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1979

Ag Econ Kierd
Annual Outlook
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AAEA SURVEY OF ANNUAL OUTLOOK INFORMATION

UNIVERSITY OF CALIFORNIA
DAVIS

AUG 27 1979

Agricultural Economics Library

Summary of 1979 Survey

Compiled by
John E. Ikerd
Oklahoma State University

Dpt of Ag Econ

Overview

The 1979 Survey of Annual Outlook Information was the result of an initiative begun by the AAEA Agricultural Statistics Committee in 1977. The first survey of outlook symposium was held at the 1978 meetings in Blacksburg, Virginia. Minor revisions were made in the survey form and procedure based on the evaluation of that symposium. But the 1979 symposium format is essentially unchanged.

Survey forms were mailed to the AAEA membership in June with a cover letter suggesting that the completed forms be returned in July to insure timely information. Survey forms were mailed using various lists of agricultural economists including regional extension committees, industry outlook groups, U.S.D.A. outlook staff, last year's survey participants and agricultural economics department heads. Department heads were encouraged to ask their people with outlook responsibility to respond to the survey.

The earliest responses to the survey were received in late June and approximately one half of the responses were received in the week prior to the July 16 deadline. Thus the information is current. However, no attempt was made to obtain a random sample of the AAEA membership nor to obtain a statically representative sample of those in the AAEA involved in outlook work. So it is not possible to draw conclusions concerning the outlook opinions of the AAEA in general from this survey.

Presented at AAEA meetings, Pullman,
July 29-Aug 1, 1979.

The primary purpose of the survey was to provide a stimulus for discussion of the agricultural outlook at the annual meeting. If as a result of this symposium the membership becomes interested in a more scientific survey of the membership, different procedures would have to be developed.

Summary of Survey Results

The results of the 1979 survey are summarized in the following tables. A copy of the survey form is included as an appendix. Table 1 gives a breakdown of the responses to the survey by affiliation of the respondent, the extent of use of formal models and the degree of outlook responsibility. Tables 2 through 4 give the numbers of respondents estimating each table value (N), the mean value of the responses (Mean), the standard deviation of responses (S.D.), the smallest value given (Min), the largest value given (Max) and the coefficient of variation for each value (C.V.).

In tables 5 through 7 the means of the outlook values for 1980 projections are sorted by the respondent characteristics summarized in Table 1. Values are included in those latter tables only if 4 or more responses were received for the value. The reader is encouraged to refer to the survey form for a more detailed description of the values included in the tables.

The extent of analysis was limited by the brief time span between the survey deadline and the symposium. There are possible errors in the data that could have been detected with more time for review. In some cases obvious recording error or misunderstanding, data were eliminated from the analysis. However, the reader should recognize the existing limitations of the analysis and the data.

TABLE 1. CHARACTERISTICS OF RESPONDENTS

Affiliation:

	<u>University</u>	<u>Industry/Business</u>	<u>Government*</u>
Number:	50	13	4

Use of Formal Models:

	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>	<u>None</u>
Number:	8	17	21	21

Forecasting Responsibilities:

	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>
Number:	25	24	18

*Seven government economists completed and mailed forms which were lost in the mail. The responses were obtained too late for inclusion in the total analysis but are included in comparison of 1980 projections by affiliation.

TABLE 2.

LIVESTOCK PRODUCTION AND PRICES

	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Min</u>	<u>Max</u>	<u>C.V.</u>
Beef Production						
1979 as pct. 1978	54	89.6	3.24	80.0	97.0	3.61
1980 as pct. 1979	54	97.0	3.51	90.0	105.0	3.62
Fed Cattle Prices (\$/cwt.)						
1979 (Ch. Str. Omaha)	55	69.19	1.76	65.00	73.00	2.54
1980 (Ch. Str. Omaha)	55	72.98	3.27	65.00	80.00	4.49
Feeder Cattle Prices (4/cwt.)						
1979 (Ch. Str. K.C.)	47	80.85	4.49	69.31	90.00	5.56
1980 (Ch. Str. K.C.)	47	83.69	6.87	70.00	95.00	8.21
Pork Production						
1979 as pct. 1978	57	113.5	3.22	104.0	120.0	2.84
1980 as pct. 1979	56	102.7	5.50	88.0	115.0	5.35
Hog Prices (\$/cwt.)						
1979 (7 mkt. ave.)	55	42.82	1.79	38.00	46.00	4.17
1980 (7 mkt. ave.)	54	42.01	3.55	36.00	52.00	8.46
Broiler Production						
1979 as pct. 1978	41	109.6	1.00	107.0	112.0	0.91
1980 as pct. 1979	41	104.2	3.19	95.0	112.0	3.06
Broiler Prices (¢/lb.)						
1979 (9 city ave.)	28	45.34	1.87	41.0	50.0	4.13
1980 (9 city ave.)	28	44.51	2.53	39.0	50.10	5.69
Egg Production						
1979 as pct. 1978	27	102.7	2.16	100.0	110.0	2.11
1980 as pct. 1979	26	100.3	2.15	95.0	103.0	2.14
Egg Prices (¢/doz.)						
1979 (N.Y. A Lg.)	20	67.65	3.04	60.0	72.0	4.49
1980 (N.Y. A Lg.)	19	66.45	4.08	60.0	75.0	6.14

TABLE 3.

CROP PRODUCTION AND PRICES

	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Min</u>	<u>Max</u>	<u>C.V.</u>
Wheat Production and Use						
Exports 78-79	29	1200	22.1	1140	1250	1.84
Carry Out 78-79	29	927	20.6	900	1000	2.22
Production 79-80	28	2009	86.0	1800	2165	4.28
Exports 79-80	29	1262	85.7	1100	1432	6.79
Carry Out 79-80	29	838	99.1	650	1044	11.83
Wheat Prices (\$/bu.)						
1978-79 (#1 HRW, K.C.)	32	3.35	0.22	2.90	4.00	6.51
1979-80 (#1 HRW, K.C.)	32	3.88	0.48	3.00	5.00	12.46
Corn Production and Use						
Exports 78-79	36	2092	62.8	1950	2200	3.00
Carry Out 78-79	36	1360	83.7	1120	1550	6.15
Production 79-80	36	6648	198.7	6300	7200	2.99
Exports 79-80	36	2197	127.9	1950	2450	5.83
Carry Out 79-80	36	1024	231.8	571	1400	22.63
Corn Prices (\$/bu.)						
1978-79 (#2 Yel. Chicago)	41	2.49	0.08	2.35	2.65	3.38
1979-80 (#2 Yel. Chicago)	41	2.74	0.25	2.25	3.20	9.10
Cotton Production and Use						
Exports 78-79	11	6.17	0.13	5.90	6.30	2.18
Carry Out 78-79	11	3.72	0.29	3.00	4.20	7.96
Production 79-80	11	13.28	0.57	12.00	14.10	4.26
Exports 79-80	11	6.03	0.28	5.50	6.50	4.64
Carry Out 79-80	11	5.32	0.80	3.70	6.60	15.04
Cotton Prices (¢/lb.)						
1978-79 (US, SLM, 1-1/16)	11	59.02	2.94	55.0	62.0	4.98
1979-80 (US, SLM, 1-1/16)	11	56.62	2.20	53.0	60.0	3.89

TABLE 3. (cont.)

CROP PRODUCTION AND USE

	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Min</u>	<u>Max</u>	<u>C.V.</u>
Soybean Production and Use						
Exports 78-79	35	784	18.19	734	820	2.32
Carry Out 78-79	34	143	10.18	115	162	7.13
Production 79-80	35	1995	60.61	1900	2200	3.04
Exports 79-80	35	827	32.20	750	900	3.89
Carry Out 79-80	35	194	55.88	125	340	28.87
Soybean Prices (\$/bu.)						
1979 (#1 Yel. Chicago)	35	7.13	0.34	6.40	7.80	4.70
1980 (#1 Yel. Chicago)	36	7.19	0.60	5.80	8.40	8.27
Soybean Oil Prices (¢/lb.)						
1979 (Decatur)	28	26.66	0.81	25.0	29.0	3.05
1980 (Decatur)	28	26.80	1.64	24.0	31.0	6.10
Soybean Meal Prices (\$/ton)						
1979 (Decatur)	31	191.74	7.21	178.00	210.00	3.76
1980 (Decatur)	31	197.00	17.95	160.00	244.00	9.11

TABLE 4.

AGRICULTURAL COSTS AND RETURNS

	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Min</u>	<u>Max</u>	<u>C.V.</u>
Cash Receipts from Marketing						
All Crops & Production						
1979 as pct. 1978	28	114.8	6.87	100	125	5.98
1980 as pct. 1979	28	106.3	5.88	91	127	5.53
All Livestock & Production						
1979 as pct. 1978	27	119.6	9.33	98	142	7.80
1980 as pct. 1979	27	106.2	7.38	90	129	6.94
Realized Net Farm Income						
1979 as pct. 1978	25	118.3	10.80	100	150	9.13
1980 as pct. 1979	24	101.7	6.35	89	112	6.24
Land Values						
1979 as pct. 1980	32	113.3	4.18	103	120	3.69
1980 as pct. 1979	31	111.7	4.64	102	120	4.16
Real GNP						
pct. change 78 to 79	49	+1.74	1.12	-1.0	+4.0	64.64
pct. change 79 to 80	48	+1.40	1.74	-4.0	+5.0	124.70
CPI All Items						
pct. change 78 to 79	49	9.79	1.48	5.0	12.0	15.14
pct. change 79 to 80	48	8.19	1.76	2.0	12.0	21.46
Food Prices (all home and away)						
pct. change 78 to 79	47	10.27	2.09	5.0	15.0	20.35
pct. change 79 to 80	46	7.78	1.98	4.0	14.0	25.48

TABLE 5. 1980 MEAN VALUE PROJECTIONS BY RESPONDENT AFFILIATION

	<u>UNIVERSITY</u>	<u>IND./BUS.</u>	<u>GOV'T.</u>
SLAUGHTER CATTLE PRICES	73.07	73.23	71.56
FEEDER CATTLE PRICES	84.07	83.35	81.52
HOG PRICES	42.01	41.86	42.37
BROILER PRICES	43.81	45.61	44.73
EGG PRICES	64.42	70.33	65.75
WHEAT PRICES	3.77	4.11	3.90
CORN PRICES	2.71	2.81	2.79
COTTON PRICES	56.19	XXX	XXX
SOYBEAN PRICES	7.14	7.33	7.19
SOYBEAN OIL PRICES	26.80	26.84	XXX
SOYBEAN MEAT PRICES	197.38	196.20	XXX
CASH RECEIPTS CROPS (%79)	106.1	115.6	105.6
CASH RECEIPTS LIVESTOCK (%79)	106.7	105.3	105.0
NET FARM INCOME (%79)	102.2	102.0	97.7
LAND VALUES (%79)	111.2	113.4	112.3
REAL GNP (79 TO 80)	1.67	0.40	2.86
CPI (79 TO 80)	7.95	9.02	8.12
Food PRICES (79 TO 80)	7.66	8.18	6.10

*SEVEN GOVERNMENT SURVEY RESPONSES WERE RECEIVED TOO LATE FOR INCLUSION IN THE TOTAL ANALYSIS. THE TOTAL OF 11 GOVERNMENT RESPONSES, HOWEVER, WERE AVERAGED FOR THIS COMPARISON.

TABLE 6. 1980 MEAN VALUE PROJECTIONS BY MODEL USE

	<u>MAJOR</u>	<u>MODERATE</u>	<u>MINOR</u>	<u>NONE</u>
SLAUGHTER CATTLE PRICES	73.55	72.78	73.99	71.46
FEEDER CATTLE PRICES	86.69	84.03	82.70	82.91
HOG PRICES	44.74	41.37	41.88	41.57
BROILER PRICES	45.02	43.80	44.72	44.34
EGG PRICES	68.75	65.75	66.80	65.08
WHEAT PRICES	4.08	4.01	3.78	3.71
CORN PRICES	2.92	2.79	2.75	2.58
COTTON PRICES	XXX	XXX	56.63	XXX
SOYBEAN PRICES	7.41	7.48	7.14	6.86
SOYBEAN OIL PRICES	26.73	27.86	26.79	25.68
SOYBEAN MEAL PRICES	201.50	210.72	192.10	187.75
CASH RECEIPTS CROPS (%79)	106.0	105.8	106.0	106.9
CASH RECEIPTS LIVESTOCK (%79)	107.5	105.3	107.5	105.1
NET FARM INCOME (%79)	102.0	100.8	101.6	102.1
LAND VALUES (%79)	XXX	112.0	110.4	112.7
REAL GNP (79 TO 80)	1.50	1.48	1.27	1.40
CPI (79 TO 80)	9.23	8.12	8.66	6.85
FOOD PRICES (79 TO 80)	7.81	7.64	8.43	6.95

TABLE 7. MEAN VALUE PROJECTIONS BY OUTLOOK RESPONSIBILITY

	<u>MAJOR</u>	<u>MODERATE</u>	<u>MINOR</u>
SLAUGHTER CATTLE PRICES	73.34	73.21	72.08
FEEDER CATTLE PRICES	85.04	84.67	80.97
HOG PRICES	42.90	41.87	40.74
BROILER PRICES	46.30	43.07	43.28
EGG PRICES	70.00	63.71	64.12
WHEAT PRICES	4.05	3.87	3.49
CORN PRICES	2.85	2.69	2.59
COTTON PRICES	57.09	56.13	xxx
SOYBEAN PRICES	7.27	7.19	7.04
SOYBEAN OIL PRICES	27.24	26.73	25.75
SOYBEAN MEAL PRICES	198.14	201.31	179.00
CASH RECEIPTS CROPS (%79)	106.3	108.0	103.8
CASH RECEIPTS LIVESTOCK (%79)	104.8	109.0	103.9
NET FARM INCOME (%79)	102.0	102.2	100.6
LAND VALUES (%79)	112.6	113.8	108.4
REAL GNP (79 TO 80)	1.12	1.71	1.40
CIP (79 TO 80)	8.40	8.13	7.90
Food PRICES (79 TO 80)	7.71	8.17	7.20

AAEA ANNUAL OUTLOOK SURVEY

AAEA Members involved in Market Analysis, Outlook or Forecasting

I. Personal Information

A. Name _____ *

B. Affiliation: University _____
Industry/Business _____

Government _____

Other _____

C. How much use do you make of formal econometric models in developing your forecast. Major _____ Moderate _____ Minor _____ None _____

D. Forecasting is a Major _____ Moderate _____ Minor _____ responsibility in my position.

Please make estimates in which you feel you have professional competence only. You need not respond in all areas.

II. Commodity Outlook

A. Livestock and Poultry	1978 as	1979 as	1980 as
	pct. 1977	pct. 1978	pct. 1979
Production			
Beef (comm. prod.)	96		
Pork (comm. prod.)	101		
Broilers (FI slaughter)	107		
Eggs (farm prod.)	103		
Prices			
Choice slaughter steers Omaha (\$/cwt.)	1978 52.34	1979	1980
Choice feeder steers 600-700 lb. Kansas City (\$/cwt.)	58.57		
Barrows & gilts 7 markets (\$/cwt.)	48.49		
Broilers, 9 city area (¢/lb.)	44.5		
Eggs, NY, gd. A 1g. (¢/doz.)	61.7		

Mail responses to John Ikerd, Dept. of Agri. Econ., 513 Agri. Hall, Oklahoma State University, Stillwater, OK 74074.

Must be received by: noon July 16, 1979.

*Names necessary to insure credibility of the survey but will not be recorded with data nor used in analysis of survey results.

B. Crops

	Supply and Utilization*					
	1978-79 Crop Year		1979-80 Crop Year		Exports	Carry out
	Exports	Carry out	Production	Exports		
Wheat (mil. bu.)						
Corn (mil. bu.)						
Cotton, upland & ELS (mil. bales)						
Soybeans (mil. bu.)						

*See Ag. Supply & Demand Estimates, USDA for base data.

Prices

	1977-78	1978-79	1979-80
Corn (\$/bu.) (No. 2 Yellow, Chicago)	\$ 2.26		
Wheat (\$/bu.) (No. 1 HRW, Kansas City)	\$ 2.72		
Cotton (¢/lb.) (U.S., SLM, 1-1/16, in.)	\$ 52.7		
Soybeans (\$/bu.) (No. 1 Yellow, Chicago)	\$ 7.36		
Soybean oil (¢/lb.) (Decatur, IL)	23.9¢		
Soybean meal (\$/ton) Decatur, IL	\$199.80		

III. Agricultural Costs and Returns

	1978 as pct. 1977	1979 as pct. 1978	1980 as pct. 1979
Cash Receipts from Marketings			
All crops and products	107		
All livestock and products	122		

Realized Net Farm Income

(excluding inventory change) 140

Land values 114

IV. General Economic Assumptions

Percent Change

	1978/77	1979/78	1980/79
Real GNP (1972 \$)	+4.0		
CPI all items (1967 = 100)	+5.0%		
Food Prices (all home and away)	+7.7%		