



Dateline ERS

New ERS research and analysis at: www.ers.usda.gov

Economic Research Service

June 2008

U.S. Department of Agriculture

ERS is the main source of research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.



Commodity Markets
and Trade

ERS Outlook reports provide timely analysis of major commodity markets and trade.

This Month

- Wheat
- Feed
- Cotton and Wool
- Rice
- Oil Crops
- Sugar and Sweeteners
- Fruit and Tree Nuts

All reports along with a calendar of future releases are available at:

www.ers.usda.gov/publications/outlook

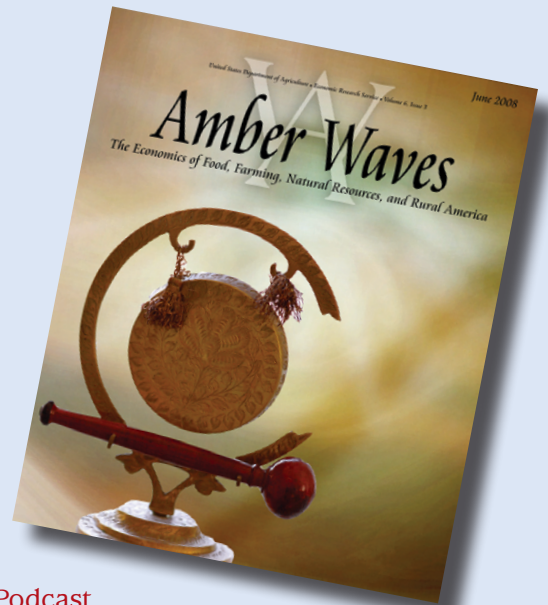
Amber Waves

www.ers.usda.gov/AmberWaves

Who Will China Feed?

While China has emerged as the world's leading importer of soybeans, vegetable oil, cotton, wool, rubber, and animal hides, it has been surprisingly successful at meeting the basic food needs of its population of more than 1.3 billion people, and it has stepped up as a major food exporter. How long can China sustain this momentum?

You can also listen to a discussion with the article's author: www.ers.usda.gov/Podcast.



Food Stamps and Obesity: What We Know and What It Means

Critics of the Food Stamp Program point to higher rates of obesity among some low-income populations and question whether the program might have been too successful in boosting food consumption. They assert that giving assistance in the form of benefits redeemable for food, instead of cash, has led participants to spend more on food and eat more than they would have otherwise. Others wonder if the monthly issuance of food stamp benefits is linked to boom-and-bust cycles of consumption that could lead to weight gain over the long term.

World Trade Organization and Globalization Help Facilitate Growth in Agricultural Trade

In recent years, the World Trade Organization (WTO) has become a focal point of the globalization controversy, largely due to its visible role in reducing barriers to trade in goods and services. Despite strong criticism of the WTO, its membership continues to grow as countries seek the benefits of expanding trade.

Defining the "Rural" in Rural America

Rural and urban are multidimensional concepts, making clear-cut distinctions between the two difficult. Because the United States is a nation in which so many people live in areas that are not clearly rural or urban, seemingly small changes in the way rural areas are defined can have large impacts on who and what are considered rural.

Close to \$54.3 Billion Allocated to Food Assistance Programs in 2007

www.ers.usda.gov/Publications/EIB6-5

Federal expenditures for USDA's food assistance programs totaled almost \$54.3 billion in fiscal 2007. *The Food Assistance Landscape: FY 2007 Annual Report* uses preliminary data from the Food and Nutrition Service to examine trends in the programs through fiscal 2007. It also discusses a series of recent ERS reports that compile evidence to help answer the question of whether the Food Stamp Program can do more to improve the food choices of participants.

Organic Outlets Expanding

www.ers.usda.gov/Publications/EIB36

The organic sector has expanded rapidly over the last decade, as retail sales of organic food increased to \$15.7 billion in 2006. As sales have grown, so have the number and types of outlets selling organic products. A large share of organic handlers are mixed operations that handle both organic and conventional products, and most began as conventional firms that converted to handling organic products. More than three-quarters of the firms are independent, and most are small. *The U.S. Organic Handling Sector in 2004: Baseline Findings of the Nationwide Survey of Organic Manufacturers, Processors, and Distributors* uses ERS survey findings to present a baseline view of the organic handling sector.



Dry Peas and Lentils: Marketing Loan Effects

www.ers.usda.gov/Publications/ERR58

The 2002 Farm Act required USDA to implement marketing loans for the 2002-07 crops of dry peas, lentils, and small chickpeas. This provision led to expanded acreage for dry peas and lentils, crops analyzed in this study. *Effects of Marketing Loans on U.S. Dry Peas and Lentils: Supply Response and World Trade* found that marketing loans played a role in expansion for dry peas in 2003-05 and for lentils in 2003.



Global Agricultural Supply and Demand: Factors Contributing to the Recent Increase in Food Commodity Prices

www.ers.usda.gov/Publications/WRS0801/WRS0801.pdf

World market prices for major food commodities such as grains and vegetable oils have risen sharply to historic highs. Many factors have contributed to the runup in food commodity prices. Some factors reflect trends of slower growth in production and more rapid growth in demand that have contributed to a tightening of world balances of grains and oilseeds over the last decade. Recent factors that have further tightened world markets include increased global demand for biofuels feedstocks and adverse weather conditions in 2006 and 2007 in some major grain- and oilseed-producing areas. Other factors that have added to global food commodity price inflation include the declining value of the U.S. dollar, rising energy prices, increasing agricultural costs of production, growing foreign exchange holdings by major food-importing countries, and policies adopted recently by some exporting and importing countries to mitigate their own food price inflation.

*For more information on factors in food commodity price increases see our web feature:

www.ers.usda.gov/features/commoditypricefactors

How to get more information...

More information about the items featured in DatelineERS can be found on our Website: www.ers.usda.gov by going to the web address listed in each article. This newsletter is available online at www.ers.usda.gov/news