September 1999/AGO-264

AGRICULTURAL OUTLOOK







Economics Editor

(202) 694-5331 dshields@econ.ag.gov

Associate Editors

Anne B.W. Effland (202) 694-5319

Judith E. Sommer (202) 694-5322

Managing Editor

Mary Reardon (202) 694-5136

Art Director Victor Phillips, Jr.

Assistant Editor Carrie Ingoglia

Design, Layout, Graphics Cynthia Ray

Statistics Coordinator David Johnson (202) 694-5324

2 Briefs

Ag Policy: Potential Impacts of an Agricultural Aid Package

Livestock, Dairy, & Poultry: Hog Prices to Strengthen in 2000

Specialty Crops: Smaller Apple Crop Could Lift Prices in 1999/2000

Field Crops: U.S. Durum Stocks to Expand Sharply Despite Smaller Crop

9 Commodity Spotlight

Soybean Prices Plummet to Lowest in 27 Years

Mark Ash

13 World Agriculture & Trade

NAFTA: The Record to Date

John Link & Steven Zahniser

U.S.-Mexico Sweetener Trade Mired in Dispute Stephen Haley & Nydia Suarez

21 Food & Marketing

Cargill's Acquisition of Continental Grain: Anatomy of a Merger James MacDonald

26 Special Article

Mexico's Pork Industry Structure Shifting to Large Operations in the 1990's

Leland Southard

Statistical Indicators

- **30** Summary
- 31 U.S. & Foreign Economic Data
- 33 Farm Prices
- 35 Producer & Consumer Prices
- 37 Farm-Retail Price Spreads
- 39 Livestock & Products
- 43 Crops & Products

- 47 World Agriculture
- 48 U.S. Agricultural Trade
- **52** Farm Income
- **57** Food Expenditures
- **57** Transportation
- 58 Indicators of Farm Productivity
- 59 Food Supply & Use

Published by the Economic Research Service, U.S. Department of Agriculture. Materials may be reprinted without permission. Current and back issues available on the ERS website at www.econ.ag.gov/epubs/pdf/agout/ao.htm. To access articles by AutoFAX dial (202) 694-5700; document #00550 and 00540.

Contents have been approved by the World Agricultural Outlook Board and the summary released August 20,1999. Price and quantity forecasts are based on the August 12, 1999 *World Agricultural Supply and Demand Estimates*.

Subscriptions: \$65 per year (\$130 to foreign addresses, including Canada). Order from ERS-NASS, 5285 Port Royal Rd., Springfield, VA 22161. Or call 1-800-999-6779 or 1-703-605-6220. Checks payable to ERS-NASS. For free e-mail subscription (text only): At website www.econ.ag.gov, click on "Periodicals" then "E-mail subscriptions"; follow instructions.

The next issue (AGO-265) is scheduled for mailing on October 4, 1999. If not delivered by October 22, call (202) 694-5136 (please have mailing label handy). The full text will also be distributed electronically; call (202) 694-5050 for further information.

Cover photo: Continental Grain Westwego, La. facility, sold to Cargill, Inc. Courtesy ContiGroup Companies, Inc.