

THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

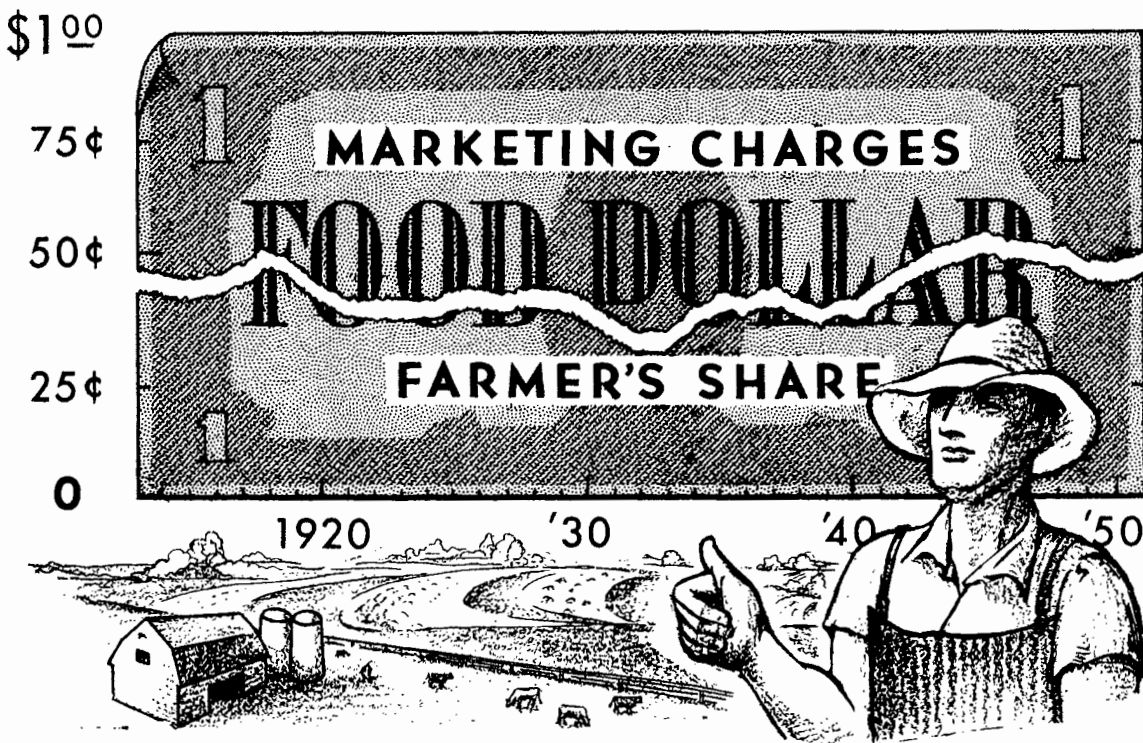
MTS-101



OCTOBER 1951

Where It Goes

THE CONSUMER'S FOOD DOLLAR



U. S. DEPARTMENT OF AGRICULTURE

NEG. 48261-XX BUREAU OF AGRICULTURAL ECONOMICS

Farmers are expected to receive about 50 cents of the consumer's food dollar on the average in 1951. The farmer's share, however, has declined from the 51 cents reached in early 1951; decreases in farm prices since February have been accompanied by

increases in marketing charges.

The farmer's share in 1951 was 2 cents above the two preceding years, and well above levels of the 1930's, but below the share received in the years 1943 to 1948.

Table 1.- THE MARKET BASKET: Retail cost of 1935-39 average annual purchase of farm food products by a family of three average consumers, farm value of equivalent quantities sold by producers, marketing charges, and farmer's share of the consumer's food dollar, 1913-51

Year	Retail cost <u>1/</u>	Farm value <u>2/</u>	Marketing charges <u>3/</u>	Farmer's share
	Dollars	Dollars	Dollars	Percent
1913-15 average ...	267	121	146	45
1920	567	244	323	43
1922	408	162	246	40
1929	436	183	254	42
1933	277	90	186	32
1935-39 average ...	341	135	204	40
1940	319	127	192	40
1941	349	154	194	44
1942	409	195	213	48
1943	459	236	229	51
1944	451	233	230	52
1945	459	246	229	54
1946	528	279	258	53
1947	644	335	308	52
1948	690	350	340	51
1949	646	308	337	48
1950	645	308	337	48
1950 - Aug.	662	<u>4/</u> 317	<u>4/</u> 345	48
Sept.	658	320	338	49
Oct.	657	316	340	48
Nov.	659	322	336	49
Dec.	681	336	344	49
1951 - Jan.	709	357	352	50
Feb.	726	371	354	51
Mar.	724	366	357	51
Apr.	718	363	355	51
May	724	358	365	49
June	724	355	369	49
July	723	352	371	49
Aug.	714	355	359	50

1/ Calculated from retail prices collected by the Bureau of Labor Statistics and the Bureau of Agricultural Economics.

2/ Payments to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing.

3/ Marketing charges equal margin (difference between retail cost and farm value) minus processor taxes plus Government payments to marketing agencies.

4/ Revised.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board October 22, 1951

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SUMMARY

The volume of agricultural products marketed in 1952 may be the largest ever handled. With a continued strong demand for agricultural commodities, production next year may surpass the record of the current year.

Expansion of the defense program may reduce the labor and materials available for marketing agencies. Hiring by defense plants is likely to draw workers from the marketing system. Shortages of materials may delay mechanization of marketing operations and construction of transportation equipment and more efficient storage, wholesale, and retail facilities. Some materials used in marketing and processing agricultural products also will be scarce in 1952. In spite of these shortages, the marketing system can be expected to handle next year's production without significant increase in waste of products unless major transportation bottlenecks develop.

Total charges for marketing farm food products in 1952 are expected to rise above the record high anticipated for 1951, because of an increased volume of commodities to be marketed and higher marketing costs. Marketing charges this year are estimated at about 9 percent above the 1950 level.

Hourly earnings of employees engaged in marketing agricultural products are expected to average higher in 1952 than in 1951. This will mean higher unit labor costs because the productivity of labor is not likely to increase as much as wage rates.

Railroad freight rates on farm products will average higher in 1952 than in 1951 because of rate increases effective in April and August this year. Costs of shipping by motor carriers will also be higher.

The average ratio of net operating profits to investment for a group of 43 large food-processing companies was higher in 1950 than in 1949, but declined for a group of 8 retail food-store chains. Profits of 4 tobacco-processing companies were lower in 1950 than in 1949. Profits of manufacturers of textile products advanced during 1950 but were lower in the first half of 1951. The strong consumer demand expected in 1952 will tend to increase gross profits but higher costs and taxes may result in lower net returns.

An increase in consumer disposable incomes is expected in 1952 and consumers may spend a slightly larger proportion for food than in 1951, particularly if the supply of consumer durable goods is no larger than in 1951 and possibly a little smaller. Expenditures for food per person rose to a record annual rate of \$377 in the first quarter of 1951 and remained at about that level in the second quarter. Consumers spent 26 percent of their disposable income for food in the second quarter, the same proportion as in that quarter of 1950.

Farmers may receive a slightly smaller share of the dollar consumers spend for farm foods in 1952. The share will average approximately 50 cents in 1951, the same as estimated for September. Prices received by farmers for food products are not expected to be substantially different from the over-all average for 1951, but marketing charges and retail prices are expected to be somewhat higher.

Fewer firms were operating in most lines of agricultural marketing on December 31, 1950, than a year earlier. Although a larger volume of food has been marketed, the number of retail food stores has declined for 3 successive years, and on December 31, 1950, the number operating was 13 percent below that in 1939. The number of firms engaged in manufacturing food and kindred products at the end of 1950 was about one-third below the 1939 level. Failures among agricultural marketing firms were less frequent in the first half of 1951 than in the same period of 1949 and 1950.

The number of boxcars owned by railroads in the United States has increased during the last year. Many new cars have been put into use and the rate of retirement has been reduced. Shortages of boxcars exist in some regions but are not as severe as a year earlier. Refrigerator cars seem to be in adequate supply. However, stock cars and open-top cars are in short supply.

The number of motortrucks in the country rose during 1950. A shortage of motortrucks is not anticipated in 1952 although some reduction from the present high rate of output of motortrucks is likely.

SIGNIFICANT FACTORS IN THE OUTLOOK FOR 1952

The volume of agricultural products to be marketed in 1952 may be the largest ever handled. With a continued strong demand for agricultural products, production next year may surpass the record output of the current year if growing conditions are favorable. In 1951, output of cotton, fruits and vegetables for processing, and tobacco was well above those in 1950, and will swell the volumes handled in 1952. Record supplies of fats and oils are expected for the marketing year beginning in October 1951. Production of livestock and livestock products may be somewhat larger in 1952 than in the present year and larger volumes may be marketed. Even though beef

cattle numbers may rise further during 1952, the volume slaughtered is likely to be larger than in 1951. Marketings of hogs and poultry and eggs may expand slightly and the volume of dairy products marketed probably will total about the same as in 1951.

In addition to handling a larger volume of commodities, the task of marketing agricultural products in 1952 may be increased by further extension of processing, packaging, and other marketing services. This would continue the trend in operation for many years. Growth of residential areas around defense plants may require expansion of retailing facilities and some other changes in the market organization.

By increasing consumer incomes, the expected high level of spending for defense will contribute to an expansion of consumer demand for farm products. Expenditures for defense will increase from an annual rate of 33 billion dollars in the second quarter this year to about 65 billion dollars by the fall of 1952, according to present plans. This may decrease the nondefense labor force and reduce materials available for expansion and upkeep of current marketing facilities.

The supply of laborers available for marketing agricultural produce may be tightened in the coming year. Hiring of new defense workers will attract laborers from nondefense employment since unemployment is currently at the low level of about 1.5 million. Some expansion probably will take place in the total civilian labor force, although the addition may be largely of less efficient and inexperienced workers. Nonagricultural employment totaled about 55 million in late summer this year, slightly above a year ago. Roughly, 5 million of these workers were engaged in marketing farm produce.

Scarce, higher priced and perhaps less efficient labor will furnish businessmen with an incentive to mechanize operations wherever possible. The introduction of labor-saving devices, the improvement and extension of facilities for transportation and storage, and the building of more suitable buildings for wholesaling and retailing food products may be limited by the allocation of steel and copper and perhaps other materials. During recent months the National Production Authority (NPA) in some instances has refused to approve the use of scarce materials to build supermarkets and some other types of marketing facilities.

Inability to obtain long-term loans on favorable terms may be a further barrier to capital expansion and improvement in the marketing field. Recent efforts of the Federal Reserve system and the commercial banks to tighten the extension of credit have made it more difficult to obtain loans for such purposes.

Maintenance of a large volume of products in the marketing channels would ordinarily have a tendency to lower per unit operating costs, including the encouragement of measures to take advantage of economies of scale. Shortages of labor, materials, and in some instances capital, may prevent such a development in 1952, although the marketing system can be expected to handle next year's production without serious losses of products unless major transportation bottlenecks develop.

COSTS AND PROFITS IN MARKETING FARM PRODUCTS

Labor Costs in Food Marketing

May be Higher in 1952

The cost of the labor engaged in assembling, processing, wholesaling, and retailing farm food products accounted for an estimated 51 percent of the total cost of marketing these products in 1950 and is expected to represent about the same proportion in 1951. During the last several years, labor costs have accounted for a higher proportion of total marketing charges than in any other period on record (fig. 1). In 1935-39 the average proportion represented by labor costs was 41 percent. These percentages do not include cost of the labor employed by railroads and other intermarket transportation agencies which is included in the transportation charges paid by food marketing agencies.

Hourly earnings of employees in food marketing activities started to rise during the second half of 1950. The average for the year was approximately 4 percent above that for 1949. This upward movement continued into 1951 and the average for the first 7 months this year was 7 percent higher than the 1950 average. The index of average hourly earnings in July 1951 was 252 (1935-39 = 100), compared with averages of 236 for 1950 and 250 for the first 7 months of 1951 (table 15). The average for 1952 is expected to be slightly higher than the 1951 average. Difficulties in holding employees and in obtaining new ones accompanied by demands for higher wages stimulated by rising living costs may lead to higher wage rates and higher hourly earnings than those prevailing in June 1951.

Higher hourly earnings in 1952 would mean higher unit labor costs unless the productivity of labor increased proportionately. The increasing mechanization of marketing operations and more efficient use of labor probably are tending to raise labor productivity and to hold down per unit labor costs. Increased turn-over of employees and wider use of inexperienced and less capable workers in 1952 may offset this tendency.

Transportation Costs

Railroad freight rates (including those on farm products) were raised twice during the first 8 months of 1951. Costs of shipping by motor carriers also have increased. These include both rates charged by for-hire truckers and expenses of operating privately owned vehicles, including farm trucks. The chief reason for the advances in the charges by for-hire carriers, both rail and highway, has been increases in their operating expenses. Even if no further increases in transportation charges and costs take place, the averages for 1952 will be higher than those for 1951 because of the lower levels which prevailed during the first part of 1951.

Rise in Rail Freight Rates.- Railroad freight rates were increased generally from 6 to 9 percent on August 28, 1951. These increases, which are to remain in effect only until the end of February 1953 (unless modified or terminated before then), were approved by the Interstate Commerce Commission to supersede the interim increases of from 2 to 4 percent which had become effective in April 1951.

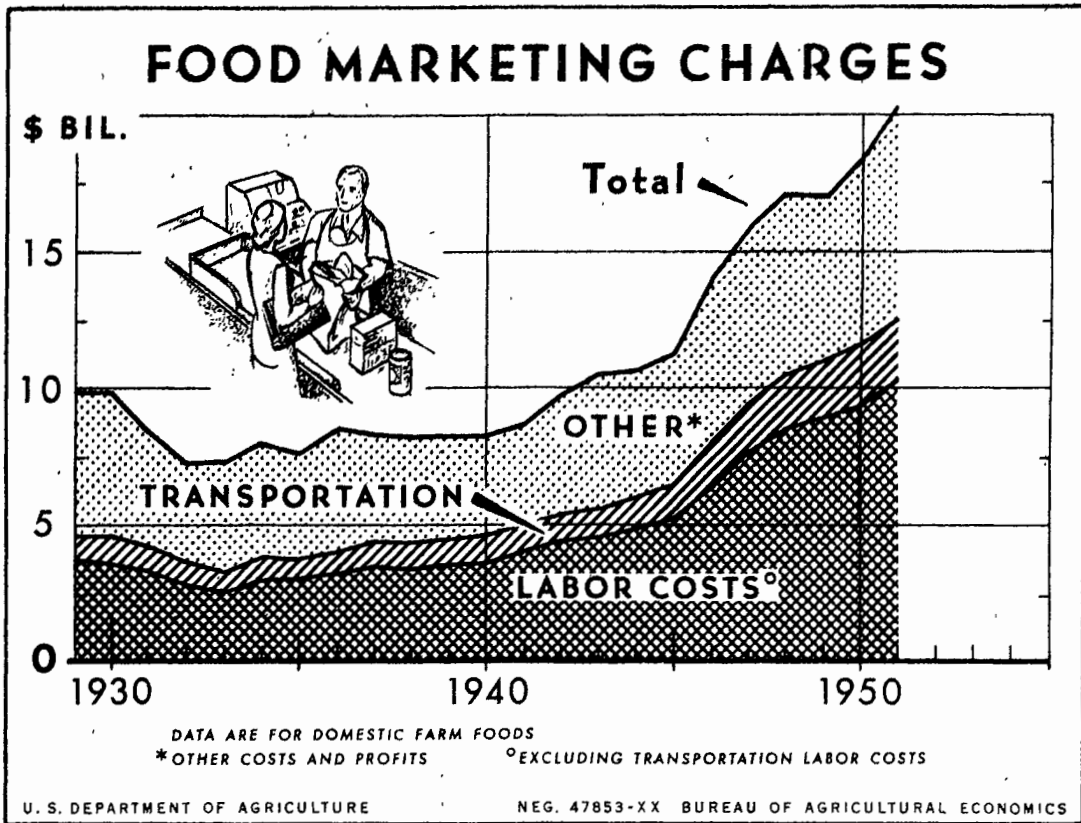


FIGURE 1

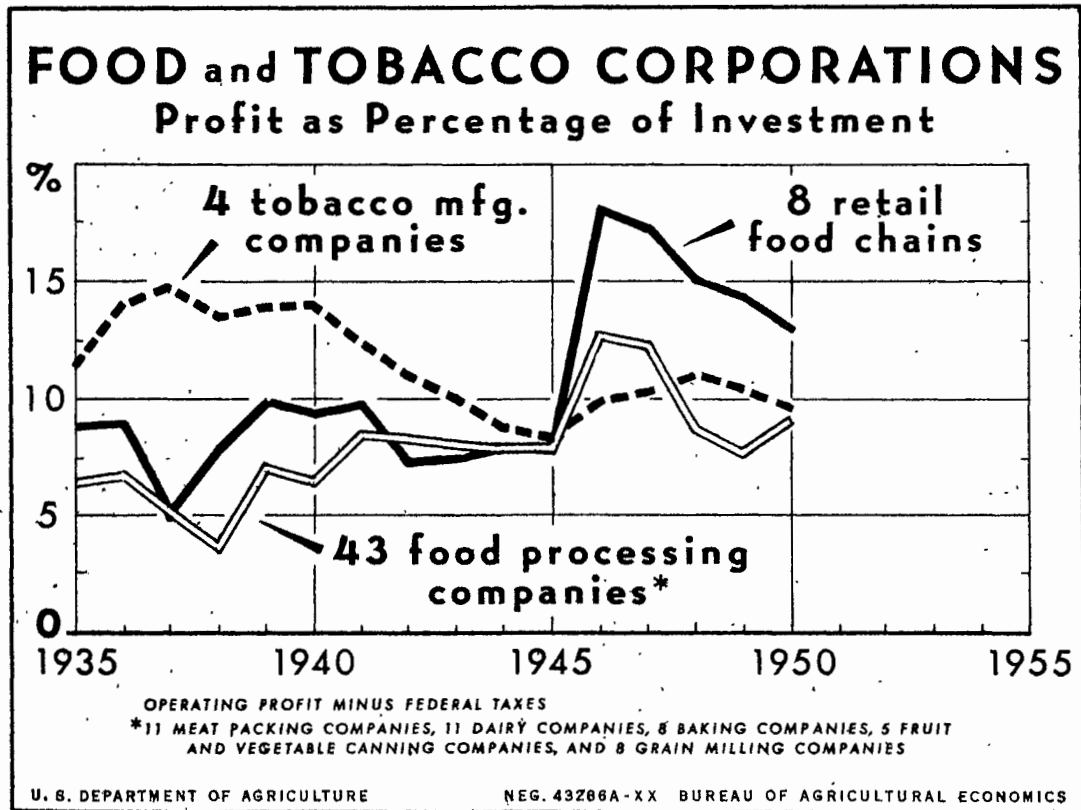


FIGURE 2

The increases effective in August generally amounted to 9 percent within the northeastern section of the country (eastern territory) and 6 percent on shipments elsewhere, including movements to and from eastern territory. Rates on grains and grain products were raised 6 percent throughout the country. Exceptions pertaining to agricultural products included limitations of maximum increases ("hold-downs") to a specified number of cents per 100 pounds when the percentage increases would exceed that amount. The hold-down for fruits, vegetables, melons, and canned food products (not frozen) is 6 cents per 100 pounds; for sugar it is 4 cents.

Most of the general rate increases since the end of World War II have provided for hold-downs on fresh fruits and vegetables. As a result, rates on movements from producing areas (such as in the West) far from their principal markets have risen by much smaller percentages than rates from nearby areas. For example, the rate on potatoes from Bakersfield, Calif., to New York City rose by 38 percent between June 1, 1946, and August 28, 1951, (currently) while from Wayland, N. Y., to the same destination, the increase was 83 percent (table 2). As a consequence of these variations in the extent of increases, the differences between long-haul and short-haul rates have not increased as much as if both rates had been raised by the same percentage. No hold-downs have been made effective on such commodities as wheat, livestock, or fresh meats. Rates on these commodities and rate differentials have increased by about the same percentage (table 2).

The August increase in freight rates was the latest of nine increases in general freight rates since June 30, 1946. The current level of rates on agricultural commodities is almost 60 percent higher than it was on that date. ^{1/} The railroads have expressed dissatisfaction with the extent of the latest rise in rates approved by the I. C. C., which was less than half of the amount requested by the carriers. They have recently asked the Commission to reconsider its decision and to approve the full increases requested.

Increases in Motor Carrier Rates.- Regulated motor carriers in some sections of the country are also in the process of raising or have already raised rates on many commodities by about the same percentage as the railroads. This has affected principally rates on manufactured farm products and on goods purchased by farmers. Rates on unmanufactured agricultural commodities, which are typically hauled by unregulated carriers, apparently are also rising.

Profits in 1950 Averaged Higher for Food Processors,
Lower for Retail Food Chains

The average ratio of operating profits (after income taxes) to investment for a group of 43 large food-processing companies rose from 7.7 percent in 1949 to 9.1 percent in 1950 (table 3). Profits in 1950, however, were not as high as in 1946 and 1947, when they averaged 12.7 and 12.3 percent, respectively. Available data indicate that profits of food-processing companies were lower in the first half of 1951 than in the same period of 1950. For the fourth consecutive year, the average ratio of profits earned by eight retail food-store chains declined (fig. 2). The ratio in 1950 was 13.0 percent compared with 14.4 percent in 1949 and 18.1 percent in 1946. The average ratio of operating profits to investments for four tobacco-processing companies declined from 10.4 percent in 1949 to 9.7 percent in 1950.

^{1/} Calculated from data shown in "Monthly Comment on Transportation Statistics," Interstate Commerce Commission, Sept. 14, 1951, page 4. The increases for "Products of Agriculture" and for "Animals and Products" were averaged, using 1950 tonnages as weights.

Table 2.- Railroad freight rates per 100 pounds for selected agricultural commodities, June 1, 1946, and August 28, 1951

Commodity and origin:	Destination	Rate	Rate	Increase June 1946	
		June 1, 1946:	Aug. 28, 1951:	to	Aug. 1951
		Cents	Cents	Cents	Percent
Potatoes:					
Bakersfield, Calif.:	New York City	128	176	48	37.5
Idaho Falls, Idaho :	"	107	155	48	44.9
Hastings, Fla. :	"	65	109	44	67.7
Meggets, S. C. :	"	48	93	45	93.8
Caribou, Maine :	"	47	68	21	44.7
Riverhead, L. I. :	"	23	40	17	73.9
Wayland, N. Y. :	"	24	44	20	83.3
Apples:					
Yakima, Wash. :	Chicago	115	163	48	41.7
Sebastopol, Calif. :	"	115	163	48	41.7
Winchester, Va. :	"	47	86	39	83.0
Barker, N. Y. :	"	43	82	39	90.7
Carrolton, Ill. :	"	23	44	21	91.3
Peaches:					
Reedley, Calif. :	"	150	198	48	32.0
Grand Junction, Colo.:	"	113	161	48	42.5
Clarksville, Ark. :	"	60	104	44	73.3
Fort Valley, Ga. :	"	82	130	48	58.5
Centralia, Ill. :	"	41	76	35	85.4
Benton Harbor, Mich.:	"	35	66	31	88.6
Tomatoes:					
Bakersfield, Calif.:	New York City	184	232	48	26.1
San Benito, Texas :	"	155	203	48	31.0
Pine Bluff, Ark. :	"	124	172	48	38.7
Palmetto, Fla. :	"	109	157	48	44.0
Freehold, N. J. :	"	26	47	21	80.8
Medina, N. Y. :	"	53	93	40	75.5
Wheat: 1/					
Great Falls, Mont. :	Kansas City, Mo.:	53.5	85.5	32	59.8
Wray, Colo. :	"	25	39	14	56.0
Enid, Okla. :	"	19.5	30.5	11	56.4
Larimore, N. D. :	"	39	63	24	61.5
Carthage, Mo. :	"	14	22	8	57.1
Hutchinson, Kans. :	"	18	26.5	8.5	47.2
Cattle:					
Billings, Mont. :	Chicago	75	125	50	66.7
Des Moines, Iowa :	"	36	59	23	63.9
Fort Worth, Tex. :	"	63	104	41	65.1
Kansas City, Mo. :	"	42	69	27	64.3
Denver, Colo. :	"	65	108	43	66.2
Springfield, Ill. :	"	22	34	12	54.5
Fresh Meats:					
Des Moines, Iowa :	New York City	107	193	86	80.4
Chicago, Ill. :	"	83	152	69	83.1
Kansas City, Mo. :	"	121	216	95	78.5
South St. Paul, Minn.:	"	114.5	207	92.5	80.8
Omaha, Nebr. :	"	121	217	96	79.3

1/ Wheat rates as of Sept. 12, 1951.

Table 3.- Operating profit (less provision for taxes) as percentage of investment and as percentage of sales, food and tobacco companies, 1935-50 1/

Year	Food processing companies							8	4
	8	8	11	5	11	43	8	4	
	baking	grain mill	meat	canning	dairy	products	retail	tobacco	
	companies	products	packers	companies	products	combined	food	companies	
	chains	companies	companies	companies	companies	companies	chains	companies	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Profit rate on investment									
Av.									
1935-39:	7.6	9.5	3.7	5.6	7.8	5.8	8.2	13.6	
1940 ..:	7.2	8.2	5.0	6.3	8.4	6.5	9.4	14.0	
1941 ..:	6.6	8.6	7.6	11.1	9.7	8.5	9.8	12.3	
1942 ..:	10.2	9.0	7.3	7.0	9.6	8.3	7.3	10.9	
1943 ..:	10.6	8.8	7.3	7.3	8.6	8.0	7.4	10.0	
1944 ..:	9.3	10.1	6.6	8.5	8.5	7.9	7.9	8.8	
1945 ..:	10.0	9.4	5.9	9.2	9.7	7.9	7.8	8.4	
1946 ..:	19.7	11.8	10.3	16.6	14.3	12.7	18.1	10.0	
1947 ..:	13.6	16.4	11.6	11.5	11.1	12.3	17.2	10.3	
1948 ..:	17.4	12.4	5.2	8.8	9.9	8.6	15.2	11.0	
1949 ..:	13.1	11.1	3.5	5.3	11.9	7.7	14.4	10.4	
1950 ..:	12.9	10.9	5.6	12.4	10.9	9.1	13.0	9.7	

Year	Food processing companies							8	4
	6	3	11	4	11	35	8	4	
	baking	grain mill	meat	canning	dairy	products	retail	tobacco	
	companies	products	packers	companies	products	combined	food	companies	
	chains	companies	companies	companies	companies	companies	chains	companies	
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	
Profit rate on sales									
Av.									
1935-39:	4.2	3.1	1.3	3.6	3.5	2.1	1.5	9.2	
1940 ..:	3.7	3.4	1.6	4.2	3.5	2.3	1.5	9.0	
1941 ..:	3.0	2.8	1.9	5.1	3.5	2.5	1.4	7.0	
1942 ..:	4.0	2.2	1.4	3.0	2.9	1.9	.9	5.7	
1943 ..:	3.5	1.9	1.3	3.5	2.5	1.8	1.0	4.9	
1944 ..:	2.9	2.1	1.2	3.6	2.4	1.7	1.0	4.6	
1945 ..:	3.0	2.2	1.3	3.8	2.6	1.9	1.0	4.6	
1946 ..:	5.4	2.5	2.2	6.1	3.6	3.0	1.8	4.8	
1947 ..:	3.4	2.7	1.6	4.9	2.7	2.1	1.5	5.1	
1948 ..:	4.4	2.4	.8	4.1	2.5	1.6	1.4	5.9	
1949 ..:	3.6	2.6	.6	3.1	3.5	1.6	1.4	6.1	
1950 ..:	3.6	2.3	.9	5.9	3.3	2.0	1.3	5.8	

1/ In general, the operating profit is the net sales less cost of sales, operating expenses, maintenance, and depreciation. The provision for taxes includes both income taxes and excess profits taxes of Federal, State, and foreign governments. Other income is not included in operating profit; the taxes, however, are on all sources of income. Further adjustment of the tax deductions would increase the profit ratios slightly.

Investment includes common stock, preferred stock, funded debt, minority interests, capital surplus, earned surplus, and various reserves.

Compiled from financial statements reported in Moody's Industrials.

Marketing margins for foods are expected to be slightly higher in 1952 than in 1951, and the volume of commodities handled perhaps will expand somewhat. Higher costs and taxes, however, may offset the effect of these factors on profits.

Profits of the 11 meat-packing companies included in the group of 43 food processors, increased from an average of 3.5 percent of investment in 1949 to 5.6 percent in 1950, which was slightly above the rate in 1948 but less than those in 1946 and 1947. This increase accounted for most of the rise in the average profits of the 43 companies. Profits of the 5 canning companies in the group rose more than the profits of the meat-packing companies, but affected the average profits of the 43 companies less because of their small weight in the over-all average. Average profits of the baking, grain mill products, and dairy products companies were lower in 1950 than in 1949.

Ratios of profits to sales are available for 35 of the 43 food-processing companies. The average ratio of operating profits (after taxes) to sales for the group increased from 1.6 percent in 1949 to 2.0 percent in 1950 (table 3). Ratios of profits to sales were higher in 1950 than in 1949 for the meat-packing and canning companies in the group; they were lower for the dairy-product companies and were unchanged for the baking companies. The 8 retail food-store chains had a slightly lower average ratio of profits to sales in 1950 than in 1949, and the ratio for the 4 tobacco companies declined from 6.1 percent to 5.8 percent.

Profits for manufacturers of textile-mill products as proportions of net sales, after deductions of Federal income taxes, decreased from about 9 percent during the first half of 1948 to below 3 percent during the second quarter of 1949, increased to 6.5 percent during the third quarter of 1950, and then decreased to 4.7 percent during the second quarter of 1951, according to reports of the Federal Trade Commission. When expressed as proportions of stockholder's equity, these profits showed trends similar to those expressed as percentages of sales and during the second quarter of 1951 they were at an annual rate of approximately 10.8 percent, after deductions of Federal income taxes.

Profits for manufacturers of apparel and finished textiles when expressed as proportions of net sales, after deduction of Federal income taxes, decreased from more than 5 percent of sales early in 1947 to less than 1.5 percent toward the end of 1948, and averaged less than 2 percent during the first quarter of 1951.

NATIONAL MARKETING BILL FOR FARM FOOD PRODUCTS

The Bureau of Agricultural Economics makes annual estimates of the total farm value, retail cost, and marketing charges of all farm foods bought by civilian consumers in the United States. Estimates also are made for the six major farm food commodity groups (table 4). ^{2/} These estimates reflect variations in total volume of farm food marketed, as well as the variations in prices and marketing costs that are measured by the "market basket" series discussed in a later section.

^{2/} A discussion of the methods of computation and a comparison of these estimates with other published series were presented in The Marketing and Transportation Situation, September 1950.

Table 4.- Domestic civilian purchases of farm food products: Farm value, retail cost, and marketing charges, all farm foods and six major commodity groups, 1913-51

Year	All farm foods			Meat products			Dairy products			Poultry and eggs			Bakery and other cereal products			Fruits and vegetables			Miscellaneous food products		
	Farm value	Retail cost	Marketing charges	Farm value	Retail cost	Marketing charges	Farm value	Retail cost	Marketing charges	Farm value	Retail cost	Marketing charges	Farm value	Retail cost	Marketing charges	Farm value	Retail cost	Marketing charges	Farm value	Retail cost	Marketing charges
	1/	2/	3/	1/	2/	3/	1/	2/	3/	1/	2/	3/	1/	2/	3/	1/	2/	3/	1/	2/	3/
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
1913	3.53	7.41	3.88	1.35	2.26	0.91	0.62	1.23	0.61	0.45	0.66	0.21	0.44	1.42	0.98	0.55	1.44	0.89	0.12	0.40	0.28
1914	3.64	7.91	4.27	1.35	2.26	.91	.64	1.28	.64	.47	.67	.20	.49	1.62	1.13	.58	1.69	1.11	.11	.39	.28
1915	3.63	7.99	4.36	1.21	2.16	.95	.66	1.33	.67	.48	.68	.20	.59	1.74	1.15	.56	1.61	1.05	.13	.47	.34
1916	4.35	9.47	5.12	1.50	2.49	.99	.74	1.44	.70	.53	.75	.22	.68	1.99	1.31	.71	2.17	1.46	.19	.63	.44
1917	6.05	12.40	6.35	2.03	3.03	1.00	.94	1.68	.74	.68	.94	.26	1.15	2.78	1.63	.97	3.10	2.13	.28	.87	.59
1918	6.87	13.19	6.32	2.51	3.96	1.45	1.09	1.88	.79	.83	1.19	.36	1.05	2.45	1.40	1.04	2.72	1.68	.35	.99	.64
1919	7.55	15.22	7.67	2.50	4.14	1.64	1.34	2.38	1.04	1.03	1.45	.42	1.21	2.90	1.69	1.13	3.33	2.20	.34	1.02	.68
1920	7.36	16.52	9.16	2.15	4.12	1.97	1.40	2.53	1.13	1.10	1.58	.48	1.17	3.16	1.99	1.30	4.21	2.91	.24	.92	.68
1921	5.05	12.57	7.52	1.40	3.45	2.05	1.15	2.34	1.19	.77	1.16	.39	.62	2.42	1.80	.95	2.64	1.69	.16	.56	.40
1922	5.19	12.88	7.69	1.56	3.49	1.93	1.14	2.31	1.17	.75	1.12	.37	.59	2.36	1.77	.99	2.97	1.98	.16	.63	.47
1923	5.62	14.00	8.38	1.58	3.77	2.19	1.39	2.65	1.26	.83	1.24	.41	.59	2.43	1.84	1.03	3.15	2.12	.20	.76	.56
1924	5.87	14.51	8.64	1.73	4.07	2.34	1.34	2.59	1.25	.86	1.31	.45	.67	2.52	1.85	1.06	3.31	2.25	.21	.71	.50
1925	6.77	15.73	8.96	2.10	4.28	2.18	1.47	2.83	1.36	.96	1.41	.45	.87	2.81	1.94	1.15	3.60	2.45	.22	.80	.58
1926	6.95	16.38	9.43	2.18	4.35	2.17	1.53	2.93	1.40	1.03	1.49	.46	.80	2.87	2.07	1.22	3.96	2.74	.19	.78	.59
1927	6.72	16.23	9.51	2.04	4.25	2.21	1.62	3.09	1.47	.96	1.40	.44	.74	2.90	2.16	1.14	3.75	2.61	.22	.84	.62
1928	6.94	16.27	9.33	2.11	4.28	2.17	1.69	3.19	1.50	1.05	1.53	.48	.74	2.98	2.24	1.13	3.47	2.34	.22	.82	.60
1929	7.22	17.08	9.86	2.23	4.45	2.22	1.76	3.33	1.57	1.12	1.70	.58	.68	2.86	2.18	1.22	3.89	2.68	.22	.85	.63
1930	6.33	16.15	9.82	1.94	4.25	2.31	1.57	3.13	1.56	.93	1.51	.58	.56	2.78	2.22	1.13	3.68	2.55	.20	.80	.60
1931	4.66	13.06	8.40	1.37	3.58	2.21	1.25	2.66	1.41	.71	1.20	.49	.35	2.24	1.89	.86	2.84	1.98	.12	.54	.42
1932	3.40	10.61	7.21	.91	2.67	1.76	.97	2.21	1.24	.54	.88	.34	.26	1.91	1.65	.61	2.29	1.68	.11	.65	.54
1933	3.56	10.93	7.30	.92	2.61	1.68	.96	2.17	1.21	.48	.80	.32	.34	2.00	1.60	.73	2.59	1.86	.13	.76	.63
1934	4.27	12.52	7.92	1.13	3.26	1.90	1.12	2.36	1.24	.58	.98	.40	.47	2.38	1.81	.80	2.83	2.03	.17	.71	.54
1935	5.02	12.94	7.58	1.49	3.39	1.70	1.29	2.58	1.29	.75	1.09	.34	.52	2.41	1.75	.79	2.81	2.02	.18	.66	.48
1936	5.78	14.29	8.51	1.79	3.79	2.00	1.42	2.81	1.39	.77	1.16	.39	.58	2.51	1.93	1.00	3.22	2.22	.22	.80	.58
1937	5.98	14.18	8.20	1.90	3.95	2.05	1.49	2.90	1.41	.81	1.24	.43	.61	2.53	1.92	.95	2.76	1.81	.22	.80	.58
1938	5.20	13.39	8.18	1.71	3.57	1.86	1.32	2.72	1.40	.77	1.16	.39	.41	2.42	2.01	.78	2.56	1.78	.21	.96	.74
1939	5.17	13.37	8.19	1.69	3.54	1.85	1.32	2.76	1.44	.72	1.10	.38	.39	2.26	1.87	.86	2.79	1.93	.19	.92	.72
1935-39 average	5.43	13.63	8.13	1.72	3.65	1.89	1.37	2.76	1.39	.76	1.15	.39	.50	2.42	1.89	.88	2.83	1.95	.20	.82	.62
1940	5.57	13.77	8.19	1.75	3.56	1.81	1.48	3.05	1.57	.78	1.23	.45	.44	2.35	1.91	.92	2.65	1.73	.20	.93	.72
1941	7.00	15.68	8.66	2.34	4.12	1.78	1.70	3.39	1.69	1.00	1.47	.47	.54	2.48	1.94	1.09	3.01	1.92	.33	1.21	.86
1942	9.11	18.90	9.77	3.00	4.71	1.71	2.10	4.08	1.98	1.36	1.98	.62	.69	2.86	2.17	1.51	3.37	2.36	.45	1.40	.93
1943	11.14	21.35	10.46	3.50	5.19	1.86	2.20	3.98	1.85	1.99	2.72	.73	.91	3.26	2.35	2.06	4.77	2.72	.48	1.43	.95
1944	11.20	21.35	10.72	3.52	5.32	2.13	2.35	4.15	1.91	1.73	2.48	.75	.92	3.20	2.37	2.17	4.83	2.70	.51	1.37	.86
1945	12.40	22.83	11.23	3.62	4.97	1.82	2.49	4.41	2.03	2.23	3.03	.80	1.02	3.38	2.50	2.49	5.63	3.20	.55	1.41	.88
1946	15.61	29.19	14.07	5.13	7.50	2.72	3.40	5.89	2.49	2.30	3.26	.96	1.22	3.94	2.81	2.80	6.55	3.79	.76	2.05	1.30
1947	18.23	34.18	15.93	7.12	11.14	4.02	3.70	6.30	2.59	2.56	3.75	1.19	1.49	4.52	3.04	2.52	6.15	3.63	.84	2.32	1.46
1948	18.69	35.83	17.13	7.26	11.55	4.29	4.07	6.97	2.90	2.83	4.14	1.31	1.39	4.85	3.46	2.47	6.58	4.11	.67	1.74	1.06
1949	16.59	33.66	17.05	6.48	10.76	4.28	3.46	6.33	2.87	2.71	4.06	1.35	1.20	4.82	3.62	2.15	5.85	3.70	.59	1.84	1.23
1950	17.32	35.78	18.44	6.89	11.07	4.18	3.55	6.54	2.99	2.53	4.09	1.56	1.25	5.16	3.91	2.32	6.57	4.25	.78	2.35	1.55
1951 5/	20.4	40.5	20.1																		

1/ Farm value is adjusted to eliminate imputed value of nonfood byproducts and income from products not purchased by domestic civilian consumers. It does not include Government payments to producers such as soil conservation payments and feed subsidies.

2/ Retail cost equals the sum of the retail costs for the six commodity groups. For derivation of retail cost by commodity groups, see footnote 4.

3/ Marketing charges equal margin (difference between retail cost and farm value) minus processor taxes plus Government payments to producers. Taxes and payments are estimated by applying ratios from price-spread data to retail cost. (Agr. Inform. Bul. No. 4, "Price Spreads Between Farmers and Consumers," November 1949.)

4/ Retail cost for each commodity group is derived by dividing farm value by farmer's share estimated from commodity price spreads.

5/ Farm value includes bakery ingredients other than flour.

6/ Preliminary estimates.

Marketing Bill May Total
20 Billion Dollars in 1951

Total charges for marketing farm food products in 1951 are estimated at a record of approximately 20 billion dollars, about 9 percent above 1950. An increased volume of marketings and higher marketing costs are expected to result in a further increase in 1952. During the postwar period, total marketing charges have increased substantially in each year except 1949.

The bill for marketing all farm food products in 1950 totaled 18.4 billion dollars, compared with 17.0 billions in 1949. Increases were recorded for all commodity groups except meat products which was down slightly from the preceding year. The largest increase, about 15 percent, was in the fruits and vegetables group. Charges for marketing meat products and fruits and vegetables each totaled more than 4 billion dollars in 1950 and amounted to about 45 percent of the total. Marketing charges for bakery and other cereal products totaled almost 4 billion dollars in 1950 and were 8 percent higher than in 1949.

Charges for Marketing Farm Food Products
Equal 9 Percent of Disposable Income

Total charges for marketing farm foods in 1951 are expected to represent 9 percent of the total United States disposable personal income; as has been the case each year of the postwar period. In the World War II period of price controls and high rate of personal savings, marketing charges were as low as 7 percent of disposable income, while in the 1930's the proportion ranged from 12 to 16 percent.

CONSUMER INCOMES AND EXPENDITURES FOR FOOD

The level of disposable personal income in the United States, the proportion of it spent for food, and the proportion of the consumer's food dollar represented by marketing charges all influence gross income received by farmers from sales of food products. In 1951, farm producers received a larger share of the consumer's food dollar and total consumer expenditures on food were at a higher level than in 1950. Disposable personal income in 1951 will average about 10 percent above last year, according to preliminary estimates. Food expenditures have increased by about the same percentage so that the proportion of disposable income spent on food has remained relatively constant. The outlook for 1952 suggests that farmers may receive a slightly smaller share of the food dollar but consumer incomes and expenditures for food will rise above this year's high level. Consumer incomes, however, will probably increase at a less rapid rate than in 1951.

Consumers may spend a larger proportion of their disposable income for food in the coming year. A larger supply of food products is in prospect for next year. Material allocations resulting from the defense program are reducing the output of consumer durable goods. A sharp reduction in the supply of these goods next year would probably strengthen demand for food and other nondurables. The amount of personal savings will affect the expenditure pattern. Personal savings in the second quarter of 1951 were running at about 9 percent of disposable income, the highest rate since the end of World War II. The rate of personal savings has fluctuated widely from one quarter to the next since the outbreak in Korea.

Per Capita Expenditures for Food
at Record High in 1951 3/

Per capita expenditures for food (including nonfarm and imported food-stuffs) rose to a record annual rate of \$377 in the first quarter of 1951 and remained at about the same level in the second quarter (table 5). This was about 10 percent higher than in the same period a year ago. The proportion of disposable income spent on food in the second quarter of 1951 equaled 26 percent, the same as in the April-June period a year ago -- just before the outbreak of warfare in Korea.

Consumers are spending a larger proportion of their disposable income for food than in the prewar period, 1935-39. Per capita consumption of food in 1951 is averaging about 13 percent above 1935-39, and consumers are buying more marketing services by eating more meals in restaurants and by other changes in eating habits. The same kinds and quantities of food that consumers bought in the prewar period would have taken only 19 percent of their income in the second quarter this year, compared with 23 percent in 1935-39 (table 5).

FOOD MARKETING CHARGES AND FARMER'S SHARE

Recent Farm-Retail Price Spreads

Farmers received about 50 cents of the consumer's farm food dollar in August 1951. The retail cost of the farm foods in the "market basket" equaled an annual rate of \$714, while farmers received \$355 for equivalent quantities of farm produce (table 1). 4/

The farmer's share remained at 50 cents in September, according to latest available price data. Preliminary estimates for September indicate a retail cost of \$713 and a farm value of \$357. Slightly higher retail prices for poultry and eggs, cereal products, and pork were offset by price declines for some fruits and vegetables. Although the total index of prices received by farmers for their products (including fibers and other nonfoods) continued to decline from mid-August to mid-September, there was a slight rise in the average farm price of foodstuffs. Farm producers received higher prices for some fruits and vegetables, beef cattle, fluid milk, and eggs, but lower prices for hogs, chickens, rice, and most oilseed crops.

Farmer's Share May Decline
Slightly in 1952

The consumer's dollar spent for farm food products during 1951 was about evenly divided between farm producers and marketing agencies. Farmers may receive a slightly lower share of the consumer's dollar in 1952, with about 49 cents going to farm producers and 51 cents to marketing agencies. Farm prices for food products are not expected to be substantially different from the over-all average for 1951. Higher labor and transportation costs in 1952, however, will probably result in slightly higher marketing charges and higher retail prices than in 1951. 5/

3/ Per capita income and expenditures for all food (including nonfarm and imported food) presented in table 5 are derived from estimates published by the Bureau of Foreign and Domestic Commerce.

4/ The "market basket" contains quantities of farm food products equal to the 1935-39 average annual purchases per family of three average consumers. Full details are presented in Agricultural Information Bulletin No. 4, "Price Spreads Between Farmers and Consumers."

5/ Marketing charges, as used here, cover charges for all marketing operations between farmers and consumers and include charges for assembling, processing, transporting, and distributing.

Table 5.- Per capita food cost and expenditure related to disposable personal income, United States average, 1929-51

Year	Dispos- able personal income		Food expenditure		Cost to consumer of fixed quantities of food representing 1935-39 average annual consumption per person 2/		
	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Percent
1929	673	642	160	24	25	155	23
1930	595	572	146	25	26	145	24
1931	505	490	118	23	24	117	23
1932	381	392	91	24	23	95	25
1933	358	367	86	24	23	97	27
1934	406	408	96	24	24	110	27
1935	453	439	107	24	24	120	26
1936	513	485	119	23	25	122	24
1937	548	518	127	23	25	126	23
1938	501	494	120	24	24	114	23
1939	533	512	120	23	23	112	21
1935-39 av.	510	490	118.6	23	24	118.6	23
1940	569	542	128	22	24	113	20
1941	686	613	150	22	24	126	18
1942	860	672	186	22	28	150	17
1943	963	743	213	22	29	172	18
1944	1,055	801	229	22	29	171	16
1945	1,073	874	250	23	29	176	16
1946	1,117	1,032	292	26	28	201	18
1947	1,169	1,142	329	28	29	244	21
1948	1,277	1,206	350	27	29	256	20
1949	1,243	1,201	338	27	28	243	20
1950	1,338	1,268	346	26	27	245	18
1951							
1st qtr. 3/	1,410	1,349	4/377	27	28	272	19
2nd qtr. 2/	1,438	1,302	4/374	26	29	274	19

1/ Computed from aggregate income and expenditure data of the Bureau of Foreign and Domestic Commerce. For methods of computation see table 4, page 9, of the September 1950 issue of this publication. Estimates of disposable income and expenditures have recently been revised for 1940 and later years.

2/ Cost to consumers of quantities of foods representing average annual consumption per person during 1935-39 is calculated by taking as a 1935-39 base the actual food expenditure for that period (\$118.6) and applying to this base cost a U. S. average consumer's food price index. The index is a weighted average of indexes representing (1) retail food prices in 56 cities (U. S. Bureau of Labor Statistics), (2) retail food prices in other cities and towns, and (3) prices received by producers applied to foods consumed on farms where produced.

3/ Annual rates seasonally adjusted.

4/ Quarterly data have been estimated by the Bureau of Agricultural Economics from expenditures for food and alcoholic beverages reported by the Bureau of Foreign and Domestic Commerce.

Except for the period 1943-48, farmers have received less than 50 cents of the consumer's dollar in each year since 1918 (cover chart). The farmer's share reached a record annual high of 54 cents in 1945, declined gradually to 51 cents by 1948, and then dropped sharply to 48 cents in 1949 and 1950. The farm value of the foods in the market basket dropped more than 10 percent from the 1948 record high while marketing charges remained practically constant during the 1948-50 period (table 1).

Following the outbreak of warfare in Korea, the farmer's share of the consumer's food dollar increased from a postwar low of 46 cents in June 1950 to 51 cents in February 1951. The farm value of the market-basket foods declined more than 5 percent between mid-February and mid-July, with practically all of the decrease absorbed in higher marketing charges.

Marketing Charges at Record High in 1951, Further Increase Forecast for Next Year

Charges for marketing the farm foods in the market basket will average about \$360 during 1951, compared with a range of \$337 to \$340 during the 1948-50 period. During periods of rising prices, marketing charges characteristically advance at a less rapid rate than farm or retail prices but over a longer period of time. Similarly, during periods of declining prices, marketing charges remain relatively steady or decrease at a less rapid rate. Post-Korean rises in farm and retail food prices were climaxed with record highs in February this year, while the index of marketing charges represented by the market-basket series continued to rise and established a record high of \$371 (annual rate) in mid-July (table 1). Increases in wage rates, transportation rates, and other marketing costs will probably result in marketing charges reaching a new high in 1952.

Retail Cost of Market-Basket Foods at Record High in 1951

The retail cost of the farm foods in the market basket reached an all-time high of \$726 (annual rate) in February this year and has remained relatively near that level since that time. ^{6/} The annual average for 1951 will be about \$720, almost 12 percent above 1950 and 4 percent above the previous high in 1948. Retail prices in 1952 may exceed the 1951 average but, assuming no major outbreak of warfare, this increase should be relatively moderate. A continued high level of consumer demand for farm food products is in prospect for 1952, but farm production of foodstuffs may increase substantially over this year's high levels.

^{6/} Total retail cost of all foods currently consumed per family of three average consumers is roughly 50 percent higher than the retail cost of the "market basket." The market basket of farm food products does not include imported foods, fishery products, or other foods of nonfarm origin; it does not include food consumed in households on farms where produced; it measures the cost at current prices of 1935-39 average prewar purchases and does not allow for the currently higher level of per capita food consumption, which is 10 to 15 percent above the level for 1935-39; and does not include additional mark-ups for preparation and service of meals purchased in eating places.

Farm prices of the market-basket foods also set a record high in February 1951. The farm value, however, declined steadily from the February level of \$371 (annual rate) to \$352 in mid-July, with only slight gains in August and September. The annual average for 1951 will equal about \$360, 17 percent higher than in 1949 and 1950 and 3 percent above 1948. Although farm prices of food products in 1952 may be higher than in the latter half of 1951, the average for next year is not expected to be much different from the 1951 average.

Price Ceilings on Farm Products

Ceilings on prices and wages in the United States were established on January 26, 1951. In general, ceilings were fixed at the approximate levels current at that time. The General Price Ceiling Regulation, as amended, exempted fresh fruits and vegetables from price ceilings. Raw and unprocessed agricultural commodities which sold at the farm at prices below the legal minima established by the Defense Production Act of 1950 were also exempted from price ceilings at all levels of distribution. This Act provided that, in general, ceiling prices for farm products may not be established at less than the highest of the following prices, adjusted for grade, location, and seasonal differentials: (1) the parity price, and (2) the highest price received by producers during the period May 24 to June 24, 1950.

The Defense Production Act, as amended this year, provides that no ceiling can be established or maintained for any agricultural commodity below 90 percent of the price received by producers on May 19, 1951. This provision in effect barred the beef and cattle price rollbacks scheduled to take place on August 1 and October 1. Increases in processing and marketing margins are possible under the new amendments to the Act. As of September 15, prices of many farm products were below parity. With the exception of beef cattle, lambs, veal calves, sweetpotatoes, and possibly some fresh fruits and vegetables, prices of all farm products were below the legal minima for ceilings specified in the Defense Production Act, as amended.

MARKETING CHARGES AND THE FARMER'S SHARE FOR COMMODITY GROUPS

Movements in the retail cost of the market basket of farm foods, the equivalent farm value, marketing charges, and the farmer's share are shown in table 1 on page 2. Similar data for the individual food commodity groups for recent years and the 1935-39 average are presented at the beginning of the discussion of each major group. The data shown are average annual rates. In addition, tables showing similar information for the nonfood items, cotton and tobacco, are presented in this section.

Meat Products

Year	Retail cost	Farm value : adjusted for: byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39	88.57	41.60	45.88	47
1947	185.71	118.62	67.09	64
1948	208.06	130.74	77.32	63
1949	187.81	113.02	74.79	60
1950	198.18	123.44	74.74	62
1951 Jan.-Aug.	224.39	150.01	74.38	67

Marketing charges for meats are characteristically more stable in terms of dollars and cents than are marketing charges for most farm products. Charges for marketing the meat products in the annual family market basket averaged about the same in 1950 as in 1949 and during the first 8 months of 1951 were only slightly higher than during the same period of 1950. Higher retail costs for meat products generally have resulted in increases in farm values and in the farmer's share of the dollar that consumers spent for meat products. The farmer's share averaged 67 cents during the first 8 months of 1951 compared with 62 cents in 1950, 60 cents in 1949, and a prewar average of 47 cents in 1935-39.

Average retail cost of the meat products in the market basket was about 6 percent higher in 1950 than in 1949 and the farm value was approximately 9 percent higher. During the January-August period of 1951, the retail cost was 16 percent higher than during the same period of 1950 and the farm value was about 25 percent higher.

Dairy Products

Year	Retail cost	Farm value : adjusted for : byproducts :	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39	67.31	33.42	33.89	50
1947	122.25	71.80	50.45	59
1948	133.94	78.20	55.74	58
1949	122.56	67.06	55.50	55
1950	121.04	65.70	55.34	54
1951 Jan.-Aug.	133.90	73.06	60.84	55

Charges for marketing the dairy products in the family market basket were sharply higher in 1951 and established a new record of \$62 in July. The average for the first 8 months of 1951 was about \$61 compared with \$55 in the same period of 1950. During January-August 1951, farmers received an average of 55 cents of the consumer's dollar, slightly higher than in 1950, but well below the postwar high of 59 cents in 1947.

The retail cost of the dairy products in the market basket averaged \$1.34 during the first 8 months of 1951, about equal to the high set in 1948. The farm value of these products, however, was about 7 percent below the 1948 peak.

Marketing charges for dairy products as a group are relatively more stable than farm and retail prices, although there are variations between products. Charges for marketing fluid milk and butter change quite slowly, although there has been a marked upward trend in the postwar period. Marketing charges for cheese and evaporated milk, however, are more responsive to short-run fluctuations in farm and retail prices.

Poultry and Eggs

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39	26.47	17.57	8.90	66
1947	51.85	35.40	16.45	68
1948	55.52	38.00	17.52	68
1949	53.03	35.40	17.63	67
1950	47.39	29.31	18.08	62
1951 Jan.-Aug.	53.52	35.07	18.45	66

Marketing charges for poultry and eggs have generally moved upward since the war. A record of \$20.69 was reached in October 1950. During the first 8 months of 1951, marketing charges were 6 percent above the average for the same period of 1950. The annual average for 1951 will be well above that for 1950. During the years 1948-50, marketing charges tended to remain steady or advance although retail and farm prices were declining. Similarly, marketing charges in 1952 may remain unchanged or rise somewhat even if farm prices weaken.

After establishing postwar highs in 1948, the farm value and retail cost of the poultry and eggs group generally moved downward until 1951. The average farm value for the first 8 months of 1951 was 31 percent higher than the average for the same period of 1950 and the retail cost was 21 percent higher. The levels reached in the 1951 period, however, have not been as high as the 1948 peaks.

The annual average farmer's share of the consumer's dollar spent for poultry and eggs declined from 67 cents in 1949 to 62 cents in 1950. During the January-August period of 1951, however, the average farmer's share was 66 cents compared with 61 cents for the same period of 1950.

Marketing charges for poultry and eggs have shown a tendency to vary rather closely with changes in the retail cost. Consequently, the farmer's share of the retail cost has remained fairly constant in spite of changes in farm and retail prices. The farmer's share in the first 8 months of 1951 was equal to the 1935-39 average although the retail cost in 1951 was twice as high as in the prewar period.

Bakery and Other Cereal Products

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39	55.09	11.63	42.80	21
1947	89.17	31.53	57.60	35
1948	96.18	29.28	66.88	30
1949	93.72	25.09	68.58	27
1950	95.80	25.63	70.13	27
1951 Jan.-Aug.	103.86	28.31	75.51	27

Both the retail cost and marketing charges of the bakery and other cereal products group have established record highs so far in 1951. The advance in marketing charges in 1951 lagged somewhat behind the rise in the retail cost. Such behavior is characteristic of marketing charges for this group, which are relatively inflexible in comparison with the retail cost and farm value.

The average farmer's share of the consumer's dollar in the January-August period of 1951 was 27 cents, the same as the average for 1950. This share compares with the postwar high of 35 cents in 1947 and an average of 21 cents in 1935-39.

All Fruits and Vegetables

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39	77.79	23.98	53.81	31
1947	144.57	59.23	85.34	41
1948	147.31	55.46	91.85	38
1949	146.94	54.04	92.90	37
1950	141.26	49.86	91.40	35
1951 Jan.-Aug.	157.22	55.38	101.84	35

Marketing charges for the fruits and vegetables in the family market basket were \$111 in June 1951, the highest level reached in 31 years. The average for the first 8 months this year was \$102 compared with \$94 for the same period of 1950. Marketing charges were higher for both the fresh and canned fruits and vegetables in the group.

Both the retail cost and the farm value advanced in about the same proportion as marketing charges during the first 8 months of 1951. The farmer's average share for the period was 35 cents, the same as for the January-August period of 1950.

Strengthening of consumer demand in 1952, as a result of rising consumer incomes, may result in higher retail prices for this group of products. In past years, marketing charges for fruits and vegetables have tended to increase in about the same proportion as the retail cost.

Fiber and Fiber Products

Consumer demand for textile products is expected to continue strong into 1952. The total value of department-store sales, adjusted seasonally, increased during the summer of 1951, but in August and September averaged somewhat lower than a year earlier. Department-store stocks in September were somewhat higher than a year earlier. Cotton manufacturers' sales in July were slightly higher, but sales of all apparel were somewhat lower than in the corresponding month a year ago.

The margins between the retail value of a group of 42 cotton articles and the farm value of the cotton used in their manufacture averaged approximately \$51 in June 1951, compared with \$46 a year earlier and the 1935-39

average of \$22 (table 6). A record annual average of \$52 was established in 1948. The proportion of the dollar that consumers spent for these articles of cotton clothing and household furnishings accounted for by these margins averaged lower in the second half of 1950 than in the first half of that year, and the share received by farmers increased. During the first half of 1951, the farmer's share averaged 15.4 cents, compared with an average of 12.4 cents in the first half of 1950 and 11.7 cents in 1948 (fig. 3).

Mill margins for 17 constructions of unfinished cotton cloth after reaching a low point of about 28 cents in June 1949, widened considerably and averaged 50.2 cents in December 1950 and then narrowed to 37.6 cents in August 1951. These margins are the differences between prices of unfinished cloth and prices of equivalent quantities of cotton used in its manufacture. The average mill margin of 37.62 cents, or 51.9 percent of the cloth prices, in August 1951 compares with 56.8 cents, or 57.3 percent of cloth prices in the 1947-48 season, and 12.5 cents, or 50.9 percent of cloth prices for the 5 years 1935-39.

Gross margins for wholesale dry goods merchants, as proportions of net sales, increased from about 16 percent in 1939 to 18.7 percent in 1942, and decreased to 15.4 percent in 1949. In 1950 they averaged 17.2 percent, including profits before deductions for Federal income taxes. Decreases in these margins since the war period are accounted for mainly by the fact that proportions of net sales represented by profits decreased from about 7 percent in 1943 to 1.5 percent in 1949. In 1950 profits before Federal income taxes averaged 3.9 percent of sales. Typical gross margins for department and specialty stores increased from an average of about 36 percent of net sales during the 5 years 1935-39 to almost 39 percent during the war period, decreased to 35.3 percent in 1949, and then increased to 36.9 percent in 1950.

Further increases in production of synthetic fibers and reductions in their prices relative to those for natural fibers stimulate further increases in consumption of synthetics. Consumption of rayon in the United States increased from about 10 percent of that for cotton and 89 percent of that for wool during the 5 years 1935-39, to about 29 percent and 216 percent, respectively, in 1950. The prices of rayon staple fiber (Viscose, 1-1/2 denier) decreased from an average of 214 percent of the price of Middling 15/16-inch cotton during the 5 years 1935-39, to 78 percent in the 1946-47 season, increased to 99 percent during the 1948-49 season, decreased to 80 percent in 1950-51, and averaged 99 percent in August 1951. Prices of these rayon fibers decreased from an average of about one-third of the average price of domestic Territory wool, 64's, 70's, and 80's fine combing, clean basis at Boston, during the 5 years 1935-39, to about one-fourth in 1950.

Tobacco Products

Charges for marketing the four principal tobacco products (cigarettes, cigars, smoking tobacco, and chewing tobacco) have increased each year since 1944. In that year marketing agencies received 98 cents for processing and distributing the quantity of products which could be manufactured from 1 pound of leaf tobacco (farm-sales weight). In recent years, marketing charges have advanced from an annual average of \$1.33 in 1949 to \$1.35 in 1950 and \$1.40 in the first half of 1951 (table 7). In addition to the increase in marketing charges, the margin between the retail value of the products and the farm value of 1 pound of leaf tobacco has been widened by an increase of 10 cents in Federal and State excise taxes since 1946.

Table 6.- Average retail value of per family purchases of 42 cotton articles combined and of 3 individual articles of cotton clothing, equivalent farm value of the cotton used in their manufacture, margin, and farmer's share of the consumer's dollar spent for these products, 1935-39 average and annual 1948-51 1/

Year and month	Retail value 2/	Farm value 3/	Margin	Farmer's share
	Dollars	Dollars	Dollars	Percent
<u>42 articles</u>				
1935-39	23.86	2.23	21.63	9.3
1948	59.49	6.99	52.50	11.7
1949	52.94	6.34	46.60	12.0
1950	54.22	7.57	46.65	14.0
<u>1949</u>				
Mar.	54.44	6.31	48.13	11.6
June	52.76	6.59	46.17	12.5
Sept.	52.27	6.43	45.84	12.3
Dec.	52.29	6.04	46.25	11.6
<u>1950</u>				
Mar.	52.53	6.38	46.15	12.1
June	52.47	6.74	45.73	12.8
Sept.	54.52	8.40	46.12	15.4
Dec.	57.37	8.75	48.62	15.3
<u>1951</u>				
Mar.	60.02	9.31	50.71	15.5
June	60.28	9.15	51.13	15.2
<u>Overalls</u>				
1948	3.42	.608	2.81	17.8
1949	3.18	.540	2.64	17.0
1950	3.32	.692	2.63	20.8
<u>Work shirts</u>				
1948	1.66	.240	1.42	14.5
1949	1.54	.221	1.32	14.4
1950	1.57	.261	1.31	16.6
<u>Business shirts</u>				
1948	3.89	.281	3.61	7.2
1949	3.50	.254	3.25	7.3
1950	3.48	.300	3.18	8.6

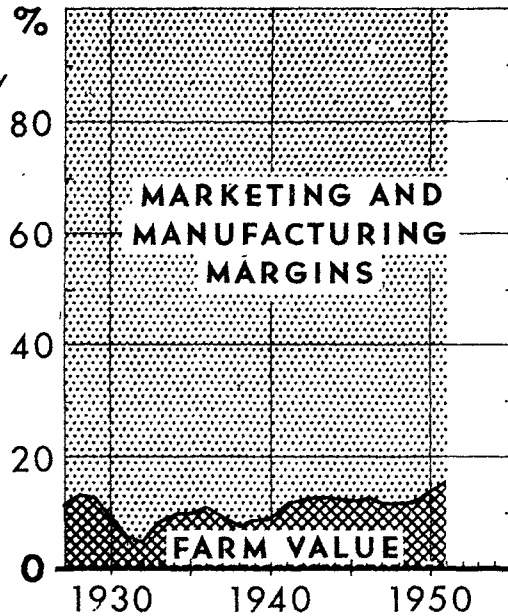
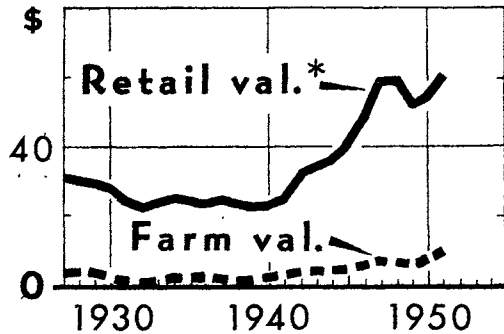
1/ Data for 1927-48 are given in "Price Spreads Between Farmers and Consumers," U. S. Dept. Agr., Agr. Inform. Bul. No. 4, Nov. 1949, tables 76-79, pp. 88-89. Annual estimates are simple averages of quarterly data.

2/ Retail values were originally computed from prices collected by the Bureau of Labor Statistics, weighted by average number of articles purchased annually by families of wage earners and clerical workers (from 1934-36 survey). Since 1944, retail values are based on indexes of retail prices of cotton clothing and house-furnishings prepared by the Bureau of Labor Statistics.

3/ Estimated prices received by farmers for cotton of grade and staple lengths used in the manufacture of the various articles, weighted by quantities of cotton required.

PRICES & MARGINS FOR COTTON PRODUCTS

Retail Value of Annual Per Family Purchases of 42 Cotton Articles
 Farm Value of Cotton Used
 Manufacturing and Marketing Margins



* BLS PRICES, APPLIED TO AVERAGE ANNUAL FAMILY PURCHASES

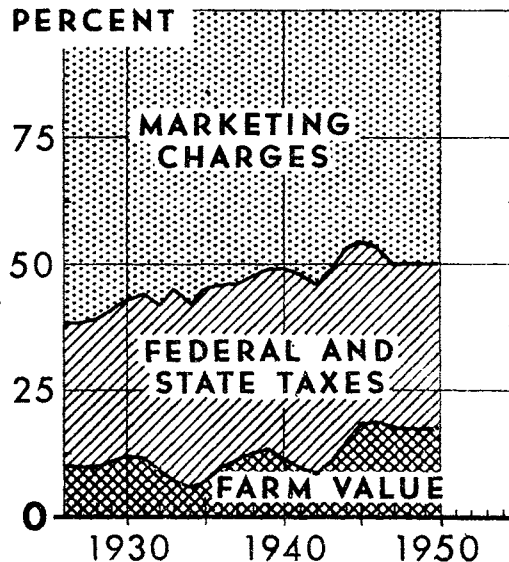
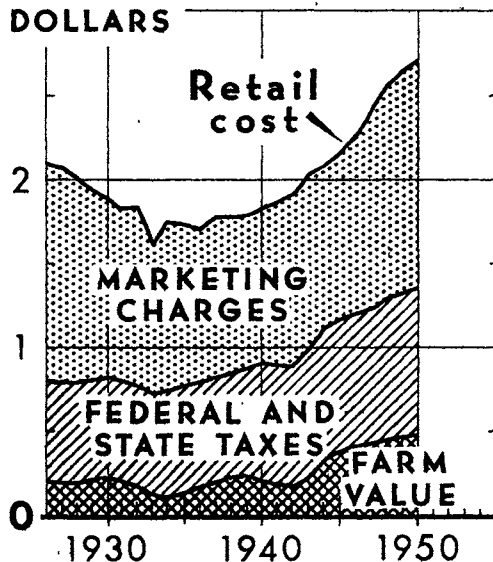
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FIGURE 3

TOBACCO PRODUCTS

Farm Value, Taxes, and Marketing Charges for Four Products from One Pound of Leaf



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FIGURE 4

Table 7.- Composite retail value of four principal tobacco products, farm value of equivalent leaf, margin, taxes, marketing charges, and farmer's share of retail value, 1935-39 average, annual 1946-51 ^{1/}

Year	Composite retail value	Farm value: of 1 pound of leaf tobacco	Margin	Federal and State excise taxes	Marketing charges excluding taxes	Farmer's share of retail value
	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
1935-39 ...	1.76	0.192	1.57	0.63	0.94	10.9
1947	2.45	.430	2.02	.80	1.22	17.6
1948	2.57	.449	2.12	.84	1.28	17.5
1949	2.66	.462	2.20	.87	1.33	17.4
1950	2.71	.475	2.23	.88	1.35	17.5
1951 ^{2/} ...	2.75	.473	2.28	.88	1.40	17.2

^{1/} The composite retail value of the four products is a weighted average of retail values of the products equivalent to 1 pound of leaf tobacco. Weights used were based upon tax-paid withdrawals of leaf tobacco during 1935-39, converted to a farm-sales weight basis. The farm value is a weighted average of prices of several types of leaf tobacco combined in proportion to their estimated utilization in the four products. Farm value is lagged to represent prices received 2 to 2-1/2 years earlier than the indicated retail price. Farm-retail price spread data for earlier years were published in "Price Spreads Between Farmers and Consumers," U. S. Dept. Agr., Agr. Inform. Bul. No. 4, Nov. 1949, table 81, p. 95.

^{2/} First half only.

The composite retail value of the four products rose from \$2.66 in 1949 to \$2.71 in 1950 and to \$2.75 in the first half of 1951. The corresponding farm values of a pound of leaf tobacco, which were based upon prices received by farmers for tobacco sold 2 and 3 years earlier, advanced from 46.2 cents in 1949 to 47.5 cents in 1950 and declined to 47.3 cents in the first half of 1951.

The farmer's share of the retail value of the tobacco products declined from 17.6 percent in 1947 to 17.2 percent in the first half of 1951. That level was the lowest reached since 1944 when farmers received 15.6 percent of the retail value (fig. 4).

Cigarettes sold in 1952 will be made from tobacco that was sold by farmers in 1949 and 1950. Because of higher prices in those years for cigarette-type tobacco, farm value of the tobacco in products sold in 1952 will rise to 48.3 cents per pound, compared with 47.3 cents in 1951. Unless there is an increase in the retail price, this increase in the farm value will reduce marketing charges in 1952 below the 1951 level and will increase the farmer's share.

The Federal excise on cigarettes has recently been increased 1 cent per package. If all this increase is passed on to the consumers, the composite retail value of the four principal tobacco products included in table 7 will be increased by 8 cents. With such an increase, the farmer's share of the retail value would remain about the same in 1952 as in the first half of 1951, in spite of the increase in the farm value of the tobacco in products in 1952. In the first half of 1951 State and Federal excise taxes on cigarettes totaled 9.3 cents per pack, about 45 percent of the average retail price of 20.4 cents. These taxes accounted for more than half of the marketing margin between the retail price and equivalent farm value for tobacco used in cigarettes.

TRENDS IN THE MARKETING OF AGRICULTURAL PRODUCTS

Changes in Business Population 7/

Although 1950 was a year of expanding consumer demand, the rate of entry of new firms was approximately equal to 1949 in most lines of manufacturing and distributing agricultural products. The number of discontinued businesses exceeded new businesses so that fewer firms were operating in agricultural marketing on December 31, 1950, than a year earlier (table 8).

The number of firms engaged in manufacturing food and kindred products continued to decline in 1950 for the fourth consecutive year, indicating a marked trend toward larger size establishments. At the end of 1950, the number of these firms totaled 25,900, a decline of more than 30 percent from 1939 and the postwar peak reached in 1946. The number of new firms manufacturing food and kindred products in 1950 was 1,400, slightly below the preceding year; discontinued businesses totaled 5,200, almost one-fifth of the total number operating at the beginning of the year.

The average size of retail stores selling food also continued to increase in 1950. Although a larger volume of food was being marketed each year, the number of these firms declined for the third consecutive year and was well below that in 1939. Entry of new firms in food retailing was at a postwar low in 1950, while discontinued businesses remained at a relatively high rate. The number of eating and drinking places also continued the downward trend of the last few years, but at a less rapid rate than retail food stores. The rate of new and discontinued businesses in this line remained at a relatively high level.

The number of firms manufacturing textiles, apparel, and leather products at the end of 1950 was lower than at the close of the preceding year and other postwar years, but considerably higher than at the end of 1939. There were slightly more new manufacturers in 1950 than in 1949, although discontinued businesses again exceeded the number of new businesses.

Retail firms selling general merchandise, apparel, and shoes continued the upward trend evidenced in recent years, but at a less rapid rate. There were more new businesses in 1950 than discontinued businesses. However, the number of new businesses has remained at about the same level in the postwar period, while discontinued businesses have been increasing each year.

Fewer Business Failures in 1951

Failures (business closings involving possible losses to creditors) among firms engaged in marketing agricultural products were less frequent in most lines in the first half of 1951 than in the same period of 1949 and 1950 and liabilities were smaller, according to reports issued by Dun and Bradstreet (table 9). Retail food stores and eating and drinking places were the only types of firms showing significant increases in number of failures and total liabilities between 1950 and 1951. The decrease in the number of failures reverses an upward movement which began after the war.

7/ Data in this section were obtained from the Bureau of Foreign and Domestic Commerce.

Table 8.- Number of operating business firms, new businesses, and discontinued businesses in selected lines engaged in marketing farm products, 1939-50

Date	Firms operating ^{1/}				
	Manufacturing		Food ^{2/}	Retail trade	
	Food and kindred products	Textiles, apparel, and leather		Eating and drinking places	General merchandise, apparel, and shoes
	Thousands	Thousands	Thousands	Thousands	Thousands
1939	37.7	34.6	535.8	295.4	122.6
1943	37.0	36.6	432.9	271.7	118.3
1944	36.2	39.5	449.8	277.9	123.0
1945	35.9	44.0	463.0	288.8	127.8
1946	37.4	50.2	488.5	312.6	136.5
1947	36.8	50.6	501.6	325.2	142.1
1948	33.6	49.3	492.9	322.8	146.6
1949	29.7	48.3	481.4	319.5	148.1
1950	25.9	47.6	468.0	317.0	149.5
New businesses					
1944	1.3	5.0	41.2	27.1	9.6
1945	1.8	6.9	35.6	33.7	9.3
1946	3.5	9.4	46.2	47.5	13.7
1947	3.1	5.4	41.3	42.5	12.1
1948	2.0	4.5	32.5	36.8	12.3
1949	1.6	4.6	30.7	36.2	11.7
1950	1.4	4.9	28.4	36.2	11.6
Discontinued businesses					
1944	2.1	2.0	24.1	20.8	4.9
1945	2.1	2.3	22.4	22.7	4.5
1946	2.0	3.2	22.5	23.8	4.8
1947	3.7	5.0	28.2	29.8	6.5
1948	5.2	5.8	41.2	39.2	7.7
1949	5.5	5.8	42.2	39.5	10.1
1950	5.2	5.6	41.8	38.7	10.3

^{1/} On Sept. 30, 1939, and on Dec. 31 in other years.

^{2/} Includes grocery stores, with and without meats; meat and sea food stores; other food stores; and general stores with food.

U. S. Bureau of Foreign and Domestic Commerce.

Table 9.- Failures and liabilities of firms engaged in marketing farm products, first 6 months, 1939-41 average, 1949-51 1/

Marketing enterprises	First 6 months of -							
	1939-41 av.		1949		1950		1951	
	Fail- ures	Liabil- ities	Fail- ures	Liabil- ities	Fail- ures	Liabil- ities	Fail- ures	Liabil- ities
	No.	dol.	No.	dol.	No.	dol.	No.	dol.
<u>Manufacturing</u>								
Food and kindred products	254	8,041	131	9,417	139	7,800	110	6,665
Textile mill products and apparel	311	5,204	184	9,864	243	8,819	173	6,782
Leather and leather products	56	1,677	53	2,179	45	1,165	33	743
<u>Wholesale trade</u>								
Food and farm products:	266	4,820	155	7,402	152	6,868	137	4,284
Apparel	47	498	31	1,282	25	698	19	477
Dry goods	26	433	18	399	11	341	12	252
<u>Retail trade</u>								
Food and liquor	1,308	6,271	449	5,757	484	5,441	582	8,007
General merchandise ..	266	2,075	88	908	131	3,379	88	1,954
Apparel and accessories	915	6,170	295	5,224	414	8,006	348	5,033
Eating and drinking places	605	4,463	381	8,510	425	8,406	443	9,397
<u>All farm products</u>								
Total	4,054	39,652	1,785	50,942	2,069	50,923	1,945	43,594

1/ Dun's Statistical Review.

Food Retailing 8/

Sales made by retail food stores increased substantially during the last year. In June 1951, sales, measured in dollars, were approximately 16 percent larger than a year earlier. An increase in the physical volume of sales accounted for part of this expansion, but a 12 percent rise in retail prices of food accounted for the major portion. During the same period, the estimated value of inventories held by retail stores increased about 7 percent.

The division of sales between chain and independent food stores appears to have shifted somewhat toward chain stores in the first half of 1951. Sales in chain grocery and combination stores represented 40 percent of total sales in all grocery and combination stores in 1948, 1949, and 1950, but in the first half of 1951 sales in chain stores rose to 42 percent of the total. During the war, sales of chain stores did not increase as rapidly as sales of independent stores and by 1945 they constituted only 32 percent of total sales of all grocery and combination retail food stores, compared with 39 percent in 1941. Following the war, chain stores increased their proportion of total sales to 33 percent in 1946 and 36 percent in 1947.

8/ Data relating to sales by chain and independent grocery and combination retail food stores were calculated from data published in the Survey of Current Business.

Processed Fruits and Vegetables - Inventory and Pack

Trends in the output of both canned and frozen fruits and vegetables have been upward during the last 10 years. The average annual pack of canned fruits was approximately 50 percent larger in the 1945-49 period than in the 1935-39 period. An increase of about the same magnitude occurred in the vegetable pack. The output of canned fruit juices averaged over four times larger in the 1945-49 period than in the prewar period. Increases in output of frozen fruits and vegetables have been considerably larger than increases in the canned products. In 1950, the pack of frozen fruits and fruit juices totaled 785 million pounds compared with 172 million pounds in 1940. During recent years, the production of frozen concentrated orange juice has increased enormously -- from 226,000 gallons in the 1945-46 season to an estimated 35 million gallons in the 1950-51 season. The pack of frozen vegetables increased from 83 million pounds in 1940 to 587 million pounds in 1950.

The 1951-52 domestic commercial pack of canned fruits is expected to be moderately larger than the 1950-51 pack, which was equivalent to about 65 million cases of 24 No. 2-1/2 cans. Larger packs of peaches, fruit cocktail and salad, plums and prunes, and of some other fruits are anticipated. Packers combined stocks of the 11 major canned fruits were about 3 percent smaller on June 1, 1951, than on the same date in 1950. Excluding stocks of canned apples and applesauce remaining from the record 1950-51 packs, stocks of the other 9 items were only half as large as on June 1, 1950. On July 1, 1951, wholesalers combined stocks of the leading canned items were about 6 percent larger than on July 1, 1950. Comparable data for packers' stocks in July are not available.

Larger packs of canned citrus juices raised the 1950-51 pack of canned fruit juices about 20 percent above the 1949-50 pack, which was equivalent to approximately 70 million cases of 24 No. 2 cans. On September 29, 1951, the stocks of canned juices held by packers in Florida were two and one-half times the quantity held a year earlier.

The 1951 pack of frozen fruits (excluding juices) probably will be smaller than in 1950, but a larger pack of frozen fruit juices is anticipated. The combined total probably will be about 6 percent larger than the record pack of 785 million pounds in 1950. Total output of frozen citrus juices may be a third larger than in 1950, when 305 million pounds were produced.

Stocks of frozen fruits and fruit juices in cold storage on September 30, 1951, were about 26 percent larger than a year earlier. Stocks of frozen orange juice were about twice as large as the stocks held a year earlier.

The 1951 pack of commercially canned vegetables is expected to be about one-fourth larger than the 1950 pack, but substantially smaller than the record pack of 1946. Larger packs of most canned vegetables are anticipated. Total carry-over stocks of canned vegetables at the end of the 1950 pack marketing year are expected to be more than one-fourth smaller than stocks held a year earlier.

Production of frozen vegetables in 1951 is expected to be somewhat larger than the record pack of 1950. Total stocks of frozen vegetables in cold storage on July 1, 1951, were at a record high. The record reflected both a growing industry and large 1951 packs which had already begun to add to stocks.

Rise in Motor Carrier Traffic

In 1950, motortrucks continued to obtain increasingly larger shares of the volume of many farm products transported to major markets. This was true of livestock, poultry and eggs, milk and dairy products, and most of the principal fruits and vegetables. For example, while trucks handled no more than 21 percent of the total unloads of oranges at major markets in any one year of the period 1939-45, the truck share was 32 percent in 1949 and 33 percent in 1950. For cream, the 1939-45 maximum percentage was 36 percent; in 1949 the truck share was 48 percent and in 1950 it was 66 percent. For shell eggs, the top percentage for trucks in 1939-45 was 54 percent; the percentage in 1949 was 80 percent and in 1950 it was 93 percent (table 10).

ADEQUACY OF MARKETING FACILITIES

Transportation Equipment

Boxcars.- The situation is much better than it was last year. For the week ended September 29, the daily average shortage was almost 4,400 cars (excluding automobile boxcars), as compared with about 18,400 cars for the corresponding period last year. Of the shortage at the end of September 1951, approximately 1,500 cars (over one-third) were in the central western district; this is considerably less than the shortage of about 5,400 cars in that district the year before. The shortages experienced in Kansas, North Dakota, South Dakota, and Montana during August were chiefly caused by floods. Severe damage to tracks and bridges prevented the carriers from moving empty cars to where they were needed. On October 1, about 200,000 bushels of grain were on the ground at sidings and 70 elevators were blocked. This situation is much better than it was on the same date in 1950, when 5 million bushels were on the ground and almost 1,300 elevators were blocked.

One reason for the better situation this year is an increase in the supply of boxcars. As of September 1, the railroads owned 723,000 boxcars of all types, about 18,000 more than a year ago. This was due principally to substantial increases in installations of new equipment. During the 12 months ended August 31, 1951, over 39,000 boxcars were installed, as compared with about 12,000 for the preceding year. On September 1, 1951, almost 50,000 boxcars were on order. The Defense Transportation Administration is aiming at a monthly production rate of 10,000 cars, including other types of cars as well as boxcars. The prospects, however, are apparently not very bright for such a rate of output in the immediate future.

Another factor has been a reduction in the number of boxcars retired during the last 12 months in comparison with the year before. Much credit must also be given to the railroads (aided by service orders issued by the Interstate Commerce Commission and Defense Transportation Administration) for making better use of their car supply. Prior to the harvest season this year, the western carriers obtained return of many of their boxcars, enabling them to build up a surplus of approximately 12,000 cars, as compared with a surplus of less than 5,000 cars in 1950.

Table 10.- Truck unloads or receipts as percentage of total at major markets, 1939-45 peak, 1949, and 1950

Commodity	Markets Number	1939-45	1949	1950
		peak Percent	Percent	Percent
<u>Principal fruits and vegetables</u>				
Apples	9	62	60	64
Oranges	9	21	32	33
Grapefruit	9	27	37	43
Lettuce	9	43	39	41
Potatoes	9	36	35	37
Tomatoes	9	58	55	60
<u>Dairy and dairy products</u>				
Milk	3	65	78	79
Cream	3	36	48	66
Butter	4	30	51	56
Cheese	3	22	14	25
<u>Poultry and poultry products</u>				
Live poultry	3	84	99	99
Dressed poultry	4	47	70	76
Shell eggs	4	54	80	93
<u>Livestock</u>				
Cattle	64-67	69	72	76
Calves	64-67	67	75	78
Hogs	64-67	70	77	79
Sheep and lambs	64-67	34	44	44

Other Types of Cars.- Refrigerator cars seem to be in adequate supply.

Open-top cars are in short supply. For the week ended September 29, the daily average shortage amounted to about 4,700 gondolas and 5,700 hoppers. It is anticipated that these shortages will become worse, on account of expected increases in the movement of coal and ore. Farmers are concerned with this situation because of the heavy movement of limestone in connection with the agricultural conservation programs..

The tank car situation is tight, although no shortages exist currently. Such agricultural commodities as vegetable oils move in large volume in tank cars.

Stock cars are in short supply; the daily average shortage for the week ended September 29 was 1,100 cars. The situation is particularly acute for single-deck cars because of the drought in Texas, which has made it necessary to expedite the movement of livestock off the ranges. While the double-deck car situation is not as serious, it is nevertheless tight.

Water Transport Facilities.- Traffic of farm products in the coastwise services is still considerably below the volume carried before World War II. The chief reason is apparently the large increases in both capital and operating costs. These increases have necessitated such large rises in freight charges that much traffic formerly moving coastwise by water now is hauled by railway (and to some extent by truck) which generally offers faster and more convenient service. As a result, the supply of coastwise shipping services is substantially under what it was before World War II. Only two lines operate along the Atlantic coast. The Atlantic-Gulf service is served by three lines, carrying only about 25 percent of the prewar tonnage. Some ports have little or no service. Only one line operates along the Pacific coast.

The supply of bottoms in the intercoastal trades has not declined as much as in the coastwise services. Seven operators, with 60 to 70 large, fast vessels handle substantially all the agricultural traffic offered in an apparently satisfactory manner.

In contrast, the situation on the Great Lakes is now tight. Large increases in traffic are exerting a pressure on the supply of bottoms. The current outlook is for a continuously tight situation for grain, the chief agricultural commodity shipped on the Great Lakes.

Traffic volume on the Mississippi River has been maintained for bulk freight. Because of high terminal costs, however, only one operator hauls package freight, i.e., less than bargeload, not in bulk.

Motor Carrier Equipment.- The number of trucks in the country continued to rise during 1950. At the end of the year a total of 8.2 million private and commercial trucks were registered, as compared with 7.7 million a year earlier and 4.6 million at the end of 1940. The number of these trucks on farms has also increased substantially. At the end of 1950, 2.3 million were on farms compared with 2.2 million a year earlier and 1.1 million at the end of 1940.

The production of trucks which was of near record proportions in 1950, continued at an even faster pace in 1951. During the first 8 months of 1951, more than 1 million vehicles were produced in United States plants, as compared with about 900,000 in a comparable period in 1950. This rate cannot continue much longer, however, because of material allocations necessitated by the defense effort. Reductions in the number of vehicles produced will be felt most by civilian users, including farmers, because of increasing requirements by the military.

Storage Facilities for Farm Products

Grain Storage.- About two-thirds (68 percent) of the capacity of commercial grain storage facilities at 43 terminal markets, including interior southwest terminals, Gulf ports, the Midwest, and Pacific ports, was filled on September 15, 1951. This is somewhat less than the three-quarters mark (76 percent) which prevailed a year ago, but higher than the mid-September average for 1946-50 of 60 percent. The absolute amount of capacity available at the foregoing markets is higher now than ever before, but the quantity in storage now is somewhat less than last year. The percentage of capacity utilized varied geographically on September 15, 1951, ranging from 74 percent for west central and southwestern markets to 54 percent for east central markets.

Several governmental programs are under way to encourage the building of grain storage structures. One of these is the Farm Storage Facility Loan Program enacted as an amendment to the Commodity Credit Corporation Charter Act on June 7, 1949. As of July 31, 1951, the CCC had loaned funds to construct 92 million bushels of capacity on farms under this program.

Under the Storage Guarantee Agreements Program of 1950-51, which involves underwriting of space, 82 million bushels of commercial grain storage was erected, mainly at country points. Additional commercial storage space has probably also been constructed on a purely private basis.

In 1949 and 1950, CCC purchased and erected temporary storage structures with capacity for 500 million bushels, bringing the total capacity of such structures to 545 million bushels.

Cold Storage.- As of August 31, 1951, 65 percent of the cooler space and 78 percent of the freezer space in public general cold storage warehouses was occupied. This was about the same percentage of occupancy as prevailed a year ago and very close to the August 31 averages for the years 1940-50. The amount of space seems ample, under current conditions, to take care of requirements.

Cotton Storage.- For the country as a whole, warehouse space and compress facilities will apparently be adequate for the 1951 crop. Shortages, however, may occur in certain areas, chiefly northwest Texas, New Mexico, Arizona, and California, principally because of the normal lack of facilities and the large increases in production during 1951.

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: SELECTED NEW PUBLICATIONS :
:
:
:1. "Marketing Potential for Oilseed Protein Materials in :
: Industrial Uses." A report of Arthur D. Little, Inc., :
: under contract. Major responsibility for final publica- :
: tion was assumed by Shelby A. Robert, Jr., and Philip B. :
: Twoskin, Bur. Agr. Econ., U. S. Dept. Agr. Tech. Bul. :
: No. 1043, Sept. 1951. (RMA; BAIC and BAE cooperated.) :
:
:2. "Price Relations Between Methods of Sale of Florida :
: Valencia Oranges," by William S. Hoofnagle, Bur. Agr. :
: Econ., Oct. 1951. (RMA; Agr. Expt. Stas. of Tex. and :
: Fla.; FCA, PMA, and BAE cooperated.) :
:
:3. "Effects of Size of Fruit on Price of Florida Oranges, :
: New York and St. Louis Auction Markets, 1949-50 Season," :
: by Dehard B. Johnson, Bur. Agr. Econ., Oct. 1951. (RMA.):
:
:

Table 11.- Price spreads between farmers and consumers - food products: Retail price, farm value of equivalent quantities sold by producers, byproduct adjustment, marketing charges, and farmer's share of retail price, August 1951 ^{1/}

Commodity	Farm equivalent	Retail unit	Retail	Gross	Byproduct	Net	Margin	Government	Marketing	Farmer's
			price	farm value	allowance	farm value	adjusted for byproducts	marketing taxes (-) and payments (+)	charges ^{2/}	share
			Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			714.23	---	---	355.37	358.86	-0.34	358.52	50
Meat products			225.65	160.37	9.33	151.04	74.61	---	74.61	67
Dairy products			134.12	73.13	---	73.13	60.99	---	60.99	55
Poultry and eggs		1935-39 annual average	57.32	37.04	---	37.04	20.28	---	20.28	65
Bakery and other cereal products:	Farm produce equivalent of annual family purchases	quantities purchased:	103.91	---	---	27.57	76.34	-.04	76.30	27
All ingredients		per family:	---	26.57	5.07	21.50	---	---	---	21
Grain		of three	37.94	17.78	3.52	14.26	23.68	---	23.68	38
Other cereal products		consumers	---	---	---	---	---	---	---	---
All fruits and vegetables			147.66	50.09	---	50.09	97.57	---	97.57	34
Fresh fruits and vegetables ..			111.41	41.48	---	41.48	69.93	---	69.93	37
Fresh vegetables			64.25	21.50	---	21.50	42.75	---	42.75	33
Canned fruits and vegetables ..			23.70	4.23	---	4.23	19.47	---	19.47	18
Miscellaneous products			45.57	---	---	16.50	29.07	-.30	28.77	36
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) ^{3/}	2.16 lb. Choice grade cattle:	Pound	84.7	471.5	7.8	63.7	21.0	---	21.0	75
Lamb	2.16 lb. lambs	Pound	77.5	64.4	9.9	54.5	23.0	---	23.0	70
Pork (including lard)	1.41 lb. hogs	Pound	45.7	29.9	.4	29.5	16.2	---	16.2	65
Butter	Butterfat and farm butter	Pound	78.1	56.0	---	56.0	22.1	---	22.1	72
Cheese, American	10.08 lb. milk	Pound	62.4	35.6	---	35.6	26.8	---	26.8	57
Evaporated milk	1.95 lb. milk	14-oz. can	15.0	7.07	---	7.07	7.9	---	7.9	47
Fluid milk	Farm retail and wholesale	Quart	22.0	12.61	---	12.61	9.4	---	9.4	57
Ice cream	1.8 lb. milk	Pint	31.3	7.57	---	7.57	23.7	---	23.7	24
Eggs	1.03 doz.	Dozen	71.9	51.2	---	51.2	20.7	---	20.7	71
Chicken	1.136 lb.	Pound	55.0	29.5	---	29.5	25.5	---	25.5	54
White bread .....	.912 lb. wheat	Pound	16.2	3.12	.57	2.55	13.7	---	13.7	16
Corn flakes	1.05 lb. corn	8-oz. pkg.	13.6	3.59	1.30	2.29	11.3	---	11.3	17
Corn meal	1.343 lb. corn	Pound	7.8	3.96	.65	3.31	4.5	---	4.5	42
Flour, white	1.41 lb. wheat	Pound	8.9	4.82	.88	3.94	5.0	---	5.0	44
Rice	1.68 lb. rough	Pound	16.9	8.03	1.09	6.94	10.0	---	10.0	41
Rollod oats	2.05 lb. oats	Pound	14.4	4.87	.95	3.92	10.5	---	10.5	27
Apples .....	.0224 bu.	Pound	11.0	4.35	---	4.35	6.7	---	6.7	40
Oranges .....	.0613 box - fresh use	Dozen	53.1	23.8	---	23.8	29.3	---	29.3	45
Beans, snap .....	.0375 bu.	Pound	17.7	8.25	---	8.25	9.5	---	9.5	47
Cabbage	1.10 lb.	Pound	5.2	1.61	---	1.61	3.6	---	3.6	31
Carrots .....	.0222 bu.	Bunch	12.8	4.55	---	4.55	8.2	---	8.2	36
Lettuce .....	.0185 crt.	Head	14.8	5.92	---	5.92	8.9	---	8.9	40
Onions	1.06 lb.	Pound	7.8	2.45	---	2.45	5.4	---	5.4	31
Potatoes .....	.0174 bu.	Pound	4.9	2.04	---	2.04	2.9	---	2.9	42
Sweetpotatoes .....	.0204 bu.	Pound	14.0	5.57	---	5.57	8.4	---	8.4	40
Tomatoes .....	.0231 bu.	Pound	17.1	6.02	---	6.02	11.1	---	11.1	35
Peaches, canned	1.89 lb. Calif. cling	No. 2 1/2 can	33.7	6.34	---	6.34	27.4	---	27.4	19
Corn, canned	3.03 lb. sweet	No. 2 can	22.2	2.87	---	2.87	19.3	---	19.3	13
Peas, canned .....	.89 lb.	No. 2 can	15.4	3.88	---	3.88	11.5	---	11.5	25
Tomatoes, canned	2.41 lb.	No. 2 can	18.9	3.08	---	3.08	15.8	---	15.8	16
Prunes	1 lb. dried, California	Pound	28.2	12.25	---	12.25	16.0	---	16.0	43
Navy beans	1 lb. Mich. and W. I. pea beans	Pound	15.3	5.15	---	5.15	10.2	---	10.2	34
Beet sugar	7.15 lb. sugar beets	Pound	10.8	4.08	.21	3.87	6.9	-.54	6.4	36
Cane sugar	12.29 lb. sugar cane	Pound	10.3	4.79	.77	4.02	6.3	-.54	5.8	39
Margarine	Cottonseed, soybeans, and skim milk	Pound	33.8	---	---	11.78	22.0	---	22.0	35
Vegetable shortening	Cottonseed and soybeans	Pound	35.2	---	---	13.88	21.3	---	21.3	39

^{1/} Full details concerning the calculation of price spreads for commodity groups and individual items are presented in Agr. Inform. Bul. No. 4, "Price Spreads Between Farmers and Consumers," Nov. 1949, and Misc. Pub. No. 576, "Price Spreads Between Farmers and Consumers for Food Products, 1913-44," Sept. 1945 (out of print). Commodity-group estimates are derived from data more inclusive than the individual items listed in this table. For example, the meat-products group includes veal and mutton, farm sales of lower grade cattle, allowance for retail value of byproducts and processed meats, in addition to lamb, pork (including lard), and carcass beef of Choice grade.

^{2/} Marketing charges equal margin adjusted for byproduct allowances minus Government marketing taxes plus Government payments to marketing agencies.

^{3/} Name of grade was changed from Good to Choice on Dec. 29, 1950.

^{4/} Gross farm value before adjusting for Choice grade premium was 62.9 cents.

Table 12.- Price spreads between farmers and consumers - food products: Retail price and farm value, August 1951 compared with the 1935-39 average, August 1950 and July 1951 1/

Commodity	Retail unit	Retail price						Net farm value 2/					
		1935-39 average		August 1950		July 1951		1935-39 average		August 1950		July 1951	
		Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars
		Percentage change from August 1951		Percentage change from August 1951		Percentage change from August 1951		Percentage change from August 1951		Percentage change from August 1951		Percentage change from August 1951	
Market basket		341.19	662.15	3/723.28	714.23	+ 8	- 1	134.73	3/316.51	3/352.40	355.37	+ 12	+ 1
Meat products		88.57	213.93	225.42	225.65	+ 5	4/	41.60	3/134.41	149.62	151.04	+ 12	+ 1
Dairy products		67.31	120.26	134.14	134.12	+ 12	4/	33.42	3/ 64.40	3/ 72.49	73.13	+ 14	+ 1
Poultry and eggs	1935-39 annual average	26.47	50.90	55.37	57.32	+ 13	+ 4	17.57	31.00	35.92	37.04	+ 19	+ 3
Bakery and other cereal products:	quantities purchased, per family of three average	18.46	36.06	2/ 38.10	37.94	+ 5	4/	5.98	3/ 13.96	14.34	14.26	+ 2	- 1
All ingredients		55.09	97.96	3/104.07	103.91	+ 6	4/	11.63	3/ 26.05	27.60	27.57	+ 6	4/
Grain		9.04	21.02	21.54	21.50	+ 2	4/						
Other cereal products		18.46	36.06	2/ 38.10	37.94	+ 5	4/	5.98	3/ 13.96	14.34	14.26	+ 2	- 1
All fruits and vegetables		77.79	136.05	157.52	147.66	+ 9	- 6	23.98	3/ 46.06	48.59	50.09	+ 9	+ 3
Fresh fruits and vegetables		57.85	105.55	119.78	111.41	+ 6	- 7	20.37	3/ 38.23	40.06	41.48	+ 9	+ 4
Fresh vegetables		33.16	59.50	72.77	64.25	+ 8	- 12	11.48	3/ 19.61	22.77	21.50	+ 10	- 6
Canned fruits and vegetables		14.14	19.49	24.91	23.70	+ 22	- 5	1.93	3/ 4.17	4.12	4.23	+ 1	+ 3
Miscellaneous products		25.96	43.05	46.76	45.57	+ 6	- 3	6.53	3/ 14.59	18.18	16.50	+ 13	- 9
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef (Choice grade) 5/	Pound	29.1	77.8	84.8	84.7	+ 9	4/	16.2	3/ 51.7	2/ 61.1	63.7	+ 23	+ 4
Lamb	Pound	26.8	70.7	77.8	77.5	+ 10	4/	13.2	3/ 45.8	55.0	54.5	+ 19	- 1
Pork (including lard)	Pound	22.6	46.0	45.4	45.7	- 1	+ 1	11.7	3/ 30.2	28.9	29.5	- 2	+ 2
Butter	Pound	35.0	70.5	78.6	78.1	+ 11	- 1	23.9	49.5	56.2	56.0	+ 13	4/
Cheese, American	Pound	25.9	55.3	62.6	62.4	+ 13	4/	13.6	3/ 29.1	34.8	35.6	+ 22	+ 2
Evaporated milk	14 3/4-oz. can	7.5	13.1	15.0	15.0	+ 15	0	2.86	5.76	7.07	7.07	+ 23	0
Fluid milk	Quart	11.4	19.6	21.9	22.0	+ 12	4/	6.30	3/ 11.23	12.42	12.61	+ 12	+ 2
Ice cream	Pint	6/	6/	31.3	31.3	---	0	6/	5/	7.47	7.57	---	+ 1
Eggs	Dozen	29.0	56.1	67.3	71.9	+ 28	+ 7	22.3	39.1	48.0	51.2	+ 31	+ 7
Chicken	Pound	30.0	57.4	55.5	55.0	- 4	- 1	16.9	28.9	30.7	29.5	+ 2	- 4
White bread	Pound	9.1	15.2	16.2	16.2	+ 7	0	1.08	3/ 2.49	2.53	2.55	+ 2	+ 1
Corn flakes	8-oz. pkg.	7.9	12.3	13.3	13.6	+ 11	+ 2	.84	2.42	3/ 2.26	2.29	- 5	+ 1
Corn meal	Pound	3.0	7.9	3/ 7.7	7.8	- 1	+ 1	1.40	2.99	3.31	3.31	+ 11	0
Flour, white	Pound	3.9	8.5	9.0	8.9	+ 5	- 1	1.67	3/ 3.86	3.91	3.94	+ 2	+ 1
Rice	Pound	7.2	15.7	17.0	16.9	+ 8	- 1	2.37	6.77	7.78	6.94	+ 3	- 11
Rolling oats	Pound	7.3	13.2	14.3	14.4	+ 9	+ 1	1.74	3.61	3/ 4.01	3.92	+ 9	- 2
Apples	Pound	4.9	11.6	12.2	11.0	- 5	- 10	2.03	5.24	4.32	4.35	- 17	+ 1
Oranges	Dozen	30.3	47.7	2/ 45.7	53.1	+ 11	+ 16	11.0	15.3	15.1	23.8	+ 56	+ 58
Beans, snap	Pound	11.3	15.3	15.8	17.7	+ 16	+ 12	4.49	6.75	6.94	8.25	+ 22	+ 19
Cabbage	Pound	3.4	4.8	5.2	5.2	+ 8	0	.81	3/ 1.33	1.92	1.61	+ 21	- 16
Carrots	Bunch	5.4	9.7	12.5	12.8	+ 32	+ 2	1.69	2.89	5.55	4.55	+ 57	- 18
Lettuce	Head	8.7	12.5	15.8	14.8	+ 18	- 6	2.89	3/ 4.07	5.83	5.92	+ 45	+ 2
Onions	Pound	4.5	7.7	9.1	7.8	+ 1	- 14	1.30	3/ 2.34	2.77	2.45	+ 5	- 12
Potatoes	Pound	2.5	4.8	5.6	4.9	+ 2	- 12	1.25	2.12	2.05	2.04	- 4	4/
Sweetpotatoes	Pound	4.0	9.8	11.4	14.0	+ 43	+ 23	1.65	4.45	4.47	5.57	+ 25	+ 25
Tomatoes	Pound	6/	17.7	25.9	17.1	- 3	- 34	6/ 3/	6.15	7.78	6.02	- 2	- 23
Peaches, canned	No. 2 1/2 can	18.7	29.2	33.6	33.7	+ 15	4/	2.53	4.60	5.74	6.34	+ 38	+ 10
Corn, canned	No. 2 can	12.1	17.6	22.2	22.2	+ 26	0	1.50	3/ 2.98	2.75	2.87	- 4	+ 4
Peas, canned	No. 2 can	15.6	15.0	15.6	15.4	+ 3	- 1	2.29	3/ 3.67	3.84	3.88	+ 6	+ 1
Tomatoes, canned	No. 2 can	9.4	14.8	20.6	18.9	+ 28	- 8	1.49	3/ 2.88	3.01	3.08	+ 7	+ 2
Prunes	Pound	10.0	24.5	28.1	28.2	+ 15	4/	2.99	3/ 8.15	12.25	12.25	+ 50	0
Navy beans	Pound	6.5	14.3	15.5	15.3	+ 7	- 1	3.02	6.89	5.26	5.15	- 25	- 2
Beet sugar	Pound	5.7	10.5	10.7	10.8	+ 3	+ 1	1.73	3/ 3.58	3.87	3.87	+ 8	0
Cane sugar	Pound	5.5	10.3	10.2	10.3	0	+ 1	1.78	3/ 3.72	4.02	4.02	+ 8	0
Margarine	Pound	18.1	33.0	35.4	33.8	+ 2	- 5	4.30	3/ 9.66	3/ 14.10	11.78	+ 22	- 16
Vegetable shortening	Pound	19.5	32.2	36.9	35.2	+ 9	- 5	5.26	3/ 11.40	16.73	13.88	+ 22	- 17

1/ Full details concerning the calculation of price spreads for commodity groups and individual items are presented in Agr. Inform. Bul. No. 4, "Price Spreads Between Farmers and Consumers," Nov. 1949, and Misc. Pub. No. 576, "Price Spreads Between Farmers and Consumers for Food Products, 1913-44," Sept. 1945 (out of print). Commodity-group estimates are derived from data more inclusive than the individual items listed in this table. For example, the meat-products group includes veal and mutton, farm sales of lower grade cattle, allowance for retail value of byproducts and processed meats, in addition to lamb, pork (including lard), and carcass beef of Choice grade.

2/ Adjusted to exclude imputed value of nonfood byproducts obtained in processing.

3/ Revised.

4/ Less than 0.5 percent.

5/ Name of grade was changed from Good to Choice on Dec. 29, 1950.

6/ Price data not available.

Table 13.- Price spreads between farmers and consumers - food products: Marketing charges and farmer's share of retail price, August 1951 compared with the 1935-39 average, August 1950 and July 1951 ^{1/}

Commodity	Retail unit	Marketing charges ^{2/}				Percentage change		Farmer's share			
		1935-39 average	August 1950	July 1951	August 1951	from -		1935-39 average	August 1950	July 1951	August 1951
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket		204.47	2/345.30	3/370.54	358.52	+ 4	- 3	40	48	49	50
Meat products		45.88	2/ 79.52	75.80	74.61	- 6	- 2	47	63	66	67
Dairy products		33.89	2/ 55.86	3/ 61.65	61.79	+ 0	- 1	50	54	54	55
Poultry and eggs		8.90	19.90	19.45	20.28	+ 2	+ 4	66	61	65	65
Bakery and other cereal products:											
All ingredients		42.80	2/ 71.87	3/ 76.43	76.30	+ 6	4/	21	27	27	27
Grain		---	---	---	---	---	---	16	---	---	---
Other cereal products		12.10	2/ 22.10	3/ 23.76	23.68	+ 7	4/	32	39	38	38
All fruits and vegetables		53.81	2/ 89.99	108.93	97.97	+ 8	- 10	31	-2/ 34	31	34
Fresh fruits and vegetables		37.48	2/ 67.32	79.72	69.93	+ 4	- 12	35	36	33	37
Fresh vegetables		21.68	2/ 39.89	50.00	44.75	+ 7	- 14	35	3/ 33	31	33
Canned fruits and vegetables		12.21	2/ 15.32	20.79	19.47	+ 27	- 6	14	3/ 21	17	18
Miscellaneous products		19.19	2/ 28.16	28.28	28.77	+ 2	+ 2	25	3/ 34	39	36
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade) ^{2/}	Pound	12.9	2/ 26.1	3/ 23.7	21.0	- 20	- 11	56	66	72	75
Lamb	Pound	13.6	2/ 24.9	22.8	23.0	- 8	+ 1	49	65	71	70
Pork (including lard)	Pound	10.3	2/ 15.8	16.5	16.2	+ 3	- 2	52	3/ 66	64	65
Butter	Pound	11.1	21.0	22.4	22.1	+ 5	- 1	68	70	72	72
Cheese, American	Pound	12.3	2/ 26.2	27.8	26.8	+ 2	- 4	53	3/ 53	56	57
Evaporated milk	14-oz. can	4.6	7.3	7.9	7.9	+ 8	0	38	44	47	47
Fluid milk	Quart	5.1	2/ 8.4	9.5	9.4	+ 12	- 1	55	2/ 57	57	57
Ice cream	Pint	5/	6/	23.8	23.7	---	4/	6/	6/	24	24
Eggs	Dozen	6.7	17.0	19.3	20.7	+ 22	+ 7	77	70	71	71
Chicken	Pound	13.1	28.5	24.8	25.5	- 11	+ 3	56	50	55	54
White bread	Pound	7.9	12.7	13.7	13.7	+ 8	0	12	17	16	16
Corn flakes	8-oz. pkg.	7.1	9.9	3/ 11.0	11.3	+ 14	+ 3	11	20	17	17
Corn meal	Pound	1.6	4.9	3/ 4.4	4.5	- 8	+ 2	47	38	3/ 43	42
Flour, white	Pound	2.1	4.6	5.1	5.0	+ 9	- 2	43	3/ 45	43	44
Rice	Pound	4.7	8.9	9.2	10.0	+ 12	+ 9	33	43	46	43
Rollod oats	Pound	5.6	9.6	10.3	10.5	+ 9	+ 2	24	27	28	27
Apples	Pound	2.9	6.4	7.9	8.7	+ 5	- 15	41	45	35	44
Oranges	Dozen	19.3	32.4	2/ 30.6	29.2	- 10	- 4	36	32	35	35
Beans, snap	Pound	6.8	8.5	8.9	9.5	+ 12	+ 7	40	44	44	47
Cabbage	Pound	2.6	2/ 3.5	3.3	3.6	+ 3	+ 9	24	3/ 28	37	31
Carrots	Bunch	3.7	6.8	6.9	8.2	+ 21	+ 19	31	30	44	36
Lettuce	Head	5.8	2/ 8.4	10.0	8.9	+ 6	- 11	33	33	37	40
Onions	Pound	3.2	2/ 5.4	6.3	5.4	0	- 14	29	3/ 30	30	31
Potatoes	Pound	1.3	2.7	3.5	2.9	+ 7	- 17	50	44	37	42
Sweetpotatoes	Pound	2.4	5.4	6.9	8.4	+ 56	+ 22	41	45	39	40
Tomatoes	Pound	6/	2/ 11.6	18.1	11.1	- 4	- 39	6/	35	30	35
Peaches, canned	No. 2 1/2 can	16.2	24.6	27.9	27.4	+ 11	- 2	14	16	17	19
Corn, canned	No. 2 can	10.6	3/ 14.6	19.4	19.3	+ 32	- 1	12	17	12	13
Pine, canned	No. 2 can	13.3	2/ 11.3	11.8	11.5	+ 2	- 3	15	2/ 24	25	28
Tomatoes, canned	No. 2 can	7.9	2/ 11.9	17.6	15.3	+ 9	- 10	16	19	15	18
Prunes	Pound	7.0	2/ 16.3	15.9	16.0	- 2	+ 1	30	3/ 33	44	43
Navy beans	Pound	3.5	7.4	10.2	10.2	+ 38	0	46	48	34	34
Beet sugar	Pound	3.6	6.4	6.3	6.4	0	+ 2	30	34	36	36
Cane sugar	Pound	3.4	3/ 6.1	5.7	5.8	- 5	+ 2	32	3/ 36	39	39
Margarine	Pound	13.2	3/ 23.3	21.3	22.0	- 6	+ 3	24	3/ 29	40	35
Vegetable shortening	Pound	14.2	3/ 20.8	20.2	21.3	+ 2	+ 5	27	2/ 35	45	39

^{1/} Full details concerning the calculation of price spreads for commodity groups and individual items are presented in Agr. Inform. Bul. No. 4, "Price Spreads Between Farmers and Consumers," Nov. 1949, and Misc. Pub. No. 576, "Price Spreads Between Farmers and Consumers for Food Products, 1913-44," Sept. 1945 (out of print). Commodity-group estimates are derived from data more inclusive than the individual items listed in this table. For example, the meat-products group includes veal and mutton, farm sales of lower grade cattle, allowance for retail value of byproducts and processed meats, in addition to lamb, pork (including lard), and carcass beef of Choice grade.

^{2/} Marketing charges equal margins (difference between retail cost and net farm value, table 12) minus processor taxes plus Government payments to marketing agencies.

^{3/} Revised.

^{4/} Less than 0.5 percent.

^{5/} Name of grade was changed from Good to Choice on Dec. 29, 1950.

^{6/} Price data not available.

Table 14. - Farm products: Indexes of prices at several levels of marketing, 1935-39 = 100

Year and month	Foods			Fibers			Whole-		Prices :	
	Prices paid by city families for all commodities 1/	Retail prices of farm food products 2/	Whole-sale prices of all food products 3/	Prices received by farmers 4/	Retail prices of cloth- ing 1/	Whole-sale prices of textile prod- ucts 3/	Prices received by farmers for cotton and wool 5/	Prices of farm prod- ucts 3/	Prices received by farmers for all prod- ucts 6/	Price paid by farm- ers 6/
1913 :	71	77	81	91	69	81	110	94	95	81
1916 :	78	94	96	106	78	99	131	111	111	93
1918 :	108	134	151	172	128	193	279	195	192	141
1920 :	143	166	174	181	201	232	284	198	197	171
1929 :	122	128	126	136	115	127	167	138	138	121
1932 :	98	83	77	67	91	77	54	63	61	82
1935 :	98	102	106	99	97	100	109	104	101	99
1936 :	99	103	104	104	98	101	114	106	106	99
1937 :	103	106	108	112	103	107	111	114	114	105
1938 :	101	96	93	94	102	94	80	90	90	98
1939 :	99	93	89	90	100	98	87	86	88	98
1940 :	100	93	90	94	102	104	98	89	93	98
1941 :	105	102	105	114	106	119	131	108	115	105
1942 :	117	120	126	145	124	136	178	139	147	120
1943 :	124	135	135	175	130	137	190	161	179	133
1944 :	126	132	133	173	139	139	194	162	182	140
1945 :	129	135	134	183	146	141	201	169	192	145
1946 :	140	155	165	207	160	164	260	196	218	159
1947 :	160	189	213	249	186	200	296	238	256	186
1948 :	172	202	226	260	198	209	296	248	265	202
1949 :	170	189	204	229	190	198	272	218	232	194
1950 :	172	189	210	228	188	208	313	224	238	198
<u>1950:</u>										
Aug. :	173	194	221	235	186	211	7/344	234	249	200
Sept. :	175	193	224	238	190	223	7/372	237	253	203
Oct. :	176	192	218	235	193	230	363	234	250	204
Nov. :	176	193	221	239	194	235	386	242	257	206
Dec. :	179	200	226	250	196	241	383	247	266	207
<u>1951:</u>										
Jan. :	182	208	230	265	198	251	401	256	279	211
Feb. :	184	213	237	276	202	255	411	267	291	215
Mar. :	184	212	236	272	203	258	425	268	290	219
Apr. :	185	7/211	235	269	204	257	425	266	288	220
May :	185	212	237	266	204	256	415	263	284	219
June :	185	212	236	264	204	250	409	261	280	219
July :	186	212	235	262	203	244	377	255	274	219
Aug. :	186	209	237	264	204	237	333	251	272	219

1/ Bureau of Labor Statistics, "Consumer Price Index for Moderate-Income Families in Large Cities."

2/ Calculated from "Retail cost" of market basket (p. 2).

3/ Bureau of Labor Statistics, converted from 1926 = 100 base.

4/ Calculated from "Farm value" of market basket (p. 2).

5/ Cotton and wool prices weighted by production in 1935-39.

6/ Based on figures published by the Crop Reporting Board.

7/ Revised.

Table 15.- Indexes of consumer income and of hourly earnings in marketing, 1935-39 = 100

Year	: Nonagri- : Monthly : Hourly earnings in marketing enterprises		: cultural : earnings : Class I : Food : Food : Cotton			
	: income : per : steam : processing : marketing : processing	: payments : employed : railways : 4/ : 5/ : 4/	: 1/ : factory : 3/ : 4/ : 5/ : 4/	: 2/ : worker : : : : : :	: : : : : : :	: : : : : : :
1940	115	110	105	108	104	106
1941	138	130	106	114	110	119
1942	176	161	119	127	122	139
1943	217	188	121	140	131	152
1944	242	201	134	149	141	162
1945	250	195	135	154	149	176
1946	255	191	154	173	171	213
1947	275	218	168	197	195	253
1948	301	236	184	213	213	282
1949	303	240	203	223	226	287
1950	332	259	223	233	236	297
1950						
July	328	259	223	232	236	291
Aug.	335	263	219	231	235	292
Sept.	342	265	224	231	237	295
Oct.	344	271	221	236	239	314
Nov.	346	272	224	239	241	6/ 316
Dec.	359	279	227	244	244	317
1951						
Jan.	356	278	224	248	247	318
Feb.	358	279	235	248	248	318
Mar.	362	282	237	249	249	318
Apr.	366	283	243	250	250	319
May	368	282	244	6/ 250	251	6/ 319
June	370	6/ 285	247	6/ 253	6/ 252	6/ 318
July	481	282	250	251	252	316

1/ United States Department of Commerce estimates. Adjusted for seasonal variation.

2/ Prepared in the Bureau of Agricultural Economics from data of the Bureau of Labor Statistics, not adjusted for seasonal variation. Revised series.

3/ Compiled from data published by the Interstate Commerce Commission.

4/ Bureau of Labor Statistics.

5/ Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing.

6/ Revised.

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