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THE Marketing and Transportation SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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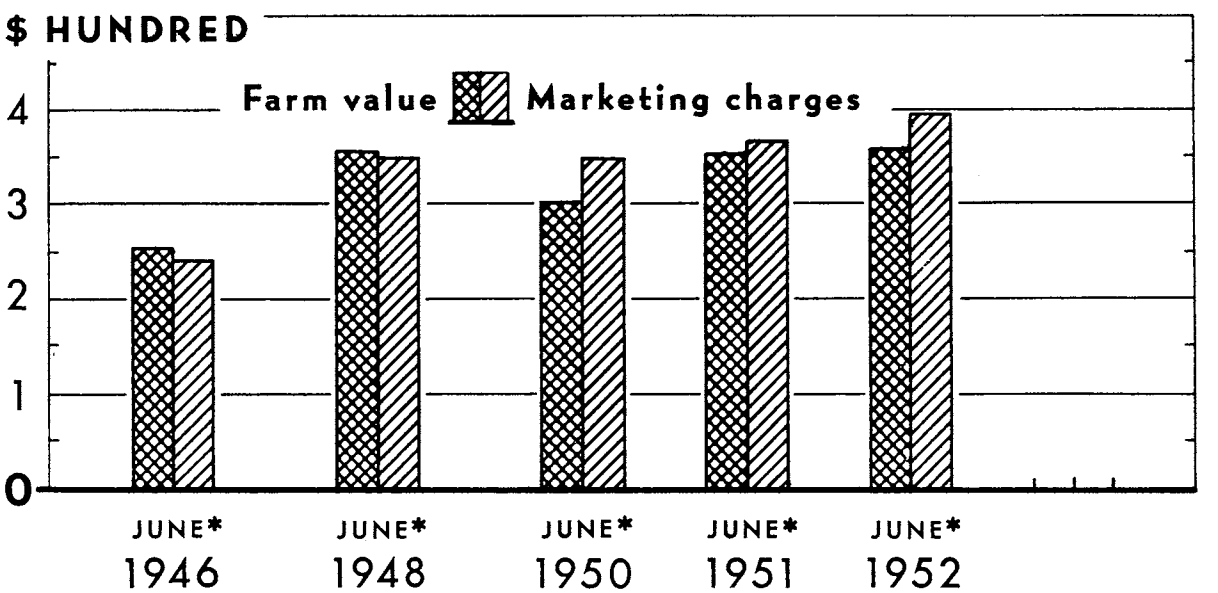
Farm Foods in Market Basket

HOW FARMERS AND MARKETING SYSTEM SHARE RETAIL COST



DATA ARE FOR ANNUAL PURCHASES OF FAMILY OF 3 AVERAGE CONSUMERS, BASED ON 1935-39 PATTERN OF FOOD CONSUMPTION
**ANNUAL RATE*

U. S. DEPARTMENT OF AGRICULTURE NEG. 48686-XX BUREAU OF AGRICULTURAL ECONOMICS

In June 1952, farmers received about 48 percent of the retail cost of a family market basket of farm-produced foods. This was more than the postwar low of 46 percent received in mid-June 1950, just before South Korea was invaded, but less than the 53 percent received in June 1946, the last month that World War II price ceilings were effective. Farm value of the foods in the market basket rose from 1946 to early 1948 and then declined to June 1950. Following the outbreak in Korea, the farm value increased, but it is now only slightly above the level of June 1948. Charges for marketing these foods have increased fairly steadily since the war ended and have risen more than 10 percent since June 1950.

STATISTICAL SUMMARY OF MARKET INFORMATION

Item	Unit or base period	1951 Year	1951 May	1952 Mar.	1952 Apr.	1952 May
Farm-to-retail price spreads						
Farm-food market basket: 1/						
Retail cost	Dol.	722	723	725	738	746
Farm value	"	361	359	356	358	362
Marketing charges	"	361	364	369	380	384
Farmer's share of retail cost	Pct.	50	50	49	48	48
		1951				1952
		Year	Jan.-Mar.	July-Sept.	Oct.-Dec.	Jan.-Mar.
Cotton: 2/						
Retail cost	Dol.	59.35	60.02	58.88	58.23	56.90
Farm value	"	8.56	9.31	7.10	8.70	7.95
Marketing charges	"	50.79	50.71	51.78	49.53	48.95
Farmer's share of retail cost	Pct.	14.4	15.5	12.1	14.9	14.0
Tobacco: 3/						
Retail cost	Dol.	2.78	---	---	---	---
Farm value	"	.473	---	---	---	---
Federal and State excise taxes	"	.89	---	---	---	---
Marketing charges	"	1.42	---	---	---	---
Farmer's share of retail cost	Pct.	17.0	---	---	---	---
General economic indicators						
Consumers' per capita income and expenditures: 4/						
Disposable personal income	Dol.	1,434	1,403	1,445	1,454	1,441
Expenditures for goods and services	"	1,324	1,353	1,311	1,322	1,335
Expenditures for food	"	380	378	379	383	391
Expenditures for food as percentage of disposable income	Pct.	26	27	26	26	27
		1951		1952		
		Year	May	Mar.	Apr.	May
Hourly earnings per employed factory worker 5/	Dol.	1.59	1.59	1.66	1.65	1.66
Hourly earnings of food marketing employees 6/	"	1.48	1.47	1.54	1.55	1.55
Retail sales: 7/						
Food stores	Mil. dol.	3,078	3,059	3,171	3,209	3,260
Apparel stores	"	821	826	806	828	820
Manufacturers' inventories: 7/						
Food and kindred products	"	3,452	3,580	3,438	3,435	3,417
Textile-mill products	"	2,990	3,137	2,570	2,586	2,508
Tobacco products	"	1,683	1,652	1,766	1,776	1,793
Indexes of industrial production: 8/						
Manufactured food products	1935-39=100	165	167	166	163	158
Textiles and products	"	174	190	152	144	149
Tobacco products	"	175	172	174	184	178
Index of physical volume of farm marketings	"	147	117	119	116	122
Price indexes						
Consumers' price index 5/	"	186	185	188	189	189
Wholesale prices of food 5/	"	232	234	228	227	227
Wholesale prices of cotton goods 5/	"	269	284	240	238	235
Wholesale prices of woolen and worsted goods 5/	"	250	280	193	189	194
Prices received by farmers 9/	"	281	284	268	270	273
Prices paid by farmers 9/	"	219	219	222	223	223

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 tax-paid withdrawals, 1935-39. Farm value is lagged to represent prices received 2 to 2-1/2 years earlier than the indicated retail price. 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.

THE MARKETING AND TRANSPORTATION SITUATION

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SUMMARY

Charges for marketing farm-produced foods established a new record in June which was 7 percent above the level of June 1951. Nearly all of this increase was reflected in higher retail prices as farm prices of food products averaged about the same as a year earlier. The total retail cost of the foods in the market basket was 4 percent higher than a year ago. With marketing charges higher and the level of farm prices practically unchanged, the farmer's share of the dollar consumers spent for farm-produced foods was 48 cents in June, 1 cent less than in the same month of 1951.

Marketing charges in 1952 are likely to continue above the 1951 level, causing the farmer's share for 1952 to average 1 or 2 cents below 1951. Hourly earnings of employees in food marketing enterprises averaged 6 percent higher in May than a year earlier. Recent increases in rail freight rates mean higher costs of shipping food products.

The retail cost of 42 articles of cotton clothing and household furnishings decreased about 6 percent between June 1951 and March 1952. Since the farm value of the lint cotton used in these articles declined more than the charges for marketing them, the farmer's share of the retail cost dropped from 14.9 to 14.0 percent.

Consumers spent a larger proportion of their disposable income for consumer goods and services and saved less in the first quarter of this year than they did in the three preceding quarters. Per capita expenditures (seasonally adjusted) for consumer goods and services were up 1 percent from the fourth quarter, mainly because of an increase in expenditures for nondurable goods and services. Expenditures for food rose about 2 percent. Most of this increase can be attributed to consumers buying more food or more expensive food. The level of prices paid by consumers for food did not change significantly. Expenditures for food represented 27 percent of consumers' disposable income in the first quarter compared with 26 percent in the last three quarters of 1951.

Activity in marketing agricultural products continued at a high level in the second quarter of 1952. The volume of agricultural products marketed by farmers was about 6 percent larger than in the same quarter of 1951. Production of manufactured food was somewhat below last year's levels, however, and the output of textiles and textile-mill products was considerably below the high levels of a year ago.

The supply of boxcars seems to be more nearly adequate this summer than it was a year ago, partly because of better geographical distribution of cars and partly because of the increase in the number of serviceable boxcars owned by the railroads. The number of serviceable cars has been increased by the installation of new cars and the return to service of rebuilt cars. Boxcar loadings at the end of June were running about 8 percent below a year earlier. A special effort has been made to supply cars for moving the wheat crop. It is expected that the supply of refrigerator cars will be sufficient to meet the heavy seasonal demands arising in the third quarter if the supply is fully utilized. Net ownership of refrigerator cars is about the same as a year ago. Apparently the increase in shipping by truck and the practice of loading refrigerator cars more heavily have tended to reduce the requirements for railway cars.

FARM-RETAIL PRICE SPREADS

The Market Basket of Farm Foods 1/

The spread between retail and farm prices for food products increased during the second quarter of 1952. Charges for marketing the farm foods in the market basket averaged about 3 percent above the first quarter of this year and 6 percent higher than in the second quarter of 1951. 2/ Farm prices for food products averaged about the same as a year earlier. As a result, the farmer's share of the consumer's food dollar in the second quarter of this year dropped to 48 cents, about 2 cents below the average for April-June 1951 and 1 cent below the January-March 1952 average.

Fruit and Vegetable Prices Increased Sharply in Second Quarter of 1952

The retail cost of the market-basket foods has increased each month since March 1952 and in June was about 4 percent above February-March levels (table 1). Marketing charges increased about 7 percent in the same period, but the farm value rose only slightly. Higher prices for fruits and vegetables were largely responsible for these increases. Prices of some fresh fruits and vegetables, particularly potatoes and sweetpotatoes, made unusually large seasonal increases. The retail cost of the fruits and vegetables group in June was at a record high of $199, an increase of more than 20 percent from the February level of $164. About two-thirds of this increase was reflected in increased marketing charges.

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.

Only minor changes were recorded in retail costs of other commodity groups during the second quarter this year. Slightly higher prices for some meat and bakery products were offset by lower prices for dairy products, principally butter, and some of the miscellaneous products. Except for fruits and vegetables, marketing charges for individual commodity groups were relatively unchanged from the previous quarter.

Trends in Prices and Marketing Charges Since Korea

In June 1952, the retail cost of the market-basket foods was estimated at a record $753. 3/ This was $100 or 15 percent higher than in June 1950. Of this total increase, about $56 resulted from higher farm prices and about $44 from higher marketing charges. Farm prices of food products in June 1952 averaged about 18 percent higher and marketing charges 13 percent higher than pre-Korean levels.

Trends in farm prices and marketing charges in the 2 years since the outbreak of fighting in Korea have been similar to those of other periods of price inflation. Farm prices of food products rose rapidly from June 1950 to February 1951. They then declined and in June this year averaged about 4 percent below February 1951. Marketing costs, being less flexible than farm prices, rose more slowly but continued to rise after farm prices ceased to advance. Charges for marketing the foods in the market basket in June 1952 were at a record high of $395 and about 7 percent above a year earlier (table 1).

The cover chart shows how farm prices of food products, as measured by the farm value of the foods in the market basket, and marketing charges have varied since June 1946. Although the farm value of the market-basket foods has risen more in the post-Korean period than the charges for marketing these foods, the increase since June 1946 is less than that for marketing charges. Increases in farm prices of food products since the invasion of South Korea have about offset the decline that took place from early 1948 through early 1950. Marketing costs have either increased or remained constant, except for seasonal variations, in each year since 1946 and in June of this year were about 60 percent above June 1946. The average increase in farm prices of food products in this period was about 40 percent.

Changes in Market-Basket Values by Commodity Groups

A 28-percent increase in the retail cost of the fruits and vegetables group has accounted for almost half of the increase in the retail cost of the market basket since June 1950. Of the $100 increase, $44 was in the fruits and vegetables group and about $20 each in the meat products and dairy products groups.

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

Table 1.- THE MARKET BASKET: Retail cost of 1935-39 average annual purchases of farm food products by a family of three average consumers, farm value of equivalent quantities sold by producers, marketing charges, and farmer's share of the consumer's food dollar, 1935-52

Year	Retail cost 1/	Farm value 2/	Marketing charges 3/	Farmer's share
	Dollars	Dollars	Dollars	Percent
1935-39 average	341	135	204	40
1940	319	127	192	40
1941	349	154	194	44
1942	409	195	213	48
1943	459	236	229	51
1944	451	233	230	52
1945	459	246	229	54
1946	528	279	258	53
1947	644	335	308	52
1948	690	350	340	51
1949	646	308	338	48
1950	645	308	337	48
1951	722	361	361	50
1951 - June	724	4/355	4/369	49
July	723	4/352	4/371	49
Aug.	714	4/354	4/359	50
Sept.	711	4/356	4/354	50
Oct.	722	4/358	4/364	50
Nov.	732	4/361	4/370	4/49
Dec.	741	4/371	4/370	50
1952 - Jan.	4/746	364	4/382	49
Feb.	726	354	372	49
Mar.	725	4/356	4/369	49
Apr.	738	358	380	48
May	746	362	384	48
June 5/	753	358	395	48

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

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

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

4/ Revised.

5/ Preliminary.

About three-fifths of the total rise in marketing charges since Korea was accounted for by a 24-percent increase in costs of marketing the fruits and vegetables group. The next largest increase, 15 percent, was in the bakery and cereal products group. (Postwar trends in marketing costs for white bread are discussed in detail in an article in this issue.)

Farm prices of fruits and vegetables averaged more than a third higher in June 1952 than in June 1950. However, as farmers receive a relatively small share of the dollar consumers spend for these products, increases in marketing charges accounted for a larger part of the rise in the retail price. For the three livestock product groups -- meat, dairy, and poultry and eggs -- the increase in farm value exceeded the rise in marketing charges. The farmer's share of the consumer's dollar is typically higher for these groups than for the other three commodity groups. Compared with June 1950, the farmer's share in June of this year was larger for all commodity groups except bakery and cereal products. 4/

Cotton Articles

Although the retail cost of 42 articles of cotton clothing and household furnishings in March 1952 was about 6 percent below the record reached in June 1951, it was still 8 percent higher than before the invasion of South Korea. Charges for marketing these articles were 7 percent higher and the farm value of the lint cotton from which they were made was 18 percent higher than the pre-Korean levels.

Charges for marketing these articles advanced more slowly than the farm value of the lint cotton during the first year after the outbreak of fighting in Korea. This increased the farmer's share of the retail cost of these articles from 12.8 to 15.2 percent. Between June 1951 and March 1952, the farm value declined more rapidly than marketing charges and, as a result, the farmer's share dropped to 14.0 percent.

CONSUMER INCOMES AND EXPENDITURES

Disposable income (personal income less personal taxes) declined from a seasonally adjusted annual rate of $1,454 per person in the fourth quarter of 1951 to $1,441 in the first quarter of 1952. This decline, which was the first since the second quarter of 1950, resulted from an increase in personal taxes, as personal income was slightly higher. Expenditure per person for consumer goods and services was about 1 percent higher in the first quarter of this year than in the final quarter of 1951 but was still below the record established in the first quarter of 1951. Personal savings were reduced by the decrease in disposable income and the increase in personal consumption expenditures. They represented approximately 7 percent of disposable income compared with 9 percent in the last three quarters of 1951. Personal savings averaged about 4 percent of disposable income during the 1947-49 period.

4/ Estimates of the division of the retail price between farmers and marketing agencies are based on comparisons of concurrent prices at the farm and retail levels, except for seasonal canning crops, dried fruits, sugar, and vegetable-oil products. During a period of rising prices, the farmer's share calculated on this basis is somewhat higher than the share which would be obtained by comparing prices received by farmers for particular lots of products with prices paid by consumers for the same lots after they have moved through the marketing system. The reverse is true in periods of declining prices.

Total expenditures for consumer goods and services were higher because of larger expenditures for food and for services. Expenditures for clothing, tobacco, and other nondurables were practically unchanged. Total expenditures for nondurables rose from a seasonally adjusted annual rate of $727 per capita in the fourth quarter to $736 in the first. Expenditures for services increased from $436 to a record $440 per capita.

Consumers' expenditures for durable goods were at a seasonally adjusted annual rate of $159 per person in the first quarter. This was practically the same as in the preceding quarter but was nearly one-fifth lower than the peak rate reached in the first quarter of 1951. Consumers spent about 11 percent of their disposable income for durables in the first quarter of this year and in the second half of last year. This proportion varied from 12 to 14 percent in the years 1948-50.

Consumer expenditures, on a seasonally adjusted basis, probably were somewhat larger in the second quarter of this year than in the first. Retail sales in April and May, after adjustment for seasonal variations, were above the monthly average for the first quarter. Increased sales of durable goods accounted for most of this rise, although sales of nondurable goods showed small increases. Retail food stores' sales were slightly above the average for the first quarter.

Increase in Proportion of Income Spent for Food

Consumers increased their expenditures for food from a seasonally adjusted annual rate of $383 per person in the fourth quarter of 1951 to $391 in the first quarter of 1952. As the average price of food to consumers did not change significantly, the increase in expenditures have resulted from consumers buying more food or more expensive food. 5/ Increases in the sales (seasonally adjusted) of retail food stores, restaurants, and other eating places reflect the rise in consumer expenditures for food.

Expenditures for food represented 27 percent of disposable income in the first quarter of 1952 compared with 26 percent in the three preceding quarters. During the postwar years, annual expenditures for food varied from 26 to 28 percent of disposable income.

SOME CURRENT DEVELOPMENTS RELATED TO MARKETING

Marketing Activity Continues at a High Level

The volume of agricultural products marketed by farmers in the second quarter of 1952 was about 6 percent larger than in the same quarter of 1951. Marketings of crops were substantially larger and marketings of livestock and livestock products were up slightly. The expected production of crops, livestock, and livestock products in 1952 indicates that farm marketings probably will continue high through the remainder of 1952 and exceed the volume marketed during the previous year.

5/ A fixed quantity of food equal in volume to the 1935-39 annual average consumption per person and of the same types and quality cost no more in the first quarter than in the fourth. See column 6 of table 2.

Table 2.- Per capita food cost and expenditure related to disposable personal income, United States, average 1935-39, annual 1944-52

Year	Disposable personal income 1/	Total expenditure for consumer goods and services 1/	Food expenditure			Cost to consumer of fixed quantities of food representing 1935-39 average annual consumption per person 2/	
			Actual 1/	Percentage of -		Actual	Percentage of disposable income
				Disposable income	Total expenditure for goods and services		
	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Percent
1935-39	510	490	118.6	23	24	118.6	23
1944	1,055	801	229	22	29	171	16
1945	1,073	874	250	23	29	176	16
1946	1,117	1,032	292	26	28	201	18
1947	1,169	1,142	329	28	29	244	21
1948	1,277	1,206	350	27	29	256	20
1949	1,243	1,201	338	27	28	243	20
1950	1,338	1,268	346	26	27	245	18
1951	1,434	1,324	380	26	29	274	19
	Annual rates, seasonally adjusted						
1951							
1st quarter	1,403	1,353	3/378	27	28	272	19
2nd "	1,432	1,307	3/376	26	29	274	19
3rd "	1,445	1,311	3/379	26	29	273	19
4th "	1,454	1,322	3/383	26	29	277	19
1952							
1st quarter	1,441	1,335	3/391	27	29	277	19

1/ Computed from aggregate income and expenditure data of the Bureau of Foreign and Domestic Commerce. For methods of computation and data for 1929-43 see the September 1950 issue of this publication.

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

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

A smaller volume of agricultural food products was processed in April and May of this year than in the same months of 1951. The Federal Reserve Board's seasonally adjusted index of the output of manufactured food products was 158 (1935-39 = 100) in May compared with 167 a year earlier. The book value of inventories held by food manufacturers in May was about 5 percent less than in May 1951.

Production of textiles and textile products has continued below the high levels of the first half of 1951. The Federal Reserve Board's adjusted index was 149 in May compared with 190 in the same month of 1951. Manufacturers' inventories of textile-mill products were about 20 percent smaller than those held a year ago.

The output of tobacco products in may was about 3 percent higher than a year earlier. Inventories held by tobacco manufacturers were about 9 percent larger than those held in May 1951.

Sales of grocery wholesalers were about 5 percent larger in May 1952 than a year ago but their inventories were down about 8 percent. Wholesalers of dairy and poultry products had a slightly smaller volume of sales and their inventories were about 6 percent smaller. Sales of fresh fruit and vegetable wholesalers were 16 percent smaller than in May 1951.

Sales of dry goods and clothing and furnishings wholesalers in May 1952 were considerably smaller than a year earlier, and their inventories, measured in terms of cost, were down sharply.

Retail food-store sales in each month of 1952 have been slightly higher than in the corresponding month of 1951. Sales and inventories of retail apparel stores were slightly lower in May than a year earlier.

Expansion of Capital Equipment by Processors Larger than Expected

Expansion of plant and equipment by processors of agricultural products has been greater than anticipated, according to the latest survey of business spending intentions. Expenditures by food processors were estimated at 330 million dollars in the first half of 1952, only slightly below the high level reached in the same period last year. Expansion in the textile industry was larger than anticipated for the first half of this year but considerably below the 1951 levels.

Transportation

The Box Car Situation

The box car supply situation is somewhat improved over a year ago, partly as the result of better geographic distribution of cars, and partly as the result of the return to service of many rebuilt cars which previously had been retired.

Surpluses of box cars have been running ahead of a year ago while shortages have been diminishing (fig. 1). This indicated a better geographic distribution of the supply of cars as the heavy third quarter freight movements got under way. The volume of rail traffic will increase greatly when the steel strike ends.

During the past year, the most severe box car shortage was reported in August 1951, when the average daily shortage reached 7,400 cars. Shortages subsequently dropped until January 1952 when 842 were reported. After rising

again to 2,000 in February of this year, the shortage again dropped, and in May was about 6 percent of the August 1951 peak, and about 10 percent of what it was in May 1951.

In July 1951 a surplus of 17,946 cars was reported. By September when heavy crop movement was well under way, the figure had dropped to 65. It rose again to 4,700 in January, but dropped to about 1,000 in February. On May 1 of this year, it was again close to the January level, largely because cars were being assembled in the Southwest to move the wheat crop.

On May 1, 1952, the railroads owned 698,556 serviceable box cars compared with 691,271 a year earlier. On the same date, the railroads had 27,577 box cars on order, about half as many as in May 1951, and fewer than in any month since July 1950. From the low point reached in July 1950, the number of cars on order increased each month until March 1951. Since then, the trend in orders has been downward.

Despite reduced orders for new cars, more new box cars were installed than retired in 7 out of 12 months. In September, October, and November of 1951, the number of new car installations was double the number retired. Retirements in May of this year, however, were higher than at any time since November 1950, and were almost double those of a year ago.

In addition to new cars added to the fleet, close to 14,000 box cars previously retired were rebuilt and returned to service during the year. Total box car installations during the past year, therefore, exceeded retirements by about 18,000 cars.

Box car loadings, including both agricultural and nonagricultural loadings, are currently averaging about 8 percent below those of a year ago. Agricultural shippers have originated about a third of the total loadings during the past 5 years.

Because the wheat crop annually creates a greater demand for rail cars during a short period of time than any other commodity, the railroads frequently have been unable to supply cars promptly. This year, Shippers Advisory Boards and the Car Service Division of the American Association of Railroads took active steps to prevent delays in moving the large winter wheat crop. Car Service Order 85, issued to all railroads effective May 10, asked eastern and southern carriers to concentrate on the return of western-owned box cars, with particular emphasis on cars belonging to roads which would be involved in the initial stages of the winter wheat harvest. According to the AAR, more than 20,000 box cars were available to railroads serving the winter wheat belt, to meet the initial impact of the winter wheat harvest. As the harvest moves through the winter wheat belt and up into the spring wheat area, the fleet of grain cars will be shifted northward. Terminals and subterminals throughout the wheat belt all report a favorable storage situation this year. This should aid the railroads in expediting movement of the wheat crop.

Refrigerator Car Situation

During the past 12 months, there has been a sizable surplus of refrigerator cars while shortages have been held to a minimum. Carloads originated in refrigerator cars have been declining in recent years, partly because loads have been heavier, and partly because motortrucks have been getting more of the perishable traffic.

Net ownership of refrigerator cars, however, is about the same as a year ago. Orders for new cars are running about 50 percent under what they were a year ago (fig. 2), and retirements continue to exceed new installations. Even though it is being modernized, the reefer fleet still contains many old cars. Hence, although the retirement rate may be slowed down somewhat as a result of modernization, it is apparent that no appreciable gain in the total number of cars should be anticipated in the near future.

Although the heavy movement of perishables is temporarily over in Florida, the demand for reefers continues high. Movement of perishables from States to the north of Florida and from California and Arizona are currently very heavy. About 2,300 refrigerator cars were used for southern watermelon loadings this year as against 325 last year. Heavy potato volume from the Kern County Distric in California and heavy loadings of vegetables and cantaloupes from California and Arizona are expected to continue through July. Movement of citrus, grapes, and other seasonal fruit crops from California is expected to be moderately heavy in the next few weeks.

While the supply of refrigerator cars has been sufficient to meet current demands, there appears to be no surplus of empty cars in any area. Hence, only through prompt loading and releasing of cars can shortages be avoided as heavy third quarter demand for cars comes on.

Estimated Increases in Rail Freight Rates Since 1946

The Interstate Commerce Commission has recently estimated for major commodity groups and important classes of commodities the over-all percentage increases in rail freight rates authorized since June 30, 1946, including the effect of the general rate increase authorized on April 11, 1952, in Ex Parte 175. The estimate assumes that increases on intrastate traffic will follow the same pattern as interstate, and will include the effects of "hold-downs" applied to some commodities. 6/ Estimates for important agricultural commodities are 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
All traffic (CL and LCL)	78.9

6/ See The Marketing and Transportation Situation, March-April 1952, p. 19.

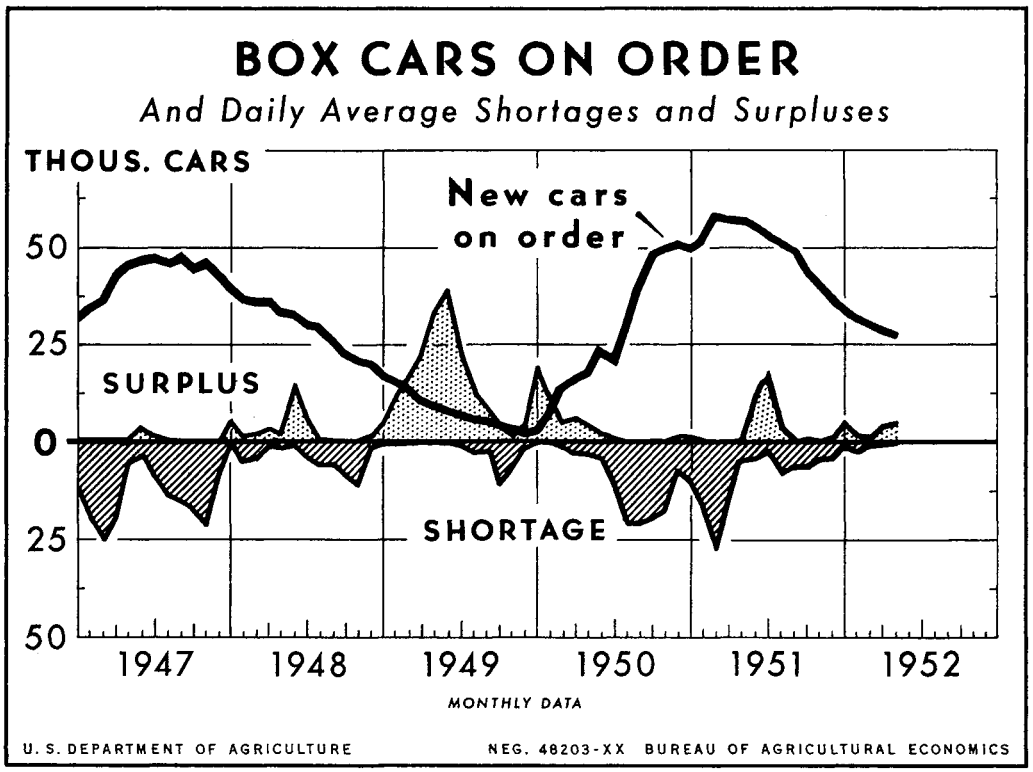

FIGURE 1

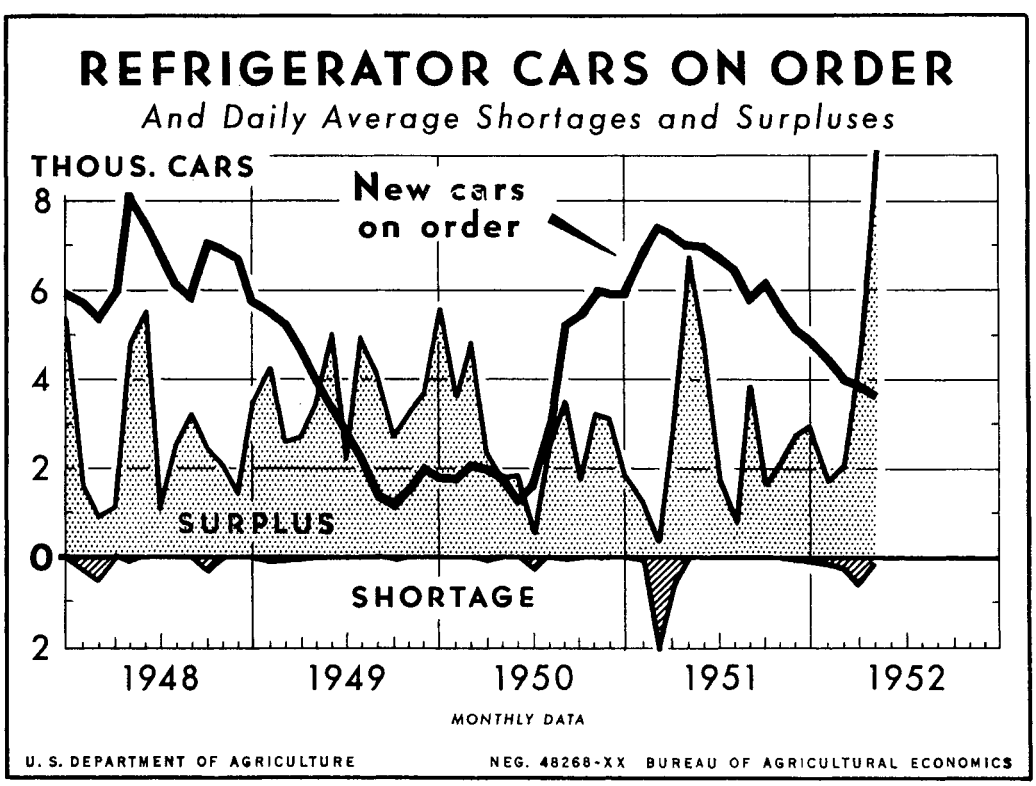

FIGURE 2

Trends in Retail Food Trade

Dollar sales of retail food stores totaled about 13 percent more in 1951 than in 1950. Most of this increase reflected higher retail prices of food, as the average level of prices in 1951 was approximately 11 percent above the previous year. The physical volume of sales apparently increased at about the same rate as the population, indicating that the volume of goods sold per capita was about the same in 1951 as in 1950.

Retail grocery stores and combination stores which sell both groceries and meats accounted for approximately 81 percent of the sales in all retail food stores in 1951, the same proportion as in the previous year. Specialized food stores, such as meat markets, bakeries, and fruit and vegetable markets, had the remaining 19 percent. During the last 10 years, grocery and combination stores have obtained an increasing proportion of total retail food sales. In 1939, they had 76 percent of the total and specialized stores had 24 percent.

The division of sales between chains and independent stores in the retail grocery and combination store group shifted slightly toward chain stores in 1951. Sales in chain grocery and combination stores represented 39 percent of the total sales in all grocery and combination stores in 1951 compared with 38 percent in 1949 and 1950. Chain stores were unable to increase their sales as rapidly as independent stores during the war, and by 1945 they had only 32 percent of the total, compared with 39 percent in 1941. During the postwar years, the chain stores have gradually regained their former share of the total.

Consumers spent a slightly larger share of their disposable income in retail food stores in 1951 than in 1950. Sales in these stores represented 16.6 percent of personal disposable income in 1951 compared with 16.0 percent in 1950. During the postwar years, this percentage has varied from 15.2 in 1946 to 16.8 in 1947. Price ceilings were still in effect during part of 1946. Also, consumers spent a larger proportion of their disposable income in restaurants and other eating places in that year than in any other postwar year.

Fewer Stores Now Than in 1939

Since 1939, the number of retail food stores has been declining. According to the Census of Business, approximately 505,000 were in operation in 1948 compared with 561,000 in 1939. Census data are not available for a more recent year than 1948, but estimates made by a trade association indicate that the number may have declined to about 487,000 by the end of 1951. Between 1939 and 1952 the total number of specialty food stores (meat markets, fruit and vegetable markets, etc.) probably decreased by about 30 percent and the number of grocery and combination stores declined 5 percent.

The number of independent grocery and combination stores increased slightly between 1939 and 1948, but by the beginning of 1952 there were probably fewer than in 1939 (table 3). During this period, chain-store companies consolidated many of their smaller units. This process reduced the number of chain grocery and combination stores from approximately 40,000 in 1939 to less than 24,000 in 1952.

The decline in the number of independent grocery stores since 1948 has occurred among those that do not sell meats. There was probably a slight increase in the number of those that sell meats. Several factors have contributed to the decline in the number of grocery stores without meats. Stores

that handle a wider variety of goods have won increasing favor with consumers. 7/ The much greater growth in the sales of self-service stores compared with clerk-service stores probably indicates that self-service stores are preferred by a majority of the public. Only about 10 percent of the grocery stores without fresh meats had self service in 1948.

Table 3.- Number and volume of sales of grocery and combination stores, by type of ownership and type of service, 1939 and 1948

Type of ownership and service	Number of stores		Average sales per store	
	1939	1948	1939	1948
	Number	Number	1,000 Dollars	1,000 Dollars
Chain 1/				
Self service 2/	11,541	17,550	129.1	469.8
Nonself service	28,809	6,836	46.6	127.2
Unclassified	---	661	---	307.9
Total	40,350	25,047	70.2	372.1
Independent				
Self service	19,642	94,272	37.5	80.6
Nonself service	327,345	189,325	12.7	30.5
Unclassified	---	69,296	---	33.5
Total	346,987	352,893	14.1	44.5
All grocery and combination stores:				
Self service	31,183	111,822	71.4	141.7
Nonself service	356,154	196,161	15.4	33.9
Unclassified	---	69,957	---	36.1
Total	387,337	377,940	19.9	66.2

1/ Multiunit organizations consisting of four or more grocery or combination stores.

2/ Includes all stores having self service in grocery departments.

Compiled from Census of Business, 1939 and 1948. Data for 1948 by type of service were obtained by a sample survey; average sales per store are slightly larger than averages calculated from data obtained by complete enumeration.

The relative ease with which desirable jobs could be obtained, even by older persons, probably has reduced the number of new grocery stores started in recent years and has made closings of relatively unprofitable stores more numerous.

Increase in Sales per Store

Average sales per retail food store increased from approximately $18,000 in 1939 to more than $61,000 in 1948. The average for grocery and combination

7/ See "The Rise of the Super Market" in The Marketing and Transportation Situation, Dec. 1951.

stores, which comprise the largest segment of the retail food-store group, showed the largest gain. In this segment, average sales of independent stores increased from $14,000 to $44,000 and chain stores from $70,000 to $372,000 (table 3). The rise in retail prices accounted for much of the increase in sales, but an expansion in the volume of goods sold per store also contributed to the increase. The average volume of goods sold per retail food store increased by approximately 50 percent between 1939 and 1948. In the grocery-store group, the average increase was 40 percent for the independent stores and 140 for the chain stores.

Dollar sales per store were larger in 1951 than in 1948. Higher prices accounted for part of the increase, but it appears that the volume of goods sold per store was substantially larger than in 1948.

More Self-Service Stores

The number of grocery and combination stores with self service in the grocery departments, increased from 31,000 in 1939 to 112,000 in 1948, while the number of those with clerk service decreased from 356,000 to 196,000 (table 3). 8/ Clerk service was found in more than half the independent stores but in less than a third of the chain stores. The proportion of stores with self service has increased since 1948, according to estimates made by trade associations, and it seems likely that the proportion will increase in the future.

Self-service stores accounted for about two-thirds of the sales made by grocery and combination stores in 1948. The average sales per self-service store was more than four times the average for clerk-service stores.

It is estimated that in 1952 about 5,400 stores have complete self service in their meat departments. These stores represent about 2.5 percent of all stores handling fresh meats, but account for approximately 14 percent of the total retail sales of meat. About three-fourths of these stores are chain stores. The number has increased rapidly; probably less than 200 stores had self-service meat departments in 1948. Many stores have partial self service. Luncheon meats, smoked meats, and sausages are frequently sold in self-service cases by stores that have clerk service for fresh meats. 9/

Food Stores Add Nonfood Lines

Food stores, particularly the super markets, have added a variety of nonfood items to their stocks. These include cigarettes, cosmetics, drugs, plastic goods, household articles, hosiery, and many other common articles. It is reported that the profit margins obtained on many of the nonfood items are larger than upon foods and that this has led many stores to add nonfood lines. Some store managers believe that the availability of nonfood items attract customers to their stores who desire to trade where a variety of articles may be obtained at one stop. The addition of nonfood lines is opposed by some manufacturers of branded food articles, for they fear that stores will be less interested in pushing their products.

8/ A rather large number of stores reported in the Census of Business conducted in 1948 did not specify their type of service. For that reason, the actual numbers of clerk and self-service stores in 1948 are larger than those given above.

9/ The data in this paragraph were taken from the "Fifth Annual Report on Self-Service Meats," by Armour and Company, Apr. 1952.

LABOR IN THE MARKETING OF FARM FOOD PRODUCTS

By Kathryn Parr, Agricultural Economist

Labor is the most important single item in the cost of marketing farm products. Estimates indicate that in several postwar years labor has accounted for about half of the total cost of marketing farm foods.

Hourly earnings of employees in food marketing 1/ in May 1952 (latest available data) averaged $1.55, 6 percent above the same month a year earlier and about 14 percent above June 1950, when the Korean war began. The increase since the Korean invasion is about equal to the percentage increase in charges for marketing foods as measured by "market basket" data. However, changes in the cost of labor in marketing food products do not always correspond to changes in hourly earnings. For example, if the same marketing services are performed with less labor, the costs of marketing may be reduced even though wage rates are increased.

Numbers and Total Costs of Labor in Marketing Farm Foods

To facilitate comparison of the trends in labor costs and other costs in marketing farm food products, the Bureau of Agricultural Economics has recently revised and brought up to date series of estimates of the total number of persons engaged in marketing farm food products and total cost of this labor since 1929. 2/ These data were compiled from estimates of the number of workers and the labor cost for each of the marketing functions -- local assembly, processing, wholesaling, retailing, and transportation. These data relate to salaried employees as well as wage earners and to proprietors and family workers in retail establishments. Although some of these estimates are only rough approximations, it is believed that the over-all totals indicate the trends over the last two decades.

The total cost of all labor engaged in marketing farm-food products was estimated at 13.2 billion dollars in 1951 compared with 9.3 billion dollars in 1946 and an average of 4.2 billion dollars in 1935-39 (table 4). Most of the increase reflected higher wage rates rather than an increase in the number of laborers. In 1951, about 4.6 million workers were engaged in marketing farm products, only slightly more than in 1946 and about 28 percent more than in 1935-39. 3/

1/ Weighted composite earnings in steam railways, food processing, wholesale trade, and retail food stores (see inside front cover).

2/ These estimates are based upon data published by the Departments of Commerce and Labor.

3/ These estimates of labor numbers and costs relate to salaried employees and wage earners engaged in local assembly, processing, wholesaling, retailing, and transporting food products and also proprietors of unincorporated retail businesses and family members working in retail stores who are not paid a stipulated wage or salary. As many small retail stores are operated mainly by the owner and members of his family, the number of persons engaged in retailing food would be considerably understated if these were not included. These estimates include persons in restaurants and other places selling food for "on premise" consumption. Proprietors of unincorporated wholesale and processing establishments and family workers in such establishments are comparatively few in number and are not included in these estimates.

Table 4.- Estimated number of persons and labor costs in marketing farm-food products, 1929-50 1/

Year	Number of persons		Labor cost	
	Total	1935-39 = 100 2/	Total	1935-39 = 100 2/
	Million	Percent	Billion dollars	Percent
1929	3.4	94	4.5	106
1930	3.4	93	4.4	104
1931	3.2	89	4.0	96
1932	3.1	85	3.4	82
1933	3.1	87	3.2	76
1934	3.4	94	3.6	85
1935	3.4	95	3.7	89
1936	3.5	97	3.9	93
1937	3.7	102	4.4	104
1938	3.7	102	4.5	106
1939	3.7	104	4.5	108
1940	3.9	107	4.7	113
1941	4.0	112	5.2	124
1942	4.2	117	5.9	141
1943	4.1	115	6.6	156
1944	4.2	118	7.4	175
1945	4.3	119	8.0	190
1946	4.4	123	9.3	221
1947	4.6	127	10.6	253
1948	4.5	126	11.4	271
1949	4.5	126	11.8	280
1950	4.5	125	12.3	293
1951 3/	4.6	127	13.2	314

1/ Includes number and compensation of persons engaged in assembling, processing, wholesaling, retailing, and transporting farm-food products.
2/ Computed from unrounded figures.
3/ Preliminary.

During the postwar period, the volume of farm food consumed by United States civilians has averaged almost 30 percent above 1935-39 but the total number of laborers employed in marketing food products to civilians has increased only about 22 percent. This indicates that the volume of food marketed per worker is larger now than in 1935-39. However, the quantity of marketing services per unit of product may have been reduced somewhat. The wider adoption of self service in retail food stores is a noteworthy example of reduction in marketing services. These reductions have been offset somewhat by more processing and packaging of foods and by consumers buying a larger proportion of their food in the form of restaurant meals.

Annual Earnings in Food Marketing Increase Less than Average for All Industries

Average annual earnings of labor in marketing farm food products have increased each year since 1939 and in 1951 were about 150 percent higher than the 1935-39 average (table 5). Much of this increase took place during World War II, although earnings in 1951 were about 38 percent above the 1946 level. The increase over the prewar period is less than the gains of 165 percent in the average annual earnings of employees in all industries during the same period and of 175 percent for those in manufacturing industries, as reported by the Department of Commerce.

Table 5.- Average annual earnings per full-time employee in specified industries, 1939-51

Index numbers (1935-39 = 100)

Year	All industries	Manufacturing industries				Trade		Farm food marketing
		All	Food and kindred products	Textile-mill products	Tobacco	Wholesale	Retail	
1939	104	104	104	101	107	101	103	104
1940	107	110	105	104	117	105	104	105
1941	118	126	112	122	131	116	110	112
1942	140	155	125	146	145	129	119	121
1943	160	180	142	164	168	142	133	136
1944	173	192	155	177	185	153	146	149
1945	180	192	164	191	197	161	161	160
1946	193	192	181	216	209	176	184	180
1947	212	214	202	246	229	193	203	200
1948	229	232	216	272	239	207	219	215
1949	234	237	222	270	245	210	225	224
1950	247	253	233	291	265	223	236	235
1951 1/	265	275	---	---	---	---	---	248

1/ Preliminary.

Data in all columns except the last were calculated from data published by the Department of Commerce.

Increases in average annual earnings should not be confused with increases in wage rates. Average annual earnings reflect changes in hours worked as well as changes in wage rates. They also reflect shifts of employment among occupations and establishments with different wage rates. The average number of hours worked per week increased during the war but has decreased in the postwar period. Since the Korean conflict began the work week has been lengthened somewhat, mainly in defense industries, but the work week in food marketing has shown almost no change.

Estimates of supplements to wages and salaries are included in total labor cost of marketing farm products. Supplements include employer contributions to social insurance, private pensions, welfare funds, compensation for injuries, and pay of military reservists. These supplements are small compared with wages, totaling 0.3 billion dollars in 1950. This was about four times as large as in 1935-39.

Number of Laborers and Labor Costs by Marketing Functions

Some rough estimates can be made of the distribution of laborers among marketing functions. Of the total persons engaged in marketing farm foods in recent years, over half were in retailing, which includes retail food stores and restaurants and other eating places. More than a third of the workers in retailing were proprietors or unpaid family labor. Employees in food processing plants accounted for about one-fourth of the total, and those in wholesaling and transportation make up the remainder.

Approximately one-half of the cost of labor in marketing farm products was incurred in retailing. Processing accounted for slightly less than 30 percent and wholesaling and transportation each accounted for less than 10 percent.

Census data for 1947 for the processing industries are sufficiently detailed to permit more precise estimates for that segment of marketing. The total number of persons engaged in processing farm food products was estimated at about 1.2 million and the total wages and salaries at about 3.0 billion dollars (table 6). The bakery and cereal products group ranks first with about 30 percent of the total employees and 32 percent of the total wages and salaries. Meat packing establishments accounted for about 22 percent of the employees and about 25 percent of the total wage and salary bill. The poultry and egg group had only about 3 percent of the total number, but establishments in this group handled only part of the dressed poultry.

Table 6.- Number of employees and wages and salaries paid in plants processing farm food products, by industry groups, 1947

Commodity group	Establishments	Employees	Wages and salaries
	Number	Thousands	Million dollars
Meat products	3,417	252.8	745.5
Poultry and eggs 1/	711	31.5	53.0
Dairy products 2/	5,423	92.7	225.3
Bakery and other cereal products	8,866	345.3	952.4
Fruits and vegetables	3,563	180.1	378.4
Miscellaneous products	10,173	255.1	635.9
Total	32,153	1,157.5	2,990.5

1/ Industries included account for only about one-third of the dressed weight of poultry sold.

2/ Does not include combination plants which produce manufactured dairy products and also distribute fluid milk and cream.

Census of Manufactures, 1947.

The relative importance of processing among the various groups of farm foods is shown in table 7. 4/ In 1947, the cost of labor used in processing represented 26 percent of the retail cost of the foods in the miscellaneous products group, a higher proportion than for any other group of products. The miscellaneous group includes margarine, vegetable shortening, sugar, and several other highly processed foods. Bakery and other cereal products ranked second with 20 percent. Cost of labor in processing represented less than 7 percent of the retail cost of each of the other commodity groups, and averaged about 8 percent of the retail cost of all farm foods sold to civilians.

Table 7.- Retail cost, farm value, and cost of labor used in processing farm food products sold to civilian consumers in the United States, 1947

Farm products group	Retail cost 1/	Farm value 1/	Cost of labor in processing: Actual	Cost of labor in processing: As percentage of retail cost	Farmer's share of retail cost
	Bil. dol.	Bil. dol.	Bil. dol.	Pct.	Pct.
Meat products	11.14	7.12	0.70	6.3	64
Dairy products	6.30	3.70	2/ .21	3.3	59
Poultry and eggs	3.75	2.56	3/ .05	1.3	68
Bakery and other cereal products	4.52	1.49	.89	19.7	33
Fruits and vegetables	6.15	2.52	.35	5.7	41
Miscellaneous food products	2.32	.84	.59	25.4	36
Total	34.18	18.23	2.79	8.2	53

1/ Data from National Marketing Bill, The Marketing and Transportation Situation, Oct. 1951, p. 12.

2/ Does not include fluid milk plants or combination plants which produce manufactured dairy products and also distribute fluid milk and cream.

3/ Industries included dress only about one-third of the poultry sold.

The above differences are reflected in the share of the retail cost that the farmer received. The farmer's share was considerably larger for the three livestock and livestock products groups than for the miscellaneous food products and bakery and other cereal products groups for which the cost of labor in processing was higher. Both the farmer's share and cost of labor in processing are low for the fruits and vegetables group. Transportation and distribution costs are a larger proportion of the retail cost for that group than for most other groups.

4/ The retail-cost data relate to the quantities of farm food sold to civilians. Consequently, cost of the labor expended in processing these quantities is less than that shown in table 6, which is for all farm foods.

Trends in Labor Cost Per Unit of Output

In order to compare the changes in labor costs with the trend in over-all charges for marketing a fixed quantity of farm food products, indexes of unit labor cost and hourly earnings were computed from the data compiled in this study. An index of unit labor cost was obtained by dividing the index of total labor cost in marketing farm foods to civilians by an index of the volume of food products marketed. 5/ A series of hourly earnings was obtained by dividing total labor cost by the total number of man-hours worked per year as estimated from reports by the Bureau of Labor Statistics and other Government agencies. These data indicate that the unit labor cost has increased more since 1935-39 than over-all marketing charges (table 8 and fig. 3). Except for 1944 and 1945, the trend in marketing charges was quite similar to the trend in unit labor cost. During these 2 years, marketing charges remained at about the same level while unit labor cost increased. Some unit costs, however, probably decreased during this period because of increased volumes handled. Also, it is probable that marketing charges were somewhat understated in the war period. 6/

Some increase in average output per man-hour for all marketing functions combined, especially in recent years, is indicated by the fact that labor cost per unit of output has increased less than hourly earnings. Labor cost increased about 5 percent from 1948 to 1950 while hourly earnings increased about 10 percent. Labor cost per unit of output and hourly earnings in 1951 both showed about the same percentage increase over 1950 levels.

Method of Deriving Estimates

Processing: The number of employees engaged in processing farm food products in 1947 and the total wages, salaries, and other payments they received were estimated from data given for the Food and Kindred Products group in the Census of Manufactures for that year. Data for minor industries whose principal products were not food made from domestic farm products were excluded from the estimates. Data for the remaining industries in the Food and Kindred Products group were combined into six commodity groups (table 6). Some establishments that process farm foods but whose major function is wholesaling or retailing are not covered by the Census of Manufactures. Wholesalers and retailers who dress poultry, single-unit bakeries, and fluid milk distributors are important examples of establishments not classified as manufacturers by the Bureau of the Census. No attempt was made to allow for them in developing estimates for food processing. 7/ Some of the establishments included in the estimates produce nonfood products as side lines. It was not possible to allow for the labor required for these side lines in deriving the estimates.

5/ The index of the volume of food marketed to civilians is an unpublished BAE series.

6/ Marketing charges represent the difference between retail cost and farm value of a market basket containing a fixed quantity of farm food, minus processor taxes plus Government subsidy payments to marketing agencies. Estimates of retail cost are based on official price data which do not reflect black-market prices.

7/ Estimates for retailing and wholesaling cover these firms.

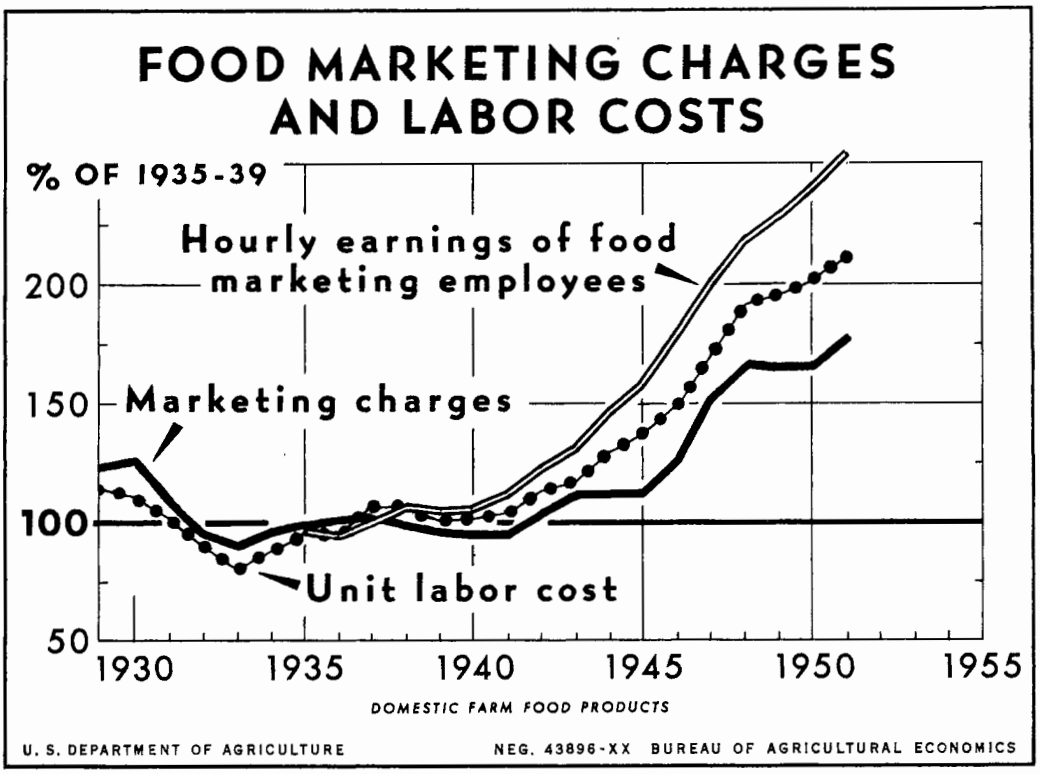

Figure 3

Table 8.- Domestic farm food products: Marketing charges, labor cost per unit of product, and hourly earnings of persons engaged in marketing farm food products, United States, 1929-51
Index numbers (1935-39 = 100)

Year	Marketing charges 1/	Unit labor cost 2/	Hourly earnings 3/	Year	Marketing charges 1/	Unit labor cost 2/	Hourly earnings 3/
1929	124	113	---	1940	94	102	106
				1941	95	105	112
1930	127	111	---	1942	104	112	123
1931	108	101	---	1943	112	118	132
1932	95	89	---	1944	112	130	147
1933	90	80	---				
1934	96	88	---	1945	112	137	158
				1946	126	150	180
1935	100	95	96	1947	151	171	202
1936	102	94	94	1948	166	192	219
1937	103	105	100	1949	165	196	229
1938	99	105	106				
1939	96	101	104	1950	165	201	240
				1951 4/	176	211	254

1/ Calculated from the spread between retail cost of the market basket of a fixed quantity of food and payments to farmers for equivalent produce, minus marketing taxes, plus Government payments to marketing agencies.

2/ Unit labor cost is the quotient of the indexes of total labor cost and the physical volume of food marketed for civilian consumption. Labor cost includes estimated compensation to proprietors and family members in retail stores. The total labor cost data have been adjusted to exclude labor prorated to marketing food for noncivilian use and labor employed in restaurants and other eating places and to allow for additional labor in retail stores to handle food consumed in restaurants and other eating places. These adjustments were required to make the unit labor cost series comparable with the marketing charges series.

3/ Hourly earnings estimated by dividing total labor cost by total man-hours for all persons, including proprietors and family members in retail stores.

4/ Preliminary.

Estimates for other years were obtained by applying to the estimates for 1947 indexes of numbers employed and labor cost. These indexes were calculated from data published by the Departments of Commerce and Labor.

Wholesaling: Employment and labor cost data given in the Census of Wholesale Trade are not given by type of product handled. Consequently, the number of persons engaged in wholesaling farm food products and the labor cost had to be estimated. Estimates were made first for 1939 because the data in the Census of Business for that year were given in more detail than in the Census of Business for 1948. This was done by assuming that for each kind of wholesaler the number of employees and labor cost in wholesaling farm foods represented the same proportion of the totals as the value of sales of farm foods was of their total sales. Estimates for other years were derived by applying indexes to the estimates for 1939. Indexes had to be estimated from annual data for all wholesaling. Data on food sales and total sales of merchant wholesalers (reported by the Department of Commerce) were deflated by wholesale price indexes. Percentages computed from the deflated sales data were used to allocate a portion of the employees and labor cost in all wholesale trade to food wholesaling. It was assumed that the annual data obtained in this way represented the trends for farm food wholesaling. Data on employment and labor costs given in the Census of Business for 1948 were used to check the estimates for 1948 that were derived by the method described above.

Retailing: As retail food stores sell nonfarm foods and nonfood items, their entire number of employees and labor cost could not be included in estimates relating to farm foods. The Census of Retail Trade for 1939 reported sales by commodity lines for all types of retail stores. These data were used to allocate the employees and labor cost of retail stores according to the proportion that farm food sales represented of total sales. Allocations were made for each type of store in which sales of food were reported, including grocery stores, restaurants, drug stores, and many other types. The same percentages were used to allocate employees, proprietors of unincorporated businesses, and family workers who received no stated wages.

Indexes of employment and earnings of labor of retail food stores were calculated from data of the Departments of Commerce and Labor. These indexes were applied to the estimates for 1939. Annual earnings of proprietors and family workers were assumed to be equal to the average annual earnings of employers.

AN ANALYSIS OF PRICE SPREADS FOR WHITE BREAD

By
Stanley W. Phillips, Economic Analyst

Although farmers' prices for wheat have declined substantially from the record level reached in January 1948, prices of bread have risen further and are at an all-time high. The increase in the price of bread can be traced largely to the higher costs of baking. Costs of milling flour and of transportation also have increased but these items are of lesser importance in the retail price of bread. The retail margin has stayed fairly stable in this period.

The farmer's share of the consumer's bread dollar in 1951 was 3 cents lower than in 1948. For other articles in the "market basket." the farmer's share in 1951 averaged only 1 cent lower than in 1948. The recent rise in retail bread prices has decreased the farmer's share still further.

Advances in bread prices above the record levels of 1951 without a corresponding change in wheat prices raises several basic questions regarding processing and distribution charges. These can be summed up in one question, "Who gets what, and why?"

In 1951, the consumer's bread dollar was shared about as follows:

	Cents
Farmers	19
Grain elevators, transportation agencies, and manufacturers of nonwheat ingredients	5
Flour mills	5
Bakeries	60
Grocers	11
Total	100

Prices received by flour mills and bakeries for their products have been rising during the past 6 years but their costs also have increased considerably. With respect to labor, the most important cost item, hourly earnings have increased steadily. Output per worker has not shown a corresponding rise and employers have tended to pass on higher costs to the buyers of their products and services. Data on profits are limited to some of the larger companies. For these concerns, both flour milling and bread baking, profits before taxes have averaged considerably higher than in earlier years. After the payment of taxes, however, profits have appeared much more modest. In terms of the ratio of net operating profit to net sales, the profit position of four large flour-milling concerns in recent years has been below 1942 in every year but one. Exactly comparable figures are not available for six large wholesale bakeries. However, net profit as a percentage of sales has been below 1935-39 in every year since except 1946 and 1948.

Bread Prices at All-Time High

The upward trend in wholesale and retail prices of white bread since 1939 is the longest continuous rise on record. Price increases were moderate during the World War II period of price control but were rapid after controls were removed. Retail bread prices in 1945 averaged 14.5 percent above those of 1939, 95 percent above in 1951, and 102 percent above in May 1952.

As might be expected, wholesale prices also rose. A close relationship exists between average wholesale and retail prices in the four United States cities where the Bureau of Labor Statistics gathers data on both (fig. 4 and table 9). These series indicate that the retailer's gross margin has moved within fairly narrow limits and that fluctuations seem to have been unrelated to price trends. The gross margin increased slightly between 1947 and the beginning of the Korean crisis. Since then it has drifted about one-third of a cent below the 2.2 cents reached in June 1950. There is no evidence that retailers have attempted to maintain historical margins, either in terms of cents or percentage of retail price. On the contrary, this narrowing of the gross margin suggests that grocers have met or have anticipated meeting buyer resistance.

Table 9.- White pan bread: Average spread between retail and wholesale price per pound loaf, four cities, 1946-52 1/

Month	1946		1947		1948		1949		1950		1951		1952	
	Spread	Percentage of retail price	Spread	Percentage of retail price	Spread	Percentage of retail price	Spread	Percentage of retail price	Spread	Percentage of retail price	Spread	Percentage of retail price	Spread	Percentage of retail price
	Ct.	Pct.	Ct.	Pct.	Ct.	Pct.	Ct.	Pct.	Ct.	Pct.	Ct.	Pct.	Ct.	Pct.
Jan.	2.4	26.1	1.3	10.6	1.7	11.9	2.1	14.8	2.1	14.7	1.7	10.6	1.9	11.7
Feb.	1.6	17.2	1.3	10.6	1.7	11.9	1.9	13.4	2.2	15.3	1.8	11.2	1.9	11.7
Mar.	1.6	17.2	1.5	12.0	1.7	11.9	2.0	14.0	2.0	14.0	1.9	11.8	1.9	11.7
Apr.	1.4	14.3	1.3	10.1	1.7	11.9	2.1	14.6	2.1	14.6	1.9	11.8	1.9	11.7
May	1.4	13.7	1.5	11.4	1.7	11.9	2.0	14.0	2.1	14.6	1.8	11.2	2.4	14.4
June	2.4	21.4	1.6	12.0	1.7	11.9	2.2	15.3	2.1	14.6	1.8	11.2		
July	1.4	12.3	1.7	12.8	1.6	11.3	2.1	14.7	1.8	12.2	1.7	10.6		
Aug.	1.7	13.7	1.7	12.8	1.6	11.3	2.1	14.7	1.8	11.9	1.8	11.2		
Sept.	1.5	12.0	1.8	13.4	1.6	11.3	2.1	14.7	1.8	11.9	1.9	11.7		
Oct.	1.4	11.3	1.6	11.8	1.6	11.3	2.1	14.7	1.8	11.9	1.9	11.7		
Nov.	1.1	9.0	1.9	12.9	1.6	11.3	2.1	14.7	1.8	11.9	1.9	11.7		
Dec.	1.0	8.2	1.7	11.9	1.9	13.4	2.1	14.7	1.7	11.3	1.9	11.7		
Av.	1.57	14.7	1.57	11.8	1.67	11.8	2.10	14.5	1.53	13.2	1.80	11.4		

1/ New York, Chicago, New Orleans, and San Francisco.
Bureau of Labor Statistics.

Bread Prices Depart from Wheat Price Trend

Before the war, changes in farm prices for wheat paralleled changes in retail prices for bread. Bread prices and wheat prices both advanced in 1946 and 1947 but early in 1948 wheat prices at the farm declined while retail bread prices held firm. 1/ This situation continued through 1949 and the first half of 1950. After the Korean war began, wheat prices advanced somewhat but remained fairly steady through 1951 and 1952 at about 1948 levels. Bread prices rose on three occasions during the past 2 years, in mid-1950, in the winter of 1950-51, and in the late spring of 1952. These advances amounted to much more than the wheat price increase and brought an all-time high in bread prices.

1/ See "Farm-to-Retail Margins for White Flour and White Bread," Bur. Agr. Econ., Dec. 1948.

Since early 1951, bread prices have been subject to price control, and the two most recent price increases were authorized by the Office of Price Stabilization. Originally frozen at December 19, 1950-January 25, 1951 levels under the General Ceiling Price Regulation, Supplementary Regulation No. 80 to the GCPR, November 1951, permitted bakers to raise prices 11 percent over the highest 3-month average price reached in 1949. Ceiling Price Regulation No. 135 dated April 10, 1952, allowed bakers increases of 16 percent over highest prices charged in 1949. Exact dollar-and-cent increases resulting from each of these regulations were passed on to consumers by retailers without regard to any customary mark-up percentages.

Farm Share Declines

These increases in retail prices have meant some decline in the farmer's share of the consumer's bread dollar (table 10). After the end of World War II this share remained fairly constant at about 20 percent for grain and 4 to 5 percent for other ingredients until 1947 when it moved upward with rising wheat prices. Beginning with the sharp decline of wheat prices in February 1948, the farmer's share of the retail bread price dropped to 18 percent for the flour content and 4 percent for all other ingredients. In 1949 and 1950, the farmer's share for the flour content remained at 16 to 17 percent with another 3 percent accounted for by other ingredients. In 1950, a sharp rise in bread prices accompanied by only a moderate improvement in farm prices brought the farmer's share of the bread dollar down to 16 percent for flour and 19 percent for all ingredients.

When bread prices and wheat prices moved in opposite directions in 1948 and to a lesser extent in 1950-51, the processing and marketing spreads widened and considerable interest developed in determining at what point in the marketing process the significant changes occurred. The fair degree of constancy prevailing between wholesale and retail prices shown in figure 4 and a smaller percentage mark-up for retailers in 1951 and 1952 than in previous postwar years (table 9) narrowed the search for significant increases to the transportation, milling, and baking stages.

Factors Responsible for Bread Price Increases

Transportation: Charges for moving the wheat from farm to mill, usually via one or more storage points, and those for moving flour from mill to bakery are included in the farm-retail price spread. Wheat and flour are moved largely by rail. Since June 30, 1946, rail rates on grain and grain products have been raised on several occasions. Present rates authorized by the Interstate Commerce Commission on this class of commodities average 71 percent higher, for the country as a whole, than on the above date. 2/

More than half of this increase has taken place since 1948. Transportation charges now approximate only 1/2 cent per pound loaf. However, an increase in transportation costs may lead to considerably larger increases in the retail price of bread. This results from the fact that millers and bakers often calculate their margins as a percentage mark-up of these costs.

2/ "Monthly Comment on Transportation Statistics," Bureau of Transportation Economics and Statistics, Interstate Commerce Commission. June 13, 1952.

Table 10.- Pound loaf of baked white bread: Estimated farm value of ingredients, miller's and baker's cost and spread, retail price, and farmer's share of retail price, annual 1939-49, monthly 1950-52

Year and month	Farm value: Grain (flour content) 1/	Farm value: All ingredients 2/	Wheat--cost to miller of flour content 3/	Mill sales value of flour 4/	Miller's flour spread	Cost to baker: Flour 5/	Cost to baker: All ingredients 6/	Baker's and retailer's spread	Retail price 7/	Farmer's share of retail price: Grain (flour content)	Farmer's share of retail price: All ingredients
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent	Percent
1939	0.80	0.96	0.94	1.36	0.42	1.52	2.13	6.2	8.3	10	12
1940	.93	1.08	1.05	1.41	.36	1.57	2.16	6.2	8.4	11	13
1941	1.04	1.27	1.13	1.56	.43	1.70	2.42	6.2	8.6	12	15
1942	1.22	1.57	1.28	1.76	.48	1.86	2.74	6.6	9.3	13	17
1943	1.53	1.92	1.58	1.98	8/ .42	2.06	2.95	6.5	9.4	16	20
1944	1.72	2.12	1.76	1.98	8/ .46	2.05	2.92	6.5	9.4	18	23
1945	1.79	2.22	1.83	2.00	8/ .49	2.05	2.91	6.6	9.5	19	23
1946	2.10	2.59	2.20	2.48	8/ .48	2.54	3.55	7.3	10.9	19	24
1947	2.93	3.47	3.03	3.82	.79	3.91	5.07	7.9	13.0	23	27
1948	2.62	3.17	2.77	3.42	.65	3.50	4.73	9.8	14.5	18	22
1949	2.40	2.80	2.56	3.18	.62	3.25	4.25	10.3	14.5	17	19
1950 Jan.	2.47	2.82	2.64	3.21	.57	3.29	4.23	10.3	14.5	17	19
Feb.	2.48	2.83	2.64	3.24	.60	3.31	4.26	10.2	14.5	17	20
Mar.	2.51	2.86	2.66	3.26	.60	3.33	4.29	10.2	14.5	17	20
Apr.	2.51	2.85	2.63	3.28	.65	3.35	4.33	10.2	14.5	17	20
May	2.49	2.85	2.63	3.26	.63	3.33	4.32	10.2	14.5	17	20
June	2.40	2.75	2.60	3.22	.62	3.29	4.28	10.2	14.5	17	19
July	2.44	2.81	2.57	3.32	.75	3.39	4.40	10.3	14.7	17	19
Aug.	2.49	2.91	2.63	3.34	.71	3.42	4.47	10.7	15.2	16	19
Sept.	2.47	2.90	2.64	3.36	.72	3.44	4.51	10.7	15.2	16	19
Oct.	2.43	2.87	2.60	3.32	.72	3.40	4.46	10.8	15.3	16	19
Nov.	2.45	2.91	2.61	3.34	.73	3.41	4.49	10.8	15.3	16	19
Dec.	2.57	3.04	2.71	3.44	.73	3.52	4.65	10.6	15.3	17	20
Year	2.48	2.87	2.63	3.30	.67	3.37	4.39	10.4	14.8	17	19
1951 Jan.	2.65	3.16	2.78	3.51	.73	3.59	4.78	11.4	16.2	16	19
Feb.	2.80	3.33	2.89	3.65	.76	3.73	4.94	11.5	16.4	17	20
Mar.	2.66	3.18	2.75	3.55	.80	3.63	4.84	11.4	16.2	16	20
Apr.	2.62	3.14	2.72	3.54	.82	3.63	4.84	11.4	16.2	16	19
May	2.61	3.11	2.72	3.51	.79	3.59	4.79	11.3	16.1	16	19
June	2.56	3.08	2.63	3.47	.84	3.54	4.74	11.5	16.2	16	19
July	2.53	3.05	2.60	3.48	.88	3.56	4.73	11.5	16.2	16	19
Aug.	2.55	3.05	2.64	3.47	.83	3.55	4.71	11.5	16.2	16	19
Sept.	2.55	3.05	2.62	3.42	.80	3.50	4.68	11.5	16.2	16	19
Oct.	2.57	3.06	2.68	3.44	.76	3.52	4.68	11.5	16.2	16	19
Nov.	2.66	3.15	2.73	3.54	.81	3.62	4.78	11.4	16.2	16	19
Dec.	2.66	3.15	2.72	3.50	.78	3.58	4.73	11.5	16.2	16	19
Year	2.62	3.13	2.71	3.51	.80	3.59	4.77	11.4	16.2	16	19
1952 Jan.	2.64	3.11	2.70	3.50	.80	3.58	4.73	11.5	16.2	16	19
Feb.	2.63	3.10	2.66	3.45	.79	3.53	4.66	11.7	16.4	16	19
Mar.	2.65	3.10	2.67	3.45	.78	3.53	4.66	11.7	16.4	16	19
Apr.	2.61	3.05	2.63	3.40	.77	3.48	4.61	11.8	16.4	16	19
May	2.58	3.04	2.65	3.38	.73	3.45	4.57	12.2	16.8	15	18

1/ Price received by farmers applied to 0.912 pound of all wheat less imputed value of byproducts.

2/ Value at prices received by farmers less byproduct allowances for wheat and other farm products yielding ingredients used in bread baking.

3/ Weighted average wholesale value of 0.912 pound of major classes and grades of wheat used for milling bread flour in six markets, adjusted to level of cost to miller, as reported in the Census of Manufactures, and further adjusted to eliminate imputed value of millfeed byproducts.

4/ Weighted average wholesale value of 0.649 pound of several types of bread flour in five markets adjusted to mill sales level as reported in the Census of Manufactures.

5/ Weighted average wholesale value of 0.649 pound of several types of bread flour in five markets adjusted to the level of cost to bakers as reported in the Census of Manufactures.

6/ Cost of flour, shortening, dry milk, yeast, salt, sugar, malt extract, and mineral yeast food, used per pound of bread (1935-39 estimated average formula) adjusted to level of cost to bakers, as reported in the Census of Manufactures.

7/ Estimated national average retail price per pound for both urban and rural areas, based upon retail prices collected by the Bureau of Labor Statistics and the Bureau of Agricultural Economics with adjustment to consumer purchase survey level.

8/ Includes subsidy payment of 0.02 cent per loaf in 1943, 0.24 cent in 1944, 0.32 cent in 1945, and 0.20 in 1946.

Milling Cost Increases: The price spread for flour is the difference between the mill sales value of the flour content of a 1-pound loaf of bread and the cost to the mill of the equivalent quantity of wheat after adjustment has been made for the value of the byproduct feeds. 3/ This spread represents the share of the consumer's bread dollar received by the milling industry. In the postwar period, it has followed the farm value of wheat fairly closely. As the farm value declined in 1948 and 1949 from the 1947 high, the mill spread moved in the same direction (table 10). Its rise during 1950 and 1951, however, preceded and exceeded, percentagewise, the upward trend of wheat prices. The spread in 1951 averaged 0.80 cent, the highest annual average since 1920. This was 31 percent of the farm value of the wheat in a loaf of bread compared to 23 percent in 1946.

The principal component of the mill spread is labor cost, which has amounted to from 10 to 15 percent of the mill's sales dollar. Significant increases in hourly earnings have occurred here since the end of World War II (table 11). Hourly earnings in 1945 were approximately 50 percent above the 1935-39 average but were about 150 percent above in 1951. The most substantial increases in hourly earnings took place between 1946 and 1947 and between 1950 and 1951, which coincided with the periods when the mill spread increased.

Table 11.- Hourly earnings: Flour and other grain milling industries, average 1935-39, annual 1939-51

Year	Hourly earnings 1/	
	Actual	Index numbers 1939 = 100
	Dollars	
Average 1935-39	0.571	94.4
1939	.605	100.0
1940	.611	101.0
1941	.639	105.6
1942	.720	119.0
1943	.801	132.4
1944	.843	139.3
1945	.892	147.4
1946	.996	164.6
1947	2/1.145	189.3
1948	1.236	204.3
1949	1.318	217.9
1950	1.382	288.4
1951	1.482	245.0

1/ Includes overtime.
2/ Revision in series beginning 1947 - Old series: 1947, $1.146.

3/ One pound of baked bread requires 0.949 pound flour which is equivalent to 0.912 pound wheat (71 percent extraction).

Unfortunately, little is known concerning other costs included in the mill spread. Undoubtedly, increases occurred here also but means of measuring them are lacking.

An attempt has been made to determine how profitable flour milling has been in the postwar years. An over-all picture of profits in the flour-milling industry is difficult to obtain. Mills which are predominantly flour makers usually also produce a large volume of feeds, trade in grain, and perform certain services such as grain storage. Income from all is lumped as "operating income." Changes that have taken place in financial organization prevent the collection of data for prewar years on certain important companies. Lastly, comparison of the financial data of the various firms is hampered by their use of dissimilar fiscal periods.

Notwithstanding these difficulties, it has been possible to compute the percentage of operating income to net sales and that of net income (operating income less depreciation and taxes) to net sales by years since 1942 for four of the seven largest flour-milling concerns. These figures, all based on fiscal years ended May 31, furnish a clue to the profitability of the larger mills which supply much of the flour bought by large wholesale bakeries. Table 12 reveals for 1942-51 the average amount of the sales dollar retained by four large flour-milling concerns before and after taxes and depreciation. Although net sales have kept rising, the proportion of profits has shown no tendency to increase. Taxes and depreciation charges have reduced the net to less than 2 cents on the dollar.

Table 12.-- Income, operating and net: Actual and as a percentage of net sales, four large flour mills, 1942-51

Year ended May 31	Income		Percentage of net sales	
	Operating	Net 1/	Operating	Net
	Million dollars	Million dollars	Percent	Percent
1942	13.49	4.68	7.28	2.57
1943	22.35	5.71	7.65	2.09
1944	25.94	5.04	7.71	1.56
1945	23.80	4.51	8.98	1.67
1946	25.23	4.56	10.72	1.92
1947	36.55	6.17	20.49	2.99
1948	43.90	4.53	21.98	2.41
1949	30.22	3.49	16.51	1.94
1950	30.76	3.82	15.93	1.97
1951	38.71	4.39	15.36	1.72

1/ Net income equals operating income less depreciation and Federal income taxes

Baking and Distribution Cost Increases: The wholesale baking spread is defined as the difference between the cost of the ingredients of a loaf of bread to the baker and his selling price for the baked loaf. It represents by far the largest part of what the consumer pays for bread. The general trend in this spread since the end of the war has been upward. At the beginning of 1948, bread prices advanced while ingredient costs dropped, thereby widening the spread at both upper and lower limits. The spread was stable in 1949 and early 1950 but when ingredient costs began to move upward later that year, bread prices advanced even more.

Noningredient costs and profits before taxes have risen much above prewar levels and substantially more than ingredient costs. Again, labor costs are a principal component. According to the 1947 Census of Manufactures, wages paid to production and related workers amounted to 13.3 percent of the value of goods shipped by bakeries selling mostly to grocers. Hourly wage rates of bakery workers advanced from $0.972 in 1946 to $1.374 in 1951, a rise of 42 percent (table 13).

Table 13.- Hourly earnings: Baking industry, average 1935-39, annual 1939-51

Year	Hourly earnings 1/	
	Actual	Index numbers 1939 = 100
	Dollars	
Average 1935-39	0.580	93.4
1939	.621	100.0
1940	.638	102.7
1941	.665	107.1
1942	.726	116.9
1943	.797	128.3
1944	.839	135.1
1945	.867	139.6
1946	.972	156.5
1947	2/1.071	172.5
1948	1.164	187.4
1949	1.239	199.5
1950	1.290	207.7
1951	1.374	221.3

1/ Includes overtime.
2/ Revision in series beginning 1947 - Old series: 1947, $1.079 - 1948, $1.166.
Based upon Bur. Labor Statistics data.

Other baking costs have moved upward as well. The evidence reveals that increases have taken place in every cost classification other than that of ingredients (table 14). Between 1945 and 1950, production costs rose approximately 48 percent. Selling expense, though not as large an item, advanced 67 percent.

Profits before taxes have been higher than they were before the war. Although they were much lower in 1951 than in 1946, no discernible trend is noted for the postwar years (table 14 and fig. 5).

Table 14.- Baked bread: Cost, price received, and net profit per pound product, six large wholesale bakeries, 1945-50

Item	1945	1946	1947	1948	1949	1950
	Cents	Cents	Cents	Cents	Cents	Cents
Cost						
Production:						
Flour	2.06	2.53	3.42	3.48	3.13	3.19
Other ingredients	1.06	1.23	1.43	1.54	1.43	1.44
Manufacturing labor:						
Direct	1.03	1.08	1.14	1.27	1.36	1.48
Indirect	1.07	1.14	1.19	1.33	1.44	1.53
Wrapping	.33	.37	.45	.52	.55	.59
Total	5.55	6.35	7.63	8.14	7.91	8.23
Selling:						
Route men	.99	1.19	1.31	1.44	1.50	1.59
Vehicle expense	.22	.24	.25	.30	.33	.35
Advertising	.21	.23	.27	.27	.33	.34
Other selling	.32	.31	.39	.50	.58	.63
Total	1.74	1.97	2.22	2.51	2.74	2.91
Administration and general	.19	.21	.21	.22	.25	.26
Total cost	7.48	8.53	10.06	10.87	10.90	11.40
Average price received	7.45	8.83	10.46	11.54	11.44	11.99
Net profit before taxes	- .03	.30	.40	.67	.54	.59

Based on data in press release of Senate Agriculture and Forestry Committee, information obtained in a conference with the Committee's staff, and data taken from Federal Trade Commission reports.

In the postwar years, the baker's share of the consumer's bread dollar has been great enough for upward changes in their costs and profits to become controlling factors in the movement of bread prices. The combined shares of farmers and retailers are approximately half of what the bakers receive. Consequently, considerable change must take place in farm prices of wheat and retailers' gross margins before any appreciable effect is produced on the price of bread. In seeking an answer to the "why" of higher postwar bread prices, it is significant that little change has taken place in wheat prices or the retailer's spread but that big increases have taken place in the baker's costs and margins.

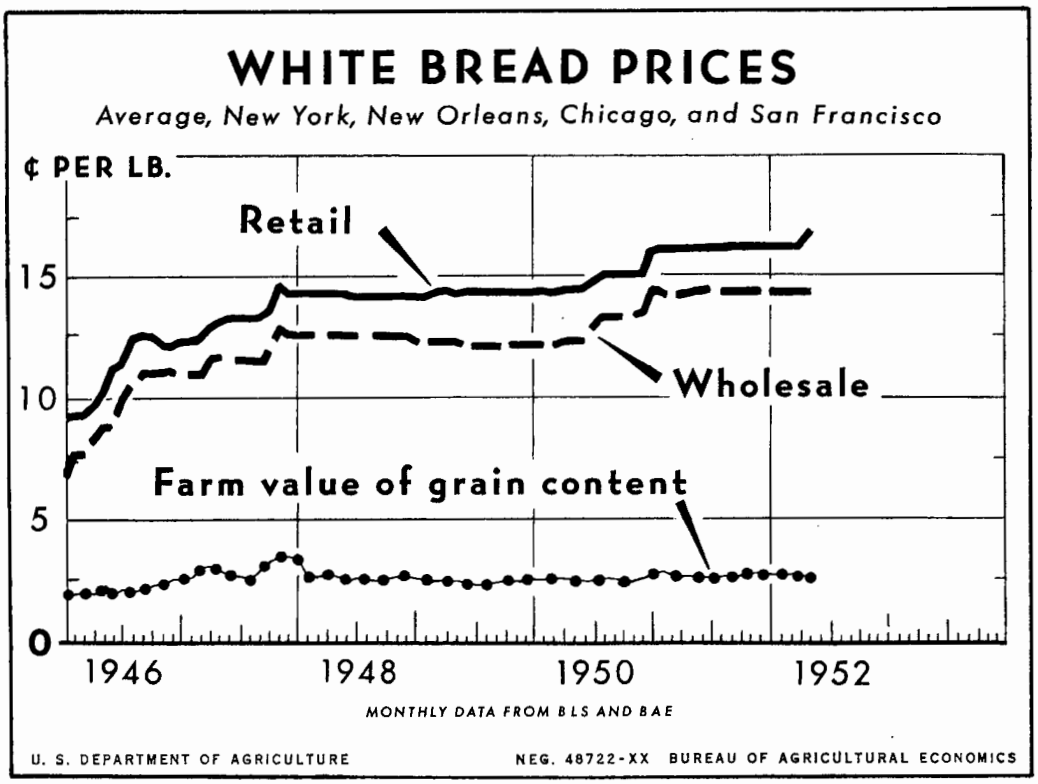

FIGURE 4

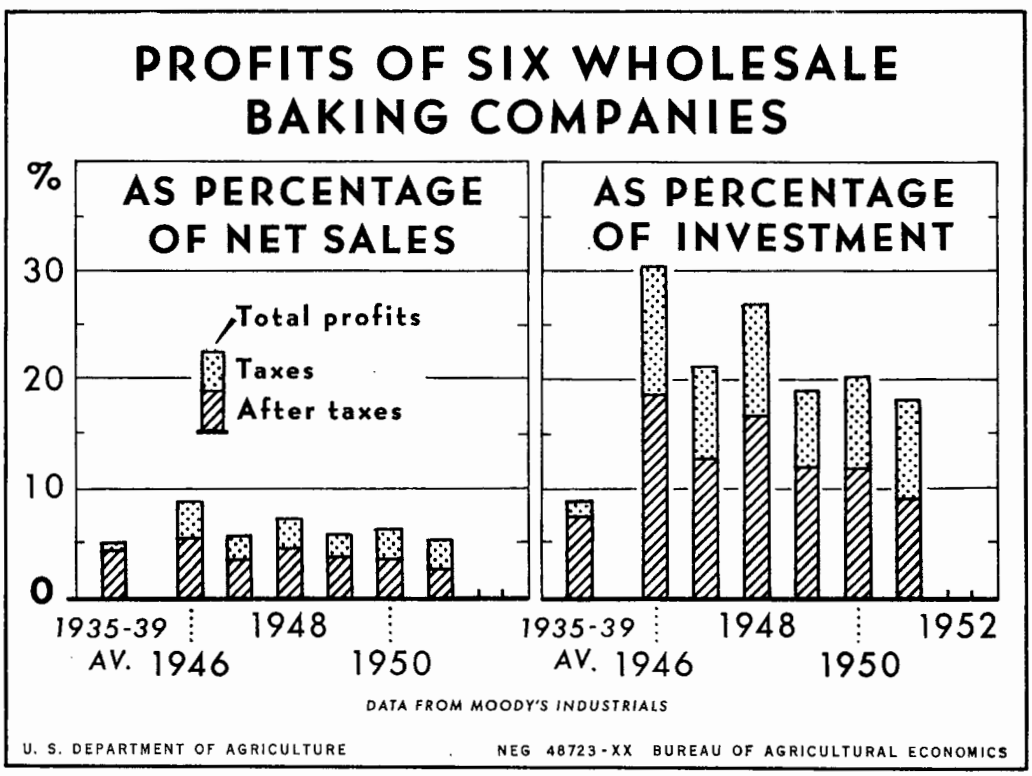

FIGURE 5

SELECTED NEW PUBLICATIONS

1. "Efficiency in Fruit Marketing - Marketing Costs for Deciduous Fruits," by R. G. Bressler, Calif. Agr. Expt. Sta. Mimeo. Report No. 127, May 1952. (Giannini Foundation of Agricultural Economics, Calif. Agr. Expt. Sta. and BAE cooperating; RMA.) (Processed.)

2. "Marketing Charges for Head Lettuce Sold in Pittsburgh, December 1949-June 1950," by Henry T. Badger, Bur. Agr. Econ., USDA Marketing Research Report No. 4, April 1952. (RMA.) (Processed.)

3. "Marketing Charges for Potatoes Sold in Pittsburgh, Pa.. December 1949-June 1950," by William N. Garrott, Bur. Agr. Econ., USDA Marketing Research Report No. 5, May 1952. (RMA.) (Processed.)

4. "Marketing Charges for Potatoes Sold in Cleveland, Ohio, February-June 1950," by William N. Garrott, Bur. Agr. Econ., USDA Marketing Research Report No. 21, May 1952. (RMA.) (Processed.)

5. "Marketing Lambs - Comparison of Liveweight Method and Carcass Weight and Grade Method," by Ottar Nervik and David G. Paterson, S. Dak. Agr. Expt. Sta. Bul. 416, Dec. 1951. (S. Dak. Agr. Expt. Sta., North Central Livestock Marketing Research Committee, BAE and BAI cooperating.)

6. "Market Possibilities for Cottonseed Feed Products - 13 Cotton Oil Mill Areas, 1948-49," by B. D. Raskopf and A. C. Blake, Southern Cooperative Series Bul. No. 16, Dec. 1951. (Agr. Expt. Stas. of Ala., Ariz., Ark., Ga., La., Miss., Mo., N. Mex., Okla., S. Car., Tenn., Tex., BAE, BPISAE, and PMA cooperating; RMA.)

7. "Objective Carcass Factors Related to Slaughter Hog Value," by James R. Wiley, Don Paarlberg, and R. C. Jones. Purdue University Agr. Expt. Sta. Bul. 567, Dec. 1951.

8. "Transportation and Handling Costs of Selected Fresh Fruits and Vegetables in the San Francisco Bay Area," by Stanford Research Institute, Bur. Agr. Econ., USDA Marketing Research Report No. 2, May 1952. (RMA, Title II Contract report.) (Processed.)

Publications issued by State Agricultural Experiment Stations may be obtained from the issuing Stations.

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, March 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			724.75	---	---	355.76	368.99	-0.34	368.65	49
Meat products			217.73	143.57	6.40	137.17	80.56	---	80.56	63
Dairy products			141.34	79.63	---	79.63	61.71	---	61.71	56
Poultry and eggs		1935-39 annual average quantities purchased, per family of three average consumers	46.90	29.72	---	29.72	17.18	---	17.18	63
Bakery and other cereal products:	Farm produce equivalent of annual family purchases									
All ingredients			105.55	---	---	27.90	77.65	- .04	77.61	26
Grain			---	28.40	5.97	22.43	---	---	---	21
Other cereal products			38.76	18.98	4.10	14.88	23.88	---	23.88	38
All fruits and vegetables			170.83	65.47	---	65.47	105.36	---	105.36	38
Fresh fruits and vegetables			135.85	56.79	---	56.79	79.06	---	79.06	42
Fresh vegetables			87.49	36.97	---	36.97	50.52	---	50.52	42
Canned fruits and vegetables			22.99	4.57	---	4.57	18.42	---	18.42	20
Miscellaneous products			42.40	---	---	15.87	26.53	- .30	26.23	37
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) 3/	2.16 lb. Choice grade cattle	Pound	86.9	4/69.8	5.4	64.4	22.5	---	22.5	74
Lamb	2.16 lb. lambs	Pound	71.3	55.3	9.5	45.8	25.5	---	25.5	64
Pork (including lard)	1.41 lb. hogs	Pound	39.4	23.5	.3	23.2	16.2	---	16.2	59
Butter	Butterfat and farm butter	Pound	87.5	63.3	---	63.3	24.2	---	24.2	72
Cheese, American	10.08 lb. milk	Pound	63.7	37.4	---	37.4	26.3	---	26.3	59
Evaporated milk	1.95 lb. milk	14½-oz. can	15.3	7.83	---	7.83	7.5	---	7.5	51
Fluid milk	Farm retail and wholesale	Quart	22.9	13.44	---	13.44	9.5	---	9.5	59
Ice cream	1.8 lb. milk	Pint	31.6	8.30	---	8.30	23.3	---	23.3	26
Eggs	1.03 doz.	Dozen	51.5	34.9	---	34.9	16.6	---	16.6	68
Chicken	1.136 lb.	Pound	53.1	30.8	---	30.8	22.3	---	22.3	58
White bread	.912 lb. wheat	Pound	16.4	3.34	.69	2.65	13.8	---	13.8	16
Corn flakes	1.05 lb. corn	8-oz. pkg.	14.0	3.51	1.18	2.33	11.7	---	11.7	17
Corn meal	1.343 lb. corn	Pound	8.2	3.96	.61	3.35	4.9	---	4.9	41
Flour, white	1.41 lb. wheat	Pound	9.1	5.17	1.08	4.09	5.0	---	5.0	45
Rice	1.68 lb. rough	Pound	16.5	8.75	1.25	7.50	9.0	---	9.0	45
Rolled oats	2.05 lb. oats	Pound	14.7	5.71	1.38	4.33	10.4	---	10.4	29
Apples	.0224 bu.	Pound	12.3	5.49	---	5.49	6.8	---	6.8	45
Oranges	.0613 box - fresh use	Dozen	45.1	15.9	---	15.9	29.2	---	29.2	35
Beans, snap	.0375 bu.	Pound	26.6	12.19	---	12.19	14.4	---	14.4	46
Cabbage	1.10 lb.	Pound	6.8	1.43	---	1.43	5.4	---	5.4	21
Carrots	.0222 bu.	Bunch	10.7	2.66	---	2.66	8.0	---	8.0	25
Lettuce	.0185 crt.	Head	13.6	5.92	---	5.92	7.7	---	7.7	44
Onions	1.06 lb.	Pound	13.8	7.66	---	7.66	6.1	---	6.1	56
Potatoes	.0174 bu.	Pound	6.7	3.76	---	3.76	2.9	---	2.9	56
Sweetpotatoes	.0204 bu.	Pound	15.0	7.81	---	7.81	7.2	---	7.2	52
Tomatoes	.0251 bu.	Pound	29.3	16.69	---	16.69	12.6	---	12.6	57
Peaches, canned	1.89 lb. Calif. cling	No. 2½ can	34.5	7.15	---	7.15	27.3	---	27.3	21
Corn, canned	3.03 lb. sweet	No. 2 can	23.1	3.56	---	3.56	19.5	---	19.5	15
Peas, canned	.89 lb.	No. 2 can	14.8	3.88	---	3.88	10.9	---	10.9	26
Tomatoes, canned	2.41 lb.	No. 2 can	17.7	3.80	---	3.80	13.9	---	13.9	21
Prunes	1 lb. dried, California	Pound	26.2	9.60	---	9.60	16.6	---	16.6	37
Navy beans	1 lb. Mich. and N. Y. pea beans	Pound	14.7	6.71	---	6.71	8.0	---	8.0	46
Beet sugar	7.13 lb. sugar beets	Pound	10.5	4.07	.21	3.86	6.6	- .54	6.1	37
Cane sugar	14.64 lb. sugar cane	Pound	10.1	4.68	.71	3.97	6.1	- .54	5.6	39
Margarine	Cottonseed, soybeans, and skim milk	Pound	29.4	---	---	10.78	18.6	---	18.6	37
Vegetable shortening	Cottonseed and soybeans	Pound	32.1	---	---	13.31	18.8	---	18.8	41

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 59.6 cents.

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, April 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			738.40	---	---	357.60	380.80	-0.34	380.46	48
Meat products			218.02	143.68	5.82	137.86	80.16	---	80.16	63
Dairy products			138.48	76.86	---	76.86	61.62	---	61.62	56
Poultry and eggs		1935-39 annual average quantities purchased, per family of three average consumers	47.82	29.93	---	29.93	17.89	---	17.89	63
Bakery and other cereal products:	Farm produce equivalent of annual family purchases									
All ingredients			105.32	---	---	27.54	77.78	- .04	77.74	26
Grain			---	28.24	6.08	22.16	---	---	---	21
Other cereal products			38.53	18.90	4.15	14.75	23.78	---	23.78	38
All fruits and vegetables			186.72	69.66	---	69.66	117.06	---	117.06	37
Fresh fruits and vegetables			151.76	61.03	---	61.03	90.73	---	90.73	40
Fresh vegetables			99.23	40.27	---	40.27	58.96	---	58.96	41
Canned fruits and vegetables			22.87	4.56	---	4.56	18.31	---	18.31	20
Miscellaneous products			42.04	---	---	15.75	26.29	- .30	25.99	37
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) 3/	2.16 lb. Choice grade cattle	Pound	87.0	4/68.9	5.2	63.7	23.3	---	23.3	73
Lamb	2.16 lb. lambs	Pound	74.4	57.0	8.0	49.0	25.4	---	25.4	66
Pork (including lard)	1.41 lb. hogs	Pound	39.1	23.1	.3	22.8	16.3	---	16.3	58
Butter	Butterfat and farm butter	Pound	82.2	60.0	---	60.0	22.2	---	22.2	73
Cheese, American	10.08 lb. milk	Pound	63.8	36.2	---	36.2	27.6	---	27.6	57
Evaporated milk	1.95 lb. milk	14½-oz. can	15.4	7.63	---	7.63	7.8	---	7.8	50
Fluid milk	Farm retail and wholesale	Quart	22.7	13.10	---	13.10	9.6	---	9.6	58
Ice cream	1.8 lb. milk	Pint	31.6	8.01	---	8.01	23.6	---	23.6	25
Eggs	1.03 doz.	Dozen	53.0	36.3	---	36.3	16.7	---	16.7	68
Chicken	1.136 lb.	Pound	53.6	29.5	---	29.5	24.1	---	24.1	55
White bread	.912 lb. wheat	Pound	16.4	3.31	.71	2.60	13.8	---	13.8	16
Corn flakes	1.05 lb. corn	8-oz. pkg.	14.0	3.42	1.16	2.26	11.7	---	11.7	16
Corn meal	1.343 lb. corn	Pound	8.2	4.03	.63	3.40	4.8	---	4.8	41
Flour, white	1.41 lb. wheat	Pound	9.0	5.12	1.09	4.03	5.0	---	5.0	45
Rice	1.68 lb. rough	Pound	16.8	8.99	1.29	7.70	9.1	---	9.1	46
Rolled oats	2.05 lb. oats	Pound	14.7	5.58	1.40	4.18	10.5	---	10.5	28
Apples	.0224 bu.	Pound	14.4	5.76	---	5.76	8.6	---	8.6	40
Oranges	.0613 box - fresh use	Dozen	44.9	13.9	---	13.9	31.0	---	31.0	31
Beans, snap	.0375 bu.	Pound	27.5	14.06	---	14.06	13.4	---	13.4	51
Cabbage	1.10 lb.	Pound	8.0	3.28	---	3.28	4.7	---	4.7	41
Carrots	.0222 bu.	Bunch	10.5	3.11	---	3.11	7.4	---	7.4	30
Lettuce	.0185 crt.	Head	15.2	6.20	---	6.20	9.0	---	9.0	41
Onions	1.06 lb.	Pound	16.9	8.51	---	8.51	8.4	---	8.4	50
Potatoes	.0174 bu.	Pound	7.3	4.02	---	4.02	3.3	---	3.3	55
Sweetpotatoes	.0204 bu.	Pound	17.6	8.49	---	8.49	9.1	---	9.1	48
Tomatoes	.0251 bu.	Pound	35.2	18.20	---	18.20	17.0	---	17.0	52
Peaches, canned	1.89 lb. Calif. cling	No. 2½ can	34.4	7.15	---	7.15	27.2	---	27.2	21
Corn, canned	3.03 lb. sweet	No. 2 can	23.1	3.56	---	3.56	19.5	---	19.5	15
Peas, canned	.89 lb.	No. 2 can	14.6	3.88	---	3.88	10.7	---	10.7	27
Tomatoes, canned	2.41 lb.	No. 2 can	17.6	3.80	---	3.80	13.8	---	13.8	22
Prunes	1 lb. dried, California	Pound	27.2	9.40	---	9.40	17.8	---	17.8	35
Navy beans	1 lb. Mich. and N. Y. pea beans	Pound	14.7	6.84	---	6.84	7.9	---	7.9	47
Beet sugar	7.13 lb. sugar beets	Pound	10.5	4.07	.21	3.86	6.6	- .54	6.1	37
Cane sugar	14.64 lb. sugar cane	Pound	10.2	4.66	.70	3.96	6.2	- .54	5.7	39
Margarine	Cottonseed, soybeans, and skim milk	Pound	29.0	---	---	10.71	18.3	---	18.3	37
Vegetable shortening	Cottonseed and soybeans	Pound	31.6	---	---	13.22	18.4	---	18.4	42

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 60.0 cents.

Table 17.- 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, May 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			746.26	---	---	361.66	384.60	-0.34	384.26	48
Meat products			220.07	152.12	6.02	146.10	73.97	---	73.97	66
Dairy products			136.90	75.40	---	75.40	61.50	---	61.50	55
Poultry and eggs		1935-39 annual average quantities purchased, per family of three average consumers	45.95	28.59	---	28.59	17.36	---	17.36	62
Bakery and other cereal products:	Farm produce equivalent of annual family purchases									
All ingredients			106.97	---	---	27.38	79.59	- .04	79.55	26
Grain			---	27.71	5.74	21.97	---	---	---	21
Other cereal products			38.55	18.57	3.95	14.62	23.93	---	23.93	38
All fruits and vegetables			194.69	68.44	---	68.44	126.25	---	126.25	35
Fresh fruits and vegetables			159.60	59.86	---	59.86	99.74	---	99.74	38
Fresh vegetables			103.75	39.24	---	39.24	64.51	---	64.51	38
Canned fruits and vegetables			22.98	4.55	---	4.55	18.43	---	18.43	20
Miscellaneous products			41.68	---	---	15.75	25.93	- .30	25.63	38
			Cents	Cents	Cents	Cents	Cents	Cents	Cents	Percent
Beef (Choice grade) 3/	2.16 lb. Choice grade cattle	Pound	87.0	4/68.0	5.4	62.6	24.4	---	24.4	72
Lamb	2.16 lb. lambs	Pound	77.1	56.8	6.4	50.4	26.7	---	26.7	65
Pork (including lard)	1.41 lb. hogs	Pound	39.9	28.2	.4	27.8	12.1	---	12.1	70
Butter	Butterfat and farm butter	Pound	80.1	58.3	---	58.3	21.8	---	21.8	73
Cheese, American	10.08 lb. milk	Pound	63.8	36.2	---	36.2	27.6	---	27.6	57
Evaporated milk	1.95 lb. milk	14½-oz. can	15.4	7.49	---	7.49	7.9	---	7.9	49
Fluid milk	Farm retail and wholesale	Quart	22.5	12.90	---	12.90	9.6	---	9.6	57
Ice cream	1.8 lb. milk	Pint	31.4	7.81	---	7.81	23.6	---	23.6	25
Eggs	1.03 doz.	Dozen	52.2	35.2	---	35.2	17.0	---	17.0	67
Chicken	1.136 lb.	Pound	50.1	27.6	---	27.6	22.5	---	22.5	55
White bread	.912 lb. wheat	Pound	16.8	3.24	.66	2.58	14.2	---	14.2	15
Corn flakes	1.05 lb. corn	8-oz. pkg.	14.0	3.36	1.15	2.21	11.8	---	11.8	16
Corn meal	1.343 lb. corn	Pound	8.2	4.08	.65	3.43	4.8	---	4.8	42
Flour, white	1.41 lb. wheat	Pound	9.0	5.01	1.02	3.99	5.0	---	5.0	44
Rice	1.68 lb. rough	Pound	16.9	9.29	1.33	7.96	8.9	---	8.9	47
Rolled oats	2.05 lb. oats	Pound	14.7	5.27	1.28	3.99	10.7	---	10.7	27
Apples	.0224 bu.	Pound	15.9	6.36	---	6.36	9.5	---	9.5	40
Oranges	.0613 box - fresh use	Dozen	46.2	13.2	---	13.2	33.0	---	33.0	29
Beans, snap	.0375 bu.	Pound	25.1	11.62	---	11.62	13.5	---	13.5	46
Cabbage	1.10 lb.	Pound	11.2	6.42	---	6.42	4.8	---	4.8	57
Carrots	.0222 bu.	Bunch	12.8	4.77	---	4.77	8.0	---	8.0	37
Lettuce	.0185 crt.	Head	16.4	7.03	---	7.03	9.4	---	9.4	43
Onions	1.06 lb.	Pound	16.4	7.02	---	7.02	9.4	---	9.4	43
Potatoes	.0174 bu.	Pound	8.0	4.59	---	4.59	3.4	---	3.4	57
Sweetpotatoes	.0204 bu.	Pound	19.6	8.83	---	8.83	10.8	---	10.8	45
Tomatoes	.0251 bu.	Pound	30.6	10.54	---	10.54	20.1	---	20.1	34
Peaches, canned	1.89 lb. Calif. cling	No. 2½ can	34.6	7.15	---	7.15	27.4	---	27.4	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	3.88	---	3.88	10.7	---	10.7	27
Tomatoes, canned	2.41 lb.	No. 2 can	17.7	3.80	---	3.80	13.9	---	13.9	21
Prunes	1 lb. dried, California	Pound	27.2	8.90	---	8.90	18.3	---	18.3	33
Navy beans	1 lb. Mich. and N. Y. pea beans	Pound	14.7	6.98	---	6.98	7.7	---	7.7	47
Beet sugar	7.13 lb. sugar beets	Pound	10.6	4.07	.21	3.86	6.7	- .54	6.2	36
Cane sugar	14.64 lb. sugar cane	Pound	10.3	4.66	.70	3.96	6.3	- .54	5.8	38
Margarine	Cottonseed, soybeans, and skim milk	Pound	29.0	---	---	10.63	18.4	---	18.4	37
Vegetable shortening	Cottonseed and soybeans	Pound	30.8	---	---	13.11	17.7	---	17.7	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 60.2 cents.

Table 18.- Price spreads between farmers and consumers - food products: Retail price and farm value, May 1952 compared with the 1935-39 average, May 1951 and April 1952 1/

Commodity	Retail unit	Retail price						Net farm value 2/					
		1935-39 average	May 1951	Apr. 1952	May 1952	Percentage change May 1952 from - May 1951	Percentage change May 1952 from - Apr. 1952	1935-39 average	May 1951	Apr. 1952	May 1952	Percentage change May 1952 from - May 1951	Percentage change May 1952 from - Apr. 1952
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Dollars	Dollars	Dollars	Dollars	Percent	Percent
Market basket		341.19	3/723.43	738.40	746.26	+ 3	+ 1	134.73	3/359.10	357.60	361.66	+ 1	+ 1
Meat products		88.57	224.19	218.02	220.07	- 2	+ 1	41.60	3/151.30	137.86	146.10	- 3	+ 6
Dairy products		67.31	133.47	138.48	136.90	+ 3	- 1	33.42	72.55	76.86	75.40	+ 4	- 2
Poultry and eggs	1935-39 annual average quantities purchased, per family of three average consumers	26.47	3/ 54.69	47.82	45.95	- 16	- 4	17.57	3/ 36.01	29.93	28.59	- 21	- 4
Bakery and other cereal products:													
All ingredients		55.09	103.69	105.32	106.97	+ 3	+ 2	11.63	3/ 28.35	27.54	27.38	- 3	- 1
Grain		---	---	---	---	---	---	9.04	3/ 22.16	22.16	21.97	- 1	- 1
Other cereal products		18.46	38.12	38.53	38.55	+ 1	4/	5.98	3/ 14.74	14.75	14.62	- 1	- 1
All fruits and vegetables		77.79	3/159.29	186.72	194.69	+ 22	+ 4	23.98	3/ 51.84	69.66	68.44	+ 32	- 2
Fresh fruits and vegetables		57.85	3/121.51	151.76	159.60	+ 31	+ 5	20.37	3/ 43.23	61.03	59.86	+ 38	- 2
Fresh vegetables		33.16	75.74	99.23	103.75	+ 37	+ 5	11.48	3/ 24.62	40.27	39.24	+ 59	- 3
Canned fruits and vegetables		14.14	24.80	22.87	22.98	- 7	4/	1.93	3/ 4.13	4.56	4.55	+ 10	4/
Miscellaneous products		25.96	3/ 48.10	42.04	41.68	- 13	- 1	6.53	3/ 19.05	15.75	15.75	- 17	0
		Cents	Cents	Cents	Cents	Percent	Percent	Cents	Cents	Cents	Cents	Percent	Percent
Beef (Choice grade) 5/	Pound	29.1	84.5	87.0	87.0	+ 3	0	16.2	3/63.4	3/63.8	62.6	- 1	- 2
Lamb	Pound	26.8	77.5	74.4	77.1	- 1	+ 4	13.2	3/56.2	49.0	50.4	- 10	+ 3
Pork (including lard)	Pound	22.6	45.1	39.1	39.9	- 12	+ 2	11.7	28.4	22.8	27.8	- 2	+ 22
Butter	Pound	35.0	79.2	82.2	80.1	+ 1	- 3	23.9	56.8	60.0	58.3	+ 3	- 3
Cheese, American	Pound	25.9	62.7	63.8	63.8	+ 2	0	13.6	3/35.1	36.2	36.2	+ 3	0
Evaporated milk	14½-oz. can	7.5	14.9	15.4	15.4	+ 3	0	2.86	7.18	7.63	7.49	+ 4	- 2
Fluid milk	Quart	11.4	21.6	22.7	22.5	+ 4	- 1	6.30	12.33	13.10	12.90	+ 5	- 2
Ice cream	Pint	6/	31.2	31.6	31.4	+ 1	- 1	6/	7.47	8.01	7.81	+ 5	- 2
Eggs	Dozen	29.0	64.5	53.0	52.2	- 19	- 2	22.3	46.6	36.3	35.2	- 24	- 3
Chicken	Pound	30.0	3/57.0	53.6	50.1	- 12	- 7	16.9	3/32.9	29.5	27.6	- 16	- 6
White bread	Pound	9.1	16.1	16.4	16.8	+ 4	+ 2	1.08	2.61	2.60	2.58	- 1	- 1
Corn flakes	8-oz. pkg.	7.9	13.2	14.0	14.0	+ 6	0	.84	2.17	2.26	2.21	+ 2	- 2
Corn meal	Pound	3.0	7.8	8.2	8.2	+ 5	0	1.40	3.28	3.40	3.43	+ 5	+ 1
Flour, white	Pound	3.9	9.0	9.0	9.0	0	0	1.67	4.03	4.03	3.99	- 1	- 1
Rice	Pound	7.2	16.9	16.8	16.9	0	+ 1	2.37	3/ 8.16	7.70	7.96	- 2	+ 3
Rolled oats	Pound	7.3	14.4	14.7	14.7	+ 2	0	1.74	4.48	4.18	3.99	- 11	- 5
Apples	Pound	4.9	11.0	14.4	15.9	+ 45	+ 10	2.03	3/ 4.10	5.76	6.36	+ 55	+ 10
Oranges	Dozen	30.3	46.5	44.9	46.2	- 1	+ 3	11.0	18.8	13.9	13.2	- 30	- 5
Beans, snap	Pound	11.3	22.5	27.5	25.1	+ 12	- 9	4.49	3/ 9.75	14.06	11.62	+ 19	- 17
Cabbage	Pound	3.4	6.5	8.0	11.2	+ 72	+ 40	.81	3/ 1.44	3.28	6.42	+346	+ 96
Carrots	Bunch	5.4	10.7	10.5	12.8	+ 20	+ 22	1.69	3.77	3.11	4.77	+ 27	+ 53
Lettuce	Head	8.7	18.8	15.2	16.4	- 13	+ 8	2.89	3/ 6.20	6.20	7.03	+ 13	+ 13
Onions	Pound	4.5	10.4	16.9	16.4	+ 58	- 3	1.30	3/ 5.11	8.51	7.02	+ 37	- 18
Potatoes	Pound	2.5	4.8	7.3	8.0	+ 67	+ 10	1.25	1.90	4.02	4.59	+142	+ 14
Sweetpotatoes	Pound	4.0	9.1	17.6	19.6	+115	+ 11	1.65	4.26	8.49	8.83	+107	+ 4
Tomatoes	Pound	6/	29.9	35.2	30.6	+ 2	- 13	6/	3/10.29	18.20	10.54	+ 2	- 42
Peaches, canned	No. 2½ can	18.7	33.6	34.4	34.6	+ 3	+ 1	2.53	3/ 5.67	7.15	7.15	+ 26	0
Corn, canned	No. 2 can	12.1	22.1	23.1	23.2	+ 5	4/	1.50	3/ 2.73	3.56	3.56	+ 30	0
Peas, canned	No. 2 can	15.6	15.5	14.6	14.6	- 6	0	2.29	3.59	3.88	3.88	+ 8	0
Tomatoes, canned	No. 2 can	9.4	20.5	17.6	17.7	- 14	+ 1	1.49	3/ 3.05	3.80	3.80	+ 25	0
Prunes	Pound	10.0	28.0	27.2	27.2	- 3	0	2.99	3/11.70	9.40	8.90	- 24	- 5
Navy beans	Pound	6.5	16.1	14.7	14.7	- 9	0	3.02	3/ 5.64	6.84	6.98	+ 24	+ 2
Beet sugar	Pound	5.7	10.5	10.5	10.6	+ 1	+ 1	1.73	3/ 3.83	3.86	3.86	+ 1	0
Cane sugar	Pound	5.5	10.2	10.2	10.3	+ 1	+ 1	1.78	3/ 3.98	3.96	3.96	- 1	0
Margarine	Pound	18.1	3/37.4	29.0	29.0	- 22	0	4.30	3/14.09	10.71	10.63	- 25	- 1
Vegetable shortening	Pound	19.5	39.0	31.6	30.8	- 21	- 3	5.26	3/17.54	13.22	13.11	- 25	- 1

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

Commodity	Retail unit	Marketing charges 2/						Farmer's share			
		1935-39 average	May 1951	Apr. 1952	May 1952	Percentage change May 1952 from - May 1951	Percentage change May 1952 from - Apr. 1952	1935-39 average	May 1951	Apr. 1952	May 1952
		Dollars	Dollars	Dollars	Dollars	Percent	Percent	Percent	Percent	Percent	Percent
Market basket	1935-39 annual average quantities purchased, per family of three consumers	204.47	3/363.99	380.46	384.26	+ 6	+ 1	40	50	48	48
Meat products		45.88	3/ 72.89	80.16	73.97	+ 1	- 8	47	67	63	66
Dairy products		33.89	60.92	61.62	61.50	+ 1	4/	50	54	56	55
Poultry and eggs		8.90	3/ 18.68	17.89	17.36	- 7	- 3	66	66	63	62
Bakery and other cereal products:											
All ingredients		42.80	3/ 75.30	77.74	79.55	+ 6	+ 2	21	27	26	26
Grain		---	---	---	---	---	---	16	---	---	---
Other cereal products		12.10	3/ 23.38	23.78	23.93	+ 2	+ 1	32	39	38	38
All fruits and vegetables		53.81	3/107.45	117.06	126.25	+ 17	+ 8	31	33	37	35
Fresh fruits and vegetables		37.48	3/ 78.28	90.73	99.74	+ 27	+ 10	35	36	40	38
Fresh vegetables		21.68	3/ 51.02	58.96	64.51	+ 26	+ 9	35	33	41	38
Canned fruits and vegetables		12.21	3/ 20.67	18.31	18.43	- 11	+ 1	14	3/ 17	20	20
Miscellaneous products		19.19	3/ 28.75	25.99	25.63	- 11	- 1	25	3/ 40	37	38
		Cents	Cents	Cents	Cents	Percent	Percent	Percent	Percent	Percent	Percent
Beef (Choice grade) 5/	Pound	12.9	3/21.1	3/23.2	24.4	+ 16	+ 5	56	75	73	72
Lamb	Pound	13.6	3/21.3	25.4	26.7	+ 25	+ 5	49	73	66	65
Pork (including lard)	Pound	10.3	16.7	16.3	12.1	- 28	- 26	52	63	58	70
Butter	Pound	11.1	22.4	22.2	21.8	- 3	- 2	68	72	73	73
Cheese, American	Pound	12.3	3/27.6	27.6	27.6	0	0	53	56	57	57
Evaporated milk	14½-oz. can	4.6	7.7	7.8	7.9	+ 3	+ 1	38	48	50	49
Fluid milk	Quart	5.1	9.3	9.6	9.6	+ 3	0	55	57	58	57
Ice cream	Pint	6/	23.7	23.6	23.6	4/	0	6/	24	25	25
Eggs	Dozen	6.7	17.9	16.7	17.0	- 5	+ 2	77	72	68	67
Chicken	Pound	13.1	3/24.1	24.1	22.5	- 7	- 7	56	58	55	55
White bread	Pound	7.9	13.5	13.8	14.2	+ 5	+ 3	12	16	16	15
Corn flakes	8-oz. pkg.	7.1	11.0	11.7	11.8	+ 7	+ 1	11	16	16	16
Corn meal	Pound	1.6	4.5	4.8	4.8	+ 7	0	47	42	41	42
Flour, white	Pound	2.1	5.0	5.0	5.0	0	0	43	45	45	44
Rice	Pound	4.7	3/ 8.7	9.1	8.9	+ 2	- 2	33	3/ 48	46	47
Rolled oats	Pound	5.6	9.9	10.5	10.7	+ 8	+ 2	24	31	28	27
Apples	Pound	2.9	6.9	8.6	9.5	+ 38	+ 10	41	37	40	40
Oranges	Dozen	19.3	27.7	31.0	33.0	+ 19	+ 6	36	40	31	29
Beans, snap	Pound	6.8	3/12.7	13.4	13.5	+ 6	+ 1	40	3/ 43	51	46
Cabbage	Pound	2.6	5.1	4.7	4.8	- 6	+ 2	24	3/ 22	41	57
Carrots	Bunch	3.7	6.9	7.4	8.0	+ 16	+ 8	31	35	30	37
Lettuce	Head	5.8	3/12.6	9.0	9.4	- 25	+ 4	33	33	41	43
Onions	Pound	3.2	3/ 5.3	8.4	9.4	+ 77	+ 12	29	3/ 49	50	43
Potatoes	Pound	1.3	2.9	3.3	3.4	+ 17	+ 3	50	40	55	57
Sweetpotatoes	Pound	2.4	4.8	9.1	10.8	+125	+ 19	41	47	48	45
Tomatoes	Pound	6/	3/19.6	17.0	20.1	+ 3	+ 18	6/	3/ 34	52	34
Peaches, canned	No. 2½ can	16.2	27.9	27.2	27.4	- 2	+ 1	14	17	21	21
Corn, canned	No. 2 can	10.6	19.4	19.5	19.6	+ 1	+ 1	12	12	15	15
Peas, canned	No. 2 can	13.3	11.9	10.7	10.7	- 10	0	15	23	27	27
Tomatoes, canned	No. 2 can	7.9	17.5	13.8	13.9	- 21	+ 1	16	15	22	21
Prunes	Pound	7.0	16.3	17.8	18.3	+ 12	+ 3	30	42	35	33
Navy beans	Pound	3.5	10.5	7.9	7.7	- 27	- 3	46	35	47	47
Beet sugar	Pound	3.6	3/ 6.2	6.1	6.2	0	+ 2	30	3/ 36	37	36
Cane sugar	Pound	3.4	3/ 5.7	5.7	5.8	+ 2	+ 2	32	3/ 39	39	38
Margarine	Pound	13.2	3/23.3	18.3	18.4	- 21	+ 1	24	3/ 38	37	37
Vegetable shortening	Pound	14.2	3/21.5	18.4	17.7	- 18	- 4	27	3/ 45	42	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, table18) 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.