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THE Marketing and Transportation SITUATION

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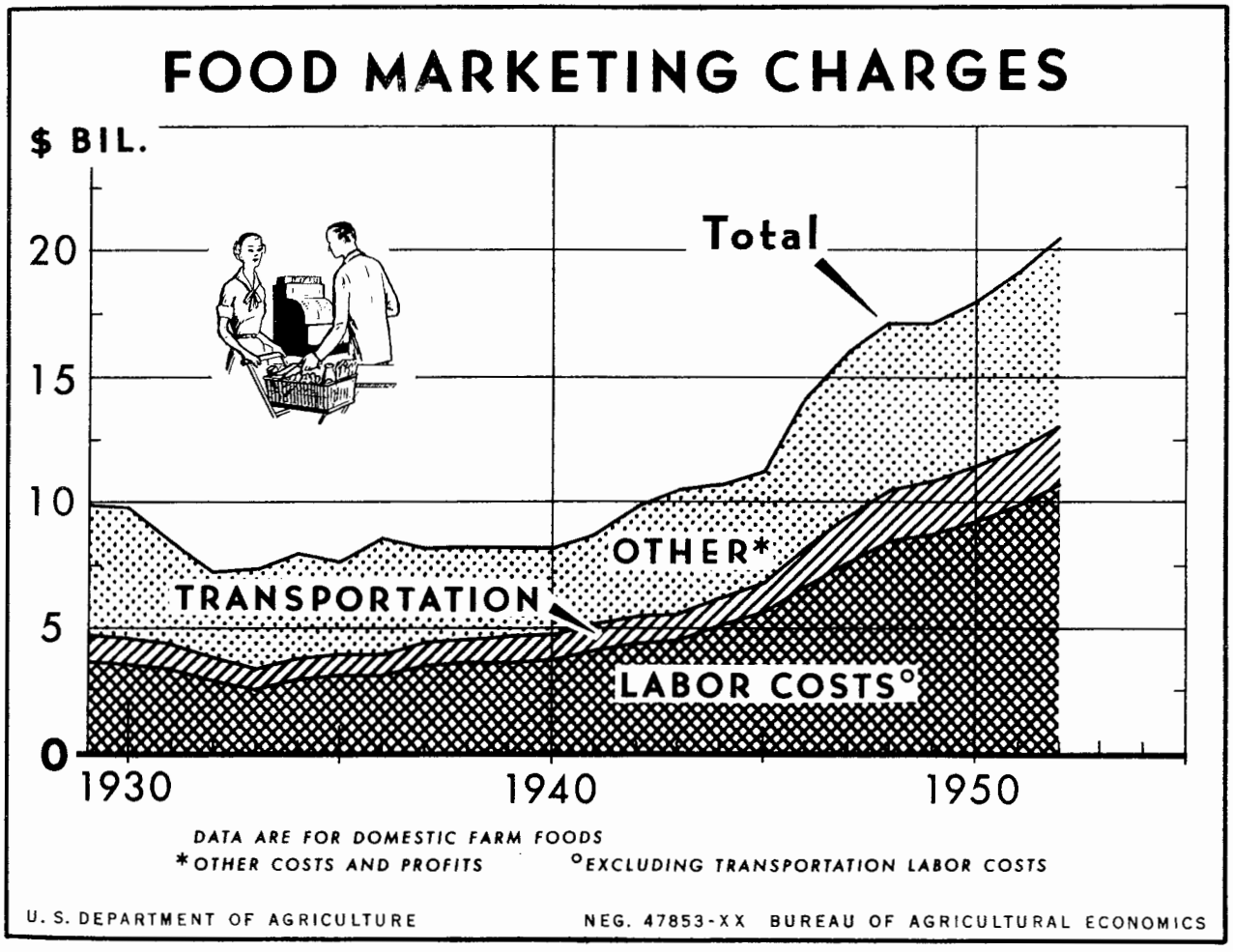

Total charges for marketing all farm food products this year will be higher than in 1951, when charges were about 7 percent higher than in 1950. The increase is the result mainly of higher marketing costs rather than increases in the volume of food marketed.

Labor costs (excluding transportation labor) accounted for about half of the total marketing bill in 1951 and 1950, compared with an average of 42 percent in 1935-39. Transportation charges amounted to 12 percent of the total, compared with 11 percent in the prewar period.

STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1951 Year	1951 Aug.	1952 June	1952 July	1952 Aug.
Farm-to-retail price spreads						
Farm-food market basket: 1/						
Retail cost	Dol.	722	714	746	755	754
Farm value	"	361	355	359	365	359
Marketing charges	"	361	358	388	390	394
Farmer's share of retail cost	Pct.	50	50	48	48	48
		1951			1952	
		Year	Apr.-June	Oct.-Dec.	Jan.-Mar.	Apr.-June
Cotton: 2/						
Retail cost	Dol.	59.35	60.28	58.23	56.90	56.24
Farm value	"	8.63	9.15	8.84	8.09	8.38
Marketing charges	"	50.72	51.13	49.39	48.81	47.86
Farmer's share of retail cost	Pct.	14.5	15.2	15.2	14.2	14.9
Tobacco: 3/ #						
Retail cost	Dol.	3.09	---	---	---	---
Farm value	"	.504	---	---	---	---
Federal and State excise taxes	"	1.27	---	---	---	---
Marketing charges	"	1.32	---	---	---	---
Farmer's share of retail cost	Pct.	16.3	---	---	---	---
General economic indicators						
Consumers' per capita income and expenditures: 4/						
Disposable personal income	Dol.	1,450	1,441	1,481	1,468	1,469
Expenditures for goods and services	"	1,340	1,320	1,347	1,358	1,364
Expenditures for food	"	392	387	395	401	403
Expenditures for food as percentage of disposable income	Pct.	27	27	27	27	27
		1951			1952	
		Year	Aug.	June	July	Aug.
Hourly earnings per employed factory worker 5/	Dol.	1.59	1.60	1.65	1.65	1.66
Hourly earnings of food marketing employees 6/	"	1.48	1.48	1.56	1.56	1.56
Retail sales: 7/ #						
Food stores	Mil. dol.	3,136	3,167	3,341	3,347	3,330
Apparel stores	"	851	853	910	862	875
Manufacturers' inventories: 7/ #						
Food and kindred products	"	3,542	3,689	3,473	3,485	3,463
Textile-mill products	"	3,206	3,483	2,734	2,764	2,783
Tobacco products	"	1,637	1,630	1,693	1,724	1,720
Indexes of industrial production: 8/						
Manufactured food products	1935-39=100	165	166	166	163	163
Textiles and products	"	174	170	154	147	169
Tobacco products	"	175	183	189	172	
Index of physical volume of farm marketings	"	147	163	139	154	161
Price indexes						
Consumers' price index 5/	"	186	186	190	191	191
Wholesale prices of food 5/	"	232	232	227	234	235
Wholesale prices of cotton goods 5/	"	269	258	230	232	236
Wholesale prices of woolen and worsted goods 5/	"	250	242	195	197	195
Prices received by farmers 9/	"	281	272	272	275	275
Prices paid by farmers 9/	"	219	219	220	220	221

1/ Average annual quantities of farm-food products purchased per family of three average consumers, 1935-39.
2/ 42 cotton articles of clothing and housefurnishings, weighted by average annual quantities bought by wage earners and clerical workers as reported in 1934-36 survey. Data are for last month of quarter. 3/ Four tobacco products from 1 pound of leaf tobacco (farm-sales weight), weighted by leaf equivalents of current tax-paid withdrawals. Data are for year beginning July 1. 4/ Seasonally adjusted annual rates, calculated from U. S. Dept. of Commerce data.
5/ U. S. Dept. of Labor. Indexes of wholesale prices converted from 1947-49 base. 6/ Weighted composite earnings in steam railways, food processing, wholesale trade and retail food stores, calculated from data of U. S. Dept. of Labor and Interstate Commerce Commission. 7/ Seasonally adjusted, U. S. Dept. of Commerce. Annual data for 1951 are on average monthly basis. 8/ Seasonally adjusted, Board of Governors of Federal Reserve System. 9/ Converted from 1910-14 base. # Revised series.

THE MARKETING AND TRANSPORTATION SITUATION

Approved by the Outlook and Situation Board October 16, 1952

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SUMMARY

Retail prices of farm-produced foods averaged about 3 percent higher in 1952 than in 1951. All of the increase was received by marketing agencies as farm prices of food products were around the 1951 level. This is in contrast to the situation during the first year following the Korean invasion when most of the rise in retail prices was reflected in higher farm prices.

Food marketing charges per unit of product are expected to exceed in 1953 the record reached in 1952. Retail prices of farm foods are expected to remain near this year's level but farm prices of these products probably will average slightly lower. It is estimated that the farmer's share of the consumer's food dollar in 1952 will average 48 cents, 2 cents less than in 1951. The farmer's share in 1953 may be slightly smaller than in 1952.

Total charges for marketing farm food products in the United States in 1953 probably will exceed the record of 20.5 billion dollars anticipated for 1952, as a larger volume of food products may be marketed and higher per unit marketing charges are expected. The national marketing bill in 1951 was estimated at 19.1 billion dollars.

Charges for marketing a representative group of cotton articles were about 5 percent lower in the first half of 1952 than in the same period of 1951 and the farm value of the lint cotton from which these articles were made was down about 11 percent. The farmer's share of their retail cost declined from 15.4 to 14.6 percent.

The margin between the composite retail price of the four principal tobacco products and the farm value of the leaf tobacco from which they were made reached a new high point in the fiscal year 1951-52, but the farm value declined. The farmer's share of the retail cost declined from 17.2 to 16.3 percent.

Costs incurred by marketing agencies in performing marketing services rose in 1952 and moderate advances in 1953 appear likely. Average hourly earnings of employees in food marketing firms were 5 percent higher in August 1952 than a year earlier. Hourly earnings of employees in textile mills and of firms manufacturing apparel and other finished textile products averaged about the same as in August 1951.

Transportation rates of both rail and motor carriers were raised in 1952 and further increases are being requested by some of the carriers. Average hourly earnings of Class I railroad employees in mid-1952 were 4 percent higher than a year earlier and about 18 percent higher than the pre-Korean level.

Data available for the first half of 1952 indicate that profit rates (after taxes) of firms marketing agricultural products probably will be lower this year than last. Higher operating costs may result in lower net returns for many firms in 1953, although continuance of strong consumer demand should tend to increase gross dollar volume. Profit rates of agricultural marketing agencies generally were lower in 1951 than in 1950, a year in which inventory mark-ups were of considerable importance in raising profits.

A moderate rise in personal disposable income is expected for 1953. As consumers will probably continue to spend about the same proportion of their income on goods derived from farm products, some increase in consumer expenditures for these goods is expected in the year ahead. Expenditures for food rose to a record annual rate of approximately $400 per person in the first half of 1952. This was 27 percent of per capita disposable income. During the postwar years, expenditures for food have varied from 26 to 28 percent of disposable income.

The supply of labor and facilities available for marketing agricultural products is expected to be adequate in 1953, even though a somewhat larger volume of farm products may be marketed. Mechanization and greater efficiency in the use of labor are increasing output per worker, which may mean that a larger volume can be marketed next year without any increase in the number of workers. During recent years, expenditures for plant and equipment by processors, wholesalers, and retailers have been at a high level. During the past year, more boxcars on American railways were installed than were retired, and the supply situation improved. Needs for cars should be met fairly well during the year ahead. During recent months refrigerator cars, stock cars, tank cars, and open-top cars have been in adequate supply.

THE GENERAL OUTLOOK FOR AGRICULTURAL MARKETING IN 1953

The Demand for Marketing Services

A strong demand for marketing services in the agricultural field is anticipated for 1953. A continued growth in the number of consumers, a high level of consumer income, a large volume of products to be marketed, and the tendency toward increasing marketing services per unit of output are expected to swell the demand for the services of firms engaged in assembling, processing, and distributing agricultural products.

By July 1953, the population of the United States is expected to be at least 2 million larger than that of July 1952. An even greater stimulus to demand will come from the needs of growing children for food and clothing. The large number of children born during the war and postwar years will have an increasing effect upon demand for several years to come.

Further increases in spending for national defense and maintenance of a relatively high level of private investment spending are expected to bring further increases in consumer incomes and in expenditures for goods and services in 1953. It is expected that consumers will continue to spend about the same proportion of their incomes for food and other products derived from farm-produced raw materials (p. 30).

A record volume of farm marketings may be maintained in 1953. Farm output in 1952 is expected to exceed last year. Both output and production of livestock and livestock products are expected to be 2 or 3 percent larger. Part of this year's output will be marketed in 1953. With prospects of continued strong demand for agricultural products, farm output next year probably will continue near the present levels if weather conditions are not unfavorable. Total slaughter of meat animals is expected to be larger in 1953 than this year, mainly because of an increase in marketings of cattle. Marketings of most truck crops, vegetables, and fruits should be larger if growing conditions are favorable.

In addition to handling a larger volume of commodities, the task of marketing agricultural products in 1953 may be magnified by a further increase in the quantity of marketing services per unit of product. For many years the marketing system has been acquiring more and more of the functions formerly performed on the farm or in the households of consumers. Bread baking, canning, butter and cheese making are only a few of the functions that are now largely performed in commercial plants rather than on the farm or in consumers' kitchens. Examples of more recent development are commercially prepared biscuit and cake mixes, ready-to-cook poultry, prepackaged vegetables that need no cleaning before cooking, and frozen precooked dinners. Consumers are turning more and more to products that embody more processing, packaging, and other marketing services.

Resources Available for Marketing Activities

Labor

No serious shortages of labor in agricultural marketing are anticipated for 1953. Although a larger volume of products may be marketed next year, no appreciable increase in the number of workers will be required. During recent years, the number of persons engaged in agricultural marketing activities has not increased at as rapid a rate as the volume of products handled. The volume of farm-produced foods consumed by civilians in this country is now approximately 30 percent above the volume in 1935-39 but the total number of persons employed in marketing these products is only about 22 percent larger. An increase of approximately 1/2 million persons is expected in the labor force, from which marketing firms probably will be able to obtain needed employees. Until a few months ago, a considerable number of textile workers were unemployed. During recent years, some firms have been forced to employ more than the usual proportion of inexperienced persons. This situation may continue, although food marketing enterprises may lose fewer workers to defense plants in the coming year.

Supplies

Barring any drastic change in the international situation, no serious shortages of metals, paper, or other supplies used by marketing agencies is expected. Some local shortages of cans in fruit and vegetable processing developed last summer because of cut-backs in tin plate production during the steel strike. During recent months the situation has improved. The National Production Authority expects all types of containers and packaging materials except metal cans for nonfood products to be in good supply this fall.

Marketing Facilities

New facilities for retailing, wholesaling, processing, and storage have been built in recent years and old ones have been remodeled and enlarged (pp. 37 and 41). Marketing developments such as prepackaged and frozen foods and self-service retailing have stimulated the growth of new and improved facilities. The increase in volume of food marketed and the rapid growth of population in certain areas also have required expansion and sometimes relocation of marketing facilities. Changes in transportation costs, the availability of labor, and the sources of raw materials have increased pressure for relocation of some agricultural processing plants.

Capital Expenditures.- Despite expansion in defense-related industries and preference accorded them through allocations of scarce materials, the rate of capital expenditures by agricultural marketing firms in 1951 and 1952 exceeded the high level of other postwar years. Expenditures by manufacturers of food and kindred products for new plant and equipment in 1952 are expected to total around 609 million dollars, which is 7 percent less than the high level of 1951 but about equal to the average for 1946-50. Manufacturers of textile-mill products are expected to spend about 491 million dollars, about 30 percent less than the 695 million dollars spent last year but slightly more than the 1946-50 average. These estimates for 1952 are based upon reports of expenditures in the first half of the year and of anticipated expenditures in the second half. Capital expenditures by railroads and other carriers in 1951 were well above the 1946-50 average and are expected to be about as large in 1952 as in 1951. Firms engaged in trade spent 3,896 million dollars on plant and equipment in 1951, about 20 percent more than the 1946-50 average.

Grain Storage.- About three-fourths of the capacity of commercial grain storage facilities at 43 terminal markets, including interior southwest and midwest terminals, Atlantic, Gulf, and Pacific ports, was filled on September 6, 1952. This is more than the two-thirds mark reached a year earlier and more than the mid-September average of 60 percent for 1946-50. The absolute amount of capacity available at the foregoing 43 markets is up fractionally from a year earlier and higher now than ever before. The percentage of capacity utilized on September 6, 1952, varied geographically from 87 percent for the west central and southwestern markets to 44 percent for the Atlantic coast. A survey of off-farm commercial-type grain-storage capacity, conducted by the United States Department of Agriculture in 1951, showed an estimated total capacity of approximately 2,175,942,000 bushels for the entire country.

Cotton Storage.- For the country as a whole, warehouse space and compress facilities will be adequate for the 1952 crop. Shortages may occur in some areas, principally northwest Texas, New Mexico, Arizona, and California where available space is insufficient to store all of the cotton produced. Temporary open storage is common in those areas. It is usual practice, however, for substantial quantities of cotton produced in those areas to move into reconcentration warehouses in other parts of the Cotton Belt.

Cold Storage.- As of August 31, 1952, 63 percent of the cooler space and 78 percent of the freezer space in public general cold-storage warehouses was occupied. This occupancy situation differed little from that prevailing a year ago and is close to the August 31 averages for the last 5 years. Barring unforeseen emergencies, there appears to be ample space to take care of requirements.

Railroad Cars.- Boxcar requirements during the next few months should be fairly well protected, provided the many cars now nonserviceable are repaired quickly. During the steel strike the eastern railroads furloughed many car repairmen. Consequently, the principal roads in the East are far behind with car-repair work.

During the last 2 years, more boxcars were installed than were retired. The monthly average numbers of new cars installed and of cars retired were:

	New Installed	Retired
12 months ended July 31, 1952	2,673	 1,616
12 months ended July 31, 1951	3,212	 1,799
Month of July 1952	1,770	 1,992

The available supply of boxcars for the movement of grain this year greatly exceeded that of 1951. The principal reason for the better situation was an order, issued by the Association of American Railroads to all Class I railroads, that provided for the prompt return of cars of 16 western ownerships. The compliance of the railroads resulted in the return

through the Chicago and St. Louis gateways of a total of 166,231 boxcars during the period May 10 through August 31. This flow of cars throughout the harvest enabled the carriers to handle the new crop and also the old grain with comparatively few car-supply difficulties. As of September 2, 1952, 68 elevators were blocked and 489,000 bushels of grain were on the ground at sidings compared with 691 blocked elevators and 923,000 bushels of grain on the ground at approximately the same date in 1951.

During recent months, the supply of refrigerator cars, stock cars, and tank cars has been adequate in all areas. Farmers are concerned with the supply of open-top cars (gondolas and hopper cars) because they are used for shipping limestone for use in agricultural conservation programs. Venders of limestone apparently are receiving sufficient cars for their needs.

Domestic Water Transportation Facilities and Services.- Full restoration of coastwise shipping services has not been accomplished in the years since the end of World War II. Some ports have little or no service at present. The chief reasons for the failure of some prewar steamship operators to resume their services have been: (a) high cost of vessels and (b) extremely high operating costs. Farm-product traffic in the coastwise service is still considerably below the volume carried before World War II because of substantially increased freight rates and charges, infrequent sailings, and generally slower and less convenient service than that offered by rail or truck. Convenience, speed, and other shipping services have become more important considerations in moving farm products to market.

The supply of bottoms in the intercoastal trade has not declined as much as in the coastwise service. Nine operators, with approximately 60 large, fast vessels, are handling substantially all the agricultural traffic offered.

No service on the Great Lakes is available for the transportation of agricultural products, either package or in bulk, when offered in single carload or less than carload quantities. Many vessels, however, are engaged in this service for the handling of bulk grain in full-vessel quantities. For the remainder of the current navigation season, it appears that ample bottoms will be available to meet the requirement of the grain trade.

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

Motor Carrier Equipment.- While the number of privately and commercially owned motortrucks in the United States continued to rise during 1951, the rate of increase was not as rapid as previously. At the end of 1951, approximately 8.6 million private and commercial trucks were registered as compared with 8.2 million at the end of 1950, 7.7 million at the end of 1949, and 4.6 million at the end of 1942. If the present rate of increase continues, registrations at the end of 1952 will be about 2-1/2 percent greater than a year earlier.

The number of trucks on farms also increased slightly during 1951. At the end of 1951, there were 2.4 million trucks on farms compared with 2.3 million at the end of 1950, 2.2 million at the end of 1949, and 1.2 million at the end of 1942.

Factory sales of motortrucks for domestic use (approximately equal to production for domestic use) reached 1,196,101 in 1951 -- the highest on record. This figure was not significantly greater than that for 1950 when sales reached 1,182,405. In the first 7 months of 1952, however, sales totaled only 580,559 as against 767,871 for the comparable period in 1951.

Farmers have experienced little difficulty in the current year in obtaining the types and sizes of trucks they need. Indications are that this situation will hold in 1953.

FOOD MARKETING CHARGES AND FARMER'S SHARE

Recent Farm-Retail Price Spreads

Farmers received about 47 cents of the consumer's farm food dollar in September 1952, the lowest share recorded this year (table 1). The retail cost of the farm foods in the "market basket" equaled an annual rate of $746, while farmers received $348 for equivalent quantities of farm produce. 1/

Lower farm prices for meat animals and fruits and vegetables resulted in a decline in the farm value of the market basket from $365 in July to $348 in September. During the same period, marketing charges continued to increase. Retail costs declined about 1 percent from August to September, with all of the decline in the fruits and vegetables group.

Marketing Costs at Record High in 1952, Further Increase Indicated for 1953

Charges for marketing the farm foods in the market basket were at a record high of $397 in September. Marketing charges in 1952 will average about $385, an increase of 7 percent over the 1951 annual average and 14 percent above 1950. 2/ As farm prices of food products averaged about the same as in 1951, all of the increase in the retail cost of the market-basket foods in 1952 was received by marketing agencies. During the first year following the Korean outbreak, most of the increase in retail food prices was reflected in higher farm prices (fig. 1).

Marketing charges will average higher in 1953 even though retail prices of food do not increase. But the increase in marketing charges is expected to be less than in 1952. Higher wage rates and increases in transportation rates and other marketing costs have resulted in increased marketing charges during the current year. Wage rates may continue to increase moderately in 1953. Marketing charges in July-September averaged 4 percent higher than in the first half of this year. Even if no further increases take place, the 1953 level would average higher than in the current year. Marketing costs tend to be relatively inflexible in comparison with farm and retail prices of food products.

1/ 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."

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

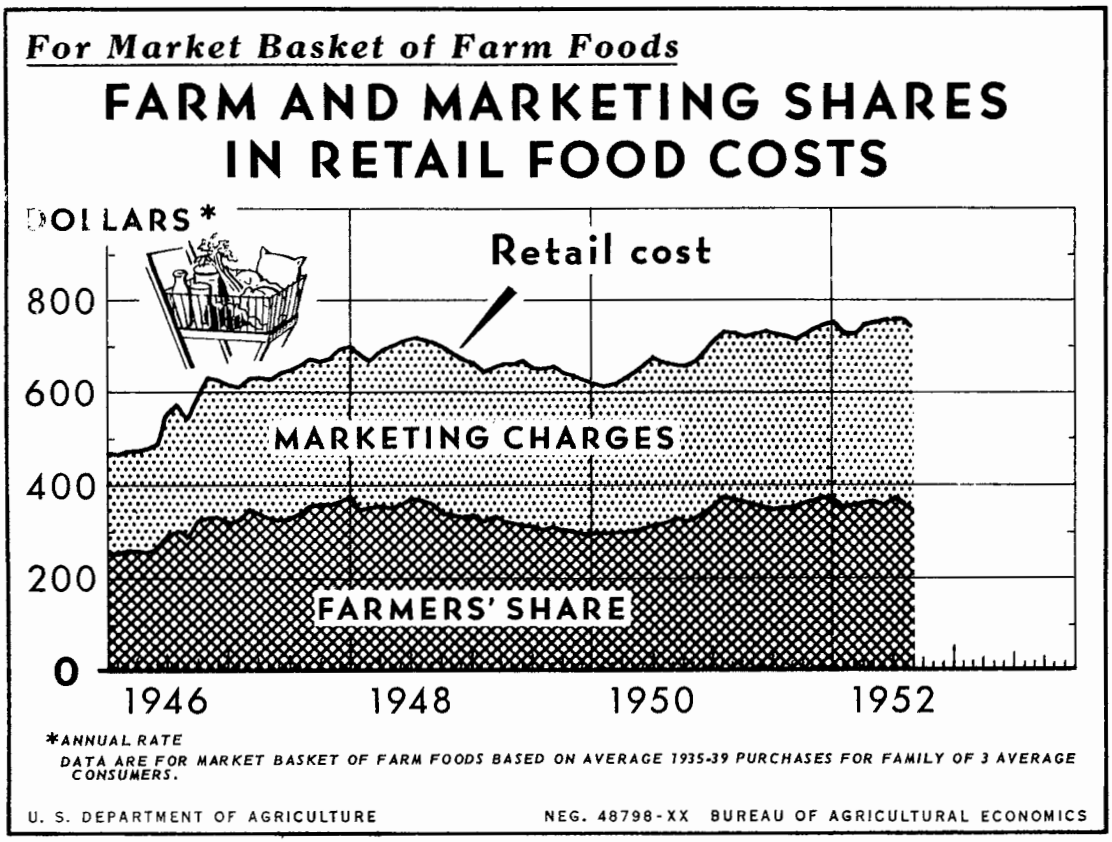

FIGURE 1

Table 1.- Farm food products: Retail cost, farm value, marketing charges, and farmer's share of consumer's dollar, United States, 1946-52 1/

Year and month	Retail cost 2/	Farm value 3/	Marketing charges 4/	Farmer's share
	Dollars	Dollars	Dollars	Percent
1946				
Jan.	465	251	233	54
Feb.	464	250	229	54
Mar.	467	254	228	54
Apr.	473	254	234	54
May	474	252	237	53
June	481	255	242	53
July	549	285	265	52
Aug.	571	292	280	51
Sept.	539	284	266	53
Oct.	594	321	274	54
Nov.	632	322	310	51
Dec.	623	322	301	52
Av.	528	279	258	53
1947				
Jan.	613	315	298	51
Feb.	607	321	286	53
Mar.	631	343	287	54
Apr.	631	335	296	53
May	628	325	303	52
June	637	320	317	50
July	640	324	316	51
Aug.	652	329	322	50
Sept.	669	347	322	52
Oct.	665	349	316	52
Nov.	669	349	320	52
Dec.	685	363	322	53
Av.	644	335	309	52
1948				
Jan.	696	371	324	53
Feb.	674	346	328	51
Mar.	666	347	319	52
Apr.	684	351	333	51
May	694	349	345	50
June	706	356	350	50
July	713	368	345	52
Aug.	709	362	347	51
Sept.	705	358	346	51
Oct.	692	339	353	49
Nov.	678	332	346	49
Dec.	666	329	337	49
Av.	690	350	340	51
1949				
Jan.	663	330	334	50
Feb.	641	320	321	50
Mar.	648	324	323	50
Apr.	654	318	335	49
May	654	315	338	48
June	659	309	349	47
July	647	304	342	47
Aug.	646	298	348	46
Sept.	650	303	347	47
Oct.	638	297	340	47
Nov.	634	292	342	46
Dec.	622	286	335	46
Av.	646	308	338	48
1950				
Jan.	615	288	327	47
Feb.	611	290	321	47
Mar.	616	291	325	47
Apr.	621	294	326	47
May	634	299	334	47
June	653	302	351	46
July	671	314	357	47
Aug.	662	317	345	48
Sept.	658	321	337	49
Oct.	657	317	339	48
Nov.	659	323	335	49
Dec.	681	338	343	50
Av.	645	308	337	48
1951				
Jan.	709	353	355	50
Feb.	726	371	355	51
Mar.	724	367	356	51
Apr.	718	362	356	50
May	723	359	364	50
June	724	355	369	49
July	723	352	371	49
Aug.	714	5/355	5/358	50
Sept.	711	356	354	50
Oct.	722	358	364	50
Nov.	732	361	370	49
Dec.	741	371	370	50
Av.	722	361	361	50
1952				
Jan.	746	364	382	49
Feb.	726	354	372	49
Mar.	725	356	369	49
Apr.	738	358	380	48
May	5/744	362	5/382	5/ 49
June	5/746	5/359	5/388	48
July	755	365	390	48
Aug.	754	359	394	48
Sept. 6/	746	348	397	47
Oct.				
Nov.				
Dec.				
Av. 6/	745	360	385	48

1/ Average annual purchases per family of three average consumers, 1935-39. 2/ Calculated from retail prices collected by the Bur. of Labor Statis. and the Bur. of Agr. Econ. 3/ Payments to farmers for equivalent quantities of farm produce minus imputed value of byproducts obtained in processing. 4/ Marketing charges equal margin (difference between retail cost and farm value) minus processor taxes plus Government payments to marketing agencies. 5/ Revised. 6/ Preliminary estimate.

Retail Cost of Market-Basket Foods at Record High in 1952

The retail cost of the farm foods in the market basket reached an all-time high of $755 (annual rate) in July. 3/ The annual average for 1952 will be about 3 percent higher than in 1951 and about 16 percent above the 1950 average. Consumer demand for foods is expected to continue at a high level, but increased supplies of meats and vegetables are expected to reduce pressure for higher retail prices. Retail food prices in 1953 are expected to average near the 1952 level. If any declines in retail food prices occur, they are more likely to be reflected in lower farm prices than in a reduction of farm-retail price spreads.

Farm value of the market-basket foods in 1952 will be about equal to the 1951 average of $360. Prices for farm food products in 1953 may average a little below this year, particularly if larger marketings bring lower prices for meat animals and vegetables.

Farmer's Share May Decline Slightly in 1953

The consumer's dollar spent for farm food products during 1951 was about evenly divided between farm producers and marketing agencies. In 1952 the farmer's share dropped to an average of 48 cents (preliminary estimate). With prospects for higher marketing charges and slightly lower farm prices, the farmer's share may decline to an average of 47 cents in 1953. This would be the lowest annual average recorded since 1941.

Marketing Charges and the Farmer's Share for Food Commodity Groups

Movements in the retail cost of the market basket of farm foods, the equivalent farm value, marketing charges, and the farmers share are shown in table 1 on page 10. 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.

3/ 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 it does not include additional mark-ups for preparation and service of meals purchased in eating places.

Meat Products

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39 average	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	225.88	147.60	78.28	65
1952 Jan.-Aug.	221.75	139.36	82.39	63

Larger marketings of beef in 1953 are expected to cause moderate declines in average farm and retail prices for meat products. Marketing charges probably will stay near the 1952 average, resulting in a slight decline in the farmer's share.

Retail cost of the meat-products group in the first 8 months of 1952 averaged slightly below the same period of 1951. Marketing charges, however, were about 10 percent higher, with farm value lower. The farmer's share of the consumer's meat dollar is down 4 cents from the average of 67 cents for January-August 1951.

Since January 1951, retail cost of meat products has fluctuated within a relatively narrow range, reflecting in part price ceilings in effect on some meat products. The farm value varied from a record annual rate of $153 in April 1951 to $137 in March and August this year. As a result, the spread between farm and retail prices showed considerable variation during this period.

Dairy Products

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39 average	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	65.85	55.19	54
1951	134.76	74.37	60.39	55
1952 Jan.-Aug.	139.62	77.86	61.76	56

Farm and retail prices of dairy products may continue to increase slightly in 1953. Except for a slight upward trend, marketing charges for this commodity group have remained fairly stable since January 1951, and no marked advance is in prospect for the year ahead. Dairy products are the

only group of commodities besides fruits and vegetables for which the farm value in 1952 averaged above 1951. The farmer's share of the retail cost is also slightly higher. For the January-August 1952 period, farm prices averaged 7 percent above the same period of 1951, while average marketing charges were up 1 percent.

Poultry and Eggs

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39 average	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	54.89	36.31	18.58	66
1952 Jan.-Aug.	49.52	31.22	18.30	63

During the first 8 months of 1952, the retail cost of the poultry and eggs group averaged lower than in the same period last year. This reduction was accompanied by an almost equal decrease in the farm value. Marketing charges for the period, therefore, were about the same as last year, but the farmer's share declined from 66 to 63 cents. Marketing charges for this group are higher than in other postwar years except 1951, but the farm value and retail cost are well below the 1948 peaks.

Bakery and Other Cereal Products

Year	Retail cost	Farm value (all ingredients) adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39 average	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	104.01	28.35	75.62	27
1952 Jan.-Aug.	106.07	27.54	78.49	26

Both the retail cost and marketing charges of the bakery and other cereal products group have established record high marks in 1952. Marketing charges have increased each year since the end of World War II, with a larger rate of increase than that of any other commodity group. The farmer's share averaged 26 cents in 1952, considerably below the postwar high of 35 cents in 1947 and the lowest since 1942.

Because of the large amount of labor and other marketing services involved in marketing this group of products, its retail cost tends to be related least to farm prices among the commodity groups. The steady increase in labor, transportation, and other marketing costs during the postwar period tended to increase retail costs of these products. The retail price of a pound loaf of bread is around 2 cents higher than the 1950 average, although the farm value of the wheat used is unchanged. Increased marketing costs may widen the farm-retail price spread during the coming year.

All Fruits and Vegetables

Year	Retail cost	Farm value adjusted for byproducts	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39 average	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	156.36	56.32	100.04	36
1952 Jan.-Aug.	182.33	67.52	114.81	37

Charges for marketing the fruits and vegetables group rose to a record annual rate of $124 in May. The high in 1951 was $111, recorded in June of that year. Total charges for marketing all the foods in the market basket averaged $21 or 6 percent higher in the first 8 months of this year than in the same period last year. More than half of this increase resulted from higher charges for marketing fresh fruits and vegetables. Charges for marketing the canned products in the group averaged lower this year than last.

Both retail cost and farm value rose to new high points in the first half of 1952. During the first 8 months, retail cost averaged 16 percent higher than for the same period of 1951 and the farm value averaged 25 percent higher. The farmer's share rose from 34 to 37 cents. Price increases were particularly sharp for potatoes, sweetpotatoes, cabbage, and onions.

The supply of fruits and vegetables is expected to be somewhat larger next year if weather conditions are favorable and prices may decline somewhat. Marketing charges may also be lower next year, as they have tended to vary with the retail price. Prices of fruits and vegetables in September averaged lower at both the farm and retail levels and marketing charges also were down from the August level.

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 2). 4/ These estimates reflect variations in the total volume of food marketed, as well as the variations in prices and marketing charges that are measured by the "market basket" series discussed in the previous sections.

The total retail-store value of all farm food bought by civilian consumers in the United States in 1951 is estimated at 38.8 billion dollars and the total charges for marketing these foods at 19.1 billion dollars. This estimate of the total marketing bill includes charges for local assembly, transportation, storage, processing, wholesaling, and retailing, but not the additional service charges for food sold in the form of meals in restaurants and other eating places. 5/

Marketing Bill May Exceed 20 Billion Dollars in 1952

Total charges for marketing farm food products in 1952 may increase to about 20.5 billion dollars. This is about 7 percent higher than in 1951 and 15 percent above 1950. These increases are the result mainly of higher marketing costs rather than an increased volume of food marketed. Small increases in the total volume of food to be marketed and in marketing costs are expected to result in a further increase in 1953.

The marketing bill will probably equal about 9 percent of total consumer disposable income in 1952 and 1953, the same as in each year 1946 to 1951. The farm value of the food products marketed, however, has varied from 8 to 11 percent of disposable income during the postwar period. In the World War II period of price controls and a 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.

Three Commodity Groups Account for Large Part of Total Marketing Bill

In 1951, marketing charges for the three groups -- meat products, fruits and vegetables, and bakery and other cereal products -- each totaled more than 4 billion dollars and accounted for about 70 percent of the total marketing bill. But the farm value of meat products was more than double the combined farm value of the other two groups, reflecting the relatively low average farmer's share of retail prices of bakery products and of fruits and vegetables. Compared with the 1947-49 average, the increase in total marketing charges for meat products since that 3-year period has been considerably less than those for any other commodity group, with the exception of miscellaneous products.

4/ 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, Sept. 1950. For annual data for 1913-49, see table 4, p. 12, The Marketing and Transportation Situation, Oct. 1951.

5/ Food sold in the form of meals is included but is valued at what the food would have cost in retail stores.

Table 2.- Domestic civilian purchases of farm food products: Farm value, retail cost, and marketing charges, all farm foods and six major commodity groups, averages 1935-39 and 1947-49, annual 1950 and 1951

Commodity group and year	Farm value 1/	Retail cost 2/	Marketing charges 3/
	Billion dollars	Billion dollars	Billion dollars
All farm foods:			
1935-39 average	5.43	13.63	8.13
1947-49 average	17.84	34.56	16.70
1950	17.06	34.92	17.84
1951	19.62	38.77	19.13
1952 4/	20.0	40.5	20.5
Meat products:			
1935-39 average	1.72	3.65	1.89
1947-49 average	6.95	11.15	4.20
1950	6.80	10.91	4.11
1951	7.90	12.29	4.39
Dairy products:			
1935-39 average	1.37	2.76	1.39
1947-49 average	3.74	6.53	2.79
1950	3.50	6.43	2.93
1951	3.99	7.23	3.24
Poultry and eggs:			
1935-39 average	.76	1.15	.39
1947-49 average	2.70	3.98	1.28
1950	2.52	4.08	1.56
1951	3.28	4.93	1.65
Bakery and other cereal products:			
1935-39 average	.50	2.42	1.89
1947-49 average	1.36	4.73	3.37
1950	1.26	5.24	3.98
1951	1.38	5.57	4.19
Fruits and vegetables:			
1935-39 average	.88	2.83	1.95
1947-49 average	2.38	6.19	3.81
1950	2.23	6.33	4.10
1951	2.35	6.80	4.45
Miscellaneous:			
1935-39 average	.20	.82	.62
1947-49 average	.70	1.97	1.25
1950	.75	1.93	1.16
1951	.72	1.95	1.21

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 food subsidies.

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

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

4/ Preliminary estimate.

MARKETING CHARGES AND FARMER'S SHARE FOR NONFOOD PRODUCTS

Fiber and Fiber Products

Consumer demand for textile products is expected to continue strong into 1953. The total value of department-store sales, adjusted seasonally, decreased early in 1952 but during the second quarter averaged higher than a year earlier. Department-store stocks in July were smaller than a year earlier but were larger than in 1950 and 1949. Sales of apparel during the first half of 1952 averaged less than a year earlier but in July they totaled about the same or somewhat more than a year earlier.

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 $48 in June 1952 compared with $51 a year earlier and the 1935-39 average of $22 (table 3). A record 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 higher in the first half of 1952 than a year earlier and the share received by farmers decreased as prices declined. During the first half of 1952, the farmer's share averaged 14.6 cents, compared with an average of 15.4 cents in the first half of 1951 and 11.7 cents in 1948. Wages and salaries paid by manufacturers and distributors of cotton products in 1950 accounted for about 47 percent and net profits for 11 percent of the consumer's dollar paid for apparel and household textiles made of cotton (fig. 2).

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, narrowed to 24.4 cents in June 1952, and averaged 31.1 cents in September 1952. These margins are the differences between wholesale prices of unfinished cloth and value of the cotton used in its manufacture. The average mill margin of 31.1 cents, or 44.5 percent of the cloth prices, in September 1952 compares with 56.8 cents, or 62.4 percent of cloth prices, in the 1947-48 season and 12.9 cents, or 53.7 percent of cloth prices, for the 5 years 1935-39.

Prices of wool advanced markedly during recent years and the proportion of the retail value of a group of 20 items of clothing and household goods made of wool that was accounted for by returns to farm producers for the wool used increased from 12 percent in 1939 to about 16 percent in 1950 (fig. 3). Farm prices of wool were up sharply in 1951 so that the farmer's share of the retail cost of these wool products was at a record high of almost 25 percent. With the farm price of wool much lower this year, the farmer's share probably will drop below the 1950 average. The proportion of the consumer's dollar paid for clothing and household goods made of wool that was accounted for by wages and salaries paid by manufacturers and distributors of these products increased from 46 percent in 1939 to 48 percent in 1950. Net profits to manufacturers and distributors ranged from 6 percent of the consumer's dollar in 1939 to 15 percent in 1947 and was 12 percent in 1950.

Table 3.- Farm-to-retail price spreads - cotton products: Average retail cost of a family's purchases of 42 articles, and of 3 individual articles of clothing, farm value of equivalent quantities of cotton, marketing charges, and farmer's share of retail cost, average 1935-39, annual 1948-52 1/

Year and month	Retail cost 2/	Farm value 3/	Marketing charges	Farmer's share
	Dollars	Dollars	Dollars	Percent
42 articles				
1935-39 average	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
1951	59.35	8.63	50.72	14.5
1950				
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
1951				
Mar.	60.02	9.31	50.71	15.5
June	60.28	9.15	51.13	15.2
Sept.	58.88	7.24	51.64	12.3
Dec.	58.23	8.84	49.39	15.2
1952				
Mar.	56.90	8.09	48.81	14.2
June	56.24	8.38	47.86	14.9
Overalls				
1949	3.18	.540	2.64	17.0
1950	3.32	.692	2.63	20.8
1951	3.85	.835	3.01	21.7
Work shirts				
1949	1.54	.221	1.32	14.4
1950	1.57	.261	1.31	16.6
1951	1.68	.298	1.38	17.7
Business shirts				
1949	3.50	.254	3.25	7.3
1950	3.48	.300	3.18	8.6
1951	3.75	.335	3.41	8.9

1/ Data for 1947-48 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 costs 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 costs 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.

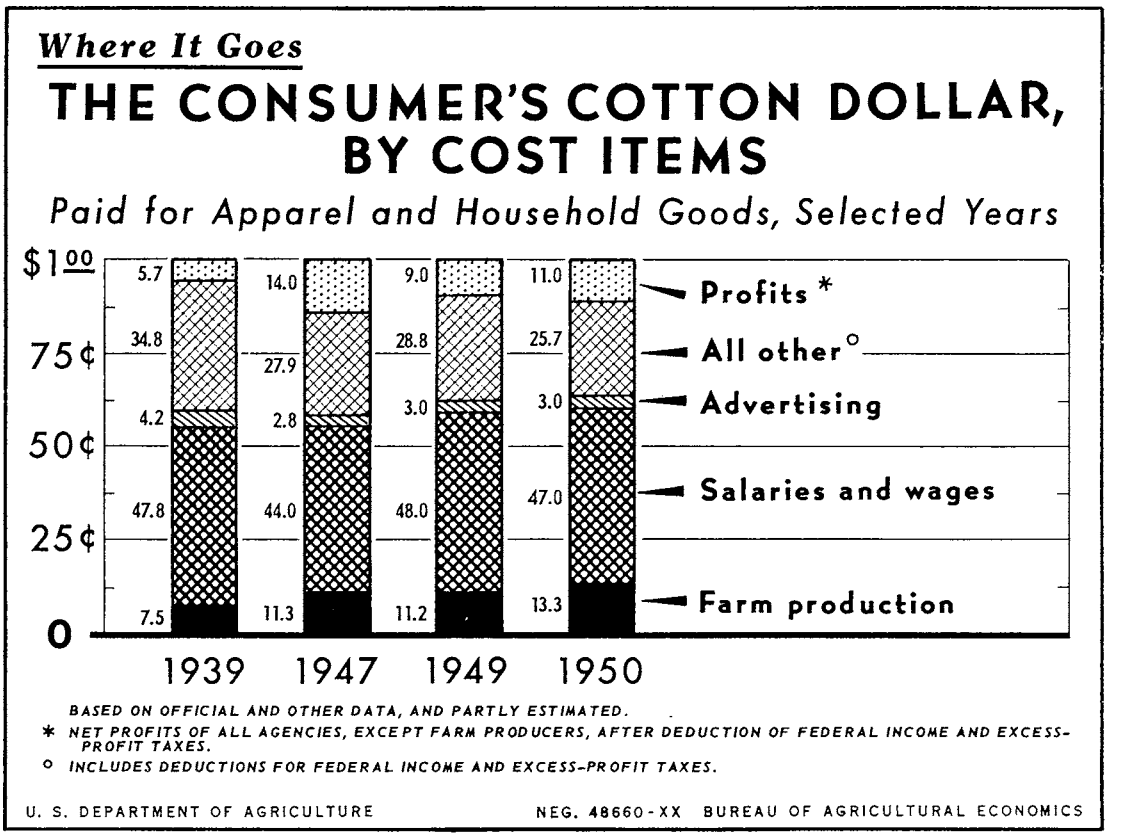

FIGURE 2

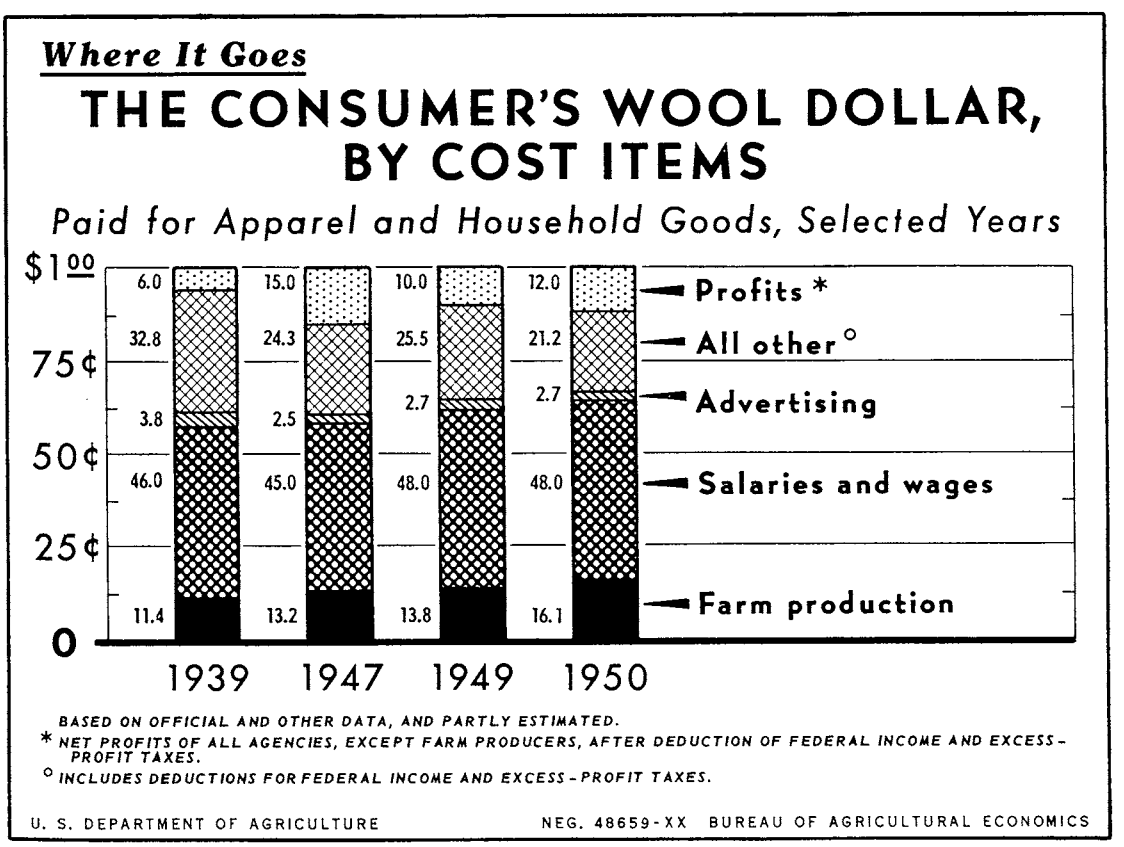

FIGURE 3

Gross margins for wholesale dry goods merchants, as proportions of net sales, increased from about 16 percent in 1939 to almost 19 percent in 1942 and decreased to 15.4 percent in 1949. In 1951, they averaged 16.2 percent, including profits before deductions for Federal income taxes. The reason for decreases in these margins since World War II is to be found mainly in the fact that the proportions of net sales accounted for by profits decreased from about 7 percent in 1943 to 1.5 percent in 1949. In 1951, profits before Federal income taxes averaged 2.7 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 averaged 35.8 percent in 1951.

Further increases in production of man-made fibers indicate continued increases in competition with cotton and wool for market outlets. Consumption of man-made fibers in the United States increased from less than 12 percent of the combined amounts of cotton and wool consumed in 1939 to about 28 percent in 1950 and 1951. The ratio of 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 73 percent in 1946 and averaged 88 in 1951. Ratios of prices of these rayon fibers to prices of domestic Territory wool, 64's, 70's, and 80's fine combing, cleaned basis at Boston decreased from an average of about one-third during the 5 years 1935-39 to less than one-fourth in 1951.

Tobacco Products 6/

The margin between the retail cost and farm value of tobacco increased to a record high during the fiscal year 1951-52. The composite retail cost of the four principal tobacco products made from 1 pound of leaf tobacco increased from $2.97 in 1950-51 to $3.09 in 1951-52 (table 4). The corresponding farm value of a pound of leaf tobacco dropped slightly from 51.2 cents to 50.4 cents in the same period. The farmer's share of the retail cost of tobacco products, therefore, dropped from 17.2 percent to 16.3 percent. This share was above the 1949-50 period but below all other years since 1941-42. Retail prices of cigarettes in 1952-53 will probably average slightly higher than in the preceding year. Farm prices of leaf tobacco are expected to average about the same, with a possible increase in the farm-retail price spread and a further slight decline in the farmer's share.

Federal and State excise taxes in 1951-52 represented almost half of the total margin between farm and retail prices. Most of the increase in the retail cost of tobacco products in 1951-52 was caused by the increase of 1 cent a pack in the Federal excise tax on cigarettes effective November 1, 1951. Excise taxes on products made from a pound of leaf tobacco (farm-sales weight) are about double the 1935-39 average (fig. 4). This reflects both the increased tax rates on cigarettes and the significant shift in consumption of tobacco products to cigarettes, a more heavily taxed product. Federal and State excise taxes per pack of cigarettes in the fiscal year 1951-52 totaled about 10 cents, almost half of the average retail price of 21.3 cents a pack.

6/ The price-spread series for tobacco products presented in table 4 is a revision of data previously published. Farm-retail price spreads in this revised series are calculated from average retail prices for the year beginning July and the average farm prices for the corresponding crop year. Weights used in computing average retail cost and excise taxes for the four products are based on July-June tax-paid withdrawals in each year.

Table 4.- Farm-to-retail price spreads - tobacco products: Composite retail cost of four principal products from 1 pound of leaf tobacco, average farm price, excise taxes, marketing charges, and farmer's share of retail cost, 1926-51 1/

Year beginning July	Composite retail cost	Farm price	Margin	Federal and State excise taxes	Margin, excluding taxes	Farmer's share of retail cost
	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
1926	2.02	0.183	1.84	0.45	1.39	9.1
1927	1.99	.225	1.76	.47	1.29	11.3
1928	1.95	.231	1.72	.49	1.23	11.8
1929	1.87	.194	1.68	.51	1.17	10.4
1930	1.73	.141	1.59	.51	1.08	8.2
1931	1.73	.092	1.64	.51	1.13	5.3
1932	1.60	.114	1.49	.52	.97	7.1
1933 2/	1.61	.125	1.49	.55	.94	7.8
1934 2/	1.66	.205	1.45	.56	.89	12.3
1935 2/	1.66	.189	1.47	.58	.89	11.4
1936	1.70	.268	1.43	.60	.83	15.8
1937	1.74	.207	1.53	.61	.92	11.9
1938	1.74	.197	1.54	.63	.91	11.3
1939	1.79	.163	1.63	.67	.96	9.1
1935-39 average	1.73	.205	1.52	.62	.90	11.8
1940	1.85	.167	1.68	.73	.95	9.0
1941	1.92	.272	1.65	.77	.88	14.2
1942	2.07	.377	1.69	.85	.84	18.2
1943	2.17	.415	1.75	.94	.81	19.1
1944	2.18	.425	1.76	.90	.86	19.5
1945	2.32	.431	1.89	.98	.91	18.6
1946	2.56	.458	2.10	1.04	1.06	17.9
1947	2.69	.457	2.23	1.11	1.12	17.0
1948	2.85	.486	2.36	1.15	1.21	17.1
1949	2.86	.461	2.40	1.17	1.23	16.1
1950	2.97	.512	2.46	1.18	1.28	17.2
1951	3.09	.504	2.59	1.27	1.32	16.3

1/ The composite retail cost of the four products -- cigarettes, cigars, pipe smoking tobacco, and plug chewing tobacco -- is a weighted average of the retail cost of the four products equivalent to 1 pound of leaf tobacco (farm-sales weight). Percentage weights used are based upon leaf equivalents of tax-paid withdrawals in each year. 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.

2/ Taxes paid by processors from which benefit payments to farmers were made are not included in the computation of these price spreads. Estimates of average rate of taxes on 1 pound of tobacco for the four products by crop years were - 1933, 3.0 cents; 1934, 4.3 cents; 1935, 2.7 cents.

The farm-retail margin, less excise taxes, has increased in each year since the end of World War II and in 1951-52 equaled $1.32 compared with 91 cents in 1945-46 and a prewar average of 90 cents. This increase in the marketing margin, however, is relatively moderate in comparison with the increase in margins for other farm products during the same period.

COSTS AND PROFITS IN MARKETING FARM PRODUCTS

Labor Costs May Increase Slightly in 1953

Wage rates continued to increase during 1952 and in most lines of agricultural marketing activities were from 10 to 15 percent above pre-Korean levels. The most rapid rise in wage rates took place in the first year following the outbreak in Korea. Some further increases in wage rates may be expected in 1953. As increasing mechanization of marketing operations may promote some gains in labor productivity, unit labor costs may be only slightly higher in 1953

Wage rates in retail food stores and in wholesaling have tended to increase more than in most other lines of agricultural marketing. This is a reflection in part of the smaller increases in these lines in the year following June 1950. In the textile products industries, where business activity in the first half of 1952 was well below the levels of a year earlier, wage rates are only slightly above the mid-1951 levels.

Hourly earnings of employees in food marketing in mid-1952 averaged around 14 percent above the June 1950 level and 5 percent higher than in June 1951. 7/ This increase closely paralleled the over-all increase in the index of marketing charges as measured in the "market basket" series. Average hourly earnings in food marketing since June 1950 have increased by about the same percentage as the average for all factory workers, although wage rates are lower in most lines of food marketing, particularly in retailing.

In mid-1952, hourly earnings of food marketing employees were more than 150 percent higher than in 1935-39. This increase which is considerably higher than for most other marketing costs, has been offset to some degree by increases in average output per man-hour. As a result, unit labor cost has increased more slowly than hourly earnings since 1935-39 although at a more rapid rate than the average of all marketing costs. Labor costs per unit of output increased less than hourly earnings from 1948 to 1950; both have risen in about the same proportion since 1950. 8/

7/ Weighted composite earnings in steam railways, food processing, wholesale trade, and retail food stores calculated from data of U. S. Dept. of Labor and Interstate Commerce Commission.

8/ An article in the May-July 1952 issue contains a more detailed explanation of the data discussed in this paragraph.

Labor is the most important single item in the cost of marketing farm products. Labor costs have accounted for slightly more than 50 percent of the total cost of marketing farm food products in the last several years (cover chart) and, therefore, about one-fourth of their total retail-store cost. This proportion has tended to increase in the last two decades. In 1935-39, labor costs averaged around 42 percent of the total marketing bill. 9/ For nonfood items -- cotton and wool products -- labor costs account for almost half of their retail cost (fig. 2 and 3). In 1950 (latest available data) salaries and wages represented about 47 cents of the consumer's cotton dollar and 48 cents of the consumer's wool dollar. These percentages are about equal to other postwar years and 1939. As a percentage of total marketing costs, however, labor costs are slightly below the prewar year. The large part that labor costs represents of the retail price of cotton and wool products is, of course, related to the large amount of processing and other marketing services and the relatively low share received by the farmers. Cost of retailing (including labor) for textile products tends to be a higher percentage of the consumer's dollar than for food products.

Transportation Costs

Costs of transportation for agricultural products are likely to average somewhat higher in 1953. Rates on both rail and motor carrier shipments of agricultural products increased during 1952. As a result of the latest increase, effective in May this year, railroad freight rates on agricultural products now average about 70 percent higher than at the end of World War II. 10/ Further increases are being requested by some of the carriers. Even if no further increases in transportation charges take place, the averages for next year will be higher than those for 1952 because of the lower levels that prevailed during the first part of 1952.

Increase in Rail Freight Rates.- The eleventh general increase in rail freight rates since World War II was authorized by the Interstate Commerce Commission on April 11, 1952, in the case known as Ex Parte 175. Increases on most commodities became effective as of May 2. With some exceptions, rates were raised by an average of 6.8 percent above those existing before that date. As a result of this increase and two increases

9/ Total cost of marketing farm food products is obtained from the estimates of the national marketing bill discussed in a previous section. These percentages do not include cost of the labor employed by railroads and other intermarket transportation agencies that is included in the transportation charges paid by food marketing agencies.

10/ Calculated from the percentage increases for "products of agriculture" and for "animals and products" (p. 26). 1951 tonnages were used as weights.

in 1951, also under Ex Parte 175, rates on all commodities now average 15 percent higher than those established under Ex Parte 168. 11/

Certain agricultural commodities have been excepted from the full effect of the 15 percent increase authorized under Ex Parte 175. These exceptions, known as "hold-down" provisions, apply on rates originally established by Ex Parte 168, effective September 1, 1949, and limit maximum increases to a specified percentage or a specified number of cents per 100 pounds when the authorized general percentage increase would exceed that amount. Maximum increases allowed on products of special interest to agriculture are:

Commodity	Maximum Rate Increase
Fresh fruits and vegetables, melons, and edible nuts, and canned or preserved food products	12 cents per 100 pounds
Sugar	10 cents per 100 pounds
Phosphate rock	60 cents per ton
Potash	$1.00 per ton
Grain and grain products	12 percent

No increases were authorized on protective services, on charges for loading and unloading livestock, on charges for unloading fresh fruits and vegetables at New York and Philadelphia, or on demurrage.

As a result of "hold-down" provisions, rail rates on movements of fresh fruits and vegetables from producing areas at some distance from market have risen by a smaller percentage than have rates on fresh fruits and vegetables moving from areas near the market. The rate on celery, for example, moving from Chula Vista, Calif., to New York City rose approximately 29 percent between June 1, 1946, and May 2, 1952. Between these dates, the rate on celery moving from Muskegon, Mich., to New York City rose 75 percent (table 5). Differences between long- and short-haul rates, therefore, are not as marked as they would have been if rates from all origins had been raised by the same percentage. For those commodities for which no "hold-downs" were provided -- eggs, butter, and livestock, for example -- the percentage increase in rates has been about the same regardless of distance from market.

11/ For the dates of other increases in rail rates since the war and the relative magnitude of each increase, see table in March-April issue, p. 19.

Table 5.- Railroad freight rates per 100 pounds for selected agricultural commodities, June 1, 1946, and May 2, 1952

Commodity and origin	Destination	Rate June 1, 1946	Rate May 2, 1952	Increase - June 1946 to May 1952	
		Cents	Cents	Cents	Percent
Potatoes					
Bakersfield, Calif.	New York City	128	182	54	42.2
Idaho Falls, Idaho	"	107	161	54	50.5
Hastings, Fla.	"	65	115	50	76.9
Caribou, Maine	"	47	86	39	83.0
Riverhead, L. I.	"	23	43	20	87.0
Wayland, N. Y.	"	24	46	22	91.7
Apples					
Yakima, Wash.	New York City	135	204	69	51.1
Winchester, Va.	"	32	62	30	93.8
Barker, N. Y.	"	30	60	30	100.0
Grapefruit					
Lake Wales, Fla.	Chicago, Ill.	83	137	54	65.1
Phoenix, Ariz.	"	131	185	54	41.2
Harlingen, Texas	"	87	141	54	62.1
Redlands, Calif.	"	131	185	54	41.2
Celery					
Bridgeton, N. J.	New York City	30	59	29	96.7
Chula Vista, Calif.	"	184	238	54	29.3
Muskegon, Mich.	"	68	119	51	75.0
Sanford, Fla.	"	91	145	54	59.3
Butter					
Rochester, N. Y.	New York City	49	100	51	104.1
Kane, Pa.	"	53	109	56	105.7
Dubuque, Iowa	"	89	182	93	104.5
Shell Eggs					
Pierre, S. Dak.	Chicago, Ill.	102	196	94	92.2
Peoria, Ill.	"	35	72	37	105.7
Minneapolis, Minn.	"	47	92	45	95.7
Cattle					
Billings, Mont.	Chicago, Ill.	75	136	61	81.3
Des Moines, Iowa	"	36	64	28	77.8
Fort Worth, Texas	"	63	113	50	79.4
Kansas City, Mo.	"	42	75	33	78.6
Denver, Colo.	"	65	117	52	80.0
Springfield, Ill.	"	22	41	19	86.4

Assuming that increases on intrastate and interstate traffic followed the same pattern and include the effects of "hold-downs" applied to some commodities, the cumulative percentage increases in rail freight rates for important agricultural commodities have been estimated by the I. C. C. to be as follows:

	Estimated cumulative percentage increase in rail freight rates since 6-30-46
Products of Agriculture (CL)	66.4
Grain and grain products	70.6
Citrus fruits	55.1
Other fresh fruits	53.5
Fresh vegetables	57.5
Other products of agriculture	79.5
Animals and Products	84.4
Livestock	77.2
Meat and edible packinghouse products	88.4
Other animals and products	86.5
Manufactures and Miscellaneous	88.9
Vegetable oils	87.0
Sugar, sirup, and packaged foodstuffs	85.6

The average rate level on all commodities, including nonagricultural products, is estimated to be 79 percent higher than at the end of the war.

Increases in Motor Carrier Rates.- Regulated motor carriers in virgually all territories have raised, or are in the process of raising, rates on many commodities by about the same percentage as the railroads. So far as agricultural commodities are concerned, these increases have principally affected rates on processed farm products and goods purchased by farmers, although rates on nonprocessed agricultural commodities, which are hauled largely by unregulated carriers, also appear to be rising.

Profits of Marketing Firms Slightly Lower in 1952

Total operating profits, both before and after taxes, of firms engaged in marketing agricultural products generally were lower in 1951 than in 1950. Available data indicate that profits in the first half of 1952 averaged less than for the same period in 1951. Profits for most firms increased considerably in the second half of 1950 following the beginning of the Korean warfare and have been declining since that period. The continuing advance in costs of labor, raw materials, and other supplies, together with some consumer resistance to higher retail prices, have tended to reduce earnings of marketing firms. These same factors may be expected to operate during the coming year.

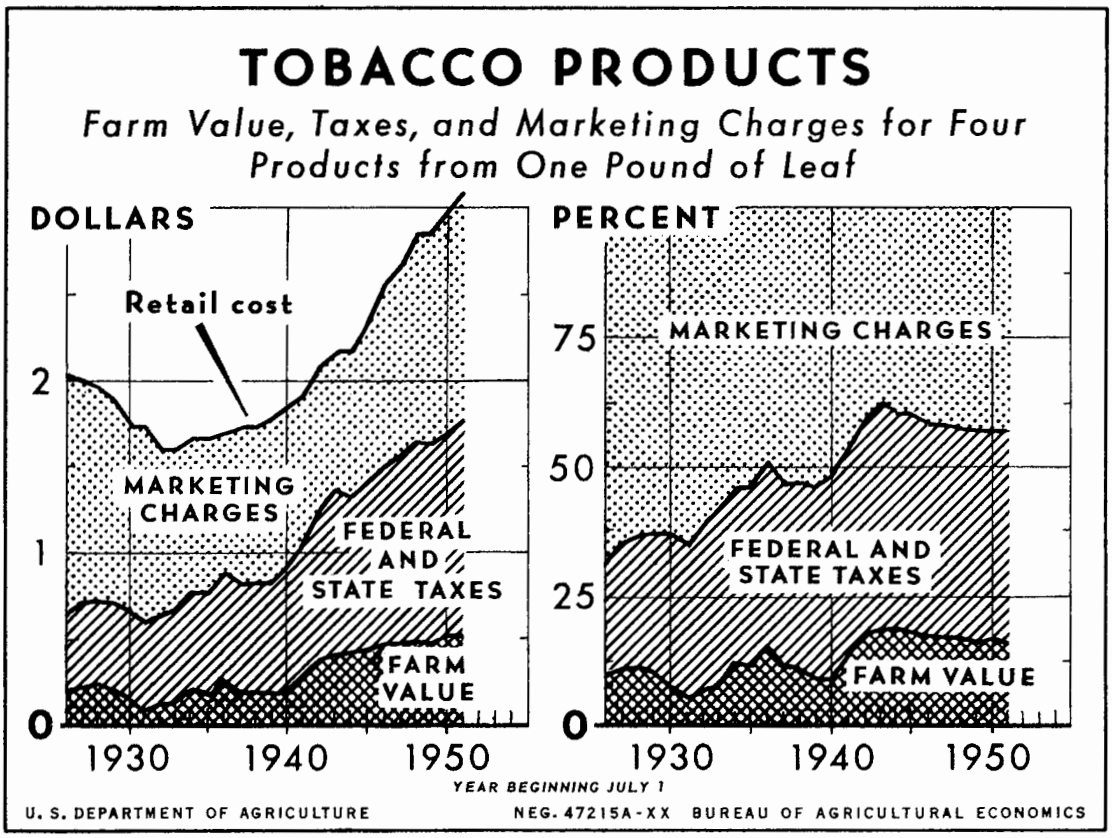

FIGURE 4

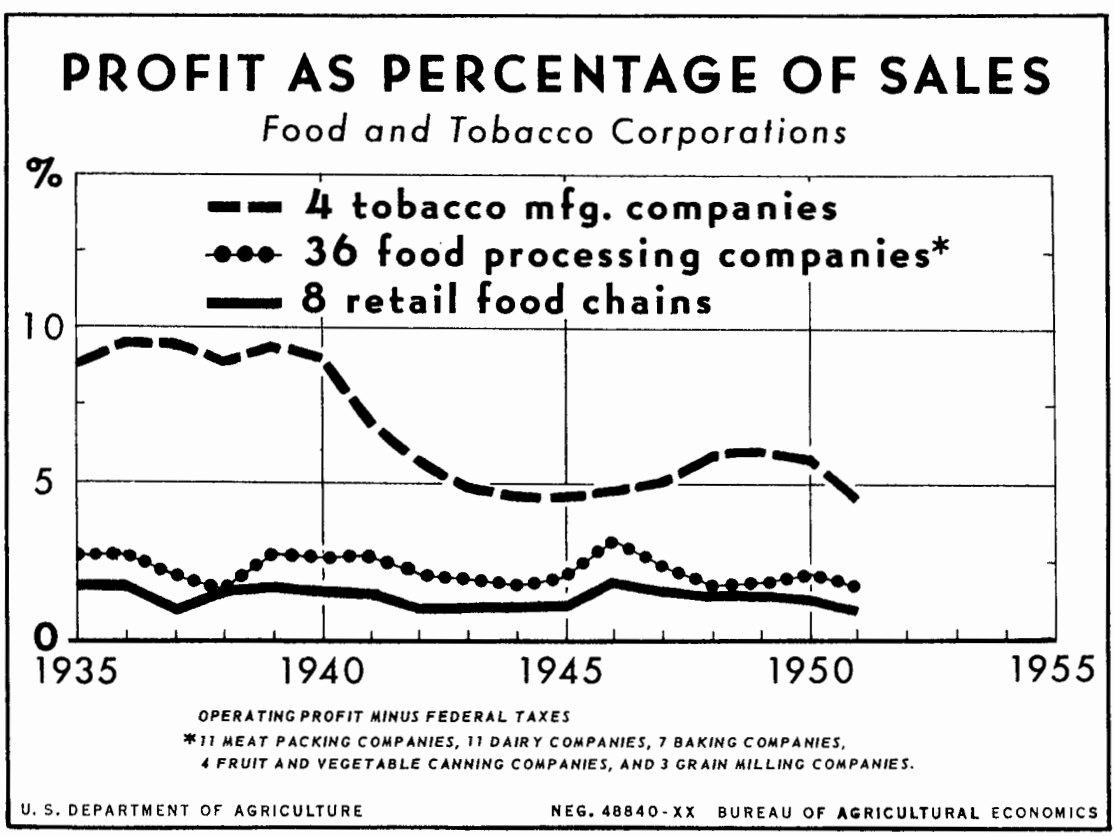

FIGURE 5

Table 6.- Operating profit (less provision for taxes) as percentage of investment and as percentage of sales, food and tobacco companies, 1935-51 1/

Year	Food processing companies						8 retail food chains	4 tobacco companies
	9 baking companies	6 grain mill products companies	11 meat packers	5 canning companies	11 dairy products companies	42 companies combined		
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
	Profit rate on investment							
Av. 1935-39	8.9	9.8	3.7	5.5	7.8	6.1	8.2	13.6
1940	8.5	7.6	5.0	6.3	8.4	6.6	9.4	14.0
1941	8.0	8.2	7.6	11.1	9.7	8.5	9.8	12.3
1942	9.1	8.6	7.3	7.0	9.6	8.2	7.3	10.9
1943	9.3	9.3	7.3	7.3	8.6	8.1	7.4	10.0
1944	8.6	9.2	6.6	8.5	8.5	7.7	7.9	8.8
1945	10.8	9.2	5.9	9.2	9.7	8.0	7.8	8.4
1946	17.6	10.9	10.3	16.6	14.3	12.8	18.1	10.0
1947	16.0	13.5	11.6	11.5	11.1	12.2	17.2	10.3
1948	16.8	11.1	5.2	8.8	9.9	8.8	15.3	11.0
1949	14.2	10.2	3.5	5.3	12.0	8.0	14.4	10.4
1950	13.5	10.7	5.6	12.4	10.9	9.3	13.0	9.7
1951	11.5	9.1	5.8	6.5	8.1	7.6	8.6	7.8
	Food processing companies						8 retail food chains	4 tobacco companies
	7 baking companies	3 grain mill products companies	11 meat packers	4 canning companies	11 dairy products companies	36 companies combined		
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
	Profit rate on sales							
Av. 1935-39	7.2	3.1	1.3	3.6	3.5	2.4	1.5	9.2
1940	6.5	3.4	1.6	4.2	3.5	2.6	1.5	9.0
1941	5.4	2.8	1.9	5.1	3.5	2.7	1.4	7.0
1942	4.8	2.2	1.4	3.0	2.9	2.0	.9	5.7
1943	4.2	1.9	1.3	3.5	2.5	1.9	1.0	4.9
1944	3.4	2.1	1.2	3.6	2.4	1.7	1.0	4.6
1945	4.1	2.2	1.3	3.8	2.6	2.0	1.0	4.6
1946	6.3	2.5	2.2	6.1	3.6	3.2	1.8	4.8
1947	5.3	2.7	1.6	4.9	2.7	2.3	1.5	5.1
1948	5.4	2.4	.8	4.1	2.5	1.7	1.4	5.9
1949	5.0	2.6	.6	3.1	3.5	1.8	1.4	6.1
1950	4.9	2.3	.9	5.9	3.3	2.1	1.3	5.8
1951	4.0	2.0	.8	3.3	2.3	1.6	.9	4.5

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.

Profit rates (before taxes) of food processors in 1951 ranged from an average of 1.4 cents per dollar of sales for the meat packing companies to 7.5 cents for the baking companies. After payment of income and excess profits taxes, these rates were reduced to 0.8 cent and 4.0 cents, respectively.(table 6). 12/ The average profit rates per dollar of sales of four tobacco companies in 1951 was 10.2 cents before taxes and 4.5 cents after taxes. For eight retail food-store chains the rate was 1.8 cents before and 0.9 cent after taxes. Profits (after taxes) per dollar of sales in 1951 were lower than in any other postwar year for all groups except the companies engaged in meat packing and canning. This was also true of the ratios of operating profits (after taxes) to investment (table 6). Although profits per dollar of sales for these groups of firms generally have averaged lower in the postwar years than in the prewar period (fig. 5), increased sales have raised the ratios of profits to investment above the prewar levels.

During the last 2 years, profits in the textile industry followed the same general trends as those of the food processing industry. The declines in profit rates since the second half of 1950, however, have been much sharper than in most other lines of agricultural marketing. For example, profits after taxes for textile mills, as reported by the Federal Trade Commission, declined from 6.1 cents per dollar of sales in the last quarter of 1950 to 2.0 cents in the last quarter of 1951. Profits for manufacturers of apparel and finished textiles averaged 3.1 cents per dollar of sales in the last quarter of 1950 compared with 0.5 cent in the last quarter of 1951. Retail sales of textile products have strengthened recently, which may result in some increase in the profit rates of textile companies next year. The average mill margins for 17 constructions of gray cloth increased somewhat over the postwar low point in June 1952.

Retail and wholesale corporations engaged in the distribution of farm products had relatively low rates of profits in 1951. Except for retail apparel stores, net profits averaged 1 cent or less per dollar of sales (table 7). Profit rates for all lines except retail eating and drinking places were lower in 1951 than in 1950, with an especially sharp decline for dry goods and apparel wholesalers. Reports indicate that profits in retail and wholesale trade were lower in the first half of 1952 than in the same period of 1951.

Table 7.- Net profit (excluding provisions for taxes) as percentage of sales for retail and wholesale corporations, selected agricultural products groups, 1950-51 1/

Year	Retail corporations			Wholesale corporations		
	Food	Apparel and accessories	Eating and drinking places	Dry goods and apparel	Groceries and food specialties	Farm products 2/
	Percent	Percent	Percent	Percent	Percent	Percent
1950:	1.3	2.7	0.9	2.1	0.8	1.2
1951:	.9	2.3	1.0	.2	.5	1.0

1/ Net profit is the net sales less cost of sales and operating expenses plus other income not incidental to major functions of the corporation. The provisions for taxes include Federal income and excess profits taxes.

2/ Includes goods for immediate consumption.

Quarterly Financial Report, United States Retail and Wholesale Corporations, Federal Trade Commission and Securities and Exchange Commission, 1950-51.

12/ The profit data in table 6 for 42 food processing companies, 4 tobacco companies, and 8 retail food chains in most instances include the largest companies in each group.

CONSUMER INCOMES AND EXPENDITURES

A rise in consumers' expenditures for goods and services is expected to accompany the prospective increase in disposable personal income during the coming year. Part of the increase may be financed by consumer credit, from which Government controls were removed early in May. The high rate of personal savings during the past year has helped to replenish consumers' holdings of liquid assets. Both durable and nondurable consumer goods are expected to be in plentiful supply during 1953. Restrictions on the use of scarce materials in manufacturing consumer goods have been largely relaxed. Consumer demand will be moderated, however, by the record stocks of durable and semidurable goods held by consumers.

Disposable personal income, seasonally adjusted, rose slightly from the first to the second quarter of this year, but on a per capita basis the level in the second quarter was about the same as in the first and lower than in the final quarter of last year. A decrease in consumer expenditures for clothing and shoes, seasonally adjusted, in the second quarter was about offset by an increase in expenditures for food (table 8). As a result of increased expenditures for durable goods and services, consumers' total expenditures increased slightly more than disposable personal income.

According to preliminary estimates, consumer expenditures advanced slightly in the third quarter, because of increased expenditures for nondurable goods and services. This increase was larger than the rise in personal disposable income. The rate of personal saving in the first three quarters of 1952 was slightly lower than that in the last three quarters of 1951.

Increased Expenditures for Food Expected in 1953

The proportion of disposable personal income spent for food has remained relatively constant during the postwar years. At 27 percent in the first half of this year, it was near the average for the postwar period. If consumers continue to spend the same proportion of their income for food and the expected increase in disposable personal income is obtained, total expenditures for food will rise moderately in 1953.

Consumers spent about 4 percent more per person for food in the second quarter of 1952 than a year earlier. This increase was accompanied by a rise of 2 percent in the average price of food to consumers, which suggests that part of the increase in expenditure resulted from consumers buying larger quantities of food or more expensive food.

Sales in retail food stores and in eating and drinking places in July and August were slightly greater than the average for the second quarter, which indicates that consumers' expenditures for food in the third quarter may have been more than in the second.

Table 8.- Consumer income, expenditures, and savings, average 1935-39, annual 1946-52

Period	Disposable personal income 1/	Personal consumption expenditures: Nondurable goods: Food	Nondurable goods: Clothing and shoes	Nondurable goods: Tobacco	Nondurable goods: All nondurables	Durable goods	Services	Total	Net savings
	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars	Billion dollars
1935-39 av.	66.1	15.4	6.6	1.6	33.4	6.2	24.0	63.6	2.5
1946	158.9	41.6	18.6	3.5	85.8	16.6	44.5	146.9	12.0
1947	169.5	47.7	19.1	3.9	95.1	21.4	49.1	165.6	3.9
1948	188.4	51.6	20.1	4.1	100.9	22.9	54.1	177.9	10.5
1949	187.2	51.0	19.0	4.3	99.2	23.8	57.5	180.6	6.7
1950	205.5	53.3	18.9	4.4	102.8	29.2	62.4	194.3	11.2
1951	225.0	60.8	20.3	4.7	113.5	27.1	67.3	208.0	17.0
	Annual rates, seasonally adjusted								
1951									
1st quarter	218.0	60.1	20.7	4.6	113.3	31.3	65.9	210.5	17.5
2nd "	223.2	59.9	19.7	4.6	111.3	26.3	66.9	204.5	18.7
3rd "	227.1	61.0	20.0	4.7	113.2	25.5	67.6	206.3	20.7
4th "	231.5	61.8	20.7	4.9	116.2	25.3	69.0	210.5	21.1
1952									
1st quarter	230.5	63.0	20.6	5.2	118.0	25.2	70.0	213.2	17.3
2nd "	231.5	63.5	20.0	5.1	117.8	26.4	70.8	214.9	16.5
	Percentage of disposable income								
	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent	Percent
1935-39 av.	100	23	10	2	51	9	36	96	4
1946	100	26	12	2	54	10	28	92	8
1947	100	28	11	2	56	13	29	98	2
1948	100	27	11	2	53	12	29	94	6
1949	100	27	10	2	53	13	30	96	4
1950	100	26	9	2	50	14	31	95	5
1951	100	27	9	2	50	12	30	92	8
1951									
1st quarter	100	28	9	2	52	14	31	97	3
2nd "	100	27	9	2	50	12	30	92	8
3rd "	100	27	9	2	50	11	30	91	9
4th "	100	27	9	2	50	11	30	91	9
1952									
1st quarter	100	27	9	2	51	11	30	92	8
2nd "	100	27	9	2	51	11	31	93	7

1/ Personal income less personal taxes.

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

TRENDS IN MARKETING AGRICULTURAL PRODUCTS

Changes in Business Population

During 1951, the number of business firms discontinued exceeded the number started in all lines of agricultural marketing for which data are available. The resulting decrease in the business population continues a downward movement which began early in the postwar period. In most lines, fewer firms were started and fewer discontinued than during the previous year (table 9).

Changes in the business population since the war have followed a similar pattern in the different lines of agricultural marketing. During the war, the number of business firms in most lines declined, mainly because of a marked reduction in the entry of new businesses. In 1946, the number of new businesses increased sharply, causing a rise in the number of firms in operation. More new businesses were begun in 1946 than in any other postwar year. This increase in new businesses was followed in 1947 by an increase in the number of firms discontinued. However, more firms were started in 1947 than were discontinued, and the number of firms increased in all lines of agricultural marketing except in the manufacturing of food and kindred products. Since 1947, the number has declined each year in all lines except in the retailing of general merchandise, apparel, and shoes. The number of firms in that line continued to increase until 1951.

The reduction in business population has been most pronounced in the manufacturing of food and kindred products. The number of firms operating in this industry at the end of 1951 was only three-fifths of the number at the end of 1946, although the output of the industry had increased. During 1951, the number of firms discontinued was nearly one-fifth of the number operating at the beginning of the year and was nearly four times the number started during the year. These changes in part reflect economic and technical developments affecting the optimum size of firm. Many firms whose plants were obsolete or too small to utilize technical improvements have retired from business. Entry into the industry has been made more difficult by the need for a larger plant. The decrease in the number of firms in this line contrasts with the trend in the total number of manufacturing firms which increased from 302,400 at the end of 1949 to 304,300 at the end of 1951.

Food retailing is another line in which the decrease in the number of firms has been noteworthy. At the end of 1951, the number of firms in this line was about 10 percent smaller than at the end of 1947 and 15 percent smaller than in 1939. Many independent store firms have been discontinued in recent years. The decrease in the number of firms has been accompanied by an increase in the average sales per firm as the total volume of sales by retail food stores has not declined.

Fewer firms were manufacturing textiles, apparel, leather, and leather products at the end of 1951 than a year earlier, but the number was about a third larger than in 1939. The number of firms discontinued in 1951 was smaller than in any year since 1947, but the number started declined even more. Weakness in the demand for these products during 1951 probably accounted for part of the decrease in the number of firms.

Table 9.- Number of operating business firms, new businesses and discontinued businesses in selected lines engaged in marketing farm products, 1939, 1945-51

Date	Firms operating 1/				
	Manufacturing		Retail trade		
	Food and kindred products	Textiles, apparel, and leather	Food 2/	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
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
1951	22.4	46.5	452.9	311.0	148.2
	New businesses				
1945	1.8	6.9	35.6	33.7	9.3
1946	3.5	9.4	48.2	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
1951	1.3	4.0	28.6	37.4	8.9
	Discontinued businesses				
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
1951	4.9	5.1	43.6	43.5	10.2

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 10.- Failures and liabilities of firms engaged in marketing farm products, 1940, 1948-51

Marketing enterprises	1940		1948		1949		1950		1951	
	Failures	Liabilities	Failures	Liabilities	Failures	Liabilities	Failures	Liabilities	Failures	Liabilities
	No.	1,000 dol.	No.	1,000 dol.	No.	1,000 dol.	No.	1,000 dol.	No.	1,000 dol.
Manufacturing										
Food and kindred products	400	14,022	180	14,264	299	21,479	261	16,225	209	14,474
Textile mill products and apparel	611	10,975	169	6,979	346	16,503	420	14,909	397	17,313
Leather and products	108	2,018	69	2,947	96	4,689	103	4,106	67	2,944
Wholesale trade										
Food and farm products	487	7,651	182	10,372	309	12,459	277	11,214	253	14,553
Apparel	81	1,101	21	625	56	2,356	39	1,336	41	1,265
Dry goods	54	506	17	480	27	692	26	600	21	387
Retail trade										
Food and liquor	2,547	12,074	546	6,751	906	11,360	941	10,297	1,063	13,870
General merchandise	533	4,478	94	1,520	171	2,213	208	4,664	139	4,365
Apparel and accessories	1,590	10,647	313	5,317	590	9,338	735	12,927	600	9,599
Eating and drinking places	1,219	9,616	422	9,570	792	15,397	831	15,020	864	16,498
Total	7,630	73,088	2,013	58,825	3,592	96,486	3,841	91,298	3,654	95,268

Dun's Statistical Review.

The decrease in 1951 in the number of firms retailing general merchandise, apparel, and shoes was the first year-to-year decline in that line since the war. Fewer firms were started last year than in any other postwar year.

Fewer Failures in 1951

The total number of failures (business closings involving possible losses to creditors) was about 5 percent smaller in 1951 than in 1950 among firms engaged in agricultural marketing (table 10). This was a reversal of an upward movement that began early in the postwar period. Liabilities of firms that failed continued to move upward and totaled 4 percent more in 1951 than in 1950. The increase in total liabilities can be attributed at least in part to the rise in the general price level.

Retail food and liquor businesses and eating and drinking places were the only lines of agricultural marketing to show significant increases in failures between 1950 and 1951. Total liabilities in those lines were substantially larger than in 1950.

Although the data are not strictly comparable for all lines, it is evident that failures caused only a small part of the business closings in those lines of agricultural marketing for which data are available. Failures accounted for about 9 percent of the businesses discontinued among firms manufacturing textiles, apparel, leather, and leather products and about 7 percent of the liquidations of retail firms selling general merchandise, apparel, and shoes. In other lines, failures were a considerably smaller proportion of the number of businesses discontinued.

During the first half of 1952, the number of business failures in most lines of agricultural marketing was smaller than during the same period of 1951. Liabilities of the firms that failed were considerably higher, however, than in the first half of 1951.

Distribution of Sales by Size of Firm

Although the number of firms manufacturing food and kindred products has decreased about 40 percent since 1939 and the average output per firm has increased, the leading firms apparently have not obtained a significantly larger share of the business. In the meat products industry the total sales of the four largest meat packing companies -- Swift & Company, Armour & Company, Wilson & Company, Inc., and The Cudahy Packing Company -- represented 48 percent of the total sales of all corporations in 1939 (table 11). During the World War II, their share of the industry's total corporate sales increased, but by 1949 it had declined to 46 percent. In the baking products industry, four of the largest companies had 26 percent of the total corporate sales in 1949 compared with 25 percent in 1939. The four leading companies in the canning, preserving, and freezing industry and in the dairy products industry had slightly smaller shares of the total corporate sales in 1949 than in 1939. The combined sales of the four leading companies in each industry were a remarkably stable proportion of the total for all corporations in the industry. 13/

The decrease in the number of firms manufacturing foods and kindred products and the absence of any significant increase in the share of the total corporate sales made by the largest firms probably means that medium sized firms have been obtaining larger shares of the sales. The proportion of small firms in the industry probably has been reduced, as the rate of business closings has been highest in that size group.

13/ It is recognized that a given percentage of the total corporate sales may have been a larger proportion of the total sales of the industry (including sales of nonincorporated firms) in 1948 than in 1939, as the proportion of incorporated firms in the industry probably has increased since 1939.

Table 11.- Percentage of total corporate sales in food processing industries represented by total sales of four leading corporations in each industry, 1939-49

Year	Bakery products	Canning, preserving, and freezing	Dairy products	Grain-mill products	Meat products
	Percent	Percent	Percent	Percent	Percent
1939	25	25	58	24	48
1940	25	23	56	24	48
1941	25	23	56	26	47
1942	27	24	53	24	45
1943	27	22	50	25	53
1944	28	23	51	25	55
1945	27	23	51	24	55
1946	25	22	50	21	47
1947	26	25	54	22	48
1948	26	24	55	24	46
1949	26	23	56	26	46

Calculated from data for individual corporations published in Moody's Industrials and Standard Corporation Records and total sales of corporations in each industry obtained from the Bureau of Internal Revenue.

A similar situation is found in the retail food trade. In the prewar years 1935-41 the total sales of the five leading retail food store chains varied from 18.0 to 20.3 percent of the total sales of all retail food stores. This proportion fell to 15.5 percent in 1945. By 1950 it had risen to 18.6 percent and was 18.3 percent in 1951. Apparently medium sized firms have gained a larger share of the business formerly belonging to small retail stores.

Recent Trends in the Retail Food Trade

The rise of the super market has been the most significant recent trend in food retailing. A super market has been defined as "a complete, departmentalized food store with a minimum sales volume of $500,000 a year and at least the grocery department fully self service." From data given in the Census of Business, it appears that 6,159 chain and 890 independent grocery stores fulfilled this definition in 1948. Although these stores represented only about 2 percent of the grocery stores, they accounted for 25 percent of the total sales. The Progressive Grocer estimated that 2,650 independent grocery stores had an annual volume of sales of $500,000 or more in 1951. This estimate is not strictly comparable with the Census figure of 890 independent grocery stores in 1948, because of the increase in food prices and because it may include some stores that would not be classed as grocery stores by the Census. But it indicates that the number of independent grocery stores having a large enough volume to qualify as super markets probably has doubled since 1948. The number of chain stores that would qualify as super markets also increased during this period as many chain-store companies were enlarging the size of their units. Of course, many stores that have a smaller sales volume are called super markets.

The first stores to call themselves super markets were started in the early 1930's. Although a few stores had adopted self service as early as 1919, by 1930 it was still somewhat of an innovation. Food stores were generally small. According to the Census of Business, fewer than 500 stores in 1929 had an annual sales volume as large as $300,000, which, at the low prices of that year, would compare approximately with a sales volume of $500,000 in 1948.

Another striking trend in food retailing, to a large extent the result of the growth in the number of super markets, is the marked decrease in the number of stores. According to the Census of Business, there were 377,939 grocery stores in 1948 and 126,500 other food stores, including delicatessens, bakeries, meat markets, and other specialty food stores. Census data for a more recent year are not available, but The Progressive Grocer estimated that the number of grocery stores had declined to 367,000 by the beginning of 1952 and the number of other food stores had declined to less than 120,700. In addition to these stores, 21,557 general stores were selling food in 1948; it is estimated that by 1952 the number had fallen to about 18,500.

By stocking a wide variety of goods, super markets supply more of their customers' needs than do specialized food stores. That the public prefers the more diversified type of store is suggested by the change in store numbers since 1948. Between that year and 1952, the number of combination stores that sell both groceries and meats, which would include super markets, declined only 1 percent, while the total number of specialty food stores and grocery stores not selling meats decreased 6 percent.

Many new food-store buildings have been erected in recent years and many others have been remodeled and enlarged. Probably a large proportion of these are in the super market and superette classes. The Super Market Institute, a trade association whose members operate 3,760 super markets, reported that 28 percent of these markets were built in 1950 and 1951 and that 18 percent of the others were extensively remodeled in those years. At the time the Super Market Institute conducted its last survey, in January 1952, its members were planning to build 525 new markets during 1952 and 275 markets were to be remodeled. A considerable proportion of the food stores built in the newly opened suburban areas have been of the super market type.

Super markets have generally aimed to appeal to consumers through low prices. This has led to a determined effort to reduce unit operating costs. Perhaps this is the chief significance of the growth of super markets to producers of food products and to consumers. Super-market companies have sought to reduce costs by increasing sales per employee through extension of self service, elimination of delivery service and credit sales, more division of labor, and more efficient handling of stocks. An increased volume of sales per unit of floor space has been sought by installing more efficient store lay-outs and by obtaining a more rapid turn-over of stock. Super markets generally avoid carrying slow-moving items.

Many super-market companies are looking toward establishing complete self service. More self service would mean more prepackaging of fruits, vegetables, and meats. These companies hope that centralized prepackaging will eventually be successful; the problems that it presents are being studied.

Considerable progress had been made in recent years in finding ways to reduce the costs of some of the operations performed in retail food stores and wholesale warehouses. Systematic observation and analysis of such operations as checking out customers' purchases, unloading and storing goods, stocking shelves, and marking prices have led to improvements in methods of performing these tasks and in store lay-outs and equipment. Studies of retail-store operations conducted by the Marketing and Facilities Branch of the Production and Marketing Administration disclosed many potential savings in operating costs. 14/

Many super markets have added nonfood lines which generally have higher profit margins than foods. In the variety of goods carried, some modern super markets resemble the general stores that were formerly so common in rural areas. Health and beauty aids, housewares, stationery, electrical appliances, hosiery, and many other common articles are now frequently found in food stores. Not all super-market companies consider this trend favorably. They believe that nonfood items are more trouble than they are worth and that the volume of these items sold probably will not become large enough to increase over-all profits significantly. Nevertheless, some of these companies feel that they must carry the more commonly requested nonfood items in order to hold their customers.

Some super markets are providing parcel pick-ups, check cashing, lounges, and other new services to customers. To protect themselves against loss of customers, other super markets have followed their competitors in adding these services. Some fear that this tendency may conflict with the policy of keeping costs low.

Local Assembly and Wholesaling

Changes in the Number of Establishments Handling Agricultural Products

Fewer establishments were operated by local assemblers of farm products in 1948 than in 1939, according to data reported by the most recent Census of Business (table 12). The Census data include establishments maintained by farmers' cooperatives as well as those operated by private firms. Less than half as many establishments were assembling dairy and poultry products in 1948 as in 1939. During this period many cream stations were closed

14/ For the results of these studies see Harwell, E. M., and Schaffer, Paul F., Some Improved Methods of Handling Groceries in Self-Service Retail Food Stores. U. S. Dept. Agr. Market. Res. Rpt No. 7, May 1952 (processed), and Harwell, E. M., and Shaffer, Paul F., The Check-out Operation in Self-service Retail Food Stores, U. S. Dept. Agr. Inform. Bul. 31, Jan. 1951

because of the shift from selling cream to selling whole milk. It is believed that the number of establishments for assembling eggs and poultry decreased, but Census data for these subgroups are not available. Assemblers of fresh fruits and vegetables operated about one-fourth fewer establishments. Establishments operated by assemblers of farm products which serve as raw materials decreased by more than one-fifth. This group of products includes cotton, grain, hides, livestock, tobacco, wool, mohair, and miscellaneous inedible farm products.

Several reasons may account for the decrease in the number of establishments engaged in assembling farm products. The increase in the number of motortrucks owned by farmers has increased the area that a local assembly establishment can serve. In some instances smaller establishments probably were unable to compete with larger establishments that were able to obtain economies of scale. The greater availability of desirable employment during the war and postwar periods than during the 1930's undoubtedly has tended to make closings of relatively unprofitable businesses more numerous and openings of small businesses less frequent.

Most types of wholesalers handling farm products farther along the marketing channel operated a larger number of establishments in 1948 than in 1939. The number of establishments operated by merchant wholesalers buying and selling dairy and poultry products, fresh fruits and vegetables, and farm products for raw materials increased considerably. Brokers and agents acting for owners of farm products (raw materials) increased the number of their establishments but those handling fresh fruits and vegetables and dairy and poultry products maintained fewer establishments.

All types of wholesalers handling groceries were operating more establishments in 1948 than in 1939. These data include establishments that sell to retail food stores and those which sell primarily to restaurants, hotels, institutions, and other nonretail-store buyers, including other wholesalers. Warehouses of chain-store companies are not included. The data on total sales indicate that merchant wholesalers probably had about the same share of the total wholesale grocery sales in 1948 as in 1939. Manufacturers' sales branches and sales offices and assemblers had larger shares, but agents and brokers had a smaller share.

The number of merchant wholesalers' establishments buying and selling meats and meat products increased by nearly two-fifths between 1939 and 1948, but manufacturers' sales branches and offices were reduced by about one-fifth. Agents and brokers operated about the same number of establishments in 1948 as in 1939. Establishments operated by merchant wholesalers and by agents and brokers had larger shares of the total wholesale meat sales in 1948 than in 1939. Manufacturers' sales branches and sales offices had considerably smaller shares.

More establishments were maintained in 1948 than in 1939 by all types of wholesalers handling dry goods and apparel. Establishments operated by merchant wholesalers and manufacturers' sales branches and offices had slightly larger shares of the total sales in 1948 than in 1939.

Table 12.- Number of wholesale establishments handling foods, dry goods, and apparel, total sales, and average sales per establishment, 1939 and 1948

Kind and type of business	Establishments		Total sales		Average sales per establishment	
	1939	1948	1939	1948	1939	1948
	Number	Number	Million dollars	Million dollars	1,000 dollars	1,000 dollars
Groceries						
Merchant wholesalers	9,858	10,528	3,157	8,586	320	816
Manufacturers' sales branches and offices	2,402	2,607	1,526	4,733	635	1,815
Agents, brokers	2,514	2,883	1,966	4,740	782	1,644
Assemblers	230	253	38	207	165	817
Meats, meat products						
Merchant wholesalers	2,552	3,507	520	1,999	204	570
Manufacturers' sales branches and offices	940	756	1,091	2,810	1,160	3,716
Agents, brokers	84	83	116	614	1,376	7,399
Dairy, poultry products						
Merchant wholesalers	4,559	6,668	968	4,279	212	642
Manufacturers' sales branches and offices	685	723	221	954	322	1,320
Agents, brokers	284	195	274	387	964	1,987
Assemblers	9,091	3,939	446	1,618	49	411
Fruits, vegetables (fresh)						
Merchant wholesalers	6,386	6,871	1,143	3,222	179	469
Agents, brokers	1,142	960	766	1,391	671	1,449
Assemblers	2,902	2,137	393	1,103	136	516
Farm products (raw materials)						
Merchant wholesalers	2,086	2,594	1,629	6,904	781	2,662
Agents, brokers	3,135	3,744	3,206	11,740	1,023	3,136
Assemblers	15,595	11,939	1,564	7,757	100	650
Dry goods, apparel						
Merchant wholesalers	8,275	11,733	1,889	5,728	228	488
Manufacturers' sales branches and offices	882	1,028	852	2,975	966	2,894
Agents, brokers	2,906	3,293	2,092	5,498	720	1,670

Bureau of the Census, Census of Business, 1948.

The increase in wholesale prices between 1939 and 1948 accounted for part of the increase in total dollar sales made by wholesale establishments and in the average sales per establishment but prices did not rise enough to account for all of these increases. An expansion in the physical volume of goods sold also contributed to the increased value of total sales and of sales per establishment.

New Wholesale Facilities

It is known that wholesalers have built a considerable number of new warehouses and other facilities in recent years and have remodeled and enlarged old warehouses; statistical data on this construction are lacking. Improvements have been made in warehouse design and in equipment for handling materials. Progress in improving facilities has been particularly gratifying in fresh fruit and vegetable wholesaling. Many city fruit and vegetable markets are in congested areas where the movement of traffic is slow. Buildings are in use that were not designed for wholesale stores and lack proper equipment for handling produce. As a result of these conditions, wholesaling operations are needlessly expensive. Recently this situation has been remedied in several cities by the construction of new markets. In other cities new markets are being built or are planned.

The Marketing and Facilities Branch of the Production and Marketing Administration has surveyed the marketing of fruits and vegetables in many cities and has formulated plans for new markets. This agency has also studied the performance of some of the tasks connected with wholesaling and has developed improved techniques. 15/

Recent Improvements in Transportation Equipment and Service

Increased competition, need for operating economies, and the demand of shippers for improved service have resulted in numerous technological improvements in equipment and services of both railroads and motortrucks. Advances have been aimed toward less costly and more expeditious handling of freight, and toward reduction of loss and damage incurred in transit

These improvements may not result in decreases in transportation rates but may tend to reduce pressure for increases in present rates which are about 80 percent above the June 1946 levels.

15/ For the results of recent projects see Burdette, Roger F., Bright, Imogene, and Baker, Charles K., Farmers' Produce Markets in the United States, Part III, Shipping Point Fruit and Vegetable Markets, U. S. Dept. Agr. Market. Res. Rpt 17, May 1952; Richey, Perry S., and Johnson, Thew D., Factors to be Considered in Locating, Planning, and Operating Country Elevators, U. S. Dept. Agr. Market. Res. Rpt 23, June 1952; Herrick, Joseph F., Jr., Burt, Stanley W., Kercho, Marvin R., and Zagarella, Anthony, An Analysis of Some Methods of Loading Out Delivery Trucks of Produce Wholesalers, U. S. Dept. Agr. Market. Res. Rpt 15, May 1952; and Kriesberg, Martin, Methods of Handling and Delivering Orders Used by Some Leading Wholesale Grocers, U. S. Dept. Agr. Market. Res. Rpt 13, May 1952.

Improvements in Railroad Equipment and Service

During the period 1946-51, capital expenditures of railroads aggregated about 6.5 billion dollars.

From an equipment standpoint, perhaps the most phenomenal improvement has been the widespread acceptance of the diesel-electric locomotive. This type of motive power allows faster scheduling, longer and heavier trains, and lower cost of operation. Increased use of diesel power since World War II is shown in the following table.

Table 13.- Relative use of diesel locomotives on Class I line-haul railways, 1946 and 1951

Type of service and locomotive	1946	1951
	Percentage of total	Percentage of total
Freight service 1/		
Diesel	9.7	52.7
Other	90.3	47.3
Passenger service 2/		
Diesel	15.3	62.7
Other	84.7	37.3
Yard service 3/		
Diesel	29.4	67.8
Other	70.5	32.2

1/ Measured in gross ton-miles.
2/ Measured in passenger-train car-miles.
3/ Measured in yard switching locomotive-hours.

A major factor in facilitating movement of rail traffic has been the adoption of the most advanced dispatching method -- C. T. C. or centralized traffic control. By means of mechanical devices, this system places the control or operation of a given section of line under the direct control of the dispatcher from a central point. It enables a single-track railroad to approach the efficiency of double-track operation at vastly reduced expenditure. Elimination of costly waits and other failings inherent in time-table operation does much to enable the railroads to establish and maintain fast, scheduled, time-freight service. It is doubtful that present high-caliber merchandise service could exist without C. T. C. or double-tracking. Moreover, the latter would be too expensive for most carriers to undertake.

Increased use of roller bearings on freight cars can result in even more accelerated scheduling and fewer delays caused by operational difficulties as well as smoother transportation and less likelihood of damage

to loading. The introduction of mechanical refrigeration and new light-weight "damage free" cars of laminated plywood are other recent technological advances. The Department of Agriculture has worked closely with the railroads in devising methods of loading and bracing many agricultural products for shipment by rail. These improvements are expected to reduce loss and damage in transit.

Improved communications systems, including train-to-train and train-to-station short-wave radio, intra-train radio (cab to caboose), and system-wide teletype service have been adopted by many lines. These advances in communication are extensively employed in yard modernization programs, and contribute substantially to the reduction of time losses incurred in train break-up and classification. Recognizing that many hours are often lost in yards, many rail lines have carried on an extensive program of yard modernization and improvement with emphasis on adoption of the so-called "hump" and "retarder" yards that reduce switching operations.

Accelerated speeds and heavier loads mean increased wear on rails. Main lines are now being relaid with 130LB rail, and in some instances even heavier rail is being used. The use of concrete grouting has done much to stabilize roadbeds that have long been a source of trouble because of improper drainage and subsequent pounding action. Extensive line relocation with consequent reduction in curvature and grade, and frequent reduction in total mileage as well, together with other improved techniques used in maintaining the right-of-way have also contributed to more efficient and expeditious freight movement.

Advances in the Motortrucking Field

Manufacturers of motortrucks continue to improve the design of vehicles. Better axle spacing and use of more axles for more advantageous weight distribution have been important innovations of recent years. Use of lighter weight materials to make possible both increased payload and decreased operating costs is becoming more general, inasmuch as each pound of dead weight removed from the vehicle means that added payload may be carried. Light-weight aluminum trailers, and aluminum engines, wheels, and other parts may effect weight savings as high as 5,000 pounds a vehicle. In States where weight restrictions are severe, such weight-saving becomes particularly important.

Introduced before World War II on a small scale, diesel-powered motortrucks are now appearing in greater numbers on our highways. Although in more general use on the west coast, the number of diesel-powered trucks in service on the eastern seaboard is increasing steadily, and they are beginning to appear in the interior States. Operators have found that use of such vehicles reduces operating costs, as they give better mileage per gallon of fuel than do the standard gasoline-using vehicles, and diesel fuel costs less than gasoline.

Truck engines which will burn liquid petroleum gas such as propane and butane are now coming onto the market. Because of greater engine efficiency, they are expected to effect substantial savings in fuel costs and to cut frequency of overhaul drastically. The larger fuel tanks used in trucks burning the liquid fuel will permit operation over longer distances between refuelings. A gas turbine engine for trucks has been developed, although it is not yet on the market. It is expected that this light-weight engine will provide as much power as the heavier types now in service, and moreover will use cheap fuel. Power steering, another recent development, means safer and easier motortruck operation. Fully automatic transmissions will mean lower maintenance cost, faster schedules, and less driver fatigue.

Other technological improvements in trucks have come about as the result of the phenomenal growth of the frozen-foods industry since the war. The goal of the frozen-foods processor is to get a quality product into the hands of consumers. Research has demonstrated the desirability of maintaining temperatures of frozen foods at or below 0° F. both while in transit and storage if quality is to be maintained. Thus, because of their high perishability, the safe transportation of frozen foods has presented many problems.

Use of trucks for hauling frozen foods has become increasingly important, particularly since the rather recent introduction of frozen citrus juice concentrates. Adequate equipment for the hauling job has necessitated change in vehicle design and equipment. As hauling distance by truck increased, for example, the old ice and salt method of refrigeration proved inadequate. Refrigerated trailers today are generally of aluminum, are heavily insulated to protect against outside temperatures, and are refrigerated by means of a mechanical compressor mounted in the trailer. The larger refrigerating units are said to be able to maintain a constant temperature of 0° F. or lower.

Temperature maintenance, however, continues to be a problem, and delays in loading and transit may still result in cargo deterioration. To help the industry solve some of its refrigeration problems, the Department of Agriculture has been studying temperature maintenance in various types of trucking equipment, and has made constructive suggestions for minimizing refrigeration losses throughout transit operations.

Enlargement and improvement of truck terminal facilities have been going forward over the country. Improved mechanized handling equipment and adequate loading docks and storage facilities tend to expedite freight movements.

Interlining of trucking equipment is opening the way toward longer and faster motor hauls. By means of this practice, the area of motor-carrier operations may be extended beyond the often narrow confines of the operating authorities of a single carrier, thereby extending over a wider area the many advantages of through truck service.

Table 14.- 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, June 1952 1/

Commodity	Farm equivalent	Retail unit	Retail price	Gross farm value	Byproduct allowance	Net farm value	Margin adjusted for byproducts	Government marketing taxes (-) and payments (+)	Marketing charges 2/	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			746.46	---	---	358.61	387.85	-0.34	387.51	48
Meat products			222.05	146.79	5.93	140.86	81.19	---	81.19	63
Dairy products			136.81	74.66	---	74.66	62.15	---	62.15	55
Poultry and eggs		1935-39 annual average quantities purchased, per family of three average consumers	47.56	29.49	---	29.49	18.07	---	18.07	62
Bakery and other cereal products:	Farm produce equivalent of annual family purchases									
All ingredients			106.52	---	---	27.11	79.41	- .04	79.37	25
Grain			---	27.02	5.41	21.61	---	---	---	20
Other cereal products			38.51	18.18	3.75	14.43	24.08	---	24.08	37
All fruits and vegetables			191.75	70.70	---	70.70	121.05	---	121.05	37
Fresh fruits and vegetables			156.94	62.10	---	62.10	94.84	---	94.84	40
Fresh vegetables			97.61	38.84	---	38.84	58.77	---	58.77	40
Canned fruits and vegetables			22.72	4.55	---	4.55	18.17	---	18.17	20
Miscellaneous products			41.77	---	---	15.79	25.98	- .30	25.68	38
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) 3/	2.16 lb. Choice grade cattle	Pound	86.3	4/65.6	5.5	60.1	26.2	---	26.2	70
Lamb	2.16 lb. lambs	Pound	76.8	55.7	5.8	49.9	26.9	---	26.9	65
Pork (including lard)	1.41 lb. hogs	Pound	41.8	27.4	.4	27.0	14.8	---	14.8	65
Butter	Butterfat and farm butter	Pound	80.0	57.4	---	57.4	22.6	---	22.6	72
Cheese, American	10.08 lb. milk	Pound	64.0	35.7	---	35.7	28.3	---	28.3	56
Evaporated milk	1.95 lb. milk	14½-oz. can	15.4	7.38	---	7.38	8.0	---	8.0	48
Fluid milk	Farm retail and wholesale	Quart	22.5	12.84	---	12.84	9.7	---	9.7	57
Ice cream	1.8 lb. milk	Pint	31.3	7.72	---	7.72	23.6	---	23.6	25
Eggs	1.03 doz.	Dozen	54.0	36.8	---	36.8	17.2	---	17.2	68
Chicken	1.136 lb.	Pound	51.9	28.1	---	28.1	23.8	---	23.8	54
White bread	.912 lb. wheat	Pound	16.7	3.13	.61	2.52	14.2	---	14.2	15
Corn flakes	1.05 lb. corn	8-oz. pkg.	14.0	3.67	1.26	2.41	11.6	---	11.6	17
Corn meal	1.343 lb. corn	Pound	8.1	4.15	.66	3.49	4.6	---	4.6	43
Flour, white	1.41 lb. wheat	Pound	9.0	4.84	.95	3.89	5.1	---	5.1	43
Rice	1.68 lb. rough	Pound	16.9	9.41	1.35	8.06	8.8	---	8.8	48
Rolled oats	2.05 lb. oats	Pound	14.7	5.01	1.12	3.89	10.8	---	10.8	26
Apples	.0224 bu.	Pound	18.0	6.74	---	6.74	11.3	---	11.3	37
Oranges	.0613 box - fresh use	Dozen	47.2	17.5	---	17.5	29.7	---	29.7	37
Beans, snap	.0375 bu.	Pound	17.1	8.62	---	8.62	8.5	---	8.5	50
Cabbage	1.10 lb.	Pound	7.8	3.53	---	3.53	4.3	---	4.3	45
Carrots	.0222 bu.	Bunch	12.0	3.88	---	3.88	8.1	---	8.1	32
Lettuce	.0185 crt.	Head	13.7	5.00	---	5.00	8.7	---	8.7	36
Onions	1.06 lb.	Pound	12.2	5.11	---	5.11	7.1	---	7.1	42
Potatoes	.0174 bu.	Pound	8.4	5.39	---	5.39	3.0	---	3.0	64
Sweetpotatoes	.0204 bu.	Pound	21.3	8.89	---	8.89	12.4	---	12.4	42
Tomatoes	.0251 bu.	Pound	33.0	13.55	---	13.55	19.4	---	19.4	41
Peaches, canned	1.89 lb. Calif. cling	No. 2½ can	33.4	7.15	---	7.15	26.2	---	26.2	21
Corn, canned	3.03 lb. sweet	No. 2 can	23.2	3.56	---	3.56	19.6	---	19.6	15
Peas, canned	.89 lb.	No. 2 can	14.6	3.89	---	3.89	10.7	---	10.7	27
Tomatoes, canned	2.41 lb.	No. 2 can	17.5	3.80	---	3.80	13.7	---	13.7	22
Prunes	1 lb. dried, California	Pound	27.2	8.35	---	8.35	18.8	---	18.8	31
Navy beans	1 lb. Mich. and N. Y. pea beans	Pound	14.8	7.37	---	7.37	7.4	---	7.4	50
Beet sugar	7.13 lb. sugar beets	Pound	10.7	4.07	.21	3.86	6.8	- .54	6.3	36
Cane sugar	14.64 lb. sugar cane	Pound	10.4	4.66	.70	3.96	6.4	- .54	5.9	38
Margarine	Cottonseed, soybeans, and skim milk	Pound	29.4	---	---	10.61	18.8	---	18.8	36
Vegetable shortening	Cottonseed and soybeans	Pound	30.6	13.09	---	13.09	17.5	---	17.5	43

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 57.7 cents.

Table 15.- 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, July 1952 1/

Commodity	Farm equivalent	Retail unit	Retail price	Gross farm value	Byproduct allowances	Net farm value	Margin adjusted for byproducts	Government marketing taxes (-) and payments (+)	Marketing charges 2/	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			755.36	---	---	364.52	390.84	-0.34	390.50	48
Meat products			221.88	145.10	5.84	139.26	82.62	---	82.62	63
Dairy products			138.36	76.05	---	76.05	62.31	---	62.31	55
Poultry and eggs		1935-39 annual average quantities	53.96	33.65	---	33.65	20.31	---	20.31	62
Bakery and other cereal products:	Farm produce equivalent of annual family purchases									
All ingredients		purchased, per family of three	107.01	---	---	27.02	79.99	- .04	79.95	25
Grain			---	26.29	5.04	21.25	---	---	---	20
Other cereal products		average consumers	38.59	17.78	3.52	14.26	24.33	---	24.33	37
All fruits and vegetables			192.14	72.73	---	72.73	119.41	---	119.41	38
Fresh fruits and vegetables			156.60	64.12	---	64.12	92.48	---	92.48	41
Fresh vegetables			100.11	40.58	---	40.58	59.53	---	59.53	41
Canned fruits and vegetables			23.31	4.54	---	4.54	18.77	---	18.77	19
Miscellaneous products			42.01	---	---	15.81	26.20	- .30	25.90	38
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) 3/	2.16 lb. Choice grade cattle	Pound	85.7	4/64.3	5.5	58.8	26.9	---	26.9	69
Lamb	2.16 lb. lambs	Pound	79.8	55.1	6.4	48.7	31.1	---	31.1	61
Pork (including lard)	1.41 lb. hogs	Pound	41.9	28.2	.4	27.8	14.1	---	14.1	66
Butter	Butterfat and farm butter	Pound	82.0	58.5	---	58.5	23.5	---	23.5	71
Cheese, American	10.08 lb. milk	Pound	64.4	36.5	---	36.5	27.9	---	27.9	57
Evaporated milk	1.95 lb. milk	14½-oz. can	15.4	7.44	---	7.44	8.0	---	8.0	48
Fluid milk	Farm retail and wholesale	Quart	22.7	13.08	---	13.08	9.6	---	9.6	58
Ice cream	1.8 lb. milk	Pint	31.3	7.88	---	7.88	23.4	---	23.4	25
Eggs	1.03 doz.	Dozen	66.3	44.6	---	44.6	21.7	---	21.7	67
Chicken	1.136 lb.	Pound	53.3	29.5	---	29.5	23.8	---	23.8	55
White bread	.912 lb. wheat	Pound	16.8	3.01	.56	2.45	14.4	---	14.4	15
Corn flakes	1.05 lb. corn	8-oz. pkg.	14.0	4.26	1.39	2.87	11.1	---	11.1	20
Corn meal	1.343 lb. corn	Pound	8.2	4.15	.62	3.53	4.7	---	4.7	43
Flour, white	1.41 lb. wheat	Pound	9.0	4.65	.87	3.78	5.2	---	5.2	42
Rice	1.68 lb. rough	Pound	17.1	9.32	1.33	7.99	9.1	---	9.1	47
Rolled oats	2.05 lb. oats	Pound	14.7	4.88	1.04	3.84	10.9	---	10.9	26
Apples	.0224 bu.	Pound	5/	7.01	---	7.01	5/	---	5/	5/
Oranges	.0613 box - fresh use	Dozen	52.4	18.8	---	18.8	33.6	---	33.6	36
Beans, snap	.0375 bu.	Pound	25.0	12.75	---	12.75	12.2	---	12.2	51
Cabbage	1.10 lb.	Pound	9.9	5.25	---	5.25	4.6	---	4.6	53
Carrots	.0222 bu.	Bunch	11.8	4.00	---	4.00	7.8	---	7.8	34
Lettuce	.0185 crt.	Head	14.1	4.72	---	4.72	9.4	---	9.4	33
Onions	1.06 lb.	Pound	11.0	4.36	---	4.36	6.6	---	6.6	40
Potatoes	.0174 bu.	Pound	8.6	4.77	---	4.77	3.8	---	3.8	55
Sweetpotatoes	.0204 bu.	Pound	5/	9.10	---	9.10	5/	---	5/	5/
Tomatoes	.0291 bu.	Pound	31.2	14.93	---	14.93	16.3	---	16.3	48
Peaches, canned	1.89 lb. Calif. cling	No. 2½ can	33.1	7.15	---	7.15	25.9	---	25.9	22
Corn, canned	3.03 lb. sweet	No. 2 can	23.4	3.58	---	3.58	19.8	---	19.8	15
Peas, canned	.89 lb.	No. 2 can	14.7	3.87	---	3.87	10.8	---	10.8	26
Tomatoes, canned	2.41 lb.	No. 2 can	18.3	3.80	---	3.80	14.5	---	14.5	21
Prunes	1 lb. dried, California	Pound	27.2	8.35	---	8.35	18.8	---	18.8	31
Navy beans	1 lb. Mich. and N. Y. pea beans	Pound	14.9	7.38	---	7.38	7.5	---	7.5	50
Beet sugar	7.13 lb. sugar beets	Pound	10.8	4.07	.21	3.86	6.9	- .54	6.4	36
Cane sugar	14.64 lb. sugar cane	Pound	10.5	4.66	.70	3.96	6.5	- .54	6.0	38
Margarine	Cottonseed, soybeans, and skim milk	Pound	30.0	---	---	10.70	19.3	---	19.3	36
Vegetable shortening	Cottonseed and soybeans	Pound	30.6	13.19	---	13.19	17.4	---	17.4	43

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 56.2 cents.

5/ Price data not available.

Table 16.- 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 1952 1/

Commodity	Farm equivalent	Retail unit	Retail price	Gross farm value	Byproduct allowance	Net farm value	Margin adjusted for byproducts	Government marketing taxes (-) and payments (+)	Marketing charges 2/	Farmer's share
			Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Dollars	Percent
Market basket			753.59	---	---	359.47	394.12	-0.34	393.78	48
Meat products			226.01	143.23	5.77	137.46	88.55	---	88.55	61
Dairy products			139.54	77.62	---	77.62	61.92	---	61.92	56
Poultry and eggs		1935-39 annual average quantities purchased, per family of three average consumers	56.37	36.33	---	36.33	20.04	---	20.04	64
Bakery and other cereal products:	Farm produce equivalent of annual family purchases									
All ingredients			107.11	---	---	27.35	79.76	- .04	79.72	26
Grain			---	27.03	5.58	21.45	---	---	---	20
Other cereal products			38.69	18.27	3.88	14.39	24.30	---	24.30	37
All fruits and vegetables			182.43	64.75	---	64.75	117.68	---	117.68	35
Fresh fruits and vegetables			146.85	56.26	---	56.26	90.59	---	90.59	38
Fresh vegetables			93.31	34.88	---	34.88	58.43	---	58.43	37
Canned fruits and vegetables			23.27	4.39	---	4.39	18.88	---	18.88	19
Miscellaneous products			42.13	---	---	15.96	26.17	- .30	25.87	38
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) 3/	2.16 lb. Choice grade cattle	Pound	85.5	4/64.4	5.3	59.1	26.4	---	26.4	69
Lamb	2.16 lb. lambs	Pound	79.4	55.3	7.0	48.3	31.1	---	31.1	61
Pork (including lard)	1.41 lb. hogs	Pound	44.5	29.5	.4	29.1	15.4	---	15.4	65
Butter	Butterfat and farm butter	Pound	82.6	59.3	---	59.3	23.3	---	23.3	72
Cheese, American	10.08 lb. milk	Pound	64.6	38.6	---	38.6	26.0	---	26.0	60
Evaporated milk	1.95 lb. milk	14½-oz. can	15.4	7.65	---	7.65	7.8	---	7.8	50
Fluid milk	Farm retail and wholesale	Quart	23.0	13.33	---	13.33	9.7	---	9.7	58
Ice cream	1.8 lb. milk	Pint	31.4	8.03	---	8.03	23.4	---	23.4	26
Eggs	1.03 doz.	Dozen	68.8	49.7	---	49.7	19.1	---	19.1	72
Chicken	1.136 lb.	Pound	56.2	30.1	---	30.1	26.1	---	26.1	54
White bread	.912 lb. wheat	Pound	16.8	3.10	.63	2.47	14.3	---	14.3	15
Corn flakes	1.05 lb. corn	8-oz. pkg.	14.0	5.04	1.74	3.30	10.7	---	10.7	24
Corn meal	1.343 lb. corn	Pound	8.3	4.15	.67	3.48	4.8	---	4.8	42
Flour, white	1.41 lb. wheat	Pound	9.0	4.79	.97	3.82	5.2	---	5.2	42
Rice	1.68 lb. rough	Pound	17.3	8.99	1.29	7.70	9.6	---	9.6	45
Rolled oats	2.05 lb. oats	Pound	14.8	5.13	1.23	3.90	10.9	---	10.9	26
Apples	.0224 bu.	Pound	13.0	6.12	---	6.12	6.9	---	6.9	47
Oranges	.0613 box - fresh use	Dozen	53.7	18.1	---	18.1	35.6	---	35.6	34
Beans, snap	.0375 bu.	Pound	22.8	10.88	---	10.88	11.9	---	11.9	48
Cabbage	1.10 lb.	Pound	9.8	4.33	---	4.33	5.5	---	5.5	44
Carrots	.0222 bu.	Bunch	11.7	3.55	---	3.55	8.1	---	8.1	30
Lettuce	.0185 crt.	Head	14.6	6.01	---	6.01	8.6	---	8.6	41
Onions	1.06 lb.	Pound	10.4	3.94	---	3.94	6.5	---	6.5	38
Potatoes	.0174 bu.	Pound	8.5	4.84	---	4.84	3.7	---	3.7	57
Sweetpotatoes	.0204 bu.	Pound	18.4	8.36	---	8.36	10.0	---	10.0	45
Tomatoes	.0251 bu.	Pound	23.1	9.79	---	9.79	13.3	---	13.3	42
Peaches, canned	1.89 lb. Calif. cling	No. 2½ can	33.2	6.70	---	6.70	26.5	---	26.5	20
Corn, canned	3.03 lb. sweet	No. 2 can	23.5	3.62	---	3.62	19.9	---	19.9	15
Peas, canned	.89 lb.	No. 2 can	14.7	3.87	---	3.87	10.8	---	10.8	26
Tomatoes, canned	2.41 lb.	No. 2 can	18.2	3.74	---	3.74	14.5	---	14.5	21
Prunes	1 lb. dried, California	Pound	27.2	8.35	---	8.35	18.8	---	18.8	31
Navy beans	1 lb. Mich. and N. Y. pea beans	Pound	15.2	7.38	---	7.38	7.8	---	7.8	49
Beet sugar	7.13 lb. sugar beets	Pound	10.9	4.07	.21	3.86	7.0	- .54	6.5	35
Cane sugar	14.64 lb. sugar cane	Pound	10.6	4.66	.70	3.96	6.6	- .54	6.1	37
Margarine	Cottonseed, soybeans, and skim milk	Pound	29.7	---	---	10.73	19.0	---	19.0	36
Vegetable shortening	Cottonseed and soybeans	Pound	30.6	---	---	13.19	17.4	---	17.4	43

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 53.8 cents.

Table 17.- Price spreads between farmers and consumers - food products: Retail price and farm value, August 1952 compared with the 1935-39 average, August 1951 and July 1952 1/

Commodity	Retail unit	Retail price				Percentage change: Aug. 1952 from -		Net farm value 2/				Percentage change: Aug. 1952 from -	
		1935-39 average	Aug. 1951	July 1952	Aug. 1952	Aug. 1951	July 1952	1935-39 average	Aug. 1951	July 1952	Aug. 1952	Aug. 1951	July 1952
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket	1935-39 annual average quantities purchased, per family of three average consumers	341.19	3/713.61	755.36	753.59	+ 6	4/	134.73	3/354.31	364.52	359.47	+ 1	- 1
Meat products		88.57	225.65	221.88	226.01	4/	+ 2	41.60	3/149.61	139.26	137.46	- 8	- 1
Dairy products		67.31	134.23	138.36	139.54	+ 4	+ 1	33.42	73.17	76.05	77.62	+ 6	+ 2
Poultry and eggs		26.47	57.32	53.96	56.37	- 2	+ 4	17.57	3/ 37.45	33.65	36.33	- 3	+ 8
Bakery and other cereal products:													
All ingredients		55.09	103.93	107.01	107.11	+ 3	4/	11.63	3/ 27.65	27.02	27.35	- 1	+ 1
Grain		---	---	---	---	---	---	9.04	21.50	21.25	21.45	4/	+ 1
Other cereal products		18.46	37.94	38.59	38.69	+ 2	4/	5.98	14.26	14.26	14.39	+ 1	+ 1
All fruits and vegetables		77.79	146.99	192.14	182.43	+ 24	- 5	23.98	3/ 49.81	72.73	64.75	+ 30	- 11
Fresh fruits and vegetables		57.85	110.74	156.60	146.85	+ 33	- 6	20.37	3/ 41.11	64.12	56.26	+ 37	- 12
Fresh vegetables		33.16	64.25	100.11	93.31	+ 45	- 7	11.48	3/ 21.33	40.58	34.88	+ 64	- 14
Canned fruits and vegetables		14.14	23.70	23.31	23.27	- 2	4/	1.93	3/ 4.30	4.54	4.39	+ 2	- 3
Miscellaneous products		25.96	3/ 45.49	42.01	42.13	- 7	4/	6.53	3/ 17.12	15.81	15.96	- 7	+ 1
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef (Choice grade) 5/	Pound	29.1	84.7	85.7	85.5	+ 1	4/	16.2	3/63.4	58.3	59.1	- 7	+ 1
Lamb	Pound	26.8	77.5	79.8	79.4	+ 2	- 1	13.2	54.5	48.7	48.3	- 11	- 1
Pork (including lard)	Pound	22.6	45.7	41.9	44.5	- 3	+ 6	11.7	3/29.1	27.8	29.1	0	+ 5
Butter	Pound	35.0	78.3	82.0	82.6	+ 5	+ 1	23.9	56.0	58.5	59.3	+ 6	+ 1
Cheese, American	Pound	25.9	62.6	64.4	64.6	+ 3	4/	13.6	3/36.0	36.5	38.6	+ 7	+ 6
Evaporated milk	14½-oz. can	7.5	15.0	15.4	15.4	+ 3	0	2.86	7.07	7.44	7.65	+ 8	+ 3
Fluid milk	Quart	11.4	22.0	22.7	23.0	+ 5	+ 1	6.30	12.61	13.08	13.33	+ 6	+ 2
Ice cream	Pint	6/	31.3	31.3	31.4	4/	4/	6/	7.57	7.88	8.03	+ 6	+ 2
Eggs	Dozen	29.0	71.9	66.3	68.8	- 4	+ 4	22.3	3/51.1	44.6	49.7	- 3	+ 11
Chicken	Pound	30.0	55.0	53.3	56.2	+ 2	+ 5	16.9	3/30.9	29.5	30.1	- 3	+ 2
White bread	Pound	9.1	16.2	16.8	16.8	+ 4	0	1.08	2.55	2.45	2.47	- 3	+ 1
Corn flakes	8-oz. pkg.	7.9	13.6	14.0	14.0	+ 3	0	.84	2.29	2.87	3.30	+ 44	+ 15
Corn meal	Pound	3.0	7.8	8.2	8.3	+ 6	+ 1	1.40	3.31	3.53	3.48	+ 5	- 1
Flour, white	Pound	3.9	8.9	9.0	9.0	+ 1	0	1.67	3.94	3.78	3.82	- 3	+ 1
Rice	Pound	7.2	17.0	17.1	17.3	+ 2	+ 1	2.37	6.94	7.99	7.70	+ 11	- 4
Rolled oats	Pound	7.3	14.4	14.7	14.8	+ 3	+ 1	1.74	3.92	3.84	3.90	- 1	+ 2
Apples	Pound	4.9	11.0	6/	13.0	+ 18	6/	2.03	4.35	7.01	6.12	+ 41	- 13
Oranges	Dozen	30.3	51.2	52.4	53.7	+ 5	+ 2	11.0	23.8	18.8	18.1	- 24	- 4
Beans, snap	Pound	11.3	17.7	25.0	22.8	+ 29	- 9	4.49	3/ 7.88	12.75	10.88	+ 38	- 15
Cabbage	Pound	3.4	5.2	9.9	9.8	+ 88	- 1	.81	3/ 1.68	5.25	4.33	+158	- 18
Carrots	Bunch	5.4	12.8	11.8	11.7	- 9	- 1	1.69	4.55	4.00	3.55	- 22	- 11
Lettuce	Head	8.7	14.8	14.1	14.6	- 1	+ 4	2.89	3/ 5.64	4.72	6.01	+ 7	+ 27
Onions	Pound	4.5	7.8	11.0	10.4	+ 33	- 6	1.30	3/ 2.55	4.36	3.94	+ 55	- 10
Potatoes	Pound	2.5	4.9	8.6	8.5	+ 73	- 1	1.25	3/ 2.02	4.77	4.84	+140	+ 1
Sweetpotatoes	Pound	4.0	14.0	6/	18.4	+ 31	6/	1.65	5.57	9.10	8.36	+ 50	- 8
Tomatoes	Pound	6/	17.1	31.2	23.1	+ 35	- 26	6/	6.02	14.93	9.79	+ 63	- 34
Peaches, canned	No. 2½ can	18.7	33.7	33.1	33.2	- 1	4/	2.53	6.34	7.15	6.70	+ 6	- 6
Corn, canned	No. 2 can	12.1	22.2	23.4	23.5	+ 6	4/	1.50	3/ 2.94	3.58	3.62	+ 23	+ 1
Peas, canned	No. 2 can	15.6	15.4	14.7	14.7	- 5	0	2.29	3/ 3.79	3.87	3.87	+ 2	0
Tomatoes, canned	No. 2 can	9.4	18.9	18.3	18.2	- 4	- 1	1.49	3/ 3.12	3.80	3.74	+ 20	- 2
Prunes	Pound	10.0	28.2	27.2	27.2	- 4	0	2.99	12.25	8.35	8.35	- 32	0
Navy beans	Pound	6.5	15.3	14.9	15.2	- 1	+ 2	3.02	5.15	7.38	7.38	+ 43	0
Beet sugar	Pound	5.7	10.8	10.8	10.9	+ 1	+ 1	1.73	3/ 3.83	3.86	3.86	+ 1	0
Cane sugar	Pound	5.5	10.5	10.5	10.6	+ 1	+ 1	1.78	3/ 3.98	3.96	3.96	- 1	0
Margarine	Pound	18.1	3/33.2	30.0	29.7	- 11	- 1	4.30	3/12.08	10.70	10.73	- 11	4/
Vegetable shortening	Pound	19.5	35.2	30.6	30.6	- 13	0	5.26	3/14.95	13.19	13.19	- 12	0

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 18.- Price spreads between farmers and consumers - food products: Marketing charges and farmer's share of retail price, August 1952 compared with the 1935-39 average, August 1951 and July 1952 1/

Commodity	Retail unit	Marketing charges 2/						Farmer's share			
		1935-39 average	Aug. 1951	July 1952	Aug. 1952	Percentage change Aug. 1952 from - Aug. 1951	Percentage change Aug. 1952 from - July 1952	1935-39 average	Aug. 1951	July 1952	Aug. 1952
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket	1935-39 annual average quantities purchased, per family of three average consumers	204.47	3/358.46	390.50	393.78	+ 10	+ 1	40	50	48	48
Meat products		45.88	3/ 76.04	82.62	88.55	+ 16	+ 7	47	3/66	63	61
Dairy products		33.89	61.06	62.31	61.92	+ 1	- 1	50	55	55	56
Poultry and eggs		8.90	3/ 19.87	20.31	20.04	+ 1	- 1	66	65	62	64
Bakery and other cereal products:											
All ingredients		42.80	3/ 76.24	79.95	79.72	+ 5	4/	21	27	25	26
Grain		---	---	---	---	---	---	16	---	---	---
Other cereal products		12.10	23.68	24.33	24.30	+ 3	4/	32	38	37	37
All fruits and vegetables		53.81	3/ 97.18	119.41	117.68	+ 21	- 1	31	34	38	35
Fresh fruits and vegetables		37.48	3/ 69.63	92.48	90.59	+ 30	- 2	35	37	41	38
Fresh vegetables		21.68	3/ 42.92	59.53	58.43	+ 36	- 2	35	33	41	37
Canned fruits and vegetables		12.21	3/ 19.40	18.77	18.88	- 3	+ 1	14	18	19	19
Miscellaneous products		19.19	3/ 28.07	25.90	25.87	- 8	4/	25	3/38	38	38
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade) 5/	Pound	12.9	3/21.3	26.9	26.4	+ 24	- 2	56	75	69	69
Lamb	Pound	13.6	23.0	31.1	31.1	+ 35	0	49	70	61	61
Pork (including lard)	Pound	10.3	3/16.6	14.1	15.4	- 7	+ 9	52	3/64	66	65
Butter	Pound	11.1	22.3	23.5	23.3	+ 4	- 1	68	72	71	72
Cheese, American	Pound	12.3	3/26.6	27.9	26.0	- 2	- 7	53	3/58	57	60
Evaporated milk	14½-oz. can	4.6	7.9	8.0	7.8	- 1	- 3	38	47	48	50
Fluid milk	Quart	5.1	9.4	9.6	9.7	+ 3	+ 1	55	57	58	58
Ice cream	Pint	6/	23.7	23.4	23.4	- 1	0	6/	24	25	26
Eggs	Dozen	6.7	3/20.8	21.7	19.1	- 8	- 12	77	71	67	72
Chicken	Pound	13.1	3/24.1	23.8	26.1	+ 8	+ 10	56	3/56	55	54
White bread	Pound	7.9	13.7	14.4	14.3	+ 4	- 1	12	16	15	15
Corn flakes	8-oz. pkg.	7.1	11.3	11.1	10.7	- 5	- 4	11	17	20	24
Corn meal	Pound	1.6	4.5	4.7	4.8	+ 7	+ 2	47	42	43	42
Flour, white	Pound	2.1	5.0	5.2	5.2	+ 4	0	43	44	42	42
Rice	Pound	4.7	10.1	9.1	9.6	- 5	+ 5	33	41	47	45
Rolled oats	Pound	5.6	10.5	10.9	10.9	+ 4	0	24	27	26	26
Apples	Pound	2.9	6.7	6/	6.9	+ 3	6/	41	40	6/	47
Oranges	Dozen	19.3	27.4	33.6	35.6	+ 30	+ 6	36	46	36	34
Beans, snap	Pound	6.8	3/ 9.8	12.2	11.9	+ 21	- 2	40	3/45	51	48
Cabbage	Pound	2.6	3/ 3.5	4.6	5.5	+ 57	+ 20	24	3/32	53	44
Carrots	Bunch	3.7	8.2	7.8	8.1	- 1	+ 4	31	36	34	30
Lettuce	Head	5.8	3/ 9.2	9.4	8.6	- 7	- 9	33	3/38	33	41
Onions	Pound	3.2	3/ 5.2	6.6	6.5	+ 25	- 2	29	3/33	40	38
Potatoes	Pound	1.3	2.9	3.8	3.7	+ 28	- 3	50	3/41	55	57
Sweetpotatoes	Pound	2.4	8.4	6/	10.0	+ 19	6/	41	40	6/	45
Tomatoes	Pound	6/	11.1	16.3	13.3	+ 20	- 18	6/	35	48	42
Peaches, canned	No. 2½ can	16.2	27.4	25.9	26.5	- 3	+ 2	14	19	22	20
Corn, canned	No. 2 can	10.6	19.3	19.8	19.9	+ 3	+ 1	12	13	15	15
Peas, canned	No. 2 can	13.3	3/11.6	10.8	10.8	- 7	0	15	25	26	26
Tomatoes, canned	No. 2 can	7.9	15.8	14.5	14.5	- 8	0	16	3/17	21	21
Prunes	Pound	7.0	16.0	18.8	18.8	+ 18	0	30	43	31	31
Navy beans	Pound	3.5	10.2	7.5	7.8	- 24	+ 4	46	34	50	49
Beet sugar	Pound	3.6	3/ 6.5	6.4	6.5	0	+ 2	30	3/35	36	35
Cane sugar	Pound	3.4	6.0	6.0	6.1	+ 2	+ 2	32	38	38	37
Margarine	Pound	13.2	3/21.1	19.3	19.0	- 10	- 2	24	3/36	36	36
Vegetable shortening	Pound	14.2	3/20.2	17.4	17.4	- 14	0	27	3/42	43	43

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 17) 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.

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