Facts Relating To The Farmer And The Consumer

The U.S. farmer is producing over 20 percent more products on 6 percent fewer acres than in 1957-59

— Output per man-hour on the farm increased 82 percent between 1957-59 and 1968

— In 1967, one U.S. farmworker supplied the food and fiber needs of 43 persons, compared with 23 in 1957-59.

Gross income of U.S. farmers is currently about $51 billion. Their realized net farm income is about $15 billion. Prices farmers pay for goods and services used in production have risen.

— The index of prices farmers pay for commodities, interest, taxes, and wage rates increased 28 percent from 1957-59 to mid-1969. This compares with a rise of 17 percent in the overall consumer price index and a 24 percent increase in retail prices of food.

— Changes from 1957-59 in the second quarter of 1969 in prices of important items of farmers' production expenses included: Feed — up 3 percent; Fertilizer — down 6 per cent: Hired wage rates — up 77 percent; Motor vehicles — up 33 percent; Taxes — up 106 percent.

Agriculture is a big employer and purchaser of goods, services, equipment. Out of every dollar of realized gross farm income in 1968, about 71 cents went for production expenses.

— In 1968, farm production expenses totaled nearly $36 billion compared with $35 billion in 1967 and $25 billion in 1957-59. Important items of expense in 1967 included:

	1957-59	1967
Feed purchases	$4.4 billion	$6.5 billion
Property taxes	1.3 billion	2.2 billion
Interest paid	1.1 billion	2.8 billion
Fertilizer	1.1 billion	2.0 billion
Hired labor	2.8 billion	2.9 billion
Depreciation on motor vehicles and equipment	2.9 billion	4.1 billion

Marketing the food and fiber produced by farmers provides many nonfarm jobs.

— About 5 million workers assemble, process and distribute farm-food products.

— Workers range from laborers to professional people and executives — milk truck drivers, processors, plant workers, warehousemen, supermarket checkers, restaurant waitresses, engineers, scientists, accounts, and many others.

— In 1967, $25 billion paycheckers and fringe benefits went to these workers — about $8 billion more than in 1957-59 and $13 billion more than in 1950.

The Farmers' Contribution: An abundance of quality food at reasonable cost. Farmers have responded to consumer demand with a 5.2 percent per capita increase in production of preferred foods since 1957-59.

— Among the livestock products, poultry and beef show large gains.

— Vegetable oils, potatoes, processed fruits and vegetables made the largest gains among crops.

Food prices at retail, like prices of goods and services generally, have increased. Between 1957-59 and May 1969, prices of food purchased for use at home increased 20 percent. During the same period consumers paid 43 percent more for services, 24 percent more for transportation, 54 percent more for medical care, and 18 percent more for commodities other than food

Food prices have risen only two-thirds as much as all other consumer goods in the past 10 years. The retail cost of a market basket of farm foods in the first quarter of 1969 was 16 percent above the 1957-59 average, but the overall consumer price index was up 25 percent.

— The farmer's share of the consumer's dollar varies widely among products.

Out of each dollar spent for the product, the farmer gets:

	First Quarter 1969 Cents	1957-59 Cents
Beef, Choice grade	61	62
Butter	72	72
Eggs, Grade A large	65	64
Corn flakes	8	10
Bread, white	14	16
Apples	39	29
Potatoes	31	31
Canned corn	12	13
Canned peaches	17	18

Increasing productivity of food marketing workers helps keep food costs down.

— Despite the large increases in volume of food and services, the number of food marketing workers has not risen significantly in the last 10 years.

— Hourly earnings of food marketing employees went up from $1.82 in 1957-59 to $2.67 in 1968, an increase of 47 percent However, increased productivity kept the rise in labor costs per unit of product marketed to about 27 percent.

Consumer income has risen faster than food expenditures — allowing more money for other purchases. Between 1957-59 and the first half of 1968, on a per person basis:

— Income was up $1,160; 63 percent.

— Food expenditures were up $140; 37 percent.

— Income less food expenditures was up $929; 71 percent.

Consumers' food expenditures and farmers' returns from food products take declining shares of consumer income.

— Both the share of consumer income spent for food and farmers' returns from food products are much smaller than in the immediate post-World War II period.

Cost of $100 in goods and services rose $5.90 last year. Between June 1968 and May 1969, the cost of $100 "basket" of all goods and services bought by consumers rose by an average of $5.90. Food $1.03; Housing $2.35; Apparel and upkeep $.73; Transportation $.58; Helth and recreation $1.21 — $5.90 total.

Higher marketing costs were also part of the increase in food expenditures. In 1968, consumers spent $89.5 billion for food products that originated on U.S. farms. Of this total, farmers got $28.9 billion; $60.6 billion went for marketing services.

— Of the $28.7 billion increase in farm food expenditures since 1957-59, $8 billion — 28 percent — went to farmers.

— Of the $46.1 billion rise since 1947-49, $10 billion — about 22 percent — went to the farmers.

When the consumer spends a dollar on food at the grocery store, he is buying 40 cents worth of products and 60 cents worth of marketing service. Farmers received an average of 40 cents of each dollar consumers spend at retail for U.S. farm product food in January-March 1969, nearly the same as in 1957-59, but 10 cents less than in 1947-49. The farmer's share depends both on the prices he receives for his products and the costs of marketing them. The more marketing services, the greater the cost. The farmer's share of the consumer's dollar is smaller for a highly serviced product such as bread (14 cents) than for an unprocessed product such as eggs (65 cents).

	As Percentage of Disposable Income Total Consumer Expenditures for food	Farm Value of U.S. farm food
1968	17.2 percent	4.9 percent
1967	17.4 percent	5.0 percent

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Milk Fever In Cows May Be Eliminated

The elimination of milk fever in cows—a major problem in dairy farming—will be a practical possibility in the near future, according to a Brigham Young University professor.

Dr Robert W. Gardner, professor of animal science at BYU, has been experimenting to determine the exact amount of calcium-phosphorus needed in cattle feed to prevent milk fever.

Cows become paralyzed with milk fever just after giving birth to their calves. It is caused by a deficiency of calcium in the blood. An immediate injection of calcium often relieves the situation.

Cows have a 305-day lactation —or milking—period each year and a 60-day dry period immediately preceding calving. Dr. Gardner's tests showed that a 2.3:1 ratio of calcium-phosphorus in the total diet during the dry period will prevent milk fever. Both a narrower and wider ratio may pre-dispose the cow to milk fever.

"If given free access to palatable phorphorus supplement, the cows have a partial ability to balance their mineral intake," said Dr. Gardner "They particularly relish a combination of 60 per cent monocalcium and 40 per cent dicalcium phosphate mix."

During his experiment, Dr. Gardner also investigated the energy requirement of cows during the dry period. One group of cows was fed only 15 per cent above their actual maintenance requirements before calving, while another group was fed 70 per cent more, as is currently recommended in feeding standards. He found there was no difference in milk production during the ensuing lactation. Both groups were fed 27 pounds of grain per day during lactation.

Dr. Gardner said feeding less during the dry period could mean a saving of $1,000 in feed for a 200 cow herd over a one-year period.

DID YOU KNOW — Trees have two layers of bark — the inner bark which carries food made in the leaves downward to cambium and storage cells, and the outer bark or inactive cells which provide protection for the inner bark