

EFFECTS OF CHANGES IN CROP REPORTS  
AND MARKET NEWS ON THE NORTHEAST

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## Introduction

In an uncertain and ever-changing world, President Reagan has provided consistency. On entering office in January 1981, he promised to reduce the federal budget by cutting away fat and improving efficiency and by installing more business-like procedures in government. True to his word, he succeeded during the first ten months of his term in having a budget adopted which in its scope and philosophy marked a major departure from tradition dating from the Great Depression. In regards to the budget, the first half of 1982 has proven to be a far less decisive period than those heady early months. But while the particular outcome of the budget debate remains very much uncertain, it is evident that there will be continuing cuts in federal non-defense spending during the next several fiscal years and beyond.

Whatever their political beliefs may be, economists as a group recognize that these budget cuts were not (and will not be) Pareto Optimal; definite beneficiaries and losers can be identified. The purpose of this paper is to examine the losses in one small category--the reduction in crop reports and market news necessitated by the budgetary restrictions, and in other instances the placing of fees on reports heretofore available free. To keep this task tractable, emphasis shall be given to those agricultural commodities produced and/or processed in volume within the Northeast (New England, New York, New Jersey, Pennsylvania, Maryland and Delaware), the region on which this analysis is focused. This restriction of the topic will mean limiting attention paid to crops such as sugar and peanuts. While these are important in a macro sense to Northeastern groups concerned about the basic availability of certain commodities or the overall situation of the agricultural sector, they are nevertheless of peripheral importance in their own right. Here "groups" is defined as including producers, handlers

and processors and related participants as well as research and extension economists who may use such statistical information in their empirical models or when working with client groups.

The following section contains an analysis of the effects of alterations on the scope and availability of information. First theory and past experience is reviewed and then the opinion of a cross-section of users is presented. However, before proceeding to that stage it is first necessary to catalogue just what has been affected and what has not, at least by mid-1982. This list is somewhat more varied across the region than might be expected as several states will, at least for the time being, maintain at current or reduced levels a number of reports discontinued at the national level. The cataloguing effort involves the remainder of this section.

#### Current Status of Crop and Market News Reports

An initial distinction must be made between placing reports on a fee basis and terminating or abridging those reports. It is currently required that all USDA periodical reports (a designation which includes all those described herein) be provided on a fee basis only. State departments of agriculture are largely unaffected and many continue to provide their own crop and market reports free of charge. In addition to instituting user fees the Federal Crop Reporting Board has deleted some reports available in the past. These are crossed off in the 1982 Calendar (figure 1). These are detailed in an easier-to-read fashion in table 1. A number of these reports, such as those for catfish, trout and even mink, are of little relevance to the Northeast and are not discussed further. Conversely, several attract sufficient interest in one or more of the Northeastern states to be retained at state expense, at least for the present. These reports are described in

FIGURE 1  
**1982 Crop Reporting Board** (REVISED)  
 CALENDAR

	Monday	Tuesday	Wednesday	Thursday	Friday	Monday	Tuesday	Wednesday	Thursday	Friday	
JANUARY									1 Heavy Breeder Poultry Slaughter	2 Milk from Cows & Non-Lactating Supplement	JULY
						5 Holiday	6	7 Celery	8 Milk	9 Fat-Finish Beef (Slaughter-Process)	
						10 Crop Production	13	14	15 Vegetables, Egg Products	16 Milk Production	
						18 Dairy on Farm (Monthly)	20 Cattle: Farm Production Expenditures, 1981	21 Lamb-Sheep-Goat	22 Livestock Slaughter	23 Heavy Breeder Poultry Processing: Egg, Live Pigs & Turkeys	
						24 Market Summary: Agricultural Prices	27	28	29	30 Live-Finisher: Agricultural Prices	
FEBRUARY						2 Dairy Products	3 Cattle: Poultry Slaughter	4 Fluid Cow/Goat	5 Vegetables	6 Fat-Finisher (Slaughter)	AUGUST
						9	10	11 Crop Production	12 Live-Finisher: Egg Products	13 Multiresidue Cattle on Feed	
						14 Government Supplies by Varieties	17 Veg-Seed Stocks: Quantities	18	19 Live Stocks: Slaughter-Processing	21 Live-Finisher: Live Weights	
						23 Eggs, Chickens & Turkeys	24 Farm Labor	25 Poultry Stocks & Processing: Sugar-Market: Statistics	26 Cattle	27	
						30	31 Com-Fertilizers: Agricultural Prices				
MARCH								1 Heavy Breeder Poultry Slaughter	2	3 Celery	SEPTEMBER
						6 Holiday	7	8	9 Vegetables, Egg Products	10 Crop Production	
						13 Milk Production	14 Cattle on Feed	15	16 Hog Stocks	17 Heavy Breeder Poultry Processing: Slaughter-Process	
						20 Cattle-Slaughter: Carcass	21	22 Soybean Stocks: Hogs & Pigs	23 Livestock Slaughter: Eggs, Chickens & Turkeys	24 Heavy Breeder Poultry Processing: Sugar-Market: Statistics: Egg Products	
						27	28 Potatoes & Sweetpotatoes	29	30 Com-Fertilizers: Agricultural Prices		
APRIL								1 Dairy Products, Poultry Slaughter	2 Meat Animals: Prod. Drop & Increase	3 Heavy Breeder Poultry Slaughter	OCTOBER
						5 Capacity of Refrigerated Warehouses	6 Celery	7	8 Poultry Prod. Drop & Increase	9 Fluid Cow/Goat: Vegetables	
						12 Milk Production	13	14	15 Potato Stocks	16	
						20 Cattle	21 Eggs, Chickens & Turkeys	22 Heavy Breeder Poultry Processing: Livestock Slaughter: Egg Products	23	24 Heavy Breeder Poultry Processing: Sugar-Market: Statistics: Egg Products	
						28 Sugar Market: Statistics	27	28	29 Dairy Products	30 Com-Fertilizers: Agricultural Prices	
MAY								1 Dairy Products	2 Poultry Slaughter	3	NOVEMBER
						4 Cherry Production	5 Celery	6	7 Live-Finisher: Live Weights	8 Vegetables	
						11 Holiday	12 Crop Production	13 Milk Production	14	15 Adulterated	
						18	19 Cattle on Feed; Cold Storage	20 Cattle: Eggs, Chickens & Turkeys	21 Grain Stocks: Live Stocks	22 Heavy Breeder Poultry Processing: Livestock Slaughter	
						25	26 Sugar Market: Statistics	27	28	29 Com-Fertilizers: Agricultural Prices	
JUNE								1 Dairy Products	2 Poultry Slaughter	3	DECEMBER
						4	5	6 Crop Production	7 Holiday	8 Milk Production	
						15	16 Cattle on Feed	17 Sugar & Lard on Feed	18 Livestock Slaughter	19 Cold Storage: Cattle	
						22	23 Eggs, Chickens & Turkeys	24 Heavy Breeder Poultry Processing	25 Holiday	26 Sugar Market: Statistics	
						29	30 Com-Fertilizers: Agricultural Prices				
JULY								1 Heavy Breeder Poultry Slaughter	2 Egg Products	3 Celery	JANUARY
						6	7	8	9	10 Crop Production	
						13 Milk Production	14 Cattle on Feed	15 Potato Stocks	16	17	
						20 Vegetables	21 Grain Stocks: Hogs & Pigs	22 Heavy Breeder Poultry Processing	23	24 Holiday	
						27	28 Live-Finisher: Agricultural Prices	29	30 Com-Fertilizers: Agricultural Prices	31 Holiday	

This revised calendar reflects changes to the crop and livestock estimating program announced by USDA's Statistical Reporting Service on March 10, 1982.

Reports that will no longer be published are 'lined out' (—) on this calendar.

Source:  Crop Reporting Board • U.S. Department of Agriculture • Washington, D.C. 20250

Major Crop Reporting Board releases are covered on the FARMERS' NEWSLINE  
 Call (8) 800 976 0436 50 cents per call

Lockup 8 30 a.m. - 3:00 p.m. Reports are issued 3:00 p.m., except  
 Corn, Soybeans, and Celery at 1:00 p.m.  
 Rooms 5150 5155 Rooms 5150 5823

TABLE 1: Changes in 1982 Reports by the Crop Reporting Board

**DEPARTMENT OF AGRICULTURE**

**Statistical Reporting Service**

**Modification of Program of Reports**

Notice is hereby given that the Statistical Reporting Service (SRS) of USDA will make immediate, major modifications in portions of its crop and livestock estimating program. The program limitations are necessary to stay within the funding level provided for fiscal year 1982. Available resources will be redirected toward maintaining timely and reliable data series judged to be the most important in monitoring changes in the agricultural sector. Over 300 reports will continue to be published annually by SRS.

It will be the policy of SRS to work with commodity groups, local organizations, and State agencies to reestablish programs being eliminated or curtailed, if funds for data collection, summarization, and publication can be provided by these groups.

SRS and its Crop Reporting Board will eliminate the following releases and data series:

- Alfalfa Seed—Annual forecasts of acreage, yield, and production
- Butter and American Cheese Production—Weekly reports issued by the SRS office in Madison, Wisconsin.
- Catfish—Monthly reports of catfish processed and the semiannual reports of producer inventories, sales, and value.
- Commercial Apples by Varieties—Annual estimate of production.
- Commercial Fertilizers—Monthly reports of consumption, and annual report of consumption by class.
- Field Crops: Production, Disposition, and Value—The annual release presenting previous year's data.
- Field Seed Stocks—Annual estimate of stocks held by dealers.
- Floriculture Crops—Annual report of production and sales, and intentions.
- Gum Naval Stores—Monthly reports of production.
- Honey—Annual estimates of the number of colonies; honey and beeswax production, prices, and value, and honey stocks.
- Lamb Crop and Wool—Annual estimate of next lamb crop, sheep shorn, and wool production issued in July.
- Maple Sirup—Annual estimates of production, price, value, and disposition.
- Mink—Annual estimates of mink pelts produced, females bred, prices, and value.
- Onion Stocks—Annual report of stocks of dry onions.

- Producer-Owned Grain Stocks—Annual estimates of wheat and soybean stocks off farms owned by producers.
- Popcorn—Semi-annual reports of acreage, yield, production, and prices.
- Red Clover Seed—Annual forecast of acreage for harvest, yield, and production.
- Seed Crops—Both preliminary and annual summaries of acreage, production, yield, price, and value of 14 field seeds.
- Sheep and Lambs on Feed—Three reports estimating number on feed in 7 major States, including the March estimate of the early lamb crop in 3 States.
- Sugar Distribution—Weekly report of distribution and stocks.
- Sugar Market Statistics—Monthly report of deliveries, inventories, production, and prices.
- Tall Fescue (Oregon and Southern States)—Annual forecast of acreage, yield, and production.
- Timothy—Annual report of acreage, yield, and production.
- Trout—Annual report of producer sales and value.
- Vegetable Seeds—Annual forecast of acreage and production prospects.
- Vegetable Seed Stocks—Annual summary of stocks held by dealers.

The following data series will be eliminated from ongoing reports:

- Separate utilization estimates of table and hatching eggs; pullorum-typhoid testings for broiler-type chicks, egg-type chicks and turkeys from the monthly Eggs, Chickens, and Turkeys report.
- Forecast of winter wheat yield and production for the following year from the December Small Grains report.
- Forecasts of yield and production for current crops of corn, durum, and other spring wheat from the July Crop Production report.
- Estimates of dry edible pea acreage, yield, production, disposition, and value from the Crop Production, Prospective Plantings, and Acreage reports.
- Estimates of blueberries and bushberries from the Crop Production and Noncitrus Fruits and Nuts reports.
- Pickle stocks data from the November Vegetables report.
- Estimates of seeded winter wheat available for grazing in Kansas, Texas, and Oklahoma from the November and December Crop Production reports.
- Data on dairy feed ingredients from the Milk Production report.
- Prices of manufacturing grade milk for specified uses and milkfat test data from the Dairy Products reports.
- Acreage, yield, production, price, and value estimates for these fresh market vegetables: artichokes, asparagus, snap beans, Brussels sprouts, cabbage, cantaloupe, cucumbers, eggplant, escarole/andive, garlic, green peppers, watermelons,

and spinach. Estimates will be discontinued for these processing vegetables: lima beans, beets, cabbage for kraut, cucumbers for pickles, spinach, and asparagus. All these estimates will be eliminated from the Vegetables reports.

SRS will reduce the number of State estimates included in these reports:

- Cattle—The July issue will carry inventory and expected calf crop estimates at the national level only and not by separate States.
- Cattle on Feed—The quarterly reports will provide data of the number on feed, placements, and marketings for only 13 principal States rather than 23.
- Hogs and Pigs—The March and September estimates of inventory, pig crop, and breeding intentions will be cut from 14 States to 10.

The June estimates will be reduced from all major States to only 10 and a national estimate.

SRS will cut back on the frequency it issues the following reports:

- Cold Storage—From monthly to quarterly for end-of-month holdings in March, June, September and December.
- Dairy Products—From monthly to quarterly for January-March, April-June, July-September, and October-December.
- Eggs, Chickens, and Turkeys—From monthly to quarterly for December-February, March-May, June-August, and September-November for estimates of layer numbers and egg production. Estimates of chicks and poult hatched, eggs in incubators and pullet chicks for hatchery supply flocks will be issued monthly.
- Livestock Slaughter—From monthly to quarterly for January-March, April-June, July-September, and October-December.
- Milk Production—From monthly to reports in April, July, October, and January covering the periods January-March, April-June, July-September, and October-December.
- Peanut Stocks and Processing—From monthly to reports only in February and August.

SRS will reduce the frequency it estimates the following commodities:

- Cranberries will be dropped from the October and November Crop Production reports and estimated in August and January.
- Peppermint and spearmint for oil reported in the June, August, and September Crop Production reports will be available only in the January releases.
- Tobacco by 7 classes and 21 types currently reported in the May, July, September, October, November, and December issues of Crop Production will be available only in the August and January reports.

table 2.

Although some of the reports listed in table 2 are under evaluation and their long term outlook is uncertain, several others are likely to be retained for some time. The reports most likely to be continued are those which involve little additional effort. For example, the questions about selected vegetables purged from the national questionnaire will (if permitted by the Office of Management and Budget) be left in the acreage survey questionnaire in New York, New Jersey and Maryland, with the information reported in the state's annual summaries. In other instances such as the milk products survey, the deleted data overlaps with mandatory reporting programs in several states and the report can be continued at minimum cost. Of course, if only selected states participate, the value of the data will be reduced. This issue is addressed in the following section.

In a few other cases the outlook for continuation of reports is much more in question. For example, the maple syrup reports will be maintained to a large degree because this product is being promoted in New York, with the promotional effort linked to the supply and price of the product. In another instance, Pennsylvania (along with New York) is continuing the monthly milk production report in part because milk promotion has been under referendum, making current production data particularly valuable.

At this point no reductions are planned in federal market news reports. As with the crop reports, however, user fees are mandated beginning August 1, 1982. Current expectations are for an average of one-third of current subscribers to continue with a paid subscription. In a few instances where the mailing list is relatively short, a low subscription rate may make continuation of the report impractical, particularly for daily reports, which incur high postage charges. Few reports are likely to be affected (Keene).

TABLE 2: Crop Reports Temporarily Continued in Specific Northeastern States, 1982

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<u>REPORT</u>	<u>STATES TO CONTINUE</u>
Maple Syrup	New York, Vermont
Apple Production by Variety	New York
Vegetables	New Jersey, New York, Maryland
Cold Storage	New York
Milk Production	New York, Pennsylvania
Dairy Products	New York (undecided)
Blueberries	New Jersey, Maine

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On a state-by-state basis the effects depend on the extent of state support for the several market news series. In New York, for example, nominal fees (e.g. \$5.00-\$10.00 per year) covering second-class postage will be charged for the state-supported vegetable reports. No fee is planned at this time for the weekly livestock series. However, the federally funded Hunts Point report must be totally supported by user fees. The daily report sent by first-class mail will cost \$120.00 per year.

### Effects

The effects of changes in crop reporting and market news reports vary according to the type, whether it be the imposition of user fees, reduction in periodicity or coverage, or outright elimination. Each of these effects will be considered in turn, first by addressing the theoretical factors and then by reporting on the observations of users in the region.

### Theoretical Considerations

In a widely held view, timely and accurate information is seen as improving the efficiency of the marketplace by eliminating operational and competitive advantages based on superior information. In this way no participant will benefit over another, while the heightened competitiveness of the market will eliminate inefficient firms. Just how information contributes to these benefits requires further investigation, including some analysis of how participants actually perceive and use information. In pursuing these concepts it is convenient to use a classification of the forms of market information suggested by Helmberger et al: (1) market news which may be used for such short run decision as where and when to sell livestock and crops; (2) longer-term supply information such as planting intentions, livestock bred, etc.;



and finally (3) economic outlook information which shall be defined as projections of supply and demand for periods beyond the present one. (p. 562).

From the perspective of an economist, market news which reports, for example, prices of competing elevators or livestock markets will help sellers identify the market with the highest potential price. That is, stated in more technical terms, information reduces search costs, enhancing the efficiency of markets by promoting arbitrage. Information is directed at the producer in particular, as he is likely to be less knowledgeable than buyers who have the potential to participate in exchange more regularly, and hence benefit from size economies in information collection. In addition, the producer is the party more likely to correct any misalignments in prices among markets by shifting outlets. Of course, information can also benefit new entrants and arbitragers (a role the livestock dealers are sometimes seen as playing) who may be attracted by the apparent opportunity for profits revealed through the market news reports.

The reality of the situation is somewhat at odds with this view. Producers appear more interested in timing sales than in selecting the highest priced marketing opportunity (Kohls and Gifford). This criteria makes good sense, as net returns for products with volatile prices probably have greater temporal variability than cross-sectional variance. Moreover, selection among markets is often complicated by service and/or discount schedules not fully reflected in reported prices (e.g., Hall). It is interesting to note that studies of reported retail food price information have sometimes identified the same phenomena. Intended as a guide to store selection, the price reports appear to be used frequently for item selection (Uhl, Boynton and Blake).

Market news reports probably serve their intended function, but in a broader way than intended. That is, large misalignments among markets are probably averted, but minor ones appear to persist, with producers probably remaining at a disadvantage compared to better-informed buyers (Burnett and Clodius). Market news may serve its principal function in helping producers decide when to sell. However, the amount of price information on individual markets needed to serve this role is perhaps not great; it may for example be sufficient to know Toledo elevator prices rather than those specific to western New York. Thus it is difficult to predict what effect moderate reductions in the scope or availability of market news will have.

Crop reports are used in a variety of ways by producers and processors as well as by a variety of related enterprises such as banking and manufacturers of farm inputs. Researchers and extension agents are another major user group. Information of the kind provided is essential for appropriate production decisions and for orderly marketing of storable commodities.

Farmers in particular are critically dependent on planting or breeding data in the formulation of crop size and mix decisions. Particularly significant are data on acreage. This is because yield estimates early in the growing season are so subject to random variations due to weather that they have far less practical value (Fox). Among the key decisions which must be made for many commodities are whether to comply or not with set-aside requirements, which in turn determines subsequent eligibility for crop loans and other governmental assistance. Indications of choices by other producers such as planting intentions reports are invaluable inputs into the decision-making process.

Elementary arithmetic suggests that the larger a crop, the greater the benefit/cost ratio. This is not necessarily true. Major crops are important

enough that other information systems exist or could be developed. For example, the seed trade association could help to compile information on seed production and pricing. Large grain traders regularly collect information on corn, wheat and soybeans, among other crops, by maintaining country elevators and, when necessary, by driving through key production areas. Thus, information is generated and potentially available. However, there are significant size economies in data collection, and in the absence of public involvement, larger firms could gain a substantial advantage over smaller firms and new entrants.

Minor crops are in a very different position. The total value of the crop may be inadequate to generate interest in finding alternative information sources. Other minor crops, such as maple syrup, are also supplementary enterprises for individual producers. No individual has a sufficiently large commitment to the product to justify compiling information (Bottum and Ackerman, Butz). The net effect would almost certainly be chaotic production and marketing characterized by wide swings in production and prices.

Similar problems are caused by the loss of informational quality that would occur if data were available on some but not all areas. In fact it is an open question if data of uncertain coverage is better or worse than no data at all.

Information access at the processor level is typically superior to that of producers. Hence the loss of published information at that level would not, in general, be as acute.

Perhaps the groups most dependent on publically-provided information is ourselves--researchers and extension personnel. There are two reasons supporting this belief. First, the academic community typically has limited

access to private information flows such as those available within firms or exchanged between a buyer and seller. That is, anyone not involved with a commodity on an ongoing basis cannot normally keep abreast of changes. Second, academic personnel work extensively with quantitative techniques. While these processes have enormous merit, they are limited by the need for detailed and consistent data. Impressions of annual changes in a factor such as acreage are simply inadequate for most models, although they may serve adequately as inputs into the human decision-making process. Removed from their data, many agricultural economists will be of less value to their client groups, whether they be producers, processors or consumers. The market in many instances will find substitute sources of information, but it remains unclear how academic users will contribute to and interact with these sources.

#### Practical Considerations

When discussing the practical considerations, it is necessary first to recognize just what changes will occur beginning later this summer. At that point most federal periodicals will go on a fee basis, which will cover the reproduction and distribution costs of the materials. However, many users do not receive the information in this form, relying instead on media such as radio and teletype. In fact, much data is so current that it would be valueless in production/marketing decisions by the time it arrived through the mails. For the bulk of users the mailed report is used as a file copy. Hence, they will be largely unaffected, except for the possible necessity of developing alternative means of storing information as needed.

An exception to this generalization is for products with a large number of types, grades and conditions, such as fresh fruits and vegetables.

Radio reports are impractical, and teletype exchanges often cumbersome, making the printed page a more important exchange medium. Thus user fees will affect some commodities far more than others.

Researchers and extension personnel are perhaps more reliant on hard copy and historic series than is the industry. Until now we have had the luxury of abundant free data, but that is coming to an end. A limited number of reports will be available to Experiment Station personnel from SEA-Extension. In these cases the user fee mandate will be a simple shifting of costs from one federal office to another. But the number of available free copies will nonetheless be reduced. Faced with individual subscription fees of \$10.00 to \$30.00, not every office will have every publication of possible use. Some will not be missed, an obvious source of efficiency gain for individuals and society. But in other cases, not having a bulletin on hand will be an inconvenience. To minimize this effect it will be necessary for many offices and departments to establish better systems for sharing materials. This of course has a cost for both set-up and operation. Those costs should be balanced against the costs of subscriptions.

In my own opinion, I am not optimistic about how this balance will come out. Public institutions tend to view discretionary funds quite differently from fixed salary expenditures, so that the substitution of labour for capital is often made at a low imputed (marginal) cost for labour. Put another way, we often do not value our own time very highly.

The change in the periodicity of reports from monthly to quarterly appears to have limited negative effects. There have been expressions of concern by some sectors; I am most aware of those from the dairy sector. Some currency of analysis will be sacrificed, and the ability to project changes will be delayed. Perhaps this is not serious, as month-to-month movements

can be deceptive, particularly because the reliance on the accuracy of the data is so high. Can any substantial statements be made about a one percent change in milk production during one month? Probably not.

The loss of monthly observations will have a minimal impact on much statistical analysis. The availability of other data typically dictates that that data be aggregated and quarterly analysis be run in any case. A further reduction in data to annual figures would, however, be too infrequent and would hamper timely adjustments and analysis.

The more substantial problems come from outright loss of information through discontinuance of some reports. Impacts are difficult to gauge. One possible source of insights is industry response. In most cases this has been muted, suggesting that the value is perceived as limited. However, it is also possible that many current users do not recognize what is about to happen. There are instances where this appears to be the case; it should not be assumed that the information market operates perfectly in this regard either.

A mitigating effect on the loss of specific information is the existence of substitutes. Data compiled by trade associations or generated through the normal daily trading activities are possibilities which have already been mentioned. Others are available. For example, apple production by variety can be estimated from the five-year inventories of producing trees categorized by variety. These estimates are subject to several errors, such as projecting yields, which will increase as the inter-census periods grow. Thus, in this and other instances, the information loss will be partial, not complete.

Similarly, alternative sources exist for monthly milk production data. Many market administrators already collect plant receipts data by state of origin of the milk. This data could potentially be compiled to replace the

discontinued monthly production figures. Irregular inter-order milk shipments provide a problem for proper attribution to the state of origin, but overall, audited receipts data are probably more accurate than production estimates based on a small sample with unverified returns.

One case where partial information seems entirely inadequate is the continuation of reports only in selected states. The collection of data on varietal apple production in New York will have limited value unless other large producing states also compile those figures, and unless those individual state estimates are collected and made available to users in a reasonably convenient form. But with apples there are, as noted, some substitute measures. Perhaps more critical are annual crops like lettuce where Northeastern producers: (1) have considerable discretion in whether and how much to plant; and (2) compete directly with production from other regions. Business Week has already noted that 1982 corn planting decisions have been upset by the absence of the spring reports (May 5, 1982, p. 35). Disruptions for individual vegetables in the Northeast are likely to be even more substantial for the individuals involved, although not of course for the economy.

#### Concluding Comments

As an economist, it is an unusual and valuable experience to be predicting events rather than attempting to interpret them ex post facto. However, it is important to recognize that what follows is only a prediction of a significant change in a major government program. Such changes are always difficult to understand. Moreover, much of how the streamlined program will actually evolve depends on several decisions yet to be made.

The first crucial decisions are being formulated while we are talking here. These have to do with the ability of states to carry out crop reporting

programs no longer funded at the national level. Continuation of useful reports will require (or be facilitated by) an agreement by the Office of Management and Budget to allow non-supported crops to be listed on federal questionnaires for related commodities. That is, will beet plantings data be allowed on the same questionnaire with peas, or will two separate questionnaires (one federal, one state) be required? Furthermore, when a crop is geographically dispersed, can enough states collect and cooperate in the compiling of this information to make it accessible and useful?

A second group of questions will be answered over the next several months, as past users make the decision to continue subscriptions on a fee basis or not. About half the current users will not be affected, as they will receive free copies through SEA, or as participants in the surveys. Of those who will be charged, it is expected only a quarter to a half will subscribe. Many of those who might drop the report are non-users, and there will be a social gain from deleting them. However, if too few subscribe, unit costs to remaining users will rise, possibly causing the termination of a report. This may turn out to be a more frequent occurrence than expected.

Further effects of user fees can be reduced by enhancing other information delivery systems. Radio, newspapers and trade publications are traditional medias used, and they will increase in importance in the future. Other forms of transmittal using computer technology are becoming increasingly available--the USDA presently has AgNet and electronic mail, among others. These can be used in the information transmittal process. This conversion will enhance efficiency and save on cost, particularly on postage. Nevertheless, it should be recognized that the move to user fees will increase some costs. Certainly the management of a subscription list will add costs.



Perhaps a more carefully screened mailing list would have yielded nearly the same net savings, but that is not the issue.

Overall, one has to be impressed with the mammoth task of the crop reporting and market news services. Both contribute enormously to the efficient functioning of the U.S. food and fiber sector, although the exact value of the contribution is difficult to measure. Nevertheless, much remains to be done. Some crops continue to go through substantial cycles of production, while for others notable price differences persist among market outlets. Both inefficiencies can potentially be reduced by improved information flows. The formatting of the data reports should be rethought. The existence of many private services which essentially reinterpret government figures suggests an unmet need for alternative forms of information. Or perhaps the entire distribution function should be turned over to private enterprise.

What does this all mean? An informal cross-section of opinion supports the belief that for the Northeast, the changes due to go into effect this summer will have little effect on production and processing. To the extent that effects exist, they are more related to deletions of series than either charges or changes in periodicity. Among those reports scheduled for discontinuence, the impact will be felt most on the producer of the minor or specialty crop. Thus, in aggregate the social costs will be limited, although individuals could be hurt. Over the longer term, small firms in an informationally poor market could be disadvantaged compared to large ones. This situation should be watched very carefully.

As a group, academics and extension personnel may be injured as much as any other. This is primarily because subscription costs or their alternatives place additional pressure on already strained budgets. How this challenge is responded to can have significant ramifications. However, a more basic

issue is the deletion of some data series. Current reductions do not appear to be a major limitation to research, extension and outlook programs within the region, but future developments, should they occur, must be watched carefully. In the meantime, some sectors have been disadvantaged by deletions of production information, opening up a new need for research and extension efforts. One immediate possibility is a search for reasonable alternative sources for the deleted information.

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