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AGRICULTURAL SITUATION and OUTLOOK

Prepared by
Extension Staff

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1. Department of Agricultural Economics unless specifically indicated.
2. Consumer Economics and Housing.
3. Extension Specialist.
4. Poultry Science.

This publication contains information pertaining to the general economic situation and New York agriculture. It is prepared primarily for the use of professional agricultural workers in New York State. U.S.D.A. Agricultural Handbook No. 609, "1982 Handbook of Agricultural Charts," provides current reference material pertaining to the nation's agricultural situation.

"Current Economic Situation" is a two-page monthly release that carries the latest figures for selected economic indicators and highlights current developments. This release is a supplement to the Economic Handbook and is available to anyone requesting to be on the mailing list by writing to Department of Agricultural Economics, Cornell University, 442 Warren Hall, Ithaca, New York 14853-0398.

A GUIDE TO SOURCES OF ECONOMIC DATA

Statistics of general interest are not confined to the first section. For example, information on consumer prices and food costs can be found on pages 21-30 of the marketing section as well as on pages 11 and 12 of the general economic section. Key interest rates are shown on pages 34 and 35 of the finance section.

The following U.S. Government publications are in most libraries and are the primary sources for monthly or quarterly economic statistics:

Monthly Labor Review, published by the U.S. Dept. of Labor, Bureau of Labor Statistics. Comprehensive reporting of data on consumer and producer prices, employment and unemployment, and labor earnings. Based on monthly surveys by the Bureau.

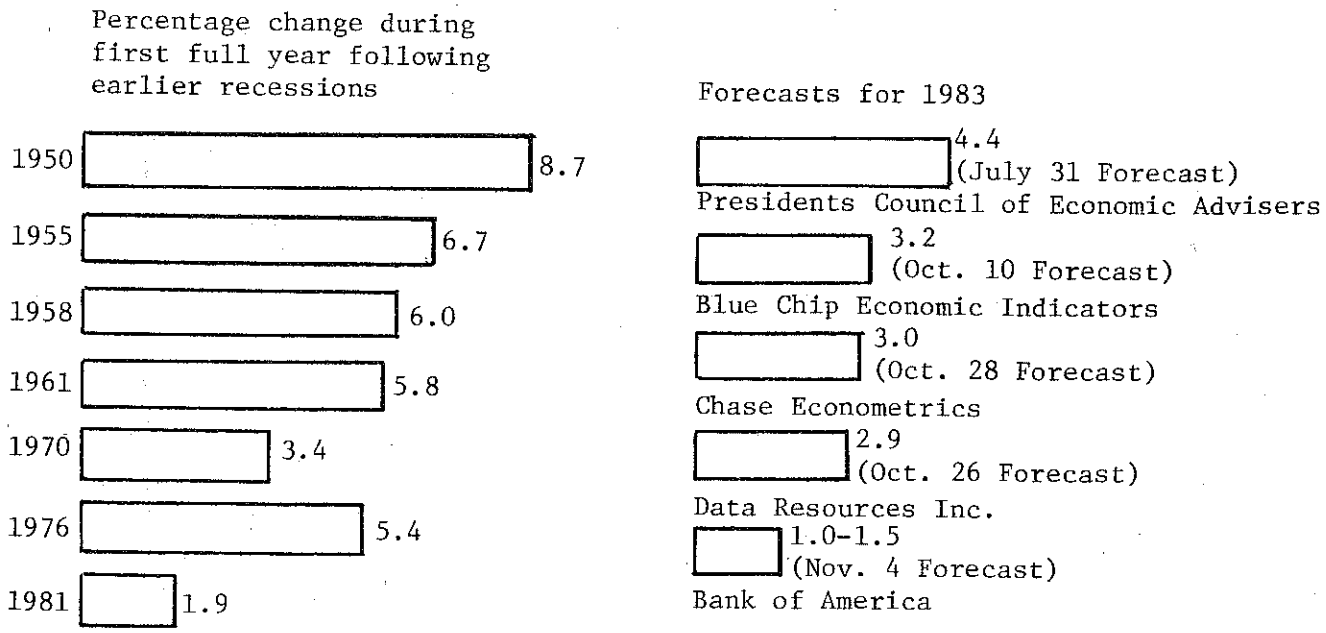
Federal Reserve Bulletin, published by the Federal Reserve Board. Comprehensive reporting of statistics on financial markets, including all key interest rates, changes in money supply, and domestic and international financial transactions. Based on aggregate statistics and national income and products accounts.

Survey of Current Business, published by the U.S. Dept. of Commerce, Bureau of Economic Analysis. Various business statistics: particularly useful for aggregate savings and consumption data taken from national income and product accounts.

Economic Indicators, prepared for the Joint Economic Committee of the Council of Economic Advisors. Various useful statistics including measures of GNP, Personal Income and Expenditures, Employment and Wages, Housing and Construction, Prices, and Financial Markets.

National Food Review, published by U.S. Department of Agriculture. Articles and statistics on food situation and outlook.

CHANGES IN REAL (DEFLATED) GROSS NATIONAL PRODUCT



SOURCE: New York Times, November 5, 1982.

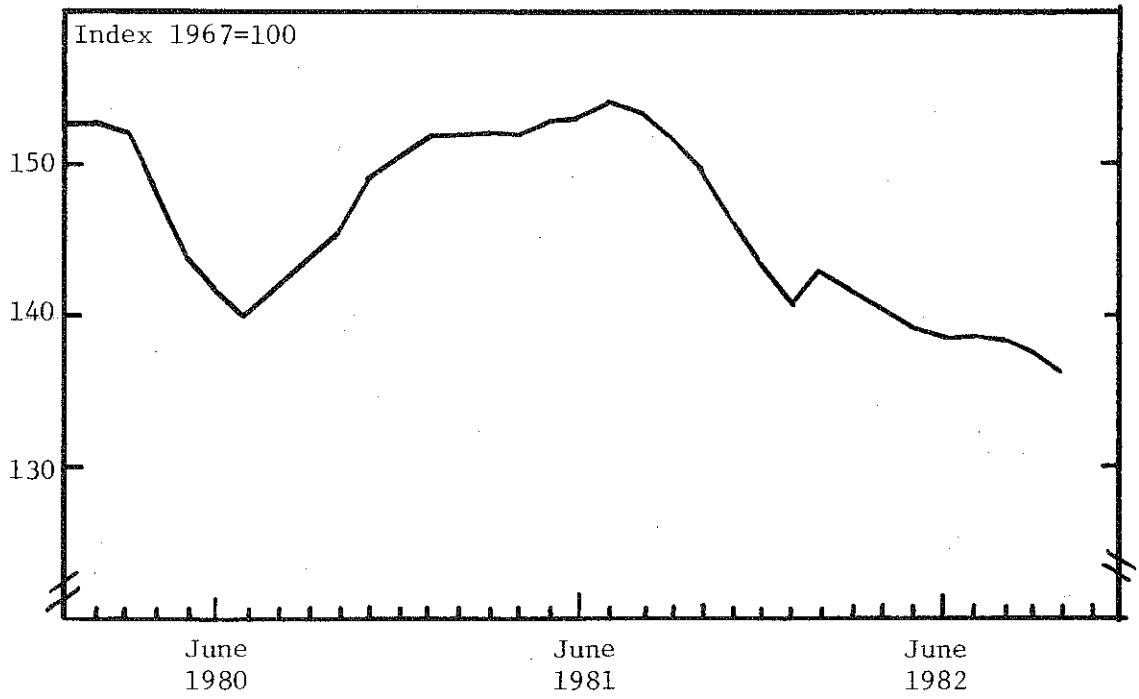
Opinions differ widely on the timing and vigor of the recovery which is forecast for 1983. The concensus view is that the recovery will be anemic, and that the rate of growth in 1983 will fall short of that experienced during previous post-recession years. In 4 of the past 6 post-recession years, the rate of growth of real GNP (adjusted for inflation) has ranged between 5 and 7 per cent. Recent forecasts of real GNP growth for 1983 generally range between 3 and 3.5 per cent, although some are as low as 2 per cent.

Housing starts, automobile sales and durable goods orders are likely to lead the recovery, but thus far, only housing starts and auto sales appear to have turned around. Consumers are still cautious in initiating new purchases.

Prices are likely to continue to rise at an annual rate of between 5 and 6 per cent, although some forecasters are predicting a further decline in the inflation rate to as low as 4 per cent by the 4th quarter of 1983.

Unemployment is likely to remain high, averaging close to 9 per cent.

INDUSTRIAL PRODUCTION AND CAR SALES

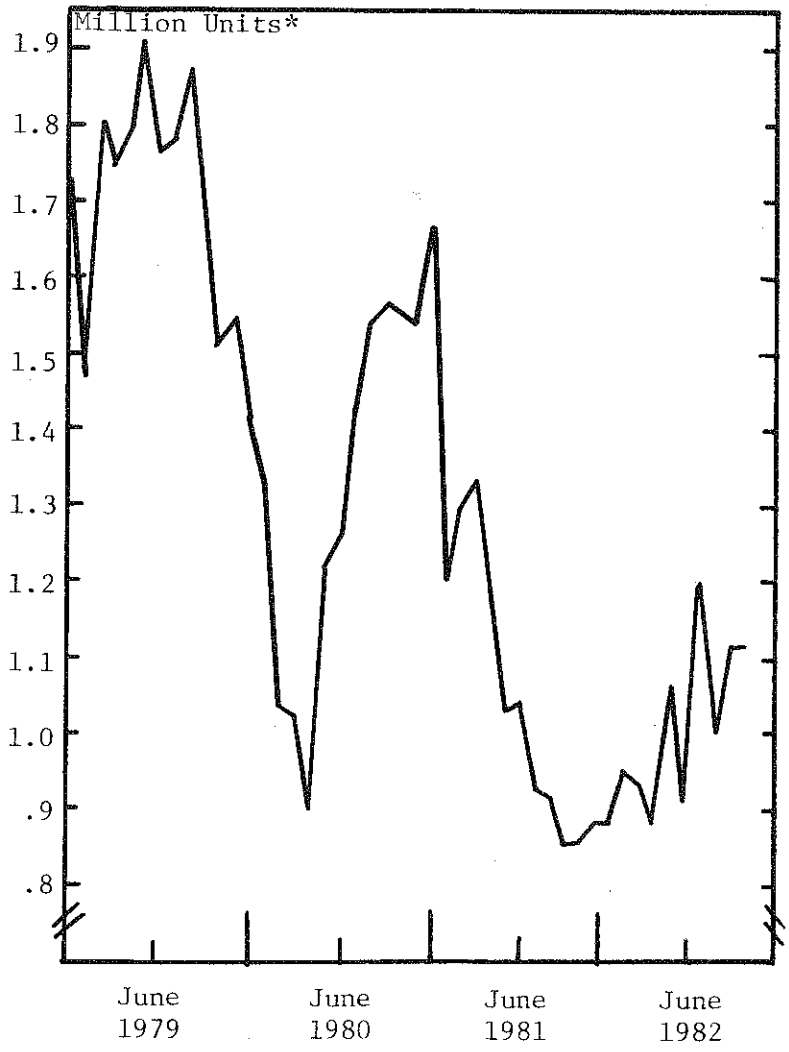


The index of industrial production turned down in August 1981, and continued to decline in all but one of the succeeding 15 months. By October of 1982, the index had fallen to a level which was 3 per cent below the low point of the 1980 recession. Both in duration and magnitude, the 1982 recession has exceeded every other slump since the Great Depression. In periods of recovery, it normally takes about 12 months for the index of industrial production to reach the pre-recession level. If this pattern is followed in 1983, it probably will be early in 1984 before industrial production again reaches the level which prevailed in mid 1981.

Imported car sales declined along with domestic car sales during the first half of 1982, but not quite as badly. Annual rates of selling during the first 7 months of 1982 in comparison with previous years are shown below.

	1979	1980	1981 (million)	1982 (Jan.-July)
Domestic cars	8.2	6.6	6.2	5.5
Imports	2.3	2.4	2.3	2.2
Total Sales	10.5	9.0	8.5	7.7

HOUSING STARTS

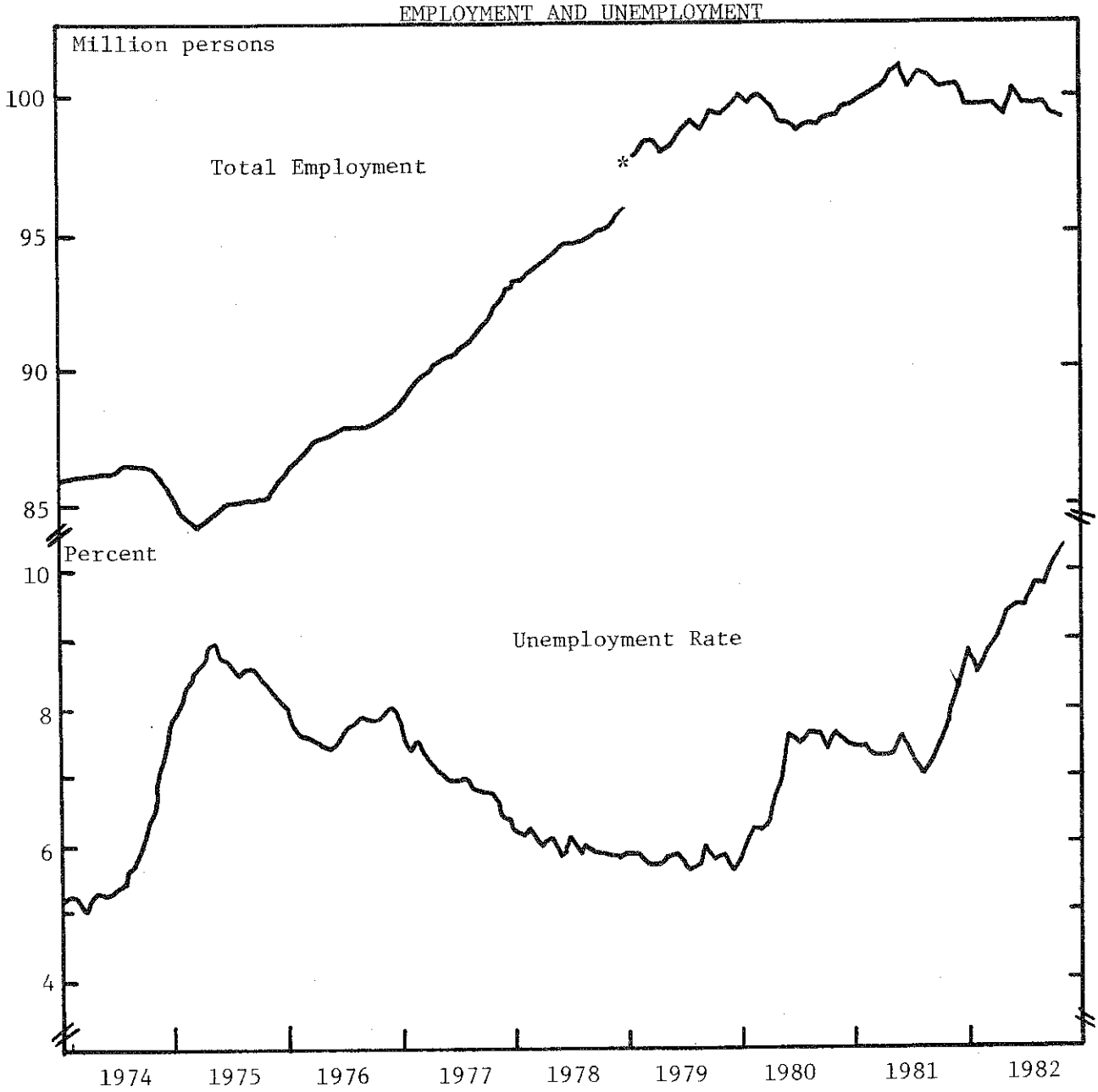


* Annual rate seasonally adjusted.

Housing starts have fluctuated widely from month to month, but generally have followed an upward trend since the low point in the current recession was reached in November of 1981. The number of building permits awarded rose even more strongly than the number of new housing starts in October of 1982, thus pointing towards a further improvement in home construction. Forecasters think housing starts will average around 1.4 million in 1983.

Mortgage rates have declined recently from a peak of over 16 percent late in 1981 to around 14 percent. According to Savings and Loan economists, they are likely to fall still further to somewhere between 12 and 13 per cent in 1983. Forecasters typically are predicting that FHA rates will drop to as low as 11 percent (from the present rate of 12 per cent), and that conventional mortgage rates will average about 1 per cent higher.

EMPLOYMENT AND UNEMPLOYMENT



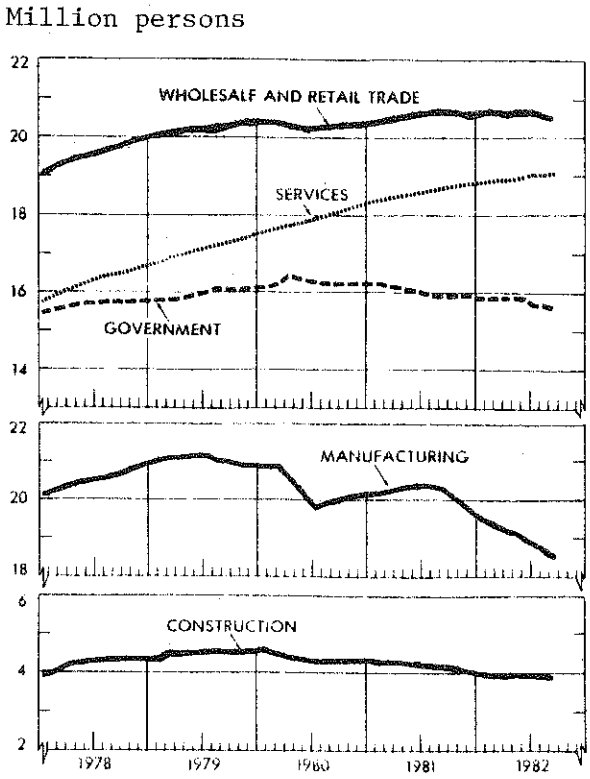
* New series not strictly comparable with earlier data due to population adjustments.

Total employment figures have been adjusted during the past year to reflect upward revisions in the U.S. population. They have been revised beginning with 1979, but not for preceding years.

The dip in employment (top graph) since mid 1981 has been much less dramatic than the rise in the unemployment rate (lower graph). Total employment peaked in 1981 at around 101 million. Since then, it has declined to just over 99 million, a decline of only 2 per cent. The unemployment rate rose from an average of 7.3 per cent early in 1981 to over 10 per cent in September and October of 1982.

Most forecasters foresee only a modest decline in the unemployment rate during 1983. Many jobs in the automobile, steel and other industries suffering from weak growth in demand and foreign competition appear to have been lost permanently. This creates what is now being referred to as the "structural" unemployment problem.

TRENDS IN NON-AGRICULTURAL EMPLOYMENT



SOURCE: Economic Indicators, October 1982.

The decline in employment which has occurred since 1981 has been concentrated in the manufacturing sector. Total employment in manufacturing peaked at around 23 million in 1979 and is now down to only a little over 18 million.

The reported decline in construction employment has been much smaller than one might have expected, given the slump in housing. Even government employment has declined recently. These figures include the number employed by state and local units of government, as well as those employed in Washington.

Employment in service industries has continued to rise despite the recession, although at a slower rate than prevailed between 1978 and 1980. Trade, services and government now account for well over half of total employment.

DISPOSITION OF DISPOSABLE PERSONAL INCOME[a/]

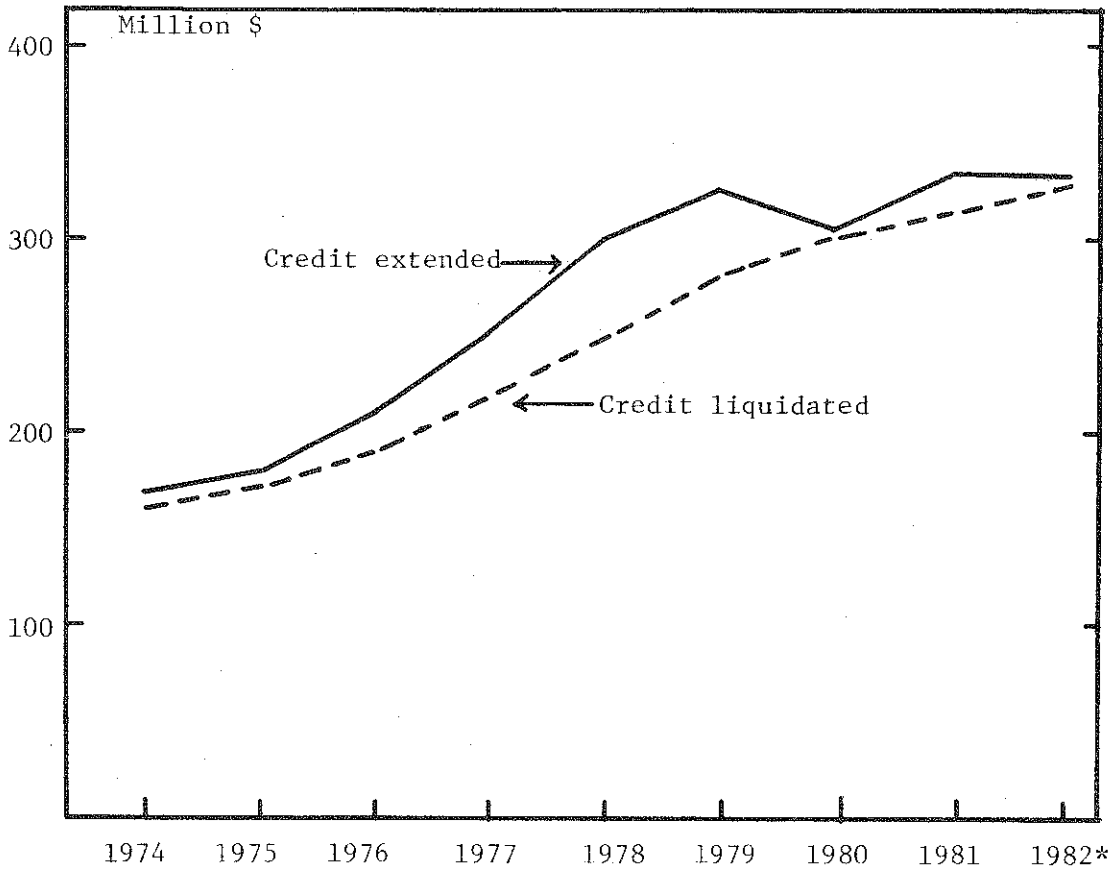
	Percent of Disposable Income					
	1965	1971	1978	1980	1981	1982 II
Personal Consumption Expenditures	92.0	89.3	92.6	91.8	90.8	90.3
Durable Goods	14.1	13.9	13.7	11.6	11.6	11.1
Motor Vehicle and Parts	6.4	6.3	6.2	4.9	4.9	4.8
Furniture and HH Equipment	5.8	5.6	5.3	4.6	4.6	4.3
Other	1.9	2.0	2.2	2.0	2.0	2.1
Non-Durable Goods	40.6	37.4	36.4	37.1	36.2	35.0
Food	21.0	18.3	18.6	19.0	18.5	18.3
Clothing and Shoes	7.7	7.6	6.2	5.8	5.6	5.5
Gasoline and Oil	3.2	3.2	3.5	4.9	4.8	4.2
Other	8.8	8.2	8.0	7.5	7.3	7.0
Services	37.3	38.1	42.5	43.1	43.1	44.1
Housing	13.5	13.3	14.6	15.0	14.6	14.9
Household Operation	5.5	5.3	6.3	6.1	6.4	6.5
Transportation	2.7	2.7	3.4	3.5	3.2	3.2
Other	15.6	16.8	18.3	18.5	18.9	19.5
Personal Savings	5.5	8.2	4.9	5.6	6.4	6.9
Other Personal Outlay	2.5	2.5	2.5	2.6	2.7	2.8
Disposable Personal Income	100.0	100.0	100.0	100.0	100.0	100.0

a/ Personal income less contributions for social insurance, taxes and non-tax payments.

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

As normally happens during a recession, consumers reduced the proportion of their income spent on durable goods in 1982 and saved a slightly larger percentage. A slower rate of increase in food prices in recent years has made it possible for consumers to reduce very modestly the proportion of income spent on food, now down to 18.3 per cent, the same as in 1971. The long-term upward trend in the proportion of income spent on services is expected to continue in 1983.

CONSUMER INSTALLMENT CREDIT



* Estimated.

SOURCE: Board of Governors of the Federal Reserve System.

During each of the past three years there has been only a modest addition to the amount of consumer installment credit outstanding. Net additions were as high as $43 billion in 1978. In contrast only about $9 billion was added in 1982.

The first sign of a turn-around in installment credit appeared in October. In September, debt liquidation exceeded new additions, but the situation was reversed in October, mainly due to an increase in car loans. Whether this portends a change in attitude toward credit and a more optimistic view of the future is still uncertain. A willingness to borrow more for holiday spending could be a positive sign for the economy as it enters 1983.

FEDERAL GOVERNMENT DEFICITS IN RELATION TO GNP

Year	Deficit	Federal Debt Outstanding	GNP	Deficit as a percent of GNP
	(billion dollars)			(percent)
1940	4	51	100	4
1943	55	170	192	29
1945	47	279	212	22
1950	3	257	286	1
1976	66	619	1718	4
1980	60	906	2626	2
1982	110	1137	3050	4
1983 (est.)	150+	?	3200	5

SOURCE: Economic Report of the President, and Economic Indicators.

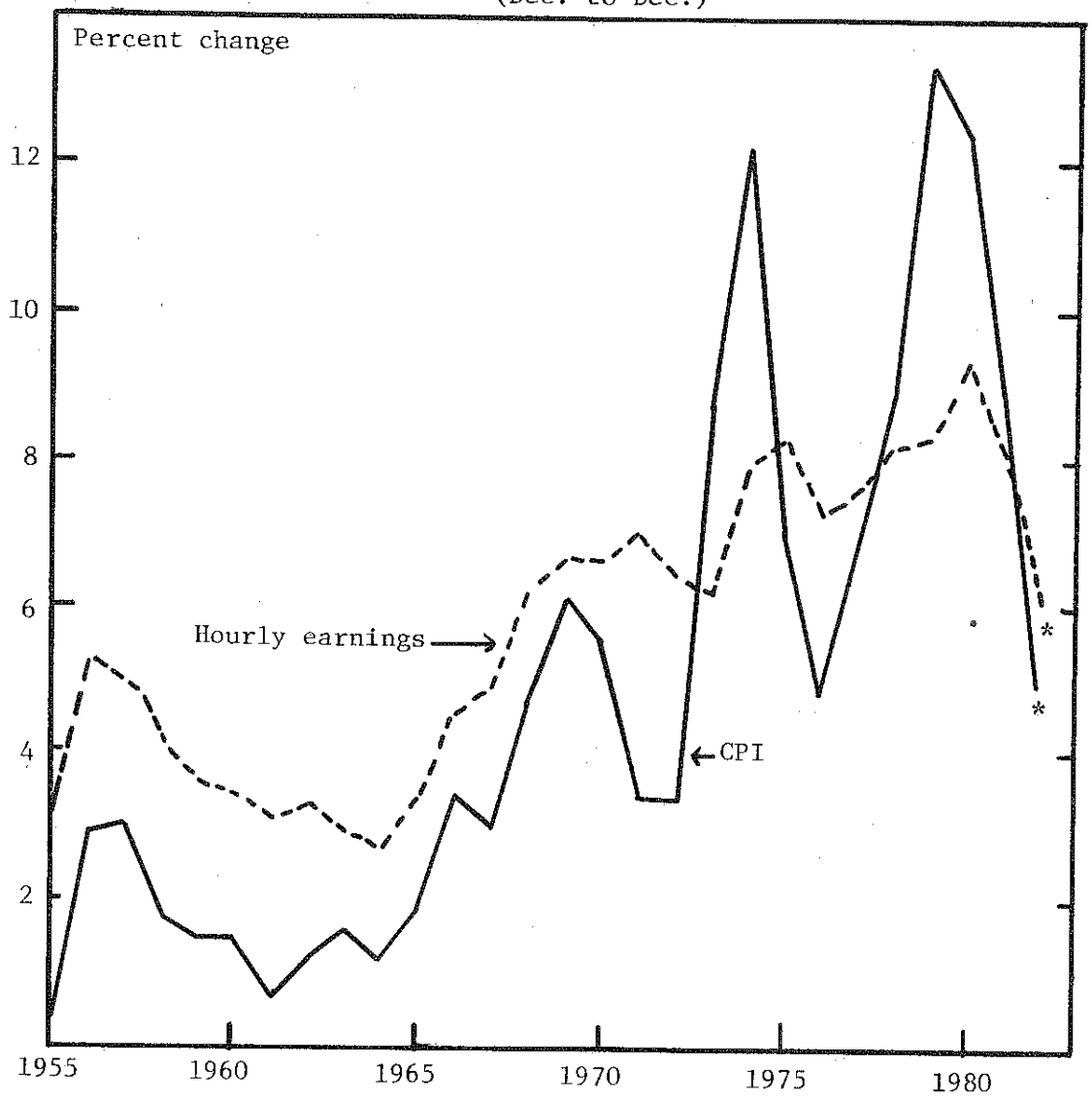
The Federal deficit in 1983 is likely to be even larger than the record $110 billion in 1982. With over a trillion dollars in federal debt outstanding, it now costs taxpayers (at present interest rates) more than $100 billion per year just to cover the interest on the debt. This amounts to around 16 per cent of all the money collected by IRS; however, this money is simply a transfer from taxpayers to bond holders, which includes insurance companies, banks, and pension funds as well as individuals.

The principal problem with large deficits is the competition of the government for loanable funds, which tends to keep pressure on the money market and raise interest rates. New borrowing by the government will absorb a high proportion of the total amount of money available for investment in 1983.

Our capacity to support or carry such a large deficit is not in question. The anticipated deficit for 1983, while a record high, is a much smaller per cent of GNP than the deficits we incurred during World War II. At that time the deficit exceeded 20 per cent of GNP. The expected deficit in 1983 probably will amount to less than 5 per cent of GNP.

We succeeded in reducing the federal debt by only about 20 billion between 1945 and 1950. Despite all the talk of balancing the budget, we have incurred deficits in 19 of the past 20 years.

ANNUAL RATES OF INCREASE IN CONSUMER PRICES AND HOURLY EARNINGS
(Dec. to Dec.)



* Estimated.
SOURCE: Bureau of Labor Statistics.

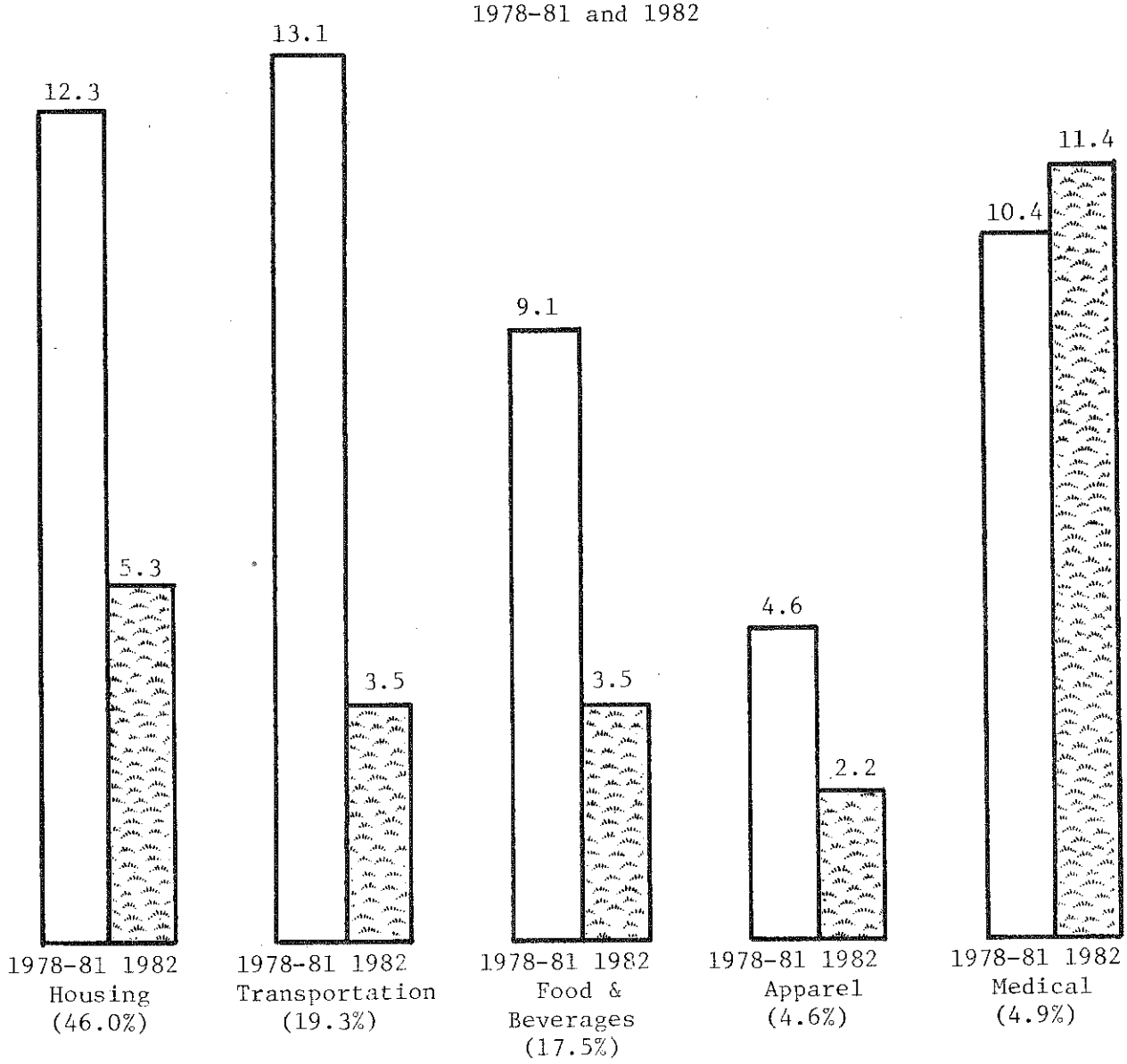
The decline in the rate of inflation in 1982 exceeded what most forecasters had anticipated. A record harvest combined with smaller increases in meat prices than had been forecast a year ago helped to hold down food costs. World surpluses of petroleum, weak demand for industrial products, a strong dollar (which helps to hold down the cost of imports), and declining interest rates all contributed to slowing down the rate of inflation for nonfarm goods and services during 1982.

Wage increases also were smaller in 1982. The average increase declined from 8 to 9 per cent early in the year to around 6 per cent during the last quarter.

As the economy begins to recover, pressure to hold down wages (or for workers to accept "give-backs") will diminish, thus reversing the recent trend in labor costs; however, productivity traditionally improves as output expands. This will help to offset some of the increase in wage rates.

Most forecasters think prices will continue to rise in 1983 at a rate averaging somewhere between 5 and 6 percent.

ANNUAL RATES OF INFLATION BY PRINCIPAL CPI COMPONENTS
1978-81 and 1982

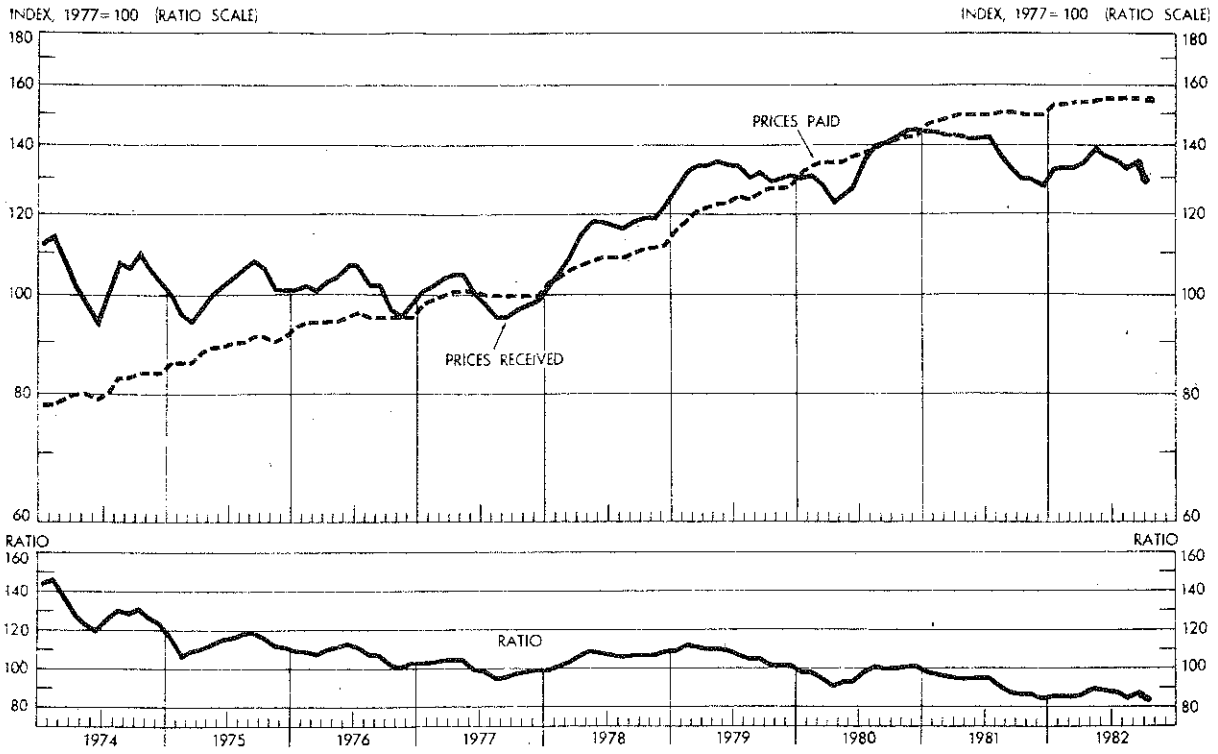


The bar at the left for each category shows the average annual rate of inflation which prevailed during the four year period 1978-81. The bar at the right shows the estimated rate of inflation for 1982. The figures in brackets under each category show the percentage weight of that category in the CPI index.

Housing, transportation and food prices rose at an average annual rate of 9 to 13 per cent between 1978 and 1981. By the last quarter of 1982, the annual rate of increase had declined to around 5 per cent for housing, and less than 4 per cent for transportation and food; however, medical costs are continuing to rise at a rate exceeding 10 per cent per year. Cheap imports have helped to hold down the apparel index.

Annual rates of inflation also vary among cities. Index numbers of consumer prices for individual cities are available only for the New York City Metropolitan area and Buffalo in New York State. During the past decade, consumer prices have risen slightly less in New York City and in Buffalo than the U.S. city average.

INDEX NUMBERS OF PRICES RECEIVED AND PAID
BY FARMERS AND THE PARITY RATIO

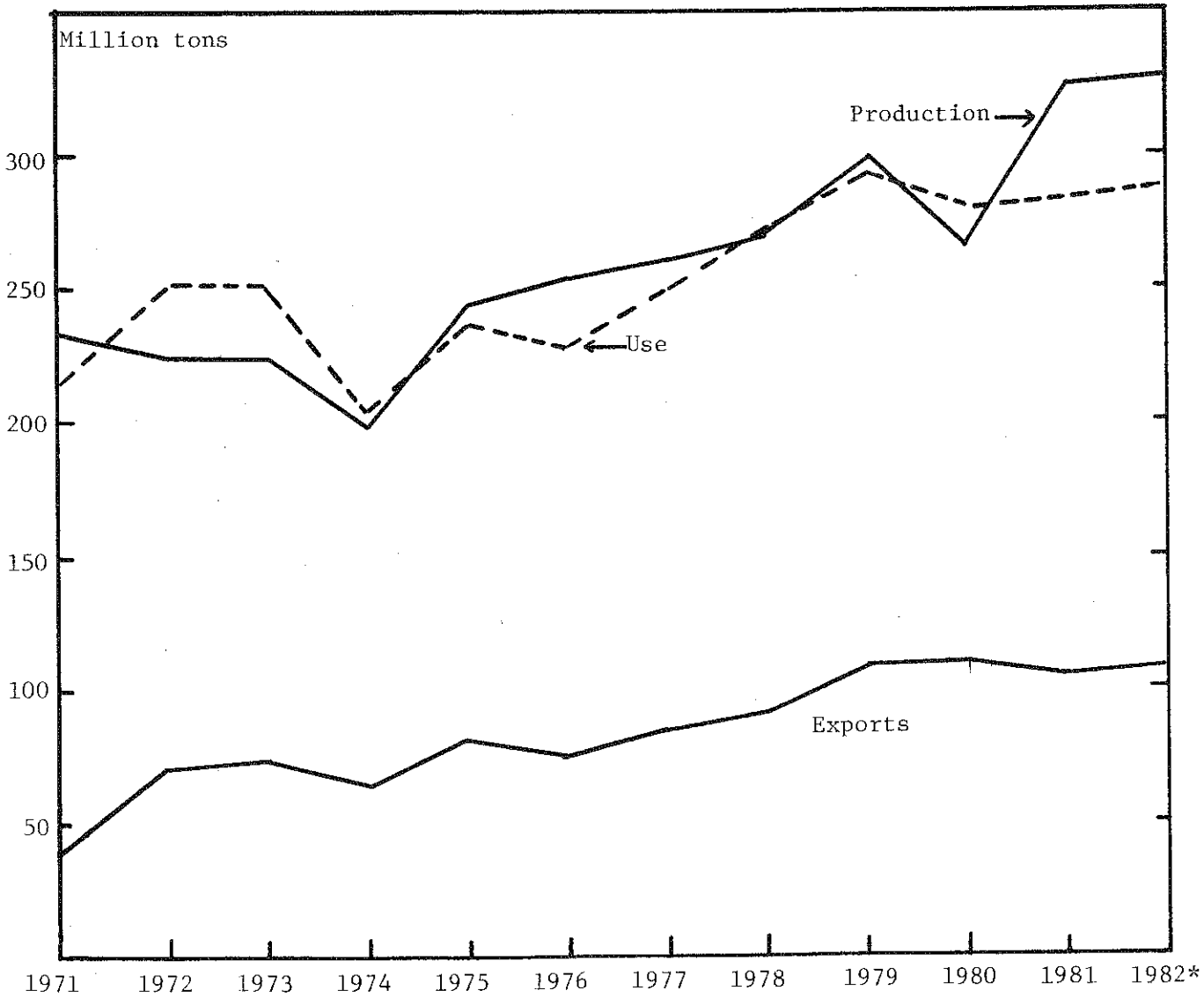


SOURCE: U. S. Department of Agriculture.

Average U.S. farm prices in 1982 were no higher than they were four years ago, while costs have continued to rise. As a result the parity ratio, which expresses the relationship between prices received and prices paid by farmers, has declined to the lowest level since the early 1930s. Hogs, citrus and turkeys are about the only commodities that have shown any improvement in prices during the past year.

Fortunately, the prices of many farm inputs are no longer rising. In October of 1982, the average prices paid by farmers for a number of items including feed, seed, fertilizer, and fuels were the same or slightly lower than a year earlier. But the prices of herbicides, pesticides and equipment are still rising at an annual rate of 6 to 7 per cent.

COMBINED WHEAT AND FEED GRAIN PRODUCTION AND USE

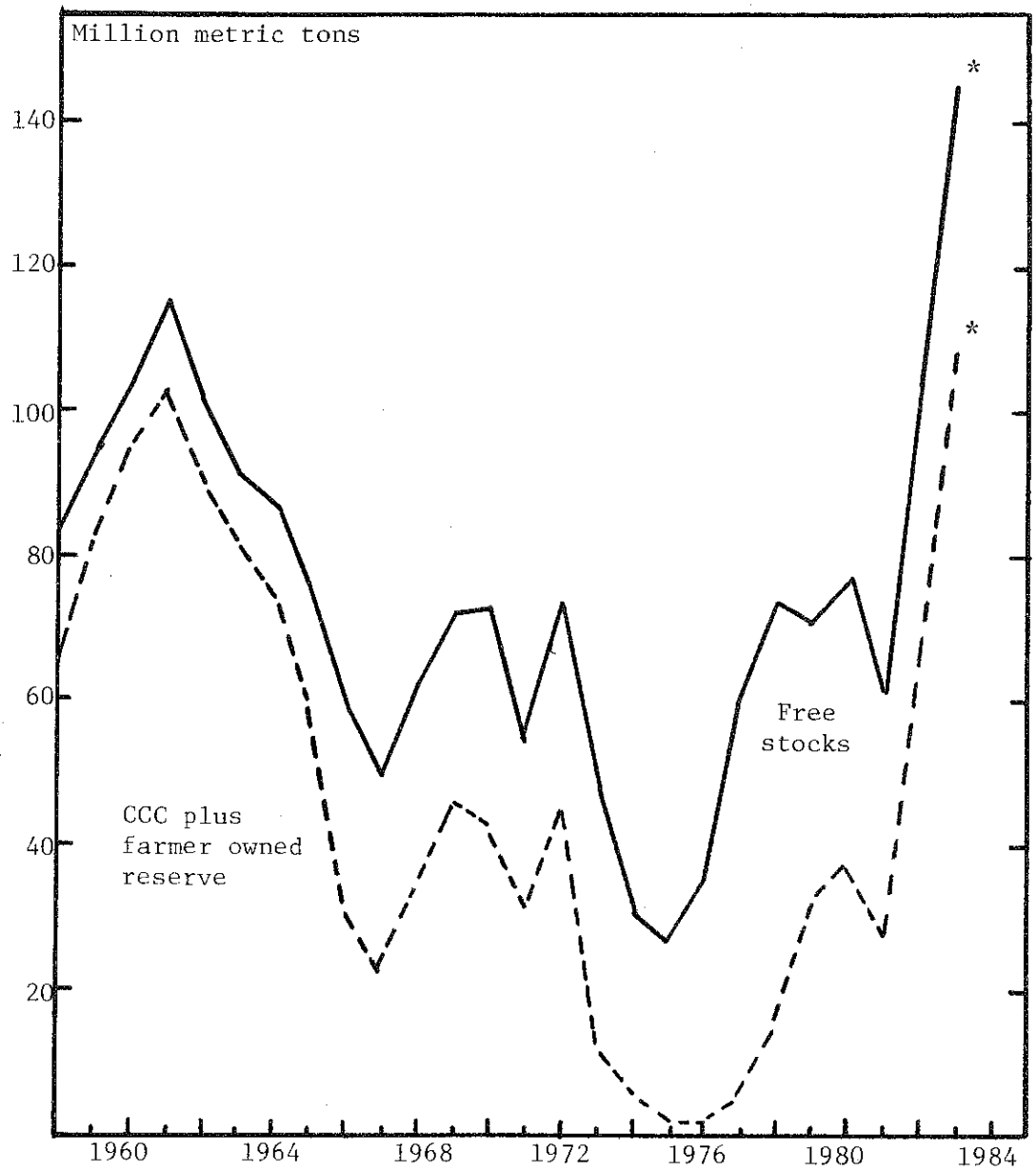


* Estimated.

Total grain production has equalled or exceeded use every year except one since 1975. Grain disappearance has leveled off at between 280 and 290 million tons, while production in each of the past two years has exceeded 320 million tons. Between the early 1970s and the early 1980s, total grain production rose nearly 100 million tons, the greatest increase in one decade ever recorded.

Forecasts of future growth in export demand which were made in the late 1970s have turned out to be much too optimistic. Little growth in export demand is now forecast for 1983 despite another poor Soviet harvest. Balance of payments problems for many countries such as Poland and Mexico, good crops in competing exporting nations, dumping surpluses of wheat by the European Community, and a strong dollar (which makes U.S. grain expensive to other countries) have combined to limit growth in U.S. grain sales during the past two years.

COMBINED CARRYOVER STOCKS OF WHEAT AND FEED GRAINS

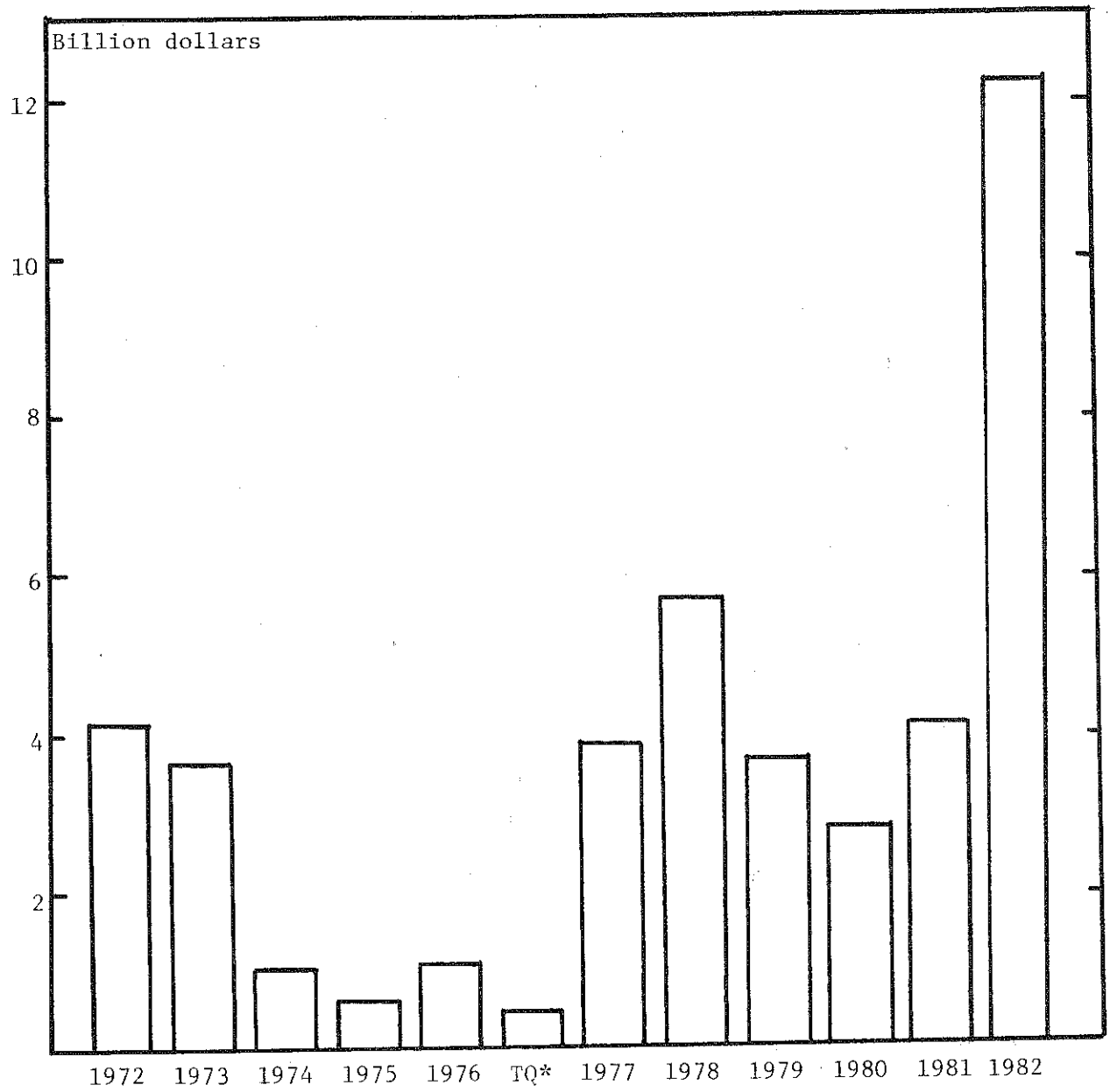


* Estimated.

The upper line shows changes in total carryover stocks of the principal grains (excluding rice). The dotted line shows the amount of grain owned by the government (CCC stocks) plus that held by farmers under the government-subsidized farmer-owned reserve program (since 1977). The latter stocks cannot be sold without incurring penalties unless the market price reaches the so-called "reserve release" level ($3.25 per bushel for corn and $4.65 per bushel for wheat in 1982).

Carryover stocks of grain have risen dramatically since the low point was reached in 1975. Over 40 million tons were added to carryover stocks in 1982, and close to another 40 million tons are likely to be added to stocks in 1983. Thus in two years, stocks will have risen by around 80 million tons.

OUTLAYS FOR PRICE-SUPPORT ACTIVITIES



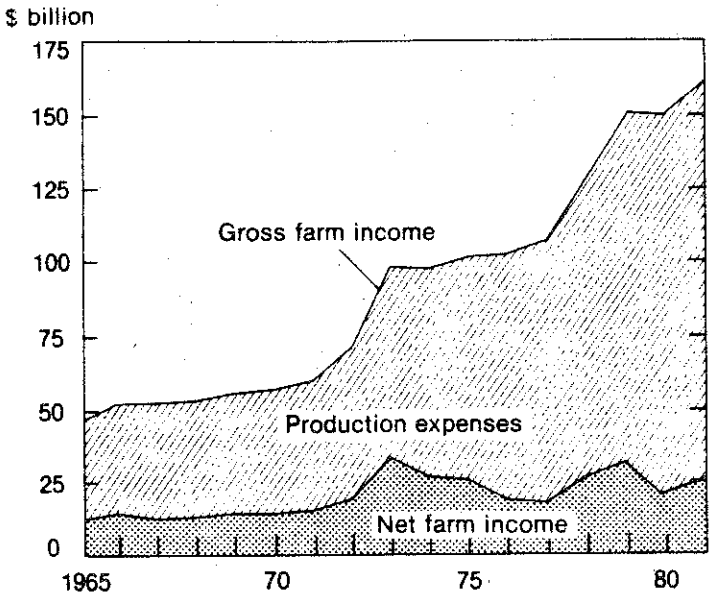
* Transitional Quarter.

SOURCE: U.S. Department of Agriculture.

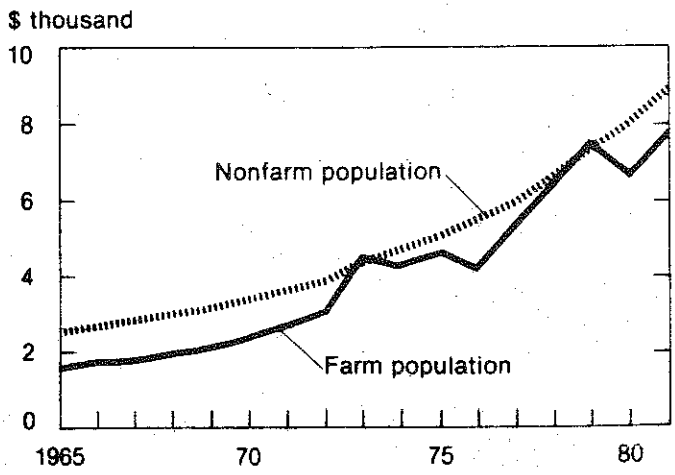
The Secretary of Agriculture is under strong pressure from the Office of Management and Budget (OMB) to reduce the cost of support activities which have risen dramatically during the past year. The combined costs of deficiency payments for grain and cotton, storage subsidies under the Farmer-owned Reserve Program, and the purchase and storage costs associated with dairy supports are likely to total around $12 billion in 1982. Approximately $3 billion of this is attributable to dairy support costs.

In an effort to hold down or reduce surplus stocks of grain, farmers are being offered incentives to cut plantings of corn and wheat by 20 per cent. It is possible an additional program in the form of payments in grain (PIK) will be offered to farmers who contract to keep idle the entire base acreage on their farms.

Income from Farming



Disposable Income per Capita



Income from all sources less personal contributions for social insurance, personal tax, and nontax payments. Beginning in 1975, farm income data reflect a change in the farm definition from a place of 10 or more acres with $50 in agricultural sales and under 10 acres with $250 in sales to a place with $1,000 in sales.

Source: USDA 1982 Handbook of Agricultural Charts, No. 609.

Agricultural sales increased by more than three times in the United States in 15 years. Increases in prices (inflation) accounted for almost 75 percent of this total but total output has increased as well. Production expenses have increased proportionately more than sales and amount to 5 times as much as they did just 15 years ago. Increasingly farmers buy the resources and inputs required for agricultural production. As a result net farm income in the aggregate has increased less proportionately than either sales or expenses. Compared with 1980 net income from farming rose from 20.1 billion to 25.1 billion in 1981, but was substantially below peak levels in 1973 and 1979. Net income from farming is likely to fall below 20 billion dollars in 1982, which corrected for changes in prices, will be the lowest level sustained in the last 30 years.

The USDA regularly calculates an estimate of disposable income per capita for the farm population in comparison to average disposable income for all other members of the U.S. population. During the 1970's per capita disposable income in the farm sector more closely approximated that for the rest of our society than at any time earlier in this century. In 1981 farm disposable income per capita was 88 percent of nonfarm. The farm population of course is a shrinking proportion of the total. In 1981 it was 5.79 million out of 229.8 million nationally or 2.5 percent of the total population.

INCOME AND EXPENSE FROM FARMING
New York State, 1971, 1974, 1977, 1980-81

	1971	1974	1977	1980	1981
	Million dollars				
GROSS FARM INCOME:					
Cash receipts from marketing					
Livestock and products	809	1041	1201	1777	1876
Field crops	95	167	165	240	283
Vegetables	73	103	138	171	210
Fruit	80	108	113	213	186
All other	60	86	105	150	166
Total commodities	1117	1505	1722	2551	2721
Government payments	17	6	9	6	7
Non-money income	113	185	212	236	261
Other farm income	9	14	17	22	27
Total gross income	1256	1710	1960	2815	3016
NET FARM INCOME:					
Production expenses	926	1450	1766	2411	2691
Realized net farm income	330	260	194	404	325
Net change in inventories	-1	83	-38	53	79
Total net farm income	329	343	156	457	404

Source: Economic Indicators of the Farm Sector 1-2, ERS, USDA, October 1982.

Annual estimates of gross and net income generated in the farm sector of each state are prepared by the Economic Research Service. Gross farm income in most years comes 90 percent from cash farm sales. The non-money income listed in the table above accounts for the rental value of houses and farm products consumed in the household. Other farm income includes such items as custom work and machine hire.

If one looks at the changes in gross farm income in the 10 years between 1971 and 1981, the total has increased by 2.5 times. Of this increase about 80 percent can be attributed to an increase in farm prices and the other 20 percent in additional output. Cash production expenses have increased almost 3 times in the same span of 10 years reflecting more purchased inputs for each dollar of sales.

Net farm income in the aggregate is only modestly larger than it was 10 years ago. The number of farms is slightly smaller but overall it shows that the net returns to farmers or the profitability of operations has declined over the decade. At the same time the value of farmers' aggregate net worth in New York has increased at a faster rate than the rate of inflation.

In 1982 cash receipts have not increased as in most previous years and gross income from farming might slip below 3.0 billion dollars. Production expenses are likely to have increased modestly, while the value of inventories is likely to decrease. Net farm income in 1982 may thus fall to 200 million dollars.

AVERAGE FARM FAMILY INCOME, ALL SOURCES BY FARM SIZE
Farm Finance Survey, United States, 1979

Value of agricultural products sold	Number of farms	Net income from all farm sources	Off-farm income	Total family net cash income
$ 1,000 - 2,499	546,667	$ (-740)	$17,534	$ 16,794
2,500 - 4,999	326,277	476	16,270	16,746
5,000 - 9,999	302,512	1,863	16,135	17,998
10,000 - 19,999	270,845	4,014	14,470	18,484
20,000 - 39,999	257,919	8,642	10,794	19,436
40,000 - 99,999	373,676	17,367	8,832	26,199
100,000 - 199,999	173,737	31,895	9,092	40,987
200,000 - 499,999	78,702	58,893	11,145	70,038
500,000 and over	23,890	290,156	21,754	311,910
United States average	2,354,225	$ 11,566	$13,913	$ 25,479

Source: 1979 Farm Finance Survey, Bureau of the Census, Vol. 5, Part 6.

National estimates of net cash family income from all sources were developed by farm size based on the value of agricultural sales using data from the Farm Finance Survey. Such detail could not be developed for individual states.

Those farms with less than $5,000 of agricultural sales obtained more than 90 percent of family income from off-farm sources. These units accounted for 37 percent of all the farm units and might well be characterized as RESIDENTIAL FARMS.

The farms that sold $40,000 or more of agricultural products on the average obtained more than half of family net cash income from farming activities. This group of 650,000 farms includes 27.5 percent of the total number of farms but produces 88 percent of total farm marketings. This is the FULL-TIME, COMMERCIAL sector.

The remaining units with agricultural sales between $5,000 and $40,000 annually are primarily part-time farming operations but where farming activities make an important contribution to family net income and almost 12 percent of the farm products sold. These PART-TIME, COMMERCIAL farms account for 35 percent of the total number.

AVERAGE FARM FAMILY INCOME
Farm Finance Survey, Selected States, 1979

State or region	Number of farms	Net income, all farm sources	Off-farm income	Total family net cash income
United States	2,354,225	$ 11,566	$ 13,913	$ 25,479
NORTHEAST	149,486	9,334	15,161	24,495
New York	48,117	12,209	11,741	23,950
Pennsylvania	58,908	7,951	14,762	22,713
New Jersey	11,234	7,206	30,362	37,568
Vermont	7,126	11,459	11,056	22,515
Massachusetts	7,561	7,138	19,415	26,553
NORTH CENTRAL	978,723	12,342	11,561	23,903
Iowa	121,419	15,477	9,468	24,945
Ohio	90,384	8,382	16,579	24,961
Minnesota	99,424	12,135	8,759	20,894
Wisconsin	84,948	15,639	10,126	25,765
SOUTH	961,045	8,326	15,042	23,368
North Carolina	83,484	8,303	11,073	19,376
Tennessee	94,224	3,970	13,437	17,407
Mississippi	51,061	8,405	16,039	24,444
Texas	181,397	10,271	17,493	27,764
Florida	42,061	27,752	21,012	48,764
WEST	264,971	21,707	17,804	39,511
Colorado	28,318	13,053	16,254	29,307
Montana	22,992	19,798	10,625	30,423
Oregon	33,034	18,026	16,584	34,610
California	71,997	34,942	23,394	58,336

Source: 1979 Farm Finance Survey, Bureau of the Census, Vol. 5, Part 6.

The U. S. Census conducted a special sample survey in 1980 to obtain additional information from farm operators and landlords on assets, debt, and income sources to the family off-farm for the 1979 financial year. This survey provides the first data on a state basis on all sources of farm family income since a similar special survey conducted for the 1970 financial year.

New York farm families, on the average, obtain more than half their net cash income from farming activities. This percentage is above the national average and is more like states in the midwest than the Northeast. There are more commercial farms in the census count in New York than most neighboring states with the exception of Vermont.

A comparison of the income statistics by states shows a surprising similarity in the averages for total family income throughout the country when off-farm income is combined with farm sources. Average family incomes for states like California and Florida are strongly influenced by the large farms and their associated net incomes. The Western states generally had higher incomes than the rest of the country.

CONSUMER PRICE INDEX ALL ITEMS, FOOD AWAY FROM HOME AND FOOD AT HOME, 1963-1982

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	195.4	210.2	218.4
1979	217.4	232.9	242.9
1980	246.8	251.5	267.0
1981	272.4	269.9	291.0
1982 Jan.-Aug. average	287.0	279.3	304.3

Source: Agricultural Outlook, October 1982.

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

	Dec. 1981 to June 1982	Jan.-June Average 1981-82
Meats	7.2%	4.0%
Beef & veal	6.5	1.8
Pork	10.8	10.1
Poultry	3.0	- 2.1
Eggs	-17.9	2.3
Fish	1.6	4.7
Dairy products	0.3	1.6
Fats and oils	- 0.2	- 2.7
Fresh fruits & vegetables	18.6	9.9
Processed fruits & vegetables	1.9	7.8
Sugar and sweets	2.1	- 3.1
Beverages	3.0	2.8
Cereal and bakery products	2.1	5.3
Food at home	4.0	4.0
U.S. farm food		
Farm value	6.7	1.1
Farm-retail spread	4.2	6.1
Food away-from-home	2.8	5.7
All food	3.6	4.5
All items less food	3.2	7.8
All items	3.1	7.2

Source: Agricultural Outlook, October 1982.

CONSUMER PRICE INDEX SELECTED NON-FOOD CATEGORIES, 1962-82

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	227.6	166.6	239.7	212.0
1980	263.3	178.4	265.9	249.7
1981	293.5	186.9	294.5	280.0
1982 January	306.1	187.3	313.4	289.9
February	307.3	188.0	316.2	288.0
March	306.7	191.1	318.8	285.1
April	309.4	191.9	321.7	282.9
May	313.8	191.5	323.8	285.6
June	317.5	190.8	326.4	292.8

Source: Survey of Current Business, August 1982.

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			
1972	117.9	82.9	36.3	28.9	8.1
1973	136.7	97.0	39.7	31.9	7.8
1974	152.3	107.8	44.5	35.5	9.0
1975	166.4	114.8	51.6	41.3	10.3
1976	180.9	124.6	56.3	45.5	10.8
1977	189.3	128.6	60.7	49.3	11.4
1978	212.4	146.4	66.0	54.1	11.9
1979	237.9	167.5	70.5	57.1	13.3
1980	260.1	182.0	78.2	63.4	14.8
1981	284.5	193.7	90.7	na	na
		Marketing Bill			
1972	78.5	50.8	28.9	23.0	6.6
1973	85.7	55.3	30.4	24.5	5.9
1974	96.5	62.6	33.9	27.1	6.8
1975	111.5	71.7	39.8	31.9	7.9
1976	123.4	77.7	45.7	37.1	8.6
1977	132.0	82.0	50.0	40.9	9.1
1978	144.1	90.6	53.5	44.2	9.3
1979	159.9	108.9	51.0	40.5	10.4
1980	178.6	115.0	63.6	51.8	11.8
1981	202.1	127.1	74.9	na	na
		Farm Value			
1972	39.4	32.1	7.3	5.8	1.5
1973	51.0	41.7	9.2	7.4	1.9
1974	55.8	45.2	10.6	8.4	2.2
1975	54.9	43.1	11.8	9.4	2.4
1976	57.5	46.9	10.6	8.4	2.2
1977	57.3	46.6	10.7	8.4	2.3
1978	68.3	55.8	12.5	9.9	2.6
1979	78.0	58.6	19.5	16.6	2.9
1980	81.4	67.0	14.6	11.6	3.0
1981	82.4	66.6	15.8	na	na

Source: Agricultural Outlook, October 1982.

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.

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	241.4	222.5	235.6
1980	249.4	241.2	268.8
1981	254.9	248.7	293.4
1982 January	242.1	247.4	298.5
February	247.1	248.3	298.5
March	244.7	248.1	298.0
April	250.6	251.1	298.0
May	256.1	254.4	298.6
June	252.7	255.8	299.4
July	246.5	254.8	300.6
August	242.0	253.6	300.4

Source: Agricultural Outlook, October 1982.

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.

MARKET BASKET OF FARM FOODS PRICE INDEXES, 1966-82

Period	Retail Cost	Farm Value	Farm Retail Spread	Farmer's Share
	(1967 = 100)			(Percent)
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	199.4	205.6	195.7	38
1979	222.7	227.3	220.0	38
1980	238.8	239.8	238.3	37
1981	257.1	246.4	263.4	36
1982 1st quarter 1/	263.7	243.8	275.8	34
2nd quarter 1/	267.3	257.3	273.2	36

1/ Preliminary

Source: Agricultural Outlook, October 1982.

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

Period	Per Capita			Percent of Income Spent for Food
	Disposable Income 1972$	Disposable Income	Food Expenditures	
1947-49	$2251	$1233	$306	24.6%
1957-59	2661	1837	380	20.6
1967	3371	2740	470	17.1
1968	3464	2930	494	16.8
1969	3515	3111	518	16.7
1970	3619	3348	557	16.6
1971	3714	3588	567	15.8
1972	3837	3837	599	15.7
1973	4062	4285	682	15.9
1974	3973	4646	777	16.8
1975	4014	5077	859	17.1
1976	4137	5511	938	16.8
1977	4285	6017	1149	19.1
1978	4448	6672	1256	18.8
1979	4512	7331	1393	19.0
1980	4472	8012	1506	18.8
1981	4538	8827	1633	18.5
1st half 1982 est.	4542	9226	1692	18.3

Source: Agricultural Outlook, October 1982.

FOOD CHAIN EARNINGS AFTER TAXES, UNITED STATES 1962-1981

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	0.9	5.7	13.3
1979	0.8	4.6	11.6
1980	0.9	4.9	12.6
1981	0.9	4.8	11.5

FOOD CHAIN OPERATING DATA, 1967-1981

Year	All Firms		Northeast Firms	
	Gross Margin	Total Expenses	Gross Margin	Total Expenses
	(Percent of Sales)			
1967	21.46	20.97	21.95	22.07
1968	21.48	20.89	22.36	21.92
1969	21.31	20.87	21.86	21.56
1970	21.39	21.20	21.79	21.69
1971	21.53	21.29	21.62	21.71
1972	20.93	21.40	20.74	21.59
1973	20.90	21.09	21.02	21.17
1974	21.15	21.17	20.86	20.70
1975	21.22	21.31	21.08	21.00
1976	21.35	21.49	21.25	21.30
1977	21.74	21.97	21.67	21.87
1978	21.93	21.60	20.51	19.96
1979	21.71	21.40	21.46	21.32
1980	22.03	21.41	21.79	21.57
1981	22.32	21.79	22.08	21.91

Source: Operating Results of Food Chains, 1981-82.

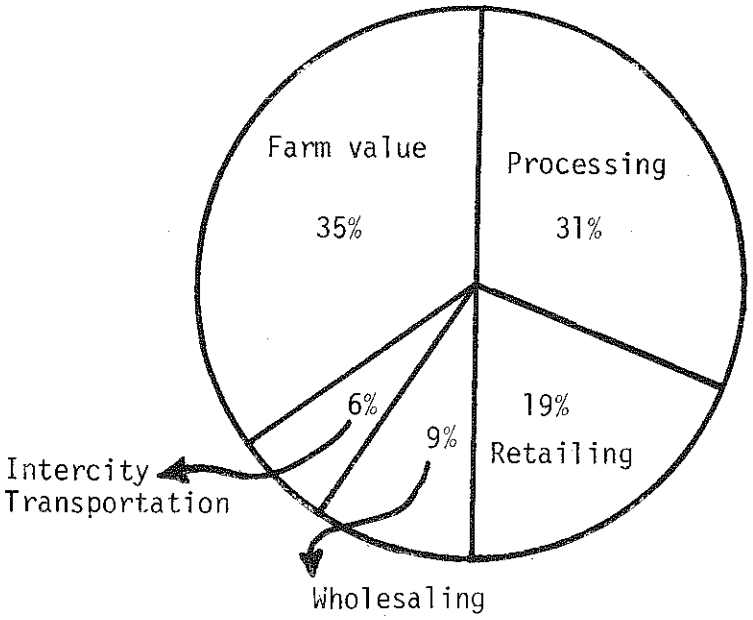
FOOD MARKETING COSTS
RISING MUCH MORE SLOWLY

	Change from same period, previous year	
	Jan.-May 1981	Jan.-May 1982 1/
	- percent -	
CPI	10.7	7.2
Food Marketing Costs	12.1	6.7
Labor	11.5	7.2
Manufacturing	9.6	7.9
Wholesale	9.5	8.9
Retail	14.3	5.8
Packaging	7.2	0.7
Paperboard and paper products	10.8	2.9
Tin cans	7.3	3.9
Polyethylene resin	- 4.0	-15.9
Glass containers	13.1	10.0
Metal foil	8.1	8.3
Wooden boxes	3.9	2.3
Fuel and power	20.9	5.7
Electricity	15.3	14.1
Fuel oil	27.4	- 3.6
Natural gas	14.9	16.6
Coal	4.3	9.8

1/ Preliminary

Source: Agricultural Outlook, July 1982.

COMPONENTS OF THE RETAIL FOOD DOLLAR



For domestic farm foods purchased by civilian consumers for consumption at home. 1981 Data

COMPONENTS OF FOOD MARKETING BILL

	1971	1978	1979	1980	1981
			$ Billion		
Total Marketing Bill	78.5	144.9	162.8	179.7	202.1
Labor[1/]	34.5	65.3	73.8	80.7	90.7
Packaging	8.5	16.3	18.4	21.1	22.9
Transportation[2/] (rail & truck)	6.0	10.3	11.6	12.7	14.1
Fuel & power	2.4	6.2	7.6	9.0	10.9
Corporate profit (before taxes)	3.9	9.0	9.9	11.0	12.0
Other[3/]	23.2	37.8	41.5	45.2	51.5

[1/] Includes supplements to wages and salaries, such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners and family workers not receiving stated remuneration.

[2/] Does not include local handling charges.

[3/] Includes business taxes, depreciation, rent, advertising, interest, and numerous other costs.

Source: Agricultural Outlook, October 1982.

UNITED STATES FARM BALANCE SHEET[a/]
Current Dollars, January 1

Item	1950	1960	1970	1980	1981	1982[b/]
	billion dollars					
Assets						
Real Estate	77.6	137.2	215.8	755.9	830.0	823.6
Livestock	12.9	15.3	23.5	61.4	60.8	53.6
Machinery	12.2	22.7	32.3	96.7	102.7	111.4
Crops	7.6	7.7	10.9	33.5	35.9	36.5
Household	8.6	9.2	9.6	17.2	19.4	21.7
Total Nonreal Estate	(41.3)	(54.9)	(76.3)	(208.8)	(218.8)	(223.2)
Deposits & Currency	9.1	9.2	11.9	16.0	16.7	16.8
U.S. Savings Bonds	4.7	4.7	3.7	4.0	3.3	3.3
Coop. Investment	2.0	4.2	7.2	20.1	22.2	24.7
Total Financial	(15.8)	(18.1)	(22.8)	(40.1)	(42.2)	(44.8)
TOTAL	134.7	210.2	314.9	1004.8	1091.0	1091.8
Claims						
Real Estate Debt	5.6	12.0	29.2	82.7	92.0	102.0
Nonreal Estate Debt	6.9	12.8	23.8	75.7	83.2	92.9
Total Debt	12.5	24.8	53.0	158.4	175.2	194.9
Owner's Equity	122.2	185.4	261.9	846.4	915.8	896.9
TOTAL	134.7	210.2	314.9	1004.8	1091.0	1091.8
Percent Owner's Equity	91	88	83	84	84	82

a/ Including farm households
b/ Preliminary

Source: Economic Indicators of the Farm Sector, Income and Balance Sheet Statistics ERS, USDA

CHANGES IN STRUCTURE, U.S. FARM BALANCE SHEET
Current Dollars, 1950-1982

Description	1950	1960	1970	1980	1981	1982
	percent of total					
Assets						
Real Estate	57	65	68	75	76	76
Livestock	10	7	8	6	6	5
Machinery	9	11	10	10	9	10
All Other	24	17	14	9	9	9
TOTAL	100	100	100	100	100	100
Liabilities						
Real Estate Debt	45	49	55	52	53	52
Nonreal Estate Debt	55	51	45	48	47	48
TOTAL	100	100	100	100	100	100

NEW YORK FARM BALANCE SHEET
In Current Dollars

Item	January 1, 1982 Million Dollars	Percent
Assets		
Real Estate	7,781	59
Livestock	1,417	11
Machinery & Vehicles	2,299	17
Crops Stored	518	4
Household Items & Equipment	430	3
Deposits & Currency	213	2
Investments in Cooperatives	509	4
Savings Bonds	27	--
TOTAL ASSETS	13,194	100
Liabilities & Equity		
Total Real Estate Debt	1,287	44 a/
Total Nonreal Estate Debt	1,632	56
TOTAL LIABILITIES	2,919	100
EQUITY	10,275	
TOTAL LIABILITIES & EQUITY	13,194	

a/ See footnote "a" on following page

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

Item	1950	1960	1970	1980	1982
Total Assets	2,805	3,579	5,428	11,843	13,194
Total Debts	307	547	843	2,387	2,919
Owner's Equity	2,498	3,032	4,585	9,456	10,275
Percent Equity	89	85	81	80	78

Source: ERS, USDA

NEW YORK FARM CREDIT OUTSTANDING
January 1, 1982

Credit Type & Source	Million Dollars	Percent Change From 1981	Percent Change From 1977
Real Estate Loans			
Commercial Banks	110	- 13	7
Federal Land Banks	488	14	44
Farmers Home Administration[a/]	199	15	216
Insurance Companies	29	- 4	166
Individuals & Others	461	6	42
TOTAL	1,287	8	51
Nonreal Estate Loans			
Commercial Banks	570	- 14	85
Production Credit Associations	386	13	32
Farmers Home Administration[a/]	333	0	676
Merchants, Dealers, Individuals & Others[b/]	343	20	128
TOTAL	1,632	1	106
TOTAL DEBT	2,919	4	79

a/ All emergency loans are included under nonreal estate. This overestimates nonreal estate loan volume and underestimates real estate loan volume
b/ Includes CCC loans ($52 million in 1982)

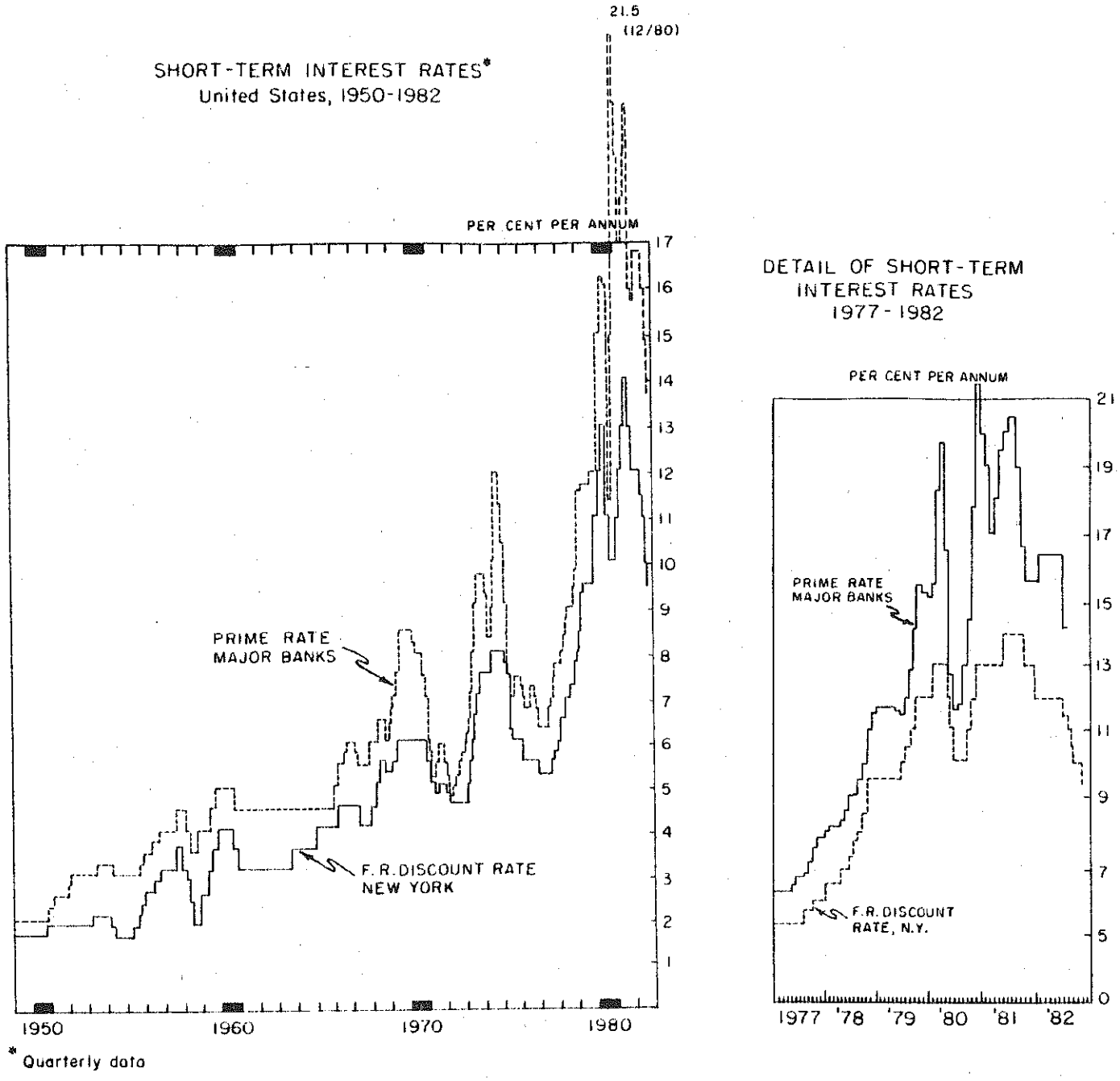
Source: ERS, USDA

During 1981 the total value of United States farm assets remained constant. A modest decline in real estate value and a significant decline in the value of livestock was offset by increases in the value of other assets, particularly machinery, Over the same period farm debt increased 11% with real estate debt and nonreal estate debt increasing at about equal rates. The constant asset value and increasing debt resulted in a 2% decline in owner's equity.

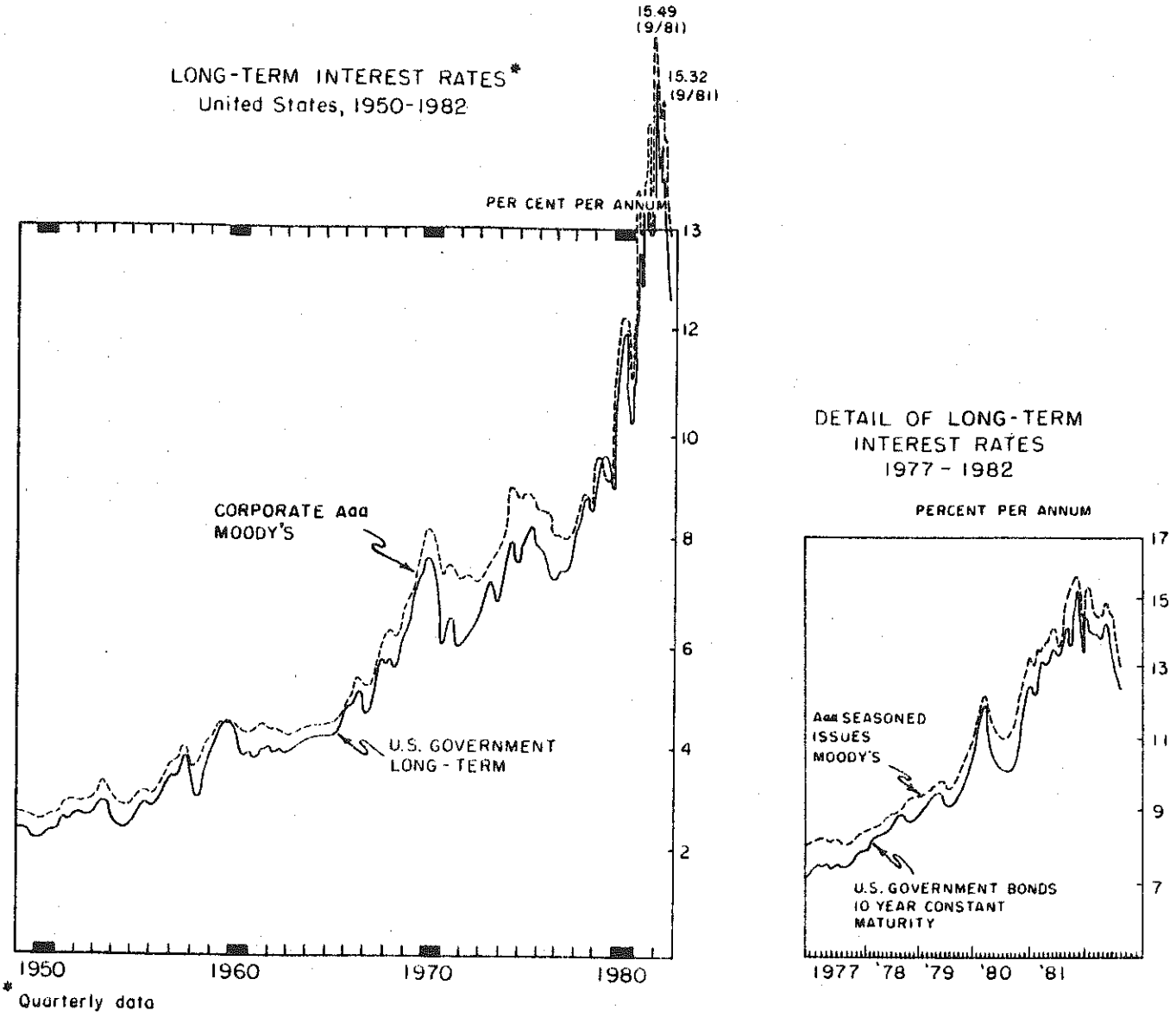
Contrary to the U.S. experience the value of New York farm assets increased by almost 10% during 1981. The value of real estate continued to rise, more than offsetting a decline in the values of both livestock and machinery. The more favorable New York experience compared to the U.S. reflects the relative prosperity of the dominant agricultural enterprise, dairy. Although dairy incomes were lower in 1981 this followed several quite "good" years.

New York farm debt increased much less rapidly (3.6%) than occured for the nation as a whole. With a 10% growth in assets and a slow rate of growth in debts, New York farm net worth increased by over 6%.

During 1982 the value of New York farm assets is likely to show little change. Lower profitability for dairy farms combined with continued low prices for many other commodities will keep farmland prices from rising much and further decreases in livestock and, to a lesser degree, machinery value will likely offset any increases in land and other assets that do occur. All signs currently point to a continuation of these trends into 1983. Land prices might even decline. Debt outstanding is likely to show modest growth resulting from limited new investment, slow debt repayment and some borrowing to cover cash flow deficits.

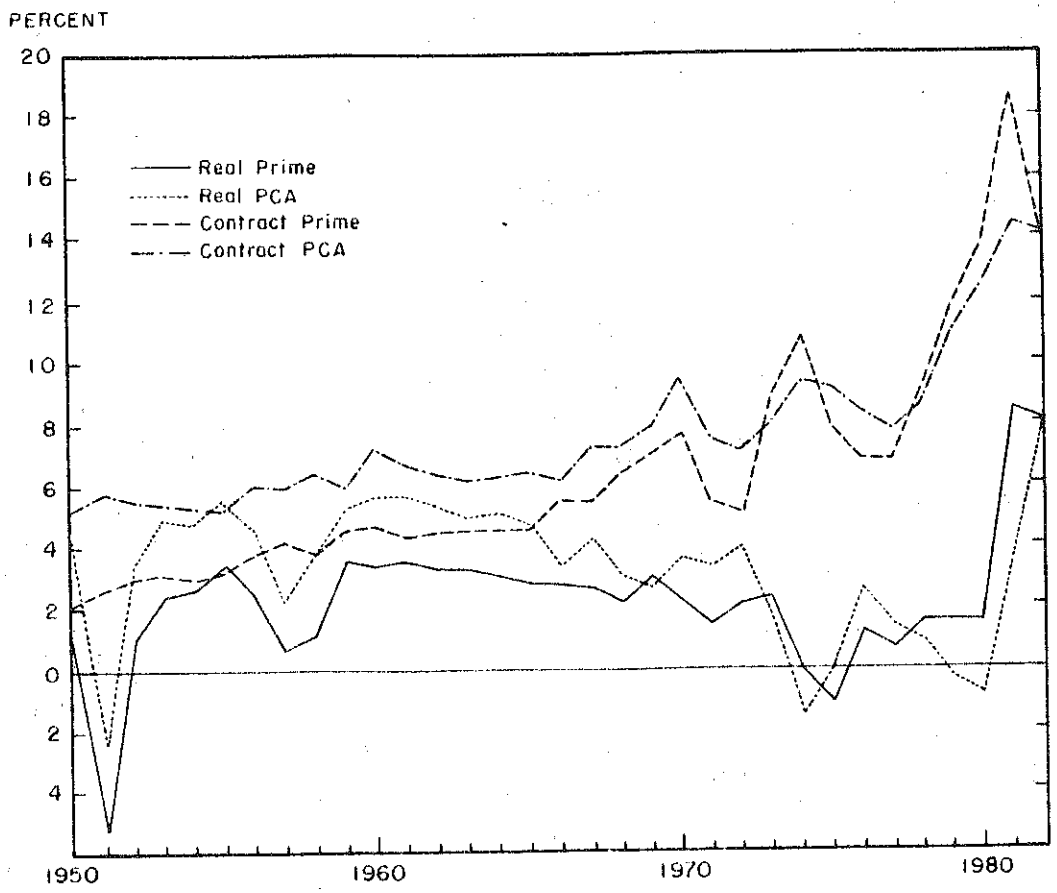


Short term interest rates peaked in mid-1981 with some decline in rates late in that year. During 1982 rates remained relatively stable during the first half of the year and then continued their downward movement. The late 1982 rate declines result primarily from the rather deep recession, through reduced demand for funds and some shift on the part of the FED from fighting inflation with tight money supply control to fighting unemployment by allowing more rapid expansion of money supply. Short term rates should bottom out in the first quarter of 1983 at rates not much below those experienced during late 1982. Rates will likely increase during mid to late 1983, although the rate of increase will be modest unless the upturn in the economy is more robust than currently anticipated.



Long term interest rates peaked in late 1981 and have shown generally continual decline throughout 1982. Some further decline in long term rates is likely to occur. However, the relatively large spread between short and long term rates is likely to be maintained until short term rates start to move up. Long term rates will be held at near their current levels by the need of many corporations to lengthen the average term of their loans outstanding, particularly in the face of increasing interest rates by mid-1983, and the relatively high underlying rate of inflation. Although the current inflation rate is quite low, this is primarily the result of the deep recession and most expect inflation to return to near double digit rates when the economy improves.

CONTRACT AND REAL INTERESTS RATES

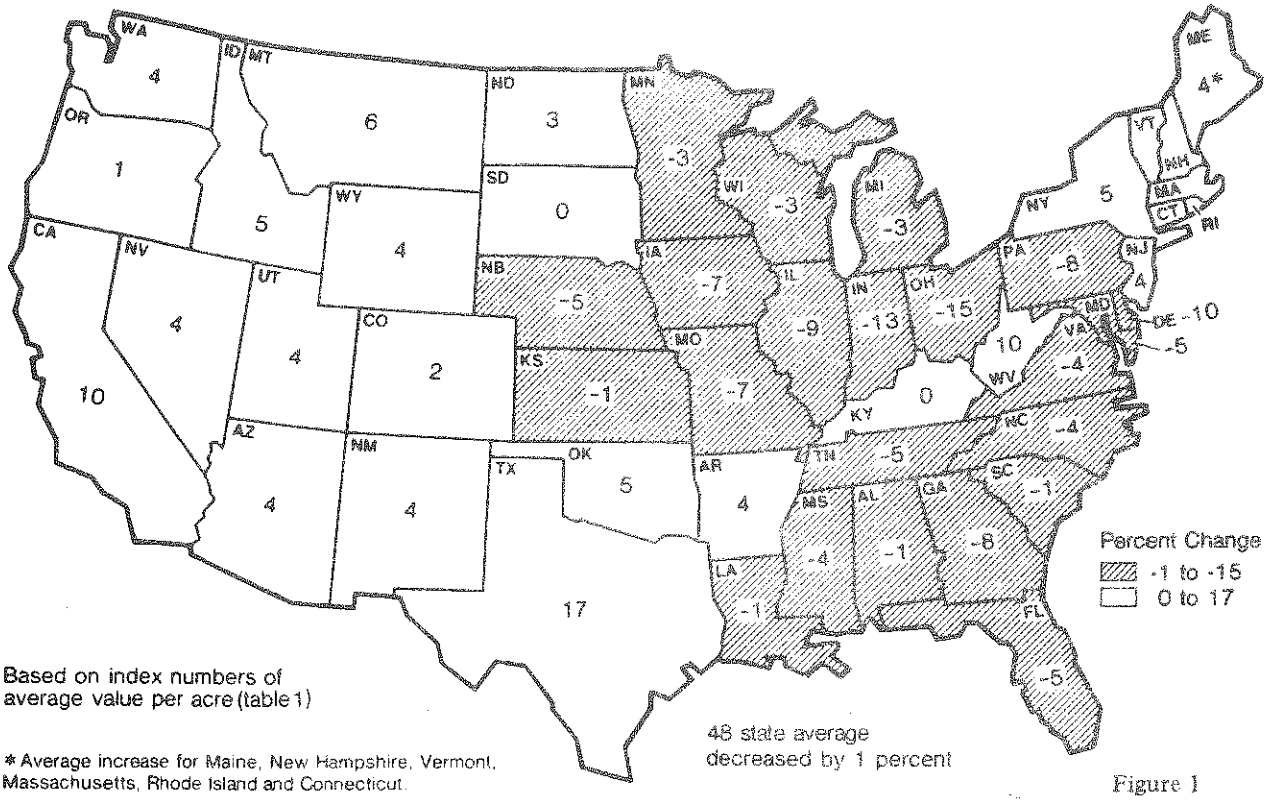


Following nearly a decade when real interest rates were very low or negative, real interest rates moved up sharply in 1981 and reached unprecedented new highs in 1982. This apparently results from strong worldwide demand for funds and a belief on the part of investors and potential savers that the risk of increases in the inflation rate is high.

Farm level interest rates remained relatively constant with only modest declines in selected rates throughout the first half of 1982. Significant rate declines did occur during late 1982. Some modest additional declines in farm rates can be expected in early 1983, likely to be followed by modest increases in rates late in the year.

CHANGE IN FARM REAL ESTATE VALUES, UNITED STATES

Percent Change in Average Value of Farm Real Estate Per Acre February 1981 – April 1982



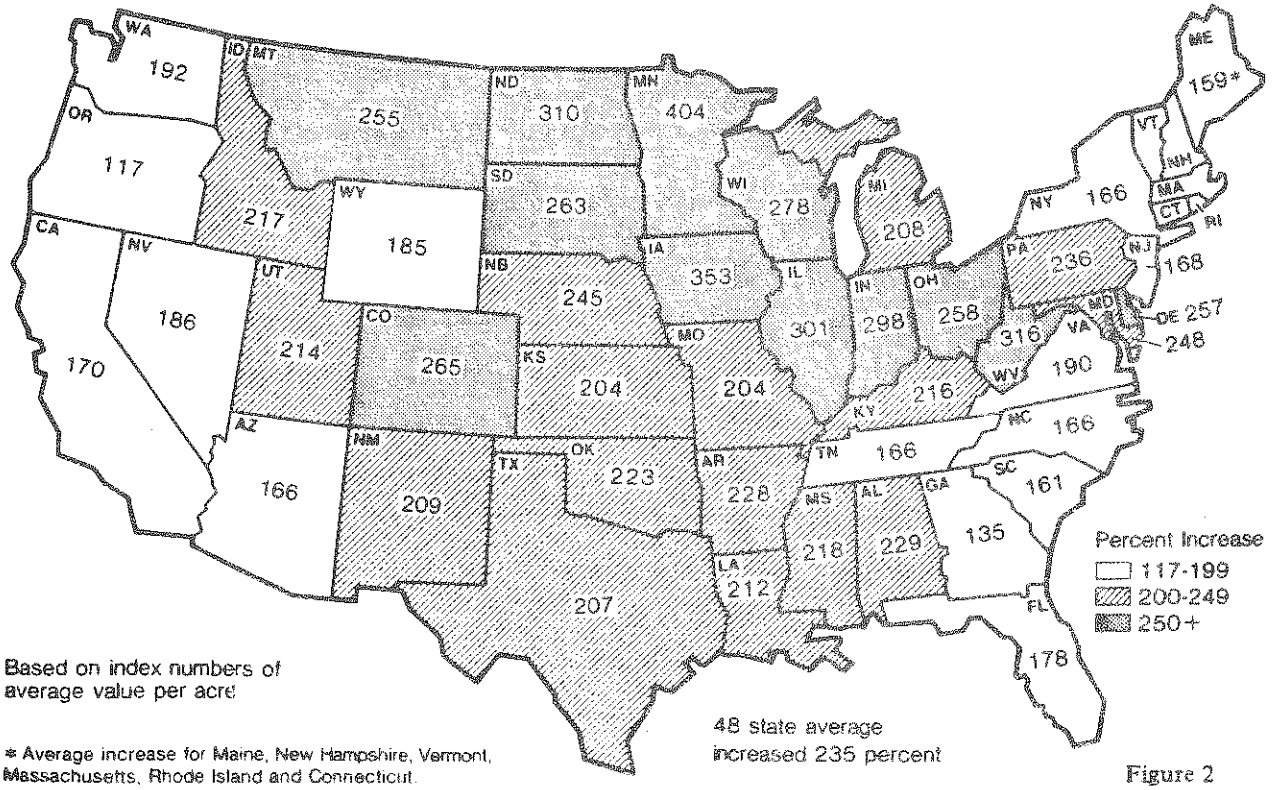
Based on index numbers of average value per acre (table 1)

48 state average decreased by 1 percent

* Average increase for Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut.

Figure 1

Percent Increase in Average Value of Farm Real Estate Per Acre, March 1972-April 1982



Based on index numbers of average value per acre

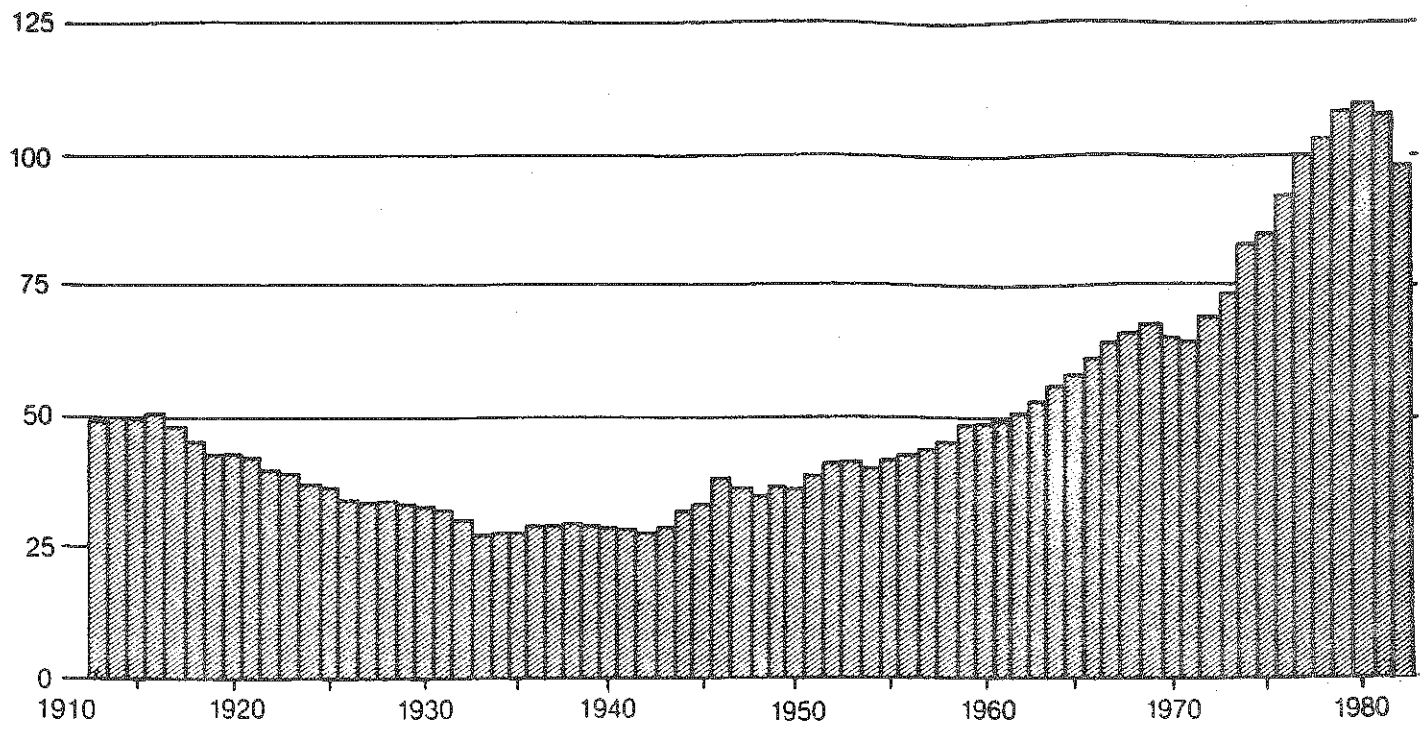
48 state average increased 235 percent

* Average increase for Maine, New Hampshire, Vermont, Massachusetts, Rhode Island and Connecticut.

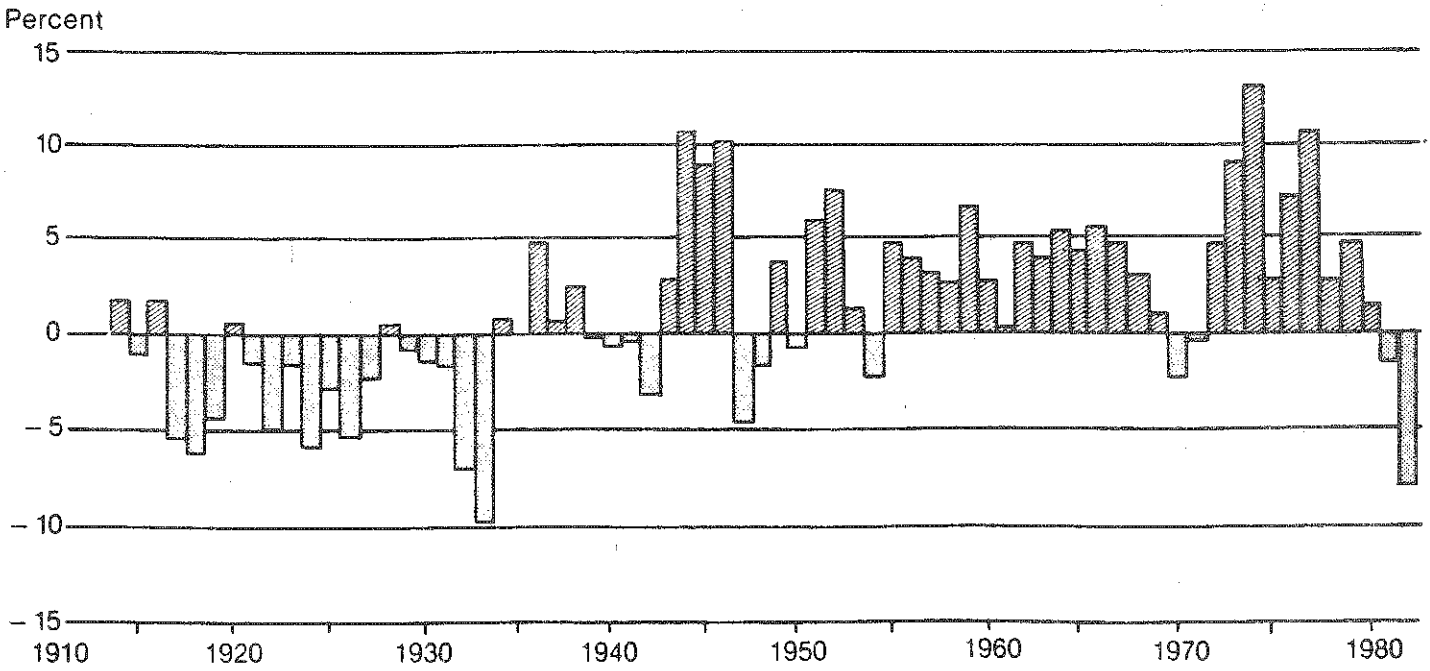
Figure 2

REAL VALUE PER ACRE OF UNITED STATES FARMLAND

Index of Real Value per Acre of U.S. Farmland



Change in Real Value per Acre from Previous Year



Reported as of March 1, 1913-75, and February 1, 1976, to date. Excludes Alaska and Hawaii.
The indexes of real farmland value have been computed by dividing the nominal land value indexes by the Consumer Price Index.

INDEXES OF FARM REAL ESTATE VALUES PER ACRE

Table 1--Farm real estate values: Indexes of the average value per acre of land and buildings, by State, grouped by farm production region, March 1, 1970, 1973, 1975; Feb. 1, 1976-1981; and April 1, 1982[1]

State	1970	1973	1975	1976	1977	1978	1979	1980	1981	1982
					1977=100					
Northeast										
Maine[2]	45	66	85	92	100	110	126	135	143	149
New Hampshire[2]	43	66	85	92	100	110	126	135	143	149
Vermont[2]	45	66	85	92	100	110	126	135	143	149
Massachusetts[2]	46	66	85	92	100	110	126	135	143	149
Rhode Island[2]	46	66	85	92	100	110	126	135	143	149
Connecticut[2]	46	66	85	92	100	110	126	135	143	149
New York	39	56	88	95	100	102	113	119	126	132
New Jersey	38	56	90	100	100	103	111	120	123	128
Pennsylvania	34	48	75	83	100	112	127	140	144	133
Delaware	35	46	72	86	100	112	129	151	158	143
Maryland	44	60	79	95	100	117	133	166	188	178
Lake States										
Michigan	44	59	72	79	100	112	124	138	157	152
Wisconsin	38	56	75	84	100	118	139	159	179	174
Minnesota	32	39	65	80	100	112	131	154	179	174
Corn Belt										
Ohio	35	44	63	76	100	113	138	156	160	137
Indiana	32	41	62	76	100	112	130	150	161	140
Illinois	30	37	59	74	100	110	125	135	144	131
Iowa	29	35	59	74	100	104	119	139	150	139
Missouri	44	56	75	85	100	115	127	154	165	153
Northern Plains										
North Dakota	34	41	76	89	100	106	119	136	145	149
South Dakota	39	45	75	84	100	117	132	141	150	150
Nebraska	37	47	70	88	100	96	120	137	151	143
Kansas	40	52	80	89	100	101	117	134	137	136
Appalachian										
Virginia	40	57	83	92	100	108	128	139	149	143
West Virginia	33	51	76	95	100	102	126	150	160	177
North Carolina	46	67	88	95	100	103	122	141	155	149
Kentucky	41	55	72	85	100	113	133	147	153	154
Tennessee	45	61	86	91	100	112	122	136	146	138
Southeast										
South Carolina	40	57	88	91	100	102	114	130	137	136
Georgia	43	62	93	93	100	111	118	132	139	128
Florida[3]	48	61	89	93	100	108	120	141	157	149
Alabama	44	61	85	94	100	105	120	149	176	174
Delta States										
Mississippi	57	66	94	95	100	115	129	156	198	189
Arkansas	54	67	80	89	100	110	137	163	188	196
Louisiana	53	68	88	92	100	115	132	169	200	199
Southern Plains										
Oklahoma	45	58	82	91	100	110	121	143	156	164
Texas	52	68	85	93	100	111	124	144	158	185
Mountain States										
Montana	39	50	74	87	100	111	121	142	148	157
Idaho	40	54	82	89	100	108	117	134	144	151
Wyoming[5]	43	56	80	93	100	104	118	126	135	140
Colorado	37	53	73	86	100	107	126	147	161	164
New Mexico[4, 5]	53	66	87	91	100	104	126	166	178	185
Arizona[4, 5]	56	75	93	95	100	104	126	167	179	186
Utah[4, 5]	48	64	80	90	100	106	127	169	181	188
Nevada[4, 5]	50	82	97	100	100	111	134	178	190	198
Pacific States										
Washington	50	58	72	86	100	107	118	124	146	152
Oregon	54	73	90	95	100	109	120	132	144	145
California	80	83	98	100	100	113	138	166	201	221
48 States	42	53	75	86	100	109	125	145	158	157

[1]These indexes are based on USDA surveys. For some years, they show changes that differ from those shown by the dollar values in table 3. [2]Indexes for 1972-82 were estimated by combining survey data to obtain an average rate of change for these six New England States. [3]Indexes for 1973-82 were estimated using the average of the percentage changes in the Georgia and Alabama indexes. [4]Indexes for 1979-80 were estimated by combining survey data to obtain an average rate of change for these four Mountain States. [5]Indexes for 1981 and 1982 were estimated using the average of the percentage changes in the Montana, Idaho, and Colorado indexes.

AVERAGE VALUE PER ACRE OF UNITED STATES FARM REAL ESTATE

Table 3—Farm real estate values: Average value per acre of land and building by State, grouped by farm production region, March 1, 1970, 1973, 1975; Feb. 1, 1976-81; and April 1, 1982[1]

State	1970	1973	1975	1976	1977	1978	1979	1980	1981	1982
						Dollars				
Northeast										
Maine	161	253	341	375	414	464	538	579	612	636
New Hampshire	239	404	564	625	696	787	919	988	1,045	1,087
Vermont	224	346	462	498	533	584	660	710	751	781
Massachusetts	565	766	961	1,044	1,138	1,261	1,443	1,552	1,641	1,707
Rhode Island	734	1,124	1,500	1,650	1,821	2,045	2,370	2,548	2,696	2,804
Connecticut	921	1,229	1,525	1,645	1,780	1,960	2,227	2,395	2,533	2,634
New York	273	356	510	553	587	600	670	708	749	786
New Jersey	1,092	1,337	1,807	2,106	2,211	2,386	2,701	2,926	2,998	3,118
Pennsylvania	373	491	734	820	994	1,115	1,273	1,404	1,447	1,332
Delaware	499	645	971	1,114	1,250	1,350	1,500	1,755	1,843	1,659
Maryland	640	843	1,060	1,280	1,353	1,579	1,800	2,251	2,556	2,416
Lake States										
Michigan	326	444	553	609	778	877	975	1,082	1,232	1,192
Wisconsin	232	328	434	496	598	718	858	980	1,105	1,073
Minnesota	226	269	429	529	672	761	901	1,061	1,231	1,197
Corn Belt										
Ohio	399	505	706	846	1,099	1,224	1,483	1,678	1,727	1,474
Indiana	406	494	720	888	1,188	1,357	1,589	1,833	1,972	1,715
Illinois	490	567	846	1,062	1,458	1,625	1,858	2,013	2,133	1,940
Iowa	392	466	719	920	1,259	1,331	1,550	1,811	1,941	1,802
Missouri	224	294	396	456	548	641	726	878	941	872
Northern Plains										
North Dakota	94	108	195	236	274	300	347	399	423	436
South Dakota	84	94	145	163	194	227	256	273	290	291
Nebraska	154	193	282	363	420	412	525	600	660	626
Kansas	159	199	296	342	398	418	501	573	590	585
Appalachian										
Virginia	286	391	558	633	701	774	930	1,009	1,080	1,040
West Virginia	136	204	300	393	430	459	592	704	751	829
North Carolina	333	461	590	676	759	830	1,051	1,215	1,331	1,284
Kentucky	253	327	427	514	619	715	861	955	991	996
Tennessee	268	346	467	528	618	736	860	953	1,024	972
Southeast										
South Carolina	261	336	467	515	600	653	773	879	930	918
Georgia	234	329	474	507	581	685	777	868	915	842
Florida	355	464	685	763	861	981	1,149	1,352	1,507	1,432
Alabama	200	267	364	425	477	527	639	792	935	922
Delta States										
Mississippi	234	270	379	408	461	567	681	825	1,047	1,000
Arkansas	260	337	419	475	542	606	770	921	1,061	1,104
Louisiana	321	403	512	575	665	818	1,001	1,288	1,519	1,511
Southern Plains										
Oklahoma	173	219	302	345	394	450	512	604	662	696
Texas	148	196	243	274	299	337	386	448	492	576
Mountain States										
Montana	60	76	112	134	157	176	196	229	239	254
Idaho	177	229	339	386	454	515	585	669	717	753
Wyoming	41	55	80	98	110	121	144	153	164	170
Colorado	95	137	188	219	256	273	322	376	412	419
New Mexico	42	56	78	86	101	112	143	190	203	211
Arizona	70	91	111	122	138	154	199	264	282	294
Utah	92	141	188	227	271	308	400	530	567	590
Nevada	53	74	85	98	112	140	191	253	271	282
Pacific States										
Washington	224	273	350	438	535	602	692	725	854	888
Oregon	150	205	250	294	342	414	504	556	605	611
California	479	509	653	711	759	914	1,186	1,426	1,735	1,905
48 States	196	246	340	397	474	531	628	725	795	788

[1]These values are based on land-value benchmarks obtained from the Census of Agriculture. For intercensal years, interpolations and extrapolations are made using the indexes in table 1. For some years, the dollar values show changes that differ from the changes shown in table 1.

WORKERS ON FARMS JULY 11-17, 1982
New York and United States

	New York		United States	
	Number	Percent	Number	Percent
	thousands		thousands	
Self-employed	32	35	1,619	39
Unpaid	26	29	948	23
Hired	33	36	1,541	38
Total	91	100	4,108	100
Hired: Expected to be employed				
150 days or more	20	61	684	44
149 days or less	13	39	857	56
Total	33	100	1,541	100

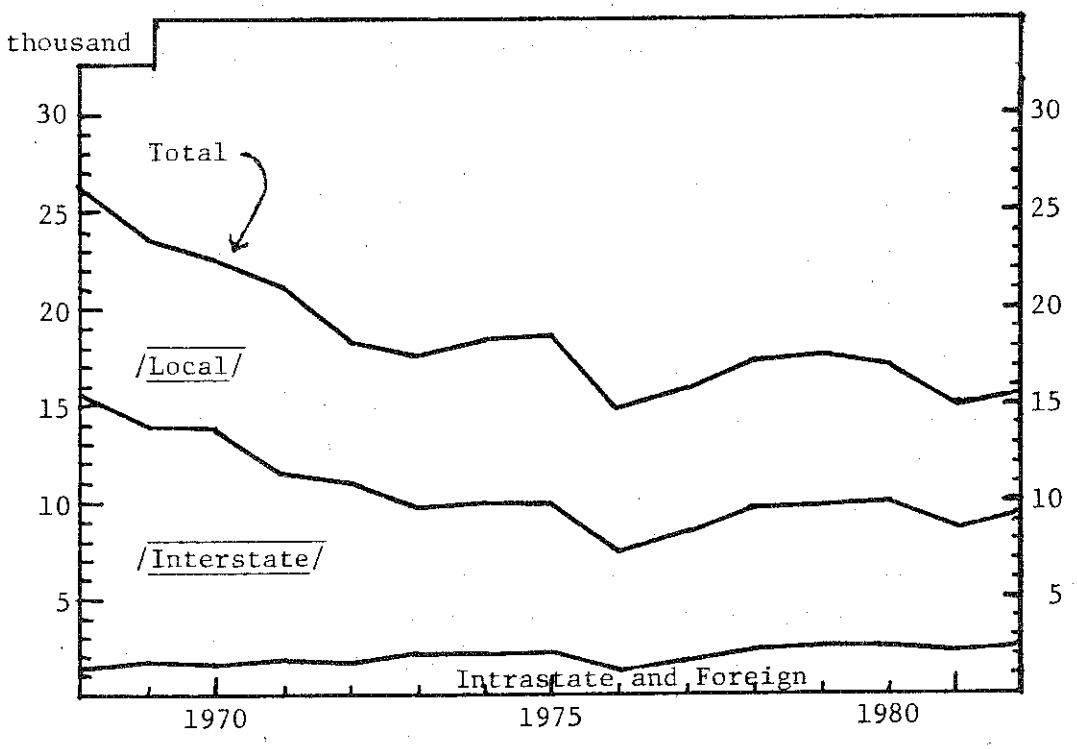
SOURCE: Farm Labor, Crop Reporting Board, U.S.D.A., August 24, 1982.

Regular quarterly farm labor surveys were discontinued by the U.S.D.A. Crop Reporting Board in May 1981. In July 1982, the Board conducted a farm labor survey that was generally similar to previous quarterly surveys except for some conceptual changes that made the data more comparable with other labor statistic series. The 1982 data consequently cannot be compared to the previous series.

The survey reported that during the week of July 11-17, 1982, there were 91 thousand workers on New York farms. This consisted of 32 thousand farm operators, 26 thousand unpaid family workers who worked 15 or more hours in the week, and 33 thousand hired workers.

The composition of the New York farm work force in terms of the proportion of self-employed, unpaid family, and hired workers was about the same as for the total U.S. farm work force. In New York, however, a larger proportion of the hired work force in July consisted of workers expecting to be employed 150 days or more than was the case in the country as a whole.

NUMBER OF HIRED SEASONAL FARM WORKERS
AT THE PEAK PERIOD IN NEW YORK (September 16-30), 1968-1982
By Origin of Workers for ES-223 Agricultural Reporting Areas



The number of hired seasonal workers on farms in New York generally reaches a peak during the last two weeks of September. Bumper yields of apples, potatoes, and several other fruits and vegetables in 1982 brought increased employment for seasonal workers compared to the previous year. This season the mainland labor force was augmented by 37 contract workers from Puerto Rico and 2,323 workers from British West Indies who helped in the apple harvest, mainly in the Hudson Valley.

Year	Total	Local	Inter-state	Intra-state	Foreign
		- thousands -			
1968	26.1	10.2	14.4	.7	.8
1969	23.6	9.6	12.3	.7	1.0
1970	22.5	8.6	12.3	.6	1.0
1971	21.1	7.5	11.9	.6	1.1
1972	18.3	7.2	9.5	.4	1.2
1973	17.5	7.5	8.0	.4	1.6
1974	18.4	8.3	8.0	.3	1.8
1975	18.5	8.4	8.0	.5	1.6
1976	14.9	7.4	6.3	.2	1.0
1977	15.7	7.3	6.7	.3	1.5
1978	17.2	7.6	7.6	.2	1.9
1979	17.6	7.7	7.4	.2	2.3
1980	17.0	7.0	7.0	.2	2.3
1981	15.0	6.4	6.5	.2	2.0
1982	15.7	6.4	6.8	.2	2.3

SOURCE: Agricultural Employment Bulletin, NYS Dept. of Labor.

LABOR COSTS FOR REGULAR HIRED WORKERS*
New York Cost Accounts Farms, 1981

Item	Dairy Farms Per Worker	Dairy Farms Per Hour	Fruit Farms Per Worker	Fruit Farms Per Hour
Number of farms reporting	14		5	
Number of workers	44		32	
Hours worked per year	3,218		2,548	
Gross wage	$12,594	$3.91	$12,432	$4.88
Social Security and Workmen's Compensation	1,592	.49	1,748	.69
Other benefits	3,826	1.20	1,937	.75
Total	$18,012	$5.60	$16,117	$6.32

*Excluding operators.

Cost Account farms keep detailed records of all phases of their operations. This provides information 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 44 workers on 14 dairy farms in 1981 amounted to $18,012 for the year, or $5.60 per hour. The 32 regular hired workers on 5 fruit farms averaged $16,117 for the year, or $6.32 per hour.

Part-time and piecework labor is hired for seasonal help or to assist at busy times. The fruit farms used more part-time and piecework help than the dairy farms and paid higher wages per hour. Pieceworkers on fruit farms earned $7.46 per hour compared to part-time workers on dairy farms that earned $4.20.

COST FOR HIRED PART-TIME AND PIECEWORK LABOR
New York Cost Account Farms, 1981

Item	Average Cost Per Hour		
	Dairy Farms	Fruit Farms	
	Part-time	Part-time	Piecework
Number of farms reporting	18	5	5
Hours reported per farm	2,134	8,245	10,596
Gross wage	$3.71	$3.48	$5.62
Social Security and Workmen's Compensation	.44	.51	.63
Other benefits	.05	.02	1.21
Total	$4.20	$4.01	$7.46

LABOR COSTS FOR REGULAR HIRED WORKERS ON DAIRY FARMS
New York Cost Account Farms, 1975-1981

Year	Hours Worked	Gross Wage	Soc. Sec. & Work Comp.	Other Bene-fits	Total Labor Cost Per Worker	
					Annual	Per Hour
	hours			- dollars -		
1975	3,251	8,378	892	2,245	11,515	3.54
1976	3,140	7,401	740	2,301	10,442	3.33
1977	3,154	8,490	1,071	2,027	11,588	3.67
1978	3,200	9,909	1,427	2,359	13,695	4.28
1979	3,114	10,136	1,561	2,964	14,661	4.71
1980	3,190	12,078	2,045	3,906	18,029	5.65
1981	3,218	12,594	1,592	3,826	18,012	5.60

Labor costs on New York Cost Account farms have risen sharply in the past six years. These farms tend to be above average in size and rates of production, but wages still vary widely between farms. Average labor cost for regular workers on these dairy farms increased from $3.54 per hour in 1975 to $5.60 in 1981, a jump of 58 percent. Over the same period the per hour cost of part-time workers on Cost Account dairy farms rose 84 percent, and for piecework workers on Cost Account fruit farms the increase amounted to 73 percent.

COSTS FOR HIRED PART-TIME AND PIECEWORK LABOR
New York Cost Account Farms, 1975-1981

Year	Part-time Workers on Dairy Farms				Piecework Workers on Fruit Farms			
	Gross Wage	Soc. Sec. & Work. Comp.	Other Bene-fits	Total Per Hour	Gross Wage	Soc. Sec. & Work. Comp.	Other Bene-fits	Total Per Hour
				- dollars -				
1975	2.08	.17	.03	2.28	3.61	.25	.45	4.31
1976	2.30	.19	.01	2.50	3.93	.38	.46	4.77
1977	2.52	.27	.03	2.82	4.19	.38	.41	4.98
1978	2.73	.33	.02	3.08	5.05	.53	.36	5.94
1979	3.12	.37	.07	3.56	5.49	.81	.64	6.94
1980	3.50	.40	.01	3.91	5.28	.59	.94	6.81
1981	3.71	.44	.05	4.20	5.62	.63	1.21	7.46

CROP PRODUCTION
United States and New York
1980-82[1]

Crop	Acres Harvested			Yields Per Acre			Production		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
United States	(million)			(bu.)			(million bu.)		
Corn grain	73.1	74.6	72.8	91.0	109.9	114.4	6,648	8,201	8,330
Sorghum	12.7	13.7	13.8	46.2	64.1	59.8	588	880	826
Oats	8.6	9.4	10.4	53.0	54.0	57.7	458	508	599
Barley	7.2	9.2	9.2	49.6	52.3	56.2	359	478	516
Wheat	70.9	80.9	79.0	33.4	34.5	35.6	2,370	2,793	2,811
Soybeans	67.9	66.4	70.9	26.4	30.1	32.4	1,792	2,000	2,300
New York	(thousand)			(bu.)			(thousand bu.)		
Corn grain	730	800	760	93	93	89	67,890	74,400	66,120
Oats	280	280	280	64	64	64	17,920	17,920	17,920
Barley	11	N.A.	N.A.	47	N.A.	N.A.	517	N.A.	N.A.
Wheat	150	160	130	40	44	40	6,000	7,040	5,200
Soybeans	19	N.A.	N.A.	24	N.A.	N.A.	456	N.A.	N.A.
				(tons)			(thousand tons)		
Corn silage	600	600	N.A.	14.5	14.5	N.A.	8,700	8,700	N.A.
All hay	2,430	2,290	2,325	2.38	2.30	2.34	5,787	5,273	5,430
Alfalfa[2]	1,030	990	975	2.90	2.70	2.80	2,987	2,673	2,730

SOURCE: USDA Crop Production and New York Crop Reporting Service

[1]All 1982 data are preliminary and subject to revision. Estimates for the United States are as of November 1, 1982. New York estimates are as of October 1982 and earlier months.

[2]Includes alfalfa mixture.

United States corn production is forecast to be 8.3 billion bushels, 2 percent more than last year's record crop. The average yield of 114.4 bushels is 4.5 bushels above last year's record.

The barley and oat crops are all above 1981 levels.

Soybean production is forecast at 2.3 billion bushels, 15 percent above last year and 1.4 percent above the 1979 crop.

Wheat production is forecast to be 2.81 billion bushels, 1 percent above 1981 and the largest crop ever produced.

The New York corn crop is forecast to be 66 million bushels, 11 percent below last year's record crop. Wheat production is down 26 percent from 1981. The oat crop is about equal to 1980 and 1981. The barley and soybean estimates have been discontinued. The hay crop is up about 3 percent.

CORN AND FEED GRAIN BALANCE SHEETS

Item	1979/80	1980/81	1981/82 Estimated	1982/83 Projected[1]	
Supply	CORN (million bushels)				
Beginning Stocks (Oct. 1)	1,304	1,617	1,034	2,366	
Production	7,939	6,645	8,201	8,330	± 215
Imports	1	1	1	1	
Total	9,244	8,264	9,236	10,697	± 215
Disappearance					
Feed	4,519	4,139	4,079	4,200	± 350
Food, Ind. and Seed	675	736	811	900	± 25
Total domestic	5,194	4,874	4,890	5,100	± 365
Exports	2,433	2,355	1,980	2,150	± 200
Total	7,627	7,230	6,870	7,250	± 500
Ending Stocks (Sept. 30)	1,617	1,034	2,366	3,447	± 400
Season average farm price	$2.52	$3.11	$2.45	$2.15-$2.35	
Supply	FEED GRAINS[2] (million metric tons)				
Beginning Stocks	46.2	52.4	34.6	73.0	
Production	238.2	198.0	248.4	252.0	± 8
Imports	.3	.3	.3	.3	
Total	284.7	250.7	283.3	325.3	± 8
Disappearance					
Feed	138.7	123.0	125.8	129.0	± 10
Food, Ind. and Seed	22.3	23.8	25.7	28.1	± 1
Total domestic	161.0	146.8	151.5	157.1	± 10
Exports	71.3	69.3	58.8	63.4	± 6
Total	232.3	216.1	210.3	220.5	± 14
Ending Stocks	52.4	34.6	73.0	105.3	± 11

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 ranges.

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

The fall 1982 corn supply of 10.7 billion bushels is 16 percent larger than the record fall 1979 supply and the slightly smaller 1981 level. Feed use is projected to increase about 3 percent and exports to increase 9 percent. Total utilization is projected to be about 1.1 billion bushels less than 1982 production leading to a carryover in the fall of 1983 of over 3.4 billion bushels, up 1.1 billion from 1982 levels.

Total 1982 feed grain production is 1 percent above the 1981 level. The total supply of feedgrains is about 15 percent above the 1981 level. Domestic feed use in the 1982-83 marketing year is projected to increase 3 percent and exports by 8 percent. Carryover stocks at the end of the 1982-83 marketing year are projected to be 105 million metric tons, about 44 percent above the 1982 level.

WHEAT AND SOYBEAN BALANCE SHEETS

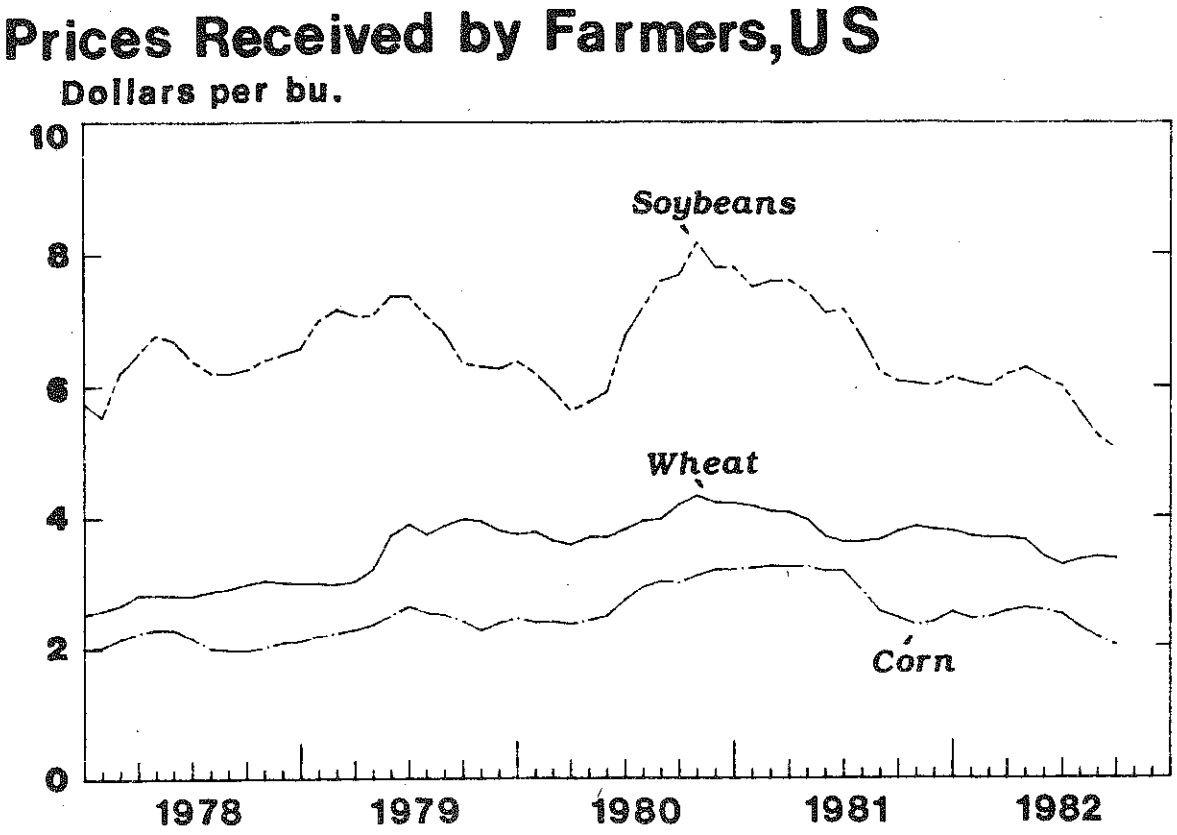
Item	1979/80	1980/81	1981/82 Estimated	1982/83 Projected[1]
Supply	WHEAT (million bushels)			
Beginning Stocks (June 1)	924	902	989	1,163
Production	2,134	2,374	2,793	2,811
Imports	2	3	3	2
Total	3,060	3,279	3,785	3,976
Disappearance				
Food	596	611	600	610 ± 5
Seed	101	114	112	105 ± 5
Feed	86	51	137	150 ± 50
Total domestic	783	776	849	865 ± 55
Exports	1,375	1,514	1,773	1,650 ± 150
Total	2,158	2,290	2,622	2,515 ± 175
Ending Stocks (May 31)	902	989	1,163	1,461 ± 175
Season average farm price	$3.78	$3.91	$3.65	$3.40-$3.50
Supply	SOYBEANS AND PRODUCTS (million bushels)			
Beginning Stocks (Sept. 1)	174	359	318	268
Production	2,268	1,792	2,000	2,300 ± 60
Total	2,442	2,151	2,318	2,568 ± 60
Disappearance				
Crushings	1,123	1,020	1,030	1,090 ± 25
Exports	875	724	929	940 ± 25
Seed, Feed & Residual	85	89	91	88
Total	2,083	1,833	2,050	2,118 ± 40
Ending Stocks (Aug. 30)	359	318	268	450 ± 40
Season average farm price	$6.28	$7.57	$6.05	$5.25-$5.75

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 ranges.

The 1982 United States wheat supply of 4 billion bushels is the largest ever and 5 percent above the 1981 level. Domestic food use is projected to increase slightly, feed use to increase 9 percent, and exports to decrease 7 percent. Carryover on May 31, 1983 is projected to be 21 percent above the 1982 level.

The projected 1982 soybean supply of nearly 2.6 billion bushels is 10 percent above the 1981 level and 5 percent over the 1979 record. Crushings are projected to increase 6 percent and exports to increase 1 percent from year earlier levels. Carryover in the fall of 1983 is projected to be a record 450 million bushels.



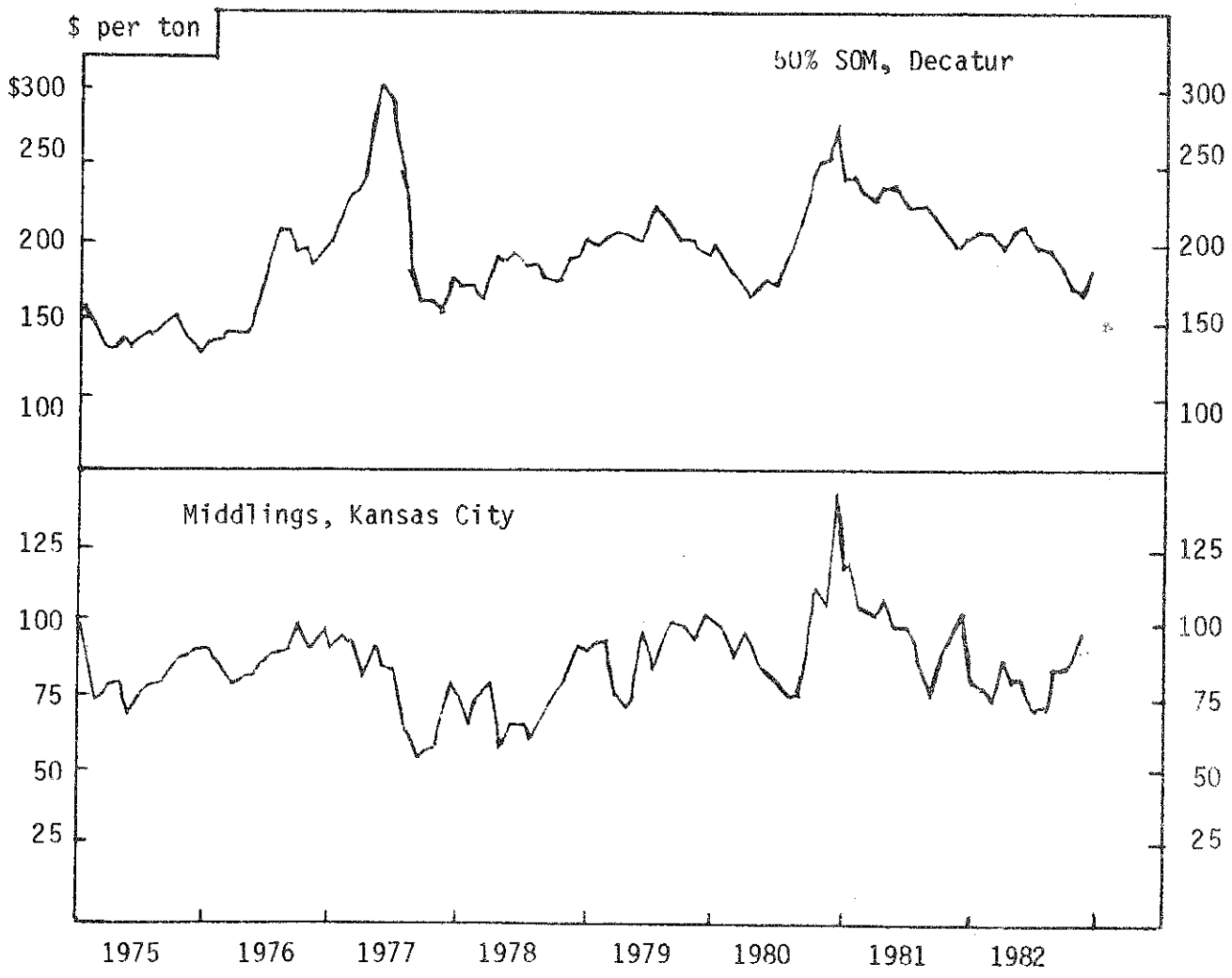
SOURCE: USDA Agricultural Prices

The average price received by U.S. farmers for corn on October 15, 1982 was $2.03, 42 cents below the price received in October 1981. The season average price for the 1982 crop is projected by the USDA to be in the range of $2.15 to $2.35. The midpoint, $2.25 is 20 cents below the season average price for the 1981 crop. The New York corn price in October 1982 was $2.59, 7 cents below the 1981 level.

The average price received by U.S. farmers for soybeans on October 15, 1982 was $5.03, $1.03 per bushel below the October 1981 price. The season average price for the 1982 crop is projected to be $5.25 to $5.75. The midpoint, $5.50, is $0.55 below the season average price received for the 1980 crop.

The average wheat price received by U.S. farmers on October 15, 1982 was $3.35, 42 cents below the October 1981 price. The USDA projects a price range of $3.40 to $3.50 for the 1982 crop compared to $3.65 for the 1981 crop. The New York wheat price in October 1982 ($3.27) was 13 cents higher than the 1981 level.

MONTHLY PRICES OF SOYBEAN MEAL AND MIDDLINGS,
1975 TO DATE

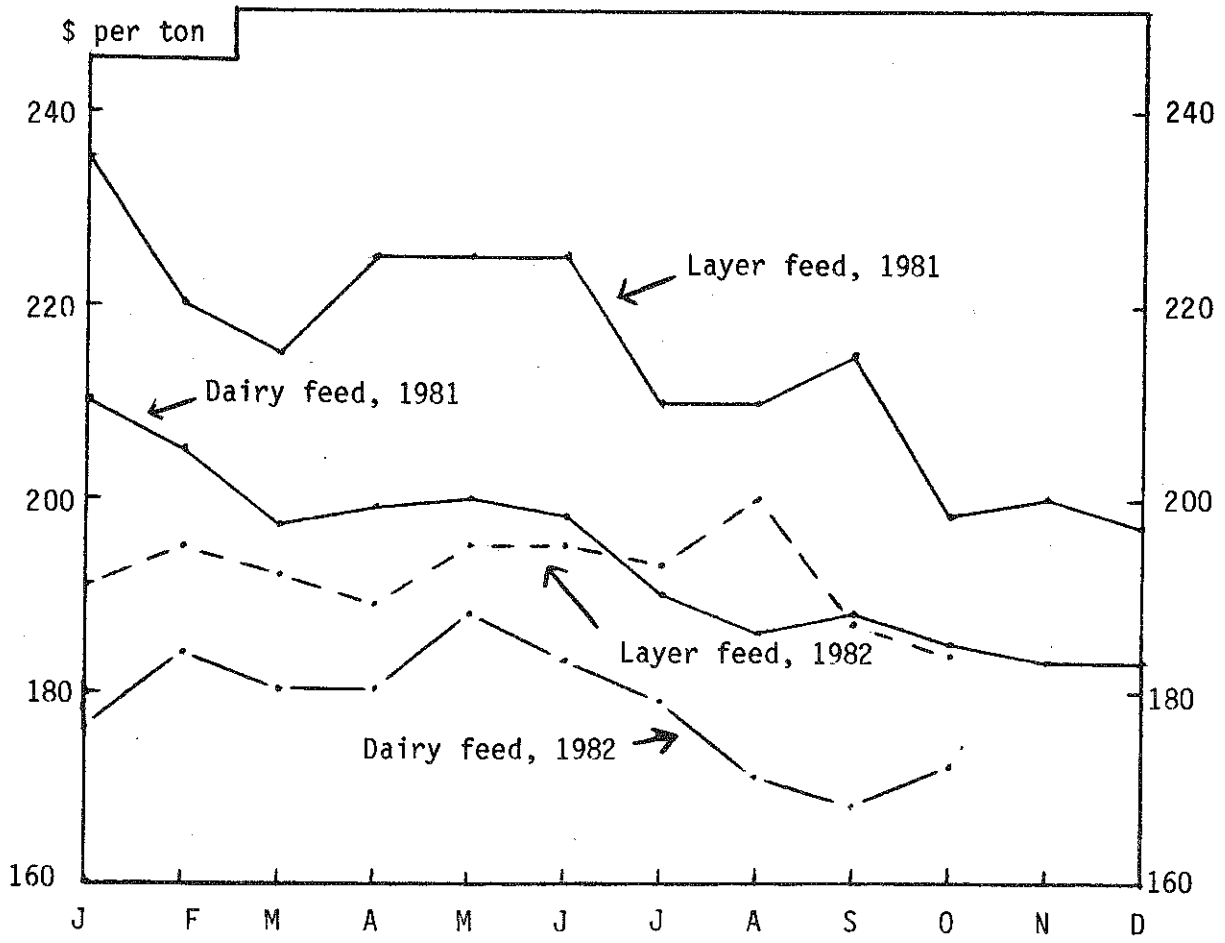


SOURCE: USDA Feed Situation

Soybean meal prices (50%, Decatur) have moved downward since May of 1982 and, at about $172 per ton in October, were the lowest since Mid-1980. Abundant soybean supplies should result in relatively inexpensive soybean meal through at least the first six months of 1983.

The price of wheat middlings, a representative of the low protein byproduct feeds, has fluctuated between $70 and $100 per ton during 1982. Farmers and feed manufacturers need to continually evaluate rations to select the lowest cost combination of grains and byproducts to meet nutrient requirements.

PRICES OF DAIRY AND LAYER FEEDS
By Months, 1981 and 1982, New York



SOURCE: USDA Agricultural Prices and New York Crop Reporting Service.

Month	1981		1982		1983	
	Dairy feed	Layer feed	Dairy feed	Layer feed	Dairy feed	Layer feed
Jan	210	235	176	191	____	____
Feb	205	220	184	195	____	____
Mar	197	215	180	192	____	____
Apr	199	225	180	189	____	____
May	200	225	188	195	____	____
June	198	225	183	195	____	____
July	190	210	179	193	____	____
Aug	186	210	171	200	____	____
Sept	188	215	168	187	____	____
Oct	135	198	172	184	____	____
Nov	183	200	____	____	____	____
Dec	183	197	____	____	____	____

Prices of 16% dairy feed were $10 to $20 and prices of layer feed were $15 to $30 per ton under year earlier levels during most of the first 10 months of 1982. With "normal" seasonal price increases, prices of dairy and layer feed are likely to be slightly lower than year earlier levels during the first six months of 1983.

1983 DAIRY OUTLOOK

Summary

*Effective farm price of milk 4 to 7 percent lower

*Production costs up 2 to 4 percent

*Major reduction in dairy farm incomes

*Uncertainty pervades dairy outlook

Major uncertainties include:

- Dairy policy decisions
- Milk production response to lower prices
- General economic climate

NEW YORK DAIRY SITUATION AND OUTLOOK
1980, 1981 Preliminary 1982 and Projected 1983

Item	Year				Percent Change	
	1980	1981	1982	1983	81 to 82	82 to 83
Number of milk cows (000's)	911	912	918	920	+0.7	+0.2
Milk per cow, lbs.	12,025	12,163	12,160	12,250	Unch.	+0.7
Total milk production (mil. lbs.)	10,955	11,093	11,163	11,275	+0.6	+1.0
Milk price ($ per cwt)[a/]	12.64	13.39	13.26	13.21[b/]	-1.0	-0.4[c/]
Index of prices paid by dairyfarmers	137	149	150	155	+0.7	+3.3

a/ N.Y. - N.J. Blend Price, 201-210 mile zone, 3.5% fat.

b/ Effective price to producers may be 50 to as much as 88 cents lower depending on full implementation of federal assessment programs.

c/ A 4 to 7 percent reduction results when using 1983 effective price.

U.S. Milk Supply and Utilization
1975-1983

	1975	1976	1977	1978	1979	1980	1981	1982[a]	1983[b]
					(billion pounds)				
Supply									
Production	115.4	120.2	122.7	121.5	123.4	128.5	132.6	135.1	136.4
Farm Use	3.1	3.0	2.8	2.7	2.5	2.3	2.3	2.2	2.2
Marketings	112.3	117.2	119.8	118.8	120.9	126.2	130.3	132.9	134.2
Beginning Commercial Stocks	5.6	3.7	5.3	4.9	4.5	5.4	5.8	5.4	4.8
Imports	1.7	1.9	2.0	2.3	2.3	2.1	2.3	2.4	2.4
TOTAL SUPPLY	119.6	122.9	127.1	126.0	127.7	133.7	138.4	140.7	141.4
Utilization									
Commercial Disappearance	113.8	116.3	116.1	118.8	120.2	119.2	120.1	122.0	123.2
Ending Commercial Stocks	3.7	5.3	4.9	4.5	5.4	5.8	5.4	4.8	4.9
Net Government Removals	2.0	1.2	6.1	2.7	2.1	8.8	12.9	13.9	13.3
TOTAL USE	119.6	122.9	127.1	126.0	127.7	133.7	138.4	140.7	141.4

Source: Dairy Situation, U.S. Department of Agriculture.

[a]Preliminary.

[b]Estimated by Andrew Novakovic.

The U.S. Situation and Outlook

As has been true for the last six years, activity in dairy markets is dominated by the price support program. Congress has twice produced new dairy legislation since the Act which held the support price at 80 percent of parity expired. The first phase of the current legislation took effect on December 1. Although the effectiveness of the program has not been tested, it has been unpopular with all segments of the dairy industry since the plan was announced in August. It is widely predicted that the dairy policy debate will resume in Congress shortly after the new session begins. Although the opposition to the current program is broad and intense, it is not at all clear that a consensus exists on an alternative. This uncertainty makes it difficult for dairy farmers and other industry participants to plan and make long-run decisions. It is no less difficult to make predictions for 1983 under these circumstances. The statement presented below assumes that the current program or something very much like it will prevail through 1983. That this will indeed happen is hardly a certainty, but at this time no other single program appears likely to take its place.

Milk Production

With milk production estimated at 135.1 billion pounds for 1982, U.S. dairy farmers exceeded last year's record production by 1.9 percent. As has been true for the last two years, production increases were due to higher cow numbers as well as greater production per cow. The most recent estimate of over 11 million cows is 1 percent greater than the number of cows last year, which is a slightly larger gain than the 0.8 percent annual increase in cow numbers observed in 1981. Production per cow increased at the very modest rate of 0.9 percent in 1982, perhaps in part reflecting that farmers have been keeping and adding lower quality cows and heifers to their herds in order to expand production.

Despite the best intentions of dairy policy makers, it will be difficult to stem the tide of milk production in 1983. The large numbers of replacement stock and continuing low feed prices and poor alternatives for dairy farmers will encourage production. However, many dairy farmers will find that it will pay to reduce their production during phase two of the current program, that is when all or part of the second 50-cent assessment can be refunded if a producer cuts his production back sufficiently. Production could range anywhere from very little to over 2 percent above 1982, but about 1 percent is our best guess.

Dairy Product Consumption

Commercial disappearance of dairy products showed a strong 1.5% gain in 1982. In spite of the current recession, consumers are probably finding that dairy products are becoming an increasingly better buy due to the rather small increases in dairy prices. Cheese and lowfat milk continue to lead the way with annual gains of about 3% each. Once again the very modest increases in dairy product prices expected for 1983 should further encourage milk consumption, although it may be optimistic to expect an increase equal to this year's.

U.S. Domestic Disappearance of Selected Dairy Products from Commercial Sources[a]
1975-1981

	1975	1976	1977	1978	1979	1980	1981[b]
	(million pounds of product)						
TOTAL DISAPPEARANCE							
Whole Milk	38,256	37,061	35,638	34,938	33,937	32,754	31,685
Lowfat Milk	16,558	17,710	18,988	19,813	20,647	21,743	22,443
Cheese	3,009	3,358	3,405	3,677	3,820	3,864	3,988
Butter	948	932	860	894	823	912	898
Nonfat Dry Milk	668	743	698	640	692	669	679
Frozen Desserts	6,040	5,888	5,977	6,008	5,885	5,939	5,940
PER CAPITA DISAPPEARANCE	(pounds)						
Whole Milk	181.0	172.0	164.0	159.0	152.0	145.0	139.0
Lowfat Milk	78.5	82.2	87.1	89.9	92.5	96.3	98.4
Cheese	14.2	15.4	15.5	16.5	17.0	16.9	17.4
Butter	4.4	4.3	3.9	4.0	4.1	4.0	3.9
Nonfat Dry Milk	3.5	3.4	3.2	2.9	3.1	2.9	3.0
Frozen Desserts	28.3	27.1	27.2	27.1	26.2	26.2	26.0

Source: Dairy Situation, U.S. Department of Agriculture, June 1982.

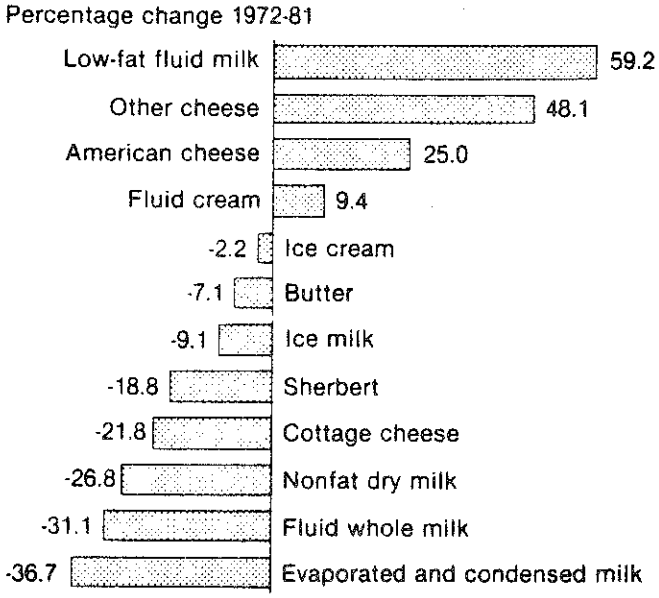
[a]Product weight.

[b]Preliminary.

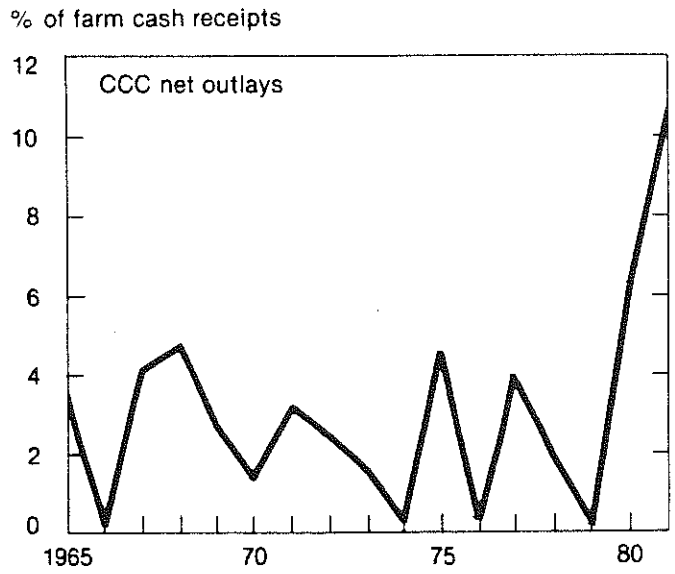
Commercial Stocks

Despite the burgeoning milk surplus, it is estimated that commercial stocks will be reduced by the largest amount since 1975. This probably reflects the desire of manufacturers to trim their inventories to minimum levels earlier this year when it appeared that USDA purchase prices for dairy products might be reduced, thus reducing the value of commercial inventories. Given the continuing uncertainties about dairy policy, it seems likely that manufacturers will keep their stocks at low levels.

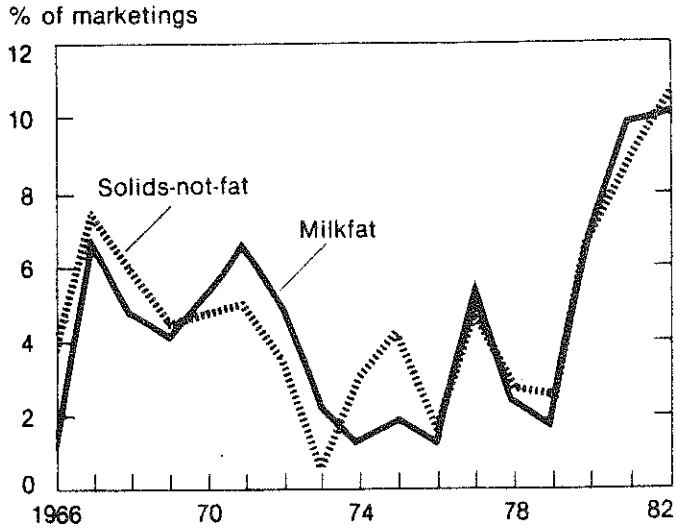
10-Year Change in per Capita Dairy Product Sales



Net Government Outlays for Dairy Products



Milk Solids Removed from the Market by CCC Programs



U.S. Stocks of Dairy Products, end of year or month
1979-1982

	1979	1980		1981[d]		1982[d]
	Dec.	June	Dec.	June	Dec.	June
	(million pounds of product)					
Commercial						
American Cheese	403.7	433.3	422.8	425.4	373.8	371.6
Other Cheese	105.6	110.6	99.3	100.8	86.6	95.8
Butter	25.2	46.5	36.5	40.9	47.3	25.7
Nonfat Dry Milk	92.6	137.4	85.0	116.3	86.7	127.5
Government						
American Cheese[a]	2.8	59.2	168.6	402.5	515.4	536.7
Butter[b]	152.6	249.4	268.2	466.6	381.9	514.6
Nonfat Dry Milk	392.7	411.0	501.7	616.8	803.0	1004.9
Total Stocks[c]	8,599	12,020	12,959	19,534	18,378	20,872

Source: Dairy Situation, U.S. Department of Agriculture, June and Sept. 1982.

[a]Includes process cheese.
[b]Includes butter equivalent of butteroil and ghee.
[c]Includes manufactured products for which current monthly series are available (excludes nonfat dry milk, cream, and bulk milk), computed on fat-solids basis.
[d]Preliminary.

U.S.D.A. Purchases

Estimated USDA net removals of 13.9 billion pounds established another new record for the dairy industry. Over 10 percent of the milk produced in the U.S. was purchased by the USDA in 1982. Even more striking are the net removals as a percent of production on a commodity basis. Approximately one-fourth of the American cheese, one-third of the butter and two-thirds of the nonfat dry milk produced in 1982 ended up in government hands, with government stocks rising accordingly. Accompanying these record purchase levels are the USDA expenditures in dairy products. Although the figures for fiscal year 1982 have not been released yet, they are expected to be well above $2 billion.

If production increases are moderate and consumption levels hold strong, 1983 may be the first year since 1979 to show a drop in USDA net removals. Even under more pessimistic assumptions, net removals should not be much worse than this year. USDA expenditures will be reduced by about one-fourth due to the assessments under the new dairy program, although this maneuver is a bit deceptive insofar as it does not actually reduce the cost of the program so much as it shifts who pays for it.

Imports

Imports are estimated to be up in 1982, although the early data tend to be very crude estimates. The greatest increase seems to be in Italian cheese and casein, with American and other cheeses also showing gains. Although U.S. prices have not increased much this year, world production and the inevitable surpluses have been building again after an off year in 1981; thus encouraging our trading partners to expand their exports. Although it is too early to tell with any kind of certainty, it seems likely that this situation will continue through 1983.

Prices

For the first time in 20 years the farm price of milk decreased, dropping 25 cents per cwt. or almost 2% since 1981. Although the support price for milk has been held constant, USDA purchase prices for dairy products have not been adjusted for inflated processing costs. As a result, wholesale prices for cheese, butter and nonfat dry milk have held stable but manufacturers have not been able to return the same price to farmers and still cover their operating costs. At the retail level, dairy prices increased at about half the rate of food prices in general.

With no change in USDA purchase prices for 1983, it appears that wholesale manufactured product prices will remain at or near current levels. Retail prices for dairy products will consequently reflect only increases in marketing costs and thus continue their extremely modest increases. The effective support price for milk will also continue to erode as manufacturers face the same price for their product and inflated manufacturing costs. Even without the assessments under the current program, farm prices could be expected to decline as much as 10 or 20 cents next year. The Phase I and II assessments will further reduce the "net" price 50 cents each, resulting in an annual average assessment of 50 to 88 cents depending on the magnitude of the refunds under Phase II. Thus, U.S. average price for all milk will probably range between 12.50 and 13.00 in 1983 and may end the year averaging about 12.75, after taking all the assessments and refunds into account.

Commercial Use, USDA Net Removals, and Total Supply of American Cheese Butter, and Nonfat Dry Milk 1975-1981

	1975	1976	1977	1978	1979	1980	1981[b]
	(million pounds of product)						
American Cheese							
Commercial Use[a]	2,022.8	2,330.7	2,320.3	2,413.8	2,516.7	2,446.2	2,464.8
Net Removals	68.2	38.0	148.2	39.7	40.2	349.7	563.0
Total Supply	2,091.0	2,368.7	2,468.5	2,453.5	2,556.9	2,795.9	3,027.3
Butter							
Commercial Use[a]	956.8	947.0	894.0	918.7	920.2	915.4	925.1
Net Removals	63.4	39.4	221.8	112.0	81.6	257.0	351.5
Total Supply	1,020.2	986.4	1,115.8	1,030.7	1,001.8	1,172.4	1,276.6
Nonfat Dry Milk							
Commercial Use[a]	744.1	818.0	742.9	698.5	695.6	624.8	542.2
Net Removals	394.5	157.1	461.7	285.0	255.3	634.3	851.3
Total Supply	11,138.6	975.1	1,204.6	983.5	950.9	1,259.1	1,393.5

Source: Dairy Situation, U.S. Department of Agriculture, March 1981.

[a]Commercial disappearance plus ending commercial stocks.

[b]Preliminary.

Dairy Product Imports, Total 1981 and Cumulative January-September 1981 and 1982

Product	Total 1981	January - September 1981	January - September 1982	1982 as % of 1981
		(thousand pounds of product)		
American Cheese	19,941	10,097	11,776	117
Italian Cheese	8,549	4,600	8,866	193
Swiss Cheese[a]	79,416	54,287	56,772	105
Other Cheese[b]	139,845	75,873	91,825	121
Butter, Butteroil and other Butterfat Mixtures	4,231	3,620	2,520	70
Casein	127,823	94,667	129,370	137
Lactose	2,381	1,688	717	42
Total Milk Equivalent[c]	2,329,206	1,452,592	1,786,160	123

Source: Dairy Situation, U.S. Department of Agriculture.

[a]Includes all Emmenthaler type and Gruyere process cheese.

[b]Includes Edam, Gouda, Blue Mold, Roquefort, Pecorino, Gjetost, Bryndza, soft, ripened cheeses, and others.

[c]Computed on fat-solids basis.

Farm Prices for Milk, CCC Purchase, Wholesale, and Retail Prices for Cheese, Butter, and Nonfat Dry Milk and Selected Retail Price Indices
1975-1982

	1975	1976	1977	1978	1979	1980	1981[c]	1982[c]
Farm Milk ($/cwt., ave. fat):								
All Milk	8.75	9.66	9.72	10.60	12.00	13.00	13.80	13.55
Grade A	9.02	9.93	9.96	10.80	12.20	13.20	14.00	13.75
Grade B	7.63	8.56	8.70	9.68	11.10	12.00	12.70	12.65
Milk/Feed Ratio	1.31	1.37	1.39	1.53	1.54	1.48	1.44	1.54
Cheese (¢/lb.):								
CCC Purchase, Natural Cheddar, Grade A or higher, blocks[a]	80.2	89.6	96.6	102.6	115.5	132.0	140.0	140.0
Wholesale, American Cheddar (40 pound blocks), f.o.b. Wisconsin Assembly Points	86.6	96.3	96.8	107.1	123.8	133.0	139.4	138.0
Retail, American (1/2 lb. pieces)	152.9	172.2	177.9	191.2	214.0	235.0	255.7	261.0
Butter (¢/lb.):								
CCC Purchase, Grade A or higher, Chicago[a]	71.5	85.5	98.2	106.4	121.5	140.2	149.0	149.0
Wholesale, Grade A, Chicago (1 lb.)	79.4	92.0	98.4	109.8	122.4	139.3	148.0	148.0
Retail, Grade AA, sticks (1 lb.)	102.2	127.8	135.3	149.1	168.3	187.8	199.3	204.0
Nonfat Dry Milk (¢/lb.):[b]								
CCC Purchase, Spray Process, Extra Grade, Unfortified[a]	61.0	62.4	66.6	70.9	78.9	89.1	94.0	94.0
Wholesale (1 lb.)	63.3	63.5	66.5	71.4	80.0	88.7	94.0	94.0
Retail Price Indices (1967=100.0):								
Fluid Whole Milk	152.7	160.7	162.3	171.7	191.4	208.4	220.2	222.0
All Dairy Products	156.6	169.3	173.9	185.6	207.1	227.4	243.6	248.5
All Food	175.4	180.8	192.2	211.4	234.5	254.6	274.6	287.0
All Consumer Prices	161.2	170.5	181.5	195.4	217.4	246.8	272.3	290.0

Source: Dairy Situation, U.S. Department of Agriculture.

[a]Simple annual average of announced support price.
[b]There is no retail price information for nonfat dry milk.
[c]Estimated.

Number of Producers Delivering Milk, Simple Average of Months per Year
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
New York-New Jersey	19328	18820	18030	17596	17555	17656	17501
New England	8269	8030	7769	7506	7352	7042	6931
Middle Atlantic	8094	8004	7539	7219	7287	7327	7170
E. Ohio-W. Pennsylvania	7675	7394	7024	6592	6379	6199	6209
N.Y. State Orders (Buffalo & Rochester)	1509	1483	1415	1375	1365	1337	1313
Regional Total	44875	43731	41777	40288	39938	39561	39124

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

The number of producers shipping milk to the Northeast Federal, and State order markets declined by 1 percent or 437 in 1982.

Since 1979, producer numbers in the Northeast orders have dropped a modest 3 percent compared to the preceding three-year period when producer numbers declined by 10 percent.

The lower dropout rate during the last three years has been attributed to the relative profitability of dairying compared to other farming options and a lack of nonfarm employment opportunities.

Producer numbers are expected to decline more sharply in 1983 due to the unfavorable economic climate.

Receipts of Milk from Producers by Regulated Handlers, Million Pounds
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
				(million pounds)			
New York-New Jersey	9484	9629	9877	10157	10560	10925	11077
New England	4994	4993	5046	5089	5221	5093	5234
Middle Atlantic	5388	5664	5420	5391	5634	5940	6038
E. Ohio-W. Pennsylvania	3489	3493	3434	3369	3379	3356	3480
N.Y. State Orders (Buffalo & Rochester)	1061	1080	1058	1093	1091	1081	1083
Regional Total	24416	24859	24835	25099	25885	26395	26912

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

Total milk receipts in Northeast order markets increased by 2 percent or 517 million pounds in 1982.

Receipts for the New York-New Jersey and Middle Atlantic orders increased approximately 1.5 percent, while the State order markets had almost no increase.

The large increase in the Eastern Ohio-Western Pennsylvania order was due to the shifting of a processing plant into that market.

A 1 to 1.5 percent increase in milk receipts is projected for 1983.

Producer Milk Used in Class I by Regulated Handlers, Million Pounds
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
				(million pounds)			
New York-New Jersey	4668	4544	4719	4594	4612	4561	4517
New England	2972	2937	2920	2926	2879	2821	2757
Middle Atlantic	3279	3265	2995	2906	2899	2866	2769
E. Ohio-W. Pennsylvania	2133	2099	2059	2035	1979	1933	1945
N.Y. State Orders (Buffalo & Rochester)	505	487	476	459	443	459	446
Regional Total	13557	13332	13169	12920	12812	12640	12434

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

The Northeast order markets experienced a further erosion of fluid milk sales in 1982. Total fluid sales declined by 206 million pounds or 1.6 percent for the year. The largest declines were in the New England, Middle Atlantic, and State order markets. Fluid sales in the N.Y.-N.J. market fell a modest 1 percent.

A further decline of 1 percent in fluid milk sales is anticipated in 1983.

Producer Milk Used in Class I as Percentage of All Producer Milk Received by Regulated Handlers
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
				(percent)			
New York-New Jersey	49	47	48	45	44	42	41
New England	60	59	58	58	55	55	53
Middle Atlantic	61	58	55	53	51	48	46
E. Ohio-W. Pennsylvania	61	60	60	60	59	58	56
N.Y. State Orders (Buffalo & Rochester)	48	45	45	44	43	42	41

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

The Class I utilization is affected by the amount of fluid sales in a market and the supply of milk.

Increasing receipts and declining fluid sales caused lower Class I utilization in all of the Northeast orders in 1982.

A continuation of these conditions is projected for 1983, thus resulting in further erosion of the Class I utilization.

Minimum Class I Prices for 3.5% Milk
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
				($/cwt.)			
New York-New Jersey[1]	11.00	10.86	11.54	13.02	13.92	14.83	14.73
New England[2]	11.18	11.06	11.86	13.19	14.09	15.00	14.76
Middle Atlantic[3]	11.38	11.26	12.06	13.56	14.45	15.36	15.26
E. Ohio-W. Pennsylvania[4]	10.45	10.33	11.14	12.62	13.62	14.53	14.43
N.Y. State Orders[3] (Buffalo & Rochester)	11.46	11.32	12.00	13.48	14.38	15.29	15.19

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

[1]201-210 mile zone.

[2]21st zone.

[3]Priced at major city in the marketing area.

[4]Pittsburgh district.

Fluid milk prices in the Northeast orders declined approximately 0.7 percent in 1982 following four years of successive increases.

The Class I price for the New York-New Jersey market declined 10 cents per hundredweight to $14.73 in 1982 following a 91 cent increase the previous year.

Class I prices are expected to be stable to down slightly in 1983.

Minimum Class II Prices for 3.5% Milk
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
				($/cwt.)			
New York-New Jersey[1]	8.48	8.58	9.58	10.91	11.88	12.58	12.49
New England[2]	8.48	8.58	9.58	10.91	11.88	12.58	12.49
Middle Atlantic[3]	8.50	8.60	9.60	10.93	11.90	12.60	12.51
E. Ohio-W. Pennsylvania[4]	8.48	8.58	9.57	10.91	11.88	12.58	12.48
N.Y. State Orders[1] (Buffalo & Rochester)	8.43	8.53	9.53	10.86	11.83	12.53	12.44

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

[1]201-210 mile zone.

[2]21st zone.

[3]Priced at major city in the marketing area.

[4]Pittsburgh district.

The price of milk used for manufacturing purposes declined 0.7 percent in Northeast order markets during 1982.

The N.Y.-N.J. Class II price declined 9 cents to $12.49 per cwt. following a 69 cent increase last year.

Class II prices are forecast to remain near 1982 levels in the coming year.

Minimum Blend Prices for 3.5% Milk
Northeast Federal and State Marketing Orders
1976-1982

Markets	1976	1977	1978	1979	1980	1981	1982[a]
				($/cwt.)			
New York-New Jersey[1]	9.71	9.61	10.38	11.74	12.64	13.39	13.26
New England[2]	10.07	10.01	10.86	12.18	13.06	13.90	13.62
Middle Atlantic[3]	10.23	10.10	10.91	12.29	13.20	13.95	13.79
E. Ohio-W. Pennsylvania[4]	9.80	9.71	10.56	12.03	12.90	13.67	13.41
N.Y. State Orders[1] (Buffalo & Rochester)	9.82	9.68	10.51	11.88	12.82	13.57	13.42

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

[a]Estimated.

[1]201-210 mile zone.

[2]21st zone.

[3]Priced at major city in the marketing area.

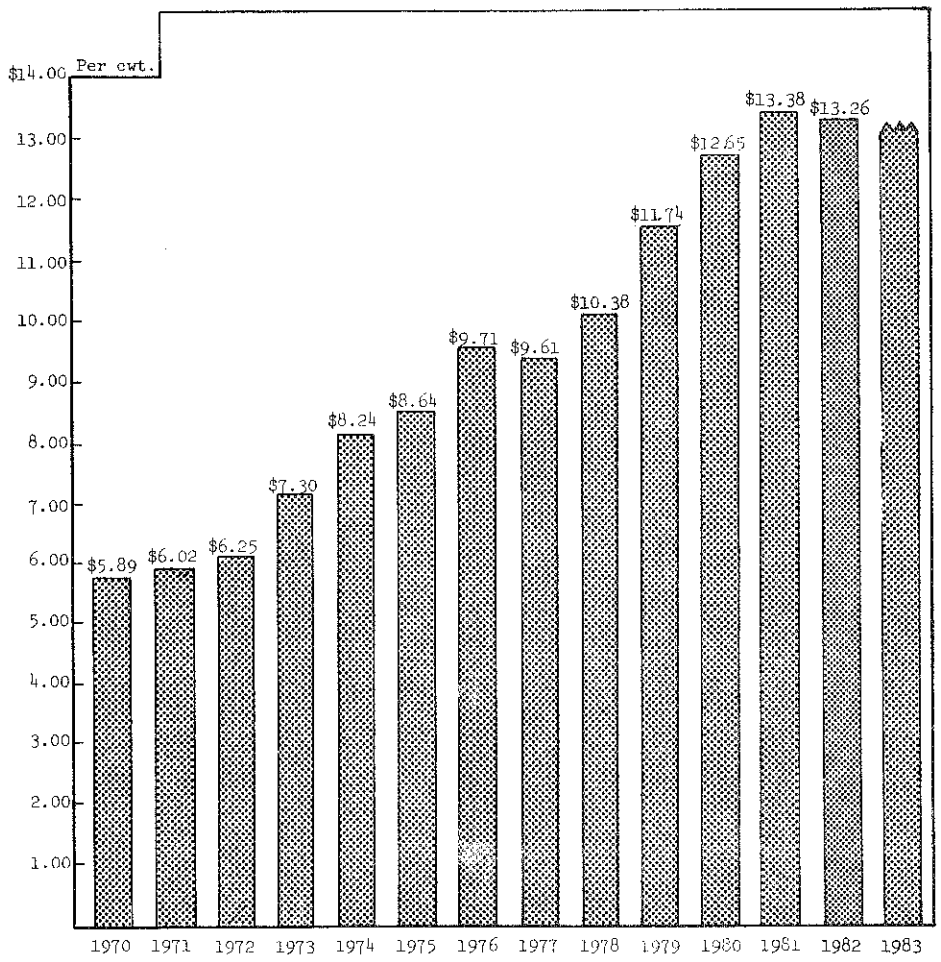
[4]Pittsburgh district.

The Blended Milk Price for the Northeast order markets declined between 1 and 2 percent in 1982 following a 5 to 6 percent increase in 1981.

The N.Y.-N.J., Middle Atlantic and State order markets experienced declines of 1 percent, while New England and the Eastern Ohio-Western Pennsylvania Orders were 2 percent below the previous year.

The Blend Price for 1983 is expected to be stable to marginally lower. However, the effective return to to dairymen will be from 4 to 7 percent lower due to projected Federal assessments of from 50 to 88 cents/cwt. in the coming year.

NEW YORK-NEW JERSEY BLEND PRICE
3.5% M.F., 201-210 MILE ZONE
1970 TO DATE



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

N.Y.-N.J. Blend Price, 3.5% M.F., 201-210 Mile Zone, 1978-1982

Month	1978	1979	1980	1981	1982
January	$ 9.82	$11.49	$12.25	$13.46	$13.35
February	9.87	11.57	12.24	13.46	13.30
March	9.65	11.12	12.08	13.20	13.02
April	9.60	10.95	11.96	13.00	12.82
May	9.55	10.93	11.90	12.83	12.61
June	9.60	11.03	11.92	12.83	12.63
July	10.16	11.60	12.48	13.33	13.16
August	10.84	12.23	13.01	13.68	13.59
September	11.12	12.51	13.31	13.83	13.74
October	11.45	12.64	13.57	13.87	13.81
November	11.54	12.62	13.54	13.74	13.71*
December	11.42	12.25	13.44	13.41	13.42*

*Estimates

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

MILK COWS AND REPLACEMENT HEIFERS, NEW YORK
1973 to date

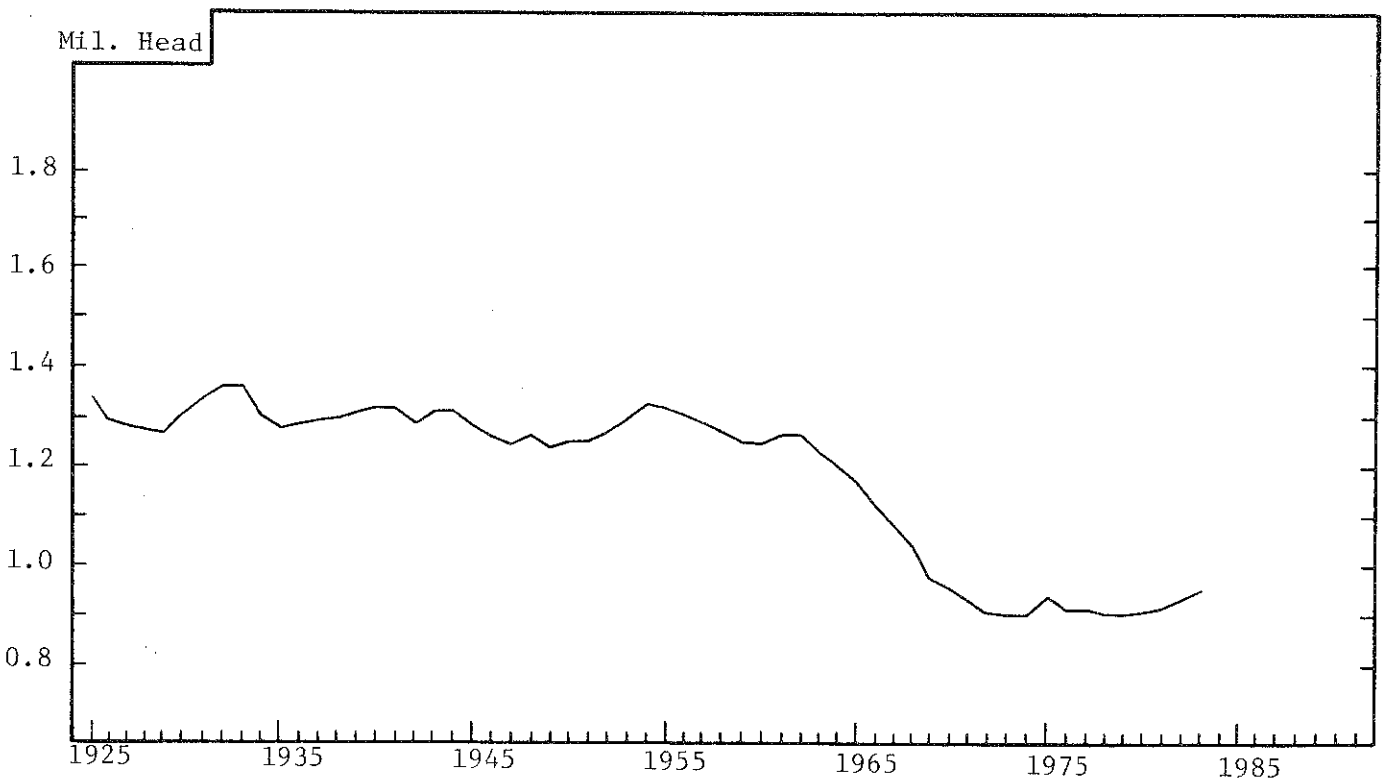
	Cows & Heifers Kept for Milk That Have Calved (000's)	Heifers 500 Pounds & Over Kept for Milk Replacements (000's)	Heifers Percent of Cow Numbers
1973 1/1	914	314	34.3
7/1	900	320	35.5
1974 1/1	900	324	36.0
7/1	902	336	37.2
1975 1/1	920	345	37.5
7/1	914	355	38.8
1976 1/1	916	345	37.7
7/1	909	380	41.8
1977 1/1	913	354	38.8
7/1	912	355	38.9
1978 1/1	915	341	37.3
7/1	903	347	38.4
1979 1/1	904	339	37.5
7/1	900	380	42.2
1980 1/1	912	356	39.0
7/1	908	385	42.4
1981 1/1	915	348	38.0
7/1	907	400	44.1
1982 1/1	918	398	43.2
7/1	910	410*	45.0*
1983 1/1	928**		
7/1			

SOURCE: New York Agricultural Statistics

*Estimated
**Projected

The number of heifers and heifers as a percent of cow numbers on January 1 and July 1, 1982 was higher than any January or July 1 during the past 10 years. Favorable milk-feed price ratios, adequate forage supplies and dairyfarmers uncertainty as to the future milk prices has led to increased cow and heifer numbers. Dairy farms are in a position to respond and are responding with increased herd size as a means of maintaining cash flow. While cow numbers are on the increase in the short run, the reduced milk price resulting from existing milk pricing programs, or possible additional programs and higher costs, will begin to reduce cow numbers over the next six to eighteen months.

NUMBER OF MILK COWS, NEW YORK
1925 to date



Source: New York Dairy Farm Report (to 1974)
New York Crop and Livestock Report (1975-present)

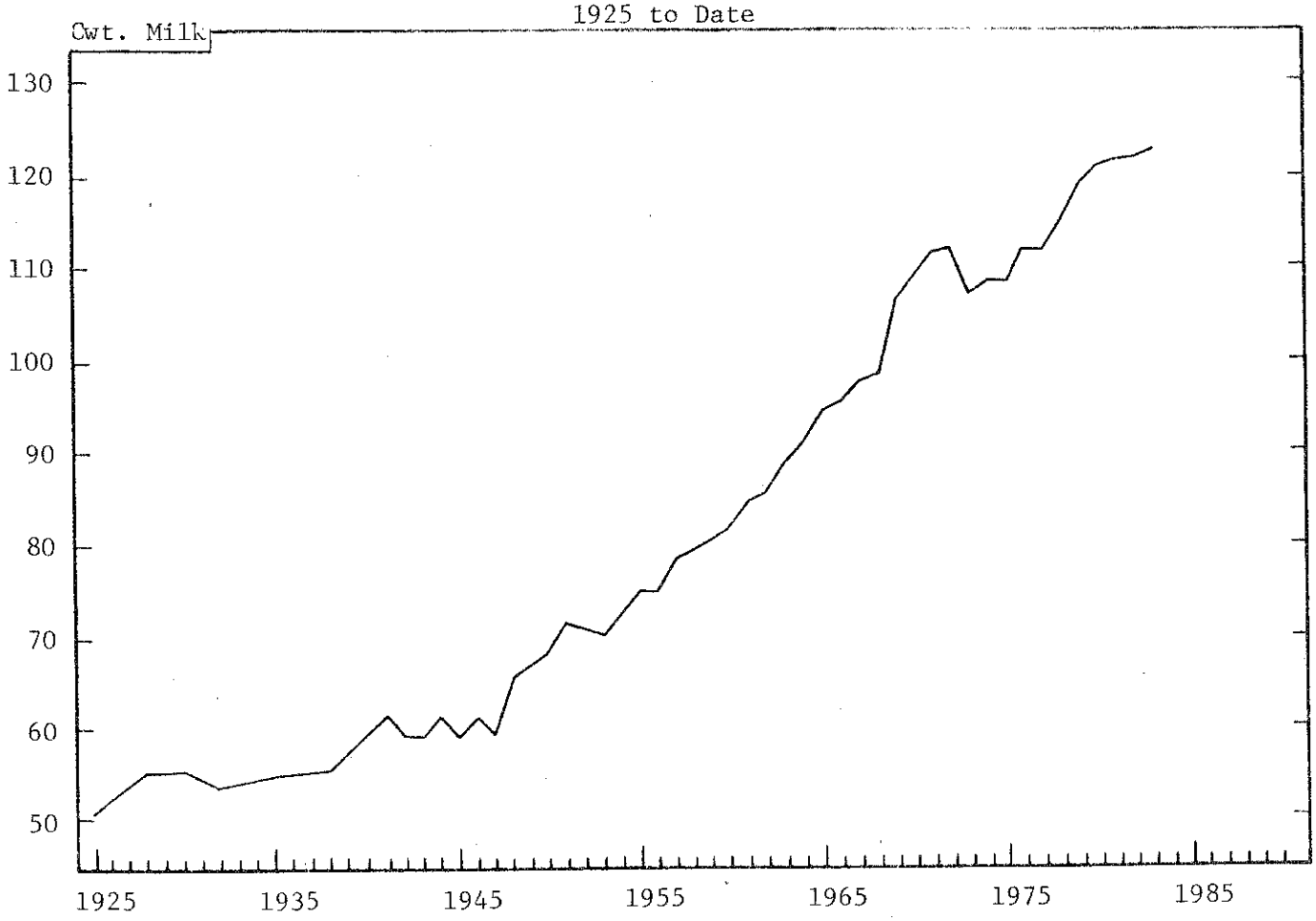
The average number of milk cows on New York farms during 1982 increased to 917,000 head; 5,000 greater than 1981. Cow numbers were stable during the first four months of 1982, moved seasonally lower during summer and have increased to 928,000 head in October. This is an increase of two percent over October 1981 and the most cows for the month since 1971.

Cow numbers are expected to increase slightly in early 1983, but as the impact of the December 1 and authorized April 1 milk price reductions are felt by dairyfarmers, cow numbers will decline.

Year	Milk Cows 1,000 head	Year	Milk Cows 1,000 head
1960	1,248	1973	903
1961	1,253	1974	905
1962	1,253	1975	917
1963	1,217	1976	912
1964	1,196	1977	914
1965	1,165	1978	906
1966	1,109	1979	905
1967	1,069	1980	911
1968	1,039		
1969	969	1981	912
1970	950	1982	917*
1971	935	1983	920**
1972	920		

*Preliminary
**Projected

ANNUAL MILK PRODUCTION PER COW, NEW YORK
1925 to Date



Source: New York Dairy Farm Report (to 1974)
New York Crop and Livestock Report (1975-present)

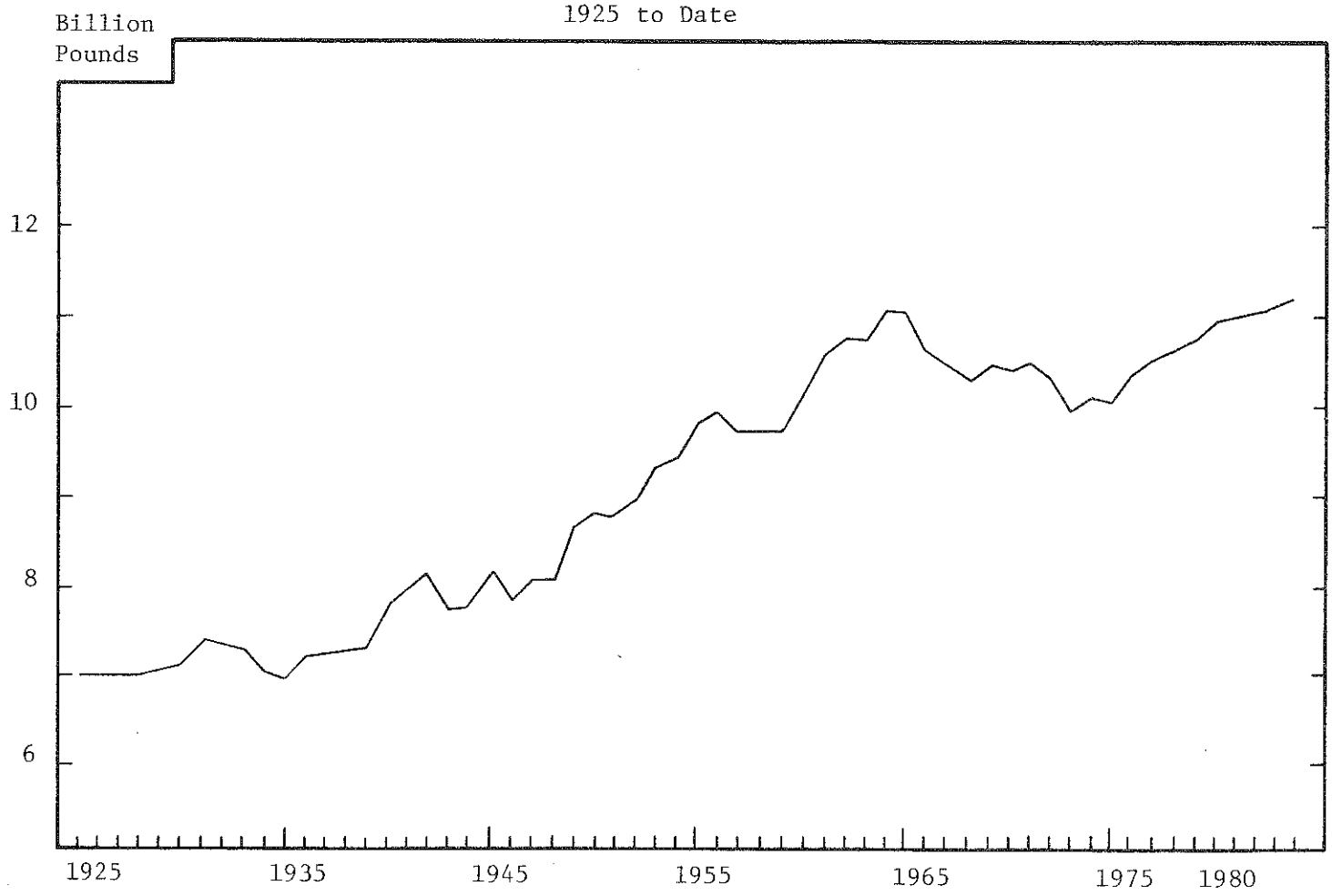
Milk production per cow averaged 12,160 pounds in 1982, a decrease of 3 pounds over 1981. Milk production per cow had increased steadily since 1960 with the exception of 1973 and 1974.

During 1983 milk production per cow is expected to increase by less than one percent, to 12,250 pounds.

Year	Pounds of Milk Produced per Cow	Pounds of Grain per Cow	Year	Pounds of Milk Produced per Cow	Pounds of Grain per Cow
1960	8,150	2,440	1973	10,773	4,200
1961	8,450	2,610	1974	10,853	4,100
1962	8,530	2,840	1975	10,866	3,780
1963	8,880	2,910	1976	11,182	4,040
1964	9,160	3,090	1977	11,186	4,030
1965	9,470	3,290	1978	11,488	4,140
1966	9,540	3,330	1979	11,800	4,230
1967	9,780	3,410	1980	12,046	4,340
1968	9,835	3,440			
1969	10,682	3,730	1981	12,163	4,260
1970	10,885	3,980	1982	12,160*	4,310*
1971	11,156	4,000	1983	12,250**	4,325**
1972	11,202	3,990			

*Preliminary **Projected

TOTAL MILK PRODUCTION, NEW YORK
1925 to Date



Source: New York Agricultural Statistics

Total milk production in 1982 is estimated at 11,163 million pounds, up seven-tenths of one percent over 1981. An increase in cow numbers of one-half of one percent accounts for the increase as milk production per cow was down only slightly.

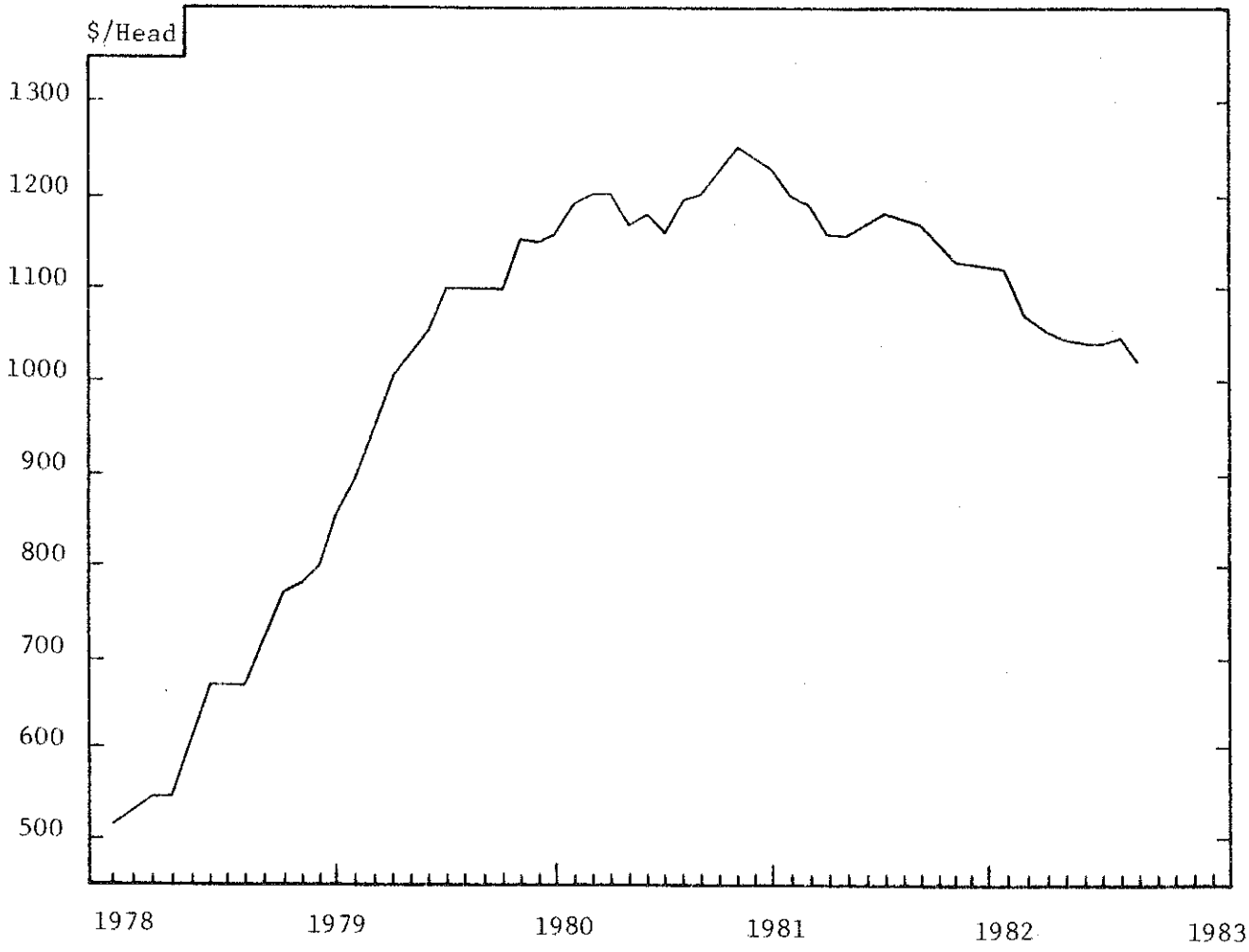
Milk production is expected to increase in 1983, but by only 1 percent. This projected increase results from a two-tenths of one percent increase in cow numbers and a seven-tenths of one percent increase in milk production per cow.

Year	Total Production New York State million pounds	Year	Total Production New York State million pounds
1960	10,171	1973	9,728
1961	10,588	1974	9,822
1962	10,688	1975	9,964
1963	10,807	1976	10,198
1964	10,955	1977	10,224
1965	11,033	1978	10,408
1966	10,580	1979	10,630
1967	10,455	1980	10,974
1968	10,219		
1969	10,351	1981	11,093
1970	10,341	1982	11,163*
1971	10,431	1983	11,275**
1972	10,306		

*Preliminary **Projected

PRICES OF MILK COWS, SLAUGHTER COWS AND CALVES, NEW YORK

Milk Cows 1978 to Date



Source: New York Agricultural Statistics

Milk cow prices have steadily declined during both 1981 and 1982. Prices for milk cows during 1982 were $110 to $150 dollars lower than a year earlier.

Milk cow prices will likely remain at or below current levels during 1983. With reduced profitability of dairying and a large supply of heifers, cow prices will experience increasing downward price pressures.

	Milk Cows, $/Head		Slaughter Cows, $/Cwt.		Calves, $/Cwt.	
Month	1981	1982	1981	1982	1981	1982
January	$1,230	$1,120	$43.40	$37.30	$63.70	$59.10
February	1,200	1,090	44.20	38.50	68.30	59.40
March	1,190	1,060	41.90	38.40	64.80	56.00
April	1,160	1,050	43.10	38.90	68.40	60.10
May	1,160	1,040	43.00	42.10	82.10	73.30
June	1,170	1,040	43.60	42.40	80.80	66.50
July	1,180	1,040	42.40	40.90	68.00	63.50
August	1,180	1,050	42.40	39.60	65.30	58.80
September	1,170	1,020	40.40	38.50	64.70	60.00
October	1,150	1,020	37.70	37.00	60.90	58.00
November	1,130	-----	38.80	-----	56.90	-----
December	1,120	-----	36.70	-----	57.80	-----

INDEX OF PRICES PAID BY NEW YORK DAIRYFARMERS
(1977=100)

Item	Weight	1978	1979	1980	1981	1982*	1983**
Feed	.31	98.7	113.0	129.3	141.4	130	____
Purchased animals	.03	134.4	215.0	247.9	242.6	218	____
Fuel & energy	.05	103.6	131.9	176.5	211.3	208	____
Fertilizer	.05	104.4	117.0	142.6	150.0	151	____
Seed	.02	113.0	124.5	139.4	146.4	157	____
Machinery	.18	107.7	119.1	130.5	147.2	160	____
Building & fencing supplies	.08	108.0	118.6	127.6	133.7	135	____
Farm services & rent	.08	107.0	117.0	129.0	137.0	147	____
Agricultural chemicals	.01	93.8	96.0	102.3	110.8	119	____
Interest rates	.07	104.2	120.7	137.8	155.6	162	____
Farm wage rates	.09	118.9	122.7	132.4	140.1	139	____
Taxes	.03	103.8	116.5	127.4	133.1	142	____
Prices Paid		106	121	137	149	150	155

Source: New York Crop Reporting Service

*Preliminary
**Estimated

The index of prices paid by New York dairy farmers increased slightly in 1982. Two opposite forces, when combined, led to a one point increase in the index. Feed, purchased animals, fuel and energy and farm wage rates categories moved down. All other prices paid categories increased. The overall result was the small increase in the index.

Purchased feed is expected to be at or below current levels at least during the first half of 1983. Purchased animals, interest rates and farm wage rates are also expected to trend downward. The remaining categories will likely increase in the range of general inflation in the economy. Prices paid by New York dairymen are expected to average 155 during 1983, an increase of 3 1/3 percent over 1982.

COST AND RETURNS ESTIMATES PER CWT OF MILK
Specialized Dairy Farms by Region, United States, 1981

Region	Returns per cwt. Milk	Cull cows, calves	Total	All direct and ownership costs	Return to operator's labor and management
1. Upper Midwest (MN,WI,MI,SD)	$13.37	$1.51	$14.88	$12.45	$2.43
2. Northeast (NY,PA,OH,NEW ENGLAND)	14.08	1.20	15.28	12.97	2.31
3. Pacific (CA,WA)	13.47	.93	14.40	12.34	2.06
4. So. Plains (TEXAS)	14.84	1.03	15.87	24.14	1.73
5. Corn Belt (IN,IL,IA,MO)	13.49	1.20	14.69	13.93	.76
6. Appalachia (KY,TN,VA,NC,GA)	14.17	1.02	15.19	14.49	.70
National average	13.72	1.25	14.97	13.00	1.97

Source: Committee Print, U.S. Senate, "Costs and Returns of Producing Milk in the United States - 1979, 1980 and preliminary 1981," Table 4.

The Agriculture and Consumer Protection Act of 1973 directed the Secretary of Agriculture to make annual estimates of the costs of producing a number of major agricultural commodities. One of these is milk. The most recent set of estimates was issued in 1982 as a Committee Print by the Senate Committee on Agriculture, Nutrition and Forestry. Cost estimates were developed by the USDA for six major producing regions in the United States. The data on which these estimates are based came from a variety of sources. An important new survey was conducted in 1980 in which information was collected from dairy farmers in 25 major dairy states. Major revisions in the data series resulted from these studies and are incorporated in the budget estimates presented in the table above.

Over the past 10 years the differences in prices received for milk at the farm between regions have narrowed substantially. The highest prices received nationally are in the south and the lowest in the upper midwest. The spread is now about $1.50 per cwt. There are important differences in average production costs between regions. The USDA estimates are based on a consistent methodology and appear reasonable in relation to other data and information from the six designated regions. The three regions where much of the milk is produced are also those with the lowest costs per cwt. and the highest returns to operator's labor and management.

The average costs of production for fluid milk on the facing page are calculated from whole farm financial records for specialized dairy farms in the New York Farm Business Summary. This annual series of cost estimates shows the nature of changes from year to year using a consistent method of calculation but is quite different from the USDA budget estimates.

AVERAGE COST PER HUNDREDWEIGHT OF PRODUCING MILK*
New York Dairy Farms, 1973 to 1981

Item	1973	1975	1977	1979	1980	1981
Cash Operating Expenses						
Hired labor	.65	.74	.84	.99	1.09	1.20
Purchased feed	2.34	2.51	2.90	3.37	3.60	3.62
Purchased animals	.42	.23	.27	.50	.29	.23
Vet. & medicine	.12	.14	.17	.22	.24	.28
Breeding fees	.09	.11	.12	.15	.16	.18
Other dairy expenses	.37	.48	.58	.74	.82	.89
Machinery repairs	.40	.51	.57	.69	.75	.81
Auto expenses (f.s.)	.03	.03	.03	.04	.04	.04
Gas & oil	.22	.29	.31	.43	.55	.62
Lime & fertilizer	.36	.49	.49	.62	.66	.72
Seed & plants	.11	.16	.16	.20	.20	.23
Spray & other crop	.08	.13	.13	.16	.16	.21
Land, bldg., fence repair	.15	.15	.16	.21	.21	.22
Taxes	.20	.22	.27	.28	.31	.35
Insurance	.14	.15	.18	.20	.23	.23
Electricity (f.s.)	.12	.15	.17	.21	.24	.27
Telephone (f.s.)	.03	.03	.04	.04	.04	.05
Interest paid	.53	.66	.72	1.00	1.17	1.43
Miscellaneous	.18	.24	.25	.31	.37	.41
Total	6.54	7.42	8.36	10.36	11.13	11.99
Other Expenses						
Depreciation: mach. and bldg.	.80	.79	.89	1.06	1.42	1.56
Unpaid labor	.08	.11	.12	.13	.14	.14
Operator(s) labor	.82	.75	.93	.91	1.05	.99
Operator(s) management	.43	.48	.54	.68	.72	.76
Interest on farm equity capital	1.10	1.27	1.37	2.20	2.41	2.38
Total	3.23	3.40	3.85	4.98	5.74	5.83
Gross farm operating cost	9.77	10.82	12.21	15.34	16.87	17.82
Less: Non-milk cash receipts	1.36	.88	1.04	1.78	1.66	1.58
Inc. in feed & supplies	.47	.24	.00	.40	.43	.11
Inc. in livestock	.25	.15	.08	.38	.39	.25
NET COST OF MILK PRODUCTION	$7.69	$9.55	$11.09	$12.78	$14.39	$15.88
AVERAGE FARM PRICE OF MILK	$7.30	$8.64	$ 9.61	$11.74	$12.65	$13.66
Return per cwt. to farmer's labor, capital and management	$ .96	$1.59	$ 1.36	$ 2.75	$ 2.44	$ 1.91
Rate of return on farm equity capital	4.5%	2.0%	-0.6%	4.7%	2.5%	1.0%

* Using farm unit (whole farm) method.
Source: New York Farm Business Summary data.

In addition to the cash operating expenses values are placed on unpaid family labor, the operator's labor, a charge is made for management, and interest on equity capital was calculated at a rate of 9 percent. Together with depreciation these charges amounted to $5.83 per cwt. in 1981. Adjustments were also made to reflect income and expenses for crops and livestock sales so that the net costs center on fluid milk production.

These cost estimates indicate that production costs increased approximately $1.50 per cwt. in 1981 compared with 1980 while receipts increased about $1.00 per cwt. The result was a reduction of $.50 per cwt. in the return to operator's labor, management, and equity of capital. A similar narrowing in returns to the operator's capital and labor is projected for 1982 and 1983.

CHANGES IN NUMBER AND SIZE OF NEW YORK DAIRY FARMS: 1972 to 1982

Between 1972 and 1982 the number of dairy farms in New York decreased by 5,500 or from roughly 19,500 to 14,000 farms. Thus, twenty-eight percent of the farms that were producing milk in 1972 were not in dairying in 1982. The decline was much higher among smaller farms. Farms with less than 30 cows declined by 78 percent over the 10-year period, while those with 60 or more cows increased by two-thirds.

However, in 1982 many small farms still exist. About eight percent of the farms kept less than 30 cows, and 23 percent of the total number of farms were in the 20 to 39 cow size range. About 11 percent of the farms kept 100 or more cows.

The change in the size distribution of herds has been very rapid since 1972. In that year, 10 percent of the dairy farms in New York State kept fewer than 20 cows. By 1982, this had decreased to 2 percent. Meanwhile, dairy farms that kept 60 or more cows increased from 18 to 41 percent of the total.

The concentration of cows in larger herds is also increasing. In 1972, ten percent of the cows were kept in herds with 100 or more cows; herds with 100 or more cows had 27 percent of the total number of cows in 1982.

CHANGE IN NUMBER OF DAIRY FARMS BY SIZE OF HERD*
New York State, 1967, 1972, 1977 and 1982**

Cows per farm	1967	1972	1977	1982	Change between 1972 and 1982	
					Number	Percent
Under 20	4,200	1,850	600	275	-1,575	-85
20 - 29	6,300	3,000	1,700	800	-2,200	-73
30 - 39	6,800	4,800	3,700	2,400	-2,400	-50
40 - 49	3,800	3,700	2,700	2,100	-1,600	-43
50 - 59	2,500	2,600	2,700	2,650	+ 50	+ 2
60 - 99	2,200	2,600	3,350	4,200	+1,600	+62
100 - 149	400	500	700	850	+ 350	+70
150 - 199	200	300	350	450	+ 150	+50
200 and over	100	150	200	275	+ 125	+83
TOTAL	26,500	19,500	16,000	14,000	-5,500	-28

*Source: Cornell Producer Panel of Dairymen.
**Estimates for 1972, 1977 and 1982 by G. J. Conneman.

SELECTED FLORICULTURE CROP SALES, AT WHOLESALE VALUE,
NEW YORK AND THE U.S., 1977 AND 1981

	1977			1981		
	N.Y.	U.S.	% N.Y. of U.S.	N.Y.	U.S.	% N.Y. of U.S.
	1,000 dollars			1,000 dollars		
Cut Flowers						
Standard Carnations	0	42,328	0.0	0	40,936	0.0
Miniature Carnations	0	6,007	0.0	0	9,605	0.0
Standard Chrysanthemums	999	28,626	3.5	803	22,698	3.5
Pompom Chrysanthemums	850	35,479	2.4	896	40,021	2.2
Gladioli	0	16,535	0.0	0	19,904	0.0
Hybrid Tea Roses	4,367	62,177	7.0	5,935	90,036	6.6
Sweetheart Roses	1,138	16,604	6.9	1,451	21,603	6.7
Snapdragons	209	2,662	7.9	192	2,842	6.8
Total for Cut Flowers	7,563	210,418	3.6	9,277	247,645	3.8
Flowering Pot Plants						
Chrysanthemums	2,615	55,305	4.7	5,123	76,608	6.7
Geraniums	3,211	30,487	10.5	5,927	49,518	12.0
Hydrangeas	420	6,242	6.7	300	6,516	4.6
Lilies	945	17,285	5.5	1,331	21,765	6.1
Poinsettias	2,800	47,084	6.0	4,957	77,939	6.4
Total for Flowering Pot Plants	9,991	156,403	6.4	17,638	232,346	7.6
Foliage and Bedding Plants						
Foliage Plants	4,646	275,300	1.7	5,886	329,160	1.8
Flower Bedding Plants	4,742	84,459	5.6	8,400	150,388	5.6
Vegetable Bedding Plants	2,116	30,517	6.9	3,949	57,534	6.9
Total for Foliage and Bedding Plants	11,504	390,276	3.0	18,235	537,082	3.4

SOURCE: Floriculture Crops, S.R.S., March 1979 and March 1982.

The wholesale value of selected floriculture crops in New York increased from 29 million dollars in 1977 to 45 million dollars in 1981, a 55 percent increase (see preceding page). Sales of flowering pot plants increased from 10 million dollars in 1977 to 17.6 million dollars in 1981, a 77 percent increase. Foliage and bedding plant sales increased from 11.5 million to 18.2 million, a 59 percent increase. Cut flower sales increased only 23 percent, from 7.5 million to 9.3 million. During that time period, the implicit price deflator for GNP (one broad measure of inflation in the general economy) increased by 39 percent.

In value of sales of flowering pot plants in 1981, New York ranked first among all producing states in geraniums, fourth in lilies, and fifth in poinsettias.

Cash receipts for greenhouse and nursery crops in New York were 138 million dollars in 1981.

CASH RECEIPTS FOR GREENHOUSE AND NURSERY CROPS, NEW YORK, 1971-1981

Year	Million Dollars	Percent of U.S.	Year	Million Dollars	Percent of U.S.
1971	53.7	5.3	1976	84.0	4.1
1972	58.2	5.2	1977	87.4	4.0
1973	66.6	5.1	1978	100.6	4.0
1974	72.1	4.6	1979	101.2	N.A.
1975	78.3	4.6	1980	125.5	N.A.
			1981	138.3*	

SOURCE: New York Agricultural Statistics, NY Crop Reporting Service, 1981.

*Preliminary estimate.

COMMERCIAL FRUIT PRODUCTION, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1979	1980	1981	1982	1979	1980	1981	1982
	thousand tons							
Apples	518	550	400	565	4,072	4,414	3,872	4,229
Grapes	165	175	150	166	4,989	5,595	4,429	5,680
Tart Cherries	14	15	4	11	85	109	67	155
Pears	18	21	17	21	855	897	893	783
Peaches	3	7	5	6	1,476	1,540	1,394	1,070
Sweet Cherries	4	5	2	4	182	172	153	158
Total NY's Major Fruit Crops	722	773	578	773	11,659	12,727	10,808	12,114

AVERAGE FARM PRICES OF FRUITS, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1979	1980	1981	1982	1979	1980	1981	1982
	dollars per ton							
Apples								
Fresh	350	360	420		308	242	312	
Processed	103	86	127		114	84	106	
All Sales	200	188	224		218	174	224	
Grapes	230	218	248		236	239	279	
Tart Cherries	924	382	902	296	944	404	890	282
Pears	182	222	219		204	196	188	
Peaches	444	470	472		232	248	266	
Sweet Cherries	447	450	621		601	552	683	

VALUE OF UTILIZED PRODUCTION, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1979	1980	1981	1982	1979	1980	1981	1982
	million dollars							
Apples								
Fresh	70.9	73.8	73.5		663	598	692	
Processed	32.5	29.6	28.6		217	162	173	
All Sales	103.5	103.4	102.3		883	763	865	
Grapes	38.0	38.2	36.0		1,179	1,338	1,233	
Tart Cherries	12.6	5.8	3.8	3.1	81	44	60	36
Pears	3.2	4.4	3.7		174	176	168	
Peaches	1.5	3.1	2.1		331	369	354	
Sweet Cherries	1.8	2.1	.7		109	92	100	
Total NY's Major Fruit Crops	160.6	157.0	148.6		2,641	2,652	2,665	

FRESH APPLES: EXPORTS FROM U.S., 1975/76 - 1981/82 SEASONS, 42 POUND UNITS

Area of Distribution	1975/76	1976/77	1977/78	1978/79	1979/80	1980/81	1981/82
	1,000 42 pound units						
Canada	2,185	2,860	2,570	2,576	3,156	2,072	3,463
Europe	548	522	1,359	953	1,132	2,036	1,888
Mexico & Central America	625	547	600	501	744	827	545
Caribbean	179	204	229	255	343	404	337
South America	424	669	756	502	676	1,552	1,687
Middle East	---	---	974	1,134	1,272	2,491	1,926
Africa	6	10	18	55	64	89	48
Far East	1,333	1,420	1,265	1,420	4,852	6,386	4,040
Pacific Area	65	68	98	123	130	174	421
Other	1	1	---	---	44	2	12
Total	5,367	6,302	7,870	7,520	12,412	16,032	14,368

SOURCE: Foreign Agricultural Service.

Fresh apple exports from the U.S. have increased dramatically during the period 1975-1982. Exports increased from 5.4 million bushels in 1975/76 to 16.0 million bushels in 1980/81. Exports fell in 1981/82 to 14.4 million bushels due to several factors including the somewhat short national crop in the 1981 growing season and the strong U.S. dollar. Exports to our two largest customers, Taiwan and Saudia Arabia, fell by 1.9 million and .4 million bushels respectively. Exports to Canada increased by 1.4 million bushels due to the large decrease in Canadian production from cold weather damage to the 1981 crop.

The large increase in exports have helped in the late 1970's and early 1980's to take the pressure off the market. Even though apple production in the U.S. did increase substantially during the 1970's (from the 1970-74 national average production of about 150 million bushels to the 200 million bushel crops of recent years) grower returns have been relatively favorable. This season, exports should be up from 1981/82, but probably will not exceed the record level of 16.0 million bushels in 1980/81.

APPLES IN COLD STORAGE BY VARIETY FOR EASTERN AND WESTERN NEW YORK AS OF NOVEMBER 1, 1979, 1980, 1981, AND 1982

Variety and Area	Apples in Cold Storage* 11/1/79	11/1/80	11/1/81	11/1/82
	thousand bushels			
McIntosh:				
Eastern New York	2,462	2,451	1,566	2,466
Western New York	755	832	406	628
Total	3,217	3,283	1,972	3,094
Rome:				
Eastern New York	617	572	541	680
Western New York	273	140	304	248
Total	890	712	845	928
Delicious (red):				
Eastern New York	1,421	1,428	882	1,106
Western New York	583	637	400	257
Total	2,004	2,065	1,282	1,363
Golden Delicious:				
Eastern New York	557	192	410	299
Western New York	255	193	240	209
Total	812	385	650	508
R.I. Greening:				
Eastern New York	36	44	15	26
Western New York	668	504	537	834
Total	704	548	552	860
Cortland:				
Eastern New York	337	386	189	383
Western New York	258	248	168	290
Total	595	634	357	673
Northern Spy:	283	187	160	230
Idared:	381	396	451	450
All Other Varieties:	676	1,005	613	857
Total All Varieties:				
Eastern New York	5,775	5,791	3,945	5,382
Western New York	3,786	3,424	2,937	3,581
Total New York State	9,561	9,215	6,882	8,963

*Includes apples in controlled atmosphere storage.

SOURCE: State of New York Department of Agriculture and Markets, Apples in Cold Storage, October reports.

APPLES IN CONTROLLED ATMOSPHERE STORAGE
NEW YORK STATE AS OF NOVEMBER 1, 1979, 1980, 1981, AND 1982

Variety and Area	11/1/79	11/1/80	11/1/81	11/1/82
	thousand bushels			
McIntosh:				
Eastern New York	1,828	1,768	1,156	1,792
Western New York	213	205	163	14
Total	2,041	1,973	1,319	1,806
Rome:				
Eastern New York	499	425	467	548
Western New York	56	34	90	26
Total	555	459	557	574
Delicious (red):				
Eastern New York	1,025	1,116	703	864
Western New York	284	337	229	2
Total	1,309	1,453	932	866
Golden Delicious:	109	79	163	76
Cortland:	328	227	143	199
Other Varieties:	394	502	482	377
Total All Varieties:				
Eastern New York	3,820	3,917	2,791	3,720
Western New York	826	776	805	178
Total New York State	4,646	4,693	3,596	3,898

(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, November reports.

PRICES RECEIVED BY NEW YORK GROWERS FOR FRESH APPLES,
MONTHLY AVERAGE PRICE PER 42 POUND BUSHEL, 1971-1982 CROP YEARS

CROP YEAR	SEPT	OCT	NOV	DEC	JAN	FEB	MARCH	APR	MAY	JUNE
1971	2.94	2.31	2.10	2.56	2.69	2.77	2.60	2.73	2.94	2.94
1972	3.65	3.15	3.82	4.12	4.20	4.41	4.62	5.04	5.67	5.46
1973	4.91	4.75	5.80	5.88	6.09	6.30	6.30	6.51	6.51	6.30
1974	4.70	4.20	4.07	3.99	4.79	5.12	5.75	6.09	6.30	6.30
1975	5.04	3.82	3.91	4.82	4.87	4.41	6.09	6.01	5.54	5.54
1976	4.66	4.41	5.04	5.21	5.29	5.38	6.13	6.09	6.26	6.51
1977	5.04	5.25	5.46	5.46	5.46	5.67	6.09	6.51	6.72	6.93
1978	6.30	5.46	5.46	5.04	5.25	5.25	5.67	6.09	6.09	6.30
1979	5.04	5.25	5.67	7.14	7.35	7.56	8.61	9.24	9.45	9.87
1980	7.18	7.48	6.51	7.39	7.22	7.43	7.73	7.77	8.06	8.40
1981	8.61	8.19	8.82	8.40	8.82	9.03	8.82	9.66	10.08*	N.A.
1982	7.14*	5.88*								

*Preliminary estimate.

SOURCE: New York Crop Reporting Service, New York Agricultural Statistics, 1981.

APPLES: NEW YORK MONTHLY COLD STORAGE HOLDINGS, CROP YEARS 1965-1982[1]

CROP YEAR	OCT	NOV	DEC	JAN	FEB	MARCH	APR	MAY	JUNE
	thousand bushels								
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	1,313	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	8,892	7,303	5,426	3,872	2,438	1,388	485
72/73	1,624	6,737	6,614	5,014	3,812	2,735	1,729	949	259
73/74	2,025	7,490	5,967	5,010	3,973	2,699	1,741	913	206
74/75	2,457	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	5,017	3,712	2,496	1,475	720
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	8,833	7,094	5,226	3,679	2,293	1,367	457
1980/81	2,804	9,215	9,335	7,820	6,140	4,593	3,222	1,981	1,060
1981/82	2,513	6,882	5,985	4,404	3,838	2,566	1,703	938	
1982/83	3,196	8,963							

[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 1966-1981.

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					
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	13,396
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
1979	632,201	35,122	308,069	226,642	41,473	56,017
1980	667,313	44,193	349,518	229,704	39,883	48,208
1 1981	455,408	42,929	238,100	164,700	22,557	27,819

[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 Reports (most recently, No. 4-82).

APPLES: REPRESENTATIVE TRUCK RATES, MARCH, 1978-1982.

Commodity, area, and city	March 1978	March 1979	March 1980	March 1981	March 1982
	dollars per package				
Apples (tray packed carton):					
Yakima, Wash. area to:					
Atlanta	2.05	2.05	2.41	2.71	2.69
Chicago	1.68	1.68	1.98	2.03	2.08
Dallas	1.60	1.72	2.17	2.44	2.42
Los Angeles	.95	1.04	1.39	1.50	1.39
New York City	2.48	2.60	3.04	3.25	3.25
Hudson Valley, NY area to:					
Atlanta	.70	.87	.94	1.30	1.11
New York City	.40	.40	.42	.58	.56

SOURCE: ERS, USDA, Fruit Situation and Outlook, July issues, 1978-1981.

APPLES: PER CAPITA CONSUMPTION: FRESH-WEIGHT EQUIVALENT, 1971-1980.

Year	Fresh	Canned	Canned Juice	Frozen	Dried	Total
	pounds					
1971	16.1	4.8	5.0	.9	.5	27.3
1972	17.4	4.6	4.0	1.1	.6	27.7
1973	14.7	4.5	3.9	1.0	1.1	25.2
1974	16.0	4.2	3.9	.6	.9	25.6
1975	17.7	4.2	4.4	.8	1.0	28.1
1976	18.7	3.0	5.1	.7	1.1	28.6
1977	17.0	3.3	5.1	.7	1.0	27.1
1978	15.8	3.6	6.5	.7	1.0	27.6
1979	17.0	3.3	8.1	.6	1.0	30.0
1980	16.7	3.3	7.3	.6	1.0	28.9

SOURCE: ERS, USDA, Fruit Situation and Outlook, July 1981.

FARM PRICES RECEIVED AND PAID BY FARMERS, 1977-1981.

	1977	1978	1979	1980	1981
	1977=100				
Prices Received					
All farm products	100	115	132	134	138
All crops	100	106	116	125	134
Fruit	100	148	144	124	129
Fresh market fruit	100	157	151	128	131
Prices Paid					
Prod. items, int., taxes, & wage rates	100	108	123	138	150
Production items	100	108	125	138	148
Agricultural chemicals	100	94	96	102	111
Fuels & energy	100	105	137	188	213
Tractors & self-propelled machinery	100	109	122	136	152
Wage rates	100	107	117	127	136

SOURCE: Crop Reporting Board, ERS, USDA, Agricultural Prices Annual Summary, 1981.

APPLES: SELECTED STATISTICS, NEW YORK, 1970, 1975, AND 1980

	1970	1975	1980
Number of farms	1,288	1,218	1,183
Number of trees (total)	3,255,888	3,554,996	4,554,483
Number of standard trees	2,219,453	1,925,080	1,672,258
Number of dwarf & semi-dwarf trees	1,036,435	1,629,916	2,882,225
Number of acres (total)	72,569	66,742	74,346
Acres of standard trees	61,652	52,205	44,210
Acres of dwarf & semi-dwarf trees	10,917	14,537	30,136
Production (total) [1,000 bushels]	N.A.	23,993	25,278
Production, standard trees [1,000 bushels]	N.A.	20,072	17,860
Production, dwarf & semi-dwarf trees [1,000 bushels]	N.A.	3,921	7,418

SOURCE: New York Orchard and Vineyard Survey; 1970, 1975, and 1980.

APPLES: PERCENTAGES OF TREES BY AGE CATEGORY, NEW YORK, 1980

	Percentages of Total Trees		
Age of Trees (years)	1970	1975	1980
1 - 3	19	13	20
4 - 6	13	15	14
7 - 11	13	20	19
12 - 21	18	19	22
22+	37	33	26

SOURCES: New York Orchard and Vineyard Surveys; 1970, 1975, and 1980. Material prepared by Bill Gerling, Regional Fruit Extension Specialist, Eastern New York.

APPLES: VARIETY BY PRECENTAGE OF TREE NUMBERS, NEW YORK; 1970, 1975, AND 1980

	1970	1975	1980
McIntosh	22%	21%	21%
Red Delicious	14	16	19
Rome	10	10	11
Idared	7	9	8
Empire	<1	2	6
Golden Delicious	7	7	6
R.I. Greening	10	8	6
Cortland	6	6	5

SOURCE: New York Orchard and Vineyard Survey; 1970, 1975, and 1980. Material prepared by Bill Gerling, Regional Fruit Extension Specialist, Eastern New York.

Apple acreage in New York increased 11 percent from 1975 to 1980 while the number of farms reporting apple trees decreased by three percent. The total number of apple trees increased by 28 percent. The number of standard trees decreased by 13 percent while the number of dwarf and semi-dwarf trees increased by 77 percent. One-fifth of the existing trees in 1980 were three years of age and under. Trees of the McIntosh variety comprise over one-fifth of the total trees. Trees of the Empire variety are growing dramatically as a proportion of total trees while R.I. Greening continues to decline.

GRAPES: FARM NUMBERS, ACRES, AND VARIETIES, NEW YORK, 1970, 1975, AND 1980

	1970	1975	1980
Number of farms	2,058	2,153	1,968
Acres of grapes	36,879	42,653	41,979
Acres by variety:			
Concord	26,715	27,568	26,643
Catawba	2,597	3,477	3,673
Niagara	1,662	2,355	2,249
Delaware	1,938	2,051	1,883
Aurora	1,033	1,727	1,803
de Chaunac	N.A.	899	859
Elvira	335	538	623
Baco Noir	292	643	603
Ives	488	598	546
Chardonnay	N.A.	107	163
White Riesling	N.A.	123	143

SOURCE: New York Orchard and Vineyard Surveys; 1970, 1975, and 1980.

GRAPES: NEW YORK GROWN, RECEIVED BY WINERIES AND PROCESSING PLANTS, 1979-81

Variety	1979	1980	1981
	tons		
Concord	119,875	123,121	103,077
Catawba	9,452	11,990	9,659
Niagara	6,575	9,207	8,113
Delaware	4,092	5,101	5,980
Aurora	N.A.	6,713	6,847
de Chaunac	N.A.	2,921	2,520
Baco Noir	N.A.	1,971	1,002
Vitis Vinifrea (all)	N.A.	749	329

SOURCE: Fruit, New York Crop Reporting Service, No. 1-81 and 1-82.

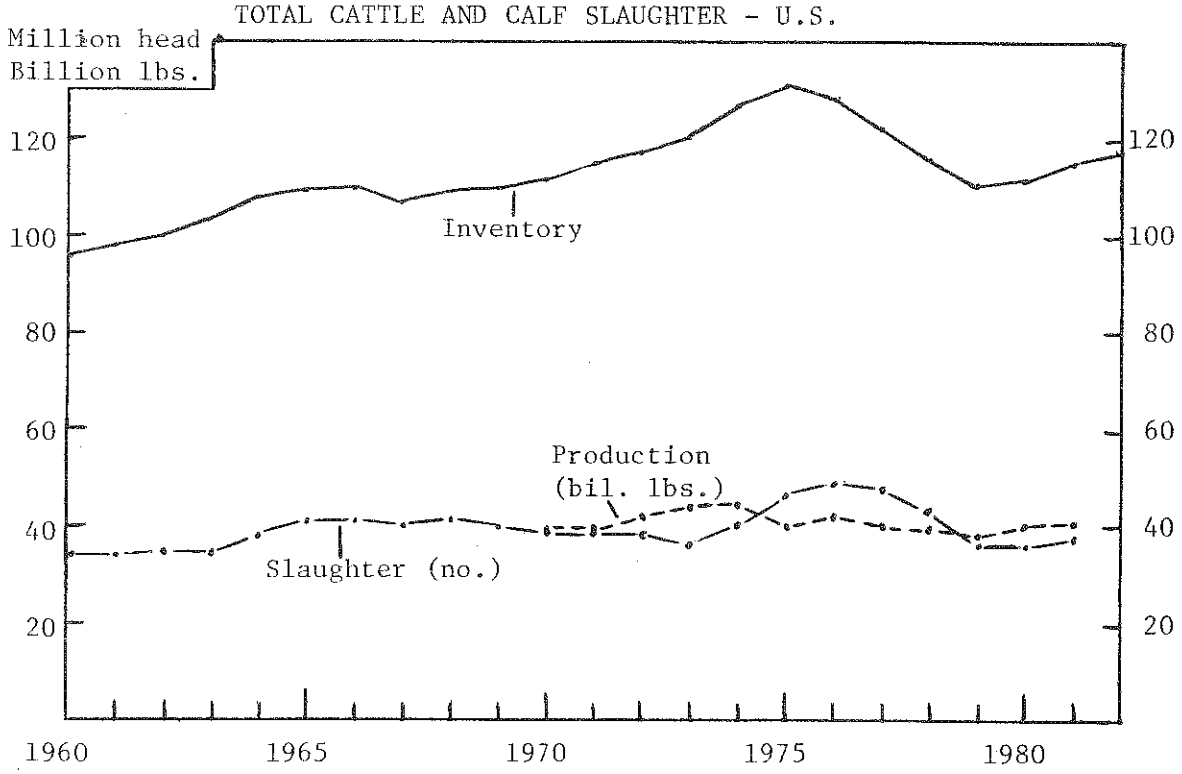
GRAPES: PRICES PAID FOR NEW YORK GROWN GRAPES PROCESSED, 1978-1981

	1978	1979	1980	1981
American Varieties				
Catawba	274	273*	287*	339*
Concord	217	204*	187*	187*
Delaware	379	377	417	439
Dutchess	441	445	453	492
Elvira	205	205	221	232
Ives	408	408	430	414
Niagara	217	220*	245*	306*
French Hybrids				
Aurora	328	337	374	423
Baco Noir	365	366	377	402
de Chaunac	276	253	254	262
Marechal Foch	385	379	371	386
Rougen	299	298	291	341
Seyval Blanc	391	412	398	565
Vitis Vinifrea				
All varieties	649	414	858	1,040
Average all varieties	241	225*	213*	243*

*Preliminary estimates of future payments by cooperatives have been included based upon historical data.

SOURCE: Fruit, New York Crop Reporting Service, No. 1-82.

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



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

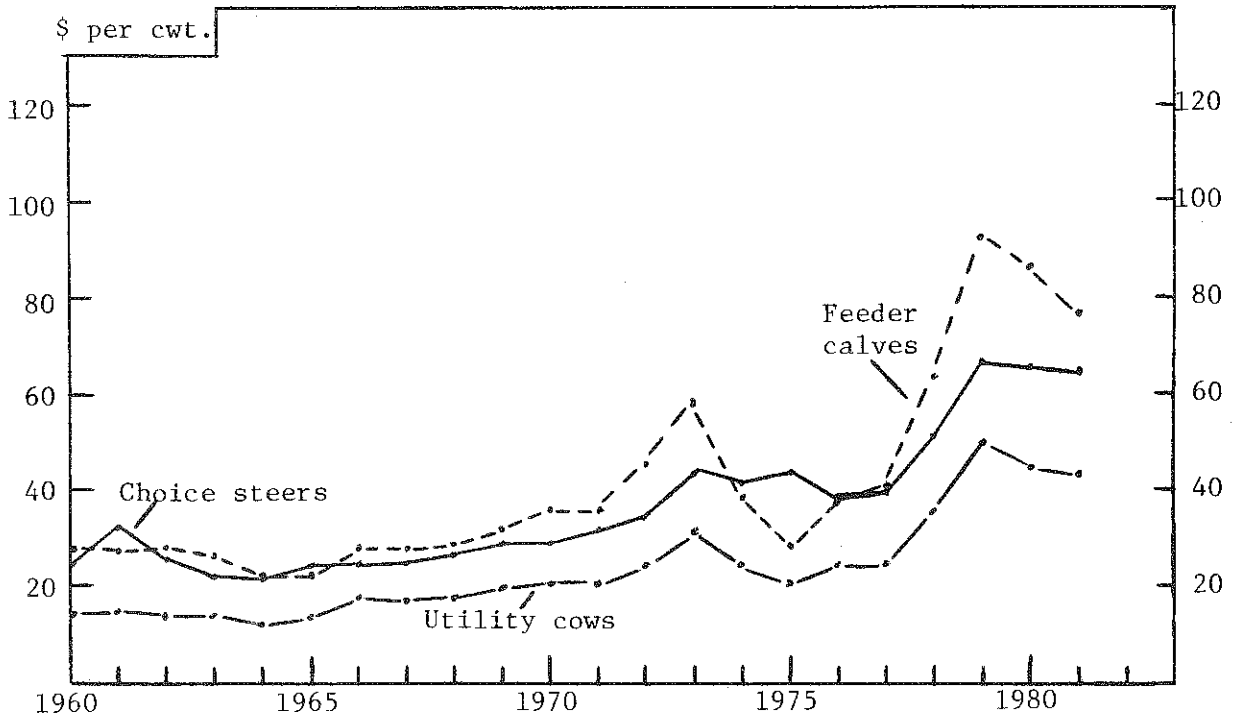
After increasing for the last 2 years, evidence suggests that the expansion in the nation's beef herd has ceased, and that the beef cow inventory will decline this year. There has been a large number of heifers and cows placed on feed relative to steers last summer and fall. Beef cow slaughter has been higher this year, especially in the eastern half of the country and the Pacific Northwest. Much of the culling may be occurring from small herds, which are not a major enterprise for these farmers, to improve their cash flow positions. Cow slaughter for 1982 may be 10 percent greater than for 1981.

Cattle slaughter is expected to increase by approximately 2 percent in 1982 over 1981. Choice fed steers at Omaha peaked at $72 in May and declined to below $60 early this fall. For 1982 prices will average a few dollars above 1981 prices. Cattle feeding margins have been positive for most of 1982. Cull cow prices for 1982 will average close to 1981 prices.

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

Year	Inventory Jan. 1	Total Slaughter	Production
	(1,000 head)		(bil. lbs.)
1960	96,236	34,644	
1965	109,000	40,959	
1966	108,862	41,036	
1967	108,783	40,407	
1968	109,371	41,030	
1969	110,015	40,584	
1970	112,369	39,557	39.3
1971	114,578	39,716	39.4
1972	117,862	39,267	41.2
1973	121,539	36,403	44.2
1974	127,788	40,499	42.8
1975	132,028	46,870	40.9
1976	127,976	48,700	41.4
1977	122,810	48,080	40.7
1978	116,375	44,272	40.0
1979	110,864	36,932	38.4
1980	111,192	36,795	40.1
1981	114,321	38,151	40.9
1982	115,691		

STEER AND COW PRICES AT SELECTED MARKETS



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

Cattle slaughter in the first half of 1983 may increase 2 percent over the same period of 1982. Fed cattle slaughter will be up because of greater feedlot placements this fall, but nonfed steer and heifer slaughter will be down. Continued liquidation of beef cows is not likely and increased culling of milk cows is questionable.

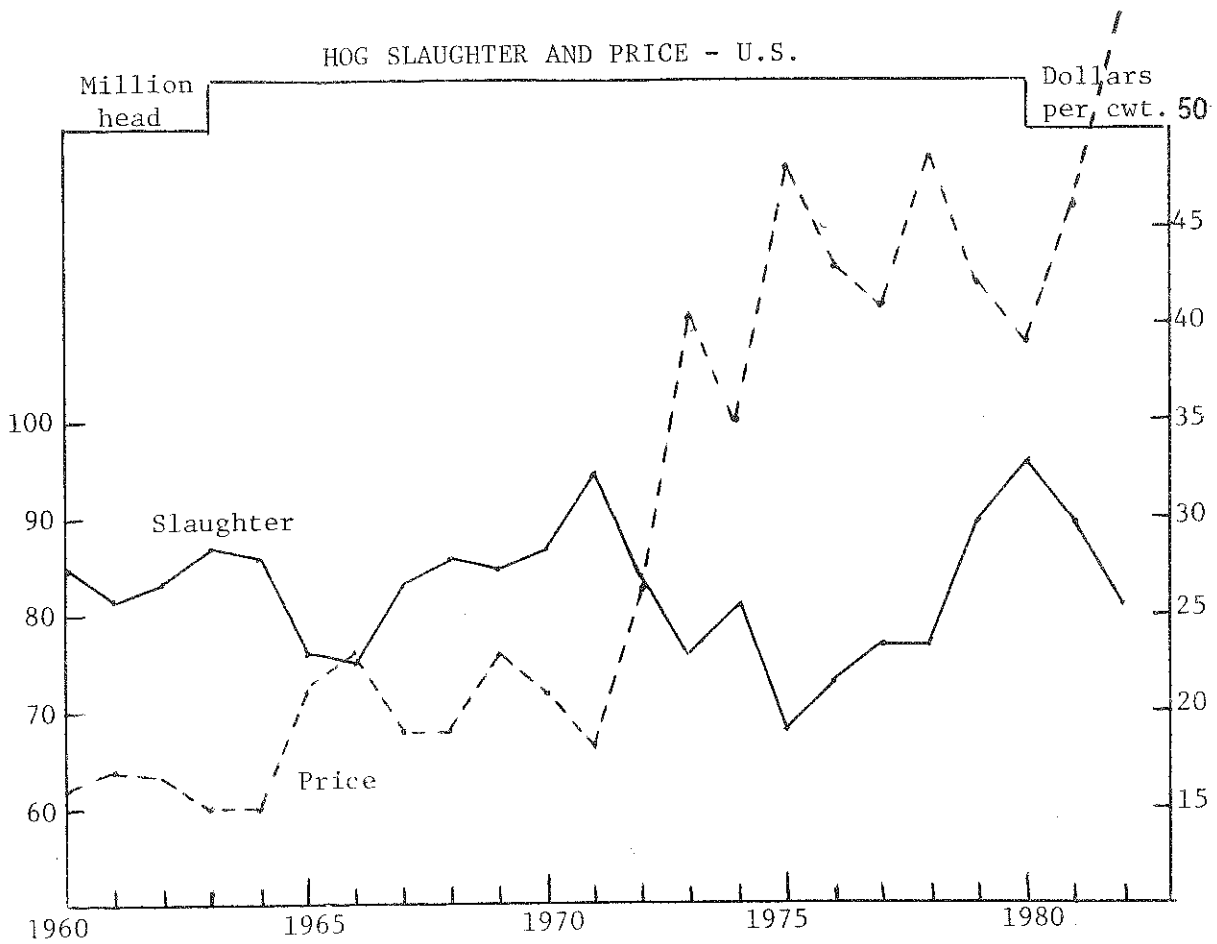
Although beef production in the first-half of 1983 will decline only slightly, pork production will be down sharply. The reduced total production of red meat will result in the lowest per capita red meat consumption since the mid-1960s. However, a sluggish economy will moderate any price increases. Fed cattle prices should average in the upper $60s during the first half of 1983.

During the summer of 1982 hog prices set record highs. However, despite recent profitability and prospects for low feed prices, hog producers have indicated intentions to continue their cutback in production. The Sept. 1 survey of hog and pig numbers, 41.6 million head, was the lowest since 1975. Slaughter for 1982 may be down 11 percent from last year. Prices for 1982 are expected to average $57 compared to $44 during 1981.

STEER AND COW PRICES
1964 to Date

Year	Choice Steers 1/	Feeder Calves 2/	Utility Cows 3/
	(dollars per cwt.)		
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	36.73	21.32
1971	32.39	36.84	21.62
1972	35.78	46.54	25.21
1973	44.54	59.73	32.82
1974	41.89	39.23	25.56
1975	44.61	29.48	21.09
1976	39.11	38.82	25.31
1977	40.38	41.41	25.32
1978	52.34	64.24	36.79
1979	67.75	93.10	50.10
1980	66.96	86.67	45.72
1981	63.84	72.43	41.93

1/ At Omaha. 2/ Medium frame steer calves, Kansas City. 3/ At Chicago to 1966, Omaha 1967 to date.



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

Producers are pessimistic or at least cautious about prices in the near future and intend to farrow 4 percent fewer sows during December - February of 1983. Financial and cash-flow concerns and constraints are also apparently affecting some production decisions. Hog prices in the first half of 1983 are expected to average $60 as slaughter is reduced as producers rebuild their breeding herds. Prices during the second half of 1983 should decrease as pork and total meat production increases slightly opposite a weak economy. Hog prices during the second half of 1983 may be in the low 50s.

HOG SLAUGHTER AND PRICES

Year	Thous. Head Slaughtered	Dollar per Cwt.*
1965	76,394	21.30
1970	86,962	21.95
1975	68,687	48.32
1977	77,303	41.07
1978	77,315	48.49
1979	89,099	42.06
1980	96,074	39.48
1981	91,575	44.05
1982**	81,000	57.00

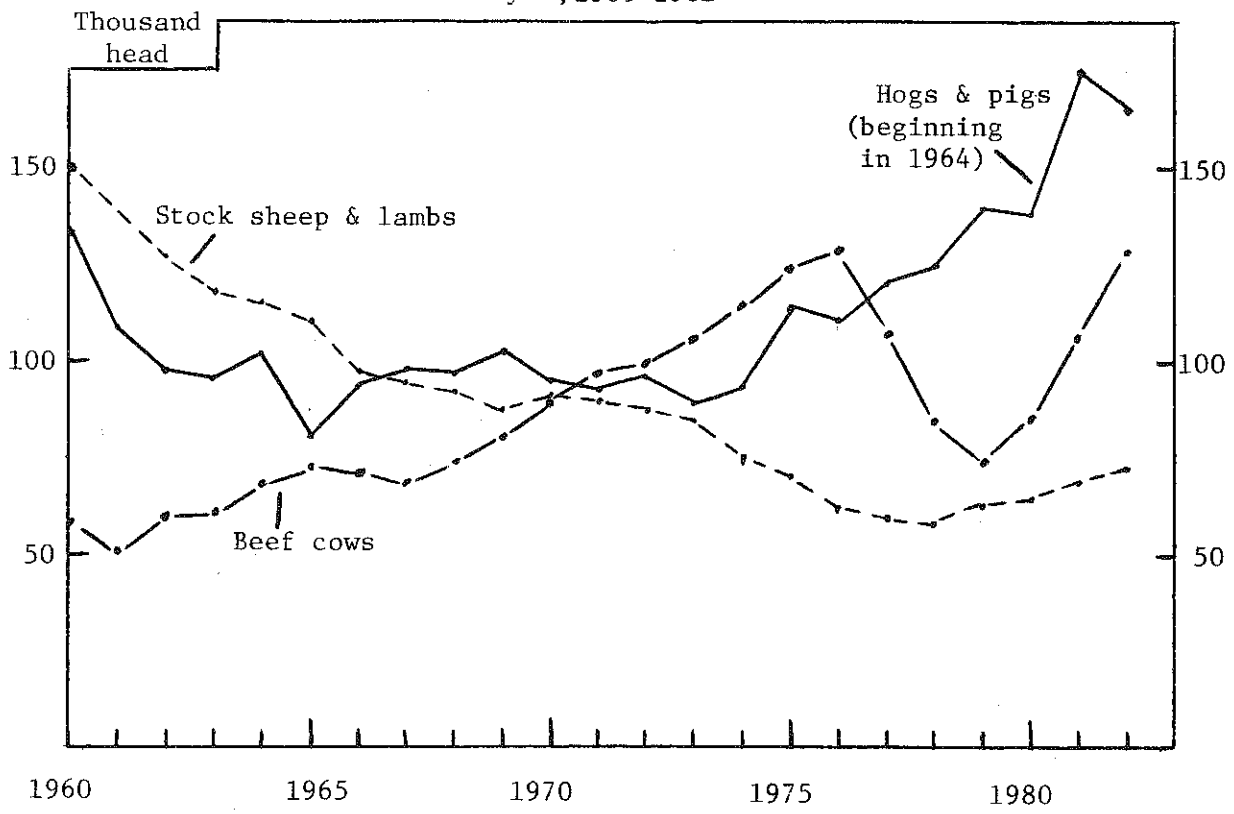
*Barrows & gilts, 7 markets.
**Estimates.

The number of sheep and lambs on U.S. farms January 1, 1982 was 13.1 million. Lamb and mutton production for 1982 is estimated at 354 million pounds, an 8 percent increase from 1981. Choice lamb prices at San Angelo (Texas) will average $58 for 1982, about the same as last year. Lamb prices in San Angelo should average $60 during the first half of 1983 and may increase slightly during the second half of 1983.

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

Year	Sheep and Lambs	Price Per Cwt.
	(mil. head)	(dollar)
1965	25.1	22.80
1970	20.4	26.40
1975	14.5	42.10
1980	12.7	63.60
1981	12.9	54.90
1982	13.1	

NUMBERS OF HOGS, SHEEP & BEEF CATTLE ON NEW YORK FARMS
January 1, 1960-1982



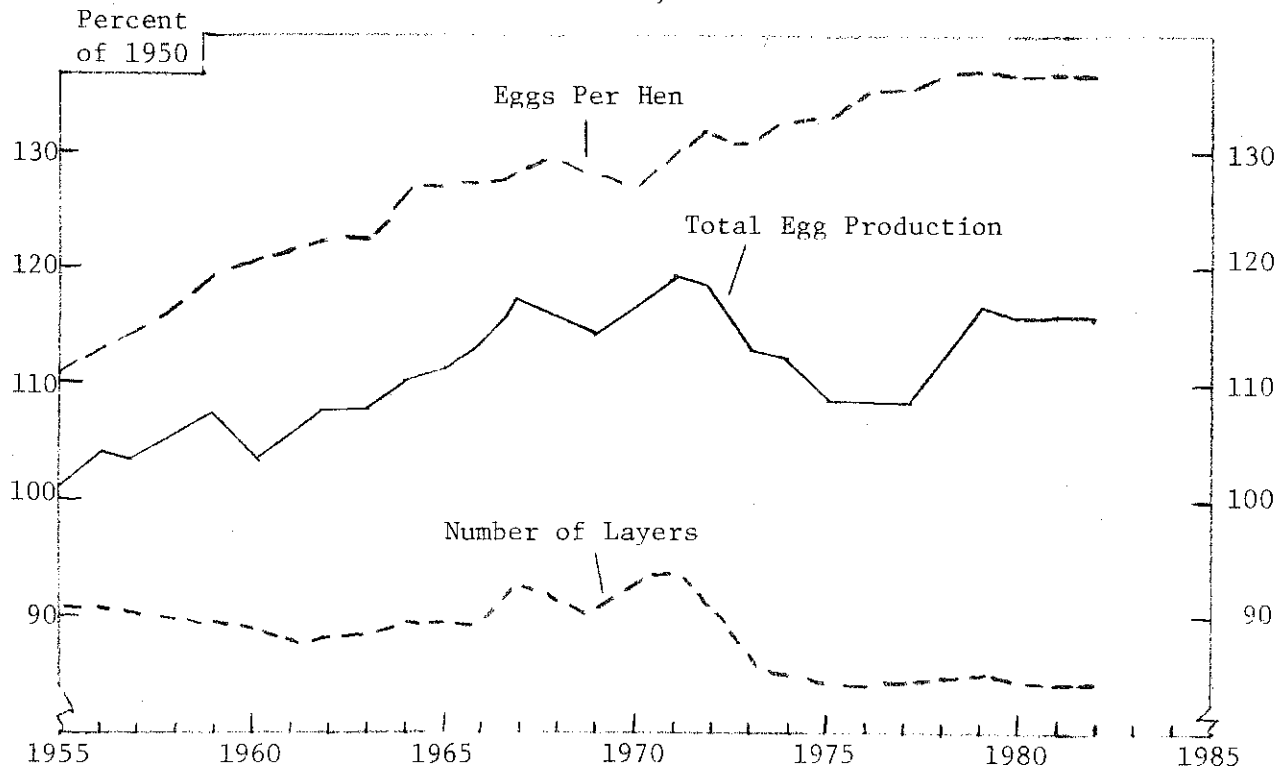
LIVESTOCK NUMBER ON NEW YORK FARMS, JANUARY 1, 1950-1982

Year	Hogs & Pigs	Sheep & Lambs		Beef Cattle	
	Total 1/	Stock Ewes 2/	Sheep & Lambs Total 2/	Cows 3/	Steers & Heifers over 500 lbs. 4/
	thousand head				
1950	217	92	124	15	45
1960	133	116	150	58	59
1970	95	74	92	94	83
1975	115	55	71	125	75
1976	110	49	62	130	96
1977	120	47	60	112	84
1978	125	45	58	85	72
1979	140	42	63	75	63
1980	139	43	65	85	64
1981	175	45	69	110	72
1982	165	49	70	129	72

Source: New York Crop Reporting Service

1/ Series converted to hogs and pigs in 1964 (previously hogs only). Revised again in 1973. Data from December 1 survey of previous year.
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).

NUMBERS OF LAYERS, EGGS PER HEN, AND EGG PRODUCTION
United States, 1955-1982



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	64.6
1978	281	239	67.3
1979	288	240	69.3
1980	287	242	69.8
1981	287	243	69.6
1982**	286	243	69.6

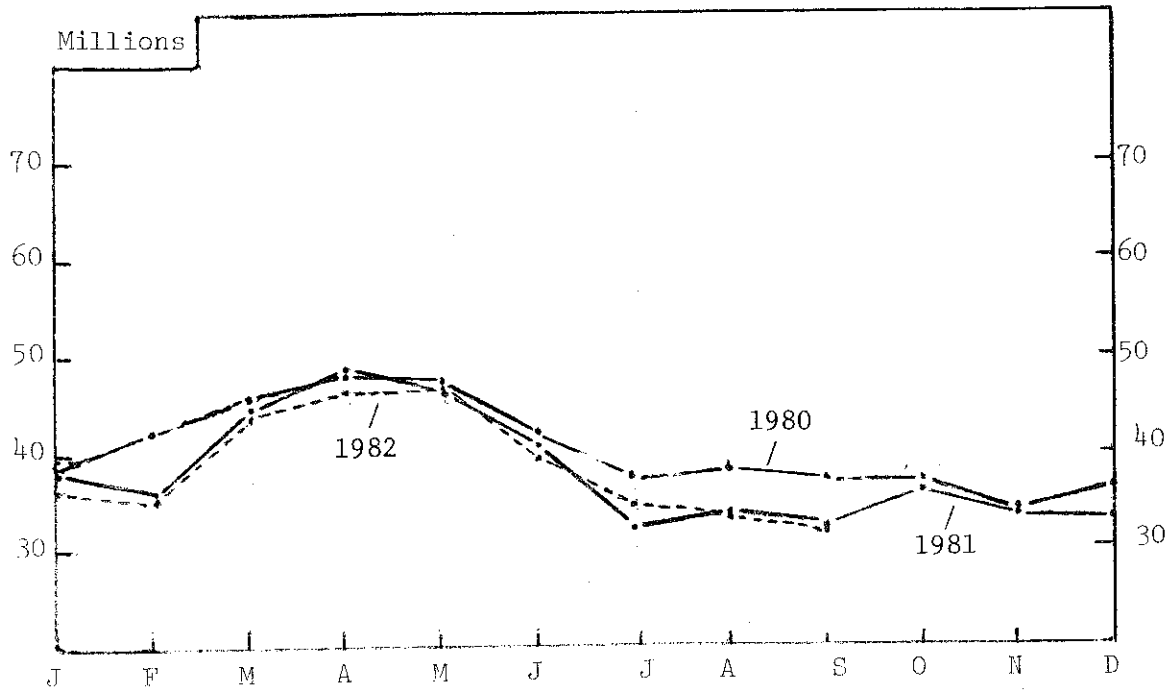
*Av. no. layers on hand during year.
**Projected based on first two quarters.

The number of layers on United States poultry farms reached a low of 274 million in 1976 then increased in 1977, 1978, 1979. Expansion in the egg production industry during 1979 resulted in the largest number of layers on United States poultry farms since 1973. 1980 and 1981 numbers have remained constant at about 287 million.

The number of eggs produced per hen in 1982 is expected to be about the same as 1981. There has been a long time upward trend in eggs per hen, however, at the rate of 240 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 for 1982 may be down by about 1% if trends during the second half of 1982 follow the first half figures.

EGG-TYPE CHICKS HATCHED
United States, 1980, 1981 and 1982



SOURCE: U.S.D.A.

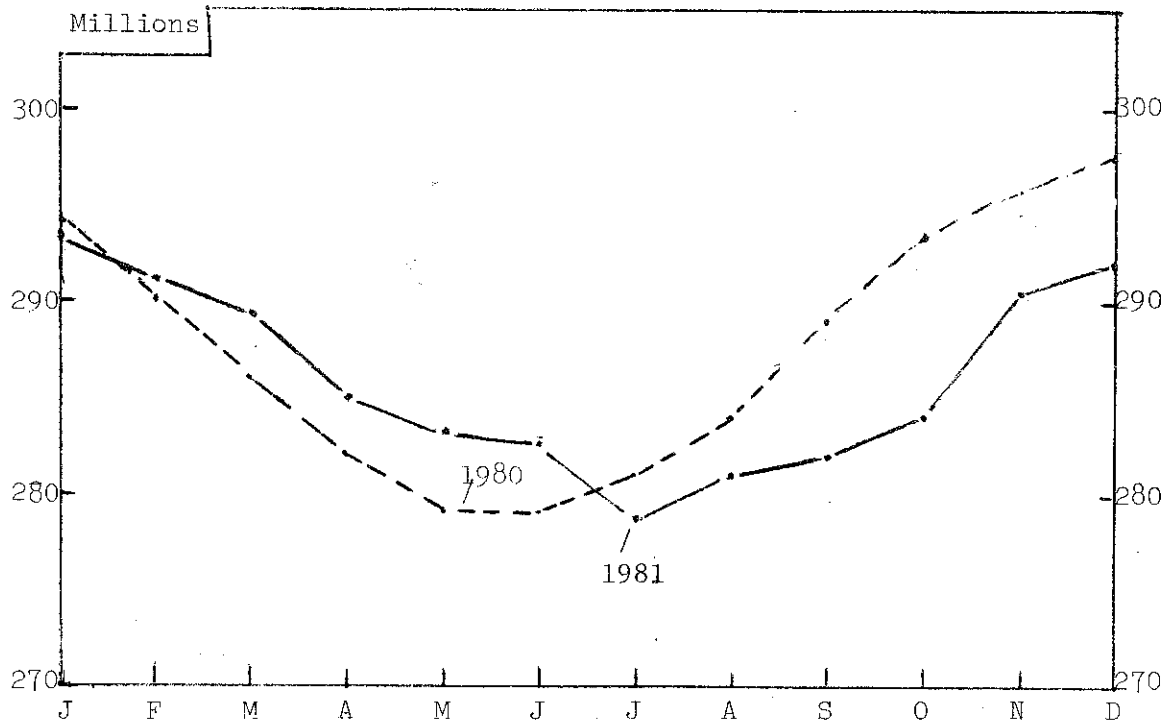
EGG-TYPE CHICKS HATCHED, U.S.

Month	1980	1981	1982
	-millions -		
January	38.1	37.8	36.0
February	42.1	36.0	35.5
March	46.5	44.5	43.8
April	47.9	48.2	46.2
May	47.6	46.1	46.5
June	42.3	40.5	39.0
July	37.9	32.2	34.6
August	38.0	33.8	33.4
September	37.4	32.2	31.7
October	37.3	35.9	____
November	33.8	33.7	____
December	35.8	33.0	____
TOTAL	485	454	____

The hatch of egg-type chicks during the first nine months of 1982 was below that of 1981. However, the size of the laying flock has remained high due to increased molting. Preliminary data indicate that the size of hatch for 1982 will probably be down from 1981; however if molting and delayed culling of flocks continue, the flock size in 1983 will likely remain unchanged.

A seasonal pattern still exists in numbers of egg-type chicks hatched. Fall hatches in recent years have been about 30 percent below the peak spring hatches. Ten years ago the fall hatches were about 60 percent below the spring peak, so seasonal variation has been reduced.

NUMBER OF LAYERS ON FARMS, BY MONTH
United States, 1980, 1981 and 1982



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

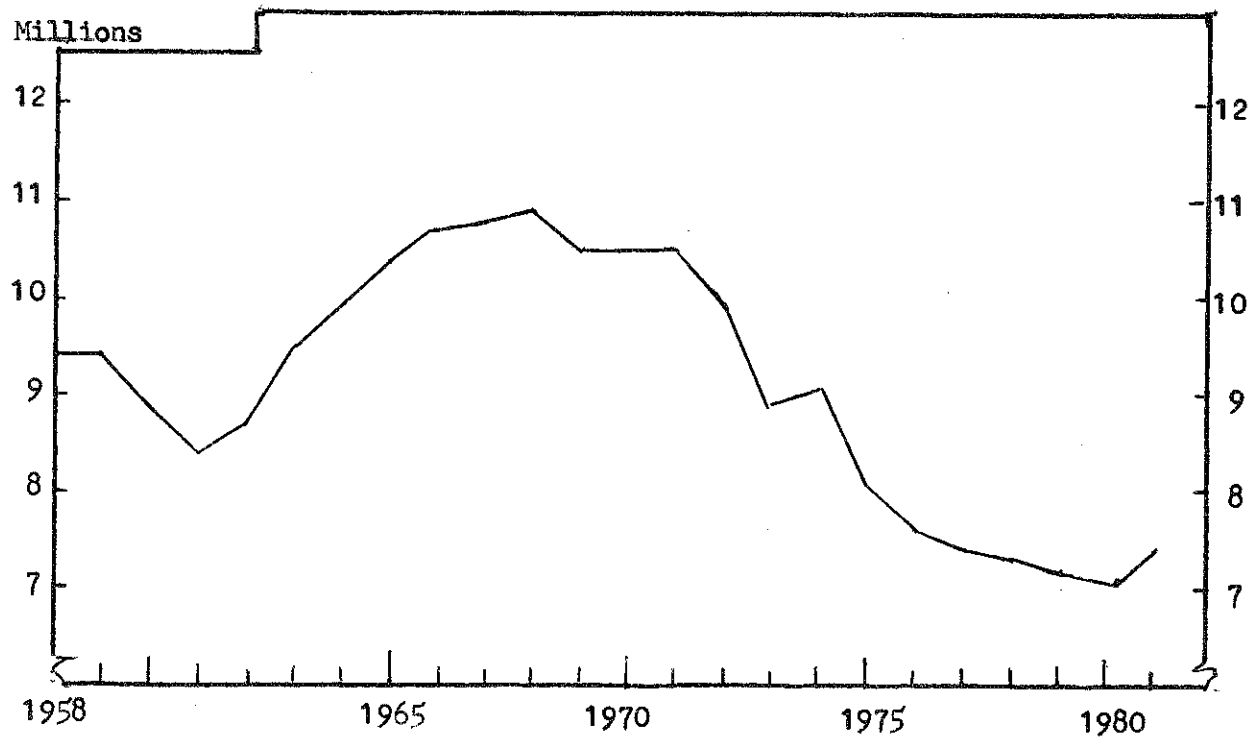
NUMBER OF LAYERS ON FARMS, U.S.

Month	1980	1981	1982
	-millions-		
January	294	293	
February	290	291	290
March	286	289	
April	283	285	
May	279	283	283
June	279	281	
July	281	282	___
August	284	283	___
September	289	284	___
October	292	288	___
November	293	291	___
December	295	292	___
Average	287	287	___

Numbers of layers on U.S. farms the first six months of 1982 were very close to those of the previous year. Producers, as noted, have held on to their old hens longer, offsetting the decline in replacement pullets.

For the year 1982, the average number of layers is expected to be about the same as for 1981. The percentage of the laying flock with molt complete has been a record high in 1982.

LAYERS ON NEW YORK FARMS, 1958-1981



SOURCE: N.Y. Crop Reporting Service

The decline in numbers of layers on New York farms slowed in 1978 but continued again in 1979 and 1980. The number of layers on New York farms increased in 1981. The average number for the year 1982 is expected to be above that of 1981.

LAYERS ON NEW YORK FARMS

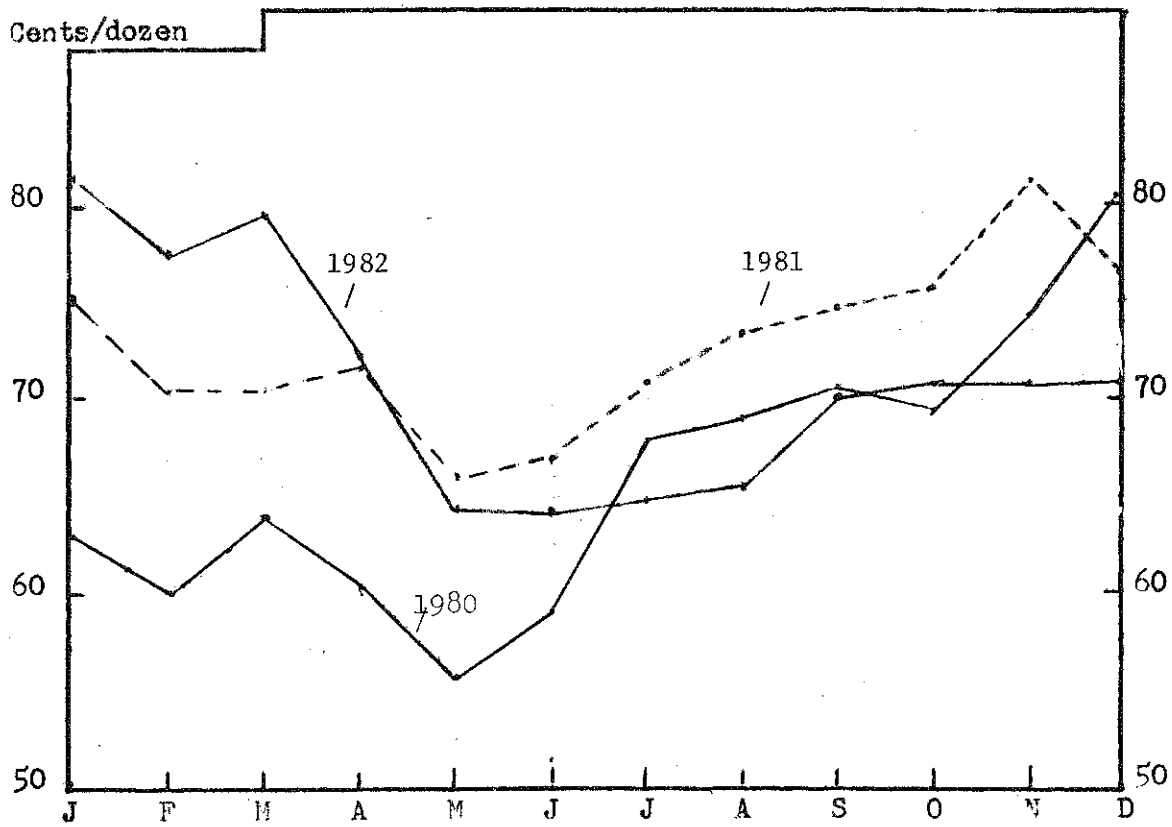
Month	1979	1980	1981	1981
	-thousands-			
January	7,225	7,475	7,625	7,625
February	7,150	7,275	7,375	7,500
March	7,150	7,100	7,275	
April	7,125	6,900	7,400	7,400*
May	7,025	6,800	7,400	
June	7,050	6,825	7,325	
July	7,075	6,775	7,400	7,300**
August	7,025	6,950	7,250	
September	7,075	7,150	7,275	
October	7,275	7,200	7,375	
November	7,425	7,425	7,425	
December	7,475	7,700	7,600	
Annual	7,173	7,131	7,392	

*March-May average.
**June- August average.

Layer numbers on New York farms declined sharply during the 1950s but turned up again during the 1960s when new types of housing and equipment were introduced. Numbers declined from 10.5 million in 1970 to approximately 7.5 million in 1978, or by about 30 percent.

Many of the facilities installed in the sixties currently need to be replaced. Triple and four deck cages and other systems for increasing the density in existing houses could help numbers to increase. Increased transportation costs could favor locally produced products and stimulate interest in expansion in New York. The trend in number of layers on New York farms in the future, however, is unclear at this time.

PRICES OF GRADE A CARTONED LARGE EGGS
New York, 1980, 1981 and 1982



SOURCES: U.S.D.A. Poultry and Egg Situation and Urner Barry

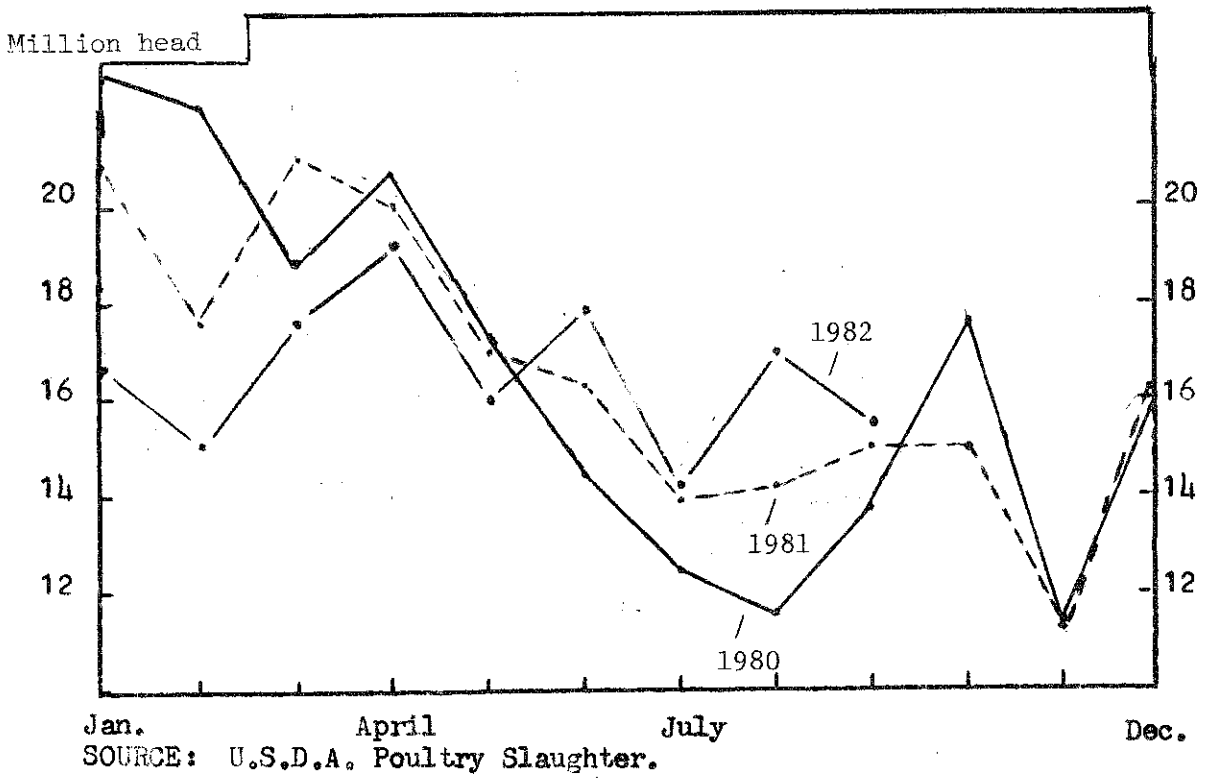
PRICES OF GRADE A
CARTONED LARGE EGGS

Month	1980	1981	1982
	-cents/dozen-		
January	62.5	75.6	81.4
February	60.0	71.3	77.7
March	64.0	71.0	79.4
April	60.3	73.4	72.2
May	55.1	66.8	64.0
June	59.0	67.1	63.9
July	68.1	71.8	64.7
August	69.9	73.3	65.5
September	71.4	74.7	70.2
October	68.8	75.7	71.0
November	78.7	81.9	71.0
December	81.1	76.8	71.0

Prices of Grade A cartoned large eggs, delivered to retailers in New York, held generally steady during the first half of 1982 compared to those of late 1981. Prices during the latter part of 1982 held around 70-71 cents a dozen

During the first half of the 1983 marketing year, prices are expected to average 72-76 cents a dozen depending on the general strength of the economy.

MATURE CHICKEN SLAUGHTER, U.S., 1980, 1981 and 1982
(Fowl from Breeder and Market Egg Flocks)



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

MATURE CHICKENS SLAUGHTERED
(million head)

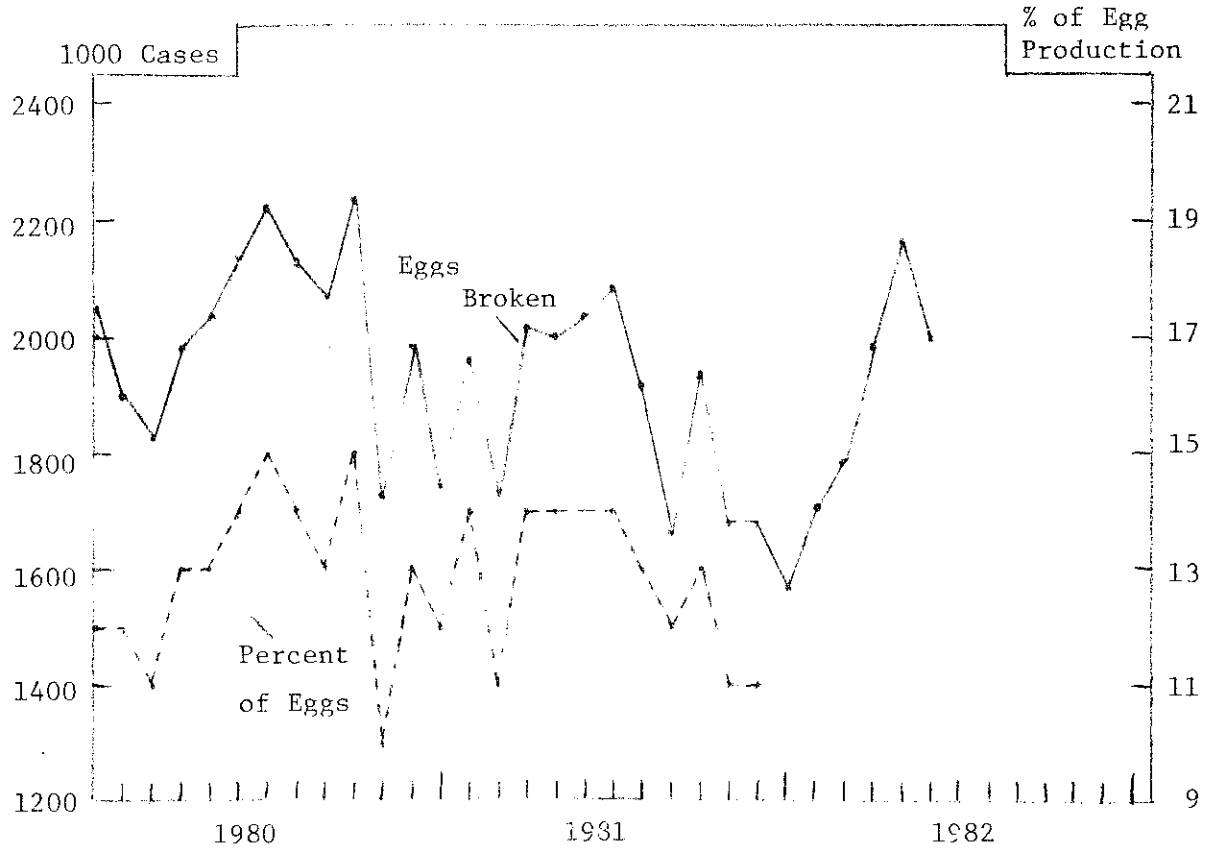
Month	1980	1981	1982
Jan.	22.5	20.7	16.7
Feb.	22.0	17.6	15.1
March	18.9	20.9	17.6
April	20.7	20.1	19.2
May	17.2	17.0	16.0
June	14.5	16.3	17.9
July	12.4	13.9	14.2
Aug.	11.6	14.2	17.0
Sept.	13.8	15.1	15.5
Oct.	17.7	15.0	____
Nov.	11.7	11.3	____
Dec.	15.9	16.2	____

The U.S.D.A. reports the 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 nine months of 1982 was less than for the same period in 1981 as producers kept flocks in production longer by reducing culling.

EGGS BROKEN COMMERCIALLY: NUMBER OF CASES AND PERCENT OF EGG PRODUCTION, U.S., 1980, 1981 and 1982



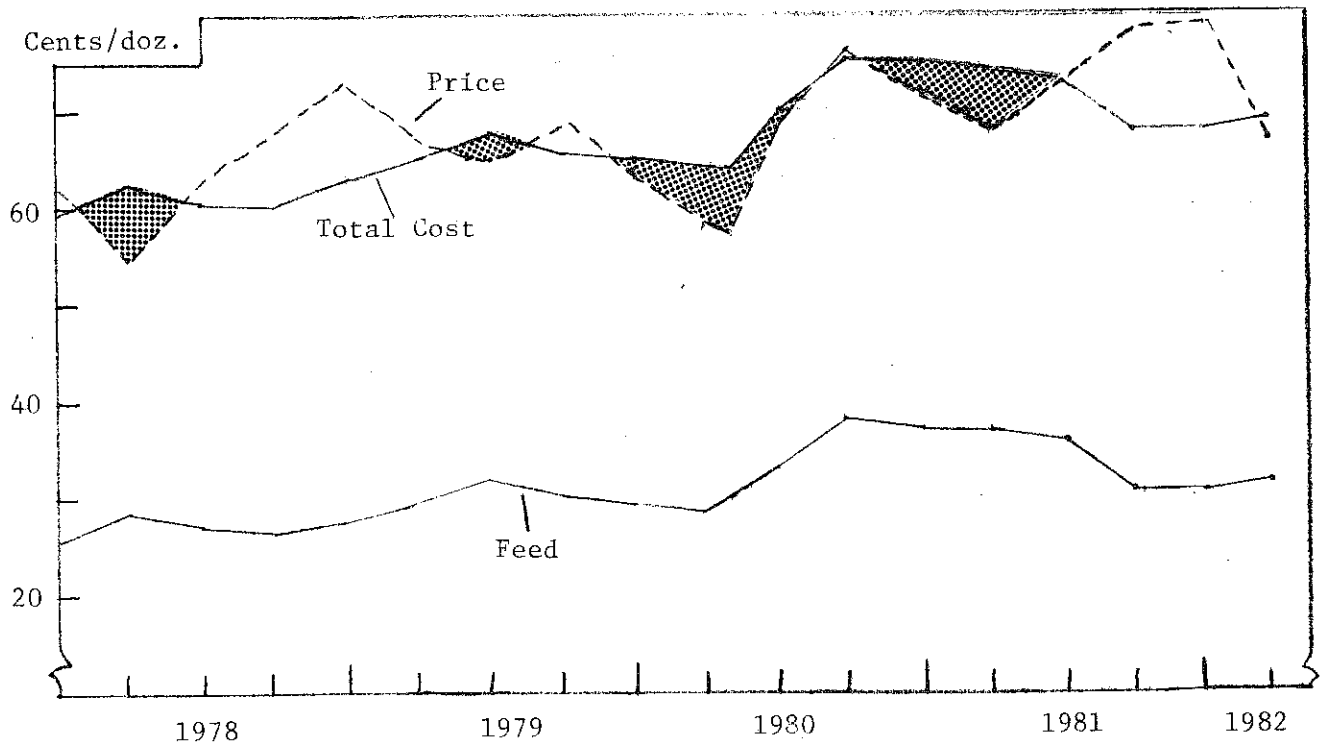
SOURCE: U.S.D.A. Poultry and Egg Situation

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 1982 are slightly below the figures from the same period of 1981. The increase in numbers broken since 1977 probably reflects a growing demand for broken eggs by food processors. Most recently fresh market prices have out bid the breakers. The demand for eggs for breaking is expected to continue strong in 1982.

EGGS BROKEN COMMERCIALLY: 1,000 CASES AND % EGGS PRODUCED, U.S., 1980-1982

	1980		1981		1982	
Month	No.	%	No.	%	No.	%
Jan.	2,043	12	1,749	12	1,570	
Feb.	1,897	12	1,960	14	1,708	
March	1,827	11	1,730	11	1,792	
April	1,983	13	2,015	14	1,990	
May	2,037	13	2,000	14	2,163	
June	2,137	14	2,026	14	2,005	
July	2,220	15	2,079	14		
Aug.	2,120	14	1,911	13		
Sept.	2,076	13	1,664	12		
Oct.	2,230	15	1,934	13		
Nov.	1,726	10	1,678	11		
Dec.	1,993	13	1,683	11		
Total	24,000	13	22,423	13		

ESTIMATED COSTS AND RETURNS FOR MARKET EGGS, 1979-1982



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 conditions since the profitableness of the business has a strong effect on the management decisions made by the poultryman.

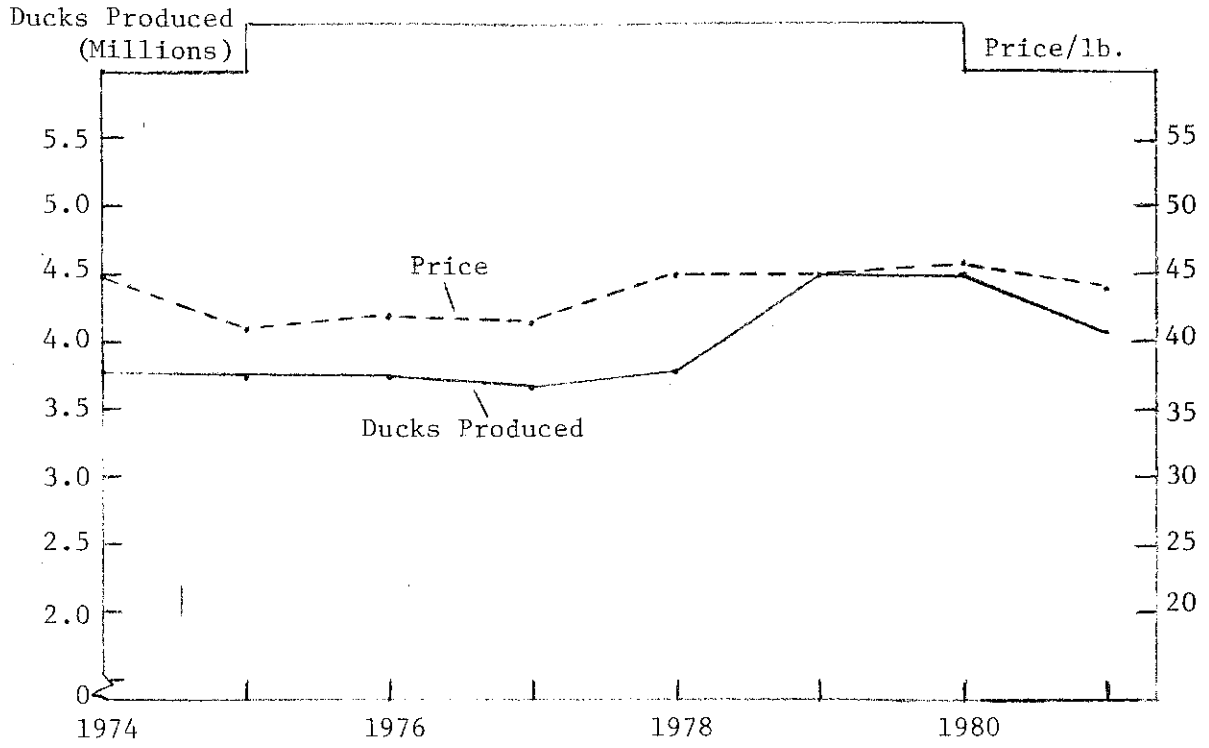
During the first half of 1982 feed costs and total costs continued the slackening trend began in late 1981. However, after net returns showed two highly favorable quarters, declining prices again put pressure on profitability.

ESTIMATED COSTS AND RETURNS FOR MARKET EGGS, 1979-1982

Calendar Quarters		Production Costs/Doz. Feed	Total	Cartoned Large Eggs Total Cost	Av. Prices	Net Return
1979	I	27.9¢	43.0¢	63.5¢	73.0¢	9.5
	II	29.6	44.7	65.2	67.2	2.1
	III	32.3	47.4	67.9	65.4	-2.4
	IV	30.3	45.4	65.9	69.5	3.6
1980	I	29.7	44.8	65.3	64.2	-1.1
	II	28.9	44.0	64.5	58.6	-5.9
	III	33.1	49.4	70.7	68.1	-2.6
	IV	38.2	54.5	75.8	76.3	0.5
1981	I	37.7	54.0	75.3	72.7	-2.6
	II	37.3	53.6	74.9	68.8	-6.1
	III	35.7	52.0	73.3	72.9	-0.4
	IV	30.5	46.8	68.1	78.1	10.0
1982	I	30.3	46.9	68.0	78.9	10.94
	II	31.3	47.9	69.0	67.0	-2.0
	III	____	____	____	____	____
	IV	____	____	____	____	____

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

NUMBER DUCKS PRODUCED AND PRICE, N.Y., 1974-1981



SOURCE: N.Y. State Crop Reporting Service.

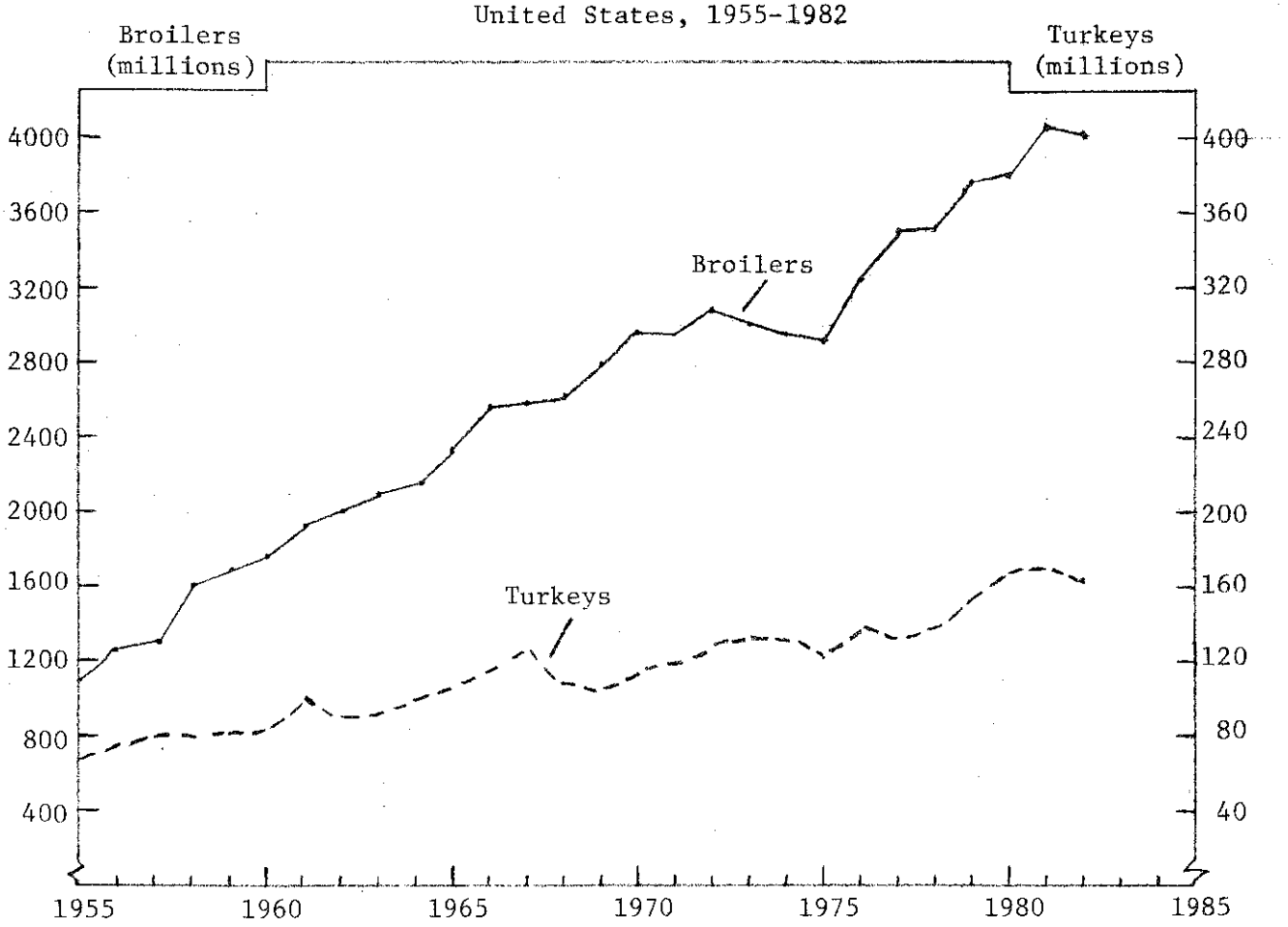
Ducks are an important segment of the poultry industry in New York, providing gross annual incomes of about 12 million dollars. The duck growers are concentrated on Long Island. A slight decline in both production and prices in 1981 led to lower gross incomes for the year, a reversal of trends in recent times. Income figures do not include revenues from feather sales, an important source of total receipts.

Federally inspected duck slaughter is reported for the United States. The amount for Jan.-Aug. 1982 was up more than 10 percent over the comparable period for 1981 with N. Y. production approximately constant. Its proportional contribution to the national supply continues to fall.

	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	4,400	28,200	44.0	12,408	74,855
1980	4,400	28,800	45.0	12,960	73,450
1981	4,200	27,700	44.0	12,188	78,715
1982	———	———	———	———	57,295**

*Income from meat sales only.
**Jan. - Aug.

NUMBERS OF BROILERS AND TURKEYS PRODUCED
United States, 1955-1982



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

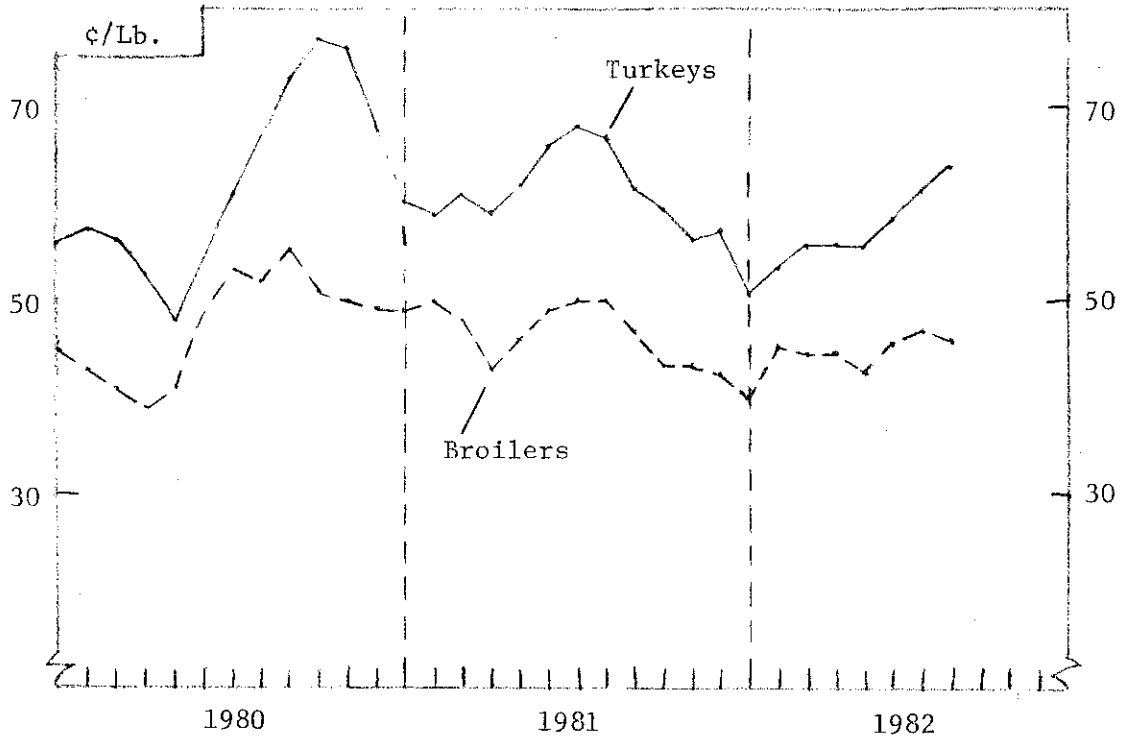
Turkey producers responded to poor returns in 1981 by reducing placements and production in 1982. This represents a significant change from a trend of ever greater annual production since about the mid-1970s. Broiler producers, also experiencing negative reutrns, reduced numbers about 1 percent below the 1981 level. However, weight increases more than made up for the decline in numbers, and total broiler meat output is expected to be up 1 percent for the year.

NUMBERS OF BROILERS AND TURKEYS RAISED, U.S., 1950-1981

	Broilers		Turkeys	
Year	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	3,517	557	140	318
1979	3,843	609	156	355
1980	3,881	615	165	375
1981	4,076	646	171	389
1982	4,048*	641*	164*	373*

*Preliminary

NEW YORK WHOLESALE PRICES OF TURKEYS AND BROILERS



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

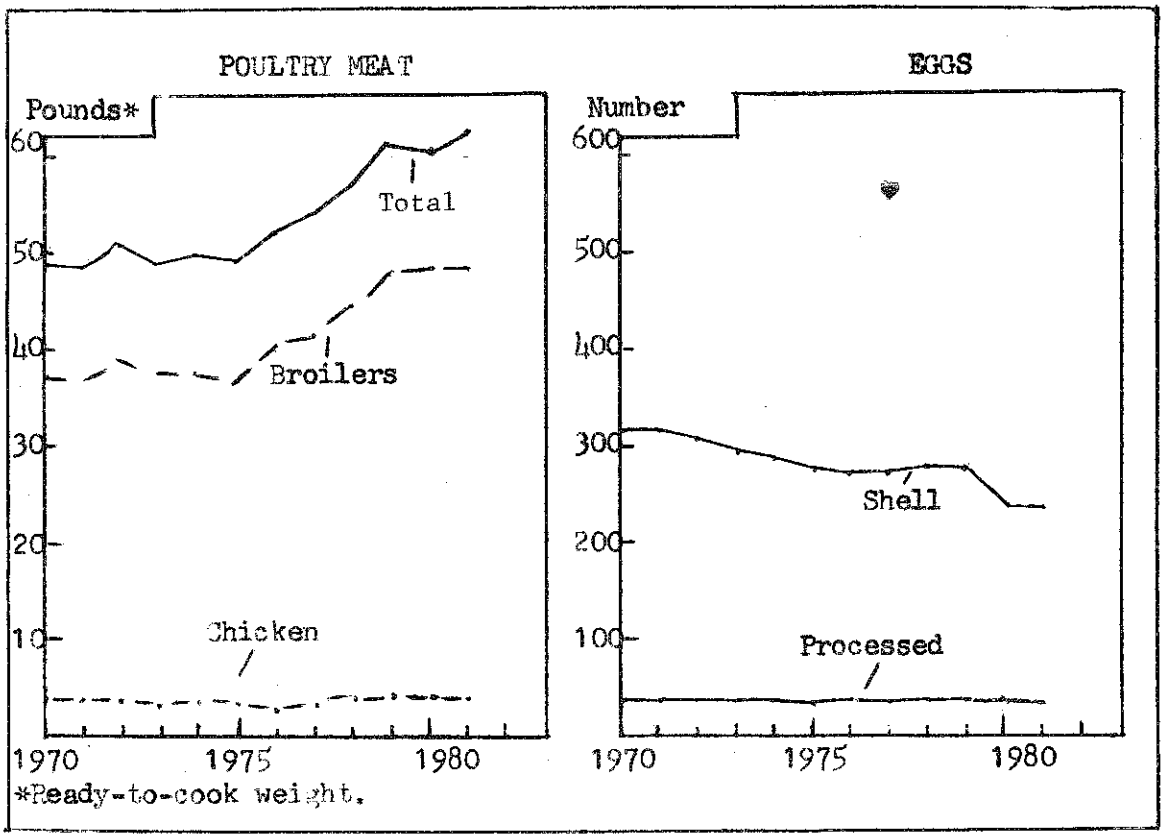
Broiler prices strengthened in the first half of 1982 compared to those in the latter part of 1981. For the year as a whole, however, higher feed and non-feed costs led to negative returns in the neighborhood of 5 cents a pound live weight. Lower feed prices in 1982 will help returns, but losses in 1982 will likely lead broiler and red meat producers to be conservative in increasing output in 1983. Modest supply increases can then lead to higher prices, especially if the economy recovers in the latter half.

Turkey prices during the first half of 1982 were above the depressed levels of 1981. Supplies in early 1983 will be tight following depletion of frozen stocks, reduced production and purchases of turkey meat for the school lunch program. Higher prices and lower feed costs, however, are expected to lead to output increases over 5 percent for the year, leading to price softening in the second half.

NEW YORK WHOLESALE PRICES OF TURKEYS AND BROILERS

	Hen Turkey Wholesale Prices			Broiler Prices Nine City Average		
Month	1980	1981	1982	1980	1981	1982
Jan.	62.3	59.4	53.6	45.8	49.5	45.2
Feb.	57.8	60.7	55.8	42.7	50.3	44.5
March	56.8	63.8	56.0	40.5	48.2	44.8
April	54.1	61.2	55.8	38.9	44.4	42.6
May	53.3	63.5	58.8	41.1	46.3	45.8
June	55.5	66.2	61.8	48.3	49.3	47.0
July	63.3	66.8	64.1	52.8	50.2	46.1
Aug.	67.2	61.8	____	52.4	47.3	____
Sept.	74.5	59.5	____	54.8	43.6	____
Oct.	77.0	56.4	____	51.4	43.7	____
Nov.	75.0	57.3	____	49.7	42.5	____
Dec.	67.0	51.7	____	48.6	40.1	____

PER CAPITA CONSUMPTION OF POULTRY AND EGGS, U.S., 1970-1981

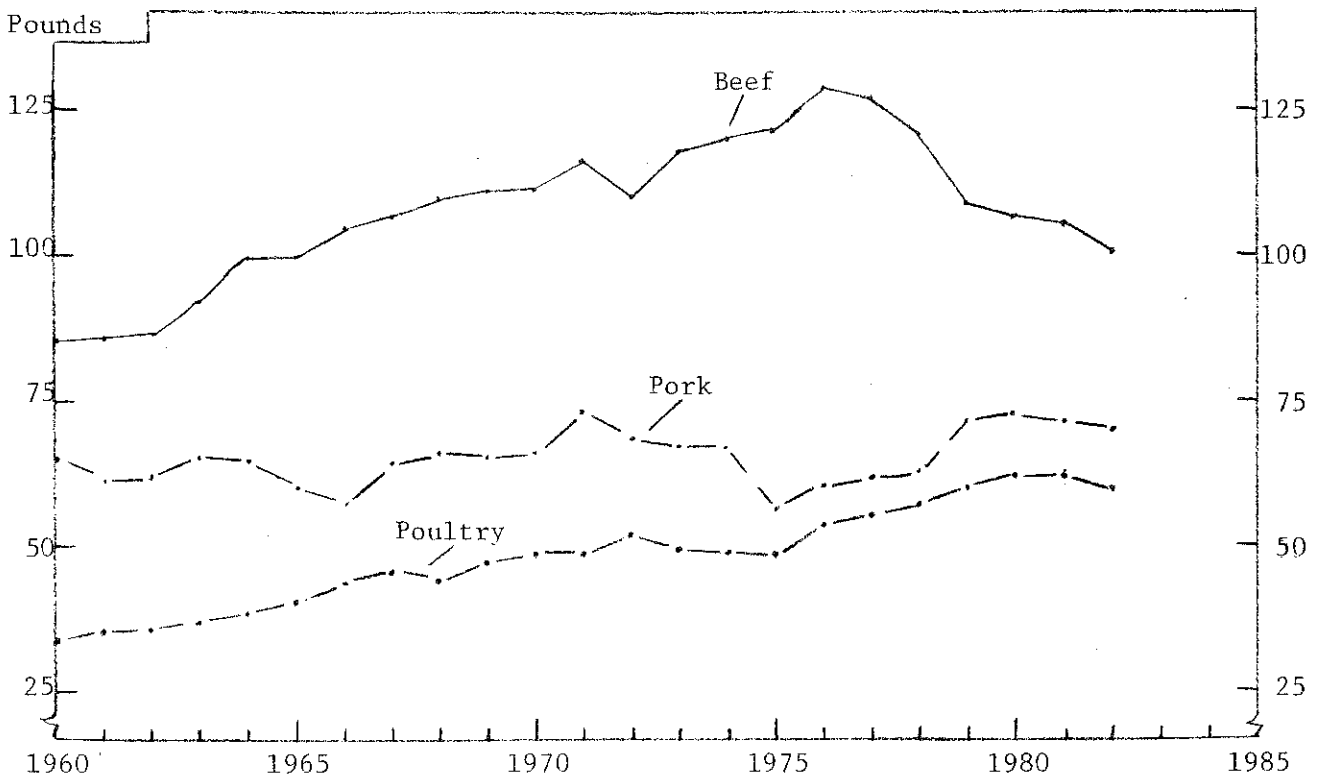


Per capita consumption of poultry meat continues its general upward trend although a reduction in the rate of increase is evident. In fact, in 1981 per capita broiler consumption slipped slightly but was more than made up for by turkey consumption. Broiler consumption was 48.6 pounds per person in 1981, while turkey meat consumption moved up to 10.7 pounds per person. Egg consumption posted another moderate decline. Total egg consumption per person in 1981 was 272 eggs, identical to 1977. 1983 is expected to show increases in broiler consumption, while egg consumption will likely hold steady.

	Poultry Meat				Eggs		
Year	Broilers	Chickens	Turkey	Total	Shell	Processed	Total
	-pounds-				-number eggs-		
1965	29.6	3.8	7.4	40.8	285	29	314
1980	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	36	278
1979	48.8	2.9	9.2	60.9	247	36	283
1980	48.9	3.1	9.9	61.9	242	36	278
1981	48.6	3.1	10.7	62.4	237	35	272
1982*	49.4	3.4	7.6	60.4	241	35	276

*Projections based on first half.

PER CAPITA CONSUMPTION OF BEEF, PORK AND POULTRY
United States, 1960-1982



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

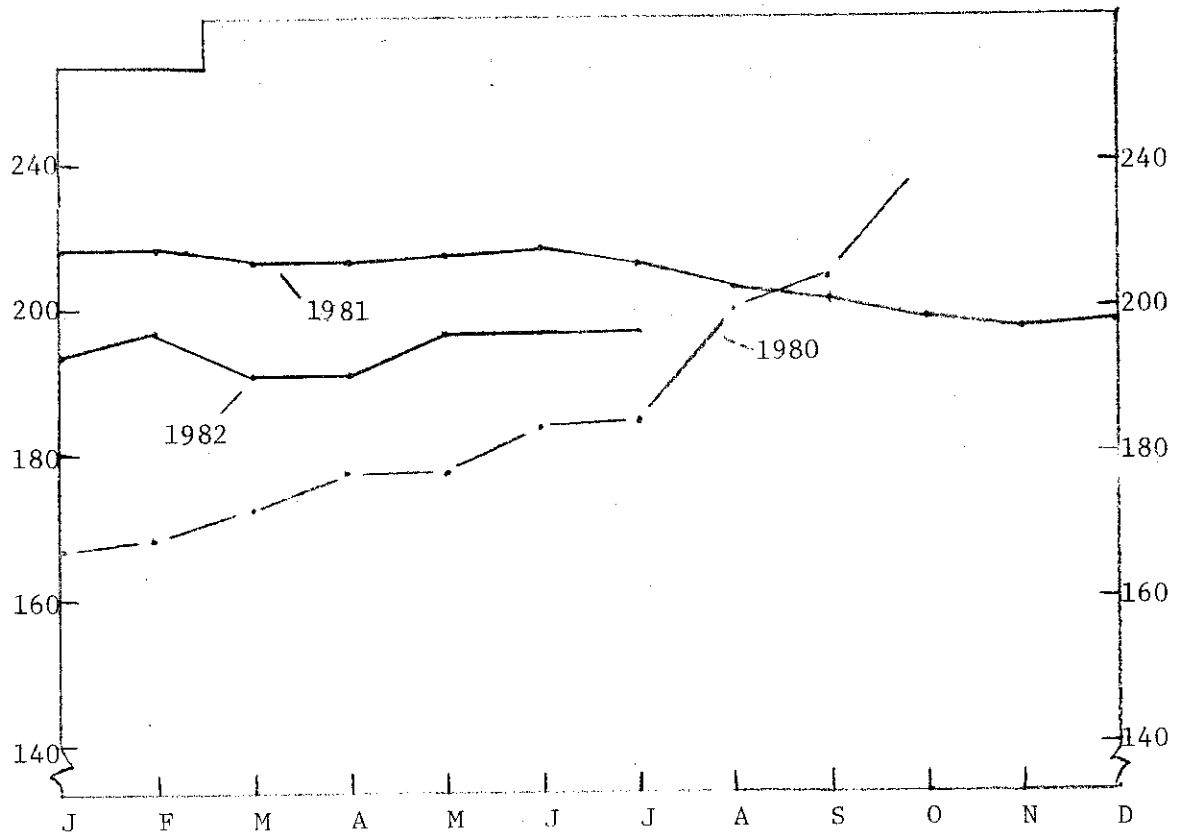
Per capita red meat consumption was down significantly in 1982 compared to a year earlier. Most of the decline was due to reduced pork production which fell 8 percent in the second quarter alone. Despite the current profitable feeding situation, pork producers are apparently hesitant to expand output with the sharp losses of the recent past in memory. The outlook is for continued declines at least through the summer of 1983. Cattle feeders in response to lower feed prices have increased placements, but in the short term this can only be done at the expense of non-fed beef slaughter. The supply of lean trimmings has further tightened with the recent triggering of the import restrictions on this product. Overall beef production is expected to remain generally constant to slightly upward during the first half of 1983.

Poultry production was up very slightly over a year earlier, but not enough to compensate for the reductions in pork output. Thus, overall for 1982, total meat consumption per capita was below the 1981 level. This trend has now continued for nine straight quarters. Further declines are expected at least through summer 1983.

	Pounds Consumed Per Person				
Year	Beef*	Pork	All Red Meats	Poultry	Total Meat
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	107.6	70.2	181.3	60.9	242.2
1980	105.2	72.2	182.1	61.9	244.0
1981	104.3	69.9	177.8	62.4	240.2
1982	101.6**	65.6**	170.8**	60.4***	231.2

*Includes veal.
**Projected from first quarter figures. ***Projected from first half figures.

FARM PRICES OF COMPLETE LAYING FEED RATION
New York, 1980, 1981 and 1982



Record feed grain production in 1982 has led to significant price declines over a year earlier. Moderating transportation price increases make the feed price outlook favorable into 1984.

Month	U.S. Average			New York		
	1980	1981	1982	1980	1981	1982
	- dollars per ton -					
January	173	218	193	167	218	191
February	172	219	195	169	219	195
March	174	215	190	172	215	192
April	173	215	191	177	225	192
May	176	217	195	177	217	195
June	176	219	194	184	219	195
July	179	214	194	185	214	195
August	193	207	___	200	207	___
September	199	203	___	205	203	___
October	206	197	___	220	197	___
November	218	194	___	220	194	___
December	220	196	___	235	196	___

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

1981 IN REVIEW

The Resource Statistics Division of the National Marine Fisheries Service (NMFS) keeps track of landings (in pounds) and dockside revenue (in dollars) on a monthly basis for each coastal and Great Lakes state. Personnel within the Resource Statistics Division stress that the 1981 data are preliminary and subject to revision. With this caveat in mind, what do the data show?

Table I presents the landings and value for finfish and shellfish in New York State from 1970 through 1981. A comparison of 1980 and 1981 shows that finfish landings declined from 27 million pounds to 24.4 million pounds while shellfish landings declined from 12.8 million pounds to 11.8 million pounds. The value of finfish landings increased from $12.2 million to $14.2 million while the value of shellfish landings declined from $32.5 million to $31.2 million. The total value of finfish and shellfish landings equaled $45.3 million. When deflated by the Consumer Price Index (CPI) this amount is equivalent to $16.7 million (in 1967 dollars). The real (deflated) value of total landings in 1980 was $18.1 million, thus the real value of commercial landings would appear to have declined by $1.4 million (in 1967 dollars). During the 12 year period (1970-1981) total value reached a maximum in 1976 when it achieved a real value of $18.9 million.

The data on landings (pounds) of finfish and shellfish for the period 1970 through 1981 are plotted in Figure I. For finfish we see a steady increase in landings from 1976 until 1981. The landings for shellfish declined from 1976 through 1979, showed a slight upturn in 1980, and declined again in 1981.

Table II contains data on 27 major species in New York's marine district. Landings and value for each species are given for the period 1978-1981. The most valuable species is the hard clam (Mercenaria mercenaria) which in 1981 accounted for a total dockside value of $18.2 million for the public and private fishery. This was 40% of the total value of finfish and shellfish landings. The fishery, however, has shown signs of overfishing which will often result when a resource is exploited under conditions of open access. Hard clam landings have shown a steady decline since 1975 (Figure I).

Since the late 1970s the NMFS, the regional management councils, and the fishery development foundations have sought to increase the marketing opportunities for certain "underutilized" species; that is, species which are relatively abundant but which have not exhibited strong domestic demand. In the Mid-Atlantic region these species include whiting, red hake, squid, mackerel, dogfish, butterfish, and herring. In 1981 the landings and value of these species for New York State were as follows:

	1981 Landings (lbs)	1981 Value ($)
Whiting	3,422,136	1,082,648
Red Hake	647,093	152,040
Squid	1,724,827	861,373
Mackerel	810,558	227,645
Dogfish	110,334	24,263
Butterfish	682,406	373,984
Herring	107,157	14,608
Total	7,504,511	2,736,561

In 1978 the landings and value for these same species totaled 7,803,518 pounds and $1,955,296 respectively. When deflated by the CPI the value of under-utilized species landed in 1978 and 1981 was nearly identical (about $1 million).

Species which showed significant changes in landings or value from 1980 to 1981 were:

Yellowtail flounder: Landings unchanged but value increased from $661,021 to $914,176.

Swordfish: Landings fell by 42,730 lbs. (a 25% decrease) and value declined 30% to $376,757.

Whiting: Landings declined by almost a million pounds but the value remained essentially unchanged.

Scallops: Bay scallops and sea scallops both declined in landings and value. The combined decline in value amounted to $1.7 million.

In summary, 1981 was not a good year for New York's commercial fisheries. Aggregate landings of both finfish and shellfish were down, and the economy-wide recession undoubtedly reduced the demand for seafood contributing to the decline in real (deflated) dockside revenues.

1982 TO DATE

The current recession has affected the fishing industry in several ways. First the decline in disposable income has reduced the demand for fish and shellfish, sometimes lowering the exvessel prices received for certain species. Through August of 1982 the average exvessel prices for finfish and shellfish were $0.58 and $2.46 respectively. During the same period in 1981 the average prices were $0.56 for finfish and $2.54 for shellfish.

On the positive side, fishermen have benefited from declining fuel prices. In August of 1981 the price per gallon (including taxes) for bulk delivered diesel in New York State was $1.32. In August of this year that price had declined to $1.25 per gallon. In a recent study of the financial performance of the New Bedford Fishing Fleet, fuel as a percentage of gross revenues increased from around 9 percent in 1976 to 17 percent in 1980.* Thus, during the last half of 1981 and the first half of this year fishermen have achieved at least temporary relief from escalating fuel costs.

Fishermen with variable rate morgages on vessels and equipment should also benefit from the decline in interest rates. In the previously noted study of New Bedford vessels, interest charges as a percentage of gross revenue increased two to three fold, to where they accounted for 22.9 percent of the gross revenues of new boats. Additional reductions in interest charges may result with further declines in interest rates.

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*Contained in a book of lecture notes entitled "Some Notes on Modelling the Financial Performance of Commercial Fishing Fleets," NMFS Economics Workshop, Orlando, Florida, November 3-5, 1982.

THE OUTLOOK FOR 1983

Based on current trends, it looks as though both the total landings (pounds) and value (exvessel revenues) for New York State's marine fisheries will fall short of the totals for 1981. Matters should improve in 1983. If the economy picks up in early 1983 so that real disposable income, and thus comsumer demand, increases while interest rates and fuel costs remain stable, fishermen may experience a significant improvement in their cash flow positions. The industry has gone through a period of retrenchment and those vessels that have survived the last three years will hopefully see an improved market for fish and shellfish along with stable production costs.

TABLE I
LANDINGS AND VALUE OF FINFISH AND SHELLFISH IN
NEW YORK STATE'S MARINE DISTRICT 1970-1981

Year	CPI[a]	Landings of Finfish (lbs)	Value of Finfish Landings	Landings of Shellfish (lbs)	Value of Shellfish Landings	Total Value of Landings	Total Value Deflated by CPI
1970	116.3	16,439,020	2,380,433	15,876,380	13,709,828	16,090,261	13,835,134
1971	121.3	20,067,422	2,552,933	16,176,150	15,991,500	18,544,433	15,288,073
1972	125.3	21,710,161	3,656,996	15,187,370	18,337,730	21,994,726	17,553,652
1973	133.1	21,500,734	4,690,021	14,545,371	17,134,911	21,824,932	16,397,394
1974	147.7	17,758,209	4,190,010	16,754,429	20,961,416	25,151,426	17,028,724
1975	161.2	19,497,246	5,089,444	17,604,270	23,046,856	28,136,300	17,454,280
1976	170.5	16,551,322	4,389,627	17,611,269	27,750,249	32,139,876	18,850,367
1977	181.5	17,298,784	5,533,748	15,409,126	24,943,894	30,477,642	16,792,089
1978	195.4	22,669,918	9,133,549	13,195,500	24,530,028	33,633,577	17,212,680
1979	217.4	25,056,323	10,278,859	12,363,839	28,178,880	38,457,739	17,689,852
1980	246.8	27,026,446	12,201,035	12,805,240	32,549,689	44,750,724	18,132,384
1981[b]	271.5	24,415,595	14,165,161	11,791,310	31,169,724	45,334,885	16,697,932

(a) CPI = Consumer Price Index for Urban Consumers. The base year is 1967 (= 100).

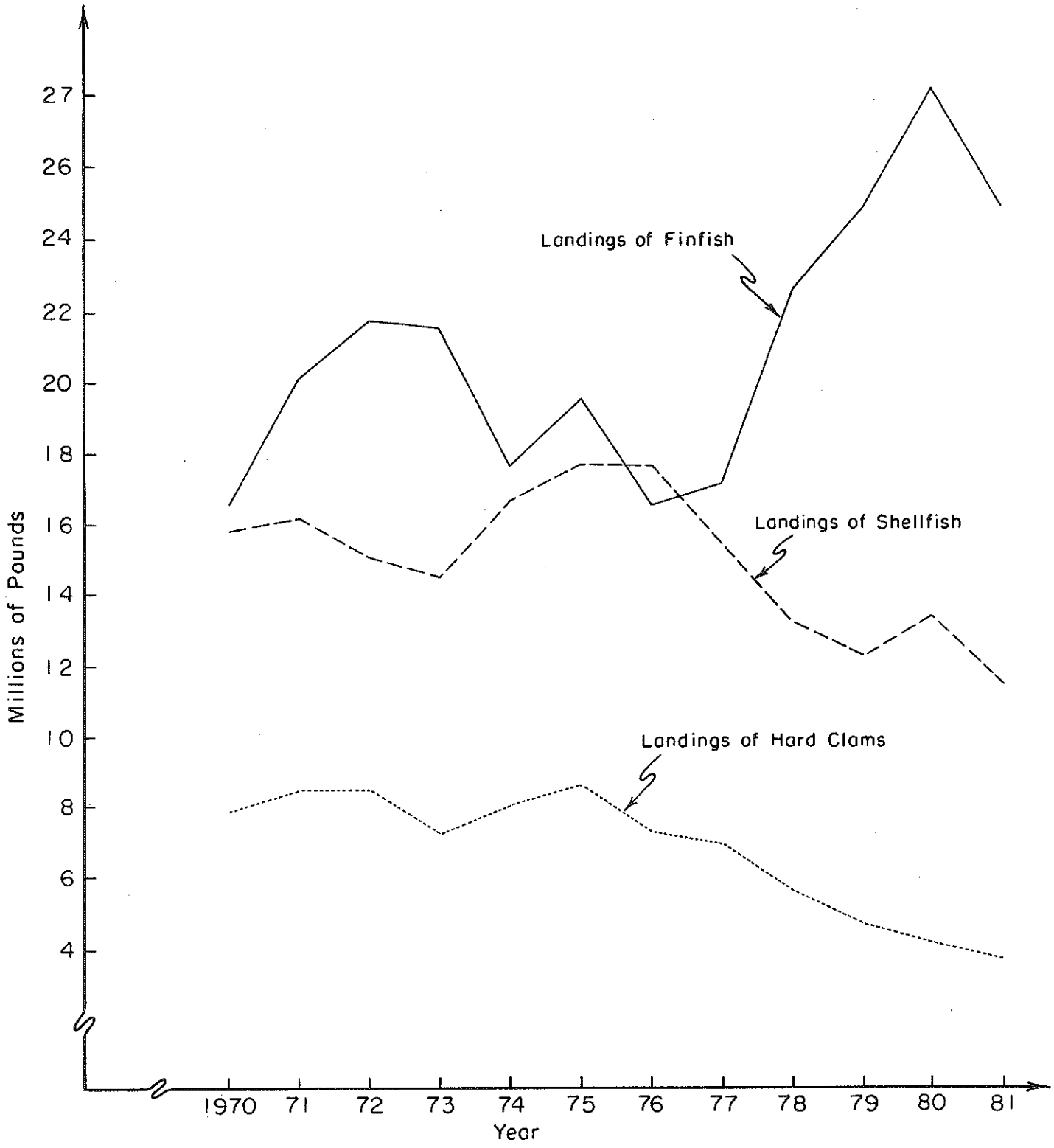
(b) The landings and value for 1981 are preliminary estimates and subject to revision.

TABLE II
MAJOR SPECIES OF FINFISH AND SHELLFISH
IN NEW YORK STATE'S MARINE DISTRICT 1978-81

Species	1978		1979		1980		1981*	
	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars	Pounds	Dollars
Anglerfish	125,603	34,209	195,459	68,329	327,922	163,878	293,401	179,774
Bluefish	1,746,452	345,305	1,611,384	406,555	1,478,931	414,650	1,279,940	459,913
Butterfish	926,114	353,629	1,019,968	451,517	1,175,250	616,281	682,406	373,984
Cod	460,776	195,769	480,099	244,267	460,678	285,570	428,495	267,943
Eels (common)	106,094	76,349	96,876	105,815	417,765	426,744	341,377	315,176
Flounders (black) back	1,299,152	492,810	1,465,840	494,419	1,581,679	505,669	2,088,485	794,438
Flounders (fluke)	1,947,624	1,445,785	1,426,551	1,161,377	1,236,468	1,186,315	1,984,671	1,832,364
Flounders (yellow) tail	525,295	244,166	804,422	311,357	1,799,132	661,021	1,789,891	914,176
Red Hake	525,532	76,208	1,062,618	178,862	743,452	112,563	647,093	152,040
Mackerel	510,595	127,037	695,526	249,444	706,556	160,299	810,558	227,645
Scup	3,616,682	1,395,464	3,135,055	1,557,847	2,760,144	1,504,237	3,516,460	1,882,784
Sea Bass	167,729	127,408	123,251	120,247	204,967	221,341	122,675	156,783
Sea Trout	1,650,054	628,139	1,511,600	587,950	1,590,660	614,419	1,357,559	736,138
Striped Bass	1,122,224	1,295,045	535,079	864,602	539,029	896,041	804,743	1,429,392
Swordfish	59,889	103,256	105,545	221,815	169,541	541,237	126,811	376,757
Tilefish	2,137,159	1,107,859	2,761,782	1,716,715	1,718,340	1,914,674	2,596,252	2,269,414
Whiting	4,711,681	895,738	6,285,369	1,116,028	4,380,282	1,020,176	3,422,136	1,082,648
Lobster	518,964	1,453,586	661,240	1,710,786	908,778	2,786,458	890,218	2,593,333
Hard Clams (public)	5,731,900	13,943,076	4,748,644	14,522,170	4,061,700	16,100,091	3,853,700	15,321,267
Hard Clams (private)	1,525,100	3,758,235	942,200	2,913,105	681,300	2,741,769	733,900	2,898,332
Soft Clams (public)	27,800	42,904	40,600	63,910	78,000	147,000	54,400	95,440
Surf Clams	2,398,500	776,049	1,550,900	675,672	1,806,300	748,574	2,287,100	807,375
Mussels	316,500	172,412	136,600	72,421	194,200	114,984	111,000	82,389
Oysters	797,400	2,332,723	1,354,000	4,331,125	1,407,721	4,427,444	1,635,400	5,870,571
Bay Scallops	280,297	836,922	345,827	1,243,365	410,141	1,758,240	244,071	890,585
Sea Scallops	277,223	646,047	535,476	1,827,199	662,698	2,465,176	384,854	1,603,523
Squid	---	---	1,705,793	713,405	2,589,626	963,889	1,724,827	861,373
Total for major species	32,575,339	32,906,130	35,338,554	37,980,304	35,091,260	43,498,790	34,213,323	44,475,557
Major species total as a percent of overall total	90%	97%	94%	97%	90%	97%	94%	98%

*Preliminary, subject to revision

FIGURE 1. LANDINGS OF FINFISH, SHELLFISH, AND HARD CLAMS IN NEW YORK'S MARINE DISTRICT, 1970-1980



POTATOES, VEGETABLES, AND DRY BEANS: FARM VALUE OF PRODUCTION
New York, 1978-82

	1978	1979	1980	1981	1982*
			- million dollars -		
Potatoes, Long Island	24.6	23.5	47.9	33.3	21.6
Upstate	32.4	30.1	49.7	44.0	35.8
Total	57.0	53.6	97.6	77.3	57.4
Vegetables, Fresh Market	102.7	99.6	149.2	150.3	130.0
Vegetables, Processing	30.6	32.8	33.7	37.1	42.0
Dry Beans	7.7	10.6	16.3	11.2	8.6
Total	197.9	196.6	296.8	275.9	238.0

* Estimated.
SOURCE: U.S.D.A., Vegetable, Field Crops, and Potato reports.

Early reports indicate that the farm value of New York vegetable production in 1982 may amount to about $238 million, down 14 percent from the previous year. Sharp declines in prices of potatoes, onions, and dry beans this season will reduce the value of these important crops. The New York vegetable industry is large and diversified, however, and the value of other vegetables for fresh market and processing may end up to be higher than last season.

A major increase in potato production this year in the West and Midwest brought lower market prices at harvest time. The value of the 1982 New York potato crop will consequently fall well below that of the past two years, with most of the reduction occurring on Long Island where yields were down as well as prices.

Many different vegetables are grown for commercial sale on the fresh market in New York, but onions are the most important in terms of value. This year a large national crop has depressed prices early in the season, and although prices may recover later they are unlikely to rise as much as they did in 1981-82. Prices of other fresh market vegetables in general were favorable this year.

Vegetables grown for processing are almost entirely contracted in advance so prices seldom change much from one year to the next. Snap beans are the major vegetable of the many grown for processing in New York, accounting for half the total farm value of this group. With better yields in 1982 and a modest increase in returns per ton the value of the snap bean crop may well exceed $20 million this year.

Dry bean prices are sharply lower this season following harvest of a national crop smaller than the record last year but still above crops of the 1970s. Expectations of reduced export demand have softened the market following two years of substantial sales of colored beans to Mexico.

The New York vegetable industry, in spite of temporary setbacks, will continue to benefit from the diversity of production, increasing consumer demand, and favorable location close to major markets.

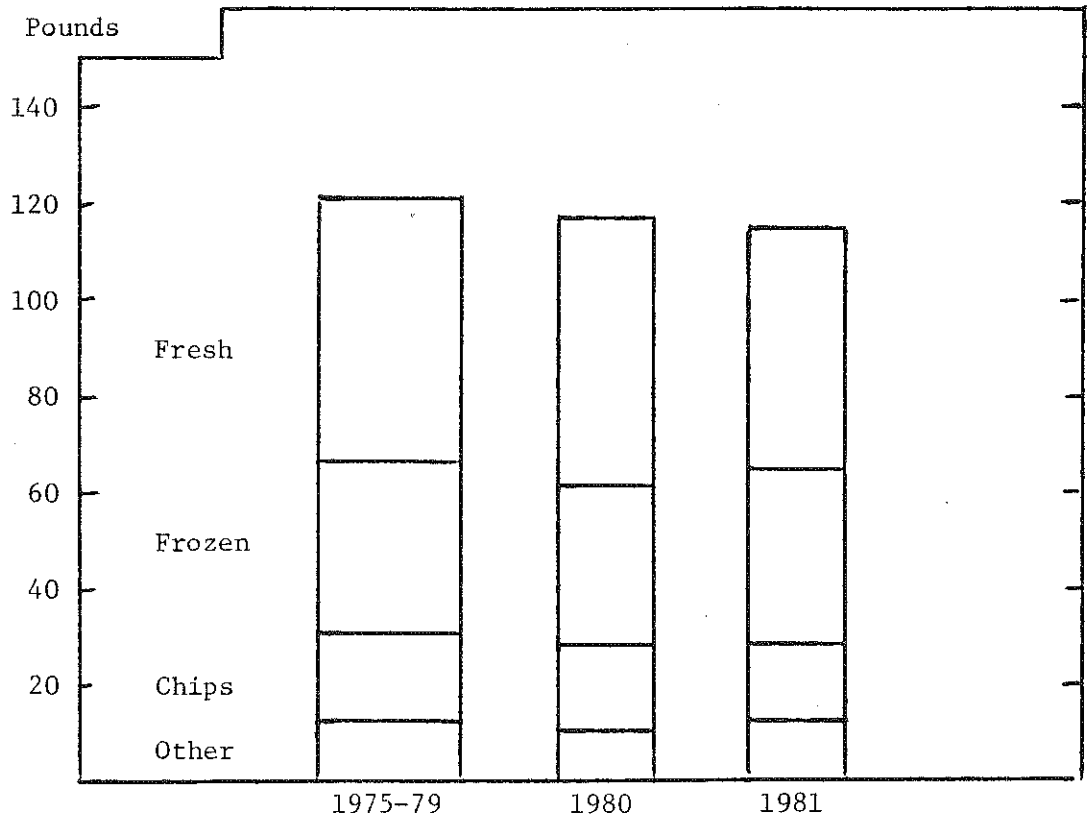
POTATOES: U.S. PRODUCTION BY SEASONAL GROUPS, 1978-1982

	1978	1979	1980	1981	Indic. 1982
	- million hundredweight -				
Winter	2.6	2.4	2.4	2.2	2.3
Spring	18.0	21.3	17.1	20.7	20.2
Summer	21.2	22.3	17.0	20.0	20.6
Fall	323.5	296.9	266.4	295.6	306.9
Maine	26.0	27.7	25.0	26.5	24.7
New York: L.I.	6.2	6.4	4.8	5.3	4.8
Upstate	6.5	6.5	6.2	6.9	7.1
Pennsylvania	6.2	6.0	4.2	5.2	6.4
Other East	2.3	2.2	2.0	2.3	2.0
Total East	47.4	48.8	42.2	46.2	45.0
Michigan	8.5	8.0	7.4	7.0	8.5
Wisconsin	17.3	17.0	16.0	18.2	22.5
Minnesota	14.9	12.9	9.9	13.3	12.2
North Dakota	22.4	18.2	15.7	20.1	17.4
Other Central	4.3	4.7	3.8	3.2	4.9
Total Central	67.6	60.8	52.8	61.8	65.5
Idaho	100.3	85.0	79.8	84.5	90.7
Colorado	11.3	11.5	10.9	11.6	12.6
Washington	50.7	48.4	43.9	52.9	55.0
Oregon	28.5	25.3	19.7	21.7	20.5
California	6.1	6.4	6.4	6.9	6.8
Other West	11.9	10.7	10.5	9.8	10.7
Total West	208.6	187.3	171.2	187.4	196.3
UNITED STATES	365.2	342.9	302.9	338.6	350.0

U.S. potato production in 1982 is estimated at 350 million hundredweight, an increase of 3.3 percent over 1981 and 15.5 percent over the short crop of 1980. The 1982 increase took place primarily in the fall crop, which accounted for 88 percent of annual production. Within the fall crop, production declined in the East mainly due to reductions in Maine and on Long Island. The Red River Valley crop this year is below last year, but increases were recorded in Wisconsin and in the major states of Idaho and Washington.

The production of potatoes across the country seems to have reached a period of relatively stable equilibrium, although the considerable variation from year to year tends to obscure underlying trends. Over the past 5 years production has declined in Maine and on Long Island, but increased in Wisconsin. Idaho remains in number one position, but Washington continues to expand. Output in Oregon has dropped compared to five years ago.

PER CAPITA CONSUMPTION OF POTATOES



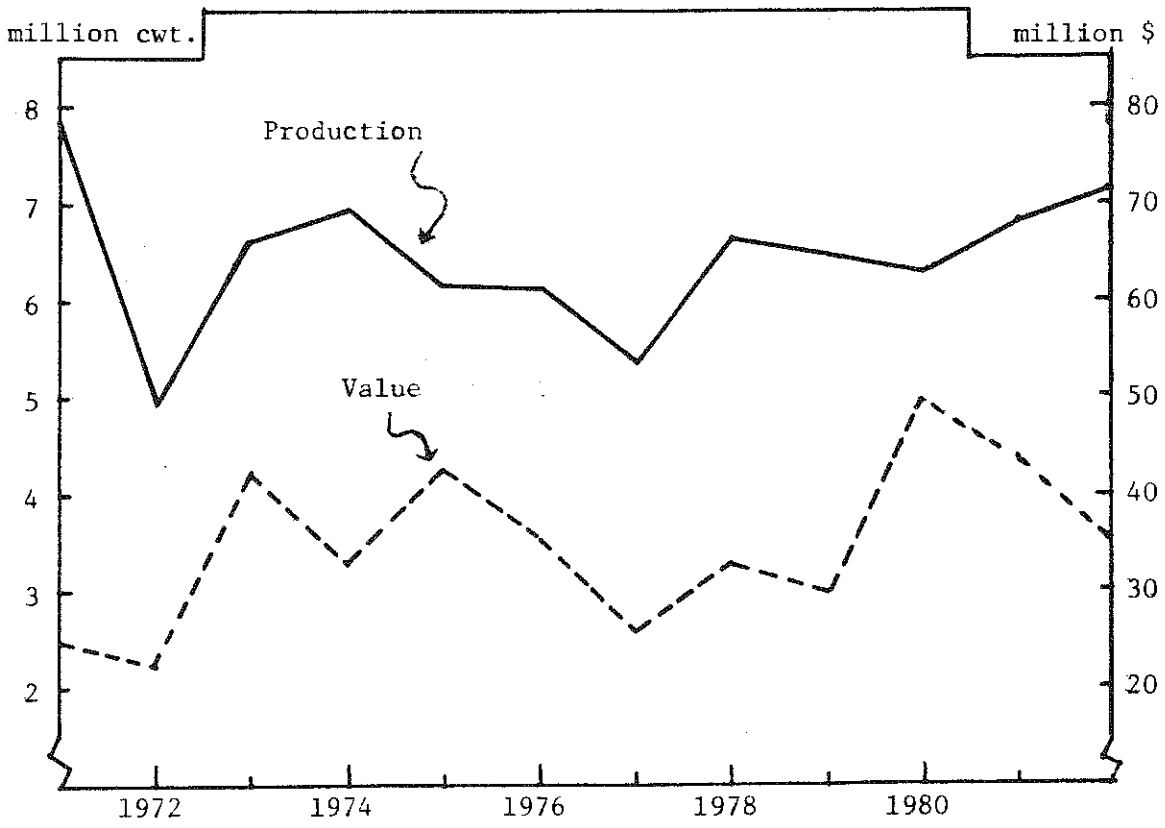
Per capita consumption of potatoes remained relatively stable in recent years, apart from fluctuations caused by changes in the size of the crop. Processed use accounts for 55 to 60 percent of the total, with frozen products, mainly french fries taking more than half the processed consumption. Use for chips and shoestring has remained remarkably constant over the past 15 years. Fresh table stock consumption appears to have stabilized also.

PRODUCTION AND PER CAPITA CONSUMPTION OF POTATOES

Year	Total Production	Per Capita Consumption 1/					
		Total Fresh and Processed	Fresh	Processed 1/			
				Total	Frozen	Chips and Shoestring	Other 2/
	mil. cwt.	- pounds -					
1965-69	304.2	113.0	65.8	47.2	19.3	16.8	11.1
1970-74	316.8	116.6	53.7	62.9	30.8	16.9	15.2
1975-79	348.7	120.3	53.7	66.6	36.3	16.5	13.8
1980	302.9	117.7	55.8	61.9	33.7	16.9	11.3
1981	338.6	114.6	49.1	65.5	36.3	16.7	12.5
1982	350.0						

1/ Fresh weight basis.
2/ Includes, dehydrated, canned, and flour.
SOURCE: U.S.D.A., Vegetable Outlook and Situation, October 1982.

POTATOES: PRODUCTION AND FARM VALUE,
UPSTATE NEW YORK

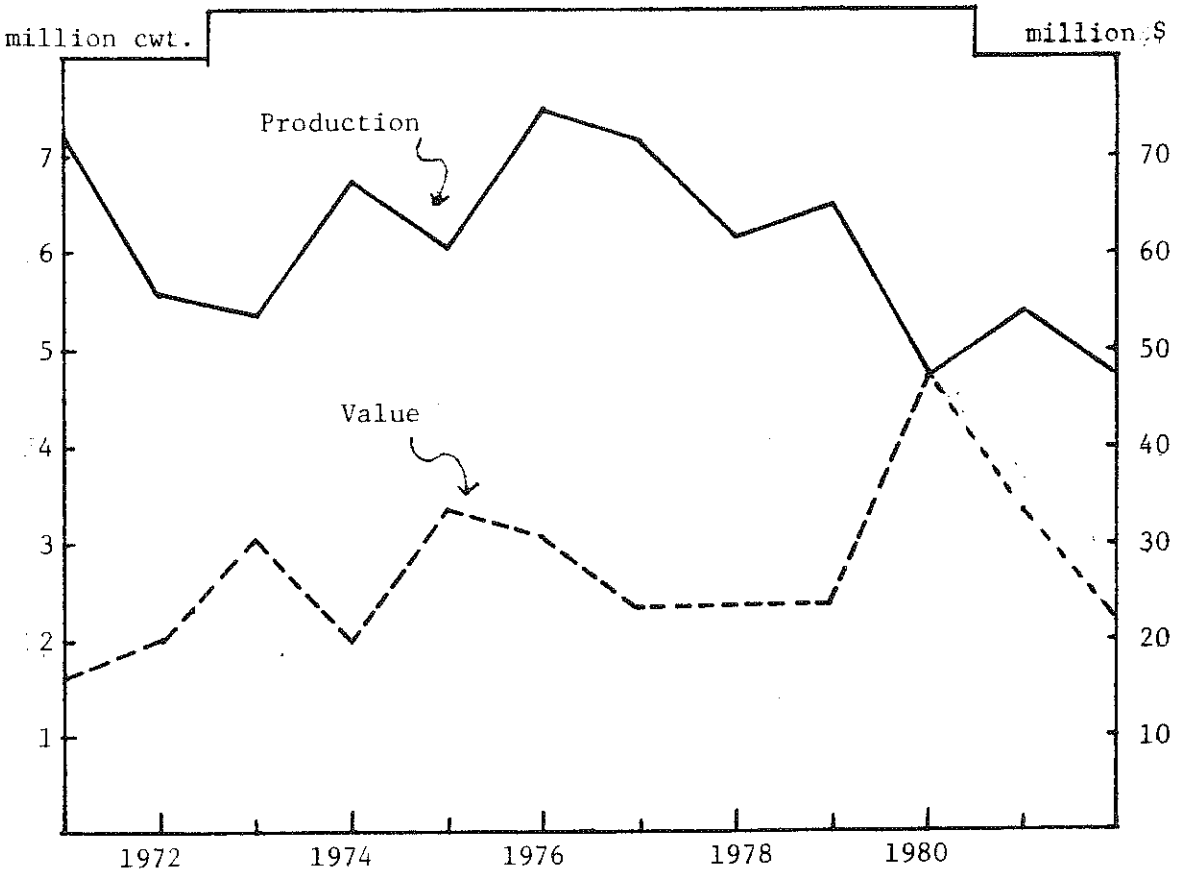


After two years of relatively favorable prices Upstate potato growers increased acreage in 1982, but lower yields than the previous year resulted in only a modest increase in total production. Increased national production, however, mainly in the west, has brought sharply lower prices this season and the total value of the Upstate crop is not likely to be much greater than in the late 1970s.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Cwt.	Value Production
	acres	cwt.	1,000 cwt.	dollars	1,000 dol.
1965-69	36,800	230	8,451	2.77	23,412
1970-74	29,840	236	7,046	4.15	29,248
1975-79	23,600	258	6,108	5.43	33,194
1980	25,000	250	6,250	7.95	49,688
1981	25,000	275	6,875	6.40	44,000
1982	27,000	265	7,155	5.00*	35,775

* Based on October prices.

POTATOES: PRODUCTION AND FARM VALUE, LONG ISLAND



Long Island potato growers reportedly harvested the same acreage in 1982 as the previous year, but yields were substantially reduced, resulting in a crop about the same size as in 1980. Prices this year, however, have been only about half what they were two years ago so the value of the crop will be correspondingly lower.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Cwt.	Value Production
	acres	cwt.	1,000 cwt.	dollars	1,000 dol.
1965-69	36,480	258	9,413	2.07	19,504
1970-74	28,300	235	6,650	3.20	21,298
1975-79	23,020	289	6,651	4.11	27,309
1980	18,800	255	4,794	10.00	47,940
1981	18,500	290	5,365	6.20	33,263
1982	18,500	260	4,810	4.50*	21,645

* Based on October prices.

VEGETABLES FOR FRESH MARKET
AREA HARVESTED OR FOR HARVEST
New York, 1980-1982

	Harvested		For Harvest
	1980	1981	1982
	- acres -		
Sweet corn	21,700	22,200	21,100
Cabbage: Long Island	1,300	1,400	NA
Upstate	7,400	7,200	NA
Onions*	14,300	14,300	14,000
Snap beans	5,500	6,100	NA
Cauliflower*: Long Island	1,500	1,900	1,900
Upstate	1,700	1,700	1,800
Tomatoes	3,200	3,200	3,500
Lettuce	3,800	3,800	4,000
Cucumbers	3,200	3,500	NA
Carrots*	1,000	1,100	1,100
Celery	710	680	580
Total	65,310	67,080	--

* Includes acreage for both fresh market and processing.
SOURCE: New York Crop Reporting Service.

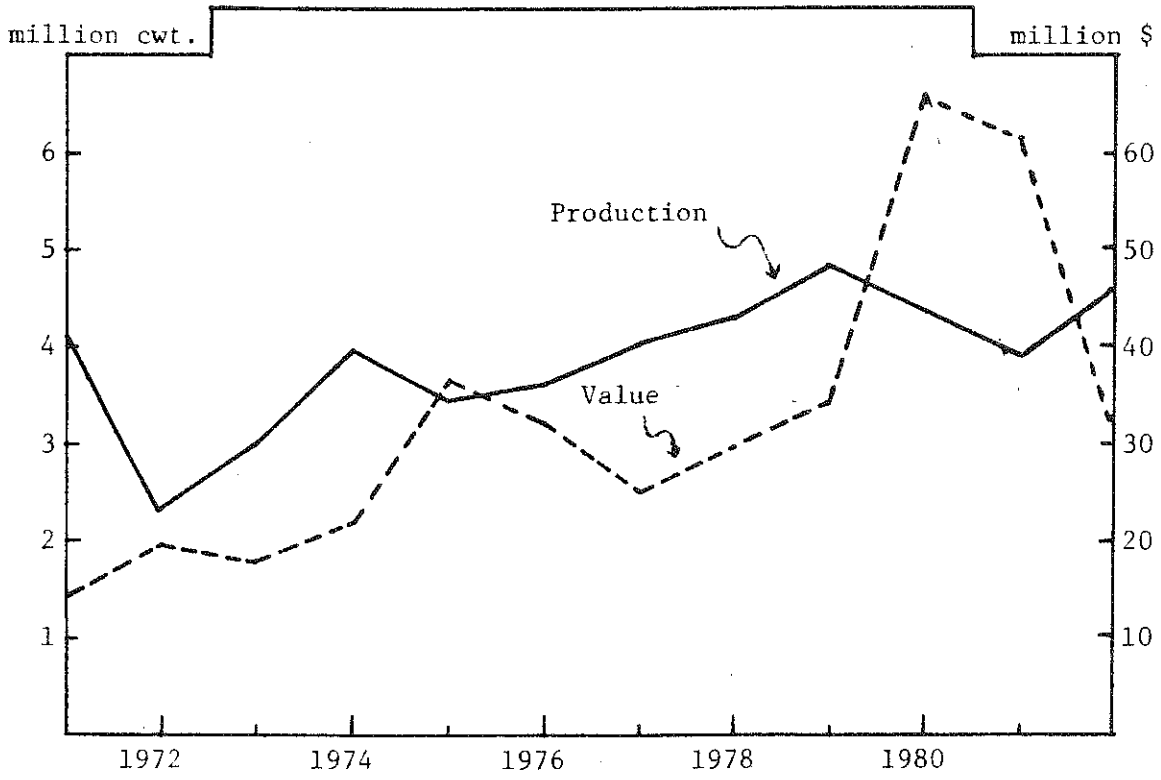
The U.S.D.A. has discontinued estimates for several fresh market vegetables considered of minor importance nationally although relatively important in New York. Available data indicate that New York fresh vegetable acreage continues to grow. New York onion yields were generally favorable this year, except in the Steuben-Yates-Ontario area, and production increased 16 percent over last year.

NEW YORK ONIONS BY SECTIONS, 1980-1982

Section	Acreage			Yield Per Acre			Production		
	1980	1981	1982	1980	1981	1982	1980	1981	1982
	- acres -			hundredweight			- 1,000 cwt. -		
Orange County	7,300	7,700	8.650	315	260	330	2,300	2,002,	2,525
Orleans-Genesee	3,400	3,100	2,900	310	315	340	1,054	976	986
Oswego	950	950	850	330	325	360	314	309	306
Madison County	1,250	1,200	1,100	260	195	280	325	234	308
Steuben-Yates-Ontario	700	750	950	320	335	295	224	251	280
Wayne and other	700	600	550	309	268	267	216	161	145
New York Total	14,300	14,300	14,000	310	275	325	4,433	3,933	4,550

SOURCE: Vegetables, New York Crop Reporting Service.

ONIONS: PRODUCTION AND FARM VALUE, NEW YORK



U.S. 1982 production of storage onions was estimated as of October 1 at 21.6 million hundredweight, up almost 11 percent over last year. The California onion crop, largely destined for dehydration, was placed at an additional 11.1 million hundredweight, more than 50 percent higher than the previous season. New York onion yields were favorable this year, but with prices sharply lower the value of sales is likely to amount to only about half the total of the past two years.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Cwt.	Value of Sales
	acres	cwt.	1,000 cwt.	dollars	1,000 dol.
1965-69	14,340	289	4,146	4.10	14,160
1970-74	13,220	273	3,607	5.40	16,712
1975-79	13,800	294	4,052	9.26	31,720
1980	14,300	310	4,433	15.10	62,612
1981	14,300	275	3,933	17.00	60,583
1982	14,000	325	4,550	8.00*	32,800*

* Based on October 1982 prices.

VEGETABLES FOR PROCESSING: PRODUCTION, NEW YORK

Crop	1980 Total	1980 Contract	1981 Total	1981 Contract	1982 Contract
	- 1,000 tons -				
Snap beans	113.2	100.7	96.1	94.2	108.1
Beets	65.1	65.2	57.1	65.3	NA
Cabbage for kraut	83.8	86.0	89.6	NA	NA
Sweet corn	85.8	85.3	98.3	97.1	128.0
Green peas	10.1	10.1	14.4	14.4	15.5
Total	358.0	347.3	355.5	--	--

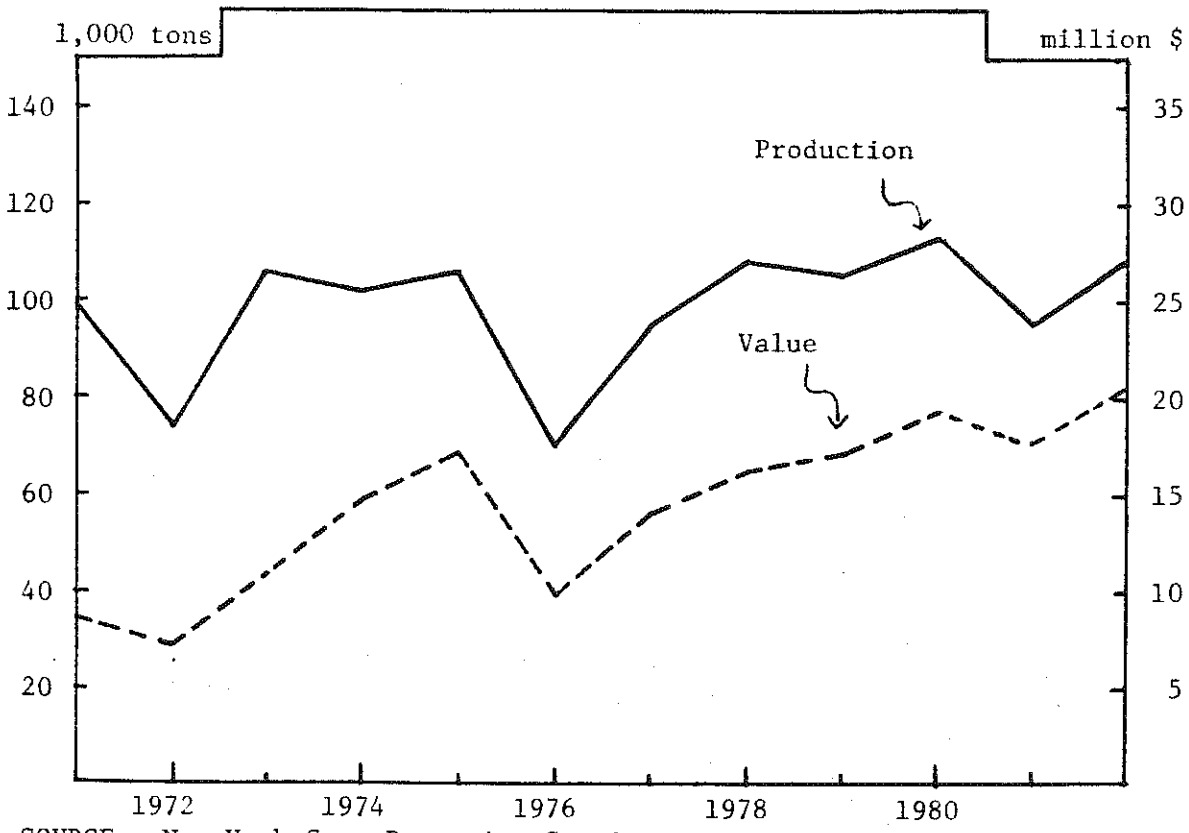
The U.S.D.A. has discontinued estimates of production and value for all except four vegetables for processing - snap beans, sweet corn, green peas, and tomatoes. Contracted tonnage of these four major vegetables at 10.8 million tons is up nearly one-fifth over 1981. Tomato production accounted for most of the increase, coming after short crops in 1980 and 1981 that left supplies of tomato products tight. Snap bean tonnage is expected to fall to the lowest level since 1976. Green pea production has declined in the face of declining consumption, and this year's output is the lowest since 1954. Sweet corn output is expected to be record high, mainly due to increased demand for the frozen product.

VEGETABLES FOR PROCESSING: PRODUCTION, UNITED STATES

Crop	1980 Total	1980 Contract	1981 Total	1981 Contract	1982 Contract
Green lima beans	61.3	59.9	NA	67.7	NA
Snap beans	703.1	648.3	671.6	647.2	620.1
Beets	205.4	205.4	NA	158.6	NA
Cabbage for kraut	208.9	226.1	NA	NA	NA
Sweet corn	2,141.0	2,138.9	2,354.2	2,333.5	2,611.3
Cucumbers	607.3	540.9	NA	NA	NA
Green peas	480.8	479.5	463.5	462.5	445.8
Spinach (winter and spring)	146.4	145.7	NA	126.6	NA
Tomatoes	6,210.6	6,143.3	5,712.2	5,621.8	7,435.8

NA - Not available.
SOURCE: U.S.D.A. Vegetable report.

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



SOURCE: New York Crop Reporting Service.

New York production of snap beans for processing increased in 1982, mainly due to higher yields. The total farm value of the crop is expected to exceed $20.5 million. Nationally, supplies of canned snap beans are down about 10 percent under last year, and wholesale prices are expected to strengthen during the coming season. Frozen stocks are substantially higher, however, and wholesale prices may remain below the level of last year.

Year	Harvested Acreage	Yield Per Acre	Production	Value Per Ton	Total Value
	acres	tons	tons	dollars	1,000 dol.
1965-69	51,800	1.86	96,200	90.75	8,730
1970-74	47,540	2.03	96,450	104.62	10,091
1975-79	45,980	2.12	97,300	152.80	14,874
1980	46,400	2.44	113,220	169.00	19,134
1981	38,900	2.47	96,080	185.00	17,780
1982*	39,500	2.80	108,080	190.00	20,520

* Based on August indications.

DRY EDIBLE BEANS: PRODUCTION BY STATES
1979-1982

	1979	1980	1981	Indic. 1982
	- thousand hundredweight -			
California	3,520	3,909	4,022	4,469
Colorado	1,593	2,160	2,755	1,870
Idaho	2,460	3,329	4,277	2,566
Michigan	6,860	7,448	7,198	7,290
Nebraska	2,160	2,580	3,850	3,280
New York	480	663	588	576
North Dakota	1,418	2,658	4,565	2,803
Other States	2,174	3,353	4,559	2,748
U.S. Total	20,665	26,100	31,814	25,602

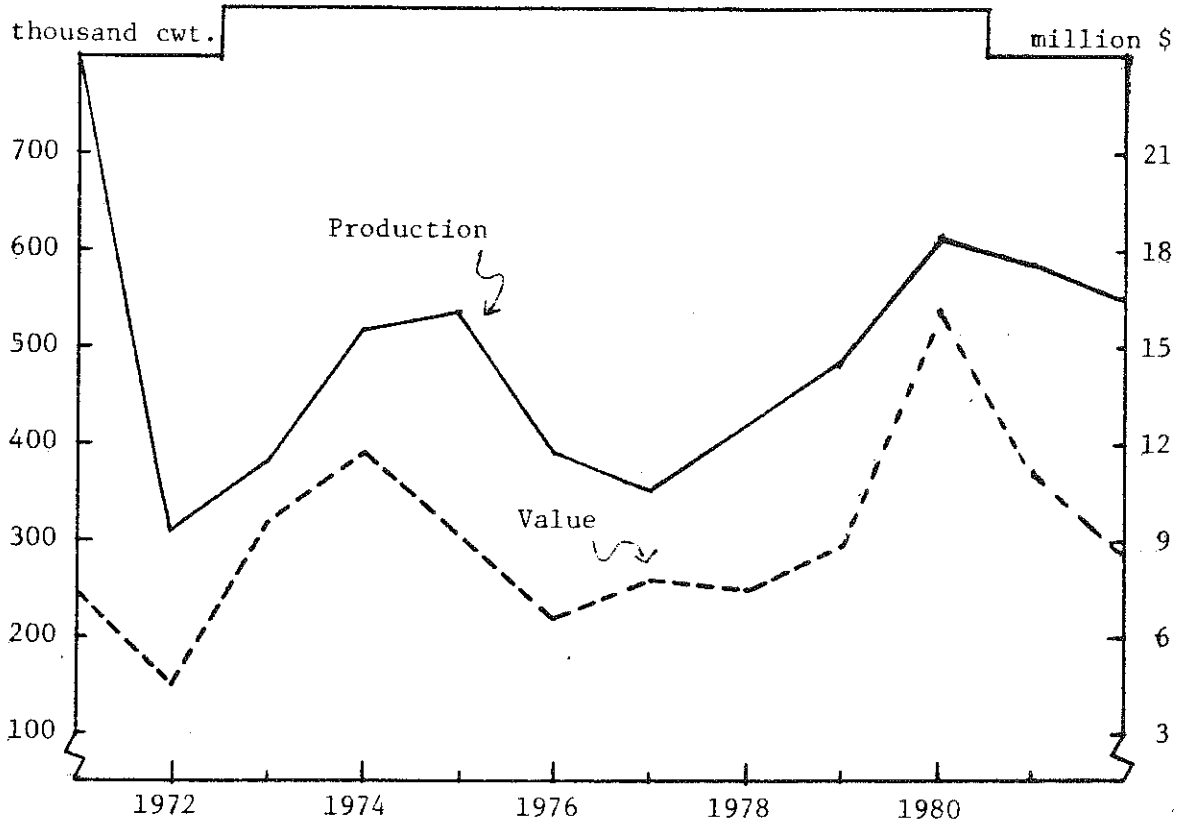
SOURCE: Crop Production, U.S.D.A.

U.S. dry bean production in 1982 is forecast at 25.6 million hundredweight, 20 percent below last year and about equal to 1980, but still 24 percent above the 1979 crop of 20.7 million hundredweight which by previous standards would have been considered a large crop. Increased production in 1980 and 1981 was spurred by Mexican demand mainly for Pinto but also Pink and Black Turtle Soup beans. The increased Pinto production came largely from North Dakota, Nebraska, Colorado, and California.

DRY EDIBLE BEANS: PRODUCTION BY CLASSES, UNITED STATES

	1978	1979	1980	1981
	- thousand hundredweight -			
Pea (Navy)	5,605	5,838	5,717	5,405
Great Northern	1,863	1,998	2,112	2,595
Pinto	5,638	6,051	10,008	14,005
Red Kidney	1,827	1,603	1,757	1,577
Pink	687	817	1,750	1,941
Black Turtle Soup	168	288	1,451	2,235
Large Lima	458	529	758	621
Baby Lima	512	656	447	605
Blackeye Ca.	778	943	698	880
Other classes	1,400	1,942	1,402	1,950
U.S. Total	18,935	20,665	26,100	31,814

DRY EDIBLE BEANS: PRODUCTION AND FARM VALUE
NEW YORK



New York 1982 production of dry edible beans was estimated in October at 576 thousand hundredweight, about the same as last year. Prices, however, were sharply lower this fall reflecting the reduction in exports. For the past two years Mexico has been an important buyer of colored beans from the United States. Even though prices may increase later in the season the value of the crop is likely to be substantially below last year.

Year	Harvested	Yield Per Acre	Total Production	Average Farm Value	Value of Production
	thousand	pounds	thous. cwt.	dol. per cwt.	1,000 dol.
1965-69	85	1,188	1,009	9.20	9,283
1970-74	49	1,121	547	15.39	8,416
1975-79	40	1,105	437	18.00	7,866
1980	48	1,280	614	26.50	16,271
1981	47	1,250	588	19.00	11,172
1982	48	1,200	576	15.00*	8,640

* Based on October prices.

NOTES