



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.



Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade, including special reports on hot topics.

This Month

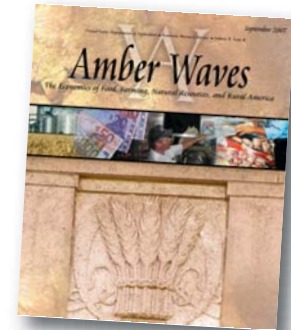
Rice
Feed
Oil Crops
Cotton and Wool
U.S. Imports of Fresh Fruit and Vegetables

All reports, along with a calendar of future releases, are available at:

www.ers.usda.gov/publications/outlook

Amber Waves Ethanol: Fueling Adjustments Beyond the Corn Sector September 2007

www.ers.usda.gov/AmberWaves



U.S. Ethanol Expansion Driving Changes Throughout the Agricultural Sector

A large expansion in ethanol production is underway in the United States, spurred by high oil prices and energy policies. Although corn is the primary feedstock used to produce ethanol in the United States, market adjustments extend well beyond the corn sector to supply and demand for other crops, as well as to the livestock sector, farm income, government payments, and food prices.

US Trade Growth: A New Beginning or a Repeat of the Past?

US Trade Growth: A New Beginning or Repeat of the Past? investigates the continued growth in emerging markets and other macroeconomic factors affecting U.S. agricultural trade. Rising food demand in emerging markets, a weakening dollar, and closer integration with NAFTA partners have recently sparked a renewal of export demand. Import growth has been unusually strong as a result of regional integration (NAFTA), consumer preferences for foreign products, and strong overall growth in consumer spending. Continued growth in emerging markets combined with macroeconomic factors at home point to sustained growth in U.S. exports and slower import growth.

Low Costs Drive Production to Large Dairy Farms

Dairy farming is undergoing striking changes. Dairy production is shifting to larger farms; small dairy farms are exiting, and more expect to leave in the next decade. In the early 1970's, a large dairy farm had a herd of 100 milk cows. While thousands of such farms remain in operation, their numbers, as well as their production methods, are in sharp decline. A shift to large production with herds of 1,000 - 2,000 milk cows has since been occurring. This feature examines the cost advantages, and the shift of dairy production to large farms.

U.S. Consumers Had Short-Term Response to First BSE Announcements

According to food purchase data and analysis, the response of U.S. consumers to U.S. government announcements of finding two North American cows infected with Bovine Spongiform Encephalopathy (BSE) was limited and dissipated within 2 weeks. In this article, ERS researchers compare data on household-level retail food purchases of three types of beef products before and after the 2003 U.S. government BSE announcements.

Reducing the Income Cap for Farm Program Payments?

www.ers.usda.gov/Publications/EIB27

Effects of Reducing the Income Cap on Eligibility for Farm Program Payments explores the impact of income caps on farm payments. The current \$2.5-million income cap on eligibility for farm program payments affects only a small number of farm program payment recipients each year. A reduction in the cap to \$200,000 would affect a larger number of farm households, but still only a small share of recipients. ARMS data suggest that only about 1.5 percent of all farm operator households could be potentially subject to the proposed cap. The study also found that farm income averaged \$271,749 and net worth averaged over \$1.86 million for farm households with adjusted gross income estimated to be over \$200,000 based on the ARMS data.

Strong Research Returns

www.ers.usda.gov/Publications/EB10

Over the last several decades, the U.S. agricultural sector has sustained impressive productivity growth. The Nation's agricultural research system, including Federal-State public research as well as private-sector research, has been a key driver of this growth. Economic analysis finds strong and consistent evidence that investment in agricultural research has yielded high returns per dollar spent. *Economic Returns to Agricultural Public Research* finds that these returns include benefits not only to the farm sector, but also to the food industry and consumers in the form of more abundant commodities at lower prices.

Productivity Growth Benefits Farmers, Consumers, and Food Manufacturers

www.ers.usda.gov/Publications/EB9

USDA's Economic Research Service has developed annual indexes of agricultural inputs, outputs, and total factor productivity (TFP) for 1948 through 2004. Innovation and changes in technology have been a driving force for gains in productivity growth in U.S. agriculture. American agriculture relies almost entirely on productivity growth to raise output. *Productivity and Growth in U.S. Agriculture* finds that by lowering the cost of agricultural commodities, productivity growth benefits not only farmers but also food manufacturers and consumers.



Increased U.S. Imports of Fresh Fruit and Vegetables

www.ers.usda.gov/Publications/fts/2007/08Aug/fts32801/fts32801.pdf

U.S. imports of fresh fruit and vegetables have increased substantially, particularly since the 1990s. Dominant suppliers are the North American Free Trade Agreement region for fresh vegetables, the Southern Hemisphere countries for off-season fresh fruit, and equatorial countries for bananas. The strong growth in the volume and variety of fresh produce imports has allowed U.S. consumers to eat more fruit and vegetables and enjoy year-round access to various fresh produce.

How to get more information . . .

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