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NEBRASKA FARM PRODUCTS IN FOREIGN TRADE

Every segment of the Nebraska economy has a stake in the state's agricultural exports. Foreign trade in farm commodities does far more than extend markets for the grain, livestock, dairy, and poultry products of Nebraska farm and agribusiness; businessmen gain, too, and workers benefit.

Agricultural exports mean profits for processing, storage, insurance, finance, and other export-related enterprises, as well as business for inland transportation—by truck, rail, barge, and air freight.

Foreign farm trade is responsible for many jobs in Nebraska (10,000 in 1965, the most recent year for which USDA has published estimates). Nationally it is estimated that almost three-quarter million workers were supported by exports last year.

Of immediate interest and significance, therefore, are data released recently with respect to the state's agricultural exports in fiscal 1970.¹

Foreign sales of Nebraska farm products increased from 1954 to 1970 at a rate almost 115 percent greater than in the United States as a whole and over six percent more than in the West North Central Region.

Figures for the decade from fiscal 1960 to fiscal 1970 show that the state's rate of agricultural export growth was 111 percent greater than the national rate and exceeded the regional gain by almost 15 percent.

In the period from 1966 to 1970 the Nebraska advantage was also marked; the United States had a decline of one-half percent, whereas this state had an increase of over 16 percent, a rate of gain almost four times that of the region.

From fiscal 1968 to fiscal 1970 Nebraska had more than three times the national growth rate in agricultural exports, a better showing than in any other recent time period.

Before becoming ebullient about these statistics, however, the question should be asked, "What has been happening lately?"

The answer is to be found in part in data comparing fiscal 1968 and fiscal 1970 (shown in Tables 1, 2, and 3):

Nebraska, ninth in the nation in dollar volume of farm exports in 1968, dropped to tenth place in 1970.

From third place in dollar volume in the West North Central Region, the state fell to fourth place in 1970.

Although this state's rate of export growth was improved in comparison with the national rate of growth, its rate of in-

crease fell slightly below the regional, in sharp contrast to having declined only 1.2 percent from 1966-68 when the region dropped 11.6 percent, and in contrast to being almost four times as high as the regional increase for the overall 1966-70 span of time.

The state's growth rate was fourth among the seven states, whereas it was second to Iowa for the entire period 1954-70 and for the 1966-70 time span.

Percentage decrease in export of wheat and wheat flour from Nebraska was 29 percent, largely because of almost a 52 percent drop in sales under government programs. Regionally the decline was less than 12 percent and the drop in government-financed sales was only 40 percent; comparative national percentages were decreases of 26 percent and 50 percent, respectively.

Thus the rate of decline in export of wheat and wheat flour from Nebraska was 17 percentage points greater than for the region as a whole.

Nebraska commercial sales of wheat and wheat flour rose only 4.4 percent, compared with increases of 30.7 percent regionally and 9.4 percent nationally.

In the late sixties the general decline in agricultural exports under the various government programs was felt much more adversely in Nebraska than in other states of the region or the nation. This state sustained a loss of 56 percent in such sales, compared with a decrease of less than 28 percent regionally and less than 39 percent nationally. South Dakota, the regional state with the second high rate of decline, experienced a drop of 47 percent. Minnesota, on the other hand, suffered a decrease of only four percent in total farm exports through government programs.

The answer to what has been happening lately is to be found also in export data for fiscal 1970:

Although among the top ten states in farm export, Nebraska held first place in none of the commodity categories. It was, however, second in exports of tallow and lard, hides and skins, and meat and meat products, and third in feed grains. The state was missing among the top ten states in export of soybeans, protein meal, soybean oil, poultry, and dairy products.

Whereas the dollar value of U.S. exports of agricultural products in 1969-70 was equivalent to 14 percent of total cash farm marketings in 1969, and the regional ratio was 14.6 percent, Nebraska's volume of such exports was the equivalent of only 13.7 percent of its cash marketings.

¹Foreign Agricultural Trade in the United States, Economic Research Service, USDA, October, 1970.

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NEBRASKA, THE REGION, AND THE NATION

Among the nation's top ten agricultural export states Illinois retained first place in fiscal 1970, but California supplanted Texas in runnerup position. Minnesota, in tenth rank previously, stepped up its exports significantly in dairy products and enough in all categories, except wheat and wheat flour, to change places with Nebraska. The ten high-ranking states accounted for some \$4 billion, three-fifths of the United States total, with shares ranging from \$650 for Illinois to \$270 for Nebraska.

In 1970 the seven states in the West North Central Region exported \$1,863 million, with Iowa, Kansas, and Minnesota, the region's leading farm export states, accounting for \$1.1 billion, about 59 percent of the regional total, as may be seen in Table 1. Ranked by dollar volume of sales Nebraska rose from fifth in 1954 and 1960 to fourth in 1966 and third in 1968, but dropped back to fourth in fiscal 1970.

Comparative figures on percentage change in farm exports for the nation, the West North Central Region, and each of the seven states in the region, for selected time periods, are shown in Table 2.

Nebraska's rate of change has consistently been more favorable than the national rate, but only for the 1960-70 time span has its rate of increase (99.6 percent) exceeded the regional rate of gain (86.7 percent). In 1966-68, however, when Nebraska and five other states in the region had decreases in farm exports, this state's rate of decline was the lowest, 1.2 percent, whereas the regional rate was 11.6 percent. In that period South Dakota was the only state with an increase, in contrast to 1968-70 when it was the only state with a decline.

Nebraska was fourth in the region in rate of increase for the time periods 1954-60 and 1960-70, Iowa was second, and Minnesota fifth in both time spans. Relative rates of change fluctuated considerably among other states in the region; South Dakota, seventh in the earlier period, was in first place in the past decade, reversing positions with Kansas. Missouri, third in rate of change in the 1954-60 time span, was sixth in the decade 1960-70.

It must be recognized that data on dollar volume of sales of farm exports are not adjusted for changes in price levels and that higher prices account for much of the apparent gain in some commodity exports. The Department of Agriculture points out that changes in quantity of exports, whether increases or decreases, may be less pronounced than changes in dollar volume, depending on price fluctuations. There are great variations from year to year; for example, in the past year nearly all the value gain in feed grains came from increased volume, whereas in animal fats and oils higher prices accounted for much of the apparent increase.

HOW STATES EXPAND THEIR EXPORTS

Because the ultimate destination of the entire agricultural production of the various states is not a matter of record, the published figures are estimates derived by expressing each state's contribution to the total output of the nation on the basis of production or sales data. Although sophisticated techniques of estimation are employed, the data do not reflect specific efforts of any given state to expand its farm exports.

Individual states, however, do attempt to claim their fair share—or more if they can—of the world market for such commodities by devising aggressive and sometimes innovative methods. This is exemplified in Iowa, where the Illinois Central Railroad has come up with a new program called "Customer-Car-Train-I" to attract export shipments to such points as Baton Rouge, Destrehan, New Orleans, and Reserve, Louisiana, and Gulfport, Mississippi.

The plan does not entail a rate change but offers instead guaranteed service on corn and soybeans moving in shippers' covered hopper cars. Shippers are offered guaranteed transit times of 61 to 72 hours, depending on point of origin, with a penalty of \$25 an hour for late deliveries of trains of 50 cars.

The railroad pays five and a half cents a mile allowance to shippers with private cars. If the shipper leases the cars, the railroad puts together a train, eliminates switching en route, and cuts down on transportation time. Under this plan a smaller shipper can combine with a larger one to make up the necessary 50-car freight.

Locational disadvantages with respect to farm exports from

TABLE 1
VALUE OF EXPORT SHARES OF AGRICULTURAL COMMODITIES, BY REGION AND STATES, UNITED STATES
SELECTED FISCAL YEARS

	Year Ending June 30th				
	1954	1960	1966	1968	1970
	(Million Dollars)				
United States	2,935.9	4,516.8	6,680.9	6,315.1	6,646.3
West North Central	524.7	998.1	1,785.3	1,578.9	1,863.4
Nebraska	72.8	135.4	232.3	229.5	270.3
Iowa	103.8	211.0	426.1	392.3	504.8
Kansas	93.3	225.5	392.2	296.0	314.0
Minnesota	87.4	156.5	240.5	226.3	275.6
Missouri	81.0	150.9	204.3	174.1	216.3
North Dakota	54.8	85.7	205.6	165.6	195.0
South Dakota	31.6	33.1	84.3	95.1	87.4
West North Central as Percent of U.S. Total	17.9	22.1	26.7	25.0	28.0
Nebraska as Percent of Regional Total	13.9	13.6	13.0	14.5	14.5

Source: U.S. Agricultural Export Shares by Region and State, Fiscal Year, 1970, Economic Research Service, USDA, Table 13. Computations by Bureau of Business Research.

TABLE 2
PERCENTAGE CHANGE AGRICULTURAL EXPORTS, BY REGION AND STATE, UNITED STATES
SELECTED TIME PERIODS

	Percentage Change				
	1954-60	1960-66	1966-68	1968-70	1960-70
United States	+ 53.8	+ 47.9	-- 5.5	+ 5.2	+ 47.1
West North Central	+ 90.2	+ 78.9	--11.6	+18.0	+ 86.7
Nebraska	+ 86.0	+ 71.6	-- 1.2	+17.78	+ 99.6
Iowa	+103.3	+101.9	-- 7.9	+28.7	+139.2
Kansas	+141.7	+ 73.9	--24.5	+ 6.1	+ 39.2
Minnesota	+ 79.1	+ 53.7	-- 5.9	+21.8	+ 76.1
Missouri	+ 86.3	+ 35.4	--14.8	+24.2	+ 43.3
North Dakota	+ 56.4	+139.9	--19.5	+17.75	+127.5
South Dakota	+ 4.7	+154.7	+12.8	-- 8.1	+164.0

Source: Same as Table 1. Computations by Bureau of Business Research.

the midwest have thus been partially overcome in Iowa. This may enable that state to improve its regional leadership, both in dollar terms and rate of growth, in agricultural exports. It should encourage other states to find new methods to solve what has been a chronic problem.

IMPACT OF WORLD TRADE POLICIES

Soaring exports of U.S. farm products in 1970 have been due to several factors, including what government experts term "an almost fantastic demand for soybeans."

The present foreign market for soybeans and soybean products thus illustrates the impact of national farm policies on our position in world trade. Access and price were major factors in greatly expanded soybean exports. Soybeans and meal have been guaranteed duty-free access to the European Community and some other European markets, and good access has also been available to Japan and the United Kingdom. This situation is subject to change, however, depending not only on action taken by the Common Market and other countries, but also upon their reaction in response to more restrictive United States trade policies now under consideration.

Corn and sorghum now enter Japan without restriction and duty free when used as animal feed. This is of great significance to Nebraska farmers because Japan is the leading commercial market for U.S. feed grains, as well as for wheat and soybeans. Standards of living are rising rapidly and as the per capita income rises the Japanese are demanding better food, particularly more poultry and livestock products—especially beef. Thus there is

great export potential if trade policies continue to be favorable. There is an observably high demand for wheat flour products in Japan, where bakeries in all the larger cities have enormous retail establishments, selling more varieties of bread, rolls, pastries, cakes, and cookies than most visitors from the United States have ever seen assembled in one shop. At trade fairs in Japan doughnuts made with flour from U.S. wheat and fried in oil from U.S. soybeans have become so popular that now doughnuts appear regularly in the school lunch of Japanese children. In Tokyo it seems that more than half the people going home from work, whether by bullet train or one of the ubiquitous commuter trains, carry packages of baked goods.

Although Japan is expected to continue to offer an extensive market for Nebraska wheat, it must be noted that the Japanese have been diversifying their sources of supply and are now importing increasingly from Australia and other countries. By diversifying its supply, Japan hopes to gain additional markets for its burgeoning industrial production. In this effort the government has joined with private firms in an attempt to encourage agricultural production in the Far and Near East, and in South America and Africa, as well. Such additional production will ultimately increase the competition the U.S. faces in the Japanese market.

WHAT KIND OF TRADING WORLD DO WE WANT?

There is a basic question involved in foreign agricultural trade—what kind of trading world do we want? As seen by Andrew J. Mair, Deputy Assistant Secretary of (Continued on page 6)

TABLE 3
VALUE OF EXPORT SHARES OF AGRICULTURAL COMMODITIES U.S., WEST NORTH CENTRAL REGION AND STATE,
BY PRINCIPAL TYPES OF EXPORT, FISCAL 1970, AND PERCENTAGE CHANGE, FISCAL 1968 TO 1970
AND RATIO TO CASH FARM MARKETINGS

	Wheat and Wheat Flour		Total Feed Grains		Soybeans		Soybean Oil and Protein Meal		Dairy Products	
	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70
United States	+941.6	-26.3	+995.3	- 0.5	+1,069.0	+42.4	+461.3	+ 24.6	+108.9	- 5.9
Govt. Program	+383.4	-50.0	+ 62.6	-47.8	- - -	- -	+ 83.7	- 25.3	+ 82.3	- 25.4
Commercial	+558.2	+ 9.4	+932.7	+ 5.9	+1,069.0	+42.4	+377.6	+ 46.2	+ 26.6	+392.6
West No. Central	+466.1	-11.8	+385.8	+ 8.2	+ 371.4	+43.8	+163.4	+ 96.6	+ 52.9	+ 52.9
Govt. Program	+189.6	-40.2	+ 24.2	-41.9	- - -	- -	+ 29.2	+ 9.4	+ 41.1	+ 25.3
Commercial	+276.5	+30.7	+361.6	+14.9	+ 371.4	+43.8	+134.2	+137.9	+ 11.8	+555.6
Nebraska	+ 51.7	-29.0	+100.4	+12.9	+ 25.7	+90.4	+ 10.9	*	+ 2.4	+ 41.2
Govt. Program	+ 21.0	-51.6	+ 6.3	-56.2	- - -	- -	+ 2.0	*	+ 1.9	+ 18.8
Commercial	+ 30.7	+ 4.4	+ 94.1	+26.3	+ 25.7	+90.4	+ 8.9	*	+ 0.5	+400.0
	Meat and Meat Products		Hides and Skins		Lard and Tallow		Total Including All Others		Cash Farm Marketings	Total Exports as Percentage of Cash Farm Marketings
	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	Percent Change Fiscal 1968-70	Millions of Dollars	
United States	+140.0	+34.6	+157.3	+41.3	+213.1	+48.1	+6,646.3	+ 5.2	+47,431	+14.0
Govt. Program	- - -	- -	+ 0.2	- 0.1	+ 9.2	-54.2	+ 980.1	-38.8	- - -	- -
Commercial	+140.0	+34.6	+157.1	+43.5	+203.9	+64.7	+5,666.2	+20.2	- - -	- -
West No. Central	+ 59.5	+33.7	+ 62.5	+56.2	+ 89.5	+42.3	+1,863.4	+18.0	+12,797	+14.6
Govt. Program	- -	- -	+ 0.2	-75.0	+ 3.8	-56.3	+ 320.8	-27.6	- - -	- -
Commercial	+ 59.5	+33.7	+ 62.3	+58.9	+ 85.7	+58.1	+1,542.6	+35.8	- - -	- -
Nebraska	+ 10.8	+20.0	+ 18.1	+82.8	+ 22.2	+74.8	+ 270.3	+17.8	+ 1,966	+13.7
Govt. Program	- -	- -	+ 0.1	-50.0	+ 1.0	-44.4	+ 35.5	-56.0	- - -	- -
Commercial	+ 10.8	+20.0	+ 18.0	+85.6	+ 21.2	+94.5	+ 234.8	+41.4	- - -	- -

* Cannot be computed; 1968 data unavailable.

Source: U.S. Agricultural Export Shares by Region and State, Fiscal Year, 1970, Economic Research Service, USDA, Table 12. All Computations by Bureau of Business Research.

Business Summary

In September the state's business activity continued at a level above that of the same month last year. Despite the element of inflation in the 5.7 percent higher dollar volume index, some real improvement was indicated by the 3.3 percent gain recorded in the physical volume index. This year's generally stronger situation reflected strengths of cash farm marketings, electric power production, and nonmanufacturing employment.

September's retail sales, although up by only 1 percent over last year in dollar volume and hence showing a decline in physical

volume, did provide at least a positive monetary influence on the state's economy. The decline from last year in manufacturing employment was not as pronounced for Nebraska as for the nation as a whole. October's retail sales showed some further gain, being 2 percent above that of last year. Marked declines in hard goods sales—especially in building material and farm and home equipment stores—were recorded in several of the state's major trading centers. Automotive store sales were also off.

Hastings, North Platte, Kearney, Sidney, and Alliance showed strong October city indexes of general business activity compared to last year.

All figures on this page are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table 1 (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month.

E. L. HAUSWALD

1. NEBRASKA and the UNITED STATES

2. PHYSICAL VOLUME OF BUSINESS
Percentage of 1948 Average

SEP Business Indicators	Percent of 1948 Average		Percent of Same Month a Year Ago		Percent of Preceding Month	
	Nebraska	U.S.	Nebraska	U.S.	Nebraska	U.S.
	Dollar Volume of Business	359.8	432.8	105.7	107.4	104.9
Physical Volume of Business	225.2	246.2	103.3	102.6	102.5	101.0
Bank debits (checks, etc.)	280.0	457.7	102.1	106.2	108.6	104.1
Construction activity	188.9	161.4	86.3	93.3	97.9	100.6
Retail sales	160.8	185.5	100.9	101.2	101.6	100.2
Life insurance sales	419.3	472.4	106.1	100.7	99.2	101.9
Cash farm marketings	248.6	151.3	117.4	105.1	139.1	96.4
Electricity produced	476.6	565.0	121.2	109.7	94.3	101.5
Newspaper advertising	153.5	148.5	91.9	97.4	107.6	98.0
Manufacturing employment	170.3	126.0	96.1	95.5	99.5	100.2
Other employment	153.1	176.6	104.3	102.0	101.7	100.4
Gasoline sales	257.0	238.0	102.8	102.9	96.0	96.0

Month	Nebraska		U. S.	
	1969-70		1969-70	
	September	218.0	239.9	218.0
October	214.6	243.1	214.6	243.1
November	206.4	238.1	206.4	238.1
December	220.9	241.7	220.9	241.7
January	224.1	246.8	224.1	246.8
February	231.7	247.3	231.7	247.3
March	222.6	243.7	222.6	243.7
April	226.3	248.0	226.3	248.0
May	208.3	243.9	208.3	243.9
June	229.2	248.3	229.2	248.3
July	222.5	249.3	222.5	249.3
August	243.8	219.7	243.8	219.7
September	225.2	246.2	225.2	246.2

3. RETAIL SALES for Selected Cities. Total, Hard Goods, and Soft Goods Stores. Hard Goods include automobile, building material, furniture, hardware, equipment. Soft Goods include food, gasoline, department, clothing, and miscellaneous stores.

OCT City	No. of Reports	Percent of Same Month a Year Ago			Percent of Preceding Month	City	No. of Reports	Percent of Same Month a Year Ago			Percent of Preceding Month
		Total	Hard Goods	Soft Goods				Total	Hard Goods	Soft Goods	
		THE STATE	629	101.8				94.6	104.9	107.9	
Omaha	49	100.8	96.0	104.7	103.8	Fairbury	24	102.6	105.1	99.7	104.5
Lincoln	62	93.6	78.8	105.6	106.9	Norfolk	22	87.5	81.6	92.8	103.0
Grand Island	28	100.0	101.3	98.8	99.3	Scottsbluff	29	107.7	107.0	108.2	101.7
Hastings	25	106.8	113.6	100.9	102.7	Columbus	26	96.0	98.0	93.6	108.1
North Platte	16	116.7	127.3	106.1	109.1	McCook	12	99.8	101.0	98.0	105.1
						York	20	96.5	105.5	90.7	103.8

4. RETAIL SALES, Other Cities and Rural Counties

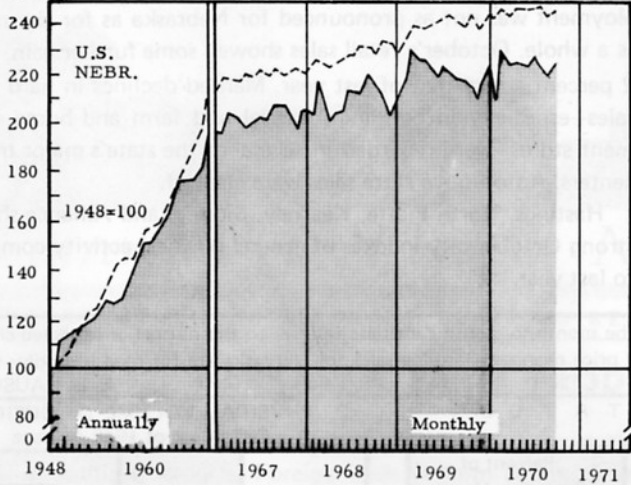
OCT Locality	No. of Reports	Percent of Same Month A Year Ago	Percent of Preceding Month
Kearney	13	111.1	107.3
Alliance	24	106.8	117.4
Nebraska City	18	103.5	110.1
Broken Bow	14	90.8	106.3
Falls City	15	100.2	125.1
Holdrege	14	89.4	89.8
Chadron	17	105.1	101.3
Beatrice	15	84.3	103.7
Sidney	18	109.1	106.7
So. Sioux City	9	111.0	113.3
Antelope	7	79.1	95.6
Cass	17	105.5	107.3
Cuming	9	89.8	103.4
Sand Hills**	22	107.6	121.9
Dodge***	9	93.8	119.8
Franklin	6	114.5	115.0
Holt	11	109.8	123.8
Saunders	13	89.7	112.5
Thayer	8	98.3	109.7
Misc. Counties	33	107.8	125.1

5. RETAIL SALES, by Subgroups, for the State and Major Divisions

OCT Type of Store	Percent of Same Month a Year Ago			
	Nebraska	Omaha and Lincoln	Other Cities	Rural Counties
ALL STORES****	101.8	99.0	103.7	99.6
Selected Services	110.2	100.3	110.4	120.0
Food Stores	106.0	107.3	106.1	104.8
Groceries and meats	108.5	106.3	111.1	107.6
Eating and drinking pl.	99.8	103.3	97.2	98.9
Dairies and other foods	110.3	124.7	99.8	106.3
Equipment	92.9	85.2	106.6	87.0
Building material	94.1	82.2	113.2	87.0
Hardware dealers	100.5	93.0	105.2	103.3
Farm equipment	80.7	60.1	105.3	76.7
Home equipment	98.0	96.9	101.4	101.4
Automotive stores	95.0	95.9	93.5	95.8
Automotive dealers	96.6	94.2	90.3	105.4
Service stations	98.5	102.7	106.5	86.2
Miscellaneous stores	105.0	105.2	105.7	104.0
General merchandise	103.3	104.0	97.4	108.4
Variety stores	120.2	124.4	126.4	109.9
Apparel stores	98.8	100.3	104.6	91.5
Luxury goods stores	112.8	99.4	114.6	124.4
Drug stores	102.6	100.8	100.7	106.4
Other stores	101.6	110.1	108.0	86.9

Hooker, Grant, Dawes, Cherry, and Sheridan Counties *Outside Principal City ****Not including Selected Services

PHYSICAL VOLUME OF BUSINESS



UNADJUSTED CITY INDEXES

Percentage Change, Sept. 1969 to Sept. 1970

	-10	-5	0	+5	+10	+15	+20
SIDNEY							
NORTH PLATTE							
HASTINGS							
ALLIANCE							
KEARNEY							
CHADRON							
BROKEN BOW							
HOLDREGE							
OMAHA							
NEBRASKA CITY							
GRAND ISLAND							
FREMONT							
FALLS CITY							
YORK							
BEATRICE							
(STATE)							
FAIRBURY							
MCCOOK							
COLUMBUS							
LINCOLN							
SCOTTSBLUFF							
NORFOLK							
SO. SIOUX CITY							

Figures on this page are not adjusted for seasonal changes nor for price changes. Building activity includes the effects of past as well as present building permits, on the theory that not all building is completed in the month the permit is issued.

E. L. H.

6. CITY BUSINESS INDICATORS

OCT

Percent of Same Month A Year Ago

City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	100.2	102.5	82.2	101.8	105.9	103.1	98.9	64.7	97.4
Beatrice	100.3	100.1	125.5	84.3	102.6	99.8	88.6	106.8	98.7
Omaha	102.1	102.5	103.3	100.8	104.1	102.3	95.1	102.9	99.7
Lincoln	98.5	104.9	62.2	93.6	116.9	103.6	92.0	118.0	90.5
Grand Island	101.2	100.2	102.5	100.0	97.7	114.5	103.1	101.9	81.2
Hastings	110.0	120.9	31.4	106.8	NA	NA	109.6	102.5	123.3
Fremont	100.8	101.0	140.1	96.2	101.0	NA	97.0	104.0	NA
North Platte	111.4	102.6	101.1	116.7	110.2	119.3	137.0	113.1	105.6
Kearney	109.8	82.1	21.0	111.1	117.8	118.8	120.5	100.5	NA
Scottsbluff	96.8	NA	71.2	107.7	101.7	110.4	88.6	100.0	71.1
Norfolk	NA	NA	NA	87.5	110.6	97.8	NA	NA	93.5
Columbus	99.1	102.1	124.9	96.0	97.5	100.8	81.6	103.2	93.4
McCook	99.6	110.8	80.6	99.8	108.0	83.0	NA	103.2	95.8
Sidney	113.2	107.6	206.7	109.1	118.2	99.2	112.3	123.2	NA
Alliance	109.8	112.7	25.5	106.8	98.4	152.1	121.1	75.2	124.8
Nebraska City	101.7	82.9	173.6	103.5	107.7	93.9	89.0	123.3	NA
So. Sioux City	NA	NA	NA	111.0	NA	NA	NA	124.2	NA
York	100.4	95.4	124.2	96.5	117.4	96.4	93.6	86.4	113.5
Falls City	100.7	105.8	21.5	100.2	105.6	91.2	88.3	111.8	116.2
Fairbury	100.1	92.5	133.2	102.6	89.9	NA	95.3	117.4	102.5
Holdrege	105.8	101.1	268.0	89.4	123.2	104.7	111.8	105.7	95.5
Chadron	107.9	102.2	62.1	105.1	109.3	110.5	110.9	109.2	NA
Broken Bow	106.7	109.9	109.4	90.8	105.0	88.5	*124.7	102.5	114.3

OCT

Percent of Preceding Month (Unadjusted)

City	City Index	Bank Debits	Building Activity	Retail Sales	Electricity Consumed	Gas Consumed	Water Pumped	Postal Receipts	Newspaper Advertising
The State	100.1	103.5	101.8	107.9	87.0	126.3	79.7	68.0	113.1
Beatrice	99.9	104.5	83.8	103.7	79.8	179.1	95.6	100.5	99.8
Omaha	105.5	103.1	109.5	103.8	92.1	112.3	88.2	105.6	158.8
Lincoln	104.0	101.4	104.4	106.9	79.4	122.7	81.5	125.7	103.4
Grand Island	99.2	101.2	110.0	99.3	93.8	142.4	87.3	98.7	97.4
Hastings	103.0	103.8	101.9	102.7	95.4	218.6	63.0	103.7	106.0
Fremont	94.2	108.6	76.6	107.0	84.5	NA	70.7	109.2	NA
North Platte	104.8	106.0	102.7	109.1	82.1	185.6	68.5	129.7	101.3
Kearney	107.1	97.3	116.2	107.3	98.0	178.1	75.4	116.0	NA
Scottsbluff	102.5	109.3	115.6	101.7	83.4	205.9	63.3	117.4	81.2
Norfolk	103.0	105.0	96.3	103.0	68.3	177.7	89.8	113.3	107.6
Columbus	99.1	102.5	84.9	108.1	72.9	157.8	71.7	100.9	111.0
McCook	99.6	113.5	99.5	105.1	77.4	192.6	59.7	109.0	84.9
Sidney	107.3	111.5	104.5	106.7	94.0	211.6	74.5	110.7	NA
Alliance	112.3	116.7	105.1	117.4	81.5	166.1	47.1	116.7	110.6
Nebraska City	97.0	98.9	92.7	110.1	75.9	99.3	80.2	111.3	NA
So. Sioux City	NA	NA	NA	113.3	80.5	NA	NA	117.1	NA
York	97.8	95.1	129.8	103.8	80.2	197.1	59.8	88.2	104.2
Falls City	113.1	103.4	103.9	125.1	91.5	135.6	89.3	119.9	134.1
Fairbury	93.5	97.8	78.9	104.5	81.1	NA	82.6	111.2	100.2
Holdrege	96.8	93.4	259.5	89.8	85.5	210.1	49.5	96.9	107.1
Chadron	111.6	104.1	NA	101.3	98.4	200.0	53.9	142.6	NA
Broken Bow	121.6	130.2	139.0	106.3	96.4	197.5	80.5	*121.1	129.0

We want a world of orderly trade based on comparative advantage where commodities move basically on price and merit to the benefit of efficient producers and of consumers as well.

How to achieve this goal becomes an ever more perplexing problem.

The intricate interrelations of national policies for agriculture, trade, and foreign aid are complicated by the necessity to adjust to, and function in relation to, the often conflicting policies of other nations. The trade situation has been further complicated by the emergence of regional economic organizations made up of combinations of countries, with each group seeking to improve the international competitiveness of its member countries. (By eliminating barriers to trade between members, the European Community, for example, has raised the level of intra-Community trade at a much faster rate than that of trade with other countries.)

The complexities of world trade and the ramifications of export policies with respect to farm products are beyond the scope of this article, except to call attention to the probability that in the '70s the products of the nation's, and Nebraska's, farms will face stiff competition in foreign markets.²

Assuredly the United States is now the largest exporter of agricultural products; in 1969-70 it supplied about one-fifth of the world's total exports, with nearly nine-tenths being commercial sales for dollars. Increasingly, however, there is less need for this nation to furnish aid to developing countries. Therefore, government-financed exports will continue to decline and probably at a faster rate.

Because in the past large proportions of the products exported under foreign aid programs, mainly wheat, wheat flour, and feed grains, have come from the West North Central Region, Nebraska and other states in the region will experience proportionately high decreases in such exports in the '70s. This situation was reflected in regional declines in fiscal 1970, when Nebraska absorbed more than its share of the loss with a 56 percent drop in noncommercial sales of feed grains and an almost 52 percent decrease in such sales of wheat and wheat flour.

PROSPECTS FOR THE FUTURE

As a recent study of international trade and American agriculture emphasizes, projections about foreign trade are hazardous because so many unpredictable factors are involved.³ One certainty with respect to future agricultural trade is that powerful contractive, as well as expansive, influences will be felt. Nonetheless, as per capita income and standards of living continue to rise in nations around the world, there should long be a substantial export market for the products of this nation's efficient agriculture. This belief is bolstered by the fact that although world production of farm commodities has increased significantly in re-

²For challenging discussions of America's role in world agriculture and the effect of trade policies, see *Contours of Change*, the 1970 yearbook of the USDA, pp. 244-316.

³*International Trade and American Agriculture*, Federal Reserve Bank of Kansas City, Sept., 1970.

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cent years, the increase has been less pronounced on a production-per-capita basis.

Building and maintaining agricultural trade abroad is a big job, however, and competition is tough, but the stakes are high. Recognizing this fact, the U.S. Department of Agriculture has joined with private industry and various trade groups to intensify marketing efforts and provide added salesmanship for farm products. As a spokesman for the department explains:

As we enter the 1970s we are operating in some 75 countries around the world. Some are big, old markets like the United Kingdom, West Germany, and Japan. In these kinds of markets the cooperators carry out sizable programs through field offices. We hold trade fairs—and frequently, in-store promotions. In three of the older markets we operate Trade Centers. And our agricultural attaches are constantly searching for sales opportunities for U.S. products not currently in these markets.⁴

In many smaller countries where market potential has not previously been recognized, innovative programs have been originated. Marketing teams do product research, make educational and market surveys, conduct public demonstrations, hold seminars and product promotions, and otherwise attempt to claim for this country full access to the developing trade.

Cooperative programs between the USDA and some 65 trade organizations (such as the American Soybean Association and the U.S. Feed Grains Council, to name but two) have contributed significantly to national farm trade extension in recent years. Assuredly much depends on continuing and intensifying these cooperative efforts.

Similarly, aggressive and vigorous activities of Nebraska agricultural growers and marketers associations, as well as the various farm organizations, must be credited with much that has been achieved in expansion of Nebraska's farm export sales. Such efforts must also be intensified, it appears, in view of the highly competitive arena where other countries are said frequently to outdistance the U.S. in their willingness to spend money to promote sales.

DOROTHY SWITZER

⁴*Contours of Change*, p. 227.