

# AGRICULTURAL OUTLOOK

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## The Cattle Industry Looking Ahead



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# Cattle Industry Developments ... Food Price Forecast for 1996 ... China's Grain Trade Outlook ... & Russia's Pending WTO Membership

## Moderate Food Price Rise in '96

The *Consumer Price Index* (CPI) for food in 1996 is forecast to rise 2-4 percent, about the same as the 1995 forecast of 2.8 percent. Fresh fruits and vegetables and the away-from-home sector account for much of the 1996 food price increase. The overall food CPI will be moderated by record supplies of red meats and poultry, with prices for these items remaining close to 1995 levels.

The CPI for fresh fruits and vegetables is forecast to rise 7 percent in 1996. Fresh fruits and vegetables account for about 9 percent of the overall food CPI. Exports of U.S. fresh produce have become one of the key factors in determining prices. Exporters are expected to ship 25 percent of the U.S. fresh-market supply of apples, grapes, pears, grapefruit, and oranges in 1996, up from 20 percent 5 years ago. Fresh vegetable exports have advanced 15 percent annually since 1989, with increases expected to continue in 1996.

## Apples, Potatoes Boost Produce Prices

*U.S. consumer prices* for fresh fruits and vegetables in first-quarter 1996 are likely to be even with or above last winter's strong prices. Consumer prices for fresh produce in 1995 have been rising faster than prices for all food. Prices for apples and potatoes—accounting for roughly one-quarter of all produce consumed in 1995—are being bid up by tighter supplies and strong export and processor demand. The expected strong retail and grower prices this winter are likely to trigger greater fresh produce imports, mainly from Mexico and from Central and South America.

In contrast, fresh-market supplies of oranges should be plentiful compared with last winter, as California's 1996 orange crop is forecast up 8 percent from 1995. The larger crop is expected to moderate retail price advances this winter for fresh oranges, despite robust export demand, especially from Asia.



Florida's 1996 orange crop, used mainly for juice, is forecast slightly lower but still relatively large for recent years.

## Cattle Industry Trends

*The U.S. is the world's* largest beef producer, with cattle and calf sales totaling \$35-\$40 billion annually, the largest single-commodity source of farm income. In addition, the U.S. is the world's largest importer of beef and the second-largest exporter next to Australia.

U.S. exports of high-quality grain-fed beef have been expanding at a rapid pace, accounting for 7 percent of production in 1995 compared with less than 2 percent in 1985. And with record meat supplies, these exports have become more important in supporting beef and cattle prices. In addition, environmental concerns and regulations, especially those involving manure and effluent management, are reinforcing two longer term trends: larger enterprises and a geographic shift in operations.

For about three decades, cattle feeding operations have been shifting from the Corn Belt and Southwest to the Great Plains (primarily Texas), favored especially by larger operators and offering

regional features such as milder, drier weather. During that time, there has been an increasing concentration of fed-cattle operations into feedlots with more than 16,000 head.

## Russia: WTO Candidate

*In 1995, Russia formally* applied for accession to the World Trade Organization (WTO). Since WTO rules reflect the market-oriented economies of member countries, some aspects of Russia's transitional economy are likely to require clarification as the WTO reviews Russia's trade policies. Negotiations on specific terms of accession will begin after those policies are reviewed. Market access, export subsidies, and internal farm support are among the major issues to be addressed.

WTO membership could strengthen Russia's move toward market reform, mainly by checking protectionist fervor and pressure for trade-distorting internal support. Although a drop in bulk-product shipments (e.g., grains) has reduced U.S. ag exports to the former Soviet Union since the early 1990's, Russia remains an important market for many U.S. high-value products such as poultry and snack foods. WTO accession, by establishing a more open trade regime in Russia than might otherwise exist, would benefit U.S. exporters.

## China: Key Player in Grain Market

*Developments in China's* grain market are among the most important factors affecting world grain trade for the rest of the century. China's grain production accounts for about 20 percent of global grain production and 50 percent of Asia's.

China is expected to remain a net grain importer for the foreseeable future, as growth in grain consumption outpaces production. Its huge population, strong economic growth, rapidly rising incomes, and policy decisions contributed to China's recent shift from net grain exporter to a major net importer.



## Agricultural Economy



### The Ag Sector: Yearend Wrap-Up

Among the factors affecting the well-being of farmers and farm-related businesses at the end of 1995 and into 1996, developments outside the U.S. farm sector are playing a significant role. Proposals for the pending farm bill, for example, would reduce government spending on agriculture. And given the continued movement toward freer global trade, a number of commodities will increasingly look to the export market to expand receipts.

#### *The outlook for the general economy is favorable.*

- A soft landing of the economy is underway, with prospects over the next year for moderate growth and minimal inflationary pressures.
- The domestic economy will support increasing demand for agricultural products. The absence of inflationary pressures will hold down production costs for farmers and also limit increases in food prices—the

overall inflation rate has more effect on food prices than do farm prices.

- Foreign economic growth is forecast to continue strengthening in 1996, boosting demand for U.S. agricultural exports.

#### *Commodity markets face tight supplies.*

- For major U.S. field crops, a combination of low stocks, smaller production, and strong export demand is forecast for 1995/96.
- Prices for wheat, corn, other feed grains, rice, and soybeans are up sharply from a year ago. Prices for these commodities in 1995/96 will be the highest in many years.
- Plantings of major field crops worldwide will likely be larger next year due to the higher prices. With 1995/96 ending stocks projected to be extremely low, commodity prices in 1996/97 will be very sensitive to the size of next year's crop. Normal crops worldwide would begin to rebuild stocks and likely lead to somewhat lower prices.

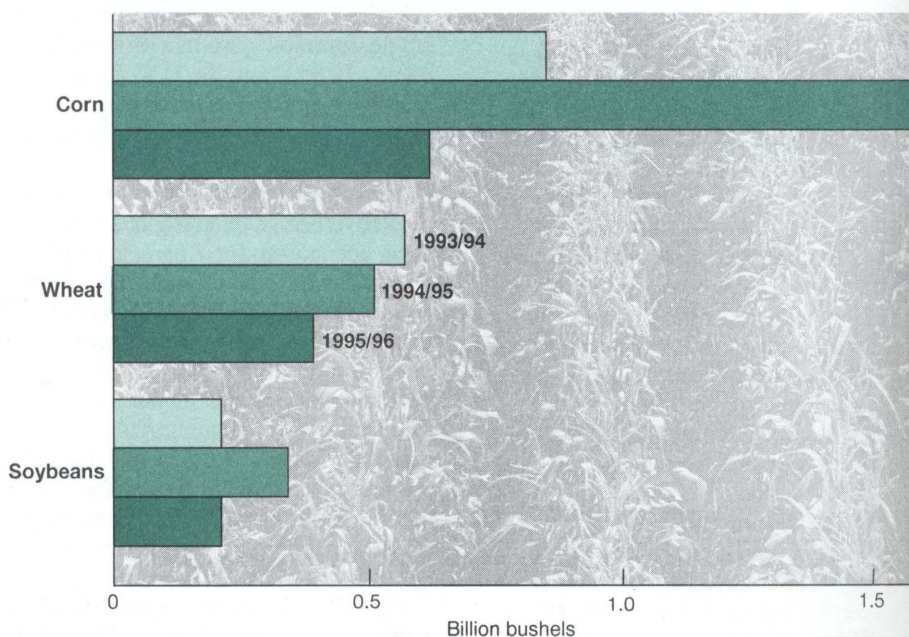
- The livestock sector will continue expanding in 1996 unless feed supplies drop well below normal. The sector has been expanding in 1995, despite low livestock prices and high feed costs, reflecting expansion by larger operations which generally have lower costs of production than smaller operations. Strong domestic consumption and export demand are supporting this year's expansion.

- The situation for specialty crops varies. Prices for fresh produce have been up sharply because of short supplies in the first half of 1995. Apple and potato supplies are somewhat tighter than last year, and vegetable production is down, due largely to weather-related problems in California earlier this year.

#### *Exports will remain strong.*

- Export markets, which have long been an important source of demand for bulk U.S. commodities like wheat and corn, are rapidly becoming a more important outlet for livestock and specialty agriculture as well, partly in response to greater trade liberalization in many markets.

#### U.S. Corn Stocks To Plunge in 1995/96



Ending stocks. 1994/95 estimate; 1995/96 forecast. September-August marketing year for corn and soybeans, June-May for wheat.



## Agricultural Economy

- The volume of U.S. bulk exports was up sharply in fiscal 1995. Large demand in China was the single largest factor accounting for expanded U.S. bulk agricultural exports. With prices also higher, bulk exports accounted for much of the big jump in export value in fiscal 1995.
- Exports of high-value products continue their steady growth. Their share in total exports had been trending higher before last year's jump in bulk product share.
- In fiscal 1996, higher prices will mean a further rise in export value despite its somewhat lower volume.

*Little change is seen in farm income.*

- Current USDA forecasts show net cash income in 1995 about equal to 1994's \$50 billion.
- Cash receipts from crops are up sharply because of this year's higher crop prices. Livestock producers face somewhat lower receipts due to record production and the associated drop in price.

- Low inflation and stable interest rates are holding down any increases in production expenses.
- The overall financial health of the farm sector remains strong. Asset values are increasing more rapidly than debt, so farm equity continues to rise. Debt-to-asset and debt-to-equity ratios are well below levels of a decade ago when the farm sector was under severe financial pressure.

*Government spending on agriculture is down.*

- Government spending on agriculture is down this year from 1994 and is expected to remain relatively low next year. Spending for next year depends partly on pending budget and farm legislation.
- Future spending will depend on both farm legislation and market conditions. Even under current legislation, government payments would trend downward in future years, given the market conditions envisioned in USDA's February 1995 long-term baseline forecasts.

- Commodity support payments are down in calendar 1995 and will remain low in 1996 because of higher commodity prices. Support payments to corn and wheat producers in 1995/96 will be very small, for the first time in many years.
- Low stocks, tight world supplies, and resulting high prices are reducing the need for export subsidy programs like the Export Enhancement Program (EEP).

*Food price increases remain small.*

- In 1996, food prices are forecast to rise 2 to 4 percent, about the same as the 1995 forecast. For both 1995 and 1996, the rise in food prices is about even with the overall inflation rate.
- Record supplies will prevent any rise in livestock prices in 1996 and limit any increase in retail meat prices. While meats play a large role in the food price index, farm prices as a whole account for only about 21 percent of overall retail food prices.

[Frederic Surls (202) 219-0607] **AO**

# Season's Greetings

From the *Agricultural Outlook* Staff



## Agricultural Economy

# Field Crops Overview

*Forecasts for supplies of U.S. feed grains and soybeans continue to decline, as crop production estimates were reduced in November. Price forecasts for grains and soybeans were revised upward, reflecting the tight supply situation and continued strong domestic and foreign demand. Forecasts for world grain supplies also continue to tighten.*

**U.S. feed grain supplies are tightening further.** Forecasts for corn and sorghum production were lowered again in November. Corn production is projected down 2 percent from the October forecast and 27 percent from 1994/95. Unfavorable weather had plagued the corn crop since spring, although weather was favorable during harvest in most states. Early frost in Kansas, high winds in Nebraska, and reduced harvested acres in Iowa account for much of the month-to-month decline.

However, favorable weather has helped producers make rapid progress in harvesting their crops. As of November 12, 94 percent of the corn crop and 95 percent of the sorghum crop had been harvested, compared with 5-year averages of 82 and 89 percent.

Ending stocks of corn are projected to dive to the lowest level since the mid-1970's. And the stocks-to-use ratio is projected to hit a record low, with use forecast to be about 50 percent higher than in the 1970's. Tight supplies and relatively high farm prices, projected to average \$2.95 to \$3.35 per bushel, are expected to limit domestic purchases, despite strong potential demand from livestock producers, feed manufacturers, and industrial corn users.

Exports are proceeding at a rapid pace, with 55 percent of the 1995/96 forecast export volume already committed in the first two months of the marketing year. The strong export demand has bolstered early-season corn prices, which have continued to rise throughout the harvest period. This is unlike the normal pattern at harvest, when prices tend to dampen.

Forecast world supplies of coarse grain for 1995/96 continue to tighten, as expected consumption exceeds production. Global ending stocks of coarse grains are projected to be 34 percent below 1994/95, and the stocks-to-use ratio is expected to be the lowest on record. The year-over-year decrease in world ending stocks mainly reflects a reduction in U.S. and Russian output and stocks.

World supplies of corn, the major coarse grain, are especially tight. Global imports in 1995/96 are projected down significantly from 1994/95 because of limited availability. U.S. corn exports are still projected at 51 million tons, 7 million below 1994/95's level, reflecting the considerably smaller U.S. crop.

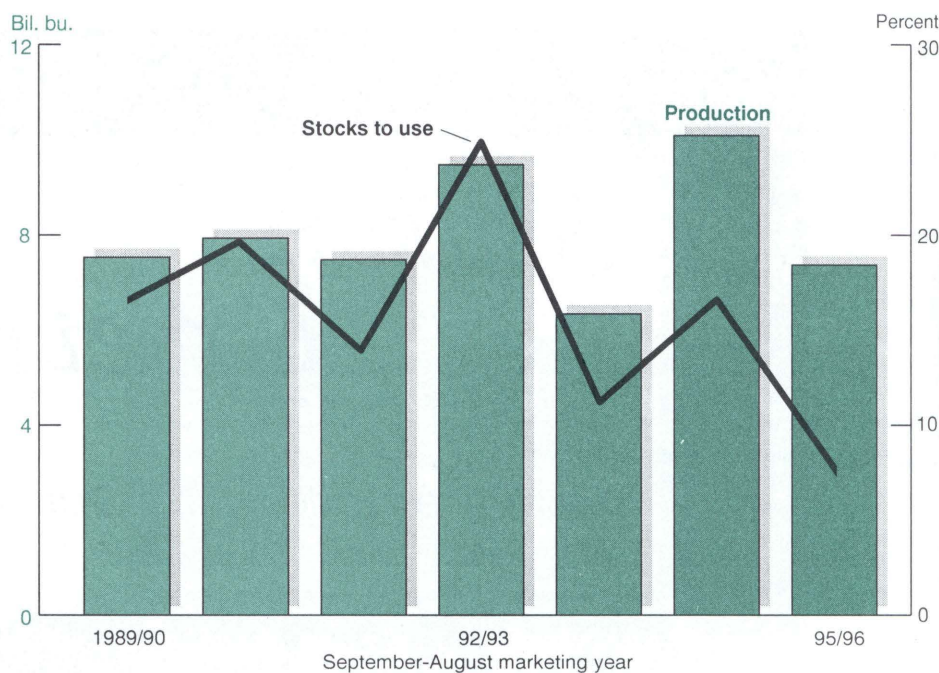
China's anticipated corn exports in 1995/96 were reduced further in November to just 1 million tons, compared with 1.5 million last year and 11.8 million in 1993/94, as domestic use absorbs more of China's record crop. South Africa's corn exports are also projected to decline to only 1 million tons in 1995/96, from 2.5 million last year, reflecting a drought-reduced crop in 1994/95. The bulk of South Africa's expected larger

1995/96 crop will not be exported until 1996/97. Projections for Argentina's 1995/96 corn exports were raised in November to 6.5 million tons, 8 percent above last year, as recent rains were sufficient to expand 1995/96 corn area.

World sorghum exports in 1995/96 are projected at 5 million tons, down from 6.1 million in 1994/95, as anticipated supplies in the U.S. and Argentina continue to contract. Although 1995/96 barley exports from Australia and Canada are expected to be larger than last year, exports from the U.S., the European Union (EU), and Russia are projected to be lower, pulling down expected global trade.

**Strong domestic and export demand support U.S. soybean prices.** U.S. soybean production in 1995/96 is projected down 13 percent from 1994/95. After a season beset with problems, the November production forecast showed only a marginal decline from October. Mostly dry conditions in September and October permitted the soybean harvest to advance on schedule throughout the country. By November 12, 94 percent of the crop had been harvested, with most of the unharvested acres in the South.

**Stocks-to-Use Ratio for U.S. Corn To Hit Record Low**



1994/95 estimates; 1995/96 projections.



## Agricultural Economy

The November forecast for the season-average farm price for soybeans moved up slightly from October to \$6.30-\$7.30 per bushel, substantially above the 1994/95 season average of \$5.45. At present, soybean futures prices are being supported by strong domestic and export demand and by price strength for other commodities, particularly corn and wheat. As corn prices spiral upward, acreage and production of soybeans in 1996/97 look less encouraging because corn will provide an attractive alternative to soybeans at planting time. This may strengthen soybean prices further by next spring.

Crush margins for soybeans, already below those of last year, may weaken further in 1995/96 in response to higher soybean prices and lower soybean oil prices, constraining crush. Soybean oil prices are likely to remain under pressure as stocks build throughout the year. Season-average prices for soybean oil are projected at 23.5-27.5 cents per pound, compared with 27.58 cents last year.

Considerably higher U.S. season-average prices for soybean meal, forecast at \$197.50 to \$222.5 per ton, together with hog inventories that are lower than a year ago, are likely to limit increases in soybean meal use. But with poultry production rising, and the soybean meal/corn price ratio at its lowest level in years despite the higher soybean meal prices, soybean meal use is expected up in 1995/96.

World soybean production in 1995/96 is projected down 9 percent from last year, as a result of smaller crops in the U.S., Brazil, and China. Smaller harvests are also expected in Paraguay, Mexico, Canada, and Thailand. In Brazil, soybean planted area and input usage are predicted to fall, despite an announcement by the congress and central government of a new farm debt relief package. Higher returns for corn relative to soybeans in China resulted in more area planted to corn at the expense of soybeans.

Global soybean exports in 1995/96 are expected to decline in response to reduced supplies in the U.S. and Brazil and lower-than-average crush margins.

## U.S. Field Crops—Market Outlook

	Area		Yield	Output	Total supply	Domestic use	Exports	Ending stocks	Farm price
	Planted	Harvested							
	— Mil. acres —		Bu/acre	— — —	— — —	Mil. bu	— — —	—	\$/bu
Wheat									
1994/95	70.3	61.8	37.6	2,321	2,981	1,287	1,188	507	3.45
1995/96	69.1	60.9	35.9	2,183	2,790	1,195	1,200	395	4.20-4.50
Corn									
1994/95	79.2	72.9	138.6	10,103	10,963	7,227	2,177	1,558	2.26
1995/96	71.4	64.8	113.7	7,374	8,942	6,275	2,050	617	2.95-3.35
Sorghum									
1994/95	9.8	9.0	73.0	655	703	409	223	71	2.13
1995/96	9.2	8.2	56.4	464	535	322	170	43	2.85-3.25
Barley									
1994/95	7.2	6.7	56.2	375	580	401	66	113	2.03
1995/96	6.7	6.3	57.6	361	529	390	50	89	2.60-2.90
Oats									
1994/95	6.6	4.0	57.1	229	428	326	1	101	1.22
1995/96	6.3	3.0	55.2	163	369	280	1	88	1.55-1.65
Soybeans									
1994/95	61.7	60.9	41.4	2,517	2,731	1,558	838	335	5.45
1995/96	62.6	61.7	35.4	2,183	2,523	1,508	800	215	6.30-7.30
			Lb./acre	— — —	Mil. cwt (rough equiv.)	— — —			\$/cwt
Rice									
1994/95	3.35	3.32	5,964	197.8	230.9	98.6	100.9	31.4	6.74
1995/96	3.12	3.09	5,635	174.2	213.9	104.2	86.0	23.7	7.00-8.00
			Lb./acre	— — —	Mil. bales	— — —			¢/lb
Cotton									
1994/95	13.7	13.3	708	19.7	23.2	11.2	9.4	2.7	73.0
1995/96	16.8	16.0	567	18.8	21.5	11.0	6.8	3.7	*

Based on November 9, 1995 World Agricultural Supply and Demand Estimates; U.S. marketing year for exports.

\* USDA is prohibited from publishing cotton price projections.

See table 17 for complete definition of terms.

World crush is projected down slightly, as crush margins slip from last year's near-record levels, and as reduced soybean supplies in the major producing countries limit availability for crushing.

Higher projected soybean prices in 1995/96 have pushed crush margins below average, making higher imports of soybean meal more likely and increasing expectations for soybean meal trade. Soybean meal exports and use are forecast at record levels for the third consecutive year. Rising meat production and high grain prices are pushing up demand for soybean meal in the EU, Asia, and Latin America.

U.S. soybean oil exports in 1995/96 are projected to drop nearly 30 percent from record levels in 1994/95. China took nearly half of all U.S. soy oil exports

last year. However, China's soybean oil purchases in 1995/96 are expected to fall 21 percent, reflecting abundant production of high-oil-content oilseeds in China and a runup in stocks stemming from considerable edible oil imports in 1994/95.

**U.S. wheat prices are climbing.** U.S. wheat production in 1995/96 is forecast down 6 percent from 1994/95, and total use is projected to decline about 3 percent. Domestic use is expected to dip 7 percent, and exports are forecast to rise slightly.

The season-average price forecast for wheat was raised in November to a record \$4.20-\$4.50 per bushel. Wheat prices have been very strong since the marketing year began in June. Heavy



## Agricultural Economy

### World Commodity Market Outlook

	Year <sup>1</sup>	Production	Exports <sup>2</sup>	Consumption <sup>3</sup>	Carryover
<i>Million tons</i>					
Wheat	1994/95	522.3	97.2	549.2	113.8
	1995/96	534.9	96.9	550.3	98.5
Corn	1994/95	555.4	70.2	535.8	91.7
	1995/96	501.3	63.5	532.7	60.3
Barley	1994/95	161.1	14.6	167.2	25.7
	1995/96	147.7	14.1	156.7	16.7
Rice	1994/95	360.2	19.5	361.5	48.5
	1995/96	358.0	16.2	364.5	42.0
Oilseeds	1994/95	259.4	43.5	206.6	25.1
	1995/96	253.2	43.2	211.9	20.0
Soybeans	1994/95	136.7	31.7	110.2	21.7
	1995/96	124.5	30.8	109.7	16.6
Soybean meal	1994/95	87.1	31.7	86.2	4.0
	1995/96	86.9	31.9	87.3	3.6
Soybean oil	1994/95	19.8	6.0	19.7	1.7
	1995/96	19.8	5.4	19.4	2.0
<i>Million bales</i>					
Cotton	1994/95	85.5	28.8	84.4	29.9
	1995/96	89.3	27.5	86.0	32.8

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

marketings at high prices this past summer will likely push the season-average farm price to a record, even if prices decline in later months. If prices follow their normal seasonal pattern, prices would continue to remain firm through the winter and decline modestly in the spring.

Spring prices will be influenced by expectations for the 1996 winter wheat crop, which was planted in the fall for harvest beginning in May 1996. The winter wheat crop was 94 percent emerged as of November 12, equal to the 5-year average. Crop conditions were reported to be somewhat less favorable than a year ago, when ample moisture created exceptionally good conditions. In early November, the Southern Plains was dry and colder than normal.

High prices likely encouraged producers to plant more acreage to wheat than in recent years. A survey conducted by extension economists in Texas, Oklahoma, Kansas, Colorado, South Dakota, and Montana indicated a 4-percent increase in wheat seedings from last year.

World wheat production in 1995/96 is projected 2.4 percent above 1994/95, largely the result of a rebound in Australia's crop from last year's drought-reduced harvest, and record crops in India and Pakistan. In addition, favorable weather has led to increased production in Canada and Eastern Europe. Nevertheless, continued strong import demand, coupled with low carry-in stocks, particularly in the major exporting countries, are causing international wheat prices to remain high.

Global wheat trade in 1995/96 is projected to dip fractionally from last year. Despite the overall decline in trade, several large importers, including Brazil, China, Indonesia, and Morocco, are expected to increase imports in 1995/96.

A sharp decline is projected for Argentina's wheat production and exports in 1995/96, because severe drought reduced the 1995/96 winter wheat crop. Wheat exports from the EU, at 16.5 million tons, are also projected to be lower in 1995/96 than the previous year, because of limited grain supplies within the EU. With EU supplies remaining tight, a ban on EU export subsidies for soft wheat has been in place for several months, to be replaced in November with an export tax.

U.S. wheat exports in 1995/96 are forecast to rise marginally from 1994/95, to 32.5 million tons, and the U.S. continues to limit subsidies under its Export Enhancement Program. Although Canada's 1995/96 exports are still projected to be lower than in 1994/95, larger production led to an upward revision in the November export projections for Canada and Australia.

#### *U.S. rice supplies are less abundant.*

With harvest virtually completed, U.S. rice production in 1995/96 is projected to fall 12 percent from 1994/95, reflecting a decline from last year in both area and yields. Area was reduced because of a 5-percent ARP requirement, and yields suffered from prolonged high temperatures in August, which affected most of the Gulf Coast and the Delta. California experienced a cool, wet spring that delayed plantings and led to slow plant development.

Average world and U.S. rice prices, supported through the summer and fall by large Asian demand and tight international supplies, are projected much lower in the first half of 1996, due chiefly to a major contraction in world imports. But U.S. rice export prices are not expected to decline as rapidly as international prices, because of reduced U.S. supplies. As a result, the price premium for U.S. rice over competitors' rice is expected to widen in 1996, potentially hurting U.S. competitiveness in world markets.



## Agricultural Economy

Projections for global rice trade in calendar 1996 show a substantial decrease from 1995—an exceptional year—as the forecast tally for world rice imports in 1995 continues to rise. However, 1996 rice trade would still be the second highest on record.

The 1995 import forecasts for Indonesia and Bangladesh were increased to 2.8 and 1.4 million tons in November, substantially above 1994 imports. Although a slight reduction was made in China's projected 1995 imports in November to 1.8 million tons as purchasing slowed and production improved, imports would still be forecast to more than double from 1994.

Because rice shipments from India and Pakistan remain strong, projected 1995 rice exports from these two countries were raised in November to new records of 3.5 million and 1.4 million tons. The forecast for U.S. rice exports in 1995, although still a record, was revised downward to 3 million tons, reflecting lower output and a slower pace of shipments.

Projected world rice consumption in 1995/96 will exceed production for the fifth year in a row. As a result, global ending stocks continue to narrow, and are projected to decline 13 percent from 1994/95, leading to the lowest stocks-to-use ratio in more than 20 years.

**U.S. cotton stocks are rising.** U.S. cotton production in 1995 is forecast at 18.8 million bales, down 2 percent from the October projection and 4 percent from last year's record. While harvested area is expected higher this year, yield estimates have continued to decline. Although output is forecast lower, ending stocks are projected up 16 percent from the October forecast and 40 percent from 1994/95. Relatively high cotton prices are causing textile mills to cut back on use, and exports are projected to drop below last season's high level.

On November 3, the Secretary of Agriculture announced a preliminary 5-percent ARP for upland cotton in 1996. However, the announced ARP could change when the farm bill is passed.

Global cotton production in 1995/96 is expected to jump to its second-highest level ever, despite a smaller U.S. crop. On the strength of nearly unprecedented price gains in 1994/95, world cotton area soared to the highest in more than 30 years. Yields in China—the world's largest producer—are expected to decline only slightly in 1995/96, because the bollworm threat has diminished. China's cotton production in 1995/96 is expected to remain nearly unchanged from the year before.

Production is also expected to remain steady in India and Central Asia—the next-largest producing regions. Higher output is forecast for Pakistan, Africa, the Middle East, and Latin America.

Global cotton consumption in 1995/96 is also projected to climb to the second-highest level on record, the first increase since 1991/92. While last year's high prices deterred some users and U.S. cotton consumption is dropping, improved consumer demand in most industrialized countries is expected to drive mill use higher.

A rebound in mill use in China—the world's largest cotton consumer—is also expected in 1995/96 following an unusual drop in consumption last year. Nevertheless, China's cotton imports are expected to fall in 1995/96 from the high levels of 1994/95, as stock-building

activity slows significantly from last year. This would lead to a reduction in world trade and in U.S. exports, which are expected to decrease to 6.8 million bales in 1995/96 from 9.4 million last year.

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

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

#### December

- 12 Cotton & Wool Outlook (4 pm)\*\*
- 13 Feed Outlook (4 pm)\*\*  
Oil Crops Outlook (4 pm)\*\*  
Rice Outlook (4 pm)\*\*  
Wheat Outlook (4 pm)\*\*  
Dairy Outlook
- 15 Europe\*
- 18 Tobacco\*
- 19 Sugar & Sweeteners\*
- 20 Agricultural Outlook\*
- 21 Agricultural Income & Finance\*
- 22 Livestock, Dairy, & Poultry (9 am)  
U.S. Agricultural Trade update (3 pm)

\*Release of summary, 3 pm.

\*\*Available electronically only.



## Agricultural Economy

## Livestock, Dairy & Poultry Overview

**The surge in U.S. beef exports will continue.** U.S. beef exports are forecast to reach 2.12 billion pounds in 1996, nearly 13 percent above this year's record. This follows a 17-percent increase in 1995. Imports are forecast at 2.125 billion pounds, down slightly from this year and about 8 percent below 1994. Low prices, abundant supplies, rising world incomes, and freer trade are behind the expansion in U.S. beef exports.

Rising beef exports and slightly lower imports point to continued closing of the U.S. beef trade gap. Net imports are expected to drop below 300 million pounds in 1995, compared with 760 million in 1994. In 1996, beef net imports are expected to be just 5 million pounds. The closing of the beef trade gap will

help support domestic beef and cattle prices as beef production peaks cyclically over the next couple of years.

Strong export sales of high-quality U.S. grain-fed beef, along with lower valued beef shipments to Russia, have boosted this year's exports 14 percent through August over a year earlier. U.S. imports of lower quality (grass-fed) processing beef are down 11 percent for the same period.

Competition among buyers for the relatively tight domestic supplies of high-quality (marbled) beef is supporting higher boxed-beef values as well as fed-cattle prices, even as slaughter levels peak seasonally. Retail prices for Choice beef have ranged between \$2.82 and \$2.87 per pound all year, compared with \$2.83 a year earlier. While fed-cattle prices will likely strengthen seasonally through midwinter, sharply higher prices are unlikely.

The number of cattle on feed in the 13 quarterly reporting states on October 1 was up 2 percent from a year earlier and was the second largest for the date since

1975. Feedlot placements rose sharply in September before declining slightly in October, but are likely to remain above a year earlier this fall. Marketings are likely to remain above a year earlier through first-half 1996.

Larger beef cow and heifer slaughter have added to beef supplies, but steer slaughter numbers continue to lag, and marketing weights remain much lighter than a year earlier. Average dressed steer weights through October were 8 pounds below last year. This fall, a larger proportion of steers were lower grading lighter steers from Mexico, pushed through U.S. feedlots before cold weather reduces weight gains.

However, this situation is expected to change soon. The proportion of better grading steers marketed later this fall and winter will be larger than earlier this year, and weights may have continued to climb beyond the normal seasonal peak in November.

Prices for heavier feeder cattle remained relatively steady through early fall. But declining forage quality and the onset of poorer grazing prospects in winter wheat areas will soon increase the supply of available feeder cattle and begin to pressure prices downward.

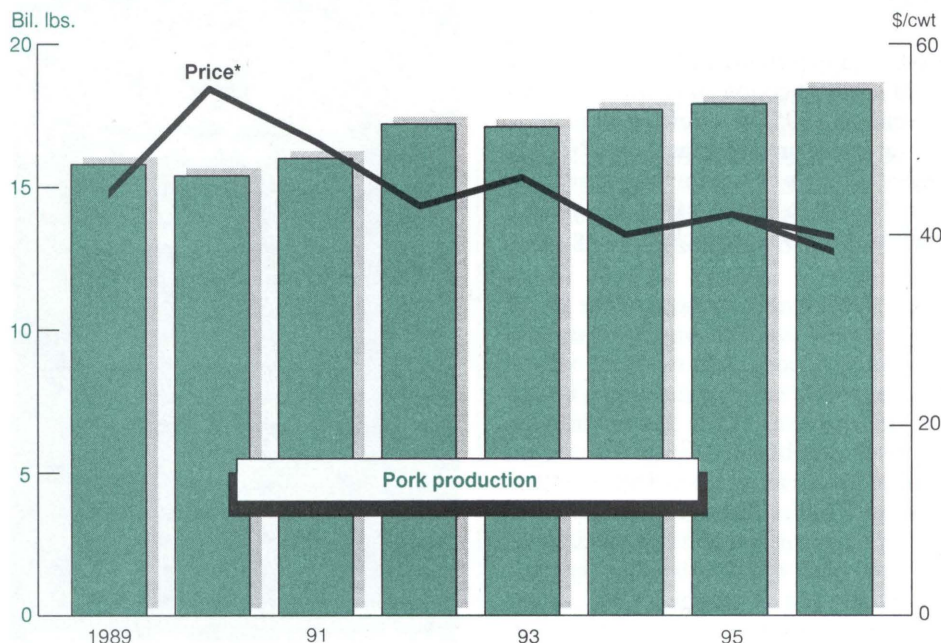
Imports of lighter feeder cattle from Mexico this fall are expected to decline from a year earlier, possibly taking some pressure off U.S. feeder cattle prices. Improved moisture conditions in Mexico and already reduced Mexican cattle inventories are expected to hold down exports to the U.S.

**Rising feed costs are squeezing hog producers' net returns.** Cash break-even prices reached the low \$40's per cwt this fall, and will rise even higher this winter.

Since late September, seasonally increasing pork supplies have forced live hog prices down sharply. November prices were nearly \$10 a cwt below this summer's high of \$49, although still \$10 above a year earlier.

While fourth-quarter pork production is forecast down 4 percent from a year earlier, it will still be 10 percent above this

Hog Prices To Drop with Record U.S. Pork Production



1995 and 1996 projections.

\*Barrows and gilts, Iowa and southern Minnesota.



## Agricultural Economy

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

		Beginning stocks	Production	Imports	Total supply	Exports	Ending stocks	Consumption		Primary market price
								Total	Per capita	
		— — — —				— — — —				
		Million lbs.				— — — —				
Beef	1995	548	25,124	2,165	27,837	1,880	475	25,482	67.8	66.22
	1996	475	25,858	2,125	28,458	2,120	475	25,863	68.2	63-67
Pork	1995	438	17,860	655	18,953	785	400	17,768	52.4	42.06
	1996	400	18,363	650	19,413	900	400	18,113	52.9	38-40
										¢/lb
Broilers*	1995	458	24,831	0	25,289	3,784	475	21,030	70.4	55.7
	1996	475	26,449	0	26,924	4,015	530	22,379	74.2	51-54
Turkeys	1995	254	5,074	0	5,329	328	275	4,726	18.0	66.2
	1996	275	5,291	0	5,566	345	300	4,921	18.5	60-65
		— — — —				— — — —				
		Million doz.				— — — —				
Eggs**	1995	14.9	6,179.5	4.3	6,198.7	190.1	12.0	5,160.1	235.4	70.5
	1996	12.0	6,320.0	4.0	6,336.0	193.0	12.0	5,261.0	237.7	64-68
										¢/doz.

Based on November 9, 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.

summer's production. First-quarter 1996 slaughter is projected to decline about 400,000 head from a year earlier, with pork output projected to recede about 2 percent.

Market hog inventories are projected to remain below a year earlier through next spring, based on September 1 farrowing intentions. Hog slaughter in the first half of 1996 will be about even with a year earlier.

Despite rising grain prices, the September 1 *Hogs and Pigs* report indicated producers will remain on a course of gradual expansion. The number of sows farrowing from September 1995 through February 1996 is projected to be about the same as a year earlier. However, a larger pig crop is likely during this period since more pigs are being saved per litter.

Pork production in the second half of 1996 is projected to climb 4 to 5 percent above a year earlier, and supplies will remain record high for the year. The December *Hogs and Pigs* report, scheduled for release on December 28, will provide additional information on hog producers' future course of action.

**Broiler production will expand at a faster pace in 1996.** Strong producer net returns this summer point to an expected 6-percent increase in broiler production for 1996, hitting another record. Production rose about 5 percent in 1995. Increases in the number of eggs set for hatching in September and October mean higher placements in broiler houses in October and November, which is expected to boost year-over-year broiler production from late November into early 1996.

### Cattle Industry Trends

Environmental concerns and a geographic shift in operations are among the forces in the restructuring of the U.S. cattle industry.

**Commodity Spotlight, page 13**

Increases in corn and soybean meal prices, plus seasonal decreases in broiler prices this fall, are reducing producers' net returns from an annual peak of over 10 cents per pound in the summer.

Returns will continue to be under pressure in 1996. Producers are expected barely to break even in the first half of 1996.

Wholesale prices for whole broilers have weakened in the fourth quarter, but are still 5-10 cents per pound above a year earlier. Increased production and slower export growth in 1996 are expected to lower prices 2-5 cents below the 56 cents per pound received in 1995 and 1994.

For turkey producers, attractive net returns this fall should continue to encourage production increases, with 1996 production expected to be 4 percent larger than this year's record. Net returns this fall exceeded 10 cents per pound, with price increases more than offsetting the rise of 2-3 cent per pound in production costs caused by feed price increases. Net returns for 1995 are expected to be nearly double the 2.6 cents per pound earned in 1994. But returns are expected to be negative in 1996, due to increased feed costs and lower prices.



## Agricultural Economy

Turkey prices in 1995 will average about 1 cent a pound above last year due to price strength in second-half 1995. Prices are expected to be about 3 cents lower in 1996 than this year due to higher production and slower growth in exports. Retail prices since March have been about 4 cents per pound higher than a year earlier, but in 1996 are expected to average below this year.

The table-egg production flock is expected to remain 2 percent smaller than last year through December. Flock productivity has remained nearly unchanged due to the relatively old age of the flock. High rates of molting have kept the flock age high. Production for 1995 will be fractionally below last year. Improved net returns should encourage increased hatch and expansion in flock size for 1996, with table-egg output increasing about 1 percent for the year.

Net returns exceeded 10 cents per dozen from September through November, but are beginning to be pressured as production costs have increased 4 cents per dozen since the first of the year. Since September, wholesale and retail egg prices have been about 10 cents per dozen above last year and are expected to continue to be higher through the end of 1995. In 1996, lower prices and higher costs are expected to yield negative net returns.

**Milk production is likely to continue expanding.** Production is projected to rise 2-3 percent in 1996, the third straight year of expansion. In 1995, production is expected to rise 2 percent. Higher feed costs are not expected to substantially alter the rate of ongoing structural adjustments in the dairy industry—movement to larger operations and expansion in the West. Milk cow numbers are expected to edge lower, while milk per cow posts a strong gain.

This year's slightly lower returns had little effect on the number of new or expanding dairy farms. Longrun prospects still encourage further development of new production facilities in the West and expansion of some dairy farms in the Midwest and Northeast. With a slowdown in the rate of dairy farms exiting the industry, these two factors have kept cow numbers steady in 1995. Lower returns will slow expansion in 1996 and trigger additional exits.

Growth in milk per cow in 1996 is expected to recover after this year's pace was slowed by weather and forage problems. Year-over-year increases in milk per cow will likely be particularly large during spring and summer of 1996. In 1995, output per cow was trimmed by the lingering effects of late winter and early spring rains in the West, plus an unusually hot summer over much of the country.

Milk-per-cow growth will receive an additional boost from expanded use of bovine somatotropin (bST). Producer experiences with bST have generally been positive, although use of bST is not profitable for all producers or under all weather and feed conditions. Expanded expertise with bST probably will lead to injecting a larger share of the cow herd in 1996, although high prices for concentrate feed and for high-quality hay will limit incentives for adoption.

### For further information, contact:

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

## Specialty Crops Overview

**Consumer prices for fresh fruits and vegetables** this winter are likely to be even with or above last winter's strong prices. Tighter supplies, coupled with strong export and processor demand, are bidding up the price of apples and potatoes, for example (these two products accounted for an estimated 24 percent of U.S. produce consumption in 1995).

Retail produce prices continue to advance at a faster rate than all other foods. Consumer prices for fresh produce rose 12 percent during the first three quarters of 1995, while the average price increase for all food was only 3 percent. This winter, prices are expected to stay above last year, although imports are likely to exert some downward pressure.

The apple crop in Washington and Oregon, where 70 percent of production goes to the fresh market, is forecast down 9 percent in 1995. Washington produces nearly half of the total U.S. crop, and accounts for 75-80 percent of storage supplies for January through March. California, Michigan, New York, and Pennsylvania together harvested crops 7 percent larger than last year's, but about 80 percent of their total output is purchased by apple processors. And based on recent strength in apple juice concentrate prices, processor demand is expected bullish in early 1996.

Asian and Western European consumers are competing for U.S. supplies of fresh apples and contributing to higher grower and retail prices. Asia is a growth market for U.S. apple exports during the first quarter (January-March), expanding 15 percent per year since 1990. The U.S. exported 233 million pounds of fresh apples to Asia during January-March 1995, 60 percent of total U.S. apples exported last winter.



## Agricultural Economy

Western Europe's 1995 apple crop is estimated down 13 percent. The last time the region's crop was off by a large margin—in 1991—U.S. apple production was above average. At that time, the additional demand increased U.S. fresh apple exports to Western Europe by 160 percent during January-March 1992, and U.S. retail prices subsequently jumped 11 percent.

But the fresh-apple export picture this year is clouded by uncertainty surrounding the European Union's (EU) new "entry price" system, which replaced EU reference prices (minimum import prices for the region). The entry price system will provide the EU flexibility to assign country-specific customs values to imports, in contrast to the previous reference price system which used a basket value for imports from all origins.

It is still unknown how the U.S. import values will compare with those from other suppliers, and hence the impact of the new system on U.S. apple sales this season is unclear. However, the tighter U.S. supplies and increased export demand could boost U.S. retail prices 15-20 percent in the upcoming quarter.

Consumers will see higher prices for fresh potatoes, as supplies from the 1995 fall crop are forecast lower and demand from processors remains strong. The fall crop—about 90 percent of annual output—is estimated down 5.4 percent to 4 billion pounds. Fewer acres were harvested in several key western states, and yields were lower than last year. Area harvested in Idaho, Oregon, and Washington is estimated down 3 percent from 1994. Yields in these three states, which account for half of the 1995 fall acreage, are also estimated down, averaging 4.5 percent below a year ago.

About a third of all U.S. potato sales are in the fresh market, but demand for frozen french fries, chips, and dehydrated potatoes indirectly affects the fresh market. The 1994 fall supply was large because of a record crop, and retail prices during January-March 1995 were 9 percent below a year earlier. For the upcoming winter quarter, tighter supplies and robust demand from processors could increase retail prices for fresh potatoes 15-20 percent.

The rapid growth in frozen potato exports has continued in 1995, with an

increase of nearly 45 percent in quantity and value. Based on data through August, annual U.S. exports of frozen potatoes in 1995 could exceed 880 million pounds (1.8 billion pounds farm-weight equivalent). Moreover, the 1995 potato crop in Western Europe is reported lower than last year due to drought, and U.S. exporters of processed potatoes are expecting a replay of last year's boom in shipments to that region.

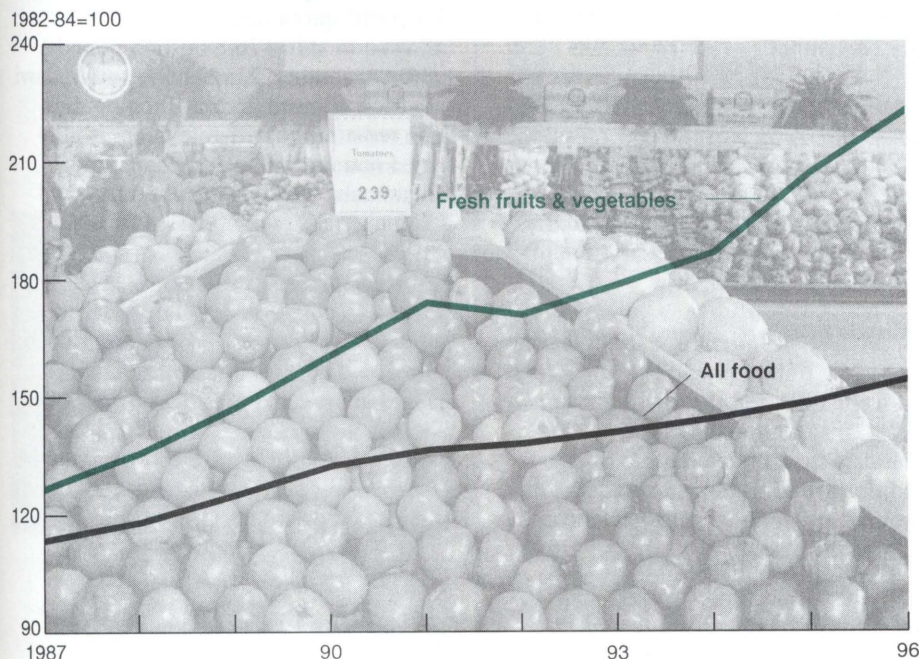
**Fresh-market orange supplies are expected to expand** in the coming winter quarter, compared with a year earlier. California's 1996 orange crop is forecast up 8 percent to nearly 5 billion pounds. About 70 percent of the California crop is sold as fresh-market, and the remainder is squeezed for juice. Florida's orange crop, almost 95 percent for juice, is forecast down 2 percent to 18.2 billion pounds—but still large for recent years.

Strong import demand from Asia and a 4-percent-smaller 1995 California crop boosted retail prices for fresh oranges 13 percent last winter. Since October 1994, exports of fresh oranges to Asia have increased 17 percent from a year earlier and have accounted for over 60 percent of U.S. orange exports. Canada is the other major U.S. export market, taking nearly 35 percent of the total. Although export demand is expected to remain strong in 1996, California's larger crop will moderate consumer price increases.

Increased demand for produce imports is the expected fallout from high grower and retail prices this winter. U.S. imports of fresh vegetables—especially tomatoes, cucumbers, peppers, eggplant, green beans, and squash—come mostly from Mexico. Imports of apples, bananas, grapes, peaches, and pears come mostly from Central and South America.

Imports of fresh vegetables increased 7 percent during winter-quarter 1995, following supply disruptions from Tropical Storm Gordon in Florida. From Mexico, the increase was 16 percent, but the relative weakness in the Mexican peso is likely the key factor in 1996. Since January 1995, exporters in

Rise in Fresh Fruit and Vegetable Prices Outpaces the All-Food Index



1995 and 1996 projections.



## Agricultural Economy

Mexico have been receiving roughly 6 pesos or more per U.S. dollar—compared with 3.4 pesos in 1994—for their products. This has made the U.S. an attractive market for them.

Imports of fresh fruits increased 13 percent during winter-quarter 1995, due mainly to a 64-percent increase from Mexico. Since the initial peso devaluation in late December 1994, the U.S. has imported far more grapes, melons, and strawberries than a year earlier.

**U.S. sugar production** is forecast at 7.6 million short tons, raw value, in fiscal 1995/96, down 4.1 percent from the record output of 1994/95. Sugar beets are harvested in 14 states, though the largest producing areas are the upper Midwest and Idaho. Beet sugar output in 1995/96 is forecast at 4.2 million tons, down about 6.3 percent from last year. Sugar beet acreage is down about 1 percent, but the decline in beet sugar output is due principally to a forecast 9-percent drop in yields from last year's near-record 22.2 tons per acre; the forecast yield of 20.3 tons per acre is about average for recent years.

U.S. cane sugar output is forecast at 3.39 million short tons in 1995/96, down 1 percent from last year. The sugarcane harvest is over by yearend in Louisiana, and by March or early April in Florida. Florida's output is forecast at 1.77 million tons, marking it the fifth straight year of a flat trend since 1990/91. Louisiana's output is forecast to drop nearly 4 percent from last year's record of 1.02 million tons, despite a record 362,000 acres for harvest, a 3-percent increase from last year. Dry weather during the summer is likely to have reduced Louisiana's yields.

Hawaii's sugar industry continues to downsize, as three more mills are scheduled to close in 1996, leaving six mills in operation. Hawaiian cane sugar output in 1995/96 is forecast at 460,000 tons, down from 499,000 tons last fiscal year.

U.S. sugar consumption is forecast to rise 1 percent in 1995/96 to 9.4 million tons, only slightly faster than population growth. During the late 1980's and early 1990's, sugar consumption increased 2 percent per year. In 1994/95, sugar consumption was unchanged from 1993/94 at 9.3 million tons. Consumption of high-fructose corn syrup (HFCS), up 4 percent in 1994/95, has been boosted by increased production of soft drinks and beverages. As a result, the HFCS share of the sweetener market has risen.

The U.S. raw cane sugar price has declined from summer highs of about 25 cents a pound to 22.67 cents in October. USDA took several actions in late summer to boost raw sugar supplies. The import tariff-rate quotas allocated to a number of countries which could not supply sugar were reallocated to other countries in June, July, and August. Also, the fiscal 1996 tariff-rate quota was announced earlier than usual, on July 28, allowing about 76,000 tons into the U.S. before October 1.

The refined sugar price (Midwest beet sugar) declined from 25.5 cents per pound during January to April 1995, to 24.75 cents a pound in July and August. As the forecast for the 1995/96 beet sugar crop dropped in recent months, prices strengthened to 25.75 cents a pound in October and to 28.5 cents by early November.

In response to projections of tight 1996 stocks, USDA on November 9 raised the 1995/96 tariff-rate import quota for raw sugar by 331,000 tons. USDA also announced that further increases in the import quota may be necessary if supplies continue to be tight.

**U.S. tobacco production** in 1995 is forecast at 1.32 billion pounds, down 16 percent from 1994 and the lowest since 1987. This drop reflects lower yields, stemming from unfavorable growing conditions in Virginia, Kentucky, North Carolina, and in other mid-Atlantic and southeastern states.

Auction sales of flue-cured tobacco ended on October 30, and prices averaged about 6 percent above a year earlier. About 12 million pounds of leaf were placed in reserve under the tobacco loan program, the second-lowest placement on record. Burley auctions opened on November 20.

The U.S. tobacco market has strengthened thus far in 1995/96 (July-June) because of strong export demand for cigarettes and for bulk smoking tobacco. Poor-quality crops in some competitor countries and reduced world tobacco production the last 2 years also contributed to stronger U.S. leaf demand. In addition, manufacturers are more certain about Federal excise tax levels.

President Clinton proclaimed a tariff-rate quota (TRQ) effective September 13, for certain imported tobaccos, primarily flue-cured and burley. The TRQ is less constraining for U.S. cigarette manufacturers than the domestic content requirements it replaces. The TRQ proclamation also eliminated duties on Oriental, cigar wrapper, binder, and filler tobacco.

Under the TRQ, U.S. tobacco imports for domestic consumption exceeding 331.7 million pounds during the period of September 13, 1995 to September 12, 1996 are subject to higher tariffs. Of the low-tariff quota imports, Brazil is allowed to ship 176.8 million pounds, while Argentina, Zimbabwe, and Malawi are each allowed 26.5 million pounds. The remaining tariff-rate quota is allocated mainly to the European Union, Guatemala, Thailand, Philippines, and Chile.

Tobacco imports above quota levels are subject to a 350-percent ad valorem duty. However, most of the duty may be refunded if the tobacco is imported to manufacture cigarettes that are exported. Imports from Canada, Mexico, and Israel are not included under quantitative restrictions because of existing trade agreements.



## Agricultural Economy

Under the domestic content requirements, 75 percent of tobacco used in cigarettes during 1994 had to be U.S.-grown to avoid additional assessments. The TRQ will likely result in greater use of imported leaf in U.S. cigarettes.

However, growth in the use of imported leaf will likely be limited by a December 1994 agreement among major U.S. cigarette manufacturers to purchase about 700 million pounds of U.S. flue-cured and burley loan stocks over 7 years.

Domestic cigarette consumption has stabilized as lower retail cigarette prices during the last 2 years have offset smoking prohibitions and restrictions, health concerns, and declining acceptability of smoking. U.S. cigarette production may increase in 1995 from the high level of a year earlier due to larger cigarette exports.

[John Love (202) 219-1268]

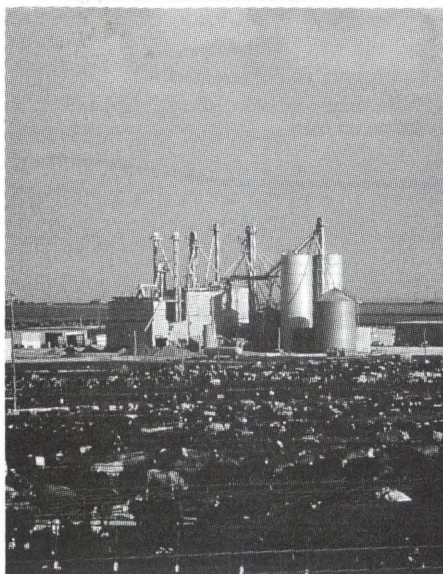
### For further information, contact:

Susan Pollack and Agnes Perez, fruit and tree nuts; Gary Lucier, vegetables; Peter Buzzanell, sweeteners; Doyle Johnson, greenhouse/nursery; Verner Grise, tobacco; Lewrene Glaser, industrial crops. All are at (202) 219-0840. **AO**

## U.S. Tobacco Trade

... in next month's  
*Agricultural Outlook*

## Commodity Spotlight



Texas Cattle Feeders Association

## Cattle Industry Continues Restructuring

The U.S. is the world's largest producer and importer of beef, as well as the second-largest exporter next to Australia. The U.S. exports high-quality grain-fed beef, while importing mainly low-quality grass-fed beef. Domestic cattle and calf sales total \$35-\$40 billion annually, the largest single-commodity source of farm income. In addition to producing beef, the cattle industry yields leather, tallow, as well as certain hormones and vitamins.

A number of trends have been altering the structure of the U.S. cattle industry:

- a continued shift of cattle feeding to the Great Plains from the Corn Belt and Southwest;
- an increasing concentration of fed-cattle operations into larger feedlots—those with over 16,000 head—and a decline in feedlots with capacities below 1,000 head;

- expanding U.S. exports of high-quality grain-fed beef, which have become vital to maintaining profitability of cattle producers; and
- the growing impact of environmental concerns and regulations, especially those involving manure and effluent management, feedlot size, location, and equipment.

### U.S. Beef Production— A Two-Stage Process

With abundant supplies of feed grains as well as grasslands in the U.S., a two-stage process evolved for producing high-quality beef for domestic and export markets. *Cow-calf operations* maintain cows primarily for producing feeder calves and/or yearlings for placement into feedlots. *Feedlot operations* produce the high-quality beef by feeding grain and other concentrated feedstuffs to cattle.

Before the emergence of the cattle feeding industry in the 1950's, cattle were fattened on grass. It was to meet rising demand for higher quality beef that feeding then shifted toward producing grain-fattened cattle (fed cattle). Quarterly marketings of fed cattle in the 13 reporting states doubled to over 6 million head between 1960 and 1978, while the January 1 total cattle and calf inventory peaked at 132 million head in 1975.

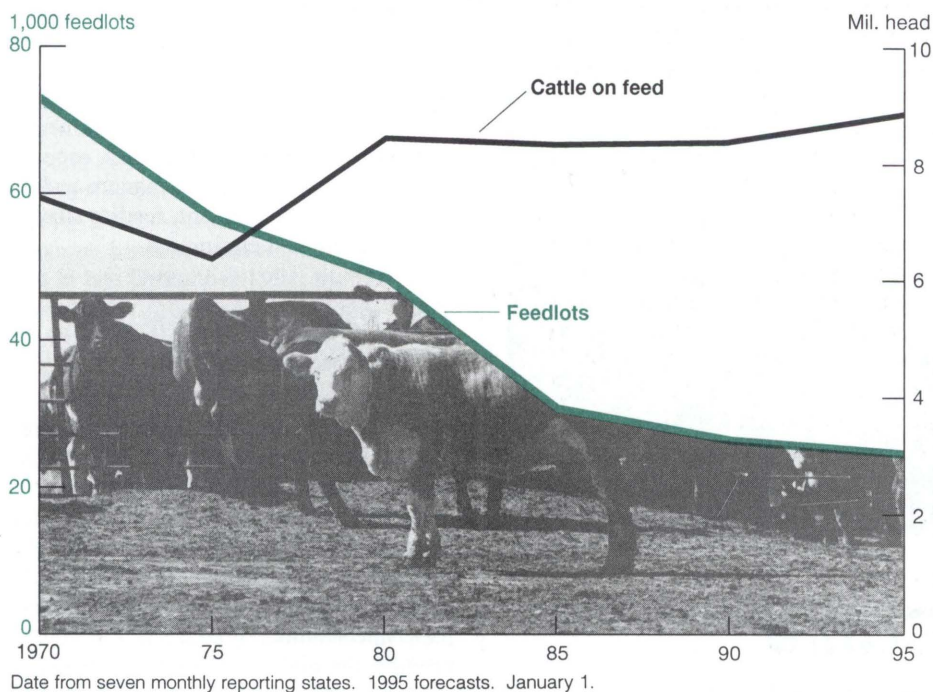
The first step in U.S. beef production is the cow-calf operation. Cow-calf operations are located throughout the U.S. and are usually situated on land that is not well suited for crops but provides grass for grazing. Very little grain is used in cow-calf operations, as the primary purpose is to keep cattle on pasture until placement into feedlots.

The second step in U.S. beef production is the grain feeding of cattle in feedlots to achieve market weights ("finishing"). The timing of placements into feedlots depends on a number of factors, including feed grain prices as well as the availability of pasture and forage.



## Commodity Spotlight

### Drop in Feedlot Numbers Reflects Industry Concentration



When grain prices are high or forage is plentiful, feeder cattle will be left on grass and forage longer, and placed in feedlots at higher weights. Animals placed in feedlots will then require shorter feeding periods to achieve Choice grade beef. Placements are also affected by seasonal factors such as the decline in forage base in the late summer and the removal of cattle from wheat pastures in the spring before the growing season for wheat begins.

Today, only a small share of U.S. cattle remains on grass and forage until slaughtered. Grass-fed cattle include mainly cows and bulls pulled from breeding stocks as well as dairy herds. They account for less than 20 percent of total slaughter.

### Feedlots Shift To Great Plains

The cattle feeding industry expanded rapidly in the 1950's when farmers in the Corn Belt started using their corn to fatten cattle instead of selling the grain in the cash market. Producers in the Corn Belt had the advantage of abundant feed grain supplies and benefited from the rising demand for high-quality grain-fed beef in the U.S.

However, since the 1960's, cattle feeding operations have been moving from the Corn Belt to the Great Plains, especially Texas. The Great Plains are well suited for cattle feeding operations due to abundant availability of water and to the milder, shorter, and dryer winters which mean more efficient feed conversion than in the Corn Belt. Cattle feeding provided farmers in the Great Plains an opportunity to put residual land into profitable use at the same time the cost of importing feed grain from the Corn Belt was decreasing.

The move to a more arid climate also reduces problems with mud. If feedlots become very muddy, cattle can be injured or refuse to move to feed, reducing grain efficiency. If muddy conditions remain for a long time, cattle will grade lower, and receive a lower price at market.

The combination of these factors has allowed fed-cattle operations in the more arid Great Plains to operate with generally lower cash expenses than those in Iowa and other Corn Belt states. Also, in the early 1970's corn prices began to rise and producers found it more profitable to produce corn for sale in cash markets than run their own feeding operation.

Fed-cattle operations have also shifted to the Great Plains, from California and Arizona, where marketings had peaked in the mid-1960's. Although growth in California's population boosted demand for beef, it also drove up land values and hence costs. Water availability and environmental regulations also presented major limitations for California fed-cattle producers.

### Fed-Cattle Operations: Fewer & Larger

Feedlots have dropped in number but have become much larger, leading to greater concentration and more specialization in the industry. Currently, there are about 45,000 feedlots in the 13 quarterly reporting states, down 75 percent from 1970. In 1970, over 6 million cattle were marketed from feedlots with less than 1,000-head capacity. Today, less than a million head are marketed from these smaller lots. About 90 percent of beef cattle marketings currently come from feedlots with a capacity greater than 1,000 head.

Marketings from feedlots with a capacity of 8,000 to 16,000 head have remained relatively steady since 1970. The biggest increase in feedlot numbers has been among those with capacity exceeding 16,000 head. Within the 13 quarterly reporting states, feedlots with 16,000 to 32,000 head increased marketings from 3.4 million to 5.1 million head between 1970 and 1994, a rise of over 49 percent. Most of that expansion occurred in Nebraska, Kansas, and Texas.

Feedlots with capacity greater than 32,000 head marketed 2.2 million head in 1970. Today, those feedlots market almost 8.5 million head a year and account for over one-third of fed-cattle marketings. Nationwide, there are at least 70 feedlots with capacity above 32,000 head, with about 40 percent of these large feedlots in Texas.

Spurring the increase in capacity are technological development and economies of size. Technological innovations—such as feed additives, computerized feed mills, and improved transportation—have made cattle feeding a



## Commodity Spotlight

capital-intensive rather than labor-intensive operation. Economies of size are realized because larger feedlots can spread their fixed costs—capital expenditures, taxes, interest expenses—over a larger sales volume, thus lowering average cost, and can purchase inputs like feed in bulk quantities for a lower per-unit cost than smaller operations pay.

Further consolidation in the fed-cattle industry is possible. Also, existing feedlots could operate closer to capacity in order to take full advantage of economies of size. Cattle inventories are expected to increase over the next few years before declining cyclically at the turn of the century.

Cow-calf operations are smaller, less capital-intensive operations requiring less investment in buildings or permanent fixtures than do feedlots. There are about 900,000 cow-calf operations in the U.S., with about one-third of the beef cows on family-owned operations of less than 50 cows. The operations, including the land, are often handed down from generation to generation.

### Exports Account for Larger Share of Sales

U.S. exports of high-quality grain-fed beef are up sharply, accounting for almost 7 percent of all U.S. beef production in 1995, up from less than 2 percent in 1985. U.S. beef exports are projected to be three times as large in 1996 as a decade earlier.

Beef imports have been nearly steady since 1980, because access to the U.S. market had been limited by the Meat Import Law. The law was replaced by a tariff-rate quota in 1994. The U.S. beef trade deficit is declining as beef exports have risen sharply due to record supplies, lower prices, greater market access, a favorable exchange rate, and higher world incomes. In 1975, almost 1.8 billion pounds of beef was imported, while less than 69 million pounds was exported. Forecasts for 1995 indicate that net imports will be less than 300 million pounds as exports continue to grow and imports drop slightly.

In 1996, net imports are forecast to drop to about 5 million pounds. The closing beef trade gap is expected to support prices as beef production peaks cyclically over the next few years.

The largest export market for U.S. beef is Japan, receiving over 50 percent of exports in 1994. Pacific Rim countries, including Japan, purchase about 65 percent of U.S. beef exports each year. Canada is the second-largest market for U.S. beef, with almost 20 percent of the total. Mexico is third, followed by Korea. Because of devaluation of the peso, shipments to Mexico are down over 50 percent from 1994, but still account for about 5 percent of U.S. beef exports.

### Environmental Concerns Affect Restructuring

As feedlots continue to expand in size, environmental concerns have become a larger issue. Environmental issues include dust and odor as well as surface and ground water contamination. Among the sources of odors are feed mills, pens, retention ponds, and manure applied on cropland. The major source of dust is the movement of feed trucks

between pens. Windy conditions and normal cattle activity also contribute to dust levels.

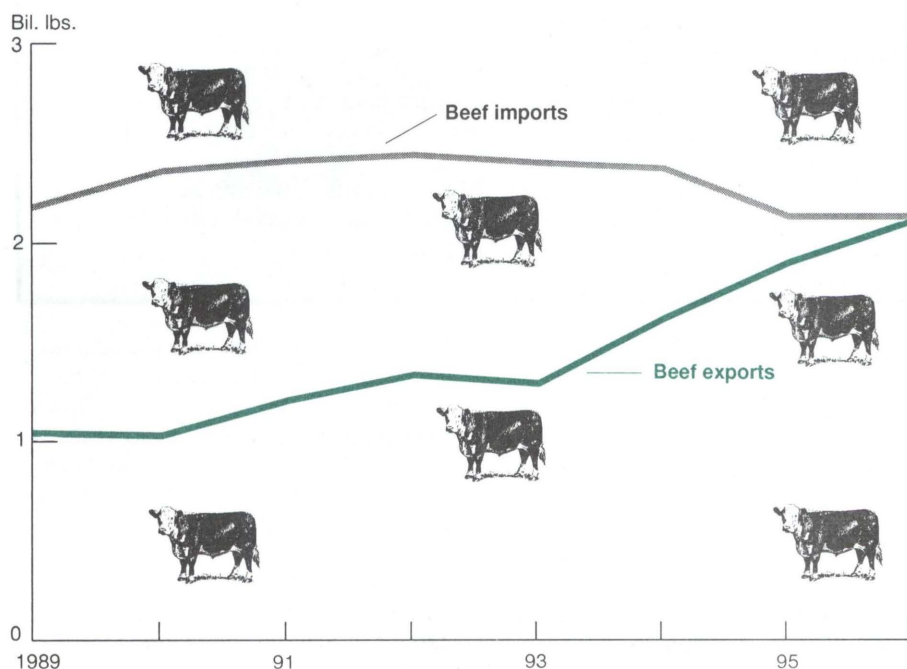
Approaches to odor and dust control range from site selection to the use of various structural fixtures. Site selection addresses considerations such as zoning restrictions, wind patterns, and location of neighbors. Building windbreaks by planting trees offers a simple yet effective means of subsiding odor.

The move toward bigger and fewer feedlots compounds environmental problems, as larger quantities of manure now accumulate in smaller areas. Since the size and distribution of livestock production vary by region, so does the degree of pollution caused by feedlots.

Feedlot operators have already begun to address this problem. About 40 percent of the larger lots now monitor ground and surface water quality. About 70 percent of lots have implemented manure management systems, while almost 40 percent are taking steps to control dust.

Environmental concerns are contributing to the geographic shift of feedlots. Manure management costs are usually lower in drier, warmer climates where

Rising Exports with Steady Imports Are Closing U.S. Beef Trade Gap



Carcass weight. 1995 and 1996 forecasts.



## Commodity Spotlight

### Industry Terms

The cattle industry uses an array of specialized terminology. Animal terms generally refer to the age or sex of animals, and whether they are destined for breeding or feedlots, or kept on forage for feed.

**Feedlots**—farm or commercial operations that maintain 600-800-pound feeder and stocker cattle in pens and feed them grain and other feedstuffs to yield an end product grading "Select" or better when slaughtered.

**Feeder cattle**—young stock eventually destined to finish gaining weight in commercial or on-farm feedlots. Includes *feeder calves*—animals mature enough to be placed in a feedlot, but less than 1 year old—and *feeder yearlings*—animals suitable for feedlot placement that are older than 1 but less than 2 years old.

**Stocker cattle**—stock that gain additional weight on forage prior to placement in feedlots.

**Fed cattle**—stock ready for slaughter that have been fed a high grain ration diet (in 1994, fed cattle made up 80 percent of all cattle slaughtered).

**Nonfed cattle**—stock that do not enter feedlots prior to slaughter, but are kept on forage for feed.

**Beef cow-calf production**—an enterprise that breeds and maintains cows for the primary purpose of producing stocker or feeder calves and/or yearlings.

**Heifers and cows**—young and mature females.

**Bulls**—male breeding stock.

**Steers**—castrated males.

**Feedlot placements**—the number of cattle put into a feedlot during a specified time period.

**Finishing**—the last stage of production before cattle emerge from the feedlot and are sent to beef packing plants (the term "overfinishing" generally refers to cattle that have excessive fat-to-lean ratios, and these cattle are often price-discounted).

**Cattle cycle**—A period of approximately 10 years in which the number of beef cattle in the nation is alternatively expanded and reduced for several consecutive years in response to changes in the profitability of beef production.

moisture and early frosts are minimal. This favors the movement of feedlots from the Corn Belt to the Great Plains. In the Texas High Plains, currently the leading cattle feeding region, rainfall averages 18 inches a year and temperatures average 65 degrees. In contrast, Iowa gets twice as much rainfall and has considerably lower winter temperatures—making manure management costs considerably higher than in the Corn Belt.

Although traditionally considered a resource issue, manure management has become a business issue as well. Investment costs for manure management facilities for a 40,000-head feedlot can top \$200,000, and annual expenses may approach half of that amount.

The high cost of establishing manure containment facilities places smaller feedlots at a disadvantage compared

with larger operations, which are able to spread the fixed cost of the facilities over a much larger sales volume. Smaller feedlots are expected to continue exiting the industry. Cow-calf operators face smaller manure management problems and costs because their cattle are on forage dispersed over a large area.

As animal feeding operations continue to concentrate, environmental issues will likely receive more attention, and the planning of new and expanding feedlot facilities will reflect environmental concerns.

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

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

#### December

- 1 Egg Products
- Poultry Slaughter
- 4 Crop Progress  
(after 4 pm)
- 5 Dairy Products
- 6 Broiler Hatchery
- 11 Cotton Ginnings
- Crop Production—  
Cotton/Citrus
- 12 Crop Production
- 13 Broiler Hatchery
- 14 Turkey Hatchery
- 15 Cattle on Feed
- Milk Production
- Potato Stocks
- 20 Broiler Hatchery
- 21 Cold Storage
- 22 Catfish Processing
- Chickens & Eggs
- Cotton Ginnings
- Livestock Slaughter
- 27 Broiler Hatchery
- Peanut Stocks &  
Processing
- 28 Hogs & Pigs
- 29 Agricultural Prices



## World Agriculture & Trade



### Grain Trade Outlook for China

**D**evelopments in China's grain market are among the most important factors affecting world grain trade for the rest of the century. China's grain production accounts for about 20 percent of global grain production and nearly 50 percent of Asia's.

China's huge population, strong economic growth, rapidly rising incomes, and policy decisions have contributed to its recent shift from net grain exporter to net importer. Key factors shaping China's agricultural trade in the years to come are: faster growth in grain consumption than in production, and changes in the composition of its agricultural trade. Because China is such a large producer and consumer of grain, these factors will also influence world agricultural trade.

#### *Economic Growth Spurs Demand*

In the early 1990's, rising corn exports made China the world's second-largest corn exporter after the U.S. China's exports to South Korea, for example,

greatly reduced the U.S. presence in that market. But the trade flow has changed dramatically in the last 2 years. China shifted from being a net exporter in 1993/94 of 7.5 million tons of food and feed grains combined, to being a net importer of 15.5 million tons projected for 1995/96—a swing of 23 million tons, or about 10 percent of global grain trade in 1994/95.

Although rapid change is not that unusual in global grain markets, China's situation warrants attention for several reasons. First, world stocks-to-use ratios for grains are lower than they were in the early 1970's, with global consumption in 1995 projected to exceed output for a third straight year. The tightness in supply is occurring as demand for grain in China is rising, leading China's government to curb exports and expand imports.

Although the dramatic shift in China's net grain trade is similar to recent trade fluctuations by the former Soviet Union (FSU), there is a significant difference. In the FSU, fluctuations in net grain were due to the effects of economic restructuring. In China, higher incomes coupled with continuing rapid economic growth are driving food demand, and these two trends are expected to continue.

According to the Pacific Economic Cooperation Council, China's economy is forecast to grow 11 percent in 1995 and 10.5 percent in 1996. This rate of growth will make China the fastest growing economy in the world over the 2-year period.

This rapid growth comes on top of what are already fairly high income levels. China boasts a rising number of wealthy individuals, mainly from the ranks of its millions of entrepreneurs, as well as a rising middle class, which together are increasing the demand for goods associated with an improved quality of life. This pattern is similar over much of East Asia.

In 1992, per capita income in China was equivalent to about \$1,600, up from \$600 in 1980, on a purchasing-power parity basis. Some economists estimate that China's real per capita income was

even higher in certain coastal regions that year, perhaps as high as \$4,000.

Rapid economic growth in China will have several consequences for world agriculture. First, there will be major changes in China's food consumption patterns, with consumption of food grains stable or declining, and consumption of livestock products, fruits, vegetables, and prepared items on the rise. This phenomenon is already widespread in many other developed and middle-income Asian countries.

Second, rising incomes will have a major impact on China's livestock sector and the demand for feed grains. In China, a country with severe limits to expanding farmland, the costs of increasing livestock production—i.e., for more land and feed—rises rapidly, making imported meats price-competitive.

Another consequence of rapid economic growth is an inevitable decline in agriculture's share of the economy's output and employment. As income rises, the demand for food rises more slowly than for many other goods and services. This causes resources to be bid away from agriculture into other more remunerative activities, driving up prices of land and other resources and making imports more attractive for some commodities. This decline in agriculture is likely to be especially rapid in densely populated and rapidly growing countries like China.

Among China's major challenges during the rest of this century is controlling inflation while sustaining economic growth. The shortrun effect of fighting inflation will be a stronger currency, which will slow growth in exports and facilitate greater imports. This has already occurred for China's trade in grain, cotton, and basic raw materials like petroleum, steel, and chemical fertilizer.

#### *Will China Remain a Net Grain Importer?*

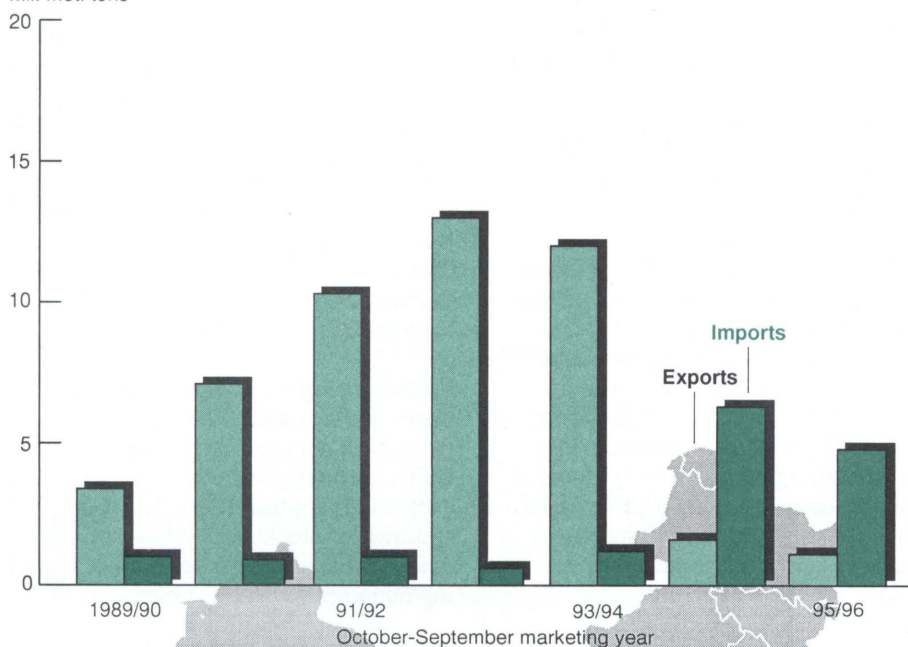
The current grain situation raises questions about China's future grain production and consumption. Developments in



## World Agriculture & Trade

### As Coarse Grain Exports from China Have Plunged . . .

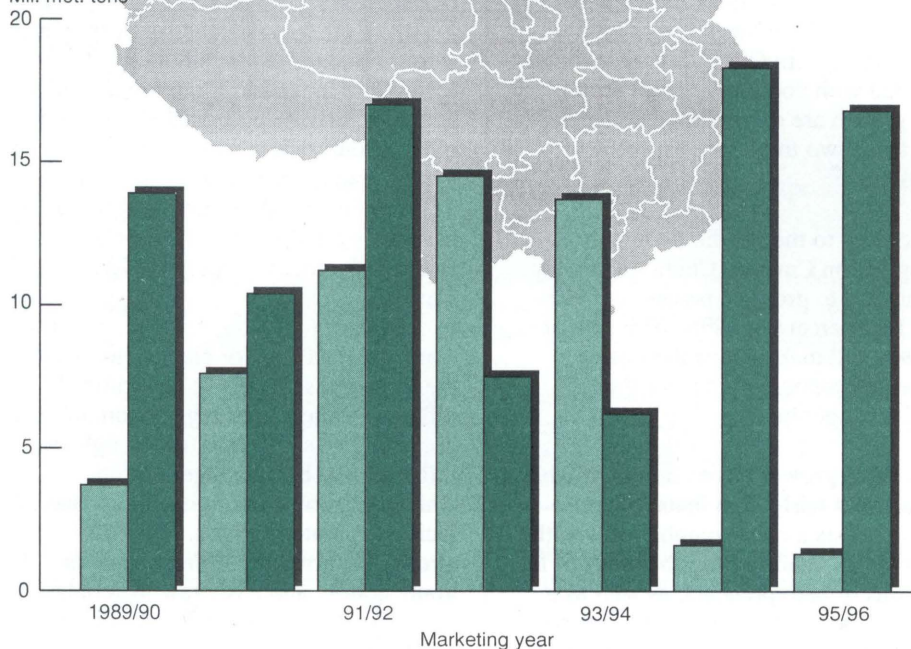
Mil. met. tons



Corn, sorghum, and barley. 1994/95 estimate; 1995/96 forecast.

### . . . the Net Volume of China's Total Grain Imports Has Soared

Mil. met. tons



Coarse grains, wheat, and rice. Marketing year July-June for wheat; October-September for coarse grains; and calendar year (second year) for rice. 1994/95 estimate; 1995/96 forecast.

China's grain markets will depend on demand, supply, and policy factors, many of which are difficult to predict. Perhaps the easiest of these to forecast are demand factors such as population and income growth. China's natural rate of population growth, which has already begun to decline, is forecast to fall to about 0.9 percent annually in 1995-2000 and then drop to 0.8 percent by 2000-2005. This will limit growth in food demand.

China's rapid economic growth of the last several years underlies forecasts of its future agricultural trade. Although China is unlikely to sustain double-digit income growth rates over the next 10 years, many observers nonetheless forecast relatively high rates of growth, with somewhat faster growth in urban than in rural areas.

Income growth will have a major impact on both the composition and quantity of China's food imports. Other important factors affecting China's grain needs are future world prices for grain, meats, and fertilizer, as well as rising prices for alternative uses of farm labor and agricultural land.

Many observers forecast a modest gap between the growth rates of grain production and consumption in China, leading to gradually rising net grain imports. Total grain consumption in China is likely to rise no more than 1.5 percent per year for the rest of the century, and almost all the rise will be in demand for feed grains. For food grains, increases in wheat consumption will largely offset declines in rice.

Grain output is forecast to grow only 1 percent per year. Key factors affecting future grain output are funding levels for agricultural research and extension, adequate resources to expand irrigation facilities, and environmental constraints such as soil erosion and rising salinity.

China is expected to neither import massive quantities of grain nor return to being a large net grain exporter as it was in 1992-93. Its grain imports will increase fairly significantly by 2000 and



## China's Future Grain Imports: How High?

USDA forecasts that by 2005, China's farmers will meet most of their country's food requirements. But population and income growth in the next decade will likely boost China's grain imports. USDA's February 1995 *Long-term Baseline Agricultural Projections, 1995-2005* forecasts that by 2005, China will import nearly 30 million tons of grain, compared with 6 million tons in 1993/94.

While some private analysts have forecast China's future grain import needs substantially higher than USDA's estimates, analysis by USDA's Economic Research Service sees this high-import scenario as extremely unlikely, for several reasons.

*China's arable land is likely to decline only slightly.* Some have argued that arable land in Japan, Korea, and Taiwan was substantially reduced by rapid industrial growth in the past 35 years, and that this reduction would also occur in China. However, data from these countries show that while grain area fell over the past 35 years as farmers planted other crops, industrialization destroyed very little arable land.

In addition, China's arable land situation is different from that in Japan and Korea. With most of China's grain fields located south of Japan and Korea, China's farmers can reap two grain crops per year compared with one crop grown each year in those countries.

*Official sources in China acknowledge that China's arable land has been underestimated.* China has acknowledged it has underreported its arable land by some 30 to 40 percent since 1949. To date, China has not provided enough data to re-estimate arable land.

*China's grain yields can be improved.* The underreporting of China's arable land means that grain yields have been consistently overreported. This suggests that China will be able to raise grain yields because the country's yields are well below those in developed countries, leaving substantial room for improvement.

Moreover, China can apply more chemical fertilizers to increase grain yields. Current application rates in China are well below those in Japan, and nitrogen alone accounts for most of the fertilizer currently applied in China. China already plans to expand production and use of phosphorous and potassium fertilizer by 2000. With a better mix of fertilizers, farmers should be able to boost yields.

*Higher grain prices will limit growth in imports.* Long-term projections of China's grain needs must consider the supply-and-demand response to rising grain prices. China's producers and consumers will likely respond to rising grain prices. An examination of price, production, and consumption data over an extended period of time indicates that farmers and consumers in China react to price changes. For example, when rice and wheat prices rose, consumers ate more corn, sorghum, millet, potatoes, vegetables and fruits. And if meat prices rise, consumers can substituted beans, peas, and soybeans for meat.

In addition, higher grain prices would likely encourage farmers to increase grain production. Together, these responses would limit the increase in China's grain import needs.

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beyond. This arises from the assumption that demand for feed grains will rise faster than production and that China's trade policies will allow for greater imports.

### Policy Reform To Spur Trade

The growth and changing composition of China's agricultural trade is largely the result of rapid economic growth and evolving policy reforms during the past 10-15 years. Many nations around the Pacific Rim have liberalized both their domestic farm policies and agricultural trade, sometimes on their own initiative

and sometimes as the outcome of bilateral, regional, or multilateral trade negotiations.

After many years of negotiations (1986-93), implementation of the Uruguay Round Agreement commenced this year, with a 5-year phase-in period scheduled for developed countries and a 10-year period for developing countries.

Reforms undertaken by GATT signatories will help to stimulate growth in agricultural trade across Asia. According to USDA analyses, Asia will account for more than half of the global trade gains to agricultural trade stemming from the Uruguay Round. The total value of imports by the Asia and

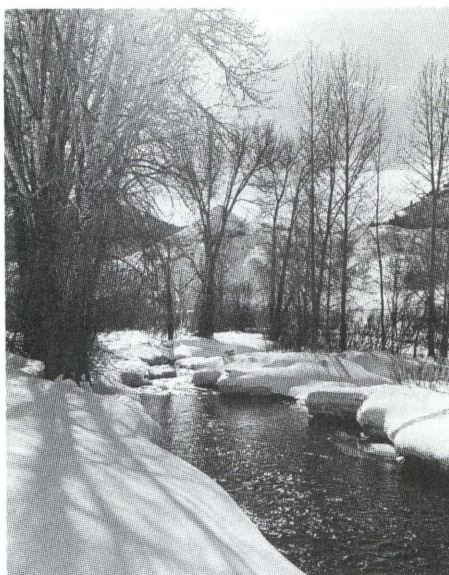
Pacific Rim region for the commodities covered could rise by \$2-\$4 billion annually after full implementation in 2005, depending on how much economic growth accelerates as a result of the agreement.

China is not yet a member of the World Trade Organization, and therefore is not assumed to change its policies to meet Uruguay Round standards. The principal effect of the Uruguay Round on China and on the rest of developing Asia is expected to come through the increase in global trade and income. Higher incomes in China will raise livestock product consumption, which in turn will require increased feed imports.

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## Resources & Environment



Natural Resources Conservation Service, USDA

### WQIP Aims At Curbing Water Pollution

The adverse impacts of industrial and agricultural production on water quality continue to generate public concern. In 1992, the Environmental Protection Agency (EPA) identified agriculture as the single largest contributor to nonpoint-source water pollution in the U.S. Pollutants from nonpoint sources like farming (as opposed to identifiable "point sources" like factories) enter waterways over a dispersed area, making them difficult to monitor.

A number of USDA programs have addressed the problem of water pollution by compensating farmers for retiring marginal land, or by offering technical assistance and cost-sharing or incentive payments to farmers. These payments are made to farmers who adopt environmentally friendly management practices and/or install conservation structures such as dams and terraces. The programs have focused primarily on reducing sediment runoff and curbing the flow of nutrients into surface water—both the results of soil erosion. Historically, the

programs have been opened to a broad set of producers, but over time enrollment has evolved to reflect changing priorities.

The 1990 Food, Agriculture, Conservation and Trade Act created USDA's *Water Quality Incentives Projects (WQIP)*, a voluntary program using annual incentive payments to farmers to encourage adoption of environmentally and economically sound farm management practices. These payments are made to farmers in areas where agricultural pollution has already had a detrimental effect on water quality or in areas where adoption could prevent future impairment.

An examination of WQIP project proposals indicates that the primary objective of most projects is to reduce agricultural sediment and/or nutrient delivery into surface and ground water. Secondary objectives include curbing water pollution associated with pesticides and animal wastes. These objectives are supported by recent EPA findings that identify siltation from soil erosion, the nutrient flows into ground and surface water, and animal wastes as the leading pollutants associated with agricultural production.

#### *WQIP Targets Specific Watershed Areas*

Several features of the WQIP are designed to maximize its effectiveness at curbing water pollution for a given level of government outlay. First, the WQIP builds upon previous USDA and EPA cost-sharing programs (such as the Rural Clean Water Program, Hydrologic Unit Area Projects, and Water Quality Special Projects) in that it directly targets specific areas within watersheds that are deemed critical—i.e., already experiencing environmental degradation. Targeting just a small share of the total acres within a watershed can achieve a relatively large reduction in water pollution for a given level of payments, compared with open enrollment programs.

Second, the WQIP uses annual incentive payments, typically for 3 to 5 years, to encourage farmers to adopt environmentally friendly management practices. It

is hoped that farmers will continue to employ these adopted practices after the incentive payments terminate. Government payments for the WQIP—typically \$7-\$12 per acre—are modest compared with costs for land retirement programs. Extension and education efforts within WQIP introduce and demonstrate to farmers the management practices that are economically sound and environmentally friendly. Familiarizing farmers with such practices is likely to reduce their costs and risks associated with adoption.

In addition, WQIP takes a whole-farm approach in designing water quality plans, instead of the piecemeal approach typical of traditional conservation programs. A whole-farm approach eliminates the possibility of management practices working at cross purposes—for example, a water diversion plan that reduces soil erosion but also delivers more nutrients into the groundwater.

Originally, most USDA conservation programs had more open enrollment. They typically funded the building of structures—such as dams and terraces—to curb erosion, runoff, and leaching, or they promoted particular conservation practices. These conservation programs targeted soil erosion alone and did not generally take a whole-farm approach. More recently, conservation programs such as the WQIP have targeted pollution reduction mainly by encouraging the adoption of environmentally sound management practices, rather than the building of structures to limit environmental damage.

Project areas targeted for WQIP payments are within small watersheds identified by states as critical—i.e., treating these acres would have the greatest impact on water quality. Also included are areas designated by state governors for environmental protection—specified watersheds, and land where groundwater is directly impacted by sinkholes.

Potential WQIP projects are first proposed by states, then reviewed, rated, and selected by an interagency team led by USDA. Project proposals specify critical areas within watersheds targeted for payments, and identify management practices that will be eligible for



incentive payments. The interagency team ranks projects based on:

- the degree of water quality degradation;
- the link between degradation and agricultural pollution;
- the type of pollutant;
- expected improvement in water quality from adopting environmentally friendly management practices;
- expected farmer participation; and
- local, state, and additional Federal commitment to the project.

Project areas are then selected based on rankings and availability of funds.

Most management practices accepted for the WQIP have a payment limit of \$7-\$12 per acre. As part of USDA's Agricultural Conservation Program, WQIP payments are included in the \$3,500 annual per-farmer payment limit. For farms with multiple owners, each owner is limited to \$3,500 in annual payments; for example, farms with two owners would be limited to \$7,000.

Some have argued that the \$3,500 payment limitation is a constraint to farmer participation. However, an examination of annual payments to WQIP participants indicates the payment limit had little effect on their participation.

Approximately 70 percent of WQIP annual contracts were for less than \$3,000. An additional 15 to 20 percent exceeded \$3,500, indicating multiple farm operators. Thus, only about 10 percent of participating farmers may have limited their adoption of management practices due to the payment limitation. However, with no sampling of nonparticipants, the number of farmers who chose not to enter the WQIP because of the payment limitation is not known.

## WQIP Enrollment Shows Steady Rise

The 10 most frequently adopted conservation practices under the WQIP:

*Conservation cropping sequence*—using a combination of cultural and management practices that are environmentally suited to the local soil and climate; includes crop rotations that contain grasses and legumes, as well as rotations in which no crop is planted.

*Conservation tillage*—a form of tillage that leaves protective amounts of crop residue on the soil surface throughout the year to limit erosion.

*Crop residue use*—using crop or plant residues to protect cultivated fields during periods of critical erosion.

*Integrated crop management*—a whole-farm management system that promotes environmentally sound and economically efficient cultural, pest, and nutrient practices.

*Irrigation water management*—determining and controlling the rate, amount, and timing of irrigation water in an economically and environmentally efficient manner.

*Nutrient management*—determining and controlling the rate, amount, and timing of nutrient applications in an economically and environmentally efficient manner.

*Pasture and hayland management*—adopting cultural and grazing practices for pastureland and hay producing areas to protect soil and water resources by prolonging the life of desirable forage.

*Pest management*—an economically and environmentally sound system which integrates biological, chemical, and management practices to control the rate, amount, and timing of pesticide applications.

*Proper grazing*—grazing at an intensity that allows adequate remaining cover to protect the soil and to maintain or improve the quality and quantity of desirable vegetation.

*Recordkeeping*—maintaining records on a field-by-field basis for tillage, pesticide and nutrient application, insect and weed problems, and disease conditions.

Management practice	Enrolled acres			
	1992	1993	1994	Total*
	1,000			
Nutrient management	16.1	94.3	200.5	349.5
Recordkeeping	30.5	80.0	162.9	314.3
Integrated crop management	15.1	78.6	178.4	305.6
Pest management	13.6	72.6	156.8	273.7
Conservation cropping sequence	12.6	45.5	101.2	181.1
Irrigation water management	12.3	44.3	87.8	152.4
Conservation tillage	9.4	33.5	68.6	140.4
Pasture and hayland management	10.3	32.9	58.4	123.0
Crop residue use	2.3	18.4	42.4	78.6
Proper grazing	17.3	18.1	18.3	57.7

Top 10 management practices adopted on targeted acres within approved WQIP project areas.

\*Through spring 1995.



## Resources & Environment

### WQIP: The Level of Federal Commitment

WQIP is administered by USDA's Agricultural Conservation Program (ACP). Created in 1936, the ACP is USDA's major cost-sharing program and is administered by the Farm Service Agency (FSA). The ACP provides cost-sharing and technical assistance—up to \$3,500 annually—to farmers who carry out approved conservation and environmental protection practices on agricultural land.

About 122,000 farmers received ACP assistance in 1994, up from a year earlier. While funding for ACP has recently been declining, an increasing share of ACP assistance is being directed to support implementation of improved water quality practices. As of spring 1995, about 2,900 farms receive WQIP payments. Many of these farms adopted several management practices.

Funding for WQIP was \$6.75 million in 1992, \$15 million in 1993, \$18.5 in 1994, \$15 million in 1995, and \$11 million for 1996. In the first 4 years of the program (1992-95), 294 projects covering over 20 million acres have been accepted into the WQIP.

Critical areas within the 20-plus million acres are targeted to receive incentive payments. Because it takes time to develop and implement farm plans, only \$19 million had been committed to producers by September 1994. The commitments include funding allocated for multiple-year periods covered by the farm plans. Actual payments made to producers through spring 1995 totaled \$9 million.

Nebraska was found to be the largest recipient of WQIP funds, with farmers receiving nearly \$800,000 in incentive payments through spring 1995. Arkansas, Ohio, and Georgia each received more than \$400,000. All regions of the country received some WQIP payments. In terms of acreage enrolled, the top states were Nebraska, Michigan, and South Dakota.

### Assessing the Impact On Water Quality

The most commonly adopted practices under the WQIP are: nutrient management, conservation cropping, pest management, irrigation management, integrated crop management, and record-keeping for nutrient and pesticide application. In 1994, each of these practices was adopted on over 100,000 acres. From the start of the program in 1992, through July 1995, the WQIP enrolled over a quarter million acres into record-keeping, nutrient management, integrated crop management, and pest management systems.

The total acreage farmed under environmentally sound management practices cannot be obtained by summing these numbers, because multiple practices are often conducted on the same acreage. For example, many farmers employ recordkeeping, nutrient management, and pest management systems on the same field.

The best measure of the success of the WQIP is the actual improvement in water quality in the watershed areas. However, many difficulties arise in measuring changes in water quality. First, weather affects water quality. Floods can introduce unusually high levels of sediment and agricultural chemicals into lakes and waterways. In addition, droughts can increase the pollutant levels in bodies of water as evaporation and low water levels concentrate pollutants.

More importantly, water quality improvements can take a number of years to appear. For instance, ground water recharge and associated changes in chemical loading can take decades to complete. Thus, long-term observations are needed before definitive statements on changes in water quality can be made. The WQIP has not been in place long enough to make definitive statements on water quality improvement.

A viable short-term measure of the impact of WQIP on water quality is the estimated reduction of the flow of pollutants into surface and groundwater. USDA's Economic Research Service and Farm Service Agency are now integrating county-level estimates of reductions in soil erosion, nutrient leaching, animal waste, and pesticides in project areas. Once compiled, this information will be used to measure the impact of the WQIP until direct measures of water quality improvements are available.

While these estimates for sediment and nutrient loadings are being conducted, the number of acres farmed under each WQIP-adopted management practice is the best short-term measure of WQIP's achievements. Relating the number of acres farmed under an accepted WQIP management practice to water quality is complicated. Of the 20-plus million acres accepted as project areas, less than 5 percent has been enrolled into the WQIP, though the potential impact on water quality is more than this percentage implies. This is because much of the overall project area is accounted for by urban places, or by forests, cropland, rangeland, and pasture that are under sound management or not contributing heavily to water quality problems.

Water quality is affected less by the number of acres under the program than by the selection of acres enrolled. The WQIP addresses this by targeting a watershed area, and then further refines the targeting by identifying critical acres within the watershed for enrollment. Land use and proximity to water are two important factors in determining a property's effect on water quality. In general, most projects aim at changing management practices on only one-fourth to one-half of the land within the critical areas of a watershed.

While national estimates of the extent of acres farmed under each WQIP management practice constitute the best available short-term proxy for the progress of the WQIP, an eventual assessment of actual water quality improvement in individual project areas will provide a clearer measure of the program's success. [Skip Hyberg (202) 219-0407, and Catherine Kascak (202) 219-0441, with Mike Linsenbigler and Alex Barbarika (Farm Service Agency) 720-7093] **AO**



## Food & Marketing



### Food Prices To Show Modest Rise In 1996

The Consumer Price Index (CPI) for food in 1996 is forecast to rise 2-4 percent, about the same as the 1995 forecast of 2.8 percent, while slightly ahead of the 2.4- and 2.2-percent increases of 1994 and 1993. The overall rate of inflation is forecast to be 2.9 percent in 1996, about the same as in 1995. The general U.S. economy will likely expand more slowly than the 3 percent estimated for 1995, and employment will stay about the same—adding little upward pressure on food prices from consumer demand.

Costs of processing and distributing foods are expected to rise modestly in 1996, but because of aggressive competition among retailers, these increases may not be completely passed on to the retail level. However, higher farm-level prices of some commodities, boosted by lower 1995 grain production and reduced stock levels, may place upward pressure on retail prices for some food categories in 1996.

Excessive heat in the summer of 1995 pushed dairy, poultry, and pork production below levels previously expected. Reduced output, although still expected to be a record, led to higher farm prices and eased much of the impact of rising feed costs on producers' returns during the summer of 1995.

In the fall, competition among the large supplies of all meats lowered wholesale prices and dampened producer returns, especially for hogs and broilers. Export demand for some food items, especially beef, pork, poultry, and selected fresh fruits and vegetables, continues to be very strong, placing some pressure on domestic retail prices.

The second half of 1995 saw tight world supplies and increases in market prices for wheat, corn, and other grains, intensifying domestic and world competition for livestock feed supplies as well as for food grains. While this may place some pressure on costs of prepared foods, only a small portion of the cost of processed foods like breakfast cereals, breads, and miscellaneous prepared items is accounted for by the ingredients, such as grains, flours, sugar, and shortenings.

About 90 percent of the retail price of prepared foods goes to marketing, including labor, processing, packaging, and transportation. However, significant increases in flour and grain prices along with increases in labor, transportation, or marketing costs might increase retail prices for some of these processed food items in 1996.

The CPI's for cereals and bakery products, fats and oils, and other prepared food are forecast to increase 2 to 4 percent in 1996, close to the general inflation rate. Slow and moderate price increases for sugar and sweets during the past 4 years point to a forecast increase of 1 to 3 percent for 1996 retail prices.

### Moderate Price Increases For Produce & Coffee

Much of the preliminary 1995 food price increase of 3 percent is due to higher prices for fresh fruits and vegetables and coffee. Retail lettuce prices, for example, jumped to a record \$1.34 a pound in April and May of 1995, due to wet, rainy weather in California—the primary supplier of U.S. lettuce in the spring. Lettuce accounts for 15 percent of the fresh vegetable CPI.

The Washington and California fruit crops were also affected by adverse weather. Cold, wet, and windy spring weather resulted in poor pollination and fruit set, yielding 2-percent-smaller apple and grape crops in 1995 compared with 1994. Increased production of many citrus fruits, including oranges, tangerines, and lemons, is expected for fall 1995 and early 1996, while decreases are likely for grapefruit, tangelos, and Florida temples.

A rise in coffee prices, which account for 27 percent of the CPI for nonalcoholic beverages, was responsible for a 7.4-percent price increase in that index in 1995. Steep declines in the 1995 coffee crop in Brazil, the world's largest exporter of coffee, combined with an agreement reached by the Association of Coffee Producing Countries to restrict exports, are expected to keep coffee prices above the May 1994 prices (before Brazil's June and July freeze and drought).

Although the Brazilian harvest is not expected to recover fully in 1996, sufficient coffee stocks held by exporting countries are expected to keep the CPI increase for all nonalcoholic beverages at a modest 1-3 percent in 1996.

### Away-From-Home Sector Sees Prices Rise

The away-from-home component of the food CPI—primarily restaurants and fast-food establishments—is expected to rise 2 to 4 percent in 1996. Despite the continued strong growth in away-from-home food sales during 1995, prices are expected to rise only 2.3 percent by



## Food & Marketing

### Fresh Fruit and Vegetable Prices Continue To Rise at Rapid Rate

Consumer Price Indexes	Relative weight	1991	1992	1993	1994	Preliminary 1995	Forecast 1996
	Percent	Percent change from previous year					
All items		4.2	3.0	3.0	2.6	2.8	2.9
All food	100.0	2.9	1.2	2.2	2.4	2.8	2 to 4
Food away from home	37.3	3.4	2.0	1.8	1.7	2.3	2 to 4
Food at home	62.7	2.7	0.7	2.4	2.9	3.4	2 to 4
Meats, poultry, and fish	17.3	2.3	-0.7	3.3	1.5	0.7	-1 to 1
Meats	12.2	3.2	-1.4	3.0	0.6	-0.5	-1 to 1
Beef and veal	6.2	2.9	-0.1	3.6	-0.9	-1.2	-1 to 1
Pork	3.4	3.3	-4.7	3.1	1.8	-0.1	-1 to 1
Other meats	2.5	3.7	0.1	1.6	2.5	0.7	-1 to 1
Poultry	2.7	-0.8	-0.1	4.2	3.4	0.7	-1 to 1
Fish and seafood	2.4	1.1	2.3	3.2	4.5	5.2	3 to 5
Eggs	1.0	-2.4	-10.6	8.1	-2.4	2.4	-2 to 0
Dairy products	7.4	-1.1	2.7	0.7	1.9	0.7	0 to 2
Fats and oils	1.6	4.3	-1.4	0.2	2.7	2.8	2 to 4
Fruits and vegetables	12.7	4.6	-0.3	2.3	3.8	8.2	5 to 7
Fresh fruits and vegetables	8.9	8.2	-1.8	0.2	4.6	10.8	6 to 8
Fresh fruits	4.5	13.5	-5.0	2.5	6.5	9.5	6 to 8
Fresh vegetables	4.5	2.1	2.3	6.6	2.3	12.3	6 to 8
Processed fruits and vegetables	3.8	-1.8	2.7	0.2	2.2	2.7	1 to 3
Processed fruits	2.1	-3.7	4.5	-3.9	0.6	3.3	1 to 3
Processed vegetables	1.6	0.8	0.2	1.6	4.4	2.1	1 to 3
Sugar and sweets	2.1	3.7	2.9	0.2	1.4	1.7	1 to 3
Cereals and bakery products	9.2	4.2	3.9	3.4	4.2	2.6	2 to 4
Nonalcoholic beverages	5.0	0.5	0.2	0.3	7.5	7.4	1 to 3
Other prepared food	6.5	4.6	2.2	2.6	2.7	2.5	2 to 4

Sources: Historical data, Bureau of Labor Statistics; forecasts, Economic Research Service, USDA.

yearend, less than the 3.4-percent increase for food purchased in grocery stores. The away-from-home sector accounts for more than 37 percent of the all-food consumer price index.

With higher employment levels increasing household incomes and reducing the amount of time available to prepare food at home, the share of annual food dollars spent on food away from home has risen every year since the 1990-91 recession. In 1995, restaurants and fast-food establishments accounted for over 47 percent of total food dollars, up from 36 percent in 1991. Continued competition from and among fast-food restaurants will keep price increases moderate in 1996.

With record meat supplies in 1995 and expected record production in 1996, beef, pork, and poultry prices (combined) are forecast to change between -1 and 1 percent in 1996, limiting any increase in the meat CPI. A continuing rise in feed costs will squeeze producer

returns for most meat products, which account for 12.7 percent of the CPI for all food. Upward price pressures from strong export demand should be moderated by the depressing effect of large total meat supplies for the first half.

Generally good forage conditions in the fall of 1995 allowed feeder cattle to remain on pasture, at relatively low cost, reducing the impact of higher feed costs on cattle prices. For all of 1995, beef prices are expected to be down 1.2 percent from 1994.

Despite rising grain prices in the fall of 1995, hog producers have remained on a course of gradual expansion as they move into 1996. Pork prices have remained nearly steady in 1995, after increasing in 1993 and 1994. Pork supplies are expected to be at record levels in 1996, contributing to a small decline in retail prices during the first half.

Although feed costs increased in 1995, chicken and turkey growers also saw strong returns, encouraging expansion into 1996. Retail prices are estimated up 0.7 percent in 1995, due to strong demand in the export market, especially China and Russia, and growth in domestic consumption. Retail prices are expected to remain relatively flat for whole broilers in 1996, with seasonal retail price changes for popular cuts, especially leg and breast quarters.

Egg prices are forecast to decline up to 2 percent in 1996, following an increase of 2.4 percent in 1995. Higher retail prices in the last half of 1995 were due largely to reduced availability, caused by summer heat stress. The improved net returns for producers should encourage increases in flock size and egg production for 1996.

Dairy prices are expected to rise up to 2 percent in 1996, after increasing only 0.7 percent in 1995. Demand in the



## Food &amp; Marketing

international market is fueling U.S. price increases for butter and other milkfat items. Domestic retail milk prices are expected to increase slightly.

Fresh fruit and vegetable prices, which account for nearly 9 percent of the food CPI, are forecast to rise 6-8 percent in 1996. Although U.S. fruit and vegetable production has increased slightly in 1995, shortages of select items at different times of the year led to large price increases for certain items.

After an expected 9.5-percent increase in 1995, the CPI for fresh fruits is forecast to increase 6-8 percent in 1996. Exports of U.S. fresh produce have become a key factor in determining prices as well as growers' decisions to expand output. Exporters are expected to ship 25 percent of the U.S. fresh-market supply of apples, grapes, pears, grapefruit, and oranges in 1996, up from 20 percent in

1991. The CPI for pro-cessed fruits should show a slight increase in 1996, forecast between 1 and 3 percent.

Fresh vegetable prices are forecast to rise 6-8 percent in 1996, after a 12.3-percent increase in 1995. Fresh vegetable exports have advanced 15 percent annually since 1989, with increases to continue in 1996; exports are expected to top 2.2 million tons, or about 8 percent of domestic supply. Exports account for a large share of the supply of many fresh vegetables, including broccoli and cauliflower (30 percent in 1995), asparagus (25 percent), and carrots, celery, onions, and tomatoes (10-15 percent).

Fresh and processed potato exports account for about 8 percent of U.S. potato output. Growth of U.S. frozen potato exports have doubled over the past 5

years, as American "french fries" have become popular in other countries. The CPI for processed vegetables is forecast to increase 1 to 3 percent in 1996, despite expanded production of processing tomatoes, as output of snap beans, sweet corn, and green peas for processing fell in 1995.

Overall, the outlook for retail food prices remains favorable for consumers in 1996. Food prices have remained at or below the general inflation rate since 1991, in contrast with food price increases above the general level of inflation during the 4 years prior to 1991.

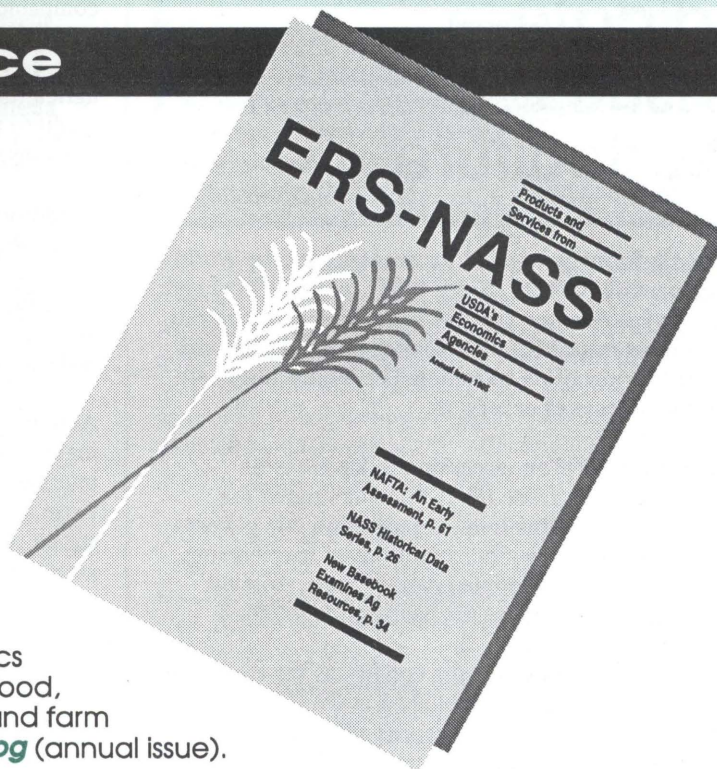
Despite a strong export market, domestic competition among food items, especially meats, should keep increases in the overall food CPI at about the same rate as projected inflation in 1996.

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## Special Article



Christian Foster

## Russia As WTO Candidate— The Issues For Agriculture

In 1995, Russia formally applied for accession to the World Trade Organization (WTO). Since WTO rules and concepts reflect the market-oriented systems of its member countries, the operational remnants of Russia's former planned economy as well as some features of its transitional economy, are likely to complicate the process of accession.

Russia had applied in 1993 for accession to the General Agreement on Tariffs and Trade (GATT), which the WTO replaced in 1995 as the international organization that governs world trade. Although the specific conditions of membership for acceding countries are negotiated case by case, existing WTO rules and practices serve as the basis for negotiation.

With respect to agricultural policy, the conditions for accession will reflect the strong protocols established in the Uruguay Round (UR) negotiations. The UR accords affecting agriculture include the Agreement on Agriculture—covering market access, export subsidies, and internal support—and the Agreement on the Application of Sanitary and Phytosanitary (SPS) Measures.

Russia's accession to the WTO was officially initiated with the formation of a Working Party to conduct negotiations for the terms of entry. A part of the negotiation process is the compilation of information on the applicant's trade regime and its internal support policies for agriculture. This information is presented to the WTO in the foreign trade memorandum (FTM), which Russia submitted with other supporting materials (laws, regulations, and trade and production data) earlier this year.

The Working Party and other interested WTO members are currently examining these materials in order to evaluate Russia's policies in the context of WTO rules. Negotiations on the specific terms of accession will begin after this information is reviewed.

Given that WTO rules largely reflect the market-oriented nature of its member countries' economies, some aspects of Russia's transitional economy are likely to require clarification. These issues exist not only for agricultural policy and trade, but are economy-wide. One such area is the current status of Russia's former state trading organizations. Under the Soviet system, state trading organizations handled all of the country's foreign trade. Soviet planners set both the quantity and price of traded goods, and some agricultural imports (mostly grains) were sold to end-users at highly subsidized prices.

These subsidies were eliminated in 1993, and most state trading organizations have been privatized into so-called joint stock companies, though the Russian government often continues to hold shares. Despite privatization, it is possible that some former state companies maintain certain privileges in importing agricultural products (for example, they receive government credit to import foodstuffs for certain food-deficit regions like Moscow).

In addition, government-to-government trade agreements between Russia and other republics of the former Soviet Union (FSU) to supply specific commodity amounts may also involve these former state trading companies. The main issue for the WTO is to what extent these organizations influence the level and direction of imports and exports.

Another problem facing Russia is that many of its nearly 100 regional governments (generally called oblasts), have their own internal support and trade policies, which often differ from those at the federal level. While other WTO members have strong regional/provincial governments with policy and budgetary responsibilities, the present weakness of the Russian federal government may make it more difficult for Russia to ensure compliance with its conditions of accession throughout the nation.

A related difficulty is that economic policy at all levels of government is changing rapidly, and the pace of market reform has varied throughout the country. These issues complicate the drafting of an accurate and coherent description of "current" Russian agricultural trade and support policies to serve as the basis for accession negotiations.



## ***Russia's Ag Sector Could Face Changes Under WTO Rules***

The GATT-UR negotiations on agriculture focused on market access, export subsidies, internal support, and sanitary and phytosanitary measures. Although the specific framework of the UR will not be applied in Russia's case, the overall intent of the UR provisions form the basis for negotiating any country's accession terms.

One of the primary achievements of the UR concerning market access for agricultural trade was to replace all existing nontariff barriers (NTB's) with tariffs, as well as to prohibit the creation of any new NTB's. Currently, Russia has no official quantitative restrictions on agricultural imports. However, a law on state regulation of foreign trade passed by the Russian Duma (lower house of parliament) includes a provision enabling the government to use quantitative restrictions to limit imports. Although President Yeltsin twice vetoed the bill, the Russian parliament voted to override the veto and Yeltsin signed the law in October.

A second UR requirement concerning agricultural market access is the binding of tariff levels (in effect creating maximum allowable tariffs). Like other former centrally planned economies, Russia only recently began to impose import tariffs. Until 1993, the government (through state trade organizations) purchased most food imports and, for some products, also handled internal distribution. Import tariffs were not a relevant policy tool in such a system because the state set (and often subsidized) the price at which the products were sold to end-users. However, with the end of centralized imports, Russia introduced tariffs in 1994, both to generate government revenue and limit the rapid growth in imports of high-value products.

For most agricultural imports, Russia currently has tariffs of 5 to 25 percent. For some food imports, specific tariffs, expressed in ECU's per unit, are also used. In mid-1995, an 11.5-percent import value-added tax—already in effect for other commodities—was introduced for agricultural products.

Regarding export subsidies, the UR Agreement on Agriculture requires countries to reduce existing subsidies and prohibits subsidies for new products. Generally a net importer of agricultural products, Russia announced its only known agricultural export subsidy in 1994 to promote export of certain grains (barley, oats, rye, and rice) by compensating producers and procurement agencies for 50 percent of internal transport costs. It is not known whether these subsidies were ever disbursed.

Articles in the Russian press have reported that the Ministry of Foreign Economic Relations is considering creating a credit program to promote exports; however, the use of export subsidies has not been explicitly mentioned. Tight budgetary resources and International Monetary Fund requirements to reduce the budget deficit would make the implementation of export subsidies in Russia difficult at this time.

## **How the WTO Defines Trade-Distorting Policies**

The WTO's Aggregate Measurement of Support (AMS) calculation includes all trade-distorting policies, except those identified as exempt in the Uruguay Round Agreement on Agriculture. These policies include direct price support, which is measured by the difference between the world market price and an administered support price for a product, multiplied by the quantity of output eligible for the administered price. Other examples include acreage payments, input subsidies, payments based on livestock numbers, and certain subsidized loan programs.

Green policies, excluded from the AMS calculation, are programs that do not provide price support, directly affect production levels, or involve transfers from consumers. As defined in the Agreement on Agriculture, such policies include government programs (taxpayer-funded) that provide general services (research, extension, inspection, market information, or infrastructural support), domestic food aid, decoupled income support (not linked to production), crop insurance, natural disaster relief, structural adjustment, and regional assistance. In addition, income safety-net programs, environmental or conservation programs, and public stock holding for food security reasons are considered green policies.

The total AMS aggregates product-specific support if it accounts for more than 5 percent of the value of a commodity, and nonproduct-specific support that exceeds 5 percent of total agricultural production. The AMS is expressed as an absolute monetary value.

The UR Agreement on Agriculture limits government farm support that distorts international trade. The UR established the Aggregate Measurement of Support (AMS) as the method to quantify support to agriculture. The AMS calculation includes only trade-distorting policies, while excluding policies considered to be nondistorting—"green" policies. Trade-distorting policies typically operate by affecting output levels through price supports or payments linked to production.

Most of Russia's current internal support policies involve budgetary transfers to all producers, while a few are commodity-specific (generally involving livestock). The main support policies include input subsidies (such as for agricultural chemicals and machinery leasing), capital investment assistance, concessional credit and interest subsidies, debt write-off, tax exemptions and privileges, and support to private farms. Other forms of Russian support are budgetary transfers to agricultural research institutes, land improvement, and market information services.



## Special Article

Measuring internal support in a transitional economy, like Russia's, is particularly challenging. First, Russia's support policies are in a state of flux, and in some cases bear little resemblance to Soviet-era policies. Second, regional and local governmental bodies have their own internal support policies with budgetary outlays. Given Moscow's reduced control over the regions, collecting budgetary data and information on regional support policies could be problematic. Finally, due to substantial inflation since 1992 and erratic disbursement of allocated funds, measurement in nominal terms may not reflect the real support levels.

The UR Sanitary and Phytosanitary Agreement prohibits the use of SPS measures as barriers to trade by stipulating that these measures be scientifically based. SPS measures include government procedures to protect human, animal, or plant life or health from risks arising from pest infestation, diseases, additives, or contaminants found in food, beverages, or feed-stuffs.

The issue of food safety and imported goods has been raised in Russia, with some Russian officials calling for more stringent SPS controls. While some of these concerns may be legitimate, Russia will have to demonstrate that its SPS measures are scientifically based, and not a barrier to trade.

### **WTO Membership Could Accelerate Reform**

Identifying and isolating the potential effect of Russian WTO membership on its agricultural trade and production is difficult. The direction and pace of economic reform will continue to exert a strong influence on the country's agricultural sector. WTO membership could strengthen the move toward market reform, mainly by checking protectionist fervor (which is growing for agriculture in particular) and pressure for trade-distorting internal support. Reduced protectionism would benefit Russian consumers through lower food prices and greater variety of available foodstuffs.

The UR Agreement on Agriculture is expected to lead to higher world prices for some agricultural goods (such as grains). If these prices are transmitted to Russian farmers, production could rise and imports fall. Russian farmers' ability to respond competitively to the higher prices would be strengthened by improved productivity, infrastructure, product quality, and marketing skills.

Although a drop in bulk-product shipments (e.g., grains) has reduced U.S. agricultural exports to the FSU since the early 1990's, Russia remains an important market for many U.S. high-value products such as poultry and snack foods. WTO accession, by establishing and fixing a more open trade regime in Russia than otherwise might exist in the future, would benefit U.S. exporters.

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### **Ahead for 1996 in Agricultural Outlook**

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- New uses for agricultural products
- Employment in agriculture and related industries
- Oilseed trade in the former Soviet Union  
and
- Potential impacts of recession on Japan's  
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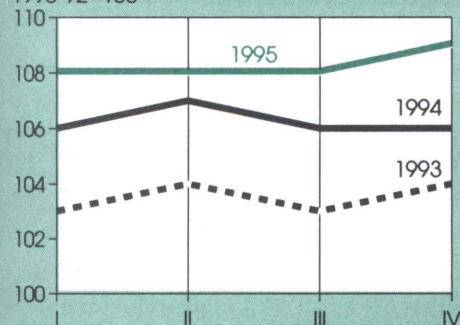
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## Prime Indicators

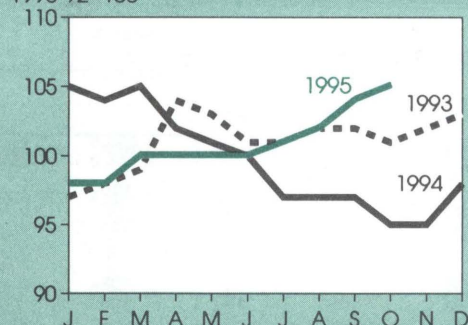
### Index of prices paid by farmers

1990-92=100



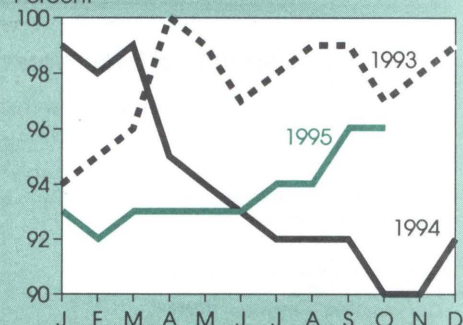
### Index of prices received by farmers<sup>1</sup>

1990-92=100



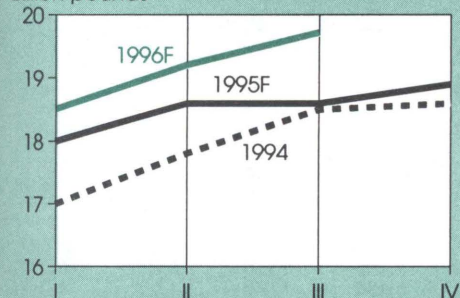
### Ratio of prices received/prices paid

Percent



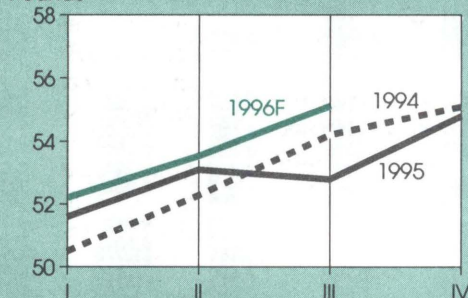
### Total red meat & poultry production<sup>2</sup>

Billion pounds



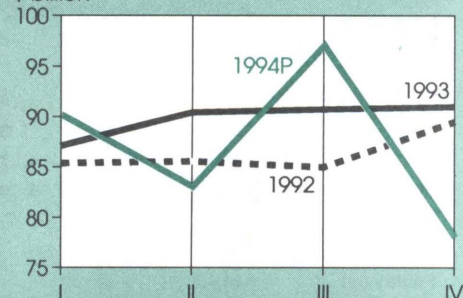
### Red meat & poultry consumption, per capita<sup>2,3</sup>

Pounds



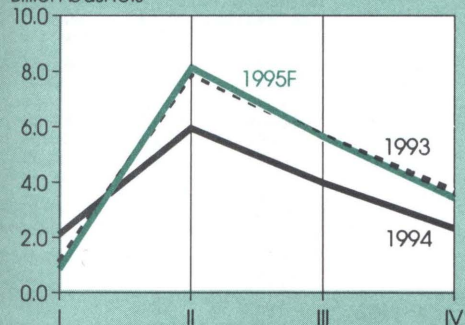
### Cash receipts from livestock & products<sup>4</sup>

\$ billion



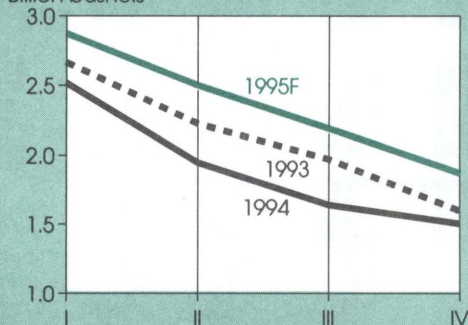
### Corn beginning stocks<sup>5</sup>

Billion bushels



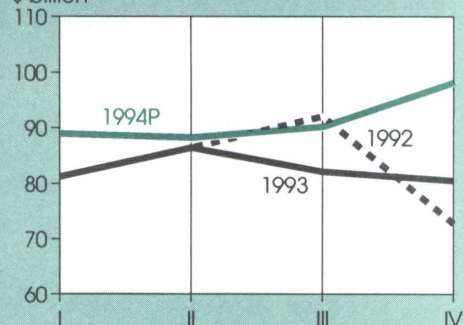
### Corn disappearance<sup>5</sup>

Billion bushels



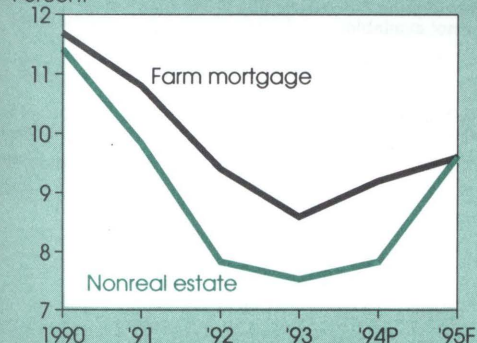
### Cash receipts from crops<sup>4</sup>

\$ billion



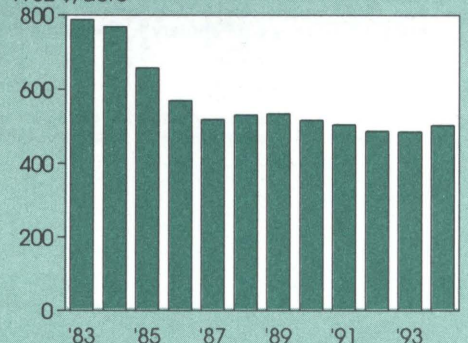
### Farm loan interest rates<sup>6</sup>

Percent



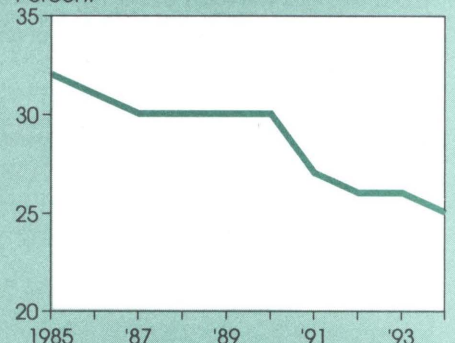
### Average real value of farm real estate

1982 \$/acre



### Farm value/retail food costs

Percent



<sup>1</sup> For all farm products. <sup>2</sup> Calendar quarters. <sup>3</sup> Retail weight.

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

<sup>6</sup> 1994 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.



# Statistical Indicators

## Summary Data

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

	1995					1996				
	I	II	III	IV F	Annual F	I F	II F	III F	Annual F	
Prices received by farmers (1990-92=100)	99	100	102	105	--	--	--	--	--	
Livestock & products	93	89	92	92	--	--	--	--	--	
Crops	105	114	113	114	--	--	--	--	--	
Prices paid by farmers, (1990-92=100)										
Production items	106	107	107	108	--	--	--	--	--	
Commodities & services, interest, taxes, & wages	108	108	108	109	--	--	--	--	--	
Cash receipts (\$ bil.) 1/	187	--	--	--	--	--	--	--	--	
Livestock (\$ bil.)	87	--	--	--	--	--	--	--	--	
Crops (\$ bil.)	100	--	--	--	--	--	--	--	--	
Market basket (1982-84=100)										
Retail cost	148	149	--	--	--	--	--	--	--	
Farm value	101	102	--	--	--	--	--	--	--	
Spread	174	175	--	--	--	--	--	--	--	
Farm value/retail cost (%)	24	24	--	--	--	--	--	--	--	
Retail prices (1982-84=100)										
All food	148	149	149	150	149	--	--	--	--	
At home	148	149	149	151	149	--	--	--	--	
Away from home	148	149	149	150	149	--	--	--	--	
Agricultural exports (\$ bil.) 2/	14.3	12.7	11.9	14.3	53.0	--	--	--	54.5	
Agricultural imports (\$ bil.) 2/	7.8	7.5	6.6	7.1	29.0	--	--	--	29.0	
Commercial production										
Red meat (mil. lb.)	10,521	10,853	10,981	11,073	43,428	10,672	11,016	11,440	44,653	
Poultry (mil. lb.)	7,470	7,786	7,570	7,820	30,645	7,850	8,160	8,275	32,510	
Eggs (mil. doz.)	1,545	1,535	1,520	1,580	6,180	1,555	1,565	1,575	6,320	
Milk (bil. lb.)	39.0	40.5	38.5	38.6	156.5	40.0	41.5	39.6	160.3	
Consumption, per capita										
Red meat and poultry (lb.)	51.6	53.1	52.8	54.8	212.3	52.2	53.5	55.1	217.5	
Corn beginning stock (mil. Bu.) 3/	850.1	8,080.5	5,591.7	3,414.9	850.1	1,558.3	--	--	1,558.3	
Corn use (mil. bu.) 3/	2,874.8	2,492.5	2,179.8	1,857.3	9,404.9	--	--	--	8,325.0	
Prices 4/										
Choice steers--Neb. Direct (\$/cwt)	71.51	64.7	62.65	65-67	66.22	65-69	63-69	59-65	63-67	
Barrows & gilts--IA, So. MN (\$/cwt)	38.56	38.91	48.75	41-43	42.06	41-43	36-40	38-42	38-40	
Broilers--12-city (cts./lb.)	51.7	53.5	60.7	56-58	55.7	50-54	51-55	52-56	51-54	
Eggs--NY gr. A large (cts./doz.)	65.2	63.6	75.2	77-79	70.5	67-71	60-66	62-68	64-68	
Milk--all at plant (\$/cwt)	12.63	12.30	12.43	13.60-13.90	12.75-12.85	13.05-13.65	11.85-12.75	11.95-12.95	12.40-13.30	
Wheat--KC HRW ordinary (\$/bu.)	3.97	4.27	4.91	--	--	--	--	--	--	
Corn--Chicago (\$/bu.)	2.38	2.60	2.85	--	--	--	--	--	--	
Soybeans--Chicago (\$/bu.)	5.53	5.48	6.10	--	--	--	--	--	--	
Cotton--Avg. spot 41-34 (cts./lb.)	94.73	105.76	89.73	--	--	--	--	--	--	
	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.



# U.S. & Foreign Economic Data

Table 2—U.S. Gross Domestic Product &amp; Related Data

	Annual			1994		1995		
	1992	1993	1994	III	IV	I	II	III P
\$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	6,020.2	6,343.3	6,738.4	6,791.7	6,897.2	6,977.4	7,030.0	7,113.2
Gross national product	6,025.8	6,347.8	6,726.9	6,779.6	6,871.3	6,959.5	7,008.6	—
Personal consumption expenditures	4,136.9	4,378.2	4,628.4	4,657.5	4,734.8	4,782.1	4,851.0	4,898.1
Durable goods	492.7	538.0	591.5	591.5	617.7	615.2	620.3	632.4
Nondurable goods	1,295.5	1,339.2	1,394.3	1,406.1	1,420.7	1,432.2	1,446.2	1,449.1
Food & beverages	626.8	649.7	679.6	683.7	691.2	697.4	701.8	707.0
Clothing & shoes	227.7	235.4	246.5	247.8	252.6	252.5	254.0	253.9
Services	2,348.7	2,501.0	2,642.7	2,659.9	2,696.4	2,734.8	2,784.5	2,816.6
Gross private domestic investment	788.3	882.0	1,032.9	1,055.1	1,075.6	1,107.8	1,094.1	1,113.4
Fixed investment	785.2	866.7	980.7	992.5	1,020.8	1,053.3	1,056.9	1,074.5
Change in business inventories	3.0	15.4	52.2	62.6	54.8	54.5	37.2	38.9
Net exports of goods & services	-30.3	-65.3	-98.2	-109.6	-98.9	-111.1	-124.7	-118.3
Government purchases of goods & services	1,125.3	1,148.4	1,175.3	1,188.8	1,185.8	1,198.7	1,209.6	1,220.1
1987 \$ billion (quarterly data seasonally adjusted at annual rates)								
Gross domestic product	4,979.3	5,134.5	5,344.0	5,367.0	5,433.8	5,470.1	5,487.8	5,544.6
Gross national product	4,985.7	5,140.3	5,337.3	5,359.9	5,416.0	5,458.3	5,473.4	—
Personal consumption expenditures	3,349.5	3,458.7	3,579.6	3,584.7	3,629.6	3,643.9	3,674.3	3,701.1
Durable goods	452.6	489.9	532.1	529.6	554.8	550.0	554.8	570.4
Nondurable goods	1,057.7	1,078.5	1,109.5	1,113.4	1,121.9	1,128.2	1,133.5	1,133.7
Food & beverages	514.7	524.0	535.6	535.7	538.5	541.1	540.8	542.1
Clothing & shoes	193.2	197.8	208.8	210.2	216.4	216.6	219.3	219.3
Services	1,839.1	1,890.3	1,938.1	1,941.8	1,952.9	1,965.7	1,986.0	1,997.0
Gross private domestic investment	725.3	819.9	951.5	967.3	989.1	1,024.1	1,019.2	1,041.3
Fixed investment	722.9	804.6	903.8	910.2	939.7	973.0	984.9	1,006.1
Change in business inventories	2.5	15.3	47.8	57.1	49.4	51.1	34.3	35.3
Net exports of goods & services	-32.3	-73.9	-110.0	-117.0	-107.1	-118.5	-126.7	-125.8
Government purchases of goods & services	936.9	929.8	922.8	932.0	922.2	920.5	921.0	928.0
GDP implicit price deflator (% change)	2.8	2.2	2.1	1.9	1.3	2.2	1.6	0.6
Disposable personal income (\$ bil.)	4,505.8	4,688.7	4,959.6	4,990.3	5,101.9	5,184.4	5,201.0	5,268.8
Disposable per. income (1987 \$ bil.)	3,648.1	3,704.1	3,835.7	3,840.9	3,911.0	3,950.5	3,939.4	3,981.2
Per capita disposable per. income (\$)	17,636	18,153	19,003	19,095	19,473	19,748	19,769	19,977
Per capita dis. per. income (1987 \$)	14,279	14,341	14,696	14,697	14,927	15,048	14,973	15,095
U.S. population, total, incl. military abroad (mil.) 1/	255.4	258.1	260.7	261.0	261.7	262.2	262.7	263.4
Civilian population (mil.) 1/	253.4	256.3	258.9	259.3	260.0	260.5	261.1	261.7
	Annual			1994				
	1992	1993	1994	Sept	June R	July R	Aug R	Sept P
Monthly data seasonally adjusted								
Total industrial production (1987=100)	108.0	112.9	119.7	120.9	123.2	123.1	124.3	124.6
Leading economic indicators (1987=100)	98.2	98.8	101.7	102.5	101.3	101.1	101.2	101.1
Civilian employment (mil. persons) 2/	117.6	119.3	123.1	123.6	124.5	125.0	124.8	125.1
Civilian unemployment rate (%) 2/	7.4	6.8	6.1	5.8	5.6	5.7	5.6	5.6
Personal income (\$ bil. annual rate)	5,154.3	5,375.1	5,701.7	5,768.4	6,025.3	6,062.3	6,069.2	6,095.9
Money stock-M2 (daily avg.) (\$ bil.) 3/	3,515.3	3,583.6	3,615.1	3,614.0	3,698.3	3,717.5	3,743.2	3,758.0
Three-month Treasury bill rate (%)	3.45	3.02	4.29	4.64	5.50	5.47	5.41	5.26
AAA corporate bond yield (Moody's) (%)	8.14	7.22	7.97	8.34	7.30	7.41	7.57	7.32
Total housing starts (1,000) 4/	1,200	1,288	1,457	1,511	1,298	1,432	1,392	1,390
Business inventory/sales ratio	1.50	1.45	1.39	1.39	1.41	1.43	1.41	—
Sales of all retail stores (\$ bil.) 5/	1,959.1	2,081.6	2,241.3	188.9	196.7	196.1	197.4	197.6
Nondurable goods stores (\$ bil.)	1,251.8	1,297.0	1,353.4	114.2	118.1	117.6	117.4	118.5
Food stores (\$ bil.)	382.4	392.4	405.6	33.5	33.8	34.0	34.0	34.1
Apparel & accessory stores (\$ bil.)	104.1	106.1	107.8	9.0	9.3	9.1	9.0	9.2
Eating & drinking places (\$ bil.)	200.6	211.0	224.8	19.3	20.2	20.2	20.2	20.4

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

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



Table 3—World Economic Growth

	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994 E	1995 F	1996 F	Average 1985-94
Real GDP, annual percent change													
World	3.3	3.0	3.5	4.5	3.2	2.1	0.8	1.2	1.7	2.8	2.7	2.8	2.6
World, less U.S.	3.4	3.2	3.7	4.7	3.4	2.4	1.4	0.8	1.1	2.2	2.6	3.0	2.6
Developed	3.4	2.8	3.4	4.5	3.4	2.3	0.8	1.4	1.4	2.8	2.4	2.3	2.6
Developed, less U.S.	3.6	2.8	3.6	4.8	3.7	2.8	1.6	0.9	0.3	2.0	2.0	2.3	2.6
United States	3.1	2.8	3.1	3.9	2.7	1.2	-0.6	2.3	3.2	4.1	3.0	2.3	2.6
Canada	4.7	3.3	4.1	4.9	2.4	-0.3	-1.9	0.6	2.3	4.1	2.5	2.2	2.4
Japan	5.0	2.5	4.2	6.3	4.8	4.9	4.3	1.1	0.1	0.5	0.4	1.6	3.4
Western Europe	2.5	2.8	2.6	3.9	3.6	3.0	3.5	1.0	-0.5	2.6	2.7	2.8	2.5
European Union	2.4	2.7	2.7	4.1	3.6	3.0	3.7	1.1	-0.5	2.6	2.7	2.8	2.5
Germany	2.0	2.3	1.5	3.7	3.6	5.7	13.2	2.2	-1.1	2.4	2.7	2.5	3.6
Central Europe	2.6	2.9	0.7	3.0	-0.9	-7.0	-10.8	-5.3	0.1	3.3	3.9	4.6	-1.1
Former Soviet Union	2.2	4.6	2.2	4.3	2.1	-3.2	-11.6	-18.6	-10.8	-16.3	-3.0	2.5	-4.5
Russia	2.5	5.7	1.6	4.3	1.5	-3.4	-13.1	-19.7	-12.0	-15.0	-1.6	3.3	-4.8
Developing	3.3	3.7	4.5	4.4	3.5	3.2	4.9	5.0	5.0	5.4	4.5	4.9	4.3
Asia	5.9	7.2	8.6	9.1	5.5	5.7	7.2	7.6	7.3	7.9	7.5	6.8	7.2
Pacific-Asia	5.9	7.9	9.7	9.4	6.2	6.7	7.3	8.7	8.9	8.9	8.2	7.4	8.0
China	12.9	8.4	11.1	11.3	4.2	3.9	8.4	14.3	14.0	11.8	9.8	8.9	10.1
South Asia	5.5	4.9	4.8	9.2	6.1	5.2	1.5	4.9	2.9	4.9	5.3	4.9	5.0
India	5.4	4.8	4.7	10.0	6.6	5.2	0.7	4.6	2.8	5.1	5.5	5.1	5.0
Latin America	2.9	4.9	3.3	0.7	1.0	0.0	3.5	2.7	3.8	4.1	0.9	2.9	2.7
Mexico	2.7	-3.9	2.3	1.0	3.4	4.2	3.6	3.0	0.4	3.5	-5.6	2.4	2.0
Caribbean/Central	0.9	4.0	3.4	1.5	3.7	2.0	2.7	3.4	3.3	2.4	2.6	2.8	2.7
South America	3.2	7.5	3.5	0.4	-0.1	-1.4	3.5	2.5	4.8	4.5	2.4	3.0	2.8
Brazil	7.9	8.4	3.3	-0.3	3.3	-4.6	0.4	-1.2	5.3	4.9	2.6	3.3	2.8
Middle East	-2.1	-6.8	-1.4	-1.4	2.2	2.9	3.9	5.0	3.8	1.1	2.2	2.6	0.7
Africa	2.3	1.3	0.8	3.1	3.4	1.4	1.3	0.6	0.1	1.9	1.8	2.6	1.6
North Africa	3.2	-0.3	0.1	1.7	3.5	2.3	2.0	0.7	-0.2	2.4	1.2	3.0	1.5
Sub-Saharan	1.7	2.3	1.3	3.9	3.4	0.9	0.9	0.6	0.3	1.6	2.2	2.3	1.7
Middle East & N. Africa	-0.5	-4.7	-0.9	-0.4	2.6	2.7	3.2	3.5	2.5	1.5	1.9	2.7	1.0

E = estimate. F = forecast.

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

## Farm Prices

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

	Annual			1994						
	1992	1993	1994	Oct	May	June	July	Aug	Sept R	Oct P
1990-92=100										
Prices received										
All farm products	98	101	100	95	100	100	101	102	104	105
All crops	101	102	105	99	115	112	113	113	113	114
Food grains	113	105	118	121	119	128	136	140	148	153
Feed grains & hay	98	98	106	92	108	110	113	114	116	127
Cotton	88	89	109	110	136	142	143	124	124	122
Tobacco	101	101	101	104	—	—	101	101	105	104
Oil-bearing crops	100	108	110	95	99	102	105	104	105	108
Fruit & nuts, all	99	92	89	98	98	99	105	113	111	110
Commercial vegetables	111	116	107	116	148	117	93	98	115	103
Potatoes & dry beans	88	106	111	88	111	123	148	118	98	95
Livestock & products	97	100	95	89	88	90	91	92	93	92
Meat animals	96	100	90	82	82	85	85	85	85	83
Dairy products	100	98	100	100	95	92	93	95	98	101
Poultry & eggs	97	105	106	104	99	100	105	112	115	113
Prices paid										
Commodities & services, interest, taxes, & wage rates	101	103	106	106	108	108	108	108	108	109
Production items	101	103	106	105	107	107	107	107	107	108
Feed	99	99	105	98	—	—	102	—	—	109
Livestock & poultry	96	104	95	87	—	—	81	—	—	80
Seeds	99	105	109	110	—	—	110	—	—	110
Fertilizer	100	97	106	111	—	—	118	—	—	115
Agricultural chemicals	103	107	112	114	—	—	115	—	—	116
Fuels	96	92	84	87	—	—	88	—	—	90
Farm supplies & repairs	104	107	110	111	—	—	112	—	—	113
Autos & trucks	102	109	115	116	—	—	121	—	—	123
Farm machinery	104	106	110	108	—	—	118	—	—	118
Building materials	101	105	109	111	—	—	115	—	—	115
Farm services	104	109	112	113	—	—	118	—	—	118
Cash rent	104	100	108	108	—	—	108	—	—	108
Int. payable per acre on farm real estate debt	93	88	92	92	—	—	101	—	—	101
Taxes payable per acre on farm real estate	104	107	112	112	—	—	115	—	—	115
Wage rates (seasonally adjusted)	105	108	111	112	—	—	111	—	—	111
Production items, interest, taxes, & wage rates	101	103	106	104	—	—	107	—	—	108
Ratio, prices received to prices paid (%) 1/	98	98	94	90	93	93	94	94	96	96
Prices received (1910-14=100)	626	642	634	604	633	633	642	645	659	664
Prices paid, etc. (parity index) (1910-14=100)	1,329	1,355	1,394	1,386	—	—	1,411	—	—	1,422
Parity ratio (1910-14=100) (%) 1/	47	47	46	44	—	—	46	—	—	47

1/ Ratio of index of prices received for all farm products to index of prices paid for commodities & services, interest, taxes, & wages rates. Ratio uses the most recent prices paid index. Prices paid data are quarterly & will be published in January, April, July, & October. R = revised. P = preliminary.  
 — = not available.

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



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

	Annual 1/			1994	1995					
	1992	1993	1994	Oct	May	June	July	Aug	Sept R	Oct P
CROPS										
All wheat (\$/bu.)	3.24	3.26	3.50	3.76	3.66	3.85	4.09	4.25	4.52	4.71
Rice, rough (\$/cwt)	5.89	7.98	6.25	6.47	6.75	7.03	7.17	7.64	7.92	8.38
Corn (\$/bu.)	2.07	2.50	2.20	2.06	2.41	2.51	2.63	2.63	2.69	2.95
Sorghum (\$/cwt)	3.38	4.13	3.65	3.37	4.06	4.72	4.78	4.65	4.87	5.18
All hay, baled (\$/ton)	74.30	84.70	86.50	86.30	90.40	83.90	80.60	81.10	80.30	83.00
Soybeans (\$/bu.)	5.56	6.40	5.35	5.30	5.56	5.68	5.90	5.83	5.99	6.17
Cotton, upland (cts./lb.)	53.7	58.1	67.4	66.2	82.6	86.3	86.6	75.2	75.2	73.8
Potatoes (\$/cwt)	5.52	6.22	5.36	4.58	6.28	7.19	8.98	7.00	5.75	5.54
Lettuce (\$/cwt) 2/	12.40	16.00	15.55	22.30	48.50	15.60	12.50	16.50	25.90	17.00
Tomatoes fresh (\$/cwt) 2/	35.80	31.60	27.52	28.30	14.40	33.30	20.50	14.90	18.40	23.40
Onions (\$/cwt)	13.00	15.80	14.46	10.40	15.50	10.10	12.80	10.40	10.00	10.60
Beans, dry edible (\$/cwt)	19.90	24.60	21.70	23.20	24.60	23.40	23.70	19.70	18.40	18.10
Apples for fresh use (cts./lb.)	19.5	18.2	17.4	19.2	15.4	15.6	16.8	23.7	27.1	26.1
Pears for fresh use (\$/ton)	378	280	261	248	419	557	353	303	373	343
Oranges, all uses (\$/box) 3/	5.50	3.11	3.96	2.50	4.92	5.21	5.58	7.64	7.21	6.90
Grapefruit, all uses (\$/box) 3/	6.23	2.60	2.92	4.46	1.37	4.54	6.72	7.85	10.05	4.92
LIVESTOCK										
Beef cattle (\$/cwt)	71.33	73.38	66.55	62.90	60.80	60.90	59.50	59.40	59.10	58.80
Calves (\$/cwt)	89.38	95.92	87.16	78.20	77.00	77.10	72.30	70.80	68.50	66.70
Hogs (\$/cwt)	41.82	45.40	39.48	31.80	37.20	42.30	46.20	48.60	48.30	46.70
Lambs (\$/cwt)	60.78	64.60	64.86	68.00	80.40	85.70	85.70	85.70	82.70	77.90
All milk, sold to plants (\$/cwt)	13.15	12.86	13.04	13.00	12.40	12.10	12.10	12.40	12.80	13.20
Milk, manuf. grade (\$/cwt)	11.91	11.80	11.88	12.20	11.00	11.10	11.00	11.30	12.00	12.40
Broilers (cts./lb.)	30.8	34.2	35.0	33.9	32.4	32.8	34.5	37.0	38.1	36.3
Eggs (cts./doz.) 4/	56.2	62.7	60.9	57.7	56.3	57.8	60.9	63.6	66.6	66.5
Turkeys (cts./lb.)	37.6	39.0	40.7	44.5	38.2	39.3	39.8	41.8	43.7	45.5

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 &amp; eggs sold at retail. P = preliminary. R = revised. — = not available.

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

## Producer & Consumer Prices

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

	Annual	1994	1995							
	1994	Oct	Mar	Apr	May	June	July	Aug	Sept	Oct
1982-84=100										
Consumer Price Index, all items	148.2	149.5	151.4	151.9	152.2	152.5	152.5	152.9	153.2	153.7
CPI, all items less food	149.0	150.4	152.1	152.5	152.9	153.3	153.4	153.7	154.0	154.4
All food	144.3	145.0	147.4	148.4	148.3	147.9	148.1	148.4	148.9	149.4
Food away from home	145.7	146.4	148.1	148.3	148.6	148.8	149.1	149.4	149.6	150.0
Food at home	144.1	144.8	147.6	149.2	148.7	148.1	148.2	148.4	149.2	149.7
Meats 1/	135.4	135.0	135.5	134.9	134.7	134.0	134.2	135.1	135.5	137.0
Beef & veal	136.0	135.3	136.9	136.2	134.9	133.9	133.5	133.0	133.3	134.3
Pork	133.9	133.7	132.9	131.1	131.8	132.2	133.7	136.0	137.8	139.1
Poultry	141.5	141.5	143.3	142.3	141.6	142.9	142.5	142.8	145.9	146.1
Fish & seafood	163.7	164.8	171.2	171.6	171.9	172.1	170.4	170.9	173.5	173.3
Eggs	114.3	110.4	115.3	112.0	110.0	109.6	114.5	125.8	122.7	126.2
Dairy products 2/	131.7	131.5	132.2	132.1	132.8	132.2	132.9	132.8	132.3	133.2
Fats & oils 3/	133.5	135.0	136.8	137.2	137.1	136.4	138.0	137.5	137.4	138.3
Fresh fruits	201.2	199.1	207.0	210.3	219.6	216.3	218.4	221.8	230.9	227.5
Processed fruits	133.1	133.3	136.5	136.8	136.7	137.2	138.0	139.2	138.1	138.4
Fresh vegetables	172.3	167.0	193.8	220.4	203.5	194.9	188.7	175.4	181.7	182.0
Potatoes	174.3	157.3	161.8	164.6	165.3	183.1	200.8	195.5	182.8	179.7
Processed vegetables	136.6	136.8	136.9	138.1	139.0	138.9	140.2	139.9	138.4	138.1
Cereals & bakery products	163.0	164.6	165.3	166.9	166.6	167.5	168.2	168.8	168.4	169.0
Sugar & sweets	135.2	135.6	136.4	136.7	137.3	137.3	138.1	138.7	138.4	139.2
Nonalcoholic beverages	123.2	132.7	132.9	132.9	131.7	131.5	130.8	131.3	131.7	130.9
Apparel										
Apparel, commodities less footwear	131.2	133.5	132.3	132.5	130.8	127.6	125.0	127.3	130.0	132.1
Footwear	126.0	125.5	125.9	127.2	126.6	124.6	123.3	123.6	126.8	127.5
Tobacco & smoking products	220.0	221.3	222.5	223.0	225.3	226.4	226.2	227.4	228.2	228.0
Alcoholic beverages	151.5	151.6	153.1	153.6	153.9	154.0	153.8	154.5	154.5	154.9

1/ Beef, veal, lamb, pork, &amp; 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	Sept	Apr	May R	June	July	Aug	Sept
1982 = 100										
All commodities	117.2	118.9	120.4	121.0	124.6	124.9	125.3	125.3	125.0	125.2
Finished goods 1/	123.2	124.7	125.5	125.6	127.6	128.1	128.2	128.3	128.1	127.9
All foods 2/	120.9	123.7	125.2	124.5	126.0	125.2	124.4	126.1	126.3	127.8
Consumer foods	123.3	125.7	126.8	126.3	128.7	128.0	127.4	128.5	128.6	129.9
Fresh fruits & melons	84.0	84.5	82.6	85.2	75.3	97.6	83.6	86.8	92.3	90.0
Fresh & dry vegetables	115.0	135.2	129.1	111.7	184.9	158.8	132.5	129.6	113.2	156.9
Dried fruits	114.6	117.9	121.1	120.0	119.4	122.1	122.0	124.1	121.1	121.1
Canned fruits & juices	134.5	126.2	126.0	125.4	126.9	127.1	127.1	127.9	131.1	131.9
Frozen fruits, juices & ades	125.9	110.7	111.9	110.6	116.7	117.3	116.6	117.3	114.5	111.9
Fresh veg. excl. potatoes	116.4	126.6	117.8	107.1	199.1	167.2	127.2	107.3	94.8	152.9
Canned vegetables & juices	109.5	110.5	116.3	116.0	113.1	117.6	117.5	118.6	117.6	117.6
Frozen vegetables	116.4	120.9	126.0	125.2	124.9	124.2	123.6	123.1	123.1	124.4
Potatoes	118.4	144.9	142.3	107.5	110.1	106.8	176.9	205.5	160.0	172.9
Eggs for fresh use (1991=100)	78.6	86.6	80.9	81.4	83.1	72.3	75.0	80.6	81.3	89.6
Bakery products	152.5	156.6	160.0	160.5	162.6	163.2	163.4	163.7	165.3	165.9
Meats	106.7	110.6	104.6	102.4	100.9	100.2	100.9	103.9	103.0	102.1
Beef & veal	109.5	112.9	103.6	101.1	100.5	99.4	99.7	100.7	97.7	96.3
Pork	98.9	105.7	101.3	98.0	95.5	95.6	97.7	105.2	107.4	106.2
Processed poultry	109.0	111.7	114.8	115.7	110.1	109.2	110.9	113.8	117.2	121.7
Unprocessed & packaged fish	156.1	156.5	161.5	162.2	179.8	166.9	164.0	168.7	170.9	166.3
Dairy products	117.9	118.1	119.5	118.8	118.1	117.7	117.1	118.1	119.1	120.5
Processed fruits & vegetables	120.8	118.2	121.2	120.6	120.7	122.3	122.0	122.6	122.8	122.9
Shortening & cooking oil	115.1	122.9	138.6	135.0	142.5	139.5	136.6	143.5	141.8	142.4
Soft drinks	125.6	126.2	126.9	126.3	133.4	133.1	132.9	133.3	133.6	133.0
Finished consumer goods less foods	120.8	121.7	121.6	122.2	123.6	124.7	125.2	124.8	124.4	123.9
Alcoholic beverages	126.1	126.0	124.8	124.2	128.9	128.6	128.7	128.8	128.9	128.9
Apparel	122.2	123.2	123.5	123.5	124.0	124.3	124.0	124.3	124.3	124.4
Footwear	132.0	134.4	135.5	135.6	138.8	138.9	138.8	138.9	139.1	139.1
Tobacco products	275.3	260.3	224.7	224.9	228.5	233.7	233.7	233.4	233.8	233.9
Intermediate materials 3/	114.7	116.2	118.5	120.1	124.7	125.3	125.9	126.0	126.0	126.0
Materials for food manufacturing	113.9	115.6	118.5	118.5	117.2	116.5	117.2	119.3	120.1	120.6
Flour	109.5	108.9	110.3	111.0	111.8	115.5	120.5	127.3	129.5	131.8
Refined sugar 4/	119.8	118.2	118.3	117.9	118.5	118.8	118.7	118.6	118.7	118.4
Crude vegetable oils	97.1	110.5	135.0	132.7	130.8	124.7	127.8	125.1	129.4	128.1
Crude materials 5/	100.4	102.4	101.7	99.7	103.6	102.8	103.4	101.9	100.2	102.4
Foodstuffs & feedstuffs	105.1	108.4	106.5	101.3	101.8	99.6	102.2	104.7	104.6	108.7
Fruits & vegetables & nuts 6/	96.9	106.9	104.6	97.2	118.9	117.0	101.0	101.1	96.6	113.3
Grains	97.3	94.5	102.7	94.2	101.1	104.2	110.5	116.2	114.0	119.3
Livestock	104.7	107.0	96.4	91.3	92.3	87.4	90.7	90.7	90.8	92.0
Poultry, live	112.6	122.0	124.4	128.3	109.1	111.0	121.1	130.0	139.7	147.2
Plant & animal fibers	89.8	91.3	120.7	122.1	175.2	165.7	178.9	163.5	139.2	147.6
Fluid milk	96.1	94.1	95.8	94.9	90.7	90.8	90.5	90.1	90.7	94.0
Oilseeds	107.5	115.9	117.4	107.6	110.4	105.9	108.7	113.8	108.9	114.0
Leaf tobacco	101.0	100.3	101.2	102.8	90.0	—	—	—	—	107.3
Raw cane sugar	112.1	113.2	115.2	114.4	118.4	118.9	120.2	125.1	123.1	121.2

1/ Commodities ready for sale to ultimate consumer. 2/ Includes all raw, intermediate, & processed foods (excludes soft drinks, alcoholic beverages, & manufactured animal feeds). 3/ 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	Sept	Apr	May	June	July	Aug	Sept
Market basket 1/										
Retail cost (1982-84=100)	138.4	141.9	145.4	145.4	149.8	149.4	148.6	148.8	149.1	149.8
Farm value (1982-84=100)	103.2	104.9	101.6	98.5	104.7	100.8	100.3	101.0	101.4	103.8
Farm-retail spread (1982-84=100)	157.4	161.9	168.9	170.7	174.1	175.6	174.6	174.5	174.8	174.5
Farm value-retail cost (%)	26.1	25.9	24.5	23.7	24.5	23.6	23.6	23.8	23.8	24.3
Meat products										
Retail cost (1982-84=100)	130.7	134.6	135.4	135.0	134.9	134.7	134.0	134.2	135.1	135.5
Farm value (1982-84=100)	104.5	107.2	96.1	92.6	92.7	89.3	90.9	94.7	94.2	95.4
Farm-retail spread (1982-84=100)	157.5	162.8	175.7	178.6	178.3	181.3	178.2	178.0	177.1	176.6
Farm value-retail cost (%)	40.5	40.3	35.9	34.7	34.8	33.6	34.4	34.5	35.3	35.7
Dairy products										
Retail cost (1982-84=100)	128.5	129.4	131.7	131.3	132.1	132.8	132.2	132.9	132.8	132.3
Farm value (1982-84=100)	95.8	93.0	94.5	92.3	91.9	91.8	88.7	89.1	91.5	90.9
Farm-retail spread (1982-84=100)	158.7	162.9	166.1	167.3	169.1	170.6	172.3	173.3	170.9	170.4
Farm value-retail cost (%)	35.8	34.5	34.4	33.7	33.4	33.2	32.2	32.2	33.0	33.0
Poultry										
Retail cost (1982-84=100)	131.4	136.9	141.5	143.3	142.3	141.6	142.9	142.5	142.8	145.9
Farm value (1982-84=100)	104.0	111.5	114.6	116.8	105.5	106.3	107.9	112.8	120.5	124.4
Farm-retail spread (1982-84=100)	163.0	166.2	172.6	173.8	184.6	182.3	183.2	176.7	168.4	170.6
Farm value-retail cost (%)	42.4	43.6	43.3	43.6	39.7	40.2	40.4	42.4	45.2	45.6
Eggs										
Retail cost (1982-84=100)	108.3	117.1	114.3	113.9	112.0	110.0	109.6	114.5	125.8	122.7
Farm value (1982-84=100)	77.8	88.9	83.5	82.0	86.3	74.4	76.6	82.5	88.7	94.4
Farm-retail spread (1982-84=100)	163.2	167.8	169.4	171.3	158.2	173.9	168.8	172.0	192.5	173.6
Farm value-retail cost (%)	46.1	48.8	47.0	46.2	49.5	43.5	44.9	46.3	45.3	49.4
Cereal & bakery products										
Retail cost (1982-84=100)	151.5	156.6	164.2	164.8	166.9	166.6	167.5	168.2	168.8	168.4
Farm value (1982-84=100)	94.2	91.8	102.6	99.1	99.7	102.4	106.5	111.0	112.7	115.8
Farm-retail spread (1982-84=100)	159.5	165.6	171.5	174.0	176.3	175.6	176.0	176.2	176.6	175.7
Farm value-retail cost (%)	7.6	7.2	7.7	7.4	7.3	7.5	7.8	8.1	8.2	8.4
Fresh fruits										
Retail cost (1982-84=100)	189.6	195.8	208.8	212.5	218.0	228.9	222.9	223.4	230.4	239.7
Farm value (1982-84=100)	122.4	134.8	119.4	124.7	126.0	132.3	136.8	120.4	133.4	138.2
Farm-retail spread (1982-84=100)	220.6	224.0	250.1	253.1	260.5	273.5	262.6	271.0	275.2	286.6
Farm value-retail cost (%)	20.4	21.7	18.1	18.5	18.3	18.3	19.4	17.0	18.3	18.2
Fresh vegetables										
Retail costs (1982-84=100)	157.9	168.4	172.3	163.5	220.4	203.5	194.9	188.7	175.4	181.7
Farm value (1982-84=100)	120.6	127.1	121.1	99.5	210.8	157.1	130.6	113.8	100.6	131.2
Farm-retail spread (1982-84=100)	177.1	189.7	198.6	196.4	225.3	227.4	228.0	227.2	213.8	207.7
Farm value-retail cost (%)	25.9	25.6	23.9	20.7	32.5	26.2	22.8	20.5	19.5	24.5
Processed fruits & vegetables										
Retail cost (1982-84=100)	133.7	131.5	134.5	134.5	137.2	137.6	137.8	138.8	139.3	138.0
Farm value (1982-84=100)	128.6	107.0	112.5	112.5	115.7	116.2	118.3	117.0	117.7	113.0
Farm-retail spread (1982-84=100)	135.3	139.2	141.3	141.4	143.9	144.3	143.9	145.6	146.0	145.8
Farm value-retail costs (%)	22.9	19.3	19.9	19.9	20.0	20.1	20.4	20.0	20.1	19.5
Fats & oils										
Retail cost (1982-84=100)	129.8	130.0	133.5	134.2	137.2	137.1	136.4	138.0	137.5	137.4
Farm value (1982-84=100)	93.1	107.5	125.5	118.3	119.9	117.6	120.9	126.2	120.1	117.9
Farm-retail spread (1982-84=100)	143.4	138.2	136.5	140.0	143.6	144.3	142.1	142.3	143.9	144.6
Farm value-retail cost (%)	19.3	22.3	25.3	23.7	23.5	23.1	23.8	24.6	23.5	23.1
	Annual			1994		1995				
	1992	1993	1994	Oct	May	June	July	Aug	Sept	Oct
Beef, Choice										
Retail price 2/ (cts./lb.)	284.6	293.4	282.9	277.9	282.2	283.4	287.4	284.4	283.5	285.3
Wholesale value 3/ (cts.)	179.6	182.5	166.7	159.2	160.4	165.6	158.5	157.8	162.6	165.5
Net farm value 4/ (cts.)	161.8	164.1	145.5	136.8	132.9	134.1	129.1	129.6	133.4	134.3
Farm-retail spread (cts.)	122.8	129.3	137.4	141.1	149.3	149.3	158.3	154.8	150.1	151.0
Wholesale-retail 5/ (cts.)	105.0	110.9	116.2	118.7	121.8	117.8	128.9	126.6	120.9	119.8
Farm-wholesale 6/ (cts.)	17.8	18.4	21.2	22.4	27.5	31.5	29.4	28.2	29.2	31.2
Farm value-retail price (%)	57	56	51	49	47	47	45	46	47	47
Pork										
Retail price 2/ (cts./lb.)	198.0	197.6	198.0	197.3	191.0	189.0	191.4	197.3	198.0	202.4
Wholesale value 3/ (cts.)	98.9	102.8	98.9	91.6	92.9	99.2	101.6	106.1	106.8	107.9
Net farm value 4/ (cts.)	67.8	72.5	62.9	50.7	59.4	68.8	74.7	78.3	76.7	72.2
Farm-retail spread (cts.)	130.2	125.1	135.1	146.6	131.6	120.2	116.7	119.0	121.3	130.2
Wholesale-retail 5/ (cts.)	99.1	94.8	99.1	105.7	98.1	89.8	89.8	91.2	91.2	94.5
Farm-wholesale 6/ (cts.)	31.1	30.3	36.0	40.9	33.5	30.4	26.9	27.8	30.1	35.7
Farm value-retail price (%)	34	37	32	26	31	36	39	40	39	36

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

Information contacts: Veronica Jones (202) 219-0501, Larry Duewer (202) 501-8522.



Table 9—Price Indexes of Food Marketing Costs

See the November 1995 issue.

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

## Livestock &amp; Products

Table 10—U.S. Meat Supply &amp; 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	76.36
1994	529	24,386	2,371	27,286	1,611	548	25,127	67.5	68.84
1995 F	548	25,124	2,165	27,837	1,880	475	25,482	67.8	66.22
1996 F	475	25,858	2,125	28,458	2,120	475	25,863	68.1	63-67
Pork									
1993	385	17,088	740	18,213	435	359	17,419	52.3	46.10
1994	359	17,696	743	18,798	531	438	17,829	53.1	40.03
1995 F	438	17,860	655	18,953	785	400	17,768	52.3	42.06
1996 F	400	18,363	650	19,413	900	400	18,113	52.9	38-40
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	0.9	70.53
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	284	59	354	7	10	337	1.1	76.44
1996 F	10	266	53	329	8	11	310	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	43,588	2,879	47,470	2,672	890	43,908	122.4	---
1996 F	890	44,813	2,828	48,531	3,028	891	44,612	123.1	---
Broilers									
1993	368	22,016	0	22,384	1,965	358	20,059	68.4	55.2
1994	358	23,666	0	24,024	2,875	458	20,690	69.8	55.7
1995 F	458	24,831	0	25,289	3,784	475	21,031	70.4	55.7
1996 F	475	26,448	0	26,923	4,015	530	22,378	74.2	51-54
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	496	0	510	93	10	408	1.5	---
1996 F	10	510	0	520	94	10	416	1.6	---
Turkeys									
1993	272	4,798	0	5,070	244	249	4,577	17.8	62.6
1994	249	4,937	0	5,186	281	254	4,651	17.8	65.7
1995 F	254	5,074	0	5,328	328	275	4,726	18.0	66.2
1996 F	275	5,292	0	5,567	345	300	4,922	18.6	60-65
Total poultry									
1993	650	27,329	0	27,979	2,265	615	25,097	87.9	---
1994	615	29,113	0	29,728	3,247	727	25,754	89.3	---
1995 F	727	30,402	0	31,129	4,204	760	26,164	90.0	---
1996 F	760	32,250	0	33,010	4,454	840	27,716	94.3	---
Red meat & poultry									
1993	1,408	68,088	3,195	72,691	3,984	1,515	67,190	207.7	---
1994	1,515	71,796	3,163	76,474	5,398	1,730	69,346	212.0	---
1995 F	1,730	73,990	2,879	78,599	6,876	1,650	70,072	212.3	---
1996 F	1,650	77,063	2,828	81,541	7,482	1,731	72,328	217.5	---

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

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



Table 11—U.S. Egg Supply &amp; Use

	Beg. stocks	Production	Imports	Total supply	Exports	Hatching use	Ending stocks	Consumption		
								Total	Per capita	Wholesale price*
									No.	
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	6,179.5	4.3	6,198.7	190.1	836.5	12.0	5,160.1	235.4	70.5
1996 F	12.0	6,320.0	4.0	6,336.0	193.0	870.0	12.0	5,261.0	237.7	64-68

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

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

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

	Production	Farm use	Commercial			Total commercial supply	CCC net removals	Commercial		All milk price 1/	CCC net removals	
			Farm marketings	Beg. stocks	Imports			Ending stocks	Disappearance		Skim solids basis	Total solids basis 2/
			Billion pounds (milkfat basis)						\$/cwt		Billion pounds	
1987	142.7	2.3	140.5	4.1	2.5	147.1	6.8	4.6	135.7	12.54	9.3	8.3
1988	145.0	2.2	142.8	4.6	2.4	149.8	9.1	4.3	136.4	12.26	5.5	6.9
1989	143.9	2.1	141.8	4.3	2.5	148.6	9.4	4.1	135.0	13.56	0.4	4.0
1990	147.7	2.0	145.7	4.1	2.7	152.5	9.0	5.1	138.3	13.68	1.6	4.6
1991	147.7	2.0	145.7	5.1	2.6	153.4	10.4	4.5	138.6	12.24	3.9	6.5
1992	150.9	1.9	149.0	4.5	2.5	155.9	9.9	4.7	141.3	13.09	2.0	5.2
1993	150.6	1.8	148.8	4.7	2.8	156.3	6.7	4.6	145.1	12.86	3.9	5.0
1994	153.6	1.8	151.9	4.6	2.9	159.3	4.8	4.3	150.3	13.05	3.8	4.2
1995 F	156.5	1.7	154.8	4.3	2.9	162.0	2.2	4.2	155.6	12.85	4.9	3.8

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 &amp; Eggs

	Annual			1994	1995					
	1992	1993	1994	Sept	Apr	May	June	July	Aug	Sep
Broilers										
Federally inspected slaughter, certified (mil. lb.)	21,052.4	22,178.1	23,846.2	2,079.1	1,912.6	2,212.9	2,230.1	1,937.0	2,181.0	2,049.7
Wholesale price, 12-city (cts./lb.)	52.6	55.2	55.8	55.8	51.5	52.9	55.9	58.8	61.7	61.5
Price of grower feed (\$/ton) 1/	125	130.1	135.2	122	126	127	131	138	137	139
Broiler-feed price ratio 2/	5.1	5.3	5.2	5.8	5.1	5.1	5.0	5.0	5.4	5.5
Stocks beginning of period (mil. lb.)	300.4	367.9	357.9	411.2	486.7	514.2	519.3	527.7	503.4	489.3
Broiler-type chicks hatched (mil.) 3/	6,892.8	7,220.8	7,549.8	625.9	662.4	689.6	669.4	672.8	672.8	634.3
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	4,828.9	4,847.7	4,992.2	447.7	371.9	443.4	482.1	413.1	451.1	423.0
Wholesale price, Eastern U.S., 8-16 lb. young hens (cts./lb.)	60.2	62.6	65.7	69.0	60.1	60.6	62.8	64.8	68.5	72.9
Price of turkey grower feed (\$/ton) 1/	117.3	118.8	125.5	115	120	121	125	133	133	137
Turkey-feed price ratio 2/	6.4	6.6	6.6	7.4	6.4	6.3	6.3	6.0	6.3	6.4
Stocks beginning of period (mil. lb.)	264.1	271.7	249.1	623.4	444.4	480.4	553.4	618.6	673.0	678.2
Poults placed in U.S. (mil.)	307.8	308.9	317.5	23.9	26.9	29.5	29.9	29.1	26.6	23.1
Eggs										
Farm production (mil.)	70,860	72,037	74,119	6,125	6,173	6,244	5,997	6,132	6,130	5,976
Average number of layers (mil.)	279	285	292	293	294	291	288	285	286	288
Rate of lay (eggs per layer on farms)	253.9	253.0	254.1	20.9	21.0	21.5	20.8	21.5	21.5	20.7
Cartoned price, New York, grade A large (cts./doz.) 4/	65.4	72.5	67.2	63.8	66.6	59.4	64.8	75.6	72.8	79.4
Price of laying feed (\$/ton) 1/	135.5	134.2	144.4	132	135	144	148	152	146	148
Egg-feed price ratio 2/	8.5	9.4	8.5	9.2	9.2	7.8	7.8	8.0	8.7	9.0
Stocks, first of month										
Shell (mil. doz.)	0.63	0.45	0.30	0.42	0.21	0.24	0.15	0.18	0.24	0.57
Frozen (mil. doz.)	12.3	13.0	10.4	15.0	14.0	13.2	13.8	17.4	15.6	13.7
Replacement chicks hatched (mil.)	391	406	379	30.9	34.1	36.3	33.4	28.7	30.4	32.1

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

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



Table 14—Dairy

	Annual			1994	1995					
	1992	1993	1994	Sept	Apr	May	June	July	Aug	Sept
Milk prices, Minnesota-Wisconsin, 3.5% fat (\$/cwt) 1/	11.88	11.80	12.00	12.04	11.16	11.12	11.42	11.23	11.55	12.08
Wholesale prices										
Butter, grade A Chi. (cts./lb.)	82.5	74.4	67.4	71.5	66.5	66.5	69.9	74.5	79.5	80.9
Am. cheese, Wis. assembly pt. (cts./lb.)	131.9	131.5	131.5	135.6	122.8	122.1	126.9	126.7	132.2	141.3
Nonfat dry milk (cts./lb.) 2/	107.1	112.0	107.9	106.6	107.6	106.8	106.7	106.7	106.7	107.2
USDA net removals 3/										
Total milk equiv. (mil. lb.) 4/	9,932.3	6,649.8	4,803.9	-22.6	296.1	293.4	160.1	104.3	77.1	60.6
Butter (mil. lb.)	439.5	288.8	204.3	-3.2	11.6	11.7	6.2	3.7	2.5	1.9
Am. cheese (mil. lb.)	14.4	8.3	6.9	1.7	0.6	0.4	0.4	0.4	0.6	0.4
Nonfat dry milk (mil. lb.)	136.7	304.3	290.0	20.5	45.3	44.8	22.9	24.1	26.1	17.8
Milk										
Milk prod. 22 States (mil. lb.)	127,439	126,956	132,240	10,689	11,477	11,936	11,461	11,412	11,128	10,798
Milk per cow (lb.)	15,714	15,836	16,334	1,318	1,417	1,475	1,414	1,408	1,372	1,331
Number of milk cows (1,000)	8,110	8,017	8,096	8,109	8,097	8,093	8,104	8,106	8,109	8,113
U.S. milk production (mil. lb.)	150,885	150,582	153,626	6/ 12,360	6/ 13,325	6/ 13,857	6/ 13,306	6/ 13,196	6/ 12,867	6/ 12,486
Stock, beginning										
Total (mil. lb.)	15,841	14,215	9,570	9,048	6,024	6,151	6,218	6,151	6,078	5,428
Commercial (mil. lb.)	4,461	4,688	4,550	4,885	4,858	5,032	5,275	5,351	5,550	5,020
Government (mil. lb.)	11,379	9,526	5,020	4,162	1,166	1,119	942	800	528	408
Imports, total (mil. lb.)	2,524	2,807	2,880	239	190	232	214	258	231	---
Commercial disappearance (mil. lb.)	141,355	145,041	150,226	12,752	12,903	13,408	13,143	12,985	13,386	---
Butter										
Production (mil. lb.)	1,365.2	1,315.2	1,295.9	91.2	119.3	116.5	99.5	82.9	78.6	82.2
Stocks, beginning (mil. lb.)	539.4	447.7	234.7	206.6	74.8	79.1	81.3	79.2	68.3	50.2
Commercial disappearance (mil. lb.)	944.2	1,040.6	1,097.3	96.7	101.9	95.3	89.9	77.7	89.4	---
American cheese										
Production (mil. lb.)	2,936.6	2,957.3	2,977.0	244.1	258.9	273.3	264.4	259.4	246.5	251.3
Stocks, beginning (mil. lb.)	318.7	346.7	358.7	327.9	331.4	335.3	344.4	339.9	341.7	339.5
Commercial disappearance (mil. lb.)	2,902.7	2,945.5	3,034.1	260.4	255.3	267.2	269.5	241.1	269.7	---
Other cheese										
Production (mil. lb.)	3,551.7	3,570.9	3,753.1	321.4	305.0	324.2	323.1	301.4	312.7	324.4
Stocks, beginning (mil. lb.)	97.5	120.9	107.0	147.2	135.3	131.0	121.6	126.0	121.0	118.8
Commercial disappearance (mil. lb.)	3,795.4	3,884.3	4,047.9	353.7	331.2	357.7	344.5	332.4	338.7	---
Nonfat dry milk										
Production (mil. lb.)	872.1	954.5	1,215.6	80.9	116.5	130.0	122.3	102.1	83.6	76.9
Stocks, beginning (mil. lb.)	214.8	81.2	89.6	152.4	125.4	154.5	154.8	164.2	161.7	121.6
Commercial disappearance (mil. lb.)	720.5	648.7	903.0	82.9	41.7	83.4	86.5	79.8	95.7	---
Frozen dessert										
Production (mil. gal.) 5/	1,195.8	1,198.3	1,244.8	100.1	105.2	112.7	125.5	122.4	123.6	97.8

	Annual			1994				1995		
	1992	1993	1994	I	II	III	IV	I	II	III
Milk production (mil. lb.)	150,885	150,582	153,626	37,560	39,916	38,217	37,933	38,950	40,484	38,485
Milk per cow (lb.)	15,574	15,704	16,129	3,951	4,188	4,007	3,983	4,093	4,254	4,043
No. of milk cows (1,000)	9,688	9,589	9,525	9,506	9,530	9,539	9,524	9,517	9,516	9,520
Milk-feed price ratio	1.69	1.64	1.62	1.65	1.58	1.57	1.67	1.66	1.61	1.59
Returns over concentrate costs (\$/cwt milk)	9.95	9.54	9.65	10.10	9.60	9.15	9.75	9.40	9.15	9.10

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	III
U.S. wool price, (cts./lb.) 1/	204	137	212	153	219	238	238	254	289	249
Imported wool price, (cts./lb.) 2/	210	142	216	171	192	200	222	259	275	252
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	NA
Carpet wool (1,000 lb.)	14,695	15,431	14,400	4,450	3,484	3,640	3,165	3,050	3,748	NA

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

Information contact: John Lawler (202) 501-7162.



Table 16—Meat Animals

	Annual			1994	1995					
	1992	1993	1994	Sep	Apr	May	Jun	Jul	Aug	Sep
Cattle on feed (7 States)										
Number on feed (1,000 head) 1/	8,397	9,163	9,370	7,486	8,992	8,790	8,630	8,113	7,699	7,453
Placed on feed (1,000 head)	20,508	20,474	19,997	2,060	1,435	1,738	1,413	1,428	1,723	2,262
Marketings (1,000 head)	18,548	19,048	19,602	1,656	1,557	1,827	1,868	1,787	1,919	1,696
Other disappearance (1,000 head)	1,194	1,219	895	50	80	71	62	55	50	51
Market prices (\$/cwt)										
Slaughter Cattle										
Choice steers, 1,100–1,300 lb.										
Texas	75.71	77.02	73.78	66.79	67.54	64.27	63.08	61.81	61.95	63.80
Neb. Direct	75.35	76.36	68.84	66.21	66.63	63.72	63.74	62.54	62.18	63.23
Boning utility cows, Sioux Falls	44.84	47.52	42.51	40.56	38.47	36.94	36.13	34.27	36.39	34.13
Feeder steers										
Medium no. 1, Oklahoma City										
600–650 lb.	----	91.72	83.24	76.63	76.69	72.13	68.94	68.78	68.84	65.69
750–800 lb.	----	86.45	77.72	73.66	65.41	64.83	67.06	66.20	66.28	66.03
Slaughter hogs										
Barrows & gilts, 230–250 lb.										
Iowa, S. Minn.	43.03	46.10	40.03	35.86	36.04	37.42	43.28	47.69	49.68	48.89
6 markets	42.31	45.38	39.57	35.46	35.77	37.16	42.79	47.10	49.43	48.44
Feeder pigs										
S. Mo. 40–50 lb. (per head)	31.71	40.66	31.47	24.71	36.96	31.66	30.16	28.87	30.00	33.29
Slaughter sheep & lambs										
Lambs, Choice, San Angelo	61.00	65.85	66.77	76.08	68.58	77.20	81.63	83.70	87.00	80.00
Ewes, Good, San Angelo	35.24	37.46	40.47	38.44	35.31	32.65	35.06	34.40	33.29	32.13
Feeder lambs										
Choice, San Angelo	62.21	69.32	69.70	67.94	78.81	84.95	82.63	79.80	81.67	80.84
Wholesale meat prices, Midwest										
Boxed beef cut-out value										
Choice, 700–800 lb.	116.02	117.71	106.73	102.16	103.25	104.59	108.16	103.24	101.78	104.12
Select, 700–800 lb.	111.66	113.53	102.08	96.72	99.76	95.04	99.20	95.79	92.98	95.61
Canner & cutter cow beef	93.85	95.43	84.39	79.82	72.91	70.86	74.05	69.18	68.23	64.34
Pork cutout, No. 2	58.37	62.19	57.29	54.61	51.64	54.14	60.98	63.66	67.91	67.10
Pork loins, 14–18 lb.	101.41	107.47	101.50	105.34	93.33	103.50	118.81	124.65	127.98	117.63
Pork bellies, 12–14 lb.	30.39	41.62	40.00	31.50	33.83	31.70	37.94	43.10	52.42	54.43
Hams, skinned, 20–26 lb.	66.67	66.90	55.60	49.22	44.00	41.82	48.40	59.64	64.27	70.92
All fresh beef retail price	266.41	271.45	265.02	262.08	260.13	261.47	257.45	258.14	256.44	255.65
Commercial slaughter (1,000 head) 2/										
Cattle	32,874	33,324	34,196	2,942	2,650	3,123	3,243	2,930	3,220	3,082
Steers	17,138	17,222	18,027	1,562	1,401	1,703	1,779	1,595	1,730	1,578
Heifers	9,236	9,358	9,589	838	765	887	923	869	936	946
Cows	5,846	6,086	5,941	484	434	474	479	414	492	498
Bulls & stags	653	659	641	58	50	59	62	52	62	60
Calves	1,371	1,195	1,268	109	98	117	118	114	124	122
Sheep & lambs	5,496	5,182	4,938	400	440	371	360	310	372	360
Hogs	94,889	93,068	95,697	8,382	7,547	8,193	7,906	7,075	8,265	7,924
Barrows & gilts	89,964	88,387	90,758	7,961	7,208	7,807	7,484	6,684	7,829	7,548
Commercial production (mil. lb.)										
Beef	22,968	22,942	24,278	2,135	1,849	2,184	2,279	2,082	2,308	2,212
Veal	299	267	283	23	22	26	26	24	26	26
Lamb & mutton	343	329	304	23	28	23	22	19	23	21
Pork	17,184	17,030	17,658	1,539	1,405	1,525	1,464	1,299	1,503	1,438

	Annual			1994			1995			
	1992	1993	1994	II	III	IV	I	II	III	IV
Cattle on feed (13 States)										
Number on feed (1,000 head) 1/	10,135	10,974	11,196	10,734	9,124	9,252	10,606	10,688	9,558	9,403
Placed on feed (1,000 head)	24,251	24,102	23,449	4,675	6,315	7,087	5,914	5,249	6,233	---
Marketings (1,000 head)	21,981	22,376	22,979	5,951	5,996	5,473	5,545	6,107	6,196	---
Other disappearance (1,000 head)	1,431	1,504	1,060	334	191	260	287	272	192	---
Hogs & pigs (U.S.) 3/										
Inventory (1,000 head) 1/	57,649	58,202	57,904	57,350	60,715	62,320	59,992	58,465	60,160	61,060
Breeding (1,000 head) 1/	7,229	7,109	7,130	7,210	7,565	7,415	7,061	6,998	7,245	7,068
Market (1,000 head) 1/	50,420	51,093	50,739	50,140	53,150	54,905	52,932	51,467	52,915	53,992
Farrowings (1,000 head)	12,272	11,982	12,376	3,389	3,107	2,995	2,886	3,260	3,006	2,999
Pig crop (1,000 head)	99,142	97,050	101,400	27,976	25,547	24,509	23,860	27,120	25,000	---

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 &amp; Products

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

	Area			Yield	Production	Total supply 4/	Feed & residual	Other domestic use	Exports	Total use	Ending stocks	Farm price 5/
	Set aside 3/	Planted	Harvested									
	Mil. acres			Bu./acre				Mil. bu.				\$/bu.
Wheat												
1990/91	7.5	77.0	69.1	39.5	2,730	3,303	482	883	1,069	2,435	868	2.61
1991/92	15.9	69.9	57.8	34.3	1,980	2,889	244	887	1,282	2,414	475	3.00
1992/93	7.3	72.2	62.8	39.3	2,467	3,012	194	934	1,354	2,481	531	3.24
1993/94	5.7	72.2	62.7	38.2	2,396	3,036	272	968	1,228	2,467	568	3.26
1994/95*	5.2	70.3	61.8	37.6	2,321	2,981	345	942	1,188	2,475	507	3.45
1995/96*	4.3	69.1	60.9	35.9	2,183	2,790	225	970	1,200	2,395	395	4.20-4.50
Rice				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	6.68
1991/92	0.9	2.9	2.8	5,731.0	159.4	189.2	—	6/ 95.4	66.4	161.8	27.4	7.58
1992/93	0.4	3.2	3.1	5,736.0	179.7	213.2	—	6/ 96.7	77.0	173.7	39.4	5.89
1993/94	0.7	2.9	2.8	5,510.0	156.1	202.5	—	6/ 101.5	75.2	176.7	25.8	7.98
1994/95*	0.3	3.4	3.3	5,964.0	197.8	230.9	—	6/ 98.6	100.9	199.5	31.4	6.74
1995/96*	0.5	3.1	3.1	5,635.0	174.2	213.9	—	6/ 104.2	86.0	190.2	23.7	7.00-8.00
Corn				Bu./acre				Mil. bu.				\$/bu.
1990/91	10.7	74.2	67.0	118.5	7,934	9,282	4,663	1,373	1,725	7,761	1,521	2.28
1991/92	7.4	76.0	68.8	108.6	7,475	9,016	4,877	1,454	1,584	7,915	1,100	2.37
1992/93	5.3	79.3	72.1	131.5	9,477	10,584	5,296	1,511	1,663	8,471	2,113	2.07
1993/94	10.9	73.2	62.9	100.7	6,336	8,470	4,704	1,588	1,328	7,620	850	2.50
1994/95*	2.4	79.2	72.9	138.6	10,103	10,963	5,534	1,693	2,177	9,404	1,558	2.26
1995/96*	6.4	71.4	64.8	113.7	7,374	8,942	4,575	1,700	2,050	8,325	617	2.95-3.35
Sorghum				Bu./acre				Mil. bu.				\$/bu.
1990/91	3.3	10.5	9.1	63.1	573	793	410	9	232	651	143	2.12
1991/92	2.5	11.1	9.9	59.3	585	727	374	8	292	674	53	2.25
1992/93	2.0	13.2	12.1	72.6	875	928	469	8	277	753	175	1.89
1993/94	2.3	9.9	8.9	59.9	534	709	453	8	202	662	48	2.31
1994/95*	1.6	9.8	9.0	73.0	655	703	402	7	223	631	71	2.13
1995/96*	1.4	9.2	8.2	56.4	464	535	315	7	170	492	43	2.85-3.25
Barley				Bu./acre				Mil. bu.				\$/bu.
1990/91	2.9	8.2	7.5	56.1	422	596	205	176	81	461	135	2.14
1991/92	2.2	8.9	8.4	55.2	464	624	225	176	94	496	129	2.10
1992/93	2.3	7.8	7.3	62.5	455	595	192	171	80	444	151	2.04
1993/94	2.5	7.8	6.8	58.9	398	621	241	175	66	482	139	1.99
1994/95*	2.7	7.2	6.7	56.2	375	580	226	175	66	467	113	2.03
1995/96*	2.3	6.7	6.3	57.6	361	529	215	175	50	440	89	2.60-2.90
Oats				Bu./acre				Mil. bu.				\$/bu.
1990/91	0.2	10.4	5.9	60.1	358	578	286	120	1	407	171	1.14
1991/92	0.6	8.7	4.8	50.6	244	490	235	125	2	362	128	1.21
1992/93	0.7	7.9	4.5	65.4	294	477	233	125	6	364	113	1.32
1993/94	0.8	7.9	3.8	54.4	207	427	193	125	3	321	106	1.36
1994/95*	0.6	6.6	4.0	57.1	229	428	201	125	1	327	101	1.22
1995/96*	0.6	6.3	3.0	55.2	163	369	155	125	1	281	88	1.55-1.65
Soybeans				Bu./acre				Mil. bu.				\$/bu.
1990/91	0.0	57.8	56.5	34.1	1,926	2,168	7/ 95	1,187	557	1,839	329	5.74
1991/92	0.0	59.2	58.0	34.2	1,987	2,319	7/ 103	1,254	684	2,041	278	5.58
1992/93	0.0	59.2	58.2	37.6	2,190	2,471	7/ 130	1,279	770	2,179	292	5.56
1993/94	0.0	60.1	57.3	32.6	1,871	2,170	7/ 96	1,276	589	1,961	209	6.40
1994/95*	0.0	61.7	60.9	41.4	2,517	2,731	7/ 153	1,405	838	2,396	335	5.45
1995/96*	0.0	62.6	61.7	35.4	2,183	2,523	7/ 113	1,395	800	2,308	215	6.30-7.30
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*	—	—	—	—	15,613	16,733	—	12,908	2,690	15,598	1,135	27.58
1995/96*	—	—	—	—	15,695	16,840	—	13,050	1,950	15,000	1,840	23.5-27.5
Soybean meal								1,000 tons				\$/ton
1990/91	—	—	—	—	28,325	28,688	—	22,934	5,469	28,403	285	181.40
1991/92	—	—	—	—	29,831	30,183	—	23,008	6,945	29,953	230	189.20
1992/93	—	—	—	—	30,364	30,687	—	24,251	6,232	30,483	204	193.75
1993/94	—	—	—	—	30,514	30,788	—	25,283	5,356	30,639	150	192.86
1994/95*	—	—	—	—	33,271	33,484	—	26,585	6,675	33,260	224	162.55
1995/96*	—	—	—	—	33,041	33,325	—	27,000	6,100	33,100	225	197.5-222.5

See footnotes at end of table.



Table 17—Supply &amp; Utilization (continued)

	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			Lb./acre		Mil. bales			Cts./lb.			
Cotton 9/												
1990/91	2.0	12.3	11.7	634	15.5	18.5	---	8.7	7.8	16.5	2.3	67.10
1991/92	1.2	14.1	13.0	652	17.6	20.0	---	9.6	6.7	16.3	3.7	58.10
1992/93	1.7	13.2	11.1	700	16.2	19.9	---	10.3	5.2	15.5	4.7	54.90
1993/94	1.4	13.4	12.8	606	16.1	20.8	---	10.4	6.9	17.3	3.5	58.40
1994/95*	1.7	13.7	13.3	708	19.7	23.2	---	11.2	9.4	20.6	2.7	73.00
1995/96*	0.3	16.8	16.0	567	18.8	21.5	---	11.0	6.8	17.8	3.7	10/ 75.20

\*November 9, 1995 Supply & Demand Estimates. 1/ Marketing year beginning June 1 for wheat, barley, & oats, August 1 for cotton & rice, September 1 for soybean 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 48 percent, Decatur. 9/ Upland & extra long staple. Stocks estimates based on Census Bureau data, resulting in an unaccounted difference between supply & use estimates & changes in ending stocks. 10/ Weighed averaged for August through September. — = not available or not applicable.

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	Sept	May	June	July	Aug	Sept
Wheat, No. 1 HRW, Kansas City (\$/bu.) 2/	2.94	3.77	3.67	3.60	4.05	4.22	4.72	4.98	4.76	5.00
Wheat, DNS, Minneapolis (\$/bu.) 3/	3.06	3.82	3.91	5.02	4.27	4.61	4.89	5.52	5.06	5.27
Rice, S.W. La. (\$/cwt) 4/	15.25	16.50	13.30	20.25	14.65	15.05	17.05	17.30	17.25	17.80
Corn, no. 2 yellow, 30 day, Chicago (\$/bu.)	2.41	2.52	2.22	2.68	2.17	2.58	2.73	2.87	2.80	2.89
Sorghum, no. 2 yellow, Kansas City (\$/cwt)	4.08	4.36	3.74	4.37	3.72	4.27	4.50	4.93	4.85	5.08
Barley, feed, Duluth (\$/bu.)	2.13	2.17	2.11	2.05	2.04	2.11	2.22	2.25	2.09	2.06
Barley, malting, Minneapolis (\$/bu.)	2.42	2.38	2.37	2.48	2.57	—	3.15	3.69	3.22	3.58
U.S. cotton price, SLM, 1-1/16 in. (cts./lb.) 5/	74.8	56.7	54.1	66.1	71.1	105.4	106.9	93.3	85.9	90.0
Northern Europe prices cotton index (cts./lb.) 6/	82.9	62.9	56.9	70.7	75.0	115.1	—	—	85.4	91.2
U.S. M 1-3/32 in. (cts./lb.) 7/	88.2	66.3	62.5	73.1	77.6	121.7	129.0	—	86.9	98.1
Soybeans, no. 1 yellow, 30 day, Chicago (\$/bu.)	5.76	5.75	5.96	5.61	5.58	5.74	5.85	6.17	5.93	6.21
Soybean oil, crude, Decatur (cts./lb.)	21.00	19.10	21.40	25.18	26.15	25.75	26.66	27.51	26.28	26.21
Soybean meal, 48% protein, Decatur (\$/ton)	181.40	189.20	193.75	161.10	174.50	159.10	160.40	170.45	166.70	180.80

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. — = 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, &amp; Payment Rates

	Target price	Basic loan rate	Findley or announced loan rate 1/	Payment rates		Effective base acres 2/	Program 3/	Participation rate 4/
				Total deficiency	Paid land diversion			
					Mandatory	Optional		
				\$/bu.			Percent of base	Percent of base
Wheat								
1990/91 5/	4.00	2.44	1.95	1.28	---	---	6/ 5/0/0	83
1991/92	4.00	2.52	2.04	*1.35	---	---	15/0/0	85
1992/93	4.00	2.58	2.21	0.81	---	---	5/0/0	83
1993/94	4.00	2.86	2.45	1.03	---	---	0/0/0	88
1994/95	4.00	2.72	2.58	**0.95	---	---	0/0/0	87
1995/96	4.00	---	---	***0.70	---	---	0/0/0	---
				\$/cwt				
Rice								
1990/91 5/	10.71	6.50	7/ 5.40	4.16	---	---	20/0/0	95
1991/92	10.71	6.50	7/ 5.85	3.07	---	---	5/0/0	95
1992/93	10.71	6.50	7/ 4.86	4.21	---	---	0/0/0	96
1993/94	10.71	6.50	7/ 5.64	3.98	---	---	5/0/0	97
1994/95	10.71	6.50	7/ ---	**3.89	---	---	0/0/0	95
1995/96	10.71	6.50	7/ ---	***4.21	---	---	5/0/0	---
				\$/bu.				
Corn								
1990/91 5/	2.75	1.96	1.57	0.51	---	---	10/0/0	78
1991/92	2.75	1.89	1.62	0.41	---	---	7.5/0/0	77
1992/93	2.75	2.01	1.72	0.73	---	---	5/0/0	76
1993/94	2.75	1.99	1.72	0.28	---	---	10/0/0	81
1994/95	2.75	1.99	1.89	**0.57	---	---	0/0/0	82
1995/96	2.75	---	---	***0.40	---	---	7.5/0/0	---
				\$/bu.				
Sorghum								
1990/91 5/	2.61	1.86	1.49	0.56	---	---	10/0/0	70
1991/92	2.61	1.80	1.54	0.37	---	---	7.5/0/0	77
1992/93	2.61	1.91	1.63	0.72	---	---	5/0/0	79
1993/94	2.61	1.89	1.63	0.25	---	---	5/0/0	82
1994/95	2.61	1.89	1.80	**0.59	---	---	0/0/0	81
1995/96	2.61	---	---	***0.39	---	---	0/0/0	---
				\$/bu.				
Barley								
1990/91 5/	2.36	1.60	1.28	0.20	---	---	10/0/0	68
1991/92	2.36	1.54	1.32	0.62	---	---	7.5/0/0	76
1992/93	2.36	1.64	1.40	0.56	---	---	5/0/0	75
1993/94	2.36	1.62	1.40	0.67	---	---	0/0/0	83
1994/95	2.36	1.62	1.54	**0.52	---	---	0/0/0	84
1995/96	2.36	---	---	***0.40	---	---	0/0/0	---
				\$/bu.				
Oats								
1990/91 5/	1.45	1.01	0.81	0.32	---	---	5/0/0	09
1991/92	1.45	0.97	0.83	0.35	---	---	0/0/0	38
1992/93	1.45	1.03	0.88	0.17	---	---	0/0/0	40
1993/94	1.45	1.02	0.88	0.11	---	---	0/0/0	46
1994/95	1.45	1.02	0.97	**0.20	---	---	0/0/0	40
1995/96	1.45	---	---	***0.05	---	---	0/0/0	---
				\$/bu.				
Soybeans 8/								
1990/91 5/	---	---	4.50	---	---	---	---	---
1991/92	---	---	5.02	---	---	---	---	---
1992/93	---	---	5.02	---	---	---	---	---
1993/94	---	---	5.02	---	---	---	---	---
1994/95	---	---	4.92	---	---	---	---	---
1995/96	---	---	4.92	---	---	---	---	---
				Cts./lb.				
Upland cotton								
1990/91 5/	72.9	50.27	9/ 50.27	7.3	---	---	12.5/0/0	86
1991/92 10/	72.9	50.77	9/ 47.23	10.1	---	---	5/0/0	84
1992/93	72.9	52.35	9/ 43.81	20.3	---	---	10/0/0	89
1993/94	72.9	52.35	9/ 47.50	18.6	---	---	7.5/0/0	91
1994/95	72.9	50.00	9/ ---	**4.6	---	---	11/0/0	89
1995/96	72.9	51.92	9/ ---	***3.7	---	---	0/0/0	---

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

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

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

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

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

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

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



Table 20—Fruit

	1987	1988	1989	1990	1991	1992	1993	1994	1995 P
Citrus 1/ Production (1,000 ton)	11,994	12,761	13,186	10,860	11,285	12,452	15,274	14,561	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	—
1995									
	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Grower prices									
Apples (cents/pound) 4/	18.3	18.2	16.6	15.5	15.6	16.8	23.7	27.1	26.1
Pears (cents/pound) 4/	14.4	17.3	18.7	17.7	27.9	17.7	15.2	37.3	34.3
Oranges (\$/box) 5/	3.29	3.77	4.48	4.92	5.21	5.58	7.64	7.21	6.9
Grapefruit (\$/box) 5/	2.24	2.28	1.68	1.37	4.54	6.72	7.85	10.05	4.92
Stocks, ending									
Fresh apples (mil. lbs.)	2,986.0	2,212.1	1,618.9	947.6	596.2	271.9	68.4	3,223.3	—
Fresh pears (mil. lbs.)	149.8	99.1	57.6	21.0	3.0	34.5	176.4	588.0	—
Frozen fruits (mil. lbs.)	1,042.0	925.9	861.5	794.7	881.7	1,014.1	1,059.0	1,027.6	—
Frozen conc. orange juice (mil. single-strength gallons)	687.7	715.0	761.0	748.4	629.0	548.7	507.6	522.7	—

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: Susan Pollack (202) 219-0505, or Agnes Perez (202) 501-6779.

Table 21—Vegetables

	Calendar year									
	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Production										
Total vegetables (1,000 cwt)	448,629	478,379	467,914	543,435	562,938	565,754	677,975	674,940	746,324	—
Fresh (1,000 cwt) 1/ 3/	203,165	220,537	228,191	240,289	240,519	230,689	378,503	373,604	378,350	—
Processed (tons) 2/ 3/	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/	614,393	631,819	667,759	714,992	749,151	746,832	776,357	750,799	780,978	—
Potatoes (1,000 cwt)	361,743	389,320	356,438	370,444	402,110	417,622	425,367	428,693	467,924	444,834
Sweetpotatoes (1,000 cwt)	12,368	11,611	10,945	11,358	12,594	11,203	12,005	11,053	13,395	—
Dry edible beans (1,000 cwt)	22,960	26,031	19,253	23,729	32,379	33,765	22,615	21,913	29,187	30,584
1994										
	Sept	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Shipments (1,000 cwt)										
Fresh	15,934	17,505	17,802	21,121	19,141	28,912	25,829	19,020	18,448	13,897
Iceberg lettuce	3,879	3,835	3,575	2,992	3,086	4,044	3,276	3,221	4,142	2,878
Tomatoes, all	2,661	2,320	2,238	3,691	2,907	3,378	3,165	3,212	2,853	2,829
Dry-bulb onions	3,916	3,510	2,759	3,386	3,043	4,005	2,909	2,806	3,531	2,948
Other 5/	5,478	7,840	8,230	11,052	10,105	17,485	16,479	9,781	7,922	5,242
Potatoes, all	11,549	13,418	12,815	17,818	17,872	20,620	10,905	9,016	10,633	10,548
Sweetpotatoes	241	214	237	291	317	159	166	144	161	197

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.  
— = not available.

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	155.68
Imports, green bean equiv. (mil. lbs.) 2/	2,716	2,555	2,943	2,445	2,048	447	550	491	618	504
1995										
	Annual	Annual	Annual	June	Jan	Feb	Mar	Apr	May	June
Tobacco										
Avg. price to grower 3/ Flue-cured (\$/lb.)	172.6	168.1	169.8	—	—	—	—	—	—	—
Burley (\$/lb.)	181.5	181.5	181.4	—	183.5	182.5	—	—	—	—
Domestic consumption 4/ Cigarettes (bil.)	509.5	462.9	488.6	48.8	38.5	34.5	42.7	36.2	42.5	51.7
Large cigars (mil.)	2,217.1	2,236.8	2,290.8	241.6	159.3	136.4	227.6	194.5	233.6	266.2

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

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



# World Agriculture

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

	1989/90	1990/91	1991/92	1992/93	1993/94 P	1994/95 F	1995/96 F
Million units							
<b>Wheat</b>							
Area (hectares)	225.8	231.4	222.5	223.1	221.1	214.3	216.9
Production (metric tons)	533.2	588.0	542.1	561.8	559.3	522.3	534.9
Exports (metric tons) 1/	103.9	101.0	110.8	112.7	100.1	97.2	96.9
Consumption (metric tons) 2/	532.7	561.5	554.7	549.8	563.5	549.2	550.3
Ending stocks (metric tons) 3/	118.9	145.4	132.8	144.9	140.7	113.8	98.5
<b>Coarse grains</b>							
Area (hectares)	321.1	314.4	318.2	318.8	311.7	315.3	303.7
Production (metric tons)	791.3	821.5	805.0	865.3	790.1	862.8	785.8
Exports (metric tons) 1/	104.5	89.5	96.1	91.5	85.6	95.0	87.1
Consumption (metric tons) 2/	815.6	809.3	804.9	836.9	830.6	850.9	830.8
Ending stocks (metric tons) 3/	122.3	134.5	134.6	162.9	122.1	134.0	88.9
<b>Rice, milled</b>							
Area (hectares)	146.6	146.7	146.0	145.7	144.6	145.6	146.0
Production (metric tons)	343.1	350.5	349.5	352.4	352.7	360.2	358.0
Exports (metric tons) 4/	11.7	12.1	14.1	14.9	16.0	19.5	16.2
Consumption (metric tons) 2/	338.1	345.8	351.6	354.8	357.0	361.5	364.5
Ending stocks (metric tons) 3/	54.1	58.8	56.7	54.3	49.9	48.5	42.0
<b>Total grains</b>							
Area (hectares)	693.5	692.5	686.7	687.6	677.4	675.2	666.6
Production (metric tons)	1,667.6	1,760.0	1,696.6	1,779.5	1,702.1	1,745.3	1,678.7
Exports (metric tons) 1/	220.1	202.6	221.0	219.1	201.7	211.7	200.2
Consumption (metric tons) 2/	1,686.4	1,716.6	1,711.2	1,741.5	1,751.1	1,761.6	1,745.6
Ending stocks (metric tons) 3/	295.3	338.7	324.1	362.1	312.7	296.3	229.4
<b>Oilseeds</b>							
Crush (metric tons)	171.7	176.7	185.1	183.7	188.4	206.6	211.9
Production (metric tons)	212.4	215.7	224.4	227.5	227.4	259.4	253.2
Exports (metric tons)	35.6	33.4	37.6	37.9	37.9	43.5	43.2
Ending stocks (metric tons)	23.7	23.4	21.8	23.3	19.5	25.1	20.0
<b>Meals</b>							
Production (metric tons)	116.8	119.3	125.2	124.5	129.8	141.4	144.2
Exports (metric tons)	39.8	40.7	42.0	41.0	44.5	47.6	48.0
<b>Oils</b>							
Production (metric tons)	57.1	58.1	60.6	60.9	62.3	68.0	70.6
Exports (metric tons)	20.4	20.5	21.3	21.1	23.6	26.7	26.1
<b>Cotton</b>							
Area (hectares)	31.6	33.2	34.8	32.6	30.6	32.0	34.8
Production (bales)	79.7	87.0	96.0	82.8	77.0	85.5	89.3
Exports (bales)	31.3	29.7	28.2	25.6	27.3	28.8	27.5
Consumption (bales)	86.9	85.6	86.0	85.7	85.3	84.4	86.0
Ending stocks (bales)	24.9	27.0	37.4	35.1	27.2	29.9	32.8
	1989	1990	1991	1992	1993	1994 P	1995 F
<b>Red meat</b>							
Production (metric tons)	112.3	113.3	114.9	116.3	117.2	122.0	128
Consumption (metric tons)	110.9	111.4	113.2	113.8	114.9	120.2	126.2
Exports (metric tons) 1/	8.2	7.9	8.1	8.0	7.6	7.6	8.1
<b>Poultry 5/</b>							
Production (metric tons)	33.1	33.8	35.7	37.5	39.7	43.2	44.4
Consumption (metric tons)	32.6	32.6	34.5	36.5	38.0	41.7	43.3
Exports (metric tons) 1/	1.7	2.7	3.0	3.3	4.0	4.8	5.5
<b>Dairy</b>							
Milk production (metric tons)	387.4	395.0	384.9	379.3	378.9	378.6	379.6

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	Sept	Apr	May	June	July	Aug	Sept
Export commodities										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.13	3.83	4.09	4.33	4.05	4.33	4.63	5.18	5.03	5.27
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	2.66	2.62	2.74	2.47	2.79	2.84	3.03	3.22	3.21	3.31
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.63	2.56	2.69	2.36	2.73	2.85	2.99	3.16	3.15	3.31
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	6.01	6.53	6.52	5.91	6.09	6.04	6.20	6.58	6.46	6.75
Soybean oil, Decatur (cts./lb.)	19.16	22.83	27.78	26.14	26.17	25.76	26.67	27.57	26.28	26.20
Soybean meal, Decatur (\$/ton)	177.79	199.18	182.63	174.48	160.16	159.39	160.40	170.45	166.82	180.99
Cotton, 7—market avg. spot (cts./lb.)	53.90	55.36	73.24	71.10	104.94	105.38	106.96	93.01	85.90	90.00
Tobacco, avg. price at auction (cts./lb.)	172.58	172.16	176.93	176.99	152.49	—	—	175.95	175.95	182.97
Rice, f.o.b. mill, Houston (\$/cwt)	16.80	16.12	19.14	15.50	13.75	14.33	16.70	17.90	17.75	18.13
Inedible tallow, Chicago (cts./lb.)	14.37	14.89	17.56	19.50	17.75	17.50	17.77	19.44	19.81	19.69
Import commodities										
Coffee, N.Y. spot (\$/lb.)	0.50	0.59	1.38	2.13	1.63	1.61	1.51	1.49	1.53	1.30
Rubber, N.Y. spot (cts./lb.)	46.25	45.00	59.71	67.15	93.43	89.50	80.60	71.88	68.54	70.70
Cocoa beans, N.Y. (\$/lb.)	0.47	0.47	0.59	0.62	0.62	0.61	0.60	0.58	0.60	0.60

— = not available.

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

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

	1994			1995								
	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	Jul P	Aug P	Sep P
	1990 = 100											
Total U.S. trade	98.0	99.2	101.4	99.9	98.8	94.9	92.7	93.7	93.2	92.7	95.7	95.2
Agricultural trade												
U.S. markets	93.8	94.2	96.7	99.0	98.5	96.7	92.2	91.6	91.7	91.6	94.2	93.5
U.S. competitors	98.4	99.1	100.5	98.7	97.7	95.3	93.4	94.0	93.4	92.3	93.9	93.3
Wheat												
U.S. markets	103.8	102.9	103.3	100.3	100.1	98.3	95.8	95.1	94.6	94.5	96.0	95.4
U.S. competitors	103.1	103.8	104.8	104.3	103.9	102.2	100.2	101.1	101.2	100.0	100.9	100.4
Soybeans												
U.S. markets	89.9	90.6	93.2	95.1	94.4	91.5	87.3	87.4	87.2	87.2	90.5	90.0
U.S. competitors	67.3	66.5	66.3	64.1	63.2	63.8	63.4	62.4	61.8	61.2	60.9	60.5
Corn												
U.S. markets	88.4	88.4	90.3	91.8	91.7	88.9	84.1	84.1	84.1	85.0	88.7	88.3
U.S. competitors	96.3	97.2	98.2	92.3	91.3	88.7	87.1	87.8	86.8	85.6	86.6	85.8
Cotton												
U.S. markets	96.7	96.7	97.7	96.2	95.7	93.8	90.8	90.2	89.9	89.8	91.5	90.9
U.S. competitors	121.2	120.4	120.4	114.9	114.5	113.6	112.0	111.7	110.7	109.3	109.3	108.5

Real indexes adjust nominal exchange rates to avoid the distortion caused by different levels of inflation among countries. A higher value means the dollar has appreciated. "Total U.S. trade" Index uses the Federal Reserve Board index of trade-weighted value of the U.S. dollar against 10 major currencies. Weights are based on relative importance of major U.S. customers & competitors in world markets. Indexes are subject to revision for up to 1 year due to delayed reporting by some countries.

Information contact: Tim Baxter (202) 219-0635 or Andy Jerardo (202) 219-0635.

Table 26—Trade Balance

	Fiscal year 1/								Aug
	1988	1989	1990	1991	1992	1993	1994	1995 F	1995
	\$ million								
Exports									
Agricultural	35,316	39,590	40,220	37,609	42,430	42,589	43,511	53,000	4,385
Nonagricultural	258,656	301,269	326,059	356,682	383,517	390,784	425,506	—	41,109
Total 2/	293,972	340,859	366,279	394,291	425,947	433,373	469,017	—	45,495
Imports									
Agricultural	21,014	21,476	22,560	22,588	24,323	24,454	26,365	29,000	2,367
Nonagricultural	409,138	441,075	458,101	463,720	488,556	537,584	605,332	—	61,672
Total 3/	430,152	462,551	480,661	486,308	512,879	562,038	631,697	—	64,039
Trade balance									
Agricultural	14,302	18,114	17,660	15,021	18,107	18,135	17,146	24,000	2,019
Nonagricultural	-150,482	-139,806	-132,042	-107,038	-105,039	-146,800	-179,826	—	-20,563
Total	-136,180	-121,692	-114,382	-92,017	-86,932	-128,665	-162,680	—	-18,544

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

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



Table 27—U.S. Agricultural Exports &amp; Imports

	Fiscal year*			Aug	Fiscal year*			Aug
	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	—	36	358	469	—	26
Meats & preps., excl. poultry (mt)	1,160	1,316	3/ 1,200	153	3,349	3,503	—	422
Dairy products (mt) 1/	211	188	—	15	762	709	800	71
Poultry meats (mt)	986	1,377	1,800	174	1,031	1,420	—	169
Fats, oils, & greases (mt)	1,362	1,341	1,700	135	519	515	—	64
Hides & skins incl. furskins	—	—	—	—	1,288	1,439	—	139
Cattle hides, whole (no.) 1/	19,786	20,065	—	2,008	1,062	1,128	—	116
Mink pelts (no.) 1/	3,119	3,197	—	176	56	79	—	5
Grains & feeds (mt)	103,701	88,090	—	10,870	14,103	13,130	4/ 16,900	1,709
Wheat (mt)	36,039	31,145	31,000	3,255	4,737	4,026	5/ 5,000	547
Wheat flour (mt)	1,075	1,024	1,200	147	217	201	—	32
Rice (mt)	2,710	2,433	3,600	267	766	889	1,000	85
Feed grains, incl. products (mt)	50,701	40,441	61,800	5,943	5,260	4,744	7,000	754
Feeds & fodders (mt)	11,500	11,380	6/ 13,300	1,146	2,147	2,231	—	208
Other grain products (mt)	1,676	1,667	—	112	976	1,039	—	83
Fruits, nuts, & preps. (mt)	3,398	3,597	—	277	3,409	3,827	4,500	331
Fruit juices incl.								
froz. (1,000 hectoliters) 1/	7,845	7,018	—	647	423	467	—	46
Vegetables & preps. (mt)	2,790	2,920	—	196	3,220	3,489	—	281
Tobacco, unmanufactured (mt)	231	196	—	10	1,443	1,260	1,300	73
Cotton, excl. linters (mt)	1,125	1,566	2,100	69	1,526	2,287	3,700	131
Seeds (mt)	529	490	—	33	648	601	700	36
Sugar, cane or beet (mt) 1/	337	392	—	42	106	130	—	16
Oilseeds & products (mt)	29,190	24,051	—	1,988	7,211	6,856	8,700	558
Oilseeds (mt)	21,044	16,958	—	1,358	4,981	4,559	—	349
Soybeans (mt)	20,400	16,364	22,500	1,270	4,606	4,161	5,000	301
Protein meal (mt)	6,545	5,406	—	448	1,262	1,085	—	77
Vegetable oils (mt)	1,601	1,687	—	183	968	1,213	—	133
Essential oils (mt)	13	15	—	1	185	206	—	18
Other	92	132	—	12	3,008	3,203	—	294
Total	145,125	125,671	163,100	13,975	42,589	43,511	53,000	4,385
IMPORTS								
Animals, live (no.) 1/	3,461	3,141	—	378	1,569	1,360	1,600	128
Meats & preps., excl. poultry (mt)	1,128	1,159	—	92	2,726	2,721	—	197
Beef & veal (mt)	793	776	700	64	1,919	1,822	1,500	125
Pork (mt)	276	318	300	23	663	744	600	59
Dairy products (mt) 1/	231	260	—	26	860	955	1,000	99
Poultry & products 1/	—	—	—	—	137	133	—	15
Fats, oils, & greases (mt)	44	40	—	3	30	26	—	2
Hides & skins, incl. furskins 1/	—	—	—	—	181	195	—	12
Wool, unmanufactured (mt)	59	56	—	4	173	152	—	14
Grains & feeds (mt)	4,942	10,009	7,600	508	1,639	2,328	2,300	189
Fruits, nuts, & preps., excl. juices (mt)	6,089	6,259	6,600	452	2,988	2,996	—	229
Bananas & plantains (mt)	3,737	3,836	4,000	312	1,083	1,057	1,100	94
Fruit juices (1,000 hectoliters) 1/	27,053	32,001	25,600	1,561	640	686	—	50
Vegetables & preps. (mt)	2,733	2,866	—	202	2,440	2,642	3,000	202
Tobacco, unmanufactured (mt)	386	319	200	19	1,101	912	400	58
Cotton, unmanufactured (mt)	12	16	—	4	11	17	—	3
Seeds (mt)	189	309	300	10	214	255	300	14
Nursery stock & cut flowers 1/	—	—	—	—	629	685	—	80
Sugar, cane or beet (mt)	1,569	1,619	1,600	136	591	616	—	56
Oilseeds & products (mt)	2,484	3,219	3,100	239	1,204	1,479	1,600	154
Oilseeds (mt)	373	895	—	37	130	273	—	16
Protein meal (mt)	618	760	—	61	89	108	—	8
Vegetable oils (mt)	1,492	1,564	—	140	985	1,098	—	129
Beverages excl. fruit juices (1,000 hectoliters) 1/	14,014	15,710	—	1,645	1,975	2,122	—	212
Coffee, tea, cocoa, spices (mt)	2,244	2,013	2,000	139	3,018	3,622	5,200	354
Coffee, incl. products (mt)	1,185	969	1,000	68	1,502	2,019	4,000	222
Cocoa beans & products (mt)	770	748	700	51	1,028	1,077	1,100	89
Rubber & allied gums (mt)	981	1,001	1,000	83	839	885	1,600	141
Other	—	—	—	—	1,489	1,578	—	159
Total	—	—	—	—	24,454	26,365	29,000	2,367

\*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*			Aug 1995	Change from year* earlier			Aug 1995
	1993	1994	1995 F		1993	1994	1995 F	
	\$ million				Percent			
WESTERN EUROPE	7,499	6,802	8,500	609	-3	-6	25	35
European Union 1/	7,241	6,557	8,100	590	-2	-7	24	49
Belgium-Luxembourg	482	504	---	48	5	5	---	68
France	613	466	---	45	-1	-24	---	93
Germany	1,146	1,028	---	86	5	-10	---	46
Italy	568	564	---	35	-17	-1	---	42
Netherlands	1,801	1,609	---	124	-1	-11	---	24
United Kingdom	916	931	---	80	4	2	---	8
Portugal	223	224	---	25	-7	0	---	149
Spain, incl. Canary Islands	829	780	---	91	-13	-6	---	146
Other Western Europe	258	274	400	19	-13	9	46	-65
Switzerland	152	154	---	13	-19	1	---	9
EASTERN EUROPE	468	312	300	15	111	-33	-4	-48
Poland	230	111	---	8	368	-52	---	81
Former Yugoslavia	47	98	---	4	-6	107	---	-80
Romania	107	50	---	1	42	-53	---	145
Former Soviet Union	1,561	1,486	1,100	123	-42	-5	-26	48
ASIA	17,832	19,390	2/ 23,500	2,079	0	9	---	28
West Asia (Mideast)	1,922	1,698	2,300	215	9	-12	35	57
Turkey	369	240	---	46	7	-35	---	172
Iraq	1	3	---	0	150	116	---	0
Israel, incl. Gaza & W. Bank	382	361	500	48	10	-6	39	39
Saudi Arabia	463	500	500	22	-16	8	0	-50
South Asia	641	556	---	64	20	-13	---	114
Bangladesh	52	120	---	22	-58	131	---	468
India	226	130	---	9	93	-43	---	10
Pakistan	236	212	500	3	4	-10	136	985
China	322	877	2,500	178	-53	172	185	53
Japan	8,461	9,208	9,900	869	1	9	8	20
Southeast Asia	1,551	1,789	---	186	6	15	---	25
Indonesia	327	408	---	40	-7	25	---	13
Philippines	512	554	700	56	16	8	26	-4
Other East Asia	4,935	5,262	7,400	567	0	7	41	22
Taiwan	1,999	2,103	2,400	173	4	5	14	2
Korea, Rep.	2,041	2,055	3,500	281	-7	1	70	46
Hong Kong	880	1,103	1,500	112	8	25	36	8
AFRICA	2,671	2,237	2,900	283	16	-16	30	46
North Africa	1,659	1,470	2,100	187	18	-11	43	39
Morocco	310	167	---	9	98	-46	---	-25
Algeria	458	608	500	28	-4	33	-18	-50
Egypt	756	613	1,400	149	7	-19	128	148
Sub-Saharan	1,012	766	800	96	13	-24	4	65
Nigeria	158	111	---	23	413	-30	---	661
Rep. S. Africa	383	113	---	25	17	-70	---	61
LATIN AMERICA & CARIBBEAN	6,883	7,252	7,800	768	7	5	8	21
Brazil	231	228	700	29	61	-1	207	154
Caribbean Islands	1,015	952	---	109	5	-6	---	42
Central America	675	729	---	65	15	8	---	-14
Colombia	234	258	---	51	65	10	---	142
Mexico	3,660	4,133	3,500	357	0	13	-15	-6
Peru	172	205	---	53	-4	19	---	486
Venezuela	502	410	500	47	27	-18	22	38
CANADA	5,220	5,261	5,900	464	8	1	12	3
OCEANIA	456	497	700	44	7	9	41	-7
TOTAL	42,589	43,511	53,000	4,385	0	2	22	25
Developed countries	22,337	22,453	25,500	2,054	2	1	14	20
Developing countries	18,357	18,683	23,600	2,026	8	2	26	27
Other countries	1,896	2,375	3,900	305	-56	25	64	52

\*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	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	July 1995	Aug 1995	1993	1994	July 1995	Aug 1995	1993	1994	July 1995	Aug 1995
	\$ million 2/											
<b>NORTH ATLANTIC</b>												
Maine	269	276	22	23	185	207	11	18	453	483	33	41
New Hampshire	66	64	5	5	86	88	6	11	152	152	10	16
Vermont	402	390	31	32	87	91	15	4	489	481	46	37
Massachusetts	121	117	10	10	370	341	23	30	491	459	33	40
Rhode Island	14	12	1	1	67	68	5	4	80	81	6	5
Connecticut	260	251	21	22	214	222	14	8	475	473	35	29
New York	1,882	1,887	151	157	978	971	103	90	2,860	2,858	254	247
New Jersey	197	183	15	15	502	586	73	71	700	768	88	86
Pennsylvania	2,620	2,612	201	235	1,187	1,143	79	84	3,807	3,755	279	319
<b>NORTH CENTRAL</b>												
Ohio	1,656	1,577	132	150	2,835	2,898	277	193	4,491	4,475	409	344
Indiana	1,913	1,765	144	167	3,428	3,072	316	232	5,341	4,838	460	399
Illinois	2,234	2,065	150	192	5,916	6,158	537	342	8,151	8,223	687	534
Michigan	1,368	1,410	115	120	1,959	2,009	155	178	3,328	3,419	270	299
Wisconsin	4,101	3,945	317	335	1,294	1,439	123	146	5,395	5,384	440	481
Minnesota	3,755	3,447	274	318	2,580	3,075	210	222	6,334	6,522	484	540
Iowa	5,784	5,120	388	521	4,606	4,964	414	366	10,390	10,084	802	887
Missouri	2,276	2,452	164	207	1,836	2,072	188	103	4,112	4,524	352	310
North Dakota	600	627	30	36	2,348	2,307	121	165	2,949	2,935	152	201
South Dakota	1,964	1,644	89	110	1,236	1,699	73	140	3,200	3,343	162	249
Nebraska	5,846	5,403	432	490	3,025	3,158	316	241	8,871	8,561	748	731
Kansas	4,857	4,809	343	551	2,478	2,879	613	212	7,335	7,687	957	763
<b>SOUTHERN</b>												
Delaware	467	505	43	50	144	155	11	24	611	660	55	73
Maryland	821	793	71	73	525	551	69	37	1,345	1,345	140	111
Virginia	1,398	1,386	104	126	697	773	94	103	2,095	2,159	198	230
West Virginia	323	329	26	29	81	74	7	9	405	403	33	37
North Carolina	3,190	3,333	263	322	2,829	3,037	295	508	6,019	6,369	558	830
South Carolina	600	615	46	54	649	747	85	120	1,249	1,362	132	174
Georgia	2,549	2,669	190	232	1,684	2,047	124	185	4,232	4,716	314	417
Florida	1,211	1,192	84	100	4,858	4,786	253	212	6,069	5,978	337	313
Kentucky	1,725	1,645	280	96	1,690	1,585	64	41	3,414	3,230	344	136
Tennessee	962	982	71	83	1,064	1,170	48	45	2,026	2,152	119	128
Alabama	2,129	2,159	159	207	728	745	43	26	2,857	2,904	202	233
Mississippi	1,568	1,706	136	164	1,064	1,210	39	34	2,632	2,916	176	198
Arkansas	2,901	3,114	209	260	1,454	2,162	85	61	4,354	5,276	294	322
Louisiana	705	704	59	60	1,090	1,309	35	49	1,795	2,013	94	109
Oklahoma	2,808	2,700	193	258	1,141	1,165	173	109	3,949	3,864	366	367
Texas	8,170	8,228	578	736	4,492	4,324	355	336	12,662	12,552	933	1,073
<b>WESTERN</b>												
Montana	948	867	24	29	854	990	34	55	1,802	1,857	58	84
Idaho	1,167	1,199	95	115	1,723	1,756	117	162	2,890	2,955	212	277
Wyoming	660	621	13	27	181	157	8	22	841	778	21	49
Colorado	2,992	2,779	188	236	1,205	1,250	113	123	4,197	4,029	301	359
New Mexico	1,123	1,099	76	85	413	425	57	42	1,537	1,524	133	127
Arizona	918	824	62	70	1,028	1,045	53	32	1,946	1,869	115	102
Utah	614	598	51	47	218	221	20	20	831	819	71	67
Nevada	193	189	12	18	103	110	10	10	296	299	23	28
Washington	1,558	1,609	124	138	3,075	3,112	261	364	4,633	4,720	385	502
Oregon	748	726	49	55	1,809	1,926	196	224	2,557	2,652	246	279
California	5,311	5,398	397	441	14,643	14,841	1,131	1,179	19,954	20,238	1,528	1,620
Alaska	6	6	1	1	21	22	2	2	27	28	3	3
Hawaii	85	77	6	6	422	422	37	37	507	498	43	44
<b>UNITED STATES</b>	<b>90,036</b>	<b>88,107</b>	<b>6,646</b>	<b>7,818</b>	<b>87,102</b>	<b>91,562</b>	<b>7,493</b>	<b>7,032</b>	<b>177,137</b>	<b>179,669</b>	<b>14,139</b>	<b>14,850</b>

1/ Sales of farm products include receipts from commodities placed under nonrecourse CCC loans, plus additional gains realized on redemptions during the period. 2/ Estimates as of end of current month. Totals may not add because of rounding.

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



Table 33—Cash Receipts from Farming

	Annual					1994	1995				
	1990	1991	1992	1993	1994	Aug	Apr	May	June	July	Aug
	\$ million										
Farm marketings & CCC loans*	169,449	167,751	171,258	177,137	179,869	13,921	12,403	13,325	13,118	14,138	14,850
Livestock & products	89,193	85,750	85,596	90,036	88,107	7,780	6,300	7,308	6,685	6,645	7,818
Meat animals	51,242	50,132	47,749	50,818	46,811	4,270	3,170	4,038	3,494	3,198	4,320
Dairy products	20,153	18,007	19,742	19,244	19,934	1,621	1,666	1,739	1,568	1,605	1,620
Poultry & eggs	15,262	15,129	15,503	17,300	18,443	1,669	1,267	1,327	1,406	1,428	1,658
Other	2,537	2,483	2,602	2,673	2,919	221	198	205	218	414	220
Crops	80,256	82,001	85,662	87,102	91,562	6,141	6,102	6,018	6,433	7,493	7,032
Food grains	7,480	7,325	8,467	8,180	9,469	924	318	315	1,023	1,708	1,027
Feed crops	18,669	19,327	20,060	20,161	20,574	1,156	1,206	1,089	1,494	1,804	1,762
Cotton (lint & seed)	5,488	5,236	5,192	5,249	5,730	123	236	218	162	120	148
Tobacco	2,733	2,881	2,962	2,949	2,646	515	4	0	0	210	679
Oil-bearing crops	12,258	12,700	13,286	13,219	15,218	431	681	744	804	674	419
Vegetables & melons	11,424	11,537	11,824	13,144	13,033	1,475	1,457	1,797	1,253	1,277	1,473
Fruits & tree nuts	9,418	9,928	10,175	10,260	10,146	717	580	628	906	883	726
Other	12,785	13,066	13,696	13,940	14,748	799	1,619	1,227	790	816	800
Government payments	9,298	8,214	9,169	13,402	7,881	74	841	571	164	66	23
Total	178,747	175,965	180,427	190,539	187,550	13,995	13,244	13,896	13,282	14,204	14,873

\*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	15,008	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	11,080	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 &amp; Function

COMMODITY/PROGRAM	Fiscal year									
	1987	1988	1989	1990	1991	1992	1993	1994	1995 E	1996 E
	\$ million									
<b>COMMODITY/PROGRAM</b>										
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
<b>Total</b>	<b>22,408</b>	<b>12,461</b>	<b>10,523</b>	<b>6,471</b>	<b>10,110</b>	<b>9,738</b>	<b>16,047</b>	<b>10,336</b>	<b>6,830</b>	<b>5,513</b>
<b>FUNCTION</b>										
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
<b>Total</b>	<b>22,408</b>	<b>12,461</b>	<b>10,523</b>	<b>6,471</b>	<b>10,110</b>	<b>9,738</b>	<b>16,047</b>	<b>10,336</b>	<b>6,830</b>	<b>5,513</b>

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	Aug	Sept	Oct P	Aug	Sept	Oct P
	\$ billion								
Sales 1/									
At home 2/	316.0	321.6	336.5	29.4	29.2	28.6	226.1	254.3	282.6
Away From home 3/	239.0	254.1	270.0	24.3	23.8	23.9	180.3	204.1	228.0
	1994 \$ billion								
Sales 1/									
At home 2/	344.0	333.0	336.5	28.6	27.3	27.2	219.7	247.0	274.2
Away from home 3/	247.4	258.5	270.0	23.7	23.2	23.3	176.9	200.1	223.4
	Percent change from year earlier (\$ bil.)								
Sales 1/									
At home 2/	0.4	1.8	4.6	3.7	2.0	1.0	4.0	3.7	3.5
Away from home 3/	3.5	6.3	6.3	6.8	10.0	7.7	7.6	7.9	7.9
	Percent change from year earlier (1994 \$ bil.)								
Sales 1/									
At home 2/	-3.9	-3.2	1.1	1.1	-0.9	-2.4	0.0	-0.1	-0.3
Away from home 3/	1.5	4.5	4.5	4.1	7.2	5.1	5.2	5.5	5.4

1/ Food only (excludes alcoholic beverages). Not seasonally adjusted. 2/ Excludes donations & home production. 3/ Excludes donations, child nutrition subsidies, & meals furnished to employees, patients, & inmates. R = revised. P = preliminary.

NOTE: This table differs from Personal Consumption Expenditures (PCE), table 2, for several reasons: (1) this series includes only food, excluding alcoholic beverages & pet food which are included in PCE; (2) this series is not seasonally adjusted, whereas PCE is seasonally adjusted at annual rates; (3) this series reports sales only, but PCE includes food produced & consumed on farms & food furnished to employees; (4) this series includes all sales of meals & snacks. PCE includes only purchases using personal funds, excluding business travel & entertainment. For a more complete discussion of the differences, see "Developing an Integrated Information System for the Food Sector," Agr. Econ. Rpt. No. 575, Aug. 1987.

Information contact: Alden Manchester (202) 219-0832.

## Transportation

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

	Annual			1994	1995					
	1992	1993	1994	Sept	Apr	May	June	July	Aug	Sept
Rail freight rate index 1/ (Dec. 1984=100)										
All products	109.9	110.9	111.9	111.7	111.8	111.9	111.9	111.4 P	111.6 P	111.6 P
Farm products	111.1	113.7	114.5	114.1	116.4	116.4	116.4	112.2 P	114.0 P	114.5 P
Grain	111.4	114.7	115.5	114.6	117.7	117.7	117.7	112.6 P	114.9 P	115.6 P
Food products	108.7	109.0	111.1	111.9	111.6	111.6	111.6	111.6 P	111.4 P	111.4 P
Barge freight rate index 1/ (Dec. 1984=100)										
Grain	105.8	101.2	111.0	152.6	134.2	128.5	143.3	169.3 P	223.8 P	222.7
Grain shipments										
Rail carloadings (1,000 cars) 2/	27.4	27.4	25.6	25.1	27.8 P	26.0 P	28.4 P	28.8 P	30.7 P	31.2 P
Barge shipments (mil. ton) 3/	3.4	2.6	2.6	2.0	3.6	3.1	2.3	4.2	4.8	3.9
Fresh fruit & vegetable shipments 4/										
Piggy back (mil. cwt)	1.6	1.4	1.4	1.3	1.0 P	1.8 P	1.5 P	1.4 P	1.1	1.3
Rail (mil. cwt)	2.6	2.2	2.4	2.2	1.8 P	2.3 P	2.6 P	1.6 P	0.9	1.0
Truck (mil. cwt)	43.9	44.8	43.8	36.4	41.9	53.2 P	47.2 P	39.8 P	34.4	36.7
Cost of operating trucks hauling produce 4/										
Fleet operation (cts./mile)	124.1	127.2	128.0	128.0	129.9	130.3	130.3	130.2	130.3	130.9

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

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



## Indicators of Farm Productivity

Table 38—Indexes of Farm Production, Input Use, & Productivity<sup>1</sup>

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

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

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



## Food Supply & Use

Table 39—Per Capita Consumption of Major Food Commodities<sup>1</sup>

Commodity	1986	1987	1988	1989	1990	1991	1992	1993	1994P
Pounds									
Red meats 2/3/4/	122.2	117.4	119.5	115.9	112.3	111.9	114.1	112.1	114.8
Beef	74.4	69.6	68.6	65.4	64.0	63.1	62.8	61.5	63.6
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/	117.3	121.6	120.9	123.1	116.5	113.2	123.6	124.9	126.7
Canned fruit 12/	18.2	18.4	18.2	18.5	18.4	17.1	19.8	18.0	18.3
Dried fruit	2.8	3.1	3.3	3.2	3.4	3.1	2.8	3.3	3.1
Frozen fruit	3.4	3.6	3.3	3.7	3.5	3.5	3.5	3.4	3.4
Selected fruit juices 13/	69.4	71.5	71.8	67.3	60.0	69.0	63.6	73.2	75.1
Vegetables 11/									
Fresh	101.1	108.1	111.7	116.1	113.9	110.9	116.1	116.2	113.9
Canning	95.8	95.5	91.2	98.7	107.0	109.6	107.3	108.3	104.5
Freezing	18.6	19.3	21.1	20.8	20.4	21.8	21.0	23.0	21.6
Potatoes, all 11/	126.1	126.0	122.5	127.2	127.7	130.4	132.4	135.7	141.0
Sweetpotatoes 11/	4.4	4.4	4.1	4.1	4.6	4.0	4.3	3.9	3.7
Peanuts (shelled)	6.4	6.4	6.9	7.0	6.0	6.5	6.2	6.0	5.8
Tree nuts (shelled)	2.2	2.2	2.3	2.2	2.4	2.2	2.2	2.2	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.

Information contact: Jane E. Allshouse (202) 219-0901.

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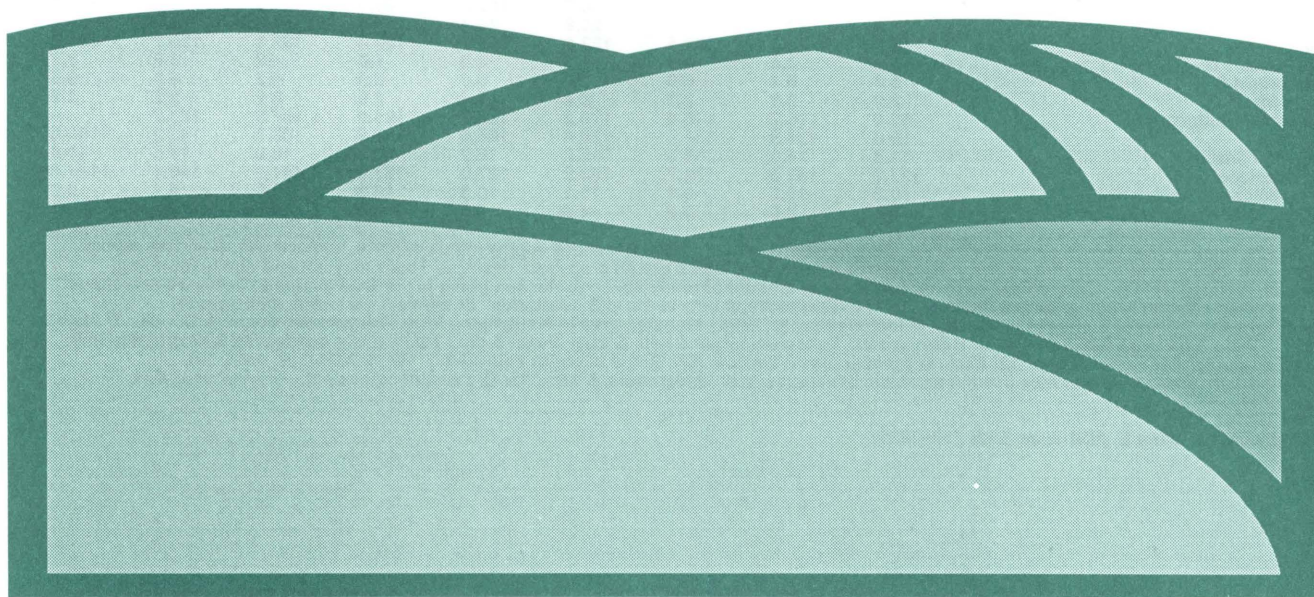
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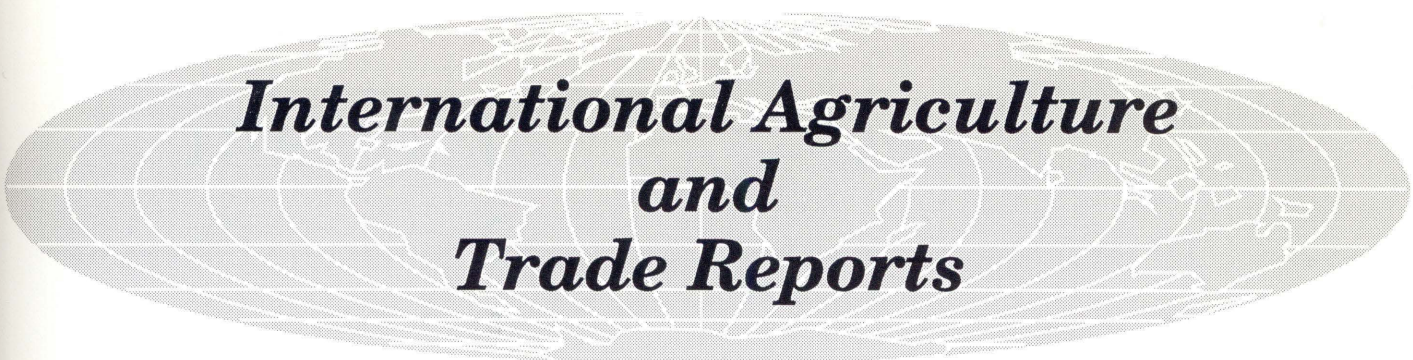


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