Food Producing Ability is Long-Term Price Lever

Food producing ability in agriculture will be a long-term price lever during the next few years, according to Dr. George E. Brandow, professor of agricultural economics at The Pennsylvania State University. At the same time, he's confident that enough food can be produced to give all Americans fully nutritious diets

The possible difficulty ahead, he says, is that agriculture will not be able to produce all the meat, especially beef, that consumers will want to buy with higher incomes while, at the same time, providing all the feed grains, soybeans, and other farm products that foreign countries may want to buy from us.

Dr. Brandow described several factors expected to influence prices until about 1980, in a special foods issue of "Science in Agriculture," the quarterly magazine of the Agricultural Experiment Station at Penn State. Brandow's comments are summarized below



Food buying to Increase Population probably will rise about one per cent per year. Purchasing power of consumers is almost sure to increase and to cause more spending on meat and poultry. Much more land is required to feed consumers with such products, especially beef, than would be needed if food grains and vegetable proteins were consumed instead. Synthetic foods, meat substitutes, and other new products may somewhat modify requirements for farm resources.

Export Demands Up

Several of the more advanced nations are reaching the stage of affluence where demand for meat and poultry products is rising strongly. This may mean substantial purchases of such products from the U.S., but it is more likely to mean large imports of our feed grains and soybeans with which to produce their own livestock products. Devaluation of the dollar has increased other countries' buying ower in our markets.

Cropland Available

In 1973, with most government acreage restrictions removed, farmers planted 321 million acres to principal crops. Perhaps this will be increased by 15 million) acres with all restrictions off in 1974. Many more acres of generally poorer land could be cropped. Such poorer land can be expected to be put to use slowly, however, and only if prices are persistently high. Return of large acreages of formerly abandoned farm land to production does not seem likely to happen.

Yields trending upward

Yields of most crops have been trending upward because of improved varieties, heavier fertilization, more effective disease and insect control, and still other reasons. The trends should continue if research goes forward, if supplies from in-

all year long

dustry are available, and if few restraints are placed on farming methods. One possibility is that concern about the environment and food safety will lead to sufficient restriction on use of agricultural chemicals to reduce crop yields or at least to slow down the rate of increase. 1973 not typical

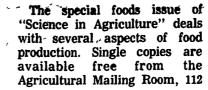
The extremely tight situation of 1973 reflected some temporary conditions on both the demand and the supply sides of world markets. The 1973 situation, therefore, is unlikely to be typical of the next 5 or 10 years. At the other extreme, it is unlikely that the United States will ever again keep as much land out of production as it did in 1972. The best guess seems to be that full use of land now readily available for production will about statisfy demand at crop prices above those of early 1972 but well below the peaks of 1973.

Some years of shortages and other years of surpluses probably can be expected. Instability is likely to replace chronic surpluses as the principal farm problem.

Inflation to continue

Continued inflation in more or less degree is likely in the United States. It will increase farm costs and will also tend to raise farm prices. Price-cost relationships will be more favorable to farmers than they were prior to 1972 if, as expected, chronic surpluses do not reappear. Nevertheless, the year 1973 may set the highwater mark for net farm income for American farmers for years to come.

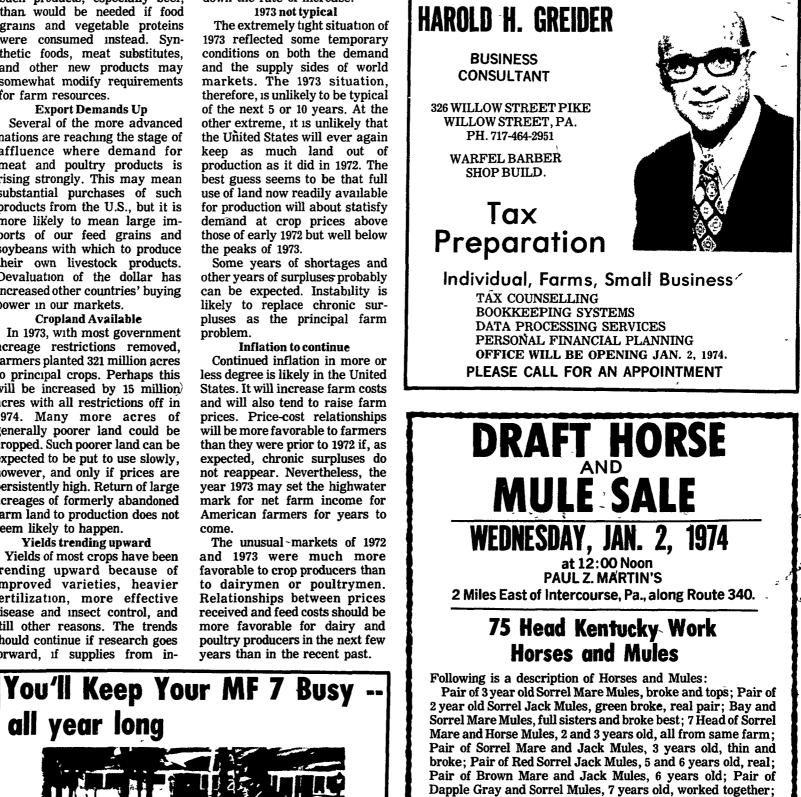
The unusual-markets of 1972 and 1973 were much more favorable to crop producers than to dairymen or poultrymen. **Relationships** between prices received and feed costs should be more favorable for dairy and poultry producers in the next few years than in the recent past.

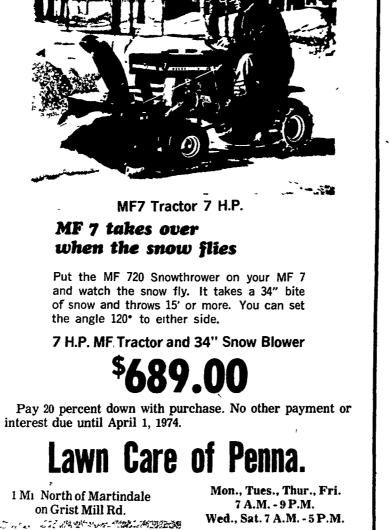


Ag. Adm. Bldg., University Park, Pa. 16802. This food issue features 14 articles dealing with various phases of food production.



"When a chicken alights on a rope, the rope doesn't get any rest and the chicken doesn't get any rest." African Proverb





Black Mule, rear white legs; Pair Brown Mules, 7 years old, broke, leader.

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