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# AGRICULTURAL OUTLOOK

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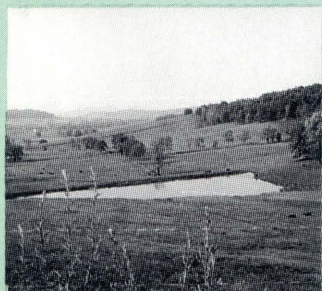
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# AGRICULTURAL OUTLOOK



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## 2 **Agricultural Economy**

Farm Income Is Shared by  
Multiple Stakeholders

*Jim Johnson, Janet Perry,  
& Mitch Morehart*

Commodity Overviews

## 12 **Commodity Spotlight**

Drop in U.S. Wheat Output  
Boosts Prices

*Ed Allen*

## 15 **World Agriculture & Trade**

Oilseed Trade To Remain Steady  
In 1995/96

*Jaime Castaneda*

## 19 **Resources & Environment**

Changes in Store for CRP

*Tim Osborn*

## 23 **Food & Marketing**

Food Prices To Rise Faster  
In 1995

*Annette Clauson*

## 26 **Special Article**

U.S. Greenhouse & Nursery  
Industry Flourishes

*Doyle Johnson*

## **Statistical Indicators**

32 Summary

33 U.S. & Foreign Economic Data

34 Farm Prices

35 Producer & Consumer Prices

37 Farm-Retail Price Spreads

39 Livestock & Products

43 Crops & Products

47 World Agriculture

48 U.S. Agricultural Trade

51 Farm Income

56 Food Expenditures

56 Transportation

57 Indicators of Farm Productivity

58 Food Supply & Use

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**Cover:** Irrigation of needled evergreen shrubs



## Wheat Supplies & Prices ...The "Green" Industry ... Trade in Oilseeds & Products ...& Changes in the CRP

### U.S. Wheat Stocks Plummet

Farm prices for U.S. wheat reached \$4.09 per bushel in July—the highest July farm price on record for wheat, compared with the previous July record of \$4.04 per bushel in 1974. U.S. export prices are following a similar trend—reaching \$186 per ton in July—the highest since December 1980. A reduction in U.S. wheat production is the prime factor driving these price movements.

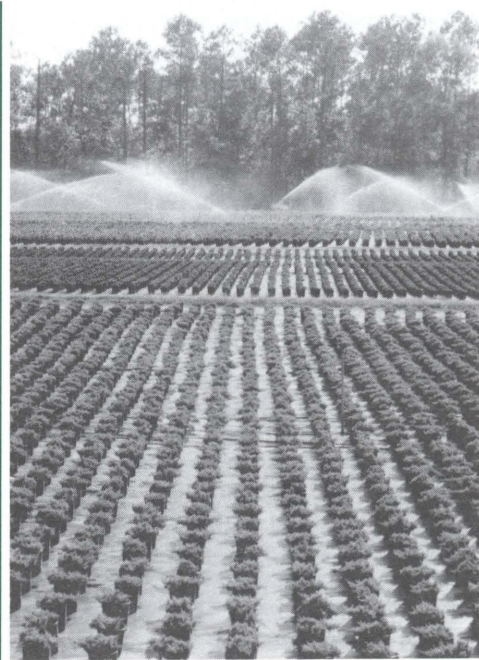
U.S. output for 1995 is forecast at 2.2 billion bushels, down 4 percent from 1994, the third consecutive year of decline in area planted, area harvested, and yields. Most of the reduction is in winter wheat, with output forecast down 7 percent from 1994.

U.S. ending stocks for 1995/96 are projected at 443 million bushels, near minimal levels. The U.S. ending-stocks-to-use ratio is projected to be only 18.5 percent, down from 20.7 percent in 1994/95 and the tightest since 1973/74. But as Northern Hemisphere producers make planting decisions this fall, high wheat prices are likely to encourage area expansion.

### Faster Growth in Food Prices

Wet, rainy weather in California, as well as trends in the international coffee market, have led to a faster rise in the Consumer Price Index (CPI) for food this year than earlier expected. Higher prices for fruits, vegetables, and coffee are expected to push the food CPI up by 2.5-3.5 percent in 1995, compared with a 2.4-percent rise last year. Lower-to-steady prices for eggs, dairy products, and most meats have tempered the projected rise in the 1995 food CPI.

Prices for fresh fruits are expected to increase 7-8 percent in 1995, as unfavorable spring weather in California reduced harvests and yields for many summer fruits. The abnormally wet spring also reduced California's spring and early summer vegetable crops—California supplies over half of U.S.



summer vegetables. Given continued strong domestic and export demand, the annual CPI for fresh vegetables should increase 10-12 percent in 1995.

### The Flourishing "Green" Industry

The U.S. "green" industry—combining indoor flowers and potted plants with outdoor landscaping products—is forecast to reach \$10.5 billion this year in grower sales, up nearly 5 percent from 1994. For the remainder of the 1990's, the industry is expected to grow about 4-6 percent annually.

In 1994, grower sales of greenhouse and nursery crops accounted for 11 percent of cash receipts for all U.S. farm crops, making the green sector the sixth-largest commodity group. Gains in grower sales averaged 7 percent annually from 1986 to 1993, but have slowed recently because of wet weather conditions this past spring, and a decline in residential and commercial construction.

Landscaping plants generated grower sales in 1994 about 3.5 times the value of flowers and indoor plants and more than double in retail sales. The U.S. cut

flower and greens market is expanding rapidly, with consumers spending about \$6.9 billion in 1994 on cut flowers and greens, up 5.3 percent from 1993. Imports of cut flowers have been increasing since the early 1970's, and account for more than two-thirds of the U.S. market.

### Global Oilseed Trade Steady

Global trade in oilseeds and edible oils is expected to remain steady in 1995/96 (October-September), but protein meal trade is likely to expand slightly. The world price outlook for 1995/96 shows gains for oilseeds and meal but a softening of oil prices. Reduced world soybean output in 1995/96, coupled with less attractive margins for crushing than in 1994/95, will hinder growth in world oilseed trade. Most of the decline in global soybean output is due to a projected 12-percent drop in 1995 U.S. soybean production. U.S. exports of soybeans in 1995/96 are projected 3 percent lower than in 1994/95, and soybean meal exports are projected down 6 percent.

### CRP in the Spotlight

The Conservation Reserve Program (CRP) is once again in motion on several fronts, following several years of relative inactivity. USDA is allowing voluntary release this year of approximately 651,000 acres of farmland retired under CRP contracts. A new signup in September will replace these acres with cropland that is more environmentally sensitive—the first CRP signup since 1992. And participants with contracts expiring this September are being allowed the option of a 1-year extension.

At the same time, Congress is grappling with the long-term future of the CRP as part of the 1995 farm bill debate. Several authorizing bills have been proposed extending the CRP. Proposals include targeting cropland adjoining waterways, in addition to cropland that is highly erodible.



## Agricultural Economy



Enid Hodges

# Farm Income Is Shared by Multiple Stakeholders

As the structure and organization of U.S. farms have changed, methods of estimating farm income have evolved to reflect these changes. In today's farm businesses, assets and inputs may be provided by several stakeholders in addition to the farm operator, all of whom may share in farm business income. USDA organizes its data collection methods to provide an accurate picture not only of aggregate farm sector income, but also farm income earned by operator households and other farm business participants.

USDA reports several measures of farm income, each for a different purpose. As the farm bill debate heats up, policy makers and other data users need to know which income measure best addresses the questions they are asking.

*Net cash income* and *net farm income* each provide a measure of the performance of the farm sector, aggregating the income of farms and other business participants in the sector. *Farm business*

*income* is an indicator of the financial viability of farm businesses specifically, and *farm operator household income* measures the well-being of operator households.

Traditionally, per-farm estimates of income were derived simply by dividing net farm income by the number of farms. In an earlier time when farms were more homogeneous in size and organization, data users could reasonably assume that farm sector net income reflected farm household income.

But the 2.1 million farms in the U.S. today vary greatly in type, size, and organization. Small farms typically have few business links to other enterprises or individuals. By contrast, larger farms may involve a number of participants that include management, labor, contractors, and other input providers from both farm and nonfarm entities. The operator households of farm businesses that acquire assets from a variety of sources may earn only a part of the income generated by the farm.

While the structural and financial organization of farms has changed dramatically since the 1930's, the official farm definition has not. Since 1974, USDA has defined a farm as an establishment that sold, or normally would sell, at least \$1,000 in agricultural products during the year. This definition poses few problems if the objective is to count the total number of farms or to measure the aggregate value of products produced. But moving beyond these aggregate numbers to information about the measurement and distribution of income for farm businesses and households, as well as other indicators of their financial performance, raises additional questions:

- What assets are supplied by the farmer, by partners or other farm-related households, and by investors, lessors, or contractors?
- Who owns the products produced by the farm?
- How much income is earned by the farmer and how much goes to outside suppliers of farm assets?

Answers to these questions affect conclusions about the level and distribution of income among farm families and other participants in the farm enterprise.

## Farms Acquire Assets From Many Sources . . .

The claim on a farm's net income by the farm operator and others depends on how the business acquires its assets. For example, farms operated by single families typically use their own savings or debt financing to buy land, equipment, or other inputs. In this case, farmers would claim all the income earned from the use of the assets.

However, many of today's farmers combine their capital with that from sources outside the immediate family, including partnerships, corporations, pooled funds, joint ventures, or co-ownership of either farm assets or commodities. Outside investors may provide capital in return for either specified payments or a share of net income. This practice may allow farmers to expand their operations more rapidly than otherwise and with less debt and fewer financial risks.

USDA's annual Farm Costs and Returns Survey (FCRS) shows that 25 percent of farms report assets from multiple persons, households, or businesses for use in production. Farms with these complex organizations produced two-thirds of total farm output.

Some farms use assets of share-rent landlords and/or contractors. Share-rent landlords provide land to farmers in exchange for a specified portion of the farm's crops or livestock. Contractors pay farm operators to produce an agreed-upon quantity of goods, and often provide production inputs.

The FCRS asks senior farm operators about income and asset-sharing arrangements, landlords, and contracts for each farm in the sample. In 1993, FCRS results indicated that at least 2,118,222 stakeholders (not including share-rent landlords and contractors) supplied farm assets—55,000 more than the total number of farms. This is a minimum estimate because for all nonfamily corporations and cooperatives and some family



## Agricultural Economy

farms, FCRS data are provided by hired managers, who are not asked questions on capital sources. Thus, the actual number of stakeholders for these farms is unknown.

Even some farm proprietorships, which are owned and managed by one person or family, use assets provided by other investors. In 1993, at least 346,000 farm proprietorships used assets provided by others, including share rent landlords and contractors.

The FCRS reports the total number of landlords, cash and share-rent, but not the number of each separately. The survey also reports the number of contracts, but not the number of contractors.

A growing number of farms turn to production contracts to acquire additional capital. In 1993, nearly 44,000 farms had at least one contract to produce crop or livestock commodities for other businesses or people. Production contracts specify in detail the inputs supplied by the contractor (processor, feed mill, another farm operation, or business); the quantity and quality of a particular commodity; and the compensation to the farmer. Both farmer and contractor share in production and marketing risks.

For example, under a typical production contract for broilers, the grower provides the land and housing facilities, utilities, labor, and other operating expenses such as repairs and maintenance and waste disposal. The contractor provides the chicks, feed, veterinary supplies and services, management of field services, and

transportation. The contractor usually owns and operates the hatcheries, feed mills, and processing facilities.

The income of farm operators is also affected by the number of operator households providing assets and sharing in a farm's profits and losses. Single-family farms accounted for almost three-fourths of farms in 1993, but accounted for less than a fourth of the total value of production. While two households are the most common type of multiple-household farm, on over 20,000 farms, four or more households provide assets to the business.

### ... & Farm Income Sharing Is Not Uncommon

Originally, USDA's aggregate farm sector income estimates—net farm income and net cash income—were the main measure of farm income earned by operators and their families. Since others besides the operator now share in the decisions, risks, profits, and losses of farms, income estimates must distinguish between farm businesses and farm households.

To reflect income sharing arrangements, the FCRS currently accounts for operators, businesses, and other investors who provide inputs and share in the risks and rewards of farming. Annual surveys ask questions concerning the organizational structure of farms that may affect income earned by the business. Such questions include:

- Do farms lease any inputs—particularly land—and do lessors provide any inputs?
- Do farms have production contracts? for which commodities? Do contractors provide inputs? and
- Do farms have any partners or shareholders that share income?

Answers to these questions help determine the shares of farm income earned by operators and by other participants.

Farms with outside claims to income account for the majority of the farm value of production. The FCRS also found that the number of people sharing net income varies by legal organization and gross sales of the farm.

The owners of the 1.5 million smaller noncommercial farms (annual sales less than \$50,000) rarely share net income with others. In contrast, the largest 40,000 farms (sales in excess of \$500,000) shared income with an average of 1.6 households in 1993, plus any share-rent landlords or contractors.

Legal partnerships, on average, have the most income-sharing arrangements per farm, followed by family corporations, and then proprietorships. All nonfamily corporate farms and cooperatives have income-sharing arrangements, but the FCRS has not collected that information.

Current information about the financial structure of farms helps illustrate why it is no longer appropriate to divide sector estimates of net income by the number of farms to estimate the income of operator households. Converting the farm sector estimate into an income estimate for either farm businesses or operator households requires additional steps.

Any income earned by people or businesses (other than the operator household) who share in the decisions and risks of farming must be excluded. Falling into this category is the income earned by shareholders in nonfamily corporations and cooperatives, as well as the income earned by contractors from farming operations.

**Farms With Income-Sharing Arrangements Account for Bulk of Production**

	Share of U.S. total	
	Number of farms	Value of production
	Percent	
With income-sharing arrangement		
Partnerships	7.0	11.7
Single-family farms with share-rent landlords and/or production contracts*	15.8	35.0
Family corporations	2.8	14.9
Nonfamily corporations and cooperatives	0.6	5.2
No income-sharing arrangement		
Single-family farms	73.8	33.2

\*Includes partnerships with share-rent landlord and/or production contracts.  
Source: 1993 Farm Costs and Returns Survey.



## Agricultural Economy

Even if such income is excluded, sector estimates of income would still contain earnings that belong to partners and shareholders in family farm corporations. Only after income earned by these additional participants in farming is taken out can the income earned by the farm operator be determined.

An example using 1991 data illustrates the importance of knowing the source of farm assets when determining operator income. The traditional approach of dividing farm sector income by the number of farms yields an estimate of about \$25,000 per farm. This would have been assumed to be income of farm operators from farming. Making the adjustments to account for other participants in farms, such as partners, shareholders, and contractors, results in a sum of about \$12,700 in farm operator earnings—only about half as much as estimated by traditional methods.

Using the FCRS, one can estimate the operator's household money income from farming and the total household income (the sum of farm and nonfarm sources). Money income from farming earned by operator households exactly matches the Bureau of the Census definition of income from self-employment for all U.S. households. It is calculated by subtracting depreciation from net cash income of operator households. While consistent with the Census definition, this measure of farm business income has limitations. It provides neither a perspective on total cash available to farm families nor the effect on income of changes in inventories or income from services provided by the farm.

Farm operator household income from all sources is calculated by adding income from farming to any off-farm income earned by operator households. This estimate—\$38,300 for 1993—is the only estimate for validly comparing farm household income with the average income of \$41,428 for all U.S. households. No other estimates for farm and nonfarm household income are comparable.

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## Field Crops Overview

*Concerns over low grain supplies were somewhat abated by survey results indicating that yields will likely be higher than earlier estimated. Although there were a number of extremely hot days in July, damage was apparently limited by the stage of the crops at the time, sufficient soil moisture, and/or timely rains. Even though much of the corn crop was planted late, it made rapid progress in July. Winter wheat yields, particularly in the Northwest, were higher than expected, and the spring wheat yields are now projected to be slightly higher than last year. Expectations about soybeans are less certain because the crop just entered its critical growth phase in August, and the vulnerability of corn and soybeans to an early frost remains.*

*Between July 22 and August 2, USDA's National Agricultural Statistics Service (NASS) conducted field-based surveys to forecast crop yields, and resurveyed planting in some states. While NASS had surveyed acreage in June, farmers in several states had not completed planting, due to wet weather. The August acreage survey revealed that nearly a million acres of corn and sorghum intended for planting in June was not planted.*

*Low global grain stocks and higher expected prices for grains and soybeans are constraining world trade prospects for corn and soybeans. While wheat prices are expected higher, stronger demand from the FSU and China is boosting world wheat trade. Meanwhile, the August forecasts for U.S. production have strengthened prospects for U.S. grain and cotton exports, which will still be below 1994/95 levels.*

**U.S. corn prices are expected higher.** U.S. corn production in 1995/96 is projected down 20 percent from last year due to an 10-percent drop in planted area and an expected 9-percent drop in yield. Even though beginning corn stocks are up 71 percent from a year earlier, feed grain supplies are tight

because total feed grain production is forecast down. Both domestic and export demand remain strong, despite higher prices.

Industrial use of corn, which is relatively insensitive to price movements, is projected to increase from 1994/95. While feed and residual use of corn is projected down 11 percent from last year, large animal inventories will prevent an even larger drop, keeping feed use relatively strong despite the higher prices. However, cattle will likely be grazed longer than in years when feed costs are low.

Corn ending stocks are forecast to be down 46 percent from 1994/95, boosting season-average farm prices to \$2.45-\$2.85 per bushel, compared with \$2.25 per bushel in 1994/95.

Despite the decline in U.S. corn supplies, a strong pace of forward buying by importers for the 1995/96 marketing year is underpinning the U.S. corn export projection. Higher corn prices are likely to constrain world imports, with global trade projected down 5 percent. However, continued strong Asian demand is supporting the U.S. export forecast, as limited competing exporter supplies compel importers to turn to the U.S. supplies. Southern Hemisphere competitors' supplies—primarily from Argentina and South Africa, which will begin planting in October and November—are limited this time of the year.

High corn prices in China, the largest U.S. competitor in the early 1990's, are expected to restrict exports in 1995/96 to 1.5 million tons. While equal to last year's exports, this level is significantly below the 11.6 million tons China exported in 1993/94. Projected imports of corn by China are estimated at 2.5 million tons, down nearly 2 million tons from the recently revised 1994/95 estimate. This would make China a net corn importer for the second year in a row.

**U.S. wheat production is forecast down 4 percent from 1994/95.** A decline in the winter wheat crop accounts for most of the expected drop in U.S. wheat production. Hard red winter wheat suffered from diseases, spring freezes, and rain at



harvest. Wet weather also lowered soft red winter wheat yields. However, white wheat yields are forecast up 2 percent from 1994/95, even though dry conditions last autumn created concern that much of the crop would not be able to germinate and grow. Favorable weather this spring and at harvest led to higher-than-expected yields and good quality.

While durum acreage is forecast up from 1994/95, other spring wheat acreage is projected down 8 percent. But other spring wheat yields are projected up because scab disease is reportedly not as severe as last year.

Ending stocks of wheat are projected to be the lowest since 1974/75, and season-average farm prices are projected to be \$3.65-\$4.05. Even the low end of this price range would be the highest since 1988/89. While feed and residual use is forecast down, total domestic use and exports are forecast to nearly match 1994/95.

A more robust outlook for world wheat trade, as well as lower projected exportable supplies from Argentina and Canada, are bolstering the U.S. export outlook. However, U.S. wheat exports for 1995/96 are still expected to be slightly below a year earlier.

**The response of U.S. and world markets to tighter supplies of wheat in 1995/96 is detailed in the Commodity Spotlight page 15**

Declining exports from Argentina and Canada could allow the U.S. to expand exports to Brazil and other South American countries this fall. But in Asian and Middle Eastern markets, U.S. exports will likely face greater competition in early 1996 from Australia. Favorable moisture conditions in most of the wheat producing area of Australia have boosted production prospects to 17 million tons, nearly double last year's drought-ravaged crop.

### U.S. Field Crops—Market Outlook

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	— Mil. acres —		Bu/acre	— — —		Mil. bu	— — —		\$/bu
Wheat									
1994/95	70.4	61.8	37.6	2,321	2,981	1,283	1,188	510	3.45
1995/96	69.3	60.9	36.6	2,227	2,838	1,220	1,175	443	3.65-4.05
Corn									
1994/95	79.2	72.9	138.6	10,103	10,965	7,360	2,150	1,455	2.25
1995/96	71.3	64.7	125.6	8,122	9,587	6,800	2,000	787	2.45-2.85
Sorghum									
1994/95	9.8	9.0	73.0	655	703	397	220	86	2.15
1995/96	9.1	8.3	65.1	539	624	397	180	47	2.30-2.70
Barley									
1994/95	7.2	6.7	56.2	375	580	401	66	113	2.03
1995/96	6.8	6.4	59.9	385	567	415	50	102	2.20-2.60
Oats									
1994/95	6.6	4.0	57.2	230	429	327	1	101	1.22
1995/96	6.4	3.2	57.3	186	402	310	1	91	1.30-1.70
Soybeans									
1994/95	61.9	61.1	41.9	2,558	2,773	1,568	825	380	5.45
1995/96	63.1	61.7	36.4	2,246	2,631	1,506	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	99.2	100.0	32.3	6.75
1995/96	3.17	3.11	5,954	185.2	226.6	105.2	91.0	30.4	6.50-7.50
			Lb./acre	—	—	—	Mil. bales — — —		¢/lb
Cotton									
1994/95	13.7	13.3	709	19.7	23.2	11.3	9.6	2.5	73.0
1995/96	16.7	15.8	663	21.8	24.3	11.5	7.7	5.2	*

Based on August 11, 1995 World Agricultural Supply and Demand Estimates; U.S. marketing years for exports.

\* USDA is prohibited from publishing cotton price projections.

See table 17 for complete definition of terms.

World wheat supplies continue to tighten in 1995/96. Production is projected down in Argentina, where dry weather continues to stress the recently planted winter wheat crop. In the FSU, particularly Russia and Kazakhstan, persistent drought is reducing estimated supply availabilities to a 20-year low. As a result, wheat imports by Russia are projected to be nearly 50 percent higher than last year, at 4 million tons.

**U.S. soybean production is projected down 12 percent from 1994/95.** While close to trend, yields are 13 percent below the 1994/95 record and account for all of the decline. Planted area is forecast up 1 percent because many corn producers shifted area to soybeans when wet spring weather prevented them from planting corn. Reports indicate that growth of late-planted soybeans in

several states has been stunted by the hot weather in July, and the crop is well behind normal in blooming and pod formation. Short soybean plants are more difficult to harvest, which could result in higher field losses this fall.

Total use could exceed U.S. soybean production, decreasing ending stocks and increasing prices. U.S. crush is forecast to fall from 1994/95 along with the drop in soybean production. U.S. soybean exports are projected to be only slightly below 1994/95, but soybean meal exports are forecast down 6 percent and soybean oil exports are projected down 16 percent.

Season-average farm prices are projected to be \$5.50-\$6.50, up from \$5.45 in 1994/95. U.S. soybean meal prices are also forecast somewhat higher, at



## Agricultural Economy

\$165-\$190 per ton, compared with \$160 in 1994/95. Soybean oil prices are projected to range from 24.5 to 29 cents per pound, compared with 27.25 cents in 1994/95.

How will reduced world output of soybeans and other oilseeds in 1995/96 affect global trade?  
**World Agriculture & Trade**  
page 15

Expectations of lower U.S. soybean supplies in 1995/96 underpin the projected drop in U.S. exports of beans and meal to 21.8 and 5.3 million tons. Despite the decline, the U.S. share of the soybean export market, at 69 percent, is virtually unchanged from the healthy 1994/95 level of 70 percent.

Projections of near-record soybean crops in South America and a larger expected carryover from last year imply strong competition in the markets for products—soybean meal and oil. The U.S. share of the soybean meal market is expected to inch down to 17 percent from 1994/95's 18 percent. Lower import demand for soybean oil by China is dimming U.S. soybean oil export prospects. High oil prices in China encouraged rapeseed planting. Nevertheless, projected U.S. soybean oil exports of 1 million metric tons would be the third largest ever.

**The U.S. cotton crop is expected to be a record.** Cotton production is projected to expand 21 percent from 1994/95, as high prices at planting encouraged a 21-percent expansion in planted acreage. All cotton growing regions are expected to increase production, but the Southeast will show the strongest gain, with a projected 27-percent rise from 1994/95. Hot weather in July and early August across the cotton belt allowed the crop to advance rapidly from a slow start. However, as of August 6, crop conditions remained below those of a year ago.

Supply is projected up 5 percent from 1994/95, making it the highest since 1966/67. Total use is forecast down 8 percent, allowing ending stocks to more than double. Domestic mill use will continue to expand, as demand for denim products remains strong. But more intense foreign competition, due to greater exportable supplies, is forecast to bring exports down 20 percent from 1994/95. Prospects of large supplies and declining use have caused futures prices to slide, but many producers have already forward contracted a large portion of their crops.

World production in 1995/96 is projected to increase as area climbs to its second-highest level since 1952. However, production in the largest foreign producing countries—India, China, and Central Asia—is not expected to expand.

Continued strong economic growth will likely lead to higher global consumption in 1995/96, despite 1994/95's soaring prices. China's mills have resumed more normal levels of production, and continued growth is expected elsewhere in Asia. Despite the expected decline in U.S. cotton exports in 1995/96, the U.S. is likely to garner 28 percent of world trade. While well below the 33 percent estimated for 1994/95, it is still well above the 22-percent average of the last 10 years.

**U.S. rice production is forecast down 6 percent from the 1994 record.** While yields are expected to nearly match the 1994 record, acreage is projected down 5 percent because prices at planting were lower than a year earlier. Rising long grain prices relative to medium grain prices at planting encouraged

### World Commodity Market Outlook

	Year <sup>1</sup>	Production	Exports <sup>2</sup>	Consumption <sup>3</sup>	Carryover
Million tons					
Wheat	1994/95	522.9	98.0	549.1	114.9
	1995/96	539.6	98.5	549.2	105.3
Corn	1994/95	555.4	66.4	540.6	86.5
	1995/96	516.3	63.1	539.5	63.3
Barley	1994/95	160.9	14.9	166.6	26.0
	1995/96	155.1	16.5	160.8	20.3
Rice	1994/95	360.3	17.9	361.0	49.0
	1995/96	356.7	16.4	363.7	42.3
Oilseeds	1994/95	260.4	43.7	204.3	27.8
	1995/96	254.4	43.8	210.0	24.7
Soybeans	1994/95	137.8	32.0	108.4	24.1
	1995/96	127.7	31.6	110.2	20.8
Soybean meal	1994/95	85.6	31.1	85.3	3.5
	1995/96	87.4	31.8	87.1	3.6
Soybean oil	1994/95	19.5	5.5	19.2	1.6
	1995/96	19.8	5.4	19.6	1.8
Million bales					
Cotton	1994/95	85.3	29.2	83.9	29.8
	1995/96	90.8	28.0	86.5	34.0

<sup>1</sup> 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. <sup>2</sup> 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. <sup>3</sup> Crush only for soybeans and oilseeds.



## Livestock, Dairy & Poultry Overview

July hog slaughter fell well below earlier estimates, despite larger June 1 inventories of market hogs in the heavier weight groups. Extremely hot weather over the eastern U.S. during July likely delayed plant deliveries. The hot weather also slowed rates of gain, affecting delivery schedules during the first few weeks in August.

Seasonally tighter pork supplies and sharper competition between domestic retailers and foreign buyers for available supplies this summer likely contributed to higher live hog prices and wholesale values. Pork cutout values (the weighted value of wholesale pork cuts) in July were above June and year-earlier levels, although seasonal price strength began to fade in August for several pork cuts.

**Expansion in cattle inventories is expected to continue.** Although slowing, growth is expected for the next several years. This is despite returns below cash costs for higher cost cow-calf producers in 1995 and expected returns below cash costs for most producers in 1996. Continued herd expansion is the result of decisions made 3-4 years ago when returns were much higher. And the present diminishing returns will not show up as reduced herds for another 2-3 years.

Producers intended in January to retain 6 percent more replacement beef heifers than a year earlier, but at midyear, producers indicated plans to retain 3 percent fewer beef heifers. The scaled-back plans likely reflected rising grain prices as well as larger beef supplies since early spring, which pushed down feeder cattle prices. Continued expansion in beef supplies and record supplies of competing meats will pressure cattle prices downward into next year.

The number of beef heifers calving during first-half 1995 was down more than 2 percent from a year earlier, and 10 percent lower than in 1993. This year's calf crop is estimated at 41.5 million head, up only 2 percent from last year, indicating a slowdown in expansion and in the calving rate. The estimated 1995 calf crop represents output from 91 percent of the January 1 cow inventory, compared with 92.2 percent in 1994.

producers to shift acreage to long grain rice from medium grain in the Delta and Gulf coast states.

Total use is forecast down only 2 percent from the 1994/95 record. Exports, although down 9 percent from the 1994/95 record, will remain high due to continued strong demand in Latin America, the Middle East, and Europe.

U.S. exports are likely to remain high through the end of 1995, but weaken in early 1996 as Asian long grain exporters begin marketing their crops. Declining exports of long grain U.S. rice will be partially offset by an increase in medium grain exports. Increasing purchases of medium grain rice by Japan and South Korea are expected as the GATT minimum access requirement goes into effect.

Although ending stocks are projected to tighten somewhat, U.S. farm prices are forecast to change little from 1994/95, ranging from \$6.50 to \$7.50 per cwt, compared with \$6.75 in 1994/95.

Foreign production is projected lower than last year's. Heavy rains and flooding during June and July in China, the world's largest producer, damaged the country's rice crop. The decline in China's projected production to 123 million tons is likely to lead to imports of 1.5 million tons, only 300,000 less than China's record imports estimated for 1994/95.

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**Pork supplies will remain large.** After registering year-over-year increases since first-quarter 1994, pork production this fall is forecast to decline 4 percent from the record of fourth-quarter 1994. However, supplies in the fall will rise seasonally from the summer, and will still be the second largest on record. For all of 1995, pork output is projected to reach a record 18 billion pounds, and production is expected to continue to expand in 1996 to 18.4 billion.

Increased producer returns in the hog sector due to sharply rising hog prices through the spring and summer renewed producers' optimism, despite lackluster returns since mid-1994. Cash costs for farrow-to-finish operations remained in the upper \$30's per cwt during the summer, while slaughter hog prices averaged in the upper \$40's per cwt during July through mid-August, the strongest since early 1994.

However, returns could diminish this fall, as rising grain prices are expected to add \$1-\$1.50 per cwt to cash costs, and seasonally larger slaughter will put downward pressure on hog prices. A cost-price squeeze could occur next spring, if feed supplies tighten and grain prices increase sharply. Slaughter hog prices next spring may reach only the upper \$30's per cwt. For all of 1996, hog prices are projected to be slightly lower than in 1995.

Sow slaughter was down in July from a year earlier (after adjusting for the number of slaughter days). Sow slaughter usually increases seasonally during March-July, with the July peak followed by a gradual tapering off during the second half of the year. The early cutback in sow slaughter could be a signal that producers have begun to rebuild breeding herds after 2 months of stronger prices and more favorable returns.



## Agricultural Economy

### U.S. Livestock and Poultry Products—Market Outlook

		Beginning stocks			Production			Imports			Total supply			Exports			Ending stocks			Consumption		Primary- market price
																	Total		Per capita			
		— — —			— — —			— — —			— — —			— — —			— —		Lbs.	\$/cwt		
Beef	1995	548			25,072			2,120			27,740			1,700			450			25,590	68.1	66-67
	1996	450			25,858			2,080			28,388			1,745			475			26,168	68.9	62-68
Pork	1995	438			18,070			698			19,206			642			405			18,159	53.5	40-41
	1996	405			18,438			680			19,523			610			400			18,513	54.1	37-40
																				¢/lb		
Broilers*	1995	458			25,132			0			25,591			3,668			500			21,423	71.7	53-55
	1996	500			26,622			0			27,122			4,015			530			22,577	74.9	48-52
Turkeys	1995	254			5,166			0			5,420			248			350			4,822	18.3	63-65
	1996	350			5,341			0			5,691			258			300			5,133	19.3	58-63
		— — —			— — —			— — —			— — —			— — —			—		No.	¢/doz.		
Eggs**	1995	14.9			6,209.6			4.1			6,228.6			194.5			12.0			5,187.5	236.5	68-69
	1996	12.0			6,320.0			4.0			6,336.0			193.0			12.0			5,261.0	237.6	63-68

Based on August 11, 1995 World Agricultural Supply and Demand Estimates.

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

Feeder cattle supplies outside feedlots on July 1 increased 2.5 percent from a year earlier, and were at the highest level for this date since 1986. Net feedlot placements during the second quarter rose nearly 15 percent, while marketings increased 3 percent. As a result, the cattle-on-feed inventory grew 5 percent from a year earlier, portending larger year-over-year beef output in the summer and fall quarters.

Adequate forage supplies in most areas are allowing feeder cattle producers and stocker cattle operators to retain lighter weight cattle for additional weight gain on pasture. But rising grain prices and tight grain stocks will continue to keep feeder cattle prices well below year-earlier levels.

With fed beef supplies remaining large through early fall, seasonal increases in cow slaughter will pressure wholesale and retail beef prices lower. In July, fed cattle prices dropped to the low \$60's per cwt, where they will likely remain until slaughter begins to decline seasonally in late fall.

**Broiler and turkey output are projected to continue growing in 1996**, although at a slightly slower pace than in 1995. The larger production will continue to pressure prices downward next year.

Broiler prices were temporarily boosted in the summer due to heavy demand for chicken for cookouts and from fast-food outlets. Prices in July were higher compared with year-earlier levels. The July price gains exceeded rises in feed costs, putting July net returns above year-earlier levels.

Stronger broiler prices led to larger-than-expected increases in hatching-egg sets in June and July, and larger chick placements in production houses during July. As a result, average daily production is likely to be higher in September. However, one fewer slaughter day in September means the rise in month-over-month production will be relatively small.

Wholesale broiler prices in September are expected to advance about 2 cents from a year earlier. Retail prices in September are expected to be a little higher than a year ago, but retail margins will probably narrow because of the rise in wholesale prices.

Average daily turkey output in September is forecast to increase about 5-6 percent. But with one fewer slaughter day in September, production will be only about 1 percent larger, month-over-month. Expanded September production is based on about 2 percent more poult placements in May and June and average weights per bird about 3 percent higher.

Wholesale turkey prices in September should remain nearly the same as a year earlier because of still-strong exports, despite increased supplies. Gains in wholesale prices during the year have outpaced rises in feed costs, keeping net returns to turkey producers positive entering the holiday season. Retail turkey prices in September are expected to stay above a year ago, and the wholesale-to-retail price spread should remain relatively high.

Table-egg production in September is forecast to decline about 1 percent from a year earlier. A smaller production flock will account for most of the decrease in output, as productivity will be nearly unchanged from a year earlier due to the aging flock. High temperatures in July caused hen losses to increase, reducing the flock size.



## Agricultural Economy

Wholesale egg prices in September are expected to be about 5 cents higher, year-over-year, because of the lower production. Wholesale egg prices should stay above year-earlier levels later in the year, as the flock will remain smaller. Retail egg prices are also expected to rise in September, but the wholesale-to-retail price spread may narrow slightly from last year's small price gap.

**Western Hemisphere countries provide a major outlet for U.S. poultry exports.** U.S. exports of poultry products (broilers, turkeys, eggs and egg products) have grown substantially over the past several years, with growth especially rapid in the emerging markets in Eastern Europe and some Asian countries. However, Western Hemisphere countries remain strong markets, taking just over one-fifth of all U.S. poultry product exports (by quantity) in 1995. Canada and Mexico are the largest customers in the Western Hemisphere for U.S. poultry products.

Western Hemisphere countries, because of their proximity to the U.S., growing populations, and strengthening economies, are likely to provide an expanding market for U.S. poultry products. In addition, the general lowering of trade barriers due to the GATT trade agreement, and the possibility that NAFTA could be enlarged to include more countries, bode well for greater market opportunities in the region.

Whole and cut-up broilers are the chief U.S. poultry export to Western Hemisphere countries, totaling 230 million pounds in the first half of 1995, or about 13 percent of total U.S. broiler shipments. Before the rapid growth of broiler exports to Russia and Hong Kong, the share of U.S. broiler exports going to Western Hemisphere countries was higher.

Between 1991 and 1994, U.S. broiler shipments to Western Hemisphere countries increased 37 percent, from 349 to 479 million pounds. While the majority of U.S. broiler exports to the Western Hemisphere go to Canada and Mexico, exports to Caribbean countries climbed to 130 million pounds in 1994. The

Caribbean countries should provide a steady market for U.S. producers in the future, because the high cost of importing feeds means that they will likely continue to import broilers.

U.S. turkey exports to Western Hemisphere countries more than doubled between 1991 and 1994. In the first half of 1995, U.S. turkey shipments to Western Hemisphere countries totaled 62 million pounds, equaling over one-half of all U.S. turkey exports. Mexico is the largest single market for U.S. turkey exports, but there are a number of smaller markets in the Caribbean and in Central and South America. U.S. turkey exports to some of these countries have declined in the past few years, possibly because broilers were substituted for turkey.

U.S. exports of eggs and egg products to Western Hemisphere countries reached \$28.6 million in the first half of 1995. In most years, egg and egg product shipments to these countries comprise about a third of total U.S. egg exports. As with broilers and turkeys, Canada and Mexico are the most important markets in the region, taking nearly one-fourth of U.S. egg and egg product exports worldwide.

**Modest gains in commercial use of most dairy products** are foreseen for the rest of 1995. Slow expansion in the economy and steady retail dairy prices compared with a year earlier are expected to support moderate growth in commercial use. Projected sales of skim solids will not quite match expected growth in milk production. However, tight milkfat markets are expected to hold milk prices in the second half of 1995 near year-earlier levels.

Commercial use of skim solids in the first half of 1995 rose less than 2 percent from a year earlier. Cheese sales continued to rise modestly, with American varieties up 2 percent and other varieties up more than 3 percent. However, fluid milk sales were unchanged, and use of nonfat dry milk in processed foods was sluggish. Sales declined for cottage cheese and frozen products.

In contrast, commercial use of milkfat in the first half of the year rose almost 6 percent, due mostly to a 20-percent jump in butter sales. Domestic butter sales were substantially higher, as retail sales continued to show strong gains. The remaining butter was quickly taken by commercial exports. Domestic and export markets are expected to absorb supplies of milkfat in the second half of the year at prices well above a year earlier.

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#### Upcoming Reports—USDA's Economic Research Service

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

#### September

12	Cotton & Wool Outlook (4 pm)**
13	Feed Outlook (4 pm)**
	Oil Crops Outlook (4 pm)**
	Rice Outlook (4 pm)**
	Wheat Outlook (4 pm)**
14	Tobacco*
18	Agricultural Income & Finance*
19	Sugar & Sweeteners*
20	Agricultural Outlook*
21	Dairy Outlook (3 pm)
22	U.S. Agricultural Trade Update (3 pm)
25	Livestock, Dairy, & Poultry (9 am)
26	Industrial Uses of Ag Materials*
27	Fruit & Tree Nuts Yearbook*

\* Release of Summary, 3 pm

\*\* Available electronically only



## Agricultural Economy

## Specialty Crops Overview

**U.S. fruit and vegetable production is projected to increase in 1995** by less than 1 percent, to 191 billion pounds (farm-weight basis). The 1995 citrus harvest was mostly complete by July, and harvesting of summer soft fruit and processing vegetables ends in September. Apples and potatoes—upcoming fall-harvest crops—account for nearly 30 percent of annual fruit and vegetable production.

A larger 1995 citrus crop—up 11 percent from 1994 to 32 billion pounds—contrasts with a projected smaller crop of fresh-market vegetables. The Florida orange crop, grown mostly for juice, rose to 18.5 billion pounds—just below the 1980 record. California's Valencia orange harvest continues through the fall, but the nearly 2 billion-pound crop is forecast unchanged from last year. The state's total orange crop is forecast near 1994's 4.7 billion pounds.

The U.S. fresh vegetable crop is projected down as much as 5 percent from 1994, based on a likely reduction in acres harvested, and in yields, during first-half 1995. The summer-season area for harvest is estimated unchanged from a year earlier; the fall harvest begins around October. Total fresh production is likely to drop 2 billion pounds to around 37 billion in 1995.

Higher production of processing tomatoes will offset combined lower production of snap beans, sweet corn, and green peas for processing. Tomato processors, having increased contract acreage, are likely to see a record 12-million-ton crop (24 billion pounds), up from 11.4 million in 1994. In contrast with a projected slight increase in 1995 green pea production for processing, sweet corn and snap bean processors contracted 5 percent fewer acres, with a reduction in these crops projected.

**U.S. apple growers are set for a good 1995/96 marketing year.** Domestic production, harvested from August to November, is forecast down slightly, but prices are likely to strengthen significantly from last season as a reduction in the European crop in 1995 could boost U.S. exports. The U.S. apple harvest is forecast at 11.2 billion pounds—down 1.3 percent—and about half will go into storage for sales during January to July 1996.

In Washington, the largest apple producing state with 46 percent of 1995's forecast production, output is down 9 percent from last year's huge 5.7-billion-pound crop. California's output, forecast at 1 billion pounds, is even with last year and slightly less than New York's and Michigan's. Together these four states produce over 75 percent of U.S. apple production. California and Washington, because of their dry, sunny climate and west coast location, are the leading exporters of apples to Asia and Mexico.

The U.S. apple industry sold a record crop during the 1994/95 season, with only a small decline in grower prices. Utilized production from the 1994 crop—11.2 billion pounds—was up 6

percent from 1993, and 57 percent was sold in the fresh market. The grower price for 1994 fresh-market apples averaged 18.2 cents per pound, down just 1 percent from 1993, while sales volume increased nearly 4 percent.

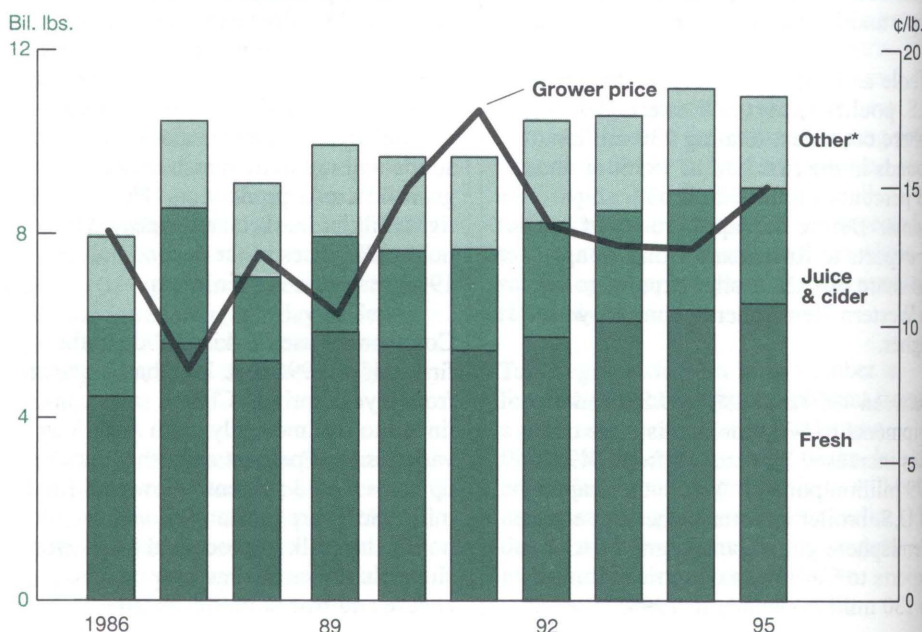
Demand for processing apples in 1994, especially for juice apples, increased more than for the fresh-market product. Tonnage of apples sold for juice, canning, freezing, drying, vinegar, and other minor uses increased 8 percent over a year earlier, while prices increased nearly 5 percent. Apples for juice—about half of processor use—increased nearly 9 percent, while the average price rose 11 percent to \$90 a ton.

**U.S. apple juice import prices are expected to remain high in 1995/96.**

The import price of apple juice in 1994/95 reflects higher U.S. demand and shortages in European supplies. During October to June 1994/95, U.S. import volume of apple juice (190 million gallons single-strength) was 5 percent below a year earlier, but import value was up 29 percent to \$187 million.

U.S. imports of apple juice come mainly from Argentina, Germany, and Central Europe. Apple production in Hungary,

Apple Grower Prices Strengthen As U.S. Output Levels Off



1995 forecast.

\*Includes canned, frozen, and other uses.



## Agricultural Economy

Poland, and Romania was down a third in 1994, putting pressure on German processors to bid up the price of apples to achieve a proper blend for juice. The high acid content of apples from northern Europe (e.g., Poland) is desirable for blending with low-acid apples from southern Europe.

U.S. exports of apples and apple products to Asia will continue expanding in fiscal 1995/96. The Mexican market is showing signs of recovery from the inflationary effects of last December's peso devaluation. The U.S. exports about 20 percent of its apple production, and conditions in export markets have a significant impact on the domestic market. For example, a below-average Western European apple crop in 1991 resulted in an increase of nearly 70 percent in U.S. fresh apple exports to that region, helping to boost U.S. average grower prices 20 percent to a record 25 cents per pound.

U.S. fresh apple exports are likely to hit \$430 million in 1994/95, a 7-percent increase from 1993/94, while apple juice exports could top \$73 million, a 41-percent jump. Because of tight supplies in Western Europe, U.S. apple juice exports to Asia jumped 43 percent during October to June. Asia will account for nearly 60 percent of U.S. fresh apple export volume—up from 50 percent in 1993/94. While Mexico's peso devaluation curbed its apple purchases in 1994/95, Asia increased its demand for U.S. apples and apple products.

Since October 1994, fresh apple exports to Hong Kong, Taiwan, and other East Asian countries have expanded 13 percent, while exports to Saudi Arabia and other West Asian countries are up over 80 percent from a year earlier. Japan is becoming a major export market in 1994/95, importing 23 million pounds of fresh apples during October to June—up from minor amounts in previous years. In January 1995, Japan lifted its phytosanitary restrictions on U.S. apples and accepted its first shipment ever of Washington state apples.

The U.S. exported far fewer apples to Mexico in 1994/95—less than half of the 1993/94 volume. Mexico was the largest single-country market before the

peso devaluation, taking 24 percent of U.S. fresh apple exports in 1993/94. Mexico also delayed its approval of U.S. phytosanitary measures in 1994/95. A shorter approval process in 1995 could open the Mexican market sooner in 1995/96.

A drop in the European apple crop is likely to boost U.S. apple exports. Below-average temperatures and above-average rainfall during and after blossoming have lightened the prospective crop in Germany. Also, extensive damage from frost was reported in the United Kingdom (UK) and Hungary. "Off year" blossoming, following a heavy year in 1994, is behind the lighter crop reported for Italy.

Planted area in the UK, France, and the Netherlands is down, due to tree removals. Governments of the European Union (EU) countries have encouraged extensive "grubbing up" (removing) of trees to lower the costs of market intervention. EU apple production in 1994 was estimated at 20.3 billion pounds, and about 8 percent had to be taken off the market to support fruit prices.

**Potato growers in several key states reduced planted area in 1995**, reacting to low 1994 fall potato prices. Growers in six major states—Washington, Oregon, Idaho, North Dakota, Pennsylvania, and Maine—planted 4 percent fewer acres of fall potatoes in 1995, compared with 1994.

These states harvest two-thirds of the total fall area, but their contraction is offset by increases in other states. Because USDA has redefined Michigan and Minnesota's summer crops as fall crops, their combined fall acreage rose by 26 percent. The change contributed to a slightly higher U.S. fall area forecast for 1995, at 1.2 million acres.

The U.S. potato market historically shows wide swings in grower prices, even with small changes in production. Last year's record crop was up 7 percent from 1993, and the season-average grower price was off 15 percent, at about \$5.25 a cwt. Continued strong export demand for frozen french fries kept processor use at an all-time high and prevented prices from dropping further.

The 1995 crop is beginning to resemble the 1993 crop in several aspects. Fall production in 1993 was up marginally over 1992. Continued increases in domestic and export demand for frozen french fries, along with shortages of large-sized potatoes throughout the 1993/94 marketing season, pushed the 1993 season-average grower price up 12 percent. Another marginal change in output, coupled with strong demand in 1995/96, could put the season-average price above \$6 a cwt.

Fall potato yields for 1995 are not likely to exceed the trend, due to late planting and cool and rainy weather early in the season. The potential for a shorter growing season has potato buyers concerned about too few large-sized potatoes for restaurant use. However, potato plants can make up lost ground quickly given a combination of warm weather and timely rains or proper irrigation.

The average annual increase in potato yields is over 1 percent, or about 4 cwt per acre. The 1994 U.S. fall crop yielded a record 349 cwt per acre on average across all states. A below-trend yield increase in 1995 would indicate a fall crop of about 415 million cwt (including total Michigan and Minnesota), about equal to the 1994 fall crop.

**U.S. flue-cured tobacco sales are forecast 15 percent higher in 1995/96**, based on larger marketing quotas. Manufacturers' intentions to buy more flue-cured tobacco have led USDA to increase marketing quotas. Legislation establishing penalties for manufacturers who use more than 25 percent of foreign tobacco in U.S.-manufactured cigarettes—implemented on January 1, 1994—is increasing demand for domestically grown tobacco.

However, in accordance with the GATT Uruguay Round, U.S. legislation contains a provision that ends domestic content provisions once the President proclaims a tariff-rate quota (TRQ) on certain imported tobaccos. Negotiations establishing the TRQ have been ongoing and a decision is expected soon.



## Agricultural Economy

## Commodity Spotlight

Anticipated increases in Federal cigarette taxes sharply lowered last year's buying intentions. But the taxes did not materialize, contributing to the large increase in quotas this year.

USDA forecasts production of flue-cured tobacco—57 percent of total U.S. tobacco output—at 804 million pounds in 1995, a 7.5-percent drop from 1994. With about 115 million pounds of 1995/96 farm carryin stocks and the larger quotas, flue-cured marketings are expected to increase 13 percent above a year earlier, to 915 million pounds.

Burley tobacco production, which accounts for 36 percent of total U.S. tobacco output, is forecast down 16 percent in 1995. Burley growers reduced plantings about 7 percent in 1995, because of lower burley quotas and unfavorable weather during the transplanting period. Yields are also down because of disease and weather-related problems.

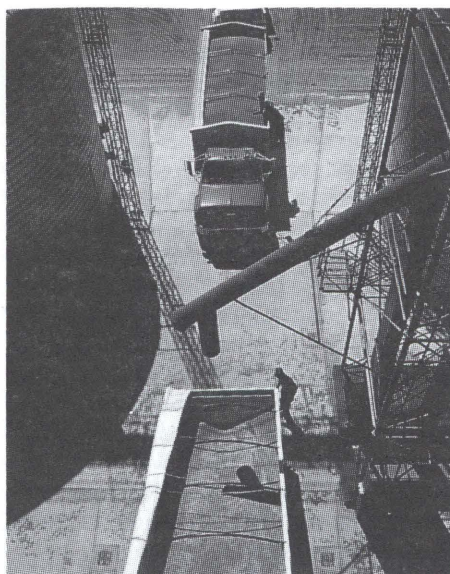
The marketing year begins July 1 for flue-cured tobacco and October 1 for burley. Grower prices for the 1995/96 marketing season are expected above last year's because of higher price supports and tighter world supplies.

Cigarette production may equal that of 1994, following a 10-percent increase that year. The 1994 increase reflected a 13-percent rise in U.S. cigarette exports. In 1995, U.S. consumption of cigarettes is likely to decline slightly due to retail price increases, accelerating legal prohibitions and restrictions on smoking, and its growing social unacceptability. Cigarette exports, on the other hand, are likely to continue rising—boosted by strong demand in Eastern Europe and Japan. U.S. leaf exports, however, face increasing competition from lower priced foreign tobacco.

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National Association of Wheat Growers

## Drop in U.S. Wheat Output Boosts Prices

In the first months of the 1995/96 marketing year (June-May), farm prices for U.S. wheat have been strong—\$3.85 per bushel in June and \$4.09 in July. The July figure is the highest July farm price on record for wheat, compared with the previous July high of \$4.04 per bushel in 1974, in nominal terms.

U.S. export prices are also up. The f.o.b. Gulf No. 2 price, minus the average Export Enhancement Program (EEP) bonus, went from \$128 per ton in April to \$186 in July—the highest price since December 1980. A reduction in U.S. wheat production is the prime factor in the price upturn in the U.S. and the world markets.

U.S. output is forecast at 2.2 billion bushels, down 4 percent from 1994. This will be the third consecutive year of decline in area planted, area harvested, and yields. Adverse weather conditions at planting time contributed to the area decline. Yields have been hurt by dryness in some areas, excessively wet

conditions in others, frost damage, and disease. However, the 1995 forecast wheat yield of 36.6 bushels per acre is about the average of the previous 10 years (36.5), unlike the below-average yields of 34.3 in 1991, and 32.7 in 1989.

Most of the reduction is in *winter wheat*, with output forecast at 1.55 billion bushels, down 7 percent from 1994. While harvested area in the major growing states is almost the same as a year ago, yields are forecast down sharply.

Most of the drop in winter wheat is in *hard red winter wheat* (HRW). Large yield declines are forecast for Kansas and Oklahoma, where freeze damage, disease problems (notably rust), and rain damage to ripe wheat limited grain yields. Texas yields matched the state's poor results of 1994 because of dryness and late frost. In contrast, 1995 winter wheat yields in Colorado, Nebraska, and South Dakota are expected to exceed those of 1994, although not enough to offset losses in the states further south.

*Soft red winter wheat* (SRW) production is forecast nearly the same as last year, as yield declines in Missouri and Illinois are offset by increases in Arkansas. While estimates of SRW yields do not match last year's record, increased area maintained production.

Although the growing season for *white winter wheat* in Washington and Oregon got off to a shaky start, with drought limiting plantings and emergence, favorable conditions in the spring and early summer helped wheat fill nicely, boosting yield prospects. In Idaho, conditions have been particularly favorable.

*Spring wheat* production (including durum) is forecast at 674 million bushels, up from 660 million harvested in 1994. Planting was delayed by rains and cool conditions in parts of the Northern Plains, especially in South Dakota, where about a million acres producers indicated they would plant in the March *Planting Intentions* report either did not get seeded or were planted to a different crop.



## Commodity Spotlight

While the *durum* yield is forecast at 35 bushels per acre, down 0.5 from 1994, the yield for *other spring wheat* is forecast at 34.4 bushels per acre, up by 2.6. For the third straight year, scab disease is present in North Dakota and Minnesota, but yield losses reportedly are not as severe as last year.

*Hard red spring* (HRS) production is down 4 percent to 494 million bushels because of area switching to durum or not getting planted. *White spring wheat* production is expected to rise 11 percent to 52 million bushels because winter wheat planting problems in the Pacific Northwest left more area to be planted to the spring variety.

### U.S. Stocks Provide Only Limited Cushion

Reflecting the drop in production and 1995/96 beginning stocks, wheat supplies are projected to be 2.84 billion bushels, the lowest since 1989/90. Reported beginning stocks, at 510 million bushels, were down 10 percent from a year earlier. Free (privately owned) stocks amounted to only 368 million bushels, as 142 million were in the government's food security wheat reserve.

Moreover, a larger-than-average share of stocks was hard red spring, kept off farm. At the beginning of the marketing year, millers in Minnesota need to hold adequate spring wheat stocks to meet their needs until harvest occurs in August and September. The larger share of HRS reflected a smaller share of stocks of Southern Plains HRW. The winter wheat harvest in the Southern Plains was delayed by rains, so tight stocks there sparked large price increases during late June and July, typically a period when rapid progress in harvest results in falling wheat prices.

The only source of supply projected to increase in 1995/96 is imports. Despite tariff-rate quotas limiting imports through September 11, 1995, imports are projected to reach 100 million bushels, compared with 92 million in 1994/95. Under a Memorandum of Understanding, Canada agreed to tariff-rate quotas on wheat shipped to the U.S. for a 12-month period beginning September 12, 1994. Almost all U.S. wheat grain imports come from Canada.

The first 300,000 tons of durum wheat and 1.05 million tons of other wheat (excluding Ontario white winter) enter at low NAFTA tariff rates. Imports

exceeding these quotas face large tariffs, and imports from Canada in the summer of 1995 are likely to be down because less feed wheat is being shipped.

Through August 13, 1995, 90.5 percent of the quota on other spring wheat was filled, while 95.8 percent of the durum quota was used. Even though not all the durum quota was filled, 3,390 tons of durum had entered the U.S. at a higher tariff. However, the tariffs will be lifted in September, coinciding with the Canadian wheat harvest.

The Canadian government's reduction of transportation subsidies, coupled with a realignment of "pooling points"—the Canadian Wheat Board's mechanism for determining farm prices—will encourage increased shipments of Canadian wheat to the U.S. However, reduced EEP bonuses will make Canadian wheat more competitive in some markets. And coupled with ample export opportunities for Canadian wheat in the rest of the world, this should limit the increase of Canadian wheat shipments to the U.S.

### Exports, Domestic Use Are Impacted

*Domestic use* in 1995/96 is projected higher than exports—for the third straight year—as domestic users bid successfully for limited, higher priced supplies. U.S. wheat *food use* is projected up from 1994/95, despite higher prices; because wheat makes up only a small proportion of the final consumer product price, consumer demand for wheat has historically not been very price-responsive. Per capita wheat food use, following rapid expansion in 1992/93 and 1993/94, declined in the latter part of 1994/95; projected food use growth for 1995/96 is based mostly on population growth.

*Seed use* is expected to increase because a portion of the hard red spring wheat and durum area intended for harvest in 1995 did not get planted until after June 1, 1995, and is included in seed use acreage in 1995/96. Moreover, area planted for harvest in 1996 will expand in response to higher wheat prices.

Farm Prices for Wheat Hit July Record

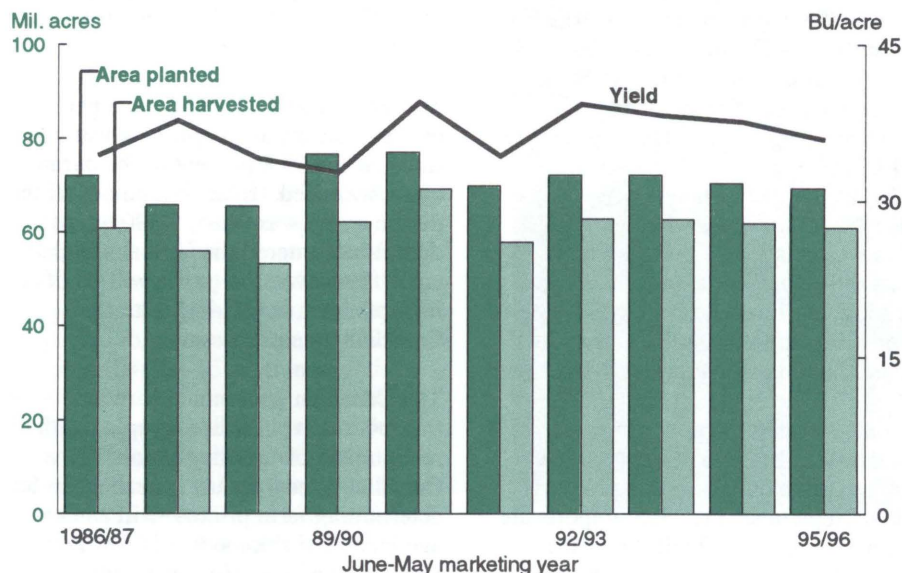


\* F.o.b. Gulf No. 2 minus average EEP bonus.



## Commodity Spotlight

### Wheat Area and Yields To Fall for the Third Year



1994/95 estimate; 1995/96 projection.

*Feed and residual use* is projected at 250 million bushels, down 26 percent from the 1994/95 forecast. Although high wheat prices would suggest an even steeper cut in feed and residual use of wheat, limited supplies and higher prices of feed grains could encourage feeding of low-quality wheat. A rain-delayed winter wheat harvest suggests that low-quality wheat may be available in Texas, Oklahoma, and Kansas, where wheat feeding is traditional.

Moreover, higher-than-average moisture content at harvest might contribute to shrinkage and losses—increasing residual disappearance even as feeding declines. Such factors are expected to keep feed and residual use from falling even further, despite high wheat prices.

Despite strong world demand, higher prices and limited supplies of U.S. wheat are projected to reduce U.S. exports slightly to 1.175 billion bushels. Some importers have limited funds for wheat purchases, and when prices increase, they cut their shipments. Importers that depend on food aid are caught in a special bind. Since donor countries budget food aid in dollars, the volume that can be shipped falls as prices rise.

The U.S. is not the only country with supplies constraining exports—foreign competitor supplies are also tight. Although total foreign wheat production is forecast up 5 percent, foreign beginning stocks are down almost 20 percent.

The European Union (EU) and Australia are forecast to increase wheat exports. But in order to boost exports, the EU and some minor exporters will have to draw down stocks even further in 1995/96. Until the EU harvest is complete, and adequate supplies are assured, the EU is not expected to export much wheat, and this is likely to keep EU countries out of the market until the fall. Exports from EU countries will also likely be limited by the need to contain dramatic increases in grain prices to maintain gains in EU grain use.

Australia, rebounding from devastating drought in 1994, is expected to account for much of the increase in foreign production. However, new-crop wheat from Australia and Argentina will not become available until the latter half of 1995/96.

For the first part of 1995/96, then, wheat importing countries have little choice but to turn to the U.S. and Canada. But both countries, faced with reduced supplies in 1995/96, are forecast to reduce wheat exports.

North American wheat prices have increased dramatically in order to ration existing and expected supply among users. As importers realize there may not be enough wheat in exporting countries to meet their normal requirements, prices have increased.

With falling EEP bonuses in June and July, prices for importers have risen even more than prices in the U.S. domestic market. EEP bonuses averaged only \$4.35 per ton in July of this year compared with \$59.95 in January 1994. For the first time since 1989, Egypt and Bangladesh purchased U.S. wheat entirely on commercial terms.

The average U.S. farm price for wheat in 1995/96 is projected at \$3.65-\$4.05 per bushel, below the July mid-month price, but up from \$3.45 in 1994/95. Price premiums for good-quality wheat are likely to be higher than usual in 1995/96, so futures market prices and wholesale price quotes based on good-quality wheat are likely to run significantly higher than average farm prices for wheat.

### U.S. Ending Stocks Near Minimal Levels

U.S. ending stocks are projected at 443 million bushels, near minimal levels. The food security wheat reserve accounts for 142 million bushels, leaving only 301 million bushels of privately owned stocks. Mills that use spring wheat need to have sufficient June 1 stocks to cover use during June, July, August, and, if plantings are delayed like this year, part of September, until the spring wheat crop is harvested.

Other users do not need June 1 stocks to cover as long a time period, but do need to maintain some "pipeline" stocks to avoid disruptions in supplies. It is unlikely that 1995/96 ending stocks will be much lower than currently projected unless the President exercises his authority and accesses the food security wheat reserve.

The U.S. ending-stocks-to-use ratio is projected to be only 18.5 percent, down from 20.7 percent for 1994/95, and the



## Commodity Spotlight

## World Agriculture &amp; Trade

tightest since 1973/74 when record wheat prices were posted. Declining U.S. and world wheat stocks leave consumers even more dependent on production prospects for 1996/97 supplies. But as Northern Hemisphere producers make planting decisions this fall, high wheat prices are likely to encourage area expansion.

[Ed Allen (202) 219-0831] **AO**

### September Releases—USDA's Agricultural Statistics Board

The following reports are issued at 3 p.m. (ET) unless otherwise indicated.

#### September

- 1 Egg Products
- Poultry Slaughter
- Walnut Production
- 5 Crop Progress (after 4 pm)
- 6 Broiler Hatchery
- Dairy Products
- 11 Cotton Ginnings
- Crop Production,
- Cotton/Citrus
- Crop Progress (after 4 pm)
- 12 Crop Production (8:30 am)
- 13 Broiler Hatchery
- 14 Turkey Hatchery
- 15 Cattle on Feed
- Milk Production
- Vegetables
- 18 Crop Progress (after 4 pm)
- 20 Broiler Hatchery
- 21 Chickens & Eggs
- Hop Stocks
- Potatoes
- 22 Catfish Processing
- Citrus Fruits
- Cold Storage
- Livestock Slaughter
- 25 Crop Progress (after 4 pm)
- 26 Cotton Ginnings
- 27 Broiler Hatchery
- Peanut Stocks & Processing
- 28 Trout Production
- 29 Grain Stocks (8:30 am)
- Small Grains Summary (8:30 am)
- Agricultural Prices
- Hogs & Pigs



Bunge Corporation

## Oilseed Trade To Remain Steady in 1995/96

**G**lobal trade in oilseeds and edible oils is expected to remain steady in 1995/96 (October-September), but protein meal trade is likely to expand slightly. The world price outlook for 1995/96 shows gains for oilseeds and meal but a slight drop in oil prices. Because soybeans are the most abundantly produced oilseed, world output and trade of soybeans and products will heavily influence the global trade picture for total oilseeds and products.

Reduced world soybean output in 1995/96, coupled with less attractive margins for crushing than in 1994/95, will hinder growth in world oilseed trade. (Crush margins reflect the value of oilseed products such as meal and oil, relative to the value of the oilseed.)

Protein meal trade will expand in 1995/96 as a result of plentiful supplies of soybean meal in South America and India, and favorable prices for soybean meal relative to feed grains. While global vegetable oil trade in 1995/96 will be

relatively robust, growth will be constrained by flat vegetable oil consumption in China—albeit at strong levels.

World oilseed production in 1995/96 is projected to fall 2.3 percent from 1994/95's record level, to 254 million tons. This would be the first decline in world output in 7 years. The lower production reflects a 7.3-percent drop in world soybean output and small decreases in peanut and copra production. Most of the decline in soybean output is due to an anticipated 12-percent descent in 1995 U.S. production, but foreign output is also expected to fall, due to reduced plantings in Brazil and China.

World outturn for the other major oilseeds—rapeseed, cottonseed, sunflowerseed, and palm kernel—is expected to increase in 1995/96. Excellent prices for vegetable oils during 1994/95 boosted producers' profits from these high-oil-content seeds. The expectation of obtaining large returns in 1995/96 has motivated farmers in the former Soviet Union (FSU) and Eastern Europe to increase area of sunflowers and rapeseed, and to apply more yield-enhancing inputs when available. An expansion in rapeseed production is also expected in the European Union (EU) and China because of agricultural policies designed to raise output.

U.S. exports of soybeans in 1995/96 are projected to be 3 percent lower than in 1994/95, and soybean meal exports are projected down 6 percent. Reduced U.S. export supplies, coupled with more moderate crush margins than in 1994 and greater availability of Brazilian and Indian soybean meal, will limit U.S. prospects for soybean and meal exports. But the U.S. share of world soybean exports in 1995/96 is forecast to remain little changed at a relatively high 69 percent, while the U.S. share of global soybean meal exports will likely dip slightly to 17 percent.

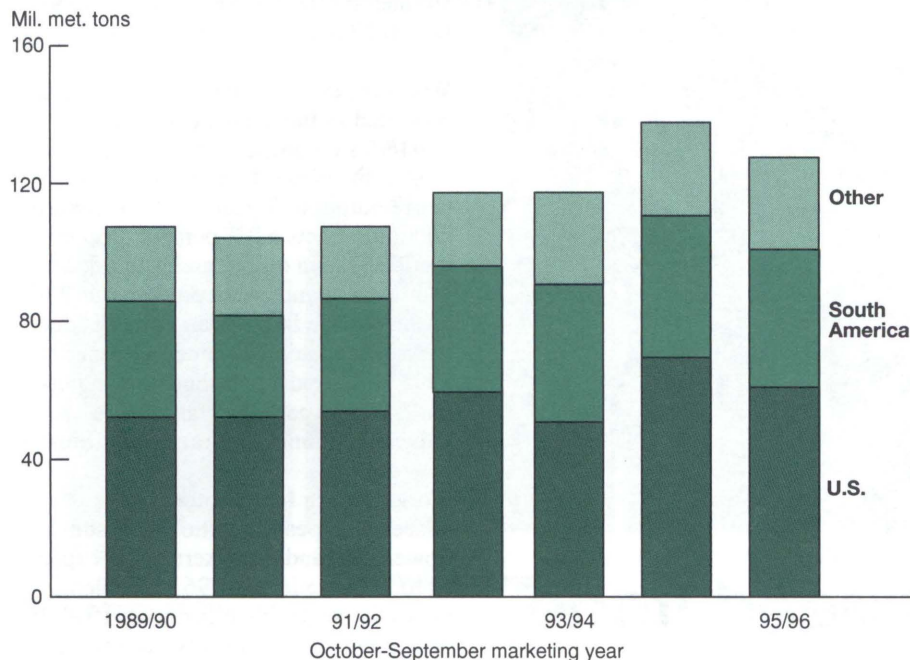
### Veg-Oil Prices To Soften, Oilseed & Meal To Gain

World demand for oilseeds in 1995/96 is likely to outpace production, leading to reduced stock levels and upward pressure on prices. Soybean prices are



## World Agriculture & Trade

### Smaller World Soybean Output Reflects Drop in U.S. Crop



1994/95 estimate; 1995/96 forecast.

forecast up, as demand for crush remains strong, while expansion in supplies is expected to be limited.

Exceptional demand for soybean meal in developed and developing countries is likely to deplete the hefty supplies expected in 1995/96, and protein meal prices are also expected to rise. In contrast, soybean oil prices will likely decline, as demand growth slows and palm oil stocks recover from the reduced levels of the past 2 years.

Clouding the price outlook is a significant degree of uncertainty regarding demand and supply factors. On the demand side are primarily consumption and imports of soybean meal in the EU (affecting meal prices), and of vegetable oil in China (influencing oil prices). The key supply factors include oilseed production in the U.S., South America, and India, as well as palm oil from Asia. Given the still-tight supply situation in the vegetable oil market, any major crop failure—especially of high-oil-content seeds—could result in a very volatile market, susceptible to acute changes in prices.

Determination of oilseed prices is unique, because seed prices are normally a function of the value of their products (meal and oil). The production of protein meal and vegetable oil is determined by the spread between the value of the products and the price of the seed—the gross crush margins. Crush margins vary constantly, influenced by the demand for both protein meal and edible oil. Because soybeans are the largest oilseed produced in the world and soybean products are the most widely consumed, their prices usually reveal the movement in the overall oilseeds market.

Soybeans are crushed primarily for soybean meal—used mainly as a protein ingredient in animal feeds—with oil generally a byproduct. However, during the past 2 years, soybean processing has been heavily influenced by the demand for vegetable oils. In 1993/94 and 1994/95, booming demand for edible oils and slow growth in supplies pushed veg-oil prices to their highest levels in a decade.

Meanwhile, soybean meal prices softened in response to ample supplies produced by the robust crush—generated primarily by demand for veg-oil. While

soybean prices in 1993 were relatively high, in 1994 they were low, resulting in superb crush margins.

### South American Output To Be Near-Record

A sharp drop in Brazilian soybean prices during the 1994/95 harvest will likely spur a reduction in Brazil's (and South America's) output in 1995/96, which would be the first decline in 4 years. South American soybean outturn in 1995/96 is still projected to be near-record, however. The 1995/96 planting season in South America is still 3-4 months off, and harvest will not begin until March 1996. But prospects for the out-year crop can be based on the previous year's returns, which traditionally play a significant role in South American farmers' decision making.

Brazil is by far the largest producer in the region. Intense turmoil in Brazil's agricultural sector makes the extent of the anticipated decline in output uncertain. In addition to extremely low prices, Brazil experienced the biggest farm protest in its history during the 1994/95 marketing year, and underwent a lengthy dispute between the central government and congress over farm credit and minimum prices.

These factors, coupled with an overvalued currency, led to weak soybean exports from Brazil during 1994/95 (October-September), and resulted in the largest carryover ever. Because of the unusually large carryin stocks, Brazil's soybean exports are expected to be higher in 1995/96 and crush is projected to reach a record, despite the expected smaller crop. The larger Brazilian crush will mean greater soybean meal production, which will put downward pressure on prices and should stimulate larger soybean meal exports.

Argentina's soybean farmers are expected to reap another record crop in 1995/96, despite strong competition for acreage from corn and sunflowers. Altered rotational patterns are likely, leading to more arable crop area and less fallow and pasture land.



Unlike in other South American countries, Argentina's soybean farmers will likely produce more, because cost advantages enable them to earn profits even at relatively low prices. These advantages include lower inland transportation costs due to shorter hauling distances to the major ports, and higher soybean yields with fewer inputs. Argentina's soybean and soymeal exports are forecast to move up slightly in 1995/96.

Soybean production in Paraguay in 1995/96 is projected to slip from 1994/95's record level because of less favorable international prices for soybeans relative to cotton. Bolivia's soybean output continues to rise gradually, and exports are expanding to other South American countries with which it has preferential trade agreements. The four major South American exporting countries—Brazil, Argentina, Paraguay, and Bolivia—together accounted for more than 30 percent of global oilseed exports and 78 percent of meal exports during 1992/93-1994/95.

The 1995/96 monsoon in India—a major oilseed producer—so far is similar to the 1992/93 season, when the rains began a few weeks later than normal but were abundant in mid-July in most oilseed producing regions. India's soybean production in 1995/96 is projected to rebound to the 1992/93 record, and soybean meal exports in 1995/96, projected at 2.3 million tons, will climb to new heights. Peanut output is forecast to drop to near 1992's drought-reduced amount—Gujarat, the largest peanut producing area, did not enjoy the adequate rainfall seen in other regions.

### ***Protein Meal Consumption To Continue Brisk***

Global consumption of oilseed meal is projected to rise 3 percent in 1995/96 to 142.9 million tons; consumption is expected to fall only for peanut meal. World consumption of soybean meal, at 87.1 million tons, is expected to set a record for the sixth year in a row.

In the developing countries, economic and population growth are the chief demand drivers, and in the developed nations, price and agricultural and farm trade policies are the key forces. The U.S. and the EU account for more than 55 percent of global soybean meal consumption, but the developing regions are the world's fastest growing markets.

In 1995/96, EU soybean meal use is expected to change little from the high level of 1994/95. During the past 2 years, soybean meal consumption in the EU has grown steadily, although prior estimates had predicted sharp declines after the 1992 reforms to the Common Agricultural Policy, which were expected to make protein meal more expensive relative to grain.

Several factors account for the stable outlook for EU meal use. First, prospects for meat production in the EU in 1995/96 are mixed, with higher poultry production but lower pig numbers expected. Second, although the dollar is expected to strengthen relative to European currencies, exchange rates should remain favorable for European importers, encouraging soybean or soymeal imports.

Lastly, and still very uncertain, the price ratio of soybean meal to grain is likely to remain favorable. Although prices for soybean meal are projected to strengthen relative to grains, ample world meal supplies should temper any drastic rise in soybean meal prices. And grain prices are expected to remain relatively high because of reduced world stocks and strong internal demand for grains in the EU.

U.S. soybean meal consumption is expected to hit another record in 1995/96. Strong foreign demand for U.S. poultry products, and a restructuring of the U.S. hog industry toward larger, more vertically integrated operations (enabling producers to expand output despite low hog prices) will drive meal consumption higher.

Japan—the world's second-largest importer of oilseeds after the EU—is projected to marginally reduce soybean imports and meal consumption in response to continued increases in meat imports. (Japan's import quotas on beef were eliminated in April 1991, and subsequent high tariffs have been gradually reduced.) Japan has historically imported large volumes of soybeans for domestic processing into meal and oil, and smaller amounts of soybean meal for use in livestock feed.

Growth in consumption of soybean meal in the developing countries, especially in Asia (including China), will slow in 1995/96 from the heady pace of previous years. But consumption will continue growing at a healthy pace, as demand remains strong in Asia, Latin America, North Africa, and the Middle East. In

### **Soybeans Comprise Half of World Oilseed Output**

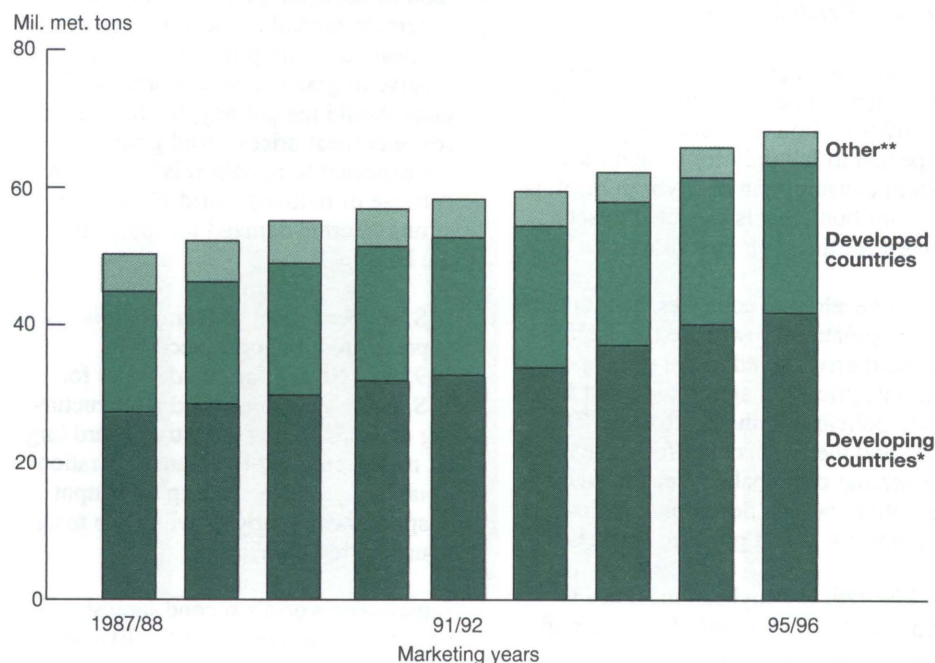
	1991/92	1992/93	1993/94	1994/95	1995/96
<i>Million metric tons</i>					
Soybeans	107.4	117.2	117.3	137.8	127.7
Cottonseed	36.6	31.7	29.8	33.0	35.1
Rapeseed	28.3	25.3	26.7	30.2	32.5
Peanuts	22.2	23.1	23.8	26.4	25.5
Sunflowerseed	21.8	21.3	20.9	23.4	24.0
Copra	4.7	4.9	4.8	5.0	4.8
Palm kernel	3.3	4.0	4.3	4.6	4.8
Total	224.4	227.5	227.5	260.4	254.4

Crop years. 1994/95 estimate; 1995/96 forecast.



## World Agriculture & Trade

### Developing Countries Are Pushing Up Veg-Oil Consumption



Aggregate of local marketing years. 1995/96 forecast.  
\* Includes China. \*\* Includes FSU and Eastern Europe.

South Korea, a government pledge to end import levies on oilseed products is likely to encourage a gradual increase in product imports, while reducing oilseed requirements.

Similarly, Indonesia's government is expected to abolish its import monopoly for soybean meal and to reduce import tariffs. These actions, combined with the country's limited crushing capacity, should encourage Indonesia to import more soybean meal and fewer soybeans.

The FSU's imports of soybeans and soybean meal are projected to remain lackluster. Continued declines in real incomes, coupled with higher consumer food prices and more rigorous debt and credit management guidelines from the International Monetary Fund, will likely prevent any growth in FSU imports. Mexico's soybean imports are expected to rebound in response to improved, although still weak, economic conditions and an additional credit line for purchases of U.S. soybeans.

### Developing Countries Fuel Veg-Oil Demand

Although trade in world vegetable and fish oils as a whole in 1995/96 is projected to be almost level with the previous year, exports are anticipated to be brisk for sunflower, rapeseed, and palm oils. For the past decade, global demand for edible oils (vegetable and fish oils) has grown at a faster rate than protein meal use. Consequently, high-oil-yielding seeds—such as rapeseed, sunflowerseed, and palm oil—gained an edge over oilseeds with low oil yields but high protein levels, such as soybeans.

In the last 5 years, demand for edible oils has been fueled primarily by economic and population growth in the developing countries, especially in China and other Asian countries, and per capita consumption has risen. Demand for edible oils in 1995/96 is expected to remain on a growth path similar to previous years, as countries in Asia, Latin America, and North Africa continue a pattern of steady growth in vegetable oil use.

In 1995/96, China will again be the major uncertainty for global consumption and trade of edible oils. China is the world's largest importer of edible oils, taking about 14 percent of total imports. During the past 2 years, China's vegetable oil consumption has been propelled by buoyant economic growth and rising per capita consumption from previously low levels. Given China's huge population, this has translated into substantial growth in veg-oil demand.

The 1995/96 outlook for veg-oil consumption in China is for little change from last year's high level. However, it is extremely difficult to assess actual consumption because figures on stocks are not available from China. Some of China's large 1994/95 vegetable oil imports are assumed to have gone into stocks for use in 1995/96.

Prospects for global soybean oil trade in 1995/96 will depend on estimated vegetable oil consumption in China. Over the past 2 years, China has boosted its soybean oil imports by 1,250 percent; imports are forecast to decline 250,000 tons in 1995/96 to 1.1 million tons.

In Asia, India ranks second to China in oilseed production and consumption. India's edible oil imports in 1995/96 are projected to rise by almost 45 percent as a result of inadequate rains in the main peanut producing area and increasing demand for oils. Prospects for softer prices for palm oil relative to other oils should propel India's palm oil imports, while limiting growth of other oil imports, including soybean oil, to only 25,000 tons.

Palm oil accounts for nearly 23 percent of total global edible oil supplies and 40 percent of edible oil exports; more than 80 percent of palm oil is produced in Malaysia and Indonesia. Global palm oil trade in 1995/96 is projected up sharply, even with significant growth expected in Malaysia's oleo-chemical industry (which uses palm oil for industrial purposes), and despite taxes on Indonesia's refined palm oil exports aimed at increasing the country's domestic supplies.



## World Agriculture &amp; Trade

## Resources &amp; Environment

Unsure prospects for palm oil production are adding a strong measure of uncertainty to the 1995/96 edible oil trade forecast. Malaysia and Indonesia are both expected to expand palm oil output in 1995/96. However, tree stress from lack of rain, overproduction, and improper fertilizer use, among other causes, is a key uncertainty because of the delayed effect on production.

World 1995/96 soybean oil trade will remain nearly unchanged, with additional imports in India, Pakistan, Latin America, and North Africa offsetting a decline in China's soybean oil imports. Larger South American soybean oil exports are expected to counter smaller U.S. shipments.

U.S. vegetable oil exports in 1995/96 are predicted to fall to 1.7 million tons from 1.9 million in 1994/95, but should be the second largest on record. U.S. vegetable oil exports were the highest ever in 1994/95, a level achieved through commercial sales. For the first time since U.S. export assistance programs for vegetable oils were implemented in the mid- to late 1980's, these programs were not required for expanding U.S. exports. The programs include the Export Enhancement Program, the Sunflower Oil Assistance Program, and the Cottonseed Oil Assistance Program. Relatively strong world prices expected for vegetable oils should encourage some commercial sales again in 1995/96.

[Jaime Castaneda (202) 219-0826. For further information, see "A Review of EU Soybean Meal Consumption Following CAP Reforms," Oil Crops Situation and Outlook Yearbook, July 1995, USDA-ERS.] **AO**



## Changes In Store For CRP

Following several years of relative inactivity, the Conservation Reserve Program (CRP) is in motion once again on several fronts. Under existing legislative authority, USDA is allowing voluntary early release this year of approximately 651,000 acres of farmland retired under CRP contracts.

A new signup in September will replace these acres with cropland that is more environmentally sensitive—the first CRP signup since 1992. At the same time, Congress is grappling with the long-term future of the CRP as part of the 1995 farm bill debate.

Now in its 10th year, the CRP has converted a total of 36.4 million acres of cropland, including the recently released acres, into conservation uses. Farmers have enrolled about 8 percent of U.S. cropland in 12 separate signups from March 1986 to June 1992. About 375,000 10-15-year CRP contracts have been put into effect. However, contracts covering 24.5 million CRP acres are currently scheduled to expire by October 1, 1997.

## CRP Participants Offered "Early-Out"

On December 14, 1994, the Secretary of Agriculture announced that during calendar year 1995 USDA would take several CRP actions under the 1985 and 1990 Farm Acts. First, CRP participants would be allowed to terminate CRP contracts (or reduce the number of acres under contract) without penalty. Also, a 13th signup was authorized that would target more environmentally sensitive acres to replace the land exiting the CRP. In August 1994, USDA announced that participants with acres expiring this September are allowed the option of a 1-year extension.

Prior to the early release offer, unless it was determined that a release was in the public interest, participants seeking releases were generally required to refund past CRP rental payments plus interest, liquidated damages, and in many cases, any cost-share payments made to participants under the contract. This year, from May 15 through June 3, CRP participants were permitted to request early contract releases without penalty and with no obligation to refund previous payments issued under the CRP.

However, early release was contingent on a number of conditions. First, certain environmentally sensitive CRP acres were ineligible. These included acres within 100 feet of a stream or other body of water; acres covered by a CRP easement; and acres containing grass waterways, filter strips, shallow water areas for wildlife, bottomland timber on wetlands, field windbreaks, and shelterbelts (strips planted with trees or shrubs to prevent wind erosion) established under the CRP.

Second, if the released CRP acres are returned to crop production, they must be farmed according to a Basic Conservation System (BCS) plan in order to be eligible for certain USDA benefits, at least until the date the CRP contract would have expired. A BCS reduces soil erosion to the soil loss tolerance level; soil erosion above this level may reduce long-term soil productivity. This is a higher level of soil erosion control, and potentially more costly for produc-



## Resources & Environment

### CRP Priorities Have Shifted

Congress established the Conservation Reserve Program (CRP) in the 1985 Farm Act as a voluntary long-term cropland retirement program. USDA provides CRP participants (farm owners or operators) with half the cost of establishing a permanent land cover (usually grass or trees), and an annual per-acre rental payment, in exchange for retiring highly erodible or other environmentally sensitive cropland for 10-15 years. The vegetative cover established on CRP land can improve surface water quality, create wildlife habitat, preserve soil productivity, protect ground water, or reduce water and wind erosion damage.

The CRP was targeted primarily to highly erodible cropland that would be subject to conservation compliance requirements if recropped. The conservation compliance provision of the 1985 Farm Act requires farmers who crop highly erodible land to implement an approved conservation plan in order to be eligible for commodity program benefits. Although one-third of the land enrolled in the CRP is extremely erodible, up to 25 percent may not be subject to conservation compliance, due to low erodibility.

The 1985 Farm Act mandated an enrollment goal of 40-45 million acres by the end of the 1990 crop year. In addition to the primary goal of reducing soil erosion on highly erodible cropland, the original legislation had secondary objectives of protecting the nation's longrun capacity to produce food and fiber, reducing sedimentation, improving water quality, fostering wildlife habitat, curbing the production of surplus commodities, and providing income support to farmers. Nearly 34 million acres, mostly in the Great Plains, was enrolled during the nine signups between 1986 and 1989.

The 1990 Farm Act extended the CRP enrollment period through 1995 and refocused the goals of the CRP, emphasizing water quality and other environmental concerns. Since the 1990 act, three signups have been held and 2.5 million acres accepted.

Under the 1990 Farm Act, Congress directed USDA to have a minimum of 40 million acres enrolled in the CRP and the new Wetlands Reserve Program combined, by the end of 1995. In addition, Congress instructed that 1 million acres of CRP enrollment be reserved for each of the years 1994 and 1995, to provide an option for farmers with highly erodible cropland that could not be economically treated with a conservation plan under the conservation compliance provision.

However, due to Federal budget pressures, subsequent legislation capped total CRP enrollment at 38 million acres, and no funding for additional CRP enrollment was appropriated after 1992.

ers to implement, than is currently required for farm program participation on highly erodible cropland.

Third, if the released CRP acres are to be hayed or grazed, they must be managed according to a haying or grazing plan approved by USDA's Natural Resource Conservation Service (NRCS). The plans would be designed to minimize any adverse environmental impacts of haying or grazing.

Fourth, crop acreage bases, allotments, and quotas associated with farm programs will not be reinstated for the released CRP acres until the 1996 crop year. Thus, no deficiency payments will be made for the 1995 crop even if released acres are planted this year. Finally, the effective date of the release must be prior to October 1, 1995.

USDA had budgeted to allow 4-5 million acres to be released early, allowing as many acres of environmentally sensitive land to be enrolled in the 13th signup. However, producers requested early release on only 651,000 acres. The timing of the early-out opportunity late in the crop year, plus the conditions that applied, likely contributed to the lower-than-expected request.

Iowa accounted for most of the acres removed (143,000), followed by Minnesota (59,000) and Texas (38,000). Based on the location of land exiting the CRP, corn is expected to account for the largest share of land returning to production. Wheat will likely rank second.

### *New Signup To Modify Selection Procedures*

To replace the 651,000 acres granted early release in June, USDA will hold a 13th CRP signup during the September 11-22 period to accept bids for new 10-15-year contracts. This will be the first signup since June 1992, after which funding for additional CRP acreage was halted. To enroll acres with the greatest environmental benefits relative to government cost, the bid acceptance process in the 13th signup will use a ranking process based on an environmental benefit index similar to that used in signups 10-12, but with some modifications in the process and the index.

The acceptance procedure used in the last three signups departed from the method used in the first nine signups mainly in two components. These are a soil-productivity-based limit on rental payment rates, and the ranking of bids from producer/owners based on the ratio of an environmental benefits index (EBI) to the government's cost of the contract (rental payments and cost-share assistance). The EBI focuses more on the negative offsite effects of crop production (i.e., surface and ground water quality impairment), instead of concentrating primarily on reducing soil erosion.



## Congress Debates Future of CRP

Several proposals by members of Congress, still in committee by the summer adjournment, address the future of the CRP. Following is a chronological review of these proposals, plus the Administration's farm policy guidelines and including the Senate's version of the conservation title.

### *The Conservation Reserve Program Reform Act of 1995, H.R. 67*

(January 4, 1995)

Extends the CRP for 10 years (through 2005) and the WRP for 5 years. Allows early release of non-highly erodible CRP acres from contract, as well as contract modification, re-enrollment, and new enrollment. Limits rental payments on re-enrolled land to 80 percent of the prior rental rate. Permits limited economic uses of CRP lands including haying, grazing, seed production, and production of energy crops or timber. Allows transfer among owners of commodity program base acreage upon expiration of contracts.

### *A Bill to amend the Food Security Act of 1985 to reauthorize the conservation reserve program, H.R. 343*

(January 4, 1995)

Extends the current CRP through 2005.

### *Conservation Reserve Program Extension Act of 1995, S. 418*

(February 14, 1995)

Extends modified CRP through 2005. Gives equal weight to improvements in soil quality, water quality, and wildlife habitat for enrollment of land. Allows different criteria in various states and regions of the U.S. if this would improve water quality or wildlife habitat or abate erosion.

### *Administration's Farm Bill Guidance*

(May 10, 1995)

Recommends CRP reauthorization and permits additional enrollment through 2000. For 1996 and beyond, permits all

CRP participants to extend maturing contracts. Limits rental rates to prevailing local market rates for comparable land, adjusted for environmental and conservation benefits.

Calls for new enrollment on a nationally competitive basis up to a level consistent with CRP budget forecasts. Gives participants the opportunity to place long-term easements on high-priority acres. Encourages state and local interests to help establish land enrollment priorities and offers matching funds to realize those priorities. Permits, under certain circumstances, economic use of CRP acres, such as production of energy crops, in exchange for a reduced rental rate.

### *The Agricultural Resources Conservation Act of 1995, S. 854,*

The Senate Agriculture Committee's Conservation title (May 25, 1995)

Reauthorizes the CRP through 2005, allowing extension of existing contracts and new enrollment. Targets primarily erosion and water quality, with wildlife protection a consideration. Places emphasis on partial field enrollments such as filter strips. Caps CRP enrollment at 36.4 million acres with 4 million acres of filterstrips, contour grass strips, and grassed waterways to be enrolled by 2001 and, to the extent practical, one-eighth of CRP devoted to hardwood trees. Calls for mandatory annual CRP funding to drop from \$1.8 billion in 1996 to \$1.2 billion in 2000-2005 consistent with the Congressional Budget Office January 1995 baseline.

Limits whole-field rental payment rates to farmers to local productivity-adjusted rental rates. Partial-field payment rates would be limited to 150 percent of local productivity-adjusted rental rates. Prohibits haying, grazing, or other commercial use of forage on CRP acres except under emergency conditions or if incidental to gleaning of crop residues.

The 13th signup will contain a number of changes from the last three signups. Among the most important:

- Cropland eligibility criteria have been modified.
- Producers will be given open access to information on how the environmental benefits index is calculated, and on the maximum rental payment the government will accept for their cropland.

- States may develop their own bid ranking process, following national guidelines, to be used in place of the national process. Four states have developed their own process (Colorado, Missouri, Nebraska, and Oregon).
- Filter strips along waterways are eligible for a 10-percent rental bonus to promote their enrollment.

Cropland eligible for CRP enrollment in the 13th signup includes fields with an average erodibility index greater than or equal to 8. The erodibility index measures the inherent erosion potential of the soil in a field, with a higher number indicating greater erosion potential. This replaces two criteria used in previous signups: the two-thirds field predominance requirement, and the use of land capability class as a definition for highly erodible acres.



## Resources & Environment

Land capability class is a system of classifying land in terms of its suitability to grow crops. Under the two-thirds field predominance requirement, two-thirds of a field had to be classified as highly erodible to be eligible for acceptance.

Eligibility also covers cropland with any of the following characteristics:

- land with evidence of scour erosion caused by out-of-bank water flows and flooding in at least 1 out of the last 10 years;
- wellhead protection areas identified by the Environmental Protection Agency;
- any cropland determined suitable for riparian buffer/filterstrips by the NRCS;
- small farmed wetlands contained in a field that is otherwise eligible (wetlands were formerly ineligible); and
- any cropland located in the Chesapeake Bay region watershed, the Great Lakes region watershed, the Long Island Sound watershed, other areas designated as conservation priority areas in the 12th CRP signup, and newly approved state priority areas.

A national ranking process will be used to determine the amount of acreage to be approved in each state. The national rankings will also determine actual acceptance of bids in each state that did not develop its own nationally approved, bid acceptance process. The environmental benefits index used in the national ranking process will be the sum of five factors: four characterizing the environmental contributions of each parcel offered, and one representing the government cost of enrolling each parcel.

The four national environmental factors are water quality protection (both ground water and surface water, a maximum of 20 points), creation of wildlife habitat (maximum 20 points), control of soil erodibility (maximum 20 points),

and tree planting (maximum 10 points). The cost factor will be based primarily on the annual rental rate requested by the producer. For two bids with the same environmental score, the bid with the lower per-acre cost will receive a higher ranking in both the national and state ranking plans.

In addition, certain acres categorized as Environmental Priority (EP) bids (partial field bids devoted exclusively to filter strips, shallow water areas for wildlife, field windbreaks, shelter belts, etc.) will automatically receive maximum scores on the four environmental factors under both national and state rankings.

During the signup, USDA will inform each applicant of the maximum annual per-acre rental payment the government will accept (the bid cap) for their cropland offered, based primarily on the soil's productivity. The greater the productivity of the land, the higher the maximum per-acre rental payment.

Applicants will be free to request any per-acre rental amount, but bids that exceed the bid cap for the acres offered will not be accepted for enrollment. During the first nine signups, the government established a single maximum rental rate for all of the land in a given pool, which could be a multicounty area or an entire state.

Results from the 13th signup should be available by early November. It is expected that this land will be more environmentally sensitive than the acres released.

During May 15-June 2, the period of application for early contract release, CRP participants with contracts expiring on September 30, 1995 were allowed to submit requests to extend their contracts at current payment rates for an additional year. This opportunity allowed participants to delay longrun decisions about the use of their CRP acres (approximately 2 million) until any changes to conservation and commodity programs enacted by the 1995 farm bill are known. While data on acceptance of the 1-year extension opportunity are not yet available, it is expected that most affected contracts will be extended.

### *CRP's Future Is Budget-Driven*

Although several authorizing bills that address the CRP have been proposed, the future of the CRP, like other 1995 farm bill provisions, awaits final funding decisions that will be made during the budget reconciliation process. In May, Senators Richard Lugar (R-IN) and Patrick Leahy (D-VT), the chairman and the ranking minority member of the Senate Agriculture Committee, introduced S. 854, their version of the conservation title for the 1995 farm bill.

The proposal would allow USDA to extend existing contracts and enroll new lands into the CRP through 2005, subject to January 1995 Congressional Budget Office (CBO) baseline funding projections for the next 5 years. CBO's January 1995 baseline has annual funding for the CRP declining from the current level of \$1.8 billion in fiscal year 1996 to \$1.2 billion in fiscal year 2000.

Under S. 854, annual funding for the CRP and other conservation programs would be mandatory, funded under the Commodity Credit Corporation (CCC). S. 854 also calls for CRP enrollment to be targeted to highly erodible cropland—specifically, land that cannot be farmed without forgoing farm program benefits due to conservation compliance requirements—and to cropland next to lakes, streams, and rivers, taking into account wildlife habitat.

As of Congress' summer adjournment, the House Agriculture Committee had yet to offer a conservation title for the 1995 farm bill.

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## Food & Marketing



### Food Prices To Rise Faster In 1995

**W**et, rainy weather in California, as well as trends in the international coffee market, are behind expectations of a faster rise in the Consumer Price Index (CPI) for food this year. Higher prices for fruits, vegetables, and coffee are expected to push the food CPI up by 2.5-3.5 percent in 1995, compared with a 2.4-percent rise last year. Steady- to slightly lower prices for eggs, dairy products, and most meats have tempered the projected rise in the 1995 food CPI.

For the first 6 months of 1995, food prices were up 3.1 percent from a year earlier—the same level of increase economists are forecasting for prices in general for the year. The midpoint of the projected annual range for the 1995 all-food CPI is roughly equal to the rise in the overall CPI.

Prices in the food-at-home category—food purchased in grocery stores and discount clubs—were up 3.7 percent in the first 6 months of 1995 from a year earlier. Prices in this category are

expected to rise 3-4 percent for the year, due largely to higher prices for fresh fruits and vegetables and nonalcoholic beverages.

Lower prices for most meats limited the growth in the food-at-home CPI during the first 6 months of 1995. Food purchased from grocery stores and discount clubs accounts for almost 63 percent of the total food CPI, with food bought in restaurants and fast-food establishments accounting for most of the remainder.

In the away-from-home component of the all-food CPI, primarily restaurants and fast-food establishments, the price increase was slower. Prices rose a modest 2.2 percent in the first 6 months of 1995, and are expected to rise 2-2.5 percent for the year. The slower rate is due primarily to continued competition among fast-food restaurants.

#### *Price Rise Strongest for Coffee & Fresh Produce*

Prices for nonalcoholic beverages (5 percent of the all-food CPI) increased 14.5 percent in the first 6 months of 1995 and are expected to rise 7.5-8.5 percent for the year. Higher coffee prices, which account for 27 percent of the CPI for nonalcoholic beverages, are responsible for most of the increase.

Steep declines in the Brazilian crop this year, and an agreement reached by the Association of Coffee Producing Countries on July 25 to restrict exports in the current crop year (July-June), are behind the higher coffee prices. Some of Brazil's trees were killed or severely damaged by frosts 2 years ago, and yields from those remaining are smaller than anticipated, according to dealers. Brazil is the world's largest exporter of coffee.

Prices for fresh fruits increased 7 percent in the first 6 months of 1995, due largely to unfavorable spring weather in California which reduced harvests. Smaller crops of California summer fruits boosted both grower and retail prices. Strong export demand for fruits, especially apples and oranges, also raised grower and retail fruit prices this summer.

The CPI for fresh fruits is expected to increase 7 to 8 percent in 1995. Fresh fruits and fresh vegetables each account for 4.5 percent of the all-food CPI, and can greatly affect the all-food CPI when prices rise rapidly, as occurred in the first 6 months of 1995.

The abnormally wet spring also reduced California's spring and early summer vegetable crops. California supplies over half of U.S. summer vegetables.

Shortages of some California vegetables, especially lettuce, led to a 21-percent increase in fresh vegetable prices from a year earlier in the first 6 months of 1995. Retail lettuce prices jumped to a record \$1.34 a pound in April and May because of severe shortages in California, the primary supplier of U.S. lettuce in the spring. Although weather conditions made for poor crop quality of California vegetables during the spring, yields and production this summer have been normal.

Continued strong domestic and export demand this summer is keeping fresh vegetable retail prices higher than a year ago. Given the weather-related shortages and strong demand, the annual CPI for fresh vegetables should increase 10-12 percent in 1995.

Increases in retail prices for processed (canned and frozen) fruits and vegetables were small during the first 6 months of 1995, rising 2.1 percent for processed fruits and 1.2 percent for processed vegetables. Smaller fruit and vegetable crops for the fresh market may also lead to shortages of some items in the processing market. The annual increases for processed fruits and vegetables should be modest, however, with prices for processed fruits expected to increase 3-4 percent in 1995 and for processed vegetables to rise 2-3 percent.

The CPI for sugar and sweets, which account for 2.1 percent of the all-food CPI, increased 0.8 percent the first 6 months of 1995. The CPI for sugar and sweets charts retail price changes for white and brown sugar, artificial sweeteners, jams and jellies, honey, syrup, chewing gum, and candy. Rapidly growing demand for fruit-type beverages and the continuing popularity of pro-



## Food & Marketing

### Fresh Fruit and Vegetables Show Strong Price Rise

Consumer Price Index	CPI share	Increase/decrease		
		1993	1994	1995 forecast
Percent				
All food	100.0	2.2	2.4	2.5 to 3.5
Food away from home	37.3	1.8	1.7	2 to 2.5
Food at home	62.3	2.4	2.9	3 to 4
Meats, poultry, and fish	17.3	3.6	1.5	1 to 2
Meats	12.2	3.6	0.5	-1 to 1
Beef and veal	6.2	3.6	-0.8	-1 to 1
Pork	3.4	3.1	1.7	-1 to 1
Other meats	2.5	1.6	2.4	-1 to 1
Poultry	2.7	4.2	3.4	-1 to 1
Fish and seafood	2.4	3.2	4.5	4.5 to 5.5
Eggs	1.0	8.1	-2.4	0 to 1.5
Dairy products	7.4	0.7	1.8	0 to 1
Fats and oils	1.6	0.2	2.7	2.5 to 3.5
Fruits and vegetables	12.7	0.2	3.8	6 to 8
Fresh fruit and vegetables	8.9	0.2	4.6	8 to 10
Fresh fruits	4.5	2.5	6.6	7 to 8
Fresh vegetables	4.5	6.6	2.3	10 to 12
Processed fruits and vegetables	3.8	0.2	2.2	2.5 to 3.5
Processed fruits	2.1	-3.9	0.6	3 to 4
Processed vegetables	1.6	1.6	4.4	2 to 3
Sugar and sweets	2.1	0.2	1.4	1 to 2
Cereals and bakery products	9.2	3.4	4.1	2.5 to 4
Nonalcoholic beverages	5.0	0.3	7.5	7.5 to 8.5
Other prepared food	6.5	2.6	2.6	2 to 3

Sources: 1993 and 1994, Bureau of Labor Statistics; forecasts by Economic Research Service, USDA.

processed foods are expected to foster an annual price increase of 1-2 percent for this category in 1995.

Prices for cereals and bakery products—9.2 percent of the all-food CPI—increased 2.7 percent in the first 6 months of 1995 and are expected to rise 2.5-4 percent for the year. Only a small portion of the cost of breakfast cereals and bread is accounted for by the ingredients, such as grains, flours, sugar, and shortenings. Over 90 percent goes to processing and marketing.

Demand for cereals and breads typically expands each year, even when demand for other food products weakens. The increasing availability of reduced-fat cereals, bread, cakes, and cookies, along with population increases, account for much of the growth.

The CPI for fats and oils—1.6 percent of the all-food CPI—including margarine,

vegetable oils, shortening, and peanut butter, increased 3.2 percent in the first 6 months of 1995. Weather conditions have lowered forecasts for the 1995 soybean crop, and combined with growing demand and higher processing costs, will contribute to an annual price increase of 2.5-3.5 percent for 1995.

Other prepared food—6.5 percent of the all-food CPI—showed a 2.5-percent price increase in the first 6 months of 1995, and a rise of 2-3 percent is expected for the year. This category includes canned and packaged soup, frozen prepared food, snacks, seasonings, condiments, sauces, spices, baby food, and miscellaneous prepared foods. Retail price increases for this group were due largely to higher processing and marketing costs.

### Lower Meat Prices Limit Food CPI Growth

Large supplies have been a factor in limiting retail price increases for many major food categories in 1995, especially for meats, poultry, and milk. Retail prices for beef, veal, pork, and poultry in 1995 are all expected to average about the same or slightly below last year. Price changes for beef, pork, veal, and other meats are significant because these meats account for over 12 percent of the CPI for all food.

The CPI for meats during the first 6 months of 1995 was down 0.9 percent from a year earlier, due to lower prices for pork (down 1.6 percent) and beef (down 1 percent). Increasing fed beef supplies through early fall, combined with seasonally higher cow slaughter, will contribute to wholesale and retail meat prices in the second half of 1995 averaging below a year earlier.

Despite seasonal wholesale price strength for some categories of pork cuts in the second quarter of 1995, retail prices are expected to strengthen only slightly with lower seasonal production this summer. Even with hog production expected below a year earlier this fall, supplies have been increasing seasonally since August.

Poultry prices for the first 6 months of 1995 increased only 0.5 percent from a year earlier and should stay in the range of -1 to 1 percent for the entire year. Strong returns due to lower feed costs and higher wholesale prices led to increased broiler and turkey production in 1994. Although domestic and foreign demand for poultry are expected to remain strong in 1995, production has expanded at a slower rate than last year because of lower net returns for producers in the second quarter and prospects for rising feed costs later in the year.

Egg prices, which account for 1 percent of the all-food CPI, are expected to be flat or slightly higher in 1995. Prices were low during the first 6 months of 1995, as production was strong in the



first quarter, with the CPI down 2 percent from a year earlier. Egg prices, however, are expected to increase seasonally during the second half of 1995, reflecting heat-related production problems during July. High temperatures typically lead to fewer large eggs and increases in medium-sized eggs. This will impact the CPI for eggs because the CPI only tracks large (grade A and AA) eggs.

Dairy products, accounting for 7.4 percent of the all-food CPI, showed a price increase of 0.4 percent from a year earlier in the first 6 months of 1995. Prices for most items are expected to remain

relatively flat or increase slowly during the remainder of the year.

Large increases in milk production are expected in the second half of 1995, particularly if output per cow increases in western states. Growth in milk production is expected to outpace sales of fluid milk and use in commercial dairy products, resulting in farm-level milk prices about 6 percent lower in 1995 and relatively steady retail prices for the remainder of the year.

The CPI for fish and seafood for first-half 1995 was up 5.4 percent from a year earlier. Most of the increase

stemmed from higher prices for imported shrimp, which makes up about 50 percent of U.S. fish and seafood imports and accounted for about 17 percent of the fish and seafood available for U.S. consumption in 1994. Shrimp prices are expected to decline in the second half of 1995 as farmed production expands, especially in Southeast Asia.

Growth in retail prices for most fish is expected to slow in the second half of 1995, with the annual CPI for fish and seafood expected to increase 4.5-5.5 percent. Fish and seafood account for 2.4 percent of the all-food CPI.

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### **In upcoming issues of *Agricultural Outlook***

- The outlook for U.S. Peanut Farmers
- Canada's farm policies
- Tightening supplies of U.S. feed grains

**and . . .**

- Prospects for trade with the Middle East and North Africa



## Special Article



## U.S. Greenhouse & Nursery Industry Flourishes

The U.S. "green" industry—combining floriculture and landscaping flowers and plants—is the second-most-important sector in U.S. agriculture in terms of economic output, according to a study by the University of Georgia. The study took into account the value from inputs purchased and from product handling, marketing, and distribution.

The study also revealed that, among the various agriculture sectors, the green sector is a major employer. Only the combined crop sector including vegetables, fruits, tree nuts, and hay and pasture employed more person-years in 1990.

According to USDA, grower cash receipts for greenhouse and nursery products rose an estimated 5-6 percent in 1994 to more than \$10 billion. The green industry is forecast to generate a 5-percent increase in receipts this year, with sales reaching nearly \$10.5 billion.

Growth in the industry has been slightly subpar over the past several years—grower sales on average rose 7 percent annually from 1986 to 1993. Rising interest rates in 1994, a consequent slowdown in construction during 1995, and extremely wet conditions over much of the country this past spring dampened nursery and garden center sales and hampered growing and landscaping operations.

Grower cash receipts are expected to continue to gain about \$400 million annually, or about 5 percent, climbing to \$12.8 billion by 2000 and \$15 billion by 2005. The rate of growth in the industry will be healthy, although not as rapid as during the previous decade, because receipts are already large.

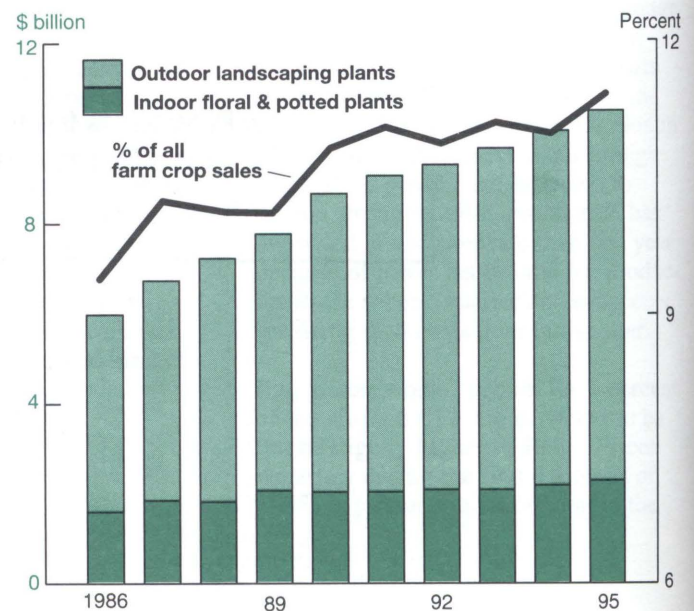
The U.S. floriculture sector (cut flowers and greens, plus potted flowering and foliage plants for indoor use) is the largest in the world in retail dollars, worth an estimated \$13.5 billion in 1994. (This amount includes expenditures for domestic products plus imports.) The U.S. is followed by Japan, with retail expenditures of about \$10.8 billion.

U.S. consumers spent an estimated \$52 per person on cut flowers and greens and indoor potted plants in 1994. Total expenditures are expected to rise 5 percent this year, to \$14.2 billion, or \$54 per person. This compares with an estimated \$9.3 billion, or \$39 per capita, in 1986.

These items are sold for indoor decorative use by retail florist shops, grocery stores, and street vendors in what is generally referred to as the "floral" market. An estimated 42,000 retail florists account for about 54 percent of U.S. retail floral sales, while an estimated 24,000 nonflorists—supermarkets, discount stores, and street vendors—ring up about 46 percent. More than half the flowers and plants sold for indoor use are for special occasions such as weddings, funerals, holidays, and birthdays.

The U.S. floral market is expected to continue to grow for the remainder of the 1990's. Sales of fresh cut flowers and greens should get a boost from "PromoFlor," a new industry-funded program charged with conducting promotional and consumer information activities geared to maintaining and expanding the market for U.S. floral products.

**Grower Sales of Greenhouse and Nursery Crops Continue Steady Increase**



1994 estimate; 1995 projection.



## Special Article

On a per capita basis, expenditures on floral products by U.S. consumers trail those of consumers in Japan, Norway, Switzerland, and other European countries. But the U.S. cut flower market is expanding rapidly. Some floral industry analysts predict that over the next 5 years, spending by U.S. consumers may double, rivaling per capita expenditures by European and Japanese consumers—the leading buyers of cut flowers and greens.

In 1994, the U.S. ranked 12th in the world for per capita expenditures on cut flowers and greens, at \$25, while Japan ranked near the top at \$62, according to estimates by the Flower Council of Holland and recent data gathered by USDA's Economic Research Service. In total expenditures for cut flow-

ers and greens, the U.S. was second after Japan in 1994, with U.S. consumers spending about \$6.9 billion, compared with nearly \$7.8 billion by Japanese consumers.

The U.S. is the world's largest producer and market for outdoor landscaping flowers and plants, including trees, shrubs, ground covers, sod or turfgrass, and bedding and garden plants. These environmental horticulture products are more than 3.5 times the value of floral market crops in grower sales and more than double in retail sales.

In 1994, U.S. retail expenditures for outdoor landscape flowers and plants totaled an estimated \$31 billion, or \$119 per person, and are expected to advance 4 percent this year. Demand for

## Imports Account for Nearly Half of U.S. Retail Sales of Cut Flowers

	Production and trade			Retail expenditures	
	Domestic grower cash receipts	Imports	Exports	Total	Import share
	— — — — — \$ million — — — — —				Percent
<b>Floral and potted crops</b>					
Cut flowers <sup>1</sup>					
1993	479.7	382.2	39.1	5,653.1	47
1994	498.2	420.1	37.9	6,070.2	48
1995	509.2	450.0	40.0	6,358.9	49
Potted flowering plants <sup>1</sup>					
1993	870.8	26.7	0.6	3,724.8	3
1994	833.8	28.1	1.2	3,576.6	3
1995	892.1	28.0	1.5	3,815.4	3
Foliage plants <sup>1</sup>					
1993	608.7	36.8	41.6	2,525.5	6
1994	710.9	43.0	42.4	2,975.1	6
1995	744.4	44.0	44.0	3,111.8	6
Cut cultivated greens <sup>1</sup>					
1993	131.3	20.4	10.4	886.2	14
1994	135.1	19.9	14.1	882.1	14
1995	141.5	20.0	14.0	922.5	14
<b>Environmental horticulture crops</b>					
Bedding plants <sup>1</sup>					
1993	1,456.2	NA	NA	4,368.6	0
1994	1,592.3	NA	NA	4,776.9	0
1995	1,742.4	NA	NA	5,227.3	0
Other environmental horticulture crops <sup>2</sup>					
1993	6,116.0	171.4	130.6	25,557.8	3
1994	6,273.7	185.7	116.0	26,340.5	3
1995	6,470.4	200.0	120.0	27,208.0	3
<b>Total floriculture and environmental horticulture</b>					
1993	9,662.7	637.5	222.3	42,715.9	6
1994	10,044.0	696.7	211.6	44,621.3	7
1995	10,500.0	742.0	219.5	46,643.9	7

NA=Not available. 1995 forecast.

<sup>1</sup> Cash receipts are expanded estimates based upon crop values reported for commercial growers with over \$100,000 in sales in 36 states. <sup>2</sup> Includes nursery crops (trees, shrubs, ground covers, etc.), bulbs, sod (turfgrass), and unfinished plants. Excluded are seeds, Christmas trees, and greenhouse vegetables.

Source: Economic Research Service, USDA.



## Special Article

**"PromoFlor" Promotes Cut Flowers & Greens**

U.S. consumption of floral products is expected to get a boost from "PromoFlor," the Fresh Cut Flowers and Fresh Cut Greens Promotion and Information Act. The act authorizes an industry-funded program to conduct promotion and consumer information activities to maintain and expand the market for U.S. floral products. USDA's Agricultural Marketing Service has oversight duties for administration of the promotion and information program, which went into effect December 29, 1994.

Only certain groups considered to be qualified handlers will be assessed under the program. Assessments on qualified handlers, importers, and producers started in January, and by May 31, 645 handlers had made payments; another 520 handlers had filed for exemptions. Qualified groups include wholesale handlers, retail distribution centers, producers, and importers that have annual sales of cut flowers and greens worth \$750,000 or more and sell the products to exempt handlers, retailers, or consumers.

During the first 3 years the order is in effect, the assessment rate may not exceed 0.5 percent of gross sales of cut flowers and cut greens. After 3 years, the assessment rate may be raised or lowered by no more than 0.25 percentage points each year, when recommended by two-thirds of the members of the National PromoFlor Council and approved by the Secretary of Agriculture. The assessment rate may never exceed 1 percent of gross sales of cut flowers and greens.

On May 16, 1995, a 25-member National PromoFlor Council was appointed by the Secretary of Agriculture. The Council met June 13, approved an \$18-million 15-month budget, and is expected to commence floral promotion activities by February 1996.

environmental horticulture products is directly linked to housing starts, business construction, consumer income, and other economic factors such as interest rates and employment.

***Growers Increase Earnings From Floriculture Sales***

Grower sales of all greenhouse and nursery crops in 1994 accounted for 11 percent of cash receipts for all farm crops, according to USDA. The sector was the sixth-largest commodity group in U.S. agriculture in grower cash receipts—behind only beef, dairy, corn, soybeans, and broilers. The green sector ranks in the top 5 commodity groups in 26 states, in the top 10 in 43 states, and the top 20 in all states.

Grower cash receipts for greenhouse and nursery crops (including turfgrass but excluding seeds, Christmas trees, and greenhouse vegetables) have been rising steadily for more than three decades. In this regard, the industry as a whole is unlike other U.S. agricultural sectors, where cash receipts fall in some years because of global competition.

Grower cash receipts for the floral crops sector (cut flowers and greens as well as potted flowering and foliage plants) totaled about \$2.2 billion in 1994, registering a 5.6-percent gain from 1993. Receipts last year were higher for all floral categories except potted flowering plants, which were down slightly because consumers switched purchases to indoor nonflowering plant varieties.

Grower sales were vigorous in 1994 for potted foliage plants, with sales jumping 17 percent from the year before to an estimated \$711 million. Last year's spurt reversed a 4-year downward trend, and put sales near 1989's peak level. Sales of foliage hanging baskets were especially strong, rising just over one-third from 1993.

The major foliage varieties sold as potted plants include philodendron, dieffenbachia, ficus, schefflera, spathiphyllum, pothos, syngonium, ferns, and palms. Growers plan to increase the area in production of foliage hanging baskets by 4 percent in 1995 from last year, and overall area for potted foliage plants by 1 percent.

In contrast, grower sales for potted flowering plants in 1994 slipped 4 percent from the year before to \$834 million, reversing a steady upward trend since 1988. Sales advanced in 1994 for poinsettias, African violets, and lilies, but were down for chrysanthemums, azaleas, and most other potted flowering plants. Producers generally plan to grow about the same or more of almost every kind of potted flowering plant in 1995.

Grower receipts for cut flowers and cut cultivated greens totaled about \$633 million in 1994, up nearly 4 percent from the year before, but down from the peak of \$671 million in 1989. Grower sales of cut flowers and greens have been moderated in recent years by higher imports. Grower sales in 1994 for standard chrysanthemums, roses, and carnations were lower than in 1993, despite generally higher prices.

U.S.-produced quantities of the major cut flowers—roses, carnations, chrysanthemums, and gladioli—have generally declined as a result of competition from imports. But last year U.S. production and prices for pompon chrysanthemums, gladioli, and some other cut flowers rebounded. The largest gains in domestic grower receipts in recent years have come from specialty cut flowers, such as snapdragons, liatris, statice, gerbera daisies, and asters.

In 1995, U.S. growers intend to scale back production area for the major cut flowers, as this group incurs more competition from imports than other cut flowers. Cut flower growers have been under pressure from increasing imports since the early 1970's, and many growers have exited the industry or switched to other crops such as potted or bedding plants.



U.S. imports of cut flowers and decorative greens totaled about 4.6 billion stems in 1994, accounting for more than two-thirds of the U.S. market. Of the total, about 3.1 billion stems, or 67 percent, came from Colombia; 481 million stems, or 10 percent, from Ecuador; 383 million, or 8 percent, from Mexico; and 198 million, or 4 percent, from the Netherlands. The U.S. also imported significant quantities from Costa Rica, Guatemala, Peru, Thailand, and the Dominican Republic.

During the first 8 months of 1995, imports of most cut flowers (as reported by USDA inspections) were running ahead of import levels during the same period in 1994. These included alstroemeria, chrysanthemums, freesias, gerbera, gladioli, gypsophila, miniature carnations, orchids, roses, statice, and "other ornamentals."

Grower receipts in 1994 for leatherleaf ferns and other cut decorative greens were higher than the year before, as imports declined. Imports through August 1995 of most cut greens, except chamaedorea, are below 1994 levels. U.S. growers plan to expand production area for cut cultivated greens in 1995 by about 3 percent.

### ***Economy Dampens Gains For Landscaping Plants***

Grower sales of environmental horticulture crops (excluding bedding and garden plants) rose 3 percent in 1994, to about \$6.3 billion. The gain was less rapid than for floral crops, as rising interest rates during 1994 began to slow housing starts and commercial construction. With continued sluggish activity in the construction sector during the first half of the year, increases in grower sales for these crops in 1995 are forecast to remain nearly unchanged.

Uncertainty in the economy caused individuals and businesses to cut back or delay maintenance and upgrading of their grounds in 1994, hurting the landscaping business and adversely affecting grower sales mainly of trees, shrubs, and ground covers (including turfgrass sod). Demand for bedding and garden plants, however, remained robust. Bedding plants are cheaper than perennials, and are easier to replace.

Grower sales of bedding and garden plants climbed to an estimated \$1.6 billion in 1994, up 9 percent from the year before. These plants include flowering and vegetable-type plants in flats and pots that will be removed from the container and transplanted to a flowerbed or garden.

Of all plants sold in flats, grower receipts were highest for bedding impatiens (valued at \$82 million), followed by vegetable-type bedding plants, mainly tomatoes and peppers (valued at \$65 million). Other important bedding and garden plant crops include flowering hanging baskets such as geraniums, impatiens, New Guinea impatiens, pansies, petunias, and other flowering types sold in flats and small pots for use in the garden or patio, or as landscaping plants.

The annual growth rate in producer sales of bedding plants has averaged 13 percent from 1986 to 1994, and the bedding plant subsector is now 2.5 times larger than in 1986. Growers intend to expand their production of most types of bedding plants by about 6-10 percent in 1995. Producer sales of environmental horticulture crops other than bedding plants have almost doubled since 1986, and growth has averaged 6.7 percent from 1986 to 1994.

While most floriculture crops are raised in greenhouses or under cover, most environmental horticulture crops are grown outdoors. In addition to trees, shrubs, small plants, and ground covers such as bedding plants, environmental horticulture crops include nursery stock for commercial orchards and home plantings, and seedlings for Christmas tree plantations, wildlife, and conservation purposes.

The 1992 U.S. Census of Agriculture indicated production area for floral and potted crops at around 57,100 acres: about 9,800 for crops grown in greenhouses or under some other kind of protective cover, and about 47,300 for crops grown in the open. About 11 times more area—around 660,700 acres—was devoted to production of environmental horticulture crops in 1992: about 652,300 acres for crops grown in the open, and about 8,400 acres for crops grown under protective cover.

Total area used for floriculture and environmental horticulture crops in 1992 was 717,800 acres (including areas used for production of more than one crop), marking a 37-percent increase from 523,400 acres reported in 1987. According to the census, grower sales have risen 31 percent from 1987 to 1992 for flori-

### **Environmental Crops Account for Most U.S. Greenhouse and Nursery Acreage**

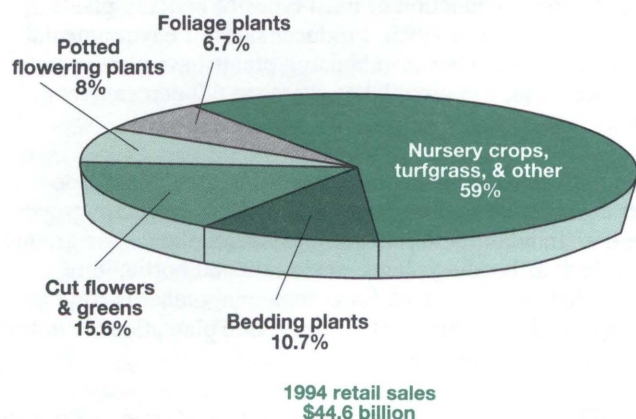
Subsector	Farms	Area under cover	Area in the open	Total area
		— — 1,000 acres — —		
Cut flowers/ cut florist greens	6,065	3.2	32.3	35.4
Foliage plants	5,383	3.5	10.4	13.9
Potted flowering plants	7,475	3.2	4.6	7.8
All "floral and potted" crops <sup>1</sup>	10,605	9.8	47.3	57.1
Bedding plants	14,872	5.2	13.8	19.1
Nursery crops	19,930	2.9	331.5	334.4
Sod	1,614	0	218.2	218.2
Bulbs	993	0.02	8.4	8.5
Flower and vegetable seeds	2,307	0.08	78.3	78.4
Other greenhouse/ nursery	1,134	0.08	2.1	2.2
All "environmental horticulture" crops <sup>1</sup>	34,53	8.4	652.3	660.7
Total	<sup>2</sup> 45,140	18.2	699.6	717.8

<sup>1</sup> Includes acreage that produced more than one crop. <sup>2</sup> All "greenhouse and nursery" farms (47,425) minus mushroom farms and greenhouse vegetable farms. Sources: 1992 U.S. Census of Agriculture, Bureau of the Census; Economic Research Service, USDA.



## Special Article

### Nursery Crops Account for Nearly 60 Percent of "Green" Industry Retail Sales



1994 estimate.

culture and environmental horticulture crops, and the number of growers has increased 26 percent, or by nearly 10,000.

### Floral & Nursery Products Trade Continues To Climb

Production and trade of floral and nursery products continues to expand rapidly worldwide. World imports of cut flowers and decorative greens, live plants, and bulbs reached an estimated \$8.5 billion in 1994, up from \$5.5 billion in 1989, and are predicted to swell to \$13 billion by 2000. The bulk of this trade—80 percent—occurs within the European Union (EU), but countries in the Western and Southern Hemispheres are dramatically increasing their production and trade of floriculture products.

Consumer demand for flowers and plants worldwide is growing, as incomes increase in developed countries and as improved production, storage, and transportation capabilities enhance product supplies in most countries. Recent improvements to floriculture product handling facilities in the U.S. include the accommodations at the Port of Houston, New York's John F. Kennedy Airport, and the Perishables Marketing Center at Orlando International Airport.

Reductions in import duties and other trade barriers, especially in the U.S., Latin America, Europe, and Japan, should greatly benefit world trade of greenhouse and nursery products. The trend towards free market economies worldwide should further stimulate trade.

U.S. cut flower imports could reach \$500 million in 1995, double the 1986 level. And U.S. imports of other greenhouse and nursery products, such as live plants, bulbs, and propagative materials, could exceed \$200 million this year, triple the 1986 figure. U.S. exports of floriculture and other greenhouse and nursery products, although surpassed by imports, have risen substantially over the last decade, growing from \$81 million in 1986 to more than \$200 million in 1995.

Hawaii's exports of floral products could be spurred by the recent clearance from the Japanese government to ship foliage plants to Japan. In addition, the Southern U.S. Trade Association of 15 states and Puerto Rico is researching export opportunities for floral and nursery products in Europe and Canada.

For the remainder of the 1990's, the use of houseplants and cut flowers and decorative greens for beautifying interior spaces, as well as for holidays and nonspecial occasions, is expected to continue growing. And the use of bedding and garden plants and other herbaceous plants and perennials to enhance and maintain landscapes is also predicted to continue expanding.

Sunny days are ahead for the U.S. green industry, if expected growth trends prevail and future challenges can be met. The floriculture and environmental horticulture sectors should each continue to grow at about 4-6 percent annually. Growth will be constrained or spurred depending on general economic conditions, marketing competition (domestic and international), product availability and prices, and production costs.

Opportunities for U.S. growers to increase sales at home and abroad appear to be excellent. But larger U.S. production and grower profits will likely be realized only if growers use new technology, produce a wider variety of crops, and aggressively market their products both at home and abroad.

Several new and ongoing challenges confronting the U.S. green industry will influence production, wholesaling, and retailing of floral and nursery products. Producers are likely to face greater pressure to conserve natural resources and preserve the environment. Major regulatory challenges for the industry will continue to center on water quality, worker protection standards, and the use of chemicals by nurseries and greenhouse operators.

Changes in phytosanitary regulations will likely affect international trade in flower and plant products. USDA's Animal and Plant Health Inspection Service has proposed revisions to Q-37, the Plant Protection and Quarantine Act, to allow entry for four additional plant genera in growing media. Domestic growers of nursery and greenhouse products are generally opposed to any changes to Q-37, because of concerns over possible introduction into the U.S. of new insect and disease infestations.



International trade agreements are not expected to have a substantial impact on the U.S. green industry in the near term. Potential changes to U.S. immigration and labor laws would likely cause more economic adjustment for the industry than global trade agreements, since production, landscaping, and other horticultural services and sales are labor-intensive.

In recent years, the U.S. greenhouse and nursery industry has experienced shortages of temporary seasonal workers in certain areas, exacerbated by relatively high employment rates and stepped-up enforcement of laws on illegal aliens. The shortages

have been serious enough to cause the industry—particularly the National Council of Agricultural Employers—to call for legislation creating a new foreign temporary worker program.

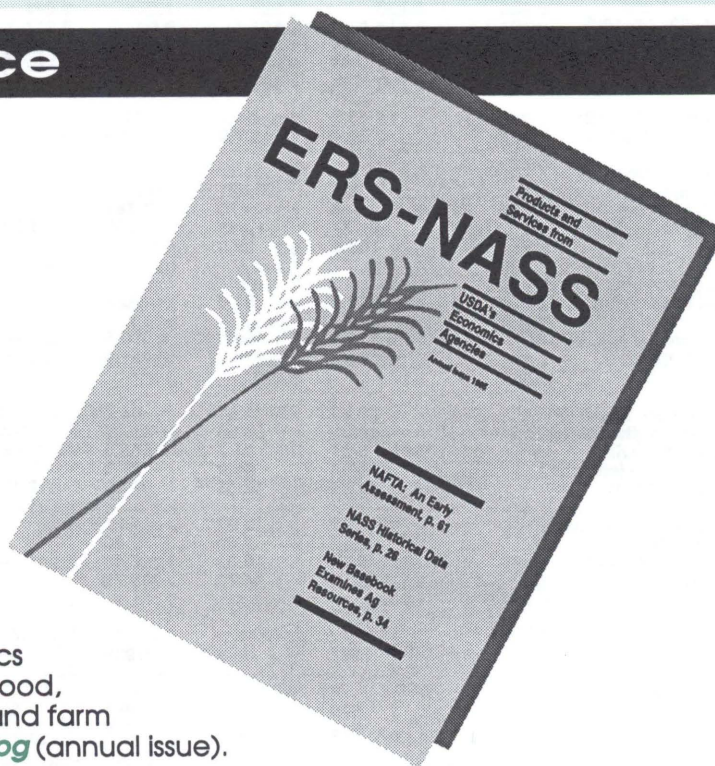
The growth and success of the U.S. green industry have been accomplished without Federal price support programs, and with minimal Federal research dollars. The industry will likely remain an important sector in U.S. agriculture and within the total economy, although challenges to production and marketing will have to be met if the industry is to continue to flourish.

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# Statistical Indicators

## Summary Data

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

	1994	1995					1996		
	Annual	I	II	III F	IV F	Annual F	I F	II F	Annual F
Prices received by farmers (1990-92=100*)	100	99	100	102	—	—	—	—	—
Livestock & products	95	93	89	91	—	—	—	—	—
Crops	105	105	114	114	—	—	—	—	—
Prices paid by farmers, (1990-92=100*)									
Production items	106	106	107	107	—	—	—	—	—
Commodities & services, interest, taxes, & wages	106	108	108	108	—	—	—	—	—
Cash receipts (\$ bil.) 1/	180	187	—	—	—	—	—	—	—
Livestock (\$ bil.)	88	87	—	—	—	—	—	—	—
Crops (\$ bil.)	92	100	—	—	—	—	—	—	—
Market basket (1982-84=100)									
Retail cost	145	148	149	—	—	—	—	—	—
Farm value	101	101	102	—	—	—	—	—	—
Spread	169	174	175	—	—	—	—	—	—
Farm value/retail cost (%)	24	24	24	—	—	—	—	—	—
Retail prices (1982-84=100)									
All food	144	147	148	150	150	149	—	—	—
At home	144	148	149	150	150	149	—	—	—
Away from home	146	148	149	149	150	149	—	—	—
Agricultural exports (\$ bil.) 2/	43.5	14.3	12.7	10.4	—	53.0	—	—	54.5
Agricultural imports (\$ bil.) 2/	26.4	7.8	7.5	7.2	—	29.0	—	—	29.0
Commercial production									
Red meat (mil. lb.)	42,523	10,521	10,853	11,116	11,100	43,590	10,747	11,016	44,728
Poultry (mil. lb.)	29,346	7,470	7,781	7,905	7,905	31,061	7,850	8,160	32,735
Eggs (mil. doz.)	6,177	1,545	1,535	1,540	1,590	6,210	1,555	1,565	6,320
Milk (bil. lb.)	153.6	39.0	40.5	39.0	38.9	157.2	40.3	41.8	161.3
Consumption, per capita									
Red meat and poultry (lb.)	212.2	51.6	53.2	54.7	55.9	215.4	52.9	54.0	220.8
Corn beginning stocks (mil. bu.) 3/	2,113.0	850.1	8,080.5	5,591.7	3,415.6	850.1	—	—	1,455.2
Corn use (mil. bu.) 3/	7,620.1	2,874.8	2,492.9	2,179.6	1,963.6	9,510.0	—	—	8,800.0
Prices 4/									
Choice steers—Neb. Direct (\$/cwt)	68.84	71.51	64.7	62-64	64-68	66-67	64-70	63-69	62-68
Barrows & gilts—IA, So. MN (\$/cwt)	40.03	38.56	38.91	43-45	38-40	40-41	38-42	36-40	37-40
Broilers—12-city (cts./lb.)	55.7	51.7	53.5	57-59	51-55	53-55	48-52	49-53	48-52
Eggs—NY gr. A large (cts./doz.)	67.3	65.2	63.6	72-74	70-74	68-69	65-71	60-66	63-68
Milk—all at plant (\$/cwt)	12.97	12.63	12.30	12.15-12.45	12.50-13.10	12.40-12.60	12.35-13.25	11.20-12.20	12.00-13.00
Wheat—KC HRW ordinary (\$/bu.)	3.86	3.97	4.27	—	—	—	—	—	—
Corn—Chicago (\$/bu.)	2.52	2.38	2.60	—	—	—	—	—	—
Soybeans—Chicago (\$/bu.)	6.18	5.53	5.48	—	—	—	—	—	—
Cotton—Avg. spot 41-34 (cts./lb.)	66.12	94.73	105.76	—	—	—	—	—	—
	1987	1988	1989	1990	1991	1992	1993	1994	1995
Farm real estate values 5/									
Nominal (\$ per acre)	599	632	661	668	681	684	699	744	—
Real (1982 \$)	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	II	III	IV	I	II
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	6,020.2	6,343.3	6,738.4	6,689.9	6,791.7	6,897.2	6,977.4	7,011.8
Gross national product	6,025.8	6,347.8	6,726.9	6,682.5	6,779.6	6,871.3	6,959.5	—
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,586.4	4,657.5	4,734.8	4,782.1	4,838.3
Durable goods	492.7	538.0	591.5	580.3	591.5	617.7	615.2	615.1
Nondurable goods	1,295.5	1,339.2	1,394.3	1,381.4	1,406.1	1,420.7	1,432.2	1,444.3
Food & beverages	626.8	649.7	679.6	675.5	683.7	691.2	697.4	700.4
Clothing & shoes	227.7	235.4	246.5	243.9	247.8	252.6	252.5	253
Services	2,348.7	2,501.0	2,642.7	2,624.7	2,659.9	2,696.4	2,734.8	2,778.9
Gross private domestic investment	788.3	882.0	1,032.9	1,034.4	1,055.1	1,075.6	1,107.8	1,087.4
Fixed investment	785.2	866.7	980.7	967.0	992.5	1,020.8	1,053.3	1054
Change in business inventories	3.0	15.4	52.2	67.4	62.6	54.8	54.5	33.4
Net exports of goods & services	-30.3	-65.3	-98.2	-97.6	-109.6	-98.9	-111.1	-122.4
Government purchases of goods & services	1,125.3	1,148.4	1,175.3	1,166.7	1,188.8	1,185.8	1,198.7	1,208.5
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,979.3	5,134.5	5,344.0	5,314.1	5,367.0	5,433.8	5,470.1	5,477.3
Gross national product	4,985.7	5,140.3	5,337.3	5,310.5	5,359.9	5,416.0	5,458.3	—
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,557.8	3,584.7	3,629.6	3,643.9	3,666.5
Durable goods	452.6	489.9	532.1	522.2	529.6	554.8	550.0	550.5
Nondurable goods	1,057.7	1,078.5	1,109.5	1,104.3	1,113.4	1,121.9	1,128.2	1,131.9
Food & beverages	514.7	524.0	535.6	536.1	535.7	538.5	541.1	539.7
Clothing & shoes	193.2	197.8	208.8	204.9	210.2	216.4	216.6	218.4
Services	1,839.1	1,890.3	1,938.1	1,931.4	1,941.8	1,952.9	1,965.7	1,984.1
Gross private domestic investment	725.3	819.9	951.5	950.9	967.3	989.1	1,024.1	1,015.8
Fixed investment	722.9	804.6	903.8	891.7	910.2	939.7	973.0	985.4
Change in business inventories	2.5	15.3	47.8	59.2	57.1	49.4	51.1	30.4
Net exports of goods & services	-32.3	-73.9	-110.0	-111.8	-117.0	-107.1	-118.5	-125.0
Government purchases of goods & services	936.9	929.8	922.8	917.1	932.0	922.2	920.5	919.9
GDP implicit price deflator (% change)	2.8	2.2	2.1	2.9	1.9	1.3	2.2	1.3
Disposable personal income (\$ bil.)	4,505.8	4,688.7	4,959.6	4,913.5	4,990.3	5,101.9	5,184.4	5,196.1
Disposable per. income (1987 \$ bil.)	3,648.1	3,704.1	3,835.7	3,811.5	3,840.9	3,911.0	3,950.5	3,937.6
Per capita disposable per. income (\$)	17,636	18,153	19,003	18,853	19,095	19,473	19,748	19,750
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,625	14,697	14,927	15,048	14,967
U.S. population, total, incl. military abroad (mil.) 1/	255.4	258.1	260.7	260.3	261.0	261.7	262.2	262.9
Civilian population (mil.) 1/	253.4	256.3	258.9	258.6	259.3	260.0	260.5	261.2
	Annual			1994		1995		
	1992	1993	1994	June	Mar	Apr	May	June P
Monthly data seasonally adjusted								
Total industrial production (1987=100)	108.0	112.9	119.7	119.3	124.2	123.2	123.0	123.0
Leading economic indicators (1987=100)	98.2	98.8	101.7	101.7	101.8	101.2	101.0	101.2
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	122.6	125.3	125.1	124.3	124.5
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	6.1	5.5	5.8	5.7	5.6
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,674.9	5,992.7	6,002.9	5,992.8	6,016.1
Money stock—M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,615.1	3,605.3	3,630.1	3,642.6	3,658.5	3,693.4
Three-month Treasury bill rate (%)	3.45	3.02	4.29	4.18	5.73	5.67	5.70	5.5
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	7.97	8.12	8.03	7.65	7.3
Total housing starts (1,000) 4/	1,200	1,288	1,457	1,370	1,238	1,269	1,264	1,263
Business inventory/sales ratio	1.50	1.45	1.39	1.39	1.40	1.42	1.4	—
Sales of all retail stores (\$bil.) 5/	1,959.1	2,081.6	2,241.3	185.2	193.2	193.0	195.1	196.7
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	112.7	116.2	116.5	117.6	118.1
Food stores (\$ bil.)	382.4	392.4	405.6	33.1	33.7	33.9	34.0	33.8
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.1	9.3	8.9	9.2	9.3
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	19.0	19.8	20.0	20.1	20.2

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) 219-0663.



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	3.1	2.6
Developed	3.2	2.7	3.1	4.4	3.3	2.4	0.9	1.7	1.0	2.9	2.6	2.4	2.6
Developed, less U.S.	3.7	2.9	3.4	4.8	3.7	3.3	6.5	0.9	-0.1	2.2	2.5	2.5	3.1
United States	3.0	2.6	3.0	3.9	2.6	0.8	-0.7	2.3	3.1	4.1	2.8	2.2	2.5
Canada	4.7	3.3	4.1	4.7	2.5	0.4	-1.7	0.6	2.2	4.3	2.8	2.3	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.

Information contact: Alberto Jerardo, (202) 219-0645.

## Farm Prices

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

	Annual			1994		1995				
	1992	1993	1994	July	Feb	Mar	Apr R	May	June R	July P
1990-92=100										
Prices received										
All farm products	98	101	100	97	98	100	100	100	100	102
All crops	101	102	105	102	102	109	114	115	112	114
Food grains	113	105	118	103	116	113	112	119	128	141
Feed grains & hay	98	98	106	101	100	102	105	108	110	114
Cotton	88	89	109	97	135	143	139	136	142	133
Tobacco	101	101	101	—	110	98	88	—	—	—
Oil-bearing crops	100	108	110	106	97	98	99	99	102	108
Fruit & nuts, all	99	92	89	97	72	77	81	98	99	103
Commercial vegetables	111	116	107	97	114	156	176	148	117	96
Potatoes & dry beans	88	106	111	130	89	92	100	111	123	147
Livestock & products	97	100	95	92	94	93	90	88	90	91
Meat animals	96	100	90	87	91	89	85	82	85	85
Dairy products	100	98	100	93	96	97	95	95	92	93
Poultry & eggs	97	105	106	108	100	101	100	99	100	105
Prices paid										
Commodities & services,										
interest, taxes, & wage rates	101	103	106	106	108	108	108	108	108	108
Production items	101	103	106	105	106	106	106	106	106	107
Feed	99	99	105	104	—	—	100	—	—	99
Livestock & poultry	96	104	95	91	—	—	82	—	—	81
Seeds	99	105	109	110	—	—	110	—	—	110
Fertilizer	100	97	106	109	—	—	122	—	—	123
Agricultural chemicals	103	107	112	113	—	—	115	—	—	116
Fuels	96	92	84	83	—	—	92	—	—	92
Farm supplies & repairs	104	107	110	111	—	—	110	—	—	112
Autos & trucks	102	109	115	115	—	—	121	—	—	121
Farm machinery	104	106	110	109	—	—	119	—	—	119
Building materials	101	105	109	110	—	—	114	—	—	114
Farm services	104	109	112	111	—	—	115	—	—	118
Cash rent	104	100	108	108	—	—	108	—	—	108
Int. payable per acre on farm real estate debt	93	88	92	92	—	—	101	—	—	101
Taxes payable per acre on farm real estate	104	107	112	112	—	—	115	—	—	115
Wage rates (seasonally adjusted)	105	108	111	107	—	—	112	—	—	112
Production items, interest, taxes, & wage rates	101	103	106	105	—	—	107	—	—	107
Ratio, prices received to prices paid (%) 1/	98	98	94	92	92	93	93	93	93	94
Prices received (1910-14=100)	626	642	634	615	620	633	634	633	633	646
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	1,388	—	—	1,407	—	—	1,410
Parity ratio (1910-14=100) (%) 1/	47	47	46	44	—	—	45	—	—	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.

Information contact: David Johnson (202) 219-0663.



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

	Annual 1/			1994		1995				
	1992	1993	1994	July	Feb	Mar	Apr R	May	June R	July P
<b>CROPS</b>										
All wheat (\$/bu.)	3.24	3.26	3.50	3.04	3.62	3.53	3.48	3.66	3.85	4.24
Rice, rough (\$/cwt)	5.89	7.98	6.25	7.69	6.71	6.64	6.70	6.75	7.03	7.05
Corn (\$/bu.)	2.07	2.50	2.20	2.29	2.23	2.30	2.36	2.41	2.51	2.67
Sorghum (\$/cwt)	3.38	4.13	3.65	3.71	3.69	3.75	3.84	4.06	4.72	4.87
All hay, baled (\$/ton)	74.30	84.70	86.50	82.40	85.00	86.70	90.30	90.40	83.90	80.60
Soybeans (\$/bu.)	5.56	6.40	5.35	5.92	5.40	5.51	5.55	5.56	5.68	5.93
Cotton, upland (cts./lb.)	53.7	58.1	67.4	58.7	81.6	86.5	84.5	82.6	86.3	80.5
Potatoes (\$/cwt)	5.52	6.22	5.36	7.49	4.92	5.16	5.55	6.28	7.19	8.94
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	10.40	9.44	29.30	49.20	48.50	15.60	10.50
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	28.20	27.00	43.80	20.50	14.40	33.30	24.90
Onions (\$/cwt)	13.00	15.80	14.46	12.80	17.10	16.90	23.70	15.50	10.10	12.20
Beans, dry edible (\$/cwt)	19.90	24.60	21.70	26.10	21.00	21.20	23.40	24.60	23.40	23.60
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	13.1	18.9	18.3	16.9	15.4	15.6	16.8
Pears for fresh use (\$/ton)	378	280	261	326	301	363	399	419	557	353
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	4.44	3.29	3.77	4.48	4.92	5.21	5.58
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	1.49	2.24	2.28	1.68	1.37	4.54	6.72
<b>LIVESTOCK</b>										
Beef cattle (\$/cwt)	71.33	73.38	66.55	62.90	68.70	66.90	63.80	60.80	60.90	59.70
Calves (\$/cwt)	89.38	95.92	87.16	83.80	86.90	84.40	81.80	77.00	77.10	75.20
Hogs (\$/cwt)	41.82	45.40	39.48	42.20	39.10	37.80	35.70	37.20	42.30	46.30
Lambs (\$/cwt)	60.78	64.60	64.86	72.80	70.40	74.80	74.40	80.40	85.70	85.60
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	12.20	12.60	12.70	12.40	12.40	12.10	12.20
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	11.10	11.60	11.70	11.20	11.00	11.10	11.20
Broilers (cts./lb.)	30.8	34.2	35.0	36.4	32.6	32.8	32.1	32.4	32.8	34.5
Eggs (cts./doz.) 4/	56.2	62.7	60.9	58.4	61.6	61.4	62.0	56.3	57.8	60.9
Turkeys (cts./lb.)	37.6	39.0	40.7	40.6	37.2	38.3	38.3	38.2	39.3	39.8

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) 219-0663.

## Producer & Consumer Prices

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

	Annual	1994		1995						
	1994	July	Dec	Jan	Feb	Mar	Apr	May	June	July
		1982-84=100								
Consumer Price Index, all items	148.2	148.4	149.7	150.3	150.9	151.4	151.9	152.2	152.5	152.5
Consumer Price Index, less food	149.0	149.1	150.2	150.8	151.5	152.1	152.5	152.9	153.3	153.4
All food	144.3	144.2	146.8	147.5	147.4	147.4	148.4	148.3	147.9	148.1
Food away from home	145.7	145.6	147.1	147.4	147.6	148.1	148.3	148.6	148.8	148.8
Food at home	144.1	144.0	147.3	148.2	147.9	147.6	149.2	148.7	148.1	148.2
Meats 1/	135.4	134.7	133.7	134.9	134.9	135.5	134.9	134.7	134.0	134.2
Beef & veal	136.0	134.4	134.7	135.8	136.6	136.9	136.2	134.9	133.9	133.5
Pork	133.9	134.7	130.1	132.2	131.8	132.9	131.1	131.8	132.2	133.7
Poultry	141.5	144.1	140.4	140.2	141.4	143.3	142.3	141.6	142.9	142.5
Fish & seafood	163.7	163.2	166.9	169.0	170.4	171.2	171.6	171.9	172.1	170.4
Eggs	114.3	109.2	116.4	115.4	113.9	115.3	112.0	110.0	109.6	114.5
Dairy products 2/	131.7	131.8	131.6	132.7	132.1	132.2	132.1	132.8	132.2	132.9
Fats & oils 3/	133.5	135.1	134.2	136.4	136.8	136.8	137.2	137.1	136.4	138.0
Fresh fruits	201.2	199.6	213.1	214.2	213.3	207.0	210.3	219.6	216.3	218.4
Processed fruits	133.1	133.8	133.3	134.4	135.3	136.5	136.8	136.7	137.2	138.0
Fresh vegetables	172.3	170.2	212.7	209.4	198.6	193.8	220.4	203.5	194.9	188.7
Potatoes	174.3	194.1	154.2	157.1	157.2	161.8	164.6	165.3	183.1	200.8
Processed vegetables	136.6	138.4	134.7	138.0	137.7	136.9	138.1	139.0	138.9	140.2
Cereals & bakery products	163.0	163.9	164.2	164.6	165.8	165.3	166.9	166.6	167.5	168.2
Sugar & sweets	135.2	135.2	134.5	135.5	135.8	136.4	136.7	137.3	137.3	138.1
Nonalcoholic beverages	123.2	122.8	131.7	133.3	133.7	132.9	132.9	131.7	131.5	130.8
Apparel										
Apparel, commodities less footwear	131.2	128.1	127.9	126.3	128.3	132.3	132.5	130.8	127.6	125.0
Footwear	126.0	125.0	123.6	124.0	124.8	125.9	127.2	126.6	124.6	123.3
Tobacco & smoking products	220.0	221.3	222.0	222.2	222.7	222.5	223.0	225.3	226.4	226.2
Alcoholic beverages	151.5	151.6	151.8	152.0	152.4	153.1	153.6	153.9	154.0	153.8

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

Information contact: David Johnson (202) 219-0663.



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

	Annual			1994	1995					
	1992	1993	1994	June	Jan	Feb	Mar R	Apr	May	June
	1982 = 100									
All commodities	117.2	118.9	120.4	120.5	122.9	123.5	123.9	124.6	125.0	125.3
Finished goods 1/	123.2	124.7	125.5	125.6	126.6	126.9	126.9	127.6	128.0	128.2
All foods 2/	120.9	123.7	125.2	124.3	125.5	125.9	126.2	125.8	125.1	124.4
Consumer foods	123.3	125.7	126.8	125.9	127.9	128.4	128.5	128.5	127.9	127.4
Fresh fruits & melons	84.0	84.5	82.6	81.4	82.7	78.8	75.5	74.4	96.6	83.6
Fresh & dry vegetables	115.0	135.2	129.1	120.5	158.0	148.5	156.9	184.9	158.8	132.5
Dried fruits	114.6	117.9	121.1	123.3	119.4	119.9	119.4	119.4	121.3	122.0
Canned fruits & juices	134.5	126.2	126.0	126.4	125.9	126.9	127.4	126.8	126.8	127.1
Frozen fruits, juices & ades	125.9	110.7	111.9	110.9	115.6	114.0	115.9	114.8	117.2	116.6
Fresh veg. excl. potatoes	116.4	126.6	117.8	94.9	163.5	149.2	159.2	199.1	167.2	127.2
Canned vegetables & juices	109.5	110.5	116.3	118.0	112.9	114.2	114.9	112.9	115.6	117.5
Frozen vegetables	116.4	120.9	126.0	127.0	125.1	124.8	124.9	125.1	124.3	123.6
Potatoes	118.4	144.9	142.3	150.8	101.3	103.0	114.6	110.1	106.8	176.9
Eggs for fresh use (1991=100)	78.6	86.6	80.9	74.9	78.7	80.4	80.7	83.1	72.3	75.0
Bakery products	152.5	156.6	160.0	160.1	162.1	162.6	162.5	162.5	163.2	163.4
Meats	106.7	110.6	104.6	103.7	102.9	104.3	105.0	100.7	100.1	100.9
Beef & veal	109.5	112.9	103.6	100.7	104.1	106.3	107.3	100.4	99.4	99.7
Pork	98.9	105.7	101.3	102.8	96.2	97.4	97.7	94.8	94.8	97.7
Processed poultry	109.0	111.7	114.8	117.8	110.1	110.6	110.1	109.7	109.3	110.9
Unprocessed & packaged fish	156.1	156.5	161.5	160.2	170.6	175.2	174.6	179.6	167.1	164.0
Dairy products	117.9	118.1	119.5	118.7	117.1	117.6	118.3	118.1	117.5	117.1
Processed fruits & vegetables	120.8	118.2	121.2	122.0	120.2	120.9	121.3	120.4	121.5	122.0
Shortening & cooking oil	115.1	122.9	138.6	140.2	147.1	144.4	145.0	142.1	139.0	136.6
Soft drinks	125.6	126.2	126.9	126.8	130.3	132.1	133.8	133.1	133.0	132.9
Finished consumer goods less foods	120.8	121.7	121.6	122.0	122.4	122.6	122.7	123.8	124.7	125.2
Alcoholic beverages	126.1	126.0	124.8	124.2	125.3	127.4	127.5	127.5	128.6	128.7
Apparel	122.2	123.2	123.5	123.3	123.8	123.8	124.3	124.2	124.2	124.0
Footwear	132.0	134.4	135.5	135.2	137.5	138.6	138.7	138.5	138.8	138.8
Tobacco products	275.3	260.3	224.7	224.7	225.4	226.0	228.1	228.7	233.7	233.7
Intermediate materials 4/	114.7	116.2	118.5	118.2	122.5	123.4	123.7	124.7	125.3	125.9
Materials for food manufacturing	113.9	115.6	118.5	118.0	117.8	118.4	119.0	117.1	116.5	117.2
Flour	109.5	108.9	110.3	108.5	112.5	110.6	109.5	111.4	115.3	120.5
Refined sugar 5/	119.8	118.2	118.3	118.0	119.8	120.9	121.7	118.5	118.8	119.9
Crude vegetable oils	97.1	110.5	135.0	136.6	140.5	138.8	139.8	129.9	126.0	127.8
Crude materials 6/	100.4	102.4	101.7	103.2	101.5	102.6	102.3	103.9	103.5	103.4
Foodstuffs & feedstuffs	105.1	108.4	106.5	107.8	102.2	104.1	103.2	101.9	99.5	102.2
Fruits & vegetables & nuts 7/	96.9	106.9	104.6	99.2	110.9	105.6	107.7	118.5	116.7	101.0
Grains	97.3	94.5	102.7	110.1	95.5	96.9	98.2	101.1	104.2	110.5
Livestock	104.7	107.0	96.4	92.4	96.4	100.5	96.9	92.3	87.4	90.7
Poultry, live	112.6	122.0	124.4	135.2	108.6	109.3	113.1	109.1	111.0	121.1
Plant & animal fibers	89.8	91.3	120.7	129.4	143.5	149.4	180.2	175.2	165.7	178.9
Fluid milk	96.1	94.1	95.8	94.0	92.1	90.9	92.8	91.4	90.2	90.5
Oilseeds	107.5	115.9	117.4	129.9	104.5	103.9	107.5	110.4	105.9	108.7
Leaf tobacco	101.0	100.3	101.2	98.9	110.5	112.5	100.2	90.0	—	—
Raw cane sugar	112.1	113.2	115.2	116.9	117.7	118.4	117.3	118.6	118.8	120.2

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ New index beginning Dec. 1991. 4/ Commodities requiring further processing to become finished goods. 5/ All types & sizes of refined sugar. 6/ Products entering market for the first time that have not been manufactured at that point. 7/ Fresh & dried. R = revised.

Information contact: David Johnson (202) 219-0663.



## Farm-Retail Price Spreads

Table 8—Farm-Retail Price Spreads

	Annual			1994	1995					
	1992	1993	1994	June	Jan	Feb	Mar	Apr	May	June
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	144.9	148.7	148.3	148.0	149.8	149.4	148.6
Farm value (1982-84=100)	103.2	104.9	101.6	100.7	100.3	101.9	101.2	104.6	100.6	99.5
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	168.7	174.9	173.3	173.2	174.2	175.7	175.0
Farm value-retail cost (%)	26.1	25.9	24.5	24.3	23.6	24.0	24.0	24.4	23.6	23.5
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	135.4	134.9	134.9	135.5	134.9	134.7	134.0
Farm value (1982-84=100)	104.5	107.2	96.1	95.1	91.6	96.7	97.3	92.7	89.3	90.9
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	176.8	179.3	174.1	174.7	178.3	181.3	178.2
Farm value-retail cost (%)	40.5	40.3	35.9	35.6	34.4	36.3	36.4	34.8	33.6	34.4
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	132.2	132.7	132.1	132.2	132.1	132.8	132.2
Farm value (1982-84=100)	95.8	93.0	94.5	96.0	91.9	88.6	90.6	91.9	91.9	90.0
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	165.6	170.3	172.2	170.5	169.1	170.5	171.1
Farm value-retail cost (%)	35.8	34.5	34.4	34.8	33.2	32.2	32.9	33.4	33.2	32.6
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	143.6	140.2	141.4	143.3	142.3	141.6	142.9
Farm value (1982-84=100)	104.0	111.5	114.6	121.5	107.4	106.4	107.4	105.5	106.3	107.9
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	169.0	178.0	181.7	184.6	184.6	182.3	183.2
Farm value-retail cost (%)	42.4	43.6	43.3	45.3	41.0	40.3	40.1	39.7	40.2	40.4
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	110.8	115.4	113.9	115.3	112.0	110.0	109.6
Farm value (1982-84=100)	77.8	88.9	83.5	77.0	86.8	86.1	85.4	86.3	74.4	76.6
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	171.5	166.8	163.8	169.0	158.2	173.9	168.8
Farm value-retail cost (%)	46.1	48.8	47.0	44.6	48.3	48.6	47.6	49.5	43.5	44.9
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	163.4	164.6	165.8	165.3	166.9	166.6	167.5
Farm value (1982-84=100)	94.2	91.8	102.6	100.7	102.3	101.2	99.6	99.7	102.1	106.4
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	172.1	173.3	174.8	174.5	176.3	175.6	176.0
Farm value-retail cost (%)	7.6	7.2	7.7	7.5	7.6	7.5	7.4	7.3	7.5	7.8
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	200.6	221.7	221.0	212.8	218.0	228.9	222.9
Farm value (1982-84=100)	122.4	134.8	119.4	105.5	128.3	127.6	126.2	126.0	132.3	131.1
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	244.5	264.8	264.1	252.8	260.5	273.5	265.3
Farm value-retail cost (%)	20.4	21.7	18.1	16.6	18.3	18.2	18.7	18.3	18.3	18.6
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	166.7	209.4	198.6	193.8	220.4	203.5	194.9
Farm value (1982-84=100)	120.6	127.1	121.1	112.2	135.0	144.8	121.6	210.8	157.2	124.2
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	197.7	247.6	226.3	230.9	225.3	227.4	231.2
Farm value-retail cost (%)	25.9	25.6	23.9	22.6	21.9	24.8	21.3	32.5	26.2	21.6
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	134.5	135.8	136.2	136.5	137.2	137.6	137.8
Farm value (1982-84=100)	128.6	107.0	112.5	111.0	111.1	114.6	115.5	116.1	116.7	116.8
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	141.8	143.5	142.9	143.1	143.8	144.1	144.3
Farm value-retail costs (%)	22.9	19.3	19.9	19.6	19.5	20.0	20.1	20.1	20.2	20.2
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	133.5	136.4	136.8	136.8	137.2	137.1	136.4
Farm value (1982-84=100)	93.1	107.5	125.5	126.5	130.3	126.5	127.2	119.9	117.6	120.9
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	136.1	138.6	140.6	140.3	143.6	144.3	142.1
Farm value-retail cost (%)	19.3	22.3	25.3	25.5	25.7	24.9	25.0	23.5	23.1	23.8
	Annual			1994	1995					
	1992	1993	1994	July	Feb	Mar	Apr	May	June	July
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	280.1	284.3	284.7	283.7	282.2	283.4	287.4
Wholesale value 3/ (cts.)	179.6	182.5	166.7	160.4	170.4	165.7	158.5	160.4	165.6	158.5
Net farm value 4/ (cts.)	161.8	164.1	145.5	137.2	151.3	146.3	139.4	132.9	134.1	129.1
Farm-retail spread (cts.)	122.8	129.3	137.4	142.9	133.0	138.4	144.3	149.3	149.3	158.3
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	119.7	113.9	119.0	125.2	121.8	117.8	128.9
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	23.2	19.1	19.4	19.1	27.5	31.5	29.4
Farm value-retail price (%)	57	56	51	49	53	51	49	47	47	45
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	200.5	189.9	193.5	190.6	191.0	189.0	191.4
Wholesale value 3/ (cts.)	98.9	102.8	98.9	99.9	93.0	91.4	90.0	92.9	99.2	101.6
Net farm value 4/ (cts.)	67.8	72.5	62.9	67.5	61.9	59.7	56.6	59.4	68.8	74.7
Farm-retail spread (cts.)	130.2	125.1	135.1	133.0	128.0	133.8	134.0	131.6	120.2	116.7
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	100.6	96.9	102.1	100.6	98.1	89.8	89.8
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	32.4	31.1	31.7	33.4	33.5	30.4	26.9
Farm value-retail price (%)	34	37	32	34	33	31	30	31	36	39

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

Information contacts: Veronica Jones (202) 219-0501, Larry Duwer (202) 219-1269.



Table 9—Price Indexes of Food Marketing Costs

	Annual			1994				1995	
	1992	1993	1994	I	II	III	IV	I	II P
	1967=100*								
Labor—hourly earnings									
& benefits	418.4	432.1	443.6	440.9	442.8	442.8	448.0	452.2	454.4
Processing	435.7	448.2	460.6	456.9	460.0	460.0	465.6	468.8	471.7
Wholesaling	458.5	476.5	488.7	485.0	487.6	488.7	493.6	498.4	504.1
Retailing	383.4	396.4	406.7	405.4	405.9	405.4	410.2	414.3	415.2
Packaging & containers	370.1	371.1	385.3	377.1	378.8	385.5	399.7	414.1	418.0
Paperboard boxes & containers	324.8	322.9	338.0	324.4	328.2	339.6	359.8	382.5	391.2
Metal cans	478.1	487.7	519.0	520.3	518.6	518.6	518.6	516.2	510.9
Paper bags & related products	387.8	387.3	397.0	379.7	385.8	395.9	426.5	456.0	463.6
Plastic films & bottles	309.9	307.9	311.9	308.3	306.0	310.2	323.0	331.2	332.2
Glass containers	444.4	446.8	452.8	449.0	452.3	454.5	455.6	458.5	464.4
Metal foil	241.0	238.8	238.3	236.1	235.1	240.5	241.4	267.9	269.0
Transportation services	426.1	425.9	434.9	430.0	434.4	437.8	437.3	436.4	456.0
Advertising	468.4	487.4	507.7	506.0	506.6	508.2	510.0	532.2	535.7
Fuel & power	654.6	671.7	660.7	657.1	654.6	671.0	660.0	645.9	639.1
Electric	514.0	522.3	519.6	506.5	515.0	540.5	516.4	516.6	516.1
Petroleum	639.9	638.9	596.5	585.4	581.1	608.6	611.0	570.4	567.6
Natural gas	1,061.1	1,132.9	1,152.0	1,173.6	1,157.8	1,131.9	1,132.6	1,125.3	1,094.3
Communications, water & sewage	266.8	270.0	276.9	275.0	276.6	277.9	278.2	280.3	280.4
Rent	278.3	273.1	273.6	272.6	273.9	275.0	272.9	271.8	271.8
Maintenance & repair	454.8	465.2	472.5	467.3	472.0	474.3	476.5	481.2	484.6
Business services	441.9	459.9	475.2	468.9	474.1	478.0	479.6	485.7	487.6
Supplies	318.1	321.3	326.0	319.9	322.9	326.8	334.5	341.0	344.0
Property taxes & insurance	496.7	512.9	529.5	522.8	526.7	532.0	536.6	539.9	543.7
Interest, short-term	74.4	64.7	96.5	71.7	92.5	102.0	119.5	126.0	117.7
Total marketing cost index	414.6	424.1	435.0	430.6	432.9	435.8	440.5	446.0	449.8

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

Information contact: Veronica Jones (202) 219-0501.



## Livestock & Products

Table 10—U.S. Meat Supply & Use

	Beg. stocks	Production 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
				Million pounds 4/			Pounds		
Beef									
1993	360	23,049	2,401	25,810	1,275	529	24,006	65.0	75.36
1994	529	24,386	2,371	27,286	1,611	548	25,127	67.5	68.84
1995 F	548	25,072	2,120	27,740	1,700	450	25,590	68.0	66-67
1996 F	450	25,858	2,080	28,388	1,745	475	26,168	68.9	62-68
Pork									
1993	385	17,088	740	18,213	435	359	17,419	52.3	43.03
1994	359	17,696	743	18,798	531	438	17,829	53.1	40.03
1995 F	438	18,070	698	19,206	642	405	18,159	53.5	40-41
1996 F	405	18,438	680	19,523	610	400	18,513	54.1	37-40
Veal 5/									
1993	5	285	0	290	0	4	286	0.8	95.92
1994	4	293	0	297	0	6	291	0.9	87.14
1995 F	6	320	0	326	0	5	321	1.0	77-80
1996 F	5	326	0	331	0	5	326	1.0	75-81
Lamb & mutton									
1993	8	337	54	399	8	8	381	1.2	65.85
1994	8	308	49	365	9	11	345	1.2	66.77
1995 F	11	288	57	356	8	11	337	1.2	72-74
1996 F	11	266	53	330	8	11	311	1.2	72-76
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	43,750	2,875	47,628	2,350	871	44,407	123.8	—
1996 F	871	44,888	2,813	48,572	2,363	891	45,318	125.1	—
Broilers									
1993	368	22,016	0	22,384	1,965	358	20,059	68.4	55.2
1994	358	23,666	0	24,024	2,875	458	20,690	69.8	55.7
1995 F	458	25,132	0	25,590	3,668	500	21,423	71.7	53-55
1996 F	500	26,622	0	27,122	4,015	530	22,577	74.9	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	515	0	529	100	10	420	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	62.6
1994	249	4,937	0	5,186	245	254	4,686	18.0	65.7
1995 F	254	5,166	0	5,420	248	350	4,822	18.3	63-65
1996 F	350	5,341	0	5,691	258	300	5,133	19.3	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	30,814	0	31,541	4,116	860	26,665	91.6	—
1996 F	860	32,473	0	33,333	4,376	840	28,117	95.7	—
Red meat & poultry									
1993	1,408	68,088	3,195	72,691	3,953	1,515	67,221	207.7	—
1994	1,515	71,796	3,163	76,473	5,363	1,730	69,382	212.1	—
1995 F	1,730	74,564	2,875	79,169	6,366	1,731	71,071	215.4	—
1996 F	1,731	77,361	2,813	81,905	6,739	1,731	73,435	220.8	—

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 &amp; 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	6,209.6	4.1	6,228.6	194.5	834.6	12.0	5,187.5	236.5	68-69
1996 F	12.0	6,320.0	4.0	6,336.0	193.0	870.0	12.0	5,261.0	237.6	63-68

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

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

Table 12—U.S. Milk Supply & Use<sup>1</sup>

Production	Farm use	Commercial			Imports	Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals	
		Farm marketings	Beg. stocks					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	157.3	1.7	155.6	4.3	3.1	163.0	2.1	4.8	156.1	12.50	5.8	4.3

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

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

Table 13—Poultry &amp; Eggs

	Annual			1994	1995					
	1992	1993	1994	June	Jan	Feb	Mar	Apr	May	June
Broilers										
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	2,073.3	2,059.4	1,890.4	2,196.7	1,910.5	2,212.9	2,227.5
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.7	60.7	51.1	51.7	52.3	51.5	52.9	55.9
Price of grower feed (\$/ton) 1/	125	130.1	135.2	148	123	121	124	126	127	131
Broiler-feed price ratio 2/	5.1	5.3	5.2	5.1	5.3	5.4	5.3	5.1	5.1	5.0
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	414.5	458.4	448.1	458.2	486.7	514.2	510.4
Broiler-type chicks hatched (mil.) 3/	6,892.8	7,220.8	7,549.8	647.2	661.4	599.0	677.3	662.4	689.6	669.4
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	457.9	389.1	371.2	435.8	371.9	443.4	481.7
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	64.6	60.7	58.5	60	60.1	60.6	62.8
Price of turkey grower feed (\$/ton) 1/	117.3	118.8	125.5	131	117	116	118	120	121	125
Turkey-feed price ratio 2/	6.4	6.6	6.6	6.1	6.7	6.4	6.5	6.4	6.3	6.3
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	461.4	254.4	317.6	367.5	444.4	480.4	551.6
Poults placed in U.S. (mil.)	307.8	308.9	317.5	28.7	27.0	25.9	28.5	26.9	29.5	30.0
Eggs										
Farm production (mil.)	70,860	72,037	74,119	5,992	6,374	5,720	6,448	6,173	6,244	5,997
Average number of layers (mil.)	279	285	292	288	298	296	295	294	291	288
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	20.8	21.4	19.3	21.8	21.0	21.5	20.8
Cartoned price, New York, grade A large (cts./doz.) 4/	65.4	72.5	67.3	62.9	65.2	64.3	66.2	66.6	59.4	64.8
Price of laying feed (\$/ton) 1/	135.5	134.2	144.4	169	128	128	133	135	144	148
Egg-feed price ratio 2/	8.5	9.4	8.5	6.9	9.7	9.6	9.2	9.2	7.8	7.8
Stocks, first of month										
Shell (mil. doz.)	0.63	0.45	0.3	0.24	0.12	0.36	0.42	0.21	0.24	0.15
Frozen (mil. doz.)	12.3	13.0	10.4	11.5	14.8	14.8	13.9	14.0	13.2	13.6
Replacement chicks hatched (mil.)	391	406	379	32.0	31.5	31.7	34.8	34.1	36.3	33.4

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	June	Jan	Feb	Mar	Apr	May	June
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	11.25	11.35	11.79	11.89	11.18	11.12	11.42
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	65.1	64.0	65.5	66.5	66.5	66.5	69.9
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	120.2	124.5	130.4	131.1	122.8	122.1	126.9
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	106.1	106.7	107.1	107.8	107.6	106.8	106.7
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,936.4	6,653.8	4,810.8	455.4	591.5	127.1	329.3	297.4	271.3	141.5
Butter (mil. lb.)	439.5	288.8	204.3	19.7	24.0	3.3	12.6	11.6	10.6	5.6
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.2	0.4	0.4	0.6	0.6	0.4	0.3
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	27.1	30.8	49.0	49.7	48.4	46.7	23.6
Milk										
Milk prod. 22 States (mil. lb.)	127,439	126,956	132,240	11,249	11,280	10,441	11,698	11,477	11,936	11,462
Milk per cow (lb.)	15,714	15,836	16,334	1,388	1,394	1,291	1,444	1,417	1,475	1,415
Number of milk cows (1,000)	8,110	8,017	8,096	8,107	8,090	8,088	8,103	8,097	8,093	8,102
U.S. milk production (mil. lb.)	150,885	150,582	153,626	6/ 13,079	6/ 13,147	6/ 12,169	6/ 13,634	6/ 13,324	6/ 13,857	6/ 13,307
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	11,180	5,781	6,238	6,211	6,026	6,154	6,220
Commercial (mil. lb.)	4,461	4,688	4,550	5,427	4,264	4,780	4,806	4,860	5,034	5,277
Government (mil. lb.)	11,379	9,526	5,020	5,757	1,497	1,458	1,405	1,166	1,119	942
Imports, total (mil. lb.)	2,524	2,807	2,880	233	220	314	233	214	253	---
Commercial disappearance (mil. lb.)	141,351	145,037	150,218	12,733	12,116	12,200	13,340	12,927	13,452	---
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,295.9	99.2	132.0	120.3	125.7	119.3	116.5	99.5
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	281.4	79.4	89.9	88.3	74.8	79.1	81.3
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,097.2	86.3	96.4	116.7	115.8	101.9	96.4	---
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,977.0	258.8	262.0	240.2	263.2	258.9	273.3	264.4
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	351.5	310.4	326.1	330.1	331.4	335.3	344.4
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,034.1	241.4	246.1	242.7	262.5	255.3	267.2	---
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,753.1	299.9	303.6	288.2	330.7	305.0	324.2	323.1
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	162.1	126.8	131.5	127.0	135.3	131.0	121.6
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,047.9	322.1	320.0	313.9	347.3	331.2	357.7	---
Nonfat dry milk										
Production (mil. lb.)	872.1	954.5	1,215.6	118.6	106.7	98.3	110.4	116.5	130.0	122.3
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	124.9	131.2	140.9	121.9	125.4	154.5	154.8
Commercial disappearance (mil. lb.)	720.5	648.7	890.7	71.4	64.8	70.2	57.4	38.6	81.5	---
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,244.8	129.1	81.6	85.5	109.1	105.2	112.7	125.5

	Annual			1993	1994				1995	
	1992	1993	1994	IV	I	II	III	IV	I P	II P
Milk production (mil. lb.)	150,885	150,582	153,626	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.o.b. Central States production area. 3/ Includes products exported through the Dairy Export Incentive Program (DEIP). 4/ Milk equivalent, fat basis. 5/ Hard ice cream, ice milk, & hard sherbet. 6/ Estimated. --- = not available. P = preliminary.

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

Table 15—Wool

	Annual			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	37,082	36,187
Carpet wool (1,000 lb.)	14,695	15,431	14,400	4,450	3,484	3,640	3,165	3,050	3,748

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	Jun	Jan	Feb	Mar	Apr	May	Jun
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	8,325	8,870	8,866	8,926	8,992	8,790	8,630
Placed on feed (1,000 head)	20,508	20,474	19,997	1,205	1,720	1,607	1,776	1,435	1,738	1,413
Marketings (1,000 head)	18,548	19,048	19,602	1,770	1,636	1,481	1,629	1,557	1,827	1,868
Other disappearance (1,000 head)	1,194	1,219	895	106	88	66	81	80	71	62
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	63.60	73.60	73.79	70.64	67.54	64.27	63.08
Neb. Direct	75.35	76.36	68.84	63.13	71.97	72.55	70.00	66.63	63.72	63.74
Boning utility cows, Sioux Falls	44.84	47.52	42.51	44.50	38.79	40.63	39.32	38.47	36.94	36.13
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	—	91.72	83.24	81.47	79.88	76.91	76.31	76.69	72.13	68.94
750–800 lb.	—	86.45	77.72	75.63	76.50	72.53	68.84	65.41	64.83	67.06
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	43.01	37.96	39.60	38.13	36.04	37.42	43.28
6 markets	42.31	45.38	39.57	42.60	37.68	39.03	37.86	35.77	37.16	42.79
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	28.27	27.74	31.79	39.60	36.96	31.66	30.16
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	66.92	65.38	75.08	73.75	68.58	77.20	81.63
Ewes, Good, San Angelo	35.24	37.46	40.47	43.00	35.60	41.75	31.25	35.31	32.65	35.06
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	65.82	75.60	82.69	80.06	78.81	84.95	82.63
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	102.10	112.08	110.46	107.35	103.25	104.59	108.16
Select, 700–800 lb.	111.66	113.53	102.08	97.49	107.22	108.25	105.40	99.76	95.04	99.20
Canner & cutter cow beef	93.85	95.43	84.39	84.26	73.63	76.63	74.94	72.91	70.86	74.05
Pork cutout, No. 2	58.37	62.19	57.29	57.53	53.72	56.38	54.55	51.64	54.14	60.98
Pork loins, 14–18 lb.	101.41	107.47	101.50	103.84	96.94	102.20	95.30	93.33	103.50	118.81
Pork bellies, 12–14 lb.	30.39	41.62	40.00	40.39	36.03	35.80	36.30	33.83	31.70	37.94
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	55.61	46.40	54.34	51.60	44.00	41.82	48.40
All fresh beef retail price	266.41	271.45	265.02	264.98	261.76	261.74	265.29	260.13	261.47	257.60
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	3,038	2,869	2,581	2,950	2,650	3,123	3,243
Steers	17,138	17,222	18,027	1,704	1,434	1,286	1,498	1,401	1,703	1,779
Heifers	9,236	9,358	9,589	845	819	759	865	765	887	923
Cows	5,846	6,086	5,941	434	564	484	528	434	474	479
Bulls & stags	653	659	641	55	52	52	59	50	59	62
Calves	1,371	1,195	1,268	101	124	106	121	98	117	118
Sheep & lambs	5,496	5,182	4,938	392	386	375	468	440	371	360
Hogs	94,889	93,068	95,697	7,629	8,092	7,329	8,808	7,547	8,193	7,906
Barrows & gilts	89,964	88,387	90,758	7,203	7,682	6,969	8,391	7,208	7,807	7,484
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	2,156	2,009	1,808	2,060	1,849	2,184	2,279
Veal	299	267	283	24	27	24	27	22	26	26
Lamb & mutton	343	329	304	24	24	24	30	28	23	22
Pork	17,184	17,030	17,658	1,411	1,500	1,354	1,634	1,405	1,525	1,464

	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 &amp; Products

Table 17—Supply & Utilization<sup>1,2</sup>

	Area			Yield	Production	Total supply 4/	Feed & 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	2,981	340	942	1,188	2,471	510	3.45
1995/96*	4.3	69.3	60.9	36.6	2,227	2,838	250	970	1,175	2,395	443	3.65-4.05
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
Rice												
1990/91	1.0	2.9	2.8	5,529.0	156.1	187.2	—	6/ 91.6	71.0	162.6	24.6	6.7
1991/92	0.9	2.9	2.8	5,731.0	159.4	189.2	—	6/ 95.4	66.4	161.8	27.4	7.6
1992/93	0.4	3.2	3.1	5,736.0	179.7	213.2	—	6/ 96.7	77.0	173.7	39.4	5.9
1993/94	0.7	2.9	2.8	5,510.0	156.1	202.5	—	6/ 101.5	75.2	176.7	25.8	8.0
1994/95*	0.3	3.4	3.3	5,964.0	197.8	231.5	—	6/ 99.2	100.0	199.2	32.3	6.8
1995/96*	0.5	3.2	3.1	5,954.0	185.2	226.6	—	6/ 105.2	91.0	196.2	30.4	6.50-7.50
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Corn												
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,761	1,521	2.28
1991/92	7.4	76.0	68.8	108.6	7,475	9,016	4,877	1,454	1,584	7,915	1,100	2.37
1992/93	5.3	79.3	72.1	131.5	9,477	10,584	5,296	1,511	1,663	8,471	2,113	2.07
1993/94	10.9	73.2	62.9	100.7	6,336	8,470	4,704	1,588	1,328	7,620	850	2.50
1994/95*	2.4	79.2	72.9	138.6	10,103	10,965	5,650	1,710	2,150	9,510	1,455	2.25
1995/96*	6.4	71.3	64.7	125.6	8,122	9,587	5,025	1,775	2,000	8,800	787	2.45-2.85
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Sorghum												
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	8	292	674	53	2.25
1992/93	2.0	13.2	12.1	72.6	875	928	469	8	277	753	175	1.89
1993/94	2.3	9.9	8.9	59.9	534	709	453	8	202	662	48	2.31
1994/95*	1.6	9.8	9.0	73.0	655	703	390	7	220	617	86	2.15
1995/96*	1.4	9.1	8.3	65.1	539	624	390	7	180	577	47	2.30-2.70
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Barley												
1990/91	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92	2.2	8.9	8.4	55.2	464	624	225	176	94	496	129	2.10
1992/93	2.3	7.8	7.3	62.5	455	595	192	171	80	444	151	2.04
1993/94	2.5	7.8	6.8	58.9	398	621	241	175	66	482	139	1.99
1994/95*	2.7	7.2	6.7	56.2	375	580	226	175	66	467	113	2.03
1995/96*	2.3	6.8	6.4	59.9	385	567	240	175	50	465	102	2.20-2.60
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Oats												
1990/91	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92	0.6	8.7	4.8	50.6	244	490	235	125	2	362	128	1.21
1992/93	0.7	7.9	4.5	65.4	294	477	233	125	6	364	113	1.32
1993/94	0.8	7.9	3.8	54.4	207	427	193	125	3	321	106	1.36
1994/95*	0.6	6.6	4.0	57.2	230	429	202	125	1	328	101	1.22
1995/96*	0.6	6.4	3.2	57.3	186	402	185	125	1	311	91	1.30-1.70
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Soybeans												
1990/91	0.0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92	0.0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	684	2,041	278	5.58
1992/93	0.0	59.2	58.2	37.6	2,190	2,471	7/ 130	1,279	770	2,179	292	5.56
1993/94	0.0	60.1	57.4	32.6	1,871	2,170	7/ 96	1,276	589	1,961	209	6.40
1994/95*	0.0	61.9	61.1	41.9	2,558	2,773	7/ 173	1,395	825	2,393	380	5.45
1995/96*	0.0	63.1	61.7	36.4	2,246	2,631	7/ 121	1,385	800	2,306	325	5.50-6.50
	Mil. lbs.							Mil. lbs.				Cts./lb.
Soybean oil												
1990/91	—	—	—	—	13,408	14,730	—	12,164	780	12,944	1,786	21.00
1991/92	—	—	—	—	14,345	16,132	—	12,245	1,648	13,893	2,239	19.10
1992/93	—	—	—	—	13,778	16,028	—	13,054	1,419	14,473	1,555	21.40
1993/94	—	—	—	—	13,951	15,574	—	12,941	1,529	14,471	1,103	27.10
1994/95*	—	—	—	—	15,487	16,600	—	12,950	2,625	15,575	1,025	27.25
1995/96*	—	—	—	—	15,510	16,545	—	13,000	2,205	15,205	1,340	24.5-29.0
	1,000 tons							1,000 tons				\$/ton
Soybean meal												
1990/91	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181.40
1991/92	—	—	—	—	29,831	30,183	—	23,008	6,945	29,953	230	189.20
1992/93	—	—	—	—	30,364	30,687	—	24,251	6,232	30,483	204	193.75
1993/94	—	—	—	—	30,514	30,788	—	25,283	5,356	30,639	150	192.86
1994/95*	—	—	—	—	33,015	33,225	—	26,725	6,250	32,975	250	160.00
1995/96*	—	—	—	—	32,920	33,235	—	27,100	5,885	32,985	250	165-190

See footnotes at end of table.



Table 17—Supply &amp; Utilization (continued)

	Area			Yield	Production	Total supply 4/	Feed and residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/
	Set aside 3/	Planted	Harvested									
	Mil. acres			Lb./acre				Mil. bales				Cts./lb.
Cotton 10/												
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	9.6	20.8	2.4	73.00
1995/96*	0.3	16.7	15.8	663	21.8	24.3	---	11.5	7.7	19.2	5.2	12/

\* August 11, 1995 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum, October 1 for soybean meal & soybean oil. 2/ Conversion factors: Hectare (ha.) = 2.471 acres, 1 metric ton = 2204.622 pounds, 36.7437 bushels of wheat or soybeans, 39.3679 bushels of corn or sorghum, 45.9296 bushels of barley, 68.8944 bushels of oats, 22.046 cwt of rice, & 4.59 480-pound bales of cotton. 3/ Includes diversion, acreage reduction, 50-92, & 0-92 programs. 0/92 & 50/92 set-aside includes idled acreage & acreage planted to minor oilseeds, sesame, and crambe. 4/ Includes imports. 5/ Marketing-year weighted average price received by farmers. Does not include an allowance for loans outstanding & Government purchases. 6/ Residual included in domestic use. 7/ Includes seed. 8/ Simple average of crude soybean oil, Decatur. 9/ Simple average of 48 percent, Decatur. 10/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 11/ Weighted average for August-June, 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					
	1990/91	1991/92	1992/93	1993/94	June	Feb	Mar	Apr	May	June
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.80	3.80	3.98	3.87	3.86	4.22	4.72
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	4.20	4.09	4.11	4.30	4.61	4.89
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	17.50	13.75	13.88	13.88	15.03	17.04
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.71	2.37	2.45	2.50	2.58	2.73
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	4.43	3.90	4.01	4.08	4.27	4.50
Barley, feed, Duluth (\$/bu.)	2.13	2.17	2.11	2.05	2.05	2.06	2.02	1.97	2.11	2.22
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.86	2.82	2.85	---	---	3.15
U.S. cotton price, SLM, 1-1/16 in. (cts./lb.) 5/	74.8	56.7	54.1	66.1	76.8	91.9	104.2	104.9	105.4	106.9
Northern Europe prices cotton index (cts./lb.) 6/	82.9	62.9	56.9	70.7	85.1	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	86.1	103.9	116.7	120.2	121.7	129.0
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.79	5.48	5.66	5.68	5.74	5.85
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	27.51	27.97	28.17	26.16	25.75	26.66
Soybean meal, 48% protein, Decatur (\$/ton) 8/	181.40	189.20	193.75	181.10	195.50	151.30	156.90	161.90	159.10	160.40

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean meal & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ Average spot market. 6/ Liverpool Cotlook "A" Index; average of five lowest prices of 13 selected growths. 7/ Cotton: 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, &amp; Payment Rates

Farm crops 5/	Target price	Basic loan rate	Payment rates				Effective base acres 2/	Program 3/	Partici- pation rate 4/
			Findley or announced loan rate 1/	Paid land diversion		Total deficiency			
				Mandatory	Optional				

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

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

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

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

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

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

Information Contact: Jim Langley, Consolidated Farm Service Agency (202) 690-0640.



Table 20—Fruit

	1987	1988	1989	1990	1991	1992	1993	1994	1995 P
Citrus 1/ Production (1,000 ton)	11,993	12,761	13,186	10,860	11,285	12,452	15,274	14,499	16,049
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					
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Grower prices									
Apples (cents/pound) 4/	19.0	16.4	19.2	19.5	18.3	18.2	16.6	15.5	15.6
Pears (cents/pound) 4/	12.4	13.6	12.7	11.1	14.4	17.3	18.7	17.7	27.9
Oranges (\$/box) 5/	2.62	2.60	2.91	3.05	3.29	3.77	4.48	4.92	5.21
Grapefruit (\$/box) 5/	5.96	2.84	2.60	2.19	2.24	2.28	1.68	1.37	4.54
Stocks, ending									
Fresh apples (mil. lbs.)	6,163.3	5,198.8	4,486.0	3,722.2	2,986.0	2,212.1	1,618.9	947.6	597.1
Fresh pears (mil. lbs.)	487.7	387.3	323.4	214.3	149.8	99.1	57.6	21.0	3.0
Frozen fruits (mil. lbs.)	1,439.4	1,341.2	1,257.1	1,119.6	1,042.0	925.9	861.5	794.7	874.6
Frozen conc. orange juice (mil. single-strength gallons)	474.9	430.3	552.2	695.4	687.7	715.0	761.0	748.4	663.0

1/ Year shown is when harvest concluded. 2/ Fresh per capita consumption. 3/ Calendar year. 4/ Fresh use. 5/ U.S. equivalent on-tree returns. P = preliminary.  
— = not available.

Information contact: Diane Bertelsen (202) 219-0887.

Table 21—Vegetables

	Calendar year									
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 P
Production										
Total vegetables (1,000 cwt)	453,030	448,629	478,379	467,914	543,435	562,938	565,754	677,975	674,940	746,676
Fresh (1,000 cwt) 1/ 3/	203,549	203,165	220,537	228,191	240,289	240,519	230,689	378,503	373,604	378,702
Processed (tons) 2/ 3/	12,474,040	12,273,200	12,892,100	11,986,160	15,157,290	16,120,960	16,753,270	14,973,630	15,066,800	18,398,680
Mushrooms (1,000 lbs) 4/	587,956	614,393	631,819	667,759	714,992	749,151	746,832	776,357	754,783	780,000
Potatoes (1,000 cwt)	406,609	361,743	389,320	356,438	370,444	402,110	417,622	425,367	428,693	459,342
Sweetpotatoes (1,000 cwt)	14,573	12,368	11,611	10,945	11,358	12,594	11,203	12,005	11,053	13,395
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					
	June	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Shipments (1,000 cwt)										
Fresh	30,663	15,934	16,574	17,424	17,505	17,802	21,121	19,141	28,912	25,829
Iceberg lettuce	4,242	3,879	3,697	3,669	3,835	3,575	2,992	3,086	4,044	3,278
Tomatoes, all	3,728	2,661	2,862	2,252	2,320	3,238	3,691	2,907	3,378	3,165
Dry-bulb onions	3,149	3,916	4,019	3,660	3,510	2,759	3,386	3,043	4,005	2,909
Other 5/	19,544	5,478	5,996	7,843	7,840	8,230	11,052	10,105	17,485	16,479
Potatoes, all	12,033	11,271	11,886	13,364	13,418	12,815	17,818	17,872	20,620	10,905
Sweetpotatoes	112	241	310	673	214	237	291	317	159	166

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	159.78
Imports, green bean equiv. (mil. lbs.) 2/	2,716	2,555	2,943	2,445	2,048	560	447	550	491	618
	Annual				1994				1995	
	1992	1993	1994		Mar	Oct	Nov	Dec	Jan	Feb
Tobacco										
Avg. price to grower 3/										
Flue-cured (\$/lb.)	172.6	168.1	169.8	—	180.5	182.5	—	—	—	—
Burley (\$/lb.)	181.5	181.5	181.4	—	—	180.5	184.0	183.5	182.5	—
Domestic consumption 4/										
Cigarettes (bil.)	509.5	462.9	488.6	44.4	40.7	38.3	39.4	38.5	34.5	42.7
Large cigars (mil.)	2,217.1	2,236.8	2,290.8	204.4	204.0	202.4	159.2	159.3	136.4	227.4

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 &amp; Utilization of Major Crops, Livestock &amp; Products

	1989/90	1990/91	1991/92	1992/93	1993/94	1994/95 F	1995/96 F
Million units							
<b>Wheat</b>							
Area (hectares)	225.8	231.4	222.5	223.1	221.1	215.0	218.2
Production (metric tons)	533.2	588.0	542.1	561.8	559.4	522.9	539.6
Exports (metric tons) 1/	103.9	101.0	110.8	112.7	111.2	98.0	98.5
Consumption (metric tons) 2/	532.7	561.5	554.7	549.5	563.4	549.1	549.2
Ending stocks (metric tons) 3/	118.9	145.4	132.8	145.1	141.0	114.9	105.3
<b>Coarse grains</b>							
Area (hectares)	321.1	314.4	318.2	318.8	311.7	315.4	304.8
Production (metric tons)	791.3	821.5	805.0	865.3	790.1	865.0	817.9
Exports (metric tons) 1/	104.5	89.5	96.1	91.5	85.4	91.4	89.8
Consumption (metric tons) 2/	815.6	809.3	804.9	837.0	831.1	856.7	850.3
Ending stocks (metric tons) 3/	122.3	134.5	134.6	162.8	121.8	130.1	97.8
<b>Rice, milled</b>							
Area (hectares)	146.6	146.7	146.0	145.6	144.4	145.3	145.8
Production (metric tons)	343.1	350.5	349.5	352.3	352.4	360.3	357.0
Exports (metric tons) 4/	11.7	12.1	14.1	14.9	16.0	17.9	16.4
Consumption (metric tons) 2/	338.1	345.8	351.5	354.9	356.9	361.0	363.7
Ending stocks (metric tons) 3/	54.1	58.8	56.8	54.3	49.7	49.0	42.3
<b>Total grains</b>							
Area (hectares)	693.5	692.5	686.7	687.5	677.2	675.7	668.8
Production (metric tons)	1,667.6	1,760.0	1,696.6	1,779.4	1,701.9	1,748.2	1,714.5
Exports (metric tons) 1/	219.8	202.6	221.0	219.1	212.6	207.3	204.7
Consumption (metric tons) 2/	1,686.4	1,716.6	1,711.1	1,741.4	1,751.4	1,766.8	1,763.2
Ending stocks (metric tons) 3/	295.3	338.7	324.2	362.2	312.5	294.0	245.4
<b>Oilseeds</b>							
Crush (metric tons)	171.7	176.7	185.1	183.7	188.2	204.3	210.0
Production (metric tons)	212.4	215.7	224.4	227.5	227.4	260.4	254.4
Exports (metric tons)	35.6	33.4	37.6	37.7	37.8	43.7	43.8
Ending stocks (metric tons)	23.7	23.4	21.8	23.5	20.1	27.8	24.7
<b>Meals</b>							
Production (metric tons)	116.8	119.3	125.2	124.5	129.7	139.8	143.6
Exports (metric tons)	39.8	40.7	42.0	40.8	44.3	47.0	47.8
<b>Oils</b>							
Production (metric tons)	57.1	58.1	60.6	60.9	62.3	67.7	69.9
Exports (metric tons)	20.4	20.5	21.3	21.1	23.7	26.0	25.9
<b>Cotton</b>							
Area (hectares)	31.6	33.2	36.5	32.6	30.6	31.9	34.6
Production (bales)	79.7	87.0	96.0	82.7	77.0	85.3	90.8
Exports (bales)	31.3	29.7	28.1	25.5	27.2	29.2	28.0
Consumption (bales)	87.0	85.7	86.1	85.8	85.3	83.9	86.5
Ending stocks (bales)	24.9	27.1	37.4	35.1	27.3	29.8	34.0
	1989	1990	1991	1992	1993	1994 P	1995 F
<b>Red meat</b>							
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	7.3
<b>Poultry 5/</b>							
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
<b>Dairy</b>							
Milk production (metric tons) 6/	387.4	395.0	384.9	379.3	379.0	378.6	379.9

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	June	Jan	Feb	Mar	Apr	May	June
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	3.79	4.25	4.20	4.09	4.05	4.33	4.63
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	2.85	2.72	2.72	2.78	2.79	2.84	3.03
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	2.75	2.73	2.69	2.73	2.73	2.85	2.99
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	6.99	6.01	5.97	6.10	6.09	6.04	6.20
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	27.51	29.01	27.98	28.18	26.17	25.76	26.67
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	196.60	156.40	151.96	156.21	160.16	159.39	160.40
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	76.85	88.11	91.89	104.20	104.94	105.38	106.96
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	169.97	188.03	192.05	170.55	152.49	—	—
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	19.25	13.75	13.75	13.75	13.75	14.33	16.70
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	16.27	22.20	18.79	18.16	17.75	17.50	17.77
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	1.27	1.60	1.57	1.68	1.63	1.61	1.51
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	55.08	85.68	92.61	94.14	93.43	89.50	80.80
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.61	0.62	0.64	0.62	0.62	0.61	0.60

— = not available.

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

Table 25—Indexes of Real Trade-Weighted Dollar Exchange Rates<sup>1</sup>

	1994						1995						
	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May P	June P	Jul P
	1990 = 100												
Total U.S. trade	100.7	100.9	99.7	98.0	99.2	101.4	99.9	98.8	95.0	92.7	93.7	93.2	91.9
Agricultural trade													
U.S. markets	95.4	95.3	94.4	93.8	94.2	96.7	99.6	99.1	97.3	92.8	92.3	92.3	91.6
U.S. competitors	101.6	101.2	100.2	98.4	99.1	100.5	99.4	98.5	96.1	94.5	95.0	94.5	93.6
Wheat													
U.S. markets	106.4	105.5	104.6	103.8	102.9	103.3	103.5	103.5	102.0	99.6	99.2	99.0	98.0
U.S. competitors	105.5	105.4	104.3	103.1	103.8	104.8	104.2	103.9	102.1	100.2	101.1	101.1	100.1
Soybeans													
U.S. markets	92.0	91.7	90.9	89.9	90.6	93.2	95.2	94.5	91.6	87.3	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	63.7	63.2
Corn													
U.S. markets	89.9	89.5	88.7	88.4	88.4	90.3	91.8	91.8	89.0	84.1	84.1	84.1	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	92.3	91.6
Cotton													
U.S. markets	98.2	98.0	97.4	96.7	96.7	97.7	98.3	98.0	96.4	93.5	93.1	92.9	92.0
U.S. competitors	122.5	123.7	122.9	121.2	120.4	120.4	116.6	116.4	115.6	114.5	114.4	113.8	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. "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: Tim Baxter (202) 219-0635.

Table 26—Trade Balance

	Fiscal year 1/								May
	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	53,000	4,231
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	42,351
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	46,582
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	29,000	2,582
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	60,208
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	62,790
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	24,000	1,649
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-17,857
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-16,208

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 &amp; Imports

	Fiscal year*			May	Fiscal year*			May
	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	—	35	358	469	—	13
Meats & preps., excl. poultry (mt)	1,160	1,316	3/ 1,200	139	3,349	3,503	—	400
Dairy products (mt) 1/	211	188	—	17	762	709	800	66
Poultry meats (mt)	986	1,377	1,800	149	1,031	1,420	—	147
Fats, oils, & greases (mt)	1,362	1,341	1,700	197	519	515	—	93
Hides & skins incl. furskins	—	—	—	—	1,288	1,439	—	152
Cattle hides, whole (no.) 1/	19,786	20,065	—	1,982	1,062	1,128	—	124
Mink pelts (no.) 1/	3,119	3,197	—	232	56	79	—	7
Grains & feeds (mt)	103,701	88,090	—	9,477	14,103	13,130	4/ 16,900	1,376
Wheat (mt)	36,039	31,145	31,000	2,041	4,737	4,026	5/ 5,000	312
Wheat flour (mt)	1,075	1,024	1,200	117	217	201	—	24
Rice (mt)	2,710	2,433	3,600	292	766	889	1,000	78
Feed grains, incl. products (mt)	50,701	40,441	61,800	6,036	5,260	4,744	7,000	703
Feeds & fodders (mt)	11,500	11,380	6/ 13,300	895	2,147	2,231	—	186
Other grain products (mt)	1,676	1,667	—	96	976	1,039	—	74
Fruits, nuts, & preps. (mt)	3,398	3,597	—	293	3,409	3,827	4,500	313
Fruit juices incl.	—	—	—	—	—	—	—	—
froz. (1,000 hectoliters) 1/	7,845	7,018	—	711	423	467	—	49
Vegetables & preps. (mt)	2,790	2,920	—	314	3,220	3,489	—	354
Tobacco, unmanufactured (mt)	231	196	—	14	1,443	1,260	1,300	98
Cotton, excl. linters (mt)	1,125	1,566	2,100	149	1,526	2,287	3,700	289
Seeds (mt)	529	490	—	59	648	601	700	38
Sugar, cane or beet (mt) 1/	337	392	—	39	106	130	—	14
Oilseeds & products (mt)	29,190	24,051	—	1,927	7,211	6,856	8,700	515
Oilseeds (mt)	21,044	16,958	—	1,308	4,981	4,559	—	325
Soybeans (mt)	20,400	16,364	22,500	1,231	4,606	4,161	5,000	279
Protein meal (mt)	6,545	5,406	—	471	1,262	1,085	—	77
Vegetable oils (mt)	1,601	1,687	—	148	968	1,213	—	113
Essential oils (mt)	13	15	—	2	185	206	—	23
Other	92	132	—	10	3,008	3,203	—	289
Total	145,125	125,671	163,100	12,786	42,589	43,511	53,000	4,231
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	—	411	1,569	1,360	1,600	161
Meats & preps., excl. poultry (mt)	1,128	1,159	—	88	2,726	2,721	—	191
Beef & veal (mt)	793	776	700	59	1,919	1,822	1,500	121
Pork (mt)	276	318	300	23	663	744	600	55
Dairy products (mt) 1/	231	260	—	22	860	955	1,000	84
Poultry & products 1/	—	—	—	—	137	133	—	13
Fats, oils, & greases (mt)	44	40	—	4	30	26	—	3
Hides & skins, incl. furskins 1/	—	—	—	—	181	195	—	19
Wool, unmanufactured (mt)	59	56	—	7	173	152	—	29
Grains & feeds (mt)	4,942	10,009	7,600	616	1,639	2,328	2,300	188
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,600	675	2,988	2,996	—	340
Bananas & plantains (mt)	3,737	3,836	4,000	382	1,083	1,057	1,100	112
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	25,600	2,246	640	686	—	59
Vegetables & preps. (mt)	2,733	2,866	—	243	2,440	2,642	3,000	240
Tobacco, unmanufactured (mt)	386	319	200	7	1,101	912	400	16
Cotton, unmanufactured (mt)	12	16	—	2	11	17	—	3
Seeds (mt)	189	309	300	19	214	255	300	22
Nursery stock & cut flowers 1/	—	—	—	—	629	685	—	90
Sugar, cane or beet (mt)	1,569	1,619	1,600	54	591	616	—	25
Oilseeds & products (mt)	2,484	3,219	3,100	283	1,204	1,479	1,600	169
Oilseeds (mt)	373	895	—	53	130	273	—	22
Protein meal (mt)	618	760	—	72	89	108	—	10
Vegetable oils (mt)	1,492	1,564	—	158	985	1,098	—	138
Beverages excl. fruit	—	—	—	—	—	—	—	—
juices (1,000 hectoliters) 1/	14,014	15,710	—	1,566	1,975	2,122	—	211
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,000	143	3,018	3,622	5,200	396
Coffee, incl. products (mt)	1,185	969	1,000	74	1,502	2,019	4,000	269
Cocoa beans & products (mt)	770	748	700	47	1,028	1,077	1,100	83
Rubber & allied gums (mt)	981	1,001	1,000	96	839	885	1,600	172
Other	—	—	—	—	1,489	1,578	—	151
Total	—	—	—	—	24,454	26,365	29,000	2,582

\*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*			May	Change from year* earlier			May
	1993	1994	1995 F	1995	1993	1994	1995 F	1995
	\$ million				Percent			
<b>WESTERN EUROPE</b>	7,499	6,802	8,500	536	-3	-6	25	10
European Union 1/	7,241	6,557	8,100	517	-2	-7	24	15
Belgium-Luxembourg	482	504	—	44	5	5	—	-2
France	613	466	—	24	-1	-24	—	-37
Germany	1,146	1,028	—	64	5	-10	—	-19
Italy	568	564	—	34	-17	-1	—	28
Netherlands	1,801	1,609	—	140	-1	-11	—	37
United Kingdom	916	931	—	66	4	2	—	7
Portugal	223	224	—	13	-7	0	—	-62
Spain, incl. Canary Islands	829	780	—	91	-13	-6	—	118
Other Western Europe	258	274	400	19	-13	9	46	-50
Switzerland	152	154	—	10	-19	1	—	-18
<b>EASTERN EUROPE</b>	468	312	300	14	111	-33	-4	-27
Poland	230	111	—	7	368	-52	—	-11
Former Yugoslavia	47	98	—	1	-6	107	—	-76
Romania	107	50	—	3	42	-53	—	-25
Former Soviet Union	1,561	1,486	1,100	83	-42	-5	-26	25
<b>ASIA</b>	17,832	19,390	2/ 23,500	2,200	0	9	—	29
West Asia (Mideast)	1,922	1,698	2,300	182	9	-12	35	20
Turkey	369	240	—	51	7	-35	—	55
Iraq	1	3	—	0	150	116	—	0
Israel, incl. Gaza & W. Bank	382	361	500	38	10	-6	39	8
Saudi Arabia	463	500	500	42	-16	8	0	-20
South Asia	641	556	—	64	20	-13	—	-23
Bangladesh	52	120	—	21	-58	131	—	43
India	226	130	—	13	93	-43	—	-39
Pakistan	236	212	500	23	4	-10	136	-39
China	322	877	2,500	177	-53	172	185	47
Japan	8,461	9,208	9,900	961	1	9	8	20
Southeast Asia	1,551	1,789	—	168	6	15	—	6
Indonesia	327	408	—	53	-7	25	—	45
Philippines	512	554	700	50	16	8	26	1
Other East Asia	4,935	5,262	7,400	648	0	7	41	69
Taiwan	1,999	2,103	2,400	244	4	5	14	71
Korea, Rep.	2,041	2,055	3,500	299	-7	1	70	108
Hong Kong	880	1,103	1,500	105	8	25	36	9
<b>AFRICA</b>	2,671	2,237	2,900	228	16	-16	30	90
North Africa	1,659	1,470	2,100	147	18	-11	43	108
Morocco	310	167	—	6	98	-46	—	-44
Algeria	458	608	500	43	-4	33	-18	41
Egypt	756	613	1,400	94	7	-19	128	223
Sub-Saharan	1,012	766	800	81	13	-24	4	63
Nigeria	158	111	—	9	413	-30	—	5
Rep. S. Africa	383	113	—	23	17	-70	—	96
<b>LATIN AMERICA &amp; CARIBBEAN</b>	6,883	7,252	7,800	600	7	5	8	-4
Brazil	231	228	700	26	61	-1	207	192
Caribbean Islands	1,015	952	—	95	5	-6	—	20
Central America	675	729	—	73	15	8	—	-6
Colombia	234	258	—	30	65	10	—	159
Mexico	3,660	4,133	3,500	284	0	13	-15	-25
Peru	172	205	—	20	-4	19	—	36
Venezuela	502	410	500	43	27	-18	22	15
<b>CANADA</b>	5,220	5,261	5,900	532	8	1	12	9
<b>OCEANIA</b>	456	497	700	37	7	9	41	-14
<b>TOTAL</b>	42,589	43,511	53,000	4,231	0	2	22	19
Developed countries	22,337	22,453	25,500	2,121	2	1	14	14
Developing countries	18,357	18,683	23,600	1,847	8	2	26	23
Other countries	1,896	2,375	3,900	263	-56	25	64	64

\*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	1994 F	1995 F
	\$ billion										
1. Farm receipts	150.1	140.0	148.5	158.4	168.9	177.5	176.6	179.0	183.9	190.7	187 to 197
Crops (incl. net CCC loans)	74.3	63.7	65.9	71.7	77.0	80.1	82.1	84.9	84.5	91.6	91 to 95
Livestock	69.8	71.6	76.0	79.4	84.1	89.8	86.7	86.3	90.6	88.3	85 to 89
Farm related 1/	6.0	5.7	6.6	7.3	7.8	7.6	7.8	7.8	8.8	10.8	11 to 13
2. Direct Government payments	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9.2	13.4	7.8	6 to 8
Cash payments	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9.2	13.4	7.8	6 to 8
Value of PIK commodities	0.1	3.7	10.1	7.4	1.7	0.9	0.0	0.0	0.0	0.0	0 to 1
3. Gross cash income (1+2) 2/	157.9	152.8	165.1	172.9	179.8	186.8	184.9	188.2	197.2	198.5	195 to 203
4. Nonmoney income 3/	5.6	5.5	5.6	6.3	8.1	8.0	7.7	7.8	7.9	8.1	7 to 9
5. Value of inventory change	-2.3	-2.2	-2.3	-3.4	4.8	3.4	-0.3	4.3	-3.6	7.1	0 to 4
6. Total gross farm income (3+4+5)	161.2	156.1	168.5	175.8	192.8	198.2	192.3	200.2	201.4	213.7	205 to 213
7. Cash expenses 4/	110.7	105.0	109.4	119.0	125.6	131.8	131.7	130.8	138.7	144.6	142 to 150
8. Total expenses	132.4	125.1	128.8	137.8	144.9	151.3	151.2	150.1	158.0	164	162 to 170
9. Net cash income (3-7)	47.1	47.8	55.8	53.9	54.2	55.1	53.2	57.4	58.5	53.9	48 to 58
10. Net farm income (6-8)	28.8	31.0	39.7	38.0	47.9	46.9	41.1	50.1	43.4	49.7	38 to 48
Deflated (1987\$)	30.5	32.0	39.7	37.3	43.3	41.1	34.9	41.5	34.9	39.4	29 to 37

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. P = preliminary. F = forecast.  
 Note: 1988-92 accounts (primarily expenses) have been revised to reflect improved methods for estimating farm income. Call contact for information.

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

Table 30—Average Income to Farm Operator Households

	Calendar year					
	1990	1991	1992	1993	1994 F	1995 F
	\$ per operator household					
Farm income to household 1/	5,742	5,810	7,180	4,815	5,328	3,600 to 6,600
Self-employment farm income	4,973	4,458	5,172	3,623	—	—
Other farm income to household	768	1,352	2,008	1,192	—	—
Plus: Total off-farm income	33,265	31,638	35,731	35,408	36,683	37,000 to 39,000
Income from wages, salaries, and non-farm businesses	24,778	23,551	27,022	25,215	—	—
Income from interest, dividends, transfer payments, etc.	8,487	8,087	8,709	10,194	—	—
Equals: Farm operator household income	39,007	37,447	42,911	40,223	42,011	40,600 to 45,600

1/ Farm income to the household equals self-employment income plus amounts that operators pay themselves & family members to work on the farm, income from renting out acreage (1990-92), & net income from a farm business other than the one being surveyed. In 1993, income from renting out acreage is included in income from interest, dividends, transfer payments, etc. 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 = forecast. — = not available.

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



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

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

1/ As of Dec. 31. 2/ Non-CCC crops held on farms plus value above loan rates for crops held under CCC. 3/ Excludes debt on operator dwellings, but includes CCC storage and drying facilities loans. 4/ Excludes debt for nonfarm purposes. P = preliminary. F = forecast.

Information contacts: Ken Erickson, (202) 219-0799, Jim Ryan (202) 219-0796.



Table 32—Cash Receipts from Farm Marketings, by State

Region & State	Livestock & products				Crops 1/				Total 1/			
	1993	1994	Apr 1995	May 1995	1993	1994	Apr 1995	May 1995	1993	1994	Apr 1995	May 1995
	\$ million 2/											
<b>NORTH ATLANTIC</b>												
Maine	274	276	22	22	198	207	24	14	472	483	46	36
New Hampshire	65	64	6	6	99	87	8	6	164	151	14	11
Vermont	403	390	32	35	81	91	11	7	484	480	44	42
Massachusetts	122	117	10	10	375	341	16	15	497	458	26	26
Rhode Island	12	12	1	1	67	68	7	5	79	80	8	6
Connecticut	258	251	20	20	263	222	20	17	521	473	40	37
New York	1,888	1,887	151	168	930	968	72	52	2,818	2,855	223	220
New Jersey	199	183	15	16	508	590	45	42	707	772	60	58
Pennsylvania	2,621	2,612	221	237	1,091	1,166	98	93	3,712	3,778	319	330
<b>NORTH CENTRAL</b>												
Ohio	1,673	1,577	124	137	2,720	2,905	185	172	4,393	4,482	309	308
Indiana	1,931	1,765	130	129	3,186	3,079	167	138	5,117	4,845	297	267
Illinois	2,248	2,065	153	184	5,834	6,165	396	372	8,082	8,230	549	556
Michigan	1,376	1,410	103	113	1,991	2,001	124	115	3,367	3,411	228	228
Wisconsin	4,164	3,945	307	340	1,086	1,435	86	73	5,250	5,380	393	413
Minnesota	3,774	3,447	246	279	2,799	3,076	140	156	6,573	6,523	386	435
Iowa	5,829	5,120	353	472	4,173	4,965	356	340	10,002	10,084	709	812
Missouri	2,270	2,452	182	213	1,783	2,074	96	80	4,053	4,526	278	294
North Dakota	706	627	39	42	2,227	2,307	134	81	2,933	2,935	173	123
South Dakota	2,173	1,644	114	130	1,147	1,699	82	64	3,320	3,343	195	194
Nebraska	5,842	5,403	351	489	3,067	3,158	183	159	8,909	8,561	534	648
Kansas	4,870	4,809	330	533	2,493	2,879	116	96	7,363	7,688	446	630
<b>SOUTHERN</b>												
Delaware	463	505	39	41	159	154	9	8	622	659	47	48
Maryland	806	793	59	67	560	552	49	38	1,366	1,345	108	105
Virginia	1,385	1,386	99	103	683	775	32	31	2,068	2,161	131	134
West Virginia	328	329	27	26	77	75	3	3	405	403	30	29
North Carolina	3,201	3,333	245	275	2,256	3,034	174	171	5,457	6,367	419	446
South Carolina	603	615	51	49	618	746	39	39	1,221	1,361	90	88
Georgia	2,572	2,668	179	193	1,639	1,982	110	149	4,211	4,650	289	341
Florida	1,202	1,191	85	92	4,548	4,777	571	509	5,750	5,969	655	601
Kentucky	1,720	1,645	94	111	1,656	1,586	48	38	3,376	3,231	142	149
Tennessee	1,012	982	75	85	1,027	1,170	52	41	2,039	2,152	126	126
Alabama	2,184	2,159	146	175	726	746	42	43	2,910	2,905	189	218
Mississippi	1,577	1,706	114	119	1,028	1,210	71	53	2,605	2,916	185	173
Arkansas	2,902	3,114	207	205	1,480	2,161	49	39	4,382	5,275	256	244
Louisiana	688	704	58	59	1,069	1,305	44	30	1,757	2,009	101	89
Oklahoma	2,762	2,700	204	173	1,108	1,164	55	52	3,870	3,863	259	225
Texas	8,342	8,228	543	654	4,275	4,326	253	197	12,617	12,554	796	851
<b>WESTERN</b>												
Montana	938	867	54	43	843	990	59	55	1,781	1,857	113	98
Idaho	1,167	1,199	83	103	1,680	1,758	126	89	2,847	2,957	210	192
Wyoming	657	621	46	33	160	157	4	4	817	778	50	37
Colorado	2,879	2,779	180	263	1,204	1,250	63	75	4,083	4,029	243	338
New Mexico	1,135	1,099	82	75	486	423	23	39	1,621	1,522	105	115
Arizona	885	824	54	90	1,037	1,043	57	79	1,922	1,867	111	168
Utah	626	598	46	45	177	223	28	14	803	820	74	59
Nevada	187	189	16	18	102	110	11	4	289	299	28	22
Washington	1,561	1,609	136	125	3,013	3,083	194	179	4,574	4,692	330	304
Oregon	739	726	57	80	1,737	1,920	91	76	2,476	2,646	148	157
California	5,246	5,398	406	424	14,604	14,713	1,452	1,755	19,850	20,111	1,858	2,179
Alaska	6	6	0	1	20	22	1	1	26	28	2	2
Hawaii	85	75	6	7	406	420	34	34	491	495	40	41
<b>UNITED STATES</b>	<b>90,555</b>	<b>88,104</b>	<b>6,300</b>	<b>7,308</b>	<b>84,497</b>	<b>91,358</b>	<b>6,111</b>	<b>5,945</b>	<b>175,052</b>	<b>179,462</b>	<b>12,412</b>	<b>13,253</b>

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	May	Jan	Feb	Mar	Apr	May
	\$ million											
Farm marketings & CCC loans*	161,142	169,974	168,795	171,202	175,052	179,462	12,916	17,431	12,405	14,014	12,412	13,253
Livestock & products	84,122	89,843	86,735	86,350	90,555	88,104	7,656	7,544	7,132	7,603	6,300	7,308
Meat animals	46,857	51,911	51,089	48,467	51,364	46,808	4,129	4,398	4,199	4,302	3,170	4,036
Dairy products	19,396	20,149	18,037	19,835	19,316	19,934	1,791	1,667	1,528	1,742	1,666	1,739
Poultry & eggs	15,372	15,243	15,122	15,480	17,241	18,443	1,531	1,250	1,209	1,344	1,267	1,327
Other	2,498	2,540	2,487	2,569	2,635	2,919	206	229	195	215	198	206
Crops	77,020	80,131	82,060	84,853	84,497	91,358	5,260	9,887	5,273	6,411	6,111	5,945
Food grains	8,247	7,517	7,414	8,455	8,221	9,469	362	878	429	470	319	316
Feed crops	17,054	18,671	19,491	19,782	19,338	20,574	857	2,812	1,435	1,599	1,208	1,089
Cotton (lint & seed)	5,033	5,489	5,236	5,192	5,015	5,697	108	1,854	591	427	211	189
Tobacco	2,415	2,741	2,886	2,961	2,949	2,645	0	340	49	27	4	0
Oil-bearing crops	11,866	12,258	12,709	13,277	13,046	15,216	832	1,733	758	826	682	744
Vegetables & melons	11,592	11,449	11,561	11,767	12,656	13,020	1,234	856	667	1,309	1,482	1,789
Fruits & tree nuts	9,157	9,420	9,909	10,123	9,927	9,987	642	516	456	491	591	594
Other	11,657	12,586	12,854	13,297	13,345	14,750	1,224	898	889	1,262	1,616	1,225
Government payments	10,887	9,298	8,214	9,169	13,402	7,881	728	93	729	2,083	838	568
Total	172,029	179,272	177,009	180,371	188,454	187,343	13,645	17,524	13,134	16,097	13,249	13,821

\* 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 &amp; Function

		Fiscal year									
May		1987	1988	1989	1990	1991	1992	1993	1994	1995 E	1996 E
		\$ million									
253	COMMODITY/PROGRAM										
308	Feed grains										
036	Corn	12,346	8,227	2,863	2,435	2,387	2,105	5,143	625	2,079	887
739	Grain sorghum	1,203	764	467	349	243	190	410	130	156	97
327	Barley	394	57	45	-94	71	174	186	202	160	47
206	Oats	17	-2	1	-5	12	32	16	5	20	-1
945	Corn & oat products	7	7	8	8	9	9	10	10	1	0
316	Total feed grains	13,967	9,053	3,384	2,693	2,722	2,510	5,765	972	2,416	1,030
089	Wheat	2,836	678	53	796	2,805	1,719	2,185	1,729	955	889
189	Rice	906	128	631	667	867	715	887	836	826	662
0	Upland cotton	1,786	666	1,461	-79	382	1,443	2,239	1,539	86	70
744	Tobacco	-346	-453	-367	-307	-143	29	235	693	-510	-135
789	Dairy	1,166	1,295	679	505	839	232	253	158	20	121
594	Soybeans	-476	-1,676	-86	5	40	-29	109	-183	-17	11
225	Peanuts	8	7	13	1	48	41	-13	37	86	78
568	Sugar	-65	-246	-25	15	-20	-19	-35	-24	-37	-32
821	Honey	73	100	42	47	19	17	22	0	-9	14
	Wool	152	1/ 5	93	104	172	191	179	211	107	52
	Operating expense 3/	535	614	620	618	625	6	6	6	7	7
	Interest expenditure	1,219	425	98	632	745	532	129	-17	-62	157
	Export programs 4/	276	200	-102	-34	733	1,459	2,193	1,950	1,655	1,235
	1989/94 Disaster/Tree/										
	livestock assistance	0	0	3,919	2/ 161	121	1,054	944	2,566	705	20
	Other	371	1,665	110	647	155	-162	949	-137	602	1,334
	Total	22,408	12,461	10,523	6,471	10,110	9,738	16,047	10,336	6,830	5,513
	FUNCTION										
	Price-support loans (net)	12,199	4,579	-926	-399	418	584	2,065	527	-325	-56
	Direct payments 5/										
	Deficiency	4,833	3,971	5,798	4,178	6,224	5,491	8,607	4,391	3,926	2,559
	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	37	39
	Other	0	0	0	0	0	140	149	171	101	82
	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	5,057	4,064	2,680
	1988-94 crop disaster	0	0	3,386	2/ 5	6	960	872	2,461	625	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	15	363
	Producer storage										
	payments	832	658	174	185	1	14	9	12	20	0
	Processing, storage,										
	& transportation	1,659	1,113	659	278	240	185	136	112	82	78
	Operating expense 3/	535	614	620	618	625	6	6	6	7	7
	Interest expenditure	1,219	425	98	632	745	532	129	-17	-62	157
	Export programs 4/	276	200	-102	-34	733	1,459	2,193	1,950	1,655	1,235
	Other	305	1,727	-46	708	240	-264	897	-170	669	1,029
	Total	22,408	12,461	10,523	6,471	10,110	9,738	16,047	10,336	6,830	5,513

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 Mid-Session Review Budget which was released July 31, 1995 based on June 1995 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	May	June	July P	May	June	July P
\$ billion									
Sales 1/ At home 2/ Away From home 3/	316.8 237.7	322.9 252.7	333.9 268.0	29.4 23.6	29.0 24.6	29.4 24.9	138.3 108.6	167.3 133.3	196.7 158.2
1994 \$ billion									
Sales 1/ At home 2/ Away from home 3/	336.1 246.1	334.3 257.0	333.9 268.0	28.5 23.1	28.2 24.1	28.6 24.3	134.3 106.9	162.7 131.1	191.4 155.4
Percent change from year earlier (\$ bil.)									
Sales 1/ At home 2/ Away from home 3/	0.4 3.4	1.9 6.3	3.4 6.1	5.3 7.4	2.8 11.5	2.7 14.0	4.6 7.8	4.3 8.5	4.0 9.3
Percent change from year earlier (1994 \$ bil.)									
Sales 1/ At home 2/ Away from home 3/	-2.2 1.4	-0.5 4.4	-0.1 4.3	1.3 4.9	-0.8 8.9	-0.2 10.8	0.1 5.5	-0.1 6.1	-0.1 6.8

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	June	Jan	Feb	Mar	Apr	May	June
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	110.9	111.9	112.0	112.0	111.7	111.8	112.0 P	112.0 P	111.9 P
Farm products	111.1	113.7	114.5	114.1	115.9	115.8	116.4	116.4 P	116.4 P	116.4 P
Grain	111.4	114.7	115.5	114.8	117.1	116.9	117.7	117.7 P	117.7 P	117.7 P
Food products	108.7	109.0	111.1	110.9	111.3	111.3	111.6	111.6 P	111.6 P	111.6 P
Barge freight rate index 1/ (Dec. 1984=100)										
Grain	105.8	101.2	111.0	84.1	170.8	151.7	162.9	127.7 P	128.4 P	143.3 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.6	23.3	28.3 P	29.3 P	30.3 P	27.8 P	26.0 P	28.4 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	2.3	2.4	2.0	2.6	3.6	3.1	2.3
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	2.0	1.1 P	1.1	1.1 P	1.0 P	1.8 P	1.5 P
Rail (mil. cwt)	2.6	2.2	2.4	3.1	2.5 P	2.4	2.4 P	1.8 P	2.3 P	2.6 P
Truck (mil. cwt)	43.9	44.8	43.8	53.0	39.2 P	34.5	36.2 P	44.7 P	53.2 P	47.2 P
Cost of operating trucks hauling produce 4/ Fleet operation (cts./mile)	124.1	127.2	128.0	127.4	128.9	129.2	128.7	129.9	130.3	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, & Productivity<sup>1</sup>

	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 Commodities<sup>1</sup>

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	15.1
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	10.3
Other cheese 6/	4.0	4.1	4.1	4.3	4.5	4.6	4.7	5.0	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	15.0	15.4	15.5	14.6
Shortening	22.1	21.4	21.5	21.5	22.2	22.4	22.4	25.1	24.1
Lard & edible tallow (direct use)	3.5	2.7	2.6	2.1	2.5	3.1	4.1	3.8	5.0
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	101.1	108.1	111.7	116.1	113.9	110.9	116.1	116.2	113.9
Canning	95.8	95.5	91.2	98.7	107.0	109.6	107.3	108.3	104.5
Freezing	18.6	19.3	21.1	20.8	20.4	21.8	21.0	23.0	21.6
Potatoes, all 11/	126.1	126.0	122.5	127.2	127.7	130.4	132.4	135.7	141.0
Sweetpotatoes 11/	4.4	4.4	4.1	4.1	4.6	4.0	4.3	3.9	3.7
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. Natural equivalent of cheese & cheese products. 6/ Includes Swiss, Brick, Munster, cream, Neufchatel, Blue, Gorgonzola, Edam, & Gouda. 7/ Plain & flavored. 8/ Plain & flavored & buttermilk. 9/ Heavy cream, light cream, half & half, & sour cream & dip. 10/ Includes condensed & evaporated milk & dry milk products. 11/ Farm weight. 12/ Excludes pineapples & berries. 13/ Single strength equivalent. 14/ Includes rye, corn, oat, & barley products. Excludes quantities used in alcoholic beverages, corn sweeteners, & fuel. 15/ Dry weight equivalent. — = not available. P = preliminary.

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

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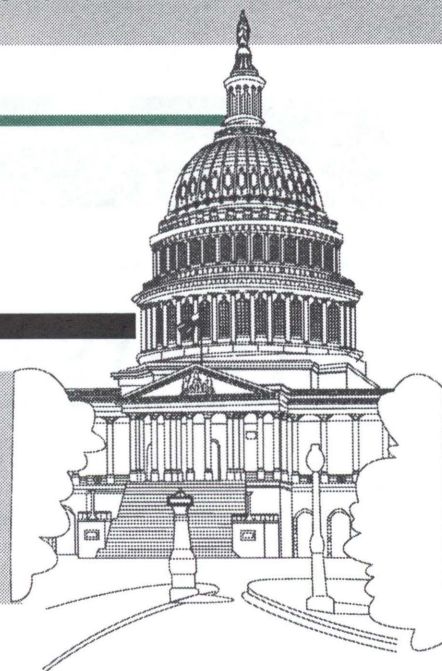
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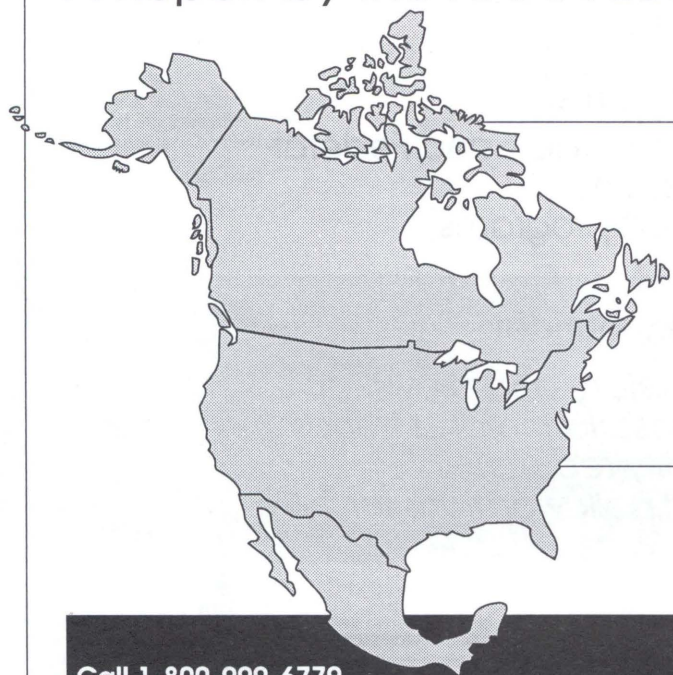
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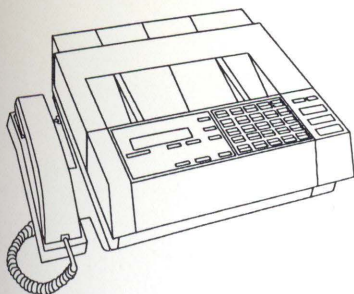


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