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Letter No. 2335

October 22, 1987

**SOVIET/ARGENTINE
LONG-TERM
AGREEMENT?**

Possibilities are getting stronger for a long-trade agreement between Argentina and the Soviet Union, according to the U.S. Department of Agriculture. If such an agreement is signed, it would call for the Argentines to purchase \$1.1 billion worth of Soviet machinery and equipment by 1991, and the Soviets would increase purchases of Argentine grain and oilseeds. These increased exports would displace both U.S. and European Community exports to the Soviet Union. However, some Argentines don't believe an agreement will be signed, and even if one is, there won't be much real impact on Argentine grain exports.

**CROP CARRYOVER
NOT AS LARGE**

Corn and sorghum stocks are up, but wheat and soybeans stocks are down, according to U.S. Department of Agriculture economists Herb Moses and Clark Edwards. Their latest grain stocks report showed lower-than-expected supplies, compared to the same period last year. Rice supplies are particularly tight this year. Carryin stocks of long grain rice are 39 percent lower than last year. The U.S. apple crop is up sharply, possibly as much as 16 percent higher. Consequently, consumers should see lower prices in the markets. (For more info, call Edwards or Moses at 202-447-5505.)

**YUGOSLAVIA AND
EXPORT
ENHANCEMENT**

Yugoslavia has the opportunity to buy another 500 thousand metric tons of U.S. wheat under the U.S. Department of Agriculture's Export Enhancement Program. Wheat would be sold to Yugoslavia at competitive world prices. The export sales will be subsidized with commodities from CCC inventory and will enable U.S. exporters to compete at commercial prices in the Yugoslavia market.

**U.S. COULD GAIN
IF SOUTH AFRICA
CUTS**

New policies in South Africa could reduce that country's corn exports and provide new opportunities for U.S. exports in Japan and Taiwan, according to a U.S. Department of Agriculture report. The new policies would limit corn production and cut export losses caused by the widening gap between high domestic prices and lower world prices. The U.S. agricultural attache in Pretoria forecasts South African corn exports at 1 million, 300 thousand tons in the current marketing season.

BUTTER/CHEESE
PRICES PLUMMET

Wholesale butter and American cheese prices dropped sharply in late September and early October, and U.S. Department of Agriculture economists Jim Miller and Sara Short say the "why" is a good question. Just before the drop, market conditions looked fairly steady. The price drop may well have been an overreaction to some market softness, in which case prices likely will get better. On the other hand, the decline would be an ominous sign for 1988 if it proves to have been triggered by a surge in milk output or a sudden weakening in commercial use. In the meantime, the Commodity Credit Corporation started buying significant quantities of butter and cheese. (Phone number for Miller and Short is 202-786-1830.)

LOTS MORE
CATFISH

Catfish production took a big jump this past September compared to a year ago, according to the U.S. Department of Agriculture. Farm-raised catfish processed during September totaled just over 26-1/2 million pounds, a 41 percent increase over last year. The average price paid to growers was 60 cents per pound, and that's down 3 cents over last year.

MORE VEGGIES
COMING

Vegetable farmers for the seven most predominant vegetables planted an estimated 147 thousand acres this season, up 3 percent over last year, according to the U.S. Department of Agriculture. The seven crops are broccoli, carrots, cauliflower, celery, sweet corn, lettuce, and tomatoes. (For more statistical info, call 202-447-3843.)

MILK PRODUCTION
INCREASES

Milk production in the 21 leading dairy states increased 2 percent in September to 9.89 billion pounds, compared to the same month last year, according to the U.S. Department of Agriculture. Production per cow averaged 1127 pounds, and that's up 47 pounds over last year. The number of cows on farms in the 21 states was 8 million, 780 thousand head, 3 thousand more than in August, but 175 thousand below last a year ago. (For more statistical info, call 202-447-6351.)

UPS AND DOWNS
IN WORLD MILK
OUTPUT

Milk production world wide is a mixed bag. It's up in Australia about 2 percent higher than last year. But milk production is down in the United Kingdom (about 6 percent), down in Poland (about 2 percent), and down in Spain (about 2 percent).

PORK ORDER
CHANGES PROPOSED

The U.S. Department of Agriculture is proposing to increase the per-pound assessment on imported pork and pork products between 2 and 3 hundredths of a cent per pound. The assessment reflects the 13 percent rise in hog prices paid at major U.S. markets this past year. USDA also is proposing to change the remittance schedule for domestic hog assessments paid to the National Pork Board. The change will permit hog producers owing less than \$25 monthly to pay on a quarterly basis instead of monthly. The entire proposal is in the October 22 Federal Register.

RICE PROGRAM
COMMENTS SOUGHT

The U.S. Department of Agriculture is requesting comments on additional provisions of the 1988 rice program. Comments are being sought on over a dozen provisions, including the loan and purchase level and loan rate adjustments. Complete details appear in the October 19 Federal Register. Comments should be sent to Orval Kerchner, Commodity Analysis Division, USDA-ASCS, Room 3741-S, Washington, D.C. 20013.

FOOD FOR PEACE
TO SPEND \$648
MILLION

Preliminary indications are the U.S. Department of Agriculture will spend \$648 million under Titles I and III of Public Law 480, the Food for Peace Program. The allocations are part of nearly \$770 planned in commodity assistance for fiscal year 1988. The five largest allocations are scheduled for Bangladesh, \$60 million; Egypt, \$180 million; Morocco, \$40 million; Pakistan, \$80 million; and Sudan, \$40 million.

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1586... (Weekly 13½ min documentary) Several rural states have been hit hard by the depression in agriculture, but in Wyoming the people have been hit by the double whammy of low farm prices and reduced activity in the energy and industrial sector. Brenda Curtis explores how people are coping with the hard times.

AGRITAPE/FARM PROGRAM REPORT #1575... (Weekly reel of news features) USDA news highlights; Proper use of tobacco market cards; A unique water project; Bug-proof potatoes; Growing Asian vegetables.

CONSUMER TIME #1066... (Weekly reel of 2½-3 min features) Wyoming's double whammy; Seafood and nutrition; Avoiding mail order problems; Mail order pointers; All weather clothing.

USDA RADIO NEWS SERVICE... Thurs, Oct. 29, Oil crops outlook; Fri, Oct. 30, Agricultural prices; Tues, Nov. 3, Crop and weather update; Wed, Nov. 4, Livestock and poultry outlook; Thurs, Nov. 5, Fruit outlook; Mon, Nov. 9, U.S. crop production, Soviet grain outlook, World supply and demand; Tues, Nov. 10, World crop production, World cotton, World oilseed, U.S. crop and weather update.

TELEVISION SERVICE programs, A BETTER WAY, DOWN TO EARTH, AGRICULTURAL UPDATE and SATELLITE NEWS are available on satellite Westar IV, Audio 6.2 or 6.8 as follows:

Thursdays....AG UPDATE/SATELLITE NEWS, 7:30-7:45 p.m. ET.....Transponder 12D

Saturdays....A BETTER WAY, 10:00-10:30 a.m. ET.....Transponder 9X
ORIGINAL DOWN TO EARTH, 10:30-11:00 a.m. ET....Transponder 9X
UPLINK SATELLITE NEWS/AG UPDATE, 11:00-11:15 a.m. ET.....Transponder 9X

Mondays.....A BETTER WAY, 8:00-8:30 a.m. ET.....Transponder 12D
REPEAT DOWN TO EARTH, 8:30-9:00 a.m. ET....Transponder 12D
UPLINK SATELLITE NEWS/AG UPDATE, 9:00-9:15 a.m. ET.....Transponder 12D

A BETTER WAY is also available on The Learning Channel SATCOM 3R, Transponder 2, Audio 6.8 each Friday 11:00 a.m. ET.

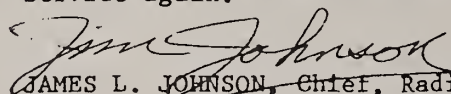
OFF MIKE

Couple of requests during the week for Fact Books of Agriculture (still a few left). One was from Pam Geppert (WOWO, Fort Wayne, IN), and she's looking forward to her first NAFB convention in Kansas City. The second request was from Lee Bullis (McGavren Guild Radio, Houston, TX). In the course of that conversation, we received a personal invite to the Irish Coffee shindig. Kinda nice, even though we know everyone else will be there, anyway. Incidentally, and speaking of the NAFB meeting, a reminder that you should have received the packet of registration materials from NAFB Executive Secretary George Logan's office at WIBW, Topeka, KS. The preliminary program looks good and knowing program chairman Dix Harper (WRAL-TV/Tobacco Net, Raleigh, NC), the actual program, if anything, will be even better. Take a close look at the meal events, too, and mark only those you really plan to attend. If you've ever been involved in one of these kinds of meetings you know how frustrating it is to try to match guarantees up with

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actual attendance ... Speaking of meetings, we've got a good one coming up here in Washington, D.C. December 1-3. Those are the dates for the 64th USDA Agricultural Outlook Conference. It kicks off December 1 at 10:30 with a keynote address by Sec'y of Agric Richard Lyng and adjourns at noon, December 3. Lots of solid and speculative information in between. Sorry, no 900 phone line service will be available this year. Not enough interest ... As some of you know, we've provided live radio coverage of special events via Westar III satellite, using Bill Ray's Agrinet Farm Radio Net facilities out of Richmond, VA. Westar III is out of the picture, and we're hoping to get back into the same service on a new satellite (or satellites). Which one are you on? Let us know. If we can find a good pattern, we'll see if we can set up the service again.


JAMES L. JOHNSON, Chief, Radio and Television Division