

Food and Agriculture In Perspective

OREGON

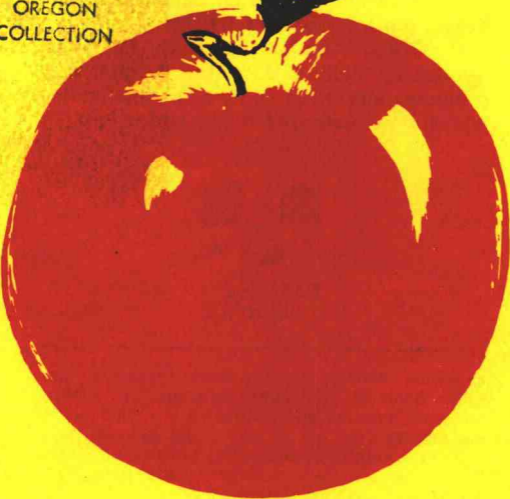
Background on Agriculture in
Oregon and the
Nation

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Oregon State University Extension Service

Prepared by Extension economists and the staff of the Department of Agricultural and Resource Economics, Oregon State University.

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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 (\$670 billion) amount to about three-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 4.4 million workers—as many as the combined payrolls of transportation, the steel industry, and the automobile industry.

One farmworker now supplies enough food and fiber for 56 people. Only 10 years ago, that same worker was producing enough for 29. 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 billion will generate a \$3 billion effect on the Oregon economy.

Number of Farms By Value of Agricultural Product Sold

Sales Volume	Oregon	U.S.
Under \$2,500	10,196	649,448
\$2,500 and over	16,502	1,662,327
\$2,500 to \$9,999	6,034	553,636
\$10,000 to \$39,999	5,216	631,782
\$40,000 to \$99,999	2,838	324,310
\$100,000 to \$199,999	1,458	101,153
\$200,000 and over	956	51,446
Total number of farms ..	26,698	2,311,775

Source: 1974 Census of Agriculture (excluding abnormal farms)

The Farmer's Share of the Food Dollar

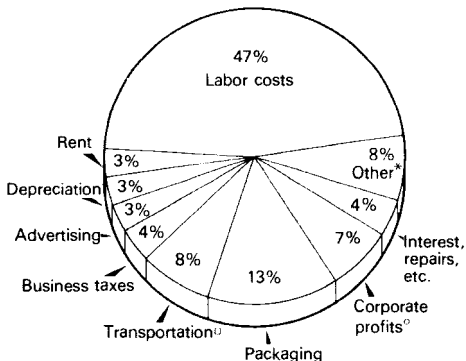
In 1977, farmers received 39 cents of the retail food dollar spent by consumers in the grocery store. This share rose to about 45 cents in 1973 with higher farm prices, but otherwise has remained fairly constant. In 1965 and 1966, farmers received 40 cents of the market basket food dollar.

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, 1977

Food commodity	Farmer's share
Beef, choice	58%
Pork	57%
Eggs	56%
Milk, grade A	55%
Dried beans	41%
Sugar	39%
Potatoes (10 pounds)	28%
Flour	25%
Canned corn	16%
Bread	13%
Corn flakes	6%

Components of Bill for Marketing Farm Foods, 1976



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

Food item	1950	1977
White bread	10.1 lbs.	15.9 lbs.
Frying chickens	2.4 lbs.	9.4 lbs.
Milk	7.5 qts.	13.4 qts.
Butter	2.0 lbs.	3.7 lbs.
Eggs	2.4 doz.	6.8 doz.
Pork chops	1.9 lbs.	3.1 lbs.

Oregon's Leading Agricultural Commodities, 1976

Commodity	Farm Ranking sales ¹ in US	
Cattle and calves	171,184	29
Wheat	162,016	12
Dairy products	101,001	28
Potatoes	78,269	6
Greenhouse and nursery ..	49,292	8
All hay	40,577	12
Peppermint	34,650	1
Ryegrass seed	30,357	1
Onions	26,153	3
Pears	26,047	3
Chicken eggs	24,725	28
Snap beans	18,121	2
Sweet corn	17,921	3
Broilers	16,544	20
Barley	15,286	9
Hogs	13,885	33
Sweet cherries	13,650	3
Strawberries	13,622	2
Sheep	12,294	9
Apples	12,240	12

¹ In thousands of dollars.

Values of Farm Sales, 1976

Crop	Oregon ¹ U.S. ¹	
Plant crops	667	46,389
Livestock	356	47,937
Total	1,023	94,326

¹ In millions of dollars.

Consumers' Expenditures by Type of Purchase, January 1978

All urban consumers	Portland	U.S. average
	<i>Percent</i>	<i>Percent</i>
Food	14.6	17.7
Housing	50.1	43.9
Transportation	16.1	18.0
Apparel and upkeep..	5.1	5.8
Medical care	4.6	5.0
Other	9.5	9.6
Total	100.0	100.0

Source: Consumer Price Index Allocations

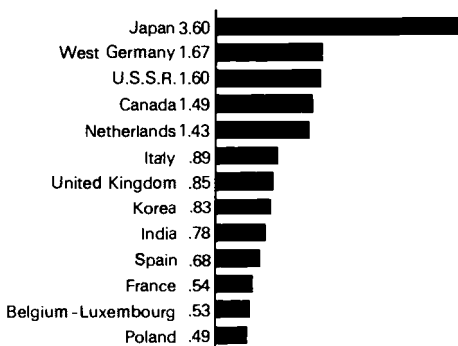
Consumption Expenditures for Food, Beverages, and Tobacco, United States and Other Countries, 1975

Country	Proportion of private expendi- tures
	<i>Percent</i>
United States	17.8
France	24.0
German Federal Republic	27.0
United Kingdom	31.4
Japan	33.0
USSR	40.0*
Poland	45.8

* Source: Author's estimates, based on various data sources.

U.S. Agricultural Exports by Country, 1976

\$ BIL.



U.S. Agricultural Exports by Principal Commodity Groups, October 1976 through September 1977

Crop	Value of exports
	<i>Millions of dollars</i>
Grains and feeds	9,895
Oilseeds and products	6,404
Livestock and products	2,646
Cotton and linters	1,538
Fruits, nuts, and vegetables	1,724
Tobacco, unmanufactured	1,085
Other	721
Total exports	24,013

Leading U.S. Agricultural Imports, October 1976 through September 1977

Crop	Value of imports
	<i>Millions of dollars</i>
Coffee and products	4,425
Meat and products	1,315
Fruits, nuts, and vegetables	1,200
Sugar and related products	1,100
Cocoa and products	875
Oilseeds and products	650
Rubber and allied gums	620
Wine and beer	540
Tobacco, unmanufactured	335
Bananas and plantains	330
Dairy products	300
Other	1,810
Total	13,500

U.S. Balance of Payments

Class	Year 1968	Year 1977
Agricultural trade		
Exports	6.2 ¹	24.0 ¹
Imports	5.1	13.5
Balance	+1.1	+10.5
Nonagricultural trade		
Exports	28.0	94.2
Imports	28.2	134.4
Balance	-0.2	-40.2

¹ Unit: 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, including fertilizer and other energy intensive inputs.

Comparative Amounts of Energy Use by the Food System

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

Type or Source of Energy Used in the United States Food System

Energy type source	Proportion of total
	<i>Percent</i>
Petroleum products	50
Natural gas	30
Electricity	15
Coal	4
Other	1
Total	100

