DatelinERS

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Economic Research Service | July and August 2007 | U.S. Department of Agriculture

ERS is the main source of research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

Farm Bill Issues ERS Research and Analysis

2007 Farm Bill

Selected Resources

ERS analysts examine the economic effects of current farm legislation on producers, consumers, taxpayers, and rural communities, and evaluate potential effects of alternative policies and programs.

Revisit this site as the farm bill takes shape and as new research and resources are added.

www.ers.usda.gov/Features/FarmBill2007

Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics. All reports, along with a calendar of future releases, are available at: *www.ers.usda.gov/publications/outlook*

Food Security Assessment, 2006

www.ers.usda.gov/Publications/GFA18

The number of hungry people in the 70 lower income countries covered in this report rose between 2005 and 2006, from 804 million to 849 million. However, the food distribution gap—an indicator of food access—declined, which means that, although more people are vulnerable to food insecurity, the intensity was less in 2006 than in 2005. By 2016, the number of hungry people is projected to decline in all regions, except Sub-Saharan Africa. The average nutrition gap, the indicator of food availability, was 13.5 million tons (grain equivalent) in 2006 and is expected to increase to 14 million tons by 2016. Sub-Saharan Africa accounts for 85 percent of this gap, the low-income countries of Asia for only 14 percent, and the low-income countries of Latin America and the Caribbean for the remaining 1 percent. The average nutrition gap was much smaller than the distribution gap, which takes into account unequal purchasing power within countries. The distribution gap was an estimated 27 million tons in 2006 for all 70 countries, decreasing to close to 26 million tons by 2016.

America's Diverse Family Farms, 2007 Edition (Brochure)

www.ers.usda.gov/Publications/EIB26

American farms encompass a wide range of sizes, ownership structures, and business types, but most farms are still family farms. Family farms account for 98 percent of farms and 85 percent of production. Although most farms are small and own most of the farmland, production has shifted to very large farms. Farms with sales of $1 million or more make up less than 2 percent of all farms, but they account for 48 percent of farm product sales. Most of these million-dollar farms are family farms. Because small-farm households rely on off-farm work for most of their income, general economic policies, such as tax or economic development policy, can be as important to them as traditional farm policy.

Outlook

Impact of Rising Natural Gas Prices on U.S. Ammonia Supply

www.ers.usda.gov/publications/WRS0702

The volatile and upward trend in U.S. natural gas prices from 2000 to 2005 has led to a 17-percent decline in the Nation's annual aggregate supply of ammonia. Natural gas is the main input used to produce ammonia. During the 2000-05 period, U.S. ammonia production declined 44 percent, while U.S. ammonia imports increased 115 percent. Also, the share of U.S.-produced ammonia in the U.S. aggregate supply of ammonia dropped from 80 to 55 percent, while the share from imports increased from 15 percent to 42 percent. Meanwhile, ammonia prices paid by farmers increased from $227 per ton in 2000 to $521 per ton in 2005, an increase of 130 percent. Additional increases in U.S. natural gas prices could lead to a further decline in domestic ammonia production and an even greater rise in ammonia imports.

Sugar Backgrounder

www.ers.usda.gov/Publications/SSS/Jul07/SSS249

This report on the U.S. sugar sector places into context the challenges facing sugar producers, users, and policymakers in the United States, including description and analysis of farm-level production of U.S. sugar crops, cane and beet sugar processing and refining industries, imports and exports of sugar, sugar consumption, and U.S. sugar policy issues likely to be important in the 2007 farm bill.

See other commodity backgrounders, www.ers.usda.gov/features/commodity.

Analysis and Forecasts of the CPI for Food

www.ers.usda.gov/Briefing/CPIFoodAndExpenditures/consumerpriceindex.htm

How much can food be expected to rise? Each month, ERS updates its forecasts on changes in the Consumer Price Index (CPI) for food, providing data and discussion. In 2007, the CPI for all food is projected to increase 3 to 4 percent, as retailers pass on higher commodity and energy costs to consumers in the form of higher retail prices. Food-at-home prices are forecast to increase 3.5 to 4.5 percent, while food-away-from-home prices are forecast to increase 2.5 to 3.5 percent in 2007. The all-food CPI increased 2.4 percent between 2005 and 2006, with food-at-home prices increasing 1.7 percent and food-away-from-home prices up 3.1 percent.

Adoption of Genetically Engineered Crops in the U.S.

www.ers.usda.gov/Data/BiotechCrops

Updated annually, this data set summarizes the use of herbicide-tolerant and insect–resistant crops since their introduction in 1996. U.S. farmers have adopted genetically engineered (GE) crops widely since their introduction, notwithstanding uncertainty about consumer acceptance and economic and environmental impacts. Soybeans and cotton genetically engineered with herbicide-tolerant traits have been the most widely and rapidly adopted GE crops in the United States, followed by insect-resistant cotton and corn.

How to get more information . . .

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