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New York Economic Handbook 1980

AGRICULTURAL SITUATION and OUTLOOK

Prepared by
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FOREWORD

U.S.D.A. Agricultural Handbook No. 561 entitled "1979 Handbook of Agricultural Charts" provides current reference material pertaining to the nation's agricultural situation. This Handbook is used by many agriculturalists throughout the United States.

Cornell A.E. Ext. 79-33 entitled "New York Economic Handbook 1980" is a companion reference for the U.S.D.A. Handbook. Economic information pertaining to the general economic situation and outlook and to New York agriculture has been compiled in this publication. It is prepared primarily for the use of professional agricultural workers in New York State.

The first part of this Economic Handbook deals with general topics and the balance covers the commodities. A new section on Energy has been added this year. For ease in locating material, different colors are used for each section.

"Current Economic Situation" is a two-page monthly release which carries the latest figures for selected economic indicators and highlights of current developments. This release is essentially a supplement to the Economic Handbook. It is available to anyone who requests to be on the mailing list.

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CONTENTS

SUMMARY OF CHANGES IN MAJOR ECONOMIC INDICATORS FOR 1979

AND FORECASTS FOR 1980

	Annual Rates of Change		
	1972-78	1978-79*	1979-80*
		(per cent)	
Changes in Real GNP			
Consumer spending -- food and other nondurables	2.5	1	- 1
Consumer spending -- services	4.1	4	3
Consumer spending -- durables	6.5	-1 to 2	- 4
Nonresidential investment	3.1	5	2
Home building	15.7#	- 7	-10
Total Employment	3.7	4	- 1
Rate of Inflation			
Retail food	9.4+	11	9-10
Retail -- all items less food	7.2+	11	10-12
Producer prices -- industrial products	10.0+	11	10-12
Prices paid by farmers	10.2+	14	10-12

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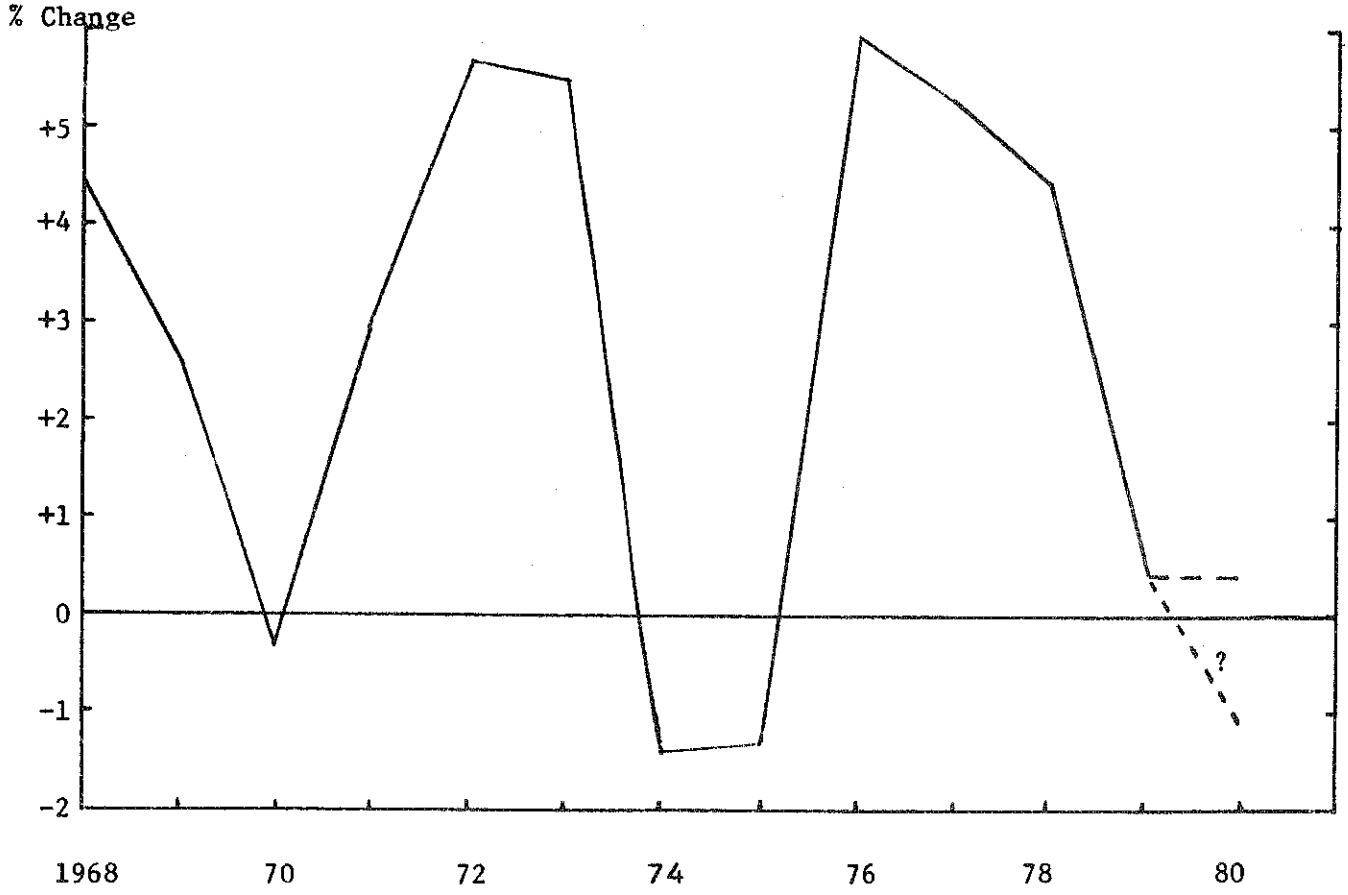
* Estimated

1975-78

+ 1972-78

ANNUAL RATE OF CHANGE IN DEFLATED (REAL) GROSS NATIONAL PRODUCT

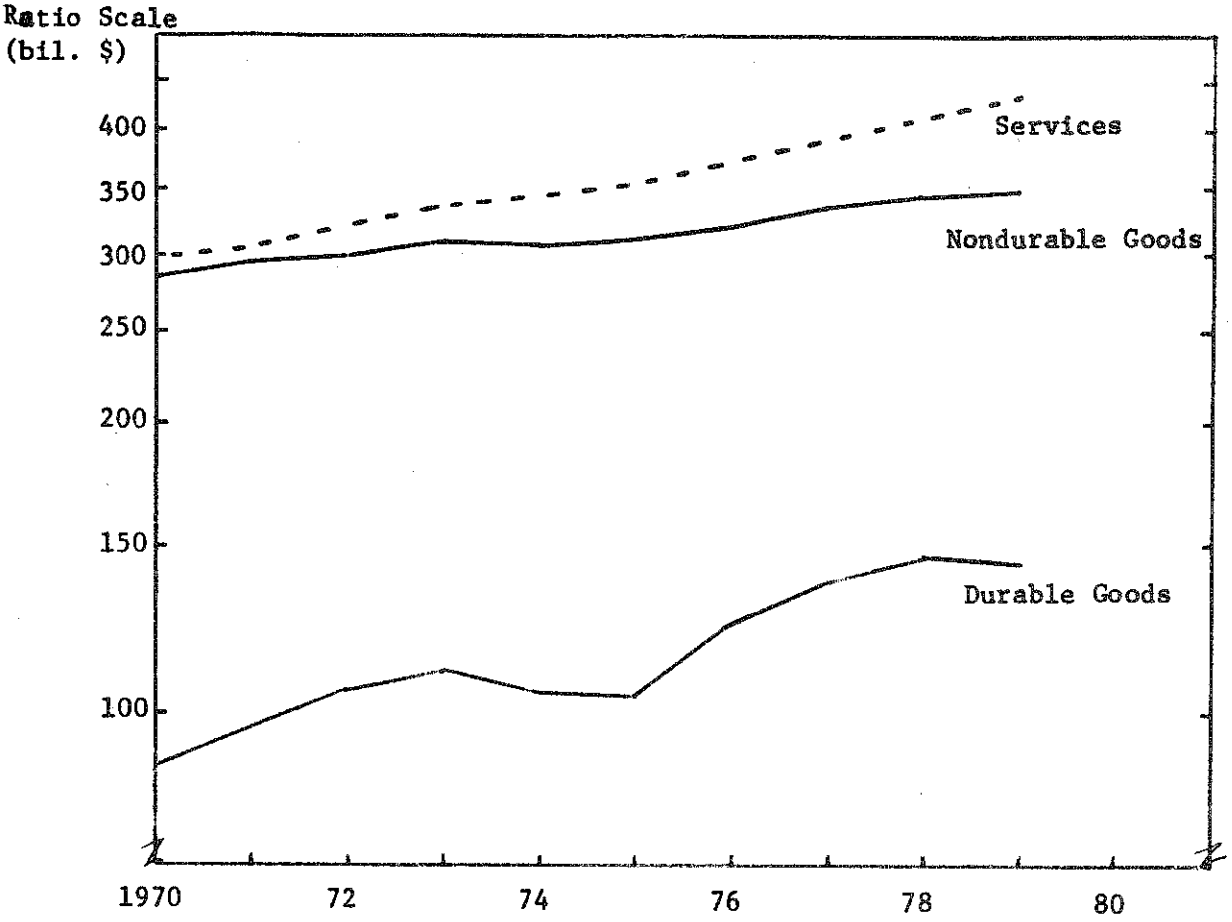


The decline in economic activity which began late in 1979 is expected to continue at least during the first half of 1980. Most forecasters think the recession will be relatively mild and of short duration. Past recessions (except for the relatively severe one in 1974-75) have usually ended within 8 to 11 months. Thus, some recovery can be expected beginning in the last half of 1980.

With the prospect of further substantial increases in the cost of energy, consumers will be compelled to economize on other items. Large debts and a decline in real income also will contribute to reduced sales of deferrable items, such as new cars, major appliances and household furnishings. Travel and other sectors which benefited from the rapid rise in incomes in the 1960s and early 1970s also will be adversely affected.

Housing starts are expected to decline by 10 per cent or more in response to high interest rates and a shortage of mortgage money in many communities. But business spending is likely to continue to rise in real terms, partly because of high profits in 1979 and partly because of the lag between the time when projects are authorized and work is completed. The demand for transportation equipment (railroad cars and aircraft) as well as computers remains strong. In addition, we can expect further substantial investment in facilities designed to ease the energy crisis.

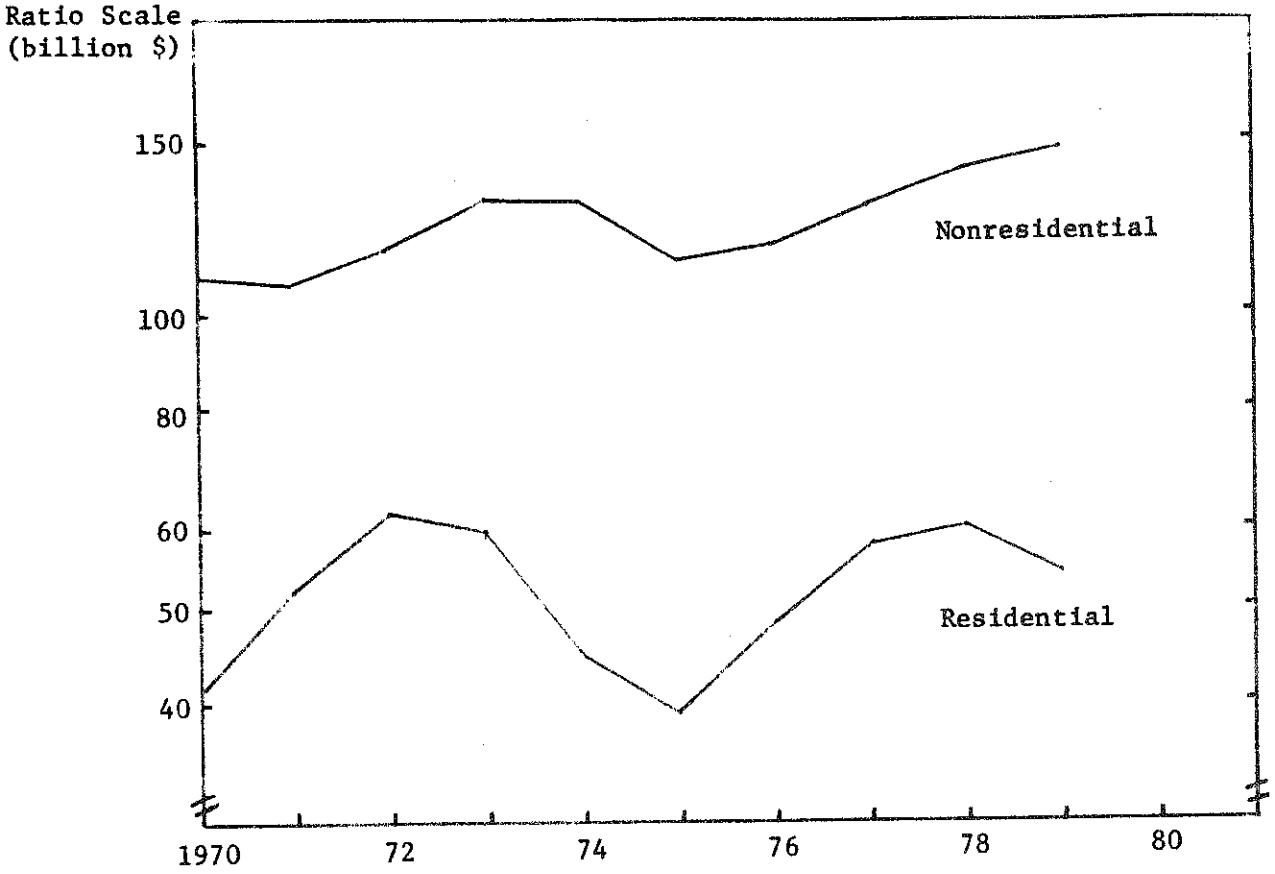
CONSUMPTION EXPENDITURES IN CONSTANT (1972) PRICES



Aggregate consumer expenditures for services (in real terms) have grown more rapidly than purchases of nondurable goods (including food) during the past 10 years. Furthermore, expenditures on services have been less affected by recessions than purchases of nondurable goods. The 1974-75 recession produced only a slight reduction in the rate of growth in expenditures on services. The same pattern is likely to prevail in 1980. Consumer purchases of services probably will continue to grow at an annual rate of around 3 per cent, down about 1 per cent from the average growth rate experienced during the past 8 years. Total expenditures on nondurable goods (in constant prices) are expected to decline about 1 per cent in 1980.

Aggregate consumer purchases of durables (especially automobiles) began to decline in late 1979. Car sales were running at an annual rate of just over 11 million cars early in 1979 but by November, the annual selling rate had dipped to under 9 million. Little recovery from this rate is expected in 1980.

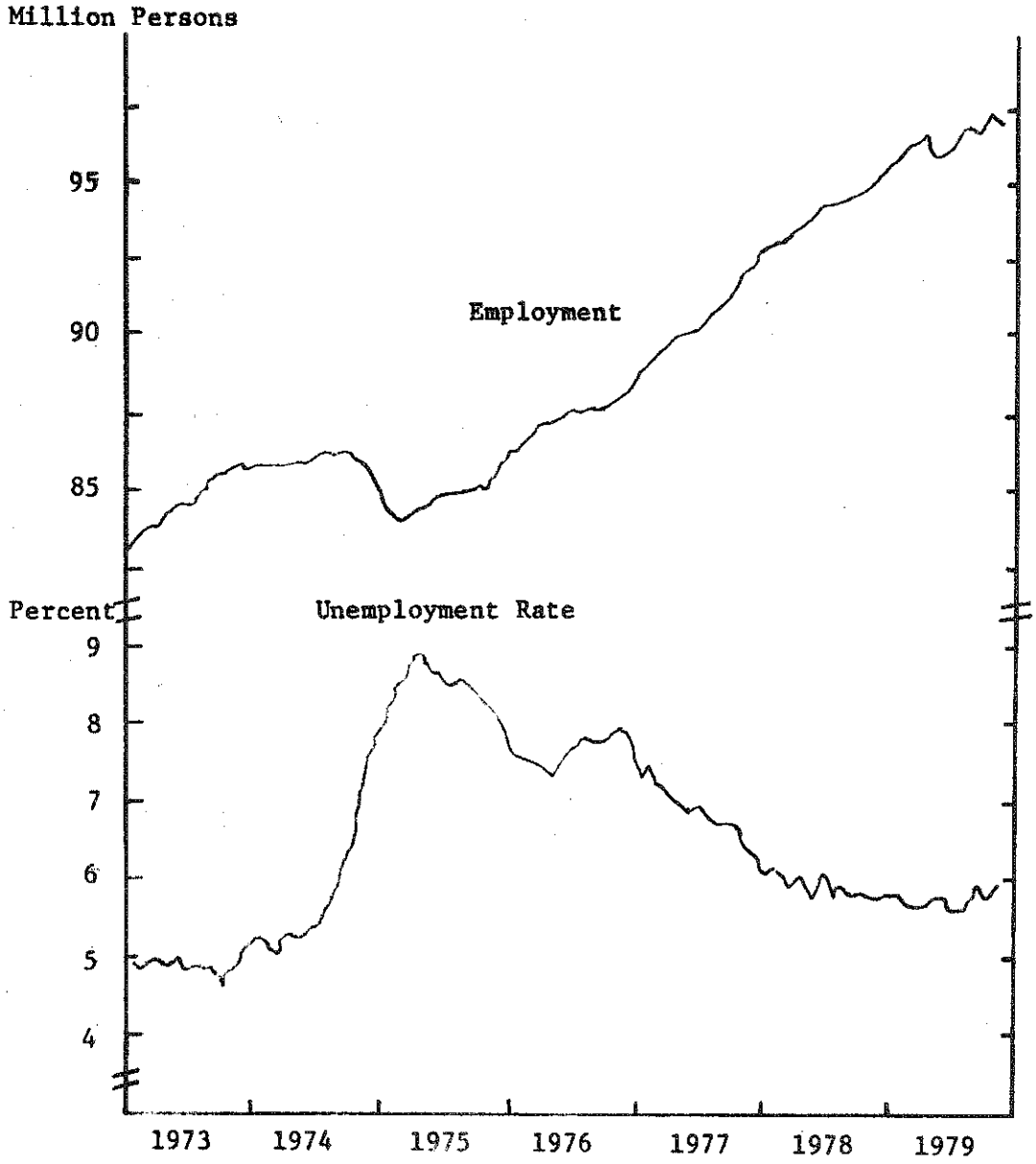
PRIVATE INVESTMENT IN CONSTANT (1972) PRICES



In the 1974 recession, home building began to decline earlier and dropped much more than business investment. A similar pattern is expected to prevail in 1980. Housing starts began to decline in 1979 and by the last quarter had dropped about 10 per cent under the level prevailing a year earlier. A further decline in housing starts of 10 per cent or more can be expected in 1980.

Business spending for new plants and equipment has been increasing (in real terms) at a rate averaging 4 to 5 per cent per year since the recession of the mid 1970s. A slow-down in the rate of growth of new investment is likely in 1980 but the surge in corporate profits in 1979 (except for auto manufacturers) will help to sustain a modest increase in business spending for plants and equipment in the year ahead.

EMPLOYMENT AND UNEMPLOYMENT



Between 1975 and 1979, total employment increased from around 85 million to just under 100 million, a compound rate of growth averaging approximately 3.7 per cent per year. By historical standards, this is a relatively high rate of growth. It reflects the age distribution of the population and an increasing proportion of women seeking employment. The labor force participation rate (the proportion of the total population seeking employment) is now the highest in history. Total employment is likely to decline from a year earlier in the first half of 1980, but may recover in the second half.

The rate of unemployment which has been hovering around 6 per cent since early in 1978 is expected to rise sharply early in 1980 and could go as high as 7.5 per cent. This is well below the peak rate of 9 per cent which the U.S. experienced in 1975. If a relatively high rate of unemployment persists, Congress is likely to vote for a tax cut to spur private investment and to reduce social security taxes.

AVERAGE ANNUAL RATES OF INFLATION

	Annual Per Cent Change 1972-78	1978-79
Consumer Prices		
Food	9.4	11.2
All Items Less Food	7.2	11.3
Energy	11.5	28.8
Producer Prices -- Industrial Products	10.0	11.3
Average Hourly Earnings -- Nonfarm Workers	7.5	8.2

Forecasters generally underestimated the rate of inflation in 1979. Most expected an increase of 7 to 8 per cent; instead, prices rose at an average rate exceeding 11 per cent. Food went up faster than other items early in the year; more recently, the rate of inflation has been pushed up by higher energy prices.

The overall rate of inflation for 1980 is extremely difficult to predict. A new round of price increases for oil, which now appears likely, could accelerate the rate of inflation once again. Earlier, the majority of forecasters thought the rate of inflation would decline modestly in 1980, perhaps to around 10 per cent due to the combined influence of a tight money policy and some slowing down in economic activity. There is now less assurance that a recession will bring down prices.

Labor costs are likely to rise at least as much in 1980 as in 1979, and perhaps more if workers are successful in obtaining wage increases which would more nearly compensate them for recent increases in the cost of living. Wage rates did not rise as fast as prices in 1979 although they exceeded the Administration's 7 per cent guideline in many industries. The wage guidelines undoubtedly will be more flexible in 1980. It will be difficult for union officials to accept less than a 10 per cent increase in negotiating new wage contracts.

One can be slightly more optimistic about food costs. They are likely to go up a little less rapidly in 1980 than they did in 1979, especially during the first half of the year. Supplies of both poultry meat and pork will be ample, which will help to hold down meat prices. A larger citrus crop also will benefit the consumer. But transportation and other marketing costs which now account for around two thirds of what the consumer spends for food will continue to rise at least as fast as the overall rate of inflation, thus causing retail food prices to increase even if farm prices remain stable.

PRICES PAID BY FARMERS

	Average Annual Increase in Prices (per cent)	
	1972-78	Oct. 1978-79
Farm Real Estate	15.2	?
Farm Machinery	12.5	11
Seeds	12.4	7
Fuels and Energy	12.0	46
Fertilizer	11.5	18
Feed	9.5	18
Farm Wages	9.3	12

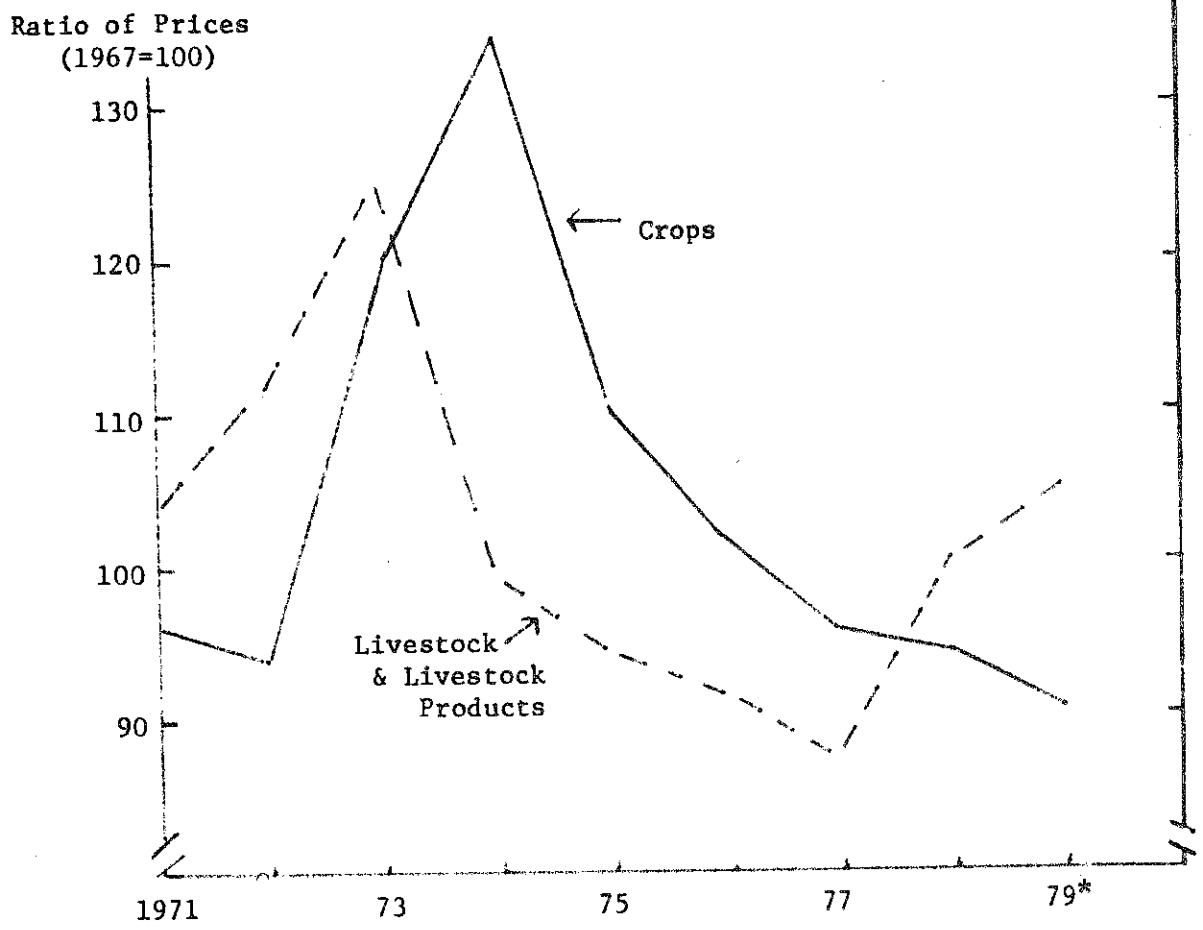
Source: Economic Report of the President, January 1979 and U.S.D.A., Agricultural Prices

The prices of farm inputs have risen at widely varying rates over the past 8 years. Between 1972 and 1978, farm real estate prices rose faster than most other farm inputs. Fuels, seeds, machinery and fertilizer all rose at an annual rate of around 12 per cent.

For most all inputs except seeds and farm machinery, the rate of increase in prices has accelerated during the past 12 months. Recent trends are probably more representative of what we can expect in 1980. Fertilizer prices will be up substantially, partly because of higher energy costs, but also because imports of lower-cost ammonia from the Soviet Union have been curtailed. Energy costs are likely to rise still further in 1980, perhaps as much as they did in 1979.

Feed will cost 15 to 20 per cent more this winter than a year ago. Corn and soybean meal costs are up 10 per cent, and could rise still further, especially if spring planting conditions are unfavorable. Higher transportation and labor costs will result in higher feed prices even if ingredient costs do not increase.

RATIO OF PRICES RECEIVED TO PRICES PAID BY FARMERS FOR PRODUCTION ITEMS



* January-October average

The graph above shows what has happened to relative farm prices over the past decade. Buoyant demand within the U.S. led to a sharp rise in the relative prices of livestock products in 1972 and 1973; thereafter the terms of trade or relative prices of livestock declined. The liquidation phase of the beef cycle obviously contributed to the unfavorable prices received by those selling livestock products between 1975 and 1977. During the past two years, the relative position of livestock producers has improved.

Crop producers have not fared so well in recent years. Wheat prices rose sharply in 1979, but crop prices in general have not kept pace with increases in the cost of items used in production since 1974.

Beef prices are expected to rise a little higher in 1980 because of a further modest reduction in total output; the increase is not likely to be nearly as great as that experienced early in 1979. Further increases in pork and broiler production are expected during the first half of 1980. As a result prices are likely to be lower than a year ago. Because of indexing of support prices of dairy products (i.e. the support level is tied to increases in the index of prices paid by farmers), dairymen can expect to receive prices averaging about 10 per cent higher in 1980 than in 1979. However, the increase in price is not likely to be enough to compensate them for increased costs of feed and energy.

CHANGES IN PLANTED ACREAGE AND PRODUCTION OF MAJOR CROPS

	1978-79		1979-80
	planted acreage (%)	production (%)	Projected change in acreage planted (%)
Wheat	+ 8	+ 18	+ 7
Corn	+ 1	+ 7	+ 5
Oats	- 14	- 12	
Soybeans	+ 12	+ 20	- 3
Cotton	+ 4	+ 34	?

Source: U.S.D.A., Crop Production

Every year since 1974, U.S. farmers have produced more total crop output than in the preceding year. Overall crop production reached a new high in 1979. More land was planted to each of the big acreage crops than in 1978 and in every case, yields also increased. Production of wheat was up 18 per cent, corn 7 per cent, soybeans 20 per cent and cotton 34 per cent. Among the principal crops, only sugar beets and oats suffered a decline.

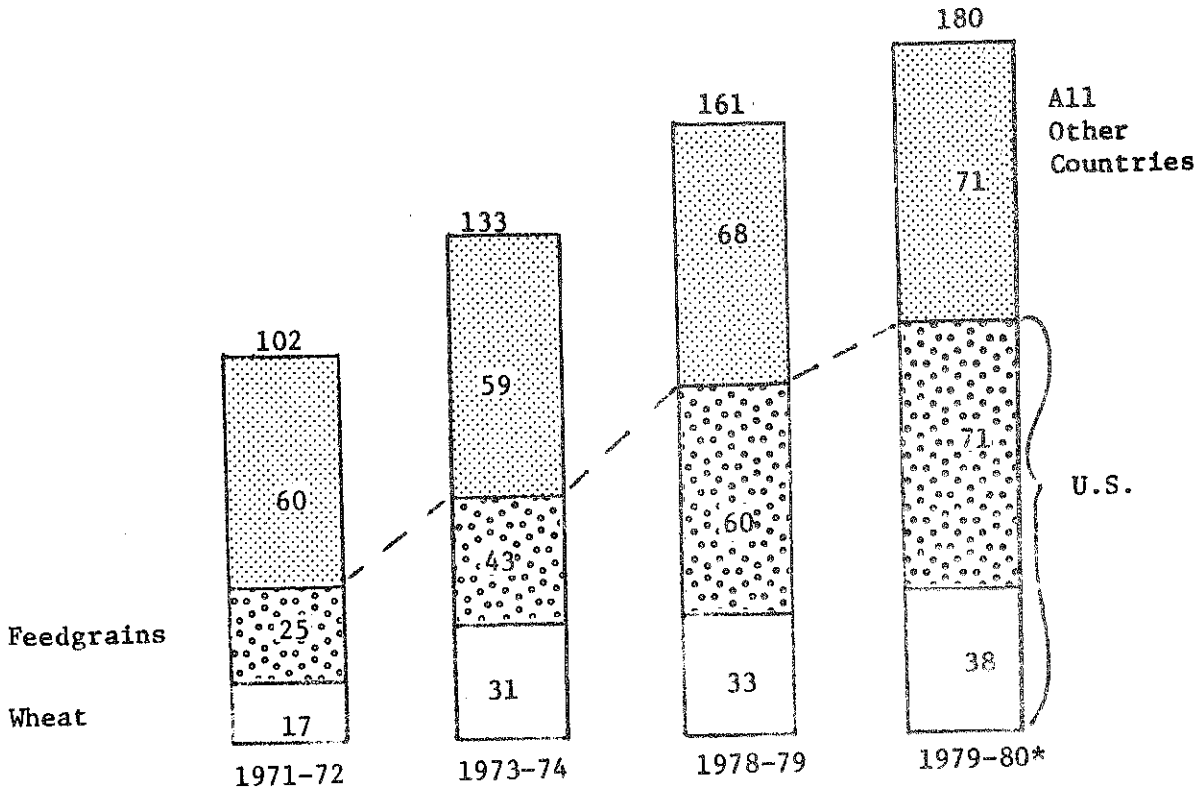
Reserves of soil moisture generally are adequate in the Southern Plains, wheat prices are favorable, and there will be no set-aside program ineffect in 1980. Thus we can expect more land to be planted to wheat. The absence of any set-aside program for corn also will probably lead to increased plantings in 1980, perhaps at the expense of soybeans since soybean prices have been less favorable relative to corn this harvest season than a year ago.

The price support loan rate for wheat has been raised to $2.50 per bushel. The loan rate for corn probably will remain about the same. Under current legislation, target prices (the prices that trigger payments) will decline in 1980 since there will be no set-aside programs in effect. But Congress is likely to raise target prices, both for 1979 and 1980 crops. They also may amend the rules regarding sales of corn and wheat from the farmer-held reserves. Announced minimum national support levels and minimum release prices for 1979 and 1980 crops of wheat and corn are as follows:

	Wheat		Corn	
	1979	1980	1979	1980
	($ per bu.)			
Price-support loan rate	$2.35	$2.50	$2.00	$2.00
Target price	3.40	3.07*	2.10	2.08*
Minimum release price -- farmer-held reserves	3.29	3.50	2.50	2.50

* Likely to be increased; the final target price will be announced by March 15th.

WORLD GRAIN EXPORTS≠
(million metric tons)



≠ Excluding intra-EC trade. * Estimated.

World grain imports have grown enormously during the past decade. At the beginning of the decade, world imports (excluding trade within the European Common Market) were running at around 100 million tons annually. During the current marketing year they are expected to reach 180 million tons. Most of the increase has been provided by the U.S. Combined U.S. exports of wheat and feed grains rose from 42 million tons in 1971-72 to 93 million in 1978-79 and are expected to top 100 million tons in 1979-80. Exports from other suppliers have risen only about 10 million tons, i.e. from about 60 million tons in the early 1970s to around 70 million tons at present.

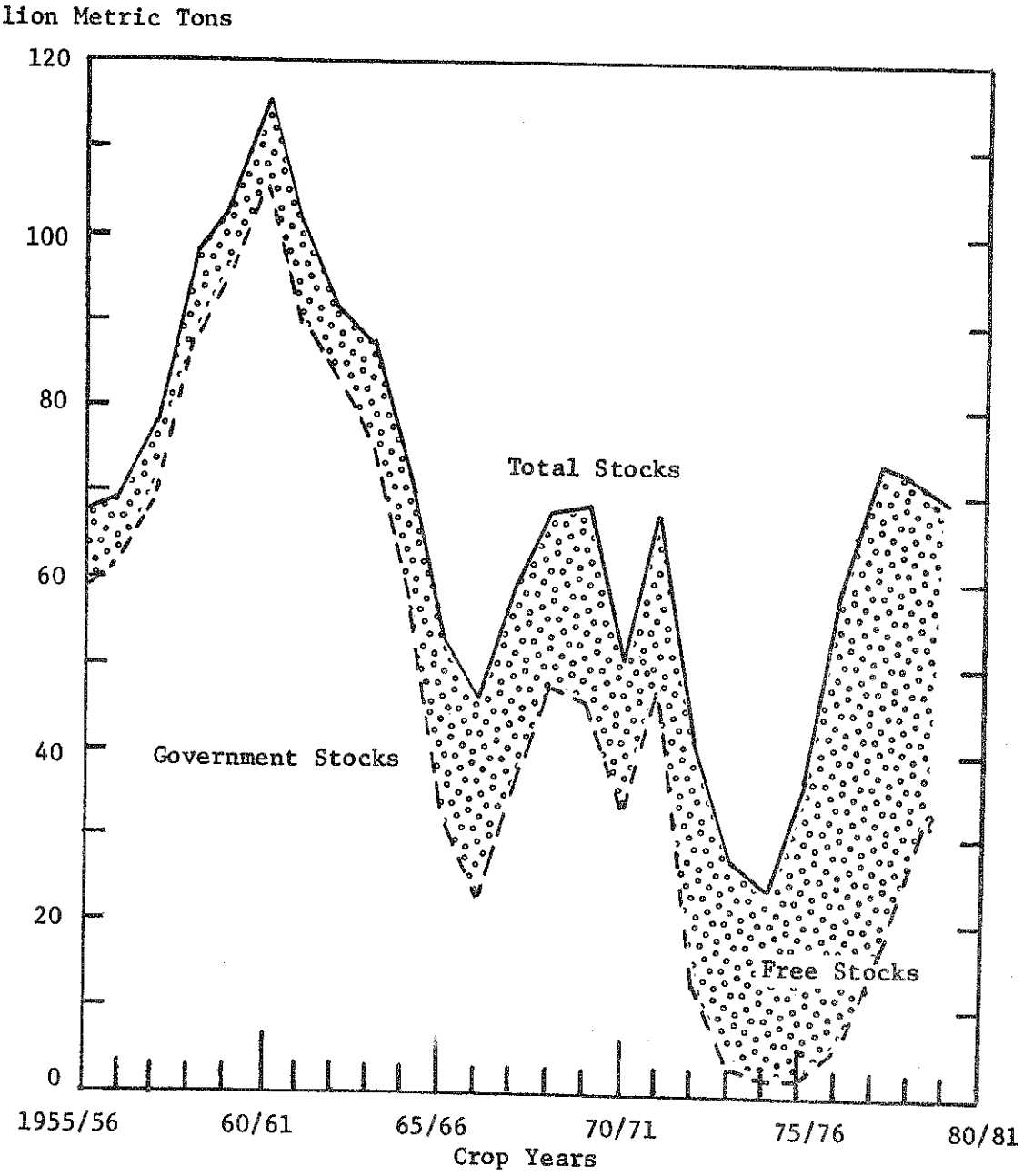
A high proportion of the grain now being imported by developing countries as well as the Soviet Union and Eastern Europe is used to feed livestock. Thus, the expanding market for U.S. grain is not due principally to rising population abroad, although this is a contributing factor, but rather to rising income which is adding to the demand for livestock products.

With approximately 5 per cent of the world's population, the U.S. produced just under 20 per cent of the world's grain supply in 1979 and will provide just over 60 per cent of the net world grain imports in 1979/80.

	Cereal Production*		
	U.S.	World Total	U.S. as % of total
	(mil. metric tons)		(per cent)
1977/78	264	1458	18.1
1978/79	273	1475	18.5
1979/80 (est.)	294	1509	19.5

*Combined total production of wheat, rice, corn, oats, barley and sorghum.

U.S. CARRYOVER STOCKS OF WHEAT AND FEED GRAIN



With buoyant export markets and high rates of grain feeding, total grain disappearance is expected to exceed this year's record production. The same thing occurred in 1978/79. As a result, carryover stocks of grain fell slightly between 1978 and 1979 and may decline again in 1980.

There is ample grain to cushion a short crop year, but since so much of the grain is in the hands of farmers and private traders, a great deal of uncertainty prevails over when and how much of it might be released. Thus, prices could fluctuate over a wide range in 1980 depending on crop prospects and what traders think it will require to induce farmers to sell the grain they have in storage.

TABLE 1

SELECTED UNITED STATES ECONOMIC AND ENERGY INDICATORS, 1947-1978

Year	Gross Energy Input[1] (Quadrillion BTU)	Net Energy Input[2] (Quadrillion BTU)	Population (Millions)	Gross National Product (Billion of $ 1972)	Gross Energy/ GNP (1000's of BTU)	Gross Energy/Capita (Millions of BTU)	Net Energy/Capita (Millions of BTU)	Conversion Efficiency[3] (Percent)
1947	33.0	29.2	144.1	468.3	70.5	229.0	202.8	88.5
1950	34.0	29.7	152.3	533.5	63.7	223.2	194.8	87.3
1955	39.7	34.3	165.9	654.8	60.6	239.3	206.7	86.4
1960	44.6	38.2	180.7	736.8	60.5	246.8	211.5	85.7
1965	53.3	45.3	194.3	925.9	57.6	274.3	233.1	85.0
1970	67.4	56.0	204.9	1075.3	62.7	328.9	273.3	83.1
1971	68.7	56.8	207.1	1107.5	62.0	331.7	274.3	82.7
1972	71.6	59.5	208.9	1171.1	61.2	342.9	284.8	83.1
1973	74.6	60.7	210.4	1235.0	60.4	354.6	288.6	81.4
1974	72.8	58.6	211.9	1217.8	59.7	343.4	276.7	80.6
1975	70.7	56.3	213.6	1202.3	58.8	331.0	263.7	79.7
1976	74.5	59.3	215.2	1271.0	58.6	346.3	275.4	79.5
1977	76.5	60.5	216.9	1332.7	57.4	352.9	278.8	79.0
1978	78.2	61.3	218.6	1385.1[P]	56.4	357.5	279.7	78.4

Source: U. S. Bureau of Mines
U. S. Department of Energy

[P]Preliminary

[1]Gross energy is the total of inputs into the economy of the primary fuels (petroleum, natural gas, and coal, including imports) or their derivatives, plus the generation of hydro and nuclear power converted to equivalent energy inputs.

[2]Net energy is the sector inputs (household and commercial, transportation, and industrial), and consists of direct fuels and purchased electricity.

[3]The conversion efficiency factor is the percent of total gross energy going into the sectors.

TABLE 2

UNITED STATES TOTAL GROSS CONSUMPTION OF ENERGY RESOURCES BY MAJOR SOURCES,[1] 1947-78
[Quadrillion (10^{15}) BTU]

Year	Anthracite	Bituminous Coal and Lignite	Natural Gas, Dry[2]	Petroleum[3]	Total Fossil Fuels	Hydropower	Nuclear Power	Other[4]	Total Gross Energy Inputs	Percentage Change From Prior Year
1947	1.224	14.600	4.518	11.367	31.709	1.326	—	—	33.035	—
1950	1.013	11.900	6.150	13.489	32.552	1.440	—	—	33.992	+8.0
1955	0.599	10.941	9.232	17.524	38.296	1.407	—	—	39.703	+9.5
1960	0.447	9.693	12.699	20.067	42.906	1.657	0.006	—	44.569	+3.3
1965	0.328	11.580	16.098	23.241	51.247	2.058	0.038	—	53.343	+4.1
1970	0.210	12.712	22.029	29.614	64.565	2.650	0.229	—	67.444	+3.8
1971	0.186	11.887	22.819	30.570	65.462	2.862	0.404	—	68.728	+1.9
1972	0.136	12.311	22.699	32.947	68.093	2.941	0.584	.008	71.625	+4.2
1973	0.129	13.171	22.512	34.837	70.649	3.008	0.910	.046	74.605	+4.2
1974	0.120	12.757	21.732	33.454	68.063	3.307	1.272	.115	72.756	-2.5
1975	0.111	12.712	19.948	32.732	65.503	3.217	1.900	.086	70.706	-2.8
1976	0.112	13.622	20.345	35.178	69.257	3.065	2.111	.081	74.513	+5.4
1977	0.115	14.004	19.931	37.176	71.226	2.519	2.702	.097	76.536	+2.7
1978	0.120	13.949	19.797	37.964	71.830	3.145	2.977	.199	78.151	+2.1

Source: U. S. Bureau of Mines
U. S. Department of Energy

[1]Gross energy is that contained in all types of commercial energy at the time it is incorporated in the economy, whether the energy is produced domestically or imported. Gross energy comprises inputs of primary fuels (or their derivatives), and outputs of hydropower and nuclear power converted to theoretical energy inputs. Gross energy includes the energy used for the production, processing, and transportation of energy proper.

[2]Excludes natural gas liquids.

[3]Petroleum products including still gas, liquefied refinery gas, and natural gas liquids.

[4]Includes geothermal power, electricity produced from wood and waste and net coke imports.

Note: Totals may not equal sum of components due to independent rounding.

TABLE 3

PERCENTAGE CHANGE FROM PRIOR YEAR IN UNITED STATES
TOTAL GROSS CONSUMPTION OF ENERGY RESOURCES BY MAJOR SOURCES, 1950-78

Year	Anthracite	Bituminous Coal and Lignite	Natural Gas, Dry	Petroleum	Total Fossil Fuels	Hydropower	Nuclear Power	Other	Total Gross Energy Inputs
1950	-24.9	+1.9	+16.3	+11.3	8.4	-0.6	--	--	+8.0
1955	-12.3	+15.0	+8.0	+8.6	+9.8	+1.4	--	--	+9.5
1960	-6.5	+3.9	+5.9	+1.6	+3.3	+4.1	+200.0	--	+3.3
1965	-10.1	+6.2	+2.9	+3.8	+4.0	+7.9	+8.6	--	+4.1
1970	-6.3	+1.6	+4.8	+4.2	+3.8	-0.3	+56.8	--	+3.8
1971	-11.4	-6.5	+3.6	+3.2	+1.4	+8.0	+76.4	--	+1.9
1972	-26.9	+3.6	-0.5	+7.8	+4.0	+2.8	+44.6	--	+4.2
1973	-5.1	+7.0	-0.8	+5.7	+3.8	+2.3	+55.8	+475.0	+4.2
1974	-7.0	-3.1	-3.5	-4.0	-3.7	+9.9	+39.8	+202.6	-2.5
1975	-7.5	-0.4	-8.2	-2.2	-3.8	-2.7	+49.4	-25.2	-2.8
1976	+0.9	+7.2	+2.0	+7.5	+4.2	-4.7	+11.1	-5.8	+5.4
1977	+2.7	+2.8	-2.0	+5.7	+2.8	-17.8	+28.0	+19.8	+2.7
1978	+4.3	-0.4	-0.7	+2.1	+0.9	+24.9	+10.2	+105.2	+2.1

TABLE 4

DEMAND FOR ENERGY INPUTS TO INDUSTRIAL SECTOR, 1947-78

Year	Natural Gas		Petroleum		Coal[1]		Net Coke Import		Electricity Purchased	Net Sector Inputs	Electrical Energy Loss Distribution	Total Energy Use
	Million Cubic Feet	10^{15} BTU	Million Barrels	10^{15} BTU	Thousand Short Tons	10^{15} BTU	Thousand Short Tons	10^{15} BTU	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU
1947	2,905,571	3.007	423.0	2.517	273,403	7.298	—	—	.459	13.281	NA	NA
1950	3,601,757	3.727	446.8	2.666	223,507	5.957	—	—	.559	12.909	NA	NA
1955	4,768,562	4.935	579.8	3.406	214,946	5.726	—	—	1.008	15.075	NA	NA
1960	6,074,114	6.287	643.9	3.682	175,225	4.673	—	—	1.306	15.948	NA	NA
1965	7,433,200	7.671	740.4	4.139	200,688	5.366	—	—	1.634	18.810	NA	NA
1970	9,856,844	10.162	961.4	5.267	186,637	5.004	—	—	2.210	22.643	NA	NA
1971	10,252,000	10.570	927.3	5.094	159,320	4.330	—	—	2.293	22.287	NA	NA
1972	10,400,457	10.723	1,009.3	5.544	163,993	4.457	—	—	2.465	23.189	NA	NA
1973	10,183,154	10.397	1,168.0	6.441	185,074	4.377	-308	-.008	2.374	23.580	5.564	29.144
1974	9,777,344	10.012	1,154.6	6.277	175,423	4.047	2,269	.059	2.368	22.762	5.668	28.430
1975	8,356,513	8.532	1,079.1	5.929	166,053	3.786	538	.014	2.334	20.594	5.613	26.207
1976	8,596,078	8.768	1,213.9	6.682	165,846	3.773	—	.000	2.558	21.780	6.144	27.924
1977	8,463,271	8.641	1,366.6	7.552	160,035	3.612	576	.015	2.672	22.492	6.431	28.923
1978	8,113,614	8.284	1,382.4	7.639	152,105	3.433	5,038	.131	2.763	22.249	6.759	29.008

Source: Division of Fossil Fuels, Bureau of Mines, U. S. Department of the Interior
U. S. Department of Energy

[1]Includes anthracite, bituminous, and lignite coals.

NA - Not available.

TABLE 5

DEMAND FOR ENERGY INPUTS IN TRANSPORTATION SECTOR, 1947-78

Year	Natural Gas		Petroleum[1]		Coal[2]		Utility Electricity Purchased	Net Sector Inputs	Electrical Energy Loss Distribution	Total Energy Use
	Million Cubic Feet	Quadrillion BTU	Million Barrels	Quadrillion BTU	Thousand Short Tons	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU
1947	Negl.	—	1,050.3	5.761	113,324	3.030	.029	8.820	NA	NA
1950	125,546	.130	1,248.8	6.785	63,783	1.701	.024	8.640	NA	NA
1955	245,246	.253	1,691.4	9.109	17,429	.464	.019	9.845	NA	NA
1960	347,075	.359	1,934.1	10.372	3,294	.087	.018	10.836	NA	NA
1965	500,524	.517	2,271.9	12.179	655	.018	.018	12.732	NA	NA
1970	722,166	.745	2,902.8	15.592	298	.008	.016	16.361	NA	NA
1971	742,788	.766	3,032.3	16.286	214	.006	.017	17.075	NA	NA
1972	774,788	.799	3,208.2	17.231	214	.006	.018	18.054	NA	NA
1973	727,718	.743	3,287.9	18.132	127	.003	.014	18.893	0.034	18.927
1974	668,945	.685	3,251.4	17.677	87	.002	.015	18.379	0.035	18.414
1975	582,762	.595	3,252.8	17.872	44	.001	.015	18.483	0.036	19.408
1976	548,039	.559	3,415.2	18.799	—	Negl.	.015	19.372	0.035	20.068
1977	531,832	.543	3,524.4	19.476	—	Negl.	.014	20.033	0.037	20.606
1978	526,934	.538	3,622.3	20.017	—	Negl.	.015	20.569	0.022	20.591

Source: Division of Fossil Fuels, Bureau of Mines, U. S. Department of the Interior
U. S. Department of Energy

[1] Includes bunkers and military transportation.

[2] Includes anthracite, bituminous, and lignite coals.

NA - Not available.

TABLE 6

DEMAND FOR ENERGY INPUTS IN HOUSEHOLD AND COMMERCIAL SECTORS, 1947-78

Year	Natural Gas		Petroleum		Coal[1]		Electricity Purchased	Net Sector Inputs	Electrical Energy Loss Distribution	Total Energy Use
	Million Cubic Feet	Quadrillion BTU	Million Barrels	Quadrillion BTU	Thousand Short Tons	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU	Quadrillion BTU
1947	1,087,000	1.125	385.3	2.251	128,657	3.399	.391	7.148	NA	NA
1950	1,586,207	1.642	526.2	3.038	110,422	2.913	.546	8.139	NA	NA
1955	2,753,171	2.849	691.7	4.001	66,039	1.745	.854	9.449	NA	NA
1960	4,123,389	4.268	853.3	4.923	37,180	.983	1.262	11.436	NA	NA
1965	5,346,450	5.517	978.0	5.635	25,676	.678	1.948	13.778	NA	NA
1970	6,894,007	7.108	1,128.4	6.453	16,114	.427	3.000	16.988	NA	NA
1971	7,144,398	7.366	1,131.2	6.440	15,253	.408	3.209	17.423	NA	NA
1972	7,399,486	7.629	1,174.9	6.689	14,356	.384	3.449	18.151	NA	NA
1973	7,469,148	7.626	1,238.7	6.831	12,389	.293	3.489	18.239	8.295	26.534
1974	7,341,797	7.518	1,143.0	6.214	12,657	.292	3.469	17.493	8.419	25.912
1975	7,425,073	7.581	1,062.7	5.839	10,877	.248	3.584	17.252	8.729	25.981
1976	7,711,765	7.866	1,142.7	6.290	10,505	.239	3.725	18.120	9.060	27.180
1977	7,308,521	7.462	1,144.9	6.327	10,368	.234	3.934	17.956	9.589	27.545
1978	7,520,078	7.678	1,158.2	6.400	11,741	.265	4.083	18.427	10.110	28.537

Source: Division of Fossil Fuels, Bureau of Mines, U. S. Department of the Interior.
U. S. Department of Energy

[1]Includes anthracite, bituminous, and lignite coals.

NA - Not available.

TABLE 7

UNITED STATES PASSENGER CAR EFFICIENCY

Year	Ave. Fuel Consumed Per Car		Ave. Miles Traveled Per Car		Ave. Miles Traveled Per Gallon of Fuel Consumed	
	Gallons	Index	Miles	Index	Miles	Index
1967	684	100.0	9,531	100.0	13.93	100.0
1968	698	102.0	9,627	101.0	13.79	99.0
1969	718	105.0	9,782	102.6	13.63	97.8
1970	735	107.5	9,978	104.7	13.57	97.4
1971	746	109.1	10,121	106.2	13.57	97.4
1972	755	110.4	10,184	106.9	13.49	96.8
1973	763	111.5	9,992	104.8	13.10	94.0
1974	704	102.9	9,448	99.1	13.43	96.4
1975	712	104.1	9,634	101.1	13.53	97.1
1976	711	103.9	9,763	102.4	13.72	98.5
1977	706	103.2	9,839	103.2	13.94	100.1

Source: U. S. Department of Transportation

TABLE 8

UNITED STATES TOTAL PRODUCTION OF ENERGY RESOURCES BY MAJOR SOURCES, 1947-78
[Quadrillion (10^{15}) BTU]

Year	Coal	Natural Gas, Dry	Petroleum[1]	NGPL[2]	Total Fossil Fuels	Hydropower[3]	Nuclear Power	Other[4]	Total Gross Energy Inputs	Percentage Change From Prior Year
1947	18.005	5.012	10.771		33.788	1.296	—	—	35.084	—
1950	14.647	6.841	11.449		32.937	1.415	—	—	34.352	+12.3
1955	12.745	10.532	14.445		37.722	1.360	—	—	39.082	+10.8
1960	11.140	14.135	14.664		39.939	1.608	0.006	—	41.553	+2.1
1965	13.395	17.652	15.930		46.977	2.059	0.038	—	49.074	+3.1
1970	15.248	24.154	19.772		59.174	2.630	0.229	—	62.033	+5.6
1971	13.673	24.805	19.322		57.800	2.862	0.404	—	61.066	-1.6
1972	14.485	22.208	19.987	2.597	59.277	2.830	0.584	0.035	62.812	+2.9
1973	14.366	22.187	19.493	2.569	58.615	2.859	0.910	0.046	62.431	-0.6
1974	14.468	21.211	18.575	2.471	56.725	3.175	1.272	0.056	61.228	-1.9
1975	15.189	19.641	17.729	2.374	54.933	3.152	1.900	0.072	60.057	-1.9
1976	15.853	19.480	17.262	2.327	54.922	2.976	2.111	0.081	60.091	+0.1
1977	15.964	19.565	17.454	2.327	55.310	2.337	2.702	0.082	60.431	+0.6
1978	15.117	19.222	18.420	2.255	55.014	2.964	2.977	0.068	61.023	+1.0

Source: U. S. Bureau of Mines
Energy Information Administration

[1]Includes lease condensate.

[2]Natural gas plant liquids; series began in 1972 (formerly included under petroleum).

[3]Includes industrial and utility production of hydropower.

[4]Includes geothermal power and electricity produced from wood and waste (series began in 1972).

Note: Totals may not equal sum of components due to independent rounding.

TABLE 9

UNITED STATES DEPENDENCE ON PETROLEUM IMPORTS
(Million Barrels Per Day)

Year	Direct Imports			Domestic Petroleum Products Supplied	Percent Imports
	From Arab/OPEC Countries	From OPEC Countries	Total All Countries		
1973	0.91	2.99	6.26	17.31	36
1974	0.75	3.28	6.11	16.65	37
1975	1.38	3.60	6.06	16.32	37
1976	2.42	5.07	7.31	17.46	42
1977	3.18	6.19	8.81	18.43	48
1978	2.92	5.64	8.23	18.82	44
1979 (1st half)	3.14	5.51	8.20	19.02	43

Source: U. S. Department of Energy

TABLE 10

PERCENTAGE CHANGE FROM PRIOR YEAR IN UNITED STATES TOTAL PRODUCTION OF ENERGY RESOURCES BY MAJOR SOURCES, 1950-78

Year	Coal	Natural Gas, Dry	Petroleum[1]	NGPL[2]	Total Fossil Fuels	Hydropower[3]	Nuclear Power	Other[4]	Total Gross Energy Inputs
1950	+16.8	+15.7	+7.2	--	+13.0	-0.7	--	--	+12.3
1955	+16.3	+11.0	+7.6	--	+11.2	--	--	--	+10.8
1960	+0.4	+5.8	--	--	+2.1	-3.7	+200.0	--	+2.1
1965	+4.3	+3.0	+1.5	--	+2.8	+9.2	+8.6	--	+3.1
1970	+7.3	+5.8	+4.7	--	+5.8	-0.7	+56.8	--	+5.6
1971	-10.3	+2.7	-2.3	--	-2.3	+8.8	+76.4	--	-1.6
1972	+5.9	-10.5	+3.4	--	+2.6	-1.1	+44.6	--	+2.9
1973	-0.8	-0.1	-2.5	-1.1	-1.1	+1.0	+55.8	+31.4	-0.6
1974	+0.7	-4.4	-4.7	-3.8	-5.4	+11.1	+39.8	+21.7	-1.9
1975	+5.0	-7.4	-4.6	-3.9	-3.2	-0.7	+49.4	+28.6	-1.9
1976	+4.4	-0.8	-2.6	-2.0	--	-5.6	+11.1	+7.2	+0.1
1977	+0.7	+0.4	+1.1	--	+0.7	-21.5	-21.8	+1.2	+0.6
1978	-5.3	-1.8	+5.5	-3.1	-0.5	+26.8	+10.2	-17.1	+1.0

Source: U. S. Bureau of Mines
U. S. Energy Information Administration

[1]Includes lease condensate.

[2]Natural gas plant liquids; series began in 1972 (formerly included under petroleum).

[3]Includes industrial and utility production of hydropower.

[4]Includes geothermal power and electricity produced from wood and waste (series began in 1972).

TABLE 11

FOSSIL FUEL PRICES: 1960-79

Year	Domestic Natural Gas: Average Wellhead Price/MCF	Domestic Crude Oil: Average Wellhead Price/Barrel	Foreign Crude Oil: Weighted Average Cost (Landed)	Petroleum Products: Gasoline	Petroleum Products: Residual	Domestic Coal Average F.O.B. Mine Price/Ton (Contract Sales)	Average Retail Electricity Price/KWH
			Actual				
1960	$.136	$2.80	NA	NA	$.046	$4.55	$.017
1965	.152	2.79	$2.07	$.146	.046	4.34	.016
1970	.169	3.13	2.69	.174	.060	6.17	.016
1971	.181	3.35	2.98	.179	.073	6.99	.017
1972	.196	3.39	3.03	.172	.059	7.46	.019
1973	.216	4.57	6.21	.390	NA	8.60	.020
1974	.304	6.87	12.52	.528	NA	11.90	.025
1975	.445	7.67	13.93	.562	.266	16.25	.029
1976	.580	8.19	13.48	.587	.274	17.90	.031
1977	.790	8.57	14.53	.590	.315	19.25	.034
1978	.919	9.00	14.57	.655	.304	21.41	.037
1979[P]	.997	10.29	18.45	.797	.392	25.19	.038
			1972 Dollars*				
1960	.198	4.07	NA	NA	.067	6.62	.024
1965	.205	3.76	2.79	.196	.062	5.84	.021
1970	.185	3.43	3.01	.190	.066	6.75	.017
1971	.188	3.49	3.17	.186	.076	7.28	.018
1972	.196	3.39	3.03	.172	.059	7.46	.019
1973	.204	3.42	5.87	.369	NA	8.13	.019
1974	.262	5.92	10.79	.455	NA	10.26	.022
1975	.350	6.03	10.96	.442	.209	12.78	.023
1976	.434	6.12	10.08	.439	.205	13.38	.023
1977	.558	6.05	10.26	.417	.222	13.59	.024
1978	.604	5.91	9.58	.431	.200	14.08	.024
1979[P]	.604	6.23	11.18	.483	.237	15.26	.023

Source: Office of the Secretary, U. S. Department of the Interior
U. S. Department of Energy

*Implicit price deflator for gross national product used.

[P]Preliminary

NA - Not available.

TABLE 12

UNITED STATES OIL AND GAS EXPLORATION AND DEVELOPMENT

Year	Rotary Rigs In Operation	Exploratory and Development Wells Drilled				Total Footage Drilled
		Oil	Gas	Dry	Total	
1973	1,194	9,902	6,385	10,305	25,592	136,391
1974	1,475	12,784	7,240	11,674	31,698	150,551
1975	1,660	16,408	7,508	13,247	37,235	174,434
1976	1,656	17,059	9,085	13,621	39,765	181,780
1977	2,001	18,912	11,378	14,692	44,982	210,848
1978	2,259	17,775	13,064	16,218	47,057	227,110
1979[a]	2,056	11,534	9,095	9,509	30,138	145,881

Source: U. S. Dept. of Energy

[a]Figures through August.

UNITED STATES FARM BALANCE SHEET
Current Dollars, January 1

Item	1950	1960	1970	1978	1979	1980 1/
	billion dollars					
Assets						
Real Estate	77.6	137.2	215.8	525.8	599.5	696.0
Livestock	12.9	15.3	23.5	32.0	51.3	64.0
Machinery	12.2	22.7	32.3	77.7	84.3	97.0
Crops	7.6	7.7	10.9	24.9	27.4	30.5
Household	8.6	9.2	9.6	16.4	19.2	22.0
Total Non-Real Estate	(41.3)	(54.9)	(76.3)	(151.0)	(188.2)	(213.5)
Deposits & Currency	9.1	9.2	11.9	16.3	16.8	17.2
U.S. Savings Bonds	4.7	4.7	3.7	4.4	4.8	23.3
Coop. Investment	2.0	4.2	7.2	15.5	16.9	
Total Financial	(15.8)	(18.1)	(22.8)	(36.2)	(38.5)	(40.5)
Total	134.7	210.2	314.9	713.0	820.2	950.0
Claims						
Real Estate Debt	5.6	12.0	29.2	63.7	72.3	83.1
Non-Real Estate Debt	6.9	12.8	23.8	55.6	65.2	74.7
Total Debt	12.5	24.8	53.0	119.3	137.5	157.8
Owner's Equity	122.2	185.4	261.9	593.7	682.7	792.2
Total	134.7	210.2	314.9	713.0	820.2	950.0
Percent Owner's Equity	91	88	83	83	83	83

1/ Preliminary

Source: Balance Sheet of the Farming Sector 1979, ESCS, USDA, August 1979 and Agricultural Finance Outlook, ESCS, USDA, November 1979.

CHANGES IN STRUCTURE, U.S. FARM BALANCE SHEET
Current Dollars, 1950-1980

Description	1950	1960	1970	1978	1979	1980
	percent of total					
Assets						
Real Estate	57	65	68	74	73	73
Livestock	10	7	8	4	6	7
Machinery	9	11	10	11	10	10
All Other	24	17	14	11	11	10
Total	100	100	100	100	100	100
Liabilities						
Real Estate Debt	45	49	55	53	53	53
Non-Real Estate Debt	55	51	45	47	47	47
Total	100	100	100	100	100	100

NEW YORK FARM BALANCE SHEET
In Current Dollars

Item	January 1, 1979 Million Dollars	Percent
Assets		
Real Estate	6,592	59
Livestock	1,060	9
Machinery and Motor Vehicles	2,192	20
Crops Stored	375	3
Household Furnishings and Equipment	478	4
Cash, Bonds and Deposits	155	1
Investments in Cooperatives	388	4
TOTAL ASSETS	11,240	100.0
Liabilities and Equity		
Total Real Estate Debt	927	46
Total Non-Real Estate Debt	1,087	54[a/]
TOTAL LIABILITIES	2,014	100
EQUITY	9,226	
TOTAL LIABILITIES AND EQUITY	11,240	

a/ See footnote "a" on following page.

CHANGES IN NEW YORK FARM BALANCE SHEET
Current Dollars, January 1

Item	1950	1960	1970	1975	1979
Total Assets	2,805	3,579	5,428	9,093	11,240
Total Debts	307	547	843	1,495	2,014
Owner's Equity	2,498	3,032	4,585	7,598	9,226
Percent Equity	89	85	81	84	82

Source: Balance Sheet of the Farming Sector 1978, USDA, August 1979; Carson Evans, ESCS, USDA; Estimates by E. L. LaDue.

NEW YORK FARM CREDIT OUTSTANDING
January 1, 1979

Credit Type and Source	Million Dollars	Percent Change From 1978	Percent Change From 1974
Real Estate Loans:			
Commercial Banks	130	3	0
Federal Land Banks	363	8	77
Farmers Home Administration[a/]	81	12	61
Insurance Companies	18	23	134
Individuals and Others	335	6	37
Total	927	7	46
Nonreal Estate:			
Commercial	396	11	23
Production Credit Associations	283	- 9	30
Farmers Home Administration[a/]	235	262	443
Merchants, Dealers, Individuals and Others[b/]	173	- 2	59
Total	1,087	19	57
Total Debt	2,014	13	52

a/ All Emergency Loans are included under nonreal estate. This overestimates nonreal estate loan volume and underestimates real estate loan volume.

b/ Estimated by E. L. LaDue.

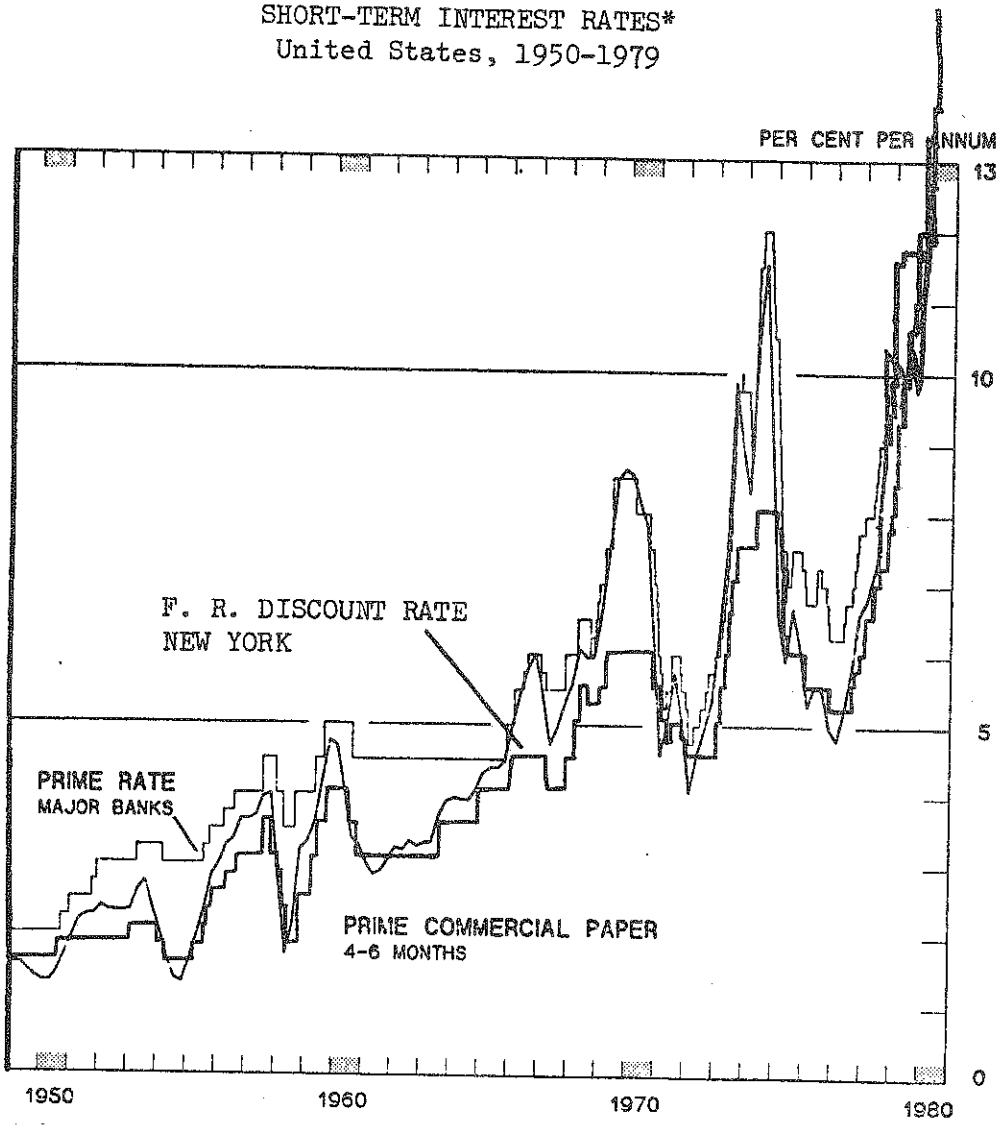
Between January 1, 1978 and January 1, 1979, the total value of United States farm assets increased by 107 billion dollars, a 15 percent increase. Over two-thirds of this increase, 74 billion dollars, resulted from higher real estate values. The other important item was livestock which increased in value by 60 percent during the year. During 1979, assets are expected to rise 16 percent with three-quarters of the increase resulting from rising land values with the remainder spread more evenly among other assets.

Total U.S. Farm debt rose 15 percent during 1978 and is expected to increase by another 15 percent during 1979. Nonreal estate debt increased slightly more rapidly than real estate debt in 1978, but both types are expected to rise at similar rates in 1979.

During 1978, the value of New York farm assets increased only 8 percent. Contrary to the U.S. experience, New York land values increased only about 1 percent and, thus, represent very little of the increase in total asset values. The major increase in value occurred in livestock which increased nearly 50 percent.

New York farm debt increased by 13 percent during 1978. The data presented indicate that a much higher increase (19%) was experienced for nonreal estate than for real estate (7%). However, all Farmers Home Administration emergency loans are reported as nonreal estate loans. This is obviously incorrect, particularly for a state such as New York, but there is currently insufficient data available to separate the real estate from nonreal estate portion of these loans. With total New York farm debt increasing much more rapidly than assets, percent equity dropped slightly.

SHORT-TERM INTEREST RATES*
United States, 1950-1979

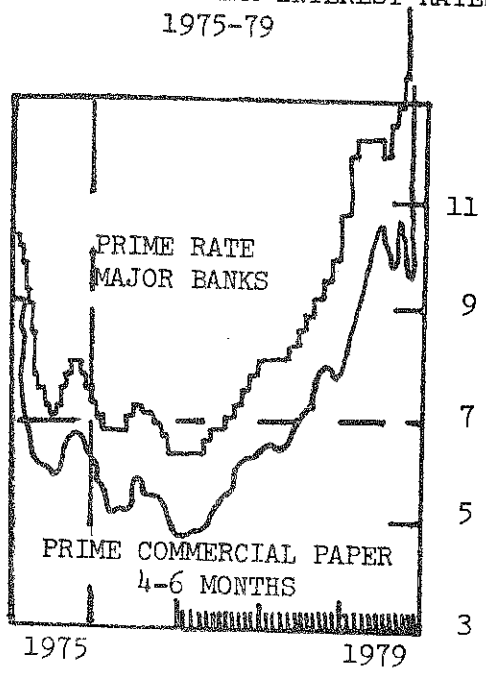


*Quarterly data

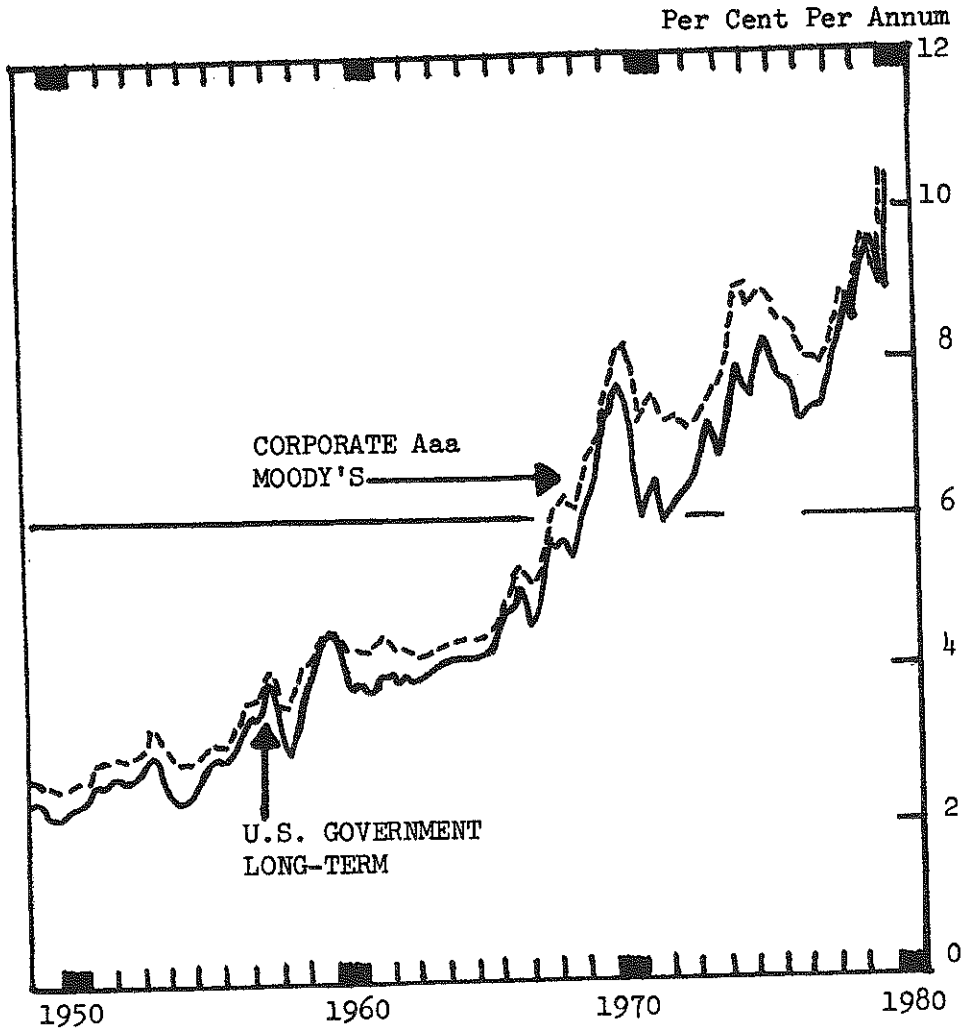
Source: Historical Chart Book, Federal Reserve Board, 1978 and Federal Reserve Bulletin, various issues.

Short term interest rates were relatively constant throughout the first half of 1979. During the last half of the year, rates rose sharply to levels significantly above those experienced in recent history. Short term rates are likely to remain at or near current levels into early 1980 and then decline gradually. Unless the economic slowdown is unusually severe, the prime rate will likely not be below the 9-10 percent range before the end of 1980.

DETAIL OF SHORT-TERM INTEREST RATES
1975-79



LONG-TERM INTEREST RATES*
United States, 1950-1979

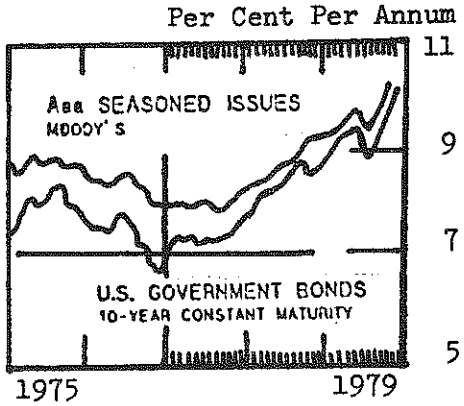


*Quarterly data.

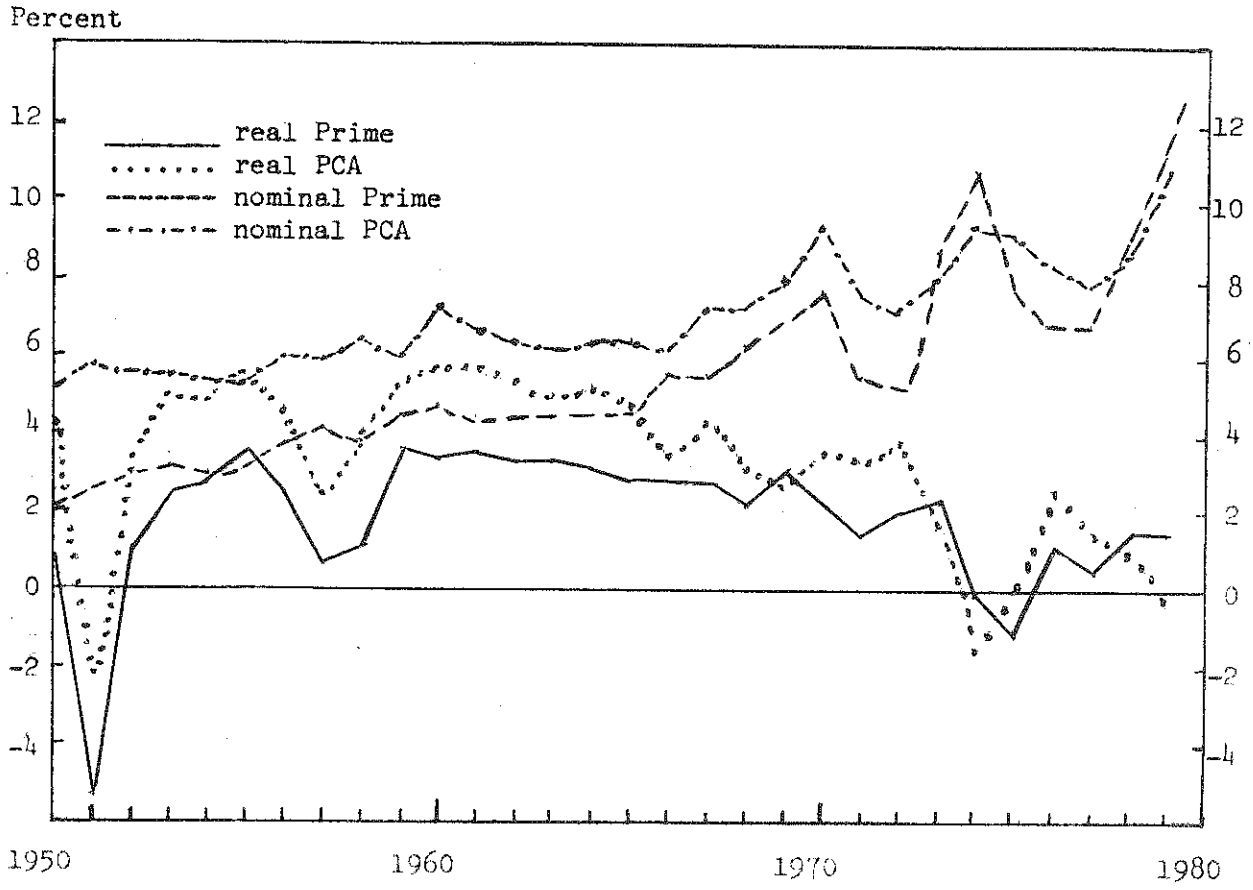
Source: Historical Chart Book, Federal Reserve Board, 1978 and Federal Reserve Bulletin, various issues.

Long term interest rates have increased during 1979, but not as rapidly as short term rates. Inflation is a primary factor influencing long term rates. Long term rates are expected to remain at or near current rates well into 1980 and likely will not start to decline until well after the turnaround in short term rates. The rate decline during 1980 likely will not exceed 1-1 1/2 percent.

DETAIL OF LONG-TERM INTEREST RATES
1975-1979



NOMINAL AND REAL INTEREST RATES[a/]



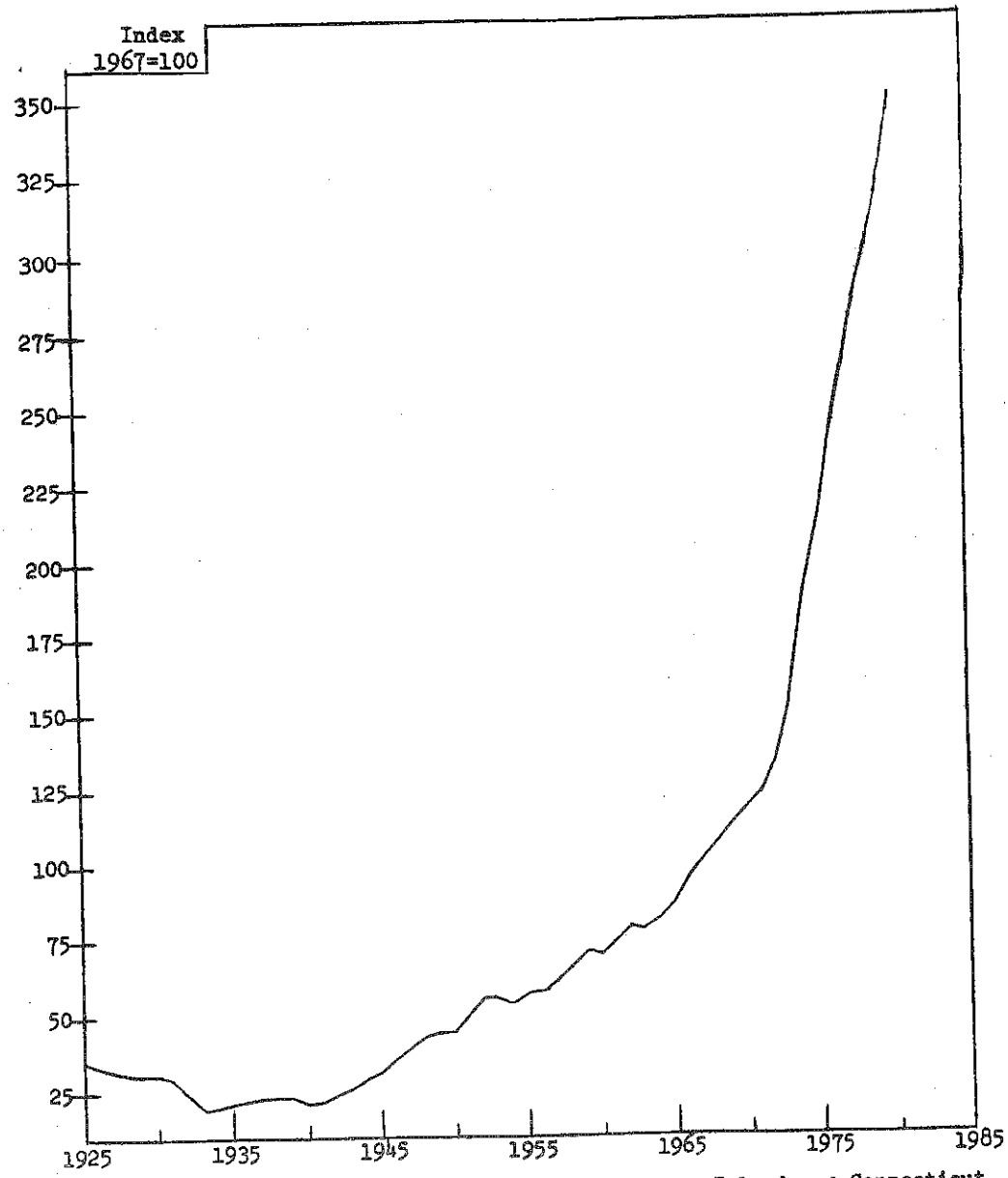
a/ Real rates are determined by subtracting the rate of inflation, as expressed by percent change in the CPI, from the nominal rate.

Anyone who borrows funds in an inflationary economy is able to repay those funds with "cheaper" dollars, thus reducing the real cost of borrowing. Interest rates charged farm and nonfarm borrowers are currently high by historical standards. However, the rate of inflation that exists in the economy is also high. Thus, the real cost of borrowed funds, on an annual basis, is not high. The real prime rate of interest charged by banks on short term loans has averaged 1.02 percent during the decade of the 1970's and will average less than 1.5 percent for 1979. Comparable rates for the 1950's and 1960's were 1.28 and 2.98 percent, respectively. The real rate of interest charged by Production Credit Associations (PCA's) averaged only 1.57 for the 1970's compared to 3.70 and 4.55 percent for the 1950's and 1960's respectively. Average Real PCA rates were negative for 1979.

Since current interest rates may be strongly influenced by current inflation rates, current rates on long term loans may be high in real terms if average inflation in future years is significantly below current levels. Thus, the real cost of fixed rate, long term loans with prepayment penalties (or which for other reasons cannot be renegotiated or refinanced when rates decline) could be high.

VALUE OF FARM LAND AND BUILDINGS
48 Mainland States of United States
Index Numbers of Average Value Per Acre, March 1 of Each Year

Year	Index: 1967 =100	Year	Index: 1967 =100	Year	Index: 1967 =100	Year	Index: 1967 =100	Year	Index: 1967 =100
1916	30	1931	28	1946	35	1961	74	1976	242**
1917	33	1932	24	1947	39	1962	78	1977	283**
1918	36	1933	19	1948	43	1963	77	1978	308**
1919	39	1934	20	1949	44	1964	82	1979	351**
1920	48	1935	21	1950	43	1965	86	1980	
1921	44	1936	22	1951	49	1966	94	1981	
1922	39	1937	23	1952	55	1967	100	1982	
1923	37	1938	23	1953	55	1968	107	1983	
1924	36	1939	23	1954	53	1969	113	1984	
1925	35	1940	21	1955	57	1970	117	1985	
1926	34	1941	21	1956	57	1971	122		
1927	33	1942	23	1957	61	1972	132		
1928	32	1943	25	1958	65	1973	150*		
1929	32	1944	28	1959	71	1974	187*		
1930	31	1945	31	1960	68	1975	213*	** February 1	



*Data for Maine, Massachusetts, New Hampshire, Vermont, Rhode Island and Connecticut are combined as New England; Florida index based on percent change in Georgia-Alabama.

VALUE OF FARM LAND AND BUILDINGS, SELECTED STATES
and 48 Mainland States of the United States
Index numbers of average value per acre, March 1 of each year
1967=100

State	Index (1967=100)											
	1960	1965	1970	1971	1972	1973	1974	1975	1976*	1977*	1978*	1979*
New England	72	89	126	154	174	198	231	257	276	301	332	365
New York	73	90	123	132	155	176	233	275	296	313	318	347
New Jersey	58	82	144	155	180	211	278	340	377	377	387	418
Pennsylvania	70	88	145	154	167	201	262	315	350	422	471	539
Michigan	72	84	113	115	127	150	174	184	201	256	287	319
Wisconsin	76	85	124	137	148	179	214	240	271	322	381	446
Ohio	73	86	115	120	127	147	184	208	252	331	373	448
Illinois	71	84	107	108	116	129	173	209	260	353	390	441
Iowa	73	79	114	114	122	141	189	234	294	397	413	475
North Dakota	69	87	120	122	127	142	193	265	310	349	369	413
Kansas	72	88	107	109	118	137	178	211	235	267	270	310
Nebraska	69	86	115	117	127	145	183	215	271	307	295	360
Virginia	67	85	120	132	149	171	223	250	278	302	327	386
North Carolina	69	91	113	128	138	164	200	216	232	246	253	299
South Carolina	68	88	124	135	162	179	238	273	284	311	319	373
Georgia	55	80	138	152	175	201	264	298	299	322	357	386
Arkansas	54	84	129	127	143	159	186	191	213	238	261	316
Louisiana	66	80	116	127	139	148	174	191	201	218	251	286
Texas	67	89	119	125	138	156	191	193	213	228	252	282
Idaho	76	91	120	128	141	159	203	243	264	296	320	349
New Mexico	62	88	120	127	136	151	186	197	206	227	236	253
Washington	73	88	124	124	130	145	160	178	213	249	268	297
California	72	91	110	110	112	115	122	133	136	137	155	191
48 States	68	86	117	122	132	150	187	213	242	283	308	351

SOURCE: Farm Real Estate Developments, Economic Research Service, U.S.D.A., July 1975; U.S.D.A.; U.S.D.A. Agricultural Outlook, April 19.

* February

Farm real estate values per acre in the Mainland United States rose 14 percent in the year ending February 1, 1979 pushing the national index of farmland values to 351 (1967=100).

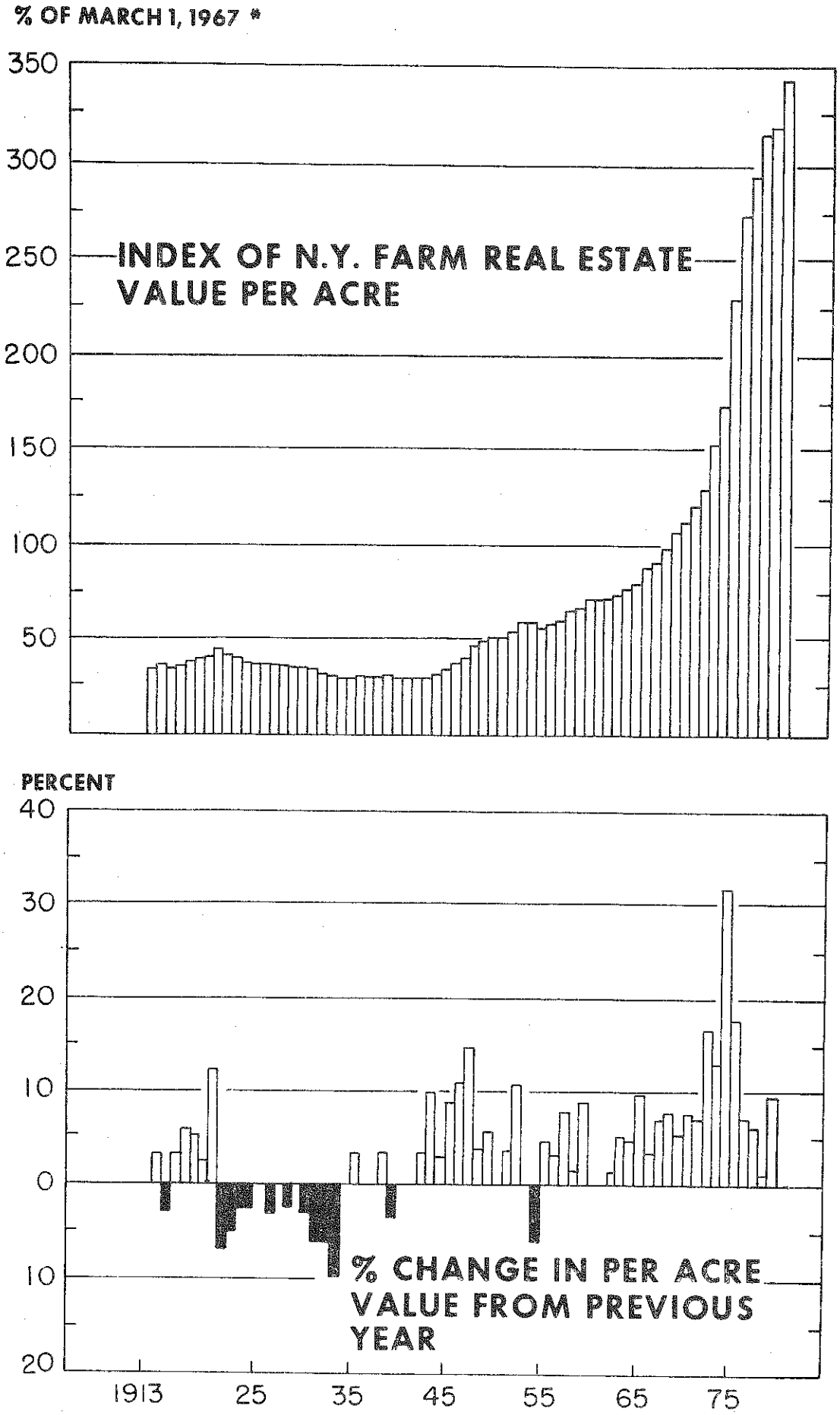
In the selected states the increases ranged from 7 percent in Nevada to 23 percent increase in California. The increases in three selected Northeastern states -- New York, New Jersey and Pennsylvania -- ranged from 8 to 14 percent.

Farmland values in New York have increased nearly five times in the seventeen year period since 1960.

Table 5--Farm real estate values: Average value per acre of land and buildings and percent change from the previous year, by State, grouped by farm production region, March 1, 1973 and 1975 and February 1, 1977-1979

State	March 1, 1973		March 1, 1975		Feb. 1, 1977		Feb. 1, 1978		Feb. 1, 1979[1]	
	Value	% chg.	Value	% chg.	Value	% chg.	Value	% chg.	Value	% chg.
Northeast										
Maine[2]	$ 253	17	$ 341	13	$ 400		$ 441		$ 485	
New Hampshire[2]	404	19	564	14	661		729		802	
Vermont[2]	346	16	462	13	541		597		657	
Massachusetts[2]	766	11	961	10	1,126	8%	1,242	10%	1,366	10%
Rhode Island[2]	1,124	16	1,500	12	1,758		1,939		2,133	
Connecticut[2]	1,229	11	1,525	9	1,779		1,962		2,158	
New York	356	10	510	15	580	6	589	2	642	9
New Jersey	1,337	9	1,807	14	2,004	0	2,057	3	2,222	8
Pennsylvania	491	17	734	18	978	20	1,092	12	1,245	14
Delaware	645	14	971	20	1,340	16	1,500	12	1,725	15
Maryland	843	15	1,060	8	1,355	6	1,578	16	1,799	14
Lake States										
Michigan	444	20	553	6	767	27	860	12	955	11
Wisconsin	328	20	434	12	583	19	690	18	807	17
Minnesota	269	12	429	27	652	25	730	12	854	17
Corn Belt										
Ohio	505	15	706	13	1,121	31	1,263	13	1,516	20
Indiana	494	14	720	22	1,159	32	1,303	12	1,498	15
Illinois	567	9	846	18	1,431	36	1,581	10	1,786	13
Iowa	466	13	719	20	1,219	35	1,268	4	1,458	15
Missouri	294	13	396	3	526	18	602	14	674	12
Northern Plains										
North Dakota	108	10	195	35	258	13	273	6	306	12
South Dakota	94	8	145	22	194	19	227	17	257	13
Nebraska	193	14	282	17	401	13	385	-4	470	22
Kansas	199	14	296	17	376	14	380	1	437	15
Appalachian										
Virginia	391	13	558	11	676	9	732	8	864	18
West Virginia	204	18	300	15	394	5	403	2	472	17
North Carolina	461	16	590	7	675	6	694	3	819	18
Kentucky	327	11	427	11	595	18	671	13	792	18
Tennessee	346	15	467	13	545	10	608	12	669	10
Southeast										
South Carolina	336	7	467	12	529	9	543	3	635	17
Georgia	329	13	474	12	509	7	564	11	609	8
Florida[3]	464	15	685	13	777	7	838	8	930	11
Alabama	267	13	364	10	432	7	452	5	515	14
Delta States										
Mississippi	270	12	379	11	404	6	464	15	520	12
Arkansas	337	14	419	3	521	12	571	10	691	21
Louisiana	403	6	512	9	581	8	669	15	763	14
Southern Plains										
Oklahoma	219	13	302	15	365	10	402	10	442	10
Texas	196	13	243	1	286	7	316	11	354	12
Mountain										
Montana	76	12	112	17	152	15	168	11	186	11
Idaho	229	12	339	18	412	12	445	8	485	9
Wyoming	55	15	80	14	101	7	105	4	119	13
Colorado	137	18	188	7	256	17	274	7	332	21
New Mexico	56	14	78	7	89	10	93	4	100	
Arizona	91	6	111	1	120	5	125	4	134	[4]7
Utah	141	10	188	10	235	11	248	6	265	
Nevada	74	12	85	0	87	0	97	11	104	
Pacific										
Washington	273	15	350	14	491	17	528	8	586	11
Oregon	205	10	250	7	278	5	303	9	330	9
California	509	3	653	15	673	1	761	13	936	23
48 States	246	12	339	13	448	16	488	9	559	15

[1] Preliminary. [2] Average rate of change for the 6 New England States was used to project the dollar values for 1976 to 1979. [3] Values are based upon an index estimated from the average of the percentage change in Georgia and Alabama index values. [4] The average rate of change for irrigated and dry cropland and pasture land for the 4 Southwestern mountain States was used to project the dollar value.



* PERCENT REPORTED AS OF MARCH 1, 1913-1975 AND FEBRUARY 1, 1976-1979

Source: U.S.D.A., Farm Real Estate Market Developments

VALUE OF FARM LAND AND BUILDINGS IN NEW YORK STATE
U.S.D.A. Index of Value Per Acre; Investment in
Land and Buildings Per Cow on New York Dairy Farms

Year	Dairy Farms in New York Account Projects#					U.S.D.A. Index of value of farm real estate per acre, March 1 of each year##	
			Operators' Valuation of Real Estate				
	Number of farms	Number of cows	Land & buildings per farm	Land and buildings per cow		New York State	48 States
				Dollars	Index		
					(1967=100)	(1967=100)	
1960	467	35	$22,500	$ 650	81	73	68
1967	548	51	41,300	800	100	100	100
1970	509	65	64,800	1,000	125	123	117
1971	569	67	73,100	1,100	138	132	122
1972	571	70	84,900	1,200	150	155	132
1973	609	69	101,400	1,475	184	176	150
1974	628	72	116,800	1,625	203	233	187
1975	605	72	128,000	1,775	222	275	213
1976	615	71	140,000	1,975	247	296	242*
1977	570	71	152,000	2,150	269	313	283*
1978	527	71	164,000	2,300	288	318	308*

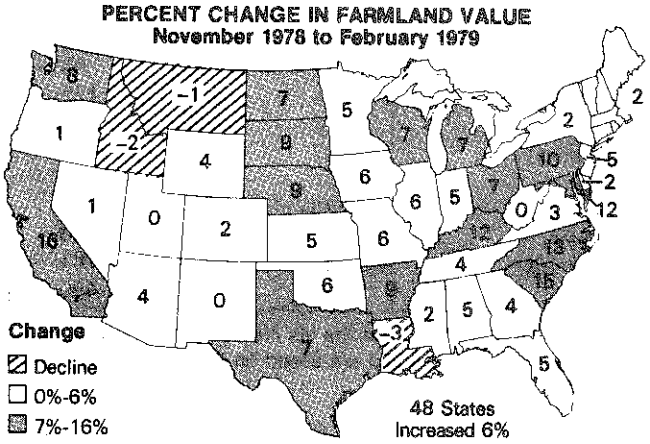
A. E. Res. 79-6, Dairy Farm Management Business Summary, New York, 1978 (and previous years), by C. A. Bratton.

Source: Farm Real Estate Market Developments, Economic Research Service, U.S.D.A., August 1979.

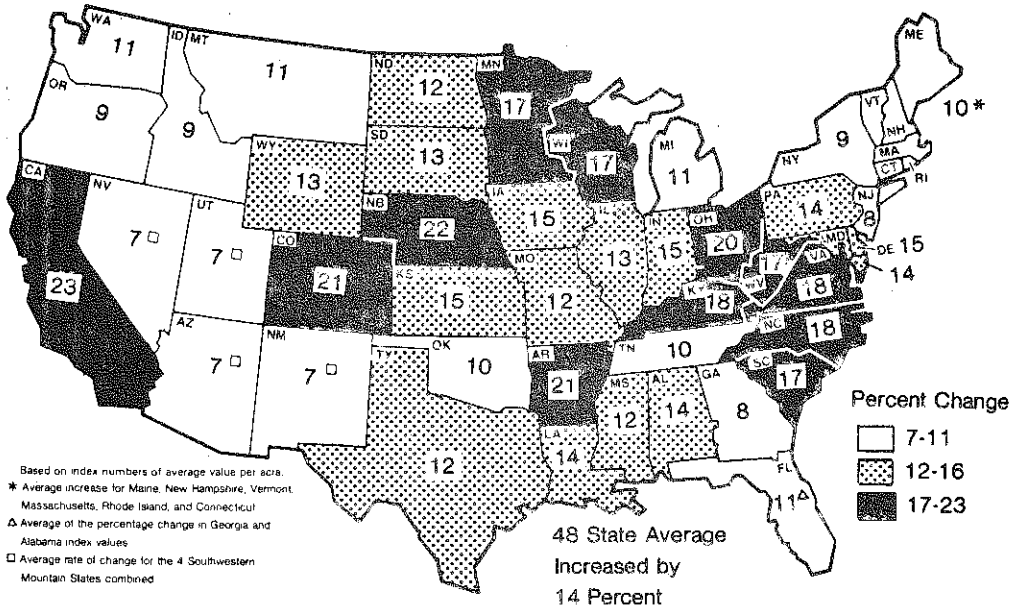
* February 1.

From 1967 to 1978 there was a 218 percent increase in the U.S.D.A. index of farm real estate values in New York. The rise in value of real estate per cow as estimated by farmers in New York Extension Account projects during these 11 years was roughly 188 percent.

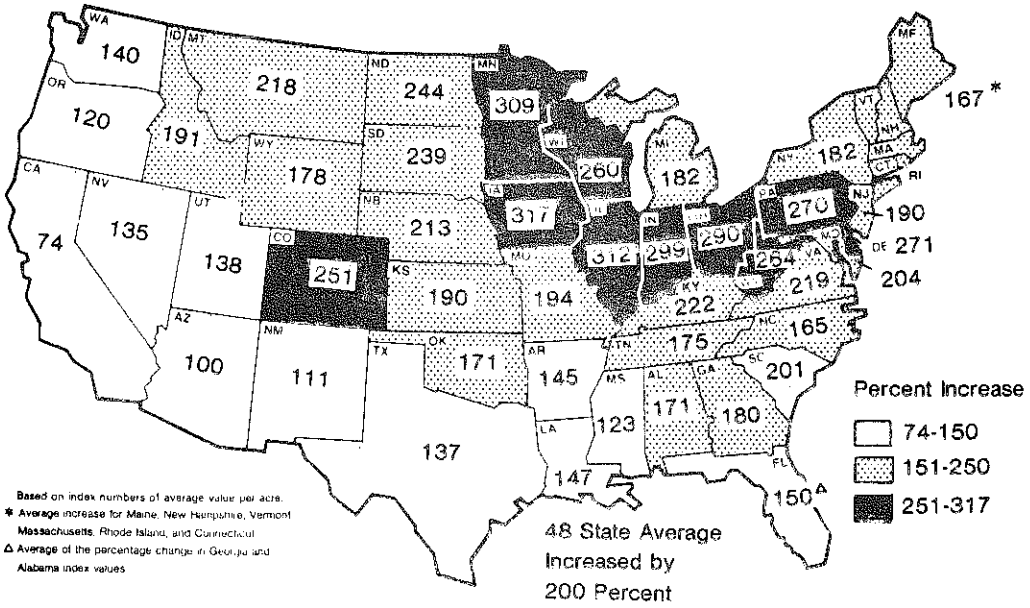
The value of real estate per cow on these dairy farms increased from $650 in 1960 to $2,300 in 1978.



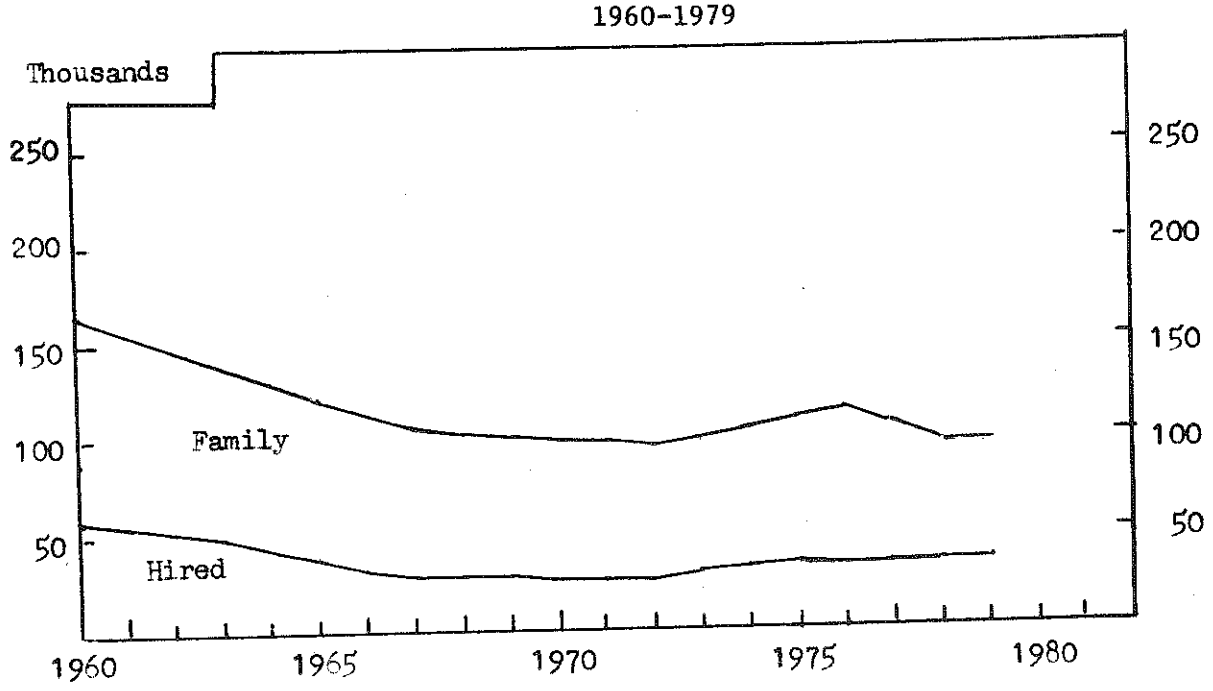
Percent Change in Average Value of Farm Real Estate Per Acre
February 1978—February 1979



Percent Increase in Average Value of Farm Real Estate per Acre
March 1970—February 1979



AVERAGE NUMBERS OF WORKERS ON N.Y. FARMS
1960-1979



The number of workers on New York farms declined steadily from 1950 to 1972, increased to 1976, then again declined. In recent years, the number of hired workers on farms has remained relatively stable with the reduction taking place in family workers. The same trend has taken place both for New York and the United States. Hired workers also constitute about one-third of the work force on both New York and United States farms.

WORKERS ON FARMS, N.Y. AND U.S., 1950-1979*

Year	No. of Farms		New York				United States			
			Total	Family	Hired	% Hired	Total	Family	Hired	% Hired
	(000)		(thousands)				(millions)			
1950	136		248	159	89	36	9.9	7.6	2.3	23
1955	104		200	136	64	32	8.4	6.3	2.1	25
1960	88		164	107	57	35	7.1	5.2	1.9	27
1965	71		122	84	38	31	5.6	4.1	1.5	26
1970	58		98	73	25	26	4.5	3.3	1.2	26
1971	57		98	72	26	27	4.4	3.3	1.2	26
1972	56		95	70	25	26	4.4	3.2	1.1	26
1973	56		99	70	29	29	4.3	3.2	1.2	27
1974	57		104	72	32	30	4.4	3.1	1.3	28
1975**	58	49	109	75	34	31	4.3	3.0	1.3	30
1976	58	48	114	82	32	28	4.4	3.0	1.4	32
1977	57	47	105	71	34	32	4.2	2.9	1.3	31
1978		46	99	65	34	34	3.9	2.6	1.3	33
1979P		45	98	63	35	35	3.7	2.5	1.2	34

* Average number of persons employed on farms during the second week of each of the following months - January, April, July, and October.

** New definition series initiated with 1975.

SOURCE: USDA-CRB-ESCS, "Farm Labor" (various issues).

LABOR COSTS FOR REGULAR HIRED WORKERS*
New York Cost Account Farms, 1978

Item	Dairy Farms		Fruit Farms	
	Per Worker	Per Hour	Per Worker	Per Hour
Number of farms reporting	12		4	
Number of workers	35		12	
Hours worked per year	3,200		2,685	
Gross wage	$ 9,909	$3.10	$ 8,981	$3.34
Social Security and Workmen's Compensation	1,427	.45	1,202	.45
Other benefits	2,359	.73	1,997	.75
Total	$13,695	$4.28	$12,180	$4.54

* Excluding operators.

Cost Account farms keep detailed records of all phases of their operations. This provides information that is not readily available elsewhere, such as the hours worked and labor costs on these "better than average" New York farms. Total wages and benefits for 35 regular hired workers on 12 dairy farms amounted to $13,695 for the year, or $4.28 per hour. The 12 regular hired workers on 4 fruit farms averaged $12,180 for the year, or $4.54 per hour.

Part-time and piecework labor is hired for seasonal work or to assist at peak periods. For all 26 farms reporting part-time help, the average cost per hour was $3.51, compared to $4.34 for regular hired workers.

COSTS FOR HIRED PART-TIME AND PIECEWORK LABOR
New York Cost Account Farms, 1978

Item	Average Cost Per Hour		
	Dairy Farms	Fruit Farms	
	Part-time	Part-time	Piecework
Number of farms reporting	18	6	5
Hours reported per farm	2,004	7,840	7,744
Gross wage	$2.73	$3.14	$5.05
Social Security and Workmen's Compensation	.33	.32	.53
Other benefits	.02	.09	.36
Total	$3.08	$3.55	$5.94

AVERAGE HOURLY FARM WAGE RATES
FOR NEW YORK AND THE UNITED STATES
By Quarters[1/], 1979

	U.S.				N.Y.			
	I	II	III	IV	I	II	III	IV
All hired farm workers	3.37	3.40	3.23	3.56	2.90	2.98	2.80	2.85
Method of Pay								
By piece rate	3.93	4.26	3.75	4.28	2/	2/	2/	3.56
By other than piece rate	3.33	3.35	3.20	3.50	2.90	2.98	2.79	2.68
By hour only	3.30	3.41	3.25	3.56	3.13	3.26	2.87	3.16
By cash wages only	3.60	3.64	3.41	3.72	3.45	3.31	3.00	3.10
By hour, receiving cash wages only	3.34	3.42	3.30	3.58	3.28	3.24	3.05	3.15
Type of Employment								
Field workers	3.40	3.33	3.05	3.50	3.15	3.29	2.70	3.00
Livestock workers	2.89	2.90	2.99	3.04	2.45	2.54	2.50	2.35
Packing house workers	3.15	3.52	3.38	3.50	3.16	3.31	2/	3.00
Machine operators	3.55	3.44	3.31	3.52	2/	3.50	3.37	3.25
Supervisors	5.29	5.14	5.08	5.35	2/	2/	2/	2/
Other agricultural workers	4.01	3.90	3.67	3.79	2/	3.41	2/	2/

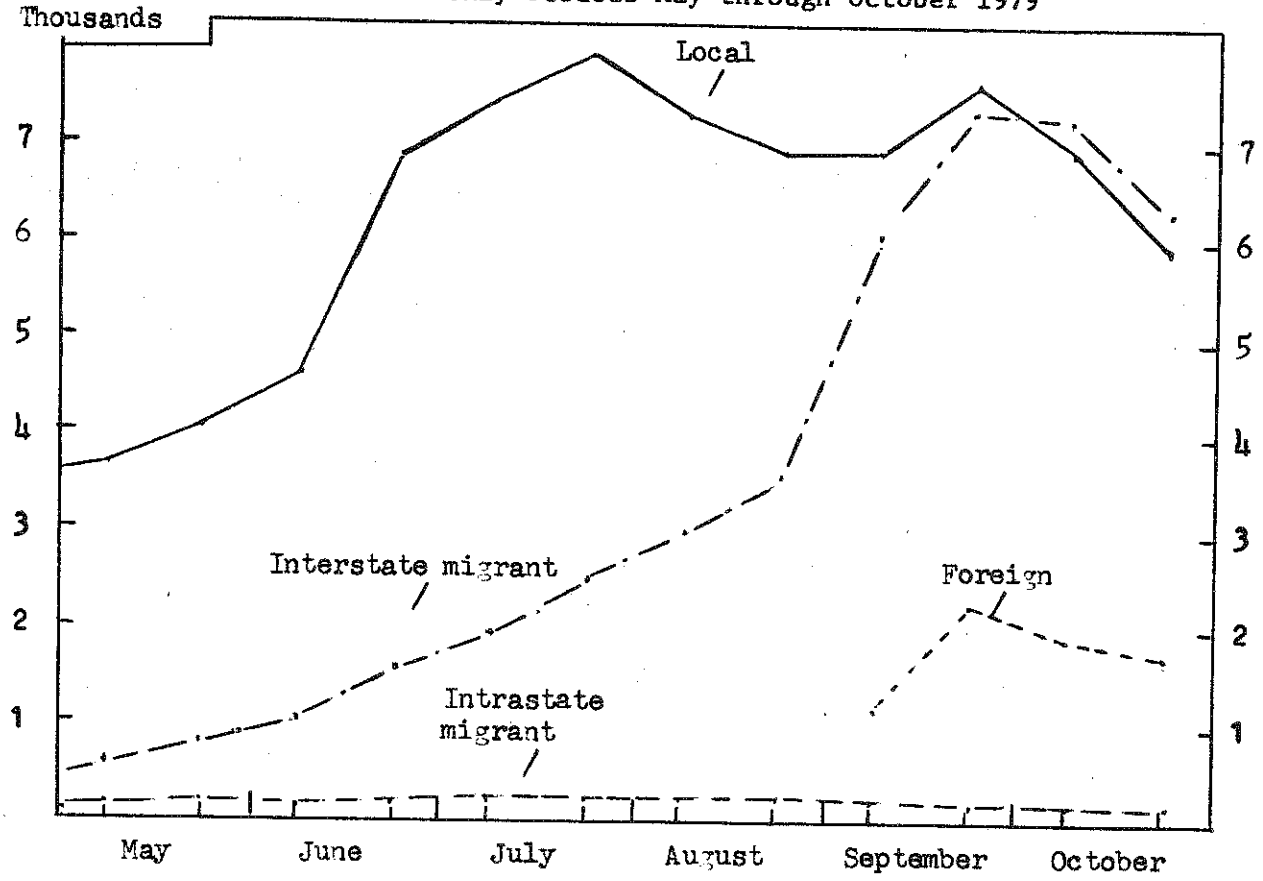
1/ Data for quarters were collected for the weeks of January 7-13, 1979; April 8-14, 1979; July 8-14, 1979; and October 7-13, 1979.
2/ Insufficient data to report this category. The data are included in all hired farm workers and in United States wage rates.
SOURCE: USDA-CRB-ESCS, "Farm Labor".

COMPARISON OF HOURLY WAGE RATES FOR FARM WORKERS
AND PRODUCTION WORKERS IN MANUFACTURING 1977-1979

	Production Workers in Manufacturing			All Hired Farm Workers	
	All Manufacturing	Durable Goods	Non-Durable Goods		
	- New York -			N.Y.	U.S.
1977					
January	$5.55	$5.98	$5.11	$2.62	$2.96
April	5.56	6.02	5.11	2.36	2.82
July	5.67	6.14	5.20	2.35	2.77
October	5.79	6.31	5.27	2.87	2.99
1978					
January	5.93	6.46	5.41	2.85	3.18
April	5.99	6.52	5.46	2.71	3.09
July	6.09	6.61	5.54	2.72	2.93
October	6.14	6.77	5.49	2.90	3.18
1979					
January	6.41	6.98	5.78	2.90	3.37
April	6.45			2.98	3.40
July	6.58			2.80	3.23
October				2.85	3.56

SOURCE: NYS Dept. of Labor, "Employment Review"; USDA-CRB-ESCS, "Farm Labor".

NUMBER OF SEASONAL FARM WORKERS BY LABOR SOURCE
Bi-weekly Periods May through October 1979



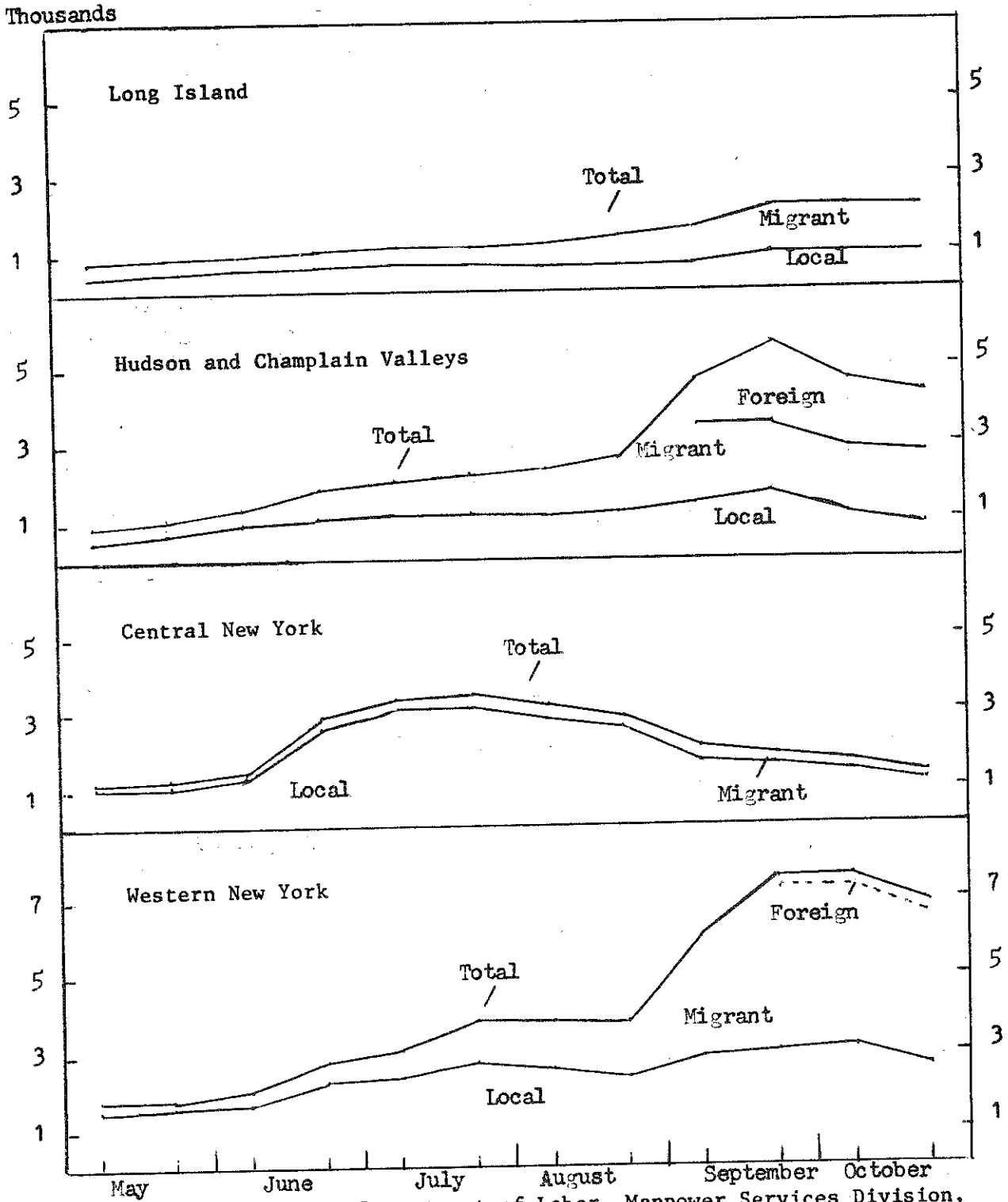
The number of seasonal hired farm workers increased through the summer of 1979 to a peak of 17,556 workers during the apple and potato harvests in late September. Of the seasonal workers employed at this time, most were harvesting apples with the next largest group harvesting potatoes (46.2 percent and 18.7 percent respectively in 1977). A smaller peak in the number of seasonal hired farm workers occurs in June and July during the small fruit and vegetable harvest.

The amount and patterns of seasonal hired farm labor activity varies considerably from one region of the State to another. The fewest workers are employed on Long Island and the numbers increase gradually throughout the season. Western New York and the Hudson and Champlain Valleys employ the most workers with a large increase in September corresponding to the apple and potato harvest. Central New York employs less workers and experiences a moderate peak which coincides with the small fruit and vegetable harvest.

The labor sources vary among areas. Central New York relied mainly on local workers throughout the 1979 season. The other areas relied on local workers initially supplementing them with migrants as the season progressed. Foreign workers were employed to supplement domestic apple harvest crews. Most of these Jamaican workers were employed in the Hudson and Champlain Valleys with a small number being employed in Western New York.

The peak number of seasonal hired farm workers declined from 26,000 in 1968 to 14,900 in 1976 and then increased to 17,556 in 1978. Local workers were the main source of labor for most periods during 1979. Local workers accounted for 44 percent, migrant workers 43 percent, and foreign workers 13 percent of the peak employment period.

SOURCES OF NEW YORK SEASONAL FARM LABOR BY REGIONS
Bi-weekly Periods May through October, 1979



SOURCE: New York State Department of Labor, Manpower Services Division, "Agricultural Employment Bulletin".

NUMBER AND DISTRIBUTION OF HIRED SEASONAL FARM WORKERS AT THE PEAK PERIOD IN NEW YORK (SEPTEMBER 16-30)
1968 through 1979 by Origin of Workers for ES-223 Agricultural Reporting Areas

	Thousands of Workers					Percent of Total			
Year	Total	Local	Inter-state	Intra-state	Foreign	Local	Inter-state	Intra-state	Foreign
1968	26.1	10.2	14.4	.7	.8	39	55	3	3
1969	23.6	9.6	12.3	.7	1.0	41	52	3	4
1970	22.5	8.6	12.3	.6	1.0	38	55	3	4
1971	21.1	7.5	11.9	.6	1.1	36	56	3	5
1972	18.3	7.2	9.5	.4	1.2	39	52	2	7
1973	17.5	7.5	8.0	.4	1.6	43	46	2	9
1974	18.4	8.3	8.0	.3	1.8	45	43	2	10
1975	18.5	8.4	8.0	.5	1.6	45	43	3	9
1976	14.9	7.4	6.3	.2	1.0	50	42	1	7
1977	15.7	7.3	6.7	.3	1.5	46	43	2	9
1978	17.2	7.6	7.6	.2	1.9	44	44	1	11
1979	17.6	7.7	7.4	.2	2.3	44	42	1	13

SOURCE: New York State Department of Labor, Manpower Services Division, "Agricultural Employment Bulletin".

NUMBER AND DISTRIBUTION OF SEASONAL HIRED FARM WORKERS IN NEW YORK STATE BY LABOR SOURCE - 1979

	Number of Workers					Percent of Total		
Date	Local	Migrant	Foreign	CPR 1/	Total	Local	Migrant	Foreign
May 5	--	--	--	--	--	--	--	--
May 11	3,685	670	-0-	40	4,355	85	15	-0-
May 18	3,875	780	-0-	40	4,655	83	17	-0-
May 25	4,060	870	-0-	49	4,930	82	18	-0-
June 8	4,655	1,155	-0-	59	5,810	80	20	-0-
June 15	5,995	1,400	-0-	59	7,395	81	19	-0-
June 22	6,865	1,735	-0-	59	8,600	80	20	-0-
June 29	7,370	2,010	-0-	59	9,380	79	21	-0-
July 6	7,400	2,150	-0-	59	9,550	77	23	-0-
July 13	7,785	2,590	-0-	64	10,375	75	25	-0-
July 20	7,980	2,735	-0-	69	10,715	74	26	-0-
July 27	7,285	3,060	-0-	69	10,345	70	30	-0-
Aug. 17	6,985	3,905	-0-	69	10,890	64	36	-0-
Aug. 24	7,230	4,470	-0-	74	11,700	62	38	-0-
Aug. 31	7,230	5,060	-0-	64	12,290	59	41	-0-
Sept. 14	6,910	6,310	1,160	79	14,380	48	44	8
Sept. 21	7,616	7,398	2,150	79	17,164	44	43	13
Sept. 28	7,678	7,605	2,273	79	17,556	44	43	13
Oct. 5	7,494	7,627	2,256	84	17,337	43	44	13
Oct. 12	6,955	7,460	1,976	84	16,391	42	46	12
Oct. 19	6,548	7,236	1,801	84	15,585	42	46	12
Oct. 26	5,925	6,480	1,747	75	14,152	42	46	12
Nov. 2	4,815	4,765	821	65	10,401	46	46	8

1/ CPR are Contract Puerto Rican workers. Their numbers are included in the migrant worker category, and amount to less than 1 percent of the total.

SOURCE: New York State Department of Labor, Manpower Services Division, "Agricultural Employment Bulletin".

CROP PRODUCTION
United States and New York
1977-79 1/

Crop	Acres Harvested			Yield Per Acre			Production		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
United States	(million)			(bu.)			(million bu.)		
Corn grain	70.0	70.0	69.5	91.0	101.2	109.2	6,371	7,082	7,590
Sorghum	14.1	13.6	13.0	56.2	55.1	63.7	790	748	825
Oats	13.4	11.5	10.0	55.6	52.2	53.1	748	601	531
Barley	9.5	9.2	7.4	43.8	48.4	48.9	416	447	364
Wheat	66.2	56.8	62.2	30.6	31.6	34.0	2,026	1,799	2,114
Soybeans	57.6	63.3	70.2	30.6	29.5	31.8	1,762	1,870	2,240
New York	(thousand)			(bu.)			(thousand bu.)		
Corn grain	640	600	640	80	79	81	51,200	47,400	51,840
Oats	290	300	280	53	59	61	15,370	17,700	17,080
Barley	10	10	11	44	42	45	440	420	495
Wheat	175	75	162	39	35	40	6,825	2,625	6,480
Soybeans	19	22	23	23	23	25	437	506	575
				(tons)			(thousand tons)		
Corn silage	654	682	N.A.	13.0	13.0	N.A.	8,502	8,866	N.A.
All hay	2,350	2,475	2,400	1.97	2.14	2.19	4,639	5,297	5,260
Alfalfa 2/	990	1,025	1,000	2.35	2.55	2.60	2,327	2,614	2,600

Source: USDA Crop Production and New York Crop and Livestock Report

1/ All 1979 data is preliminary and subject to revision. Estimates for the United States are as of November 1, 1979. New York estimates are as of October 1979.

2/ Includes alfalfa mixtures.

United States production of corn for grain in 1979 was forecast on November 1 to be a record 7.59 billion bushels, 7 percent above the previous record set last year. Average yield is forecast to be a record also, 109.2 bushels per acre, up 8 bushels over the record 101.2 bushels of 1978.

Soybean production is forecast at a record 2.24 billion bushels, 20 percent above the previous record high set in 1978. Increased yield per acre to 31.8 bushels and an increased acreage of 6.9 million are responsible for the increase in production. Sorghum production is forecast to be up 10 percent and barley production down 19 percent from 1978. Wheat production of 2.11 million bushels is up 18 percent resulting from both increased yield per acre and acreage planted.

New York production of corn for grain is forecast at 51.84 million bushels, 9 percent above last year. Wheat production has returned to approximately the 1977 production following last year's greatly reduced acreage planted. Soybean production has steadily increased in recent years while hay crop production has been relatively stable the last two years.

CORN AND FEED GRAIN BALANCE SHEETS

Item	1976/77	1977/78	1978/79 Preliminary	1979/80 Projected 1/
Supply	---------- CORN (million bushels) ----------			
Beginning Stocks (Oct. 1)	399	884	1,104	1,285
Production	6,266	6,425	7,082	7,390 ± 260
Imports	3	3	1	1
Total	6,668	7,312	8,187	8,676 ± 260
Disappearance				
Feed	3,587	3,709	4,187	4,350 ± 300
Food, Ind. and Seed	513	551	575	590
Total domestic	4,100	4,260	4,762	4,940 ± 300
Exports	1,684	1,948	2,140	2,500 ± 150
Total	5,784	6,208	6,902	7,440 ± 400
Ending Stocks (Sept. 30)	884	1,104	1,285	1,236 ± 200
Season average farm price	$2.15	$2.02	$2.20	$2.35 - $2.65
Supply	---FEED GRAINS 2/ (million metric tons)--------			
Beginning Stocks	17.2	29.9	41.2	45.8
Production	193.4	203.4	217.3	224.1 ± 6
Imports	0.4	0.3	0.3	0.3
Total	211.0	233.6	258.8	270.2 ± 6
Disappearance				
Feed	112.6	117.3	133.1	136.9 ± 9
Food, Ind. and Seed	17.9	18.8	19.7	20.0
Total domestic	130.5	136.1	152.8	156.9 ± 9
Exports	50.6	56.3	60.2	71.1 ± 5
Total	181.1	192.4	213.0	228.0 ± 12
Ending Stocks	29.9	41.2	45.8	42.2 ± 8

Source: Agricultural Supply and Demand Estimates, USDA.

1/ The chances are about 2 out of 3 that the final outcome will fall within the indicated range.

2/ Marketing year beginning October 1 for corn and sorghum, June 1 for barley and oats.

The 1979/80 United States corn supply comprised of beginning stocks, production and imports at 8,676 million bushels is the largest ever and 6 percent above last year. Domestic use is expected to increase by about 4 percent while exports may increase by 17 percent. Utilization is expected to exceed production and ending stocks will probably decline by 50 million bushels.

Feed grain production is forecast at 224 million metric tons, 3 percent more than the record output last year. The increase is due to the record corn crop and 9 percent increase in the sorghum crop overshadowing the barley and oat crop declines of 19 and 12 percent, respectively. Carryover stocks are the largest ever, but domestic use will likely be up 3 percent to support heavy hog and broiler production. With exports projected to be up 18 percent, stocks could be drawn down to 42 million tons, the first reduction in 5 years.

WHEAT AND SOYBEAN BALANCE SHEETS

Item	1976/77	1977/78	1978/79 Preliminary	1979/80 Projected 1/
	WHEAT (million bushels)			
Supply				
Beginning Stocks (June 1)	665	1,112	1,177	925
Production	2,142	2,036	1,799	2,114 ± 25
Imports	3	2	1	2
Total	2,810	3,150	2,977	3,041 ± 25
Disappearance				
Food	553	586	591	595 ± 5
Seed	92	80	87	95 ± 5
Feed	103	183	180	100 ± 30
Total Domestic	748	849	858	790 ± 35
Exports	950	1,124	1,194	1,400 ± 100
Total	1,698	1,973	2,052	2,190 ± 110
Ending Stocks (May 31)	1,112	1,177	925	851 ± 110
Season average farm price	$2.73	$2.33	$2.94	$3.60 - $3.90
	SOYBEANS (million bushels)			
Supply				
Carryin, Sept. 1	245	103	161	173 ± 10
Production	1,288	1,762	1,870	2,213 ± 85
Total	1,533	1,865	2,031	2,386 ± 85
Disappearance				
Crushings	790	927	1,018	1,090 ± 50
Exports	564	700	753	825 ± 50
Seed, Feed & Residual	76	77	87	91
Total	1,430	1,704	1,858	2,006 ± 50
Carryover, Aug. 31	103	161	173	380 ± 50
Season average farm price	$6.81	$5.88	$6.75	$5.75 - $6.50

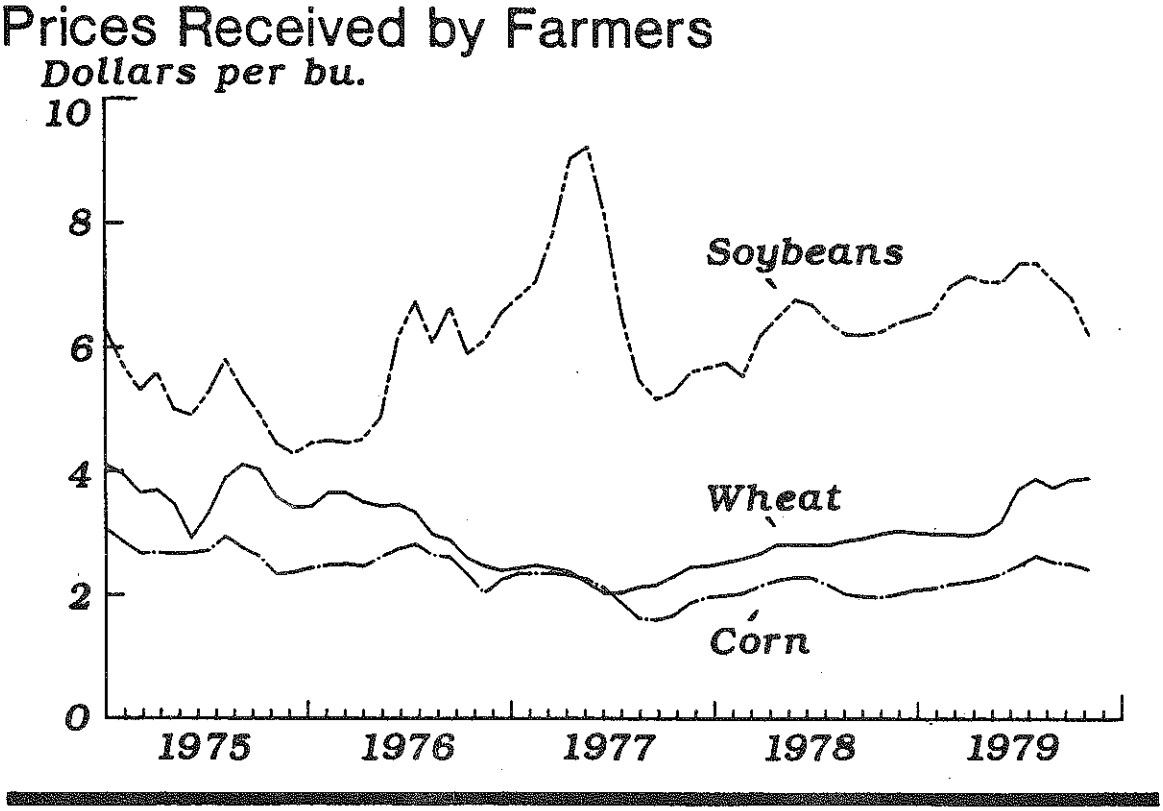
Source: Agricultural Supply and Demand Estimates, USDA.

1/ The chances are about 2 out of 3 that the final outcome will fall within the indicated range.

The 1979 wheat crop is estimated at 2,114 million bushels, up 18 percent over 1978. Beginning stocks were down from a year earlier and are expected to be down in 1980 as well. Domestic use is forecast to be 68 million bushels below 1978 but exports to be up 206 million bushels or 17 percent. Ending stocks will be the lowest since 1975/76 at 851 million bushels.

The 1979 soybean crop is estimated at a record 2,213 million bushels, 18 percent larger than the 1978 crop. Both acreage and yield are at new highs. Demand for soybeans and soybean products will continue strong in 79/80. Record supplies and lower prices are expected to increase total soybean use to 2.0 billion bushels, 8 percent above last season. Soybean stocks on September 1, 1980 may be more than double the 173 million bushels on September 1, 1979.

MONTHLY PRICES OF CORN, WHEAT AND SOYBEANS
1974 to date



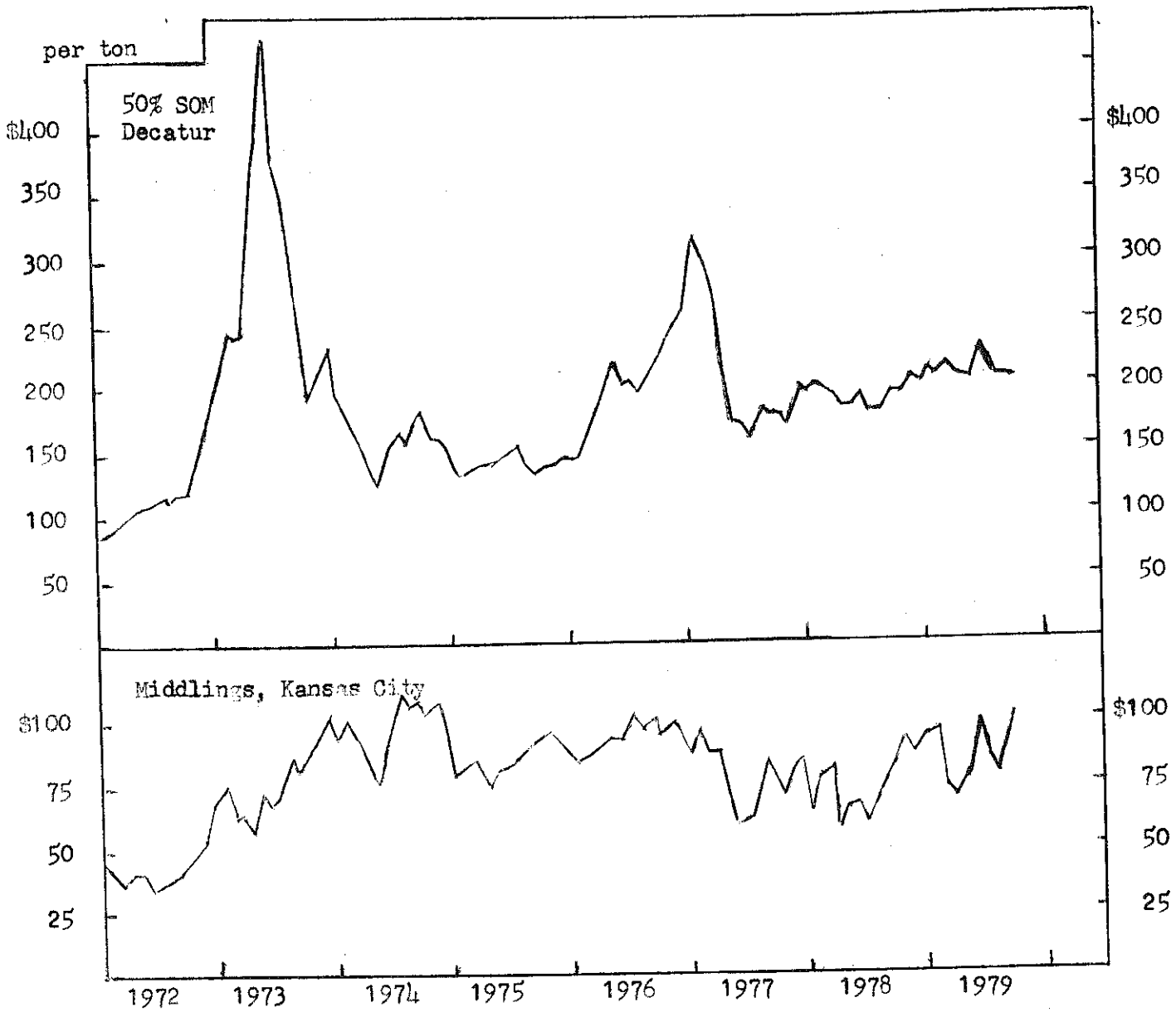
Source: Agricultural Prices, USDA.

Corn prices received by farmers in the fall of 1979 have been substantially above year earlier levels. Despite the record corn crop, strong domestic demand for livestock and poultry feed and very strong export demand has strengthened corn prices. For the 1979/80 marketing year, corn prices are expected to average $2.35 to $2.65 per bushel, compared with $2.20 last year and $2.02 in 1977/78. Corn prices have weakened as we moved into harvest, but are expected to strengthen seasonally in early 1980.

Soybean prices received by farmers have been below year earlier levels and will likely remain under pressure this fall due to the record harvest. With record supplies and a prospective sharp build up in carryover stocks, soybean prices in 1979/80 are estimated to average between $5.75 and $6.50 per bushel compared with last seasons average of $6.75. Some seasonal price rise is expected from this fall's low into next spring, depending partly on South American crops.

Wheat prices received by farmers are expected to average between $3.60 and $3.90 per bushel for the 1979/80 marketing year nearly $1.00 above year ago levels. Prices increased dramatically during June of this year and have since fluctuated between $3.70 and $3.90. The higher prices were due to deterioration of crop prospects in the Soviet Union and Europe and delayed plantings in Canada and the United States. Prices have been sustained by strong export demand. World wheat production is down 9 percent from the previous year's record. Production outside the United States is expected to be down 12 percent from a year ago.

MONTHLY PRICES OF SOYBEAN MEAL AND MIDDLINGS
1970 to date

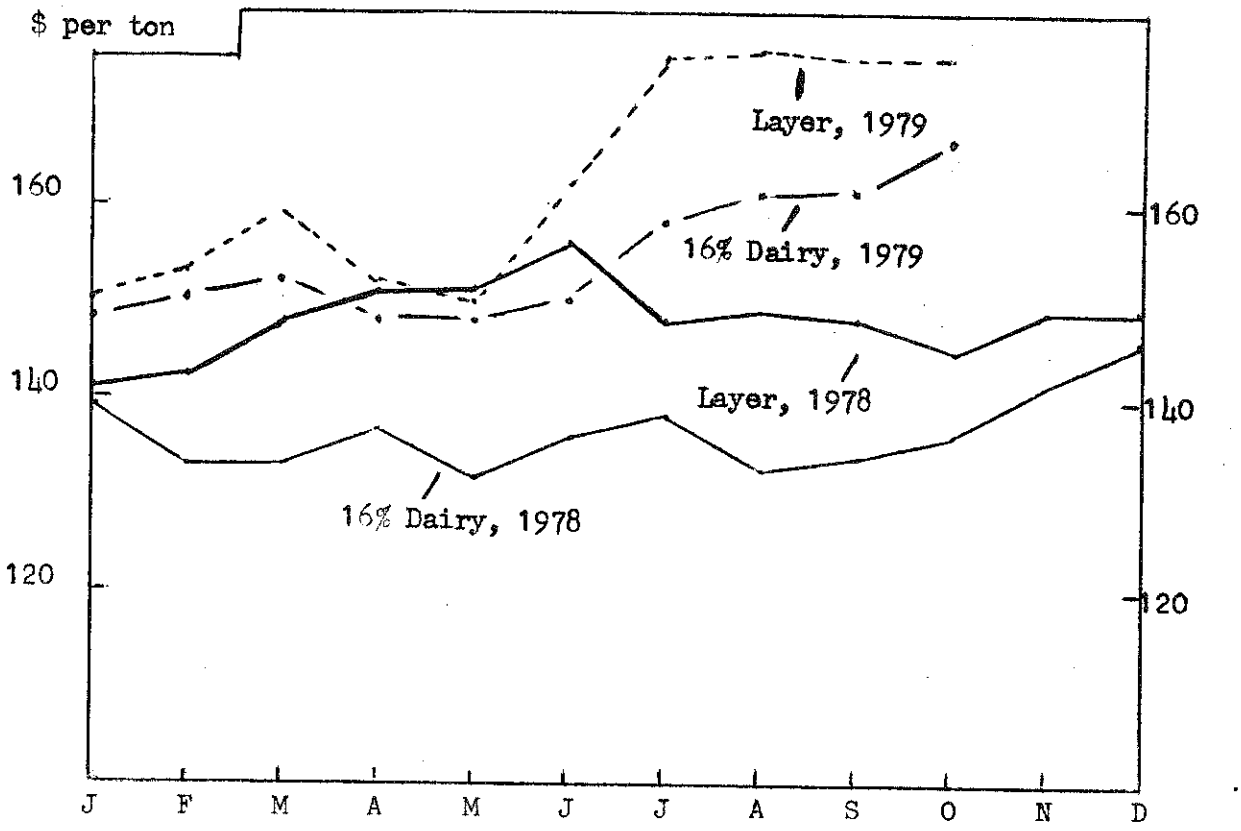


SOURCE: USDA Feed Situation

Soybean meal prices have been in the $200 to $230 per ton range during 1979. Prices were up near $230 in June and July but have since fallen to slightly above $200 per ton. Despite increased soybean production and an expected increase in carryover stocks, increased domestic demand for livestock feeds and for export, prices are estimated to average only slightly below the 1978/79 level.

Wheat middlings prices have fluctuated widely during 1979 much more so than other byproduct feeds. Farmers need to continually ascertain the quality of product and reliability of deliveries as well as price when evaluating if byproduct feeds are good buys.

PRICES OF DAIRY AND LAYER FEEDS
By Months, 1978 and 1979, New York



Source: USDA Agricultural Prices.

	1978		1979		1980	
Month	Dairy feed	Layer feed	Dairy feed	Layer feed	Dairy feed	Layer feed
Jan	$139	$141	$148	$150	$	$
Feb	133	142	150	153		
Mar	133	148	152	159		
Apr	137	151	148	152		
May	132	151	148	150		
June	136	156	150	162		
July	138	148	158	175		
Aug	133	149	161	176		
Sept	134	148	161	175		
Oct	136	145	167	175		
Nov	142	149				
Dec	146	149				

Prices of dairy and layer feeds were above year earlier levels during most of 1979. Feed prices are likely to maintain at current levels or perhaps increase slightly into winter. Corn grain price increases, increasing costs of other feed components, and processing and handling feeds will likely be the source of any further price increases. A softening of soybean meal prices beyond current expectations would be a factor leading to lower prices.

CONSUMER PRICE INDEX ALL ITEMS, FOOD AWAY FROM HOME AND FOOD AT HOME, 1963-1979

Year	All Items	Food	
		At Home	Away From Home
	(1967 = 100)		
1963	91.7	92.2	87.3
1964	92.9	93.2	88.9
1965	94.5	95.5	90.9
1966	97.2	100.3	95.1
1967	100.0	100.0	100.0
1968	104.2	103.2	105.2
1969	109.8	108.2	111.6
1970	116.3	113.7	119.9
1971	121.3	116.4	126.1
1972	125.3	121.6	131.1
1973	133.1	141.4	141.4
1974	147.7	162.4	159.4
1975	161.2	175.8	174.3
1976	170.5	179.1	183.3
1977	181.5	190.1	200.3
1978 1st quarter	188.5	199.8	210.3
2nd quarter	193.4	210.0	215.8
3rd quarter	197.9	214.4	221.6
4th quarter	197.5	212.3	220.9
1979 1st quarter	206.9	233.2	227.0
2nd quarter	214.1	240.7	233.1
3rd quarter	221.9	246.5	234.6

Source: Agricultural Outlook, October 1979.

CHANGE IN CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS, SELECTED CATEGORIES

	Dec. 1978 to June 1979	Jan.-June Average 1978-79
Meats	30.2	45.2
Beef & veal	51.5	64.0
Pork	- 6.2	17.7
Poultry	9.6	20.1
Eggs	-17.6	23.7
Fish	14.5	25.5
Dairy products	9.1	21.1
Fats and oils	8.7	18.3
Fresh fruits	68.1	29.1
Fresh vegetables	18.2	8.0
Processed fruits and vegetables	6.5	18.4
Sugar and sweets	8.7	20.6
Beverages	12.5	7.2
Cereal and bakery products	9.9	18.4
Food at home	16.3	25.2
U.S. farm food	17.2	27.1
Farm value	12.2	35.4
Farm-retail spread	20.2	22.0
Food-away-from home	15.3	23.8
All food	16.0	24.6
All items less food	13.2	15.5
All items	13.7	19.6

Source: Agricultural Outlook, October 1979.

CONSUMER PRICE INDEX SELECTED NON-FOOD CATEGORIES, 1962-1979

Year		Housing 1/	Apparel	Medical care	Trans-portation
			(1967 = 100)		
1962		91.7	90.9	83.5	92.5
1963		92.7	91.9	85.6	93.0
1964		93.8	92.7	87.3	94.3
1965		94.9	93.7	89.5	95.9
1966		97.2	96.1	93.4	97.2
1967		100.0	100.0	100.0	100.0
1968		104.2	105.4	106.1	103.2
1969		110.8	111.5	113.4	107.2
1970		118.9	116.1	120.6	112.7
1971		124.3	119.8	128.4	118.6
1972		131.2	125.0	132.5	121.3
1973		135.0	126.8	137.7	123.8
1974		150.6	136.2	150.5	137.7
1975		166.8	142.3	163.3	150.6
1976		177.2	147.6	184.7	165.5
1977		186.5	154.2	202.4	177.2
1978		202.8	159.6	219.4	185.5
1979	January	213.1	160.7	230.7	193.9
	February	215.6	161.4	232.6	195.6
	March	217.6	164.3	233.9	198.1
	April	219.8	165.4	235.1	202.9
	May	222.4	166.1	236.3	207.7
	June	225.5	165.7	237.7	212.6
	July	228.4	164.3	239.9	216.6

Source: Survey of Current Business, October 1979.

1/ Includes shelter, fuel, utilities, household furnishings and operation.

AT-HOME AND AWAY-FROM-HOME EXPENDITURES FOR FARM FOODS

Year	Total	At-home 1/	Away-from-home		
			Total	Public Eating Places 2/	Institution 3/
			$ Bil.		
		Consumer Expenditures			
1966	86.9	64.0	22.9	17.8	5.1
1970	106.0	74.6	31.4	23.8	7.6
1971	110.9	77.7	33.1	25.0	8.1
1972	117.9	82.9	36.3	28.9	8.1
1973	135.3	97.0	39.7	31.9	9.0
1974	151.3	106.8	44.5	35.5	10.3
1975	164.2	112.6	51.6	41.3	10.8
1976	178.8	122.5	56.3	45.5	10.8
1977	189.4	128.6	60.7	49.3	11.4
1978 4/	212.4	146.4	66.0	54.2	11.8
		Marketing Bill			
1966	57.1	39.8	17.3	13.5	3.8
1970	71.2	46.2	25.0	18.8	6.2
1971	75.5	48.8	26.7	20.0	6.7
1972	78.5	50.8	28.9	23.0	6.6
1973	85.4	55.1	30.4	24.5	7.0
1974	95.6	61.7	33.9	27.1	6.9
1975	109.3	69.5	39.8	31.9	7.9
1976	121.2	75.5	45.7	37.1	8.6
1977	132.1	82.0	50.0	40.9	9.1
1978 4/	144.1	90.6	53.5	44.3	9.2
		Farm Value			
1966	29.8	24.2	5.6	4.3	1.3
1970	34.8	28.4	6.4	5.0	1.4
1971	35.3	28.9	6.4	5.0	1.4
1972	39.4	32.1	7.3	5.8	1.5
1973	51.1	41.9	9.2	7.3	1.9
1974	56.0	45.1	10.6	8.4	2.0
1975	54.9	43.1	11.8	9.4	2.4
1976	57.6	47.0	10.6	8.4	2.2
1977	57.3	46.6	10.7	8.4	2.3
1978 4/	68.3	55.8	12.5	9.9	2.6

Source: Agricultural Outlook, November 1979.

1/ At-home is food consumed from the home food supply (primarily purchased from retail food stores.

2/ Includes restaurants, cafeterias, snack bars, and other eating establishments.

3/ Includes the value of food served in hospitals, schools, colleges, rest and nursing homes, and other institutions.

4/ Preliminary.

WHOLESALE PRICE INDEX FOR FOOD AND ALL COMMODITIES

Year		Total Farm Products 1/	Processed Food 2/	All Commodities 3/
			(1967 = 100)	
1967		100.0	100.0	100.0
1968		102.5	102.2	102.5
1969		109.1	107.3	106.5
1970		111.0	112.0	110.4
1971		112.9	114.3	113.9
1972		125.0	120.8	119.1
1973		176.3	144.4	134.7
1974		187.7	170.9	160.1
1975		184.2	182.6	174.9
1976		183.1	178.0	183.0
1977		188.8	186.1	194.2
1978		212.7	202.6	209.3
1979	January	230.1	215.3	220.7
	February	240.9	218.9	224.1
	March	242.5	220.4	226.4
	April	245.9	222.3	229.7
	May	245.2	222.1	231.6
	June	242.8	220.7	233.1
	July	246.8	223.0	236.6
	August	238.5	220.3	238.1

Source: Agricultural Outlook, October 1979.

1/ Includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds and other farm products.

2/ Includes animal fats and oils, vegetable oils, manufactured animal feed, poultry, fish, dairy, fruits, vegetables, cereal and bakery products, sugar, confectionery and beverages.

3/ Industrial commodities, farm products, processed food and all food.

FOOD EXPENDITURES AND DISPOSABLE INCOME PER CAPITA
UNITED STATES, SELECTED YEARS

Period	Per Capita		Percent of Income Spent for Food
	Disposable Income	Food Expenditures	
1947-49	$1244	$306	24.6%
1957-59	1846	380	20.6
1967	2745	470	17.1
1968	2933	494	16.8
1969	3108	518	16.7
1970	3358	557	16.6
1971	3596	567	15.8
1972	3817	599	15.7
1973	4295	682	15.9
1974	4623	777	16.8
1975	5027	859	17.1
1976	5578	938	16.8
1977	6017	1149	19.1
1978	6672	1256	18.8
1st half 1979 est.	7275	1359	18.7

Source: Agricultural Outlook, October 1979.

FOOD CHAIN EARNINGS AFTER TAXES, UNITED STATES, 1962-1978

Year	Earnings as a Percent of		
	Sales	Total Assets	Net Worth
1966	1.2	6.1	10.7
1967	1.0	5.4	9.2
1968	1.0	5.5	9.7
1969	0.9	5.3	9.3
1970	0.9	4.9	9.1
1971	0.8	4.8	8.9
1972	0.5	2.8	5.6
1973	0.6	3.4	7.5
1974	0.7	4.2	9.6
1975	0.6	3.9	8.7
1976	0.7	4.3	9.4
1977	0.5	3.1	7.5
1978	0.7	4.7	9.9

Source: Operating Results of Food Chains, 1978-79.

MARKETING BILL BY MARKETING AGENCIES

	1971	1972	1973	1974	1975	1976	1977	1978 1/
				$Mil.				
Processing								
Labor	10,880	11,651	11,979	13,012	13,875	15,539	16,318	17,927
Profits	1,865	1,961	2,654	3,225	3,919	4,249	4,073	4,822
Other	10,546	10,323	11,500	12,046	13,632	13,294	13,598	14,835
Total	23,291	23,935	26,133	28,283	31,426	33,082	34,796	37,584
Wholesaling								
Labor	4,614	4,991	5,461	6,058	6,676	7,467	8,021	9,369
Profits	664	596	1,106	1,238	1,691	1,243	1,359	1,535
Other	4,399	4,817	4,418	6,178	7,172	8,610	10,072	10,999
Total	9,677	10,404	10,985	13,474	15,539	17,320	19,452	21,903
Retailing								
Labor	9,393	10,357	11,295	12,598	13,954	15,414	17,001	19,214
Profits	479	230	590	650	1,183	1,408	1,159	1,529
Other	10,490	10,156	10,608	11,402	13,014	15,450	18,000	19,232
Total	20,362	20,743	22,493	24,650	28,151	32,272	36,160	39,975
Public Eating Places								
Labor	9,222	10,271	11,590	12,735	14,178	15,598	17,529	20,214
Profits	219	248	449	495	568	1,016	1,109	1,217
Other	6,669	6,824	6,565	6,391	8,303	12,402	13,015	12,285
Total	16,110	17,343	18,604	19,621	23,049	29,016	31,653	33,716
Transportation	6,000	6,100	6,000	7,200	8,300	9,500	10,000	10,900

Source: Agricultural Outlook, November 1979.

1/ Preliminary

MARKET BASKET OF FARM FOODS PRICE INDEXES, 1966-79

Period	Retail Cost	Farm Value	Farm Retail Spread	Farmer's Share
	(1967 = 100)			(Percent)
1966	101.1	106.3	97.8	41
1967	100.0	100.0	100.0	39
1968	103.6	105.3	102.5	39
1969	109.1	114.8	105.5	41
1970	113.7	114.0	113.5	39
1971	115.7	114.4	116.6	38
1972	121.3	125.0	119.0	40
1973	142.3	167.2	126.5	46
1974	161.9	178.3	151.5	43
1975	173.6	187.1	165.1	42
1976	175.4	177.8	174.0	38
1977	179.2	178.1	180.0	38
1978 1st quarter	188.1	191.2	186.1	40
2nd quarter	199.1	211.1	191.8	40
3rd quarter	204.2	214.3	198.1	40
4th quarter	206.2	214.0	20.15	39
1979 1st quarter	217.5	237.4	205.4	41
2nd quarter	223.8	235.8	216.5	40

Source: Agricultural Outlook, October 1979.

PRICE INDEXES OF SELECTED ENERGY SOURCES

Year and Quarter	Gas Fuels	Electricity	Fuel, power, and light 1/
		(1967 = 100)	
1972	114	122	126
1973	127	129	138
1974	162	163	202
1975	217	193	237
1976	287	208	258
1977	388	233	310
1978	467	247	327
1979 1st quarter	501	250	340
2nd quarter	546	262	370
3rd quarter	623	275	406

Source: Agricultural Outlook, November 1979.

1/ Composite price index of energy sources used by food marketing firms.

DISPOSITION OF DISPOSABLE PERSONAL INCOME, [a]U.S., 1965-79
SELECTED YEARS AS PERCENT OF DPI

	1979 II %	1979 I %	1978 %	1977 %	1976 %	1971 %	1965 %
Personal Consumption Expenditures	92.1	92.5	92.6	92.7	92.3	89.3	92.0
Durable Goods	13.0	13.6	13.7	13.7	13.4	13.9	14.1
Motor Vehicles and Parts	5.6	6.2	6.2	6.2	6.1	6.3	6.4
Furniture and HH Equipment	5.2	5.2	5.3	5.4	5.4	5.6	5.8
Other	2.2	2.2	2.2	2.0	2.0	2.0	1.9
Non-Durable Goods	36.3	36.3	36.4	36.9	37.6	37.4	40.6
Food	18.5	18.6	18.6	18.9	19.0	18.3	21.0
Clothing and Shoes	6.0	6.1	6.2	6.3	6.4	7.6	7.7
Gasoline and Oil	3.8	3.7	3.5	3.6	3.5	3.2	3.2
Other	8.0	7.9	8.0	8.1	8.4	8.2	8.8
Services	42.8	42.6	42.5	42.1	41.5	38.1	37.3
Housing	14.8	14.6	14.6	14.4	14.2	13.3	13.5
Household Operation	6.2	6.3	6.3	6.3	6.2	5.3	5.5
Transportation	3.4	3.4	3.4	3.3	3.1	2.7	2.7
Other	18.4	18.3	18.3	18.2	18.1	16.8	15.6
Personal Savings	5.4	5.0	4.9	5.0	5.6	8.2	5.5
Other Personal Outlay	2.5	2.5	2.5	2.3	2.2	2.5	2.5
Disposable Personal Income	100.0	100.0	100.0	100.0	100.0	100.0	100.0

[a]Personal Income less personal contributions for social insurance, and personal tax and nontax payments equals personal disposable income.

Source: Adapted from U.S. Department of Commerce, Bureau of Economic Analysis Survey of Current Business.

The proportion of the consumer's disposable income available for savings increased slightly in the first two quarters of 1979, but remained below the level of the previous ten years. The proportion of expenditures for durable goods decreased, while non-durable goods remained constant. The proportion of expenditures for services continued its historical trend increase.

HOUSING PRICES

	Price Index of New One-Family Houses Sold, 1974 Characteristics[a] (1972=100)		Average Sales Prices Based on 1974 Characteristics[a]		Houses Actually Sold	
	U.S.	Northeast	U.S.	Northeast	U.S.	Northeast
1968	80.3	75.8	26,200	28,000	26,600	30,100
1969	86.5	82.7	28,300	30,500	27,900	33,400
1970	89.1	88.2	29,100	32,600	26,600	32,800
1971	93.9	93.8	30,700	34,600	28,300	34,400
1972	100.0	100.0	32,700	36,900	30,500	35,700
1973	108.9	108.4	35,600	40,000	35,500	40,600
1974	119.1	118.3	38,900	43,700	38,900	43,700
1975	131.0	128.3	42,800	47,400	42,600	47,000
1976	142.0	133.5	46,400	49,300	48,000	50,000
1977	159.6	142.2	52,100	52,500	54,200	54,800
1978	182.1	157.3	59,500	58,000	62,500	63,000
1979I	198.0	(NA)	64,700	(NA)	68,300[b]	68,900[b]
1979II	206.6	(NA)	67,500	(NA)	72,300[b]	73,300[b]

(NA) = Not available

[a]Based on ten characteristics, using 1974 values. The characteristics are: floor area, number of stories, number of bathrooms, air conditioning, type of parking facility, type of foundation, geographic division within region, metropolitanarea location, presence of fireplace, and size of lot. Prior to 1974, lot size and presence of fireplace was not used.

[b]Simple average of monthly figures. Source is "New One Family Houses Sold and For Sale," Construction Reports, Series C25, (July 1979).

SOURCE: "Price Index of New One Family Houses Sold," Construction Reports, Series C27, U.S. Bureau of the Census, (various issues).

DISPOSABLE PERSONAL INCOME AND PRIVATE SAVINGS
1950-1979

Year	Disposable Personal Income	Personal Savings	Savings Rates (as % of DPI)
	(billions)		%
1950	$ 206.9	$13.1	6.3
1955	275.3	15.8	5.7
1960	350.0	17.0	4.9
1965	473.2	28.4	6.0
1970	685.9	50.6	7.4
1971	742.8	57.3	7.7
1972	801.3	49.4	6.2
1973	901.7	70.3	7.8
1974	984.6	71.7	7.3
1975	1,086.7	83.6	7.7
1976	1,184.4	68.6	5.8
1977	1,305.1	65.0	5.0
1978	1,458.4	72.0	4.9
1979-I	1,572.2	79.2	5.0
1979-II	1,601.7	85.9	5.4

Source: Statistical Abstract, 1950-1965 data; Economic Indicators, 1970-1979 data.

MEDIAN SALES PRICES OF NEW HOUSES SOLD BY REGION[1]

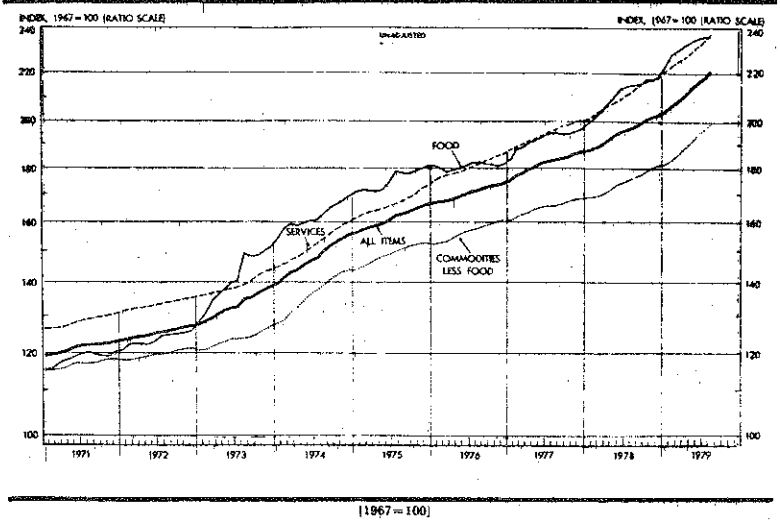
Year	U.S.	Northeast
1971	25,200	30,600
1972	27,600	31,400
1973	32,500	37,100
1974	35,900	40,100
1975	39,300	44,000
1976	44,200	47,300
1977	48,800	51,600
1978	55,700	58,100
1979 (June)	64,200	68,100

[1]The sales price includes the land

Source: U.S. Department of Commerce, Industry and Trade Administration, Construction Review.

CONSUMER PRICES

In August, the consumer price index for all urban consumers rose 1.0 percent (1.1 percent seasonally adjusted). Food prices fell 0.3 percent (were unchanged seasonally adjusted). Nonfood commodity prices rose 1.3 percent (also 1.3 percent seasonally adjusted) and services prices were up 1.2 percent (also 1.2 percent seasonally adjusted).



CONSUMER INSTALLMENT CREDIT
(Millions of dollars; monthly data seasonally adjusted)

Period	Installment Credit Extended			Installment Credit Liquidated			Net Change in Amount Outstanding		
	Total[1]	Auto-mobile	Revolving Credit Comm. Banks	Total[1]	Auto-mobile	Revolving Credit Comm. Banks	Total[1]	Auto-mobile	Revolving Credit Comm. Banks
1971	138,046	36,706	21,862	127,789	32,512	20,818	10,257	4,194	1,044
1972	151,749	43,702	24,659	136,787	38,081	23,485	14,962	5,621	1,174
1973	173,035	49,606	28,702	152,817	43,696	26,699	20,218	5,910	2,003
1974	172,765	46,514	33,213	163,276	46,019	31,243	9,489	495	1,970
1975	180,441	52,420	36,956	172,676	49,444	35,616	7,765	2,976	1,340
1976	211,028	63,743	43,934	189,381	53,278	41,764	21,647	10,465	2,170
1977	254,071	75,641	86,756	218,793	60,437	80,508	35,278	15,204	6,248
1978	298,351	88,987	104,587	253,541	69,430	96,811	44,810	19,557	7,776
1979	319,146	93,072	116,770	278,716	77,004	108,860	40,448	16,068	7,910

[1] Includes some items not shown separately

Source: Board of Governors of the Federal Reserve System, Federal Reserve Bulletin

CONSUMER PRICE INDEX - SELECTED ITEMS (1967=100)

Year	All Items	Fuel Oil [a]	Gas	Electricity
1950	72.1	72.6	73.1	90.8
1960	88.7	89.0	97.7	99.8
1967	100.0	100.0	100.0	100.0
1968	104.2	103.2	101.0	100.9
1969	109.8	105.4	102.8	102.8
1970	116.3	109.3	108.5	106.2
1971	121.3	116.1	116.3	113.2
1972	125.3	116.6	122.3	118.9
1973	133.1	134.5	127.9	124.9
1974	147.7	213.0	143.9	147.5
1975	161.2	230.6	172.5	167.0
1976	170.5	247.2	201.2	177.6
1977[b]	182.6	280.3	240.8	192.8
1978[b]	196.7	293.1	260.8	210.9
1979[b]	219.4	430.0	306.5	228.0

[a] Fuel used for residential purposes

[b] Average for July

Source: U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, Consumer Price Index--U.S. City Averages, Urban Wage Earners and Clerical Workers (revised); BLS, Handbook of Labor Statistics 1974, Tables 120, 121, 126 (1974).

Energy prices continue to rise. Fuel Oil showed the biggest increase in 1979 with gas lagging behind.

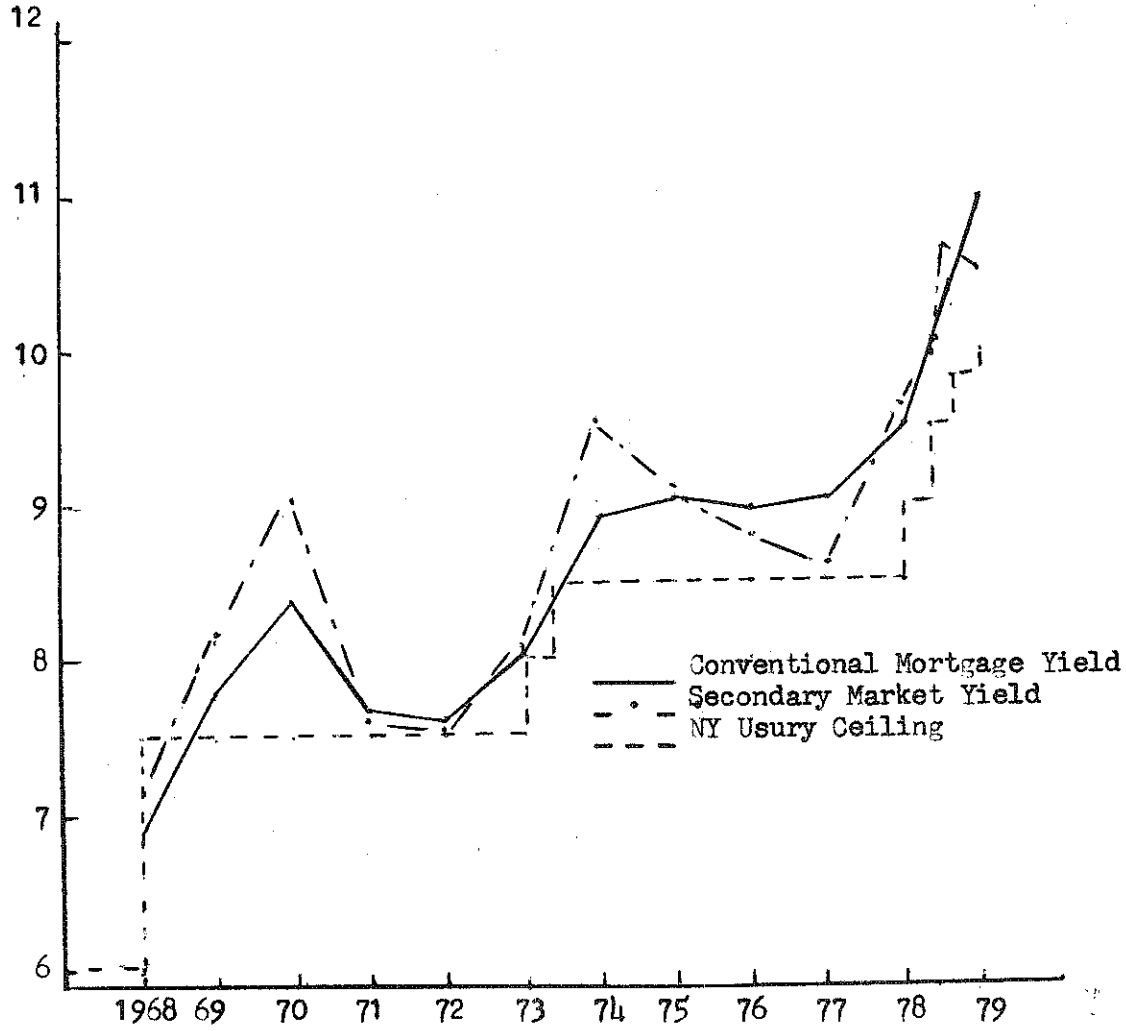
PERCENTAGE CHANGES IN MONEY AND REAL EARNINGS, PRIVATE NONAGRICULTURAL INDUSTRIES PRODUCTION OR NONSUPERVISORY WORKERS, MONTHLY DATA SEASONALLY ADJUSTED, AND IN CONSUMER PRICE INDEX
1947-79

Year	Average Weekly Earnings		Consumer Price Index
	Money	Real[2]	
Average annual rate of increase:			
1947-62	4.6	2.5	2.0
1962-76	5.8	1.2	4.6
1951-52	5.0	2.8	2.2
1952-53	5.7	4.9	.8
1953-54	3.5	3.0	.5
1954-55	3.2	3.6	-.4
1955-56	5.2	3.7	1.5
1956-57	4.9	1.3	3.6
1957-58	4.1	1.4	2.7
1958-59	3.5	2.7	.8
1959-60	3.4	1.8	1.6
1960-61	3.1	2.1	1.0
1961-62	3.3	2.2	1.1
1962-63	2.9	1.7	1.2
1963-64	2.8	1.5	1.3
1964-65	3.7	2.0	1.7
1965-66	4.1	1.3	2.8
1966-67	4.8	1.9	2.9
1967-68	6.3	2.1	4.2
1968-69	6.6	1.3	5.3
1969-70	4.6	-1.3	5.9
1970-71	6.2	1.9	4.3
1971-72	7.5	4.1	3.4
1972-73	6.2	.0	6.2
1973-74	6.4	-4.1	10.5
1974-75	5.7	-2.4	9.1
1975-76	7.3	1.4	5.8
1976-77	7.7	1.2	6.5
1977-78	7.8	.2	7.6
1978-79(August)	7.3	-4.8	13.1

[2]Money earnings minus CPI = real earnings

Source: Economic Indicators

Mortgage Market Rates



	Conventional Mortgage Yield: New Homes-FHLBB series[a]	Secondary Market-Yield on FHA mortgages[b]	N.Y. Usury Ceiling[c]
1968	6.97%	7.21%	6.00%[d]
1969	7.81	8.29	7.50
1970	8.45	9.03	7.50
1971	7.74	7.70	7.50
1972	7.60	7.53	7.50
1973	7.95	8.19	7.50[e]
1974	8.92	9.55	8.50
1975	9.01	9.19	8.50
1976	8.99	8.82	8.50
1977	9.01	8.68	8.50
1978	9.54	9.70	8.50
1979I[f]	10.20	10.17	9.50
1979II[f]	10.47	10.61	9.75
1979III[f]	11.01	10.58	10.00

[a] Average effective interest rate on loans closed assuming prepayment after 10 years.

[b] Average gross yields on 30-year, minimum downpayment, FHA insured first mortgages for immediate delivery in the private secondary market.

[c] Rate in effect at middle of the period.

[d] Raised to 7.25% on July 1, 1968.

[e] Raised to 8% on August 1, 1973 and to 8 1/2% on October 11, 1973

[f] Average for mid-month of quarter

SOURCES: Federal Reserve Bulletin (various issues); Kohn, Carlo and Kaye, The Impact of New York's Usury Ceiling on Local Mortgage Lending Activity, (NYS Banking Dept., 1976).

New York Housing Costs--1979

Figures for New York market areas are given below arranged by HUD Field Office Areas. Figures in parentheses are typical square footage for that cost range and that Area Office.

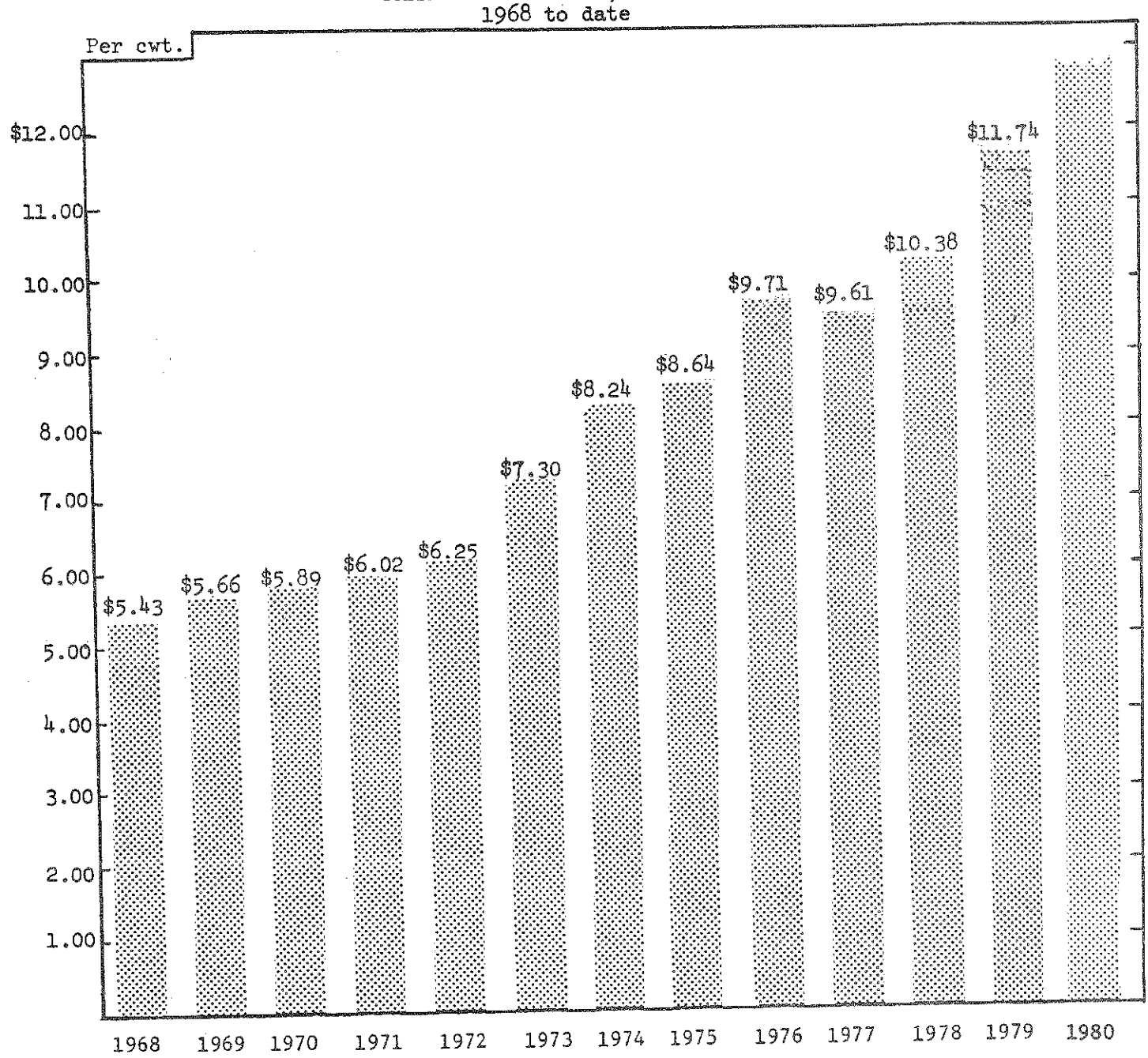
Market Area	Low Range	Medium Range	High Range
Albany Field Office	(940)	(1090)	(1970)
Albany-Schenectady-Troy-Glens Falls:1FD	$27,500	$35,600	$51,000
Syracuse-Rome-Utica:1FD	27,500	35,600	51,000
Binghamton-Cortland-Ithaca:1FD	27,400	35,400	50,700
Massena-Plattsburgh-Watertown:1FD	26,800	34,600	49,600
Buffalo Field Office	(1030)	(1080)	(1200)
Buffalo:1FD	$40,500	$51,000	$65,100
Rochester:1FD	40,200	50,600	64,600
Elmira:1FD	38,300	48,200	61,600
Jamestown:1FD	39,400	49,600	63,200
New York City Field Office	(940)	(1060)	(2230)
Dutchess-Ulster-Sullivan:1FD	$ 34,600	$ 48,700	$ 61,400
2FD	51,700	62,200	75,300
3FD	77,100	84,200	104,100
4FD	103,000	121,900	132,900
Orange: 1FD	28,900	40,300	51,400
2FD	41,600	51,200	61,700
3FD	60,700	65,900	80,200
4FD	80,400	95,400	104,400
Rockland: 1FD	31,200	42,800	53,900
2FD	42,300	53,800	64,200
3FD	62,100	67,400	82,500
4FD	81,500	98,600	106,000
Nassau-Suffolk 1FD	28,900	44,400	68,400
2FD	43,600	57,000	80,400
3FD	66,800	74,400	92,800
4FD	89,600	109,300	121,100
New York City 1FD	41,500	44,000	70,000
2FD	58,200	73,700	83,700
3FD	82,200	97,200	115,800
4FD	109,900	135,400	147,400

Code: 1FD=one family dwelling; 2FD=two family dwelling; 3FD=three family dwelling; 4FD=four family dwelling

Source: Federal Register, Vol. 44, No. 163 (Tuesday, August 21, 1979), Notices, pp. 49166-49185.

NOTE: These are HUD "general prototype housing costs for one-to-four-family dwellings." These figures are published as an aid to public understanding, but do not necessarily match the costs of particular houses. Costs are representative sales prices for three ranges of expenditures: low, moderate and high. Costs include site improvement and land. In general, the "low" one-family figure represents a 3-bedroom, 1 bath unit. "Medium" costs contain units with 3 or 4 bedrooms, 2 baths. Finally, "high" costs are for one-family dwellings with 3 to 5 bedrooms, and 2 or 3 baths. Typical square footage figures vary from market to market. Market areas include both urban and rural areas--call your local HUD Field Office to get a map of the designated market area.

FARM PRICE OF MILK, NEW YORK
1968 to date



Source: Price Announcements, Office of the Administrator, New York-New Jersey Milk Marketing Area.

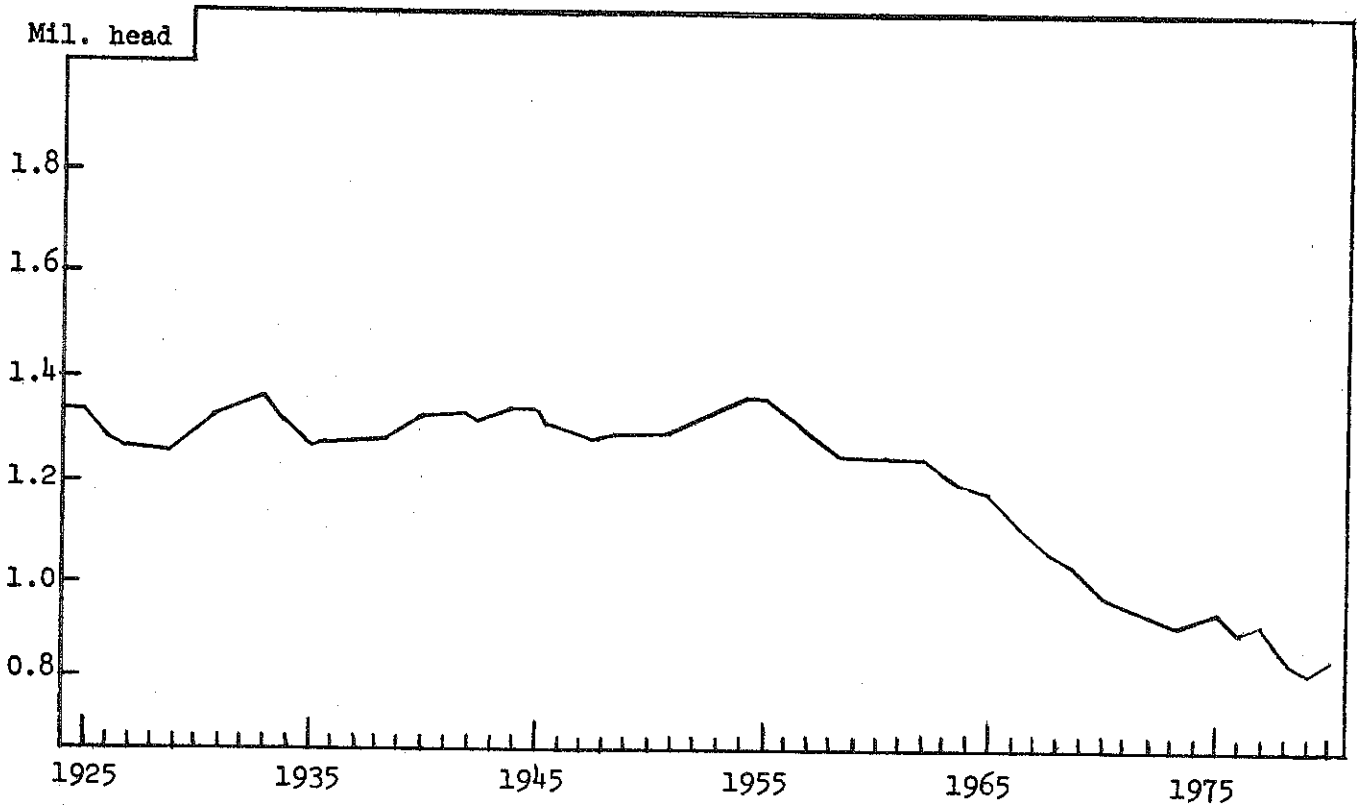
The 1979 farm price of milk in the New York-New Jersey market averaged $11.74 per cwt., an increase of $1.36 per hundredweight from the 1978 level.

In 1979 the farm price of milk is expected to increase about $1.00 per cwt.

	1977	1978	1979	1980
January	$9.42	$9.82	$11.49	____
February	9.38	9.87	11.57	____
March	9.13	9.65	11.12	____
April	9.02	9.60	10.95	____
May	8.98	9.55	10.93	____
June	9.06	9.60	11.03	____
July	9.63	10.16	11.60	____
August	10.09	10.84	12.23	____
September	10.34	11.12	12.51	____
October	10.35	11.45	12.64	____
November	10.12	11.54	12.60*	____
December	9.83	11.42	12.23*	____

*Estimated

NUMBER OF MILK COWS, NEW YORK
1925 to date



Source: New York Dairy Farm Report

The average number of milk cows in New York State decreased by 1,000 head in 1979. However, at the end of the year cow numbers were up substantially.

Cow numbers are expected to average higher in 1980.

Year	Milk cows thous. head	Year	Milk cows thous. head
1956	1,354	1968	1,039
1957	1,313	1969	969
1958	1,271	1970	950
1959	1,245	1971	935
1960	1,248	1972	920
1961	1,253	1973	903
1962	1,253	1974	905
1963	1,217	1975	917
1964	1,196	1976	912
1965	1,165	1977	914
1966	1,109	1978	906
1967	1,069	1979	905*
		1980	911**

* Preliminary
**Estimated

ADDITIONS TO AND ELIMINATIONS FROM NEW YORK DAIRY HERDS

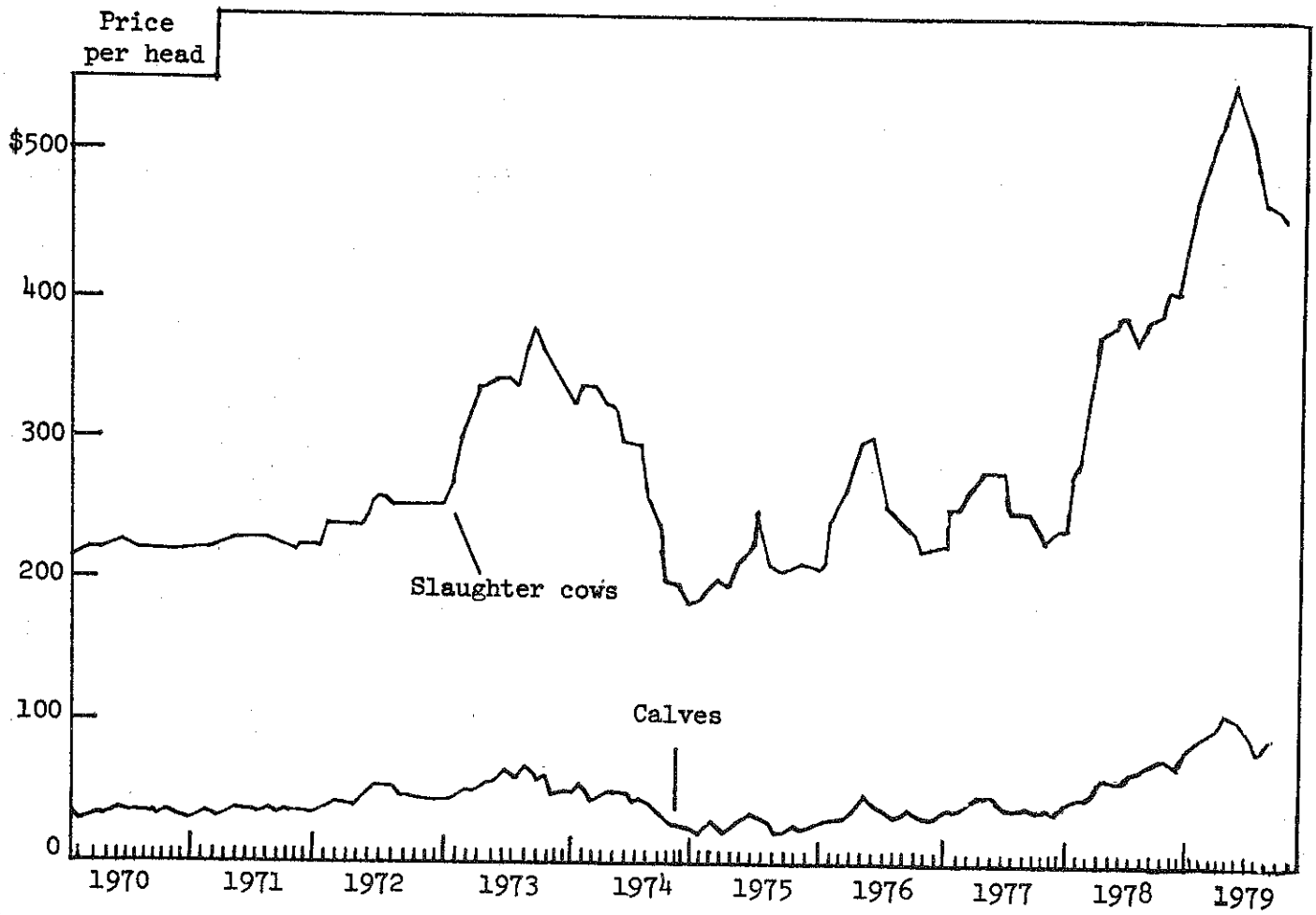
Year	Cows & heifers kept for milk that have calved, January 1	Heifers 500 lbs. & over kept for milk replace-ments, January 1	Per 100 Cows			No. of milk cows Jan. 1 of next year
			Additions#	Elimi-nations##	Difference + or -	
	Thousand head					
1974	900	324	25.2	23.0	+2.2	920
1975	920	345	26.3	26.7	-0.4	916
1976	916	345	26.4	26.7	-0.3	913
1977	913	354	27.2	26.9	+0.3	915
1978	915	341	26.1	27.3	-1.2	904
1979	904	339	26.2	25.3	+0.9	912
1980	912	355	26.5	26.7	-0.2	910

\# Assumes 70% of the heifers 500 lbs. and over kept for milk replacements on January 1 are added to herds.
Cows beginning of year plus additions minus cows end of year.
* Preliminary
** Estimated

During 1979 the rate of additions were higher than the culling rate. This resulted in an increase in milk cow numbers.

Going into 1980 there are more heifers on farms per 100 cows (26.5), than a year earlier. With an expected higher rate of culling in 1980, cow numbers at the end of the year will be lower than at the beginning. Strong cull cow prices will contribute to the expected higher culling rate.

PRICES OF MILK COWS, SLAUGHTER COWS AND CALVES, NEW YORK
1970 to date



Source: New York Agricultural Price Report

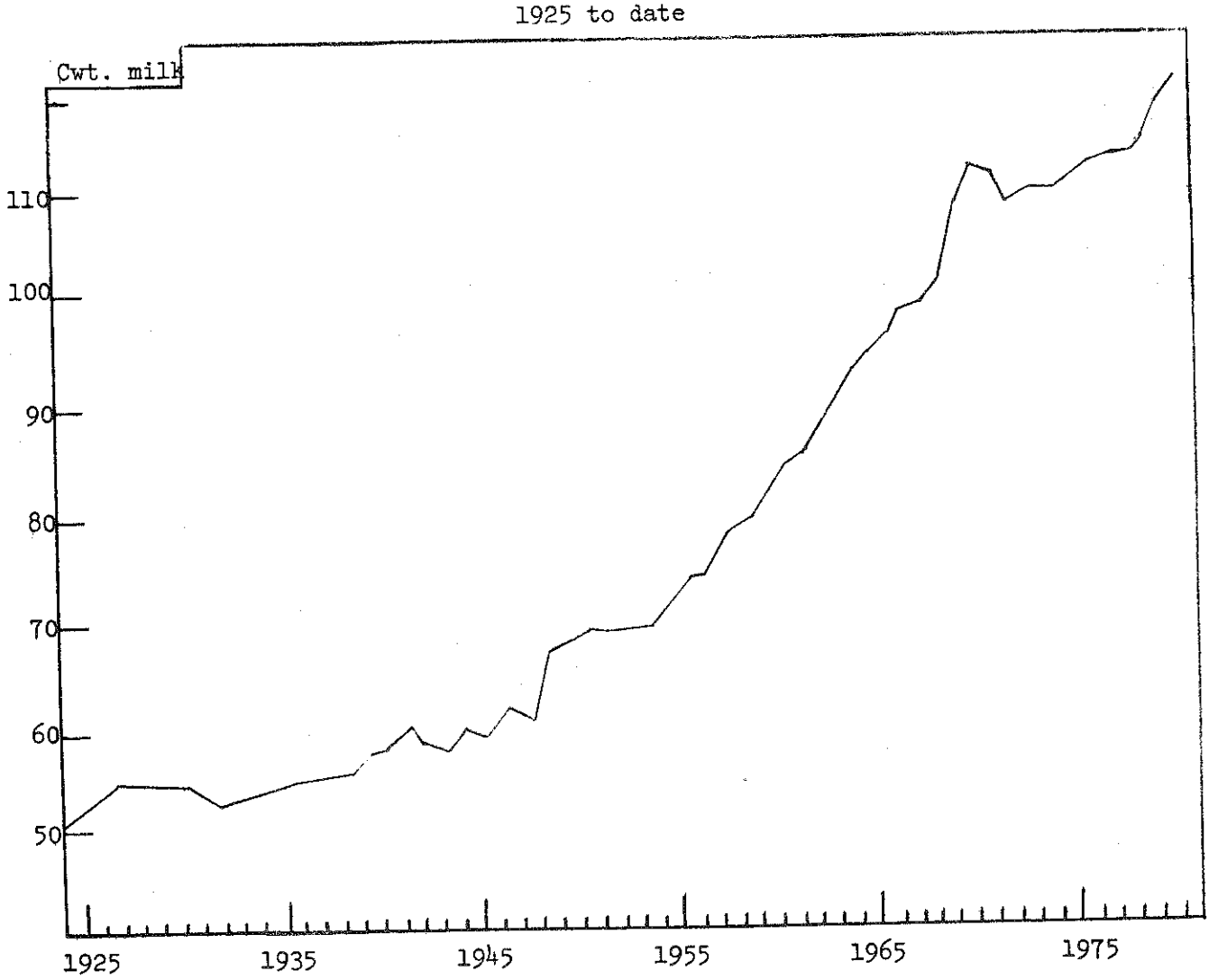
Cattle prices moved higher again in 1979.

Milk cow prices during 1979 were up substantially from the levels of 1978 and showed considerable strength toward the end of the year.

Slaughter cow prices are expected to continue strong in 1980 but are not expected to climb higher than $50 per cwt. during the first six months.

	Average price per head								
	Milk cows			Slaughter cows			Calves		
	1978	1979	1980	1978	1979	1980	1978	1979	1980
January	$515	$850	____	$267	$462	____	$43	$79	____
February	530	890	____	287	490	____	43	88	____
March	545	950	____	314	507	____	46	92	____
April	545	1000	____	333	523	____	49	95	____
May	605	1020	____	368	552	____	60	105	____
June	665	1050	____	379	533	____	61	102	____
July	665	1100	____	390	511	____	60	93	____
August	665	1100	____	362	466	____	61	75	____
September	705	1100	____	381	463	____	65	88	____
October	770	1100	____	386	453	____	73	94	____
November	780	____	____	402	____	____	73	____	____
December	800	____	____	401	____	____	69	____	____

ANNUAL MILK PRODUCTION PER COW, NEW YORK
1925 to date



Source: New York Dairy Farm Report

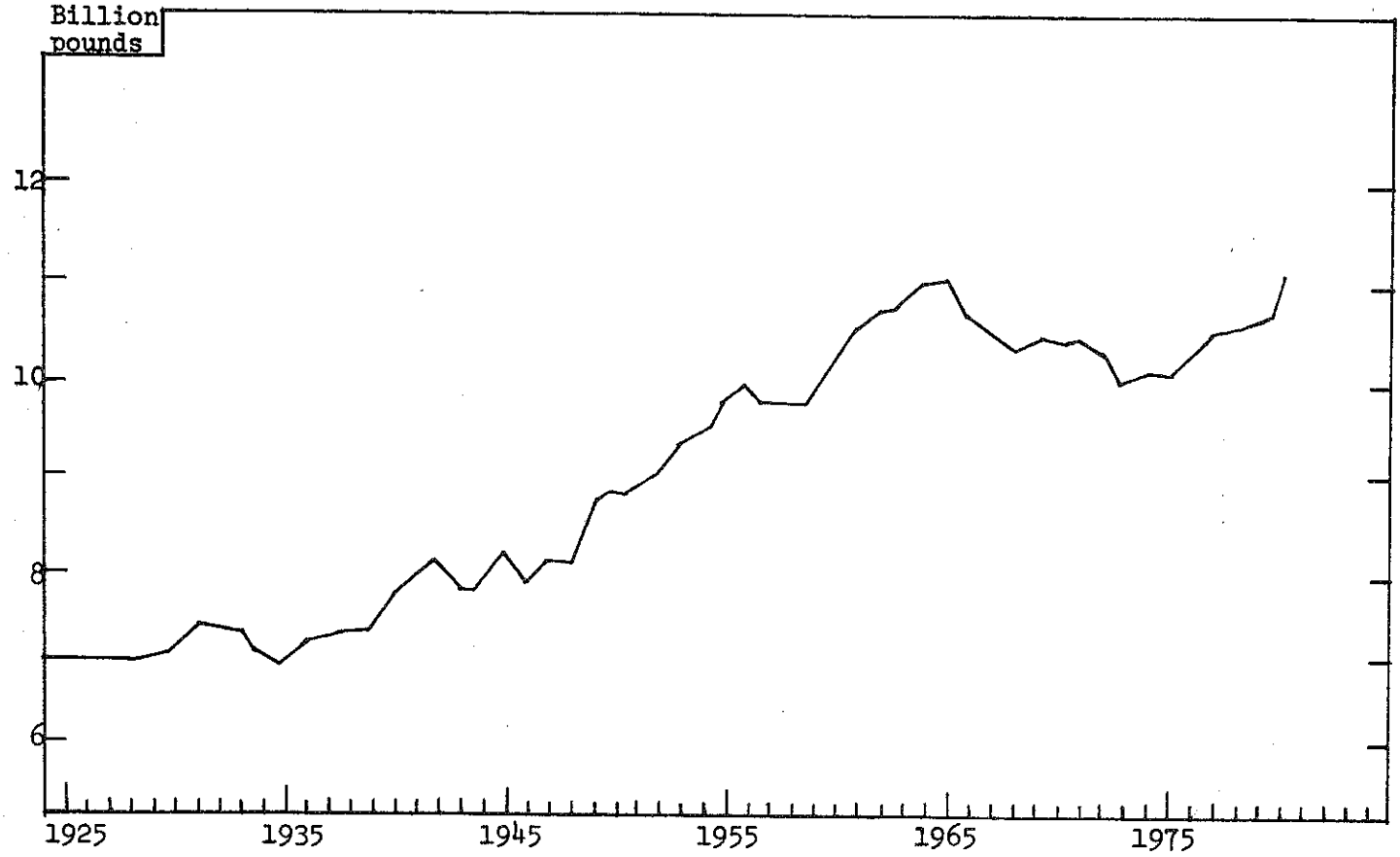
Milk production per cow averaged 11,930 pounds in 1979, up 3 percent from the previous year.

In 1980 milk production per cow is expected to increase again by over 2 percent to a record high level of 12,200 pounds.

Year	Pounds of milk produced per cow	Pounds of grain per cow
1956	7,400	2,180
1957	7,400	2,210
1958	7,730	2,300
1959	7,840	2,330
1960	8.150	2,440
1961	8,450	2,610
1962	8,530	2,840
1963	8,880	2,910
1964	9,160	3,090
1965	9,470	3,290
1966	9,540	3,330
1967	9,780	3,410
1968	9,835	3,440
1969	10,682	3,730
1970	10,885	3,980
1971	11,156	4,000
1972	11,202	3,990
1973	10,773	4,200
1974	10,853	4,100
1975	10,866	3,780
1976	11,182	4,040
1977	11,186	4,030
1978	11,582	4,170
1979	11,930*	4,300
1980	12,200**	4,400

*Preliminary **Estimated

TOTAL MILK PRODUCTION, NEW YORK
1925 to date



Source: New York Dairy Farm Report

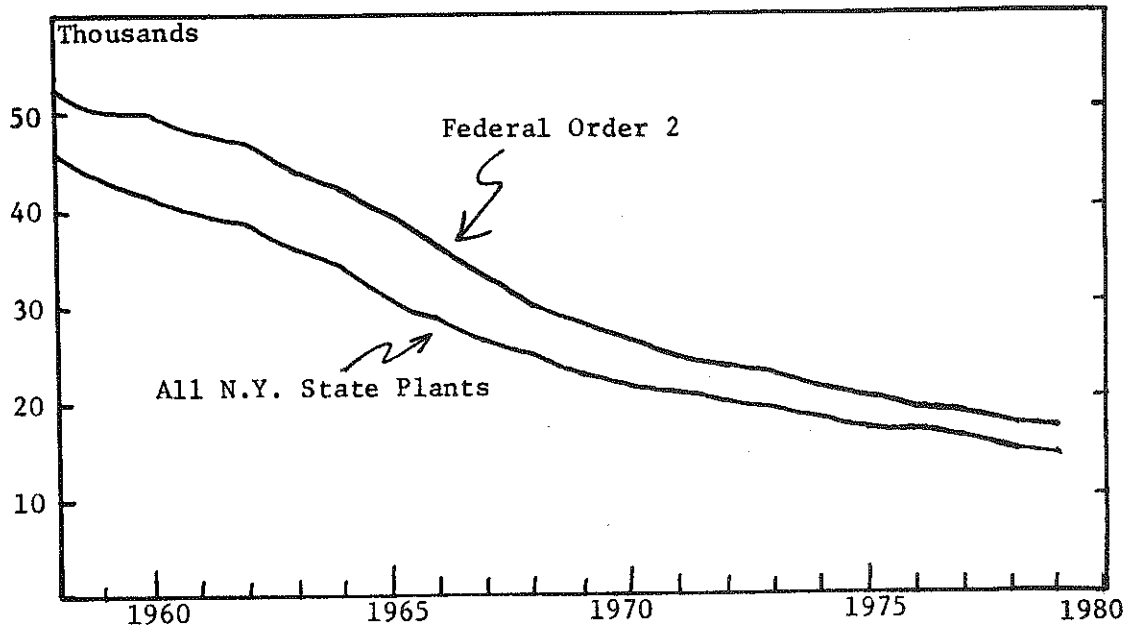
Total milk production in 1979 is estimated at 10,797 million pounds, up 2.9 percent from 1978 but still below the record 1965 level. This increase in 1979 reflects a small decrease (0.1 percent) in the number of milk cows offset by a large increase of 3.0 percent in the level of milk production per cow.

In 1980 total milk production is expected to increase again by about 3 percent. This forecast is based on an increase in the number of milk cows and a rise in production per cow. The increase in production per cow is due to higher milk prices, and expected high grain feeding levels, a good supply of quality roughage, and favorable feed prices.

Year	Total production New York State, million pounds	Year	Total production New York State, million pounds
1956	10,020	1968	10,219
1957	9,716	1969	10,351
1958	9,825	1970	10,341
1959	9,761	1971	10,431
1960	10,171	1972	10,306
1961	10,588	1973	9,728
1962	10,688	1974	9,822
1963	10,807	1975	9,964
1964	10,955	1976	10,198
1965	11,033	1977	10,224
1966	10,580	1978	10,493
1967	10,455	1979	10,797*
		1980	11,114**

*Preliminary

NUMBER OF PRODUCERS DELIVERING MILK IN JUNE
1958-1979



SOURCE: Federal Market Order Statistics and New York State Dairy Statistics.

There were approximately 15,585 producers delivering milk to New York State plants in June 1979.

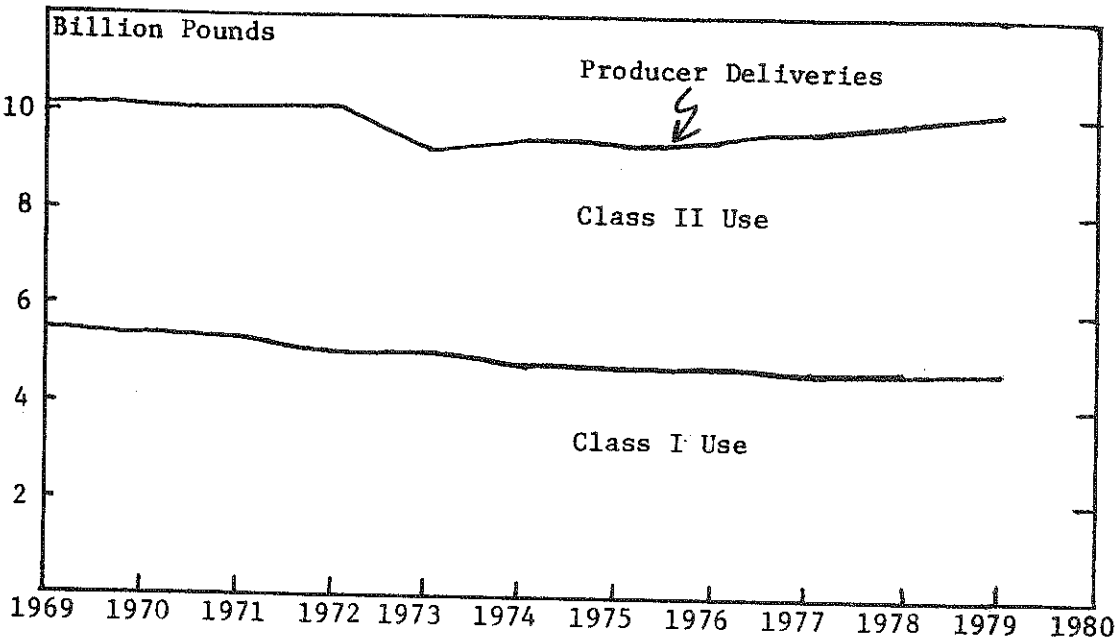
The total number of producers in New York State in June 1979 was 16,500, which includes New York producers shipping to out-of-state plants. This represents a 3 percent decline from the previous year. A further decline of 3 percent is expected in 1980.

A total of 17,595 producers, primarily located in the states of New York, New Jersey and Pennsylvania, shipped milk under Federal Order 2 in June 1979. This was a decline of 435 or 2.4 percent from a year earlier.

	Number of Producers Delivering Milk in June	
Year	All N.Y. Plants	New York-New Jersey Market
1958	45,809	52,089
1959	43,183	50,338
1960	41,478	49,460
1961	39,928	48,005
1962	38,447	46,880
1963	36,036	43,930
1964	34,096	42,410
1965	31,866	39,800
1966	28,845	36,479
1967	26,725	33,494
1968	25,065	29,907
1969	23,689	28,635
1970	21,930	26,936
1971	20,997	24,973
1972	20,130	24,109
1973	19,181	22,280
1974	18,271	21,204
1975	17,482	20,416
1976	17,056	19,273
1977	16,586	18,819
1978	15,585	18,030
1979*	15,000	17,595

* Preliminary.

PRODUCER DELIVERIES AND UTILIZATION BY CLASSES[1/]
Federal Order 2, 1969-1979



1/ Product Pounds Basis.
SOURCE: Reports, Market Administrator's Office, Federal Order 2.

Producer deliveries to the New York-New Jersey Market increased by 2.9 percent in 1979. This is the fourth consecutive yearly increase. To the market, this means an additional 724 million pounds or nearly 8 percent more milk since 1975. A further increase of about 3 percent is anticipated in 1980.

Class I sales resumed their downward trend in 1979, after having increased as a result of the shift of a large fluid processing plant into the market in May of 1978.

A strike by dairy workers in the New York Metropolitan area during March and April was a major factor in the 2.2 percent decline in fluid sales during 1979.

A recovery from the strike's impact should be a positive factor in 1980, while a declining economy will have a negative effect on fluid sales. On balance, the two should prove offsetting, with no more than a 1 percent increase in sales anticipated.

Milk Supplies and Utilization

Year	Producer Deliveries	Class I Sales	Fluid Skim Milk Use
	million lbs.		
1969	10,332	5,588	--
1970	10,301	5,447	--
1971	10,280	5,304	--
1972	10,067	5,107	--
1973	9,365	4,996	--
1974	9,454	4,819	--
1975	9,434	4,785	--
1976	9,484	4,667	--
1977	9,628	4,545	--
1978	9,877	4,719	--
1979*	10,159	4,616	--

* Partly forecast.

UTILIZATION, CLASS II MILK, FEDERAL ORDER 2, 1970-1978

Product	1970	1971	1972	1973	1974	1975	1976	1977	1978	% Change 1970-78
	million pounds									
Perishable										
Fluid Cream	61.8	146.4	144.9	104.0	84.6	78.3	83.3	98.0	118.1	+ 91
Sour Cream	46.6	49.5	52.6	50.9	55.0	60.9	64.6	66.6	69.4	+ 49
Yogurt	89.0	120.8	127.4	129.1	115.1	149.9	172.0	195.2	218.0	+144
Cot. Cheese	624.6	752.2	796.2	773.3	778.6	892.9	897.6	805.6	770.7	+ 23
Egg Nog	12.2	18.2	10.1	8.1	7.7	9.1	9.6	11.0	12.3	+ 1
	834.2	1087.1	1131.2	1065.4	1041.0	1191.1	1227.1	1176.4	1188.5	+ 42
Semi-Perishable										
Frozen Desserts	261.4	215.4	220.9	202.6	192.0	211.5	291.4	228.8	214.1	- 18
Italian Cheese	343.1	384.9	440.2	480.7	495.7	537.4	572.6	617.9	681.0	+ 98
Cream & Neufchatel	93.2	157.4	185.9	186.1	207.7	180.4	229.5	224.0	194.3	+108
Cond. Whole	168.1	161.1	148.1	186.0	230.0	247.7	310.5	316.1	307.5	+ 83
Cond. Skim	540.2	510.3	473.3	359.9	322.6	221.7	172.7	198.3	198.8	- 63
	1406.0	1429.1	1468.4	1415.3	1448.0	1398.7	1486.7	1585.1	1595.7	+ 13
Bulky Storable										
Evaporated	310.0	321.8	308.4	260.4	283.1	231.3	296.5	194.8	189.5	- 39
Candy	299.8	348.8	398.9	460.4	385.0	387.4	395.3	319.1	274.7	- 8
Wh. Topping & Misc.	76.8	71.2	65.0	45.8	53.3	64.3	49.6	42.8	50.3	- 35
	686.6	741.8	772.3	766.6	721.4	683.0	741.4	556.7	514.5	- 25
Concentrated Storable										
Am. Cheese	464.5	429.6	461.9	464.1	605.1	523.8	742.7	747.4	869.5	+ 87
Other Cheese	10.2	9.6	20.3	41.5	47.1	57.0	77.7	144.1	169.6	+1663
Butter	108.3	99.3	94.1	52.0	96.2	77.3	58.7	99.4	126.2	+ 17
Nonfat Dry Milk	1288.1	1126.1	946.4	516.0	626.6	679.0	438.0	717.5	646.7	- 50
	1871.1	1763.9	1522.7	1073.6	1375.0	1337.1	1317.1	1708.4	1812.0	- 3
Shrinkage	23.9	22.8	29.6	23.3	25.0	24.4	26.8	30.2	29.0	+ 21
Total 1/	(4821.8)	(4945.4)	(4924.2)	(4344.2)	(4610.4)	(4634.3)	(4798.8)	(5056.7)	(5139.7)	+ 7

SOURCE: Market Administrator's Statistics.

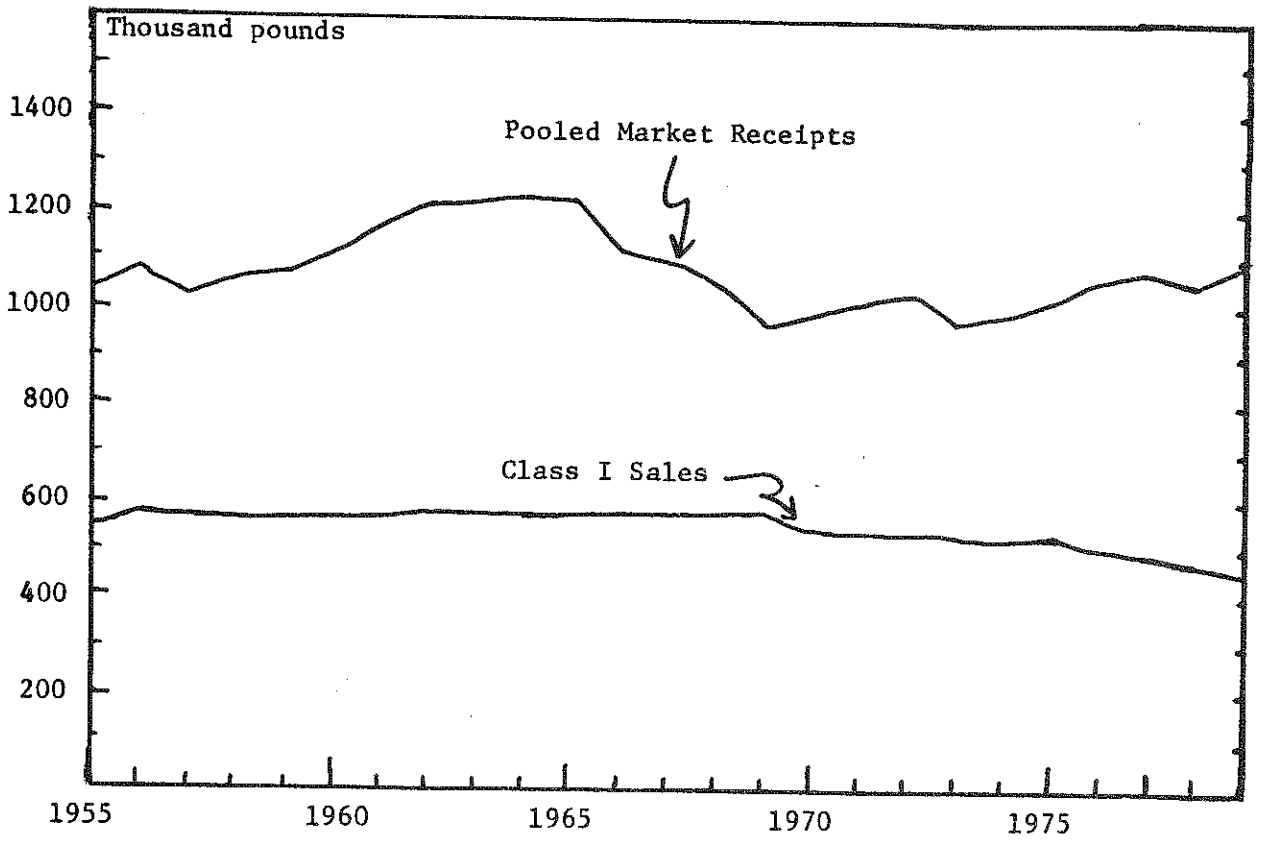
1/ May not add due to rounding.

Cheese production accounted for 52.2 percent of the Class II milk volume in 1978, although milk used in cottage cheese declined to the lowest level since 1974.

Butter-powder production in 1978 accounted for only 15 percent of total Class II utilization. Fourty-four percent of the annual production of butter and powder occurred in April, May and June.

The utilization of Class II milk for cheese should again increase in 1979.

MARKET RECEIPTS AND UTILIZATION
ROCHESTER AND NIAGARA FRONTIER MARKETS
1955 to date



SOURCE: Market Order Statistics.

Pooled receipts in the two state order markets of Rochester and Buffalo were up 3 percent in 1979, following a decline of 2.7 percent in 1978.

Receipts in these two markets are expected to increase by an additional 2.5 percent in 1980.

Fluid sales in the Western New York orders declined 3.2 percent in 1979. A further decline of 2 to 3 percent is projected, based on the weakening economic climate in the region.

Year	Pooled Market Receipts 1/	Class I Sales 2/
	----thous. lbs.-----	
1960	1,110	564
1961	1,172	563
1962	1,213	566
1963	1,227	572
1964	1,231	576
1965	1,213	582
1966	1,122	578
1967	1,100	579
1968	1,057	573
1969	966	574
1970	995	550
1971	1,013	551
1972	1,030	547
1973	970	532
1974	991	520
1975	1,019	522
1976	1,066	511
1977	1,080	487
1978	1,058	476
1979	1,090	461

1/ Includes pooled producer receipts.
2/ Includes fluid skim milk and other source milk used as Class I.

PRODUCER DELIVERIES AND CLASS I MILK SALES
NORTHEAST FEDERAL AND STATE MILK ORDER MARKETS, 1978-79

Market	Producer Deliveries			Class I Milk Sales		
	1978	1979	% Change 1978-1979	1978	1979	% Change 1978-1979
	--millions--			--millions--		
New England	5,046	5,091	+ 0.9	2,920	2,931	+ 0.4
NY-NJ	9,877	10,159	+ 2.9	4,719	4,616	- 2.2
Middle Atlantic	5,420	5,399	- 0.4	2,995	2,918	- 2.6
E. Ohio-W. Pa.	3,433	3,367	- 1.9	2,059	2,042	- 0.8
Rochester and Niagara Frontier	1,058	1,090	+ 3.0	476	461	- 3.2
Total	24,834	25,106	+ 1.1	13,169	12,968	- 1.5

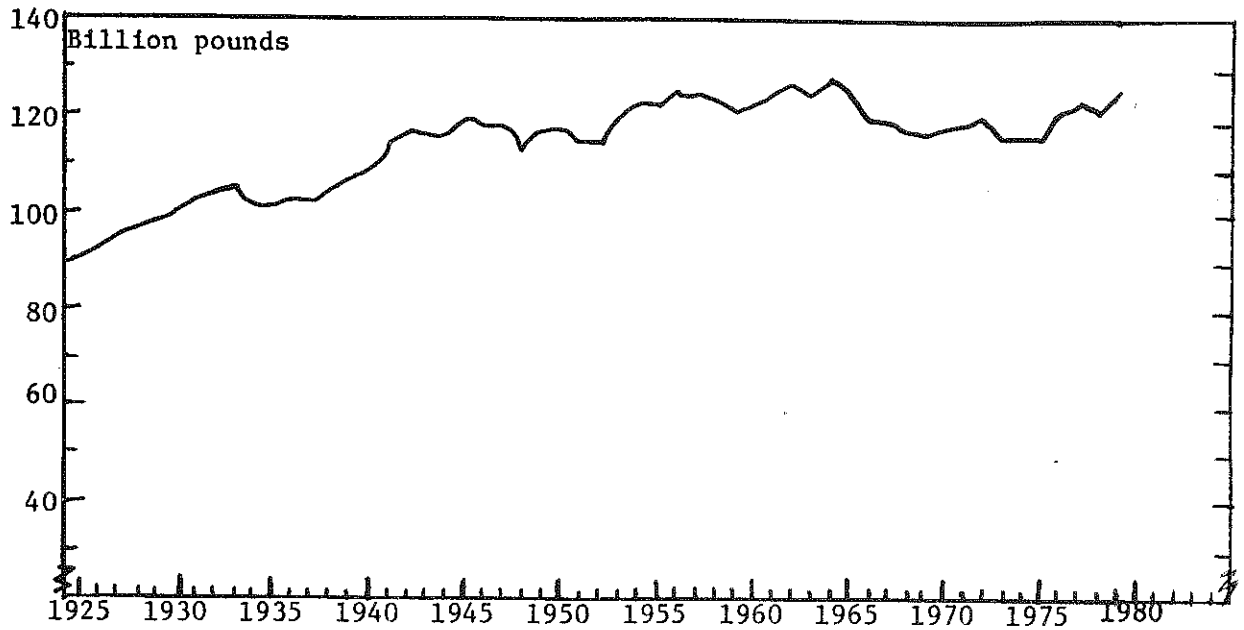
SOURCE: Federal Order Market Statistics, USDA; New York State Market Order Statistics, New York State Department of Agriculture and Markets.

Total producer deliveries to the four Northeast Federal and two state order markets were up 1.1 percent in 1979.

Increases in deliveries of near 3 percent were recorded in both the New York-New Jersey Order and the Western New York State order markets, along with an increase of just under 1 percent in the New England order. These were sufficient to more than offset declines in the Middle Atlantic and E. Ohio-W. Pa. orders. The decline in E. Ohio-W. Pa. resulted from the shift of a block of milk to adjoining Western markets. A further increase of 2 percent in aggregate receipts is expected for the Northeast orders in 1979.

Aggregate Class I sales in these markets declined 1.5 percent in 1979. A further decline of 1 percent is expected in 1980.

MILK PRODUCTION, U.S., 1924-79



SOURCE: Dairy Situation, U.S.D.A.

U. S. milk production increased by 1.5 billion pounds in 1979.

Milk marketed by farmers continued to increase relative to milk production as farm use continued to decline.

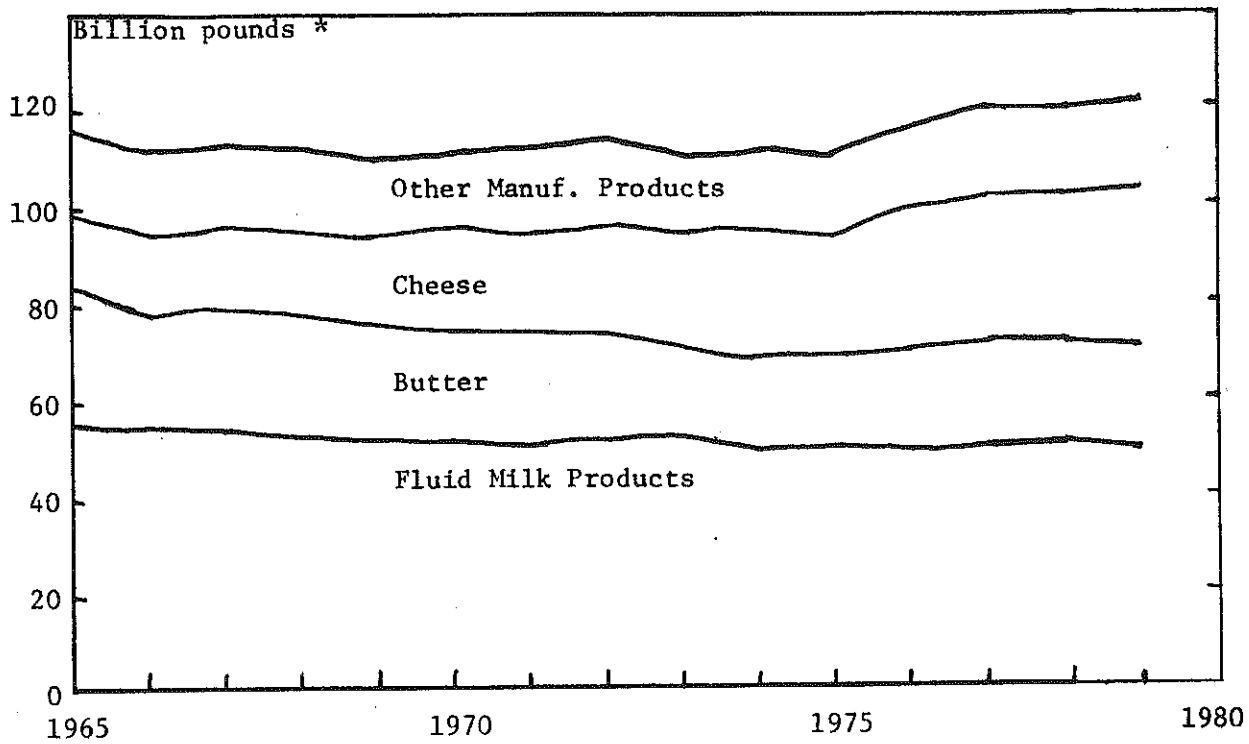
Sales of whole milk to plants and dealers accounted for 98.7 percent of all marketings for the year.

In 1980, U. S. milk production is expected to again increase by 1.2 percent to near the 125 billion pound level.

Year	Total Milk Production	Milk Marketed by Farmers	Whole Milk Sold to Plants and Dealers
	billion pounds		
1950	116.6	98.3	74.2
1955	122.9	108.3	91.0
1960	123.1	114.0	103.9
1961	125.7	117.3	108.4
1962	126.3	118.6	110.7
1963	125.2	118.1	111.2
1964	127.0	120.5	114.2
1965	124.2	118.2	112.7
1966	119.9	114.4	109.7
1967	118.8	113.6	109.4
1968	117.2	112.5	108.8
1969	116.3	112.0	108.7
1970	117.4	113.1	110.0
1971	118.5	114.8	112.2
1972	119.9	116.3	114.0
1973	115.4	112.0	109.8
1974	115.6	112.3	110.3
1975	115.3	112.3	110.4
1976	120.4	117.3	115.6
1977	122.7	119.9	118.2
1978	121.9	119.3	117.6
1979*	123.4	120.9	119.3

* Preliminary.

UTILIZATION OF THE U.S. MILK SUPPLY, 1965-1979



* Whole milk equivalent (fat solids basis)
SOURCE: Dairy Situation, U.S.D.A.

In 1979, fluid milk use on a whole milk equivalent basis declined 200 million pounds to about 1975 levels.

A little less milk was used in butter production during 1979, but an additional 1.8 billion pounds was utilized in cheese production.

Fluid milk will decline again in 1980 and the volume of manufacturing milk will increase.

Larger quantities of both butter and cheese will be produced in 1980.

Year	Fluid[1]	Butter	Cheese	Other Uses	Total Supply
	billion pounds				
1955	49.1	38.0	13.6	17.6	108.3
1960	53.0	29.4	13.4	18.2	114.0
1965	55.4	28.5	15.8	17.5	117.2
1966	55.4	23.7	16.7	17.5	113.3
1967	54.0	26.1	17.2	16.5	113.8
1968	53.7	24.9	17.4	16.9	112.9
1969	52.8	23.7	17.7	17.7	111.0
1970	52.0	23.9	18.1	17.5	112.0
1971	51.8	23.9	20.9	16.7	113.4
1972	52.2	22.8	22.7	16.7	115.4
1973	52.4	18.6	23.6	16.5	111.1
1974	50.5	19.3	25.7	16.9	111.7
1975	51.1	19.9	23.9	17.4	112.3
1976	51.5	19.4	28.8	17.9	117.6
1977	51.4	21.9	28.9	18.2	120.4
1978	51.2	19.8	30.2	18.3	119.5
1979*	51.0	19.6	32.0	18.3	120.9

[1] Whole milk equivalent butterfat basis.

* Partly Forecast.

PER CAPITA SALES, FLUID MILK PRODUCTS, U.S.

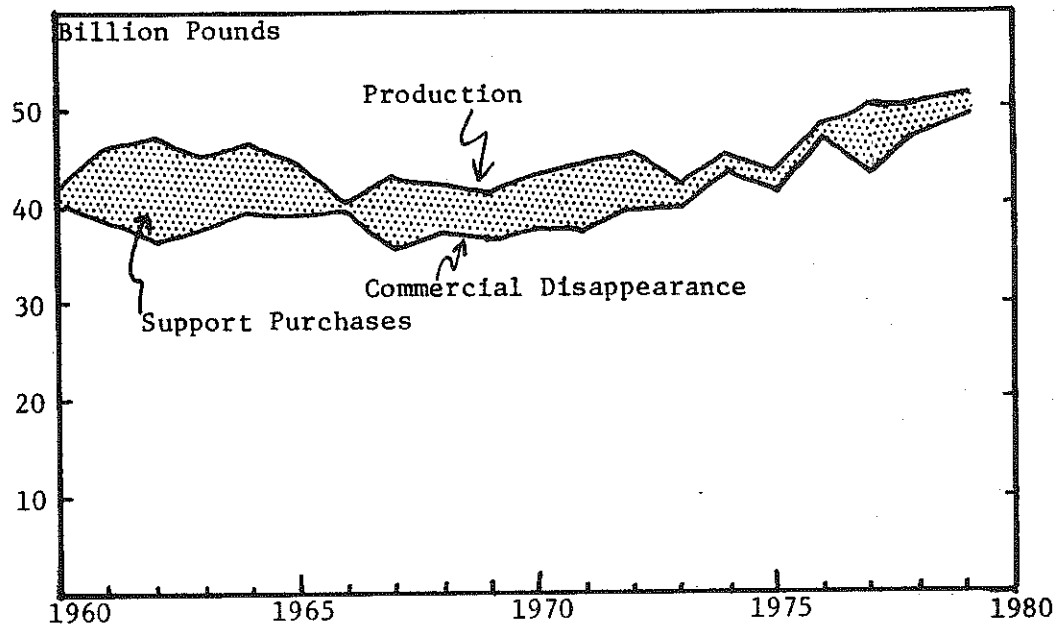
Year	Domestic Disappearance - Component Sources				
	Fluid Whole Milk	Cream	Lowfat Milk	Product Weight	Total Whole Milk Equivalent
1965	244	6.9	31.7	282	294
1970	214	5.3	51.3	271	259
1971	207	5.3	56.5	269	255
1972	204	5.3	62.5	272	259
1973	195	5.5	67.9	269	253
1974	184	5.5	70.9	260	242
1975	181	5.6	78.5	266	243
1976	174	5.6	83.3	263	242
1977	166	5.6	88.4	260	239
1978*	161	5.6	91.7	259	237
1979**	157	5.6	95.4	258	235

SOURCE: Dairy Situation, USDA
* Preliminary
** Forecast

Per capita fluid whole milk sales have declined steadily since 1970. Sales of lowfat milk have grown steadily.

Total per capita consumption of all fluid products on a product weight basis have declined about 5 percent since 1970 and a further decline of 1-2 pounds is expected in 1980.

PRODUCTION, COMMERCIAL DISAPPEARANCE AND SUPPORT PURCHASES
BUTTER AND CHEESE, 1960-79



* Milk equivalent (fat solids basis)
SOURCE: Dairy Situation, U.S.D.A.

Milk volumes used in butter and cheese production increased by 1.6 billion pounds in 1979.

A further gain of a billion pounds is expected in 1980.

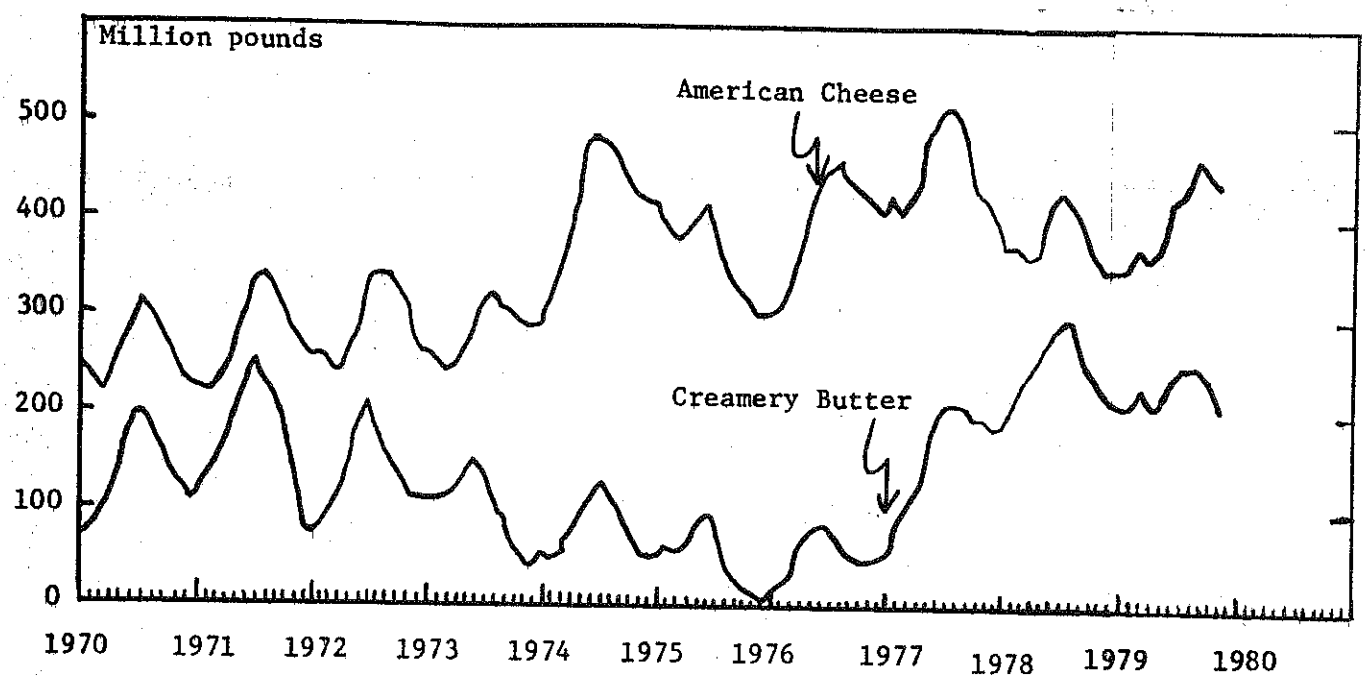
Price support purchases decreased from 6.1 billion pounds of milk equivalent in 1977 to 2 billion pounds in 1979.

In 1980, price support purchases are expected to more than double from reduced 1979 levels.

	Butter and Cheese	
Year	Production	Price Support Purchases
	-milk equiv.,	billion lbs.-
1960	42.8	3.0
1961	46.7	7.9
1962	47.5	10.9
1963	45.5	7.8
1964	47.0	7.7
1965	44.3	6.1
1966	40.4	0.6
1967	43.3	7.4
1968	42.4	5.2
1969	41.3	4.5
1970	43.5	5.7
1971	44.8	7.3
1972	45.5	5.7
1973	42.2	2.2
1974	45.1	1.3
1975	43.6	2.0
1976	48.8	1.2
1977	50.8	6.1
1978	50.8	2.7
1979*	51.6	2.0

* Preliminary.

COLD STORAGE HOLDINGS OF BUTTER & CHEESE, U.S., 1970-1979



SOURCE: Cold Storage Report, USDA.

Cold storage holdings of butter declined in 1979 after four consecutive yearly increases. Inventories at the end of October 1979 were down 18 percent from previous year levels.

Government holdings accounted for 75 percent of the total butter stocks in October 1979.

Commercial stocks of American cheese were down 13 percent at the end of October. The government held no uncommitted stocks at this time.

U.S.D.A. purchases of both butter and cheese increased during the last quarter of 1979. Substantial increases in government holdings of butter and cheese are anticipated in 1980.

Cold Storage Holdings, U. S.

Year	Creamery Butter	American Cheese
	-----thous.	lbs.-----
	December 31	
1968	117,355	318,676
1969	88,636	265,438
1970	118,772	253,984
1971	76,154	231,329
1972	107,470	269,438
1973	46,379	290,299
1974	49,227	420,838
1975	10,856	306,983
1976	47,058	411,308
1977	184,901	404,669
1978	213,643	351,513
	October 31	
1968	142,086	346,401
1969	125,159	294,461
1970	147,465	264,762
1971	188,887	262,439
1972	154,740	314,175
1973	67,546	301,136
1974	83,114	440,648
1975	27,105	328,580
1976	60,673	435,595
1977	195,429	437,535
1978	251,848	379,562
1979*	207,093	440,107

* Preliminary.

DAIRY PRODUCT IMPORTS, QUOTA AND NON-QUOTA,
JANUARY-SEPTEMBER 1978 AND 1979 COMPARISONS

Quota Products	Cummulative January-September Total 1978	1979	1979 as % of 1978
American Cheese	5,467	5,437	99
Other Cheddar Type	4,124	2,373	58
Other Quota Cheese	44,635	53,822	121
Non-Quota Cheese	89,737	83,445	93
Butter, Butteroil and Butterfat Mixtures	3,592	3,272	91
Nonfat Dry Milk	2,316	1,818	78
Other Quota Products	32,667	31,771	97
Other Non-Quota Products	110,309	115,440	105
Total Milk Equivalent	1,432,196	1,404,211	98

SOURCE: Dairy Market News.

Dairy product imports into the United States in the first 9 months of 1979 amounted to 1.4 billion pounds of milk equivalent, down slightly from the comparable period in 1978. Cheese imports in total were up less than 1 percent from imports of 1978. All other products under quota were down slightly, but imports of casein, which are not subject to quota, were up 6 percent. Modest increases may occur in dairy product imports in 1980. Extension of quotas to more cheese products in 1980 and plentiful domestic supplies of cheese will limit gains in cheese imports. Imposition of quotas on casein, which is currently under consideration, could reduce casein imports in 1980, and serve to hold total dairy product imports below 1979 levels.

MILK SUPPLY AND UTILIZATION, UNITED STATES

	1973	1974	1975	1976	1977	1978	1979[1/]
	billion pounds						
Supply							
Production	115.4	115.6	115.3	120.4	122.7	121.9	123.4
Farm Use	3.4	3.3	3.2	3.1	2.8	2.7	2.6
Marketings	112.0	112.3	112.1	117.3	119.9	119.2	120.8
Beginning Stocks (Com)	3.5	4.7	5.6	3.7	5.3	4.9	4.5
Imports	3.9	2.9	1.7	1.9	2.0	2.3	2.0
Total Supply	119.4	119.9	119.4	122.9	127.2	126.4	127.3
Utilization							
Removals (support program)	2.2	1.3	2.0	1.2	6.1	2.7	2.0
Com. Disappearance	112.4	113.0	113.6	116.4	116.2	119.2	120.2
Total Use	114.6	114.3	115.7	117.6	122.3	121.9	122.2
Ending Stocks (commercial)	4.7	5.6	3.7	5.3	4.9	4.5	5.1
Total Utilization	119.3	119.9	119.4	122.9	127.2	126.4	127.3

SOURCE: Dairy Situation, USDA.

1/ Partly estimated.

Tot total milk supply available for commercial use in 1979 increased by nearly a billion pounds from 1978. Increased production was the major factor in this increase.

Commercial disappearance also increased by a billion pounds in 1979, offsetting the gains in supplies. The carry over into 1980 will be slightly less than a year earlier, but larger increases are expected in milk supplies in 1980, and gains in commercial disappearance are expected to be smaller. As a consequence, removals under the price support program are expected to rise sharply in 1980.

WHOLESALE PRICES OF BUTTER, NONFAT DRY MILK,
AND CHEDDAR CHEESE BY MONTHS

Month	Butter Grade A, Chicago			Nonfat Dry Milk Spray Process Chicago Area			Cheddar Cheese Wisconsin, 40# Blks. Assembly Points		
	cents per pound								
	1977	1978	1979	1977	1978	1979	1977	1978	1979
January	90.8	100.7	111.3	62.5	68.0	76.3	92.6	100.1	119.5
February	90.8	100.7	111.3	62.5	67.8	75.8	92.6	100.8	118.6
March	92.7	101.2	114.1	62.5	68.0	76.5	93.8	101.4	119.7
April	100.1	105.2	120.7	64.8	69.7	77.6	97.9	102.6	121.3
May	100.7	106.7	121.8	67.7	70.7	78.9	97.9	102.6	121.1
June	100.7	106.7	121.8	67.7	70.8	78.9	97.4	102.6	121.8
July	100.7	107.9	122.7	67.8	70.6	79.2	97.1	102.9	123.7
August	100.7	116.7	128.7	67.8	71.3	79.8	97.1	109.1	128.5
September	100.7	115.8	127.8	67.9	72.3	81.0	98.3	110.8	131.5
October	100.7	115.6	128.8	67.8	73.6	82.9	98.2	115.5	128.8
November	100.9	121.1	-	68.0	74.2	-	98.8	117.1	-
December	101.5	118.8	-	67.9	75.7	-	100.1	119.4	-

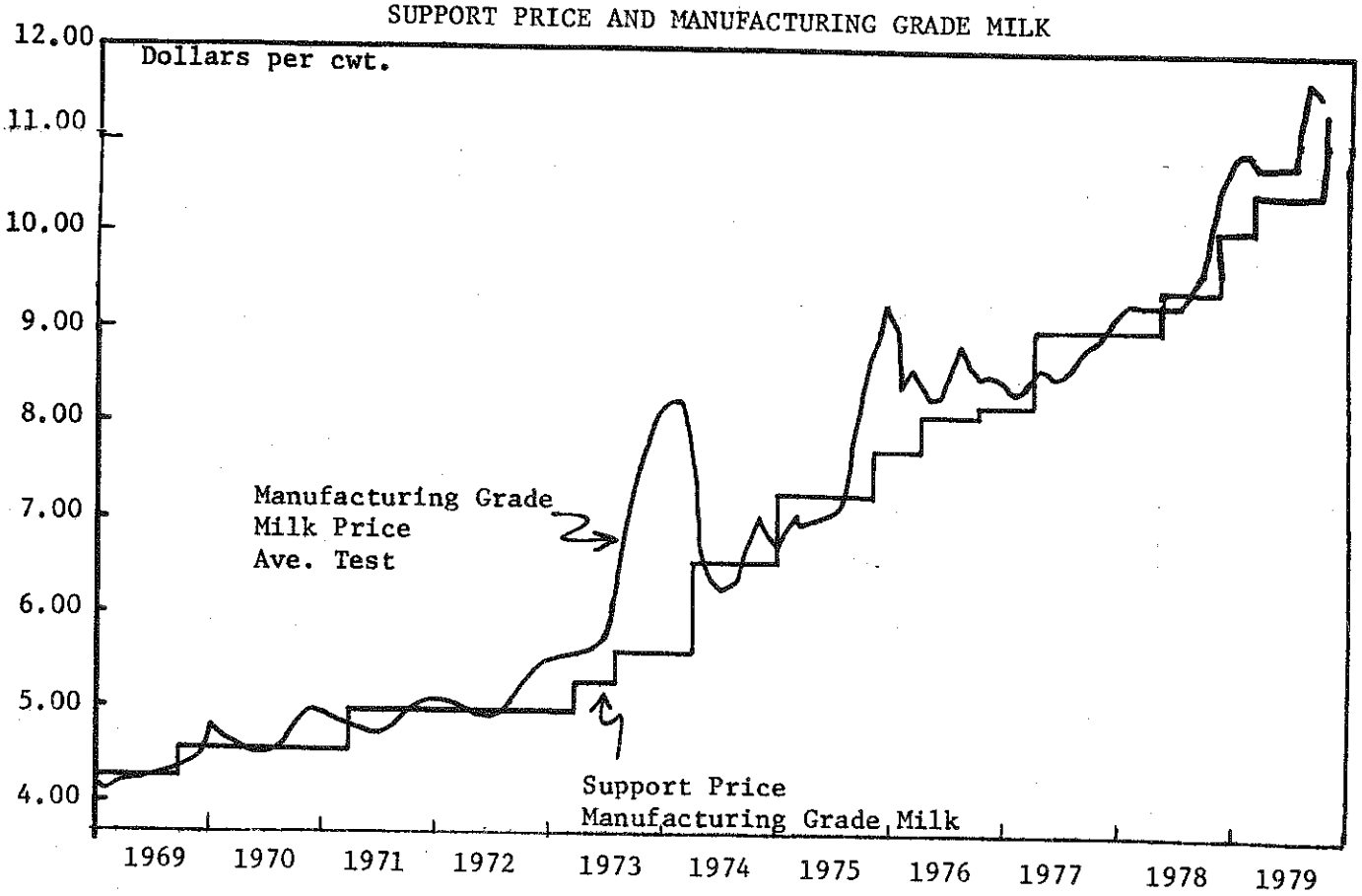
SOURCE: Market Order Statistics, USDA.

The wholesale price of butter increased 12.5 cents in 1979. Cheddar cheese prices were up 17 cents and non-fat dry milk was 8 cents above a year ago.

Butter and cheese prices were above support buying prices for much of the year. The support purchase price for butter was raised 10.5 cents in April and 10 cents in October. The cheese purchase price went up 10 and 8 cents respectively and nonfat dry milk increased 5.75 cents and 5.0 cents during the year.

Dairy product prices are expected to ramain near support levels in 1980.

SUPPORT PRICE AND MANUFACTURING GRADE MILK



The support price for manufacturing grade milk was increased 87 cents effective April 1, 1979 based on a 9 percent increase in the parity index between October 1, 1978 and April 1, 1979.

The semi-annual review and adjustment is mandated in 1977 farm legislations.

On October 1, 1979, the new support level was established at $11.22 for 3.5 percent manufacturing grade milk. This maintained the parity level at 80 percent.

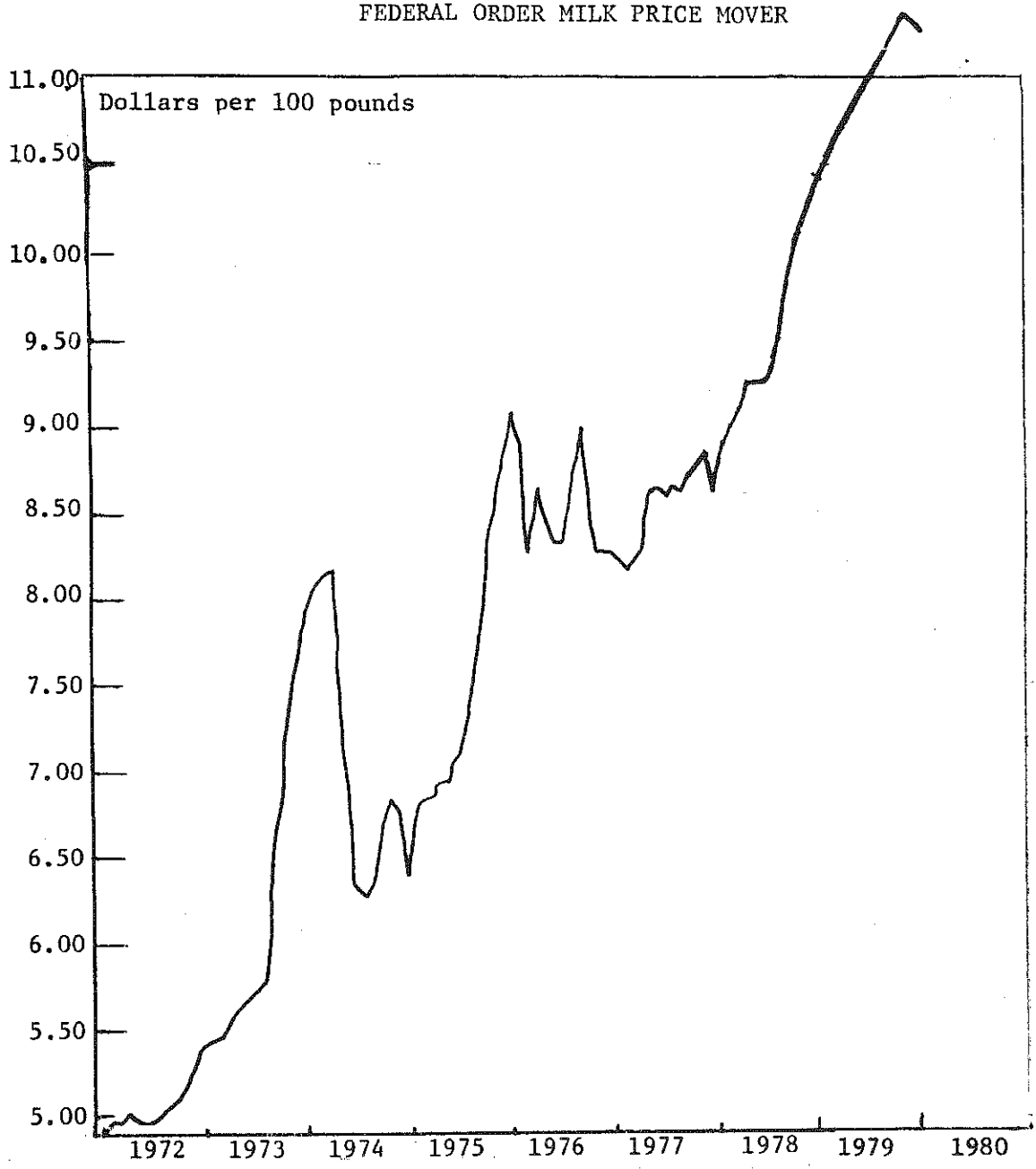
The U. S. manufacturing grade milk price averaged $10.98 in 1979 and should reach $12 in 1980.

U. S. Manufacturing Grade Milk Price

Year	Price per 100 pounds
1960	$3.25
1961	3.36
1962	3.20
1963	3.21
1964	3.26
1965	3.34
1966	3.97
1967	4.06
1968	4.22
1969	4.45
1970	4.70
1971	4.86
1972	5.08
1973	6.20
1974	7.13
1975	7.62
1976	8.57
1977	8.71
1978	9.65
1979*	10.98

* Preliminary.

MINNESOTA-WISCONSIN PRICE, 3.5% MILK
FEDERAL ORDER MILK PRICE MOVER



SOURCE: Market Order Statistics, U.S.D.A.

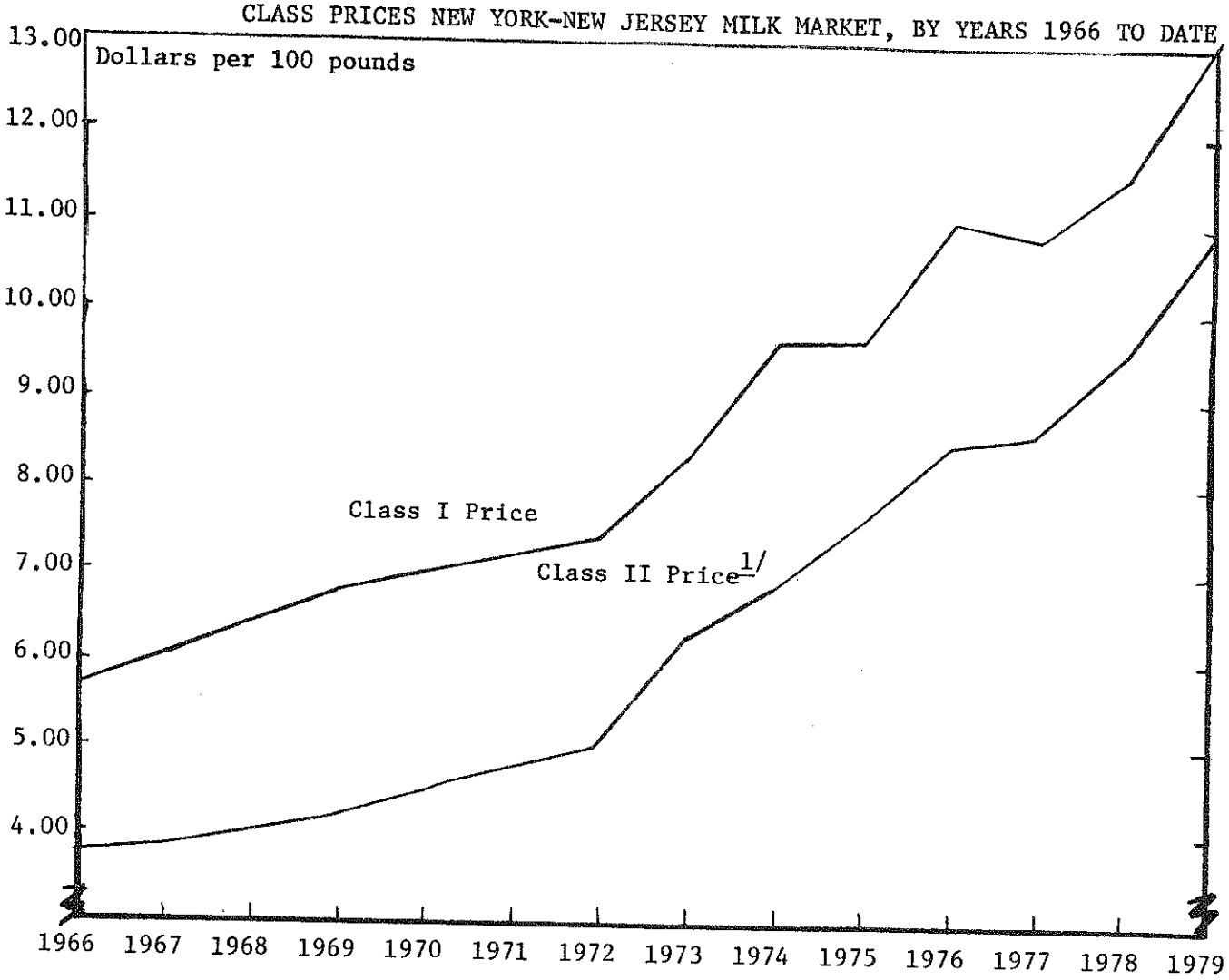
In 1979 the Minnesota-Wisconsin price increased $1.32 from 1978.

The Minnesota-Wisconsin price remained above support levels for the first 10 months of 1979 and will be near support in November and December. A further increase of approximately $1 is expected in 1979.

The Minnesota-Wisconsin manufacturing grade milk price is the basic formula mover for class prices in Federal milk orders.

Month	Minn.-Wisc. Price, 3.5%							
	1972	1973	1974	1975	1976	1977	1978	1979
	$ per cwt.							
Jan.	4.97	5.43	8.10	6.80	8.90	8.19	8.91	10.55
Feb.	4.97	5.45	8.14	6.85	8.25	8.16	9.00	10.52
March	5.04	5.55	8.15	6.86	8.60	8.31	9.09	10.59
April	4.96	5.63	7.73	6.94	8.44	8.60	9.24	10.63
May	4.94	5.66	6.93	7.02	8.30	8.62	9.25	10.67
June	4.95	5.73	6.31	7.11	8.32	8.60	9.26	10.76
July	5.01	5.78	6.29	7.35	8.71	8.65	9.33	10.87
Aug.	5.07	6.38	6.39	7.70	8.99	8.64	9.68	11.09
Sept.	5.10	6.91	6.69	8.27	8.46	8.74	9.90	11.32
Oct.	5.18	7.49	6.82	8.60	8.26	8.74	10.18	11.25
Nov.	5.32	7.64	6.76	8.84	8.26	8.79	10.44	
Dec.	5.41	7.94	6.41	9.08	8.25	8.87	10.60	
Avg.	5.08	6.30	7.06	7.62	8.48	8.58	9.57	

CLASS PRICES NEW YORK-NEW JERSEY MILK MARKET, BY YEARS 1966 TO DATE



1/ Class III prior to July 1, 1968.
SOURCE: Federal Order Statistics.

Class I prices in Federal Order 2 were up $1.48 in 1979, after increasing 68 cents the previous year.

Class II prices increased $1.31 cents last year following a 96 cents increase in 1978.

The Class I price exceeded the Class II price by $2.13 in 1979.

Average Annual Class Prices, 3.5% Milk
201-210 Mile Zone, New York-New Jersey Market

Year	Class I	Class II	Class I Over Class II
	dollars per 100 lbs.		
1968	6.42	4.126	2.55
1969	6.80	4.25	2.51
1970	7.05	4.54	2.44
1971	7.20	4.76	2.38
1972	7.40	5.02	2.19
1973	8.33	6.14	2.84
1974	9.66	6.82	2.06
1975	9.66	7.60	2.52
1976	11.00	8.48	2.28
1977	10.86	8.58	2.28
1978	11.54	9.58	2.00
1979*	13.02	10.89	2.13

* Partly forecast.

CLASS I AND UNIFORM MILK PRICES
NORTHEAST FEDERAL AND STATE MILK ORDER MARKETS
1978-1979

Market	Utilization Percentage 1978	Utilization Percentage 1979	Uniform Price 1978	Uniform Price 1979 1/	% Change 1978-1979
	------percent------		----$/cwt.------		
New England	57.9	57.6	10.86	12.18	+ 12.2
New York-New Jersey 201-210 mile zone	47.8	45.4	10.38	11.75	+ 13.2
Rochester-Buffalo	45.0	42.3	10.54	11.90	+ 12.9
E. Ohio-W. Pa. Zone 1	60.0	60.6	10.59	12.03	+ 13.6
Middle Atlantic	55.3	54.0	10.92	12.29	+ 12.5

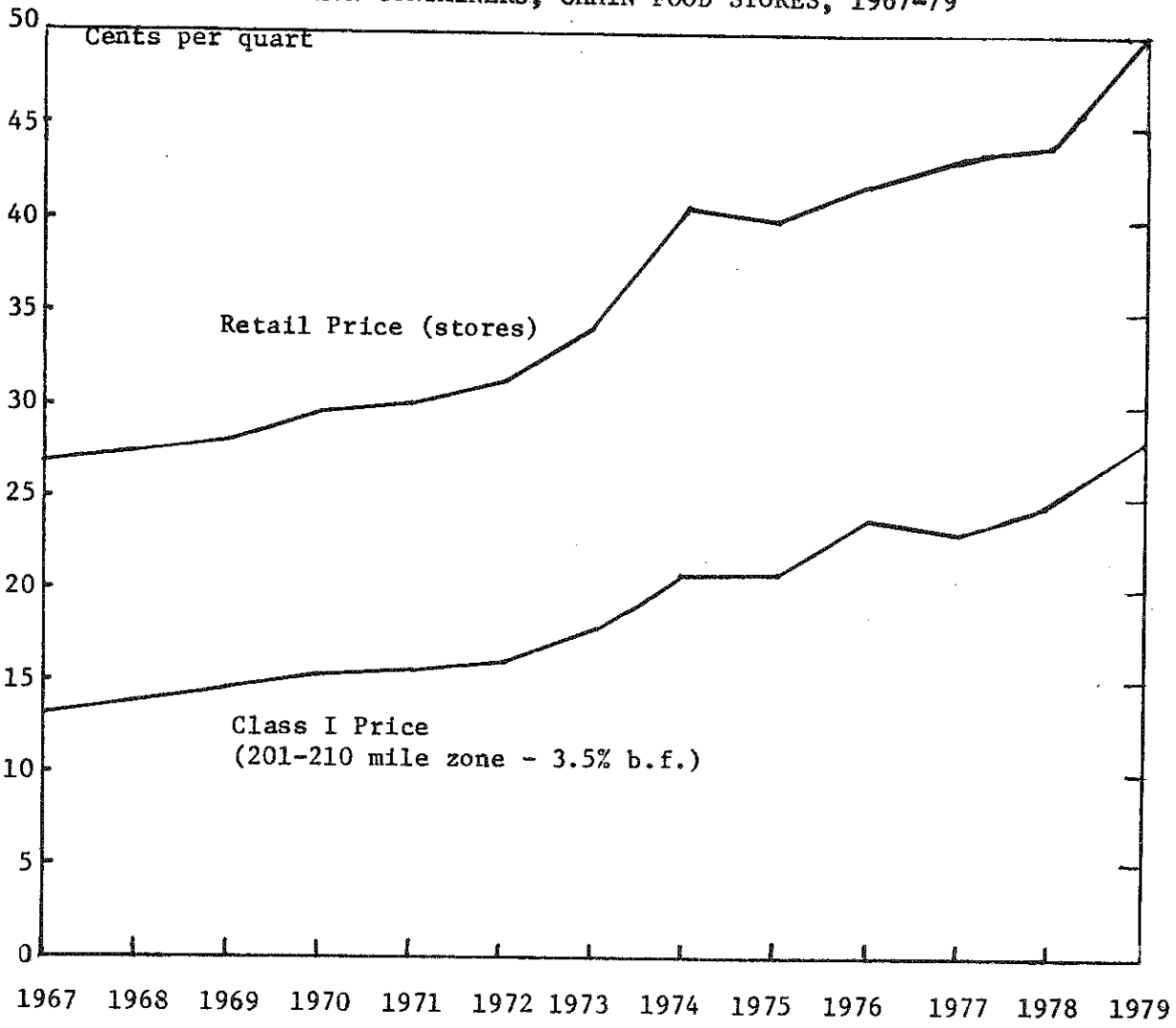
SOURCE: Federal Milk Market Order Statistics.

1/ Partly forecast.

In 1978, Class I utilization remained relatively stable in the New England and E. Ohio-W. Pa. order markets, while declining from 1 to 3 percentage points in the Middle Atlantic, New York-New Jersey and Western New York State order markets of Rochester and Buffalo.

The uniform milk price increased on the average of $1.37 for the year in the five Northeastern markets. The largest increase was in the E. Ohio - W. Pa. market, while the smallest was in New England.

PREVAILING RETAIL MILK PRICES, NEW YORK CITY
HALF-GALLON CONTAINERS, CHAIN FOOD STORES, 1967-79



SOURCE: Reports, Division of Dairy Services, New York State Department of Agriculture and Markets.

The retail price of milk in New York City chain stores increased 12 cents per half gallon in 1979. Approximately half of the increase reflects higher fluid milk prices at the farm. The remainder of the price increase is reflected in wider marketing margins.

The two month milk strike in the New York metropolitan area and the subsequent labor settlement were major factors in the sharply higher retail prices.

A further increase of 4 to 6 cents per half gallon is expected in retail milk prices in 1980, due to expected farm milk price increases and higher marketing costs.

Year	Class IA Price 3.5% Milk 201-210 Mile Zone NY-NJ Market	Retail Price Per Qt. Chain Stores NYC	Margin Between Class I and Retail Price
	cents per qt.		
1960	12.1	25.3	13.2
1965	11.4	24.8	13.4
1966	12.3	26.0	13.7
1967	12.9	26.8	13.9
1968	13.8	27.4	13.6
1969	14.6	28.0	13.4
1970	15.1	29.6	15.5
1971	15.5	30.1	15.6
1972	15.9	31.2	15.3
1973	17.8	34.2	16.4
1974	20.8	41.0	20.2
1975	20.8	40.0	20.0
1976	23.7	42.0	18.3
1977	23.4	43.1	19.7
1978	24.8	44.0	19.2
1979*	28.0	50.0	22.0

* Partly forecast.

INDEX OF PRICES PAID BY NEW YORK DAIRY FARMERS
October 1973 to October 1979 and Percent Change
Index: 1967 = 100

Item	Index weights	Index: 1967=100 October 1973	1974	1975	1976	1977	1978	1979	% change from 1973 to 1974	1974 to 1975	1975 to 1976	1976 to 1977	1977 to 1978	1978 to 1979
Feed	25	169	202	181	205	179	189	229	+20	-10	+13	-13	+ 6	+21
Wages*	20	150	157	202	224	236	238	245				+ 5	+ 1	+ 3
Build. & fence	5	149	198	208	219	237	255	281	+33	+ 5	+ 5	+ 8	+ 8	+10
Machinery	8	142	171	210	233	253	262	290	+20	+22	+11	+ 9	+ 4	+11
Power equipment	6	141	176	204	224	245	272	302	+24	+16	+10	+ 9	+11	+11
Supplies & ag. chem.	5	121	160	169	161	167	172	174	+32	+ 6	- 5	+ 4	+ 3	+ 1
Farm services & rent	5	136	166	199	218	236	248	259	+22	+20	+10	+ 8	+ 5	+ 4
Dairy cows	5	171	152	137	157	156	202	349	-12	-10	+15	- 1	+29	+73
Fertilizer	6	107	207	200	177	182	179	211	+93	- 3	-11	+ 3	- 2	+18
Gas & oil	5	116	165	184	191	204	215	314	+42	+12	+ 4	+ 7	+ 5	+46
Taxes	4	146	154	162	176	195	210	221	+ 5	+ 5	+ 9	+ 6	+ 8	+ 5
Interest	3	189	227	265	303	331	384	487	+20	+17	+14	+ 8	+16	+27
Seeds	3	193	221	250	240	266	276	295	+14	+13	- 4	+11	+ 4	+ 7
ALL PRICES PAID		152	182	190	202	212	225	262	+20	+ 4	+ 6	+ 5	+ 6	+16

* The index for wages has been revised and comparisons between earlier years are not valid.

The index of prices paid by New York dairy farmers was constructed to indicate changes that occur over time in the price of inputs used in producing milk.

Feed and wages account for 45 percent of the weight given the various items that make up the overall index.

The overall index of prices paid by New York dairy farmers in October 1979 was up 16 percent from October 1978. For the year 1979 the increase was about 14 percent.

While prices paid by New York dairy farmers generally have been rising over the last several years, some items have risen more than others. From October 1973 to October 1979 the overall index increased 72 percent; feed was up 36 percent, machinery up about 104 percent, fertilizer increased 97 percent, gas and oil up 170 percent seeds up 53 percent.

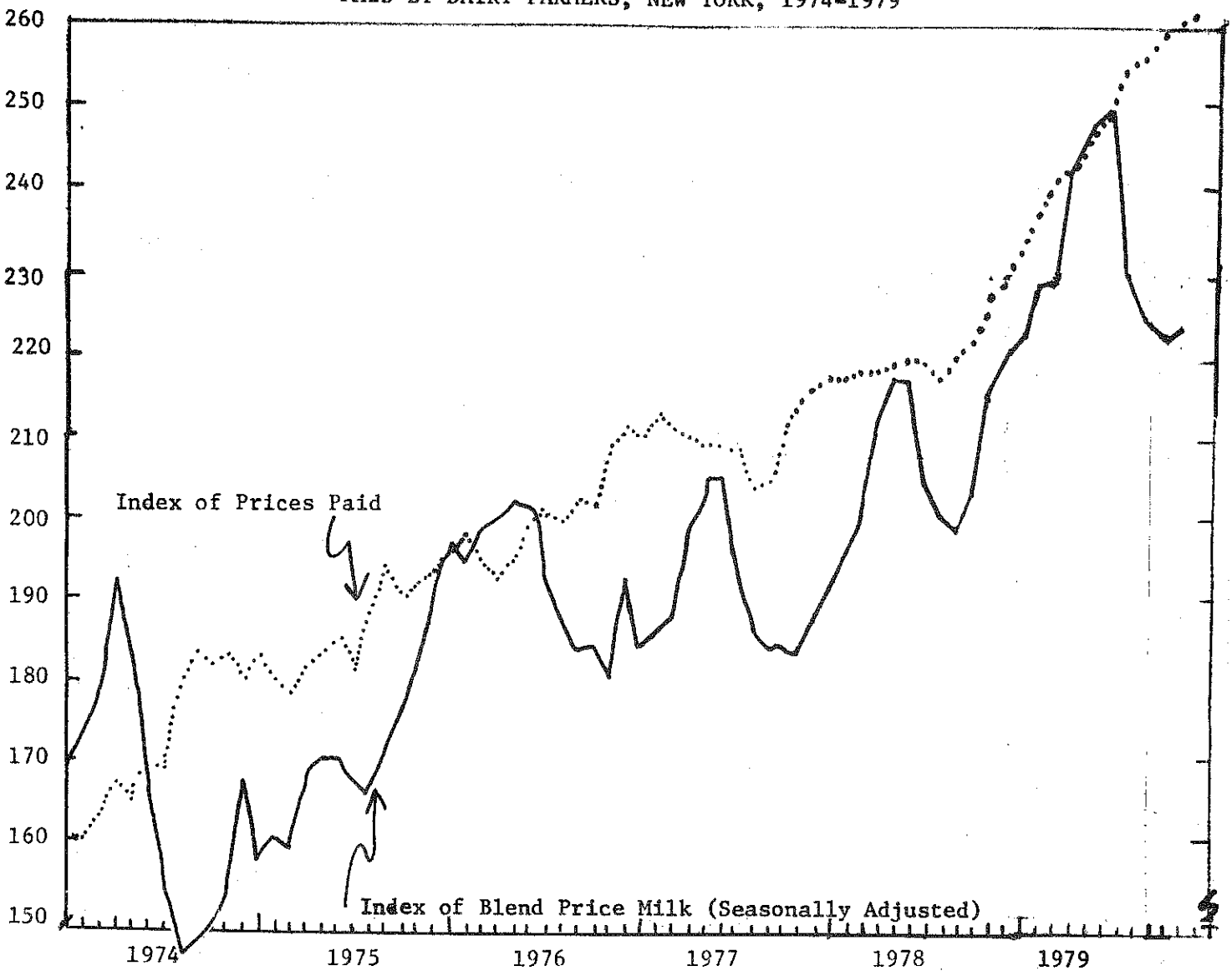
The overall index in 1980 is expected to increase about 12 percent from 1979.

INDEXES OF PRICES PAID BY NEW YORK DAIRY FARMERS, 1973-80
1967 = 100

Year	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
Dairy Ration													
1973	135	136	139	137	150	158	158	176	171	169	172	183	157
1974	173	173	173	172	170	166	170	208	205	202	207	204	185
1975	186	176	166	176	176	174	173	180	181	181	175	176	177
1976	172	181	177	174	182	197	200	200	204	205	204	207	192
1977	196	206	203	197	205	203	201	183	182	179	184	193	194
1978	180	181	183	183	183	186	188	177	183	189	197	200	186
1979	188	196	200	197	200	201	217	220	224	229	244	245**	213*
1980													
Wages - Average With Board and With House													
1973	146			152			151			150			150
1974	162			161			160			157			160
1975#	168			168			181			202			180
1976#	202			190			190			224			202
1977#	224			194			194			236			212
1978#	236			234			223			238			233
1979#	238			245			245			250			245
1980#													
Building and Fencing Material													
1973			142			148			149			153	147
1974			163			181			198			202	181
1975			204			207			208			208	206
1976			213			214			219			219	217
1977			223			228			233			237	230
1978			240			243			252			256	248
1979			263			268			277			282**	273*
1980													
New Farm Machinery													
1973			133			137			141			145	137
1974			149			160			176			183	161
1975			185			199			204			209	195
1976			211			220			224			224	220
1977			233			241			245			245	241
1978			251			260			272			272	264
1979			280			293			302			310**	296*
1980													
Fertilizer													
1973				102				107					102
1974				171				207					167
1975				231					200				217
1976				182					177				180
1977				181					182				182
1978				181					179				180
1979				194					211				202
1980													
All Prices Paid													
1973	135	136	140	140	144	148	147	152	152	152	153	158	146
1974	160	160	163	167	165	169	169	179	183	182	183	180	172
1975	183	180	178	182	183	185	181	189	194	190	192	193	186
1976	196	198	195	193	195	200	201	200	202	202	209	211	200
1977	210	213	211	210	209	209	209	204	205	212	213	216	210
1978	217	217	218	218	219	219	219	217	220	225	228	230	221
1979	235	239	242	243	247	250	255	256	259	262	265	268**	252*
1980													

\# The index for wages has been revised; comparisons between earlier years are not valid.
* Preliminary
** Estimated

INDEX OF BLEND PRICE, ORDER 2, AND INDEX OF PRICES PAID BY DAIRY FARMERS, NEW YORK, 1974-1979



SOURCE: Cornell Statistics. Market Administrator's Statistics.

The Seasonally adjusted index of Order 2 blend prices lagged behind the index of prices paid by New York dairymen for much of 1979.

The most favorable relationship existed during the months of April, May, and June, when close allignment was achieved.

In 1980, the milk price lag will become more pronounced as feed and energy-related costs should outpace milk price increases.

Month	Index of* Blend Milk Price 1967=100			Index of Costs* 1967=100		
	1977	1978	1979	1977	1978	1979
Jan.	184	191	223	211	217	235
Feb.	186	195	229	213	217	239
March	188	199	229	211	218	242
April	199	212	242	211	218	243
May	204	217	248	209	219	247
June	205	217	250	209	219	250
July	193	217	232	209	219	255
Aug.	186	204	225	204	217	256
Sept.	184	198	223	205	220	259
Oct.	184	203	224	212	225	262
Nov.	183	209		213	228	
Dec.	187	217		216	230	

* Seasonally adjusted.

NEW YORK DAIRY FARM BUSINESS SUMMARY
1973 to 1978

Item	1973	1974	1975	1976	1977	1978
Number of farms	609	628	605	615	570	527
Man equivalent per farm	2.2	2.4	2.4	2.5	2.5	2.4
Number of cows per farm	69	72	72	71	71	71
Ending inventory/farm (000):						
Machinery and equipment	$ 36	$ 41	$ 44	$ 49	$ 55	$ 60
Livestock	51	49	52	54	56	75
Land and buildings	107	122	132	139	152	164
Feeds and supplies	14	19	20	21	21	23
Total	$208	$231	$248	$263	$284	$322
Pounds of milk sold/farm (000)	852	906	939	951	965	980
Pounds of milk sold/cow (000)	12.4	12.6	13.0	13.4	13.6	14.0
Pounds of milk sold/man (000)	393	374	388	380	386	405
Value per operator's labor	$6000	$6000	$6000	$6000	$7200	$7800
Value of operator's management (5% of cash receipts)	$3689	$4330	$4474	$5162	$5212	$5862
Interest on equity capital	7%	7%	7%	7%	7%	7%

The cost of producing milk can be calculated from the New York farm business summary data. The method used is called the farm unit or whole farm method of determining cost of production. This method is only valid where farms are specialized dairy farms with most of the expenses directly or indirectly related to milk production, i.e., where dairy is the principle enterprise.

Farm expenses are all costs including an estimate of the operator's labor and management. Non-milk receipts (cull cows, calves, etc.) are deducted on the assumption they were produced at cost. The total expenditure for an item, for example, labor for the farm for the year is divided by the number of hundredweight of milk sold to get the cost of each item per hundredweight.

The principle costs in production of milk are feed, labor, and capital related items. In 1978 purchased feed for the dairy herd (including that fed to replacement heifers) was $3.11 per cwt. of milk. The labor cost per cwt. (including unpaid labor, and the operators labor and management) was $2.55 per cwt.

AVERAGE COST PER HUNDREDWEIGHT OF PRODUCING MILK*
New York Dairy Farms, 1973 to 1978

Item	1973	1974	1975	1976	1977	1978
Cash Operating Expenses						
Hired labor	.65	.71	.74	.81	.84	.89
Purchased feed	2.34	2.64	2.51	2.83	2.90	3.11
Purchased animals	.42	.34	.23	.30	.27	.36
Vet. & medicine	.12	.13	.14	.15	.17	.19
Breeding fees	.09	.09	.11	.12	.12	.13
Other dairy expenses	.37	.39	.48	.53	.58	.67
Machinery repairs	.40	.45	.51	.58	.57	.65
Auto expenses (f.s.)	.03	.03	.03	.04	.03	.04
Gas & oil	.22	.27	.29	.31	.31	.34
Lime & fertilizer	.36	.47	.49	.48	.49	.53
Seeds & plants	.11	.13	.16	.15	.16	.18
Spray & other crop	.08	.13	.13	.13	.13	.13
Land, bldg., fence repair	.15	.16	.15	.19	.16	.19
Taxes	.20	.20	.22	.24	.27	.27
Insurance	.14	.14	.15	.16	.18	.18
Electricity (f.s.)	.12	.13	.15	.16	.17	.19
Telephone (f.s.)	.03	.03	.03	.04	.04	.04
Interest paid	.53	.60	.66	.69	.72	.83
Miscellaneous	.18	.20	.24	.25	.25	.28
Total	6.54	7.24	7.42	8.16	8.36	9.20
Other Expenses						
Depreciation: mach. and bldg.	.80	.82	.79	.83	.89	.94
Unpaid labor	.08	.12	.11	.11	.12	.13
Operator(s) labor	.82	.77	.75	.78	.93	.93
Operator(s) management	.43	.48	.48	.54	.54	.60
Interest on farm equity capital	1.10	1.21	1.27	1.31	1.37	1.51
Total	3.23	3.40	3.40	3.57	3.85	4.11
Gross farm operating cost	9.77	10.64	10.82	11.73	12.21	13.31
Less: Non-milk cash receipts	1.36	.99	.88	.96	1.04	1.46
Inc. in feed & supplies	.47	.61	.24	.20	.00	.40
Inc. in livestock	.25	.22	.15	.15	.08	.11
NET COST OF MILK PRODUCTION	$7.69	$8.82	$9.55	$10.42	$11.09	$11.34

* Using farm unit (whole farm) method.

Source: New York Farm Business Summary data.

CHANGES IN NUMBER AND SIZE OF NEW YORK DAIRY FARMS: 1969 to 1979

Between 1969 and 1979 the number of dairy farms in New York decreased by 8,250 or from roughly 23,000 to 14,750 farms. Thus, nearly forty percent of the farms that were producing milk in 1969 were not in dairying in 1979. The decline was much higher among smaller farms. Farms with less than 30 cows declined by 82 percent over the 10-year period, while those with 60 or more cows increased by over two-thirds.

However, in 1979 many small farms still exist. About nine percent of the farms kept less than 30 cows, and 27 percent of the total number of farms were in the 20 to 39 cow size range. About ten percent of the farms kept 100 or more cows.

The change in the size distribution of herds has been very rapid since 1969. In that year 14 percent of the dairy farms in New York State kept fewer than 20 cows. By 1979 this had decreased to 2 percent. Meanwhile, dairy farms that kept 60 or more cows increased from 14 to 37 percent of the total.

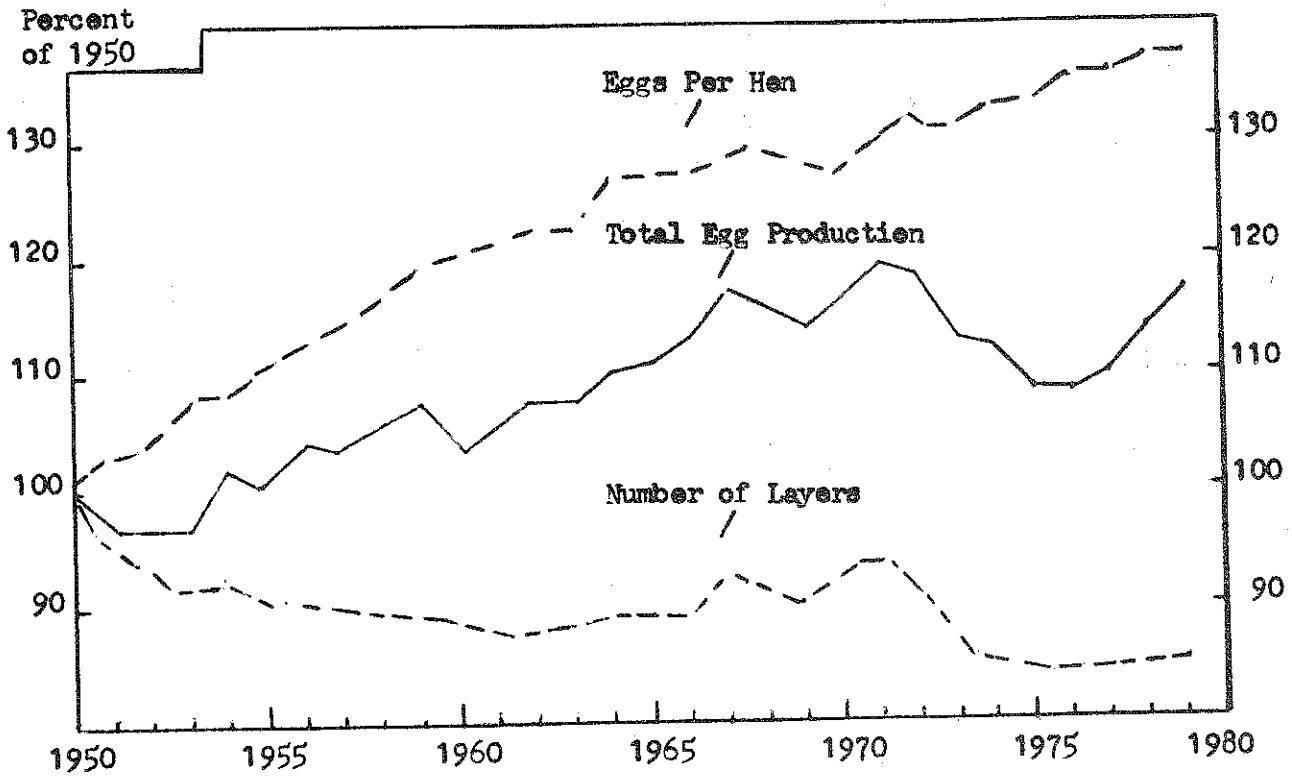
The concentration of cows in larger herds was also increasing. In 1969 ten percent of the cows were kept in herds with 100 or more cows; herds with 100 or more cows had 24 percent of the total number of cows in 1979.

CHANGE IN NUMBER OF DAIRY FARMS BY SIZE OF HERD*
New York State, 1964, 1969, 1974 and 1979**

Cows per farm	Number of dairy farms				Change betweem 1969 and 1979	
	1964	1969	1974	1979	Number	Percent
Under 20	6,700	3,200	1,300	350	-2,850	-89
20 - 29	8,500	4,200	2,500	1,000	-3,200	-76
30 - 39	7,600	5,750	4,300	3,000	-2,750	-48
40 - 49	5,050	4,500	3,600	2,300	-2,200	-49
50 - 59	2,300	2,200	2,400	2,700	+500	+23
60 - 99	2,250	2,400	2,800	4,000	+1,600	+67
100 - 149	400	425	600	775	+350	+82
150 - 199	150	200	325	400	+200	+100
200 and over	50	125	175	225	+100	+80
TOTAL	33,000	23,000	18,000	14,750	-8,250	-36

* Source: Cornell Producer Panel of Dairymen
**Estimates for 1974 and 1979 by G. J. Conneman

NUMBERS OF LAYERS, EGGS PER HEN, AND EGG PRODUCTION
United States, 1950-1979



SOURCE: N.Y. Crop Reporting Service and U.S.D.A.

Year	Number* of Layers	Eggs Per Hen	Egg Production
	(millions)	(number)	(billions)
1950	340	174	59.0
1955	309	192	59.5
1960	295	209	61.6
1965	301	218	65.6
1966	304	218	66.2
1967	314	221	69.3
1968	309	221	68.2
1969	307	220	67.5
1970	314	218	68.3
1971	315	223	70.1
1972	307	228	69.9
1973	293	228	66.6
1974	286	231	65.9
1975	278	233	64.6
1976	274	235	64.5
1977	275	236	64.9
1978	281	239	67.2
1979**	288	239	69.0

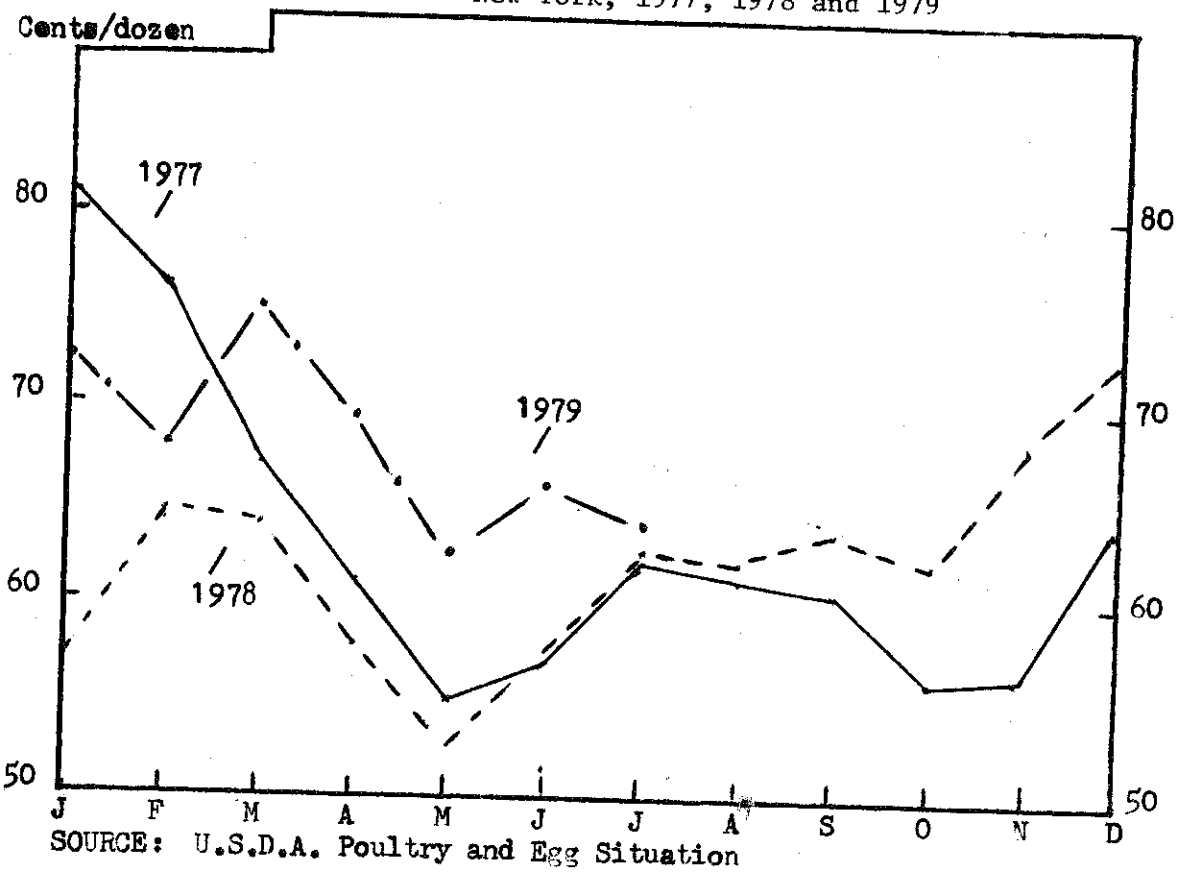
*Av. no. layers on hand during year.
**Preliminary.

The number of layers on United States poultry farms reached a low of 274 million in 1976 then increased in 1977, 1978 and 1979. Expansion in the egg production industry during 1979 resulted in the largest number of layers on United States poultry farms since 1973.

The number of eggs produced per hen in 1979 is expected to be the same as for 1978. There has been a long time upward trend in eggs per hen, however, at the rate of 238 eggs per hen, future gains will be slow. Technological and management improvements will likely result in continued small improvement in the number of eggs laid.

Total egg production was up again in 1978. This increase in total egg numbers is due mainly to the increased flock size during 1979.

PRICES OF GRADE A CARTONED LARGE EGGS
New York, 1977, 1978 and 1979



SOURCE: U.S.D.A. Poultry and Egg Situation

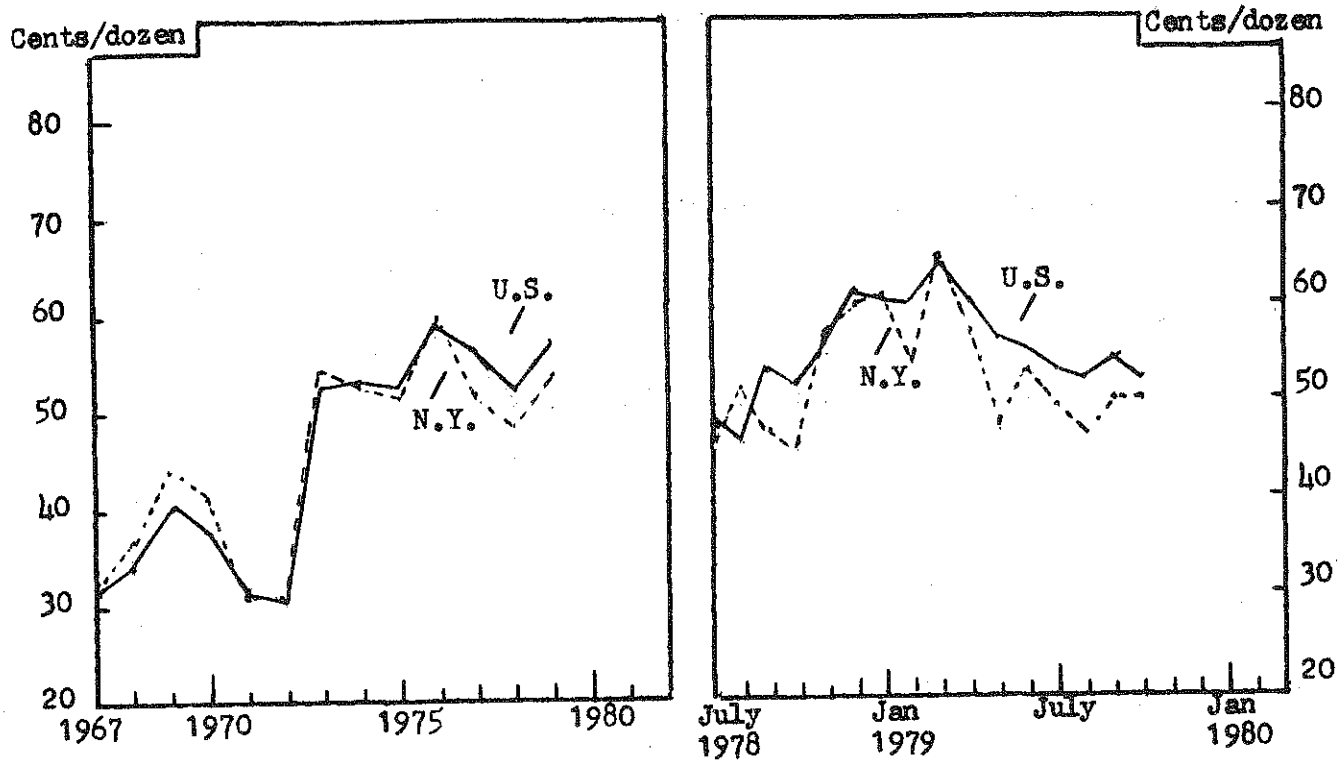
PRICES OF GRADE A
CARTONED LARGE EGGS

Month	1977	1978	1979
	- cents/dozen -		
January	81.0	57.2	72.5
February	76.2	64.9	68.0
March	67.4	64.0	75.1
April	61.4	59.9	69.6
May	55.0	52.9	62.6
June	57.0	50.6	66.1
July	62.4	62.8	64.0
August	61.3	62.0	____
September	60.8	63.8	____
October	56.0	62.1	____
November	56.6	68.8	____
December	64.0	72.6	____

Prices of Grade A cartoned large eggs, delivered to retailers in New York were more favorable during the first half of 1979 than those of 1978. Prices during the second half of 1979 are expected to average about 68 cents a dozen.

Continued relatively high prices for other high-protein foods will bolster the demand for eggs. However, if U.S. egg producers continue to expand, prices in 1980 could drop well below 1979 levels and below their cost of production and marketing.

FARM PRICE OF EGGS, NEW YORK AND UNITED STATES



SOURCE: U.S.D.A. Agricultural Prices & N.Y. Crop Reporting Service

FARM PRICE OF EGGS

Year	U.S.	N.Y.
1967	31.2	31.5
1974	53.0	53.0
1975	52.8	51.1
1976	58.8	59.0
1977	56.0	51.8
1978	51.9	48.2
1979*	57.8	53.5

Month	1978		1979	
	U.S.	N.Y.	U.S.	N.Y.
Jan.	49.4	43.3	60.3	60.9
Feb.	55.1	54.1	60.1	54.1
March	55.4	52.6	64.3	65.0
April	51.7	43.3	60.2	57.2
May	49.2	39.7	56.7	47.6
June	43.7	36.2	55.6	53.3
July	48.0	46.1	53.4	49.9
Aug.	46.5	52.0	52.3	46.6
Sept.	53.7	47.4	54.8	50.3
Oct.	52.3	45.8	52.2	50.1
Nov.	56.8	57.5	____	____
Dec.	61.6	60.2	____	____

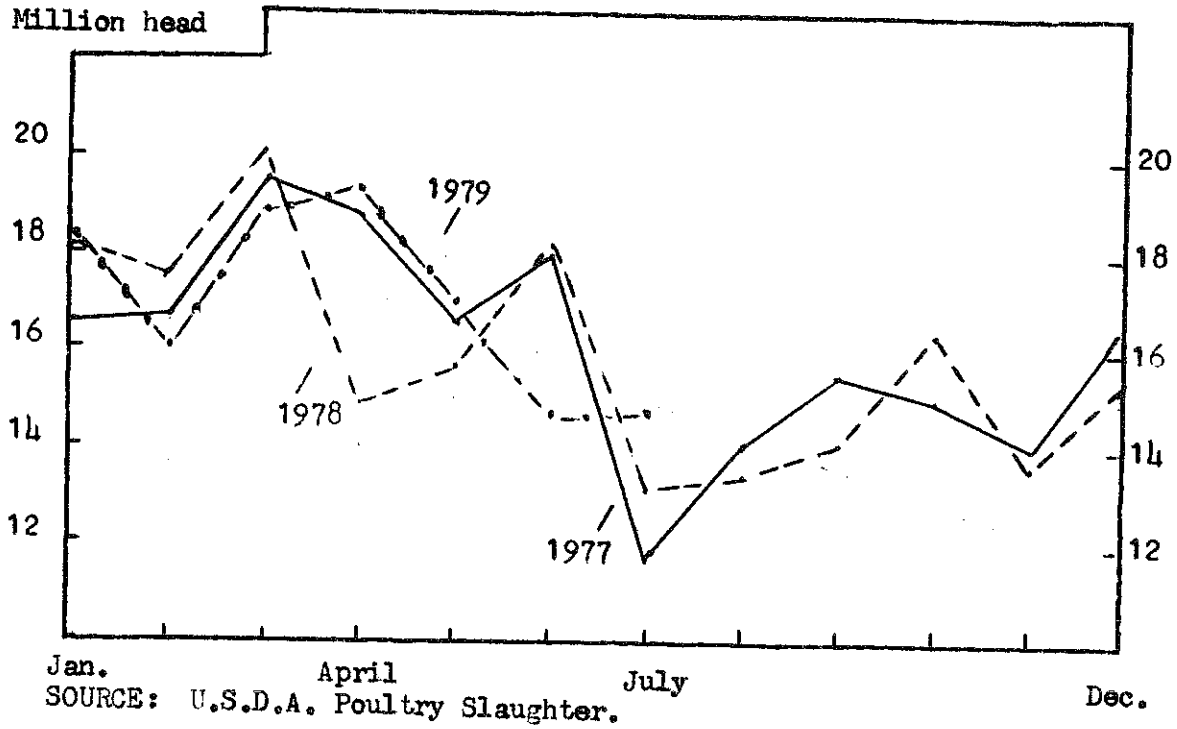
*Preliminary.

New York egg producers no longer have a clear farm price margin over the U.S. average. Since 1967, there have been months and years when the New York farm price of eggs was less than the U.S. average. This relationship seems to occur when the market is generally weak.

In 1979, January and March, were the only months when the farm price of eggs as quoted for New York was higher than the U.S. average. In May of 1979 New York farm prices were about 9 cents below the U.S. average.

There is nothing in the current situation that suggests a change in the New York and U.S. farm egg price relationships.

MATURE CHICKEN SLAUGHTER, U.S., 1977, 1978 & 1979
(Fowl from Breeder and Market Egg Flocks)



SOURCE: U.S.D.A. Poultry Slaughter.

MATURE CHICKENS SLAUGHTERED
(million head)

Month	1977	1978	1979
Jan.	16.6	18.1	18.3
Feb.	16.7	17.6	16.0
March	19.5	20.1	18.9
April	18.8	14.9	19.3
May	16.6	15.7	17.0
June	18.0	18.2	14.7
July	11.7	13.2	14.8
Aug.	14.0	13.5	____
Sept.	15.5	14.1	____
Oct.	15.0	16.4	____
Nov.	14.0	13.7	____
Dec.	16.5	15.3	____

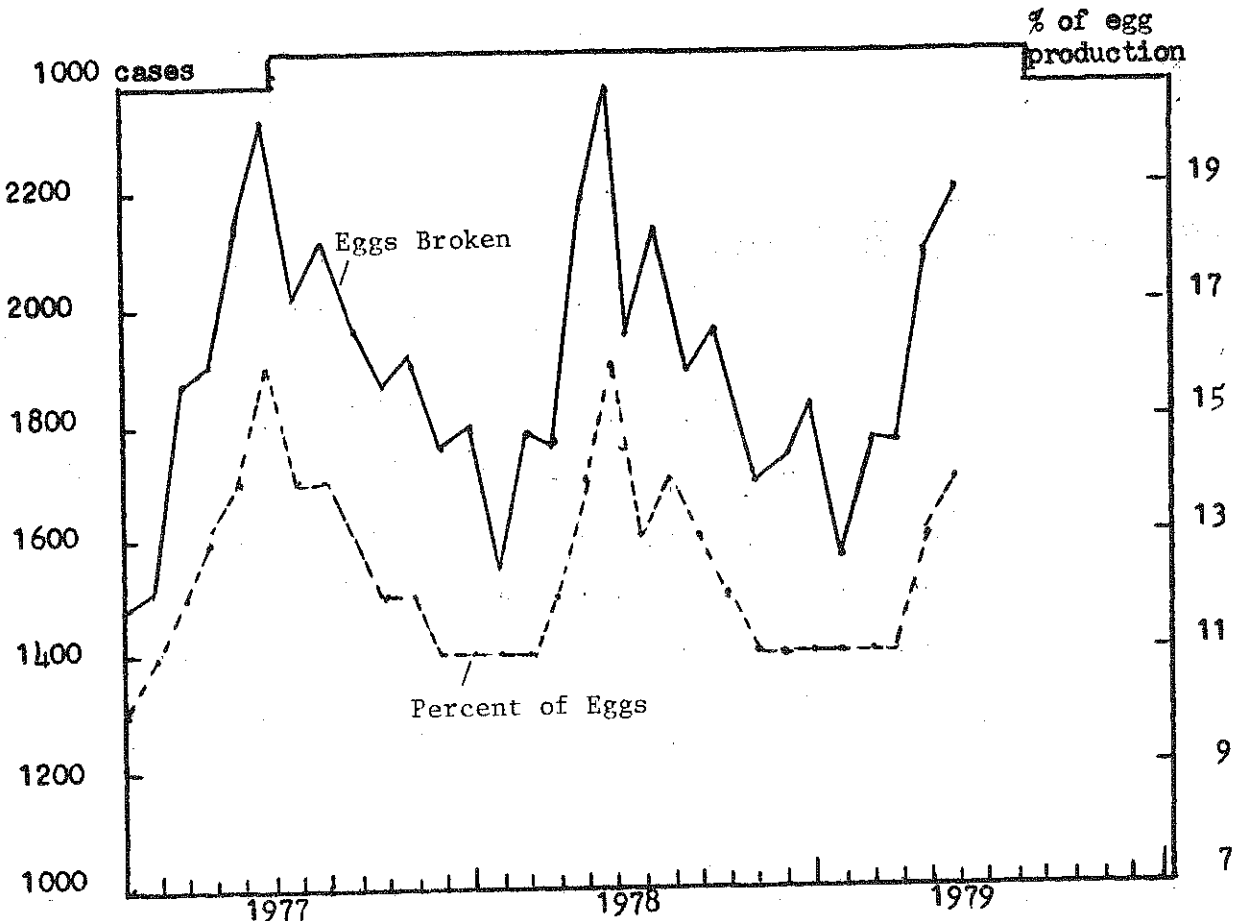
The U.S.D.A. reports on slaughter of poultry of various kinds each month. The figures are published in a release called Poultry Slaughter. Both numbers of birds and pounds are reported.

Mature chicken slaughter reports the spent fowl from both breeder and commercial egg flocks. It gives an indication of the rates of culling that are taking place. This is useful in estimating likely size of flocks.

Mature chicken slaughter for the first six months of 1979 was slightly higher than for the same period in 1978. Although culling was a little heavier in 1979 it was not enough to offset the increased flock size during 1979.

Culling in the early part of 1980 is expected to be higher than in the early part of 1979, so slaughter figures for 1980 are likely to be below those charted for 1979.

EGGS BROKEN COMMERCIALLY: NUMBER OF CASES AND PERCENT OF EGG PRODUCTION, U.S., 1977, 1978, 1979



SOURCE: U.S.D.A. Poultry and Egg Situation

Processed foods are important uses of commercially broken eggs. In recent years, about 20 million cases have been broken each year, but since 1977 nearly 23 million were broken each year. The numbers broken during the first half of 1979 are slightly lower than those during the same period of 1977 and 1978. The increase in numbers broken since 1977 probably reflects a growing demand for broken eggs by food processors. Cold storage holdings of eggs in 1979 were relatively low. The demand for eggs for breaking is expected to continue strong in 1980.

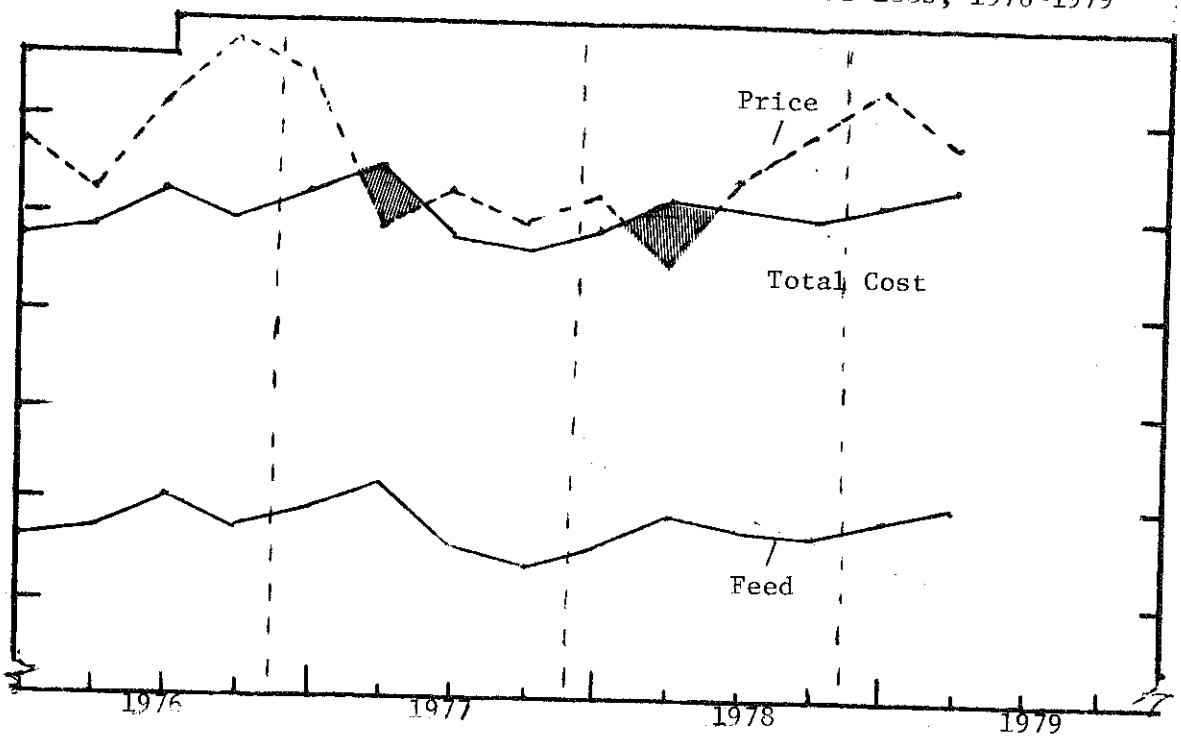
EGGS BROKEN COMMERCIALLY: 1,000 CASES AND % EGGS PRODUCED, U.S., 1977-1979

	1977		1978		1979	
Month	No.	%	No.	%	No.	%
Jan.	1,463	10	1,797	11	1,827	11
Feb.	1,520	11	1,570	11	1,577	11
March	1,876	12	1,793	11	1,770	11
April	1,899	13	1,770	12	1,773	11
May	2,168	14	2,187	14	2,097	13
June	2,338	16	2,380	16	2,200	14
July	2,043	14	1,959	13	____	___
Aug.	2,140	14	2,139	14	____	___
Sept.	1,960	13	1,896	13	____	___
Oct.	1,827	12	1,957	12	____	___
Nov.	1,867	12	1,690	11	____	___
Dec.	1,773	11	1,730	11	____	___
Total	22,867	13	22,867	12	____	___

U.S. COLD STORAGE HOLDINGS (Shell and Frozen Eggs)

1000 Cases 1st of Month		
1977	1978	1979
690	790	677
707	719	670
673	673	637
663	603	557
683	617	570
744	590	573
833	700	603
927	733	710
943	773	____
903	770	____
897	723	____
840	683	____

ESTIMATED COSTS AND RETURNS FOR MARKET EGGS, 1976-1979



The U.S.D.A. quarterly estimates of costs and returns for market eggs provide good indicators of the relative profitableness of the egg industry. It also is a useful tool in predicting future conditons since the profitableness of the business has a strong effect on the management decisions made by the poultryman.

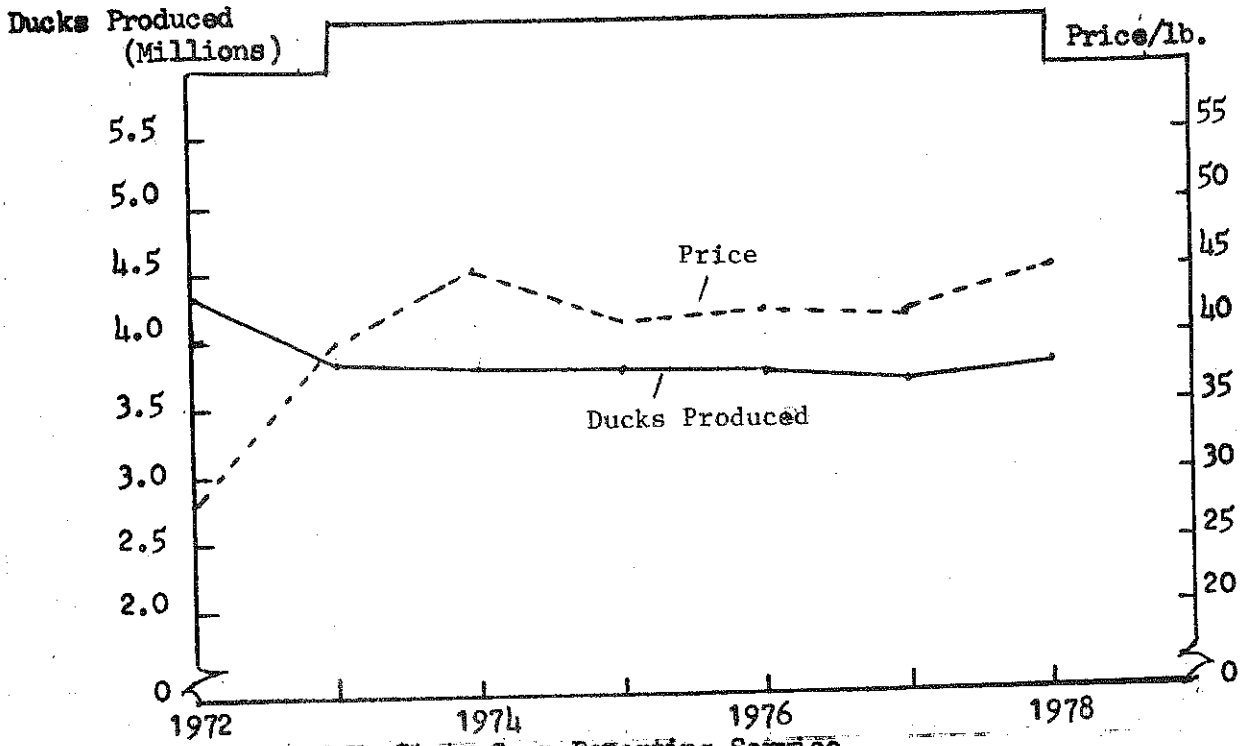
During the first half of 1979 feed costs and total costs increased. However, prices received for eggs were higher and net returns were good.

ESTIMATED COSTS AND RETURNS FOR MARKET EGGS, 1977-1979

Calendar Quarters		Production Costs/Doz. Feed	Production Costs/Doz. Total	Cartoned Large Eggs Total Cost	Cartoned Large Eggs Av. Prices	Net Return
1977	I	29.6¢	43.1¢	62.1¢	74.4¢	12.4¢
	II	31.7	45.2	64.2	58.9	-5.2
	III	25.4	38.9	57.9	62.7	4.8
	IV	23.4	36.9	55.9	59.4	3.5
1978	I	25.9	39.6	58.8	62.0	3.2
	II	28.8	42.5	61.7	55.0	-6.7
	III	27.4	41.1	60.3	63.4	3.1
	IV	26.8	40.5	59.7	68.2	8.5
1979	I	28.2	41.9	61.3	73.0	11.7
	II	29.9	43.6	63.0	67.2	4.2
	III	____	____	____	____	____
	IV	____	____	____	____	____

SOURCE: U.S.D.A. Poultry and Egg Situation.

NUMBER DUCKS PRODUCED AND PRICE, N.Y., 1972-1978



SOURCE: N.Y. State Crop Reporting Service.

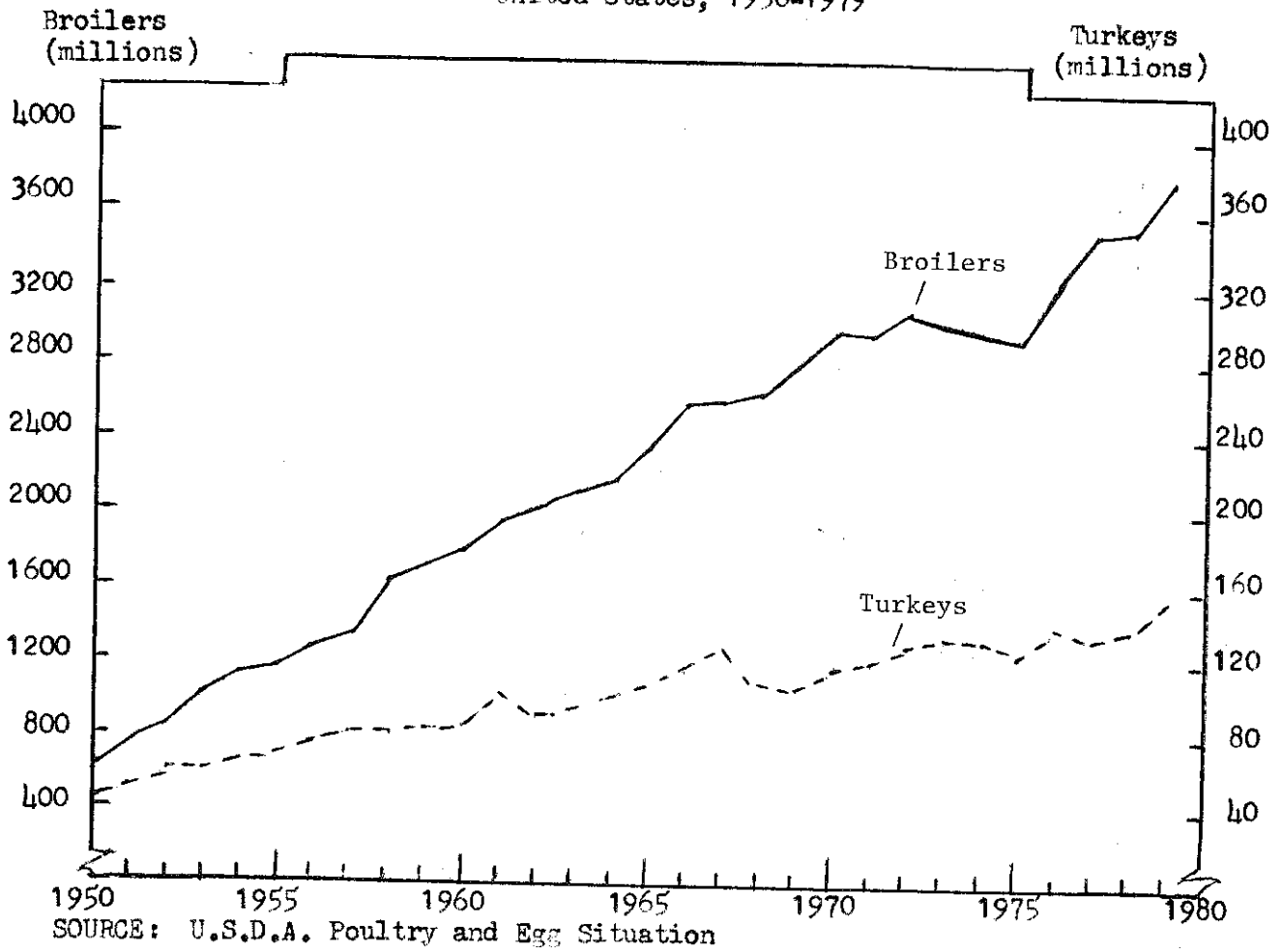
Ducks are an important segment of the poultry industry in New York. Estimated gross income form ducks raised amounts to 9 to 10 million dollars per year. The duck growers are concentrated on Long Island. The number of ducks raised in New York has held rather steady in recent years. With high prices since 1972, the gross income from ducks has actually increased over the earlier years even with the smaller numbers produced.

Federally inspected duck slaughter is reported for the United States. The amount for 1978 was up sharply to 66 million pounds. The estimate for 1979 is 75 million pounds.

	New York				United States
Year	Number Produced	Lbs. Produced (Live)	Price/lb. (Live)	Gross Income	Federally Inspected Ready-to-Cook Wt.
	(thou.)	(thous. lb.)		(thou. $)	(thou. lb.)
1970	4,950	32,152	27.0	8,681	52,600
1971	4,650	30,000	27.0	8,100	49,400
1972	4,300	28,000	28.0	7,840	50,900
1973	3,850	25,000	40.0	10,000	49,200
1974	3,800	24,500	45.0	11,025	51,000
1975	3,750	23,900	41.0	9,800	50,000
1976	3,750	23,700	42.0	9,955	57,800
1977	3,600	23,200	42.0	9,744	59,500
1978	3,850	24,500	45.0	11,025	66,079
1979	____	____	____	____	75,000*

*Preliminary.

NUMBERS OF BROILERS AND TURKEYS PRODUCED
United States, 1950-1979



SOURCE: U.S.D.A. Poultry and Egg Situation

The steady growth in U.S. turkey and broiler numbers since 1950 is impressive. The 1979 turkey numbers were more than three and one half those of 1950, while 1979 broiler numbers were more than six times those of 1950. Broilers and turkeys were both produced in record numbers in 1978.

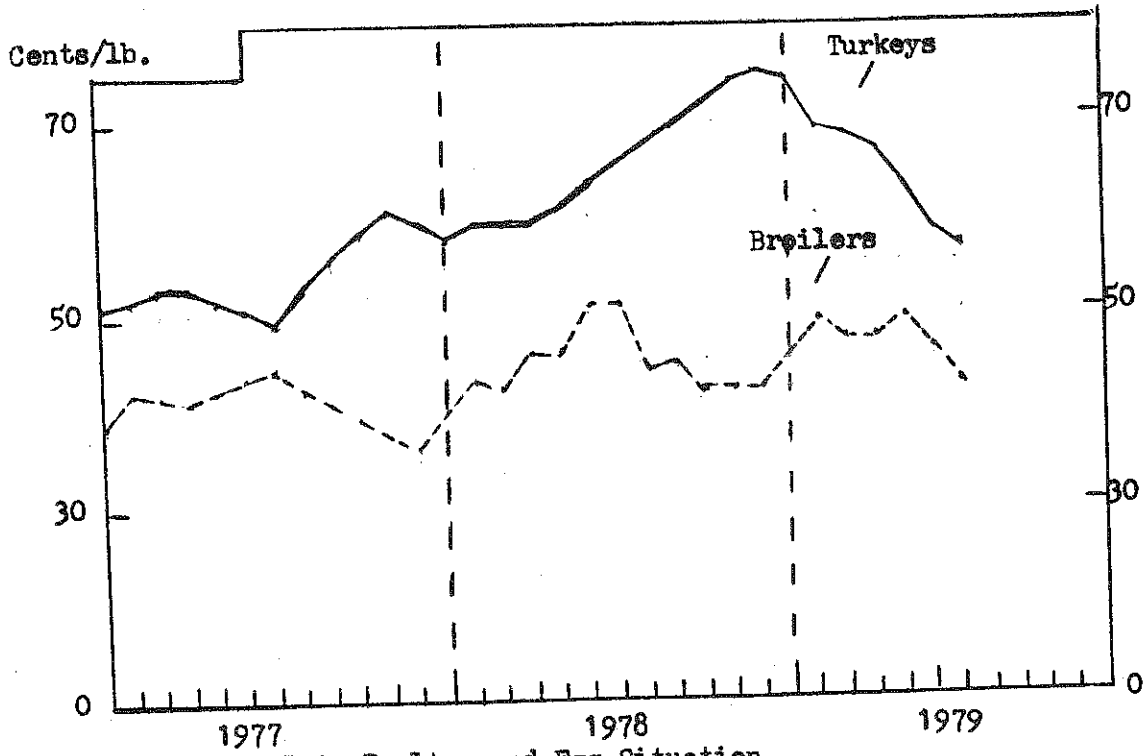
Declining profit margins and prospects for larger competing meat supplies will likely slow expansion in broiler and turkey production during 1980.

NUMBERS OF BROILERS AND TURKEYS RAISED, U.S., 1950-1979

Year	Broilers		Turkeys	
	Millions	Percent	Millions	Percent
1950	631	100	44	100
1955	1,092	173	66	150
1960	1,795	284	85	193
1965	2,334	370	106	241
1970	2,987	473	116	264
1975	2,933	465	124	282
1976	3,280	521	140	318
1977	3,334	528	137	309
1978	3,516	557	140	318
1979	3,800*	602	158*	359

*Preliminary.

NEW YORK WHOLESALE PRICES OF TURKEYS AND BROILERS



SOURCE: U.S.D.A. Poultry and Egg Situation

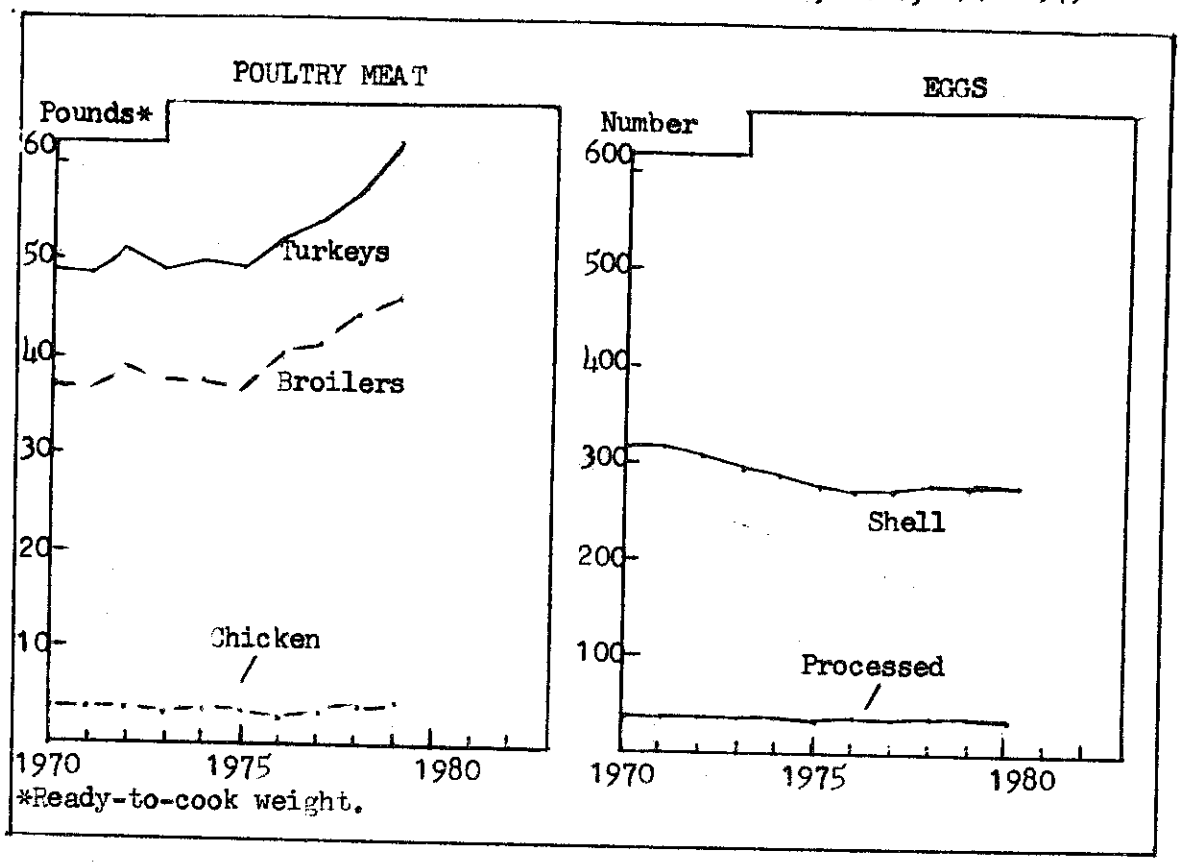
Broiler prices during the first half of 1979 were above those of 1978 even though supplies have been up. Prospects for 1980 are for a larger meat supply in total. Broiler prices are expected to be less favorable in 1980.

Turkey prices during the first half of 1979 were above those of 1978. With the increased meat supply, turkey prices are also expected to be less favorable during the early part of 1980.

NEW YORK WHOLESALE PRICES OF TURKEYS AND BROILERS

	Turkey Wholesale Prices						Broiler Prices Nine-City Average		
	1977		1978		1979				
Month	Toms	Hens	Toms	Hens	Toms	Hens	1977	1978	1979
	- cents per pound -						- cents per pounds -		
Jan.	50.9	48.7	57.6	60.5	74.0	72.9	38.8	40.2	45.8
Feb.	51.2	49.7	59.9	59.2	68.3	67.6	42.1	43.1	49.2
March	52.1	52.3	59.6	60.9	67.8	70.0	41.9	42.2	47.5
April	53.0	53.6	59.1	59.2	67.1	68.6	41.4	46.1	47.5
May	51.4	50.8	60.7	61.3	63.1	65.2	42.2	46.1	49.4
June	50.6	50.0	63.4	63.6	58.0	64.7	43.3	50.7	46.1
July	49.8	50.8	65.6	67.8	57.0	63.0	44.3	50.8	42.8
Aug.	52.4	53.4	67.8	68.0	____	____	42.0	44.1	____
Sept.	55.6	55.0	69.8	68.7	____	____	40.9	44.9	____
Oct.	58.8	57.4	71.2	72.7	____	____	39.2	42.0	____
Nov.	60.5	60.7	74.0	78.0	____	____	37.3	42.0	____
Dec.	59.9	65.8	75.0	80.5	____	____	36.2	42.2	____

PER CAPITA CONSUMPTION OF POULTRY AND EGGS, U.S., 1970-1979



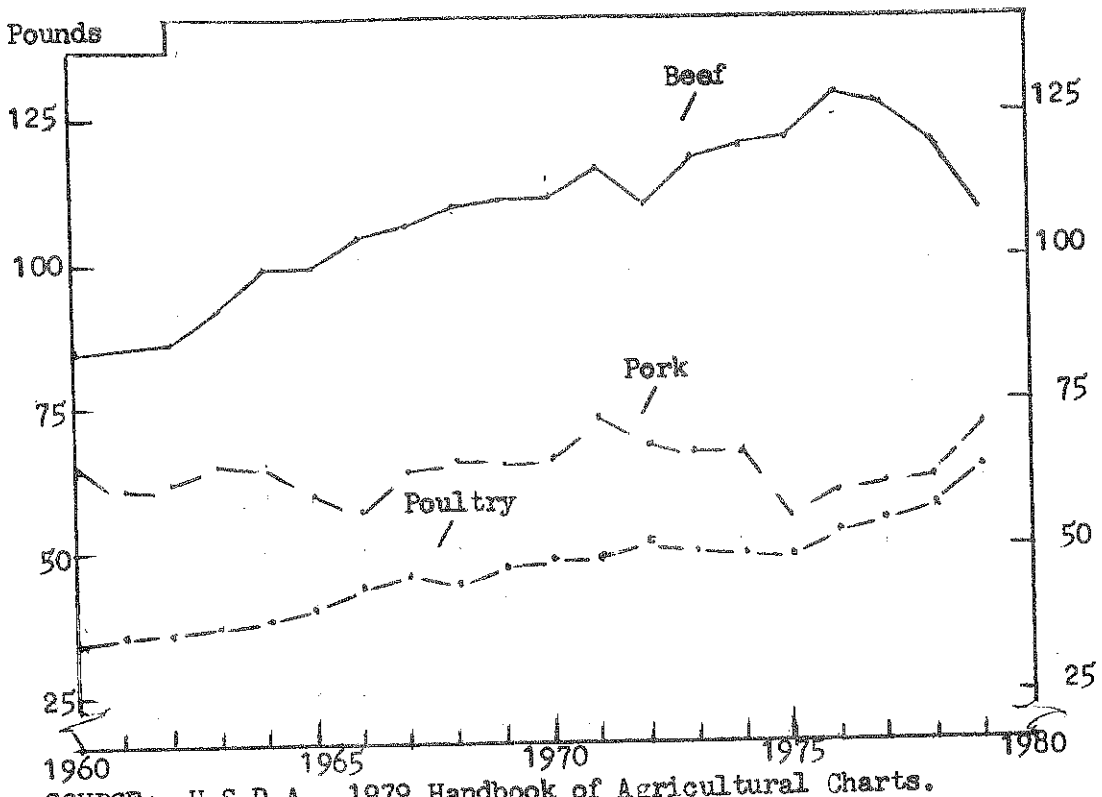
Per capita consumption of poultry meat continues to increase, while egg consumption after a long period of decline has begun to increase the last couple of years. Advertising and the economy of eggs as a food may be factors in this upswing in eggs consumed per person.

Broiler consumption was up to 48 pounds per person in 1979 while turkey meat consumption was up to 10 pounds per person. Total egg consumption per person in 1979 reached the 278 egg mark, almost the same as for 1975.

Year	Poultry Meat				Eggs		
	Broilers	Chickens	Turkey	Total	Shell	Processed	Total
		- pounds -				- number eggs -	
1965	29.6	3.8	7.4	40.8	285	29	314
1970	36.9	3.6	8.0	48.5	277	34	311
1975	36.9	3.4	8.6	49.2	248	31	279
1976	40.4	2.9	9.2	52.5	241	33	274
1977	41.7	3.2	9.2	54.1	235	37	272
1978	44.7	3.7	9.4	57.8	242	35	277
1979*	48.3	4.1	10.0	62.4	243	35	278

*Estimated.

PER CAPITA CONSUMPTION OF BEEF, PORK AND POULTRY
United States, 1960-1979



SOURCE: U.S.D.A. 1979 Handbook of Agricultural Charts.

Total meat consumption per person was about the same in 1979 as in 1978. The consumption of poultry was up about 5 pounds, while red meats were down about 4 pounds. From 1960 to 1977, total meat consumed per person rose from 193 to 247 pounds, an increase of 54 pounds or about 3 pounds per year.

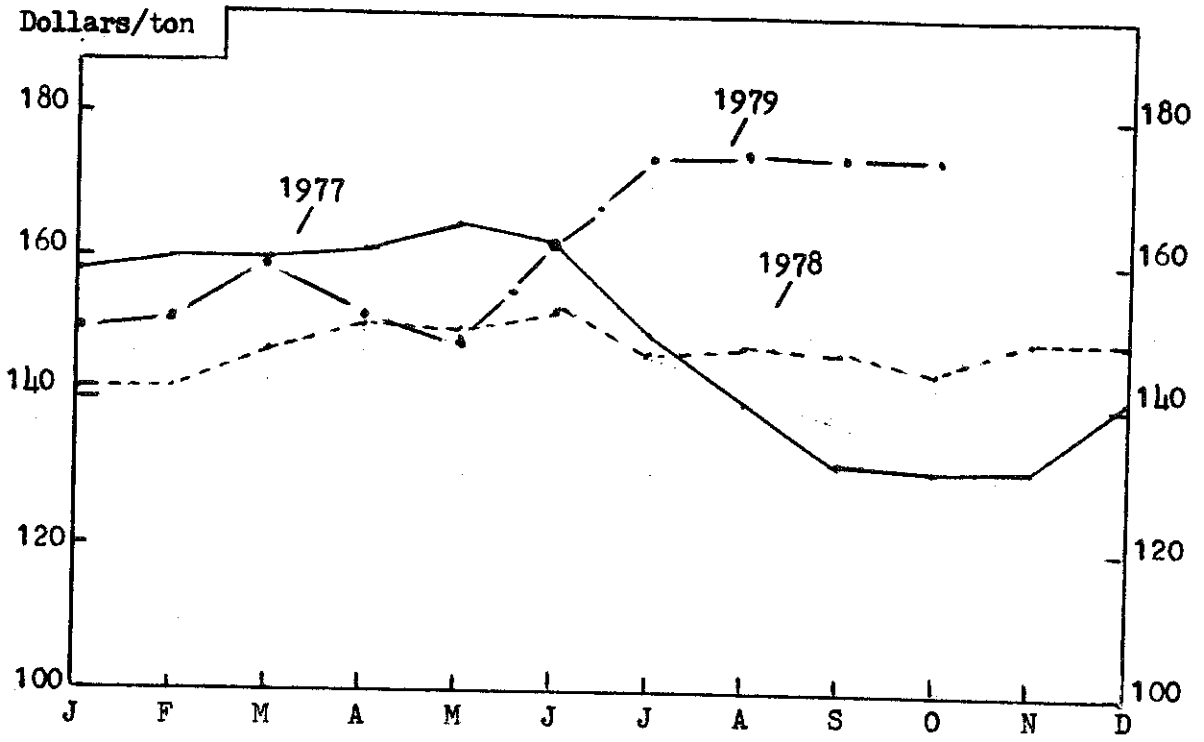
Beef consumption per person reached a peak of 129 pounds in 1976 then dropped to 108 pounds in 1979. Pork on the other hand, has risen gradually to a new high of 70 pounds in 1979.

Supplies of beef are expected to again be down during the first half of 1980 but pork is expected to be up.

	Pounds Consumed Per Person				
Year	Beef	Pork	All Red Meats	Poultry	Total Meat
1960	85.1	64.9	159.0	34.1	193.1
1965	99.5	58.7	167.1	40.8	208.0
1970	113.7	66.4	186.3	48.5	234.8
1973	109.6	63.9	178.0	49.2	227.2
1974	116.8	69.1	190.5	50.0	240.5
1975	120.1	56.1	182.4	49.2	231.6
1976	129.3	59.5	194.7	52.5	247.2
1977	125.9	61.5	193.0	54.1	247.1
1978	120.1	61.4	186.1	57.1	243.2
1979*	108.1	70.6	182.3	62.4	244.7

*Estimated.

FARM PRICE OF COMPLETE LAYING FEED RATION
New York, 1977, 1978 and 1979



Feed is the major cost item in producing eggs. The level of feed prices, therefore, is a big factor affecting the profitability of layer operations in any year. Laying ration prices in 1970 were higher than 1978 and 1977. However, increased egg prices through most of 1979 have somewhat offset the higher feed prices.

Month	U.S. Average			New York		
	1977	1978	1979	1977	1978	1979
			- dollars per ton -			
January	156	147	157	157	141	150
February	161	146	159	160	142	153
March	161	149	162	160	148	159
April	163	154	163	161	151	152
May	166	155	163	164	151	150
June	162	157	166	162	156	162
July	153	155	177	150	148	175
August	143	150	174	140	149	176
September	138	149	173	133	148	175
October	135	150	174	132	145	175
November	141	---	---	132	---	---
December	145	---	---	141	---	---

SOURCE: U.S.D.A. Agricultural Prices.

COMMERCIAL FRUIT PRODUCTION, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1976	1977	1978	1979	1976	1977	1978	1979
	(thousand tons)							
Apples	410	450	540	470	3,237	3,326	3,817	3,791
Grapes	185	101	188	170	4,398	4,298	4,567	4,739
Tart Cherries	7	6	9	14	73	105	91	86
Pears	8	16	19	18	841	787	727	803
Peaches	5	7	8	3	1,510	1,492	1,351	1,462
Sweet Cherries	3	2	4	4	173	148	155	192

Source: Crop Reporting Board, ESCS, USDA, and New York Department of Agriculture and Markets.

New York's apple crop is estimated to have decreased about 13 percent from last year's record crop. Grape production is forecast to be down 10 percent from the previous year. The state's tart cherry crop was up by about 44 percent. Nationally, apple production is estimated to have decreased by 1 percent from the previous year; grape production is estimated to be a record crop, 4 percent above last year; and tart cherry production decreased by 5 percent.

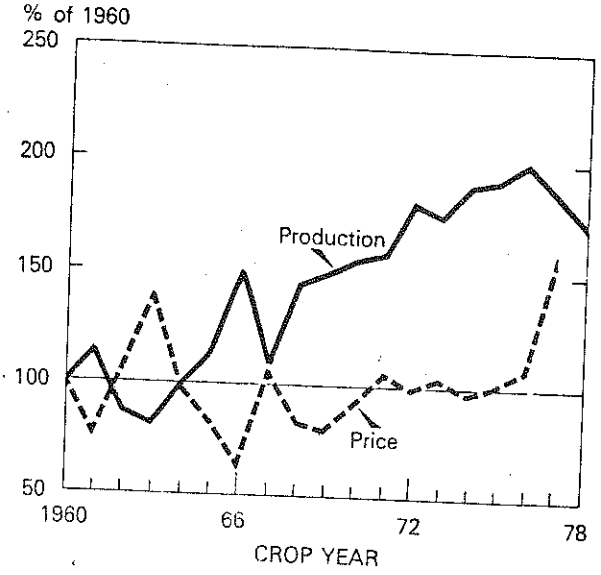
AVERAGE FARM PRICES OF FRUITS, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1976	1977	1978	1979	1976	1977	1978	1979
	(dollars per ton)							
Apples								
Fresh	256	274	270		230	276	276	
Processed	104	104	103		108	122	117	
All Sales	158	172	170		182	210	206	
Grapes	181	234	245		155	194	239	
Tart Cherries	492	590	858	924	502	588	876	944
Pears	191	183	205		124	146	218	
Peaches	340	350	370		192	198	242	
Sweet Cherries	394	552	543	447	384	496	694	617

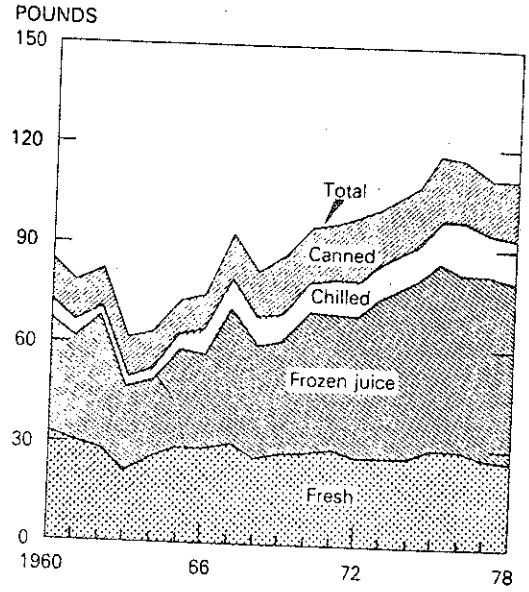
Source: Crop Reporting Board, ESCS, USDA, and New York Department of Agriculture and Markets.

Prices for apples are expected to hold firm at levels slightly to moderately above last year, despite an expected very large citrus crop. Prices will be enhanced by foreign demand, especially by Canada, where apple production is expected to decline by about 8 percent from 1978. Export opportunities to the Far East and Middle East continue to look encouraging. Winery prices to grape growers are under a downward pressure. Tart cherry prices held strong, about 8 percent above 1978.

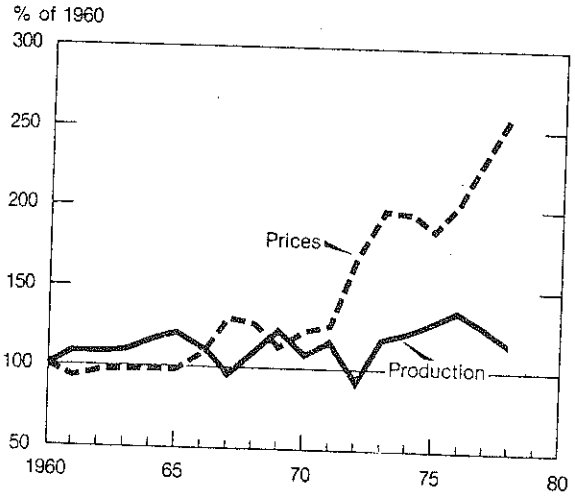
Citrus Fruit Production And Farm Prices



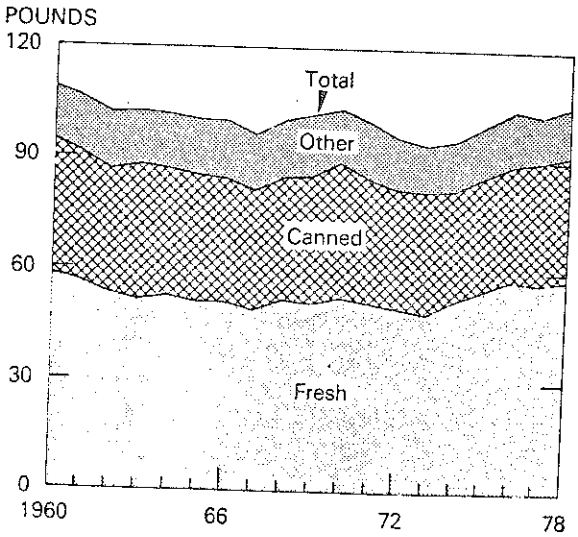
Citrus Fruit Consumption Per Person



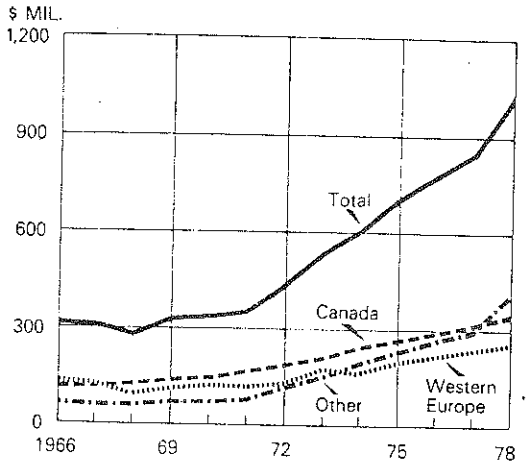
Noncitrus Fruit Production And Farm Prices



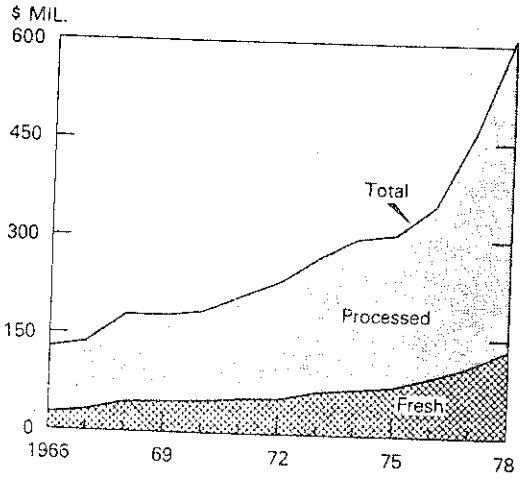
Noncitrus Fruit Consumption Per Person



U.S. Fruit Exports by Destination



U.S. Imports of Fresh and Processed Fruit



Key to Charts on
Facing Page

CITRUS FRUITS

Because of the freezes in California, Arizona, and Texas in January 1979 and the effect of the freeze in Florida in 1977, citrus fruit production for the 1978/79 season declined to 13.2 million tons, 6.5 percent below 1977/78 output. Moderately to sharply smaller crops were estimated for all citrus except tangerines--unchanged from last season--and limes, which are up more than 60 percent from last season's small crop. Reflecting smaller supplies and good demand, grower prices for most citrus, particularly for lemons, were above year-earlier levels.

Per capita citrus consumption continued to drop in 1978. This decline was due mainly to the moderate decrease in consumption of frozen concentrated orange juice.

NONCITRUS FRUITS

Production of noncitrus fruits in 1978 totaled 12.4 million tons, almost 5 percent above 1977 levels, but still 14 percent smaller than the 1976 record. Because of strong demand, prices received by growers averaged well above the year-earlier levels.

Per capita noncitrus consumption increased somewhat between 1977 and 1978. Per capita consumption of all fresh noncitrus fruit, except bananas, was relatively stable. Banana consumption reached 20.6 pounds--the highest since 1952. Per capita consumption of processed noncitrus fruit in 1978 continued to climb, primarily because of an increase in use of canned juice.

U.S. TRADE

The value of U.S. fruit exports has tripled since 1971, largely as a result of higher prices and the opening of new markets in the Far East. Value of exports to the principal markets, Canada and Europe, more than doubled during 1971-78. Major export products, in order of rank, are fresh citrus, fresh noncitrus, juices, dried fruit, and canned fruit.

Fruit imports have risen since 1966, with sharp increases in 1977 and 1978. The 1977 surge was mainly the result of higher valued imports of processed fruit, particularly of juice and dried fruit, while the 1978 increase also was because of sharply higher quantities of imported fruit juices and table olives.

Source: Handbook of Agricultural Charts, Agricultural Handbook No. 561, USDA, ESCS.

APPLES IN COLD STORAGE BY VARIETY
FOR EASTERN AND WESTERN NEW YORK
AS OF NOVEMBER 1, 1977, 1978, AND 1979

Variety and Area	Apples in Cold Storage* Nov. 1, 1977	Nov. 1, 1978	Nov. 1, 1979
	(thousand bushels)		
McIntosh:			
Eastern New York	2,514	2,699	2,462
Western New York	823	944	755
Total	3,337	3,643	3,217
Rome:			
Eastern New York	592	586	617
Western New York	367	168	273
Total	959	754	890
Delicious (red):			
Eastern New York	1,047	1,506	1,421
Western New York	378	579	583
Total	1,425	2,085	2,004
Golden Delicious:			
Eastern New York	347	239	557
Western New York	320	241	255
Total	667	480	812
R.I. Greening:			
Eastern New York	30	29	36
Western New York	683	644	668
Total	713	673	704
Cortland:			
Eastern New York	415	401	337
Western New York	290	315	258
Total	705	716	595
Northern Spy:	310	256	283
Idared:	355	387	381
All other varieties:	429	646	676
Total all varieties:			
Eastern New York	5,221	5,837	5,775
Western New York	3,679	3,803	3,786
Total New York State	8,900	9,640	9,561

*Includes apples in controlled atmosphere storage.

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

APPLES IN CONTROLLED ATMOSPHERE STORAGE
NEW YORK STATE AS OF NOVEMBER 1, 1977, 1978, AND 1979

Variety and Area	Nov. 1, 1977	Nov. 1, 1978	Nov. 1, 1979
		(thousand bushels)	
McIntosh:			
Eastern New York	1,657	1,782	1,828
Western New York	217	231	213
Total	1,874	2,013	2,041
Rome:			
Eastern New York	472	418	499
Western New York	109	33	56
Total	581	451	555
Delicious (red):			
Eastern New York	778	1,072	1,025
Western New York	203	263	284
Total	981	1,335	1,309
Golden Delicious:	146	79	109
Cortland:	227	217	238
Other varieties:	335	361	394
Total all varieties:			
Eastern New York	3,347	3,677	3,820
Western New York	797	779	826
Total New York State	4,144	4,456	4,646

(These apples are included in the stocks of apples in cold storage, thus by deducting the figures in this table from their counterpart in the previous table the volume of apples in regular storage can be ascertained.)

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

NATIONAL STORAGE HOLDINGS OF APPLES BY REGIONS, NOVEMBER 1

Region	1974	1975	1976	1977	1978	1979
			(million bushels)			
Northeast	15.1	14.5	12.9	14.6	15.9	15.7
South	14.1	12.9	9.0	12.9	15.0	16.2
Midwest	10.6	10.4	7.5	7.5	11.3	11.1
Western	36.7	45.5	46.8	42.2	43.5	49.4
U.S. Total	76.5	83.4	76.1	77.2	85.7	92.4

Source: International Apple Institute

NATIONAL STORAGE HOLDINGS OF APPLES BY TYPE OF HOLDING, NOVEMBER 1

Type of Holding	1974	1975	1976	1977	1978	1979
			(million bushels)			
Graded & packed*	29.2	37.3	37.3	34.2	36.0	39.1
Not graded & packed**	47.3	46.1	38.9	43.4	50.1	53.3
Total holdings**	76.5	83.4	76.1	77.6	86.1	92.4
Processor holdings	17.5	13.2	13.4	17.1	18.0	20.8
"Fresh" supplies	59.1	70.2	62.7	60.5	68.1	71.6
C.A. holdings	24.1	29.2	28.7	30.3	36.9	36.6

*Actually graded and packed and stored in boxes, cartons, crates, baskets, consumer packages, or reported on a converted graded and packed basis.
**Mostly tree run; also includes packing house sorts and processor holdings.
Source: International Apple Institute

NEW YORK STATE HOLDINGS OF APPLES BY REGIONS, NOVEMBER 1

Region	1974	1975	1976	1977	1978	1979
			(thousand bushels)			
Eastern	4,983	5,369	4,007	5,221	5,837	5,775
Regular	1,881	1,784	1,437	1,874	2,160	1,955
C.A.	3,102	3,585	2,570	3,347	3,677	3,820
Western	3,751	4,556	4,623	3,679	3,803	3,786
Regular	3,140	3,785	3,797	2,882	3,024	2,960
C.A.	611	771	826	797	779	826
Total New York State	8,734	9,925	8,630	8,900	9,640	9,561
Regular	5,021	5,569	5,234	4,756	5,184	4,915
C.A.	3,713	4,356	3,396	4,144	4,456	4,646

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

APPLES: NEW YORK MONTHLY COLD STORAGE HOLDINGS, CROP YEARS 1964/80[1/]

CROP YEAR	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
				(thousand bushels)					
1964/65	4,416	9,061	7,775	6,105	4,652	3,432	2,255	1,266	502
1965/66	4,007	9,043	8,585	6,949	5,420	3,841	2,433	1,298	410
66/67	2,309	7,972	7,683	6,165	4,489	2,992	1,807	947	350
67/68	2,844	8,319	7,915	6,394	4,547	2,993	1,680	818	275
68/69	3,539	8,472	7,630	6,276	4,601	3,263	1,957	1,056	325
69/70	2,606	8,637	8,447	6,598	5,271	3,750	2,420	1,234	571
1970/71	2,801	8,831	8,419	6,948	5,434	3,787	2,147	1,207	501
71/72	1,565	8,360	8,880	7,303	5,426	3,872	2,438	1,388	485
72/73	1,624	6,737	6,614	5,104	3,812	2,735	1,729	949	259
73/74	2,025	7,273	5,967	5,010	3,973	2,699	1,741	913	206
74/75	2,395	8,734	8,113	6,708	4,826	3,387	2,122	1,090	423
1975/76	3,028	8,888	8,038	6,274	5,018	3,712	2,496	1,475	740
76/77	2,847	8,017	6,976	5,345	4,243	3,021	1,825	915	359
77/78	3,360	8,900	8,426	6,665	5,084	3,315	2,002	1,119	363
78/79	2,862	9,640	9,149	7,878	5,715	4,052	2,581	1,657	657
79/80	3,684	9,561							

[1/] Beginning month inventories.

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

RECEIPTS AND UTILIZATION OF APPLES AT PROCESSING PLANTS, NEW YORK, CROPS OF 1964-1978

Crop Year	Net receipts[1]	Receipts from other states & Canada (included in preceding column)	Used for cider & apple juice[2]	Used for canning or applesauce	Used for freezing	Used for other products[3]
			(thousand pounds)			
1964	507,374	17,501	123,552	303,024	62,870	17,928
1965	581,554	13,603	148,978	342,264	72,725	17,587
1966	536,356	9,218	154,606	301,770	59,839	20,141
1967	517,569	12,162	118,876	312,695	70,271	15,727
1968	467,679	13,388	86,290	277,274	87,156	16,959
1969	508,416	25,983	118,428	315,895	60,157	13,936
1970	559,286	11,369	186,892	293,074	62,270	17,050
1971	520,403	13,550	170,213	278,841	57,835	13,514
1972	476,826	27,973	152,279	241,404	70,995	12,148
1973	410,794	28,777	140,325	194,666	56,912	18,891
1974	555,945	13,063	161,106	292,647	40,870	61,322
1975	419,453	8,619	148,866	208,630	42,013	19,944
1976	463,489	23,303	184,904	195,480	59,484	23,621
1977	492,020	26,168	190,791	218,919	34,306	48,004
1978	600,595	27,579	239,447	260,497	40,689	59,962

1/ Apples received at a plant and then transferred to another plant for processing are included only in plant where processed.

2/ Includes juice used to make concentrate.

3/ Among other products for which these apples were used are jelly, apple butter, drying, mincemeat and fresh sliced apples for pies in upstate areas. Beginning in 1974 apples used in making vinegar are excluded from cider and juice category and included under "other products".

Source: State of New York Department of Agriculture and Markets, Fruit Report.

GRAPES: ACRES OF CONCORD AND FRENCH HYBRIDS IN COMMERCIAL VINEYARDS
BY AREAS 1966, 1970 AND 1975 WITH REMOVAL AND PLANTING INTENTIONS FOR 1976

Area and Variety	1966 Farms (no.)	1966 Acres (no.)	1970 Farms (no.)	1970 Acres (no.)	1975 Farms (no.)	1975 Acres (no.)	1976 Intentions[1/] Remove (acres)	1976 Intentions[1/] Plant (acres)
Chautauqua/Erie:								
Concord	1,214	18,291	1,224	19,206	1,182	19,626	52	76
French Hybrids	16	39	92	291	137	634	9+	--
All Varieties	1,216	19,137	1,229	21,405	1,189	22,740	67	110
Finger Lakes:								
Concord	572	6,250	519	5,641	546	5,743	53	*
French Hybrids	110	590	237	1,511	479	3,357	+	84+
All Varieties	585	10,819	545	12,169	621	15,374	173	272
Niagara County:								
Concord	159	1,085	159	1,070	172	1,342	*	9
French Hybrids	14	94	19	101	52	331	--	5+
All Varieties	162	1,559	168	1,811	193	2,819	6	32
Other Western New York:								
Concord	40	152	32	128	31	176	--	--
French Hybrids	--	--	--	--	2	27	--	--
All Varieties	48	386	40	532	52	716	12	23
Eastern New York:								
Concord	162	1,113	73	670	82	681	*	*
French Hybrids	--	--	--	--	30	72	--	--
All Varieties	165	1,310	76	962	98	1,004	14	13
Total New York:								
Concord	2,147	26,891	2,007	26,715	2,013	27,568	111	87
French Hybrids	140	723	348	1,903	799	4,709	12+	103+
All Varieties	2,176	33,211	2,058	36,879	2,153	42,653	272	450

1/ Intentions as of November/December 1975. *Less than 5 acres reported.
+ Does not include farms reporting less than 5 acres of specific French Hybrids.
French Hybrids include: Aurora, Baco Noir, Cascade, Chancellor, Chelois, Colobel, DeChaunac, Leon Millot, Marechal Foch, Ravat No. 51, Rosetts, Rougeon, Seibel 9100, Seyre Villard and Vidal 256.
Source: New York Orchard and Vineyard Surveys. Next scheduled survey will be 1980.

FARM PRICES RECEIVED AND PAID BY FARMERS, 1976-197

	1976	1977	1978
		(1967 = 100)	
Prices Received			
All farm products	188	183	209
All crops	196	192	203
Fruit	126	158	224
Fresh market fruit	125	159	236
Prices Paid			
Commodities and Services, interest, taxes, and wage rates	191	202	215
Production items	192	200	216
Taxes on farm real estate	178	195	210
Farm wage rates	211	226	242

Source: Crop Reporting Board, ESCS, USDA, Agricultural Prices.

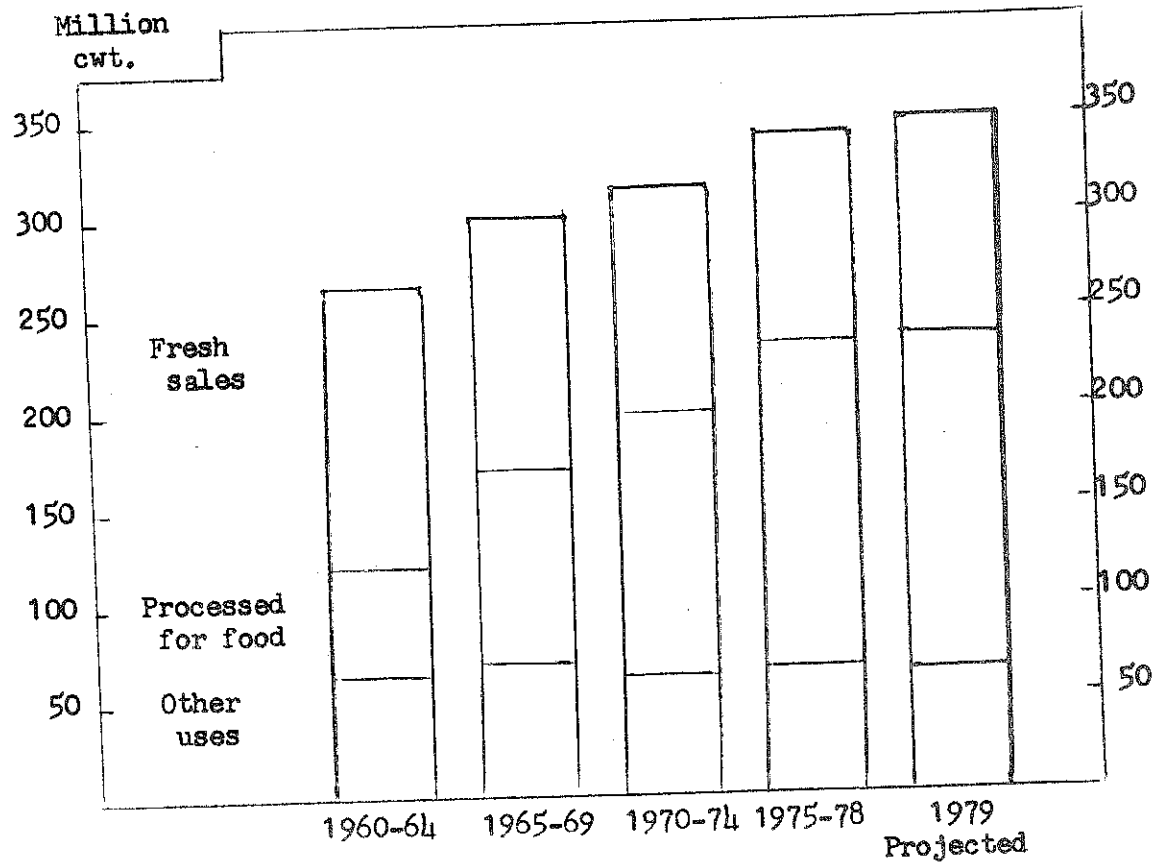
VEGETABLES: CASH RECEIPTS BY COMMODITIES AND COMMODITY GROUPS
New York, Calendar Years 1975-78

	1975	1976	1977	1978
	- million dollars -			
All Commodities	1,563.1	1,717.1	1,725.1	1,918.7
Livestock Products	1,062.0	1,216.9	1,200.3	1,347.3
Meat animals	92.6	109.3	113.4	158.5
Dairy products	859.6	987.4	983.5	1,085.6
Poultry and eggs	99.3	109.0	92.2	74.5
Misc. and other	27.3	29.5	29.8	28.7
Crops	501.2	500.2	524.8	571.4
Food grains	21.6	16.3	16.6	5.4
Feed crops	84.3	89.8	87.9	83.7
Oil crops	1.7	1.6	1.5	2.5
Vegetables	195.6	190.5	202.4	200.1
Potatoes	53.5	65.3	50.0	49.3
Onions	32.6	28.6	33.2	31.1
Cabbage	15.2	14.5	29.1	24.0
Beans, snap	22.5	15.1	20.3	22.3
Corn, sweet	18.2	14.1	13.6	14.3
Carrots	3.7	4.8	7.9	4.3
Dry beans	9.7	8.2	6.8	7.9
Cauliflower	5.0	5.6	6.6	5.1
Tomatoes	6.4	5.8	5.9	6.7
Lettuce	5.2	5.9	5.7	6.6
Cucumbers	2.6	2.9	2.7	3.0
Celery	2.2	2.5	2.0	4.6
Beets	2.9	2.0	1.8	2.8
Peas, green	1.9	1.6	1.8	2.0
Misc. vegetables	14.0	13.5	14.9	16.1
Fruits, nuts	105.8	101.1	109.1	159.8
All other crops	92.0	100.9	107.2	119.9

POTATOES: U.S. PRODUCTION BY SEASONAL GROUPS, 1975-1979

	1975	1976	1977	1978	Indic. 1979
	- million hundredweight -				
Winter	2.9	3.0	2.7	2.6	2.4
Spring	20.0	24.7	22.9	18.0	23.1
Summer	20.9	22.5	22.0	21.2	22.1
Fall	276.1	307.4	307.1	323.5	300.3
States					
Maine	26.8	27.4	28.3	26.0	28.2
New York - L.I.	6.1	7.4	7.2	6.2	6.3
- Upstate	6.1	6.1	5.4	6.5	6.6
Pennsylvania	6.8	7.1	6.4	6.2	6.1
Other East	2.6	2.7	2.6	2.3	2.0
Total East	48.4	50.7	49.9	47.4	49.2
Michigan	6.7	8.3	8.8	8.5	8.0
Wisconsin	14.8	15.4	18.0	17.3	16.9
Minnesota	9.7	11.1	13.0	14.9	13.3
North Dakota	17.6	16.9	21.6	22.4	19.0
Other Central	5.3	5.8	4.9	4.3	4.8
Total Central	54.1	57.5	66.3	67.6	62.0
Idaho	76.9	88.6	88.2	100.1	87.8
Colorado	8.6	9.3	9.5	11.3	11.1
Washington	48.3	55.8	50.6	50.7	47.5
Oregon	24.4	28.9	25.6	28.5	26.2
California	6.4	6.5	5.9	6.1	6.0
Other West	9.0	10.1	11.1	11.9	10.5
Total West	173.6	199.2	190.9	208.6	189.1
United States	319.8	357.7	354.6	365.2	347.9

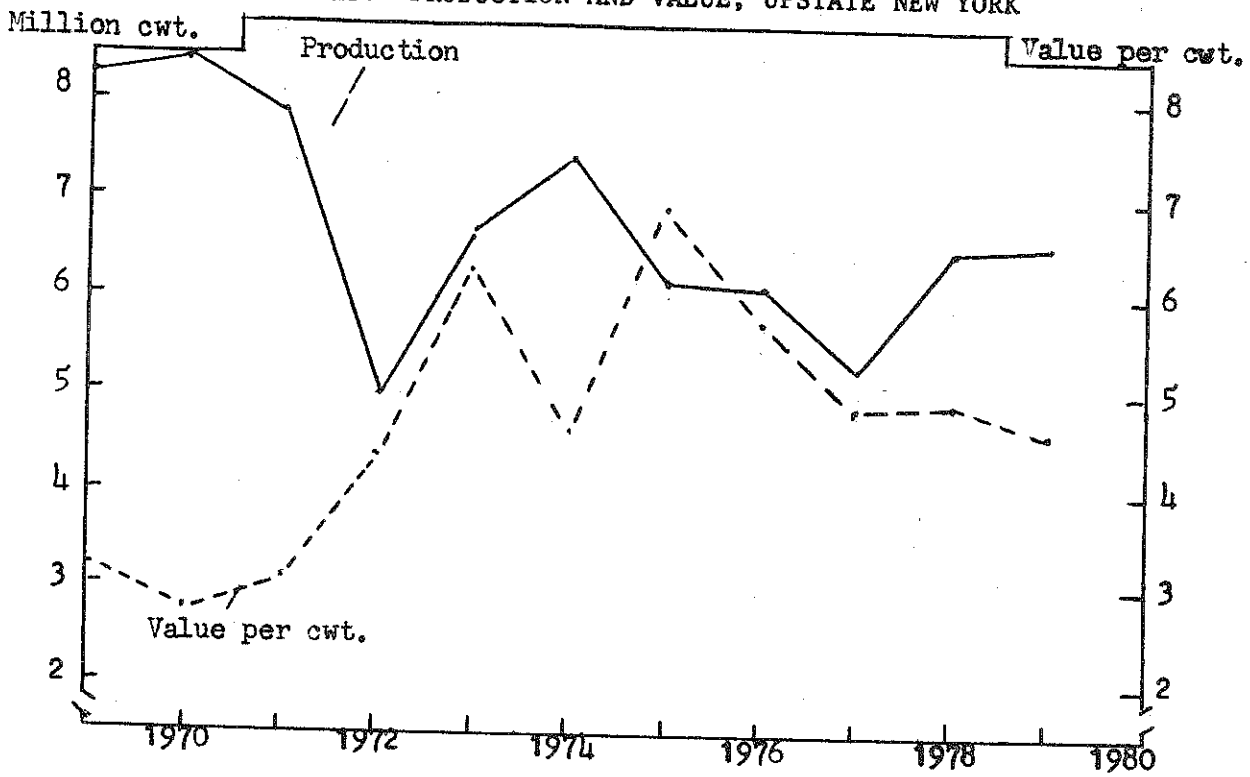
POTATOES: UTILIZATION OF PRODUCTION, UNITED STATES



The U.S. potato crop has increased substantially in the past 15 years. About half the total crop is marketed in processed form, or almost two-thirds the quantity sold for food. Fresh sales have remained about stable in recent years.

Year	Fresh (Table Stock)	Processed For Food					Other Uses
		Chips	Dried	Frozen	Canned	Total	
		- million hundredweight -					
1960-64	145.4	24.6	9.7	19.5	3.0	56.8	63.5
1965-69	131.0	33.2	21.5	42.5	3.6	100.8	69.9
1970-74	118.5	34.6	29.3	67.7	4.6	136.2	61.5
1975	114.4	34.1	33.8	80.0	4.0	151.9	53.5
1976	123.2	34.5	40.4	92.5	4.5	171.9	62.6
1977	116.2	36.9	32.8	94.5	5.3	169.5	68.5
1978	110.0	38.8	33.3	95.3	4.8	172.2	83.0

POTATOES: PRODUCTION AND VALUE, UPSTATE NEW YORK

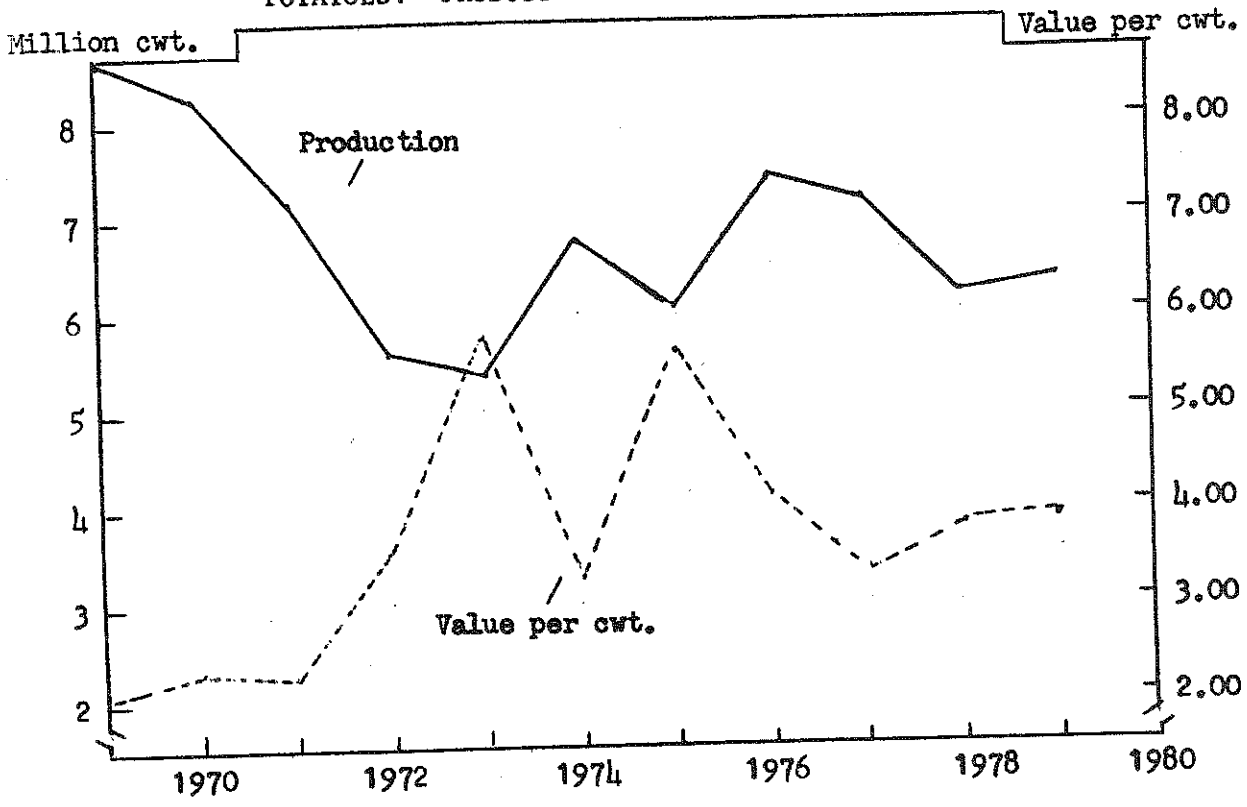


Upstate potato growers had the potential for a good crop in 1979 but, especially on muck soils, had difficulty at harvest time from excessive moisture conditions. Markets were again sluggish for the third year in a row.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Cwt.	Value of Production
	acres	cwt.	1,000 cwt.	dollars	1,000 dol.
1960-64	41,600	215	8,949	2.31	17,090
1965-69	36,800	230	8,451	2.77	23,412
1970-74	29,840	236	7,046	4.15	29,248
1975	24,000	255	6,120	6.95	42,534
1976	24,900	245	6,101	5.75	35,081
1977	20,600	260	5,356	4.83	25,869
1978	25,000	260	6,500	4.90	31,850
1979	23,500	280	6,580	4.60*	30,268*

* Based on October prices.

POTATOES: PRODUCTION AND VALUE, LONG ISLAND



Long Island potato growers harvested a smaller acreage this year but achieved good yields in spite of pest and weather problems. Production appears to have leveled out after recovering from the low point of 1972 and 1973. Prices to growers continue at depressed levels relative to costs.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Cwt.	Value of Production
	acres	cwt.	1,000 cwt.	dollars	1,000 dol.
1960-64	41,000	264	10,825	1.83	19,333
1965-69	36,480	258	9,413	2.07	19,504
1970-74	28,300	235	6,650	3.20	21,298
1975	23,300	260	6,058	5.60	33,925
1976	23,900	310	7,409	4.10	30,377
1977	22,800	315	7,182	3.36	24,132
1978	23,300	265	6,175	3.80	23,465
1979	21,800	290	6,322	3.85*	24,340*

* Based on October prices.

VEGETABLES FOR FRESH MARKET
ACREAGE HARVESTED OR FOR HARVEST
New York, 1976-1979

Crop	1976	1977	1978	Indic. 1979
		- acres -		
Sweet corn	21,100	20,500	21,000	21,700
Cabbage*	13,100	14,100	13,000	13,000
Onions*	13,700	13,300	13,900	14,300
Snap beans	7,400	7,400	6,000	6,100
Cauliflower*	3,100	3,000	3,200	3,600
Tomatoes	2,700	3,000	3,000	3,000
Lettuce	2,800	3,300	3,500	3,400
Cucumbers	2,200	2,200	2,500	2,700
Carrots*	1,800	1,900	1,900	1,900
Celery	890	600	700	580
Total	68,790	69,300	68,700	70,280

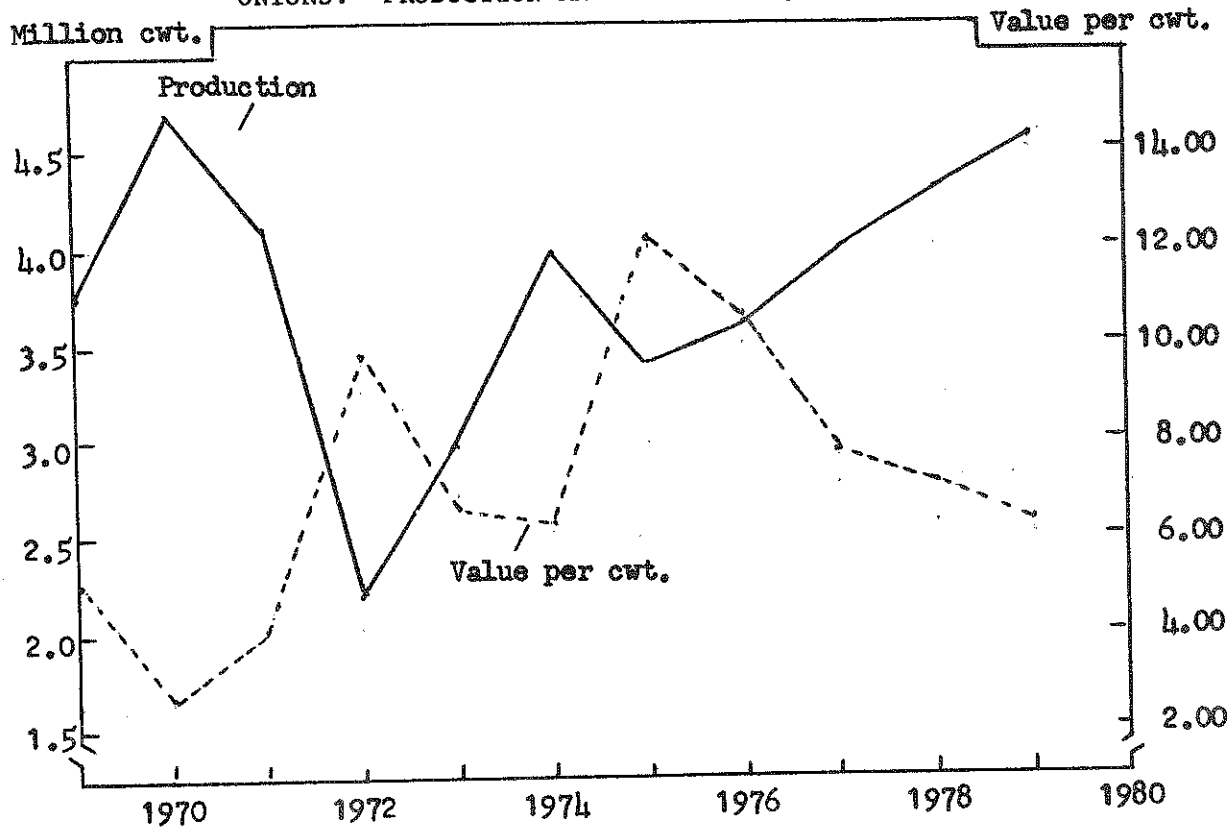
* Includes production for both fresh market and processing.

Total acreage of 10 vegetables for fresh market is expected to be higher in 1979 than in recent years. The increase is evident for such diverse crops as sweet corn, onions, cauliflower, and cucumbers. Unlike most years, the market prices for sweet corn were generally favorable this past season but not for other fresh market vegetables.

NEW YORK ONIONS BY SECTIONS, 1977-1979

Section	Acreage			Yield Per Acre			Production		
	1977	1978	1979	1977	1978	1979	1977	1978	1979
	- acres -			-hundredweight-			- 1,000 cwt. -		
Orange County	7,200	7,300	7,300	302	315	310	2,305	2,300	2,263
Orleans-Genesee	2,850	3,000	3,200	315	320	345	869	960	1,104
Oswego	980	1,000	1,200	270	350	365	265	350	438
Madison County	970	1,300	1,300	255	210	250	274	273	375
Steuben-Yates-Ontario	700	700	700	285	343	345	200	240	242
Wayne and other	600	600	600	285	310	340	171	186	204
New York Total	13,300	13,900	14,300	305	310	320	4,057	4,309	4,576

ONIONS: PRODUCTION AND FARM VALUE, NEW YORK

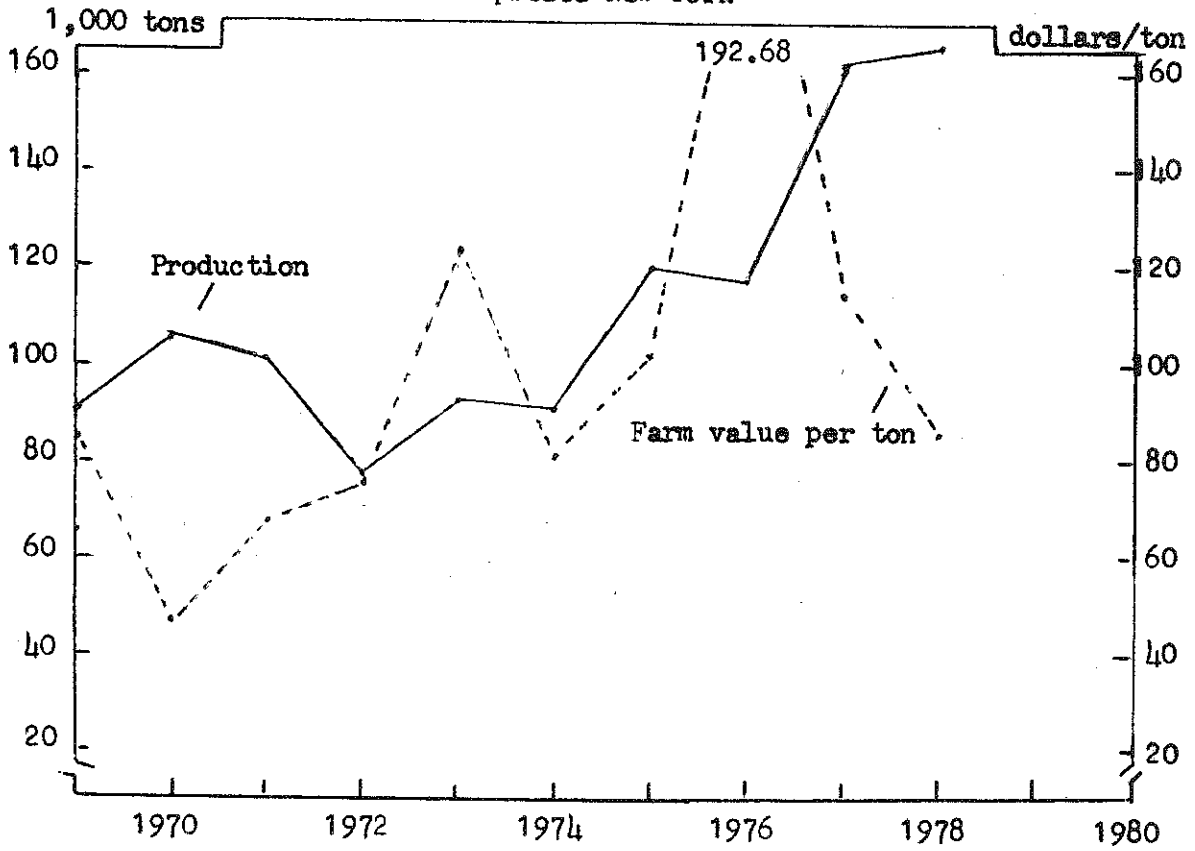


The 1979 total U.S. crop of onions for storage is up 4.4 percent over last year, due largely to increased production in Washington, Idaho, and Oregon, as well as in New York. Production in California, largely for dehydration, is up almost 23 percent over a year ago. Prices to growers are depressed for the third year in a row.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Cwt.	Value of Sales
	acres	cwt.	1,000 cwt.	dollars	1,000 dol.
1960-64	15,100	316	4,762	3.15	12,551
1965-69	14,340	289	4,146	4.10	14,160
1970-74	13,220	273	3,607	5.40	16,712
1975	13,500	255	3,443	12.20	36,495
1976	13,700	265	3,631	10.60	32,563
1977	13,300	305	4,057	7.81	25,367
1978	13,900	310	4,309	7.10	25,187
1979	14,300	320	4,576	6.25*	22,880*

*Based on October 1979 prices.

CABBAGE FOR FRESH MARKET: PRODUCTION AND FARM VALUE
Upstate New York



Fresh cabbage prices have been favorable to growers for the past few years. Expansion in market demand and unfavorable weather in Florida and Texas contributed to this situation. Some growers have expanded acreage and this may lead to difficulties this season.

Year	Harvested Acres		Yield Per Acre		Farm Value Per Ton	
	Kraut	Fresh	Kraut	Fresh	Kraut	Fresh
	acres		tons		dollars	
1960-64	4,180	6,380	18.1	14.9	14.21	44.99
1965-69	4,060	6,170	21.6	16.0	17.57	60.42
1970-74	4,080	5,680	22.3	16.0	22.80	76.45
1975	4,000	7,200	22.6	16.7	31.80	100.96
1976	3,900	7,700	20.9	15.3	30.80	192.68
1977	4,100	7,700	22.2	21.1	29.90	114.42
1978	4,000	8,300	20.5	20.1	29.70	85.50
1979	13,000*		--	--	--	--

*Preliminary.

VEGETABLES FOR PROCESSING: PRODUCTION, NEW YORK

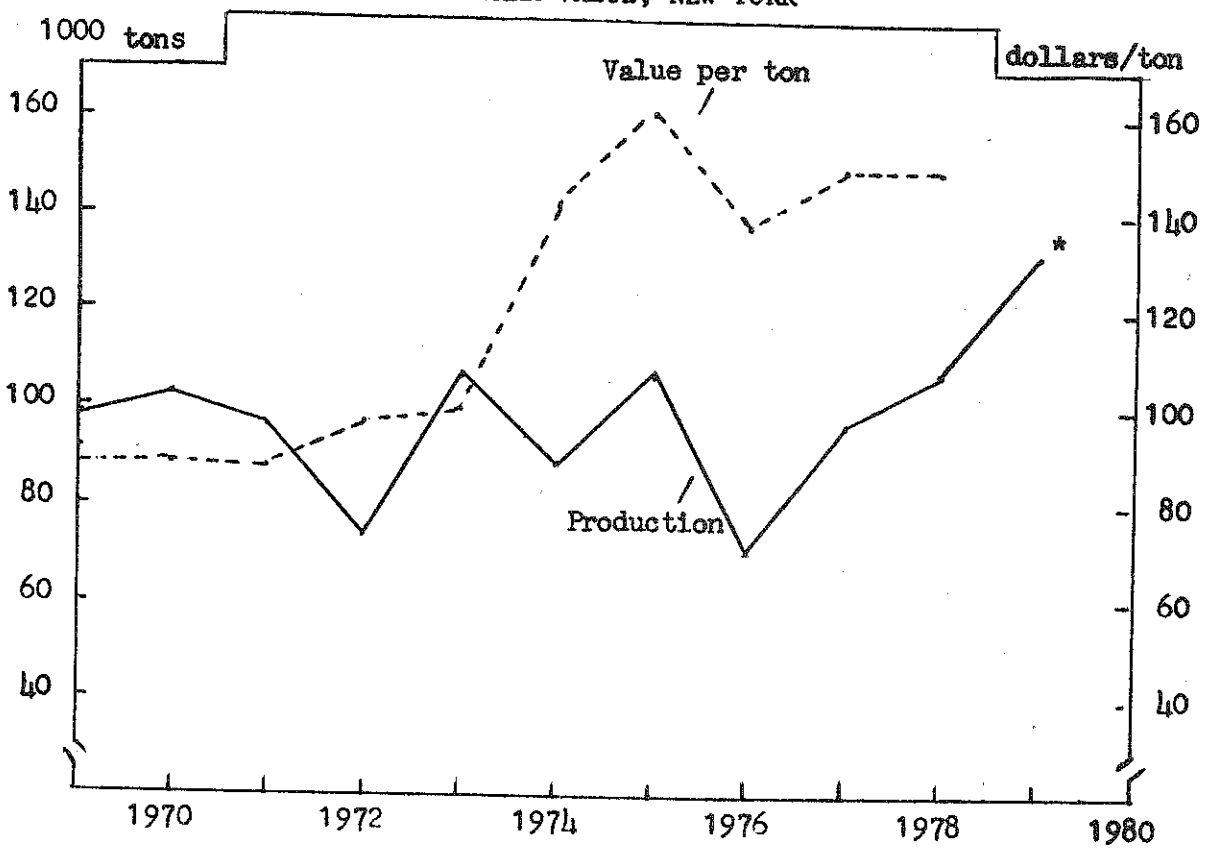
Crop	1976 Total	1977 Total	1978 Total	1978 Contract	1979 Contract
			- 1,000 tons -		
Snap beans	70.3	96.1	107.8	97.2	132.0
Beets	56.4	51.6	72.2	72.4	68.2
Cabbage for kraut	81.6	90.9	82.0	72.7	73.7
Sweet corn	82.7	96.5	99.4	98.2	94.0
Green peas	5.8	7.2	8.0	8.0	9.1
Total	296.8	342.3	369.4	348.5	377.0

Total supplies of canned vegetables will probably be about 5 percent larger this year than in 1977 and 1978. Larger crops are expected for tomatoes from California and also for snap beans, peas, green lima beans, and beets. Larger supplies of canned corn are also in prospect. Wholesale prices may decline in spite of increased processing costs.

VEGETABLES FOR PROCESSING: PRODUCTION, UNITED STATES

Crop	1976 Total	1977 Total	1978 Total	1978 Contract	1979 Contract
			- 1,000 tons -		
Green Lima Beans	55.8	74.2	82.6	82.0	83.2
Snap beans	590.7	675.9	716.7	669.2	773.2
Beets	157.4	206.2	221.3	210.8	236.4
Cabbage for kraut	233.4	234.7	217.4	202.4	214.8
Sweet corn	2,233.1	2,376.2	2,428.9	2,426.2	2,330.0
Cucumbers	663.8	623.8	685.5	605.2	597.8
Green peas	513.2	488.9	461.0	460.2	526.5
Spinach	161.1	153.7	135.1	133.7	172.2
Tomatoes	6,471.7	7,779.1	6,368.0	6,246.0	7,345.0
Total	11,080.2	12,612.4	11,316.6	11,035.9	12,275.2

SNAP BEANS FOR PROCESSING: PRODUCTION AND FARM VALUE, NEW YORK



Acreage contracted for snap beans for processing was up 10 percent in 1979 over 1978, most of the increase occurring in New York and Wisconsin. Final reports are not in, but total production may be 15 percent above last year. New York production may be up 30 percent, which will establish a record in terms of total farm value but may present a marketing challenge to the processors.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Ton	Total Value
	acres	tons	tons	dollars	1,000 dol.
1960-64	44,440	1.80	80,080	96.34	7,703
1965-69	51,800	1.86	96,200	90.75	8,730
1970-74	47,540	2.03	96,450	104.62	10,091
1975	48,000	2.21	106,000	161.00	17,066
1976	42,600	1.65	70,300	138.00	9,701
1977	43,000	2.23	96,100	149.00	14,320
1978	50,700	2.13	107,850	149.00	16,070
1979*	60,000	2.20	132,000		

* Indicated August 1, 1979 contract only.

DRY EDIBLE BEANS: PRODUCTION BY STATES
1976-1979

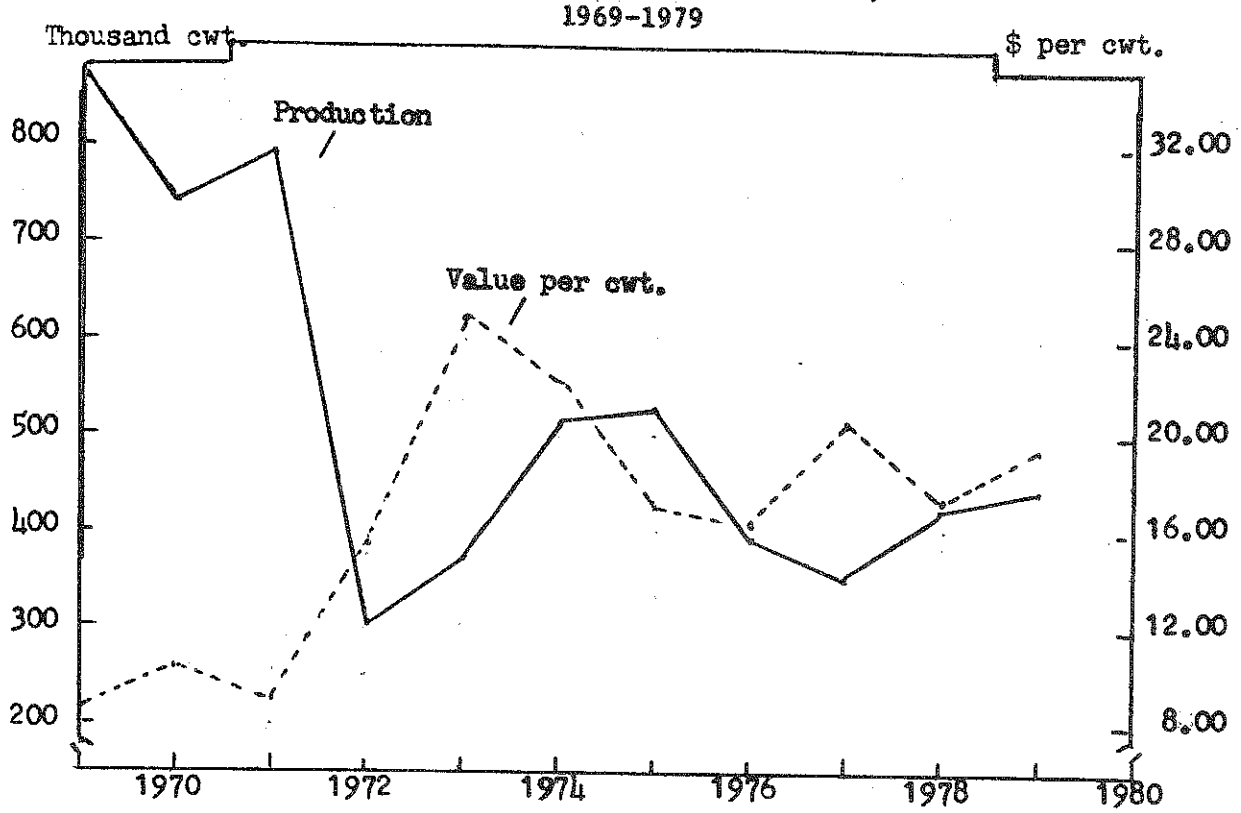
State	1976	1977	1978	Indic. 1979
		- thousand hundredweight -		
California	2,800	2,887	3,188	3,170
Colorado	1,665	1,245	1,530	1,558
Idaho	2,655	2,165	2,494	2,387
Michigan	5,450	5,664	6,440	6,860
Nebraska	1,980	1,767	1,947	2,112
New York	396	352	428	468
North Dakota	1,112	1,103	1,243	1,418
Other States	1,728	1,427	1,847	1,851
U.S. Total	17,786	16,610	19,117	19,824

Another large crop of dry beans was grown in 1979, distributed nationally about the same as last year. Michigan continues to lead with production concentrated in pea (navy) beans, with California in second place with a wide variety of different classes.

DRY EDIBLE BEANS: PRODUCTION BY CLASSES, UNITED STATES

	1976	1977	1978	Indic. 1979
		- thousand hundredweight -		
Pea (Navy)	4,846	5,209	6,211	
Great Northern	1,767	1,603	1,863	
Pinto	5,792	4,517	5,530	
Red Kidney	1,377	1,285	1,757	
Pink	990	753	682	
Black Turtle Soup	157	109	132	
Large Lima	522	540	434	
Baby Lima	378	475	489	
Blackeye Ca.	607	800	745	
Other	1,350	1,319	1,274	
U.S. Total	17,786	16,610	19,117	19,824

DRY EDIBLE BEANS: PRODUCTION AND VALUE, NEW YORK
1969-1979

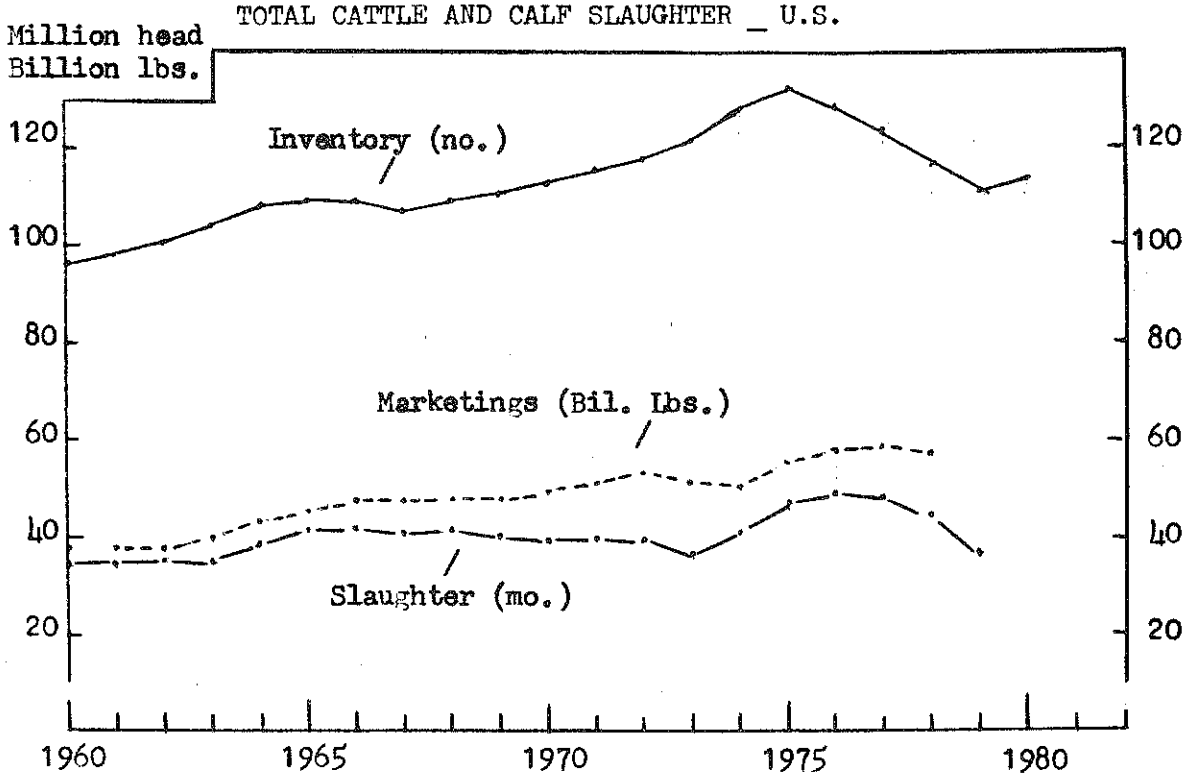


New York production of dry beans seems to be recovering from the low point of 1972. Wet weather this fall made harvesting operations difficult. Prices in New York have been running moderately above last year. Although the U.S. crop in total is expected to be higher, there may be a reduction in the supply of colored beans compared to last season.

Year	Harvested	Yield Per Acre	Total Production	Average Farm Value	Total Value
	thousand	pounds	thous. cwt.	dol. per cwt.	1,000 dol.
1960-64	94	1,276	1,192	7.98	9,512
1965-69	85	1,188	1,009	9.20	9,283
1970-74	49	1,121	547	15.39	8,416
1975	47	1,130	531	17.00	8,959
1976	37	1,070	396	16.40	6,445
1977	32	1,100	352	22.20	7,726
1978	42	1,020	428	17.66	7,462
1979	40	1,120	448	19.50*	8,736*

* Based on October 15, 1979 prices.

CATTLE AND CALVES ON FARMS, JANUARY 1 AND TOTAL CATTLE AND CALF SLAUGHTER _ U.S.



SOURCE: Livestock and Meat Situation USDA, Livestock Slaughter, USDA Meat Animals, New York Crop Reporting Board.

The U.S. cattle and calf inventory has turned up following an 11 million head decline that began in 1975. The January 1, 1980 total cattle and calf inventory is expected to approach 113 million head, up two percent from January 1979. The upturn in cattle numbers can be attributed to the 34 percent decline in cow slaughter and a 17 percent reduction in total cattle and calf slaughter during 1979. If there is a good 1980 calf crop, the cattle and calf inventory should be back up to 116 million head by next January.

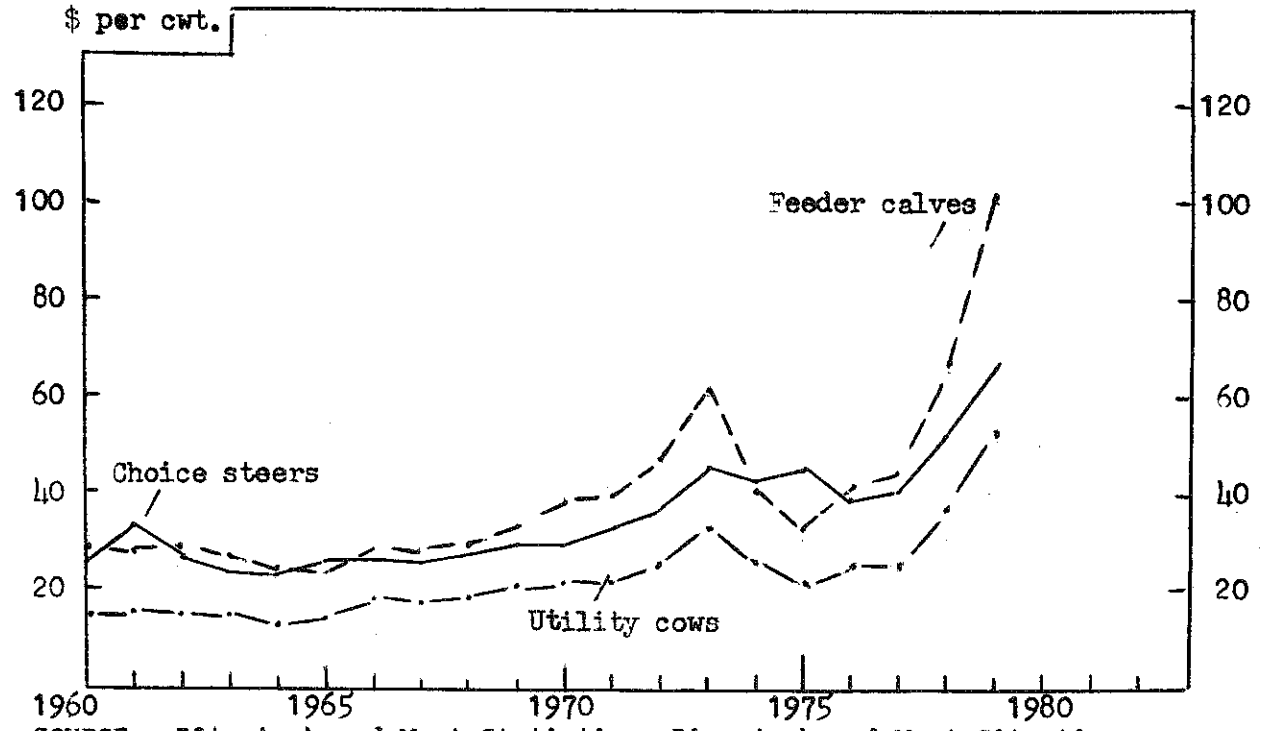
The number of cattle slaughtered in 1979 will be down at least 17 percent while pounds marketed will be down about 12 percent as the proportion of fed cattle in the slaughter mix continues to increase. About 77 percent of the 1979 cattle slaughter has been cattle from feed lots. In 1975 only one-half the cattle slaughtered were fed cattle. Total 1980 cattle and calf slaughter is expected to be near 1979 level.

CATTLE ON FARMS, JANUARY 1 & TOTAL CATTLE & CALF SLAUGHTER

Year	Inventory Jan. 1	Commercial Slaughter	Marketings
	(1,000 head)		(bil. lbs.)
1955	96,592	39,452	
1960	96,236	34,644	
1965	109,000	40,959	44.6
1966	108,862	41,036	46.3
1967	108,783	40,407	46.4
1968	109,371	41,030	47.4
1969	110,015	40,584	47.2
1970	112,369	39,557	49.5
1971	114,578	39,716	50.7
1972	117,862	39,267	53.1
1973	121,539	36,403	51.0
1974	127,788	40,499	50.2
1975	132,028	46,870	54.9
1976	127,976	48,700	57.2
1977	122,810	48,080	58.4
1978	116,375	44,272	57.2
1979	110,864	36,805*	50.4
1980	113,000**		

* Estimated
** Forecast

STEER AND COW PRICES AT SELECTED MARKETS



SOURCE: Livestock and Meat Statistics, Livestock and Meat Situation New York Crop Reporting Board.

Cattle prices started strong in 1979 with fed cattle prices rising to record levels in the first four months. A seasonal price decline plus high feed costs and soaring feeder cattle prices caused feeders to lose money in August after breaking even in July. The negative feeding margins continued throughout the remainder of 1979. Competition from record large pork and poultry supplies plus a shrinking food dollar may soften consumer demand for beef in 1980. This will not cause a significant decline in fed beef prices but may prevent prices from increasing as much as they did in 1979.

Feeder cattle prices also set record highs during the spring. They are expected to soften this winter but will rise again next spring. If an expected large winter and spring calf crop materializes, 1980 feeder cattle and calf prices will average somewhat lower than in 1979.

Cow prices were up nearly 40 percent in 1979. The demand for stock cows was so strong last summer that some packers were priced out of the market. The demand and price for cows is expected to remain strong in 1980.

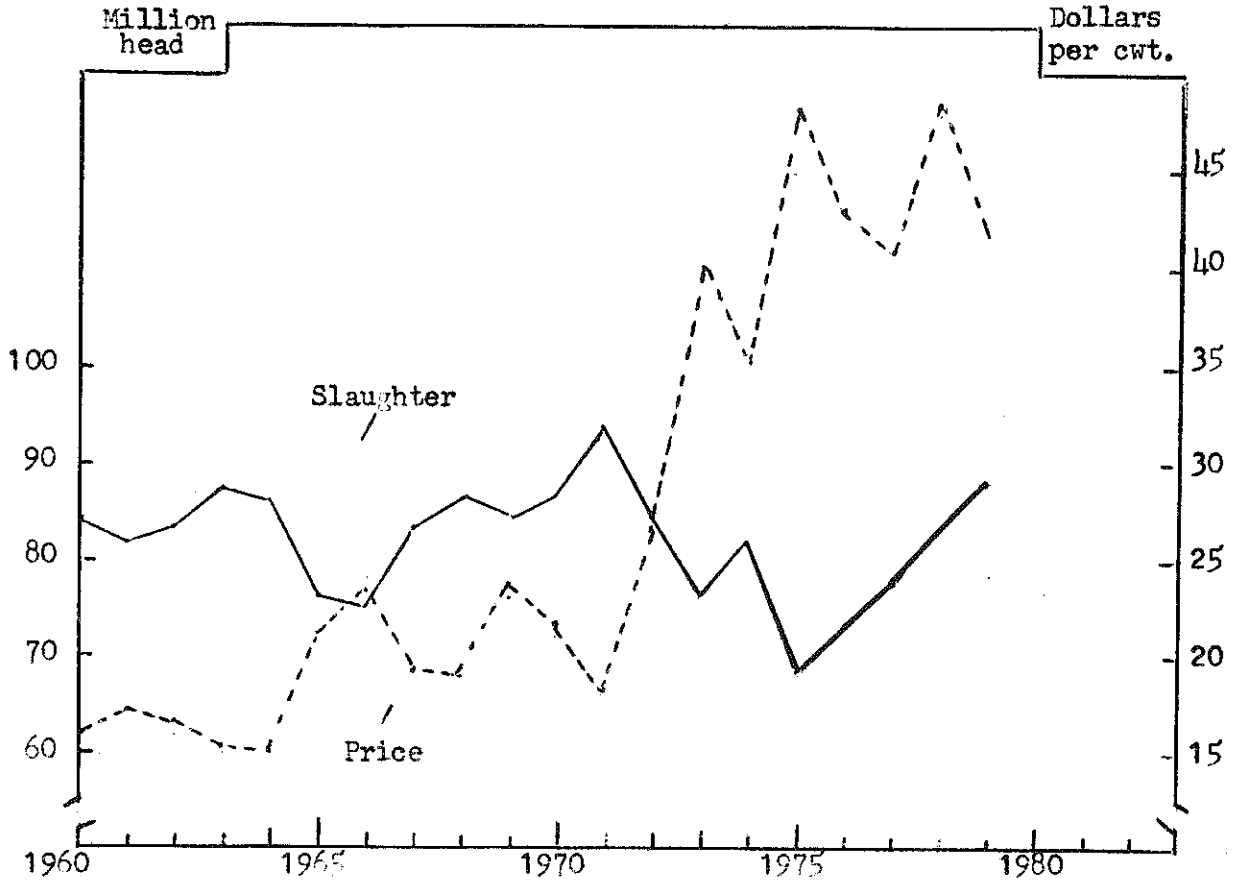
STEER AND COW PRICES
1960 to Date

Year	Choice Steers 1/	Feeder Calves 2/	Utility Cows 3/
	(dollars per cwt.)		
1960	25.18	27.88	15.68
1961	32.78	27.77	15.66
1962	26.45	27.69	15.50
1963	23.00	27.02	15.10
1964	22.21	22.57	13.74
1965	25.12	23.70	14.46
1966	25.69	28.38	18.02
1967	25.27	28.00	17.22
1968	26.83	29.10	17.94
1969	29.66	32.89	20.29
1970	29.34	38.76	21.32
1971	32.39	39.25	21.62
1972	35.78	46.79	25.21
1973	44.54	60.36	32.82
1974	41.89	40.84	25.56
1975	44.61	32.55	21.09
1976	39.11	41.56	25.31
1977	40.38	43.60	25.32
1978	52.34	65.83	36.79
1979*	67.80	101.15	52.25

1/ At Omaha. 2/ Good and choice calves - Kansas City, choice steer calves after 1969. 3/ At Chicago to 1966, Omaha 1967 to date.

* Estimate.

HOG SLAUGHTER AND PRICE - UNITED STATES



SOURCE: Livestock Slaughter and Livestock and Meat Statistics, N.Y. Crop Reporting Board.

The increase in hog production during the first half of 1979 was modest but escalated during the remainder of the year. This strong expansion could continue through at least mid-1980, and perhaps on through the summer. In September of 1979, hog producers reported intentions to farrow 13 percent more hogs in late 1979 and 10 percent more in early 1980 than during the same periods the previous year.

Pork slaughter could be up 18 percent during the first half of 1980 and 7 percent during the summer compared to the same periods in 1979. As a result, hog prices may decline during the winter of 1980 and reach a low of $30-$32 in the spring. Prices may increase through summer to average in the mid and upper $30's for the last half of 1980.

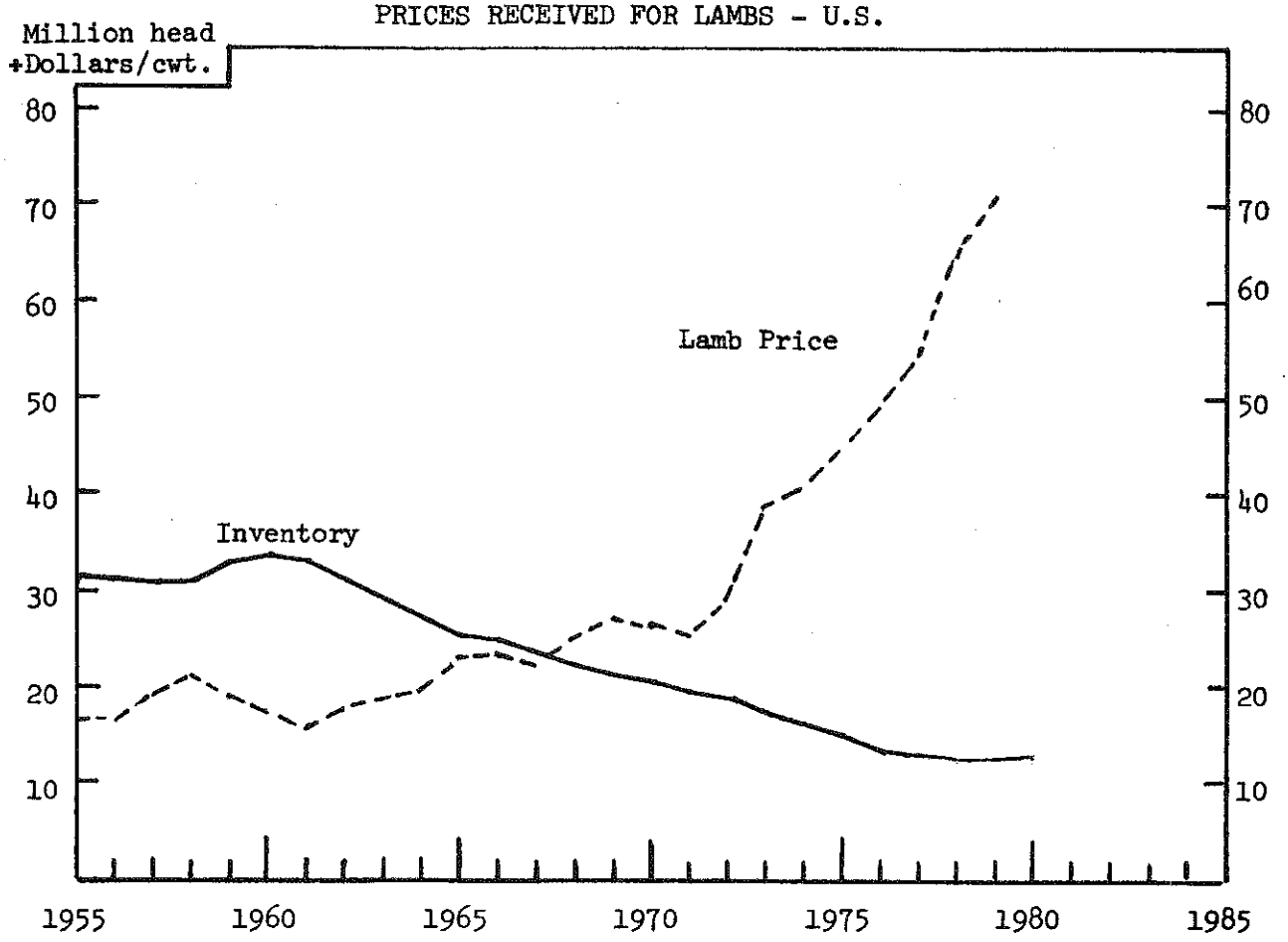
Profit margins tightened during the fall of 1979 and many producers lost money. As a result, many producers may reduce their breeding inventory. Liquidation would place pressure on prices early in 1980 but improve prices later in the year. The failure of a predicted recession to materialize during early 1980 may lead to slightly higher prices early in the year.

HOG SLAUGHTER AND PRICES
1960 to date

Year	Thous. Head Slaughtered	Dollar Per Cwt.*
1960	84,196	15.96
1961	81,970	17.16
1962	83,424	16.82
1963	87,117	15.38
1964	86,284	15.31
1965	76,394	21.30
1966	75,325	23.49
1967	83,421	19.37
1968	86,401	19.19
1969	84,958	23.71
1970	86,962	21.95
1971	94,438	18.45
1972	84,707	26.76
1973	76,795	40.27
1974	81,762	35.12
1975	68,687	48.32
1976	73,784	43.11
1977	77,303	41.07
1978	77,315	48.49
1979	88,425**	41.69**

* Barrows & gilts, 7 markets.
** Estimates

SHEEP AND LAMBS ON FARMS, JANUARY 1 AND PRICES RECEIVED FOR LAMBS - U.S.



Source: Meat Animals, New York Crop Reporting Board.

The long downward trend in the number of sheep and lambs on U.S. farms may have finally abated. The decline has moderated the last three years yet the beginning 1979 inventory is the lowest since records began in 1867. With a 1979 lamb crop estimated at 8.02 million head, virtually the same as the 1978 crop, but with estimated slaughter for 1979 running eight percent below 1978, the January 1, 1980 inventory of sheep and lambs on U.S. farms is expected to increase.

The 1979 U.S. price for lambs will average over 70 dollars. The decline in slaughter during 1979 with attractive prices suggests that producers may be holding more ewes for breeding with the expectation of favorable prices in 1980.

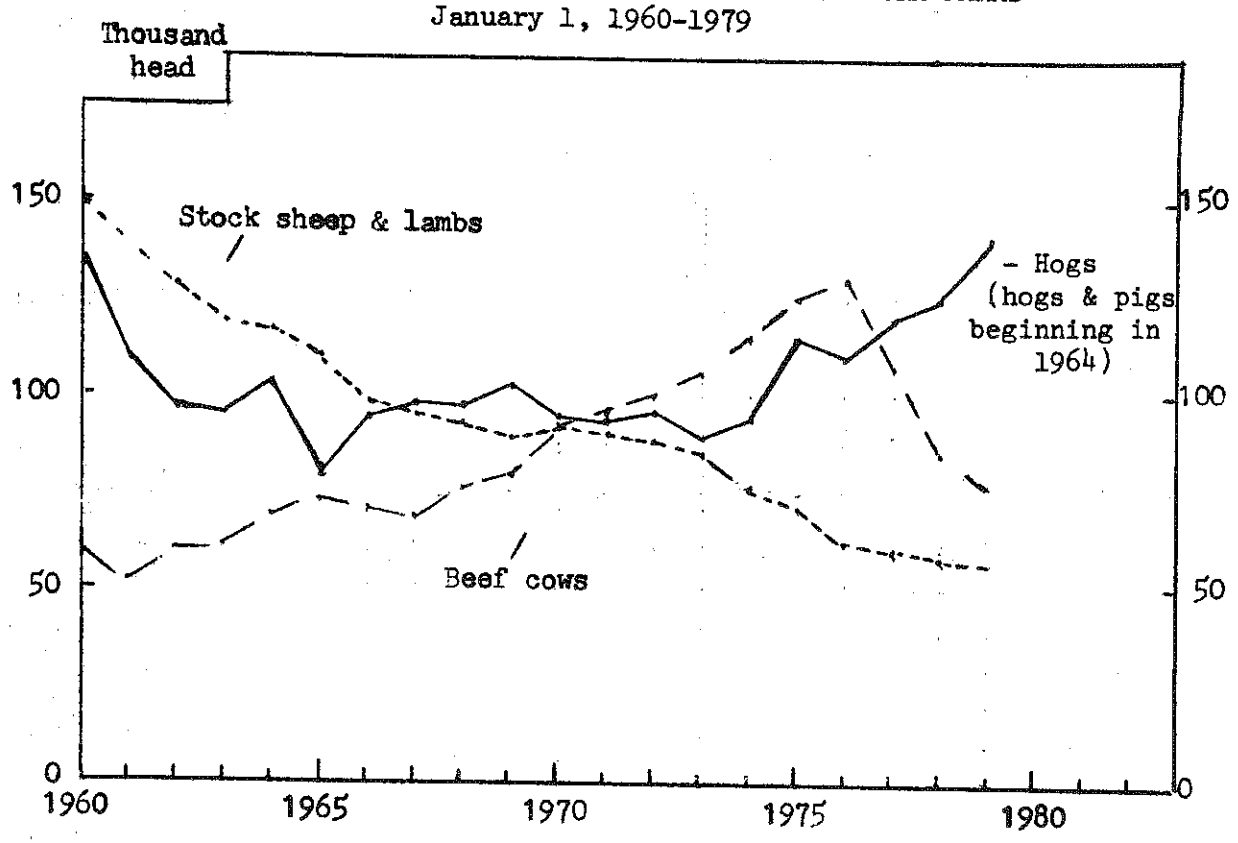
A small increase in world production of lamb and mutton is expected during 1980. With a higher U.S. inventory for 1980, a slight increase in U.S. slaughter may be possible. Therefore, lamb prices in 1980 may be a few dollars under 1979 prices, especially during the first half of the year when total meat supplies are expected to be larger.

SHEEP & LAMBS ON FARMS, JANUARY 1 & PRICES RECEIVED FOR LAMBS U.S.

Year	Sheep and Lambs	Price Per Cwt.
	(mil. head)	(dollar)
1960	33.2	17.90
1961	32.7	15.80
1962	31.0	17.80
1963	29.2	18.20
1964	27.1	19.90
1965	25.1	22.80
1966	24.7	23.40
1967	23.9	22.10
1968	22.2	24.40
1969	21.4	27.20
1970	20.4	26.40
1971	19.6	25.90
1972	18.7	29.10
1973	17.7	38.20
1974	16.4	40.51
1975	14.5	44.45
1976	13.4	49.87
1977	12.8	54.28
1978	12.3	65.33
1979	12.2	71.52*
1980	12.5**	

* Preliminary ** Estimated

NUMBERS OF HOGS, SHEEP & BEEF CATTLE ON NEW YORK FARMS
January 1, 1960-1979



LIVESTOCK NUMBER OF NEW YORK FARMS, JANUARY 1, 1950-1979

Year	HOGS & PIGS	SHEEP & LAMBS		BEEF CATTLE	
	Total 1/	Stock Ewes 2/	Sheep & Lambs Total 2/	Cows 3/	Steers & Heifers over 500 pounds 4/
	(thousand head)				
1950	217	92	124	15	45
1960	133	116	150	58	59
1965	81	87	110	73	56
1970	95	74	92	94	83
1971	93	72	90	96	79
1972	96	71	88	100	82
1973	89	69	85	106	77
1974	93	62	75	115	76
1975	115	55	71	125	75
1976	110	49	62	130	96
1977	120	47	60	112	84
1978	125	45	58	85	69
1979	140	42	56	75	39

Source: New York Crop Reporting Service

1/ Series converted to hogs and pigs in 1964 (previously hogs only). Revised again in 1973.

2/ Series revised in 1973.

3/ Series revised in 1973 and converted to beef cows (cows and heifers prior to 1971).

4/ Series revised in 1973 and converted to steers over 500 pounds and heifers not kept for replacements (steers and calves prior to 1970).