

Expensive Food Here to Stay

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products. The high prices paid for farm commodities in a free market in one season are likely to be lower in the next as production builds up. Any given month can provide a dramatic but misleading shift in food prices which will moderate over the span of a year. It is unrealistic to multiply a one-month change in food prices by 12 to suggest an anticipated annual rate of change. For instance, the farm price of iceberg lettuce dropped from \$5.00 a carton on January 12, 1973 to \$2.50 a carton on

January 18—a 50 percent drop in just one week. In 1972 the farm price of eggs dropped from 41 cents a dozen on September 19 to 31.5 cents on October 11—a 23 percent drop in just one month.

Farm prices often change just as sharply from one year to the next. Broiler prices advanced 7 percent in 1969—then retreated 11 percent in 1970. Average farm corn prices increased 16 percent in 1970—then fell 19 percent in 1971.

Unlike farm products, the prices for industrial commodities usually stay up once they go up.

Between 1952 and 1972 wholesale prices for industrial commodities increased in 16 of the 20 years for a total of 40 percent. In the same period, farm prices declined or remained unchanged in 10 of the last 20 years. The overall increase was only 12 percent.

Changes in farm prices show up in the supermarket, but not so suddenly, nor always in the same direction. Farm prices dropped 4.8 percent in 1967 although food prices increased one percent and in 1971, while farm prices were up 1.8 percent, retail food prices increased 3 percent.

Sixty percent of the food bill goes to pay for the cost of marketing. These costs include freezing, canning, baking, and other processing. The marketing bill also includes trucking, rail freight, and other transportation. There is a substantial cost of displaying and selling of food in the supermarket.

The food marketing bill has been increasing at an average rate of about 5 percent per year over the past 10 years. Labor costs are the largest single item in the marketing bill and now make up over half of the total. Wages for all marketing have been rising. So, a decline in farm prices will not necessarily mean that retail food prices will also decline.

Farmers only now recovering Farmers have been making a tremendous contribution to America's well-being for modest rewards. While farm prices have advanced 12 percent in the last 20 years, farm expenses were rising steadily. Farm machinery prices are nearly double what they were 20 years ago. Wages farmers pay are almost two and a half times as high as 20 years ago. The level of all prices farmers pay has gone up 50 percent in the past two decades.

The average income of farm people still lags behind the average income of non-farm people. During the 1950's farm income was only half that of non-farm workers. Farm income improved during the 1960's to where farm income was 67 percent of non-farm workers. The average disposable income of farm people is still 17 percent behind the average income of non-farm people.

Farmers have a tremendous investment in land, buildings, livestock, and equipment. Output per man-hour on farms is increasing nearly twice as fast as in industry. But the farmer is not sharing fully in the benefits of his own productivity. In the most recent 10-year period farmers have averaged only a 3.9 percent return on the equity of their capital investment in farming. In 1972, earnings on stockholders' equity of all manufacturing industries was 11.3 percent.

Lancaster Farming, Saturday, November 10, 1973—37

Farmers are less able to pass along their costs than other major economic groups. Farmers are not protected by franchises, patents, licenses, or by seniority. They do not enjoy industry-wide contracts, nor escalator clauses, nor the economic ability to force higher prices and hold them. They deal largely in perishable products that must be sold when ready.

The present period that we are in is acting much like the Korean War inflationary period 20 years ago. Between 1950 and 1952, farm prices climbed 20 percent and retail food prices climbed 13.2 percent. Between 1970 and 1972, farm prices climbed 14.6 percent and retail food prices advanced 7.5 percent. The Korean War inflation cooled off in 1953 and it was 20 years before farm prices regained their 1952 level.

Those who till the land, of course, do not work alone in the seemingly impossible task of feeding 200 million Americans plus countless thousands abroad. They have the support of others in a complex food system that

assembles, transports, processes, packages, and merchandises the foods that fill our market baskets. They are also aided by agricultural suppliers, technologists and scientists. All these dedicated people come in for a share of thanks in this season of harvest.

Special Feeder Sale

Abingdon, VA
Monday, November 5
782 Head Calves Sold

Steers

Good and Choice: 300 - 400 pounds 52.50 - 57.50; 405 - 500 51.00 - 58.00; 505 - 600 48.00 - 53.00.
Medium: 300 - 400 pounds 49.50 - 57.00; 405 - 500 46.00 - 54.25; 505 - 600 44.00 - 45.00.

Heifers

Good and Choice: 300 - 400 pounds 42.00 - 45.50; 405 - 500 42.00 - 45.50; 505 - 600 42.00 - 45.00.
Medium: 300 - 400 pounds 40.00 - 45.50; 405 - 500 38.00 - 43.00.

Gardening Tip?

What a man needs in gardening is a cast-iron back—with a hinge in it.

SPECIAL FALL FEEDER SALE

FRIDAY EVENING AT 7:00

All-Charolais Show & Sale

November 23

VINTAGE SALES STABLES INC.

Box 100, Paradise, Pa. Lancaster County
The Heart of Pennsylvania Steer Feeding Country
Anyone Wishing to Consign Cattle Telephone
Area Code 717-442-4181

KENNETH E. HERSCHEY, MANAGER

COMPLETE DISPERSAL

Registered and Grade Holsteins

Saturday, Nov. 17, 1973 - 12:30 P.M.

Location: Just West of Intercourse, South of Rte. #340 on Gordonville Road, 10 miles East of Lancaster, Pa.



45 HEAD

35 Cows and Fresh Heifers, 10 Yearlings and Heifer calves. Including cows that have milked to 100 lbs. a day, nicely developed with plenty of dairy type. Records up to 18,000 lbs. milk.

Tested for Interstate Shipment.

Pregnancy Checked.

Included in Sale:

Drs. of Osborndale Ivanhoe, Jess Pabst Leader, Paclamar Astronaut, Hilltop Apollo Ivanhoe, Tidy Gent, Performer, Glenarton R.A. Charmer, Skokie Noel, Kennedy and Others.

Be sure to see them.

Also selling load of springing or close cows from one herd out of Montour County owned by Gideon Fisher.

SPECIAL MENTION!! Included in this dispersal 8 Registered cows recently fresh, dark in color, Ivanhoe and Reflection bloodlines, records averaging 16,315M, 602 Fat. Selected from a good herd in Lebanon County.

Bamford Diesel with 2 H.P. compressor; 20 milk cans; S.S. carrying pails; strainers; milk cooler; Happy Cooking gas water heater 30 gal.; Rockwell ½" drill press; New Idea No. 8 spreader, etc.

Terms by
JACOB S. ESH
Gordonville Road

Auctioneers and Pedigrees
Carl Diller 464-2233
J. Everett Kreider 284-4517

Lunch

PUBLIC AUCTION 250 FEEDER PIGS

SATURDAY, NOVEMBER 17, 1973

AT 1:30 P.M.

Location: Between Womelsdorf and Myerstown along Route 422, at Stouchsburg take Scharff Road South 1 mile, third farm on left, ½ mile North of Sheridan Furnaces; Marion Twp. Berks County, Penna.

30-70 POUND CHOICE FEEDER PIGS

HAMPSHIRE - YORK - DUROC CROSS

All pigs are vaccinated for Erysipelas castrated young, wormed, tails crooked, sprayed for mange and lice. All pigs were raised on this farm. No outside pigs will be sold on this sale. Sale time 1:30 p.m.

Terms by **WALTER M. HORST**
Newmanstown R.D.1 — 589-2282

John E. and Paul E. Martin - Auctioneers

ANNUAL FALL SPECIAL FEEDER AND REPLACEMENT CATTLE SALE

MONDAY, NOV. 12, 1973 7:00 P.M.

400 Head Hereford, Angus and Charolais yearling steers and heifers

400 Head Hereford, Angus and Charolais steers and heifer calves

200 Head Holstein and Crossbred steers and heifers.

If you are planning on buying feeder cattle this is the sale to attend.

FOR FURTHER INFORMATION
CONTACT THOMAS EAGLE 703-459-4402
OR HARRY GOCHENOUR 703-459-4778

WOODSTOCK LIVESTOCK MARKET, INC.

U.S. Route 11

Woodstock, Va.

THE NEW OWNERSHIP OF LANCASTER STOCKYARDS INC.

WILL CONTINUE THE POLICY OF A

STOCKER AND FEEDER AUCTION SALE EVERY FRIDAY DURING NOVEMBER

NEXT SALE NOVEMBER 16, 1973

New Starting Time 12:00 Noon

All Grades, Breeds, Weights

Lancaster Stockyards, Inc.

LANCASTER, PA.

Load Lots — Small Lots

PH. 717-394-2611

MEMBER DEALERS

WALTER M. DUNLAP & SONS
J. M. HOOBER & SON
LOUIS LYONS & SON

JOHNSON CATTLE CO.
MERTON W. McCLOY
WM. W. McCLOY

T. G. KREIDER
EDW. L. BROWN
S. L. HEILBRON & SONS