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# INFORMATION: AN ESSENTIAL INGREDIENT IN CROP PRODUCTION, MARKETING, DISTRIBUTION, AND AGRICULTURAL POLICY

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In the late forties, the United States was a net importer of agricultural commodities. Since then, U.S. agricultural exports have grown steadily through the early seventies, and dramatically since then. Since 1972, prices of major export commodities - in particular cereals - have averaged at levels approximately twice as high as in the previous decade. However, year to year variability of prices also increased during the past decade over the previous one. As measured by the coefficient of variation, year to year variability is now two to three times of what was observed in earlier years.

While increased agricultural exports have many positive effects, U.S. agriculture's dependence on the world market introduces hitherto unknown levels of uncertainty regarding demand for these agricultural commodities. To a substantial degree, this uncertainty is due to lack of knowledge about forthcoming crop production. Schemes exist to reduce the impact of a crop shortfall or that of a bumper crop. Massive storage programs constitute an example of such a scheme. However, such schemes are expensive: Developing countries cannot afford them and developed countries are increasingly unwilling to bear these costs. Accurate and timely information on crop production, storage, and movements will provide an important tool for the producer and policy maker to counter the increased uncertainty which has been introduced into agricultural markets as a result of global structural changes.