

Also Discusses Food Stamp Program

Hardin Says Food Is Good Buy

Secretary of Agriculture Clifford M. Hardin recently told a meeting of agricultural advertising and marketing leaders the fact that food is a good buy is one of the worst told stories of the day.

"And understandably so," he said. "When milk, for example, goes up a cent a quart, how do you dramatize the fact that in terms of working time required to buy it, milk still remains 15 percent cheaper than it was 10 years ago?"

"You don't. The fact that a quart of milk cost him more time and effort 10 years ago means nothing to the consumer hit by a price boost today. This is the problem faced by those of us who would point out that food expenditures continue to take a declining share of disposable consumer income in this country."

The Secretary addressed the 11th meeting of the National Agricultural Advertising and Marketing Association in New York City.

He also discussed participation gains in the USDA's food assistance programs, and the need to develop rural America as a place to live for all who

would choose it, but he dwelt most heavily on food as a good buy.

He noted that food prices have risen less than three-fourths as much as all other consumer goods in the past 10 years.

"While the overall Consumer Price Index was rising by more than 30 per cent from the 1957-59 average, the retail cost of foods, as measured by a market basket, was rising 22 per cent," the Secretary said.

"In the same period — through 1969 — income per person rose by \$1,252, or 67 per cent, while food expenditures went up by \$131, or 35 per cent."

"Ten minutes of factory labor bought twice as much bread in 1969 as it did in 1929. It bought more round steak, butter, milk, eggs, pork chops, margarine — all of them major food items."

"And it buys the American worker more food than the same working time buys the man in other countries."

"Americans pay a smaller share of their income for food than anyone else — about 16½ per cent of our total consumer expenditures goes for food. In Canada, the figure is about 20

per cent; in Western Europe and Japan about 37 per cent; and it goes on up to 50 per cent in Russia and 60 per cent or more in developing countries.

"The fact is that in terms of income, in terms of working time, and in terms of other countries, food in America is a good buy — the best it has been. That is agriculture's consumer story, and one that must be told."

Food to Take Smaller Percentage of Budget

Food prices are expected to average 4½ per cent higher this year than last, but consumer disposable income is expected to gain at least as much as last year's 6.7 per cent.

That means the proportion of disposable income spent on food will drop even lower than last year's record low of 16.5 per cent USDA reported recently.

At the same time, the USDA also reported that increased supplies of poultry, eggs, beef, and canned and frozen fruits and juices suggest that total food consumption per person will increase slightly from a year ago.

The Secretary said he recognized that averages are sometimes deceptive, and that there are some poor people on fixed incomes — such as the widow on an annuity — for whom rising food prices are a real hardship.

Turning to family food assistance programs, the Secretary said that about nine million needy persons took part in them in March — five million in the Food Stamp Program, and about four million in the Commodity Distribution Program.

"The number of people participating and their food buying power have increased sharply since improvements made in the Food Stamp program earlier this year have begun to be implemented by State and local governments," he said.

"In March, the value of bonus stamps provided to participating families totaled an estimated \$70 million — up 37 per cent from \$51 million in February, and more than double the January figure."

The Secretary said that this increase indicates that the revised program is accomplishing what it is designed to do —

to reach the poorest of the poor and provide all needy families with more food for less money.

Under the program, a needy family pays the amount it has been spending on food; in return, it is given enough food stamps to buy in local stores an "economy level" diet worked out by Department food economists.

The Secretary said the added food buying power not only helps participating families, but also bolsters farmers' markets and increases business in food stores in low-income areas.

In the case of food stores, he said, it can have an important effect in ghettos and rural areas where sparse consumer buying power has limited efficient food retailing operations.

He predicted that these benefits will grow as participation expands. He estimated that bonus payments under the stamp program will reach \$100 million a month for June and continue into the new fiscal year at that level. The President has asked for a budget of \$1.25 billion for the program for next year.

The Secretary reminded the (Continued on Page 26)

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