

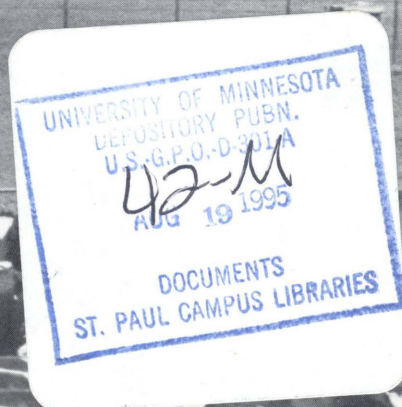
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Agricultural Outlook, AO-220,

AGRICULTURAL OUTLOOK

Economic Research Service
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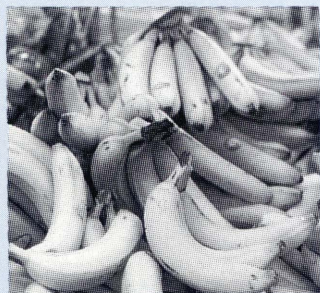
JULY 1995



*Market Forces
Drive Dairy Policy Debate*

**DUAL CHALLENGES FOR
SOUTH AFRICA'S AG SECTOR**

AGRICULTURAL OUTLOOK



2 **Agricultural Economy**

Farmland Rentals: Central to Farming

*Bob Hoppe, Bob Green,
& Gene Wunderlich*

Commodity Overviews

13 **Commodity Spotlight**

Dairy Policy To Build on Market Orientation

*Don Blayney
& Leland Southard*

15 **World Agriculture & Trade**

Rough Rice Sales Propel Exports

Randy Schnepf

19 **Farm Finance**

Farm Credit System: Issues of Safety & Soundness

*Bob Collender
& Audrae Erickson*

22 **Farm Bill '95**

Farm Bill Addresses Research & Technology

*Nicole Ballenger
& Robbin Shoemaker*

26 **Special Article**

South Africa: Ag Reforms In the Face of Drought

Margaret Missiaen

Statistical Indicators

30	Summary	44	World Agriculture
31	U.S. & Foreign Economic Data	45	U.S. Agricultural Trade
32	Farm Prices	48	Farm Income
33	Producer & Consumer Prices	53	Food Expenditures
35	Farm-Retail Price Spreads	53	Transportation
36	Livestock & Products	54	Indicators of Farm Productivity
40	Crops & Products	55	Food Supply & Use

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Revised Grain Projections ...Ag Reform & Drought in South Africa ...Rough Rice Export Boom ...& Dairy Policy Debate

Weather Alters Corn Projections

Wet, cool weather has delayed plantings for U.S. feed grains, spring wheat, and soybeans. As a result, USDA projections for 1995/96 production of corn and wheat have been revised downward from the May projections, which were based on the March 31 *Planting Intentions* report and trend or average yields.

The projection for corn planted area in 1995/96 has been scaled back 2 million acres since May, when acreage was already projected down 5 percent from 1994/95. Corn yield projections were also lowered, because of the late plantings. U.S. corn output in 1995/96 is projected to drop 22 percent from the 1994/95 record, to 7.9 billion bushels. U.S. wheat output is projected off 3 percent from 1994/95's estimated 2.32 billion bushels because of weather-reduced yields for winter wheat and less spring wheat acreage than intended. U.S. soybean production in 1995/96 is still projected down 14 percent from 1994/95, to 2.2 billion bushels.

Changes Help Shape Dairy Policy

Structural changes in the U.S. dairy industry—which includes milk producers, dairy cooperatives, fluid milk processors, and product manufacturers—are helping to shape the current debate on U.S. dairy policy. Shifts in dairy farming since the mid-1980's have made the sector more diverse in location, size of operation, and management practices. Milk production has grown fastest in the West and Southwest, and dairy operations in the West tend to be larger, more specialized, and managed more as industrial enterprises than in traditional producing areas.

Beginning with the 1985 farm bill, dairy policies were formulated largely in response to these structural changes. Milk support prices were reduced, and producers were assessed to help cover program costs. Debate on the 1995 bill



will revisit the issue of dairy support levels, and even raise the question of whether or not to continue the price supports.

South Africa's Ag Reforms

Changes in South Africa's farm policies this year—coinciding with a drought-reduced harvest—are part of a broad effort begun in 1987 to reduce the role of government in setting prices and controlling imports and exports. South Africa's past agricultural policies, aimed at achieving food self-sufficiency, protecting commercial farmers, and stabilizing producer prices, are giving way to a broader policy of food security. A guiding principle will be to expand output and exports of products where South Africa has a comparative advantage, while reducing output of items that can be imported at lower cost.

The new South African government is confronting a serious drought as it proceeds with farm policy changes. The total 1995 grain harvest is forecast down more than 50 percent, while corn production is expected to fall 60 percent.

Given the smaller crop, and fewer import restrictions, U.S. agricultural exports to South Africa could reach a record in 1995.

Rough Rice Sales Drive Exports

Boosted by a surge in U.S. shipments of rough (unhusked) rice, total U.S. rice exports in 1994/95 are forecast to climb to 92 million cwt, rough basis, up nearly 22 percent from 1993/94 and slightly above the 1980/81 record. A meteoric rise is forecast for U.S. rough rice exports in the 1994/95 marketing year—a record 19.8 million cwt compared with 3.6 million the year before.

Behind the jump in U.S. rice shipments in 1994/95, especially of rough rice, were very competitive U.S. rice export prices, record U.S. rice supplies, and aggressive marketing. Shrinking Asian rice export supplies have made prices of U.S. rough rice particularly attractive in Latin American markets. In 1995/96, cheaper and more ample supplies of Asian rice are anticipated, and Latin American countries are expected to purchase smaller amounts of U.S. rough rice—although Mexico is likely to remain a steady buyer.

Research & the Farm Bill

The farm bill's commodity, trade, and food and nutrition components generally draw considerable attention—but the bill's *research* title has strong implications for farm productivity and the entire farm economy. Farm bills since 1977 have contained agricultural research titles which have initiated new programs, set goals and directions for research, and involved new participants in research. In the new farm bill debate, major goals for science and research policies reflect national priorities for economic opportunity and competitiveness, public health, and the environment. A key question is how funds can be directed toward research areas for which there are large public benefits but few direct private incentives.

Agricultural Economy



Farmland Rentals: Central to Farming

Federal farm programs affect a number of individuals other than those who operate farms. A large portion of farmland is rented from owners who are not farmers. These landlords, as well as operators, often share farm income and government payments associated with farm programs. As a result, some farm income and farm program payments may go to individuals living outside rural areas, including urban residents, who keep their farmland in production.

There are currently about 2.1 million farms in the U.S.—a considerable drop from the peak of 6.8 million in 1935. Among people who have retired, exited farming, or inherited farmland, a number have retained ownership of some or all of their land.

The renting of farmland is extensive and is central to the way farming operates. About 40 percent of land in farms is currently leased. While this marks an increase from the most recent low of 35

percent in 1954, it is slightly smaller than the annual average percentage leased in the 1930's.

USDA's 1992 Farm Costs and Returns Survey (FCRS) reported that farms had about 2 million leases, or about one per farm, on average; however, among farms with leases the average number was 2.6. Two-thirds of the leases were cash leases; one-third were share leases, in which rent is paid with a portion of production. In 1992, farm operators owned 572 million acres and rented 372 million acres.

Leasing is, to some extent, associated with the life cycle of the farm operator. Young farmers, often related to their landlords, frequently begin their farming careers by leasing all their land. Full tenants, on average, are younger than other farm operators, and they account for only 11 percent of all farm operators and operate about 13 percent of U.S. farmland.

As the farm business matures, operators often acquire some farmland of their own but continue to lease. The dominant tenure class in U.S. farming is comprised of part owners who own some of the land they operate, but rent the rest. Part owners operate 56 percent of the land in farms and comprise 31 percent of all farmers.

As operators get older, they often reduce their farming activity by discontinuing leasing and focus on farming the land they own. When operators retire, they often lease the land to other operators (perhaps to relatives) as a source of retirement income. Similarly, widows and heirs often retain ownership of farmland and lease it to other operators. The owner of a particular piece of farmland, moreover, may live far from the farm.

Leasing helps spread some of the risks of farming and asset holding. Farmers often expand by renting rather than buying land to avoid accumulating debt and tying up capital. Landlords and operators decide together how any government payments will be allocated between them.

Share leasing, in particular, enables the renter to share production and price risks with a landlord. Under a share lease, farmers pay the rent with a portion of production rather than a flat dollar amount per acre as they would under a cash lease. If a drought cuts production, the farmers' rent payments decline under a share lease.

Landlords are important to the farm economy, providing over 40 percent of the land operated, and small amounts of other inputs. They also receive substan-

About 40 Percent of Farmland Is Leased to Operators

	Proprietorship	Partnership	Family corporation	U.S. ¹ total
	1,000			
Farms	1,906	128	49	2,091
Operator households	1,900	127	46	2,072
Leases	1,704	243	108	2,056
Cash	1,146	156	82	1,384
Share	558	87	27	672
	Million acres			
Operator-owned land	427.7	69.7	65.9	572
Rented land ²	285.4	56.1	25.7	372
Cash	195.7	39.9	16.0	256
Share	89.7	16.2	9.6 ³	116

¹ Totals for farms and acres of land owned or rented include nonfamily corporations not shown separately in this table. ² Cash and share rentals may not add up to total rentals because of rounding.

³ Standard error is greater than 25 percent of estimate.

Source: 1992 Farm Costs and Returns Survey.

Field Crops Overview

Wet, cool weather has delayed planting of U.S. feed grains, spring wheat, and soybeans. As a result, the projections for corn and wheat production have been revised downward from the May projections, which were based on the March Planting Intentions report and trend or average yields. In May, 1995/96 production of corn and soybeans had already been forecast down sharply from the year before.

The projection for soybean output was raised only marginally in June from the previous month. Although producers will likely shift some corn acreage to soybeans due to their shorter growing season, soybean yields are projected down from May. In contrast to feed grains, spring wheat, and soybeans, planting conditions for cotton and rice have been generally favorable, and planting was for the most part completed without delays.

Reduced grain production in the U.S. will further tighten global exportable supplies. World stocks of wheat, coarse grains, and rice are projected to shrink in 1995/96. As a result, prices will be more sensitive to changes in world supply and demand conditions.

U.S. feed grain supplies will contract. U.S. corn production in 1995/96 is projected to fall 22 percent from record output in 1994/95, primarily because of a projected sharp drop in acreage and yields. The projection for corn planted area has been scaled back 2 million acres since May, when acreage was already projected down 5 percent from 1994/95. Wet, cool weather, especially in the southern Corn Belt, has caused severe planting delays in the major producing states. It is estimated that farmers will idle 2 million acres that would have been planted to corn, or shift the acres to soybeans or to other crops with a shorter growing season.

tial rental payments, approximately \$14 billion in 1992 (before expenses)—\$6.1 billion from cash leases, and \$7.9 billion from share leases.

Roughly 8 percent of share landlords' rent comes from farm programs. Share landlords often receive direct government payments as a result of their participation in the operation of the farm business. About 9 percent of direct government payments accrued to share landlords in 1992.

Information about farm landlords is sparse. A special "follow-on" survey to the 1987 Census of Agriculture—the Agricultural Economics and Land Ownership Survey (AELOS)—reported selected characteristics of landlords in 1988. Although information from AELOS is somewhat dated, the survey is still useful in determining the characteristics of landlords.

About 93 percent of the farm landlords were individuals/families or partnerships. Of these landlords, 26 percent reported that they had retired from farming or from farm-related jobs. Another 26 percent reported that they had retired from nonfarm-related jobs. It is unknown how many of the second group of retirees farmed before taking nonfarm-related jobs. About 12 percent of landlords were still farming or holding farm-related jobs. The remaining 36 percent held jobs that were not farm related.

Forty percent of the landlords were women, 31 percent were men, and the remaining 29 percent were joint arrangements, most probably husband/wife. The high percentage of landlords who were women could reflect widows retaining ownership of farmland and leasing it out for income.

Nearly half of the landlords' land was acquired through their families. About 35 percent was acquired through inheritance or as a gift, and another 13 percent was purchased from relatives. These percentages are based on all the landlords' land, both farmland and other land. However, farmland made up the bulk (80 percent) of the landlords' holdings.

About 37 percent of landlords lived on the farm they rented out. But many landlords lived some distance from their land. About 44 percent lived at least 25 miles from the land they rented out, and 25 percent lived at least 150 miles away. Approximately 44 percent lived in a city, town, or urban area. Therefore, not all the net income from farmland rentals goes to people living near the land rented. Long-distance landlords include retired operators, widows, heirs, and investors.

According to the traditional view of farming, each farm is owned by a single operator household that receives all the farm's net income. Today, other groups share in the income generated by farms. Understanding who shares in farm income will help guide policy decisions that affect income. Debates about the farm bill generally focus on the potential effects of program changes on farmers and their households. But changes in programs can also affect share landlords who receive government payments as rent. Also, changes in farm programs can impact land values and rental rates received by share landlords.

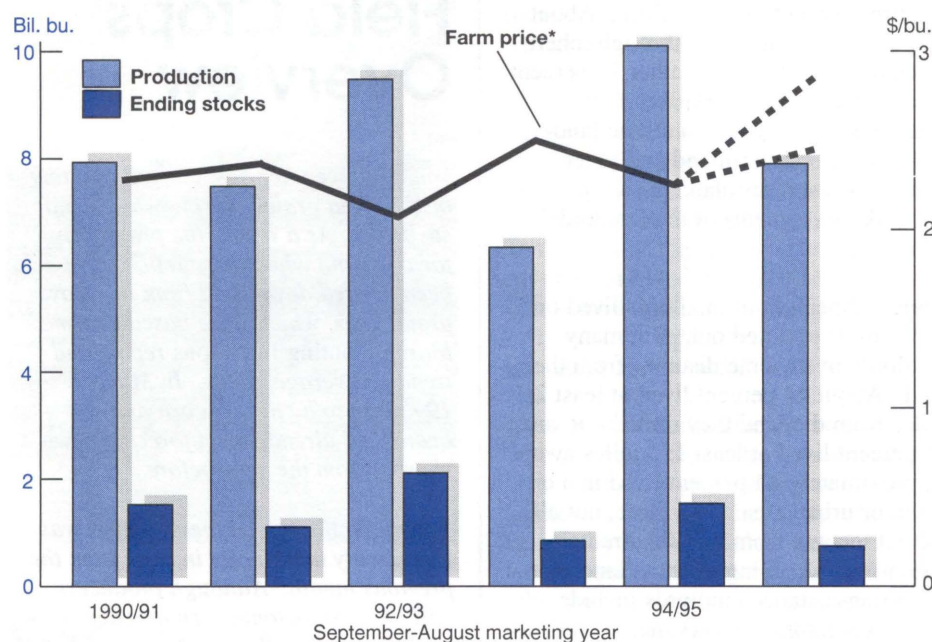
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In upcoming issues of Agricultural Outlook:

- Russia's ag reform—how will it affect trade?
- Sustainable agriculture in the 1990's
- U.S. sugar policy as a farm bill topic

Agricultural Economy

Corn Prices To Rise As Stocks Drop More Than 50 Percent



1994/95 estimates. 1995/96 projections.

*Season-average. 1994/95 midpoint of estimated price range.

Corn yield projections were also lowered in June, since below-trend yields are associated with late plantings. In addition, some growers have switched to lower yielding, short-season varieties. The June yield projection of 119.7 bushels per acre assumes normal weather from June 12 through the remainder of the growing season; weather will be the most critical factor in determining actual yields. Late plantings increase the risk of heat stress during pollination, and of frost damage.

Higher corn prices are projected to reduce total U.S. corn use from 1994/95. The smaller crop is expected to push up season-average farm prices in 1995/96 to a range of \$2.45-\$2.85 per bushel, compared with an estimated \$2.20-\$2.30 in 1994/95.

Feed and residual use is projected to decline 11 percent from 1994/95, but the full impact of the projected higher prices on meat production remains uncertain. U.S. corn exports are also projected to be down from 1994/95. Even with smaller use in 1995/96, corn ending stocks are projected to drop more than 50 percent from 1994/95, resulting in the lowest stocks-to-use ratio since 1975/76.

The situation in 1995/96 may appear similar to 1993/94, when floods and excess moisture caused a steep fall in U.S. corn output from the previous year's record crop. However, this year is different in several respects. Foremost, U.S. carryin stocks are forecast much smaller in 1995/96, and demand is considerably larger. Industrial use of corn has continued to increase, and food, seed, and industrial use in 1995/96 is projected to be nearly 200 million bushels higher than in 1993/94.

In addition, foreign imports of U.S. corn in 1995/96 are projected to be one-third higher than in 1993/94, when foreign suppliers exported record amounts. Foreign export supplies of both corn and feed wheat are projected to be much lower in 1995/96 than they were in 1993/94. Finally, smaller projected U.S. supplies of other feed grains—sorghum, barley, and oats—and smaller imports of feed wheat from Canada will be available to feed users, while U.S. animal inventories are much higher, further pressuring corn supplies.

The sharply reduced 1995/96 U.S. corn harvest will constrain exports: U.S. corn exports in 1995/96 are projected down 10 percent from 1994/95 levels. Also, higher world corn prices are likely to induce an increase in competitor exports

from 1994/95, and to slow imports in many countries, particularly China and South Korea. The strong price outlook for 1995/96 is fueling U.S. exports in the 1994/95 marketing year ending August 31, with exports forecast at 2.075 billion bushels (52.7 million metric tons)—a 56-percent rise from the previous year.

Argentina's corn exports in 1995/96 are projected to expand 1 million tons, to 6 million. With sowing in Argentina to begin in October, a favorable corn-soybean price ratio is expected to encourage expanded corn area and output.

China's corn exports in 1995/96 are projected at 2 million tons—up half a million from 1994/95's forecast level, but down steeply from 1993/94's nearly 12 million tons—while its corn imports are projected at 1.5 million tons, down from 3.5 million forecast in 1994/95. The outlook for China's corn trade is very uncertain, and contingent on government policy decisions and developments in the domestic corn market.

South Korea's corn imports in 1995/96 are projected to decline 500,000 tons from 1994/95's estimated 8.75 million. High corn prices are expected to prompt substitution of other grains, such as rye and barley. However, opportunities to replace corn with feed wheat are currently limited because of low world exportable supplies. Middle Eastern and North African countries are also expected to import less corn in 1995/96.

U.S. wheat production is projected down 3 percent in 1995/96. A decline is projected in output of both winter wheat and spring wheat (including durum). Late frosts in the Southern Plains and rain in the Corn Belt, where soft red winter wheat is grown, have lowered yields, leading to a 3-percent fall in projected winter wheat production from 1994/95. Cool, wet weather this spring has delayed plantings of spring wheat, especially in North and South Dakota.

Because of the delayed plantings, farmers will likely plant less spring wheat acreage than intended. Trend yields were still used in June to project the spring wheat crop because there is no clear correlation between late planting and spring wheat yields.

Agricultural Economy

Total U.S. wheat use in 1995/96 is projected down 3 percent, mainly in feed and residual use, and in exports; food use is projected to continue rising. U.S. wheat ending stocks in 1995/96 are projected to decline 10 percent from 1994/95, which would put stocks at the lowest level since 1974/75. As a result of tight stocks, season-average farm prices are projected to be stronger—ranging from \$3.35 to \$3.75, compared with \$3.45 in 1994/95.

World wheat stocks at the end of 1995/96 are also expected to remain small: projected at 112.7 million tons, ending stocks would be the lowest since 1977/78. Although global wheat production is projected up 5 percent, consumption will outstrip production for the third consecutive year, causing stocks to contract.

World wheat trade is projected to remain sluggish. The chief import gains will be in Morocco, where drought is reducing

crop prospects, and in China, where rapid income growth has led to a faster rise in consumption than in production. Russia's wheat imports are projected to continue to be relatively low, limited by availability of financial assistance and by shrinking demand, particularly for wheat for livestock feed.

U.S. wheat exports in 1995/96 are projected to slip slightly from 1994/95 because of tight U.S. supplies and increased exporter competition, except from Canada. Despite higher expected output, Canada's wheat exports are projected to be down 14 percent, in part because of increased competition from Australia.

Australia's wheat production is projected to rise to 16 million tons, and its exports are projected to increase to 10 million tons, significantly above last year's drought-reduced outturn and exports. With planting delays in the U.S. and Canada fueling expectations for higher

prices, and the arrival of timely rain, Australia substantially expanded wheat planting.

The European Union (EU) is expected to increase both wheat production and exports in 1995/96. Except in Spain, weather in Europe has been excellent for crop development. In addition, high prices might stimulate wheat exports from Eastern Europe and India. Eastern Europe is expected to harvest a relatively large crop in 1995/96, and India's crop is expected to be a record for the fifth consecutive year.

U.S. soybean output is projected to fall in 1995/96. U.S. soybean production in 1995/96 is projected to drop 14 percent from 1994/95 to 2.21 billion bushels, despite an expected marginal gain in area. Soybean yields are expected to be 14 percent lower than the record achieved in 1994/95, and somewhat below trend because of the late plantings. About 1.2 million acres are expected to shift from corn to soybeans, as the delayed Midwest corn planting is prompting producers to expand acreage to soybeans. The soybean area projection was raised in June to reflect this shift.

Lower production will lead to relatively tighter supplies in 1995/96 compared with 1994/95, when production was record large. Total U.S. soybean use in 1995/96 is projected to decline only 4 percent from 1994/95. U.S. soybean exports in 1995/96 are projected down 4 percent from 1994/95's strong performance, based on reduced U.S. supplies, smaller demand in Mexico, and a moderate decline in crush margins in the EU. U.S. ending stocks in 1995/96 are projected to drop 13 percent, helping to bolster prices. Season-average farm prices are projected to range from \$5.25-\$6.25 per bushel, compared with \$5.45 in 1994/95.

U.S. supplies of soybean meal are expected to be only marginally higher than in 1994/95. Higher forecast carryin stocks will just barely offset slightly smaller projected soybean meal output. U.S. soybean meal exports in 1995/96 are projected to decline 5 percent, as a large carryover of Brazilian and Argentine soybeans from the 1994/95 crop

U.S. Field Crops—Market Outlook

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	— Mil. acres —	Bu/acre				Mil. bu			\$/bu
Wheat									
1994/95	70.4	61.8	37.6	2,321	2,979	1,253	1,215	511	3.45
1995/96	69.9	60.3	37.5	2,260	2,872	1,213	1,200	459	3.35-3.75
Corn									
1994/95	79.2	72.9	138.6	10,103	10,963	7,350	2,075	1,538	2.20-2.30
1995/96	73.3	66.0	119.7	7,900	9,448	6,825	1,875	748	2.45-2.85
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	2.30-2.70
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	559	405	50	104	2.20-2.60
Oats									
1994/95	6.6	4.0	57.2	230	435	330	1	104	1.21
1995/96	6.8	3.7	54.7	200	404	300	1	103	1.35-1.75
Soybeans									
1994/95	61.9	61.1	41.9	2,558	2,775	1,555	810	410	5.45
1995/96	62.7	61.5	36.0	2,210	2,625	1,495	775	355	5.25-6.25
			Lb/acre			Mil. cwt (rough equiv.)			\$/cwt
Rice									
1994/95	3.35	3.32	5,964	197.8	231.5	104.2	92.0	35.3	6.65-6.75
1995/96	3.14	3.11	5,700	177.0	221.3	107.2	83.0	31.1	6.50-7.50
						Mil. bales			¢/lb
Cotton									
1994/95	13.7	13.3	708	19.7	23.2	11.4	10.2	1.7	73.0
1995/96	16.2	15.2	665	21.0	22.7	11.6	8.5	2.7	*

Based on June 12, 1995 World Agricultural Supply and Demand Estimates; U.S. marketing years for exports.

* USDA is prohibited from publishing cotton price projections.

See table 17 for complete definition of terms.

Agricultural Economy

World Commodity Market Outlook

	Year ¹	Production	Exports ²	Consumption ³	Carryover
Million tons					
Wheat	1994/95	522.3	98.0	548.0	115.0
	1995/96	547.8	98.6	550.1	112.7
Corn	1994/95	553.6	63.3	537.5	87.1
	1995/96	510.3	59.8	537.2	60.2
Barley	1994/95	160.9	15.6	167.6	24.8
	1995/96	160.2	17.8	164.6	20.4
Rice	1994/95	358.9	16.4	360.2	48.5
	1995/96	359.3	NA	360.0	47.6
Oilseeds	1994/95	259.6	43.5	203.0	28.1
	1995/96	251.0	NA	NA	NA
Soybeans	1994/95	138.1	32.5	108.0	24.5
	1995/96	NA	NA	NA	NA
Soybean meal	1994/95	85.5	30.7	85.1	3.3
	1995/96	NA	NA	NA	NA
Soybean oil	1994/95	19.4	5.4	19.2	1.6
	1995/96	NA	NA	NA	NA
Million bales					
Cotton	1994/95	84.7	28.8	84.9	28.6
	1995/96	89.0	27.2	86.8	31.1

NA = Not available.

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

will dampen export prospects for U.S. meal. With a projected gain in domestic use more than offsetting the export drop, U.S. soybean meal ending stocks in 1995/96 will remain about equal to 1994/95's level. Soybean meal prices are projected to rise to \$160-\$185 per short ton, compared with \$157.50 in 1994/95.

U.S. soybean oil supplies in 1995/96 are projected to exceed last year's level only slightly. Although carryin stocks will be lower, an expected higher extraction rate for the 1995/96 crop will enlarge supplies. While domestic use is projected up slightly, U.S. exports in 1995/96 are projected down 24 percent from the high level of 1994/95. Abundant supplies in 1994/95 of sunflower and soybean oil in South America, and an expected sharp increase in palm oil supplies in 1995/96, will present stiff competition for U.S. soybean oil exports.

U.S. ending stocks in 1995/96 are projected up substantially, and prices are projected to weaken to 23.5-27.5 cents per pound, compared with a forecast 27 cents in 1994/95.

Although global oilseed output is projected down from 1994/95, oilseed supplies in 1995/96 are projected to nearly equal this season's. Large world soybean beginning stocks, coupled with expected ample production of other oilseeds, will put total oilseed supplies at a projected 279 million tons. World oilseed production in 1995/96 is projected off 3 percent from 1994/95, with the projected large drop in U.S. soybean output accounting for most of the decline. Foreign oilseed production is projected to increase marginally, as large gains in production of cottonseed and rapeseed will more than offset a small decline for soybeans.

U.S. rice production is projected down 11 percent from 1994/95's record.

The decline is based on the March 31 *Planting Intentions* report and average yields. With relatively large carryin stocks, total supplies are projected to drop roughly 4 percent from 1994/95. Despite a slight gain projected for domestic and residual use, total use in 1995/96 is projected to decline 3 percent because of a projected 11-percent drop in marketing year exports. The reduced U.S. crop and lower supplies of long grain rice will curtail U.S. rice exports in 1995/96.

U.S. rice ending stocks in 1995/96 are projected to be down 12 percent from the year before, lending support to prices. Season-average farm prices are projected at \$6.50-\$7.50 per cwt, compared with a forecast \$6.65-\$6.75 in 1994/95. Tight supplies of long grain rice, combined with continued strong domestic and export demand, will tend to keep rice prices firm.

Total world rice production in 1995/96 is projected up fractionally from 1994/95, with larger foreign production offsetting a reduced U.S. crop, and marking the fourth year of record world output. However, global rice ending stocks in 1995/96 are projected to dip slightly, as world consumption is projected to exceed production for the fifth consecutive year.

Meteoric sales of rough (unhusked) rice are making 1994/95 a banner year for U.S. rice exports.

Page 15

U.S. cotton plantings are off to a normal start in 1995/96.

Cotton plantings, unlike corn, soybeans, and spring wheat, are proceeding at a normal pace, with some delays reported in Texas and Oklahoma. In south Texas, beet army worms have damaged the crop, and as a result, yields in that part of the state will fall. Overall, U.S. cotton crop conditions lag those of a year ago, but in most parts of the country the crop has adequate time to recover from early-season weather problems.

With planted acreage to cotton forecast up 18 percent from 1994/95, production is projected at a record 21 million bales in 1995/96, up 7 percent from 1994/95. Nevertheless, supplies will remain tight, despite a projected 7-percent drop in total use, as a result of extremely low carryin stocks.

Domestic use, robust in 1994/95, is projected to continue climbing in 1995/96, as cotton's share of total fiber use is expected to remain strong. But U.S. cotton exports in 1995/96 are projected to fall 17 percent from 1994/95's high level because of an anticipated decline in world trade. U.S. cotton ending stocks, while projected higher than in 1994/95, will remain relatively tight.

World cotton production in 1995/96 is expected to be 4.3 million bales larger than in 1994/95, a 5-percent gain. Foreign consumption is projected to grow by 1.7 million bales. World trade is expected to decline in 1995/96 as Asian cotton producers reduce their imports from the unusually large levels of 1994/95. World ending stocks of cotton are projected to expand in 1995/96, and should equal 36 percent of consumption, up from 34 percent in 1994/95.

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Livestock, Dairy & Poultry Overview

Lower fourth-quarter pork supplies will bolster hog prices. Pork production this summer is forecast to increase 2 percent from a year earlier, to around 4.4 billion pounds, still low enough to support hog prices in the low- to mid-\$40's per cwt. Fourth-quarter output will rise 6 percent from the summer, but will be down from a year earlier, permitting hog prices to trade in the upper \$30's per cwt. Although prices for the fourth quarter are expected to be well above those of a year earlier, prices may still fall below breakeven for many higher cost producers, due to expected higher feed prices.

Weak returns since last fall have caused hog producers to reduce breeding herds, leading to the expected year-over-year fall in pork supplies in fourth-quarter 1995. Year-to-date sow slaughter has increased about 2 percent from a year

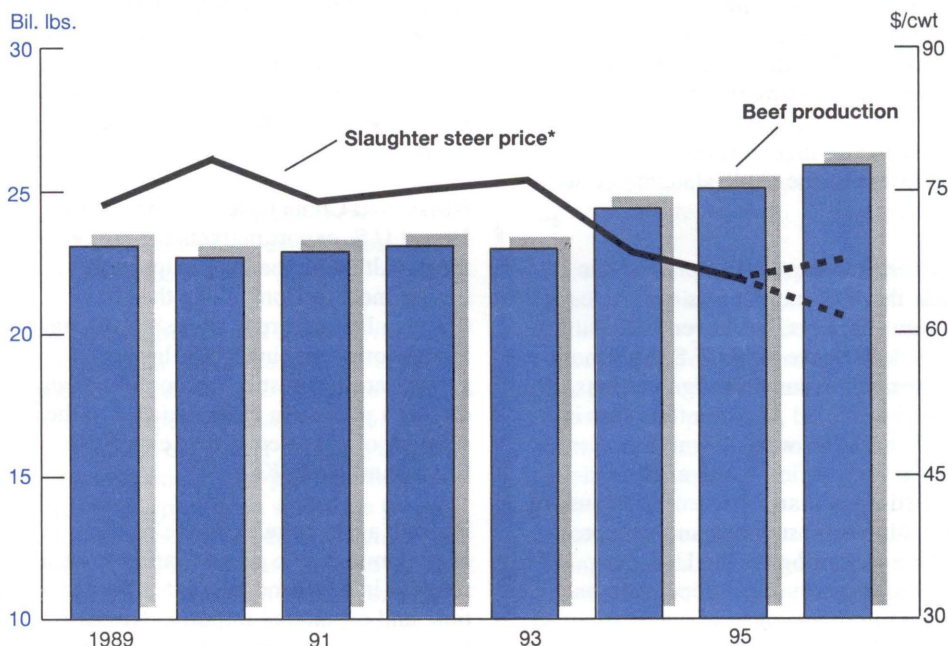
earlier, and gilt retention will likely remain unchanged or decline for the rest of the year.

The June *Hogs and Pigs* report, released on June 30, provides additional information about the breeding hog inventory and producers' farrowing plans for the remainder of 1995. Following the report, production and price projections will be reviewed and revised as necessary.

Pork cutout values (the weighted value of wholesale pork cuts) during June were about \$6 per cwt higher than in May, and live hog prices were up about \$5 per cwt from May, due to seasonally stronger retail demand and lower slaughter numbers.

Large beef supplies will continue to pressure prices. Beef supplies will likely remain large through early fall, but probably not much larger than in June, when weekly federally inspected cattle slaughter exceeded 700,000 head. Cattle-on-feed inventories in the seven monthly reporting states as of June 1 were up 4 percent from a year earlier, reaching the highest for this date since the early 1970's.

Near-Record Beef Output To Hold Down Prices



1995 and 1996 projections.

*Choice 2-4, Nebraska direct, 1,100-1,300 lbs.

Agricultural Economy

Although beef production has been increasing for several years, the full price impact of expanding cattle inventories has just begun to ripple through the beef sector. Both fed cattle and wholesale prices have already dropped sharply from a year earlier, but average retail prices for Choice beef have remained relatively static at \$2.84 a pound through April. As a result, the farm-to-retail price spread in April continued to widen year over year.

Although live animal and wholesale prices rose modestly in June, fed-cattle prices are expected to average only in the low- to mid-\$60's per cwt until late summer. Fed-cattle prices should see some seasonal gains in late fall.

In May, retail prices for Choice beef began to decline, averaging \$2.82 a pound, and will likely continue to descend through early fall as the farm-to-retail spread remains near-record wide. Downward pressure on beef retail prices caused by the ample supplies of beef and competing meats has lessened somewhat with the onset of the summer grilling and holiday activities from early May to early July, when beef sales normally rise.

Higher slaughter in recent weeks should ease the urgency to keep cattle marketings flowing this summer and relieve some downward pressure on cattle prices. Feedlot marketings should be on schedule moving into the summer quarter, but slaughter weights are expected to continue to rise, as a higher proportion of the cattle slaughtered will be steers.

Declining domestic beef prices have made the U.S. market less attractive for foreign suppliers, but lower prices and a weak dollar have made U.S. beef more competitive in some foreign markets, including Japan. U.S. beef imports in the first quarter were down 16 percent from a year earlier, while exports increased more than 2 percent. Because of rising domestic supplies and new processing technologies, the U.S. has become somewhat less dependent on imported processing beef.

Modest net returns are promoting broiler expansion. Net returns to broiler producers remained at 4-5 cents per pound during the second quarter of 1995, providing producers an incentive to continue expanding output for the rest of the year and into 1996.

Broiler output is expected to grow 6-7 percent in July, based on about 5 percent more chicks placed in May and projected weight increases of 1-2 percent per bird. Actual weight gains will depend on the number of hot days that occur in production areas: when temperatures climb above 95 degrees, birds are less comfortable, tend to consume less feed, and gain weight more slowly. Several consecutive days of hot weather compound the adverse effects.

Wholesale broiler prices in May were 8 cents below a year earlier. Larger production this year of broilers and all other major meats has dampened prices. The retail broiler composite price in May was about 3 cents below a year ago, following wholesale price movements.

The broiler export forecast for 1995 was raised in June to 3.76 billion pounds, a 31-percent gain from the year before. Continued heavy shipments of broiler parts, especially to Russia, Hong Kong, and China, were behind the higher forecast. U.S. broiler exports to these three countries during the first quarter of 1995 totaled 575 million pounds, up 87 percent from a year earlier, accounting for nearly two-thirds of all U.S. broiler exports.

Russia and China have become the two largest U.S. export markets for broiler meat. Although the U.S. ships more broiler meat to Hong Kong than to China, a large share is transshipped via Hong Kong to China. U.S. broiler exports are forecast to rise to more than 4 billion pounds in 1996, chiefly on the strength of expected higher exports to Russia and Hong Kong.

Russian agriculture's change from a state-dominated to a free-market system resulted in a decline in poultry production, and expanding imports. Russia is likely to remain a growth market for U.S. poultry meat in 1996, given low U.S. broiler prices, the growing

preference for U.S. prepackaged, frozen dark poultry meat, substitution of cheaper poultry for other meat products in Russia, and insufficient domestic poultry output. Production is not expected to return to pre-reform levels until the late 1990's.

China is expected to continue as a growth market for U.S. exports in 1996. With the world's largest population and strong gains forecast for personal incomes, China's demand for imports should remain robust, even with expected expansion in China's poultry industry.

Gains in turkey output will slow in 1996. With higher corn prices projected for next year, the outlook for turkey output in 1996 was revised slightly downward in June, to 5.5 billion pounds—a 4-percent increase from this year. Higher feed costs will likely affect turkey producers more than broiler producers because of tighter margins and greater feed conversion ratios for turkeys than for broilers.

Turkey production in July 1995 is forecast to increase about 1 percent year over year—despite about 2 percent fewer birds placed, average weights are expected about 3 percent higher. The modest increase may reflect the near-breakeven net returns that producers received in the first half of the year.

Wholesale turkey prices in June were about 1 cent per pound below a year ago due to increased supplies and nearly flat exports. Retail turkey prices in May were above a year ago, and the wholesale-to-retail price spread increased to near-record levels.

U.S. turkey exports of 53.1 million pounds during the first quarter of 1995 were up just 1 percent from a year earlier, but more than anticipated. Shipments to Mexico—the largest market for U.S. turkey exports—were down only 15 percent from last year's strong showing, a smaller decline than anticipated given the devaluation of the peso. The average unit value of U.S. turkey exports to Mexico declined, as Mexican consumers switched to lower priced products such as ground turkey.

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	25,060	2,340	27,948	1,683	450	25,815	68.7	65-67
	1996	450	25,858	2,340	28,648	1,715	475	26,458	69.7	62-68
Pork	1995	438	18,051	715	19,204	580	405	18,219	53.7	38-39
	1996	405	18,138	680	19,223	565	400	18,258	53.3	37-41
Broilers*	1995	458	25,227	0	25,685	3,758	490	21,437	71.8	52-54
	1996	490	26,796	0	27,286	4,015	530	22,741	75.4	48-52
Turkeys	1995	254	5,242	0	5,497	248	350	4,898	18.6	62-64
	1996	350	5,464	0	5,814	258	300	5,256	19.8	58-63
		— — — — — Million doz.						— —	No.	¢/doz.
Eggs**	1995	14.9	6,260.1	4.1	6,279.1	193.5	12.0	5,237.4	238.8	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 June 12, 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.

Aided by the weak U.S. dollar and slightly lower U.S. turkey prices, shipments to Korea, Hong Kong, and the United Kingdom were strong in the first quarter. With sales to Mexico higher than expected, U.S. turkey exports in 1995 are currently forecast at 248 million pounds, up slightly from 1994. However, the value of U.S. turkey exports is expected to decline as a result of lower prices and a greater share of lower priced items in the product mix.

U.S. turkey exports in 1996 are forecast to rise to 258 million pounds. Larger exports are based on higher U.S. turkey production and lower prices, continued improvement in Mexico's economy, the development of other growth markets such as Korea, Hong Kong, and Japan, and a continued weak U.S. dollar.

Egg production growth will slacken.

Table-egg production in July is forecast to be up about 1 percent from a year earlier. A marginally larger flock will account for most of the rise in output, as the hens' relatively high average age will leave flock productivity nearly unchanged.

Wholesale egg prices in July are anticipated to be about 1-2 cents per dozen lower than a year ago. Wholesale prices should increase later in the year with

slower growth in egg output expected during the fall. Retail egg prices in July are expected to be only slightly lower than a year ago, keeping the wholesale-to-retail price spread above the year-earlier level, which was relatively low compared with the early 1990's.

U.S. exports of shell eggs in the first quarter of 1995 were up 10 percent from a year earlier. Higher exports were also expected for the second quarter. Some of the growth in exports in the first half of 1995 was due to expanded sales under the Export Enhancement Program. Exports of shell eggs during the last 6 months of 1995 are predicted to remain about the same as the year before, as GATT limitations on export subsidies became effective July 1.

Farm milk prices will stabilize in 1996.

Commercial use of skim solids is expected to absorb the 2-percent expansion in milk output forecast for 1996. Commercial use of milkfat will also expand if international butter prices remain strong. Surplus skim solids are projected to be less than 4 percent of milk production in 1996, about the same as 1995. And milkfat surpluses should remain smaller than the skim solids surplus.

Milk cow numbers are projected to decline only fractionally in 1996, as herd expansions are expected nearly to offset herd exits. In addition, expected large numbers of replacement heifers and low cull cow prices would tend to maintain cow numbers.

Growth in milk per cow is expected to slow in 1996. Following 2 years of rapid adoption of the growth hormone bovine somatotropin (bST), fewer cows are projected to be injected for the first time with bST. In addition, with milk/feed price ratios expected to remain moderately unfavorable, farmers are likely to be conservative about increasing concentrate feeding.

Wholesale prices of dairy products have been fairly stable since early April, at levels below a year earlier, except for butter prices, which were up. Heavy milk production has boosted supplies of manufactured products, but because of strong sales the extra products have not worried producers.

Seasonal price gains for dairy products during the summer may be delayed because of declining shipments of nonfat dry milk under the Dairy Export Incentive Program (DEIP). U.S. GATT

Agricultural Economy

commitments to reduce subsidized exports after June 30 will require a new DEIP. For the year, farm milk prices are projected to decline 3 to 5 percent.

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July Releases—USDA's Agricultural Statistics Board

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

July

- 3 Crop Progress (after 4 pm)
Poultry Slaughter
- 6 Broiler Hatchery
Egg Products
- 7 Dairy Products
Noncitrus Fruits
& Nuts, Annual
- 10 Crop Progress (after 4 pm)
- 11 Crop Production,
Cotton/Citrus
- 12 Crop Production (8:30 am)
Broiler Hatchery
- 14 Agricultural Prices, Annual
Milk Production
Turkey Hatchery
Vegetables
- 17 Crop Progress (after 4 pm)
- 19 Broiler Hatchery
Farm Prod., Expend., 1994
- 20 Mink
- 21 Cattle
Cattle on Feed
Cold Storage
Livestock Slaughter
Sheep
- 24 Catfish Processing
Crop Progress (after 4 pm)
- 25 Chickens & Eggs
- 26 Broiler Hatchery
- 27 Peanut Stocks & Proc.
- 28 Catfish Production
Farm Numbers & Land
in Farms
- 31 Agricultural Prices
Crop Progress (after 4 pm)

Specialty Crops Overview

U.S. horticultural exports will be a record. A forecast of \$9.4 billion in fiscal year 1995 marks a 6-percent increase from the midyear forecast and a 16-percent rise from the \$8.1 billion exported in 1994. The change in forecast was prompted by a surge of fruit, vegetable, and juice exports last fall and winter, followed by high domestic vegetable prices during the spring which raised the value of exports. U.S. horticultural exports remain competitive in Japan as the dollar continues low relative to the yen.

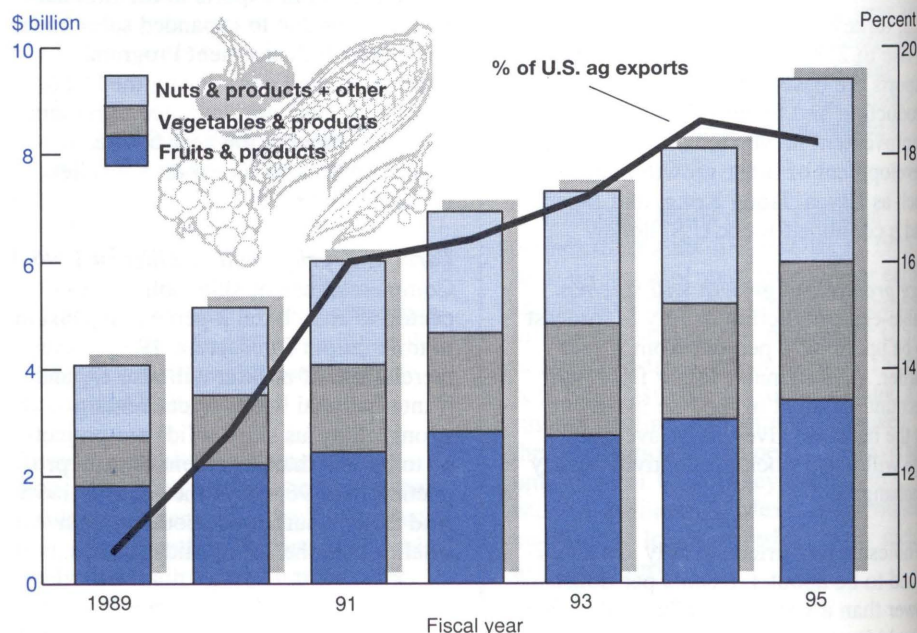
Horticultural products are a key part of U.S. agricultural exports, which are forecast to increase 18 percent in fiscal 1995 to \$51.5 billion. Like most other high-value products, horticultural exports have grown more rapidly than total U.S. agricultural exports in recent years. Horticulture's share of U.S. agricultural export value increased from about 10 percent in 1989 to nearly 19 percent in 1994.

Vegetable exports, prodded mainly by a boom in onion sales, rose 22 percent during October to March; carrots, celery, lettuce, and a wide variety of other vegetables also contributed to the gain. Fruit exports were up 15 percent, while other prepared horticultural products (potato chips and vegetable combinations, for example) were up 22 percent.

Increased demand from Asia (Japan in particular) more than offset a sluggish performance in Mexico. Fresh fruit exports to Mexico during January to March 1995 were down a full 57 percent from a year earlier, and fresh vegetable exports were down 43 percent. The devalued peso, raising the price of U.S. products to Mexican consumers, was likely a factor in the reduced demand. The Mexican market also opened later than expected for U.S. apples, because of delays in obtaining Mexico's approval of phytosanitary treatments.

Fresh fruit and vegetable exports to Asia increased 23 percent during January to March. Sales of oranges, grapefruit, and other citrus fruit increased 25 percent, while noncitrus fruit (primarily apples and pears) increased 21 percent during the quarter. Citrus fruit accounted for 67 percent of U.S. fresh fruit exported to Asia and 40 percent of U.S. fresh fruit exports to the world.

Horticultural Exports To Reach Record Value



1995 projection.

Onions account for most of the first-half 1995 increase in fresh vegetable exports to Asia, reflecting regional shortages from last fall's poor crop in South Korea and Japan. Onion exports to Japan increased twelvefold in total value, compared with a 4-percent increase in other fresh vegetable shipments. Even as Asia's vegetable production recovers this summer, continued strength in the Japanese yen bodes well for U.S. exports to the region.

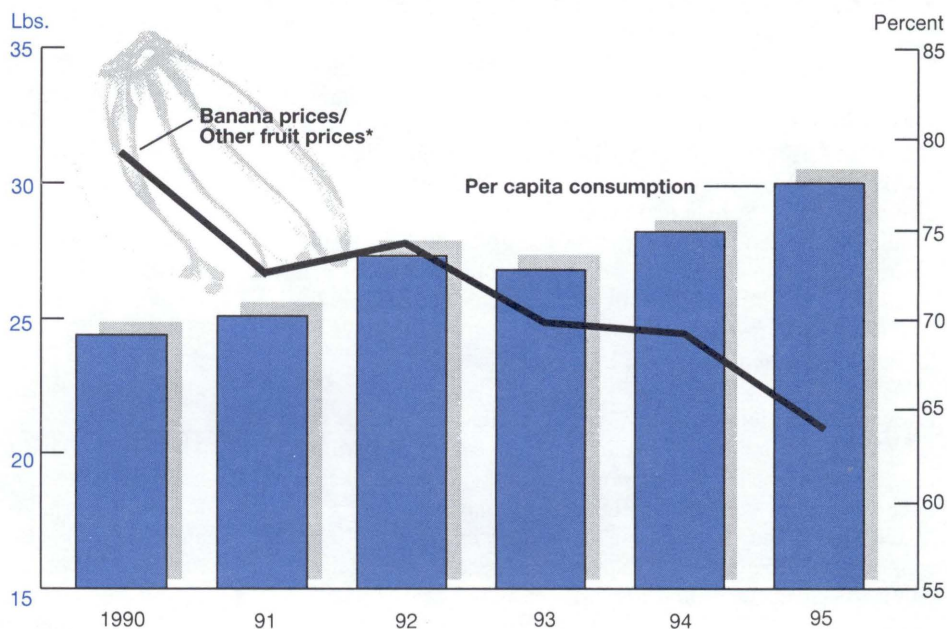
U.S. imports of horticultural products are forecast to rise 10 percent in fiscal 1995, stemming from lower U.S. acreage planted to these crops, weather-reduced yields in Florida and California, and higher first-half grower prices for U.S. tomatoes and other fresh vegetables. The lower supplies and higher grower prices for U.S. vegetables spurred demand for imports from Mexico, especially for tomatoes during February and March.

Fruit imports were up about 10 percent during the winter quarter, and reduced California fruit production is likely to spur imports of bananas and other Southern Hemisphere fruits this summer. A key issue for U.S. fruit growers expecting higher summer prices is the likely continued increase in banana imports and the subsequent impact on overall retail fruit demand.

EU policy has raised U.S. banana supplies. The European Union's limits on banana imports from certain suppliers has diverted shipments to the U.S. and lowered U.S. prices. In recent years, as retail prices of bananas have decreased relative to other fresh fruits, banana consumption has increased—from 24 pounds per capita in 1990 to a likely 30 pounds in 1995.

With banana prices moving lower relative to overall fruit prices, bananas are expected to account for 30 percent of U.S. fresh fruit consumption, up from 26 percent in 1990. Banana consumption leads all other fresh fruits, ahead of apples (at 20 pounds per capita), oranges (14 pounds), and grapes (7 pounds).

Retail Banana Prices Decline Relative to Other Fruits



1995 projection.

*Weighted average of all fresh fruit prices, excluding bananas.

The EU policy of controlling banana imports from Latin America—giving preference to African, Caribbean, and Pacific (ACP) banana growers—in effect has increased availability of bananas in the U.S. market. Just through March 1995, U.S. imports of bananas have increased 6 percent, compared with the same period a year earlier, as EU policy diverts Latin American bananas to the U.S. market.

U.S. imports of bananas (including plantains) totaled 4.3 million short tons (3.9 million metric tons) in 1994, and could top 4.6 million in 1995. Between 1990 and 1994, U.S. banana imports grew about 4 percent per year. U.S. imports come mainly from Central and South American countries, where banana plantations are larger and more efficient than in most ACP countries. During 1994, Central America accounted for 54 percent of U.S. banana imports, while South America accounted for 41 percent.

The EU policy is aimed at aiding small ACP countries that depend on bananas for a significant share of their export earnings. But the U.S. has asked the EU to change its policy to accommodate more bananas shipped by U.S.-owned

companies. U.S. companies ship bananas from Guatemala, Costa Rica, Panama, and Honduras in Central America, and from Colombia, Venezuela, and Ecuador in South America. The U.S. position is that EU assistance to ACP countries should not be tied to limited access for Latin American bananas in EU markets.

A limited EU market leaves the U.S. as the alternative for a recent buildup of capacity in Central and South American banana production. Anticipating free access to a common European market several years ago, banana producers in Central and South America reportedly geared up for a boom in sales. Access through EU traders to Central and Eastern European markets had also expected to increase sales. But with the removal of intra-EU trade barriers, the restrictive import policies of France, Spain, and the United Kingdom (various tariff and nontariff barriers) became the single policy for all EU countries.

Increased supplies on the U.S. market could lead to even lower banana prices relative to other fruit, which would likely boost banana consumption. With supplies higher thus far in 1995, U.S. wholesale prices for bananas have been

Agricultural Economy

The EU Banana Import Regime

The European Union (EU) banana import regime, in place since July 1, 1993, favors "Community" bananas—mainly from countries with historical or political ties to the United Kingdom (UK), France, or Spain. Bananas from EU and overseas territory producers, and from ACP (African, Caribbean, and Pacific) countries such as Cote d'Ivoire, Cameroon, St. Lucia, and Jamaica, are given duty-free quotas on imports to the EU. However, over-quota sales are subject to tariffs. In contrast, the policy seizes quotas and charges tariffs on bananas from Latin American countries that have bilateral agreements with the EU.

Prior to the implementation of a single, EU-wide policy in July 1993, regulations on banana imports from Latin American producers varied by importing country. Germany kept an open market for bananas. Belgium, Denmark, Ireland, Luxembourg, and the Netherlands imposed a tariff of 20 percent. France, the UK, Italy, Spain, Greece, and Portugal imposed various tariff and nontariff barriers.

"Community" bananas accounted for about 35 percent of EU banana imports before the July 1993 policy change. They now account for nearly 45 percent. Latin American suppliers, whose exports to the EU had been increasing rapidly since the late 1980's, reaching 2.7 million tons in 1992, are currently exporting only about 2 million tons annually.

In part to adjust for EU enlargement with the addition of Austria, Sweden, and Finland, the tariff-rate quota (principally for Latin American producers) was raised 16 percent to 2.55 million metric tons (2.8 million short tons) in 1995. Also, since January 1, 1995, quota licenses were made transferable among ACP countries in the event that assigned quotas cannot be used for external reasons (drought or storm, for example).

Licenses that allocate EU quotas for bananas are used to guarantee access to the EU market. Except for Community bananas, a 20-percent ad valorem tariff is charged on within-quota amounts, and 170 percent for over-quota amounts. Quotas are set by the EU to meet projected consumer needs, and over-quota sales are generally not expected. Although

the licenses are now transferable among ACP countries, banana exporters have complained in the past about unaccountable methods of distribution—licenses were sometimes given to sellers who were not producing enough to fill their quota.

When banana prices fall below the reference price set by EU regulations, compensatory aid is given to EU and overseas territory producers (such as Canary Islands, Martinique, and Guadeloupe). For example, when banana prices fell below the reference price during 1994, compensatory aid was set at about \$4 per 40-pound box.

The EU banana import regime, by limiting supplies, may be helping indirectly to support prices of other fruits, thereby lowering EU payments to domestic growers of fruits such as apples. In the absence of the regime, banana prices would likely be lower and consumption would rise. Prices of competing fruits would be pressured downward, adversely affecting growers and potentially increasing EU budget outlays.

EU consumers currently pay higher prices than U.S. consumers for bananas. In western Germany, for example, the March 1995 average price of bananas equaled about \$1 a pound, compared with \$0.50 a pound in the U.S. In addition, German consumers pay higher prices for bananas relative to other fruits. For example, banana prices are 10 percent higher than apple prices. In comparison, U.S. banana retail prices are 40 percent *lower* than fresh apple prices. Before the new regime was put into place throughout the EU, banana prices in France and the U.K., where policies were more restrictive, averaged about 35 percent higher than in Germany.

According to a World Bank study, the EU banana import policy costs European consumers \$2.3 billion annually in artificially inflated prices. Moreover, the policy increased costs by over 40 percent, compared with the various national policies in place 2 years ago. The study estimated a 12-percent increase in banana prices, on average, due to the new EU policy, and found the increased cost to consumers was distributed mostly to traders rather than to ACP banana growers.

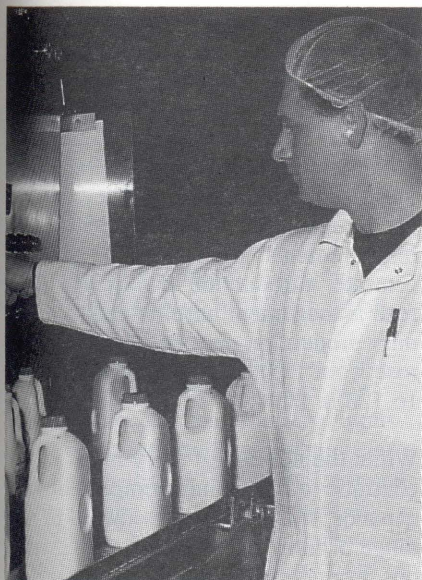
relatively low, and the annual average retail price is expected to drop relative to other fresh fruits. New York wholesale prices have stayed below \$11 per 40-pound box during most of first-half 1995, compared with \$12-\$15 per box during that period in 1994.

Banana retail prices were steady during first-half 1995, but a drop is expected during the second half because of increased supplies. The reduced output and higher prices of California stone fruits may offer a brief boost to banana prices, but the downward pressure is likely to resume by late summer with new U.S. crops of apples, pears, and grapes.

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Commodity Spotlight



Dairy Management Inc.

Dairy Policy To Build on Market Orientation

Structural changes in the U.S. dairy industry—which includes milk producers, dairy cooperatives, fluid milk processors, and dairy product manufacturers—are helping to shape the current debate on U.S. dairy policy. Market forces and the resulting structural changes in the industry have had divergent effects among regions, exacerbating long-standing regional differences and splitting producer consensus on policy issues. Structural changes have also taken place in the processing and manufacturing segments of the industry.

Dairy policy has changed in fundamental ways since 1985. In the early 1980's the U.S. dairy industry entered a period of rapid productivity growth, with subsequent changes in structure and increasing milk supplies. Beginning with the 1985 farm bill, dairy policies have been formulated largely in response to these changes. Reductions in the support price and the establishment of trigger mechanisms to adjust milk support prices based on supply and demand, constituted a first step in the process.

The 1990 farm bill continued the trend of lower support prices, and contained provisions to help finance Commodity Credit Corporation program purchases through a producer assessment on milk marketings, to be applied under certain conditions. Omnibus budget reconciliation legislation that year resulted in assessments on dairy farmers to help cover program costs.

The lowering of support prices for dairy products was partially responsible for U.S. commercial exports of dairy products being sold at international prices. Since 1989, manufacturing grade milk prices have been above the support level.

As debate on the 1995 farm bill heats up, arguments are being made that the industry would be better off without price supports. Some producer groups point out that eliminating programs partially financed by producer assessments would put money back into farmers' pockets. Also, domestic and international demand is currently strong enough to prevent buildup of supplies and a resulting fall in prices.

The 1995 dairy policy debate hinges on a fundamental question: Is the level of support provided by government programs, which is small relative to previous periods, worth efforts to maintain it?

Some in the industry say it is—that providing some level of stability is appropriate and that the cost is low.

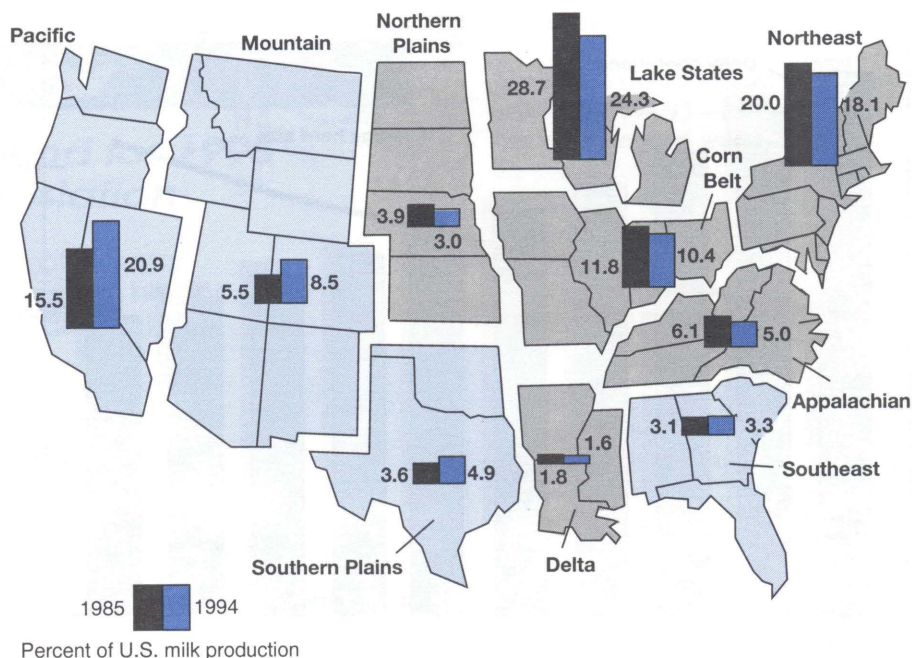
Others answer in the negative—possible elimination of the dairy support price program and/or Federal milk marketing orders has been considered, perhaps more seriously than in recent times. Such changes, if they occur, could create stress in some segments of an industry that has operated for nearly 50 years under a relatively stable set of rules.

Dairy Industry Shifts To West & Southwest

Shifts in dairy farming since the mid-1980's have made the sector more diverse in location, size of operations, and management practices. Milk production has grown fastest in the West and Southwest—areas outside the traditional producing states which stretch from New England to Minnesota. Just over half of 1994's total U.S. milk production came from the five leading states—California, Wisconsin, New York, Pennsylvania, and Minnesota.

California surpassed Wisconsin as the largest milk producing state in August 1993. In 1994, California's production totaled about 25 billion pounds or 16.3

Pacific Region Gaining on Lake States for Top Share of Dairy Production



Commodity Spotlight

percent of the U.S. total, while Wisconsin produced just over 22 billion pounds of milk, or 14.6 percent of U.S. production. The location shift of the dairy industry involves more than geography. Dairy operations in the West tend to be larger, more specialized, and managed more as industrial enterprises than dairy farms in the traditional producing areas.

Factors that have contributed to this geographic shift include population movements to the South and Southwest, as well as the region's lower land and facilities costs, favorable climate, ample supplies of high-quality hay and forage, and the availability of labor. These factors have encouraged the growth of very large specialized dairies in California, Arizona, New Mexico, and Texas. Dairy herds of 700 to 1,500 cows are common in these states, but rare elsewhere except in Florida.

Large dairies (200 or more head) accounted for a third of total dairy cows in 1994, and for nearly two-fifths of total production. In California, Arizona, Florida, and New Mexico, large dairies account for over 90 percent of the state's production. In contrast, the large operations in Wisconsin, Pennsylvania, and Minnesota account for less than 10

percent of state output, while over two-fifths comes from dairies with 50-99 head.

Many western and southwestern milk producers typically purchase all their feed, use mostly hired labor, and devote their management skills and time solely to the dairy operation. In other regions, especially the Northeast and upper Midwest, dairy farmers typically grow much of their own feed, use family labor, and divide their time between cropping and milk producing.

Operations Becoming Larger, More Specialized

In addition to the regional shift, greater production is coming from fewer operators and fewer cows. The number of operations of all sizes in 1994 is estimated to be 149,990, down from 271,920 in 1985. These numbers include all operations with at least one cow. Total milk cow numbers (excluding heifers that have not calved) have also declined—from nearly 11 million head in 1985 to 9.5 million in 1994. But milk production during the same period rose from 143 billion pounds to 153.6 billion in 1994.

Technological advances have significantly influenced the structural changes in U.S. dairying. Capital-intensive technologies for milking and feeding have generally increased the minimum economically feasible size of operation, increased production efficiency, and encouraged specialization. Genetic improvements, greater feeding of concentrate, introduction of bST, and better feed management have helped increase milk production per cow. Milk per cow rose from 13,024 pounds in 1985 to 16,128 in 1994.

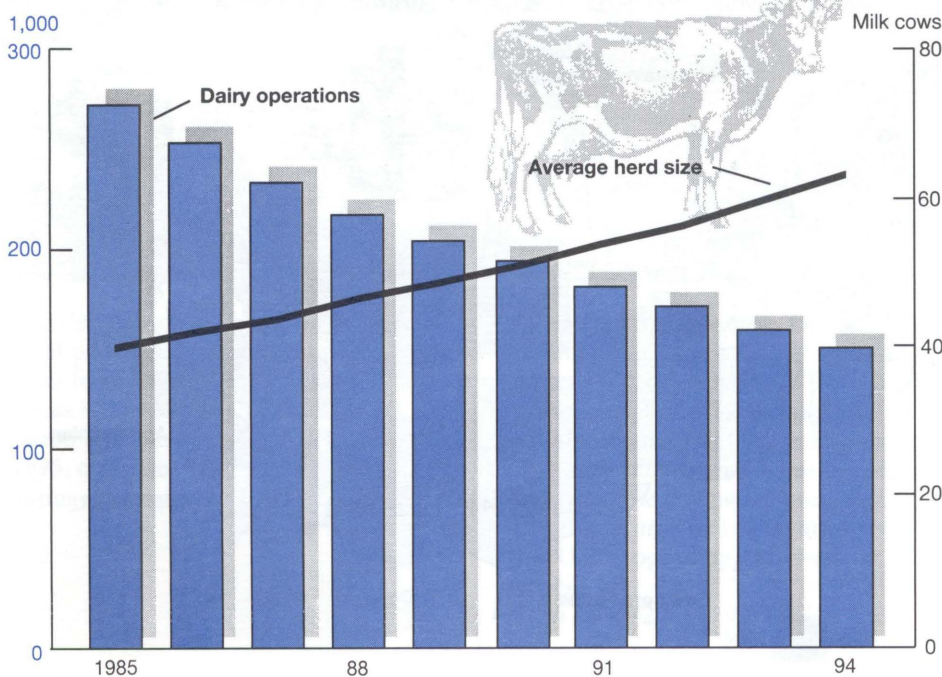
While the number of dairy farms will continue to drop, and average herd size expands, there will likely always be a range of farm sizes. For example, various production technologies amenable to smaller operations, such as intensive grazing, are being attempted.

The structural changes have not been limited to raw milk production. Raw milk from the farm is usually transported to firms where it is either processed into fluid (beverage) and perishable products, or manufactured into storable products such as butter, hard cheeses, or dry milk. About 60 percent of the milk marketed today is used for manufactured dairy products, including perishables, and this proportion has been relatively stable since 1980.

Three general developments have affected the fluid processing industry: a declining number of processors, geographically larger markets, and the changing ownership of leading firms. The manufacturing industry—firms producing butter, cheeses, dry milk powders, and canned milk—have experienced a similar pattern.

Technological advances on the farm, in transportation, and in the manufacturing process have combined to create an industry tending toward fewer and larger manufacturing plants. Manufactured dairy product markets are regional or national in the U.S., rather than local. Improved manufacturing processes and storage technologies have contributed to these developments. And international trade opportunities take markets and marketing one more step—to a global scope.

Dairy Operations Are Larger and Fewer



Commodity Spotlight

Dairy Farmers Are Financially Stronger

The improved financial position of milk producers since 1987 is a key element in the changing dairy industry. Greater proportions of dairy farms have been classified in a favorable financial position, and the percentage of marginally solvent and vulnerable farms has fallen.

The stronger financial position of many dairy farmers in the face of lower support prices indicates that the dairy industry has been successfully adjusting to a market environment. While the financial position of dairy farmers has generally improved, it is important to note that many dairy farms operate on much narrower cash margins than previously.

Periods of relatively strong market prices in the 1970's, with support prices tied to inflation, led to expectations that prices would not fall. In response, farmers in the early 1980's increased investments in productive capacity, often financed by debt. But by the mid-1980's, dairy farmers were faced with prospects of continued real price declines, high debt, and rising interest expenses.

The Food Security Act of 1985 contained provisions that would trigger lower support prices for milk under certain conditions. Some operators left the

industry, and the producers remaining were forced to reduce production costs and to lower debt. By the early 1990's, due to both policy changes and structural changes, the dairy industry was characterized by larger operations on average, with favorable debt-to-asset ratios.

During the past 25 years, growth in commercial use has slightly outpaced population increases, particularly since the early 1980's. Strong, steady growth in cheese sales has been the dominant factor in rising use of storable dairy products and overall demand for milk. Greater use of nonfat dry milk, butter, and cream in processed foods has accounted for some of the increase. Adding dairy products is an inexpensive way to improve the quality and flavor of many food products. And in recent years, retail sales of butter have eroded sales of margarine.

Growth in commercial dairy use has not been confined to the domestic market. Trade agreements such as GATT and NAFTA hold the potential for more open markets and greater commercial export opportunities for the U.S. dairy industry. The importance of the Dairy Export Incentive Program will wane because of GATT restrictions, but NAFTA will provide easier access to nearby markets in Mexico and Canada.

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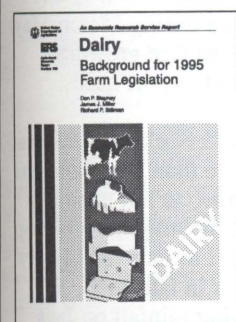
USA Rice Federation

Rough Rice Sales Propel Exports

A surge in U.S. shipments of rough (unhusked) rice has boosted total U.S. rice exports in the 1994/95 marketing year (August-July). Total U.S. rice exports are forecast to climb to 92 million cwt, rough basis, up nearly 22 percent from the year before and slightly above the 1980/81 record of 91.4 million cwt.

A meteoric rise is forecast for rough rice exports in 1994/95—a record 19.8 million cwt compared with 3.6 million cwt the year before. This amounts to a record 21.5 percent of total rice exports. From 1982/83 to 1993/94, the breakout of U.S. rice exports averaged 44 percent milled, 32 percent parboiled, 14 percent brown, 7 percent rough, and 3 percent broken.

The previous record for U.S. rough rice exports was 8.2 million cwt in 1986/87. Annual rough rice exports from 1982/83 to 1989/90 averaged 2.9 million cwt, before more than doubling to an average of 7.1 million cwt during 1990/91 to 1993/94.



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Dairy

Background for 1995 Farm Legislation

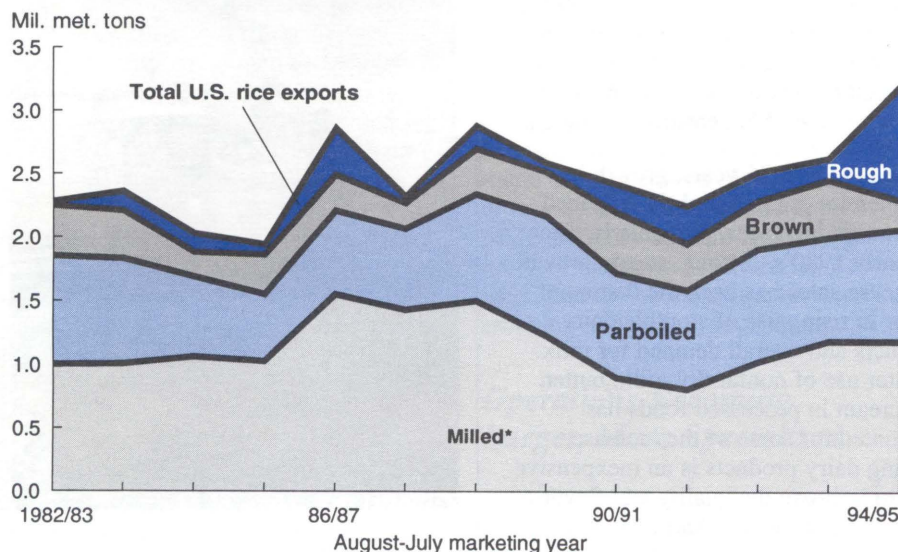
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U.S. Rough Rice Exports Accelerate



Product-weight basis. 1994/95 estimated.

*Includes broken and other rice.

The U.S. is the world's second-largest rice exporter after Thailand, and Vietnam is third. Only a small portion of world rice output is bought and sold internationally, but many types and qualities are traded. In the complex global rice market, the U.S. has a reputation for exporting primarily high-quality, long- and medium grain milled rice.

In 1995, the U.S. share of world rice exports is estimated to be 17 percent, down from the average during the previous 12 years. During 1983-94, the U.S. supplied 19 percent of all globally traded rice (milled basis).

Several factors sparked the jump in U.S. rice export volume in 1994/95, especially of rough rice. Foremost, U.S. rice export prices were very competitive through the first 10 months of the marketing year; strong rice shipments from the major Asian exporters caused their available supplies to dwindle, bolstering Asian prices and shrinking the customary price premium of U.S. rice over Asian rice.

Second, record U.S. rice supplies in 1994/95, and storage difficulties immediately following the bumper 1994 harvest, kept U.S. prices low and encouraged U.S. exporters to market aggressively.

Lastly—and, along with competitive prices, key to expanded U.S. rough rice sales—the U.S. was in a position to exploit a trade advantage over Asian exporters in Latin American markets—chiefly Brazil, Mexico, and Venezuela. Latin American countries generally prefer to purchase rough rice rather than milled because it is usually cheaper. The import tariff structures of many countries in the region (particularly Brazil and Mexico) favor rough rice over milled in order to satisfy large internal milling capacity. And Asian suppliers are unwilling to export rough rice, preferring to gain from the added-value of milling.

Latin American countries will often purchase Asian milled rice if the price (including the higher tariffs for milled versus rough) is lower than U.S. rough rice. But in 1994/95, robust prices for Asian rice have made U.S. rough rice very attractive to Latin American buyers.

Surge in Asian Imports Boosts Global Rice Prices

Unexpectedly heavy import demand from Indonesia and China beginning in late 1994 and continuing into 1995 has been absorbing initially abundant rice export supplies from neighboring Thailand, Vietnam, Burma, and Pakistan—Asia's major rice exporting countries. The combined net rice imports of Indonesia and China in calendar 1995 are projected at 3.3 million tons. This compares with 1994, when the two countries had small net exports, and 1991-93, when their combined average net exports amounted to 800,000 tons.

The large import demand has buoyed Asian rice prices. Asian rice exports are traditionally priced at a considerable discount of \$50-\$100 per ton to U.S. rice. But since January, U.S. rice (U.S. No. 2, 4-percent broken, f.o.b. Gulf) has been trading at a premium of only \$5-\$16 per ton over Thai rice (Thai 100-percent, Grade B, f.o.b. Bangkok). Competitive U.S. export prices have aided U.S. rice sales, particularly to Western Hemisphere and European markets, where the U.S. has the advantage of relative geographic proximity.

Indonesia is projected to import 1.8 million tons (milled basis) in calendar 1995, the highest amount since 1980. Growing consumer demand from Indonesia's burgeoning population, and uncertain prospects for the main-season 1994/95 rice crop (harvested during March-May) on Java—the biggest rice growing area—could expand import needs.

Indonesia's 1994/95 rice crop is estimated to be down more than 1 million tons from the year before, as fall plantings were delayed and the main-season crop on Java was subject to unfavorably dry growing conditions in late 1994. In addition, unrelenting rainfall on Java during January-April 1995 caused flooding, creating generally unfavorable conditions for plant growth and harvesting.

Indonesia traditionally buys low-quality long grain rice because of its low price. The country's robust demand has strengthened prices in 1994/95 for low-quality rice—which provide a price floor

World Agriculture & Trade

for high-quality long grain rice in Thailand and Vietnam—pushing up prices of Asian high-quality long grain rice.

China's rice imports in calendar 1995 are projected to rise to 1.8 million tons, up sharply from an average 100,000 tons in 1991-93. At the same time, China's rice exports—predominantly low quality—are projected to fall steeply to 250,000 tons, from 1.5 million in 1994, making China a large net rice importer in 1995.

Numerous reports of large unofficial imports of rice into China from Vietnam suggest that China's rice imports in 1994 may actually have surpassed 1 million tons; the official estimate is 700,000 tons. Heavy rice inflows from Vietnam have continued unabated during 1995, and are partly responsible for the continued strength in Asian rice prices.

While China has usually purchased high-quality long grain rice—mostly from Thailand—for use in urban centers, China's official rice purchases in 1994 included a significant share of intermediate- and low-quality rice, for consumption by poorer urban residents. With the emergence of open markets in the early 1980's, Chinese consumers have had more choice about the quality of rice they purchase. And consumer demand has greatly expanded for high-quality rice, especially in southern China where incomes are higher.

A combination of supply-and-demand forces caused China's rice imports to swell over the past few years. Rice production in China declined in 1993/94 and 1994/95, attributed mainly to recent market-oriented reforms undertaken by the central government (less government intervention in the rice sector). Since the reforms, government-guaranteed purchases have declined significantly, and private markets have been offering very low prices for low-quality rice, although high market prices have been available for high-quality rice.

In addition, returns to rice farmers have been squeezed by escalating input costs, particularly for fertilizer and pesticides. Consequently, farmers have opted for higher returns by switching either to

alternative crops and land uses, or to higher quality—but lower yielding—rice varieties, chiefly in the southern rice growing areas.

Mixed signals since the last half of 1994 may be hampering rice growers' planting decisions. Fear of renewed production quotas at comparatively low government prices may be inhibiting farmers from planting high-quality rice, while farmers' distrust of price supports and the government's ability to pay may be discouraging even some plantings of low-quality rice.

China's government believes that large grain imports, including rice, will help to ensure adequate supplies for the urban population, and to control the inflation that is caused partly by rising food prices. Food shortages and rapid inflation in the economy—prices rose by over 20 percent in 1994—are considered flash points for urban political unrest, greatly feared by China's leaders.

Rough Rice Sales to Latin America Soar

During the early 1980's, the European Union (EU), particularly Italy and Spain,

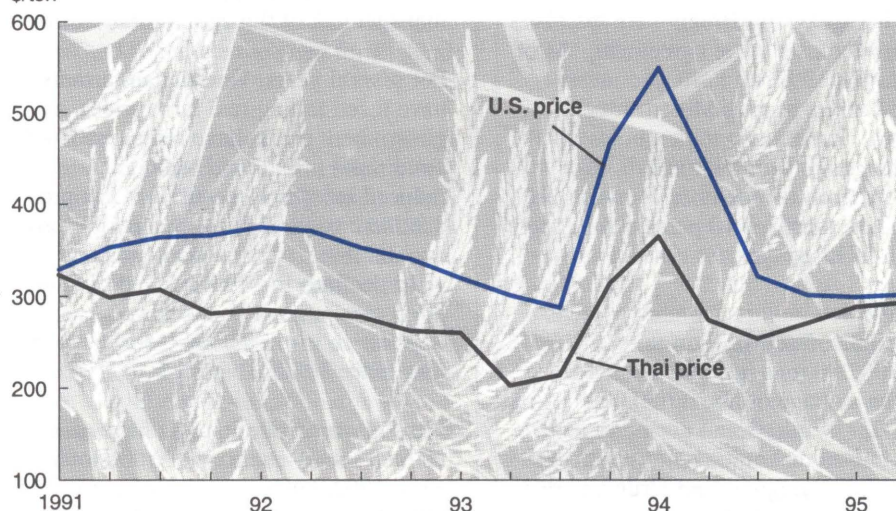
imported substantial quantities of U.S. rough rice under an inward processing relief scheme—part of the EU's Common Agricultural Policy, currently undergoing reform. The scheme encourages imports of rough rice, which is milled in the EU and then reexported. Under the scheme, EU levies on rice imports are waived if the imported rice is processed in the region and the derived products are exported to non-EU countries.

However, it is Latin American countries—especially Brazil and Mexico—that have become major export markets for U.S. rough rice since the mid-1980's, surpassing the EU every year except 1989/90. U.S. rough rice sales to the region are highly variable, depending as much on the countries' supply and demand conditions as on external factors.

During the first 9 months of the 1994/95 marketing year (August-July), Brazil, Venezuela, and Mexico accounted for just over three-fourths of U.S. rough rice exports (combined shipments plus outstanding sales) to all destinations. Costa Rica, El Salvador, Peru, Honduras, Uruguay, and Guatemala together accounted for 18 percent.

Price Premium for U.S. Rice Has Narrowed

\$/ton



Second-quarter price for 1995 is estimate. U.S. No. 2, 4 percent broken, f.o.b. Gulf. Thai 100 percent, Grade B, f.o.b. Bangkok.

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Rice Is Traded in Many Forms

Rough rice, also called paddy rice, is harvested, whole-kernel rice with the hull intact. Rough rice is sold to mills for dehulling and removing the bran layer (polishing).

Parboiled rice is rough rice that is soaked in warm water under pressure, steamed, and dried before milling. Parboiled rice is fluffier and less sticky than regular-milled white rice, but takes longer to cook.

Brown rice is whole or broken kernels of rice from which only the hull has been removed—the bran layers and germ remain. Brown rice may be eaten as is, or may be processed into regular-milled white rice.

Regular-milled white rice is the rice product remaining after the hull, bran layers, and germ have been removed.

Head rice is whole kernels of milled rice. To qualify as head rice, the kernels must be at least three-fourths the length of the whole kernels.

*Broken*s are rice kernels that are less than three-fourths the length of the whole kernels.

Besides the U.S., Argentina and Uruguay are the only two countries willing to export rice in rough form to meet international demand. As a result, the three countries have gained a significant competitive advantage in the rice market in many Western Hemisphere countries—particularly in Brazil and Mexico.

Argentina and Uruguay have gained an added advantage selling rice to the huge Brazilian market because they—along with Paraguay and Brazil—are members of the Mercosur trade agreement. As of January 1, 1995, all tariff and investment barriers among Mercosur countries—including any trade quotas or restrictions—were eliminated. Rice imports from nonmember countries are subject to tariffs of 10 percent for rough rice, and 12 percent for other types.

Brazil's rice imports from all sources are estimated at 1 million tons in 1994 and 700,000 tons in 1995, compared with an average of about 650,000 during 1991-93. While Brazil normally imports substantial amounts of rice from Argentina, Paraguay, and Uruguay, rice imports from the U.S. and Asia are also needed to satisfy Brazil's large and growing demand. Brazil has turned to

the U.S. in 1994/95 for a bigger share of its rice imports, since Asian rice supplies have tightened and U.S. prices have been competitive.

Venezuela has also increased its rice consumption and imports. An ongoing recession since 1993 has led some consumers to switch from bread products to cheaper pastas, rice, and corn products. In addition, Venezuela's rice production has been hindered by government mismanagement of the agricultural sector.

For several years, Venezuelan farmers have faced falling real farm prices, as government prices have remained fixed amid rapid inflation. Farmers have reduced input use because of high production costs and hefty charges for production loans. Consequent area and yield declines in 1994 reduced rice output 5 percent, and Venezuela had to import rice in early 1995—for the first time since 1988.

Mexico's total rice imports have remained steady at about 300,000 tons since 1992, but its suppliers have varied considerably. Mexico imported nearly 75,000 tons from Thailand and Vietnam combined in 1993, but in 1994, imports from Asia were limited by a ban involving phytosanitary concerns. As a result,

Mexico had to rely more on U.S. rice in 1994, and the U.S. has continued to ship considerable volumes of rice to Mexico in 1995, despite devaluation of the peso. Under the North American Free Trade Agreement (NAFTA), the U.S. and Mexico will eliminate tariffs on each other's rice exports over a period of 10 years. Mexico's tariffs in 1995 on U.S. rice are 8 percent for rough rice, and 16 percent for other types, down from tariffs in 1994 of 10 and 20 percent. Mexico requires an import license for milled rice purchases, but not for rough or brown rice.

Mexico's purchases of rough rice from the U.S. have grown steadily over the past 6 years, expanding from just 300 tons in 1987/88 to over 100,000 tons in both 1992/93 and 1993/94. U.S. rough rice exports to Mexico in 1994/95 are estimated to rise to almost 200,000 tons.

The tariff advantage enjoyed by the U.S. over non-NAFTA countries should continue to benefit U.S. rice exports to Mexico. In addition, a large domestic milling industry in Mexico should ensure that a substantial portion of U.S. rice sold to Mexico is in rough form.

Total U.S. rice exports in 1995/96—currently projected to decline 11 percent from 1994/95—will depend largely on supply and demand conditions in Asia, particularly in China and Indonesia, where import demand has been keen in 1994/95. The price competitiveness of U.S. rice will also be a factor. Tighter U.S. long grain supplies projected for 1995/96 are expected to raise U.S. prices, slowing exports from the current record pace.

U.S. exports of rough rice in 1995/96 are projected to drop 65 percent, to 7 million cwt, as greater projected Asian export supplies of milled rice will be available for Western Hemisphere markets. Because of the anticipated cheaper and more ample supplies of Asian rice, Brazil, Venezuela, and other Latin American countries are expected to purchase smaller amounts of rough rice from the U.S. in 1995/96, although Mexico is likely to remain a steady buyer.

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Farm Finance



Jack Harrison

Farm Credit System: Issues Of Safety & Soundness

Legislative and regulatory changes since 1985 have established a solid foundation for ensuring the safety and soundness of the Farm Credit System (FCS). However, some issues remain unresolved and will likely be revisited during the 1995 farm bill debate. Areas of greatest concern involve strengthening current safety and soundness mechanisms, and balancing these against any accompanying regulatory burdens that could diminish FCS competitiveness.

The agricultural recession in the U.S. in the mid-1980's was characterized by a heavy farm debt burden and increased bankruptcies and foreclosures. The crisis had devastating effects on the FCS, a federally chartered network of cooperatively owned lending associations and banks that provided one-third of the nation's agricultural credit at the time. For some FCS institutions, the losses were large enough to force liquidation.

In response, Congress established the Farm Credit System Insurance Corporation (FCSIC) and reorganized the Farm Credit Administration (FCA) into an independent, arm's-length regulator of the FCS. In addition, FCS institutions voluntarily adopted mechanisms to promote safety and soundness.

The FCS currently includes 8 banks and 232 lending associations. Because FCS institutions are cooperatively owned, borrowers are required to purchase a specified amount of stock as a condition for receiving a loan.

The interaction between banks and associations is complex. Every association is a stockholder in only one bank, and is dependent on that bank for most of its loanable funds. The FCS banks, in turn, rely on the bond market as their source of funds. Banks also may provide associations with services such as data processing and portfolio management, and some banks and associations have entered into formal *loss-sharing agreements*.

Insurance Fund Backs FCS Banks

The FCSIC, which began operating in 1991, was patterned after other financial institution insurance agencies such as the Federal Deposit Insurance Corporation (FDIC). Congress intended the FCSIC to assist distressed FCS institutions and to reduce the need for Federal assistance in the future.

To accomplish its mission, the FCSIC administers the Farm Credit Insurance Fund (FCIF). The primary function of the FCIF is to protect holders of FCS securities from default. If an FCS bank is unable to make timely payments of principal or interest on securities, payments would be made from the FCIF. If the FCIF is depleted, healthy FCS banks have a legal obligation, called *joint and several liability*, to collectively meet the obligations of distressed banks.

The FCSIC mission is important to FCS borrowers because FCS securities are the primary source of loanable funds, and the Insurance Fund helps to reassure investors that their money will be repaid

in a timely manner. Such reassurance may help prevent a crisis of confidence that can cause a sharp increase in FCS interest rates in bad times and exacerbate FCS losses. Such a crisis occurred in the 1980's.

Like other insurance corporations such as the FDIC, the FCSIC assesses premiums on FCS banks, which in turn may assess premiums on their lending associations. The premiums are used to capitalize the Insurance Fund. Different risk-based premiums are assessed depending on whether or not loans are in good standing, and whether the loans were made with Federal or state government guarantees.

The target level of the FCIF is 2 percent of insured liabilities (outstanding FCS bonds known as systemwide securities). Once this level is reached, premiums will be discontinued for as long as the target level is maintained. The FCIF now stands at \$922 million, or 1.64 percent of insured liabilities. It is estimated that the fund will achieve its target by January 31, 1997.

In addition to maintaining the FCIF, the FCSIC analyzes overall risks to the FCS, examines FCS institutions when concern arises, provides financial assistance to troubled FCS banks and lending associations and, when necessary, assumes management of distressed FCS institutions by serving as conservator or receiver.

Assistance by the FCSIC to a troubled FCS institution may involve the coordination of a merger or a consolidation between institutions, arranging purchase of a troubled FCS bank's assets by a stronger bank, extending loans or contributions directly to the troubled bank, or providing a guarantee against losses resulting from a merger or acquisition of a troubled bank by another FCS institution.

FCS safety and soundness was also enhanced by provisions of the Farm Credit Act Amendments of 1985. These amendments transformed the Farm Credit Administration (FCA) into an independent, arm's-length regulator of the FCS patterned after other financial regulators such as the Office of the

Farm Finance

Comptroller of the Currency and the FDIC. At the same time, Congress granted new authority to the FCA, including the authority to issue cease-and-desist orders, to remove or suspend FCS managers or directors, and to impose civil fines and penalties on FCS institutions, managers, or directors.

Cease-and-desist orders are the mainstay of financial regulators in enforcing compliance. Bank or association directors or officers may be suspended or removed for various reasons including violations of a law, rule, regulation, or cease-and-desist order. To enforce its actions further, the FCA may impose civil penalties for violating terms of any order that has become final or for violating any law or related regulation pertaining to the FCS.

FCS institutions themselves have voluntarily adopted measures to protect member banks from losses incurred by other FCS banks. The banks have always been vulnerable to such losses through the *joint and several liability* feature of FCS obligations. In 1992, FCS banks voluntarily adopted a Contractual Interbank Performance Agreement (CIPA), which penalizes individual banks that fail to achieve and maintain strong financial standards. In 1994, they adopted the Market Access Agreement (MAA) to establish conditions of participation in liabilities covered by the Insurance Fund and subject to *joint and several liability*.

The existence of multiple protection mechanisms both modifies and enhances the FCSIC's role. For example, the FCA's responsibility to collect financial information and examine FCS institutions for safety and soundness and the requirement to share such information with the FCSIC as needed eliminates the need for the FCSIC to perform such functions. The procedures adopted in the CIPA and MAA provide additional penalties for unsafe operations, reinforcing the FCSIC's objectives.

Safety & Soundness Issues To Be Resolved

Congress and regulators responded to the lessons of the 1980's by instituting reforms to help prevent future crises in the U.S. financial system. Increased supervision, higher capital requirements, and risk-based insurance premiums have been mandated for federally chartered or -insured U.S. financial institutions, including the FCS. These reforms have been associated with improved performance of FCS institutions.

However, some FCS safety and soundness issues remain unresolved. These include establishing a balance between, on the one hand, safety and soundness, and on the other, any regulatory burden that diminishes FCS competitiveness and reduces benefits delivered to farmers and other rural residents.

The interaction between regulators and the industries they regulate is typically complex, and the relationship between the FCA and the FCS is no exception. The FCA must balance safety and soundness with institutions' ability to compete and deliver benefits. For example, a short-term tradeoff exists between safety and soundness and the FCS mission of providing a reliable source of

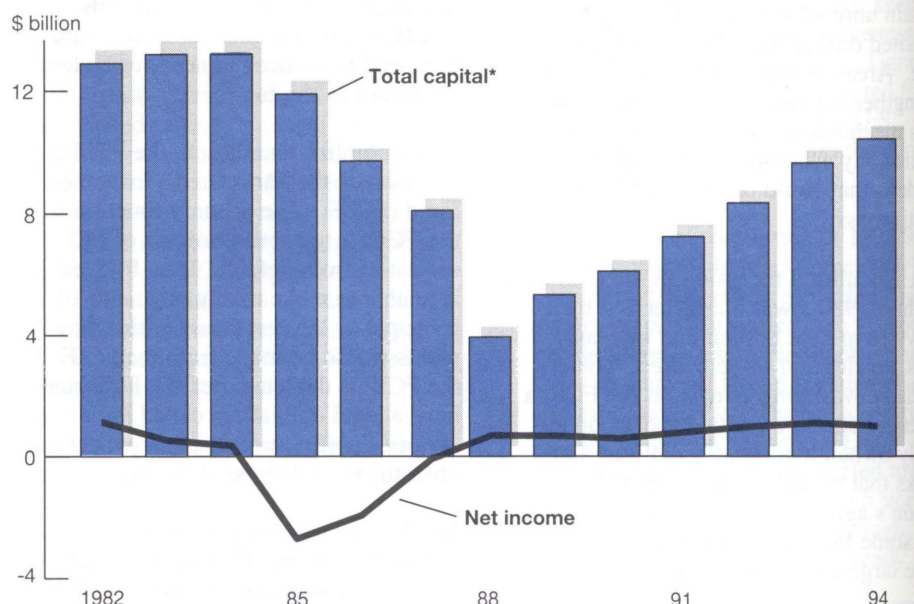
competitively priced credit to farmers in hard times as well as in periods of prosperity.

During the farm financial crisis of the 1980's, which focused attention on safety and soundness, the FCA was faulted for leniency and poor supervisory practices. These faults stemmed from an institutional structure that left the FCA board susceptible to political pressures, and from the FCA's lack of enforcement powers. Two objectives of the FCA reorganization to an arm's-length regulator were to break the close link between FCS institutions and FCA Board members and to strengthen the FCA's ability to ensure safety and soundness.

As the crisis abated and FCS institutions rebuilt their capital, emphasis shifted to increasing the competitiveness of the FCS and reducing the burden of regulation. This shift in emphasis was consistent with the behavior of other financial regulators in the early 1990's.

However, the potential for conflicts of interest remains. For example, as is often the case with regulators, the FCA has an inclination to take an advocacy role on behalf of the industry it regulates. This is partly because regulators share the goal of promoting the indus-

FCS Earnings Have Rebounded Since the Mid-1980's



*As of December 31. Includes allowances for loan losses. After 1987, excludes borrowers' stock whose original value is protected by law.

Source: Federal Farm Credit Banks Funding Corporation.

try's mission. In addition, the size and influence of the FCA depends to a large extent on the size and success of the FCS—because the FCA is funded and staffed on the basis of requirements for regulating the FCS.

This type of conflict becomes a greater concern as more FCA and FCSIC board members are appointed from FCS management. Currently, two of the three board members are former FCS managers, and the same board oversees both FCA and FCSIC. The third seat is vacant.

At this time, no mechanism exists to monitor and minimize such potential conflicts of interest. However, current law requires the establishment of an independent FCSIC board by January 1996. Questions arise as to the cost or efficacy of this approach. Alternative solutions include a limit on the number of board members that could be appointed from the FCS, and a requirement that members of other Federal financial regulatory agency boards serve as part-time members of the board.

Another category of unresolved issues concerns strengthening policies that address capital requirements, accounting standards, and risk exposure, and FCSIC issues which include authority to collect additional premiums or assessments, access to association capital, flexibility of insurance premiums, and the target amount or "secure-base amount" of the FCIF.

In most insurance funds, the size of any individual risk is small relative to the size of the total fund. This is the case with the bank and thrift insurance funds, which now insure roughly 10,000 and 1,600 institutions. In contrast, as of April 1, 1995, the FCSIC insured eight banks. Thus, on average, each insured FCS bank represents 12.5 percent of the FCSIC's insured liabilities.

Moreover, the distribution of FCSIC-insured liabilities is uneven across banks, and the degree of concentration of these liabilities has increased greatly since the FCSIC began operations in

1991. Currently, the two largest FCS banks together account for 51 percent of insured liabilities.

The uneven distribution of insured liabilities across FCS banks means that the failure of just one bank could deplete the Insurance Fund. Once the Insurance Fund is depleted, *joint and several liability* could be invoked by the FCA, and other banks would have to assume some of the unpaid obligations—a situation FCS banks wish to avoid following the extended legal battles over intrasystem assistance in the 1980's.

This example illustrates the relationship between FCS structure and safety and soundness. When the FCSIC was established by Congress in 1987, the FCS included 37 banks and 387 lending associations. Mergers and consolidations have left just 8 FCS banks and 232 lending associations less than a decade later, with further consolidation likely.

This rapid change in FCS structure has focused attention on the location of capital in FCS associations or banks. Capital, because it must be depleted before losses are passed on, protects bondholders (and potentially taxpayers). Capital also provides a buffer against fluctuations in business profitability for owners and managers.

The bulk of FCS capital is held at the association level. This capital is available to protect against losses arising from risks faced at the association level, but not necessarily from risks at the bank level because FCS banks and associations are each separate legal entities. *Loss-sharing agreements*, where they exist, allow banks access to association capital under certain conditions.

However, FCSIC-insured liabilities are held by FCS banks, and these banks face risks for which association capital may be inadequate or unavailable. The failure of a large bank could threaten the fund's ability to protect bondholders from losses.

Some FCS safety and soundness issues may well be revisited during the 1995 farm bill debate, either on their own or in conjunction with various proposals to change FCS powers or structure. The

structure of the FCSIC board and its relationship to the FCA board is also an unresolved issue.

In addition, Congress has requested that the General Accounting Office investigate options to strengthen the Insurance Fund by providing the FCSIC with 1) access to association capital under certain circumstances; 2) permanent, flexible authority to invoke special assessments on FCS banks if the solvency of the insurance fund is threatened; or 3) the authority to establish a more comprehensive risk-based interest rate structure.

Such authorities would help to maintain FCSIC's flexibility by providing a buffer against economic downturns—but won't resolve the Insurance Fund's vulnerability to the concentration of FCS liabilities in a small number of banks.

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Upcoming Reports—USDA's Economic Research Service

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

July

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

*Release of Summary, 3 pm

**Available electronically only

Farm Bill '95



Agricultural Research Service, USDA

Farm Bill Addresses Research & Technology

Beginning in 1977, each farm bill has contained an agricultural research title. While the farm bill's commodity, trade, and food and nutrition components generally draw more attention, the research title has strong implications for farm productivity and the entire farm economy.

USDA research dollars support advances in technologies that increase production, reduce costs, and enhance U.S. competitiveness in world trade. In addition to finding new and more efficient agricultural production techniques, these research efforts help develop new uses and markets for agricultural products, and explore farming methods that protect natural resources and human health.

The role of the farm bill research title is to initiate new programs, set goals and directions for research activities, and involve new participants in agricultural research. Generally, the research titles of the farm bills have carried out the following functions:

- defined broad goals for federally funded agricultural research;
- directed Federal funds toward specific research issues and extension activities, often by authorizing special research grants;
- improved the planning and coordination of agricultural science activities across public and private entities by setting up advisory councils of representatives of Federal science agencies, universities, research users, and private industry; and
- funded grant programs to attract top scientists into agricultural research, as well as fellowships and training grants to attract talented students, including minorities, into agricultural science professions.

The research title does not affect core funding for USDA's ongoing Federal-state-university partnership in agricultural research and education through cooperative extension programs and land grant universities.

Public Ag Research Yields High Returns

Although a small portion of the total USDA budget, the research component is nonetheless vitally important to agriculture and to consumers in general. Federal funding for research, which includes outlays under the research title, represents about 4 percent of USDA's total budget, and agriculture accounts for roughly 2.5 percent of all Federal research expenditures.

Publicly supported research and education efforts have contributed to providing safe, affordable, and abundant food supplies. Research has allowed agriculture to move from a traditional resource-based industry to a modern science- and technology-based industry.

Public investments in basic and applied research typically generate high returns and yield some of the highest payoffs

among Federal expenditures. Estimates of the total benefits of public agricultural research indicate that for each dollar expended, taxpayers on average receive \$1.35 in benefits.

These estimates are conservative, and exclude the spillover effects from private sector research and taking into account the cost of raising funds for public research and the time lags between research effort and application. The returns to basic public research alone are estimated to be 70 percent, reflecting the total benefits of research to producers, agribusiness, and consumers.

High rates of return suggest that agricultural research projects may be currently underfunded. But such high returns might well be expected to divert funds from less successful expenditures in the future, as pressures mount to reduce outlays for commodity programs and improve the international competitiveness of U.S. agriculture through research.

Despite the high payoffs to public agricultural research, Federal spending in this area has been flat for the past 15 years. Although annual expenditures for public research, adjusted for inflation, grew from 1960 until the late 1970's, funding has leveled off at \$800 million to \$1 billion (in 1987 dollars) since the late 1970's.

Several U.S. agricultural competitors devote a larger share of national resources to agricultural research than the U.S. In recent years, both Australia and Canada spent about 4 percent of gross agricultural product on research and development, compared with U.S. outlays of about 2 percent.

The role of government includes supplying products and services that, although deemed by society to be worthwhile, the private sector lacks sufficient economic incentive to provide. Items in this category are referred to as *public goods*. Items that can be packaged into a saleable product from which firms or individuals can profit are *private goods*. Research as a public good produces new knowledge, which can be shared at little cost, allowing many to benefit from the effort.

When research results in public goods, it is sometimes difficult for private firms directly to capture the benefits. For example, private firms cannot capture all the gains from research in nonhybrid seed crops, such as small grains and soybeans, because these seeds are readily available and farmers can produce their own. However, private firms can capture returns from hybrid seed research because farmers are unable to reproduce these seeds. As a result, more private research is devoted to hybrid seeds and less to nonhybrids, which becomes an area of research for the public sector.

Public research often aids public policy making by providing data and information not readily provided by the private sector. Information of a social science nature, such as estimates of the level and distribution of farm income or the impacts of water diversion on farms and endangered species, can aid policy makers in designing and modifying programs, and is a typical direction for public research.

Other research areas of public rather than private concern include improving environmental quality, analyzing climate change, reducing health risks, and understanding nutrition.

Farm Bill Priorities

In the new farm bill debate, major goals for science and research policies reflect national priorities for economic opportunity and competitiveness, health, and the environment. Key issues to address in developing the research title of the 1995 farm bill include defining and implementing research priorities, and enhancing methods of evaluating research programs in relation to national priorities. Other issues include strengthening Federal-state-local partnerships in research, assuring adequate funding for research facilities, and enhancing interdisciplinary approaches to problem solving.

The 1990 farm bill, in addition to building on previous research titles, created the National Research Initiative (NRI)—which awards competitive grants for

Early Laws Established Federal Role in Ag Research

Independent of the research titles of the farm bills are the following laws establishing the core of federally funded programs of research and education in agricultural science:

An *Act of Congress (1862)* mandated the U.S. Department of Agriculture to take over agricultural science functions of the Patent Office. Today's science and education agencies at USDA include the Agricultural Research Service, the National Agricultural Library, the Economic Research Service, and the Cooperative State Research, Education, and Extension Service, as well as the research units of the Forest Service.

The *Morrill Act (1862)* gave each U.S. state and territory Federal land in exchange for the establishment of a college of agriculture and mechanical arts. The act established today's land grant university system.

The *Hatch Act (1887)* established the state agricultural experiment stations (SAES) under the direction of land grant colleges. The act gave the agriculture colleges their agricultural research mission. Today the SAES system is financed by Federal formula funds based on each state's share of the farm and rural population, state budget allocations, and other grants from public and private entities.

The *Second Morrill Act (1890)* provided for annual appropriations to each state to support its land grant college and also gave rise to the historically black land grant colleges known today as the "1890 Institutions."

The *Smith-Lever Act (1914)* established agricultural extension as a cooperative venture among the Federal government (through USDA), the states (through the land grant colleges), and county and local governments (through the county agent system).

agricultural research. Competitive grants targeted to agricultural research were first introduced in 1977, but the 1990 bill significantly increased their importance. A small but growing share of Federal agricultural research funding, they represent a departure from the traditional grants that flow to agricultural experiment stations on a formula basis.

NRI competitive grants fund specific research projects (proposed by individuals or teams of scientists) deemed of most scientific merit. The NRI is open to scientists outside the state agricultural experiment station system, at both land grant and other universities, as well as other institutions, thus broadening the knowledge base for solving agricultural production and food systems problems. Many believe competitive grants increase the quality and success of scientific inquiry because they subject proposals to rigorous peer review, direct

monetary rewards to scientists with strong track records, and inject innovation and flexibility into the research process.

The 1990 farm bill also directed research funding to areas of interest to particular agricultural constituents. For example, Subtitle B directs the Secretary of Agriculture to provide grants for research and education dealing with sustainable agriculture, and provides a definition of sustainable agriculture. The bill also established a National Genetic Resources Program to collect, preserve, and disseminate genetic materials of importance to U.S. food and agricultural production.

The Administration's proposal for the research title of the 1995 farm bill directs federally funded research toward five priority goals:

Farm Bill '95

Benefits of Agricultural Research: Some Examples

Increases economic value. The citrus industry currently produces more than 800,000 tons of dried citrus waste each year, most of which is converted to low-value animal feed. Citrus waste consists mostly of sugars. Using enzymes and a strain of *E. coli* bacterium patented by University of Florida scientists, USDA's Agricultural Research service (ARS) has discovered how to convert these sugars to ethanol and other usable compounds, potentially expanding the uses and markets for citrus crops.

Contributes to pest management and environmental quality. A public-private research partnership between USDA and Mycotech Corporation may help vegetable growers control pests, relying less on chemical insecticides. Each year, the sweetpotato whitefly damages hundreds of plants, including dozens of field crops and ornamentals. In California's Imperial Valley alone, whiteflies caused annual losses of \$320 million from 1991 to 1993, according to county officials.

To control whitefly, entomologists are developing a product that relies on a naturally occurring fungus called *Beauveria bassiana*. When fungus spores touch a whitefly, they germinate and release natural toxins that poke holes in the skin of the whitefly. The insect stops eating, weakens, and dies within days.

Enhances food quality. A fat extraction technology developed by ARS can reduce fat and cholesterol in freeze-fried meats. Using the *supercritical fluid extraction process*, an average of 4 grams of fat and 50 percent of available cholesterol can be extracted from freeze-dried hamburger patties, according to research results. Fat removed by this method has not been touched by a chemical solvent and can therefore be put to other uses, including human consumption. The food industry has already adapted this technology to the removal of caffeine from coffee. The technology has also been applied to the removal of pesticides from food for analysis.

- enhancing economic opportunity for farmers and rural communities;
- reducing food safety risk for consumers and financial risk for farmers;
- producing healthier and better educated citizens;
- protecting the natural resource base; and
- enhancing global competitiveness of U.S. agriculture.

The proposal calls for competitive grants to support facilities construction and applied research at land grant universities, and the establishment of a Research, Education and Economics Policy Council to better link USDA's research and program activities.

Shaping Public Research Policy

Given the budget austerity and a broadening of the agricultural research agenda to encompass consumer and environmental concerns as well as agricultural productivity and competitiveness, new challenges emerge for designing research policy in general and the farm bill's research title in particular.

To allocate limited funding for public agricultural research efficiently, several questions must be addressed. A key question is how funds can be directed toward research issues for which there are few private incentives but large public benefits. A related question is the relative roles of state-based universities and the Federal government in conducting agricultural research. The partner-

ship arrangement will result in a balance between issues of state and local interest, and those that are national or even international in scope. But how should that balance be weighted?

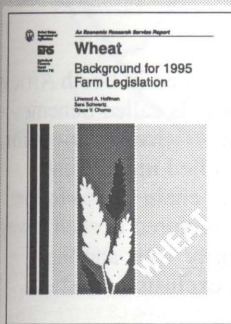
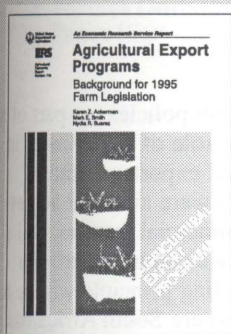
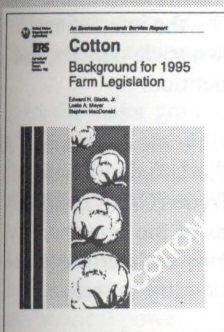
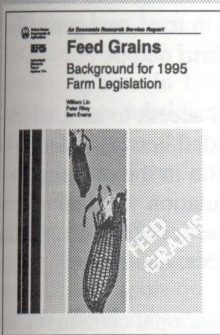
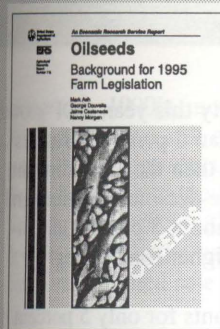
While funding for public research is likely to be limited, the need for a strong science base is increasingly important for effective public policy design. Many public policies are designed to address issues such as environmental quality, climate change, human health risks, and nutritional concerns. All of these issues involve complex interactions between economic behavior and physical-biological processes.

For example, understanding the implication of global climate change for food production, and then developing mitigation and/or adaptation strategies, requires measuring the physical relationships between climate and crop performance. But it also requires understanding the response of producers to changing agricultural and economic conditions.

Assessment of the environmental impacts of alternative farming practices such as less chemical-intensive technologies is another example of integrating science and public policy. To be able to assess the effectiveness of policies designed to encourage the adoption of alternative production technologies, it is essential that policy makers have a solid understanding of the associated economic and environmental impacts. Food safety, endangered species, and biodiversity are other areas of public concern that require an understanding of physical and biological processes as well as the social impacts of addressing these concerns.

A research policy that advances agricultural science and establishes and develops linkages between agricultural research and the nation's social and environmental goals will yield broad-based national benefits.

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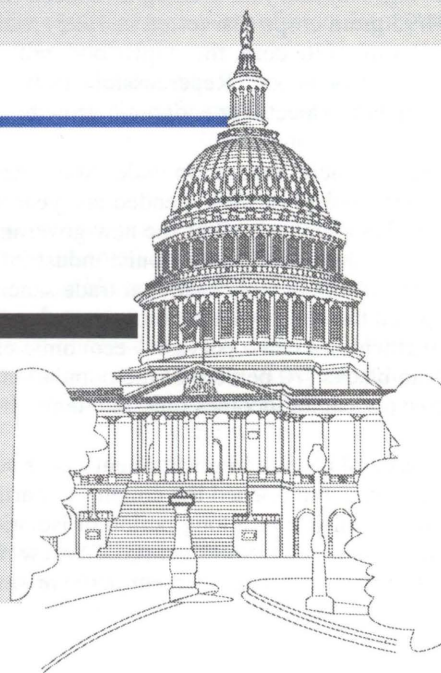
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Special Article



Embassy of South Africa

South Africa: Ag Reforms in the Face of Drought

South Africa's Government of National Unity is implementing a number of major farm policy changes, coinciding with this year's drought-reduced harvest. With the 1994/95 grain crops (harvested in 1995) reduced by drought, supplies of white corn, the staple food, will be inadequate to meet domestic needs. Repercussions of the drought are likely to dampen prospects for economic growth.

Decades of racial separation under South Africa's apartheid system—established in 1948—ended last year with the election of Nelson Mandela as head of the new government. The policy of apartheid, along with protectionist industrial and trade policies, political unrest, and international trade sanctions, had severely hampered the country's economic growth. And the long period of apartheid has had a pervasive economic effect—South African blacks (70 percent of the population), for example, receive per capita incomes only one-tenth those of whites.

The peaceful change in government has restored confidence in the economy and opened the country to participation in the world economy after a long period of isolation. In 1994, per capita gross domestic product (GDP) grew nearly 1 percent after *falling* more than 1 percent per year since 1980, on average.

Before drought struck South Africa early this year, GDP growth for 1995 had been projected at more than 5 percent. But this year's drought, while much less severe than the 1992 drought, is expected to limit further growth. The decline in agricultural output will hold 1995 GDP growth to about 3 percent and increase inflationary pressures through higher food prices.

South Africa's agricultural sector accounts for only 5 percent of GDP, but is an important source of employment and exports. Although only 12 percent of its 122 million hectares is arable, South Africa is normally self-sufficient in food, and generally exports between 20 and 30 percent of farm output.

A major pillar of apartheid was unequal access to land, which created a dualistic farm economy—divided between commercial and subsistence sectors. Participation in the economy by the nonwhite—particularly black—population was limited during the apartheid period by laws and practices restricting access to ownership of land, government services, and education.

South Africa's participation in the international community will be a key factor in the country's economic development and the prosperity of its farm sector. More than a decade of trade sanctions and 7 years of financial sanctions by the international community, as well as South Africa's own trade policies, had limited both domestic and foreign competition.

South Africa is now re-entering the world trade community. An indication of this is its participation in the Uruguay Round of the General Agreement on Tariffs and Trade (GATT). South Africa is already implementing the terms of the agreement by replacing its import licensing requirements with tariff equivalents, although it will take time for the country to realize its trade potential.

Government Reduces Role in Agriculture

This year's changes in South Africa's farm policies are part of a broad effort begun in 1987 to reduce the role of government in setting prices and controlling imports and exports. South Africa's past agricultural policies, which were aimed at achieving food self-sufficiency, protecting commercial farmers, and stabilizing producer prices, are being reviewed in the broader context of a food security policy. A guiding principle will be to expand output and exports of products where South Africa has a comparative advantage, and reduce production of items that can be imported at a lower cost. Another goal is to privatize the marketing system.

Over the years, the government had intervened in South African agriculture through various marketing boards called Schemes—the sole buyers and sellers of commodities—that set prices for both producers and consumers and controlled imports and exports. All participants in the marketing chain had to follow the rules of the Scheme. Boards were structured in such a way that producers consistently had the majority vote, and the boards benefited producers, often to the exclusion of others.

In the early 1990's, more than 75 percent of farm products in South Africa was still marketed under Schemes. Producer prices of many products, including the major grains, were fixed on the basis of production costs, providing little incentive to become more efficient. While commercial producers played a dominant role in the various Schemes, small-scale producers had a very limited role in the marketing arrangements.

South Africa largely achieved its goal of food self-sufficiency, but at a very high cost. Subsidies for agricultural producers and consumers increased threefold (in local currency terms) between 1980 and 1988. But the additional burden of drought relief programs (in 1983 and 1984) made the government realize that these subsidies were unsustainable. Reduced government support for the marketing arrangements has led to gradual deregulation of the farm sector.

Beginning in 1987, several control Schemes were abolished, some domestic quantity and licensing restrictions were lifted, and certain import quotas were replaced by tariffs. In the early 1990's, bread subsidies were discontinued, as were price controls on milk, butter, cheese, bread, flour, and maize (corn) meal. Cost-plus pricing for several major commodities was replaced by more market-oriented mechanisms, while direct producer price support for corn was withdrawn.

Corn, the major grain cultivated in South Africa, is produced mainly for the domestic market, with occasional exports and imports. South Africa's white corn is preferred for human consumption, while yellow is generally used for animal feed.

South Africa's traditional support for corn producers is changing. First, the white farmers who grow most of the corn have less political power. Second, cost-conscious decision making

raises the question of the value of subsidies. Because of South Africa's dry climate and highly variable rainfall, the country is not suited to being a reliable corn exporter.

In South Africa's coastal areas, high internal freight costs make imported corn cheaper than the domestic products. Some concern exists among producers that this year's high prices and the removal of import restrictions will encourage use of imported, rather than domestically produced, yellow corn. Domestic supplies of yellow corn are estimated to be sufficient to meet needs, and large imports of yellow corn would hurt producers by putting downward pressure on prices.

Drought To Test Free Market Policies

The new South African government is implementing a number of farm policy changes as it confronts a serious drought. The 1995 harvest of total grains is forecast down more than 50 percent, while corn production is expected to fall 60 percent. Supplies of white corn, the country's staple food, will be inadequate to meet domestic needs. In the past, the government—through the Maize Board—was the sole buyer and seller of corn, setting prices for both producers and consumers. While shortages are not unusual, this year will be the first time the Maize Board has not had complete control of corn supplies.

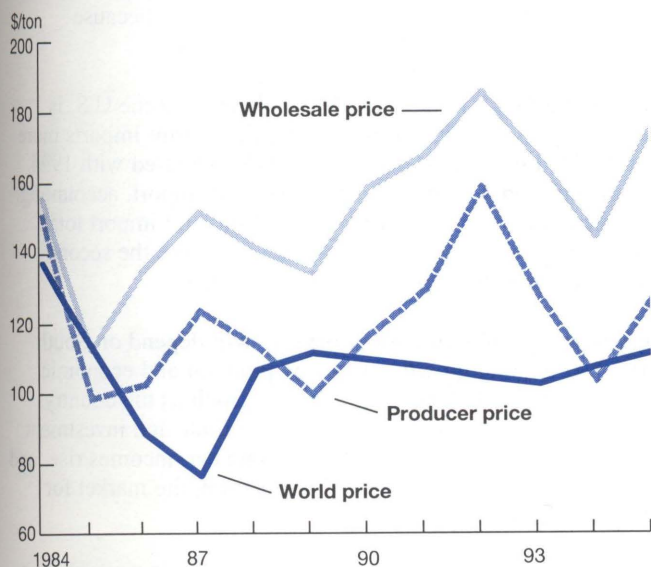
Beginning with the new season on May 1, 1995, the single buyer/seller scheme run by the Maize Board has been changed to allow an unregulated domestic market and a liberalized import policy. The Board will still manage a price-floor system as well as exports, but neither is likely to be necessary this year, as shortages will drive up prices and halt exports, except to neighboring countries.

Until recently, South Africa's agricultural trade policy was based on quantitative controls on imports of most farm products, and state subsidies to make up for financial losses on exports, especially corn. Quantitative import controls have been replaced by a system of tariffs, but import tariffs will not be imposed on corn in 1995/96 because of shortages of white corn.

Under the new system, corn prices will be determined by traders and producers based on conditions of supply and demand. In the past, the Maize Board dealt with white corn shortages by mixing domestic yellow corn with white corn and selling only one grade of blended meal. For the first time, retailers should be able to offer a variety of mixed corn products at different prices, giving consumers choices they have not had in the past. Traders are importing white corn to keep their main product for human consumption—white cornmeal—as pure as possible.

The amount of white corn available internationally is very limited because almost all white corn is consumed in the countries where it is produced. As of June 1, South Africa had purchased 142,000 tons of corn—mostly white—from the U.S.

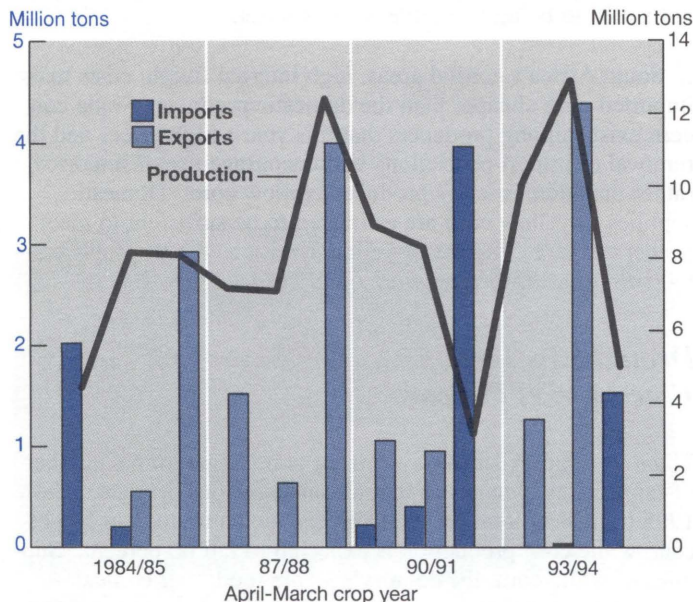
**Farm Policies Generally Kept South Africa's
Corn Prices High**



World price is for U.S. #3 yellow, f.o.b. Gulf; transportation costs from U.S. Gulf ports to South Africa are \$25-\$30 per ton. South Africa's producer price is a weighted average of white and yellow; wholesale price is for white corn. 1995 world (U.S.) price is May price. 1995 South African prices are midpoints of estimated ranges.

Special Article

South Africa's Corn Trade Reflects Production Swings



1994/95 estimate.

South Africa's crop year corresponds to the Northern Hemisphere's previous marketing year.

Since the beginning of the marketing year on May 1, some millers have announced cornmeal price increases of about 20 percent, citing increased prices for raw materials, particularly for white corn. Millers will have to determine the price difference consumers will pay for pure white cornmeal versus a white-yellow mixture or even pure yellow cornmeal. Some research indicates that low- and middle-income consumers will shift to a mixed product if its price is discounted 10 percent, whereas other analysis shows that a 25-percent discount is necessary before consumers will alter consumption patterns.

These uncertainties present a number of problems for policy makers. The government, for example, is caught in the position of promoting free trade in the agricultural sector, while facing concern about sharp price increases that would particularly affect low-income consumers. Higher prices, some policy makers feel, could lead to consumer protests and force the government to step in with price controls. Suggestions have been proposed for subsidizing prices, in order to lower prices to millers, including the use of Maize Board funds. Local corn prices to producers are expected to be up over 40 percent from last year—approximately what it would cost to ship and handle imported white corn to Johannesburg, the country's most populous city.

Rice and bread suppliers are expected to benefit from the rise in corn product prices. Wheat and rice imports are continuing as usual—no tariff level has been announced for wheat, but it remains a controlled import. Rice imports are allowed because rice is not produced domestically. Corn producers are worried that urban consumers will develop a preference for wheat and rice and be reluctant to switch back to domestic corn products once prices return to normal.

The U.S. As Buyer & Supplier

South Africa's weather conditions have strongly influenced its purchases of U.S. agricultural products. U.S. sales to South Africa jumped sharply following the 1983, 1984, and 1992 droughts. The value of exports in 1992 reached \$468 million, only slightly below the 1984 record.

With lower production due to this year's drought, and with fewer import restrictions, U.S. agricultural exports to South Africa could reach a record in 1995. Exports during the first quarter of 1995 were more than double those of the same period a year earlier.

The U.S. supplied 3.7 million tons of grain to South Africa in calendar year 1992, including 3.5 million tons of corn. Because South Africa is not self-sufficient in wheat in most years, and produces no rice, it often imports these commodities from the U.S. With wheat and rice more readily available in world markets than white corn, imports of these items are likely to increase this year.

South Africa's total wheat imports in the 1994/95 (November-October) marketing year are estimated at 900,000 tons, compared with 314,000 tons in 1993/94. The U.S. will supply about two-thirds of these imports. The remainder will come from the European Union (EU) and Canada. Rice imports in 1995 are expected to exceed 1994's record 430,000 tons. The U.S. supplied 109,000 tons of rice to South Africa in calendar 1994.

U.S. agricultural imports from South Africa were prohibited during the sanctions period from 1987 to 1990. Imports began to climb in 1992 but have still not reached pre-sanction levels. Fruit and fruit preparations, mostly apples, were the major agricultural import. Before 1987, sugar was an important import, but trade has not recovered in the 1990's, partly because drought has reduced South Africa's production.

Data for the first 3 months of 1995 indicate that the U.S. is diversifying its imports from South Africa. Fruit imports more than doubled in the first quarter of 1995 compared with 1994. Grapes replaced apples as the primary fruit import, accounting for more than 70 percent of the \$7-million fruit import total. Hides and skins also increased rapidly and were the second-most-valuable U.S. import from South Africa.

Long-term agricultural trade prospects will depend on South Africa's economic growth. The new political and economic environment should lead to increased growth as the country begins to take advantage of international trade and investment opportunities. As trade restrictions disappear, incomes rise, and diets improve among the general population, the market for U.S. products will grow.

In the short run, potential exists for increasing U.S. exports of animal products, high-quality rice, and oilseeds and products. In the longer run, reduced support for South Africa's corn and

wheat farmers will lead to lower production, and imports of both commodities are likely to increase. Demand for livestock products is expected to grow, boosting the need for imported feeds.

A USDA Agricultural Trade and Investment Mission recommended that U.S. exporters look into the market for high-value products, including snack and ethnic foods, especially Italian and Mexican. The trade mission indicated that the best opportunities for U.S. food products are in joint ventures and licensing agreements with South African companies.

Reconciling Reforms With Consumer Interests

The medium-term effects of South Africa's agricultural policy reforms are uncertain, but some trends are beginning to emerge. While real producer prices of most commodities have fallen, consumer prices have risen.

This increase in price margins can be attributed to the limited number of firms participating in food processing and distribution, along with deregulated input markets. Other factors include lower productivity in the marketing system and the withdrawal of consumer price controls and producer price supports. The inefficiencies of the marketing system are evident from a rise in parallel-market activities—a phenomenon which is relatively new to South African farm markets.

Lower levels of government support in the last decade exposed farmers to a more market-oriented environment. As a result, profits declined and debt increased in many parts of the sector. This result is telling, because it suggests that many elements of the large-farm sector are not efficient in the post-1987 policy environment.

Striking a balance between maintaining incentives for producers and providing affordable food to low-income consumers will remain a challenge for policy makers. Pressure to take a more consumer-oriented direction could induce a decline in domestic food production as farmers face competition from imports. But officials are concerned about becoming dependent on international markets that cannot be relied on to supply the white corn South African consumers prefer.

In addition to changing its trade policies to accommodate broader participation in world markets, South African policy makers are facing the complex issues involved in bringing subsistence farmers into the market economy. Although small-scale agriculture can make an important contribution to food security in South Africa, commercial agriculture will likely retain the major responsibility in the medium term.

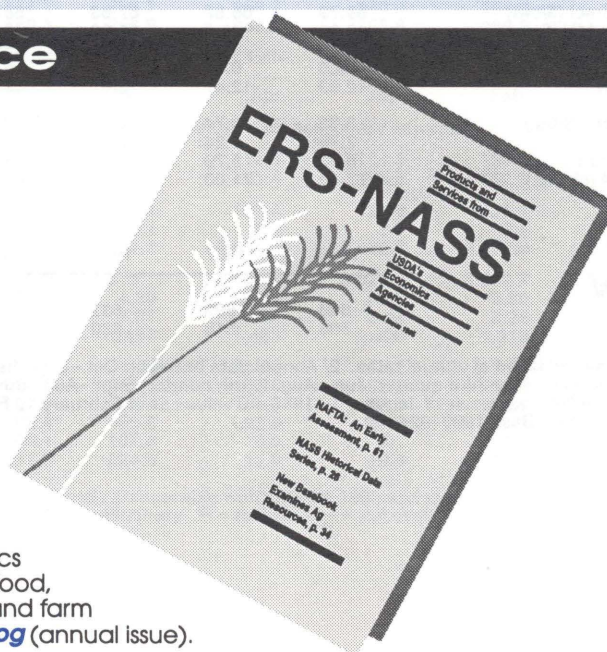
Access to land will be an important force driving South Africa's agricultural policies in the long term. Commercial farming interests contend that a shift of resources from large- to small-scale farmers could undermine the country's ability to feed itself—an argument that gains strength in a drought year.

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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*)	102	97	95	100	99	103	--	--	--
Livestock & products	100	93	90	95	93	91	--	--	--
Crops	106	101	99	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/	167	183	192	180	--	--	--	--	--
Livestock (\$ bil.)	83	97	79	88	--	--	--	--	--
Crops (\$ bil.)	84	86	112	92	--	--	--	--	--
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	149	149	149
At home	145	146	145	144	148	149	149	148	149
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	12.9	--	--	51.5
Agricultural imports (\$ bil.) 2/	6.6	6.6	7.0	26.4	7.8	7.6	--	--	29.5
Commercial production									
Red meat (mil. lb.)	10,428	10,837	11,175	42,523	10,521	10,845	11,109	11,068	43,543
Poultry (mil. lb.)	7,372	7,629	7,462	29,346	7,468	7,840	8,030	7,905	31,243
Eggs (mil. doz.)	1,521	1,550	1,597	6,177	1,545	1,550	1,560	1,605	6,260
Milk (bil. lb.)	39.9	38.2	37.9	153.6	39.0	41.2	39.2	38.9	158.2
Consumption, per capita									
Red meat and poultry (lb.)	52.3	54.2	55.1	212.2	51.6	53.7	55.3	55.9	216.4
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	--	--	9,425.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	68.79	65.83	67.63	68.84	71.51	64-65	61-65	63-69	65-67
Barrows & gilts—IA, So. MN (\$/cwt)	42.90	40.5	31.03	40.03	38.56	37-38	39-41	36-40	38-39
Broilers—12-city (cts./lb.)	60.0	55.9	51.8	55.7	51.7	52-53	53-55	50-54	52-54
Eggs—NY gr. A large (cts./doz.)	63.3	67.0	67.2	67.3	65.2	62-63	64-68	66-72	64-67
Milk—all at plant (\$/cwt)	12.93	12.47	12.97	12.97	12.63	12.10	11.80	12.55	12.25
						12.30	12.30	13.35	12.65
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	I R
\$ 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	6,979.7
Gross national product	6,025.8	6,347.8	6,726.9	6,574.0	6,682.5	6,779.6	6,871.3	6,957.9
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,535.0	4,586.4	4,657.5	4,734.8	4,785.8
Durable goods	492.7	538.0	591.5	576.2	580.3	591.5	617.7	614.7
Nondurable goods	1,295.5	1,339.2	1,394.3	1,368.9	1,381.4	1,406.1	1,420.7	1,433.1
Food & beverages	626.8	649.7	679.6	667.9	675.5	683.7	691.2	697.6
Clothing & shoes	227.7	235.4	246.5	241.9	243.9	247.8	252.6	252.8
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	1,110.1
Fixed investment	785.2	866.7	980.7	942.5	967.0	992.5	1,020.8	1,054.8
Change in business inventories	3.0	15.4	52.2	24.1	67.4	62.6	54.8	55.3
Net exports of goods & services	-30.3	-65.3	-98.2	-86.7	-97.6	-109.6	-98.9	-113.1
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	1,196.9
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	5,470.0
Gross national product	4,985.7	5,140.3	5,337.3	5,262.7	5,310.5	5,359.9	5,416.0	5,455.3
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,546.3	3,557.8	3,584.7	3,629.6	3,646.1
Durable goods	452.6	489.9	532.1	521.7	522.2	529.6	554.8	549.1
Nondurable goods	1,057.7	1,078.5	1,109.5	1,098.3	1,104.3	1,113.4	1,121.9	1,129.0
Food & beverages	514.7	524.0	535.6	531.9	536.1	535.7	538.5	541.2
Clothing & shoes	193.2	197.8	208.8	203.8	204.9	210.2	216.4	216.9
Services	1,839.1	1,890.3	1,938.1	1,926.3	1,931.4	1,941.8	1,952.9	1,968.0
Gross private domestic investment	725.3	819.9	951.5	898.9	950.9	967.3	989.1	1,024.6
Fixed investment	722.9	804.6	903.8	873.4	891.7	910.2	939.7	972.0
Change in business inventories	2.5	15.3	47.8	25.4	59.2	57.1	49.4	52.3
Net exports of goods & services	-32.3	-73.9	-110.0	-104.0	-111.8	-117.0	-107.1	-120.0
Government purchases of goods & services	936.9	929.8	922.8	919.9	917.1	932.0	922.2	919.4
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	5,189.8
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	3,953.9
Per capita disposable per. income (\$)	17,636	18,153	19,003	18,588	18,853	19,095	19,473	19,769
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,535	14,625	14,697	14,927	15,061
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	Apr	Jan	Feb	Mar	Apr P
Monthly data seasonally adjusted								
Total industrial production (1987=100)	108.0	112.9	119.7	118.4	124.5	124.2	124.0	123.3
Leading economic indicators (1987=100)	98.2	98.8	101.7	101.4	102.5	102.2	101.7	101.1
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	122.4	124.6	125.1	125.3	125.1
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	6.4	5.7	5.4	5.5	5.8
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,639.4	5,932.2	5,962.9	5,994.3	6,011.6
Money stock—M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,615.1	3,605.4	3,626.9	3,622.7	3,630.3	3,642.9
Three-month Treasury bill rate (%)	3.45	3.02	4.29	3.74	5.81	5.80	5.73	5.67
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	7.88	8.46	8.26	8.12	8.03
Total housing starts (1,000) 4/	1,200	1,288	1,457	1,463	1,366	1,319	1,231	1,236
Business inventory/sales ratio	1.50	1.45	1.39	1.39	1.38	1.39	1.40	—
Sales of all retail stores (\$ bil.) 5/	1,959.1	2,081.6	2,241.3	183.6	193.3	191.3	193.2	192.5
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	111.4	116.5	115.5	116.2	116.3
Food stores (\$ bil.)	382.4	392.4	405.6	32.6	34.3	33.7	33.7	33.9
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.0	9.1	9.0	9.3	8.9
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	18.9	19.6	19.6	19.8	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	9.6
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	2.6
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	1.6
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	May	Dec	Jan	Feb	Mar	Apr R	May P
Prices received										
All farm products	98	101	100	101	99	98	98	100	100	100
All crops	101	102	105	107	106	103	102	109	114	117
Food grains	113	105	118	120	121	120	116	113	112	120
Feed grains & hay	98	98	106	116	96	97	100	102	105	107
Cotton	88	89	109	114	121	132	135	143	139	129
Tobacco	101	101	101	121	105	108	110	98	88	—
Oil-bearing crops	100	108	110	121	100	98	97	98	99	97
Fruit & nuts, all	99	92	89	94	71	73	72	77	81	97
Commercial vegetables	111	116	107	96	161	125	114	156	176	164
Potatoes & dry beans	88	106	111	117	92	90	89	92	100	109
Livestock & products	97	100	95	97	90	93	94	93	90	88
Meat animals	96	100	90	92	83	89	91	89	85	81
Dairy products	100	98	100	99	99	96	96	97	95	94
Poultry & eggs	97	105	106	109	103	101	100	101	100	99
Prices paid										
Commodities & services, interest, taxes, & wage rates	101	103	106	107	106	108	108	108	108	108
Production items	101	103	106	108	105	106	106	106	106	106
Feed	99	99	105	—	—	96	—	—	100	—
Livestock & poultry	96	104	95	—	—	92	—	—	82	—
Seeds	99	105	109	—	—	110	—	—	110	—
Fertilizer	100	97	106	—	—	119	—	—	122	—
Agricultural chemicals	103	107	112	—	—	116	—	—	115	—
Fuels	96	92	84	—	—	80	—	—	92	—
Farm supplies & repairs	104	107	110	—	—	111	—	—	110	—
Autos & trucks	102	109	115	—	—	120	—	—	121	—
Farm machinery	104	106	110	—	—	110	—	—	119	—
Building materials	101	105	109	—	—	113	—	—	114	—
Farm services	104	109	112	—	—	115	—	—	115	—
Cash rent	104	100	108	—	—	108	—	—	108	—
Int. payable per acre on farm real estate debt	93	88	92	—	—	101	—	—	101	—
Taxes payable per acre on farm real estate	104	107	112	—	—	115	—	—	115	—
Wage rates (seasonally adjusted)	105	108	111	—	—	116	—	—	116	—
Production items, interest, taxes, & wage rates	101	103	106	—	—	107	—	—	107	—
Ratio, prices received to prices paid (%) 1/	98	98	94	94	92	93	92	93	93	93
Prices received (1910-14=100)	626	642	634	643	626	624	620	633	634	638
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	—	—	1,406	—	—	1,409	—
Parity ratio (1910-14=100) (%) 1/	47	47	46	—	45	44	—	—	46	—

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

— = not available.

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

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

	Annual 1/			1994		1995				
	1992	1993	1994 P	May	Dec	Jan	Feb	Mar	Apr R	May P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.43	3.73	3.69	3.62	3.53	3.48	3.70
Rice, rough (\$/cwt)	5.89	7.98	6.25	9.90	6.56	6.78	6.71	6.64	6.70	6.64
Corn (\$/bu.)	2.07	2.50	2.20	2.60	2.13	2.19	2.23	2.30	2.36	2.38
Sorghum (\$/cwt)	3.38	4.13	3.65	4.20	3.53	3.63	3.69	3.75	3.84	3.97
All hay, baled (\$/ton)	74.30	84.70	86.50	99.00	85.10	84.80	85.00	86.70	90.30	90.40
Soybeans (\$/bu.)	5.56	6.40	5.35	6.77	5.41	5.47	5.40	5.51	5.55	5.44
Cotton, upland (cts./lb.)	53.7	58.1	67.4	69.0	73.2	79.7	81.6	86.5	84.5	78.4
Potatoes (\$/cwt)	5.52	6.22	5.36	6.59	4.86	4.70	4.92	5.16	5.55	6.26
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	11.40	37.50	13.50	9.44	29.30	49.20	58.40
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	20.70	37.20	41.60	27.00	43.80	20.50	12.00
Onions (\$/cwt)	13.00	15.80	14.46	8.64	12.10	13.80	17.10	16.90	23.70	15.40
Dry edible beans (\$/cwt)	19.90	24.60	21.70	25.60	22.50	22.40	21.00	21.20	23.40	22.80
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	14.4	17.9	20.2	18.9	18.3	16.9	15.4
Pears for fresh use (\$/ton)	378	280	261	172	290	274	301	363	399	419
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	5.53	2.91	3.05	3.29	3.77	4.48	4.92
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	1.85	2.60	2.19	2.24	2.28	1.68	1.37
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	67.20	64.40	67.50	68.70	66.90	63.80	60.00
Calves (\$/cwt)	89.38	95.92	87.16	89.40	81.90	85.00	86.90	84.40	81.80	77.50
Hogs (\$/cwt)	41.82	45.40	39.48	42.70	30.80	36.90	39.10	37.80	35.70	36.80
Lambs (\$/cwt)	60.78	64.60	64.86	54.50	68.70	67.50	70.40	74.80	74.40	79.80
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	12.80	12.90	12.60	12.60	12.70	12.40	12.30
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	11.40	11.50	11.40	11.60	11.70	11.20	11.10
Broilers (cts./lb.)	30.8	34.2	35.0	37.6	32.5	32.6	32.6	32.8	32.1	32.4
Eggs (cts./doz.) 4/	56.2	62.7	60.9	58.7	63.0	62.0	61.6	61.4	62.0	56.3
Turkeys (cts./lb.)	37.6	39.0	40.7	39.9	42.3	39.3	37.2	38.3	38.3	38.2

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

4/ Average of all eggs sold by producers including hatching eggs & eggs sold at retail. P = preliminary. R = revised. — = not available.

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

Producer & Consumer Prices

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

	Annual	1994				1995				
	1994	May	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
		1982-84=100								
Consumer Price Index, all items	148.2	147.5	149.5	149.7	149.7	150.3	150.9	151.4	151.9	152.2
Consumer Price Index, less food	149.0	148.3	150.4	150.6	150.2	150.8	151.5	152.1	152.5	152.9
All food	144.3	143.5	145.0	145.3	146.8	147.5	147.4	147.4	148.4	148.3
Food away from home	145.7	145.3	146.4	146.8	147.1	147.4	147.6	148.1	148.3	148.6
Food at home	144.1	143.0	144.8	145.1	147.3	148.2	147.9	147.6	149.2	148.7
Meats 1/	135.4	136.2	135.0	134.6	133.7	134.9	134.9	135.5	134.9	134.7
Beef & veal	136.0	137.1	135.3	134.5	134.7	135.8	136.6	136.9	136.2	134.9
Pork	133.9	134.4	133.7	133.4	130.1	132.2	131.8	132.9	131.1	131.8
Poultry	141.5	141.8	141.5	140.2	140.4	140.2	141.4	143.3	142.3	141.6
Fish & seafood	163.7	161.6	164.8	167.0	166.9	169.0	170.4	171.2	171.6	171.9
Eggs	114.3	107.3	110.4	115.4	116.4	115.4	113.9	115.3	112.0	110.0
Dairy products 2/	131.7	132.0	131.5	131.7	131.6	132.7	132.1	132.2	132.1	132.8
Fats & oils 3/	133.5	133.4	135.0	134.3	134.2	136.4	136.8	136.8	137.2	137.1
Fresh fruits	201.2	204.6	199.1	199.5	213.1	214.2	213.3	207.0	210.3	219.6
Processed fruits	133.1	132.6	133.3	132.5	133.3	134.4	135.3	136.5	136.8	136.7
Fresh vegetables	172.3	162.8	167.0	178.4	212.7	209.4	198.6	193.8	220.4	203.5
Potatoes	174.3	179.9	157.3	154.2	154.2	157.1	157.2	161.8	164.6	165.3
Processed vegetables	136.6	137.2	136.8	134.0	134.7	138.0	137.7	136.9	138.1	139.0
Cereals & bakery products	163.0	162.3	164.6	163.7	164.2	164.6	165.8	165.3	166.9	166.6
Sugar & sweets	135.2	135.5	135.6	134.5	134.5	135.5	135.8	136.4	136.7	137.3
Nonalcoholic beverages	123.2	115.6	132.7	132.4	131.7	133.3	133.7	132.9	132.9	131.7
Apparel										
Apparel, commodities less footwear	131.2	133.6	133.5	132.1	127.9	126.3	128.3	132.3	132.5	130.8
Footwear	126.0	128.5	125.5	125.7	123.6	124.0	124.8	125.9	127.2	126.6
Tobacco & smoking products	220.0	220.6	221.3	221.4	222.0	222.2	222.7	222.5	223.0	225.3
Alcoholic beverages	151.5	151.5	151.6	151.9	151.8	152.0	152.4	153.1	153.6	153.9

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	Apr	Nov	Dec R	Jan	Feb	Mar	Apr
	1982 = 100									
All commodities	117.2	118.9	120.4	119.7	121.5	121.9	122.6	123.5	123.7	124.6
Finished goods 1/	123.2	124.7	125.5	125.0	126.1	126.2	126.5	126.9	126.9	127.6
All foods 2/	120.9	123.7	125.2	125.7	125.6	126.6	125.4	125.9	126.0	125.8
Consumer foods	123.3	125.7	126.8	127.1	126.9	128.6	127.8	128.3	128.5	128.5
Fresh fruits & melons	84.0	84.5	82.6	82.0	71.2	84.4	81.7	78.8	74.6	74.4
Fresh & dried vegetables	115.0	135.2	129.1	113.3	133.3	215.2	157.9	148.5	156.9	184.9
Dried fruits	114.6	117.9	121.1	120.9	119.1	118.9	119.4	119.9	119.2	119.4
Canned fruits & juices	134.5	126.2	126.0	126.7	125.5	125.0	125.7	126.9	127.3	126.8
Frozen fruits, juices & ades	125.9	110.7	111.9	113.1	111.2	111.3	114.4	114.0	115.2	114.8
Fresh veg. excl. potatoes	116.4	126.6	117.8	91.4	128.1	244.7	163.5	149.2	159.2	199.1
Canned vegetables & juices	109.5	110.5	116.3	116.5	114.0	113.1	112.6	114.2	114.7	112.9
Frozen vegetables	116.4	120.9	126.0	126.4	125.5	125.0	125.1	124.8	124.9	125.1
Potatoes	118.4	144.9	142.3	167.6	104.6	101.0	101.3	103.0	114.6	110.1
Eggs for fresh use (1991=100)	78.6	86.6	80.9	81.5	85.0	85.9	78.7	80.4	80.7	83.1
Bakery products	152.5	156.6	160.0	159.2	161.6	161.7	162.2	162.6	162.5	162.5
Meats	106.7	110.6	104.6	109.5	100.5	100.2	102.8	104.3	104.8	100.7
Beef & veal	109.5	112.9	103.6	110.3	102.8	101.3	104.2	106.3	107.5	100.4
Pork	98.9	105.7	101.3	106.4	90.1	90.8	95.7	97.4	96.9	94.8
Processed poultry	109.0	111.7	114.8	117.3	111.0	109.3	109.8	110.6	109.8	109.7
Unprocessed & packaged fish	156.1	156.5	161.5	159.9	165.5	162.4	170.2	175.2	175.1	179.6
Dairy products	117.9	118.1	119.5	121.4	119.5	118.6	116.9	117.6	118.4	118.1
Processed fruits & vegetables	120.8	118.2	121.2	121.7	120.0	119.6	120.0	120.9	121.2	120.4
Shortening & cooking oil	115.1	122.9	138.6	140.0	141.6	144.6	147.9	144.4	143.9	142.1
Soft drinks	125.6	126.2	126.9	127.1	126.7	127.4	130.6	132.1	133.6	133.1
Finished consumer goods less foods	120.8	121.7	121.6	120.7	122.3	121.8	122.2	122.6	122.7	123.8
Alcoholic beverages	126.1	126.0	124.8	124.2	124.3	125.0	125.3	127.4	127.0	127.5
Apparel	122.2	123.2	123.5	123.3	123.4	123.6	123.2	123.8	124.0	124.2
Footwear	132.0	134.4	135.5	135.2	135.9	136.6	137.0	138.6	138.7	138.5
Tobacco products	275.3	260.3	224.7	224.7	224.2	225.2	225.0	226.0	228.1	228.7
Intermediate materials 4/	114.7	116.2	118.5	116.9	120.9	121.1	122.2	123.3	123.7	124.7
Materials for food manufacturing	113.9	115.6	118.5	120.7	118.0	117.5	118.0	118.5	119.0	117.1
Flour	109.5	108.9	110.3	110.2	113.1	113.3	113.6	110.6	109.4	111.4
Refined sugar 5/	119.8	118.2	118.3	117.9	119.3	119.2	120.0	120.9	120.8	118.5
Crude vegetable oils	97.1	110.5	135.0	137.2	141.3	141.3	140.2	138.8	139.7	129.9
Crude materials 6/	100.4	102.4	101.7	104.1	99.1	100.5	100.9	102.7	102.3	103.9
Foodstuffs & feedstuffs	105.1	108.4	106.5	113.1	100.4	101.6	102.1	104.0	103.2	101.9
Fruits & vegetables & nuts 7/	96.9	106.9	104.6	96.6	115.4	137.1	110.5	105.6	107.3	118.5
Grains	97.3	94.5	102.7	109.3	91.2	95.3	95.5	96.9	98.2	101.1
Livestock	104.7	107.0	96.4	104.9	89.6	91.6	96.4	100.5	96.9	92.3
Poultry, live	112.6	122.0	124.4	126.8	114.4	114.2	108.6	109.3	113.1	109.1
Plant & animal fibers	89.8	91.3	120.7	123.4	120.4	132.6	143.5	149.4	180.2	175.2
Fluid milk	96.1	94.1	95.8	99.7	93.9	93.5	92.1	90.9	92.8	91.4
Oilseeds	107.5	115.9	117.4	125.3	105.3	106.5	104.5	103.9	107.5	110.4
Leaf tobacco	101.0	100.3	101.2	98.9	106.1	107.4	107.4	112.5	100.2	90.0
Raw cane sugar	112.1	113.2	115.2	115.4	113.2	116.0	117.7	118.4	117.2	118.6

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	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	144.8	145.6	148.0	148.7	148.3	148.0	149.8
Farm value (1982-84=100)	103.2	104.9	101.6	106.5	97.7	99.6	100.7	101.9	101.4	106.8
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	165.1	171.5	174.1	174.6	173.3	173.1	173.0
Farm value-retail cost (%)	26.1	25.9	24.5	25.8	23.5	23.6	23.7	24.1	24.0	25.0
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	136.0	134.6	133.7	134.9	134.9	135.5	134.9
Farm value (1982-84=100)	104.5	107.2	96.1	104.2	87.3	86.3	92.7	96.9	97.8	100.3
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	168.6	183.1	182.3	178.2	173.9	174.2	170.4
Farm value-retail cost (%)	40.5	40.3	35.9	38.8	32.9	32.7	34.8	36.4	36.6	37.6
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	131.8	131.7	131.6	132.7	132.1	132.2	132.1
Farm value (1982-84=100)	95.8	93.0	94.5	96.2	94.1	93.8	91.9	88.6	90.6	91.1
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	164.6	166.4	166.5	170.3	172.2	170.5	169.9
Farm value-retail cost (%)	35.8	34.5	34.4	35.0	34.3	34.2	33.2	32.2	32.9	33.1
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	140.9	140.2	140.4	140.2	141.4	143.3	142.3
Farm value (1982-84=100)	104.0	111.5	114.6	114.6	110.3	108.5	107.4	106.4	107.4	105.5
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	171.2	174.6	177.1	178.0	181.7	184.6	184.6
Farm value-retail cost (%)	42.4	43.6	43.3	43.5	42.1	41.4	41.0	40.3	40.1	39.7
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	115.7	115.4	116.4	115.4	113.9	115.3	112.0
Farm value (1982-84=100)	77.8	88.9	83.5	85.2	87.0	89.7	86.8	86.1	85.4	86.3
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	170.4	166.5	164.4	166.8	163.8	169.0	158.2
Farm value-retail cost (%)	46.1	48.8	47.0	47.3	48.4	49.5	48.3	48.6	47.6	49.5
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	162.5	164.6	163.7	164.6	165.8	165.3	166.9
Farm value (1982-84=100)	94.2	91.8	102.6	107.8	102.3	102.5	102.3	101.2	99.6	99.7
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	170.1	173.3	172.2	173.3	174.8	174.5	176.3
Farm value-retail cost (%)	7.6	7.2	7.7	8.1	7.6	7.7	7.6	7.5	7.4	7.3
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	205.0	208.3	222.8	221.7	221.0	212.8	216.0
Farm value (1982-84=100)	122.4	134.8	119.4	114.6	114.9	118.8	128.3	127.6	126.2	126.0
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	246.7	251.4	270.8	264.8	264.1	252.8	260.5
Farm value-retail cost (%)	20.4	21.7	18.1	17.7	17.4	16.8	18.3	18.2	18.7	18.3
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	163.8	178.4	212.7	209.4	198.6	193.8	220.4
Farm value (1982-84=100)	120.6	127.1	121.1	92.8	117.2	153.3	135.0	144.8	121.6	208.7
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	200.3	209.9	243.2	247.6	226.3	230.9	226.4
Farm value-retail cost (%)	25.9	25.6	23.9	19.2	22.3	24.5	21.9	24.8	21.3	32.2
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	134.8	133.0	133.8	135.8	136.2	136.5	137.2
Farm value (1982-84=100)	128.6	107.0	112.5	111.1	112.7	112.0	111.1	114.6	115.5	116.0
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	142.2	139.3	140.6	143.5	142.9	143.1	143.8
Farm value-retail costs (%)	22.9	19.3	19.9	19.6	20.1	19.9	19.5	20.0	20.1	20.1
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	133.2	134.3	134.2	136.4	136.8	136.8	137.2
Farm value (1982-84=100)	93.1	107.5	125.5	123.7	132.5	136.2	130.3	126.5	127.2	119.9
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	136.7	135.0	133.5	138.6	140.6	140.3	143.6
Farm value-retail cost (%)	19.3	22.3	25.3	25.0	26.5	27.3	25.7	24.9	25.0	23.5
	Annual			1994		1995				
	1992	1993	1994	May	Dec	Jan	Feb	Mar	Apr	May
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	288.1	279.4	282.6	284.3	284.7	283.7	282.2
Wholesale value 3/ (cts.)	179.6	182.5	166.7	167.6	164.3	171.7	170.4	165.7	158.5	160.4
Net farm value 4/ (cts.)	161.8	164.1	145.5	145.8	142.0	150.0	151.3	146.3	139.4	132.9
Farm-retail spread (cts.)	122.8	129.3	137.4	142.3	137.4	132.6	133.0	138.4	144.3	149.3
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	120.5	115.1	110.9	113.9	119.0	125.2	121.8
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	21.8	22.3	21.7	19.1	19.4	19.1	27.5
Farm value-retail price (%)	57	56	51	51	51	53	53	51	49	47
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	198.8	188.4	191.4	189.9	193.5	190.6	191.0
Wholesale value 3/ (cts.)	98.9	102.8	98.9	102.2	88.9	91.1	93.0	91.4	90.0	92.9
Net farm value 4/ (cts.)	67.8	72.5	62.9	67.4	50.7	59.0	61.9	59.7	56.6	59.4
Farm-retail spread (cts.)	130.2	125.1	135.1	131.4	137.7	132.4	128.0	133.8	134.0	131.6
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	96.6	99.5	100.3	96.9	102.1	100.6	98.1
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	34.8	38.2	32.1	31.1	31.7	33.4	33.5
Farm value-retail price (%)	34	37	32	34	27	31	33	31	30	31

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

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

Table 9—Price Indexes of Food Marketing Costs

See the June 1995 issue.

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

Livestock & Products

Table 10—U.S. Meat Supply & Use

	Beg. stocks	Produc- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
							Pounds		
Million pounds 4/									
Beef									
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	25,060	2,340	27,948	1,683	450	25,815	68.7	65-67
1996 F	450	25,858	2,340	28,648	1,715	475	26,458	69.7	62-68
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	18,051	715	19,204	580	405	18,219	53.7	38-39
1996 F	405	18,138	680	19,223	565	400	18,258	53.3	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	79-81
1996 F	5	315	0	320	0	5	315	1.0	75-81
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	50	352	8	11	333	1.2	70-72
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	122.6	--
1995 F	1,003	43,703	3,105	47,811	2,271	871	44,669	124.5	--
1996 F	871	44,577	3,073	48,521	2,288	891	45,342	125.0	--
Broilers									
1993	368	22,016	0	22,384	1,965	358	20,059	68.4	52.6
1994	358	23,666	0	24,024	2,875	458	20,690	69.8	55.7
1995 F	458	25,227	0	25,685	3,758	490	21,438	71.8	52-54
1996 F	490	26,797	0	27,287	4,015	530	22,742	75.5	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	5,186	245	254	4,686	18.0	65.7
1995 F	254	5,242	0	5,496	248	350	4,899	18.6	62-64
1996 F	350	5,464	0	5,814	258	300	5,256	19.8	58-63
Total poultry									
1993	650	27,329	0	27,979	2,234	615	25,129	88.0	--
1994	615	29,113	0	29,728	3,212	727	25,790	89.5	--
1995 F	727	30,994	0	31,721	4,106	850	26,764	92.0	--
1996 F	850	32,771	0	33,621	4,376	840	28,405	96.6	--
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	76,474	5,363	1,730	69,382	212.1	--
1995 F	1,730	74,697	3,105	79,532	6,377	1,721	71,433	216.5	--
1996 F	1,721	77,348	3,073	82,142	6,664	1,731	73,747	221.7	--

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: LaVerne Williams (202) 219-1268.

Table 11—U.S. Egg Supply & Use

	Beg. stocks	Production	Imports	Total supply	Exports	Hatching use	Ending stocks	Consumption		Wholesale price*
								Total	Per capita	
								Million dozen		
1988	14.4	5,803.4	5.3	5,823.1	141.8	606.0	15.2	5,060.1	247.8	62.1
1989	15.2	5,620.9	25.2	5,661.3	91.6	641.8	10.7	4,917.2	238.6	81.9
1990	10.7	5,687.0	9.1	5,706.8	100.8	678.5	11.6	4,915.8	236.0	82.2
1991	11.6	5,800.6	2.3	5,814.5	154.5	708.6	13.0	4,938.5	234.6	77.5
1992	13.0	5,905.0	4.3	5,922.3	157.0	732.0	13.5	5,019.8	235.9	65.4
1993	13.5	6,003.1	4.7	6,021.2	158.9	769.6	10.7	5,082.0	236.3	72.5
1994	10.7	6,176.6	3.7	6,191.0	187.6	803.0	14.9	5,185.5	238.7	67.3
1995 P	14.9	6,260.1	4.1	6,279.1	193.5	836.2	12.0	5,237.4	238.8	64-67
1996 F	12.0	6,380.0	4.0	6,396.0	193.0	870.0	12.0	5,321.0	240.3	62-67

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

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

Table 12—U.S. Milk Supply & Use¹

Production	Farm use	Commercial		Import	Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals		
		Farm market-ings	Beg. stock				Ending stocks	Disap-pear-ance		Skim solids basis	Total solids basis 2/	
		Billion pounds (milkfat basis)								\$/cwt	Billion pounds	
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.0	2.2	142.8	4.6	2.4	149.8	9.1	4.3	136.4	12.26	5.5	6.9
1989	143.9	2.1	141.8	4.3	2.5	148.6	9.4	4.1	135.0	13.56	0.4	4.0
1990	147.7	2.0	145.7	4.1	2.7	152.5	9.0	5.1	138.3	13.68	1.6	4.6
1991	147.7	2.0	145.7	5.1	2.6	153.4	10.4	4.5	138.6	12.24	3.9	6.5
1992	150.9	1.9	149.0	4.5	2.5	155.9	9.9	4.7	141.3	13.09	2.0	5.2
1993	150.6	1.8	148.8	4.7	2.8	156.3	6.7	4.6	145.1	12.86	3.9	5.0
1994	153.6	1.8	151.9	4.6	2.9	159.3	4.8	4.3	150.3	13.05	3.8	4.2
1995 F	158.4	1.7	156.7	4.3	3.0	164.0	3.2	4.4	156.5	12.35	6.5	5.2

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

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

Table 13—Poultry & Eggs

	Annual			1994			1995			
	1992	1993	1994	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Broilers										
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	1,924.3	1,986.4	1,979.2	2,059.4	1,890.4	2,194.8	1,903.0
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.7	57.8	50.5	50.9	51.1	51.7	52.3	51.5
Price of grower feed (\$/ton) 1/	125	130.1	135.2	147	117	120	123	121	124	126
Broiler-feed price ratio 2/	5.1	5.3	5.2	4.8	5.6	5.4	5.3	5.4	5.3	5.1
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	374.2	429.8	438.0	458.4	448.1	458.2	486.7
Broiler-type chicks hatched (mil.) 3/	6,892.8	7,220.8	7,549.8	627.1	597.3	658.9	661.4	599.0	677.3	662.4
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	380.6	453.9	397.5	389.1	371.2	434.1	370.4
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	61.6	74.0	70.4	60.7	58.5	60	60.1
Price of turkey grower feed (\$/ton) 1/	117.3	118.8	125.5	135	112	116	117	116	118	120
Turkey-feed price ratio 2/	6.4	6.6	6.6	5.8	8	7.3	6.7	6.4	6.5	6.4
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	346.5	636.2	280.7	254.4	317.6	367.5	444.4
Poults placed in U.S. (mil.)	307.8	308.9	317.5	28.4	24.6	25.6	27	25.9	28.5	26.9
Eggs										
Farm production (mil.)	70,860	72,037	74,119	6,073	6,265	6,519	6,374	5,720	6,448	6,173
Average number of layers (mil.)	279	285	292	290	297	299	298	296	295	294
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	20.9	21.1	21.8	21.4	19.3	21.8	21.0
Cartoned price, New York, grade A large (cts./doz.) 4/	65.4	72.5	67.3	65.0	68.5	69.3	65.2	64.3	66.2	66.6
Price of laying feed (\$/ton) 1/	135.5	134.2	144.4	160	121	124	128	128	133	135
Egg-feed price ratio 2/	8.5	9.4	8.5	7.7	10.3	10.2	9.7	9.6	9.2	9.2
Stocks, first of month										
Shell (mil. doz.)	0.63	0.45	0.3	0.27	0.21	0.09	0.12	0.36	0.42	0.21
Frozen (mil. doz.)	12.3	13.0	10.4	11.9	15.2	14.5	14.8	14.8	13.9	14.0
Replacement chicks hatched (mil.)	391	406	379	35.7	25.5	29.1	31.5	31.7	34.8	34.1

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

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

Table 14—Dairy

	Annual			1994			1995			
	1992	1993	1994	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	12.99	11.86	11.38	11.35	11.79	11.89	11.16
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	65.5	71.5	67.0	64.0	65.5	66.5	66.5
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	143.3	127.9	121.3	124.5	130.4	131.1	122.8
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	110.8	107.1	106.9	106.7	107.1	107.8	107.6
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,936.4	6,653.8	4,812.2	360.9	282.2	488.2	596.0	121.2	319.3	281.5
Butter (mil. lb.)	439.5	288.8	204.4	15.5	10.9	20.8	24.2	3.1	12.4	11.1
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.1	1.9	0.3	0.3	0.3	0.3	0.2
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	37.7	32.4	26.7	31.1	48.6	49.1	47.2
Milk										
Milk prod. 22 States (mil. lb.)	127,439	126,956	132,240	11,282	10,624	11,090	11,280	10,441	11,698	11,477
Milk per cow (lb.)	15,714	15,836	16,334	1,396	1,312	1,370	1,394	1,291	1,444	1,417
Number of milk cows (1,000)	8,110	8,017	8,096	8,080	8,098	8,094	8,090	8,088	8,103	8,097
U.S. milk production (mil. lb.)	150,885	150,582	153,626	13,118	12,330	12,871	13,154	12,176	13,641	13,400
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	10,027	6,293	5,862	5,761	6,238	6,211	6,026
Commercial (mil. lb.)	4,461	4,688	4,550	4,722	4,374	4,198	4,264	4,780	4,806	4,860
Government (mil. lb.)	11,379	9,526	5,020	5,305	2,549	1,664	1,497	1,458	1,405	1,166
Imports, total (mil. lb.)	2,524	2,807	2,880	250	299	295	220	314	233	---
Commercial disappearance (mil. lb.)	141,351	145,037	150,218	12,459	12,377	12,461	12,118	12,213	13,357	---
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,295.9	119.4	100.7	121.4	132.0	120.3	125.7	119.3
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	253.5	124.6	84.5	79.4	89.9	88.3	74.8
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,097.2	92.6	91.4	98.5	96.4	116.9	116.0	---
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,977.0	255.2	240.0	256.9	262.0	240.2	263.2	258.9
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	319.5	313.4	310.2	310.4	326.1	329.8	331.4
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,034.1	249.1	242.7	258.5	246.2	242.8	262.8	---
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,753.1	299.1	319.4	321.4	303.6	288.2	330.7	305.0
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	154.2	135.2	124.5	126.8	131.5	127.0	135.3
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,047.9	320.7	362.7	352.0	320.0	313.9	347.3	---
Nonfat dry milk										
Production (mil. lb.)	872.1	954.5	1,215.6	126.1	88.8	116.3	106.7	98.3	110.4	116.5
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	67.4	132.4	121.4	131.2	140.9	121.9	125.4
Commercial disappearance (mil. lb.)	720.5	648.7	890.7	65.7	60.3	75.3	64.5	70.6	58.0	---
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,244.8	113.1	84.7	79.9	81.6	85.5	109.1	105.1

	Annual			1993		1994				1995
	1992	1993	1994	III	IV	I	II	III	IV	I P
Milk production (mil. lb.)	150,885	150,582	153,622	37,238	36,509	37,560	39,916	38,217	37,933	38,971
Milk per cow (lb.)	15,574	15,704	16,129	3,891	3,828	3,951	4,188	4,007	3,983	4,095
No. of milk cows (1,000)	9,688	9,589	9,525	9,570	9,537	9,506	9,530	9,539	9,524	9,516
Milk-feed price ratio	1.69	1.64	1.62	1.62	1.66	1.65	1.58	1.57	1.67	1.66
Returns over concentrate costs (\$/cwt milk)	9.95	9.54	9.65	9.35	9.95	10.10	9.60	9.15	9.75	9.40

1/ Manufacturing grade milk. 2/ Prices paid f.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Estimated. --- = not available. P = preliminary.

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

Table 15—Wool

	Annual			1993	1994				1995
	1992	1993	1994	IV	I	II	III	IV	I
U.S. wool price, (cts./lb.) 1/	204	137	212	132	153	219	238	238	254
Imported wool price, (cts./lb.) 2/	210	142	216	150	171	192	200	222	259
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	136,143	141,380	138,694	34,419	36,277	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	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	8,977	8,629	8,914	8,870	8,866	8,926	8,992
Placed on feed (1,000 head)	20,508	20,474	19,997	1,416	1,854	1,590	1,720	1,607	1,776	1,435
Marketings (1,000 head)	18,548	19,048	19,602	1,610	1,498	1,540	1,636	1,481	1,629	1,557
Other disappearance (1,000 head)	1,194	1,219	895	82	71	94	88	66	81	80
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	75.48	69.43	69.35	73.60	73.79	70.64	67.54
Neb. Direct	75.35	76.36	68.84	75.16	68.67	68.34	71.97	72.55	70.00	66.63
Boning utility cows, Sioux Falls	44.84	47.52	42.51	47.31	36.69	36.30	38.79	40.63	39.32	38.47
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	91.72	83.24	89.44	78.88	79.88	79.88	76.91	76.31	76.69
750–800 lb.	—	86.45	77.72	81.19	75.19	76.63	76.50	72.53	68.84	65.41
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	42.83	28.51	32.14	37.96	39.60	38.13	36.04
6 markets	42.31	45.38	39.57	42.48	28.03	31.48	37.68	39.03	37.86	35.77
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	42.60	18.54	18.63	27.74	31.79	39.60	36.96
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	51.25	73.60	67.50	65.38	75.08	73.75	68.58
Ewes, Good, San Angelo	35.24	37.46	40.47	39.45	42.45	43.25	35.60	41.75	31.25	35.31
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	61.95	78.30	74.38	75.60	82.69	80.06	78.81
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	113.99	104.56	105.50	112.08	110.46	107.35	103.25
Select, 700–800 lb.	111.66	113.53	102.08	111.96	97.72	98.10	107.22	108.25	105.40	99.76
Canner & cutter cow beef	93.85	95.43	84.39	91.62	72.21	73.17	73.63	76.63	74.94	72.91
Pork cutout, No. 2	58.37	62.19	57.29	59.81	50.82	51.66	53.72	56.38	54.55	51.64
Pork loins, 14–18 lb.	101.41	107.47	101.50	101.89	80.00	89.50	96.94	102.20	95.30	93.33
Pork bellies, 12–14 lb.	30.39	41.62	40.00	46.84	29.09	29.29	36.03	35.80	36.30	33.83
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	57.76	52.10	50.74	46.40	54.34	51.60	44.00
All fresh beef retail price	266.79	273.43	265.99	267.25	262.24	262.79	262.03	263.66	266.47	259.47
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	2,711	2,808	2,871	2,869	2,581	2,950	2,650
Steers	17,138	17,222	18,027	1,447	1,366	1,453	1,434	1,286	1,498	1,401
Heifers	9,236	9,358	9,589	752	800	788	819	759	865	765
Cows	5,846	6,086	5,941	458	590	580	564	484	528	434
Bulls & stags	653	659	641	54	52	50	52	52	59	50
Calves	1,371	1,195	1,268	94	117	124	124	106	121	98
Sheep & lambs	5,496	5,182	4,938	420	407	426	386	375	468	440
Hogs	94,889	93,068	95,713	7,781	8,737	8,786	8,092	7,329	8,808	7,547
Barrows & gilts	89,964	88,387	90,774	7,415	8,274	8,313	7,682	6,969	8,391	7,208
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	1,901	1,978	2,020	2,009	1,808	2,060	1,849
Veal	299	267	283	22	25	26	27	24	27	22
Lamb & mutton	343	329	304	27	24	26	24	24	30	28
Pork	17,184	17,030	17,658	1,432	1,639	1,642	1,500	1,354	1,634	1,405
	Annual			1993			1994			
	1992	1993	1994	IV	I	II	III	IV	I	II
Cattle on feed (13 States)										
Cattle on feed (13 States)	10,135	10,974	11,196	9,691	11,196	10,734	9,124	9,252	10,606	10,688
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	10,688
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/										
Hogs & pigs (U.S.) 3/	57,649	58,202	57,904	59,030	57,904	57,350	60,715	62,320	59,992	58,415
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	6,988
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 contacts: LaVerne Williams (202) 219–1268, and Leland Southerd (202) 219–0767

Crops & Products

Table 17—Supply & Utilization^{1,2}

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 5/
	Set aside 3/	Planted	Harvested									
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Wheat												
1990/91	7.5	77.0	69.1	39.5	2,730	3,303	482	883	1,069	2,435	868	2.61
1991/92	15.9	69.9	57.8	34.3	1,980	2,889	244	887	1,282	2,414	475	3.00
1992/93	7.3	72.2	62.8	39.3	2,467	3,012	194	934	1,354	2,481	531	3.24
1993/94	5.7	72.2	62.7	38.2	2,396	3,036	272	968	1,228	2,467	568	3.26
1994/95*	5.2	70.4	61.8	37.6	2,321	2,979	300	953	1,215	2,468	511	3.45
1995/96*	5.2	69.9	60.3	37.5	2,260	2,872	250	963	1,200	2,413	459	3.35-3.75
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
Rice												
1990/91	1.0	2.9	2.8	5529.0	156.1	187.2	—	6/ 91.6	71.0	162.6	24.6	6.7
1991/92	0.9	2.9	2.8	5731.0	159.4	189.2	—	6/ 95.4	66.4	161.8	27.4	7.6
1992/93	0.4	3.2	3.1	5736.0	179.7	213.2	—	6/ 96.7	77.0	173.7	39.4	5.9
1993/94	0.7	2.9	2.8	5510.0	156.1	202.5	—	6/ 101.5	75.2	176.7	25.8	8.0
1994/95*	0.3	3.4	3.3	5964.4	197.8	231.5	—	6/ 104.2	92.0	196.2	35.3	6.65-6.75
1995/96*	0.7	3.1	3.1	5700.5	177.0	221.3	—	6/ 107.2	83.0	190.2	31.1	6.50-7.50
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Corn												
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,761	1,521	2.28
1991/92	7.4	76.0	68.8	108.6	7,475	9,016	4,877	1,454	1,584	7,915	1,100	2.37
1992/93	5.3	79.3	72.1	131.5	9,477	10,584	5,296	1,511	1,663	8,471	2,113	2.07
1993/94	10.9	73.2	62.9	100.7	6,336	8,470	4,704	1,588	1,328	7,620	850	2.50
1994/95*	2.4	79.2	72.9	138.6	10,103	10,963	5,650	1,700	2,075	9,425	1,538	2.20-2.30
1995/96*	6.2	73.3	66.0	119.7	7,900	9,448	5,050	1,775	1,875	8,700	748	2.45-2.85
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Sorghum												
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	8	292	674	53	2.25
1992/93	2.0	13.2	12.1	72.6	875	928	469	8	277	753	175	1.89
1993/94	2.3	9.9	8.9	59.9	534	709	453	8	202	662	48	2.31
1994/95*	1.6	9.8	9.0	73.0	655	703	400	7	220	627	76	2.00-2.10
1995/96*	1.5	9.2	8.2	67.4	555	631	375	7	200	582	49	2.30-2.70
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Barley												
1990/91	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92	2.2	8.9	8.4	55.2	464	624	225	176	94	496	129	2.10
1992/93	2.3	7.8	7.3	62.5	455	595	192	171	80	444	151	2.04
1993/94	2.5	7.8	6.8	58.9	398	621	241	175	66	482	139	1.99
1994/95*	2.7	7.2	6.7	56.2	375	579	225	175	70	470	109	2.01
1995/96*	2.0	7.0	6.5	58.1	380	559	230	175	50	455	104	2.20-2.60
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Oats												
1990/91	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92	0.6	8.7	4.8	50.6	244	490	235	125	2	362	128	1.21
1992/93	0.7	7.9	4.5	65.4	294	477	233	125	6	364	113	1.32
1993/94	0.8	7.9	3.8	54.4	207	427	193	125	3	321	106	1.36
1994/95*	0.6	6.6	4.0	57.2	230	435	205	125	1	331	104	1.21
1995/96*	0.5	6.8	3.7	54.7	200	404	175	125	1	301	103	1.35-1.75
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Soybeans												
1990/91	0.0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92	0.0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	684	2,041	278	5.58
1992/93	0.0	59.2	58.2	37.6	2,190	2,471	7/ 130	1,279	770	2,179	292	5.56
1993/94	0.0	60.1	57.4	32.6	1,871	2,170	7/ 96	1,276	589	1,961	209	6.40
1994/95*	0.0	61.9	61.1	41.9	2,558	2,775	7/ 170	1,385	810	2,365	410	5.45
1995/96*	0.0	62.7	61.5	36.0	2,210	2,625	7/ 110	1,375	775	2,270	355	5.25-6.25
	Mil. lbs.											Cts./lb.
Soybean oil												
1990/91	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92	—	—	—	—	14,345	16,132	—	12,245	1,648	13,893	2,239	19.10
1992/93	—	—	—	—	13,778	16,028	—	13,054	1,419	14,473	1,555	21.40
1993/94	—	—	—	—	13,951	15,574	—	12,941	1,529	14,471	1,103	27.10
1994/95*	—	—	—	—	15,372	16,485	—	12,900	2,500	15,400	1,085	27.00
1995/96*	—	—	—	—	15,400	16,495	—	13,100	1,900	15,000	1,495	23.5-27.5
	1,000 tons											9/ \$/ton
Soybean meal												
1990/91	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181.40
1991/92	—	—	—	—	29,831	30,183	—	23,008	6,945	29,953	230	189.20
1992/93	—	—	—	—	30,364	30,687	—	24,251	6,232	30,483	204	193.75
1993/94	—	—	—	—	30,514	30,788	—	25,283	5,356	30,639	150	192.88
1994/95*	—	—	—	—	32,765	32,975	—	26,725	6,000	32,725	250	157.50
1995/96*	—	—	—	—	32,685	33,000	—	27,050	5,700	32,750	250	160-185

See footnotes at end of table.

Table 17—Supply & Utilization (continued)

		Area												
		Set aside 3/	Planted	Harvested	Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/	
		Mil. acres			Lb./acre		Mil. bales							Cts./lb.
Farm ice 5/	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	58.40	
	1994/95*	1.7	13.7	13.3	708	19.7	23.2	---	11.4	10.2	21.6	1.7	11/ 73.00	
\$/bu.	1995/96*	0.3	16.2	15.2	665	21.0	22.7	---	11.6	8.5	20.1	2.7	12/	

*June 12, 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-April, 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	Apr	Dec	Jan	Feb	Mar	Apr
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	3.63	4.27	4.06	3.98	3.87	3.86
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	4.99	4.37	4.21	4.09	4.11	4.30
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	22.75	13.25	13.35	13.75	13.88	13.88
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.78	2.24	2.32	2.37	2.45	2.50
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	4.33	3.81	3.92	3.90	4.01	4.08
Barley, feed, Duluth (\$/bu.)	2.13	2.17	2.11	2.05	2.08	2.00	2.02	2.06	2.02	1.97
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.73	2.81	2.81	2.82	2.85	NQ
U.S. price, SLM, 1-1/16 in. (cts./lb.) 5/	74.8	56.7	54.1	66.1	76.1	81.9	88.1	91.9	104.2	104.9
Northern Europe prices index (cts./lb.) 6/	82.9	62.9	56.9	70.7	83.9	87.1	95.6	100.5	110.6	114.6
U.S. M 1-3/32 in. (cts./lb.) 7/	88.2	66.3	62.5	73.1	86.8	92.1	100.3	103.9	116.7	120.2
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.62	5.54	5.45	5.48	5.66	5.68
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	27.95	30.37	29.00	27.97	28.17	26.16
Soybean meal, 48% protein, Decatur (\$/ton) 8/	181.40	189.20	193.75	161.10	188.90	156.90	156.40	151.30	156.90	161.9

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/ Average spot market. 6/ Liverpool Cotlook "A" Index; average of five lowest prices of 13 selected growths. 7/ Memphis territory growths. 8/ Note change to 48% protein. NQ = No quotes.

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

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

	Target price	Basic loan rate	Payment rates				Effective base acres 2/	Program 3/	Participation rate 4/
			Findley or announced loan rate 1/	Total deficiency	Paid land diversion				
					Mandatory	Optional			
							Mil. acres	Percent of base	Percent of base
				\$/bu.					
Wheat									
1989/90	4.10	2.58	2.06	0.32	---	---	82.3	10/0/0	73
1990/91 5/	4.00	2.44	1.95	1.28	---	---	80.5	6/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	---	---	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	0.81	---	---	78.9	5/0/0	83
1993/94	4.00	2.86	2.45	1.03	---	---	78.5	0/0/0	88
1994/95	4.00	2.72	2.58	**0.95	---	---	78.1	0/0/0	87
1995/96	4.00	---	---	***0.70	---	---	---	0/0/0	---
				\$/cwt					
Rice									
1989/90	10.80	6.50	7/ 6.00	3.56	---	---	4.2	25/0/0	94
1990/91 5/	10.71	6.50	7/ 5.40	4.16	---	---	4.2	20/0/0	95
1991/92	10.71	6.50	7/ 5.85	3.07	---	---	4.2	5/0/0	95
1992/93	10.71	6.50	7/ 4.86	4.21	---	---	4.1	0/0/0	96
1993/94	10.71	6.50	7/ 5.64	3.98	---	---	4.1	5/0/0	97
1994/95	10.71	6.50	7/ ---	***3.89	---	---	4.2	0/0/0	95
1995/96	10.71	6.50	7/ ---	***4.21	---	---	---	5/0/0	---
				\$/bu.					
Corn									
1989/90	2.84	2.06	1.65	0.58	---	---	82.7	10/0/0	79
1990/91 5/	2.75	1.96	1.57	0.51	---	---	82.6	10/0/0	78
1991/92	2.75	1.89	1.62	0.41	---	---	82.7	7.5/0/0	77
1992/93	2.75	2.01	1.72	0.73	---	---	82.1	5/0/0	76
1993/94	2.75	1.99	1.72	0.28	---	---	81.8	10/0/0	81
1994/95	2.75	1.99	1.89	**0.57	---	---	81.5	0/0/0	82
1995/96	2.75	---	---	***0.40	---	---	---	7.5/0/0	---
				\$/bu.					
Sorghum									
1989/90	2.70	1.96	1.57	0.66	---	---	16.2	10/0/0	71
1990/91 5/	2.61	1.86	1.49	0.56	---	---	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	---	---	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	0.72	---	---	13.6	5/0/0	79
1993/94	2.61	1.89	1.63	0.25	---	---	13.5	5/0/0	82
1994/95	2.61	1.89	1.80	**0.59	---	---	13.5	0/0/0	81
1995/96	2.61	---	---	***0.39	---	---	---	0/0/0	---
				\$/bu.					
Barley									
1989/90	2.44	1.68	1.34	0.00	---	---	12.3	10/0/0	67
1990/91 5/	2.36	1.60	1.28	0.20	---	---	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	0.62	---	---	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	0.56	---	---	11.1	5/0/0	75
1993/94	2.36	1.62	1.40	0.67	---	---	10.8	0/0/0	83
1994/95	2.36	1.62	1.54	**0.52	---	---	10.7	0/0/0	84
1995/96	2.36	---	---	***0.40	---	---	---	0/0/0	---
				\$/bu.					
Oats									
1989/90	1.50	1.06	0.85	0.00	---	---	7.6	5/0/0	18
1990/91 5/	1.45	1.01	0.81	0.32	---	---	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	---	---	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	0.17	---	---	7.2	0/0/0	40
1993/94	1.45	1.02	0.88	0.11	---	---	7.1	0/0/0	46
1994/95	1.45	1.02	0.97	**0.20	---	---	6.8	0/0/0	40
1995/96	1.45	---	---	***0.05	---	---	---	0/0/0	---
				\$/bu.					
Soybeans 8/									
1989/90	---	---	4.53	---	---	---	---	---	---
1990/91 5/	---	---	4.50	---	---	---	---	---	---
1991/92	---	---	5.02	---	---	---	---	---	---
1992/93	---	---	5.02	---	---	---	---	---	---
1993/94	---	---	5.02	---	---	---	---	---	---
1994/95	---	---	4.92	---	---	---	---	---	---
1995/96	---	---	4.92	---	---	---	---	---	---
				Cts./lb.					
Upland cotton									
1989/90	73.4	50.00	9/ 50.00	13.1	---	---	14.6	25/0/0	89
1990/91 5/	72.9	50.27	9/ 50.27	7.3	---	---	14.4	12.5/0/0	86
1991/92 10/	72.9	50.77	9/ 47.23	10.1	---	---	14.6	5/0/0	84
1992/93	72.9	52.35	9/ 43.81	20.3	---	---	14.9	10/0/0	89
1993/94	72.9	52.35	9/ 47.50	18.6	---	---	15.1	7.5/0/0	91
1994/95	72.9	50.00	9/ ---	** 4.6	---	---	15.3	11/0/0	89
1995/96	72.9	51.92	9/ ---	***3.7	---	---	---	0/0/0	---

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

3/ Program requirements for participating producers (mandatory acreage reduction program/mandatory paid land diversion/optional paid land diversion). Acres idled must be devoted to a conserving use to receive program benefits. 4/ Percentage of effective base acres enrolled in acreage reduction programs. 5/ Payments & loans were reduced by 1.4 percent in 1990/91 due to Gramm-Rudman-Hollings. Budget Reconciliation Act reductions to deficiency payments rates were also in effect in that year. Data do not include these reductions. 6/ Under 1990 modified contracts, participating producers plant up to 105 percent of their wheat base acres. For every acre planted above 95 percent of base, the acreage used to compute deficiency payments was cut by 1 acre. 7/ A marketing loan has been in effect for rice since 1985/86. Loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly). However, loans cannot be repaid at less than a specified fraction of the loan rate. Data refer to market-year average loan repayment rates. 8/ There are no target prices, base acres, acreage reduction programs, or deficiency payment rates for soybeans. 9/ A marketing loan has been in effect for cotton since 1986/87. In 1987/88 & after, loans may be repaid at the lower of: a) the loan rate or b) the adjusted world market price (announced weekly; Plan B). Starting in 1991/92, loans cannot be repaid at less than 70 percent of the loan rate. Data refer to annual average loan repayment rates. 10/ A marketing certificate program was implemented on Aug. 1, 1991. --- = not available.

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

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

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

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

Information Contact: 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	16,129
Per capita consumpt. (lbs.) 2/	23.9	25.4	23.5	21.4	19.1	24.4	26.0	23.4	24.2
Noncitrus 3/ Production (1,000 tons)	16,011	15,893	16,365	15,657	15,748	17,116	16,566	16,861	—
Per capita consumpt. (lbs.) 2/	72.5	72.4	73.1	71.1	70.6	73.9	74.0	—	—
	1994				1995				
	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Grower prices									
Apples (cents/pound) 4/	20.3	21.7	20.0	16.7	17.9	20.2	18.9	18.3	16.9
Pears (cents/pound) 4/	14.7	17.3	12.8	14.3	14.5	13.7	15.1	18.2	20.0
Oranges (\$/box) 5/	4.56	2.53	2.62	2.60	2.91	3.05	3.29	3.77	4.48
Grapefruit (\$/box) 5/	3.67	4.39	5.96	2.84	2.60	2.19	2.24	2.28	1.68
Stocks, ending									
Fresh apples (mil. lbs.)	69.4	3,874.3	6,163.3	5,198.8	4,486.0	3,722.2	2,986.0	2,212.1	1619.4
Fresh pears (mil. lbs.)	198.7	588.8	487.7	387.3	323.4	214.3	149.8	99.1	57.6
Frozen fruits (mil. lbs.)	1,039.6	1,056.5	1,439.4	1,341.2	1,257.1	1,119.6	1,042.0	925.9	858.1
Frozen conc. orange juice (mil. single-strength gallons)	494.4	420.7	382.1	346.2	492.5	588.3	604.7	641.0	691.9

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)	406,609	361,743	389,320	356,438	370,444	402,110	417,622	425,367	428,693	459,342
Sweetpotatoes (1,000 cwt)	14,573	12,368	11,611	10,945	11,358	12,594	11,203	12,005	11,053	13,081
Dry edible beans (1,000 cwt)	22,298	22,960	26,031	19,253	23,729	32,379	33,765	22,615	21,913	29,187
	1994					1995				
	Apr	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Shipments (1,000 cwt)										
Fresh	23,149	19,977	17,349	15,934	16,574	17,424	17,505	17,802	21,121	19,141
Iceberg lettuce	4,091	4,222	3,765	3,879	3,697	3,669	3,835	3,575	2,992	3,086
Tomatoes, all	3,369	3,188	2,614	2,661	2,862	2,252	2,320	3,238	3,691	2,907
Dry-bulb onions	3,532	3,221	3,375	3,916	4,019	3,660	3,510	2,759	3,386	3,043
Other 5/	12,157	9,346	7,595	5,478	5,996	7,843	7,840	8,230	11,052	10,105
Potatoes, all	22,114	9,545	10,444	11,271	11,886	13,364	13,418	12,815	17,818	17,872
Sweetpotatoes	218	80	104	241	310	673	214	237	291	317

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					1994				1995
	1990	1991	1992	1993	1994	Jan-Mar	Apr-June	July-Sept	Oct-Dec	Jan-Mar
Sugar										
Production 1/	6,334	7,145	7,569	7,841	7,681	2,247	639	870	3,926	2,433
Deliveries 1/	8,661	8,704	8,936	9,064	9,322	2,144	2,307	2,579	2,292	2,121
Stocks, ending 1/	2,729	3,039	3,225	3,512	3,145	4,041	2,685	1,338	3,145	3,903
Coffee										
Composite green price N.Y. (cts./lb.)	76.93	70.09	55.30	64.31	138.62	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	560	447	550	491	—
	Annual					1994				1995
	1992	1993	1994	July	Aug	Sept	Oct	Nov	Dec	Jan
Tobacco										
Avg. price to grower 3/ Flue-cured (\$/lb.)	172.6	168.1	169.8	150.0	160.0	177.0	180.5	182.5	—	—
Burley (\$/lb.)	181.5	181.5	181.4	—	—	—	—	180.5	184.0	183.5
Domestic consumption 4/ Cigarettes (bil.)	509.5	462.9	488.6	36.9	48.5	39.6	40.7	38.3	39.4	38.5
Large cigars (mil.)	2,217.1	2,236.8	2,290.8	164.3	217.9	225.5	204.0	202.4	159.2	159.3

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

Information contacts: Sugar, Peter Buzzanell (202) 219-0888, 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. 1990 data correspond with 1989/90, 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	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	4.55	4.42	4.48	4.25	4.20	4.09	4.09
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	2.43	2.44	2.61	2.72	2.72	2.78	2.78
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	2.43	2.54	2.67	2.73	2.69	2.73	2.73
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	5.69	5.94	6.04	6.01	5.97	6.10	6.10
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	26.57	29.41	30.37	29.01	27.98	28.18	28.18
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	167.73	161.02	156.90	156.40	151.96	156.21	156.21
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	67.58	72.00	81.92	88.11	91.89	104.20	104.20
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	180.55	185.04	183.54	188.03	192.05	170.55	170.55
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	13.90	13.75	13.75	13.75	13.75	13.75	13.75
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	19.63	19.75	22.88	22.62	18.79	18.17	18.17
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	1.90	1.68	1.56	1.60	1.57	1.68	1.68
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	73.46	71.76	77.35	85.68	92.61	94.14	94.14
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.61	0.60	0.59	0.62	0.64	0.62	0.62

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

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

	1994							1995					
	Jun	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
	1990 = 100												
Total U.S. trade	103.3	100.7	100.9	99.7	98.0	99.2	101.4	99.9	98.9	95.0	93.0	92.2	91.1
Agricultural trade													
U.S. markets	96.9	95.3	95.2	94.3	93.7	94.1	96.6	99.3	98.8	97.0	93.3	93.4	93.4
U.S. competitors	104.5	101.5	101.2	100.1	98.4	99.1	100.5	99.5	98.6	96.2	94.7	94.1	93.4
Wheat													
U.S. markets	107.9	106.4	105.4	104.5	103.8	102.9	103.3	103.3	103.3	101.8	99.6	99.0	98.4
U.S. competitors	107.1	105.5	105.4	104.3	103.1	103.8	104.8	104.2	103.8	102.0	100.2	99.8	99.1
Soybeans													
U.S. markets	94.2	91.9	91.6	90.8	89.8	90.5	93.1	94.6	94.0	91.1	87.6	87.4	87.0
U.S. competitors	76.8	71.8	70.2	68.6	67.3	66.5	66.3	65.5	64.7	65.4	65.2	64.9	64.6
Corn													
U.S. markets	91.6	89.9	89.5	88.6	88.3	88.3	90.2	91.2	91.1	88.3	84.2	83.7	83.1
U.S. competitors	100.7	98.7	98.5	97.5	96.3	97.2	98.2	96.8	96.2	93.9	92.5	92.0	91.1
Cotton													
U.S. markets	99.7	98.1	97.8	97.3	96.7	96.6	97.6	98.1	97.9	96.2	93.8	93.4	92.9
U.S. competitors	124.9	122.6	123.8	122.8	121.1	120.4	120.3	119.8	119.7	119.0	117.9	117.4	116.9

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/								Mar
	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	51,500	5,037
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	44,351
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	49,388
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	29,500	2,780
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	61,042
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	63,822
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	22,000	2,257
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	16,691
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	14,434

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*			Mar	Fiscal year*			Mar
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,107	1,162	—	44	358	469	—	28
Meats & preps., excl. poultry (mt)	1,160	1,316	2/ 1,100	126	3,349	3,503	—	345
Dairy products (mt) 1/	211	188	—	21	762	709	800	74
Poultry meats (mt)	986	1,377	1,800	173	1,031	1,420	—	167
Fats, oils, & greases (mt)	1,362	1,341	1,500	171	519	515	—	83
Hides & skins incl. furskins	—	—	—	—	1,288	1,439	—	168
Cattle hides, whole (no.) 1/	19,786	20,065	—	2,090	1,062	1,128	—	128
Mink pelts (no.) 1/	3,119	3,197	—	703	56	79	—	13
Grains & feeds (mt)	103,701	88,090	—	10,059	14,103	13,130	3/ 16,000	1,458
Wheat (mt)	36,039	31,145	33,000	2,691	4,737	4,026	4/ 5,100	409
Wheat flour (mt)	1,075	1,024	1,100	150	217	201	—	28
Rice (mt)	2,710	2,433	3,000	271	766	889	900	77
Feed grains, incl. products (mt)	50,701	40,441	58,400	5,667	5,260	4,744	6,400	642
Feeds & fodders (mt)	11,500	11,380	12,400	1,165	2,147	2,231	—	220
Other grain products (mt)	1,676	1,667	—	115	976	1,039	—	82
Fruits, nuts, & preps. (mt)	3,398	3,597	—	350	3,409	3,827	4,500	323
Fruit juices incl.	—	—	—	—	—	—	—	—
froz. (1,000 hectoliters) 1/	7,845	7,018	—	643	423	467	—	54
Vegetables & preps. (mt)	2,790	2,920	—	243	3,220	3,489	—	336
Tobacco, unmanufactured (mt)	231	196	—	20	1,443	1,260	1,400	141
Cotton, excl. linters (mt)	1,125	1,566	2,300	303	1,526	2,287	4,000	544
Seeds (mt)	529	490	—	34	648	601	700	59
Sugar, cane or beet (mt) 1/	337	392	—	27	106	130	—	11
Oilseeds & products (mt)	29,190	24,051	—	3,364	7,211	6,856	8,200	939
Oilseeds (mt)	21,044	16,958	—	2,314	4,981	4,559	—	545
Soybeans (mt)	20,400	16,364	21,800	2,261	4,606	4,161	4,800	505
Protein meal (mt)	6,545	5,406	—	677	1,262	1,085	—	118
Vegetable oils (mt)	1,601	1,687	—	374	968	1,213	—	276
Essential oils (mt)	13	15	—	2	185	206	—	22
Other	92	132	—	9	3,008	3,203	—	285
Total	145,125	125,671	159,200	14,902	42,589	43,511	51,500	5,037
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	—	507	1,569	1,360	1,400	193
Meats & preps., excl. poultry (mt)	1,128	1,159	—	95	2,726	2,721	—	218
Beef & veal (mt)	793	776	800	63	1,919	1,822	2,100	140
Pork (mt)	276	318	300	25	663	744	700	62
Dairy products (mt) 1/	231	260	—	18	860	955	900	71
Poultry & products 1/	—	—	—	—	137	133	—	12
Fats, oils, & greases (mt)	44	40	—	4	30	26	—	3
Hides & skins, incl. furskins 1/	—	—	—	—	181	195	—	19
Wool, unmanufactured (mt)	59	56	—	7	173	152	—	24
Grains & feeds (mt)	4,942	10,009	7,600	540	1,639	2,328	2,200	180
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,600	692	2,988	2,996	—	339
Bananas & plantains (mt)	3,737	3,836	4,000	336	1,083	1,057	1,100	100
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	28,000	1,937	640	686	—	50
Vegetables & preps. (mt)	2,733	2,866	—	421	2,440	2,642	3,000	327
Tobacco, unmanufactured (mt)	386	319	200	10	1,101	912	500	26
Cotton, unmanufactured (mt)	12	16	—	2	11	17	—	3
Seeds (mt)	189	309	300	55	214	255	300	43
Nursery stock & cut flowers 1/	—	—	—	—	629	685	—	53
Sugar, cane or beet (mt)	1,569	1,619	2,100	189	591	616	—	78
Oilseeds & products (mt)	2,484	3,219	3,400	243	1,204	1,479	1,600	140
Oilseeds (mt)	373	895	—	67	130	273	—	22
Protein meal (mt)	618	760	—	59	89	108	—	8
Vegetable oils (mt)	1,492	1,564	—	118	985	1,098	—	110
Beverages excl. fruit juices (1,000 hectoliters) 1/	14,014	15,710	—	1,455	1,975	2,122	—	194
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,100	178	3,018	3,622	5,700	498
Coffee, incl. products (mt)	1,185	969	1,100	105	1,502	2,019	4,000	372
Cocoa beans & products (mt)	770	748	700	44	1,028	1,077	1,100	80
Rubber & allied gums (mt)	981	1,001	1,000	104	839	885	1,300	157
Other	—	—	—	—	1,489	1,578	—	153
Total	—	—	—	—	24,454	26,365	29,500	2,780

*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*			Mar	Change from year* earlier			Mar
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	\$ million				Percent			
WESTERN EUROPE	7,499	6,802	8,100	881	-3	-6	19	46
European Union 1/	7,241	6,557	7,800	845	-2	-7	19	52
Belgium-Luxembourg	482	504	---	76	5	5	---	169
France	613	466	---	63	-1	-24	---	74
Germany	1,146	1,028	---	119	5	-10	---	41
Italy	568	564	---	53	-17	-1	---	48
Netherlands	1,801	1,609	---	190	-1	-11	---	57
United Kingdom	916	931	---	83	4	2	---	4
Portugal	223	224	---	41	-7	0	---	20
Spain, incl. Canary Islands	829	780	---	137	-13	-6	---	44
Other Western Europe	258	274	300	36	-13	9	9	-21
Switzerland	152	154	---	24	-19	1	---	25
EASTERN EUROPE	468	312	400	19	111	-33	28	-8
Poland	230	111	---	7	368	-52	---	-58
Former Yugoslavia	47	98	---	7	-6	107	---	340
Romania	107	50	---	1	42	-53	---	412
Former Soviet Union	1,561	1,486	1,100	132	-42	-5	-26	42
ASIA	17,832	19,390	2/ 22,600	2,610	0	9	---	45
West Asia (Mideast)	1,922	1,698	2,200	219	9	-12	30	74
Turkey	369	240	---	49	7	-35	---	115
Iraq	1	3	---	0	150	116	---	-100
Israel, incl. Gaza & W. Bank	382	361	500	40	10	-6	39	113
Saudi Arabia	463	500	500	49	-16	8	0	36
South Asia	641	556	---	123	20	-13	---	106
Bangladesh	52	120	---	7	-58	131	---	23
India	226	130	---	32	93	-43	---	349
Pakistan	236	212	400	77	4	-10	89	206
China	322	877	2,300	423	-53	172	162	708
Japan	8,461	9,208	9,700	867	1	9	5	2
Southeast Asia	1,551	1,789	---	244	6	15	---	35
Indonesia	327	408	---	77	-7	25	---	77
Philippines	512	554	600	57	16	8	8	-1
Other East Asia	4,935	5,262	6,900	735	0	7	31	38
Taiwan	1,999	2,103	2,300	254	4	5	9	15
Korea, Rep.	2,041	2,055	3,100	338	-7	1	51	63
Hong Kong	880	1,103	1,500	142	8	25	36	37
AFRICA	2,671	2,237	2,900	270	16	-16	30	23
North Africa	1,659	1,470	2,100	208	18	-11	43	43
Morocco	310	167	---	15	98	-46	---	29
Algeria	458	608	500	41	-4	33	-18	-47
Egypt	756	613	1,500	146	7	-19	145	187
Sub-Saharan	1,012	766	800	62	13	-24	4	-17
Nigeria	158	111	---	9	413	-30	---	25
Rep. S. Africa	383	113	---	26	17	-70	---	71
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,600	592	7	5	5	-14
Brazil	231	228	800	31	61	-1	251	23
Caribbean Islands	1,015	952	---	115	5	-6	---	44
Central America	675	729	---	81	15	8	---	34
Colombia	234	258	---	25	65	10	---	-22
Mexico	3,660	4,133	3,600	247	0	13	-13	-41
Peru	172	205	---	13	-4	19	---	20
Venezuela	502	410	400	37	27	-18	-2	0
CANADA	5,220	5,261	5,900	485	8	1	12	7
OCEANIA	456	497	700	49	7	9	41	23
TOTAL	42,589	43,511	51,500	5,037	0	2	18	29
Developed countries	22,337	22,453	24,900	2,341	2	1	11	18
Developing countries	18,357	18,683	22,800	2,138	8	2	22	19
Other countries	1,896	2,375	3,800	558	-56	25	60	283

* Fiscal years begin Oct. 1 & end Sept. 30. Fiscal year 1994 began Oct. 1, 1993 & ended Sept. 30, 1994. F = forecast. --- = not available.

1/ Austria, Finland, and Sweden are included in the European Union.

2/ 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	190.7	187 to 197
Crops (incl. net CCC loans)	74.3	63.7	65.9	71.7	77.0	80.1	82.1	84.9	84.5	91.6	91 to 95
Livestock	69.8	71.6	76.0	79.4	84.1	89.8	86.7	86.3	90.6	88.3	85 to 89
Farm related 1/	6.0	5.7	6.6	7.3	7.8	7.6	7.8	7.8	8.8	10.8	11 to 13
2. Direct Government payments	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9.2	13.4	7.8	6 to 8
Cash payments	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9.2	13.4	7.8	6 to 8
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	198.5	195 to 203
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	7.1	0 to 4
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	213.7	205 to 213
7. Cash expenses 4/	110.7	105.0	109.4	119.0	125.6	131.8	131.7	130.8	138.7	144.6	142 to 150
8. Total expenses	132.4	125.1	128.8	137.8	144.9	151.3	151.2	150.1	158.0	164	162 to 170
9. Net cash income (3-7)	47.1	47.8	55.8	53.9	54.2	55.1	53.2	57.4	58.5	53.9	48 to 58
10. Net farm income (6-8)	28.8	31.0	39.7	38.0	47.9	46.9	41.1	50.1	43.4	49.7	38 to 48
Deflated (1987\$)	30.5	32.0	39.7	37.3	43.3	41.1	34.9	41.5	34.9	39.4	29 to 37

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	1994 F	1995 F
	\$ per operator household					
Farm income to household 1/	5,742	5,810	7,180	4,815	5,328	3,600 to 6,600
Self-employment farm income	4,973	4,458	5,172	3,623	—	—
Other farm income to household	768	1,352	2,008	1,192	—	—
Plus: Total off-farm income	33,265	31,638	35,731	35,408	36,683	37,000 to 39,000
Income from wages, salaries, and non-farm businesses	24,778	23,551	27,022	25,215	—	—
Income from interest, dividends, transfer payments, etc.	8,487	8,087	8,709	10,194	—	—
Equals: Farm operator household income	39,007	37,447	42,911	40,223	42,011	40,600 to 45,600

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. 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	Feb 1995	Mar 1995	1993	1994	Feb 1995	Mar 1995	1993	1994	Feb 1995	Mar 1995
	\$ million 2/											
NORTH ATLANTIC												
Maine	274	276	22	24	198	205	14	21	472	481	35	44
New Hampshire	65	64	6	6	99	87	5	7	164	151	11	13
Vermont	403	390	30	33	81	87	3	7	484	477	33	41
Massachusetts	122	117	9	10	375	339	10	13	497	456	20	23
Rhode Island	12	12	1	1	67	68	3	5	79	80	4	6
Connecticut	258	251	20	21	263	218	12	16	521	468	31	38
New York	1,888	1,887	142	158	930	968	47	61	2,818	2,855	190	219
New Jersey	199	183	14	16	508	586	21	32	707	769	35	48
Pennsylvania	2,621	2,612	217	243	1,091	1,167	93	111	3,712	3,779	310	355
NORTH CENTRAL												
Ohio	1,673	1,577	126	141	2,720	2,908	173	182	4,393	4,485	298	323
Indiana	1,931	1,765	133	145	3,186	3,079	199	196	5,117	4,845	332	341
Illinois	2,248	2,066	169	175	5,834	6,166	448	527	8,082	8,232	617	703
Michigan	1,376	1,410	109	119	1,991	2,003	120	113	3,367	3,412	228	232
Wisconsin	4,164	3,945	314	345	1,086	1,435	96	110	5,250	5,380	410	456
Minnesota	3,774	3,447	279	295	2,799	3,076	148	192	6,573	6,524	426	487
Iowa	5,829	5,120	409	442	4,173	4,964	321	399	10,002	10,084	729	842
Missouri	2,270	2,452	223	215	1,783	2,075	124	143	4,053	4,527	347	358
North Dakota	706	627	58	62	2,227	2,308	171	186	2,933	2,936	229	248
South Dakota	2,173	1,644	144	160	1,147	1,699	93	106	3,320	3,343	236	266
Nebraska	5,842	5,403	455	440	3,067	3,158	168	232	8,909	8,562	623	672
Kansas	4,870	4,809	383	383	2,493	2,880	128	162	7,363	7,688	511	546
SOUTHERN												
Delaware	463	505	39	36	159	155	8	6	622	660	47	42
Maryland	806	793	58	63	560	553	26	51	1,366	1,346	84	114
Virginia	1,385	1,386	107	117	683	775	31	33	2,068	2,161	138	150
West Virginia	328	329	22	27	77	75	4	4	405	403	26	31
North Carolina	3,201	3,333	250	292	2,256	3,034	111	144	5,457	6,367	361	436
South Carolina	603	615	43	50	618	733	31	38	1,221	1,347	74	87
Georgia	2,572	2,668	181	200	1,639	2,003	119	104	4,211	4,671	300	304
Florida	1,202	1,191	95	113	4,548	4,778	455	500	5,750	5,970	550	613
Kentucky	1,720	1,645	116	112	1,656	1,589	87	69	3,376	3,235	203	180
Tennessee	1,012	982	81	87	1,027	1,170	76	83	2,039	2,152	157	170
Alabama	2,184	2,159	147	179	726	746	43	42	2,910	2,905	190	220
Mississippi	1,577	1,706	112	129	1,028	1,217	102	91	2,605	2,923	214	220
Arkansas	2,902	3,114	220	231	1,480	2,195	85	84	4,382	5,309	304	316
Louisiana	688	704	59	67	1,069	1,310	51	68	1,757	2,014	111	134
Oklahoma	2,762	2,700	231	267	1,108	1,164	44	52	3,870	3,863	275	319
Texas	8,342	8,228	627	733	4,275	4,510	361	281	12,617	12,738	988	1,014
WESTERN												
Montana	938	867	73	80	843	1,061	97	89	1,781	1,928	170	168
Idaho	1,167	1,199	102	100	1,680	1,787	79	107	2,847	2,986	180	207
Wyoming	657	621	43	39	160	198	13	9	817	819	56	47
Colorado	2,879	2,779	300	263	1,204	1,251	60	62	4,083	4,030	359	325
New Mexico	1,135	1,099	91	96	486	423	18	19	1,621	1,522	109	115
Arizona	885	824	62	71	1,037	1,043	94	203	1,922	1,867	156	275
Utah	626	598	45	47	177	223	15	19	803	820	61	66
Nevada	187	189	17	17	102	110	7	12	289	299	24	28
Washington	1,561	1,609	115	144	3,013	3,083	171	197	4,574	4,692	287	340
Oregon	739	726	52	55	1,737	1,920	69	81	2,476	2,646	121	136
California	5,246	5,398	415	458	14,604	14,726	614	1,027	19,850	20,124	1,029	1,485
Alaska	6	6	0	1	20	22	1	2	26	28	2	2
Hawaii	85	76	6	7	406	420	31	35	491	496	37	42
UNITED STATES	90,555	88,107	6,972	7,516	84,497	91,748	5,298	6,332	175,052	179,855	12,270	13,848

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	Mar	Nov	Dec	Jan	Feb	Mar
	\$ million											
Farm marketings & CCC loans*	161,142	169,974	168,795	171,202	175,052	179,855	10,148	13,952	15,400	18,316	13,097	13,320
Livestock & products	84,122	89,843	86,735	86,350	90,555	88,107	8,105	7,633	7,506	7,531	6,972	7,516
Meat animals	46,857	51,911	51,089	48,467	51,364	46,808	4,557	4,146	3,902	4,394	4,043	4,207
Dairy products	19,396	20,149	18,037	19,835	19,316	19,934	1,783	1,660	1,592	1,660	1,524	1,751
Poultry & eggs	15,372	15,243	15,122	15,480	17,241	18,445	1,550	1,619	1,660	1,248	1,210	1,343
Other	2,498	2,540	2,487	2,569	2,635	2,920	215	208	352	229	195	215
Crops	77,020	80,131	82,060	84,853	84,497	91,748	5,590	9,806	7,894	10,785	6,126	5,803
Food grains	8,247	7,517	7,414	8,455	8,221	9,532	553	408	390	873	438	473
Feed crops	17,054	18,671	19,491	19,782	19,338	20,688	1,214	799	859	2,825	1,446	1,606
Cotton (lint & seed)	5,033	5,489	5,236	5,192	5,015	5,647	136	105	108	1,896	616	431
Tobacco	2,415	2,741	2,886	2,961	2,949	2,644	33	0	0	338	49	27
Oil-bearing crops	11,866	12,258	12,709	13,277	13,046	15,216	917	4,295	2,105	1,766	1,729	755
Vegetables & melons	11,592	11,449	11,561	11,767	12,656	13,127	907	1,486	817	1,733	758	826
Fruits & tree nuts	9,157	9,420	9,909	10,123	9,927	9,951	547	1,248	1,441	829	663	1,260
Other	11,657	12,586	12,854	13,297	13,345	14,942	1,283	1,464	2,173	525	428	425
Government payments	10,887	9,298	8,214	9,169	13,402	7,881	1,306	90	467	93	727	2,083
Total	172,029	179,272	177,009	180,371	188,226	187,736	11,453	14,042	15,867	18,409	13,825	15,403

*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	22,956	21,000 to 25,000
Livestock & poultry purchased	9,758	11,842	12,764	13,138	14,833	14,274	13,868	14,949	13,759	11,000 to 15,000
Seed purchased	3,188	3,259	4,060	4,397	4,518	5,113	4,913	5,162	5,331	4,000 to 6,000
Farm-origin inputs	30,418	32,564	37,069	38,278	39,738	38,718	38,913	41,545	42,046	39,000 to 43,000
Fertilizer & lime	6,820	6,453	7,679	8,176	8,208	8,667	8,333	8,398	9,109	9,000 to 11,000
Fuels & oils	5,310	4,957	4,800	4,772	5,790	5,608	5,299	5,364	5,433	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	23,988	23,000 to 27,000
Short-term interest	7,367	6,767	6,712	6,740	6,656	6,124	5,395	5,334	5,839	5,000 to 8,000
Real estate interest 1/	9,131	8,205	7,581	7,190	6,740	5,963	5,772	5,501	5,698	5,000 to 7,000
Total interest charges	16,498	14,972	14,293	13,930	13,395	12,088	11,167	10,836	11,537	11,000 to 15,000
Repair & maintenance 1/	6,426	6,759	7,717	8,407	8,553	8,630	8,469	9,154	9,046	8,000 to 10,000
Contract & hired labor	9,484	9,975	10,911	12,034	14,120	14,012	14,008	15,005	15,295	13,000 to 17,000
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	6,165	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	15,600	14,000 to 18,000
Other operating expenses	31,420	34,088	37,248	40,025	43,173	44,417	43,690	48,260	50,557	48,000 to 54,000
Capital consumption 1/	17,788	17,091	17,610	18,168	18,267	18,249	18,317	18,422	18,413	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	11,025	10,000 to 12,000
Other overhead expenses	28,499	29,069	30,183	32,048	33,003	32,743	33,658	34,233	35,891	35,000 to 38,000
Total production expenses	125,084	128,772	137,780	144,888	151,277	151,194	150,139	158,030	164,019	162,000 to 170,000

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	1993	1994	Mar	Apr	May P	Mar	Apr	May P
\$ billion									
Sales 1/									
Off-premise use 2/	316.8	322.9	333.9	28.4	28.0	28.9	80.9	108.9	137.8
Meals & snacks 3/	237.7	252.7	268.0	22.6	22.5	23.6	62.5	85.1	108.7
1994 \$ billion									
Sales 1/									
Off-premise use 2/	336.1	334.3	333.9	27.7	27.0	28.0	78.9	106.1	134.3
Meals & snacks 3/	246.1	257.0	268.0	22.2	22.1	23.1	61.7	83.8	107.0
Percent change from year earlier (\$ bil.)									
Sales 1/									
Off-premise use 2/	0.4	1.9	3.4	2.6	3.6	3.3	3.3	3.4	3.4
Meals & snacks 3/	3.4	6.3	6.1	6.5	6.2	7.5	8.5	7.9	7.8
Percent change from year earlier (1994 \$ bil.)									
Sales 1/									
Off-premise use 2/	-2.2	-0.5	-0.1	-0.7	-0.7	0.6	-0.1	-0.2	-0.3
Meals & snacks 3/	1.4	4.4	4.3	4.1	4.0	5.1	6.3	5.7	5.5

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	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	109.9	110.9	112.0	111.8	111.8	112.0	111.7 P	111.9 P	112.0 P
Farm products	111.1	113.7	114.5	114.3	115.4	115.3	115.9	115.8 P	116.5 P	116.4 P
Grain	111.4	114.7	115.5	117.7	116.7	116.6	117.1	116.9 P	117.8 P	117.7 P
Food products	108.7	109.0	111.1	110.9	111.1	111.1	111.3	111.3 P	111.6 P	111.6 P
Barge freight rate index 1/ (Dec. 1984=100)										
Grain	105.8	101.2	111.0	86.6	160.1	147.9	170.8	159.2 P	168.1 P	127.9 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.8	23.6	29.5 P	27.9 P	28.3 P	29.3 P	30.3 P	27.8 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	3.0	3.6	3.1	2.4	2.0	2.6	3.6
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	1.5	1.1	1.2	1.1 P	1.0 P	1.1 P	NA
Rail (mil. cwt)	2.6	2.2	2.4	1.9	2.6	3.0	2.5 P	2.1 P	2.4 P	NA
Truck (mil. cwt)	43.9	44.8	43.8	54.2	39.7	42.8	39.2 P	34.4 P	36.2 P	NA
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	124.1	127.2	128.0	128.2	129.1	128.6	128.9	129.2	128.7	129.9

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.

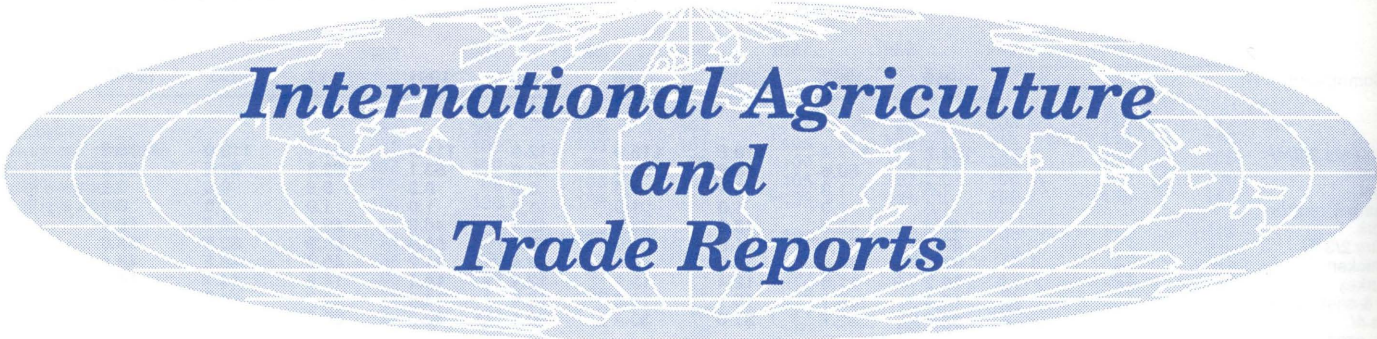
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Information contact: Judy Jones Putnam (202) 219-0862.

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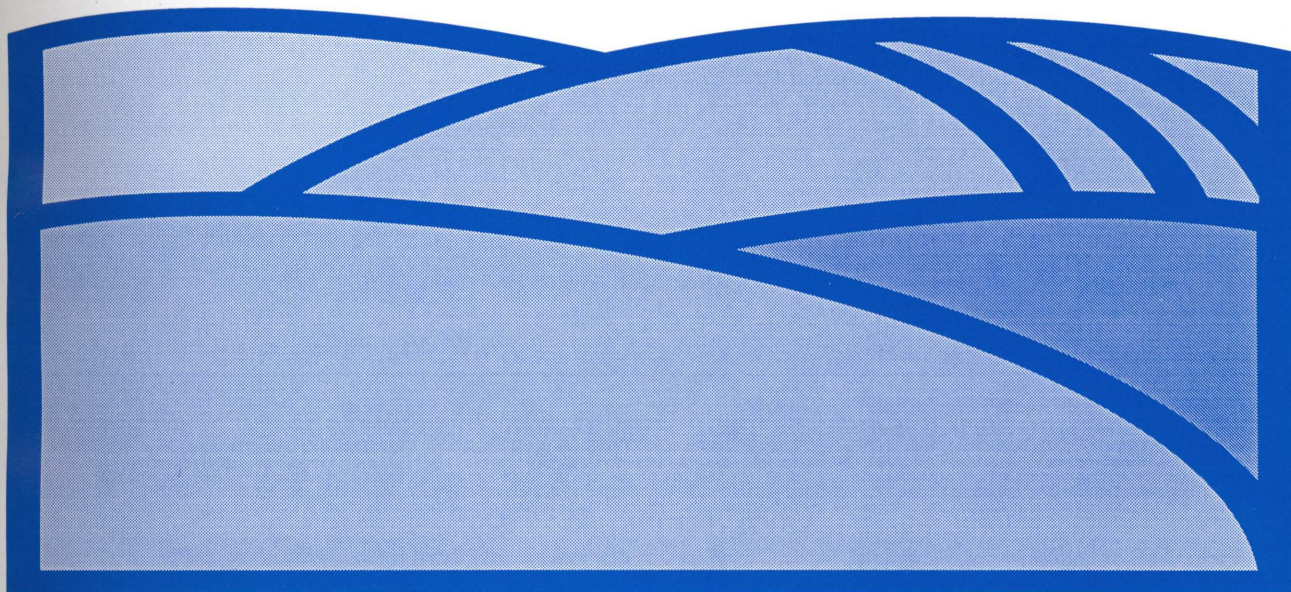
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