

Farm household income & wealth . . . Trade & the services sector . . .  
Wheat outlook . . . Trade remedy laws . . . Tobacco quotas

**Corn & Soybean Plantings  
Change Little from Spring Intentions**

*Planted area* for the eight major U.S. field crops (corn, sorghum, barley, oats, soybeans, wheat, cotton, and rice) is estimated at 249.1 million acres in 2002, up slightly from last year, based on USDA's *Acreage* report. Increases in corn, wheat, barley, and oats are partially offset by decreases in soybeans, cotton, rice, and sorghum. Hay area is estimated up more than 1 million acres.

**U.S. Wheat Output & Exports  
To Decline in 2002/03**

*Prospects for the lowest* U.S. wheat exports in more than 30 years are dominating the 2002/03 U.S. wheat outlook. Smaller U.S. supplies, shrinking global imports, and intense competition are combining to reduce U.S. exports. Despite a further drop in U.S. ending stocks this year, bleak export prospects dampen the price advantages from declining stocks. The projected price range for 2002/03 is \$2.75 to \$3.35 per bushel.

**Is There a Tobacco Quota Buyout  
In the Future?**

*During the current session* of Congress, several tobacco buyout bills have been submitted that would modify the tobacco program and provide for government purchase of quota from growers or other quota owners. Declining demand for tobacco is limiting the amount of quota available, and increased use of marketing contracts is reducing the amount of tobacco eligible for price support. Some growers seem ready to accept buyouts and give up the security of the price support safety net for greater freedom in making production and marketing decisions.

**Rural Residential Land Use:  
Tracking Its Growth**

*Among the most rapidly growing* land uses in the U.S. is land for rural residences. Residential land use in rural areas has increased more rapidly than in urban areas, not only in percentage terms but



also in absolute numbers: 1 million acres per year compared with 420,000 acres. Rural residential lots tend to be much larger than urban lots: 60 percent of the residential acreage is in lots of over 10 acres. While land in residential use in rural areas is a small proportion of total U.S. land use, this phenomenon has implications for farmland prices and the availability of land for agriculture and forestry, and can affect rural amenities and the rural environment.

**The Services Sector: Its Role  
In World Food Production & Trade**

*Trade in services* is growing faster than merchandise trade. In the U.S. and other developed economies the services sector accounts for more than two-thirds of gross domestic product. The food system is increasingly affected by service sector growth—a growing share of consumers' food expenditures and farmers' input costs are for services. It may be time to shift the focus of policy reform from agricultural production to the broader food system.

**African Growth & Opportunity Act:  
How Much Opportunity?**

*For Sub-Saharan Africa* (SSA), trade could play a crucial role in economic development. To help create incentives for SSA countries to implement domestic economic and political reforms and improve market opportunities, Congress passed the African Growth and Opportunity Act (AGOA) in May 2000. AGOA provides preferential access to U.S. markets for designated Sub-Saharan countries and improved access to credit and technical expertise.

**Trade Remedy Laws & Agriculture**

*During the past century*, governments of industrialized nations devised three basic trade remedies—countervailing duties, antidumping provisions, and safeguards—as defense measures against imports causing injury to domestic industry. The Uruguay Round of international trade negotiations, which established the World Trade Organization (WTO), attempted to discipline inappropriate use of these trade remedies. Even so, trade remedies are being increasingly employed by WTO members against agricultural products, particularly value-added products. As a major exporter of high-value products, U.S. agriculture has a substantial interest in the outcome of WTO negotiations in the current Doha Round.

**Assessing the Economic Well-Being  
Of Farm Households**

*While farm income* or commodity prices are often cited as indicators of the economic well-being of farm households, the resulting picture is certainly incomplete and most likely distorted. The level of wealth, as well as the level of income from both farm and nonfarm sources, affects the consumption potential of farm households. A comprehensive assessment of well-being must therefore consider household wealth as well as income and consumption. Nearly half of all farm operator households had both higher income and higher wealth than all U.S. households in 2000.