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Letter No. 2256

CURRENT SERVICE RECORDS

April 3, 1986

1985-CROP CORN,
SORGHUM
DEFICIENCY

An estimated \$2.6 billion in deficiency payments will be paid to eligible corn and sorghum producers for their 1985 crops, according to Sec'y of Agriculture Richard Lyng. Of the deficiency payments earned, \$1 billion, 150 million has already been received by corn producers and \$93 million by sorghum producers who requested advance payments. Deficiency payments of 23½ cents per bushel for corn and 23 cents for sorghum were paid to those producers. In addition, corn producers will receive about one and a quarter billion dollars and sorghum producers around \$130 million. Most farmers should receive the remainder by mid-April.

U.S. WHEAT
BECOMING
COMPETITIVE

Recent sales of new-crop U.S. wheat may indicate that U.S. prices are becoming more competitive, according to the U.S. Department of Agriculture. Algeria, one of the world's leading durum wheat importers, has purchased new-crop U.S. durum for \$136-139 a ton f.o.b., nearly 20 pct. below U.S. durum prices a year ago. Peru purchased U.S. wheat for June/July delivery at \$103-106 a ton, f.o.b. The purchase compared favorably to a recent Argentine sale priced between \$102-104.

WHEAT SHIPMENTS

In the 4-week period ending Mar. 20, wheat shipments totaled 1.8 million tons, up 6 pct. from last month, according to the U.S. Department of Agriculture. New sales for the month of 1.4 million tons were down nearly 200,000 tons or 12 pct. from last month's sales. Leading destinations included South Korea, Algeria, Turkey, Pakistan, Morocco, and Egypt. Major wheat sales were made to Japan, Algeria and Egypt.

EC & WHEAT

In an attempt to displace potential U.S. new-crop wheat exports under the Export Enhancement Program, the European Commission has moved to give the Commission the ability to undercut U.S. wheat prices by granting higher export subsidies for sales made specifically to Tunisia and Algeria. However, according to the U.S. Department of Agriculture, despite generally higher EC export subsidies, sluggish global wheat import demand and poor quality EC wheat supplies may lead to a decline in the EC's 1985/86 wheat exports from last year's record of 17.5 million tons.

CCC INT. RATE
7-1/4 PCT.

Commodity loans disbursed in April by the U.S. Department of Agriculture's Commodity Credit Corporation will carry a 7¼ pct. interest rate.

CANADA WHEAT
TO IRAQ

Canada and Iraq have signed a new wheat agreement involving longer-term credit, designed to make Canadian bread-quality wheat more attractive in the Iraqi wheat market. According to the U.S. Department of Agriculture, the new 3-year agreement calls for 500,000 tons of wheat trade per year with 3-year credit terms. Australia also has a wheat agreement with Iraq that requires at least 6 million tons of wheat trade during the next 5 years beginning in 1986. The U.S. supplies about a third of Iraq's average annual wheat import requirements of 2.5 million tons.

LYNG TO
FRANCE

Sec'y of Agriculture Richard Lyng will travel to France in mid-April to discuss agricultural trade and related issues with his counterparts from the European Community. On April 18 Lyng will attend a trade policy seminar for U.S. agricultural attaches stationed in Western European countries.

CHINA'S SOYBEAN
IMPORTS

No growth is expected in China's soybean imports in 1986/87, according to the U.S. Department of Agriculture. China's soybean imports are forecast at 200,000 tons in 1986/87, the same level as 1985/86. China's recent purchases of U.S. soybeans were slated for food use and apparently do not represent the beginning of imports aimed at meeting Chinese rising feed demand. Chinese oilseed exports are expected to continue to displace U.S. sales in Southeast Asia in 1986/87. China can export food-grade soybeans, especially to Japan, at sufficiently high prices that still provide a profit when it imports soybeans from the U.S. for domestic food.

RED MEAT
BUY-OUT

Sec'y of Agriculture Richard Lyng announced that the USDA will begin purchasing 400 million pounds of red meat to help offset the impact of increased slaughter of dairy cattle under USDA's whole-herd dairy buy-out program. The new purchases will be in addition to quantities of red meat normally purchased for distribution to the school lunch program and other domestic feeding programs. Of the 400 million to be purchased, 200 million pounds will be donated to domestic nonprofit charitable institutions for the needy, to nutrition programs for the elderly, to nonprofit summer camps for children and other child nutrition programs including school lunch. The remaining 200 million pounds will be exported.

COWS & BEEF
SUPPLY

Additional slaughter resulting from the U.S. Department of Agriculture's dairy whole-herd buy-out program will add only slightly to second-quarter beef supplies. Analysis by USDA's Economic Research Service points to 250-275 million pounds, or 3-4 pct. more beef in the second quarter as a result of the dairy program. In the third quarter, beef supplies are expected to increase about 3 pct. or 160-190 million pounds. Sharpest slaughter increases will occur for cow beef, primarily for April through Aug.

DAIRY
TERMINATION
PROGRAM

As of March 28, the U.S. Department of Agriculture had tentatively accepted 13,988 bids to participate in the dairy production termination program. According to Sec'y of Agriculture Richard Lyng, 39,534 dairy farmers submitted bids. The farmers submitting bids marketed about 33 billion pounds of milk in 1985, about 23½ pct. of the U.S. total. The cost of the dairy termination program will total \$1 billion, 827 million, spread out over the 5 years of the program.

FROM OUR
TELEVISION
SERVICE

WHOLE HERD BUY-OUT PROGRAM...The U.S. Department of Agriculture will begin purchasing 400 million pounds of red meat to help offset the impact of increased supply caused by the whole-herd dairy buy-out program. Sec'y of Agri. Richard Lyng discusses this program as well as the Conservation Reserve program and what they will mean for farmers. Vic Powell interviews. (156)

SOUTHERN PINE BEETLE...The Southern pine beetle is approaching Virginia and may pose a threat to woodlands in this State this summer. Kenneth Knauer with USDA's Forest Service describes this beetle and type of damage it causes. DeBoria Janifer interviews. (157)

CURRENT TRANSPORTATION ISSUES...The U.S. Department of Agriculture will hold an agricultural transportation conference in May to focus on expanding world markets for U.S. agricultural products. Martin Fitzpatrick, administrator of USDA's Office of Transportation, comments on this conference and issues to be discussed there. DeBoria Janifer interviews. (158)

WORLD AGRICULTURAL OUTLOOK...Food assistance declined sharply last year, and continues its decline this year, largely because domestic cereal supplies in many countries have returned to normal. USDA economist Cecil Davision takes a look at these and other factors contributing to the current world agricultural outlook. Vic Powell interviews. (159)

RED MEAT AND POULTRY INDUSTRY CHANGES...Major changes caused by a variety of factors are underway in the red meat and poultry industries. USDA economist John Malivka examines these changes and what they will mean for producers. Vic Powell interviews. (160)

FROM OUR RADIO
SERVICE

AGRICULTURE USA #1505...Lamb fights back. For at least 20 years the U.S. sheep industry has been declining. Now herds are the smallest ever and more producers are deciding to give up the business for more profitable activities both in and out of agriculture. Gary Crawford talks with several sheep industry people about the planned comeback of lamb.

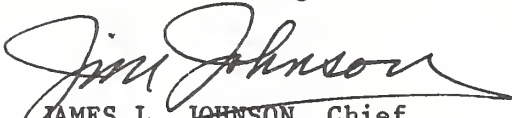
AGRITAPE/FARM PROGRAM REPORT #1494...USDA news highlights; Results of conservation reserve program; Dairy termination program; Sheep comeback; Facing loss of a farm.

CONSUMER TIME #987...Indian River citrus; Living with ozone; Herbal tea caution; Drunk peanuts; Frozen vs. home prepared meals.

USDA RADIO NEWS SERVICE...Tues, Apr. 8, Weekly crop and weather; Wed, Apr. 9, Vegetables, Land values; Thurs, Apr. 10, Crop production, World agriculture supply demand; Mon, Apr. 14, North Africa; Tues, Apr. 15, Weekly crop and weather, Cotton and wool. Dial the USDA National News Line 202-488-8358 or 8359. All material changed at 5 p.m. EST each working day.

OFF MIKE

A good "Goodbye Party" for John Ochs, former press secretary for former Sec'y of Agric John Block, was held, March 25. Two MC's presided, beginning with Sec'y Richard Lyng and concluding with former Sec'y Block. Dave Lane, formerly deputy to Ochs is serving as the acting press secretary ... Stu Ellis (WSOY, Decatur, IL) reports he may be going to the Soviet Union, Hungary and Poland around the first of June. More later ... Davonna Oskarson (Martin Agency, Richmond, VA) reports that she and Jim Mills (NAFB Sales/Mktng Dir, Herndon, VA) co-MC'ed the NAMA awards and election banquet held recently for the Carolina/Virginia chapter ... Nice note from Murray Miles (Tennessee Farm Bureau, Columbia, TN). He's director of info there and reported they're in their 31st year of producing their weekly radio tape show "Town and Country," their 22nd year of producing the weekly TV show "Farm Digest," and their 12th year of producing "Accent Agriculture," a daily 5-minute show over the Tennessee Radio Net ... Just talked to Rich Hawkins (KRVN, Lexington, NE). He said the station carried the 2-hour public meeting Sec'y Lyng participated in Wednesday night, April 2. Congresswoman Virginia Smith MC'ed the affair and over 40 people testified. Rich also talked about the weather. He said last weekend the temperature hit 90, and this morning (April 3) they were looking at the possibility of a blizzard. Interesting! ... John Winfield (Mississippi Ag News Net, Jackson, MS) says he will be providing reports on a regular basis to the Louisiana Radio Net, in addition to his own network daily schedule ... Forrest Bradley, editor, MidAm Reporter, profiled another farm broadcaster, this time in the February issue of his magazine. The farm broadcaster is Roy Lee (KGRC, Hannibal, MO). Roy has been in broadcasting for almost 25 years, and the last 15 in farm broadcasting in Kansas and Missouri.


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 Radio and Television Division

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