

AGRICULTURAL OUTLOOK

Economic Research Service
United States Department of Agriculture

October 1995

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**Tighter
U.S. Corn Supplies
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AGRICULTURAL OUTLOOK



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Cover: *Delivering corn for storage*

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Record U.S. Ag Exports ... U.S. Meat Exports Soar ... Tight Corn Supplies ... Food Spending Patterns ... Outlook for Peanuts

HVP's Lead Export Growth

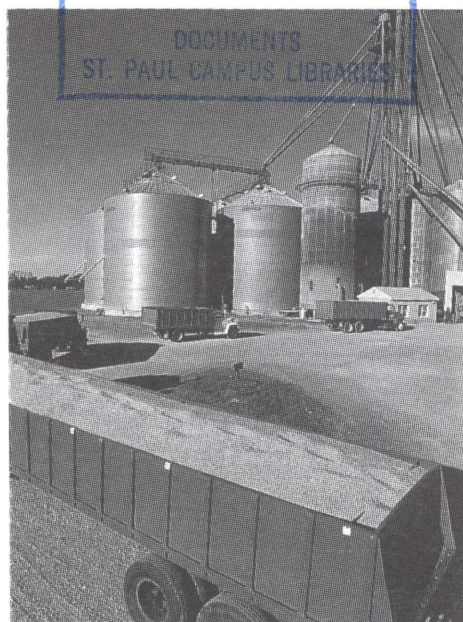
U.S. agricultural exports in fiscal 1996 are projected to rise to \$54.5 billion, a gain of \$1.5 billion over FY95 and a new record. However, the 3-percent export growth in 1996 would not match the 22-percent level of FY95—a banner year. Almost all of the 1996 growth will be in high-value products (HVP's—mainly fruits and vegetables, and animal products), a replay of the more recent pattern of export growth.

U.S. exports of HVP's in fiscal 1996 are forecast to expand 5 percent in value. While exports of bulk commodities (wheat, coarse grains, rice, soybeans, cotton, and tobacco) surged in fiscal 1995 to the highest level since 1982, export volume for bulk items is projected to decline in fiscal 1996. But higher projected U.S. export prices will result in little change in the export value of bulk commodities.

U.S. Meat Exports on Upswing

Exports now account for a larger share of U.S. red meat and poultry sales than was true just a few years ago. In 1996, the U.S. is projected to export about 9 percent (6.9 billion lbs.) of its total red meat and poultry production, up from 4 percent in 1990. Record supplies, low prices, and some easing in trade restrictions in certain markets are behind much of the growth. These expanding sales are preventing U.S. prices from dropping further in the face of record domestic supplies.

During the first half of 1995, the U.S. became a net exporter of pork, poultry exports continued to grow at a double-digit rate, and the beef trade deficit narrowed considerably. Exports of each of these commodities are projected to post a 50-year record in 1995 and 1996, although the rate of growth for 1996 would be smaller than this year. The U.S. is projected to continue as a net exporter of pork in both 1995 and 1996.



Tight Supplies, Strong Demand Push Up Corn Prices

A sharp drop in the 1995 U.S. corn harvest and buoyant demand are signaling a tight feed grain market in the coming months. Prices in 1995/96 are forecast to rise 15-30 percent from last year. Although domestic and export demand are both projected to be below last year, total use will still be very large. Combined with low supplies of other feed grains, the tight corn supplies make this year's price forecasts extremely sensitive to the crop size.

In addition to supply factors such as weather, demand factors are also contributing to the tight supply situation and higher prices. These factors include strong import demand, especially from Asia; steady growth in U.S. industrial uses of corn; and large U.S. animal inventories, in part spurred by booming meat exports.

How the Food Dollar Is Spent

Food prepared away from home accounts for nearly half of the food

expenditures by U.S. businesses, government, and individuals, with 53 percent spent on food prepared at home. While the away-from-home expenditure has continually increased since the 1990-91 recession, competition among food retailers and restaurants (full-service and fast-food) has helped to moderate price increases.

Total food expenditures rose 4.5 percent in 1994 over 1993 expenditures. Gains in food purchased away from home led the way, rising 5.9 percent to \$301.3 billion, while spending for food at home rose 3.4 percent to \$341.1 billion.

Food expenditures as a percentage of disposable personal income continue to fall each year, leaving income available for other purchases. In 1994, only 10.7 percent of a family's or individual's disposable income was spent on food, compared with 11.8 percent in 1990.

Peanut Program Under Scrutiny

U.S. peanut farmers are more concerned about future prospects than at any time since World War II. Demand and supply shifts in the 1990's have led to an oversupply of edible peanuts, prompting producers and legislators to consider the pros and cons of the current peanut program. Proposals for the program in the 1995 omnibus farm legislation range from a major overhaul to total elimination.

Food use of peanuts, after rising rapidly in the mid- to late 1980's, has dropped substantially since the 1989/90 (August-July) marketing season, due primarily to a decline in government purchases (peanut butter), higher peanut prices, and a change in consumer preferences. In addition, while imports of peanuts and peanut products were an insignificant factor in domestic use and in the operation of the government peanut program before 1990, the lower priced imports are now a growing component of domestic use.

Agricultural Economy



Gary Lucier

Field Crops Overview

Very hot weather in August led to lower yield and production projections in September for U.S. wheat, corn, barley, cotton, and rice, resulting in tighter ending stocks than projected earlier. Projections for soybean yields and production were raised in September, despite the hot weather, although much uncertainty still surrounds the outlook because of the lateness of the crop. Following the release of USDA's September 12 projections, field crop prices moved upward; 1995/96 season-average farm prices for grains are projected up sharply from earlier forecasts and from last season.

U.S. feed grain supplies in 1995/96 are projected down 14 percent, largely because of a sharp drop in corn production. Corn production in 1995 is projected to descend 22 percent from last year's record, to 7.8 billion bushels. Corn planting was delayed by wet weather in the spring, and planted area fell 10 percent from 1994/95. Further, hot weather in July and August led to below-average ear lengths in several major corn producing states, reducing yields. The hot weather also accelerated crop development, however, reducing the potential for damage from an early frost.

The 1995/96 corn yield projection, as of September, still ranks as the third highest on record, helped by record plant counts.

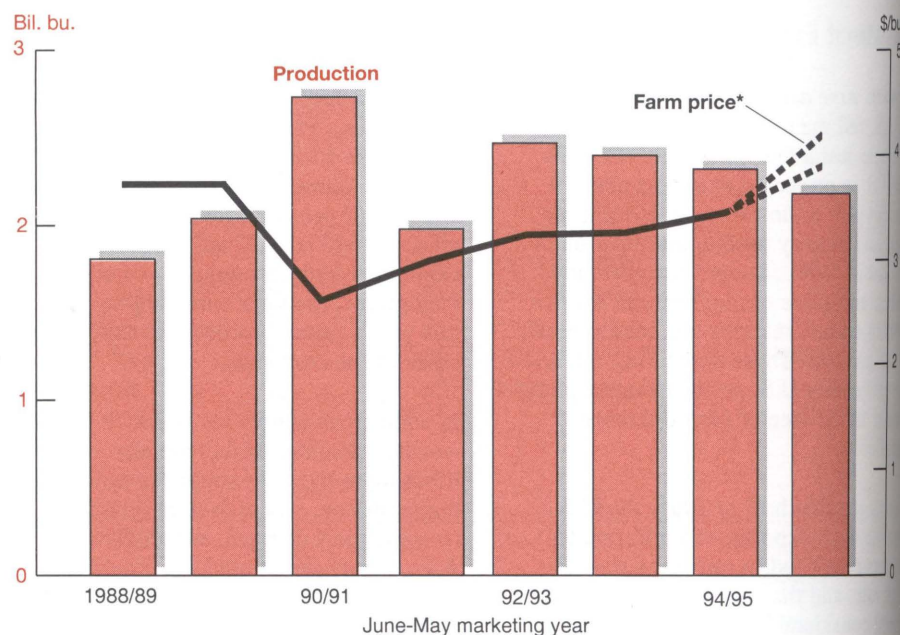
Tight U.S. corn supplies and high prices are expected to curtail domestic use in 1995/96: feed and residual use is projected down 14 percent from 1994/95, while food, seed, and industrial use is projected to increase only 3 percent, down from earlier projections. Season-average farm prices in 1995/96 are projected to range from \$2.55 to \$2.95, compared with \$2.25 in 1994/95. U.S. corn ending stocks in 1995/96 are projected to be only half of ending stock levels in 1994/95, the lowest since 1975/76.

The sharply lower U.S. corn output and reduced world barley production have tightened the world coarse grain market. The world stocks-to-use ratio for coarse grains in 1995/96 is projected to decline to 11 percent, the lowest on record in USDA's data base, which begins in 1960/61.

Despite higher prices, U.S. corn exports in 1995/96 are expected to remain relatively robust, because of strong global demand and limited competitor availabilities. Key factors underpinning demand for U.S. corn include expectations of still firmer corn prices in the future, and a decline in other feed grains' export availability, particularly from Canada and the European Union (EU).

The prospect of higher grain prices has stimulated an extremely strong pace of forward buying of U.S. corn by foreign customers for the 1995/96 season. Despite a rise in the U.S. corn export price (f.o.b. Gulf) in August, sales of corn in August for delivery in the 1995/96 marketing year totaled more than 8 million tons. Total corn sales for 1995/96 as of August 31 were second only to the 20.3 million tons sold by that date for 1979/80. Strong shipments in August boosted estimated U.S. corn exports for 1994/95 to the highest since 1980/81.

Prices Rise As U.S. Wheat Crop Drops for the Third Year



1994/95 estimate; 1995/96 forecast range.

*Season-average.

Agricultural Economy

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While Japan was the largest U.S. corn buyer in August for delivery in 1995/96, China was the most noteworthy, adding 1.2 million tons to 400,000 already purchased. Other countries making additional purchases included Taiwan, South Korea, and Latin American nations, particularly Mexico, Colombia, and Venezuela.

South Korea is projected to import a total of 9 million tons of corn in 1995/96, unchanged from the record amount in 1994/95, as reduced availability of feed wheat and other feed grains will limit buying alternatives. Because of a significant reduction forecast for Mexico's 1995/96 corn crop, Mexico's imports of both corn and sorghum in 1995/96 are projected to remain strong, despite the devalued peso.

U.S. wheat output in 1995 is projected down 6 percent. Winter wheat yields were hurt by late frost and by rain at harvest. Spring wheat yields are projected down because of late planting and hot, dry weather in the Northern Plains. Tight supplies and relatively strong export demand are bolstering prices. Season-average farm prices in 1995/96 are projected to range from \$3.90 to \$4.20, compared with \$3.45 in 1994/95.

Feed and residual use of U.S. wheat in 1995/96 is projected down 34 percent from 1994/95, as wheat's high price relative to other feeds will reduce wheat feeding, and more careful storage and handling are likely to lower residual losses. Ending stocks in 1995/96 are projected to fall 16 percent from 1994/95, to the lowest level since 1973/74.

Significant yield reductions in Russia and Ukraine, along with projected lower production in Argentina and Kazakhstan, contributed to a decrease in the projection for world wheat output in September. But global wheat production in 1995/96 is still projected above 1994/95's level, as Australia and Canada are projected to harvest average crops and EU output is also predicted to rise.

Projections of 1995/96 world wheat exports were reduced in September below the 1994/95 level, to the lowest

U.S. Field Crops—Market Outlook

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	— Mil. acres —		Bu/acre	—	—	—	—	—	\$/bu
Wheat									
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	35.9	2,187	2,797	1,195	1,175	427	3.90-4.20
Corn									
1994/95	79.2	72.9	138.6	10,103	10,963	7,300	2,200	1,463	2.25
1995/96	71.3	64.7	121.1	7,832	9,305	6,575	2,000	730	2.55-2.95
Sorghum									
1994/95	9.8	9.0	73.0	655	703	397	220	86	2.15
1995/96	9.1	8.3	65.0	538	623	377	200	46	2.40-2.80
Barley									
1994/95	7.2	6.7	56.2	375	580	401	66	113	2.03
1995/96	6.8	6.4	58.3	374	552	400	50	102	2.25-2.65
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	397	305	1	91	1.40-1.60
Soybeans									
1994/95	61.9	61.1	41.9	2,558	2,773	1,573	845	355	5.45
1995/96	62.6	61.7	37.0	2,285	2,645	1,514	800	330	5.50-6.50
			Lb./acre	—	—	Mil. cwt (rough equiv.)	—	—	\$/cwt
Rice									
1994/95	3.35	3.32	5,964	197.8	231.5	100.1	100.0	31.4	6.74
1995/96	3.17	3.11	5,843	181.8	222.2	105.2	91.0	26.0	6.75-7.75
			Lb./acre	—	—	Mil. bales	—	—	¢/lb
Cotton									
1994/95	13.7	13.3	709	19.7	23.2	11.2	9.5	2.6	73.0
1995/96	16.7	15.8	615	20.3	22.9	11.5	7.8	3.7	*

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

* USDA is prohibited from publishing cotton price projections.

See table 17 for complete definition of terms.

since 1986/87. Smaller crops predicted for Argentina and Kazakhstan have diminished projected exportable supplies, and strong domestic use and prices in the EU, along with the extension of a ban on subsidized wheat exports through mid-October, have slowed the pace of EU exports.

World consumption is projected to exceed production for the third year in a row, leading to tighter world stocks. Ending stocks of the major exporters, including the U.S., are projected to drop 10 percent in 1995/96, further tightening the market. The global ending stocks-to-use ratio in 1995/96 is expected to fall to the lowest level in USDA records, starting in 1960/61.

As a result of tight supplies in 1995/96, international wheat prices are significantly higher than in 1994/95. Both the EU and the U.S. are limiting their use of export subsidies. The EU has extended its suspension of export restitutions until October 12, and the U.S. has not sold any wheat under the Export Enhancement Program since July 21. Because of the higher prices, the wheat import estimate for China was lowered 1 million tons in September, to 11 million, but imports are still projected 900,000 tons above 1994/95.

USDA's forecast for the 1995 soybean crop was raised in September. While U.S. soybean production is projected down 11 percent from 1994/95, it is up from earlier forecasts and still the second-largest soybean crop on record.

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Agricultural Economy

A lack of rainfall during the August hot spell has erased soil moisture surpluses in the major growing areas, leading to deteriorating crop conditions and probably hurting pod fill throughout the Midwest and Delta regions. However, many states are achieving record pod counts. Another factor is that shorter plants could result in higher-than-normal harvesting losses.

The 1995 crop was planted very late, so the full impact of the heat and dryness may not be known until harvest begins. While still behind normal, crop progress was accelerated by this summer's heat. Therefore, a normal freeze date is not a major concern for most areas. But freezing weather in September could damage some late-planted soybeans in the northern Midwest, with damage potential increasing the further south the frost descends.

Hot weather, while inhibiting pod development, is expected to improve oil extraction rates, leading to a slightly higher forecast for soybean oil production in 1995/96. With exports projected to decline from 1994/95's record levels, soybean oil ending stocks in 1995/96 are predicted to increase from 1994/95. Average soybean oil prices are projected at 24.5-29 cents per pound in 1995/96, compared with 27.5 cents in 1994/95.

With U.S. soybean supplies projected to be down more than use, 1995/96 soybean ending stocks are expected to decline 7 percent from last year, pressuring prices higher. Season-average farm prices in 1995/96 are projected to range from \$5.50 to \$6.50, up from \$5.45 in 1994/95.

Soybean crush is projected to decline marginally in 1995/96. Rising prices are expected to lead to slower growth in domestic use of soybean meal and reduced exports. U.S. average soybean meal prices are projected at \$165-\$190 per ton in 1995/96, compared with \$161.75 in 1994/95.

U.S. soybean exports in 1995/96 are projected to decline from 1994/95's high levels. A continued stock buildup of soybeans and products in South America, and near-record output there of soybeans and products for export, will

likely constrain U.S. soybean exports after September. South American soybean stocks at the end of August were reported up year to year, with Brazil holding record-large stocks, reflecting a slower-than-normal pace of shipments during June-August.

U.S. meal exports for 1995/96 were projected up in September from earlier forecasts because of slightly higher U.S. soybean crush and global soybean meal consumption. However, U.S. soybean meal exports in 1995/96 are projected to fall 7 percent from 1994/95. Stronger expected world prices for soybeans and meal in 1995/96 do not appear to be sufficient to trim global soybean meal use, which is projected up 2 percent from 1994/95.

EU meal consumption in 1995/96 is predicted to remain little changed from last year because of continued high prices in the EU for grains and nongrain feed ingredients. The projections for 1995/96 world soybean meal consumption and imports were revised upward in September. Most of the growth in consumption and imports is expected in Asia and Latin America. Policy changes in Thailand allowing greater market access for both soybeans and soybean meal prompted an increase in September in projected imports of soybeans and meal in 1994/95 and in 1995/96.

U.S. exports of soybeans and products for 1994/95 were boosted by the strongest shipment pace for August since 1986/87. U.S. soybean and soybean

World Commodity Market Outlook

	Year ¹	Production	Exports ²	Consumption ³	Carryover
<i>Million tons</i>					
Wheat	1994/95	523.0	97.9	550.5	113.2
	1995/96	532.9	95.7	546.5	99.6
Corn	1994/95	555.1	68.9	539.8	87.6
	1995/96	507.0	62.9	533.3	61.2
Barley	1994/95	161.0	15.2	166.9	25.6
	1995/96	150.7	14.9	158.6	17.8
Rice	1994/95	360.5	18.7	361.0	49.3
	1995/96	357.6	16.4	363.6	43.3
Oilseeds	1994/95	260.1	44.3	204.6	27.1
	1995/96	255.9	44.2	211.5	24.5
Soybeans	1994/95	137.6	32.6	108.5	23.5
	1995/96	128.8	31.6	110.9	21.0
Soybean meal	1994/95	85.9	31.3	85.8	3.6
	1995/96	87.8	32.1	87.7	3.6
Soybean oil	1994/95	19.5	5.5	19.3	1.6
	1995/96	20.0	5.4	19.6	1.8
<i>Million bales</i>					
Cotton	1994/95	85.3	29.2	84.2	29.7
	1995/96	88.8	27.9	86.8	31.7

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

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meal exports in 1994/95 benefited from lower soybean and meal prices, as well as stronger economic growth in many regions of the world, which spurred global oilseed consumption and trade. Additional soybean oil sales to China and South Korea underpinned the higher 1994/95 oil export outlook in September.

U.S. exports in 1994/95 were also aided by the significant slowdown in South American exports of both soybeans and meal during what is normally a strong time of the year for the marketing of Southern Hemisphere soybeans and products. Brazil's exports during June-August slowed notably, and were reportedly 25 percent below the level during the same period a year earlier.

U.S. 1995 rice production prospects diminished significantly during August due to prolonged, high temperatures over most of the Gulf Coast and Delta growing regions. Prior to the onset of the extreme temperatures, yield potential appeared excellent, as crop development was running slightly ahead of last year's record pace. However, the hot weather stressed the crop, resulting in less-than-optimal conditions for head filling. As a result, the projection for 1995 rice production was lowered further in September, with output projected to fall 8 percent from 1994's record.

The reduced crop and expected continued strong exports are projected to bring 1995/96 ending stocks down 17 percent from 1994/95, to 26 million cwt. This stock level represents only 13.3 percent of total use, the lowest since 1980/81.

World rice production and consumption in 1995/96 are projected to be little changed from 1994/95, and continued strong imports are anticipated for China, Indonesia, and Brazil. India's projected 1995/96 outturn is second only to its 1994/95 record crop, and India is expected to continue to export large amounts. World ending stocks are predicted to tighten, and the ending stocks-to-use ratio in 1995/96 is projected to decline to 11.9 percent, the lowest since 1972/73.

Forecast for 1995 world rice exports was raised in September to a record 18.7 million tons. For 1996, world exports are forecast to be 16.4 million tons, 12 percent below this year and the second highest on record.

The increase in September's 1995 world rice export forecast reflects the steady flow of surplus rice from India. India's exports have been raised to 2.8 million tons in 1995, by far the country's largest ever, making India the world's third-largest rice exporter in 1995. Continued strong imports by China from Thailand and Vietnam have also helped to push up 1995 trade.

Hot weather lowered U.S. cotton projections, as U.S. cotton yields were affected in the Delta and Southeast by the hot August weather and insect infestations. These were factors in lowering the projection for 1995 cotton output by 7 percent in September, to 20.3 million bales. Production is still projected to be up 3 percent from 1994/95, and a record.

U.S. cotton mill use in 1995/96 is projected up 3 percent from 1994/95, due in part to strong consumer demand for denim. However, U.S. cotton exports are projected down from 1994/95's high levels, as a result of expanded competitor supplies and exports.

Despite projected lower yields in several major producing countries, including the U.S., China, and India, world cotton outturn is projected to increase again in 1995/96, as area climbs to its second highest level since 1952. While record U.S. production is expected, China—the largest foreign producer—is expected to harvest a smaller crop in 1995/96 compared with last year, because of lower area and yields.

Continued healthy world economic growth is expected to lead to higher global cotton consumption in 1995/96, despite soaring prices in 1994/95. China's mills have resumed more normal levels of production, and continued growth in mill use is expected elsewhere in Asia. The rebound in competitors' production will cause a projected decline

in U.S. cotton exports, from 9.5 million bales to 7.8 million. The U.S. share of world cotton trade in 1995/96 is predicted to fall from 1994/95's extraordinarily high 33 percent, to 28 percent.

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Upcoming Reports—USDA's Economic Research Service

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

October

- 4 Aquaculture Outlook*
- 11 Cotton & Wool Outlook (4 pm)**
- 12 Hog Outlook (9 am)**
Oil Crops Outlook (4 pm)**
Rice Outlook (4 pm)**
Wheat Outlook (4 pm)**
- 19 Agricultural Outlook*
- 23 U.S. Agricultural Trade Update (3 pm)
Livestock, Dairy, & Poultry (9 am)
- 25 Feed Yearbook*
Former USSR Update (3 pm)

*Release of summary, 3 pm.

**Available electronically only.

Agricultural Economy

Livestock, Dairy, & Poultry Overview

Exports now account for a larger share of U.S. red meat and poultry sales than was true just a few years ago. These expanding sales are preventing U.S. prices from dropping further in the face of record production. In 1996, the U.S. is projected to export about 9 percent, or 6.9 billion pounds, of its total red meat and poultry production, up from 4 percent in 1990. For 1996, red meat and poultry exports are projected to be over 180 percent higher than in 1990.

During the first half of 1995, the U.S. became a net exporter of pork, poultry exports continued to grow at a double digit rate, and the beef trade deficit narrowed considerably. Exports are projected to be post-World War II records for each of these commodities in 1995 and 1996, although the rate of growth would be smaller in 1996 than this year. The U.S. is projected to remain a net exporter of pork in 1995 and 1996.

U.S. beef export growth is outpacing imports. Expanding U.S. beef production and declining prices are propelling U.S. beef into world markets. U.S. beef and veal exports are forecast to exceed 80 percent of import volume this year, up from 43 percent in 1990. The U.S. currently exports almost 7 percent of its combined beef and veal production, up from just over 4 percent in 1990.

U.S. beef and veal exports in the first-half of 1995 were up over 9 percent from a year earlier, while lower U.S. prices and larger supplies of lower quality fed beef caused U.S. imports to decline 13 percent. For all of 1995, beef and veal exports are expected to total a record 1.75 billion pounds, up 8 percent from last year, while imports are expected to fall 11 percent to 2.12 billion. In 1996, combined beef and veal exports

are expected to rise 3 percent while imports are projected to remain about the same.

The Pacific Rim is the primary market for U.S. beef exporters, accounting for 93 percent of U.S. shipments. Japan is the largest importer of U.S. beef, taking over 55 percent of shipments in first-half 1995. Canada was second, taking 18 percent, and South Korea followed with 15 percent. Although shipments to Mexico were down more than 50 percent from a year earlier, Mexico remained the fourth-largest buyer, accounting for 5 percent of U.S. exports. Shipments outside the Pacific Rim, while only 7 percent of exports, were up over 50 percent in the first-half of 1995 compared with a year earlier.

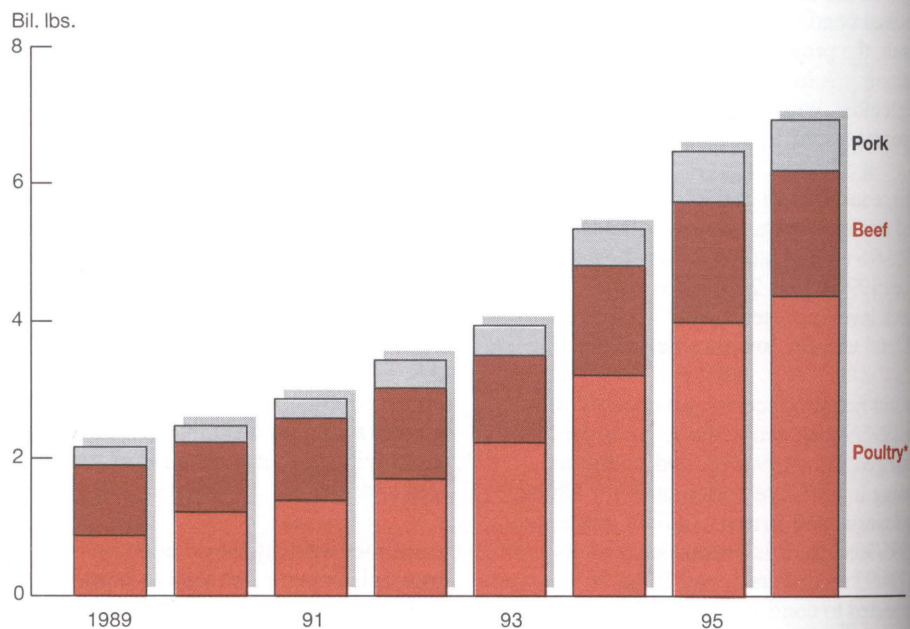
Imports account for about 8 percent of U.S. beef consumption. The U.S. continues to be the primary market for New Zealand beef, which has nearly replaced

Australia as the leading beef exporter to the U.S. Imports from Australia were down sharply during first-half 1995 due to production cutbacks and increased shipments to higher priced markets.

U.S. pork exports exceed imports. For the first time in over 40 years, annual U.S. pork exports are expected to exceed imports, with exports nearly 6 percent above imports in 1995. A wider trade surplus is forecast for 1996.

U.S. pork exports jumped 74 percent above a year earlier in the first half of 1995, due largely to expanding shipments to Russia and the Pacific Rim. In addition to Export Enhancement Program (EEP) shipments, commercial sales to Russia were much stronger than previously expected. Combining commercial sales with EEP shipments during the first 6 months of 1995 yields a total of over 100 million pounds, carcass-weight basis, going to Russia.

U.S. Meat Exports Continue Record High



1995 estimate; 1996 forecast. Carcass weight for beef and pork and certified ready-to-cook for poultry.
*Broilers, mature chickens, and turkeys.

U.S. Livestock and Poultry Products—Market Outlook

		Beginning stocks	Production	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price
								Total	Per capita	
		— — — — — Million lbs.						— —	Lbs.	\$/cwt
Beef	1995	548	25,072	2,120	27,740	1,745	475	25,520	67.9	65-66
	1996	475	25,858	2,125	28,458	1,805	475	26,178	69.0	62-68
Pork	1995	438	17,945	690	19,073	731	405	17,937	52.9	41-42
	1996	405	18,438	680	19,523	740	400	18,383	53.7	37-40
		— — — — — Million doz.							No.	¢/lb
Broilers*	1995	458	25,107	0	25,565	3,644	475	21,446	71.8	55-56
	1996	475	26,622	0	27,097	4,015	530	22,552	74.8	50-54
Turkeys	1995	254	5,166	0	5,421	248	350	4,823	18.3	64-65
	1996	350	5,341	0	5,691	258	300	5,133	19.3	58-63
		— — — — — Million doz.							No.	¢/doz.
Eggs**	1995	14.9	6,199.7	4.3	6,218.9	195.6	12.0	5,176.7	236.0	68-70
	1996	12.0	6,320.0	4.0	6,336.0	193.0	12.0	5,261.0	237.6	63-69

Based on September 12, 1995 World Agricultural Supply and Demand Estimates.

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

Japan remains the largest destination for U.S. pork exports, with sales through June up 44 percent from a year earlier due to lower U.S. prices and a declining dollar relative to the yen in first-half 1995. Since June, some export strength has likely been due to anticipation of higher tariff rates in Japan, which are likely to go into effect later this year.

Under the terms of the GATT Uruguay Round, Japan can increase its tariff on imported pork if the total quantity imported during the first three quarters of the Japanese fiscal year (April-March) exceeds 119 percent of the annual average for the 3 preceding years. Japan's pork imports will likely exceed this amount. Raising the tariff by the maximum allowed under the Uruguay Round would result in a price increase of about 25 percent. The increase likely would have a dampening effect on Japanese imports that would last through next March.

The recent appreciation of the dollar relative to the yen increased the price of U.S. pork in Japan, lowering the pricing advantage the U.S. had over competing exporters, most notably Denmark. The U.S. share of the Japanese market through June stood at 18 percent for all

pork and 43 percent for fresh/chilled. Taiwan, Japan's largest supplier, accounted for about 50 percent of Japan's total pork imports and 52 percent of the fresh/chilled market.

U.S. pork exports to Mexico have been exceptionally weak since the beginning of the year due to peso devaluation and subsequent economic slowdown. Exports through June were down 47 percent from a year earlier and will continue to be weak through the remainder of the year. Although there has been a slight strengthening of the peso since March, slow economic growth and a relatively weak peso preclude a return to predevaluation imports for several years.

Growth in U.S. exports will be slower during the remainder of 1995 as Japanese buyers fill only near-term needs and no additional EEP shipments to Russia have been authorized. Nonetheless, U.S. pork exports to Japan for the rest of the year are expected to increase about 38 percent from a year earlier to about 731 million pounds. However, shipments to Japan next year are expected to be up just 1 percent from 1995, the slower growth due primarily to stock building by Japan in the first half of 1995.

U.S. broiler exports continue to set records, rising to 1.7 billion pounds in the first-half of 1995, 35 percent above a year earlier. Export growth is expected to slow in the second half of 1995, but for the year will be 27 percent above last year's record. Higher exports are forecast in 1996 due to record supplies, a small drop in price, and a general easing of trade restrictions. Exports will absorb nearly 14 percent of U.S. production this year, and 15 percent in 1996. In 1990, the U.S. exported just over 6 percent of its broiler production.

Russia accounted for 36 percent of U.S. broiler exports during the first half of 1995, with shipments up 90 percent from first-half 1994. Broiler exports to China, including shipments to Hong Kong—much of which were re-exported to China—accounted for another 28 percent of U.S. exports, nearly 50 percent higher than last year's share. Sales to China have been boosted by the rapid growth in the country's economy. U.S. broiler exports to Japan were up 10 percent from a year earlier, aided by appreciation of the yen.

Growth in U.S. exports has led to increased opposition from domestic producers in many importing countries. As of July 1, import tariffs on poultry products were set to increase in Russia. If

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enforced, the tariffs could slow U.S. exports to Russia during the second half of the year. Increased U.S. sales to South Africa caused that country's domestic industry to call for restrictions on imports.

U.S. turkey exports are rising, up 15 percent in the first half of 1995 from a year earlier, with exports to Hong Kong, Korea, and Russia doubling. Continued growth in U.S. production and relatively stable prices should support higher exports to several Asian countries in 1996, although at a slower pace than this year.

Mexico remains the largest market for U.S. turkeys, accounting for 61 million pounds, or 44 percent of exports in the first half of 1995. However, the peso devaluation caused sales to decline 17 percent from a year earlier. The dollar value of these imports fell even more as buyers substituted low-priced ground turkey for higher value dark meat parts.

Smaller shipments to Mexico have partially offset larger sales to Korea, China, and Hong Kong. A favorable exchange rate and continued economic growth should boost 1996 sales as well.

Smaller U.S. egg exports are projected for 1996. After an expected rise of 4 percent in 1995, total U.S. egg exports are projected to drop about 1 percent in 1996. U.S. shell egg exports fell 1.5 percent in the first half of 1995 from a year earlier, due to lower EEP sales to Hong Kong and smaller table- and hatching-egg exports to Canada and Mexico. Japan, Canada, and Mexico, the three largest markets for U.S. egg products, have each imported greater shipments in the first half of 1995 than a year earlier, due mostly to lower prices.

Exports of egg products are expected to remain strong during the second half of the year. Processed egg products are becoming a larger share of U.S. egg exports, accounting for about 50 percent in 1995. Breaking use, which includes processed egg products, powdered eggs, and egg whites, is estimated to account for over a fourth of U.S. egg production (excluding hatching eggs) in 1995.

Commercial use of dairy products is on the rise. Cheese prices rose sharply in late August, but these price jumps may prove short-lived. Hot weather trimmed growth in milk production in northern dairy areas, lowered cheese yields, and raised concern about autumn cheese supplies. At the same time, cheese sales continue to grow.

Current cheese prices may be difficult to sustain this far in advance of the seasonally tightest period. Cheese prices are expected to be about steady in coming weeks, but may start to decline before the typical November-December peak. Nonfat dry milk prices remain weak, making nonfat dry milk a competitive source of skim solids for cheese. In addition, expansion in milk production should accelerate with cooler weather. Economic growth is not likely to generate large increases in cheese demand.

Milk production in July-August was only 1 percent above a year earlier, even though milk cow numbers were virtually unchanged. The unusually small gain in milk per cow reflected heat stress in the Midwest and Northeast. In addition, milk per cow in western areas, affected by poor weather earlier in the year, has not fully recovered. Cooler weather is expected to support autumn gains in milk per cow, if cows are not too stressed to respond. Milk production is expected to rise about 2 percent over a year ago.

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Specialty Crops Overview

Horticultural crops and products are driving the increase in U.S. agricultural exports. The total value of horticultural exports is forecast to increase 10 percent in fiscal 1996—to \$10.3 billion—compared with 1.4 percent for all other agricultural products. Horticulture's share of the forecast \$54.5 billion of agricultural exports will increase to 19 percent, from an estimated 18 percent in FY95. The forecast anticipates higher prices for fresh apples, table grapes, and frozen french fried potatoes, as well as strong demand for U.S. fruits and vegetables in Asia, Canada, and Western Europe.

USDA is forecasting a larger increase in the export value of fresh and processed vegetables compared with fruit and juice in 1996. Vegetable exports are expected to increase 12 percent to \$2.9 billion, ahead of the 9-percent increase expected for fruit, which rises to \$3.7 billion. Exports of tree nuts and other products are forecast to increase 9 percent to \$3.7 billion. This last group includes wine, beer, and highly processed foods (baby foods, for example).

Foreign demand for horticultural products has gained a prominent place in the outlook for U.S. agriculture during the 1990's. For example, exports of fresh fruits and vegetables rose from about 10 percent of supplies in the late 1980's to more than 12 percent in FY95. Despite efforts by the fruit and vegetable industry and the Federal government to increase U.S. consumer demand for fruits and vegetables, per capita consumption has flattened since 1990. And while horticultural imports increased faster than domestic production, exports moved up at twice the rate of imports.

Exports of U.S. fresh produce and processed products have become a key factor in determining prices and growers' decisions to expand output. Fresh apple prices and exports to Western Europe, for example, are expected to

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climb in the next 6-9 months, as the fall harvest in France, Italy, and the United Kingdom is down from last year.

Japanese demand for sweet cherries sent U.S. grower and retail prices soaring last spring when California's supply was down sharply. And Japan's future demand for fresh and processed vegetables is widely believed to outweigh its capacity for production. U.S. products already account for 85 percent of Japanese frozen vegetable imports. Anticipating continued high Japanese demand for imported onions, U.S. growers planted another big crop this year.

Since FY90, U.S. fresh fruit export volume has increased 7 percent annually; however, the increase is likely to ease off in 1996. Tighter U.S. supplies, higher export prices, and a sluggish economic recovery in Mexico are behind the slowdown. However, exporters are still expected to ship 25 percent of the U.S. fresh-market supply of apples, grapes, pears, grapefruit, and oranges in 1996,

compared with 20 percent during 1988-90. These items accounted for roughly 70 percent of the total 2.9 million metric tons of fresh fruit exported in FY95.

Reduced supplies of U.S. fresh apples—following lower fall-1995 production in western states—will push up grower prices in FY96. The supply of apples in Washington, the major exporting state, is forecast down 9 percent in FY96. Fresh pears will be available for export despite a forecast 8-percent decline in total production for 1995. Despite steady supplies of California oranges in 1995, increased overseas demand boosted prices. In contrast, a more-than-adequate supply of grapefruit from Florida is keeping export prices down.

Fresh vegetable exports, marking a 9-percent annual growth trend since 1990, reached 2 million tons in FY95. In 1996, fresh vegetable exports could top 2.2 million tons, or about 8 percent of domestic supply. Exports account for a large share of the supply of fresh vegeta-

bles, including broccoli and cauliflower (30 percent), asparagus (25 percent), and carrots, celery, onions, and tomatoes (10-15 percent).

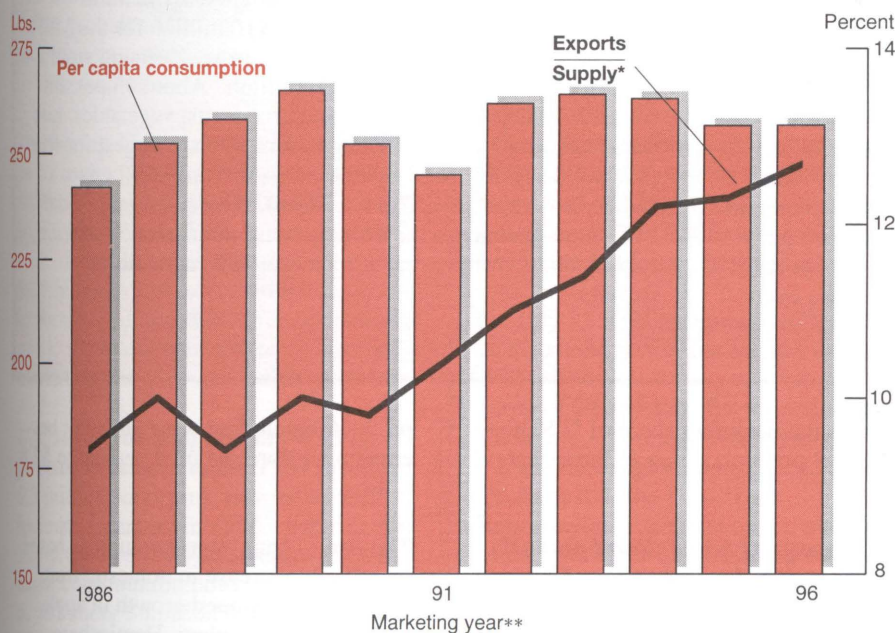
Fresh and processed potato exports could exceed 1.6 million tons (raw-product equivalent), or about 8 percent of U.S. output. Growth of U.S. frozen potato exports set a rapid pace of 14 percent per year, doubling over the past 5 years; other canned, frozen, and dehydrated vegetables have shown solid growth of about 12 percent per year. Exports of canned tomato products increased nearly 20 percent per year, while frozen and canned sweet corn were up about 4 percent. Dehydrated vegetable exports, especially potatoes and onions, increased about 40 percent in 1995 over 1994. Hot and dry summer weather across most of northern Europe is fueling speculation of another big export season for U.S. potato flake manufacturers.

Asia claims the largest share of U.S. horticultural exports—36 percent of the total. Asia, including China, accounts for more than half the world's population, and average annual economic growth is 7-8 percent. The region promises to continue as the leader among foreign markets for U.S. horticultural products.

The growth of U.S. horticultural export value to Asia averaged 13 percent per year since 1990, exceeding the 8-percent rate for the rest of the world. Japan is the chief market among Asian countries, but Taiwan and Hong Kong are increasingly important markets.

Despite its slow economic growth in the last 2 years, Japan has increased demand for U.S. products, based on an appreciating yen and weather-induced production shortfalls in 1994. The yen increased 9 percent per year in value relative to the U.S. dollar during 1990 to 1994, and contributed to the 12-percent annual increase in the value of U.S. horticultural exports to Japan. The value of U.S. horticultural exports to Taiwan, Hong Kong, and other East Asian countries increased 17 percent per year since 1990.

Export Markets Absorb Growing Share of U.S. Fresh Fruits and Vegetables



Excludes bananas. 1995 estimate; 1996 projection.

*Supply equals utilized production plus imports. **Calendar year for potatoes and onions.

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Industry & Government Programs Promote Fruits & Vegetables

Advertising and promotion of fruits and vegetables are increasingly important tools used by the U.S. horticulture industry to generate domestic and foreign consumption. Examples of these tools include commodity-group research and promotion activities, the USDA Market Promotion Program for exports, and the 5-A-Day for Better Health program—a public-private sector partnership aimed at U.S. consumers.

The 5-A-Day for Better Health Program is aimed principally at encouraging U.S. consumers to eat five servings of fruits and vegetables a day. The advertising is generic—no brand products are mentioned—and is funded voluntarily by private contributions and license fees for using the 5-A-Day logo. The goal of 5-A-Day, a national program since 1991, is to more than double fruit and vegetable consumption by 2000.

The 5-A-Day logo and nutrition information appear in produce sections, magazines and newspapers, and on shopping bags. Funding for 5-A-Day is projected by the private Produce for Better Health Foundation to reach \$1 million in 1996—a smaller amount than many other market development programs.

The Federal government contributes to the 5-A-Day effort by funding research at the National Cancer Institute (NCI) to document scientifically the link between increasing fruit and vegetable consumption and reducing the risk of cancer. About \$41 million of NCI research has been budgeted for this purpose over the next 5 years. USDA also encourages increased fruit and vegetable consumption in school lunch programs.

Commodity groups raise research and promotion funds in programs authorized by state and Federal legislation—for example, the Potato Research and Promotion Act, implemented in 1972. Research and promotion programs rely on periodic referenda to determine the extent of industry support for the program. USDA's Agricultural Marketing Service oversees Federal research and promotion programs.

Market promotion funds are used to increase demand by promoting and advertising the respective commodities. The promotion activities can target domestic or foreign consumers, as well as food-service operations and retailers. Research and promotion funds for fruits and vegetables totaled about \$45 million annually in recent years.

Federal marketing orders cover a variety of fruits and vegetables, from citrus to tomatoes. Tree fruit, almonds, walnuts, olives from California, potatoes, and Florida tomatoes account for most of the research and promotion expenditures under federal marketing orders. Stand-alone statutes that authorize national research and promotion programs for horticultural products include mushrooms, potatoes, and watermelons.

USDA's Foreign Agricultural Service operates the Market Promotion Program (MPP), designed to boost exports through advertising, nutritional information, store promotions, trade servicing, technical assistance, and other nonprice market development activities. The MPP was authorized in the 1990 Food, Agriculture, Conservation, and Trade Act. The program uses funds from USDA's Commodity Credit Corporation to help U.S. producers, exporters, and trade organizations finance cost-share promotional activities for U.S. agricultural products.

The MPP is authorized through 1997. The House of Representatives recently approved its 1996 agricultural appropriations bill which included \$110 million for the MPP, unchanged from 1995. The Senate-approved version would cut the program's budget by \$40 million. About 35 percent of 1995's MPP funds are allocated for fruits, vegetables, tree nuts, and wine. MPP allocations for 1995 are largest for fruit (\$23 million), followed by tree nuts (\$4.9 million), wine (\$4.8), and vegetables (\$2.6 million). The chief goal of the MPP is to encourage the development, maintenance, and expansion of commercial markets for U.S. agricultural exports.

Canada and western Europe are important export markets for U.S. horticultural products, with 29-percent and 20-percent shares in 1995. In contrast to Asia's growing share, the shares of Canada and western Europe have decreased 7 percentage points from 1990. Weather-reduced yields in western Europe are the principal causes of occasional increases in horticultural exports to that region. But the economies of Canada and western Europe are forecast to grow less than 3 percent in 1996, suggesting a continu-

ation in the declining share of U.S. horticultural products going to these markets.

U.S. imports of horticultural products are forecast to increase about 3 percent in FY96. The forecast of \$9.3 billion includes \$1.1 billion of bananas. Fruit imports (excluding bananas) are forecast up 9 percent to \$2.4 billion; banana imports are forecast unchanged; and vegetable imports are forecast unchanged at \$3 billion. Nuts and other

products (including wine and malt beverages) are forecast up 4 percent to \$2.8 billion.

The rise in fruit import volume is based on a likely increase in domestic fruit prices and continued growth in apple imports from Southern Hemisphere countries. Fresh apple imports, mainly from New Zealand, Chile, and South Africa have increased 4 percent per year, during 1990 to 1995. Also, fresh pineapple imports—primarily from

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Costa Rica, Honduras, and the Dominican Republic—have increased 3 percent per year.

Imports of mangoes, papayas, limes, and other tropical and subtropical fruits have increased about 10 percent per year since 1990, reflecting increases in U.S. demand for exotic produce. Banana imports, estimated up about 3 percent for 1995, rose about 7 percent during October-December 1994 over the same period a year earlier. During spring 1995, labor problems in Colombia reportedly held back exports of bananas and raised prices.

Storm damage to Florida's 1994/95 winter vegetable crop resulted in higher-than-expected imports from Mexico. In addition, heavy rains in California during March 1995 raised the value of imported vegetables during April-June 1995. With normal weather and average yields in Florida, competition from Mexico is likely to lower the grower and retail prices of U.S. vegetables during winter and spring 1996. Mexico's peso is expected to remain at half its year-earlier value during January to March, the peak season for Mexico's exports. The peso's relative weakness against the dollar provides Mexican producers an incentive to expand acreage and exports to U.S. markets.

The overall U.S. trade surplus in horticultural products is forecast to increase \$400 million to \$1 billion in FY96. Just 3 years earlier, the U.S. was running a trade deficit in horticultural products of \$1.4 billion. The increased value of exports over imports is a sound reminder of the important role played by foreign markets in the U.S. horticultural sector.

U.S. sugar consumption in FY95 is forecast to remain at the 1994 level of 9.3 million short tons, raw value, and to increase 1 percent in 1996. After declining in the late 1970's and early 1980's, sugar consumption bottomed out in 1986 at just under 8 million tons. Between 1986 and 1994, consumption grew about 18 percent, or about 2 percent a year, exceeding the annual population growth rate of 0.8 percent. The projected slowing of the demand growth for 1995 and 1996 is attributed to continued encroachment of HFCS (high-fructose corn

syrup), and weak demand for confectionery and bakery products. Crystalline fructose use, while small, may be taking some sugar markets.

U.S. sugar production is expected to drop in FY96. Output is forecast at 7.65 million short tons, raw value, 4.2 percent less than FY95 and about equal to 1994. Beet sugar production in 1995/96 is forecast at 4.4 million tons, down from 1994/95's record 4.55 million. Beet sugar is produced from sugar beets, which are expected to total 29.1 million tons, a 9-percent decrease from 1994/95.

Sugar beet area harvested is forecast to decline about 1 percent from 1994/95, while yields are forecast at 20.4 tons per acre, well below this year's near-record 22.2 tons per acre. A wet, cool spring delayed planting, and many states lost at least 2 weeks' growth. Heavy rains and hail damaged some fields in Colorado, and hot summer weather has depleted soil moisture in the Plains states.

Cane sugar production in 1995/96 is forecast at 3.25 million tons, down from 3.44 million in 1994/95, as lower output is expected in the major cane sugar states of Florida, Louisiana, and Hawaii. These three states are forecast to produce 3.08 million tons, down 5 percent from 1994/95. Sugarcane production is forecast at 29.1 million tons, down 6 percent from 1994/95. Area harvested is forecast down 2 percent at 922,000 acres, and so far this season, no hurricane damage to cane fields in Florida or Louisiana has been reported.

On July 28, USDA announced the FY96 tariff rate import quota for raw sugar at 1.23 million short tons, raw value, and a quota of 24,551 tons for refined sugars. These are minimum levels agreed to in the GATT Uruguay Round negotiations. On August 2, the U.S. Trade Representative announced the allocation of the raw sugar quota among 40 countries; the allocation for refined sugars is expected before October 1.

On August 29, USDA announced a non-recourse loan rate for cane sugar of 18 cents a pound, raw value, for FY96, unchanged from 1995. The beet sugar loan rate will be cut 0.53 cents to 22.9 cents a pound, refined. Processors may

obtain loans at these rates from the Commodity Credit Corporation by pledging a quantity of their sugar as collateral, and may choose to forfeit the sugar rather than repay the loans. Following 9 years of rate increases between 1985 and 1994, this announcement marks the second consecutive year of rate cuts for beet sugar.

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October Releases—USDA's Agricultural Statistics Board

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

October

- 2 Crop Progress (after 4 pm)
- 3 Poultry Slaughter
- 4 Broiler Hatchery
Egg Products
- 5 Dairy Products
- 10 Cotton Ginnings
Crop Production,
Cotton/Citrus
Crop Progress (after 4 pm)
- 11 Crop Production (8:30 am)
Broiler Hatchery
- 13 Milk Production
Turkey Hatchery
Vegetables
- 16 Crop Progress (after 4 pm)
- 18 Broiler Hatchery
- 20 Cattle on Feed
Cold Storage
Livestock Slaughter
- 23 Catfish Processing
Crop Progress (after 4 pm)
- 24 Chickens & Eggs
- 25 Broiler Hatchery
Cotton Ginnings
- 27 Catfish Production
Peanut Stocks & Processing
- 30 Crop Progress (after 4 pm)
- 31 Rice Stocks (8:30 am)
Agricultural Prices

Commodity Spotlight



Peanut Advisory Board

Outlook for U.S. Peanut Farmers

This fall, U.S. peanut growers will harvest the last crop produced under the auspices of the 1990 Farm Act (Food, Agriculture, Conservation, and Trade Act). The U.S. peanut industry is heavily influenced by the peanut program, which originated in the 1930's. Unlike the voluntary programs for wheat, feed grains, rice, and cotton, the peanut program is mandatory for growers, if approved in a producer referendum, and is binding for 5 years.

U.S. peanut farmers are more concerned about future prospects than at any time since World War II. Demand and supply shifts in the 1990's have led to an oversupply of edible peanuts, prompting producers and legislators to consider the pros and cons of the current peanut program. Proposals for the peanut program in the 1995 omnibus farm legislation range from a major overhaul of the current program to total elimination.

In the 5 years prior to enactment of the 1990 Farm Act, food use of peanuts was rising rapidly, aided in large part by sharply increasing government purchases of peanuts in the form of peanut butter.

Peanut butter is the major food use of U.S. peanuts, and usually accounts for one-half or more of peanuts processed for food. But food use has dropped substantially since the 1989/90 (August-July) season, due primarily to a decline in government purchases, higher peanut prices, and a change in consumer preferences.

Also, prior to 1990, peanut and peanut product imports were an insignificant factor in domestic use and in the operation of the government peanut program. But imports are now a growing component of domestic use. Expanding imports, along with declining food use, raise concerns over the design of the U.S. peanut program and its ability to handle basic changes in the supply and demand of U.S. peanuts.

Basics of the U.S. Peanut Program

Some understanding of the basic peanut program provisions is necessary to better evaluate the outlook for the current peanut season and future prospects of the U.S. peanut industry. Under current legislation, USDA is required each year to announce a national peanut poundage quota that is estimated to be sufficient to satisfy the quantity of peanuts needed in the U.S. for food, seed, and related uses. Although the current peanut program no longer restricts production through acreage allotments, which were suspended in 1982, the poundage quotas are still based on historical allotment acres. This has had the effect of limiting shifts in production areas.

Peanuts produced to meet the quota are referred to as "quota" peanuts. All other peanuts are deemed "additional" peanuts (and may be produced in unrestricted amounts). The average price received by farmers for peanuts in a particular year is determined largely by their share of marketings between quota and additional peanuts, and the support levels for each.

Although quota and additional peanuts are physically indistinguishable, these designations carry very significant marketing implications. The current U.S. peanut program provides for two levels

of price support, a policy change initiated in the 1977 Farm Act. A high level of support is provided for quota peanuts, while a much lower level is provided for additional peanuts.

Opinions vary widely on the success of the U.S. peanut program. On the one hand, U.S. peanut growers have been a dependable source of high-quality edible peanuts for domestic use and exports. But critics of the current peanut program claim it protects mainly a small number of farmers, is operated at a high annual net cost to taxpayers, and imposes higher prices on consumers for peanuts and peanut products than if no program were in place. In addition, program benefits accrue to quota holders whether or not they produce peanuts, since peanut quotas may be rented to other growers. (About one-third of the peanut quota is owned, and about two-thirds is rented.)

In the current 1995 peanut season, the support rate for quota peanuts is \$678.36 per short ton, unchanged from the 1994 season, while the support rate for additional peanuts is \$132 per short ton, also unchanged. The support rate for additional is set by the Commodity Credit Corporation so as not to incur any program costs from their sale or disposal. Only quota peanuts may be used for food purposes, while additional peanuts must be crushed for oil and meal, or exported.

Current legislation also provides for a minimum national poundage quota of 1.35 million short tons per year. If the poundage quota estimated by USDA for a given year is below the minimum quota, the Secretary of Agriculture must announce a 1.35-million-ton minimum quota for the year.

The minimum poundage quota was raised in the 1990 Farm Act to 1.35 million short tons from 1.1 million. At that time, the increase seemed of little consequence, as demand for quota peanuts was well above the new minimum and rising rapidly. But as food use of peanuts declined in later years, the higher minimum quota had a major impact on the operation of the U.S. peanut program. Since under the provisions of the program the national poundage quota could not be set below the minimum

Commodity Spotlight

level, the chief program mechanism for adjusting supply to demand became ineffective.

For both the 1994 and 1995 peanut seasons, USDA estimated the amount of peanuts needed for food, seed, and related uses to be less than the minimum poundage quota. In accordance with the provisions of the peanut program, the 1.35-million-ton minimum quota was announced in 1994 and is in effect for the current season. This in effect mandates U.S. quota peanut output in excess of the quantity needed, and generates taxpayer costs from the peanut program.

Farm program expenditures for peanuts were considerable in the 1970's, but lower in the 1980's and 1990's. The peanut program was designed for consumers to bear the burden of program costs, without cost to taxpayers. However, with demand continuing to decline and production kept at the minimum quota level, taxpayer costs are likely to remain significant in the 1995 season, with the excess output placed under government loan, as occurred in 1994. Although some peanuts placed under loan are eventually marketed at the quota loan rate or higher, the government sells most for crushing at prices well below their loan value.

The current peanut program also contains a cost-of-production escalator in the formula used to determine the annual support rate for quota peanuts, a provi-

sion not applicable for the other commodity programs. If specified components of producers' production costs in a given year rise above the same costs in the preceding year, then the support rate in the following year must rise to reflect the increase.

The increase in the support rate cannot exceed 5 percent. But the support rate for quota peanuts cannot decline, even if production costs decrease. Over time, the escalator provision has led to a rising level of prices for food peanuts, and a wide gap between U.S. and world market prices.

Producers Face Declining Demand . . .

As peanut producers make decisions about next year's planting, they face declining domestic consumption, rising imports, and excess supplies. This scenario is in marked contrast to the situation that existed just 5 years earlier, prior to deliberations on the peanut program in the 1990 farm bill.

Unlike other farm program commodities such as corn, cotton, and grain sorghum, peanuts are a food crop that may be consumed with little or no processing beyond the farm gate. However, relatively few peanuts are sold "green" at the farm level for food use—only about 40 million pounds per year. The vast majority of peanuts are dried, shelled,

and processed for use in one of the principal food categories—peanut candy, snack peanuts, and peanut butter. A small portion is processed in other food uses. Peanuts roasted in-the-shell also represent a significant component of food use.

The 1980's witnessed a rise of more than 50 percent in U.S. food use of peanuts, from about 1.5 billion pounds in 1980 to a record 2.3 billion in 1989, with year-to-year increases in all but one of the intervening years. By the 1994 season, however, food use of peanuts was just over 2 billion pounds, a decline of over 300 million pounds (or 13 percent) from 1989.

One likely explanation for the continued decline in peanut food use since the 1989 peak is a change in consumer preference away from foods perceived as high in fat. Another factor could be a sharp price increase following a significant shortfall in U.S. peanut output in the 1990/91 season, although if historical patterns were followed, consumption should have returned to normal within a short period of time after the resumption of larger supplies and lower prices.

In addition, U.S. peanut imports have increased, as a result of the NAFTA and GATT agreements, which expanded access to the U.S. market. Before implementation of the trade agreements, U.S. raw peanut imports were restricted to only about 2 million pounds per year—approximately one-tenth of 1 percent of annual U.S. peanut food consumption. In the 1994 season, raw peanut imports totaled 85 million pounds, and in the current 1995 season are expected to climb to 104 million—about 5 percent of consumption.

Importing lower priced foreign peanuts can raise total U.S. consumption of peanuts. However, total U.S. demand for edible peanuts—foreign and domestic—has declined sharply in recent years. Demand fell 85 million pounds in the 1992 season, 34 million in the 1993 season, and 83 million in 1994.

Reduced Government Purchases, Rising Imports Squeeze Demand for Quota Peanuts

	Commercial sales ¹	Government purchases ²	Imports ³	Quota peanut use ⁴
Million lbs.				
1985	1,965	59	3	2,021
1986	2,009	68	6	2,071
1987	2,004	70	5	2,069
1988	2,139	123	11	2,251
1989	2,161	163	16	2,308
1990	1,998	51	56	1,993
1991	2,118	128	44	2,202
1992	2,021	172	73	2,120
1993	2,029	138	81	2,086
1994	2,024	64	168	1,920
1995	2,024	64	188	1,900

Crop year beginning August 1. In-shell basis. 1995 forecast.

¹ Includes imports. ² Peanut butter purchases. ³ Raw peanuts and peanut butter. ⁴ Commercial sales plus government purchases minus imports.

Commodity Spotlight

U.S. peanut food demand in the 1995 season is forecast to stabilize at 1994's 2-billion-pound level. With peanut food demand expected to remain unchanged and with greater food-use peanut imports, demand for U.S.-grown food peanuts is likely to continue declining in the 1995 season.

... While U.S. Peanuts Proliferate

U.S. peanut growers are adept at producing peanuts for the home and export markets. In 1994, the U.S. grew about 4.3 billion pounds of peanuts on 1.63 million acres, yielding an average of 2,624 pounds per harvested acre.

Compared with farms harvesting corn, wheat, and soybeans, peanut farms are relatively few in number. Peanuts are often grown in rotation with other crops, including corn, wheat, and soybeans. Production is concentrated in Alabama, Florida, Georgia, North Carolina, Oklahoma, Texas, Virginia, South Carolina, and New Mexico, with the first seven states accounting for 98 percent of the U.S. crop. Georgia is the top peanut producing state.

Average yields for U.S. peanuts increased dramatically since the 1960's, rising from about 1,518 pounds per acre then to about 2,472 pounds in the 1980's, a 63-percent increase. Over the same period, average yields per harvested acre for corn, cotton, and soybeans rose 50 percent, 21 percent, and 22 percent. Improvements in peanut varieties and cultural and management practices contributed to the gain in peanut yields.

U.S. peanut yields peaked at nearly 2,900 pounds per acre in 1984, with droughts in subsequent years reducing yields. Despite greater irrigation, especially in the Southeast, yields have not returned to peak levels.

Nevertheless, U.S. peanut yields are consistently the highest in the world. During 1988-92, U.S. average peanut yields exceeded those in India, the world's largest peanut producer, by 180 percent, and those in China, the world's second-largest producer, by 32 percent.

The quality of U.S. peanuts is also unsurpassed. While the majority of foreign peanuts are crushed into oil and meal, the U.S. crop is used primarily for food. Thus, despite placing a distant third in global output after India and China, with about 8 percent of world production, the U.S. accounted for about 30 percent of world peanut trade during 1988-92. Most U.S. exports are destined for the higher value food market.

While small compared with domestic use, exports of U.S. peanuts may surge when supplies are plentiful. In 1989 and in the early 1990's, U.S. peanut exports approached 1 billion pounds, above the historical average of 800 million pounds. About 20 percent of the U.S. peanut crop was exported in the mid-1980's and early 1990's, compared with 15 percent in the early 1970's and 3 percent in the early 1960's. The major export markets for U.S. peanuts are the European Union, Canada, and Japan.

Prospects for U.S. peanut exports during the remainder of the 1990's will be influenced chiefly by the availability of U.S. supplies, the reputation of the U.S. as a reliable supplier, and competing supplies. U.S. peanuts have generally commanded a price premium over peanuts from other sources because of higher quality, but foreign suppliers have improved their quality in recent years and have become more price-competitive.

In addition, U.S. peanut exports will continue to be affected by importing countries' purchasing power, the value of the dollar, and the price of U.S. peanuts relative to competitors' peanuts. The availability and prices of competing edible nuts, as well as other snack foods, will also be factors.

In response to a weak domestic peanut market and unusually attractive potential returns from competing crops such as cotton, U.S. peanut growers reduced planted acreage to 1.57 million acres in 1995, 76,000 below last year. However, U.S. quota peanuts will likely remain in excess supply by a wide margin, despite the potential for a smaller peanut crop in 1995 (perhaps nearly 400 million pounds below 1994). Over the longer term, U.S. peanut production will depend on prospects for a rebound in consumer demand and the competitiveness of U.S. peanuts in world markets.

Quota peanuts that farmers cannot sell in the domestic food market will likely end up under government loan—where revenue from disposal (for crush) will fall well short of the peanuts' food market value. Nearly 300,000 tons of quota peanuts from the 1994 crop were placed under government loan and subsequently sold, contributing to an estimated \$120-million loss from peanut loan activity. Many 1995-crop quota peanuts will likely end up under government loan as well.

Among the important issues in the current debate over U.S. peanut policy are whether there should be a minimum annual poundage quota, the extent to which the government can afford to be a major purchaser of peanut products given the potential for excess production and rising program outlays, and the sustainability of increases in the peanut support rate in the face of diverging U.S. and world peanut prices.

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World Agriculture & Trade



Virginia Port Authority

U.S. Ag Exports To Set Record in FY96

U.S. agricultural exports in fiscal 1996 (October 1995-September 1996) are projected to reach \$54.5 billion, a gain of \$1.5 billion over fiscal 1995, and a new record. However, export growth will not match the expansion seen in fiscal 1995—a banner year. Continued strong exports of horticultural products will account for a majority of the value increase, while smaller gains are expected for grains, oilseeds, and animal products.

Growth in the value of U.S. exports is expected to slow in fiscal 1996 to about 3 percent, compared with growth in fiscal 1995 of 22 percent—the biggest year-to-year increase since 1988. Almost all of the export growth in fiscal 1996 will be accounted for by high-value products (HVP's), a return to the more usual pattern of exports in recent years.

An anticipated drop in coarse grain exports is the primary factor in a projected decline of 4 percent in U.S. export volume in fiscal 1996, to 156.5 million metric tons. Despite the volume drop from 1995, higher U.S. export prices due to tighter global markets for grains and oilseeds will prevent a fall in total export value.

U.S. imports of agricultural products in fiscal 1996 are projected at \$29 billion, unchanged from fiscal 1995. As a result, the U.S. agricultural trade surplus is expected to rise to \$25.5 billion, the highest since the \$26.6 billion surplus posted in 1981. The largest gains in imports in fiscal 1996 are expected for fruit, projected at \$2.4 billion, a \$200-million rise from fiscal 1995.

Stable- to slightly lower coffee prices, along with continued low imports of beef, will suppress import value in fiscal 1996. In fiscal 1995, higher coffee and rubber prices will boost total ag import value about 10 percent from the previous year. The sharp rise in coffee prices at the end of 1994 and the beginning of 1995 has been sufficient to lead to the expected higher total import value, even though coffee prices have since leveled off.

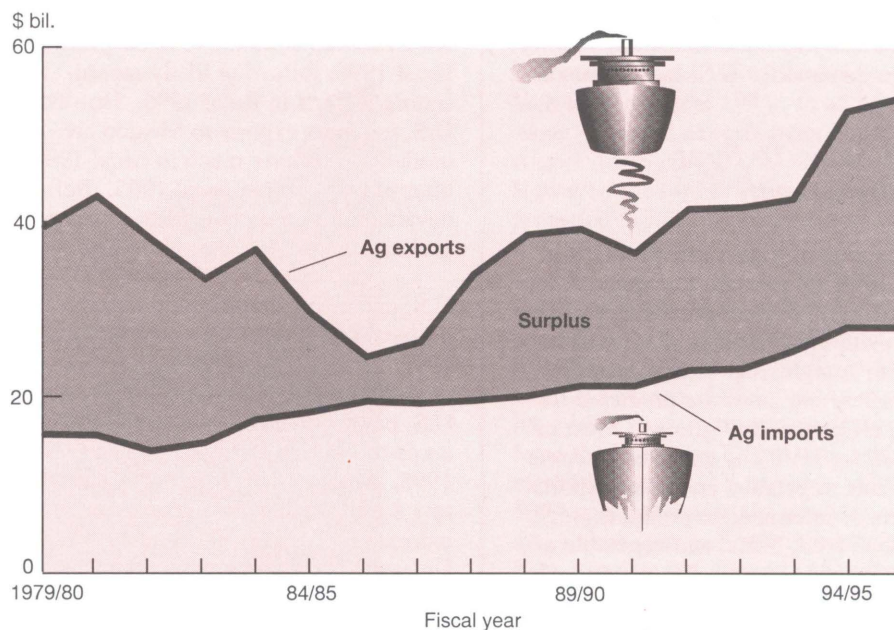
Bulk Items Lifted Exports in FY95

U.S. farm exports are estimated to explode to a record \$53 billion in fiscal 1995—the best performance in 14 years—chiefly because of a surge in bulk exports to nearly \$23 billion, the highest since 1984. During 1989-94, U.S. agricultural exports rose just 2 percent annually, with HVP exports the primary source of growth; bulk exports declined 4 percent annually during the period.

Both bulk and HVP exports have expanded substantially in fiscal 1995, the first time since 1988. The value of bulk commodity exports is estimated to rise by about one-third, while the value for HVP's is likely to gain 15 percent. In fiscal 1995, bulk items' share of the total export value is expected to rise to 43 percent, after falling slightly below 40 percent for the first time ever in fiscal 1994.

Export volume will reach an estimated 163.1 million tons in fiscal 1995, with bulk commodities comprising nearly 121 million tons—the strongest performance for bulk exports (on a volume basis)

Ag Trade Surplus Widens with Record U.S. Exports



1994/95 estimate; 1995/96 forecast.

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since 1982. U.S. exports have advanced because of reduced competitor shipments, especially from China. Low corn supplies in China and strong foreign demand for U.S. corn and cotton have been key factors in robust U.S. sales. Because of record U.S. harvests in 1994/95, the U.S. was well positioned to meet the keener global demand.

Rising world incomes and a relatively weak U.S. dollar have also bolstered U.S. exports in fiscal 1995. World income growth in 1995 is forecast at 3 percent, the highest rate of growth since 1989, which has encouraged greater foreign consumption of meats, and fruits and vegetables.

Dietary shifts have continued to aid the expansion of U.S. high-value product exports. Increased demand in many of the fast-growing markets in Latin America and the Pacific Rim region for Western foods and for more convenient processed food items, as well as market liberalization measures, have also enabled the U.S. to ship more food items abroad.

A continued weak dollar vis-a-vis foreign currencies in 1995 (particularly the Japanese yen and the German mark) has made U.S. commodities cheaper in foreign markets, and has spurred U.S. ag exports in fiscal 1995. Promotional activities by the U.S. agriculture and food industry has also helped to solidify foreign demand for U.S. farm products.

HVP Sales To Spur Export Growth

U.S. exports of high-value products in fiscal 1996 are forecast to expand 5 percent, to \$31.5 billion, providing most of the growth in ag exports. This will be the 11th straight year of expansion in HVP sales, and gains are predicted for nearly all commodity groups. Most of the gain for HVP's is expected to come from fruit, vegetable, and meat exports. Exports of intermediate products (such as animal feed, hides, and vegetable oil) are expected to remain flat because of lower soybean oil exports.

U.S. exports of horticultural products in fiscal 1996 are projected to increase 10 percent to \$10.3 billion, following an estimated 16-percent rise in fiscal 1995. Horticultural exports, primarily fruits, vegetables, and tree nuts, will account for almost two-thirds of the projected gain for total agricultural exports in fiscal 1996. Fruits and vegetables has been one of the fastest growing export groups, with much of the impetus from Japan and other East Asian markets.

Overseas demand for U.S. fruits and vegetables, particularly apples, oranges, grapefruit, and frozen potatoes has increased as a result of market-opening agreements and expansion in fast-food sectors. Demand for U.S. fruit and vegetable exports is expected to remain strong in fiscal 1996. Despite higher prices for some U.S. fruits due to tightened supplies, a favorable exchange rate should keep U.S. exports competitive.

U.S. exports of animal products, especially red meats and poultry, have continued to set records every year since 1985. In fiscal 1996, U.S. sales of live-stock, poultry, and dairy products are projected to reach \$10.6 billion, \$300 million above fiscal 1995. Stable export prices and a weak U.S. dollar have contributed greatly to the advance of U.S. red meat sales in East Asia.

Sales of red meats to Japan and South Korea should continue to make gains in fiscal 1996, following likely record-setting exports in fiscal 1995. However, U.S. red meat exports to Mexico are unlikely to recover much in fiscal 1996, after plummeting in fiscal 1995. Before devaluation of the peso, Mexico was a growing market for U.S. red meats.

U.S. exports of poultry products are projected to expand 9 percent in fiscal 1996, to \$2.4 billion, up from a forecast record \$2.2 billion in fiscal 1995. With U.S. poultry meat exports posting records through the first 9 months of fiscal 1995, shipments are forecast to climb to 1.8 million tons for the year, and increase to 2 million in fiscal 1996. Unleashed consumer demand in Russia and transshipments into southern China from Hong Kong have catapulted U.S. poultry meat exports.

The value of U.S. soybean meal and oil exports combined is projected to decline 11 percent in fiscal 1996, to \$1.6 billion, because of lower U.S. soybean oil exports due to reduced imports by China. For fiscal 1995, U.S. exports of soybean meal and oil are forecast at \$1.8 billion, the highest since 1988. Strong import demand for vegetable oil in China pushed U.S. soybean oil shipments to near-record levels. U.S. soybean oil shipments to China totaled over 500,000 tons during October 1994-June 1995, compared with no exports during the same period a year earlier.

Bulk Volume Down, Value Steady in FY96

Despite a projected decline in export volume, the value of U.S. bulk commodity exports (wheat, coarse grains, rice, soybeans, tobacco, and cotton) in fiscal 1996 is projected to remain unchanged at about \$23 billion. Higher projected U.S. export prices account for the steady value.

Total U.S. coarse grain exports in fiscal 1996 (corn, sorghum, barley, rye, oats, and mixed grains) are projected to fall to 56.5 million tons, from 61.8 million in fiscal 1995, because of a drop in U.S. coarse grain output of about 60 million tons—primarily corn—from the record 1994/95 harvest.

U.S. corn exports in fiscal 1996 are projected to fall to 51 million tons, as a result of a sharp decline in U.S. corn production. Concern over tight supplies in the current 1995/96 marketing year boosted U.S. corn export prices towards the end of the 1994/95 marketing year, raising the average export price for the year. With U.S. corn export prices expected to rise further in 1995/96, export value is predicted to increase to \$6.4 billion, despite the volume decline.

A dramatic shift occurred in the world coarse grain market in fiscal 1995, as demand for U.S. corn soared when China—in recent years a large corn exporter—reduced its exports and became a net corn importer. In 1994, China exported nearly 12 million tons of corn; in 1995, China's corn exports are expected to be less than 2 million tons,

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and its imports over 4 million tons, with the U.S. supplying most of China's imports.

China's withdrawal from the corn export market opened the gate for U.S. corn in other Asian markets, especially South Korea and Southeast Asia. As a result of strong corn exports, the U.S. share of world coarse grain exports is expected to rise to an estimated 68 percent in marketing year 1994/95, the highest since 1979/80.

U.S. wheat exports in fiscal 1996 are projected to fall 500,000 tons, to 30.5 million (wheat flour exports are projected at 1 million tons). However, higher projected export prices in fiscal 1996 will raise the export value of wheat and wheat flour to \$5.4 billion. The world wheat market will remain tight in 1996 because of continued low world production and a drop in 1995 U.S. wheat output, mainly due to unfavorable weather.

U.S. wheat exports in fiscal 1995 are forecast at 31 million tons, unchanged from fiscal 1994. However, the value will rise to nearly \$5 billion because of sharply higher U.S. export prices. A tight world wheat market bolstered U.S. prices.

In fiscal 1996, U.S. rice exports are projected to decline 6 percent from the forecast record in fiscal 1995, to 3.4 million tons, although export value will stay unchanged at \$1 billion. Smaller 1995 U.S. rice production, due to a decline in area and lower yields, and reduced global trade, are underpinning the lower U.S. export figure. But continued strong import demand for rice in China and Indonesia will raise U.S. rice export prices, maintaining the value of U.S. rice trade.

The U.S. is likely to export more rice to Japan in fiscal 1996, as Japan purchases rice to meet the minimum access rules of the Uruguay Round trade agreement. Japan agreed to import 380,000 tons by the end of March 1996, and the U.S. is expected to capture a significant share of Japan's purchases.

U.S. rice exports in fiscal 1995 are forecast to reach a record 3.6 million tons, valued at \$1 billion. Increased import demand for rice in China and Indonesia boosted world rice prices in 1995 and made U.S. rice more competitive with Asian suppliers. U.S. rice sales to Latin America, especially rough rice, expanded significantly. During the first 9 months of fiscal 1995, U.S. rice ship-

ments to Latin America surged to 1.3 million tons, compared with 400,000 tons during the same period a year earlier.

U.S. cotton exports in fiscal 1996 are projected to fall to 1.7 million tons, valued at \$2.9 billion. Expanded global cotton output anticipated in response to higher world prices will lead to smaller U.S. shipments. A faster expected rise in world production than consumption in 1996 will cause global cotton exports to contract. China is expected to reduce its cotton imports significantly, which will curtail U.S. trade.

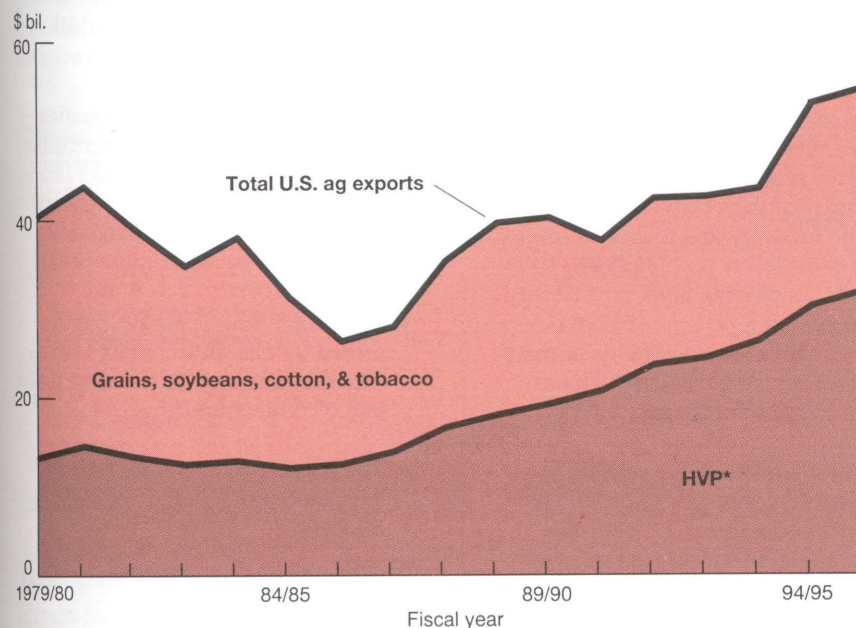
In fiscal 1995, U.S. cotton exports, boosted by strong import demand from China, are estimated to rise to a record 2.1 million tons, valued at \$3.7 billion. During the first 9 months of fiscal 1995, the U.S. shipped a record \$725 million worth of cotton to China. Although China's cotton output expanded in 1994/95, China imported cotton, as the government's domestic purchases declined and regional shortages arose. The strong demand for cotton by China, as well as a shortage of exportable supplies in other producing countries such as India and Pakistan, propelled U.S. cotton export prices in fiscal 1995 to the highest level since 1981.

Lower U.S. soybean output and higher projected export prices are expected to limit U.S. soybean exports to 21.8 million tons in fiscal 1996, down from the high level of fiscal 1995. In addition, larger expected exports from South America will curtail U.S. shipments. However, the higher export prices are projected to raise soybean export value to \$5.3 billion.

For fiscal 1995, U.S. soybean exports are estimated to increase 37 percent from fiscal 1994, to 22.5 million tons, worth \$5 billion. U.S. soybean exports have been spurred by strong demand from the European Union and Asian markets. Lower U.S. soybean prices in 1995 compared with the previous year, and a slow start to South America's soybean exports, encouraged U.S. sales.

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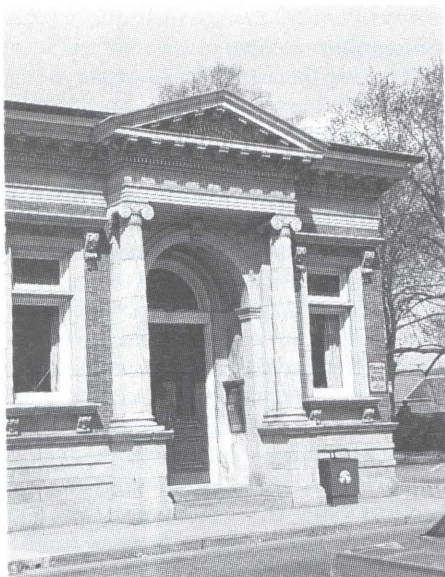
High-Value Products To Account for 1995/96 Growth in U.S. Ag Exports



1994/95 estimate; 1995/96 forecast.

*Primarily meats, dairy, horticultural products, feed and fodder, oils, and meal.

Farm Finance



Jack Harrison

Proposals for Increasing Rural Access To Credit

Rural interest groups, lenders, and others are suggesting ways to increase rural access to credit as Congress debates the next farm bill. These suggestions address longstanding concerns that rural areas have less access to credit than urban areas.

One suggested approach is through expansion and modification of existing rural-oriented *Government-Sponsored Enterprises* (GSE's) such as the Farm Credit System (FCS) and the Federal Agricultural Mortgage Corporation (Farmer Mac). These enterprises channel large amounts of capital to borrowers, reduce regional differences in interest rates, and lower borrowing costs for eligible loans. GSE's are privately owned and operated, limited to a specific economic sector, and receive direct and indirect government support.

Many rural interest and lender groups have highlighted specific concerns about rural credit markets. Such groups include the American Bankers Association, the Independent Bankers

Association of America, the Farm Credit Council, and the Rural Policy Research Institute (a multi-state, land-grant-university-based research consortium).

These groups argue that economic growth and employment in rural communities is limited in part by:

- difficulty in finding equity investors,
- a shortage of long-term, fixed-rate debt capital,
- reluctance or inability of local financial institutions to provide loans to new farmers and businesses,
- mismatches in the size of financial institutions and their potential borrowers, and
- limited credit availability in areas where one or two industries dominate a local economy and lenders cannot diversify credit risks.

Such problems are more critical to rural areas than to urban areas because the farm financial crisis of the 1980's reduced the number of rural lenders and limited credit options for farmers.

Banks headquartered in rural America have, as a group, done quite well since the end of the farm financial crisis. Based on several measures, rural banks have outperformed their urban counterparts over the last 7 years, leaving them with the financial strength to service the credit needs of their clienteles. With economic recovery and relatively low interest rates, fewer problem loans have developed, improving bank profitability. Total profits (as a percent of assets) as well as capital-to-asset ratios at rural banks have remained above the industry-wide average for the last 7 years.

While rural lenders as a group are in sound financial shape, some continue to experience difficulties. Low profits, problem loans, or low capital-to-asset ratios of some rural banks and FCS lenders raise serious questions about their long-term viability and their ability to serve their communities adequately.

And while rural lenders generally meet local needs, certain types of capital in specific locations may be lacking.

Limited Competition Among Rural Banks

Financial markets are segmented geographically and among categories of borrowers and lenders. This occurs because information on interest rates and loan availability is not always readily available to everyone, legal restrictions limit the products lenders can offer, and transaction costs vary both geographically and among products. Financial markets are less efficient at allocating capital among users when these factors combine to limit competition among potential lenders.

Competition among lenders can affect the cost and availability of credit. Banks in noncompetitive markets may be able to charge higher interest rates on loans, offer lower interest rates on savings, or make fewer loans compared with banks in competitive markets. Furthermore, borrowers in noncompetitive markets may have trouble finding alternative sources of financing if their primary lenders turn down their loan requests.

Relative to urban counties, rural counties are served by fewer commercial banks. As of June 1993:

- Over one-fourth of rural counties were served by two or fewer banks (including branches of banks headquartered elsewhere). In contrast, over 40 percent of urban counties were served by 10 or more banks.
- The proportion of urban counties served by one or more large banks (\$1 billion in assets) was over twice that of rural counties.
- The poorest rural counties tend to have the least competitive banking markets.

Although nationwide surveys consistently find no evidence that financial market failures are endemic to rural areas, studies by the University of Wisconsin have

found two particular aberrations in the performance of rural bank markets.

- Small businesses located in rural markets served exclusively by large banks experience more credit denials than small businesses in urban areas, as do large firms in rural communities served only by small lenders.
- Firms in a rural area's dominant industry sometimes experience problems obtaining credit, as do firms in unfamiliar industries.

Such problems are sporadic and appear to occur because lenders fail to use existing risk-sharing techniques, such as loan sales and participations, as well as loan guarantees. These techniques are often used by small banks to make larger loans while managing risks.

Also, new rural businesses, including beginning farmers, face more financing problems than do new urban businesses. New businesses are inherently risky. Federal and state regulations preclude banks from making direct equity investments in business enterprises and discourage banks from making loans on very risky ventures.

Since a bank is generally less likely to finance new farms and businesses than established ones, alternative sources of finance are critical. Results of the study

conducted by the University of Wisconsin suggest that rural bankers are less likely than urban bankers to refer unsuccessful borrowers to other financiers. In addition, rural areas have fewer equity investors than are usually available in urban areas.

GSE Proposals Address Rural Financial Needs

Several proposals to increase rural credit by expanding GSE's are under discussion in Congress for possible inclusion in the 1995 farm bill. The proposals include removal of some of the restrictions in Farmer Mac activities, and reorganizing the FCS and expanding its authority.

The first proposal addresses Farmer Mac. Congress created Farmer Mac in 1988 to develop a secondary market for agricultural real estate and rural housing loans, in order to increase capital availability in rural areas. To date, this effort has been largely unsuccessful due to restrictions in Farmer Mac's charter designed to safeguard taxpayers from potential losses but which limit credit expansion.

Farmer Mac's board of directors has supported proposals that would remove some of these restrictions, placing Farmer Mac on an equal footing with successful GSE's, such as Fannie Mae

and Freddie Mac. Currently, Farmer Mac guarantees the timely payment of principal and interest on loans originated and pooled by others. Farmer Mac has about \$500 million in outstanding loans.

The proposed changes would allow Farmer Mac to buy and pool loans directly and operate with lower interim capital standards. Currently, Farmer Mac has to rely on other lenders to form loan pools which it then guarantees. Other changes would shift risks from lenders or investors to Farmer Mac. If enacted, the proposal has the potential to bring mortgage banking firms into rural areas, increasing competition for eligible loans and benefiting borrowers.

Other proposals address the FCS. The FCS is a federally chartered network of cooperatively owned lending associations and banks that provide about one-fourth of the nation's agricultural credit. The FCS currently includes 8 banks and 232 lending associations and has about \$55 billion in outstanding loans.

A proposal by rural bankers aims at *reorganizing the FCS* to provide them with a new, reliable, and low-cost source of loanable funds. Rural bankers are interested in developing new sources of funds because bank consolidations have disrupted traditional lending relationships between rural banks and larger banks. Rural banks also want access to longer term funds, which would reduce the risk of long-term lending. In addition, savers are increasingly moving their deposits into nonbank investments such as mutual funds, diminishing rural banks' main source of loanable funds.

The bankers' proposal would fundamentally change the structure of the FCS, including its ownership. The proposal would allow commercial banks to buy stock in FCS banks. Commercial banks would then have the right to borrow funds from FCS banks to make eligible loans. This would increase commercial banks' ability to make loans without increasing FCS direct lending to bor-

Rural Counties Have Less Access To Credit Than Urban Areas

	Metro areas	Nonmetro areas	
		All	Poverty ¹
		<i>Number</i>	
Banking firms per county	10.7	4.1	3.1
Bank offices per county	54.7	8.3	6.2
		<i>Percent</i>	
Counties served by:			
1-2 banks	4.2	27.5	44.9
3-5 banks	20.7	47.1	45.6
6-9 banks	32.5	21.4	9.0
10 or more banks	42.6	4.1	0.6
At least 1 large bank ²	79.7	35.7	26.9
Only small banks ³	10.3	52.0	63.9

Data as of June 30, 1993. ¹ Twenty percent or more of the residents in a county reported incomes at or below the poverty level in the 1960, 1970, 1980, and 1990 censuses. ² Assets exceeding \$1 billion.

³ Assets less than \$250 million.

Sources: Federal Deposit Insurance Corporation and Federal Reserve Board.

Farm Finance

Government Sponsored Enterprises: Active in Many Sectors

Since 1916 Congress has created a number of enterprises to improve credit availability and increase competition in financial markets for specific sectors of the economy, including farming, housing, and education. These Government-Sponsored Enterprises (GSE's) include the Farm Credit System (FCS) and the Federal Agricultural Mortgage Corporation (Farmer Mac) which serve agriculture and rural areas; the Federal National Mortgage Association (Fannie Mae), Federal Home Loan Banks, and Federal Home Loan Mortgage Corporation (Freddie Mac) which serve housing; and the Student Loan Marketing Association (Sallie Mae) and College Construction Loan Insurance Corporation (Connie Lee) which serve higher education. Altogether, GSE's hold over \$1 trillion in financial obligations.

The two GSE's serving rural America are the FCS and Farmer Mac. The FCS lends directly to producers and harvesters of agriculture, aquatic and timber products, rural residents, agricultural cooperatives, farm-related businesses, and some rural utilities. The FCS can also lend to other financial institutions for short- or intermediate-term purposes if these institutions have a significant agricultural loan portfolio and a continuing need for nonlocal funds. Farmer Mac, established in 1988, guarantees the timely payment of principal and interest on eligible loans originated and pooled by other lenders. Eligible loans include farm and rural home mortgages and certain Farmers Home Administration guaranteed loans.

rowers, and would increase availability of long-term agricultural loans. Currently, commercial banks can borrow from the FCS under limited circumstances for short- or intermediate-term agricultural purposes.

The FCS, in a separate proposal, favors relaxing certain requirements, including borrower stock requirements, to facilitate the buying and selling of FCS-eligible whole loans by any FCS lender. Unlike the bankers' proposal, the FCS proposal would allow, but not require, any particular loan to be bought or sold. Loans would change hands only if both parties agreed. Thus, this proposal may or may not increase commercial banks' access to GSE funds when they are most needed.

This proposal could increase loan availability if commercial banks are willing to sell loans and local FCS lenders are willing to buy these loans. In addition, such transactions would be less costly to arrange than under current regulations.

Another proposal would expand FCS's existing authority to lend to other financial institutions. FCS lending authority dates back to 1923 when Federal Intermediate Credit Banks (FICB's) were created specifically to ease commercial banks' dependence on local demand deposits for their loanable funds.

District FCS banks still have the obligation to provide commercial banks with short- and intermediate-term agricultural loans when the banks meet certain conditions, including having significant portfolios of agricultural loans and a continuing need for loanable funds that cannot be met through other sources. FCS banks must lend to eligible financial institutions under the same terms they extend to FCS lending associations.

Despite several attempts to broaden the use of this authority, only 22 commercial banks now make use of it. This number has fallen dramatically from the early 1980's due to the farm financial crisis, which reduced the need for loanable funds for farmers.

Banks have expressed reservations about establishing a relationship with the FCS and about doing business with a direct competitor. In addition, the short-term nature of the FCS's current lending authority does not address banks' need for long-term funds. The core of this proposal would change FCS authority and regulations to reduce bankers' costs of FCS borrowing and to expand eligibility while maintaining appropriate safeguards. Doing so would increase credit availability in rural areas.

These proposals address essentially the same concerns—how to provide greater access to nonlocal sources of funding for long-term agricultural lending and for mortgages for single-family residences in rural areas. In addition, proposals that involve the sale of loans also would address the need to diversify credit risks in areas dominated by a few industries—if the industries are eligible for FCS or Farmer Mac loans.

While access to nonlocal, longer term funds may be important to many rural borrowers and lenders, other concerns are not directly addressed, including the reluctance or inability of local financial institutions to provide start-up loans to new farmers, and mismatches in the size of financial institutions and their potential borrowers.

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Food & Marketing



Jack Harrison

Changing Patterns of Food Spending

What proportion of total U.S. food expenditures (businesses, government, and individuals) go to food prepared away from home? In 1994, the share reached 47 percent, with the remaining 53 percent going to food prepared at home. While the away-from-home expenditure has increased continually since the 1990-91 recession, competition among food retailers and restaurants (full-service and fast-food) has helped to moderate price increases.

Total food expenditures rose to \$642 billion in 1994, a 4.5-percent increase over 1993 expenditures. Gains in food purchased away from home led the way, rising 5.9 percent to \$301.3 billion, while spending for food at home rose 3.4 percent to \$341.1 billion. Adjusted for inflation, total food spending increased 1.9 percent in 1994, with food at home dipping 0.2 percent and food away from home rising 4.1 percent.

The steeper rise in dollars spent for food away from home reflects both changes in prices and increases in the number of meals eaten out. Prices in restaurants and other food-service outlets often change independently of price changes in grocery stores. Adjusting for these changes in prices, the quantity of food eaten away from home rose from 33.8 percent of total food in 1991 to 36.7 percent in 1994.

From 1989 to 1991, the share of total food dollars spent for food away from home declined, reflecting the economic slowdown and the subsequent recession. People economized by cutting down on eating out or by patronizing less expensive places.

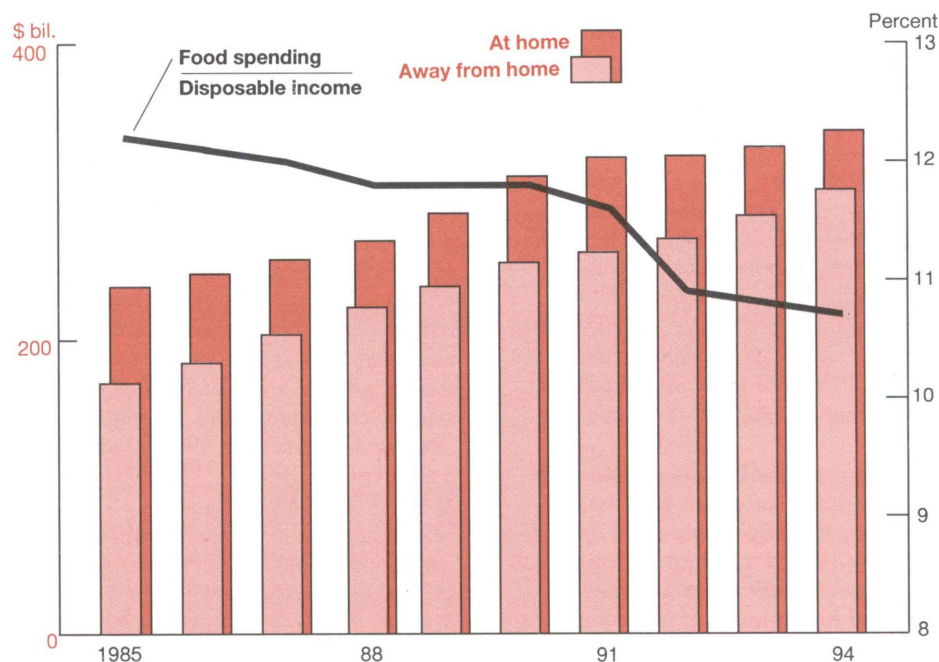
But in 1994, spending for food away from home increased more than for food at home, and its share of food expenditures reached new highs—47 percent of food dollars and 36.7 percent of quantity—continuing the recovery begun in 1992. And in 1995, sales of food consumed away from home have continued their sharp rise—8.5 percent as of August—compared with the modest 4-percent rise for food-at-home sales.

Contrary to expectations, the fast-food share of away-from-home sales fell during the recession—from 34.1 percent in 1989 to 33.5 percent in 1991; vigorous competition among fast-food chains drove dollar sales down. The share rebounded to 35.7 percent in 1994, as people continued to eat out more but kept a wary eye on prices and did not trade up to full-service restaurants. That trend may be changing, however, as data available from early 1995 indicate that full-service restaurant sales increased 9 percent from January through June, exceeding the 6-percent increase for fast-food sales.

Food expenditures as a percentage of disposable personal income continue to fall each year, leaving income available for other purchases. In 1994, only 10.7 percent of a family's or individual's disposable personal income was spent on food—6.8 percent for food at home and 3.9 percent spent on food away from home. In 1990, 11.8 percent of disposable personal income was used for food.

Comparing food expenditures with other items in 1994, about 25 percent of disposable personal income was spent on

Spending for Away-from-Home Food Climbs Faster Than Food Prepared at Home



Food & Marketing

housing (including supplies, fuel, and furniture), 16 percent on medical care and drugs, and 11 percent on transportation (including cars and gasoline). Only 4 percent was allocated to savings.

After the 1990-91 recession, food expenditures, as expected, increased less than those for most other major consumer items. Expenditures for all food increased 4.4 percent in 1994, while expenditures for other items such as transportation, cars, and gasoline rose 6.7 percent, and medical care and drugs increased 6.6 percent. Of the 4.4-percent increase for food expenditures, away-from-home spending grew 6 percent and food prepared at home increased only 3.4 percent.

Two-income households and higher employment levels have increased household earnings and reduced the amount of time available to prepare food at home. According to U.S. Retail Trade Census data, sales by eating establishments (restaurants, cafeterias, and fast-food places) increased 32.3 percent from 1987 to 1992 (the most recent census year), while the number of eating establishments increased only 14 percent. Monthly data from the retail trade survey, available for the first 6 months of 1995, indicate that sales by these establishments have increased over 7 percent from the same time period in 1994.

In addition to providing ready-to-eat foods, away-from-home eating establishments have emphasized convenience—especially delivery, drive-thru, and carry-out—in order to capture an increasing share of the total food expenditure dollar. According to the latest census, restaurant takeout and delivery food sales increased to 10.2 percent of total restaurant sales, while takeout and delivery sales increased to an unprecedented 50.5 percent of total fast-food sales.

Takeout sales have become an important growth area for some fast-food restaurants that originally emphasized dine-in eating. In 1994, Pizza Hut delivery sales (which started only about 10 years ago) accounted for almost half of its pizza sales, carryout accounted for 26 percent

of sales, and dine-in was only 27 percent. Most Kentucky Fried Chicken meals are also consumed away from the restaurant, with dine-in accounting for only 13 percent of total sales. Taco Bell, which has recently introduced a new light menu, had 1994 sales about evenly split between dine-in and drive-thru/takeout.

New Outlets For Groceries

Retail grocery outlets have changed dramatically since 1980. Supermarkets' share of food-at-home sales peaked in the mid-1980's at almost 65 percent, dropping to 61 percent in 1994. The remaining purchases of food for use at home occurred in smaller grocery stores, specialty food stores, and a wide variety of other outlets.

In addition, supermarket formats have shifted sharply. Conventional supermarkets' share of total supermarket sales (including nonfood items) dropped from 73 percent in 1980 to 48 percent in 1986, and slipped further to 42 percent in 1994. Sales by superstores and combination food/drugstores increased from 22 percent of total supermarket sales in 1980 to 36 percent in 1986, reaching 49 percent in 1994.

Shares for other supermarket formats that emphasize lower prices—such as warehouse, superwarehouse, and limited assortment stores—increased from 5 percent in 1980 to 16 percent in 1986, before falling to 9 percent in 1994. The decline can be attributed to new competitors that strongly emphasize low prices. The new competitors, specifically warehouse clubs, mass merchandisers, and deep-discount drugstores, increased their combined share of food-at-home sales to consumers from 1.7 percent in 1982 to 4.5 percent in 1992, reaching 5.6 percent in 1994.

Warehouse clubs (formerly called wholesale clubs) are hybrids of membership wholesale outlets and retail stores. They carry a wide assortment of general merchandise, groceries in large packs,

and perishables (such as meat and some produce). More than 40 percent of their food sales are to operators of small restaurants, institutions, and noncommercial institutions (such as churches and clubs). The remaining 60 percent are sales to individual consumers. The warehouse clubs' share of total food-at-home sales increased from close to zero in 1982 to 1.8 percent in 1994.

Growth of warehouse clubs seems to be slowing as they approach market saturation in many areas. K-Mart, one of the major warehouse club operators, sold its Pace clubs to Wal-Mart. Price Club and Costco, the other major operators, merged in 1993 as the club boom tapered off. Sam's Clubs (owned by Wal-Mart) are returning to their former strategy of focusing on supplying small restaurants, lunchrooms, and institutions.

Some mass merchandisers, also called discount department stores, have included entire supermarkets in their stores since the early 1960's, when a number of supermarket chains built their own discount department stores. Many such chains left the discount business in the 1970's as the field became crowded. To serve their consumers more effectively, Wal-Mart and K-Mart have recently opened very large hypermarkets and supercenters that include large supermarket sections. Mass merchandisers' share of at-home food sales rose from 1.1 percent in 1982 to 2.6 percent in 1992, and reached 3.2 percent in 1994.

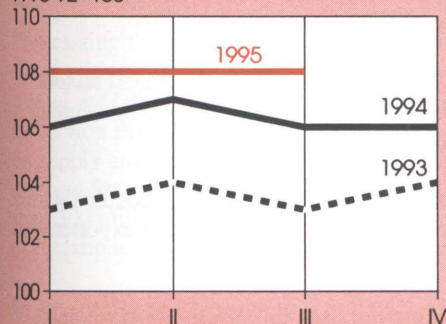
The most recent entrant to the retail food market has been superdiscount drugstores, which sell dry groceries (no perishables) at discount prices. The share of food-at-home sales held by these outlets increased from zero in 1982 to 0.6 percent in 1994.

Operators of all types of supermarkets feel the heightened competition as these alternative outlets invade their markets. Many traditional supermarkets are fighting back by featuring bulk sales and large club packs at competitive prices. [Alden Manchester (202) 219-0832 and Annette Clauson (202) 501-6552] **AO**

Prime Indicators

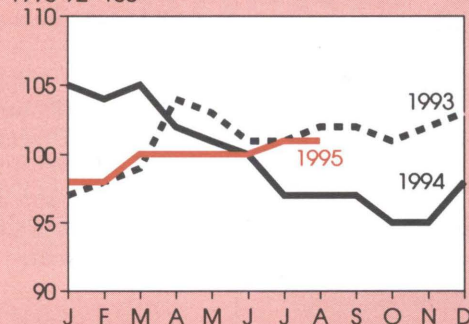
Index of prices paid by farmers

1990-92=100



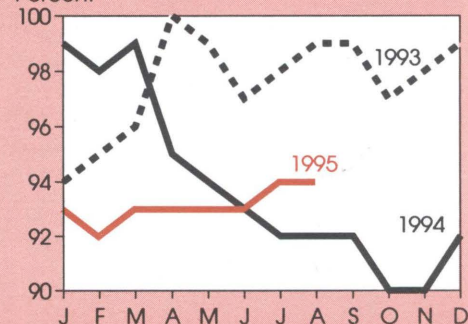
Index of prices received by farmers ¹

1990-92=100



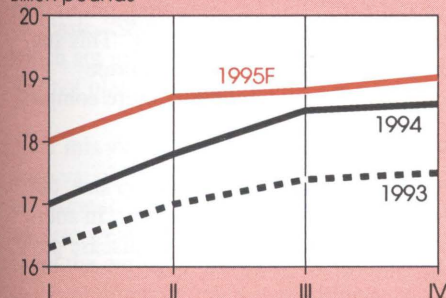
Ratio of prices received/prices paid

Percent



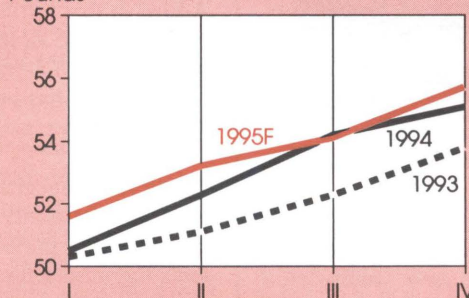
Total red meat & poultry production ²

Billion pounds



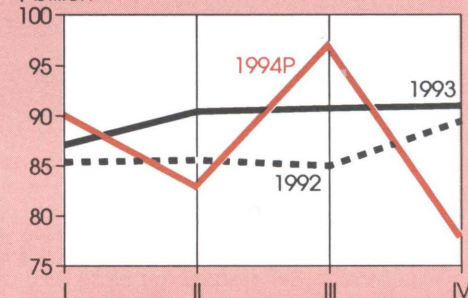
Red meat & poultry consumption, per capita ^{2,3}

Pounds



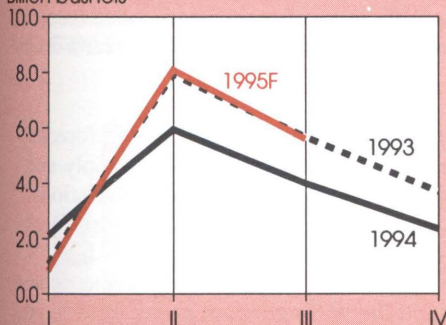
Cash receipts from livestock & products ⁴

\$ billion



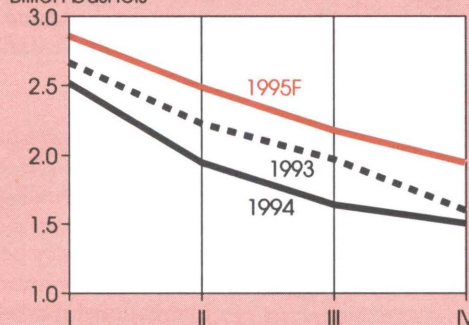
Corn beginning stocks ⁵

Billion bushels



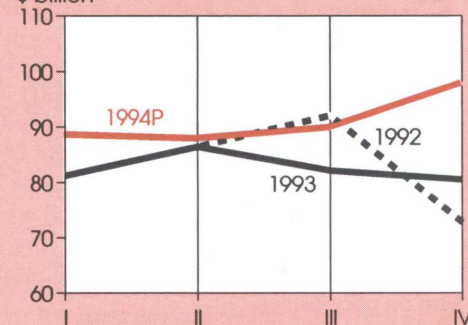
Corn disappearance ⁵

Billion bushels



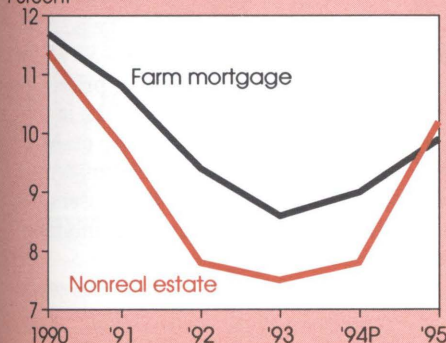
Cash receipts from crops ⁴

\$ billion



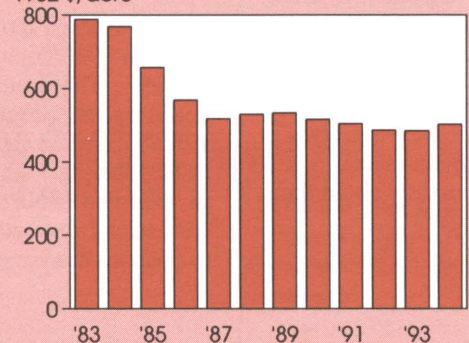
Farm loan interest rates ⁶

Percent



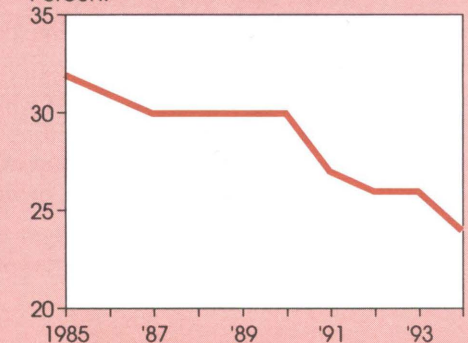
Average real value of farm real estate

1982 \$/acre



Farm value/retail food costs

Percent



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

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

⁶1994 farm mortgage rate is for the 1st 3 quarters of 1994; nonreal estate rate for 1994 is for all 4 quarters.

P=Preliminary, F=Forecast.

Special Article



Strong Demand Drives U.S. Corn Market

Buoyant demand and a sharp drop in the 1995 corn harvest are signaling a tight feed grain market in coming months. Corn production is expected to fall short of total use in 1995/96 (September-August). Various users competing for limited supplies will put upward pressure on prices, which are forecast to rise 15-30 percent from last year.

Although domestic and export demand are both projected to be below last year, total use will still be very large. Supplies of the other feed grains will also be tight, putting additional pressure on corn prices.

Corn accounts for over 90 percent of U.S. feed grain production, and rising prices will thus have a major impact on users. On the other hand, the higher corn price will sharply reduce government outlays for deficiency payments.

Tracking the corn crop has been difficult this year, starting with an unusually wet spring that interfered with planting. Growing conditions were mixed, leading to shifting expectations about the size of the crop throughout the summer. Meanwhile, demand prospects continued to grow, fueling anxiety about the size the crop.

Yields are forecast below trend at 121.1 bushels per acre, but still the third highest on record if realized. However, with acreage relatively low, forecast production of 7.8 billion bushels would be the ninth-largest U.S. crop.

In addition to supply factors such as weather, demand factors are also contributing to the expected price rise and low ending stocks. These factors are:

- strong import demand, especially from Asia, coupled with a reversal in China's trade status from a major exporter to a net importer;
- steady growth in industrial uses of corn in the U.S.; and
- large animal inventories, in part spurred by booming meat exports.

Added to this setting are tight supplies of competing grains, and changes in the structure of U.S. livestock industries. This suggests that corn demand could be less responsive to price changes than has been historically true, bringing more complexity to price forecasting.

While some uncertainty is typical in forecasting crop size, the level of uncertainty this summer was unusually high. In addition to late or prevented planting, hot weather and disease problems threatened the crop.

While volatile weather always affects price forecasts, this year demand factors are also contributing to uncertainty concerning price and stocks. Due to the expected large demand and relatively weaker price responsiveness of many users, price forecasts are particularly sensitive to any change in this year's crop forecast.

The demand-side uncertainty is due to the difficulty in forecasting how various corn users will respond to reduced supply and high prices. Analysis of historical price and demand relationships offers only a partial answer because price responsiveness has not typically been measured when prices were this high. And with supplies of alternative grains in both the domestic and international markets tight, the willingness of many users to pay higher prices for U.S. corn has likely increased. Even last year, it was rising demand that prevented prices from declining as much as previously expected given the record crop.

Season-average farm prices for corn are projected to be \$2.55-\$2.95 in 1995/96, up from the preliminary estimate of \$2.25 for 1994/95. This would rank 1995/96 among the higher price years, trailing only the \$3.21 recorded in 1983/84, \$3.12 in 1980/81, and \$3.02 in 1974/75. In one of the previous cases (1983) the price spike was largely driven by a disastrous crop. In 1974 and 1980, conditions were more akin to the present, with strong demand and declines from record crops combining to push up market prices.

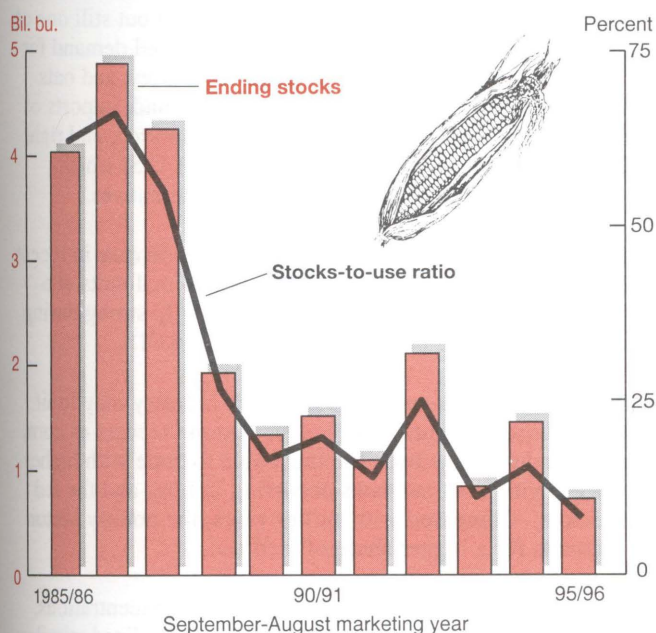
U.S. Corn Crop Down 22 Percent

Forecasting the 1995 corn crop—from planting to harvesting—along with prospective demand, has deviated sharply from routine. Last fall USDA announced a 7.5-percent Acreage Reduction Program (ARP) for this year's crop based on projected supply and use. Since the initial ARP announcement, export demand for corn has soared. Exports in 1994/95 jumped more than 700 million bushels from last September's forecasts, while expectations for 1995/96 exports also rose dramatically.

In the spring, heavy rains in much of the Corn Belt interfered with planting. Although rising corn prices at the time provided incentives to plant corn, the rain prevented many farmers from getting into their fields. Thus, much of the corn crop was planted late, reducing yield potential, raising the specter of damage from any early frost, and adding uncertainty to market forecasts. Some land was switched from corn to soybeans, which are usually planted later than corn, while other corn land was not planted at all.

After this slow start, growing conditions were mixed, and the wide variability in planting dates further complicated the crop assessment. Not only was much of the crop planted late, but adverse weather combined with potential disease problems confused the outlook. Despite some episodes of severe heat early in the summer, damage was limited, and in many areas the crop made rapid progress after its late start. But in August, conditions generally deteriorated due to searing heat and dryness.

U.S. Corn Stocks To Drop Nearly 50 Percent in 1995/96



1994/95 estimate; 1995/96 forecast.

Reports of insect infestations and grey leaf spot disease further renewed the market's concerns about potential yield losses, driving up prices.

Price expectations had already begun to rise in the spring when concerns about the impact of delayed planting arose. During the summer, futures prices for corn fluctuated considerably, largely according to the market's perception of crop prospects. The prices for the December contract on the Chicago Board of Trade reached a high of \$2.96 a bushel in mid-July, but then retreated in early August. Since then, prices began to rebound, with the futures price for the December contract passing \$3 a bushel by mid-September.

Even as crop conditions improved in mid-summer, strong export demand continued to provide underlying price support. Corn importers, particularly in Asia, responded to the price breaks with heavy buying, both for the final weeks of the old crop marketing year and for the new one.

Preliminary estimates place 1994/95 U.S. corn exports at 2.2 billion bushels, the fourth highest on record. More noteworthy was the record year-to-year gain of 870 million bushels, dwarfing any previous export turnaround.

In addition to corn, supplies of other feed grains and wheat for feeding are expected to be tight this year, contributing to higher corn prices. Total U.S. feed grain production is estimated at 223.5 million tons in 1995, down 27 percent from last year's record. Although 1995/96's beginning inventories were relatively high, total feed grain supplies are expected to drop 14 percent.

Corn production is forecast at 7.8 billion bushels, a decline of 22 percent from a year ago when a record yield of 138.6 bushels per acre was achieved. Planted acreage also fell sharply to 71.3 million acres in 1995, the lowest since 1988, reflecting the impact of wet weather at planting.

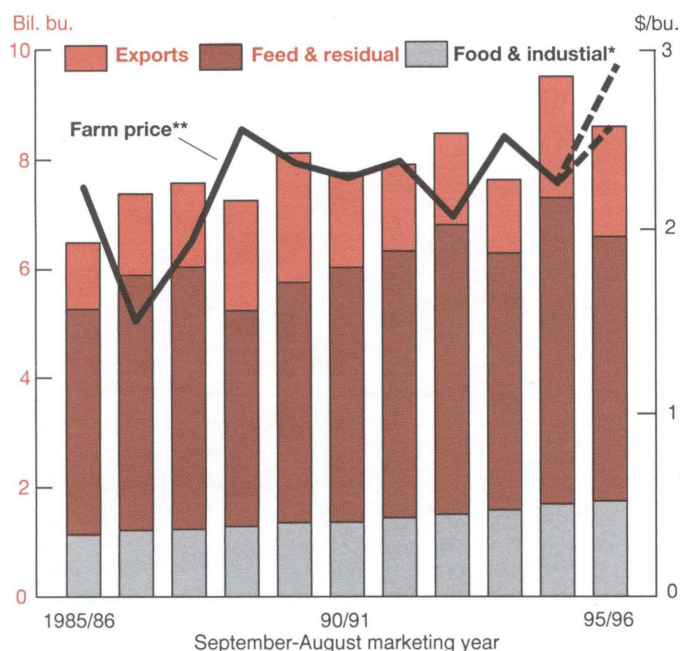
Sorghum output in 1995 is forecast at 538 million bushels, down from 655 million due to lower acreage and yields. Sorghum plantings were the lowest since 1929, and expected harvested area would be the lowest since 1953.

Oats production has continued its long-term decline, down an expected 44 million bushels from 1994 to 186 million. This is the lowest since USDA records started in 1866. Among the feed grains, only barley production is not expected to drop significantly. It is down just 1 million bushels to 374 million in 1995, despite a small decline in acreage. Barley acres are also very low by historical standards, however, with plantings of just 6.8 million acres.

These tighter supplies, plus the higher corn price, will push the other feed grain prices higher in 1995/96. Sorghum, barley, and oats prices are each projected up 10-30 percent over the previous year.

Special Article

Food and Industrial Use of Corn Continues Steady Growth



1994/95 estimate; 1995/96 forecast range.

*Includes seed. **Season-average.

Exports, Industrial Uses Continue To Expand

Forecasts for corn demand in 1995/96 remain strong, coming off record use in the 1994/95 crop year which just ended. Total use is projected at 8.6 billion bushels, down from 9.5 billion last year, but still the second highest ever.

The impact of higher prices on particular end users will vary. A substantial number of users hedged in the futures market earlier in the year to lock in prices. Many users will pay the higher prices when supplies are tight, including most industrial users such as starch makers and producers of corn sweeteners. Demand for corn for these products is not very sensitive to price changes.

In previous years, steep corn price increases did not prevent overall food, seed, and industrial use from climbing. In 1995/96, combined food, seed, and industrial use is forecast to increase 3 percent. In addition, food and industrial uses of corn have been increasing their share of total consumption in recent years, making overall domestic corn demand less price-responsive than before.

The other two components of corn demand—exports, and feed and residual—are typically more price-sensitive, suggesting that use will decline in the face of higher prices. However, an examination of adjustments to tight supplies in previous years indicates the pattern has been mixed.

U.S. exports did drop about 20 percent in 1993/94, a year of short supplies and high prices, but this drop coincided with record competitor shipments. Feed and residual use declined 11 percent that year, or nearly 600 million bushels. In 1988/89, when drought made a substantial cut in the U.S. feed grain crop, exports rose significantly while feed and residual fell by more than 850 million bushels. Similarly, in 1983/84, another drought year, exports moved up slightly while feed and residual dropped about 700 million bushels.

In tandem with a dramatic upturn in exports during 1994/95, trade expectations for 1995/96 have been revised upward in the last few months. U.S. corn exports are projected to be 2 billion bushels, down just 10 percent from 1994/95 and the second highest since 1989/90.

The major factor behind the high exports is China's abrupt swing from being the world's second-largest corn exporter to being the fourth-largest importer. This represents a net swing of some 575 million bushels that accrued to U.S. exports in 1994/95, including greater sales to many of China's former markets as well as to China. China is not expected to revert to a net corn exporter this year.

Thus far, there has been little or no evidence of any cutbacks in export demand for the 1995/96 crop year. Export sales of corn through September 7, the first week of the new marketing year, stood at 17.9 million tons, or more than 700 million bushels, the highest for that time of year since 1979/80. Expectations of strong U.S. corn exports are fueled by solid income growth in many countries, particularly in Asia, as well as the lack of alternatives to U.S. corn in the world market.

Feed and residual use of corn is projected at 4.825 million bushels, down 14 percent from last year's record but still one of the highest ever. A number of factors support feed demand for corn in 1995/96. First, supplies of sorghum, barley, and oats are down sharply compared with last year. Second, imports of Canadian feed wheat are expected to be very limited, and tight supplies and higher prices will limit feeding of U.S. wheat. This will promote interest in nongrain feed alternatives.

Third, livestock inventories have continued to increase in recent months, with the index of grain-consuming animal units at a record. Hog and broiler prices were surprisingly strong during the summer, and cattle prices strengthened as well.

Finally, structural changes in the livestock industry may limit overall response to higher feed prices. Among feeders of corn, the broiler industry has been the most able to cope with higher feed prices, with most cutbacks occurring in hogs and the fed cattle sectors. Compared with earlier years, the poultry sector now accounts for a bigger share of feed use.

However, following recent consolidations and concentrations, hog production is becoming increasingly industrialized, similar to what previously occurred for broilers. This would suggest that hog producers may react less quickly to higher feed prices than in the past. Smaller operations were more vulnerable to rising feed costs.

Fed cattle operators would likely respond the quickest to higher feed prices. Thus, for example, with forage conditions thus far this year very favorable, cattle are remaining on pasture for additional days to gain weight before being placed on feed.

Low Stocks Increase Vulnerability

Underlying this year's extreme sensitivity of market forecasts to the size of the crop is the forecast of relatively low 1995/96 stocks. Ending stocks of corn are projected at 730 million bushels, half of last year's estimated level and the lowest since 1975/76. More importantly, the ratio of stocks-to-total use is forecast at 8.5 percent. This would be the lowest since the current September-August marketing year was established in 1986, and even lower than estimated equivalent ratios during the grain crisis of the mid-1970's.

The accumulation of huge stocks in the 1980's cushioned the impact of crop fluctuations in that decade. In fact, these large stocks were considered burdensome because they were overhanging the market, and a major farm policy objective was to reduce stocks. And since the stocks were largely owned by the Commodity Credit Corporation or were in the Farmer-Owned Reserve, they were costly to store. These stocks were reduced,

accelerated by the drought in North America in 1988. Currently, all corn stocks are in private hands, except for a small amount in the Feed Security Reserve.

A sharp rebound in corn acreage is likely in 1996, assuming normal spring weather. USDA's baseline analysis conducted last winter placed 1996 corn plantings at 80 million acres, with no idled ARP acres. This would be the highest since the mid-1980's; the highest in recent years was 79.3 in 1992. At the time of the baseline analysis, prospective prices were considerably lower than at present, and a rise in price expectations has created incentives to expand corn acreage even higher.

This sets the stage for a large 1996 crop. Using trend yields, USDA's baseline analysis would result in production of more than 9 billion bushels. If yields jump back toward record levels, the crop could exceed 10 billion.

Variability in the corn crop is common: a 33-percent drop in 1993 from the then-record 1992 production was followed by a 60-percent rise to another record in 1994. Because of these fluctuations, the market is expected to remain very sensitive to weather developments for the 1996 planting and growing season.

[Pete Riley (202) 501-8512] **AO**

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	101	--	--	--	--	--
Livestock & products	95	93	89	92	--	--	--	--	--
Crops	105	105	114	113	--	--	--	--	--
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	102	101	102	--	--	--	--	--	--
Spread	169	174	175	--	--	--	--	--	--
Farm value/retail cost (%)	25	24	24	--	--	--	--	--	--
Retail prices (1982-84=100)									
All food	144	147	148	149	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	11.9	--	53.0	--	--	54.5
Agricultural imports (\$ bil.) 2/	26.4	7.8	7.5	6.6	--	29.0	--	--	29.0
Commercial production									
Red meat (mil. lb.)	42,523	10,521	10,853	10,991	11,100	43,465	10,747	11,016	44,728
Poultry (mil. lb.)	29,346	7,470	7,806	7,850	7,900	31,027	7,850	8,160	32,735
Eggs (mil. doz.)	6,177	1,545	1,535	1,530	1,590	6,200	1,555	1,565	6,320
Milk (bil. lb.)	153.6	39.0	40.5	38.7	38.9	157	40.3	41.9	161.5
Consumption, per capita									
Red meat and poultry (lb.)	212.2	51.6	53.2	54.1	55.7	214.6	52.9	53.9	220.3
Corn beginning stocks (mil. bu.) 3/	2,113.0	850.1	8,080.5	5,591.7	3,415.6	850.1	--	--	1,463.2
Corn use (mil. bu.) 3/	7,620.1	2,874.8	2,492.5	2,179.1	1,953.6	9,500.0	--	--	8,575.0
Prices 4/									
Choice steers--Neb. Direct (\$/cwt)	68.84	71.51	64.7	61-62	63-67	65-66	64-70	63-69	62-68
Barrows & gilts--IA, So. MN (\$/cwt)	40.03	38.56	38.91	47-48	40-42	41-42	38-42	36-40	37-40
Broilers--12-city (cts./lb.)	55.7	51.7	53.5	60-61	54-56	55-56	50-54	51-55	50-54
Eggs--NY gr. A large (cts./doz.)	67.3	65.2	63.6	73-74	72-76	68-70	66-72	60-66	63-69
Milk--all at plant (\$/cwt)	12.97	12.63	12.30	12.20-	13.00-	12.50-	12.20-	11.30-	11.95-
				12.40	12.50	12.70	13.00	12.30	12.95
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 R
\$ 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	7,024.9
Gross national product	6,025.8	6,347.8	6,726.9	6,682.5	6,779.6	6,871.3	6,959.5	7,005.8
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,586.4	4,657.5	4,734.8	4,782.1	4,847.9
Durable goods	492.7	538.0	591.5	580.3	591.5	617.7	615.2	619.1
Nondurable goods	1,295.5	1,339.2	1,394.3	1,381.4	1,406.1	1,420.7	1,432.2	1,446.6
Food & beverages	626.8	649.7	679.6	675.5	683.7	691.2	697.4	702.1
Clothing & shoes	227.7	235.4	246.5	243.9	247.8	252.6	252.5	254.3
Services	2,348.7	2,501.0	2,642.7	2,624.7	2,659.9	2,696.4	2,734.8	2,782.2
Gross private domestic investment	788.3	882.0	1,032.9	1,034.4	1,055.1	1,075.6	1,107.8	1,092.2
Fixed investment	785.2	866.7	980.7	967.0	992.5	1,020.8	1,053.3	1,057.5
Change in business inventories	3.0	15.4	52.2	67.4	62.6	54.8	54.5	34.7
Net exports of goods & services	-30.3	-65.3	-98.2	-97.6	-109.6	-98.9	-111.1	-122.3
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	1,207.0
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	5,485.2
Gross national product	4,985.7	5,140.3	5,337.3	5,310.5	5,359.9	5,416.0	5,458.3	5,472.6
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,557.8	3,584.7	3,629.6	3,643.9	3,674.3
Durable goods	452.6	489.9	532.1	522.2	529.6	554.8	550.0	553.9
Nondurable goods	1,057.7	1,078.5	1,109.5	1,104.3	1,113.4	1,121.9	1,128.2	1,133.9
Food & beverages	514.7	524.0	535.6	536.1	535.7	538.5	541.1	541.0
Clothing & shoes	193.2	197.8	208.8	204.9	210.2	216.4	216.6	219.5
Services	1,839.1	1,890.3	1,938.1	1,931.4	1,941.8	1,952.9	1,965.7	1,986.4
Gross private domestic investment	725.3	819.9	951.5	950.9	967.3	989.1	1,024.1	1,019.0
Fixed investment	722.9	804.6	903.8	891.7	910.2	939.7	973.0	986.2
Change in business inventories	2.5	15.3	47.8	59.2	57.1	49.4	51.1	32.7
Net exports of goods & services	-32.3	-73.9	-110.0	-111.8	-117.0	-107.1	-118.5	-126.8
Government purchases of goods & services	936.9	929.8	922.8	917.1	932.0	922.2	920.5	918.7
GDP implicit price deflator (% change)	2.8	2.2	2.1	2.9	1.9	1.3	2.2	1.6
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	5,197.3
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	3,939.1
Per capita disposable per. income (\$)	17,636	18,153	19,003	18,853	19,095	19,473	19,748	19,754
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,625	14,697	14,927	15,048	14,972
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	July	Apr R	May R	June R	July P
Monthly data seasonally adjusted								
Total industrial production (1987=100)	108.0	112.9	119.7	119.8	123.3	123.2	123.1	122.8
Leading economic indicators (1987=100)	98.2	98.8	101.7	101.7	101.2	101.0	101.2	101.0
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	122.8	125.1	124.3	124.5	125.0
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	6.1	5.8	5.7	5.6	5.7
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,704.4	6,003.5	5,990.5	6,018.9	6,058.2
Money stock-M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,615.1	3,616.7	3,643.8	3,660.0	3,695.7	3,714.6
Three-month Treasury bill rate (%)	3.45	3.02	4.29	4.39	5.67	5.70	5.50	5.47
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	8.11	8.03	7.65	7.30	7.41
Total housing starts (1,000) 4/	1,200	1,288	1,457	1,440	1,269	1,282	1,293	1,380
Business inventory/sales ratio	1.50	1.45	1.39	1.41	1.42	1.41	1.41	—
Sales of all retail stores (\$ bil.) 5/	1,959.1	2,081.6	2,241.3	185.4	193.0	195.1	196.7	196.0
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	113.1	116.5	117.6	118.1	117.8
Food stores (\$ bil.)	382.4	392.4	405.6	33.0	33.9	34.0	33.8	34.5
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.1	8.9	9.2	9.3	9.1
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	19.3	20.0	20.1	20.2	20.1

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.

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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	2.7	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	3.0	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.

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Farm Prices

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

	Annual			1994		1995				
	1992	1993	1994	Aug	Mar	Apr R	May	June	July R	Aug P
1990-92=100										
Prices received										
All farm products	98	101	100	97	100	100	100	100	101	101
All crops	101	102	105	101	109	114	115	112	113	112
Food grains	113	105	118	109	113	112	119	128	136	138
Feed grains & hay	98	98	106	98	102	105	108	110	113	112
Cotton	88	89	109	110	143	139	136	142	143	126
Tobacco	101	101	101	92	98	88	—	—	101	100
Oil-bearing crops	100	108	110	100	98	99	99	102	105	101
Fruit & nuts, all	99	92	89	100	77	81	98	99	105	114
Commercial vegetables	111	116	107	94	156	176	148	117	93	98
Potatoes & dry beans	88	106	111	122	92	100	111	123	148	123
Livestock & products	97	100	95	94	93	90	88	90	91	92
Meat animals	96	100	90	90	89	85	82	85	85	85
Dairy products	100	98	100	95	97	95	95	92	93	94
Poultry & eggs	97	105	106	107	101	100	99	100	105	112
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	107	107	107	107	107
Feed	99	99	105	—	—	100	—	—	99	—
Livestock & poultry	96	104	95	—	—	82	—	—	81	—
Seeds	99	105	109	—	—	110	—	—	110	—
Fertilizer	100	97	106	—	—	122	—	—	123	—
Agricultural chemicals	103	107	112	—	—	115	—	—	116	—
Fuels	96	92	84	—	—	92	—	—	92	—
Farm supplies & repairs	104	107	110	—	—	110	—	—	112	—
Autos & trucks	102	109	115	—	—	121	—	—	121	—
Farm machinery	104	106	110	—	—	119	—	—	119	—
Building materials	101	105	109	—	—	114	—	—	114	—
Farm services	104	109	112	—	—	115	—	—	118	—
Cash rent	104	100	108	—	—	108	—	—	108	—
Int. payable per acre on farm real estate debt	93	88	92	—	—	101	—	—	101	—
Taxes payable per acre on farm real estate	104	107	112	—	—	115	—	—	115	—
Wage rates (seasonally adjusted)	105	108	111	—	—	112	—	—	112	—
Production items, interest, taxes, & wage rates	101	103	106	—	—	107	—	—	107	—
Ratio, prices received to prices paid (%) 1/	98	98	94	92	93	93	93	93	94	94
Prices received (1910-14=100)	626	642	634	617	633	634	633	633	642	641
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	—	—	1,407	—	—	1,410	—
Parity ratio (1910-14=100) (%) 1/	47	47	46	—	—	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. — = not available.

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

	Annual 1/			1994	1995					
	1992	1993	1994	Aug	Mar	Apr R	May	June	July R	Aug P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.25	3.53	3.48	3.66	3.85	4.09	4.17
Rice, rough (\$/cwt)	5.89	7.98	6.25	6.87	6.64	6.70	6.75	7.03	7.17	7.33
Corn (\$/bu.)	2.07	2.50	2.20	2.16	2.30	2.36	2.41	2.51	2.63	2.59
Sorghum (\$/cwt)	3.38	4.13	3.65	3.73	3.75	3.84	4.06	4.72	4.78	4.73
All hay, baled (\$/ton)	74.30	84.70	86.50	82.90	86.70	90.30	90.40	83.90	80.60	81.10
Soybeans (\$/bu.)	5.56	6.40	5.35	5.58	5.51	5.55	5.56	5.68	5.90	5.68
Cotton, upland (cts./lb.)	53.7	58.1	67.4	66.8	86.5	84.5	82.6	86.3	86.6	76.4
Potatoes (\$/cwt)	5.52	6.22	5.36	6.99	5.16	5.55	6.28	7.19	8.98	7.25
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	11.00	29.30	49.20	48.50	15.60	12.50	15.80
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	29.20	43.80	20.50	14.40	33.30	20.50	15.30
Onions (\$/cwt)	13.00	15.80	14.46	9.44	16.90	23.70	15.50	10.10	12.80	11.40
Beans, dry edible (\$/cwt)	19.90	24.60	21.70	25.40	21.20	23.40	24.60	23.40	23.70	22.00
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	29.0	18.3	16.9	15.4	15.6	16.8	23.7
Pears for fresh use (\$/ton)	378	280	261	170	363	399	419	557	353	303
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	4.56	3.77	4.48	4.92	5.21	5.58	7.64
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	3.67	2.28	1.68	1.37	4.54	6.72	7.85
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	65.90	66.90	63.80	60.80	60.90	59.50	59.40
Calves (\$/cwt)	89.38	95.92	87.16	84.40	84.40	81.80	77.00	77.10	72.30	71.00
Hogs (\$/cwt)	41.82	45.40	39.48	41.80	37.80	35.70	37.20	42.30	46.20	48.30
Lambs (\$/cwt)	60.78	64.60	64.86	75.50	74.80	74.40	80.40	85.70	85.70	86.10
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	12.40	12.70	12.40	12.40	12.10	12.10	12.30
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	11.40	11.70	11.20	11.00	11.10	11.00	11.20
Broilers (cts./lb.)	30.8	34.2	35.0	35.1	32.8	32.1	32.4	32.8	34.5	37.0
Eggs (cts./doz.) 4/	56.2	62.7	60.9	60.3	61.4	62.0	56.3	57.8	60.9	63.6
Turkeys (cts./lb.)	37.6	39.0	40.7	42.1	38.3	38.3	38.2	39.3	39.8	41.8

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.

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Producer & Consumer Prices

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

	Annual		1995							
	1994	Aug	Jan	Feb	Mar	Apr	May	June	July	Aug
1982-84=100										
Consumer Price Index, all items	148.2	149.0	150.3	150.9	151.4	151.9	152.2	152.5	152.5	152.9
Consumer Price Index, less food	149.0	149.8	150.8	151.5	152.1	152.5	152.9	153.3	153.4	153.7
All food	144.3	144.8	147.5	147.4	147.4	148.4	148.3	147.9	148.1	148.4
Food away from home	145.7	145.9	147.4	147.6	148.1	148.3	148.6	148.8	149.1	149.4
Food at home	144.1	144.7	148.2	147.9	147.6	149.2	148.7	148.1	148.2	148.4
Meats 1/	135.4	135.1	134.9	134.9	135.5	134.9	134.7	134.0	134.2	135.1
Beef & veal	136.0	134.9	135.8	136.6	136.9	136.2	134.9	133.9	133.5	133.0
Pork	133.9	134.7	132.2	131.8	132.9	131.1	131.8	132.2	133.7	136.0
Poultry	141.5	141.7	140.2	141.4	143.3	142.3	141.6	142.9	142.5	142.8
Fish & seafood	163.7	163.6	169.0	170.4	171.2	171.6	171.9	172.1	170.4	170.9
Eggs	114.3	115.5	115.4	113.9	115.3	112.0	110.0	109.6	114.5	125.8
Dairy products 2/	131.7	131.8	132.7	132.1	132.2	132.1	132.8	132.2	132.9	132.8
Fats & oils 3/	133.5	134.1	136.4	136.8	136.8	137.2	137.1	136.4	138.0	137.5
Fresh fruits	201.2	201.9	214.2	213.3	207.0	210.3	219.6	216.3	218.4	221.8
Processed fruits	133.1	132.1	134.4	135.3	136.5	136.8	136.7	137.2	138.0	139.2
Fresh vegetables	172.3	163.7	209.4	198.6	193.8	220.4	203.5	194.9	188.7	175.4
Potatoes	174.3	190.4	157.1	157.2	161.8	164.6	165.3	183.1	200.8	195.5
Processed vegetables	136.6	138.5	138.0	137.7	136.9	138.1	139.0	138.9	140.2	139.9
Cereals & bakery products	163.0	164.7	164.6	165.8	165.3	166.9	166.6	167.5	168.2	168.8
Sugar & sweets	135.2	135.1	135.5	135.8	136.4	136.7	137.3	137.3	138.1	138.7
Nonalcoholic beverages	123.2	131.3	133.3	133.7	132.9	132.9	131.7	131.5	130.8	131.3
Apparel										
Apparel, commodities less footwear	131.2	128.4	126.3	128.3	132.3	132.5	130.8	127.6	125.0	127.3
Footwear	126.0	124.5	124.0	124.8	125.9	127.2	126.6	124.6	123.3	123.6
Tobacco & smoking products	220.0	221.7	222.2	222.7	222.5	223.0	225.3	226.4	226.2	227.4
Alcoholic beverages	151.5	151.3	152.0	152.4	153.1	153.6	153.9	154.0	153.8	154.5

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	July	Feb	Mar R	Apr	May	June	July
	1982 = 100									
All commodities	117.2	118.9	120.4	120.6	123.5	123.9	124.6	125.0	125.3	125.3
Finished goods 1/	123.2	124.7	125.5	126.0	126.9	127.1	127.6	128.0	128.2	128.3
All foods 2/	120.9	123.7	125.2	124.0	125.9	126.0	125.8	125.1	124.4	126.1
Consumer foods	123.3	125.7	126.8	126.2	128.4	128.7	128.5	127.9	127.4	128.5
Fresh fruits & melons	84.0	84.5	82.6	83.5	78.8	75.5	74.4	96.6	83.6	86.8
Fresh & dry vegetables	115.0	135.2	129.1	120.6	148.5	156.9	184.9	158.8	132.5	129.6
Dried fruits	114.6	117.9	121.1	121.6	119.9	119.4	119.4	121.3	122.0	124.1
Canned fruits & juices	134.5	126.2	126.0	126.2	126.9	127.4	126.8	126.8	127.1	127.9
Frozen fruits, juices & ades	125.9	110.7	111.9	110.0	114.0	115.9	114.8	117.2	116.6	117.3
Fresh veg. excl. potatoes	116.4	126.6	117.8	104.8	149.2	159.2	199.1	167.2	127.2	107.3
Canned vegetables & juices	109.5	110.5	116.3	119.4	114.2	114.9	112.9	115.6	117.5	118.6
Frozen vegetables	116.4	120.9	126.0	127.0	124.8	124.9	125.1	124.3	123.6	123.1
Potatoes	118.4	144.9	142.3	151.1	103.0	114.6	110.1	106.8	176.9	205.5
Eggs for fresh use (1991=100)	78.6	86.6	80.9	73.7	80.4	80.7	83.1	72.3	75.0	80.6
Bakery products	152.5	156.6	160.0	160.3	162.6	162.5	162.5	163.2	163.4	163.7
Meats	106.7	110.6	104.6	101.2	104.3	105.0	100.7	100.1	100.9	103.9
Beef & veal	109.5	112.9	103.6	96.8	106.3	107.3	100.4	99.4	99.7	100.7
Pork	98.9	105.7	101.3	101.6	97.4	97.7	94.8	94.8	97.7	105.2
Processed poultry	109.0	111.7	114.8	116.8	110.6	110.1	109.7	109.3	110.9	113.8
Unprocessed & packaged fish	156.1	156.5	161.5	159.1	175.2	174.6	179.6	167.1	164.0	168.7
Dairy products	117.9	118.1	119.5	117.3	117.6	118.3	118.1	117.5	117.1	118.1
Processed fruits & vegetables	120.8	118.2	121.2	122.2	120.9	121.3	120.4	121.5	122.0	122.6
Shortening & cooking oil	115.1	122.9	138.6	132.8	144.4	145.0	142.1	139.0	136.6	143.5
Soft drinks	125.6	126.2	126.9	126.7	132.1	133.8	133.1	133.0	132.9	133.3
Finished consumer goods less foods	120.8	121.7	121.6	122.5	122.6	122.9	123.8	124.7	125.2	124.8
Alcoholic beverages	126.1	126.0	124.8	124.2	127.4	127.5	127.5	128.6	128.7	128.8
Apparel	122.2	123.2	123.5	123.4	123.8	124.3	124.2	124.2	124.0	124.3
Footwear	132.0	134.4	135.5	135.3	138.6	138.7	138.5	138.8	138.8	138.9
Tobacco products	275.3	260.3	224.7	224.7	226.0	228.1	228.7	233.7	233.7	233.4
Intermediate materials 3/	114.7	116.2	118.5	118.5	123.4	124.0	124.7	125.3	125.9	126.0
Materials for food manufacturing	113.9	115.6	118.5	116.4	118.4	119.0	117.1	116.5	117.2	119.3
Flour	109.5	108.9	110.3	101.8	110.6	109.9	111.4	115.3	120.5	127.3
Refined sugar 4/	119.8	118.2	118.3	118.9	120.9	120.6	118.5	118.8	118.7	118.6
Crude vegetable oils	97.1	110.5	135.0	123.5	138.8	139.8	129.9	126.0	127.8	125.1
Crude materials 5/	100.4	102.4	101.7	102.1	102.6	102.3	103.9	103.5	103.4	101.9
Foodstuffs & feedstuffs	105.1	108.4	106.5	104.0	104.1	103.2	101.9	99.5	102.2	104.7
Fruits & vegetables & nuts 6/	96.9	106.9	104.6	100.1	105.6	107.7	118.5	116.7	101.0	101.1
Grains	97.3	94.5	102.7	96.4	96.9	98.2	101.1	104.2	110.5	116.2
Livestock	104.7	107.0	96.4	94.3	100.5	96.9	92.3	87.4	90.7	90.7
Poultry, live	112.6	122.0	124.4	131.0	109.3	113.1	109.1	111.0	121.1	130.0
Plant & animal fibers	89.8	91.3	120.7	114.5	149.4	180.2	175.2	165.7	178.9	163.5
Fluid milk	96.1	94.1	95.8	93.6	90.9	92.8	91.4	90.2	90.5	90.1
Oilseeds	107.5	115.9	117.4	117.2	103.9	107.5	110.4	105.9	108.7	113.8
Leaf tobacco	101.0	100.3	101.2	98.9	112.5	100.2	90.0	—	—	—
Raw cane sugar	112.1	113.2	115.2	117.3	118.4	117.3	118.6	118.8	120.2	125.1

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ Commodities requiring further processing to become finished goods. 4/ All types & sizes of refined sugar. 5/ Products entering market for the first time that have not been manufactured at that point. 6/ 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	July	Feb	Mar	Apr	May	June	July
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	145.3	148.3	148.0	149.8	149.4	148.6	148.8
Farm value (1982-84=100)	103.2	104.9	101.6	98.4	101.9	101.2	104.5	100.6	100.1	99.8
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	170.6	173.3	173.2	174.2	175.7	174.7	175.2
Farm value-retail cost (%)	26.1	25.9	24.5	23.7	24.0	24.0	24.4	23.6	23.6	23.5
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	134.7	134.9	135.5	134.9	134.7	134.0	134.2
Farm value (1982-84=100)	104.5	107.2	96.1	92.5	96.7	97.3	92.7	89.3	90.9	91.5
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	178.0	174.1	174.7	178.3	181.3	178.2	178.0
Farm value-retail cost (%)	40.5	40.3	35.9	34.8	36.3	36.4	34.8	33.6	34.4	34.5
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	131.8	132.1	132.2	132.1	132.8	132.2	132.9
Farm value (1982-84=100)	95.8	93.0	94.5	89.9	88.6	90.6	91.9	91.8	88.7	89.1
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	170.5	172.2	170.5	169.1	170.6	172.3	173.3
Farm value-retail cost (%)	35.8	34.5	34.4	32.7	32.2	32.9	33.4	33.2	32.2	32.2
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	144.1	141.4	143.3	142.3	141.6	142.9	142.5
Farm value (1982-84=100)	104.0	111.5	114.6	120.0	106.4	107.4	105.5	106.3	107.9	112.8
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	171.9	181.7	184.6	184.6	182.3	183.2	176.7
Farm value-retail cost (%)	42.4	43.6	43.3	44.6	40.3	40.1	39.7	40.2	40.4	42.4
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	109.2	113.9	115.3	112.0	110.0	109.6	114.5
Farm value (1982-84=100)	77.8	88.9	83.5	74.6	86.1	85.4	86.3	74.4	76.6	82.5
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	171.4	163.8	169.0	158.2	173.9	168.8	172.0
Farm value-retail cost (%)	46.1	48.8	47.0	43.9	48.6	47.6	49.5	43.5	44.9	46.3
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	163.9	165.8	165.3	166.9	166.6	167.5	168.2
Farm value (1982-84=100)	94.2	91.8	102.6	92.8	101.2	99.6	99.7	102.1	106.5	111.0
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	173.8	174.8	174.5	176.3	175.6	176.0	176.2
Farm value-retail cost (%)	7.6	7.2	7.7	6.9	7.5	7.4	7.3	7.5	7.8	8.1
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	207.4	221.0	212.8	218.0	228.9	222.9	223.4
Farm value (1982-84=100)	122.4	134.8	119.4	115.7	127.6	126.2	126.0	132.3	132.2	117.4
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	249.7	264.1	252.8	260.5	273.5	264.8	272.3
Farm value-retail cost (%)	20.4	21.7	18.1	17.6	18.2	18.7	18.3	18.3	18.7	16.6
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	170.2	198.6	193.8	220.4	203.5	194.9	188.7
Farm value (1982-84=100)	120.6	127.1	121.1	116.8	144.8	121.6	210.8	157.2	130.6	113.8
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	197.6	226.3	230.9	225.3	227.4	228.0	227.2
Farm value-retail cost (%)	25.9	25.6	23.9	23.3	24.8	21.3	32.5	26.2	22.8	20.5
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	131.0	136.2	136.5	137.2	137.6	137.8	138.8
Farm value (1982-84=100)	128.6	107.0	112.5	104.8	114.6	115.5	116.1	116.7	118.8	117.4
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	139.2	142.9	143.1	143.8	144.1	143.7	145.5
Farm value-retail costs (%)	22.9	19.3	19.9	19.0	20.0	20.1	20.1	20.2	20.5	20.1
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	135.1	136.8	136.8	137.2	137.1	136.4	138.0
Farm value (1982-84=100)	93.1	107.5	125.5	114.5	126.5	127.2	119.9	117.6	120.9	126.2
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	142.7	140.6	140.3	143.6	144.3	142.1	142.3
Farm value-retail cost (%)	19.3	22.3	25.3	22.8	24.9	25.0	23.5	23.1	23.8	24.6
	Annual			1994	1995					
	1992	1993	1994	Aug	Mar	Apr	May	June	July	Aug
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	278.4	284.7	283.7	282.2	283.4	287.4	284.4
Wholesale value 3/ (cts.)	179.6	182.5	166.7	166.6	165.7	158.5	160.4	165.6	158.5	157.8
Net farm value 4/ (cts.)	161.8	164.1	145.5	140.8	146.3	139.4	132.9	134.1	129.1	129.6
Farm-retail spread (cts.)	122.8	129.3	137.4	137.6	138.4	144.3	149.3	149.3	158.3	154.8
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	111.8	119.0	125.2	121.8	117.8	128.9	126.6
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	25.8	19.4	19.1	27.5	31.5	29.4	28.2
Farm value-retail price (%)	57	56	51	51	51	49	47	47	45	46
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	199.1	193.5	190.6	191.0	189.0	191.4	197.3
Wholesale value 3/ (cts.)	98.9	102.8	98.9	100.5	91.4	90.0	92.9	99.2	101.6	106.1
Net farm value 4/ (cts.)	67.8	72.5	62.9	66.6	59.7	56.6	59.4	68.8	74.7	78.3
Farm-retail spread (cts.)	130.2	125.1	135.1	132.5	133.8	134.0	131.6	120.2	116.7	119.0
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	98.6	102.1	100.6	98.1	89.8	89.8	91.2
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	33.9	31.7	33.4	33.5	30.4	26.9	27.8
Farm value-retail price (%)	34	37	32	33	31	30	31	36	39	40

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

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Table 9—Price Indexes of Food Marketing Costs

See the September 1995 issue.

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

Livestock & Products

Table 10—U.S. Meat Supply & Use

	Beg. stocks	Produc- tion 1/	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price 3/
							Total	Per capita 2/	
Million pounds 4/							Pounds		
Beef									
1993	360	23,049	2,401	25,810	1,275	529	24,006	65.0	75.36
1994	529	24,386	2,371	27,286	1,611	548	25,127	67.5	76.36
1995 F	548	25,072	2,120	27,740	1,745	475	25,520	67.9	65-66
1996 F	475	25,858	2,125	28,458	1,805	475	26,178	69.0	62-68
Pork									
1993	385	17,088	740	18,213	435	359	17,419	52.3	43.03
1994	359	17,696	743	18,798	531	438	17,829	53.1	46.10
1995 F	438	17,945	690	19,073	731	405	17,937	52.9	41-42
1996 F	405	18,438	680	19,523	740	400	18,383	53.7	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	74-78
1996 F	5	326	0	331	0	5	326	1.0	74-80
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	58	357	7	11	339	1.2	74-75
1996 F	11	266	53	330	8	11	311	1.2	73-76
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	43,625	2,868	47,496	2,483	896	44,117	122.9	—
1996 F	896	44,888	2,858	48,642	2,553	891	45,198	124.7	—
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	25,107	0	25,565	3,644	475	21,447	71.8	55-56
1996 F	475	26,622	0	27,097	4,015	530	22,552	74.8	50-54
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	506	0	520	99	10	412	1.5	—
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	4,823	18.3	64-65
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	30,779	0	31,506	3,990	835	26,680	91.6	—
1996 F	835	32,473	0	33,308	4,376	840	28,092	95.6	—
Red meat & poultry									
1993	1,408	68,088	3,195	72,691	3,953	1,515	67,221	207.7	—
1994	1,515	71,796	3,163	76,474	5,363	1,730	69,382	212.1	—
1995 F	1,730	74,404	2,868	79,002	6,473	1,731	70,797	214.6	—
1996 F	1,731	77,361	2,858	81,950	6,929	1,731	73,290	220.3	—

1/ Total including farm production for red meats & federally inspected plus nonfederally inspected for poultry. 2/ Retail weight basis. (The beef carcass-to-retail conversion factor was 70.5). 3/ Dollars per cwt for red meat; cents per pound for poultry. Beef: Medium # 1, Nebraska Direct 1,100-1,300 lb.; pork: barrows & gilts, Iowa, Southern Minnesota; veal: farm price of calves; lamb & mutton: Choice slaughter lambs, San Angelo; broilers: wholesale 12-city average; turkeys: wholesale NY 8-16 lb. young hens. 4/ Carcass weight for red meats & certified ready-to-cook for poultry. 5/ Beginning in 1989, veal trade is no longer reported separately. F = forecast. — = not available.

Information contacts: LaVerne Williams (202) 219-0841.

Table 11—U.S. Egg Supply & Use

	Beg. stocks	Production	Imports	Total supply	Exports	Hatching use	Ending stocks	Consumption		Wholesale price*
								Total	Per capita	
Million dozen										
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	6,199.7	4.3	6,218.9	195.6	834.6	12.0	5,176.7	236.0	68-70
1996 F	12.0	6,320.0	4.0	6,336.0	193.0	870.0	12.0	5,261.0	237.6	63-69

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

Information contact: LaVerne Williams (202) 219-0841.

Table 12—U.S. Milk Supply & Use¹

Production	Farm use	Commercial			Imports	Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals	
		Farm market-ings	Beg. stocks					Ending stocks	Disap-pear-ance		Skim solids basis	Total solids basis 2/
Billion pounds (milkfat basis)										\$/cwt	Billion pounds	
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.0	2.2	142.8	4.6	2.4	149.8	9.1	4.3	136.4	12.26	5.5	6.9
1989	143.9	2.1	141.8	4.3	2.5	148.6	9.4	4.1	135.0	13.56	0.4	4.0
1990	147.7	2.0	145.7	4.1	2.7	152.5	9.0	5.1	138.3	13.68	1.6	4.6
1991	147.7	2.0	145.7	5.1	2.6	153.4	10.4	4.5	138.6	12.24	3.9	6.5
1992	150.9	1.9	149.0	4.5	2.5	155.9	9.9	4.7	141.3	13.09	2.0	5.2
1993	150.6	1.8	148.8	4.7	2.8	156.3	6.7	4.6	145.1	12.86	3.9	5.0
1994	153.6	1.8	151.9	4.6	2.9	159.3	4.8	4.3	150.3	13.05	3.8	4.2
1995 F	157.0	1.7	155.3	4.3	3.1	162.7	2.1	4.5	156.1	12.60	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) 219-0834.

Table 13—Poultry & Eggs

	Annual			1994		1995					
	1992	1993	1994	July	Feb	Mar	Apr	May	June	July	
Broilers											
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	1,881.5	1,890.4	2,196.7	1,912.6	2,212.9	2,250.7	1,918.9	
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.8	57.3	51.7	52.3	51.5	52.9	55.9	58.8	
Price of grower feed (\$/ton) 1/	125	130.1	135.2	132	121	124	126	127	131	138	
Broiler-feed price ratio 2/	5.1	5.3	5.2	5.6	5.4	5.3	5.1	5.1	5.0	5.0	
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	400.0	448.1	458.2	486.7	514.2	519.3	527.7	
Broiler-type chicks hatched (mil.) 3/	6,892.8	7,220.8	7,549.8	646.6	599.0	677.3	662.4	689.6	669.4	672.8	
Turkeys											
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	405.6	371.2	435.8	371.9	443.4	482.1	410.6	
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	65.3	58.5	60	60.1	60.6	62.8	64.8	
Price of turkey grower feed (\$/ton) 1/	117.3	118.8	125.5	119	116	118	120	121	125	133	
Turkey-feed price ratio 2/	6.4	6.6	6.8	6.9	6.4	6.5	6.4	6.3	6.3	6.0	
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	539.2	317.6	367.5	444.4	480.4	553.4	618.6	
Poults placed in U.S. (mil.)	307.8	308.9	317.5	28.2	25.9	28.5	26.9	29.5	29.9	29.1	
Eggs											
Farm production (mil.)	70,860	72,037	74,119	6,205	5,720	6,448	6,173	6,244	5,997	6,132	
Average number of layers (mil.)	279	285	292	288	296	295	294	291	288	285	
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	21.6	19.3	21.8	21.0	21.5	20.8	21.5	
Cartoned price, New York, grade A large (cts./doz.) 4/	65.4	72.5	67.2	66.2	64.3	66.2	66.6	59.4	64.8	75.6	
Price of laying feed (\$/ton) 1/	135.5	134.2	144.4	143	128	133	135	144	148	152	
Egg-feed price ratio 2/	8.5	9.4	8.5	8.0	9.6	9.2	9.2	7.8	7.8	8.0	
Stocks, first of month											
Shell (mil. doz.)	0.63	0.45	0.3	0.24	0.36	0.42	0.21	0.24	0.15	0.18	
Frozen (mil. doz.)	12.3	13.0	10.4	11.7	14.8	13.9	14.0	13.2	13.7	17.4	
Replacement chicks hatched (mil.)	391	406	379	29.6	31.7	34.8	34.1	36.3	33.4	28.7	

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

Information contact: LaVerne Williams (202) 219-0841.

Table 14—Dairy

	Annual			1994	1995					
	1992	1993	1994	July	Feb	Mar	Apr	May	June	July
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	11.41	11.79	11.89	11.16	11.12	11.42	11.23
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	66.9	65.5	66.5	66.5	66.5	69.9	74.5
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	129.1	130.4	131.1	122.8	122.1	126.9	126.7
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	105.6	107.1	107.8	107.6	106.8	106.7	106.7
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,932.3	6,649.8	4,806.6	95.7	126.3	328.6	296.8	270.8	141.3	84.2
Butter (mil. lb.)	439.5	288.8	204.3	3.2	3.3	12.6	11.6	10.6	5.6	3.2
Am. cheese (mil. lb.)	14.4	8.3	6.9	0.2	0.4	0.6	0.6	0.4	0.3	0
Nonfat dry milk (mil. lb.)	136.7	304.3	302.3	29.0	49.0	49.7	48.4	46.7	23.6	22.4
Milk										
Milk prod. 22 States (mil. lb.)	127,439	126,956	132,240	11,260	10,441	11,698	11,477	11,936	11,461	11,412
Milk per cow (lb.)	15,714	15,836	16,334	1,389	1,291	1,444	1,417	1,475	1,414	1,408
Number of milk cows (1,000)	8,110	8,017	8,096	8,104	8,088	8,103	8,097	8,093	8,104	8,106
U.S. milk production (mil. lb.)	150,885	150,582	153,626	6/ 13,020	6/ 12,169	6/ 13,634	6/ 13,325	6/ 13,857	6/ 13,306	6/ 13,196
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	10,971	6,238	6,263	6,198	6,394	6,293	6,260
Commercial (mil. lb.)	4,461	4,688	4,550	5,205	4,804	4,858	5,032	5,275	5,351	5,460
Government (mil. lb.)	11,379	9,526	5,020	5,766	1,458	1,405	1,166	1,119	942	800
Imports, total (mil. lb.)	2,524	2,807	2,880	259	204	231	190	232	214	—
Commercial disappearance (mil. lb.)	141,351	145,037	150,219	13,191	12,090	13,338	12,904	13,431	13,162	—
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,295.9	84.2	120.3	125.7	119.3	116.5	99.5	82.9
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	275.1	89.9	88.3	74.8	79.1	81.3	79.2
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,097.3	83.7	116.7	115.8	101.9	96.4	90.5	—
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,977.0	252.3	240.2	263.2	258.9	273.3	264.4	259.4
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	357.9	326.1	330.1	331.4	335.3	344.4	339.9
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,034.1	264.9	237.9	262.5	255.3	267.2	269.6	—
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,753.1	298.5	288.2	330.7	305.0	324.2	323.1	301.4
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	163.6	131.5	127.0	135.3	131.0	121.6	126.0
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,047.9	331.3	313.9	347.3	331.2	357.7	344.5	—
Nonfat dry milk										
Production (mil. lb.)	872.1	954.5	1,215.6	99.5	98.3	110.4	116.5	130.0	122.3	102.1
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	149.0	140.9	121.9	125.4	154.5	154.8	164.2
Commercial disappearance (mil. lb.)	720.5	648.7	890.7	69.6	70.2	57.4	38.6	81.5	85.8	—
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,244.8	124.8	85.5	109.1	105.2	112.7	125.5	122.4

	Annual			1993	1994				1995	
	1992	1993	1994	IV	I	II	III	IV	I	II
Milk production (mil. lb.)	150,885	150,582	153,626	36,509	37,560	39,916	38,217	37,933	38,950	40,487
Milk per cow (lb.)	15,574	15,704	16,129	3,828	3,951	4,188	4,007	3,983	4,093	4,254
No. of milk cows (1,000)	9,688	9,589	9,525	9,537	9,506	9,530	9,539	9,524	9,517	9,517
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.

Information contact: LaVerne Williams (202) 219-0841.

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) 501-7162.

Table 16—Meat Animals

	Annual			1994	1995					
	1992	1993	1994	Jul	Feb	Mar	Apr	May	Jun	Jul
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	7,654	8,866	8,926	8,992	8,790	8,630	8,113
Placed on feed (1,000 head)	20,508	20,474	19,997	1,594	1,607	1,776	1,435	1,738	1,413	1,383
Marketings (1,000 head)	18,548	19,048	19,602	1,730	1,481	1,629	1,557	1,827	1,868	1,742
Other disappearance (1,000 head)	1,194	1,219	895	55	66	81	80	71	62	55
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	66.58	73.79	70.64	67.54	64.27	63.08	61.81
Neb. Direct	75.35	76.36	68.84	64.86	72.55	70.00	66.63	63.72	63.74	62.54
Boning utility cows, Sioux Falls	44.84	47.52	42.51	44.00	40.63	39.32	38.47	36.94	36.13	34.27
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	---	91.72	83.24	82.34	76.91	76.31	76.69	72.13	68.94	68.78
750–800 lb.	---	86.45	77.72	78.00	72.53	68.84	65.41	64.83	67.06	66.20
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	42.93	39.60	38.13	36.04	37.42	43.28	47.69
6 markets	42.31	45.38	39.57	42.42	39.03	37.86	35.77	37.16	42.79	47.10
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	26.83	31.79	39.60	36.96	31.66	30.16	28.87
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	75.33	75.08	73.75	68.58	77.20	81.63	83.70
Ewes, Good, San Angelo	35.24	37.46	40.47	39.50	41.75	31.25	35.31	32.65	35.06	34.40
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	70.75	82.69	80.06	78.81	84.95	82.63	79.80
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	103.78	110.46	107.35	103.25	104.59	108.16	103.24
Select, 700–800 lb.	111.66	113.53	102.08	98.63	108.25	105.40	99.76	95.04	99.20	95.79
Canner & cutter cow beef	93.85	95.43	84.39	85.90	76.63	74.94	72.91	70.86	74.05	69.18
Pork cutout, No. 2	58.37	62.19	57.29	57.74	56.38	54.55	51.64	54.14	60.98	63.66
Pork loins, 14–18 lb.	101.41	107.47	101.50	109.79	102.20	95.30	93.33	103.50	118.81	124.65
Pork bellies, 12–14 lb.	30.39	41.62	40.00	38.64	35.80	36.30	33.83	31.70	37.94	43.10
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	54.56	54.34	51.60	44.00	41.82	48.40	59.64
All fresh beef retail price	266.41	271.45	265.02	262.21	261.74	265.29	260.13	261.47	257.60	258.37
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	2,822	2,581	2,950	2,650	3,123	3,243	2,930
Steers	17,138	17,222	18,027	1,587	1,286	1,498	1,401	1,703	1,779	1,595
Heifers	9,236	9,358	9,589	775	759	865	765	887	923	869
Cows	5,846	6,086	5,941	410	484	528	434	474	479	414
Bulls & stags	653	659	641	50	52	59	50	59	62	52
Calves	1,371	1,195	1,268	95	106	121	98	117	118	114
Sheep & lambs	5,496	5,182	4,938	318	375	468	440	371	360	310
Hogs	94,889	93,068	95,697	7,101	7,329	8,808	7,547	8,193	7,906	7,075
Barrows & gilts	89,964	88,387	90,758	6,701	6,969	8,391	7,208	7,807	7,484	6,684
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	2,027	1,808	2,060	1,849	2,184	2,279	2,082
Veal	299	267	283	21	24	27	22	26	26	24
Lamb & mutton	343	329	304	19	24	30	28	23	22	19
Pork	17,184	17,030	17,658	1,294	1,354	1,634	1,405	1,525	1,464	1,299

	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) 501-8553.

Crops & Products

Table 17—Supply & Utilization^{1,2}

	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								
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	35.9	2,187	2,797	225	970	1,175	2,370	427	3.90-4.20
Rice												
	Mil. acres			Lb./acre				Mil. cwt (rough equiv.)				\$/cwt
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/ 100.1	100.0	200.1	31.4	6.7
1995/96*	0.5	3.2	3.1	5,843.0	181.8	222.2	--	6/ 105.2	91.0	196.2	26.0	6.75-7.75
Corn												
	Mil. acres			Bu./acre								\$/bu.
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,761	1,521	2.28
1991/92	7.4	76.0	68.8	108.6	7,475	9,016	4,877	1,454	1,584	7,915	1,100	2.37
1992/93	5.3	79.3	72.1	131.5	9,477	10,584	5,296	1,511	1,663	8,471	2,113	2.07
1993/94	10.9	73.2	62.9	100.7	6,336	8,470	4,704	1,588	1,328	7,620	850	2.50
1994/95*	2.4	79.2	72.9	138.6	10,103	10,963	5,600	1,700	2,200	9,500	1,463	2.25
1995/96*	6.4	71.3	64.7	121.1	7,832	9,305	4,825	1,750	2,000	8,575	730	2.55-2.95
Sorghum												
	Mil. acres			Bu./acre								\$/bu.
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	8	292	674	53	2.25
1992/93	2.0	13.2	12.1	72.6	875	928	469	8	277	753	175	1.89
1993/94	2.3	9.9	8.9	59.9	534	709	453	8	202	662	48	2.31
1994/95*	1.6	9.8	9.0	73.0	655	703	390	7	220	617	86	2.15
1995/96*	1.4	9.1	8.3	65.0	538	623	370	7	200	577	46	2.40-2.80
Barley												
	Mil. acres			Bu./acre								\$/bu.
1990/91	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92	2.2	8.9	8.4	55.2	464	624	225	176	94	496	129	2.10
1992/93	2.3	7.8	7.3	62.5	455	595	192	171	80	444	151	2.04
1993/94	2.5	7.8	6.8	58.9	398	621	241	175	66	482	139	1.99
1994/95*	2.7	7.2	6.7	56.2	375	580	226	175	66	467	113	2.03
1995/96*	2.3	6.8	6.4	58.3	374	552	225	175	50	450	102	2.25-2.65
Oats												
	Mil. acres			Bu./acre								\$/bu.
1990/91	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92	0.6	8.7	4.8	50.6	244	490	235	125	2	362	128	1.21
1992/93	0.7	7.9	4.5	65.4	294	477	233	125	6	364	113	1.32
1993/94	0.8	7.9	3.8	54.4	207	427	193	125	3	321	106	1.36
1994/95*	0.6	6.6	4.0	57.2	230	429	202	125	1	328	101	1.22
1995/96*	0.6	6.4	3.2	57.3	186	397	180	125	1	306	91	1.40-1.60
Soybeans												
	Mil. acres			Bu./acre								\$/bu.
1990/91	0.0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92	0.0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	684	2,041	278	5.58
1992/93	0.0	59.2	58.2	37.6	2,190	2,471	7/ 130	1,279	770	2,179	292	5.56
1993/94	0.0	60.1	57.4	32.6	1,871	2,170	7/ 96	1,276	589	1,961	209	6.40
1994/95*	0.0	61.9	61.1	41.9	2,558	2,773	7/ 173	1,400	845	2,418	355	5.45
1995/96*	0.0	62.6	61.7	37.0	2,258	2,645	7/ 119	1,395	800	2,314	330	5.50-6.50
Soybean oil												
								Mil. lbs.				Cts./lb.
1990/91	--	--	--	--	13,408	14,730	--	12,164	780	12,944	1,786	21.00
1991/92	--	--	--	--	14,345	16,132	--	12,245	1,648	13,893	2,239	19.10
1992/93	--	--	--	--	13,778	16,028	--	13,054	1,419	14,473	1,555	21.40
1993/94	--	--	--	--	13,951	15,574	--	12,941	1,529	14,471	1,103	27.10
1994/95*	--	--	--	--	15,577	16,690	--	13,000	2,725	15,725	965	27.50
1995/96*	--	--	--	--	15,695	16,670	--	13,050	2,205	15,255	1,415	24.5-29.0
Soybean meal												
								1,000 tons				9/ \$/ton
1990/91	--	--	--	--	28,325	28,688	--	22,934	5,469	28,403	285	181.40
1991/92	--	--	--	--	29,831	30,183	--	23,008	6,945	29,953	230	189.20
1992/93	--	--	--	--	30,364	30,687	--	24,251	6,232	30,483	204	193.75
1993/94	--	--	--	--	30,514	30,788	--	25,283	5,356	30,639	150	192.88
1994/95*	--	--	--	--	33,215	33,425	--	26,725	6,450	33,175	250	161.75
1995/96*	--	--	--	--	33,040	33,350	--	27,100	6,000	33,100	250	165-190

See footnotes at end of table.

Table 17—Supply & Utilization (continued)

Area													
	Set aside 3/	Planted	Harvested	Yield	Production	Total supply 4/	Feed & residual	Other domestic use	Exports	Total use	Ending Stocks	Farm price 5/	
	Mil. acres			Lb./acre		Mil. bales							Cts./lb.
Farm price 5/													
	Cotton 10/												
	1990/91	2.0	12.3	11.7	634	15.5	18.5	--	8.7	7.8	16.5	2.3	67.10
	1991/92	1.2	14.1	13.0	652	17.6	20.0	--	9.6	6.7	16.3	3.7	58.10
	1992/93	1.7	13.2	11.1	700	16.2	19.9	--	10.3	5.2	15.5	4.7	54.90
\$/bu.	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	9.5	20.7	2.6 11/	73.00
2.61	1995/96*	0.3	16.7	15.8	615	20.3	22.9	--	11.5	7.8	19.3	3.7	12/

*September 12, 1995 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybeans, corn, & sorghum, October 1 for soybean & soyoil. 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-July, 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) 219-0704; soybeans, soybean products & cotton, Mae Dean Johnson (202) 219-0506.

Table 18—Cash Prices, Selected U.S. Commodities

	Marketing year 1/				1994		1995			
	1990/91	1991/92	1992/93	1993/94	July	Mar	Apr	May	June	July
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	3.48	3.87	3.86	4.22	4.72	4.98
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	4.14	4.11	4.30	4.61	4.89	5.52
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	16.40	13.90	13.90	15.05	17.05	17.30
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.32	2.45	2.50	2.58	2.73	2.87
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	3.79	4.01	4.08	4.27	4.50	4.93
Barley, feed, Duluth (\$/bu.)	2.13	2.17	2.11	2.05	2.02	2.02	1.97	2.11	2.22	2.25
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.57	2.85	—	—	3.15	3.69
U.S. cotton price, SLM, 1-1/16 in. (cts./lb.) 5/	74.8	56.7	54.1	66.1	71.7	104.2	104.9	105.4	106.9	93.3
Northern Europe prices cotton index (cts./lb.) 6/	82.9	62.9	56.9	70.7	81.7	110.6	114.6	115.1	—	—
U.S. M 1-3/32 in. (cts./lb.) 7/	88.2	66.3	62.5	73.1	79.9	116.7	120.2	121.7	129.0	—
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	6.05	5.66	5.68	5.74	5.85	6.17
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	24.50	28.17	26.16	25.75	26.66	27.51
Soybean meal, 48% protein, Decatur (\$/ton) 8/	181.40	189.20	193.75	161.10	181.10	156.90	161.90	159.10	160.40	170.45

1/ Beginning June 1 for wheat & barley; Aug. 1 for rice & cotton; Sept. 1 for corn, sorghum & soybeans; Oct. 1 for soybean & oil. 2/ Ordinary protein. 3/ 14% protein. 4/ Long grain, milled basis. 5/ 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) 219-0704; Soybeans, soybean products, & cotton, Mae Dean Johnson (202) 219-0506.

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

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

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)	11,994	12,761	13,186	10,860	11,285	12,452	15,266	14,499	16,054
Per capita consumpt. (lbs.) 2/	23.9	25.4	23.6	21.4	19.1	24.4	26.0	25.3	26.0
Noncitrus 3/									
Production (1,000 tons)	16,274	15,989	16,438	15,741	15,879	17,178	16,591	17,268	16,655
Per capita consumpt. (lbs.) 2/	73.5	71.8	73.1	70.6	70.7	73.8	73.9	75.7	—
	1994			1995					
	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Grower prices									
Apples (cents/pound) 4/	16.4	19.2	19.5	18.3	18.2	16.6	15.5	15.6	16.8
Pears (cents/pound) 4/	13.6	12.7	11.1	14.4	17.3	18.7	17.7	27.9	17.7
Oranges (\$/box) 5/	2.60	2.91	3.05	3.29	3.77	4.48	4.92	5.21	5.58
Grapefruit (\$/box) 5/	2.84	2.60	2.19	2.24	2.28	1.68	1.37	4.54	6.72
Stocks, ending									
Fresh apples (mil. lbs.)	5,198.8	4,486.0	3,722.2	2,986.0	2,212.1	1,618.9	947.6	596.2	271.3
Fresh pears (mil. lbs.)	387.3	323.4	214.3	149.8	99.1	57.6	21.0	3.0	34.2
Frozen fruits (mil. lbs.)	1,341.2	1,257.1	1,119.6	1,042.0	925.9	861.5	794.7	881.7	1,017.8
Frozen conc. orange juice (mil. single-strength gallons)	430.3	552.2	695.4	687.7	715.0	761.0	748.4	629.0	548.3

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: Gary Lucier (202) 219-0117.

Table 21—Vegetables

	Calendar year									
	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
Production										
Total vegetables (1,000 cwt)	453,030	448,629	478,379	467,914	543,435	562,938	565,754	677,975	674,940	746,324
Fresh (1,000 cwt) 1/ 3/	203,549	203,165	220,537	228,191	240,289	240,519	230,689	378,503	373,604	378,350
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	750,799	780,978
Potatoes (1,000 cwt)	406,609	361,743	389,320	356,438	370,444	402,110	417,622	425,367	428,693	467,924
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						
	July	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Shipments (1,000 cwt)										
Fresh	19,977	16,574	17,424	17,505	17,802	21,121	19,141	28,912	25,829	19,020
Iceberg lettuce	4,222	3,697	3,669	3,835	3,575	2,992	3,086	4,044	3,276	3,221
Tomatoes, all	3,188	2,862	2,252	2,320	3,238	3,691	2,907	3,378	3,165	3,212
Dry-bulb onions	3,221	4,019	3,660	3,510	2,759	3,386	3,043	4,005	2,909	2,806
Other 5/	9,346	5,996	7,843	7,840	8,230	11,052	10,105	17,485	16,479	9,781
Potatoes, all	9,581	11,886	13,364	13,418	12,815	17,818	17,872	20,620	10,905	9,016
Sweetpotatoes	80	310	673	214	237	291	317	159	166	144

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	Apr-June	July-Sept	Oct-Dec	Jan-Mar	Apr-June
Sugar										
Production 1/	6,334	7,145	7,569	7,841	7,681	639	870	3,926	2,433	875
Deliveries 1/	8,661	8,704	8,936	9,064	9,322	2,307	2,579	2,292	2,121	2,334
Stocks, ending 1/	2,729	3,039	3,225	3,512	3,145	2,685	1,338	3,145	3,903	2,550
Coffee										
Composite green price N.Y. (cts./lb.)	76.93	70.09	55.30	64.31	138.62	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	447	550	491	618	—
	Annual			1994			1995			
	1992	1993	1994	Apr	Nov	Dec	Jan	Feb	Mar	Apr
Tobacco										
Avg. price to grower 3/										
Flue-cured (\$/lb.)	172.6	168.1	169.8	—	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	37.8	38.3	39.4	38.5	34.5	42.7	36.2
Large cigars (mil.)	2,217.1	2,236.8	2,290.8	177.2	202.4	159.2	159.3	136.4	227.4	194.5

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

Information contacts: Sugar, Peter Buzzanell (202) 219-0888, Tobacco, Verner Grise (202) 219-0890.

World Agriculture

Table 23—World Supply & Utilization of Major Crops, Livestock & Products

	1989/90	1990/91	1991/92	1992/93	1993/94 E	1994/95 F	1995/96 P
Million units							
Wheat							
Area (hectares)	225.8	231.4	222.5	223.1	221.1	215.0	217.7
Production (metric tons)	533.2	588.0	542.1	561.8	559.4	523.0	532.9
Exports (metric tons) 1/	103.6	101.0	110.8	112.7	111.1	97.9	95.7
Consumption (metric tons) 2/	532.7	561.5	554.7	549.8	563.5	550.5	546.5
Ending stocks (metric tons) 3/	118.9	145.4	132.8	144.9	140.7	113.2	99.6
Coarse grains							
Area (hectares)	321.1	314.4	318.2	318.8	311.7	315.3	303.3
Production (metric tons)	791.3	821.5	805.0	865.3	790.1	864.8	800.2
Exports (metric tons) 1/	104.5	89.5	96.1	91.5	85.5	94.2	88.2
Consumption (metric tons) 2/	815.6	809.3	804.9	837.1	830.6	856.7	838.0
Ending stocks (metric tons) 3/	122.3	134.5	134.6	162.8	122.3	130.4	92.5
Rice, milled							
Area (hectares)	146.6	146.7	146.0	145.6	144.4	145.4	146.0
Production (metric tons)	343.1	350.5	349.5	352.3	352.4	360.5	357.6
Exports (metric tons) 4/	11.7	12.1	14.1	14.9	16.0	18.7	16.4
Consumption (metric tons) 2/	338.1	345.8	351.6	354.7	356.8	361.0	363.6
Ending stocks (metric tons) 3/	54.1	58.8	56.7	54.3	49.8	49.3	43.3
Total grains							
Area (hectares)	693.5	692.5	686.7	687.5	677.2	675.7	667.0
Production (metric tons)	1,667.6	1,760.0	1,696.6	1,779.4	1,701.9	1,748.3	1,690.7
Exports (metric tons) 1/	219.8	202.6	221.0	219.1	212.6	210.8	200.3
Consumption (metric tons) 2/	1,686.4	1,716.6	1,711.1	1,741.6	1,750.9	1,768.2	1,748.1
Ending stocks (metric tons) 3/	295.3	338.7	324.1	362.0	312.8	292.9	235.4
Oilseeds							
Crush (metric tons)	171.7	176.7	185.1	183.7	188.2	204.6	211.5
Production (metric tons)	212.4	215.7	224.4	227.5	227.4	260.1	255.9
Exports (metric tons)	35.6	33.4	37.6	37.7	37.8	44.3	44.2
Ending stocks (metric tons)	23.7	23.4	21.8	23.5	20.1	27.1	24.5
Meals							
Production (metric tons)	116.8	119.3	125.2	124.5	129.7	140.2	144.5
Exports (metric tons)	39.8	40.7	42.0	40.8	44.3	47.2	48.1
Oils							
Production (metric tons)	57.1	58.1	60.6	60.9	62.3	67.7	70.5
Exports (metric tons)	20.4	20.5	21.3	21.1	23.7	26.1	26.2
Cotton							
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	88.8
Exports (bales)	31.3	29.7	28.2	25.6	27.3	29.2	27.9
Consumption (bales)	86.9	85.6	86.1	85.7	85.3	84.2	86.8
Ending stocks (bales)	24.9	27.0	37.4	35.1	27.2	29.7	31.7
	1989	1990	1991	1992	1993	1994 P	1995 F
Red meat							
Production (metric tons)	112.3	113.3	114.9	115.8	116.6	118.9	120.5
Consumption (metric tons)	110.9	111.4	113.2	113.4	114.5	117.5	119.9
Exports (metric tons) 1/	8.2	7.9	8.1	7.6	7.7	8.0	7.3
Poultry 5/							
Production (metric tons)	33.1	33.8	35.7	37.6	39.8	42.1	44.4
Consumption (metric tons)	32.6	32.6	34.5	36.6	38.0	40.0	41.7
Exports (metric tons) 1/	1.7	2.7	3.0	3.3	3.9	4.6	5.0
Dairy							
Milk production (metric tons) 6/	387.4	395.0	384.9	379.3	379.0	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 = projected. F = forecast. E = estimated. — = not available.

Information contacts: Crops, Carol Whitton (202) 219-0825; red meat & poultry, Shayle Shagam (202) 219-0833; dairy, LaVerne Williams (202) 219-0841.

U.S. Agricultural Trade

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

	Annual			1994		1995				
	1992	1993	1994	July	Feb	Mar	Apr	May	June	July
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	3.75	4.20	4.09	4.05	4.33	4.63	5.18
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	2.50	2.72	2.78	2.79	2.84	3.03	3.22
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	2.49	2.69	2.73	2.73	2.85	2.99	3.16
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	6.29	5.97	6.10	6.09	6.04	6.20	6.58
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	24.50	27.98	28.18	26.17	25.76	26.67	27.57
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	181.81	151.96	156.21	160.16	159.39	160.40	170.45
Cotton, 7-market avg. spot (cts./lb.)	53.90	55.36	73.24	71.71	91.89	104.20	104.94	105.38	106.96	93.01
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	172.04	192.05	170.55	152.49	—	—	175.95
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	17.25	13.75	13.75	13.75	14.33	16.70	17.90
Indedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	17.28	18.79	18.16	17.75	17.50	17.77	19.44
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	2.15	1.57	1.68	1.63	1.61	1.51	1.49
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	62.49	92.61	94.14	93.43	89.50	80.60	71.88
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.66	0.64	0.62	0.62	0.61	0.60	0.58

— = not available.

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

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

	1994						1995						
	Jul	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/								June
	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	3,966
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	42,025
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	45,991
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	29,000	2,453
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	61,142
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	63,595
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	24,000	1,513
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-19,117
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-17,604

1/ Fiscal years begin October 1 & end September 30. Fiscal year 1994 began Oct. 1, 1993 & ended Sept. 30, 1994. 2/ Domestic exports including Department of Defense shipments (F.A.S. value). 3/ Imports for consumption (customs value). F = forecast. — = not available.

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

Table 27—U.S. Agricultural Exports & Imports

	Fiscal year*			June	Fiscal year*			June
	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	--	34	358	469	--	14
Meats & preps., excl. poultry (mt)	1,160	1,316	3/ 1,200	146	3,349	3,503	--	395
Dairy products (mt) 1/	211	188	--	20	762	709	800	75
Poultry meats (mt)	986	1,377	1,800	142	1,031	1,420	--	138
Fats, oils, & greases (mt)	1,362	1,341	1,700	160	519	515	--	73
Hides & skins incl. furskins	--	--	--	--	1,288	1,439	--	155
Cattle hides, whole (no.) 1/	19,786	20,065	--	2,022	1,062	1,128	--	126
Mink pelts (no.) 1/	3,119	3,197	--	275	56	79	--	9
Grains & feeds (mt)	103,701	88,090	--	8,486	14,103	13,130	4/ 16,900	1,301
Wheat (mt)	36,039	31,145	31,000	2,132	4,737	4,026	5/ 5,000	333
Wheat flour (mt)	1,075	1,024	1,200	56	217	201	--	13
Rice (mt)	2,710	2,433	3,600	298	766	889	1,000	85
Feed grains, incl. products (mt)	50,701	40,441	61,800	4,794	5,260	4,744	7,000	582
Feeds & fodders (mt)	11,500	11,380	6/ 13,300	1,112	2,147	2,231	--	215
Other grain products (mt)	1,676	1,667	--	95	976	1,039	--	74
Fruits, nuts, & preps. (mt)	3,398	3,597	--	320	3,409	3,827	4,500	355
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	7,845	7,018	--	707	423	467	--	51
Vegetables & preps. (mt)	2,790	2,920	--	337	3,220	3,489	--	360
Tobacco, unmanufactured (mt)	231	196	--	10	1,443	1,260	1,300	64
Cotton, excl. linters (mt)	1,125	1,566	2,100	89	1,526	2,287	3,700	171
Seeds (mt)	529	490	--	20	648	601	700	27
Sugar, cane or beet (mt) 1/	337	392	--	27	106	130	--	10
Oilseeds & products (mt)	29,190	24,051	--	1,606	7,211	6,856	8,700	478
Oilseeds (mt)	21,044	16,958	--	1,044	4,981	4,559	--	268
Soybeans (mt)	20,400	16,364	22,500	967	4,606	4,161	5,000	221
Protein meal (mt)	6,545	5,406	--	356	1,262	1,085	--	61
Vegetable oils (mt)	1,601	1,687	--	205	968	1,213	--	149
Essential oils (mt)	13	15	--	2	185	206	--	21
Other	92	132	--	13	3,008	3,203	--	277
Total	145,125	125,671	163,100	11,378	42,589	43,511	53,000	3,966
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	--	358	1,569	1,360	1,600	141
Meats & preps., excl. poultry (mt)	1,128	1,159	--	91	2,726	2,721	--	195
Beef & veal (mt)	793	776	700	63	1,919	1,822	1,500	126
Pork (mt)	276	318	300	22	663	744	600	56
Dairy products (mt) 1/	231	260	--	23	860	955	1,000	91
Poultry & products 1/	--	--	--	--	137	133	--	16
Fats, oils, & greases (mt)	44	40	--	5	30	26	--	3
Hides & skins, incl. furskins 1/	--	--	--	--	181	195	--	20
Wool, unmanufactured (mt)	59	56	--	3	173	152	--	12
Grains & feeds (mt)	4,942	10,009	7,600	721	1,639	2,328	2,300	199
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,600	517	2,988	2,996	--	286
Bananas & plantains (mt)	3,737	3,836	4,000	298	1,083	1,057	1,100	89
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	25,600	2,092	640	686	--	61
Vegetables & preps. (mt)	2,733	2,866	--	196	2,440	2,642	3,000	213
Tobacco, unmanufactured (mt)	386	319	200	6	1,101	912	400	17
Cotton, unmanufactured (mt)	12	16	--	3	11	17	--	4
Seeds (mt)	189	309	300	8	214	255	300	16
Nursery stock & cut flowers 1/	--	--	--	--	629	685	--	49
Sugar, cane or beet (mt)	1,569	1,619	1,600	101	591	616	--	48
Oilseeds & products (mt)	2,484	3,219	3,100	256	1,204	1,479	1,600	160
Oilseeds (mt)	373	895	--	51	130	273	--	22
Protein meal (mt)	618	760	--	68	89	108	--	10
Vegetable oils (mt)	1,492	1,564	--	137	985	1,098	--	128
Beverages excl. fruit juices (1,000 hectoliters) 1/	14,014	15,710	--	1,505	1,975	2,122	--	195
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,000	146	3,018	3,622	5,200	398
Coffee, incl. products (mt)	1,185	969	1,000	77	1,502	2,019	4,000	273
Cocoa beans & products (mt)	770	748	700	48	1,028	1,077	1,100	84
Rubber & allied gums (mt)	981	1,001	1,000	95	839	885	1,600	172
Other	--	--	--	--	1,489	1,578	--	157
Total	--	--	--	--	24,454	26,365	29,000	2,453

*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*			June 1995	Change from year* earlier			June 1995
	1993	1994	1995 F		1993	1994	1995 F	
	\$ million				Percent			
WESTERN EUROPE	7,499	6,802	8,500	416	-3	-6	25	8
European Union 1/	7,241	6,557	8,100	397	-2	-7	24	12
Belgium-Luxembourg	482	504	---	22	5	5	---	-32
France	613	466	---	30	-1	-24	---	8
Germany	1,146	1,028	---	53	5	-10	---	-3
Italy	568	564	---	26	-17	-1	---	-9
Netherlands	1,801	1,609	---	94	-1	-11	---	47
United Kingdom	916	931	---	73	4	2	---	7
Portugal	223	224	---	7	-7	0	---	-38
Spain, incl. Canary Islands	829	780	---	51	-13	-6	---	7
Other Western Europe	258	274	400	19	-13	9	46	-40
Switzerland	152	154	---	14	-19	1	---	37
EASTERN EUROPE	468	312	300	13	111	-33	-4	-10
Poland	230	111	---	5	368	-52	---	-21
Former Yugoslavia	47	98	---	4	-6	107	---	93
Romania	107	50	---	2	42	-53	---	-67
Former Soviet Union	1,561	1,486	1,100	83	-42	-5	-26	31
ASIA	17,832	19,390	2/ 23,500	2,134	0	9	---	36
West Asia (Mideast)	1,922	1,698	2,300	170	9	-12	35	92
Turkey	369	240	---	53	7	-35	---	440
Iraq	1	3	---	0	150	116	---	0
Israel, incl. Gaza & W. Bank	382	361	500	39	10	-6	39	225
Saudi Arabia	463	500	500	30	-16	8	0	-11
South Asia	641	556	---	55	20	-13	---	79
Bangladesh	52	120	---	18	-58	131	---	261
India	226	130	---	12	93	-43	---	8
Pakistan	236	212	500	2	4	-10	136	-85
China	322	877	2,500	150	-53	172	185	9
Japan	8,461	9,208	9,900	921	1	9	8	20
Southeast Asia	1,551	1,789	---	197	6	15	---	65
Indonesia	327	408	---	36	-7	25	---	37
Philippines	512	554	700	60	16	8	26	67
Other East Asia	4,935	5,262	7,400	641	0	7	41	52
Taiwan	1,999	2,103	2,400	234	4	5	14	47
Korea, Rep.	2,041	2,055	3,500	296	-7	1	70	84
Hong Kong	880	1,103	1,500	108	8	25	36	7
AFRICA	2,671	2,237	2,900	203	16	-16	30	22
North Africa	1,659	1,470	2,100	126	18	-11	43	36
Morocco	310	167	---	16	98	-46	---	42
Algeria	458	608	500	53	-4	33	-18	187
Egypt	756	613	1,400	50	7	-19	128	-16
Sub-Saharan	1,012	766	800	77	13	-24	4	3
Nigeria	158	111	---	13	413	-30	---	43
Rep. S. Africa	383	113	---	32	17	-70	---	139
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,800	549	7	5	8	-1
Brazil	231	228	700	23	61	-1	207	105
Caribbean Islands	1,015	952	---	105	5	-6	---	53
Central America	675	729	---	67	15	8	---	-4
Colombia	234	258	---	32	65	10	---	117
Mexico	3,660	4,133	3,500	257	0	13	-15	-22
Peru	172	205	---	7	-4	19	---	-28
Venezuela	502	410	500	33	27	-18	22	10
CANADA	5,220	5,261	5,900	530	8	1	12	5
OCEANIA	456	497	700	36	7	9	41	-6
TOTAL	42,589	43,511	53,000	3,966	0	2	22	20
Developed countries	22,337	22,453	25,500	1,970	2	1	14	15
Developing countries	18,357	18,683	23,600	1,757	8	2	26	28
Other countries	1,896	2,375	3,900	239	-56	25	64	17

*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	1995 F
	\$ billion										
1. Farm receipts	150.1	141.0	148.2	159.1	169.4	177.7	176.0	179.5	186.2	188.9	185 to 197
Crops (incl. net CCC loans)	74.3	63.7	65.8	71.6	76.9	80.3	82.0	85.7	87.1	91.6	92 to 97
Livestock	69.8	71.6	76.0	79.6	83.9	89.2	85.7	85.6	90.0	88.1	85 to 89
Farm related 1/	6.0	5.7	6.4	7.9	8.6	8.2	8.3	8.2	9.1	9.2	8 to 10
2. Direct Government payments	7.7	11.8	16.7	14.5	10.9	9.3	8.2	9.2	13.4	7.9	5 to 7
Cash payments	7.6	8.1	6.6	7.1	9.1	8.4	8.2	9.2	13.4	7.9	5 to 7
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	165.0	173.6	180.3	187.0	184.3	188.6	199.6	196.7	194 to 202
4. Nonmoney income 3/	5.6	5.5	5.6	7.8	7.8	8.0	7.7	7.8	7.9	8.1	7 to 9
5. Value of inventory change	-2.3	-2.2	-2.3	-4.1	3.8	3.5	-0.2	4.2	-4.5	8.7	-1 to 2
6. Total gross farm income (3+4+5)	161.2	156.1	168.3	177.3	191.9	198.5	191.8	200.5	203.0	213.5	202 to 210
7. Cash expenses 4/	110.7	105.0	112.3	121.0	127.6	134.1	133.9	133.2	141.5	146.9	144 to 152
8. Total expenses	132.4	125.1	130.2	139.8	146.9	153.7	153.4	152.6	160.9	166.7	164 to 172
9. Net cash income (3-7)	47.1	47.8	52.7	52.6	52.7	52.9	50.4	55.4	58.1	49.8	45 to 55
10. Net farm income (6-8)	28.8	31.0	38.0	37.5	45.0	44.8	38.4	48.0	42.1	46.7	34 to 44
Deflated (1987\$)	30.5	32.0	38.0	36.1	41.5	39.5	32.6	39.7	34.1	37.1	25 to 35

1/ Income from machine hire, custom work, sales of forest products, & other miscellaneous cash sources. 2/ Numbers in parentheses indicate the combination of items required to calculate a given item. 3/ Value of home consumption of self-produced food & imputed gross rental value of farm dwellings. 4/ Excludes capital consumption, perquisites to hired labor, & farm household expenses. Total may not add because of rounding. P = preliminary. F = forecast.

Note: 1988-92 accounts (primarily expenses) have been revised to reflect improved methods for estimating farm income. Call contact for information.

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

Table 30—Average Income to Farm Operator Households

	Calendar year					
	1990	1991	1992	1993	1994	1995 F
	\$ per operator household					
Farm income to household 1/	5,742	5,810	7,180	4,815	5,200	4,200 to 7,400
Self-employment farm income	4,973	4,458	5,172	3,623	3,983	—
Other farm income to household	768	1,352	2,008	1,192	1,217	—
Plus: Total off-farm income	33,265	31,638	35,731	35,408	38,939	37,500 to 39,500
Income from wages, salaries, and non-farm businesses	24,778	23,551	27,022	25,215	29,355	—
Income from interest, dividends, transfer payments, etc.	8,487	8,087	8,709	10,194	9,584	—
Equals: Farm operator household income	39,007	37,447	42,911	40,223	44,140	41,700 to 46,900

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 1993-94, 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	692.0	704 to 714
Non-real estate	186.6	182.2	193.8	205.6	214.1	220.4	219.4	227.8	232.1	230.4	235 to 245
Livestock & poultry	46.3	47.8	58.0	62.2	66.2	70.9	68.1	71.0	72.8	68.3	73 to 77
Machinery & motor vehicles	82.9	81.5	80.0	81.2	85.1	85.4	85.8	85.6	85.2	85.7	86 to 90
Crops stored 2/	22.9	16.3	17.5	23.3	23.4	23.0	22.2	24.2	23.3	23.4	22 to 26
Purchased inputs	1.2	2.1	3.2	3.5	2.6	2.8	2.7	3.9	4.2	5.0	3 to 5
Financial assets	33.3	34.5	35.1	35.4	36.8	38.3	40.6	43.1	46.6	48.0	46 to 50
Total farm assets	772.8	724.5	772.7	801.1	829.8	848.6	842.6	860.9	888.4	922.0	944 to 954
Liabilities											
Real estate debt 3/	100.1	90.4	82.4	77.6	75.4	74.1	74.5	75.0	76.0	78.1	76 to 80
Non-real estate debt 4/	77.5	66.6	62.0	61.7	61.9	63.2	64.3	63.6	65.9	69.1	70 to 74
Total farm debt	177.6	157.0	144.4	139.4	137.2	137.4	138.8	138.6	141.9	147.2	148 to 152
Total farm equity	595.2	567.5	628.3	661.7	692.6	711.2	703.6	722.2	746.4	775.0	795 to 805
	Percent										
Selected ratios											
Debt-to-assets	23.0	21.7	18.7	17.4	16.5	16.2	16.5	16.1	16.0	16.0	15 to 17
Debt-to-equity	29.8	27.7	23.0	21.1	19.8	19.3	19.7	19.2	19.0	19.0	18 to 20
Debt-to-net cash income	377	328	259	256	251	249.4	261	242	243	289	285 to 305

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	May 1995	June 1995	1993	1994	May 1995	June 1995	1993	1994	May 1995	June 1995
	\$ million 2/											
NORTH ATLANTIC												
Maine	269	276	22	22	185	207	14	4	453	483	36	27
New Hampshire	66	64	6	5	86	88	6	3	152	152	11	8
Vermont	402	390	35	32	87	91	7	3	489	481	42	35
Massachusetts	121	117	10	10	370	341	15	20	491	459	26	29
Rhode Island	14	12	1	1	67	68	5	3	80	81	6	4
Connecticut	260	251	20	20	214	222	17	10	475	473	37	31
New York	1,882	1,887	168	154	978	971	52	68	2,860	2,858	220	222
New Jersey	197	183	16	15	502	586	42	58	700	768	58	73
Pennsylvania	2,620	2,612	237	155	1,187	1,143	93	88	3,807	3,755	330	242
NORTH CENTRAL												
Ohio	1,656	1,577	137	130	2,835	2,898	172	161	4,491	4,475	308	290
Indiana	1,913	1,765	129	142	3,428	3,072	138	197	5,341	4,838	267	339
Illinois	2,234	2,065	184	164	5,916	6,158	372	477	8,151	8,223	556	640
Michigan	1,368	1,410	113	116	1,959	2,009	115	105	3,328	3,419	228	221
Wisconsin	4,101	3,945	340	334	1,294	1,439	73	79	5,395	5,384	413	413
Minnesota	3,755	3,447	279	279	2,580	3,075	156	212	6,334	6,522	435	491
Iowa	5,784	5,120	472	444	4,606	4,964	340	364	10,390	10,084	812	808
Missouri	2,276	2,452	213	184	1,836	2,072	80	131	4,112	4,524	294	315
North Dakota	600	627	42	37	2,348	2,307	81	169	2,949	2,935	123	206
South Dakota	1,964	1,644	130	133	1,236	1,699	64	74	3,200	3,343	194	207
Nebraska	5,846	5,403	489	428	3,025	3,158	159	177	8,871	8,561	648	605
Kansas	4,857	4,809	533	346	2,478	2,879	96	170	7,335	7,687	630	516
SOUTHERN												
Delaware	467	505	41	40	144	155	8	10	611	660	48	50
Maryland	821	793	67	61	525	551	38	37	1,345	1,345	105	98
Virginia	1,398	1,386	103	107	697	773	31	52	2,095	2,159	134	159
West Virginia	323	329	26	28	81	74	3	7	405	403	29	34
North Carolina	3,190	3,333	275	294	2,829	3,037	171	186	6,019	6,369	446	480
South Carolina	600	615	49	44	649	747	39	91	1,249	1,362	88	135
Georgia	2,549	2,669	193	192	1,684	2,047	149	168	4,232	4,716	341	360
Florida	1,211	1,192	92	90	4,858	4,786	509	302	6,069	5,978	601	391
Kentucky	1,725	1,645	111	86	1,690	1,585	38	58	3,414	3,230	149	144
Tennessee	962	982	85	73	1,064	1,170	41	70	2,026	2,152	126	143
Alabama	2,129	2,159	175	154	728	745	43	55	2,857	2,904	218	209
Mississippi	1,568	1,706	119	124	1,064	1,210	53	69	2,632	2,916	173	193
Arkansas	2,901	3,114	205	221	1,454	2,162	39	134	4,354	5,276	244	355
Louisiana	705	704	59	61	1,090	1,309	30	43	1,795	2,013	89	104
Oklahoma	2,808	2,700	173	196	1,141	1,165	52	193	3,949	3,864	225	389
Texas	8,170	8,228	654	550	4,492	4,324	197	276	12,662	12,552	851	826
WESTERN												
Montana	948	867	43	29	854	990	55	56	1,802	1,857	98	84
Idaho	1,167	1,199	103	90	1,723	1,756	89	96	2,890	2,955	192	186
Wyoming	660	621	33	20	181	157	4	4	841	778	37	24
Colorado	2,992	2,779	263	259	1,205	1,250	75	70	4,197	4,029	338	330
New Mexico	1,123	1,099	75	80	413	425	39	51	1,537	1,524	115	131
Arizona	918	824	90	61	1,028	1,045	79	80	1,946	1,869	168	140
Utah	614	598	45	46	218	221	14	14	831	819	59	60
Nevada	193	189	18	15	103	110	4	7	296	299	22	21
Washington	1,558	1,609	125	129	3,075	3,112	179	246	4,633	4,720	304	375
Oregon	748	726	80	58	1,809	1,926	76	160	2,557	2,652	157	218
California	5,311	5,398	424	419	14,643	14,841	1,784	1,169	19,954	20,238	2,208	1,588
Alaska	6	6	1	1	21	22	1	2	27	28	2	3
Hawaii	85	77	7	7	422	422	34	35	507	498	41	42
UNITED STATES	90,036	88,107	7,308	6,685	87,102	91,562	5,974	6,313	177,137	179,669	13,281	12,998

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 DBUBMAN@ERS.BITNET.

Table 33—Cash Receipts from Farming

	Annual						1994	1995				
	1989	1990	1991	1992	1993	1994	June	Feb	Mar	Apr	May	June
	\$ million											
Farm marketings & CCC loans*	160,810	169,449	167,751	171,258	177,137	179,669	12,312	12,445	14,062	12,434	13,281	12,998
Livestock & products	83,918	89,193	85,750	85,596	90,036	88,107	6,819	7,132	7,603	6,300	7,308	6,685
Meat animals	46,686	51,242	50,132	47,749	50,818	46,811	3,394	4,199	4,302	3,170	4,036	3,494
Dairy products	19,357	20,153	18,007	19,742	19,244	19,934	1,597	1,528	1,742	1,666	1,739	1,566
Poultry & eggs	15,377	15,262	15,129	15,503	17,300	18,443	1,610	1,209	1,344	1,267	1,327	1,406
Other	2,497	2,537	2,483	2,602	2,673	2,919	218	195	215	198	206	218
Crops	76,892	80,256	82,001	85,662	87,102	91,562	5,494	5,313	6,459	6,134	5,974	6,313
Food grains	8,247	7,480	7,325	8,467	8,180	9,469	932	429	469	319	316	1,024
Feed crops	17,049	18,669	19,327	20,060	20,161	20,574	1,177	1,435	1,598	1,206	1,089	1,494
Cotton (lint & seed)	5,026	5,488	5,236	5,192	5,249	5,730	52	632	478	236	218	162
Tobacco	2,410	2,733	2,881	2,962	2,949	2,646	0	49	27	4	0	0
Oil-bearing crops	11,866	12,258	12,700	13,286	13,219	15,216	530	758	826	681	744	804
Vegetables & melons	11,562	11,424	11,537	11,824	13,144	13,033	1,196	667	1,307	1,480	1,789	1,256
Fruits & tree nuts	9,151	9,418	9,928	10,175	10,260	10,146	820	456	491	591	594	785
Other	11,582	12,785	13,066	13,696	13,940	14,748	788	889	1,262	1,616	1,225	788
Government payments	10,887	9,298	8,214	9,169	13,402	7,881	245	732	2,085	841	571	164
Total	171,697	178,747	175,965	180,427	190,539	187,550	12,557	13,177	16,147	13,275	13,852	13,162

* Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. -- = not available.

Information contact: Roger Strickland (202) 219-0806. To receive current monthly cash receipts via mail contact Bob Dubman at (202) 219-0809 or BDUBMAN@ERS.BITNET.

Table 34—Farm Production Expenses

	Calendar year										
	1986	1987	1988	1989	1990	1991	1992	1993	1994		1995 F
	\$ million										
Feed purchased	17,472	17,463	20,246	20,744	20,387	19,331	20,132	21,434	22,633	21,000	to 25,000
Livestock & poultry purchased	9,758	11,842	13,095	13,077	14,875	14,449	13,894	14,955	13,590	11,000	to 15,000
Seed purchased	3,188	3,259	4,060	4,397	4,518	5,113	4,912	5,162	5,373	4,000	to 6,000
Farm-origin inputs	30,418	32,564	37,401	38,218	39,780	38,892	38,939	41,551	41,604	39,000	to 43,000
Fertilizer & lime	6,820	6,453	7,679	8,176	8,208	8,667	8,333	8,398	9,179	8,000	to 12,000
Fuels & oils	5,310	4,957	4,800	4,772	5,790	5,608	5,298	5,350	5,323	4,000	to 7,000
Pesticides	4,324	4,512	4,148	5,012	5,362	6,319	6,469	6,719	7,219	6,000	to 8,000
Manufactured inputs	18,249	15,921	16,627	17,959	19,359	20,594	20,100	20,466	21,721	20,000	to 24,000
Short-term interest	7,367	6,767	6,712	6,740	6,656	6,124	5,395	5,335	5,953	5,000	to 8,000
Real estate interest 1/	9,131	8,205	7,581	7,190	6,740	5,963	5,772	5,504	5,743	5,000	to 7,000
Total interest charges	16,498	14,972	14,293	13,930	13,396	12,088	11,167	10,839	11,696	11,000	to 15,000
Repair & maintenance 1/	6,426	6,759	7,717	8,406	8,552	8,630	8,468	9,155	9,187	8,000	to 10,000
Contract & hired labor	9,484	9,976	10,911	12,033	14,119	13,903	14,009	15,006	15,313	13,000	to 17,000
Machine hire & custom work	2,099	2,502	3,112	3,380	3,565	3,520	3,806	4,411	4,783	4,000	to 6,000
Marketing, storage, & transportation	2,099	2,105	3,112	3,380	3,565	3,520	3,836	4,411	4,451	3,000	to 5,000
Misc. operating expenses 1/ 2/	3,652	4,078	3,516	4,207	4,211	4,719	4,541	5,648	6,707	5,000	to 7,000
Other operating expenses	9,759	12,939	15,221	15,804	16,463	17,157	16,474	18,133	19,613	18,000	to 22,000
	33,519	38,358	43,588	47,212	50,475	51,449	51,134	56,764	60,054	52,000	to 58,000
Capital consumption 1/	17,788	17,091	17,607	18,168	18,259	18,234	18,289	18,366	18,470	17,000	to 21,000
Taxes 1/	4,612	4,853	4,954	5,213	5,687	5,785	6,042	6,285	6,587	6,000	to 8,000
Net rent to nonoperator landlords	4,612	4,853	4,954	5,213	5,687	5,615	5,834	6,259	6,453	6,000	to 8,000
Other overhead expenses	6,099	8,184	8,479	9,582	10,321	9,907	10,740	11,048	11,060	10,000	to 12,000
	33,111	34,982	35,994	38,176	39,954	39,540	40,905	41,959	42,570	33,000	to 41,000
Total production expenses	125,084	130,226	139,836	146,902	153,712	153,428	152,574	160,908	166,741	164,000	to 172,000

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

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

Table 35—CCC Net Outlays by Commodity & Function

COMMODITY/PROGRAM	Fiscal year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995 E	1996 E
	\$ million									
COMMODITY/PROGRAM										
Feed grains										
Corn	12,346	8,227	2,863	2,435	2,387	2,105	5,143	625	2,079	887
Grain sorghum	1,203	764	467	349	243	190	410	130	156	97
Barley	394	57	45	-94	71	174	186	202	160	47
Oats	17	-2	1	-5	12	32	16	5	20	-1
Corn & oat products	7	7	8	8	9	9	10	10	1	0
Total feed grains	13,967	9,053	3,384	2,693	2,722	2,510	5,765	972	2,416	1,030
Wheat	2,836	678	53	796	2,805	1,719	2,185	1,729	955	889
Rice	906	128	631	667	867	715	887	836	826	662
Upland cotton	1,786	666	1,461	-79	382	1,443	2,239	1,539	86	70
Tobacco	-346	-453	-367	-307	-143	29	235	693	-510	-135
Dairy	1,166	1,295	679	505	839	232	253	158	20	121
Soybeans	-476	-1,676	-86	5	40	-29	109	-183	-17	11
Peanuts	8	7	13	1	48	41	-13	37	86	78
Sugar	-65	-246	-25	15	-20	-19	-35	-24	-37	-32
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	June	July P	Aug P	June	July P	Aug P
\$ billion									
Sales 1/									
At home 2/	316.8	322.9	333.9	29.1	29.4	29.4	167.3	196.7	226.1
Away From home 3/	237.7	252.7	268.0	23.5	24.7	25.0	132.1	156.8	181.8
1994 \$ billion									
Sales 1/									
At home 2/	336.1	334.3	333.9	28.4	28.6	28.6	162.6	191.1	219.7
Away from home 3/	246.1	257.0	268.0	23.0	24.1	24.4	129.9	154.0	178.4
Percent change from year earlier (\$ bil.)									
Sales 1/									
At home 2/	0.4	1.9	3.4	3.4	2.6	3.7	4.3	4.0	4.0
Away from home 3/	3.4	6.3	6.1	6.5	13.0	9.6	7.5	8.3	8.5
Percent change from year earlier (1994 \$ bil.)									
Sales 1/									
At home 2/	-2.2	-0.5	-0.1	-0.2	-0.3	1.0	-0.1	-0.1	0.0
Away from home 3/	1.4	4.4	4.3	4.1	9.9	7.1	5.2	5.9	6.1

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) 219-0832.

Transportation

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

	Annual			1994	1995					
	1992	1993	1994	July	Feb	Mar	Apr	May	June	July
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	110.9	111.9	111.9	111.7	111.8	112.0	112.0 P	111.9 P	111.4 P
Farm products	111.1	113.7	114.5	113.5	115.8	116.4	116.4	116.4 P	116.4 P	112.2 P
Grain	111.4	114.7	115.5	114.3	116.9	117.7	117.7	117.7 P	117.7 P	112.6 P
Food products	108.7	109.0	111.1	110.9	111.3	111.6	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	88.9	151.7	162.9	134.2	128.4 P	143.3 P	169.3 P
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.3	23.4	29.3 P	30.3 P	27.8 P	26.0 P	28.4 P	28.8 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.7	3.3	2.0	2.6	3.6	3.1	2.3	4.2
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	1.6	1.1	1.1 P	1.0 P	1.8 P	1.5 P	1.3 P
Rail (mil. cwt)	2.6	2.2	2.4	2.2	2.4	2.4 P	1.8 P	2.3 P	2.6 P	1.6 P
Truck (mil. cwt)	43.9	44.8	43.8	40.2	34.5	36.2 P	44.7 P	53.2 P	47.2 P	39.8 P
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	124.1	127.2	128.0	127.5	129.2	128.7	129.9	130.3	130.3	130.2

1/ Department of Labor, Bureau of Labor Statistics. 2/ Weekly average; from Association of American Railroads. 3/ Shipments on Illinois & Mississippi waterways, U.S. Corps of Engineers. 4/ Agricultural Marketing Service, USDA. P = preliminary.

Information contact: T.Q. Hutchinson (202) 219-0353.

Indicators of Farm Productivity

Table 38—Indexes of Farm Production, Input Use, & Productivity¹

	1983	1984	1985	1986	1987	1988	1989	1990	1991 1/	1992 2/
	1982=100									
Farm output	84	101	105	102	104	97	108	112	112	—
All livestock products	102	100	103	103	106	108	110	112	114	—
Meat animals	102	100	99	99	100	102	102	102	105	—
Dairy products	103	99	105	106	105	107	106	109	109	—
Poultry & eggs	100	103	108	112	122	125	130	138	144	—
All crops	71	100	106	99	101	88	105	112	109	—
Feed crops	31	108	125	119	101	63	116	113	113	—
Food grains	84	93	87	77	77	70	77	99	76	—
Oil crops	75	87	96	88	88	71	87	87	92	—
Cotton and cotton seed	68	111	113	83	127	133	103	138	140	—
Tobacco	75	89	77	58	61	69	71	83	85	—
Vegetables and melons	97	103	109	110	117	111	114	123	122	—
Fruits and nuts	100	100	99	95	109	117	111	113	105	—
Other crops	101	110	111	120	132	137	141	141	148	—
Farm input	96	98	95	92	89	87	87	89	89	—
Farm Labor	95	97	89	87	84	86	82	87	88	—
Farm real estate	92	97	97	94	91	90	91	90	89	—
Durable equipment	95	91	86	80	74	70	67	65	63	—
Energy	97	100	90	84	93	93	91	90	89	—
Agricultural chemicals	93	106	101	111	100	90	93	90	94	—
Feed, seed, and livestock purchases	99	101	106	105	101	98	99	105	104	—
Other purchased inputs	107	108	99	89	92	90	96	97	100	—
Farm output per unit of input	88	103	111	111	117	112	124	127	126	—
Output per unit of labor										
Farm 3/	88	104	118	117	123	114	131	129	127	—
Nonfarm 4/	102	105	106	108	109	110	109	109	110	114

1/ New data and methods were used to calculate the 1991 indexes and to revise them back to 1948. 2/ Preliminary. 3/ Economic Research Service. 4/ Bureau of Labor Statistics. — = not available.

Information contact: Rachel Evans (202) 501-8362.

Food Supply & Use

Table 39—Per Capita Consumption of Major Food Commodities¹

Commodity	1986	1987	1988	1989	1990	1991	1992	1993	1994P
Pounds									
Red meats 2/3/4/	122.2	117.4	119.5	115.9	112.3	111.9	114.1	112.1	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	63.9	65.7	68.4	66.9
Butter & margarine (product weight)	16.0	15.2	14.8	14.6	15.3	15.0	15.4	15.8	14.7
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	25.1	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
Sweet potatoes 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	10.3	10.0	9.1	8.2
Cocoa (chocolate liquor equiv.)	3.8	3.8	3.8	4.0	4.3	4.6	4.6	4.4	4.1

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.

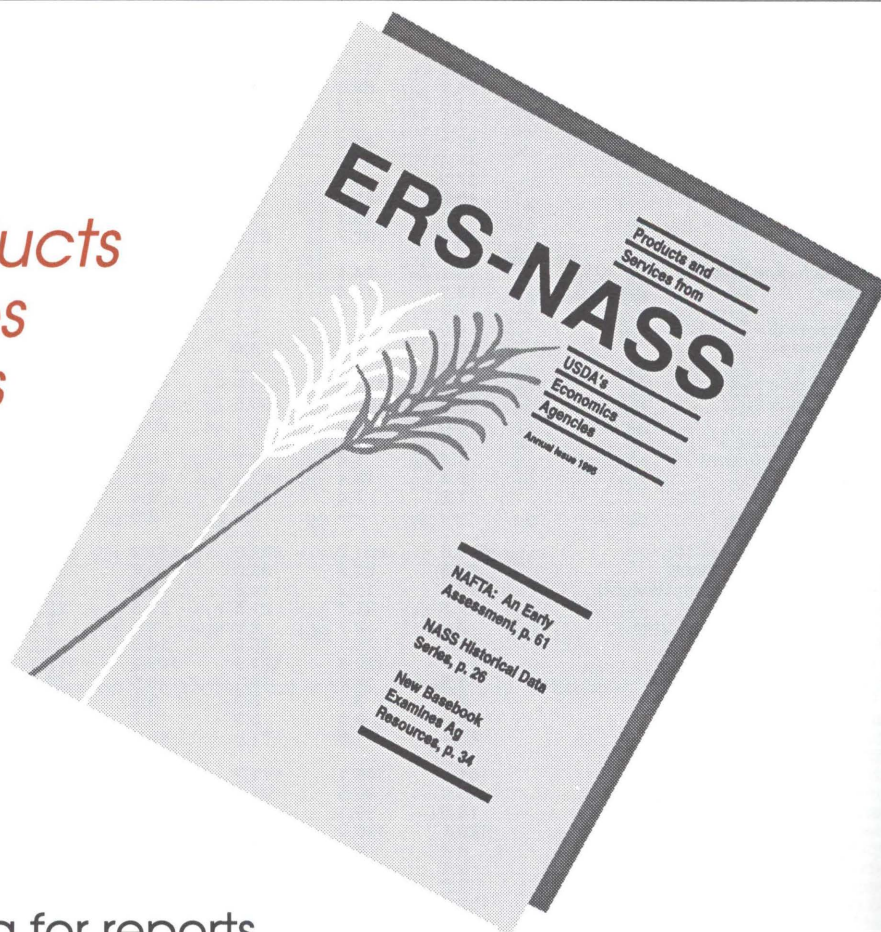
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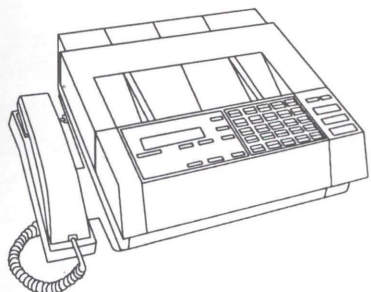
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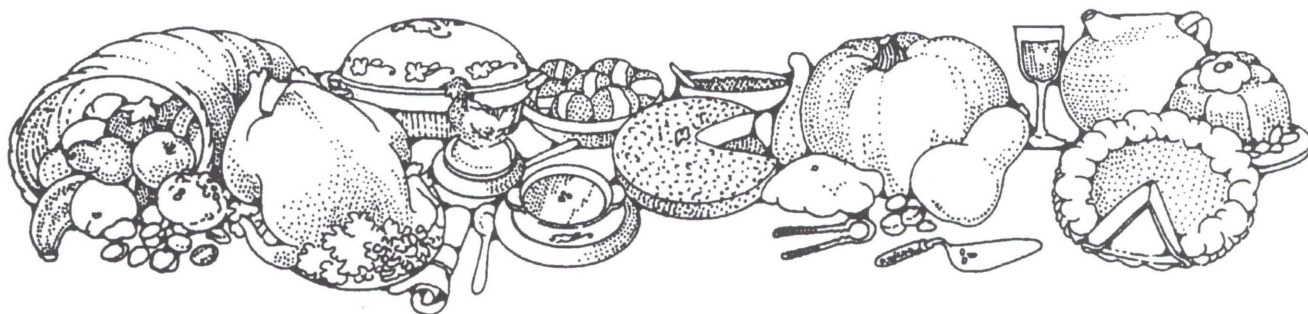
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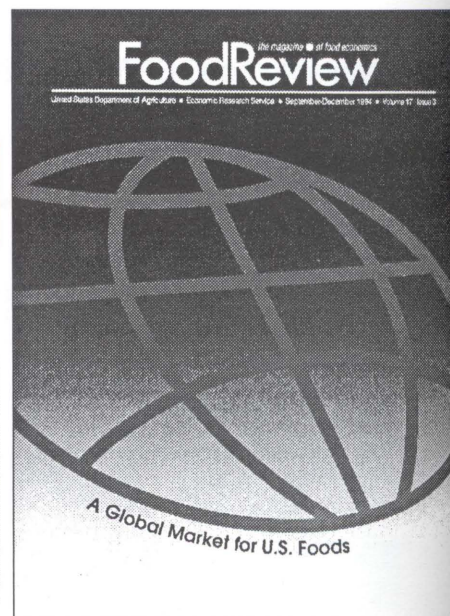
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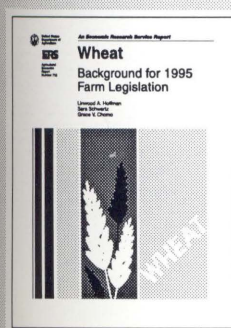
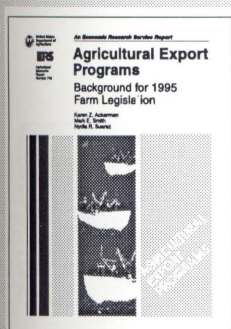
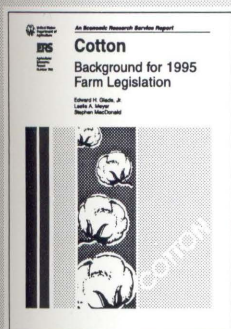
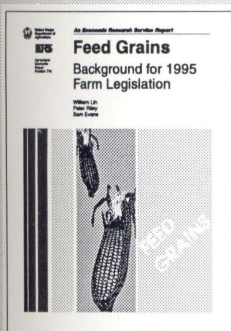
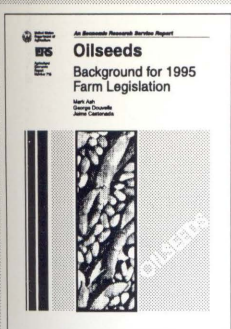
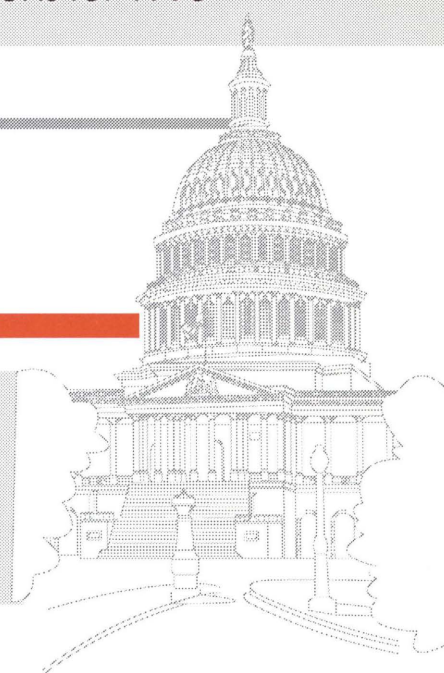
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