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U.S. VEGETABLE SITUATION AND OUTLOOK

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In 1992, the vegetable sector generated 14 percent of crop cash receipts and about 6 percent of agricultural export value, and provided consumers with a low-fat source of many of the nutrients and minerals important to good health. The sector accounts for less than 1 percent of the nation's 2.1 million farms and about 1 percent of all harvested acreage. In the year ahead, the vegetable sector will remain one of the most diverse, least subsidized, and most financially successful components of U.S. agriculture.

There are a number of current issues of importance to the U.S. vegetable industry. These include trade agreements, consumers' food nutrition, food safety, and health concerns, pesticide re-registration, environmental issues (including water availability for irrigation), and the general performance of the U.S. and world economies. While all of these are important economic issues in the sector, most widespread concern is focused on trade and trade agreements, especially the North American Free Trade Agreement (NAFTA). The economic impact of NAFTA on domestic vegetable producers will not be spread evenly across the sector. The effect of NAFTA will vary by commodity with some vegetable sub-sectors benefiting from easy access to the Mexican market while others face increased competition. The U.S. now exports about 7 percent of its' fresh vegetable supplies with Canada as the leading destination. The U.S. imports about 9 percent of total fresh vegetable supply with Mexico the major foreign supplier. About 4 percent of vegetable supplies for processing are exported with 3 percent imported.

The rest of this paper will present the current situation and the near-term outlook for the vegetable industry in the aggregate and for a few of the major sub-sectors.

Industry Aggregate Indicators and Trends

Total sector output likely declined 6 percent in 1992 as lower production of potatoes (down 2 percent), processing vegetables (down 15 percent), and dry beans (down 33 percent) outweighed an estimated 4 percent increase in fresh-market output. The first official estimate of 1992 fresh vegetable production is due out next month and will contain the first U.S. estimates since 1981 of such vegetables as bell peppers, cabbage, watermelon, cantaloupe, and fresh cucumbers. The decline in processing vegetable output was due largely to lower production of tomatoes, which accounts for about 64 percent of processing output. Lower acreage was behind the cut in potato production as well, while a combination of less acreage and smaller per-acre yields dropped dry bean output. Assuming current trends in acreage, yields, and prices, total vegetable output is expected to rise 1 to 3 percent in 1993 with most of the gain on the processing vegetable side.

The index of prices received by growers of fresh market vegetables is expected to increase 10 percent in 1992 due mostly to stronger tomato and lettuce prices. In the year ahead, assuming normal weather

and continued weak economic growth, grower prices will likely remain near 1992 levels while overall fresh-market production is expected to change little.

Retail prices for fresh-market vegetables (including potatoes) likely rose 2 percent in 1992 due largely to higher fourth quarter tomato and potato prices. In the year ahead, fresh retail prices will likely mirror the sluggishness in grower prices and rise only slightly. Retail prices for processed vegetables rose about 1 percent in 1992 as frozen vegetables increased 1 percent and canned vegetables increased slightly. Wholesale prices for dehydrated vegetables (largely potatoes and onions) fell 5 percent during the first 3 quarters of 1992 mostly because of ample supplies of potatoes and onions. In 1993, retail prices for all processed vegetables are expected to increase 2 to 4 percent due to reduced supplies of both frozen and canned items and sluggish foodservice demand caused by the weak economy.

Based on data through the third quarter and projections for the final quarter, the U.S. was a net exporter (in terms of dollar value) of vegetables and melons in 1992. Exports for 1992 are forecast to total about \$2.4 billion while imports are projected at \$1.8 billion. With poor weather reducing imports from Mexico, fresh vegetable imports fell about 15 percent to \$0.9 billion while exports (largely to Canada) rose 2 percent to \$0.8 billion. Although remaining in deficit in fresh vegetables, melons, frozen vegetables, and mushrooms, the U.S. enjoyed trade surpluses in canned vegetables, potatoes, and dry beans. In the year ahead, if weather is normal, the U.S. is expected to remain a net exporter despite a small reduction in fresh exports and larger imports caused by a recovery of Mexican winter production.

In 1992, per capita use of 27 selected vegetables and melons is forecast to increase slightly to about 391 pounds (farm-weight basis). Use increased despite generally lower production because of large stocks (on January 1) of such items as potatoes and processing tomatoes (ERS estimates). Per capita use increased for fresh-market vegetables due largely to stronger domestic production. At the same time, larger stocks supported a small increase in processing use. In the year ahead, per capita vegetable use will depend on available supplies, retail prices, and the general economy. Assuming continued sluggish economic growth, small retail price increases, and normal weather in 1993, per capita use for all vegetables may fall slightly due to lower output of processing vegetables, potatoes, and dry edible beans. However, with the memory of stronger prices in 1992, growers may increase fresh acreage in 1993 leading to lower prices and increased demand.

Cash receipts from the sale of all vegetables and melons is forecast to have declined slightly to \$11.0 billion in 1992. Increased fresh vegetable sales were offset by reductions in the value of processing vegetables, potatoes, and dry edible beans. In 1993, vegetable receipts will likely increase 1 to 3 percent as higher prices increase revenue for most categories.

NAFTA to Reduce Tariffs on Vegetables

The United States, Canada, and Mexico completed negotiations on the North American Free Trade Agreement (NAFTA) on August 12, 1992. Assuming timely approval by Congress, the agreement could go into effect as early as January 1, 1994. The agreement will eliminate all tariff barriers and most non-tariff trade barriers among the 3 countries over the next 15 years. Over a period, not to exceed 15 years, NAFTA will eliminate all tariffs, quotas, and licenses for vegetables. The majority of U.S. vegetables will have tariffs removed either immediately or phased out over 5 years. A relatively small number of vegetables will have tariffs phased out over a longer time period.

The agreement also contains a special agricultural safeguard provision in the form of a tariff rate quota (TRQ). The TRQ is quantity-based and will protect U.S. producers of 6 highly import-sensitive vegetables and melons from sudden import surges. These 6 are fresh tomatoes marketed from 11/14 to 7/14, fresh onions marketed 1/1 to 4/30, eggplant marketed 4/1 to 6/30, chili peppers marketed 10/1

to 7/31, fresh squash marketed 10/1 to 6/30, and watermelons marketed 5/1 to 9/30. Under the safeguard provisions, a certain amount of trade can enter at the preferential NAFTA rate, but higher tariffs are automatically triggered when imports reach a specific quota level. Together these 6 commodities account for a substantial share of U.S. fresh vegetable imports. The categories for tomatoes, squash, and eggplant are important winter/spring fresh vegetables in Florida which compete at times with Mexico for the U.S. market.

Situation and Outlook for Selected Fresh Vegetables

Tomatoes

Fresh tomato production likely remained flat in 1992 as increased output during the spring (Florida yields were strong) was offset by reduced winter and fall volume. Fall acreage is down 14 percent this year in Florida primarily because of low prices both last fall and at planting time this summer. U.S. tomato shipments likely totaled near last year's level.

Shipping-point prices for fresh tomatoes are expected to rise about a tenth from 1991 to about \$35 per cwt in 1992. At retail, tomato prices are expected to increase 5 percent to about \$1.05 per pound. The keys to price changes in 1993 include winter weather in Florida and Mexico and spring weather in California. With no weather disruptions, prices at all levels of the marketing chain are expected to rise only slightly with 1993 shipments expected to total above those of 1992.

Although no direct impact on national tomato prices occurred at the time of Hurricane Andrew, they may be felt this winter (December - February) when lower production brought on partly by reduced acreage in the Homestead area of southern Florida is marketed. Winter prices for warm-season vegetables will depend on both the level of production in Florida and the quantity of imports from Mexico. However, it may have been difficult for Mexican producers to increase acreage in response to the hurricane because of unusually heavy rain in West Mexico that hampered planting this fall. Acreage for export in West Mexico is reportedly well below that of a year ago.

Through the first 3 quarters of 1992, tomato import value declined 50 percent due largely to January flooding in Mexico, a major source of U.S. fresh winter tomatoes. Fresh tomato imports are projected to decline 45 percent in 1992. However, with more normal Mexican volume this winter and spring, U.S. imports will average above the low levels of 1992.

Fresh tomatoes were the leading U.S. fresh vegetable export in 1991. With a 20 percent increase in volume caused by reduced availability of Mexican product, fresh tomato exports are forecast to have risen 10 percent to \$125 million during 1992. In 1993, with the volume of Mexican tomatoes closer to normal, the value of U.S. fresh tomato exports will likely decline.

Per capita use of commercial fresh tomatoes (farm-weight basis) is estimated at 15.1 pounds in 1992, about the same as a year ago. Although use was flat in the 1970's, it picked-up during the 1980's due partly to increased popularity of restaurant salads and salad bars and the rising interest in nutrition. With overall supplies expected to show small increases and foodservice sales to remain sluggish, per capita fresh tomato use is not likely to change much in the year ahead.

Head Lettuce

Head lettuce production likely fell in 1992 despite increased acreage during the winter, spring, and summer seasons. Fall acreage is off 6 percent with most States expecting to harvest fewer acres.

With reduced output, U.S. head lettuce shipments fell 3 percent during the first 3 quarters of 1992 but are expected to increase from the whitefly-affected fourth quarter of 1991. Lettuce supplies, likely about 56 million cwt in 1992, are lower for the third consecutive year.

Shipping-point prices for fresh head lettuce are expected to rise 6 percent to about \$12.00 per cwt in 1992. At retail, lettuce prices are expected to average just under last year's \$0.61 per pound. Although varying from month-to-month, on an annual basis, changes in grower prices are highly correlated with changes in retail prices. Given steady demand, the keys to price changes in 1993 include winter and spring weather in California and Arizona, the continuing California drought, and the level of whitefly activity in western States this coming summer and fall.

During 1992, head lettuce exports likely rose 3 percent with Canada receiving the majority (85 percent). As the world's leading lettuce producer, the U.S. imports little head lettuce (less than 1 percent of supply).

Per capita use of head lettuce is estimated at 26 pounds in 1992, down slightly from a year earlier. After gaining 29 percent between 1970 and 1989, per capita use of head lettuce appears to have stabilized or fallen slightly. This may be due partly to competition with a myriad of leaf lettuces which are becoming more common in retail markets and salad bars.

Onions

Onion production rose 5 percent to a record 53.2 million cwt as both per-acre yields (1 percent) and area harvested (4 percent) rose. An 18 percent increase in spring production was followed by a 5 percent increase in summer production (storage and non-storage), excluding the 5 percent decrease in California's mostly processing crop. The summer storage crop of 30.6 million cwt is 6 percent more than a year earlier. With larger production, shipments of dry-bulb onions were 2 percent higher during the first 3 quarters of 1992.

The increased production of onions has forced average grower prices down in 1992, but not to the low levels last seen in 1990. Greater than normal shrinkage and loss has been observed in a number of storage areas, limiting marketable supplies. Season average grower prices for onions are likely to be around \$12.00 a cwt in the 1992/93 marketing year, down from \$12.50 in 1991/92. Retail prices will likely average around \$0.42 a pound, down from \$0.46 a year ago.

The volume of all fresh onion exports increased 8 percent during the first 3 quarters of 1992 over a year earlier. Canada accounted for 85 percent of the total. Onion imports declined 17 percent in the first 3 quarters of 1992 due to last year's large storage crop and strong seasonal production this year. With strong production in the U.S. and lower prices, U.S. onion exports will likely increase during the final quarter of 1992 and through the first half of 1993.

In terms of per capita use, onions are the third most important fresh vegetable behind potatoes and lettuce. Per capita use of all onions is projected to total close to 19 pounds in 1992. With new sweet varieties and strong foodservice demand, per capita onion use has been trending upward since 1980, gaining more than 40 percent. With a large crop and strong demand, per capita onion use will likely total about 19 pounds in 1993.

Sweet corn

Fresh sweet corn harvested acreage increased about 6 percent in 1992 with most of the increase coming during the spring and summer seasons. Although acreage was up, fresh shipments through

September were down about 9 percent indicating the cool, wet summer may have impacted yields. Shipping point prices averaged about even with a year earlier through October, although a crate of Florida corn was 30-40 percent above a year earlier in early November. The U.S. imports very little fresh sweet corn but exports about \$15 million (about 5 percent of supplies), mostly to Canada. Through the third quarter of 1992, exports were 44 percent above a year earlier but with prices higher, export volume will likely fall for the last 3 months.

Per capita use of fresh sweet corn, which has been flat since 1980, totaled about 6 pounds in 1992. In the year ahead, with average production, per capita use is expected to remain about the same as in 1992.

Carrots

Based on seasonal acreage data, harvested carrot acres for all uses is forecast to rise about 10 percent in 1992. About 68 percent of all carrots are sold in the fresh market. California accounts for about 70 percent of fresh market output and 25 percent of processing production (Washington is the largest carrot processor with 30 percent of the crop). Much of the additional 1992 acreage was spurred by strong prices prevalent throughout the 1991 season. Despite higher acreage, fresh carrot shipments averaged 3 percent lower during the first 3 quarters of 1992. As a result, shipping-point prices for fresh carrots averaged about 10 percent higher through October compared with 1991. Continued strong returns will likely spur further increases in acreage for 1993. The U.S. is a net exporter of fresh carrots with about 9 percent of total supply sold to other countries. Through the first 3 quarters of 1992, export volume fell 3 percent while imports (mostly from Canada) rose 6 percent.

Per capita use of fresh carrots is projected at 7.5 pounds for 1992--about the same as a year earlier. Carrot use has risen about 22 percent since 1980 with most of the gains coming since the late 1980's. In the year ahead, if higher grower prices spur increased production and lower retail prices, per capita use could rise to near 8 pounds.

Celery

Celery supply and demand is best described as steady. Harvested acreage for celery is projected to increase 2 percent from 1991's 33,010 acres--a level similar to that of 1970. At the same time, per capita use of celery, which was about 7 pounds in 1992, was 7.3 pounds in 1970 and has been around 7 pounds for most of the past 20 years. Unweighted shipping-point prices are projected to have risen about 8 percent in 1992 with retail prices averaging \$0.51 per pound, down 2 percent from 1991.

The U.S. is a net exporter of celery with 85 percent of export volume shipped to Canada and about 12 percent of total supply exported. During the first 3 quarters of 1992, exports increased 5 percent while imports surged 70 percent due to unusually strong second quarter imports.

Broccoli

In terms of gains in per capita use during the last 12 years, broccoli was the star of the 1980's among fresh vegetables with a 136 percent increase to an estimated 3.3 pounds in 1992. Use actually peaked in 1988 and 1989 at 3.8 pounds with production and use after 1989 declining moderately. Growers in many other States, notably Maine and Virginia, are now also producing commercial quantities of broccoli which USDA is not currently capturing in official statistics. If output from these States were included, per capita use might be closer to the levels of 1988 and 1989.

Harvested acreage may be up as much as 9 percent in covered States in 1992 with fresh broccoli shipments totaling an estimated 6 percent higher than a year earlier. Despite much higher volume, shipping point prices averaged about 3 percent below a year earlier.

Fresh broccoli exports were up 5 percent from a year earlier during the first 3 quarters. With more acreage this fall and good growing conditions, export volume may increase during the final quarter and into early 1993. The U.S. does not import much fresh broccoli but imports of frozen broccoli (largely from Mexico) have been rising and now account for 50 percent of total processing broccoli supply.

Situation and Outlook for Selected Processing Vegetables

Tomatoes

After 3 consecutive record tomato crops (1989-91), low product prices and heavy stocks (based on ERS analysis) characterized the processing tomato industry coming into 1992. To alleviate this situation, processors contracted for fewer tomatoes in 1992 and production declined 20 percent. The smaller crop was caused entirely by reduced area with contract acreage falling 22 percent. Yields improved in all States except Indiana and Colorado with the U.S. average hitting a record-high 31.7 short tons per acre. Although the smaller crop will help reduce burdensome stocks and lend support to soft product prices, ERS estimates suggests stocks may still be high relative to use in 1993/94. Because of the high stocks-to-use ratio, 1993/94 tomato acreage will likely rise little from this year's reduced level.

Now that the stage is set for some reduction in available supplies in the coming year, tomato product prices are beginning to level off and increase slightly. Over the past 2 years, wholesale tomato paste prices have fallen to very low levels. In the third quarter of 1992, prices for bulk tomato paste (33 percent solids) in 55-gallon drums averaged around \$0.31 per pound, down 9 percent from last year and 34 percent below the 1988-90 third-quarter average.

On a positive note, large supplies and low tomato prices have resulted in increased exports. Through the first 3 quarters, the export value of processed tomato products was 57 percent higher than a year earlier and 156 percent above 2 years ago. In fact, for this time period the value of tomato product exports (\$119 million) exceeded that for all of 1991 (\$106 million). In terms of volume, tomato paste exports were 80 percent higher than a year ago and 2 percent above the total for all of 1991. Canada continues to be the largest market for U.S. processed tomato products with 55 percent of total 1992 export value, but exports to Japan, Korea, and the EC have grown at a faster rate over the past few years.

Large supplies have also resulted in higher per-capita use which averaged an estimated 71 pounds (fresh-weight basis) during the 1990-92 period. This compares with 65 pounds during the previous 3 years (1987-89) and 61 pounds during the 1980-82 period. Per-capita use will likely remain in the 70 pound range next year as processors continue to whittle inventories.

Sweet Corn

Sweet corn processors generally began 1992 with moderately high inventories and a need to trim production from 1991's record output. Wholesale prices for canned and frozen sweet corn have been relatively low since 1991. Although there is a bit of uncertainty regarding sweet corn production levels (final data are reported in January), output is currently estimated to have fallen 2 percent to 3.3 million short tons. This uncertainty stems from a killing frost which prematurely ended a Wisconsin harvest season that was already late due to a June frost and a cool, wet summer. Wisconsin generally

accounts for about one-quarter of U.S. processing sweet corn production. Assuming Wisconsin's harvest was not substantially different than the 19 percent drop in production already forecast, the stocks-to-use ratio going into next season for both canned and frozen corn may be about average. Under this scenario, processors will likely contract for more sweet corn in 1993. Per capita use (farm-weight basis) of canning corn totaled about 11 pounds in 1992 while freezing corn totaled about 8.5.

Export volume for canned and frozen sweet corn increased 4 and 6 percent, respectively, during the first 3 quarters of 1992. Canned exports, which accounted for 12 percent of supply in 1991, move mainly to Japan, Taiwan, Germany, and the United Kingdom. Frozen exports accounted for 10 percent of supply in 1991 and are also sold mainly to Japan and Canada. Continued slow growth is expected in 1993 for both canned and frozen sweet corn exports as world economic conditions remain sluggish.

Green Peas

Green pea processors began the 1992 season with diverging inventory levels--estimated canned stocks were somewhat below the low-run trend while frozen pea stocks were slightly higher than average. As a result canners contracted for increased green pea acreage (up 5 percent) while freezers contracted for less (down 6 percent). Total production fell about 1 percent in 1992 with output for freezing likely down a bit more due to unseasonably hot spring weather in the Pacific Northwest which reduced yields. Washington, which accounted for 15 percent of 1992 processing green pea output, realized a 22 percent decline in yields to 1.5 tons per acre--the lowest since 1983. In the year ahead, with canned and frozen wholesale prices only slightly higher than a year ago and stocks about the same as last season, processors may again contract for about the same acreage as in 1992. Per capita use of green peas for freezing has risen 22 percent since 1980 to 2.2 pounds in 1992. However, use of green peas for canning has fallen 30 percent during the same period to 1.9 pounds per person.

Trade is not a major factor in the processing green pea sector. As a percent of supply, the U.S. exports about 2 percent of the available supply of both canned and frozen green peas. For both sectors, imports exceed exports with 3 percent of canning and 4 percent of freezing green pea supply imported.

Snap Beans

Because of above-average stocks of both canned and frozen snap beans, processors contracted for fewer acres for the 1992/93 season. Acreage for canning (down 11 percent) and freezing (down 14 percent) were each cut. Although yields averaged 2 percent higher, snap bean production fell 10 percent due to reduced harvested acreage. Reduced output this year should return inventories to average levels and spur increased acreage in the 1993/94 season. Wholesale prices are currently around year-ago levels but are likely to increase somewhat next year. Per capita use of canning snap beans has been trending slowly downward, dropping about 9 percent between the average of the 1990-92 and the 1980-82 periods. Like other frozen vegetables, per capita use of snap beans for freezing has risen over time--increasing 20 percent between the averages for 1980-82 and 1990-92.

Like green peas, trade is a minor player in the U.S. processing snap bean market. Exports account for about 1 percent each of the supply of canning and freezing snap beans. Imports account for about 1 percent of the freezing snap bean supply and less than 1 percent of the canning supply.

Situation and Outlook for Other Vegetables

Potatoes

The first estimate (made in November) of U.S. fall potato crop is 364 million cwt, 2 percent below last year's record crop, but still the second largest crop ever. Harvested acreage declined 5 percent while yields averaged a record 325 cwt per acre, 3 percent more than the previous high of a year ago. Yields tied or set new highs in nine States (including Idaho, Michigan, North Dakota, and New York) and were much improved in eastern States hit by drought in 1991. Production in the western States totaled 243 million cwt, 5 percent less than last fall. Crops were smaller in all major western States, especially in Washington where acreage was down and hot weather cut yields. Despite an early frost, yields in Idaho were record-high (321 cwt) and would have been even greater given 2 more weeks of growth. Production in Idaho totaled 121 million cwt, 2 percent less than last year. Strong yields in Maine pushed production up 23 percent from last year's drought-shortened crop. However, shrinkage in Maine may be larger than a year ago due to rain and high temperatures during harvest.

With a smaller potato crop, the 1992/93 U.S. season average price is expected to be above a year earlier, perhaps in the \$5.00 to \$6.00 per cwt range (compared with \$4.96 in 1991/92). The retail price for fresh round white potatoes averaged 30.4 cents per pound during the first 3 quarters of 1992, down 10 percent from the previous year. With supplies remaining abundant, retail potato prices will likely remain low (relative to historical trend) over the next several months.

The U.S. continued to post a positive net export value for potatoes through the first 3 quarters of 1992. During this time, the net value of potato trade (export less import value) totaled \$186 million, up 42 percent from the same period in 1991. The value of 1992 exports increased 13 percent to \$250 million. However, import value fell to \$64 million as a result of stronger 1991/92 production and lower prices in the U.S. On a fresh-weight equivalent basis, the volume of potato exports totaled 17.5 million cwt during the first 3 quarters of 1992. In all of 1991, export volume accounted for about 19 million cwt of fresh-weight equivalent potatoes with frozen products accounting for 8 million cwt.

Through the first 9 months of 1992, exports of frozen french fries to Japan increased 7 percent over a year earlier to 177 million pounds. Japan accounted for 63 percent of total U.S. frozen-fry export volume compared with 68 percent for all of 1991. Fry exports also go to such countries as Taiwan, South Korea, Indonesia, and Canada. With the number of fast food restaurants likely approaching the market saturation point in Japan, the next question may be where do we go next for big gains in fry exports. The answer may well be Mexico, followed by other Latin American countries. With fast food chains now reportedly investing in Mexico and sourcing their french fries in the U.S., further rapid growth may soon occur in U.S. frozen fry exports.

Dry Edible Beans

U.S. dry bean production is expected to decline 35 percent in 1992 to 22.1 million cwt. This would be the smallest dry bean crop since 1988. Lower output, reflecting low prices and burdensome inventories, was the result of a 22-percent drop in harvested acreage combined with 16-percent lower yields. North Dakota and Michigan, the two largest dry bean producing States, expect to produce 38 and 43 percent less than a year ago. Reductions in acreage, yields, and production are magnified because they follow last year's record-breaking season.

With record production in 1991/92 and large stocks, wholesale prices for major dry bean classes were below year-earlier levels for the first 3 quarters of 1992. Pinto bean prices averaged \$19.00 per cwt during this time, 4 percent lower than a year ago. Navy (pea) beans averaged \$18.78 per cwt during the first 9 months of 1992, down 8 percent, while Great Northern beans averaged \$19.35, down 11

percent from 1991. For dry beans as an aggregate, prices have averaged 44 percent above a year ago since the new crop became available in September.

Exports are very important to the dry edible bean industry, accounting for about a fourth of total supplies. After strong dry bean exports in calendar 1991, total export volume for the first three quarters of 1992 is down considerably, about 23 percent below the comparable period in 1991. Substantial decreases were reported for Great Northern beans, baby limas, other limas, navy beans, pintos, garbanzo beans, and blackeye cowpeas. Increases were reported for kidney beans, seed beans, small red, and miscellaneous white beans, while black bean exports were virtually the same as year earlier. Based on 1991 data, pinto beans account for about 25 percent of exports while navy (pea) beans also account for 25 percent, and Great Northern beans just under 9 percent. Through the first 9 months of 1992, Mexico was the most important pinto export market, taking 32 percent of U.S. pinto exports while the United Kingdom took 60 percent of the navy beans. If export markets do not strengthen during the next year and help increase dry bean prices, dry bean acreage in 1993/94 will not increase much from present levels.

Sweet Potatoes

Sweetpotato acreage for harvest in 1992 has been estimated at 80,700 acres, up about 4 percent from 1991. Louisiana, the second largest sweetpotato-producing State, had the greatest increase in harvested acres (about 2,000 more than 1991), and the greatest percentage increase from 1991 (13 percent). Harvested acreage in California is also expected to be up nearly 11 percent from 1991, while North Carolina, the largest sweetpotato-producing State, is expected to remain at about 30,000 acres harvested. This would lower North Carolina's share of U.S. acreage to about 37 percent, down from 39 percent in 1991. Louisiana accounts for another 22 percent of harvested acreage, and California 11 percent.

If U.S. yields were to match last year's 148 cwt per acre, 1992 production would approach 11.9 million cwt. This level of output would likely drop sweetpotato prices below last year's average of \$13.20 per cwt, possibly into the \$12 to \$13 range. If yields were to be only 135 cwt per acre, production could fall to as low as 10.9 million cwt, which could raise prices to over \$14 per cwt. Early fall shipping point prices for North Carolina and California Jewels were running 10 to 25 percent lower than a year earlier. Trade is not a major factor in U.S. sweetpotato markets with about 1 percent of supply exported and 4 percent imported. About 99 percent of imports come from the Dominican Republic and are destined for Puerto Rico. Imports are projected to rise 8 percent in 1992.

Mushrooms

Mushroom producers expect to utilize 135 million square feet of growing space during the 1992/93 growing year. This is slightly less than the 137 million utilized for the 1991/92 crop. With total agaricus yields averaging around 5.32 pounds per square foot, total 1992/93 production may reach only 718 million pounds, a 3 percent decline compared with last year. Given the trend for approximately 70 percent of the total crop to go for the fresh market, fresh sales may reach 495 million pounds. However, this will depend on fresh market price strength throughout the remaining year and unmet processing demand. Processors can expect to receive as little as 223 million pounds, compared to 246 million pounds in 1991/92. However, canned imports are likely to rise this marketing year, bringing the total canned mushroom supply close to last season's.

Specialties

Specialty shipments during the first three quarters of 1992 rose 1 percent from a year earlier to 11.8 million cwt. While supplies were down 8 percent during the first quarter, second and third quarter shipments increased 10 percent and 4 percent over the previous year. Specialty shipments include fancy salad greens, oriental and tropical vegetables, chili peppers, parsley, garlic, horseradish, basil, watercress, chayote, jerusalem artichokes, jicama, and tomatillos, and are reported by the Agricultural Marketing Service (AMS). Over 72 percent of specialty shipments were from domestic sources during the first three quarters of 1992, the same proportion as last year. Most Chinese cabbage, fancy salad greens, parsley, and all tropical vegetables were imported.

Shipments of fancy salad greens were up during the first three quarters compared with last year. Escarole and endive shipments increased 36 percent to 195,000 cwt, Romaine was up 9 percent to 3.9 million cwt, and other fancy lettuces (including Boston, Bibb, red and green leaf, oak leaf, and Russian red mustard) increased 2 percent to 2.9 million cwt. Romaine and other fancy lettuces are primarily shipped from California, while Florida, Belgium, and Italy are the primary sources for escarole and endive.

Aggregate vegetable indicators, 1990-93

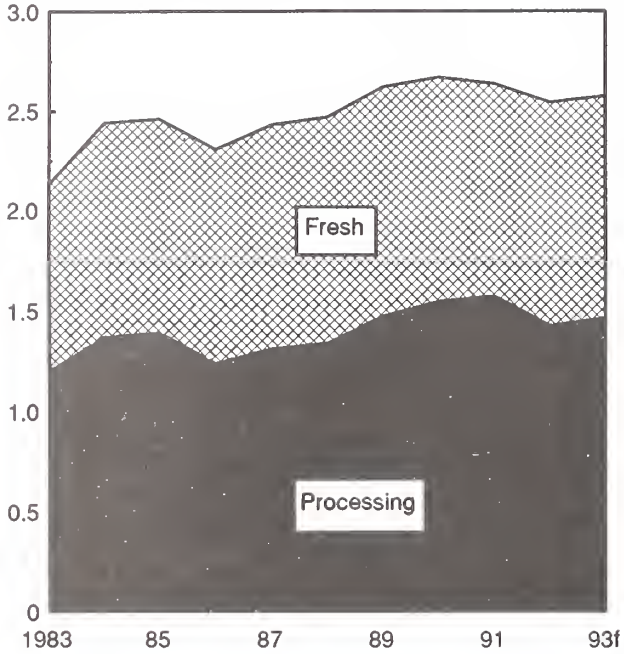
Item	Unit/Period	1990	1991	1992f	1993f
Prices and value:					
Commercial vegetable grower price index 1/	1977=100	142	136	149	149-153
PPI - Fresh vegetables 2/	1982=100	107.8	100.2	110.0	110-114
- Canned vegetables	do.	116.6	112.8	110.0	110-114
- Frozen vegetables	do.	118.5	117.6	116.0	116-120
- Dehydrating vegetables	do.	183.6	153.6	148.0	150-154
CPI - Fresh vegetables 3/	1982-84=100	151.1	154.2	157.0	158-162
- Processed vegetables	1982-84=100	127.5	128.5	130.0	132-136
Prices paid by farmers, all items 1/	1977=100	184	189	189	188-192
Ratio of farm price to prices paid 4/	1977=100	77	72	79	78-82
Cash receipts for all vegetables 5/	\$ Billions	11.5	11.3	11.0	11-12
- Percent in top two states 6/	Percent	43.6	45.4	--	--
Output and area:					
Total domestic vegetable output 5/ 7/	1977=100	135	135	129	129-133
Harvested area - Major vegetables 1/	1,000 acres	6,122	5,877	5,330	5,200-5,600
- Fresh vegetables	do.	1,120	1,066	1,100	1,050-1,150
- Processing vegetables	do.	1,548	1,574	1,435	1,450-1,500
- Potatoes	do.	1,371	1,374	1,305	1,300-1,350
- Dry edible beans	do.	2,084	1,863	1,490	1,400-1,600
Trade value: 8/					
Total vegetable exports	\$ Millions	1,966	2,118	2,400	2,100-2,500
Total vegetable imports	do.	2,001	1,917	1,800	1,700-2,100
Vegetable trade balance 9/	do.	-35	201	600	200-600
Per-capita utilization: 5/					
All vegetables	Pounds	393.0	390.0	391.0	386-390
Fresh	do.	136.3	129.0	132.0	131-135
Processing	do.	111.6	113.7	112.0	109-113
Potatoes, all	do.	129.8	131.4	133.0	127-131
Dry edible beans	do.	6.0	7.1	6.5	5-6

f = forecast. -- = not available.

1/ Source: USDA, NASS. 2/ Producer price index (PPI) from BLS, U.S. Dept. of Labor (USDL). 3/ Source of the consumer price index (CPI) is BLS, USDL. 4/ The ratio of the commercial vegetable grower price index to prices paid by farmers. 5/ Source: USDA, ERS. 6/ The percentage of vegetable cash receipts originating in California and Florida. 7/ Index of farm output. 8/ Source: Bureau of the Census, USDC. Items included in these calendar year aggregations may differ from others published by USDA. 9/ Value of exports less the value of imports.

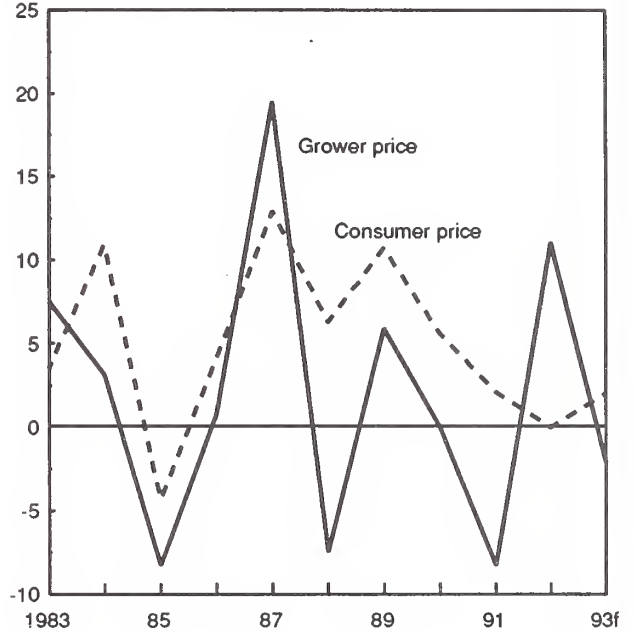
Selected Fresh and Processing Harvested Acreage, 1983-93

Mil. acres



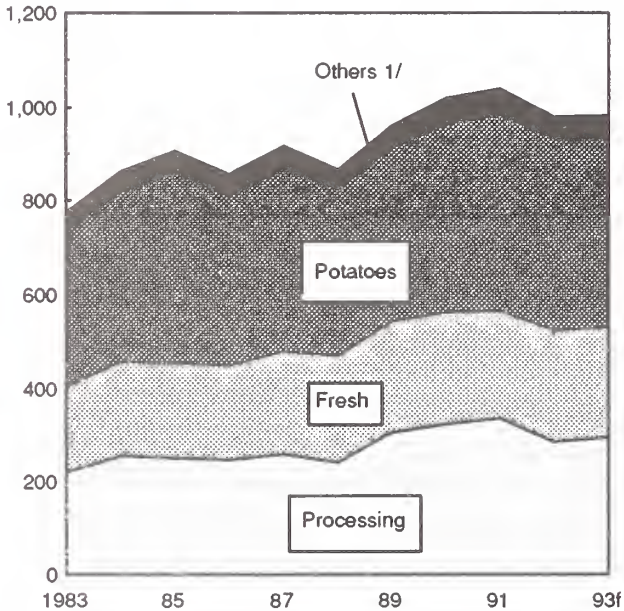
Changes in Fresh Vegetable Prices, 1983-93

Percent change from year ago



U.S. Vegetable Production, 1983-93

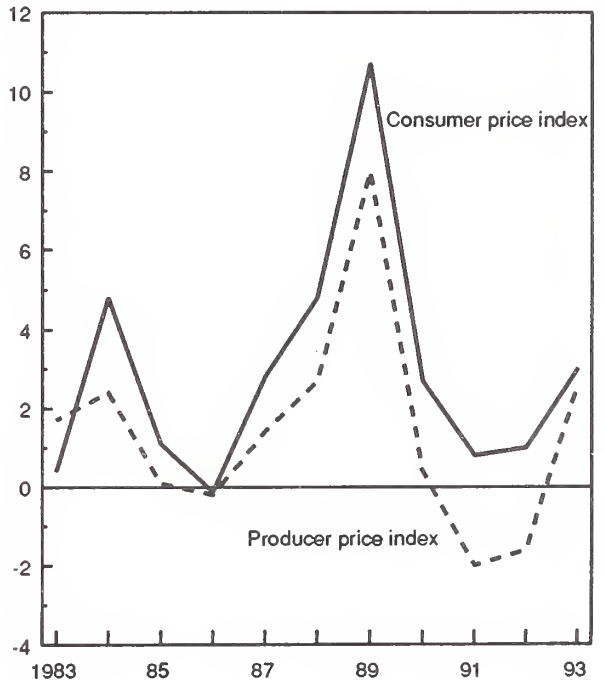
Mil. cwt



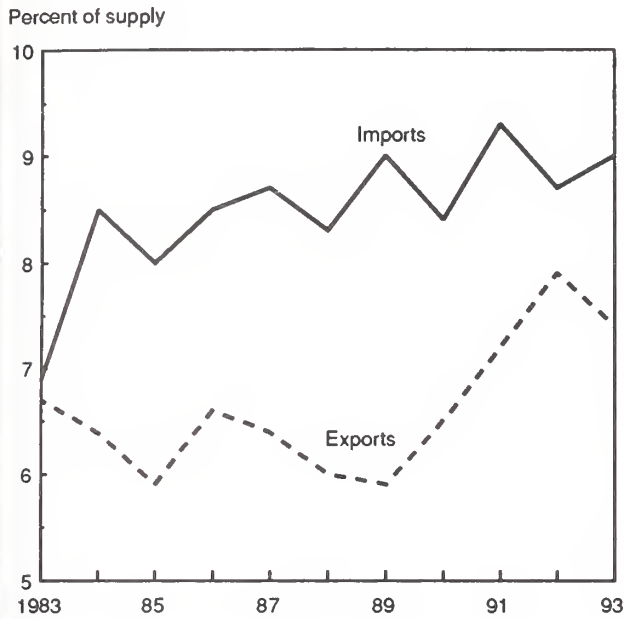
1/ Includes pulses, sweetpotatoes, and mushrooms.

Changes in Processed Vegetable Prices, 1983-93

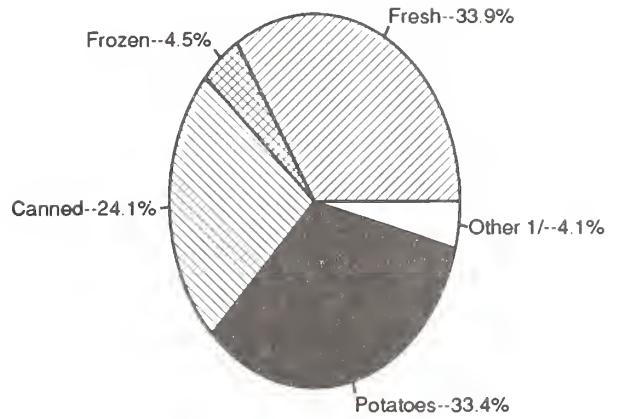
Percent change from year ago



Selected Fresh Vegetable Trade: Share of Supply

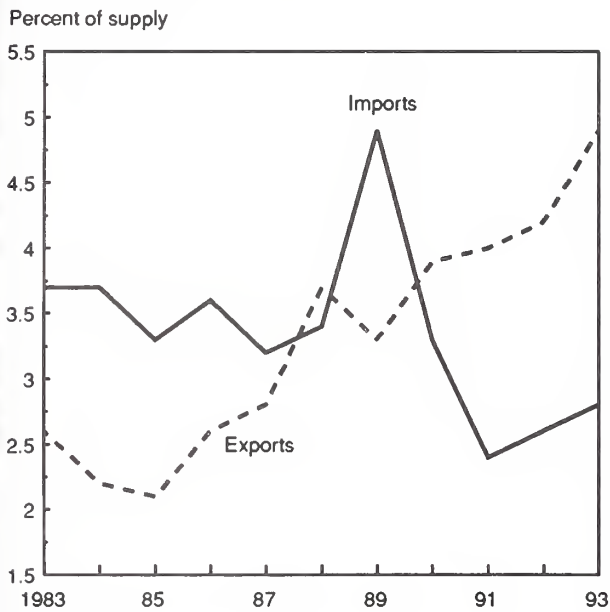


Per Capita Vegetable Use, 1992



1/ Includes pulses, sweetpotatoes, and mushrooms.

Selected Processing Vegetable Trade: Share of Supply, 1983-93



Per Capita Fresh Vegetable Use, Major Items

Pounds, farm weight

