

The cabbage market... "Smart" farming... Impacts of GE crop use... China's land tenure policies... EU trade with developing countries

Competition, Rising Prices Confront U.S. Soybean Exports

The U.S. soybean crop for 2002 is forecast at 2,628 million bushels, well below last year's record 2,891 million. The forecast reflects both a decline in plantings and a slip in expected yield. Crop rotations, improved net returns for corn (with lower costs for nitrogen fertilizer), and economic and weather conditions in western states encouraged greater planting of corn and the lowest U.S. soybean area since 1998. Soybean yields were curbed by summer drought and high temperatures, and by an acreage shift from higher yielding to lower yielding states. Lower soybean supplies will promote a hard retreat in U.S. soybean exports. Higher U.S. prices will erode the ability to compete with likely aggressive export campaigns by Brazil and Argentina.



Cabbage Heads Higher

The French word for cabbage is incorporated into a term of endearment: "*mon petit chou*" ("my little cabbage"). This vegetable has recently become a little more endearing to Americans, a turnaround from a steady decline in use between the 1920s and the 1990s when Americans looked elsewhere for variety and convenience in their food. In the past decade, fresh-cut products, new recipes, and a growing body of nutritional research have lent new support to cabbage demand. Total cabbage consumption rose to 10.3 pounds per person in the early 2000s, but is still 57 percent below the 1920s.

The Ongoing Reform of Land Tenure Policies in China

The combined forces of economic transition, rapid economic growth, and increased integration into the world economy are propelling substantial changes in rural China. How farmers respond to changing economic opportunities and challenges depends critically on the choices they are able to make about use of land and other resources—choices that depend in turn on land tenure patterns. With 9 percent of the world's arable land and 40 percent of the world's farmers, China's

land is scarce relative to its labor. Control over land in China reflects a complex and changing distribution of authority among the national government, local governments, and households, with potential implications for efficiency, equity, and environmental quality.

Trade Among Unequal Partners

The European Union (EU), more than other members of the World Trade Organization (WTO), has used exceptions to international trading rules to provide non-reciprocal trading preferences to selected developing countries. Some of these arrangements have been challenged under WTO procedures as discriminatory and not in compliance with trade rules. To achieve compatibility, the EU proposes to convert the arrangements into reciprocal free trade areas, which for developing countries could result in new trade competition and economic challenges, without clear advantages. The EU, on the other hand, would gain strong advantages for its agricultural and other exports to some developing countries at the expense of exports from the U.S. and other countries. Many elements of the EU's current and proposed free trade area arrangements remain controversial and untested in the WTO.

Genetically Engineered Crops: U.S. Adoption & Impacts

Since the introduction of genetically engineered (GE) crops in 1996, U.S. farmers have rapidly adopted some varieties, notwithstanding conflicting claims about economic and environmental impacts and consumer acceptance. Soybeans and cotton with herbicide-tolerant traits have been the most widely and rapidly adopted GE crops in the U.S., followed by insect-resistant cotton and corn. Analyses by USDA's Economic Research Service and others indicate economic benefits to many farmers adopting first-generation GE crops. Not all benefits of GE crop adoption are reflected in standard measures of net returns.

Does Off-Farm Work Hinder "Smart" Farming?

As off-farm income takes on greater importance to farm households, less time is available for farm management. Smart farming (e.g., soil testing, integrated pest management, and precision farming) typically substitutes management for capital, and management is time-intensive. The value of management time and effort does not typically enter into calculations of economic returns to alternative production technologies or farming systems. The result could be misleading in understanding the benefits of technology adoption, particularly if farm households, like most of their nonfarm counterparts, are willing to forego some financial return from farming to gain convenience.

U.S. Sugar Policy Under the 2002 Farm Act

The 2002 Farm Act reauthorized the sugar price support loan program, and a key change requires that USDA operate the program at no cost to the Federal government. To accomplish this, the Act includes measures to discourage forfeiture of sugar to the government by processors who offered it as collateral for nonrecourse loans under the program. Among the cost-reducing provisions is the authority for USDA to impose flexible marketing allotments for sugar (supply control).