

FARM AND RANCH BULLETIN

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AGRICULTURAL CREDIT IN THE ELEVENTH DISTRICT EXPANDS

Farm and ranch loans in the five states of the Eleventh District totaled slightly more than \$5.9 billion at the beginning of 1970, up 8 percent from a year before. Non-real estate loans increased 14 percent, while real estate loans grew 5 percent.

The largest proportion of non-real estate loans continued to be held by banks, although the share decreased from 70 percent to 68 percent during the year ended January 1, 1970. In contrast, production credit associations expanded their share of the loan volume from 23 percent to 26 percent of the total. The Farmers Home Administration accounted for the remaining 6 percent, a decrease from 7 percent a year earlier.

All lenders except the FHA, which financed only 1 percent of the loans at the beginning of both 1969 and 1970, increased their holdings of farm real estate loans. Life insurance companies registered only nominal growth but held 30 percent of the loans, compared with 31 percent a year before. Banks shared in 10 percent of the loan volume, up 1 percent from a year ago. Federal land banks held 23 percent and individual lenders 36 percent, the same as in 1969.

The amount of farm loans, as well as the percentage increase in the amount of loans, varied widely in states of the District. The amount of gain in non-real estate loans ranged from 15 percent in Arizona and Texas to 10 percent in Louisiana. In contrast, real estate loans posted a 12-percent rise in Louisiana but only 1 percent in Arizona. PCA's registered the greatest increase in non-real estate loans in the five states, while banks had the largest gain in real estate loans.

Non-Real Estate Farm Loans Held By Principal Lenders

January 1, 1970

(Dollar amounts in thousands)

Area and lender	Amount held	Percent of state total	Percent change from 1969
ARIZONA			
Banks	\$ 225,252	92	17
PCA's	15,733	7	(1)
FHA	3,566	1	4
Total	\$ 244,551	100	15
LOUISIANA			
Banks	\$ 74,701	48	7
PCA's	63,334	41	21
FHA	17,001	11	-9
Total	\$ 155,036	100	10
NEW MEXICO			
Banks	\$ 80,785	57	12
PCA's	54,219	38	20
FHA	7,872	5	-11
Total	\$ 142,876	100	13
OKLAHOMA			
Banks	\$ 315,151	67	7
PCA's	133,191	29	37
FHA	20,830	4	-1
Total	\$ 469,172	100	13
TEXAS			
Banks	\$ 806,823	68	12
PCA's	301,076	25	34
FHA	78,515	7	-11
Total	\$1,186,414	100	15
DISTRICT			
Banks	\$1,502,712	68	11
PCA's	567,553	26	31
FHA	127,784	6	-9
Total	\$2,198,049	100	14

¹ Less than 0.5 percent.

SOURCE: The American Bankers Association.

Farm Real Estate Loans Held By Principal Lenders

January 1, 1970

(Dollar amounts in thousands)

Area and lender	Amount held	Percent of state total	Percent change from 1969
ARIZONA			
Banks	\$ 8,892	3	-9
FLB's	36,355	14	-1
Life ins. cos.	106,164	39	2
Individuals ²	118,930	44	1
FHA	1,296	(1)	16
Total	\$ 271,637	100	1
LOUISIANA			
Banks	\$ 70,675	14	9
FLB's	138,404	26	22
Life ins. cos.	139,496	27	5
Individuals ²	168,252	32	11
FHA	4,565	1	-8
Total	\$ 521,392	100	12
NEW MEXICO			
Banks	\$ 8,653	3	14
FLB's	58,431	21	6
Life ins. cos.	83,555	30	(1)
Individuals ²	127,135	46	3
FHA	1,365	(1)	-8
Total	\$ 279,139	100	3
OKLAHOMA			
Banks	\$ 94,414	15	12
FLB's	126,214	20	13
Life ins. cos.	175,698	28	-1
Individuals ²	229,290	36	6
FHA	6,066	1	-7
Total	\$ 631,682	100	6
TEXAS			
Banks	\$ 196,257	10	20
FLB's	501,618	25	5
Life ins. cos.	614,175	30	1
Individuals ²	698,850	34	5
FHA	12,948	1	-5
Total	\$2,023,848	100	5
DISTRICT			
Banks	\$ 378,891	10	15
FLB's	861,022	23	9
Life ins. cos.	1,119,088	30	1
Individuals ²	1,342,457	36	5
FHA	26,240	1	-5
Total	\$3,727,698	100	5

¹ Less than 0.5 percent.

² Estimates—individuals and all other sources of funds.

SOURCE: The American Bankers Association.

FIRST QUARTER U.S. FARM EXPORTS SET RECORD

U.S. agricultural exports in the first quarter of fiscal 1971 totaled \$1,648 million, nearly one-fifth above the \$1,410 million for the same quarter in 1969. The record-breaking pace in the first quarter was an acceleration of the 16-percent advance in

agricultural exports in fiscal 1970, when shipments totaled \$6,646 million. That total is the third highest on record and is only 2 percent below the previous peak of \$6,771 million reached in fiscal 1967, according to a recent USDA report.

Soybean exports were nearly double those of a year earlier and accounted for much of the overall gain. The value of wheat grain exports was up two-fifths and contributed significantly to the increase during the period. Exports of soybean meal, fruits and vegetables, dairy products, lard, tallow, and soybean oil also rose. The value of exports of cotton, tobacco, hides, pork, and rice declined over the same period.

Agricultural exports to Japan—the top overseas market—advanced 23 percent in July-September 1970 to \$291 million. The European Community increased its purchases of U.S. farm products by 27 percent to \$358 million. Most of the gain in the European Community was in the nonvariable levy commodities, primarily soybeans.

CHANGES IN THE STRUCTURE OF THE EGG INDUSTRY

Many changes have occurred in the egg industry since the advent of specialized flocks for egg production. The development of the broiler industry from the spring fryer markets has resulted in more emphasis being placed on the development of laying flocks for the sole purpose of producing eggs more efficiently. Consequently, the number of eggs produced per hen has increased due to a combination of improved technology, management practices, and feeding efficiency. Other characteristics of the industry are discussed below.

Fewer But Larger Producers

The number of farms selling eggs fell sharply from 2.4 million in 1949 to 527,000 in 1964. More eggs are being produced by fewer growers in a system that is moving toward more coordinated production.

Growth of Contract Production

Total egg production under some type of contractual arrangement between the grower and other firms associated with the industry was probably less than 5 percent in the late 1950's. By 1968, however, eggs produced under contract were estimated to account for 30 to 35 percent

District states account for about 6 percent of egg production in the nation

(In millions)

Area	1960	1965	1969	Percent change, 1969 from	
				1960	1965
Arizona	164	208	227	38	9
Louisiana	526	712	839	60	18
New Mexico	135	145	192	42	32
Oklahoma	610	518	565	-7	9
Texas	2,406	2,606	2,651	10	2
Total	3,841	4,189	4,474	16	7
United States	61,602	65,692	68,925	12	5

SOURCE: U.S. Department of Agriculture.

of total egg production. Egg handlers, feed companies, and producers had developed both contract-production and owner-integrated programs to help solve quality, supply, and cost problems and to expand outlets for feed. Growers had entered into contract programs in order to enlarge operations, reduce risks, acquire financial and technical assistance, and establish market outlets.

Shift in Production to South and West

Egg production in the past decade has tended to shift to the South and the West. From 1959 to 1969, output increased 75 percent in the South and 39 percent in the West. In the same period, production in the North fell more than a fourth, with most of the decline in the north-central region.

Marketing Changes

Prior to the 1960's, around two-thirds of all eggs produced moved through wholesale distributors to retailers and institutional buyers. About half of the eggs handled by these firms came from producers and the remainder from assembler-packers. Since 1960, assembler-packers have become predominant. In recent years, large-scale producers have tended to ship eggs direct to wholesale markets or to sell direct to large retail outlets.

Consumption Growth Slow

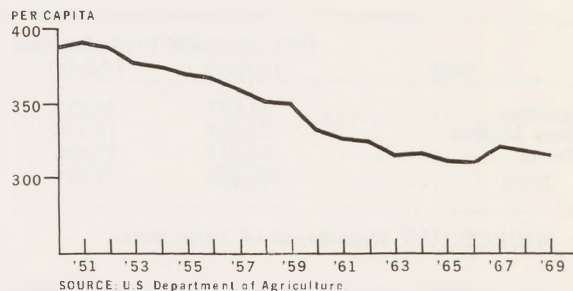
Total use of eggs has trended upward slowly, from 4.9 billion dozen in 1950 to 5.3 billion dozen in 1969 — an 8-percent gain. Consumption increased during the 1950's, declined in the early 1960's, and has moved upward slowly since 1963.

Price Declines

Egg prices have generally declined in the last quarter-century. Prices paid to producers averaged 46 cents a dozen in 1947-49. Since 1950,

prices trended generally downward to a low of 31 cents a dozen in 1967. Prices showed some recovery in 1968 and were particularly strong in 1969. A small reduction in egg output, strong consumer demand, relatively high meat prices, and increased quantities of eggs being used for both hatchery and breaking purposes contributed to the strength in 1969.

Per capita egg consumption trends downward



Even though prices of eggs have trended downward over the years, per capita egg use has also declined. Less strenuous work for much of the population has reduced the need for a large breakfast; and with more married women in the labor force, eggs for breakfast have been replaced to a great extent by foods such as cereals, which are faster and easier to prepare.

Slow Expansion

The USDA expects that egg production and use will continue to expand slowly during the 1970's — probably around 1 percent a year. Output per hen will likely continue to increase gradually to around 230 eggs per year by 1980, compared with 220 in 1969. Per capita consumption of eggs probably will trend downward by about 5 percent from the 316 eggs consumed in 1969.

COTTON ALLOTMENTS ANNOUNCED FOR 1971

Upland Cotton. On October 15 the USDA announced a national marketing quota of 14.2 million bales and an allotment of 16 million acres for the 1971 upland cotton crop. The acreage allotment is 1 million acres less than the 1970 allotment and is the smallest permitted under the present law. The marketing quota of 14.2 million bales was determined by relating the 16 million acre allotment to a four-year (1966-69) average yield of 426 pounds per planted acre.

Extra-Long Staple Cotton. A marketing quota of 120,000 bales and an allotment of 117,791 acres have been set for the nation's 1971 crop of extra-long staple cotton. The allotment is 39,393 acres larger than for 1970 — an increase of 50 percent over a year ago. Most of the national allotment has been apportioned to three states of the Eleventh District — Arizona, New Mexico, and Texas. The following are acreage allotments for extra-long staple cotton for these states.

State	1971 allotment (Acres)	1970 allotment (Acres)
Arizona	51,097	34,037
New Mexico	23,933	15,914
Texas	41,613	27,666
Total	116,643	77,617

SOURCE: U.S. Department of Agriculture.

Twenty-seven counties in the three states were designated as suitable for the production of extra-long staple cotton.

Arizona	New Mexico	Texas
Cochise	Chaves	Brewster
Gila	Dona Ana	Culberson
Graham	Eddy	El Paso
Greenlee	Hidalgo	Hudspeth
Maricopa	Luna	Jeff Davis
Mohave	Otero	Loving
Pima	Sierra	Pecos
Pinal		Presidio
Yavapai		Reeves
Yuma		Ward

SOURCE: U.S. Department of Agriculture.

FARM FACTS

In a total population of over 200 million people, one out of 20 Americans lives on a farm. The nation has 2.9 million farms and a farm population of 10.3 million.

Crops were harvested from a total of 294 million acres in 1969 — about 13 percent of total U.S. land area. Since some acreage is double-cropped, however, 334 million acres were actually used for crops. The top three crops by volume in 1969 were corn (4.6 billion bushels), wheat (about 1.5 billion bushels), and soybeans (1.1 billion bushels). Last year, average yield per acre for corn was 83.9 bushels; for sorghum, 55.2 bushels; for wheat, 30.7 bushels; and for soybeans, 27.3 bushels.

Farmers' gross income in 1969 was \$54.6 billion, and net farm income was \$16.2 billion — or \$5,437 per farm. After-tax income of farm residents from all sources averaged \$2,431 per person in 1969 — about 77 percent of earnings by non-farm residents.

A total of 12 million tons of plant nutrients (nitrogen, phosphorus, and potassium) were used in the United States and Puerto Rico during the year ended June 30, 1969. Approximately 15 percent of the total was for nonfarm use. Average fertilizer application per acre in fiscal 1969 was approximately 40 pounds of nitrogen, 12 pounds of phosphorus, and 19 pounds of potassium.

Output of about one of every five acres harvested is exported. Exports of U.S. farm products added up to \$6.6 billion during the year ended June 30, 1970. Food grains, feed grains, and soybeans each accounted for around 15 percent of total export earnings. Imports of agricultural products were valued at \$5.5 billion during fiscal year 1970.

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