

## SECTION TWO<sup>47</sup>

### AN ANALYSIS OF THE FEBRUARY 1996 USDA REPORT "CONCENTRATION IN THE RED MEAT PACKING INDUSTRY" and THE SUBSEQUENT ADVISORY COMMITTEE RECOMMENDATIONS

The question at the crux of the current free enterprise debate in the American cattle production sector today is: "Does the concentration of the packing industry effect price?"

#### A decade and a half of change

Several key developments have made this a critical question. In 1980, the four largest packers accounted for 36% of the steer and heifer slaughter, their market share rose to 72% in 1990 and by 1994 they held 82% of the market share. In 1996, they hold 87% of the steer and heifer slaughter market.<sup>48</sup>

As market concentration has become more dramatic, producers' prices have fallen, but consumer prices have failed to decline. In 1980 the producers' share of the beef retail dollar was 64%. Today it's less than 45%, showing a significant, widening gap between producer and consumer prices.<sup>49</sup>

In addition to the consumer/producer price spread a dramatic decline in core elements of the beef industry began to occur. In the same period of time there has been a 43% decline in beef packing plants, a 52% decline in feedlots and a 31% reduction in cow-calf operations.<sup>50</sup>

The final, most significant development which signaled the belief in many that market concentration had become a serious problem was while many beef producers were experiencing an average -2% return on their investment, IBP, Cargill, and ConAgra began to post record

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<sup>47</sup>Section Two could only be written after a thorough examination of USDA's Advisory Committee recommendations were released in June 1996 report and an econometric analysis of the February "Red Meat Study" was completed.

<sup>48</sup>"Concentration in the Red Meat Packing Industry" *Executive Summary*, p. iii. United States Department of Agriculture, February 1996.

<sup>49</sup>USDA Economic Research Service, "Estimated Historical Series for Beef"

<sup>50</sup>*Drovers Journal*, October 1995, Business Commentary, "Concentration: a fact-of-business", by John Navlika, p. 26.

profits.<sup>51</sup>

### The Congressional Response

In 1992, before the dramatic decline in beef prices, pressure began to mount from concerned constituencies, and Congress allocated \$500,000 to USDA to study market concentration in Agriculture. Seven projects were selected to address areas identified in a House Committee report and six were conducted by researchers from various universities. The seventh was completed by USDA. The study only covered a limited period of time from April 1992 to March 1993, while an average marketing cycle in the cattle industry is 10 years.<sup>52</sup>

Universities tapped for the study included Oklahoma State University, Iowa State University, Kansas State University, Texas A&M University, Virginia Polytechnic Institute, University of Missouri, and the University of Nebraska.<sup>53</sup>

### The USDA Study

Many producers watched eagerly for the release of the USDA study hoping their belief that market concentration had become an overwhelming problem would be verified. When the report was finally released in February 1996, the conclusions were disappointing and confusing.

In particular, the most critical question concerning whether or not captive-supplies impacted price, was summarized in the final sentence of Chapter 3 of the study with this analysis: "The study provides an overall description of the role of captive supply in the industry that suggests, at most, rather modest net effects."<sup>54</sup>

But are the net effects as modest as the researchers claim? And, equally critical, was their research credible?

With all this data showing the potential for serious market control, why did the USDA report find only "modest net effects"? Is it really *all* that the data showed? Was the data broad enough? Was it deep enough? Was the analysis sound?

There are two key statements which hint the researchers in Chapter 3 failed in both data collection and data analysis. The first is when Dr. Wayne Purcell concluded, "more knowledge was gained about data requirements and analytical models than about packers' use of market power."<sup>55</sup> The second came with the June 1996 USDA *Advisory Committee Report on Agricultural Concentration* when at least one person on the committee noted, "Moreover, the crucial section of the report addressing the central issue of whether concentration affects prices

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<sup>51</sup>USDA Economic Research Service estimates, 1994-1995

<sup>52</sup>"Concentration," USDA, February 1996, p. iv.

<sup>53</sup>Ibid. pp.5, 15, 24, 32, 38, 45, 49.

<sup>54</sup>Ibid. p.31.

<sup>55</sup>Ibid. p. 37.

was inconclusive for methodological reasons.”<sup>56</sup>

These two statements are crucial. Not only do they point to a research failure, they alert those relying on the study for sound conclusions--that there are none obtainable from this data, none from the methodology used to derive results, and subsequently, the conclusions drawn by the researchers in Chapter 3 are highly suspect.

Where did the researchers fail?

**First**, researchers failed in the kind of model they used to analyze the data. Model 2, p. 27 is a simple regression model--one of the oldest and most reliable kinds of models used for economic analysis--but in this form, inadequate for analyzing the effects of captive supplies.

**Second**, researchers failed in the data they drew on for analysis by ignoring the similarities of the data characteristics.<sup>57</sup> Ignoring these similarities is like a bartender watering down whiskey. It may look like more, but its effect has been diluted. As a result, the researchers could show *some* impact from captive supplies, but not a significant impact.

**Third**, researchers failed to recognize the growing disparity between producer price and boxed beef price.<sup>58</sup> This failure was, again, another watering down of the analysis. They chose only to focus on and attempt to explain the downward pressure on producer price, ignoring the potential for upward pressure on consumer price. As a result, they ignored what may have been even more definitive evidence that market concentration can and does affect prices. For example, if the downward trend in producer prices is a normal market phenomenon, then why haven't consumer prices also experienced the same "normal market phenomenon?"<sup>59</sup>

**Fourth**, researchers failed to assess the bargaining power of the packers in a concentrated market. For example, how much bargaining

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<sup>56</sup>USDA Committee "Report on Market Concentration", June 1996. p. 11.

<sup>57</sup>For the hard-core economist, ignoring the high degree of multicollinearity among the explanatory variables ABBCV *boxed beef cut-out value*, and LCEM *nearby cattle futures* alone results in extremely biased and inconsistent estimates of the remaining coefficients (I had help).

<sup>58</sup>"Concentration in the Red Meat Packing Industry" February 1996, USDA. See pages 26 and 27, models one, two, and three. The particular variables at question here are TRPRC and ABBCV.

<sup>59</sup>Many producers have contended the issue isn't just the prices they're receiving for their beef, but the retail price to consumers is also at issue. If supply is the only price depressant in the current cattle market, then why hasn't it also depressed consumer prices with a similar degree of downward pressure? These concerns were ignored in the study.

power over producers has IBP gained by holding a 38% market share? And, how much additional bargaining power have they gained by a judicious use of captive supply? There are modeling applications which can determine bargaining power. Why did the researchers failed to use them?<sup>60</sup>

Fifth, researchers used a narrow window of data in a narrow time frame, knowing they would not have significant, conclusive results. "Follow-up research is needed to resolve significant modeling and data issues to address the effects of concentration on prices paid for cattle."<sup>61</sup>

The USDA *Concentration in the Red Meat Packing Industry* study was a failure, not just in data collection and analysis, but in its contract with Congress and the American producer.

What is unfortunate about the USDA study, and ultimately tragic, is its deadening effect on an appropriate national policy response to market concentration. We as Americans pride ourselves on our free market system, yet if an outsider were to examine our diligence in its protection using this study, they would question our sincerity and integrity. This study is fatally flawed and as a result, any action based upon it is also flawed.

#### The USDA Advisory Committee on Agricultural Concentration

When USDA should have sent the study back and called for more conclusive results, Secretary Glickman instead proceeded February 14, 1996 to appoint the Advisory Committee on Agricultural Concentration using the study as a foundation for committee action, even though at least one member of the committee knew the study was flawed.

One of the earliest criticisms of committee structure was it's lack of producers and lack of consumer representation. Of the 21 members named, only six derived their primary income from agricultural production. Not one single member of the committee was a member of any consumer advocacy group or associated directly with consumer interests. Seven members were from agribusiness, transportation, and other service interests. Three were state government representatives and three were economists. One a research analyst, and two members were presidents or directors of industry organizations.<sup>62</sup>

Several observers of the process indicated results of the Concentration Committee report

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<sup>60</sup>One of the earliest oligopsony theorists was Joan Robinson: "The Economics of Imperfect Competition".

<sup>61</sup>"Concentration," Feb. 1996. p. X.

<sup>62</sup>USDA News release, February 25, 1996 and final signature list on the June 1996 Concentration Report. Mark Drabenstott, V.P. for the Federal Reserve Bank in Kansas City, MO, did not sign the final Concentration Report.

were predetermined by the bias of committee selection.<sup>63</sup> Indeed, several committee recommendations point to a bias toward the packing industry, including taking care, "not to overreact to the normal functioning of the cattle cycle already entering the adjustment phase, leading to lower supplies and higher prices," and to refrain "from making recommendations that would slow or prevent the industry's need to adapt to a changing marketplace."<sup>64</sup>

The results of the committee report are as flawed and suspect as the February '96 research study. An example of the committee's ignorance or perhaps distortion of available data was most obvious when in the "Background" section of the report, the committee wrote, "No new or unusual patterns in inflation-adjusted price spreads have been identified in recent months. According to ERS, the relationship between net farm value and Choice retail price since October 1994 does not appear to be statistically different than the relationship that existed from 1979 to the fall of 1994 (based on available data)."<sup>65</sup>

The same ERS data they cite as showing no significant difference in price, does in fact show a significant price spread. In 1979 the data shows a producer's share of the retail beef dollar was 62%. By the fall of 1994 the producer's share had fallen to 51%, in 1995 it was down to 49% and in 1996 it is projected to finish at 45%.<sup>66</sup>

The USDA concentration advisory committee is ethically and substantively flawed and never should have been created in its final form. A policy maker, whose constituency shows a great deal of distrust, does not neutralize the distrust by appointing a policy committee consisting of individuals who are the target of the distrust. The problem is only exacerbated.<sup>67</sup>

### A Demand for Change

Every agricultural organization, every university, and every person who cares passionately for our democracy should be calling for a retraction of the *Concentration in the Red Meat Packing Industry* study. It is imperative that a General Accounting Office and Justice Department investigation be launched into the conduct of this study. There is no question more critical to cattle producers today than whether or not their price is effected by packer concentration. In the study's failure to use sound research methods, USDA may have very well cost the livelihoods of thousands American Cattle producers. Perhaps they can live with the results, but cattlemen can't.

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<sup>63</sup>National Farmers Union protested committee selection and Lois Wales, a feeder from Texas was appointed to represent NFU's concerns.

<sup>64</sup>*Advisory Committee Report on Agricultural Concentration*, USDA, June 1996.

<sup>65</sup>Ibid. "Background" p. 4.

<sup>66</sup>*Red Meats Yearbook*, 1995 Table 88. Choice beef values and spreads at retail, wholesale and farm level.

<sup>67</sup>You don't need an expert to understand this point.

A new study must be commissioned. The researchers must be free of bias that corporate research grants most certainly create. The study must be comprehensive, examining, comparing and contrasting data from several different time frames until final, definitive answers to the most critical questions concerning market concentration are provided.

USDA must be held accountable for the lack of appropriate response to this issue. The fact Secretary Glickman attempted to pass off this study as a conclusive document without demanding more definitive results is a profound example of the lack of leadership producers sense from USDA and find contemptible. The fact USDA developed a committee process with very few producers appointed, held sessions in the middle of calving season when few producers could attend, never held a meeting in the heart of cattle country and cut off public testimony after only two days of hearings shows a deliberate, hostile bias against producers.

While this may be the politics of this modern age, it is not the politics of integrity, nor is it the kind of politics which will ensure the survival of this democracy.

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At the turn of the century, invigorated by a strong, vocal outcry from producers, labor and consumers, Upton Sinclair created a fantasy world with reality as its foundation. It was this "Packingtown" world he formed that finally tore away the cloud of illusion built by the Beef Trust. With this novel he laid a foundation for changes in laws for decades following which helped to create an unprecedented growth rate in the meat industry. It is with this memory of history, our faith in democracy, and our faith in our culture that we build our hope for the future.

*What the hog thought of it, and what he suffered, were not considered; and no more was it with labor, and no more with the purchaser of meat. That was true everywhere in the world, but it was especially true in Packingtown; there seemed to be something about the work of slaughtering that tended to ruthlessness and ferocity — it was literally the fact that in the methods of the packers a hundred human lives did not balance a penny of profit.<sup>68</sup>*

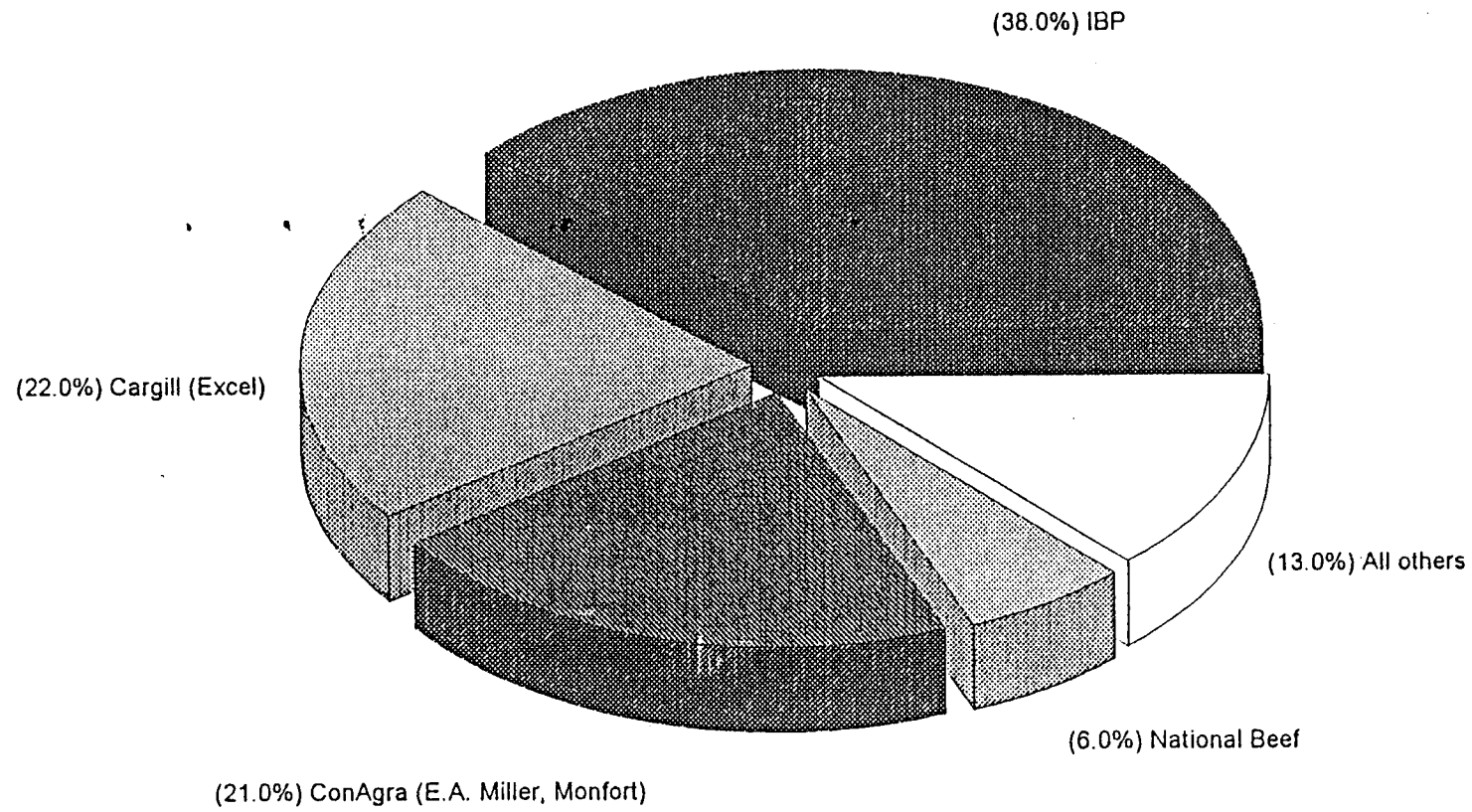
The Jungle, Upton Sinclair

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<sup>68</sup>Sinclair, The Jungle, p.376-77.

# USFA Market Concentration Study Results

Red Meat Market--Steer and Heifer

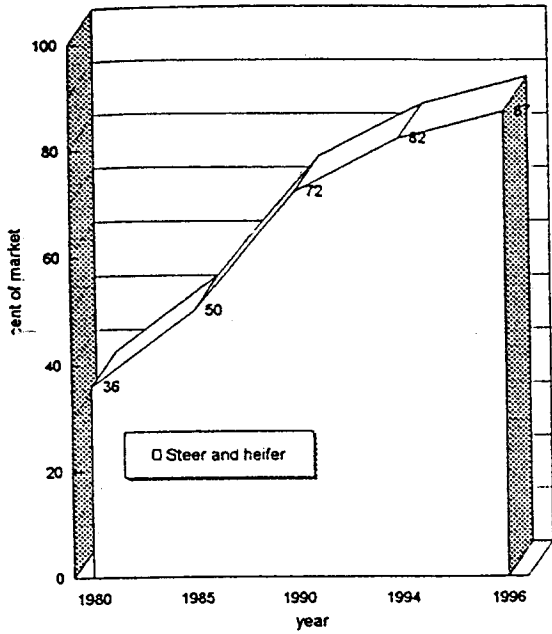


Source: USDA Market Concentration Study, 1996

**Share of total slaughter**

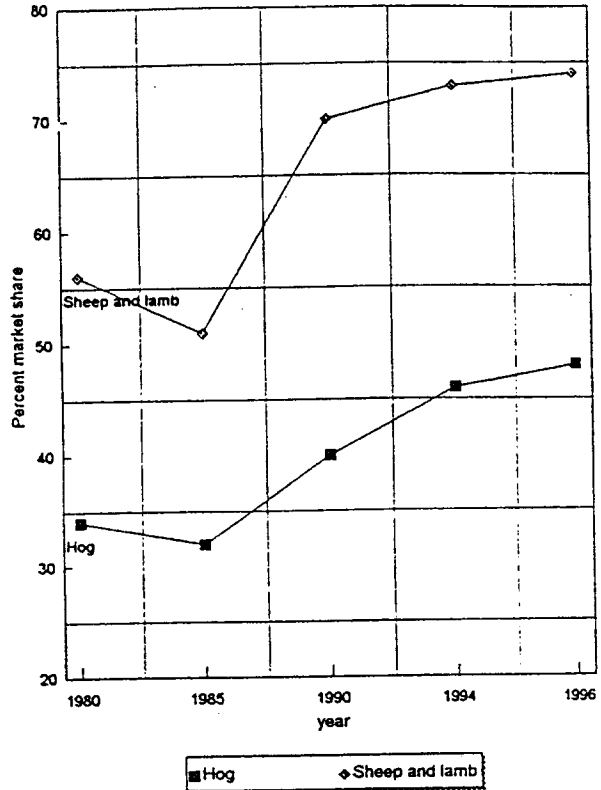
year	Slaughter		
	Hog	Sheep and lamb	Steer and heifer
1980	34	56	36
1985	32	51	50
1990	40	70	72
1994	46	73	82
1996	48	74	87

**Share of total slaughter**  
by the four major firms



Source: Concentration in the Red Meat Packing Industry  
Feb. 1996, USDA

**Share of total slaughter**





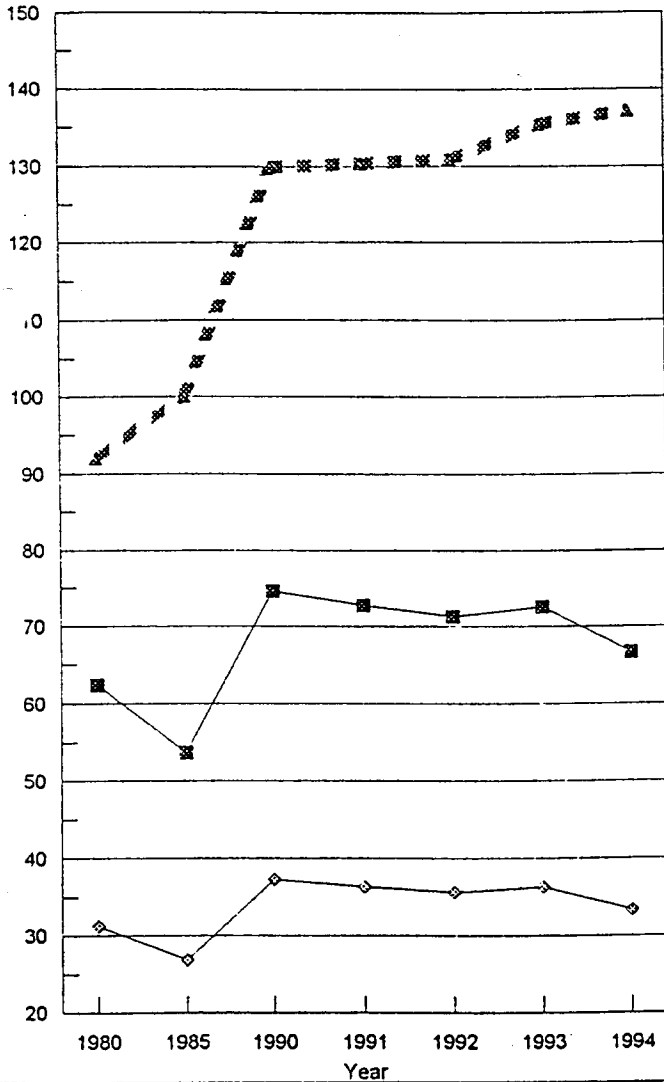
**Prices**

USDA Agri. Statistics Service

	1980	1985	1990	1991	1992	1993	1994
Beef	\$62.40	\$53.70	\$74.60	\$72.70	\$71.30	\$72.60	\$66.70
Pork	\$38.00	\$44.00	\$53.70	\$49.10	\$41.60	\$45.20	\$39.90
Lamb	\$63.60	\$67.70	\$55.50	\$52.20	\$59.50	\$64.40	\$65.60
Broilers	\$27.70	\$30.10	\$32.60	\$30.80	\$31.80	\$34.00	\$35.00
AVERAGE	\$47.93	\$48.88	\$54.10	\$51.20	\$51.05	\$54.05	\$51.80
Consumer Price Index,	92	100.1	130	130.4	130.9	135.5	137.2

**Meat and Beef Prices Relative to the Consumer Price Index**

USDA Agri. Statistics Service



In Graph IV the CPI-U was placed above the beef line for an easy visual comparison. By checking the grid lines you can see the differential between the price of beef, the average price for all animal-based protein and the CPI-U.

- CWT Beef
- ◇ CWT AVERAGE
- ▲ Consumer Price Index, Meat, poultry, fish, eggs

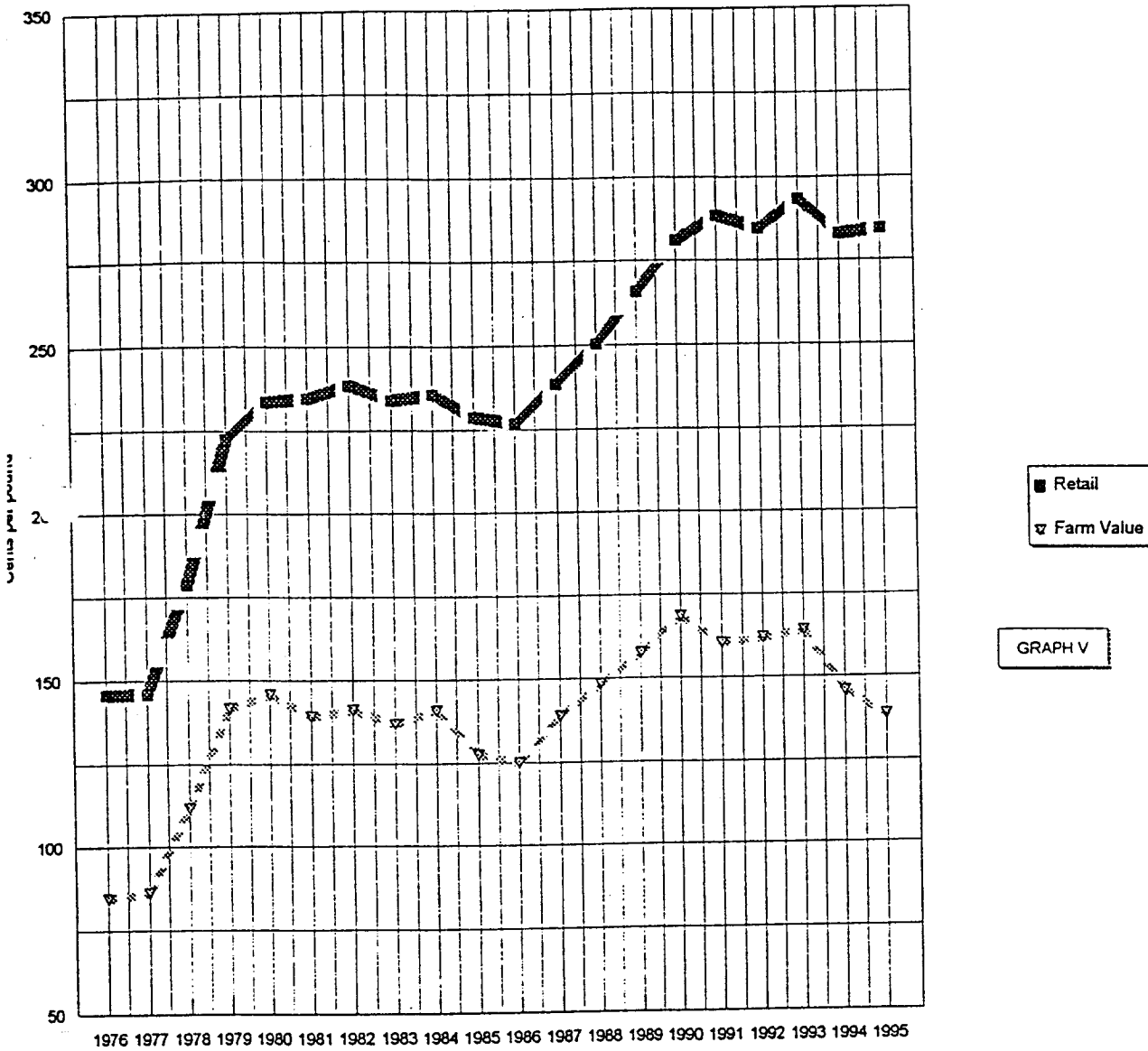
GRAPH IV

Consumer Price Index (CPI) is data collected by the Department of Labor concerning basic goods and services consumers must purchase. It includes food, clothing, medical services and other basic necessities. Broken down into various categories, it can be used as a comparative line between the producer price and consumer retail price. Here consumer retail price levels are compared to producer beef prices. In these tables consumer price index is not specific dollar value, but is an increment of measurement scaled the same as dollar value.

How accurate is the CPI? It is one of the top indicators used to measure inflation and economic variables in the economy. Since January 1978, the Department of Labor has been researching two data groups. One group covers 32% of the population and the other 68%. The larger group (the CPI-U) is used in these models. What the CPI may show us when contrasted and compared with commodity data is whether or not commodity prices have a direct bearing on the retail consumer product. Under theoretical principles of supply and demand, commodity prices should have a measurable effect on consumer prices.

# Price differential farm to retail

Choice Beef



SOURCE: USDA Statistical Service

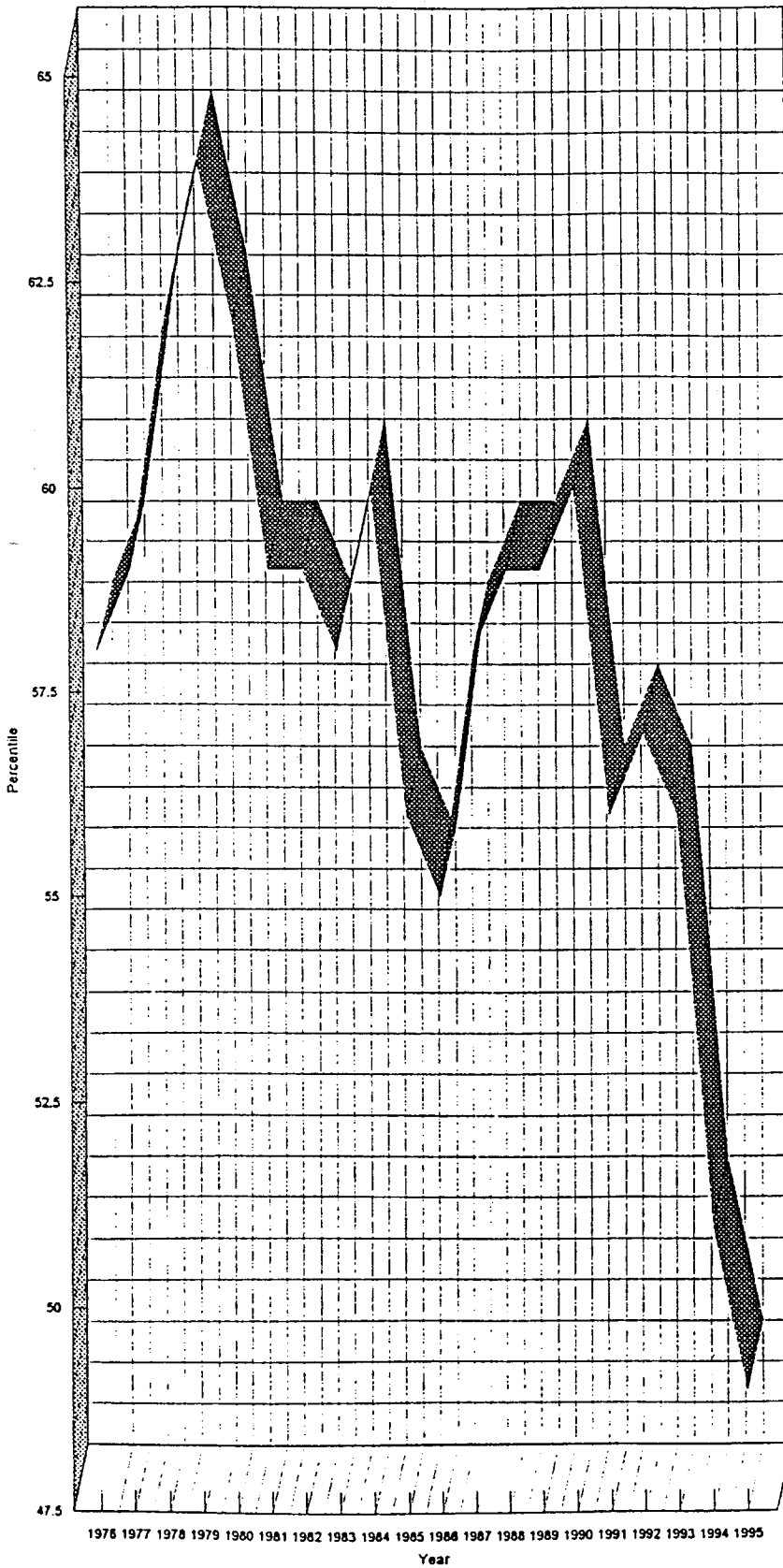
Year	Retail	Wholesale	Farm Value	Farmers sh
1976	145.7	100.7	84.4	58
1977	145.8	103.2	86	59
1978	178.8	131.4	111.7	62
1979	222.4	165.7	141.7	64
1980	233.6	171.1	145.7	62
1981	234.7	164.4	139.1	59
1982	238.4	165.9	141.1	59
1983	234.1	160.1	136.8	58
1984	235.5	162.5	140.7	60
1985	228.6	148.8	127.4	56
1986	226.8	146.5	125	55
1987	238.4	160	138.7	58
1988	250.3	169.4	148.3	59
1989	265.7	176.8	157.6	59
1990	281	189.6	168.4	60
1991	288.3	182.5	160.2	56
1992	284.6	179.6	161.8	57
1993	293.4	182.5	164.1	56
1994	282.9	166.7	145.5	51
1995	284.4	163.9	138.4	49

This data was used by the recent Advisory Committee to assess whether or not market concentration was effecting price. The committee's conclusion was "No new or unusual patterns in inflation-adjusted price spreads have been identified in recent months. According to ERS, the relationship between net farm value and Choice retail price since October 1994 does not appear to be statistically different than the relationship that existed from 1979 to the fall of 1994 based on available data." (June 1996 Report)

What is so misleading about this statement is their comparison of "net farm value" with retail dollar share. Net farm value includes the value of deeded land, farm homes and other assets. Packers are not in the business of buying land—they're buying cattle. The only appropriate data comparison is dollar share. When dollar value alone is used as a tool of measurement, the spread between the consumer and the producer is dramatic.

# Decline in Farmer's share of retail beef dollar

SOURCE: USDA Statistical Service



Farmers share

GRAPH VI

While cycles are visible in many markets, a sustained downward trend in the producers share of the consumer dollar is evident from 1976 to present. One could argue that there have been upward bursts in the producers share of the consumer dollar, but a close detailed examination shows a rise in producers' income is in a shorter time period with the rise in income at 1/2 the comparative level of the price decline. An overall examination shows a continuous decline over 20 years with the sharpest decline being evident at the greatest level of concentration in our history.

Year	Farmers share
1976	58
1977	59
1978	62
1979	64
1980	62
1981	59
1982	59
1983	58
1984	60
1985	56
1986	55
1987	58
1988	59
1989	59
1990	60
1991	56
1992	57
1993	56
1994	51
1995	49

**US Beef Market Trends 1940-1995**

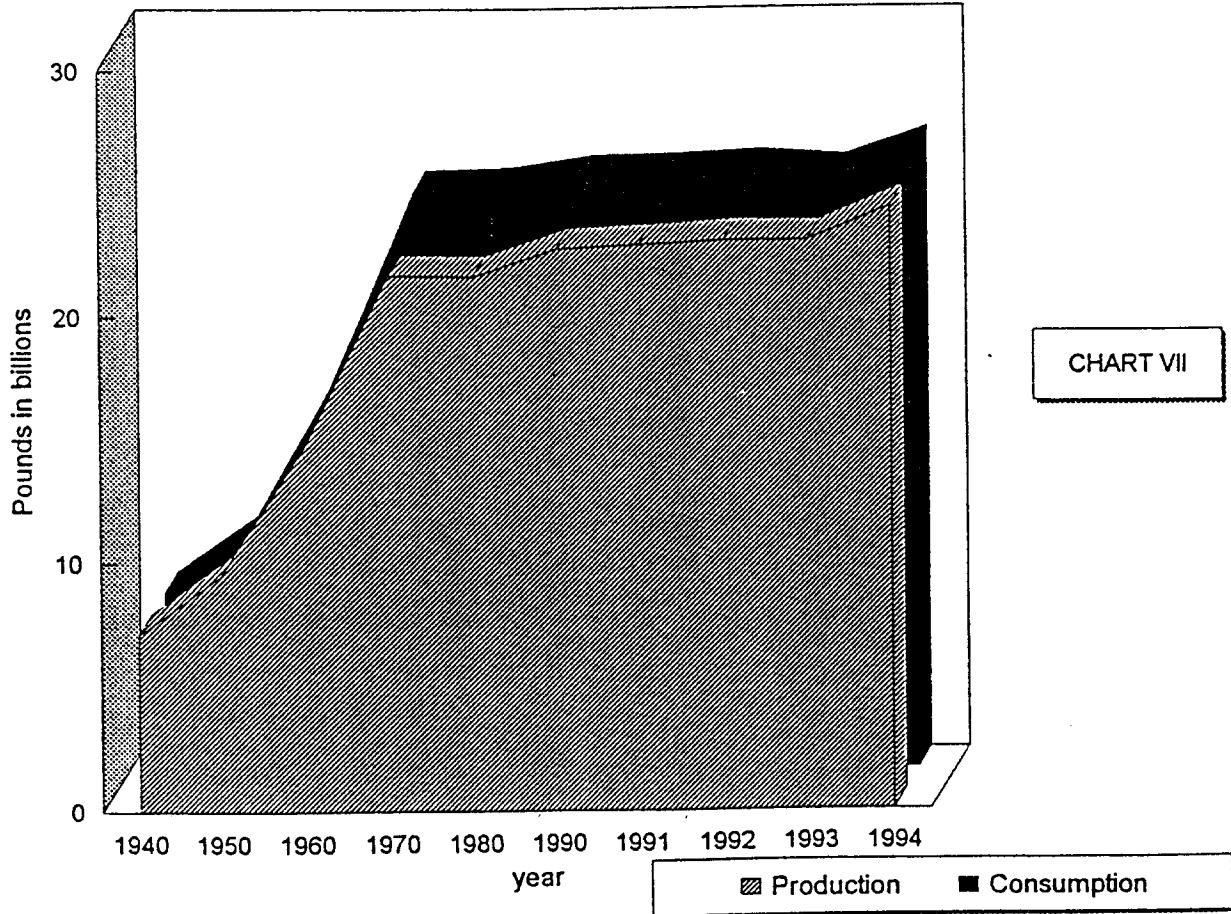
In billions of pounds

Year	Production	Consumption
1940	7.17	7.25
1950	9.53	9.52
1960	14.7	15.46
1970	21.68	23.45
1980	21.64	23.56
1990	22.74	24.03
1991	22.91	24.11
1992	23.08	24.26
1993	23.04	24
1994	24.38	25.12
1995	24.18	25.11

One of the most critical questions producers ask today is supply out-pacing demand? In a simple comparison of pounds of beef produced versus pounds of beef consumed, demand is exceeding supply by 930 million pounds in 1995 figures. While over-all percapita consumption of beef has dropped in the U.S., total consumption has risen reflecting the rise in U.S. population. In 1970 there were 203.3 million people in the U.S. and today there are 250 million making the U.S. the most important beef market in the wealthy, industrial G7.

**US Beef Market Trends 1940-1995**

Source: USDA Statistical Service



Year	All slaughter	Domestic Slaughter	Slaughter Price	Imports	CWT/\$ change	Cwt % Change	Consumer	CWT/\$ change	Cwt % Change	Imports as % of	Market share
		Less Live Imports	Choice Steer 2-4	Live Cattle*	Producer	Producer	choice retail	Consumer	Consumer	US Slaughter *	4 Major Firms
1984	37,582,000	36,899,931	\$66.79	682,069			\$235.50			1.8	
1985	36,294,000	35,582,696	\$59.75	711,304	-7.04	-10.5	\$228.60	-6.90	-2.9	2.0	50%
1986	37,289,000	35,990,323	\$59.25	1,298,677	-0.50	-0.8	\$226.80	-1.80	-0.8	3.5	
1987	35,646,000	34,576,214	\$66.28	1,069,786	7.03	11.9	\$234.40	7.60	3.4	3.0	
1988	35,081,000	34,070,243	\$71.19	1,010,757	4.91	7.4	\$250.30	15.90	6.8	2.9	
1989	33,918,000	32,627,725	\$73.86	1,290,275	2.67	3.8	\$265.70	15.40	6.2	3.8	
1990	33,241,000	31,225,911	\$78.56	2,015,089	4.70	6.4	\$281.00	15.30	5.8	6.1	72%
1991	32,690,000	31,061,908	\$74.21	1,628,092	-4.35	-5.5	\$288.30	7.30	2.6	5.0	
1992	32,873,000	30,939,525	\$75.35	1,933,475	1.14	1.5	\$284.60	-3.70	-1.3	5.9	
1993	33,325,000	30,979,370	\$76.36	2,345,630	1.01	1.3	\$293.40	8.80	3.1	7.0	
1994	34,198,000	32,346,287	\$68.84	1,851,713	-7.52	-9.8	\$282.90	-10.50	-3.6	5.4	82%
1995	35,640,000	32,936,000	\$66.26	2,704,000	-2.58	-3.7	\$284.00	1.10	0.4	7.6	
1996	36,576,000	34,621,014	\$61.52	1,954,986	-4.74	-7.2	\$278.00	-6.00	-2.1	5.3	87%
							CWT/\$ Sum	CWT/% Decr		CWT/\$ Sum	CWT/% incr
							-5.27	-7.9		\$42.50	18.0

Source: USDA/NASS, Livestock Slaughter Red Meats Yearbook  
Table 88—Choice Beef Values  
USDA/AMS Table 69—Slaughter steer price,  
Choice 2-4, Nebraska direct, 1100-1300 lb

—K.S. Kelley

\*This table does not include imported processed beef, or imported stocker cattle.

What is the real story on cattle numbers? While industry economists have consistently blamed domestic production for the decline in overall cattle prices, statistical comparisons do not support their contention. Today, domestic slaughter less imports is significantly less than domestic slaughter in 1984—yet the price is also significantly less. The difference? Imports as a 100% captive supply of the packing industry have had a dramatic impact on price. Even though over-all slaughter is less than it was in 1984, the price is \$5.27 a hundred weight less. Under pure supply and demand theory, shouldn't the price be greater under these conditions? What is also significant is the overall increase in the consumer price of beef—over \$42.40 a cwt. If this market were truly operating under the theoretical principles of supply and demand, then the consumer price would at least in percentage fluctuations approximate the rise and fall of the producer's cattle price.

Grain Prices per Bushel 1980-94

	1980	1985	1990	1991	1992	1993	1994
Wheat	\$3.91	\$3.08	\$2.61	\$3.00	\$3.24	\$3.26	\$3.45
Corn	\$3.11	\$2.23	\$2.28	\$2.37	\$2.07	\$2.50	\$2.25
Oats	\$1.79	\$1.23	\$1.14	\$1.21	\$1.32	\$1.36	\$1.22
Average	\$2.94	\$2.18	\$2.01	\$2.19	\$2.21	\$2.37	\$2.31
Consumer	2.839	3.07	3.41	3.45	3.515	3.565	3.63

Source: Natl. Agricultural Statistics Service, USDA

### Grain Prices Compared to Cereal Products CPI-U

Source: Natl. Agricultural Statistics Service, USDA and Dept. of Labor CPI-U

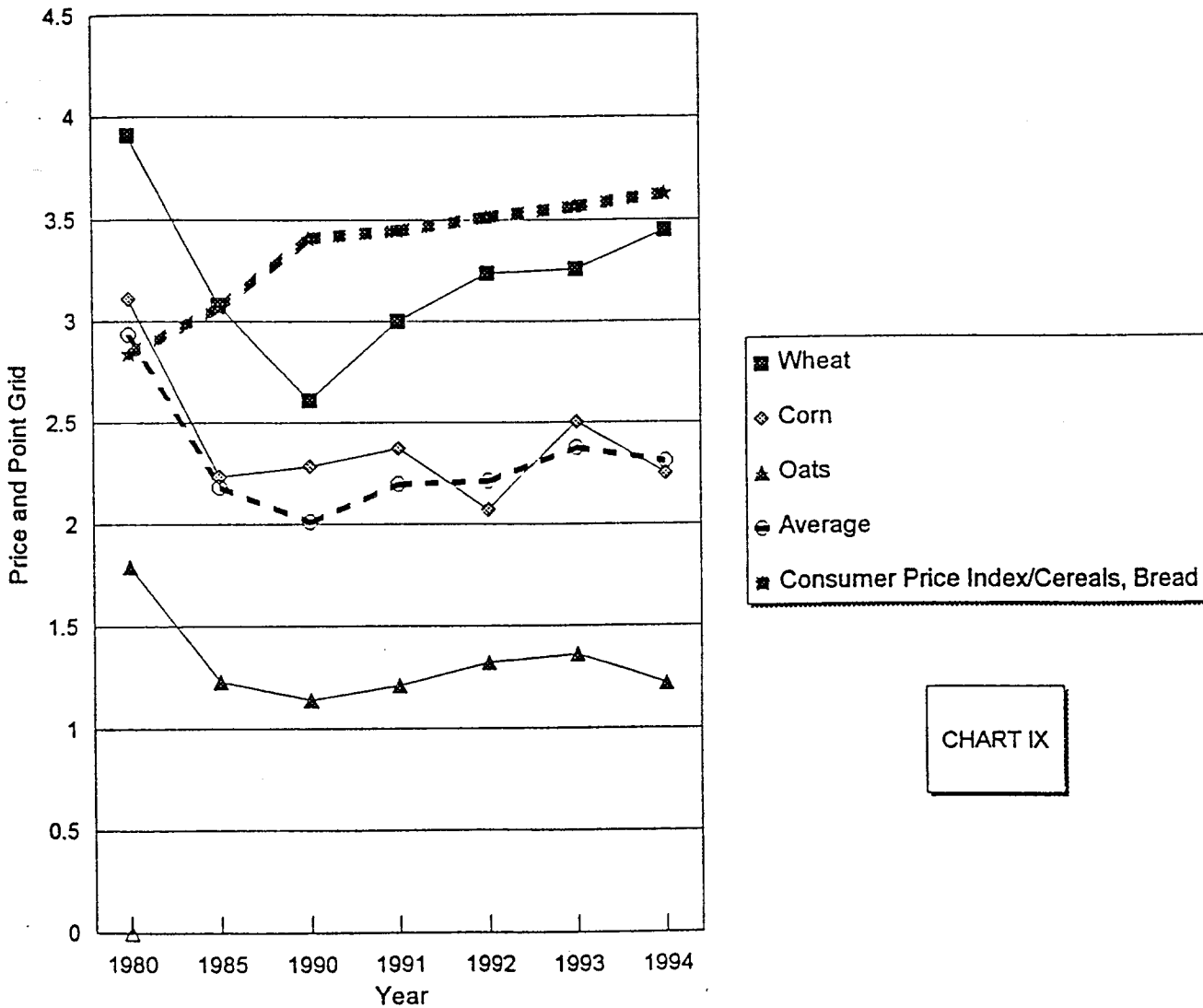


CHART IX

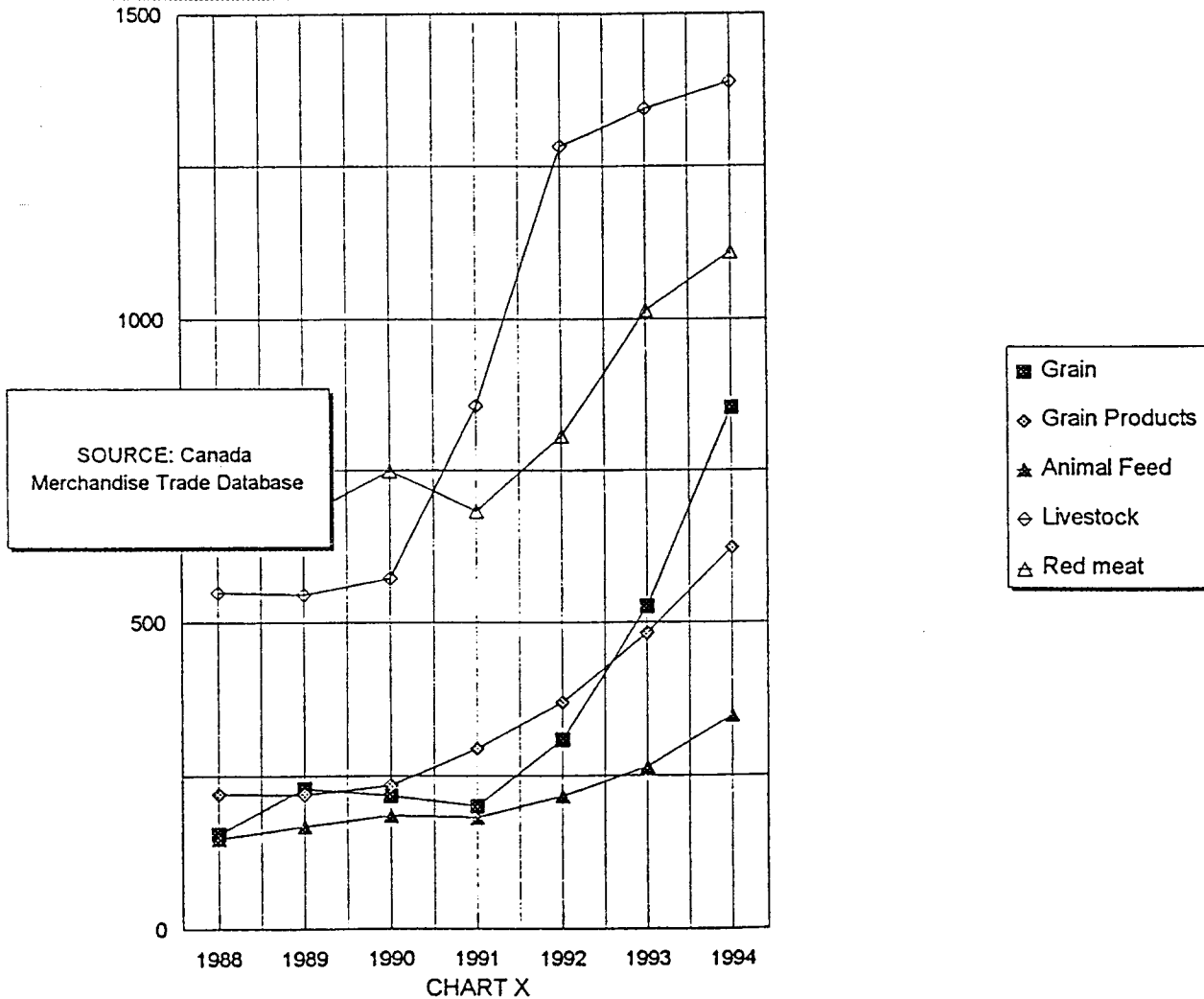
Grain prices and their comparison to the Consumer Price Index show a different curve ratio. Graph IX shows the CPI jumping dramatically from 1980 through 1990 while grain prices are dropping. The CPI-U does not level out and follow the commodity price line until 1990-1994 when there was a public investigation of the "Cereal Cartel". An agreement to roll back cereal prices was reached in March of 1996.

## CANADIAN EXPORT TRADE TO UNITED STATES

in millions		1988	1989	1990	1991	1992	1993	1994
Grain		\$155,062	\$229,558	\$217,505	\$200,134	\$308,783	\$525,812	\$853,195
Grain Product		\$219,970	\$218,817	\$234,085	\$294,784	\$370,115	\$482,805	\$622,417
Animal Feed		\$147,085	\$167,027	\$184,754	\$181,564	\$216,251	\$265,094	\$348,927
Livestock		\$549,230	\$545,739	\$572,944	\$856,718	\$1,283,890	\$1,344,900	\$1,388,354
Red meat		\$670,168	\$673,934	\$749,156	\$683,187	\$807,635	\$1,014,236	\$1,108,938

## CANADIAN EXPORT TRADE TO UNITED STATES

(in millions)

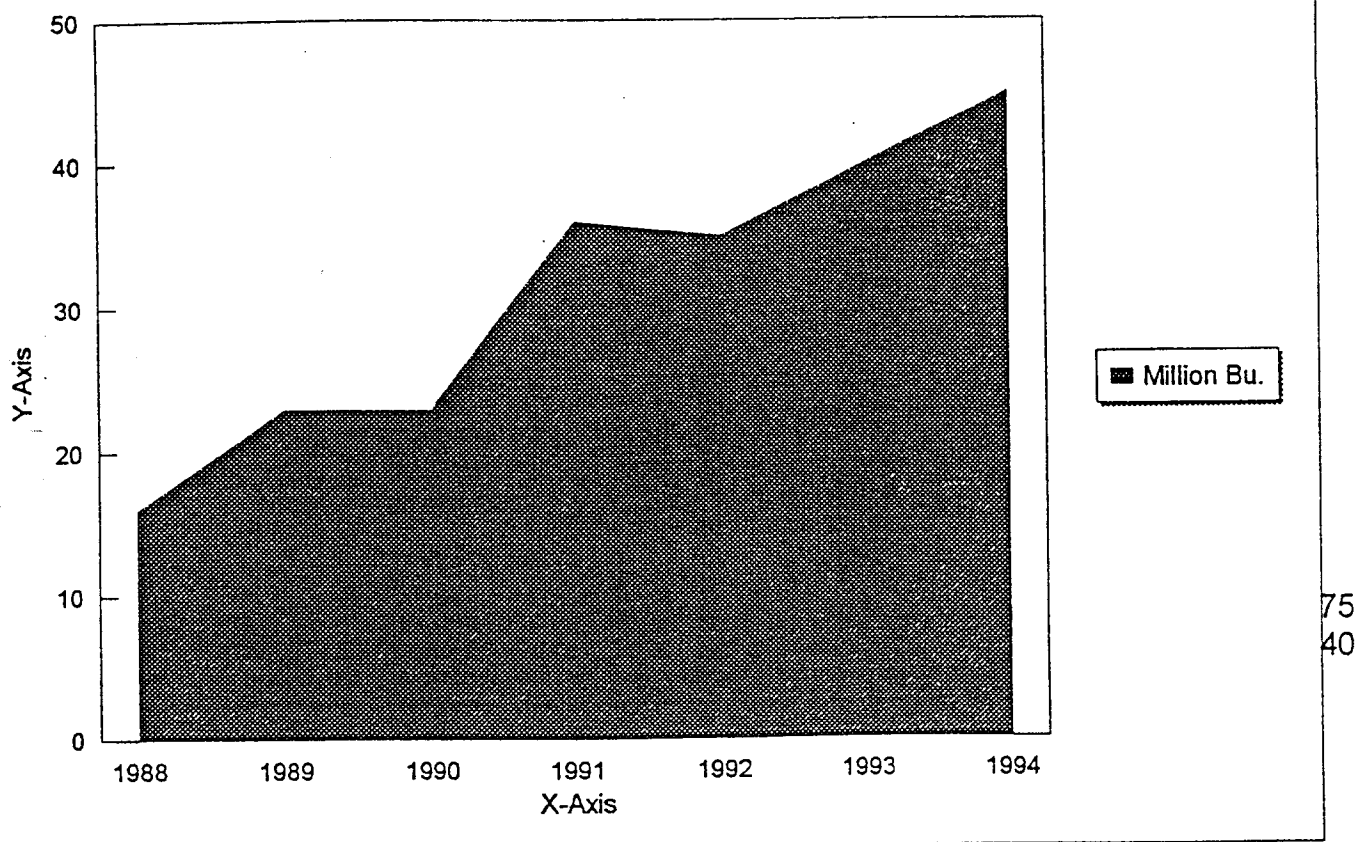


Perhaps one of the most significant effects of corporate concentration is its impact on the world market. With the passage of trade agreements including the Canadian Free Trade, North American Free Trade and the new General Agreement on Tariffs and Trade, data shows a significant jump in food imports into the United States. This particular chart shows a dramatic jump in Canadian export trade shortly after the passage of the Canadian Free Trade Agreement. Data derived for this chart comes entirely from the Canadian Merchandise Trade database. While protests were most visible among U.S. grain producers, it was livestock producers who felt the greatest dollar value impact from the Canadian trade.

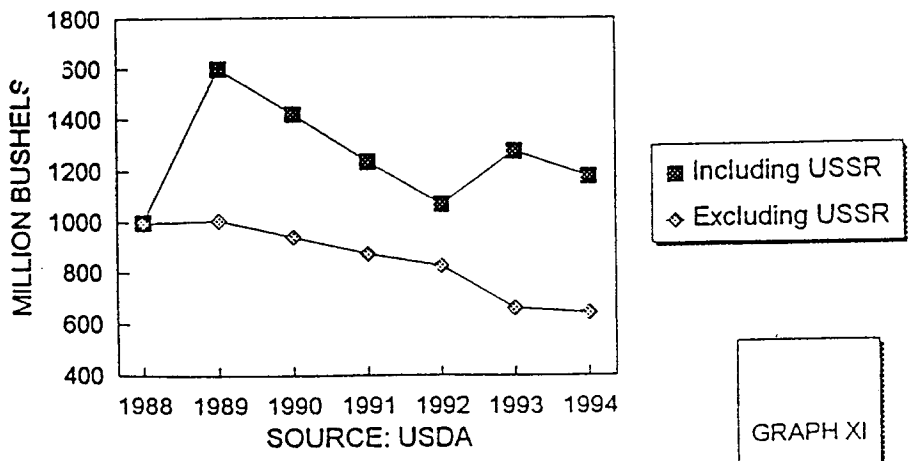
I. S. Wheat Imports

1988 1989 1990 1991 1992 1993 1994  
 Million Bu. 16 23 23 36 35 40 45

U. S. Wheat Imports



U. S. Wheat Exports



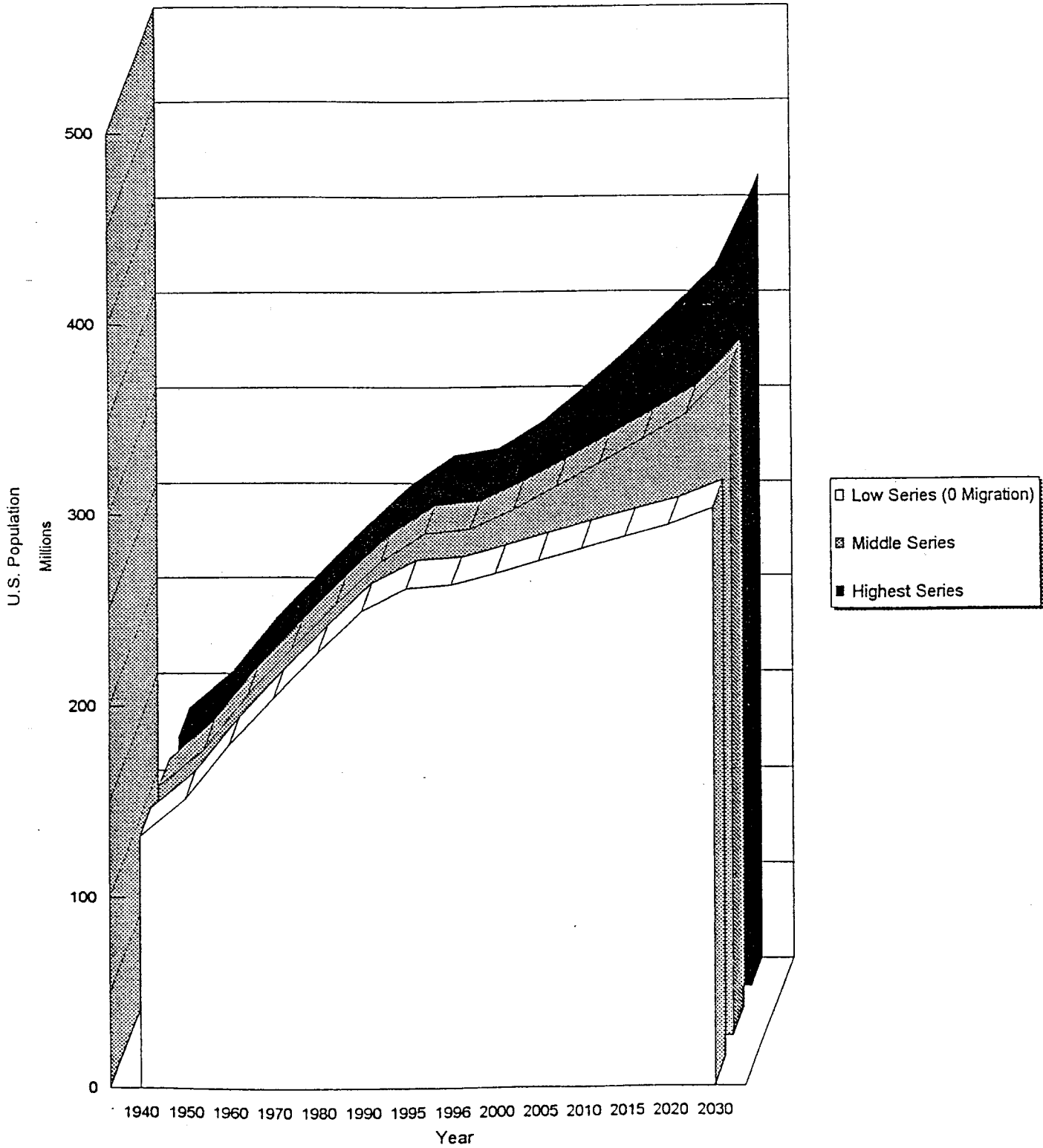
GRAPH XI

Many economists have touted market concentration for its efficiency in capturing shares in the world market, yet U. S. grain export data over the last decade seems to counter this assumption. These graphs illustrate the increase in grain imports into the U.S. while exports declined.



# U. S. Population Projections

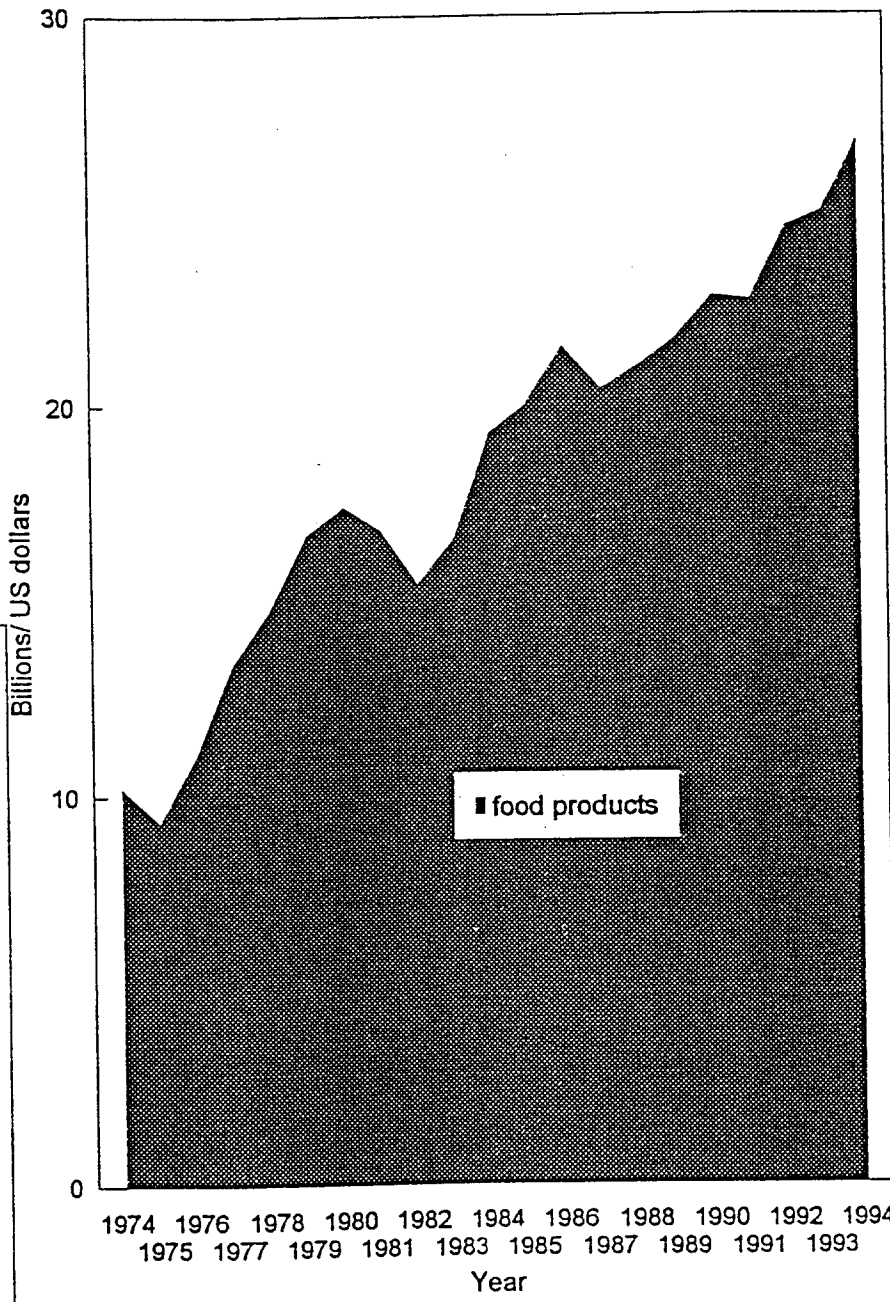
Bureau of the Census



Agricultural Imports for Consumption

1974	10.2
1975	9.3
1976	11
1977	13.4
1978	14.8
1979	16.7
1980	17.4
1981	16.8
1982	15.4
1983	16.6
1984	19.3
1985	20
1986	21.5
1987	20.4
1988	21
1989	21.7
1990	22.8
1991	22.7
1992	24.6
1993	25
1994	26.8

Agricultural Imports for Consumption  
United States



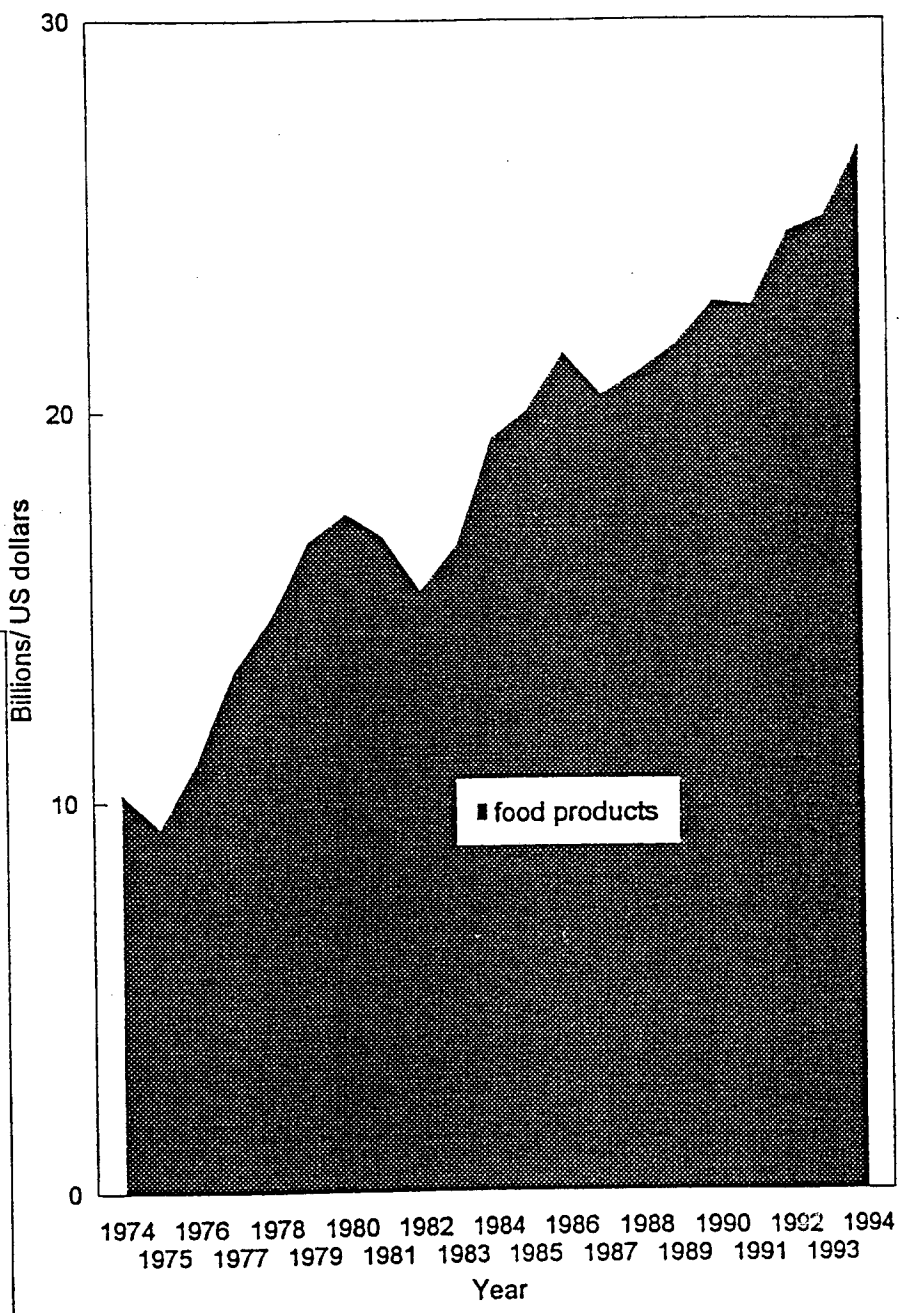
The 26.8 billion dollars in food imports in this graph represents nearly 25% of U.S. food consumption. If this trend continues, by the year 2010, the U.S. will be as dependent upon food imports as it currently is on oil imports. It is here where the most compelling moral and ethical question arises; Should the best fed, most productive agricultural nation in the world be competing for and importing food from developing nations which cannot afford to feed their own?

SOURCE: Economic Research Service  
USDA

Agricultural Imports for Consumption

74	10.2
75	9.3
76	11
77	13.4
78	14.8
79	16.7
80	17.4
81	16.8
82	15.4
83	16.6
84	19.3
85	20
86	21.5
87	20.4
88	21
89	21.7
90	22.8
91	22.7
92	24.6
93	25
94	26.8

Agricultural Imports for Consumption  
United States



The 26.8 billion dollars in food imports in this graph represents nearly 5% of U.S. food consumption. If this trend continues, by the year 2010, the U.S. will be as dependent upon food imports as it currently is on oil imports. It is here where the most compelling moral and ethical question arises; should the best fed, most productive agricultural nation in the world be competing for and importing food from developing nations which cannot afford to feed their own?

SOURCE: Economic Research Service  
USDA