

# Summary National Food Situation

Rising prices for many important agricultural commodities, induced by unfavorable weather conditions over much of the United States, appear likely to cause further advances in average retail food prices during the last half of 1974. Instead of remaining steady during the third quarter and declining slightly in the fall, as estimated earlier this

year, they are now expected to rise about 3 percent during the third quarter and little more in the fourth quarter. For all of 1974, grocery store food prices are now expected to average about 15 percent above 1973. This compares with last year's advance of a little over 16 percent for this category. With prices for restaurant meals and snacks rising

nearly as much as groceries, the all-food retail price average for 1974 may also be up nearly 15 percent from 1973. This is practically the same rise as last year. Much of the increase in food prices for the third quarter will be associated with crop-related products. Retail prices for vegetable oil end-products, cereal and bakery items, beverages and sugar products are expected to continue higher through the remainder of 1974. Retail prices for canned and frozen fruits and vegetables are also likely to rise further. Fresh fruit and vegetable prices are likely to decline seasonally in the fall. Average retail prices for animal-related products are expected to increase moderately before stabilizing this fall. Advances for red meat, eggs, and fishery products in the third quarter may be only partially offset by a modest decline for dairy products. Red meat prices may decline seasonally later this fall and generally offset increases for most other animal-related products.

These price estimates are based on supply and demand prospects assessed as of mid-August, including general inflationary pressures. Further reduc-

tions in farm output on the order of 3 percent from currently expected levels and stronger demand could result in a 6 percent-7 percent increase in retail food prices in the second half. For all of 1974 retail food prices would average about 17 percent above a year earlier. Conversely, if there were larger farm output of about the same magnitude, and declining domestic and world demand conditions, retail food prices could decrease a little late in 1974. Under these conditions the all-food average for 1974 would still be about 13 percent above last year.

The second quarter Consumer Price Index for food averaged 1.7 percent above the winter quarter, up less than the previous 4 1/2 percent quarterly rise. A 3 percent advance for food away from home prices exceeded the 1.4 percent rise for groceries. The Consumer Price Index for all items less food, including both commodities and services, averaged about 3 1/2 percent above the first quarter.

Substantial recovery from 1973's reduced red meat consumption levels together with increases for poultry, fruit, potatoes, cereals and sweeteners is expected to bring per capita food consumption to a record high level this year, over 1 1/2 percent above 1973. With more meat, fish consumption will likely decline slightly from the high level attained in 1973 and the downtrend for eggs is expected to continue. While per capita consumption of animal-related food products is expected to increase 2 1/2 percent over last year, it will still average 2 percent under the record highs of 1971 and 1972 due to lower levels for meat, eggs, and animal fats.

Personal consumption expenditures for food in the second quarter rose slightly more than \$3 billion, over 2 percent above the first quarter, to nearly \$161 billion (seasonally adjusted, annual rate). Most of this increase was due to an increase in expenditures for food eaten at home, although those for restaurant meals and snacks were up also. Total spending for food was nearly 15 percent above the second quarter of 1973, reflecting higher prices.

Participation in the Food Stamp Program rose to 13.7 million people in June, 12 percent more than a year earlier. The value of bonus stamps in the first half was nearly 50 percent above a year earlier, due largely to increases in the bonus stamp allotment which is adjusted to reflect increases in the cost of the economy food plan.

This year's production of U. S. farm food commodities is expected to be down from 1973, with a 4 percent increase for livestock items more than offset by a nearly 8 percent drop for crops. The reductions for crops largely reflects the smaller feed grain and oilseeds harvests in prospect this fall. Civilian food use of farm food commodities may increase nearly 3 percent from last year's reduced level, matching the record high of 1972. Exports of farm food goods may be down more than a tenth from the 1973 record.

## Reinhart Promoted

Douglas H. Reinhart has been appointed to the Advertising and Public Relations Department of American Breeders Service, DeForest, Wisconsin, according to an announcement today by Lawrence W. Keeley, Director, Advertising and Public Relations. ABS, a division of W. R. Grace & Co., is the world's largest cattle breeding organization, involved with A.I. business developments in all 50 states and provinces of Canada, plus 45 other countries. Mr. Reinhart will be responsible for obtaining photographs of daughters of ABS Genetic Harvest and breeder-proved sires, plus assisting with



news releases and other public relations functions. He replaces Mrs. Ronald Lenth, who was promoted to the ABS Dairy Advertising Staff.

Prior to his new appointment, Mr. Reinhart served as ABS' District Sales Coordinator in western Wisconsin, where he was instrumental in increasing the firm's A.I. business. A graduate of the Institute of Agricultural Technology, Michigan State University, Reinhart served as President of Alpha Gamma Rho Professional Fraternity. After graduating from college, he managed several large dairy herds, including a 300-cow herd near Columbus Grove, Ohio, and a 200-cow registered Holstein herd in Millerton, New York.

Mr. Reinhart was employed as a market representative and inspector for the Michigan Milk Producers of Detroit, Michigan. For two years he served as an agricultural volunteer, serving with the Peace Corp in Iran. A native of Paulding County, Ohio, he was born and reared on a 200-acre dairy farm and was active in 4-H and FFA.

### Thought For Food



#### Spreads For Corn

**Blue Cheese Spread:** Combine 1/4 cup cream cheese, softened, 2 tablespoons butter or margarine, softened, 2 teaspoons blue cheese, crumbled, 1/4 teaspoon onion powder, and 1/16 teaspoon salt; blend well. Spread over hot ears of corn. Yields about 1/4 cup.

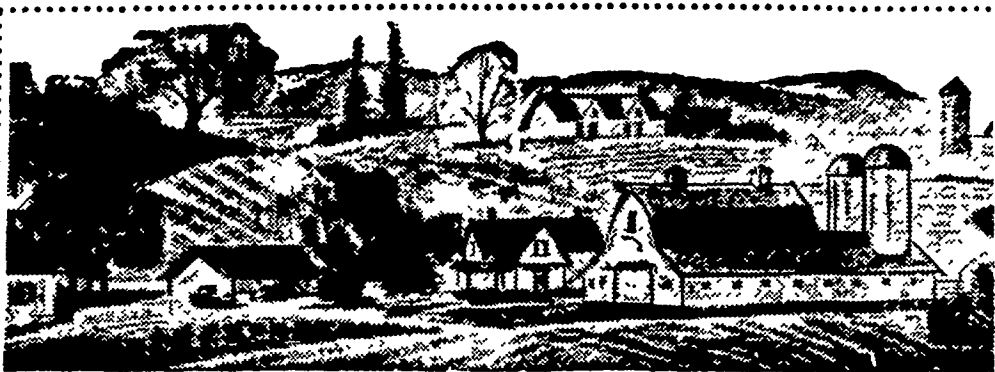
**Avocado Spread:** Peel and remove seeds from 2 soft-ripe small avocados. Place in blender jar and puree (makes about 1 1/2 cups). Add 3 tablespoons tomato catsup, 1 tablespoon lemon juice, 1 teaspoon salt, 1/2 teaspoon onion powder, 1/16 teaspoon garlic powder, and 1/16 ground red pepper and blend until smooth. Spread over hot ears of corn. The yield is sufficient spread for 12 ears of corn.

**FARMERS**  
For Increased Yield and Protein  
in Your Alfalfa, Apply  
**SURE CROP**  
**Plant Food 7-14-7**

With Trace Elements with  
Your Weevil Spray Program.

**FOR MORE INFORMATION**  
Call 717-469-2864  
or write  
P.O. Box 129, Hershey, Pa. 17033

**Representatives Needed.**



## FREE SAMPLE COPIES

Copies of LANCASTER FARMING are not always easy to find — they are not sold on newsstands — and perhaps some of your friends may not be acquainted with our weekly newspaper.

We'll be glad to send, without charge, several copies of LANCASTER FARMING to your friends or business associates. Just write their names and addresses below — (you'll be doing both them and us a favor!)

To	To
Street Address & R.D.	Street Address & R.D.
City, State and Zip Code	City, State and Zip Code

(You are not limited to two names.  
Use separate sheet for additional names.)

<p>SEND A GIFT SUBSCRIPTION TO:</p> <p>Name _____</p> <p>Address _____</p> <p>City _____</p> <p><input type="checkbox"/> Enclosed is \$2 for 1 yr. [52 issues] gift subscription. <input type="checkbox"/> Enclosed is \$3 for 2 yrs. [104 issues] gift subscription. <input type="checkbox"/> Send a gift card with my name on it to the above Sign the card: _____</p>	<p>I WANT TO SUBSCRIBE.</p> <p>Name _____</p> <p>Address _____</p> <p>City _____</p> <p><input type="checkbox"/> Enclosed is \$2 for 1 yr. [52 issues] <input type="checkbox"/> Enclosed is \$3 for 2 yrs [104 issues] I first saw Lancaster Farming: <input type="checkbox"/> In a friend's home <input type="checkbox"/> In a Agribusiness office <input type="checkbox"/> In a County Agent or other government office <input type="checkbox"/> Other _____ [Where]</p>
--	--

PLEASE MAIL THIS FORM TO:

**LANCASTER FARMING**  
P.O. BOX 266. LITITZ, PA. 17543

## YES, WE MAKE OUR OWN HESS'S SILAGE MAKER

Don't Take Our Word . . .  
The Farmers Who Use  
Hess's Silage Maker  
Are Our Proof of Success

FOR MORE INFORMATION ON HESS'S SILAGE MAKER  
AND HESS'S LIVESTOCK CONDITIONERS CALL

717-354-7935 LEON W. HESS RD2 New Holland, Pa. 17557	717-656-7905 CRIST STOLTZFUS RD1 Leola, Pa. 17540
---	--

717-442-8134  
HENRY S. LAPP  
RD1  
Gap, Pa. 17527

**NEW**

**VOCO**  
**FARM WHITE**

For  
Interior  
Farm  
Buildings

VOCO II IS THE PROVEN WHITEWASH  
THAT IS NATURALLY ADHESIVE  
Voco II is NOT A LIME whitewash  
Voco II will not flake or scale off  
Voco II dries white

APPLIED BY  
**RICHARD R. FORRY & SON**  
*Spraying*

2020 Horseshoe Road, Lancaster, Pa.  
Phone 717-397-0035

We are also equipped to serve you with modern  
equipment in all your areas of crop spraying