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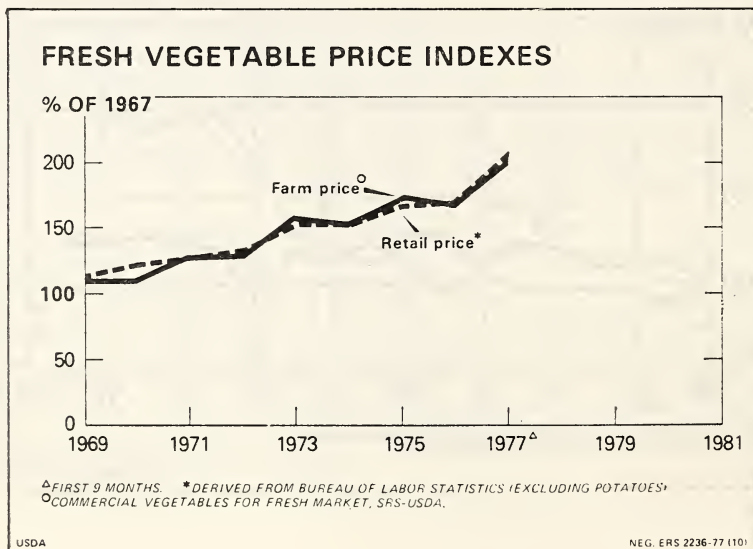
OUTLOOK FOR VEGETABLES AND POTATOES

(By Charles W. Porter, Agricultural Economist, Economic Research Service, USDA)

FRESH VEGETABLES

Fresh market vegetable prices to growers averaged sharply higher for the first half of 1977 because of the Florida freeze plus reduced shipments from Texas early in the year. Increased supplies in late spring and summer pushed prices down rapidly, and for the summer quarter of 1977, the fresh vegetable price index actually dropped a point below the same period of 1976.

For the rest of 1977, a slight seasonal price rise may be expected, with prices averaging slightly less than the fourth quarter of last year. Retail vegetable prices in 1977 followed grower price trends, though not in as volatile a pattern, rising less, but falling less somewhat later. This relationship is the usual pattern. For the third quarter, the index of retail fresh vegetable prices is 178 (1967=100), a figure 7 percent more than the comparable quarter of 1976. Fourth quarter retail prices may rise slightly, yet hold close to or a little above a year earlier.



Even though water will remain critically short in California through the fall, enough will continue to be available to bring in ample supplies of vegetables. This past summer, California vegetable producers drilled deeper wells, shifted production areas, and, in some instances, traded water with other growers in order to bring in vegetable supplies close to the market's normal needs. Also, some growers in other States planted more in anticipation of short supplies from California. As a result, supplies of many crops were adequate to generous this summer, despite the drought in the leading vegetable producing State.

Fall acreage and supply prospects

Fall fresh vegetable acreage in the United States is 5 percent larger than a year earlier, which would mean 6-percent larger tonnage if yields follow the recent historical average. These data include 14 crops but omit melons. The crops that show the greatest acreage and/or potential production gain are snap beans, broccoli, cabbage, carrots, cauliflower, cucumbers, eggplant, lettuce, peppers, tomatoes, and Florida sweet corn. Prospects are for less celery, spinach, and California sweet corn.

PROCESSED VEGETABLES

Contract acreage devoted to processing vegetable crops was 4 percent larger this year as there was a need to replenish frozen vegetable stocks, and a few canned items like beans and beets were on the light side. However, raw product tonnage from this acreage is a whopping 18 percent greater this year, despite the threat posed by drought in California, the Pacific Northwest, and parts of the upper Midwest. This suggests that many individual producers successfully managed to solve their water supply problems, and that heavy production of tomatoes and sweet corn has resulted.

Much of the gain in tonnage is coming from California tomatoes which do not directly compete with other fresh and processed vegetables. However, not all this increase for 1977 is associated with tomatoes. There are also larger crops of lima beans, snap beans, sweet corn,

FRESH VEGETABLE SUPPLIES¹

[In thousand hundredweight]

Supply	1976	1977
U.S. winter production.....	34, 149	29, 680
U.S. spring production.....	58, 903	60, 734
U.S. spring onions.....	7, 172	5, 343
Imports (January to June).....	14, 006	16, 639
Total 6 mo. supply.....	114, 230	112, 396
U.S. summer production.....	64, 341	² 64, 606
U.S. fall production.....	44, 237	² 46, 866
U.S. spring onions.....	20, 810	19, 706
Imports (July to December).....	2, 961	NA
Annual supply.....	246, 579	
Percent.....		±1

¹ Includes melons.

² Based on historical average yields.

NA=not available.

and beets—items which are often substituted one for the other, depending on price and availability. For example, the large pack of canned sweet corn expected this year probably will have some effect on prices of peas, snap beans, and other canned items.

The total supply (pack plus carryover) of canned vegetables for 1977-78 at this time looks to be about 2 to 4 percent larger than a year earlier and nearly equal to 2 years ago. This estimate excludes most tomato products but includes pickles and sauerkraut.

Wholesale prices for canned vegetables rose steadily between March and August. With promotional allowances and off-the-line price cuts numerous, it is now likely that prices will average either the same or barely higher than in late 1976. In contrast, wholesale prices for most frozen vegetables range at least moderately to substantially higher this fall than last. It appears that there will be fewer promotional allowances for frozen vegetables than for canned, as the supply picture shows signs of being adequate but certainly not excessive. Stocks of frozen vegetables on October 1 were 1.6 billion pounds, 1 percent less than a year earlier.

Processing vegetable acreage in 1978 is likely to be moderately smaller as less tomatoes and corn will be needed for expected market needs. These crops account for about two-thirds of all processed vegetable tonnage. Some additional acreage of snap beans could easily be accommodated, along with a moderately larger acreage to be devoted to freezing of peas.

POTATOES

The U.S. fall crop production of 303.6 million hundredweight is indicated 1 percent smaller than the record crop of 1976, and area for harvest unchanged from last year. Yields were slightly lower, 266 hundredweight versus 269 hundredweight in 1976.

In the eight Eastern States, fall production 51.6 million hundredweight is 2 percent above a year earlier although yields were below those of last year. Blight, a major problem in southern Aroostook County, forced many growers to kill vines and harvest some fields earlier than normal. In addition, wet weather during harvest caused some acreage loss and rot is evident in some fields. Heavy rains throughout September restricted harvest in New York and standing water caused some quality problems. In Pennsylvania, harvesting was also frequently interrupted because of excessive moisture.

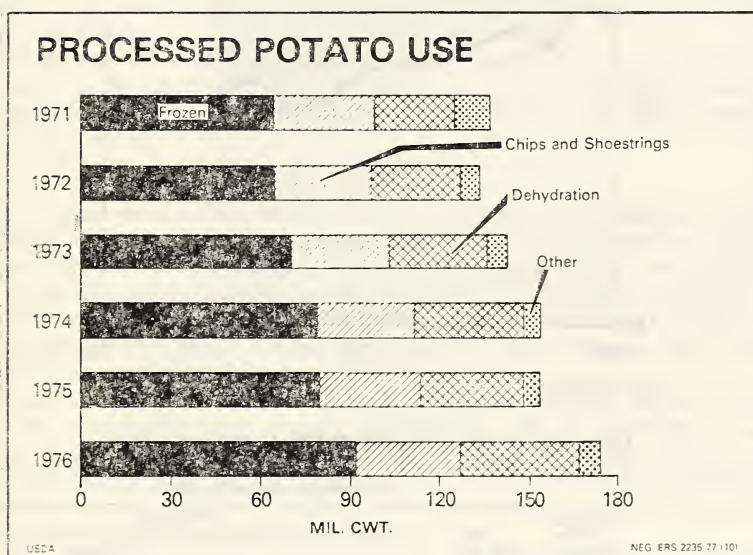
In the eight Central States, production 13 percent more than a year earlier at 64.6 million hundredweight. Yields were above those of 1976 and 21,000 more acres were harvested than a year ago. Wet weather delayed harvest in many areas of Michigan. While the Red River Valley area of Minnesota and North Dakota had some interruptions in harvesting because of rain, the quality of the crop is good.

Production in the Western States at 187.4 million hundredweight is 6 percent less than last year. Both acreage and yields were lower than last year. Quality of the crop is generally good. Rains have caused some delays in harvest in northern California.

Price and supply implications

With a fall crop only 1 percent smaller than last year's record high, grower prices in the fourth quarter will remain low and hold

close to those of a year earlier. Some gradual price improvement from the October figure of \$3.12 may develop as the storage season progresses. If so, U.S. average prices to growers would then be following last year's pattern between now and early April. The April 1977 average price was \$4.10 per hundredweight. Had it not been for blight in Maine and untimely rains in several Eastern and Midwestern districts, the crop might have turned out even larger. Markets were cleaning up summer supplies which helped the grower price situation to some extent, but with export demand reverting to the usual pattern, and processing activity only moderately strong, the market lacks the brisk pace of a year earlier. Demand for potatoes for freezing purposes is expected to be well maintained, but demand for dehydrated products is likely to continue sluggish.



Winter acreage up 1.4 percent

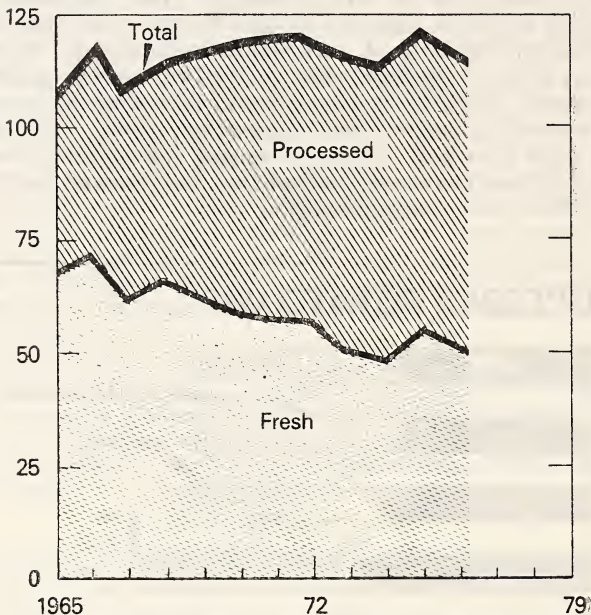
Growers in California intend to plant 11 percent less acreage for harvest in the winter quarter of 1978. On the other hand, Florida growers intend to increase their acreage for harvest by 8 percent to 9,800 acres. Overall, the intended winter quarter acreage is 1.5 percent above that for 1977. In light of the present estimate of 1977 fall crop, Florida growers may reassess their intentions.

Per capita use to recover

Total per capita potato use declined in 1976, but is expected to recover as record large stocks were carried over the current year. Per capita processed potato consumption fell slightly in calendar year 1976, the first drop in 20 years of statistical record. It was due to smaller January stocks of 1975 crop, plus record export activity in dehydrated products. Frozen products have continued making annual gains thus far in the 1970's, while chip use has eased downward slightly, though some recovery was shown in 1976.

PER CAPITA CONSUMPTION OF POTATOES

POUNDS



1977 PRELIMINARY.

PRODUCTION AND PER CAPITA CONSUMPTION OF POTATOES, 1960-76¹

Year	Production (million hundred- weight)	Total fresh and processed	Per capita consumption (pounds)					
			Fresh	Processed ¹				
				Total	Canned ²	Frozen	Chips and shoestrings	Dehydrated
1965	291.1	107.0	68.2	38.8	1.7	14.3	15.8	7.0
1966	307.2	116.8	72.4	44.4	1.7	17.3	16.7	8.7
1967	305.8	108.0	62.0	46.0	1.7	19.0	16.9	8.4
1968	295.4	115.2	65.9	49.3	1.9	21.2	17.1	9.1
1969	312.4	116.8	61.6	55.2	2.0	24.6	17.7	10.9
1970	325.8	117.6	58.4	59.2	2.0	27.7	17.7	11.8
1971	319.4	118.9	57.0	61.9	2.2	30.3	17.3	12.1
1972	296.0	119.2	57.2	62.0	2.1	30.6	17.0	12.3
1973	299.4	116.5	51.6	64.9	2.3	33.2	16.6	12.8
1974	342.1	114.2	48.3	65.9	2.3	33.0	16.1	14.5
1975	319.8	121.9	54.6	67.3	2.1	34.8	15.9	14.5
1976 ³	357.4	115.4	50.2	65.2	2.0	36.9	16.2	10.1

¹ Fresh weight bases.² Includes potatoes canned in soups, stews, and other combinations.³ Preliminary.

MUSHROOMS

U.S. mushroom production set another record in 1976-77—moving up 12 percent over a year earlier to 347 million pounds. Pennsylvania, the leading State, accounted for 199 million pounds or 57 percent

of the U.S. total. The U.S. average yield of 2.9 pounds per square foot is the highest yield attained in the years since annual data have been published.

Fresh market sales of mushrooms at 151 million pounds increased less this past season than in other recent seasons. Gains, nonetheless, were 6 percent over a year earlier and fresh use absorbed 44 percent of U.S. output. The average price received by growers reached 82 cents a pound for fresh use, the highest price of record.

For the first time in several years, domestic canned pack data are available. The International Trade Commission (ITC) recently estimated that 101.5 million pounds of brine-packed mushrooms were packed in the United States between July 1, 1976, and June 30, 1977. The data for 1975-76, when 67 million pounds were reported, are not exactly comparable, but it would appear that the latest pack probably was record large.

Further gains in mushroom use may be expected during 1977-78 as growers recently stated they intend to increase bedding space by 10 percent, and import activity is expected to be at least reasonably well maintained.

DRY EDIBLE BEANS

U.S. bean production estimates for this year declined during September. The crop is now estimated at 16.1 million hundredweight, 7 percent less than last year. Generally speaking, there are likely to be about the same supplies of white beans, but reduced supplies of colored classes. It is largely a question of a few more navy beans in Michigan, fewer great northrens from Nebraska, and smaller crops of pintos in the Rocky Mountain States.

Total supplies of white classes may not be greatly different this year as wet fields have caused substantial loss of Michigan navy beans. A few fields may not be harvested, and other fields which once had been thought to be carrying an ideal crop, turned out average or less than average yields. Untimely wet weather also reduced prospects for pinto beans in the Red River Valley.

The U.S. average grower price for all classes of beans jumped sharply between September and October moving from \$13.80 per hundredweight to \$22.20. Supplies are generally adequate to meet normal domestic needs, but if brisk export trade should develop, further price rises would be expected. Export prospects for white beans appear relatively favorable, but with Mexico expected to export substantial tonnage in 1977-78, foreign demand for U.S. grown pintos and other colored classes may not be too strong.

For 1977-78 there is the prospect of sales development in the Near East and certain Mediterranean countries. Recent attache reports note that Spain seems likely to depend more on imports of dry beans than on domestic output. This coming season, Belgium and the Netherlands are likely to be buying a good volume of white beans from the United States, although there will be some Ethiopian competition. Exportable supplies of white beans from Argentina are limited until the new crop becomes available next spring. The old crop (spring

1977) was small. The Canadian crop of pea beans which competes with Michigan in export markets is expected to be at least a third less than last year's crop. But the attache in Tokyo reports that for the year beginning October 1, import quotas will be smaller in view of increased domestic bean output and a relatively larger quantity expected to be carried over.