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Letter No. 2214

US May 23, 1985

**BLOCK WANTS
STREAMLINED
USDA**

Sec'y of Agriculture John Block, calling for a more streamlined and contemporary Department of Agriculture, on May 22 directed a special task force to begin an intensive review of the Department's structure and how it is meeting the needs of its modern constituency. Said Block, "Many of our program delivery systems are more than 30 years old. They have grown and evolved over the years with little evaluation of their effectiveness. It's time that we change that and take a progressive view of the Department's structure." The intent is to reduce duplication and to provide the most effective delivery system.

**AG. EXPORTS
AT
\$33.5 BILLION**

U.S. farm product exports in fiscal 1985 are projected at \$33.5 billion, down \$1 billion from the March estimate, and 12 pct. below fiscal 1984's \$38 billion. Export volume is forecast at 137 million tons. Increased production in both importing and exporting countries is providing formidable competition for U.S. grain and oilseed exports. (For more information call Steve MacDonald 202-447-8841 or Dave Pendlum 202-447-9148.)

USSR GRAINS

The highlights of the 1985/86 USSR grain outlook are, according to the U.S. Department of Agriculture: A projected crop of 195 million tons, 25 million above the reduced 1984 outturn, but well ahead of plan...Imports, projected at 37 million tons, well below the 53 million tons estimate for 1984/85...Both wheat and coarse grain imports are expected to decline from the year earlier levels with coarse grains down substantially. Domestic use of grain is expected to continue heavy as grain-for-feed-use reaches a new peak.

**GLOBAL COARSE
GRAIN PRODUCTION**

Global coarse grain production in 1985/86 is projected at a record 816 million metric tons, up 1-2 pct. from a year earlier, according to the U.S. Department of Agriculture. Global supplies - production plus beginning stocks - are likely to top the 1982/83 record and may exceed 900 million tons. Because of the anticipated 33-million-ton gain in global supplies, feed grain prices for the year likely will fall. With an expected large Soviet grain crop, import demand probably will decline. (For more info., contact David Hull 202-447-8776.)

**MACHINERY
ACCORDING TO
CENSUS**

According to the Census Bureau report for 1982, the nation's farms had an estimated \$93.7 billion worth of machinery and equipment, led by Iowa's \$6.7 billion. Calif. had the four leading machinery and equipment counties - Fresno, Tulare, Kern and San Joaquin.

WITH A LESS
OINK HERE...
AND A LESS
OINK THERE...

Growth in inventories of cattle, poultry and sheep and goats on state and collective farms in March in the USSR was well below the average for recent years, according to the U.S. Department of Agriculture. Hog numbers on these farms actually declined during March by nearly 1 million head, the largest such decline since 1975. As of April 1, inventories of cattle and poultry were at record levels, but total livestock inventories on state and collective farms were slightly below those of April 1, 1984.

U.S. CORN
STOCKS

Current projections by the U.S. Department of Agriculture place the 1985 U.S. corn crop at 7.9 billion bushels. Added to the carryout from 1984/85, the crop would push total supplies next season to just over 9 billion bushels. Domestic use may hold steady or increase modestly, but without a repeat of this year's heavy buying by the USSR, exports are expected to decline. Carryout for 1985/86 is therefore likely to climb to about 1.9 billion bushels, 27 pct. of use. This volume is expected to hold corn prices near the loan rate, or a range of \$2.50 to \$2.70 per bushel.

WINTER WHEAT
PRODUCTION
DOWN

Favorable winter and spring moisture conditions in the Plains wheat belt and widening use of high yielding varieties, despite heavy participation in the acreage reduction program, are forecast by the U.S. Department of Agriculture to produce a U.S. winter wheat crop of 1.97 billion bushels. This is down from 1984's 2.06 billion bushels. Production of hard red winter, forecast at a record 1.34 billion bushels, will not offset an expected 30-pct. shortfall in soft red output and an anticipated 10 pct. drop in white winter wheat. Program participation will also be higher in the spring wheat areas. Total U.S. wheat production for 1985 is projected at 2.53 billion bushels, down 2 pct. from a year ago.

GCAU's
ARE UP...
AND DOWN

Feed costs continue well below the highs set in 1983/84 and prospects for 1985 and 1986 suggest this will continue, according to the U.S. Department of Agriculture. Grain consuming animal units - called GCAU's by economists - for 1984/85 are up around 360,000 from last year to 78.6 million. Current indicators suggest grain consuming animal units will decline slightly in 1985/86, due largely to a reduced number of steers and heifers for feedlot placements and the lag time necessary to increase hog production.

NON-FEED USE
OF GRAIN

Corn food, seed and industrial use of corn is forecast to increase by close to 80 million bushels in 1984/85, according to the U.S. Department of Agriculture. About 40 million bushels will be used for stepped-up high fructose corn syrup production and about 40 million for increased output of fuel alcohol. Barley, oats and sorghum use in food products is extremely small compared to that for corn. At least 40 million bushels of oats are used in cereal and snack products but less than 5 million bushels of barley and sorghum are processed as food.

FROM OUR
TELEVISION
SERVICE

WHEAT OUTLOOK...A large winter wheat crop is expected this year, despite the smallest planted acreage in six years. USDA economist Allen Schienbein focuses on the outlook and situation for wheat this year. Vic Powell interviews. (386)

1985 MEAT EXPORT OUTLOOK - I...The world's production of meat will continue to increase during the rest of 1985. USDA marketing specialist Dale Miller talks about the world meat situation and U.S. export prospects. Jim Johnson interviews. (387)

1985 MEAT EXPORT OUTLOOK - II...USDA marketing specialist Dale Miller continues his discussion of the world meat situation and describes the various marketing development techniques used by the U.S. to sell beef and other meat products overseas. Jim Johnson interviews. (388)

CHANGES IN RURAL AMERICA...USDA economist Herman Bluestone examines the changes taking place in rural America in terms of population growth and employment expansion and factors contributing to this situation. Vic Powell interviews. (389)

INCREASE IN FEMALE FARMERS...The number of women farmers is growing, even as the overall farm count is coming down. USDA researcher Judith Kalbacher comments on the factors contributing to their increase. DeBoria Janifer interviews. (390)

TOP AG
STATES

The Census Bureau has a report listing the top-ranking agricultural states and counties. Here are some of the facts based on the 1982 Census. Texas, Iowa and Missouri had the most farms. States with the most farms with sales of \$100,000 or more were Iowa, Illinois, and Minnesota. Among counties, the leaders were Fresno and Tulare, Calif., and Lancaster, Pa. Calif. led with \$12.5 billion in agricultural product sales. Iowa, Texas, Ill., and Neb. were next. County leaders were Fresno, Calif. (\$1.5 billion), and Kern, Calif. (\$1.1 billion). Wisc. sold the most in dairy products with \$2.8 billion, followed by Calif. and New York.

ECONOMY
GROWS
SLOWLY

The general economy is expected to keep growing without any acceleration in inflation. Despite a sluggish real GNP growth of 1.3 pct. in the first quarter of 1985, a recession is unlikely. According to the U.S. Department of Agriculture, Congress has begun consideration of new farm legislation. Although the bills all differ, several themes run through them: More market-oriented price and income programs; more aggressive export marketing and trade liberalization; and more comprehensive soil and water conservation programs.

NORTON SWORN
IN AS DEP. SEC'Y

Sec'y of Agriculture John Block announced the formal swearing in of John R. Norton III on May 20 as Deputy Sec'y of Agriculture. The oath was administered by Supreme Court Justice Sandra Day O'Connor, also from Arizona.

OFF MIKE

An apology for Buddy Sanders (WMC, Memphis, TN). He gave us one of his famous 2-scale yardsticks at the South Central NAFB meeting in Little Rock. One scale has the normal 36 inches to the yard, the other 60 Mississippi inches (whatever they are). Unfortunately, the yardstick was judged to be a potential weapon and we couldn't carry it aboard the airplane. So, somewhere there is an Arkansan security guard with a lethal yardstick of her very own ... Bryce Anderson (WOWT, Omaha, NE) had no more than gotten over the pleasant surprise of receiving the "Best Farm Story" award in the Iowa UPI competition for a story he did on Harlan, IA, changing its economy from strictly farm to some diversity to help their economy when he learned that he was to receive the Creighton University's Professional Achievement in Journalism Award for 1985. Our congratulations! ... And speaking of being recognized, we learn that Orion Samuelson (WGN, Chicago, IL) served as Grand Marshall of the Syttende Mai (Norwegian Independence Day) parade in the Chicago suburb of Park Ridge ... Everett Griner is now the Farm Director for Georgia Radio News Service. He reports he will continue to originate ALL farm programming from his south Georgia studios, even though the network is headquartered in Atlanta. Kinda like having your cake and eating it, too. If you doubt that, listen to what Everett says, "I wonder if there's anyone else who can look out of their studio window over a field of soybeans on one side, peanuts on the other, a herd of cattle grazing in front, and a green pine forest behind...while doing their farm reports." Now do you believe? ... Sherry Newell has a new co-worker at WJON, St. Cloud, MN. She is Natalie Dowell, and she replaces Donna Schmidt who is now Farm Editor at KXRB/KIOV, Sioux Falls, SD.


FROM OUR RADIO
SERVICE

AGRICULTURE USA #1460...(Weekly 13½ min documentary) China's leap forward in agriculture production has had an impact on U.S. farm exports. George Holmes discusses the situation with USDA China analyst Carol Whitton.

AGRITAPE/FARM PROGRAM REPORT #1449...(Weekly reel of news features) USDA news highlights; USDA inspection of farm stored reserves; Reclaiming the land; The nemarus potato; Missing children.

CONSUMER TIME #942...(Weekly reel of five 2½-3 min features) Reclaiming the land; The grade label on food packages; Used car buyers guide; More on used car warranties; Turkey...a meat that's good for you.

USDA RADIO NEWS SERVICE...Tues, June 4, Dairy products report and Weekly weather and crop report; Mon, June 10, U.S. crop production report and World ag. supply and demand; Tues, June 11, Weekly weather and crop summary. Dial the USDA National News Line 202/488-8358 or 8359. All material changed at 5 p.m. EDT each working day.


JAMES L. JOHNSON, Chief
Radio and Television Division