

Food and Agriculture in Perspective

Background on
Agriculture in
Oregon and the
Nation

#85292

Ext. Pub.

Ag. 

11,200



EC 1029

November 1980

Oregon State University Extension Service

Prepared by Stanley D. Miles, Extension economist, Department of Agricultural and Resource Economics, Oregon State University. Much of the data came from the U.S. Department of Agriculture.

Partial funding of this publication was provided by the E. R. Jackman Institute for Agricultural Resources in Oregon. The Institute was founded as an action organization in the tradition of E. R. Jackman, long-time Oregon State University Extension Service agricultural educator. Its goal is to promote increased public understanding and appreciation of Oregon agriculture.

**E·R Jackman
Institute**
for Agricultural Resources



**OREGON STATE UNIVERSITY
EXTENSION
 SERVICE**

Extension Service, Oregon State University, Corvallis, Henry A. Wadsworth, director. This publication was produced and distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. Extension work is a cooperative program of Oregon State University, the U.S. Department of Agriculture, and Oregon counties. Extension invites participation in its programs and offers them equally to all people, without discrimination.

Agribusiness is the nation's largest industry. Farm assets alone (\$820.2 billion) on January 1, 1979 amounted to about four-fifths of the capital assets of all manufacturing corporations in the United States.

It is also the nation's largest employer. Between 14 and 17 million people work in some phase of agriculture—from growing food and fiber to selling it at the supermarket. Farming itself uses 3.9 million workers—as many as the combined payrolls of transportation, the steel industry, and the automobile industry.

One farmworker in 1978 supplied enough food and fiber for 65 people. Only 10 years ago, that same worker was producing enough for 42. Farmers produce not only enough for the U.S. but enough to make large quantities of farm products available for international trade.

The United States exports more farm products than any other country. The production from one cropland acre out of every three goes overseas.

This publication provides information that will help put food and agriculture in perspective with respect to its role in shaping the quality of life in Oregon, the United States, and the world.

Economic Impact on the Economy

As farmers and ranchers go about their business, they generate other economic activity. Agricultural production involves making investments, hiring labor, buying inputs such as fertilizer and fuel, purchasing machinery and equipment, incurring family and household expenses, etc. The people who farmers buy from also make purchases and generate other business activity. Thus, the original dollar spent by farmers keeps turning over in the economy. The total impact of these dollars being injected into the economy is called the multiplier effect.

Research shows that the income multiplier for Oregon agriculture is three times the original sales. Therefore, farm sales of \$1.5 billion will generate \$4.5 billion effect on the Oregon economy.

Number of Farms By Value of Agriculture Product Sold 1978

Sales volume	Oregon
Under \$2,500	13,804
\$2,500 to \$9,999	9,198
\$10,000 to \$39,999	5,782
\$40,000 to \$99,999	3,165
\$100,000 or more	2,926
Total number of farms	34,875

Source: 1978 Census of Agriculture—Preliminary Report.

The Farmer's Share of the Food Dollar

In 1979, farmers received 39 cents of the retail food dollar spent by consumers in the grocery store. This share rose to about 45 cents in 1973 with higher farm prices, but otherwise has remained fairly constant.

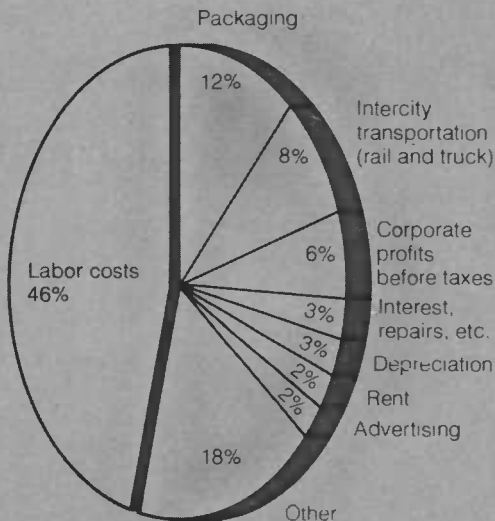
However, the farmer's share of the food dollar varies widely among commodities depending on the amount of processing and handling between the farm and consumer. The wide variation among commodities is shown in the accompanying table.

Farmer's Share of the Food Dollar, by Commodity, 1978

Food commodity	Farmer's share
	Percent
Beef, choice	65
Pork	60
Eggs	59
Milk, grade A	55
Sugar	44
Dried beans	39
Flour	31
Potatoes (10 pounds)	29
Canned corn	17
Bread (white)	15
Corn flakes	7

It should be noted that the *farmer's share* is the gross sales value of the farm product; not a net return. Expenses must be subtracted from this gross value to get farm income.

Components of Bill for Marketing Farm Foods, 1978



One Hour's Pay for a Typical U.S. Factory Worker Will Buy

Food item	1950	1979
White bread, lbs.	10.1	15.8
Frying chicken, lbs.	2.5	9.8
Milk, qts.	7.5	13.5
Butter, lbs.	2.0	4.1
Eggs, doz.	2.4	8.0
Pork, lbs.	2.7	4.6
Choice beef, lbs.	1.9	3.0

Oregon's Leading Agricultural Commodities, 1979

Commodity	Farm sales ¹	Ranking in US
Cattle & calves	394,478	26
Wheat	214,025	15
Dairy products	133,327	26
Greenhouse & nursery ..	105,012	7
Potatoes	61,179	4
Farm forest products ...	50,411	n/a
All hay	43,200	12
All pears	41,500	3
Ryegrass seed	40,893	1
Snap beans, processed ..	26,208	2
Peppermint oil	26,163	1
Chicken eggs	26,003	28
Broilers	23,251	20
Sweet cherries	20,672	3
Sweet corn, processed ..	19,217	4
Christmas trees	17,814	1
Onions	16,622	4
Barley	16,072	8
Apples	15,640	10
Hogs & pigs	14,404	32

¹ In thousands of dollars.

Value of Farm Sales, 1979

Crop	Oregon ¹	U.S. ¹
Plant crops	944	61,682
Livestock	580	67,260
Total	1,524	128,942

¹ In millions of dollars.

Consumers' Expenditures by Type of Purchase, January 1, 1980

All urban consumers	Portland	U.S. average
	<i>Percent</i>	<i>Percent</i>
Food and beverages	15.3	18.7
Housing	52.2	45.0
Transportation	16.3	18.6
Apparel and upkeep	3.8	5.1
Medical care	4.3	4.8
Entertainment	4.5	3.7
Other	3.5	4.1

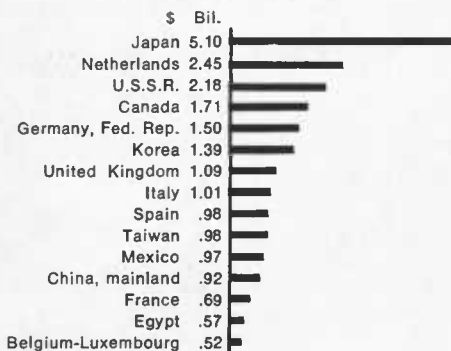
Source: Consumer Price Index Allocations.

Consumption Expenditures for Food, Beverages, and Tobacco, United States and Other Countries, 1977

Country	Proportion of private expenditures
	<i>Percent</i>
United States	16.5
France	23.5
German Federal Republic	27.2
United Kingdom	31.4
Japan	28.3
USSR	45.0
Poland	45.0

Source: World Agricultural Situation, USDA, ESCS, June 1980.

U.S. Agricultural Exports by Country, 1978/79



U.S. Agricultural Exports by Principal Commodity Groups, October 1979 through September 1980

Commodity	Value of exports
	<i>Billion dollars</i>
Grains and feeds	18.3
Oilseeds and products	9.9
Livestock products	3.2
Cotton, including linters	3.2
Fruits, nuts and vegetables	2.6
Tobacco	1.3
Sugar and tropical products8
Poultry products5
Dairy products2
Total	40.0

Leading U.S. Agricultural Imports, October 1979 through September 1980

Crop	Value of Imports ¹
Coffee and products	4.8
Meat and products	2.2
Sugar and related products	1.8
Fruits, nuts, and vegetables	1.7
Cocoa and products	1.0
Wine and beer	1.0
Rubber and allied gums9
Oilseeds and products7
Dairy products and poultry5
Tobacco, unmanufactured4
Bananas and plantains4
Other	2.1
Total	17.5

¹ Billions of dollars.

U.S. Balance of Payments (Calendar Year)

Class	Year 1969	Year 1979
Agricultural trade		
Exports	6.0 ¹	34.7 ¹
Imports	5.0	16.7
Balance	+ 1.1	+ 18.0
Nonagricultural trade		
Exports	31.4	143.7
Imports	30.9	190.4
Balance	+ .5	- 46.7

¹ Billions of dollars.

Energy

Energy use on farms accounts for 3 percent of the total United States' energy consumed. It takes more energy in the home for food preparation than it does for agricultural production. Agricultural production in the United States is also an efficient user of energy when compared with farming in other countries.

Energy Use in Our Food System

Sector	Proportion of U.S. Energy Used
	<i>Percent</i>
Production (including inputs)	2.9
Processing	4.8
Distribution	1.3
Consumption-Preparation	
—in home	4.3
—away from home	2.8
Transportation	0.4
Total	<u>16.5</u>

Type of Energy Used

Energy	Proportion of total
	<i>Percent</i>
Petroleum Products	50
Natural Gas	30
Electricity	15
Coal	4
Other	1
Total	<u>100</u>