

# USDA forecasts slow farm economy

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dozen, slightly above the 73 cents of a year ago. With continued tight consumer budgets and plentiful supplies of meat, wholesale egg prices in New York may average 75 to 78 cents in October-December, near the 77 cents of fourth-quarter 1980.

### Turkeys

Even though unfavorable returns reduced the hatch from January through April 1981, turkey production in the third quarter was about 8 percent above a year earlier. The number of poults hatched suggests that production in the fourth quarter may exceed 1980 by 4 percent.

Record large turkey stocks and increased production are depressing turkey prices. Wholesale prices for young, 8 to 16 pound hen turkeys in New York averaged 59.5 cents in September, down from 74.5 cents last year.

Prices in the third quarter averaged 62.7 cents, down from 68.3 cents last year. Fourth-quarter prices are expected to average 55 to 57 cents, well below last year's 73 cents.

### Crop

#### Soybeans

While 1981/82 U.S. soybean supplies will rebound sharply from last season's drought-reduced level, demand factors suggest only moderate gains in use.

Soybean production is forecast to jump 18 percent this year to 2.1 billion bushels, as higher yields

outweigh the 2-million-acre drop in planted acreage. Larger production combined with a carryin of 320 million bushels will boost total soybean supplies to 2.4 billion bushels.

As indications of a bumper crop rolled in, soybean prices at the farm declined sharply — dropping from \$7.42 a bushel in May to \$6.29 in mid-September.

Without significant changes in the demand picture, prices are apt to continue at their current low levels through the heavy harvest period of October-December. The season average price is expected to fall between \$5.50 and \$7.00.

Total disappearance in 1981/82 is projected to reach 2.0 billion bushels, up only 9 percent from last season. Prospects for improved crushing margins resulting from relatively weak soybean prices will help bolster demand for domestic crushing — now forecast to rise 60 million bushels to 1,080 million.

A similar increase is projected for exports, which could reach 840 million bushels this season. Despite these increases, carryover stocks are projected to rise about a third to a record 420 million.

#### Feed Grains

As of October 1, the 1981 feed grain crop was forecast at a record 245.3 million metric tons, nearly 4 million above the September forecast and 7 million above the previous record set in 1979. The

forecast corn crop of 8.08 billion bushels (205 million metric tons) is up 2 percent from the September forecast. Total feed grain supplies are projected at 280.2 million tons, 11 percent above last year but 2 percent below 1979/80.

Feed use of all feed grains is expected to climb about 4 percent in 1981/82 to 130 million tons. The estimate of corn exports was raised 50 million bushels to 2,500 million because of increased trade prospects with the Soviet Union. Total feed grain exports are forecast at 74.1 million tons, up 6 percent from last year.

With a larger corn crop in prospect, carryover stocks will likely increase more than previously estimated. By the end of 1981/82, carryover stocks will likely be about 1.5 billion bushels, with total feed grain stocks projected at 50.0 million tons.

Larger supplies and an expected buildup of stocks have dampened the price outlook. This prompted opening of the farmer-owner reserve to 1981 corn, sorghum, and barley and to 1980 grain still under a regular CCC loan. Season average corn prices are now projected at \$2.60 to \$2.90 a bushel, compared with 1980/81's \$3.10.

#### Wheat

The supply of wheat for 1981/82 is a record 3.74 billion bushels. However, total domestic use and exports are expected to exceed the record production of 2.75 billion

bushels, leaving carryover stocks down from a year earlier.

Feed use for 1981/82 was forecast in late October at 200 million bushels, 75 million above the previous estimate. Stronger world demand, particularly from the USSR, is estimated to expand U.S. shipments to a new high of 1.9

billion bushels — 26 percent more than last season's record.

Although early season farm prices for wheat have been the lowest in 3 years, the increasing demand is expected to improve the price level. Still, the 1981/82 average farm price will likely be below last season's \$3.96 a bushel

## What price is a conservation practice?

By Herbert L. Brodie  
Extension Ag Engineer

COLLEGE PARK, Md. — Each day I pass a field which once had a grassed waterway to carry upland runoff across the property.

This spring the field was disced and the waterway was eliminated, apparently to save time and management effort. The field was then left to stand fallow.

After the first rain it was obvious that, although the grass was gone, the waterway was still there. The runoff followed its natural path and took soil with it, forming a gully. With each succeeding rain through May and June the gully grew in size.

The field was again disced to smooth the gully, and soybeans were planted. More rain produced another gully. As the season progressed the beans grew, and so did the gully.

The gully is about 1,200 feet long, 25 feet wide and 2 feet deep in the center. This is a void of about 30,000 cubic feet or about 1,000 tons of soil moved from the field in less than six months. This amount of topsoil would cost about \$14,000. Obviously, this farmer doesn't put that much value on his soil.

In a nearby field of corn, the land

was plowed and planted up to the road ditch. Eroded soil covers the road and has filled the ditch. This farmer not only throws away soil, but he pays taxes to have the county clean the ditches and take his soil away.

Is the operation of machinery so complicated that tillage tools cannot be lifted across a grassed waterway without destroying it? How much additional combine maintenance will result from crossing a gully on every field pass? Is the value of corn in end rows so high that grass buffer strips cannot be maintained to prevent soil loss?

What is soil worth on your farm? If you're just going to let runoff carry it away, give me a call. I'll arrange for a loader and a truck and we'll sell the soil to someone who can put it to better use. That way you'll get some income and road crews can spend their time fixing roads rather than cleaning ditches. Unfortunately, we won't stop the erosion of the remaining soil. Only conservation practices can do that. Contact your local Cooperative Extension office or Soil Conservation District office for assistance.

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