



ERS Information

News on agriculture, food, the environment, and rural America

U.S. Department of Agriculture

February 2002

Economic Research Service

The Shifting Pattern of Black Migration From and Into the Nonmetropolitan South, 1965-95

www.ers.usda.gov/publications/rdr93

Calvin Beale; (202) 694-5416; cbeale@ers.usda.gov

From 1965-95, perhaps the most dramatic change in southern Black nonmetro migration was the major decline in the proportion of outmigrants who moved to Northern or Western States. From 1965-70, 46 percent of outmigrants moved to

those States, but by 1990-95 only 13 percent did so, as the great majority chose to move to southern metro areas instead.

Simultaneously, the rate of movement of southern metro Blacks into the nonmetro South also rose throughout the 30-year period, but especially during the 1990s. By 1990-95, the movement of Blacks from Southern cities and suburbs into the rural and small-town environment of the nonmetro South nearly equaled the movement in the opposite direction.

Data from the 1990 Census show that the nonmetro South's migration interchange with both the North and West and the metro South led to a net loss during 1985-90 of Blacks having at least a four-year college degree. Twice as many Black college graduates moved to the North and West and the metro South as came from those locations to the nonmetro South. At the other end of the education scale, 11 percent more Blacks who had not finished high school moved into the nonmetro South than moved away. Many of these inmigrants are thought to be older people, from a less educated prior generation, returning to rural homes. Thus, the pattern of migration acted to retard progress somewhat in advancing the educational status of nonmetro Blacks.

Given the educational makeup of migrants, it is not surprising that the poverty rate in 1990 of Blacks moving into the nonmetro South nearly equaled that of nonmetro residents who had not moved during the 1985-90 period. For both inmigrants and nonmigrants, two-fifths lived in households with poverty-level income. Nonmetro Blacks moving to the North and West or the metro South had somewhat lower poverty incidence in 1990 than did the nonmigrant population of the areas they left. This finding reflects both the outmigrants' better education levels and the higher wages and steadier employment of metro labor markets.

Results from the 2000 Census show that the higher the proportion of Blacks in nonmetro counties in 1990, the lower the average increase was in total county population during the 1990s. Among counties with Black majorities, the total population grew by just 7 percent, with many counties declining, indicative of continued net outmigration. In contrast, nonmetro counties where less than a third of the population was Black averaged 14 percent growth. This growth pattern had a regional aspect. In the Southern States west of Georgia, where Black nonmetro poverty rates have been the highest, growth was lower and the likelihood of decline higher than in the South Atlantic States. Many nonmetro Blacks in the eastern South now live in areas with conditions favoring growth—and presumably economic opportunity. But in Black-populated areas of the western South, conditions are still widely unfavorable for retention or attraction of people.

Also Inside

Rural America includes articles on

- transportation in rural America
- the Nation's inland waterway system
- rural community response to closure of a major employer
- the rural poverty rate

and more... 3

Agricultural Outlook examines

- safety nets and trade liberalization
- food aid and its effectiveness
- why peanut farmers' incomes are lower, despite higher consumption
- the Middle East/North Africa region as a major market for U.S. feeds

4

Data Development Initiatives for Research on Food Assistance and Nutrition Programs: Phase I describes 10 potential data development initiatives, each of which holds promise for improving the quality or reducing the cost of data resources in USDA's major food assistance programs 5

Agricultural Baseline Projections 2002-2011 provides longrun baseline projections for the agricultural sector through 2011 6

ERSnippets tells where the 2002-2011 baseline projections and a new AREI chapter (Soil Management and Conservation) can be found on the ERS website. 7

Also Off Press highlights eight new reports. 8

The ERS Mission

The mission of the U.S. Department of Agriculture's Economic Research Service (ERS) is to provide public and private decisionmakers with economic and related social science information and analysis that helps them achieve five key goals:

- a globally competitive agricultural production system
- a safe and secure food production system
- a healthy and well-nourished public
- harmony between agriculture and the environment
- enhanced economic opportunity and quality of life for rural Americans

A key partner in ERS' mission is the media, which disseminates agency information. And the ultimate beneficiaries of ERS' program are the American people, whose well-being is improved by informed public and private decisionmaking.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, or marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Ave., SW, Washington, DC 20250-9410, or call (202) 720-5964 (voice and TDD).

USDA is an equal opportunity provider and employer.

Get a Report

WWW

ERS reports and periodicals can be found at our Website—www.ers.usda.gov—by typing the publication url we've provided into your browser's address line or by typing the first four or five words of the report title into Search on our front page.

Phone/E-mail

The ERS Media Team responds to requests for information and media questions. To reach a Media Team member, call (202) 694-5139 or e-mail ERSINFO@ers.usda.gov.

Fax/Mail

Write the titles below and either fax to the Media Team at (202) 694-5638 or attach your mailing label, and mail to: Media Services, ERS, Room S-2015, 1800 M Street NW, Washington, DC 20036-5831.

Report Titles:

Mailing label:

www.ers.usda.gov/publications/ruralamerica/ra164

Transportation in Rural

America: Issues for the 21st Century

In the last 25 years, transportation in rural America has been transformed by deregulation, devolution of Federal responsibilities to State and local governments, and traffic growth created by the booming economy of the 1990s. All modes of rural transportation—highways, passenger service (transit, intercity bus, and passenger rail service), trucking, inland waterways, rail freight service, and passenger air service—have been affected. By linking rural residents with distant jobs and services and by enabling commercial shipping, transportation is a cornerstone of rural economic development. However, rural transportation is still beset by higher commuting and shipping costs due to widely dispersed population and industry.

Dennis M. Brown; 202-694-5338; dennisb@ers.usda.gov

The Nation's Inland Waterway System and Rural America

The Nation's inland waterway system—the internal network of rivers and the Great Lakes-St. Lawrence Seaway, plus coastal waterways—provides a low-cost means of transporting bulky goods over long distances. Inland waterways, critical in moving farm commodities, inputs, and other raw materials, face a number of challenges. These include the deterioration of many locks and dams, particularly on the Upper Mississippi-Illinois River system, and the controversy over the best use of the waterway system in the Pacific Northwest.

Dennis M. Brown; 202-694-5338; dennisb@ers.usda.gov

Residence and Farm Experience Influence Perception of Agriculture: A Survey of North Central Residents

Inhabitants of the North Central region have a favorable view of agriculture, regarding farmers as beneficial to the local economy and good environmental stewards. Survey respondents felt that existing environmental regulations are appropriate; that consolidation of agriculture will hurt the environment, society, and local economies; and that government should do more to help local farmers stay in busi-

ness. Rural nonfarm residents, versus those residing on a farm or in a town or city, were more convinced of farmers' positive impact on the local economy, but were less concerned about the effect of farm consolidation. *Doug Bowers; 202-694-5398; dbowers@ers.usda.gov*

Rural Community Response to Closure or Downsizing of a Major Employer

Rural communities across the country are sometimes forced to cope with the closure or downsizing of a major employer. Five communities in Minnesota and North Dakota recently coped with these events. Interviews with community leaders, together with a survey of almost 600 residents, revealed that community adjustments were facilitated by the presence of an active local or regional economic development organization, by substantial lead time prior to the closure or downsizing, and by cohesive local leadership with connections to State and regional organizations. *Doug Bowers; 202-694-5398; dbowers@ers.usda.gov*

Rural Poverty Rate Stayed Under 15 Percent in 1999

Approximately 7.4 million persons who live in rural (nonmetro) areas were poor in 1999. The rate of rural poverty for 1999 was 14.2 percent, essentially unchanged from 1998 when 14.3 percent of rural persons were poor. Rural poverty rates were not under 15 percent for two consecutive years at any other time in the 1980s or 1990s. The rural poverty rate for 1999 was the lowest since 1979.

Dean Jolliffe; 202-694-5430; jolliffe@ers.usda.gov

Rates of Food Insecurity and Hunger Unchanged in Rural Households

The proportion of households that were food insecure—that is, they were not consistently and dependably able to get enough food for an active and healthy life—remained unchanged in nonmetro areas from 1998 to 2000, while declining in metro areas. Single-parent families and racial and ethnic minorities had rates of food insecurity and hunger higher than the national average. *Mark Nord; 202-694-5433; marknord@ers.usda.gov*

Nonfarm Jobs and Earnings Grew Faster in Metro Than Nonmetro Areas in 1999

Between 1998 and 1999, nonfarm jobs increased at a slower rate in nonmetro (1.5 percent) than in metro areas (2.4 percent). Both areas had averaged 2.1 percent annual job growth in the 8 years (1991-99) since the 1990-91 recession.

Linda M. Ghelfi; 202-694-5437; lghelfi@ers.usda.gov

Rural Reliance on Transfers Income Remained Steady During the 1990s

Federal, State, and local governments transferred about \$1 trillion to individuals, organizations, businesses, and administrative and service costs in 1999. Of the \$924.4 billion distributed directly to individuals in 1999, rural (nonmetro) areas received \$207.4 billion or \$3,828 per capita. Urban (metro) areas received \$756.8 billion or \$3,462 per capita.

Linda M. Ghelfi; 202-694-5437; lghelfi@ers.usda.gov

www.ers.usda.gov/publications/agoutlook/mar2002

Safety Nets: An Issue in International Agricultural Trade Liberalization

Global trade liberalization is expected to benefit many countries, including those developing countries that are net agricultural exporters and are able to respond to expanded market opportunities. Other low-income countries, however, could experience greater food insecurity as trade liberalization leads to higher and perhaps more variable prices for some food commodities. The international safety nets that presently exist, including food aid, are inadequate to stabilize food supplies for vulnerable countries. New safety net proposals are being assessed that could help stabilize grain import prices or manage import costs. Recent estimates of selected proposals suggest that the costs could be much less than those of current programs. Improving international safety net programs may not only temper food security concerns, but also generate support among low-income countries for further trade liberalization. *Michael Trueblood; (202) 694-5169; trueb@ers.usda.gov*

Food Aid: How Effective in Addressing Food Security?

How effective have food aid programs been in addressing the needs of recipient countries? What does this imply for future effectiveness? Analysts at USDA's Economic Research Service (ERS) evaluated food security situations in 67 developing countries by first projecting the gaps between estimated food consumption and several consumption targets through the next decade. The ERS food security assessment took into account each country's physical access to food (ability to produce and import) and economic access (ability to purchase). ERS then calculated the food gaps that would remain after food aid allocations, using the most recently available food aid data for the projections. Among the findings is that food aid is most effective in reducing the "distribution gap," which captures the impact of unequal purchasing power in the countries

studied, and estimates the number of people consuming below consumption targets. *Stacey Rosen; (202) 694-5164; sloren@ers.usda.gov*

Peanut Farmers Incomes Lower Despite Rebounding Consumption

In the U.S., most peanuts are consumed either directly for food or indirectly as peanut products. Food use has rebounded from a decline in the early 1990s, and is forecast at record levels in 2001/02. Even so, new challenges since the mid-1990s have placed downward pressure on average farm prices and brought cash receipts in 1999 and 2000 to the lowest levels in almost two decades. These challenges include increased access for peanut imports under trade agreements, strong competition in export markets (notably from China), and changes in domestic support policy under the 1996 Farm Act. The prospect of major changes to the peanut program under new farm bill proposals is also a source of uncertainty for peanut producers. *Erik Dohlman; (202) 694-5308; edohlman@ers.usda.gov*

Middle East/North Africa Region: A Major Market for U.S. Feeds

The 20 countries of the Middle East and North Africa region (MENA) provide a substantial market for U.S. coarse grains, oilseeds, and meals. Prospects are for this market to continue growing. During the 1990s, the MENA region became increasingly dependent upon feed imports to support its expanding livestock and poultry production. In 2000, MENA was the largest foreign market for U.S. barley and soybean meal and the second-largest market for U.S. corn. Feed imports are expected to expand further in the future for most MENA countries because of population and income growth coupled with restrictions on imports of red meat and poultry. The U.S. will continue to be a major supplier, but will face price competition from other countries, notably Argentina and Brazil. *Fawzi Taha; (202) 694-5178; ftaha@ers.usda.gov*

Farm Income, Finance, and Credit Outlook For 2002

The overall financial state of the U.S. agricultural sector is sound, as evidenced by continuing increases in asset values and equity levels. Net cash income before government payments is expected to increase for the third straight year and exceed \$40 billion for the first time since 1998. The level of government payments will have a large impact on the economic outlook for 2002. The article includes an analysis of payment levels above those implied by current law, estimating their potential impact on 2002 farm income.

Mitchell Morehart; (202) 694-5581; morehart@ers.usda.gov

Snap Beans: No Strings Attached

On any given day, about 2 percent of Americans consume fresh snap beans, popularly known as green beans or string beans. Per capita use of fresh-market snap beans has been on the rise over the past decade, reaching 2.1 pounds in 2000. Fresh-market production, which has risen during the 1990s, accounted for about 25 percent of the 2.1 billion pounds of snap beans produced in the U.S. during 1998-2000. Spurred by strong demand, particularly from the fresh market, total snap bean production in 1998-2000 was higher than in 1988-1990. Consumer interest in nutrition and healthy lifestyles should support further growth in fresh snap bean consumption. *Gary Lucier; (202) 694-5253; glucier@ers.usda.gov*

Data Development Initiatives for Research on Food Assistance and Nutrition Programs:

Phase I—Ten Potential Initiatives

www.ers.usda.gov/publications/efan01010

Parke Wilde; (202) 694-5633; pwilde@ers.usda.gov

Experts have increasingly recognized the potential value of new information resources for research on U.S. food assistance and nutrition programs. A 1998 expert workshop, convened by three committees at the National Academy of Sciences (NAS), emphasized the importance of data development initiatives. The workshop's report recommended that program data collection at the individual, local, State, or national level be related to research questions that are relevant to current policy, as well as lead to new research.

This report describes 10 potential data development initiatives, each of which holds promise for improving the quality or reducing the cost of data resources in USDA's major food assistance programs. The initiatives reflect the research needs of all three of the largest Federal food assistance programs: the Food Stamp Program (FSP), the Supplemental Nutrition Program for Women, Infants, and Children (WIC), and the National School Lunch Program (NSLP). The initiatives also were chosen to provide information for several types of research, especially the measurement of program impacts and the dynamics of program participation.

The initiatives were developed by a consortium of research organizations—The Urban Institute, Health Systems Research, Inc., and the Research Triangle Institute. The consortium first identified 10 data collection or enhancement initiatives with the potential to improve the utility and cost-effectiveness of research on Federal food assistance and nutrition programs (Phase I). In later work, the consortium will develop implementation plans and conduct cost-efficiency analysis on 3 of the 10 options selected by USDA (Phase II).

The 10 potential data initiatives fall into 4 categories:

Addressing inadequacies of current data resources:

1) Micro-level database of Food Stamp Program participation records. Proposes to develop a national micro-level FSP database from local and/or State administrative records, similar to that of WIC program and its Participant Characteristics (WIC-PC) database.

2) Building aggregated administrative statistics from local agency records on the National School Lunch Program. Proposes to build an aggregated database from existing tabulations and summaries of local agency records, as well as potentially expanding the set of aggregate counts produced to strengthen the dataset.

3) Matching State WIC program administrative data with point-of-sale grocery store transaction data. Would build upon an earlier USDA-sponsored study to examine the food purchasing patterns of WIC program participants using scanning systems at the point of sale.

Using new data technologies to improve the quality, or lower the cost, of data resources:

4) Using the Internet to collect program data from State and/or local agencies. Proposes to use surveys administered from a central website location to collect program data from State and/or local agencies.

5) Using a probability-based Web-enabled panel to collect data from low-income families through the Internet. Proposes to use Web-based surveys, implemented through Web-enabled television, to collect data from low-income families.

6) Geographic information system (GIS) Internet map server (IMS) applications for project management and data analysis. Proposes to highlight a number of potential IMS applications for food assistance programs and requirements for their implementation, including map-based eligibility determinations for nutrition assis-

tance program participants and locational analysis for the siting of new services.

Expanding one-time projects to provide ongoing or national data resources:

7) Extension of State projects linking administrative data across programs and over time to food and nutrition topics. Would assess whether the micro-level information in existing linked State administrative files (e.g., Temporary Assistance to Needy Families) could be used in their current form, or, with slight modification, to address issues related to food assistance and nutrition programs.

Creating new data resources by linking existing data:

8) Micro-matching of SIPP and CPS records to food stamp administrative records. Proposes to link food stamp administrative records from various States (or from a national database) to Census records from the Survey of Income and Program Participation (SIPP) and Current Population Survey (CPS).

9) Matching WIC administrative records with Medicaid and vital records data. Proposes to link WIC, Medicaid, and vital records data at the micro level. Merged datasets of this sort would enable States to do a much better job of monitoring outcomes for WIC clients.

10) Linking data on students' school performance with administrative records on NSLP participation. Proposes to link either micro-level or aggregated (e.g., at the school level) information on student educational outcomes (e.g., student test data, attendance data, incidence rates for disciplinary actions, retention and graduation rates) with similarly structured administrative data on National School Lunch Program/School Breakfast Program participation.

Agricultural Baseline Projections 2002-2011

www.ers.usda.gov/briefing/baseline

Paul Westcott; 202-694-5335;
westcott@ers.usda.gov

In the initial years of the baseline projections, slow U.S. and global economic growth and a continued strong U.S. dollar provide a weak backdrop for the agricultural sector. In addition, large world production and increasing global stocks have pressured prices for some agricultural commodities, such as soybeans and cotton.

In contrast, a reduction in global stocks of wheat and coarse grains since the late 1990s has strengthened prices for those grains. U.S. agricultural export value and market cash receipts to U.S. farmers have improved since the late 1990s when large global production and weak global demand pushed prices and trade down.

Government payments to the sector, through marketing loan benefits and additional funds provided through emergency and disaster assistance legislation, have added to farm income during this period. However, lower farm income is projected over the next several years, largely due to a reduction in direct government payments from the high levels of the past several years, reflecting the baseline's assumption of no further ad hoc government assistance to the sector.

Longer run developments in the agricultural sector reflect strengthening domestic and international macroeconomic growth. While export competition and a strong U.S. dollar are projected to continue, improving world economic growth, particularly in developing countries, provides a foundation for gains in trade and U.S. agricultural exports. This results in rising market prices, increases in farm income, and improvement in the financial condition of the U.S. agricultural sector.

Consumer food prices are projected to continue a long-term trend of rising less than the general inflation rate. The trend in consumer food expenditures towards a larger share for meals eaten away from home is expected to continue.

Macroeconomic Assumptions

The outlook for the world economy assumed in the baseline is characterized by a significant U.S. and global economic slowdown through 2002, followed by a return to stronger growth for subsequent years. World real GDP growth in the baseline is at 1.6 percent for 2001 and 2.0 percent for 2002, compared with an annual average of 2.7 percent in the previous decade, before strengthening to over 3 percent a year in 2003-2011. These global economic growth assumptions mirror growth for the United States and reflect the increasing dependence of the world economy on the United States, the largest economy and the largest single market for foreign goods. The U.S. economy, therefore, is crucial for U.S. agricultural prospects through its role in spurring world growth, global agricultural demand and trade, and U.S. agricultural exports.

Importantly for agricultural demand, overall economic growth in developing countries rebounds to over 4 percent for most of the baseline. This pickup is important for global agricultural demand because many developing countries have incomes at levels where consumers diversify their diets to include more meats and other higher valued food products, and where consumption and imports of food and feed are particularly responsive to income changes.

Crops

Baseline projections for crops reflect an assumption of a continuation of current farm policy, primarily provisions from the 1996 Farm Act. Under an extension of current law, several major U.S. field crops continue to receive marketing loan benefits during the projection period. Soybeans receive these benefits in the early years of the baseline, and rice and cotton receive benefits for the entire period.

Planted acreage for the eight major U.S. field crops (corn, sorghum, barley, oats, wheat, rice, upland cotton, and soybeans) rises to about 257 million acres by 2011, somewhat less than the recent high level of plantings of 260.5 million acres attained in 1996. Planting flexibility of current agricultural legislation facilitates acreage

movements by allowing producers to respond to market prices and returns, augmented by marketing loan benefits in low price years. Marketing loan benefits influence the aggregate level of plantings as well as the cropping mix in the early years of the baseline when prices for some crops are relatively low. Projected acreage gains in the longer term reflect land drawn into production based on strengthening market incentives as world demand grows. Yield gains for many crops mitigate some of the need for increasing total land use. The baseline assumes that the amount of land enrolled in the Conservation Reserve Program will gradually build from 33.7 million acres in fiscal year 2001 to its maximum level authorized in the 1996 Farm Act of 36.4 million acres in 2005 and remain at that level for the rest of the projection period.

Livestock

Trends toward larger and more commercialized livestock and dairy systems continue throughout the baseline. Relatively low grain and soybean meal prices in the initial years of the projections encourage livestock sector expansion, although biological lags in the production process and poor forage conditions of recent years delay higher output for beef in the near term. In the longer run, moderate feed price increases through much of the baseline, replenishment of forage supplies, low inflation, domestic demand increases, and gains in meat exports are expected to contribute to producer returns that encourage higher total red meat and poultry production. Although a growing proportion of production will be poultry, poultry production gains will slow due to maturity of the sector.

Beef cattle inventories have been held down by droughts and poor forage conditions over the past several years, which have encouraged more heifers to be placed in feedlots rather than retained for calving even as cattle returns have improved. The length of the biological lag is likely to prevent beef cow herd expansion before 2004-2005. The cattle herd rises from a cyclical low near 96 million head in 2003-2004 to about 104 million head by the end of the projections.

The pork sector will continue to transform into a more vertically coordinated industry

with a mix of production and marketing contracts. Increased vertical coordination in pork production will lower production costs and improve pork quality and product consistency, resulting in timely production of pork products with characteristics desired by domestic and foreign consumers.

Broiler production grows steadily throughout the baseline, but gains slow to only slightly more than population increases by the end of the projections due to the maturity of the sector. The broiler and turkey industries have kept production costs from increasing at the full rate of inflation through technological advances and improved production management practices, including taking advantage of economies of size through increasing horizontal and vertical integration.

Per capita consumption of eggs rises moderately in the baseline. Processed egg products become an increasing part of the egg market, in part due to fast food establishments expanding breakfast items which often incorporate egg products.

Milk production grows despite slowly declining cow numbers as strengthening milk-feed price ratios, improved management, and dairy productivity gains push milk output per cow higher. Productivity gains in the dairy sector will reflect the continued structural shift to larger-sized operations as many traditional dairy farms, particularly smaller operations, will experience income stress and will exit the industry. Domestic dairy demand is expected to show slow growth in the baseline.

Farm Income and Farm Financial Conditions

Over the last several years, net farm income has been maintained at levels near the average of the 1990s mostly because of large marketing loan benefits and additional funds provided by emergency and disaster assistance legislation. With the baseline assuming no further ad hoc government assistance and with production flexibility contract payments scheduled to decline, farm income is initially lower as gains in commodity prices and cash receipts in the sector do not match the reduction in government payments and steady increases in production expenses. Despite some cash flow difficulties in the

sector, a strong financial position achieved during the 1990s will help farmers through this period.

In the longer run, the outlook for the sector improves as agricultural demand and exports strengthen and prices rise, leading to gains in farm income and greater stability in aggregate financial conditions.

Food Prices and Expenditures

Retail food prices in the baseline are projected to rise less than the general inflation rate, continuing a long-term trend. The largest price increases generally occur among the more highly processed foods, such as cereals and bakery products. Retail prices of these foods are related more to the costs of processing and marketing than to the costs of farm commodities. Expenditures for meals eaten away from home account for a growing share of food spending, reaching nearly 50 percent of total food spending by the end of the baseline.

Agricultural Trade

Global trade and U.S. agricultural exports are projected to grow during the next 10 years as stronger U.S. and international economic growth starting in 2003 leads to improving longrun demand prospects and as continued progress is made toward freer trade.

Projected growth in global wheat and coarse grains trade is particularly strong compared with recent performance, and cotton trade is projected to improve from the contraction of the 1990s. The expansion of grain, soybean, and soybean product trade is broad based, driven by rising incomes in developing regions, diet diversification, and increased demand for livestock products and feeds. The phase out of the Multi-Fiber Arrangement by 2005 is expected to boost demand for raw cotton in developing countries, while gradually shifting demand in developed countries from raw cotton to processed cotton products (textiles and apparel).

• The 2002-2011 baseline projections are now available on ERS' baseline briefing room: www.ers.usda.gov/briefing/baseline

The new information includes:

- (1) graphical highlights of the 2002-2011 projections
- (2) the full report, *USDA Agricultural Baseline Projections to 2011*, in PDF and Microsoft Word versions
- (3) a database containing the 2002-2011 projections for major field crops and livestock

The projections indicate that slow U.S. and global economic growth and a strong U.S. dollar should provide a weak setting for the agricultural sector in the initial years of USDA's long-term, 10-year projections. Export competition and a strong dollar are projected to continue, but more vigorous global economic growth in the longer term, particularly in developing countries, should lead to gains in trade and U.S. exports. The projected results: rising market prices, increasing farm income, and improvement in the financial condition of the U.S. agricultural sector.

• Agricultural Resources and Environmental Indicators, Chapter 4.2—Soil Management and Conservation was released on the web: www.ers.usda.gov/Emphases/Harmony/issues/arei2000

Crop production depends largely on soil and is affected greatly by the quality of that soil. Soil quality also plays a role in the environmental effects of crop production. Traditional measures of soil quality include land capability and suitability, prime land, productivity, erodibility, and vulnerability to leach pesticides and nitrates. More comprehensive measures are needed that consider physical, chemical, and biological properties, and also economic factors. Soil management involves actions by land managers that affect soil quality and productivity and alter soil's effects on environmental quality. Examples of these actions include land use or cropping pattern, type and extent of tillage, amount of cover or residue left on the soil, and use of conservation buffers and structures.

Moving? To change your address, send this sheet with label intact, showing new address to USDA/ERS, Room S-2015, 1800 M Street, N.W., Washington, DC 20036-5831.

Also Off Press

Find the latest ERS outlook reports on the web at:
www.ers.usda.gov/publications/outlookreports.htm

In addition to the reports fully summarized in this issue of *ERS Information*, the following reports were recently released.

Fruit and Tree Nuts Outlook* (1/31)

U.S. fruit growers received higher prices in the fall of 2001 compared with the previous year. Fruit prices are expected to remain above a year ago through the winter of 2002, particularly for crops with smaller harvests this past fall such as apples, pears, fresh-market oranges, and fresh-market lemons.

Sugar and Sweeteners Outlook (1/24)

The USDA projects beet sugar production at 3.9 million short tons, raw value (STRV), down by 692,000 STRV from last year. The Payment In Kind (PIK) Diversion Program reduced area for sugarbeet harvesting by over 88,000 acres. Overall, the USDA estimates sugarbeet area harvested at 1.243 million, 129,300 acres less than last year's. Poorer than expected crop conditions, especially in the Red River Valley, contributed to a reduction of estimated national sugarbeet yields.

U.S. Agricultural Trade Update* (1/22)

The \$13 billion January-November 2001 surplus in U.S. agricultural exports is \$2 billion ahead of the first 11 months of 2000. All the gain is in exports, which are up \$2 billion compared with the year earlier. High-value product exports account for

much of this increase, as gains in poultry meat and oilseed meal exports exceed growth in bulk commodities, such as cotton.

Livestock, Dairy, and Poultry Situation and Outlook* (1/16)

U.S. red meat and poultry production in 2002 is expected to show little change after posting a less-than-one-percent gain in 2001. Another 3-percent decline in beef production this year, reflecting several years of cattle herd reductions and continued high heifer slaughter, will mostly offset the gain in broiler production. These are the smallest annual meat production increases since the mid-1980s.

Wheat Outlook (1/15)

The seedings estimates for the 2002/03 marketing year indicate that the U.S. winter wheat planted area has dropped for the sixth year in a row. Projected U.S. 2001/02 ending stocks of wheat are down 16 million bushels from last month as increased domestic use more than offsets higher expected imports.

Feed Outlook (1/15)

The major change this month was a 1.5-million-ton reduction in feed grain production to 261.7 million tons based on the National Agricultural Statistics Service's (NASS) annual crop production report. Corn production was lowered 39 million

bushels, and sorghum production was lowered 22 million bushels. Corn exports were lowered 75 million bushels due to competition abroad and lower world imports.

Rice Outlook (1/14)

The U.S. 2001/02 rough rice crop estimate was raised 3.3 million hundred-weight (cwt) to a record 213 million, a result of a higher yield and larger area. Long grain accounted for almost all of the upward revision in production. Both domestic use and exports were raised this month, primarily due to a smaller milling yield.

Oil Crops Outlook (1/14)

U.S. soybean production for 2001 declined 32 million bushels from the previous estimate to 2,891 million bushels because of a downward revision in harvested acreage, from 74.1 million acres to 73.0 million. Robust year-to-date demand is seen increasing 2001/02 exports and domestic crush of soybeans to records of 1,010 million and 1.675 million bushels, respectively.

* Available in both electronic and paper copies. All others available electronically only.