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Letter No. 2180

September 13, 1984

WORLD GRAIN
OUTPUT

The projected 1984/85 total world grain output was raised this month by the U.S. Department of Agriculture to a record 1,593 million tons. Major changes include a 10-million-ton increase in European Community production, a 2.7 million ton gain in Eastern Europe, and decreases of 5 million tons for the USSR and 1.4 million tons in the U.S. crop. The Soviet grain crop estimate was reduced to 175 million tons because of reduced area and yield, supported by reports of lagging harvest problems.

U.S. CORN TO
USSR

Purchases of U.S. corn by the Soviets for shipment during the second year (Oct. 1984/Sept. 1985) of the new long-term grain agreement have reached 6.9 million tons. This marks the heaviest pre-Oct. Soviet corn purchases in the past decade. Since 1975/76, annual Soviet purchases of U.S. corn have ranged from a low of 3.1 million tons to a high of 11.9 million, averaging over 7 million tons. President Reagan announced Sept. 11 that the Soviets could increase their purchases during the coming year to 22 million tons without prior consultation. This is a 10 million ton increase over the terms of the long term agreement.

U.S. CROP PROD.
HIGHLIGHTS

The following are the highlights of the U.S. Department of Agriculture crop production report of Sept. 12:

- . Corn for grain production forecast at 7.55 billion bushels (192 metric tons), is down 2 pct. from the Aug. 1 forecast but 81 pct. above last year's crop. The crop is 8 pct. below the record high of 1982
- . Sorghum grain - forecast at 817 bushels (20.8 million metric tons), down one-half of a pct. from Aug. 1 but up 70 pct. from last year.
- . Feed grain - corn, sorghum, oats and barley combined - Expected total: 233 million metric tons, up 71 pct. from 1983, down 7 pct. from 1982.
- . Soybean - forecast at 2.03 billion bushels (55.2 million metric tons), 29 pct. larger than the 1983 crop, 7 pct. smaller than 1982.
- . All wheat - forecast at 2.57 billion bushels (70.0 million metric tons), 6 pct. above 1983 but 7 pct. below the 1982 total. Winter wheat, 2.04 billion bushels (55.4 million metric tons), up 2 pct. from last year.
- . Other spring wheat - 430 million bushels (11.7 million metric tons), 20 pct. more than 1983. Durum wheat - 105 million bushels (2.87 metric tons), 44 pct. above last year.

CITRUS CANKER
EMERGENCY

Sec'y of Agriculture John R. Block declared a citrus canker emergency in Florida and authorized federal funds to eradicate the disease. Block said "Citrus canker is a potentially devastating disease that could wreak havoc with our citrus industry if left unchecked. This action will provide federal money and employees in the fight to eradicate citrus canker." Immediate burning began of 1 million young nursery orange trees infected with the disease.

EMERGENCY
LOANS TO IOWA

Sec'y of Agriculture John R. Block named 13 primary and 35 contiguous Iowa counties as eligible for Farmers Homes Administration emergency loans because of heavy rains and flooding from April 1 to June 30, 1984. In addition, farmers in 15 contiguous counties in Minnesota, Missouri, Nebraska, and S. Dakota also are eligible to apply for emergency loans. Farmers and ranchers in all those counties have eight months in which to apply for loans to cover part of their actual production losses.

STANDARDS FOR
WHEAT EXPORTS

The European Community plans to introduce quality standards for wheat exports, despite opposition from the European Association of Grain Traders, according to the U.S. Department of Agriculture. Exporters would lose their \$5 per ton deposit on export licenses if their wheat does not meet the same minimum quality standards used for intervention stock purchases. This could encourage additional domestic use of low-quality wheat that does not meet export standards, and so reduce EC soft wheat exportable supplies. Quality standards might also simply encourage farmers to produce more higher protein wheats, which could reduce EC demand for imported U.S. hard wheats.

WORLD MEAT
PRODUCTION

The world meat production in 1984 is expected to total almost 108 million tons, 1 pct. above 1983; another 1 pct. increase is likely in 1985, according to the U.S. Department of Agriculture. Beef production will likely increase in 1984, but little change is anticipated in 1985. World pork production is expected to remain relatively stable in both 1984 and 1985, but poultry meat output, up only 1 pct. in 1984, is anticipated to double that rate in 1985.

DURUM WHEAT
TRADE

The world durum trade in 1984 should approach 5 million tons, slightly below the levels of recent years due mostly to a sharply lower Canadian crop, according to the U.S. Department of Agriculture. A major drop in world trade should be avoided, however, due to record production in both Greece and Italy. The U.S. durum crop is forecast at approximately 2.6 million tons, up 30 pct. from 1983/84, but well below the 1981/82 record production of 5 million tons. U.S. durum exports in 1984/85 are forecast at 1.6 million tons, but could increase if world demand strengthens and additional Italian and Greek exports fail to take place.

300 NEW FEED
MILLS IN CHINA

The Chinese government plans to construct 300 new feed mills in the next three years which could provide potential for increasing imports of U.S. coarse grains, according to the U.S. Department of Agriculture. The new mills will procure raw materials from domestically produced supplies, supplemented with imports of coarse grains.

FROM OUR TELEVISION
SERVICE

"Feed Outlook" ...The domestic feed grain supply for 1984/85 is forecast to be up 30 million metric tons from last year. USDA economist Larry Van Meir focuses on factors contributing to this increase. Victor Powell interviews.

"Current Agricultural Issues" ...Secretary of Agriculture John Block recently spoke to food editors during the "Food and Fitness" fair in Washington about American agriculture's vital role in producing food and fiber for the U.S. and other countries. Jim Johnson interviews.

"Remote Sensing" ... USDA economist Kevin Haley describes how scientists and economists use satellites to monitor agricultural crops and conditions with a system called "remote sensing". DeBoria Janifer interviews.

"Foreign Agricultural Attache System" ...Wayne Sharp with USDA's Foreign Agricultural Service focuses on the department's attache system and how it benefits farmers and consumers in gaining reliable information on global farming conditions. Deboria Janifer interviews.

"World Debt and Exports" ... Many of the world's developing nations are heavily in debt. USDA economist David Stallings focuses on world debt and its impact on U.S. exports. George Holmes interviews.

EC SOFT WHEAT
EXPORTS

The European Community commercial soft wheat exports could be sharply higher in 1984/85, according to the U.S. Department of Agriculture. Domestic EC wheat prices are usually higher than world market prices and the Community therefore subsidizes wheat exports. In recent months, however, the export subsidy has dropped from \$40 - \$50 per ton to only about \$10 per ton with the strengthening of the U.S. dollar and falling domestic EC prices. That trend could bring EC prices in line with world market prices and negate the need for an export subsidy. EC could move more of its impending record harvest onto world markets at competitive prices.

1984/85 GRAIN
TO USSR

Soviet purchases of U.S. grain for shipment during the July-June 1984/85 marketing year have already reached 12.9 million tons, over 30 pct. of the USSR's projected 1984/85 wheat and coarse grain imports from all sources of 42 million tons, according to the U.S. Department of Agriculture. Since 1976/77, the U.S. share of the Soviet grain market has ranged from a high of 74 pct. in 1978/79 to a low of 20 pct. in 1982/83. Grain sales for delivery in the second year, 1984/85, of the long-term agreement total 8.8 million tons. Pres. Reagan announced on Sept. 11 that the Soviets could buy up to 22 million tons during the second year of the agreement.

REVISED CORN
STANDARDS

Effective next September, the U.S. Department of Agriculture will clarify Sample grade requirements and include a definition for "distinctly low quality" in its official standards for corn. The revision expands the definition of Sample grade to include previously established limits for stone, glass, castor beans, cockleburs, unknown foreign substances and animal filth. (For more information, call Lewis Lebakken, Jr., 202/348-1738.)

OFF MIKE

A couple weeks ago we reported that Gordon Graham (Univ. of Arizona, Tucson) offered us "oske-wa-wa" meaning "Congratulations" in some Indian tribal language. Now we learn that "Oske-wa-wa" come "...from the tribe of Illini, an old and honorable Indian Nation." The quotes are from Don Hanes (National Council of Farmer Cooperatives, Washington, D.C.). Don also reports "Oske-wa-wa" is also part of several cheers for the Fighting Illini. And he goes on to commiserate about the "longest day" he and George Gatley (KBLU/KTTI/W. Ag Nets, Yuman, AZ) had (with several thousands others) at the Rose Bowl when the university football team had some misfortunes...Ron Hayes (Oklahoma Agrinet, OK City, OK) is chairman of the NAFB awards committee and is looking for nominees for the famous (infamous) Foot-in-Mouth Award. If you need more into on how to nominate a "friend" or co-worker, call Ron at 405-843-7068... Nice note from Fortunato "Lucky" Teho (former ag broadcaster, Univ of Hawaii, and now horticultural journalist) He reports he just returned from a month-long, 15 thousand mile trip through Florida, NE USA, and Canada. He also said he tried to call us at the office when he was in D.C. but it was Sunday and no one answered. Not too surprising...Speaking of travelers, we understand that Max Armstrong (WGN, Chicago,) and Derry Brownfield (Brownfield Network, Centertown, MO) are back from the extended trip through SE Asia sponsored by the U.S. Seed Grain Council. We understand that an early morning reporting effort by Derry from Taipei, Taiwan, came out "This is Derry Brownfield reporting from Pompei..." And that could have been an earth shaking experience...There's a new Assistant Farm Editor at the Linder Farm Network. She is Jamie Kaestner. She was an intern at WMT, Cedar Rapids while she worked on her degree at Iowa State. And prior to joining Lynn Ketelsen at Linder Farm Net, Jamie was ass't news director at KASI/KCCQ, Ames, IA. She also received a NAFB Scholarship in 1983 ... Farm broadcasters are well-known as talkers. But they are writers, too. And it's always nice to get supporting evidence of that fact. Our latest example is an article Dan Modlin (Indiana Rural Radio Net, New Palestine) wrote for the September INDIANA BUSINESS magazine. It's a think piece entitled, "Domestic Content Bill Pits Unlikely Foes." Well done.

FROM OUR
RADIO
SERVICE

AGRICULTURE USA #1424...(Weekly 13½ min documentary) The science of genetic engineering holds the promise of fantastic breakthroughs in livestock production. Even new scientists are transferring the human genes for growth hormone production in mice. On this edition of AGRICULTURE USA Gary Crawford visits a scientist who is trying to produce bigger better and more efficient farm animals.

AGRITAPE/FARM PROGRAM REPORT # 1413...(Weekly reel of new features) USDA news highlights; Farm fuels from farm wastes; Farm policy feelings; Mother nature's weed killers.

CONSUMER TIME #906...(Weekly reel of five 2½-3 min features) Human problems from livestock feed? What happened to the energy crisis? Fewer cigarettes: Think zinc; "Breaking up is hard to do."

USDA RADIO NEWS SERVICE...Wed. Sept 19, Dairy outlook; World Cotton Situation; World Oilseed situation; Thursday, September 20: Soybean stocks; Hogs and pigs report; Tuesday, Sept. 25: Weekly weather and crop report; Inputs report. Dial the USDA National News Lines 202/488-8358 or 8359. All material changed at 5 p.m. EDT each working day.


JAMES L. JOHNSON
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