ECONOMIC IMPACT OF THE ELIMINATION OF THE WOOL ACT[1]

Introduction

Public Law 103-130, signed into law on November 1, 1993, mandated the phase-out of the National Wool Act programs, including the direct price support payments to producers. In the four years prior to termination (1990-93), payments to wool producers averaged $122 million per year. The market value of the wool produced in those years averaged $53 million per year, equivalent to 43 percent of the value of the direct payments. The loss of direct payments was, therefore, a significant loss to wool and mohair producers. However, farm asset values and local economies were little affected. And, increases in income from sheep and lamb slaughter partly offset revenue losses from wool. This report considers the implications of the termination of the National Wool Act on the market value of sheep, lamb, and wool and mohair production at the national level and in two counties in Texas heavily dependent on wool and mohair production and sales.

National Wool Act Programs

The National Wool Act, as amended, (Wool Act) 7 U.S.C. §§ 1781-87, repealed by Act of Nov. 1, 1993, Pub. L. No. 103-130, served as the basis for the wool and mohair price support programs carried out from 1955 to 1995. Although the Wool Act authorized price support for wool and mohair through "loans, purchases, payments or other operations," from the start 7 U.S.C. § 1782(a) (repealed), wool and mohair producers were supported through direct payments. The Wool Act authorized support payments for shorn wool, mohair, and pulled wool (wool removed mechanically from the pelts of slaughtered sheep and lambs). A complex, parity-based formula specified in the legislation determined the shorn wool support price. The Wool Act gave the Secretary of Agriculture discretion to set the mohair support price at a level between 85 and 115 percent of the percentage of parity at which shorn wool was supported. See 7 U.S.C. § 1782 (repealed). Most years, mohair was supported at the statutory minimum, although from 1981 through 1984, mohair was supported at the 100-percent level. The Wool Act also mandated that pulled wool be supported at a level relative to shorn wool that would maintain "normal marketing practices" for pulled wool. See 7 U.S.C. § 1782© (repealed).

The Wool Act payment system was unique among commodities receiving government support. For other major crops, producers receive a fixed payment per unit of production. The wool and mohair payment per unit of production increased as the value per unit of the producer's wool and mohair increased. By providing higher support payments to producers who received higher market prices, the payment system promoted the two objectives of the legislation. First, it sought

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[1] A report prepared by the Economic Research Service, United States Department of Agriculture, April 30, 1999, for the House Committee on Appropriations, as requested in House Report Number 105-588, page 16 (1998).

to encourage a greater level of self-sufficiency in wool production because the United States was (and remains today) a deficit wool producer. The second objective was to encourage producers to use good management and handling practices to minimize contamination of their clips and employ certain marketing practices such as sorting and skirting to improve the quality and, in turn, increase the value of the raw fiber. Because certain grades of wool and mohair were more sought after in the market than others, the payment system favored higher priced fine wool and kid mohair over the lower priced, coarser fiber. But the payment system also rewarded producers who, all else being equal, were able to get a higher price by extra efforts to improve their individual clips.

To receive payment, producers filed applications at Farm Service Agency offices, and provided sales receipts to prove their fiber was sold during the marketing year. Payments were made annually after the marketing year national average price was determined and announced in late March. If the national average price exceeded the announced support price, no payments were made; if the support price exceeded the national average price, producers received a payment. Wool payments were made every year except 1973, whereas mohair payments were made only 22 times during the life of the Wool Act. Shorn wool and mohair payment rates were calculated by subtracting the respective national average price from the corresponding support price and dividing the difference by the national average price. The resulting payment rate--the number that represented the percentage needed to bring the average return (market price plus payment) received by all producers up to the announced support level--was multiplied by an individual's net proceeds to derive the payment. Due to difficulties in tracking pulled wool through marketing and processing channels, pulled wool was supported indirectly through payments on unshorn lambs sold. The unshorn lamb payment rate was calculated using a formula which considered the difference between the average shorn wool support price and the national average wool price.

Wool Act Phase-Out

Public Law 103-130, which was signed into law on November 1, 1993, mandated the phase-out of the Wool Act programs over the 1994 and 1995 marketing years and complete repeal of the Wool Act as of December 31, 1995. The phase-out consisted of reductions of 25 percent and 50 percent in payments to producers for the 1994 and 1995 marketing years, respectively. See Pub. L. No. 103-130, §§ 2-3. Marketing year 1994 wool payments were $75.3 million; 1995 payments totaled $34.8 million (Table 1).

In the four years prior to the phase-out of wool payments (1990-93), payments to producers averaged $122 million per year. Mohair payments for the 1994 and 1995 marketing years amounted to $21.6 and $18 million, respectively. Prior to the phase-out, mohair payments averaged over $50 million per year.

U.S. Wool Production

U.S. wool and mohair production has fallen dramatically. Wool's share of U.S. fiber use was 10 percent in 1950, compared with 1.5 percent in 1997. Because U.S. wool demand and supply are small in size compared to the world wool market and because raw wool imports account for about two-thirds of U.S. textile mill use of wool, U.S. raw wool prices hinge on foreign developments. Likewise, almost all mohair is exported, so foreign demand is the key to domestic mohair prices. In any year, U.S. prices-- and consequently government program costs--depend more on foreign developments than on U.S. production changes.

Sheep and wool are produced in all States, but significant output is confined to two regions: the territory States and the fleece wool States. About 70 percent of the sheep are in Texas, South Dakota, the Rocky Mountains, and the Pacific Coast States. Wool from these areas is called " territory" wool. These grades are used to make better quality apparel. Most other sheep are in Virginia, West Virginia, Pennsylvania, States north of the Ohio river, and the Great Plains area. Wool from these areas, known as "fleece" wools, are medium grades used to make coats, blankets, and sweaters. (See Figures 1 and 2 for wool and mohair marketings by State).

The U.S. sheep inventory declined from a record high 56 million head in 1942 to a record low 7.2 million in 1999. The drop resulted both from declining wool demand and from reduced consumption of lamb and mutton. Since 1975, the number of sheep and lambs has been cut in half, average flock size has ranged between 93 and 113 head, and there are one-fourth fewer operations with sheep.

Between 1990 and 1993, wool sales plus support payments represented about one-third of total revenue associated with sheep, lambs and wool. With the elimination of the Wool Act, wool sales accounted for less than 9 percent of revenues from sheep, lamb and wool in 1996 and 1997 (Table 1).

U.S. wool use has declined dramatically since World War II. The principal reason has been the widespread consumer acceptance of noncellulosic manmade fibers, such as nylon, polyester, and acrylic in wool textile products. Cotton has not been a factor. Wool and cotton do not compete for most end-uses, and the fibers are rarely blended. Annual consumption of raw wool by U.S. textile mills declined from 650 million pounds, clean, in the late 1940's to an average of 148 million during 1993-97.

A major factor in the decline in U.S. wool use was the loss of the carpet market to noncellulosic fibers, mainly nylon. U.S. wool use would be twice as large if carpet use of wool were the same as in the decade following World War II. During the 1990's, carpet use of wool was about 14 million pounds a year, compared with 147 million pounds averaged during the decade following World War II. The long-term downward trend in per capita consumption appears to have bottomed out in 1980 (0.9 pounds per person) and stabilized at a slightly higher level since (1.1 pounds per person in 1997).
A major development that began in the 1970's and 1980's has been the growth in imported wool textiles, mostly apparel. In 1977, the raw wool content of imported wool textiles was 117 million pounds, clean, twice domestic raw wool production. In 1997, imports, at 377 million

pounds, more than tripled from the average level in the late 1970's and early 1980's, and were more than 13 times domestic raw wool production.

Table 1--U.S. production value of wool, sheep, and lambs and Government payments, 1990-1997

					Share of total		
Year	Wool	Sheep and lambs	Price support payments	Total	Wool value	Sheep and Lambs	Wool payments
	---------------------------Million dollars			-----------------------	Percent		
1990	69.5	447.3	105.4	622.2	11.2	71.9	16.9
1991	47.1	439.3	133.1	619.5	7.6	70.9	21.5
1992	60.2	507.5	114.8	682.5	8.8	74.4	16.8
1993	39.1	544.2	133.8	717.1	5.5	75.9	18.7
1994	52.4	507.1	75.3	634.8	8.3	79.9	11.9
1995	64.3	558.8	34.8	657.9	9.8	84.9	5.3
1996	39.7	612.5	0	652.2	6.1	93.9	0.0
1997	45.2	635.1	0	680.3	6.6	93.4	0.0

Source: National Agricultural Statistics Service, Livestock and Economics Branch and Farm Service Agency, Fibers Analysis Group.

U.S. Sheep Production

Sales of lambs and cull ewes for slaughter and thus consumption is the primary source of income for the sheep industry today. However, lamb and mutton consumption has been declining and must compete against ever-larger supplies of competing meats. Elimination of the wool and mohair programs resulted in loss of a guaranteed portion of income for sheep producers. Based on USDA analysis, sheep and lamb inventories were expected to rise about 5 percent during 1994-98 prior to program elimination. Following program elimination, the inventory was expected to fall 15 percent. In fact, the inventory declined 22 percent during the period, due largely to extended drought in 1996 through 1998.

Prices for slaughter lambs in San Angelo averaged in the mid-$50's to low-$60's per hundredweight in the early 1990's, but moved up to the mid-$70's to the mid-$80's during 1994-98 as the sheep inventory declined and production came more in line with demand. During the same period, the price for feeder cattle, the primary competitor for forage-land resources, declined from the mid-$80's per hundredweight to near $70, as cattle inventories rose.

Sheep inventories continue to decline. The inventory of all sheep and lamb in the United States on January 1, 1999 totaled 7.24 million head, down 8 percent from 1998 and down 10 percent from two years ago. Inventory has declined almost continuously since 1942, when it reached a peak of 56.2 million head. Since 1990, the last year to show a year-to-year increase in sheep, the U.S. inventory has declined 36 percent.

Lamb and sheepmeat production declined 4 percent in 1998 and is expected to decline about 10 percent this year. Prices for Choice lambs in San Angelo averaged $74 per hundredweight last year and may be little changed in 1999, as large supplies of competing meats and an increasingly limited demand will hold down price gains. The decline of lamb and sheepmeat in the U.S. consumer's diet is a critical factor in the drop in sheep numbers. In 1975, lamb and sheepmeat accounted for 2.0 pounds out of 184 pounds of red meat and poultry consumed per person, retail. In 1998, lamb and sheepmeat were down to 1.1 pounds out of the total of 216 pounds of red meat and poultry consumed.

Lamb imports from Australia and New Zealand are an increasingly important part of U.S. lamb supplies. Imports comprised 10 to 12 percent of lamb and mutton consumption in the early 1990's and rose to 31 percent in 1998. Imports will likely be near 34 percent in 1999. Imports are largely semiboneless legs of lamb and racks (loins), thus avoiding the problems of marketing the remainder of the carcass. U.S. exports remain fairly static at about 6 to 10 million pounds a year. Live sheep exports, largely cull ewes of little value in the U.S., are marketed in fairly large numbers to Mexico.

Economic Impact of the Elimination of the Wool Act

Since 1977, USDA has developed supply and demand estimates for major crops and livestock through an Inter-agency Commodity Estimates Committee (ICEC) process. For wool and mohair, baseline forecasts are updated quarterly by commodity analysts based on the latest available information for the current marketing year and projections are made for the following 5-year period. Although projections for wool and mohair are not published (for internal use only), they are official USDA estimates. Baseline projections for wool and mohair made in September 1993 reflected a continuation of the Wool Act, while projections in December 1993 were based on the assumption of termination of the Wool program. The livestock ICEC updates the lamb/sheepmeat baseline on an annual basis in July of each year. The July 1993 baseline reflected projections assuming the continuation of the Wool Act and the July 1994 baseline represented the elimination of the Act. A comparison of the differences in these two sets of 5-year forecasts largely reflect the impact of eliminating the wool support programs rather than changes in other economic phenomena that influenced the sheep, wool and mohair sectors between 1994 and 1998. The following summary highlights differences in the two forecasts (a program scenario and a no-program scenario) for the 5-year period (Table 2).

Wool

- The number of shorn sheep averaged 9.8 million head during 1994-1998 under the program scenario and 8.5 million with no program.
- Wool production also declined without price support programs. Production averaged 41 million pounds, clean, with the program, compared with 35 million pounds, a 15 percent decline.

- Domestic mill use was essentially unchanged under either scenario, averaging 151 million pounds, clean, annually. However, imports were higher under the no-program scenario to offset the decline in domestic production.
- Wool prices were forecast to average 59 cents per pound, greasy, under the program scenario, about 3 cents below the no-program estimate.
- Government payments for wool associated with the program scenario were estimated at $661 million for the 5-year period, compared to $110 million paid during the phase-out period of 1994 and 1995, a net loss in Government payments of $551 million (Table 3).
- The value of wool production averaged $41.2 million under the no-program scenario, an average (1994-1998) of $4.3 million, or 9 percent below the program baseline, as decreases in expected production more than offset higher expected prices.
- Gross revenue (wool value plus Government payments) under the program totaled $931 million for the 1994-1998 period, averaging $186 million per year. Without a price support program, expected revenues totaled $358 million or an average of $72 million, annually.

Table 2--Change in USDA Interagency Baseline Forecasts Assuming Termination of the Wool Act

	1994	1995	1996	1997	1998
	Percentage change from 1993 Baseline Estimates 1/				
Wool Baseline (December 1993)					
Wool Production	-2.5	-7.5	-17.1	-21.4	-26.2
Wool Price	0.0	3.1	7.3	9.4	11.2
Value of Wool Production	-2.4	-5.9	-10.6	-14.3	-17.0
Lamb (Sheepmeat Baseline (July 1994)					
Commercial Slaughter	0.3	-6.2	-4.8	-9.7	-16.2
Slaughter Price 2/	-0.9	7.1	7.7	14.8	25.6
Lamb/Sheepmeat Revenue	-0.6	0.4	2.5	3.7	5.3
Mohair Baseline (August 1993)					
Mohair Production	0.0	-2.7	-14.1	-40.2	-63.4
Mohair Price 3/	0.0	0.0	0.0	0.0	0.0
Value of Mohair Production	0.0	-2.8	-22.6	-50.0	-60.4

1/ August 1993 for wool and mohair. July 1993 for lamb and sheepmeat. 2/ Not part of baseline forecast.
Estimated by ERS based on the relationship of the quantity of commercial sheep and lamb slaughtered and the slaughter price. 3/ Since most mohair is exported, domestic prices are influenced by world market forces rather than domestic farm policy.

Lamb/Sheepmeat

- A comparison of the two baseline projections for lamb and sheepmeat indicates that lamb and sheep slaughter would have been little changed in 1994 but as much as 16 percent greater in 1998 if the Wool Act had not been terminated (Table 2).
- Sheep and lamb slaughter prices are highly responsive to slaughter numbers. Over the past 10 years, slaughter prices have increased about 1.5 percent for every 1 percent decline in the number of commercial sheep and lambs slaughtered. Reduced slaughter resulting from the termination of the Wool Act would have boosted lamb prices to the mid-70's per hundredweight by 1998, compared to the mid-to-high $50's in 1994.
- Over the 1994-98 period, producer revenue from lamb/sheepmeat production increased with the termination of the Wool Act because the price gain from lower production more than offset the effect of lower volume. Gains are estimated at $47.1 million for the 5-year period or an average increase of $9.4 million annually (Table 3).

Mohair

- Angora goats clipped under the program scenario were expected to average 7.9 million head, compared with 7.4 million under the no-program scenario during the 1994-98 marketing years.
- Mohair production would also be lower with no support program, averaging 9.7 million pounds, clean, between 1994 and 1998. For the program scenario, mohair production was expected to average 11.3 million pounds.
- Total use (domestic mill consumption plus exports) was forecast to decline 9 percent to 9.5 million pounds under the no-program scenario, as lower exports were expected due to smaller mohair production.
- Mohair prices were projected to average about $1.00 per pound, greasy, under both scenarios as most mohair is exported and world market forces essentially determine domestic mohair prices.
- The value of mohair production during 1994-98 totaled $76 million under the program scenario, compared with $61 million with no support program, a $15 million decline as a result of the termination of the Wool Act (Table 3).
- Government payments for mohair marketed during the 5-year period averaged $51.3 million, 4 times the average value of production of $15.2 million, under the program scenario.
- Total revenue from mohair production, including Government payments during 1994-98, was estimated at $327 million under the program scenario and $131 million under the no-program scenario.

Summary of Economic Impacts

At the National level--Elimination of the Wool Act increased the rate of contraction that the U.S. sheep industry has been experiencing since the 1950's. While producer revenue from wool sales was forecast to decline $21.6 million between 1994 and 1998, expected income from sheep and lamb slaughter would have increased $47.1 million, as a result of decreased slaughter and higher sheepmeat prices. The major income reduction from eliminating Wool Act Programs was the loss of Government payments, estimated at $551 million for wool, and $181.6 million for mohair. On a total (net) basis, the income reduction from eliminating the Wool Act is estimated at $525.5 million for wool and $196.6 million for mohair over the 1994-98 period.

At the State level--In order to gage the significance of the loss of revenue associated with termination of the Wool Act at the regional level, Texas was used as the basis of comparison. Texas has been the most important State producing sheep and goats. Historically, Texas has accounted for 18-20 percent of the total value of U.S. wool production and 12-14 percent of commercial slaughter. In 1997, the State's value of wool marketings totaled $11 million and cash receipts from sheep and lamb slaughter were $75 million. According to USDA, the total revenue from the Texas agricultural sector was $15.9 billion in 1997. Market revenues generated from sheep and wool production represented only 0.5 percent of the revenues from agriculture and 1 percent of animal output ($8.3 billion in 1997). Similarly, Texas accounts for over 90 percent of the value of U.S. mohair production. In 1997, the value of mohair production was nearly $15 million (0.2 percent of Texas animal output). Despite being the major producer of sheep and goats, the importance of these industries to the Texas agricultural sector is small.

The impact of declining producer revenues from these industries would also likely be minimal on the State's economic well-being. For example, based on the information in Table 3 and the importance of sheep and goat production (wool and meat) in Texas relative to the total for the United States, Texas sheep and goat producers would have received about $ 76 million in additional revenue in 1997 had the Wool Act not been eliminated. Much of the added revenue would have come from government payments ($72 million). Revenue from sales of wool and mohair would have been $6 million greater, but revenue from commercial slaughter of sheep and lambs would have been about $2 million less. An additional $76 million in revenue would have increased revenue from the Texas agricultural sector by less than one half of one percent.

At the Local level--To further evaluate the impact of the elimination of the Wool Act at the local level, two contiguous counties in Texas, Crockett and Val Verde, were examined because sheep, lamb, and wool production was the predominant agricultural economic activity (Figure 3). Based on the 1997 Census of Agriculture, Crockett county ranked first in sheep and lamb inventory and Val Verde county ranked second out of 244 counties in Texas reporting sheep and lamb inventory numbers (Tables 4 and 5). Crockett and Val Verde counties also ranked fourth and fifth, respectively, out of 2,864 counties across the United States reporting sheep and lamb inventory numbers in 1997. In addition, both counties were also important in angora goat and mohair production. A comparison of the 1992 and 1997 Census of Agriculture results for the two counties provide useful "before and after" profiles of their agricultural economies.

There were 170 farms/ranches in **Crockett** county in 1997, an increase from 157 in 1992. However, while 105 farms/ranches held sheep inventories (62 percent of all farms/ranches) in 1992, only 89 indicated holding sheep in 1997, a 15 percent decline (Table 6). Sheep and lamb inventories fell by more than 30 percent between 1992 and 1997. Despite the significant decline in sheep and lamb inventories, sheep, lamb, wool and mohair sales increased, from $7.2 million in 1992 to $7.5 million in 1997. The pattern of market sales in Crockett county would appear to be similar to that at the National level, with the value of wool sales declining based on a lower volume of wool sold, but the value of sales for meat increasing behind stronger prices. Sales from sheep, lamb, wool and mohair accounted for nearly 50 percent of gross agricultural sales in Crockett county in both years. Government payments (from all programs) totaled $2.4 million in

1992 and declined to $114,000 in 1997 after wool and mohair payments had been eliminated. Elimination of the wool and mohair payments would appear to have had a significant financial impact on farms/ranches receiving payments. Average payments per farm (from all programs) in Crockett county were $46,236 in 1992, compared with $4,213 in 1997. However, despite the loss of over $2 million in Government payments, the termination of the Wool Act does not appear to have had a significant effect on farm/ranch asset values. The estimated market value of land and buildings increased from $1.6 million per farm in 1992 to $2.0 in 1997. Also, farm production expenses were only marginally lower in 1997, a possible indication that the elimination of the Wool Act did not fundamentally alter the level of economic dependence on the local economy for purchases of intermediate inputs and services. Personal income on a county-wide basis increased from $64 million in 1992 to $71 million in 1996, an increase of 11 percent, but well below the growth in personal income for all of Texas of 31 percent over the period. Had the wool and mohair payments (direct income payments) not been eliminated, personal income in Crockett county could have been roughly $2 million (3 percent) greater than the $71 million estimated by the Bureau of Economic Analysis (BEA) for 1996.

In **Val Verde** county, there were 238 farms/ranches in 1997, a slight increase from the 236 farms indicated by the 1992 Census of Agriculture. There were 97 farms (41 percent of all farms) holding sheep and lamb inventories in 1997, almost unchanged from 98 in 1992. While the number of farms with sheep and lamb inventories did not change significantly, inventory numbers in 1997 were down 39 percent from the 1992 level. However, sheep, lamb, wool, and mohair sales totaled $13.4 million in 1997, an increase of nearly 60 percent from the $8.5 million reported in the 1992 Census. A comparison of the change in inventory numbers between 1992 and 1997 (down 39 percent) with the change in the number of sheep and lambs sold (down only 6 percent) and the change in the volume of wool sold (down 59 percent) would indicate a pattern of market sales in Val Verde county that is now more dependent on sales of sheep and lambs for meat. Sales of sheep, lamb, wool and mohair represented 69 percent of the value of agricultural products sold in 1997, slightly higher than in 1992. Government payments (from all programs) were $4 million ($59,163 per farm) in 1992 and only $200,000 ($4,507 per farm) in 1997 for Val Verde county farms. As in Crockett county, the elimination of wool and mohair payments would appear to have had a significant financial impact on farms/ranches receiving payments. However, the loss of nearly $4 million in Government payments does not appear to have had a significant effect on farm asset values. The market value of land and buildings increased slightly between 1992 and 1997. Recorded farm production expenses in Val Verde in 1997, at $19.5 million, were 46 percent greater than those recorded for 1992. The significant increase in farm production expenses in Val Verde could be explained by some anomaly tied to drought or disease in 1992 or 1997, or could imply some fundamental change in production systems. Regardless of the causal factors underlying the increase, the level of economic dependence on the local economy for purchases of intermediate inputs and services was probably greater in 1997 than 1992. On a personal income per capita basis, Val Verde is one of the poorest counties in Texas. Personal income in Val Verde county totaled $537 million, nearly 18 percent above 1992. However, on a per capita basis, personal income increased only 4 percent to $12,291, 30 percent below the per capita income level for Crockett county in 1996. Had the wool and mohair payments (direct income payments) not been eliminated, personal income in Val Verde could have been roughly $4 million (0.7 percent) greater than the $537 million estimated by the BEA.

Table 3--Estimated Loss/Gain in Producer Revenue Due to Elimination of the Wool Act

Year	Wool				Mohair		
	Sheep and Lambs	Wool	Government payments	Total	Mohair	Government payments	Total
	Million dollars						
1994	-2.2	-1.3	-44.7	-48.2	0.0	-10.4	-10.4
1995	1.8	-2.9	-75.3	-76.4	-0.4	-28.2	-28.6
1996	10.0	-4.5	-139.6	-134.1	-2.8	-49.7	-52.5
1997	15.7	-6.0	-143.3	-133.6	-5.4	-47.6	-53
1998	21.8	-6.9	-148.1	-133.2	-6.4	-45.7	-52.1
Total	47.1	-21.6	-551.0	-525.5	-15.0	-181.6	-196.6
Average 1994-98	9.4	-4.3	-110.2	-105.1	-3.0	-36.3	-39.3

Table 4--1997 Census of Agriculture, County profile, Val Verde, Texas

Item	State			U.S.	
	Quantity	Rank	Universe*	Rank	Universe*
Market Value of Agriculture Products Sold ($1,000)					
Total value of agricultural products sold	19,450	167	254	2,130	3,076
Value of livestock and poultry	19,218	105	254	1,288	3,069
Value of crops including nursery	233	239	252	2,972	3,070
Top Five All Commodities - Value of Sales ($1,000)					
Sheep, lambs, and wool	11,759	1	238	3	2,787
Cattle and calves	5,336	192	254	1,425	3,063
Angora goats and mohair	1,564	2	119	2	1,034
Goats other than milk and angora	196	16	242	20	2,527
Horses and ponies	185	89	254	870	3,015
Top Five commodities - Livestock Sold (number)					
Sheep and lambs sold	103,303	2	235	5	2,765
All goats sold	20,376	4	243	4	2,686
Cattle and calves sold	12,277	192	254	1,422	3,063
Hogs and pigs sold	144	179	242	2,489	2,976
Horses and ponies sold	85	110	254	1,085	3,015
Top Five Commodities - Livestock Inventory (number)					
Sheep and lamb inventory	119,926	2	244	5	2,864
All goat inventory	110,880	2	247	2	2,983
Cattle and calves inventory	20,022	202	254	1,539	3,064
Horse and pony inventory	1,069	75	254	665	3,066
Layers 20 weeks and older inventory	394	119	245	1,870	3,002
Top Five Commodities - Crop Area					
Hay crops-acres	1,285	237	253	2,831	3,061
Land in orchards-acres	81	167	236	1,158	2,693
All nursery-acres	(D)	87	167	1,633	2,619
Sorghum forage, hay-acres	(D)	96	110	301	382
Oats-acres	(D)	172	185	2,179	2,332

* Universe is number of counties in state or U.S. with item. (D) Cannot be disclosed.

Table 5--1997 Census of Agriculture, County profile, Crockett , Texas

Item	Quantity	State Rank	State Universe*	U.S. Rank	U.S. Universe*
Market Value of Agriculture Products Sold ($1,000)					
Total value of agricultural products sold	15,195	183	254	2,290	3,076
Value of livestock and poultry	15,118	130	254	1,503	3,069
Value of crops including nursery	78	248	252	3,031	3,070
Top Five All Commodities - Value of Sales ($1,000)					
Cattle and calves	7,586	166	254	1,128	3,063
Sheep, Lambs, and wool	6,556	4	238	8	2,787
Angora goats and mohair	521	6	119	6	1,034
Goats other than milk and angora	360	5	242	5	2,527
Horses and ponies	(D)	145	254	1,569	3,015
Top Five commodities - Livestock Sold (number)					
Sheep and lambs sold	77,211	3	235	8	2,765
Cattle and calves sold	16,836	171	254	1,147	3,063
All goats sold	16,167	6	243	6	2,686
Horses and ponies sold	61	140	254	1,424	3,015
Hogs and pigs sold	(D)	225	242	2,843	2,976
Top Five Commodities - Livestock Inventory (number)					
Sheep and lamb inventory	127,774	1	244	4	2,864
All goat inventory	57,180	5	247	5	2,983
Cattle and calves inventory	25,734	186	254	1,284	3,064
Horse and pony inventory	854	102	254	909	3,066
Ducks, geese, and other poultry inventory	(D)	157	223	1,751	2,884
Top Five Commodities - Crop Area					
Wheat-acres	(D)	161	211	1,780	2,612
Oats-acres	(D)	60	185	963	2,332
Hay crops-acres	(D)	250	253	2,977	3,061

* Universe is number of counties in state or U.S. with item. (D) Cannot be disclosed.

Table 6--Comparison of Economic and Agricultural Economic Conditions in Sheep, Lamb, and Wool Dependent Counties, 1992 and 1997

		Crockett			Val Verde		
		1992	1997	Percent change	1992	1997	Percent change
Population 1/	number	4,078	4,403	7.97	38,721	43,690	12.83
Personal Income 2/	$ 1,000	63,997	71,000	10.94	456,309	537,000	17.68
Per Capita 2/	"	15,693	17,526	11.68	11,784	12,291	4.30
Number of Farms	number	157	170	8.28	236	238	0.85
Number of Farms with Sheep	"	105	89	-15.24	98	97	-1.02
Sheep and Lamb Inventory	"	185,138	127,774	-30.98	197,655	119,926	-39.33
Sheep and Lambs Sold	"	105,574	77,211	-26.87	109,896	103,303	-6.00
Wool Sold	Lbs.	1,258,495	864,839	-31.28	1,272,671	520,743	-59.08
Value of Agriculture Products Sold	$ million	15.0	15.2	1.33	14.00	19.45	38.93
Livestock	"	15.0	15.1	0.67	13.86	19.22	38.67
Cattle and Calves	"	7.8	7.6	-2.56	5.00	5.34	6.80
Sheep, Lambs, Wool	"	6.1	6.6	8.20	6.14	11.76	91.53
Angora goats, Mohair	"	1.1	0.9	-18.18	2.33	1.6	-31.33
Estimated market value of land & buildings							
Average Farm	$ million	1.6	2.0	25.00	1.27	1.31	3.15
Average Acre	dollars	128	177	38.28	171	183	7.02
Government Payments	$ million	2.36	0.114	-95.17	4.02	0.20	-95.02
Number of Farms receiving payments	dollars	51	27	-47.06	68	44	

							-35.29
Payment per Farm	dollars	46,236	4,213	-90.89	59,163	4,507	-92.38
Total Farm Production Expenses	$ million	14.1	14.0	-0.71	13.40	19.51	45.60
Average Expenses per Farm	dollars	88,424	82,205	-7.03	56,793	81,990	44.37
Net Cash Returns	$ million	1.1	1.3	18.18	0.57	-0.29	-150.88
Net Returns per Farm	dollars	6,822	7,707	12.97	2,406	- 1,232	-100.00

1/ Population figures are for 1990 and 1995.
2/ Personal Income are BEA /U.S. Department of Commerce estimates for 1992 and 1996, 1997 estimates are not yet available. Per capita figures use 1992 personal income and 1990 population. 1997 per capita estimates are based on 1996 personal income estimates and 1995 population.

Source: 1992 and 1997 Census of Agriculture, National Agricultural Statistics Service, USDA.

Figure 1--Pounds of Wool Marketed by State, 1995

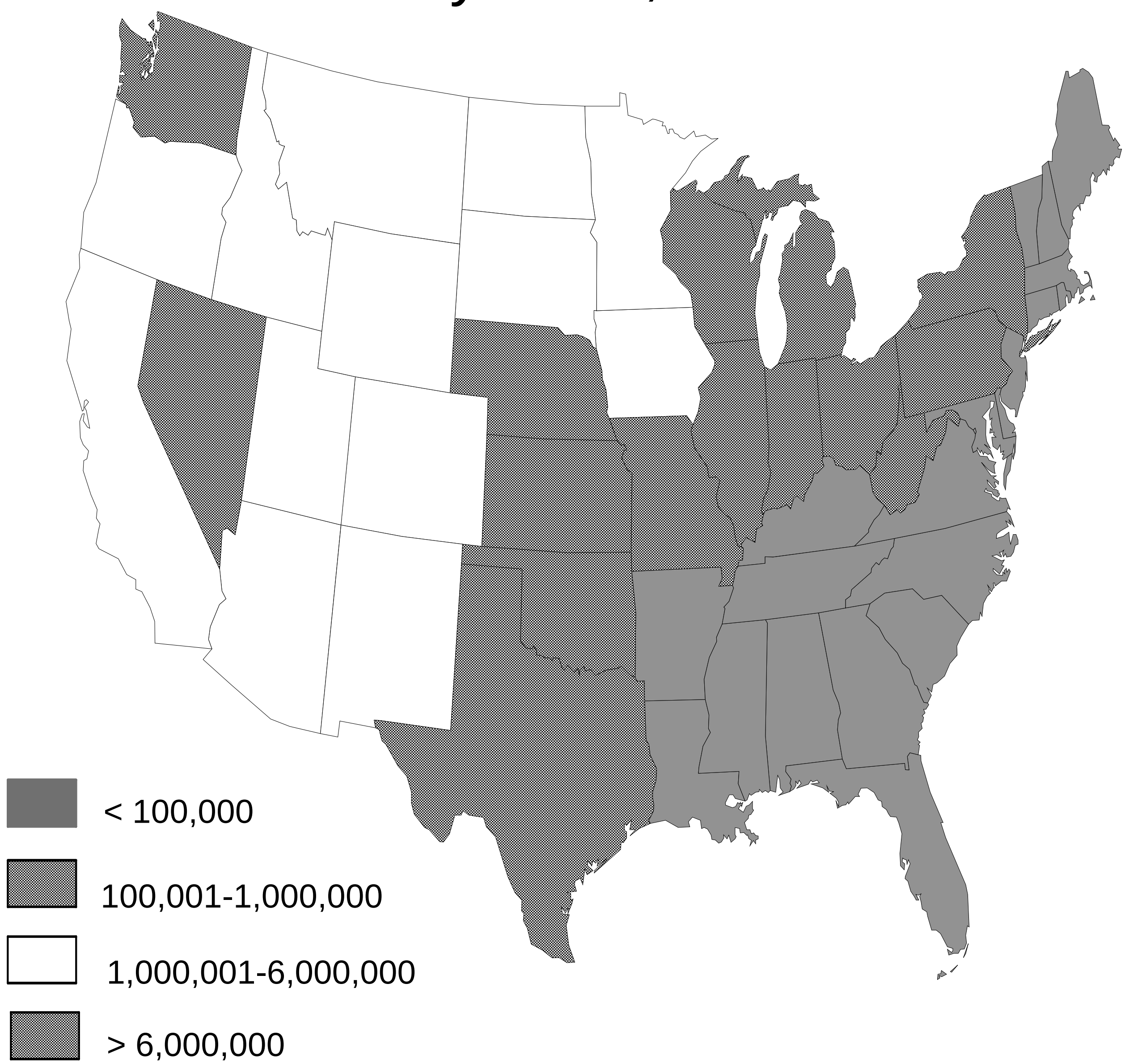

Figure 2--Pounds of Mohair Marketed by State, 1995