

**New York
Economic Handbook
1981**

**AGRICULTURAL SITUATION
and OUTLOOK**

**Prepared by
Extension Staff
Department of Agricultural Economics
New York State College of Agriculture and Life Sciences
A Statutory College of the State University
Cornell University, Ithaca, New York 14853**

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1. Department of Agricultural Economics unless specifically indicated.

2. Consumer Economics and Housing 3. Extension Specialist 4. Poultry Science.

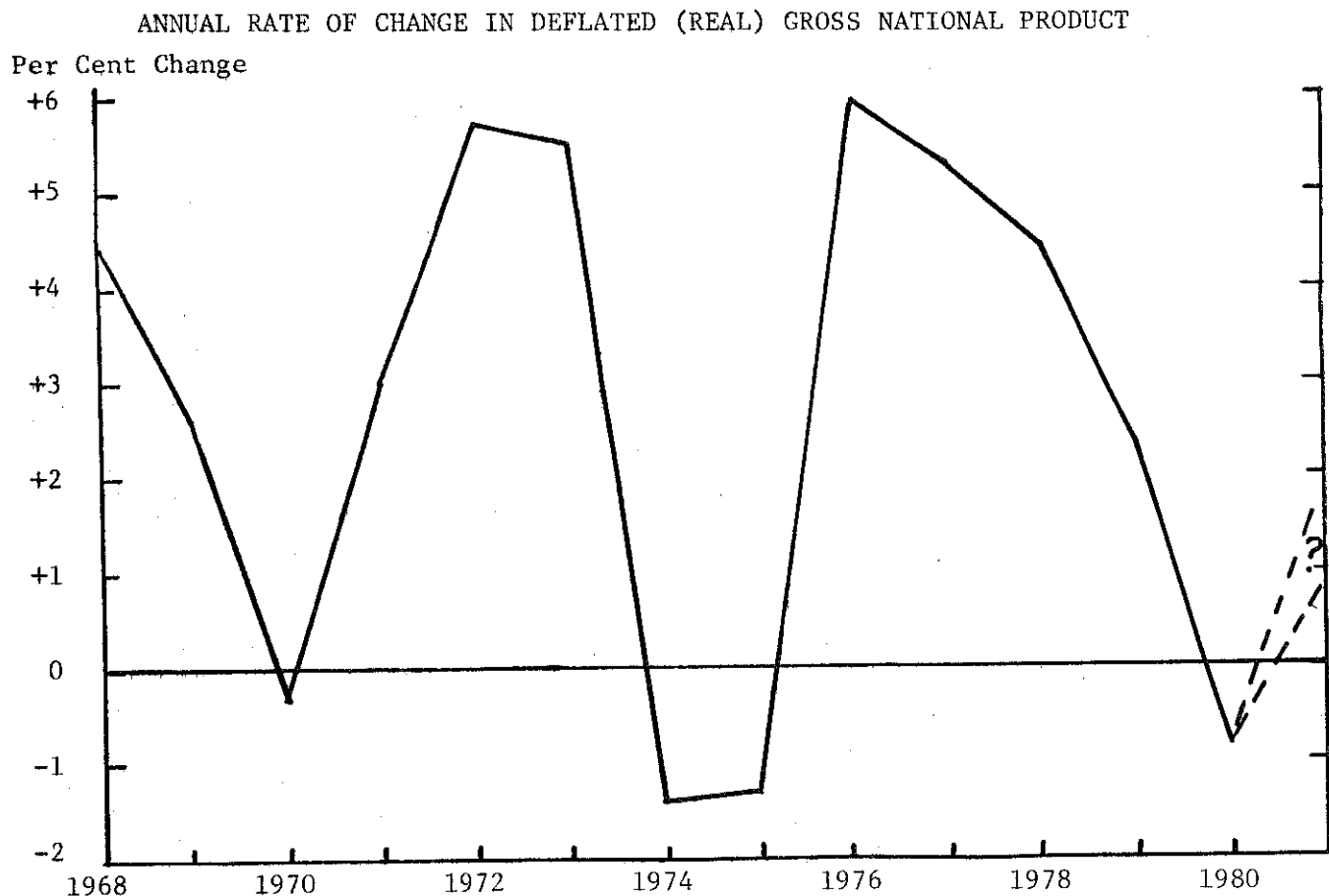
This publication contains information pertaining to the general economic situation and New York agriculture. It is prepared primarily for the use of professional agricultural workers in New York State. U.S.D.A. Agricultural Handbook No. 574, "1980 Handbook of Agricultural Charts," provides current reference material pertaining to the nation's agricultural situation.

"Current Economic Situation" is a two-page monthly release that carries the latest figures for selected economic indicators and highlights current developments. This release is a supplement to the Economic Handbook and is available to anyone who requests to be on the mailing list.

SUMMARY OF ECONOMIC CHANGES

	Percent of GNP	Percent Change	
		3rd Quarter 1979-80	Estimated 1980-81
Real GNP			
Personal Consumption Expenditures			
Services	31	+ 2.5	+3 to 4
Non durables	26	- .3	+1 to 2
Durables	8	- 9.1	0 to +5
Private Investment			
Non residential	10	- 4.4	weak 1st half; recovery
Residential construction	3	-27.1	in 2nd half
Government Purchases			
State and local	13	- 1.0	0 to +1
Federal	<u>8</u>	+ 8.4	+1 to 3
Total	99*		
Consumer Price Index		+11.3	+10 to 12
Producer Prices - Industrial Products		+14.9	?

* Net exports and changes in business inventories account for the remaining 1% of GNP.

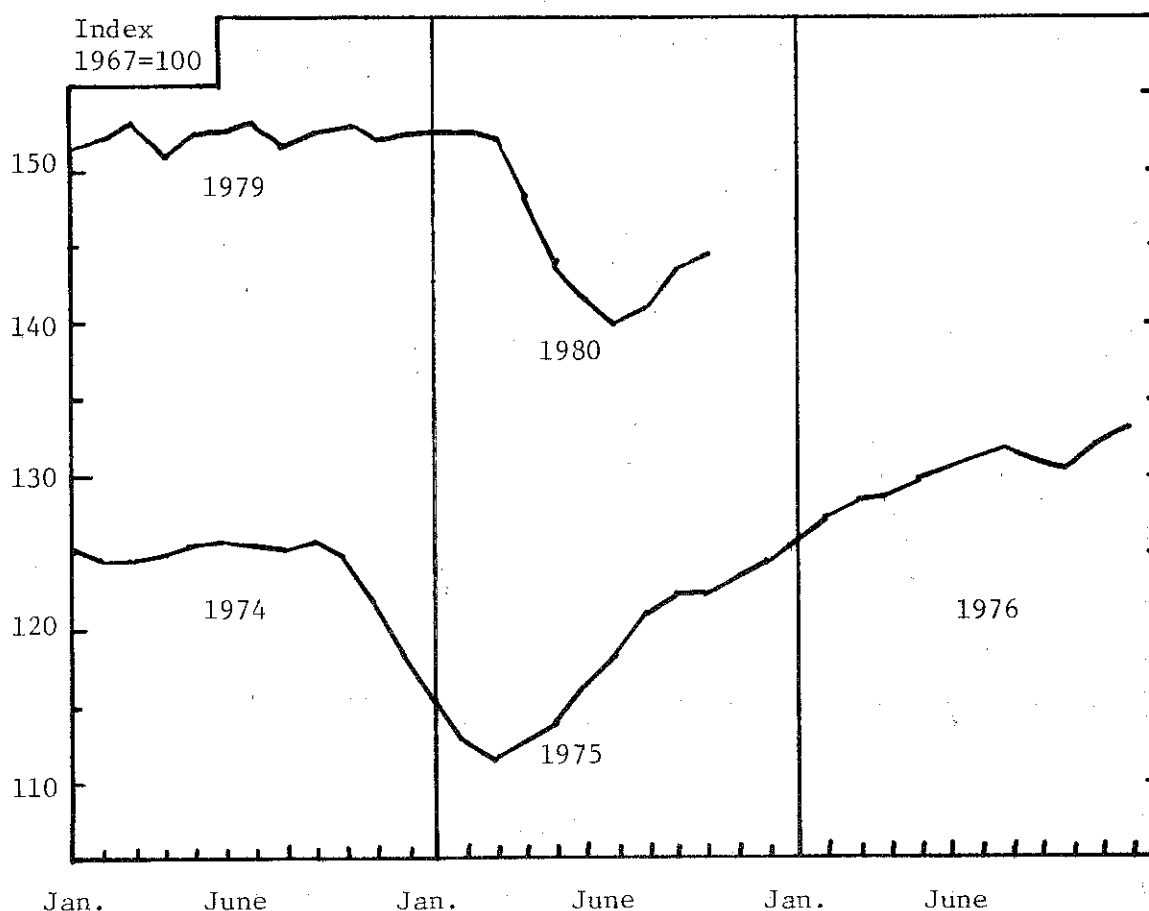


Real GNP dropped sharply in the 2nd quarter of 1980, but turned around in the third quarter, thus making the 1980 recession one of the briefest on record. But few forecasters expect a vigorous recovery in 1981. The economy is likely to remain flat and some sectors may even decline slightly during the early months of 1981 owing to higher interest rates and uncertainty regarding the magnitude and timing of tax cuts. Performance during the second half of 1981 is likely to be better than during the first half.

Consumer spending will be held in check by the high cost of borrowing and an increase in social security taxes which is scheduled to take effect January 1st. Nearly everyone expects Congress to approve a tax cut, but it is by no means certain that action will be taken promptly. Fiscal conservatives are concerned about the increase in the federal deficit that would result if expenditures are not cut simultaneously. Some want to defer a tax cut until the budget is balanced. Given these conflicting views, it may take several months to work out a legislative compromise.

The timing and vigor of the recovery also will depend on actions taken by the monetary authorities and by what happens to the availability and cost of imported oil. Interest rates are likely to remain high if the administration is compelled to rely mainly on monetary policy as the primary instrument to control inflation. Continuing conflict in the Middle East could lead to a further tightening of oil supplies and still higher prices which undoubtedly will have a dampening effect on the economy.

INDUSTRIAL PRODUCTION



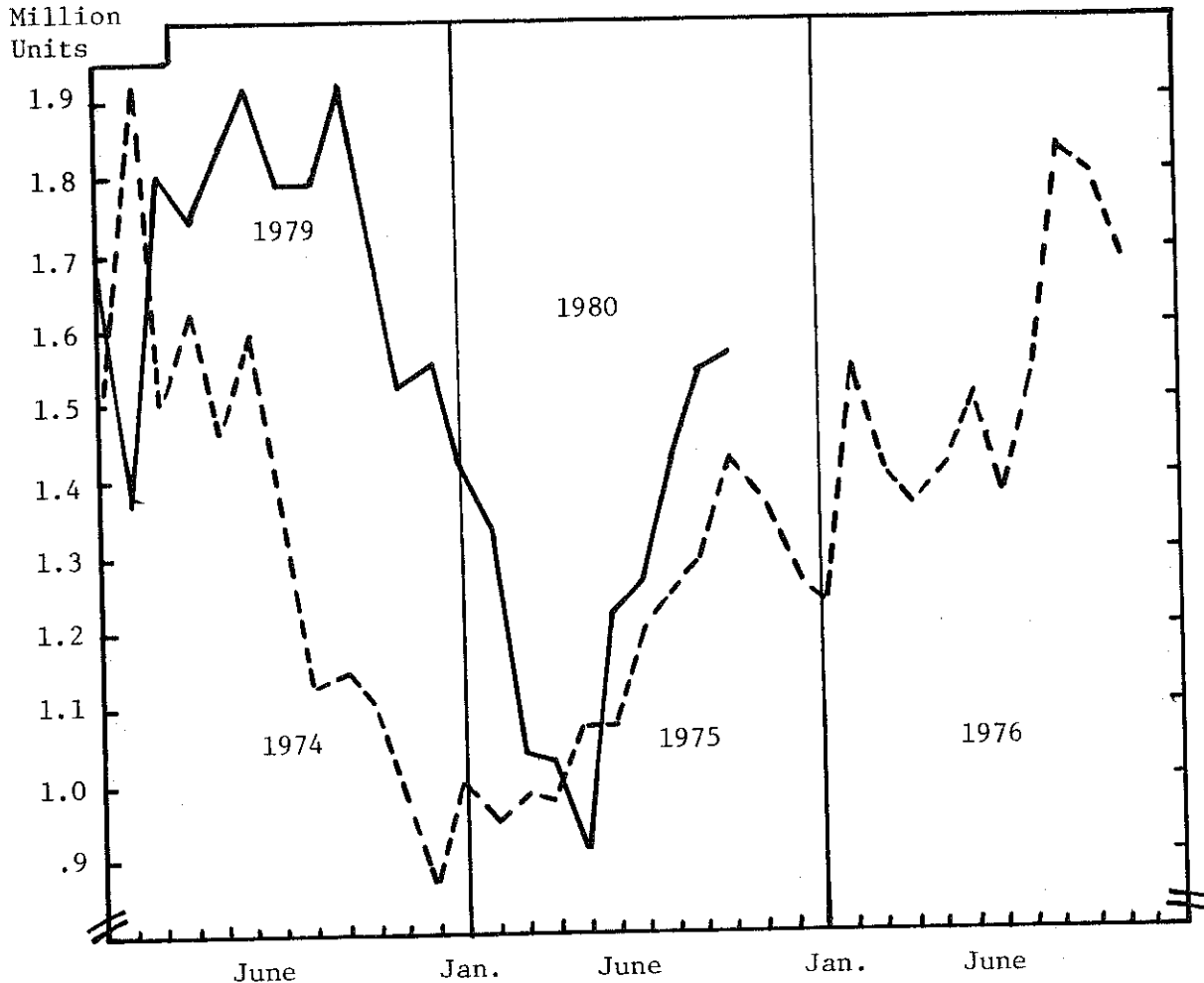
The graph above shows how industrial production changed in 1980 compared to the previous recession. The decline in production was more abrupt in 1980 than in 1974-75, but the magnitude of the drop was somewhat less. Since July, production has turned up, but it may dip again because of lagging auto sales and weak demand for steel and other producer goods.

It normally takes about 12 months for industrial production to recover to the pre-recession level of output. Thus, if the current recovery follows the historical pattern, production will not reach the level achieved in 1979 until the last half of 1981.

Automobiles, steel and housing bore the brunt of the 1980 recession. Auto sales were extremely depressed during the second quarter of 1980 and have recovered only modestly since then. In November, sales were running at about the same level as in the 3rd quarter of 1980.

Auto Sales (seasonally adjusted at annual rates)			
	Domestic	Imports	Total
1979 1st quarter	9.3	2.3	11.6
4th quarter	7.5	2.4	9.9
1980 1st quarter	7.9	2.8	10.7
2nd quarter	5.5	2.2	7.7
3rd quarter	6.5	2.2	8.7

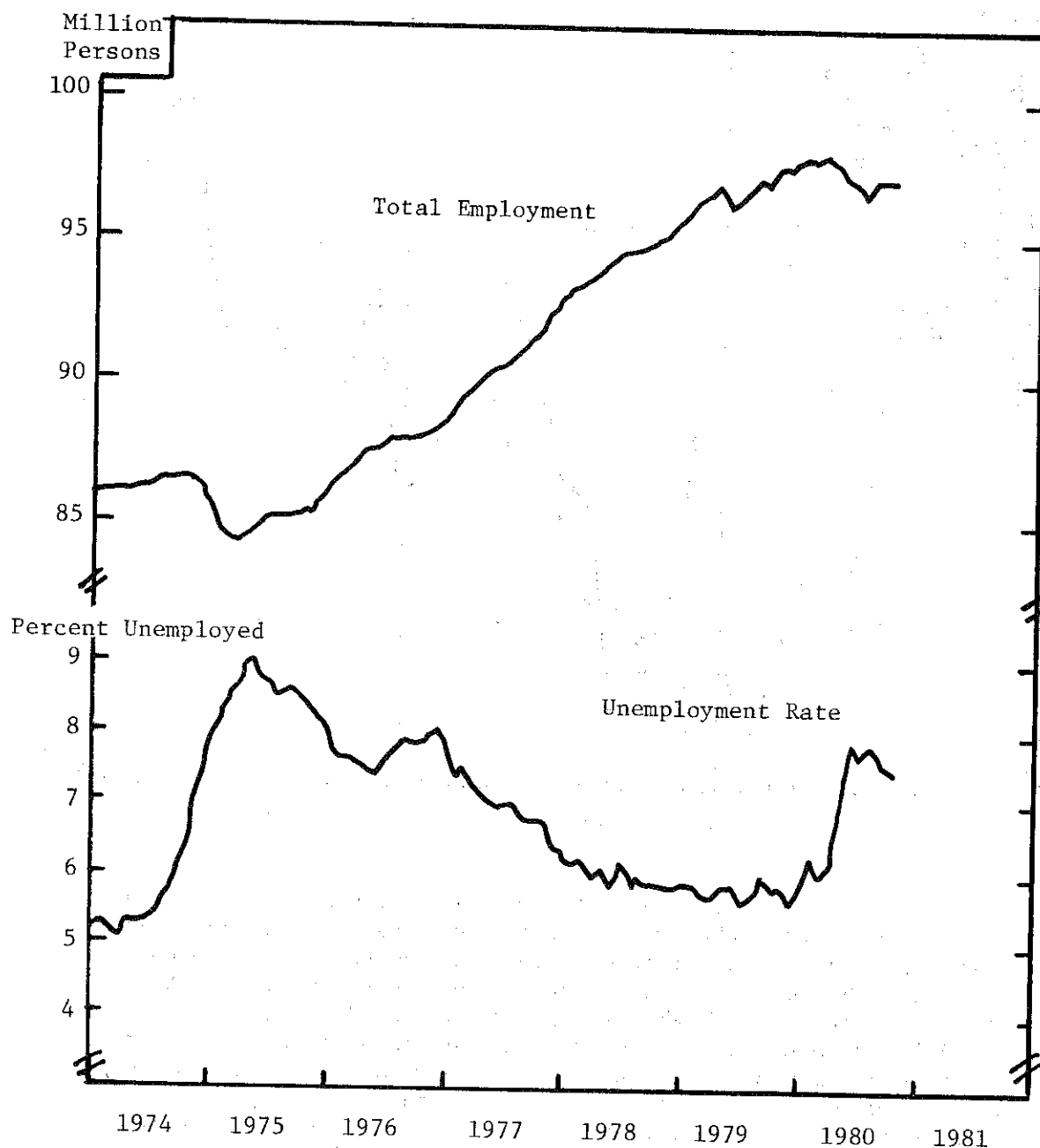
HOUSING STARTS



Housing starts declined from a peak of around 1.9 million units in mid 1979 to a low of .9 million units in May of 1980. The sharp decline in interest rates that occurred around mid-year led to a rapid recovery in housing starts between May and October. But the recovery is likely to come to an abrupt halt. High mortgage rates have depressed sales recently and, in October, the number of new housing permits fell for the first time in several months. Most housing economists are now pessimistic regarding short-term prospects. High money market rates will make it difficult for savings institutions to attract funds which means that tight money and high mortgage rates are likely to persist at least during the early months of 1981.

Eventually, housing starts should approach the 1.9 to 2.0 million level since this is about the number of new homes that must be built annually to accommodate new family formation and replacement of old homes. Few young families can afford new homes, but most new homes are sold to those who already have a substantial equity in an existing home.

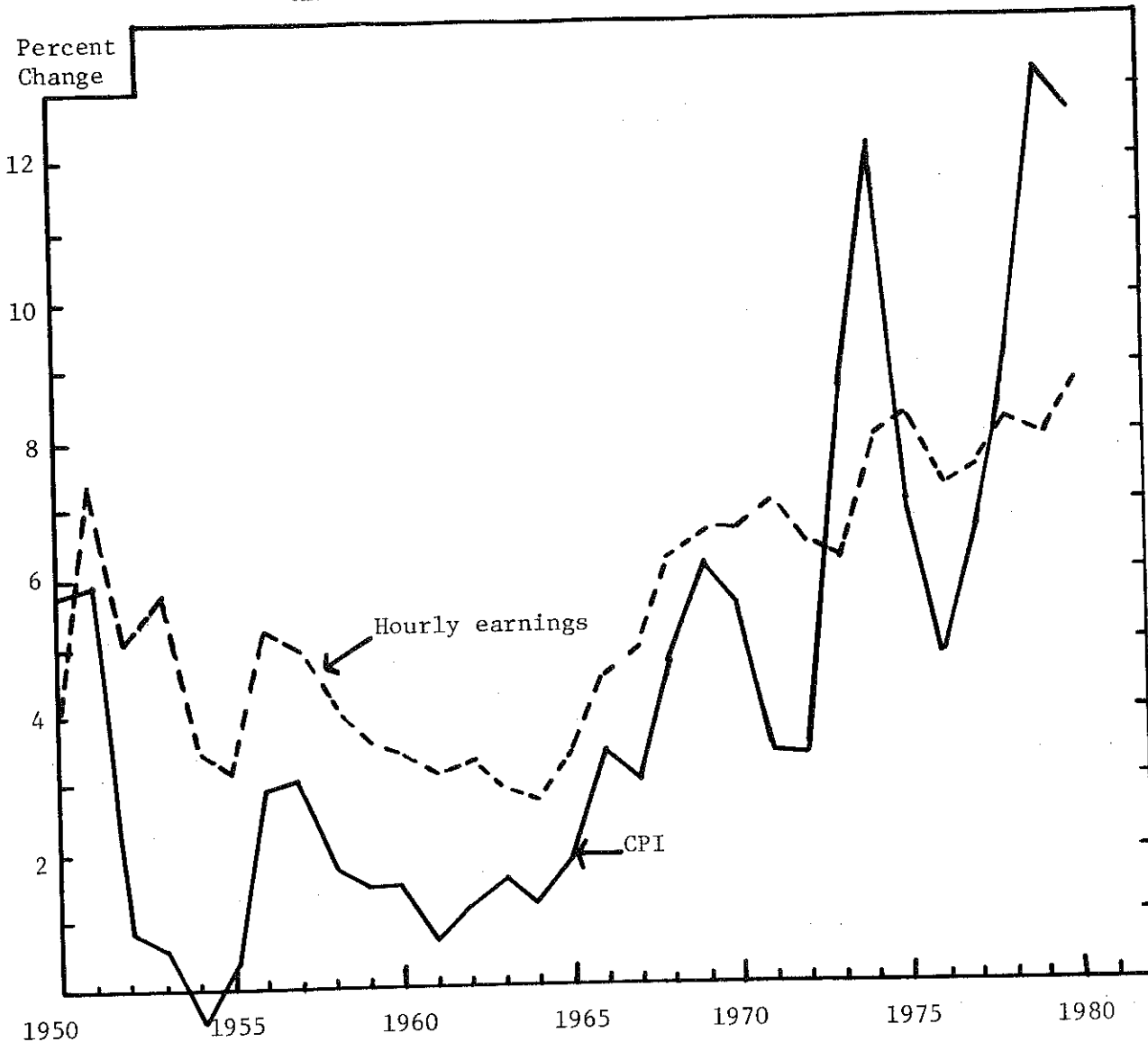
EMPLOYMENT AND UNEMPLOYMENT



Total employment reached a record high of just under 98 million in February of 1980 and declined to a low of 96.5 million (on a seasonally adjusted basis) in June. Since then total employment has turned up, but further gains are uncertain. Employment is likely to fluctuate around the current level during the early months of 1981 before turning up later in the year.

The rate of unemployment reached a peak of 7.8 per cent of the labor force in May of 1980. This is substantially below the peak rate of unemployment experienced in the previous recession. With more modest increases in the labor force in prospect over the next few years, the overall rate of unemployment probably will decline although the unemployment rate in cities, especially among blacks and teenagers, undoubtedly will remain very high.

ANNUAL RATES OF INCREASE IN CONSUMER PRICES
AND HOURLY EARNINGS (DEC. TO DEC.)



Despite the recession and attempts on the part of the Federal Reserve Board to restrain growth in the money supply, the annual rate of inflation, as measured by the Consumer Price Index, has continued to exceed 12 per cent. Industrial wholesale prices have been increasing even more rapidly in recent months.

Wage inflation has lagged behind price inflation in most years since 1972. The increase in hourly earnings in 1980 averaged between 8 and 9 per cent. During the two preceding years, the average gain was around 8 per cent. New contracts are now being negotiated with wage increases averaging close to 10 per cent (or 30 per cent over three years). Gains in productivity continue to be relatively modest. Consequently, labor costs are now rising at the annual rate of 9 to 10 per cent. Given this situation, and the probability of renewed upward pressure on energy costs due to the combined effects of higher import prices and further decontrol of American oil and natural gas, there is little prospect of getting the rate of inflation down below 10 per cent during the next 12 to 18 months. Most forecasters expect consumer prices to rise another 10 to 12 per cent in 1981. Retail food prices are expected to rise at least this much, and possibly a little more if we have a severe winter or another poor harvest in 1981.

USDA ESTIMATES OF CHANGES IN PRODUCTION AND PRICES
OF MAJOR LIVESTOCK PRODUCTS, 1980-81

Commodity	Units	Production		Percent change	Prices		Percent change
		1980	Est. 1981		1980	1981	
Beef	(bil.lbs/\$/cwt.)	21.4	21.5	*	\$68	\$78	+ 15
Pork	(bil.lbs/\$/cwt.)	16.3	14.8	- 9	40	55	+ 38
Broilers	(bil.lbs/¢/lb.)	11.1	11.4	+ 3	47¢	55¢	+ 17
Eggs	(bil.do/¢/doz.)	5.8	5.7	- 2	65¢	78¢	+ 20
Milk	(bil.lbs/\$/cwt.)	128	129	+ 1	13.1	14.4	+ 10

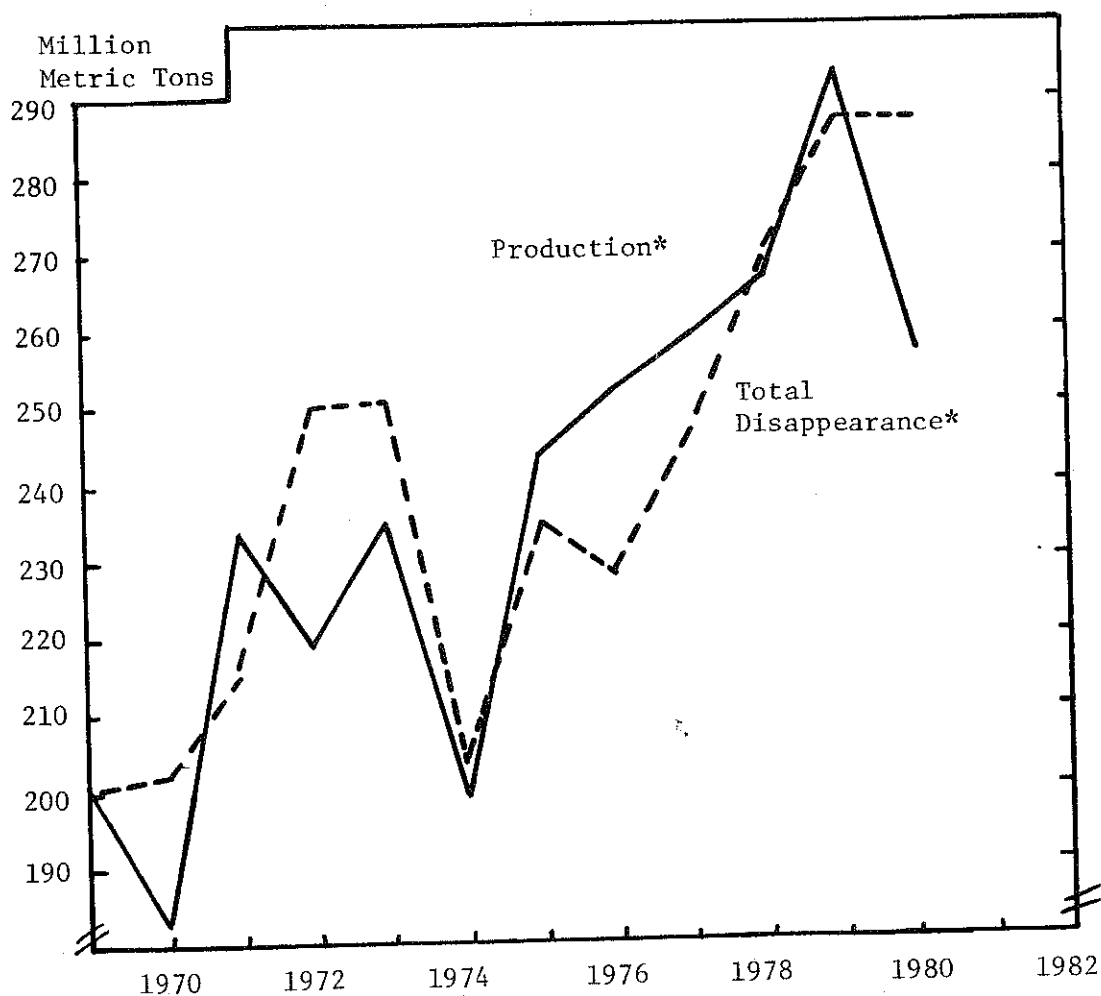
* Less than 1 percent

The prices of all major livestock products are expected to rise in 1981, but by widely varying amounts. Pork prices probably will rise the most because of a substantial cut-back in hog production which is already under way. Beef supplies are likely to change relatively little, but the price of beef will rise because red meat supplies will be down. Smaller supplies of red meat also will help to boost broiler prices. Broiler production is expected to increase, but by a much smaller amount than in 1980.

USDA economists expect egg production to decline because of higher feed prices. A further modest increase in milk production is possible although with high feed costs and strong prices for cull cows, production could level out or turn down before the end of the year.

Higher retail prices for meat are expected to be a major contributor to rising food prices in 1981.

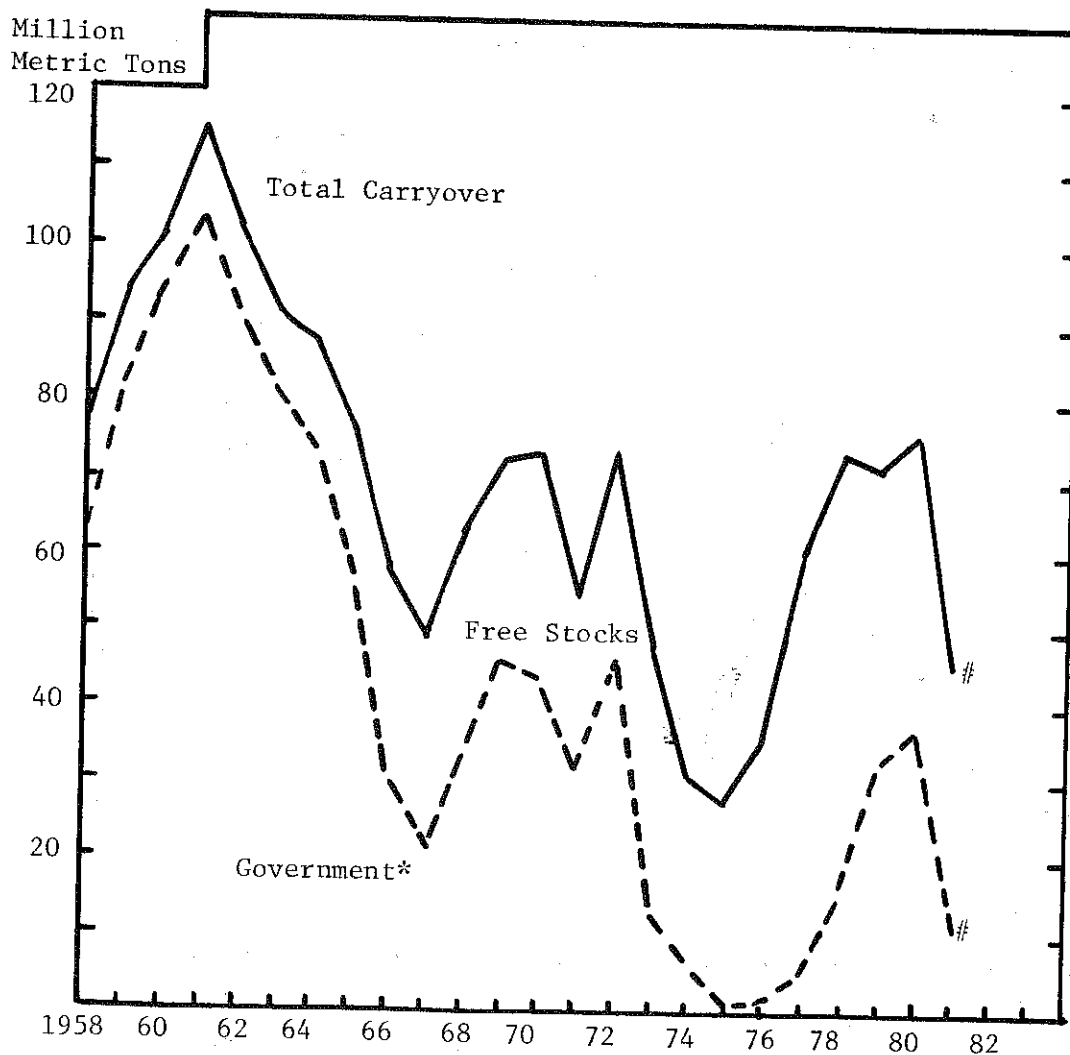
TOTAL U. S. GRAIN PRODUCTION AND DISAPPEARANCE



* Combined total of wheat, corn, oats, barley and sorghum.

Over the past decade, total U. S. grain production has fluctuated from a low of 183 million tons in 1970 to a high of 293 million tons in 1979. The crop harvested in 1980 was down about 12 percent from the 1979 record high, but was still about equal to the crop harvested in 1977, a record year up to that point in time.

Total grain disappearance has increased from around 200 million tons at the beginning of the 1970s to 288 million tons in 1979-80. Most of the increase in grain disappearance since 1972 is attributable to growth in export demand. U. S. grain exports which were running around 40 million tons in 1970 will exceed 110 million tons during the current marketing year. U. S. livestock feeders are now in direct competition with those feeding livestock in Eastern Europe, the Soviet Union, Japan and many other nations for the available supply of U. S. corn and soybeans. An increase in the volume of exports in 1980-81 is expected to offset a modest reduction in domestic use of grain for animal feed. Thus, total disappearance of grain is expected to be about the same in 1981 as in 1980. The 31 million ton gap between estimated disappearance and production in 1980-81 will be met by drawing on reserve stocks.

COMBINED CARRYOVER STOCKS OF WHEAT, CORN,
OATS, BARLEY AND GRAIN SORGHUM

* Includes Government-subsidized farmer-held reserves since 1977.
Estimated.

Carryover stocks of grain will decline dramatically in 1981 because of the 1980 drought and buoyant export demand. Total grain reserves in 1981 are now projected to total around 45 million metric tons, down from 77 million tons at the beginning of the 1980-81 marketing year.

Prices of corn and other feed grains have risen to the point where subsidies will no longer be paid on farmer-held reserves. Price-support loans have already been called for so-called Reserve I stocks (those placed in reserve at a loan rate of \$2.25 per bushel). The remaining price-support loans are likely to be called early in 1981. Thus, most of the corn held over in 1981 will be controlled by farmers. This means that the government will have little or no leverage to influence prices during the spring and summer of 1981.

Carryover stocks of wheat will be about the same in 1981 as they were in 1980. In addition, around 5 million tons will be held by the government and another 6 million tons will remain in the government-subsidized farmer reserve. Thus, the reserve situation for wheat is much less precarious than for corn.

PLANTED ACREAGE OF PRINCIPAL CROPS,
1972, 1980 AND FORECAST FOR 1981

<u>Principal Crops</u>	<u>Planted Acreage</u>		<u>Forecast 1981</u>
	<u>1972</u>	<u>1980</u> (mil. acres)	
Wheat	55	81	84
Corn	67	84	89
Soybeans	<u>47</u>	<u>70</u>	<u>65</u>
Total	169	235	238
Oats, Barley and Sorghum	47	37	37
Cotton	14	14	15
Rye and Sunflowers	4	7	7
Hay	<u>60</u>	<u>60</u>	<u>60</u>
Combined Acreage of Principal Crops	294	353	357

The acreage planted to wheat, corn and soybeans has increased enormously since 1972, the last year that major government set-aside or land retirement programs were in effect. No set-aside programs were in effect in 1980 and none will be offered in 1981.

Farmers have added around 60 million acres to the total area planted to major crops since 1972. Between 1972 and 1980, wheat acreage increased around 50 per cent, soybean acreage was up 49 per cent, and corn acreage increased 25 per cent. A further increase in wheat acreage (especially winter wheat planted for harvest in 1981) is forecast by USDA economists. If weather is favorable this coming spring, farmers are likely to plant more corn and a little larger acreage to cotton. This will cut into the area available for soybeans.

Some in Washington are expressing the view that the U. S. has now used up most of its potential to increase the area under cultivation and that further increases in output can be achieved only by improving yields. The potential to increase wheat production probably is greater than the potential to increase the area planted to corn and soybeans. This is the reason why USDA economists are predicting a sustained rise in the relative prices of corn and soybeans over the next few years, assuming, of course, that the export demand for feed ingredients remains buoyant.

FOOD AND AGRICULTURE POLICIES

Support Programs - 1981 Crops

No set aside programs will be in effect for either wheat or feed grains in 1981; however, only those farmers who plant within their "normal crop acreage" will be eligible for price-support loans, entry into the farmer-owned reserve, and disaster benefits. In order to qualify for full target price protection, corn and wheat farmers must plant no more acreage to these crops than was planted for harvest in 1980. Farmers who exceed their 1980 acreage will be subject to an allocation factor that can reduce any target price payment by up to 20 per cent. Loan rates and target prices will be at least as high as those in effect in 1980. The target price for wheat, based on preliminary data, will be at least \$3.81 per bushel. Final target prices for both wheat and corn will be announced in the spring of 1981. National average loan rates, target prices, and the corresponding release and call prices for 1980 crops are shown below:

	<u>Wheat</u>	\$/bu.	<u>Corn</u>
Price-support loan rate	3.00		2.25
Target price	3.63		2.35
Farmer-held reserve release price*	4.20		2.81
Farmer-held reserve call price#	5.25		3.26

* When price exceeds this level, storage subsidies are no longer paid on reserves and farmers are free to sell their grain without penalty.

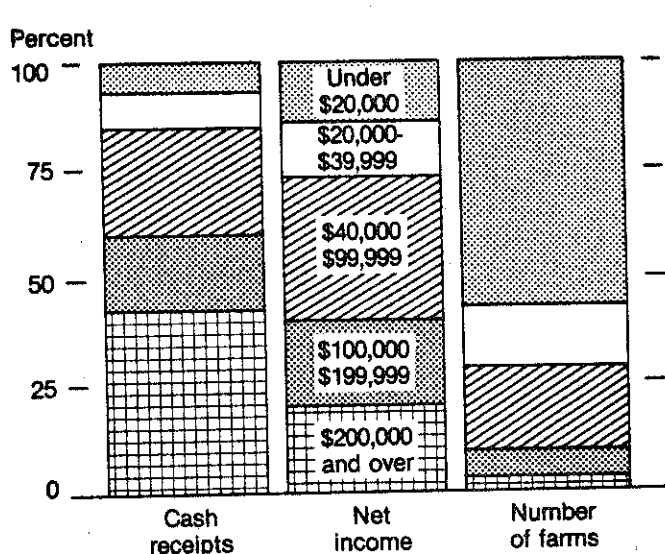
Price at which loans are called. Farmers have 90 days to repay the loan or forfeit the grain.

Legislative Issues

The Food and Agriculture Act of 1977 is due to expire in 1981. Congress will have to rewrite the act or extend it to avoid reverting to programs authorized under legislation that dates back to the 1930s and 1940s. With the shift in control of the Senate to the Republicans (and Jesse Helms as Chairman of the Senate Committee on Agriculture, Nutrition and Forestry) it is difficult to predict what legislative compromises will eventually emerge. As with previous farm bills, much of the attention of Congress will be devoted to the issue of support levels for wheat, corn, cotton and dairy products. Congress is likely to maintain modest support prices on these commodities to encourage use and to retain some kind of incentive to accumulate reserve stocks of grain in years of high production and low prices. However, considerable controversy may arise over the question of when and at what prices reserves are to be released or sold.

Annual expenditures on domestic food subsidy programs now exceed \$14 billion. This is by far the largest single item in the U.S.D.A. budget. Undoubtedly an effort will be made by the Administration, and by Jesse Helms to limit expenditures, especially on the food stamp program, by tightening up on eligibility standards. Such a move is likely to encounter resistance in the House. In 1977, a compromise was worked out in which food stamp benefits were liberalized in return for urban support for farm programs. Thus, what happens to food stamp benefits could have an impact on support programs for grains, cotton and dairy products.

Cash Receipts, Net Income, and Farms by Sales Class



Net income before adjustment for inventory change. 1979 data.

	Cash receipts	Net income	Farms
	Million dollars		Thousands
Farms with annual sales:			
\$200,000 and over	57,858	5,425	76
\$100,000-\$199,999	23,595	5,384	150
\$40,000-\$99,999	33,429	8,975	459
\$20,000-\$39,999	11,212	3,430	327
Under \$20,000	8,864	3,677	1,321
All farms	134,958	26,891	2,333
	Percent of total		
\$200,000 and over	42.9	20.2	3.3
\$100,000-\$199,999	17.5	20.0	6.4
\$40,000-\$99,999	24.8	33.4	19.7
\$20,000-\$39,999	8.3	12.7	14.0
Under \$20,000	6.5	13.7	56.6
All farms	100.0	100.0	100.0

Net income before adjustment for inventory change. 1979 data.

Source: USDA 1980 Handbook of Agricultural Charts, No. 574.

The basis for much of the national concern about farm structure is suggested by the chart and data on farm numbers and sales by size class. USDA estimated there were 2.33 million farms operating in 1979, (business units under the control of one management selling at least \$1,000 of agricultural products). Of this total about 1.0 million had sales of \$20,000 or more during the year so that farming provided the primary source of family income.

The smallest farms (\$20,000 of gross sales or less) made up 57 percent of farm numbers but only 6.5 percent of total sales. In contrast the 76,000 farms selling \$200,000 or more of products accounted for 43 percent of farm products sold but only 20 percent of net farm income. Included among these "largest" farms are poultry and livestock farms where most of the farm inputs are purchased often from other farmers -- feeder cattle and pigs as well as the feed. Net income for each group may provide a better indication of the relative importance of farms in each size category in terms of value added.

FARM SIZE DISTRIBUTION IN NEW YORK

During the 1970s decreases in farm numbers in New York have slowed and some stability in numbers and size groups may be evident. As recently as the 1950s the census counted more than 100,000 farms in New York. The decreases in numbers have come primarily from the small farms. Most of these units have gone out of production. At the same time some of the land from these former farms has been consolidated into the remaining commercial farms.

The census provides the only comprehensive information available on size distribution on a state basis. In 1978 the enumeration was more complete than in 1969 or 1974. Hence direct comparisons between census years is difficult. When an effort is made to correct the gross farm sales classes for the doubling in prices between 1969 and 1978 the relative stability in the two distributions using 1978 prices is evident. There has been less change in the number of farms selling \$40,000 of agricultural products (1978 constant dollars) than most would have thought. The relative importance of the very largest farms in agricultural production in the state however is not indicated by these data.

FARM NUMBERS: GROSS FARM SALES (1978 DOLLARS)
New York State, Census Data 1969, 1978

Gross farm sales	Census years		
	1969	1969 in 1978 dollars*	1978
Producer price index (1967=100)	106.0		209.4
		number of farms	
Under \$2,500	17,462	17,462	20,224
\$2,500 - 4,999	4,816	4,816	4,679
\$5,000 - 9,999	5,272	5,272	4,163
\$10,000 - 19,999	8,164	8,164	5,679
Subtotal		(27,550)	(29,066)
\$20,000 - 39,999	10,481	10,481	10,070
\$40,000 - 99,999	4,669	4,669	4,508
\$100,000 and over	1,045	1,045	1,045
Subtotal		(24,359)	(20,257)
Total	51,909	51,909	49,323

* The distribution for 1969 in 1978 dollars was approximated by shifting each class one class interval because prices essentially doubled between 1969 and 1978. Thus the group of farms with sales of \$2,500-4,999 in 1969 dollars is equivalent to \$5,000-9,999 in 1978 dollars. To shift the 1969 class \$20,000-39,999 upward in equivalent terms provides a range of \$40,000-79,999. To provide comparable figures the 1969 class for \$40,000-99,999 was divided so that 30 percent of 4,669 farms were included in the \$40,000-99,999 interval (1978 dollars) and the rest transferred to \$100,000 and over.

COMPARISON OF FARM NUMBERS AND LAND IN FARMS
New York State, Comparable Census Data, 1974 and 1978

Total acres in farm	1978 Census			Mailed questionnaire 1974 Census
	Official total	Added from sample survey*	Numbers from mailed questionnaire number of farms	
Less than 10 acres	3,976	1,526	2,450	2,257
10 - 49	7,263	1,718	5,545	5,093
50 - 179	18,042	2,365	15,677	16,535
180 - 499	16,169	589	15,580	16,293
500 - 999	3,296		3,296	2,987
1,000 - 1,999	499		499	450
2,000 and over	78		78	67
Total	49,323	6,198	43,125	43,682
Total acres in farms	9,916,837	445,768	9,471,069	9,410,706
Total cropland	6,185,186	240,220	5,944,966	5,788,149

* The following are quotations from the Preliminary census. These data are...
"based on an area segment sample and provides estimates of the number and characteristics of any farms in the State not represented in the mail portion of the 1978 Census. Evaluation studies for both the 1969 and 1974 censuses indicate that the lists were not adequate to assure complete coverage. The estimates indicate that approximately 13 percent were missed in the 1974 census representing about 3 percent of the total value of all agricultural products sold for each of the two census years."

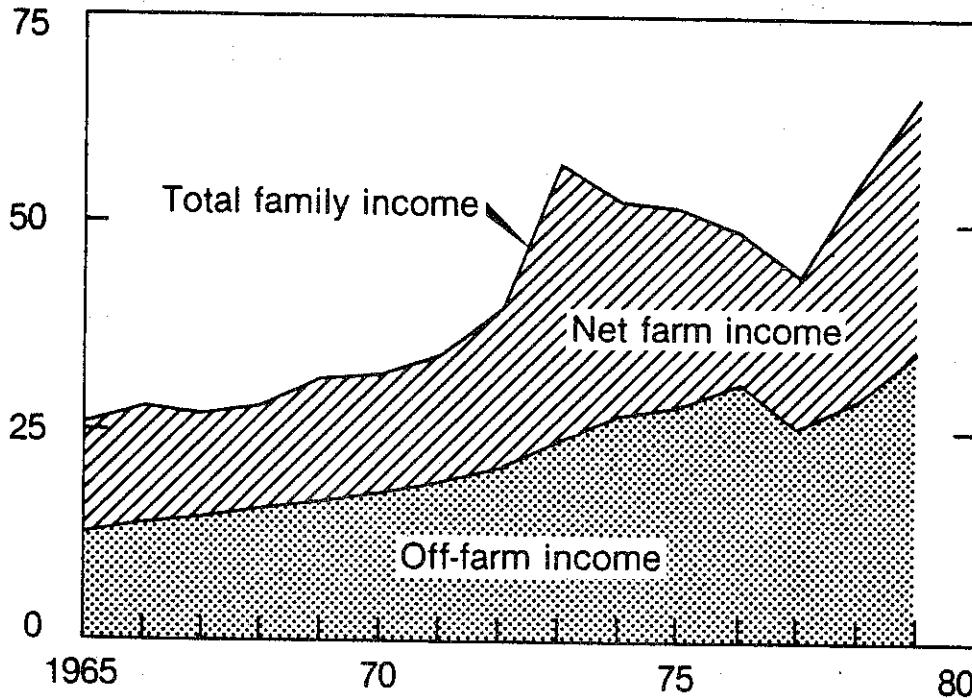
There has been substantial interest in the forms of business organization used by farmers. Particularly there has been national concern about potential control of farming by industrial corporations and groups outside agriculture. Data on the form of organization was obtained in the 1978 census.

<u>Type of organization</u>	New York 1978 Census farm numbers
Individual or family	43,551
Partnership	4,330
Corporation: Family held	1,158
Other than family held	108
Other - cooperatives, estates or trusts, institutional	176
	<u>49,323</u>

In New York most farm businesses are owned and controlled by individuals or families. Formal partnerships and corporations controlled by farm families are more frequently used than formerly.

Income of Farm Operator Families

\$ billion



Net farm income includes an adjustment for changes in year-end crop and livestock inventories and represents returns to operator families' labor, capital, and management.

Source: USDA 1980 Handbook of Agricultural Charts, No. 574.

The importance of off-farm income to American farm families is suggested in the chart above. Net farm income is more variable from year to year. Except in 1973 and 1974 off-farm income has made up more than half of the total. This is largely because part-time as well as full-time farmers are included in the totals. In general as gross farm sales increase the percent of family income from farming increases. For families with agricultural sales under \$5,000 about 10 percent of total income comes from farming. On the average the one million farms with gross sales of \$20,000 or more get more than half of their family income from farming. Even the largest farms get from 10 to 20 percent of their income from non-farm sources.

Aggregate net farm income in the United States is expected to drop from 31.0 billion in 1979 to about 25.0 billion in 1980. In New York net farm income will be down somewhat from 1979 levels but with less of a decrease than at the national levels. Individual farmers had widely different incomes depending on yields and cost-price relationships for key enterprises.

UNITED STATES FARM BALANCE SHEET
Current Dollars, January 1

Item	1950	1960	1970	1979	1980	1981 ^{1/}
- - - - - Billion Dollars - - - - -						
<u>Assets</u>						
Real Estate	77.6	137.2	215.8	586.1	671.3	730.3
Livestock	12.9	15.3	23.5	51.3	61.2	69.9
Machinery	12.2	22.7	32.3	85.1	94.3	98.0
Crops	7.6	7.7	10.9	27.4	33.1	38.3
Household	8.6	9.2	9.6	18.0	20.5	22.5
Total Nonreal Estate	(41.3)	(54.9)	(76.3)	(181.8)	(209.1)	(228.7)
Deposits & Currency	9.1	9.2	11.9	15.5	15.9	16.2
U.S. Savings Bonds	4.7	4.7	3.7	21.0	22.6	24.1
Coop. Investment	2.0	4.2	7.2			
Total Financial	(15.8)	(18.1)	(22.8)	(36.5)	(38.5)	(40.3)
Total	134.7	210.2	314.9	804.4	918.9	999.3
<u>Claims</u>						
Real Estate Debt	5.6	12.0	29.2	70.8	82.1	96.1
Nonreal Estate Debt	6.9	12.8	23.8	65.3	75.2	84.4
Total Debt	12.5	24.8	53.0	136.1	157.3	180.5
Owner's Equity	122.2	185.4	261.9	668.3	761.6	818.8
Total	134.7	210.2	314.9	804.4	918.9	999.3
Percent Owner's Equity	91	88	83	83	83	82

^{1/} Preliminary

Source: Balance Sheet of the Farming Sector 1979, ESCS, USDA, August 1979;
Dean Hughes, ESS, USDA, November 1980.

CHANGES IN STRUCTURE, U.S. FARM BALANCE SHEET
Current Dollars, 1950-1980

Description	1950	1960	1970	1979	1980	1981
- - - - - Percent of Total - - - - -						
<u>Assets</u>						
Real Estate	57	65	68	73	73	73
Livestock	10	7	8	6	7	7
Machinery	9	11	10	11	10	10
All Other	24	17	14	10	10	10
Total	100	100	100	100	100	100
<u>Liabilities</u>						
Real Estate Debt	45	49	55	52	52	53
Nonreal Estate Debt	55	51	45	48	48	47
Total	100	100	100	100	100	100

NEW YORK FARM BALANCE SHEET
In Current Dollars

Item	January 1, 1980	
	Million Dollars	Percent
<u>Assets</u>		
Real Estate	6,674	55
Livestock	1,464	12
Machinery and Motor Vehicles	2,522	21
Crops Stored	438	4
Household Furnishings and Equipment	544	4
Cash, Bonds and Deposits	157	1
Investments in Cooperatives	430	3
TOTAL ASSETS	12,229	100.0
<u>Liabilities and Equity</u>		
Total Real Estate Debt	1,032	43
Total Nonreal Estate Debt	1,342	57 ^{a/}
TOTAL LIABILITIES	2,374	100.0
EQUITY	9,855	
TOTAL LIABILITIES AND EQUITY	12,229	

a/ See footnote "a" on following page.

CHANGES IN NEW YORK FARM BALANCE SHEET
Current Dollars, January 1

Item	1950	1960	1970	1975	1980
Total Assets	2,805	3,579	5,428	9,093	12,229
Total Debts	307	547	843	1,495	2,374
Owner's Equity	2,498	3,032	4,585	7,598	9,855
Percent Equity	89	85	81	84	81

Source: ESS, USDA

NEW YORK FARM CREDIT OUTSTANDING
January 1, 1980

Credit Type and Source	Million Dollars	Percent Change From 1979	From 1975
Real Estate Loans:			
Commercial Banks	128	-2	-8
Federal Land Banks	370	2	38
Farmers Home Administration ^{a/}	148	83	87
Insurance Companies	23	28	84
Individuals and Others	363	8	24
Total	1,032	11	36
Nonreal Estate:			
Commercial Banks	517	31	68
Production Credit Associations	299	6	14
Farmers Home Administration ^{a/}	289	23	610
Merchants, Dealers, Individuals and others	237	37	91
Total	1,342	23	83
Total Debt	2,374	18	59

^{a/} All Emergency Loans are included under nonreal estate. This overestimates nonreal estate loan volume and underestimates real estate loan volume.

Source: ESCS, USDA

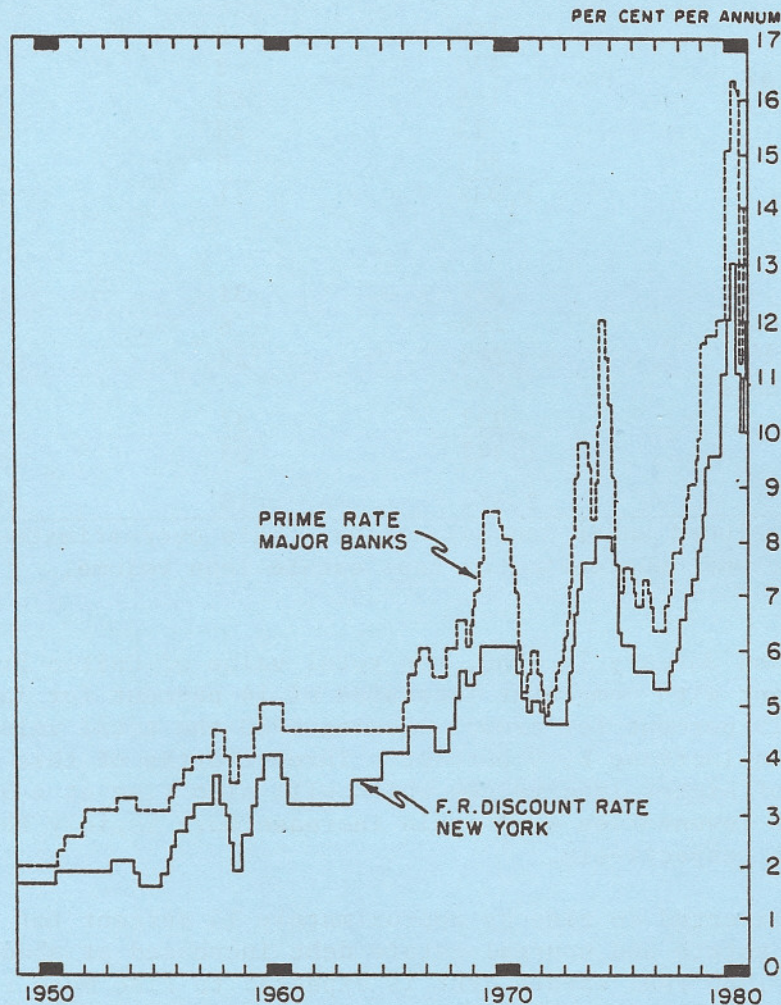
Between January 1, 1979 and January 1, 1980, the total value of United States farm assets increased 14 percent with component increases of 14 percent for land, 20 percent for livestock and 19 percent for crops. During 1980 the total value of U.S. farm assets is expected to increase by 9 percent. Three-fourths of this increase will be in the form of higher land values which will also rise at a 9 percent rate. Crop and livestock inventories will again increase more rapidly than land values; 16 and 14 percent respectively.

Total U.S. farm debt is expected to rise by approximately 15 percent for the third consecutive year. Real estate and nonreal estate debt increased at about equal rates during 1979. For 1980 real estate debt is expected to rise more rapidly (17%) than nonreal estate debt (12%). Although farm equity ratios were approximately maintained during 1979, the rapid increase in debt levels in 1980 will result in a slight decline in percent equity.

Contrary to the U.S. experience, New York land values are increasing at very low rates, approximately 1 percent during both 1978 and 1979. Total New York assets increased by 9 percent during 1979 due largely to a 38 percent increase in livestock values and a 15 percent increase in machinery.

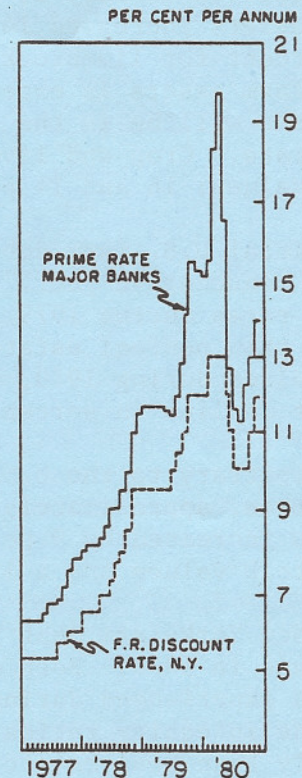
New York farm debt increased by 18 percent in 1979 following a 13 percent increase in 1978. Both of these rates were greater than the increase in asset values experienced during the corresponding periods, resulting in continued modest decline in equity ratios for New York farmers. Nonreal estate debt rose much more rapidly than real estate debt partly due to the rapid increases in nonreal estate asset prices, particularly livestock, and partly due to the reporting procedure used for the Farmers Home Administration which includes all Emergency loans under nonreal estate debt in spite of the fact that, particularly in New York State, some of these funds are actually real estate loans.

SHORT-TERM INTEREST RATES*
United States, 1950-1980



* Quarterly data

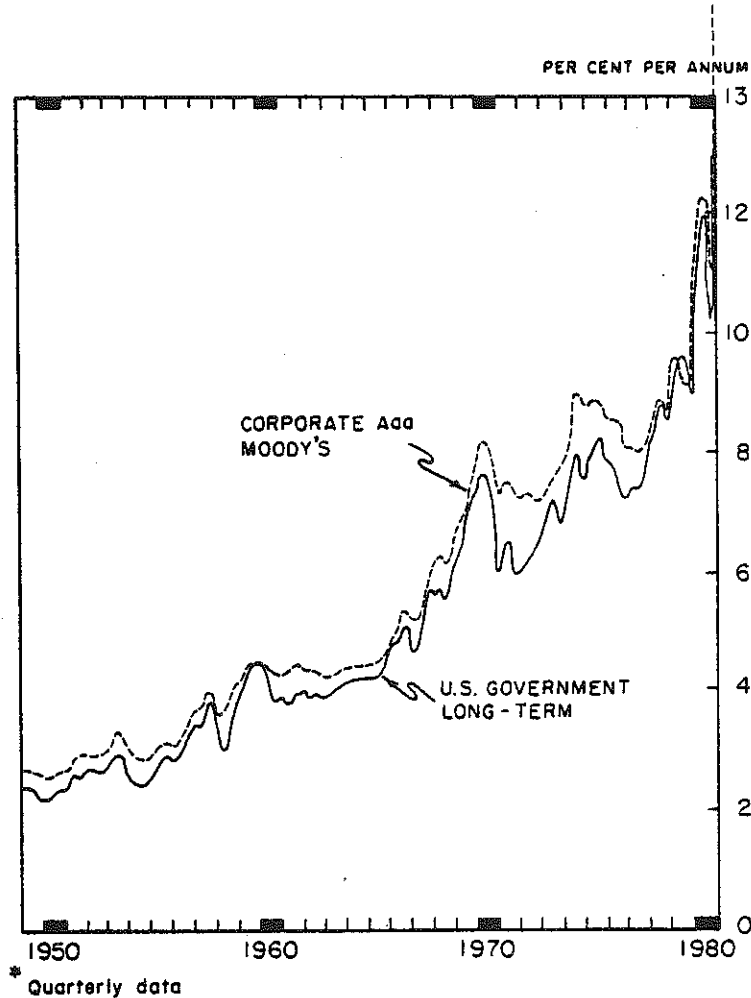
DETAIL OF SHORT-TERM
INTEREST RATES
1977-1980



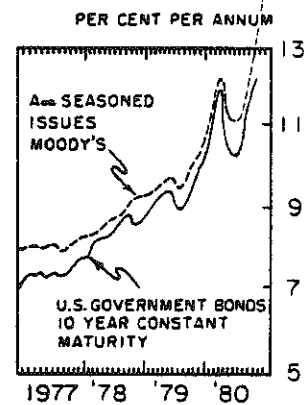
Source: Historical Chart Book, Federal Reserve Board, 1978, and Federal Reserve Bulletin, various issues.

Short term interest rates reached new highs and exhibited unprecedented volatility during 1980. These rates are expected to peak at about year end or very early in 1981. The rate of decline during 1981 will depend strongly on the strength of the economy. The expected sluggish economy should result in a decline of the prime rate to the 12 to 13 percent range by Fall. Basic long term rates rose in early 1980, fell at mid year and then rose again at year end. Long term rates will likely show relatively modest change during 1980.

LONG-TERM INTEREST RATES*
United States, 1950-1980

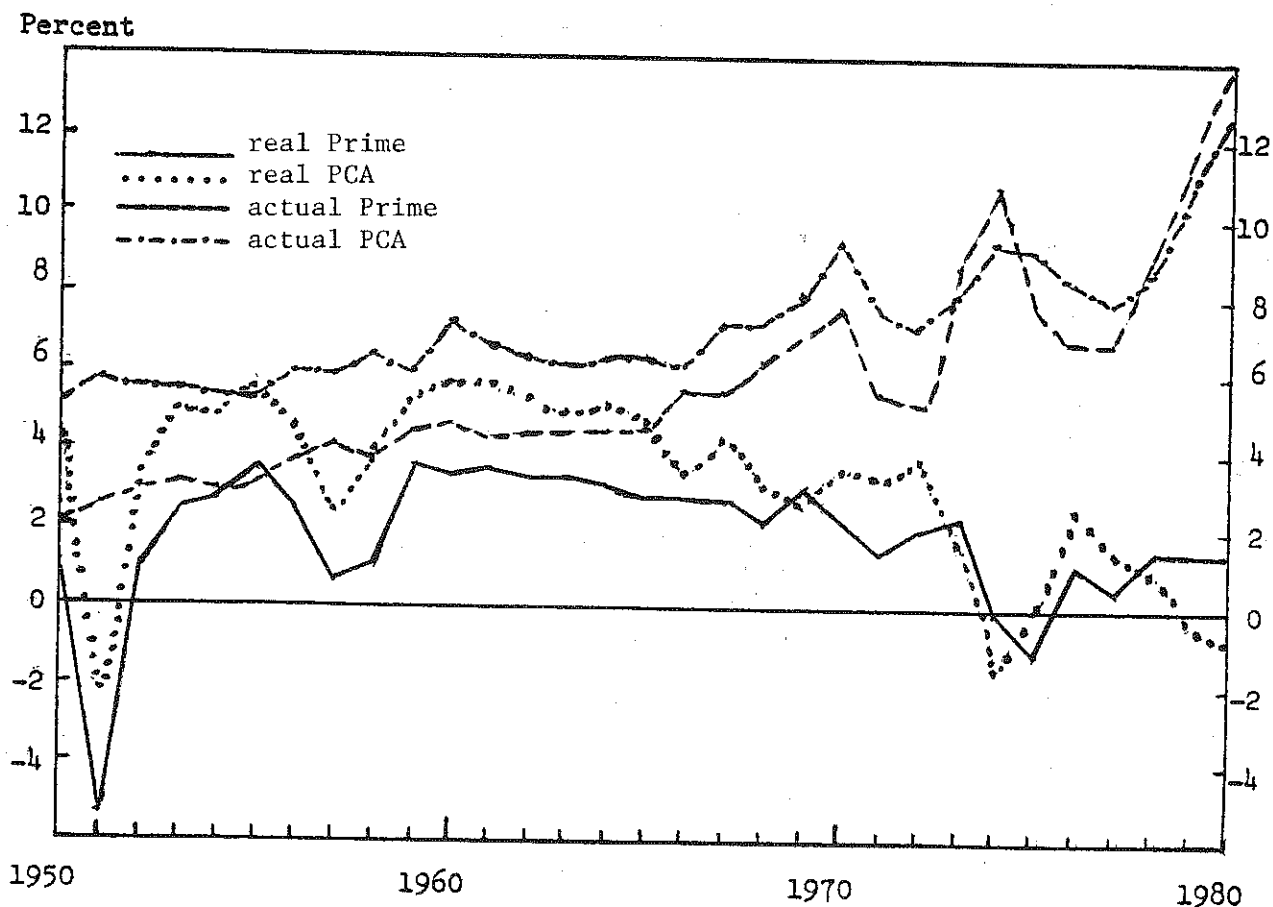


DETAIL OF LONG-TERM
INTEREST RATES
1977-1980



Source: Historical Chart Book, Federal Reserve Board, 1978, and Federal Reserve Bulletin, various issues.

Farm level interest rates will be above late 1980 levels during early 1981. Rates will likely peak in early 1981 with only modest declines for most of the year. Rates are unlikely to fall below the 12 to 15 percent range for 1981 farm borrowing. There should be few problems with credit supply; both banks and the farm credit system should have funds to lend but the cost will be high by historical standards.

NOMINAL AND REAL INTEREST RATES^{a/}

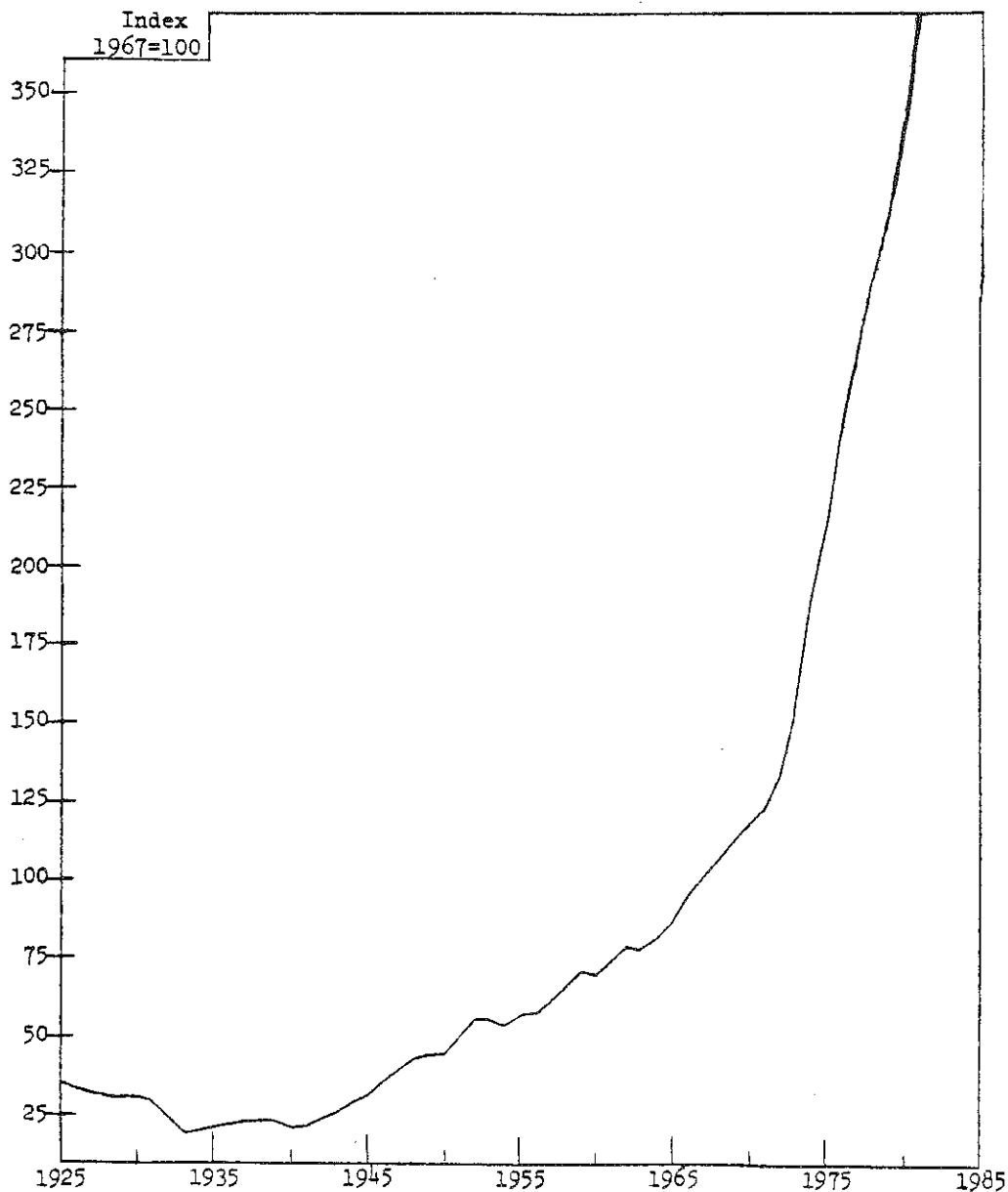
^{a/} Real rates are determined by subtracting the rate of inflation, as expressed by percent change in the CPI, from the nominal rate.

Anyone who borrows funds in an inflationary economy is able to repay those funds with "cheaper" dollars, thus reducing the real cost of borrowing. Interest rates charged farm and nonfarm borrowers are currently high by historical standards. However, the rate of inflation that exists in the economy is also high. Thus, the real cost of borrowed funds, on an annual basis, is not high. The real prime rate of interest (the prime rate charged minus the inflation rate) charged by banks on short term loans has averaged 1.02 percent during the decade of the 1970's and will average approximately 1.5 percent for 1980. Comparable rates for the 1950's and 1960's were 1.28 and 2.98 percent, respectively. The real rate of interest charged by Production Credit Associations (PCA's) averaged only 1.57 for the 1970's compared to 3.70 and 4.55 percent for the 1950's and 1960's respectively. Average Real PCA rates were negative for 1979 and 1980.

Interest rates charged by lenders can be expected to remain at current high levels until the rate of inflation is reduced. The real farm interest rate has historically been in the 2 to 5 percent range and can be expected to return to that level as money lenders seek to re-establish a positive real rate of return on funds lent.

VALUE OF FARM LAND AND BUILDINGS
 48 Mainland States of United States
 Index Numbers of Average Value Per Acre, March 1 of Each Year

Year	Index: 1967 =100	Year	Index: 1967 =100	Year	Index: 1967 =100	Year	Index: 1967 =100	Year	Index: 1967 =100
1916	30	1931	28	1946	35	1961	74	1976	242**
1917	33	1932	24	1947	39	1962	78	1977	283**
1918	36	1933	19	1948	43	1963	77	1978	308**
1919	39	1934	20	1949	44	1964	82	1979	351**
1920	48	1935	21	1950	43	1965	86	1980	401**
1921	44	1936	22	1951	49	1966	94	1981	
1922	39	1937	23	1952	55	1967	100	1982	
1923	37	1938	23	1953	55	1968	107	1983	
1924	36	1939	23	1954	53	1969	113	1984	
1925	35	1940	21	1955	57	1970	117	1985	
1926	34	1941	21	1956	57	1971	122		
1927	33	1942	23	1957	61	1972	132		
1928	32	1943	25	1958	65	1973	150*		
1929	32	1944	28	1959	71	1974	187*		
1930	31	1945	31	1960	68	1975	213*		** February 1



*Data for Maine, Massachusetts, New Hampshire, Vermont, Rhode Island and Connecticut are combined as New England; Florida index based on percent change in Georgia-Alabama.

VALUE OF FARM LAND AND BUILDINGS, SELECTED STATES
and 48 Mainland States of the United States
Index numbers of average value per acre, March 1 of each year
1967=100

State	Index (1967=100)												
	1960	1965	1970	1971	1972	1973	1974	1975	1976*	1977*	1978*	1979*	1980*
New England	72	89	126	154	174	198	231	257	276	301	332	365	394
New York	73	90	123	132	155	176	233	275	296	313	318	347	368
New Jersey	58	82	144	155	180	211	278	340	377	377	387	418	451
Pennsylvania	70	88	145	154	167	201	262	315	350	422	471	537	591
Michigan	72	84	113	115	127	150	174	184	201	256	287	319	364
Wisconsin	76	85	124	137	148	179	214	240	271	322	381	446	513
Ohio	73	86	115	120	127	147	184	208	252	331	373	448	506
Illinois	71	84	107	108	116	129	173	209	260	353	390	441	476
Iowa	73	79	114	114	122	141	189	234	294	397	413	475	556
North Dakota	69	87	120	122	127	142	193	265	310	349	369	413	475
Kansas	72	88	107	109	118	137	178	211	235	267	270	310	353
Nebraska	69	86	115	117	127	145	183	215	271	307	295	360	410
Virginia	67	85	120	132	149	171	223	250	278	302	327	386	421
North Carolina	69	91	113	128	138	164	200	216	232	246	253	299	323
South Carolina	68	88	124	135	162	179	238	273	284	311	319	341	368
Georgia	55	80	138	152	175	201	264	298	299	322	357	386	432
Arkansas	54	84	129	127	143	159	186	191	213	238	261	316	379
Louisiana	66	80	116	127	139	148	174	191	201	218	251	286	369
Texas	67	89	119	125	138	156	191	193	213	228	252	282	327
Idaho	76	91	120	128	141	159	203	243	264	296	320	349	399
New Mexico	62	88	120	127	136	151	186	197	206	227	236	372	305
Washington	73	88	124	124	130	145	160	178	213	249	268	297	312
California	72	91	110	110	112	115	122	133	136	137	155	191	229
48 States	68	86	117	122	132	150	187	213	242	283	308	351	401

SOURCE: Farm Real Estate Developments, Economic Research Service, U.S.D.A., July 1975; U.S.D.A.; U.S.D.A.
Agricultural Outlook, April 19.

* February

Farm real estate values per acre in the Mainland United States rose 14 percent in the year ending February 1, 1980 pushing the national index of farmland values to 401 (1967=100).

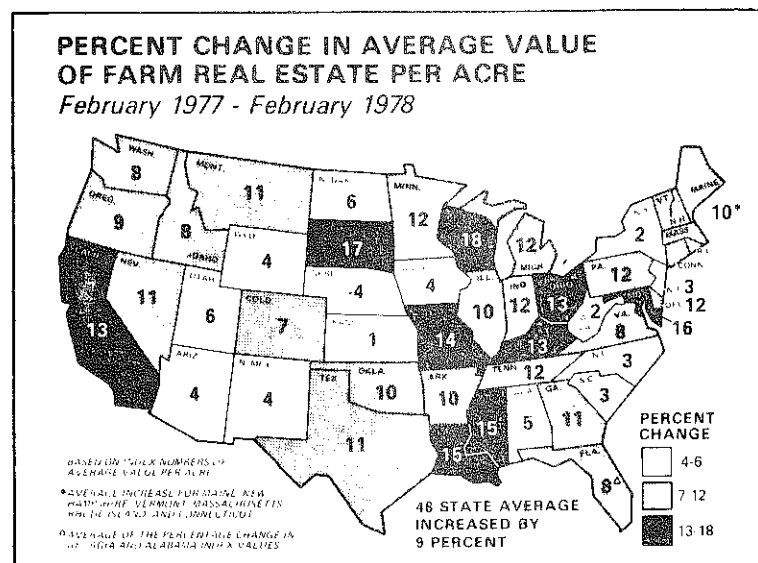
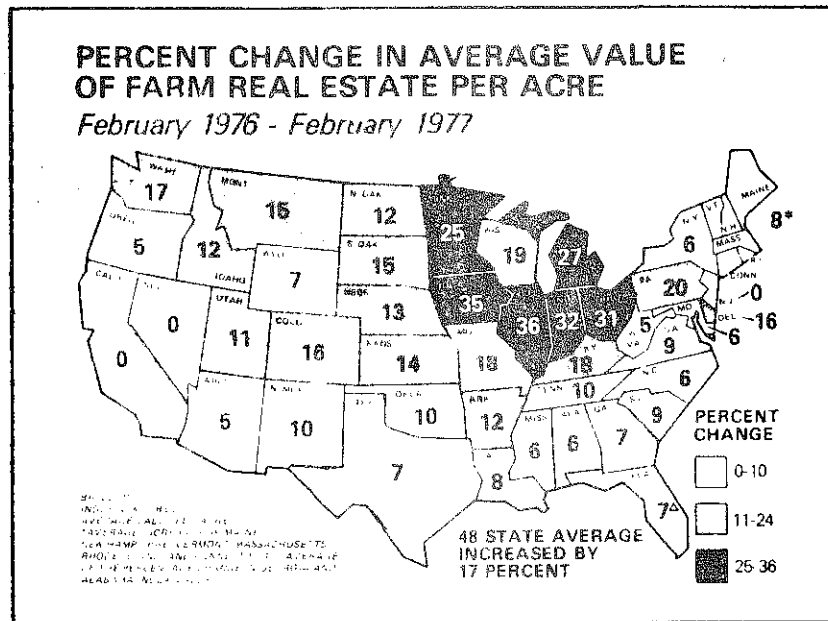
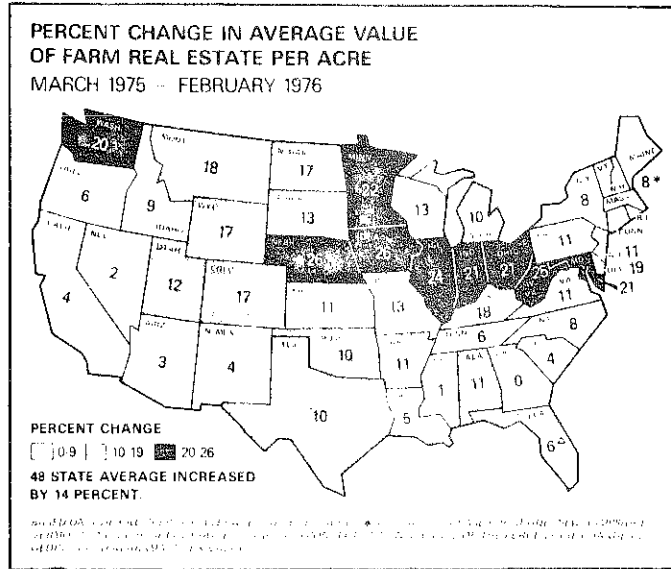
In the selected states the increases ranged from a decrease of 3 percent in Oregon to a 29 percent increase in Louisiana. The increases in three selected Northeastern states -- New York, New Jersey and Pennsylvania -- ranged from 6 to 10 percent.

Farmland values in New York have increased five times between 1960 and 1980.

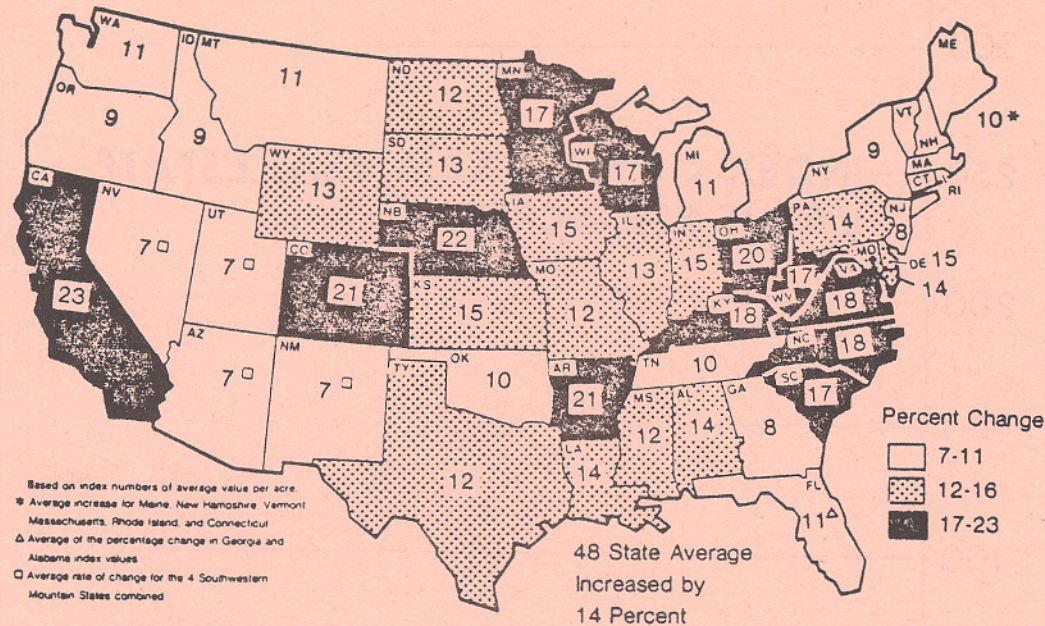
FARM REAL ESTATE VALUES: AVERAGE VALUE PER ACRE OF LAND AND BUILDINGS
BY STATE GROUPED BY FARM PRODUCTION REGION, 1970 AND 1972-80

State	March 1, 1970	March 1, 1972	March 1, 1973	March 1, 1974	March 1, 1975	Feb. 1, 1976	Feb. 1, 1977	Feb. 1, 1978	Feb. 1, 1979	Feb. 1, 1980 ¹
NORTHEAST										
Maine ²	161	217	253	302	341	369	400	441	485	524
New Hampshire ²	239	339	404	493	564	610	661	729	802	866
Vermont ²	224	298	346	410	462	500	541	597	657	710
Massachusetts ²	565	687	766	875	961	1,040	1,126	1,242	1,366	1,475
Rhode Island ²	734	971	1,124	1,334	1,500	1,623	1,758	1,939	2,133	2,304
Connecticut ²	921	1,108	1,229	1,395	1,525	1,647	1,779	1,962	2,158	2,331
New York	273	323	356	445	510	549	580	589	642	681
New Jersey	1,092	1,224	1,337	1,582	1,807	2,004	2,004	2,057	2,222	2,400
Pennsylvania	373	419	491	621	734	815	978	1,092	1,245	1,370
Delaware	499	566	645	810	971	1,155	1,340	1,500	1,725	2,018
Maryland	640	732	843	980	1,060	1,278	1,355	1,578	1,799	2,249
LAKE STATES										
Michigan	326	370	444	521	553	604	767	860	955	1,089
Wisconsin	232	274	328	389	434	490	583	690	807	928
Minnesota	226	241	269	338	429	521	652	730	854	1,008
CORN BELT										
Ohio	399	439	505	627	706	856	1,121	1,263	1,516	1,713
Indiana	406	435	494	592	720	878	1,159	1,303	1,498	1,723
Illinois	490	522	567	720	846	1,052	1,431	1,581	1,786	1,929
Iowa	392	414	466	597	719	903	1,219	1,268	1,458	1,706
Missouri	224	261	294	384	396	446	526	602	674	816
NORTHERN PLAINS										
North Dakota	94	98	108	144	195	228	258	273	306	352
South Dakota	84	87	94	119	145	163	194	227	257	292
Nebraska	154	170	193	242	282	355	401	385	470	536
Kansas	159	174	199	253	296	330	376	380	437	498
APPALACHIAN										
Virginia	286	345	391	501	558	620	676	732	864	942
West Virginia	136	173	204	262	300	375	394	403	472	519
North Carolina	333	396	461	551	590	637	675	694	819	885
Kentucky	253	295	327	385	427	504	595	671	792	879
Tennessee	268	302	346	415	467	495	545	608	669	743
SOUTHEAST										
South Carolina	261	313	336	418	467	486	529	543	582	629
Georgia	234	290	329	424	474	476	509	564	609	682
Florida	355	403	464	608	685	726	777	838	930	1,097
Alabama	200	236	267	331	364	404	432	452	515	639
DELTA										
Mississippi	234	242	270	340	379	381	404	464	520	629
Arkansas	260	296	337	406	419	465	521	571	691	829
Louisiana	321	380	403	469	512	538	581	669	763	984
SOUTHERN PLAINS										
Oklahoma	173	194	219	263	302	332	365	402	442	522
Texas	148	173	196	241	243	267	286	317	354	411
MOUNTAIN										
Montana	60	68	76	96	112	132	152	168	186	218
Idaho	177	205	229	287	339	368	412	445	485	553
Wyoming	41	48	55	70	80	94	101	105	119	127
Colorado	95	116	137	175	188	219	256	274	332	388
New Mexico ⁴	42	49	56	73	78	81	89	93	100	112
Arizona	70	86	91	110	111	114	120	125	134	150
Utah ⁴	92	128	141	171	188	212	235	248	265	297
Nevada ⁴	53	66	74	85	85	87	87	97	104	116
PACIFIC										
Washington	224	238	273	308	350	420	491	528	586	615
Oregon	150	186	205	234	250	265	278	303	330	320
California	479	494	509	570	653	668	673	761	936	1,123
48 STATES	196	219	246	302	339	385	448	488	559	640

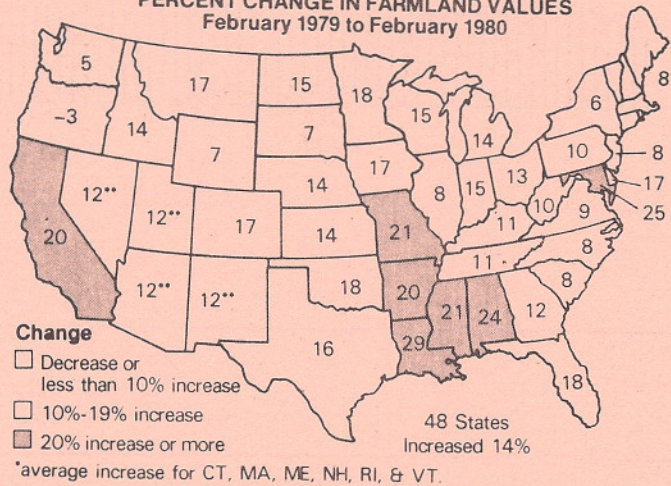
¹ Preliminary. ² Average rate of change for the 6 New England States was used to project the dollar values. ³ Values are based on an index estimated from the average of the percentage change in Georgia and Alabama index values. ⁴ Starting November 1978 the average rate of change for these States was used to project the dollar values.



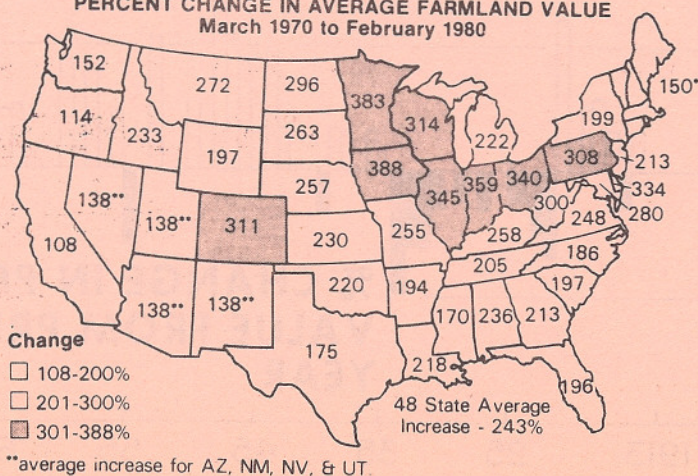
Percent Change in Average Value of Farm Real Estate Per Acre February 1978—February 1979



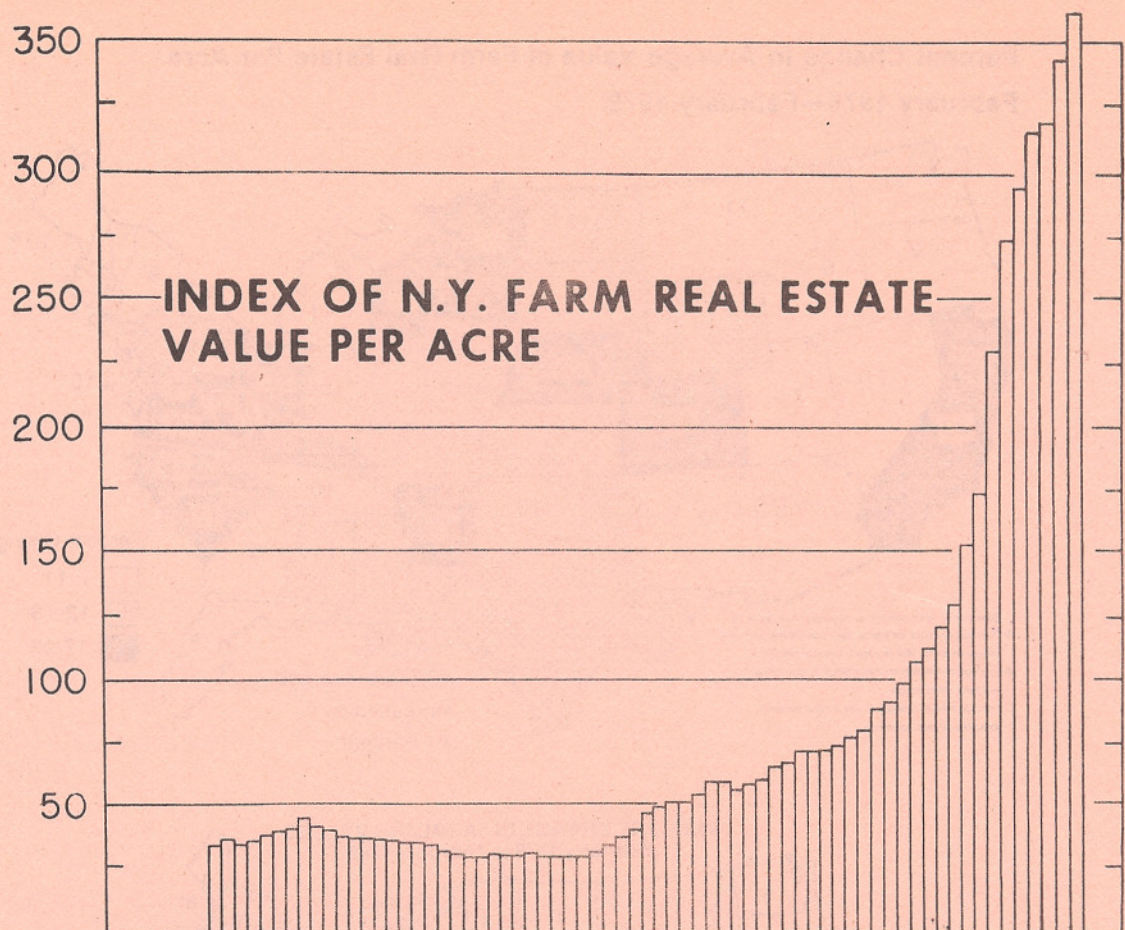
PERCENT CHANGE IN FARMLAND VALUES February 1979 to February 1980



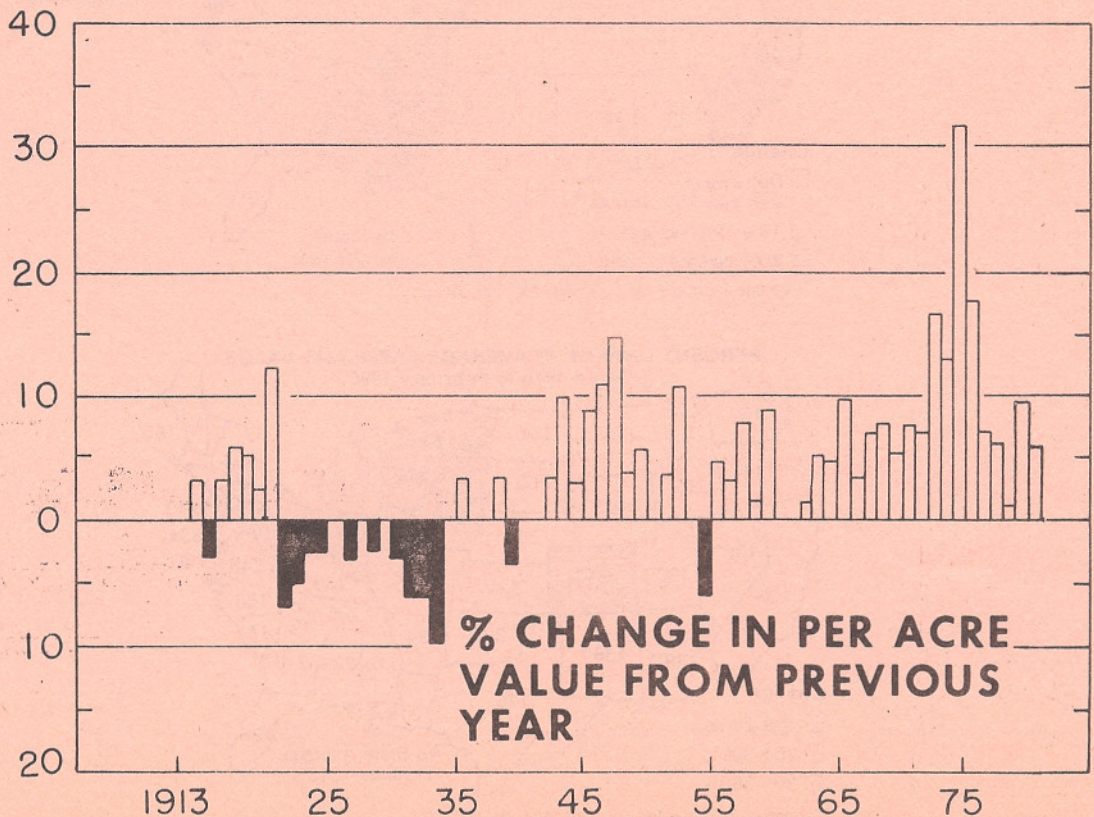
PERCENT CHANGE IN AVERAGE FARMLAND VALUE March 1970 to February 1980



% OF MARCH 1, 1967 *



PERCENT



* PERCENT REPORTED AS OF MARCH 1, 1913-1975 AND FEBRUARY 1, 1976-1980

Source: U.S.D.A., Farm Real Estate Market Developments

VALUE OF FARM LAND AND BUILDINGS IN NEW YORK STATE
U.S.D.A. Index of Value Per Acre; Investment in
Land and Buildings Per Cow on New York Dairy Farms

Year	Dairy Farms in New York Account Projects#					U.S.D.A. Index of	
	Number of farms	Number of cows	Operators' Valuation of Real Estate			value of farm real estate per acre, March 1 of each year##	New York State
			Land & buildings per farm	Land and buildings per cow			
				Dollars	Index		
				(1967=100)		(1967=100)	48 States
1960	467	35	\$22,500	\$ 650	81	73	68
1967	548	51	41,300	800	100	100	100
1970	509	65	64,800	1,000	125	123	117
1971	569	67	73,100	1,100	138	132	122
1972	571	70	84,900	1,200	150	155	132
1973	609	69	101,400	1,475	184	176	150
1974	628	72	116,800	1,625	203	233	187
1975	605	72	128,000	1,775	222	275	213
1976	615	71	140,000	1,975	247	296	242*
1977	570	71	152,000	2,150	269	313	283*
1978	527	71	164,000	2,300	288	318	308*
1979	610	75	190,000	2,500	312	347	351*

A. E. Res. 80-16, Dairy Farm Management Business Summary, New York, 1979 and previous years), by Stuart Smith.

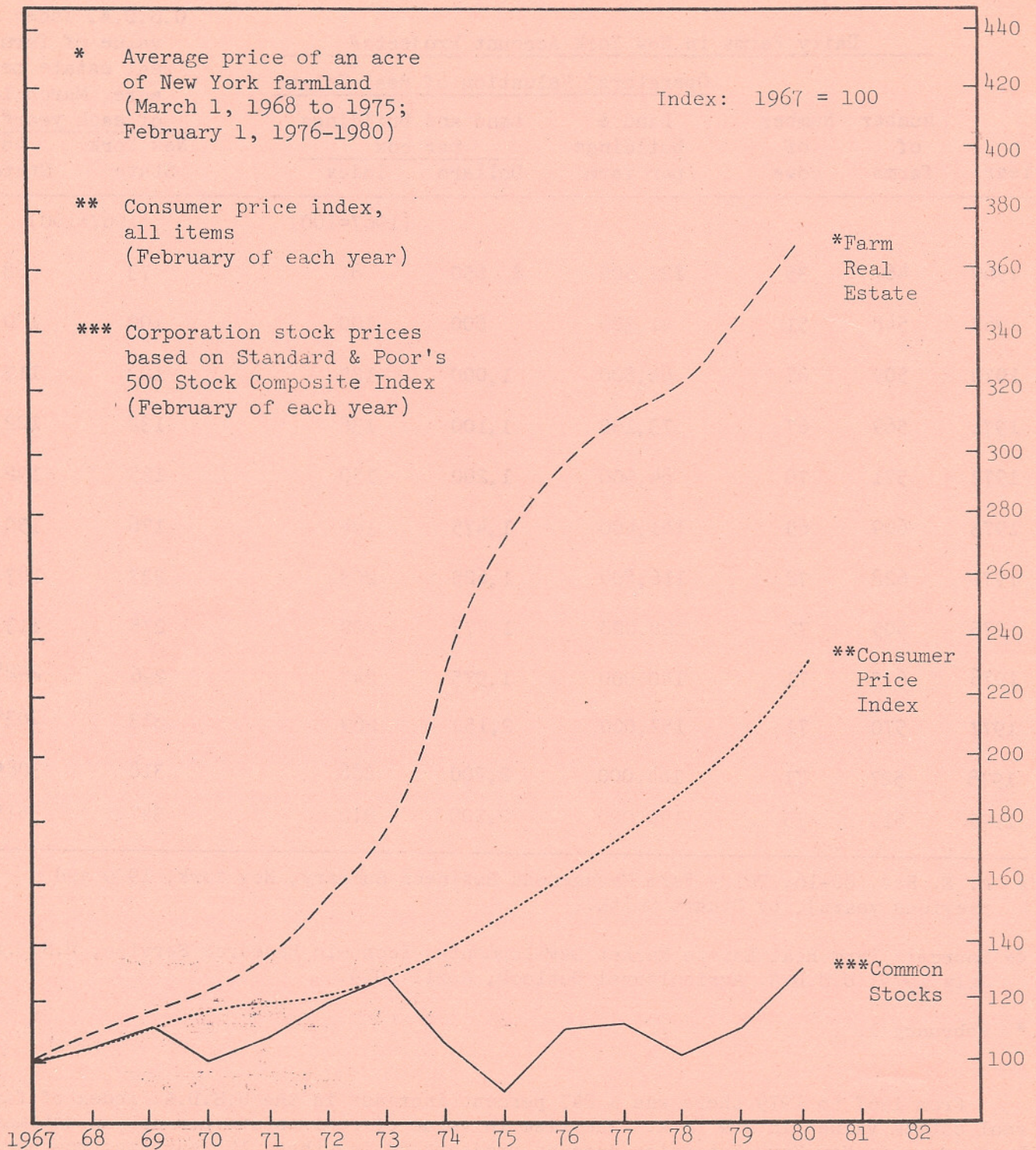
Source: Farm Real Estate Market Developments, Economic Research Service, U.S.D.A., July 1979; U.S.D.A. Agricultural Outlook, April 1979.

* February 1.

From 1967 to 1979 there was a 247 percent increase in the U.S.D.A. index of farm real estate values in New York. The rise in value of real estate per cow as estimated by farmers in New York Extension Account projects during these 12 years was roughly 212 percent.

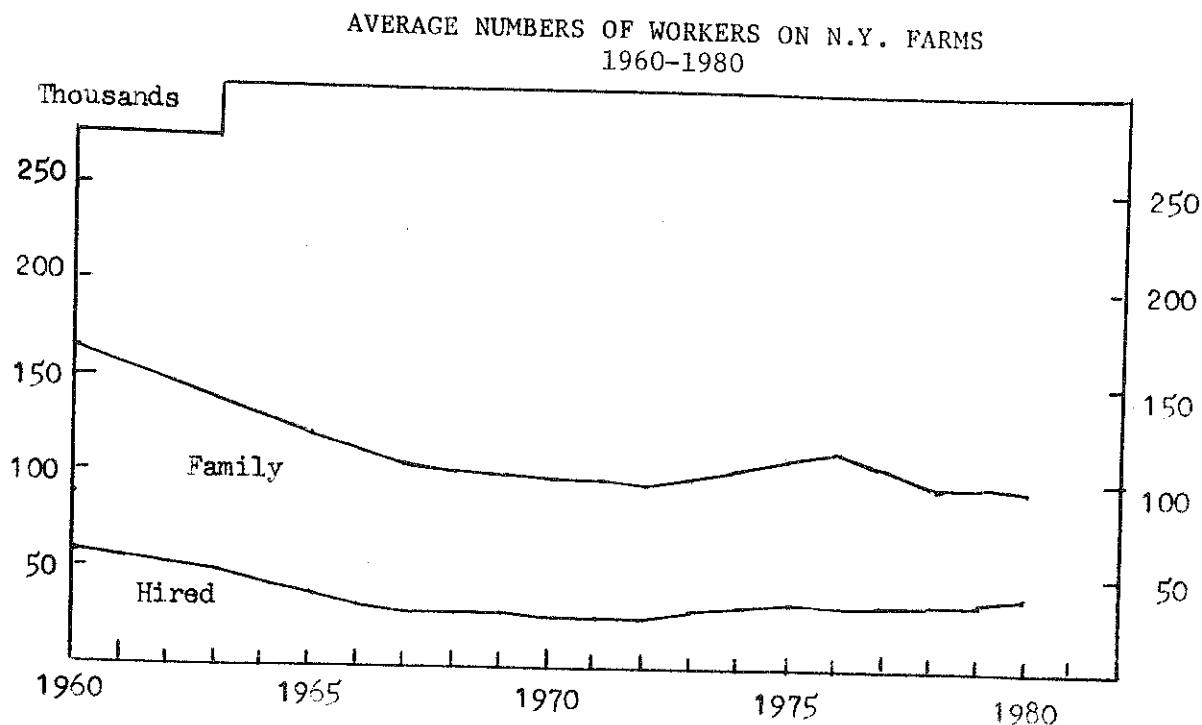
The value of real estate per cow on these dairy farms increased from \$650 in 1960 to \$2,500 in 1979.

FARM REAL ESTATE VS. COMMON STOCKS VS. CONSUMER PRICES
1967 to 1980



The chart above compares changes in New York farmland prices with the change in the price of common stock and the consumer price index.

Since 1967 farmland has been an excellent hedge against inflation and a better investment than the stock market.



The number of workers on New York farms declined sharply from 1950 to 1970, and has remained relatively constant for the past 10 years apart from a slight increase in the mid-70s. In recent years, the number of family workers has tended to decline, but hired workers have increased from the low point 10 years ago. Hired workers constitute a little more than one-third of the work force on both New York and United States farms.

WORKERS ON FARMS, N.Y. AND U.S., 1950-1980*

Year	No. of Farms (000)	New York				United States			
		Total	Family	Hired	% Hired	Total	Family	Hired	% Hired
			(thousands)				(millions)		
1950	136	248	159	89	36	9.9	7.6	2.3	23
1955	104	200	136	64	32	8.4	6.3	2.1	25
1960	88	164	107	57	35	7.1	5.2	1.9	27
1965	71	122	84	38	31	5.6	4.1	1.5	26
1970	58	98	73	25	26	4.5	3.3	1.2	26
1971	57	98	72	26	27	4.4	3.3	1.2	26
1972	56	95	70	25	26	4.4	3.2	1.1	26
1973	56	99	70	29	29	4.3	3.2	1.2	27
1974	57	104	72	32	30	4.4	3.1	1.3	28
1975**	58 49	109	75	34	31	4.3	3.0	1.3	30
1976	58 48	114	82	32	28	4.4	3.0	1.4	32
1977	57 47	105	71	34	32	4.2	2.9	1.3	31
1978	46	99	65	34	34	4.0	2.7	1.3	33
1979	45	99	64	35	35	3.8	2.5	1.3	34
1980P	44	96	60	36	38	3.7	2.4	1.3	35

* Average number of persons employed on farms during the second week of each of the following months - January, April, July, and October.

** New definition series initiated with 1975.

SOURCE: USDA-CRB-ESCS, Farm Labor (various issues).

LABOR COSTS FOR REGULAR HIRED WORKERS*
New York Cost Account Farms, 1979

Item	Dairy Farms		Fruit Farms	
	Per Worker	Per Hour	Per Worker	Per Hour
Number of farms reporting	13		6	
Number of workers	39		25	
Hours worked per year	3,114		2,574	
Gross wage	\$10,136	\$3.25	\$ 9,837	\$3.82
Social Security and Workmen's Compensation	1,561	.50	1,590	.62
Other benefits	2,964	.96	1,233	.48
Total	\$14,661	\$4.71	\$12,660	\$4.92

* Excluding operators.

Cost Account farms keep detailed records of all phases of their operations. This provides information that is not readily available elsewhere, such as the hours worked and labor costs on these "better than average" New York farms. Total wages and benefits for 39 workers on 13 dairy farms in 1979 amounted to \$14,661 for the year, or \$4.71 per hour. The 25 regular hired workers on 6 fruit farms averaged \$12,660 for the year, or \$4.92 per hour.

Part-time and piecework labor is hired for seasonal help or to assist at peak periods. The fruit farms used more part-time and piecework help than the dairy farms and paid higher wages per hour. Pieceworkers on fruit farms earned \$6.94 per hour compared to part-time workers on dairy farms that earned \$3.56.

COSTS FOR HIRED PART-TIME AND PIECEWORK LABOR
New York Cost Account Farms, 1979

Item	Average Cost Per Hour		
	Dairy Farms	Fruit Farms	
	Part-time	Part-time	Piecework
Number of farms reporting	11	6	6
Hours reported per farm	1,957	8,512	7,922
Gross wage	\$3.12	\$3.64	\$5.49
Social Security and Workmen's Compensation	.37	.52	.81
Other benefits	.07	.08	.64
Total	\$3.56	\$4.24	\$6.94

AVERAGE HOURLY FARM WAGE RATES FOR NEW YORK AND THE UNITED STATES

By Quarters^{1/}, 1980

	U.S.				N.Y.			
	I	II	III	IV	I	II	III	IV
All hired farm workers	\$3.69	\$3.61	\$3.52	\$3.85	\$3.10	\$2.95	\$2.86	\$3.54
<u>Method of Pay</u>								
By piece rate	4.37	4.56	4.04	5.16	<u>2/</u>	<u>2/</u>	<u>2/</u>	<u>2/</u>
By other than piece rate	3.65	3.56	3.49	3.72	3.10	2.95	2.85	3.39
By hour only	3.61	3.60	3.53	3.81	3.40	3.00	3.06	3.50
By cash wages only	3.91	3.77	3.74	3.92	3.60	3.20	3.21	3.60
By hour, receiving cash wages only	3.65	3.60	3.62	3.83	3.40	3.00	3.16	3.45
<u>Type of Employment</u>								
Field workers	3.77	3.55	3.36	3.82	3.50	3.00	2.75	3.35
Livestock workers	3.26	3.16	3.22	3.40	2.70	2.60	2.68	3.31
Packing house workers	3.56	3.69	3.57	3.68	3.40	<u>2/</u>	<u>2/</u>	<u>2/</u>
Machine operators	3.70	3.68	3.60	3.82	3.70	<u>2/</u>	<u>2/</u>	<u>2/</u>
Supervisors	5.57	5.56	5.45	5.79	5.58	<u>2/</u>	<u>2/</u>	<u>2/</u>
Other agricultural workers	3.97	4.00	4.05	4.21	4.00	<u>2/</u>	<u>2/</u>	<u>2/</u>

^{1/} Data for quarters were collected for the weeks of January 6-12, 1980; April 6-12, 1980; July 6-12, 1980; and October 6-12, 1980.

^{2/} Insufficient data to report this category. The data are included in all hired farm workers and in United States wage rates.

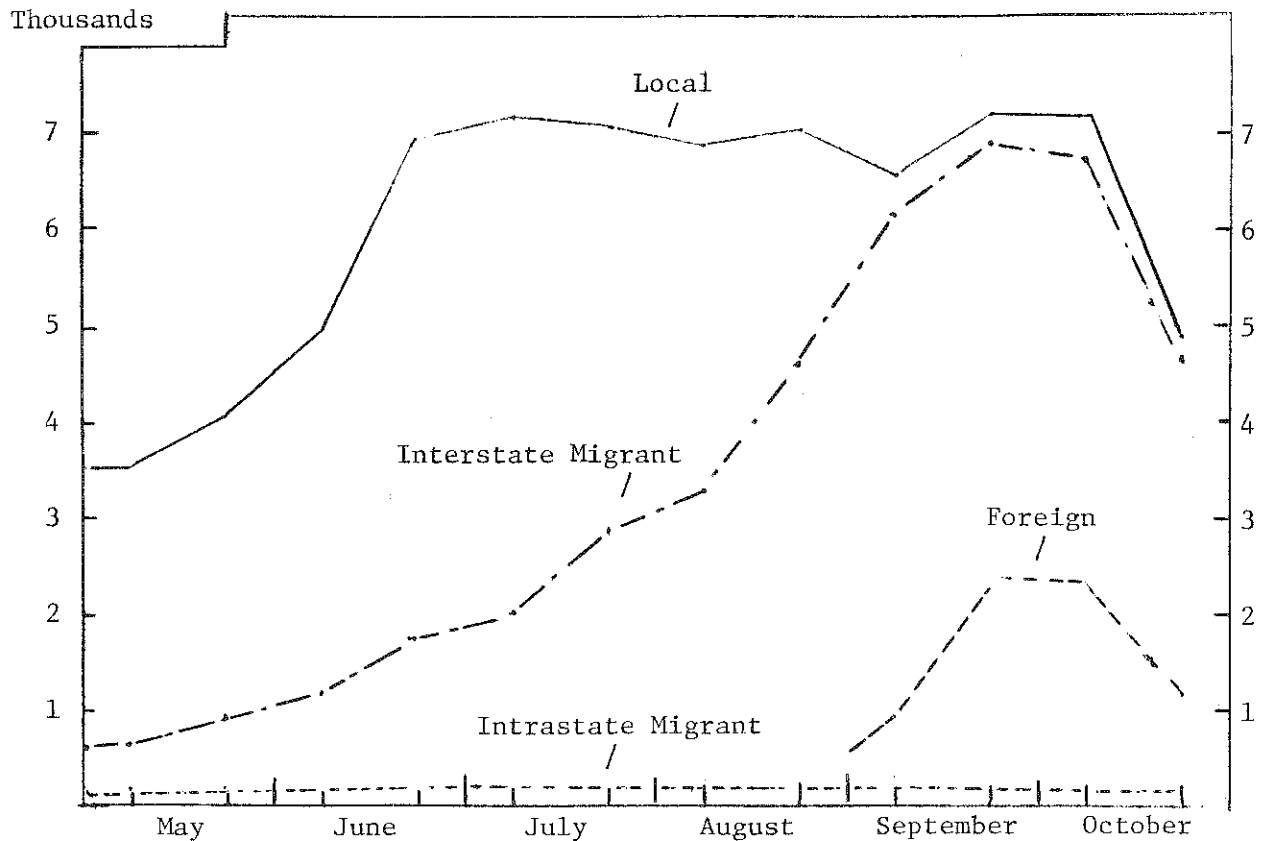
SOURCE: USDA-CRB-ESCS, Farm Labor.

COMPARISON OF HOURLY WAGE RATES FOR FARM WORKERS AND PRODUCTION WORKERS IN MANUFACTURING, 1978-1980

	Production Workers in Manufacturing			All Hired Farm Workers	
	All Manufacturing	Durable Goods	Non-Durable Goods	N.Y.	U.S.
	- New York -				
<u>1978</u>					
January	\$5.93	\$6.46	\$5.41	\$2.85	\$3.18
April	5.99	6.52	5.46	2.71	3.09
July	6.09	6.61	5.54	2.72	2.93
October	6.14	6.77	5.49	2.90	3.18
<u>1979</u>					
January	\$6.41	\$6.98	\$5.78	\$2.90	\$3.38
April	6.45	7.03	5.82	2.98	3.40
July	6.58	7.17	5.95	2.80	3.23
October	6.71	7.37	6.02	2.85	3.57
<u>1980</u>					
January	\$6.91	\$7.50	\$6.26	\$3.10	\$3.69
April	7.02	7.63	6.34	2.95	3.61
June	7.11	7.76	6.42	2.86	3.52
October	--	--	--	3.54	3.85

SOURCE: NYS Dept. of Labor, Employment Review; USDA-CRB-ESCS, Farm Labor.

NUMBER OF SEASONAL FARM WORKERS BY LABOR SOURCE
Bi-weekly Periods May through October 1980



The number of seasonal farm workers in New York increased through the summer of 1980 to a peak of 16,967 in the first week of October. Most seasonal workers in the fall are employed in the apple harvest, with the next largest group harvesting potatoes. Between 10,000 and 11,000 seasonal workers were employed on New York farms during July and August.

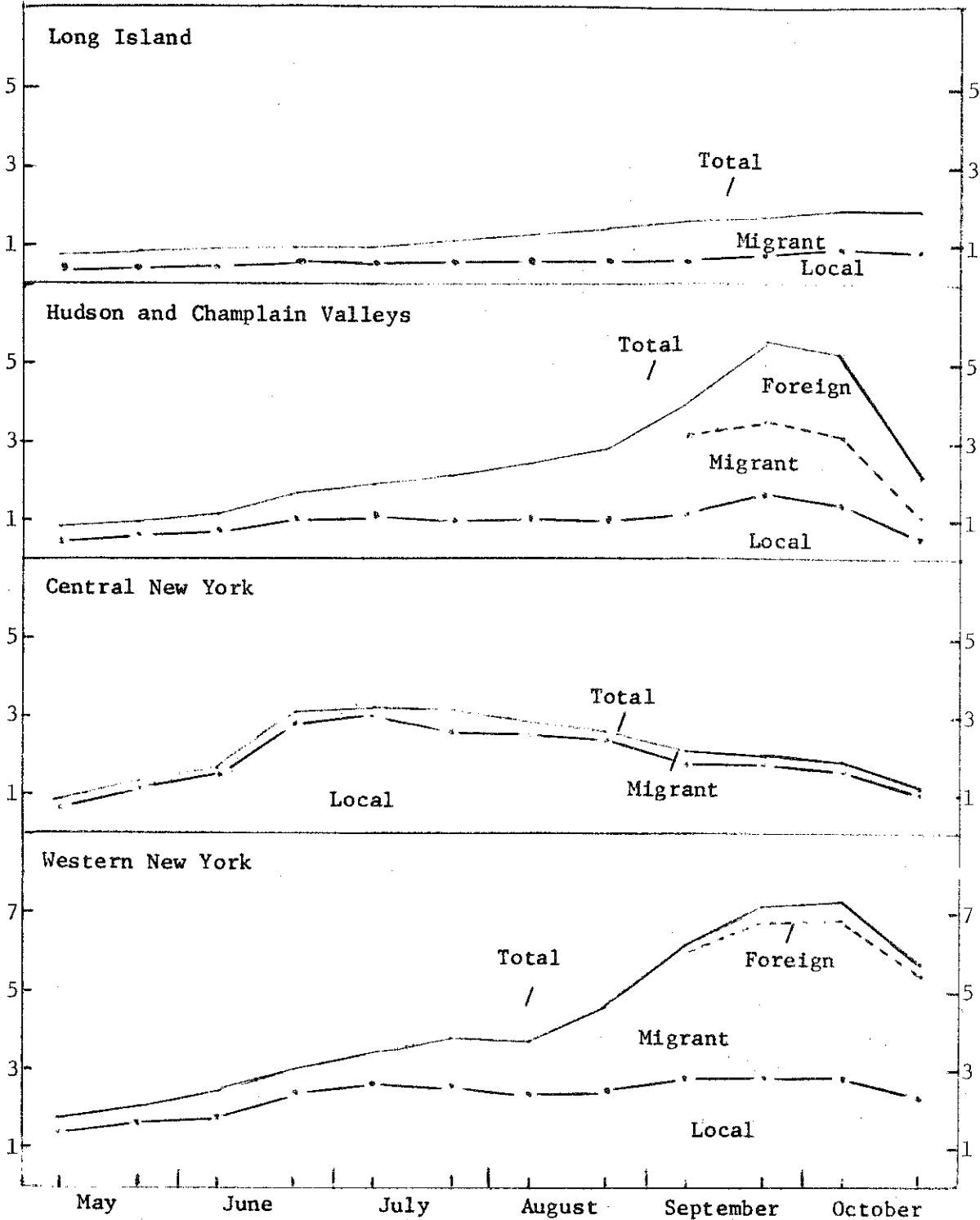
About 7,000 local workers were employed from mid-July through October, the number remaining fairly constant in 1980. The employment of migrant workers increased gradually during the season to 3,565 in mid-August then rose sharply to a peak of 7,160 in early October. Employment of foreign workers was limited to September and October.

Western New York farmers employed the largest number of seasonal workers, with the Hudson and Champlain Valleys next in line. In both areas, local workers provided the basic labor force during the growing season, and were supplemented at harvest time by migrant and foreign workers. Interstate migrants were more important in western New York and foreign workers in the Hudson and Champlain Valleys.

The number of seasonal workers employed on New York farms during the last two weeks of September declined to 16,500 in 1980 from 17,600 in 1979, partly due to the lateness of the season this year. There has been little change in the composition of the seasonal work force in recent years, but some indication that local workers are continuing to supply about the same numbers, interstate migrants are declining, and foreign workers becoming more important. In 1980, local workers accounted for 42 percent, migrant workers 44 percent, and foreign workers 14 percent of the seasonal labor force during the period of peak employment.

SOURCES OF NEW YORK SEASONAL FARM LABOR BY REGIONS
Bi-Weekly Periods, May through October 1980

Thousands



SOURCE: New York State Department of Labor, Manpower Services Division, Agricultural Employment Bulletin.

NUMBER AND DISTRIBUTION OF HIRED SEASONAL FARM WORKERS
AT THE PEAK PERIOD IN NEW YORK (SEPTEMBER 16-30), 1968-1980
By Origin of Workers for ES-223 Agricultural Reporting Areas

Year	Thousands of Workers					Percent of Total			
	Total	Local	Inter- state	Intra- state	Foreign	Local	Inter- state	Intra- state	Foreign
1968	26.1	10.2	14.4	.7	.8	39	55	3	3
1969	23.6	9.6	12.3	.7	1.0	41	52	3	4
1970	22.5	8.6	12.3	.6	1.0	38	55	3	4
1971	21.1	7.5	11.9	.6	1.1	36	56	3	5
1972	18.3	7.2	9.5	.4	1.2	39	52	2	7
1973	17.5	7.5	8.0	.4	1.6	43	46	2	9
1974	18.4	8.3	8.0	.3	1.8	45	43	2	10
1975	18.5	8.4	8.0	.5	1.6	45	43	3	9
1976	14.9	7.4	6.3	.2	1.0	50	42	1	7
1977	15.7	7.3	6.7	.3	1.5	46	43	2	9
1978	17.2	7.6	7.6	.2	1.9	44	44	1	11
1979	17.6	7.7	7.4	.2	2.3	44	42	1	13
1980	16.5	7.0	7.0	.2	2.3	42	42	1	14

NUMBER AND DISTRIBUTION OF HIRED SEASONAL FARM WORKERS
IN NEW YORK STATE BY LABOR SOURCE, 1980

Date	Number of Workers					Percent of Total		
	Local	Migrant	Foreign	CPR ¹	Total	Local	Migrant	Foreign
May 9	3,595	625	-0-	35	4,220	85	15	-0-
May 16	3,515	725	-0-	35	4,240	83	17	-0-
May 23	3,800	875	-0-	50	4,675	81	19	-0-
May 30	4,165	980	-0-	60	5,145	81	19	-0-
June 6	4,525	1,120	-0-	60	5,645	80	20	-0-
June 13	4,925	1,340	-0-	70	6,265	79	21	-0-
June 20	5,925	1,675	-0-	70	7,600	78	22	-0-
June 27	6,935	1,870	-0-	74	8,805	79	21	-0-
July 8	7,085	2,020	-0-	75	9,105	78	22	-0-
July 11	7,360	2,135	-0-	75	9,495	78	22	-0-
July 18	7,315	2,705	-0-	75	10,020	73	27	-0-
July 25	7,110	3,035	-0-	75	10,145	70	30	-0-
Aug. 1	7,260	3,320	-0-	75	10,580	69	31	-0-
Aug. 8	6,790	3,440	-0-	75	10,230	66	34	-0-
Aug. 15	6,840	3,565	-0-	80	10,405	66	34	-0-
Aug. 22	6,890	4,060	-0-	80	10,950	63	37	-0-
Aug. 29	7,065	4,745	-0-	75	11,810	60	40	-0-
Sept. 5	6,575	5,015	626	78	12,220	54	41	5
Sept. 12	6,630	6,306	924	75	13,860	48	45	7
Sept. 19	6,492	7,014	1,433	80	14,939	43	47	10
Sept. 26	7,227	7,063	2,308	75	16,600	43	43	14
Oct. 3	7,454	7,160	2,350	75	16,967	44	42	14
Oct. 10	7,206	6,882	2,347	75	16,435	44	42	14
Oct. 17	6,489	6,538	2,240	75	15,267	42	43	15
Oct. 24	5,678	6,039	1,863	60	13,580	42	44	14
Oct. 31	4,967	4,721	1,189	60	10,840	46	43	11
Nov. 7	1,928	1,099	1,186	-0-	4,213	46	26	28

1. CPR are Contract Puerto Rican workers. Their numbers are included in the migrant worker category, and amount to less than 1 percent of the total.

SOURCE: NYS Dept. of Labor, Manpower Services Division, Agricultural Employment Bulletin.

CROP PRODUCTION
United States and New York
1978-80 ^{1/}

Crop	Acres Harvested			Yield Per Acre			Production		
	1978	1979	1980	1978	1979	1980	1978	1979	1980
<u>United States</u>	(million)			(bu.)			(million bu.)		
Corn grain	70.2	71.0	71.1	100.8	109.4	90.8	7,087	7,763	6,461
Sorghum	13.6	13.0	12.1	55.1	62.9	45.3	748	814	551
Oats	11.4	9.8	8.9	52.2	54.4	50.9	596	534	451
Barley	9.2	7.5	7.4	48.6	50.6	47.7	449	378	352
Wheat	56.9	62.6	71.6	31.6	34.2	33.0	1,798	2,142	2,362
Soybeans	63.3	70.5	66.9	29.5	32.2	26.5	1,870	2,268	1,775
<u>New York</u>	(million)			(bu.)			(thousand bu.)		
Corn grain	600	650	670	79	85	87	47,400	55,250	58,290
Oats	300	290	280	59	62	64	17,700	17,980	17,920
Barley	10	11	11	42	48	45	420	528	495
Wheat	75	160	150	35	41	40	2,625	6,560	6,000
Soybeans	22	23	19	23	26	24	506	598	456
				(tons)			(thousand tons)		
Corn silage	682	625	N.A.	13.0	13.0	N.A.	8,866	8,125	N.A.
All hay	2,475	2,450	2,360	2.14	2.26	2.27	5,297	5,539	5,352
Alfalfa ^{2/}	1,025	1,040	1,000	2.55	2.75	2.70	2,614	2,860	2,700

Source: USDA Crop Production and New York Crop and Livestock Report

^{1/} All 1980 data is preliminary and subject to revision. Estimates for the United States are as of November 1, 1980. New York estimates are as of October 1979 and earlier months.

^{2/} Includes alfalfa mixtures.

United States corn production is forecast to be 6.46 billion bushels, 17 percent less than last year's record crop but the third largest crop ever produced. The average yield of 90.8 bushels is 18.6 bushels below last year. As of November 2, harvest progress was ahead of average.

The sorghum, barley and oat crops are all below 1979 levels.

Soybean production is forecast at 1.8 billion bushels, 22 percent less than last year's record crop but still the third largest crop ever produced.

Wheat production is forecast to be 2.36 billion bushels, 10 percent above 1979 and the largest crop ever produced.

The New York corn crop is forecast to be a record 58 million bushels. Wheat production of 6 million bushels is somewhat below recent crops except for 1978. The oat crop is about equal to 1979 and the barley crop is down slightly. The hay crop is down about 3 percent.

CORN AND FEED GRAIN BALANCE SHEETS

Item	1977/78	1978/79	1979/80 Preliminary	1980/81 Projected ^{1/}	
<u>Supply</u>	----- CORN (million bushels) -----				
Beginning Stocks (Oct. 1)	884	1,104	1,286	1,597	
Production	6,425	7,087	7,764	6,461 ±	135
Imports	3	1	1	1	
Total	7,312	8,192	9,051	8,059 ±	135
<u>Disappearance</u>					
Feed	3,709	4,198	4,391	4,200 ±	300
Food, Ind. and Seed	551	575	625	715 ±	25
Total domestic	4,260	4,773	5,021	4,915 ±	315
Exports	1,948	2,133	2,433	2,600 ±	200
Total	6,208	6,906	7,454	7,515 ±	450
<u>Ending Stocks</u> (Sept. 30)	1,104	1,286	1,597	544 +	200 to -100
Season average farm price	\$2.02	\$2.25	\$2.50	\$3.35 -	3.75
<u>Supply</u>	--- FEED GRAINS ^{2/} (million metric tons) ---				
Beginning Stocks	29.9	41.2	45.9	51.9	
Production	203.4	217.4	233.9	192.3 ±	3
Imports	0.3	0.3	0.3	0.3	
Total	233.6	258.9	280.0	244.5 ±	3
<u>Disappearance</u>					
Feed	117.3	133.1	135.9	126.5 ±	9
Food, Ind. and Seed	18.8	19.7	20.9	23.2 ±	1
Total domestic	136.1	152.8	156.8	149.7 ±	9
Exports	56.3	60.2	71.3	74.2 ±	6
Total	192.4	213.0	228.1	223.9 ±	13
<u>Ending Stocks</u>	41.2	45.9	51.9	20.6 +	7 to -4

Source: Agricultural Supply and Demand Estimates, USDA.

^{1/}The chances are about 2 out of 3 that the final outcome will fall within the indicated ranges.

^{2/}Marketing year beginning October 1 for corn and sorghum, June 1 for barley and oats.

Despite a record carryover from previous years, the fall 1980 corn supply of about 8 billion bushels is 11 percent below a year earlier. Feed use is projected to decline 4 to 5 percent and exports to increase 7 percent. Total utilization is projected to be a little greater than in the previous year and over a billion bushels greater than the 1980 crop, leading to a drawdown in stocks of over a billion bushels to the lowest level since 1975.

Total U.S. feed grain production is forecast to be 192 million tons, 18 percent below 1979 and the smallest since 1976. The total 1980 supply of 244 million tons is 13 percent below 1979 and the smallest since 1977. Feed use of feed-grains is projected to be down 7 percent and exports to be up 4 percent. Carryover in 1981 is projected to be 20.6 million tons, about 40 percent of the 1980 carryover level.

WHEAT AND SOYBEAN BALANCE SHEETS

Item	1977/78	1978/79	1979/80 Preliminary	1980/81 Projected ^{1/}
<u>Supply</u> ----- WHEAT (million bushels) -----				
Beginning Stocks (June 1)	1,112	1,177	925	903
Production	2,036	1,798	2,142	2,362 + 35
Imports	2	1	2	2
Total	3,150	2,976	3,069	3,267 + 35
<u>Disappearance</u>				
Food	586	591	596	605 + 5
Seed	80	87	101	105 + 5
Feed	183	179	94	125 + 50
Total domestic	849	857	791	835 + 55
Exports	1,124	1,194	1,375	1,525 + 100
Total	1,973	2,051	2,166	2,360 + 125
Ending Stocks (May 31)	1,177	925	903	907 + 125
Season average farm price	\$2.33	\$2.98	\$3.82	\$3.95 - 4.25
<u>Supply</u> ----- SOYBEANS (million bushels) -----				
Carryin, Sept. 1	103	161	174	359
Production	1,762	1,870	2,268	1,775 + 50
Total	1,865	2,031	2,442	2,134 + 50
<u>Disappearance</u>				
Crushings	927	1,018	1,123	1,040 + 50
Exports	700	739	875	825 + 50
Seed, Feed & Residual	77	100	85	89
Total	1,704	1,857	2,083	1,954 + 75
Carryover, Aug. 31	161	174	359	180 + 75
Season average farm price	\$5.88	\$6.66	\$6.25	\$8.60 + 1.25

Source: Agricultural Supply and Demand Estimates, USDA.

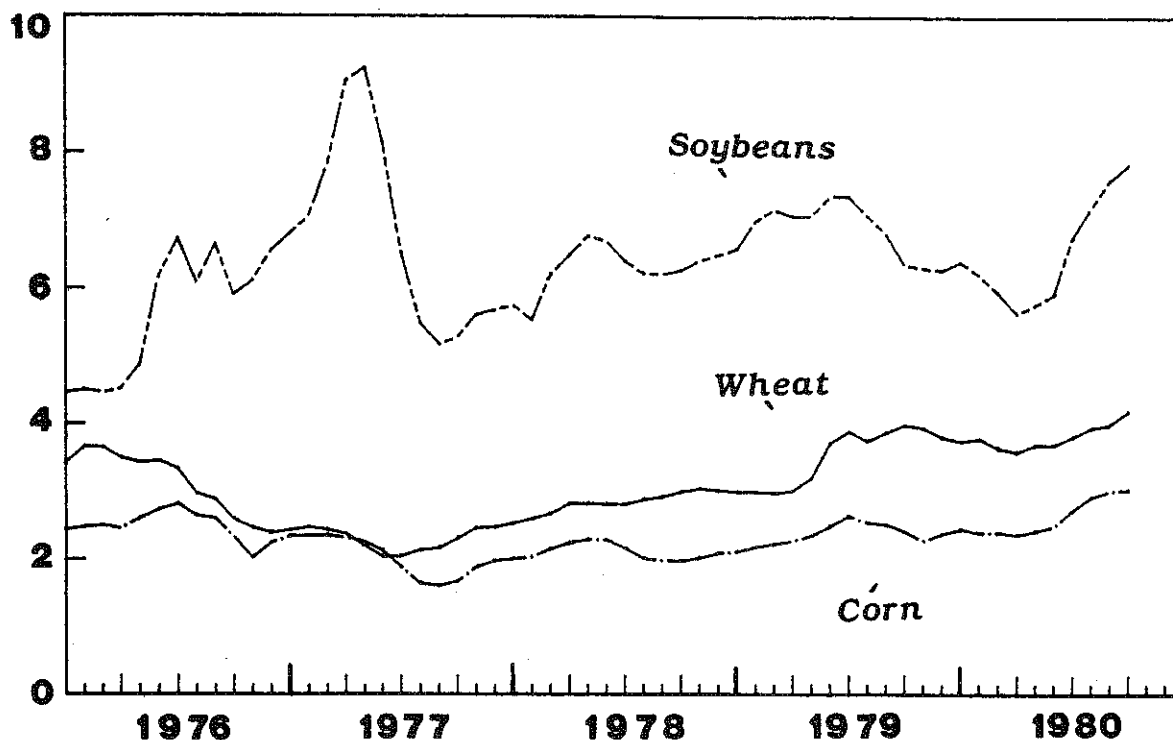
^{1/} The chances are about 2 out of 3 that the final outcome will fall within the indicated range.

The 1980 wheat supply of over 3.2 billion bushels is a record and 6 percent above last year. Domestic use is projected to be 6 percent and exports 11 percent above the previous year. Stocks on June 1, 1981 are projected to be about equal to a year earlier.

The 1980 soybean supply of 2.1 billion bushels is 13 percent below the 1979 level. Domestic crushings are projected to decline 7 percent and exports to be off 6 percent. Stocks on August 31, 1981 are projected to be about 180 million bushels, about half the 1980 level and about in line with the 1978 and 1979 levels.

MONTHLY PRICES OF CORN, WHEAT AND SOYBEANS
1976 to date**Prices Received by Farmers**

Dollars per bu.



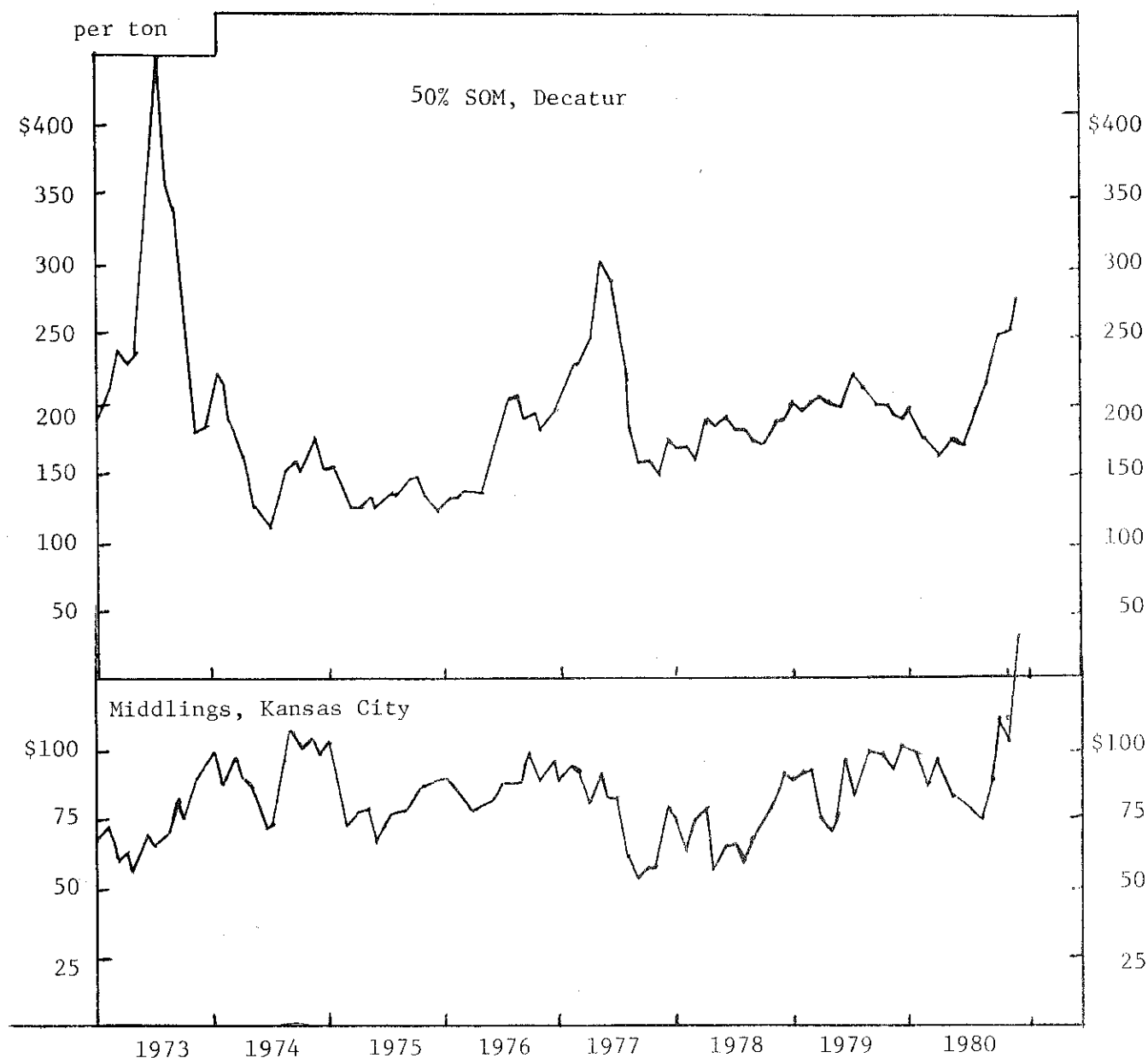
Source: Agricultural Prices, USDA.

The average corn price received by U.S. farmers in October 1980 was \$3.03, 62¢ above October, 1979. The season average price for the 1980 crop is projected by the USDA to be in the range of \$3.35 to \$3.75. The midpoint is \$3.55, which is \$1.05 above the season average price for the 1979 crop. While analysts disagree over whether current prices are too high or low considering supply-demand conditions, there is little doubt that corn prices for the 1980 crop will average well above those for the 1979 crop.

The average soybean price received by U.S. farmers in October 1980 was \$1.47 above a year earlier. Prospects for a drawdown of soybean supplies to near pipeline levels by September 1, 1981 indicates that soybean prices will remain well above year earlier levels at least until May.

The average wheat price received by U.S. farmers for wheat in the months since harvest has been above year earlier levels but the difference has been much less than for corn and soybeans. Wheat prices are likely to remain above year earlier levels at least until 1981 crop prospects are known.

MONTHLY PRICES OF SOYBEAN MEAL AND MIDDLINGS
1973 to date

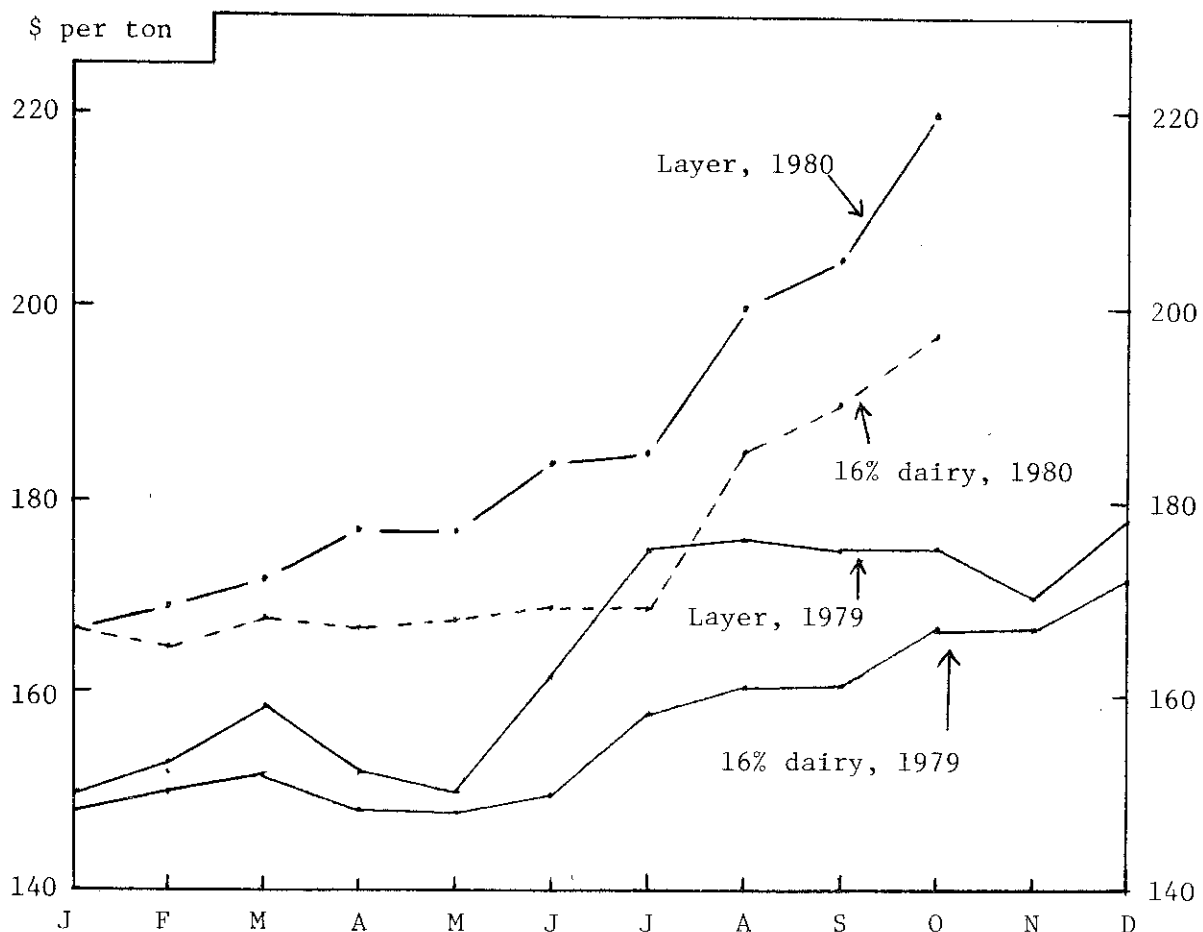


Source: USDA Feed Situation.

Soybean meal prices jumped sharply in the summer of 1980 and in October and November were in the \$240-\$280 per ton range (50%, Decatur). Soybean meal prices will remain well above year earlier levels during at least the winter and spring of 1981.

The price of wheat middlings, an indicator of wheat byproducts prices, increased rapidly in the late summer of 1980 and continued to increase during the fall. While byproduct feeds may be low cost sources of energy and protein, farmers need to continue to evaluate such products against each other and against feed grains.

PRICES OF DAIRY AND LAYER FEEDS
By Months, 1979 and 1980, New York



Source: USDA Agricultural Prices.

Month	1979		1980		1981	
	Dairy feed	Layer feed	Dairy feed	Layer feed	Dairy feed	Layer feed
Jan	\$148	\$150	\$167	\$167	\$	\$
Feb	150	153	165	169		
Mar	152	159	168	172		
Apr	148	152	167	177		
May	148	150	168	177		
June	150	162	169	184		
July	158	175	169	185		
Aug	161	176	185	200		
Sept	161	175	190	205		
Oct	167	175	197	220		
Nov	167	170				
Dec	172	178				

Both 16% dairy and layer feed prices have been above 1979 levels during all of 1980. The differences have widened substantially since July. In October 16% dairy was \$30 and layer feed was \$45 above 1979 levels. Assuming near normal seasonal price increases, 16% dairy feed is likely to continue around \$30 and layer feed around \$40 above the first half of 1980 levels.

CONSUMER PRICE INDEX ALL ITEMS, FOOD AWAY FROM HOME
AND FOOD AT HOME, 1963-1980

Year	All Items	Food	
		At Home	Away From Home
(1967 = 100)			
1963	91.7	92.2	87.3
1964	92.9	93.2	88.9
1965	94.5	95.5	90.9
1966	97.2	100.3	95.1
1967	100.0	100.0	100.0
1968	104.2	103.2	105.2
1969	109.8	108.2	111.6
1970	116.3	113.7	119.9
1971	121.3	116.4	126.1
1972	125.3	121.6	131.1
1973	133.1	141.4	141.4
1974	147.7	162.4	159.4
1975	161.2	175.8	174.3
1976	170.5	179.1	183.3
1977	181.5	190.1	200.3
1978	195.4	210.2	218.4
1979	217.4	232.9	242.9
1980 1st quarter	236.5	241.8	258.4
2nd quarter	245.0	246.6	264.7

Source: Agricultural Outlook, October 1980.

CHANGE IN CONSUMER PRICE INDEX FOR ALL URBAN CONSUMERS,
SELECTED CATEGORIES

	Dec. 1979 to June 1980	Jan.-June Average 1979-80
Meats	- 4.2	- 1.1
Beef & veal	1.6	12.1
Pork	-14.6	-27.8
Poultry	1.7	- 6.5
Eggs	-38.0	-16.7
Fish	16.9	27.9
Dairy products	10.3	20.3
Fats and oils	7.0	15.6
Fresh fruits & vegetables	29.8	8.0
Processed fruits and vegetables	9.1	14.8
Sugar and sweets	57.4	41.8
Beverages	20.5	40.2
Cereal and bakery products	14.3	26.3
Food at home	9.3	14.1
U.S. farm food		
Farm value	0.1	-11.1
Farm-retail spread	11.7	24.6
Food-away-from home	13.2	24.6
All food	10.3	17.1
All items less food	19.1	32.7
All items	17.7	30.2

Source: Agricultural Outlook, October 1980.

CONSUMER PRICE INDEX SELECTED NON-FOOD CATEGORIES, 1962-80

Year	Housing ^{1/}	Apparel	Medical Care	Trans- portation
(1967 - 100)				
1962	91.7	90.9	83.5	92.5
1963	92.7	91.9	85.6	93.0
1964	93.8	92.7	87.3	94.3
1965	94.9	93.7	89.5	95.9
1966	97.2	96.1	93.4	97.2
1967	100.0	100.0	100.0	100.0
1968	104.2	105.4	106.1	103.2
1969	110.8	111.5	113.4	107.2
1970	118.9	116.1	120.6	112.7
1971	124.3	119.8	128.4	118.6
1972	131.2	125.0	132.5	121.3
1973	135.0	126.8	137.7	123.8
1974	150.6	136.2	150.5	137.7
1975	166.8	142.3	163.3	150.6
1976	177.2	147.6	184.7	165.5
1977	186.5	154.2	202.4	177.2
1978	202.8	159.6	219.4	185.5
1979	227.6	166.6	239.7	212.0
1980 January	247.3	171.0	253.9	233.5
February	250.5	171.9	257.9	239.6
March	254.5	176.0	260.2	243.7
April	257.9	177.3	262.0	246.8
May	261.7	177.5	263.4	249.0
June	266.7	177.2	264.7	249.7
July	265.1	176.2	266.6	251.0
August	265.8	178.6	268.4	252.7

Source: Survey of Current Business, September 1980.

^{1/}Includes shelter, fuel, utilities, household furnishings and operation.

AT-HOME AND AWAY-FROM-HOME EXPENDITURES FOR FARM FOODS

Year	Total	At-Home 1/	Away-from-home		
			Total	Public Eating Places 2/	Institution 3/
\$ Bil.					
<u>Consumer Expenditures</u>					
1970	106.0	74.6	31.4	23.8	7.6
1971	110.0	77.7	33.1	25.0	8.1
1972	117.9	82.9	36.3	28.9	8.1
1973	136.7	97.0	39.7	31.9	7.8
1974	152.3	107.8	44.5	35.5	9.0
1975	166.4	114.8	51.6	41.3	10.3
1976	180.9	124.6	56.3	45.5	10.8
1977	189.3	128.6	60.7	49.3	11.4
1978	212.4	146.4	66.0	54.1	11.9
1979 4/	238.8	166.3	72.5	na	na
<u>Marketing Bill</u>					
1970	71.2	46.2	25.0	18.8	6.2
1971	75.5	48.8	26.7	20.0	6.7
1972	78.5	50.8	28.9	23.0	6.6
1973	85.7	55.3	30.4	24.5	5.9
1974	96.5	62.6	33.9	27.1	6.8
1975	111.5	71.7	39.8	31.9	7.9
1976	123.4	77.7	45.7	37.1	8.6
1977	132.0	82.0	50.0	40.9	9.1
1978	144.1	90.6	53.5	44.2	9.3
1979 4/	162.0	103.4	58.6	na	na
<u>Farm Value</u>					
1970	34.8	28.4	6.4	5.0	1.4
1971	35.3	28.9	6.4	5.0	1.4
1972	39.4	32.1	7.3	5.8	1.5
1973	51.0	41.7	9.2	7.4	1.9
1974	55.8	45.2	10.6	8.4	2.2
1975	54.9	43.1	11.8	9.4	2.4
1976	57.5	46.9	10.6	8.4	2.2
1977	57.3	46.6	10.7	8.4	2.3
1978	68.3	55.8	12.5	9.9	2.6
1979 4/	76.2	62.3	13.9	na	na

Source: Agricultural Outlook, November 1979.

1/ At-home is food consumed from the home food supply (primarily purchased from retail food stores.

2/ Includes restaurants, cafeterias, snack bars, and other eating establishments.

3/ Includes the value of food served in hospitals, schools, colleges, rest and nursing homes, and other institutions.

4/ Preliminary.

WHOLESALE PRICE INDEX FOR FOOD AND ALL COMMODITIES

Year	Total Farm Products <u>1/</u>	Processed Food <u>2/</u>	All Commodities <u>3/</u>
(1967 = 100)			
1967	100.0	100.0	100.0
1968	102.5	102.2	102.5
1969	109.1	107.3	106.5
1970	111.0	112.0	110.4
1971	112.9	114.3	113.9
1972	125.0	120.8	119.1
1973	176.3	144.4	134.7
1974	187.7	170.9	160.1
1975	184.2	182.6	174.9
1976	183.1	178.0	183.0
1977	188.8	186.1	194.2
1978	212.7	202.6	209.3
1979	241.4	222.5	235.5
1980 January	236.4	228.5	254.7
February	242.3	233.1	259.8
March	239.3	231.6	261.9
April	228.9	228.6	262.8
May	233.6	233.1	263.7
June	233.4	233.8	265.2
July	253.9	241.1	269.8
August	263.6	249.1	273.1

Source: Agricultural Outlook, October 1980.

1/ Includes grains, livestock, live poultry, plant and animal fibers, milk, hay, hayseeds, oilseeds and other farm products.

2/ Includes animal fats and oils, vegetable oils, manufactured animal feed, poultry, fish, dairy, fruits, vegetables, cereal and bakery products, sugar, confectionery and beverages.

3/ Industrial commodities, farm products, processed food and all food.

MARKET BASKET OF FARM FOODS PRICE INDEXES, 1966-80

Period	Retail Cost	Farm Value	Farm Retail Spread	Farmer's Share
	(1967 - 100)			(Percent)
1966	101.1	106.3	97.8	41
1967	100.0	100.0	100.0	39
1968	103.6	105.3	102.5	39
1969	109.1	114.8	105.5	41
1970	113.7	114.0	113.5	39
1971	115.7	114.4	116.6	38
1972	121.3	125.0	119.0	40
1973	142.3	167.2	126.5	46
1974	161.9	178.3	151.5	43
1975	173.6	187.1	165.1	42
1976	175.4	177.8	174.0	38
1977	179.2	178.1	180.0	38
1978	199.4	205.6	195.7	38
1979 <u>1/</u>	222.7	228.2	219.5	38
1980 1st quarter <u>1/</u>	229.8	227.8	231.0	37
2nd quarter <u>1/</u>	233.7	226.9	237.7	35

1/ PreliminarySource: Agricultural Outlook, October 1980.

FOOD EXPENDITURES AND DISPOSABLE INCOME PER CAPITA
UNITED STATES, SELECTED YEARS

Period	Per Capita			Percent of Income Spent for Food
	Disposable Income 1972\$	Disposable Income	Food Expenditures	
1947-49	\$2251	\$1233	\$306	24.6%
1957-59	2661	1837	380	20.6
1967	3371	2740	470	17.1
1968	3464	2930	494	16.8
1969	3515	3111	518	16.7
1970	3619	3348	557	16.6
1971	3714	3588	567	15.8
1972	3837	3837	599	15.7
1973	4062	4285	682	15.9
1974	3973	4646	777	16.8
1975	4014	5077	859	17.1
1976	4137	5511	938	16.8
1977	4285	6017	1149	19.1
1978	4448	6672	1256	18.8
1979	4512	7367	1359	18.7
1st half 1980 est.	4462	7867	1473	18.7

Source: Agricultural Outlook, October 1980 and Business Statistics, USDC, 1977.

HOW THE AVERAGE SHOPPER SPENT THE
WEEKLY SUPERMARKET BUDGET

	1975	1976	1977	1978	1979
	(% of Supermarket Budget)				
Perishables					
Baked goods	6.0	5.9	6.1	6.1	6.0
Dairy products	6.1	6.2	7.7	7.5	7.6
Frozen foods	5.0	4.9	4.9	4.8	4.7
Fresh meat	19.8	17.9	17.5	18.5	19.1
Fresh fish	0.7	0.7	0.8	0.8	0.9
Fresh poultry	2.4	2.3	2.3	2.4	2.5
Produce	10.6	10.5	10.8	10.8	10.5
TOTAL PERISHABLES	49.8	49.4	49.9	50.9	51.2
Dry Groceries					
Beer	4.3	4.6	4.6	4.5	4.5
Wine & liquor	0.7	0.5	0.5	0.6	0.6
Baby foods	0.4	0.4	0.4	0.3	0.4
Cereals & rice	1.6	1.5	1.5	1.5	1.5
Candy & chewing gum	1.1	1.1	1.1	1.1	1.1
Canned foods					
Fruits	0.9	0.8	0.8	0.8	0.8
Juices & drinks	0.9	0.9	0.6	0.6	0.6
Meat & poultry	1.1	1.1	1.0	1.0	1.0
Seafood	0.7	0.7	0.8	0.8	0.8
Soups	0.7	0.6	0.6	0.6	0.6
Vegetables	1.5	1.5	1.4	1.4	1.3
Milk	0.3	0.2	0.2	0.2	0.2
Coffee & tea	2.6	3.3	4.2	3.7	3.3
Dried foods	1.2	1.2	1.2	1.2	1.2
James, jellies	0.4	0.4	0.4	0.4	0.4
Macaroni, spaghetti	0.5	0.4	0.4	0.4	0.4
Desserts	0.2	0.2	0.2	0.1	0.1
Soft drinks	2.4	2.6	2.5	2.5	2.4
Sugar	1.5	1.0	0.8	0.8	0.8
All other edibles	5.8	5.6	4.3	4.2	4.1
TOTAL DRY GROCERIES	28.5	28.6	27.6	26.6	25.8
Total Foods	78.4	78.0	77.5	77.5	77.0
Other non-food groceries	12.1	12.4	12.6	12.6	12.7
General merchandise	9.5	9.6	9.9	9.9	10.4
GRAND TOTAL	100.0	100.0	100.0	100.0	100.0
Total Supermarket Budget (\$)	\$39.73	\$42.03	\$38.44	\$41.15	\$44.70

Source: Supermarket Business, September 1980.

* Differences due to rounding.

FOOD CHAIN EARNINGS AFTER TAXES, UNITED STATES 1962-1979

Year	Earnings as a Percent of		
	Sales	Total Assets	Net Worth
1966	1.2	6.1	10.7
1967	1.0	5.4	9.2
1968	1.0	5.5	9.7
1969	0.9	5.3	9.3
1970	0.9	4.9	9.1
1971	0.8	4.8	8.9
1972	0.5	2.8	5.6
1973	0.6	3.4	7.5
1974	0.7	4.2	9.6
1975	0.6	3.9	8.7
1976	0.7	4.3	9.4
1977	0.5	3.1	7.5
1978	0.9	5.7	13.3
1979	0.8	4.6	11.6

Source: Operating Results of Food Chains, 1979-80.

FOOD CHAIN OPERATING DATA, 1967-1979

Year	All Firms		Northeast Firms	
	Gross Margin	Total Expenses	Gross Margin	Total Expenses
(Percent of Sales)				
1967	21.46	20.97	21.95	22.07
1968	21.48	20.89	22.36	21.92
1969	21.31	20.87	21.86	21.56
1970	21.39	21.20	21.79	21.69
1971	21.53	21.29	21.62	21.71
1972	20.93	21.40	20.74	21.59
1973	20.90	21.09	21.02	21.17
1974	21.15	21.17	20.86	20.70
1975	21.22	21.31	21.08	21.00
1976	21.35	21.49	21.25	21.30
1977	21.74	21.97	21.67	21.87
1978	21.93	21.60	20.51	19.96
1979	21.71	21.40	21.46	21.32

Source: Operating Results of Food Chains, 1979-80.

PRICE INDEXES OF SELECTED ENERGY SOURCES

Year and Quarter	Gas Fuels	Electricity	Fuel, power, and light ^{1/}
(1967 = 100)			
1947	na	na	77
1952	na	na	90
1957	na	na	99
1962	89	102	97
1967	100	100	100
1968	93	101	99
1969	93	102	101
1970	104	106	106
1971	108	114	114
1972	114	122	119
1973	127	129	134
1974	162	163	208
1975	217	193	245
1976	287	208	266
1977	388	233	302
1978	429	251	323
1979	544	270	408
1980 1st quarter	704	298	531
2nd quarter	742	316	571

Source: Survey of Current Business, September 1980 and Business Statistics,
USDC, 1977.

^{1/}Composite price index of energy sources used by food marketing firms.

CONSUMER EXPENDITURES

DISPOSITION OF DISPOSABLE PERSONAL INCOME, ^aU.S., 1965-79
SELECTED YEARS AS PERCENT OF DPI

	1980 II %	1980 I %	1979 %	1978 %	1977 %	1971 %	1965 %
Personal Consumption Expenditures	93.4	93.8	93.0	92.6	92.7	89.3	92.0
Durable Goods	11.2	12.7	13.1	13.7	13.7	13.9	14.1
Motor Vehicles and Parts	4.1	5.4	5.6	6.2	6.2	6.3	6.4
Furniture and HH Equipment	4.9	5.1	5.3	5.3	5.4	5.6	5.8
Other	2.2	2.3	2.2	2.2	2.0	2.0	1.9
Non-Durable Goods	37.6	37.5	36.7	36.4	36.9	37.4	40.6
Food	18.7	18.6	18.6	18.6	18.9	18.3	21.0
Clothing and Shoes	6.0	6.0	6.1	6.2	6.3	7.6	7.7
Gasoline and Oil	4.8	4.8	4.0	3.5	3.6	3.2	3.2
Other	6.8	6.9	6.9	8.0	8.1	8.2	8.8
Services	44.6	43.6	43.0	42.5	42.1	38.1	37.3
Housing	15.6	15.2	14.9	14.6	14.4	13.3	13.5
Household Operation	6.4	6.1	6.3	6.3	6.3	5.3	5.5
Transportation	3.5	3.4	3.4	3.4	3.3	2.7	2.7
Other	19.2	18.9	18.5	18.3	18.2	16.8	15.6
Personal Savings	4.8	3.8	4.6	4.9	5.0	8.2	5.5
Other Personal Outlay	1.8	2.4	2.6	2.5	2.3	2.5	2.5
Disposable Personal Income	100.0	100.0	100.0	100.0	100.0	100.0	100.0

^aPersonal Income less personal contributions for social insurance, and personal tax and nontax payments equals personal disposable income.

Source: Adapted from U.S. Department of Commerce, Bureau of Economic Analysis Survey of Current Business.

The proportion of the consumer's disposable income available for savings decreased during the first two quarters of 1980. The proportion of expenditures for durable goods decreased, while non-durable goods increased slightly. The proportion of expenditures for services continued its historical trend increase.

CONSUMER EXPENDITURES

PERCENTAGE CHANGES IN MONEY AND REAL EARNINGS, PRIVATE NONAGRICULTURAL
INDUSTRIES PRODUCTION OR NONSUPERVISORY WORKERS, MONTHLY DATA
SEASONALLY ADJUSTED, AND IN CONSUMER PRICE INDEX
1947-80

Year	Average Weekly Earnings		Consumer Price Index
	Money	Real ²	
Average annual rate of increase:			
1947-62	4.6	2.5	2.0
1962-76	5.8	1.2	4.6
1951-52	5.0	2.8	2.2
1952-53	5.7	4.9	.8
1953-54	3.5	3.0	.5
1954-55	3.2	3.6	- .4
1955-56	5.2	3.7	1.5
1956-57	4.9	1.3	3.6
1957-58	4.1	1.4	2.7
1958-59	3.5	2.7	.8
1959-60	3.4	1.8	1.6
1960-61	3.1	2.1	1.0
1961-62	3.3	2.2	1.1
1962-63	2.9	1.7	1.2
1963-64	2.8	1.5	1.3
1964-65	3.7	2.0	1.7
1965-66	4.1	1.3	2.8
1966-67	4.8	1.9	2.9
1967-68	6.3	2.1	4.2
1968-69	6.6	1.3	5.3
1969-70	4.6	- 1.3	5.9
1970-71	6.2	1.9	4.3
1971-72	7.5	4.1	3.4
1972-73	6.2	.0	6.2
1973-74	6.4	- 4.1	10.5
1974-75	5.7	- 3.2	9.9
1975-76	7.3	1.4	5.8
1976-77	7.7	1.2	6.5
1977-78	7.8	.2	7.6
1978-79	7.7	- 3.4	11.1
1979-80 (June)	6.4	- 6.9	13.3

² Money earnings minus CPI = real earnings

SOURCE: Economic Indicators

CONSUMER EXPENDITURES

CONSUMER PRICE INDEX - SELECTED ITEMS (1967=100)

Year	All Items	Fuel Oil ^a	Gas	Electricity
1950	72.1	72.6	73.1	90.8
1960	88.7	89.0	97.7	99.8
1967	100.0	100.0	100.0	100.0
1968	104.2	103.2	101.0	100.9
1969	109.8	105.4	102.8	102.8
1970	116.3	109.3	108.5	106.2
1971	121.3	116.1	116.3	113.2
1972	125.3	116.6	122.3	118.9
1973	133.1	134.5	127.9	124.9
1974	147.7	213.0	143.9	147.5
1975	161.2	230.6	172.5	167.0
1976	170.5	247.2 ^b	201.2 ^b	177.6 ^b
1977	181.5	288.7 ^b	249.2 ^b	190.7 ^b
1978	195.3	313.6 ^b	276.1 ^b	202.5 ^b
1979	217.7	508.1 ^b	331.1 ^b	224.9 ^b
1980 ^c	247.8	583.3	364.9	262.3

^aFuel used for residential purposes

^bAverage for December

^cAverage for June

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics, Monthly Labor Review, Consumer Price Index - U.S. City Averages, Urban Wage Earners and Clerical Workers (revised); BLS, Handbook of Labor Statistics 1974, Tables 120, 121, 126 (1974).

Energy prices continue to rise. Electricity showed the biggest increase in 1980 with gas lagging behind.

CONSUMER EXPENDITURES

Consumer Prices: Percent Change in Consumer Price Index for
Urban Wage Earners and Clerical Workers

	1970-71	1974-75	1975-76	1976-77	1977-78	1978-79	Jul 79- Jul 80
All Items	4.3	9.1	5.8	6.5	7.6	11.5	13.2
Food and Beverages	3.1	8.4	3.1	6.0	9.7	10.9	7.6
Housing	4.4	10.6	6.1	6.8	8.6	12.3	16.1
Apparel and Upkeep	3.2	4.5	3.7	4.5	3.4	4.3	7.2
Transportation	5.2	9.4	9.9	7.1	4.9	14.5	15.9
Medical Care	6.5	12.0	9.5	9.6	8.4	9.4	11.1
Entertainment	5.3	8.9	5.0	4.9	5.1	6.5	9.3
Other Goods and Services	4.8	8.4	5.7	5.8	6.4	7.2	9.4

SOURCE: Monthly Labor Review

Consumer Installment Credit

(Millions of dollars; monthly data seasonally adjusted)

		Installment Credit Extended			Installment Credit Liquidated			Net Change Outstanding	
			Revol. ving Credit Comm. Banks			Revol. ving Credit Comm. Banks			Revol. ving Credit Comm. Banks
Period	Total ¹	Auto- mobile		Total ¹	Auto- mobile		Total ¹	Auto- mobile	
1971	138,046	36,706	21,862	127,789	32,512	20,818	10,257	4,194	1,044
1972	151,749	43,702	24,659	136,787	38,081	23,485	14,962	5,621	1,174
1973	173,035	49,606	28,702	152,817	43,696	26,699	20,218	5,910	2,003
1974	172,765	46,514	33,213	163,276	46,019	31,243	9,489	495	1,970
1975	180,441	54,420	36,956	172,676	49,444	35,616	7,765	2,976	1,340
1976	211,028	63,743	43,934	189,381	53,278	41,764	21,647	10,465	2,170
1977	254,071	75,641	86,756	218,793	60,437	80,508	35,278	15,204	6,248
1978	298,351	88,987	104,587	253,541	69,430	96,811	44,810	19,557	7,776
1979	322,558	91,847	120,728	287,067	79,293	112,449	35,491	12,554	8,279
1980I	80,398	22,679	31,971	75,294	20,431	30,496	5,104	2,248	1,475
1980II	64,485	15,687	30,017	73,367	19,413	31,641	- 8,882	- 3,726	- 1,624

¹Includes some items not show separately

SOURCE: Board of Governors of the Federal Reserve System, Federal Reserve Bulletin.

DISPOSABLE PERSONAL INCOME AND PRIVATE SAVINGS
1950-1980

Year	Disposable Personal Income	Personal Savings (billions)	Savings Rates (as % of DPI) %
1950	\$ 206.9	\$13.1	6.3
1955	275.3	15.8	5.7
1960	350.0	17.0	4.9
1965	473.2	28.4	6.0
1970	685.9	50.6	7.4
1971	742.8	57.3	7.7
1972	801.3	49.4	6.2
1973	901.7	70.3	7.8
1974	984.6	71.7	7.3
1975	1,086.7	83.6	7.7
1976	1,184.4	68.6	5.8
1977	1,305.1	65.0	5.0
1978	1,458.4	72.0	4.9
1979	1,624.3	73.8	4.5
1980-I	1,737.4	64.4	3.7
1980-II	1,754.0	82.9	4.7

SOURCE: Statistical Abstract, 1950-1965 data; Economic Indicators, 1970-1980 data

MEDIAN SALES PRICES OF NEW HOUSES SOLD BY REGION¹

Year	U.S.	Northeast
1971	25,200	30,600
1972	27,600	31,400
1973	32,500	37,100
1974	35,900	40,100
1975	39,300	44,000
1976	44,200	47,300
1977	48,800	51,600
1978	55,700	58,100
1979	62,900	65,500
1980 (July)	64,300	69,500

¹The sales price includes the land

SOURCE: U.S. Department of Commerce, Industry and Trade Administration, Construction Review.

CONSUMER EXPENDITURES

HOUSING PRICES

	Price Index of New One-Family Houses Sold, 1974 Characteristics ^a (1972=100)		Average Sales Prices Based on 1974 Characteristics ^a				Houses Actually Sold
	U.S.	Northeast	U.S.	Northeast	U.S.	Northeast	
1969	86.5	82.7	28,300	30,500	27,900	33,400	
1970	89.1	88.2	29,100	32,600	26,600	32,800	
1971	93.9	93.8	30,700	34,600	28,300	34,400	
1972	100.0	100.0	32,700	36,900	30,500	35,700	
1973	108.9	108.4	35,600	40,000	35,500	40,600	
1974	119.1	118.3	38,900	43,700	38,900	43,700	
1975	131.0	128.3	42,800	47,400	42,600	47,000	
1976	142.0	133.5	46,400	49,300	48,000	50,000	
1977	159.6	142.2	52,100	52,500	54,200	54	
1978	182.1	157.3	59,500	58,000	62,500	f	
1979	207.3	179.1	67,700	(NA)	71,800		
1980I	220.5	(NA)	72,000	(NA)	73,400 ^b		
1980II	228.5	(NA)	74,600	(NA)	74,700	500 ^d	

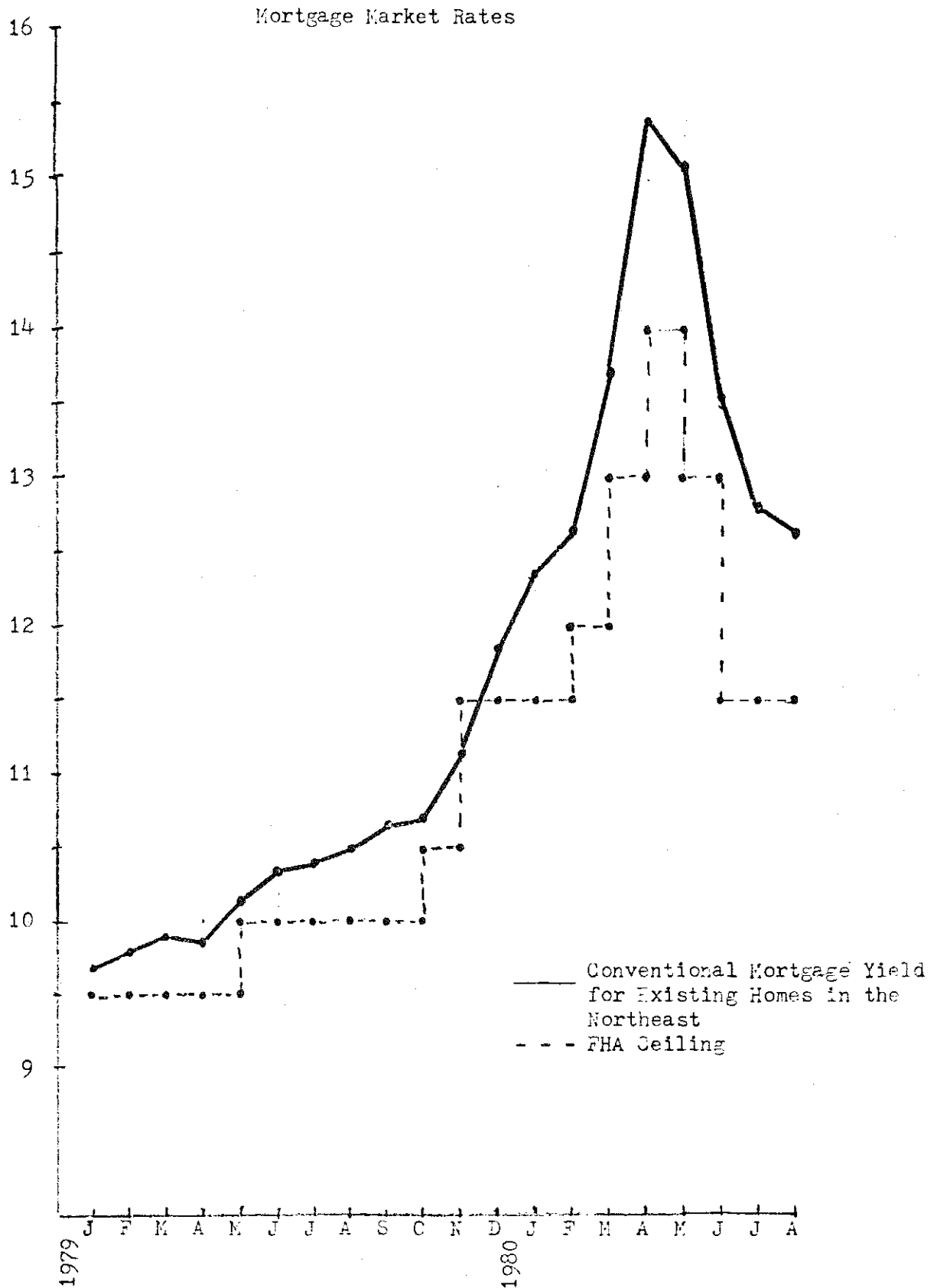
(NA) = Not available

^aBased on ten characteristics, using 1974 values. The characteristics are: floor area, number of stories, number of bathrooms, air conditioning, type of parking facility, type of foundation, geographic division within region, metropolitan area location, presence of fireplace, and size of lot. Prior to 1974, lot size and presence of fireplace was not used.

^bSimple average of monthly figures. Source is "New One Family Houses Sold and For Sale", Construction Reports, Series C25, (August, 1980)

SOURCE: "Price Index of New One Family Houses Sold," Construction Reports, Series C27, U.S. Bureau of the Census, (various issues).

CONSUMER EXPENDITURES



CONSUMER EXPENDITURES

ANNUAL INTEREST RATES FOR CONVENTIONAL MORTGAGES

	New Homes (U.S. Average)	Existing Homes ^a (Northeast)	FHA Ceiling ^b
<u>1979</u>			
Jan.	10.30%	9.70%	9.5%
Feb.	10.30	9.80	9.5
Mar.	10.35	9.90	9.5
Apr.	10.35	9.85	9.5
May	10.55	10.15	10.0
June	10.80	10.35	10.0
July	10.90	10.40	10.0
Aug.	10.95	10.50	10.0
Sept.	11.10	10.65	10.0
Oct.	11.35	10.70	10.5
Nov.	12.15	11.15	11.5
Dec.	12.50	11.85	11.5
<u>1980</u>			
Jan.	12.50	12.35	11.5
Feb.	12.80	12.65	12.0
Mar.	14.10	13.70	13.0
Apr.	16.05	15.40	14.0
May	15.55	15.10	13.0
June	13.20	13.55	11.5
July	12.45	12.80	11.5
Aug.	12.45	12.65	11.5

a = interest rates for new homes were very similar to those for existing homes

b = figures are as of mid month

SOURCE: Department of Housing and Urban Development
News Release HUD-No. 80-264

MORTGAGE MARKET RATES

	Conventional Mortgage Yield New Homes-FHLBB series ^a	Secondary Market-Yield on FHA mortgages ^b
1968	6.97%	7.21%
1969	7.81	8.29
1970	8.45	9.03
1971	7.74	7.70
1972	7.60	7.53
1973	7.95	8.19
1974	8.92	9.55
1975	9.01	9.19
1976	8.99	8.82
1977	9.01	8.68
1978	9.54	9.70
1979 ^c	10.76	10.94
1980I ^c	11.93	(NA)
1980II ^c	13.68	11.99

^a Average effective interest rate on loans closed assuming prepayment after 10 years.

^b Average gross yields on 30-year, minimum downpayment, FHA insured first mortgages for immediate delivery in the private secondary market.

^c Average for mid-month of quarter

SOURCE Federal Reserve Bulletin (various issues);

CONSUMER EXPENDITURES

Cost of Construction Based on Building Permits Issued by Area,
Year and Month, New York State, 1960-1980 (in thousands)

Period		Total NY State	NY City	Suburban NY City 1/	Upstate
1960	Total	\$2,068,312	\$ 928,596	\$540,131	\$ 599,585
1961	Total	2,366,443	1,184,192	574,774	607,477
1962	Total	2,396,516	1,203,796	562,577	630,143
1963	Total	2,192,260	915,232	573,356	703,672
1964	Total	2,058,333	648,873	620,043	789,417
1965	Total	2,553,788	795,557	665,128	1,093,103
1966	Total	2,644,749	826,708	696,113	1,121,928
1967	Total	2,520,751	791,246	689,611	1,039,894
1968	Total	3,009,710	1,071,345	760,942	1,177,423
1969	Total	3,076,712	992,010	700,577	1,384,125
1970	Total	3,268,755	1,126,827	772,962	1,368,966
1971	Total	3,991,602	1,307,066	863,244	1,821,292
1972	Total	4,228,707	1,524,903	831,195	1,872,609
1973	Total	3,623,443	1,255,205	759,875	1,608,363
1974	Total	2,832,360	775,991	725,725	1,330,644
1975	Total	1,956,338	288,714	510,338	1,157,286
1976	Total	2,052,113	303,275	512,176	1,236,662
1977	Total	2,445,930	388,886	668,002	1,389,042
1978	Total	2,868,243	582,681	754,889	1,530,673
1979 2/	Total (12 mos.)	2,868,361	588,592	700,085	1,579,684
	Total (6 mos.)	1,311,947	296,687	308,806	706,454
	January	138,947	54,095	38,463	46,389
	February	140,012	40,598	31,814	67,600
	March	174,551	21,926	34,459	118,166
	April	215,393	27,665	62,810	124,918
	May	314,252	45,926	74,145	194,181
	June	328,792	106,477	67,115	155,200
	July	357,174	87,639	89,751	179,784
	August	279,508	34,467	69,956	175,085
	September	245,725	41,703	55,829	148,193
	October	272,691	47,712	62,133	162,846
	November	212,537	30,461	56,644	125,432
	December	188,779	49,923	56,966	81,890
1980 2/	Total (6 mos.)	1,443,443	515,935	315,413	612,095
	January	178,831	66,371	63,159	49,301
	February	123,736	32,719	37,107	53,910
	March	171,052	24,439	48,243	98,370
	April	256,002	91,384	43,843	120,775
	May	450,306	266,105	47,142	137,059
	June	263,516	34,917	75,919	152,680

1/ Includes Nassau, Rockland, Suffolk and Westchester Counties

2/ Preliminary data subject to further revision

CONSUMER EXPENDITURES

Number of New Housing Units Based on Building Permits Issued, by Area, by Type of Housing
New York State, June and January-June, 1980 and 1979

Area	June, 1980 ^{2/}					June, 1979 ^{2/}					Percent Change (Total)
	Total	One Family	Two Family 5/	Three or Four Family	Five or More Family	Total	One Family	Two Family 5/	Three or Four Family	Five or More Family	
Total	2,350	1,261	106	149	834	7,818	2,428	109	25	5,256	-70
NY State	683	38	78	39	528	5,030	103	76	7	4,844	-86
NY City	415	321	14	-	80	925	779	8	-	138	-55
Suburban NYC 1/	1,252	902	14	110	226	1,863	1,546	25	18	274	-33
Upstate											

Area	January-June, 1980 ^{2/}					January-June, 1979 ^{2/}					Percent Change (Total)
	Total	One Family	Two Family 5/	Three or Four Family	Five or More Family	Total	One Family	Two Family 5/	Three or Four Family	Five or More Family	
Total	11,246	6,683	638	492	3,433	20,048	9,864	824	175	9,185	-44
NY State	3,695	466	508	205	2,516	9,360	1,017	663	120	7,560	-61
NY City	2,560	2,109	46	123	282	3,565	2,987	78	7	493	-28
Suburban NYC 1/	4,991	4,108	84	164	635	7,123	5,860	83	48	1,132	-30
Upstate											

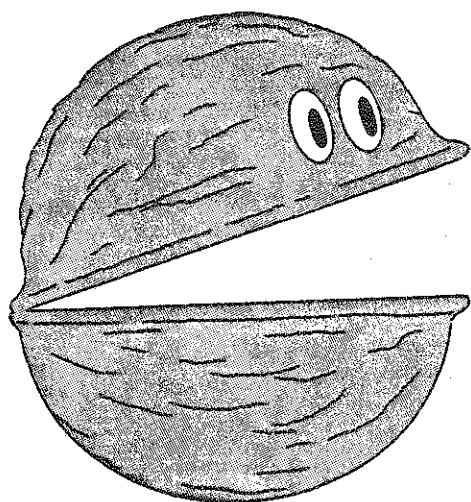
1/ Includes Nassau, Rockland, Suffolk and Westchester Counties

2/ Preliminary data subject to further revision

5/ Includes one family structures with stores or shops

1981 DAIRY OUTLOOK

IN A NUTSHELL



Milk Price Up 9%
 Production Costs Up 14%
 More Milk But Little Increase In Demand
 With Good Management, 1981 A Relatively Good Year

NEW YORK DAIRY OUTLOOK IN A NUTSHELL 1979 to 1981

Item	1979	1980*	1981**	% change from	
				1979 to 1980*	1980 to 1981**
Number of milk cows, thous. head	905	911	915	+ 0.7	+ 0.4
Milk per cow, lbs.	11,800	12,025	12,250	+ 1.9	+ 1.9
Total production, mil. lbs.	10,679	10,955	11,209	+ 2.6	+ 2.3
Price per cwt., dollars	\$11.74	\$12.65	\$13.80	+ 7.8	+ 9.1
Index of prices paid by N. Y. Dairymen (1967=100)	252	285	325	+13.1	+14.0
Number of dairy farms	14,750	14,400	14,000	- 2.4	- 2.8

* Preliminary

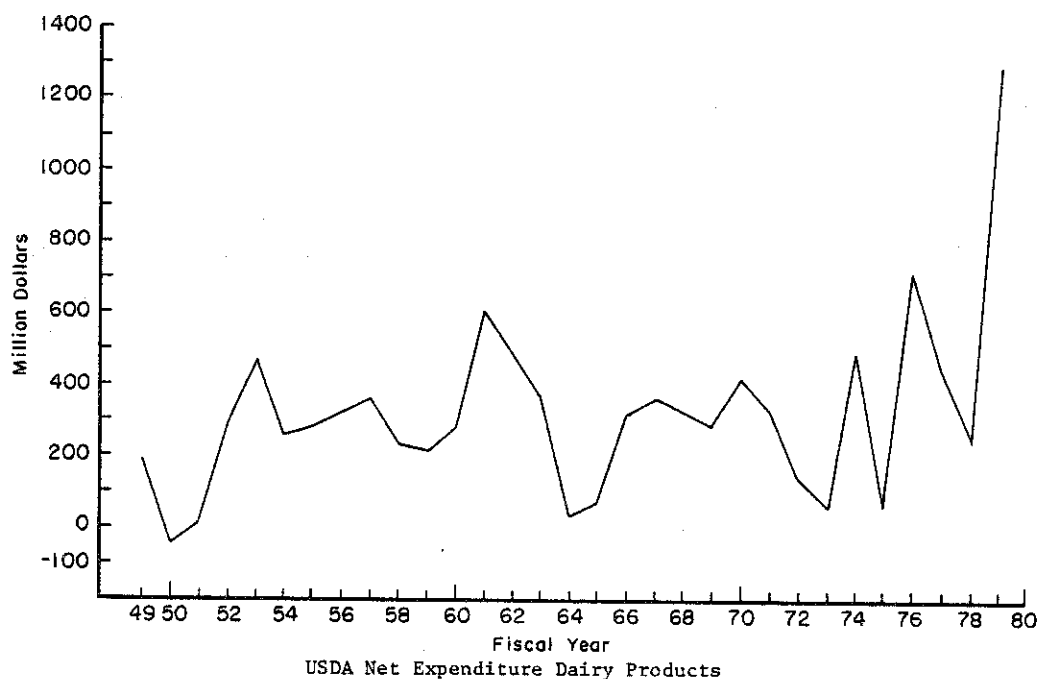
**Projected

U.S. Milk Supply and Utilization, billion pounds
1974-1980

	1974	1975	1976	1977	1978	1979	1980 ^a
<u>Supply</u>							
Production	115.6	115.3	120.4	122.7	121.9	123.6	127.7
Farm Use	3.3	3.2	3.1	2.8	2.7	2.5	2.4
Marketings	112.3	112.1	117.3	119.9	119.2	121.1	125.3
Beginning Commercial Stocks	4.7	5.6	3.7	5.3	4.9	4.5	5.4
Imports	2.9	1.7	1.9	2.0	2.3	2.3	2.0
TOTAL SUPPLY	119.9	119.4	122.9	127.2	126.4	127.9	132.7
<u>Utilization</u>							
Commercial Disappearance	113.0	113.6	116.4	116.2	119.2	120.4	118.8
Ending Commercial Stocks	5.6	3.7	5.3	4.9	4.5	5.4	5.3
Net Government Removals	1.3	2.0	1.2	6.1	2.7	2.1	8.6
TOTAL USE	119.9	119.4	122.9	127.2	126.4	127.9	132.7

Source: Dairy Situation, U.S. Department of Agriculture.

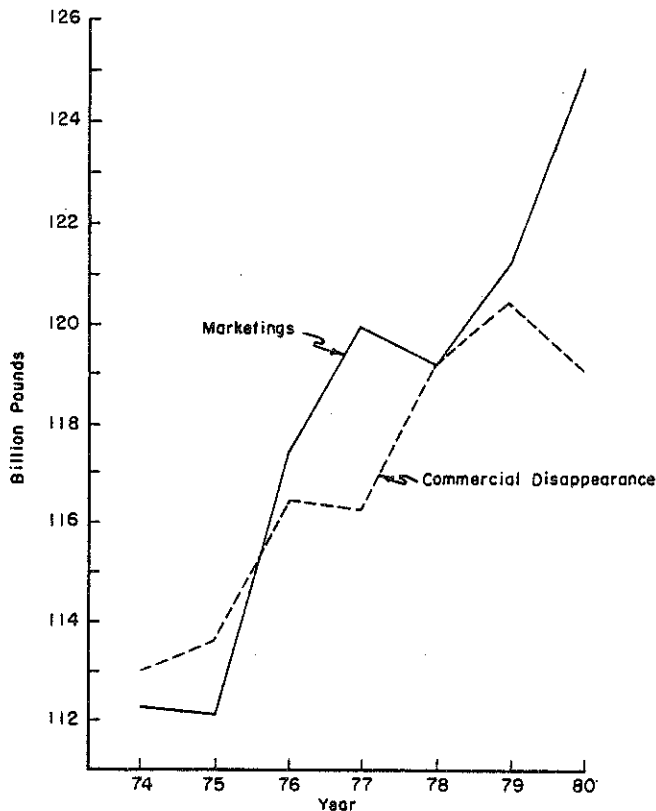
^a Estimated



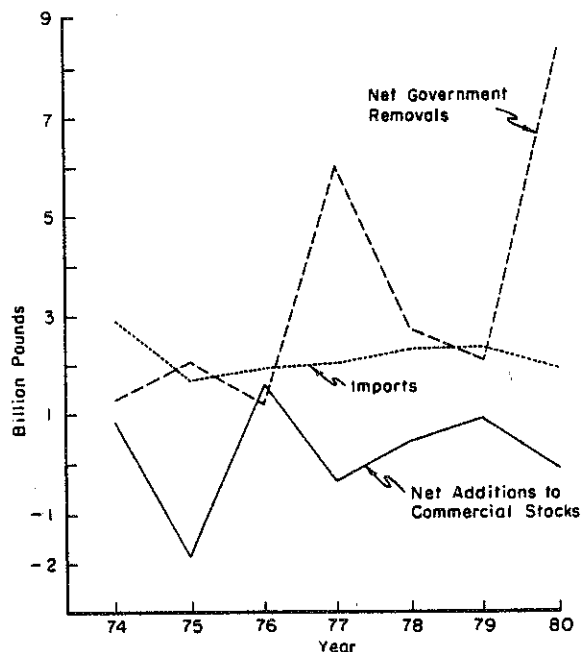
SITUATION

Milk Production: Two records were set in 1980--one was for milk production, the second was for net expenditures by the USDA on dairy products. Milk production in 1980 reached 127.7 billion pounds, the highest level in recorded history and considerably above production in all the years since 1964 (see the table on the next page). This increased milk production was the result of two factors. Output per cow increased at an annual rate of 3-4% in 1980, which is consistent with the long-run trend. However, the number of cows also increased in 1980, contrary to the long-run decline in cow numbers. Milk production increased most in the Mountain States (8.1%) and least in the Southeast (-1.8%). Milk output increased in all five of the major milk producing states, with California showing a 7.3% increase, Minnesota increased 4%, Pennsylvania 3%, New York 2.6% and Wisconsin 2%.

Consumption: Although milk production was up, consumption of dairy products in 1980 was down at an annual rate of 1-2% (see table on page 64). This was probably due to the generally weak economy and lower meat prices. Many consumers who had switched from beef, pork, and poultry to cheese and other dairy products in 1979 switched back to meat and poultry in 1980. This contributed to a 5% decline in American cheese use in 1980 (see table on page 68). Dairy products that have been declining in use in recent years (e.g. butter, whole milk, nonfat dry milk), continue to



U.S. Supply and Use of Milk, Marketings and Disappearance



U.S. Supply and Use of Milk, Imports and Net Additions to Stocks

U.S. Milk Production and Marketings, billion pounds
1960-1979

Year	Milk Production	Milk Marketed by Farmers ^a	Milk Sold to Plants and Dealers ^b
1960	123.1	114.0	103.9
1961	125.7	117.3	108.4
1962	126.3	118.6	110.7
1963	125.2	118.1	111.2
1964	127.0	120.5	114.2
1965	124.2	118.2	112.7
1966	119.9	114.4	109.7
1967	118.8	113.6	109.4
1968	117.2	112.5	108.8
1969	116.3	112.0	108.5
1970	117.4	113.1	110.0
1971	118.5	114.8	112.2
1972	119.9	116.3	114.0
1973	115.4	112.0	109.8
1974	115.6	112.3	110.3
1975	115.3	112.3	110.4
1976	120.4	117.3	115.6
1977	122.7	119.9	118.2
1978	121.6	118.9	117.3
1979	123.6	121.1	119.5
1980	127.7 ^c	125.3	123.7 ^c

Source: Dairy Situation, U.S. Department of Agriculture

^a milk production less farm use of milk

^b milk marketed by farmers less farm milk sold directly to consumers

^c estimated.

decline. Sales of soft dairy products, such as cottage cheese and ice cream, were up. Ice cream sales, in particular, were bolstered by the hot weather throughout much of the U.S. this summer.

Commercial Stocks: In the beginning of the year, commercial stocks were relatively high. Commercial stocks have declined somewhat throughout the year, primarily because of weak sales, high storage costs, and the relative ease of selling dairy products to the USDA; this is especially true of butter (see table on page 67).

Imports: Although milk production in the world was up in 1980, U.S. imports of dairy products lagged behind 1979 import levels (see table on page 67). Imports of cheddar cheese were up slightly from year earlier levels, but imports of other American cheese were sharply reduced. Imports of non-quota cheese and lactose were up sharply. Casein imports were up slightly. Although quotas for dairy imports were relaxed this year, imports in total were less than in 1979. This is partly due to the weak demand for cheese in 1980.

U.S. Stocks of Dairy Products, end of year or month, million pounds^a
1978-1980

	1978	1979				1980 ^e		
		Mar.	June	Sept.	Dec.	Mar.	June	Sept.
Commercial								
American Cheese	349.1	359.7	428.9	454.0	403.7	385.8	431.1	402.3
Other Cheese	78.4	85.6	97.3	94.4	105.6	109.2	111.9	114.1
Butter	15.2	32.1	55.2	54.1	25.2	39.2	42.1	44.1
Nonfat Dry Milk	40.1	50.5	128.3	96.0	92.6	83.3	137.4	75.7
Government								
American Cheese ^b	29.7	8.1	3.3	2.9	2.8	5.6	59.1	163.5
Butter ^c	191.8	177.9	204.9	166.4	152.6	175.0	247.2	260.8
Nonfat Dry Milk	545.0	472.8	410.0	453.6	392.7	361.6	411.0	523.2
Total Stocks ^d	8,730	8,689	10,614	10,027	8,599	9,237	11,871	12,939

Source: Dairy Situation, U.S. Department of Agriculture

^aProduct weight

^bIncludes process cheese

^cIncludes butter equivalent of butteroil and ghee.

^dIncludes manufactured products for which current monthly series are available (excludes nonfat dry milk, cream, and bulk milk), computed on fat-solids basis.

^ePreliminary

Dairy Product Imports, Cumulative January-August, thousand pounds,
1979-1980

Product	1979	1980	1980 as % of 1979
Cheddar Cheese	4,689	4,700	100
Other American Cheese	2,228	1,083	49
Other Quota Cheese ^a	105,310	74,467	71
Non-Quota Cheese ^b	12,058	21,378	177
Butter, Butteroil, and other Butterfat mixtures	3,110	3,063	98
Nonfat Dry Milk	1,806	1,299	72
Casein	105,050	107,774	103
Lactose	1,296	2,269	175
TOTAL MILK EQUIVALENT ^c	1,230,140	1,021,599	83

Source: Dairy Situation, U.S. Department of Agriculture

^aPrimarily Swiss-Emmenthaler and other cheeses over 0.5% fat, also Italian, Edam, Gouda, and Blue Mold.

^bRoquefort, Pecorino, Gjetost, Bryndza, soft, ripened cheeses, and others.

^cComputed on fat-solids basis.

U.S. Domestic Disappearance of Selected Dairy Products from
Commercial Sources, million pounds^a
1974-1980

	1974	1975	1976	1977	1978	1979 ^b	1980 ^c
<u>TOTAL DISAPPEARANCE</u>							
Whole Milk	38,358	38,256	37,061	35,638	34,937	33,995	32,635
Lowfat Milk	14,815	16,558	17,710	18,988	19,813	20,689	21,496
Cheese	3,038	3,009	3,358	3,405	3,677	3,819	3,733
Butter	917	948	932	860	894	923	881
Nonfat Dry Milk	839	668	743	698	640	692	563
Frozen Desserts	5,763	6,040	5,888	5,977	6,008	5,890	5,956
<u>PER CAPITA DISAPPEARANCE</u>							
Whole Milk	184.0	181.0	174.0	166.0	161.0	156.0	148.0
Lowfat Milk	70.9	78.5	83.3	88.4	91.5	94.6	97.2
Cheese	14.4	14.2	15.6	15.7	16.9	17.3	16.9
Butter	4.3	4.4	4.3	4.0	4.1	4.2	4.0
Nonfat Dry Milk	4.0	3.1	3.1	3.2	2.9	3.1	2.5
Frozen Desserts	27.3	28.3	27.4	27.6	27.5	26.7	27.0

Source: Dairy Situation, U.S. Department of Agriculture

^aProduct weight

^bPreliminary

^cEstimated

USDA purchases: The combination of abundant supplies of milk and milk products with weak dairy product sales led to large purchases of cheese, butter, and nonfat dry milk by the USDA. Total purchases, on a milk equivalent basis for 1980 will be the highest since the 1962 record of over 10 billion pounds. Because of the reversal in the use of American cheese, net removals of cheese were particularly high, compared to year earlier levels. Although USDA purchases were quite high, amounting to about 8% of total milk production, the spotlight has been focused primarily on the cost of USDA purchases. For the first time since the program began, net USDA expenditures exceeded \$1 billion, in fact net expenditures are expected to equal approximately \$1.3 billion in 1980.

Prices: In the past, price supports have acted as a floor for the market price of milk in months when market prices were seasonally low, such that the annual average market price for manufacturing grade milk has typically exceeded the support price by one to three percent. In 1980, market prices have lagged well behind the support price (see table on page 70). For the year, it is estimated that the average price for manufacturing milk was about \$.38 per cwt. less than the average support price (at 3.67% fat). In July, the average market price for manufacturing milk was as much as \$.76 per cwt. less than the support price. The average price received by farmers for all milk also increased slowly through 1980. For example, in September the all-milk price (at 3.67% fat) was reported to be \$13.10 per cwt., a 6.5% increase from 1979; this compares to an annual increase of 13% in the all-milk price recorded in September 1979. Wholesale prices of American cheese, butter, and nonfat dry milk in 1980 have largely been determined by the announced CCC purchase prices for those products (see table on page 72). Retail prices of all dairy products increased on an average of 10-11% in 1980, compared to an average increase of 13% in all consumer prices

Commercial Use, USDA Net Removals, and Total Supply of American Cheese,
Butter, and Nonfat Dry Milk, Billion pounds^a
1974-1980

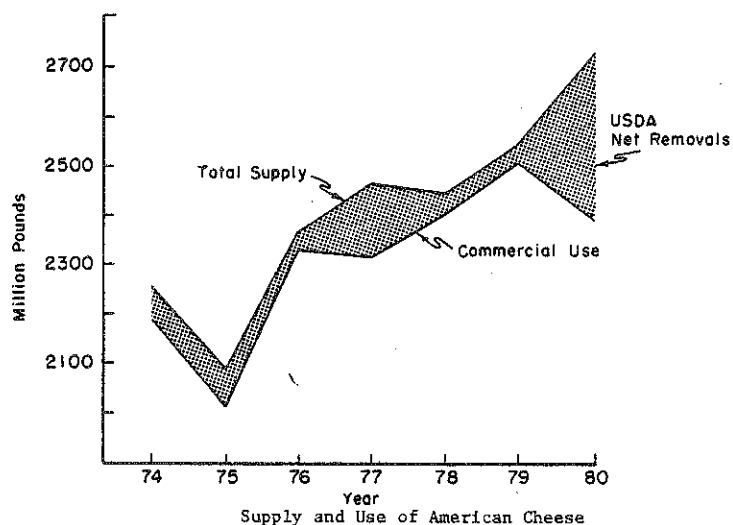
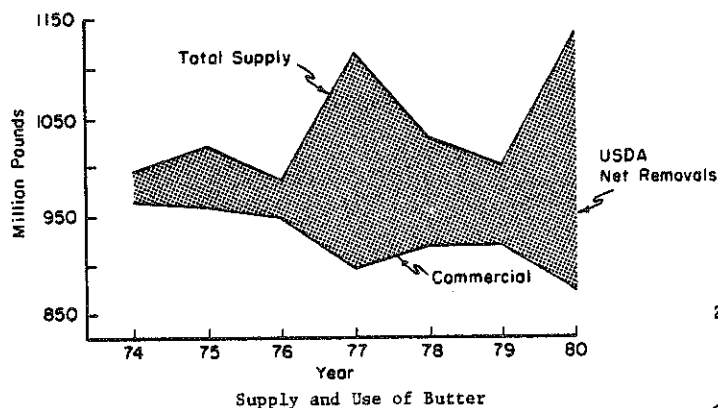
	1974	1975	1976	1977	1978	1979	1980 ^c
American Cheese							
Commercial Use ^b	2,200.4	2,022.8	2,330.7	2,320.3	2,413.8	2,514.6	2,388.0
Net Removals	60.3	68.2	38.0	148.2	39.7	40.2	338.0
Total Supply	2,260.7	2,091.0	2,368.7	2,468.5	2,453.5	2,554.8	2,726.0
Butter							
Commercial Use ^b	964.6	956.8	947.0	894.0	918.7	920.2	880.0
Net Removals	32.7	63.4	39.4	221.8	112.0	81.6	260.0
Total Supply	997.3	1,020.2	986.4	1,115.8	1,030.7	1,001.8	1,140.0
Nonfat Dry Milk							
Commercial Use ^b	944.5	744.1	818.0	742.9	698.5	695.7	563.0
Net removals	265.0	394.5	157.1	461.7	285.0	255.3	665.0
Total Supply	1,209.5	1,138.6	975.1	1,204.6	983.5	951.0	1,220.0

Source: Dairy Situation, U.S. Department of Agriculture

^a product weight

^b commercial disappearance plus ending commercial stocks

^c estimated



Market Price, Announced Support Price, and Minnesota-Wisconsin
Price Paid to Producers for Manufacturing Grade Milk, \$/cwt.^a
1960-1980

Year	Market Price	Support Price	M-W Price
1960	3.25	3.11	3.25
1961	3.36	3.37	3.36
1962	3.20	3.18	3.20
1963	3.21	3.13	3.21
1964	3.26	3.15	3.26
1965	3.34	3.22	3.34
1966	3.97	3.69	3.97
1967	4.06	4.00	4.06
1968	4.22	4.21	4.22
1969	4.45	4.28	4.45
1970	4.70	4.57	4.70
1971	4.86	4.86	4.86
1972	5.08	4.93	5.08
1973	6.20	5.34	6.20
1974	7.13	6.33	7.13
1975	7.63	7.36	7.62
1976	8.56	8.06	8.57
1977	8.70	8.82	8.71
1978	9.68	9.43	9.65
1979	11.10	10.72	11.22
1980	11.95 ^b	12.33	12.16 ^b

Source: Dairy Situation, U.S. Department of Agriculture.

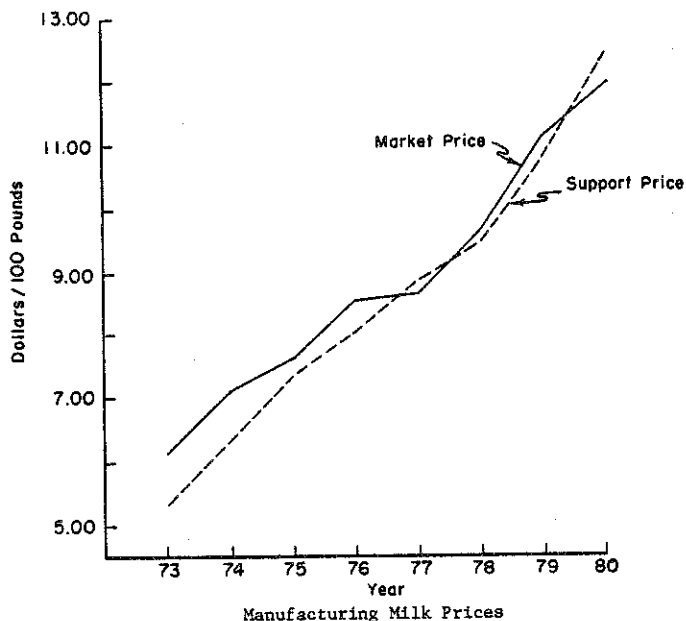
^aPriced at average fat test

^bEstimated

and an increase of 6-7% in all food prices. The retail price of whole milk increased at slightly over 9%, somewhat less than the average for all dairy products. Retail prices for American cheese and butter increased about 10 and 14%, respectively (see table on page 72).

OUTLOOK

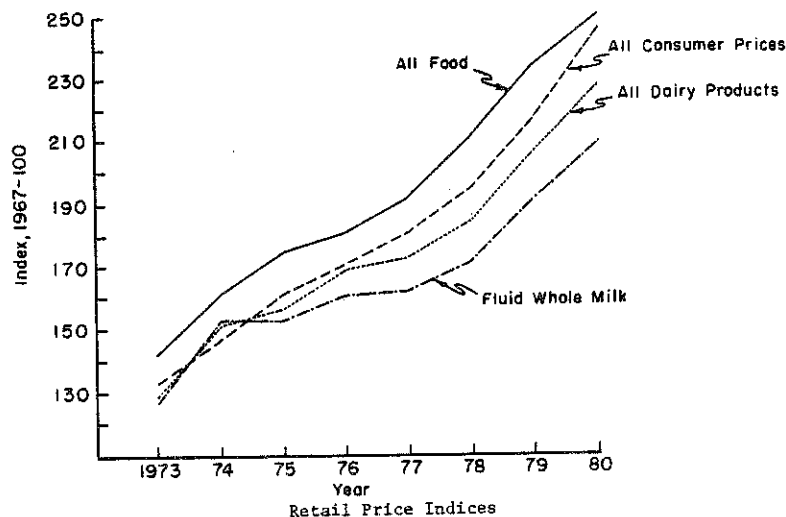
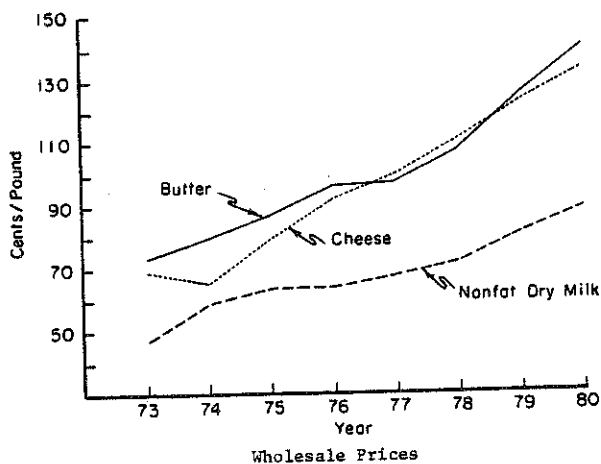
Milk Production: Feed prices are expected to increase by as much as 18% in 1981, and interest rates will probably fluctuate between 15 and 20%. Cull cow prices are expected to increase as all beef prices strengthen. Despite these indications that there will be incentives to reduce production, it is expected that milk production will increase 1-3% in 1981. This would bring milk production up to a new record level of about 130 billion pounds. This increase is expected for two reasons. One, there continues to be an abundant supply of replacement heifers, such that cow numbers will probably continue to increase slightly. Secondly, there appears to be a rather bullish attitude on the part of dairy farmers, who have adjusted to high interest rates and input prices.



Consumption: Consumption of all dairy products is expected to increase slightly in 1981. Although use of products such as whole milk and butter will probably continue to decline slowly, sales of cheese are expected to rebound as beef and other meat prices increase. In total, commercial disappearance of dairy products will increase about 1% and return to approximately the 1978 level.

Commercial Stocks: Commercial stocks of dairy products have been fairly high in the last year. There may be some desire to reduce commercial stocks, but this will be confounded by the high levels of production relative to consumption.

Imports: Imports of the relatively more expensive foreign cheeses may improve in 1981 as income levels throughout the economy recover. Nevertheless, it is unlikely that imports will be much above the 1980 level, as supplies of manufactured products in the U.S. will be abundant.



USDA Purchases: The CCC is likely to remain very active in the marketplace. Net removals of American cheese, butter, and nonfat dry milk will probably rival 1980 levels. With the expected increase in prices due to inflation, this would mean even higher levels of USDA net expenditures, which may reach \$1.5 billion.

CCC Purchase, Wholesale, and Retail Prices for Cheese, Butter, and
Nonfat Dry Milk and Selected Retail Price Indices
1975-1980

	1975	1976	1977	1978	1979	1980
Cheese:						
CCC Purchase, Natural Cheddar, Grade A or higher, blocks ^a	80.19	89.63	96.63	102.63	115.50	132.00
Wholesale, American Cheddar (40 pound blocks), f.o.b. Wisconsin Assembly points, ¢/lb.	86.60	96.30	96.80	107.10	123.80	132.00
Retail, American, ¢/lb.	153.00	172.30	178.00	191.30	214.80	237.20
Butter:						
CCC Purchase, Grade A or higher, Chicago ^a	71.54	85.51	98.24	106.36	121.55	140.20
Wholesale, Grade A, Chicago, ¢/lb.	79.40	92.00	98.40	109.80	122.40	140.20
Retail, ¢/lb.	102.20	126.20	133.50	145.00	164.00	187.20
Nonfat Dry Milk: ^b						
CCC Purchase, Spray Process Extra Grade, Unfortified ^a	61.05	62.40	66.60	70.94	78.94	89.13
Wholesale, ¢/lb.	63.30	63.50	66.50	71.40	80.00	89.13
Other Retail Indices						
Fluid Whole Milk	152.70	160.70	162.30	171.70	191.40	209.00
All Dairy Products	156.60	169.30	173.90	185.60	207.10	229.00
All Food	175.40	180.80	192.20	211.40	234.50	250.00
All Consumer Prices	161.20	170.50	181.50	195.40	217.40	247.00

Source: Dairy Situation, U.S. Department of Agriculture

^a simple annual average of announced support price

^b there is no retail price information for nonfat dry milk.

Prices: The support price for manufacturing grade milk having an average fat test of 3.67% will likely be about \$14.00 per cwt. on April 1, 1981. This increase is proscribed by current legislation which is highly unlikely to be changed before April. The October support price could approach \$15.00 per cwt. if the current price support legislation is renewed. With a continuing oversupply of milk, Congress may let price support policy revert to the original legislation, which would permit support prices to be set at a minimum of 75% of parity instead of 80% of parity. The 75% parity price in October would probably not be much above \$14.00. The average market price of manufacturing grade milk will lag behind the support price throughout most of 1981. Wholesale prices of American cheese, butter, and nonfat dry milk will likely continue to ride the CCC purchase price level. Retail prices of dairy products will continue to increase slightly less than all consumer prices but not much more than food prices in general.

Number of Producers Delivering Milk, Simple Average of Months per year
Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980 ^e
<u>Markets</u>						
New York-New Jersey	20257	19328	18820	18030	17596	17548
New England	8444	8269	8030	7769	7506	7343
Middle Atlantic	7863	8094	8004	7539	7219	7258
E. Ohio-W. Pennsylvania	8054	7675	7394	7024	6592	6453
N.Y. State Orders (Buffalo & Rochester)	1530	1509	1483	1415	1375	1363
Regional Total	46148	44875	43731	41777	40288	39965
Chicago Regional	17546	17388	16898	16832	16914	17400

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders

^eEstimated

The total number of producers in the Northeast Federal and state order markets declined by 323 or less than 1 percent in 1980.

During the past five years, producer numbers for this region has declined on the average of 1200 producers annually or 2.7 percent.

The substantially lower dropout rate in 1980 may be attributed to the relative profitability of dairying the last few years, fewer off-farm job opportunities this year and to some new dairy operations.

In the coming year, producer numbers are expected to decline at a rate more nearly consistent with the five year average.

Increases in the number of producers shipping to the Chicago Regional order, reflect the transition from Grade B to Grade A production. Grade B producers who shift to Grade A do so to get a share of the fluid market.

Receipts of Milk From Producers by Regulated Handlers, Million Pounds
Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980 ^e
	(Million pounds)					
<u>Markets</u>						
New York-New Jersey	9434	9484	9629	9877	10157	10541
New England	4886	4994	4993	5046	5089	5224
Middle Atlantic	4846	5388	5664	5420	5391	5594
E. Ohio-W. Pennsylvania	3331	3489	3493	3434	3369	3380
N.Y. State Orders (Buffalo & Rochester)	1017	1061	1080	1058	1093	1093
Regional Total	23514	24416	24859	24835	25099	25832
Chicago Regional	8855	9779	10067	10186	10628	11550

Annual Federal Milk Order Market Statistics and Annual Statistical
Reports for State Orders.

^eEstimated

Total milk receipts from producers in Northeast order markets increased by 700 million pounds or 2.9 percent in 1980.

Receipts on the New York-New Jersey and Middle Atlantic orders were each up by 3.8 percent and accounted for 80 percent of the total increase.

A further increase in milk marketings of between 1 and 2 percent is forecast for these markets in 1981.

Producer receipts in the Chicago Regional order were up 8.7 percent in 1980.

Producer Milk Used in Class I by Regulated Handlers, Million Pounds
Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980 ^e
	(million pounds)					
<u>Markets</u>						
New York-New Jersey	4785	4668	4544	4719	4594	4625
New England	2977	2972	2937	2920	2926	2866
Middle Atlantic	3112	3279	3265	2995	2906	2860
E. Ohio-W. Pennsylvania	2144	2133	2099	2059	2035	1994
N.Y. State Orders (Buffalo & Rochester)	520	505	487	476	459	445
Regional Total	13538	13557	13332	13169	12920	12790
Chicago Regional	3201	3115	3053	3017	2998	2900

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

^e Estimated

Fluid milk sales in all Northeast order markets declined an average of 1 percent in 1980.

An increase in the Class I sales in the New York-New Jersey order reflects a recovery from the sharp sales losses that occurred during the Spring 1979 New York City milk strike.

In 1981 fluid sales are expected to decline by 1 percent in the New York-New Jersey market as well as the Northeast orders in total.

Producer Milk Used in Class I as Percentage of all Producer Milk Received
by Regulated Handlers

Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980 ^e
	(percent)					
<u>Markets</u>						
New York-New Jersey	51	49	47	48	45	44
New England	61	60	59	58	58	55
Middle Atlantic	64	61	58	55	53	51
E. Ohio-W. Pennsylvania	64	61	60	60	60	59
N.Y. State Orders (Buffalo & Rochester)	51	48	45	45	42	41
Chicago Regional	36	32	30	30	28	25

Source: Annual Federal Milk Order Market Statistics and by Calculation for
State Orders.

^eEstimated

Federal order blend prices are directly affected by the percentage of milk utilized in Class I.

The Class I utilization declined in all Northeast order markets during 1980. Declining Class I sales coupled with increasing milk supplies caused more milk to be utilized for manufacturing purposes which resulted in greater downward pressure on the fluid utilization percentage.

In 1981, increasing supplies of milk and continued decreases in Class I sales are expected to further erode the Class I utilization in these markets.

Minimum Class I Prices for 3.5% Milk
Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980
	(\$/cwt.)					
<u>Markets</u>						
New York-New Jersey ¹	9.66	11.00	10.86	11.54	13.02	13.92
New England ²	9.84	11.18	11.06	11.86	13.19	14.09
Middle Atlantic ³	10.06	11.38	11.26	12.06	13.56	14.45
E. Ohio-W. Pennsylvania ⁴	9.12	10.45	10.33	11.14	12.62	13.62
New York State Orders ³ (Buffalo & Rochester)	10.12	11.46	11.32	12.00	13.48	14.38
Chicago Regional ³	8.53	9.86	9.74	10.55	12.04	12.93

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

^e Estimated

¹ 201-210 mile zone

² 21st zone.

³ Priced at major city in the marketing area.

⁴ Pittsburgh district.

Milk used for fluid increased 7 percent in Northeast order markets during 1980.

The Class I price for 3.5% milk was up 90 cents or 6.9 percent at the 201-210 mile zone in the New York-New Jersey order.

An expected increase of 9 to 10 percent in the Minnesota-Wisconsin price in the coming year should result in a similar increase in Class I prices for 1981.

Minimum Class II Prices for 3.5% Milk
Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980 ^e
	(\$/cwt.)					
<u>Markets</u>						
New York-New Jersey ¹	7.62	8.48	8.58	9.58	10.91	11.88
New England ²	7.62	8.48	8.58	9.58	10.91	11.87
Middle Atlantic ³	7.64	8.50	8.60	9.60	10.93	11.90
E. Ohio-W. Pennsylvania ⁴	7.62	8.48	8.58	9.57	10.91	11.88
New York State Orders ³ (Buffalo & Rochester)	7.57	8.43	8.53	9.53	10.86	11.83
Chicago Regional ³	7.62	8.48	8.58	9.57	10.91	11.88

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders

^eEstimated

¹201-210 mile zone.

²21st zone.

³Priced at major city in the marketing area.

⁴Pittsburgh district.

The price of milk used for manufacturing increased nearly 9 percent in all markets during 1980.

In the New York-New Jersey order, the Class II price averaged \$11.88 per hundredweight, up 97 cents from last year.

A further increase of \$1.19 per hundredweight or 10 percent is forecast for the New York-New Jersey order, contingent on projected increases in the Minnesota-Wisconsin manufacturing milk price, 3.5 percent, in 1981.

Minimum Blend Prices for 3.5% Milk
Northeast Federal & State Marketing Orders & Chicago Regional Order
1975-1980

	1975	1976	1977	1978	1979	1980 ^e
	(\$/cwt.)					
<u>Markets</u>						
New York-New Jersey ¹	8.64	9.71	9.61	10.38	11.74	12.65
New England ²	8.93	10.07	10.01	10.86	12.18	13.05
Middle Atlantic ³	9.14	10.23	10.10	10.91	12.29	13.20
E. Ohio-W. Pennsylvania ⁴	8.64	9.80	9.71	10.56	12.03	12.90
New York State Orders ³ (Buffalo & Rochester)	8.76	9.82	9.68	10.51	11.88	12.78
Chicago Regional ³	8.05	9.06	9.08	10.02	11.40	12.31

Source: Annual Federal Milk Order Market Statistics and Annual Statistical Reports for State Orders.

^eEstimated

¹201-210 mile zone

²21st zone.

³Priced at major city in the marketing area.

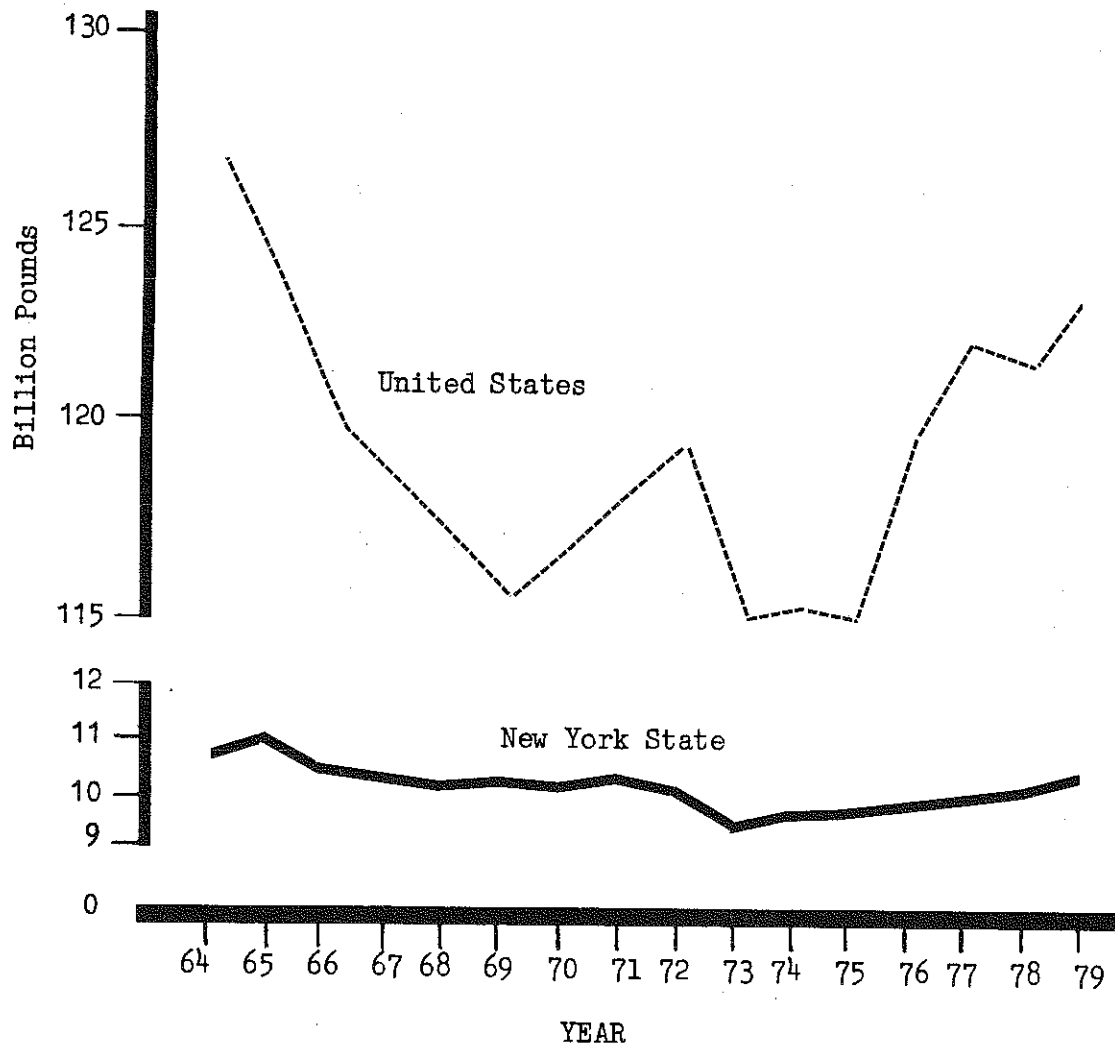
⁴Pittsburgh district.

The uniform milk price increased on the average of 89 cents or 7.6 percent for the year in the five Northeastern markets.

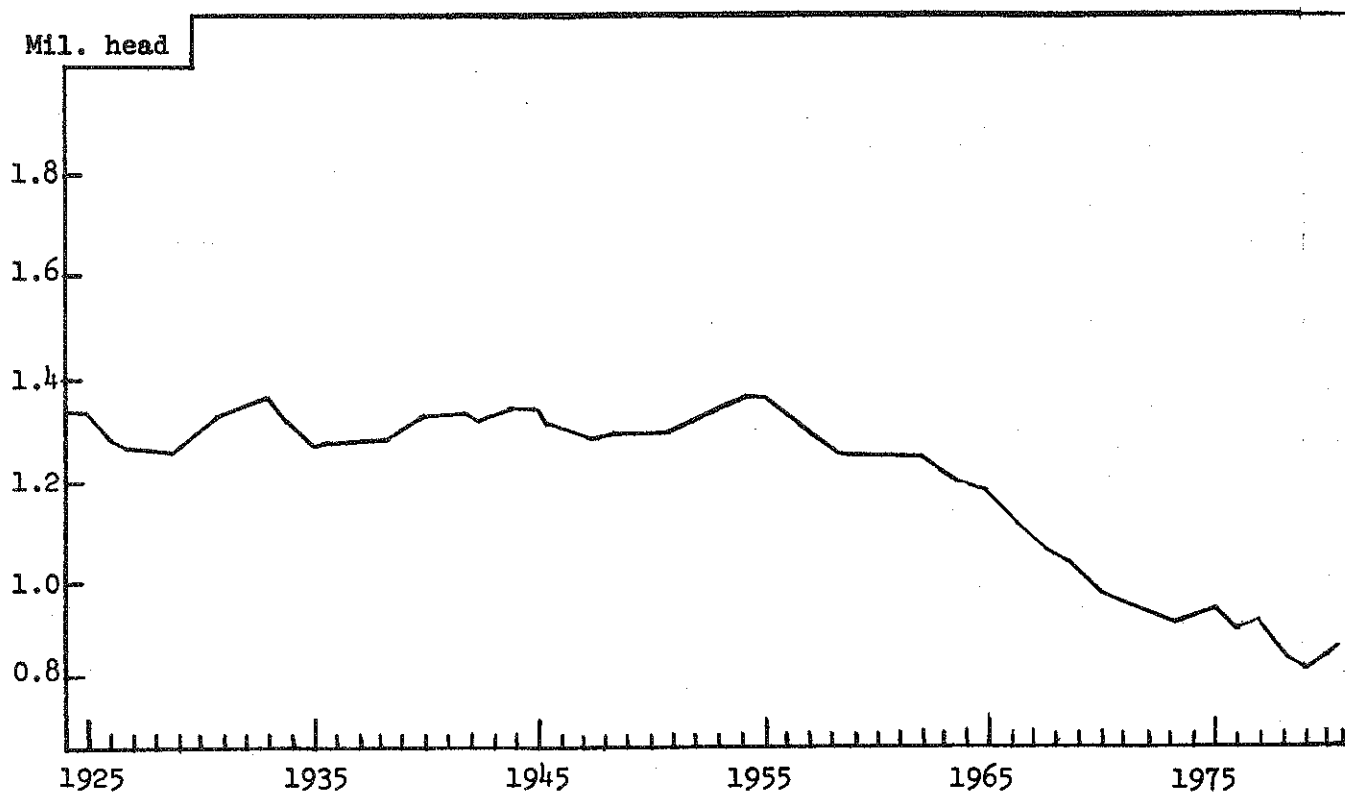
Price differences between markets reflect differences in the pricing point, class prices and market utilization.

A further increase of 9 percent is forecast for the New York-New Jersey blend price in 1981.

Annual Milk Production, United States and New York,
1964-1979



NUMBER OF MILK COWS, NEW YORK
1925 to date



Source: New York Dairy Farm Report

The average number of milk cows in New York State increased by 6,000 head in 1980. At the end of the year cow numbers were up to 916,000 head.

Cow numbers are expected to average higher again in 1981.

<u>Year</u>	<u>Milk cows thous. head</u>	<u>Year</u>	<u>Milk cows thous. head</u>
1960	1,248	1970	950
1961	1,253	1971	935
1962	1,253	1972	920
1963	1,217	1973	903
1964	1,196	1974	905
1965	1,165	1975	917
1966	1,109	1976	912
1967	1,069	1977	914
1968	1,039	1978	906
1969	969	1979	905
		1980	911*
		1981	915**

* Preliminary

**Estimated

ADDITIONS TO AND ELIMINATIONS FROM NEW YORK DAIRY HERDS

Year	Cows & heifers kept for milk that have calved, January 1	Heifers 500 lbs. & over kept for milk replace- ments, January 1	Per 100 Cows			No. of milk cows Jan. 1 of next year
			Additions#	Elimi- nations##	Difference + or -	
<u>Thousand head</u>						
1970	954	324	23.8	24.8	-1.0	944
1971	944	320	23.7	25.7	-2.0	925
1972	925	310	23.5	24.6	-1.1	914
1973	914	314	24.1	25.6	-1.5	900
1974	900	324	25.2	23.0	+2.2	920
1975	920	345	26.3	26.7	-0.4	916
1976	916	345	26.4	26.7	-0.3	913
1977	913	354	27.1	26.9	+0.2	915
1978	915	341	26.1	27.3	-1.2	904
1979	904	339	26.2	25.3	+0.9	912
1980	912	356	27.3	26.9	+0.4	916
1981	916*	361*	27.6**	27.8**	-0.2**	914**

Assumes 70% of the heifers 500 lbs. and over kept for milk replacements on January 1 are added to herds.

Cows beginning of year plus additions minus cows end of year.

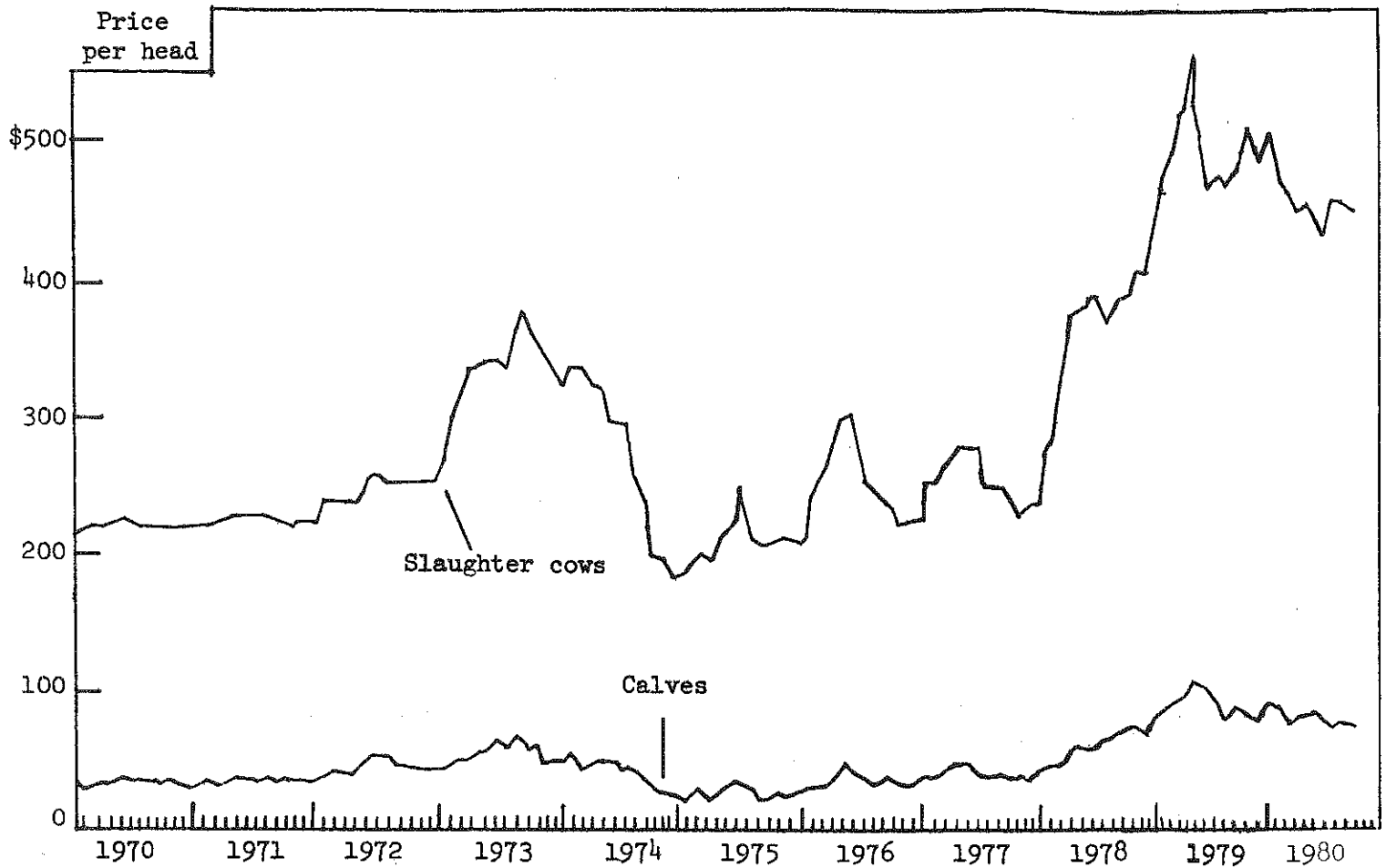
* Preliminary

** Estimated

During 1980 the rate of additions were higher than the culling rate. This resulted in an increase in milk cow numbers.

Going into 1981 there are more heifers on farms per 100 cows (27.6), than at any time since 1970. With an expected higher rate of culling in 1981, cow numbers at the end of the year will be lower than at the beginning. Strong cull cow prices will contribute to the expected higher culling rate.

PRICES OF MILK COWS, SLAUGHTER COWS AND CALVES, NEW YORK
1970 to date



Source: New York Agricultural Price Report

Slaughter cattle were weaker in 1980 than in 1979.

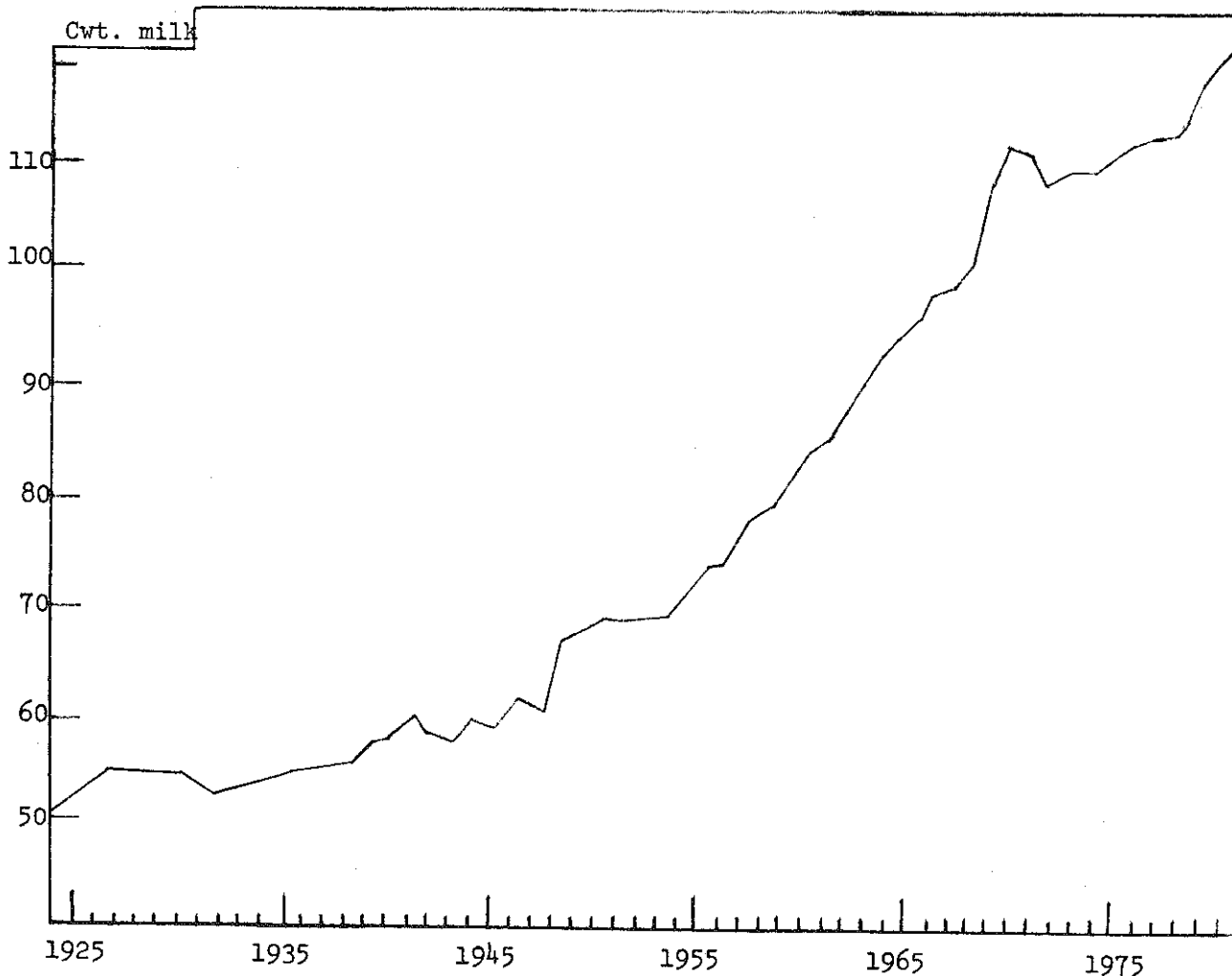
Milk cow prices during 1980 continued to move up from 1979 and showed continuing strength toward the end of the year.

Slaughter cow prices are expected to be strong in 1981.

Average price per head

	Milk cows			Slaughter cows			Calves		
	1979	1980	1981	1979	1980	1981	1979	1980	1981
January	\$850	\$1160	_____	\$462	\$493	_____	\$79	\$91	_____
February	890	1190	_____	495	508	_____	88	88	_____
March	950	1200	_____	507	473	_____	92	77	_____
April	1000	1200	_____	523	460	_____	95	79	_____
May	1020	1170	_____	552	443	_____	105	80	_____
June	1050	1180	_____	533	458	_____	102	82	_____
July	1100	1160	_____	511	440	_____	93	78	_____
August	1100	1190	_____	470	463	_____	75	75	_____
September	1100	1200	_____	480	463	_____	85	78	_____
October	1100	1230	_____	470	444	_____	89	77	_____
November	1150	_____	_____	483	_____	_____	85	_____	_____
December	1150	_____	_____	508	_____	_____	81	_____	_____

ANNUAL MILK PRODUCTION PER COW, NEW YORK
1925 to date



Source: New York Dairy Farm Report

Milk production per cow averaged 12,025 pounds in 1980, up 2 percent from the previous year.

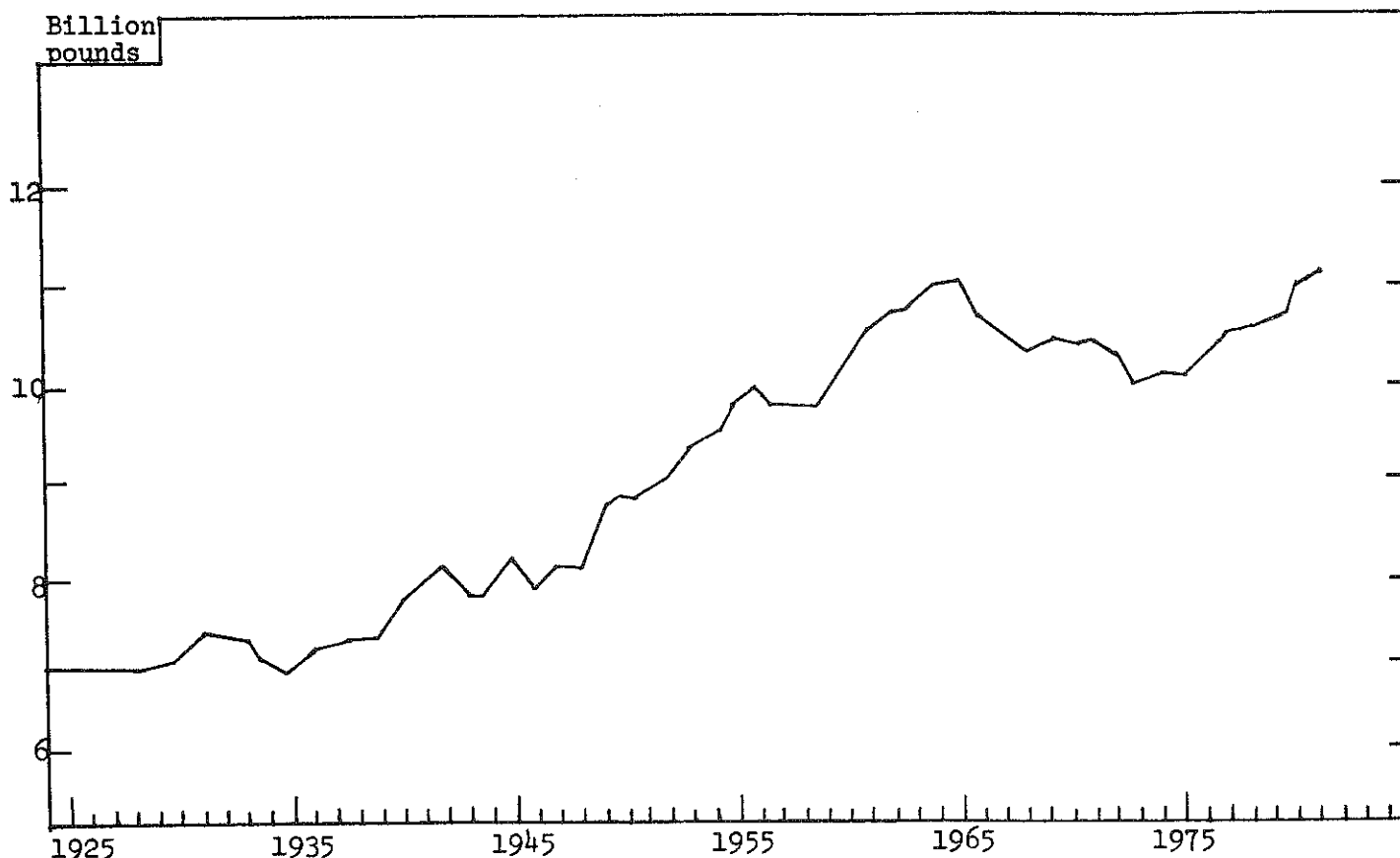
In 1981 milk production per cow is expected to increase again by roughly 2 percent to a record high level of 12,250 pounds.

<u>Year</u>	<u>Pounds of milk produced per cow</u>	<u>Pounds of grain per cow</u>	<u>Year</u>	<u>Pounds of milk produced per cow</u>	<u>Pounds of grain per cow</u>
1960	8,150	2,440	1970	10,885	3,980
1961	8,450	2,610	1971	11,156	4,000
1962	8,530	2,840	1972	11,202	3,990
1963	8,880	2,910	1973	10,773	4,200
1964	9,160	3,090	1974	10,853	4,100
1965	9,470	3,290	1975	10,866	3,780
1966	9,540	3,330	1976	11,182	4,040
1967	9,780	3,410	1977	11,186	4,030
1968	9,835	3,440	1978	11,488	4,140
1969	10,682	3,730	1979	11,800	4,250
			1980	12,025*	4,300
			1981	12,250**	4,400

* Preliminary

**Estimated

TOTAL MILK PRODUCTION, NEW YORK
1925 to date



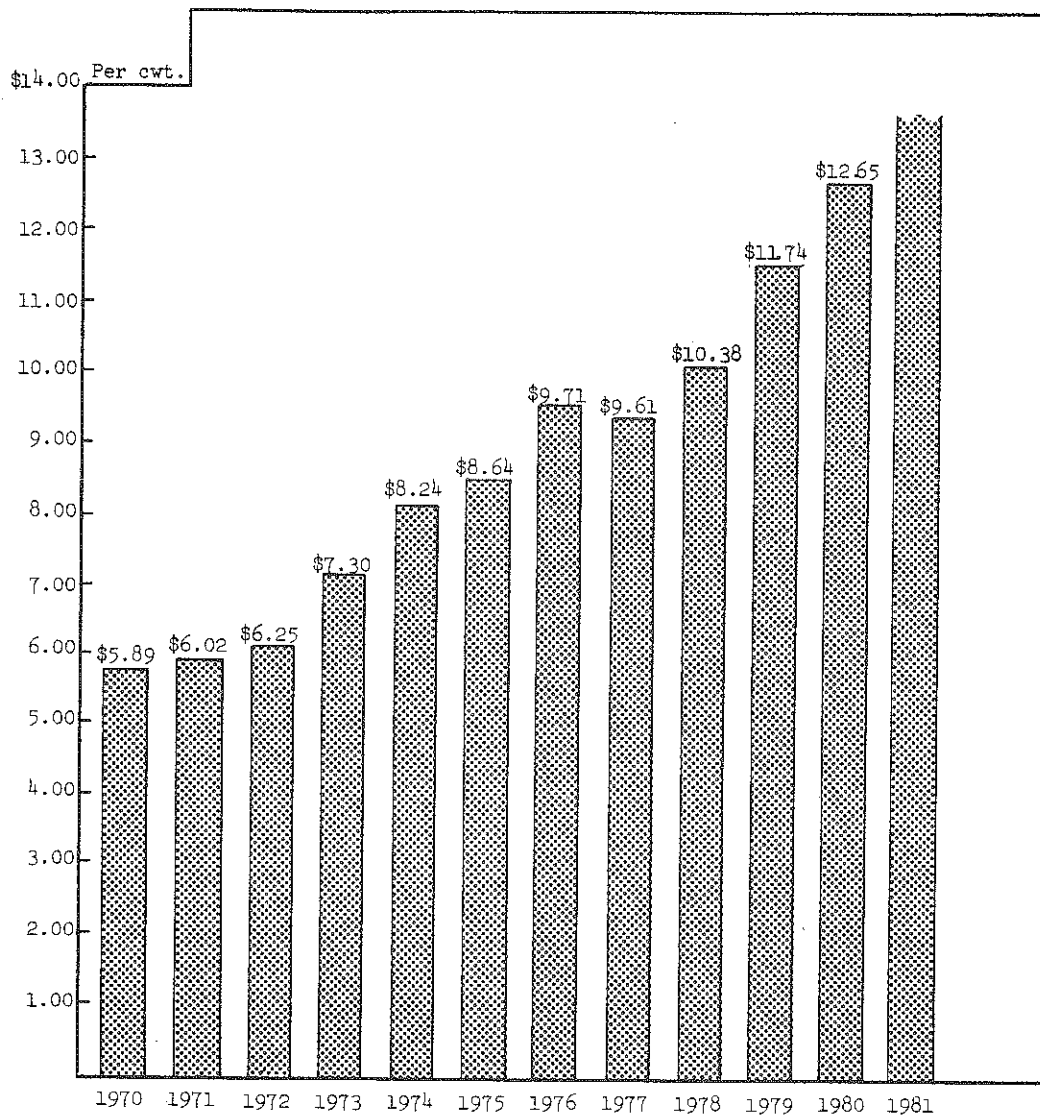
Source: New York Dairy Farm Report

Total milk production in 1980 is estimated at 10,955 million pounds, up 2.6 percent from 1979 but still below the record 1965 level. This increase in 1980 reflects a small increase (0.7 percent) in the number of milk cows and an increase of 1.9 percent in the level of milk production per cow.

In 1981 total milk production is expected to increase again by more than 2 percent to a record level of 11,209 million pounds. This forecast is based on an increase in the number of milk cows and a rise in production per cow. The increase in production per cow is due to higher milk prices and an adequate supply of good quality roughage.

<u>Year</u>	<u>Total production New York State, million pounds</u>	<u>Year</u>	<u>Total production New York State, million pounds</u>
1960	10,171	1970	10,341
1961	10,588	1971	10,431
1962	10,688	1972	10,306
1963	10,807	1973	9,728
1964	10,955	1974	9,822
1965	11,033	1975	9,964
1966	10,580	1976	10,198
1967	10,455	1977	10,224
1968	10,219	1978	10,408
1969	10,351	1979	10,679
* Preliminary		1980	10,955*
Estimated		1981	11,209

FARM PRICE OF MILK, NEW YORK
1970 to date



Source: Price Announcements, Office of the Administrator, New York-New Jersey Milk Marketing Area.

	1978	1979	1980	1981
The 1980 farm price of milk in the New York-New Jersey market averaged \$12.65 per cwt., an increase of 91 cents per hundredweight from the 1979 level.				
In 1980 the farm price of milk is expected to <u>increase</u> by over \$1.00 per cwt.				
January	\$9.82	\$11.49	\$12.25	
February	9.87	11.57	12.24	
March	9.65	11.12	12.08	
April	9.60	10.95	11.96	
May	9.55	10.93	11.90	
June	9.60	11.03	11.92	
July	10.16	11.60	12.48	
August	10.84	12.23	13.01	
September	11.12	12.51	13.31	
October	11.45	12.64	13.57	
November	11.54	12.62	13.60*	
December	11.42	12.25	13.45*	
*Estimated				

Milk Price Projections
New York-New Jersey Order 2 Blend Price; 3.5 Percent, 201-210 Mile Zone
Last Quarter 1980 - First Half 1981

Month	1979a	1980	Difference
October	\$12.64	\$13.57a	+ .93
November	12.62	13.60p	+ .98
December	12.25	13.45p	+1.20
Annual Average	\$11.74	\$12.65p	+ .91
	1980a	1981p	
January	\$12.25	\$13.54	+1.29
February	12.24	13.48	+1.24
March	12.08	13.27	+1.19
April	11.96	13.12	+1.16
May	11.90	13.04	+1.14
June	11.92	13.07	+1.15
Six Month Average	12.06	13.25	+1.19
Annual Average	\$12.65	\$13.83	+1.18

a - actual; p - projected.

Assumptions Associated With These Projections

1. Price Support Program

On April 1, 1981, support price of \$13.70 for 3.5% manufacturing grade milk. The increase is mandated by present legislation, based on movement in the parity index. An increase of 7 percent is anticipated between October 1980 and April 1981.

Current legislation will expire in 1981. While the direction that new legislation will take is unclear at this time, I am assuming that the parity level will revert to 75 percent on October 1, 1981. This would hold the support price at the April level of \$13.70 for the remainder of 1981.

2. Production Levels

United States milk production is projected to increase an additional 1 to 2 percent in the coming year. New York State production is also expected to increase by 2 percent in 1981. Increases in milk production per cow will be moderated by higher grain and protein prices, but even a moderate production increase with cow numbers on the rise will mean substantially more milk.

3. Commercial Sales

Commercial sales of milk and dairy products declined by more than 1.5 percent in 1980. In 1981, higher meat prices should stimulate some recovery in cheese sales, however overall commercial disappearance is not expected to exceed 1979 levels of 120 billion pounds.

4. CCC Purchases

Continued increases in milk production of from 1 to 2 percent, and only moderate improvement in demand could again result in CCC purchases of from 6 to 8 billion pounds of milk equivalent in 1981.

INDEX OF PRICES PAID BY NEW YORK DAIRY FARMERS
October 1974 to October 1980 and Percent Change
Index: 1967 = 100

Item	Index weights	Index: 1967=100							% change from					
		October							1974	1975	1976	1977	1978	1979
		1974	1975	1976	1977	1978	1979	1980	to 1975	to 1976	to 1977	to 1978	to 1979	to 1980
Feed	25	202	181	205	179	189	229	280	-10	+13	-13	+ 6	+21	+22
Wages*	20	157	202	224	236	238	241	244			+ 5	+ 1	+ 1	+ 1
Build. & fence	5	198	208	219	237	255	281	299	+ 5	+ 5	+ 8	+ 8	+10	+ 6
Machinery	8	171	210	233	253	262	290	312	+22	+11	+ 9	+ 4	+11	+ 8
Power equipment	6	176	204	224	245	272	302	337	+16	+10	+ 9	+11	+11	+12
Supplies & ag. chem.	5	160	169	161	167	172	174	206	+ 6	- 5	+ 4	+ 3	+ 1	+18
Farm services & rent	5	166	199	218	236	248	265	282	+20	+10	+ 8	+ 5	+ 7	+ 6
Dairy cows	5	152	137	157	156	202	349	390	-10	+15	- 1	+29	+73	+12
Fertilizer	6	207	200	177	182	179	211	246	- 3	-11	+ 3	- 2	+18	+17
Gas & oil	5	165	184	191	204	215	314	383	+12	+ 4	+ 7	+ 5	+46	+22
Taxes	4	154	162	176	195	210	226	244	+ 5	+ 9	+ 6	+ 8	+ 8	+ 8
Interest	3	227	265	303	331	384	501	627	+17	+14	+ 8	+16	+30	+25
Seeds	3	221	250	240	266	276	295	316	+13	- 4	+11	+ 4	+ 7	+ 7
ALL PRICES PAID		182	190	202	212	225	262	295	+ 4	+ 6	+ 5	+ 6	+16	+13

* The index for wages has been revised and comparisons between earlier years are not valid.

The index of prices paid by New York dairy farmers was constructed to indicate changes that occur over time in the price of inputs used in producing milk.

Feed and wages account for 45 percent of the weight given the various items that make up the overall index.

The overall index of prices paid by New York dairy farmers in October 1980 was up 12.5 percent from October 1979. For the year 1980 the increase was about 13 percent.

While prices paid by New York dairy farmers generally have been rising over the last several years, some items have risen more than others. From October 1974 to October 1980 the overall index increased 62 percent; feed was up 39 percent, machinery up about 82 percent, fertilizer increased 19 percent, gas and oil up 132 percent, seeds up 43 percent.

The overall index in 1981 is expected to increase about 14 percent from the 1980 level.

INDEXES OF PRICES PAID BY NEW YORK DAIRY FARMERS, 1974-81
1967 = 100

Year	Jan.	Feb.	Mar.	Apr.	May	June	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Annual average
<u>Dairy Ration</u>													
1974	173	173	173	172	170	166	170	208	205	202	207	204	185
1975	186	176	166	176	176	174	173	180	181	181	175	176	177
1976	172	181	177	174	182	197	200	200	204	205	204	207	192
1977	196	206	203	197	205	203	201	183	182	179	184	193	194
1978	180	181	183	183	183	186	188	177	183	189	197	200	186
1979	188	196	200	197	200	201	217	220	224	229	244	236	213
1980	214	217	220	222	226	228	233	253	267	280	291		
1981													
<u>Wages</u>													
1974	162			161			160			157			160
1975#	168			168			181			202			180
1976#	202			190			190			224			202
1977#	224			194			194			236			212
1978#	236			234			223			238			233
1979#	238			245			237			241			241
1980#	262			252			244			244			250
1981#													
<u>Building and Fencing Material</u>													
1974			163				181			198		202	181
1975			204				207			208		208	206
1976			213				214			219		219	217
1977			223				228			237		237	230
1978			240				243			255		256	248
1979			263				270			281		283	273
1980			288				291			299			
1981													
<u>New Farm Machinery</u>													
1974			149				160			176		183	161
1975			185				199			204		209	195
1976			211				220			224		224	220
1977			233				241			245		245	241
1978			251				260			272		272	264
1979			280				293			302		302	294
1980			317				325			337			
1981													
<u>Fertilizer</u>													
1974				171					207				167
1975				231						200			217
1976				182						177			180
1977				181						182			182
1978				181						179			180
1979				187						211			199
1980				244						246			246
1981													
<u>All Prices Paid</u>													
1974	160	160	163	167	165	169	169	179	183	182	183	180	172
1975	183	180	178	182	183	185	181	189	194	190	192	193	186
1976	196	198	195	193	195	200	201	200	202	202	209	211	200
1977	210	213	211	210	209	209	209	204	205	212	213	216	210
1978	217	217	218	218	219	219	219	217	220	225	228	230	221
1979	238	241	244	245	248	251	255	256	259	262	266	265	252
1980	269	276	280	279	280	283	282	287	291	295			
1981													

The index for wages has been revised; comparisons between some earlier years are not valid.

NEW YORK DAIRY FARM BUSINESS SUMMARY
1973 to 1979

Item	1973	1974	1975	1976	1977	1978	1979
Number of farms	609	628	605	615	570	527	610
Man equivalent per farm	2.2	2.4	2.4	2.5	2.5	2.4	2.7
Number of cows per farm	69	72	72	71	71	71	75
Ending inventory/farm (000):							
Machinery and equipment	\$ 36	\$ 41	\$ 44	\$ 49	\$ 55	\$ 60	\$ 71
Livestock	51	49	52	54	56	75	106
Land and buildings	107	122	132	139	152	164	190
Feeds and supplies	14	19	20	21	21	23	28
Total	\$208	\$231	\$248	\$263	\$284	\$322	\$395
Pounds of milk sold/farm (000)	852	906	939	951	965	980	1070
Pounds of milk sold/cow (000)	12.4	12.6	13.0	13.4	13.6	14.0	14.3
Pounds of milk sold/man (000)	393	374	388	380	386	405	401
Value per operator's labor	\$6000	\$6000	\$6000	\$6000	\$7200	\$7800	\$7800
Value of operator's management (5% of cash receipts)	\$3689	\$4330	\$4474	\$5162	\$5212	\$5862	\$7317
Interest on equity capital	7%	7%	7%	7%	7%	7%	9%

The cost of producing milk can be calculated from the New York farm business summary data. The method used is called the farm unit or whole farm method of determining cost of production. This method is only valid where farms are specialized dairy farms with most of the expenses directly or indirectly related to milk production, i.e., where dairy is the principle enterprise.

Farm expenses are all costs including an estimate of the operator's labor and management. Non-milk receipts (cull cows, calves, etc.) are deducted on the assumption they were produced at cost. The total expenditure for an item, for example, labor for the farm for the year is divided by the number of hundredweight of milk sold to get the cost of each item per hundredweight.

The principle costs in production of milk are feed, labor, and capital related items. In 1979 purchased feed for the dairy herd (including that fed to replacement heifers) was \$3.37 per cwt. of milk. The labor cost per cwt. (including hired labor, unpaid labor, and the operators labor and management) was \$2.71 per cwt.

AVERAGE COST PER HUNDREDWEIGHT OF PRODUCING MILK*
New York Dairy Farms, 1973 to 1979

Item	1973	1974	1975	1976	1977	1978	1979
<u>Cash Operating Expenses</u>							
Hired labor	.65	.71	.74	.81	.84	.89	.99
Purchased feed	2.34	2.64	2.51	2.83	2.90	3.11	3.37
Purchased animals	.42	.34	.23	.30	.27	.36	.50
Vet. & medicine	.12	.13	.14	.15	.17	.19	.22
Breeding fees	.09	.09	.11	.12	.12	.13	.15
Other dairy expenses	.37	.39	.48	.53	.58	.67	.74
Machinery repairs	.40	.45	.51	.58	.57	.65	.69
Auto expenses (f.s.)	.03	.03	.03	.04	.03	.04	.04
Gas & oil	.22	.27	.29	.31	.31	.34	.43
Lime & fertilizer	.36	.47	.49	.48	.49	.53	.62
Seeds & plants	.11	.13	.16	.15	.16	.18	.20
Spray & other crop	.08	.13	.13	.13	.13	.13	.16
Land, bldg., fence repair	.15	.16	.15	.19	.16	.19	.21
Taxes	.20	.20	.22	.24	.27	.27	.28
Insurance	.14	.14	.15	.16	.18	.18	.20
Electricity (f.s.)	.12	.13	.15	.16	.17	.19	.21
Telephone (f.s.)	.03	.03	.03	.04	.04	.04	.04
Interest paid	.53	.60	.66	.69	.72	.83	1.00
Miscellaneous	.18	.20	.24	.25	.25	.28	.31
Total	6.54	7.24	7.42	8.16	8.36	9.20	10.36
<u>Other Expenses</u>							
Depreciation: mach. and bldg.	.80	.82	.79	.83	.89	.94	1.06
Unpaid labor	.08	.12	.11	.11	.12	.13	.13
Operator(s) labor	.82	.77	.75	.78	.93	.93	.91
Operator(s) management	.43	.48	.48	.54	.54	.60	.68
Interest on farm equity capital	1.10	1.21	1.27	1.31	1.37	1.51	2.20
Total	3.23	3.40	3.40	3.57	3.85	4.11	4.98
Gross farm operating cost	9.77	10.64	10.82	11.73	12.21	13.31	15.34
Less: Non-milk cash receipts	1.36	.99	.88	.96	1.04	1.46	1.78
Inc. in feed & supplies	.47	.61	.24	.20	.00	.40	.40
Inc. in livestock	.25	.22	.15	.15	.08	.11	.38
NET COST OF MILK PRODUCTION	\$7.69	\$8.82	\$9.55	\$10.42	\$11.09	\$11.34	12.78

* Using farm unit (whole farm) method.

Source: New York Farm Business Summary data.

CHANGES IN NUMBER AND SIZE OF NEW YORK DAIRY FARMS: 1970 to 1980

Between 1970 and 1980 the number of dairy farms in New York decreased by 7,600 or from roughly 22,000 to 14,400 farms. Thus, thirty-five percent of the farms that were producing milk in 1970 were not in dairying in 1980. The decline was much higher among smaller farms. Farms with less than 30 cows declined by 82 percent over the 10-year period, while those with 60 or more cows increased by over two-thirds.

However, in 1980 many small farms still exist. About nine percent of the farms kept less than 30 cows, and 25 percent of the total number of farms were in the 20 to 39 cow size range. About ten percent of the farms kept 100 or more cows.

The change in the size distribution of herds has been very rapid since 1970. In that year 13 percent of the dairy farms in New York State kept fewer than 20 cows. By 1980 this had decreased to 2 percent. Meanwhile, dairy farms that kept 60 or more cows increased from 14 to 39 percent of the total.

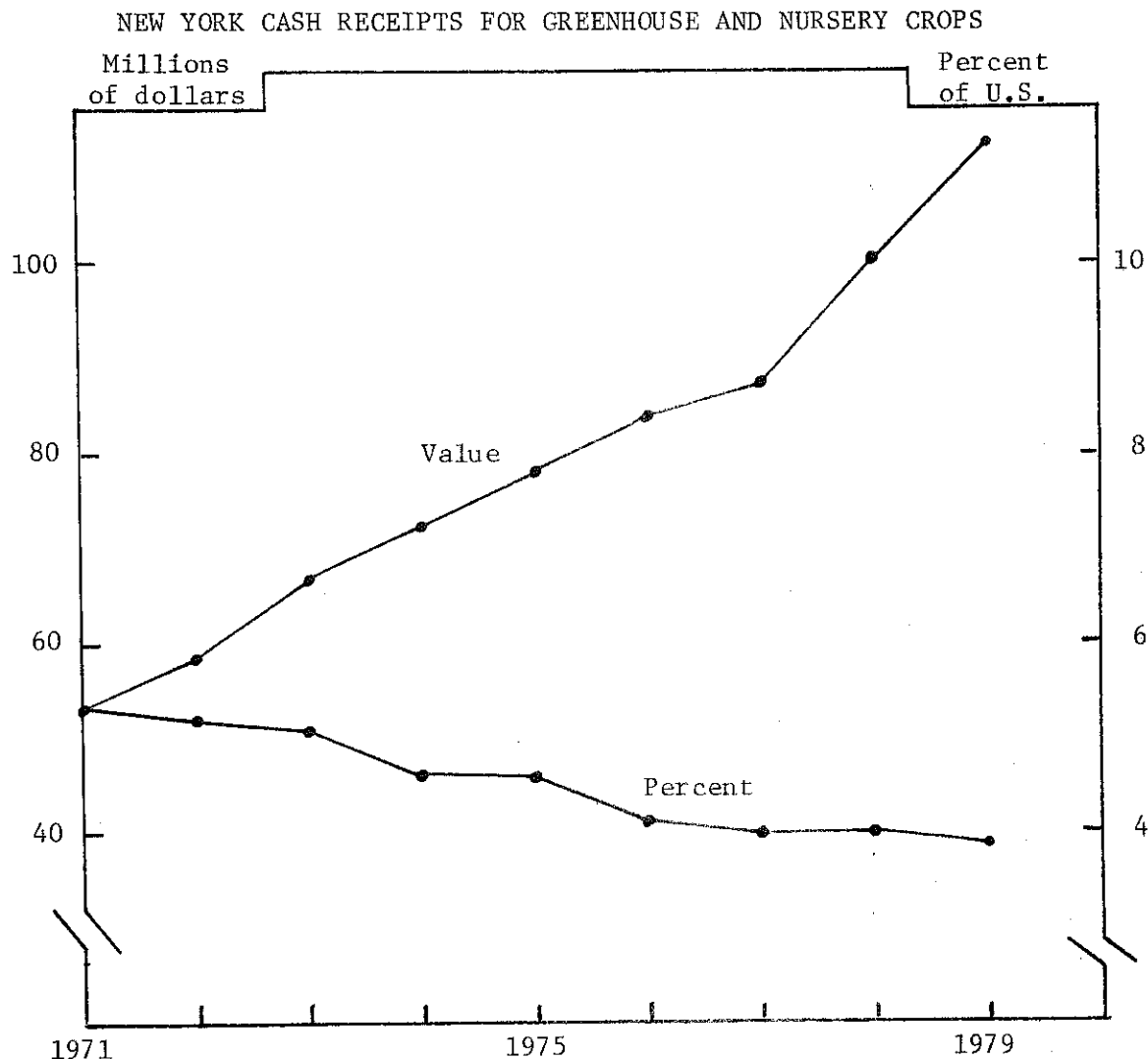
The concentration of cows in larger herds was also increasing. In 1970 ten percent of the cows were kept in herds with 100 or more cows; herds with 100 or more cows had 25 percent of the total number of cows in 1980.

CHANGE IN NUMBER OF DAIRY FARMS BY SIZE OF HERD*
New York State, 1965, 1970, 1975 and 1980**

Cows per farm	Number of dairy farms				Change between 1970 and 1980	
	1965	1970	1975	1980	Number	Percent
Under 20	5,650	2,800	1,000	300	-2,500	-89
20 - 29	8,050	3,800	2,000	900	-2,900	-76
30 - 39	7,350	5,500	4,000	2,750	-2,750	-50
40 - 49	4,400	4,500	3,300	2,300	-2,200	-49
50 - 59	2,400	2,200	2,500	2,700	+500	+23
60 - 99	2,050	2,400	3,075	4,000	+1,600	+67
100 - 149	400	450	625	800	+350	+78
150 - 199	150	225	325	425	+200	+89
200 and over	50	125	175	225	+100	+80
TOTAL	30,500	22,000	17,000	14,400	-7,600	-35

* Source: Cornell Producer Panel of Dairymen

**Estimates for 1970, 1975 and 1980 by G. J. Conneman



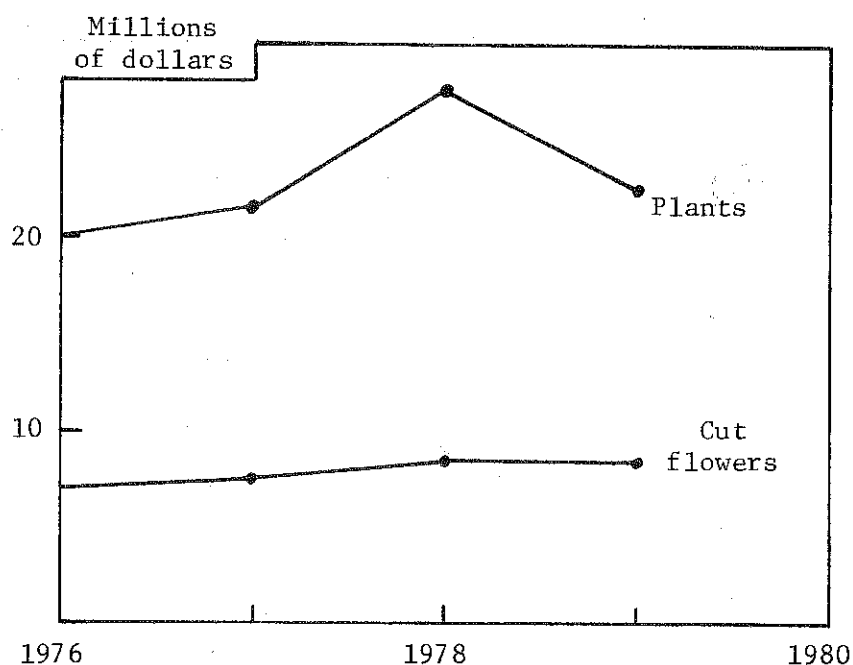
Based on: State Farm Income Statistics, ESCS, USDA, various issues.

Cash receipts of New York growers for greenhouse and nursery crops exceeded \$100 million in 1978 and increased to \$111 million in 1979. The proportion these receipts are of total U.S. greenhouse and nursery receipts continues the gradual decline of the recent past. Climatic differences, population shifts and changes in other economic factors have contributed to this relative drift of flower and nursery production away from Northeast states.

<u>Year</u>	<u>Million dollars</u>	<u>Percent of U.S.</u>	<u>Year</u>	<u>Million dollars</u>	<u>Percent of U.S.</u>
1971	53.7	5.3	1976	84.0	4.1
1972	58.2	5.2	1977	87.4	4.0
1973	66.6	5.1	1978	100.6	4.0
1974	72.6	4.6	1979	110.7	3.9*
1975	78.3	4.6			

* Preliminary.

SELECTED NEW YORK FLORICULTURE CROP SALES, AT WHOLESALE VALUE



Source: Floriculture Crops, Crop Reporting Board, ESCS, USDA, various issues.

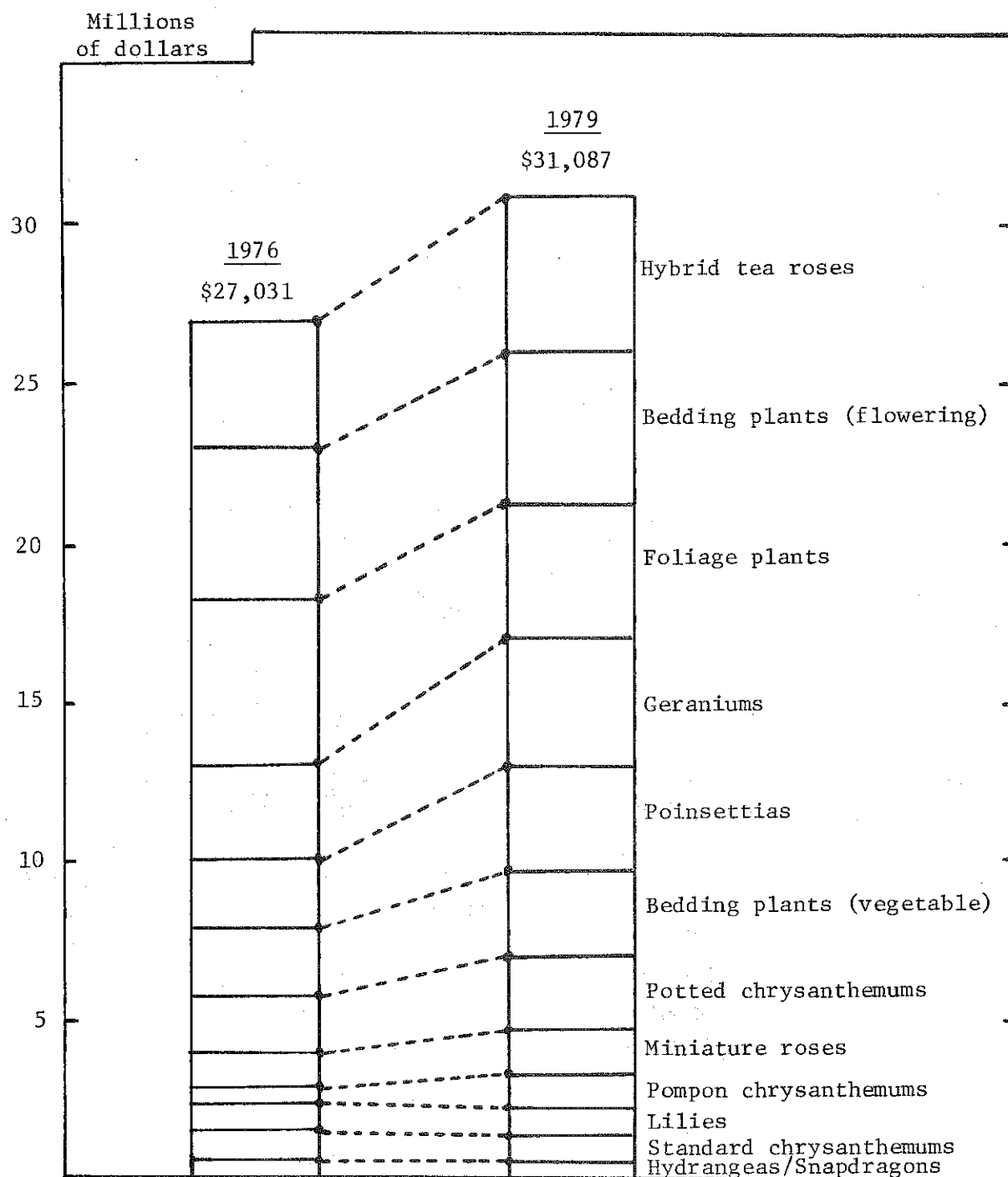
Annual data on selected floriculture crops show that plant sales are more important than cut flower sales to New York growers. Many established greenhouses were converted in recent years from production of cut to potted crops. New facilities are being devoted solely to plants. The pronounced trend toward the production of cut flowers by foreign and distant domestic producers has caused New York growers to seek economic shelter with the relatively more bulky plant crops.

<u>Year</u>	<u>Selected plants^{1/}</u>	<u>Selected cut flowers^{2/}</u>
(Thousand dollars)		
1976	19,975	7,056
1977	21,495	7,563
1978	27,775	8,681
1979	22,684	8,404

^{1/} Includes chrysanthemums, foliage (net value), geraniums, lilies, hydrangeas, poinsettias, and bedding plants.

^{2/} Includes standard and pompon chrysanthemums, hybrid tea and miniature roses, and snapdragons.

SELECTED NEW YORK FLORICULTURE CROP SALES, AT WHOLESALE VALUE

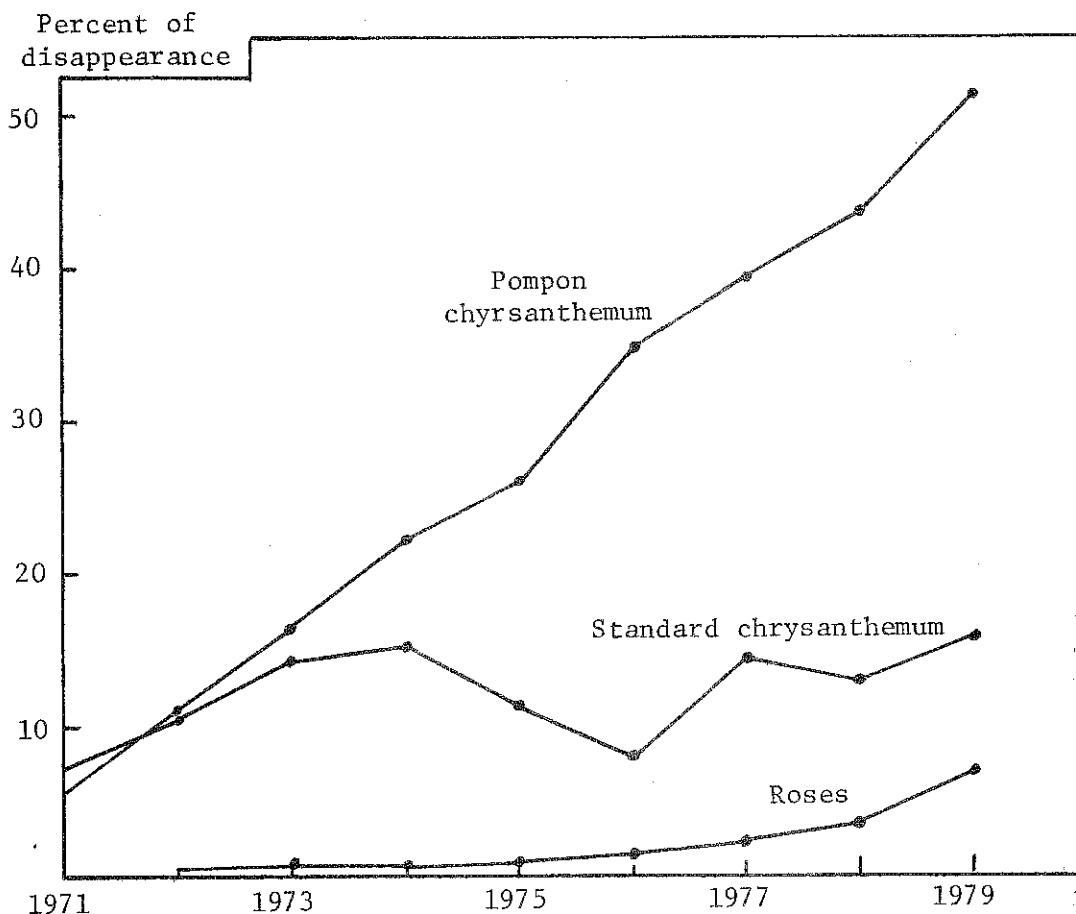


Source: Floriculture Crops, Crop Reporting Board, ESCS, USDA, various issues.

Roses are by far the most important cut flower crop produced by New York growers. Bedding, foliage, geraniums, and poinsettias are the major plant crops.

Crop	1976	1979	Crop	1976	1979
Hybrid tea roses	4.02	4.98	Miniature roses	1.07	1.43
Bedding (flowering)	4.66	4.77	Pompon chrysanthemums	0.72	0.97
Foliage plants	5.28	4.23	Lilies	0.63	0.93
Geraniums	2.99	4.09	Standard chrysanthemums	0.98	0.82
Poinsettias	2.05	3.37	Hydrangeas	0.32	0.39
Bedding (vegetable)	2.17	2.60	Snapdragons	0.27	0.20
Potted chrysanthemums	1.87	2.31			

QUANTITIES OF SELECTED IMPORTED CUT FLOWERS AS PERCENT OF U.S. DISAPPEARANCE



Derived from: Floriculture Crops, Crop Reporting Board, ESCS, USDA, and Ornamental Crops National Market Trends, AMS, USDA.

Foreign sources are becoming increasingly important for cut flowers used in the U.S. Carnations, chrysanthemums, and roses from Colombia, Mexico, Guatemala, Israel, and the Netherlands have contributed to the economic distress of some New York and U.S. cut flower growers.

Quantities of Selected Imported Cut Flowers as Percent of U.S. Disappearance^{1/}

Year	Standard chrysanthemums	Pompon chrysanthemums	Roses ^{2/}
1971	7.3	5.6	*
1972	10.4	11.1	*
1973	14.5	16.4	0.8
1974	15.2	22.1	0.8
1975	11.4	26.1	1.0
1976	8.2	34.9	1.5
1977	14.5	39.5	2.4
1978	12.9	43.9	3.8
1979	16.0	51.4	7.2

^{1/} Domestic production data from (a) growers in 23 states in 1971-1973 with sales of \$2,000 or more, (b) growers in 23 states in 1974-1975 with sales of \$10,000 or more, and (c) growers in 28 states in 1976-1979 with sales of \$10,000 or more.

^{2/} Total of hybrid teas and miniatures.

* Less than 0.5 percent.

COMMERCIAL FRUIT PRODUCTION, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1977	1978	1979	1980	1977	1978	1979	1980
-----thousand tons-----								
Apples	450	540	517	535	3,326	3,804	4,045	4,160
Grapes	101	188	165	175	4,298	4,567	4,989	5,073
Tart Cherries	6	9	14	15	105	91	85	113
Pears	16	19	18	19	787	727	862	888
Peaches	7	8	3	8	1,492	1,348	1,489	1,454
Sweet Cherries	2	4	4	5	148	155	183	164

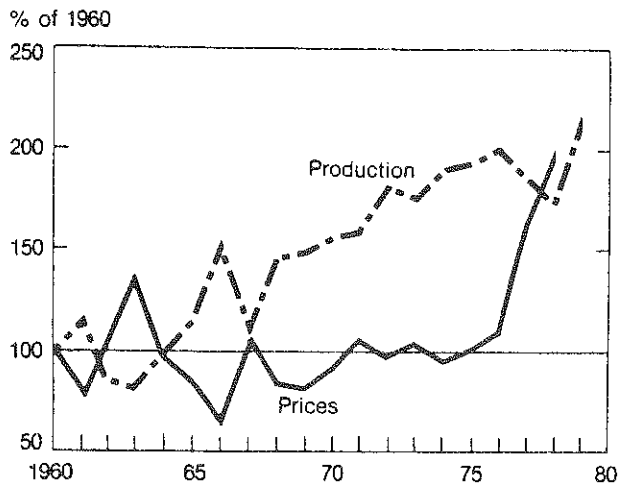
AVERAGE FARM PRICES OF FRUITS, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1977	1978	1979	1980	1977	1978	1979	1980
-----dollars per ton-----								
Apples								
Fresh	274	270	350		276	278	304	
Processed	104	103	103		122	117	115	
All sales	172	170	200		210	208	214	
Grapes	239	244	234		194	233	228	
Tart Cherries	590	858	924	382	588	876	944	386
Pears	183	205	182		146	220	205	
Peaches	350	370	444		198	242	234	
Sweet Cherries	552	543	447	450	496	692	603	649

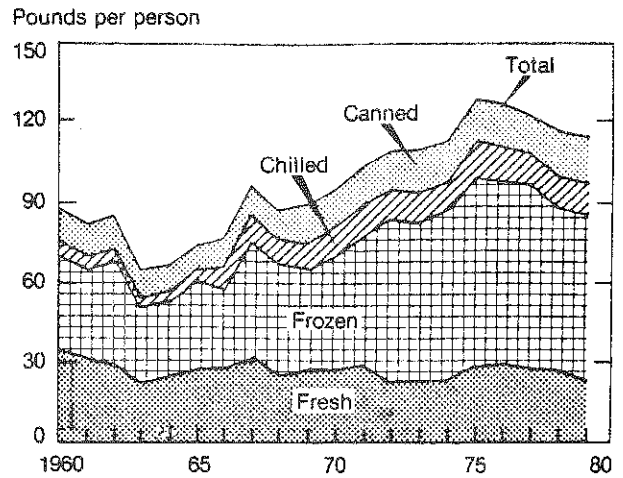
VALUE OF UTILIZED PRODUCTION, NEW YORK AND UNITED STATES

Fruit	New York				United States			
	1977	1978	1979	1980	1977	1978	1979	1980
-----million dollars-----								
Apples								
Fresh	49.3	57.4	70.9		524	587	654	
Processed	28.1	33.7	32.4		174	195	216	
All Sales	77.4	91.8	103.5		699	783	872	
Grapes	24.1	45.9	38.6		835	1,006	1,123	
Tart Cherries	3.5	8.1	12.6	5.8	62	79	81	41
Pears	2.9	3.8	3.2		115	160	174	
Peaches	2.2	3.0	1.5		184	219	220	
Sweet Cherries	1.0	1.9	1.8	2.1	73	107	110	106

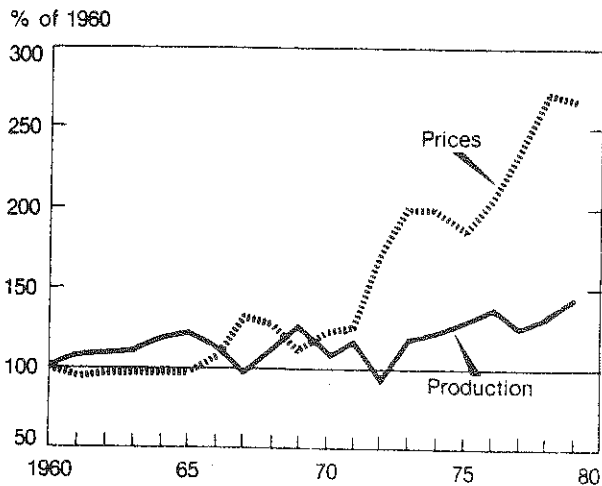
Citrus Fruit Production and Farm Prices



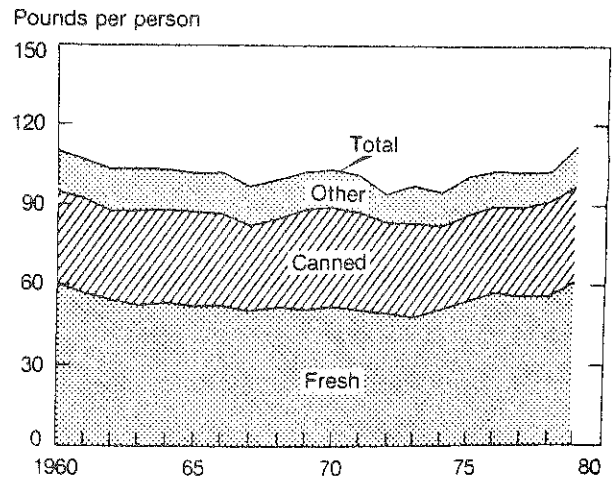
Citrus Fruit Consumption



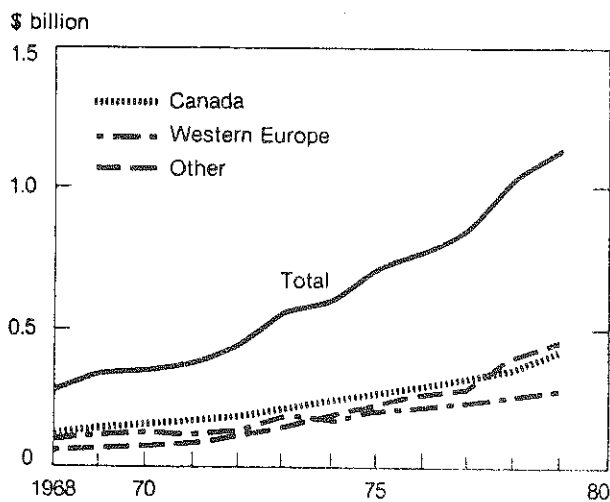
Noncitrus Fruit Production and Farm Prices



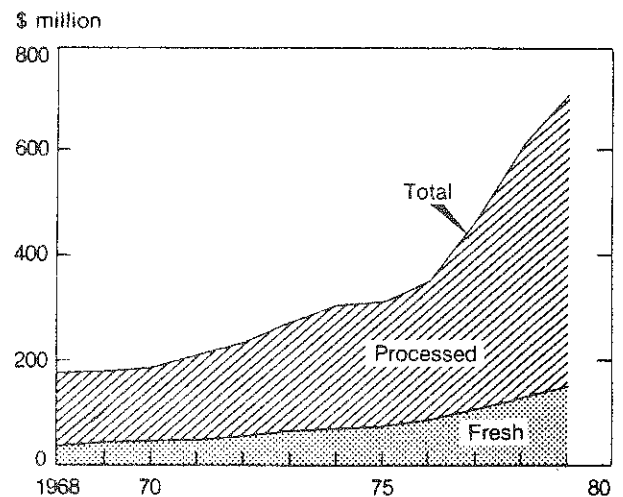
Noncitrus Fruit Consumption



Destination of U.S. Fruit Exports



U.S. Imports of Fresh and Processed Fruit



CITRUS FRUITS

The 1979/80 citrus crop was a record 16.4 million tons, up 23 percent from last season. The record orange crop accounted for most of the increase. Grower prices for most citrus were below year-earlier levels. Per capita citrus consumption continued to drop in 1979. However, per capita consumption of frozen concentrated citrus juice went up.

NONCITRUS FRUITS

Production of noncitrus fruits totaled 13.3 million tons in 1979, up 7 percent. Increases in apples, grapes, nectarines, peaches, and pears, and smaller increases in other crops more than offset declines in avocados, olives, strawberries, and tart cherries. Prices received by growers averaged only slightly below prices in 1979. Per capita noncitrus consumption in 1979 increased almost 8 percent. Per capita fresh noncitrus consumption went up almost 2 percent.

U.S. TRADE

The value of U.S. fruit exports has increased sharply since 1971. This trend continued in 1979, with fresh exports accounting for 57 percent of the total and processed exports for 43 percent. The major markets were Canada, Western Europe, and the Far East. The big export items were fresh oranges, lemons, apples, grapes, canned peaches, fruit cocktail, raisins, dried prunes, and orange juice.

The value of U.S. fruit imports (excluding bananas) has doubled in the past 4 years. Imports of processed fruits in 1979 had risen to 78 percent of the total value. The three dominant items were canned pineapple from the Philippines, Thailand, and Mexico, orange juice from Brazil, and table olives from Spain and Greece. Mexico supplied almost half the fresh fruit imports.

APPLES IN COLD STORAGE BY VARIETY FOR EASTERN AND
WESTERN NEW YORK AS OF NOVEMBER 1, 1978, 1979, AND 1980

Variety and Area	Apples in Cold Storage*		
	Nov. 1, 1978	Nov. 1, 1979	Nov. 1, 1980
----- thousand bushels -----			
<u>McIntosh:</u>			
Eastern New York	2,699	2,462	2,451
Western New York	944	755	832
Total	3,643	3,217	3,283
<u>Rome:</u>			
Eastern New York	586	617	572
Western New York	168	273	140
Total	754	890	712
<u>Delicious (red):</u>			
Eastern New York	1,506	1,421	1,428
Western New York	579	583	637
Total	2,085	2,004	2,065
<u>Golden Delicious:</u>			
Eastern New York	239	557	192
Western New York	241	255	193
Total	480	812	385
<u>R.I. Greening:</u>			
Eastern New York	29	36	44
Western New York	644	668	504
Total	673	704	548
<u>Cortland:</u>			
Eastern New York	401	337	386
Western New York	315	258	248
Total	716	595	634
<u>Northern Spy:</u>	256	283	187
<u>Idared:</u>	387	381	396
<u>All Other Varieties:</u>	646	676	1,005
<u>Total All Varieties:</u>			
Eastern New York	5,837	5,775	5,791
Western New York	3,803	3,786	3,424
Total New York State	9,640	9,561	9,215

* Includes apples in controlled atmosphere storage.

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

APPLES IN CONTROLLED ATMOSPHERE STORAGE
NEW YORK STATE AS OF NOVEMBER 1, 1978, 1979, AND 1980

Variety and Area	Nov. 1, 1978	Nov. 1, 1979	Nov. 1, 1980
----- thousand bushels -----			
<u>McIntosh:</u>			
Eastern New York	1,782	1,828	1,768
Western New York	231	213	205
Total	2,013	2,041	1,973
<u>Rome:</u>			
Eastern New York	418	499	425
Western New York	33	56	34
Total	451	555	459
<u>Delicious (red):</u>			
Eastern New York	1,072	1,025	1,116
Western New York	263	284	337
Total	1,335	1,309	1,453
<u>Golden Delicious:</u>	79	109	79
<u>Cortland:</u>	217	238	227
<u>Other Varieties:</u>	361	394	502
<u>Total All Varieties:</u>			
Eastern New York	3,677	3,820	3,917
Western New York	779	826	776
Total New York State	4,456	4,646	4,693

(These apples are included in the stocks of apples in cold storage, thus by deducting the figures in this table from their counterpart in the previous table, the volume of apples in regular storage can be ascertained.)

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

PRICES RECEIVED BY NEW YORK GROWERS FOR FRESH APPLES,
MONTHLY AVERAGE PRICE PER 42 LB. BUSHEL, 1970-1980 CROP YEARS

CROP YEAR	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE
1970	2.73	2.52	2.52	2.60	2.73	2.64	2.73	2.73	3.78	3.78
1971	3.15	2.73	2.31	2.73	2.69	2.77	2.60	2.73	2.94	3.61
1972	3.65	3.15	3.65	4.03	4.20	4.41	4.62	5.04	5.67	5.46
1973	4.91	4.75	5.71	5.80	6.09	6.30	6.30	6.51	6.51	6.30
1974	5.38	4.75	4.33	4.54	4.79	5.12	5.75	6.09	6.30	6.30
1975	4.28	3.82	3.91	4.07	4.87	4.41	6.09	6.00	5.54	5.54
1976	4.87	4.62	5.25	5.42	5.29	5.38	6.13	6.09	6.26	6.30
1977	5.08	5.33	5.54	5.50	5.46	5.67	6.09	6.51	6.72	6.93
1978	7.73	4.70	6.38	5.63	5.80	5.80	6.22	6.72	6.72	7.56
1979	5.00	5.38	5.67	6.30	7.35	7.56	7.56	8.40	9.24	9.87
1980	7.18	7.48								

Source: Agricultural Prices, Crop Reporting Board, Economics, Statistics, and Cooperatives Service,
U.S.D.A., 1970-1980.

APPLES: NEW YORK MONTHLY COLD STORAGE HOLDINGS, CROP YEARS 1965/81^{1/}

CROP YEAR	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
	-----thousand bushels-----								
1965/66	4,007	9,043	8,585	6,949	5,420	3,841	2,433	1,298	410
66/67	2,309	7,972	7,683	6,165	4,489	2,992	1,807	947	350
67/68	2,844	8,319	7,915	6,394	4,547	2,993	1,680	818	275
68/69	3,539	8,472	7,630	6,276	4,601	3,263	1,957	1,056	325
69/70	2,606	8,637	8,447	6,598	5,271	3,750	2,420	1,234	571
1970/71	2,801	8,831	8,419	6,948	5,434	3,787	2,147	1,207	501
71/72	1,565	8,360	8,880	7,303	5,426	3,872	2,438	1,388	485
72/73	1,624	6,737	6,614	5,104	3,812	2,735	1,729	949	259
73/74	2,025	7,273	5,967	5,010	3,973	2,699	1,741	913	206
74/75	2,395	8,734	8,113	6,708	4,826	3,387	2,122	1,090	423
1975/76	3,028	8,888	8,038	6,274	5,018	3,712	2,496	1,475	740
76/77	2,847	8,017	6,976	5,345	4,243	3,021	1,825	915	359
77/78	3,360	8,900	8,426	6,665	5,084	3,315	2,002	1,119	363
78/79	2,862	9,640	9,149	7,878	5,715	4,052	2,581	1,657	657
79/80	3,684	9,561	8,833	7,094	5,226	3,679	2,293	1,367	457
1980/81	2,804	9,215							

^{1/} Beginning month inventories.

Source: State of New York Department of Agriculture and Markets, Apples in Cold Storage.

RECEIPTS AND UTILIZATION OF APPLES AT PROCESSING PLANTS, NEW YORK, CROPS OF 1965-1979

Crop Year	Net receipts ^{1/}	Receipts from other states & Canada (included in preceding column)	Used for cider & apple juice ^{2/}	Used for canning or applesauce	Used for freezing	Used for other products ^{3/}
-----thousand pounds-----						
1965	581,554	13,603	148,978	342,264	72,725	17,587
1966	536,356	9,218	154,606	301,770	59,839	20,141
1967	517,569	12,162	118,876	312,695	70,271	15,727
1968	467,679	13,388	86,290	277,274	87,156	16,959
1969	508,416	25,983	118,428	315,895	60,157	13,936
1970	559,286	11,369	186,892	293,074	62,270	17,050
1971	520,403	13,550	170,213	278,841	57,835	13,514
1972	476,826	27,973	152,279	241,404	70,995	12,148
1973	410,794	28,777	140,325	194,666	56,912	18,891
1974	555,945	13,063	161,106	292,647	40,870	61,322
1975	419,453	8,619	148,866	208,630	42,013	19,944
1976	463,489	23,303	184,904	195,480	59,484	23,621
1977	492,020	26,168	190,791	218,919	34,306	48,004
1978	600,595	27,579	239,447	260,497	40,689	59,962
1979	632,201	35,122	308,069	226,642	41,473	56,017

1/ Apples received at a plant and then transferred to another plant for processing are included only in plant where processed.

2/ Includes juice used to make concentrate.

3/ Among other products for which these apples were used are jelly, apple butter, drying, mincemeat and fresh sliced apples for pies in upstate areas. Beginning in 1974 apples used in making vinegar are excluded from cider and juice category and included under "other products".

Source: State of New York Department of Agriculture and Markets, Fruit Report.

GRAPES: ACRES OF CONCORD AND FRENCH HYBRIDS IN COMMERCIAL VINEYARDS
BY AREAS 1966, 1970 AND 1975 WITH REMOVAL AND PLANTING INTENTIONS FOR 1976

Area and Variety	1966		1970		1975		1976 Intentions ^{1/}	
	Farms (no.)	Acres (no.)	Farms (no.)	Acres (no.)	Farms (no.)	Acres (no.)	Remove (acres)	Plant (acres)
<u>Chautauqua/Erie:</u>								
Concord	1,214	18,291	1,224	19,206	1,182	19,626	52	76
French Hybrids	16	39	92	291	137	634	9+	--
All Varieties	1,216	19,137	1,229	21,405	1,189	22,740	67	110
<u>Finger Lakes:</u>								
Concord	572	6,250	519	5,641	546	5,743	53	*
French Hybrids	110	590	237	1,511	479	3,357	+	84+
All Varieties	585	10,819	545	12,169	621	15,374	173	272
<u>Niagara County:</u>								
Concord	159	1,085	159	1,070	172	1,342	*	9
French Hybrids	14	94	19	101	52	331	--	5+
All Varieties	162	1,559	168	1,811	193	2,819	6	32
<u>Other Western New York:</u>								
Concord	40	152	32	128	31	176	--	--
French Hybrids	--	--	--	--	2	27	--	--
All Varieties	48	386	40	532	52	716	12	23
<u>Eastern New York:</u>								
Concord	162	1,113	73	670	82	681	*	*
French Hybrids	--	--	--	--	30	72	--	--
All Varieties	165	1,310	76	962	98	1,004	14	13
<u>Total New York:</u>								
Concord	2,147	26,891	2,007	26,715	2,013	27,568	111	87
French Hybrids	140	723	348	1,903	799	4,709	12+	103+
All Varieties	2,176	33,211	2,058	36,879	2,153	42,653	272	450

1/ Intentions as of November/December 1975. *Less than 5 acres reported.

+ Does not include farms reporting less than 5 acres of specific French Hybrids.

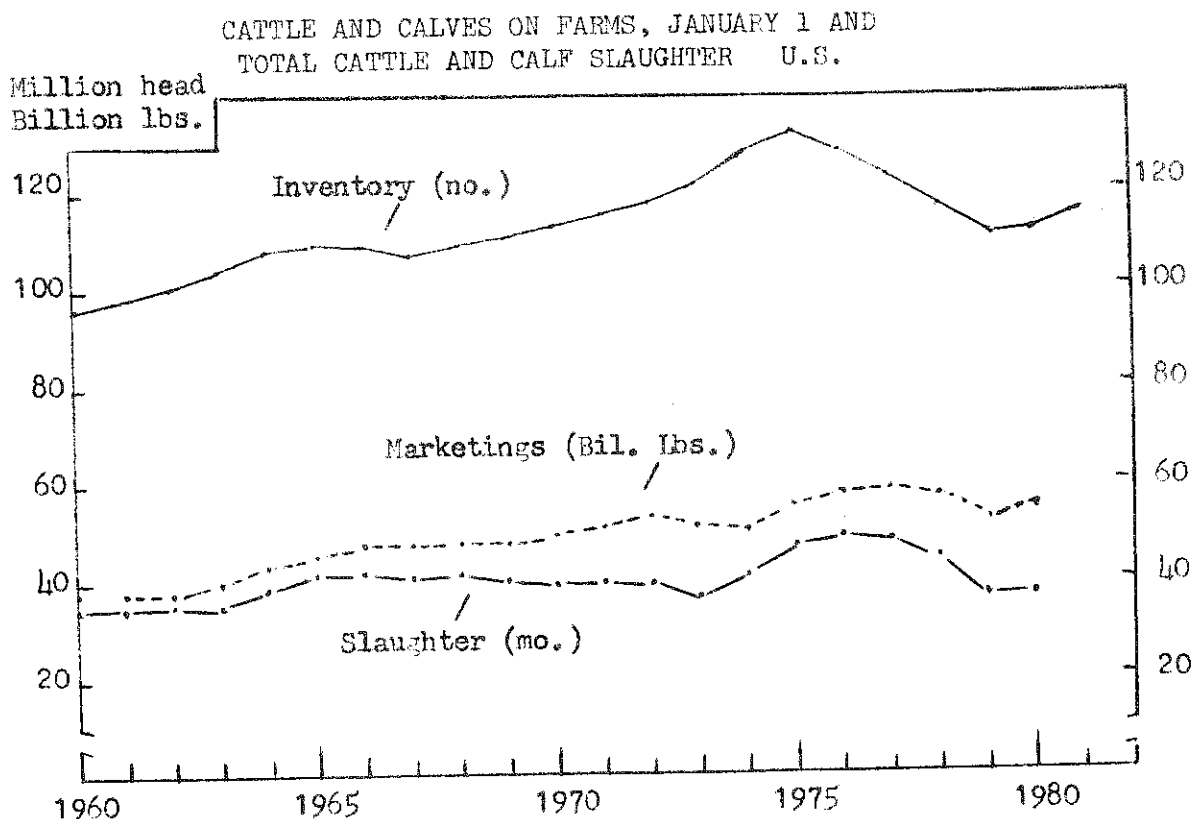
French Hybrids include: Aurora, Baco Noir, Cascade, Chancellor, Chelois, Colobel, DeChaunac, Leon Millot, Marechal Foch, Ravat No. 51, Rosetts, Rougeon, Seibel 9100, Seyre Villard and Vidal 256.

Source: New York Orchard and Vineyard Surveys. Next scheduled survey will be 1980.

FARM PRICES RECEIVED AND PAID BY FARMERS, 1976-1979

	1976	1977	1978	1979
<hr/>				
(1967 = 100)				
<u>Prices Received</u>				
All farm products	188	183	210	241
All crops	196	192	203	223
Fruit	126	158	226	236
Fresh market fruit	125	159	236	245
 <u>Prices Paid</u>				
Production items, interest, taxes, and wage rates	191	202	219	250
Production items	192	200	217	248
Taxes on farm real estate	178	195	210	226
Farm wage rates	211	226	242	265
<hr/>				

Source: Crop Reporting Board, ESCS, USDA, Agricultural Prices.



SOURCE: Livestock and Meat Situation USDA, Livestock Slaughter, USDA Meat Animals, New York Crop Reporting Board.

The inventory of cattle and calves on farms is increasing for the second consecutive growth year in the new cattle cycle. July 1, 1980 inventory was up 4 percent over July 1, 1979 and projecting that same growth rate to January 1, 1981 results in a forecast of 115,000 head. Beef cow and calf numbers are up 6 percent over 1979 while the numbers of yearlings and range cattle are down. Cattle on feed are slightly below 1979 levels. Expansion of the nation's beef herd is expected to continue at a moderate rate for several years.

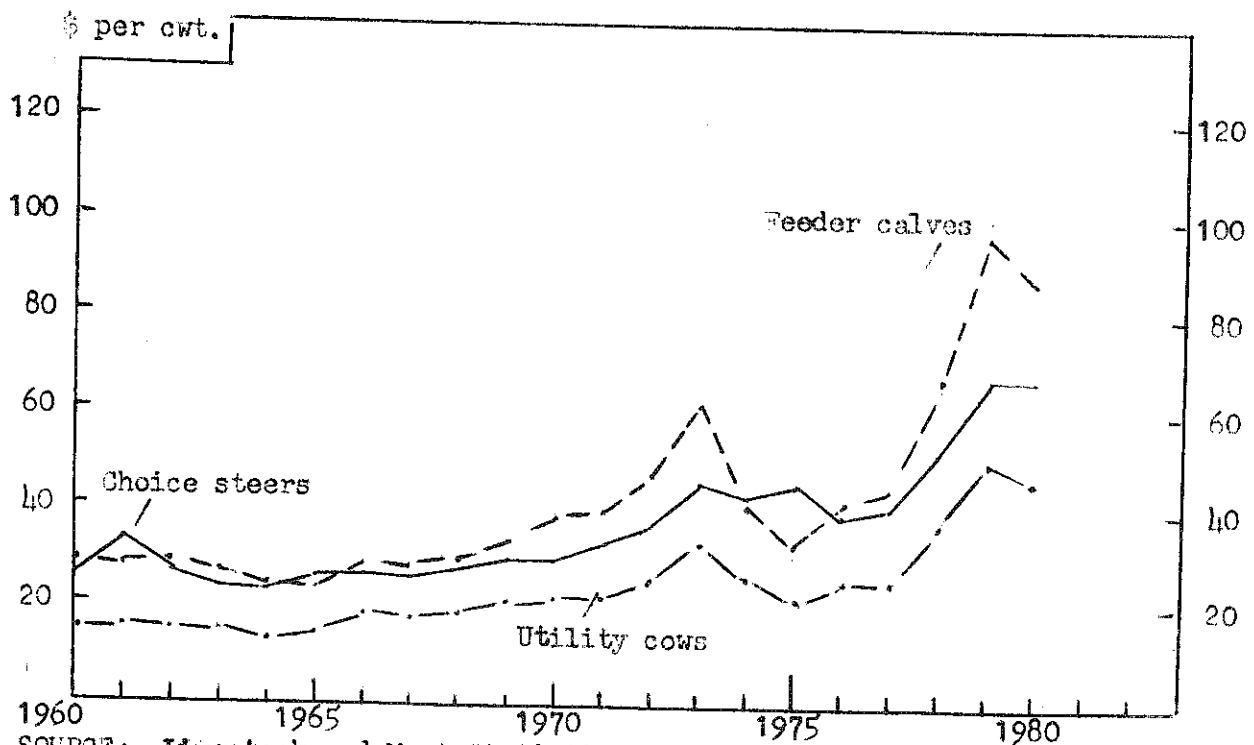
Cattle slaughter will increase slightly in 1980. Slaughter of nonfed beef caused by poor range conditions has increased significantly during the last 3 quarters of 1980. Fed cattle production has declined but is expected to increase in 1981 as an additional output of fed cattle out gain declines in nonfed marketings. Total marketings which include all farm sales of cattle and calves increased in 1980 as additional sales of calves and nonfed beef more than offset declines in fed cattle production.

CATTLE ON FARMS, JANUARY 1 & TOTAL CATTLE & CALF SLAUGHTER			
Year	Inventory Jan. 1 (1,000 head)	Commercial Slaughter	Market- ings (bil. lbs.)
1955	96,592	39,452	
1960	96,236	34,644	
1965	109,000	40,959	44.6
1966	108,862	41,036	46.3
1967	108,783	40,407	46.4
1968	109,371	41,030	47.4
1969	110,015	40,584	47.2
1970	112,369	39,557	49.5
1971	114,578	39,716	50.7
1972	117,862	39,267	53.1
1973	121,539	36,403	51.0
1974	127,788	40,499	50.2
1975	132,028	46,870	54.9
1976	127,976	48,700	57.2
1977	122,810	48,080	58.4
1978	116,375	44,272	57.4
1979	110,864	36,932	51.7
1980	110,961	37,000*	54.5*
1981	115,000**		

* Estimated

** Forecast

STEER AND COW PRICES AT SELECTED MARKETS



SOURCE: Livestock and Meat Statistics, Livestock and Meat Situation
New York Crop Reporting Board.

Large beef supplies coupled with increases in pork production pushed fed steer prices below 1979 levels for most of the first half of 1980. Prices strengthened and topped \$70 per cwt. in the third quarter after averaging \$66 (Choice Steers, Omaha) for the first 6 months. Increased marketings of nonfed beef weakened fall steer prices.

An increased supply of feeder cattle and a weak demand during the second and third quarters produced lower prices for 1980. Feeder steer calves at Kansas City averaged only \$82.21 per cwt. during the middle 6 months of 1980 compared with \$101.71 in 1979. Prices strengthened in the last quarter and are expected to recover to 1979 levels during 1981. Reduced yearling feeder cattle supplies and increased demand for herd expansion and feeding could boost prices to record levels.

1980 cow prices will be down about 8 percent from 1979. Large supplies of pork and chicken weakened demand during the first half of this year. The increased fall supply of nonfed slaughter cattle provided market competition this fall and winter. Cow prices will strengthen in 1981.

STEER AND COW PRICES

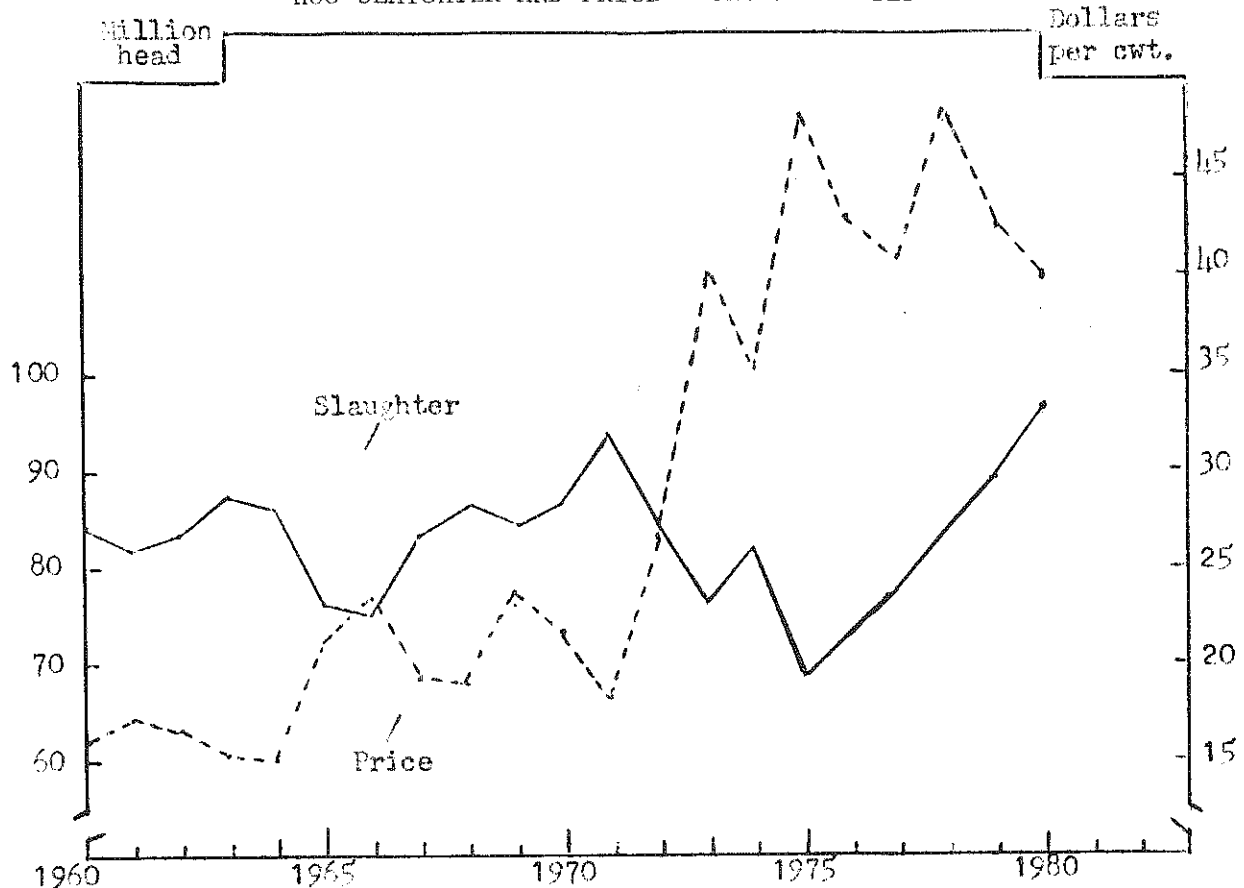
1962 to Date

Year	Choice Steers ^{1/}	Feeder Calves ^{2/}	Utility Cows ^{3/}
(dollars per cwt.)			
1962	26.45	27.69	15.50
1963	23.00	27.02	15.10
1964	22.21	22.57	13.74
1965	25.12	23.70	14.46
1966	25.69	28.38	18.02
1967	25.27	28.00	17.22
1968	26.83	29.10	17.94
1969	29.66	32.89	20.29
1970	29.34	38.76	21.32
1971	32.39	39.25	21.62
1972	35.78	46.79	25.21
1973	44.54	60.36	32.82
1974	41.89	40.84	25.56
1975	44.61	32.55	21.09
1976	39.11	41.56	25.31
1977	40.38	43.60	25.32
1978	52.34	65.83	36.79
1979	67.67	97.70	50.10
1980*	67.50	86.50	46.00

^{1/} At Omaha. ^{2/} Good and choice calves Kansas City, choice steer calves after 1969. ^{3/} At Chicago to 1966, Omaha 1967 to date.

* Estimate

HOG SLAUGHTER AND PRICE - UNITED STATES



SOURCE: Livestock Slaughter and Livestock and Meat Statistics, New York Crop Reporting Board.

Hog producers experienced large losses during the first half of 1980 as hog prices declined to less than \$30 in April and May. Producers fared better during the second half of 1980 as prices averaged \$45 to \$47. During 1980 producers adjusted their breeding inventories downward in response to these losses. On September 1, 1980 hog producers reported intentions to farrow 10 percent less hogs in late 1980 and 7 percent less in early 1981 than during the same periods the previous year.

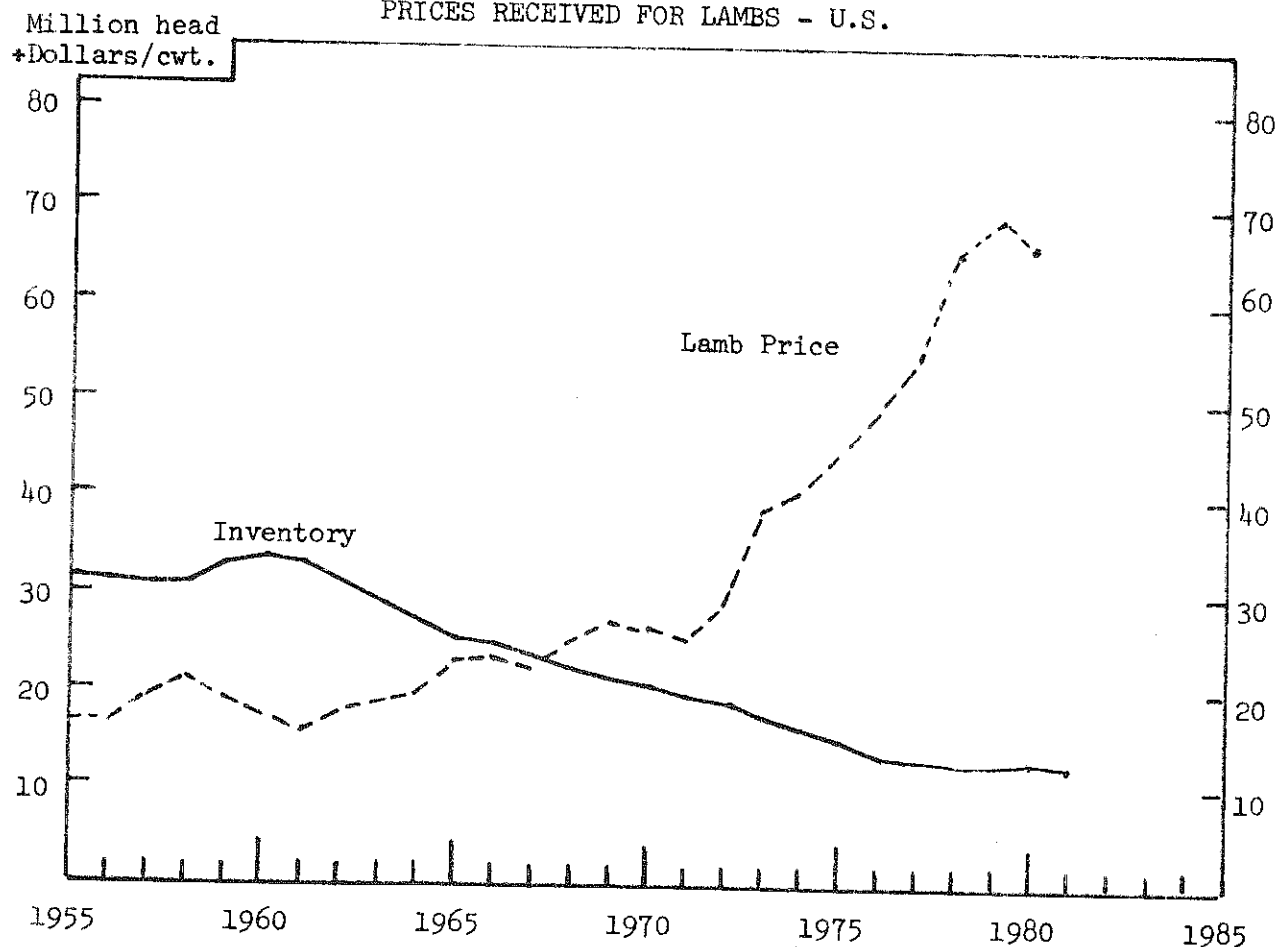
In response to higher corn prices and possible conception problems due to the summer heat, hog slaughter for the first half of 1981 may be down more than 10 percent from the previous year. As a result, hog prices may average \$49 to \$52 in the first half of 1981. Feed prices will strongly affect production during the last half of 1981, but hog prices should average from the mid to high \$50's for the last half of 1981. However, because profit margins are slim, production may decline even further during the last half of 1981, and prices may reach \$60 or more.

HOG SLAUGHTER AND PRICES
1960 to date

Year	Thous. Head Slaughtered	Dollar Per Cwt.*
1960	84,196	15.96
1961	81,970	17.16
1962	83,424	16.82
1963	87,117	15.38
1964	86,284	15.31
1965	76,394	21.30
1966	75,325	23.49
1967	83,421	19.37
1968	86,401	19.19
1969	84,958	23.71
1970	86,962	21.95
1971	94,438	18.45
1972	84,707	26.76
1973	76,795	40.27
1974	81,762	35.12
1975	68,687	48.32
1976	73,784	43.11
1977	77,303	41.07
1978	77,315	48.49
1979	89,099	42.06
1980**	95,800	40.00

* Barrows & gilts, 7 markets.

** Estimates.

SHEEP AND LAMBS ON FARMS, JANUARY 1 AND
PRICES RECEIVED FOR LAMBS - U.S.

Source: Meat Animals, New York Crop Reporting Board.

The 1980 lamb crop is estimated at 8.28 million, 3 percent more than in 1979. This increased lamb crop resulted from a larger breeding herd and an increased lambing rate. The inventory of breeding ewes one year old and older totaled 8.39 million head on January 1, 1980, 2 percent more than a year earlier. The 1980 lambing rate was 99 compared to 98 in 1979 and 94 in 1978.

Because of increased production lamb and sheep slaughter for 1980 has been greater than 1979. Prices received by farmers for lambs have been in the \$60-\$70 range. This fall, prices have dropped to the upper \$50's.

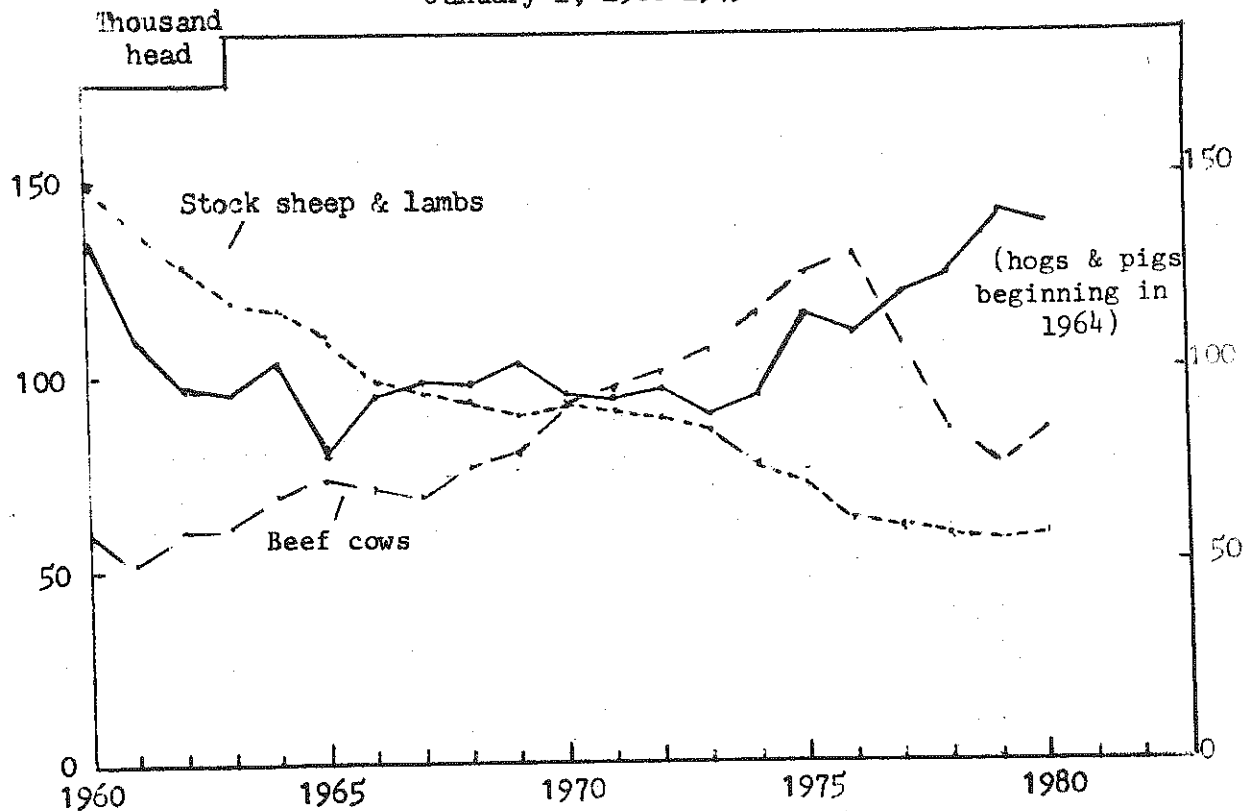
The number of sheep and lambs on feed in 7 selected states on November 1, 1980 totaled 1.09 million, up 6 percent from the previous year. Even with higher prices for competing meats, lamb prices are not expected to increase substantially. Prices should average from \$60-\$65 for 1981, but may reach \$70 by the second half of 1981. Some breeding herd liquidation may occur in some of the western drought states.

SHEEP & LAMBS ON FARMS, JANUARY 1
& PRICES RECEIVED FOR LAMBS, U.S.

Year	Sheep and Lambs (mil. head)	Price Per Cwt. (dollar)
1960	33.2	17.90
1961	32.7	15.80
1962	31.0	17.80
1963	29.2	18.20
1964	27.1	19.90
1965	25.1	22.80
1966	24.7	23.40
1967	23.9	22.10
1968	22.2	24.40
1969	21.4	27.20
1970	20.4	26.40
1971	19.6	25.90
1972	18.7	29.10
1973	17.7	38.20
1974	16.4	40.51
1975	14.5	44.45
1976	13.4	49.87
1977	12.8	54.28
1978	12.3	65.33
1979	12.2	68.45
1980	12.5	66.00*
1981	12.5*	

* Estimated

NUMBERS OF HOGS, SHEEP & BEEF CATTLE ON NEW YORK FARMS
January 1, 1960-1979



LIVESTOCK NUMBER OF NEW YORK FARMS, JANUARY 1, 1950-1980

Year	HOGS & PIGS	SHEEP & LAMBS		BEEF CATTLE	
	Total ^{1/}	Stock Ewes ^{2/}	Sheep & Lambs Total ^{2/}	Cows ^{3/}	Steers & Heifers over 500 pounds ^{4/}
(thousand head)					
1950	217	92	124	15	45
1960	133	116	150	58	59
1965	81	87	110	73	56
1970	95	74	92	94	83
1971	93	72	90	96	79
1972	96	71	88	100	82
1973	89	69	85	106	77
1974	93	62	74	115	76
1975	115	55	71	125	75
1976	110	49	62	130	96
1977	120	47	60	112	84
1978	125	45	58	85	69
1979	140	42	56	75	39
1980	139	43	57	85	55

Source: New York Crop Reporting Service

1/ Series converted to hogs and pigs in 1964 (previously hogs only). Revised again in 1973.

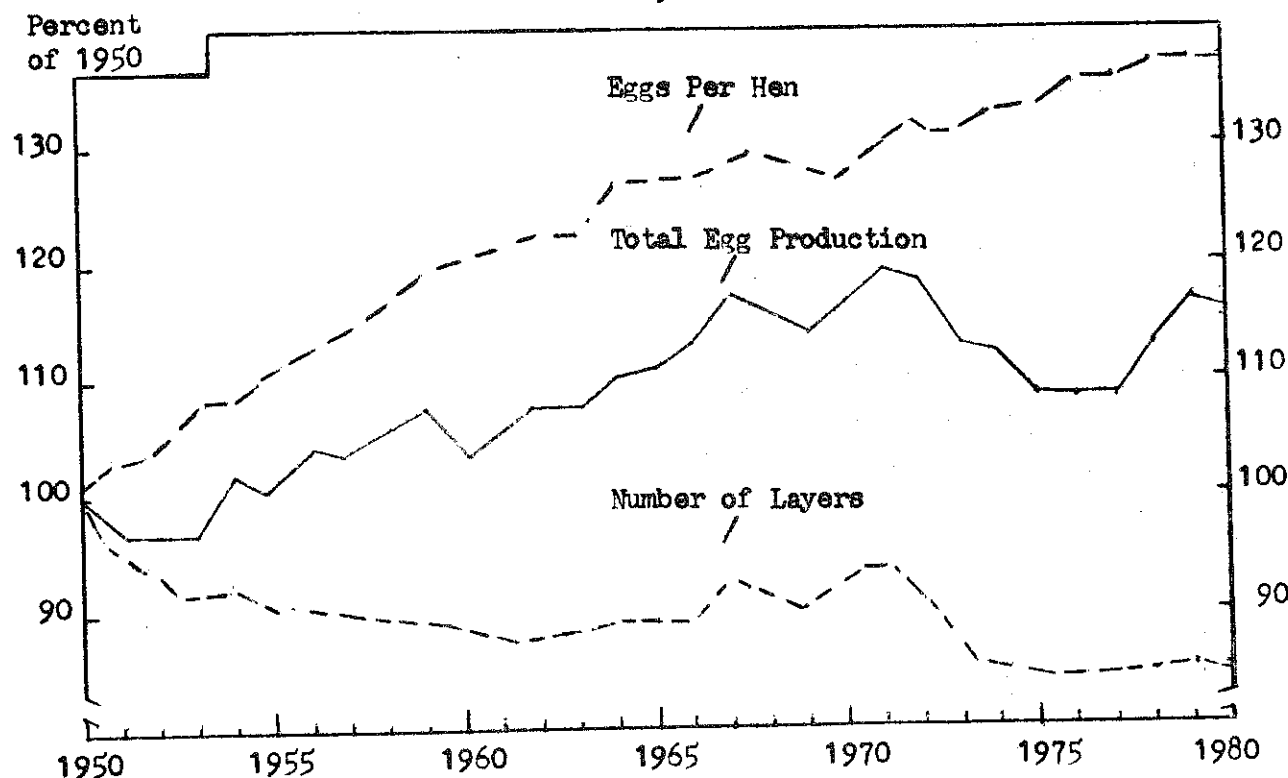
2/ Series revised in 1973.

3/ Series revised in 1973 and converted to beef cows (cows and heifers prior to 1971).

4/ Series revised in 1973 and converted to steers over 500 pounds and heifers not kept for replacements (steers and calves prior to 1970).

NOTES

NUMBERS OF LAYERS, EGGS PER HEN, AND EGG PRODUCTION United States, 1950-1980



SOURCE: N.Y. Crop Reporting Service and U.S.D.A.

Year	Number* of Layers (millions)	Eggs Per Hen (number)	Egg Production (billions)
1950	340	174	59.0
1955	309	192	59.5
1960	295	209	61.6
1965	301	218	65.6
1966	304	218	66.2
1967	314	221	69.3
1968	309	221	68.2
1969	307	220	67.5
1970	314	218	68.3
1971	315	223	70.1
1972	307	228	69.9
1973	293	228	66.6
1974	286	231	65.9
1975	278	233	64.6
1976	274	235	64.5
1977	275	236	64.6
1978	281	239	67.3
1979	288	240	69.3
1980**	286	240	68.7

The number of layers on United States poultry farms reached a low of 274 million in 1976 then increased in 1977, 1978 and 1979. Expansion in the egg production industry during 1979 resulted in the largest number of layers on United States poultry farms since 1973.

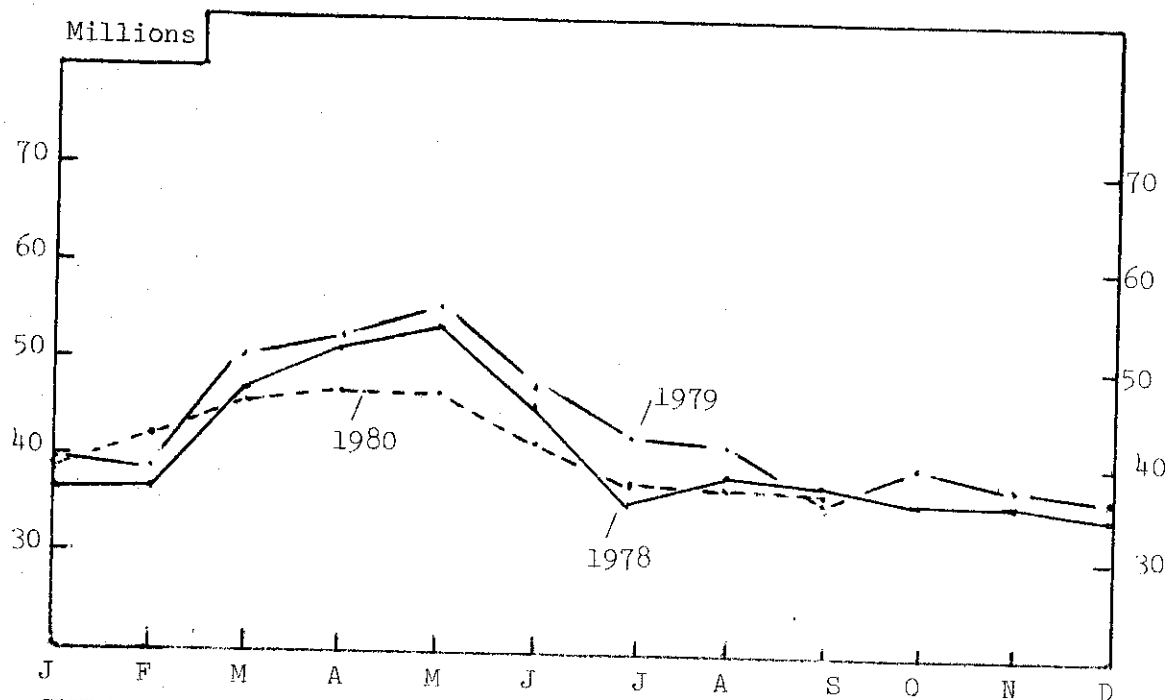
The number of eggs produced per hen in 1980 is expected to be the same as for 1979. There has been a long time upward trend in eggs per hen, however, at the rate of 240 eggs per hen, future gains will be slow. Technological and management improvements will likely result in continued small improvement in the number of eggs laid.

Total egg production for 1980 will be less than in 1979. This decrease in total egg numbers is due to decreased flock size during 1980.

*Av. no. layers on hand during year.

**Preliminary.

EGG-TYPE CHICKS HATCHED United States, 1978, 1979 and 1980



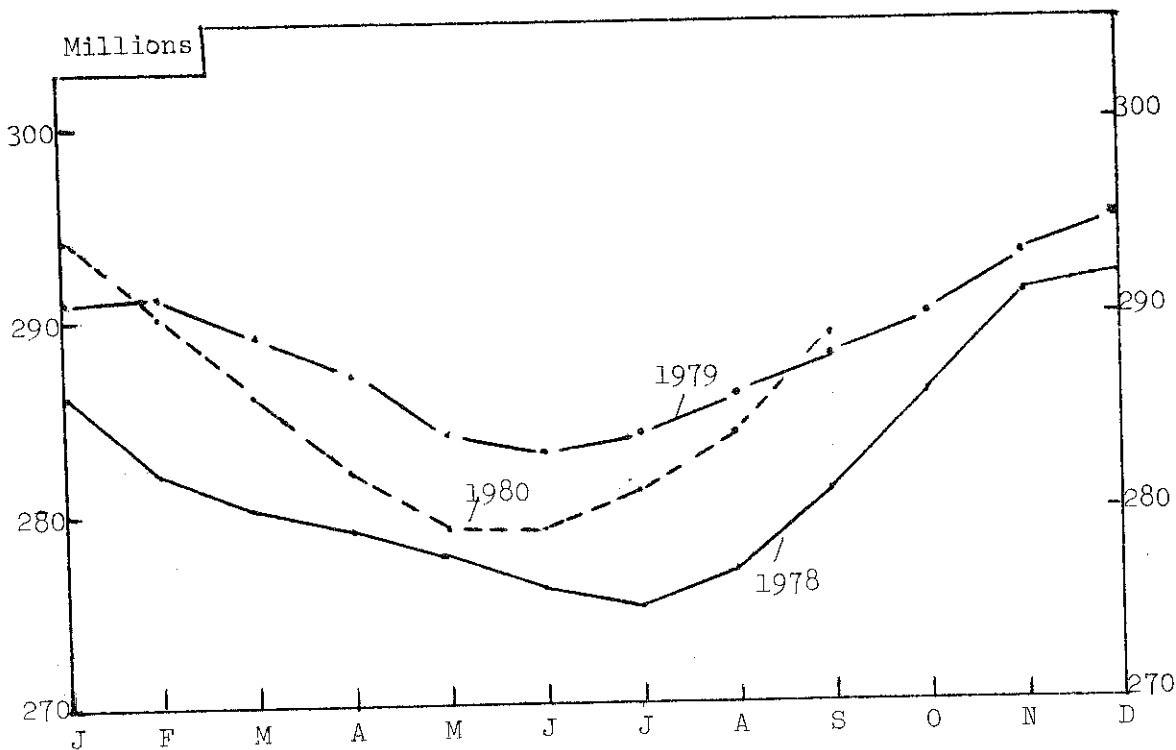
SOURCE: U.S.D.A.

The hatch of egg-type chicks during the first part of 1980 was below that of 1979. The smaller hatch numbers in early 1980 have contributed to the decreased layer numbers. The decreased 1980 hatch will mean fewer pullets in the laying flock in early 1981. Replacements for the last half of 1981 will depend on the number of winter and spring egg-type chicks hatched. With the increased expansion during 1979 and the lower egg prices in 1980, the hatch for early 1981 is expected to be below that of last year.

A seasonal pattern still exists in numbers of egg-type chicks hatched. Fall hatches in recent years have been about 30 percent below the peak spring hatches. Ten years ago the fall hatches were about 60 percent below the spring peak, so seasonal variation has been reduced.

EGG-TYPE CHICKS HATCHED, U.S.			
Month	1978	1979	1980
	- millions -		
January	36.8	39.9	38.1
February	36.9	39.5	42.0
March	46.8	50.1	45.9
April	50.9	52.6	46.6
May	53.6	55.7	46.6
June	45.6	47.3	41.6
July	35.8	42.4	37.3
August	38.6	41.7	37.4
September	37.7	36.6	36.7
October	35.6	39.5	—
November	35.9	37.5	—
December	34.6	36.3	—
Total	489	518	—

NUMBER OF LAYERS ON FARMS
United States, 1978, 1979, and 1980



SOURCE: N.Y. Crop Reporting Service and U.S.D.A.

Numbers of layers on U.S. farms the first nine months of 1980 were less than those of the previous year. The fewer numbers of egg-type chicks hatched in early 1980 combined with more culling resulted in the decrease.

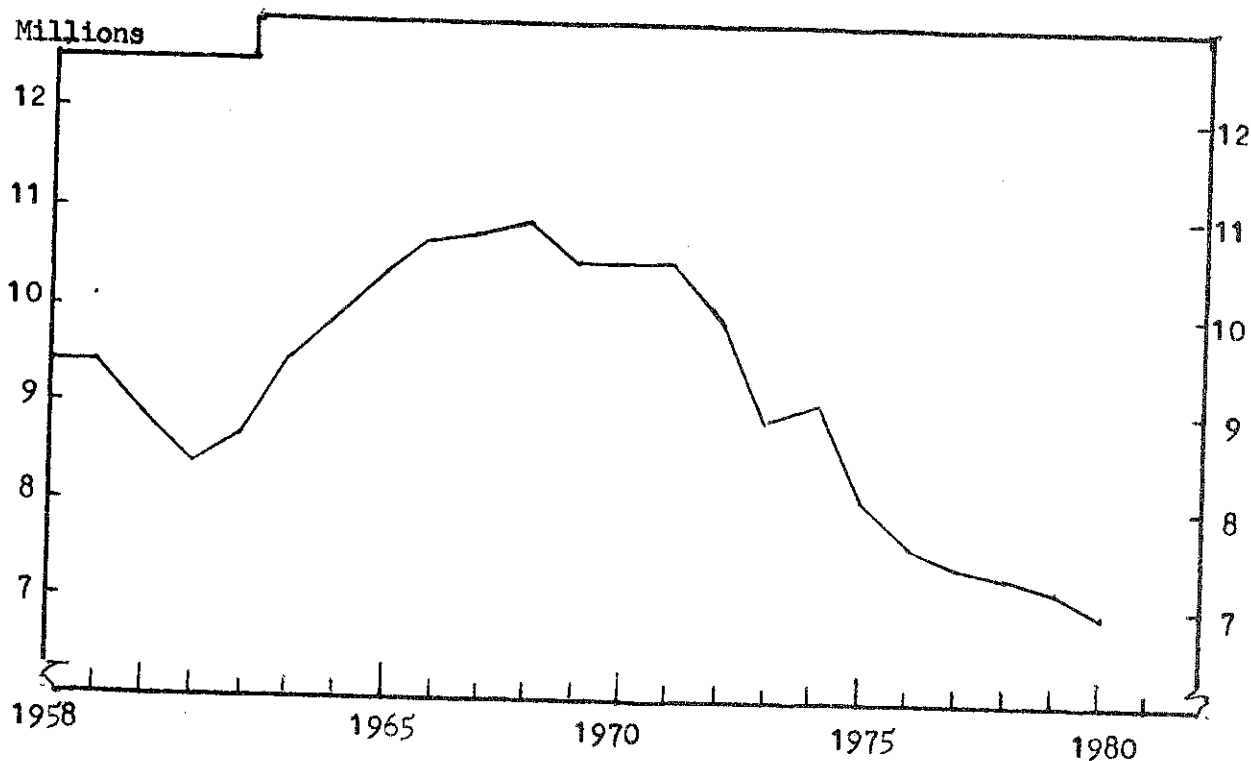
NUMBER OF LAYERS ON FARMS, U.S.

Month	1978	1979	1980
- millions -			
January	286	291	294
February	282	290	290
March	280	288	286
April	279	285	283
May	278	282	279
June	276	280	279
July	274	284	281
August	276	286	284
September	280	288	289
October	285	290	—
November	290	293	—
December	291	292	—
Average	281	288	286*

*Preliminary.

Decreased numbers of egg-type chicks hatched during 1980 means fewer replacement pullets than last year and in turn, fewer hen numbers in 1980. For the year 1980 the average number of layers is expected to be about two million fewer than in 1979. However, a recent slow down in culling rate has resulted in numbers above 1979 levels.

LAYERS ON NEW YORK FARMS, 1958-1980



SOURCE: N.Y. Crop Reporting Service

The decline in numbers of layers on New York farms slowed in 1978 but has continued again in 1979 and 1980. During the first nine months of 1980, the number of layers on New York farms was below that of 1979. The average number for the year 1980 is expected to be below that of 1979.

LAYERS ON NEW YORK FARMS

Month	1977	1978	1979	1980
- thousands -				
January	7,500	7,800	7,225	7,475
February	7,450	7,800	7,150	7,275
March	7,525	7,575	7,150	7,100
April	7,550	7,550	7,125	6,900
May	7,600	7,525	7,025	6,800
June	7,675	7,525	7,050	6,825
July	7,600	7,513	7,075	6,775
August	7,575	7,463	7,025	6,950
September	7,625	7,450	7,075	7,150
October	7,550	7,400	7,275	—
November	7,550	7,350	7,425	—
December	7,700	7,300	7,475	—
Annual*	7,475	7,488	7,173**	6,990

*Marketing year Dec. thru Nov.

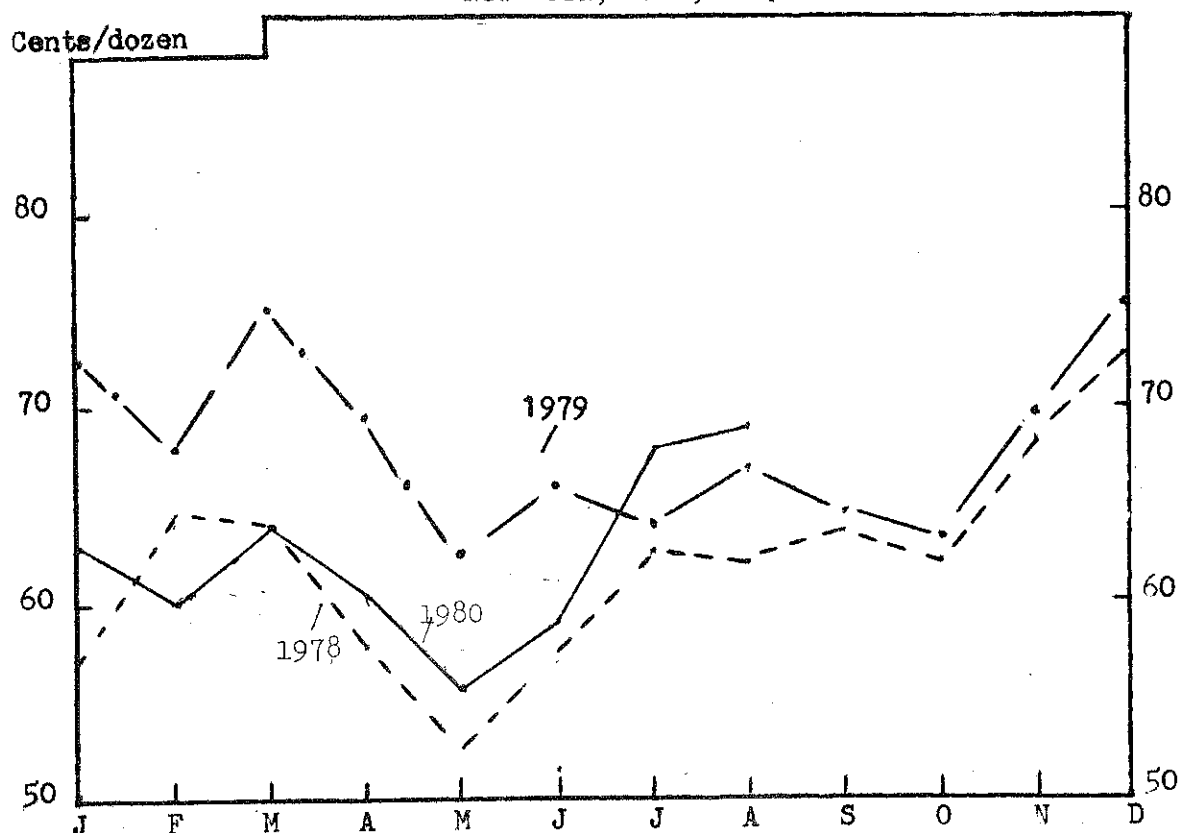
**Revised

Nationally layer numbers in 1980 were down from those in 1979 and for the year will average about two million fewer birds.

Layer numbers on New York farms declined sharply during the 1950's but turned up again during the 1960's when new types of housing and equipment were introduced. Numbers declined from 10.5 million in 1970 to approximately 7.5 million in 1978 or by about 30 percent.

Many of the facilities installed in the sixties currently need to be replaced. Triple and four deck cages and other systems for increasing the density in existing houses could help numbers to increase. Increased transportation costs could favor locally produced products and stimulate interest in expansion in New York. However, the trend in number of layers on New York farms in the future is unclear at this time.

PRICES OF GRADE A CARTONED LARGE EGGS
New York, 1978, 1979 and 1980



SOURCE: U.S.D.A. Poultry and Egg Situation

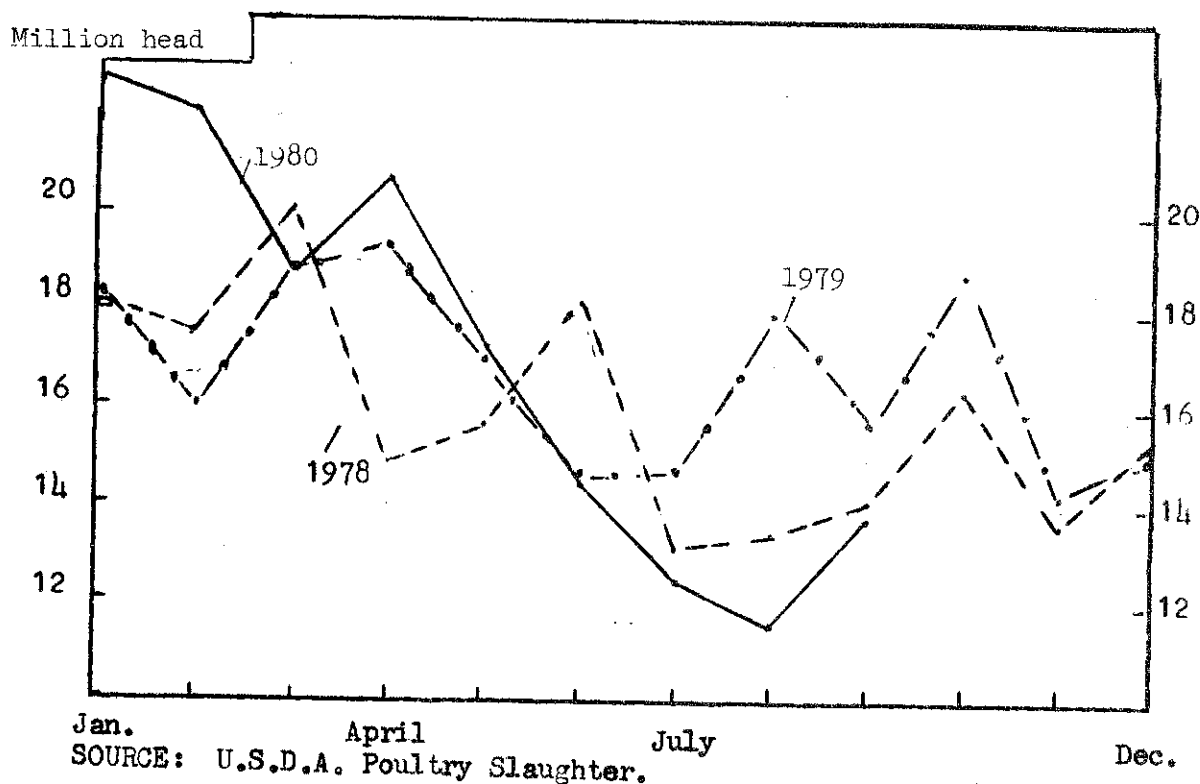
PRICES OF GRADE A
CARTONED LARGE EGGS

Month	1978	1979	1980
- cents/dozen -			
January	57.2	72.5	62.5
February	64.9	68.0	60.0
March	64.0	75.1	64.0
April	59.9	69.6	60.3
May	52.9	62.6	55.1
June	50.6	66.1	59.0
July	62.8	64.0	68.1
August	62.0	67.0	---
September	63.8	64.7	---
October	62.1	63.2	---
November	68.8	69.8	---
December	72.6	75.3	---

Prices of Grade A carton large eggs, delivered to retailers in New York were less favorable during the first half of 1980 than those of 1979. Prices during the second half of 1980 are expected to average about 72-75 cents a dozen.

Continued relatively high prices for other high-protein foods plus the reduction in production will help the demand for eggs in early 1981.

MATURE CHICKEN SLAUGHTER, U.S., 1978, 1979 & 1980
(Fowl from Breeder and Market Egg Flocks)



MATURE CHICKENS SLAUGHTERED
(million head)

Month	1978	1979	1980
Jan.	18.1	18.3	22.5
Feb.	17.6	16.0	22.0
March	20.1	18.9	18.9
April	14.9	19.3	20.7
May	15.7	17.0	17.2
June	18.2	14.7	14.5
July	13.2	14.8	12.4
Aug.	13.5	18.0	11.6
Sept.	14.1	15.8	13.8
Oct.	16.4	18.9	—
Nov.	13.7	14.2	—
Dec.	15.3	15.1	—

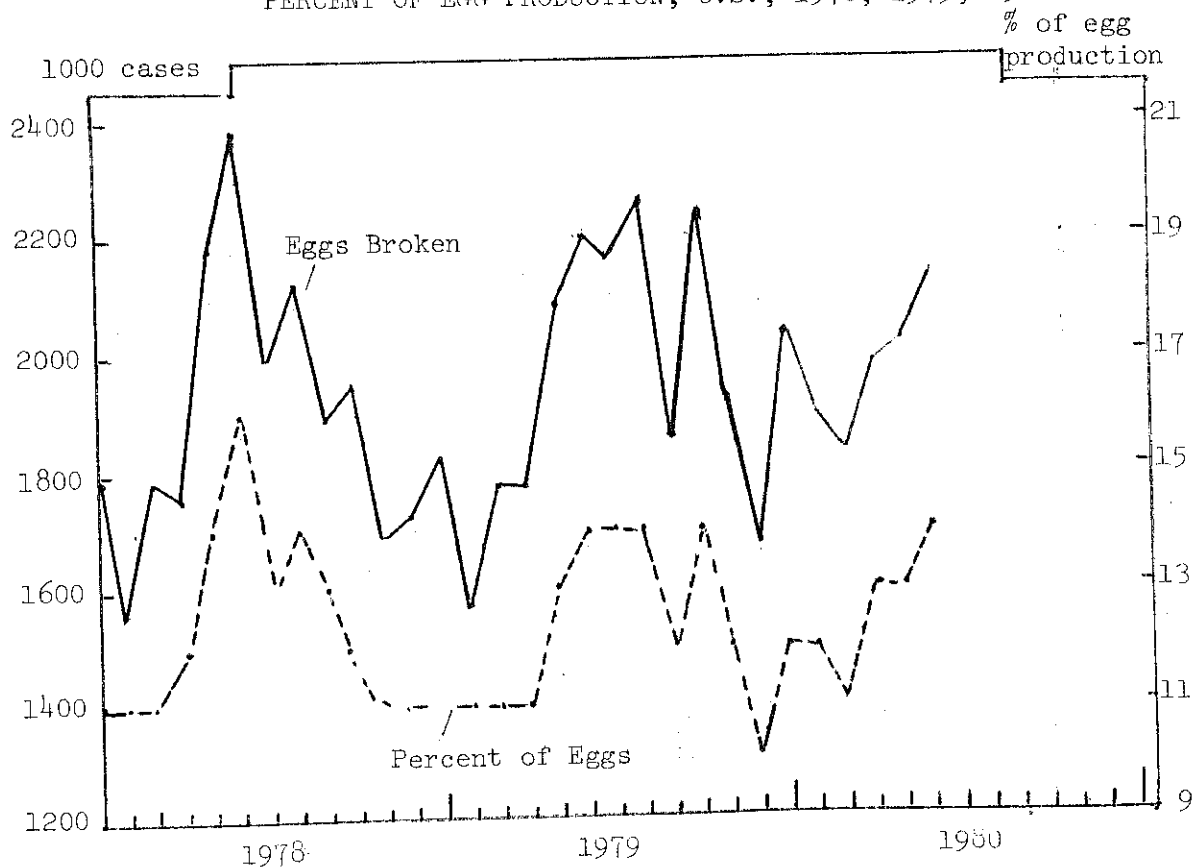
The U.S.D.A. reports on slaughter of poultry of various kinds each month. The figures are published in a release called Poultry Slaughter. Both numbers of birds and pounds are reported.

Mature chicken slaughter reports the spent fowl from both breeder and commercial egg flocks. It gives an indication of the rates of culling that are taking place. This is useful in estimating likely size of flocks.

Mature chicken slaughter for the first six months of 1980 was higher than for the same period in 1979.

Reduced culling rates early in the second half of 1980 has more than offset a drop in available pullets to put numbers at or above 1979 levels.

EGGS BROKEN COMMERCIALLY: NUMBER OF CASES AND
PERCENT OF EGG PRODUCTION, U.S., 1978, 1979, 1980



SOURCE: U.S.D.A. Poultry and Egg Situation

Processed foods are important uses of commercially broken eggs. In recent years, about 20 million cases have been broken each year, but since 1977 nearly 23 million were broken each year. The numbers broken during the first half of 1980 are slightly higher than those during the same period of 1978 and 1979. The increase in numbers broken since 1977 probably reflects a growing demand for broken eggs by food processors. Cold storage holdings of eggs in 1980 were higher. The demand for eggs for breaking is expected to continue strong in 1981.

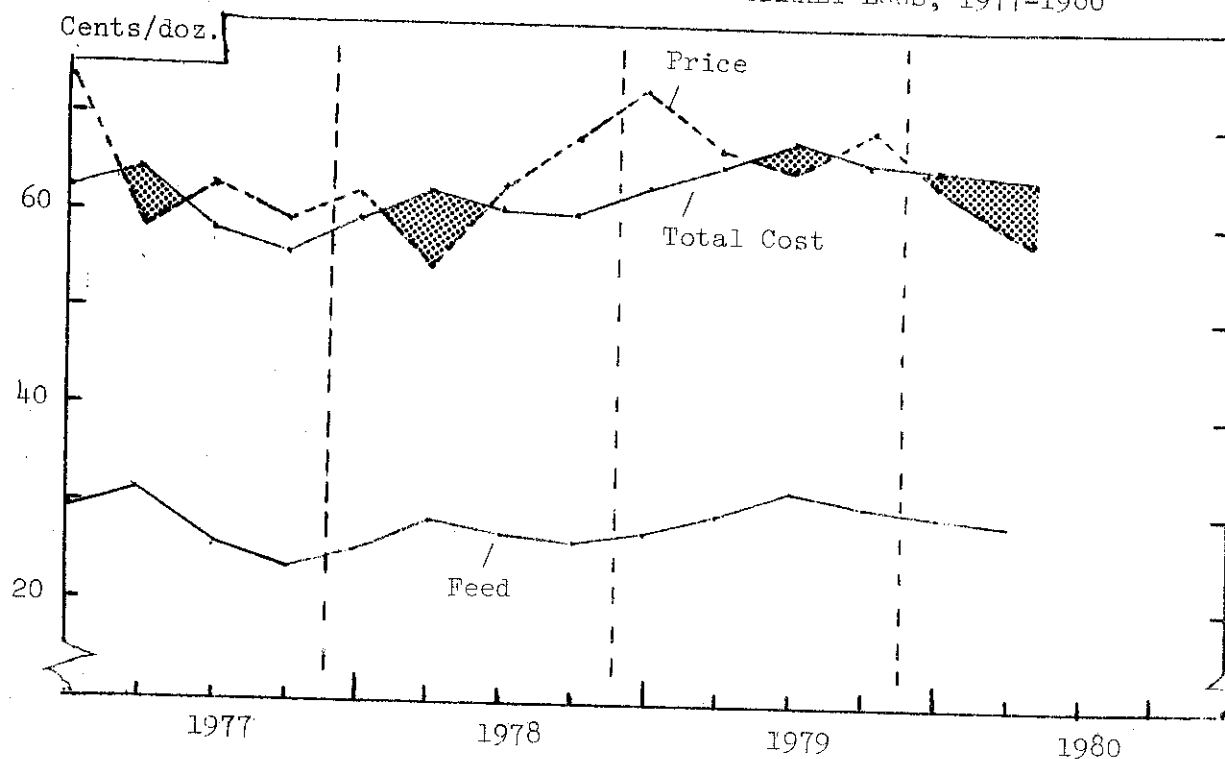
EGGS BROKEN COMMERCIALLY: 1,000 CASES AND
% EGGS PRODUCED, U.S., 1978-1980

Month	1978		1979		1980	
	No.	%	No.	%	No.	%
Jan.	1,797	11	1,827	11	2,043	12
Feb.	1,570	11	1,577	11	1,897	12
March	1,793	11	1,770	11	1,827	11
April	1,770	12	1,773	11	1,983	13
May	2,187	14	2,097	13	2,037	13
June	2,380	16	2,200	14	2,137	14
July	1,959	13	2,173	14	—	—
Aug.	2,139	14	2,260	14	—	—
Sept.	1,896	13	1,863	12	—	—
Oct.	1,957	12	2,240	14	—	—
Nov.	1,690	11	1,920	12	—	—
Dec.	1,730	11	1,680	10	—	—
Total	22,867	12	23,367	12	—	—

U.S. COLD STORAGE HOLDINGS
(Shell and Frozen Eggs)

1000 Cases 1st of Month		
1978	1979	1980
790	677	630
719	667	610
673	637	627
603	557	613
617	570	683
590	573	720
700	600	790
733	687	783
773	653	—
770	640	—
723	673	—
683	623	—

ESTIMATED COSTS AND RETURNS FOR MARKET EGGS, 1977-1980



The U.S.D.A. quarterly estimates of costs and returns for market eggs provide good indicators of the relative profitableness of the egg industry. It also is a useful tool in predicting future conditions since the profitableness of the business has a strong effect on the management decisions made by the poultryman.

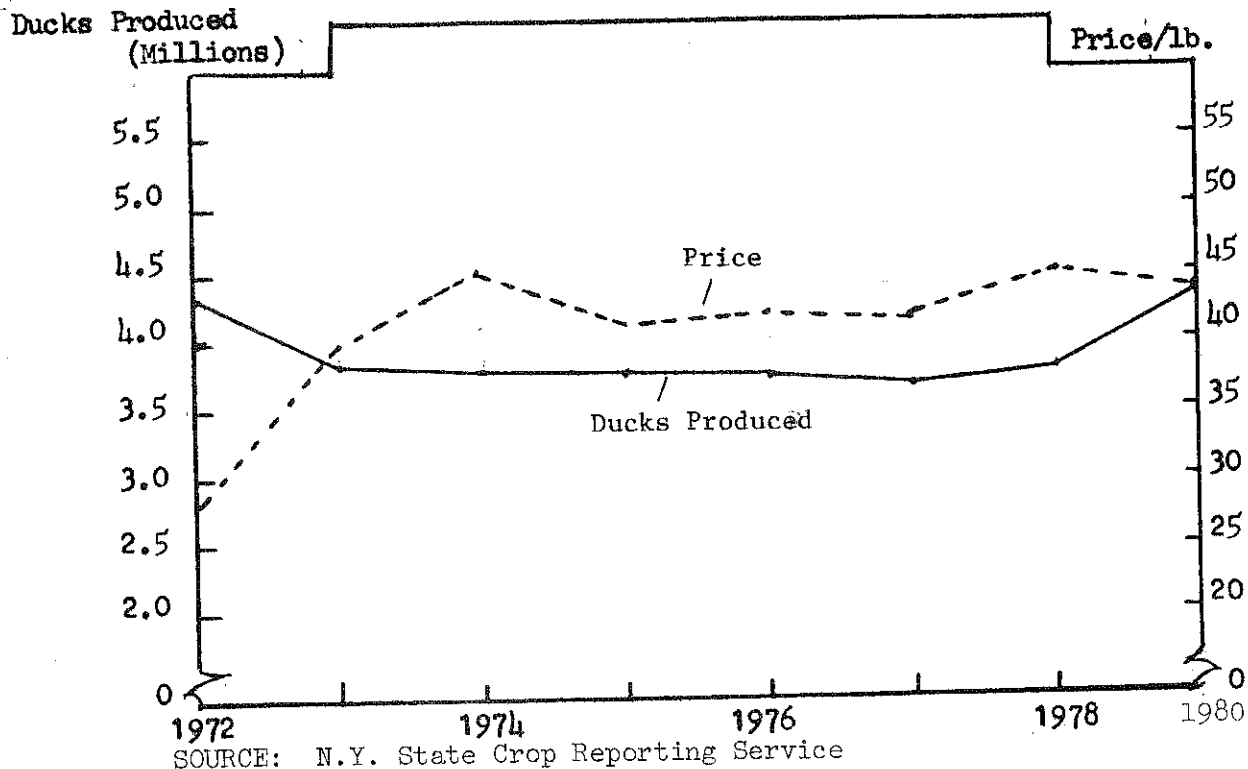
During the first half of 1980 feed costs and total costs increased. However, prices received for eggs were less and net returns were not favorable.

ESTIMATED COSTS AND RETURNS FOR MARKET EGGS, 1978-1980

Calendar Quarters	Production Costs/Doz.		Cartoned Large Eggs		Net Return
	Feed	Total	Total Cost	Av. Prices	
1978 I	25.9¢	40.0¢	59.2¢	62.0¢	2.8¢
II	28.8	42.9	62.1	55.0	-7.1
III	27.4	41.5	60.7	63.4	2.7
IV	26.8	40.9	60.1	68.2	8.1
1979 I	27.9	43.0	63.5	73.0	9.5
II	29.6	44.7	65.2	67.2	2.1
III	32.3	47.4	67.9	65.4	-2.4
IV	30.3	45.4	65.9	69.5	3.6
1980 I	29.7	44.8	65.3	64.2	-1.1
II	28.9	44.0	64.5	58.6	-5.9
III	—	—	—	—	—
IV	—	—	—	—	—

SOURCE: U.S.D.A. Poultry and Egg Situation

NUMBER DUCKS PRODUCED AND PRICE, N.Y., 1972-1980



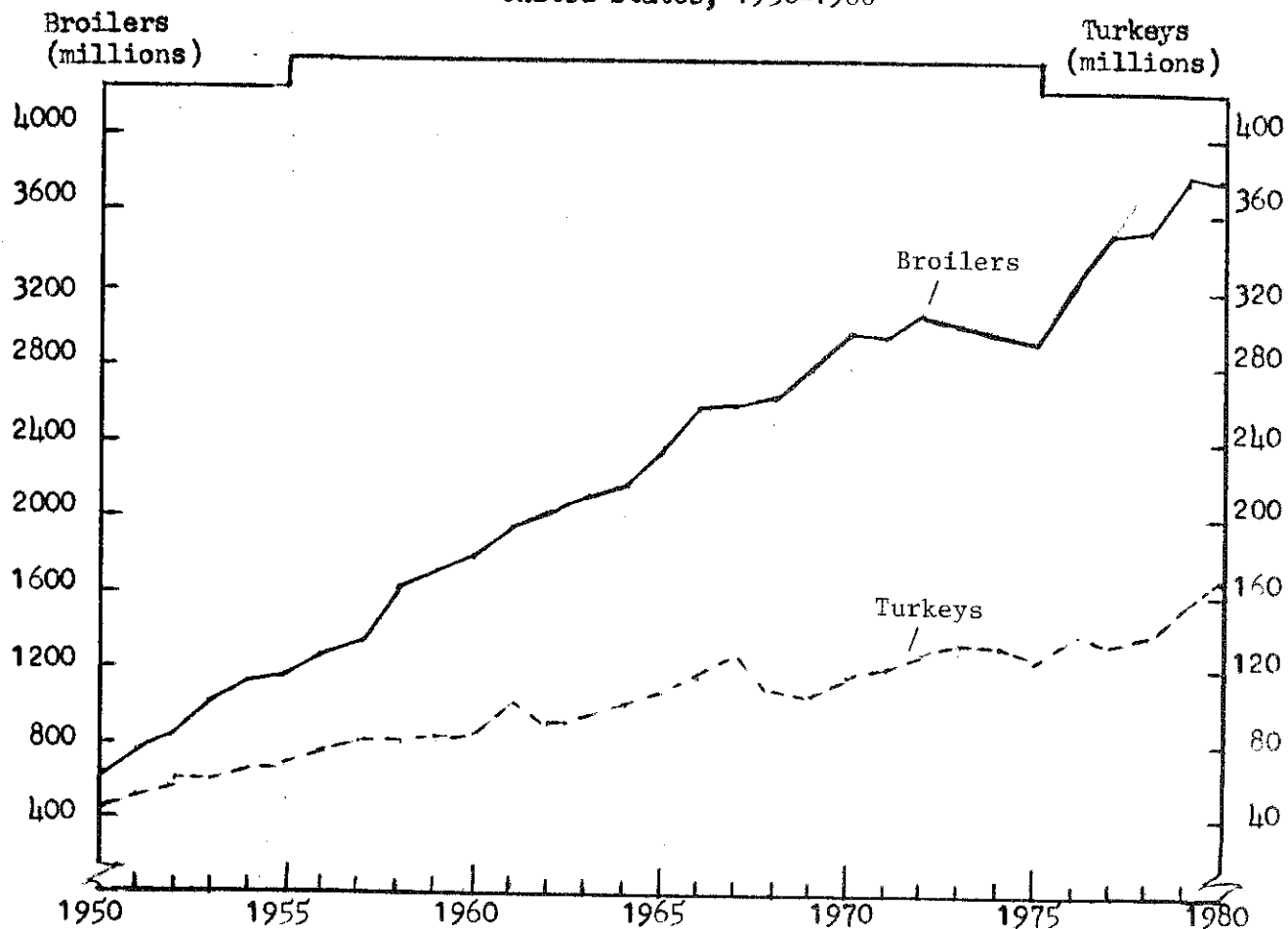
Ducks are an important segment of the poultry industry in New York. Estimated gross income from ducks raised amounts to 9 to 10 million dollars per year. The duck growers are concentrated on Long Island. The number of ducks raised in New York has held rather steady in recent years. With high prices since 1972, the gross income from ducks has actually increased over the earlier years even with the smaller numbers produced.

Federally inspected duck slaughter is reported for the United States. The amount for 1979 was up sharply to 75 million pounds. The estimate for 1980 is 73 million pounds.

Year	New York			United States	
	Number Produced	Lbs. Produced (Live)	Price/lb. (Live)	Gross Income	Federally Inspected Ready-to-Cook Wt.
	(thou.)	(thous. lb.)		(thou. \$)	(thou. lb.)
1970	4,950	32,152	27.0	8,681	52,600
1971	4,650	30,000	27.0	8,100	49,400
1972	4,300	28,000	28.0	7,840	50,900
1973	3,850	25,000	40.0	10,000	49,200
1974	3,800	24,500	45.0	11,025	51,000
1975	3,750	23,900	41.0	9,800	50,000
1976	3,750	23,700	42.0	9,955	57,800
1977	3,600	23,200	42.0	9,744	59,500
1978	3,850	24,500	45.0	11,025	66,079
1979	4,400	28,200	44.0	12,408	74,855
1980					73,450*

*Preliminary.

NUMBERS OF BROILERS AND TURKEYS PRODUCED United States, 1950-1980



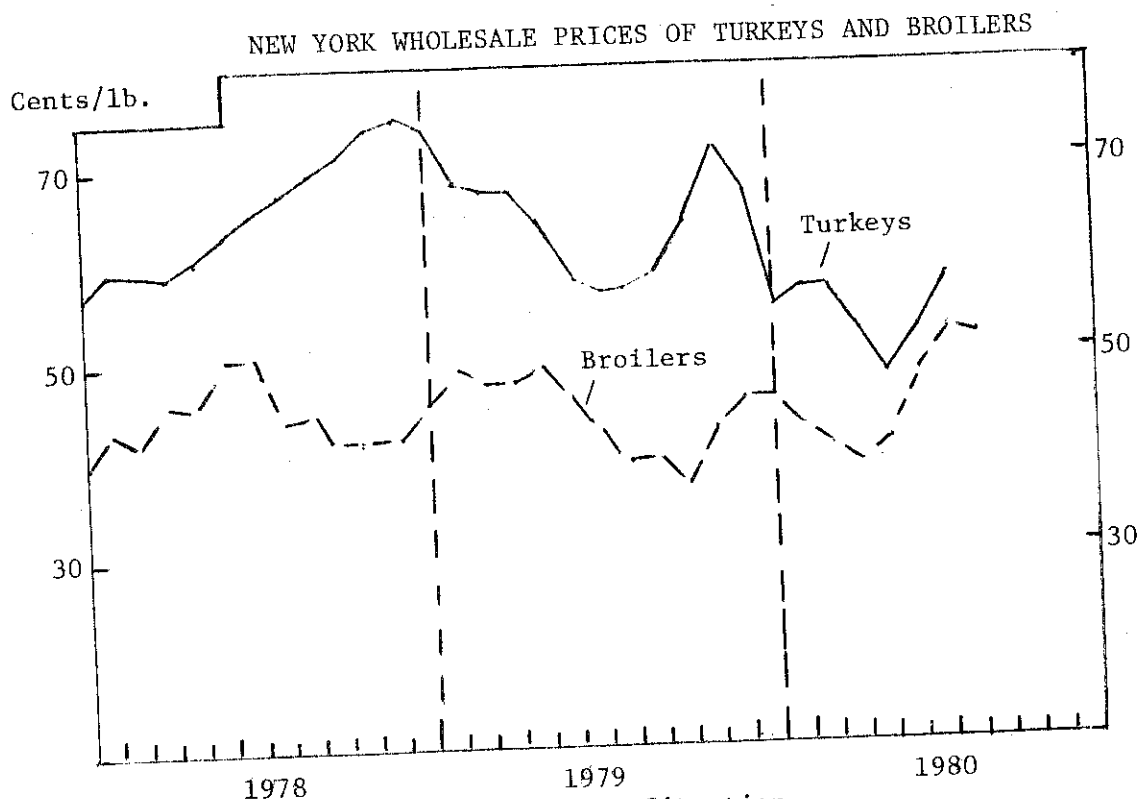
SOURCE: U.S.D.A. Poultry and Egg Situation

The steady growth in U.S. turkey and broiler numbers since 1950 is impressive. The 1980 turkey numbers were more than three and one half those of 1950, while 1980 broiler numbers were more than six times those of 1950. Turkey and broiler production will be at or near record levels for the 1980 year. Declining profit margins for the year will slow expansion but current favorable prices will likely result in further increases in production and supplies in 1981.

NUMBERS OF BROILERS AND TURKEYS RAISED, U.S., 1950-1980

Year	Broilers		Turkeys	
	Millions	Percent	Millions	Percent
1950	631	100	44	100
1955	1,092	173	66	150
1960	1,795	284	85	193
1965	2,334	370	106	241
1970	2,987	473	116	264
1975	2,933	465	124	282
1976	3,280	521	140	318
1977	3,334	528	137	309
1978	3,517	557	140	318
1979	3,843	609	156	355
1980	3,810*	604*	168*	382*

*Preliminary.



SOURCE: U.S.D.A. Poultry and Egg Situation

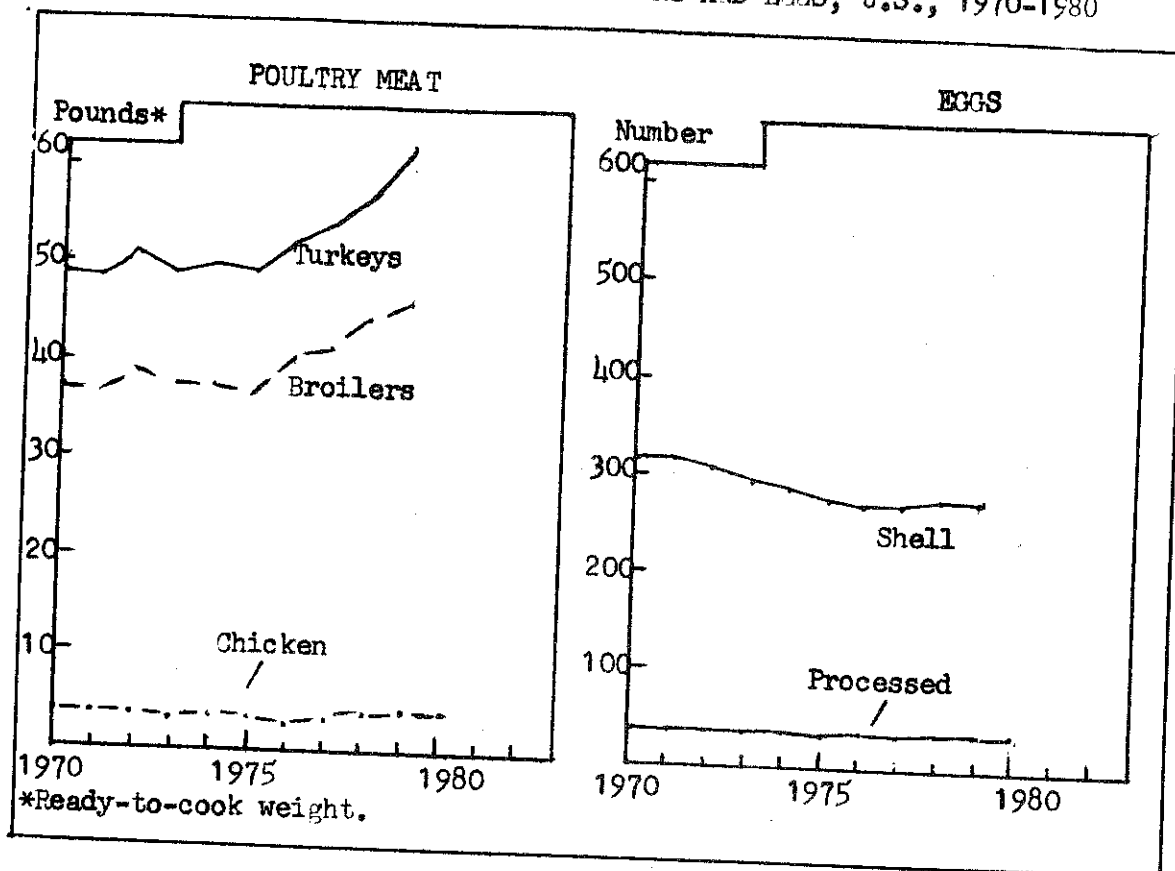
Broiler prices during the first half of 1980 were below those of 1979 because of large supplies of poultry and competing meats. Prospects for 1981 are for reduced supplies of competing meats. Broiler prices are expected to be more favorable in 1981.

Turkey prices during the first half of 1980 were below those of 1979. With the decreased meat supply, turkey prices are expected to be more favorable during the early part of 1981.

NEW YORK WHOLESALE PRICES OF TURKEYS AND BROILERS

Month	Turkey Wholesale Prices						Broiler Prices		
	1978		1979		1980		Nine-City Average		
	Toms	Hens	Toms	Hens	Toms	Hens	1978	1979	1980
	- cents per pound -						- cents per pound -		
Jan.	57.6	60.5	74.0	72.9	55.2	62.3	40.2	45.8	45.8
Feb.	59.9	59.2	68.3	67.6	57.0	57.8	43.1	49.2	42.7
March	59.6	60.9	67.8	70.0	56.6	56.8	42.2	47.5	40.5
April	59.1	59.2	67.1	68.6	52.9	54.1	46.1	47.5	38.9
May	60.7	61.3	63.1	65.2	48.4	53.3	46.1	49.4	41.1
June	63.4	63.6	58.0	64.7	52.5	55.5	50.7	46.1	48.3
July	65.6	67.8	57.2	63.0	63.4	63.3	50.8	42.8	52.8
Aug.	67.8	68.0	57.4	63.0	—	—	44.1	39.6	52.4
Sept.	69.8	68.7	58.8	63.3	—	—	44.9	39.9	—
Oct.	71.2	72.7	64.0	68.4	—	—	42.0	37.0	—
Nov.	74.0	73.0	71.4	74.6	—	—	42.0	42.6	—
Dec.	75.0	80.5	67.2	75.4	—	—	42.2	45.5	—

PER CAPITA CONSUMPTION OF POULTRY AND EGGS, U.S., 1970-1980



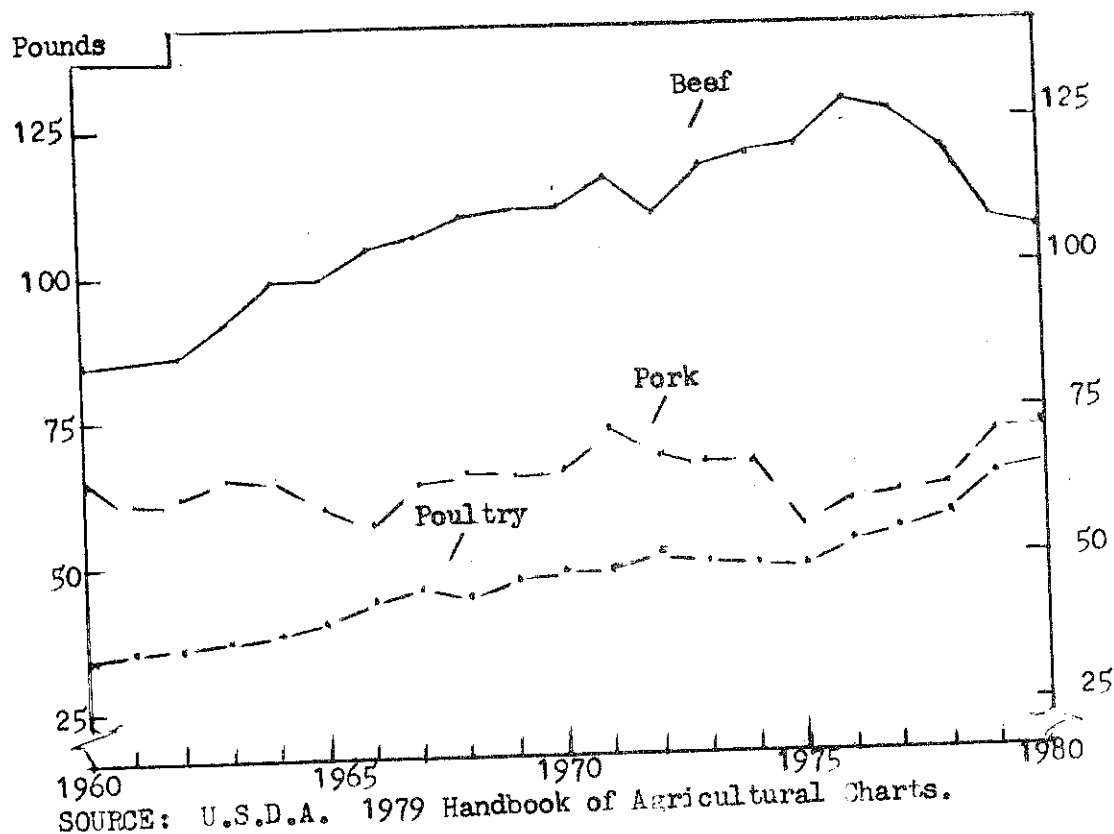
Per capita consumption of poultry meat continues to increase, while egg consumption after a long period of decline has begun to increase the last couple of years. Advertising and the economy of eggs as a food may be factors in this upswing in eggs consumed per person.

Broiler consumption was up to 48.8 pounds per person in 1979 while turkey meat consumption was up to 10 pounds per person. Total egg consumption per person in 1979 reached the 278 egg mark, almost the same as for 1975, 1980 should again show increases in broiler and turkey consumption. Egg consumption per person may decrease slightly.

Year	Poultry Meat				Eggs		
	Broilers	Chickens	Turkey	Total	Shell	Processed	Total
	- pounds -				- number eggs -		
1965	29.6	3.8	7.4	40.8	285	29	314
1970	36.9	3.6	8.0	48.5	277	34	311
1975	36.9	3.4	8.6	49.2	248	31	279
1976	40.4	2.9	9.2	52.5	241	33	274
1977	41.7	3.2	9.2	54.1	235	37	272
1978	44.7	3.7	9.4	57.8	242	36	278
1979	48.8	4.1	10.0	62.9	247	36	283
1980*	48.9	4.1	11.2	64.2			282

*Estimated.

PER CAPITA CONSUMPTION OF BEEF, PORK AND POULTRY United States, 1960-1980



Total meat consumption per person was about the same in 1980 as in 1979. The consumption of poultry was up about 1.3 pounds, while red meats remained about the same. From 1960 to 1977, total meat consumed per person rose from 193 to 247 pounds, an increase of 54 pounds or about 3 pounds per year.

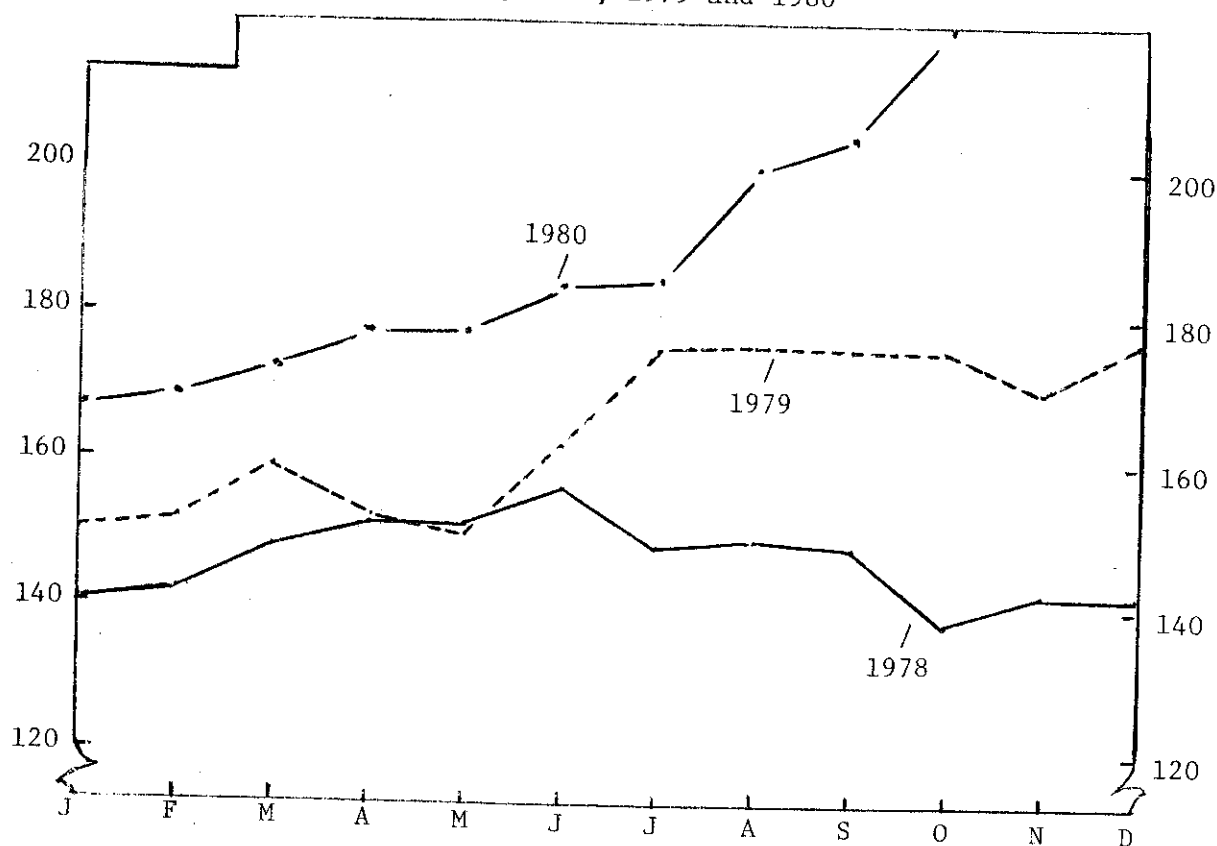
Beef consumption per person reached a peak of 129 pounds in 1976 then dropped to 105 pounds in 1980. Pork on the other hand, has risen gradually to a new high of 72 pounds in 1980.

Year	Pounds Consumed Per Person				Total Meat
	Beef	Pork	All Red Meats	Poultry	
1960	85.1	64.9	159.0	34.1	193.1
1965	99.5	58.7	167.1	40.8	208.0
1970	113.7	66.4	186.3	48.5	234.8
1973	109.6	63.9	178.0	49.2	227.2
1974	116.8	69.1	190.5	50.0	240.5
1975	120.1	56.1	182.4	49.2	231.6
1976	129.3	59.5	194.7	52.5	247.2
1977	125.9	61.5	193.0	54.1	247.1
1978	120.1	61.4	186.1	57.1	243.2
1979	107.6	70.2	181.3	62.9	245.2
1980*	105.2	72.2	182.1	64.2	246.3

*Estimated.

POULTRY

FARM PRICES OF COMPLETE LAYING FEED RATION
New York, 1978, 1979 and 1980



Feed is the major cost item in producing eggs. The level of feed prices, therefore, is a big factor affecting the profitability of layer operations in any year. Laying ration prices in 1980 were higher than 1979 and 1978.

Month	U.S. Average			New York		
	1978	1979	1980	1978	1979	1980
- dollars per ton -						
January	147	157	173	141	150	167
February	146	159	172	142	153	169
March	149	162	174	148	159	172
April	154	163	173	151	152	177
May	155	163	176	151	150	177
June	157	166	176	156	162	184
July	155	177	179	148	175	185
August	150	174	193	149	176	200
September	149	173	199	148	175	205
October	150	174	206	145	175	220
November	154	171	---	149	170	---
December	156	174	---	149	178	---

SOURCE: U.S.D.A. Agricultural Prices

INTRODUCTION

This is the first year that the New York Economic Handbook: Agricultural Situation and Outlook has included a section on finfish and shellfish. While commercial fishing differs from commercial agriculture in many ways, there are many similarities. On a large commercial scale both are capital intensive, demanding operators with not only technical but business management skills. Both face considerable uncertainty in production or harvest, and farmers and fishermen are both providing food commodities to fresh or processed markets. The principal difference between fishing and farming stems from the fact that commercial fishermen are typically harvesting a common property resource; that is, a resource which may be harvested by anyone with sufficient money and knowledge to purchase and operate a vessel capable of catching fish or shellfish. An individual fisherman has no exclusive harvesting right to the resource and competes with other fishermen for the available stocks. There is little incentive on the part of an individual fisherman to conserve part of the resource for the future if he cannot trust his competitors to behave in a similar fashion. Fishery resources harvested under common property status are often subject to overfishing, which results in diminished stocks incapable of sustaining a large harvest. With depleted fish stocks the cost of harvesting increases; due to increased search and fishing time. The economic and conservation problems resulting from common property status created the need for some kind of collective management. The Fishery Conservation and Management Act (FCMA) passed in 1976 extends the U.S. territorial waters out to a 200 mile limit and represents the first attempt by our country to provide some collective structure for fishery management. To date, the performance of the regional management councils in reestablishing fish stocks and providing for their sound biological and economic regulation has only been of limited success. Space precludes an extensive discussion of the promise and problems of fishing under the FCMA. Farmers may take some solace from the fact that their fishing brethren face perhaps greater regulation in harvesting the sea than they do in harvesting the land.

NEW YORK'S MARINE FISHERIES

New York's marine or salt water fishing industry is located in the southeastern part of the state from the brackish waters of the Hudson near New York City to the Bays, Sounds, and open ocean of eastern Long Island (see Figure I). In terms of volume or value of commercial harvest it is not a large industry, ranking 13th among the various coastal states in terms of value of harvest which was \$38,457,739 in 1979. Nevertheless, commercial fishing plays an important role in the economy on Long Island and there is strong reason to suspect that the value of reported harvests may be only half of the actual value of harvested resources due to the seasonal and cash payment nature of ex-vessel and even whole sale transactions. Table I presents the landings and value of finfish and shellfish harvested in New York's marine district for the period 1970 to 1979. Landings of finfish, shellfish, and hard clams (the most valuable resource), are plotted in Figure II. One notes that the landings of finfish and shellfish have oscillated with the landings of finfish increasing from 16.5 million pounds in 1976 to 25 million pounds in 1979, while shellfish landings declined from 17.6 million pounds in 1976 to 12 million pounds in 1979. The value of total landings has increased almost steadily from 1970 to 1979, however, when value is deflated by the consumer price index the real value of the fishery has remained almost

static at around \$17 million since 1972. Given the decline in the more valuable shellfish landings one can conclude that fish prices, especially shellfish prices were increasing at a rate equal to or greater than the general rate of inflation.

The Hard Clam Resource

While there are about 100 finfish and shellfish species that are commercially harvested in New York's marine district, over 90% of the landings and value can be attributed to the 25 species shown in Table II. The value of shellfish landings has often been five times larger than the value of finfish landings. In 1979 those values were \$28 million and \$10 million respectively in part reflecting the decline in landings of shellfish. New York's most valuable fishery is the hard clam (*Mercenaria mercenaria*). In 1979 the value of publicly harvested hard clams was \$14 million, half the value of all shellfish landings, and greater than the value of all finfish landings. Historically, over half of the hard clams harvested in the U.S. have come from Great South Bay on southern Long Island. This resource has shown undeniable signs of overfishing with landings declining from about 8.5 million pounds in 1975 to 4.7 million in 1979. Baymen (who harvest the clams), town officials, and the state are very concerned about the depleted stocks in Great South Bay and are investigating various programs such as sowing cultured seed clams, importing spawners, and increasing the legal size limit, to augment and increase the spawning, set and growout that occurs from natural or "wild" stock. The ultimate effectiveness of these programs to "help mother nature" is questionable. The towns and state, if unable to increase stocks by artificial methods, may have to adopt regulations to restrict effort and harvest in order to allow stocks to naturally increase to a point where they can once again support larger yields. Given the independent attitudes of baymen, and town and state officials, as well as the difficulty of enforcing catch quotas in a shallow and accessible body of water such as Great South Bay, the outlook for reversing the decline in hard clam landings is not promising.

The Finfishery

The finfishery in New York State has undergone two significant transitions, the second of which is not yet complete. In the late 1950's and early 1960's over 80% of finfish landings by weight were processed into oil and fishmeal. This "industrial fishery" was based on harvests of menhaden, alewife, and herring. This fishery went into decline as increasing amounts of these migratory stocks were harvested by fishermen in southern states, leaving successively smaller amounts for fishermen in the mid-Atlantic. With the decline in the industrial fishery the remaining vessels concentrated on the more traditional groundfish stocks such as cod and flounder, and more recently on such species as butterfish, scup, sea trout, and tilefish. After passage of the FCMA there was an outburst of optimism and entry into the New England and mid-Atlantic fleets; based on the assumption that the elimination of foreign fishing for depleted stocks and regulation of foreign fishing for "underutilized" stocks would give existing and new vessels a chance to harvest more fish. A series of events has taken place, however, which has replaced the optimism of 1977-1979 with a more cautious attitude. First, while the FCMA eliminated or restricted foreign fishing, it also imposed regulations on domestic vessels. Often these regulations were based on inaccurate stock assessment data and/or an unrealistic

understanding of vessel economics. Second, the rapid escalation in fuel costs hit hard at the traditional otter trawl gear technology which entails the dragging of a net and doors through the water and requires a large/fuel consuming power plant. Third, the increased landings which did occur were directed into fresh markets which had not expanded as rapidly as the fleet's catching ability. This caused a drastic decline in ex-vessel prices in May and June of 1980. Finally, the downturn in the economy and consumer purchasing power softened the demand for expensive fresh fish applying further downward pressure on the price received by fishermen. In combination, these factors have brought an abrupt halt to orders for new boats and a wait-and-see attitude to the industry.

In New York State there has been some modest progress toward harvesting more of the so called underutilized species which have had limited domestic demand in the past, but fairly strong foreign markets. It had been hoped that U.S. domestic fishermen would develop significant interest in harvesting such species as herring, squid, mackerel, red hake, and whiting (or silver hake) for export. Landings of herring have greatly increased in New England with Gloucester, Massachusetts exporting increased quantities of filleted and frozen herring to Europe. Exports of mackerel, squid, hake and whiting have not developed as rapidly because of the low prices offered by foreign importers and some handling and product quality problems which require hake to be processed shortly after being caught. It is also the case that foreigners had alternative sources of supply for these latter species, whereas the North Sea landings of herring which declined have not been offset by landings from other European waters. Table II shows increases in the 1979 landings for red hake, mackerel, whiting, and squid compared to the landings in 1978. If processing and export prices improve this trend will continue perhaps offering New York fishermen a transition to yet a third set of species, oriented toward foreign markets. At this point in time it is too early to predict the extent of development in these fisheries.

SUMMARY: SITUATION AND OUTLOOK

Commercial harvests of hard clams, primarily from Great South Bay, yield the largest revenues of any finfish or shellfish resource in New York State. In 1979 hard clam revenues from public baybottom amounted to \$14.5 million or about 38% of the total value of finfish and shellfish landings. Other important shellfisheries are oysters, sea scallops, lobsters and bay scallops. Important finfisheries include flounders, tilefish, scup, and striped bass.

Given the importance of the hard clam fishery, baymen and town and state officials are concerned with the continued decline in landings from Great South Bay. Several towns owning baybottom have started seeding programs in an attempt to increase supply. It is not clear whether these or other programs will have any significant effect at reversing the decline in stock resulting from overfishing. It would appear that town or state management authorities will have to adopt measures to restrict landings if stocks are to be reestablished to the point where they can support higher yields on a sustained basis.

Landings and revenue in the finfishery increased significantly in 1978 and 1979. Recently, however, several factors have caused the optimism associated with the passage and implementation of the Fishery Management and Conservation Act of 1976 to be replaced by caution. High fuel costs have struck particularly

hard at the traditional trawler vessel. Increased domestic landings of fresh fish along with Canadian imports have entered markets with static or declining demand resulting in ex-vessel prices that were 30¢ per pound less in May, June and July of 1980 than the average for 1979. Investment in new vessels in 1977-79 have exceeded investment in processing and market development. In 1979 New York fishermen landed increased amounts of mackerel, red hake, squid, and whiting, generally regraded as underutilized species. For this trend to continue onboard handling onshore processing, and expanded domestic and export markets will have to be developed. A resurgence of the U.S. fishing industry cannot be based on vessels supplying fish to the fresh market. It now seems evident that long term development will be slower than envisioned in 1977, and contingent upon the ability to process a high quality product for markets at home and abroad.

FIGURE 1. NEW YORK'S MARINE DISTRICT

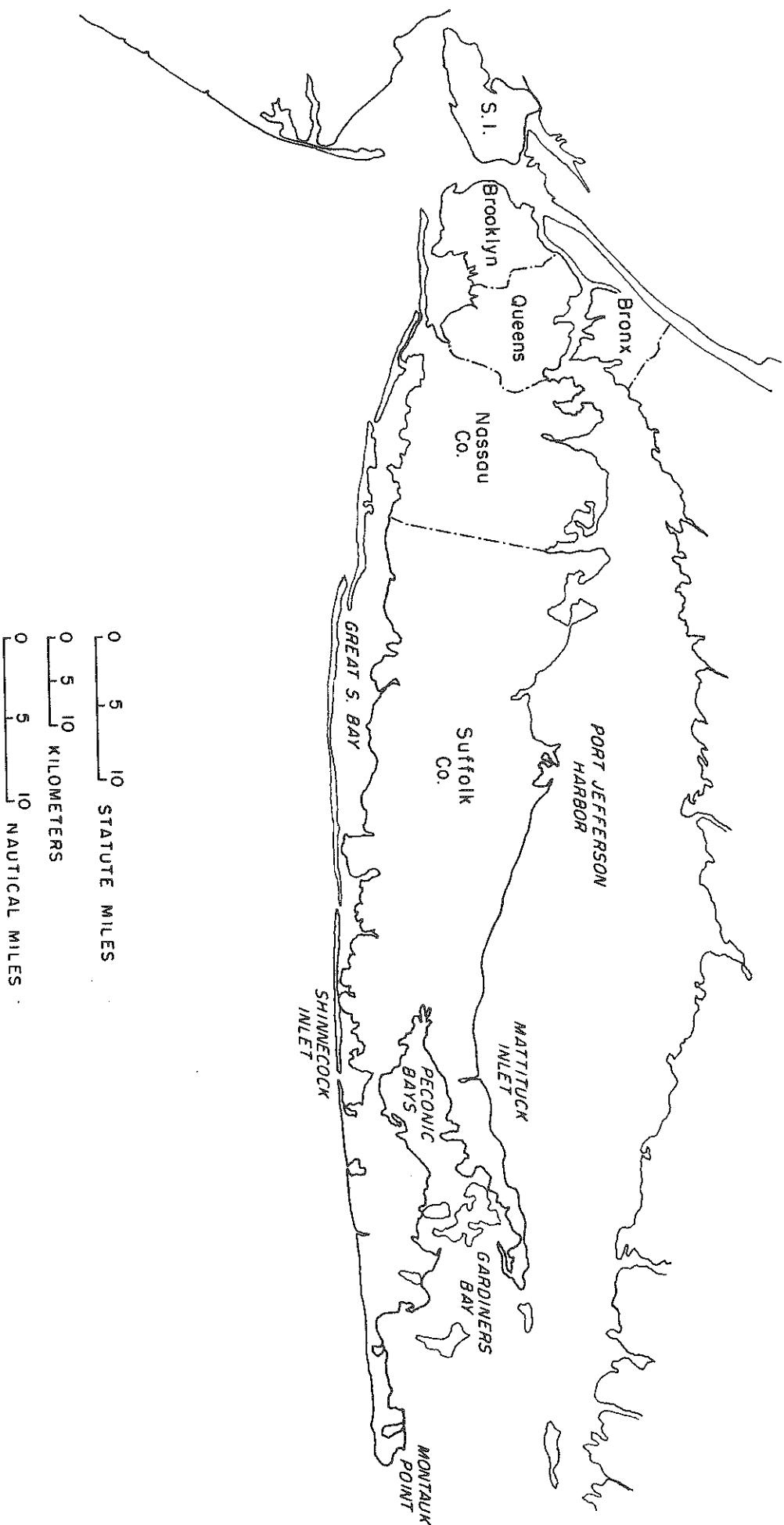


TABLE I
LANDINGS AND VALUE OF FINFISH AND SHELLFISH IN
NEW YORK STATE'S MARINE DISTRICT 1970-1979

Year	CPI*	Landings of Finfish (lbs)	Value of Finfish Landings	Landings of Shellfish (lbs)	Value of Shellfish Landings	Total Value of Landings	Total Value Deflated by CPI
1970	116.3	16,439,020	2,380,433	15,876,380	13,709,828	16,090,261	13,835,134
1971	121.3	20,067,422	2,552,933	16,176,150	15,991,500	18,544,433	15,288,073
1972	125.3	21,710,161	3,656,996	15,187,370	18,337,730	21,994,726	17,553,652
1973	133.1	21,500,734	4,690,021	14,545,371	17,134,911	21,824,932	16,397,394
1974	147.7	17,758,209	4,190,010	16,754,429	20,961,416	25,151,426	17,028,724
1975	161.2	19,479,246	5,089,444	17,604,270	23,046,856	28,136,300	17,454,280
1976	170.5	16,551,322	4,389,627	17,611,269	27,750,249	32,139,876	18,850,367
1977	181.5	17,298,784	5,533,748	15,409,126	24,943,894	30,477,642	16,792,089
1978	195.4	22,669,918	9,133,549	13,195,500	24,530,028	33,633,577	17,212,680
1979	217.4	25,056,323	10,278,859	12,363,839	28,178,880	38,457,739	17,689,852
1980 to August	249.4	18,896,704	8,105,200	6,734,795	17,699,156	25,804,356	10,346,574

*Consumer Price Index 1967 = 100

FIGURE II. LANDINGS OF FINFISH, SHELLFISH, AND HARD CLAMS
IN NEW YORK'S MARINE DISTRICT, 1970-1979

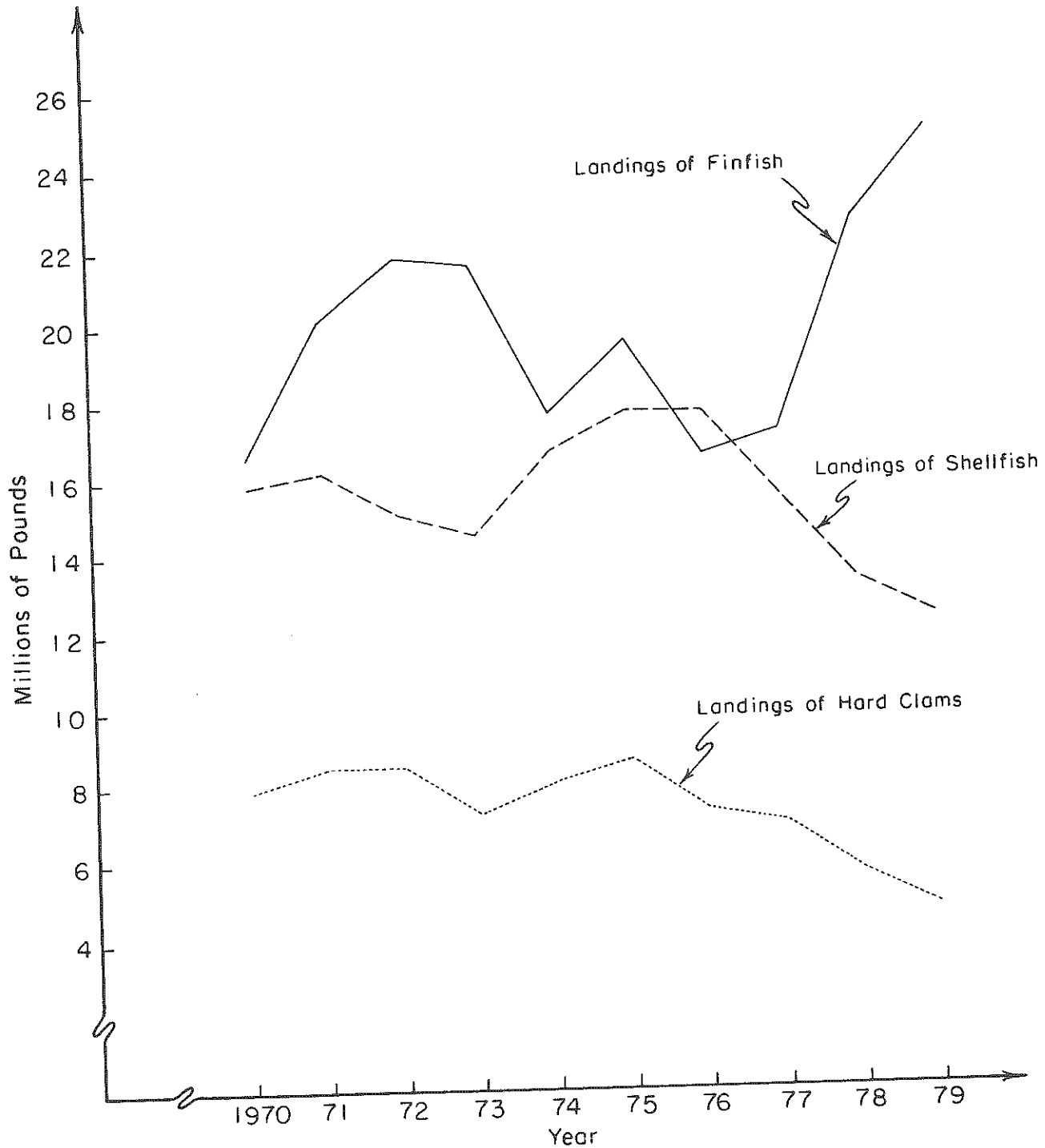


TABLE II
MAJOR SPECIES OF FINFISH AND SHELLFISH
IN NEW YORK STATE'S MARINE DISTRICT 1978-79

Species	1978		1979	
	Pounds	Dollars	Pounds	Dollars
Bluefish	1,746,452	345,305	1,611,384	406,555
Butterfish	926,114	353,629	1,019,968	451,517
Cod	460,776	195,769	480,099	244,267
Eels	106,094	76,349	96,876	105,815
Flounders (black back)	1,299,152	492,810	1,465,840	494,419
Flounders (Fluke)	1,947,624	1,445,785	1,426,551	1,161,377
Flounders (Yellowtail)	525,295	244,166	804,422	311,357
Red Hake	525,532	76,208	1,062,618	178,862
Mackerel	510,595	127,037	695,526	249,444
Scup	3,616,682	1,395,464	3,135,005	1,557,847
Sea Bass	167,729	127,408	123,251	120,247
Sea Trout	1,650,054	628,139	1,511,600	587,950
Striped Bass	1,122,224	1,295,045	535,079	864,602
Swordfish	59,889	103,256	105,545	221,815
Tilefish	2,137,159	1,107,859	2,761,782	1,716,715
Whiting	4,711,681	895,738	6,285,369	1,166,028
Lobster	581,964	1,453,586	661,240	1,710,786
Hard Clams (Public)	5,731,900	13,943,076	4,748,644	14,522,170
Hard Clams (Private)	1,525,100	3,758,235	942,200	2,913,105
Surf Clams	2,398,500	776,049	1,550,900	675,672
Mussels	316,500	172,412	136,600	72,421
Oysters	797,400	2,332,723	1,354,900	4,331,125
Bay Scallops	280,297	836,922	345,827	1,243,365
Sea Scallops	277,223	646,047	535,476	1,827,199
Squid	---	---	1,705,793	713,405
Total for Major Species	32,421,936	32,829,017	35,102,495	37,848,065
Major Species Total as a Percent of Overall Total	90.4	97.6	93.8	98.4

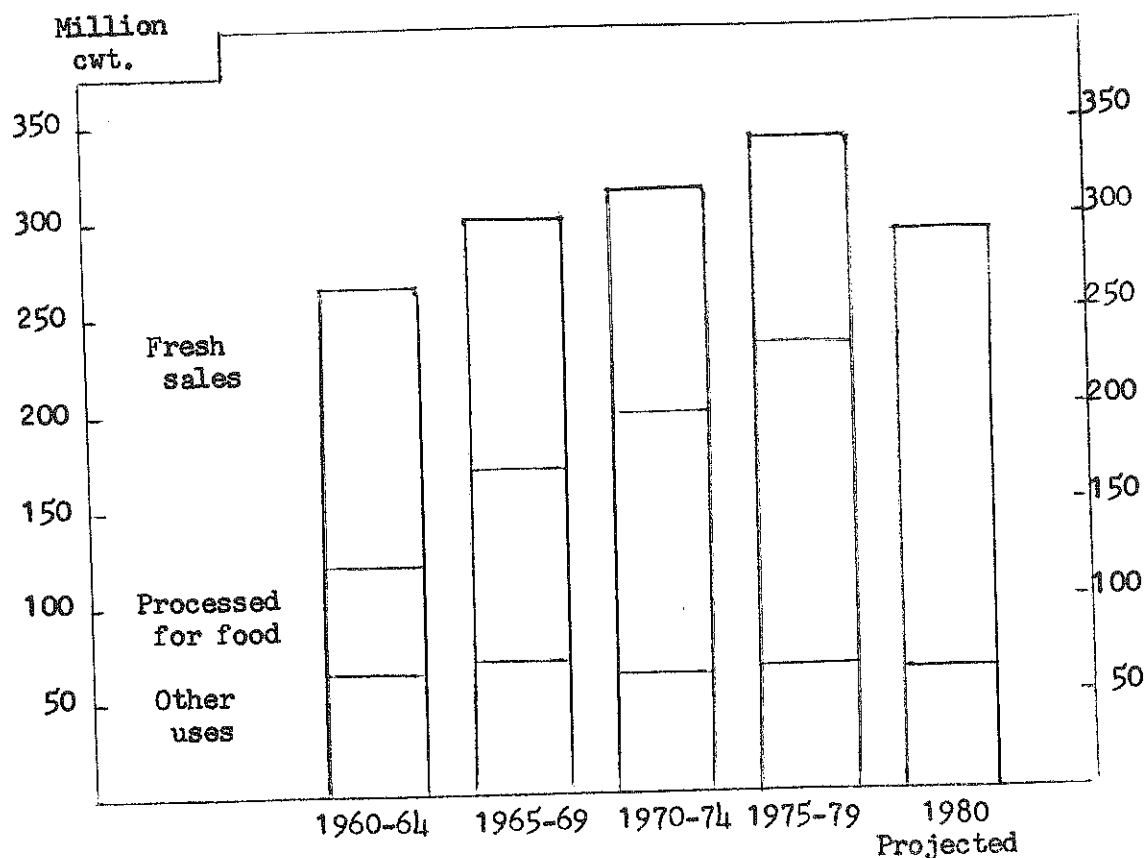
VEGETABLES: CASH RECEIPTS BY COMMODITIES AND COMMODITY GROUPS
New York, Calendar Years 1976-79

	1976	1977	1978	1979
	- million dollars -			
All Commodities	1,717.1	1,725.1	1,918.7	2,240.1
Livestock Products	1,216.9	1,200.3	1,347.3	1,619.6
Meat animals	109.3	113.4	158.5	249.8
Dairy products	987.4	983.5	1,085.6	1,317.0
Poultry and eggs	109.0	92.2	74.5	87.5
Misc. and other	29.5	29.8	28.7	28.5
Crops	500.2	524.8	571.4	620.5
Food grains	16.3	16.6	5.4	12.3
Feed crops	89.8	87.9	83.7	94.3
Oil crops	1.6	1.8	2.7	--
Vegetables	190.5	202.4	200.1	204.3
Potatoes	65.3	50.0	49.3	48.8
Onions	28.6	33.2	31.1	34.2
Cabbage	14.5	29.1	24.0	18.4
Beans, Snap	15.1	20.3	22.4	23.6
Corn, Sweet	14.1	13.6	14.3	17.0
Carrots	4.8	7.9	4.3	4.0
Dry Beans	8.2	6.8	7.9	8.7
Cauliflower	5.6	6.6	5.1	5.9
Tomatoes	5.8	5.9	6.7	9.9
Lettuce	5.9	5.7	6.6	8.4
Cucumbers	2.9	2.7	3.0	3.8
Celery	2.5	2.0	4.6	2.5
Beets	2.0	1.8	2.8	3.0
Peas, Green	1.6	1.8	2.0	2.6
Misc. vegetables	13.5	14.9	16.1	13.5
Fruits, Nuts	101.1	109.1	159.8	177.4
All other crops	100.9	106.9	120.1	132.2

POTATOES: U.S. PRODUCTION BY SEASONAL GROUPS, 1976-80

	1976	1977	1978	1979	Indic. 1980
	- million hundredweight -				
Winter	3.0	2.7	2.6	2.4	2.4
Spring	24.7	22.9	18.0	21.3	17.0
Summer	22.5	22.0	21.2	22.3	16.8
Fall	307.4	307.1	323.5	296.9	260.7
States					
Maine	27.4	28.3	26.0	27.7	25.0
New York - L.I.	7.4	7.2	6.2	6.4	4.3
- Upstate	6.1	5.4	6.5	6.5	6.0
Pennsylvania	7.1	6.4	6.2	6.0	4.0
Other East	2.7	2.6	2.3	2.2	1.6
Total East	50.7	49.9	47.4	48.8	40.9
Michigan	8.3	8.8	8.5	8.0	6.9
Wisconsin	15.4	18.0	17.3	17.0	16.0
Minnesota	11.1	13.0	14.9	12.9	9.4
North Dakota	16.9	21.6	22.4	18.2	15.8
Other Central	5.8	4.9	4.3	4.7	3.8
Total Central	57.5	66.3	67.6	60.8	51.9
Idaho	88.6	88.2	100.3	85.0	78.5
Colorado	9.3	9.5	11.3	11.5	10.0
Washington	55.8	50.6	50.7	48.4	43.2
Oregon	28.9	25.6	28.5	25.3	19.2
California	6.5	5.9	6.1	6.4	6.4
Other West	10.1	11.1	11.9	10.7	10.6
Total West	199.2	190.9	208.6	187.3	167.9
United States	357.7	354.6	365.2	342.9	296.9

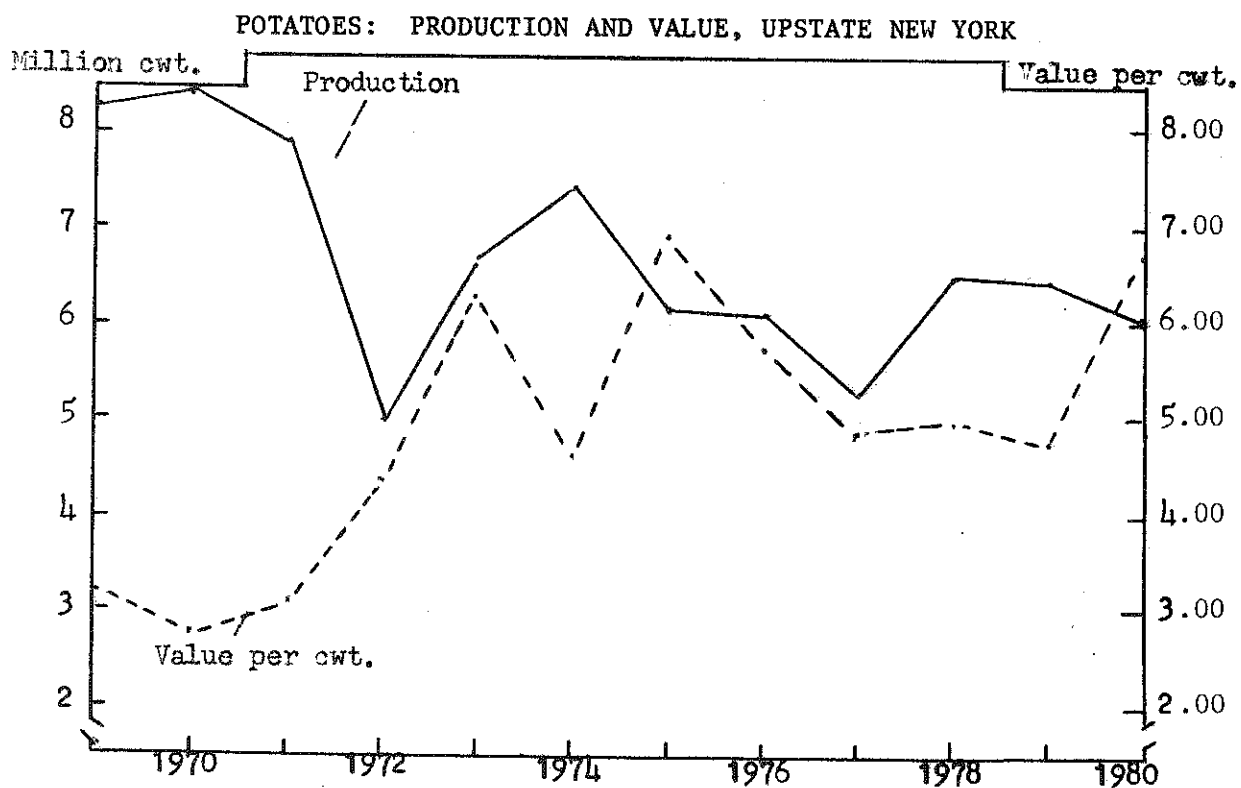
POTATOES: UTILIZATION OF PRODUCTION, UNITED STATES



SOURCE: USDA-ESCS, Potatoes and Sweetpotatoes.

The 1980 U.S. potato crop of 297 million hundredweight is 13.5 percent below 1979. Several years of unfavorable prices brought acreage reductions in all major growing areas, and bad weather in some areas reduced yields. Prices have risen sharply in response to reduced supplies.

Year	Fresh (Table Stock)	Processed for Food				Total	Other Uses
		Chips	Dried	Frozen	Canned		
		- million hundredweight -					
1960-64	145.4	24.6	9.7	19.5	3.0	56.8	63.5
1965-69	131.0	33.2	21.5	42.5	3.6	100.8	69.9
1970-74	118.5	34.6	29.3	67.7	4.6	136.2	61.5
1975	114.4	34.1	33.8	80.0	4.0	151.9	53.5
1976	123.2	34.5	40.4	92.5	4.5	171.9	62.6
1977	116.5	36.9	32.8	94.5	5.3	169.5	68.5
1978	111.1	37.8	33.2	94.9	4.8	170.8	83.3
1979	115.1	38.3	26.9	92.6	4.7	162.5	65.4

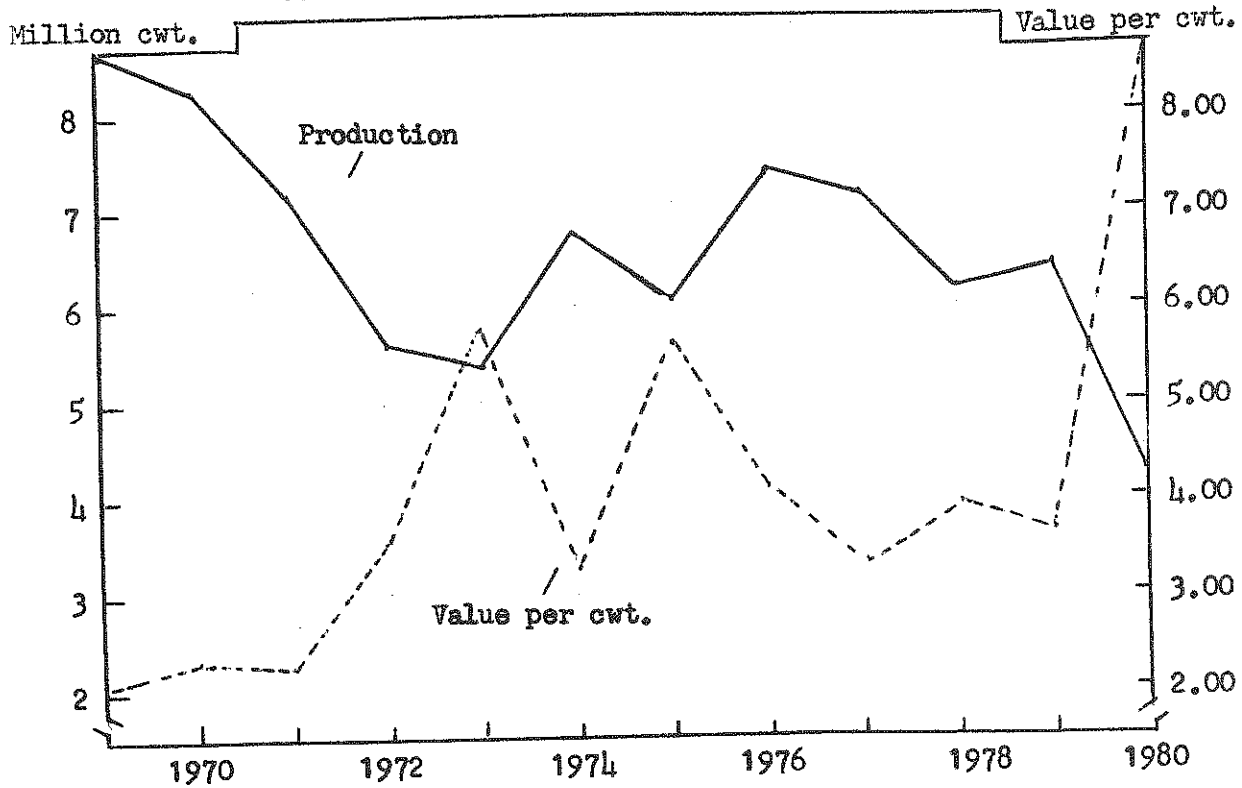


Upstate growers harvested about the same acreage of potatoes as last year, but yields were down due largely to dry weather during the season. The sharp reduction in the total U.S. fall potato crop brought favorable open market prices for the first time in several years.

Year	Harvested Acreage acres	Yield Per Acre cwt.	Production 1,000 cwt.	Value Per Cwt. dollars	Value of Production 1,000 dol.
1960-64	41,600	215	8,949	2.31	17,090
1965-69	36,800	230	8,451	2.77	23,412
1970-74	29,840	236	7,046	4.15	29,248
1975	24,000	255	6,120	6.95	42,534
1976	24,900	245	6,101	5.75	35,081
1977	20,600	260	5,356	4.83	25,869
1978	25,000	260	6,500	4.99	32,435
1979	23,500	275	6,463	4.65	30,053
1980	24,000	250	6,000	6.70*	40,200

* Based on October prices.

POTATOES: PRODUCTION AND VALUE, LONG ISLAND



Long Island growers reduced acreage planted to potatoes in 1980 in anticipation of difficulties in controlling the Colorado potato beetle. Dry weather and insect damage reduced yields, but the short national crop brought favorable prices and prospects for a crop value that may exceed that of 1975.

Year	Harvested Acreage acres	Yield Per Acre cwt.	Production 1,000 cwt.	Value Per Cwt. dollars	Value of Production 1,000 dol.
1960-64	41,000	264	10,825	1.83	19,333
1965-69	36,480	258	9,413	2.07	19,504
1970-74	28,300	235	6,650	3.20	21,298
1975	23,300	260	6,058	5.60	33,925
1976	23,900	310	7,409	4.10	30,377
1977	22,800	315	7,182	3.36	24,132
1978	23,300	265	6,175	3.99	24,638
1979	21,800	295	6,431	3.65	23,473
1980	18,700	230	4,301	8.70*	37,419

* Based on October prices.

VEGETABLES FOR FRESH MARKET
ACREAGE HARVESTED OR FOR HARVEST
New York, 1977-1980

Crop	1977	1978	1979	Indic. 1980
	- acres -			
Sweet corn	20,500	21,000	21,700	21,600
Cabbage*	13,200	12,300	12,400	13,000
Onions*	13,300	13,900	14,600	14,300
Snap beans	7,400	6,000	6,100	5,200
Cauliflower*	3,000	3,200	3,600	4,000
Tomatoes	3,000	3,000	3,000	3,100
Lettuce	3,300	3,500	3,600	3,500
Cucumbers	2,200	2,500	2,700	3,200
Carrots*	1,900	1,900	1,900	2,100
Celery	550	700	600	660
Total	68,350	68,000	70,200	70,660

* Includes acreage for both fresh market and processing.

SOURCE: New York Crop Reporting Service.

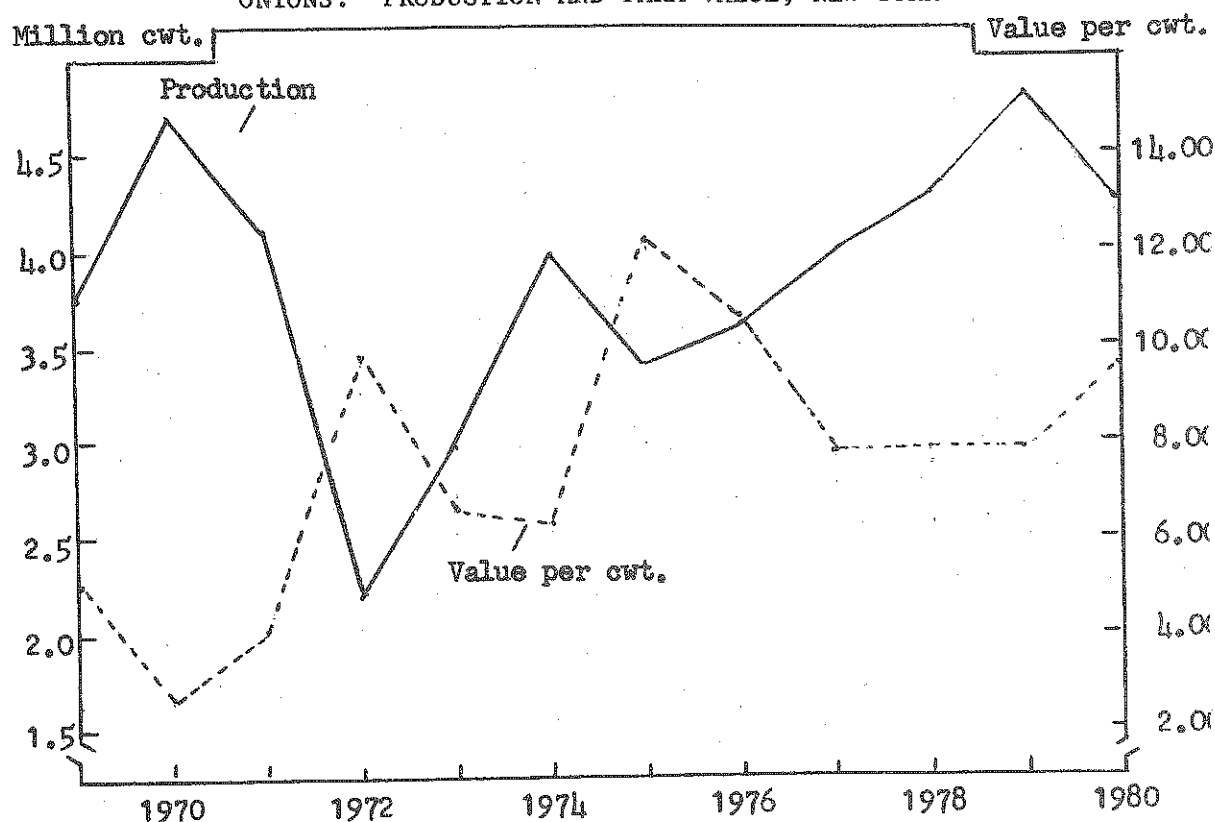
Total acreage of 10 vegetables for fresh market continues to increase in New York, recording a small gain in 1980 over 1979. Significant increases in acreage were made in cauliflower and cucumbers. Prices for fresh market vegetables were generally favorable in 1980.

NEW YORK ONIONS BY SECTIONS, 1978-1980

Section	Acreage			Yield Per Acre			Production		
	1978	1979	1980	1978	1979	1980	1978	1979	1980
	- acres -			hundredweight			- 1,000 cwt. -		
Orange County	7,300	7,500	7,300	315	325	305	2,300	2,441	2,227
Orleans-Genesee	3,000	3,250	3,400	320	345	295	960	1,121	1,003
Oswego	1,000	1,250	950	350	365	340	350	456	323
Madison County	1,300	1,300	1,250	210	270	250	273	351	313
Steuben-Yates- Ontario	700	700	700	343	350	300	240	245	210
Wayne and Other	600	600	700	310	340	305	186	204	214
New York Total	13,900	14,600	14,300	310	330	300	4,309	4,818	4,290

SOURCE: Vegetables - New York Crop Reporting Service.

ONIONS: PRODUCTION AND FARM VALUE, NEW YORK

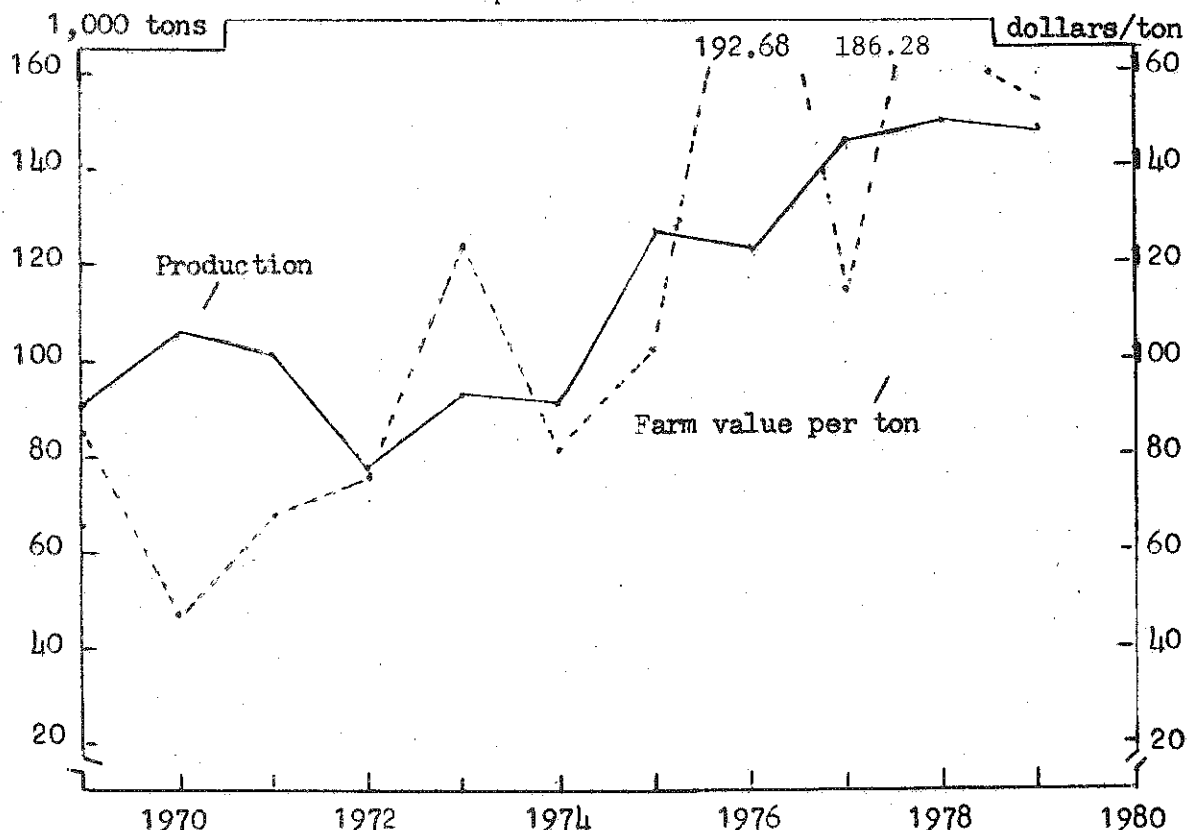


New York growers harvested about the same acreage of onions as last year but lower yields brought a reduction in production. Sharply reduced output in Idaho and Oregon resulted in a 13.5 percent smaller summer storage crop (excluding California) and the market reacted accordingly. Higher prices this fall should result in more favorable returns than for the past three years.

Year	Harvested Acreage acres	Yield Per Acre cwt.	Production 1,000 cwt.	Value Per Cwt. dollars	Value of Sales 1,000 dol
1960-64	15,100	316	4,762	3.15	12,551
1965-69	14,340	289	4,146	4.10	14,160
1970-74	13,220	273	3,607	5.40	16,712
1975	13,500	255	3,443	12.20	36,495
1976	13,700	265	3,631	10.60	32,563
1977	13,300	305	4,057	7.81	25,367
1978	13,900	310	4,309	7.85	29,929
1979	14,600	330	4,818	7.85	34,245
1980	14,300	300	4,290	9.50*	40,755*

* Based on October 1980 prices.

CABBAGE FOR FRESH MARKET: PRODUCTION AND FARM VALUE
Upstate New York



New York cabbage growers made little change in acreage in 1980 compared to 1979, but dry weather during the growing season reduced yields in some areas. Market prices for fresh cabbage started off at moderate levels but have since increased as the season progressed.

Year	Harvested Acres		Yield Per Acre		Farm Value Per Ton	
	Kraut	Fresh	Kraut	Fresh	Kraut	Fresh
	acres		tons		dollars	
1960-64	4,180	6,380	18.1	14.9	14.21	44.99
1965-69	4,060	6,170	21.6	16.0	17.57	60.42
1970-74	4,080	5,680	22.3	16.0	22.80	76.45
1975	4,000	7,200	22.6	17.6	31.80	100.96
1976	3,900	7,700	20.9	16.0	30.80	192.68
1977	4,100	7,700	22.2	18.8	29.90	114.42
1978	4,000	7,000	20.5	21.4	29.90	186.28
1979	3,400	7,500	25.2	19.7	29.60	154.05
1980	13,000*		--		--	

* Preliminary.

VEGETABLES FOR PROCESSING: PRODUCTION, NEW YORK

Crop	1977	1978	1979		1980
	Total	Total	Total	Contract	Contract
- 1,000 tons -					
Snap beans	96.1	107.8	106.2	97.7	92.7
Beets	51.6	72.5	79.1	79.0	63.8
Cabbage for kraut	90.9	82.0	85.7	71.2	86.0
Sweet corn	96.5	99.5	109.3	105.6	85.8
Green peas	7.2	8.1	10.4	10.4	9.4
Total	342.3	369.9	390.7	363.9	337.7

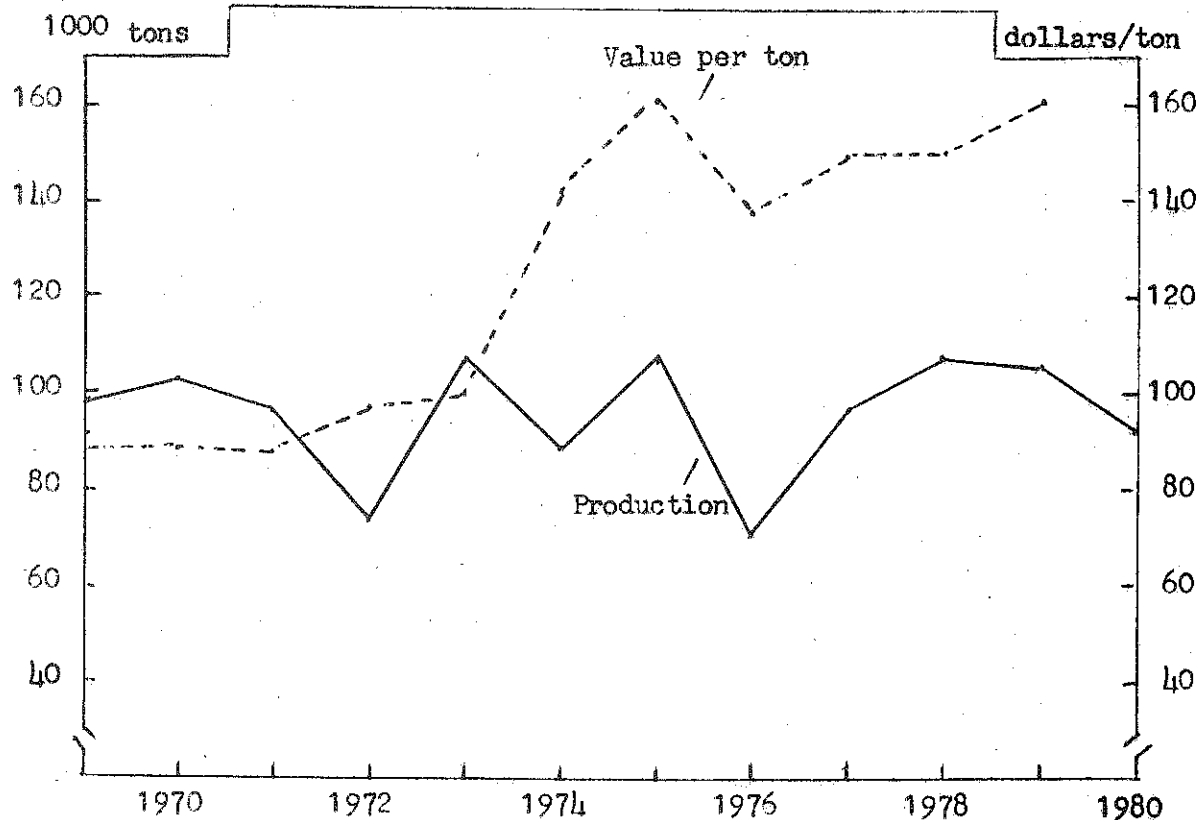
Raw tonnage under contract for the seven major processing vegetable crops in 1980 is expected to produce a 15 percent decline in production compared to last year. With smaller packs more than offsetting larger carryover stocks, supplies of both canned and frozen vegetables will be down about 6 percent from a year ago. Smaller supplies, combined with higher processing and marketing costs, will bring higher wholesale prices for the coming year.

VEGETABLES FOR PROCESSING: PRODUCTION, UNITED STATES

Crop	1977	1978	1979		1980
	Total	Total	Total	Contract	Contract
- 1,000 tons -					
Green lima beans	74.2	82.6	67.9	67.4	57.4
Snap beans	675.9	716.7	768.8	720.6	656.3
Beets	206.2	221.3	244.0	247.0	198.6
Cabbage for kraut	234.7	217.8	238.7	209.2	226.1
Sweet corn	2,376.2	2,428.9	2,445.1	2,442.7	2,190.3
Cucumbers	623.8	685.5	672.9	584.4	540.9
Green peas	488.9	461.1	607.4	607.4	474.8
Spinach	153.7	135.1	154.4	153.7	160.9
Tomatoes	7,779.1	6,368.0	7,331.4	7,242.3	6,297.8
Total	12,612.7	11,317.0	12,530.6	12,274.7	10,803.1

SOURCE: USDA Vegetable Report.

SNAP BEANS FOR PROCESSING: PRODUCTION
AND FARM VALUE, NEW YORK



SOURCE: New York Crop Reporting Service.

The U.S. tonnage of snap beans for canning and freezing is expected to be 9 percent smaller than a year ago, however the larger carryover of processed products will bring only slightly smaller supplies. Although reductions are in prospect in most areas, production is expected to be higher in Wisconsin this season.

Year	Harvested Acreage acres	Yield Per Acre tons	Production tons	Value Per Ton dollars	Total Value 1,000 dol.
1960-64	44,440	1.80	80,080	96.34	7,703
1965-69	51,800	1.86	96,200	90.75	8,730
1970-74	47,540	2.03	96,450	104.62	10,091
1975	48,000	2.21	106,000	161.00	17,066
1976	42,600	1.65	70,300	138.00	9,701
1977	43,000	2.23	96,100	149.00	14,320
1978	50,700	2.13	107,850	150.00	16,178
1979	45,600	2.33	106,250	161.00	17,106
1980*	40,300	2.30	92,690		

* Indicated August 1, 1980 contract only.

DRY EDIBLE BEANS: PRODUCTION BY STATES
1977-1980

State	1977	1978	1979	Indic. 1980
- thousand hundredweight -				
California	2,887	3,323	3,520	3,530
Colorado	1,245	1,530	1,593	2,100
Idaho	2,165	2,494	2,460	3,043
Michigan	5,664	6,210	6,860	7,280
Nebraska	1,767	1,947	2,160	2,625
New York	352	428	480	587
North Dakota	1,103	1,243	1,418	2,400
Other States	1,427	1,847	2,174	2,735
U.S. Total	16,610	19,040	20,665	24,300

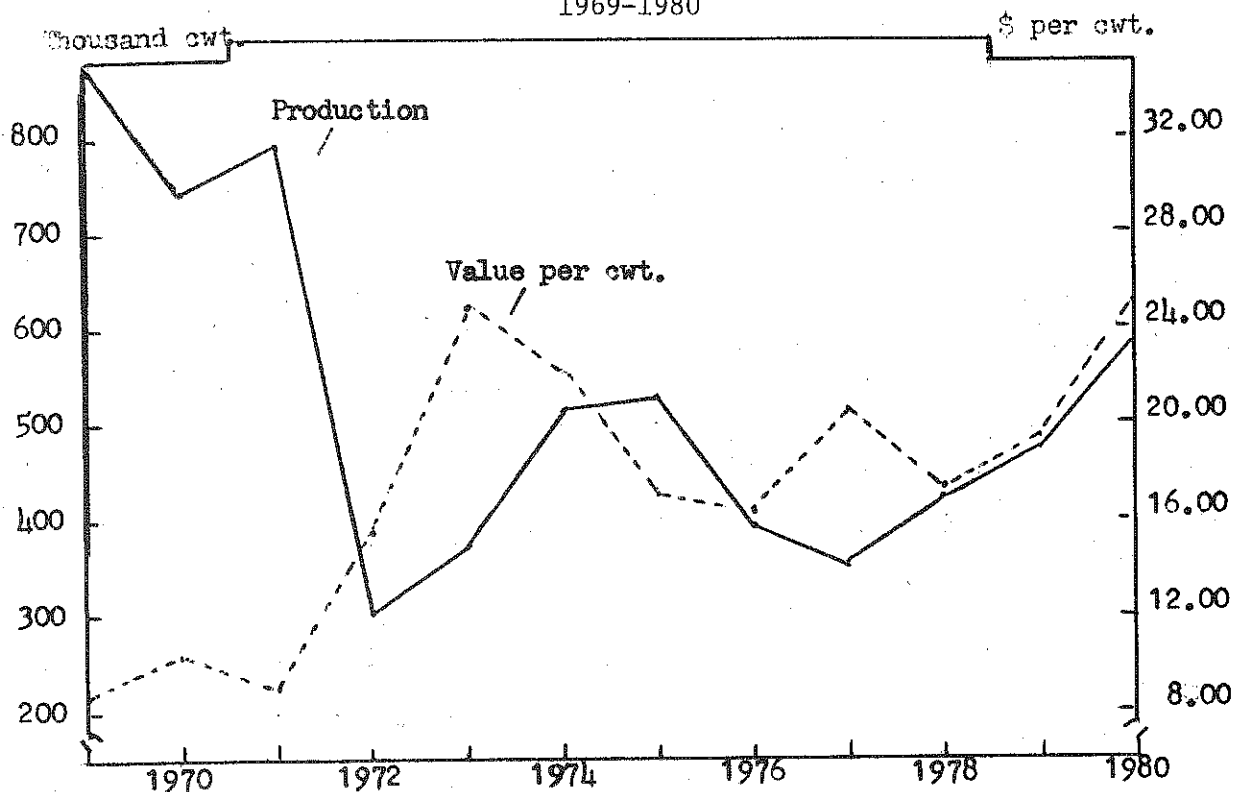
SOURCE: Crop Production, USDA.

U.S. dry bean production in 1980 is a record 24.3 million hundredweight, 17 percent more than last year. All major states except California participated in the increase. A large proportion of the pintos and colored beans were contracted to the government of Mexico, and prices for these classes are relatively high. The white bean classes may not enjoy as favorable returns this season.

DRY EDIBLE BEANS: PRODUCTION BY CLASSES, UNITED STATES

	1977	1978	1979	Indic. 1980
- thousand hundredweight -				
Pea (Navy)	5,209	5,795	6,418	
Great Northern	1,603	1,863	1,998	
Pinto	4,517	5,528	5,940	
Red Kidney	1,285	1,843	1,637	
Pink	753	685	801	
Black Turtle Soup	109	171	263	
Large Lima	540	458	520	
Baby Lima	475	512	650	
Blackeye Ca.	800	778	930	
Other	1,319	1,407	1,508	*
U.S. Total	16,610	19,040	20,665	24,300

DRY EDIBLE BEANS: PRODUCTION AND VALUE, NEW YORK
1969-1980



Favorable prospects for exports encouraged larger dry bean plantings in New York and resulted in the largest crop in recent years. With strong market conditions for colored beans, the value of the crop should exceed that of recent years.

Year	Harvested thousand	Yield Per Acre pounds	Total Production thous. cwt.	Average Farm Value dol. per cwt.	Total Value 1,000 dol.
1960-64	94	1,276	1,192	7.98	9,512
1965-69	85	1,188	1,009	9.20	9,283
1970-74	49	1,121	547	15.39	8,416
1975	47	1,130	531	17.00	8,959
1976	37	1,070	396	16.40	6,445
1977	32	1,100	352	22.20	7,726
1978	42	1,020	428	17.66	7,462
1979	40	1,200	480	19.50	8,736
1980	51	1,150	587	25.00*	14,675*

* Based on October 15, 1980 prices.