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JAPAN — A BILLION DOLLAR CUSTOMER

Japanese agricultural imports from the United States in 1966 are estimated to have reached the \$1 billion mark, making Japan the first country to attain that position and our leading farm market abroad, reports the Economic Research Service.

A study was made of Japan's farm imports in 1964 in order to learn more about this growing market. Results of this study, which were published recently, show that Japan's agricultural imports in 1964 totaled nearly \$2.7 billion, of which the United States supplied \$820 million, or almost one-third. The ERS says that competition in the rapidly expanding and highly prized Japanese market is keen and that increased effort will be required for the United States to maintain and expand its position in this market.

Every product that the United States sells to Japan is at least partially available from another source. Japan is faced with a growing import bill and periodic balance-of-payments problems and, therefore, buys where the terms of trade are most favorable or where purchasing will develop the market for Japanese exports (largely manufactured goods).

The following are the principal farm commodities produced in the Southwest for which Japan is a major U.S. market, together with brief descriptions of the competition faced by the sellers:

Cotton — In 1964, Japan purchased raw cotton from more than 23 countries in line with its policy of scatter-buying in order to

promote exports. While the United States, with 34 percent of the market, remained the largest single supplier of cotton, Mexico, which is our stiffest competitor for sales, captured about 25 percent.

Although Japan recognizes the advantages of U.S. cotton on the basis of quality, uniformity, and availability, price is a large determining factor, according to the ERS. Japan buys heavily when U.S. prices are competitive. Mexican cotton is similar to ours in type, variety, uniformity, and staple length; but in past years, Mexican cotton has tended to sell in world markets at prices which are below those for comparable U.S. qualities.

U.S. cotton is also facing increasingly stiff competition from man-made fibers in the Japanese market. Raw cotton represents Japan's heaviest outlay for farm imports; consequently, the Japanese have been quick to adopt man-made fibers which they can produce themselves, often with raw materials that are available domestically.

Wheat — Although the Japanese Government still encourages domestic wheat production by paying price supports that are above world price levels, it is increasingly turning to the import market to meet its growing needs. The United States and Canada compete vigorously for the Japanese market. In 1960-64, we supplied about 40 percent of the market, and Canada furnished 45.7 percent.

A growing preference for hard wheat in Japan has made it more difficult for the United

States to retain its share of the wheat market. Hard winter wheat grown in the United States has to be transported from our central states to west coast ports. Since Japan prefers to buy wheat on the west coast, the United States has stockpiled hard wheat at that location, and the grain has been offered to Japan at prices which are competitive with those for Canadian wheat. As a result, the United States accounted for 47 percent of the import market in 1964; Canada's share was 39 percent.

Feed grains — With a rapidly expanding livestock industry and only a limited increase in domestic feed grain production, Japan is the world's fastest growing feed grain market. The United States is the top supplier of Japan's rapidly growing imports of grain sorghums. Competition from other countries is minor since exportable supplies are not large. This situation may change, however, as grain sorghums from Argentina and Thailand are entering the picture.

Livestock products — Japan is our largest market for tallow, and we, in turn, are her biggest supplier. In 1964, 85 percent of all tallow imports came from the United States, with Australia, New Zealand, and Canada supplying most of the remainder. The Japanese prefer high-quality U.S. tallow because it is best suited to and most economical for soap-making. Detergents, however, have made serious inroads into the Japanese soap industry, and the future of this market for tallow is questionable.

Another area of large potential is the use of fats in formula feeds for Japan's growing livestock and poultry industries. Surveys in Japan indicate that the potential demand for tallow in feeds could double or triple present imports for all purposes if the tallow were used at the U.S. rates of consumption.

Japan is also our top world market for hides and skins, and demand for leather continues to rise. Competition, however, is increasing from three directions: rising domestic production in Japan from its own growing livestock industry; greater use of leather-like substitutes which are lower in price; and increasing imports from such countries as Australia.

More Boll Weevils Find a Home



More boll weevils went into hibernation this winter than a year earlier in most of the areas surveyed by entomologists in six southern states, reports the U.S. Department of Agriculture. Boll weevil counts were made last fall in Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, and Texas. In order to determine the number of weevils in hibernation, counts are made from samples of wood trash adjacent to cotton fields. The number of weevils surviving the winter, as well as weather conditions during the early part of the cotton fruiting period, determines the potential boll weevil damage to the following year's cotton crop.

Average counts of live weevils per acre in the fall of 1966 were greater than a year earlier in south-central South Carolina, north-central North Carolina, the Piedmont area of North Carolina and South Carolina, the southern tier of counties in Tennessee, and central Texas. (In central Texas, more boll weevils entered hibernation in the fall of 1966 than in any year since 1959.) Counts were lower than in the fall of 1965 in the Coastal Plain of North Carolina and South Carolina, all areas surveyed in Mississippi, and in northeastern Louisiana.

First 1967 Case of Screwworms

The first case of screwworms in the United States this year occurred in Willacy County, Texas, and was reported on January 30 by officials of the Southwestern Screwworm Eradication Program. Steps were taken immediately to wipe out the infestation.

Officials say that the unseasonably warm weather has been ideal for development of the dreaded livestock pest. They urge all stockmen to keep a sharp lookout for possible reinfestations and to continue collecting worm samples for positive identification at the laboratory at Mission, Texas. Assistance on mailing the collected specimens may be obtained from local county agricultural agents.

Farm Real Estate Taxes

State and local farm real estate tax rates are not as high as they were many years ago, reports the Economic Research Service. The tax rate per \$100 of full value of farm real estate is lower, although total payments are higher because of the rising value of farmland.

The U.S. tax rate per \$100 market value of farmland increased from an average of \$1.12 in 1926 to \$1.52 in 1932 and then declined to \$1.12 in 1941. During that period the rates averaged around 15 cents above present levels. Today the rate is about \$1.02 and has held relatively stable at that figure since 1961. Between 1950 and 1959, the rate averaged nearly 93 cents, with only a slight upward trend. Then, a sharp upswing between 1959 and 1961 pushed the rate to its current level.

The stability of the average tax rate during the past few years indicates that taxes and market values of farm real estate have been rising at about the same pace. This situation enables tax-levying bodies to better match available funds with the increasing costs of additional governmental services.

Tax revenues have exceeded each previous year's total for nearly a quarter of a century. State and local taxes levied on U.S. farms were greater than ever in 1965 — \$1.6 billion, or 6 percent above a year earlier.

The ERS says that an acre of farmland may not appear to be much different from one part of the country to another except to a local governing body. In New Jersey, however, the average tax per acre for 1965 was \$12.61. On the other end of the scale, the tax rate for New Mexico was only 17 cents per acre. The national average for 1965 was \$1.61 per acre, compared with \$1.51 in the preceding year. These taxes were about four times greater than 25 years ago. The ERS says that taxes vary among states for several reasons, including (1) differences in farmland value and improvements and (2) the importance of the property tax in both state and local revenue-producing systems.

The following are the percentage increases in taxes levied on farm real estate from 1963

to 1964 for the Eleventh District states: Arizona, 3.8 percent; Louisiana, 1.9 percent; New Mexico, 4.7 percent; Oklahoma, 0.5 percent; and Texas, 3.7 percent.

Ground Temperature Is Important

Root temperature is more important than air temperature in the survival of young cotton plants, according to the Oklahoma Agricultural Experiment Station. Scientists studying the cold tolerance of cotton plants obtained information which indicates that records of soil temperature at about 6 inches below the surface should be a useful guide in determining when to plant the crop. Root temperatures below 68° Fahrenheit may cause sugars to accumulate and slow the growth of cotton seedlings.

Deferred Grazing Boosts Cattle Profits

A deferred rotation grazing system devised by Texas A&M University at its Experimental Ranch in Throckmorton is boosting cattle profits about \$11 a cow per year. Outstanding results have been obtained from both methods of deferred rotation being used, according to Dr. Wm. (Dub) Waldrip, who is in charge of the experimental ranch.

Dr. Waldrip says that the system of grazing used continues to have the most important dollars-and-cents influence upon livestock production. Both the two-pasture and the four-pasture systems of deferred-rotation grazing have produced more and heavier calves than has continuous grazing at the same stocking rate. Thus far, the four-pasture system has resulted in the best weight gains of animals. Weaning weights of calves during the past 6 years have averaged 518 pounds on the four-pasture system, 499 pounds with the two-pasture system, and 487 pounds on continuous grazing.

Calf production per cow averaged 482 pounds under the four-pasture rotation system, 454 pounds under the two-pasture program, and 438 pounds under the continuous grazing system. Dr. Waldrip states that the increased production of the four-pasture system as compared with continuous grazing amounts to about \$11 per cow. The calving percentage

with the four-pasture system was an outstanding 93 percent.

Under the four-pasture system, each pasture is grazed 12 months and then rested 4 months. The system was developed by Dr. Leo Merrill, Range Scientist with Texas A&M University's Ranch Experiment Station in Sonora. Deferred grazing results in not only a larger amount of beef per acre and per cow but also in substantially improved ranges, according to Dr. Waldrip.

"No Mow" Grass

Agricultural researchers at Texas A&M University have developed a dark-green turf grass that actually grows better in moderate shade than in the sunlight. The turf grass, called "No Mow," is a variety of Bermuda grass.

Dr. George McBee, Turf Specialist at Texas A&M University, says that most lawn grasses do not grow well in shady areas, such as under trees or along the sides of buildings. In the Texas A&M University tests, No Mow grew better under low light levels than did ordinary St. Augustine, Bermuda, Tifway, and Bahia grasses.

The new grass grows better under shady conditions primarily because of its short internodes. (An internode is the distance between nodes or the joints in grass.) Ordinary grasses, with longer internodes, usually become spindly and weak when grown under shade. In contrast, No Mow grows to just the right height and density under low light levels.

The specialist cautions that No Mow will not grow without some light. The grass needs about 35 percent of the sunlight in order to attain its best development. Therefore, No Mow grass grows well under trees, since some of the light filters through the branches. It also grows well along the sides of buildings where the sun may shine for only a short time each day.

No Mow grass offers possibilities for use in shopping centers where grass along malls or other indoor areas is desirable. It could also be grown in parks or recreational areas where

there is too much shade for ordinary grasses. The A&M specialist says that many nurseries now have, or can obtain, the No Mow grass.

Farm Land Prices

Farm real estate prices in the United States moved higher during the year ended November 1, 1966, according to a recent report of the U.S. Department of Agriculture. The national index of value per acre reached 157 percent of the 1957-59 average, or 8 percent above a year earlier and 5 percent higher than March 1966. On a regional basis, annual increases ranged from 5 percent in the Pacific area to 12 percent in the Corn Belt. Both the Southeast region and the Delta states showed gains of 9 percent.

Tight credit markets and high interest rates during the past several months, however, partially offset the strong demand for land which resulted from favorable income and a desire for farm enlargement, says the USDA. Consequently, the March-November 1966 gain remained below 6 percent in each region.

Among the 48 states, Iowa, Missouri, and Indiana led the annual farm-price rise, with gains of 13 percent. Illinois, Alabama, Georgia, and Maryland were next, with 12-percent increases. Prices for irrigated land in southern California appeared sluggish and offset stronger gains in prices for dryland and pasture.

The following table shows the indexes of land prices (1957-59 = 100) in the states of the Eleventh Federal Reserve District for November 1, 1966, and comparisons with a year earlier and March 1, 1966.

State	Nov. 1, 1966	Mar. 1, 1966	Nov. 1, 1965
Arizona	167	155	155
Louisiana	187	176	170
New Mexico	161	154	153
Oklahoma	179	169	167
Texas	168	165	158

Lettuce and tomatoes were intercropped with pecans last year on 140 acres of irrigated land at the Stahmann Farms near Las Cruces, New Mexico, reports New Mexico State University.