

DatelineERS

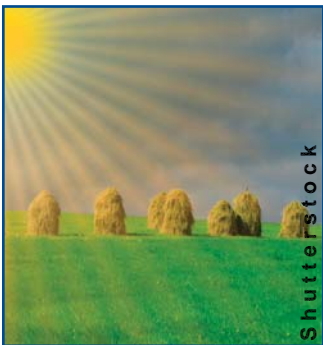
New ERS research and analysis at: www.ers.usda.gov

Economic Research Service

July 2009

U.S. Department of Agriculture

ERS is a primary source of economic 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.



Shutterstock

Commodity Markets and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade.

This Month

- Cotton and Wool
- Feed
- Fruit and Tree Nuts
- Livestock, Dairy, and Poultry
- Oil Crops
- Rice
- Wheat

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

www.ers.usda.gov/publications/outlook

Exchange Rates and Ag Prices

www.ers.usda.gov/Publications/ERR76/

Movements in countries' exchange rates can substantially change the prices of goods faced by producers and consumers and thereby affect incentives to produce, consume, and trade goods. Exchange rate changes, however, might not be completely transmitted (passed through) to domestic prices. Empirical evidence shows that exchange rate transmission for agricultural products is low in most developing economies, partly because of trade policies but also because of inadequate infrastructure and other market deficiencies. During the last 20 years, developed and developing countries generally have moved away from support policies that impede price and exchange rate transmission. ***The Transmission of Exchange Rate Changes to Agricultural Prices*** reports that despite these policy changes, market deficiencies remain in some developing economies as a cause of incomplete transmission, weakening their integration into world agricultural markets.



Corbis and Shutterstock



Fred Gale, USDA/ERS

Food Imports From China

www.ers.usda.gov/Publications/EIB52/

U.S. food imports from China more than tripled in value between 2001 and 2008. FDA import refusal data highlight food safety problems that appear to recur in trade and where FDA has focused its import alerts and monitoring efforts. FDA refusals of food shipments from China suggest recurring problems with "filth," unsafe additives, and labeling (typically introduced in food processing and handling), and veterinary drug residues in fish and shellfish (introduced at the farm). ***Imports From China and Food Safety Issues*** reports that Chinese authorities try to control food export safety by certifying exporters and the farms that supply them. However, monitoring a wide range of products for different hazards that can arise at varying points in the supply chain is a difficult challenge for Chinese and U.S. officials.

Food Safety Incentives

www.ers.usda.gov/Publications/ERR75/

The current level of food safety found in U.S. meat and poultry food products is a result of process and performance regulations and management-determined actions brought about by market incentives. Processing regulations include sanitation and other tasks related to food safety; management-determined actions include capital investment and other actions independent of process regulations, but possibly driven by performance standards. Performance standards—regulations that allow manufacturers to reach an acceptable level of food safety in any manner they see fit—are not a subject of this report, *The Interplay of Regulation and Marketing Incentives in Providing Food Safety*. The study used the share of samples testing positive for *Salmonella* spp. as a measure of food safety process control in meat and poultry processing plants and found empirically that management-determined actions account for about two-thirds of the reduction in samples testing positive for *Salmonella* spp., while process regulations account for about a third of the reduction. The importance of process regulation varies among plants.



Shutterstock



ERS Customer Guide

www.ers.usda.gov/Publications/AP/AP035/

This guide contains a directory of ERS subject specialists, web addresses, e-mail addresses, and phone numbers, organized by subject area. The last section contains contact information for sources outside ERS.



Food Security Assessment

www.ers.usda.gov/Publications/GFA20/

Food security in 70 developing countries is projected to deteriorate over the next decade, according to USDA's Economic Research Service. After rising nearly 11 percent from 2007 to 2008, the number of food-insecure people in the developing countries analyzed by ERS researchers is estimated to rise to 833 million in 2009, an almost 2-percent rise from 2008 to 2009. Despite a decline in food prices in late 2008, deteriorating purchasing power and food security are expected in 2009 because of the growing financial deficits and higher inflation that have occurred in recent years. Food-insecure people are defined as those consuming less than the nutritional target of 2,100 calories per day per person.

How to get more information...

More information about the items featured in DatelineERS can be found on our Website: 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