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U.S. Department of Agriculture • Office of Public Affairs

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CCC INTEREST RATE FOR OCTOBER LOWERED TO 3-3/8 PERCENT

WASHINGTON, Oct. 1—Commodity loans disbursed in October by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 3-3/8 percent interest rate, according to Keith Bjerke, executive vice president of the CCC.

The 3-3/8 percent interest rate is down from September's 3-1/2 percent and reflects the interest rate charged CCC by the U.S. Treasury in October.

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USDA ANNOUNCES \$3.6 BILLION IN EXPORT GUARANTEES TO 18 COUNTRIES IN FY 93

JEFFERSON CITY, Mo., Oct. 1—Secretary of Agriculture Edward Madigan today announced \$3.6 billion in export credit guarantees will be made available to facilitate sales of U.S. agricultural commodities to an initial list of 18 countries in fiscal 1993.

The credit guarantees will be made available to U.S. exporters under the U.S. Department of Agriculture's Export Credit Guarantee Program (GSM-102) and the Intermediate Export Credit Guarantee Program (GSM-103). Fiscal 1993 begins Oct. 1.

"These two programs are a major part of USDA's effort to encourage U.S. agricultural exports," Madigan said. "In fiscal 1992, over \$5 billion in U.S. agricultural products were sold with the aid of these two programs."

Under the programs, the U.S. government ensures payment on commercial loans extended by U.S. lenders to finance export of specified U.S. agricultural products to the targeted countries.

The countries included in this announcement are Chile, Colombia, the Czech-Slovak Federal Republic, Egypt, Guatemala, Hungary, Jordan, Korea, Mexico, Morocco, Pakistan, Panama, Romania, Russia, Sri Lanka, Trinidad and Tobago, Turkey and Venezuela.

Major U.S. agricultural commodities include over \$328 million for feed grains, \$741 million for wheat, \$261 million for oilseeds, \$81 million for protein meals, \$333 million for cotton, \$50 million for corn for human consumption, \$50 million for wood products, \$35 million for meats, \$42 million for vegetable oils and \$20 million for wheat flour. In addition, a variety of other U.S. agricultural commodities will be made available to the 18 countries, ranging from almonds and breeder livestock to wood pulp.

The credit guarantee program for Russia was announced Sept. 14, and USDA will be detailing commodity allocations for Russia in the near future. Madigan said that most of the 18 country programs included in today's announcement will be made operational immediately with the remainder being made operational over the next two weeks.

Madigan said that USDA plans to make available at least \$5.7 billion in credit guarantees in fiscal 1993. "Today's announcement represents about two-thirds of that amount," said Madigan, "so there is still time for other export opportunities." Credit guarantee programs to facilitate agricultural sales to countries not included in today's announcement will be announced as such programs are developed and finalized.

U.S. exporters interested in these programs should contact USDA's Foreign Agricultural Service at (202) 720-4221. Foreign buyers should contact the U.S. agricultural counselors or attaches in their countries.

The following three-page table summarizes countries and commodities covered by this announcement.

**FY 1993 Export Credit Guarantee Programs (GSM-102/103)*
(\$ MILLIONS) Page 1 of 3**

	Chile	Colombia	Czech	Egypt	Guatemala	Hungary
Almonds						
Barley Malt						
Breeder Livestock			1.0			
Breeder Materials						
Corn (non feed use)						
Corn Products						
Cotton	3.0		20.0			5.0
Eggs, Table						

Feedgrains	5.0	5.0		20.0	8.0	
Hides & Skins		1.0				
Meats						
Milk	10.0	1.0				
Oil Seeds		1.0				
Planting Seeds						
Protein Meals		1.0	1.0		6.0	
Pulses	5.0	1.0				
Rice		3.0				
Solid Wood Products			4.0			
Soy protein products						
Tallow/Grease/Lard		6.0			6.0	
Vegetable Oils		1.0			5.0	
Wheat	50.0	59.0		20.0	5.0	
Wood Pulp & Chips						
Undesignated						
Unallocated						
Subtotals	73.0	100.0	5.0	40.0	30.0	5.0

**FY 1993 Export Credit Guarantee Programs (GSM-102/103)*
(\$ MILLIONS)**

	Jordan	Korea	Mexico	Morocco	Pakistan	Panama
Almonds			2.0			
Barley Malt			15.0			0.5
Breeder Livestock			20.0			0.5
Breeder Materials			0.5			
Corn (non feed use)			50.0			
Corn Products			2.0			
Cotton		250.0	20.0	8.0		
Eggs, Table			2.0			
Feedgrains	10.0	55.0	150.0	20.0		5.0
Hides & Skins		12.0	2.0			
Meats			30.0			
Milk			5.0			
Oil Seeds		50.0	150.0			
Planting Seeds			2.0	1.0		
Protein Meals			50.0			6.0

Pulses			2.0			
Rice			20.0			
Solid Wood Products	7.0		25.0			1.0
Soy protein products			2.0			
Tallow/Grease/Lard	8.0		10.0			1.0
Vegetable Oils			30.0			
Wheat	10.0	155.0	70.0	97.5	200.0	3.0
Wood Pulp & Chips			10.0			
Undesignated	5.0					
Unallocated			580.5			
Subtotal	25.0	537.0	1250.0	126.5	200.0	17.0

FY 1993 Export Credit Guarantee Programs (GSM-102/103)*
(\$ MILLIONS) Page 3 of 3

	Romania	Russia	Sri Lanka	Trin & Tob	Turkey	Venezuela
Almonds						
Barley Malt				2.0		6.0
Breeder Livestock				2.0		
Breeder Materials						
Corn (non feed use)						
Corn Products						
Cotton	10.0				15.0	2.0
Eggs, Table						
Feedgrains	3.0			12.0	10.0	25.0
Hides & Skins						
Meats						5.0
Milk						2.0
Oil Seeds	15.0			27.0		18.0
Planting Seeds						1.0
Protein Meals					7.0	10.0
Pulses						
Rice				10.0		
Solid Wood Products						3.0
Soy protein products						
Tallow/Grease/Lard						2.0
Vegetable Oils						6.0
Wheat	5.0		25.0	17.0		25.0

Wood Pulp & Chips						
Undesignated					8.0	
Unallocated		800.0				95.0
Subtotal	33.0	800.0	25.0	70.0	40.0	200.0

GSM TOTAL: 3576.5

* Program participants should await operational program announcements for further and final details of individual country programs before attempting to register sales.

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(Backgrounder Oct. 1, 1992)

EXPORT CREDIT GUARANTEE PACKAGE

On Oct. 1, the U.S. Department of Agriculture announced a \$3.6-billion package in export credit guarantees to 18 countries for fiscal year 1993 (USDA news release 0920-92). USDA's export credit guarantee programs are designed to help encourage sales of U.S. farm products in markets around the world. They help reduce the risks in exporting and make U.S. exporters and banks more willing to explore new foreign market opportunities.

This package of credit guarantees will support over 97,000 jobs and over \$9 billion in economic activity within the United States. More than half of this activity will occur once commodities leave the farm, through processing, packaging, shipping, merchandising and other export-related activities that add value to farm products.

This announcement represents nearly two-thirds of the \$5.7 billion in credit guarantees that USDA plans to offer during fiscal 1993. Most of the country programs included will become operational immediately, with the remainder becoming operational over the next two weeks.

Credit guarantee programs for countries not included in this announcement will be announced as such programs are developed and finalized.

Commodity Coverage

Major commodities include \$741 million for wheat, \$333 million for cotton, \$328 million for feed grains, \$261 million for oilseeds, \$81 million for protein meals, \$52 million for corn and corn products for human consumption, \$50 million for wood products, \$35 million for meats, \$42 million for vegetable oils and \$20 million for wheat flour.

The \$741 million for wheat should guarantee about 5.5 million tons (202 million bushels). This would account for about 17 percent of projected U.S. wheat exports.

The \$328 million for feed grains should guarantee about 2.8 million tons (110 million bushels). This would represent about 7 percent of projected U.S. corn exports.

The \$333 million for cotton should guarantee about 1 million bales or about 16 percent of projected U.S. cotton exports.

The \$261 million for oilseeds should guarantee about 1.2 million tons or about 6 percent of projected U.S. oilseed exports.

The \$81 million for protein meals should guarantee 400,000 tons or about 7 percent of projected U.S. protein meal exports.

The \$42 million for vegetable oils should guarantee 96,000 tons or about 9 percent of projected U.S. vegetable oil exports.

A wide variety of other U.S. agricultural commodities are also available for coverage, ranging from almonds and breeder livestock to tallow and wood pulp.

Country Coverage

Countries included in the Oct. 1 announcement are Chile, Colombia, the Czech-Slovak Federal Republic, Egypt, Guatemala, Hungary, Jordan, Korea, Mexico, Morocco, Pakistan, Panama, Romania, Russia, Sri Lanka, Trinidad and Tobago, Turkey and Venezuela. All of these countries participated in the GSM-102 program in fiscal year 1992.

Background on GSM-102 Program

Under the GSM-102 program, USDA guarantees repayment of credits issued in connection with sales of U.S. agricultural goods. Credits must be repaid in three years or less, and if a purchasing country defaults on a payment, registrations of future sales under the program are immediately suspended until the debt is again current.

Background on GSM-103 Program

Under the GSM-103 program, USDA guarantees repayment of credits issued for over three but not more than 10 years. This program is used to promote exports of U.S. agricultural products where particular circumstances make a longer term appropriate.

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USDA ANNOUNCES PREVAILING WORLD MARKET PRICE AND USER MARKETING CERTIFICATE PAYMENT RATE FOR UPLAND COTTON

Washington, Oct. 1—John Stevenson, acting executive vice president of USDA’s Commodity Credit Corporation, today announced the prevailing world market price, adjusted to U.S. quality and location (adjusted world price), for Strict Low Middling (SLM) 1-1/16 inch (micronaire 3.5-3.6 and 4.3-4.9, strength 24-25 grams per tex) upland cotton (base quality), the coarse count adjustment and the user marketing certificate payment rate in effect from 12:01 a.m. Friday, Oct. 2, through midnight Thursday, Oct. 8.

The Agricultural Act of 1949, as amended, provides that the AWP may be further adjusted if: (a) the AWP is less than 115 percent of the current crop year loan rate for base quality upland cotton, and (b) the Friday through Thursday average price quotation for the lowest-priced U.S. growth as quoted for Middling (M) 1-3/32 inch cotton, C.I.F. northern Europe (USNE price) exceeds the Northern Europe (NE) price. The maximum allowable adjustment is the difference between the USNE price and the NE price.

A further adjustment to this week’s calculated AWP may be made in accordance with this provision. The calculated AWP is 78 percent of the 1992 upland cotton base quality loan rate, and the USNE price exceeds the NE price by 3.75 cents per pound. Following are the relevant calculations:

I.	Calculated AWP	40.64 cents per pound
	1992 Base Loan Rate	52.35 cents per pound
	AWP as a Percent of Loan Rate	78
II.	USNE Price	58.30 cents per pound
	NE Price	<u>-54.55 cents per pound</u>
	Maximum Adjustment Allowed	3.75 cents per pound

Based on a consideration of the U.S. share of world exports, the current level of cotton export sales and cotton export shipments, and other relevant data, no further adjustment to this week’s calculated AWP will be made. This week’s AWP and coarse count adjustment are determined as follows:

Adjusted World Price

Adjusted World Price

NE Price	54.55
Adjustments:	
Average U.S. spot market location	12.05
SLM 1-1/16 inch cotton	1.55
Average U.S. location	0.31
Sum of Adjustments	<u>-13.91</u>
Calculated AWP	40.64
Further AWP Adjustment	<u>- 0</u>
ADJUSTED WORLD PRICE	40.64 cents/lb.

Coarse Count Adjustment

NE Price	54.55
NE Coarse Count Price	<u>-50.17</u>
	4.38
Adjustment to SLM 1-1/32 inch cotton	<u>-3.95</u>
COARSE COUNT ADJUSTMENT	0.43 cents/lb.

Because the AWP is below the 1990, 1991 and 1992 base quality loan rates of 50.27, 50.77 and 52.35 cents per pound, respectively, the loan repayment rate during this period is equal to the AWP, adjusted for the specific quality and location plus applicable interest and storage charges. The AWP will continue to be used to determine the value of upland cotton that is obtained in exchange for commodity certificates.

Because the AWP is below the 1992-crop loan rate, cash loan deficiency payments will be paid to eligible producers who agree to forgo obtaining a price support loan with respect to the 1992 crop. The payment rate is equal to the difference between the loan rate and the AWP. Producers are allowed to obtain a loan deficiency payment on a bale-by-bale basis.

The USNE price has exceeded the NE price by more than 1.25 cents per pound for four consecutive weeks and the AWP has not exceeded 130 percent of the 1992 crop year base quality loan rate in any week of the 4-week period. As a result, the user marketing certificate payment rate is 2.50 cents per pound. This rate is applicable during the Friday through Thursday period for bales opened by domestic users and for cotton contracts entered into by exporters for delivery prior to September 30, 1993. Relevant data used in determining the user marketing certificate payment rate are summarized below:

Week	For the Friday through Thursday Period	USNE Current Price	NE Current Price	USNE Minus NE	Certificate Payment Rate 1/
1	Sept. 10, 1992	60.20	56.45	3.75	2.50
2	Sept. 17, 1992	60.45	56.43	4.02	2.77
3	Sept. 24, 1992	61.55	56.61	4.94	3.69
4	Oct. 1, 1992	58.30	54.55	3.75	2.50

1/ USNE price minus NE price minus 1.25 cents.

The next announcement of the AWP, coarse count adjustment and user marketing certificate payment rate will be made on Thursday, Oct. 8.

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USDA PROPOSES CHANGES IN P&SA REGULATIONS AND POLICY STATEMENTS

WASHINGTON, Oct. 2—The U.S. Department of Agriculture has proposed a number of changes in its Packers and Stockyards Act regulations to reflect advances in the meat industry's practices, P&SA Administrator Virgil M. Rosendale announced today.

"USDA's Packers and Stockyards Administration completed its review of 16 regulations included in the president's program to review priority regulations," Rosendale said.

"We have proposed removing four rules concerning outdated scale testing requirements, and two rules dealing with restrictions on auction markets providing price guarantees and employing packer buyers," he said.

P&SA also proposed amending rules regarding auction markets purchasing livestock out of consignment and advertising allowances offered by meat packers.

The proposal was published in the Sept. 30 Federal Register and is open for public comment until Nov. 29. Comments may be mailed to the Administrator, Packers and Stockyards Administration, USDA, Room 3039-S, Washington, D.C. 20250-2800.

Comments will be available for public inspection during normal business hours, and copies of the proposed changes may be obtained from the administrator's office at the above address.

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CONSERVATION RESERVE PROGRAM PAYMENTS TO TOTAL \$1.7 BILLION

WASHINGTON, Oct. 2—Deputy Secretary of Agriculture Ann M. Veneman today announced cash payments of more than \$1.7 billion will be issued to about 386,000 producers participating in the U.S. Department of Agriculture's Conservation Reserve Program.

"I'm pleased that USDA can make these payments, which are essential to many producers, now," Veneman said. "USDA's Commodity Credit Corporation will make annual CRP rental payments, beginning today."

The annual rental payments are made under contracts producers signed to enroll cropland in the CRP during crop years 1986-1992. This is the fiscal year 1993 payment.

Under the CRP program, producers retire from production for 10-15 years eligible cropland that is highly erodible or contributing to a serious water quality problem. In return, USDA makes annual rental payments to the producers and shares with them the cost of establishing an approved vegetative cover. To date, 36.5 million acres have been enrolled in the CRP.

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PRIVATE EXPORTERS REPORT SALES ACTIVITY FOR INDIA

WASHINGTON, Oct. 2—Private exporters today reported to the U.S. Department of Agriculture export sales of 985,000 metric tons of wheat (910,000 tons of hard red winter and 75,000 of hard red spring) for delivery to India during the 1992-93 marketing year.

The marketing year for wheat began June 1.

USDA issues both daily and weekly export sales reports to the public. Exporters are required to report to USDA export sales of 100,000 metric tons or more of one commodity, made in one day, to one destination by 3:00 p.m. Eastern time on the next business day following the sale. Export sales of less than these quantities must be reported to USDA on a weekly basis.

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NO FINDLEY PAYMENTS FOR 1991-CROP CORN AND SORGHUM

WASHINGTON, Oct. 5—The U.S. Department of Agriculture's Commodity Credit Corporation today announced that no increased deficiency payments, known as Findley payments, will be made for 1991-crop corn and sorghum under the 1991 feed grains price support and production adjustment program, since the 12-month national weighted average market prices exceeded the basic support level.

Keith Bjerke, CCC executive vice president, said Findley payments are made when the basic support level for a crop of a commodity is reduced to maintain domestic and export markets for that commodity. However, these payments are made only when the 12-month national weighted average market price is less than the price support level before it was reduced.

The national average market prices per bushel received by producers from September 1991 through August 1992 were \$2.37 for corn and \$2.25 for sorghum (\$4.01 per hundredweight). The basic price support level for each of these commodities was \$1.89 per bushel and \$1.80 per bushel, respectively.

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USDA ANNOUNCES FISCAL 1993 SOAP/COAP ALLOCATIONS

WASHINGTON, Oct. 5—Secretary of Agriculture Edward Madigan today announced the fiscal year 1993 allocations under the Sunflowerseed and Cottonseed Oil Assistance Programs to encourage sales of 365,000 metric tons of sunflowerseed oil and 205,000 metric tons of cottonseed oil.

Seven countries are targeted under the U.S. Department of Agriculture's fiscal year 1993 sunflowerseed program and eight countries under the cottonseed program. The new allocations will remain in effect through fiscal year 1993, which ends Sept. 30, 1993. Madigan said additional countries or quantities may be added to the package later.

"In fiscal 1992, sales under the sunflowerseed oil program nearly tripled over 1991, and sales under the cottonseed oil program rose 20 percent," said Madigan. "Today's announcement should help U.S. exporters build on that success."

In fiscal 1992, U.S. exporters sold 238,760 tons valued at \$112 million under SOAP and 42,600 tons valued at nearly \$21 million under COAP.

Fiscal year 1993 SOAP/COAP allocations are listed below in metric tons:

Country	SOAP	COAP
Algeria	100,000	
Dominican Republic		10,000
Egypt	40,000	60,000
El Salvador		40,000
Guatemala	15,000	15,000
Mexico	80,000	10,000
Nicaragua		10,000
Former Soviet Union	80,000	
Turkey	30,000	40,000
Venezuela	20,000	20,000
Totals	365,000	205,000

Sales of oils will be made to buyers in these countries through normal commercial channels at competitive world prices. The export sales will be facilitated with cash bonus payments. The bonus will enable U.S. exporters to compete at commercial prices in these markets.

SOAP/COAP invitations for each of the countries will be issued in the near future.

For more information call Randy Baxter, (202) 720-5540, or L.T. McElvain, (202) 720-6211.

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USDA ISSUES 1992 GRADE LOAN RATES FOR DARK AIR-CURED AND FIRE-CURED TOBACCOS

WASHINGTON, Oct. 5—The U.S. Department of Agriculture's Commodity Credit Corporation today issued price support grade loan rates for the 1992-crop Kentucky and Tennessee dark air-cured tobacco, types 35 and 36 and firecured tobacco, types 22 and 23.

These grade loan rates reflect the average support level of \$1.217 per pound for dark air-cured tobacco and \$1.421 for fire-cured tobacco. The dark air-cured support is approximately 4.1 percent and the fire-cured support level is approximately 4.0 percent more than the 1991 average support levels.

Adjustments were made in certain grades to reflect the overall grade distribution change. Tobacco associations, through which price support is made available to producers, will deduct one cent per pound to cover administrative expenses. The rates were determined in consultation with the producer associations that provide price support for the respective types of tobacco.

Grade rates for dark air-cured tobacco will range from 49 cents to \$2.11 per pound. Grade rates for fire-cured will range from 43 cents to \$2.11 per pound.

The 1992 individual grade loan rates are based on production records which serve as a basis for projecting average grade distribution, assuming normal production and weather conditions.

Dark air-cured tobacco grades X5L, X5F, X5R, X5D, X5M, X5G, N1L, N1R, N1G, N2L, N2R, N2G, "No-G" (no grade), "U" (unsound), "W" (doubtful keeping order) or scrap will not be accepted for price support.

Fire-cured tobacco will not be accepted for price support when graded N1L, N1D, N1GL, N1GX, N2, "No-G" (no grade), "U" (unsound), "W" (doubtful keeping order) or scrap.

Tables of rates, by types and grades, follow: Tobacco is eligible for advances only when consigned by the original producer and only if produced on a cooperating farm. The Associations are authorized to deduct one cent per pound to apply against overhead costs. A number following the grade represents the length designation of the tobacco. A "3" is the same as the 1985 length designation of "47"; "2" represents a combination of former lengths "46" and "1" represents a combination of former lengths "44 and "43".

**1992 CROP DARK AIR-CURED PRICE SUPPORT SCHEDULE
(TYPES 35 & 36)**

GRADE	LOAN RATE	GRADE	LOAN RATE	GRADE	LOAN RATE
(Cents per pound farm sales weight)					
A1F3	211	B4F2	161	B2D3	181
A1F2	211	B4F1	143	B2D2	181
				B2D1	157
A2F3	201	B5F3	131		
A2F2	201	B5F2	131	B3D3	171
		B5F1	121	B3D2	171
A3F3	196			B3D1	152
A3F2	196	B1R3	201		
		B1R2	201	B4D3	151
A1R3	211	B1R1	175	B4D2	151
A1R2	211			B4D1	132
		B2R3	191		
A2R3	201	B2R2	191	B5D3	122
A2R2	201	B2R1	165	B5D2	122
				B5D1	112
A3R3	196	B3R3	176		
A3R2	196	B3R2	176	B3M3	131
		B3R1	155	B3M2	131
B1F3	206			B3M1	116
B1F2	206	B4R3	156		
B1F1	184	B4R2	156	B4M3	101
		B4R1	135	B4M2	101
B2F3	196			B4M1	94
B2F2	196	B5R3	130		
B2F1	173	B5R2	130	B5M3	71
		B5R1	115	B5M2	71
B3F3	186			B5M1	61
B3F2	186	B1D3	191		
B3F1	163	B1D2	191	B3G3	131
		B1D1	167	B3G2	131
B4F3	161				
B3G1	118	C5F3	131	C5G2	71
		C5F2	131	C5G1	61

B4G3	106	C5F1	121		
B4G2	106			X1L	141
B4G1	96	C1R3	201	X2L	135
		C1R2	201	X3L	112
B5G3	71	C1R1	176	X4L	87
B5G2	71				
B5G1	61	C2R3	191	X1F	151
		C2R2	191	X2F	142
CIL3	191	C2R1	166	X3F	121
C1L2	191			X4F	91
CIL1	167	C3R3	181		
		C3R2	181	X1R	146
C2L3	181	C3R1	156	X2R	142
C2L2	181			X3R	117
C2L1	158	C4R3	156	X4R	91
		C4R2	156		
C3L3	171	C4R1	136	X3D	111
C3L2	171			X4D	81
C3L1	146	C5R3	131		
		C5R2	131	X3M	81
C4L3	149	C5R1	116	X4M	56
C4L2	149				
C4L1	137	C3M3	131	X3G	80
		C3M2	131	X4G	49
C5L3	122	C3M1	116		
C5L2	122				
C5L1	106	C4M3	101		
		C4M2	101		
CIF3	206	C4M1	94		
C1F2	206				
C1F1	184	C5M3	71		
		C5M2	71		
C2F3	196	C5M1	61		
C2F2	196				
C2F1	174	C3G3	131		
		C3G2	131		
C3F3	186	C3G1	118		
C3F2	186				
C3F1	163	C4G3	106		
		C4G2	106		

C4F3	161	C4G1	96
C4F2	161		
C4F1	143	C5G3	71

Tobacco graded X5L, X5F, X5R, X5D, X5M, X5G, N1L, N1R, N1G, N2L, N2R, N2G, "U" (unsound), "No-G" (no grade), the special factor "W" (doubtful keeping order), tobacco marked with "BH" (big heads), or scrap will not be accepted. Type 35 tobacco marked with the special factor "BL" (broad leaf) will have an advance rate 20 percent below the advance rate otherwise applicable.

Tobacco is eligible for advances only when consigned by the original producer and only if produced on a cooperating farm. The Associations are authorized to deduct \$1 per 100 pounds to apply against overhead cost. A number following the grade represents the length designation of the tobacco. A "3" is the same as the 1985 crop length designation of "47"; "2" represents a combination of former lengths "46" and "45" and "1" represents a combination of former lengths "44" and "43".

1992 CROP FIRE-CURED PRICE SUPPORT SCHEDULE (TYPES 22 & 23)

GRADE	LOAN RATE	GRADE	LOAN RATE	GRADE	LOAN RATE
(Cents per pound farm sales weight)					
A1F3	211	B4F3	173	B3M2	136
A1F2	211	B4F2	173	B3M1	120
		B4F1	150		
A2F3	201			B4M3	119
A2F2	201	B5F3	148	B4M2	119
		B5F2	148	B4M1	100
A3F3	196	B5F1	138		
A3F2	196			B5M3	96
		B1D3	188	B5M2	96
A1D3	211	B1D2	188	B5M1	85
A1D2	211	B1D1	174		
B3VF3	146				
A2D3	201	B2D3	182	B3VF2	146
A2D2	201	B2D2	182	B3VF1	133

		B2D1	166		
A3D3	196			B4VF3	131
A3D2	196	B3D3	177	B4VF2	131
		B3D2	177	B4VF1	107
B1F3	196	B3D1	153		
B1F2	196			B5VF3	103
B1F1	176	B4D3	160	B5VF2	103
		B4D2	160	B5VF1	93
B2F3	191	B4D1	145		
B2F2	191			B3G3	125
B2F1	172	B5D3	144	B3G2	125
		B5D2	144	B3G1	105
B3F3	185	B5D1	128		
B3F2	185			B4G3	103
B3F1	166	B3M3	136	B4G2	103
B4G1	95	C4F3	173	C5M2	96
		C4F2	173	C5M1	85
B5G3	84	C4F1	150		
B5G2	84			C3VF3	146
B5G1	79	C5F3	148	C3VF2	146
		C5F2	148	C3VF1	133
C1L3	184	C5F1	135		
C1L2	184			C4VF3	131
C1L1	172	C1D3	188	C4VF2	131
		C1D2	188	C4VF1	107
C2L3	178	C1D1	174		
C2L2	178			C5VF3	103
C2L1	165	C2D3	182	C5VF2	103
		C2D2	182	C5VF1	93
C3L3	167	C2D1	166		
C3L2	167			C3G3	125
C3L1	155	C3D3	175	C3G2	125
		C3D2	175	C3G1	105
C4L3	150	C3D1	151		
C4L2	150			C4G3	103
C4L1	143	C4D3	160	C4G2	103
		C4D2	160	C4G1	95
C5L3	139	C4D1	145		
C5L2	139			C5G3	84
C5L1	133	C5D3	144	C5G2	84

		C5D2	144	C5G1	79
C1F3	196	C5D1	128		
C1F2	196			X1L	138
C1F1	176	C3M3	136	X2L	123
		C3M2	136	X3L	108
C2F3	191	C3M1	120	X4L	96
C2F2	191			X5L	88
C2F1	172	C4M3	119		
		C4M2	119	X1F	142
C3F3	185	C4M1	100	X2F	134
C3F2	185			X3F	124
C3F1	166	C5M3	96	X4F	112
X5F	99				
X1D	140				
X2D	130				
X3D	118				
X4D	98				
X5D	79				
X3M	83				
X4M	63				
X5M	43				
X3VF	111				
X4VF	91				
X5VF	71				
X3G	88				
X4G	66				
X5G	43				

Tobacco graded N1L, N1D, N1GL, N1GX, N2, "U" (unsound), "NO-G" (no grade) or tobacco marked with the special factor "W" (doubtful keeping order) will not be accepted.

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USDA ISSUES 1992 GRADE LOAN RATES FOR VIRGINIA FIRE AND SUN-CURED TOBACCOS

WASHINGTON, Oct. 5—The U.S. Department of Agriculture's Commodity Credit Corporation today issued price support grade loan rates for the 1992- crop Virginia fire-cured, type 21 and Virginia sun-cured, type 37 tobaccos.

The grade loan rates for Virginia fire-cured tobacco are based on the average support level of \$1.367 per pound, compared with a price support level of \$1.332 per pound for the 1991 crop. The grade rates will range from 91 cents to \$2.00 per pound. Tobacco graded N1L, N1D, N1GL, N1GD, N2 (substandard nondescript), "W" (doubtful keeping order), "No-G" (no grade), "U" (unsound), or scrap will not be accepted for price support.

The grade loan rates for Virginia sun-cured tobacco are based on the average support level of \$1.208 per pound. The 1991 support level was \$1.177 per pound. Grade loan rates will range from 91 cents to \$1.99 per pound. Sun-cured tobacco grades N1L, N2L, N1R, N2R, N1G, N2G, "U" (unsound), "No-G" (no grade), "W" (doubtful keeping order), or scrap will not be accepted for price support.

For the 1992-crop of fire-cured, type 21 tobacco, certain grades will be price supported when marketed in bales. Grades supported in bale form are indicated in the chart with an asterisk. The Virginia Dark Fired Tobacco Marketing Committee will issue bale specifications.

The 1992 grade loan rates reflect minor adjustments from the 1991 rates due to changes in the level of price support and shifts in the historical average grade distribution. The rates were determined in consultation with the Dark Tobacco Sales Cooperative, the producer association that provides price support for these types of tobacco.

Only the original producer is eligible for price support under the program. The tobacco association, through which price support is made available to producers, will deduct one cent per pound from support rates paid to producers to help cover overhead costs.

Tables of rates, by types and grades, follow: Tobacco is eligible for advances only when consigned by the original producer and only if produced on a cooperating farm. The Association is authorized to deduct one cent per pound to apply against overhead costs. A number following the grade represents the length designation of the tobacco. A "3" is the same as the

1985 crop length designation of "47"; "2" represents a combination of former lengths "46 and 45" and "1" represents a combination of former lengths "44" and "43."

(TYPE 21)

GRADE	LQAN RATE	GRADE	LOAN RATE	GRADE	LOAN RATE
(Cents per pound farm sales weight)					
A1F3	196	B5F2*	160	B5M3*	134
A1F2	196	B5F1*	159	B5M2*	136
B5M1*	134				
A2F3	187	B1D3	185		
A2F2	187	B1D2	186	B3G3*	141
B3G2*	142				
A1D3	196	B2D3	177	B3G1*	141
A1D2	196	B2D2	179		
		B2D1	175	B4G3*	136
A2D3	187			B4G2*	138
A2D2	187	B3D3*	174	B4G1*	136
		B3D2*	174		
B1F3	191	B3D1*	170	B5G3*	128
B1F2	191			B5G2*	131
		B4D3*	166	B5G1*	128
				B4D2*	168
B2F3	185	B4D1*	163	CIL3	199
B2F2	185			C1L2	200
B2F1	181	B5D3*	161		
		B5D2*	162	C2L3	194
B3F3*	177	B5D1*	158	C2L2	195
B3F2*	179			C2L1	191
B3F1*	176	B3M3*	153		
		B3M2*	155	C3L3*	180
B4F3*	172	B3M1*	153	C3L2*	182
B4F2*	174			C3L1*	180
B4F1*	170	B4M3*	147		
		B4M2*	151	C4L3*	172
B5F3*	159	B4M1*	146	C4L2*	173

C4L1*	171	C5D3*	128	X4F*	134
		C5D2*	130	X5F	123
C5L3*	161	C5D1*	127		
C5L2*	162			X1D*	136
C5L1*	159	C3M3*	155	X2D*	131
		C3M2*	158	X3D*	127
C1F3	199	C3M1*	155	X4D*	117
C1F2	200			X5D*	107
		C4M3*	150		
C2F3	194	C4M2*	152	X3M*	116
C2F2	195	C4M1*	150	X4M*	108
C2F1	191			X5M	95
		C5M3*	144		
C3F3*	180	C5M2*	145	X3G*	112
C3F2*	182	C5M1*	139	X4G*	105
C3F1*	180			X5G	91
		C3G3*	142		
C4F3*	172	C3G2*	144		
C4F2*	173	C3G1*	142		
C4F1*	171				
		C4G3*	137		
C5F3*	161	C4G2*	139		
C5F2*	162	C4G1*	137		
C5F1*	158				
		C5G3*	130		
C2D3*	159	C5G2*	132		
C2D2*	161	C5G1*	130		
C2D1*	158				
		X1L*	143		
C3D3*	147	X2L*	141		
C3D2*	149	X3L*	137		
C3D1*	147	X4L*	134		
		X5L	121		
C4D3*	140				
C4D2*	142	X1F*	143		
C4D1*	139	X2F*	141		
		X3F*	137		

Tobacco graded N1L, N1D, N1GL, N1GD, N2 (substandard nondescript), "WL (doubtful keeping order), "No-G" (no grade), "U" (unsound), or scrap

will not be accepted.

* Indicates grades which will be price supported when marketed in bales.

Tobacco is eligible for advances only when consigned by the original producer and only if produced on a cooperating farm. The Association is authorized to deduct \$1 dollar per 100 pounds to apply against overhead costs.

A number following the grade represents the length designation of the tobacco. A "3" represents tobacco over 28 inches in length, a "2" represents a combination of 1985 crop lengths "46 and 45" and a "1" represents a combination of former length "44" and the comparable quality of "tips".

1992 CROP SUN-CURED PRICE SUPPORT SCHEDULE (TYPE 37)

GRADE	LOAN RATE	GRADE	LOAN RATE	GRADE	LOAN RATE
(Cents per pound farm sales weight)					
A1F3	196	B4F3	165	B1D2	184
A1F2	196	B4F2	170	B1D1	180
		B4F1	165		
A2F3	187			B2D3	175
A2F2	187	B5F3	158	B2D2	176
		B5F2	159	B2D1	172
A3F3	179	B5F1	158		
A3F2	179			B3D3	168
		B1R3	186	B3D2	169
A1R3	196	B1R2	187	B3D1	165
A1R2	196	B1R1	184		
B4D3	164				
A2R3	187	B2R3	178	B4D2	165
A2R2	187	B2R2	179	B4D1	161
		B2R1	173		
A3R3	179			B5D3	159
A3R2	179	B3R3	171	B5D2	160
		B3R2	172	B5D1	157
B1F3	190	B3R1	171		
B1F2	191			B3M3	153

B1F1	190	B4R3	165	B3M2	155
		B4R2	166	B3M1	153
B2F3	182	B4R1	162		
B2F2	185			B4M3	145
B2F1	182	B5R3	159	B4M2	148
		B5R2	160	B4M1	143
B3F3	175	B5R1	158		
B3F2	180			B5M3	134
B3F1	175	B1D3	183	B5M2	136
B5M1	134	C3F2	181	C3G3	138
		C3F1	179	C3G2	140
				C3G1	138
B3G3	141				
B3G2	143	C4F3	165		
B3G1	141	C4F2	167	C4G3	128
		C4F1	164	C4G2	132
				C4G1	128
B4G3	136				
B4G2	138	C5F3	156		
B4G1	136	C5F2	157	C5G3	121
		C5F1	153	C5G2	123
				C5G1	120
B5G3	128				
B5G2	130	C1R3	144		
B5G1	128	C1R2	145	X1L	138
		C1R1	143	X2L	135
				X3L	132
C1L3	198			X4L	129
C1L2	199	C2R3	128	X5L	115
C1L1	195	C2R2	130		
		C2R1	127		
				X1F	138
C2L3	194			X2F	135
C2L2	195	C3R3	123	X3F	132
C2L1	191	C3R2	126	X4F	129
		C3R1	120	X5F	115
C3L3	180				
C3L2	182	C4R3	118		
C3L1	180	C4R2	120	X1R	129
		C4R1	118	X2R	126
				X3R	123
C4L3	171			X4R	118
C4L2	173	C5R3	108	X5R	107
C4L1	171	C5R2	108		
		C5R1	105		
				X3D	125
C5L3	160				

C5L2	162	C3M3	143	X4D	115
C5L1	160	C3M2	146	X5D	103
		C3M1	143		
C1F3	198			X3M	116
C1F2	199	C4M3	139	X4M	108
C1F1	195	C4M2	140	X5M	95
		C4M1	137		
C2F3	193			X3G	112
C2F2	195	C5M3	130	X4G	105
C2F1	193	C5M2	132	X5G	91
		C5M1	129		
C3F3	179				

Tobacco graded N1L, N2L, N1R, N2R, N1G, N2G, "U" (unsound), "No-G" (no grade), "W" (doubtful keeping order), or scrap will not be accepted.

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GRASS SEED COULD BE PRIMED TO QUENCH RANGE FIRES

WASHINGTON, Oct. 5—Grass seeds are being coaxed to sprout sooner to crowd out cheatgrass, a weed that's a fuel for summertime wildfires, a U.S. Department of Agriculture scientist said.

"We want to give desirable forage grasses a headstart so they might compete against this highly flammable weed," said Stuart P. Hardegree of USDA's Agricultural Research Service. Cheatgrass matures in mid-July and turns brown—a tinderbox for wildfires.

Hardegree's seeds, fed just enough water, sprouted in half the time. He primed seeds for three grass species grown in the greenhouse this year. He will field test the seeds near Boise, Idaho, next spring.

Grasses like bluebunch wheatgrass, squirreltail and Great Basin wild rye stay green during summer and don't burn as easily as cheatgrass, according to Hardegree. The strawlike weed has spread over 7 million acres in western states, since it first appeared in the late 1800s.

"Unfortunately, cheatgrass not only fuels fires, it's often the first grass to reappear after a burn," Hardegree said. That's likely to happen, he said, on the more than 100,000 acres charred by wildfires this summer in Idaho.

Such fires destroy prime grazing land for cattle and sheep as well as mule deer and elk, said Hardegree, a plant physiologist at ARS's Northwest Watershed Research Center in Boise.

He developed an inexpensive technique, called seed matric priming, that lets the seeds soak up water, but not so much that they will put out a root. His research is reported in the September issue of Agricultural Research magazine.

Hardegree's work is a new version of seed priming that doesn't require rinsing seeds with water, as is necessary with the older technique called osmotic priming.

He said bluebunch wheatgrass, thickspike wheatgrass and sheep fescue normally germinate in seven to nine days, but when primed they sprout in four days—about the same as cheatgrass.

His findings could also lead to greater diversity in plant life on rangeland. Instead of revegetating with a single species, Hardegree said, there's a growing trend to create areas that rely on a wide variety of plants.

The U.S. Department of Interior's Bureau of Land Management has established an Intermountain Greenstripping and Rehabilitation Research Project to pursue this goal. Greenstripping means planting strips of green vegetation that act like fire breaks, slowing or stopping the spread of wildfires, according to Mike Pellant, a BLM greenstripping specialist in Boise.

Hardegree said he is now working on moisture needs for different seeds and will run field tests on BLM land near Boise next spring. The next step is to adapt the technique for large-scale uses, such as creating greenstrips or re-seeding recently burned areas.

NOTE TO EDITORS: For details, contact Stuart P. Hardegree, plant physiologist, Northwest Watershed Management Research Unit, USDA, ARS, Boise, Idaho 83712. Telephone (208) 334-1363.

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FARM CREDIT SYSTEM ASSISTANCE BOARD SHUTTING DOWN

WASHINGTON, Oct. 5—A government agency is going out of business.

Secretary of Agriculture Edward Madigan said today the government's Farm Credit System Assistance Board, created to help with the recovery of

financially stressed Farm Credit System lending institutions, is “shutting down on time and under budget after successfully completing its mission.”

The board was established by the Agricultural Credit Act of 1987, passed by Congress and signed into law by President Ronald Reagan in response to the agricultural recession then hurting the Farm Credit System. The system is a nationwide cooperative of financial institutions providing loans for agriculture activities.

“This is one case where the government stepped in, did its job, and now is stepping back out,” said Madigan, who serves as the board’s chairman.

Under the law, the board was allowed five years and up to \$4 billion to help revive the most severely weakened FCS institutions. The funds were raised through the public sale of 15-year bonds, guaranteed by the federal government and to be repaid by the Farm Credit System.

Madigan said FCS institutions used only \$1.26 billion of the \$4 billion available.

“The Farm Credit System currently is posting solid profits and is moving to repay all what it owes — on time and with interest,” Madigan said.

Falling interest rates during the past five years helped the FCS avoid the need for any further assistance, he said.

The board is comprised of three members: the secretary of agriculture, secretary of the treasury, and a private-sector member appointed by the president.

Private-sector member William W. Erwin, a farmer from Bourbon, Ind., said the board’s aid was a carefully managed and limited investment that allowed the private institutions receiving the assistance to earn their recovery.

“The agricultural credit crisis of the mid-1980s is over,” Erwin said. “The Farm Credit System has worked hard and done well to get back on its feet. The government responded to the needs of our farmers and ranchers, while also protecting the taxpayers’ investment. I’m going home very proud of our work.”

The board’s bond authority expired Sept. 30, and the agency will cease to exist Jan. 1.

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USDA ANNOUNCES PREVAILING WORLD MARKET RICE PRICES

WASHINGTON, Oct. 6—Under Secretary of Agriculture Randall Green today announced the prevailing world market prices of milled rice, loan rate basis, as follows:

- long grain whole kernels, 9.04 cents per pound;
- medium grain whole kernels, 8.16 cents per pound;
- short grain whole kernels, 8.14 cents per pound;
- broken kernels, 4.52 cents per pound.

Based upon these prevailing world market prices for milled rice, loan deficiency payment rates and gains from repaying price support loans at the world market price level are:

- for long grain, \$1.06 per hundredweight;
- for medium grain, \$1.00 per hundredweight;
- for short grain, \$1.00 per hundredweight.

The prices announced are effective today at 12:00:01 A.M. EDT until 12:00:00 a.m. EDT Wednesday, Oct. 14. The next scheduled price announcement will be made Oct. 14 at 7 a.m. EDT. The price announced at that time will be effective from 12:00:01 a.m. EDT Wednesday, Oct. 14.

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USDA RELEASES COST OF FOOD AT HOME FOR AUGUST

WASHINGTON, Oct. 6—Here is the U.S. Department of Agriculture's monthly update of the weekly cost of food at home for August:

Cost of Food at Home for a Week in August 1992

	Food plans -----			
	Thrifty	Low-cost	Moderate-cost	Liberal
	(in dollars)			
Families:				
Family of 2				
(51 years and over)	46.90	59.80	73.60	88.00
Family of 4 with				
preschool children	72.20	89.80	109.70	134.50
Family of 4 with elemen-				
tary schoolchildren	82.90	105.70	131.90	158.50
Individuals in four-				
person families:				
Children:				
1-2 years	13.10	15.90	18.60	22.50
3-5 years	14.10	17.30	21.40	25.60
6-8 years	17.30	23.00	28.70	33.40
9-11 years	20.60	26.10	33.50	38.70
Males:				
12-14 years	21.30	29.60	36.80	43.20
15-19 years	22.10	30.50	37.90	43.90
20-50 years	23.70	30.20	37.60	45.50
51 and over	21.50	28.70	35.20	42.20
Females:				
12-19 years	21.50	25.50	30.90	37.30
20-50 years	21.30	26.40	32.10	40.90
51 and over	21.10	25.70	31.70	37.80

USDA's Human Nutrition Information Service computes the cost of food at home for four food plans—thrifty, low-cost, moderate-cost, and liberal.

Sue Ann Ritchko, HNIS administrator, said the plans consist of foods that provide well-balanced meals and snacks for a week.

In computing the costs, USDA assumes all food is bought at the store and prepared at home. Costs do not include alcoholic beverages, pet food, soap,

cigarettes, paper goods and other nonfood items bought at the store.

“USDA costs are only guides to spending,” Ritchko said. “Families may spend more or less, depending on such factors as where they buy their food, how carefully they plan and buy, whether some food is produced at home, what foods the family likes, and how much food is prepared at home.”

“Most families will find the moderate-cost or low-cost plan suitable,” she said. “The thrifty plan, which USDA uses to set the coupon allotment in the food stamp program, is for families who have tighter budgets. Families with unlimited

resources might use the liberal plan.”

To use the chart to estimate your family’s food costs:

— For members eating all meals at home—or carried from home—use the amounts shown in the chart.

— For members eating some meals out, deduct 5 percent for each meal eaten away from home from the amount shown for the appropriate family member. Thus, for a person eating lunch out 5 days a week, subtract 25 percent, or one-fourth the cost shown.

— For guests, add 5 percent of the amount shown for the proper age group for each meal.

Costs in the second part of the chart pertain to individuals in four-person families. If your family has more or less than four, total the “individual” figures and make these adjustments (note: larger families tend to buy and use food more economically than smaller ones):

— For a one-person family, add 20 percent.

— For a two-person family, add 10 percent.

— For a three-person family, add 5 percent.

— For a five- or six-person family, subtract 5 percent.

— For a family of seven or more, subtract 10 percent.

Details of the four family food plans are available from the Nutrition Education Division, HNIS, USDA, Federal Building, Hyattsville, Md. 20782.

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IOWA NATIVE MARK R. ANDERSON APPOINTED RDA ASSOCIATE ADMINISTRATOR

WASHINGTON, Oct. 6—Mark R. Anderson has been appointed associate administrator of the U.S. Department of Agriculture's Rural Development Administration, Deputy Secretary of Agriculture Ann M. Veneman announced today.

Anderson will assist RDA Administrator Mary Ann Baron in oversight of the agency's activities, which include direct and guaranteed loans for community facilities, rural businesses, industries, and water and waste systems. The RDA loan portfolio currently totals \$5.6 billion.

RDA also works closely with state governments and agencies, through state rural development councils, to develop long-range economic development strategies for rural areas throughout the country.

Before his USDA appointment, Anderson had served since 1985 as chief of staff and appropriations associate to Congressman Jim Lightfoot, R-Iowa. In 1984, he was campaign manager for the People for Lightfoot Committee.

From 1982 to 1984, Anderson was vice president of AG Com, Inc., a commodity and trucking brokerage firm in Essex, Iowa. Prior to that he was a floor information specialist at Staley Commodities International in Chicago, and an underwriter at Principal Financial Group in Des Moines, Iowa.

Anderson was born and raised on a farm in Page County, Iowa, and earned a business administration degree from Iowa State University.

The RDA was established Dec. 31, 1991. Many of its programs were formerly administered by USDA's Farmers Home Administration.

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USDA ANNOUNCES 1992/93 EXPORT ENHANCEMENT PACKAGE FOR BARLEY MALT

WASHINGTON, Oct. 7—Deputy Secretary of Agriculture Ann M. Veneman today announced a multi-country package of initiatives under the Export Enhancement Program to encourage sales of 175,000 metric tons of U.S. barley malt, effective immediately.

The new package of barley malt initiatives to 6 countries or regions replaces all EEP barley malt initiatives announced previously and includes the addition of Guyana and the former Soviet Union. The new initiatives will

remain in effect through June 30, 1993. Veneman said additional destinations or quantities may be added later.

“This EEP package will allow U.S. barley malt exports to compete this year with highly subsidized barley malt from the European Community,” Veneman said. “The EC’s high subsidies on barley malt, which are two to three times greater than those awarded under the EEP, have allowed the EC to dominate world malt trade to the point where the EC accounts for two-thirds of the world’s barley malt trade. These EC subsidies, which approximate two-thirds of the value of the barley malt itself, hurt U.S. producers and cannot be left unchallenged.”

“With today’s announcement, we are continuing our efforts to pressure the EC to reduce subsidies, curb expansion of its production of all commodities and make meaningful policy reforms in the Uruguay Round of negotiations under the General Agreement on Tariffs and Trade,” Veneman said. “While the United States and most of the rest of the world is willing to cut the volume of subsidized exports by at least 24 percent, the EC has been intransigent.”

The quantities proposed in today’s EEP package have been carefully limited to leave room for continuation of previous sales levels by nonsubsidizing competitor countries, according to Veneman. She said the United States will continue to obtain assurances, where appropriate, from importing countries that such trade will not be disrupted.

The package of initiatives announced today, in metric tons, includes:

Country or Region	Metric tons
Brazil	25,000
Caribbean (4) Dominican Republic, Jamaica, Trinidad and Tobago, Guyana	25,000
Central America (7) Belize, Costa Rica, El Salvador, Guatemala, Honduras, Nicaragua, Panama	40,000
Former Soviet Union (12) Russia, Byelarus, Kazakhstan, Moldova,	25,000

Uzbekistan, Turkmenistan,
Ukraine, Armenia, Kyrgyzstan,
Azerbaijan, Tajikistan, Georgia

Philippines	35,000
Venezuela	25,000
Total	175,000

The initiatives for Brazil, the Philippines and Venezuela simply replace existing initiatives to those countries that have not yet been used. Sales of barley malt will be made to buyers in all countries announced today through normal commercial channels at competitive world prices. For the former Soviet Union only, USDA also will allow sales to third-country buyers— this will permit third-country purchasers of goods exported from the former Soviet Union to act as buyers for barley malt destined for the former Soviet Union. The export sales will be facilitated with cash bonus payments. The subsidy will enable U.S. exporters to compete at commercial prices in these markets.

EEP invitations for each of the countries will be issued immediately. For more information, call Randy Baxter, (202) 720-5540, or L.T. McElvain, (202) 720-6211.

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USDA ANNOUNCES CONTRACT AWARDS FOR RED MEAT PACKING INDUSTRY STUDY

WASHINGTON, Oct. 7—The U.S. Department of Agriculture today announced the selection of contractors for six research projects totaling \$491,861 to study market concentration in the red meat packing industry.

USDA's Packers and Stockyards Administration solicited public comments on the proposed studies, including suggestions for the most important areas for research.

Projects and contractors selected are:

— Define Regional Cattle Procurement Markets; Oklahoma State University.

— Examine the Effects of Market Concentration on Prices Paid for Cattle; Virginia Tech.

— Examine Price Determination in Slaughter Cattle Procurement; Texas A&M Research Foundation.

— Assess the Role of Captive Supplies in Beef Packing; Oklahoma State University.

— Examine the Trends and Implications of Vertical Coordination in Hog Production; Marvin Hayenga, et.al.

— Literature Review; University of Nebraska-Lincoln.

P&SA will provide some data for the study, subject to the Agency's confidentiality restrictions. Contractors' reports and P&SA's final report on the study are scheduled for 1994.

For additional information about the study, contact Dr. Gerald Grinnell or Dr. Warren Preston at (202) 720-7455. For contract information, contact Robert Crowther at (612) 370-2115.

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