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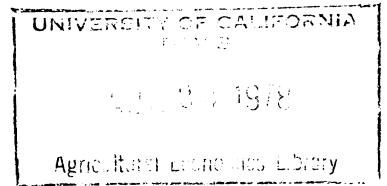
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AAEA SURVEY OF ANNUAL OUTLOOK INFORMATION



Summary of 1978 Survey

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Overview

The 1978 Survey of Annual Outlook Information was the result of an initiative begun by the AAEA Agricultural Statistics Committee in 1977. An outlook task force was formed and met in early 1978 in Chicago to study alternative procedures for collecting and disseminating outlook information generated by the AAEA membership. The task force proposed the survey and outlook symposium as a part of the annual AAEA meeting and outlined the procedures which have been followed in preparation for this symposium.

Survey forms were mailed to the total AAEA membership in early June of 1978 with a cover letter suggesting that the completed forms be returned sometime in July to insure timely information for the August meetings. A follow up mailing of the forms was made in mid July to all Agricultural Economics Department Heads and selected businesses which provide analytical services. 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 mid July and approximately one half of the responses were received in the week prior to the August 1 deadline. Thus the information is current. However, no attempt was made to obtain a random sample of the AAEA membership nor of to obtain a statically representative sample of those in the AAEA

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involved in outlook work. So it is not possible to draw conclusions concerning the outlook opinions of the AAEA in general from this survey.

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 1978 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 53 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 5 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 6 through 8 the means of the outlook values for 1979 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. And in some cases it seems probable, from the maximum and minimum values,

that the respondents were projecting price or production data series different from those specified on the survey form. In a couple of obvious cases of 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>	<u>Other</u>
number:	36	11	6	-

Use of Formal Models:

	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>	<u>None</u>
number:	5	13	21	14

Forecasting Responsibilities:

	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>
number:	20	23	10

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						
1978 as pct. 1977	36	95.6	2.39	91.0	103.0	2.5
1979 as pct. 1978	36	95.9	4.08	90.0	106.0	4.3
Cattle Prices (\$/cwt)						
1978 (Ch. Str. Omaha)	36	53.19	1.70	48.50	58.00	3.2
1979 (Ch. Str. Omaha)	35	59.02	3.52	53.00	66.88	6.0
Pork Production						
1978 as pct. 1977	36	102.5	2.85	98.0	113.0	2.8
1979 as pct. 1978	36	105.8	2.47	98.0	110.0	2.3
Hog Prices (\$/cwt)						
1978 (7 mkt ave.)	36	47.40	1.36	45.00	50.00	2.9
1979 (7 mkt ave.)	35	44.65	3.35	38.00	52.00	7.5
Broiler Production						
1978 as pct. 1977	29	107.6	1.87	104.0	113.0	1.7
1979 as pct. 1978	29	106.4	2.74	100.0	112.0	2.6
Broiler Prices (¢/lb)						
1978 (9 city ave.)	25	46.03	2.85	39.55	55.00	6.2
1979 (9 city ave.)	24	44.57	3.65	38.40	54.00	8.2
Egg Production						
1978 as pct. 1977	23	101.9	1.06	99.0	104.0	1.0
1979 as pct. 1978	23	99.9	2.35	95.0	105.0	2.4
Egg Prices (¢/doz)						
1978 (N.Y., A, Lg.)	23	60.44	2.81	52.00	65.80	4.6
1979 (N.Y., A. Lg.)	23	62.39	4.51	50.20	71.80	7.2

Table 2 (cont.) -- Livestock Production and Prices

	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Min</u>	<u>Max</u>	<u>C.V</u>
Milk Production						
1978 as pct. 1979	18	99.9	2.09	98.0	107.0	2.1
1979 as pct. 1978	18	100.8	1.86	98.0	107.0	1.9
Milk Prices (\$/cwt)						
1978 (ave. paid farmers)	17	10.15	0.43	9.30	10.65	4.2
1979 (ave. paid farmers)	17	10.59	0.48	9.90	11.30	4.5

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 77-78	29	1123	207	283	1800	18.5
Carry out 77-78	29	1182	55	1100	1350	4.6
Production 78-79	27	1808	51	1700	1900	2.8
Exports 78-79	27	1096	190	275	1400	17.3
Carry out 78-79	26	1082	110	820	1332	10.2
Wheat Prices (\$/bu)						
1977-78 (Season Ave.)	27	2.44	0.24	2.03	3.20	9.9
1978-79 (Season Ave.)	29	2.93	0.27	2.35	3.90	9.1
Corn Production and Use						
Exports 77-78	28	1730	265	418	1900	15.3
Carry out 77-78	28	1216	350	600	2800	28.8
Production 78-79	27	6114	139	5800	6521	2.3
Exports 78-79	27	1655	283	419	2000	17.1
Carry out 78-79	27	1108	375	500	2684	33.8
Corn Prices (\$/bu)						
1977-78 (Season Ave.)	30	2.12	0.14	2.00	2.55	6.8
1978-79 (Season Ave.)	31	2.24	0.15	2.05	2.70	6.8
Cotton Production and Use						
Exports 77-78	10	5.40	2.64	1.27	12.00	48.9
Carry out 77-78	10	6.22	2.33	5.20	12.80	37.5
Production 78-79	10	11.83	1.15	10.00	13.65	9.7
Exports 78-79	10	4.61	1.39	1.19	5.80	30.1
Carry out 78-79	10	6.40	3.39	3.30	15.52	52.9

Table 3 (cont.) -- Crop Production and Prices

	<u>N</u>	<u>Mean</u>	<u>S.D.</u>	<u>Min</u>	<u>Max</u>	<u>C.V.</u>
Cotton Prices (¢/lb)						
1978 (Season Ave.)	16	53.98	3.14	50.0	60.75	5.8
1979 (Season Ave.)	14	53.62	4.14	45.65	61.00	7.7
Soybean Production and Use						
Exports 77-78	30	670	99	156	740	14.9
Carry out 77-78	30	156	73	99	550	46.6
Production 78-79	29	1786	64	1698	1978	3.6
Exports 78-79	29	691	121	172	1023	17.6
Carry out 78-79	29	204	87	95	522	42.8
Soybean Prices (\$/bu)						
1978 (Season Ave.)	33	5.99	0.28	5.50	6.75	4.7
1979 (Season Ave.)	35	5.90	0.45	5.00	7.00	7.6
Soybean Oil Prices (\$/lb)						
1978 (Decatur)	24	24.30	0.94	23.00	26.00	3.9
1979 (Decatur)	24	24.30	2.71	18.00	30.00	11.2
Soybean Meal Prices (\$/ton)						
1978 (Decatur)	28	169.46	8.51	155.00	193.00	5.0
1979 (Decatur)	28	171.04	16.63	146.00	220.00	9.7



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 & Prod.						
1978 as pct. 1977	16	105.1	5.30	94	120	5.0
1979 as pct. 1978	16	104.6	4.13	97	110	4.0
All Livestock & Prod.						
1978 as pct. 1977	17	114.9	6.79	99	127	5.9
1979 as pct. 1978	17	108.9	7.37	100	120	6.8
Realized Net Farm Income						
1978 as pct. 1977	18	113.2	12.51	79	130	11.0
1979 as pct. 1978	18	103.3	4.73	97	110	4.6
Land Values						
1978 as pct. 1977	16	108.7	2.50	104	115	2.3
1979 as pct. 1978	17	108.3	2.66	105	115	2.5

TABLE 5 -- GENERAL ECONOMIC ASSUMPTIONS

Real GNP						
pct. change 77 to 78	27	4.06	0.90	1.00	6.00	22.2
pct. change 78 to 79	27	2.91	1.41	-1.00	5.30	48.3
CPI all Items						
pct. change 77 to 78	25	7.38	1.02	5.50	10.00	13.8
pct. change 78 to 79	25	7.08	1.34	3.50	10.50	19.0
Food Prices (at home)						
pct. change 77 to 78	23	9.68	1.82	4.70	12.00	18.8
pct. change 78 to 79	23	7.68	2.36	3.90	12.00	30.8

TABLE 6 -- 1979 MEAN VALUE PROJECTIONS BY RESPONDENT AFFILIATION

	<u>University</u>	<u>Industry/Business</u>	<u>Government</u>
Cattle Prices	58.30	60.09	(Insufficient observations to be meaningful)
Hog Prices	44.40	43.33	
Broiler Prices	44.40	42.80	
Egg Prices	62.61	60.18	
Milk Prices	10.61	10.65	
Wheat Prices	2.88	3.16	
Corn Prices	2.23	2.31	
Cotton Prices	54.18	54.43	
Soybean Prices	5.83	6.05	
Soybean Oil Prices	24.91	24.47	
Soybean Meal Prices	171.69	174.10	
Cash Receipts Crops (%78)	105.9	102.5	
Cash Receipts Livestock (%78)	111.6	104.0	
Net Farm Income (%78)	104.1	103.6	
Land Values (%78)	108.0	107.5	
Real GNP (78 to 79)	2.52	3.53	
CPI (78 to 79)	7.28	6.70	
Food Prices (78 to 79)	7.96	7.03	

TABLE 7 -- 1979 MEAN VALUE PROJECTIONS BY MODEL USE

	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>	<u>None</u>
Cattle Prices	59.81	60.07	58.52	57.28
Hog Prices	44.50	48.10	43.43	44.67
Broiler Prices	42.40	47.75	44.43	43.51
Egg Prices	---	61.73	64.00	59.53
Milk Prices	---	---	10.80	10.59
Wheat Prices	3.01	2.88	3.01	2.88
Corn Prices	2.28	2.25	2.24	2.20
Cotton Prices	---	---	53.60	54.45
Soybean Prices	5.82	5.83	5.73	6.09
Soybean Oil Prices	23.82	23.25	24.71	24.62
Soybean Meal Prices	175.20	167.75	167.30	171.29
Cash Receipts Crops (%78)	---	---	104.2	104.6
Cash Receipts Livestock (%78)	---	---	114.7	106.0
Net Farm Income (%78)	---	---	103.9	101.6
Land Values (%78)	---	---	108.0	108.5
Real GNP (78 to 79)	3.78	2.74	2.46	3.44
CPI (78 to 79)	---	7.43	7.09	7.12
Food Prices (78 to 79)	---	10.08	7.83	5.84

TABLE 8 -- 1979 MEAN VALUE PROJECTIONS BY OUTLOOK RESPONSIBILITY

	<u>Major</u>	<u>Moderate</u>	<u>Minor</u>
Cattle Prices	59.00	58.60	57.17
Hog Prices	44.79	44.13	43.92
Broiler Prices	43.69	43.40	44.84
Egg Prices	63.53	60.28	64.03
Milk Prices	10.58	10.56	10.67
Wheat Prices	2.98	2.92	2.97
Corn Prices	2.24	2.23	2.37
Cotton Prices	54.33	52.99	53.87
Soybean Prices	5.95	5.90	5.50
Soybean Oil Prices	24.57	22.97	27.33
Soybean Meal Prices	177.10	164.00	176.67
Cash Receipts Crops (%78)	105.6	102.8	106.2
Cash Receipts Livestock (%78)	108.0	105.6	112.8
Net Farm Income (%78)	102.8	103.1	104.8
Land Values (%78)	107.8	108.9	107.5
Real GNP (78 to 79)	2.78	3.39	2.40
CPI (78 to 79)	6.50	6.76	8.60
Food Prices (78 to 79)	7.40	6.37	9.20

APPENDIX

AAEA ANNUAL OUTLOOK SURVEY

for 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.

II. Commodity Outlook

A. Livestock and Poultry

<u>Production</u>	<u>1978 as pct. 1977</u>	<u>1979 as pct. 1978</u>
Beef	_____	_____
Pork	_____	_____
Broilers	_____	_____
Eggs	_____	_____
Milk	_____	_____

<u>Prices</u>	<u>1978</u>	<u>1979</u>
Choice steers Omaha (\$/cwt.)	_____	_____
Barrows & gilts 7 markets (\$/cwt.)	_____	_____
Broilers, 9 city area (¢/lb.)	_____	_____
Eggs, NY, gd. A lg. (¢/doz.)	_____	_____
Milk, all sold to plants (\$/cwt.)	_____	_____

Mail responses to Luther Tweeten, Dept. of Agri. Econ., 513 Agri. Hall, Okla. State University, Stillwater, OK 74074

Must be received by: noon July 31, 1978

\* 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

	1977-78 Crop Year		1978-79 Crop Year		
	<u>Exports</u>	<u>Carry out</u>	<u>Production</u>	<u>Exports</u>	<u>Carry out</u>
Wheat (mil bu.)	_____	_____	_____	_____	_____
Corn (mil bu.)	_____	_____	_____	_____	_____
Cotton, upland (mil bales)	_____	_____	_____	_____	_____
Soybeans (mil bu.)	_____	_____	_____	_____	_____

Prices

	<u>1977-78</u>	<u>1978-79</u>
Wheat (\$/bu) (Season ave. received by farmers)	_____	_____
Corn (\$/bu) (Season ave. received by farmers)	_____	_____
Cotton (¢/lb) (Season ave. received by farmers)	_____	_____
Soybeans (\$/bu) (Season ave. received by farmers)	_____	_____
Soybean oil (¢/lb) (Decatur, IL)	_____	_____
Soybean meal (\$/ton) (Decatur, IL)	_____	_____

III. Agricultural Costs and Returns

	<u>1978 as pct. 1977</u>	<u>1979 as pct. 1978</u>
Cash Receipts from Marketings		
All crops and products	_____	_____
All livestock and products	_____	_____
Realized Net Farm Income		
(excluding inventory change)	_____	_____
Land Values	_____	_____

IV. General Economic Assumptions

	Percent Change	
	<u>1978/77</u>	<u>1979/78</u>
Real GNP (1972 \$)	_____	_____
CPI all items (1967 = 100)	_____	_____
Food Prices (all consumed at home)	_____	_____