

South Carolina's Agricultural Economy
1997 Another Record Year:
Next Year's Prospects Mixed¹

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1997 will probably go down as another record income year for South Carolina agriculture based on preliminary statistics. The crops sector led income growth with receipts now approaching \$1 billion. It was a particularly good year for tobacco, with increased production and reasonable prices. Grains and oilseeds also had a good year. Corn yields averaged 100 bu./acre, and wheat 50 bu., but late season weather problems cut soybean yields. Cotton prices dropped at harvesttime and yields were off from 1996 record levels, but income should approximate 1994 and 1995 levels.

Tomato growers had a reasonable year, but production of other major vegetables may have continued to slip in 1997. Peaches rebounded from the 1996 disaster and pecan and apple production also rose, although apple prices were not what growers had hoped for.

The livestock sector was a mixed bag. Dairy and poultry showed tremendous income growth in 1996, though offset by high feed prices. Milk prices were off sharply in early 1997, but rose in the fall. The poultry sector also will fail to match previous year income levels. However, the cattle cycle finally turned, and producers can look forward to generally favorable prospects well into the new century.

1998 Prospects. The outlook for the general economy remains bright. Income growth may slow somewhat, but inflation and interest rates remain low. The Asian financial turmoil and its spillover effects are the biggest question marks at this time.

Crop producers generally have the opportunity to lock in at modestly profitable price levels for 1998. However, tobacco income will register a major decline this year based on the big drop in effective quota. The big boom in cotton may be over and acreage may decline somewhat in 1998.

On the livestock side, income from swine production is likely to be off sharply because of falling pork prices. The regulatory environment provides a major uncertainty for the livestock sector that can be viewed in two contrasting ways. On the one hand, new regulations and guidelines which will probably become effective in 1998 provide very stringent restrictions on where and how many animals will be produced in the state. On the other hand, South Carolina may be ahead of the game with some firm regulations that may allow growth in future years. Many other states including North Carolina are plagued with moratoriums on new and expanding facilities, and conflicting county by county requirements.

The bottom line is a probable dip in aggregate S.C. farm earnings in 1998, which would be the first such decline in this decade. However, production expenses are expected to be little if any higher this year, mitigating the squeeze on farmers' wallets.

¹Paper presented to the Agricultural Outlook Conference of the South Carolina Agricultural Expo, Columbia, SC, January 27, 1998.

CASH RECEIPTS
 Farm Marketings by Commodity and Government Payments
 South Carolina, 1994-1996, **1997 Forecast**

Commodity	1994	1995	1996	1997
--Thousand Dollars--				
CROPS:				
Tobacco	189,689	186,795	214,650	227,000
Oil Crops:				
Soybeans	60,437	81,448	79,991	84,500
Peanuts	9,933	9,016	7,975	7,500
Feed Grains:				
Corn	36,400	51,625	71,819	75,000
Hay	10,299	10,225	9,890	11,500
Oats	2,233	910	1,209	2,000
Food Grains:				
Wheat	51,280	38,518	57,729	51,000
Cotton:				
Cotton Lint	120,642	125,235	148,134	125,000
Cottonseed	6,785	6,547	9,556	8,000
Vegetables:	88,728	92,170	74,832	78,000
Fruits and Nuts:				
Peaches	35,640	34,240	1,478	37,500
Pecans	7,002	3,315	1,631	3,000
Apples	7,425	6,940	4,613	6,000
Other Fruits and Nuts	3,544	3,597	2,364	3,000
Miscellaneous Crops:				
Greenhouse and Nursery	144,998	155,060	167,578	180,000
Forest Products	11,400	12,000	13,000	14,000
Other Crops	8,418	7,752	7,657	8,000
TOTAL CROPS	787,853	825,393	874,106	921,000
LIVESTOCK AND LIVESTOCK PRODUCTS:				
Milk	60,745	55,304	62,185	58,000
Meat Animals:				
Cattle and Calves	123,414	91,697	74,588	90,000
Hogs	60,315	56,579	68,437	65,000
Poultry and Eggs:				
Eggs	70,389	70,680	87,108	82,000
Broilers	206,080	234,738	306,657	300,000
Turkeys	69,136	75,778	118,100	115,000
Other Livestock	26,159	28,696	30,518	20,000
TOTAL LIVESTOCK	616,238	613,472	747,593	730,000
TOTAL COMMODITIES	1,404,091	1,438,865	1,621,699	1,651,000
GOVT. PAYMENTS	60,200	33,800	42,900	40,000
STATE TOTAL	1,464,291	1,472,665	1,664,599	1,691,000