

Drought's role may be small at grocery checkout

WASHINGTON, D.C. — For most consumers far from the farm, the impact of the 1983 drought will be measured at the grocery store. In the process, the drought may get more blame than it deserves.

In the first place, the drought's impact on food prices may come a bit later and may end up to be somewhat smaller than consumers might expect. Beyond that, it will be difficult — impossible from the checkout counter — to clearly separate the drought's impact from the many other factors that keep food prices rising each year, regardless of harvests.

USDA analysts looking at the consumer end of the agricultural outlook will sharpen their forecasts when they get a better picture of this year's crop damage. Even at this point, however, it's fairly evident that fears of massive food price runups or shortages are out of tune with the facts.

Affect meat later

For example, the drought had little or no impact on most fruits and vegetables, and it provided good weather for the winter wheat harvest this summer. Wheat supplies will remain close to record levels throughout the 1983/84 crop year.

Aside from relatively minor food items such as sweet corn, withered corn and soybean harvests will affect consumers almost exclusively through meats and poultry, especially beef. Higher feed costs and shrinking margins for producers will probably mean some reduction in meat supplies, and higher meat prices, in the last half of 1984 and into 1985.

In the meantime, producers are expected to respond to reduced returns by sending more animals to slaughter this fall and winter. The result: increased meat supplies and very little upward

Retail Food Price Rises Moderated in 1982 and 1983

	Foodstore prices	All food prices ¹
	percent increases	
1973	16.3%	14.5%
1974	14.9%	14.4%
1975	8.3%	8.5%
1976	2.1%	3.1%
1977	6.0%	6.3%
1978	10.5%	10.0%
1979	10.8%	10.9%
1980	8.0%	8.8%
1981	7.3%	7.9%
1982	3.4%	4.0%
1983*	3.0%	2.3%

¹Includes food purchased at restaurants, etc.
*Forecast.

pressure on retail prices.

Before the drought hit, analysts had projected food prices to rise only 2 to 4 percent this year, and they're now pointing to the lower end of the range. For consumers, that would mean the smallest increase in 16 years.

Not Primary Role

The drought will play a role in next year's rising food prices, but

not the primary one. In any given year, food prices respond to many factors, including inflation, domestic and foreign demand, and stocks on hand.

For an indication of the errors that can be made in assuming a direct link between crop size and food prices, consider the 1974 and

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Farm Calendar

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Show, Atlanta Civic Center, Atlanta, Ga., continues through Saturday.

Economic Outlook and Farm Tax Meeting, 7:30 p.m., Union Grove School, Terre Hill.

Friday, Dec. 2

Grain Producers Marketing Strategy, Sheraton Inn, Dover, Del.

Farmland Protection Conference, Cedar Eatery, Allentown, Pa.

Saturday, Dec. 3

Dairy goat meeting, 1 p.m., Daleville Methodist Church.

Now is the Time

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To Order Small Fruit Plants Early

This may strike you as premature, but this is a good time to order small fruit plants for next spring. Although you won't put them in the ground until April, you should be flipping through catalogs now. Ordering early assures you of a wide selection of the best

varieties. Companies begin filling orders with their best stock...if you delay you could be stuck with what's left over. Ordering early also means you'll get your strawberries or blackberries or whatever at the best time to plant.

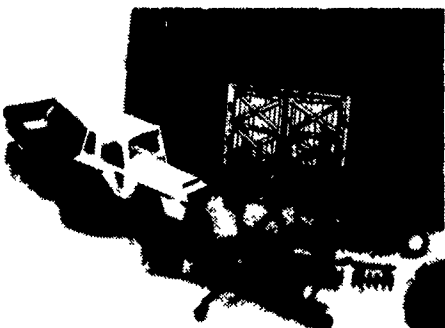
So, dig out those catalogs now...get your order in...and be prepared for delicious fruit from your planting.



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Jake, something's going on at BINKLEY & HURST BROS! I hear you can read all about it in the December 10th issue of Lancaster Farming

Luke, I wonder what it's all about?!

I even heard it's a SPECIAL INSERT in the paper!!

Won't this be something - I can hardly wait!!



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