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Economic Research Service
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August 1995



**Tight World
Grain Supplies**

On the Horizon

**EU Ag Reform:
Grain Market Impacts**

AGRICULTURAL OUTLOOK



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World Grain Outlook ...Economic Reform in Russia ...CAP Reform in the EU ...& Sugar Issues for the Farm Bill

World Supplies of Wheat & Coarse Grains To Tighten

Declining prospects for U.S. wheat and coarse grain production and only a small decrease in world consumption signal tight world supplies and higher prices in 1995/96. With global consumption of wheat and coarse grains projected to exceed output for the third year in a row, world ending stocks are predicted to be the lowest since 1975/76. World wheat trade in 1995/96 is projected to inch up to 97.2 million tons, with import gains especially strong in China and North Africa. World coarse grain trade is projected to decline 1.9 million tons to 87.1 million. The downturn is due primarily to a projected steep drop in 1995 corn production in the U.S., the world's dominant exporter. U.S. wheat and coarse grain exports combined are projected down 6 percent in 1995/96, to 85.5 million tons.

Lower Interest Rates Expected

Farmers are likely to encounter stable to slightly lower interest rates through the end of 1996. Rates on long-term real estate loans are expected to decline slightly from 10.2 percent in second-quarter 1995 to 10.1 percent at the end of 1996. Rates on nonreal estate loans by large agricultural banks are expected to drop from 9.6 to 9.1 percent, while rates charged by small agricultural banks should remain at about 10.4 percent through the end of 1996. The drop in market interest rates will benefit farmers by increasing available credit and lowering the cost of new debt. The lower rates should encourage farmers to replace older farm machinery and equipment at a faster pace. Rural communities could also benefit from increased farm equipment sales and larger purchases of inputs to expand production.

EU Ag Reform Yields Results

The European Union (EU) has entered the final stage of an ambitious 3-year program to reform its Common Agricultural Policy (CAP). The reforms,



designed to curb spending and agricultural surpluses, include reducing support prices, making new direct payments to producers, and providing for a farmland set-aside.

The EU's ability to meet GATT requirements depends on the reform's effectiveness. CAP reform and adverse weather have curbed grain production, and the set-aside has reduced the area planted to grains through 1994/95. EU grain exports have fallen. But reform has also increased spending under the EU agricultural budget. While 1992 CAP reform measures focused on the grain and beef sectors, the EU is now looking to other sectors, including sugar, wine, cotton, fruits, and vegetables.

Russia: Market Forces at Work

Although institutional changes like land reform have been limited, Russia's economic reforms, begun in 1992, are creating a balance in supply and demand, with consumer demand driving production. Economic reform, including changes in fiscal, monetary, price, and trade policy, has triggered substantial restructuring of Russia's agricultural

production, consumption, and trade. In the crop sector, producer price liberalization and subsidy reductions have sharply curbed input use. However, farmers are using inputs more efficiently. In the livestock sector, herds and production have contracted sharply, correcting the sector's overexpansion during the Soviet period.

Russia's imports of bulk commodities like grains have plummeted, while imports of high-value food products (HVP's), such as poultry meat, have surged. Demand for HVP's has been fueled by trade liberalization, a new upper-income class, and export credits and subsidies from Western suppliers. While U.S. HVP sales to Russia are likely to remain strong in the near term, domestic production will probably improve over time and compete with HVP imports.

Sugar Programs & the Farm Bill

With the 1995 farm bill just over the horizon, the debate has intensified over whether to change U.S. sugar policy. The current program uses import quotas, price supports, and marketing allotments to stabilize supplies and support producer returns. Program supporters assert that the U.S. program is necessary to maintain a viable, competitive domestic sugar industry in the face of subsidized world markets. Others argue that, by sustaining domestic prices above world levels, the program benefits U.S. sugar producers at the expense of consumers.

The sugar program does not add to Federal expenditures, but higher costs for consumers have made it a target for Congressional reform. Two major options are emerging for changing the sugar program in the 1995 farm bill. The first would eliminate all domestic programs, including nonrecourse loans and marketing allotments, either immediately or in phases. The second is to continue domestic price support at current or lower levels, which would require some supply controls.

Agricultural Economy



Gary Lucier

Field Crops Overview

U.S. grain supplies are projected to tighten sharply for the 1995/96 season. Wet weather delayed spring planting of wheat and coarse grains over much of the Midwest and reduced yields for winter wheat at harvest time. Spring freezes also damaged winter wheat crops in the Southern Plains. U.S. grain prices are strengthening as a result of reduced supplies and relatively strong demand.

More soybeans are expected to be grown on acreage where producers intended to plant corn. In addition to the usual uncertainties about yields for spring wheat, coarse grains, and soybeans at this time in the season, questions persist about planted acreage, especially of corn and soybeans. High prices may be stimulating some producers to plant later than usual. In addition, increased flexibility in the Federal crop insurance program has provided producers with more land use options.

On June 30, USDA's National Agricultural Statistics Service (NASS) released planted acreage data based on a survey taken between May 30 and June 13. Only 52 percent of the estimated soybean acres and 89 percent of corn acres had been planted at the time of the sur-

vey, compared with the usual levels of 74 and nearly 100 percent. Since the survey indicated a less-than-average proportion of actual versus intended plantings, NASS will conduct another acreage survey in some states in late July. The results will be released on August 11.

The first global country-specific 1995/96 projections for rice, oilseeds, and cotton were released in July. Weaker imports are projected for rice and cotton. World soybean trade is also projected down, partly in response to reduced supplies; but soybean meal exports will rise because of continued strong demand.

U.S. grain prices are strengthening. Tight U.S. wheat and feed grain supplies are leading to strengthening and more volatile prices. The market will likely react keenly to weather news as crops progress through the critical reproductive stages in July and August. With prices high, U.S. domestic use and exports of wheat and feed grains are projected to contract.

U.S. corn production in 1995 is projected to drop 23 percent from 1994, reflecting expectations of below-trend yields and a further drop in acreage from the June forecast. Feed and residual use of corn is projected down 13 percent from 1994/95. Since supplies of other feed grains will also be low, very little substitution of other feed grains will be possible in 1995/96.

U.S. corn exports in 1995/96 are projected to fall 11 percent from 1994/95 as world trade contracts in response to higher prices. In anticipation of higher prices and tighter supplies in 1995/96, some importers have begun making larger-than-usual corn purchases for both the remainder of 1994/95 and for 1995/96.

Season-average farm prices of U.S. corn are projected to range from \$2.55 to \$2.95 per bushel. The lower end of this range exceeds the \$2.50-per-bushel level reached in the 1993/94 flood year, and would even eclipse the 1988/89 drought year level of \$2.54.

U.S. wheat production in 1995 is projected to decrease 6 percent from 1994. Area and yields have dropped as a result

of late spring wheat planting, unfavorable harvest conditions that reduced yields for winter wheat, and spring freezes that damaged winter wheat crops in the Southern Plains. The quality of the winter wheat crop is also likely to suffer because of the wet harvest conditions, and strong price premiums for high-quality wheat are possible.

Season-average farm prices of U.S. wheat in 1995/96 are projected to range from \$3.65 to \$4.05 per bushel, compared with \$3.45 in 1994/95. Current and projected high prices are reflecting the tight supply situation. U.S. wheat ending stocks and the stocks-to-use ratio in 1995/96 are projected to fall to the lowest levels since 1973/74.

Tight global supplies of both wheat and coarse grains are likely in 1995/96, as well as higher prices. And China has become the major question mark in world grain trade for the year ahead.

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Projections of 1995/96 global wheat trade were lowered in July, with trade now expected to be less than 300,000 tons above 1994/95. World wheat production in 1995/96 is projected up 4 percent from 1994/95, despite deteriorating crop prospects in the U.S., Canada, and China. With output prospects slipping, 1995/96 world wheat ending stocks were projected as of July to shrink further—to the lowest in two decades. Projections were cut in July for 1995/96 wheat exports from the U.S. and Canada. However, larger wheat exports are expected from Australia and Eastern Europe.

U.S. soybean acreage gains are offset by yield declines. U.S. soybean output in 1995 is projected down 12 percent from 1994, but would still rank as the third-largest crop on record. While the 2-percent expansion in soybean acreage indicated by the June NASS survey portends another large crop, late planting pushes crop development into a generally warmer, drier period, increasing the

Agricultural Economy

risk of lower yields. Although crop conditions are mediocre compared with last season—which saw record output—they are much improved over 1993, when the crop was similarly delayed.

With total use projected down only 3 percent, U.S. soybean ending stocks in 1995/96 are projected to drop from 1994/95, and prices are expected to strengthen. Season-average farm prices are projected to range from \$5.50 to \$6.50 per bushel. As with corn, unfavorable weather during the critical reproductive stages could increase the risk of lower yields and could lead to price swings this summer.

Easing export demand for U.S. soybean oil, combined with slower growth in domestic meal consumption, will

slightly lower profitability in the crushing industry in 1995/96. U.S. crushing margins will likely dip (although still in a favorable range), reducing U.S. crush slightly from 1994/95. While prices for U.S. soybean meal will rise along with soybeans, soybean oil prices in 1995/96 are expected to soften.

Global soybean production is projected to fall 7 percent in 1995/96, with the U.S., Brazil, and China accounting for almost all of the decline. In Brazil, extremely low prices for soybeans during harvest (April-June), coupled with expectations for better cotton and corn prices compared with soybeans, will likely induce farmers to switch area out of soybeans. Likewise, China's soybean output is expected to be down as area is shifted from soybeans primarily to corn.

World consumption of soybean meal in 1995/96 is expected to reach a record for the sixth year in a row. The European Union (EU) has been a vital factor, although keen demand in all other regions has also lifted consumption. In 1995/96, EU consumption of soybeans and soybean meal is likely to remain near 1994/95 levels, in response to more moderate but stable crush margins. Stronger European currencies will mean greater imports of soybeans and soybean meal, with foreign soybean meal replacing domestic feed grains and pulses.

World soybean exports are projected down 2 percent in 1995/96, while global soybean meal exports are projected up 2 percent and soybean oil is expected to slip slightly. Reduced availability of soybean export supplies, primarily in the U.S. but also in South America and China, coupled with somewhat less favorable crush margins, will push down world oilseed trade.

In contrast, abundant soybean meal export supplies from South America and India will keep a lid on soybean meal prices, leading to expanded world soybean meal trade in 1995/96. China's strong oil consumption and imports in 1994/95 are projected to hold steady, limiting expansion in world soybean oil trade.

U.S. cotton acreage and output will expand. U.S. cotton production in 1995 is projected up 9 percent from 1994's record crop. While yields are expected to drop from their peak in 1994, acreage is forecast to be 21 percent higher. Cotton acreage in 1995 will be 400,000 acres greater than indicated in the March *Planting Intentions* report, and the largest since 1956.

Despite record output, total use in 1995/96 is projected down from 1994/95 because of dimming export prospects for U.S. cotton. As a result, 1995/96 U.S. cotton ending stocks are projected to be nearly double the level of 1994/95.

Global cotton production is projected to expand 6.5 percent in 1995/96, and a smaller increase is forecast for consumption. A projected 8-percent increase in world cotton area in 1995/96 is behind the rise in output.

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	1,269	1,200	510	3.45
1995/96	69.4	61.0	35.9	2,188	2,798	1,220	1,150	428	3.65-4.05
Corn									
1994/95	79.2	72.9	138.6	10,103	10,965	7,360	2,100	1,505	2.20-2.30
1995/96	72.0	65.0	119.7	7,785	9,300	6,700	1,875	725	2.55-2.95
Sorghum									
1994/95	9.8	9.0	73.0	655	703	407	210	86	2.05-2.15
1995/96	9.4	8.6	67.4	576	662	417	200	45	2.40-2.80
Barley									
1994/95	7.2	6.7	56.2	375	579	401	65	113	2.03
1995/96	6.8	6.4	59.0	379	561	410	50	101	2.30-2.70
Oats									
1994/95	6.6	4.0	57.2	230	430	329	1	101	1.22
1995/96	6.4	3.2	55.9	182	392	300	1	91	1.40-1.80
Soybeans									
1994/95	61.9	61.1	41.9	2,558	2,773	1,568	820	385	5.45
1995/96	63.1	62.2	36.0	2,240	2,630	1,505	800	325	5.50-6.50
		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	6.70
1995/96	3.17	3.11	5,722	178.0	222.3	107.2	86.0	29.1	6.50-7.50
		Lb./acre			Mil. bales				¢/lb.
Cotton									
1994/95	13.7	13.3	709	19.7	23.2	11.3	9.8	2.3	73.0
1995/96	16.6	15.5	665	21.5	23.8	11.4	7.5	5.0	*

Based on July 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.

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World Commodity Market Outlook

	Year ¹	Production	Exports ²	Consumption ³	Carryover
<i>Million tons</i>					
Wheat	1994/95	522.5	96.9	549.0	114.1
	1995/96	543.0	97.2	550.1	107.1
Corn	1994/95	553.8	64.3	537.9	86.9
	1995/96	507.5	59.8	534.2	60.2
Barley	1994/95	160.9	14.9	167.3	25.2
	1995/96	157.2	16.7	161.2	21.2
Rice	1994/95	358.5	16.4	360.2	48.1
	1995/96	358.7	16.0	364.0	42.8
Oilseeds	1994/95	260.1	44.1	204.0	27.7
	1995/96	253.6	43.6	209.0	24.9
Soybeans	1994/95	137.8	32.2	108.4	23.9
	1995/96	127.5	31.6	109.9	20.8
Soybean meal	1994/95	85.6	31.1	85.3	3.5
	1995/96	87.1	31.5	87.1	3.6
Soybean oil	1994/95	19.5	5.5	19.2	1.6
	1995/96	19.8	5.3	19.5	1.8
<i>Million bales</i>					
Cotton	1994/95	85.2	29.5	83.8	29.5
	1995/96	90.8	27.7	86.3	33.9

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.

Dramatic price increases during 1994/95 have led to larger cotton plantings nearly everywhere, except in China and Central Asia. In China, cotton is facing severe price competition with other crops and a discouraging threat of increased bollworm infestation, while in Central Asia, countries continue to strive for increased self-sufficiency in grains.

World cotton consumption has fallen in recent years, but a recovery is projected for 1995/96. Much of the gain is attributed to the outlook for improving economic conditions in 1996. In addition, a resumption of normal mill use in China suggests a 900,000-bale rebound in China's cotton consumption.

World cotton trade in 1995/96 is expected to decline, since improved supplies in China, India, Pakistan, and Turkey will

reduce import needs in those countries. U.S. cotton exports in 1995/96 are projected to drop 2.3 million bales, to 7.5 million, because of reduced world trade and rising competition.

U.S. rice output in 1995 is projected down 10 percent from 1994's record crop, the result of a 6-percent decline in total rice area and a projected return to trend yields. Lower prices at planting, and a 5-percent acreage reduction requirement, are the main factors in the area decline.

While total rice area is down, the June NASS survey indicated that more long grain rice will be planted in the Delta

than was signaled in the March *Planting Intentions* report. This is likely because medium grain rice prices have been falling relative to long grain rice. Larger-than-expected output of long grain rice is easing fears of tight long grain ending stocks.

U.S. rice prices are projected to change little in 1995/96, with season-average farm prices expected to range from \$6.50 to \$7.50 per cwt compared with \$6.70 in 1994/95. Continued strong world trade and brisk U.S. exports are expected to continue to bolster U.S. prices through the first half of the 1995/96 marketing year.

Global rice imports in calendar year 1996 are forecast at 16 million tons, below the record 17 million forecast for 1995, but almost equal to 1994's strong performance. Strong near-term import demand led to a higher estimate in July for 1995 global rice imports. Major importers during 1995 such as Iran, Bangladesh, Indonesia, and China are expected to reduce imports in 1996: their combined imports are projected to fall by 2.4 million tons. Much of the decrease reflects improved harvests anticipated for these countries in 1995/96.

Nevertheless, Indonesia and China are expected to remain net rice importers in 1996, as strong domestic demand and low stocks will encourage purchases. Net imports of 1.5 million tons are expected in Indonesia and 550,000 tons in China. Rice imports are projected up in Latin America and Africa mainly because of weaker prices. Brazil's rice imports in 1996—projected at 1 million tons—would be the strongest among the many smaller importers.

U.S. rice exports in 1996 are projected at 2.8 million tons, down slightly from 2.9 million in 1995. Lower U.S. exports reflect the contraction in total world import demand and continued abundant supplies from the major Asian exporters such as Vietnam, Thailand, and Burma. [Sara Schwartz (202) 501-8514 and Carol Whitton (202) 219-0825]

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Upcoming Reports—USDA's Economic Research Service

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

August

- 11 *Cotton & Wool Outlook* (4 pm)**
- 14 *Feed Outlook* (4 pm)**
Oil Crops Outlook (4 pm)**
Rice Outlook (4 pm)**
Wheat Outlook (4 pm)**
Cattle & Sheep Outlook (9 am)
- 22 *Agricultural Outlook**
U.S. Agricultural Trade Update (3 pm)
- 23 *Livestock, Dairy, & Poultry* (9 am)
*Fruit and Tree Nuts**
- 31 *Agricultural Exports**
Poultry Outlook (9 am)

*Release of summary, 3 pm.

**Available electronically only.

Livestock, Dairy & Poultry Overview

Liquidation of hog breeding stock is slowing.

The contraction in breeding herds has slowed in recent months, according to the June *Hogs and Pigs* report. As of June 1, the breeding inventory was 4 percent below a year ago, but 4 percent higher than in March 1995 and down only 1 percent from June 1993. Sow slaughter during January-June was only slightly above a year earlier, and the number of gilts entering breeding herds during March-May was the largest since the late 1980's.

According to the report, producers intend to have 1 percent more sows farrow during the September-November quarter than actual farrowings during the same period a year earlier. With planned farrowings during June-November about equal to actual farrowings during this period a year earlier, pork production during the first half of 1996 will likely be about the same level as the record output of first-half 1995.

Even in several North Central states, producers indicated farrowings that would mark year-over-year increases by the September-November quarter. Earlier this year, Iowa producers reported some of the sharpest declines in farrowing intentions, but plan to reduce September-November farrowings only about 2 percent.

Operating margins appear to have been sufficient to slow the liquidation of breeding stock. Although most farrow-to-finish operations likely started 1995 with operating expenses above cash returns, operating margins improved as hog prices strengthened in the second quarter due to seasonally lighter slaughter supplies. Producers' breakeven costs continued to range in the mid- to upper \$30's per cwt in the second quarter, while slaughter hog prices moved into the mid-\$40's per cwt. Prices are expected to drop into the lower \$40's

by late summer as slaughter increases seasonally.

The number of pigs saved per litter during March-May was the highest on record for that quarter. Year-over-year gains in the number of pigs saved per litter continue to average near 1 percent; this is equivalent to about an additional 35 million pounds of pork per quarter.

Beef prices are holding despite large supplies.

Record U.S. beef production is being absorbed by strong seasonal demand and larger exports. A sharp drop in imports of processing beef has also kept beef supplies at manageable levels. While continuing to expand, the U.S. beef industry has been able to market very large supplies during the May to early July peak demand season without causing prices to collapse.

In addition, the large marketings this spring should forestall even larger beef supplies and continued downward price pressure this summer. Retail beef prices have remained relatively static during the first half of 1995, near \$2.83 per pound, but are likely to move downward through the fall. Wide packer and retail margins are resulting in attractive returns to these sectors and will encourage continued large slaughter, even with declining prices.

Average prices for boxed beef moved well above year-earlier levels in mid-June, but price trends for several segments of the trade have been divergent. Prices for rib and tenderloin cuts have reached record levels because of strong demand from the hotel, restaurant, and institutional trade, and from exports, while prices for rounds and chucks have fallen to the lowest levels in years. Beef exports during January-May were up 5 percent from a year earlier.

Beef imports during January-May fell nearly 13 percent from the same period a year earlier, and were the smallest since 1989. Larger domestic supplies of lower grade fed beef have reduced prices to the point where this beef is increasingly being used for higher quality grinding/processed beef, displacing imported beef. The larger supplies of lower grade beef are likely the result of stepped-up marketing of steers placed on

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U.S. Livestock and Poultry Products—Market Outlook

		Beginning stocks			Production	Imports			Total supply	Exports			Ending stocks			Consumption		Primary market price
																Total	Per capita	
		— — —				— — —			Million lbs.	— — —			— — —				Lbs.	\$/cwt
Beef	1995	548			25,080	2,325			27,953	1,683			450			25,820	68.7	65-67
	1996	450			25,858	2,330			28,638	1,715			475			26,448	69.7	62-68
Pork	1995	438			18,076	698			19,212	580			405			18,227	53.7	39-40
	1996	405			18,438	680			19,523	565			400			18,558	54.2	37-40
																		¢/lb
Broilers*	1995	458			25,130	0			25,589	3,758			500			21,331	71.4	52-54
	1996	500			26,697	0			27,197	4,015			530			22,652	75.1	48-52
Turkeys	1995	254			5,194	0			5,448	248			350			4,850	18.4	62-64
	1996	350			5,415	0			5,765	258			300			5,207	19.6	58-63
		— — — <th></th> <th colspan="3">— — —</th> <th>Million doz.</th> <th colspan="3">— — —</th> <th colspan="3">— — —</th> <th></th> <th>No.</th> <th>¢/doz.</th>				— — —			Million doz.	— — —			— — —				No.	¢/doz.
Eggs**	1995	14.9			6,250.1	4.1			6,269.1	193.5			12.0			5,227.4	238.3	65-67
	1996	12.0			6,355.0	4.0			6,371.0	193.0			12.0			5,296.0	239.2	62-67

Based on July 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.

feed at very heavy weights, with excellent rates of gain but with poor grading potential.

Although supplies of lower grade fed beef have increased, cow slaughter during the first half of the year was up only about 3.5 percent from a year earlier. Slaughter cow imports from Canada and Mexico accounted for much of the increase in cow slaughter, but comprised only about 5 percent of total cow slaughter through May. The proportion of the January 1 cow herd that has been slaughtered so far in 1995 remains almost unchanged from last year's relatively low level.

Grazing conditions are good to excellent in most areas, with the Southeast receiving much-needed moisture in June. While grain prices have already increased sharply, good forage conditions have allowed feeder-cattle producers to put extra pounds on lighter weight cattle before marketing them to feedlot operators. Cattle weights at the time of placement in feedlots continue to rise, and cattle feeders will likely cover cash costs this summer and fall, despite increased feed costs.

Higher feed costs may hinder growth in broiler and turkey output. The outlook for larger red meat supplies and contin-

ued high feed costs, as well as lower net returns, may be dampening broiler producers' incentives for larger production. Net returns to broiler producers during the second quarter of 1995 remained at 4-5 cents per pound, about half the level of a year earlier.

Broiler output in August is expected to expand less than 5 percent, based on 3-4 percent more chicks placed in June and weight increases of about 1 percent per bird. Weight gains will depend on weather: when daily highs rise above 95 degrees, birds tend to consume less feed and gain weight more slowly.

Wholesale broiler prices in June were about 5 cents below a year earlier. Larger production of broilers and all other major meats has been pressuring prices lower. Retail prices in June were also lower than a year ago, but retail margins remained relatively wide.

Turkey production in August is expected to increase about 1 percent, based on about 2 percent fewer poults placed in June and average weights per bird about 3 percent higher. The modest rise in output may reflect the near-breakeven net returns that turkey producers received in first-half 1995. Expectations of higher feed costs could temper

production gains projected for later this year.

Because of increased supplies and slightly lower exports, wholesale turkey prices in June were down about 2 cents per pound from last year. Retail turkey prices since February have been above year-earlier prices, with wholesale-to-retail price spreads remaining relatively high.

Table-egg production in August is expected to rise fractionally. The hot weather in mid-July caused hens to lay slightly fewer eggs, and to lay more medium-size and fewer large eggs.

Wholesale egg prices in July increased substantially, due to the weather-related decrease in egg output. Wholesale egg prices should remain above year-earlier prices, as egg production this fall is expected to match year-earlier levels. Retail egg prices in June were slightly lower year over year, with the wholesale-to-retail price spread above last year's level, which was relatively low compared with the early 1990's.

New markets are invigorating poultry exports. Shipments of U.S. broiler meat in May totaled 286 million pounds, up 20 percent from a year earlier. During January through May, U.S. broiler

exports climbed to 1.5 billion pounds, an amount larger than for the entire year in 1990.

While the majority of U.S. broiler exports went to Russia and China—the two largest markets for U.S. broiler meat—new markets are developing. With fewer import restrictions on food items, South Korea has become a growth market for U.S. broilers. During January to May 1995, South Korea's broiler imports from the U.S. rose to 9.9 million pounds, more than a 200-percent increase from the same period in 1994.

South Africa has become the brightest prospect for U.S. broiler exports so far in 1995: in the first 5 months of the year, South Africa took 24.6 million pounds of U.S. broiler products, compared with less than 2.7 million during the same period a year earlier. With the downfall of apartheid and a new government in place, the U.S. lifted restrictions on exports to the country. Because of its large population and strong economy compared with the rest of Sub-Saharan Africa, South Africa has quickly become a large market for U.S. broilers.

Finland and Estonia have also become major markets for U.S. broiler products, with shipments to these countries jumping to over 34 million pounds during January-May, up from less than 8 million during the same 5 months of 1994. Since Finland and Estonia have relatively small populations, a substantial portion of these products are likely transhipped to neighboring Russia.

Total U.S. exports of turkey products during January through May reached 92.3 million pounds, about even with the amount shipped during the same period in 1994, partly because exports to Mexico were stronger than expected given the devaluation of the peso. Mexico accounted for 60 percent of all U.S. turkey exports in 1994.

The U.S. shipped larger amounts of turkey meat to Korea and Hong Kong in 1995. U.S. exports to these Asian markets during January-May doubled from a year earlier, because of their growing economies, a weak U.S. dollar, and lower U.S. turkey prices.

Mirroring its emergence in the broiler export market, South Africa is now the fourth-largest export market for U.S. turkey meat. Shipments to South Africa so far in 1995 have reached 3.4 million pounds, up from about 82,000 pounds in 1994.

International dairy prices remain strong. Supplies have continued to be tight, and prices have stayed high, even coinciding with seasonal production increases in the Northern Hemisphere. In recent months, prices of butter and nonfat dry milk have been steady to slightly higher compared with earlier this year, but are far higher than a year before. Cheese prices in recent months have also been up from a year earlier. However, large exports prior to GATT restrictions on subsidized exports, effective July 1, have tempered price gains.

The major factors in higher international dairy prices have been strong import demand, brisk domestic demand in many exporting countries, weak milk production in Eastern Europe, and very low world stocks. Unexpectedly strong demand for butter from Russia and greater demand from Arab countries has absorbed available butter supplies. Global imports of nonfat dry milk have not yet been affected by higher prices, except perhaps in Mexico. Demand for nonfat dry milk appears to be particularly firm in South America and East Asia.

Robust domestic demand for dairy products in the European Union (EU) and the U.S. has limited available export supplies. Supplies are also down among East European exporters, while demand has risen among the importers in the region. Milk production in Oceania during the season just ended, although historically large, fell short of expectations, and dairy product supplies were fully committed in early 1995. At the same time, EU and U.S. government stocks were slight.

International dairy product prices are expected to remain strong; market conditions are unlikely to change abruptly, and supplies in the Northern Hemisphere will decline seasonally. Nevertheless, by late 1995, international prices are projected to edge lower, as supplies from Oceania become available again. Prices

will be especially vulnerable if world imports begin to decline in response to the higher prices.

U.S. imports of dairy products rose modestly during January-March, due mainly to expanded access provided under the new GATT agreement. Most of the expanded access was for milkfat products, but U.S. milkfat prices thus far in 1995 have not been attractive. However, exporters may have considered it in their longrun interest to establish themselves quickly in the U.S. market by accepting low prices.

U.S. exports of dairy products during January-March were well above a year earlier. Shipments of butter, nonfat dry milk, and dry whole milk under the Dairy Export Incentive Program were much larger because of the strong international markets and a very unusual overlap of exports under 1994 and 1995 contracts.

U.S. commercial cheese exports this past winter were higher compared with last year, with shipments going mostly to Canada, Mexico, Japan, and Korea. The increase in commercial exports had no significant effect on domestic markets, but the potential price effects could be greater if the U.S. remains a source of inexpensive milkfat and of not-too-expensive skim solids.

U.S. butter producers and international traders reached agreements this past winter, but the size and timing of these commercial sales remain uncertain. The U.S. is expected to continue to export butter commercially during the rest of 1995 and into 1996. The amounts may increase as current commitments to domestic users are concluded and U.S. butter starts to penetrate higher price import markets.

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Agricultural Economy

Specialty Crops Overview

The value of U.S. fruit, tree nut, and vegetable production is likely to hit a record \$24 billion in 1995. The increase of nearly 10 percent over 1994 rests on strong prices for fresh produce following the short supplies of first-half 1995, and on the prospect of improved prices for the upcoming processing vegetable and potato crops.

While the value of fruit and tree nut production will increase an estimated 5 percent to \$10.7 billion, vegetables (including potatoes and pulses) could jump 15 percent, to \$13.5 billion. The total value of U.S. fruit, tree nut, and vegetable production represented 23 percent of all U.S. crop value in 1994.

Potatoes and processing vegetable prices are expected to strengthen in second-half 1995 over 1994. The 1995 summer and fall potato crops are forecast by ERS to total 431 million cwt, 1 percent lower than last year's record 434 million. The fall crop is nearly 95 percent of the summer and fall total. While the annual trend increase in U.S. fall-crop yields is about 4 cwt an acre, early-season cool and rainy weather in several key producing states could hold 1995's average yield under 1994's record of 349 cwt per acre. In addition, harvested acres in North Dakota, Idaho, and Washington are expected down 2 percent from a year ago. These three states represented 61 percent of the 1994 fall crop.

The total 1994 potato crop (all seasons) reached a record 459 million cwt and brought a season-average grower price of about \$5.25 a cwt. A smaller 1995 crop and continued strong export demand for frozen french-fried potatoes and potato chips could improve the 1995 season-average price by 15-20 percent. As a result, the total farm value of potato production could increase to about \$2.9 billion, up from about \$2.4 billion in 1994.

Snap bean and sweet corn growers are expecting to harvest smaller crops for processing in 1995, and the smaller supplies should boost processor prices. Processors contracted 4 percent fewer acres of snap beans and 5 percent fewer acres of sweet corn, compared with a year earlier. In contrast, production of green peas for processing is forecast up 1.4 percent due to higher acreage and yields of peas for freezing in 1995.

Supplies of snap beans and sweet corn were more than adequate during the 1994/95 marketing season. Total production of the three processing vegetables amounted to a record 5 million tons in 1994: 3.7 million tons of sweet corn, 0.8 million of snap beans, and 0.5 million of green peas. Restocked inventories from 1994's large crop softened wholesale prices in early 1995.

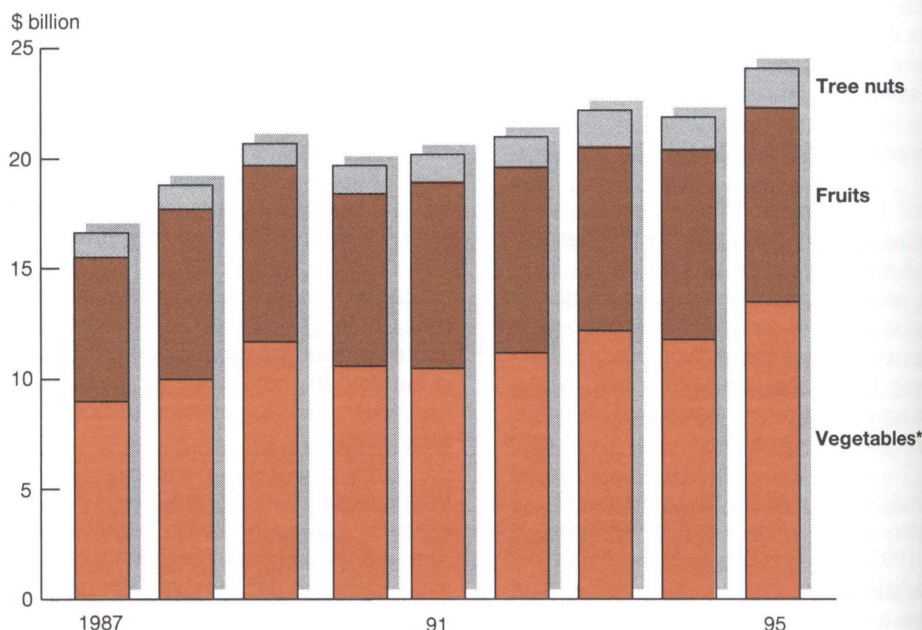
However, prices have strengthened since late spring, and the prospect of below-trend yields in the Midwest could send new-crop prices even higher than expected. Reduced output in 1995, ranging from 4.4 to 4.8 million tons, combined with higher prices, will put the value of production at about \$500 million, down slightly from 1994.

California tomato processors could see higher production than expected following the March flooding that destroyed some fields and set back the harvest schedule. The California Agricultural Statistics Service has estimated contracted production in the state at 11.3 million tons for 1995, up 6 percent from 1994.

The total U.S. processing tomato crop—adding in minor producing states—could reach 12.4 million tons. Grower prices are likely to strengthen from last year's \$62 a ton, reflecting a rise in wholesale prices last fall and winter; crop value could total \$775 million, up 8 percent from 1994.

The 1995 U.S. dry bean crop—harvested in the fall—is expected to top 30 million cwt, up slightly from 1994 and the second consecutive year of large production. Strong export demand for dry beans kept average grower prices at about \$22 a cwt during first-half 1995, prompting growers to expand area 2 percent to about 2 million acres. If export demand continues to draw down stocks, prices are likely to remain steady, and the value of production could total \$650 million.

Value of U.S. Vegetables To Gain \$1.5 Billion in 1995



1995 projection.

*Includes potatoes and dry, edible beans.

Agricultural Economy

Fresh vegetable farm prices this summer are likely to fall from record highs of first-half 1995. Summer area for harvest of fresh vegetables and melons is estimated at 487,650 acres, unchanged from last year. Low prices during summer 1994 dampened growers' incentives to expand area in summer 1995. With fewer acres harvested during winter and spring than last year, and projected average acreage in the fall season, the 1995 harvested area of fresh-market vegetables is likely to total 1.8 million acres, down 2 percent from 1994. The severe weather in Florida and California contributed to the decrease in acreage harvested and to lower yields in first-half 1995.

Farm prices for broccoli, carrots, cauliflower, celery, lettuce, onions, and tomatoes averaged 64 percent higher during first-half 1995 compared with a year earlier, and retail prices followed with a 24-percent increase. The higher grower prices could raise the value of fresh-market vegetable production 15 percent from 1994, to \$7.3 billion.

Noncitrus fruit prices are expected to increase in the wake of smaller pear and peach crops, while citrus prices could remain flat this fall. The 1995 Bartlett pear crop—58 percent of the total U.S. pear crop—is estimated down 14 percent because of lower production in California and Oregon. Washington's Bartlett pear harvest is about the same as last year. The total U.S. peach crop is forecast down 1 percent from 1994, due to problems with California's fresh-market and processing crops.

U.S. freestone peach production, which is marketed mostly fresh, is up 12 percent as most states bounce back from small crops in 1994. Smaller crops in Georgia and California kept grower prices high in early summer, but other states are adding to supplies and bringing down prices. California's summer stone fruit crop is estimated off 25-30 percent from last year's large crop due to unfavorable growing conditions, and growers have seen higher prices.

Early indicators place the 1995 apple crop in the range of 11-11.5 billion pounds, about the same as 1994. Growers in Washington, the leading

apple producing state, expect to harvest fewer apples in 1995 following last year's bumper crop. Reports of favorable winter and spring weather in California, Michigan, New York, and Appalachian states—where more than one-third of U.S. apples are grown—suggest that most orchards in these states are bearing average to above-average crops.

California's grape crop is estimated down 2 percent from 1994, at 5.14 million tons. In total, the 1995 U.S. non-citrus fruit crop is likely to decrease 3 percent to 16.9 million tons, but strong prices will push the value to \$6.7 billion, up 5 percent from 1994.

The 1995/96 U.S. citrus crop is reportedly set for another increase over the near-record crop of 1994/95, and the large crop signals another season of sagging grower prices. The 1994/95 season's grower price for oranges averaged about 10 percent below 1993/94, while grapefruit prices averaged about 15 percent lower. Even with solid export demand boosting prices for California fresh oranges, the continued weak prices of Florida citrus for processing kept the 1994/95 U.S. citrus value down 5-10 percent from the 1993/94 level of \$2.3 billion.

The value of U.S. tree nut production is likely to reach a record \$1.8 billion in 1995, up 20 percent from 1994's \$1.5 billion, as almond prices soar. California's almond production—which accounted for half of the total value of U.S. tree nuts in 1994—is estimated down 58 percent in 1995, due mostly to poor pollination weather during the blooming period.

Because of tight supply prospects, grower prices for almonds are likely to increase with the new-crop harvest which begins in late August. Carryover stocks from 1994's record-large almond crop of 730 million pounds will help the 1995/96 supply situation. However, domestic and export demand will likely remain strong and help keep prices high.

U.S. sugar production is forecast to be down 300,000 tons in 1995/96 (October-September), to 7.7 million tons, raw value, after posting a record crop in 1994/95. Beet sugar will likely decline 200,000 tons, while cane will drop 100,000 tons. Sugarbeet yields were a near-record 22.2 tons per harvested acre last year, and are likely to be down 2 tons per acre in 1995/96. Wet weather disrupted and delayed sugarbeet planting in the Midwest this spring, and a shorter growing time usually leads to reduced yields.

Sugarbeet farmers planted 1.44 million acres for the coming crop, 2 percent fewer than in 1994/95. The largest decline was in California, down 23,000 acres to 120,000. California's costs for sugarbeet irrigation and disease control are higher than in most other areas, and competition among crops for acreage is strong.

How will the U.S. sugar programs look when the 1995 farm bill is written? Concentration of the sugar industry, and criticism of the programs from some quarters, are among the issues as the farm bill debate proceeds.

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Louisiana's cane sugar production is expected to drop 120,000 tons in 1995/96 from the previous year's record of 1.02 million tons, with a return to normal yields and weather. Florida's cane sugar output, forecast up about 75,000 tons to 1.8 million, accounts for more than half of total U.S. cane sugar.

Hawaiian cane sugar production has been declining since 1986. Of the 12 mills operating prior to 1993, 2 closed in 1994, 1 in 1995, and 3 are scheduled to close in 1996. After the scheduled 1996 closings, sugarcane production and milling will have ceased entirely on the islands of Oahu and Hawaii, with only 6 mills remaining on Maui and Kauai.

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Total sugar production in Hawaii is forecast to fall from 500,000 tons in 1994/95 to 460,000 in 1995/96; this represents a steep drop from the more than 1 million tons produced in 1985/86. Sugar production in Hawaii will likely stabilize after 1996, as most of the remaining mills will be relatively efficient.

U.S. raw sugar prices were high in the summer months, reflecting a tight market. Nearby futures (No. 14 contract) on the New York Coffee, Sugar & Cocoa Exchange exceeded 25 cents for a few days in early June, the highest in 5 years. This reflects tight supplies in the raw cane sugar market, due partly to slow arrivals of quota sugar imports and the export of domestic sugar. A high world sugar price earlier in the year induced some quota-holding countries to sell on the world market rather than the U.S. market. High world-market prices early this year, combined with prospects for much lower world prices for 1996, led U.S. refiners to increase exports of domestic refined sugar.

While U.S. raw sugar prices have been high, refined sugar prices have been soft, at 25 cents a pound for Midwest refined beet sugar (f.o.b. factory) in June and 25.5 cents in early July. In an effort to boost raw sugar supplies in the short term, USDA declared in June that 102,000 tons of sugar quota imports from five countries unable to meet their obligations could be allocated to other countries. This sugar must reach the U.S. before the quota year ends on September 30.

On June 30, USDA announced that fiscal 1995 domestic marketing allotments (beet and cane sugar) would be continued through September 30 at 7.89 million tons, the same overall level announced last September. Refined sugar prices would likely be even lower if not for marketing allotments that are keeping beet sugar off the market in the current year.

Beet sugar production, estimated at 4.55 million tons in 1994/95, is 200,000 tons higher than the 4.35-million-ton allotment. In contrast, cane sugar production, at 3.43 million tons, is below the allotment of 3.54 million, and therefore

Robust Market for Premium Wines Benefits California Grape Growers

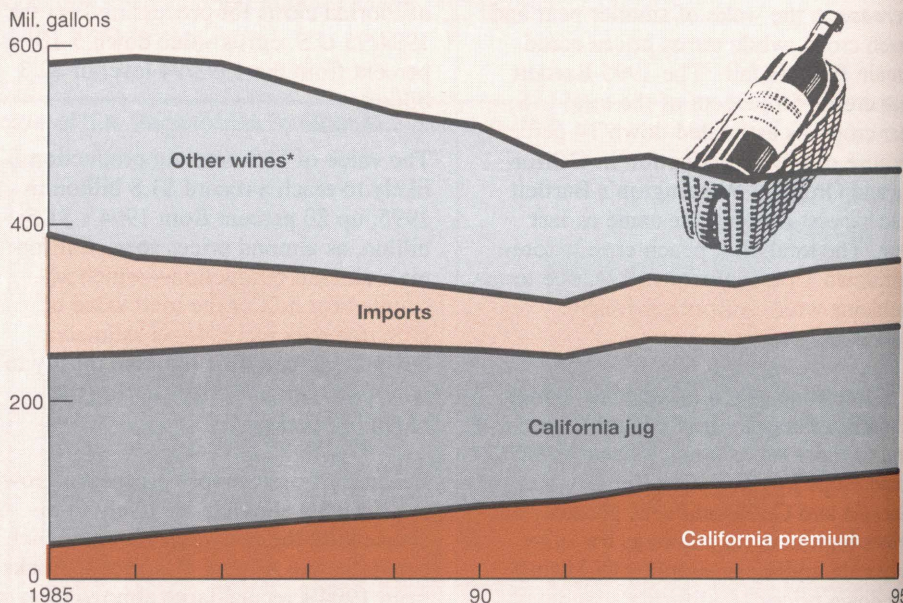
The value of the California grape crop—\$1.7 billion in 1994—was the highest of any crop in the state. Covering 654,800 acres in California, grapes are grown on more than 10,000 farms. About half of the state's grape output is crushed for wine and grape concentrate, beginning each August. The remainder is mostly shipped fresh beginning in May, or harvested and dried into raisins in September and October.

California dominates U.S. wine output, producing 94 percent of the nation's grapes used for wine. Almost three-fourths of California's wine grapes are grown in the Central Valley. Most of the remaining vineyards are located in the northern coast counties of Napa and Sonoma or in the central coast region.

U.S. wine consumption has been flat since 1991, with increases in table wine offsetting decreases in wine coolers and sparkling wine. California wine-grape growers have benefited in recent years from increased U.S. demand for table wine. In 1994, California wineries shipped a record 278 million gallons of table wine to the domestic market, which was almost two-thirds of total U.S. wine consumption. Brisk shipments and a smaller grape crush boosted the average grower price for California wine grapes to \$376 per ton in 1994. Continued strong demand by wineries is expected to maintain prices in 1995.

A popular notion supported by medical evidence and often referred to as the French Paradox—that moderate wine consumption reduces risk of

U.S. Consumption of California Premium Wines Has Climbed



1995 projection (USDA, ERS).

*Includes sparkling wine, wine coolers, and other U.S. wines.

Source: Gomberg, Fredrikson, & Associates.

little cane sugar will be held off the market. Most of the beet sugar that cannot be marketed domestically this year will be stored and sold next year (after October 1, 1995), and a small amount

has been exported to Canada. Before October 1, USDA must determine whether or not to impose marketing allotments for next year.

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heart disease—may account for part of the increase in table-wine demand. Research results on the linkage have been widely circulated since 1991. Secondly, higher sales of wine coincided with relatively strong growth in consumer incomes. Finally, wine prices have increased far less than other alcoholic beverage prices.

Due to improved quality and competitive prices of premium wines from California, U.S. wine drinkers are consuming more Chardonnay, Cabernet Sauvignon, Merlot, and Zinfandel. Demand for generic or "jug" wines such as Chablis has been relatively flat since 1991, after declining in the late 1980's. Greater availability of lower priced premium wines has encouraged consumers to trade up in quality with little added cost.

Strength in domestic demand is matched in foreign markets. U.S. exports totaled 31 million gallons in 1994, a fivefold increase in 10 years. Exports account for about 10 percent of California's wine output. Canada, the largest market, has been flat, while sales are increasing in Asian and European markets, especially Japan, the United Kingdom, Belgium, and Sweden. Improved quality, export promotions, and a lower valued dollar that pushes down the price of U.S. wines to foreign buyers, have energized exports.

Import competition in the U.S. premium wine market is heating up, especially from smaller shippers such as Chile, South Africa, and Australia. Italy and France remain the largest suppliers of U.S. wine imports, which amount to about twice the quantity exported.

New plantings in California vineyards reflect the changes in demand. Attracted by high prices, growers have planted more acres of premium wine grapes, especially red varieties such as Cabernet Sauvignon, Merlot, and Zinfandel. Grower prices for these varieties averaged from \$500 to over \$1,000 per ton in 1994, compared with less than \$200 for lower quality Grenache. Chardonnay is now the most widely planted white variety, earning an average of \$800 per ton compared with under \$200 for less popular varieties such as French Colombard and Chenin Blanc.

The biggest problem facing growers in premium wine-grape-growing counties of Napa and Sonoma is an insect called phylloxera, which attacks grapevine roots, weakening and eventually killing the plant. Reestablishing a vineyard because of phylloxera infestation can cost from \$8,000 to \$12,000 an acre, and growers lose revenue from grape sales until the new vines mature in approximately 4-5 years. However, replanting has provided growers the opportunity to cultivate varieties that are in greater demand and to raise average yields with better varieties, closer spacing between vines, and improved irrigation and trellis systems.

Wine-grape output is expected to rise when new plantings achieve mature yields in the next 5 years. Consequently, demand for U.S. table wines is key to the trend in future grower prices. Minimal retail price increases for wine, moderate U.S. income growth, increasing consumer interest in health benefits of wine, and expanding exports should increase demand for California table wines at least through 1996.

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an antidumping investigation, and is provisional until a final determination by Revenue Canada, due to be made by October 5, 1995.

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August Releases—USDA's Agricultural Statistics Board

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

August

- 2 Broiler Hatchery
- 3 Egg Products
- 4 Dairy Products
Poultry Slaughter
- 7 Crop Progress (after 4 pm)
- 9 Broiler Hatchery
- 10 Cotton Ginnings
Crop Production,
Cotton/Citrus
- 11 Crop Production (8:30 am)
Turkey Hatchery
- 14 Crop Progress (after 4 pm)
- 15 Cranberries (1 pm)
Farm Labor
- 16 Broiler Hatchery
Milk Production
- 17 Mushrooms
- 18 Cattle on Feed
- 21 Crop Progress (after 4 pm)
- 22 Cold Storage
- 23 Broiler Hatchery
Catfish Processing
- 24 Hazelnut Production
- 25 Chickens & Eggs
Livestock Slaughter
Peanut Stocks &
Processing
Turkeys
- 28 Crop Progress (after 4 pm)
- 30 Broiler Hatchery
- 31 Rice Stocks (8:30 am)
Agricultural Prices

Effective July 7, the Canadian government imposed a provisional duty of 79 percent on all imports of refined sugar from the U.S., including sugar exported

by the U.S. under the Refined Sugar Reexport Program. Higher duties were also imposed on sugar imports from five other countries. The duty is the result of

Commodity Spotlight



Embassy of South Africa

U.S., World Grain Supplies To Be Tight In 1995/96

D eclining prospects for U.S. wheat and coarse grain production, coupled with only a small projected decrease in world consumption, point to tight world supplies and higher prices in 1995/96. With global consumption projected to exceed output for the third year in a row, world ending stocks are predicted to drop to the lowest level since 1975/76.

World grain trade in 1995/96—projected at 184.3 million tons—will likely slip marginally from 1994/95, with a rebound in foreign production and higher projected grain prices tempering imports. (World grain trade is an aggregate of wheat traded during July-June and coarse grains traded during October-September.)

An expected 1.9-million-ton decline in world coarse grain trade, to 87.1 million tons, will more than offset a slight rise in wheat trade—projected at 97.2 million tons. The primary reason for the lower coarse grain estimate is a project-

ed 23-percent drop in 1995 corn production in the U.S., the world's dominant exporter.

U.S. wheat and coarse grain exports combined are projected down 6 percent in 1995/96, to 85.5 million tons. Weaker U.S. crop prospects, especially for wheat and corn, and the expected rebound in some competing countries' wheat and coarse grain output, will limit U.S. export opportunities.

China has replaced the former Soviet Union (FSU) as the major question mark in world grain trade. In 1994/95, China superseded the FSU as the world's largest wheat importer. The FSU's wheat imports fell by roughly one-third in 1994/95 from the previous year, and are projected to remain low in 1995/96. In contrast, China's wheat imports in 1995/96 are projected to rise to 12 million tons, a 20-percent increase from 1994/95, to help meet rising consumer demand and to moderate food price inflation.

China's ban on corn exports in late 1994 dramatically altered its role in the world grain market. China turned from being a net exporter of wheat and coarse grains in 1993/94 to a net importer in 1994/95, with imports nearly tripling from the previous year. China's grain imports in 1995/96—predominantly wheat—are projected to increase slightly.

However, the volume of imports remains very uncertain, as it will depend on economic and political conditions in China as well as importers' responses to much higher world prices. After progressive moves toward market liberalization over the past few years, China's government, concerned about inflation from rising food prices, is attempting to reimpose its control over imports by requiring import licenses.

"Grain" refers in this article to wheat and coarse grains (corn, sorghum, barley, rye, oats, millet, and mixed grains). Rice is excluded from the discussion.

World Wheat Trade To Inch Up

For the third consecutive year, global wheat consumption is projected to surpass production—projected at 543 million tons in 1995/96. World wheat trade is projected to increase marginally to 97.2 million tons, with import gains especially strong in China and North Africa.

The volume of wheat traded globally will remain significantly below the amounts reached in the early 1990's, however, due mainly to reduced imports by the FSU. The FSU was formerly a key player in the world wheat and feed grain markets.

FSU wheat imports are projected at 8.85 million tons in 1995/96, about the same as estimated for 1994/95, and substantially below annual average purchases of 23 million during 1989/90-1992/93. Smaller FSU wheat imports are largely the result of decreasing livestock numbers, reduced waste of grain used for feed, a halt to state subsidization of bulk agricultural imports, and pressure by Russian farmers on the government to reduce grain imports.

As a result of the FSU's smaller role in the world wheat market, the share of trade accounted for by developing countries, particularly in Asia and North Africa, has grown. China has become the world's leading wheat importer because of strong economic growth (which has increased consumer demand for higher quality wheat) and government efforts to curb food price inflation, especially in the major cities.

Southeast Asia, especially Indonesia, the Philippines, and Malaysia, is among the world's fastest growing grain import regions. The area's milling wheat imports in 1995/96 are projected to rise, as economic growth pushes up per capita incomes, and continues to shift traditionally rice-based diets toward Western foods such as bread.

Gains in Southeast Asian wheat imports in 1995/96 will likely be offset by reductions in Pakistan's and South Korea's imports. Pakistan is expecting a record

Commodity Spotlight

wheat crop in 1995, and South Korea's imports will drop because of limited global feed wheat supplies.

Growth in North Africa's wheat imports in 1995/96 will be driven mainly by Morocco, which suffered a severe drought beginning in the fall of 1994. Morocco's 1995 wheat crop is down more than 4 million tons from the record amount reaped in 1994, and imports are projected nearly to triple from 1994/95.

Because of wheat production shortfalls in several countries in 1994/95, as well as strong imports by many countries, 1995/96 global wheat beginning stocks are the lowest since 1982/83. Consequently, production prospects in the major wheat exporting countries in 1995 will be critical to the world market outlook in 1995/96, with prices likely to be extremely volatile.

The low world carryin stocks and less-than-favorable growing conditions in the U.S. during the spring and early summer months have already bolstered world wheat prices. These higher prices could be a constraining factor for world wheat trade in 1995/96. However, sustained high prices will coax additional shipments from smaller exporters with a surplus, such as Eastern Europe.

Lower U.S. wheat supplies in 1995/96 stemming from low carryin stocks and reduced 1995 production are expected to curtail U.S. wheat exports. U.S. wheat output in 1995 is projected at 59.5 million tons, down nearly 6 percent from 1994. Exports are projected at 31.5 million tons in 1995/96, down 4.5 percent from 1994/95. The U.S. share of the global wheat market is projected to decline to 32.4 percent in 1995/96.

Wheat output in the 15 member countries of the European Union (EU) in 1995/96 is expected to be larger than in 1994/95 because of a reduction under CAP reform in the mandatory acreage set-aside from 15 to 12 percent, combined with a mild winter and abundant spring rainfall. The EU-15's wheat exports in 1995/96 are projected at 19 million tons, up 1.5 million from 1994/95. However, the EU recently announced that it would suspend its export licensing procedures for subsidized wheat until September 7 because of tight stocks.

Canada's wheat production in 1995 is projected to be up slightly from 1994, but will likely remain under the historical average for the past 10 years. Despite less rapeseed (canola) planted in 1995 after 2 years of dramatic increases,

wheat area did not gain significantly in 1995, because of higher plantings of barley, flaxseed, and field peas. Even with slightly higher output, supplies will be down in 1995/96 because of low beginning stocks. Reduced supplies will limit Canada's exports, which are projected to decline about 17 percent in 1995/96.

In Australia, timely rains are resulting in much higher plantings, and a 16-million-ton crop is projected—up over 75 percent from the drought-ravaged harvest of 1994/95. Much larger exports in 1995/96—forecast at 10.5 million tons—will likely allow Australia to regain its historical market share in Middle Eastern and Asian countries.

Argentina's wheat production in 1995/96 is projected to increase 3 percent, as higher expected prices are likely to induce an expansion in area. While Argentina is poised to supply more of Brazil's growing market, its total wheat exports are projected to decline.

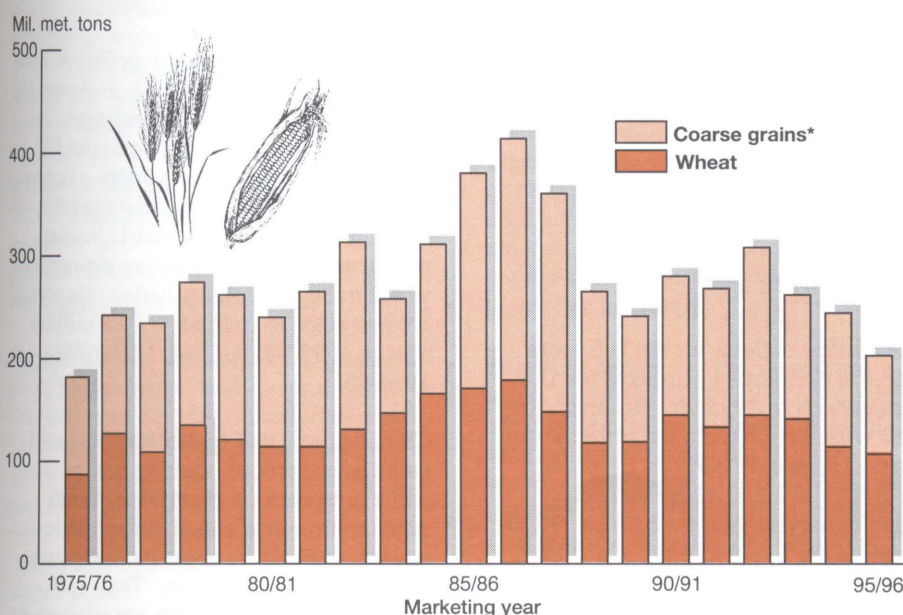
Although the size of India's wheat crop will exceed that of the U.S. in 1995/96, India's large population, inadequate grain marketing infrastructure, and inferior grain quality controls limit the country's ability to export. India's wheat exports in 1995/96 are projected to remain at the 1994/95 level, despite the prospect of another record crop in 1995, because of limited port capacity already strained by rice exports.

Higher Prices Curb Coarse Grain Trade

The outlook for global coarse grain trade in 1995/96—projected at 87.1 million tons—continues to deteriorate as U.S. corn production prospects wane. The U.S. dominates world coarse grain exports, and corn is the major U.S. coarse grain crop.

Although global coarse grain trade in 1995/96 will hinge on importers' responses to high prices, China's actions in the world market will also be a factor. In 1994/95, China allowed corn imports estimated at 3.5 million tons. However, China's corn imports in 1995/96 are projected to decrease to 1.5 million tons.

World Stocks of Wheat and Coarse Grain Are Lowest in 20 Years



Ending stocks. Aggregate of local marketing years. 1994/95 estimates; 1995/96 forecasts.

*Corn, sorghum, barley, oats, rye, millet, and mixed grains.

Commodity Spotlight

U.S. Coarse Grain and Wheat Exports To Decline in 1995/96

	1992/93	1993/94	1994/95	1995/96
<i>Million metric tons</i>				
Wheat				
Major exporters				
Argentina	7.3	4.5	7.0	6.4
Australia	9.5	12.8	7.2	10.5
Canada	21.7	18.7	21.0	17.5
EU-15	23.7	19.7	17.5	19.0
Other	13.3	10.9	11.2	12.3
Total foreign	75.5	66.6	63.9	65.7
U.S.	37.1	33.1	33.0	31.5
Total wheat	112.7	99.7	96.9	97.2
Major importers				
China	6.7	4.3	10.0	12.0
Eastern Europe	3.5	2.1	1.2	0.8
FSU	23.9	13.5	8.9	8.9
Japan	5.9	6.1	6.4	6.3
North Africa	14.2	14.9	14.2	15.3
South Korea	4.0	5.9	4.3	2.5
Other	54.5	52.9	51.9	51.4
Total wheat	112.7	99.7	96.9	97.2
Coarse grains				
Major exporters				
Argentina	6.0	4.9	5.6	6.5
Australia	2.9	5.0	1.1	3.0
Canada	4.1	5.6	4.8	5.5
China	13.0	11.9	1.6	2.1
EU-15	8.9	10.0	8.8	9.4
South Africa	0.0	3.2	2.4	0.5
Other	6.3	4.6	4.8	6.1
Total foreign	41.2	45.2	29.1	33.1
U.S.	50.1	40.0	59.9	54.0
Total coarse grains	91.3	85.3	89.0	87.1
Major importers				
China	0.6	1.2	4.9	3.3
Eastern Europe	3.8	1.9	0.8	0.5
EU-15	2.1	3.0	3.5	2.4
FSU	11.1	5.5	1.9	1.6
Japan	22.1	21.2	20.2	20.3
Mexico	4.4	4.9	5.4	5.1
South Korea	6.7	5.8	9.6	10.4
Taiwan	5.9	5.8	6.3	5.8
U.S.	1.5	4.6	3.4	3.8
Other	33.1	31.4	33.0	33.9
Total coarse grains	91.3	85.3	89.0	87.1

July-June marketing year for wheat, October-September for coarse grains. 1995/96 forecast.

As China's corn imports rose, exports plummeted to an estimated 1.5 million tons in 1994/95, from 11.6 million in 1993/94. And China's corn exports are projected to remain low in 1995/96. The sudden reversal in China's status from a major net corn exporter to a net importer in 1994/95, coupled with increased demand in many countries, resulted in a 20-million-ton rise in U.S. corn exports in 1994/95, to 53.5 million.

The weaker outlook for the U.S. corn crop has diminished prospects for U.S. corn exports in 1995/96. However, the U.S. will likely remain the primary supplier, at least until early in 1996 when the Southern Hemisphere countries begin to harvest their corn crops. Higher prices are likely to prompt a slight expansion in corn area and production in Argentina, a major U.S. competitor.

World corn trade is projected at 59.8 million tons in 1995/96, down 7 percent from 1994/95 and accounting for roughly two-thirds of total world coarse grain trade. Despite strong income growth in many countries and an expected limited supply of feed wheat, higher prices are likely to constrain corn imports, especially in many Middle Eastern and Latin American countries.

In Asia, corn imports by Japan and China are projected to decline. Rising meat imports by Japan, as well as larger sorghum imports, will lead Japan to decrease corn imports to 15.2 million tons.

A projected 12-percent drop in the 1995 sorghum crop in the U.S., by far the world's largest exporter, will likely cause world sorghum trade to contract to around 6 million tons—the second-lowest in 24 years. This compares with trade averaging 14.2 million tons in the 1980's, when buying by Japan, Mexico, and Venezuela peaked. Tight U.S. sorghum and corn supplies are likely to keep sorghum prices relatively high.

Import decisions by the two major importers—Japan and Mexico—will determine world sorghum trade. The devalued peso and projected higher sorghum production in Mexico are expected to cause Mexican sorghum imports to fall 400,000 tons, to 2.1 million.

Higher world exportable supplies of barley are projected in 1995/96, as Australia recovers from the 1994/95 drought. In addition, output in Canada and the EU—the two largest barley exporters—is projected up slightly. Strong demand for malting barley, and reduced U.S. corn production, are underpinning the robust world trade outlook for barley. Exports are projected to expand to 16.7 million tons in 1995/96, up from 14.9 million in 1994/95.

China is projected to continue its rapid gains in imports of malting barley, while a production shortfall in Saudi Arabia, the world's largest feed barley market, is likely to boost its feed barley imports to 4 million tons. Total U.S. barley imports in 1995/96 are projected to be up 15 percent from 1994/95, as

Commodity Spotlight

higher U.S. corn prices and the low value of the Canadian dollar relative to the U.S. dollar will make Canadian barley attractive in the U.S.

Record-low U.S. oat production will mean U.S. oat imports will expand in 1995/96. As a result, world oat trade is projected to rise 8 percent in 1995/96, with Canada as the main supplier.

However, uncertainties remain about the volume of exports by Sweden and Finland—both major oat exporters—in the aftermath of their accession to the EU in early 1995. Historically, Sweden and Finland have subsidized oat exports. The EU had no export subsidy system in place for oats at the time of their accession. And while export subsidies have since been provided for Sweden and Finland, the total volume of subsidized exports has not yet been specified.

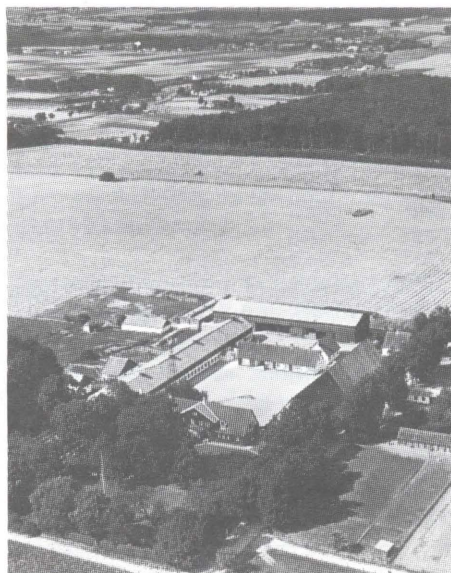
Total U.S. coarse grain exports are projected to fall 10 percent in 1995/96, to 54 million tons. However, the U.S. is expected to capture a healthy 62 percent of total world trade; while competitor exports of coarse grains are forecast to increase slightly in 1995/96, they will be approximately three-fourths the levels of the early 1990's.

Many features that have characterized the 1994/95 global corn market—to the benefit of U.S. corn exports—remain in place. A combination of relatively low competitor exports, strong income growth in Asia (boosting demand for meats and spurring domestic livestock industries), a low-valued U.S. dollar, and limited supplies of competing feed wheat are propping up demand for U.S. corn. U.S. corn exports in 1995/96 are projected at 48 million tons, down 10 percent from 1994/95's high level yet the second highest since 1989.

Expectations of a smaller U.S. sorghum crop, higher prices, and lower import demand from Mexico, have led to a projected drop in U.S. sorghum exports in 1995/96, to 5 million tons. U.S. barley exports in 1995/96 are projected at 1 million tons, the lowest since 1985, limited by low U.S. feed grain supplies and higher prices.

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World Agriculture & Trade



Embassy of Denmark

EU Enters Final Stage Of Ag Reform Program

On July 1, 1995, the European Union (EU) began the final stage of its ambitious 3-year program of agricultural policy reform. The EU approved major changes to its Common Agricultural Policy (CAP) in 1992 and began implementing these changes in the 1993/94 marketing year. The reforms, designed to curb spending and agricultural surpluses, include reductions in support prices, new direct payments to producers, and provisions for a farmland set-aside. Thus far the reforms have reduced grain production and exports, but agricultural spending by EU governments has increased.

The EU's ability to meet its commitments under the GATT depends on the effectiveness of the reforms. Agricultural policy reform in the EU—the world's largest agricultural exporter and importer—can affect world trade and U.S. exports. The 1992 CAP reform

measures focused on the grains and beef sectors. The EU is now turning its attention to other sectors, including sugar, wine, cotton, and fruits and vegetables.

Prior to CAP reform, the EU annually adopted a package of support prices along with other policies. This price package played a central role in agricultural policy. Because a number of key prices were set for the 1993/94-1995/96 period as part of CAP reform, the price package has declined in importance. However, it is still a forum for member states to press for concessions important to their farmers.

Many of these concessions involve modifications of CAP reform. For example, as part of the 1993/94 price package, the payment farmers receive for setting aside land was increased 27 percent. Additional flexibility was also introduced for the set-aside regulations. In the 1994/95 price negotiations, Spain, Portugal, Italy, and France obtained an increase in their area eligible for special durum wheat payments. In this year's price package, Austria was allowed to make special payments to farmers for 5,000 hectares of durum wheat area, and an expansion of Portugal's sugar quota is being considered.

The 1995/96 price package was the first to be debated by the new EU of 15, including the 3 new members, Finland, Austria, and Sweden. Only two noticeable changes were proposed for 1995/96: a 2-percent reduction in the support price for butter, and a shorter period in which governments will purchase grain for storage. Neither would have had very significant effects on EU markets, but both were rejected in the face of stiff opposition from a number of member states.

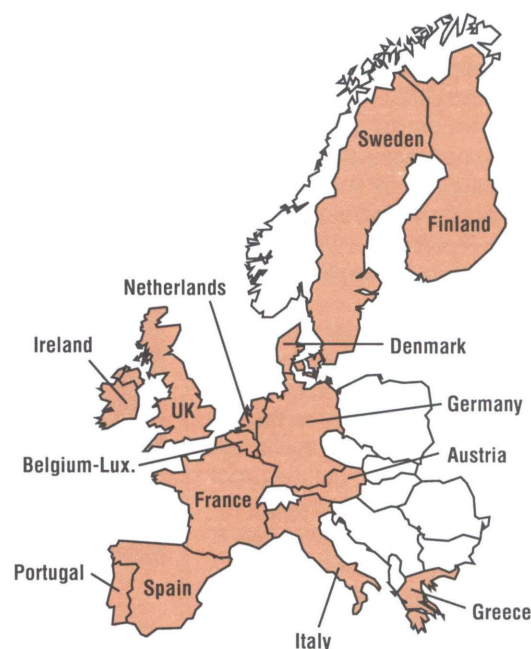
The proposal to reduce butter prices further in the 1995/96 price package reflected falling butter demand. It was hoped that a price cut would induce farmers to reverse the recent trend toward increasing fat levels in milk. The EU's moratorium on using bovine somatotropin (bST) has been extended until 2000.

World Agriculture & Trade

France and Germany Are the EU's Largest Ag Traders

	Population ¹	Agricultural trade		Number of farms ³	Average farm size ³
	Million	Imports ²	Exports ²	1,000	Hectares
		— \$ billion —			
Austria	7.9	2.9	1.4	273	26.4
Belgium-Lux.	10.5	12.8	13.8	89	16.5
Denmark	5.2	3.3 ⁴	7.3	81	34.2
Finland	5.1	1.2	0.8	192	13.5
France	57.7	21.6	32.8	1,014	28.2
Germany	81.3	33.7	20.6	665	17.7
Greece	10.4	2.8	2.5	924	4.0
Ireland	3.6	2.3 ⁴	5.8 ⁴	171	26.0
Italy	57.2	20.3	11.9	2,665	5.6
Netherlands	15.4	16.4	29.5	125	16.1
Portugal	9.8	3.0	0.9	599	6.7
Spain	39.6	9.3	9.8	1,594	15.4
Sweden	8.7	3.2	1.0	94	30.0
UK	58.3	20.9	12.9	243	67.9

¹1994 data. ²1993 data. ³1991 data. ⁴Estimates.
Sources: UN/FAO, Agrostat database; EU Commission.



Profound Changes For the Grains Sector

Under the 1992 CAP reform, EU support programs for grains, oilseeds, beef, sheep, and tobacco were modified. EU support prices for grains, protein crops (feed peas, beans, and lupins), butter, and beef were reduced. Direct payments to producers were instituted or increased as compensation for lower prices. New supply control measures, including a land set-aside requirement for large farms, were introduced.

The CAP reform program made the most significant changes in the *grains* sector. The grains support price in 1995/96 is 33 percent lower than in 1992/93. To compensate producers for lower prices, direct payments are available, based on actual area planted and average historical (1989-91) regional yields. Farmers who qualify as "professional" producers (on average, those with more than 20 hectares of arable crops) must set aside part of their area to receive these payments.

Unlike U.S. producers, EU farmers do not have individual, crop-specific bases. The total area eligible for compensation payments is limited on a regional basis,

and penalties for exceeding this base area apply to all participating farmers in the region. The set-aside requirement is likewise not crop specific, and is calculated relative to the farmer's area under grains, protein crops, and oilseeds.

The EU reformed its *oilseeds* support policy for 1992/93—the previous policy was in violation of GATT rules. Beginning in 1993/94, the oilseeds regime was included with grains and protein crops under CAP reform. A further modification of the oilseeds regime was later adopted in response to U.S. concerns after the second GATT oilseeds case.

Under the terms of a Memorandum of Understanding on Oilseeds (MOU), a bilateral agreement with the U.S., a separate base area was established for EU oilseed area, equal to 5.128 million hectares for the EU-12. This area is to be reduced by the set-aside rate of the arable crops scheme (12 percent in 1995/96), or 10 percent—whichever is higher. The resulting area represents the maximum for which EU producers can apply for an oilseed payment without incurring a penalty. The EU also agreed to limit oilseeds for industrial uses grown on set-aside land.

In 1994/95, actual oilseed claims exceeded the limit, triggering penalties that ranged from 4 to 20 percent of the oilseed payment in Spain, France, Ireland, the UK, Germany, and Portugal. Under terms of the MOU, penalties for overplanting are cumulative, and if oilseed area were again to exceed the limit in 1995, payments would be subject to additional cuts. A lower set-aside rate for 1995/96 reduces the probability that EU oilseed producers will face a further reduction in oilseed payments for the 1995 crop.

Beef intervention (support) prices for 1995/96 are 15 percent lower than before the reform. Direct payments to beef producers were increased substantially, partly compensating for reduced prices. Producers receive two kinds of payments. The male bovine premium is paid twice in the lifetime of a steer or bull fattened for slaughter, up to a total of 90 head per farmer. These payments are limited by a regional ceiling. Suckler cow payments are made on cows used to rear calves for beef production (they must be of a beef breed or a beef cross). Producers have individual quotas limiting the number of suckler cow payments they may receive.

A further change was made to discourage growth in beef production. The regional ceilings on male bovine payments were modified beginning in 1994/95, reducing the number of eligible animals by 10 percent. The previous ceilings had actually exceeded the number of animals, and the EU Commission did not want herd sizes and production to expand to meet the limit.

Although the *dairy* sector was one of the most costly in the EU budget, CAP reform introduced few significant changes. The sector is supported by a production quota, administered prices and intervention for butter and nonfat dry milk, export subsidies, and import protection. CAP reform reduced butter intervention prices, but did not reduce the quota. In 1994/95, butter prices were reduced 1 percent more than called for under CAP reform.

Reforms Extend To Other Sectors

Reform efforts are now focused on sectors not included in the 1992 program, chiefly sugar, cotton, wine, and fruits and vegetables. The EU's sugar regime, which relies on production quotas and export subsidies to support prices, is updated periodically. The EU agreed to modify the regime slightly in early April 1995, but no fundamental changes were adopted. The modified regime went into effect on July 1, 1995.

Changes in the cotton regime were adopted as part of the 1995/96 price package. The EU has always limited the quantity of cotton production it supports through a Maximum Guaranteed Quantity (MGQ). But penalties for exceeding the MGQ were not severe, and cotton production has consequently expanded. The EU has increased the MGQ a number of times.

The reforms in the cotton regime increased the MGQ again in 1995/96, to 1.013 million tons of unginned cotton (it was previously 701,000 tons). The MGQ is divided between Greece and Spain, the major producers. Greek cotton production is limited to 782,000 tons, and Spanish production to 249,000 tons. These levels are close to current

output. Penalties for exceeding the MGQ will be more severe.

Despite the increase in the MGQ, expenditures should not increase. To respect its GATT commitments, the EU will keep expenditures on the cotton sector at the 1992 level.

Proposals for reform in the wine sector have been drafted, but face substantial opposition from southern member states (Italy, Spain, Greece, and Portugal). The wine reform has not yet been debated by agricultural ministers, who received a briefing on the progress of the reform proposals. Proposals for the fruit and vegetable sector are currently being developed.

New CAP Raises Ag Expenditures

CAP reform shifted some of the cost of supporting farmers from consumers (who paid higher prices) to taxpayers (who now pay for direct payments). The most visible impact of CAP reform is the increase in spending under the agricultural budget, the European Agricultural Guidance and Guarantee Fund.

Farmers apply for their payments in May and receive them from their national governments in October, at the end of the EU fiscal year. The national governments are repaid by the EU well into the following fiscal year. Payments do not show up in the EU budget until the year after farmers receive them.

The 1994 budget recorded most of the first year of CAP reform payments.

Expenditures on agriculture will continue to increase as reform is implemented, as higher direct payments are reflected. The 1996 budget is expected to exceed the legal spending limit, or "guideline," and the 1997 budget will be the first to reflect the full CAP reform payments.

CAP reform, combined with weather factors, has curbed grain production. Area planted to grains has fallen because of the set-aside requirement. Area planted to wheat (common and durum) fell 10 percent in 1993/94 from the previous year. The percentage decline was greater for durum than common wheat, because many areas no longer receive special durum wheat payments. Coarse grains area fell nearly 8 percent, with barley showing the largest drop.

EU-12 grain exports have reflected the fall in production. In 1993/94, wheat exports fell to 19.2 million tons (an 18-percent decline from the previous year) and are expected to fall further to 16.5 million tons for 1994/95. Coarse grain exports have fallen less, dropping about 6 percent from the average prereform level. Wheat markets in the EU have been rather tight, because domestic mills are competing for a smaller quantity of wheat. Feed use of wheat has also increased more than barley use. These factors are currently limiting supplies available for export.

The Commission points to its greatly reduced intervention stocks of beef as proof that CAP reform has been effective in this sector. However, the reduction in stocks was facilitated by a very aggressive campaign of subsidized exports.

EU Grain Production Falls During CAP Reform

Marketing year	Wheat	Barley	Corn	Other coarse grains
Million tons				
1991/92	90.4	51.1	26.7	11.5
1992/93	84.8	43.3	29.1	10.0
1993/94	79.8	42.6	29.0	11.2
1994/95	82.0	39.0	26.9	11.6

Data cover EU-12.

World Agriculture & Trade

Given the cyclical nature of beef production, it is not possible to gauge the full impact of the changes in the regime. The reform was adopted as the EU was at the top of a cattle cycle, and was followed by a marked cyclical fall in the size of the herd.

The December 1994 cattle census showed an expansion in the herd. The actual number of suckler cows remains 500,000 head below the number potentially eligible for the premium. Further expansion of the herd is therefore possible, but would face difficulty in finding a market either domestically, where beef demand is flagging, or on the world market, where subsidized exports are limited by the GATT Agreement.

GATT Constrains EU Ag Policy

EU agricultural policy has already reflected the constraints imposed by the GATT agreement. For example, the agreement states that support for a particular commodity cannot exceed levels agreed to in 1992. Therefore, EU spending on the cotton sector must remain at or below 1992 levels, despite the increase in the MGQ. Farmers may be compensated for income losses resulting from exchange rate variations within the EU. However, the EU may deviate from its own rules on revaluations in order to comply with GATT regulations.

The Commission has stated that the GATT Agreement on Agriculture is fully compatible with CAP reform, and that further policy adjustments will not be necessary to comply with GATT commitments. However, ERS analysis indicates that for some sectors, CAP reform may not sufficiently constrain production. Surplus production of wheat and beef is expected to exceed the limits on the level of exports that can be subsidized by 2000.

In the past, the EU could rely on export subsidies to dispose of its surpluses. Now, the GATT limits on subsidies mean that the EU cannot rely on the world market to absorb all its surpluses. The quantities that can no longer be exported will pressure the EU's internal market. As a result, the EU may need to adopt additional policy reforms.

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In upcoming issues of Agricultural Outlook . . .

- Canada's farm policies
- Beef industry restructuring
- Conservation Reserve Program issues for the '95 farm bill
- The impacts of tighter U.S. wheat supplies

and . . .

- How farm operators' income is calculated

Farm Finance



Jack Harrison

Lower Interest Rates Ahead For Farmers

Farmers are likely to encounter stable to slightly lower interest rates through the end of 1996, with recent events altering expectations of an increase. Rates on long-term real estate loans are expected to decline slightly from 10.2 percent in second-quarter 1995 to 10.1 percent by the end of 1996. Rates on nonreal estate loans made by large agricultural banks are expected to drop from 9.6 percent to 9.1 percent, while rates charged by small agricultural banks should remain at about 10.4 percent through the end of 1996.

Most "large" agricultural banks hold over \$20 million in farm loans, while "small" agricultural banks typically hold less than \$20 million. Agricultural banks have a higher proportion of farm loans to total loans than the average for all banks (almost 17 percent in March 1995).

Interest rates had been anticipated to increase through 1996 due to expectations of continued strong economic growth, combined with expectations that the Federal Reserve would continue to

reduce inflationary pressures by raising short-term interest rates. Between February 1994 and February 1995, the Federal Reserve raised the target for the Federal Funds rate (the rate banks charge each other for overnight loans). The Federal Funds rate influences other short-term rates.

But several developments intervened to change the forecast for increased rates. Slower-than-expected economic growth, especially in the second quarter of 1995, coupled with a mild easing of monetary policy, such as the Fed's decreasing the Federal Funds rate in July 1995, have generated about a 150-basis-point decrease in long-term Treasury yields since the beginning of 1995 (100 basis points equals 1 percent). Yields on short-term U.S. Treasuries have declined as well, although to a lesser degree, and further easing of monetary policy is expected later in the year.

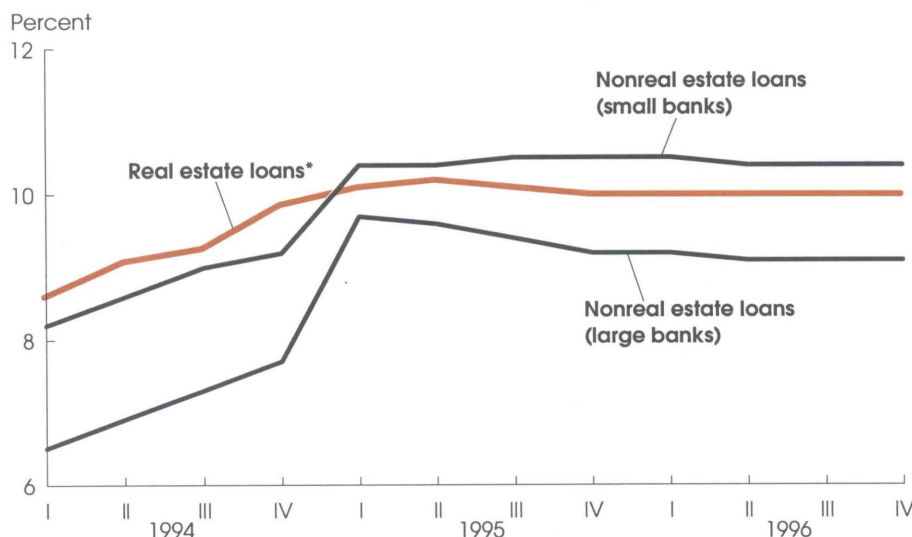
From 1985 to 1993, farmers and businesses in general encountered declining interest rates, as rates on both long-term real estate loans and short-term nonreal estate loans declined. Average farm real estate rates dropped from 12.6 percent in 1985 to 8.02 in 1993. Declining rates of inflation, combined with weak eco-

nomie growth in the early 1990's, accounted for much of the drop in interest rates.

This downward trend in national market and farm interest rates reversed itself in 1994 as rates on all new farm debt rose with stronger economic growth and efforts by the Federal Reserve to reduce inflationary pressure and put the economy on a more stable path of long-term growth. From February 1994 until February 1995, the Fed raised the target for the Federal Funds rate from 3 percent to 6 percent. Rates on new nonreal estate farms loans rose from 7.4 percent in early 1994 to a peak of 10 percent in early 1995.

From early 1994 through early 1995, the prime rate (the rate banks charge their best customers) and the average rate on short-term commercial and industrial loans rose almost 300 basis points. During the same time, rates on nonreal estate farm loans made by small agricultural banks rose 210 basis points while rates charged by large agricultural banks rose 310 basis points. Before the end of the second quarter of 1995, most analysts were forecasting rates to continue rising through the end of 1996.

Interest Rates on Farm Loans Have Stopped Rising



1995-I to 1996-IV forecasts. Most large agricultural banks have over \$20 million in farm loans.

* All sizes of agricultural banks.

Source: Surveys conducted by five Federal Reserve District banks.

Farm Finance

Lower Rates Benefit Farmers . . .

Farmers and rural communities will benefit in several ways from a drop in market interest rates. First, a drop in national market rates will increase the amount of credit available to the farm sector as well as lower the cost of new farm debt. Two factors account for this.

Declines in interest rates reduce lenders' cost of funds, making it easier for banks and other lenders to acquire loanable funds. And because government and corporate debt are alternative investments for agricultural banks, a drop in interest rates increases the relative profitability of farm loans compared with bonds. This is because the decline in farm interest rates will be smaller than the decline in national market rates, especially for loans from small rural lenders and for long-term real estate loans. Small lenders price their loans on an "average cost" basis, which uses the average of the lender's past as well as recent borrowing in determining the interest rate charged on new farm loans. In contrast, large lenders weigh more heavily their most recent cost of loanable funds.

This different approach to measuring the cost of funds is due to the reliance of small, rural lenders on small savers who are also typically long-time customers, as sources of loanable funds. In contrast, the source of large lenders' loanable funds are often the national money and capital markets. Small savers are less likely to transfer savings to some other investment or savings instrument because of changes in relative interest rates than are managers of major money market instruments.

In addition, lenders often try to match the maturity date of their assets (loans) and liabilities (deposits). For example, short-term farm loans are typically funded by short-term debt, and longer term real estate loans are funded by long-term debt. Thus, the recent drop in national interest rates will be reflected mostly in rates charged by large lenders and for the shorter term, nonreal estate loans.

A second way in which farmers will benefit involves asset values. When market rates drop unexpectedly, it means farmers' assets, such as farmland, were undervalued when loans were made under the assumption of higher interest rates. The result is an increase in farmers' net worth (assets minus liabilities), which will reduce lenders' risks of losses on loans, reducing the risk premium added to the interest rate on future farm loans.

Third, because many farm loans are made with a variable interest rate which moves over time depending on changes in a national market rate (e.g. T-bills, the prime rate), the unexpected decline in interest rates means farmers' interest expenses through 1996 will be lower than previously anticipated. However, this decrease in interest expense will be offset by the decline in interest revenues received from any future investment in financial assets.

In addition, lower interest rates should encourage farmers to replace older farm machinery and equipment at a faster pace, thereby improving farm productive efficiency and increasing output. And the expected stability of future interest rates should spur greater investment in land and machinery by reducing both lender and farmer financial risk. Rural communities will likely benefit from greater sales of farm equipment and larger purchases of inputs needed for expanding farm production.

Declining U.S. interest rates also affect the prices farmers receive for their products. Exports are a significant component of the total demand for U.S. farm output. Lower U.S. interest rates relative to rates in other countries typically mean cheaper dollars. Hence, the drop in U.S. interest rates should make U.S. farm products relatively cheaper in some international markets.

. . . & Farm Lenders

The recent and unanticipated decline in national interest rates will impact farm lenders as well as borrowers. Farm lenders will see higher profits as their cost of funds declines more rapidly than interest rates received on farm loans. This will be especially true for small agricultural lenders whose farm loan rates decline more slowly than rates charged by large agricultural banks.

Farm lenders, like farm borrowers, should benefit in their financial and investment planning from the more stable interest rate environment. Lenders who normally balance the maturities of their assets (loans and investments) with those of their liabilities (deposits) should see little change in their net worth. Such an asset-liability management technique cushions the effects of unexpected changes in interest rates.

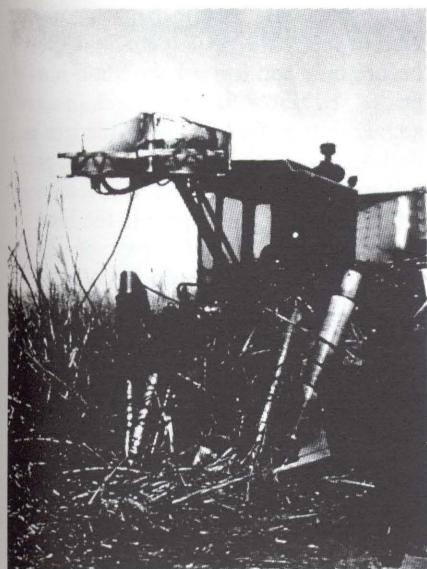
However, lenders who sought to profit on forecasts of rising interest rates by making short-term loans from funds borrowed in long-term markets will experience reduced returns. When rates decline instead of rise as previously expected, returns on assets (loans) drop faster than rates on liabilities, squeezing profits. These lenders will experience reduced profits and a decrease in the value of their assets and net worth, increasing their operating risk and reducing their ability to lend.

These undesirable effects can be reduced by practicing some form of risk management, such as extending variable rate loans. Nearly all farm lenders offer variable rate loans.

Overall, the small unexpected drop in interest rates will benefit the farm economy, reducing farmers' expenses and increasing output and revenue. Rural communities are also expected to gain from expanded farm output.

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Farm Bill '95



American Sugar Alliance

How the U.S. Sugar Programs Work

With the 1995 farm bill just over the horizon, the debate over whether to change U.S. sugar policy has become particularly intense. Supporters of sugar programs contend they provide stable supplies and prices for U.S. consumers without involving Federal government outlays, and assert that the U.S. programs are necessary to maintain a viable, competitive domestic sugar industry in the face of subsidized world markets. Critics argue that, by sustaining domestic prices above international prices, the sugar programs benefit U.S. sugar producers at the expense of consumers, distort supply and demand impacts, raise costs by sustaining less efficient producers while restricting the most efficient, and in some cases lead to degradation of the environment.

An overview of the main structural trends in the U.S. sugar industry, the objectives of current policy, and the programs designed to carry out that policy may help place this debate in context.

A Concentrated Industry

Nearly 10,000 U.S. farms grow sugar—either sugarcane (slightly over 1,000 farms) or sugarbeets (slightly less than 9,000 farms). Production of sugarcane and sugarbeets accounts for just over 1 percent of total U.S. farm receipts for crops and livestock.

Sugarcane is produced in Puerto Rico, Florida, Louisiana, Texas, and Hawaii. Sugarbeets are farmed mainly in Michigan, Minnesota, North Dakota, Idaho, and California, although other states, particularly in the Great Plains and Northwest, also grow some sugarbeets.

Total U.S. production of sugarcane has been relatively stable from the 1970's to the present. However, recovery of sugar from cane has advanced so that cane sugar production has increased 25 percent from the early 1970's. At the same time there has been a dramatic shift in the location of production.

For example, the annual Hawaiian sugarcane crop (as measured by raw sugar production) dropped from approximately 1.2 million short tons in the early 1970's to 0.5 million in 1995. By contrast, a rapid increase in sugarcane acreage in Florida over the same period has made that state the leader in sugarcane production, accounting for half of U.S. cane sugar output.

The beet sugar record is somewhat similar—recovery of sugar from beets has improved and contributed to about a one-quarter increase in beet sugar production from the early 1970's to the present. Michigan, Minnesota, North Dakota, and Idaho have experienced significant production increases, in contrast to declines in Colorado and Kansas. While U.S. production of sugarcane is relatively stable, annual average sugarbeet production in the 1990's is running about 8 percent above the level of the early 1970's.

The nonfarm segment of the sugar industry is relatively concentrated. Nine companies, some of them farmer cooper-

atives, own the 34 U.S. beet processing factories. Beet processing plants directly produce refined sugar, while sugarcane processing involves two stages—manufacturing of raw sugar by processing plants (near the sugarcane fields) and then further processing in refineries.

The U.S. has close to 40 sugarcane processing mills varying widely in size. Some processing companies own only one mill, but many own more than one. In Florida, the industry has a high level of vertical integration, with processing companies growing two-thirds of the sugarcane. There are 12 cane sugar refineries in the U.S. These refineries process domestically produced raw sugar, as well as imported raw sugar. Most of the refineries are located along the Gulf and Atlantic coasts.

The U.S. consumes about 7 percent of the world's sugar and produces about 85 percent of what it consumes. Today, U.S.-produced sugarbeets contribute around 20 percent of total U.S. consumption of sugar and corn sweeteners; cane production, 17 percent; cane sugar imports, 7 percent; and U.S. corn sweeteners, 56 percent.

Total U.S. consumption of sugar and corn sweeteners approximates 19 million tons. The dramatic spurt in the market share of high-fructose corn syrup (HFCS) ended in the late 1980's, but HFCS consumption continues to grow at about 4 percent annually, twice the growth rate of sugar. In the early 1980's, sugar constituted nearly two-thirds of the combined sugar and corn sweetener total. Today sugar's share is only 44 percent.

The loss of market to corn sweeteners is all the more alarming for U.S. sugarcane and sugarbeet producers when the growing use of high-intensity (artificial) sweeteners is also considered. U.S. consumption of high-intensity sweeteners is now equivalent to over 2 million metric tons of sugar.

Farm Bill '95

Mechanics of The Programs

The goals of sugar policy are to support U.S. sugar producer returns and stabilize supplies. This is accomplished by supporting producer prices for domestic sugarcane and beets above international prices, but at no Federal budget cost. This approach means that, except in years when the world price is unusually high, consumer prices are above what they would be without the programs.

U.S. sugar policy objectives have largely been fulfilled. U.S. raw sugar prices from 1990 through 1994 averaged 22 cents per pound compared with average world prices of 10.6 cents. And rather than incurring government expenditures,

the program has been operated at a small profit to the Federal treasury in 4 out of 5 of those years (not accounting for administrative costs).

U.S. sugar programs involve a series of regulations including price support loans, limits on U.S. sugar imports, and domestic marketing allotments.

Price support loans. Unlike with most price-supported crops, the nonrecourse price support loans for sugar are made available from the Commodity Credit Corporation (CCC) to processors rather than directly to farmers. Raw cane sugar is supported at 18 cents per pound and refined beet sugar at 23.43 cents per pound for the 1994 crop. These loan rates are national levels; they vary among regions of the country.

Processors who receive loans are obligated to repay the principal and interest before they sell the sugar. But if market prices are below the loan level, processors may transfer the sugar (pledged as collateral for the loan) to the CCC as full payment for the loan. Processors who choose to participate in the loan program are obligated to pay specified minimum prices to producers of beets and sugarcane that correspond with the loan rates for beet and cane sugar.

The nonrecourse loans are lent at an interest rate slightly below commercial loan rates available to most businesses. Even so, only about half of the processors now take out nonrecourse loans. And typically, no more than 40 percent of U.S. sugar production is placed under loan.

Marketing assessments are imposed on processors of U.S.-produced sugarcane and sugarbeets. These assessments were initiated in 1990 as a way for adjustments in sugar programs to contribute to reductions in the Federal budget deficit. For fiscal years 1995-98 the assessment is set at 1.1 percent of the raw cane loan rate and 1.1794 percent of the refined beet sugar loan rate. However, the assessment cannot be greater than \$0.00198 per pound for raw cane sugar or \$0.002123 per pound for refined beet sugar. Marketing assessments account for most of the government's net inflow of money from the sugar programs.

Import limits. To insure that foreign sugar does not enter the U.S. market in such quantities that would potentially undermine the domestic support system, import quotas are imposed on foreign sugar. USDA sets the size of the import quotas for each marketing year. The U.S. Trade Representative is responsible for allocating shares of the quota among countries eligible to export sugar to the U.S. A group of about 40 countries has access to the U.S. quota, and each one's share has been largely unchanged since 1982.

Over time, foreign policy objectives have had an important influence in determining import quotas—for example, assisting U. S. trading partners in the Caribbean and excluding Cuban sugar from the U.S. Most foreign coun-

Cane Sugar¹ Production is Concentrated in Florida and Louisiana...

	1983-85 average	1994
1,000 tons		
Florida	1,350	1,726
Louisiana	529	1,020
Hawaii	1,039	500
Texas	72	142
Puerto Rico	102	46
Total cane sugar	3,092	3,434

...While Beet Sugar² Shows Strongest Growth Across Northern Tier

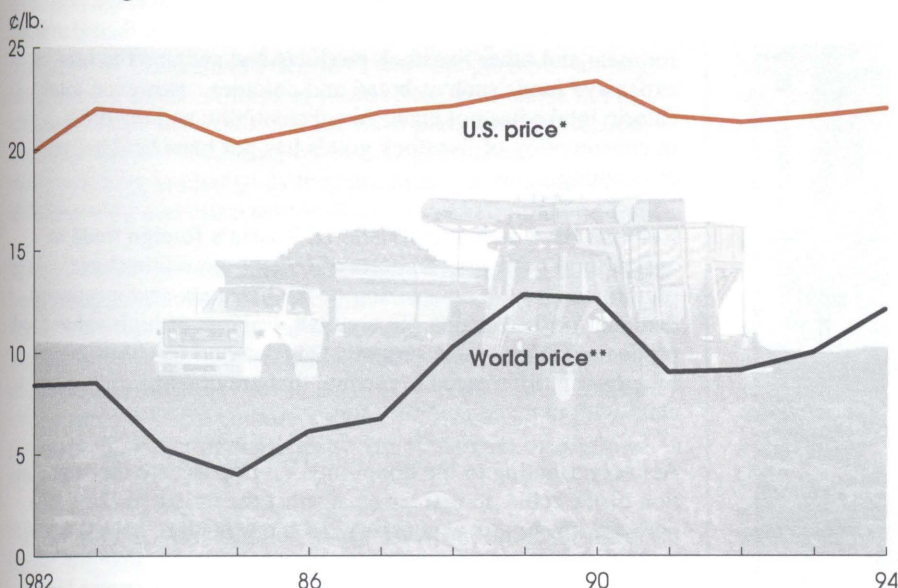
	1983-85 average	1994
1,000 tons		
Minnesota	615	1,204
Idaho	454	797
North Dakota	312	607
California	598	581
Michigan	280	431
Nebraska	172	214
Montana	89	186
Wyoming	100	157
Colorado	70	135
Texas	100	71
Oregon	41	65
Ohio	30	38
Other states	6	64
Total beet sugar	2,867	4,550
Total U.S. sugar	5,959	7,984

Crop years; 1994 estimate.

¹Raw sugar. ²Based on state sugarbeet production data from USDA's National Agricultural Statistics Service (NASS) and a national average recovery rate of 13.1 percent for 1983-85 average and 14.22 percent for 1994.

Source: NASS.

U.S. Raw Sugar Prices Remain Well Above World Levels



*Futures contract No. 14, New York. **Spot contract No. 11, Caribbean.

tries with quotas benefit from being able to sell into a relatively high-price market; those which depend on the world market for most of their exports, however, do not benefit.

The quantity of imports is limited by a system of tariff rate quotas. The low tariff of \$0.00625 per pound, raw value, applies to the tariff rate quota amount established by the Secretary of Agriculture. This tariff is waived for many countries under the Caribbean Basin Initiative, Andean Trade Pact, and Generalized System of Preferences (involving special status for lower income countries).

Imports above the tariff rate quota are subject to much higher import duties of 17.62 cents per pound in 1995 (to decline to 15.36 cents per pound in the year 2000). Thus, sugar imports greater than the tariff rate quota are effectively prohibited. The minimum tariff rate quota of 1.256 million tons was negoti-

ated as part of the recently concluded Uruguay Round trade negotiations.

Domestic marketing allotments. The U.S. foreign policy objective of assuring countries holding sugar quotas a minimum access to the U.S. market was a factor in establishing domestic marketing allotments in the 1990 Food, Agriculture, Trade, and Conservation Act (FACTA). The act provided that domestic marketing allotments were to be triggered when imports were expected to fall below 1.25 million tons. This amount was reaffirmed by the 1994 GATT-Uruguay Round agreement. The total allotment for FY 1995 was 7.889 million short tons (raw value)—limiting beet sugar to 4.35 million short tons and cane sugar to 3.54 million short tons.

When marketings of domestically produced sugar are limited, the sale of crystalline fructose must be limited, by law, to no more than the equivalent of 200,000 tons of raw sugar. Since crystalline fructose is about 20 percent

sweeter than sugar in some uses, this limit is 159,759 tons of crystalline fructose in 1995. Allotments were also applied in FY 1993.

Options for the 1995 Farm Bill

Sugar programs have successfully supported the market price for sugar in the U.S. by limiting imports. In doing so, the program raises the domestic price above world levels. World prices are held artificially low due to protectionist policies engaged in by most producing countries.

Although sugar programs do not add to Federal expenditures, the higher costs for consumers have made them a target for Congressional reform. The relatively small number of producers and the concentration of production, especially in the sugarcane segment, has led to criticism that the programs benefit mainly large producers. Environmentalists have also cited sugar fields as a source of pollution in the Florida Everglades.

Two major options are emerging for changing the sugar program in the 1995 farm bill. Each would continue the U.S. commitment under the Uruguay Round to import a minimum 1.256 million tons of sugar. This commitment also allows the U.S. to restrict low-tariff imports to 1.256 million tons.

The first option would be to eliminate all domestic support programs, including nonrecourse loans and marketing allotments. This might be done immediately or phased in over time. The second is to continue a domestic price support program at current or lower support levels, which would still require some form of domestic supply controls.

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Special Article



Sharon Sheffield

Market Reforms Transform Russia's Ag Import Picture

Signs that market forces are beginning to work in the Russian agricultural economy are becoming evident, despite claims by Russian agrarian interests of a "crisis" in agriculture. Although institutional changes like land reform have been limited, economic reforms begun in 1992 are creating a balance in supply and demand, with consumer demand becoming the driving force of production. Economic reform, including changing fiscal, monetary, price, and foreign trade policy, has triggered substantial restructuring of Russia's agricultural production, consumption, and trade.

In the crop sector, producer price liberalization and the reduction of subsidies have sharply reduced input use. However, farms have responded by using inputs more productively, as yields have fallen less steeply than input use. Reforms have radically transformed the livestock sector, as both herds and production have contracted sharply. Although the downsizing might seem severe, it marks a correction of the sector's overexpansion during the Soviet period.

Since major reforms began, consumer prices have increased more than workers' incomes, thereby lowering average real incomes. Consequently, consumers have reduced their demand for meat and other livestock products and switched to less expensive foods such as bread and potatoes. However, total caloric intake has not changed substantially, and the drop in consumption of livestock goods has not been health-threatening.

Reforms have dramatically altered Russia's foreign trade in agricultural products. Imports of bulk commodities have plummeted, as the downsizing of the livestock sector reduced demand for feed grains. In contrast, imports of high-value food products (HVP's) have surged. This demand has been fueled by growing differences in income that are creating an upper class with more expensive tastes.

Also contributing to the boom in HVP imports are the appreciation of the ruble, in real terms, against the dollar (making imports relatively less expensive) and the growth of private-sector trade that is more responsive to consumer signals than the former state-controlled trade. While the outlook for strong U.S. HVP exports to Russia is bright in the near term, domestic production will probably improve over time in quality and quantity to satisfy more of domestic demand.

Inefficiency Plagued Prereform Russian Agriculture

Prior to the 1992 reforms, Russia suffered from food shortages, though not in the strict material sense—data show that Russian per capita consumption of most foodstuffs was high relative even to rich Western countries. Shortages occurred in the sense that at existing prices, consumer demand for foodstuffs greatly exceeded supply; these prices were fixed by the government at low levels, while incomes grew substantially. Indicators of price-induced shortages included long queues to purchase goods, hoarding, black market activity, and at the macroeconomic level, an excess of unspendable rubles held by the public.

Prior to the reforms, the production side of the food economy was characterized by low worker incentives, low input productivity, poor quality of output, extensive waste, and an ill-functioning distribution system. In January 1992, a package of reform measures was implemented with the general objectives of creating macroeconomic stability, establishing the institutional base required for a market economy, and integrating Russia into the world economy.

To date, progress toward institutional reform of the agricultural sector has been limited. The main development has been the gradual erosion of the state procurement system, allowing a growing share of farm output to be marketed through newly developed private channels. These new channels, however, are rather primitive, often involving costly barter arrangements. Commodity exchanges are still in their infancy, handling less than 10 percent of marketed output.

The former system of state and collective farms is being transformed very slowly. The official reorganization of farms in 1992 was largely cosmetic—farms often changed only their names, with “joint stock company” and “cooperative” among the preferred titles. A third of these state farms chose not to change their status at all. For the most part, the organization, management, and incentive systems of these farms are only now beginning to change as they are forced to become more self-financing and more responsible for marketing their output.

While 279,000 private farms (averaging 42 hectares each) have been created in Russia over the last 4 years, hardly any new farms were being established by the end of 1994. Almost 30,000 former state and collective farms exist, with an average of about 6,000 hectares each. In 1994, private farms produced only 5 percent of the country's grain, 1 percent of livestock products, 4 percent of sugarbeets, and 10 percent of sunflowerseeds.

Further indicators of the lack of essential institutional reform in Russian agriculture are the absence of institutions such as land markets, a legal and regulatory framework for the rural economy, a financial and banking system, market information services, and social welfare programs for those hurt by reform-induced economic dislocation in the countryside. In the long run, such institutional development is necessary to create a sustainable and well-functioning market system in agriculture.

Macro Reforms Spur Ag Restructuring

While institutional change has been slow, macroeconomic reforms have resulted in significant restructuring of the agriculture sector consistent with the development of a market economy. Changes in fiscal, monetary, price, and trade policy are affecting the quantity and mix of agricultural production, consumption, and trade. The Russian agricultural establishment, which has strongly resisted institutional change, has not succeeded in holding off the effects of broader economic reforms originating outside the farm economy.

The livestock sector has undergone more restructuring than others. Since reforms began in 1992, livestock inventories have fallen about 20 percent, and meat output has dropped nearly 30 percent.

However, the contractions are a necessary correction of the sector's overexpansion during the Soviet period. As a result of deliberate state policy to expand the sector, livestock herds jumped more than 60 percent and meat output expanded about 30 percent from 1970 to 1990.

By 1990, per capita consumption of meat, milk, and eggs in the former Soviet Union (FSU) was as high as that in many Western countries, yet per capita income in the FSU was only half that of these industrialized nations. The growth, however, was possible only through large state subsidies, and the livestock sector became one of the most subsidized parts of the Soviet economy. In addition, large imports of grain were required to provide feed for the growing animal inventories.

With the introduction of reforms in 1992, the livestock sector was forced to adjust to new market conditions. The liberalization of prices caused input costs to rise dramatically toward world levels, and tight fiscal and monetary policies sharply cut subsidies. The combination of these factors caused a marked deterioration in producers' terms of trade, as prices for inputs (feed, machinery, and fuel) rose much faster than output prices.

Consumer prices have also risen substantially, reflecting the real, unsubsidized costs of production. In fact, prices rose not only for foodstuffs, but for all consumer goods and services. Since 1992, the aggregate growth in consumer prices has exceeded income growth, thereby reducing real incomes. Consequently, consumer demand for many foodstuffs has dropped, depending on income elasticity of demand (the responsiveness of demand for particular goods to changes in income).

Since income elasticity for livestock products is relatively high, consumer demand has fallen sharply. Per capita consumption of meat in 1994 was down about 12 percent from 1991, while milk consumption fell roughly 15 percent. However, demand for foods with particularly low income elasticity, such as potatoes and bread, has actually risen; per capita consumption of potatoes was 25 percent higher in 1994 than 1991, and bread almost 10 percent higher.

Despite the shifts in food consumption, total caloric intake has changed little. Certain social groups, particularly those on fixed incomes (such as the elderly), have seen a decline in the quality of their diets. The solution to this problem depends less on agricultural production than on strengthening the social welfare system.

Meat Output Plunges As Livestock Inventories Fall

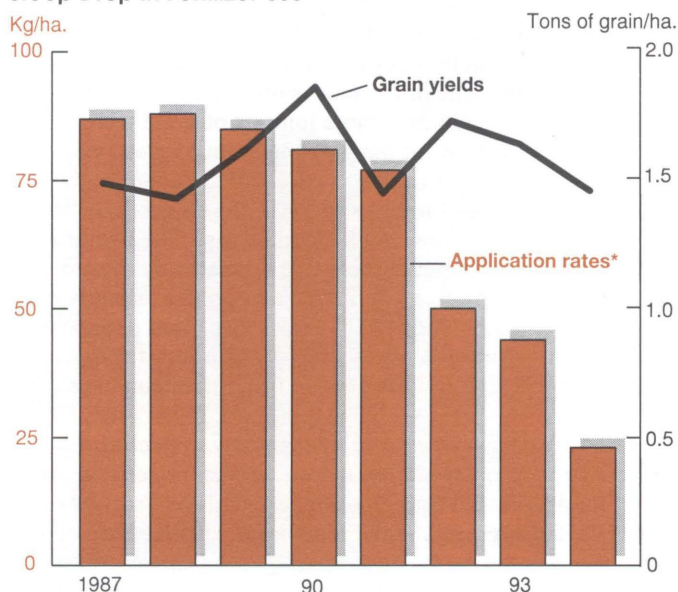
	Inventory*				Meat output
	Poultry	Sheep & goats	Cattle	Hogs	
	—	—	—	—	Million tons
	Million head				
1990	654	61.3	58.8	40.0	10.1
1991	660	58.2	57.0	38.3	9.4
1992	652	55.3	54.7	35.4	8.3
1993	568	51.2	52.2	31.5	7.5
1994	567	43.7	48.9	28.6	6.9

*As of January 1.

Source: Russian Committee for Statistics.

Special Article

Fall in Grain Yields Has Not Matched Steep Drop in Fertilizer Use



*Excludes corn, which accounts for 5 percent of grain output.
Source: Russian Committee for Statistics.

One of the main effects of economic reform on the crop sector has been a large drop in input use (fertilizers, pesticides, machinery, and fuel). In the Soviet period, the state heavily subsidized input use. Application rates were high, with little regard for proper use and timing, and resulted in inefficiency and waste. For example, from 1970 to 1990 the amount of fertilizer applied to grains rose more than 150 percent, while yields increased only about a third.

With the beginning of reform in 1992, particularly price liberalization and reduction of state subsidies, input prices rose sharply. The percentage rise in agricultural input prices greatly exceeded the increase in output prices, and farmers' terms of trade deteriorated. For example, 1993 average grain prices were 5 times higher than in 1992, while fertilizer prices multiplied nearly 11 times.

While the price-cost squeeze facing farms has caused a substantial decline in input use, input productivity (output per unit of input) has increased. The main evidence is that crop yields have fallen far less dramatically than input use. Grain yields in 1994 were only about 10 percent below the 1986-90 annual average, while fertilizer applications to grain dropped nearly 75 percent. However, if input use continues to decline, yields will likely fall by increasingly large percentages.

Grain Imports Plummet As Reform Proceeds

Reforms have significantly restructured Russia's agricultural trade as bulk imports have plunged. In 1994/95, Russian grain imports fell to only 3 million tons, and soybeans to about 175,000, each down by more than 70 percent from the late 1980's.

Behind this drop is the contraction of the livestock sector and the ensuing decline in grain demand. More efficient use with less waste has also contributed to the reduction in grain demand. For example, price liberalization has corrected distortions in the previous (Soviet) price system which encouraged the use of bread as animal feed. USDA estimates that Russia used less than 50 million tons of grain as feed in 1994/95, down from its peak of nearly 75 million tons in 1990/91.

Russia's financial constraints have also contributed to the fall in grain import demand. Stricter fiscal and monetary policies, along with a large foreign debt, have ended the state practice of subsidizing bulk agricultural imports. In addition, the strong agrarian lobby has pressured the government to reduce grain imports. Farmers insist that the government use its funds to support Russian farmers, rather than purchasing grain from abroad, since farmers are still holding large supplies of unsold grain.

The reduction of government-to-government credits by Western countries has also affected Russia's imports. Western commercial credits and food aid to Russia have dropped considerably. Moreover, in the next few years, the Uruguay Round (UR) agreement will further limit export subsidies that countries can offer, such as the Export Enhancement Program (EEP). The UR does not, however, restrict export credits or bonafide food aid.

Illustrating Russia's progress toward a market economy is the fact that price and trade policy reform have resulted in a rise in domestic grain prices, which formerly were far below world market prices, to approach import prices. If output prices rise relative to input prices, Russian producers should be able to purchase more inputs, improve their financial performance, and satisfy more of the country's grain needs, both in quantity and quality. In years of favorable weather, Russia could be a net grain exporter.

Shortrun Outlook Bright For U.S. HVP's

While Russia's bulk imports have plunged, its HVP imports have surged. Total Russian poultry meat imports increased nearly sixfold between 1993 and 1994. The reform-induced emergence of a new upper income class (as income distribution becomes less equal) has contributed significantly to the rise in Russia's demand for HVP's.

Higher Tariffs Aimed at Protecting Domestic Producers

Mounting pressure to curb food imports and encourage domestic production has led to new policies designed to protect domestic producers. The Russian government recently introduced higher tariffs and a new value-added tax (VAT) on many agricultural imports, and signed a resolution requiring the city of Moscow to purchase more domestically produced foodstuffs. Russian officials have noted that higher tariffs and the VAT will generate revenue to reduce the budget deficit, provide support to farmers (by protecting them from competition from imports) without entailing budgetary outlays, and can be used as a negotiating lever in Russia's World Trade Organization accession talks.

While these measures could dampen Russian agricultural imports in coming months, the overall effect will largely depend on the government's ability and/or willingness to enforce these new policies. Moreover, consumer demand for generally higher quality and better packaged food products and the appreciation of the ruble against the dollar could sustain imports despite higher prices (especially if the prices of domestic products also rise).

Higher tariffs came into effect on July 1 for many high-value consumer product imports, including meat and dairy products, vegetables, fruits, nuts, coffee, vegetable oil, white sugar and confectionery products, nonalcoholic beverages, and pet foods. Russian imports of these products had sharply increased during the last 1-2 years, displacing bulk imports (grain and oilseeds) and accounting for a large share of Russian purchases. Because Russian producers have had difficulty competing with these higher quality imports, they have requested increased protection.

Moscow is one of the main consumers of Russian agricultural imports, which make up the bulk of the city's food supply. To counter the sharp rise in imports, a Russian government resolution was signed to require the Moscow city government to purchase only domestically produced eggs, grain, fish, and potatoes. In addition, the resolution stipulates that more than half of Moscow's supply of milk and milk products, sugar, vegetable oil, and vegetables, and 45 percent of meat and meat products, be purchased from Russian producers (and, in some cases, from other members of the Commonwealth of Independent States).

Critics of the Moscow city government's reliance on imports claim that such measures are necessary to "open" the city to domestic products. They also maintain that imported goods are less healthy than domestic products, and often do not meet Russian food safety standards. Opponents of these new measures believe that domestic producers will be unable to provide the quantities required and have noted that many producers simply raise prices in line with the tariffs. Moreover, it is believed that such measures would not only make food more expensive, but would also reduce the variety of available products.

While it is possible that food imports could slow as traders assess these new policies, the overall effect will be determined by the government's willingness (and ability) to enforce them. Attempts to reduce food imports in 1994 through the imposition of tariffs led to strong opposition by Russia's urban politicians. Special exemptions and under-reporting of imports also helped to undermine the effectiveness of tariffs.

However, the resolution on Moscow's food supply ties the provision of highly subsidized credit (from the federal budget) to making domestic purchases. In addition, Russian traders increased food imports in the first quarter of 1995 in anticipation of higher tariffs and the termination of tariff exemptions, which could also result in lower purchases during the next few months. On the other hand, the appreciation of the ruble against the dollar could help sustain Russia's food imports despite the higher tariffs.

Although officials view food imports as being unhealthy due to chemical and hormonal additives that are common in the West, consumers are often more concerned with a product's packaging, preparation convenience, and longer shelf life—qualities associated with imported goods. Therefore, the effect of the tariff increase on import demand would likely be greater if domestic products were of similar quality. Lastly, while agrarian groups believe that the new policies will boost production in the short run by protecting farmers from lower cost, higher quality imports, these measures can inhibit the necessary restructuring of the agricultural sector and can hurt consumers who will pay more for a smaller variety of foodstuffs.

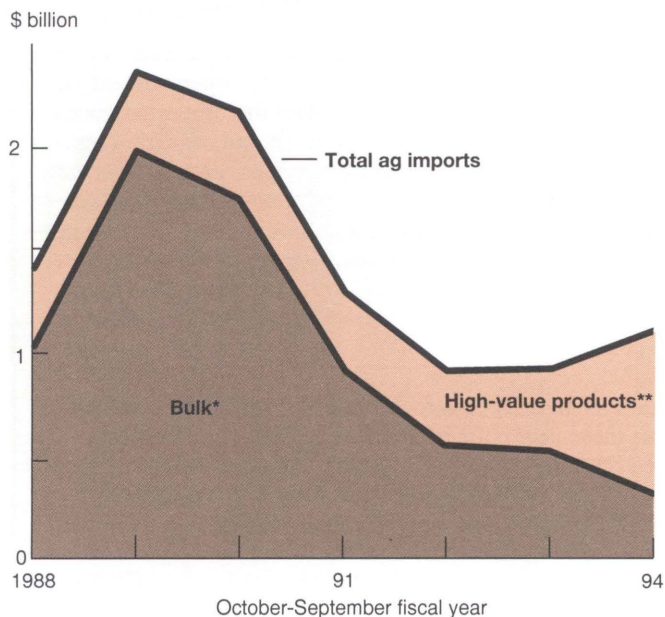
[Sharon Sheffield (202) 219-0019]

Another factor is the appreciation of the real ruble/dollar exchange rate. Although the ruble has depreciated relative to the dollar in nominal terms since reform, Russia's inflation rate has exceeded the ruble's nominal depreciation rate. This means that Russian incomes measured in dollars have increased, or alternatively, the purchasing power of Russian consumers for foreign goods has risen.

Consumers have become attracted to competitively priced, higher quality, and better packaged Western HVP's. Even Russian food processors have chosen to import semiprocessed goods from the West rather than deal with the uncertain quality, prices, and delivery of domestic output. On the supply side, the liberalization of foreign trade and development of private trading firms have enabled private traders to respond quickly to changing demand for foreign as well as domestic goods.

Special Article

HVP Share of Russia's Ag Imports Continues To Rise



Data for 1988-91 are estimated from former Soviet Union data.

*Grain and soybeans. **Includes livestock products, soybean meal, and horticultural products.

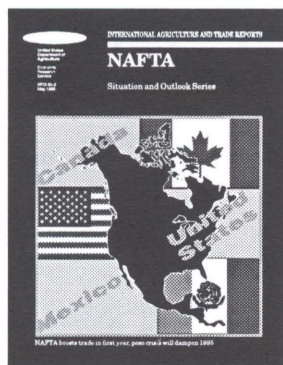
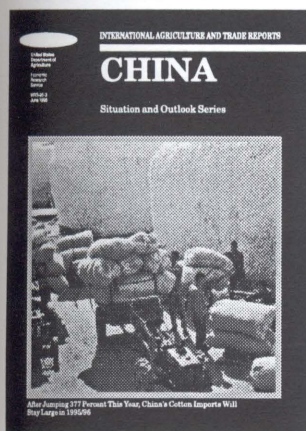
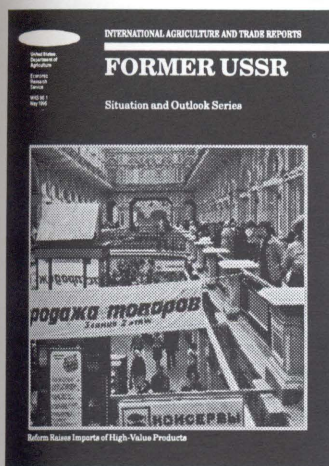
Trade liberalization has also opened up new regional markets for HVP's that previously had been closed. By allowing Russia's regions rich in mineral resources (such as oil, gas, and gold) to trade directly with the West and maintain a much larger share of export earnings, government policy has helped create new HVP importers.

Western exporting countries have also facilitated the growth of Russian HVP imports through various trade policies, mainly export credit and subsidy programs. For example, the U.S. has in the past used GSM-102 credits for poultry exports to Russia, and EEP for pork.

Despite a rise in Russian import tariffs in July, the outlook for U.S. HVP sales during the next 1-2 years appears bright. U.S. HVP exports jumped from about \$300 million in fiscal 1993 to a record of nearly \$760 million in fiscal 1994, even though import tariffs were introduced in mid-1994. Russia is now the largest importer of U.S. poultry meat, and the second-largest importer of U.S. pork. Sales of snack foods to Russia, from chocolate to beverages, are also booming.

In the medium- to long term, Russia is expected to reduce production costs and improve output quality, thereby competing with many HVP imports. Growth in foreign investment and technology transfer will help expedite these changes.

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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	III F	IV F	Annual F
Prices received by farmers (1990-92=100*)	101	97	96	100	99	100	--	--	--
Livestock & products	97	92	90	95	93	89	--	--	--
Crops	107	101	102	105	105	114	--	--	--
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	10,867	11,114	11,096	43,598
Poultry (mil. lb.)	7,372	7,629	7,462	29,346	7,470	7,755	7,955	7,905	31,085
Eggs (mil. doz.)	1,521	1,550	1,597	6,177	1,545	1,540	1,560	1,605	6,250
Milk (bil. lb.)	39.9	38.2	37.9	153.6	39.0	40.6	39.0	38.9	157.5
Consumption, per capita									
Red meat and poultry (lb.)	52.3	54.2	55.1	212.2	51.6	53.4	55.0	56.0	215.9
Corn beginning stocks (mil. bu.) 3/	5,936.5	3,995.7	2,359.9	2,113.0	850.1	8,080.5	5,591.7	3,415.6	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	2,179.6	1,913.1	9,460.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	68.79	65.83	67.63	68.84	71.51	64.7	62-64	64-68	65-67
Barrows & gilts—IA, So. MN (\$/cwt)	42.90	40.5	31.03	40.03	38.56	39	41-43	37-39	39-40
Broilers—12-city (cts./lb.)	60.0	55.9	51.8	55.7	51.7	53.5	54-56	50-54	52-54
Eggs—NY gr. A large (cts./doz.)	63.3	67.0	67.2	67.3	65.2	63.6	66-68	67-71	65-67
Milk—all at plant (\$/cwt)	12.93	12.47	12.97	12.97	12.63	12.33	12.20-12.60	12.60-13.30	12.45-12.75
Wheat—KC HRW ordinary (\$/bu.)	3.63	3.74	4.27	3.86	3.97	4.27	--	--	--
Corn—Chicago (\$/bu.)	2.75	2.24	2.14	2.52	2.38	2.60	--	--	--
Soybeans—Chicago (\$/bu.)	6.73	5.79	5.43	6.18	5.53	5.48	--	--	--
Cotton—Avg. spot 41-34 (cts./lb.)	77.40	71.00	73.83	66.12	94.73	105.76	--	--	--
	1986	1987	1988	1989	1990	1991	1992	1993	1994
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	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	6,977.4
Gross national product	6,025.8	6,347.8	6,726.9	6,574.0	6,682.5	6,779.6	6,871.3	6,959.5
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,535.0	4,586.4	4,657.5	4,734.8	4,782.1
Durable goods	492.7	538.0	591.5	576.2	580.3	591.5	617.7	615.2
Nondurable goods	1,295.5	1,339.2	1,394.3	1,368.9	1,381.4	1,406.1	1,420.7	1,432.2
Food & beverages	626.8	649.7	679.6	667.9	675.5	683.7	691.2	697.4
Clothing & shoes	227.7	235.4	246.5	241.9	243.9	247.8	252.6	252.5
Services	2,348.7	2,501.0	2,642.7	2,589.9	2,624.7	2,659.9	2,696.4	2,734.8
Gross private domestic investment	788.3	882.0	1,032.9	966.6	1,034.4	1,055.1	1,075.6	1,107.8
Fixed investment	785.2	866.7	980.7	942.5	967.0	992.5	1,020.8	1,053.3
Change in business inventories	3.0	15.4	52.2	24.1	67.4	62.6	54.8	54.5
Net exports of goods & services	-30.3	-65.3	-98.2	-86.7	-97.6	-109.6	-98.9	-111.1
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	1,198.7
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	5,470.1
Gross national product	4,985.7	5,140.3	5,337.3	5,262.7	5,310.5	5,359.9	5,416.0	5,458.3
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,546.3	3,557.8	3,584.7	3,629.6	3,643.9
Durable goods	452.6	489.9	532.1	521.7	522.2	529.6	554.8	550.0
Nondurable goods	1,057.7	1,078.5	1,109.5	1,098.3	1,104.3	1,113.4	1,121.9	1,128.2
Food & beverages	514.7	524.0	535.6	531.9	536.1	535.7	538.5	541.1
Clothing & shoes	193.2	197.8	208.8	203.8	204.9	210.2	216.4	216.6
Services	1,839.1	1,890.3	1,938.1	1,926.3	1,931.4	1,941.8	1,952.9	1,965.7
Gross private domestic investment	725.3	819.9	951.5	898.9	950.9	967.3	989.1	1,024.1
Fixed investment	722.9	804.6	903.8	873.4	891.7	910.2	939.7	973.0
Change in business inventories	2.5	15.3	47.8	25.4	59.2	57.1	49.4	51.1
Net exports of goods & services	-32.3	-73.9	-110.0	-104.0	-111.8	-117.0	-107.1	-118.5
Government purchases of goods & services	936.9	929.8	922.8	919.9	917.1	932.0	922.2	920.5
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	5,184.4
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	3,950.5
Per capita disposable per. income (\$)	17,636	18,153	19,003	18,588	18,853	19,095	19,473	19,748
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,535	14,625	14,697	14,927	15,048
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	May	Feb	Mar	Apr	May P
Monthly data seasonally adjusted								
Total industrial production (1987=100)	108.0	112.9	119.7	119.0	124.2	124.1	123.3	123.0
Leading economic indicators (1987=100)	98.2	98.8	101.7	101.5	102.2	101.8	101.2	101.0
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	122.7	125.1	125.3	125.1	124.3
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	6.1	5.4	5.5	5.8	5.7
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,665.4	5,962.7	5,992.7	6,001.0	5,988.0
Money stock—M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,615.1	3,608.5	3,622.2	3,629.7	3,642.2	3,657.4
Three-month Treasury bill rate (%)	3.45	3.02	4.29	4.19	5.80	5.73	5.67	5.70
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	7.99	8.26	8.12	8.03	7.65
Total housing starts (1,000) 4/	1,200	1,288	1,457	1,489	1,319	1,238	1,255	1,239
Business inventory/sales ratio	1.50	1.45	1.39	1.40	1.39	1.40	1.42	—
Sales of all retail stores (\$ bil.) 5/	1,959.1	2,081.6	2,241.3	183.2	191.3	193.2	193.0	194.7
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	111.6	115.5	116.2	116.5	117.1
Food stores (\$ bil.)	382.4	392.4	405.6	32.9	33.7	33.7	33.9	33.9
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.0	9.0	9.3	8.9	9.2
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	18.9	19.6	19.8	20.0	20.0

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

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

Table 3—World Economic Growth

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 E	1995 F	1996 F	Average 1985-94
Real GDP, annual percent change													
World	3.3	2.7	3.1	4.4	3.3	2.2	0.7	1.7	1.4	3.0	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	2.5	3.0	3.2	2.6
Developed	3.2	2.7	3.1	4.4	3.3	2.4	0.9	1.7	1.0	2.9	2.7	2.5	2.6
Developed, less U.S.	3.4	2.7	3.2	4.5	3.6	3.5	6.3	1.0	-0.1	2.2	2.6	2.6	3.0
United States	3.0	2.6	3.0	3.9	2.6	0.8	-0.7	2.3	3.1	4.1	3.0	2.3	2.5
Canada	4.7	3.3	4.1	4.7	2.5	0.4	-1.7	0.6	2.2	4.3	3.9	2.9	2.5
Japan	5.0	2.7	4.1	6.2	4.7	5.2	4.3	1.4	0.0	0.6	1.5	2.0	3.4
Western Europe	2.5	2.7	2.6	3.7	3.2	2.8	8.4	0.8	-0.5	2.7	3.0	2.8	2.9
European Union	2.4	2.6	2.7	3.8	3.3	2.8	1.4	0.9	-0.3	2.8	3.0	2.8	2.2
Germany	1.9	2.2	1.4	3.7	3.6	5.7	4.5	1.9	-1.1	3.0	3.1	3.0	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	5.4	5.6	5.1	4.9	4.3
Asia	6.2	6.3	7.4	9.1	5.6	6.1	5.1	7.6	7.9	8.1	7.5	6.3	6.9
Pacific-Asia	6.7	7.3	9.0	9.5	6.1	6.6	6.4	9.0	9.2	9.2	8.4	6.8	7.9
China	12.3	8.2	11.0	10.7	4.3	5.4	6.4	13.0	13.4	11.8	10.0	7.5	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	4.1	2.5	3.6	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	2.5	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	4.7	3.8	4.1	2.9
Brazil	7.9	8.0	3.3	-0.2	3.3	-4.2	0.9	-0.9	4.1	4.9	4.2	3.7	2.7
Middle East	-0.9	-6.9	-2.3	-2.5	2.3	3.1	1.9	7.5	4.6	2.4	3.1	3.2	0.9
Africa	3.1	2.2	1.7	2.4	3.1	1.3	1.7	0.3	0.9	1.7	2.5	3.1	1.8
North Africa	3.3	-0.3	0.2	1.5	3.8	2.2	2.8	1.4	-0.3	1.3	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	2.9	2.0
Middle East & N. Africa	0.5	-4.7	-1.4	-1.1	2.8	2.8	2.2	5.4	3.0	2.1	3.1	3.2	1.2

E = estimate. F = forecast.

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Farm Prices

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

	Annual			1994		1995					
	1992	1993	1994	June	Jan	Feb	Mar	Apr R	May R	June P	
Prices received											
All farm products	98	101	100	100	98	98	100	100	100	100	
All crops	101	102	105	108	103	102	109	114	115	113	
Food grains	113	105	118	109	120	116	113	112	119	128	
Feed grains & hay	98	98	106	113	97	100	102	105	108	111	
Cotton	88	89	109	104	132	135	143	139	136	143	
Tobacco	101	101	101	—	108	110	98	88	—	—	
Oil-bearing crops	100	108	110	121	98	97	98	99	99	100	
Fruit & nuts, all	99	92	89	94	73	72	77	81	98	98	
Commercial vegetables	111	116	107	103	125	114	156	176	148	123	
Potatoes & dry beans	88	106	111	118	90	89	92	100	111	114	
Livestock & products	97	100	95	94	93	94	93	90	88	90	
Meat animals	96	100	90	87	89	91	89	85	82	85	
Dairy products	100	98	100	96	96	96	97	95	95	93	
Poultry & eggs	97	105	106	110	101	100	101	100	99	100	
Prices paid											
Commodities & services, interest, taxes, & wage rates	101	103	106	107	108	108	108	108	108	108	
Production items	101	103	106	108	106	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	93	93	92	93	93	93	93	
Prices received (1910-14=100)	626	642	634	634	624	620	633	634	633	637	
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	—	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	June	Jan	Feb	Mar	Apr R	May R	June P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.21	3.69	3.62	3.53	3.48	3.66	3.85
Rice, rough (\$/cwt)	5.89	7.98	6.25	8.76	6.78	6.71	6.64	6.70	6.75	6.91
Corn (\$/bu.)	2.07	2.50	2.20	2.61	2.19	2.23	2.30	2.36	2.41	2.56
Sorghum (\$/cwt)	3.38	4.13	3.65	4.24	3.63	3.69	3.75	3.84	4.06	4.45
All hay, baled (\$/ton)	74.30	84.70	86.50	88.70	84.80	85.00	86.70	90.30	90.40	83.90
Soybeans (\$/bu.)	5.56	6.40	5.35	6.72	5.47	5.40	5.51	5.55	5.56	5.62
Cotton, upland (cts./lb.)	53.7	58.1	67.4	63.3	79.7	81.6	86.5	84.5	82.6	86.5
Potatoes (\$/cwt)	5.52	6.22	5.36	6.67	4.70	4.92	5.16	5.55	6.28	6.53
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	13.90	13.50	9.44	29.30	49.20	48.50	17.00
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	30.70	41.60	27.00	43.80	20.50	14.40	38.10
Onions (\$/cwt)	13.00	15.80	14.46	8.54	13.80	17.10	16.90	23.70	15.50	11.70
Beans, dry edible (\$/cwt)	19.90	24.60	21.70	25.00	22.40	21.00	21.20	23.40	24.60	23.30
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	13.5	20.2	18.9	18.3	16.9	15.4	15.6
Pears for fresh use (\$/ton)	378	280	261	175	274	301	363	399	419	557
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	5.15	3.05	3.29	3.77	4.48	4.92	5.21
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	2.30	2.19	2.24	2.28	1.68	1.37	4.54
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	62.70	67.50	68.70	66.90	63.80	60.80	61.50
Calves (\$/cwt)	89.38	95.92	87.16	84.80	85.00	86.90	84.40	81.80	77.00	78.10
Hogs (\$/cwt)	41.82	45.40	39.48	42.70	36.90	39.10	37.80	35.70	37.20	41.80
Lambs (\$/cwt)	60.78	64.60	64.86	63.00	67.50	70.40	74.80	74.40	80.40	85.40
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	12.60	12.60	12.60	12.70	12.40	12.40	12.20
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	11.00	11.40	11.60	11.70	11.20	11.00	11.10
Broilers (cts./lb.)	30.8	34.2	35.0	37.5	32.6	32.6	32.8	32.1	32.4	32.8
Eggs (cts./doz.) 4/	56.2	62.7	60.9	57.7	62.0	61.6	61.4	62.0	56.3	57.8
Turkeys (cts./lb.)	37.6	39.0	40.7	40.3	39.3	37.2	38.3	38.3	38.2	39.3

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

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

Producer & Consumer Prices

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

	Annual	1994			1995					
	1994	June	Nov	Dec	Jan	Feb	Mar	Apr	May	June
1982-84=100										
Consumer Price Index, all items	148.2	148.0	149.7	149.7	150.3	150.9	151.4	151.9	152.2	152.5
Consumer Price Index, less food	149.0	148.8	150.6	150.2	150.8	151.5	152.1	152.5	152.9	153.3
All food	144.3	143.5	145.3	146.8	147.5	147.4	147.4	148.4	148.3	147.9
Food away from home	145.7	145.5	146.8	147.1	147.4	147.6	148.1	148.3	148.6	148.8
Food at home	144.1	142.9	145.1	147.3	148.2	147.9	147.6	149.2	148.7	148.1
Meats 1/	135.4	135.4	134.6	133.7	134.9	134.9	135.5	134.9	134.7	134.0
Beef & veal	136.0	136.1	134.5	134.7	135.8	136.6	136.9	136.2	134.9	133.9
Pork	133.9	134.6	133.4	130.1	132.2	131.8	132.9	131.1	131.8	132.2
Poultry	141.5	143.6	140.2	140.4	140.2	141.4	143.3	142.3	141.6	142.9
Fish & seafood	163.7	162.6	167.0	166.9	169.0	170.4	171.2	171.6	171.9	172.1
Eggs	114.3	110.8	115.4	116.4	115.4	113.9	115.3	112.0	110.0	109.6
Dairy products 2/	131.7	132.2	131.7	131.6	132.7	132.1	132.2	132.1	132.8	132.2
Fats & oils 3/	133.5	133.5	134.3	134.2	136.4	136.8	136.8	137.2	137.1	136.4
Fresh fruits	201.2	193.3	199.5	213.1	214.2	213.3	207.0	210.3	219.6	216.3
Processed fruits	133.1	132.6	132.5	133.3	134.4	135.3	136.5	136.8	136.7	137.2
Fresh vegetables	172.3	168.7	178.4	212.7	209.4	198.6	193.8	220.4	203.5	194.9
Potatoes	174.3	185.7	154.2	154.2	157.1	157.2	161.8	164.6	165.3	183.1
Processed vegetables	136.6	137.3	134.0	134.7	138.0	137.7	136.9	138.1	139.0	138.9
Cereals & bakery products	163.0	163.4	163.7	164.2	164.6	165.8	165.3	166.9	166.6	167.5
Sugar & sweets	135.2	134.9	134.5	134.5	135.5	135.8	136.4	136.7	137.3	137.3
Nonalcoholic beverages	123.2	115.8	132.4	131.7	133.3	133.7	132.9	132.9	131.7	131.5
Apparel										
Apparel, commodities less footwear	131.2	131.4	132.1	127.9	126.3	128.3	132.3	132.5	130.8	127.6
Footwear	126.0	127.3	125.7	123.6	124.0	124.8	125.9	127.2	126.6	124.6
Tobacco & smoking products	220.0	220.6	221.4	222.0	222.2	222.7	222.5	223.0	225.3	226.4
Alcoholic beverages	151.5	151.7	151.9	151.8	152.0	152.4	153.1	153.6	153.9	154.0

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	May	Dec	Jan R	Feb	Mar	Apr	May
	1982 = 100									
All commodities	117.2	118.9	120.4	119.9	121.9	122.9	123.5	123.7	124.6	125.0
Finished goods 1/	123.2	124.7	125.5	125.3	126.2	126.6	126.9	126.9	127.6	128.0
All foods 2/	120.9	123.7	125.2	125.2	126.6	125.5	125.9	126.0	125.8	125.1
Consumer foods	123.3	125.7	126.8	126.6	128.6	127.9	128.3	128.5	128.5	127.9
Fresh fruits & melons	84.0	84.5	82.6	90.8	84.4	82.7	78.8	74.6	74.4	96.6
Fresh & dried vegetables	115.0	135.2	129.1	116.9	215.2	158.0	148.5	156.9	184.9	158.8
Dried fruits	114.6	117.9	121.1	123.3	118.9	119.4	119.9	119.2	119.4	121.3
Canned fruits & juices	134.5	126.2	126.0	126.0	125.0	125.9	126.9	127.3	126.8	126.8
Frozen fruits, juices & ades	125.9	110.7	111.9	112.0	111.3	115.6	114.0	115.2	114.8	117.2
Fresh veg. excl. potatoes	116.4	126.6	117.8	91.2	244.7	163.5	149.2	159.2	199.1	167.2
Canned vegetables & juices	109.5	110.5	116.3	117.9	113.1	112.9	114.2	114.7	112.9	115.6
Frozen vegetables	116.4	120.9	126.0	126.9	125.0	125.1	124.8	124.9	125.1	124.3
Potatoes	118.4	144.9	142.3	147.8	101.0	101.3	103.0	114.6	110.1	106.8
Eggs for fresh use (1991=100)	78.6	86.6	80.9	69.2	85.9	78.7	80.4	80.7	83.1	72.3
Bakery products	152.5	156.6	160.0	159.8	161.7	162.1	162.6	162.5	162.5	163.2
Meats	106.7	110.6	104.6	106.9	100.2	102.9	104.3	104.8	100.7	100.1
Beef & veal	109.5	112.9	103.6	106.3	101.3	104.1	106.3	107.5	100.4	99.4
Pork	98.9	105.7	101.3	104.0	90.8	96.2	97.4	96.9	94.8	94.8
Processed poultry	109.0	111.7	114.8	117.8	109.3	110.1	110.6	109.8	109.7	109.3
Unprocessed & packaged fish	156.1	156.5	161.5	157.7	162.4	170.6	175.2	175.1	179.6	167.1
Dairy products	117.9	118.1	119.5	121.2	118.6	117.1	117.6	118.4	118.1	117.5
Processed fruits & vegetables	120.8	118.2	121.2	122.0	119.6	120.2	120.9	121.2	120.4	121.5
Shortening & cooking oil	115.1	122.9	138.6	141.8	144.6	147.1	144.4	143.9	142.1	139.0
Soft drinks	125.6	126.2	126.9	127.1	127.4	130.3	132.1	133.6	133.1	133.0
Finished consumer goods less foods	120.8	121.7	121.6	121.2	121.8	122.4	122.6	122.7	123.8	124.7
Alcoholic beverages	126.1	126.0	124.8	124.1	125.0	125.3	127.4	127.0	127.5	128.6
Apparel	122.2	123.2	123.5	123.5	123.6	123.8	123.8	124.0	124.2	124.2
Footwear	132.0	134.4	135.5	135.4	136.6	137.5	138.6	138.7	138.5	138.8
Tobacco products	275.3	260.3	224.7	224.7	225.2	225.4	226.0	228.1	228.7	233.7
Intermediate materials 4/	114.7	116.2	118.5	117.2	121.1	122.5	123.3	123.7	124.7	125.3
Materials for food manufacturing	113.9	115.6	118.5	120.1	117.5	117.8	118.5	119.0	117.1	116.5
Flour	109.5	108.9	110.3	111.5	113.3	112.5	110.6	109.4	111.4	115.3
Refined sugar 5/	119.8	118.2	118.3	118.0	119.2	119.8	120.9	120.8	118.5	118.8
Crude vegetable oils	97.1	110.5	135.0	138.1	141.3	140.5	138.8	139.7	129.9	126.0
Crude materials 6/	100.4	102.4	101.7	103.0	100.5	101.5	102.7	102.3	103.9	103.5
Foodstuffs & feedstuffs	105.1	108.4	106.5	109.7	101.6	102.2	104.0	103.2	101.9	99.5
Fruits & vegetables & nuts 7/	96.9	106.9	104.6	101.4	137.1	110.9	105.6	107.3	118.5	116.7
Grains	97.3	94.5	102.7	106.8	95.3	95.5	96.9	98.2	101.1	104.2
Livestock	104.7	107.0	96.4	98.5	91.6	96.4	100.5	96.9	92.3	87.4
Poultry, live	112.6	122.0	124.4	138.2	114.2	108.6	109.3	113.1	109.1	111.0
Plant & animal fibers	89.8	91.3	120.7	129.2	132.6	143.5	149.4	180.2	175.2	165.7
Fluid milk	96.1	94.1	95.8	95.3	93.5	92.1	90.9	92.8	91.4	90.2
Oilseeds	107.5	115.9	117.4	125.5	106.5	104.5	103.9	107.5	110.4	105.9
Leaf tobacco	101.0	100.3	101.2	98.9	107.4	110.5	112.5	100.2	90.0	—
Raw cane sugar	112.1	113.2	115.2	115.6	116.0	117.7	118.4	117.2	118.6	118.8

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	May	Dec	Jan	Feb	Mar	Apr	May
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	144.9	148.0	148.7	148.3	148.0	149.8	149.4
Farm value (1982-84=100)	103.2	104.9	101.6	103.6	99.6	100.3	101.9	101.2	104.6	100.6
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	167.2	174.1	174.9	173.3	173.2	174.2	175.7
Farm value-retail cost (%)	26.1	25.9	24.5	25.0	23.6	23.6	24.0	24.0	24.4	23.6
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	136.2	133.7	134.9	134.9	135.5	134.9	134.7
Farm value (1982-84=100)	104.5	107.2	96.1	101.4	86.3	91.6	96.7	97.3	92.7	89.3
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	171.9	182.3	179.3	174.1	174.7	178.3	181.3
Farm value-retail cost (%)	40.5	40.3	35.9	37.7	32.7	34.4	36.3	36.4	34.8	33.6
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	132.0	131.6	132.7	132.1	132.2	132.1	132.8
Farm value (1982-84=100)	95.8	93.0	94.5	96.7	93.8	91.9	88.6	90.6	91.9	91.9
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	164.5	166.5	170.3	172.2	170.5	169.1	170.5
Farm value-retail cost (%)	35.8	34.5	34.4	35.2	34.2	33.2	32.2	32.9	33.4	33.2
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	141.8	140.4	140.2	141.4	143.3	142.3	141.6
Farm value (1982-84=100)	104.0	111.5	114.6	119.7	108.5	107.4	106.4	107.4	105.5	106.3
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	167.3	177.1	178.0	181.7	184.6	184.6	182.3
Farm value-retail cost (%)	42.4	43.6	43.3	45.2	41.4	41.0	40.3	40.1	39.7	40.2
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	107.3	116.4	115.4	113.9	115.3	112.0	110.0
Farm value (1982-84=100)	77.8	88.9	83.5	78.0	89.7	86.8	86.1	85.4	86.3	74.4
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	159.9	164.4	166.8	163.8	169.0	158.2	173.9
Farm value-retail cost (%)	46.1	48.8	47.0	46.7	49.5	48.3	48.6	47.6	49.5	43.5
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	162.3	163.7	164.6	165.8	165.3	166.9	166.6
Farm value (1982-84=100)	94.2	91.8	102.6	106.6	102.5	102.3	101.2	99.6	99.7	102.1
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	170.1	172.2	173.3	174.8	174.5	176.3	175.6
Farm value-retail cost (%)	7.6	7.2	7.7	8.0	7.7	7.6	7.5	7.4	7.3	7.5
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	212.5	222.8	221.7	221.0	212.8	218.0	228.9
Farm value (1982-84=100)	122.4	134.8	119.4	124.7	118.8	128.3	127.6	126.2	126.0	132.3
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	253.1	270.8	264.8	264.1	252.8	260.5	273.5
Farm value-retail cost (%)	20.4	21.7	18.1	18.5	16.8	18.3	18.2	18.7	18.3	18.3
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	162.8	212.7	209.4	198.6	193.8	220.4	203.5
Farm value (1982-84=100)	120.6	127.1	121.1	102.1	153.3	135.0	144.8	121.6	210.8	157.2
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	194.0	243.2	247.6	226.3	230.9	225.3	227.4
Farm value-retail cost (%)	25.9	25.6	23.9	21.3	24.5	21.9	24.8	21.3	32.5	26.2
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	134.4	133.8	135.8	136.2	136.5	137.2	137.6
Farm value (1982-84=100)	128.6	107.0	112.5	111.5	112.0	111.1	114.6	115.5	116.1	116.7
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	141.5	140.6	143.5	142.9	143.1	143.8	144.1
Farm value-retail cost (%)	22.9	19.3	19.9	19.7	19.9	19.5	20.0	20.1	20.1	20.2
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	133.2	134.2	136.4	136.8	136.8	137.2	137.1
Farm value (1982-84=100)	93.1	107.5	125.5	129.2	136.2	130.3	126.5	127.2	119.9	117.6
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	134.9	133.5	138.6	140.6	140.3	143.6	144.3
Farm value-retail cost (%)	19.3	22.3	25.3	26.0	27.3	25.7	24.9	25.0	23.5	23.1

	Annual			1994		1995				
	1992	1993	1994	June	Jan	Feb	Mar	Apr	May	June
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	283.3	282.6	284.3	284.7	283.7	282.2	283.4
Wholesale value 3/ (cts.)	179.6	182.5	166.7	158.5	171.7	170.4	165.7	158.5	160.4	165.6
Net farm value 4/ (cts.)	161.8	164.1	145.5	133.9	150.0	151.3	146.3	139.4	132.9	134.1
Farm-retail spread (cts.)	122.8	129.3	137.4	149.4	132.6	133.0	138.4	144.3	149.3	149.3
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	124.8	110.9	113.9	119.0	125.2	121.8	117.8
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	24.6	21.7	19.1	19.4	19.1	27.5	31.5
Farm value-retail price (%)	57	56	51	47	53	53	51	49	47	47
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	199.0	191.4	189.9	193.5	190.6	191.0	189.0
Wholesale value 3/ (cts.)	98.9	102.8	98.9	99.1	91.1	93.0	91.4	90.0	92.9	99.2
Net farm value 4/ (cts.)	67.8	72.5	62.9	67.8	59.0	61.9	59.7	56.6	59.4	68.8
Farm-retail spread (cts.)	130.2	125.1	135.1	131.2	132.4	128.0	133.8	134.0	131.6	120.2
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	99.9	100.3	96.9	102.1	100.6	98.1	89.8
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	31.3	32.1	31.1	31.7	33.4	33.5	30.4
Farm value-retail price (%)	34	37	32	34	31	33	31	30	31	36

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.

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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/	
Million pounds 4/							Pounds		
Beef									
1993	360	23,049	2,401	25,810	1,275	529	24,006	65.0	75.36
1994	529	24,386	2,371	27,286	1,611	548	25,127	67.5	76.36
1995 F	548	25,080	2,325	27,953	1,683	450	25,820	68.7	65-67
1996 F	450	25,858	2,330	28,638	1,715	450	26,448	69.6	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	46.10
1995 F	438	18,076	698	19,212	580	405	18,227	53.8	39-40
1996 F	405	18,438	680	19,523	565	405	18,558	54.3	37-40
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	314	0	320	0	5	315	0.9	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	288	53	352	8	11	333	1.2	71-73
1996 F	11	266	53	330	8	11	311	1.2	70-75
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	43,758	3,076	47,837	2,271	871	44,695	124.5	---
1996 F	871	44,877	3,063	48,811	2,288	871	45,632	125.9	---
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	55.2
1995 F	458	25,130	0	25,588	2,753	500	21,331	71.4	52-54
1996 F	500	26,697	0	27,197	1,940	490	22,652	75.1	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	513	0	527	100	10	418	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	62.6
1995 F	254	5,194	0	5,448	248	350	4,850	18.4	62-64
1996 F	350	5,414	0	5,764	258	350	5,206	19.7	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	30,838	0	31,565	4,106	860	26,599	91.4	---
1996 F	860	32,622	0	33,482	4,376	850	28,266	96.3	---
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	74,596	3,076	79,402	6,377	1,731	71,294	216.0	---
1996 F	1,731	77,499	3,063	82,293	6,664	1,671	73,898	222.2	---

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		
								Total	Per capita	Wholesale price*
Million dozen								No.	Cts./doz.	
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	6,250.1	4.1	6,269.1	193.5	836.2	12.0	5,227.4	238.3	65-67
1996 F	12.0	6,355.0	4.0	6,371.0	193.0	870.0	12.0	5,296.0	239.2	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

										CCC net removals		
Commercial					Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals		
Production	Farm use	Farm marketings	Beg. stock	Import			Ending stocks	Disappearance		Skim solids basis	Total solids basis 2/	
					Billion pounds (milkfat basis)							
										\$/cwt	Billion pounds	
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.0	2.2	142.8	4.6	2.4	149.8	9.1	4.3	136.4	12.26	5.5	6.9
1989	143.9	2.1	141.8	4.3	2.5	148.6	9.4	4.1	135.0	13.56	0.4	4.0
1990	147.7	2.0	145.7	4.1	2.7	152.5	9.0	5.1	138.3	13.68	1.6	4.6
1991	147.7	2.0	145.7	5.1	2.6	153.4	10.4	4.5	138.6	12.24	3.9	6.5
1992	150.9	1.9	149.0	4.5	2.5	155.9	9.9	4.7	141.3	13.09	2.0	5.2
1993	150.6	1.8	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	157.5	1.7	155.8	4.3	3.2	163.2	2.1	4.8	156.3	12.60	5.5	4.1

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

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

Table 13—Poultry & Eggs

	Annual			1994		1995				
	1992	1993	1994	May	Dec	Jan	Feb	Mar	Apr	May
Broilers										
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	1,986.5	1,979.2	2,059.4	1,890.4	2,196.7	1,910.5	2,196.7
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.7	61.4	50.9	51.1	51.7	52.3	51.5	52.9
Price of grower feed (\$/ton) 1/	125	130.1	135.2	148	120	123	121	124	126	127
Broiler-feed price ratio 2/	5.1	5.3	5.2	5.0	5.4	5.3	5.4	5.3	5.1	5.1
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	403.8	438.0	458.4	448.1	458.2	486.7	514.2
Broiler-type chicks hatched (mil.) 3/	6,892.8	7,220.8	7,549.8	658.7	658.9	661.4	599.0	677.3	662.4	689.6
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	415.6	397.5	389.1	371.2	435.8	371.9	443.0
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	63.1	70.4	60.7	58.5	60	60.1	60.6
Price of turkey grower feed (\$/ton) 1/	117.3	118.8	125.5	134	116	117	116	118	120	121
Turkey-feed price ratio 2/	6.4	6.6	6.6	5.9	7.3	6.7	6.4	6.5	6.4	6.3
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	399.1	280.7	254.4	317.6	367.5	444.4	480.4
Poults placed in U.S. (mil.)	307.8	308.9	317.5	29.4	25.6	27	25.9	28.5	26.9	29.5
Eggs										
Farm production (mil.)	70,860	72,037	74,119	6,189	6,519	6,374	5,720	6,448	6,173	6,244
Average number of layers (mil.)	279	285	292	289	299	298	296	295	294	291
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	21.4	21.8	21.4	19.3	21.8	21.0	21.5
Cartoned price, New York, grade A large (cts./doz.) 4/	65.4	72.5	67.3	61.9	69.3	65.2	64.3	66.2	66.6	59.4
Price of laying feed (\$/ton) 1/	135.5	134.2	144.4	162	124	128	128	133	135	144
Egg-feed price ratio 2/	8.5	9.4	8.5	7.2	10.2	9.7	9.6	9.2	9.2	7.8
Stocks, first of month										
Shell (mil. doz.)	0.63	0.45	0.3	0.24	0.09	0.12	0.36	0.42	0.21	0.24
Frozen (mil. doz.)	12.3	13.0	10.4	12.4	14.5	14.8	14.8	13.9	14.0	13.2
Replacement chicks hatched (mil.)	391	406	379	35.3	29.1	31.5	31.7	34.8	34.1	36.3

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	May	Dec	Jan	Feb	Mar	Apr	May
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	11.51	11.38	11.35	11.79	11.89	11.16	11.12
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	64.5	67.0	64.0	65.5	66.5	66.5	66.5
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	125.7	121.3	124.5	130.4	131.1	122.8	122.1
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	108.5	106.9	106.7	107.1	107.8	107.6	106.8
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,936.4	6,653.8	4,810.8	1,039.1	486.8	591.5	127.1	329.3	297.4	271.3
Butter (mil. lb.)	439.5	288.8	204.3	46.7	20.6	24.0	3.3	12.6	11.6	10.6
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.1	0.3	0.4	0.4	0.6	0.6	0.4
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	18.3	26.7	30.8	49.0	49.7	48.4	46.7
Milk										
Milk prod. 22 States (mil. lb.)	127,439	126,956	132,240	11,799	11,090	11,280	10,441	11,698	11,477	11,936
Milk per cow (lb.)	15,714	15,836	16,334	1,457	1,370	1,394	1,291	1,444	1,417	1,475
Number of milk cows (1,000)	8,110	8,017	8,096	8,097	8,094	8,090	8,088	8,103	8,097	8,093
U.S. milk production (mil. lb.)	150,885	150,582	153,626	6/ 13,719	6/ 12,871	6/ 13,147	6/ 12,169	6/ 13,634	6/ 13,324	6/ 13,857
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	10,526	5,862	5,761	6,238	6,211	6,026	6,154
Commercial (mil. lb.)	4,461	4,688	4,550	5,125	4,198	4,264	4,780	4,806	4,860	5,034
Government (mil. lb.)	11,379	9,526	5,020	5,401	1,664	1,497	1,458	1,405	1,166	1,119
Imports, total (mil. lb.)	2,524	2,807	2,880	197	295	220	314	233	214	—
Commercial disappearance (mil. lb.)	141,351	145,037	150,218	12,429	12,462	12,116	12,200	13,340	12,927	—
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,295.9	118.2	121.4	132.0	120.3	125.7	119.3	116.5
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	265.7	84.5	79.4	89.9	88.3	74.8	79.1
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,097.2	71.3	98.6	96.4	116.7	115.8	101.9	—
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,977.0	266.1	256.9	262.0	240.2	263.2	258.9	273.3
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	326.4	310.2	310.4	326.1	330.1	331.4	335.3
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,034.1	241.4	258.5	246.1	242.7	262.5	255.3	—
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,753.1	324.3	321.4	303.6	288.2	330.7	305.0	324.2
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	161.8	124.5	126.8	131.5	127.0	135.3	131.0
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,047.9	346.1	352.0	320.0	313.9	347.3	331.2	—
Nonfat dry milk										
Production (mil. lb.)	872.1	954.5	1,215.6	134.2	116.3	106.7	98.3	110.4	116.5	130.0
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	89.8	121.4	131.2	140.9	121.9	125.4	154.5
Commercial disappearance (mil. lb.)	720.5	648.7	890.7	78.6	75.3	64.8	70.2	57.4	38.6	—
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,244.8	117.3	79.9	81.6	85.5	109.1	105.2	112.7

	Annual			1993	1994				1995	
	1992	1993	1994	IV	I	II	III	IV	I P	II P
Milk production (mil. lb.)	150,885	150,582	153,622	36,509	37,560	39,916	38,217	37,933	38,950	40,488
Milk per cow (lb.)	15,574	15,704	16,129	3,828	3,951	4,188	4,007	3,983	4,093	4,255
No. of milk cows (1,000)	9,688	9,589	9,525	9,537	9,506	9,530	9,539	9,524	9,517	9,516
Milk-feed price ratio	1.69	1.64	1.62	1.66	1.65	1.58	1.57	1.67	1.66	1.62
Returns over concentrate costs (\$/cwt milk)	9.95	9.54	9.65	9.95	10.10	9.60	9.15	9.75	9.40	9.15

1/ Manufacturing grade milk. 2/ Prices paid f.c.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			1994				1995	
	1992	1993	1994	I	II	III	IV	I	II
U.S. wool price, (cts./lb.) 1/	204	137	212	153	219	238	238	254	290
Imported wool price, (cts./lb.) 2/	210	142	216	171	192	200	222	259	275
U.S. mill consumption, scoured									
Apparel wool (1,000 lb.)	136,143	141,380	138,694	36,277	35,575	32,742	33,969	35,222	NA
Carpet wool (1,000 lb.)	14,695	15,431	14,400	4,450	3,484	3,640	3,165	3,050	NA

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

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

Table 16—Meat Animals

	Annual			1994		1995				
	1992	1993	1994	May	Dec	Jan	Feb	Mar	Apr	May
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	8,701	8,914	8,870	8,866	8,926	8,992	8,790
Placed on feed (1,000 head)	20,508	20,474	19,997	1,415	1,590	1,720	1,607	1,776	1,435	1,738
Marketings (1,000 head)	18,548	19,048	19,602	1,699	1,540	1,636	1,481	1,629	1,557	1,827
Other disappearance (1,000 head)	1,194	1,219	895	92	94	88	66	81	80	71
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	68.12	69.35	73.60	73.79	70.64	67.54	64.27
Neb. Direct	75.35	76.36	68.84	68.09	68.34	71.97	72.55	70.00	66.63	63.72
Boning utility cows, Sioux Falls	44.84	47.52	42.51	46.67	36.30	38.79	40.63	39.32	38.47	36.94
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	91.72	83.24	85.15	79.88	79.88	76.91	76.31	76.69	72.13
750–800 lb.	—	86.45	77.72	76.08	76.63	76.50	72.53	68.84	65.41	64.83
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	42.87	32.14	37.96	39.60	38.13	36.04	37.42
6 markets	42.31	45.38	39.57	42.24	31.48	37.68	39.03	37.86	35.77	37.16
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	40.45	18.63	27.74	31.79	39.60	36.96	31.66
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	60.94	67.50	65.38	75.08	73.75	68.58	77.20
Ewes, Good, San Angelo	35.24	37.46	40.47	39.00	43.25	35.60	41.75	31.25	35.31	32.65
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	64.70	74.38	75.60	82.69	80.06	78.81	84.95
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	107.79	105.50	112.08	110.46	107.35	103.25	104.59
Select, 700–800 lb.	111.66	113.53	102.08	103.44	98.10	107.22	108.25	105.40	99.76	95.04
Canner & cutter cow beef	93.85	95.43	84.39	90.51	73.17	73.63	76.63	74.94	72.91	70.86
Pork cutout, No. 2	58.37	62.19	57.29	58.45	51.66	53.72	56.38	54.55	51.64	54.14
Pork loins, 14–18 lb.	101.41	107.47	101.50	103.99	89.50	96.94	102.20	95.30	93.33	103.50
Pork bellies, 12–14 lb.	30.39	41.62	40.00	41.40	29.29	36.03	35.80	36.30	33.83	31.70
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	54.44	50.74	46.40	54.34	51.60	44.00	41.82
All fresh beef retail price	266.79	273.43	265.99	267.60	262.79	262.03	263.66	266.47	259.47	258.74
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	2,834	2,871	2,869	2,581	2,950	2,650	3,123
Steers	17,138	17,222	18,027	1,577	1,453	1,434	1,286	1,498	1,401	1,703
Heifers	9,236	9,358	9,589	759	788	819	759	865	765	887
Cows	5,846	6,086	5,941	443	580	564	484	528	434	474
Bulls & stags	653	659	641	55	50	52	52	59	50	59
Calves	1,371	1,195	1,268	93	124	124	106	121	98	117
Sheep & lambs	5,496	5,182	4,938	435	426	386	375	468	440	371
Hogs	94,889	93,068	95,697	7,556	8,786	8,092	7,329	8,808	7,547	8,193
Barrows & gilts	89,964	88,387	90,758	7,188	8,313	7,682	6,969	8,391	7,208	7,807
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	1,985	2,020	2,009	1,808	2,060	1,849	2,184
Veal	299	267	283	22	26	27	24	27	22	26
Lamb & mutton	343	329	304	28	26	24	24	30	28	23
Pork	17,184	17,030	17,658	1,396	1,642	1,500	1,354	1,634	1,405	1,525

	Annual			1994				1995		
	1992	1993	1994	I	II	III	IV	I	II	III
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,135	10,974	11,196	11,196	10,734	9,124	9,252	10,606	10,688	9,558
Placed on feed (1,000 head)	24,251	24,102	23,449	5,372	4,675	6,315	7,087	5,914	5,249	—
Marketings (1,000 head)	21,981	22,376	22,979	5,559	5,951	5,996	5,473	5,545	6,107	—
Other disappearance (1,000 head)	1,431	1,504	1,060	275	334	191	260	287	272	—
Hogs & pigs (U.S.) 3/										
Inventory (1,000 head) 1/	57,649	58,202	57,904	57,904	57,350	60,715	62,320	59,992	58,415	60,160
Breeding (1,000 head) 1/	7,229	7,109	7,130	7,165	7,210	7,565	7,415	7,061	6,988	7,245
Market (1,000 head) 1/	50,420	51,093	50,739	50,739	50,140	53,150	54,905	52,932	51,427	52,915
Farrowings (1,000 head)	12,272	11,982	12,341	2,885	3,389	3,107	2,960	2,871	3,260	3,052
Pig crop (1,000 head)	99,142	97,050	101,400	23,368	27,976	25,547	24,509	23,736	27,120	—

1/ Beginning of period. 2/ Classes estimated. 3/ Quarters are Dec. of preceding year–Feb. (I), Mar.–May (II), June–Aug. (III), & Sept.–Nov. (IV).

— = not available.

*Intentions.

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

Crops & Products

Table 17—Supply & Utilization^{1,2}

	Area			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	324	945	1,200	2,469	510	3.45
1995/96*	4.3	69.4	61.0	35.9	2,188	2,798	250	970	1,150	2,370	428	3.65-4.05
Rice												
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
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	5964.0	197.8	231.5	—	6/ 104.2	92.0	196.2	35.3	6.7
1995/96*	0.7	3.2	3.1	5722.0	178.0	222.3	—	6/ 107.2	86.0	193.2	29.1	6.50-7.50
Corn												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
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	10,965	5,650	1,710	2,100	9,460	1,505	2.20-2.30
1995/96*	6.5	72.0	65.0	119.7	7,785	9,300	4,925	1,775	1,875	8,575	725	2.55-2.95
Sorghum												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	8	292	674	53	2.25
1992/93	2.0	13.2	12.1	72.6	875	928	469	8	277	753	175	1.89
1993/94	2.3	9.9	8.9	59.9	534	709	453	8	202	662	48	2.31
1994/95*	1.6	9.8	9.0	73.0	655	703	400	7	210	617	86	2.05-2.15
1995/96*	1.4	9.4	8.6	67.4	576	662	410	7	200	617	45	2.40-2.80
Barley												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
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	226	175	65	466	113	2.03
1995/96*	2.3	6.8	6.4	59.0	379	561	235	175	50	460	101	2.30-2.70
Oats												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
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	430	204	125	1	330	101	1.22
1995/96*	0.6	6.4	3.2	55.9	182	392	175	125	1	301	91	1.40-1.80
Soybeans												
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
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	2,773	7/ 173	1,395	820	2,388	385	5.45
1995/96*	0.0	63.1	62.2	36.0	2,240	2,630	7/ 120	1,385	800	2,305	325	5.50-6.50
Soybean oil												
								Mil. lbs.				Cts./lb.
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*	—	—	—	—	15,487	16,600	—	12,900	2,600	15,500	1,100	27.25
1995/96*	—	—	—	—	15,510	16,620	—	13,000	2,205	15,205	1,415	24.5-29.0
Soybean meal												
								1,000 tons				9/ \$/ton
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	192.86
1994/95*	—	—	—	—	33,015	33,225	—	26,725	6,250	32,975	250	157.50
1995/96*	—	—	—	—	32,920	33,235	—	27,100	5,885	32,985	250	165-190

See footnotes at end of table.

Table 17—Supply & Utilization (continued)

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Set aside 3/	Planted	Harvested									
	Mil. acres	Mil. acres	Mil. acres	Lb./acre	Lb./acre	Lb./acre	Lb./acre	Mil. bales	Mil. bales	Mil. bales	Mil. bales	Cts./lb.
Cotton 10/												
1990/91	2.0	12.3	11.7	634	15.5	18.5	—	8.7	7.8	16.5	2.3	67.10
1991/92	1.2	14.1	13.0	652	17.6	20.0	—	9.6	6.7	16.3	3.7	58.10
1992/93	1.7	13.2	11.1	700	16.2	19.9	—	10.3	5.2	15.5	4.7	54.90
1993/94	1.4	13.4	12.8	606	16.1	20.8	—	10.4	6.9	17.3	3.5	58.40
1994/95*	1.7	13.7	13.3	709	19.7	23.2	—	11.2	9.8	21.1	2.2 11/	73.00
1995/96*	0.3	16.6	15.5	665	21.5	23.8	—	11.4	7.5	18.9	5.0 12/	12/

* July 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	May	Jan	Feb	Mar	Apr	May
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	3.65	4.06	3.98	3.87	3.86	4.22
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	5.05	4.21	4.09	4.11	4.30	4.61
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	21.00	13.35	13.75	13.88	13.88	14.85
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.75	2.32	2.37	2.45	2.50	2.58
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	4.38	3.92	3.90	4.01	4.08	4.27
Barley, feed, Duluth (\$/bu.)	2.13	2.17	2.11	2.05	2.11	2.02	2.06	2.02	1.97	2.11
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.84	2.81	2.82	2.85	—	—
U.S. price, SLM, 1-1/16 in. (cts./lb.) 5/	74.8	56.7	54.1	66.1	79.3	88.1	91.9	104.2	104.9	105.4
Northern Europe prices index (cts./lb.) 6/	82.9	62.9	56.9	70.7	86.1	95.6	100.5	110.6	114.6	115.1
U.S. M 1-3/32 in. (cts./lb.) 7/	88.2	66.3	62.5	73.1	90.6	100.3	103.9	116.7	120.2	121.7
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.79	5.45	5.48	5.66	5.68	5.74
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	29.01	29.00	27.97	28.17	26.16	25.75
Soybean meal, 48% protein, Decatur (\$/ton) 8/	181.40	189.20	193.75	161.10	193.75	156.40	151.30	156.90	161.90	159.10

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. — = not available.

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			
				\$/bu.			Mil. acres	Percent of base	Percent of base
Wheat									
1990/91 5/	4.00	2.44	1.95	1.28	---	---	80.5	6/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	---	---	79.2	15/0/0	85
1992/93	4.00	2.58	2.21	0.81	---	---	78.9	5/0/0	83
1993/94	4.00	2.86	2.45	1.03	---	---	78.5	0/0/0	88
1994/95	4.00	2.72	2.58	**0.95	---	---	78.1	0/0/0	87
1995/96	4.00	---	---	***0.70	---	---	---	0/0/0	---
Rice									
				\$/cwt					
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	---
Corn									
				\$/bu.					
1990/91 5/	2.75	1.96	1.57	0.51	---	---	82.6	10/0/0	78
1991/92	2.75	1.89	1.62	0.41	---	---	82.7	7.5/0/0	77
1992/93	2.75	2.01	1.72	0.73	---	---	82.1	5/0/0	76
1993/94	2.75	1.99	1.72	0.28	---	---	81.8	10/0/0	81
1994/95	2.75	1.99	1.89	**0.57	---	---	81.5	0/0/0	82
1995/96	2.75	---	---	***0.40	---	---	---	7.5/0/0	---
Sorghum									
				\$/bu.					
1990/91 5/	2.61	1.86	1.49	0.56	---	---	15.4	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	---	---	13.5	7.5/0/0	77
1992/93	2.61	1.91	1.63	0.72	---	---	13.6	5/0/0	79
1993/94	2.61	1.89	1.63	0.25	---	---	13.5	5/0/0	82
1994/95	2.61	1.89	1.80	**0.59	---	---	13.5	0/0/0	81
1995/96	2.61	---	---	***0.39	---	---	---	0/0/0	---
Barley									
				\$/bu.					
1990/91 5/	2.36	1.60	1.28	0.20	---	---	11.9	10/0/0	68
1991/92	2.36	1.54	1.32	0.62	---	---	11.5	7.5/0/0	76
1992/93	2.36	1.64	1.40	0.56	---	---	11.1	5/0/0	75
1993/94	2.36	1.62	1.40	0.67	---	---	10.8	0/0/0	83
1994/95	2.36	1.62	1.54	**0.52	---	---	10.7	0/0/0	84
1995/96	2.36	---	---	***0.40	---	---	---	0/0/0	---
Oats									
				\$/bu.					
1990/91 5/	1.45	1.01	0.81	0.32	---	---	7.5	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	---	---	7.3	0/0/0	38
1992/93	1.45	1.03	0.88	0.17	---	---	7.2	0/0/0	40
1993/94	1.45	1.02	0.88	0.11	---	---	7.1	0/0/0	46
1994/95	1.45	1.02	0.97	**0.20	---	---	6.8	0/0/0	40
1995/96	1.45	---	---	***0.05	---	---	---	0/0/0	---
Soybeans 8/									
				\$/bu.					
1990/91 5/	---	---	4.50	---	---	---	---	---	---
1991/92	---	---	5.02	---	---	---	---	---	---
1992/93	---	---	5.02	---	---	---	---	---	---
1993/94	---	---	5.02	---	---	---	---	---	---
1994/95	---	---	4.92	---	---	---	---	---	---
1995/96	---	---	4.92	---	---	---	---	---	---
Upland cotton									
				Cts./lb.					
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	16,049
Per capita consumpt. (lbs.) 2/	23.9	25.4	23.5	21.4	19.1	24.4	26.0	25.4	25.3
Noncitrus 3/ Production (1,000 tons)	16,011	15,893	16,365	15,657	15,748	17,124	16,555	17,217	16,900
Per capita consumpt. (lbs.) 2/	72.5	72.4	73.1	71.1	70.6	73.9	74.0	—	—
1994					1995				
	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Grower prices									
Apples (cents/pound) 4/	21.7	20.0	16.7	17.9	20.2	18.9	18.3	16.9	15.4
Pears (cents/pound) 4/	17.3	12.8	14.3	14.5	13.7	15.1	18.2	20.0	21.0
Oranges (\$/box) 5/	2.53	2.62	2.60	2.91	3.05	3.29	3.77	4.48	4.92
Grapefruit (\$/box) 5/	4.39	5.96	2.84	2.60	2.19	2.24	2.28	1.68	1.37
Stocks, ending									
Fresh apples (mil. lbs.)	3,874.3	6,163.3	5,198.8	4,486.0	3,722.2	2,986.0	2,212.1	1,618.9	947.6
Fresh pears (mil. lbs.)	588.8	487.7	387.3	323.4	214.3	149.8	99.1	57.6	21.0
Frozen fruits (mil. lbs.)	1,056.5	1,439.4	1,341.2	1,257.1	1,119.6	1,042.0	925.9	861.5	793.8
Frozen conc. orange juice (mil. single-strength gallons)	420.7	382.1	346.2	492.5	588.3	604.7	641.0	691.7	675.6

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	381,743	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	13,395
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					
	May	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Shipments (1,000 cwt)										
Fresh	27,508	17,349	15,934	16,574	17,424	17,505	17,802	21,121	19,141	28,912
Iceberg lettuce	4,383	3,765	3,879	3,697	3,669	3,835	3,575	2,992	3,086	4,044
Tomatoes, all	3,217	2,614	2,661	2,862	2,252	2,320	3,238	3,691	2,907	3,378
Dry-bulb onions	3,007	3,375	3,916	4,019	3,660	3,510	2,759	3,386	3,043	4,005
Other 5/	16,901	7,595	5,478	5,996	7,843	7,840	8,230	11,052	10,105	17,485
Potatoes, all	16,877	10,444	11,271	11,886	13,364	13,418	12,815	17,818	17,872	20,620
Sweetpotatoes	161	104	241	310	673	214	237	291	317	159

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	Feb	Sept	Oct	Nov	Dec	Jan	Feb
Tobacco										
Avg. price to grower 3/										
Flue-cured (\$/lb.)	172.6	168.1	169.8	—	177.0	180.5	182.5	—	—	—
Burley (\$/lb.)	181.5	181.5	181.4	179.0	—	—	180.5	184.0	183.5	182.5
Domestic consumption 4/										
Cigarettes (bil.)	509.5	462.9	488.6	38.0	39.6	40.7	38.3	39.4	38.5	34.5
Large cigars (mil.)	2,217.1	2,236.8	2,290.8	156.1	225.5	204.0	202.4	159.2	159.3	136.4

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

Information contacts: Sugar, Peter Buzzanell (202) 219-0888, 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	1994/95 F	1995/96 F
	Million units						
Wheat							
Area (hectares)	225.8	231.4	222.5	223.1	221.1	214.9	218.9
Production (metric tons)	533.2	588.0	542.1	561.8	559.1	522.5	543.0
Exports (metric tons) 1/	103.9	101.0	110.8	112.7	99.7	96.9	97.2
Consumption (metric tons) 2/	532.7	561.5	554.7	549.6	563.4	549.0	550.1
Ending stocks (metric tons) 3/	118.9	145.4	132.8	145.0	140.6	114.1	107.1
Coarse grains							
Area (hectares)	321.1	314.4	318.2	318.8	311.6	314.8	305.6
Production (metric tons)	791.3	821.5	805.0	865.3	790.2	863.3	811.8
Exports (metric tons) 1/	104.5	89.5	96.1	91.3	85.3	89.0	87.1
Consumption (metric tons) 2/	815.6	809.3	804.9	837.1	831.9	854.6	846.0
Ending stocks (metric tons) 3/	122.3	134.5	134.6	162.8	121.0	129.8	95.6
Rice, milled							
Area (hectares)	146.6	146.7	146.0	145.6	144.4	145.4	145.8
Production (metric tons)	343.1	350.5	349.5	352.3	352.4	358.5	358.7
Exports (metric tons) 4/	11.7	12.1	14.1	14.9	16.0	17.1	16.0
Consumption (metric tons) 2/	338.1	345.8	351.5	354.9	356.9	360.2	364.0
Ending stocks (metric tons) 3/	54.1	58.8	56.8	54.3	49.7	48.1	42.8
Total grains							
Area (hectares)	693.5	692.5	686.7	687.5	677.1	675.1	670.3
Production (metric tons)	1,667.6	1,760.0	1,696.6	1,779.4	1,701.7	1,744.3	1,713.5
Exports (metric tons) 1/	220.1	202.6	221.0	218.9	201.0	203.0	200.3
Consumption (metric tons) 2/	1,686.4	1,716.6	1,711.1	1,741.6	1,752.2	1,763.8	1,760.1
Ending stocks (metric tons) 3/	295.3	338.7	324.2	362.1	311.3	292.0	245.5
Oilseeds							
Crush (metric tons)	171.7	176.7	185.1	183.7	188.3	204.0	209.0
Production (metric tons)	212.4	215.7	224.4	227.5	227.5	260.1	253.6
Exports (metric tons)	35.6	33.4	37.6	37.7	37.8	44.1	43.6
Ending stocks (metric tons)	23.7	23.4	21.8	23.5	20.1	27.7	24.9
Meals							
Production (metric tons)	116.8	119.3	125.2	124.5	129.7	139.6	142.9
Exports (metric tons)	39.8	40.7	42.0	40.8	44.2	46.8	47.4
Oils							
Production (metric tons)	57.1	58.1	60.6	60.9	62.4	67.7	69.9
Exports (metric tons)	20.4	20.5	21.3	21.1	23.7	25.8	25.8
Cotton							
Area (hectares)	31.6	33.2	34.8	32.6	30.6	31.9	34.4
Production (bales)	79.7	87.0	96.0	82.7	77.0	85.2	90.8
Exports (bales)	31.3	29.7	28.1	25.5	27.2	29.5	27.7
Consumption (bales)	86.9	85.7	86.1	85.8	85.2	83.8	86.3
Ending stocks (bales)	25.1	27.2	37.6	35.2	27.4	29.4	33.9
	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	120.5
Consumption (metric tons)	110.9	111.4	113.2	113.4	114.5	117.5	119.9
Exports (metric tons) 1/	8.2	7.9	8.1	7.6	7.7	8.0	7.2
Poultry 5/							
Production (metric tons)	33.1	33.8	35.7	37.6	39.8	42.1	44.4
Consumption (metric tons)	32.6	32.6	34.5	36.6	38.0	40.0	41.7
Exports (metric tons) 1/	1.7	2.7	3.0	3.3	3.9	4.6	5.0
Dairy							
Milk production (metric tons) 6/	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	May	Dec	Jan	Feb	Mar	Apr	May
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	3.82	4.48	4.25	4.20	4.09	4.05	4.33
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	2.81	2.61	2.72	2.72	2.78	2.79	2.84
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	2.77	2.67	2.73	2.69	2.73	2.73	2.85
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	7.04	6.04	6.01	5.97	6.10	6.09	6.04
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	29.01	30.37	29.01	27.98	28.18	26.17	25.76
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	193.07	156.90	156.40	151.96	156.21	160.16	159.39
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	79.34	81.92	88.11	91.89	104.20	104.94	105.38
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	169.97	183.54	188.03	192.05	170.55	152.49	
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	21.40	13.75	13.75	13.75	13.75	13.75	14.33
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	15.56	22.88	22.20	18.79	18.16	17.75	17.50
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	1.10	1.56	1.60	1.57	1.68	1.63	1.61
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	51.42	77.35	85.68	92.61	94.14	93.43	89.50
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.58	0.59	0.62	0.64	0.62	0.62	0.61

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

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

	1994						1995						
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
	1990 = 100												
Total U.S. trade	100.7	100.9	99.7	98.0	99.2	101.4	99.9	98.9	95.0	92.9	94.0	93.1	91.9
Agricultural trade													
U.S. markets	95.4	95.3	94.4	93.8	94.2	96.7	99.4	98.9	97.2	92.8	92.3	92.2	91.6
U.S. competitors	101.6	101.2	100.2	98.4	99.1	100.5	99.4	98.6	96.2	94.6	95.2	94.6	93.6
Wheat													
U.S. markets	106.4	105.5	104.6	103.8	102.9	103.3	103.3	103.3	101.8	99.4	99.2	98.7	98.0
U.S. competitors	105.5	105.4	104.3	103.1	103.8	104.8	104.2	103.9	102.1	100.3	101.2	100.8	100.1
Soybeans													
U.S. markets	92.0	91.7	90.9	89.9	90.6	93.2	94.7	94.1	91.3	87.2	87.4	87.1	86.2
U.S. competitors	71.8	70.2	68.6	67.3	66.5	66.3	65.5	64.7	65.2	65.0	64.0	63.6	63.2
Corn													
U.S. markets	89.9	89.5	88.7	88.4	88.4	90.3	91.3	91.2	88.4	83.8	84.0	83.5	82.5
U.S. competitors	98.8	98.5	97.6	96.3	97.2	98.2	96.7	95.9	93.5	92.2	93.2	92.5	91.6
Cotton													
U.S. markets	98.2	98.0	97.4	96.7	96.7	97.7	98.1	97.9	96.3	93.5	93.2	92.7	92.0
U.S. competitors	122.5	123.7	122.9	121.2	120.4	120.4	120.0	120.0	119.5	118.3	118.3	118.0	117.7

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. ¹ "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/								Apr
	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	4,510
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	40,207
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	44,717
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	29,500	2,489
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	56,687
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	59,176
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	22,000	2,021
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-16,480
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-14,459

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*			Apr	Fiscal year*			Apr
	1993	1994	2/ 1995 F	1995	1993	1994	2/ 1995 F	1995
	1,000 units				\$ million			
EXPORTS								
Animals, live (no.) 1/	1,107	1,162	—	32	358	469	—	20
Meats & preps., excl. poultry (mt)	1,160	1,316	3/ 1,100	125	3,349	3,503	—	340
Dairy products (mt) 1/	211	188	—	16	762	709	800	63
Poultry meats (mt)	986	1,377	1,800	159	1,031	1,420	—	159
Fats, oils, & greases (mt)	1,362	1,341	1,500	124	519	515	—	63
Hides & skins incl. furskins	—	—	—	—	1,288	1,439	—	136
Cattle hides, whole (no.) 1/	19,786	20,065	—	1,786	1,062	1,128	—	110
Mink pelts (no.) 1/	3,119	3,197	—	104	56	79	—	3
Grains & feeds (mt)	103,701	88,090	—	8,723	14,103	13,130	4/ 16,000	1,281
Wheat (mt)	36,039	31,145	33,000	2,320	4,737	4,026	5/ 5,100	350
Wheat flour (mt)	1,075	1,024	1,100	138	217	201	—	23
Rice (mt)	2,710	2,433	3,000	297	766	889	900	83
Feed grains, incl. products (mt)	50,701	40,441	58,400	4,619	5,260	4,744	6,400	535
Feeds & fodders (mt)	11,500	11,380	6/ 12,400	1,252	2,147	2,231	—	215
Other grain products (mt)	1,676	1,667	—	97	976	1,039	—	75
Fruits, nuts, & preps. (mt)	3,398	3,597	—	281	3,409	3,827	4,500	253
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	7,845	7,018	—	670	423	467	—	53
Vegetables & preps. (mt)	2,790	2,920	—	273	3,220	3,489	—	358
Tobacco, unmanufactured (mt)	231	196	—	25	1,443	1,260	1,400	165
Cotton, excl. linters (mt)	1,125	1,566	2,300	240	1,526	2,287	4,000	440
Seeds (mt)	529	490	—	23	648	601	700	37
Sugar, cane or beet (mt) 1/	337	392	—	51	106	130	—	20
Oilseeds & products (mt)	29,190	24,051	—	3,250	7,211	6,856	8,200	840
Oilseeds (mt)	21,044	16,958	—	2,273	4,981	4,559	—	539
Soybeans (mt)	20,400	16,364	21,800	2,197	4,606	4,161	4,800	492
Protein meal (mt)	6,545	5,406	—	726	1,262	1,085	—	123
Vegetable oils (mt)	1,601	1,687	—	251	968	1,213	—	178
Essential oils (mt)	13	15	—	2	185	206	—	22
Other	92	132	—	13	3,008	3,203	—	260
Total	145,125	125,671	159,200	13,305	42,589	43,511	51,500	4,510
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	—	429	1,569	1,360	1,400	166
Meats & preps., excl. poultry (mt)	1,128	1,159	—	87	2,726	2,721	—	193
Beef & veal (mt)	793	776	800	59	1,919	1,822	2,100	124
Pork (mt)	276	318	300	23	663	744	700	55
Dairy products (mt) 1/	231	260	—	19	860	955	900	75
Poultry & products 1/	—	—	—	—	137	133	—	12
Fats, oils, & greases (mt)	44	40	—	4	30	26	—	3
Hides & skins, incl. furskins 1/	—	—	—	—	181	195	—	21
Wool, unmanufactured (mt)	59	56	—	4	173	152	—	14
Grains & feeds (mt)	4,942	10,009	7,600	616	1,639	2,328	2,200	189
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,600	692	2,988	2,996	—	324
Bananas & plantains (mt)	3,737	3,836	4,000	331	1,083	1,057	1,100	100
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	28,000	1,834	640	686	—	49
Vegetables & preps. (mt)	2,733	2,866	—	304	2,440	2,642	3,000	267
Tobacco, unmanufactured (mt)	386	319	200	6	1,101	912	500	16
Cotton, unmanufactured (mt)	12	16	—	2	11	17	—	2
Seeds (mt)	189	309	300	56	214	255	300	34
Nursery stock & cut flowers 1/	—	—	—	—	629	685	—	80
Sugar, cane or beet (mt)	1,569	1,619	2,100	78	591	616	—	36
Oilseeds & products (mt)	2,484	3,219	3,400	192	1,204	1,479	1,600	121
Oilseeds (mt)	373	895	—	44	130	273	—	17
Protein meal (mt)	618	760	—	55	89	108	—	7
Vegetable oils (mt)	1,492	1,564	—	92	985	1,098	—	96
Beverages excl. fruit juices (1,000 hectoliters) 1/	14,014	15,710	—	1,251	1,975	2,122	—	172
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,100	145	3,018	3,622	5,700	407
Coffee, incl. products (mt)	1,185	969	1,100	76	1,502	2,019	4,000	278
Cocoa beans & products (mt)	770	748	700	48	1,028	1,077	1,100	84
Rubber & allied gums (mt)	981	1,001	1,000	92	839	885	1,300	156
Other	—	—	—	—	1,489	1,578	—	155
Total	—	—	—	—	24,454	26,365	29,500	2,489

*Fiscal years begin October 1 & end September 30. 1/ Not included in total volume. 2/ Forecasts for footnoted items 3-6 are based on slightly different groups of commodities than listed in the table. For comparison, the figures in the following footnotes are fiscal year 1994 totals for the forecast group of commodities. 3/ 1.025 million. 4/ \$13,413 million. 5/ \$4,228 million, includes flour. 6/ \$11,797 million. F - forecast. — = not available.

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

Table 28—U.S. Agricultural Exports by Region

Region & country	Fiscal year*			Apr	Change from year* earlier			Apr
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	\$ million				Percent			
WESTERN EUROPE	7,499	6,802	8,100	777	-3	-6	19	57
European Union 1/	7,241	6,557	7,800	746	-2	-7	19	65
Belgium-Luxembourg	482	504	---	56	5	5	---	46
France	613	466	---	51	-1	-24	---	38
Germany	1,146	1,028	---	97	5	-10	---	23
Italy	568	564	---	66	-17	-1	---	149
Netherlands	1,801	1,609	---	209	-1	-11	---	111
United Kingdom	916	931	---	76	4	2	---	9
Portugal	223	224	---	23	-7	0	---	-3
Spain, incl. Canary Islands	829	780	---	101	-13	-6	---	111
Other Western Europe	258	274	300	31	-13	9	9	-29
Switzerland	152	154	---	18	-19	1	---	-13
EASTERN EUROPE	468	312	400	21	111	-33	28	-27
Poland	230	111	---	12	368	-52	---	9
Former Yugoslavia	47	98	---	3	-6	107	---	-62
Romania	107	50	---	0	42	-53	---	-86
Former Soviet Union	1,561	1,486	1,100	100	-42	-5	-26	20
ASIA	17,832	19,390	2/ 22,600	2,285	0	9	---	38
West Asia (Mideast)	1,922	1,698	2,200	145	9	-12	30	27
Turkey	369	240	---	33	7	-35	---	273
Iraq	1	3	---	0	150	116	---	-100
Israel, incl. Gaza & W. Bank	382	361	500	21	10	-6	39	-24
Saudi Arabia	463	500	500	32	-16	8	0	-30
South Asia	641	556	---	103	20	-13	---	193
Bangladesh	52	120	---	33	-58	131	---	212
India	226	130	---	32	93	-43	---	265
Pakistan	236	212	400	30	4	-10	89	100
China	322	877	2,300	290	-53	172	162	296
Japan	8,461	9,208	9,700	883	1	9	5	3
Southeast Asia	1,551	1,789	---	221	6	15	---	34
Indonesia	327	408	---	49	-7	25	---	3
Philippines	512	554	600	66	16	8	8	22
Other East Asia	4,935	5,262	6,900	642	0	7	31	58
Taiwan	1,999	2,103	2,300	193	4	5	9	40
Korea, Rep.	2,041	2,055	3,100	324	-7	1	51	86
Hong Kong	880	1,103	1,500	125	8	25	36	30
AFRICA	2,671	2,237	2,900	237	16	-16	30	56
North Africa	1,659	1,470	2,100	172	18	-11	43	120
Morocco	310	167	---	8	98	-46	---	206
Algeria	458	608	500	44	-4	33	-18	81
Egypt	756	613	1,500	107	7	-19	145	133
Sub-Saharan	1,012	766	800	65	13	-24	4	-11
Nigeria	158	111	---	8	413	-30	---	-44
Rep. S. Africa	383	113	---	32	17	-70	---	1,100
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,600	577	7	5	5	0
Brazil	231	228	800	33	61	-1	251	141
Caribbean Islands	1,015	952	---	93	5	-6	---	6
Central America	675	729	---	82	15	8	---	66
Colombia	234	258	---	32	65	10	---	88
Mexico	3,660	4,133	3,600	234	0	13	-13	-31
Peru	172	205	---	17	-4	19	---	27
Venezuela	502	410	400	53	27	-18	-2	51
CANADA	5,220	5,261	5,900	483	8	1	12	15
OCEANIA	456	497	700	30	7	9	41	-18
TOTAL	42,589	43,511	51,500	4,510	0	2	18	31
Developed countries	22,337	22,453	24,900	2,220	2	1	11	21
Developing countries	18,357	18,683	22,800	1,897	8	2	22	31
Other countries	1,896	2,375	3,800	392	-56	25	60	146

*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	5.8	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 Jinkins (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	Mar 1995	Apr 1995	1993	1994	Mar 1995	Apr 1995	1993	1994	Mar 1995	Apr 1995
	\$ million 2/											
NORTH ATLANTIC												
Maine	274	276	24	22	198	207	21	24	472	483	45	46
New Hampshire	65	64	6	6	99	87	7	8	164	151	13	14
Vermont	403	390	32	32	81	91	7	11	484	480	40	44
Massachusetts	122	117	10	10	375	341	13	16	497	458	23	26
Rhode Island	12	12	1	1	67	68	5	7	79	80	6	8
Connecticut	258	251	21	20	263	222	16	20	521	473	38	40
New York	1,888	1,887	160	149	930	968	61	66	2,818	2,855	221	216
New Jersey	199	183	16	15	508	590	32	45	707	772	48	60
Pennsylvania	2,621	2,612	240	222	1,091	1,166	111	98	3,712	3,778	351	320
NORTH CENTRAL												
Ohio	1,673	1,577	141	124	2,720	2,905	182	186	4,393	4,482	323	310
Indiana	1,931	1,765	145	132	3,186	3,079	196	167	5,117	4,845	341	299
Illinois	2,248	2,065	175	153	5,834	6,165	527	396	8,082	8,230	703	549
Michigan	1,376	1,410	119	103	1,991	2,001	113	124	3,367	3,411	232	228
Wisconsin	4,164	3,945	343	307	1,086	1,435	110	86	5,250	5,380	453	393
Minnesota	3,774	3,447	295	246	2,799	3,076	192	140	6,573	6,523	487	386
Iowa	5,829	5,120	526	353	4,173	4,965	399	356	10,002	10,084	925	709
Missouri	2,270	2,452	215	182	1,783	2,074	142	96	4,053	4,526	358	278
North Dakota	706	627	62	38	2,227	2,307	186	134	2,933	2,935	248	173
South Dakota	2,173	1,644	160	114	1,147	1,699	106	82	3,320	3,343	266	195
Nebraska	5,842	5,403	440	351	3,067	3,158	232	183	8,909	8,561	672	534
Kansas	4,870	4,809	383	330	2,493	2,879	162	116	7,363	7,688	545	446
SOUTHERN												
Delaware	463	505	36	39	159	154	6	9	622	659	42	47
Maryland	806	793	63	59	560	552	51	49	1,366	1,345	114	108
Virginia	1,385	1,386	117	99	683	775	33	32	2,068	2,161	150	131
West Virginia	328	329	27	27	77	75	4	3	405	403	31	30
North Carolina	3,201	3,333	292	245	2,256	3,034	144	174	5,457	6,367	436	419
South Carolina	603	615	50	51	618	746	39	39	1,221	1,361	89	90
Georgia	2,572	2,668	200	179	1,639	1,982	88	106	4,211	4,650	288	284
Florida	1,202	1,191	113	85	4,548	4,777	556	559	5,750	5,969	669	644
Kentucky	1,720	1,645	112	94	1,656	1,586	69	48	3,376	3,231	181	142
Tennessee	1,012	982	87	75	1,027	1,170	83	52	2,039	2,152	170	126
Alabama	2,184	2,159	179	146	726	746	42	42	2,910	2,905	220	189
Mississippi	1,577	1,706	129	112	1,028	1,210	92	72	2,605	2,916	221	183
Arkansas	2,902	3,114	230	207	1,480	2,161	82	49	4,382	5,275	312	256
Louisiana	688	704	66	58	1,069	1,305	69	44	1,757	2,009	136	102
Oklahoma	2,762	2,700	267	204	1,108	1,164	52	55	3,870	3,863	319	259
Texas	8,342	8,228	734	543	4,275	4,326	262	253	12,617	12,554	996	796
WESTERN												
Montana	938	867	80	54	843	990	84	59	1,781	1,857	163	113
Idaho	1,167	1,199	100	83	1,680	1,758	107	127	2,847	2,957	207	210
Wyoming	657	621	39	46	160	157	6	4	817	778	45	50
Colorado	2,879	2,779	263	181	1,204	1,250	62	63	4,083	4,029	325	244
New Mexico	1,135	1,099	101	82	486	423	19	23	1,621	1,522	121	105
Arizona	885	824	71	54	1,037	1,043	203	53	1,922	1,867	274	107
Utah	626	598	47	46	177	223	19	28	803	820	66	74
Nevada	187	189	17	16	102	110	12	11	289	299	28	28
Washington	1,561	1,609	143	136	3,013	3,083	200	187	4,574	4,692	343	322
Oregon	739	726	55	57	1,737	1,920	81	91	2,476	2,646	136	148
California	5,246	5,398	461	406	14,604	14,713	1,074	1,446	19,850	20,111	1,535	1,852
Alaska	6	6	1	0	20	22	2	1	26	28	2	2
Hawaii	85	75	7	6	406	420	35	33	491	495	42	40
UNITED STATES	90,555	88,104	7,600	6,299	84,497	91,358	6,397	6,074	175,052	179,462	13,998	12,374

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	Apr	Dec	Jan	Feb	Mar	Apr
	\$ million											
Farm marketings & CCC loans*	161,142	169,974	168,795	171,202	175,052	179,462	12,007	15,400	17,415	12,395	13,998	12,374
Livestock & products	84,122	89,843	86,735	88,350	90,555	88,104	7,041	7,506	7,537	7,129	7,600	6,299
Meat animals	46,857	51,911	51,089	48,467	51,384	46,808	3,598	3,902	4,394	4,196	4,298	3,167
Dairy products	19,396	20,149	18,037	19,835	19,316	19,934	1,769	1,592	1,666	1,527	1,744	1,664
Poultry & eggs	15,372	15,243	15,122	15,480	17,241	18,443	1,475	1,660	1,248	1,210	1,344	1,270
Other	2,498	2,540	2,487	2,569	2,635	2,919	198	352	229	195	215	199
Crops	77,020	80,131	82,060	84,853	84,497	91,358	4,966	7,894	9,878	5,266	6,397	6,074
Food grains	8,247	7,517	7,414	8,455	8,221	9,469	385	390	882	432	472	321
Feed crops	17,054	18,671	19,491	19,782	19,338	20,574	796	859	2,812	1,435	1,599	1,206
Cotton (lint & seed)	5,033	5,489	5,236	5,192	5,015	5,897	105	108	1,854	591	427	211
Tobacco	2,415	2,741	2,886	2,961	2,949	2,645	0	0	340	49	27	4
Oil-bearing crops	11,866	12,258	12,709	13,277	13,046	15,216	463	2,105	1,733	758	826	682
Vegetables & melons	11,592	11,449	11,561	11,767	12,656	13,020	985	817	848	663	1,298	1,449
Fruits & tree nuts	9,157	9,420	9,909	10,123	9,927	9,987	617	1,441	511	451	486	586
Other	11,657	12,586	12,854	13,297	13,345	14,750	1,615	2,173	898	889	1,262	1,616
Government payments	10,887	9,298	8,214	9,169	13,402	7,881	1,322	467	93	729	2,083	838
Total	172,029	179,272	177,009	180,371	188,226	187,736	13,329	15,867	18,409	13,825	15,403	13,211

*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
1989/94 Disaster/Tree/										
livestock assistance	0	0	3,919	2/ 161	121	1,054	944	2,566	1,080	20
Other	371	1,665	110	647	155	-162	949	-140	1,094	1,222
Total	22,408	12,461	10,523	6,471	10,110	9,738	16,047	10,336	10,623	9,073
FUNCTION										
Price-support loans (net)	12,199	4,579	-926	-399	418	584	2,065	559	1,390	12
Direct payments 5/										
Deficiency	4,833	3,971	5,798	4,178	6,224	5,491	8,607	4,395	4,606	5,702
Diversion	382	8	-1	0	0	0	0	0	0	0
Dairy termination	587	260	168	189	96	2	0	0	0	0
Loan Deficiency	60	0	42	3	21	214	387	495	55	59
Other	0	0	0	0	0	140	149	171	81	182
Disaster	0	6	4	0	0	0	0	0	0	0
Total direct payments	5,862	4,245	6,011	4,370	6,341	5,847	9,143	5,061	4,742	5,943
1988-94 crop disaster	0	0	3,386	2/ 5	6	960	872	2,461	1,000	0
Emergency livestock/tree/										
forage assistance	0	31	533	156	115	94	72	105	80	20
Purchases (net)	-479	-1,131	116	-48	646	321	525	293	343	452
Producer storage										
payments	832	658	174	185	1	14	9	12	32	102
Processing, storage,										
& transportation	1,659	1,113	659	278	240	185	136	112	108	107
Operating expense 3/	535	614	620	618	625	6	6	6	7	7
Interest expenditure	1,219	425	98	632	745	532	129	-17	12	125
Export programs 4/	276	200	-102	-34	733	1,459	2,193	1,950	1,843	1,316
Other	305	1,727	-46	708	240	-264	897	-206	1,066	989
Total	22,408	12,461	10,523	6,471	10,110	9,738	16,047	10,336	10,623	9,073

1/ Fiscal 1988 wool & mohair program outlays were \$130,635,000 but include a one-time advance appropriation of \$126,108,000, which was recorded as a wool program receipt by Treasury. 2/ Approximately \$1.5 billion in benefits to farmers under the Disaster Assistance Act of 1989 were paid in generic certificates in FY 90 & were not recorded directly as disaster assistance outlays. 3/ Does not include CCC Transfers to General Sales Manager. 4/ Includes Export Guarantee Program, Direct Export Credit Program, CCC Transfers to the General Sales Manager. Market Promotion Program, starting in fiscal 1991 & starting in fiscal 1992 the Export Guarantee Program - Credit Reform, Export Enhancement Program, Dairy Export Incentive Program, and Technical Assistance to Emerging Democracies. 5/ Includes cash payments only. Excludes generic certificates in FY 86-94. E = Estimated in the FY 1996 President's Budget which was released February 6, 1995 based on November/December, 1994 supply & demand estimates. Minus (-) indicates a net receipt (excess of repayments or other receipts over gross outlays of funds).

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

Food Expenditures

Table 36—Food Expenditures

	Annual			1995			1995 year-to-date		
	1992	1993	1994	Apr	May	June P	Apr	May P	June P
	\$ billion								
Sales 1/									
Off-premise use 2/	316.8	322.9	333.9	28.0	29.1	29.0	108.9	138.0	167.0
Meals & snacks 3/	237.7	252.7	268.0	22.5	24.2	24.4	85.1	109.3	133.6
	1994 \$ billion								
Sales 1/									
Off-premise use 2/	336.1	334.3	333.9	27.0	28.2	28.2	105.9	134.1	162.3
Meals & snacks 3/	246.1	257.0	268.0	22.1	23.7	23.9	83.8	107.6	131.4
	Percent change from year earlier (\$ bil.)								
Sales 1/									
Off-premise use 2/	0.4	1.9	3.4	3.6	4.1	2.8	3.4	4.3	4.1
Meals & snacks 3/	3.4	6.3	6.1	6.3	10.2	10.2	7.9	8.4	8.8
	Percent change from year earlier (1994 \$ bil.)								
Sales 1/									
Off-premise use 2/	-2.2	-0.5	-0.1	-0.7	-0.1	-0.8	-0.2	-0.2	-0.3
Meals & snacks 3/	1.4	4.4	4.3	4.0	7.7	7.7	5.7	6.1	6.4

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. 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	May	Dec	Jan	Feb	Mar	Apr	May
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	109.9	111.9	112.0	111.8	112.0	111.7	111.9 P	112.0 P	112.0 P
Farm products	111.1	113.7	114.5	114.3	115.3	115.9	115.8	116.5 P	116.4 P	116.4 P
Grain	111.4	114.7	115.5	115.1	116.6	117.1	116.9	117.8 P	117.7 P	117.7 P
Food products	108.7	109.0	111.1	110.9	111.1	111.3	111.3	111.6 P	111.6 P	111.6 P
Barge freight rate index 1/ (Dec. 1984=100)										
Grain	105.8	101.2	111.0	77.0	147.9	170.8	159.2	168.1 P	127.7 P	128.4 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.8	21.9	27.9 P	28.3 P	29.3 P	30.3 P	27.8 P	26.0 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	2.8	3.1	2.4	2.0	2.6	3.6	3.1
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	2.0	1.2	1.1 P	1.0 P	1.1 P	1.0 P	1.8 P
Rail (mil. cwt)	2.6	2.2	2.4	3.1	3.0	2.5 P	2.1 P	2.4 P	1.8 P	2.3 P
Truck (mil. cwt)	43.9	44.8	43.8	53.0	42.8	39.2 P	34.4 P	36.2 P	41.9 P	53.2 P
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	124.1	127.2	128.0	127.8	128.6	128.9	129.2	128.7	129.9	130.3

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	112.1	114.9
Beef	74.4	69.6	68.6	65.4	64.0	63.1	62.8	61.5	63.8
Veal	1.6	1.3	1.1	1.0	0.9	0.8	0.8	0.8	0.8
Lamb & mutton	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	0.9
Pork	45.2	45.6	48.8	48.4	46.4	46.9	49.5	48.9	49.5
Poultry 2/3/4/	47.4	51.0	51.9	53.9	56.3	58.4	60.9	62.6	63.7
Chicken	37.2	39.4	39.6	40.9	42.5	44.2	46.7	48.5	49.5
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	31.8	30.5	30.2	30.1	30.3	30.3	30.6
Dairy products									
Cheese (excluding cottage) 2/5/	23.1	24.1	23.7	23.8	24.6	25.0	26.0	26.3	26.8
American	12.1	12.4	11.5	11.0	11.1	11.1	11.3	11.4	11.6
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	2.8
Beverage milks 2/	228.6	226.5	222.3	224.2	221.7	221.2	218.6	214.3	213.0
Fluid whole milk 7/	116.5	111.9	105.7	97.6	90.4	87.3	84.2	80.5	78.6
Fluid lowfat milk 8/	98.6	100.6	100.5	106.5	108.4	109.9	109.5	107.1	105.7
Fluid skim milk	13.5	14.0	16.1	20.2	22.9	23.9	25.0	26.7	28.8
Fluid cream products 9/	7.0	7.1	7.1	7.3	7.1	7.3	7.5	7.6	7.6
Yogurt (excluding frozen)	4.4	4.4	4.7	4.3	4.1	4.2	4.3	4.4	4.7
Ice cream	18.4	18.4	17.3	16.1	15.8	16.3	16.3	16.1	16.1
Ice milk	7.2	7.4	8.0	8.4	7.7	7.4	7.1	6.9	7.6
Frozen yogurt	—	—	—	2.0	2.8	3.5	3.1	3.5	3.5
All dairy products, milk equivalent, milkfat basis 10/	591.5	601.2	582.5	563.8	568.5	565.6	565.8	574.1	586.2
Fats & oils — Total fat content	64.4	62.9	63.0	60.4	62.2	63.8	65.6	65.0	—
Butter & margarine (product weight)	16.0	15.2	14.8	14.6	15.3	14.8	15.2	15.3	—
Shortening	22.1	21.4	21.5	21.5	22.2	22.4	22.4	22.9	—
Lard & edible tallow (direct use)	3.5	2.7	2.6	2.1	2.5	3.1	4.1	3.8	—
Salad & cooking oils	24.2	25.4	25.8	24.0	24.2	25.2	25.6	24.3	—
Fresh fruits 11/	117.7	120.6	121.5	123.2	117.1	113.0	122.7	124.3	—
Canned fruit 12/	16.5	16.6	16.3	16.6	16.5	15.4	17.8	16.1	—
Dried fruit	2.8	3.1	3.3	3.2	3.4	3.1	2.8	3.2	—
Frozen fruit	3.4	3.6	3.3	3.7	3.5	3.4	3.6	3.5	—
Selected fruit juices 13/	69.4	71.5	71.8	67.3	60.0	69.0	63.6	73.2	—
Vegetables 11/									
Fresh	100.4	107.0	110.8	114.9	112.3	109.6	114.0	113.0	—
Canning	95.6	95.2	91.2	98.9	107.2	109.4	107.2	107.9	—
Freezing	18.6	19.3	21.2	20.9	20.5	21.8	21.0	22.8	—
Potatoes, all 11/	126.0	126.0	122.4	127.1	127.7	130.4	132.4	135.7	—
Sweet potatoes 11/	4.4	4.4	4.1	4.1	4.6	4.0	4.3	3.9	—
Peanuts (shelled)	6.4	6.4	6.9	7.0	6.0	6.5	6.2	6.0	—
Tree nuts (shelled)	2.2	2.2	2.3	2.4	2.6	2.3	2.4	2.3	—
Flour & cereal products 14/	162.0	170.7	175.4	175.2	183.3	185.6	187.0	189.2	—
Wheat flour	125.6	129.8	131.7	129.4	135.6	136.9	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/	127.0	131.6	132.7	133.2	137.0	137.9	141.2	144.4	147.6
Coffee (green bean equiv.)	10.5	10.2	9.8	10.1	10.3	10.4	10.3	10.0	—
Cocoa (chocolate liquor equiv.)	3.8	3.8	3.8	4.0	4.3	4.6	4.6	4.6	—

1/ In pounds, retail weight unless otherwise stated. Consumption normally represents total supply minus exports, nonfood use, & ending stocks. Calendar-year data except fresh citrus fruits, peanuts, tree nuts, & rice, which are on crop-year basis. 2/ Totals may not add due to rounding. 3/ Boneless, trimmed weight. Chicken series revised to exclude amount of ready-to-cook chicken going to pet food as well as some water leakage that occurs when chicken is cut up before packaging. 4/ Excludes shipments to the U.S. territories. 5/ Whole & part-skim milk cheese. 6/ Natural equivalent of cheese & cheese products. 7/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 8/ Plain & flavored. 9/ Plain & flavored & buttermilk. 10/ Heavy cream, light cream, half & half, & sour cream & dip. 11/ Includes condensed & evaporated milk & dry milk products. 12/ Farm weight. 13/ Excludes pineapples & berries. 14/ Single strength equivalent. 15/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 16/ Dry weight equivalent. — = not available. P = preliminary.

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

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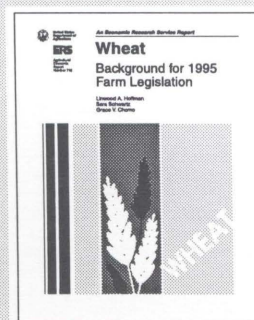
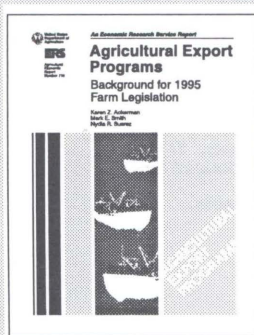
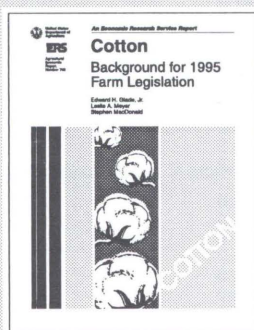
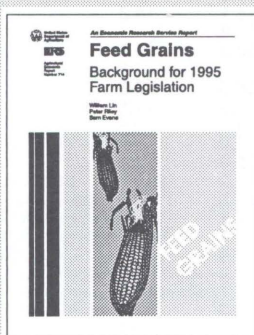
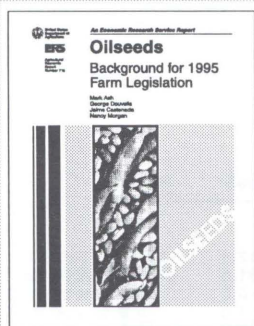
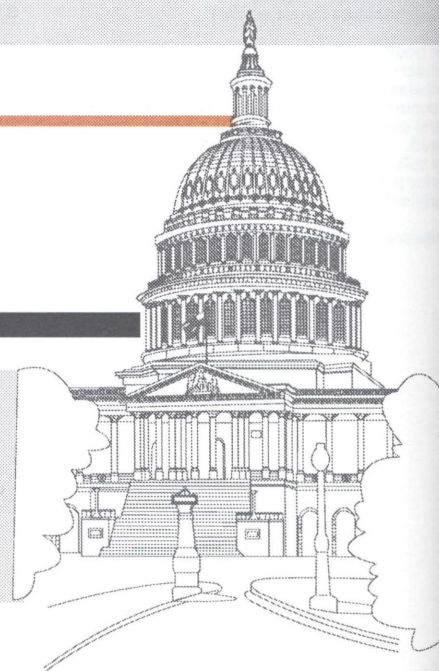
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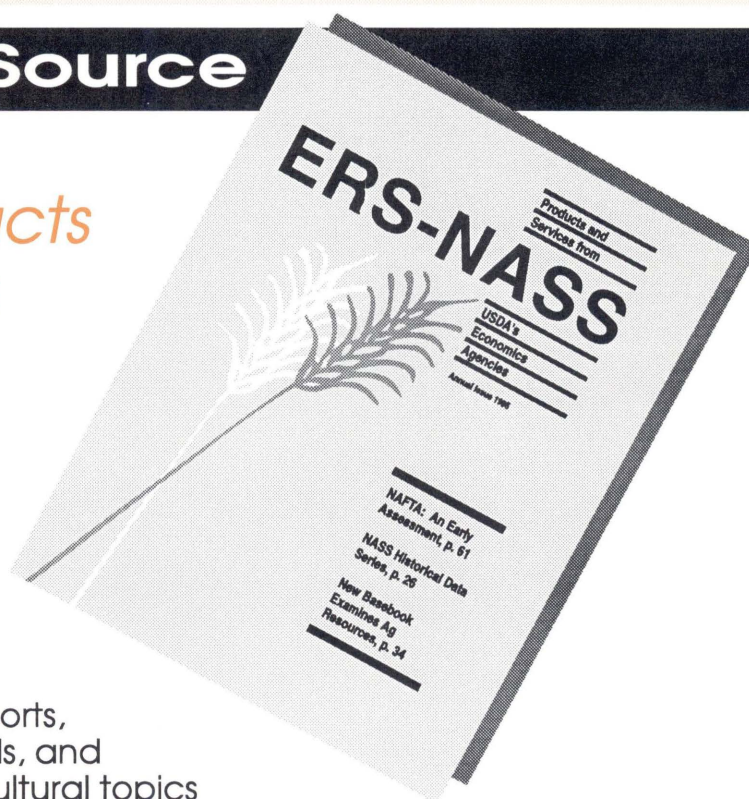
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