesale-to-retail spread to widen. In 1996, retail prices are expected to mirror wholesale prices, and decline by 1 cent per dozen.

Brisk expansion in milk output is seen for the rest of the year. Higher-than-expected milk prices during the winter will likely spur further growth in cow numbers in the western states. In some states in the Midwest—where dairy farm

Specialty Crops Overview

California stone fruit growers expect a drop in output this summer. The result would be increased prices and farm returns. Harvest of stone fruits begins in May with apricots and sweet cherries; and runs until about September with plums, peaches, and nectarines. The decreased output is expected to result in higher retail prices this summer.

California's tree fruit industry groups estimate the state's 1995 production of peaches, nectarines, and plums will be down about 20 percent. Total California peach, nectarine, and plum production was 1.4 million short tons in 1994. Apricot production is likely to fall about 50 percent in 1995 from 1994's 150,000 tons. Cherry output also is estimated down about 50 percent from 1994's record 52,000 tons.

Summer stone fruits are sold for fresh-market consumption and for processing into canned, preserved, and dried fruits. California processes most of its apricots, three-fourths of its peach crop, and about a third of its sweet cherry crop. California nectarines and plums (excluding prune varieties) are sold fresh.

Warmer-than-usual winter temperatures caused sporadic fruit bud development in California orchards. Fruit trees require a certain number of days during the winter with low temperatures for proper flower bud maturation. But California's 1995 winter was too warm to chill the trees adequately, and bud development was hindered. In early spring, cool and rainy weather during blooming kept pollination below par as well.

California accounts for most U.S. production of summer stone fruits, although several other states are also key players in the peach and sweet cherry markets. California typically enters the spring market before the other states. Georgia is an early competitor in the peach mar-

exits have been numerous in recent years—more farms are expected to expand in 1995 than last year, while fewer operators are expected to quit dairying. Lower milk prices expected during the spring and summer will probably pull cow numbers during the second half of 1995 below the previous year.

Milk output in January-March jumped 4 percent from a year earlier. Milk per cow rose sharply, and the number of milk cows was slightly higher. Strong domestic and export demand absorbed much of the growth in production. However, declines in cheese prices by April suggest that gains in production have begun to exceed gains in use.

The number of cows injected with bovine somatotropin (bST) will likely continue to increase, boosting milk per cow. Successful adopters of bST probably will inject more of their herds. And while other producers may start to use bST, they will probably be offset by the producers who discontinue use. Broader bST use, combined with gains from better forage during the first half of the year, is expected to boost growth in milk per cow above 3 percent in 1995.

Catfish production will be higher in 1995. Based on grower-held inventories at the start of 1995, the volume of catfish going to processing plants this year is forecast to reach 460-470 million pounds, up 5-7 percent from 1994. Catfish production fell 4 percent in 1994, to 439.3 million pounds, the first decline since 1975, as growers cut back stocking and feeding levels following low farm prices the previous year.

Catfish production during the first half of 1995 is estimated at 202 million fish, up 7 percent from last year. As a result of the increased volume, farm-level and wholesale prices are expected to decline slightly from a year earlier. However, gross farm revenues are expected to total \$330-\$360 million, about the same as in 1994.

The volume of production and movement of prices during the second half of 1995 will depend on how fast the stockers and fingerlings held by growers can be fed to market size. With farm prices averaging around 77-78 cents a pound, and feed costs lower than last year, growers have incentives to feed fish at maximum rates. Farm prices are likely to average between 72-76 cents a pound for the year.

For further information, contact:

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

Upcoming Reports—USDA's Economic Research Service

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

June

- 12 Cotton & Wool Outlook (4 pm)**
- 13 Feed Update (4 pm)**
Oil Crops Outlook (4 pm)**
Rice Outlook (4 pm)**
Wheat Outlook (4 pm)**
- 14 Tobacco (3 pm)*
China (3 pm)*
- 19 Sugar & Sweeteners (3 pm)*
- 20 Agricultural Outlook (3 pm)*
Agricultural Income & Finance (3 pm)*
- 23 Livestock, Dairy, & Poultry (9 am)
Dairy Outlook (9 am)
U.S. Agricultural Trade Update (3 pm)*

*Release of summary

** Available electronically only

Agricultural Economy

ket, followed by South Carolina, New Jersey, and Pennsylvania. Washington and Oregon harvest sweet cherries after California, but the California crop can have a big impact on the prices received by Northwest growers in June, when harvests overlap. Washington, Oregon, and Michigan together produced four times California's sweet cherry output in 1991-94.

The 1994 California crop of summer stone fruit was one of the largest on record, at 1.6 million tons, up 17 percent from a year earlier. And the average grower price decreased 24 percent. The prospective 25-percent drop in 1995 production will boost prices this summer by as much as 30 percent over last year. Higher grower prices are expected to increase consumer prices and expand demand for alternative fruits such as apples, bananas, and grapes.

Fresh-market apple supplies from storage are expected to stay relatively high, and retail prices should remain competitive. Banana imports, though difficult to predict, have been plentiful through the first half of 1995, and wholesale prices have been low. Retail banana prices for the summer are expected to decrease seasonally about 5 percent from the winter levels.

The grape harvest in Arizona and southern California peaks in June, and early estimates by the California Table Grape Commission put this year's California fresh-market crop at 7 percent above 1994. Mexican grape exports to the U.S. picked up after Chile's ended in April. The Mexican crop is reportedly larger than a year ago, and the strength of the dollar against the peso will encourage U.S. imports during late spring.

Consumers can expect lower fresh vegetable prices. Retail prices for fresh vegetables (excluding potatoes) soared in April and remained high in May, as the effects of the California March rains persisted. In early April, the average price of iceberg lettuce hit \$0.61 a pound at the shipping point, compared with \$0.12 a year earlier; for most of the month it bounced between \$2 and \$2.50 per head at the retail level. Tomato prices were also volatile, as imports from Mexico increased in March, while Florida supplies dropped after Tropical Storm Gordon. April's retail lettuce prices more than doubled from March, while tomato prices increased 20 percent.

The recent weather-related shortages and subsequent high prices have reduced demand. As retailers try to win back

customers, they will likely be looking for growers to increase production to restrain prices. Summer area harvested has averaged about 483,000 acres in the last 2 years, including 140,000 acres of melons. Growers are expected to increase harvested area of fresh-market vegetables in the summer of 1995.

California, Florida, and Texas typically supply vegetables during the early spring. Mexican supplies peak in February and March and are not a factor in the summer, when production from a succession of states ensures against widespread supply shocks.

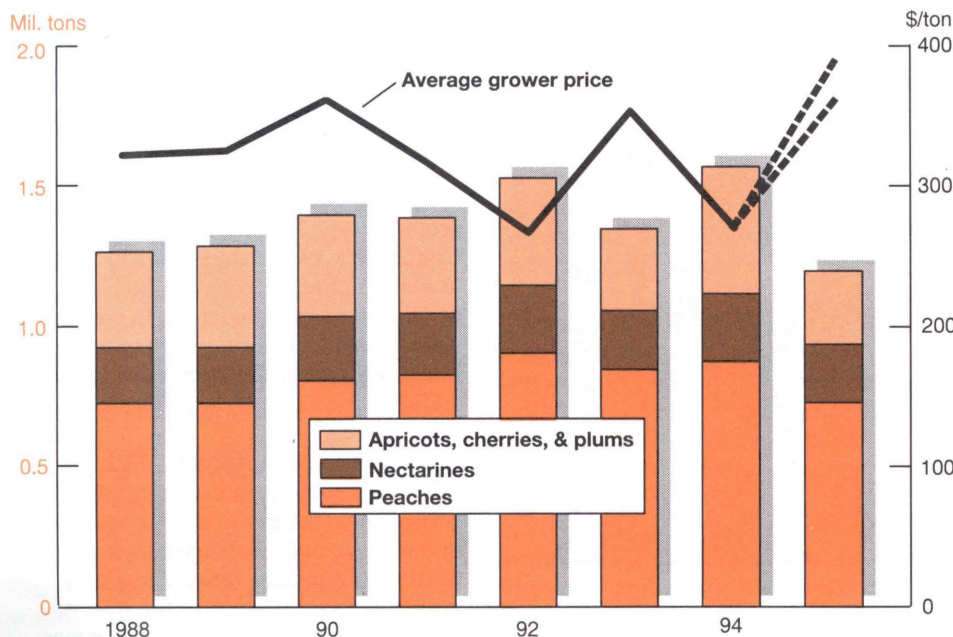
On the east coast, the harvest moves north from Georgia to New Jersey to New York. On the west coast, it moves from central California to Oregon and Washington. The central states of Ohio and Michigan are increasingly important vegetable producers as the summer progresses. As output from these regions comes on the market, retail prices are expected to fall.

Growers of floriculture crops will see higher sales in 1995. At \$3.4 billion, sales are up 6 percent from 1994 and 11 percent from 1993, as continued strength in the U.S. economy likely increases consumers' discretionary income.

Floriculture—the production of bedding and garden plants, potted flowering and foliage plants, and cut flowers and florist greens—will account for about a third of the expected \$10.7-billion greenhouse and nursery crop sales in 1995. **Nursery crops**—trees, shrubs, turfgrass, and propagative materials such as cuttings and young plants—account for two-thirds of the market. Demand for nursery crops appears to be strengthening this year, with some areas reporting shortages of containerized plants and trees. Nurseries are hoping that new housing sales in 1995 will boost demand for landscape plants.

The value of U.S. greenhouse/nursery production is roughly equal to that of vegetables (\$12 billion) as well as to fruits (\$10 billion). The \$33-billion total horticultural output—fruit, vegetable, and greenhouse/nursery sectors—accounts for about 35 percent of U.S. crop production value.

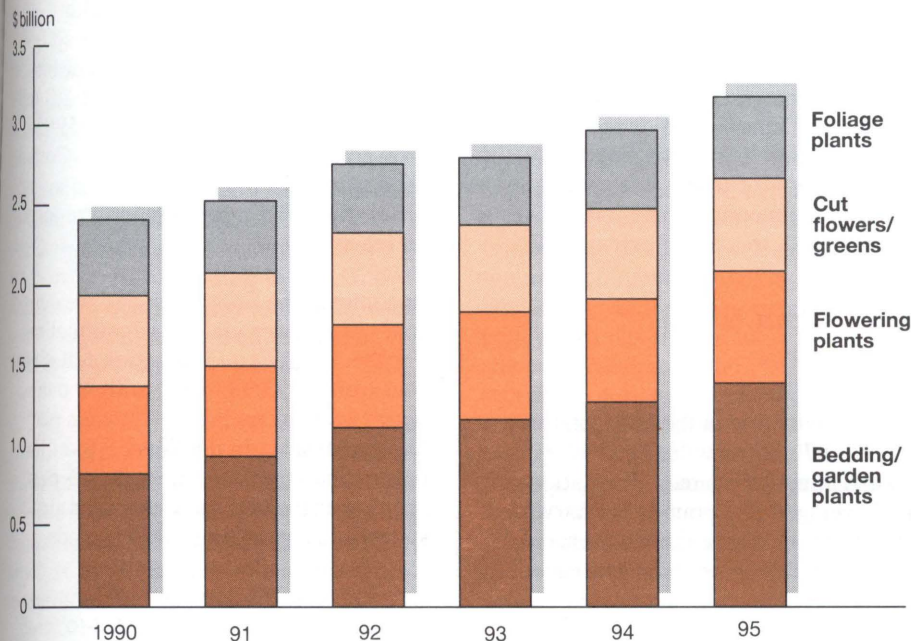
Dip in California Stone Fruit Output Means Higher Grower Prices



1995 projections. California prices.

Agricultural Economy

Floriculture Sales Blossom



Data include only growers with sales of \$100,000 or more. 1995 projection.

Floriculture area increased slightly in 1994 to 714 million square feet under cover and 22,614 acres of open ground, while the number of growers slipped 3 percent to 10,137. The grower count may fall further this year as the average size of floriculture operations continues to increase. Large growers (with more than \$100,000 in sales)—45 percent of the commercial growers—accounted for 92 percent of the total crop value produced in 36 major floriculture producing states in 1994. In 1990, 39 percent of U.S. growers were large, accounting for 91 percent of sales in those states.

At \$1.3 billion in grower receipts in 1994, *bedding and garden plants* account for the largest share of floriculture sales—about 43 percent of total value. Modest price increases in these plants—flowering annuals used in landscapes and garden borders—are expected to support strong sales revenue in 1995, after a 9-percent gain in 1994. About 75 percent of all floriculture enterprises produce some type of bedding plants. Among the highest valued commodities are geraniums, impatiens, petunias, and vegetable bedding plants.

Production of most *cut flowers and greens* in the U.S. declined last year, and prices rose as a result. Prices remained high through first-half 1995, as the flooding in California caused substantial losses in field-grown cut flowers and exacerbated a temporary seasonal shortage in some varieties. The higher prices create incentives for wholesale buyers to increase imports.

Imports—mainly from Colombia, Ecuador, Holland, and Mexico—now account for more than two-thirds of the total U.S. market for the major cut flowers (including roses, carnations, chrysanthemums, and gladioli). Latin American countries are increasing their exports of the specialty cut flowers used in arrangements for weddings, funerals, and special-occasion gifts.

The U.S. imported 4.6 billion flowers and cut greens (stem count) in 1994, about the same as in 1993, halting an annual growth averaging 12 percent since 1989. Antidumping duties placed on roses from Colombia and Ecuador in September 1994 played a role in slowing imports. The U.S. International Trade Commission (ITC) authorized the duties

while it investigated charges that U.S. producers of roses were being materially injured by imports. In March 1995, the ITC ruled against the U.S. petitioners and removed the duties.

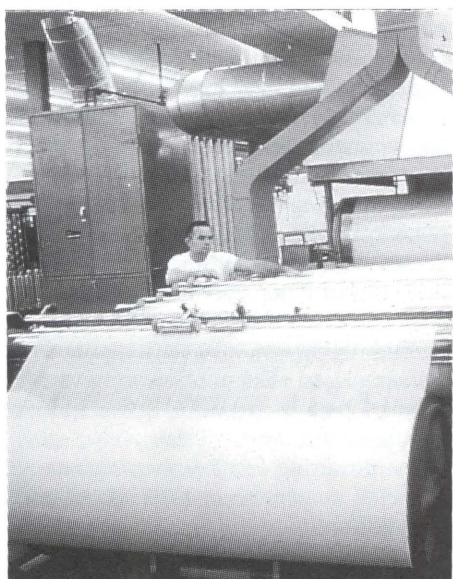
Sales of *flowering plants* (including potted plants and hanging baskets) decreased 4 percent, after annual increases of 8 percent since 1990, as consumers and businesses switched to purchasing more nonflowering potted foliage plants. The nonflowering varieties are popular for office space and commercial settings. Total grower sales of the flowering and *foliage plants* are expected to increase in 1995 and exceed \$1.2 billion.

Imported potted plants are likely to increase now that USDA's Animal and Plant Health Inspection Service will allow four additional plant genera to enter the U.S. shipped in growing media. The list of plants eligible for importing in growing media was expanded at the request of several European countries. For phytosanitary reasons, only six kinds of plants in growing media had been allowed to enter the U.S. Currently, U.S. growers control about 96 percent of the domestic market for potted plants. [John Love (202) 219-0388]

For further information, contact: Dennis Shields and Diane Bertelsen, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco. All are at (202) 219-0882. Lewrene Glaser, industrial crops (202) 219-0085. **AO**



Commodity Spotlight



National Cotton Council

Cotton Boom To Stretch Into 1995/96 Season

In less than 2 years, the world price of cotton has doubled. In November 1993, cotton traded in Northern Europe for just over \$1,200 per ton, and by March 1995, it sold for more than \$2,400, as production contracted across Asia and consumption remained stable. Even the 1994/95 record harvest by the U.S., the world's largest exporter, failed to prevent prices from soaring to their highest since the 1860's.

U.S. exports have climbed to their highest level in 70 years, and are expected to remain strong in 1995/96. After reaching an estimated 10.2 million bales in 1994/95, U.S. exports are expected to dip to 8.5 million bales in 1995/96, still well above earlier years. As overseas economies strengthen, foreign cotton consumption is expected to grow, but at a slower rate than foreign production, which the high prices will stimulate. Even with another record crop expected in the U.S., ending stocks will likely rise only 1 million bales in 1995/96 due to record domestic consumption and relatively large exports.

Developments in the major cotton consuming and producing countries have contributed to the recent boom in prices. The difficult transition to a market economy in Russia, a major cotton consumer, has been a factor, along with policy changes in China—a major producer and consumer. Another factor was the adverse effects of insect infestations and disease on cotton crops in China, Pakistan, and, to a lesser extent, India.

U.S. Output & Use Hit Records

Cotton production in the U.S. totaled a record 19.7 million bales in 1994/95, and consumption soared. The national yield averaged 708 pounds per harvested acre, 2 pounds above the record set in 1987. The 1994 acreage abandonment rate, at near 3 percent, is less than half the previous 10-year average.

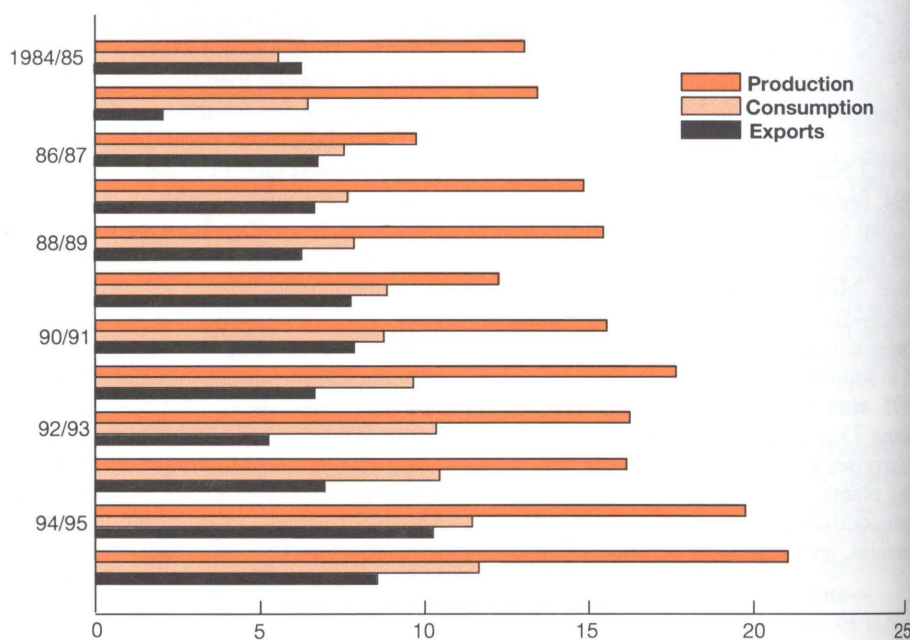
Production in the Southeast totaled 3.7 million bales, 89 percent above 1993/94. Large yields and a 27-percent rise in harvested area raised output to its highest level since 1937. Georgia's production, at 1.5 million bales, nearly equaled the state's largest cotton crop ever. North Carolina's crop, at 829,000 bales, is the largest since 1928.

The Delta states produced a record 6.9 million bales, 48 percent above the 1993/94 crop. Yields in the Delta improved throughout the season and averaged a record 818 pounds per harvested acre. Arkansas produced 1.8 million bales, 62 percent above the 1993 crop and the largest since 1948. Cotton production in Louisiana was also up significantly at 1.5 million bales, the largest on record.

In contrast, the Southwest and western states saw lower yields and production. For the Southwest, production fell 4 percent from 1993/94 to 5.2 million bales, with yields averaging 451 pounds per harvested acre. In the West, 3.6 million bales were produced, more than 5 percent lower than the previous year, despite yields averaging 1,177 pounds.

U.S. exports and domestic mill consumption together are expected to total 21.6 million bales in 1994/95, the largest total offtake on record. Mill use is projected to rise for the fourth consecutive year to 11.4 million bales in 1994/95, the highest since 1942. This represents a 9-percent increase from 1993/94, supported by robust demand for U.S. cotton textiles both here and abroad. During calendar 1994, U.S. cotton textile

U.S. Cotton Production Surges to Record Level



August-July marketing year. 1995/96 projections.

ports increased 15 percent above 1993 to surpass 1 billion pounds, a new record.

However, cotton textile imports have also reached new heights, expanding to nearly 3.8 billion pounds in 1994, compared with 3.6 billion in 1993. Nevertheless, larger cotton textile exports continue to moderate increases in an overall deficit in textile trade. Cotton's share has risen in an expanding U.S. textile fiber market, as demand for denim, other cotton apparel, and cotton for home furnishings continues to grow.

U.S. exports of raw cotton are estimated at 10.2 million bales for 1994/95, the largest shipment since 1926 and a 3.3-million-bale gain from 1993/94. Ending stocks are expected to fall to 1.7 million bales, representing only 7.9 percent of use and the lowest level since 1924/25.

World Market Vibrates with Events in FSU, China

Low world prices during 1991 and 1992 set the stage for the current price runup by driving down production in a number of major exporting countries. The former Soviet Union (FSU) had been the world's second-largest consumer of cotton, and as recently as 1993, Russia alone was the world's largest cotton importer, buying mostly from the Central Asian FSU countries of Uzbekistan and Turkmenistan.

However, the breakup of the FSU has had a negative impact on Russia's textile industry to date, as falling incomes severely reduced purchases of clothing and other textile products. Also, Russian imports were constrained by the limited availability of hard currency needed to make the purchases. Russia's consumption fell as a result, and with trade restrictions relaxed, much of the cotton traditionally supplied to Russia by the Central Asian countries became available for sale outside the FSU.

Since cotton exports of the Central Asian countries are still largely under government control, cotton can be procured there for as low as \$325 per ton. Central Asia's cotton remains the lowest priced cotton on the world market, and a

3.8-million-ton increase in the region's exports between 1990 and 1992 outside the FSU and Eastern Europe had a depressing effect on world prices. This helped drive down production across the globe.

By 1994/95, however, Central Asia's exports began declining and may fall again in 1995/96, despite this year's tremendous price gains. Decades of cotton monoculture and high input use have wreaked havoc on the environment, and cotton area has shrunk about 20 percent since the breakup of the FSU. Food security, a concern in a landlocked region whose populations are among the fastest growing in the world, has given priority to grain over cotton production.

Also, cotton consumption may stabilize in Russia and Eastern Europe as these economies strengthen, absorbing cotton produced within the region. Another curb on the potential for exports to the world market is the Central Asian exporters' stocks, which have fallen 64 percent during the last 4 years.

China's role in cotton's rollercoaster prices is at least as important as the FSU's. China embarked on a production and export surge at the beginning of the 1990's, but now, unable to meet domestic demand, has surpassed Russia as the world's largest cotton importer.

Like many developing countries that produce cotton, China has sought to manipulate production to meet the demands of its domestic textile industry, its biggest industrial employer. Twice in the last 15 years, China boosted incentives to cotton producers sufficiently to drive production well above 20 million bales, then immediately slashed procurement prices and input subsidies when supply exceeded demand. China's cotton production fell from 26 million bales to 17.3 million during such a cycle from 1991/92 to 1993/94. A serious bollworm infestation developed as China's economic liberalization reached a fever pitch.

Although government incentives such as procurement prices and input subsidies have been expanding the last 2 years, it is unclear if these policies can offset the pest problems and the competition from

other crops for land and inputs. The diversion of investment resources by local government authorities to other sectors of the economy has also hampered production of cotton and other basic farm products.

Cotton production began to rise again in China in 1994/95, reaching an estimated 19.5 million bales, but government procurements remained extremely low by historical standards, necessitating near-record imports. In 1995/96, cotton will face strong competition for acreage from grains, as China's food prices soar, and the threat of another bollworm infestation may deter farmers from increasing cotton area.

China in the Global Market

China has stepped up imports of cotton as well as other major farm commodities in 1994/95.

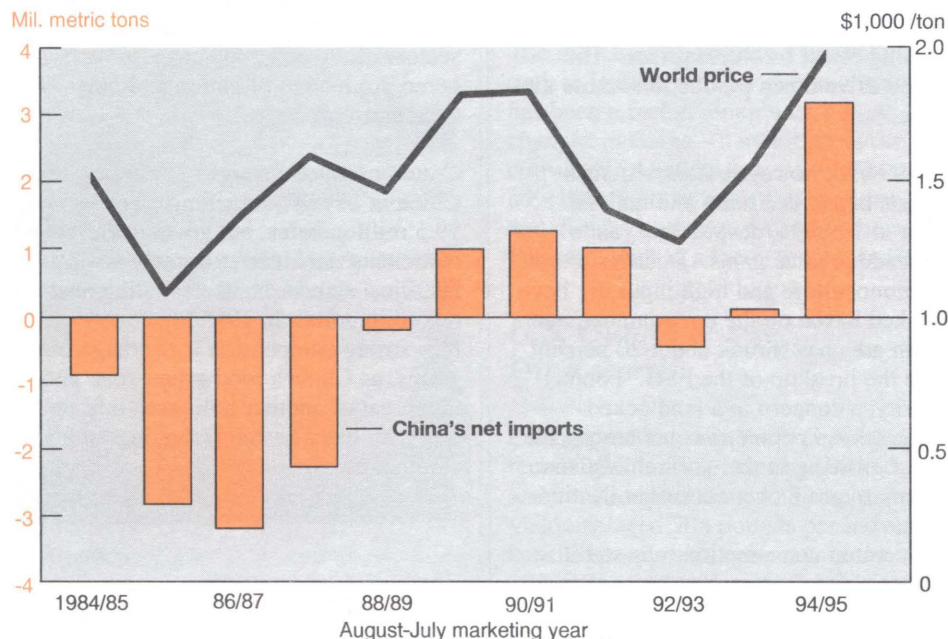
Page 26

The government has attempted to reassert itself as the sole legitimate purchaser of cotton in China, and has reportedly more than doubled procurement prices since July 1993. Many cotton producers had been marketing crops outside official channels, although the activity is illegal. Several provinces are also offering more generous price inducements, and the black market price of cotton is higher still.

However, early-season bollworm populations are reportedly up substantially from last year. Farmers were urged to avoid planting wheat to prevent overwintering of bollworms, but winter wheat area expanded by 500,000 hectares. If cotton production does not increase in 1995/96, imports may remain high, but likely below the 1994/95 level of 3.6 million bales.

Commodity Spotlight

China's Cotton Imports Spur World Prices



A-index, or price of cotton traded in Northern Europe. 1994 price is season average through April 27, 1995; USDA does not forecast cotton prices.

Pakistan had exported record amounts of raw cotton and yarn during the early 1990's as output soared from 5.5 million bales in 1985 to 10 million in 1991, supported by higher yields. The surge in output enabled Pakistan to increase its cotton consumption by about 4 million bales, an increase of 170 percent, and to export yarn and other products to countries that had traditionally imported cotton. This contributed to a reduction in raw cotton consumption levels in Japan, Korea, and Taiwan. At the same time, Pakistan remained an important competitor in raw cotton markets.

However, beginning with the 1992/93 crop, Pakistan's high-yielding varieties proved susceptible to leaf-curl virus (LCV). Yields fell 30 percent that year, and further still during the next 2 years as whiteflies and bollworm also became problems. With production falling nearly 40 percent during the last 3 years, Pakistan went from fourth-largest net exporter to the ranks of large net importers, comparable to Germany and Hong Kong.

These developments put upward pressure on world prices, and Pakistan's 1995/96 output will be a key determinant of prices for the year. A wide spectrum of persistent pest problems suggests some difficulty in reviving yields, but the importance of cotton to the whole of Pakistan's economy has prompted strenuous efforts to improve the crop. Area could increase following poor returns for sugarcane—the main competing crop—in 1995/96, but the yield will be especially crucial.

In some respects, India's situation has been similar to that of Pakistan. Nearly ideal weather across much of the country in 1992 resulted in record yields, but more normal weather in 1993 and late-season pest attacks in the Punjab reduced yields to more normal levels. In 1994, pest attacks again plagued the Punjab, preventing yields from rising. At the same time, cotton consumption continues to rise as India's economy accelerates, and India's net imports are at their highest level in nearly 20 years. India's consumption will likely grow in 1995/96, but higher cotton production is likely as well due to acreage expansion. Cotton prices have soared in India, outperforming several competing crops. However, it is unclear if India will return to net exporter status in 1995/96.

Another Record U.S. Crop?

The current high prices, as well as a drop in the U.S. acreage reduction program (ARP) requirement to 0 from 1994's 11 percent, account for the expected rise of nearly 2.5 million acres in planted acreage of cotton this season—to 16.2 million. A return to more normal abandonment and yields may limit the potential of the 1995 U.S. crop. But with normal weather conditions, the U.S. cotton industry could produce back-to-back record crops.

If the abandonment rate is near the 5-year average of about 6.5 percent, harvested area would be about 15.1 million acres. Yields are expected to decline from the record 708 pounds per harvested acre reached in 1994. Based on 1990-94 state average yields weighted by area, the national yield is projected to average 665 pounds, resulting in total 1995 cotton production of 21 million bales, up 6.5 percent from 1994, assuming normal abandonment.

Cotton mill consumption in 1995/96 is projected to expand as consumers in the U.S. continue to favor natural fiber products. As in 1994, cotton textile exports are also expected to play a vital role in the continued growth of U.S. cotton consumption. Cotton textile exports reached a record in 1994, due in part to the North American Free Trade Agreement (NAFTA) which went into effect in January 1994.

Participation in agreements similar to NAFTA (such as the potential "Free Trade Area of the Americas") should expand markets for U.S. cotton textile products in the future, although textile imports are also expected to increase. Overall, expanded demand for U.S. cotton products here and abroad could push U.S. cotton mill use to 11.6 million bales for 1995/96, matching the record high achieved in 1941/42.

With foreign production increasing far more rapidly than consumption, prospects for U.S. raw cotton exports in 1995/96, on the other hand, are weaker than this year, with an initial projection of 8.5 million bales. But the U.S. share of world trade is expected to remain well above average at 31 percent.

Commodity Spotlight

Higher prices on world markets and in key producing countries mean foreign production is expected to rise more than 5 percent to 68 million bales. In addition to Pakistan and India, higher production is expected in Latin America, where economic liberalization has increased responsiveness to world prices. The responsiveness that drove down Latin America's production and exports in 1992/93 and 1993/94 when prices were low suggests that with normal weather, the rebound begun in 1994/95 will continue into the next year.

Relatively more benign weather in Australia—after nearly 3 years of drought—and increased irrigation in Turkey, suggest bigger crops from these major producers as well. Foreign cotton consumption is expected to increase only 2 percent, or about 1.6 million bales, despite continued economic expansion, high polyester prices, and this year's stock building in China.

Total demand, domestic and foreign, for U.S. cotton next season is expected at a near-record level, despite an anticipated decline in exports. Another record crop would boost stock levels only moderately. Carryover stocks next season could increase to the 2.7-million-bale level, but this gain is relatively small, implying a stocks-to-use ratio of less than 15 percent.

[Stephen MacDonald (202) 219-1179 and Bob Skinner (202) 219-0836] **AO**

Look for:

Rising exports of rough rice

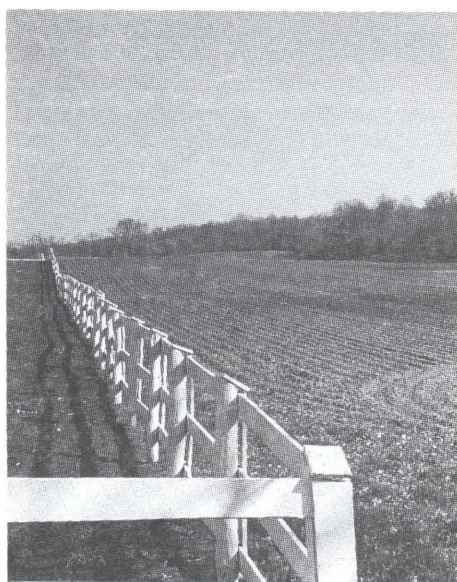
and

Continuing change in the dairy industry

... in an upcoming issue of

Agricultural Outlook

Environment & Resources



Commodity Payments & Farmland Values

Agricultural commodity programs, through deficiency payments and target prices, are designed to stabilize farm prices and augment farm income. Provisions of the 1990 Farm Act expire this year, and given the current focus on budget cuts and regulatory reform, the 1995 farm bill is expected to include program cutbacks. Because the value of agricultural land is determined largely by current and expected earnings, proposed changes in commodity programs that would decrease government payments could depress land prices and cash returns.

Deficiency payments account for the bulk of commodity program payments. Nondirect payment programs, such as peanut quotas, tobacco allotments, and the sugar program, are not included in this discussion.

In the 1980's, the decline in farm asset values would likely have been more precipitous without commodity program payments. When farm real estate values began dropping in 1983 at the national

level, the fall had eroded the equity positions of some operators, making it more difficult to keep up payments on mortgages and operating loans.

Recovery in *nominal* U.S. average real estate values since 1987 has contributed to stronger economic positions of farm operators. The per-acre value of U.S. farm real estate rose slightly more than 6 percent during 1993, the seventh consecutive increase since 1987. During this time (1987-93), total gross farm income increased nearly 20 percent. As of January 1, 1994, the *nominal* value of farmland and buildings averaged \$744 per acre, 24 percent above the 1980's average \$599, but 10 percent below the record high of \$823 in 1982.

In comparison, *real* values leveled off between 1988 and 1993, after trending downward from 1981. As of January 1, 1994, the *real* value of average farm real estate was 47 percent below the 1981 peak.

How Commodity Payments Augment Land Values

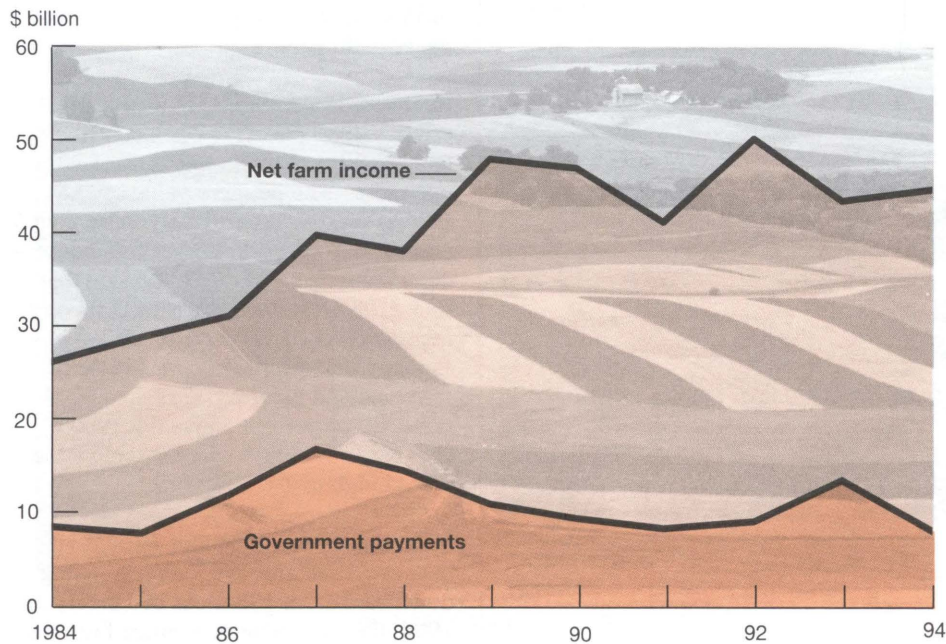
Except for some intrinsic qualities of land, the value and the demand for land are determined largely by expected earnings. The value of land, like any income-earning asset, benefits from activities that augment its long-term earning potential. Economists have widely recognized that commodity programs augment farm income, which in turn increases land values and landowners' wealth.

From 1984 to 1993, direct government payments represented roughly 28 percent of net farm income; since 1990, that average has fallen to 21 percent, diminishing the contribution of commodity programs to land values. This trend has created the expectation that support levels will continue to decline.

Changing expectations about variables such as yields, farm prices, and agricultural support programs will potentially influence returns on land. Expected increases in any of these variables will raise the expected growth in returns to agricultural land. Alternatively, changes which decrease the returns to farmland,

Environment & Resources

Direct Government Payments Represent Smaller Share of Farm Income



1994 estimate.

in the current period or at some point in the future, will result in a fall in current land values.

Uncertainty about future events affects agricultural earnings and consequently farmland values. Transitory events, like a drought, should not affect land values because returns should be expected to revert to normal levels. By comparison, permanent improvements, such as an irrigation system, raise productivity and add to farmland value. Similarly, if uncertainty exists as to whether commodity program payments will endure, the expected future value of the payments will be significantly discounted. In this way, a legislative debate on decreasing or eliminating commodity programs may depress land values even if no changes to the policy are immediately forthcoming.

Various aspects of commodity programs also contribute indirectly to farm values. Commodity programs not only increase average net returns for most producers;

they also reduce the variance in returns by curbing the downside risks associated with farming. Program cutbacks could increase the variability of farm income.

Studies examining the effect of programs on land values at the national level, conducted by USDA's Economic Research Service (ERS), conclude that for 1986-89, farmland values would have been 15-20 percent lower in the absence of commodity program payments; from 1989 to 1994, it is estimated that farmland values would have been 10-15 percent lower.

Expectations of reduced or less stable income play a key role in the formation of land values. The long-term existence (over 50 years) of commodity programs had created expectations among landowners that programs would persist and continue to benefit farm income and, in turn, enhance land values. Sudden, unannounced changes in programs or in any policy that affects income (e.g., tax

law changes such as capital gains preferences), are expected to have instantaneous impacts on land values.

Because a program change affects the expected stream of returns to farming, it is expected to have an immediate impact on asset values. So if programs are reduced suddenly, with no prior announcement or phase-in, then asset values would instantaneously drop, assuming all else constant.

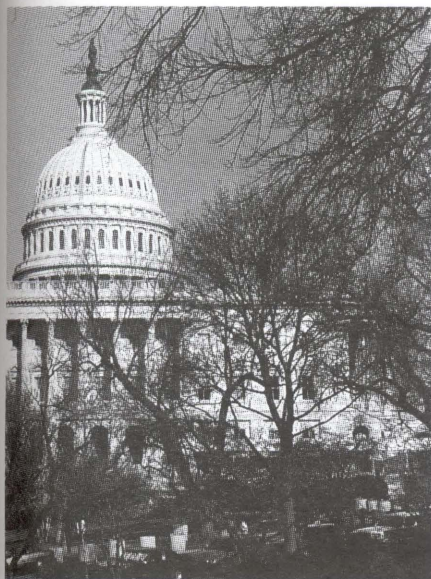
In comparison, an announced reduction which is phased in would incur less overall losses in income and exert less of an impact, as farmers would adjust capital and other inputs to account for the decrease in government support. For example, if producers know in advance of an announcement that payments will decline, they will likely change production practices to offset expected income losses, and the effect will be to restrain a fall in land values.

With inflation rates low and relatively stable, and export opportunities enhanced because of GATT and NAFTA, some of the effects of curtailed program payments will be mitigated. Given the current economic climate, if commodity program payments were to abruptly end, the total value of land assets could be expected to decline 10-15 percent.

Potential reductions in commodity program payments could hit some regions of the country harder than others, depending on the degree of reliance of local income on government payments, the ability of producers to adjust output in response to reductions in government support, and the region's relative economic advantages in production. Moreover, these same factors will determine the distributional impact on specific producers.

[Robbin Shoemaker (202) 219-0936, Janet Perry (202) 219-0803, and Doug Beach] **AO**

Farm Bill '95



Commodity Programs in The Spotlight

Commodity programs are the core of the farm legislation Congress passes every 4-5 years. For 1995, ideas range from fine tuning existing programs, to increasing or decreasing funding for particular provisions, to discontinuing or phasing out the current set of programs. Commodity programs include deficiency payments, nonrecourse commodity loans, marketing loans, and acreage reduction programs (ARP's), as well as other programs.

Three issues policy makers are likely to address concerning current commodity programs are: the extent to which cropland should be idled; how to build producer flexibility into the programs; and how to accommodate budget constraints.

The Impacts of Idling Farmland

Commodity programs like the corn and rice programs affect the amount of land in production and, in turn, the size of the U.S. crop. Acreage reduction programs, along with target prices, are used to influence output in order to balance

expected supply and demand. And while a commodity-related program like the Conservation Reserve Program (CRP) has other goals, by reducing farmed acreage it also affects the amount of production.

Under current legislation, ARP's, when in effect, require commodity program participants to idle a specified share of their base acreage for a particular crop. For example, in 1994 upland cotton producers were required to idle 11 percent of their 1994 cotton acreage base to be eligible for nonrecourse loans and deficiency payments.

The CRP, first authorized in the 1985 Farm Act, also withholds land from crop production and grazing. USDA contracts with individual landowners to withhold environmentally sensitive land from production for 10-15 years and establish a conservation cover (e.g. grass) on that land in exchange for annual rental payments to the landowners.

Issues surrounding the idling of cropland involve several considerations. First, many believe that the cumulative effect of withholding land from production has been higher prices, and hence lower exports—generally, U.S. farm exports are more affected by price changes than are domestic uses. Others disagree on the impact of ARP's on exports, pointing out the introduction of greater flexibility on planting decisions provided in the 1990 Farm Act.

There is general agreement that with the globalization of agricultural markets, the ability of the U.S. to restrain output without fostering increased foreign production has declined. However, disagreement arises over the extent to which this is so.

Second, idling land provides an indirect way to limit Federal outlays in the short run. Producers must put ARP acres in conserving uses when annual ARP requirements are in effect, in order to be eligible for program payments. The higher the ARP's, the more land that is idled, the higher the expected market price, and therefore the lower the expected Federal outlays. With the emphasis on reducing the Federal deficit, this ARP-budget relationship could over-

shadow concerns for the longer run effects that idling land may have on exports.

Finally, it is generally recognized that idling land is an imprecise way to restrict output. Producers typically idle their least productive land, and have the option of increasing fertilizer use, and thus yields, when market conditions warrant. Thus, the actual percentage decrease in production associated with an ARP is typically less than the percentage drop in acreage. Yet many farm programs continue to manage supplies of agricultural products and focus on land to do so.

How To Increase Planting Flexibility

Providing producers more planting flexibility within the current policy framework has become a generally recognized objective in writing farm legislation. One proposal is for each participant to have a "total-farm" base rather than individual base acreages for each program crop, a concept endorsed by the Clinton Administration.

A total-farm-base program might include the following elements: (1) designating individual producers' total-farm base as the sum of their current individual program crop base acreage, with historical plantings of oilseeds possibly included, (2) allowing producers to grow any crop on their total-farm base, but (3) offering deficiency payments based only on historic acreage and yields. Under this scheme, deficiency payments would have little effect on farmers' planting decisions.

Two approaches are possible to integrate a total-farm base and annual Federal program acreage goals. One approach would be to determine the total program crop acreage consistent each year with prospective budget and market situations, and to translate this into a total-farm-base acreage reduction program. Each farm would be required to idle a percentage of its total-farm base in order to be eligible for program benefits.

In the second approach, the Federal government could continue to focus on indi-

Farm Bill '95

Commodity Program Components

Deficiency payment—a direct government payment made to farmers who participate in wheat, feed grain, rice, or cotton programs. The payment rate (per pound, bushel, or cwt) is based on the difference between the target price and the higher of the national average market price or the loan rate. The total payment is equal to the payment rate, multiplied by a farm's eligible payment acreage and the program yield established for the particular farm.

Program crop—a crop for which Federal deficiency payments are available to producers of wheat, corn, barley, grain sorghum, oats, upland cotton, and rice. Some nonprogram crops, such as rye, extra long staple cotton, soybeans, minor oilseeds, tobacco, peanuts, sugar, honey, and milk are eligible for Federal price support programs, but not deficiency payments.

Nonrecourse loans—an instrument used by the Commodity Credit Corporation to provide operating capital to producers of wheat, feed grains, cotton, honey, peanuts, tobacco, rice, oilseeds, and sugar. Farmers or processors who agree to comply with each commodity program provision may pledge a quantity of a commodity as collateral and obtain a loan from the CCC. The borrower may either repay the loan with interest within a specified period and regain control of the commodity, or forfeit the commodity to the CCC with no interest penalty.

Commodity Credit Corporation (CCC)—a federally owned and operated corporation within USDA, created to stabilize, support, and protect farm income and prices through loans, purchases, payments, and other operations. The CCC handles all transactions for agricultural price and income support and other programs.

Crop acreage base—a farm's average acreage of wheat, feed grains, cotton, or rice planted for harvest and considered planted during the preceding 5 crop years (3 years for cotton and rice). Acreage considered planted includes land idled under an acreage reduction program, diverted, prevented

from planting by natural disaster, or placed in conserving uses under 0-85 or other diversion provisions. Acreage reduced under the Conservation Reserve Program is subtracted from acreage base for the life of a contract.

Flex acres—the portion of program crop bases that can be planted to another crop without losing base acreage. The planting flexibility option is provided under the Omnibus Budget Reconciliation Act of 1990 and the 1990 Farm Act. Producers are ineligible to receive deficiency payments on 15 percent of their crop acreage base ("normal flex acres") regardless of crop planted on these acres. Producers may also plant an eligible flex crop on up to 10 percent additional base acreage ("optional flex acres") if they agree to forego deficiency payments. Producers may plant any crop on flex acres except fruits, vegetables, or crops precluded each year by the Secretary of Agriculture.

Program yield—the farm commodity yield of record, determined by a procedure outlined in legislation. The law allows USDA to update program yields at the average of the preceding 5 years' harvested yield (dropping the high and low years). However, this provision, known as "proven" yields, has not been implemented—program yields have been frozen at 1985 levels. The farm program yield (or payment yield) multiplied by eligible acreage, determines the level of production eligible for direct payments to producers.

Target price—a price level established by law for wheat, corn, grain sorghum, barley, oats, rice, and upland and extra long staple cotton. Farmers participating in Federal commodity programs receive deficiency payments based on the difference between the target price and the higher of the national market price during a specified time period, or the (price support) loan rate.

Loan rate—price per unit (pound, bushel, bale, or cwt) at which the CCC provides nonrecourse loans to farmers to enable them to hold their crop for later sale.

Acreage reduction program (ARP)—a voluntary land retirement system in which participating farmers idle a prescribed portion of their crop acreage base of wheat, feed grains, cotton, or rice. Farmers are not given a direct payment for land idled under an acreage reduction program. But they must comply with the ARP to be eligible for benefits such as CCC loans and deficiency payments.

Marketing loan program—program first authorized by the 1985 Farm Act allowing producers to repay nonrecourse price support loans at less than the announced loan rates whenever the world price or loan repayment rate for the commodity is less than the loan rate. Under the 1990 Farm Act, marketing loan programs are mandatory for soybeans and other oilseeds, upland cotton, and rice and discretionary for wheat and feed grains. The Omnibus Budget Reconciliation Act of 1991 made marketing loans mandatory for wheat and feed grains in 1993-95.

Conservation Reserve Program—a program authorized by the Food Security Act of 1985, designed to reduce erosion on 40-50 million acres of U.S. farmland. Producers who sign CRP contracts agree to retire highly erodible cropland and convert it to approved conservation uses for 10 to 15 years. In exchange, participants receive rental payments up to \$50,000, plus 50 percent of the cost of establishing vegetative cover on the land.

Conservation compliance—provision of the Food Security Act of 1985 that required farmers with highly erodible cropland to obtain an approved conservation plan by 1990. The plan must be completed by 1995 to maintain eligibility for any Federal farm program benefits.

Decoupling—separating government payments to farmers from producers' planting decisions. Under decoupling, farmers make production decisions based on market price, but receive government payments independent of production and marketing decisions.

Flexibility Underscored in Administration Guidelines

The Administration's guidelines for the 1995 farm bill, announced last month by Agriculture Secretary Dan Glickman, cover a range of program areas that include rural development, conservation and the environment, exports and marketing, and food and nutrition. For the commodity programs—the core of the farm bill—planting flexibility is a key goal. The guidelines also propose general strategies for extending conservation programs and making them simpler and more workable for farmers.

Among the proposals involving commodity programs, farm income stabilization, and the amount of land in production are the following:

- **Increase planting flexibility** by combining all crop base acreage into a total acreage base, which would give farmers the option of planting different crops without losing the acreage on which their program benefits are based—an alternative to the requirement that farmers plant a particular program crop in order to qualify for subsidies.
- Convert acreage reduction programs into a discretionary tool, to be relied on only if market supply and demand become critically out of balance. Increased flexibility should tie planting decisions to market price incentives, reducing the role of ARP's in managing supplies of farm products.
- Increase the percentage of nonpayment acres (flex acres) in order to curb Federal outlays.
- Permit producers in high-priority environmentally sensitive areas to receive commodity program payments in exchange for producing under a "whole-farm" or integrated conservation plan. This *conservation farm option* could also be used by producers to meet requirements of Federal or state natural resource statutes or programs.
- Limit program payments to individuals who earn less than \$100,000 in off-farm income, in order to *target program payments* to those who depend primarily on farming to earn a living.
- Develop a pilot approach for revenue protection and risk management, with incentives to private companies to offer *revenue-based insurance contracts* to farmers (in addition to basic crop insurance), with catastrophic reinsurance coverage provided by USDA.
- Develop a pilot program to encourage producers to save when revenues are high and draw upon the account in years when revenues are low. Under this *farm income stabilization plan*, producers could deposit a specified percentage of their eligible gross sales, with limited matching contributions by USDA. Funds could be withdrawn if farmers' gross sales fall below a specified percentage of the previous 5-year average.
- **Reauthorize the Conservation Reserve Program** and permit additional program enrollments through the year 2000 that result in a CRP containing the most environmentally sensitive lands.
- Encourage state and local interests to participate in setting CRP land enrollment policies, and offer matching Federal funds.
- Permit economic use of CRP acres by producers in certain circumstances, with producers accepting reduced rental rates in exchange.

vidual crops. For example, with a 5-percent ARP announced for wheat and a 10-percent ARP for corn, producers would be required to idle 5 percent of the wheat base included in their total-farm base and 10 percent of their corn base. In either approach, the mix of program crops actually planted would be up to individual producers.

Participating farmers could qualify for deficiency payments regardless of the mix of crops produced, so long as their total cropped acreage of the program crops and oilseeds did not exceed their total-farm base reduced by an ARP.

The system for deficiency payments might be handled either separately from the total-farm-base system or in concert

with it. If operated separately, deficiency payments could continue to be calculated and paid much as they are now (based on historic yields, individual crop base acreage, and the deficiency payment rate—the difference between the current target price and the higher of the loan rate or the national market price).

Alternatively, deficiency payments for any one producer could be tied to the individual producer's current mix of crops. But this approach would tend to weaken the decoupling of deficiency payments from current production that was accomplished in the 1990's—program yields have been frozen at the 1985 level.

At least two concerns have emerged over the question of implementing a total-farm base. First, producers of some crops could anticipate that this approach would lead to increased production of the crops they produce and therefore lower prices. USDA's ability to influence production of any one crop could be less under a total-farm base than it is now. USDA currently uses ARP's to balance the risk of tight supplies with that of overproduction.

Second, the effects of the total-farm base on budget outlays would be influenced by the government's ability to avoid large stock buildups and increased deficiency payments. Given these considerations, there could be pressure to

Farm Bill '95

move away from a total-farm concept, or for adjustments in target prices and loan rates in order to reflect expected commodity supply situations.

Budget Concerns: Critical to Policy Decisions

The intense concern with reducing the Federal budget deficit will likely cause the farm bill commodity debate to focus heavily on how to bring about budget savings. Deficiency payments are the product of a producer's payment acres multiplied by both the producer's program yield and the deficiency payment rate for the crop. A reduction in national target prices or individual farm program yields, or an increase in flex acreage (nonpayment acres) would reduce outlays for deficiency payments and generate budget savings.

The outlay effects among these alternatives would vary, as would the distributional effects among producers. For example, the same percentage cut in deficiency payments could be achieved for all producers, regardless of program crop, by either increasing nonpayment acres or decreasing program yields.

In contrast, if national target prices were lowered to achieve budget savings and equal percentage cuts were applied to the target prices of all program commodities, the relative effects on program benefits among producers of different commodities would vary. For example, commodity A has a target price of \$5 and a market price of \$4.50; commodity B has a target price of \$5 but a market price of \$4. For every 1-percent cut in the target price of commodity A, the deficiency payment rate would drop 10 percent. But for commodity B, a cut in the target price of 1 percent would lower the deficiency payment rate 5 percent.

Adjustments of various features of commodity programs such as lowering target prices would affect the level of outlays in any one year. However, these programs are susceptible to wide swings in outlays from year to year and substantial deviations from levels anticipated when budgets were developed. Budgets rely on "average" and "normal" supply and demand conditions. But the assumed

conditions do not usually prevail, and outlays have historically deviated from budget projections.

A possible solution to this budget exposure is to cap commodity program expenditures. Although administratively difficult, capping could be done in a number of ways—for example, through an overall cap on all commodity outlays with flexibility as to the mix of individual commodity expenditures, or through caps on outlays for each individual commodity. However, caps would limit the ability of commodity programs to stabilize farm income.

There is an important difference between overall caps and individual commodity caps. With an overall cap, outlay "savings" associated with one commodity experiencing buoyant prices could be used to support producers of other commodities whose prices were low that year. This ability to shift available monies among commodities would enhance the probability that the entire cap amount would be spent. In contrast, individual caps for each program commodity would likely mean lower annual outlays than would an overall cap.

Targeting farm program payments to particular groups of producers has been suggested as a way to reduce outlays and reform programs. Targeting farm payments generally means limiting payments to recipients in some way. Excluding producers with off-farm incomes in excess of \$100,000 from receiving deficiency payments is one such option.

In some respects, program payments are already targeted. Payments are for selected commodities and are, for the most part, based on production—more land usually means larger payments. Payments enhance the income and the asset value of the landowner, but not necessarily the operator.

Generally, deficiency payments are limited to \$50,000 per person, and marketing loan gains to \$75,000. There are also limits to CRP payments. But despite the per-person limit, on most large farms more than one person is eligible for deficiency payments. This is because most large farms have more

than one person or household affiliated with the farm business.

Regardless of how Congress resolves the commodity issues, nonfarm issues will also be important to the performance of U.S. agriculture. For example, nonfarm employment opportunities are critical both to those leaving farming and to those who remain.

[For further information, contact Nathan Childs (202) 501-8540] **AO**

June Releases—USDA's Agricultural Statistics Board

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

June

- 2 Dairy Products
Minn.-Wis. Mfg. Grade
Milk, Final 1992-94
Poultry Slaughter
- 5 Crop Progress*
- 6 Egg Products
- 7 Broiler Hatchery
- 9 Crop Production,
Cotton/Citrus
- 12 Crop Production**
Crop Progress*
- 14 Broiler Hatchery
Turkey Hatchery
- 15 Milk Production
- 16 Cattle on Feed
- 19 Crop Progress*
- 21 Broiler Hatchery
- 22 Catfish Processing
Cold Storage
- 23 Chickens and Eggs
Livestock Slaughter
- 26 Crop Progress*
- 27 Agricultural Chemical
Usage, Vegetables
- 28 Broiler Hatchery
Almond Production
Peanut Stocks and
Processing
- 29 Agricultural Prices
Cherry Production
- 30 Acreage**
Grain Stocks**
Hogs and Pigs

*After 4 pm
**8:30 am

"Green Payments" As a Policy Option

Pressure for deriving environmental benefits from agriculture is generating proposals to revise, reduce, or eliminate certain farm programs. One policy concept responsive to environmental concerns is variously labeled "stewardship," "environmental incentive," or "green support program (GSP) payments." The idea of GSP is to compensate farmers for voluntarily maximizing environmental benefits from farming, rather than to provide support payments based on historical production levels.

Examples of environmental benefits from farming include conservation tillage, integrated pest management, correctly timed fertilizer management, soil-building rotations, and restoration of wetlands and grassland habitat.

U.S. farm policy already contains stewardship programs. For example, the Water Quality Incentive Projects (WQIP) and the Integrated Farm Management Program Options (IFMPO)—both authorized in the 1990 Farm Act—focus on improving surface- and ground water quality, as well as improving wildlife habitat. Payments are based on implementation of water quality protection plans that change production practices to minimize the impact of farming on water resources.

GSP Focuses on Input Management

Farmers and environmentalists generally agree that farming can be managed to avoid harming the environment. Of importance to improved environmental performance by farmers are changes in input management practices. Five key inputs that potentially need to be man-

aged in a more environmentally sound manner are soil, nutrients, pesticides, irrigation water, and wildlands. Environmental mismanagement of any of these inputs can cause specific environmental damage:

Soil. When soil is left without protective cover, soil erosion, sedimentation, and windborne dust occur that can reduce long-term soil productivity, clog rivers and streams, and impair air quality. Based on 1982 erosion levels, USDA's Economic Research Service (ERS) estimated that sediment from erosion caused \$2-\$8 billion in offsite damage each year, and windborne dust may have caused another \$4-\$12 billion. These estimates were made prior to passage of the 1985 Farm Act, which contained the Conservation Reserve Program and conservation compliance provisions. Remaining areas with heavy erosion include the Great Plains, the western Corn Belt, and the Palouse region of eastern Washington.

Nutrients (including animal wastes). When applied in excess of a crop's capacity to use them or when a crop's needs are low, nutrients can leach into ground water or run off into rivers and streams. High levels of nitrite in well water can block red blood cells' ability to transport oxygen. Phosphorus and nitrogen runoff are responsible for explosive algae growth and increased stagnation of water bodies. Nitrogen from dairies, poultry producers, crop farms, and other sources has contributed to water quality problems in the Chesapeake Bay, while phosphorus from sugarcane production has affected Florida's Everglades. Areas with high residual nitrogen include the eastern Corn Belt, Appalachia, Florida, and southern California.

Pesticides. Exposure to pesticides can cause acute and chronic health effects in humans from direct spraying. Improper pesticide use has resulted in unintentional killing of crops, fish and other aquatic organisms, beneficial soil organisms and insects, and wild birds and animals. Use of pesticides has also resulted increased pest and weed resistance. Areas with high potential for pesticide exposure,

based on toxicity and persistence, include the Atlantic and Gulf coasts, the Mississippi Delta, the Texas Panhandle, southern Arizona and California, and Idaho's Snake River Valley.

Irrigation water. Agricultural irrigation consumes 81 percent of fresh water used annually in the U.S. About 60 percent of water withdrawn for irrigation is from surface waters, potentially interrupting adequate streamflow for fish and the environment. Examples of affected fish species include Pacific salmon in Washington's Columbia River and the delta smelt in California. Also, irrigation water drawn from ground water sources can deplete aquifers if the rate of withdrawal is greater than the rate at which rainfall recharges the aquifers.

Irrigation can induce soil erosion, remove fertilizers and pesticides from the fields, and carry salt and other minerals into surface waters, degrading their quality. Salinization from poor irrigation drainage management can eventually make land unusable for agriculture. Crop irrigation in areas that divert a large proportion of natural streamflow, or that consume ground water in excess of recharge rates, results in reduced supplies of water for instream wildlife uses and depletes ground water supplies.

Wildlands. Conversions of environmentally sensitive lands to cropping have had negative environmental consequences, and restoration of farmland to natural uses can yield environmental gains. Restoring grasslands and wetlands under USDA's Conservation Reserve and Wetland Reserve Programs is an example. Areas with substantial potential for land conversion to cropland and consequent reduction of natural habitat include eastern North Carolina, western Florida, the Tennessee Valley, northern Minnesota, the Great Plains, and eastern Oregon.

Prioritizing Environmental Problems

Targeting achievable environmental improvement requires understanding how environmental damage occurs, how changing input management practices would affect damages, and what costs

Farm Bill '95

those changes would impose on farm operators. Each of these considerations is affected by soil characteristics, the mix of crops grown, livestock raised, and operators' management skills. In addition, effective targeting of GSP payments requires identification of geographic differences in input management practices.

As a step in determining where changes in input practices would be most beneficial, ERS has mapped potential management problems for each of the five input categories for about 15,000 geographic units across the contiguous U.S. For each unit, input categories were given a numerical rank according to the severity of the problem. All rankings were weighted equally. These rankings were then summed within the unit, producing an overall ranking of potential input management problems for each unit.

From this analysis, the top 25 percent of units with potential input management problems (from east to west) were in the Chesapeake Bay drainage area, eastern North Carolina, southern Florida, southern Alabama and Georgia, the Mississippi Delta, the central and southern Great Plains, southern Arizona, California's Central Valley, the Snake River Valley, and the Palouse area of eastern Washington.

For determining GSP payments, a logical basis would be the costs farmers incur in changing management practices or land use to achieve environmental benefits. Other costs to consider include lost income or added expenses due to changing crop mixes and foregoing production on land previously farmed.

For example, changing to contour strip cropping reduces soil erosion and can lower fertilizer and pesticide use if a nitrogen-fixing crop, such as hay, is rotated with a row crop such as corn. While the direct costs of laying out the contour pattern are small, the revenue lost from substituting lower valued hay for corn can be high.

The impact, type, and level of environmental payments could vary substantially depending on GSP program objectives and their relationship to any existing conservation and commodity programs.

Variations on the GSP Theme

Administration Proposals

Conservation Farm Option (CFO) would guarantee commodity program payments to producers in selected environmentally sensitive areas who voluntarily agree to improve environmental performance. CFO would focus on areas with critical natural resource problems associated with row crop agriculture. Participants would receive a commodity program payment guarantee for a specified time period, for developing and implementing a whole-farm conservation plan to address identified environmental and conservation needs in watershed or habitat areas.

Participants who implement a plan that complies with applicable Federal natural resource or environmental laws or regulations with the agreement of the relevant Federal and state agencies would not be subject to further environmental requirements (such as Endangered Species Act) for the life of the plan.

Coordinated Conservation Assistance (CCA) would consolidate existing technical and financial assistance tools to meet state and local conservation efforts on a watershed or areawide basis, through site-specific conservation farm plans. CCA would use cost sharing, a conservation investment initiative, and Federal conservation grants to match local and state funds in priority conservation areas.

Proposals from Other Sources

Environmental Stewardship Incentive Program (ESIP) provides an environmental justification for continuing farm income supports. ESIP includes a number of environmental objectives as well as providing income support. ESIP would be voluntary and initially be restricted to farmers with commodity program base acreage. Payments would be based on an integrated farm resource plan.

Program duration could vary from annual to a multi-year commitment. The implied source of funding is existing CCC budget authority. New funding for supplemental stewardship payments in excess of continued commodity program payments has been discussed.

Green Ticket Certification (GTC) would target a wide range of environmental benefits, including improved surface- and ground water quality, wetlands and wildlife habitat protection, and reduced pesticide use through integrated pest management (IPM) techniques. Under this two-step program, farmers would first develop whole-farm management plans identifying the set of appropriate, environmentally beneficial land use and production practices to be adopted. The second step would "certify" implementation of the approved plan. Payments would be made for each step.

For starters, a GSP could be an enhancement of current commodity and conservation programs, could replace current conservation programs while maintaining current commodity programs, or could supplant both current commodity and conservation programs.

The economic impacts of GSP in the first two cases would likely be relatively small, because the payments would not

cause major changes in the existing pattern of farm payments, and hence planted acreage. However, a GSP that replaces existing commodity programs could have significant impacts if loss of income support by current program recipients and increased income for new recipients alter crop production patterns. Under this scenario, some payments would likely be shifted from current commodity program participants to new

Eligibility would not be tied to participation in existing commodity programs. USDA and state conservation agencies would be responsible for certifying implementation, but private consultants could develop plans

The Conservation Credit Initiative (CCI) is a voluntary program with the objective of improving soil productivity and surface water quality. The program calls for developing and implementing whole-farm plans resulting in appropriate changes in land use and production practices. In return for property tax credit, the farmer bears all costs for implementing the farm plan. The program has an implied multi-year duration, with annual renewable applications. As currently implemented in Wisconsin, the program is open to all farmers and ranchers, with county, state and Federal governments each contributing one-third of the cost for the conservation credits and sharing responsibility for administrative and technical assistance.

The Environmental Enhancement Investment Program (EEIP) is a voluntary, consolidated USDA conservation program (excluding CRP, WRP, and conservation compliance) that addresses soil productivity, surface- and ground water quality, and wildlife habitat protection. Investment tax credits, interest rate subsidies, and certification that the plan satisfies other environmental requirements (e.g., Clean Water Act, Coastal Zone Management Act) are incentives for farmers to develop and implement an integrated farm plan. A multi-year contract arrangement is implied, and while some funding comes from consolidation of current conservation programs, additional funding is also implied.

Extension of Existing Programs

Intra-Farm Transfer of Acreage Conservation Reserve Acres (IFTACRA) aims for greater soil erosion control, wetlands protection, and farm income by increasing the flexibility of the acreage reduction program (ARP). Under IFTACRA, farmers could voluntarily trade obligations for ARP acreage set-asides among themselves, allowing farmers of less environmentally sensitive land to plant more acreage, in exchange for cash payments to farmers of more environmentally sensitive land. Although environmental benefits would be higher for multi-year transfers, the program only allows transfers on an annual basis. IFTACRA would be administered by USDA.

Optional Environmental Flex (OEF) offers farmers greater planting flexibility to foster the adoption of environmentally friendly practices. The voluntary program would continue to pay commodity program payments on up to 10 percent of farmers' acreage base, which must be placed in approved conservation uses such as filter strips, shelter belts, or other practices. Farmers would participate on an annual basis, with eligibility restricted to participants in existing commodity programs. The source of funding would be the CCC.

GSP proposals generally promote integrated, multidimensional changes in farming systems to meet environmental goals. These changes would be based on a total resource management plan for the entire farm, rather than on a narrow, practice-by-practice approach. For example, an integrated resource plan could include changes in crop rotations that affect tillage decisions. Tillage changes would affect the degree of soil erosion, the degree to which manure could be incorporated into the soil, and herbicide use. These changes could require cover crops, which themselves affect soil erosion control, pest cycles, and nutrient management—all part of an interdependent farming system.

The objective of a whole-farm resource plan is to achieve both economic efficiency and sound environmental performance. In addition to environmental impacts, a whole-farm resource plan must consider the effect of input management changes on the profitability of the operation. Among the changes likely to affect profitability would be adjustments in livestock rations, additional labor requirements, and the time necessary for the farmer to develop skill in applying more demanding management systems.

Once a plan is worked out, GSP payments could be based on the difference between farm returns both before and after implementing changes to improve environmental performance, taking into account increases in net returns.

Another issue in implementing GSP programs is whether producers should be compensated for all conservation practices conducted, or only for those adopted once a program begins. While paying for all conservation practices rewards past stewardship, it also increases program costs. Paying only for new practices is less costly, but in effect it rewards past environmental abuses and shortchanges good stewards.

Three classes of environmental improvement practices can be identified based on their effects on farm incomes and likely payment requirements.

GSP recipients, because the distribution of farm program payments differs from that of environmental problems.

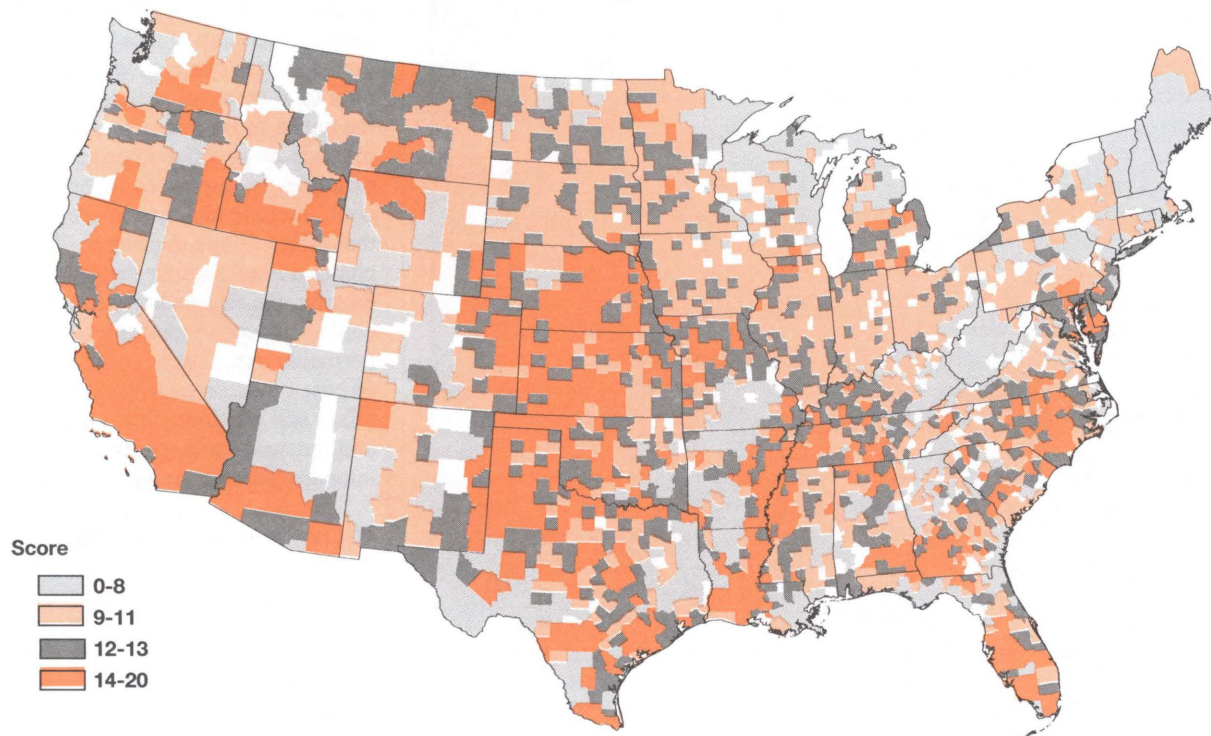
"Whole Farm" Resource Management

Conservation policy has long relied on sharing the cost of conservation practices, such as contour plowing or terrace

construction, between government and farmers. Proposals for GSP build on this arrangement by broadening the concept of conservation "practices" to include changes in farming systems—adopting new tillage methods, nutrient management plans, and integrated pest management (IPM) techniques, for example.

Farm Bill '95

Farm Input Management Problems Are Evident in Many Regions



Based on ranking of five major input management problems in each of nearly 15,000 geographic units. Higher scores indicate greater problems. Input management problem categories (soil, nutrients, pesticides, irrigation, and wildlife) were ranked 1-4 by level of severity, then summed to yield a score for the unit. A score of 0 was assigned for missing data.

Some practices are profitable for producers to undertake on their own, requiring only educational and technical assistance, and perhaps limited incentive payments to encourage them to undertake the practice. An example is conservation tillage, which reduces labor, fuel, and machinery costs, with very little or no yield penalty on most soils.

Another group of practices, although profitable in the long run, may reduce operators' cash flow in the short term due to necessary capital investments. For farmers to adopt these practices, some financing assistance may be required—for example, to install manure storage structures.

Finally, some practices are never profitable for the producer, even though they protect the environment. Adopting and maintaining these practices requires long-term public cost sharing. An example is extensive terrace construction used to trap sediment.

GSP payments for the first two classes of practices would be expected to decline over time. But in the third class, the ongoing environmental services would require continuous payments.

A Range of GSP Proposals

Interests as varied as the American Farmland Trust, the Henry A. Wallace Institute for Alternative Agriculture, the National Association of State Departments of Agriculture, and the current Administration, have proposed GSP programs. Ideas have ranged from expanding existing programs, such as WQIP, to developing new programs that either supplement or replace existing USDA conservation and commodity programs.

These groups have produced eight proposals—actually concepts—for public discussion. All are voluntary programs that address multiple environmental problems. The proposals share many

similarities, and require a farming systems approach, based on developing and implementing a total-farm resource management plan. Flexibility and farmer innovations are considered key elements in most of the proposals.

None of the proposals specifies sources or levels of funding, and none is specific about the savings that might be expected from efficiency gains in consolidating practice-specific programs. No details have been provided on targeting the programs, determining eligibility, or relationship to existing price and income support payments. Until these details are specified, these GSP proposals cannot be realistically evaluated.

The concept of green support payments will be competing with other proposals in the farm bill debate, and environmental goals will be vying with other policy goals. GSP proposals are among many changes being considered in the farm bill debate. Increased flexibility, revenue assurance, and complete program

elimination with reduced environmental requirements are all options that are being raised.

If the costs of implementing farm plans are the basis for GSP payments, it is unlikely that farm incomes will be enhanced. Simply compensating farmers for the direct and indirect costs of

conservation practices may encourage environmental improvement, but such an approach differs little from conventional cost-share programs.

If GSP payments are instead designed to maintain the current commodity payment level for an individual farmer, and costs associated with meeting environ-

mental goals vary among farmers, then both equity and efficiency questions are raised. While GSP may protect the environment, other proposals may offer greater support for farm income or larger reductions in government spending.
[Ralph Heimlich (202) 219-0431] **AO**

Agricultural Resources and Environmental Indicators

An indispensable handbook on agriculture and the environment

200 pages packed with information and data, background material and references

- Trends in agriculture's use of land, water, and commercial inputs, and the effect on environmental quality
- The complex connections among farming practices, technology, farm programs, and the environment
- Costs and benefits of meeting conservation and environmental goals

To order, call 1-800-999-6779 in U.S. and Canada. Other areas dial 1-703-834-0125.

Stock # AH705 \$18 per copy **\$22.50** outside the U.S.

From USDA's Economic Research Service.



Special Article



Frederick Crook

China: A Major Force In World Ag Markets

Events in China have once again rocked world farm commodity markets. In fall 1994, China—usually a large corn exporter—banned corn exports, and in December, contracted to purchase corn on the international market, mainly from the U.S. Heavier Chinese import demand for corn, cotton, and vegetable oil has boosted U.S. agricultural sales to China in fiscal 1995. Total U.S. farm exports to China are forecast nearly to triple from the previous year, to \$2.3 billion.

The effects of changes in China's farm economy on global commodity markets can be powerful because China is a huge producer and consumer of agricultural products. In 1994/95, China was first in world rice and wheat production, second in corn and cotton, and third in soybeans. At the same time, the country is expected to be the world's largest importer of wheat and cotton, second in rice, and sixth in corn, as well as the world's fourth-largest exporter of corn and soybeans and eleventh-largest rice exporter.

Supply and demand conditions in China are generally apt to change abruptly, thrusting China quickly and often erratically into world commodity markets. Changes in internal market conditions can stem from pest problems, weather conditions, rapid economic growth, and policy changes—the effects of which are often delayed. And supply and demand shifts can produce seemingly anomalous behavior, with China in some years a buyer and seller in the same commodity market. Poor infrastructure—which hampers the movement of farm products

from surplus to deficit regions within China—as well as government policies and provincial and central governments' desire to earn foreign exchange, also help explain China's divergent trade activities.

Imports Rise for Corn, Cotton, & Edible Oil

China's corn imports in 1994/95 (October-September) are forecast to reach 3 million tons, up from zero the previous year, while exports are projected to drop to 2 million tons, down from almost 12 million. U.S. corn has displaced Chinese grain in many Asian markets this year, and the surge in U.S. shipments has buttressed U.S. corn export prices.

Several factors underlie China's recent shift from corn exporter to importer. First, the government reduced subsidies over the past several years to state grain companies holding corn stocks, encouraging firms to dump corn into market channels. This temporarily boosted supplies for livestock feed and for export in 1992/93 and 1993/94.

Second, government authorities raised procurement prices for corn (along with other grains) in 1994, sparking price increases throughout the corn sector. Farmers began to retain their corn on-farm in anticipation of yet higher prices, and urban consumers rushed to buy the increasingly dearer milled grain. Domestic corn prices quickly shot above the world price. The price for cornmeal in urban areas hit \$236 per ton in December 1994, compared with a U.S. corn export price of \$103 (f.o.b. Gulf, No. 3 yellow corn).

Third, because of increases in population and urban incomes, the demand for livestock products—and thus for feed—continued to grow rapidly. By the time feed millers and exporters used up their stocks, they confronted a whole new set of demand conditions. By fall 1994, China's leaders faced prospects of rising meat prices in urban areas, stock drawdowns, and domestic corn purchases at above world prices, or reduced exports and corn purchases in the world market.

China has also bought large amounts of cotton and edible oil on world markets in 1994/95. These purchases have had substantial impacts on world prices. Concurrent with China's cotton imports, 1994/95 world cotton prices have soared. And China's continued robust demand for edible oil has kept world vegetable oil prices strong in 1994/95, despite ample global supplies.

While China's cotton production expanded in 1994/95, government procurements were very low, as many producers have been selling crops illegally outside official channels, in order to command higher prices. As a result, China has imported near-peak quantities of raw cotton this year, as the government has attempted to ease serious local shortages, and stem rising prices. China's cotton imports are forecast up dramatically to 784,000 tons this marketing year, from 176,000 the year before.

China's edible oil imports are forecast to climb to a record 3.3 million tons in the 1994/95 marketing year. As demand outpaced supply, vegetable oil imports soared to 2.7 million tons in 1993/94, from 1.1 million tons the previous year. China's per capita edible oil consumption for 1994, estimated at 7.2 kilos, is well below that for Korea (12 kilos), Japan (17), and Taiwan (24). With rising incomes, demand for oil has continued to increase in China's urban areas. In 1994, government officials decided to boost vegetable oil supplies for urban residents to help curb inflationary pressures. They accomplished this by easing rules that had restricted vegetable oil imports. Soybean oil imports were especially large in 1993/94, as palm oil prices soared.

Imports Triggered By Inflationary Fears

Rapid increases in the money supply, hikes in urban wage rates, and continued heavy subsidies to state enterprises triggered price increases throughout China's economy, prompting the government to enter world farm commodity markets in 1994/95. In addition to buying more corn, cotton, and edible oil, China has boosted purchases of wheat and rice. Changing food demand patterns, increases in the money supply, and higher state procurement prices in 1994 for grains, oilseeds, and cotton, caused domestic commodity prices to rise rapidly. Government authorities had raised procurement prices in an effort to boost farm incomes and reduce the large income disparities between rural and urban areas.

China's authorities, who dread price instability, became increasingly alarmed as the inflation rate soared to over 20 percent in 1994. Older leaders, who remember the hyperinflation of the 1940's, often take drastic action to prevent inflation. To head off unrest among urban residents—the government's key political constituency—authorities stepped up imports in an effort to abate commodity price increases.

Rapid economic growth, expanding at double-digit rates in real terms for the past 3 years—including an 11.8-percent rise in 1994—has led to growth in urban and rural per capita incomes and to dietary changes. In 1994, real incomes for urban residents increased 8.8 percent, and rural incomes rose at a slower

5 percent. The difference in national and personal income growth rates can be explained by China's high savings rates.

With higher incomes in the 1990's, consumers began to eat less grain directly as cereal, and began to purchase more meat, as well as more fruits, vegetables, and processed foods. At the same time, consumers shifted to higher quality grains such as wheat and rice, and away from coarse grains such as corn, sorghum, and barley. Consumers also began to purchase higher quality, freshly milled rice at the expense of lower quality, old rice.

Government perceptions, policies, and other factors affecting supply—in conjunction with rising demand and commodity prices—likely were behind China's larger imports in 1994/95. One explanation is that China's authorities believed that harvests for many crops would drop in 1994, leading to potential supply shortages in 1995.

But contrary to these expectations, crops generally fared well, according to 1994 yearend production data. While total grain output (wheat, rice, corn, soybeans, pulses, and tubers) declined 2.6 percent, oilseed production (including peanuts, cottonseed, rapeseed, and sunflowerseed) rose 10 percent. In addition, soybean production grew 6 percent. China's cotton crop in 1994 totaled 4.2 million tons, up 13 percent from 1993's reduced harvest, although below output in 1992. And the sugarbeet harvest increased 4 percent, although the more important sugarcane crop declined 5 percent.

Inadequate transportation and marketing systems may have contributed to supply shortages in some local areas in 1994. With the surge in economic growth since the early 1980's, China's already overburdened rail system has continued to deteriorate, hindering the movement of farm commodities within the country. However, it is unclear how great a role the declining transportation system played in creating supply shortages in 1994, since the condition of the system was little worse than in previous years. But transportation bottlenecks due to an inadequate highway system and insufficient rail cars could continue to derail the smooth marketing of commodities within China for the remainder of the 1990's.

As the agricultural commodity markets in China move from a centrally planned to a more market-oriented system, marketing glitches can be expected. Currently, the legal and banking systems provide inadequate support, which hinders business transactions. In addition, China lacks a good information gathering and dissemination system to provide market participants with timely news and reliable data on supply and demand conditions. Without market information, farmers may choose to hold their grain supplies on the farm, even when they can obtain very attractive prices in some markets.

Government policy changes in China have also affected supply conditions in recent years. During 1992-94, for example, the government reorganized the Grain Bureau, a government-owned agency that purchased and marketed grains and edible oilseeds. The government also reduced government subsidies for certain wheat, rice, and corn stocks.

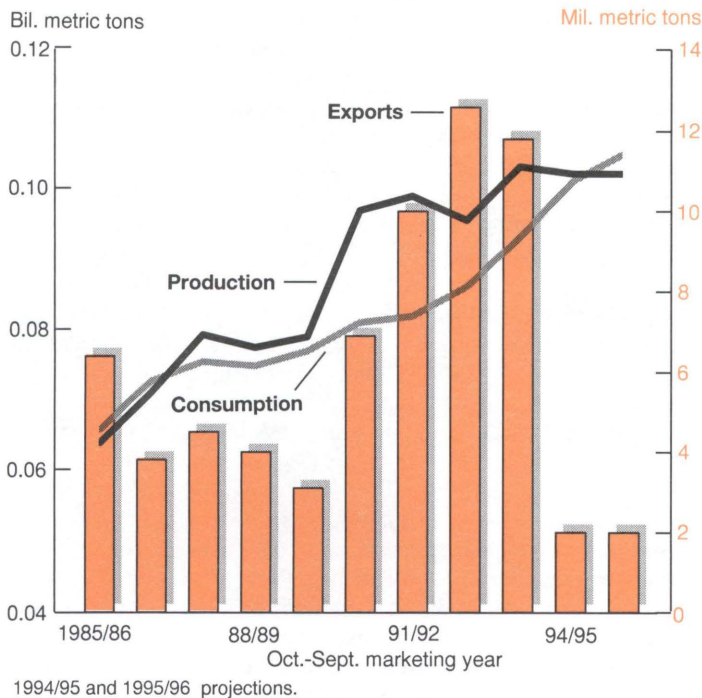
China's Soybean and Cotton Crops Up in 1994/95

	1992/93		1993/94		1994/95	
	Area	Output	Area	Output	Area	Output
	Mil. ha.	Mil. tons	Mil. ha.	Mil. tons	Mil. ha.	Mil. tons
Rice (paddy)	32.1	186.2	30.4	177.7	30.0	173.5
Wheat	30.5	101.6	30.2	106.4	29.6	103.0
Corn	21.0	95.4	20.7	102.7	21.0	102.0
Soybeans	7.2	10.3	9.5	15.3	10.3	16.3
Peanuts	3.0	6.0	3.4	8.4	3.6	8.9
Cotton	6.8	4.5	5.0	3.7	5.5	4.2

1994/95 estimates.

Special Article

China's Corn Consumption To Outpace Production



As a result of lower subsidies, many state-owned grain companies and other private and joint-venture firms concluded that they were holding larger stocks than they could afford, and began to unload stocks. Consequent temporary bulges in available supplies in marketing years 1992/93 and 1993/94 made more rice and corn available for export, and reduced demand for wheat imports. Grain companies used up the sudden stock increases in 1992 and 1993, so that by 1994 rising demand and lower stocks led to higher grain imports and reduced exports in 1994/95.

Purchases To Remain High In 1995/96

China is expected to continue to purchase considerable volumes of corn, wheat, rice, edible oil, and cotton in the world market in 1995/96. While China's crop production prospects for 1995 are as yet very tentative, demand factors call for continued large imports of these commodities.

China's corn imports in marketing year 1995/96 (October-September) are projected to decline 1 million tons from 1994/95, to 2 million. Corn exports in 1995/96 are projected at 2 million tons, equal to this year. China will continue to sell corn to South Korea, North Korea, Japan, Malaysia, and other Asian markets. Rising domestic corn prices in 1994—retail prices of cornmeal in urban areas rose 48 percent for the year—will likely sustain farmers' interest in growing corn in 1995. Area sown to corn in 1995 is projected at 21 million hectares, and production is projected at 102 million tons, both the same as last year.

Even with a good wheat crop expected for 1995, China's wheat imports in 1995/96 (July-June) are projected to rise to 11 million tons (from a forecast 10.5 million in 1994/95) to help meet rising consumer demand for higher quality and specialty wheats such as durum, and to circumvent domestic transportation clogs. China exports little or no wheat. Higher domestic wheat prices—wheat flour retail prices in urban areas jumped 28 percent in 1994—are expected to spur a 500,000-hectare rise in wheat area in 1995, to 30.1 million hectares. And with yields projected up from 1994, USDA projects China's wheat production in 1995 at 105 million tons, up 2 million tons from the year before.

China's rice imports in calendar 1995 will likely exceed 1994's 900,000 tons, and will include both high-quality Thai rice, destined for high-income urban residents, and lower quality rice for poorer urban residents. Exports in calendar 1995 are projected to decline by around three-fourths from 1994, to 250,000 tons. Expanded rice area is likely in 1995, as government officials are using coercive administrative measures and programs to maintain paddyland acreage. In addition, domestic rice prices increased in 1994 and remain high as this year's planting season begins, which should encourage growers to cultivate rice. Yields are also expected to increase in 1995 because of government measures to ensure adequate inputs.

Because of population and income growth, demand for edible oil is expected to remain strong in 1995/96, especially in urban areas. However, uncertainty about the government's import policy for edible oils is expected to restrict China's oil imports in 1995/96 to 1994/95 levels. In addition, policy decisions regarding import duty levels, the government's import monopoly, and the stocks-to-use ratio will determine the import volume over the next several years.

China's cotton imports in 1995/96 are expected to remain relatively high, the result of recurring production problems and strong demand for raw cotton for textiles. An increase of 29 percent in the government's fixed procurement price for cotton in 1995 could induce farmers to maintain area. However, bollworm infestations, which have plagued China's cotton fields in recent years, may again adversely affect yields.

Larger Imports, Reduced Exports Ahead

Longer term supply and demand trends for China's major crops are more difficult to predict. According to ERS analysts, two key factors—population and income growth—will drive demand for most commodities over the next decade. China's population is projected to expand from 1.2 billion to about 1.3 billion by 2005, and income growth is forecast to remain vigorous (although at about half the rates achieved in recent years). Together, these factors will substantially increase demand for meats (and thus for feed grains and soybean meal), food grains, vegetable oils, soybeans, and cotton, leading to potentially large increases in imports (as well as reduced exports) of these and other agricultural products.

Corn imports are forecast to soar to around 7 million tons by 2005, compared with an average annual amount of 500,000 tons during 1990-94. And over the next 10 years, corn exports are projected to continue to decline annually (from the 1990-94 average level of 8.5 million tons), equaling about 4 million tons by 2005.

Population growth, rapid economic growth, and rising per capita incomes will generate increased demand for livestock products. And while China's corn output is projected to increase at an annual rate of around 1 percent over the next 10 years—based on projected increases in both area and yields—domestic corn supplies for feed are unlikely to match livestock production needs.

According to USDA baseline projections, China's wheat imports in 2005 (forecast at 17.5 million tons) will be nearly double the average amounts imported each year during 1990/91 to 1994/95. Rising per capita incomes will continue to steer consumer preferences toward quality wheat products, and demand increases will likely outstrip supply gains. While China's wheat area will remain roughly the same, yields are projected to rise, leading to annual production increases of less than 1 percent to 2005.

China is forecast to be both a larger rice importer and exporter by 2005. China's rice imports in 2005 are projected to double from average annual amounts in 1990-94, to 800,000 tons (although this figure may be conservative, given current import levels). These imports will likely include some lower quality rice for poorer consumers in big cities, and some high-quality rice for wealthier consumers.

At the same time, China's rice exports are projected to reach 1.7 million tons by 2005 (although this figure may be optimistic, given current export levels), compared with an average annual volume of 1 million tons during 1990-94. China will likely continue to export higher quality japonica rice to East Asian markets and lower quality rice to markets in other Asian countries, Africa, and Europe. Area sown to rice will likely decline slightly over the next decade, as returns from rice cultivation are expected to be lower than for other crops, but yields are predicted to rise steadily. As a result, China's rice output is projected to grow at an annual rate of less than 1 percent to 2005.

While area planted to cotton will likely decline as farmers switch from cotton to more profitable crops, higher yields will likely more than offset the reduced area. As a result, cotton output is projected to increase slightly by 2005. But with increased domestic consumption and production of textiles for export, growth in demand for raw cotton is expected to outpace gains in domestic supplies.

China's raw cotton imports are forecast to rise to 550,000 tons by 2005—an average yearly gain of 7.4 percent—compared with average annual imports of 370,000 tons during 1990-94. (However, with imports in 1994/95 forecast to reach nearly 800,000 tons, the current projection for 2005 could be conservative.) Exports are projected to remain at a steady 135,000 tons per year to 2005, compared with an average annual volume of 150,000 tons during 1990-94.

China is expected to import around 1.3 million tons of soybeans by 2005, compared with 100,000 tons per year imported on average during 1990-94. Population growth, rising incomes, and greater consumer preferences for meat and for soybean products such as tofu, will generate substantial additional demand for soybeans for feed and food use by 2005.

China's exports of soybeans in 2005 (mainly for food use) are forecast to fall to about 400,000 tons—less than half the average annual amounts shipped during 1990-94. However, China is expected to continue exporting food-quality soybeans to high-income East Asian markets. Increased domestic use will encourage farmers to expand soybean area slightly over the next decade, and yields are predicted to rise slightly. However, with annual output expanding less than 1 percent, domestic supplies will be insufficient to meet demand.

China's soybean meal imports (used mainly for livestock feed) are forecast to surge to 600,000 tons by 2005, from an average annual amount of 36,000 tons during 1990-94. And China's soymeal exports are projected to shrink to around 300,000 tons a year over the next 10 years, from an average annual 1.2 million tons during 1990-94.

[Frederick Crook (202) 219-0030 and Francis Tuan (202) 219-1282] **AO**

Statistical Indicators

Summary Data

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

	1994				1995				
	II	III	IV	Annual	I	II F	III F	IV F	Annual F
Prices received by farmers (1990-92=100*)	101	97	96	100	99	103	---	---	---
Livestock & products	97	93	90	95	93	91	---	---	---
Crops	107	101	102	105	105	120	---	---	---
Prices paid by farmers, (1990-92=100*)									
Production items	108	105	105	106	106	106	---	---	---
Commodities & services, interest, taxes, & wages	107	106	106	106	108	108	---	---	---
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)									
All food	144	145	146	144	147	149	148	148	148
At home	145	146	145	144	148	149	148	147	148
Away from home	145	146	147	146	148	149	149	150	149
Agricultural exports (\$ bil.) 2/	10.3	10.2	14.1	43.5	14.3	---	---	---	51.5
Agricultural imports (\$ bil.) 2/	6.6	6.6	7.0	26.4	7.8	---	---	---	29.5
Commercial production									
Red meat (mil. lb.)	10,428	10,837	11,175	42,523	10,521	10,670	11,109	11,068	43,368
Poultry (mil. lb.)	7,372	7,629	7,462	29,346	7,457	7,840	8,030	7,905	31,232
Eggs (mil. doz.)	1,521	1,550	1,597	6,177	1,545	1,555	1,560	1,605	6,265
Milk (bil. lb.)	39.9	38.2	37.9	153.6	39.1	41.3	39.2	38.9	158.4
Consumption, per capita									
Red meat and poultry (lb.)	52.3	54.2	55.1	212.2	51.9	53.8	55.6	56.1	217.4
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	2,492.9	---	---	9,375.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	68.79	65.83	67.63	68.84	71.51	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	39-41	36-40	38-39
Broilers—12-city (cts./lb.)	60.0	55.9	51.8	55.7	51.7	52-54	52-56	50-54	52-54
Eggs—NY gr. A large (cts./doz.)	63.3	67.0	67.2	67.3	65.2	61-63	64-68	66-72	64-67
Milk—all at plant (\$/cwt)	12.93	12.47	12.97	12.97	12.63	11.90	11.60	12.35	12.10
						12.20	12.20	13.25	12.60
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			1994				1995
	1992	1993	1994 R	I	II	III	IV R	I P
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	6,020.2	6,343.3	6,738.4	6,574.7	6,689.9	6,791.7	6,897.2	6,982.9
Gross national product	6,025.8	6,347.8	6,726.9	6,574.0	6,682.5	6,779.6	6,871.3	—
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,535.0	4,586.4	4,657.5	4,734.8	4,780.8
Durable goods	492.7	538.0	591.5	576.2	580.3	591.5	617.7	613.4
Nondurable goods	1,295.5	1,339.2	1,394.3	1,368.9	1,381.4	1,406.1	1,420.7	1,429.5
Food & beverages	626.8	649.7	679.6	667.9	675.5	683.7	691.2	696.2
Clothing & shoes	227.7	235.4	246.5	241.9	243.9	247.8	252.6	251.7
Services	2,348.7	2,501.0	2,642.7	2,589.9	2,624.7	2,659.9	2,696.4	2,737.9
Gross private domestic investment	788.3	882.0	1,032.9	966.6	1,034.4	1,055.1	1,075.6	1,119.3
Fixed investment	785.2	866.7	980.7	942.5	967.0	992.5	1,020.8	1,051.2
Change in business inventories	3.0	15.4	52.2	24.1	67.4	62.6	54.8	68.1
Net exports of goods & services	-30.3	-65.3	-98.2	-86.7	-97.6	-109.6	-98.9	-112.9
Government purchases of goods & services	1,125.3	1,148.4	1,175.3	1,159.8	1,166.7	1,188.8	1,185.8	1,195.6
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,979.3	5,134.5	5,344.0	5,261.1	5,314.1	5,367.0	5,433.8	5,471.7
Gross national product	4,985.7	5,140.3	5,337.3	5,262.7	5,310.5	5,359.9	5,416.0	—
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,546.3	3,557.8	3,584.7	3,629.6	3,642.0
Durable goods	452.6	489.9	532.1	521.7	522.2	529.6	554.8	548.2
Nondurable goods	1,057.7	1,078.5	1,109.5	1,098.3	1,104.3	1,113.4	1,121.9	1,126.0
Food & beverages	514.7	524.0	535.6	531.9	536.1	535.7	538.5	540.1
Clothing & shoes	193.2	197.8	208.8	203.8	204.9	210.2	216.4	215.9
Services	1,839.1	1,890.3	1,938.1	1,926.3	1,931.4	1,941.8	1,952.9	1,967.9
Gross private domestic investment	725.3	819.9	951.5	898.9	950.9	967.3	989.1	1,030.8
Fixed investment	722.9	804.6	903.8	873.4	891.7	910.2	939.7	967.8
Change in business inventories	2.5	15.3	47.8	25.4	59.2	57.1	49.4	63.0
Net exports of goods & services	-32.3	-73.9	-110.0	-104.0	-111.8	-117.0	-107.1	-119.7
Government purchases of goods & services	936.9	929.8	922.8	919.9	917.1	932.0	922.2	918.6
GDP implicit price deflator (% change)	2.8	2.2	2.1	2.9	2.9	1.9	1.3	2.2
Disposable personal income (\$ bil.)	4,505.8	4,688.7	4,959.6	4,832.8	4,913.5	4,990.3	5,101.9	5,188.8
Disposable per. income (1987 \$ bil.)	3,648.1	3,704.1	3,835.7	3,779.2	3,811.5	3,840.9	3,911.0	3,952.9
Per capita disposable per. income (\$)	17,636	18,153	19,003	18,588	18,853	19,095	19,473	19,765
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,535	14,625	14,697	14,927	15,057
U.S. population, total, incl. military abroad (mil.) 1/	255.4	258.1	260.7	259.7	260.3	261.0	261.7	262.2
Civilian population (mil.) 1/	253.4	256.3	258.9	258.0	258.6	259.3	260.0	260.5
	Annual			1994		1995		
	1992	1993	1994	Mar	Dec R	Jan R	Feb R	Mar P
Monthly data seasonally adjusted								
Total industrial production (1987=100)	108.0	112.9	119.7	118.0	124.2	124.7	124.5	124.4
Leading economic indicators (1987=100)	98.2	98.8	101.7	101.2	102.5	102.5	102.3	101.8
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	122.2	124.6	124.6	125.1	125.3
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	6.5	5.4	5.7	5.4	5.5
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,607.5	5,883.5	5,932.2	5,961.4	5,995.6
Money stock-M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,614.5	3,597.4	3,614.5	3,626.6	3,623.2	3,631.8
Three-month Treasury bill rate (%)	3.45	3.02	4.29	3.52	5.64	5.81	5.80	5.73
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	7.48	8.46	8.46	8.26	8.12
Total housing starts (1,000) 4/	1,200	1,288	1,457	1,499	1,545	1,366	1,315	1,211
Business inventory/sales ratio	1.50	1.45	1.39	1.38	1.37	1.38	1.39	—
Sales of all retail stores (\$ bil.) 5/	1,959.1	2,081.6	2,241.3	183.9	192.7	193.3	191.3	193.3
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	111.9	115.0	116.5	115.5	116.3
Food stores (\$ bil.)	382.4	392.4	405.6	33.0	34.4	34.3	33.7	33.7
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.0	9.0	9.1	9.0	9.3
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	18.8	19.4	19.6	19.6	19.8

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 1985-96
Real GDP, annual percent change													
World	3.3	2.7	3.1	4.4	3.3	2.2	0.7	1.7	1.4	2.8	3.0	2.9	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	2.8	3.1	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	2.5	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	3.3	2.4	2.5
Canada	4.7	3.3	4.1	4.7	2.5	0.4	-1.7	0.6	2.2	4.3	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	3.3	3.8	4.2	-1.0
Former Soviet Union	1.7	3.6	2.8	5.3	3.0	-2.0	-11.6	-18.2	-12.8	-15.8	-4.6	1.4	-4.4
Russia	2.6	3.4	2.1	5.6	2.5	-2.0	-9.0	-19.0	-12.0	-15.0	-4.4	1.9	-4.1
Developing	3.8	3.6	4.2	4.4	3.5	3.4	3.8	5.2	5.3	5.3	4.8	4.6	4.3
Asia	6.2	6.3	7.4	9.1	5.6	6.1	5.1	7.6	7.8	8.0	7.4	6.0	6.9
Pacific-Asia	6.7	7.3	9.0	9.5	6.1	6.6	6.4	9.0	9.2	9.1	8.2	6.4	7.9
China	12.3	8.2	11.0	10.7	4.3	5.4	6.4	13.0	13.4	11.8	9.7	6.6	9.8
South Asia	5.6	4.9	4.8	9.4	5.1	5.5	1.8	4.0	4.3	4.8	5.1	4.8	5.0
India	5.4	4.1	4.9	9.7	5.0	5.8	1.3	4.3	4.6	5.1	5.5	5.1	5.0
Latin America	3.0	4.9	3.2	0.7	0.9	0.0	3.4	2.8	3.2	3.8	1.9	3.5	2.8
Mexico	2.7	-3.9	1.8	1.2	3.4	4.5	3.6	2.8	0.4	3.1	-2.4	2.1	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	1.8
South America	2.3	8.4	3.2	0.9	0.4	-1.4	3.5	2.9	4.2	4.3	3.0	3.9	2.9
Brazil	7.9	8.0	3.3	-0.2	3.3	-4.2	0.9	-0.9	4.1	4.9	2.6	3.3	2.7
Middle East	-0.9	-6.9	-2.3	-2.5	2.3	3.1	1.9	7.5	4.6	0.7	1.3	2.9	0.8
Africa	3.1	2.2	1.7	2.4	3.1	1.3	1.7	0.3	0.9	1.7	2.5	2.9	1.8
North Africa	3.3	-0.3	0.2	1.5	3.8	2.2	2.8	1.4	-0.3	1.3	3.0	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	2.1	2.6	2.0
Middle East & N. Africa	0.5	-4.7	-1.4	-1.1	2.8	2.8	2.2	5.4	3.0	0.9	1.9	3.0	1.0

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	Apr	Nov	Dec	Jan R	Feb	Mar R	Apr P
1990-92 = 100										
Prices received										
All farm products	98	101	100	102	95	99	98	98	100	103
All crops	101	102	105	106	100	108	103	102	109	120
Food grains	113	105	118	125	120	121	120	116	113	113
Feed grains & hay	98	98	106	116	90	96	97	100	102	104
Cotton	88	89	109	111	114	121	132	135	143	150
Tobacco	101	101	101	98	106	105	108	110	98	88
Oil-bearing crops	100	108	110	118	97	100	98	97	98	99
Fruit & nuts, all	99	92	89	90	81	71	73	72	77	81
Commercial vegetables	111	116	107	86	121	161	125	114	156	216
Potatoes & dry beans	88	108	111	119	92	92	90	89	92	103
Livestock & products	97	100	95	100	90	90	93	94	93	91
Meat animals	96	100	90	97	83	83	89	91	89	86
Dairy products	100	98	100	103	100	99	96	96	97	96
Poultry & eggs	97	105	106	106	104	103	101	100	101	100
Prices paid										
Commodities & services,										
interest, taxes, & wage rates	101	103	106	107	106	106	107	107	108	108
Production items	101	103	106	108	104	104	105	105	106	106
Feed	99	99	105	109	—	—	96	—	—	100
Livestock & poultry	96	104	95	100	—	—	92	—	—	82
Seeds	99	105	109	110	—	—	110	—	—	110
Fertilizer	100	97	106	104	—	—	119	—	—	122
Agricultural chemicals	103	107	112	109	—	—	116	—	—	115
Fuels	96	92	84	90	—	—	80	—	—	92
Farm supplies & repairs	104	107	110	108	—	—	111	—	—	110
Autos & trucks	102	109	115	115	—	—	120	—	—	121
Farm machinery	104	106	110	114	—	—	110	—	—	119
Building materials	101	105	109	109	—	—	113	—	—	114
Farm services	104	109	112	112	—	—	115	—	—	115
Cash rent	104	100	108	108	—	—	108	—	—	108
Int. payable per acre on farm real estate debt	93	88	92	92	—	—	101	—	—	101
Taxes payable per acre on farm real estate	104	107	112	112	—	—	115	—	—	115
Wage rates (seasonally adjusted)	105	108	111	111	—	—	116	—	—	116
Production items, interest, taxes, & wage rates	101	103	106	107	—	—	107	—	—	107
Ratio, prices received to prices paid (%) 1/	98	98	94	95	93	92	93	92	93	95
Prices received (1910-14=100)	628	642	634	651	605	626	624	620	633	653
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	1,408	—	—	1,406	—	—	1,408
Parity ratio (1910-14=100) (%) 1/	47	47	46	46	44	45	44	—	—	46

1/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wage rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary.

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

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

	Annual 1/			1994			1995			
	1992	1993	1994 P	Apr	Nov	Dec	Jan	Feb	Mar R	Apr P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.56	3.76	3.73	3.69	3.62	3.53	3.51
Rice, rough (\$/cwt)	5.89	7.98	6.25	9.80	6.53	6.56	6.78	6.71	6.64	6.67
Corn (\$/bu.)	2.07	2.50	2.20	2.65	1.99	2.13	2.19	2.23	2.30	2.33
Sorghum (\$/cwt)	3.38	4.13	3.65	4.20	3.38	3.53	3.63	3.69	3.75	3.82
All hay, baled (\$/ton)	74.30	84.70	86.50	96.40	86.50	85.10	84.80	85.00	86.70	90.30
Soybeans (\$/bu.)	5.56	6.40	5.35	6.57	5.36	5.41	5.47	5.40	5.51	5.57
Cotton, upland (cts./lb.)	53.7	58.1	67.4	67.5	68.9	73.2	79.7	81.6	86.5	90.6
Potatoes (\$/cwt)	5.52	6.22	5.36	6.69	4.80	4.86	4.70	4.92	5.16	5.83
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	11.60	20.60	37.50	13.50	9.44	29.30	61.00
Tomatoes fresh (\$/cwt) 2/	35.80	31.80	27.52	16.50	30.70	37.20	41.60	27.00	43.80	48.90
Onions (\$/cwt)	13.00	15.80	14.46	10.70	12.00	12.10	13.80	17.10	16.90	27.50
Dry edible beans (\$/cwt)	19.90	24.60	21.70	26.10	22.70	22.50	22.40	21.00	21.20	22.20
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	15.6	16.7	17.9	20.2	18.9	18.3	16.9
Pears for fresh use (\$/ton)	378	280	261	182	285	290	274	301	363	399
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	5.20	2.60	2.91	3.05	3.29	3.77	4.48
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	2.66	2.84	2.60	2.19	2.24	2.28	1.68
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	72.00	64.40	64.40	67.50	68.70	66.90	64.60
Calves (\$/cwt)	89.38	95.92	87.16	95.80	80.30	81.90	85.00	86.90	84.40	81.90
Hogs (\$/cwt)	41.82	45.40	39.48	42.70	28.00	30.80	36.90	39.10	37.80	35.90
Lambs (\$/cwt)	60.78	64.60	64.86	54.50	71.30	68.70	67.50	70.40	74.80	72.90
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	13.40	13.10	12.90	12.60	12.60	12.70	12.50
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	12.50	12.10	11.50	11.40	11.60	11.70	11.30
Broilers (cts./lb.)	30.8	34.2	35.0	35.6	32.7	32.5	32.6	32.6	32.8	32.1
Eggs (cts./doz.) 4/	56.2	62.7	60.9	61.3	62.5	63.0	62.0	61.6	61.4	62.0
Turkeys (cts./lb.)	37.6	39.0	40.7	39.2	44.8	42.3	39.3	37.2	38.3	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	Apr	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
		1982-84=100								
Consumer Price Index, all items	148.2	147.4	149.4	149.5	149.7	149.7	150.3	150.9	151.4	151.9
Consumer Price Index, less food	149.0	148.1	150.2	150.4	150.6	150.2	150.8	151.5	152.1	152.5
All food	144.3	143.4	145.0	145.0	145.3	146.8	147.5	147.4	147.4	148.4
Food away from home	145.7	145.1	146.2	146.4	146.8	147.1	147.4	147.6	148.1	148.3
Food at home	144.1	143.0	145.0	144.8	145.1	147.3	148.2	147.9	147.6	149.2
Meats 1/	135.4	136.0	135.0	135.0	134.6	133.7	134.9	134.9	135.5	134.9
Beef & veal	136.0	137.1	135.1	135.3	134.5	134.7	135.8	136.6	136.9	136.2
Pork	133.9	133.5	134.8	133.7	133.4	130.1	132.2	131.8	132.9	131.1
Poultry	141.5	140.9	143.3	141.5	140.2	140.4	140.2	141.4	143.3	142.3
Fish & seafood	163.7	163.7	164.9	164.8	167.0	166.9	169.0	170.4	171.2	171.6
Eggs	114.3	115.7	113.9	110.4	115.4	116.4	115.4	113.9	115.3	112.0
Dairy products 2/	131.7	131.8	131.3	131.5	131.7	131.6	132.7	132.1	132.2	132.1
Fats & oils 3/	133.5	133.2	134.2	135.0	134.3	134.2	136.4	136.8	136.8	137.2
Fresh fruits	201.2	198.1	203.9	199.1	199.5	213.1	214.2	213.3	207.0	210.3
Processed fruits	133.1	133.9	132.4	133.3	132.5	133.3	134.4	135.3	136.5	136.8
Fresh vegetables	172.3	163.9	163.5	167.0	178.4	212.7	209.4	198.6	193.8	220.4
Potatoes	174.3	186.3	168.8	157.3	154.2	154.2	157.1	157.2	161.8	164.6
Processed vegetables	136.6	136.4	137.7	136.8	134.0	134.7	138.0	137.7	136.9	138.1
Cereals & bakery products	163.0	162.5	164.8	164.6	163.7	164.2	164.6	165.8	165.3	166.9
Sugar & sweets	135.2	135.9	135.4	135.6	134.5	134.5	135.5	135.8	136.4	136.7
Beverages, nonalcoholic	123.2	115.5	132.1	132.7	132.4	131.7	133.3	133.7	132.9	132.9
Apparel										
Apparel, commodities less footwear	131.2	134.7	132.3	133.5	132.1	127.9	126.3	128.3	132.3	132.5
Footwear	126.0	128.0	125.1	125.5	125.7	123.6	124.0	124.8	125.9	127.2
Tobacco & smoking products	220.0	218.0	220.8	221.3	221.4	222.0	222.2	222.7	222.5	223.0
Beverages, alcoholic	151.5	151.6	151.4	151.6	151.9	151.8	152.0	152.4	153.1	153.6

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	Mar	Oct	Nov R	Dec R	Jan	Feb	Mar
	1982 = 100									
All commodities	117.2	118.9	120.4	119.7	120.9	121.5	121.9	122.6	123.5	123.7
Finished goods 1/	123.2	124.7	125.5	124.9	125.8	126.1	126.2	126.5	126.9	126.9
All foods 2/	120.9	123.7	125.2	126.1	123.9	125.6	126.6	125.4	125.9	—
Consumer foods	123.3	125.7	126.8	127.5	126.1	126.9	128.5	127.8	128.3	128.5
Fresh fruits & melons	84.0	84.5	82.5	87.4	75.7	71.2	84.4	81.7	78.8	74.6
Fresh & dried vegetables	115.0	135.2	129.1	116.6	118.1	133.3	215.2	157.9	148.5	156.9
Dried fruit	114.6	117.9	121.0	120.6	120.1	119.1	118.9	119.4	119.9	119.2
Canned fruits & juices	134.5	126.2	126.0	125.6	125.6	125.5	125.0	125.7	126.9	127.3
Frozen fruits, juices & ades	125.9	110.7	111.9	113.2	110.6	111.2	111.3	114.4	114.0	115.2
Fresh veg. excl. potatoes	116.4	126.6	117.8	96.1	113.8	128.1	244.7	163.5	149.2	159.2
Canned vegetables & juices	109.5	110.5	116.2	116.8	116.0	114.0	113.1	112.6	114.2	114.7
Frozen vegetables	116.4	120.9	126.0	126.1	124.9	125.5	125.0	125.1	124.8	124.9
Potatoes	118.4	144.9	142.3	180.3	106.9	104.6	101.0	101.3	103.0	114.6
Eggs for fresh use (1991=100)	78.6	86.6	80.9	91.8	74.4	85.0	85.9	78.7	80.4	80.7
Bakery products	152.5	156.6	160.0	158.8	161.0	161.6	161.7	162.2	162.6	162.5
Meats	106.7	110.6	104.6	110.3	100.7	100.5	100.2	102.8	104.3	104.8
Beef & veal	109.5	112.9	103.6	110.5	99.8	102.8	101.3	104.2	106.3	107.5
Pork	98.9	105.7	101.2	108.5	94.6	90.1	90.8	95.7	97.4	96.9
Processed poultry	109.0	111.7	114.7	116.2	114.7	111.0	109.3	109.8	110.6	109.8
Unprocessed & packaged fish	156.1	156.5	161.5	162.7	160.9	165.5	162.4	170.2	175.2	175.1
Dairy products	117.9	118.1	119.5	120.6	119.2	119.5	118.6	116.9	117.6	118.4
Processed fruits & vegetables	120.8	118.2	121.2	121.4	120.6	120.0	119.6	120.0	120.9	121.2
Shortening & cooking oil	115.1	122.9	138.6	140.7	135.2	141.6	144.6	147.9	144.4	143.9
Soft drinks	125.6	126.2	126.9	127.2	127.1	126.7	127.4	130.6	132.1	133.6
Consumer finished goods less foods	120.8	121.7	121.6	120.4	122.0	122.3	121.7	122.2	122.6	122.7
Alcoholic beverages	126.1	126.0	124.7	125.5	124.5	124.3	125.0	125.3	127.4	127.0
Apparel	122.2	123.2	123.5	123.6	123.6	123.4	123.6	123.2	123.8	124.0
Footwear	132.0	134.4	135.5	135.4	135.8	135.9	136.6	137.0	138.6	138.7
Tobacco products	275.3	260.3	224.6	224.7	224.6	224.2	225.2	225.0	226.0	228.1
Intermediate materials 4/	114.7	116.2	118.5	116.8	120.0	120.9	121.1	122.2	123.3	123.7
Materials for food manufacturing	113.9	115.6	118.5	119.9	116.8	118.0	117.5	118.0	118.5	119.0
Flour	109.5	108.9	110.4	111.0	113.9	113.1	113.3	113.6	110.6	109.4
Refined sugar 5/	119.8	118.2	118.3	118.0	118.4	119.3	119.2	120.0	120.9	120.8
Crude vegetable oils	97.1	110.5	135.0	140.0	125.4	141.3	141.3	140.2	138.8	139.7
Crude materials 6/	100.4	102.4	101.7	104.1	98.2	99.1	99.9	100.9	102.7	102.3
Foodstuffs & feedstuffs	105.1	108.4	106.5	114.2	98.9	100.4	101.7	102.1	104.0	103.2
Fruits & vegetables & nuts 7/	96.9	106.9	104.5	100.0	99.9	115.4	137.1	110.5	105.6	107.3
Grains	97.3	94.5	102.7	112.5	91.1	91.2	95.3	95.5	96.9	98.2
Livestock	104.7	107.0	96.4	104.7	88.1	89.6	91.6	96.4	100.5	96.9
Poultry, live	112.6	122.0	124.4	129.5	125.0	114.4	114.2	108.6	109.3	113.1
Plant & animal fibers	89.8	91.3	120.7	120.8	111.1	120.4	132.6	143.5	149.4	180.2
Fluid milk	96.1	94.1	95.9	99.3	95.9	93.9	93.5	92.1	90.9	92.8
Oilseeds	107.5	115.9	117.4	129.4	99.0	105.3	106.5	104.5	103.9	107.5
Leaf tobacco	101.0	100.3	101.2	91.8	104.8	106.1	107.4	107.4	112.5	100.2
Raw cane sugar	112.1	113.2	115.2	114.9	113.2	113.2	116.0	117.7	118.4	117.2

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	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	144.6	145.2	145.6	148.0	148.7	148.3	148.0
Farm value (1982-84=100)	103.2	104.9	101.6	106.5	97.8	97.7	99.6	100.7	101.9	101.4
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	165.1	170.8	171.5	174.1	174.6	173.3	173.1
Farm value-retail cost (%)	26.1	25.9	24.5	25.8	23.6	23.5	23.6	23.7	24.1	24.0
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	136.4	135.0	134.6	133.7	134.9	134.9	135.5
Farm value (1982-84=100)	104.5	107.2	96.1	105.4	88.5	87.3	86.3	92.7	96.9	97.8
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	168.3	182.8	183.1	182.3	178.2	173.9	174.2
Farm value-retail cost (%)	40.5	40.3	35.9	39.1	33.2	32.9	32.7	34.8	36.4	36.6
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	131.8	131.5	131.7	131.6	132.7	132.1	132.2
Farm value (1982-84=100)	95.8	93.0	94.5	96.6	93.3	94.1	93.8	91.9	88.6	90.6
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	164.2	166.8	166.4	165.5	170.3	172.2	170.5
Farm value-retail cost (%)	35.8	34.5	34.4	35.2	34.0	34.3	34.6	33.2	32.2	32.9
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	140.1	141.5	140.2	140.4	140.2	141.4	143.3
Farm value (1982-84=100)	104.0	111.5	114.6	114.3	115.5	110.3	108.5	107.4	106.4	107.4
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	169.8	171.5	174.6	177.1	178.0	181.7	184.6
Farm value-retail cost (%)	42.4	43.6	43.3	43.7	43.7	42.1	41.4	41	40.3	40.1
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	120.5	110.4	115.4	116.4	115.4	113.9	115.3
Farm value (1982-84=100)	77.8	88.9	83.5	95.4	76.5	87.0	89.7	86.8	86.1	85.4
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	165.6	171.3	166.5	164.4	166.8	163.8	169.0
Farm value-retail cost (%)	46.1	48.8	47.0	50.9	44.5	48.4	49.5	48.3	48.6	47.6
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	160.4	164.6	164.6	163.7	164.6	165.8	165.3
Farm value (1982-84=100)	94.2	91.8	102.6	111.4	101.8	102.3	102.5	102.3	101.2	99.6
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	167.2	173.4	173.3	172.2	173.3	174.8	174.5
Farm value-retail cost (%)	7.6	7.2	7.7	8.5	7.6	7.6	7.7	7.6	7.5	7.4
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	204.5	208.0	208.3	222.8	221.7	221.0	212.8
Farm value (1982-84=100)	122.4	134.8	119.4	118.4	126.3	114.9	118.8	128.3	127.6	126.2
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	244.3	245.7	251.4	270.8	264.8	264.1	252.8
Farm value-retail cost (%)	20.4	21.7	18.1	18.3	19.2	17.4	16.8	18.3	18.2	18.7
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	167.0	167.0	178.4	212.7	209.4	198.6	220.4
Farm value (1982-84=100)	120.6	127.1	121.1	122.1	111.3	117.2	153.3	135.0	144.8	208.7
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	190.1	195.6	209.9	243.2	247.6	226.3	226.4
Farm value-retail cost (%)	25.9	25.6	23.9	24.8	22.6	22.3	24.5	21.9	24.8	32.2
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	134.2	134.7	133.0	133.8	135.8	136.2	136.5
Farm value (1982-84=100)	128.6	107.0	112.5	112.1	113.0	112.7	112.0	111.1	114.6	115.5
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	141.1	141.5	139.3	140.6	143.5	142.9	143.1
Farm value-retail costs (%)	22.9	19.3	19.9	19.9	19.9	20.1	19.9	19.5	20.0	20.1
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	132.6	135.0	134.3	134.2	136.4	136.8	136.8
Farm value (1982-84=100)	93.1	107.5	125.5	129.7	120.7	132.5	136.2	130.3	126.5	127.2
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	133.7	140.3	135.0	133.5	138.6	140.6	140.3
Farm value-retail cost (%)	19.3	22.3	25.3	26.3	24.0	26.5	27.3	25.7	24.9	25.0
	Annual			1994			1995			
	1992	1993	1994	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	287.1	280.2	279.4	282.6	284.3	284.7	283.7
Wholesale value 3/ (cts.)	179.6	182.5	166.7	176.8	163.8	164.3	171.7	170.4	165.7	158.5
Net farm value 4/ (cts.)	161.8	164.1	145.5	160.8	141.7	142.0	150.0	151.3	146.3	139.4
Farm-retail spread (cts.)	122.8	129.3	137.4	126.3	138.5	137.4	132.6	133.0	138.4	144.3
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	110.3	116.4	115.1	110.9	113.9	119.0	125.2
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	16.0	22.1	22.3	21.7	19.1	19.4	19.1
Farm value-retail price (%)	57	56	51	56	51	51	53	53	51	49
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	198.7	195.0	188.4	191.4	189.9	193.5	190.6
Wholesale value 3/ (cts.)	98.9	102.8	98.9	103.3	86.6	88.9	91.1	93.0	91.4	90.0
Net farm value 4/ (cts.)	67.8	72.5	62.9	67.6	44.0	50.7	59.0	61.9	59.7	56.6
Farm-retail spread (cts.)	130.2	125.1	135.1	131.1	151.0	137.7	132.4	128.0	133.8	134.0
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	95.4	108.4	99.5	100.3	96.9	102.1	100.6
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	35.7	42.6	38.2	32.1	31.1	31.7	33.4
Farm value-retail price (%)	34	37	32	34	23	27	31	33	31	30

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

	Annual			1993	1994				1995
	1992	1993	1994	IV	I	II	III	IV P	I
1967=100*									
Labor—hourly earnings & benefits	418.4	432.1	443.6	436.0	440.9	442.8	442.8	448.0	452.2
Processing	435.7	448.2	460.6	451.4	456.9	460.0	460.0	465.6	469.2
Wholesaling	458.5	476.5	488.7	480.6	485.0	487.6	488.7	493.6	498.4
Retailing	383.4	396.4	406.7	400.8	405.4	405.9	405.4	410.2	414.8
Packaging & containers	370.1	371.1	385.3	376.1	377.1	378.8	385.5	399.7	414.1
Paperboard boxes & containers	324.8	322.9	338.0	321.4	324.4	328.2	339.6	359.8	382.5
Metal cans	478.1	487.7	519.0	516.9	520.3	518.6	518.6	518.6	516.2
Paper bags & related products	387.8	387.3	397.0	381.0	379.7	385.8	395.9	426.5	456.0
Plastic films & bottles	309.9	307.9	311.9	310.3	308.3	306.0	310.2	323.0	331.2
Glass containers	444.4	446.8	452.8	449.1	449.0	452.3	454.5	455.6	458.5
Metal foil	241.0	238.8	238.3	238.9	236.1	235.1	240.5	241.4	267.9
Transportation services	426.1	425.9	434.9	426.0	430.0	434.4	437.8	437.3	436.4
Advertising	468.4	487.4	507.7	490.6	506.0	506.6	508.2	510.0	532.2
Fuel & power	654.6	671.7	660.7	672.3	657.1	654.6	671.0	660.0	645.9
Electric	514.0	522.3	519.6	513.0	506.5	515.0	540.5	516.4	516.6
Petroleum	639.9	638.9	596.5	636.3	585.4	581.1	608.6	611.0	570.4
Natural gas	1,061.1	1,132.9	1,152.0	1,164.7	1,173.6	1,157.8	1,131.9	1,132.6	1,125.3
Communications, water & sewage	266.8	270.0	276.9	272.2	275.0	276.6	277.9	278.2	280.3
Rent	278.3	273.1	273.6	271.5	272.6	273.9	275.0	272.9	272.9
Maintenance & repair	454.8	465.2	472.5	464.5	467.3	472.0	474.3	476.5	481.2
Business services	441.9	459.9	475.2	466.7	468.9	474.1	478.0	479.6	483.4
Supplies	318.1	321.3	326.0	322.1	319.9	322.9	326.8	334.5	341.0
Property taxes & insurance	496.7	512.9	529.5	518.4	522.8	526.7	532.0	536.6	539.9
Interest, short-term	74.4	64.7	96.5	65.9	71.7	92.5	102.0	119.5	126.0
Total marketing cost index	414.6	424.1	435.0	427.1	430.6	432.9	435.8	440.5	446.1

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

Information contact: 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									
1993	360	23,049	2,401	25,810	1,275	529	24,006	65.0	75.36
1994	529	24,386	2,371	27,286	1,611	548	25,127	67.5	68.84
1995 F	548	24,910	2,430	27,888	1,680	450	25,758	68.5	66-69
1996 F	450	25,858	2,480	28,788	1,715	475	26,598	70.1	63-69
Pork									
1993	385	17,088	740	18,213	435	359	17,419	52.3	43.03
1994	359	17,696	743	18,798	531	438	17,829	53.1	40.03
1995 F	438	18,026	730	19,194	540	405	18,249	53.8	38-39
1996 F	405	18,138	685	19,228	545	400	18,283	53.4	37-41
Veal 5/									
1993	5	285	0	290	0	4	286	0.8	89.38
1994	4	293	0	297	0	6	291	0.9	95.92
1995 F	6	301	0	307	0	5	302	0.8	79-83
1996 F	5	315	0	320	0	5	315	1.0	79-83
Lamb & mutton									
1993	8	337	54	399	8	8	381	1.2	61.00
1994	8	308	49	365	9	11	345	1.2	65.85
1995 F	11	291	45	347	8	11	328	1.2	66-70
1996 F	11	266	53	330	8	11	311	1.2	69-74
Total red meat									
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	122.7	---
1995 F	1,003	43,528	3,205	47,736	2,228	871	44,637	124.4	---
1996 F	871	44,577	3,218	48,666	2,268	891	45,507	125.5	---
Broilers									
1993	368	22,016	0	22,384	1,965	358	20,059	68.4	52.6
1994	358	23,666	0	24,024	2,876	458	20,690	69.9	52.7
1995 F	458	25,218	0	25,676	3,435	490	21,751	72.8	52-54
1996 F	490	26,796	0	24,286	3,700	530	23,056	76.4	48-52
Mature chicken									
1993	10	515	0	525	57	8	462	1.8	---
1994	8	508	0	516	90	14	413	1.6	---
1995 F	14	523	0	537	100	10	428	1.6	---
1996 F	10	510	0	520	103	10	407	1.6	---
Turkeys									
1993	272	4,798	0	5,070	213	249	4,608	17.9	60.2
1994	249	4,937	0	5,187	246	254	4,686	18.0	65.7
1995 F	254	5,241	0	5,496	250	350	4,896	18.6	61-64
1996 F	350	5,539	0	5,889	258	300	5,331	20.1	58-63
Total poultry									
1993	650	27,329	0	27,979	2,234	615	25,129	88.0	---
1994	615	29,113	0	29,727	3,212	727	25,789	89.5	---
1995 F	727	30,983	0	31,710	3,785	850	27,075	93.0	---
1996 F	850	32,845	0	33,695	4,061	840	28,794	98.0	---
Red meat & poultry									
1993	1,408	68,088	3,195	72,691	3,953	1,515	67,221	207.7	---
1994	1,515	71,796	3,163	76,473	5,363	1,730	69,381	212.2	---
1995 F	1,730	74,511	3,205	79,446	6,013	1,721	71,712	217.4	---
1996 F	1,721	77,422	3,218	82,361	6,329	1,731	74,301	223.5	---

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

Table 14—Dairy

	Annual			1994				1995		
	1992	1993	1994	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	12.77	12.29	11.86	11.38	11.35	11.79	11.89
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	65.5	71.5	71.5	67.0	64.0	65.5	66.5
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	140.0	135.4	127.9	121.3	124.5	130.4	131.1
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	110.5	107.0	107.1	106.9	106.7	107.1	107.8
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,936.4	6,653.8	4,812.2	262.3	68.4	282.2	488.2	596.0	121.2	319.3
Butter (mil. lb.)	439.5	288.8	204.4	11.4	0.9	10.9	20.8	24.2	3.1	12.4
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.1	1.8	1.9	0.3	0.3	0.3	0.3
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	14.3	28.3	32.4	26.7	31.1	48.6	49.1
Milk										
Milk prod. 22 States (mil. lb.)	127,439	126,956	132,240	11,315	10,970	10,624	11,090	11,280	10,441	11,698
Milk per cow (lb.)	15,714	15,836	16,334	1,401	1,354	1,312	1,370	1,394	1,291	1,444
Number of milk cows (1,000)	8,110	8,017	8,096	8,074	8,104	8,098	8,094	8,090	8,088	8,103
U.S. milk production (mil. lb.)	150,885	150,582	153,626	6/ 13,209	6/ 12,732	6/ 12,330	6/ 12,871	6/ 13,154	6/ 12,176	6/ 13,641
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	9,826	7,882	6,293	5,862	5,761	6,238	6,211
Commercial (mil. lb.)	4,461	4,688	4,550	4,707	4,611	4,374	4,198	4,264	4,780	4,806
Government (mil. lb.)	11,379	9,526	5,020	5,118	3,271	2,549	1,664	1,497	1,458	1,405
Imports, total (mil. lb.)	2,524	2,807	2,858	253	238	299	295	220	320	—
Commercial disappearance (mil. lb.)	141,351	145,037	150,196	13,036	12,988	12,377	12,461	12,118	12,214	—
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,295.9	118.0	101.8	100.7	121.4	132.0	120.3	125.7
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	243.2	163.4	124.6	84.5	79.4	89.9	88.3
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,099.6	107.7	108.5	91.4	98.5	96.4	116.9	—
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,977.0	249.7	244.3	240.0	256.9	262.0	240.2	263.2
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	328.7	311.5	313.4	310.2	310.4	326.1	329.8
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,034.1	260.7	241.3	242.7	258.5	246.2	242.8	—
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,753.1	342.1	330.2	319.4	321.4	303.6	288.2	330.7
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	145.3	141.7	135.2	124.5	126.8	131.5	127.0
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,047.9	361.3	362.9	362.7	352.0	320.0	313.9	—
Nonfat dry milk										
Production (mil. lb.)	872.1	954.5	1,215.6	102.4	86.2	88.8	116.3	106.7	98.3	110.4
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	80.9	135.5	132.4	121.4	131.2	140.9	121.9
Commercial disappearance (mil. lb.)	720.5	648.7	890.7	100.0	62.7	60.3	75.3	64.5	70.6	—
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,244.8	114.0	88.6	84.7	79.9	81.6	85.5	113.5

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 Williams (202) 219-1268.

Table 15—Wool

	Annual			1993				1994				1995
	1992	1993	1994	IV	I	II	III	IV	I	II	III	IV
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	36,277	35,575	32,742	33,969	35,222			
Carpet wool (1,000 lb.)	14,695	15,431	14,400	3,925	4,450	3,484	3,640	3,165	3,050			

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	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	9,011	7,840	8,629	8,914	8,870	8,866	8,926
Placed on feed (1,000 head)	20,508	20,474	19,997	1,640	2,478	1,854	1,590	1,720	1,607	1,776
Marketings (1,000 head)	18,548	19,048	19,602	1,588	1,633	1,498	1,540	1,636	1,481	1,629
Other disappearance (1,000 head)	1,194	1,219	895	86	56	71	94	88	66	81
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	75.41	66.51	69.43	69.35	73.60	73.79	70.84
Neb. Direct	75.35	76.36	68.84	74.85	65.89	68.67	68.34	71.97	72.55	70.00
Boning utility cows, Sioux Falls	44.84	47.52	42.51	46.72	37.06	36.69	36.30	38.79	40.63	39.32
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	91.72	83.24	91.41	75.28	78.88	79.88	79.88	76.91	76.31
750–800 lb.	—	86.45	77.72	81.31	72.40	75.19	76.63	76.50	72.53	68.84
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	44.58	32.44	28.51	32.14	37.96	39.60	38.13
6 markets	42.31	45.38	39.57	43.97	32.18	28.03	31.48	37.68	39.03	37.89
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	47.33	20.61	18.54	18.63	27.74	31.79	39.60
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	61.19	69.96	73.60	67.50	65.38	75.08	73.75
Ewes, Good, San Angelo	35.24	37.46	40.47	39.60	37.04	42.45	43.25	35.60	41.75	31.25
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	66.60	67.08	78.30	74.38	75.60	82.69	80.06
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	113.63	100.85	104.56	105.50	112.08	110.46	107.35
Select, 700–800 lb.	111.66	113.53	102.08	111.21	95.04	97.72	98.10	107.22	108.25	105.40
Canner & cutter cow beef	93.85	95.43	84.39	93.89	74.51	72.21	73.17	73.63	76.63	74.94
Pork cutout, No. 2	58.37	62.19	57.29	60.96	52.38	50.82	51.66	53.72	56.38	54.55
Pork loins, 14–18 lb.	101.41	107.47	101.50	100.45	95.65	80.00	89.50	96.94	102.20	95.30
Pork bellies, 12–14 lb.	30.39	41.62	40.00	49.68	31.33	29.09	29.29	36.03	35.80	36.30
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	64.27	46.51	52.10	50.74	46.40	54.34	51.60
All fresh beef retail price	266.79	273.43	265.99	271.60	264.29	262.24	262.79	262.03	263.66	266.47
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	2,860	2,949	2,808	2,871	2,869	2,581	2,950
Steers	17,138	17,222	18,027	1,436	1,507	1,366	1,453	1,434	1,286	1,486
Heifers	9,236	9,358	9,589	830	854	800	788	819	759	885
Cows	5,846	6,086	5,941	537	535	590	580	564	484	520
Bulls & stags	653	659	641	57	53	52	50	52	52	50
Calves	1,371	1,195	1,268	114	116	117	124	124	106	121
Sheep & lambs	5,496	5,182	4,938	530	398	407	426	386	375	480
Hogs	94,889	93,068	95,714	8,327	8,799	8,737	8,786	8,092	7,329	8,801
Barrows & gilts	89,964	88,387	90,775	7,904	8,365	8,274	8,313	7,682	6,969	8,381
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	2,001	2,116	1,978	2,020	2,009	1,808	2,081
Veal	299	267	283	26	25	25	26	27	24	27
Lamb & mutton	343	329	304	34	23	24	26	24	24	30
Pork	17,184	17,030	17,658	1,530	1,631	1,639	1,642	1,500	1,354	1,634
	Annual			1993				1994		
	1992	1993	1994	IV	I	II	III	IV	I	I
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,135	10,974	11,196	9,691	11,196	10,734	9,124	9,252	10,606	10,681
Placed on feed (1,000 head)	24,251	24,102	23,449	7,076	5,372	4,675	6,315	7,087	5,914	—
Marketings (1,000 head)	21,981	22,376	22,979	5,246	5,559	5,951	5,996	5,473	5,545	—
Other disappearance (1,000 head)	1,431	1,504	1,060	325	275	334	191	260	287	—
Hogs & pigs (U.S.) 3/										
Inventory (1,000 head) 1/	57,649	58,202	57,904	59,030	57,904	57,350	60,715	62,320	59,992	58,415
Breeding (1,000 head) 1/	7,229	7,109	7,130	7,130	7,165	7,210	7,565	7,415	7,061	6,881
Market (1,000 head) 1/	50,420	51,093	50,739	51,900	50,739	50,140	53,150	54,905	52,932	51,427
Farrowings (1,000 head)	12,272	11,982	12,341	2,982	2,885	3,389	3,107	2,960	2,871	3,212
Pig crop (1,000 head)	99,142	97,050	101,400	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.
 * Intentions.

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

Table 17—Supply & Utilization^{1,2}See footnotes at end of table.

Table 17—Supply & Utilization (continued)

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 6/
	Set aside 3/	Planted	Harvested									
	Mil. acres			Lb./acre	Mil. bales							Cts./lb.
Cotton 10/												
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	—	11.4	10.2	21.6	1.7	72.80
1995/96*	0.3	16.2	15.2	665	21.0	22.7	—	11.6	8.5	20.1	2.7	12/

*May 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 meal & soybean oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds, 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/ Weighted average for August-March, not a projection for the marketing year. — = not available or not applicable. 12/ USDA is prohibited from publishing cotton price projections.

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	Mar	Nov	Dec	Jan	Feb	Mar
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	3.64	4.24	4.27	4.06	3.98	3.87
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	4.94	4.41	4.37	4.21	4.09	4.11
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	23.65	14.00	13.25	13.35	13.75	13.88
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.89	2.11	2.24	2.32	2.37	2.45
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	4.64	3.60	3.81	3.92	3.90	4.01
Barley, feed, Duluth (\$/bu.) 5/	2.13	2.17	2.11	2.05	2.07	2.04	2.00	2.02	2.06	2.02
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.65	2.90	2.81	2.81	2.82	2.85
U.S. price, SLM, 1-1/16 in. (cts./lb.) 6/	74.8	56.7	54.1	66.1	72.7	72.0	81.9	88.1	91.9	104.2
Northern Europe prices index (cts./lb.) 7/	82.9	62.9	56.9	70.7	82.1	77.3	87.1	95.6	100.5	110.6
U.S. M 1-3/32 in. (cts./lb.) 8/	88.2	66.3	62.5	73.1	83.8	80.9	92.1	100.3	103.9	116.7
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.81	5.47	5.54	5.45	5.48	5.66
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	28.80	29.41	30.37	29.00	27.97	28.17
Soybean meal, 48% protein, Decatur (\$/ton) 9/	181.40	189.20	193.75	161.10	195.40	161.30	156.90	156.40	151.30	156.90

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean meal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Beginning Mar. 1987 reporting point changed from Minneapolis to Duluth. 6/ Average spot market. 7/ Liverpool Cotlook "A" index; average of five lowest prices of 13 selected growths. 8/ Memphis territory growths. 9/ Note change to 48% protein.

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

	Payment rates										Effective base acres 2/	Program 3/	Partici- pation rate 4/		
	Target price	Basic loan rate	Findley or announced loan rate 1/	Paid land diversion			Total deficiency	Mandatory	Optional						

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: Jim Langley, 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	16,084
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									
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Grower prices									
Apples (cents/pound) 4/	13.1	20.3	21.7	20.0	16.7	17.9	20.2	18.9	18.3
Pears (cents/pound) 4/	16.3	14.7	17.3	12.8	14.3	14.5	13.7	15.1	18.2
Oranges (\$/box) 5/	4.44	4.56	2.53	2.62	2.60	2.91	3.05	3.29	3.77
Grapefruit (\$/box) 5/	1.49	3.67	4.39	5.96	2.84	2.60	2.19	2.24	2.28
Stocks, ending									
Fresh apples (mil. lbs.)	260.1	69.4	3,874.3	6,163.3	5,198.8	4,486.0	3,722.2	2,986.0	2,212.1
Fresh pears (mil. lbs.)	44.2	198.7	588.8	487.7	387.3	323.4	214.3	149.8	99.1
Frozen fruits (mil. lbs.)	981.5	1,039.6	1,056.5	1,439.4	1,341.2	1,257.1	1,119.6	1,042.0	923.9
Frozen conc. orange juice (mil. single-strength gallons)	569.1	494.4	420.7	382.1	346.2	492.5	588.3	604.7	641.0

1/ Year shown is when harvest concluded. 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)	406,809	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										
	Mar	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Shipments (1,000 cwt)										
Fresh	21,880	19,977	17,349	15,934	16,574	17,424	17,535	17,505	17,802	21,121
Iceberg lettuce	4,200	4,222	3,765	3,879	3,697	3,669	3,270	3,835	3,575	2,992
Tomatoes, all	3,589	3,188	2,614	2,661	2,862	2,252	2,195	2,320	3,238	3,691
Dry-bulb onions	3,168	3,221	3,375	3,916	4,019	3,660	3,291	3,510	2,759	3,386
Other 5/	10,923	9,346	7,595	5,478	5,996	7,843	8,779	7,840	8,230	11,052
Potatoes, all	18,004	9,545	10,444	11,271	11,886	13,364	14,900	13,418	12,815	17,818
Sweetpotatoes	317	80	104	241	310	673	388	214	237	291

1/ Includes fresh production of asparagus, broccoli, carrots, cauliflower, celery, sweet corn, lettuce, honeydews, onions, & tomatoes through 1991. 2/ Includes processing production of snap beans, sweet corn, green peas, tomatoes, cucumbers (for pickles), asparagus, broccoli, carrots, & cauliflower. 3/ Data after 1991 not comparable to previous years because commodity estimates reinstated in 1992 are included. 4/ Fresh & processing agaricus mushrooms only. Excludes specialty varieties. Crop year July 1 – June 30. 5/ Includes snap beans, broccoli, cabbage, carrots, cauliflower, celery, sweet corn, cucumbers, eggplant, bell peppers, squash, cantaloupes, honeydews, & watermelons. P = preliminary.

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

Table 22—Other Commodities

	Annual					1993	1994			
	1990	1991	1992	1993	1994	Oct-Dec	Jan-Mar	Apr-June	July-Sept	Oct-Dec
Sugar										
Production 1/	6,334	7,145	7,569	7,841	7,692	3,922	2,247	639	870	3,937
Deliveries 1/	8,661	8,704	8,936	9,064	9,317	2,303	2,144	2,306	2,579	2,287
Stocks, ending 1/	2,729	3,039	3,225	3,512	3,145	3,512	4,041	2,685	1,338	3,145
Coffee										
Composite green price N.Y. (cts./lb.)	76.93	70.09	55.30	64.31	138.62	72.21	76.08	110.27	197.50	170.63
Imports, green bean equiv. (mil. lbs.) 2/	2,716	2,555	2,943	2,445	2,048	570	560	447	550	491
1994										
	Annual	Annual	Annual	Annual	Annual	Nov	June	July	Aug	Sept
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

	1989/90	1990/91	1991/92	1992/93	1993/94 P	1994/95 F	1995/96 F
	Million units						
Wheat							
Area (hectares)	217.4	225.8	231.4	222.5	223.1	222.4	215.7
Production (metric tons)	495.0	533.2	588.0	542.1	561.8	559.7	525.8
Exports (metric tons) 1/	104.3	103.9	101.0	110.8	112.7	99.5	96.2
Consumption (metric tons) 2/	524.3	532.7	561.5	554.7	549.6	563.5	552.0
Ending stocks (metric tons) 3/	118.4	118.9	145.4	132.8	145.0	141.2	115.0
Coarse grains							
Area (hectares)	323.4	321.1	314.4	318.2	318.8	312.2	314.7
Production (metric tons)	721.0	791.3	821.5	805.0	865.3	790.2	866.5
Exports (metric tons) 1/	97.6	104.5	89.5	96.1	91.1	85.3	89.0
Consumption (metric tons) 2/	786.4	815.6	809.3	804.9	836.9	832.1	857.5
Ending stocks (metric tons) 3/	146.6	122.3	134.5	134.6	163.1	121.2	130.2
Rice, milled							
Area (hectares)	145.5	146.6	146.8	146.0	145.7	144.5	145.1
Production (metric tons)	329.7	343.1	350.7	349.7	353.1	353.3	357.2
Exports (metric tons) 4/	13.9	11.7	12.1	14.1	14.9	16.0	16.1
Consumption (metric tons) 2/	325.4	338.3	345.9	351.7	355.7	357.8	358.3
Ending stocks (metric tons) 3/	49.0	54.1	58.8	56.8	54.3	49.8	48.8
Total grains							
Area (hectares)	686.3	693.5	692.6	686.7	687.6	679.1	675.5
Production (metric tons)	1,545.7	1,667.6	1,760.2	1,696.8	1,780.2	1,703.2	1,749.5
Exports (metric tons) 1/	215.8	220.1	202.6	221.0	218.7	200.8	201.3
Consumption (metric tons) 2/	1,636.1	1,686.6	1,716.7	1,711.3	1,742.2	1,753.4	1,767.8
Ending stocks (metric tons) 3/	314.0	295.3	338.7	324.2	362.4	312.2	294.0
Oilseeds							
Crush (metric tons)	164.5	171.7	176.7	185.1	183.8	187.9	201.7
Production (metric tons)	201.6	212.4	215.7	224.4	227.5	227.5	258.4
Exports (metric tons)	31.5	35.6	33.4	37.6	37.7	37.3	43.7
Ending stocks (metric tons)	22.1	23.7	23.4	21.8	23.3	20.1	28.6
Meals							
Production (metric tons)	111.1	116.8	119.3	125.1	124.6	129.1	138.4
Exports (metric tons)	37.4	39.8	40.7	43.2	41.7	43.9	46.2
Oils							
Production (metric tons)	53.3	57.1	58.1	60.6	60.9	62.5	67.4
Exports (metric tons)	18.1	20.4	20.5	21.1	20.9	22.8	24.8
Cotton							
Area (hectares)	33.8	31.6	33.2	34.8	32.6	30.6	32.3
Production (bales)	84.4	79.7	87.0	96.0	82.8	76.9	83.5
Exports (bales)	33.4	31.3	29.7	28.1	25.5	26.7	28.9
Consumption (bales)	85.3	86.9	85.5	86.1	85.8	85.7	85.0
Ending stocks (bales)	31.0	25.1	27.4	37.7	35.6	27.4	27.0
	1989	1990	1991	1992	1993	1994 P	1995 F
Red meat							
Production (metric tons)	112.3	113.3	114.9	115.8	116.6	118.9	120.4
Consumption (metric tons)	110.9	111.4	113.2	113.4	114.5	117.5	119.7
Exports (metric tons) 1/	8.2	7.9	8.1	7.6	7.7	8.0	7.8
Poultry							
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	41.9
Exports (metric tons) 1/	1.7	2.7	3.0	3.3	3.9	4.6	4.9
Dairy							
Milk production (metric tons) 5/	387.4	395.0	384.9	379.3	379.2	377.6	379.3

1/ Excludes intra-EU trade but includes intra-FSU trade. 2/ Where stocks data are not available, 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. 4/ Calendar year data. 1989 data correspond with 1988/89, etc. 5/ 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, LaVerne Williams (202) 219-1268.

U.S. Agricultural Trade

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

	Annual			1994				1995		
	1992	1993	1994	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	3.85	4.55	4.42	4.48	4.25	4.20	4.09
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	3.05	2.43	2.44	2.61	2.72	2.72	2.78
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	2.93	2.43	2.54	2.67	2.73	2.69	2.73
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	7.12	5.69	5.94	6.04	6.01	5.97	6.10
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	28.82	26.57	29.41	30.37	29.01	27.98	28.18
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	194.96	167.73	161.02	156.90	156.40	151.96	156.21
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	72.74	67.58	72.00	81.92	88.11	91.89	104.20
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	169.97	180.55	185.04	183.54	188.03	192.05	170.55
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	24.88	13.90	13.75	13.75	13.75	13.75	13.75
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	15.44	19.63	19.75	22.88	22.62	18.79	18.17
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	0.74	1.90	1.68	1.56	1.60	1.57	1.68
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	49.62	73.46	71.76	77.35	85.68	92.61	94.14
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.55	0.61	0.60	0.59	0.62	0.64	0.62

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

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

	1994								1995				
	May	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
	1990 = 100												
Total U.S. trade	104.3	103.3	100.7	100.9	99.7	98.0	99.3	101.4	99.9	98.8	94.9	94.2	93.6
Agricultural trade													
U.S. markets	97.0	96.9	95.3	95.2	94.3	93.7	94.1	96.6	99.3	98.6	97.1	97.5	98.3
U.S. competitors	105.7	104.5	101.5	101.2	100.1	98.4	99.1	100.5	99.6	98.7	96.4	95.8	95.4
Wheat													
U.S. markets	107.3	107.9	106.4	105.5	104.5	103.8	102.9	103.3	103.3	103.0	101.0	100.3	99.8
U.S. competitors	108.0	107.1	105.5	105.4	104.3	103.1	103.8	104.8	104.5	104.2	102.3	102.0	101.8
Soybeans													
U.S. markets	94.5	94.2	91.9	91.6	90.8	89.8	90.5	93.1	94.6	93.7	91.1	91.0	91.3
U.S. competitors	77.7	76.8	71.8	70.2	68.6	67.3	66.5	66.3	65.5	64.7	65.4	64.8	64.4
Corn													
U.S. markets	91.2	91.6	89.9	89.5	88.6	88.3	88.3	90.2	91.3	90.8	88.1	87.7	87.7
U.S. competitors	101.8	100.7	98.7	98.5	97.5	96.3	97.2	98.2	96.8	96.3	93.9	93.4	92.9
Cotton													
U.S. markets	99.9	99.7	98.1	97.8	97.3	96.7	96.6	97.6	98.1	97.7	96.0	95.7	95.5
U.S. competitors	126.1	124.9	122.6	123.8	122.9	121.1	120.4	120.2	120.1	120.3	119.4	118.8	118.5

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/								Feb
	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	4,819
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	37,459
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	42,278
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	28,500	2,508
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	52,421
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	54,929
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	20,000	2,311
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-14,962
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-12,651

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*			Feb	Fiscal year*			Feb
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,107	1,162	—	41	358	469	—	19
Meats & preps., excl. poultry (mt)	1,160	1,316	2/ 1,100	132	3,349	3,503	—	338
Dairy products (mt) 1/	211	188	—	13	762	709	800	53
Poultry meats (mt)	986	1,377	1,800	146	1,031	1,420	—	144
Fats, oils, & greases (mt)	1,362	1,341	1,500	138	519	515	—	75
Hides & skins incl. furskins	—	—	—	—	1,288	1,439	—	143
Cattle hides, whole (no.) 1/	19,786	20,065	—	1,644	1,062	1,128	—	102
Mink pelts (no.) 1/	3,119	3,197	—	527	56	79	—	17
Grains & feeds (mt)	103,701	88,090	—	9,882	14,103	13,130	3/ 16,000	1,429
Wheat (mt)	36,039	31,145	33,000	2,650	4,737	4,026	4/ 5,100	420
Wheat flour (mt)	1,075	1,024	1,100	140	217	201	—	31
Rice (mt)	2,710	2,433	3,000	303	766	889	900	84
Feed grains, incl. products (mt)	50,701	40,441	58,400	5,420	5,260	4,744	6,400	601
Feeds & fodders (mt)	11,500	11,380	12,400	1,197	2,147	2,231	—	208
Other grain products (mt)	1,676	1,667	—	171	976	1,039	—	85
Fruits, nuts, & preps. (mt)	3,398	3,597	—	327	3,409	3,827	4,500	320
Fruit juices incl.	—	—	—	—	—	—	—	—
froz. (1,000 hectoliters) 1/	7,845	7,018	—	708	423	467	—	59
Vegetables & preps. (mt)	2,790	2,920	—	244	3,220	3,489	—	312
Tobacco, unmanufactured (mt)	231	196	—	24	1,443	1,260	1,400	142
Cotton, excl. linters (mt)	1,125	1,566	2,300	301	1,526	2,287	4,000	514
Seeds (mt)	529	490	—	40	648	601	700	72
Sugar, cane or beet (mt) 1/	337	392	—	27	106	130	—	10
Oilseeds & products (mt)	29,190	24,051	—	3,437	7,211	6,856	8,200	906
Oilseeds (mt)	21,044	16,958	—	2,546	4,981	4,559	—	595
Soybeans (mt)	20,400	16,364	21,800	2,487	4,606	4,161	4,800	555
Protein meal (mt)	6,545	5,406	—	601	1,262	1,085	—	105
Vegetable oils (mt)	1,601	1,687	—	290	968	1,213	—	206
Essential oils (mt)	13	15	—	2	185	206	—	21
Other	92	132	—	14	3,008	3,203	—	263
Total	145,125	125,671	159,200	14,727	42,589	43,511	51,500	4,819
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	—	373	1,569	1,360	1,400	146
Meats & preps., excl. poultry (mt)	1,128	1,159	—	88	2,726	2,721	—	199
Beef & veal (mt)	793	776	800	60	1,919	1,822	2,100	132
Pork (mt)	276	318	300	23	663	744	700	55
Dairy products (mt) 1/	231	260	—	21	860	955	900	66
Poultry & products 1/	—	—	—	—	137	133	—	12
Fats, oils, & greases (mt)	44	40	—	4	30	26	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	181	195	—	18
Wool, unmanufactured (mt)	59	56	—	4	173	152	—	18
Grains & feeds (mt)	4,942	10,009	7,600	443	1,639	2,328	2,200	157
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,600	566	2,988	2,996	—	283
Bananas & plantains (mt)	3,737	3,836	4,000	287	1,083	1,057	1,100	83
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	28,000	2,142	640	686	—	52
Vegetables & preps. (mt)	2,733	2,866	—	375	2,440	2,642	3,000	364
Tobacco, unmanufactured (mt)	386	319	200	8	1,101	912	500	24
Cotton, unmanufactured (mt)	12	16	—	2	11	17	—	2
Seeds (mt)	189	309	300	27	214	255	300	21
Nursery stock & cut flowers 1/	—	—	—	—	629	685	—	80
Sugar, cane or beet (mt)	1,569	1,619	2,100	220	591	616	—	88
Oilseeds & products (mt)	2,484	3,219	3,400	279	1,204	1,479	1,600	154
Oilseeds (mt)	373	895	—	68	130	273	—	21
Protein meal (mt)	618	760	—	56	89	108	—	8
Vegetable oils (mt)	1,492	1,564	—	154	985	1,098	—	125
Beverages excl. fruit juices (1,000 hectoliters) 1/	14,014	15,710	—	1,093	1,975	2,122	—	141
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,100	158	3,018	3,622	5,700	419
Coffee, incl. products (mt)	1,185	969	1,100	78	1,502	2,019	4,000	280
Cocoa beans & products (mt)	770	748	700	54	1,028	1,077	1,100	96
Rubber & allied gums (mt)	981	1,001	1,000	88	839	885	1,300	125
Other	—	—	—	—	1,489	1,578	—	137
Total	—	—	—	—	24,454	26,365	29,500	2,508

*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*			Feb	Change from year* earlier			Feb
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	\$ million				Percent			
WESTERN EUROPE	7,499	6,802	7,700	862	-3	-6	15	30
European Union	7,241	6,557	7,800	841	-2	-7	15	35
Belgium-Luxembourg	482	504	---	44	5	5	---	-8
France	613	466	---	62	-1	-24	---	55
Germany	1,146	1,028	---	123	5	-10	---	18
Italy	568	564	---	73	-17	-1	---	101
Netherlands	1,801	1,609	---	239	-1	-11	---	29
United Kingdom	916	931	---	103	4	2	---	45
Portugal	223	224	---	21	-7	0	---	181
Spain, incl. Canary Islands	829	780	---	106	-13	-6	---	26
Other Western Europe	258	274	300	21	-13	9	12	-45
Switzerland	152	154	---	15	-19	1	---	28
EASTERN EUROPE	468	312	400	32	111	-33	28	29
Poland	230	111	---	2	368	-52	---	-70
Former Yugoslavia	47	98	---	20	-6	107	---	316
Romania	107	50	---	4	42	-53	---	-28
Former Soviet Union	1,561	1,486	1,100	98	-42	-5	-26	15
ASIA	17,832	19,390	1/ 22,600	2,491	0	9	28	64
West Asia (Mideast)	1,922	1,698	2,200	235	9	-12	30	83
Turkey	369	240	---	59	7	-35	---	505
Iraq	1	3	---	0	150	116	---	-100
Israel, incl. Gaza & W. Bank	382	361	500	57	10	-6	39	15
Saudi Arabia	463	500	500	39	-16	8	0	18
South Asia	641	556	---	132	20	-13	---	434
Bangladesh	52	120	---	15	-58	131	---	2,582
India	226	130	---	27	93	-43	---	267
Pakistan	236	212	400	72	4	-10	89	345
China	322	877	2,300	343	-53	172	162	637
Japan	8,461	9,208	9,700	877	1	9	4	13
Southeast Asia	1,551	1,789	---	276	6	15	---	101
Indonesia	327	408	---	72	-7	25	---	135
Philippines	512	554	600	61	16	8	8	153
Other East Asia	4,935	5,262	6,900	627	0	7	31	54
Taiwan	1,999	2,103	2,300	194	4	5	10	11
Korea, Rep.	2,041	2,055	3,100	330	-7	1	51	107
Hong Kong	880	1,103	1,500	102	8	25	36	40
AFRICA	2,671	2,237	2,900	242	16	-16	30	26
North Africa	1,659	1,470	2,100	166	18	-11	43	11
Morocco	310	167	---	20	98	-46	---	-1
Algeria	458	608	500	30	-4	33	-18	-62
Egypt	756	613	1,500	89	7	-19	145	111
Sub-Saharan	1,012	766	800	75	13	-24	5	79
Nigeria	158	111	---	7	413	-30	---	148
Rep. S. Africa	383	113	---	32	17	-70	---	248
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,600	635	7	5	5	7
Brazil	231	228	800	55	61	-1	251	174
Caribbean Islands	1,015	952	---	95	5	-6	---	10
Central America	675	729	---	64	15	8	---	72
Colombia	234	258	---	37	65	10	---	151
Mexico	3,660	4,133	3,600	272	0	13	-13	-22
Peru	172	205	---	15	-4	19	---	-42
Venezuela	502	410	400	58	27	-18	-2	49
CANADA	5,220	5,261	5,900	416	8	1	12	11
OCEANIA	456	497	700	42	7	9	41	30
TOTAL	42,589	43,511	51,500	4,819	0	2	19	38
Developed countries	22,337	22,453	24,900	2,281	2	1	11	20
Developing countries	18,357	18,683	22,800	2,096	8	2	24	44
Other countries	1,896	2,375	3,800	442	-56	25	42	236

*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 P	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 P	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	Jan 1995	Feb 1995	1993	1994	Jan 1995	Feb 1995	1993	1994	Jan 1995	Feb 1995
	\$ million 2/											
NORTH ATLANTIC												
Maine	274	284	23	22	198	220	13	14	472	503	37	36
New Hampshire	65	65	6	6	99	96	5	5	164	161	11	11
Vermont	403	402	33	31	81	86	3	3	484	488	36	34
Massachusetts	122	122	10	10	375	372	18	10	497	495	28	20
Rhode Island	12	12	1	1	67	66	3	3	79	79	4	4
Connecticut	258	252	14	13	263	262	36	11	521	513	51	24
New York	1,888	1,885	152	142	930	943	55	46	2,818	2,827	207	188
New Jersey	199	199	15	14	508	552	23	21	707	751	38	35
Pennsylvania	2,621	2,582	226	217	1,091	1,151	117	91	3,712	3,733	343	308
NORTH CENTRAL												
Ohio	1,673	1,618	137	127	2,720	2,884	218	171	4,393	4,502	356	298
Indiana	1,931	1,807	128	133	3,186	3,056	315	197	5,117	4,863	443	331
Illinois	2,248	2,087	178	170	5,834	6,117	815	444	8,082	8,204	993	614
Michigan	1,376	1,359	125	118	1,991	1,979	153	117	3,367	3,338	278	235
Wisconsin	4,164	4,034	334	320	1,086	1,337	163	91	5,250	5,370	497	411
Minnesota	3,774	3,529	284	282	2,799	3,065	417	140	6,573	6,595	701	422
Iowa	5,829	5,105	460	410	4,173	5,034	750	317	10,002	10,140	1,210	727
Missouri	2,270	2,188	199	224	1,783	2,079	274	121	4,053	4,267	473	345
North Dakota	706	654	81	58	2,227	2,268	295	169	2,933	2,922	376	227
South Dakota	2,173	1,996	162	144	1,147	1,665	175	93	3,320	3,662	336	237
Nebraska	5,842	5,174	536	455	3,067	3,173	447	165	8,909	8,347	983	620
Kansas	4,870	4,636	552	383	2,493	2,885	316	129	7,363	7,521	868	511
SOUTHERN												
Delaware	463	473	31	39	159	156	7	8	622	629	38	47
Maryland	806	802	56	59	560	544	28	26	1,366	1,346	84	85
Virginia	1,385	1,375	116	108	683	730	42	30	2,068	2,105	158	138
West Virginia	328	326	32	29	77	81	7	5	405	407	39	34
North Carolina	3,201	3,388	258	250	2,256	2,400	147	109	5,457	5,788	405	359
South Carolina	603	586	48	42	618	693	48	30	1,221	1,278	96	72
Georgia	2,572	2,504	181	180	1,639	1,929	173	98	4,211	4,434	354	279
Florida	1,202	1,166	99	94	4,548	4,886	561	485	5,750	6,052	660	579
Kentucky	1,720	1,638	123	119	1,656	1,628	287	91	3,376	3,266	410	209
Tennessee	1,012	967	77	82	1,027	1,175	146	80	2,039	2,141	223	162
Alabama	2,184	2,104	139	147	726	811	70	33	2,910	2,915	209	180
Mississippi	1,577	1,639	112	112	1,028	1,255	210	113	2,605	2,895	323	225
Arkansas	2,902	2,885	219	219	1,480	2,187	233	84	4,382	5,071	452	303
Louisiana	688	669	53	57	1,069	1,308	176	82	1,757	1,977	229	138
Oklahoma	2,762	2,575	207	230	1,108	1,171	93	43	3,870	3,746	299	272
Texas	8,342	8,057	692	623	4,275	4,719	438	203	12,617	12,776	1,131	826
WESTERN												
Montana	938	902	99	73	843	1,084	110	99	1,781	1,986	209	172
Idaho	1,167	1,112	123	97	1,680	1,685	88	50	2,847	2,797	211	147
Wyoming	657	605	35	43	160	204	18	13	817	808	53	56
Colorado	2,879	2,660	270	298	1,204	1,238	117	59	4,083	3,898	387	357
New Mexico	1,135	1,065	111	87	486	453	22	18	1,621	1,518	134	105
Arizona	885	842	61	59	1,037	1,083	174	98	1,922	1,925	235	157
Utah	626	633	44	45	177	219	17	16	803	853	61	60
Nevada	187	186	16	17	102	116	8	7	289	302	24	24
Washington	1,561	1,604	131	113	3,013	3,010	222	183	4,574	4,614	353	296
Oregon	739	707	61	52	1,737	1,841	95	73	2,476	2,548	156	125
California	5,246	5,366	459	395	14,604	14,624	1,246	637	19,850	19,990	1,706	1,032
Alaska	6	6	0	0	20	21	1	1	26	26	2	2
Hawaii	85	85	6	6	406	412	35	31	491	498	41	37
UNITED STATES	90,555	86,916	7,518	6,956	84,497	90,954	9,433	5,164	175,052	177,870	16,951	12,121

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 P	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	5,898	5,000 to 7,000
Total interest charges	16,498	14,972	14,293	13,930	13,395	12,088	11,167	10,836	11,537	11,000 to 15,000
Repair & maintenance 1/	6,426	6,759	7,717	8,407	8,553	8,630	8,469	9,154	9,346	8,000 to 10,000
Contract & hired labor	9,484	9,975	10,911	12,034	14,120	14,012	14,008	15,005	15,595	14,000 to 18,000
Machine hire & custom work	2,099	2,105	3,112	3,380	3,565	3,520	3,836	4,411	4,451	3,000 to 5,000
Marketing, storage, & transportation	3,652	4,078	3,516	4,206	4,211	4,719	4,541	5,591	6,183	5,000 to 7,000
Misc. operating expenses 1/ 2/	9,759	11,171	11,991	11,998	12,725	13,536	12,835	14,099	12,186	10,000 to 14,000
Other operating expenses	31,420	34,088	37,248	40,025	43,173	44,417	43,690	48,260	49,833	47,000 to 52,000
Capital consumption 1/	17,788	17,091	17,610	18,168	18,267	18,249	18,317	18,422	18,399	17,000 to 21,000
Taxes 1/	4,612	4,853	4,954	5,213	5,687	5,615	5,834	6,259	6,453	6,000 to 8,000
Net rent to nonoperator landlords	6,099	7,124	7,619	8,667	9,049	8,879	9,507	9,551	9,981	9,000 to 11,000
Other overhead expenses	28,499	29,069	30,183	32,048	33,003	32,743	33,658	34,233	34,833	34,000 to 37,000
Total production expenses	125,084	128,772	137,780	144,888	151,277	151,194	150,139	158,030	162,080	159,000 to 167,000

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

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

Table 35—CCC Net Outlays by Commodity & Function

COMMODITY/PROGRAM	Fiscal year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995 E	1996 E
	\$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	12,346	8,227	2,863	2,435	2,387	2,105	5,143	625	3,309	2,305
Grain sorghum	1,203	764	467	349	243	190	410	130	212	229
Barley	394	57	45	-94	71	174	186	202	160	116
Oats	17	-2	1	-5	12	32	16	5	20	9
Corn & oat products	7	7	8	8	9	9	10	10	0	0
Total feed grains	13,967	9,053	3,384	2,693	2,722	2,510	5,765	972	3,701	2,659
Wheat	2,836	678	53	796	2,805	1,719	2,185	1,731	1,181	1,701
Rice	906	128	631	667	867	715	887	837	959	856
Upland cotton	1,786	666	1,461	-79	382	1,443	2,239	1,539	354	875
Tobacco	-346	-453	-367	-307	-143	29	235	693	-50	-155
Dairy	1,166	1,295	679	505	839	232	253	158	267	323
Soybeans	-476	-1,676	-86	5	40	-29	109	-183	-21	0
Peanuts	8	7	13	1	48	41	-13	37	119	91
Sugar	-65	-246	-25	15	-20	-19	-35	-24	-37	-32
Honey	73	100	42	47	19	17	22	0	6	10
Wool	152	1/ 5	93	104	172	191	179	211	108	55
Operating expense 3/	535	614	620	618	625	6	6	6	7	7
Interest expenditure	1,219	425	98	632	745	532	129	-17	12	125
Export programs 4/	276	200	-102	-34	733	1,459	2,193	1,950	1,843	1,316
1988/94 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	Feb R	Mar R	Apr P	Feb R	Mar P	Apr P
	\$ billion								
Sales 1/ Off-premise use 2/ Meals & snacks 3/	316.8 237.7	322.9 252.7	333.9 268.0	25.5 19.8	28.3 23.8	28.1 22.9	52.5 40.0	80.8 63.7	108.9 86.7
	1994 \$ billion								
Sales 1/ Off-premise use 2/ Meals & snacks 3/	336.1 246.1	334.3 257.0	333.9 268.0	24.8 19.5	27.7 23.0	27.1 22.5	51.1 39.5	78.8 62.5	105.9 85.0
	Percent change from year earlier (\$ bil.)								
Sales 1/ Off-premise use 2/ Meals & snacks 3/	0.4 3.4	1.9 6.3	3.4 6.1	3.3 6.1	2.4 12.1	3.9 8.1	3.7 9.8	3.3 10.6	3.4 10.0
	Percent change from year earlier (1994 \$ bil.)								
Sales 1/ Off-premise use 2/ Meals & snacks 3/	-2.2 1.4	-0.5 4.4	-0.1 4.3	0.4 3.9	-0.9 7.8	-0.5 5.8	0.3 7.6	-0.1 7.6	-0.2 7.2

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) 219-0775.

Transportation

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

	Annual			1994				1995		
	1992	1993	1994	Mar	Oct	Nov	Dec	Jan	Feb	Mar
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	110.9	111.9	112.0	111.8	111.8	111.8	111.9 P	111.7 P	111.9 P
Farm products	111.1	113.7	114.5	114.8	115.8	115.4	115.3	115.9 P	115.8 P	116.5 P
Grain	111.4	114.7	115.5	115.7	116.7	116.7	116.6	117.1 P	116.9 P	117.8 P
Food products	108.7	109.0	111.1	110.7	111.9	111.1	111.1	111.3 P	111.3 P	111.6 P
Barge freight rate index 1/ (Dec. 1984=100)										
Grain	105.8	101.2	111.0	86.7	183.5	160.1	147.9	170.8 P	159.2 P	168.1 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.8	25.1	30.4 P	29.5 P	27.9 P	28.3 P	29.3 P	30.3 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	2.4	2.9	3.6	3.1	2.4	2.0	2.6
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	1.4	0.9	1.1	1.2	1.1 P	1.0 P	1.1 P
Rail (mil. cwt)	2.6	2.2	2.4	2.5	2.2	2.6	3.0	2.5 P	2.1 P	2.4 P
Truck (mil. cwt)	43.9	44.8	43.8	45.9	40.6	39.7	42.8	39.2 P	34.4 P	36.2 P
Cost of operating trucks hauling produce 4/ Fleet operation (cts./mile)	124.1	127.2	128.0	128.1	128.0	129.1	128.6	128.9	129.2	128.7

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	114.8
Beef	74.4	69.6	68.6	65.4	64.0	63.1	62.8	61.5	63.7
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	49.4
Poultry 2/3/4/	47.4	51.0	51.9	53.9	56.3	58.4	60.9	62.6	63.6
Chicken	37.2	39.4	39.6	40.9	42.5	44.2	46.7	48.5	49.4
Turkey	10.2	11.6	12.4	13.1	13.8	14.1	14.2	14.1	14.2
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.

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

P = preliminary.

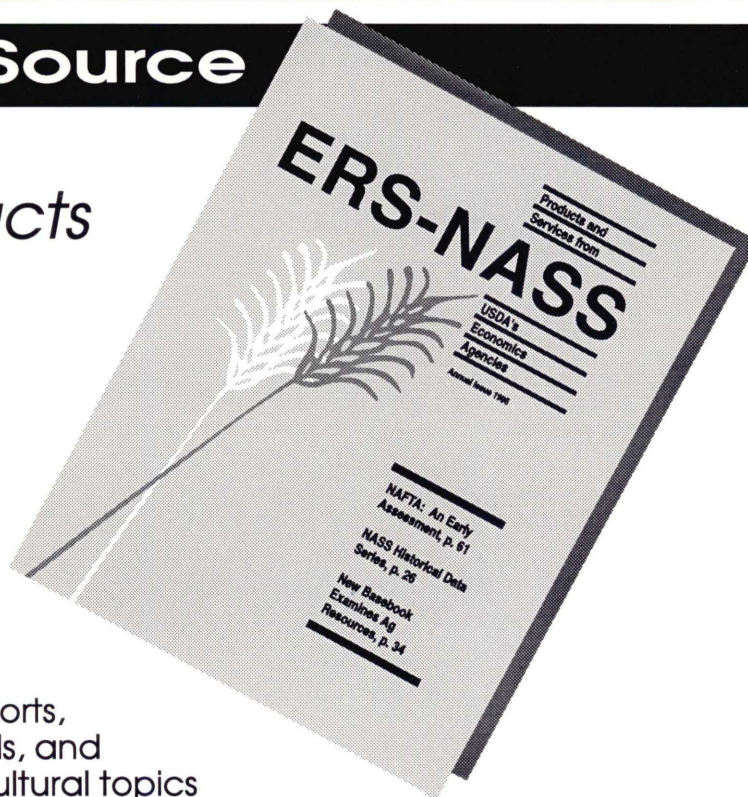
Information contact: Judy Jones Putnam (202) 219-0862.

The United States Department of Agriculture (USDA) prohibits discrimination in its programs on the basis of race, color, national origin, sex, religion, age, disability, political beliefs and marital or familial status. (Not all prohibited bases apply to all programs). Persons with disabilities who require alternative means for communication of program information (braille, large print, audiotape, etc.) should contact the USDA Office of Communications at (202) 720-5881 (voice) or (202) 720-7808 (TDD).

To file a complaint, write the Secretary of Agriculture, U.S. Department of Agriculture, Washington, D.C., 20250, or call (202) 720-7327 (voice) or (202) 720-1127 (TDD). USDA is an equal opportunity employer.

The ONE Source

*... for products
and services
from USDA's
Economics
agencies*



Shop by catalog for reports, monographs, periodicals, and data products on agricultural topics that include trade, conservation, food, finance, farm sector economics, and farm programs. Ask for **ERS-NASS catalog** (annual issue).

For a free copy or a free subscription, call 1-800-999-6779

United States
Department of Agriculture
1301 New York Avenue, NW
Washington, DC 20005-4788

Official Business

Penalty for Private Use, \$300

FIRST CLASS
POSTAGE & FEES PAID
USDA
PERMIT NO. G-145

Moving? Send this sheet with label intact, showing new address to: ERS Publications, Rm. 236, 1301 New York Avenue, NW, Washington, DC 20005-4788.

Agricultural Outlook

- ☐ NEW subscription
☐ RENEWAL

1 Year

Domestic: ☐ \$42.00
Foreign: ☐ \$52.50

Mailing address (for renewals, attach mailing label here)

Name		
Address		
City	State	Zip code
Daytime phone ()		

Use purchase orders, checks drawn on U.S. banks (and in U.S. funds), cashier's checks, or international money orders. Make payable to **ERS-NASS**. **PLEASE DO NOT SEND CASH.**

Payment method

<input type="checkbox"/> Check	<input type="checkbox"/> 	<input type="checkbox"/> 	Amount \$	Credit card number		
<input type="checkbox"/> Purchase order				Card expiration date	Month	Year
<input type="checkbox"/> Money order						

Return this form to: ERS-NASS, 341 Victory Drive, Herndon, VA 22070.
For fastest service, call our toll-free order desk 1-800-999-6779
in the U.S. and Canada; other areas please call 703-834-0125.
Or FAX this order form to 703-834-0110.

Attention current *Agricultural Outlook* subscribers: The top line of your mailing label may contain renewal information. This expiration reminder appears in one of two formats: DEC95 (expiration date is December 1995) or 1-AGO-2 (two issues of your subscription remain).