



Dateline ERS

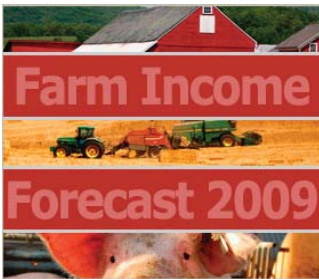
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Economic Research Service

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U.S. Department of Agriculture

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This Month

- Cotton and Wool
- Feed
- Livestock, Dairy, and Poultry
- Oil Crops
- Rice
- Sugar and Sweeteners

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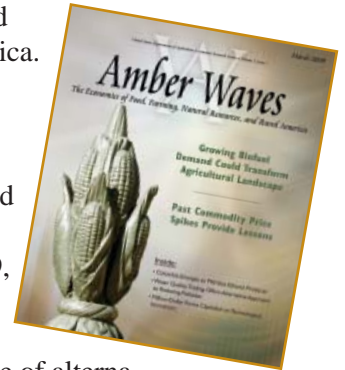
Amber Waves March 2009

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

www.ers.usda.gov/AmberWaves

Grain Prices Impact Entire Livestock Production Cycle

Between 2006 and 2008, feed costs nearly doubled and are expected to result in lower meat and dairy production in 2009. Feed prices have declined since mid-2008 and are expected to be lower in 2009, but the biological timeline of livestock production means meat producers are limited in what they can do in the short run to change production. Changes in U.S. livestock-industry structure and the use of alternative feeds, such as byproducts from ethanol production, will help reduce the impact of higher input costs on livestock producers.



Recent Volatility in U.S. Fertilizer Prices

Strong domestic and global demand, coupled with tight supplies and low inventories, contributed to record fertilizer prices in early 2008. Softening global fertilizer demand, disruptions in U.S. farmer application of fertilizers, an increase in fertilizer imports, and tighter credit for purchasing inputs contributed to the decline in fertilizer prices in late 2008. Fertilizer price volatility affects the profitability of corn and small grains, where fertilizer accounts for a relatively large share of production costs, compared to that for soybeans and cotton.

Agricultural Commodity Price Spikes in the 1970s and 1990s: Valuable Lessons for Today

The rapid increase in crop prices between 2006 and mid-2008, while unprecedented in magnitude, was not unique. Two other periods of major rapid runups in prices occurred in 1971-74 and 1994-96. Each price surge resulted from a combination of factors, including depreciation of the U.S. dollar, strong worldwide demand for agricultural products, supply shocks, and policy responses by major trading countries. In the past, market adjustments eventually brought prices back down. Similarly, the high prices seen in 2008 have dropped to lower levels; however, these adjustments are occurring in a more volatile environment.

When Nudging in the Lunch Line Might Be a Good Thing

With over 30 million children served each school day, USDA-sponsored school meals provide an important opportunity to improve diet and health. Schools can exert considerable control over the food choices they offer and the manner in which they are presented. Understanding how simple rules of thumb and certain cues, like presentation and visual appeal, can influence our on-the-spot decisions can reveal potential options to increase the link between intentions and behaviors. Choice architecture relies heavily on subtle cues, or “nudges,” to encourage people to follow through on their intentions. Behavioral economic theory suggests several possibilities to structure school cafeteria environments in a noncoercive manner to encourage healthy choices.

Rural Broadband at a Glance

www.ers.usda.gov/Publications/eib47/

Three-quarters of U.S. residents used the internet to access information, education, and services in 2007. Broadband internet access is becoming essential for both businesses and households; many compare its evolution to other technologies now considered common necessities—such as cars, electricity, televisions, microwave ovens, and cell phones. Although rural residents enjoy widespread access to the internet, they are less likely to have high-speed, or broadband, internet access than their urban counterparts. Circumstantial evidence suggests that the difference in access may lie in the higher cost and limited availability of broadband internet in rural areas. As a result, rural residents depend more on internet use outside of the home, in places like the library, school, and work, where broadband internet access is available.



10-Year Baseline Projections

www.ers.usda.gov/Features/Baseline/

Each year, USDA makes 10-year economic projections for the food and agriculture sector. The projections reflect a set of assumptions regarding macroeconomic developments and farm policies, and cover major agricultural commodities, agricultural trade, and aggregate indicators of the U.S. farm sector, such as farm income and food prices. One key use of the **2009-18 Long-Term Agricultural Projections** is as a “starting point” from which to analyze the impacts of potential policy changes on U.S. agriculture.



Fiber Use for Textiles and China's Cotton Textile Exports

www.ers.usda.gov/Publications/CWS/2009/03Mar/CWS08i01/CWS08i01.pdf

New information about the role of recycling in the textile industry and updated estimates of efficiency in spinning lower estimates of the volume of cotton fiber exported by China in the form of textiles from those of an earlier study. China's textile industry not only meets domestic demand of the world's most populous country but is also the world's largest exporter. Consequently, China is the world's largest consumer and importer of cotton, but information about China's cotton consumption is incomplete. This analysis of China's textile trade offers important insights into trends in China's cotton use and imports. The revised textile trade estimates have implications for the outlook for China's cotton consumption and imports, which this study demonstrates with an econometric model of China's textile trade.

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