

DatelineERS

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

Economic Research Service

September 2009

U.S. Department of Agriculture

ERS is a primary source of economic 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

- Cotton and Wool
- Feed
- Fruit and Tree Nuts
- Livestock, Dairy, and Poultry
- Oil Crops
- Rice
- Wheat

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

www.ers.usda.gov/publications/outlook

Measuring Food Insecurity in Households with Children

www.ers.usda.gov/Publications/EIB56/

Eighty-four percent of U.S. households with children were food secure throughout 2007, meaning that they had consistent access to adequate food for active, healthy lives for all household members. Nearly 16 percent of U.S. households with children were food insecure sometime during the year, including 8.3 percent in which children themselves were food insecure and 0.8 percent in which one or more children experienced very low food security—the most severe food-insecure condition measured by the U.S. Department of Agriculture. *Food Insecurity in Households with Children: Prevalence, Severity, and Household Characteristics* found that about 85 percent of households with food-insecure children had a working adult, including 70 percent with a full-time worker. Fewer than half of households with food-insecure children included an adult educated past high school. Thus, job opportunities and wage rates for less educated workers are important factors affecting the food security of children. In 2007, Federal food and nutrition assistance programs provided benefits to four out of five low-income, food-insecure households with children.

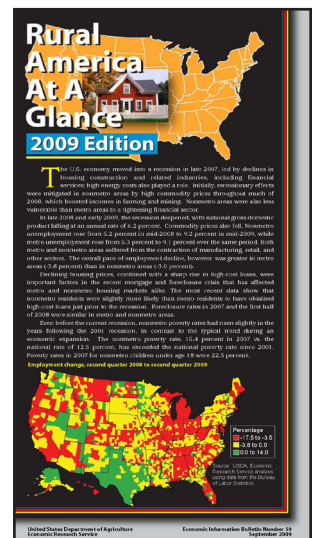


Shutterstock

The Recession's Impact on Rural America

www.ers.usda.gov/Publications/EIB59/

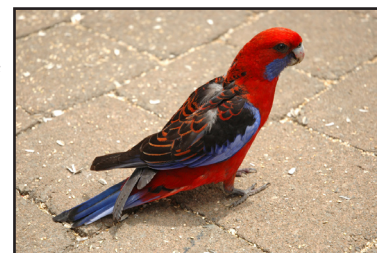
The 2009 edition of *Rural America At A Glance* deals with effects of the major recession on rural America. Initially, effects of the recession were mitigated in nonmetro areas by high commodity prices throughout much of 2008, but as the recession deepened, prices fell. Both nonmetro and metro areas experienced rising unemployment as manufacturing and other major employment sectors contracted, and they were similarly affected by the mortgage foreclosure crisis. However, even before the current recession, nonmetro poverty rates had risen in the growth years after the 2001 recession, against the usual trend during a time of economic expansion; the nonmetro poverty rate has exceeded the national poverty rate since 2001. The nonmetro population continued to grow in 2007 and 2008, but at less than half the rate of the metro population. Nonmetro growth is largely due to a rise in births, offsetting a decline in net migration from metro to nonmetro areas.



The Impact of Agricultural and Wildlife Smuggling Bans

www.ers.usda.gov/Publications/ERR81/

The United States bans imports of certain agricultural and wildlife goods that may pose unique risks to the environment or the agricultural economy. Despite these bans, contraband is regularly discovered during inspections of cargo containers and found for sale in domestic markets. Agricultural and wildlife smuggling primarily involves luxury items and jewelry made from animal parts; ethnic foods, such as szechuan peppers and tropical fruits; and specialty goods, including traditional medicines. The *Economics of Agricultural*



and Wildlife Smuggling study reveals that incidents of detected smuggling are disproportionately higher for agricultural goods originating in China and for wildlife goods originating in Mexico. Data show that approximately 1 percent of all commercial wildlife shipments to the United States and 0.40 percent of all U.S. wildlife imports by value are refused entry and suspected of being smuggled.

New USDA Model Forecasts Cotton Prices for the First Time in 80 Years

www.ers.usda.gov/Publications/ERR80/

Legislative changes in 2008 authorized USDA to resume publishing cotton price forecasts for the first time in nearly 80 years. Systematic problems have become apparent in the forecasting models used by USDA and elsewhere, highlighting the need for an updated review of price relationships. A structural break in the U.S. cotton industry occurred in 1999, and world cotton supply has become an important determinant of U.S. cotton prices, along with China's trade and production policy. The model highlighted in *U.S. Cotton Prices and the World Cotton Market: Forecasting and Structural Change* forecasts changes in the U.S. upland cotton farm price based on: changes in U.S. cotton supply, the U.S. stocks-to-use ratio (S/U), China's net imports as a share of world consumption, the foreign supply of cotton, and selected farm policy parameters.

Also New...

Net Farm Income Forecast To Be Significantly Lower in 2009

www.ers.usda.gov/Briefing/FarmIncome/nationalestimates.htm

Net farm income is forecast to be \$54.0 billion in 2009, down \$33.2 billion (38 percent) from the preliminary estimate of \$87.2 billion for 2008. The 2009 forecast is \$9 billion below the average of \$63.2 billion in net farm income earned in the previous 10 years. Watch the ERS website for the November update.

Broadband Internet's Value for Rural America

www.ers.usda.gov/Publications/ERR78/

During the past two decades, the Internet has grown rapidly, joining telephones, televisions, and cars as a common necessity and becoming an integral part of the economy. This rapid growth in broadband service is providing economic and societal benefits to rural areas.

Agricultural Land Tenure and Carbon Offsets

www.ers.usda.gov/Publications/EB14/

The agriculture and forestry sectors have the ability to remove carbon dioxide from the atmosphere and store/sequester it in soils and plant matter. While agriculture is generally excluded from environmental regulations, its ability to offset greenhouse gas (GHG) emissions from regulated sources means agriculture could play an important role in climate policies. This brochure examines whether farmers' ownership of the land they operate might influence potential participation in a program to sell emission offsets to regulated industries.

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