

# DatelineERS

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Economic Research Service

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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.

## NEW ON THE WEB

### Bioenergy

How will the quest for renewable energy affect the farm and food sector?

Find it at:

[www.ers.usda.gov/Briefing/bioenergy/](http://www.ers.usda.gov/Briefing/bioenergy/)

### Basics of U.S. Agricultural Policy

A recap of commodity, conservation, food assistance, and rural development programs

Find it at:

[www.ers.usda.gov/Briefing/FarmPolicy/BasicsOfPolicy.html](http://www.ers.usda.gov/Briefing/FarmPolicy/BasicsOfPolicy.html)

### 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](http://www.ers.usda.gov/publications/outlook)

## Amber Waves April 2007

*Amber Waves* magazine covers the full range of ERS research and analysis, including articles on food, farming, natural resources, and rural America.

[www.ers.usda.gov/AmberWaves](http://www.ers.usda.gov/AmberWaves)

### *Experience Counts: Farm Business Survival in the U.S.*

Farming, like other businesses, exhibits high turnover, with many thousands of existing farms going out of business each year. As in other industries, new farm businesses enter at a high rate and new entrants subsequently exit at high rates, irrespective of the size of the farm or age of the operator. Experience seems to provide an important advantage to well-established businesses that can learn quickly and efficiently. Includes [podcast interview](#) with an author.

### *The Creative Class: A Key to Rural Growth*

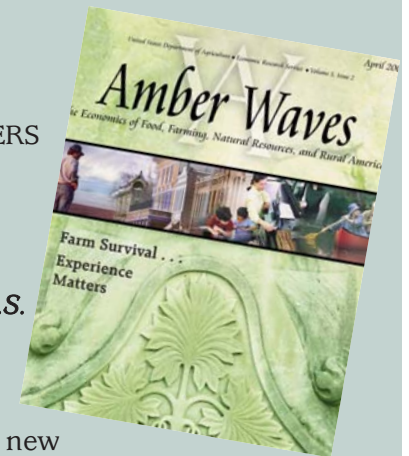
The creative class thesis—that towns need to attract engineers, architects, artists, and people in other creative occupations to compete in today's economy—may be particularly relevant to rural communities, which tend to lose much of their talent when young adults leave for college, the Armed Forces, or "city lights." Nonmetro counties with higher proportions of people in creative class occupations tended to have higher rates of patent formation and manufacturing technology adoption in the 1990s—and higher rates of job growth in 1990-2004.

### *Improving Food Choices: Can Food Stamps Do More?*

The Food Stamp Program has changed over time from primarily focusing on getting a sufficient quantity of food to an increased emphasis on choosing healthful foods with high nutritional quality. Evaluated strategies for improving diets of Food Stamp Program participants include restricting the types of foods purchasable with food stamp benefits and offering bonuses or vouchers for buying healthful foods such as fruits and vegetables.

### *Population Dynamics Are Changing the Profile of Rural Areas*

Nonmetro America is less ethnically diverse and older than the rest of the country, though demographic trends indicate some changes ahead. Nonmetro populations will continue to be older than metro populations, partly because a greater proportion of retirees are moving to nonmetro counties than metro counties. Hispanic population growth is counteracting persistent population decline in many rural counties, especially in the Midwestern and Great Plains States.





## Feed Grains Backgrounder

[www.ers.usda.gov/Publications/FDS/2007/03Mar/FDS07C01/](http://www.ers.usda.gov/Publications/FDS/2007/03Mar/FDS07C01/)

The U.S. feed grain sector, largest of the major U.S. field crops, faces unprecedented demand conditions. The size and speed of the expanding use of corn by the ethanol industry is raising widespread issues throughout U.S. agriculture. Debate is ongoing over the use of grain for fuel instead of for food or feed and the adequacy of future grain supplies. Increased productivity (yield) and additional area from land previously planted to competing crops, land enrolled in conservation programs, or idled land is expected to provide an increased supply of feed grains. The outlook is for higher feed grain prices, in part as a result of renewable energy policies and high energy prices, with feed grain prices rising above farm program support levels. During the ongoing farm policy debate, the U.S. feed grain sector faces uncertainty about the future level and type of government support.

## Cotton Backgrounder

[www.ers.usda.gov/Publications/CWS/2007/03Mar/CWS07B01/](http://www.ers.usda.gov/Publications/CWS/2007/03Mar/CWS07B01/)

U.S. cotton growers, like producers of other agricultural commodities in recent years, have confronted pressures from market forces and the impacts of policy developments, both domestic and international. Most notably, the ending of the Multifiber Arrangement (MFA) sent a ripple effect throughout the global cotton industry. While adjustments in the textile and apparel sectors of many countries, including the United States, continue to evolve, dramatic changes have already been seen for some. World cotton mill use has accelerated along with economic growth since 1999, particularly in China, and U.S. cotton producers have benefited as foreign import demand has reached new heights. Government payments contribute a considerable portion of total revenue to the cotton sector, and adjustments to this program or any other commodity program in the 2007 farm legislation will be driven by factors such as domestic market conditions, multilateral trade negotiations, and the Federal budget deficit.

## NAFTA at 13: Implementation Nears Completion

[www.ers.usda.gov/Publications/WRS0701/](http://www.ers.usda.gov/Publications/WRS0701/)

Implementation of the North American Free Trade Agreement (NAFTA) is drawing to a close. In 2008, the last of NAFTA's transitional restrictions governing U.S.-Mexico and Canada-Mexico agricultural trade will be removed, concluding a 14-year project in which the member countries systematically dismantled numerous barriers to regional agricultural trade. During the implementation period, the agricultural sectors of Canada, Mexico, and the United States have become much more integrated. Agricultural trade within the free-trade area has grown dramatically, and Canadian and Mexican industries that rely on U.S. agricultural inputs have expanded. U.S. feedstuffs have facilitated a marked increase in Mexican meat production and consumption, and the importance of Canadian and Mexican produce to U.S. fruit and vegetable consumption is growing.

## Coming in May: *Amber Waves* **SPECIAL ISSUE**

### *Perspectives on Food and Farm Policy*

[www.ers.usda.gov/AmberWaves](http://www.ers.usda.gov/AmberWaves)

A compilation of Amber Waves articles covering issues addressed in the farm bill debate.

#### Includes:

- Managing Risk with Revenue Insurance
- Relaxing Fruit and Vegetable Planting Restrictions
- Food Assistance — How Strong Is the Safety Net?
- Improving Food Choices — Can Food Stamps Do Better?
- Emphasis Shifts in U.S. Agri-Environmental Policy
- Environmental Credit Trading — Can Farming Benefit?

#### How to get more information ...

More information about the items featured in Dateline *ERS* can be found on our website: [www.ers.usda.gov](http://www.ers.usda.gov) by going to the web address listed in each article. This newsletter is available online at [www.ers.usda.gov/news](http://www.ers.usda.gov/news)