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Reports of Interest

The Economic Research Service recently issued the following reports of interest to the food industry. To order copies, call toll free 1-800-999-6779 (8:30-5:00 ET).

Effects of Declining Ground Water

Most States have water supply problems, and several are seeing ground water levels fall significantly. The increasing cost of pumping irrigation water caused by the declining ground water levels is putting pressure on irrigators to adopt new irrigation systems and production practices and to make changes in cropping programs to use irrigation water more efficiently.

This report examines the changes irrigators are likely to make as the cost of pumping water rises. A case study in a declining groundwater area of Kansas illustrates the economic feasibility of alternative irrigation systems and related irrigation technology.

Economic and Technical Adjustments in Irrigation Due to Declining Ground Water. AGES-9018. William Crosswhite, Clif Dickason, and Robert Pfeiffer. February 1990. \$8.00.

Advertising Boosts Cheese Sales

As a result of increased advertising, natural cheese sales shot up about 21 million pounds and processed cheese

sales were up about 193 million pounds from September 1984 to June 1989. These sales were for cheese consumed at home.

Generic advertising influences households that normally do not purchase natural cheese, whereas households that normally purchase processed cheese are the most influenced by advertising.

Government donations of cheese tend to dampen sales of both processed and natural cheese.

This report uses estimated econometric demand models to simulate the results. The models can measure the effects of both generic and branded advertising.

Effects of Advertising on the Demand for Cheese, January 1982-June 1989.



The increasing costs of pumping low levels of ground water are pressuring irrigators to use water more effectively.

Photo credit: Mary Ahearn

AGES-9055. James R. Blaylock and W. Noel Blisard. August 1990. \$8.00.

New Approach to Wetland Protection

Current Federal wetland protection efforts, such as the Swampbuster provision of the 1985 farm act, may be insufficient to attain the administration's goal of "no net loss" in wetland acreage. One option is to establish a permanent wetland reserve program.

This report reviews why wetlands are important, looks at past and present Federal wetland policies, and examines the dimensions of a reserve under three sizes.

Both the likely geographic distribution of the reserve and the likely crop rotations affected are analyzed, and potential easement and restoration costs are estimated. Key questions about how a reserve would be implemented are highlighted.

A Permanent Wetland Reserve: Analysis of a New Approach to Wetland Protection. AIB-610. Marc Carey, Ralph Heimlich, and Richard Brazee. August 1990. \$4.00.

U.S. Policy and World Food Security

Domestic agricultural policies have a tremendous impact on world food security, particularly in terms of how they affect the level of food stocks held by the Government and commodity prices. Domestic policies will indirectly affect U.S. food aid programs through the same mechanisms, which should generate debate among groups that support food aid. The 1990 farm bill and the GATT negotiations offer opportunities and challenges to strengthen world food security.

This report looks at how elements of U.S. farm policy affect world food security, the impact of changing domestic policies, and what's ahead for world food security.

World Food Security: The Effect of U.S. Farm Policy. AIB-600. Mark E. Smith. April 1990. \$4.00.

Measuring U.S. Food Spending and Income

Food spending in the United States has risen almost every year since the end of the Great Depression. Income has risen faster, however, chiefly because of the increasing number of families with more than one wage earner, so food spending as a percentage of income has declined. Higher income households spend more money on food but use a smaller share of income than lower income households. Measures of food expenditures and income vary according to how income is measured, what expenses are counted, and who is paying for the food.

This report analyzes changes in U.S. food spending and income from 1929 to 1989. The author uses many tables and graphs to illustrate the data.

U.S. Food Spending and Income: Changes Through the Years. AIB-618. Alden Manchester. January 1991. \$4.00.

Uses of Alternative Crops/Products

Developing new crops or products could raise farm income and reduce government subsidies, the trade deficit, and potentially adverse environmental effects of farm production. Alternative opportunities for new crops or products exist in agriculture-based industry, aquaculture, and floriculture and environmental horticulture.

Examples of the many alternative crops or products and their uses that the report discusses include: rapeseed for feed, cosmetics, and pharmaceuticals; corn for ethanol fermentation and degradable plastics; crawfish as a substitute for shrimp; and essential oils for flavoring and fragrances for food and beverage manufacturing or cosmetics and toiletries.

Alternative Opportunities in Agriculture: Expanding Output Through Diversification. AER-633. Michael R. Dicks and Katharine C. Buckley, editors. May 1990. \$8.00.

Pesticide Use Trends

Pesticides used on major crops increased from 225 million pounds of active ingredient (the material in a pesticide

product that controls pests) in 1964 to 558 million pounds in 1982. Rapid growth in the use of herbicides led that dramatic increase. Farmers increased their use of pesticides on corn and soybeans to a greater extent than on other crops during that period. Insecticide use on cotton fell.

Since 1980, pesticide use has stabilized or declined. Regulatory decisions that removed pesticides from the market if health or environmental risks outweighed the economic benefits may have reduced the variety of pesticides available to farmers. But those decisions apparently have not slowed the growth of pesticide use.

This report illustrates pesticide use trends using data from USDA and the Environmental Protection Agency, discusses factors affecting those trends, and presents major policy issues. Twenty-five tables are appended.

Agricultural Pesticide Use Trends and Policy Issues. AER-622. Craig D. Osteen and Philip I. Szmedra. September 1989. \$8.00.

Impact of Energy/Pesticide Inputs on Farming

Seven input industries that had an impact on U.S. farming in the period 1966-86 are described in this report. The industries include pesticides, energy, fertilizer, feed, credit, farm machinery, and hired labor.

Both pesticide sales to farmers and farmer use of pesticides rose significantly during the 20 years surveyed. The share of major crop acreage treated with insecticides and herbicides doubled. U.S. pesticide output was dominated by about 28 large firms. Many new pesticides were developed.

The food and fiber sector accounts for 10 to 15 percent of all U.S. energy consumption but has little influence on energy prices. Food processors use more electricity and natural gas than oil. Ethanol remains a high-cost fuel relative to oil and depends on Government subsidies.

Seven Farm Input Industries. AER-635. Joseph R. Barse. September 1990. \$11.00. ■