FOOD IN OUR SOCIETY
AGRICULTURE PRODUCES A VITAL FOOD SUPPLY

Farm output has risen steadily since World War II, and has almost doubled in the past 40 years. In 1960 farmers not only provided most of the food for our own people, but produced enough to export 12 percent of all their output.

The value to the farmer of this production has fluctuated, however, because of sharp price changes.

Illinois farmers sell products valued at about 6 percent of the total U. S. farm output. They rank first in cash sales of corn and soybeans and second in sales of meat animals.
AMERICANS ARE WELL FED

Americans rank near the top in total calories and protein consumed per person.

Many of the other industrial nations are not far behind us, but the most highly populated countries, such as China, India, and Pakistan, are very low in calories and protein. These countries are most in need of improving the nutrition of their people.
Nearly 40 percent of the labor force in the United States is employed in producing, processing, or distributing food and fiber products, and in providing the supplies that farmers need for production.

Even though Illinois has one of the nation's large metropolitan centers, about 30 percent of its labor force works in industries related to agriculture. Illinois ranks first in the number employed in these industries: farm machinery, prepared meats, flour and meal, confectionery products, and soybean processing.

<table>
<thead>
<tr>
<th>EMPLOYED IN</th>
<th>NUMBER (MILLIONS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>FARM PRODUCTION</td>
<td>7.4</td>
</tr>
<tr>
<td>PROCESSING AND DISTRIBUTION</td>
<td>10.0</td>
</tr>
<tr>
<td>SUPPLYING PRODUCTION GOODS TO FARMERS</td>
<td>6.0</td>
</tr>
<tr>
<td>TOTAL AGRICULTURAL EMPLOYMENT</td>
<td>23.4</td>
</tr>
<tr>
<td>TOTAL CIVILIAN EMPLOYMENT</td>
<td>64.0</td>
</tr>
</tbody>
</table>

\[
\frac{23.4}{64.0} = 37\% \text{ EMPLOYED IN AGRICULTURAL INDUSTRIES}
\]

ESTIMATED FOR MID-1950's
AGRICULTURAL MARKETING: A $65 BILLION JOB

Agricultural marketing is big business. It includes all the services performed on a product from the time it leaves the farm until it reaches the consumer.

Out of nearly $99 billion that consumers spent for food and clothing in 1960, about 35 percent went to farmers and 65 percent went for marketing services.
HOW MANY MONTHS GOVERNMENT STOCKS WOULD LAST
At Current Rate of Domestic Use

Only a few commodities make up most of the government-owned farm-commodity stockpile of nearly $7 billion. Most farm products are rather perishable, and price supports and storage have been limited to storable products. Wheat, corn, and grain sorghum make up the bulk of current stocks.

We use our agricultural commodities so heavily that if some disaster should drastically cut current production, the government stocks would last only a few months.

HOME-PREPARED MEALS: LESS MONEY, MORE TIME

Meals for which most of the food is prepared at home may cost less money at the grocery store than meals that make much use of ready-prepared food, but the home-prepared meals take more of the homemaker’s time to get the food ready for the table. The saving in time is part of the cost of ready-prepared food.

Marketing services now take a larger part of the retail food dollar than in past years. Consumers are demanding and paying for more marketing services. Agricultural marketing firms are doing more of these services and doing them more efficiently than in the past.
WHEAT GRAIN SORGHUM CORN TOBACCO BARLEY DRIED SORGHUM MILK

HOME PREPARED:
MONEY COST PER DAY: $4.90
TIME COST PER DAY: 5.5 HOURS

PARTIALLY PREPARED:
MONEY COST PER DAY: $5.80
TIME COST PER DAY: 3.1 HOURS

READY TO SERVE:
MONEY COST PER DAY: $6.70
TIME COST PER DAY: 1.6 HOURS

FAMILY OF FOUR FOR ONE DAY
FEWER FARMS: MORE ACRES PER FARM

Since 1940, the number of farms in the United States has dropped 2.3 million. The number of acres per farm has risen from 174 to 302. Illinois had 213,000 farms in 1940 but only 155,000 in 1959, while the average acreage rose from 145 to 196. The greatest decline in farm numbers has been among those selling less than $2,500 of farm products a year.

The family farm is still the dominant type of producing unit.
Farm families now make up only 9 percent of the total U. S. population. In 1910, one of every three people was on the farm; in 1930, the ratio was one in four, in 1950 it was one in six, and now it is one in eleven. In Illinois farm families make up 5 to 6 percent of the total population.

The more rural counties in southern and western Illinois have lost population. Counties in northern and central Illinois and those with large cities have gained population in recent years.
A RAPID RISE IN FARM WORKERS' PRODUCTIVITY

The productivity per man on the farm has more than doubled since World War II, while the productivity of nonfarm workers has risen about two-fifths.

On the average, American farmers spent 51 percent of their gross income for current farm operating expenses in 1960, an increase over the 43 percent they spent in 1950. Purchased supplies have become a more important part of farm production.

<table>
<thead>
<tr>
<th>Year</th>
<th>Farm Workers</th>
<th>Nonfarm Industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960</td>
<td>192</td>
<td>136</td>
</tr>
<tr>
<td>1955</td>
<td>154</td>
<td>122</td>
</tr>
<tr>
<td>1950</td>
<td>116</td>
<td>109</td>
</tr>
<tr>
<td>1947</td>
<td>90</td>
<td>98</td>
</tr>
</tbody>
</table>

PERCENT OF 1947-49 PRODUCTIVITY PER MAN HOUR, NONGOVERNMENT WORKERS
FARM PRICES DOWN: COSTS UP

Cost of farming has been rising while the prices received by farmers have been sliding. The combination has resulted in a serious cost-price squeeze on many farms.

On a typical Illinois grain farm, current operating expenses have climbed in the last ten years from 36 percent of gross income to 55 percent.
INVESTMENT IN FARMING IS HIGH

Investment in machinery, livestock, land, and buildings has risen steadily while the labor employed on farms has declined. Illinois farms averaged $64,000 in land and buildings in 1959, compared with $33,000 for the United States.

Investment varies considerably in different sections of the state and by type of farm. Livestock farms, for example, have more investment than cash-crop farms.

As payment for capital, family labor, and management, record-keeping Illinois farm families on farms of 180 to 260 acres averaged $7,870 a year during the last ten years.

THE FARM-NONFARM INCOME GAP

The income per person on farms is lower than the income per person in the nonfarm population. Both have risen some in the past ten years, but income per nonfarm person has risen more than income per farm person.

Part of the difference may be offset by the likelihood that lower costs in rural areas probably give the dollar income of farmers more purchasing power than the same income in urban areas. However, no satisfactory measure of difference between rural and urban costs of living is available.
<table>
<thead>
<tr>
<th>TYPE OF FARM</th>
<th>FARM AND FAMILY EARNINGS</th>
<th>TOTAL FARM INVESTMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>BEEF FARM (NORTHERN ILLINOIS)</td>
<td>$8,300</td>
<td>$124,000</td>
</tr>
<tr>
<td>GRAIN FARM (NORTHERN ILLINOIS)</td>
<td>$8,300</td>
<td>$107,000</td>
</tr>
<tr>
<td>AVERAGE FARM (STATE)</td>
<td>$7,870</td>
<td>$97,000</td>
</tr>
</tbody>
</table>

ILLINOIS AVERAGES FOR 1951-59

<table>
<thead>
<tr>
<th>INCOME PER PERSON 1959</th>
</tr>
</thead>
<tbody>
<tr>
<td>FARM POPULATION $965</td>
</tr>
<tr>
<td>NONFARM POPULATION $2,216</td>
</tr>
</tbody>
</table>
FARM PRICES DOWN: FOOD PRICES UP

While prices of farm products have generally declined during the last ten years, consumer food prices have risen. Farm prices declined because farmers' abundant production resulted in a less favorable market; food prices rose largely because of the greater amount of marketing services now being performed on food products after they leave the farmer. Yet consumers on the average spend only about a fifth of their disposable income for food — less than at any other time on record.
FOOD PRICES IN LINE WITH MOST ITEMS

Food prices have risen less than the average of all consumer prices since World War II. Apparel and household furnishings have risen less than food, but some services have risen over twice as fast.
Circular 854

This circular was prepared by R. G. F. Spitze, associate professor of agricultural economics, and H. D. Guither, assistant extension editor.

Urbana, Illinois


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