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# New York
# Economic Handbook
# 1970

# AGRICULTURAL SITUATION and OUTLOOK

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# F O R E W O R D

U.S.D.A. Agriculture Handbook No. 373 entitled "Handbook of Agricultural Charts 1969" provides current reference material pertaining to the nation's agricultural situation. This handbook is used by many agriculturalists throughout the United States.

Cornell A.E. Ext. 546 entitled "New York Economic Handbook 1970" is a companion reference for the U.S.D.A. Handbook. Economic information pertaining to New York agriculture and to the general economic situation and outlook has been compiled in this publication. It is prepared primarily for the use of professional agricultural workers in New York State.

The first part of this Economic Handbook deals with general topics and the balance covers the commodities. For ease in locating material, different colors are used for each section.

"Current Economic Situation" is a two-page monthly release which carries the latest figures for selected economic indicators. This release is essentially a supplement to the Economic Handbook. It is available to anyone who requests to be on the mailing list.

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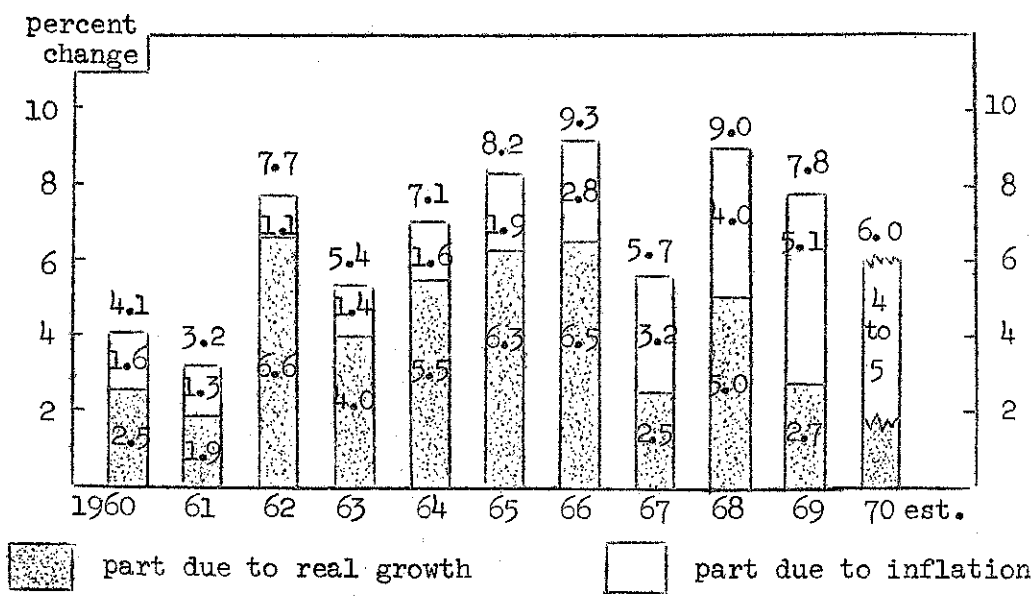
# C O N T E N T S

ESTIMATES OF GROSS NATIONAL PRODUCT, 1968, 1969 AND 1970

| Gross National Product | Annual Average 1968 | 1969 | 1970 | Estimated Dollar Chang[e] 1968-69 | 1969-70 |
|---|---|---|---|---|---|
| | (billion dollars) | | | | |
| Stable Growth Components | | | | | |
| Non-durable goods including food | 231 | 245 | 259 | 14 | 14 |
| Services | 223 | 242 | 261 | 19 | 19 |
| State and local government | 101 | 113 | 125 | 12 | 12 |
| Total Stable | 555 | 600 | 645 | 45 | 45 |
| Unstable Components | | | | | |
| Durable goods - (autos, etc.) | 83 | 90 | 92 | 7 | 2 |
| Residential construction | 30 | 32 | 32 | 2 | 0 |
| Other private investment and change in inventories | 96 | 107 | 114 | 11 | 7 |
| Net exports | 2 | 2 | 2 | 0 | 0 |
| Federal government | 100 | 102 | 105 | 2 | 3 |
| Total Unstable | 311 | 333 | 345 | 22 | 12 |
| Total GNP | 866 | 934* | 990 | 68* | 56* |

* Figures do not add due to rounding.

YEAR TO YEAR CHANGES IN GROSS NATIONAL PRODUCT

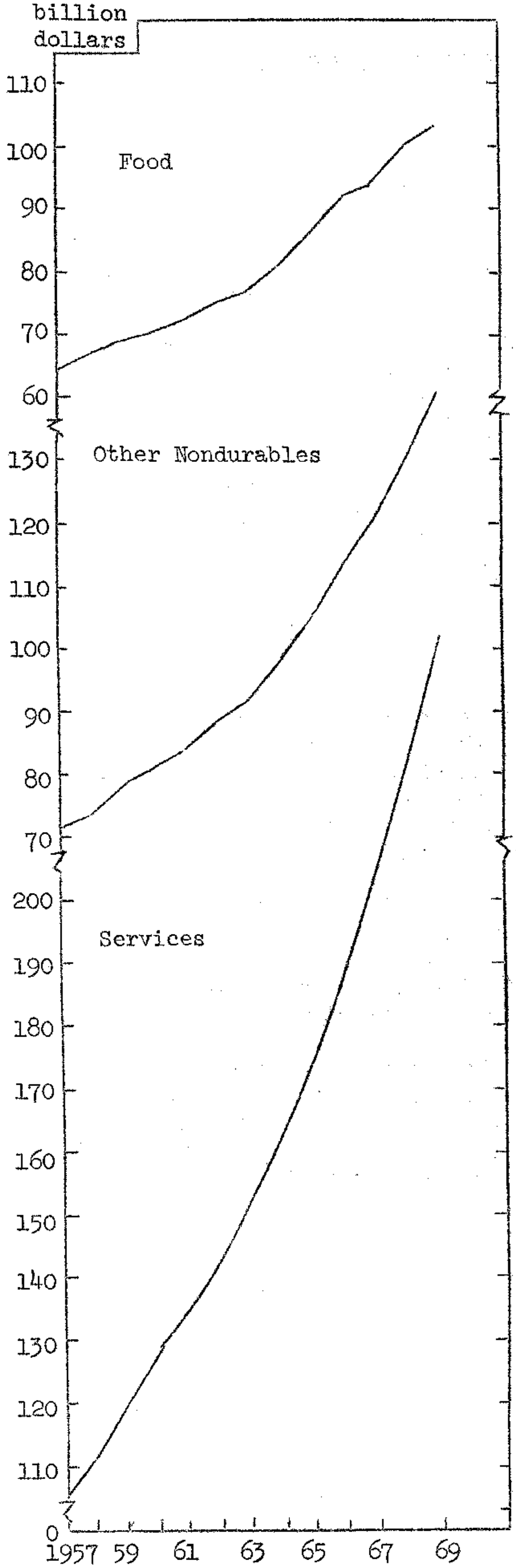



The U.S. economy in 1970 is likely to experience the slowest rate of growth since 1967 and perhaps since 1961, the last recession year. But inflation undoubtedly will persist; hence much of the growth in 1970 will be due to higher prices rather than to increases in real output. For the year as a whole, the rate of increase in prices is likely to be 4 to 5 per cent, while the growth of real output will average no more than 1 or 2 per cent.

Forecasters are divided as to whether 1970 will be a recession year, or merely a "slow growth" year. Total output is not likely to decline appreciably, except perhaps during the first two quarters. In the last half of the year, the economy may start to expand again as restrictive monetary policies are eased, and current inventories are worked down.

Trends in real output since mid 1969 have been relatively flat. Car sales have slipped and housing starts have declined although consumer expenditures for nondurable goods and services have continued to rise. Business spending for new plants and equipment as well as state and local government purchases also have helped to sustain growth in total output. These trends are likely to persist into 1970.

CONSUMER EXPENDITURES

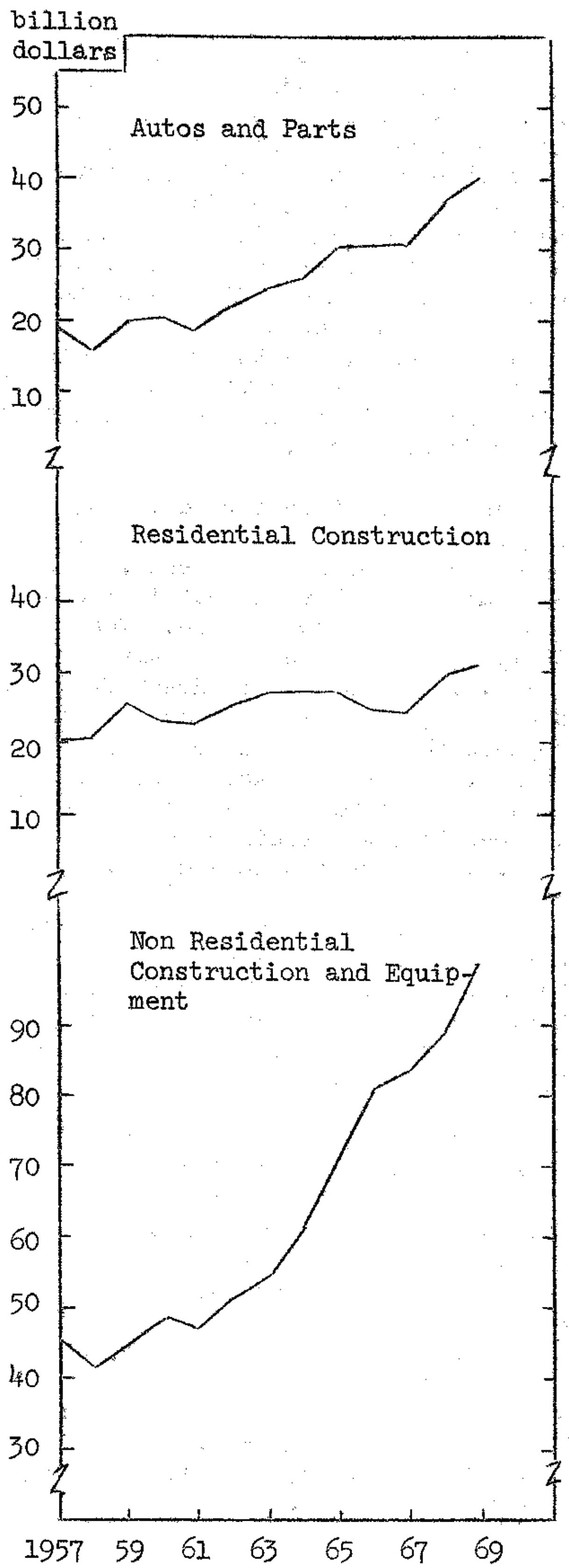



Consumer expenditures for food and other nondurables are expected to rise almost as much in 1970 as they did in 1969, despite a modest rise in the rate of unemployment. Spending for these items apparently has been affected relatively little by recessions in the recent past. This is due in part to transfer payments such as unemployment compensation and withdrawals from savings which have helped to maintain consumption patterns during brief periods when earnings decline.

Total food expenditures have been rising in recent years at the rate of about $4 billion annually. Much of this has been due to price increases. The total U.S. population is now growing at the rate of slightly more than 1 per cent per year and total demand for food between 1.2 and 1.5 per cent annually. Aggregate consumer expenditures for food (including the amounts spent for food eaten away from home) are likely to rise $4 to $5 billion again in 1970.

Expenditures on nondurable goods can be expected to rise about $10 billion in 1970, while expenditures on services will probably rise $18 to $20 billion. Higher prices probably will account for almost half of the total increase. In 1969 the prices of such items as apparel, housing and medical services rose between 5 and 6 per cent.

EXPENDITURES ON AUTOS AND PRIVATE INVESTMENT



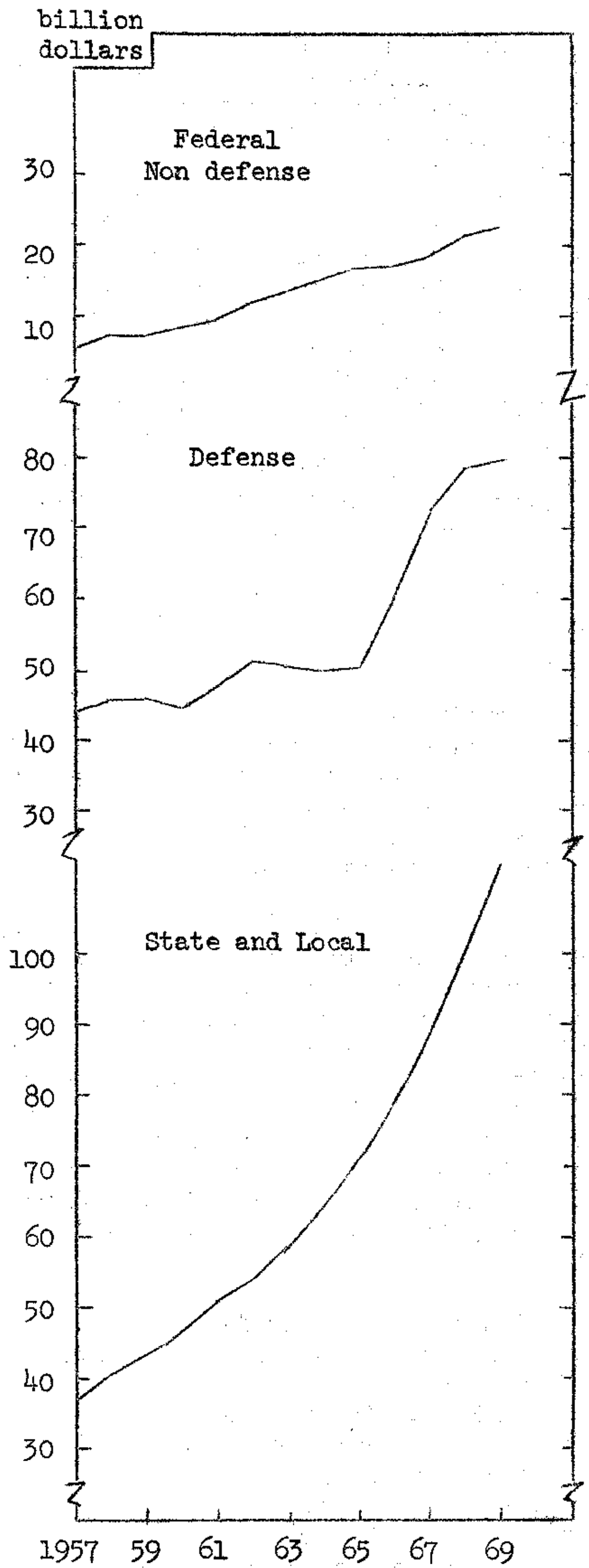

Expenditures on automobiles and parts totaled about $40 billion in 1969. This is less than 5 per cent of the total economy, and slightly less than the value of all farm products sold each year. Thus, the whole economy does not rise or fall with the fortunes of Detroit. But it is an important indicator of economic trends. It does not look as though 1970 will be a very good year for car manufacturers. Total sales of U.S.-made cars have slumped since mid 1969. For the year as a whole, they are expected to total about 8.3 million which is a half million less than were sold in 1968. In 1970, sales of U.S.-made cars probably will range somewhere between 8.0 and 8.3 million (plus about 1 million imports). Truck sales thus far have been holding up very well.

Housing starts declined in the second half of 1969 and are not expected to recover very appreciably before the last half of 1970; however, the credit squeeze thus far has had less adverse effects on housing than in 1966-67.

Since 1966, the demand for housing has increased relative to the supply. New families are being formed faster than houses are being built. As a result, vacancy rates in many areas are the lowest in 2 decades. Mobile homes, of course, have become more important in relation to conventional housing. In 1969, nearly 400,000 mobile homes were sold. Thus we are adding one mobile home to every 3 or 4 conventional homes or apartments.

Business spending for plant and equipment is expected to rise again in 1970, but at a somewhat slower rate than in 1969. Businesses are now operating at a lower per cent of capacity, and with an anticipated squeeze in profits, there will be less incentive to invest in new plants in 1970. If a recession develops, current expansion plans might be deferred or cut back.

GOVERNMENT PURCHASES OF GOODS AND SERVICES



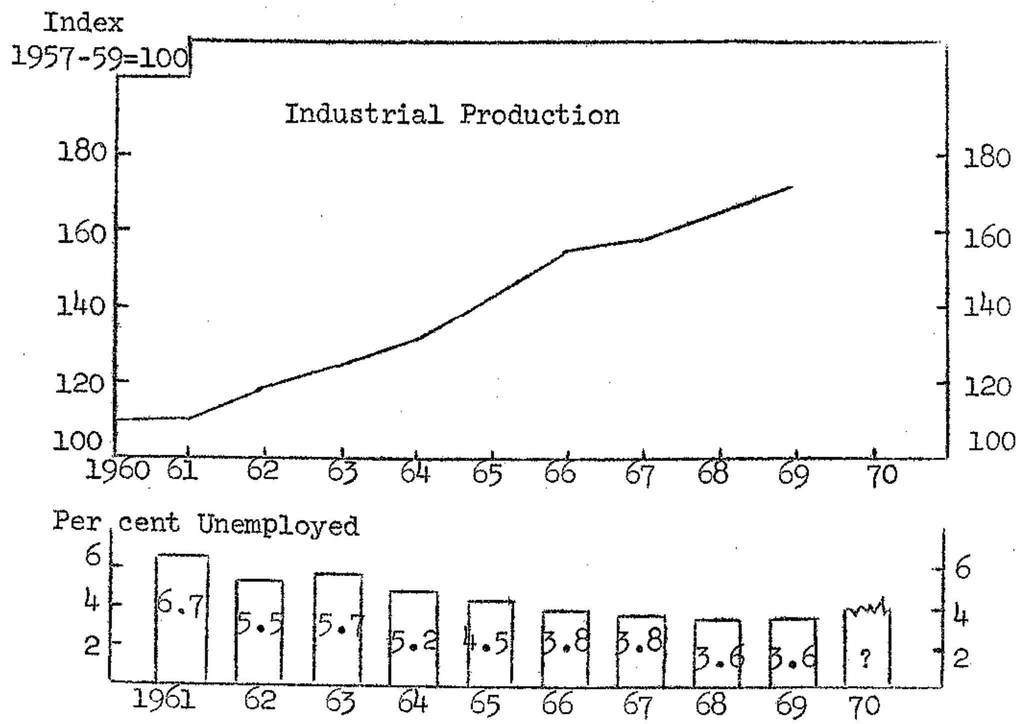

Net government purchases of goods and services (including state and local as well as federal) now total over $200 billion annually. This is equivalent to about 23 per cent of GNP. The total Federal Budget now exceeds $190 billion. Nearly half of all federal expenditures consist of transfer payments, i.e. funds collected from some individuals and paid out to others. These take the form of social security, health or veterans benefits, payments to farmers, grants to state and local governments, and interest on the federal debt.

Aside from transfer payments, the largest single item in the Federal Budget, of course, is national defense. Such expenditures have leveled out in recent months at about $80 billion. They are not likely to decline very abruptly even if more U.S. troops are withdrawn from Vietna Apparently, the military has a backlog of projects that they think essential to finance. Increased expenditures for these items probably will offset any reduction in expenditures associated with phasing out U.S. involvement in Vietnam.

Nondefense federal government purchases of goods and services have been rising at the rate of $1 to $2 billion per year. A further increase of about this same magnitude or slightly more can be expected in 1970.

State and local government expenditures for goods and services, especially for education, welfare (including health), recreation and transportation have been rising at the rate of $10 to $12 billion per year. This represents a compound rate of growth of about 10 per cent annually. State and local purchases of goods and services have risen much more rapidly than those at the federal level during the past two years. Some of these services, of course, are paid for in part with federal grants.

INDUSTRIAL PRODUCTION AND UNEMPLOYMENT




Source: U.S. Department of Commerce, Survey of Current Business

Industrial production leveled off in mid 1969 and dropped slightly in the fourth quarter, but the total for the year shows an advance over 1968 of about 4.3 per cent. Little increase in real output is likely during the first half of 1970. Greater output of business equipment is likely to be offset by reduced output of consumer durables, including automobiles.

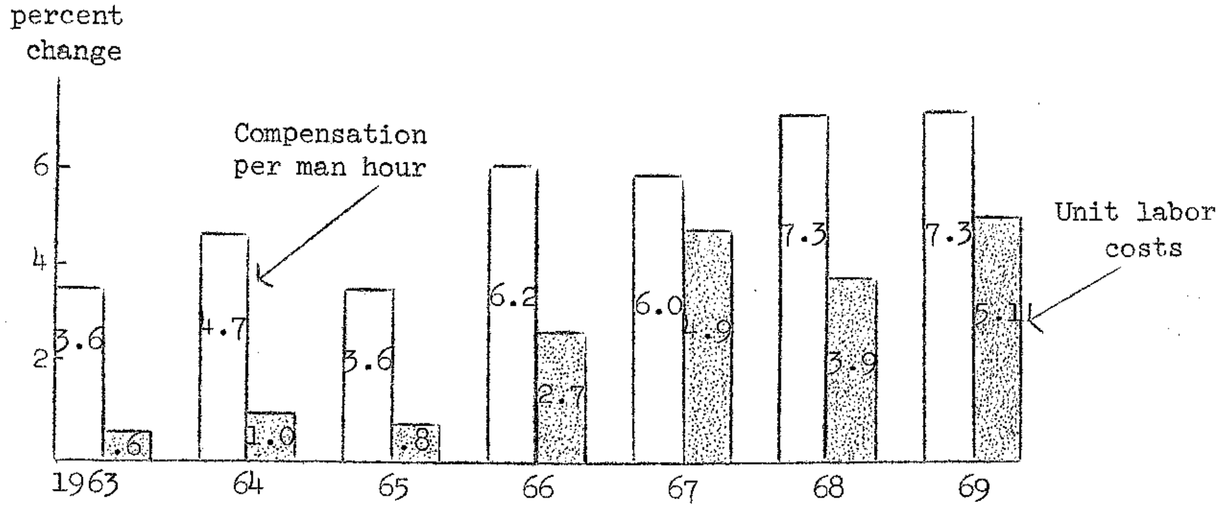
Unemployment increased slightly during the closing months of 1969 from the low level prevailing in late 1968. The rate of unemployment in 1970 is likely to rise to about 4 per cent or slightly higher.

Indicators of Current Economic Activity

| | | | Index Numbers (1957-59=100) | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Unemployment Rate* | | Industrial Prod.* | | Wholesale Prices | | Retail Prices | |
| Month | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 |
| Jan. | 3.3 | ___ | 169 | ___ | 111 | ___ | 124 | ___ |
| Feb. | 3.3 | ___ | 170 | ___ | 111 | ___ | 125 | ___ |
| March | 3.4 | ___ | 171 | ___ | 112 | ___ | 126 | ___ |
| April | 3.5 | ___ | 172 | ___ | 112 | ___ | 126 | ___ |
| May | 3.5 | ___ | 172 | ___ | 113 | ___ | 127 | ___ |
| June | 3.4 | ___ | 174 | ___ | 113 | ___ | 128 | ___ |
| July | 3.6 | ___ | 175 | ___ | 113 | ___ | 128 | ___ |
| Aug. | 3.5 | ___ | 174 | ___ | 113 | ___ | 129 | ___ |
| Sept. | 4.0 | ___ | 174 | ___ | 114 | ___ | 129 | ___ |
| Oct. | 3.9 | ___ | 173 | ___ | 114 | ___ | 130 | ___ |
| Nov. | 3.4 | ___ | ___ | ___ | 114 | ___ | ___ | ___ |
| Dec. | ___ | ___ | ___ | ___ | ___ | ___ | ___ | ___ |

* Seasonally adjusted.

YEAR TO YEAR CHANGES IN AVERAGE NONFARM WAGES AND UNIT LABOR COSTS



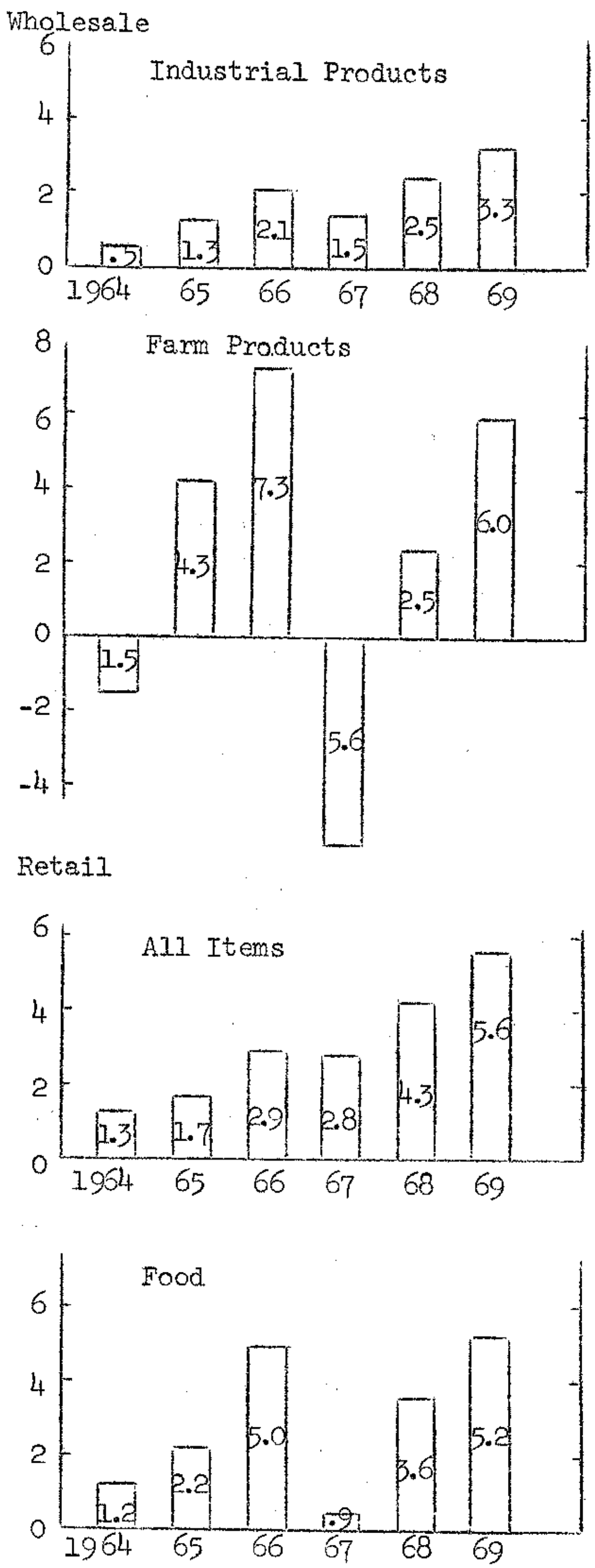

Source: U.S. Bureau of Labor Statistics

Wage increases have accelerated since 1965. In 1963-65, the average increase in compensation per employee was 3.5 to 4.5 per cent per year; in 1966-67, it rose to about 6 per cent per year, while in 1968-69, the average increase exceeded 7 per cent.

In years of expanding real output, gains in productivity usually average between 3 and 3.5 per cent annually. During the early 1960s, all but about one per cent of the annual increase in wages and fringe benefits was offset by gains in productivity. In 1967 and 1969 (years in which real growth slowed down) gains in productivity averaged only about 2 per cent or less. As a result, in both years, unit labor costs (the amount of increase in wages not offset by gains in productivity) increased about 5 per cent. Increases in productivity are likely to be below average again in 1970; hence, unless wage increases are scaled down substantially, unit labor costs will continue to rise, thereby maintaining upward pressure on prices.

## CHANGES IN PRICES

Per cent Change from Preceding Year

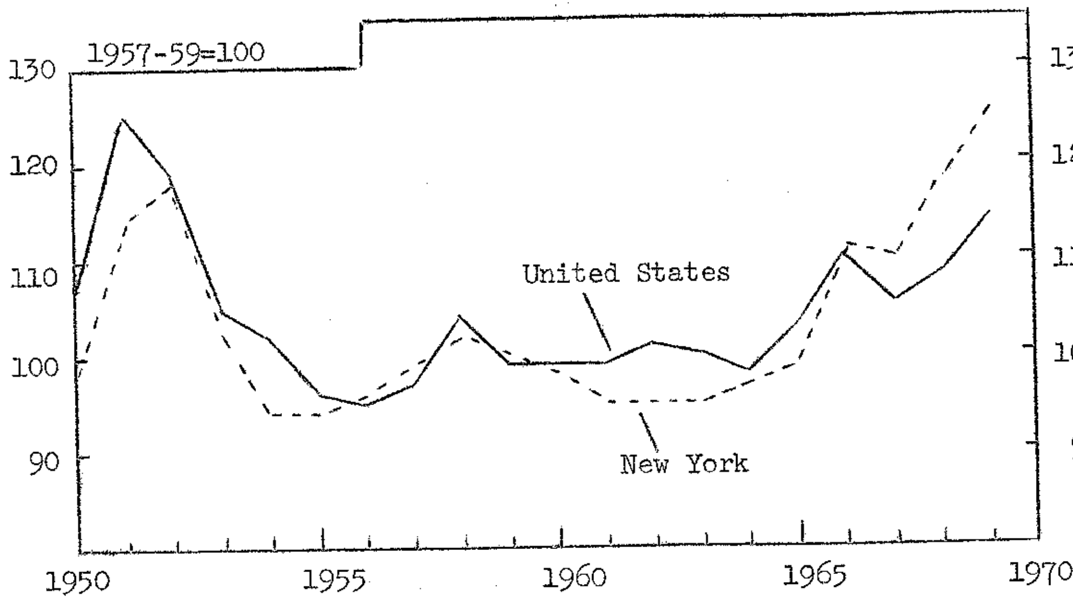



The rate of inflation in 1969 greatly exceeded most forecasts made early in the year. The shift from a federal budget deficit to surplus combined with monetary restraint was expected to slow down the economy sufficiently to hold the rate of inflation to no more than 3 to 4 per cent. Instead, wholesale prices rose nearly 4 per cent in 1969, while retail prices rose over 5 per cent. Apparently there is a substantial lag between reducing the rate of real growth and employment and curbing inflation. Most forecasters now think retail prices will continue to rise at an annual rate of 4 to 5 per cent well into 1970. By the end of the year, however, the effects of slower economic growth should begin to reduce inflationary pressures.

The prices of industrial products rose about 3.3 per cent in 1969, while the prices of farm products rose about 6 per cent. The increase in the index of wholesale farm prices was due mainly to higher prices for livestock products, especially beef, eggs and poultry. No marked reduction in meat prices is likely in 1970, but the rate of increase almost certainly will be less than in 1969. The prices of industrial goods probably will continue to rise at about the same rate as during this past year.

Retail prices of food as well as the cost of apparel, housing and medical services rose at an annual rate of more than 5 per cent during most of 1969. Housing and service costs probably will continue to rise almost as fast in 1970; however, the rate of increase in food costs is likely to be somewhat lower, although increases in labor, transportation and packaging costs undoubtedly will lead to higher retail prices even if farm prices level out.

INDEXES OF PRICES RECEIVED BY FARMERS, U.S. AND N.Y.




Prices received by farmers both in the U.S. and in N.Y. are averaging 5.5 to 6.0 per cent higher in 1969 than in 1968. In the U.S., the index of livestock prices is up about 11 per cent while the index of crop prices is down slightly from 1968 levels. Egg prices moved up sharply in November. In contrast, larger supplies of apples this fall have resulted in lower apple prices. Prices paid by farmers (all items) in the U.S. increased about 5 per cent from Fall 1968 to Fall 1969. Interest rates, farm real estate taxes, and feeder livestock prices are among those that have risen by more than the average rate.

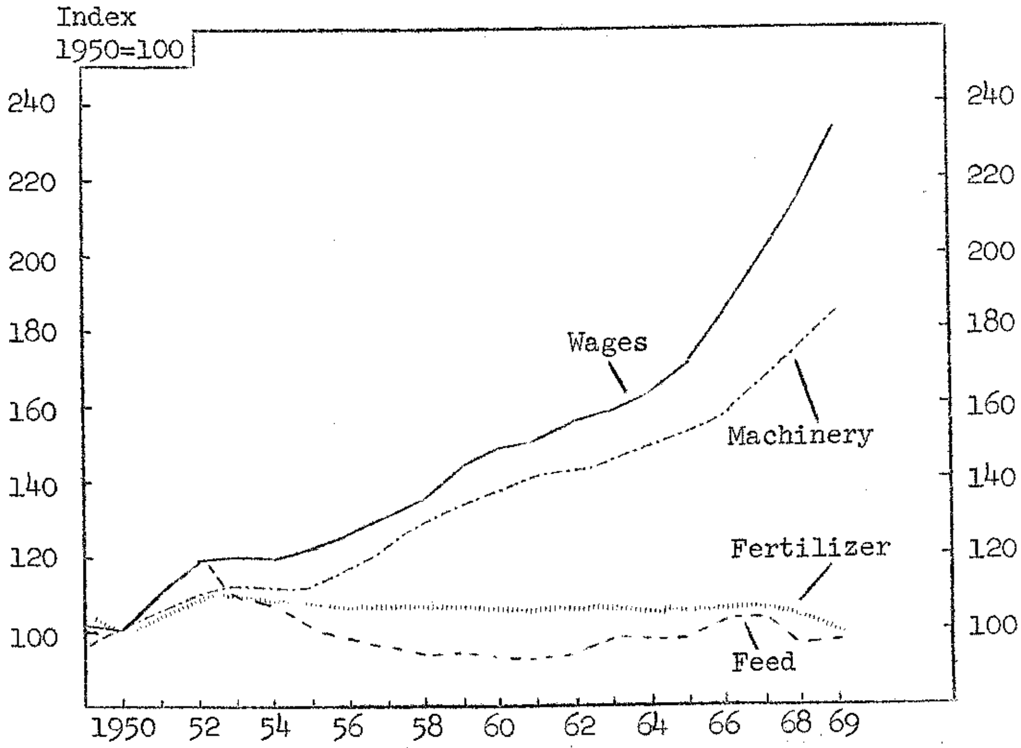
Prices received by farmers are, on the average, expected to remain at favorable levels in 1970 but are not expected to rise as much as they did from 1968 to 1969. This assumes that per capita supplies of farm products will remain about at 1969 levels and that the demand for farm products will remain strong. Prices paid by farmers are likely to rise about in line with the rate of inflation, i.e. by 4 or 5 per cent.

Monthly Index Numbers of Prices Received and Paid by Farmers and the Parity Ratio

| | Prices Received | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | New York | | United States | | U.S. Prices Paid | | U.S. Parity Ratio* | |
| | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 | 1969 | 1970 |
| | | | | (1957-59 = 100) | | | (1910-14 = 100) | |
| January | 123 | ___ | 109 | ___ | 124 | ___ | 72 | ___ |
| February | 123 | ___ | 110 | ___ | 125 | ___ | 73 | ___ |
| March | 124 | ___ | 112 | ___ | 126 | ___ | 74 | ___ |
| April | 125 | ___ | 112 | ___ | 126 | ___ | 73 | ___ |
| May | 130 | ___ | 117 | ___ | 128 | ___ | 75 | ___ |
| June | 129 | ___ | 117 | ___ | 128 | ___ | 76 | ___ |
| July | 123 | ___ | 117 | ___ | 128 | ___ | 75 | ___ |
| August | 119 | ___ | 115 | ___ | 127 | ___ | 75 | ___ |
| September | 125 | ___ | 114 | ___ | 128 | ___ | 74 | ___ |
| October | 128 | ___ | 115 | ___ | 128 | ___ | 74 | ___ |
| November | 126 | ___ | 118 | ___ | 129 | ___ | 76 | ___ |
| December | ___ | ___ | ___ | ___ | ___ | ___ | ___ | ___ |

* Based on the relationship between prices received and paid by farmers in 1910-14.

PRICES OF SELECTED FARM INPUTS



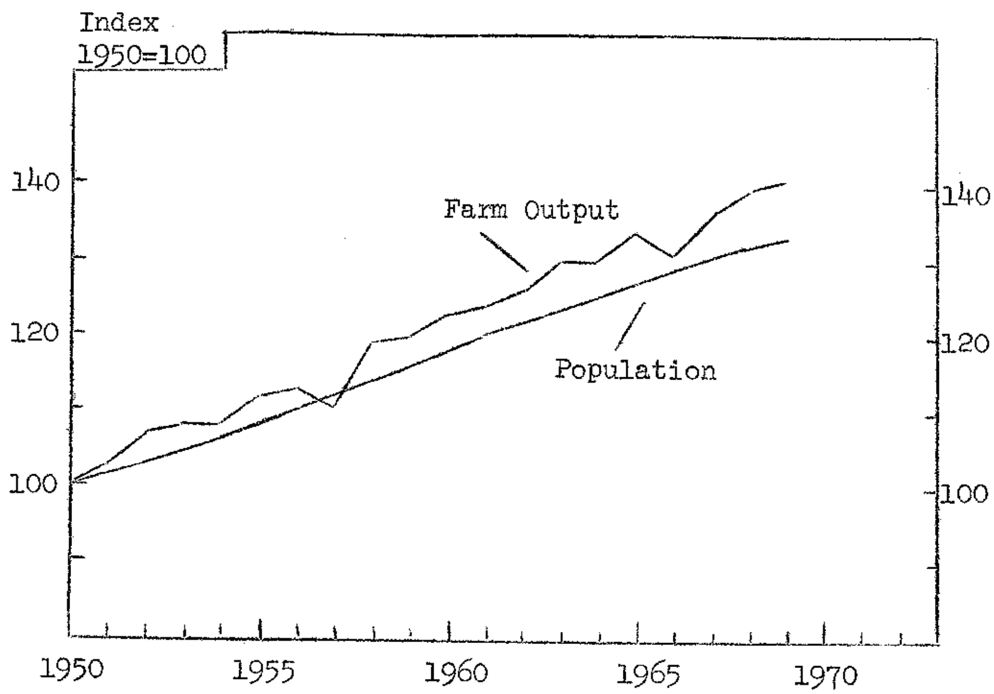

Source: USDA, Handbook of Agricultural Charts, 1969

The index of prices paid by farmers for production and household items rose about 5 per cent in 1969, the highest rate of increase since the Korean War. In the early 1960s, the average rate of increase was 2 to 3 per cent per year. Interest payments, taxes and farm wage rates contributed most to the increase. Average farm wages rose about 8 per cent in 1969, while taxes increased about 7 per cent. The prices of production items, on the other hand, rose only about 4 per cent in 1969. The overall rate of increase in farm costs was held down in 1969, as in other recent years, by relatively low fertilizer prices and only a modest increase in the price of feed.

Feed is likely to be a little more expensive this winter than during the corresponding period of last year. But supplies of feed ingredients are sufficiently large to prevent feed costs from rising very dramatically.

With nonfarm wage rates continuing to rise from 5 to 7 per cent per year, there is little prospect of reducing the upward pressure on farm wage rates. Recent trends in the prices of other farm inputs are likely to persist in 1970.

U.S. POPULATION AND FARM OUTPUT



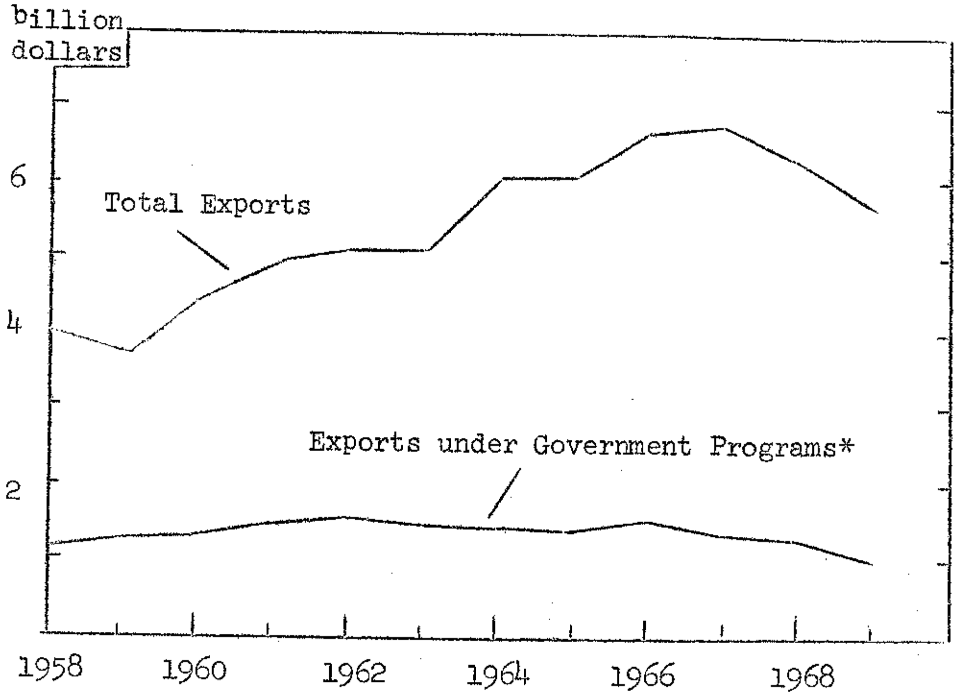

Source: USDA, Handbook of Agricultural Charts, 1969

Total U.S. farm output rose about 1 per cent in 1969 despite a 2 per cent reduction in the total acreage planted to crops. Increases in yields slightly more than offset the effects of cuts in acreage. Total wheat production was down slightly in 1969, but the output of feed grains, soybeans and fruit crops rose modestly. Total livestock output also reached a new record, mainly due to large supplies of beef.

The wheat, cotton and feed grain programs which have been in effect since 1965 are due to expire at the end of 1970 unless renewed or extended by Congress. Under these and longer-range retirement schemes, from 40 to 60 million acres have been kept out of production during each of the past 5 years. This is equivalent to between 10 and 15 per cent of the total planted acreage. An attempt probably will be made to keep at least 50 million acres idle again in 1970. Wheat allotments have been cut for 1970, and further cuts may be made the following year in an effort to reduce carryover stocks. Since current production of feed grains is about equal to anticipated use, the administration can be expected to attempt to hold the feed grain acreage to about the level prevailing in 1969.

The Secretary of Agriculture has indicated that he thinks it will be essential to continue some kind of supply-adjustment program over the next few years. He has proposed a voluntary "set aside" program designed to hold down the acreage planted to grains and cotton. In effect, it would be similar to the existing voluntary wheat, cotton and feed grain programs under which farmers are compensated for keeping part of their cropland idle.

VALUE OF FARM EXPORTS



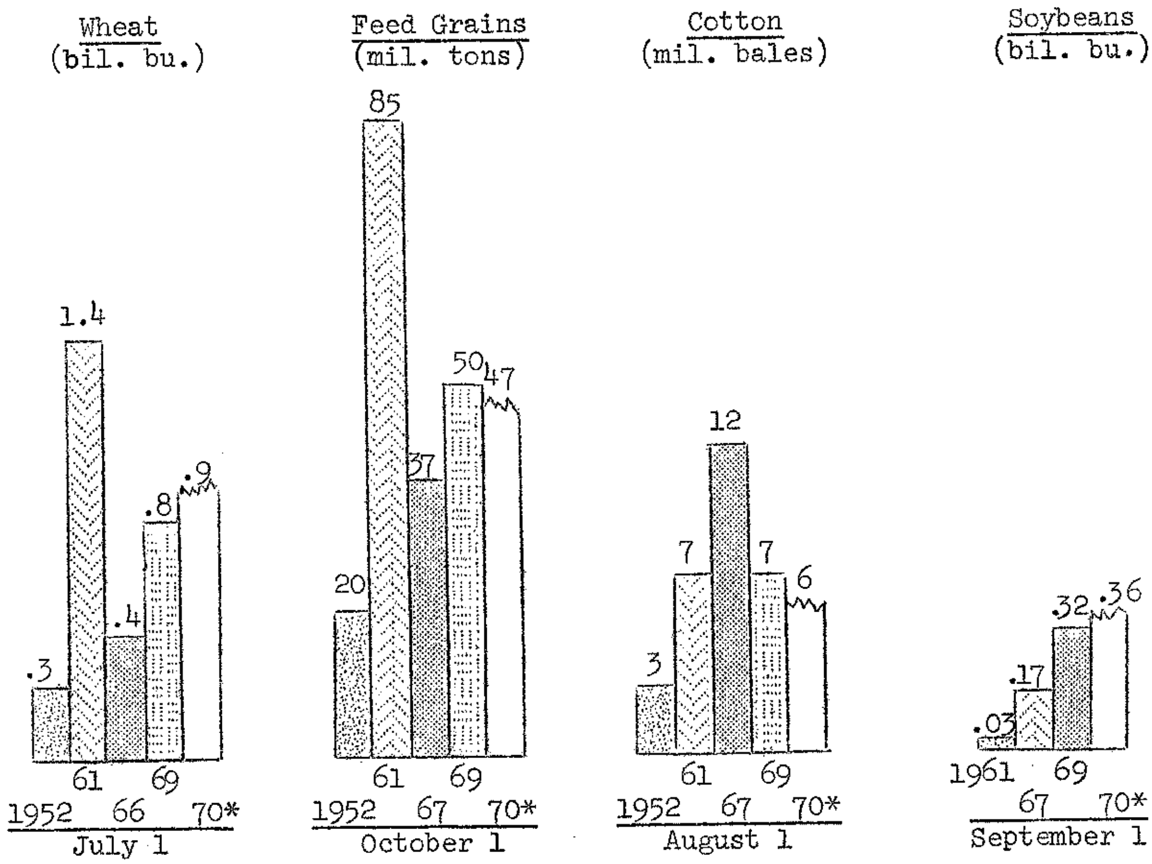

* Mainly under P.L. 480

Source: USDA, Handbook of Agricultural Charts, 1969

The total value of farm exports in 1969 declined for the second year in a row. The value this past year was nearly $1 billion less than the peak two years earlier. Both commercial and P.L. 480 exports declined in 1969. The loss in commercial sales was due to greater self-sufficiency in Europe and more competition in world markets from other suppliers, including Canada and Australia. In addition, because of more favorable growing conditions in India and other food deficit countries, as well as increased acreage planted to improved varieties of wheat and rice, the demand for emergency food aid declined substantially. Food aid exports in 1969 were only about two thirds of what they were in the peak years of the mid 1960s.

A modest increase in exports of feed grains and soybeans in 1970 may help to reverse the recent downward trend, but there is little prospect of returning to the high level of exports achieved in 1966-67. This is especially true of "food for peace" exports which are not likely to rise significantly unless one or more of the major food deficit countries has a very poor crop year.

CARRYOVER STOCKS OF SELECTED COMMODITIES




* Estimated (height of bars roughly proportional to value)

Source: USDA, Handbook of Agricultural Charts, 1969 and Situation Reports

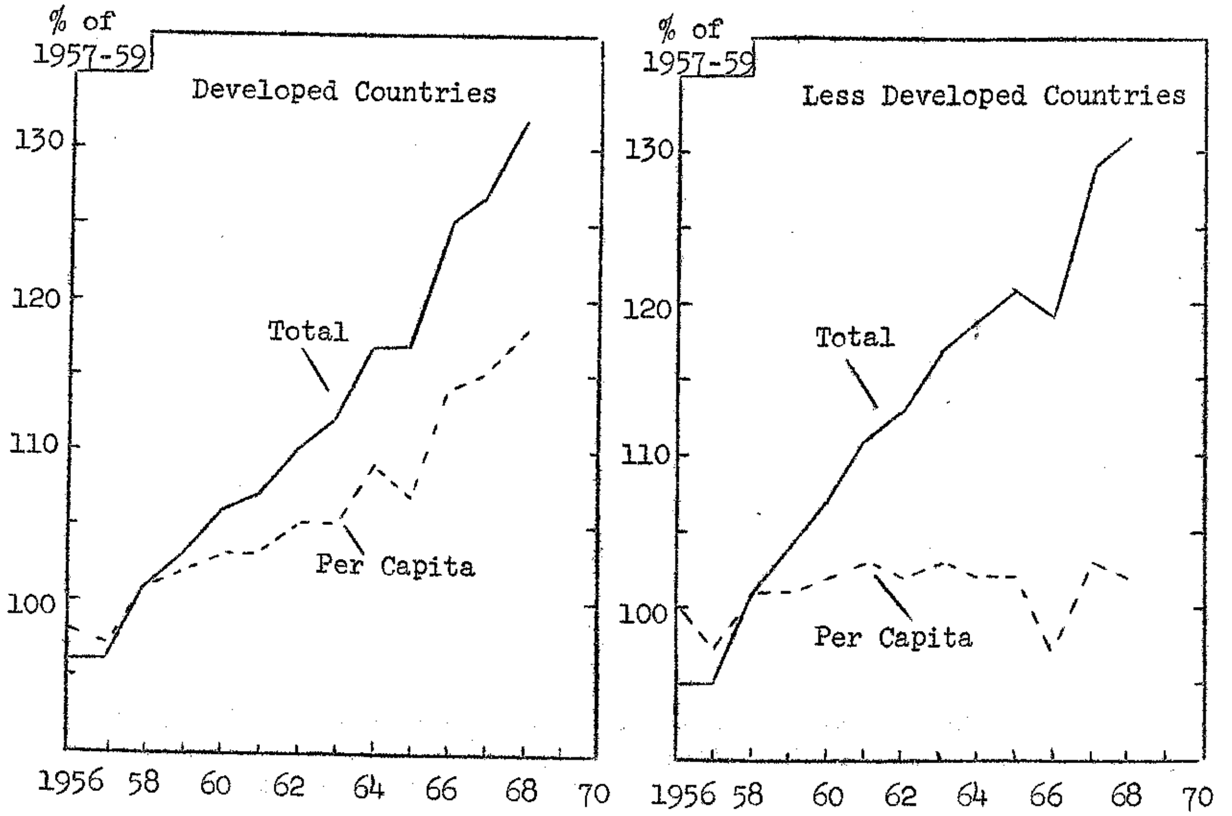
Carryover stocks of wheat increased again in 1969 and probably will rise still further in 1970. World surplus stocks of wheat in 1969 set a new record. Two thirds of these stocks are now held outside the U.S. compared with less than half in the early 1960s when U.S. stocks were nearly 70 per cent larger than at present. As long as these large stocks remain, the U.S. will find it difficult to dispose of its surpluses.

Feed grain production and disappearance were about equal in 1968-69. The same situation is likely to prevail again during the current marketing year. Thus, carryover stocks are likely to change relatively little. Present stocks are adequate to provide a reserve in case of a short crop but are not excessive.

Adverse weather has cut the cotton crop during each of the past two years. Thus, despite weak demand, the total carryover has been reduced.

Surpluses of soybeans have risen substantially over the past two years. A further increase in carryover stocks is in prospect for 1970, perhaps to as much as 350 to 400 million bushels.

WORLD AGRICULTURAL PRODUCTION



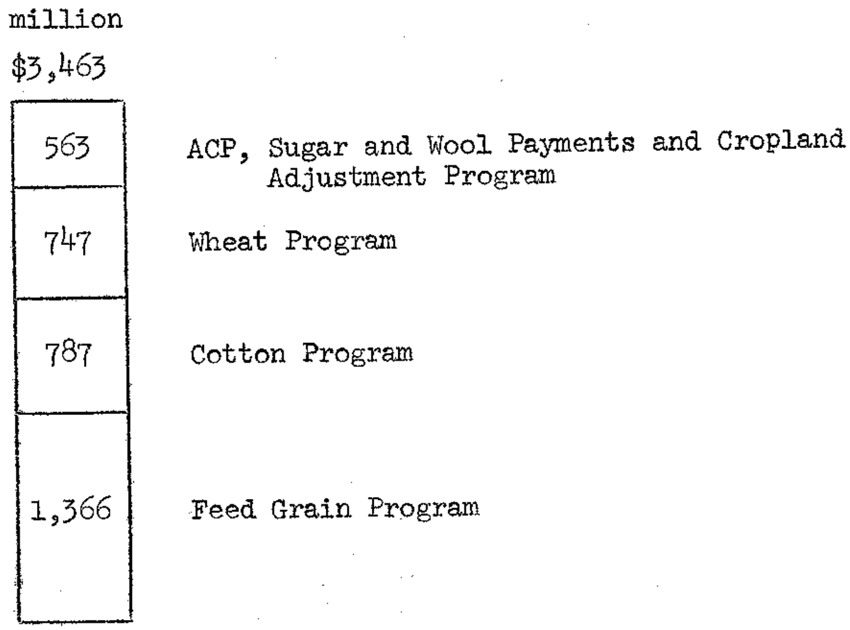

Source: USDA, Handbook of Agricultural Charts, 1969, p. 51

Forecasts of an impending world food crisis have thus far proved to be much too pessimistic. Increases in agricultural production, even among the less developed countries, have at least matched the growth of population over the past decade, except for a brief period in the mid 1960s. Total agricultural output in such countries as Pakistan, India, and the Philippines has been sufficient during the past two years to raise per capita food supplies modestly.

Among the developed countries, agricultural output has increased considerably more than the growth of population. This has led to surplus problems in Europe, especially of butter and wheat, and the accumulation of surplus stocks of grain in exporting countries, especially Canada and Australia. Efforts are now being made to cut back production of wheat in the latter two countries; however, most of food importing countries in Europe are seeking to achieve an even greater degree of self-sufficiency.

As long as these trends persist, the U.S. will find it extremely difficult to dispose of very large additional quantities of surplus farm products overseas.

GOVERNMENT PAYMENTS TO FARMERS, 1968




Over $3 billion has been paid to farmers in the form of government payments, mainly under the wheat, cotton and feed grain programs in each of the past three years. Such payments have added about 7 per cent to gross farm income for the country as a whole. In some states, particularly in the Great Plains and the South, government payments now account for 10 to 15 per cent of cash farm receipts. However, they are relatively unimportant in the Northeast where they contribute less than 2 per cent to the gross incomes of farmers.

A high proportion of government payments go to the top third of all farmers who now produce nearly 90 per cent of the value of all farm products sold. A few very large farms or corporations have received in excess of $100,000 annually from such programs. Many members of Congress are highly critical of these payments and are seeking to limit such payments to a maximum of $20,000 per farm. If such a limit were to be imposed, it would affect mainly those producing cotton. About 5,000 individuals or corporations received payments under the cotton program in excess of $20,000 in 1968, whereas there were only about 1,600 wheat and feed grain producers in the same category.

THE UNITED STATES FARM BALANCE SHEET
(In current dollars, January 1)

| | 1940 | 1950 | 1960 | 1969 |
|---|---|---|---|---|
| | - billion dollars - | | | |
| Assets | | | | |
| Real Estate | 33.6 | 75.3 | 130.2 | 202.7 |
| Other Physical | 15.1 | 41.3 | 54.7 | 72.4 |
| Financial | 4.2 | 15.9 | 18.2 | 22.8 |
| Total | 52.9 | 132.5 | 203.1 | 297.9 |
| Claims | | | | |
| Real Estate Debt | 6.6 | 5.6 | 12.1 | 27.8 |
| Other Debt | 3.4 | 6.8 | 12.7 | 27.6 |
| Total Debt | 10.0 | 12.4 | 24.8 | 55.4 |
| Owners' Equity | 42.9 | 120.1 | 178.3 | 242.5 |
| Total | 52.9 | 132.5 | 203.1 | 297.9 |
| Percent Owners' Equity | 81 | 91 | 88 | 81 |

Source: U.S.D.A. Agricultural Finance Outlook, 1969.

Debts of farmers increased 10 percent in 1968, despite high interest rates and credit scarcity in the economy. Farm debts have increased at about this rate for the past decade. Debts are now four and one-half times those of 1950.

Farmers' equities also continued to increase in 1968, but as during all of the fifties and sixties, equities did not increase as rapidly as did debt. In 1950, debt represented nine dollars of each $100 of farm assets. In 1960, the comparable figure was 12 dollars, and at the beginning of 1969 was 19 dollars.

CHANGES IN THE NEW YORK FARM BALANCE SHEET
(In current dollars, January 1)

| | 1950 | 1955 | 1960 | 1965 | 1969 |
|---|---|---|---|---|---|
| | Millions of dollars | | | | |
| Total Assets | 2,805 | 3,009 | 3,579 | 3,816 | 4,667 |
| Total Debts | 307 | 423 | 547 | 750 | 1,089 |
| Owners' Equity | 2,498 | 2,586 | 3,032 | 3,066 | 3,578 |
| Percent Equity | 89 | 86 | 85 | 80 | 77 |

Sources: A. R. Tubbs and R. S. Smith, A Balance Sheet of New York Agriculture, A. E. Research No. 260, July 1968. American Bankers Association and Estimates by Tubbs, Hedlund, and Smith.

The New York Farm Balance Sheet shows trends in farm assets and liabilities similar to those in the United States Farm Balance Sheet. New York farmers' equities as a percentage of total assets are somewhat lower than for the nation as a whole. From 1950 to 1969, the value of all farm property in New York has increased from 2.8 to 4.7 billion dollars, and the trend continues. Farm debts have increased even more rapidly. In 1969, assets, debt and owners' equity in New York farms was at an all time high.

THE NEW YORK FARM BALANCE SHEET
(In current dollars)

| Assets | Jan. 1, 1965 Million dollars | Jan. 1, 1965 Percent of assets | Jan. 1, 1969 Million dollars | Jan. 1, 1969 Percent of assets |
|---|---|---|---|---|
| Real Estate | 2,181.3 | 57.2 | 2,585.0 | 55.4 |
| Livestock | 385.4 | 10.1 | 503.2 | 10.7 |
| Machinery & Motor Vehicles | 485.3 | 12.7 | 670.6 | 14.4 |
| Crops Stored | 191.4 | 5.0 | 208.4 | 4.5 |
| Other Feed and Supply | 38.5 | 1.0 | 46.7 | 1.0 |
| Household Furnishings & Equipment | 152.6 | 4.0 | 186.7 | 4.0 |
| Cash | 114.5 | 3.0 | 140.0 | 3.0 |
| Other Investments | 76.3 | 2.0 | 93.3 | 2.0 |
| Investment in Cooperatives | 114.1 | 3.0 | 116.7 | 2.5 |
| Receivables | 76.4 | 2.0 | 116.7 | 2.5 |
| Total Assets | 3,815.8 | 100.0 | 4,667.3 | 100.0 |
| **Liabilities and Equity** | | | | |
| Real Estate: | | | | |
| Federal Land Bank | 71.7 | 1.9 | 103.1 | 2.2 |
| Farmers Home Administration | 6.7 | .2 | 4.3 | .1 |
| Insurance Companies | 12.3 | .3 | 10.0 | .2 |
| Commercial Banks | 100.0 | 2.6 | 194.6 | 4.1 |
| Individual and Other | 188.6 | 4.9 | 310.3 | 6.7 |
| Total | 379.3 | 9.9 | 622.3 | 13.3 |
| Non-Real Estate: | | | | |
| Commercial Banks* | 146.7 | 3.8 | 161.6 | 3.5 |
| Production Credit Associations | 69.7 | 1.8 | 109.6 | 2.4 |
| Farmers Home Administration | 21.1 | .6 | 30.3 | .6 |
| Merchant, Dealer, Individual and Other | 133.5 | 3.5 | 164.9 | 3.5 |
| Total | 371.0 | 9.7 | 466.4 | 10.0 |
| Total Liabilities | 750.3 | 19.6 | 1,088.7 | 23.3 |
| Equity | 3,065.5 | 80.4 | 3,578.6 | 76.7 |
| Total Liabilities and Equity | 3,815.8 | 100.0 | 4,667.3 | 100.0 |

* Excludes loans guaranteed by CCC

Sources: A. R. Tubbs and R. S. Smith, A Balance Sheet of New York Agriculture, A.E. Research No. 260, July 1968; American Bankers Association and Estimates by Tubbs, Hedlund, and Smith.

FARM CREDIT OUTSTANDING IN NEW YORK
January 1, 1969

| | Amount | Percent change from: 1964 | 1968 |
|---|---|---|---|
| | Mil.dollars | | |
| Real Estate loans: | | | |
| Federal Land Bank | 103.1 | 54 | 6 |
| Farmers Home Administration | 4.3 | 105 | -7 |
| Insurance Companies | 10.0 | -24 | -5 |
| Banks | 194.6 | 169 | 6 |
| Individuals and Other | 310.3 | 98 | 5 |
| Total | 622.3 | 150 | 5 |
| Non-Real Estate: | | | |
| Banks | 161.6 | 12 | 3 |
| Production Credit Association | 109.6 | 70 | 9 |
| Farmers Home Administration | 30.3 | 77 | 6 |
| Merchant, Dealer, Ind. & Other | 164.9* | 35 | 6 |
| Total | 466.4 | 34 | 6 |
| Total Credit | 1,088.7 | 83 | 5.4 |

* Estimated by Tubbs, Hedlund and Smith.
Source: American Bankers Association

New York farmers increased their use of credit in 1968 over the previous year by about 5 percent. This is a much slower rate of increase than in other recent years. The high cost and scarcity of credit undoubtedly reduced credit extensions during 1968. Improved farm incomes, especially for dairy farmers, also contributed to a slower growth in farmers' liabilities.

The basic forces contributing to the long-term increase in debts are farm enlargements and consolidations, substitution of equipment and machinery for labor, demand for modernization of buildings, the higher prices of capital goods, and the increase in production costs. These forces continue, and it is expected that if and when money conditions become easier, there will be a swing back to a more rapid buildup in farmers' liabilities.

Although farmers have been affected by higher costs for borrowed funds and scarcity of money, they have generally fared well relative to other businessmen. Most farmers in sound financial condition have been able to obtain needed financing. Interest rates on farm credit have not increased as much as on some other types of business loans during the scarce money period.

FARM REAL ESTATE MORTGAGE LOANS
MADE OR RECORDED BY TYPE OF LENDER
FIRST-HALF OF 1968 and 1969, U. S.

| Lender | Amount 1968 | Amount 1969 | Percent change | Percent of total amount 1968 | Percent of total amount 1969 |
|---|---|---|---|---|---|
| | Mil. dollars | | | | |
| Federal Land Banks | 681.1 | 783.7 | 15 | 24.2 | 25.5 |
| Insurance Companies | 415.3 | 293.7 | -29 | 14.7 | 9.6 |
| Commercial Banks | 615.3 | 627.1 | 2 | 21.8 | 20.4 |
| Savings & Loan Associations | 88.8 | 98.5 | 11 | 3.2 | 3.2 |
| Production Credit Assoc. | 352.9 | 427.8 | 21 | 12.5 | 13.9 |
| Farmers Home Administration | 85.7 | 127.4 | 49 | 3.0 | 4.2 |
| Individuals | 474.7 | 588.6 | 24 | 16.8 | 19.2 |
| Miscellaneous | 105.9 | 123.7 | 17 | 3.8 | 4.0 |
| All lenders | 2,819.7 | 3,070.5 | 9 | 100.0 | 100.0 |

Source: Farm Real Estate Mortgages Recorded, F.C.A., Washington, D. C.

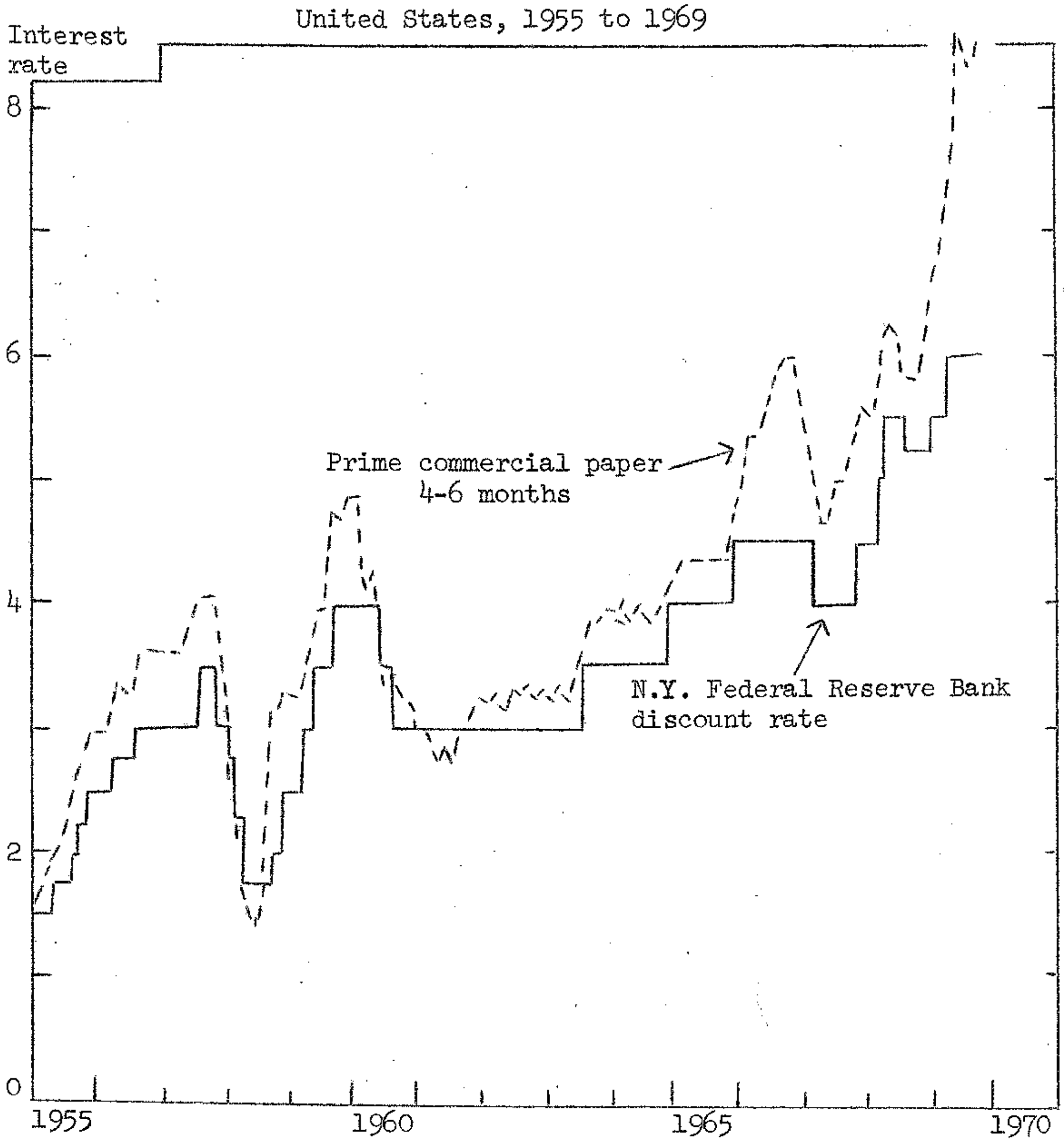
The scarcity of funds in the long-term money markets is reflected in farm real estate mortgages recorded in the past three years, and in shifts in relative importance of types of farm lenders.

The dollar amount of farm mortgages recorded by all lenders dropped 6.7 percent in 1967, and 0.5 percent in 1968. In the first six months of 1969, however, there was an increase of 9 percent over the same period in the previous year. For the period 1960 to 1966, there was a sizeable increase each year, with a total increase of 112 percent for the six-year period.

The dollar volume of farm real estate mortgages recorded by life insurance companies have shown a marked decline since 1965. The amount of mortgages recorded by insurance companies were off 31 percent from 1965 to 1968, and recordings in the first half of 1969 were down 29 percent from the same period in 1968. Federal land banks showed a 9 percent decline from 1965 to 1968, but a 15 percent increase in the first half of 1969 over 1968. Banks showed a 9 percent increase from 1965 to 1968, and a small increase in 1969 over 1968. Comparable figures for individual lenders were +12 percent and +24 percent.

Life companies are obviously committing a decreasing amount of funds to the farm real estate mortgage market. Future policy of the major life companies in this field is of great importance to other institutional lenders and to farmers as borrowers.

BASIC SHORT-TERM INTEREST RATES
United States, 1955 to 1969

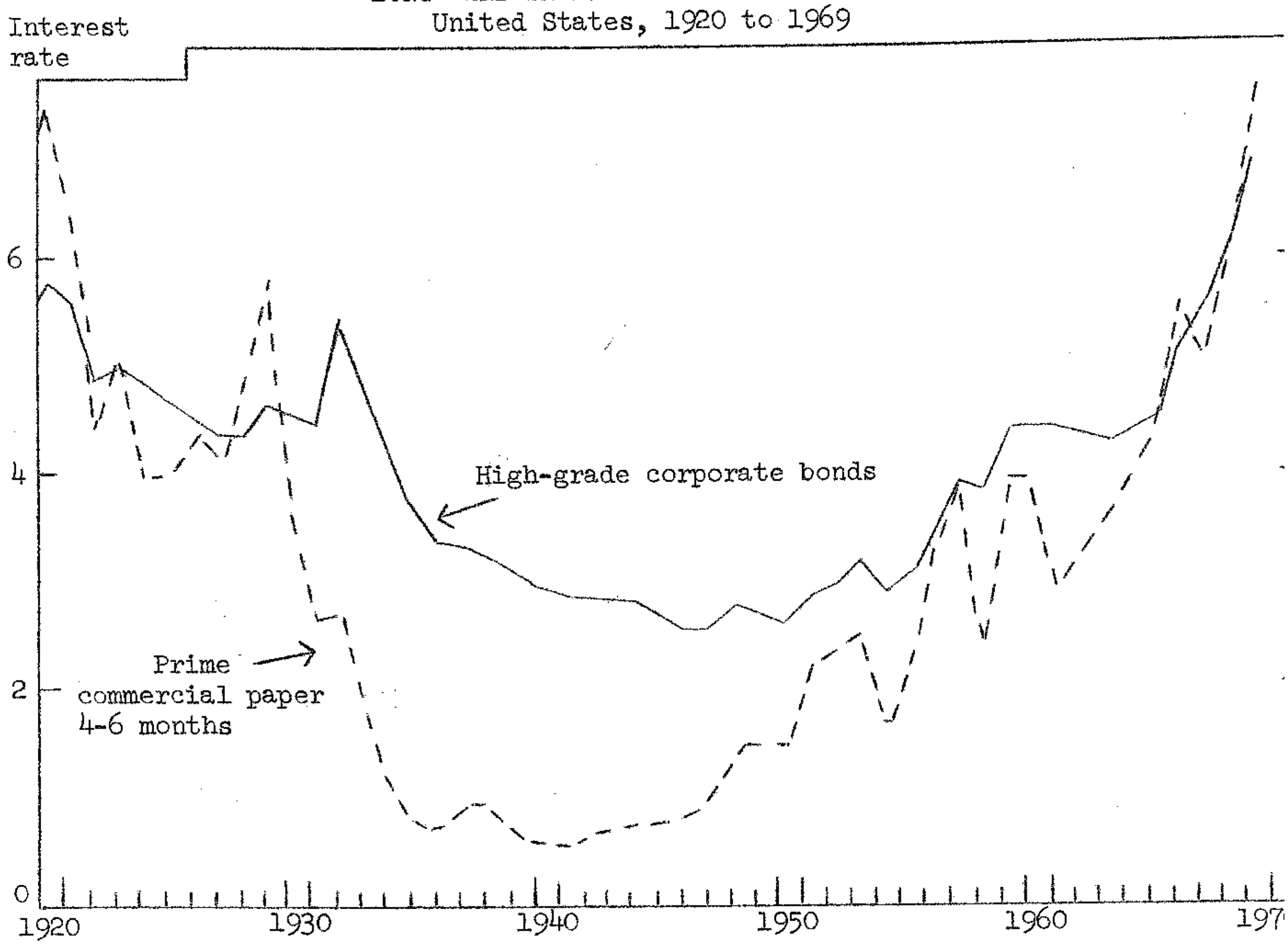



Source: Historical Chart Book Federal Reserve Board

Interest rates on the best quality of short-term credit increased from about 6 percent in late 1968 to more than 8 percent in late 1969. The Federal Reserve Bank discount rate was raised from $5\frac{1}{2}$ to 6 percent in April and remained at that rate. The prime rate, which is the rate large banks charge their large corporate borrowers, increased three times during 1969 going from 6 3/4 to $8\frac{1}{2}$ percent.

A year ago this Handbook prophetically propounded "It is not realistic to expect any lowering of rates charged farmers in 1969." In retrospect this is probably the understatement of the year. We expect rates to soften in 1970 but not so much as to be noticeable by farmer borrowers.

LONG- AND SHORT-TERM INTEREST RATES
United States, 1920 to 1969




Source: Historical Chart Book Federal Reserve Board

To most people under 60, current interest rates appear to be very high. A longer perspective, however, indicates that current rates are not significantly higher than those which prevailed in the 20's and early 30's. Measures intended to alleviate the depression and to minimize the cost of war finance contributed to the very low rates in the 30's and 40's. Beginning in 1966, counter-inflationary measures, high demand for credit and inflation itself contributed to the substantial increase in rates.

For most of the 35 years from 1930 to 1965, basic interest rates for short-term credit were substantially below those for long-term. This was not true for the first 30 years of this century and is not true today.

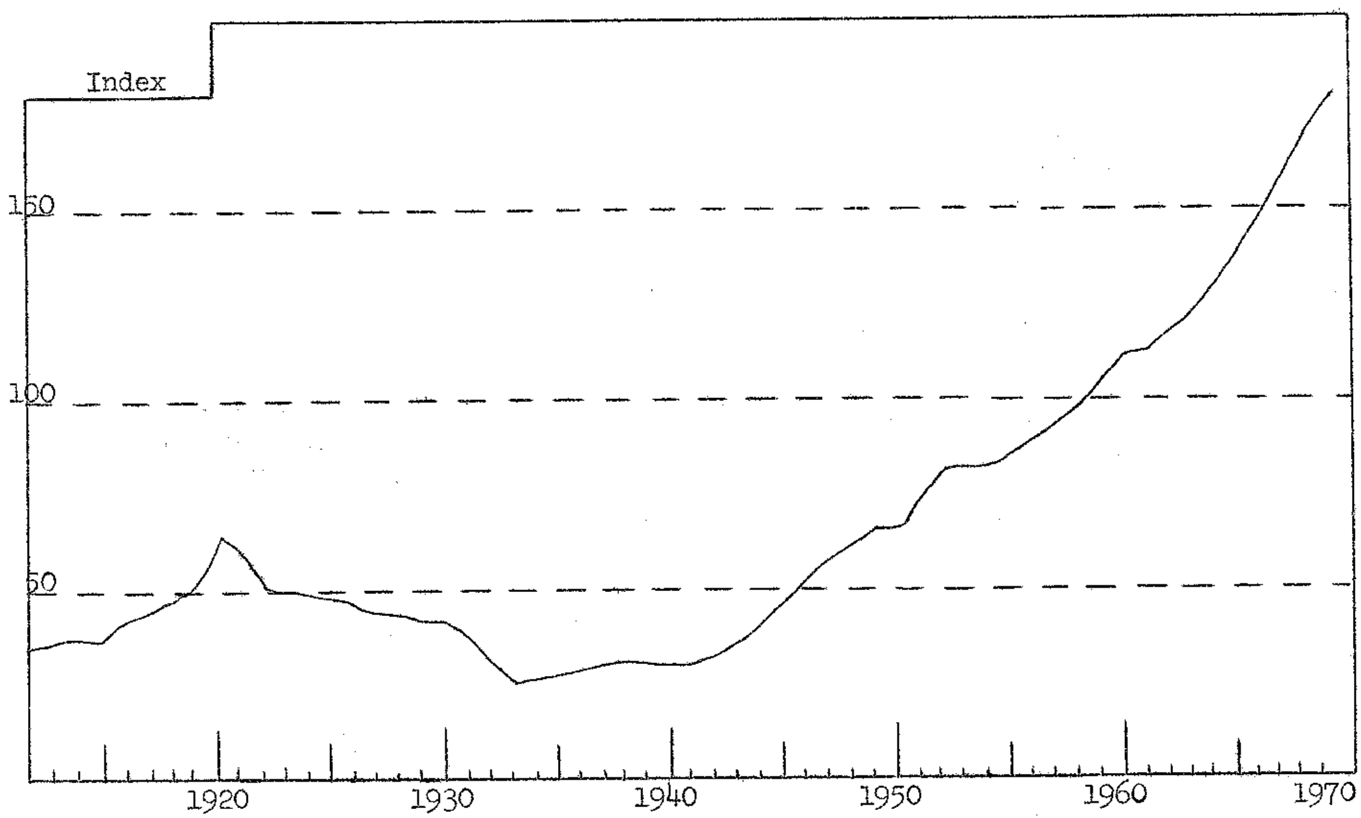
MAJOR USES OF LAND, NEW YORK STATE, 1964
(Information from United States Census of Agriculture except as otherwise noted)

| Use | Acres in 1964 | Percent of total land area of the state |
|---|---|---|
| COMMERCIAL FARMS | | |
| In 1964, there were 26,237 farms with sales of farm products over $10,000 each. These farms sold 85 percent of the state's farm products. | | |
| Harvested cropland on these farms | 3,248,000 | 10.6 |
| Pasture, woods, and other land on these farms | 4,171,000 | 13.6 |
| OTHER FARMS | | |
| In 1964, the Census counted 40,273 farms with sales of farm products below $10,000 each. These farms sold 15 percent of the state's farm products. | | |
| Harvested cropland on these farms | 1,495,000 | 4.9 |
| Pasture, woods, and other land on these farms | 3,361,000 | 11.0 |
| GRAZED LAND NOT IN FARMS | 2,009,000 | 6.6 |
| WOODLAND AND FOREST | | |
| Woodland and forest which was not grazed, not in parks, not in farms, and not in wildlife refuges, (see note at bottom of page). | 8,482,000 | 27.7 |
| FOREST PRESERVE | | |
| In the Forest Preserve in the Adirondacks and Catskills. Information from the New York State Conservation Department. | 2,651,000 | 8.6 |
| URBAN AREAS | | |
| In places of 1,000 or more inhabitants. These places had 81 percent of the total state population in 1960. Information from Economic Research Service, U. S. Department of Agriculture, Agricultural Economic Report No. 149. | 1,603,000 | 5.2 |
| ALL OTHER LAND | | |
| All other land includes the following outside of places with 1,000 or more inhabitants:- homesites, factory sites, airports, superhighways, railroads, golf courses, ski areas, wildlife refuges, military bases and installations, and idle land not in farms. It also includes parks outside of places with 1,000 or more inhabitants, and outside of the Adirondacks and Catskills. | 3,616,000 | 11.8 |
| Total | 30,636,000 | 100.0 |

Note:- In total, 47 percent of the land area of New York State was in woodland and forest in 1964. Information from Economic Research Service, U. S. Department of Agriculture, Agricultural Economic Report No. 149.

VALUE OF FARM LAND AND BUILDINGS
48 Mainland States of United States
Index numbers of average value per acre, March 1 of each year
1957-59 = 100
Information from Economic Research Service, U.S.D.A.

| Year | Index | Year | Index | Year | Index |
|---|---|---|---|---|---|
| | | 1930 | 43 | 1950 | 65 |
| | | 1931 | 38 | 1951 | 75 |
| 1912 | 36 | 1932 | 32 | 1952 | 82 |
| 1913 | 37 | 1933 | 26 | 1953 | 83 |
| 1914 | 38 | 1934 | 27 | 1954 | 82 |
| 1915 | 38 | 1935 | 28 | 1955 | 85 |
| 1916 | 41 | 1936 | 30 | 1956 | 89 |
| 1917 | 44 | 1937 | 31 | 1957 | 95 |
| 1918 | 48 | 1938 | 31 | 1958 | 99 |
| 1919 | 53 | 1939 | 30 | 1959 | 106 |
| 1920 | 64 | 1940 | 30 | 1960 | 111 |
| 1921 | 60 | 1941 | 31 | 1961 | 112 |
| 1922 | 52 | 1942 | 33 | 1962 | 118 |
| 1923 | 51 | 1943 | 36 | 1963 | 123 |
| 1924 | 49 | 1944 | 42 | 1964 | 131 |
| 1925 | 48 | 1945 | 46 | 1965 | 139 |
| 1926 | 46 | 1949 | 52 | 1966 | 150 |
| 1927 | 44 | 1947 | 59 | 1967 | 160 |
| 1928 | 44 | 1948 | 63 | 1968 | 170 |
| 1929 | 43 | 1949 | 66 | 1969 | 179 |



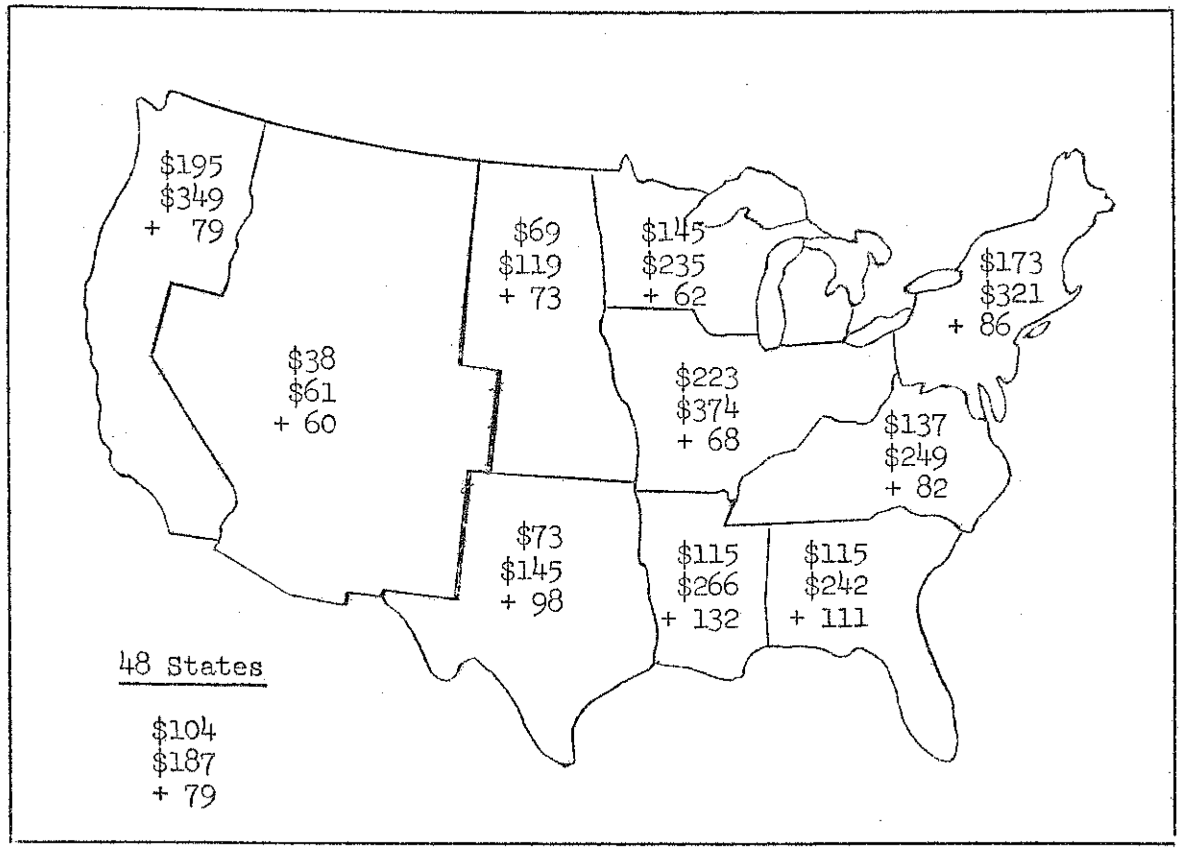
VALUE OF FARM LAND AND
BUILDINGS PER ACRE

Information from "Farm Real Estate Market Developments", August 1969

Top figure in each region is average value per acre, 1957-1959

Second figure in each region is value per acre, March 1, 1969

Lower figure in each region is per cent increase from 1957-59 to 1969




On March 1, 1969, farm real estate prices in United States were 79 percent above the 1957-59 level. The percentage rise was least in the Mountain States (60 percent), and most in the Delta States (132 percent).

For New York State, the data are as follows:-

Average value of farm land and buildings per acre, 1957-59 was $141

Value of farm land and buildings per acre, March 1, 1969 was $237

Percent increase from 1957-59 to 1969 was 68

NEW YORK DAIRY AND POULTRY FARMS
EXTENSION SERVICE FARM BUSINESS MANAGEMENT PROJECTS

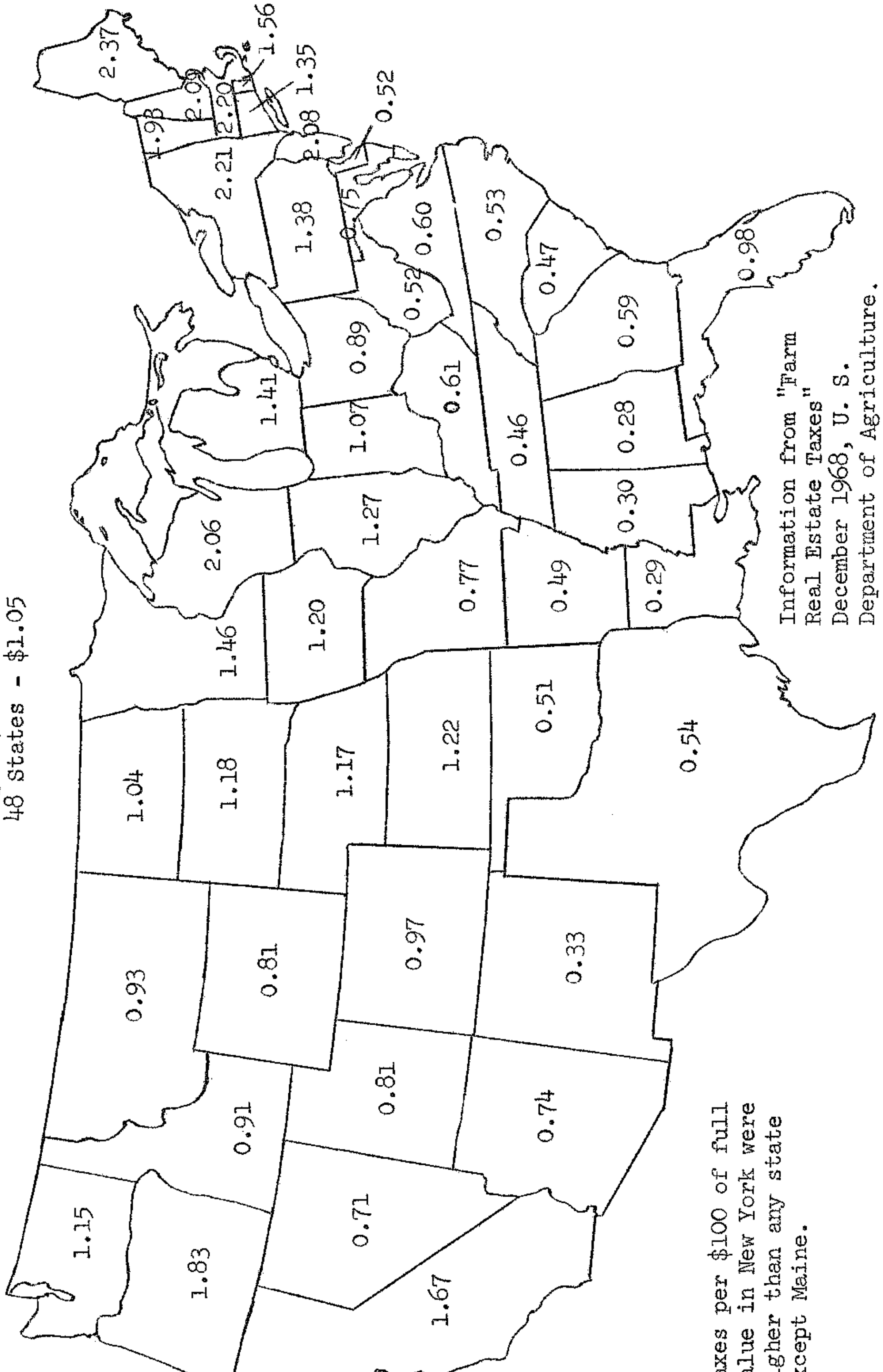
| | Dairy Farms | | | | Poultry Farms | | | |
|---|---|---|---|---|---|---|---|---|
| Year | Number of farms studied | Value of real estate per farm | Number of cows per farm | Value of real estate per cow | Number of farms studied | Value of real estate per farm | Number of hens per farm | Value of real estate per 100 hens |
| 1956 | 342 | $18,900 | 34 | $560 | 46 | $20,300 | 3,000 | $680 |
| 1957 | 464 | 20,400 | 33 | 620 | 57 | 26,700 | 3,800 | 700 |
| 1958 | 559 | 21,700 | 33 | 660 | 47 | 26,700 | 4,000 | 670 |
| 1959 | 542 | 22,800 | 35 | 650 | 32 | 28,600 | 4,900 | 580 |
| 1960 | 467 | 22,500 | 35 | 640 | 22 | 34,800 | 6,300 | 550 |
| 1961 | 490 | 25,800 | 38 | 680 | 22 | 31,000 | 5,900 | 530 |
| 1962 | 503 | 25,700 | 38 | 680 | 23 | 27,400 | 5,700 | 480 |
| 1963 | 468 | 26,300 | 39 | 670 | 26 | 24,300 | 7,400 | 330 |
| 1964 | 434 | 27,800 | 40 | 700 | 37 | 35,100 | 9,600 | 370 |
| 1965 | 673 | 32,800 | 44 | 750 | 18 | 42,100 | 12,600 | 330 |
| 1966 | 731 | 37,400 | 47 | 800 | 19 | 41,600 | 12,500 | 330 |
| 1967 | 548 | 42,600 | 51 | 840 | 26 | 54,800 | 13,600 | 400 |
| 1968 | 568 | 51,700 | 58 | 890 | 29 | 48,600 | 15,000 | 320 |

The above information is based on farmers' valuations as reported in their account books. Farms included are a shifting group, but represent the "kind of farmers who come to meetings".

Value of real estate per cow on dairy farms increased from $560 in 1956 to $890 in 1968.

The value of real estate on poultry farms - per 100 hens - has been lower in recent years than it was 10 years ago.

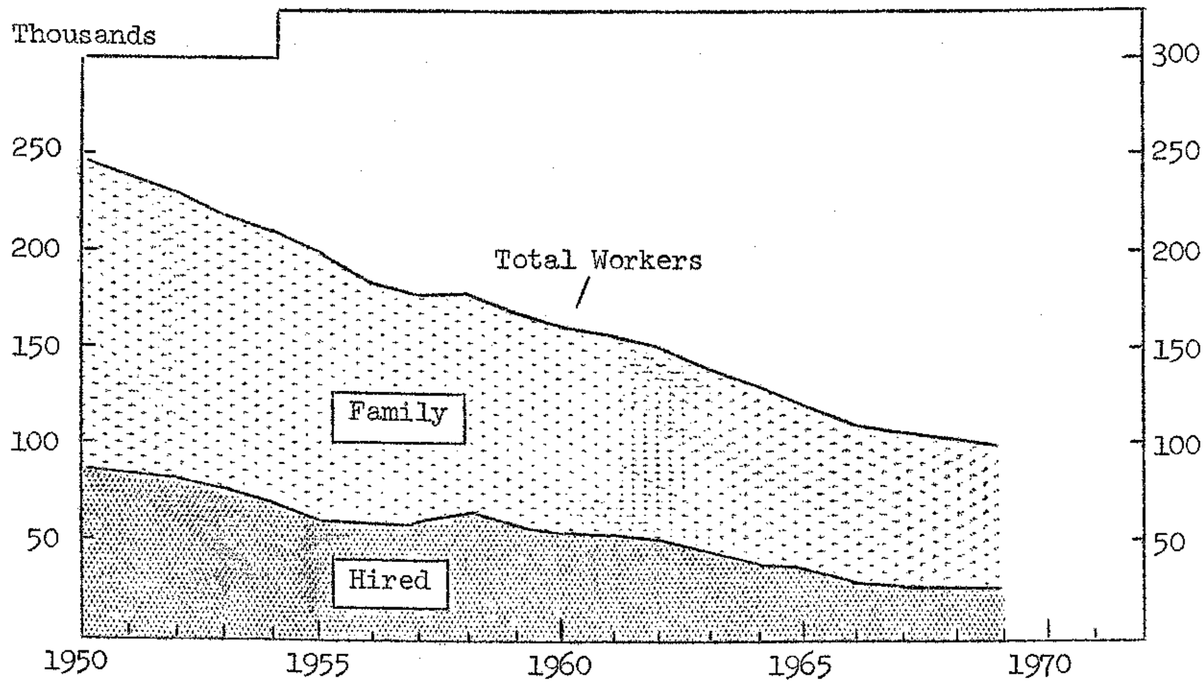
TAXES LEVIED ON FARM REAL ESTATE, 1967
Dollars per $100 of Full Value
48 States - $1.05




Information from "Farm Real Estate Taxes" December 1968, U. S. Department of Agriculture.

Taxes per $100 of full value in New York were higher than any state except Maine.

WORKERS ON NEW YORK FARMS 1950-1969




The number of workers on New York State farms declined from 248,000 in 1950 to 100,000 in 1969. This is a decrease of 60 percent in 20 years or 3 percent per year. During this period, the number of family workers decreased by 55 percent while hired workers decreased nearly 70 percent. Hired workers accounted for 36 percent of the State's labor force in 1950 but only 28 percent in 1969.

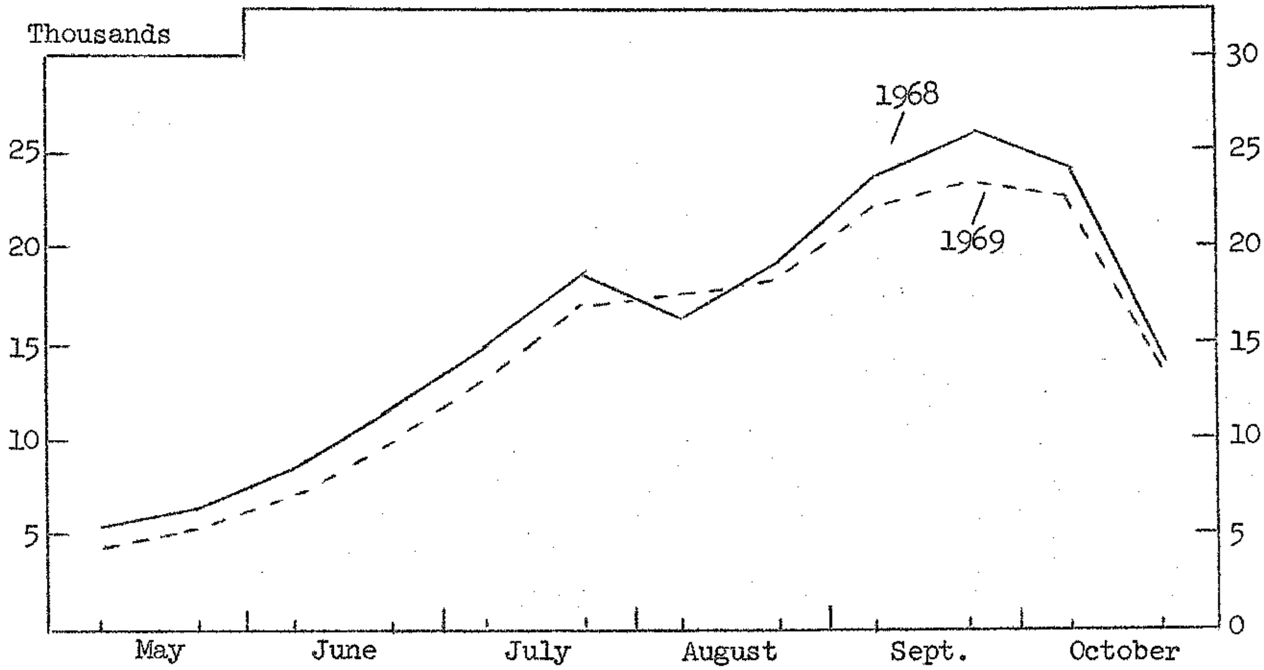
During the period from 1950 to 1969, the number of farms decreased from 136,000 to 58,000 or 57 percent. The average number of workers per farm was 1.8 in 1950, 1.9 in 1955 and 1960, but 1.7 in 1969. The number of farms and farm workers is expected to continue to decline in 1970 and the years ahead although at a somewhat slower rate.

WORKERS ON NEW YORK STATE FARMS, 1950-1969

| Year | Thousands of Workers | | | Percent hired | Thousands of farms |
|---|---|---|---|---|---|
| | Total | Family | Hired | | |
| 1950 | 248 | 159 | 89 | 36 | 136 |
| 1955 | 200 | 136 | 64 | 32 | 104 |
| 1960 | 164 | 107 | 57 | 35 | 88 |
| 1965 | 122 | 84 | 38 | 31 | 71 |
| 1966 | 112 | 81 | 31 | 28 | 68 |
| 1967 | 108 | 79 | 29 | 27 | 64 |
| 1968 | 102 | 74 | 28 | 27 | 61 |
| 1969 | 100 | 72 | 28 | 28 | 58 |

SOURCE: Cornell Bulletin 1026

NUMBER OF SEASONAL FARM WORKERS IN NEW YORK
Semi-Monthly Periods May-October, 1968 and 1969




Numbers of seasonal workers employed in 1969 were below the numbers in 1968 for all periods except early August and the end of October. Numbers of seasonal workers have been decreasing rapidly in recent years. The estimated peak number in 1969 was 25,000, whereas in 1964 the peak was 35,000. With new harvesting machines, numbers of seasonal workers likely will continue to decline.

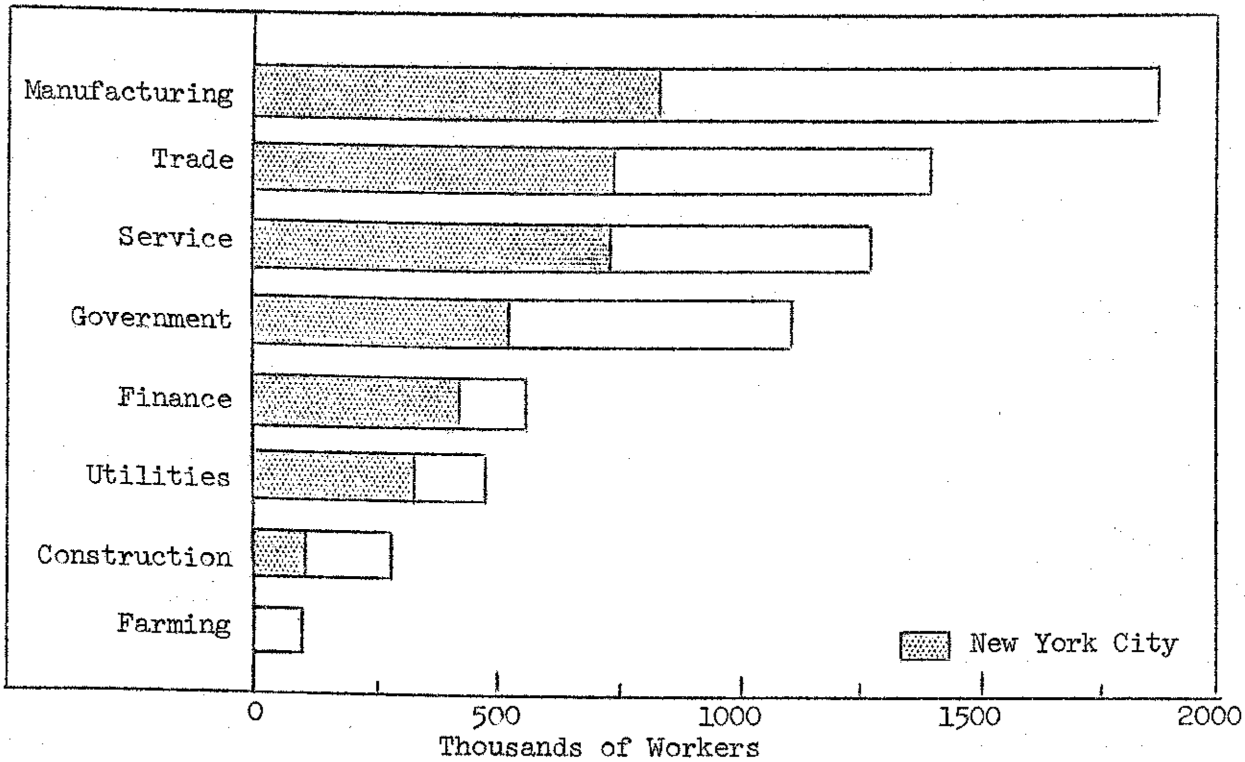
Fruit and vegetable growers use seasonal workers to harvest crops. These workers come from various sources but in New York 40 percent or more are local. Most seasonal workers in New York are employed during May through October.

ESTIMATED NUMBER AND ORIGIN OF NEW YORK SEASONAL FARM WORKERS

| Date | Estimated total number | | Source 1969 | | | | % |
|---|---|---|---|---|---|---|---|
| | 1968 | 1969 | Foreign | Intra-state | Inter-state | Local | Local |
| Aug. 6 | 19,400 | 19,455 | -- | 535 | 8,460 | 10,460 | 54 |
| Aug. 20 | 20,557 | 18,780 | -- | 1,075 | 8,555 | 9,150 | 49 |
| Sept. 3 | 22,300 | 20,915 | 10 | 575 | 11,060 | 9,270 | 44 |
| Sept. 17 | 26,813 | 24,209 | 809 | 645 | 12,735 | 10,020 | 41 |
| Oct. 1 | 27,325 | 25,150 | 993 | 622 | 12,625 | 10,910 | 43 |
| Oct. 15 | 25,275 | 24,040 | 971 | 594 | 12,025 | 10,450 | 43 |
| Oct. 29 | 13,535 | 14,685 | 731 | 344 | 7,140 | 6,470 | 44 |

SOURCE: N.Y. State Employment Service, Farm Labor Bulletin

EMPLOYMENT, NEW YORK STATE & NEW YORK CITY, 1968




The New York State Department of Labor compiles statistics on employment. The nonfarm employment figures reported do not include the self-employed, the military, employees of international organizations or private households. Manufacturing employs the largest number in New York, followed by trade, service, and government. Farm employment is less than 1½ percent of the total. New York City accounted for 52 percent of the total in 1968. Employment increased by 2.1 percent from 1967 to 1968. General employment conditions affect the farm labor situation.

EMPLOYMENT IN NEW YORK STATE, 1967 and 1968

| | New York State | | | New York City, 1968 | |
|---|---|---|---|---|---|
| | 1967 (000) | 1968 (000) | % Change | Number (000) | % of State |
| Manufacturing | 1,886 | 1,885 | - 0.1 | 845 | 45 |
| Wholesale & retail trade | 1,383 | 1,412 | + 2.1 | 748 | 53 |
| Service & miscellaneous | 1,233 | 1,278 | + 3.6 | 749 | 59 |
| Government | 1,073 | 1,116 | + 4.0 | 524 | 47 |
| Finance, Ins., real estate | 528 | 560 | + 6.1 | 438 | 78 |
| Public utilities | 489 | 488 | - 0.2 | 321 | 66 |
| Contract construction | 257 | 262 | + 1.9 | 104 | 40 |
| Farming | 108 | 102 | - 5.6 | -- | -- |
| Total Employment | 6,966 | 7,113 | + 2.1 | 3,732 | 52 |

SOURCE: N.Y. State Business Fact Book, 1969

LABOR FORCE STATISTICS ON FARM AND NONFARM LABOR
United States, 1968 Annual Average and June 1968 and 1969

| Item | 1968 annual average | June 1968 | June 1969 | % Change |
|---|---|---|---|---|
| Nonagricultural (000) | 72,103 | 72,757 | 74,589 | + 2.5 |
| Agricultural: (000) | | | | |
| Wage and salary | 1,281 | 1,576 | 1,558 | - 1.2 |
| Self-employed | 1,985 | 2,148 | 2,056 | - 4.3 |
| Unpaid family | 550 | 793 | 753 | - 5.0 |
| Total Agriculture | 3,817 | 4,516 | 4,367 | - 3.3 |
| Total Employment (000) | 75,920 | 77,273 | 78,956 | + 2.2 |
| Percent Unemployed: | | | | |
| Agricultural wage & salary | 6.3 | 6.7 | 5.1 | - 23.9 |
| All workers | 3.6 | 4.5 | 4.1 | - 8.9 |
| Average Hours Per Week: | | | | |
| Nonagricultural workers | 39.7 | 40.2 | 40.1 | - 0.2 |
| All agricultural workers | 46.3 | 49.8 | 48.6 | - 2.4 |
| Wage & salary workers | 40.0 | 42.0 | 40.5 | - 3.6 |
| Self-employed workers | 52.4 | 58.0 | 57.1 | - 1.6 |
| Unpaid family workers | 39.0 | 43.3 | 42.6 | - 1.6 |
| Wage Rates Per Hour: | | | | |
| Farm workers | | | | |
| Composite rate | $1.21 | $1.18 | $1.29 | + 9.3 |
| Without room or board | $1.43 | $1.45 | $1.58 | + 9.0 |
| Factory production workers | $3.01 | $3.00 | $3.17 | + 5.7 |

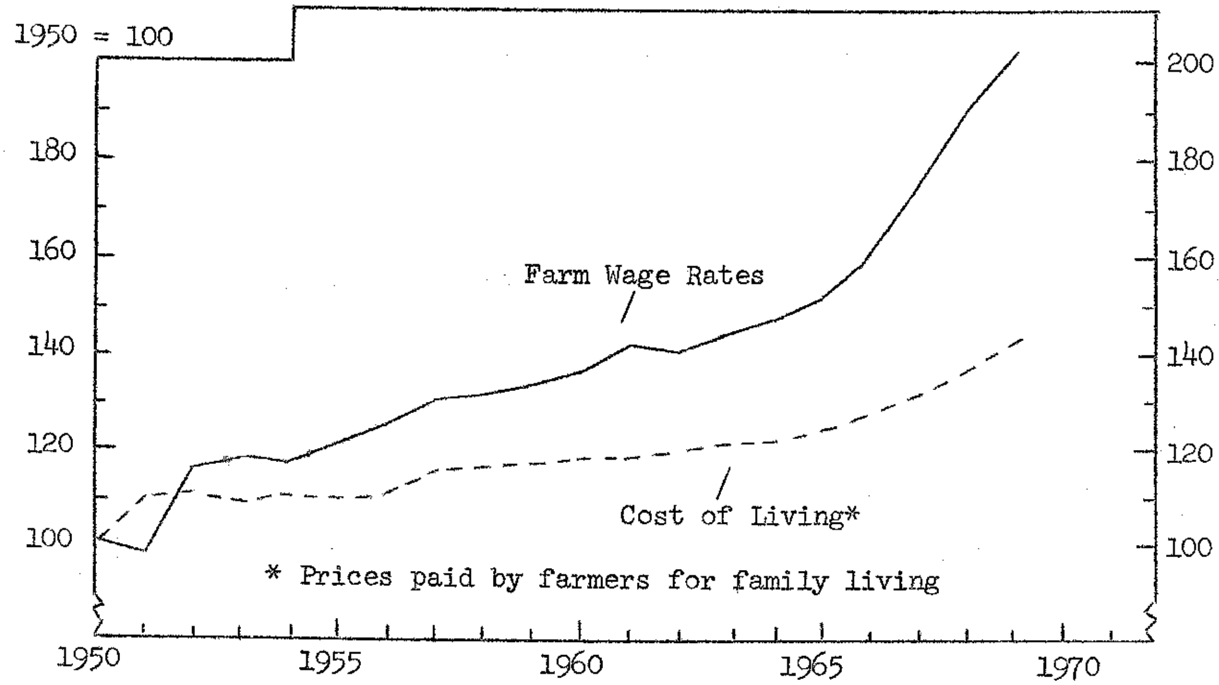
SOURCE: U.S. Dept. of Labor - Farm Labor Developments, October 1969

Total employment in the United States is approaching 80 million. In June 196 it was reported as 79 million and was 2.2 percent above June 1968. Agricultural employment was 3.8 million or 5.0 percent of the total in 1968.

Percent unemployed in recent times has been higher for agricultural wage and salary workers than for all workers, i.e., 6.3 percent versus 3.6 percent for 1968 The average hours worked per week for agricultural workers was higher than for nonagricultural workers in 1968 with 46.3 and 39.7 hours respectively. Self-employed agricultural workers had the longest hours with 52.4.

Farm wage rates in June 1969 were 9 percent above June 1968, while factory worker's wage was up 5.7 percent. Factory wages were double farm wages without room and board.

NEW YORK FARM WAGE RATES & FARM COST OF LIVING, 1950-1969




New York farm wage rates in 1969 were double those of 1950. The composite wage rate per hour in 1950 was $.67 and in 1969 it was $1.36. From 1950 to 1959, wages increased one-third while from 1960 to 1969 they increased one-half. The cost of living as measured by the index of prices paid by farmers for family living increased 42 percent from 1950 to 1969. The upward trend in farm wages is expected to continue in 1970.

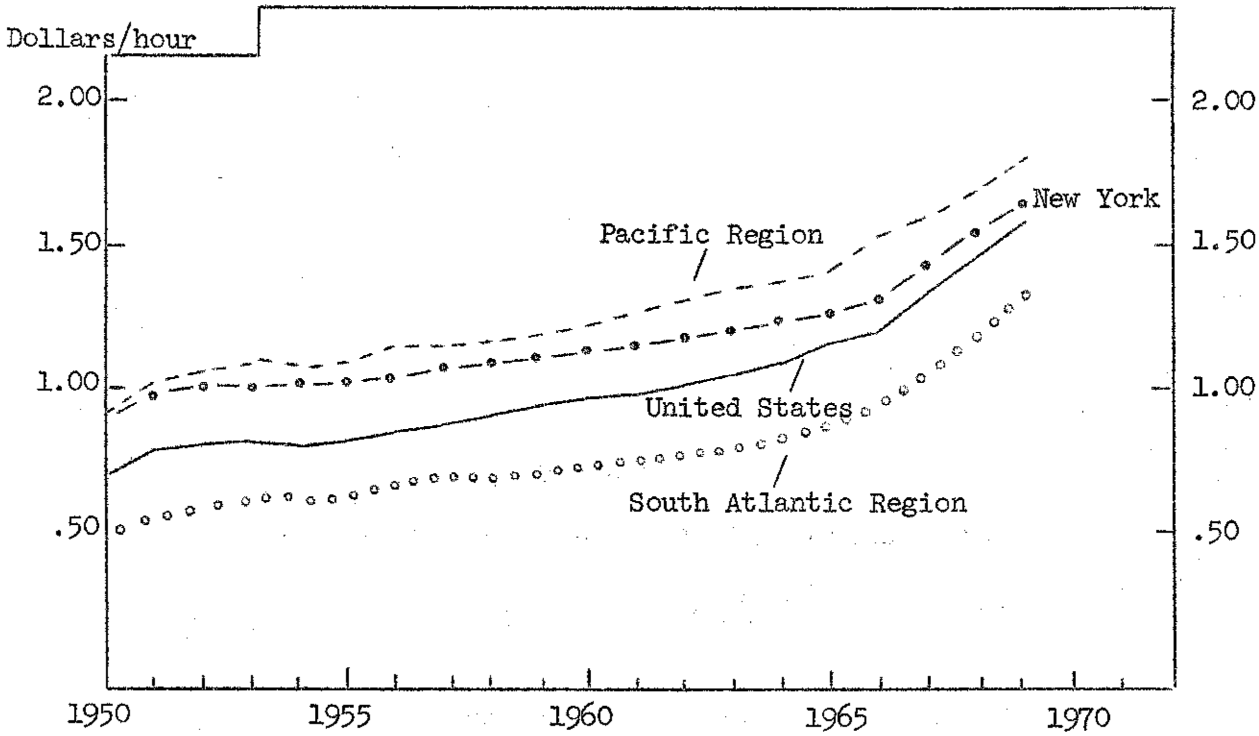
The common wage rates are listed below. From 1958 to 1968, the hourly and daily rates increased less than the weekly and monthly rates. Thus, wages for regular workers rose more than those for temporary help.

CHANGES IN NEW YORK FARM WAGE RATES

| Kind of Wage | Average 1958 | Average 1968 | % Change | October 1 1968 | October 1 1969 | % Change |
|---|---|---|---|---|---|---|
| Per Month: | | | | | | |
| With house | $ 198 | $ 303 | + 53 | $ 306 | $ 319 | + 4.2 |
| With board & room | 139 | 205 | + 47 | 205 | 225 | + 9.8 |
| Per Week: | | | | | | |
| With board & room | 37 | 58 | + 57 | 60 | 60 | 0 |
| Without board & room | 51 | 79 | + 55 | 81 | 83 | + 2.5 |
| Per Day: | | | | | | |
| Without board & room | 8.90 | 12.60 | + 42 | 12.90 | 13.00 | + 0.8 |
| Per Hour: | | | | | | |
| Without board & room | 1.11 | 1.54 | + 39 | 1.55 | 1.66 | + 7.1 |
| Composite per hour | .88 | 1.28 | + 45 | 1.28 | 1.36 | + 6.2 |

SOURCE: U.S.D.A. Farm Labor

HOURLY FARM WAGE RATES, 1950-1969
New York and Selected Regions



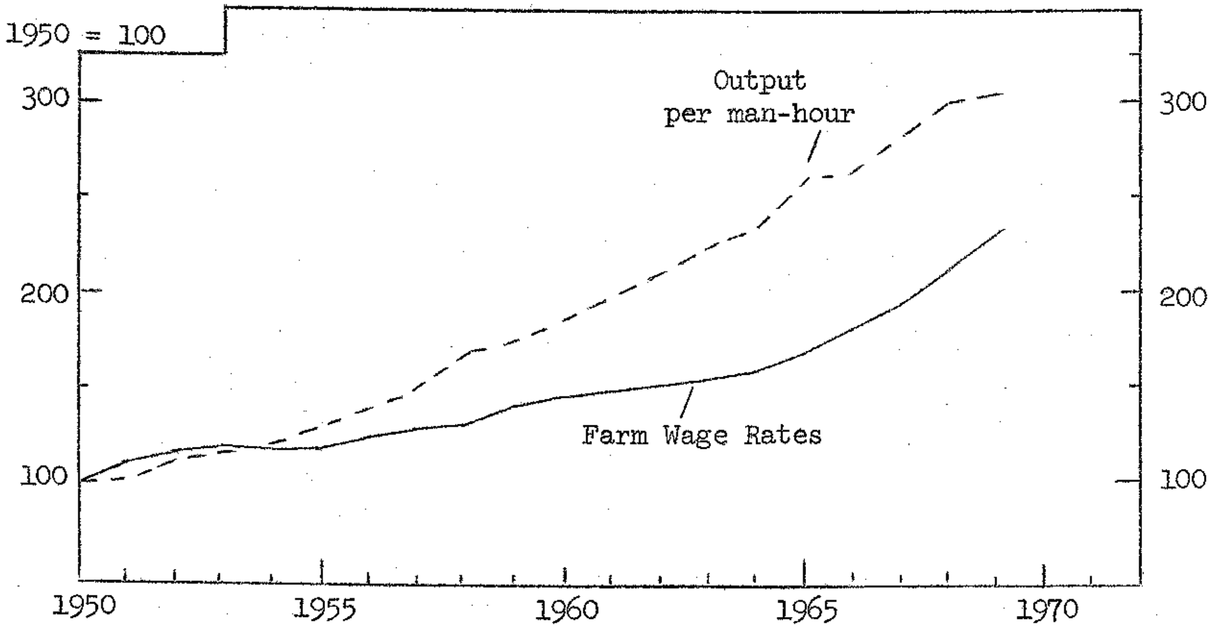

Changes in farm wage rates in New York since 1950 have been similar to those of other regions in the United States. Wages in the Pacific region have been higher than New York wages throughout the period. In 1969, New York's wages per hour without board or room were 30 cents higher than the average for the South Atlantic region. This puts New York farmers at a labor cost disadvantage.

HOURLY FARM WAGE RATE, 1950-1969

| | Annual Average Wage Per Hour (Without Board or Room) | | | |
|---|---|---|---|---|
| Year | New York | South Atlantic | Pacific Region | United States |
| 1950 | $ .89 | $ .50 | $ .92 | $ .69 |
| 1955 | 1.02 | .62 | 1.09 | .82 |
| 1960 | 1.13 | .72 | 1.23 | .97 |
| 1965 | 1.25 | .87 | 1.41 | 1.14 |
| 1966 | 1.32 | .96 | 1.52 | 1.23 |
| 1967 | 1.43 | 1.06 | 1.60 | 1.33 |
| 1968 | 1.54 | 1.21 | 1.69 | 1.44 |
| 1969P | 1.63 | 1.33 | 1.81 | 1.58 |

SOURCE: U.S.D.A. 1969 Handbook of Agricultural Charts

FARM WAGE RATES AND OUTPUT PER HOUR
United States, 1950-1969




In the United States from 1950 to 1969, farm output per man-hour trebled while wages increased 2.35 times. Thus, efficiency in farm labor output has kept ahead of wage increases. Below is a comparison of farm and manufacturing output and compensation. From 1957-59 to 1968, farm output per hour increased 84 percent while manufacturing output increased 38 percent. From 1967 to 1968, manufacturing labor efficiency rose 5 percent while farming rose 7 percent. It is expected that farm labor efficiency will continue to keep pace with other segments of the economy.

OUTPUT PER MAN-HOUR AND HOURLY COMPENSATION, 1967 and 1968
(Indexes 1957-59 = 100)

| Item | Manufacturing | | | Farm | | |
|---|---|---|---|---|---|---|
| | 1967 | 1968 | % Change | 1967 | 1968 | % Change |
| Output | 155.3 | 166.6 | + 7 | 118.1 | 120.7 | + 2 |
| Man-hours | 118.5 | 120.7 | + 2 | 68.6 | 65.7 | - 4 |
| Output/hour | 131.1 | 138.0 | + 5 | 172.1 | 183.7 | + 7 |
| Compensation/hour | 141.6 | 151.3 | + 7 | 145.3 | 157.7 | + 9 |
| Unit labor costs | 108.0 | 109.6 | + 2 | 84.4 | 85.8 | + 2 |

## FARM LABOR LEGISLATION AND REGULATIONS

Farm workers often have been excluded from new labor legislation. In some cases, the legislation has been extended to farm labor later. This probably happens because of the nature of farm labor and problems of administration. Below are some current areas of legislation that concern farm labor.

Social Security or more precisely, "Old Age and Survivors' Insurance" was extended to farm workers in 1950. The tax rate on wages continues to rise. January 1, 1969 the rate increased from 4.2 percent to 4.8 percent and January 1, 1971 it will go to 5.2 percent.

Federal Minimum Wage Law. Under the Fair Labor Standards Act of 1966, minimum wages were extended to farm labor of the nation effective February 1, 1967. Any farmer hiring 500 man days or more of labor in any quarter of a calendar year is subject to the federal minimum wage for farm workers. The rate was raised to $1.30 per hour on February 1, 1969. Relatively few New York farms are affected by this law since they do not hire 500 man days of labor in a quarter.

Workmen's Compensation Made Compulsory. In New York State, farm labor was excluded from the early compulsory Workmen's Compensation legislation. It was available to farmers on an optional basis and many elected to carry it. In 1966, the legislation was changed making it compulsory after April 1, 1967 for farmers who paid cash wages of $1,200 or more in the previous calendar year to carry Workmen's Compensation on hired workers. This legislation extends a fringe benefit to many farm employees who had not been covered previously.

Child Labor and Hazardous Agricultural Employment. Many farm jobs were included in the list of hazardous jobs for which youth under 16 years of age could not be employed. A modification of the child labor regulations effective June 27, 1969 makes it possible for 14 and 15 year old students of vocational agriculture to be hired as tractor and farm machinery operators if they hold certificates of course completion signed by the teacher of agriculture.

New York Minimum Wages. In 1969, legislation was enacted extending New York minimum wages to farm workers effective October 1, 1969. The minimum wage now is $1.40 per hour but will increase to $1.50 February 1, 1971. The law applies to all farmers paying cash wages of $1,200 or more in the previous calendar year. Farmers need to know about the regulations concerning exceptions for youth and handicapped workers, the inclusion of allowances in calculating wages, the use of "statements of earnings," and records to be kept.

Minimum Wages Under Sugar Act. Under the Sugar Act the U.S.D.A is responsible for determining fair and reasonable wages to be paid workers on sugar beet farms. In March of 1969, the minimum wage for sugar beet workers was set at $1.65.

Future Legislation. Labor unions have been active among farm workers in some areas. The consumer boycott of California grapes has received national attention. There is discussion about extending the authority of the National Labor Relations Board (NLRB) to farm workers. There are a number of areas in which new farm labor legislation is likely.

CROP PRODUCTION
New York State and United States
Average 1963-67, 1968 and 1969

| Crops | Average 1963-67 | 1968 | 1969 | % Change 1969 from Average | 1968 |
|---|---|---|---|---|---|
| | | | New York State | | |
| Hay, thous. tons | 5,476 | 5,504 | 5,429 | - 1 | - 1 |
| Corn for silage, th. tons | 5,905 | 6,275 | | | |
| Corn for grain, th. bu. | 14,557 | 16,920 | 18,574 | +28 | +10 |
| Oats, thous. bu. | 25,162 | 24,780 | 21,392 | -15 | -14 |
| | | | United States | | |
| Corn for grain, mil. bu. | 4,093 | 4,375 | 4,444 | + 9 | +1.5 |
| Oats, mil. bu. | 867 | 930 | 938 | + 8 | + 1 |
| Barley, mil. bu. | 387 | 418 | 416 | + 7 | 0 |
| Sorghum grain, mil. bu. | 644 | 739 | 757 | + 8 | + 2 |
| Total mil. tons | 156 | 168.1 | 170.6 | + 9 | +1.5 |
| Soybeans, mil. bu. | 829 | 1,080 | 1,094 | +32 | + 1 |
| Cottonseed, thous. tons | 5,160 | 4,625 | 4,450 | -14 | - 4 |
| Peanuts, mil. lbs. | 2,243 | 2,543 | 2,570 | +15 | + 1 |
| Flaxseed, mil. bu. | 26.9 | 27.3 | 36.1 | +34 | +32 |
| Hay, mil. tons | 122 | 125 | 127 | + 4 | + 2 |

Sources: November Crop and Cotton Production, USDA

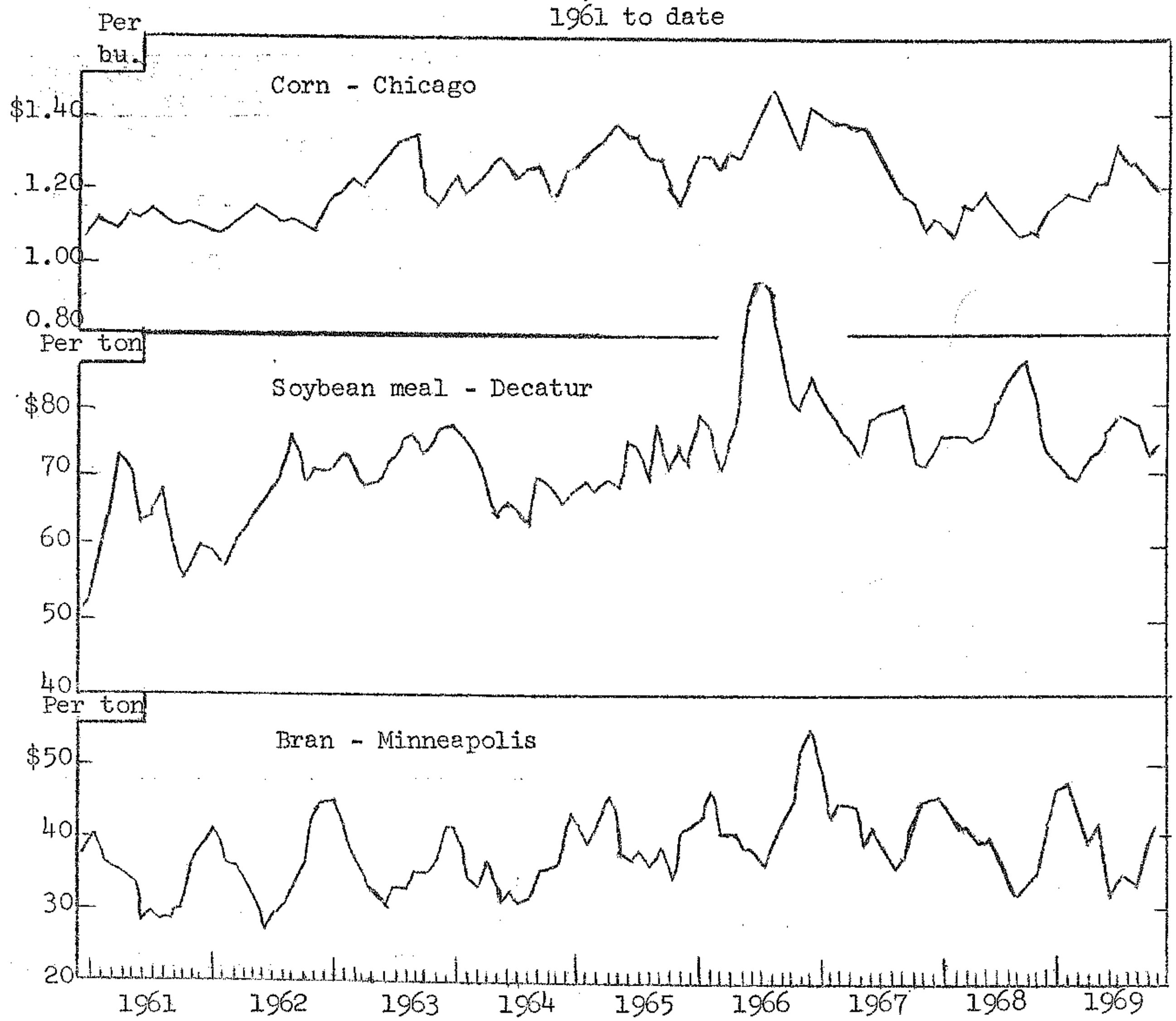
## United States

The 1969 crop of feed grains was 2½ million tons above 1968. Carryover of feed grains was two million tons above a year ago. The production of soybeans, peanuts and flaxseed in 1969 were all above 1968 but cottonseed production was down slightly.

## New York

The 1969 grain corn crop was 10 percent above 1968 and more than one-fourth above the 1962-67 average. The hay crop was down slightly from the 1968 crop but the corn silage crop was probably larger than last year's. Oat production was down sharply from 1968.

MARKET PRICES OF CORN, SOYBEAN MEAL AND WHEAT BRAN
1961 to date



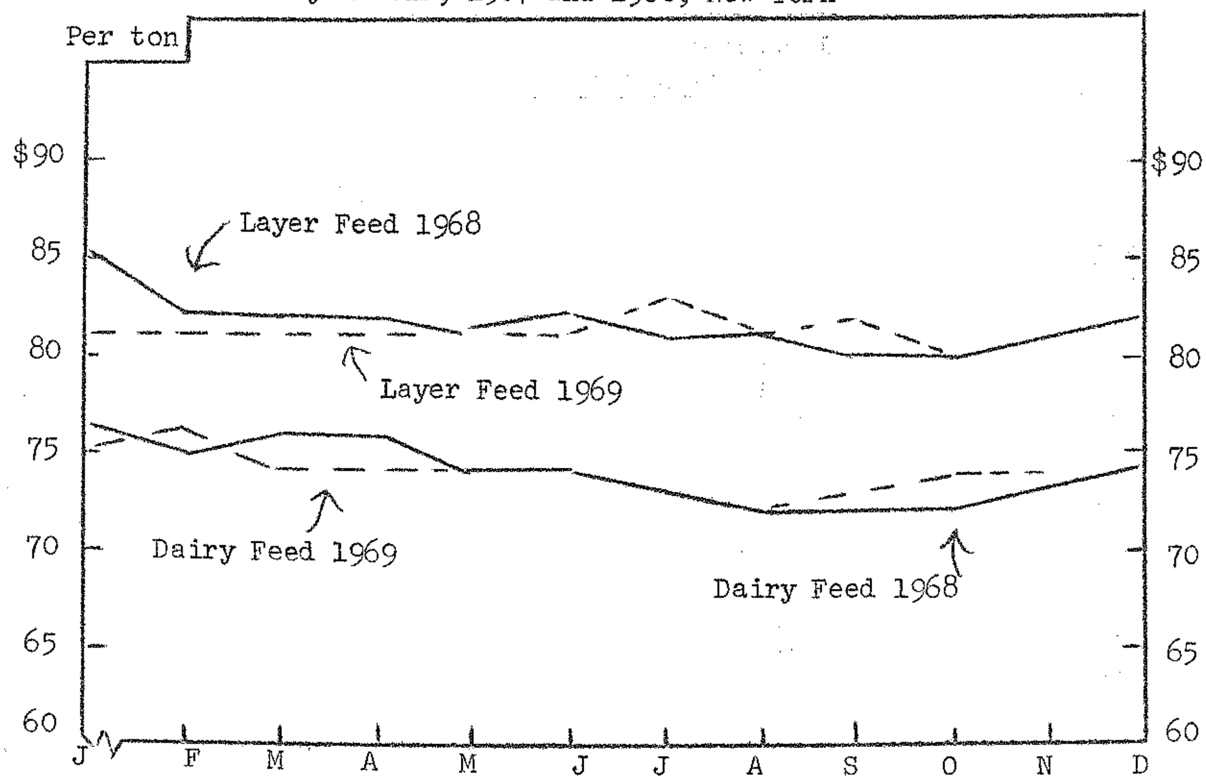

Source: USDA Feed Situation

Monthly average corn prices in the fall of 1969 were 5 to 10 cents above year earlier levels despite the fact that the corn crop was larger than in 1968. The farm price of corn did not go much below the loan rate even during harvest time. Corn prices probably will move up as the season progresses but less than the 25 cent increase of last year.

Soybean meal prices in the fall of 1969 have been equal to or above last year despite a larger crop, larger carryover and a 30 cent lower support pric on soybeans.

Bran prices, as well as prices of other by-product feeds, were low in th summer of 1969 due to low wheat prices but have increased this fall in respor to strong demand.

PRICES OF DAIRY (16%) AND LAYER FEEDS
By Months, 1967 and 1968, New York




Source: USDA Agricultural Prices

Both dairy feed and layer feed prices in 1969 were about equal to the 1968 level. However, feed prices tended to be lower in early 1969 and higher in late 1969 than in comparable periods in 1968.

Feed prices in 1970 are likely to be slightly above 1969 despite larger production and carryover of feed grains and lower support prices for soybeans. Strong demand due to increased livestock numbers and favorable livestock product prices will be primarily responsible for the expected higher feed prices.

| | 1969 | | 1970 | |
|---|---|---|---|---|
| Month | Dairy Feed | Layer Feed | Dairy Feed | Layer Feed |
| Jan | $75 | $81 | -- | -- |
| Feb | 76 | 81 | -- | -- |
| March | 74 | 81 | -- | -- |
| April | 74 | 81 | -- | -- |
| May | 74 | 81 | -- | -- |
| June | 74 | 81 | -- | -- |
| July | 73 | 83 | -- | -- |
| Aug | 72 | 81 | -- | -- |
| Sept | 73 | 82 | -- | -- |
| Oct | 74 | 80 | -- | -- |
| Nov | 74 | 81 | -- | -- |
| Dec | -- | -- | -- | -- |

FEED USE, NEW YORK
1950 to date

| Year | Total concentrates fed to all livestock | Home-grown grain fed | Amount shipped in |
|---|---|---|---|
| | Thous. tons | Thous. tons | Thous. tons |
| 1950 | 2,991 | 838 | 2,153 |
| 1951 | 3,015 | 1,055 | 1,960 |
| 1952 | 3,130 | 1,001 | 2,129 |
| 1953 | 3,117 | 1,028 | 2,089 |
| 1954 | 3,140 | 1,028 | 2,112 |
| 1955 | 3,168 | 954 | 2,214 |
| 1956 | 3,163 | 1,008 | 2,155 |
| 1957 | 3,031 | 1,030 | 2,001 |
| 1958 | 2,958 | 1,078 | 1,880 |
| 1959 | 2,860 | 1,080 | 1,780 |
| 1960 | 2,857 | 967 | 1,890 |
| 1961 | 2,919 | 955 | 1,964 |
| 1962 | 3,045 | 990 | 2,055 |
| 1963 | 3,057 | 888 | 2,169 |
| 1964 | 3,146 | 945 | 2,201 |
| 1965 | 3,209 | 895 | 2,314 |
| 1966 | 3,161 | 904 | 2,257 |
| 1967 | 3,101 | 875 | 2,226 |
| 1968 | 3,106 | 1,098 | 2,008 |

Source: Commercial Feed Use in New York, A. E. 740 and unpublished data.

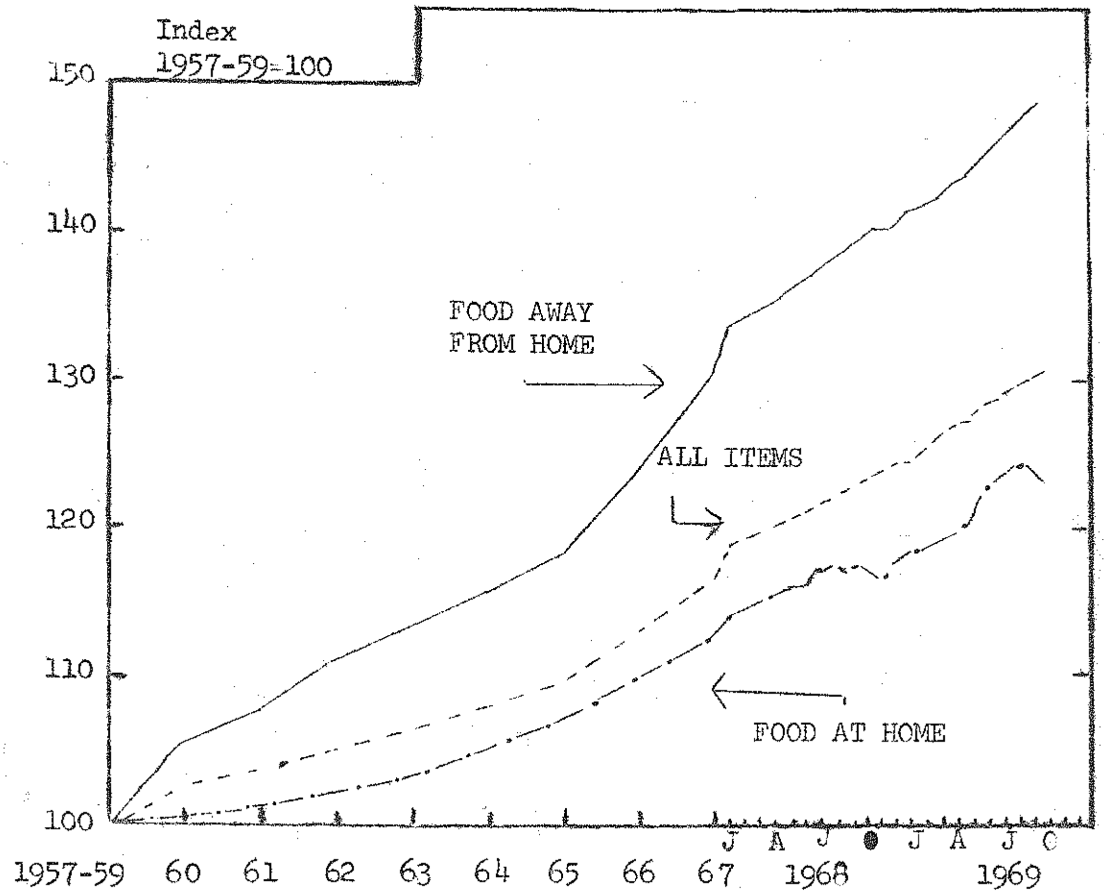
In 1968, about 3.1 million tons of concentrates were fed to livestock in New York, of which 1.1 million tons were home-grown and 2.0 million tons were shipped into the state.

The increase in use of home-grown grain in 1968 was due to the exceptionally large 1967 corn crop.

According to reports of the United States Tariff Commission, sales of feed grade urea in the United States rose to 232.9 thousand tons in 1967 (the latest figure available) from 94.6 thousand tons in 1960:

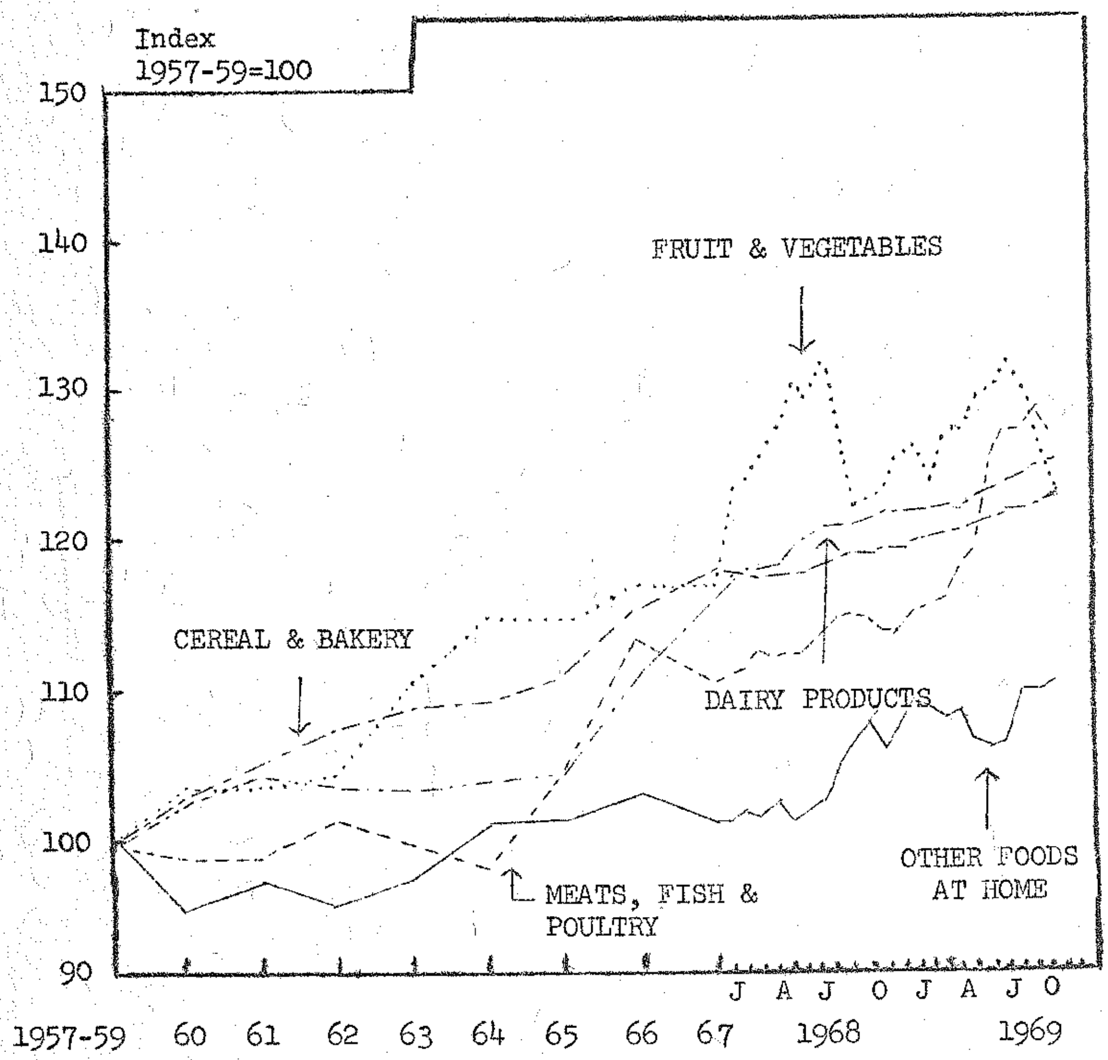
| Year | Sales (thous. tons) |
|---|---|
| 1960 | 94.6 |
| 1961 | 107.4 |
| 1962 | 114.1 |
| 1963 | 129.6 |
| 1964 | 129.0 |
| 1965 | 152.6 |
| 1966 | 192.0 |
| 1967 | 232.9 |

CONSUMER PRICE INDEX ALL ITEMS, FOOD AWAY FROM HOME AND FOOD AT HOME



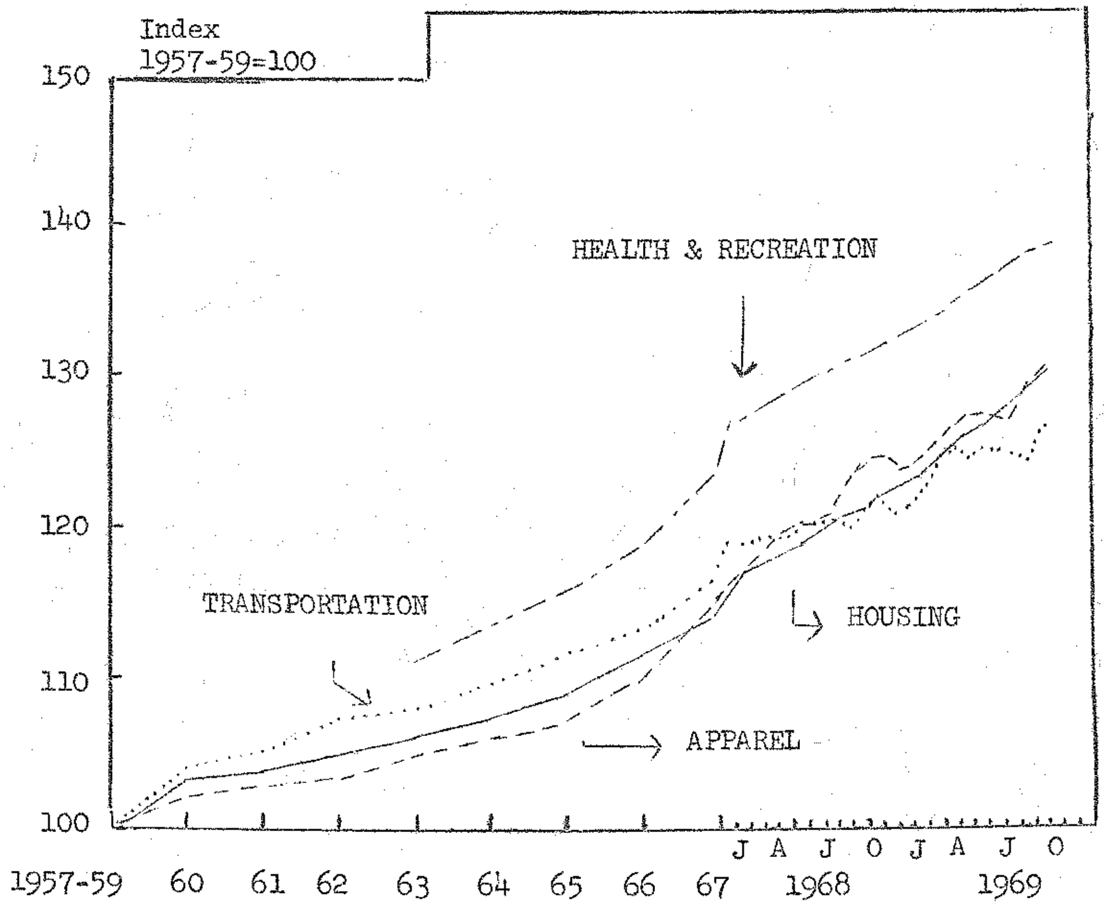

The index for all items in the consumer price index will likely average about 128 for the year 1969, a seven percentage point increase over 1968. This will represent the largest annual increase in recent years by a substantial margin. Food is an important component of the total for all items. Unfortunately, as usually published all foods purchased, regardless of source, are reported as one number. The important parts of the all food index are "food at home" and "food away from home". The "food at home" represents food purchased in the supermarket for home consumption. The "food away from home" includes many types of food service such as hotels, restaurants, in plant feeding institutions and fast food systems. While the index of "food at home", representing about 80 percent of total food purchases, has risen 25 percent since 1957-59, "food away from home" has risen about 45 percent. Supermarket food has actually risen slower than the index of all items while "food away from home" has shown a greater increase than any other major component of the consumer price index.

CONSUMER PRICE INDEX MAJOR FOOD CATEGORIES




The major categories of food purhcases have, with the exception of "other foods" shown about a 24 to 27 percent increase since 1957-59. Meat, fish and poultry, after exhibiting no noticable change up to 1964, has in recent years increased rapidly. Fruits and vegetables have continuously been on the top si of the price index for the four basic categories of food. "Other foods" which includes prepared and partially prepared foods, eggs, fats and oils, sugar and soft drinks, has shown only a 10 percent increase and still remains well below the index of the other major food groups.

CONSUMER PRICE INDEX SELECTED NON-FOOD CATEGORIES




While most of the attention has been focused on food prices other items in the consumer price index have increased more than "food at home". Housing, apparel and transportation have risen 25 to 30 percent from the 1957-59 base. Health and recreation, more recently reported as a separate category, had risen nearly 40 percent by October 1969. If health care were separated from the category it would probably demonstrate an even greater increase than the average for health care and recreation.

INDEX OF RETAIL COST, FARM VALUE AND MARKETING COSTS FOR FARM FOODS, UNITED STATES, 1957-69*

| Year | Retail Cost | Farm Value | Marketing Cost |
|---|---|---|---|
| | | 1957-59=100 | |
| 1957 | 97 | 98 | 96 |
| 1958 | 103 | 105 | 101 |
| 1959 | 100 | 97 | 102 |
| 1960 | 101 | 99 | 102 |
| 1961 | 101 | 98 | 104 |
| 1962 | 102 | 99 | 105 |
| 1963 | 103 | 97 | 107 |
| 1964 | 103 | 96 | 108 |
| 1965 | 106 | 105 | 106 |
| 1966 | 111 | 114 | 110 |
| 1967 | 110 | 107 | 112 |
| 1968 | 114 | 112 | 115 |
| 1969 est. | 119 | 122 | 116 |

Source: Handbook of Agricultural Charts, USDA, November 1969.

For an analysis of price changes the period 1957-69 could well be divided into two segments. Prior to 1965 retail prices had risen only modestly. Farm value actually declined. Marketing costs exhibited a slow upward trend. Sinc the end of 1964 the farm value of farm produced foods has risen 26 percentage points with ten of the points coming in 1969, due in large part to higher beef egg prices. The pressures of inflation have been translated into an increase eight percentage points in marketing costs. Retail prices have risen 16 perce points with a tendency to lag about one year behind the rise in farm value.

Since a great deal of the increase in farm value during 1969 is attribute higher beef prices it is expected that the increase during 1970 will be smalle Marketing costs and retail prices will likely increase more in 1970 than they during 1969 due to continued increases in wages and other costs.

*Market basket contains average quantities of farm produced food purchased an by wage earners and clerical worker families in 1960-61.

CHANGES IN THE MARKETING BILL FOR FARM
PRODUCED FOOD, UNITED STATES, 1959-68

| Item | Amount - Billions 1959 | 1968 | Increase |
|---|---|---|---|
| Labor - Direct by Marketing Firms | $17.8 | $27.3 | $9.5 |
| Transportation | 4.0 | 4.6 | .6 |
| Profits Before Taxes | 2.1 | 3.6 | 1.5 |
| Depreciation | 1.4 | 2.2 | .8 |
| Business Taxes | 1.2 | 2.3 | 1.1 |
| Advertising | 1.2 | 2.0 | .8 |
| Rent, Net | 1.1 | 1.7 | .6 |
| Interest, Net | .2 | .5 | .3 |
| Repairs, Bad Debts Contributions | .7 | 1.2 | .5 |
| Other, Residual | 12.5 | 15.2 | 2.7 |
| Total | $42.2 | $60.6 | $18.4 |

Source: Marketing & Transportation Situation, August 1969

The marketing bill for farm produced food increased $18.4 billion or 44 percent between 1959 and 1968. Almost half of the increase resulted from an increase in the volume of goods marketed. About one third resulted from rising costs and about a fifth from increases in marketing services per unit of product sold. An analysis of the marketing bill by cost functions indicates that over 50 percent of the $18.4 billion increase is attributed to direct labor expense by marketing firms. This actually understates the increase in labor costs since there is a sizable amount of labor in many of the other costs such as transportation, depreciation, advertising and repairs.

The second largest increase in marketing costs is labeled "other" or "residual". Unfortunately the size of the components is influenced by the methodology used in estimating both the marketing bill and the cost components. In 1968 containers, packaging and labeling may have accounted for $7 billion and costs connected with institutional feeding $4 billion. Some other costs included in this component are utilities, fuel, insurance and intracity for hire transportation.

Profits before taxes, although increasing by $1.5 billion between 1959 and 1968, accounted for less than 6 percent of the total marketing bill in 1968. At the effective federal income tax of 1968 this resulted in an after tax profit equal to 3 percent of the total marketing bill.

INDEX OF AVERAGE HOURLY LABOR COSTS AND
UNIT LABOR COST FOR MARKETING FARM FOODS 1957-68

| Year | Labor Cost Per Hour | Labor Cost Per Unit |
|---|---|---|
| | 1957-59=100 | |
| 1957 | 97 | 98 |
| 1958 | 100 | 101 |
| 1959 | 103 | 101 |
| 1960 | 108 | 102 |
| 1961 | 114 | 101 |
| 1962 | 120 | 104 |
| 1963 | 125 | 104 |
| 1964 | 128 | 104 |
| 1965 | 133 | 110 |
| 1966 | 140 | 114 |
| 1967 | 147 | 119 |
| 1968 | 158 | 127 |

Source: Marketing and Transportation Situation, August 1969

A previous chart indicated that direct labor used by marketing firms accounted for over 50 percent of the increase in the marketing bill for food during the past ten years. A basic reason is the 58 percent increase in hourly labor costs during the same period. Less than one half of this increase has been translated in unit labor costs, which have increased 27 percent since 1957-59. This favorable comparison with hourly labor costs results from several factors including increased volume of food marketed, more efficient handling and greater use of mechanical handling equipment.

FOOD CHAIN EARNINGS AFTER TAXES, UNITED STATES, 1957-69

| Year | Earnings As A Percent Of | | |
|---|---|---|---|
| | Sales | Total Assets | Net Worth |
| 1957 | 1.4% | NA | 14.0% |
| 1958 | 1.4 | NA | 13.6 |
| 1959 | 1.4 | NA | 12.7 |
| 1960 | 1.3 | NA | 12.2 |
| 1961 | 1.3 | 6.5% | 11.3 |
| 1962 | 1.2 | 6.1 | 10.7 |
| 1963 | 1.3 | 6.5 | 11.5 |
| 1964 | 1.4 | 7.2 | 12.6 |
| 1965 | 1.3 | 6.5 | 11.5 |
| 1966 | 1.2 | 6.1 | 10.7 |
| 1967 | 1.0 | 5.4 | 9.2 |
| 1968 | 1.0 | 5.5 | 9.7 |
| 1969 | | | |
| 1970 | | | |

Source: Operating Results of Food Chains, Department of Agricultural Economics, New York State College of Agriculture

Food chain earnings, after taxes regardless of the measure used, have declined sharply since 1964. Retail food distributors usually have difficulty translating higher merchandise costs and higher operating costs into higher retail prices during periods of rapid inflation. With earnings for 1968 at 1.0 percent of sales, 5.5 percent of total assets employed, and 9.7 percent of net worth, little improvement is expected during 1969 or 1970 for this important segment of the food distribution system. Earnings are expected to remain at or near the lowest point reported, 1.0 percent, since industry summaries were started in 1955.

BEEF: RETAIL PRICE, FARM RETAIL PRICE SPREAD
AND FARM VALUE, UNITED STATES, 1957-69

| Year | Cents Per Pound | | Farm Value |
|---|---|---|---|
| | Retail Price | Farm-Retail Spread | |
| 1957 | 70.6 | 28.1 | 42.5 |
| 1958 | 81.0 | 30.1 | 50.9 |
| 1959 | 82.8 | 31.3 | 51.5 |
| 1960 | 81.0 | 32.8 | 48.2 |
| 1961 | 79.2 | 32.9 | 46.3 |
| 1962 | 82.4 | 31.7 | 50.7 |
| 1963 | 81.0 | 34.4 | 46.6 |
| 1964 | 77.8 | 35.4 | 42.4 |
| 1965 | 81.4 | 34.6 | 46.8 |
| 1966 | 84.3 | 34.7 | 49.6 |
| 1967 | 84.1 | 34.8 | 49.3 |
| 1968 | 87.3 | 34.8 | 52.5 |
| January | 86.3 | 35.8 | 50.5 |
| February | 86.5 | 35.0 | 51.5 |
| March | 86.4 | 33.9 | 52.5 |
| April | 86.2 | 33.8 | 52.4 |
| May | 86.8 | 34.3 | 52.5 |
| June | 86.8 | 34.3 | 52.5 |
| July | 87.2 | 33.9 | 53.3 |
| August | 88.1 | 34.6 | 53.5 |
| September | 88.3 | 34.5 | 53.8 |
| October | 88.3 | 36.7 | 51.6 |
| November | 88.5 | 36.8 | 51.7 |
| December | 88.1 | 34.4 | 53.7 |
| 1969 | | | |
| January | 90.1 | 35.5 | 54.6 |
| February | 90.0 | 34.8 | 55.2 |
| March | 89.9 | 33.8 | 56.1 |
| April | 92.7 | 35.0 | 57.7 |
| May | 94.8 | 33.1 | 61.7 |
| June | 100.0 | 32.3 | 67.7 |
| July | 101.7 | 35.3 | 66.4 |
| August | 100.1 | 38.5 | 61.6 |
| September | 99.4 | 40.9 | 58.5 |
| October | 95.3 | 37.6 | 57.7 |
| November | | | |
| December | | | |

Source: Statement by Secretary Clifford M. Hardin before Joint Economic Committee of Congress, October 22, 1969.

In recent months the rapid increase in retail beef prices has been the focal point of much of the concern about high food prices. During the nine month period October 1968-June 1969 the retail price of beef increased about 12 cents per pound. This is hardly surprising in view of the 16 cents per pound increase in farm value for an equivalent amount of beef. The result was a substantial reduction in returns to the marketing system. The farm retail spread declined about 4 cents per pound reflecting the inability of the marketing system, particularly retailers, to pass higher wholesale beef prices and higher marketing costs along to consumers.

Since June the reverse situation has developed. By September the farm price of beef had declined about 8 cents per pound from the June high. Retail prices were down only 1 cent per pound reflecting an attempt by the marketing system to recover some of the margin lost during the previous nine months.

More important than the machinations of the marketing system are the reasons why beef prices rose so rapidly in the first instance. Preliminary estimates of commercial beef production during the three quarters that beef prices were rising rapidly indicates a per capita production 1.5 pounds above the same period for a year earlier. This difference is deceiving due to the distribution of the total among the three quarterly periods.

BEEF - COMMERCIAL PRODUCTION PER CAPITA

| Quarterly Periods | Previous Year | Current Year | Change |
|---|---|---|---|
| | Pounds | | |
| 1968 Ocotber - December | 25.7 | 27.3 | +1.6 |
| 1969 January - March | 26.9 | 26.9 | + .2 |
| 1969 April - June | 26.8 | 26.5 | - .3 |

This change in per capita production of beef, although small, coupled with rapidly rising incomes, general inflationary conditions, and tight supplies of other red meats probably explains much of the change in farm prices of beef.

Can we expect to return to the low retail beef prices of the late 1950's? It seems doubtful. Continual inflation will keep pressure on production and marketing costs. With continued inflation and higher wages the demand for all foods, and particularly beef, will continue strong. With favorable prices, production will continue to increase. However, unlike in past years, beef producers are now finishing around three-fourths of all beef animals going to slaughter. Consequently most of the cattle suitable for feed lot feeding now are fed out. As a result, beef production cannot be increased greatly in short time simply by finishing a larger proportion of cattle. For the most part growth in beef supplies in the future will depend on expansion of the beef herd. For this to occur cattle prices must be high enough to encourage producers to continue to expand production.

MINUTES OF FACTORY LABOR REQUIRED TO BUY
MAJOR FOOD ITEMS, UNITED STATES, SELECTED YEARS

| Item | 1929 | 1957-59 | January-July 1969 |
|---|---|---|---|
| | | -Minutes of Labor- | |
| White Bread, lb. | 9.4 | 5.5 | 4.4 |
| Round Steak, lb. | 50.0 | 28.6 | 24.0 |
| Butter, lb. | 60.0 | 21.4 | 16.2 |
| Milk, qt. | 15.4 | 7.1 | 5.9 |
| Eggs, doz. | 34.5 | 16.2 | 11.3 |
| Pork Chops, lb. | 40.0 | 25.0 | 20.7 |
| Margarine, lb. | 28.6 | 8.2 | 5.3 |

Source: USDA Office of Information, September 1969

Although inflation and increased demand have caused food prices to increas the purchasing power of an hour of factory labor continues to improve. All of the major food items selected required fewer minutes of labor to purchase in 19 than in 1957-59 or 1929. This was true even for round steak, a food item for which prices increased rapidly during 1969.

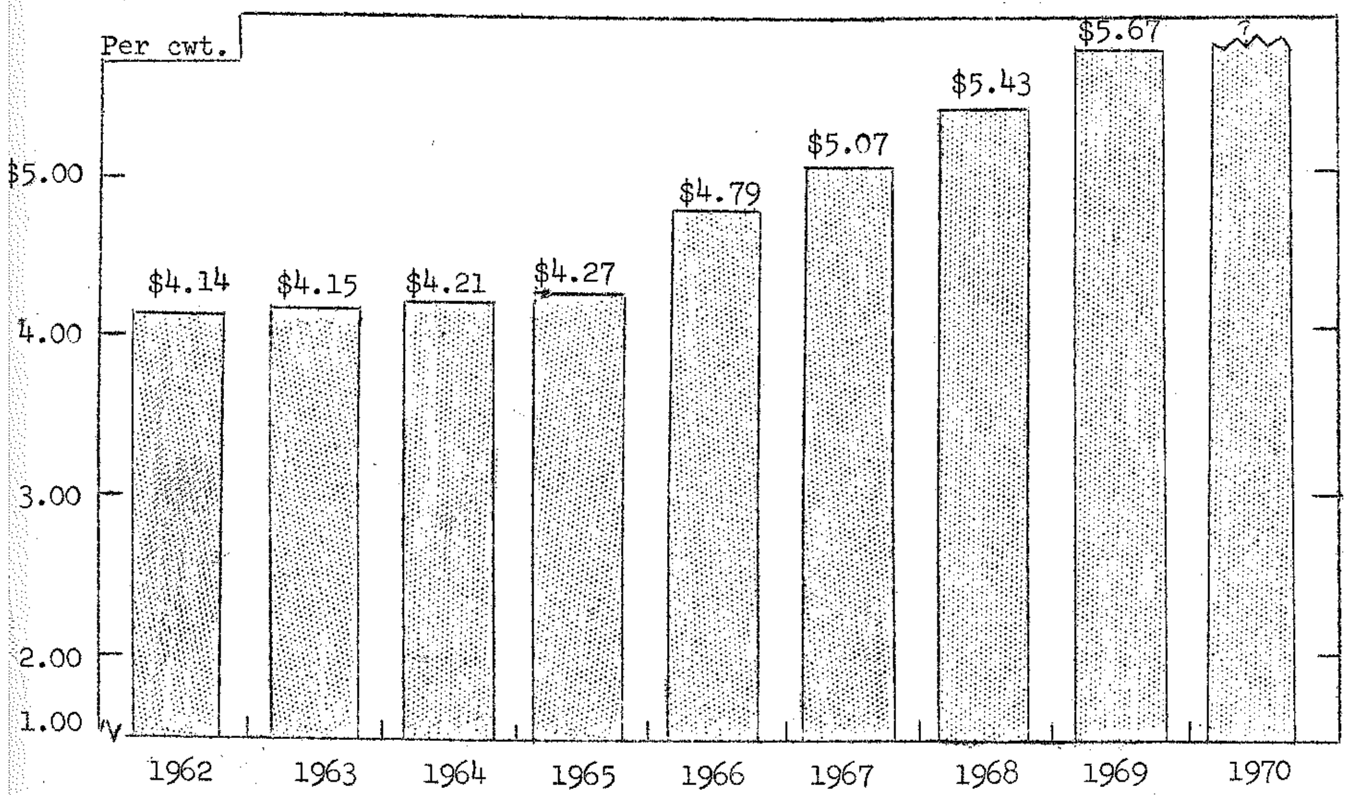
FOOD EXPENDITURES AND DISPOSABLE INCOME PER CAPITA
UNITED STATES, SELECTED YEARS

| | Per Capita | | |
|---|---|---|---|
| Period | Disposable Income | Food Expenditures | Percent of Income Spent For Food |
| 1947-49 | $1244 | $306 | 24.6% |
| 1957-59 | 1846 | 380 | 20.6 |
| 1967 | 2745 | 470 | 17.1 |
| 1968 | 2933 | 494 | 16.8 |
| 1969 | | | |
| 1970 | | | |

Source: USDA Office of Information, September 1969

Per capita food expenditures have increased in comparison with previous y but much less than the change in disposable income. Since 1947-49 food expenditures per capita have increased 61 percent while disposable income per capit have risen 136 percent. The resulting ratio, or the percent of income spent f food, has declined by one third to 16.8 percent. It has been estimated that bought our food today in the same form, same amount with the same degree of convenience as in 1935-39 that we probably would not spend more than 11 or 12 percent of current income.

FARM PRICE OF MILK
1962 to date




Source: Price Announcements, Office of the Administrator, New York-New Jersey Milk Marketing Area

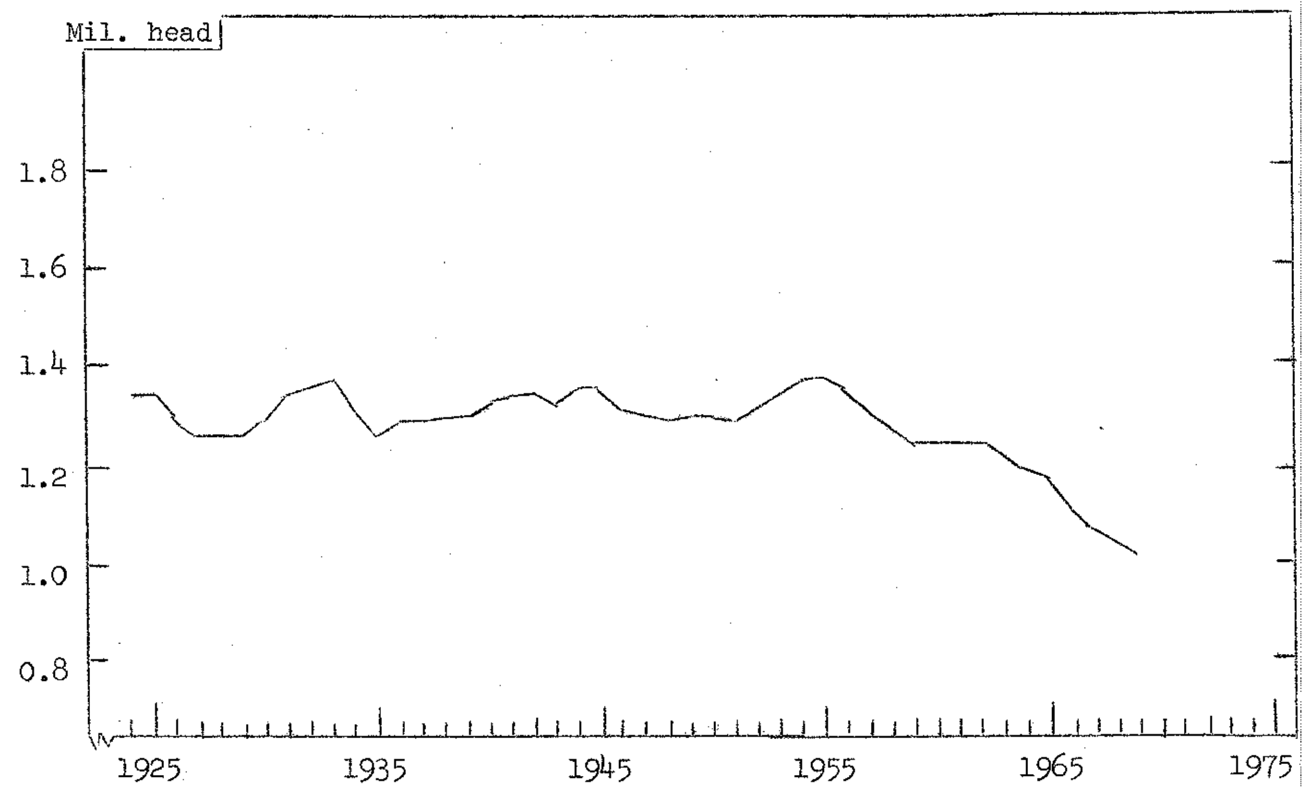
The farm price of milk in New York increased for the seventh consecutive year during 1969. The blended price in the New York-New Jersey market was $5.67 or 24 cents above the 1968 price and more than $1.50 above the 1962 level.

Prospects for 1970 are for a further increase of about 5 cents per hundredweight which would result in a $5.72 price. However, uncertainties concerning a number of important Class I and Class II pricing decisions that will be made during 1970 make price forecasts for 1970 somewhat uncertain.

| Month | Price per 100 pounds | | |
|---|---|---|---|
| | 1968 | 1969 | 1970 |
| January | $5.21 | $5.70 | ______ |
| February | 5.21 | 5.64 | ______ |
| March | 4.98 | 5.41 | ______ |
| April | 4.88 | 5.24 | ______ |
| May | 4.81 | 5.05 | ______ |
| June | 4.79 | 5.02 | ______ |
| July | 5.40 | 5.51 | ______ |
| August | 5.87 | 5.91 | ______ |
| September | 6.09 | 6.18 | ______ |
| October | 6.15 | 6.26 | ______ |
| November | 6.01 | 6.18* | ______ |
| December | 5.77 | 5.89* | ______ |

* Estimated

NUMBER OF MILK COWS, NEW YORK
1924 to date




Source: New York Dairy Farm Report

The number of milk cows in New York continued to decline during 1969, extending the downward trend which began in 1963. The decrease in the average number from 1968 to 1969 was 1.8 percent compared with 2.8 percent the previous year, thus indicating some slowing down in the rate of reduction.

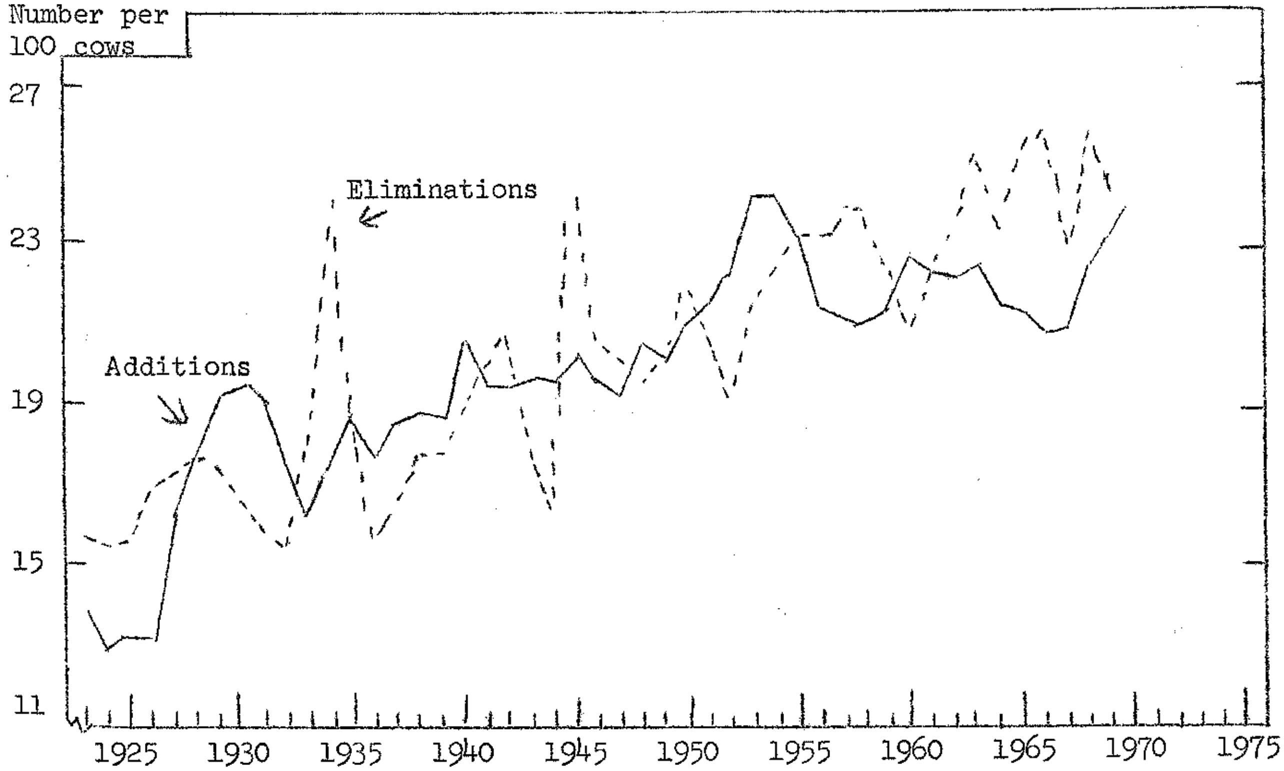
The drop off in number to 1,020,000 head in 1969 leaves the milk cow population about 20 percent below the long-term average.

Prospects for 1970 are that the average number of milk cows will decline about one-half of one percent.

| Year | Milk cows thous. head |
|---|---|
| 1955 | 1,372 |
| 1956 | 1,354 |
| 1957 | 1,313 |
| 1958 | 1,271 |
| 1959 | 1,245 |
| 1960 | 1,248 |
| 1961 | 1,253 |
| 1962 | 1,253 |
| 1963 | 1,217 |
| 1964 | 1,196 |
| 1965 | 1,165 |
| 1966 | 1,109 |
| 1967 | 1,069 |
| 1968 | 1,039 |
| 1969* | 1,020 |

* Preliminary

ADDITIONS TO AND ELIMINATIONS FROM DAIRY HERDS, NEW YORK
1923 to date




Source: New York Dairy Farm Report

During the last 3 years, the number of heifer calves raised has been stable. With a declining number of milk cows, the number of heifers available for herd replacements per 100 milk cows on hand gained moderately in 1969. Culling and other eliminations from the herds has been much above normal in 4 out of the last 6 years. The result has been the declining cow population.

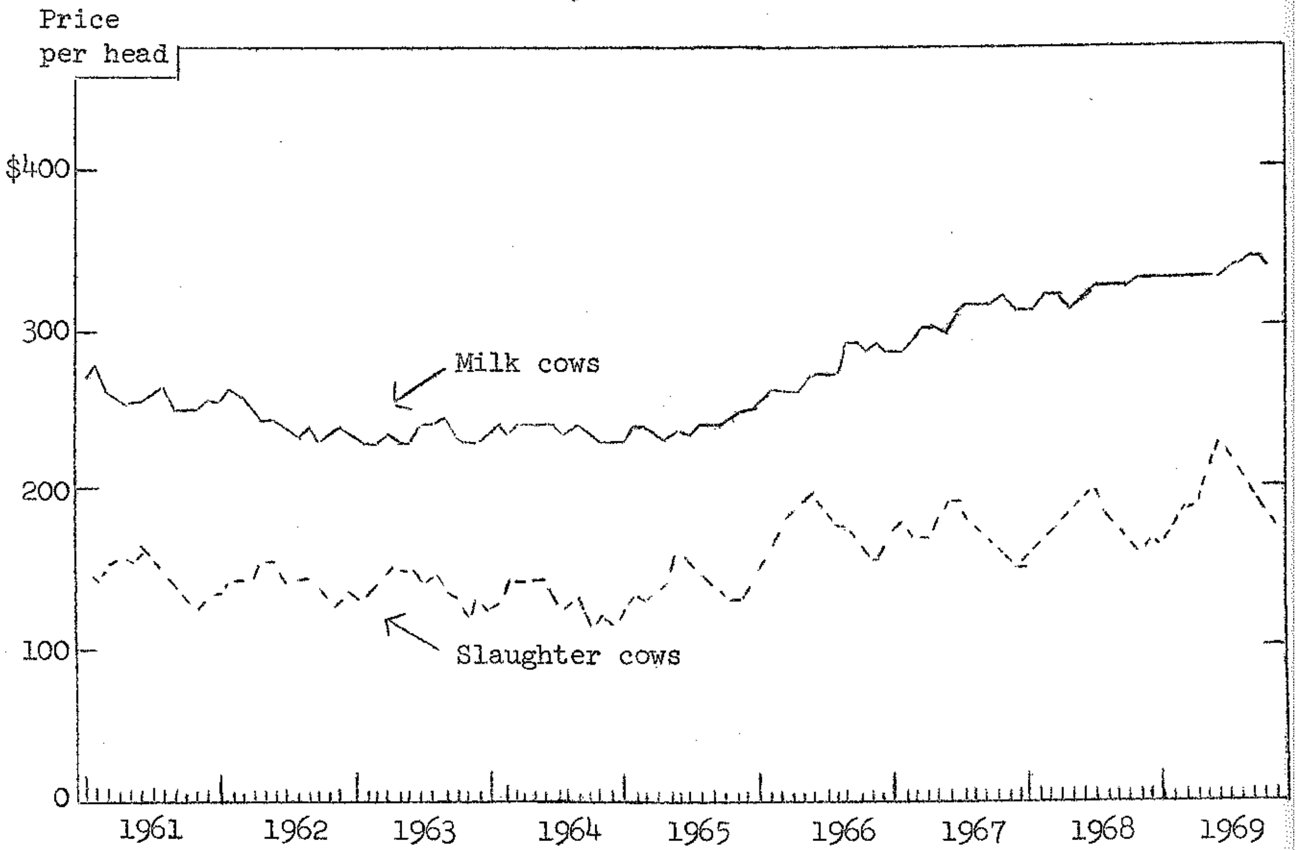
During 1969, 24.0 cows per 100 head on hand at the beginning were removed from the herds, a slowing from the high culling rate of 1968. The number of additions per 100 head of cows on hand at the beginning of 1969 amounting to 24.1, the largest since 1955.

With more additions available per 100 cows in 1970, and with an expected strong culling rate, the decline in the milk cow population in 1970 will be less than in recent years.

| | Per 100 cows | |
|---|---|---|
| Year | Additions | Eliminations |
| 1960 | 22.9 | 20.9 |
| 1961 | 22.6 | 22.5 |
| 1962 | 22.3 | 23.3 |
| 1963 | 22.6 | 25.5 |
| 1964 | 21.5 | 23.5 |
| 1965 | 21.4 | 25.3 |
| 1966 | 20.9 | 25.9 |
| 1967 | 21.0 | 23.1 |
| 1968 | 22.6 | 26.0 |
| 1969* | 23.3 | 24.0 |
| 1970** | 24.1 | |

* Preliminary
**Estimated

PRICES OF MILK AND SLAUGHTER COWS, NEW YORK
1961 to date



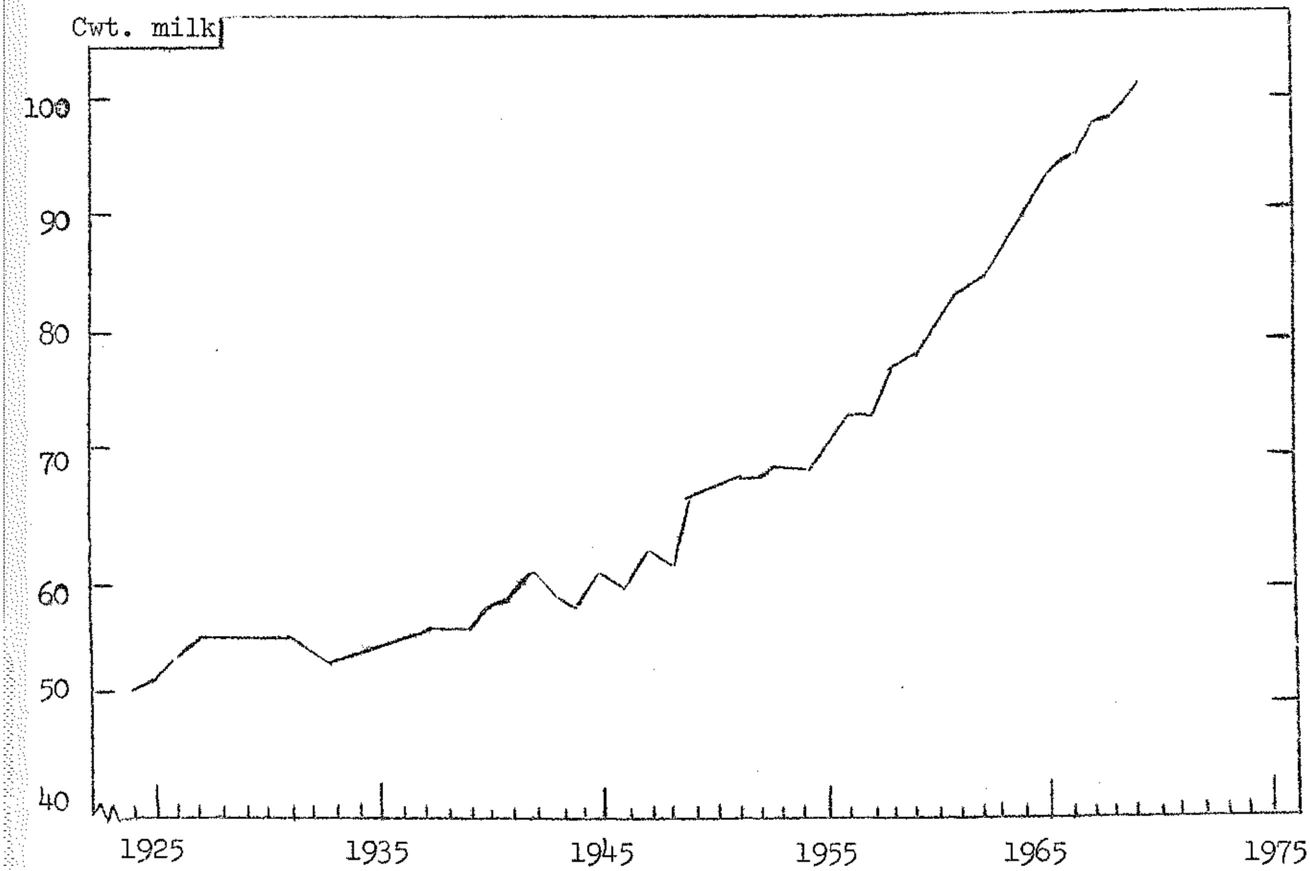

Source: New York Agricultural Price Report

Strong consumer demand for beef and favorable milk prices continue to support moderately high cattle prices.

During 1970, both milk cow and slaughter cow prices are expected to maintain the respective levels of the past year.

| Month | Average price per head: Milk cows 1968 | Milk cows 1969 | Slaughter cows 1968 | Slaughter cows 1969 |
|---|---|---|---|---|
| January | $310 | $330 | $157 | $167 |
| February | 310 | 330 | 166 | 178 |
| March | 320 | 330 | 174 | 187 |
| April | 320 | 330 | 178 | 190 |
| May | 310 | 330 | 190 | 206 |
| June | 315 | 330 | 200 | 228 |
| July | 325 | 335 | 199 | 220 |
| August | 325 | 340 | 184 | 211 |
| September | 325 | 345 | 178 | 196 |
| October | 325 | 345 | 171 | 185 |
| November | 330 | 340 | 161 | 177 |
| December | 330 | — | 169 | — |

ANNUAL MILK PRODUCTION PER COW, NEW YORK
1924 to date




Source: New York Dairy Farm Report

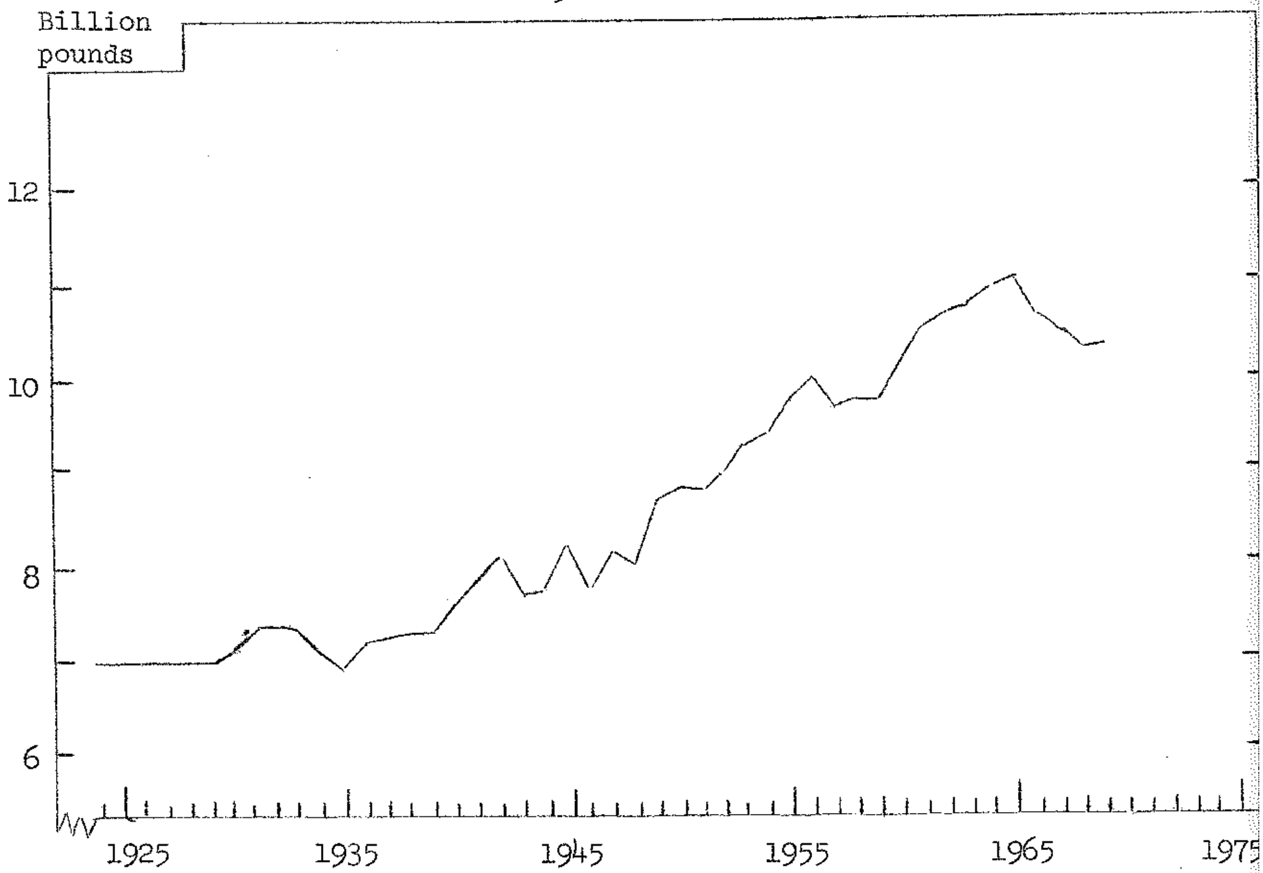
Monthly milk production per cow during 1969 showed only modest increases from the corresponding months a year earlier up until June, despite a heavier rate of grain feeding. Gains in milk flow per cow in the summer months due to unusually good pasture conditions brought average milk production to an estimated 10,045 pounds per cow, or an increase of 225 pounds. This increase was larger than the increases of other recent years.

| Year | Pounds of milk produced per cow | Pounds of grain per cow |
|---|---|---|
| 1955 | 7,160 | 2,130 |
| 1956 | 7,400 | 2,180 |
| 1957 | 7,400 | 2,210 |
| 1958 | 7,730 | 2,300 |
| 1959 | 7,840 | 2,330 |
| 1960 | 8,150 | 2,440 |
| 1961 | 8,450 | 2,610 |
| 1962 | 8,530 | 2,840 |
| 1963 | 8,880 | 2,910 |
| 1964 | 9,160 | 3,090 |
| 1965 | 9,470 | 3,290 |
| 1966 | 9,540 | 3,330 |
| 1967 | 9,780 | 3,410 |
| 1968 | 9,820 | 3,440 |
| 1969* | 10,045 | 3,550 |

* Preliminary

In continuation of the long term upward trend, an increase of 155 pounds of milk per cow is forecast for 1970. If realized, this would bring the year figure to 10,200 pounds per cow. In light of favorable feed prices (only $1 to $2 above 1969) relative to milk prices, grain feeding is expected to increase further to reach 3,550 pounds per cow in 1970, up from 3,440 pounds during 1969.

TOTAL MILK PRODUCTION, NEW YORK
1924 to date




Source: New York Dairy Farm Report

Total milk production increased nearly one-half of one percent in 1969 after three consecutive years of decline. The year's production estimated at 10,246 million pounds is off about 7 percent from 1965's peak production of 11,033 million pounds.

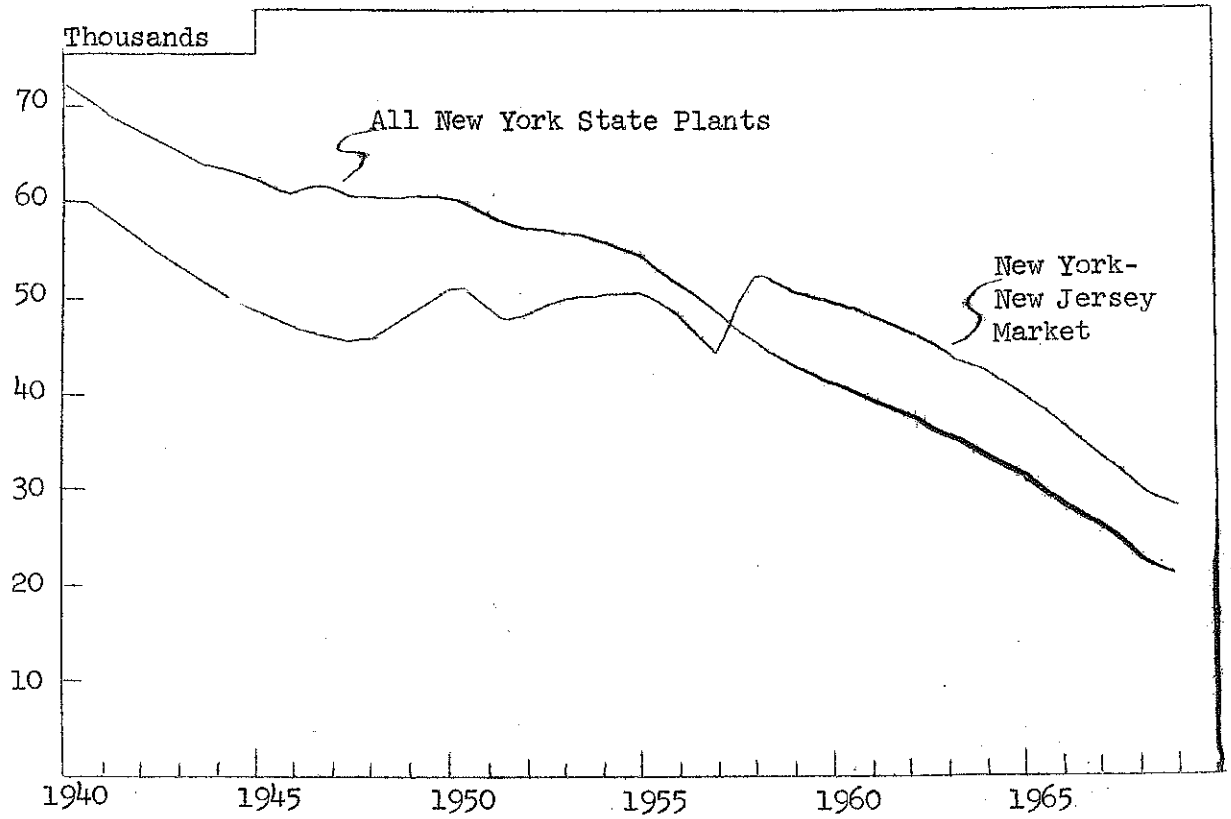
The increase in total milk production resulted from a larger than normal increase in milk production per cow which more than offset the decline in the number of milk cows.

For 1970, total milk production is forecast at about 10,353 million pounds, up 1 percent from the previous year. The estimate is based on a moderate increase in milk production per cow coupled with a slight decrease in the number of milk cows.

| Year | Total producti New York Stat Mil. lbs. |
|---|---|
| 1952 | 8,960 |
| 1953 | 9,340 |
| 1954 | 9,466 |
| 1955 | 9,824 |
| 1956 | 10,020 |
| 1957 | 9,716 |
| 1958 | 9,825 |
| 1959 | 9,761 |
| 1960 | 10,171 |
| 1961 | 10,588 |
| 1962 | 10,688 |
| 1963 | 10,807 |
| 1964 | 10,955 |
| 1965 | 11,033 |
| 1966 | 10,58 |
| 1967 | 10,45 |
| 1968 | 10,20 |
| 1969* | 10,24 |

* Preliminary

NUMBER OF PRODUCERS DELIVERING MILK IN JUNE
1940-1969



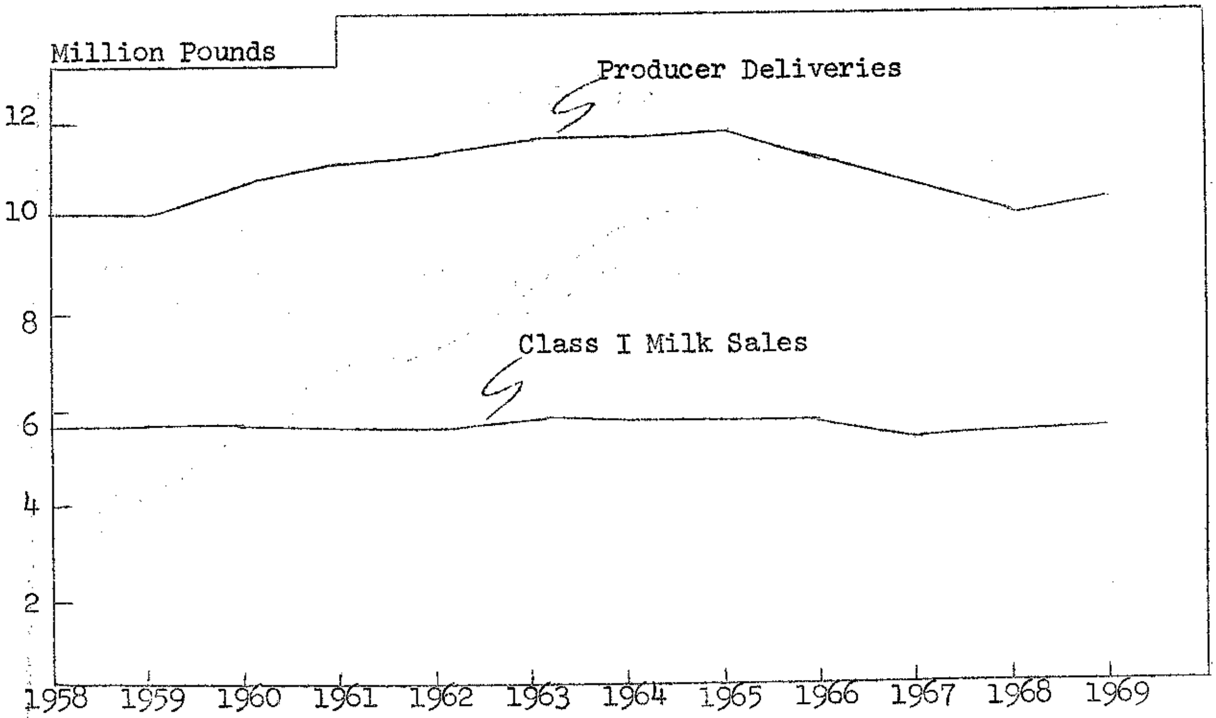

SOURCE: Statistics Relative to the Dairy Industry in New York State, New York Market Administrator's Report.

The number of producers delivering milk both to New York-New Jersey order plants and to all New York State plants continued to decline during 1969, but the rate of decline was less than in the immediately preceeding years. Further declines in producer numbers are in prospect for 1970 and the rate of decline for the year is likely to exceed that in 1969 unless weaknesses in the general economy curtail available off-farm job opportunities for dairy farmers. Declining outlets for the states, approximately 8,000 can producers, could speed the withdrawal from dairy farming among this segment of the producers during 1970.

| | Number of Producers Delivering Milk in June | |
|---|---|---|
| Year | All N.Y. Plants | All N.Y.-N.J. Order Plants |
| 1950 | 60,715 | 50,425** |
| 1955 | 54,525 | 50,175** |
| 1956 | 52,075 | 48,049** |
| 1957 | 48,507 | 44,537** |
| 1958 | 45,809 | 52,080 |
| 1959 | 43,183 | 50,338 |
| 1960 | 41,478 | 49,460 |
| 1961 | 39,928 | 48,005 |
| 1962 | 38,447 | 46,880 |
| 1963 | 36,036 | 43,930 |
| 1964 | 34,096 | 42,210 |
| 1965 | 31,866 | 39,800 |
| 1966 | 28,845 | 36,479 |
| 1967 | 26,897 | 33,494 |
| 1968 | 25,065 | 29,907 |
| 1969* | 24,000 | 28,635 |

* Preliminary ** N. Y. Order Plants

MILK SUPPLIES AND UTILIZATION
NEW YORK-NEW JERSEY MARKET, 1958-1969




SOURCE: Market Administrator's Bulletin and Announcements of the Uniform Pri
New York-New Jersey Milk Marketing Area.

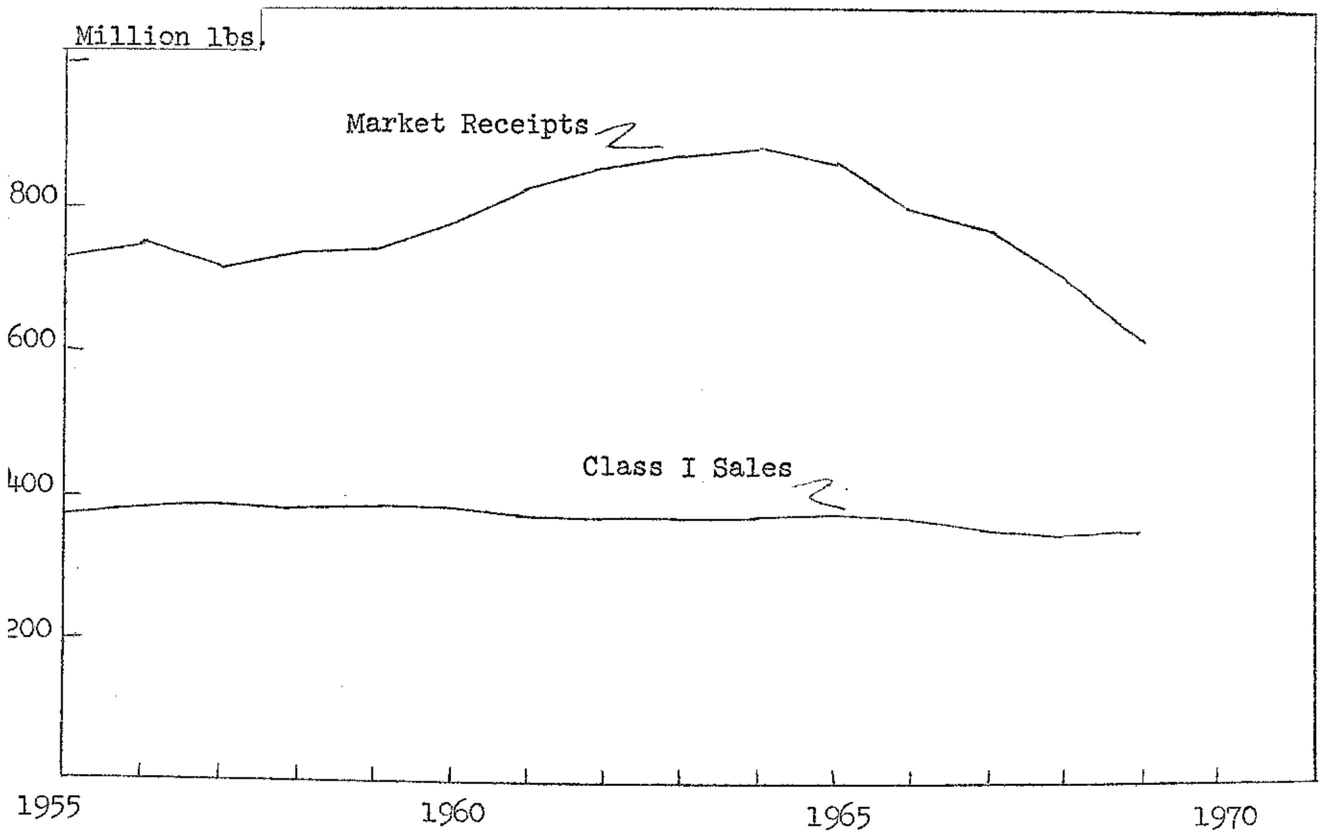
Producer deliveries to the New York-New Jersey Market during 1969 were up about 2.4 percent from 1968 reversing the down trend of the previous three years. Class I sales during 1969 were up more than 3 percent from 1968, but this increase was associated with changes in the classification of milk that were made effective July 1, 1968. Fluid cream and skim milk used for fluid purposes is now included in Class I but was not prior to the change in classification. With the generally weaker economy in 1970 and with higher retail milk prices, Class I sales are likely to decline about 1 percent during 1970 unless there is a major expansion in food distribution programs for low income families. With milk production expected to rise in New York and Pennsylvania and with smaller decreases in production expected in New Jersey, producer deliveries in the New York-New Jersey market are expected to rise from 1 to 1.5 percent in 1970.

Milk Supplies and Utilization

| Year | Producer Deliveries | Class I Sales | Fluid Ski Milk Us |
|---|---|---|---|
| | -------million pounds--------- | | |
| 1958 | 10,010 | 5,520 | 107 |
| 1959 | 10,082 | 5,559 | 124 |
| 1960 | 10,647 | 5,501 | 134 |
| 1961 | 11,095 | 5,447 | 148 |
| 1962 | 11,371 | 5,538 | 164 |
| 1963 | 11,517 | 5,674 | 172 |
| 1964 | 11,635 | 5,712 | 191 |
| 1965 | 11,764 | 5,726 | 225 |
| 1966 | 11,275 | 5,654 | 269 |
| 1967 | 10,741 | 5,347 | 400 |
| 1968 | 10,086 | 5,394 | 213 |
| 1969* | 10,326 | 5,572 1/ | --- |

* Partly forecast, 1/ Classificati and basis for accounting changed effective July 1, 1968 and addition products included in Class I includ products fluid skim milk and fluid cream.

MARKET RECEIPTS AND UTILIZATION, NIAGARA FRONTIER MARKET
1955-1969




SOURCE: Annual Statistical Summary and Announcement of the Uniform Price, Niagara Frontier Marketing Area.

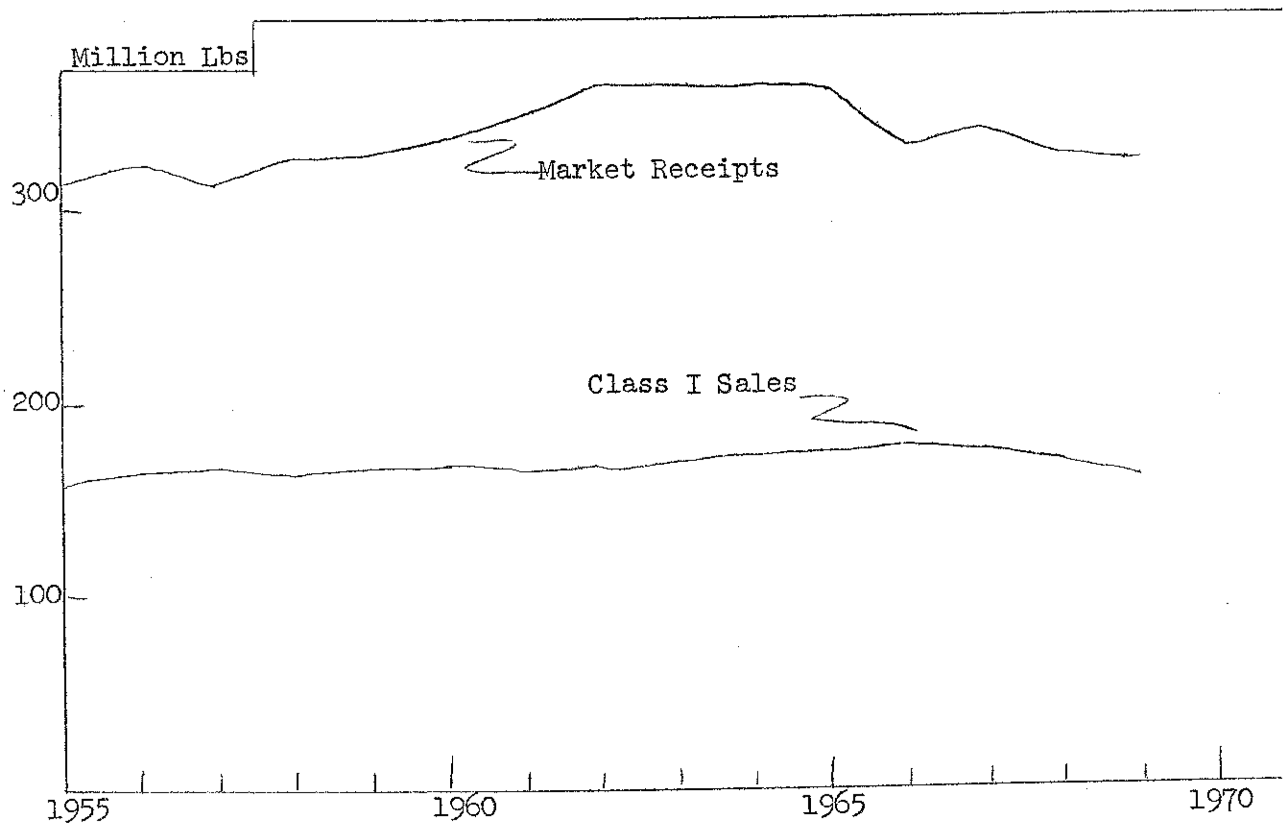
Pooled receipts in the Niagara Frontier market during 1969 declined nearly 13 percent from the previous year. Much of this decline reflected shifts of producers to the New York-New Jersey market during the late months of 1968. An increase in producer deliveries of 1 to 2 percent is likely in 1970. Class I milk sales during 1969 including skim milk used for standardization and fluid skim milk products declined about one-half of one percent from 1968 as gains in fluid skim milk items nearly offset the decline in regular milk sales. A further decline of one-half to one percent is likely in 1970 and further gains are likely in low fat and skim milk products.

Milk Supplies and Utilization

| Year | Total Market Receipts 1 | Total Class I Sales 2 | Fluid Skim Sales 4 |
|---|---|---|---|
| | -------million pounds------ | | |
| 1955 | 723 | 366 | 15 |
| 1956 | 747 | 380 | 15 |
| 1957 | 714 | 382 | 15 |
| 1958 | 736 | 374 | 14 |
| 1959 | 737 | 379 | 14 |
| 1960 | 772 | 379 | 14 |
| 1961 | 823 | 369 | 14 |
| 1962 | 851 | 368 | 15 |
| 1963 | 867 | 370 | 16 |
| 1964 | 878 | 370 | 17 |
| 1965 | 859 | 372 | 18 |
| 1966 | 796 | 366 | 18 |
| 1967 | 769 | 363 3 | 18 |
| 1968 | 740 | 355 3 | 20 |
| 1969* | 647 | 347 3 | 26 |

* Partly forecast, 1/ includes total pooled receipts from producers and other sources, 2/ Includes total pooled Class I sales from producers and other sources, 3/ includes skim milk used to standardize Class I milk, 4/ includes fluid skim milk products.

MARKET RECEIPTS AND UTILIZATION, ROCHESTER MARKET
1955-1969




SOURCE: Annual Statistical Summaries and Announcement of Uniform Price, Rochester Milk Marketing Area

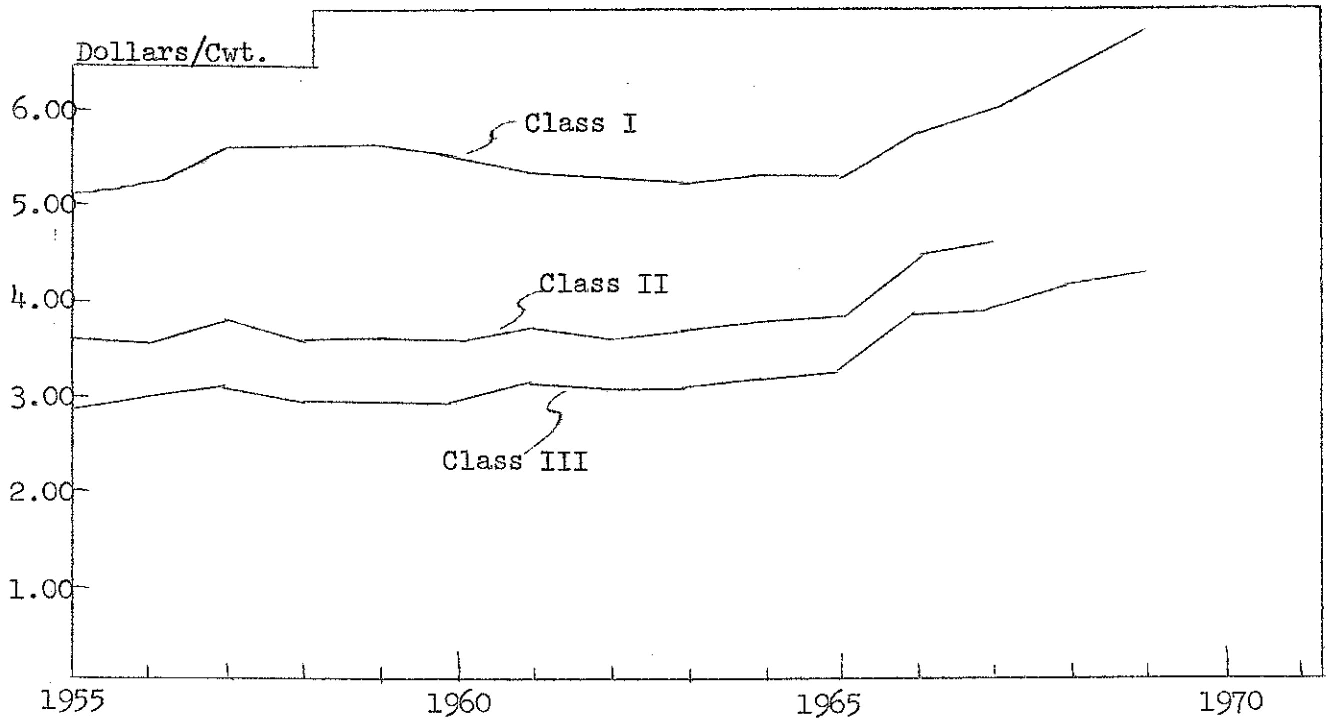
Milk Supplies and Utilizatic

Pooled market receipts declined slightly (0.3%) in the Rochester market during 1969. Supplies are expected to be about stable again in 1970 in the Rochester Market. Class I milk sales in the Rochester Market during 1969 including skim milk used for standardization and fluid skim milk products declined about 1.5 percent from 1968. A further decline of about the same magnitude is likely during 1970 unless food distribution for low income families is expanded.

| Year | Pooled Market Receipts[1] | Pooled Class I Sales[2] | F S M |
|---|---|---|---|
| | ---------million pounds-- | | |
| 1955 | 317 | 158 | |
| 1956 | 327 | 165 | |
| 1957 | 317 | 167 | |
| 1958 | 328 | 164 | |
| 1959 | 332 | 166 | |
| 1960 | 340 | 167 | |
| 1961 | 351 | 165 | |
| 1962 | 368 | 167 | |
| 1963 | 367 | 170 | |
| 1964 | 366 | 172 | |
| 1965 | 363 | 175 | |
| 1966 | 335 | 176 | |
| 1967 | 343 | 176 | |
| 1968 | 326 | 178[3] | |
| 1969* | 325 | 173[3] | |

* Partly forecast, 1/ includes total pooled receipts from producers and other sources, 2/ includes total pooled Class I sales from producers and other sources 3/ includes skim milk used to standardize Class I milk, 4/ includes fluid skim milk products.

CLASS PRICES, NEW YORK-NEW JERSEY MARKET




SOURCE: Price Announcements, Office of the Administrator, New York-New Jersey Milk Marketing Area

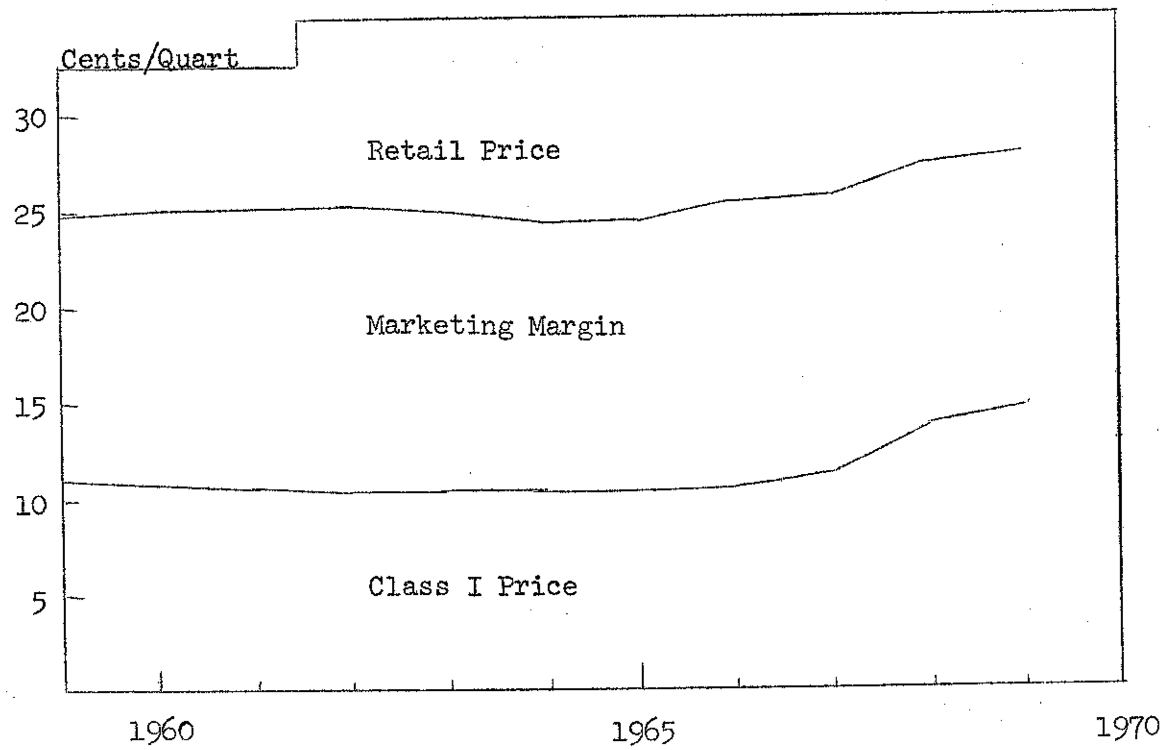
Class I milk prices in the New York-New Jersey Market during 1969 were up 38 cents per 100 pounds from 1968. Prices moved above the 6.73 base price during the last four months of the year after an order change indirectly related the Class I milk price in this market to the Minnesota Wisconsin price series. Increases in the Minnesota Wisconsin price series moved the December Class I price above the $7.00 level for the first time. Class I milk prices nationally will be considered in a price hearing scheduled for early in the year and 1970 prices will depend in part on the results of that hearing. Class I prices in 1970 may average 5 to 10 cents above 1969. Class II milk prices during 1969 were up about 13 cents from 1968. Support buying prices for butter and cheese were increased by small amounts at the beginning of the 1969-70 marketing year. Unless current legislation which mandates minimum support levels for butterfat is eliminated or changed further increases will be mandated in butter and cheese purchase prices. Modifications also may be made in the Class II price formula during 1970. These potential changes cause uncertainties in forecasting Class II prices for the year ahead, but for the year prices may average about 5 cents above 1969.

Average Annual Class Prices
3.5% Milk 201-210 Mile Zone
New York-New Jersey Market

| Year | Class IA | Class II | Class III |
|---|---|---|---|
| | ---dollars | per 100 | pounds------ |
| 1950 | 5.00 | 3.56 | 2.81 |
| 1955 | 5.20 | 3.70 | 2.88 |
| 1956 | 5.29 | 3.66 | 2.99 |
| 1957 | 5.64 | 3.81 | 3.06 |
| 1958 | 5.59 | 3.63 | 2.94 |
| 1959 | 5.64 | 3.64 | 2.96 |
| 1960 | 5.55 | 3.62 | 2.92 |
| 1961 | 5.32 | 3.76 | 3.10 |
| 1962 | 5.30 | 3.64 | 3.05 |
| 1963 | 5.22 | 3.71 | 3.08 |
| 1964 | 5.26 | 3.77 | 3.16 |
| 1965 | 5.28 | 3.82 | 3.24 |
| 1966 | 5.70 | 4.45 | 3.834 |
| 1967 | 6.01 | 4.58 | 3.894 |
| 1968 | 6.42 | 1/ | 4.126 1/ |
| 1969* | 6.80 | 1/ | 4.25 |

* Partly forecast, 1/ Class II classification eliminated effective July 1, 1968 and Class III classification remaned Class III.

PREVAILING RETAIL MILK PRICES NEW YORK CITY
HALF-GALLON CONTAINERS, CHAIN FOOD STORES, 1959 TO DATE




SOURCE: Reports, Division of Milk Control, New York State Department of Agriculture and Markets.

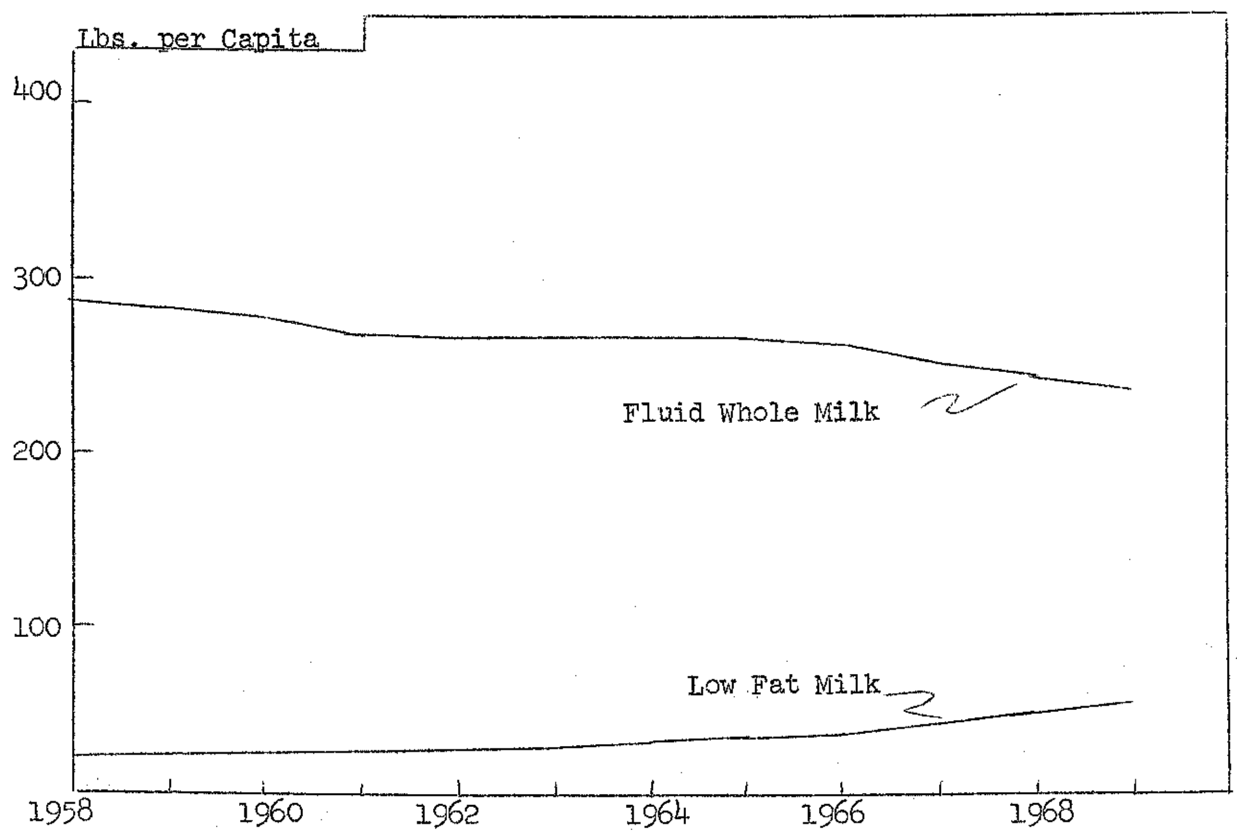
Retail milk prices per quart in half gallon containers in chain food stores in New York City increased about 0.6 cents per quart during 1969. The price of Class I milk to city buyers increased 0.8 cents per quart during 1969 from the previous year. The margin available to fluid milk processors and chain stores declined during 1969 from 1968.

Retail milk prices are likely to increase from one to two cents per quart during 1970 reflecting wage increases negotiated in the labor contract late in 1968 and the higher level of Class I milk prices likely during 1970. Processors have offset declining margins in part by reducing the butterfat content of whole milk and by increased sales of low fat and skim milk items. During 1970 marketing margins can be expected to increase by a cent or more per quart.

| Year | Class IA Price 3.5% Milk, 201-210 Mile Zone NY-NJ Market | Retail Price Per Qt, Chain Stores, NYC | Market Betwe Class and Retai Pric |
|---|---|---|---|
| | ---------cents per quart------ | | |
| 1959 | 12.1 | 25.3 | 13. |
| 1960 | 11.9 | 25.8 | 13. |
| 1961 | 11.4 | 25.8 | 14. |
| 1962 | 11.4 | 26.2 | 14. |
| 1963 | 11.2 | 25.6 | 14. |
| 1964 | 11.3 | 24.6 | 13. |
| 1965 | 11.4 | 24.8 | 13. |
| 1966 | 12.3 | 26.0 | 13 |
| 1967 | 12.9 | 26.8 | 13 |
| 1968 | 13.8 | 27.4 | 13. |
| 1969* | 14.6 | 28.0 | 13 |

* Partly forecast.

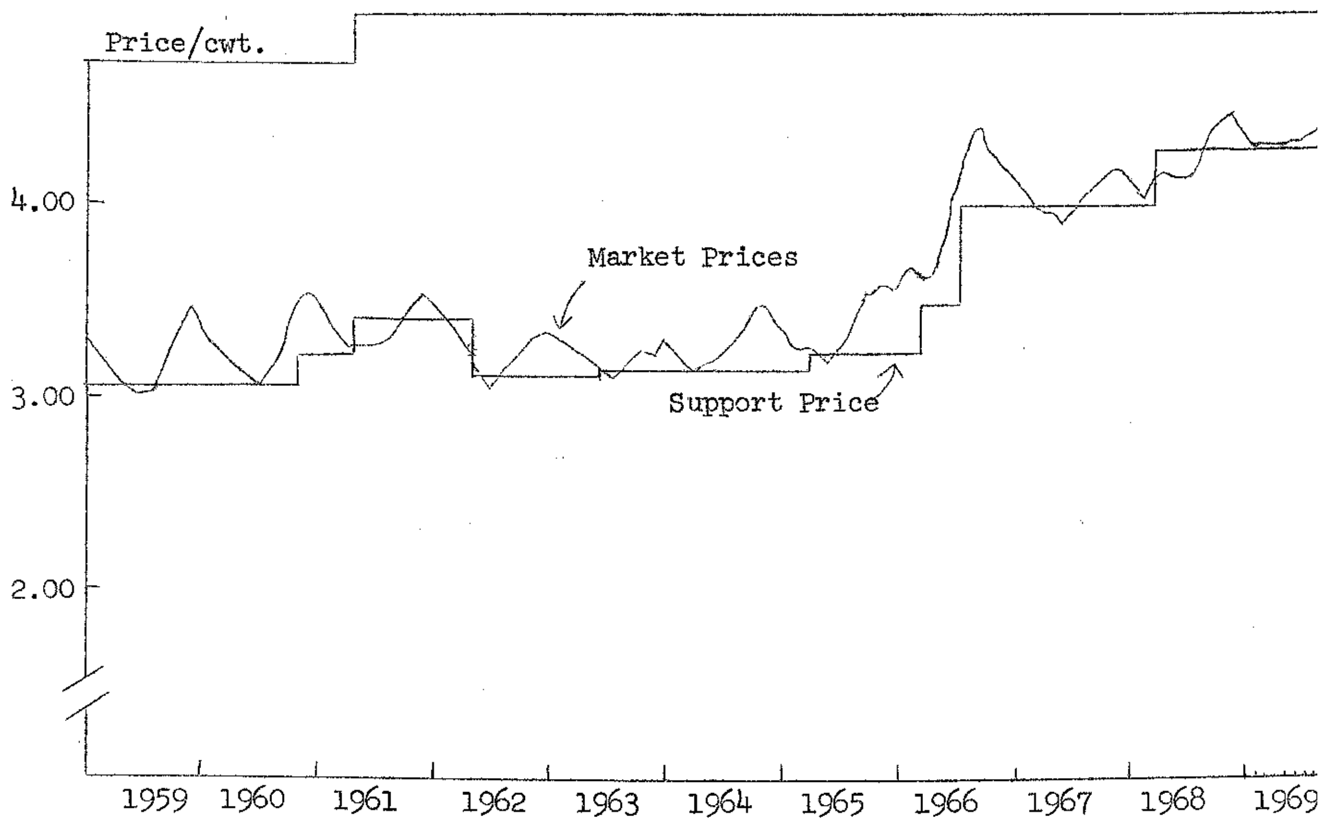
CONSUMPTION PER CAPITA OF FLUID WHOLE MILK
AND LOW FAT MILK
United States, 1958 to date




SOURCE: USDA Dairy Situation.

Per capita consumption of whole fluid milk in the United States has shown a slow but persistent decline since 1956 and this trend continued during 1969. Partly offsetting have been the persistent gains in per capita use of low fat and skim milks which have increased by 2.5 times since 1956. However, the declining butterfat content of whole milk and the trend to low fat and skim milk has greatly curtailed the fluid use of butterfat and has increased the quantities of butterfat available for manufacturing use.

MANUFACTURING GRADE MILK PRICES AND SUPPORT PRICES FOR MANUFACTURING MILK, UNITED STATES, 1959-1969




SOURCE: Agricultural Prices, USDA.

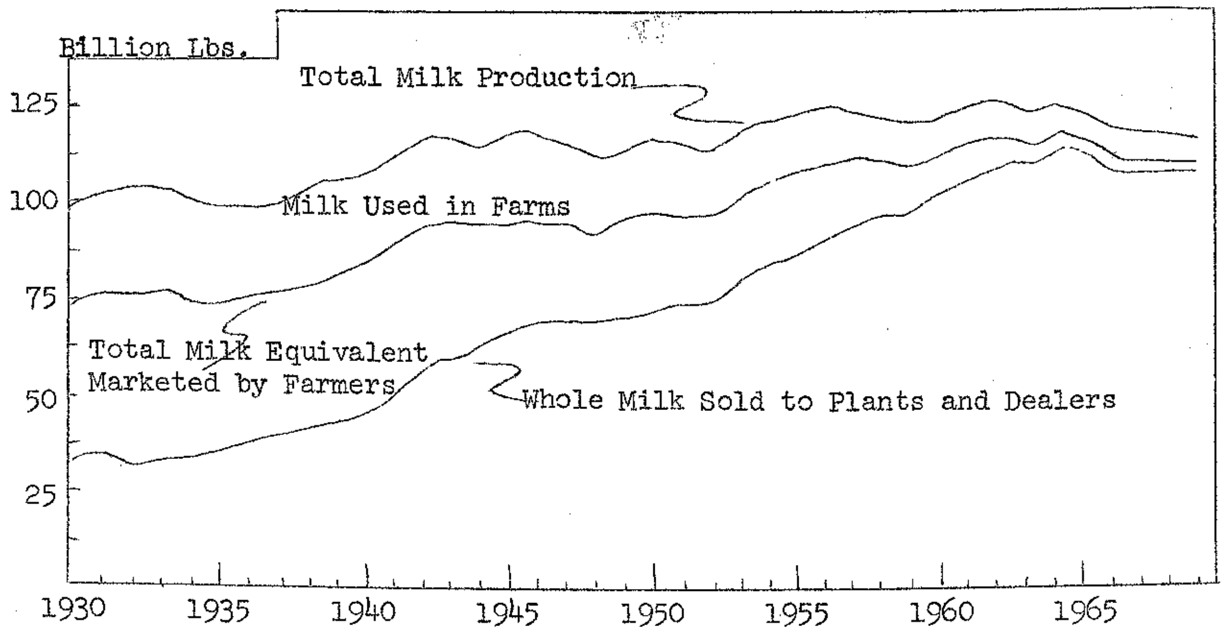
The price of manufacturing grade milk in the United States during 1969 averaged $4.40, up 18 cents from 1968. Prices were above support levels throughout the year increasing sharply in the last four months reflecting a strong market for cheddar cheese. The support price for manufacturing grade milk of $4.28 per 100 pounds was continued through the 1969-70 marketing year. However, the support price for butterfat was increased from 66 cents a pound to 68.6 cents a pound at the beginning of the marketing year to bring the price to 75 percent of parity as required by law. A further increase will be required next April 1 in the support price for butterfat unless the legislation is modified or repealed. Higher support prices for butterfat would necessitate a rise in support buying prices for butter and cheese. The manufacturing grade milk price in 1970 may average $4.50 or 10 cents higher than in 1969.

U. S. Manufacturing Grad Milk Price

| Year | Price per 100 pounds |
|---|---|
| 1950 | 3.16 |
| 1951 | 3.85 |
| 1952 | 4.06 |
| 1953 | 3.48 |
| 1954 | 3.14 |
| 1955 | 3.15 |
| 1956 | 3.25 |
| 1957 | 3.27 |
| 1958 | 3.15 |
| 1959 | 3.17 |
| 1960 | 3.25 |
| 1961 | 3.36 |
| 1962 | 3.20 |
| 1963 | 3.21 |
| 1964 | 3.26 |
| 1965 | 3.34 |
| 1966 | 3.97 |
| 1967 | 4.06 |
| 1968 1/ | 4.22 |
| 1969 2/ | 4.40 |

1/ preliminary 2/ partly for

TRENDS IN MILK PRODUCTION AND COMMERCIAL MILK SUPPLIES
UNITED STATES, 1930-69



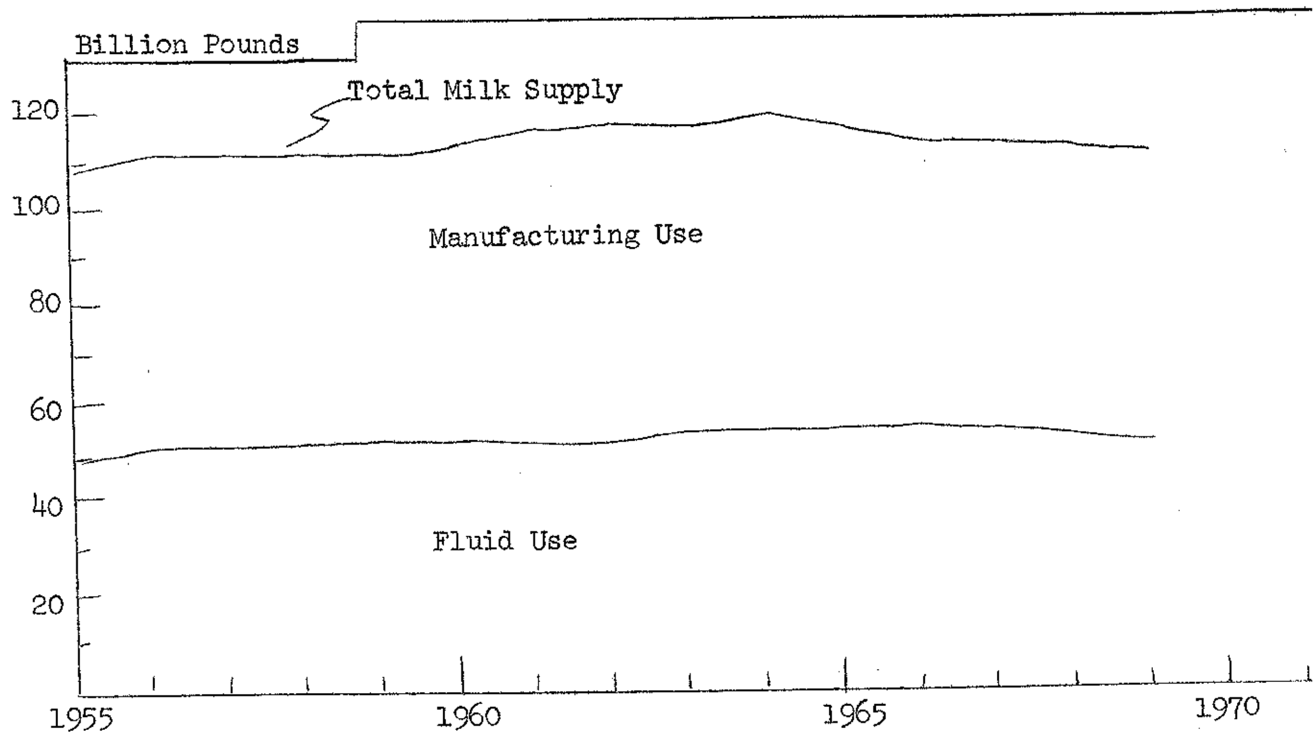

SOURCE: Dairy Statistics, Statistical Bulletin 303, ERS, USDA, Milk Production, Disposition and Income, 1961-62, Statistical Reporting Service, USDA, April 1963.

Milk production in the United States during 1969 declined by nearly a billion pounds to the lowest level since 1952. Farm use of milk also declined slightly and marketing by farmers were down about half a billion pounds. Milk production nationally in 1970 is expected to stabilize at about the 1969 level (116.1 billion pounds) and a small increase is likely in farmer marketings during 1970 as farm use continues to decline.

| Year | Total Milk Production | Milk Marketed By Farmers | Whole Milk Sold to Plants and Dealers |
|---|---|---|---|
| | billions pounds | | |
| 1950 | 116.6 | 98.3 | 74.2 |
| 1951 | 114.7 | 96.7 | 74.5 |
| 1952 | 114.7 | 97.7 | 77.3 |
| 1953 | 120.2 | 104.1 | 84.6 |
| 1954 | 122.1 | 106.7 | 87.9 |
| 1955 | 122.9 | 108.3 | 91.0 |
| 1956 | 124.9 | 111.2 | 95.5 |
| 1957 | 124.6 | 112.2 | 98.3 |
| 1958 | 123.2 | 112.1 | 99.6 |
| 1959 | 122.0 | 111.9 | 100.8 |
| 1960 | 123.1 | 114.0 | 103.9 |
| 1961 | 125.7 | 117.3 | 108.4 |
| 1962 | 126.3 | 118.6 | 110.7 |
| 1963 | 125.2 | 118.1 | 111.2 |
| 1964 | 127.0 | 120.5 | 114.2 |
| 1965 | 124.2 | 118.2 | 112.7 |
| 1966 | 119.9 | 114.4 | 109.7 |
| 1967 | 119.3 | 113.6 | 109.4 |
| 1968 | 117.3 | 112.6 | 108.8 |
| 1969* | 116.1 | 111.9 | 108.6 |

* Partly forecast.

## UTILIZATION OF THE U. S. MILK SUPPLY
1955-1969



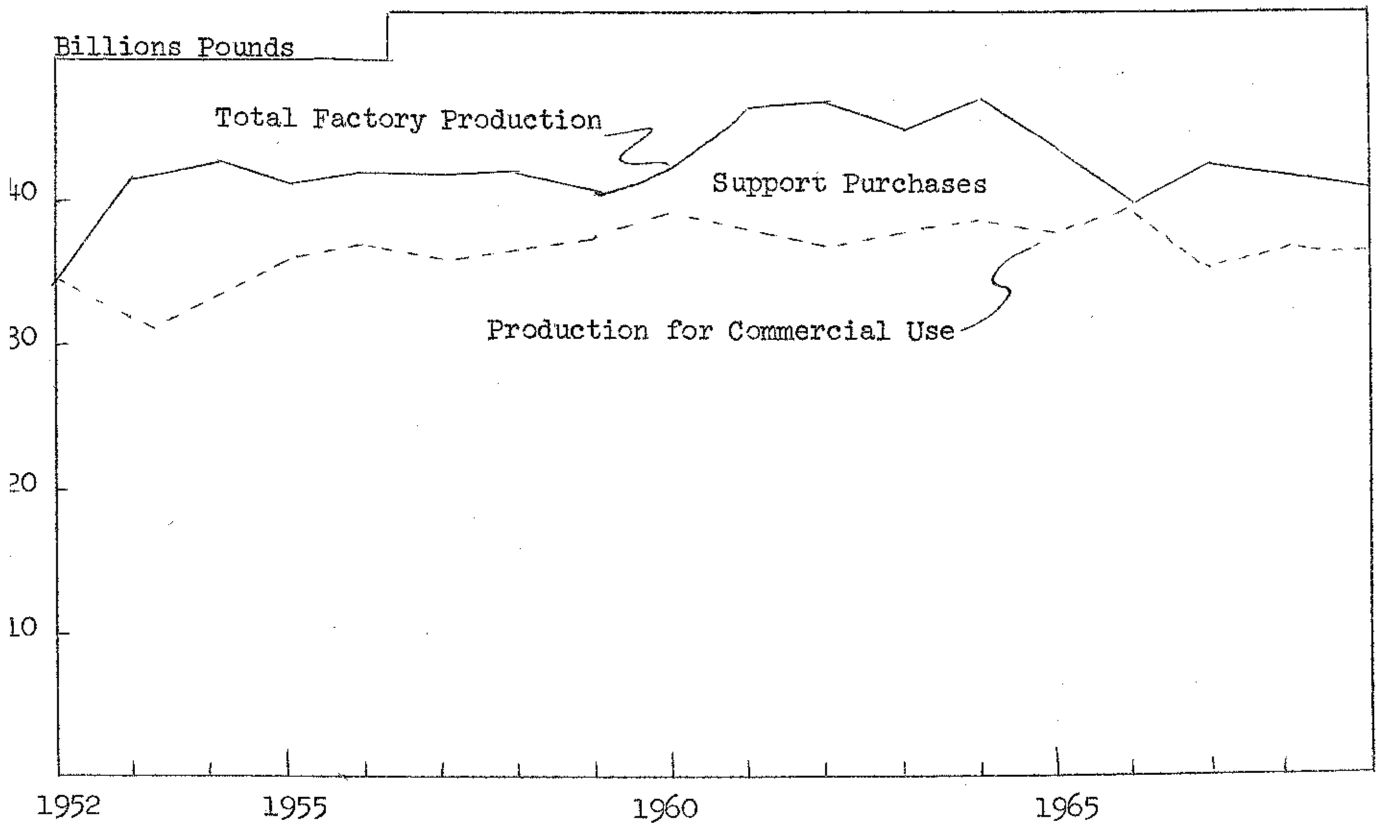

Commercial milk supplies in the United States declined by a little more than half a billion pounds during 1969 and fluid milk use measured on a fat equivalent basis declined an equivalent amount. The volume of manufacturing milk was, therefore, about the same as in the previous year.

Commercial milk supplies are expected to expand by half a billion pounds or less in 1970 and the increase is expected to add to the volume of milk manufactured. Some expansion in butter and cheese production is likely in 1970.

| Year | Fluid[1] | Butter | Cheese | Other Uses | To Sup |
|---|---|---|---|---|---|
| | ----------- | billions | pounds | ---- | |
| 1955 | 49.1 | 28.0 | 13.6 | 17.6 | 10 |
| 1956 | 50.7 | 28.7 | 13.7 | 18.1 | 11 |
| 1957 | 51.8 | 29.0 | 13.5 | 18.0 | 11 |
| 1958 | 52.1 | 29.7 | 12.7 | 17.6 | 11 |
| 1959 | 52.4 | 28.7 | 12.6 | 18.3 | 11 |
| 1960 | 53.0 | 29.4 | 13.4 | 18.2 | 11 |
| 1961 | 52.6 | 31.8 | 14.9 | 18.1 | 11 |
| 1962 | 53.3 | 33.1 | 14.4 | 17.8 | 11 |
| 1963 | 54.3 | 30.7 | 14.8 | 18.5 | 11 |
| 1964 | 54.9 | 31.3 | 15.7 | 18.6 | 12 |
| 1965 | 55.4 | 28.5 | 15.8 | 18.7 | 1 |
| 1966 | 55.4 | 23.7 | 16.7 | 18.6 | 1 |
| 1967 | 54.3 | 26.1 | 17.2 | 16.0 | 1 |
| 1968 | 53.7 | 25.0 | 17.4 | 16.5 | 1 |
| 1969 | 53.0 | 24.1 | 17.5 | 16.6 | 1 |

1/ whole milk equivalent.

MILK EQUIVALENT OF PRODUCTION AND SUPPORT PURCHASES
OF BUTTER AND CHEESE, UNITED STATES, 1952-1969



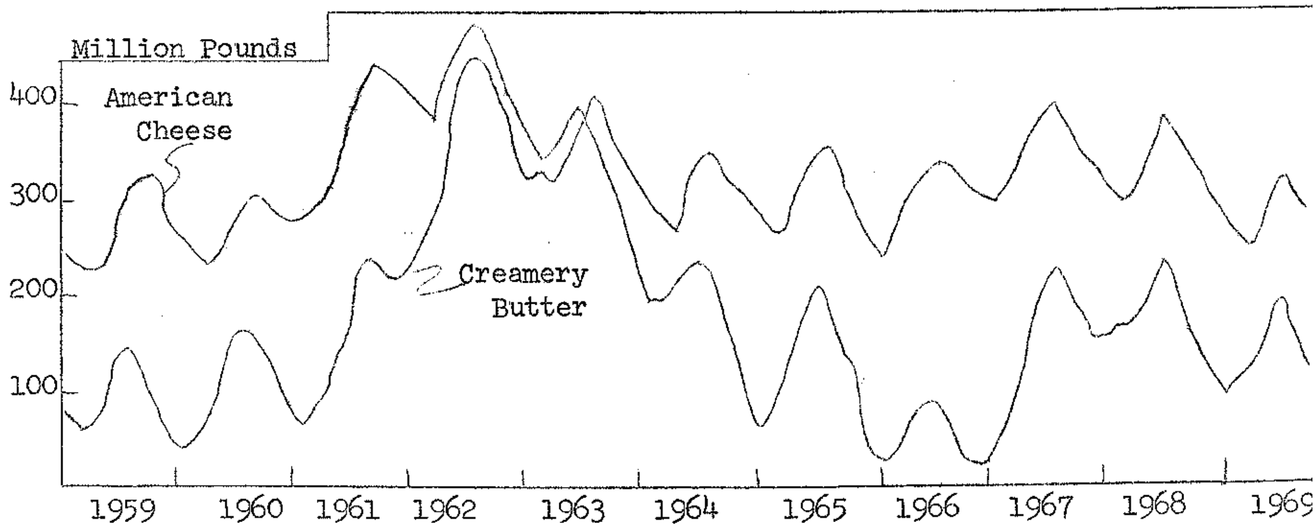

SOURCE: Dairy Situation, USDA.

Butter production in the United States during 1969 declined about 3 percent while production of American cheese increased slightly. Support purchases of dairy products declined from 5.2 billion pounds of milk equivalent in 1968 to 4.5 billion pounds in 1969. Support purchases are expected to increase the equivalent of about 1 billion pounds of milk in 1970.

| Year | Butter and Cheese Production | Price Support Purchases |
|---|---|---|
| | ---------billion pounds--------- | |
| 1950 | 39.7 | 3.6 |
| 1955 | 41.6 | 4.8 |
| 1956 | 42.4 | 5.2 |
| 1957 | 42.4 | 5.9 |
| 1958 | 42.5 | 4.7 |
| 1959 | 41.3 | 3.2 |
| 1960 | 42.8 | 3.0 |
| 1961 | 46.7 | 7.9 |
| 1962 | 47.5 | 10.9 |
| 1963 | 45.5 | 7.8 |
| 1964 | 47.0 | 7.7 |
| 1965 | 44.3 | 6.1 |
| 1966 | 40.4 | 0.6 |
| 1967 | 43.3 | 7.4 |
| 1968 | 42.4 | 5.2 |
| 1969* | 41.6 | 4.5 |

* Partly forecast.

COLD STORAGE HOLDINGS OF BUTTER AND CHEESE
UNITED STATES, 1959-1969




SOURCE: Cold Storage Report, USDA.

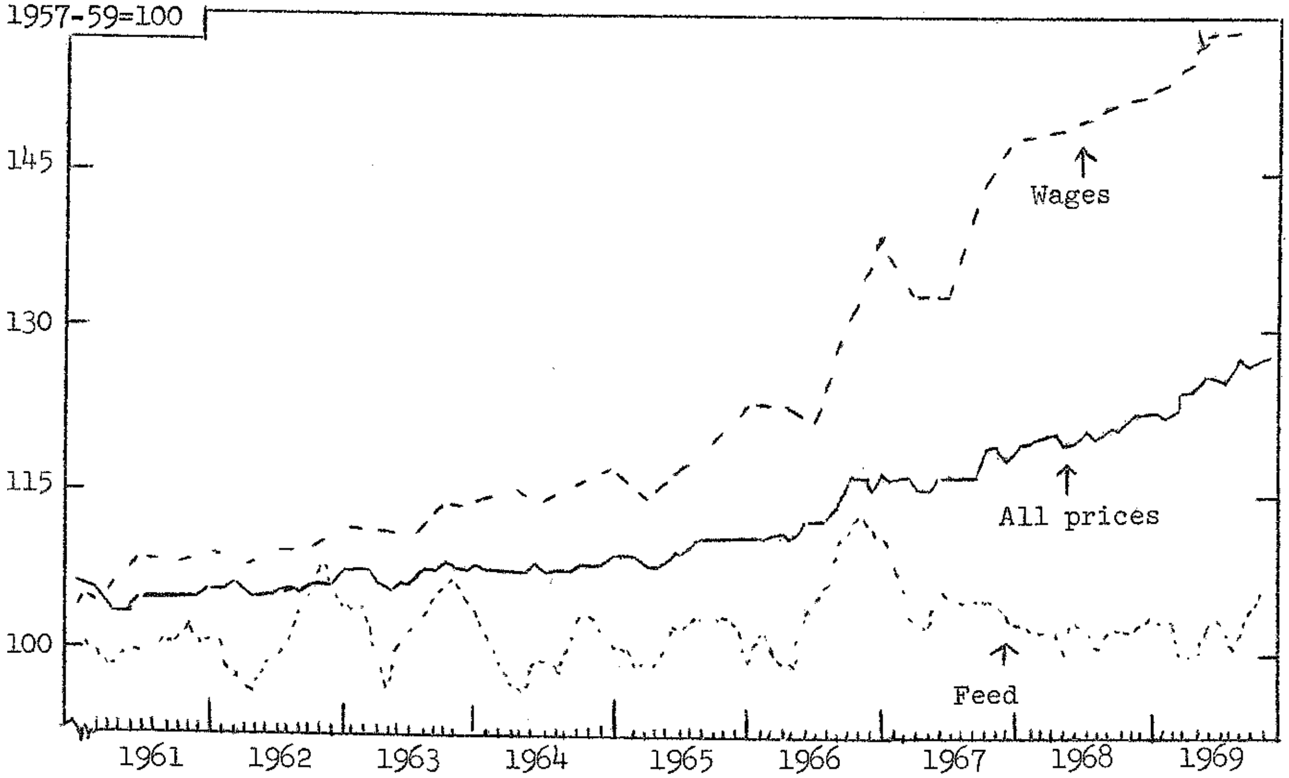
Storage stocks of creamery butter and American cheese in the United States at the end of October were down from a year earlier, 12 and 15 percent respectively. The decline in butter stocks reflected lower butter production and heavier movement of government stocks to domestic program use. The decline in American cheese stocks reflected an increase of about 6 percent in movement to commercial outlets. Some increase in butter and cheese stocks may occur during 1970 as production of butter and cheese rises, but gains are not expected to exceed 1960 levels.

Cold Storage Holdings, U.S.

| Year | Creamery Butter | American Cheese |
|---|---|---|
| | ----thousands | pounds--- |
| | December 31 | |
| 1954 | 377,638 | 518,879 |
| 1955 | 163,136 | 492,124 |
| 1956 | 25,103 | 401,079 |
| 1957 | 86,773 | 372,056 |
| 1958 | 62,295 | 249,042 |
| 1959 | 31,171 | 265,256 |
| 1960 | 76,443 | 289,940 |
| 1961 | 224,820 | 419,914 |
| 1962 | 318,663 | 384,246 |
| 1963 | 206,963 | 301,631 |
| 1964 | 66,499 | 283,647 |
| 1965 | 52,096 | 270,988 |
| 1966 | 32,298 | 322,248 |
| 1967 | 168,613 | 344,047 |
| 1968 | 117,355 | 318,676 |
| | October 31 | |
| 1964 | 145,204 | 302,464 |
| 1965 | 124,795 | 310,420 |
| 1966 | 58,143 | 335,516 |
| 1967 | 200,513 | 370,030 |
| 1968 | 142,086 | 346,401 |
| 1969* | 125,863 | 292,998 |

* Preliminary

FARM WAGES, FEED PRICES AND ALL PRICES
PAID BY NEW YORK DAIRYMEN
1961 to date




Source: Department of Agricultural Economics

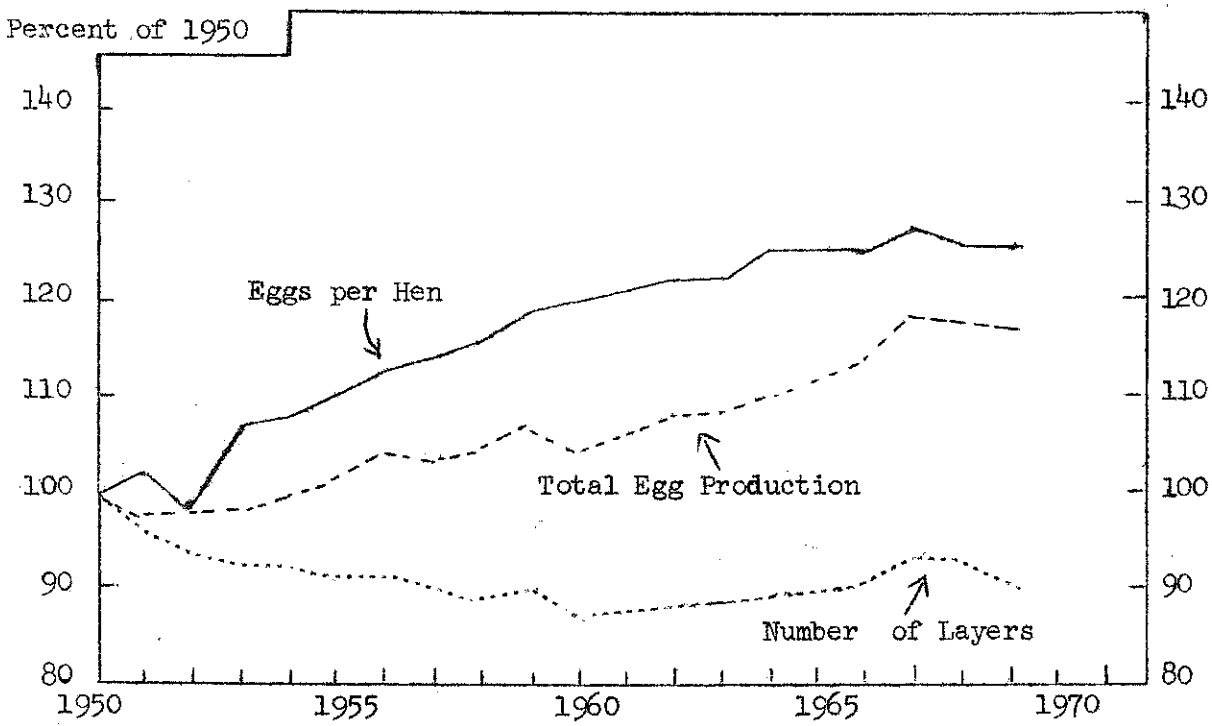
All prices paid by New York dairy farmers rose 4 percent from 1968 to 1969. Farm wages, machinery and building material prices, seed prices, and feed all increased. Only the index of fertilizer prices showed a decrease.

For 1970, further increases are in prospect for most items, including feed. The rise in wages may be tempered by a rise in unemployment level.

| | Prices paid (Index 1957-59=100) | | |
|---|---|---|---|
| Month | 1968 | 1969 | 1970 |
| January | 120 | 125 | ___ |
| February | 120 | 125 | ___ |
| March | 121 | 124 | ___ |
| April | 121 | 126 | ___ |
| May | 120 | 126 | ___ |
| June | 122 | 127 | ___ |
| July | 122 | 127 | ___ |
| August | 121 | 127 | ___ |
| September | 122 | 127 | ___ |
| October | 122 | 128 | ___ |
| November | 123 | 128 | ___ |
| December | 122 | ___ | ___ |

# N O T E S

NUMBER OF LAYERS, EGGS PER HEN, AND EGG PRODUCTION
United States, 1950-1969




SOURCE: Poultry and Egg Situation, U.S.D.A.

Number of layers on U.S. farms declined from 1950 to 1960. From 1960 to 1966 numbers increased gradually with a 4% increase in 1967. The number in 1969 is down 2% from the 1967 peak.

Eggs per hen has changed little the past six years. With more pullets in 1970 the rate of lay may be up slightly.

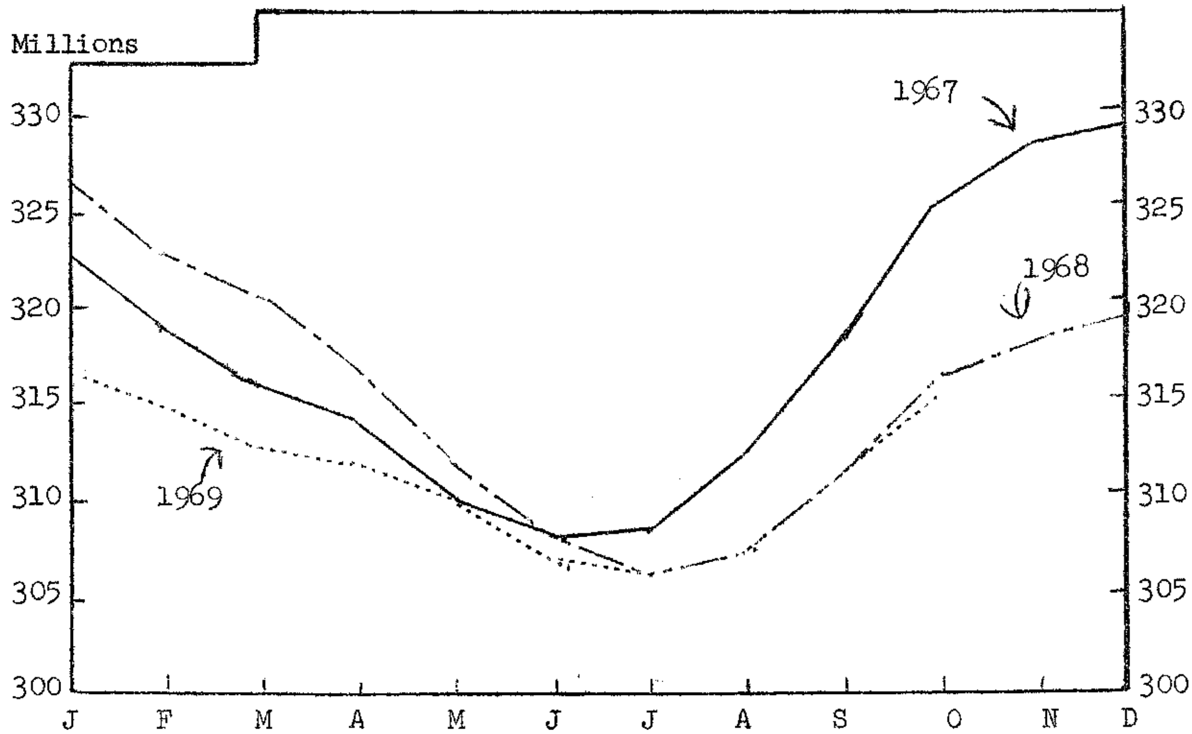
Egg production for the nation increased gradually from 1960 to 1967, but dropped slightly the last two years.

In 1970 number of layers is expected to be up, eggs per hen up slightly, and total production up.

| Year | Number* of layers (millions) | Eggs per hen (number) | Egg production (billions) |
|---|---|---|---|
| 1950 | 340 | 174 | 59.0 |
| 1955 | 309 | 192 | 59.5 |
| 1960 | 295 | 209 | 61.5 |
| 1961 | 297 | 210 | 62.4 |
| 1962 | 300 | 212 | 63.6 |
| 1963 | 298 | 213 | 63.5 |
| 1964 | 301 | 217 | 65.2 |
| 1965 | 302 | 218 | 65.7 |
| 1966 | 305 | 218 | 66.5 |
| 1967 | 317 | 221 | 70.2 |
| 1968 | 315 | 220 | 68.9 |
| 1969** | 311 | 219 | 68.8 |

*Av. number layers on hand during year
**Preliminary

NUMBER OF LAYERS ON FARMS
United States, 1967, 1968 and 1969




SOURCE: U.S.D.A. Poultry and Egg Situation

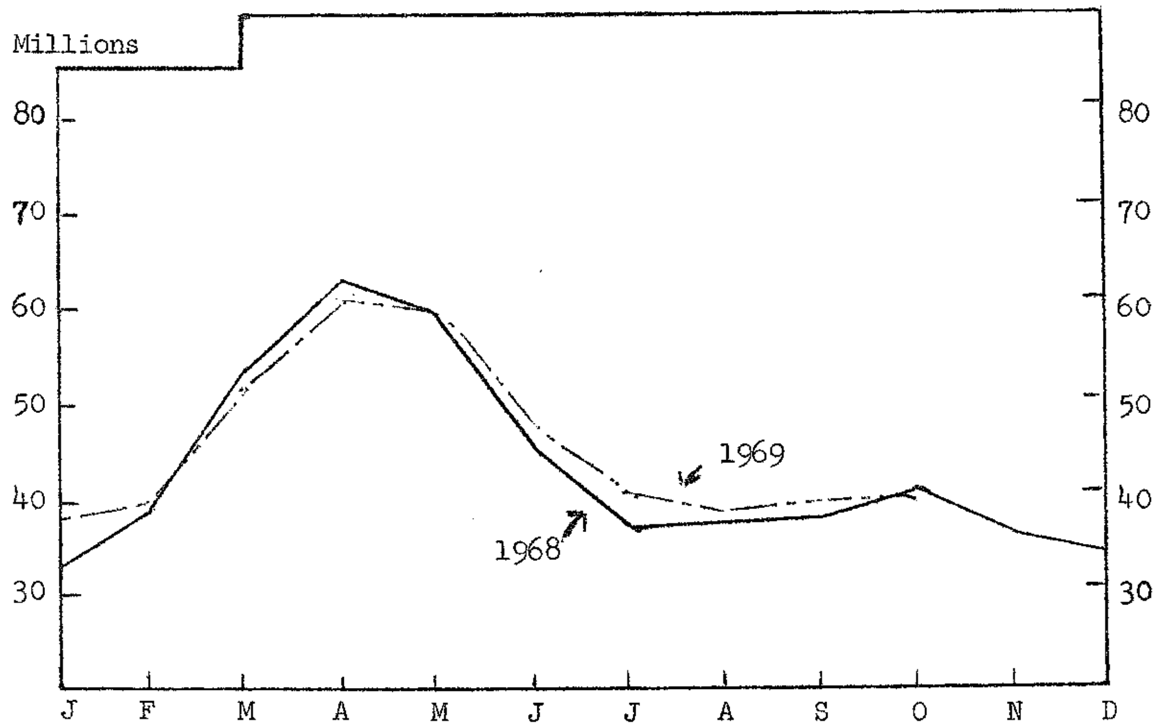
The seasonal pattern of the number of layers on farms by months has been similar the last three years. Numbers of layers the first six months of 1969 were below those of 1968. During the last six months of 1969 the size of flock was about the same as a year earlier.

Flock size through July of 1970 is expected to be one to 2 percent above that of the same months in 1969. The last half of 1970 may see hen numbers approach the 1967 level.

NUMBER OF LAYERS ON FARMS, U. S.

| Month | 1967 | 1968 | 1969 |
|---|---|---|---|
| | millions | | |
| January | 323 | 327 | 317 |
| February | 319 | 323 | 315 |
| March | 316 | 321 | 313 |
| April | 314 | 317 | 312 |
| May | 310 | 312 | 310 |
| June | 308 | 308 | 307 |
| July | 308 | 306 | 306 |
| August | 312 | 307 | 307 |
| September | 318 | 311 | 311 |
| October | 325 | 316 | 315 |
| November | 328 | 318 | --- |
| December | 329 | 319 | --- |

EGG-TYPE CHICKS HATCHED
United States 1968 and 1969




SOURCE: U.S.D.A. Hatchery Report

The number of egg-type chicks hatched during the early part of 1969 was about the same as in 1968. The hatch for the last half of 1969 is expected to be only slightly above the year earlier.

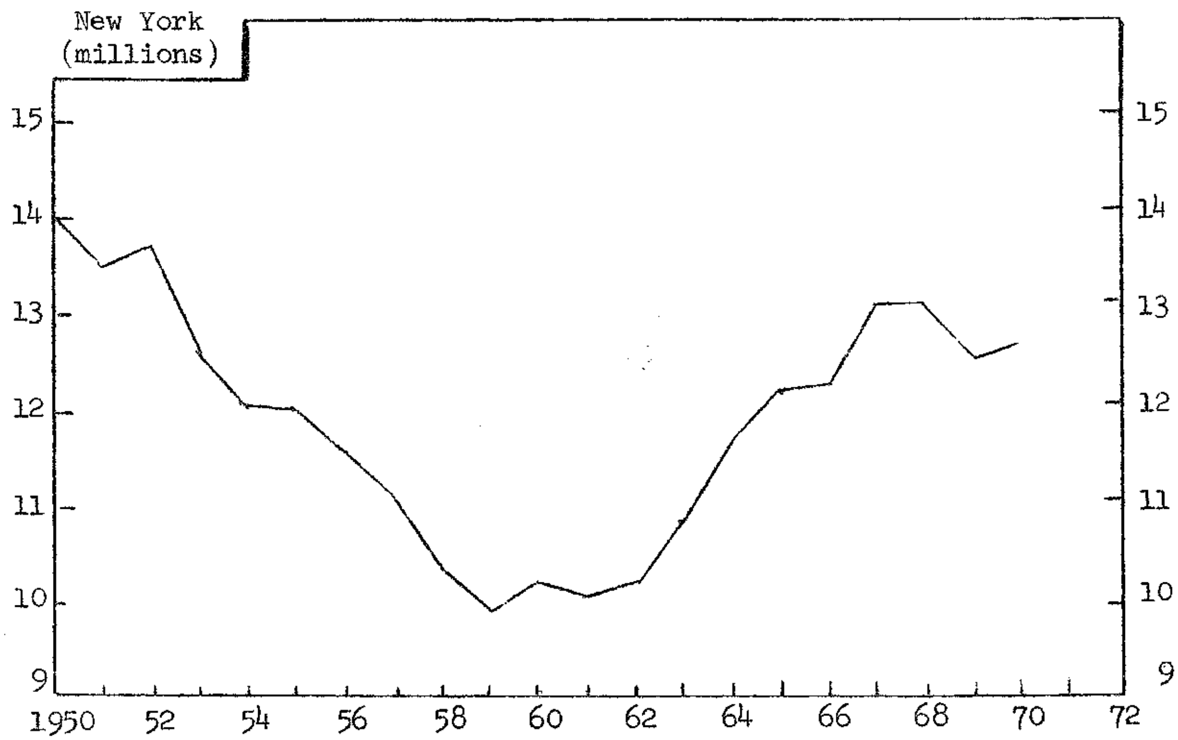
There is economic pressure to reduce the seasonal variation in egg-type chicks hatched. This pressure is expected to continue. Therefore it is expected that the hatch the first half of 1970 will be only 3% to 5% above the same months of 1969. If the relatively favorable egg prices continue, the hatch during the last half of 1970 may be 10% to 15% above a year earlier.

EGG-TYPE CHICKS HATCHED, U. S.

| Month | 1967 | 1968 | 1969 |
|---|---|---|---|
| | millions | | |
| January | 39.8 | 33.5 | 37.7 |
| February | 46.3 | 38.6 | 39.7 |
| March | 66.1 | 53.8 | 52.7 |
| April | 74.4 | 62.3 | 60.2 |
| May | 68.1 | 59.4 | 59.8 |
| June | 47.9 | 45.0 | 47.9 |
| July | 34.0 | 37.1 | 40.2 |
| August | 36.0 | 37.1 | 38.1 |
| September | 34.6 | 37.5 | 39.4 |
| October | 32.9 | 40.4 | 39.9 |
| November | 27.7 | 35.8 | ---- |
| December | 27.0 | 34.0 | ---- |
| Total | 535 | 514 | 519* |

*Estimated

LAYERS AND POTENTIAL LAYERS* ON N. Y. FARMS, JANUARY 1




*Pullets not yet laying

SOURCE: U.S.D.A. Poultry and Egg Situation

The number of layers and potential layers on New York farms dropped from 14 million in 1950 to 9.9 million in 1959. Numbers increased during the 1960's returning to 13 million in 1967 and 1968.

For January 1, 1970, it is expected that numbers of layers on hand will be up slightly from a year earlier but still below that of 1968.

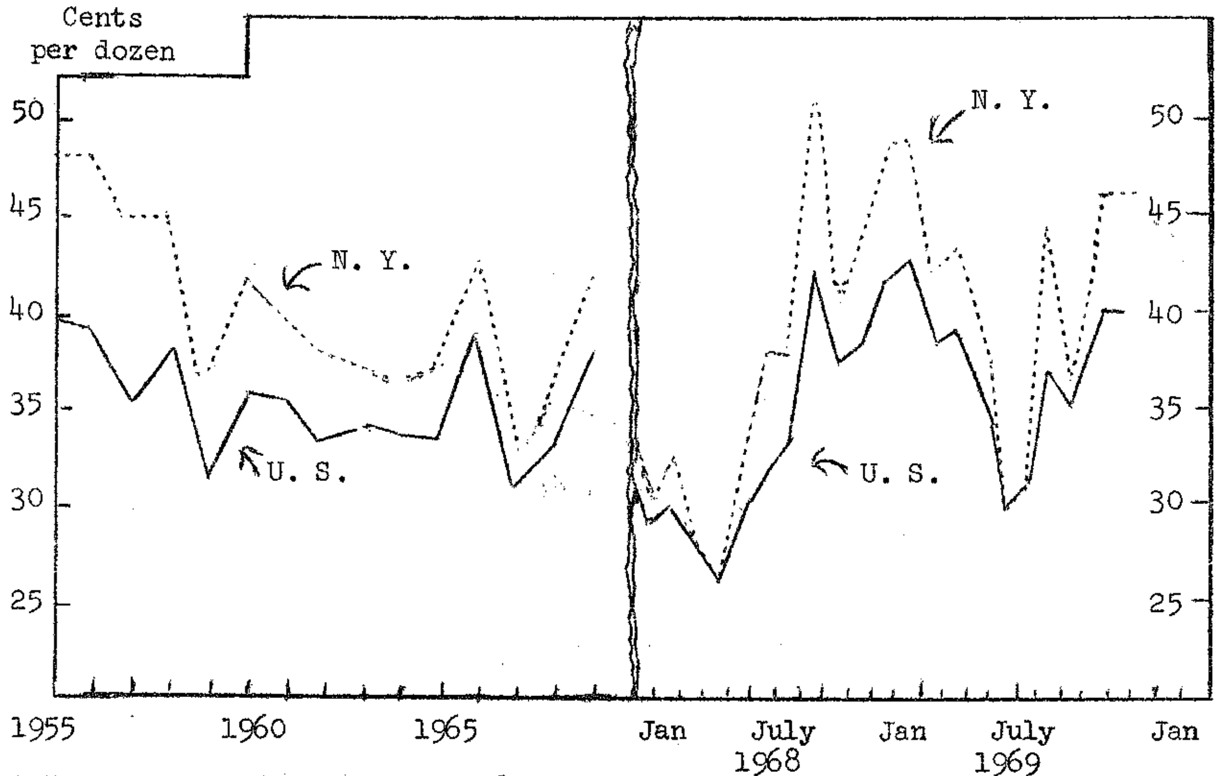
New York layers have accounted for about 3.5% of the U. S. total in recent years.

NUMBER OF LAYERS AND POTENTIAL LAYERS ON FARMS, January 1

| Year | U. S. | N. Y. | N.Y./U.S. |
|---|---|---|---|
| | millions | | percent |
| 1950 | 424 | 14.0 | 3.3 |
| 1955 | 369 | 12.0 | 3.2 |
| 1960 | 352 | 10.2 | 2.9 |
| 1961 | 348 | 10.0 | 2.9 |
| 1962 | 359 | 10.2 | 2.8 |
| 1963 | 357 | 10.8 | 3.0 |
| 1964 | 364 | 11.7 | 3.2 |
| 1965 | 349 | 12.2 | 3.5 |
| 1966 | 346 | 12.2 | 3.5 |
| 1967 | 369 | 13.0 | 3.5 |
| 1968 | 374 | 13.0 | 3.5 |
| 1969 | 363 | 12.5 | 3.4 |
| 1970* | 365 | 12.6 | 3.4 |

*Preliminary

FARM PRICE OF EGGS, U. S. AND N. Y.




SOURCE: U.S.D.A. Agricultural Prices

The spread between New York and U. S. farm egg prices narrowed considerably during the last decade. During months of relatively low U. S. egg prices, New York farm egg prices are generally equal to or below the average level for the United States. During periods of relatively high U. S. prices, New York producers enjoy a significant margin above the U. S. price level. Heavy supplies nationwide compete strongly in the east coast central markets and depress central market prices more than proportionate to market prices elsewhere.

ANNUAL FARM PRICE OF EGGS

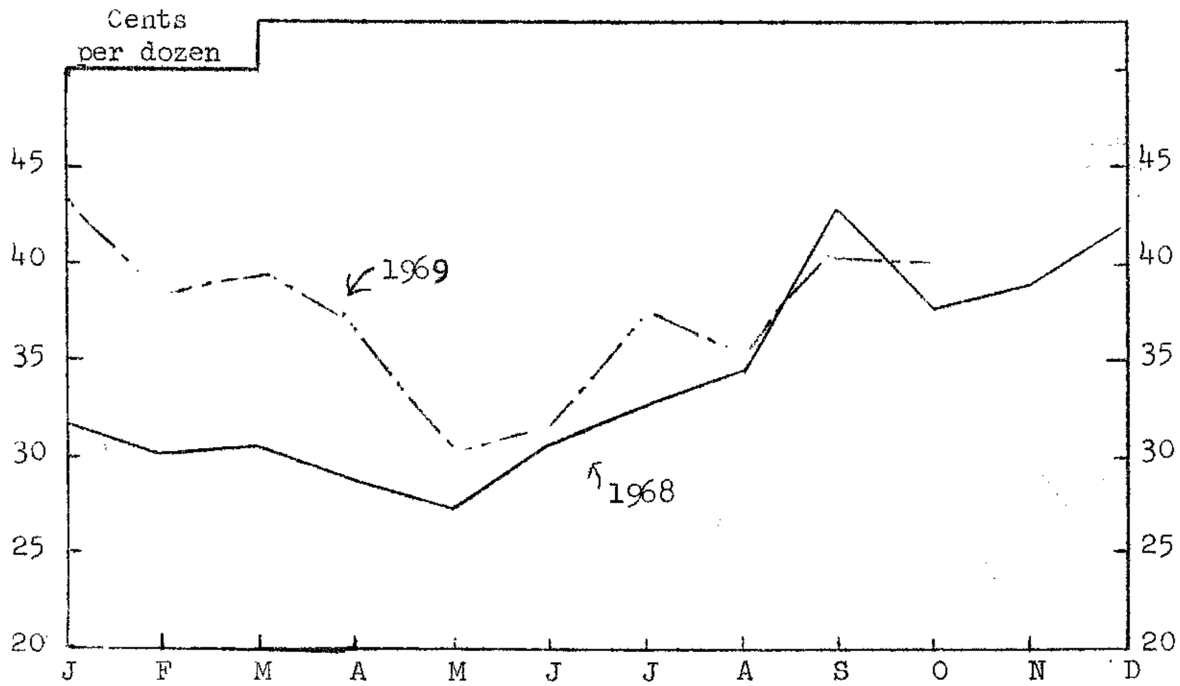
| Year | U. S. | N. Y. |
|---|---|---|
| 1955 | 39.5 | 48.5 |
| 1956 | 39.3 | 48.6 |
| 1957 | 35.9 | 45.1 |
| 1958 | 38.5 | 45.3 |
| 1959 | 31.4 | 36.8 |
| 1960 | 36.0 | 42.0 |
| 1961 | 35.5 | 40.1 |
| 1962 | 33.6 | 38.3 |
| 1963 | 34.4 | 37.6 |
| 1964 | 33.8 | 36.5 |
| 1965 | 33.7 | 37.1 |
| 1966 | 39.1 | 42.8 |
| 1967 | 31.2 | 31.5 |
| 1968* | 33.3 | 36.2 |
| 1969* | 37.4 | 42.4 |

*Partly forecast

MONTHLY N. Y. FARM PRICE OF EGGS

| Month | 1968 | 1969 |
|---|---|---|
| January | 34.0 | 49.0 |
| February | 30.5 | 42.5 |
| March | 33.0 | 43.5 |
| April | 29.0 | 38.0 |
| May | 26.0 | 30.0 |
| June | 31.5 | 31.5 |
| July | 38.0 | 44.0 |
| August | 38.0 | 36.5 |
| September | 51.5 | 46.5 |
| October | 41.0 | 46.0 |
| November | 44.0 | ---- |
| December | 49.0 | ---- |

FARM PRICE OF EGGS, UNITED STATES, 1968, 1969




SOURCE: U.S.D.A. Agricultural Prices

U. S. farm egg prices for 1969 are expected to average 5 cents a dozen above the average for 1968. Prices during the first quarter were up nearly 10 cents; were moderately higher during the second quarter; and about the same during the third quarter of 1969 as compared to the same quarters in 1968.

Prices during the last quarter of 1969 will average significantly above the same quarter of 1968. Although October farm egg prices were only slightly higher, wholesale prices in New York City in November were running 10 cents a dozen or more above November 1968.

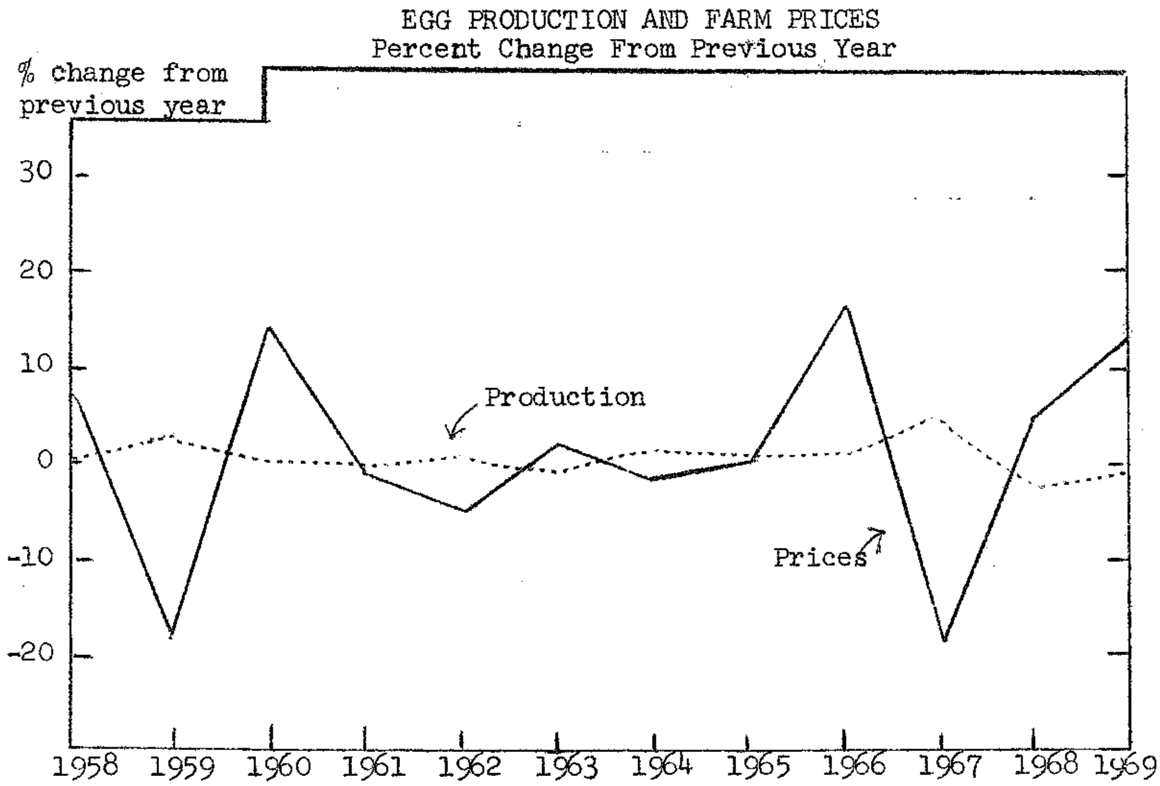
Prices to producers during the first quarter of 1970 are expected to average near the 40.4 cent average of the same quarter of 1969. Although supplies are expected to be slightly larger, demand will be strong, especially for eggs used in liquid egg production. During the April-June quarter prices will decline seasonally but be equal to or slightly over the 32.7 cent average of April-June 1968. Prices past midyear 1970 will likely be below the last half of 1969, but the level will depend on the size of egg-type chick hatch during December 1969 and the first three months of 1970 and the extent of force-molting at that time.

FARM PRICE OF EGGS, U. S.[1/]

| Month | 1967 | 1968 | 1969 |
|---|---|---|---|
| | cents per dozen | | |
| January | 37.4 | 31.5 | 43.0 |
| February | 32.4 | 30.0 | 38.6 |
| March | 34.6 | 30.4 | 39.5 |
| April | 29.9 | 28.6 | 36.5 |
| May | 28.9 | 27.0 | 30.2 |
| June | 27.4 | 30.3 | 31.3 |
| July | 29.9 | 32.7 | 37.5 |
| August | 29.8 | 34.1 | 35.5 |
| September | 32.0 | 42.7 | |
| October | 28.6 | 37.6 | 40.0 |
| November | 29.6 | 38.8 | ---- |
| December | 32.1 | 41.9 | ---- |
| Average | 31.2 | 32.6 | 37.5* |

*Preliminary

1/ Price of all eggs sold including hatching eggs




SOURCE: U.S.D.A. Poultry and Egg Situation

A relatively small percentage change in egg production is usually accompanied by a somewhat larger percentage change in the opposite direction in farm egg prices. The one percent decrease in egg production in 1969 is associated with a 12 percent increase in average egg prices.

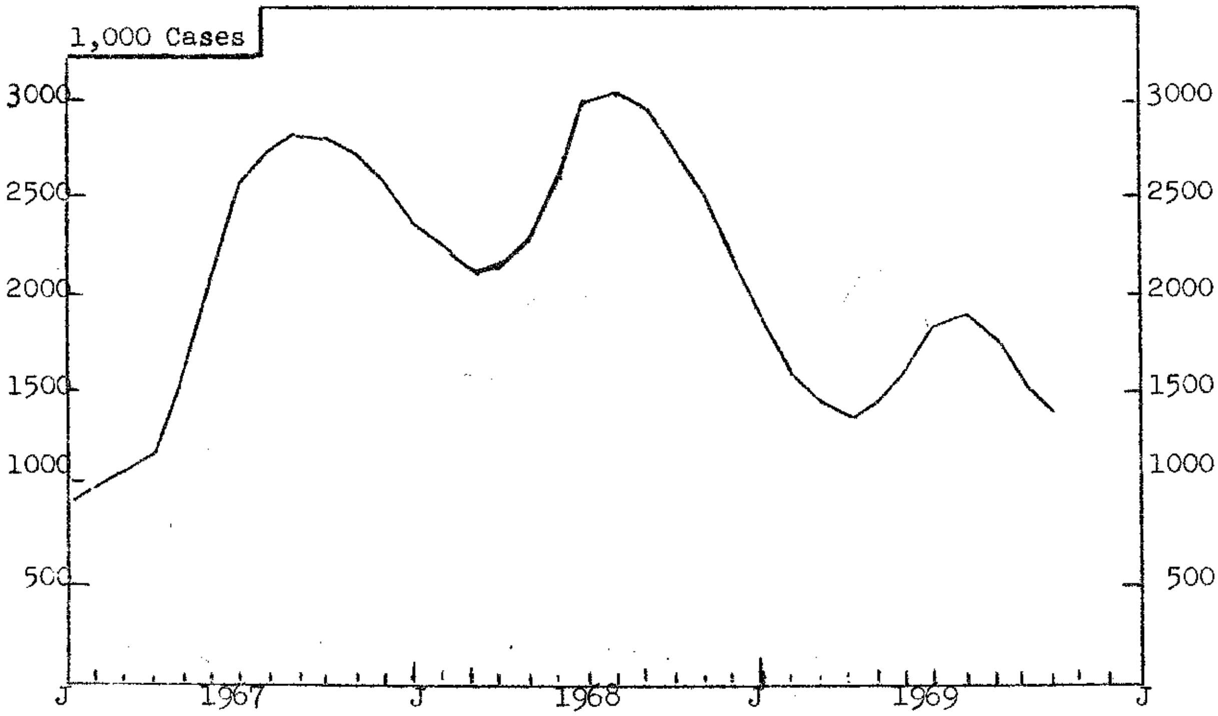
The relatively high price of 1966 encouraged the largest annual expansion in production for any year during the past decade. The resultant record price decrease in 1967 forced contraction in 1968 and more than proportionate price increases.

The wide price swings of the 1966-1968 period mirror the price swings of the period 1958-60. The favorable prices in 1969 are expected to bring on a significant increase in production by mid-1970.

CHANGES IN EGG PRODUCTION AND PRICES
Percent Change from Previous Year

| Year | Price | Production |
|---|---|---|
| 1957 | - 9 | -0 |
| 1958 | + 7 | +1 |
| 1959 | -18 | +3 |
| 1960 | +15 | +1 |
| 1961 | - 1 | +0 |
| 1962 | - 5 | +1 |
| 1963 | + 2 | -1 |
| 1964 | - 2 | +2 |
| 1965 | - 0 | +1 |
| 1966 | +16 | +1 |
| 1967 | -19 | +5 |
| 1968 | + 5 | -2 |
| 1969 | +12 | -1 |

STORAGE STOCKS OF EGGS AND EGG PRODUCTS (CASE EQUIVALENT)
1967 - 1969




SOURCE: U.S.D.A. Poultry and Egg Situation

Egg breaking activity during 1969 will be slightly over 15 million cases, 11% fewer than in 1968 and 25% fewer than in 1967. The 1969 level will be only 8 percent of the total U. S. production compared to 10% and 11% in 1968 and 1967.

As a result storage stocks of eggs and egg products are now about one half the quantity of the same period in 1967 and 1968. This situation should provide strength to the egg market through mid-1970.

EGGS BROKEN COMMERCIALLY
United States, 1964-1968

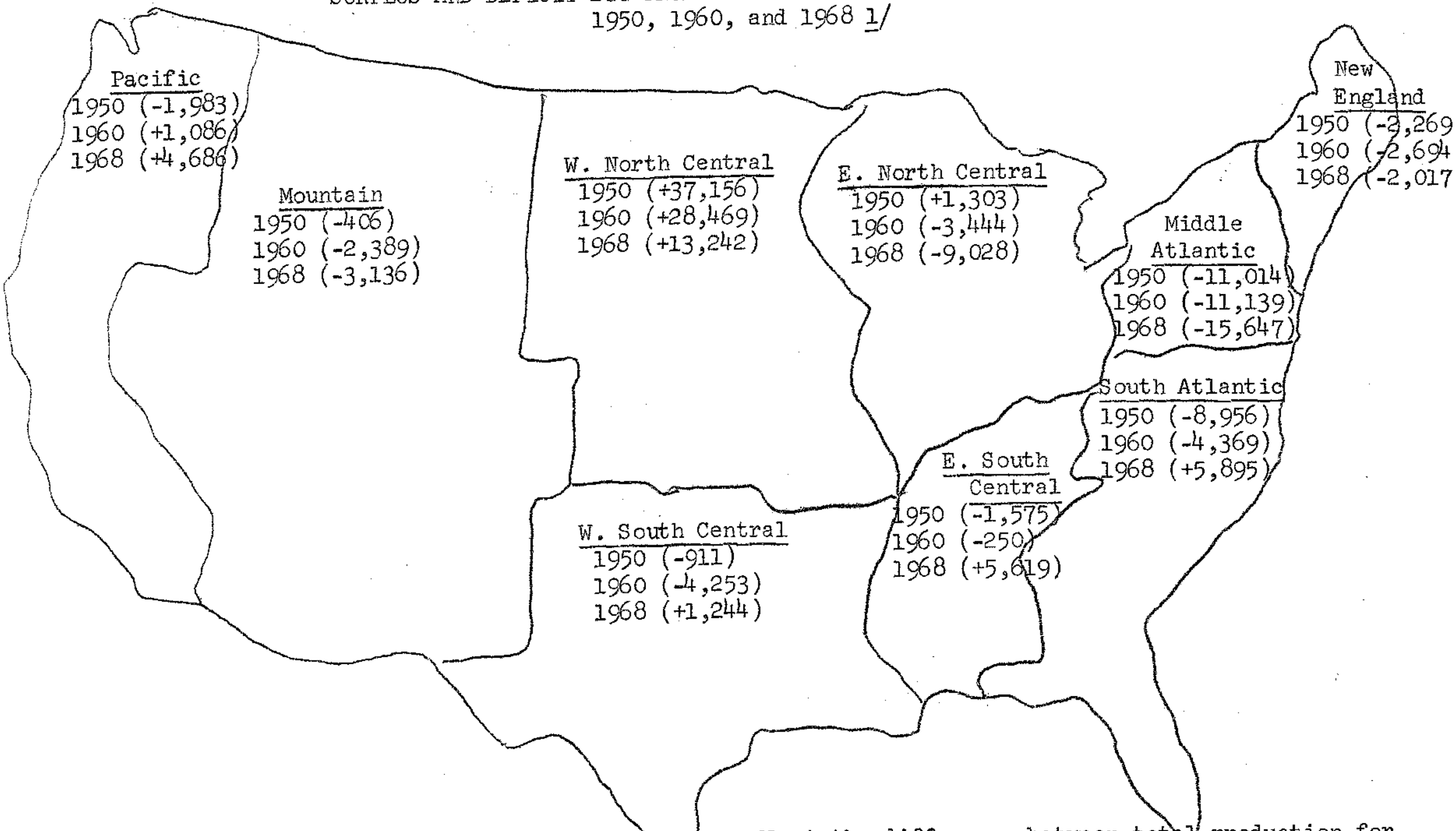
| Year | 1,000 cases broken | % broken |
|---|---|---|
| 1964 | 15,152 | 8 |
| 1965 | 15,919 | 9 |
| 1966 | 15,729 | 9 |
| 1967 | 20,297 | 11 |
| 1968 | 17,134 | 10 |
| 1969* | 15,164 | 8 |

*Estimated

COLD STORAGE HOLDINGS EGGS (Case Equiv. Shell & Frozen) 1st of month

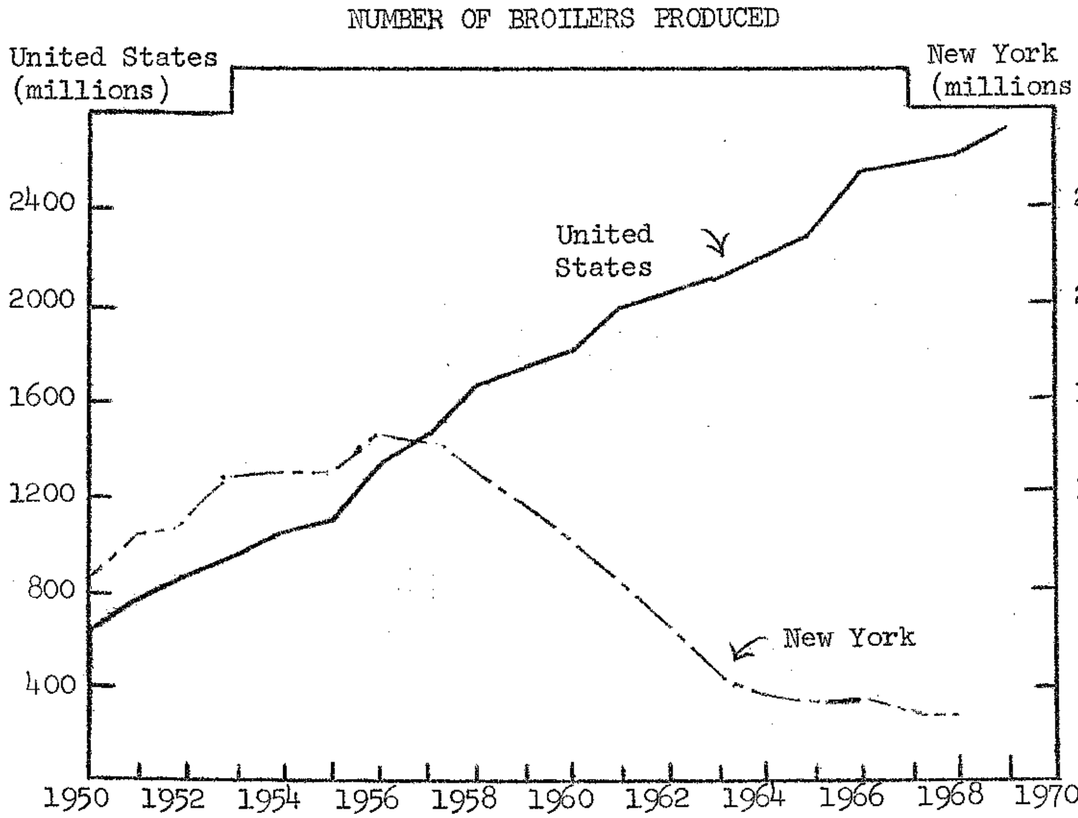
| | 1,000 Cases 1967 | 1968 | 1969 |
|---|---|---|---|
| Jan | 944 | 2352 | 1880 |
| Feb | 1002 | 2239 | 1597 |
| March | 1086 | 2101 | 1478 |
| April | 1146 | 2135 | 1359 |
| May | 1521 | 2272 | 1420 |
| June | 2065 | 2606 | 1586 |
| July | 2570 | 3014 | 1836 |
| Aug | 2739 | 3038 | 1889 |
| Sept | 2820 | 2988 | 1747 |
| Oct | 2814 | 2733 | 1519 |
| Nov | 2711 | 2517 | 1374 |
| Dec | 2572 | 2171 | |

SURPLUS AND DEFICIT EGG PRODUCTION REGIONS IN THE UNITED STATES
1950, 1960, and 1968 1/




1/ Numbers in parenthesis are 1,000 cases and reflect the difference between total production for that year and the estimated total civilian consumption. A(-) indicates the amount that regional consumption exceeded consumption; a (+) indicates the amount regional production exceeded consumption. Consumption estimates are based on an assumed uniform per capita consumption.

SOURCE: Farmers Cooperative Service, U.S.D.A.




SOURCE: U.S.D.A. Production, Disposition, Cash Receipts and Gross Income

Broiler meat production in 1969 is expected to be up 10 percent above 1968. The number of broilers marketed will be up 7 percent and average liveweight up one percent. Further expansion in output is likely in 1970. The average annual increase since 1960 has been about 5 percent.

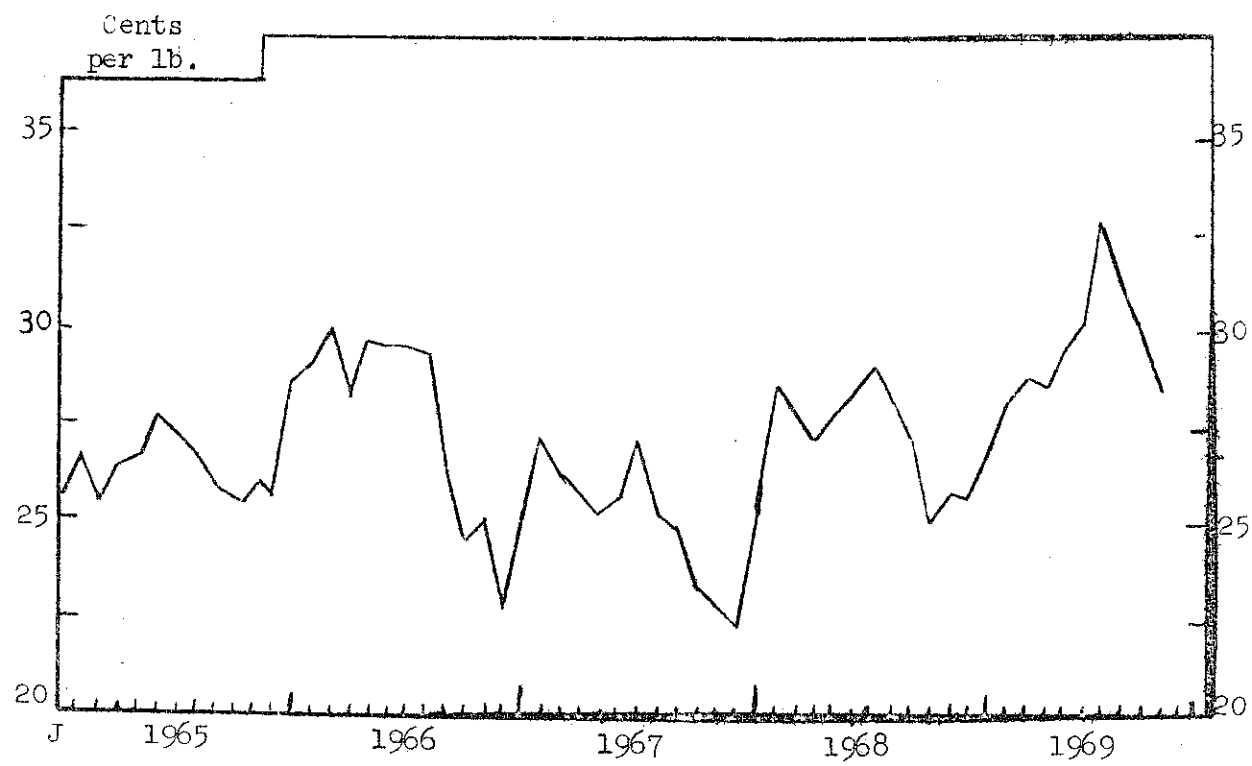
New York State broiler production is relatively stable at about one percent of U. S. production.

NUMBER OF BROILERS PRODUCED

| Year | U. S. | N. Y. |
|---|---|---|
| | millions | |
| 1950 | 631 | 8.6 |
| 1951 | 789 | 10.3 |
| 1952 | 861 | 10.6 |
| 1953 | 947 | 12.8 |
| 1954 | 1,048 | 13.1 |
| 1955 | 1,092 | 13.1 |
| 1956 | 1,344 | 14.6 |
| 1957 | 1,448 | 14.3 |
| 1958 | 1.660 | 12.9 |
| 1959 | 1,737 | 11.6 |
| 1960 | 1,795 | 10.3 |
| 1961 | 1,991 | 8.5 |
| 1962 | 2,023 | 6.6 |
| 1963 | 2,102 | 4.3 |
| 1964 | 2,161 | 3.6 |
| 1965 | 2,334 | 3.2 |
| 1966 | 2,571 | 3.3 |
| 1967 | 2,593 | 2.7 |
| 1968 | 2,600 | 2.7 |
| 1969* | 2,780 | ---- |

*Preliminary

BROILER PRICES
(Ice packed, ready-to-cook, trucklot delivered nine-city weighted average)




SOURCE: Poultry and Egg Situation, U.S.D.A.

Broiler prices for 1969 are expected to average 5 percent above 1968. Strong consumer demand for meat has kept broiler prices above last year levels despite larger supplies of broilers and continued large supplies of red meat.

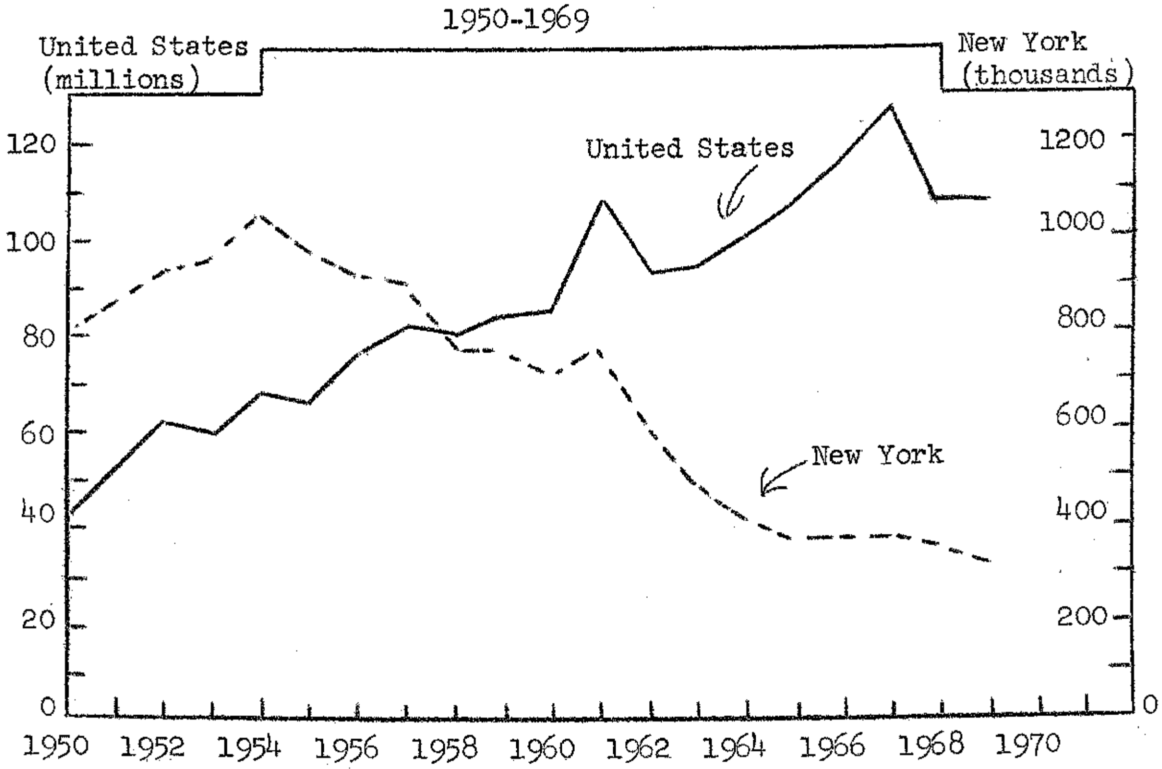
Prices during the first half of 1970 are expected to average moderately below the year-earlier level of 28.8 cents a pound, nine-city weighted average, for ready-to-cook birds. Larger supplies of broilers combined with continued supplies of red meats and a possible slowdown in the economy are expected to put downward pressure on broiler prices.

BROILER PRICE - NINE-CITY AVERAGE

| Month | 1966 | 1967 | 1968 | 1969 |
|---|---|---|---|---|
| January | 28.6 | 25.3 | 25.6 | 27.1 |
| February | 29.0 | 27.2 | 28.6 | 28.4 |
| March | 30.0 | 26.1 | 27.8 | 28.9 |
| April | 28.1 | 25.7 | 27.2 | 28.4 |
| May | 29.5 | 25.2 | 27.8 | 29.6 |
| June | 29.4 | 25.6 | 28.1 | 30.2 |
| July | 29.5 | 27.1 | 29.0 | 32.8 |
| August | 28.4 | 25.0 | 28.2 | 31.0 |
| September | 26.8 | 24.9 | 27.2 | 30.0 |
| October | 24.5 | 23.8 | 25.0 | 28.4 |
| November | 25.1 | 22.8 | 25.8 | ---- |
| December | 22.6 | 22.4 | 25.7 | ---- |
| Average | 27.6 | 25.1 | 27.2 | 29.5* |

* 10 month average

NUMBER OF TURKEYS RAISED
1950-1969




SOURCE: U.S.D.A. Poultry and Egg Situation

The 106.4 million turkeys raised this year is almost equal to the number raised in 1968. Production in 1970 is expected to be 3-5 percent above 1969.

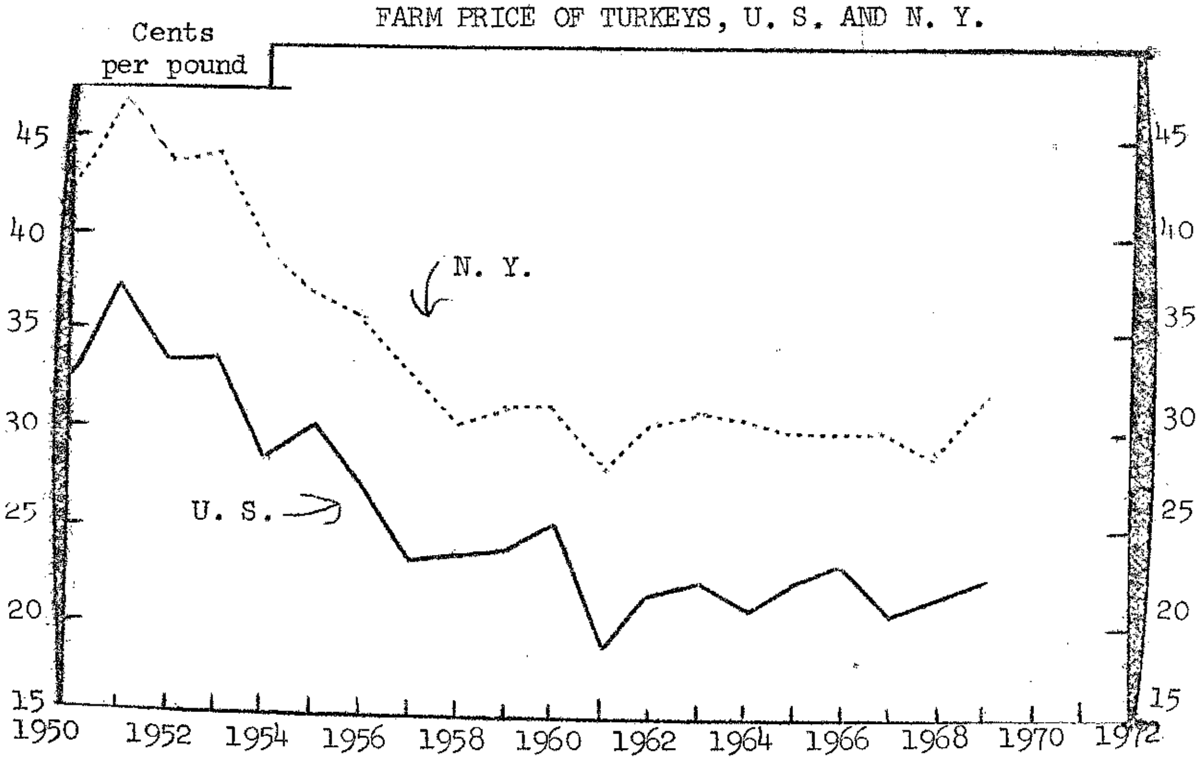
Turkey production in New York is for a special market, primarily local (seasonal fresh) and institutional which receives a premium price over U. S. levels. However, total numbers raised in New York continue to decline.

NUMBER OF TURKEYS RAISED

| Year | U. S. (million) | N. Y. (thousand) |
|---|---|---|
| 1950 | 44 | 808 |
| 1955 | 66 | 974 |
| 1960 | 85 | 722 |
| 1961 | 108 | 773 |
| 1962 | 92 | 603 |
| 1963 | 93 | 493 |
| 1964 | 100 | 414 |
| 1965 | 105 | 374 |
| 1966 | 116 | 378 |
| 1967 | 126 | 370 |
| 1968 | 106.5 | 348 |
| 1969* | 106.4 | 317 |

*Preliminary

FARM PRICE OF TURKEYS, U. S. AND N. Y.




SOURCE: SRS, U.S.D.A. Agricultural Prices (Monthly)
ERS, U.S.D.A. Poultry and Egg Situation, November 1969

The U. S. farm price of turkeys for 1969 will average about one cent higher than during 1968. Prices during 1970 are expected to be the same to slightly higher than in 1969 providing expansion is held within 5 percent of 1969 levels.

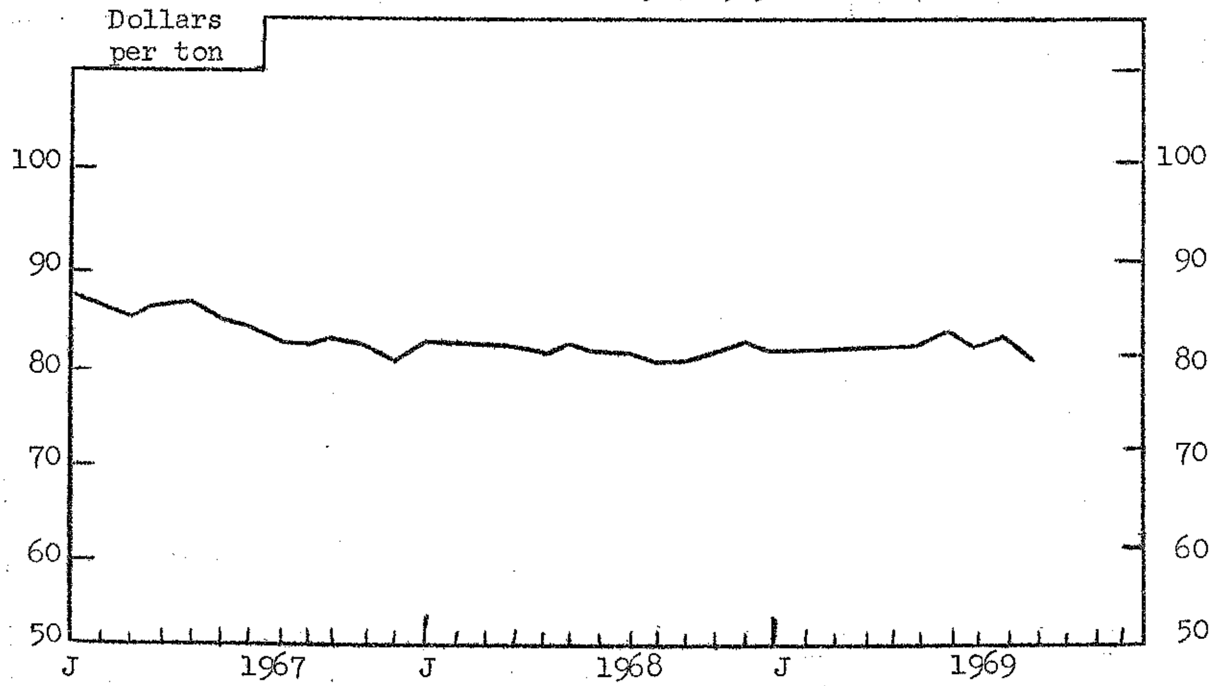
New York farm prices for turkeys represent a different seasonal pattern of marketing and a different type of product and market than the U. S. farm price.

FARM PRICE OF TURKEYS

| Year | U. S. | N. Y. |
|---|---|---|
| 1955 | 30.2 | 37.1 |
| 1956 | 27.2 | 35.6 |
| 1957 | 23.4 | 32.9 |
| 1958 | 23.9 | 30.2 |
| 1959 | 23.9 | 31.1 |
| 1960 | 25.4 | 31.2 |
| 1961 | 18.9 | 28.1 |
| 1962 | 21.6 | 30.2 |
| 1963 | 22.3 | 31.1 |
| 1964 | 21.0 | 30.8 |
| 1965 | 22.2 | 29.8 |
| 1966 | 23.0 | 30.2 |
| 1967 | 20.7 | 29.8 |
| 1968 | 21.5 | 28.8 |
| 1969* | 22.5 | 31.5 |

*Preliminary

FARM PRICE OF LAYING MASH, NEW YORK
1967-1969




SOURCE: Agricultural Prices, U.S.D.A.

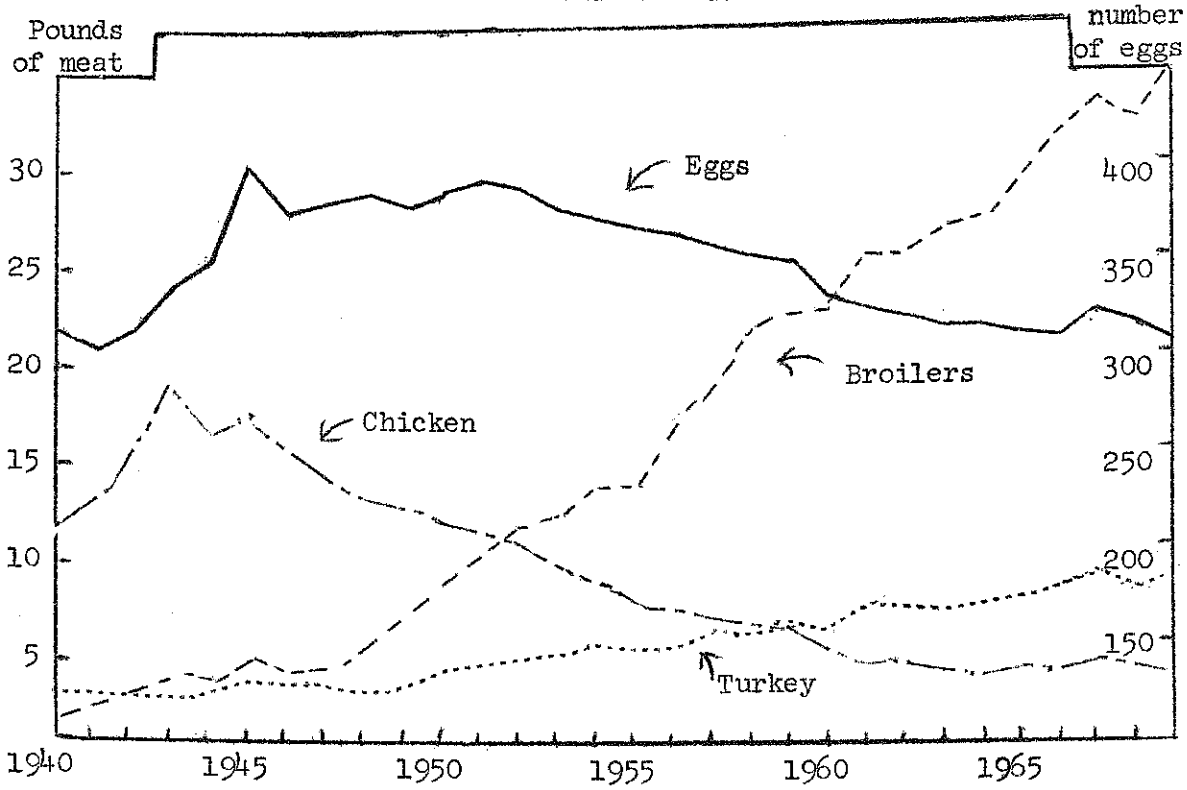
The farm price of laying mash in New York was slightly under year earlier levels during the first half of 1969 but the same to slightly above during months of the last half of the year.

Prices during the first nine months of 1970 will be equal to or slightly higher than during the same months of 1969.

FARM PRICE OF LAYING MASH, NEW YORK

| Month | 1967 | 1968 | 1969 |
|---|---|---|---|
| | Dollars per ton | | |
| January | 88 | 82 | 81 |
| February | 86 | 82 | 81 |
| March | 85 | 82 | 81 |
| April | 86 | 82 | 81 |
| May | 86 | 81 | 81 |
| June | 85 | 82 | 81 |
| July | 84 | 81 | 83 |
| August | 82 | 81 | 81 |
| September | 82 | 80 | 82 |
| October | 83 | 80 | 80 |
| November | 82 | 81 | -- |
| December | 80 | 82 | -- |

CIVILIAN PER CAPITA DISAPPEARANCE
OF POULTRY AND EGGS




SOURCE: U.S.D.A. Poultry and Egg Situation

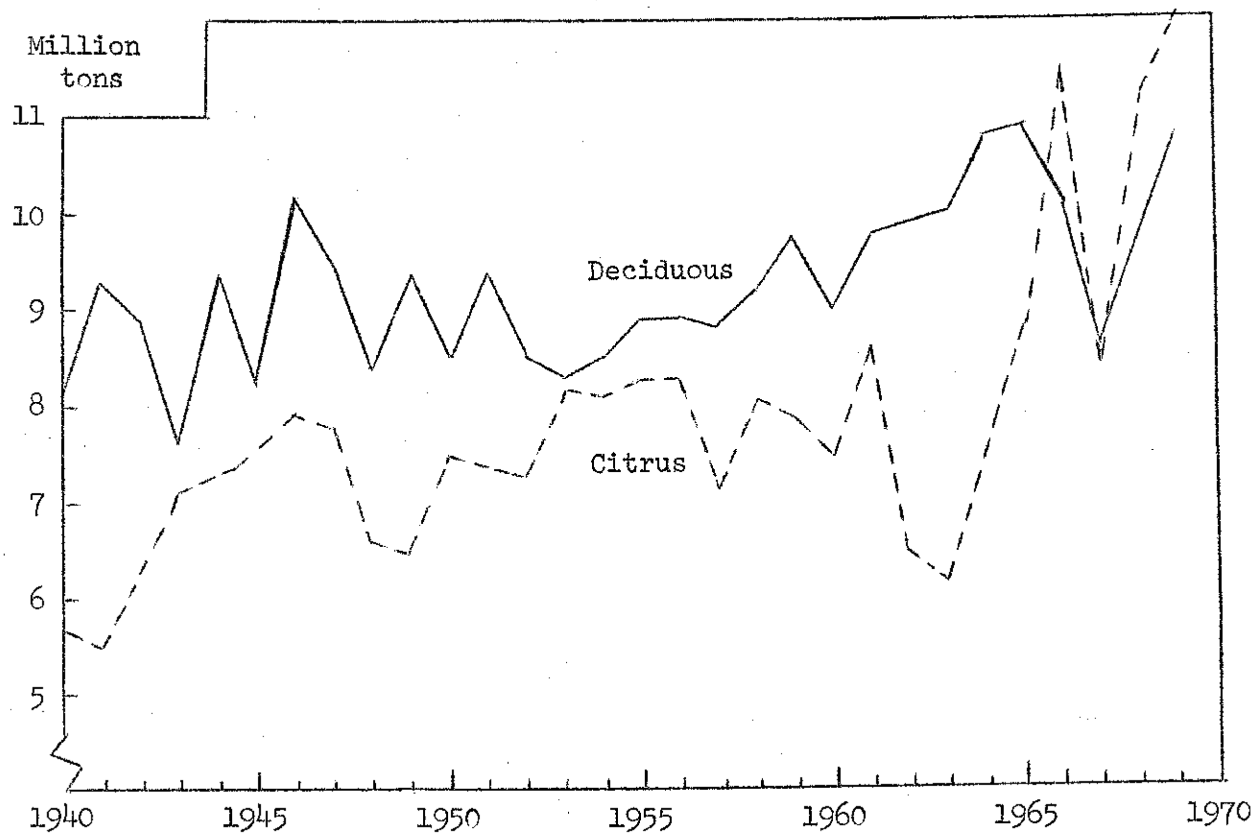
The per capita disappearance of eggs decreased again in 1969 as a result of a decrease in per capita production. Per capita disappearance of broiler meat will be at an all time high for the year. Per capita turkey disappearance also increased in 1969 compared to a year earlier to 8.2 pounds per capita, slightly under the all time high of 8.6 pounds in 1967.

PER CAPITA DISAPPEARANCE OF EGGS AND POULTRY
United States, 1940-1969

| Year | Population (millions) | Eggs (number) | Broilers | Chicken | Turkey |
|---|---|---|---|---|---|
| | | | (pounds ready-to-cook basis) | | |
| 1940 | 132.1 | 319 | 2.0 | 12.1 | 2.9 |
| 1945 | 139.9 | 403 | 5.0 | 16.6 | 3.5 |
| 1950 | 151.7 | 389 | 8.7 | 11.9 | 4.1 |
| 1955 | 165.3 | 371 | 13.8 | 7.5 | 5.0 |
| 1960 | 180.7 | 334 | 23.4 | 4.6 | 6.1 |
| 1963 | 189.4 | 317 | 27.0 | 3.7 | 6.7 |
| 1964 | 192.1 | 318 | 27.5 | 3.5 | 7.2 |
| 1965 | 194.6 | 314 | 29.4 | 3.9 | 7.4 |
| 1966 | 196.9 | 313 | 32.2 | 3.8 | 7.8 |
| 1967 | 199.1 | 326 | 32.7 | 4.1 | 8.6 |
| 1968 | 201.2 | 321 | 32.8 | 4.0 | 7.9 |
| 1969* | 203.2 | 313 | 35.0 | 3.9 | 8.2 |

*Forecast

DECIDUOUS AND CITRUS FRUIT PRODUCTION, U. S.




Source: U.S.D.A. Crop Production Reports

Deciduous fruit production in the United States during the 1969 season totalled 10.8 million tons, an increase of one million tons over the 1968 season. Increases occurred in the production of all major fruits in this classification. The total production of deciduous fruits is expected to range above the 10 million ton level for the next few years.

The production of citrus fruits for the 1969-70 season is estimated to reach 12.2 million tons -- a new record. Most of this increase will be in the production of oranges -- 8.9 million tons compared with 7.9 million tons in 1968-69. The grapefruit crop of 2.1 million tons will be about the same size as last season. Total citrus production is expected to exceed the 11 million ton level during the next few years.

COMMERCIAL FRUIT PRODUCTION, NEW YORK AND UNITED STATES

| Fruit | New York | | | United States | | |
|---|---|---|---|---|---|---|
| | Average 1963-67 | 1968 | 1969 | Average 1963-67 | 1968 | 1969 |
| | | | thousand tons | | | |
| Apples | 457.5 | 415.0 | 462.5 | 2,938.6 | 2,715.8 | 3,331.5 |
| Grapes | 134.0 | 116.0 | 120.0 | 3,685.0 | 3,549.0 | 3,828.6 |
| Red tart cherries | 20.8 | 14.3 | 15.5 | 141.7 | 137.4 | 160.6 |
| Pears | 17.8 | 9.3 | 18.0 | 582.4 | 616.4 | 710.8 |
| Peaches | 9.6 | 9.0 | 10.8 | 1,658.5 | 1,795.4 | 1,890.0 |
| Sweet cherries | 5.2 | 4.9 | 7.0 | 100.8 | 90.9 | 115.3 |

Source: Crop Production by U.S.D.A.

During 1969 in New York State each of the major fruits was in greater supply than during 1968. Only the grape and red tart cherry crops were below average. National production of each of the major fruits was greater than in 1968 and above the 1963-67 average.

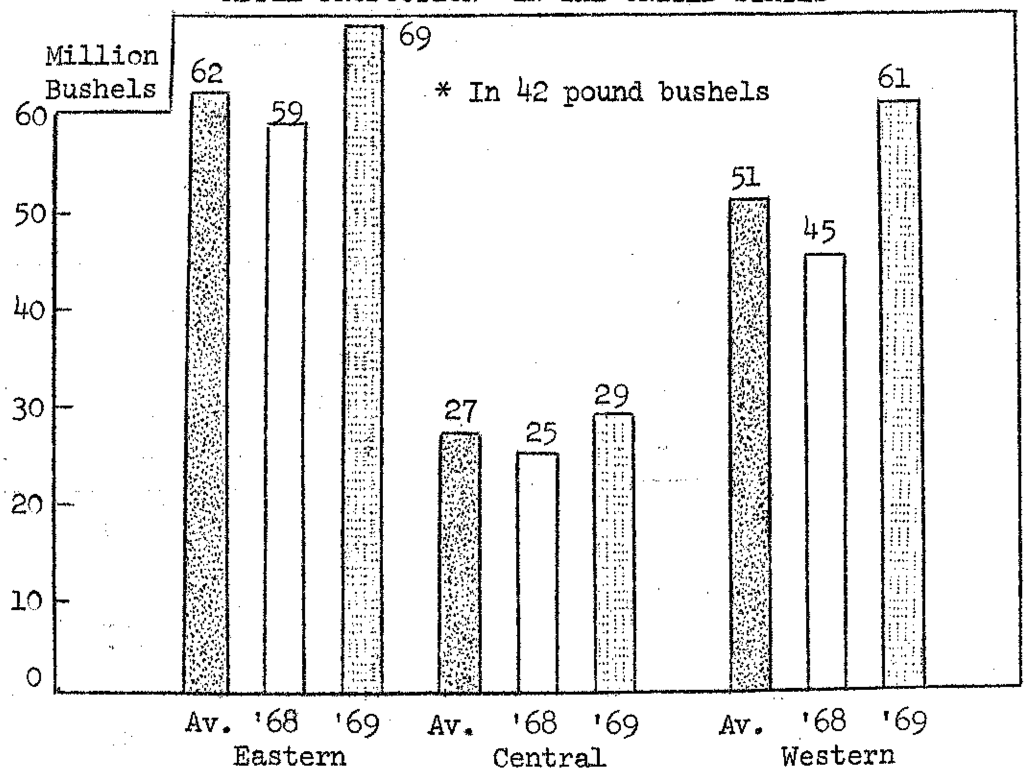
AVERAGE FARM PRICES OF FRUITS, NEW YORK AND UNITED STATES

| Fruit | New York | | | United States | | |
|---|---|---|---|---|---|---|
| | Average 1963-67 | 1968 | 1969 | Average 1963-67 | 1968 | 1969 |
| | | | dollars per ton | | | |
| Apples | | | | | | |
| Fresh | 135 | 192 | | 119 | 168 | |
| Processing | 46 | 68 | | 48 | 66 | |
| All sales | 80 | 120 | | 89 | 125 | |
| Grapes | 124 | 141 | | 57 | 66 | |
| Red tart cherries | 209 | 314 | 157 | 204 | 303 | 149 |
| Pears | 113 | 148 | | 117 | 136 | |
| Peaches | 154 | 206 | 164 | 100 | 109 | 107 |
| Sweet cherries | 251 | 344 | 241 | 354 | 439 | 346 |

Source: Agricultural Prices by U.S.D.A.

The average prices of red tart cherries in New York State and nationally during 1969 were about one-half the 1968 levels and more than $50 per ton below average. The average peach price in New York was down from 1968. The U. S. price was about the same as in 1968 and above the 1963-67 average. Prices received by growers for sweet cherries in New York and nationally were considerably below 1968 levels.

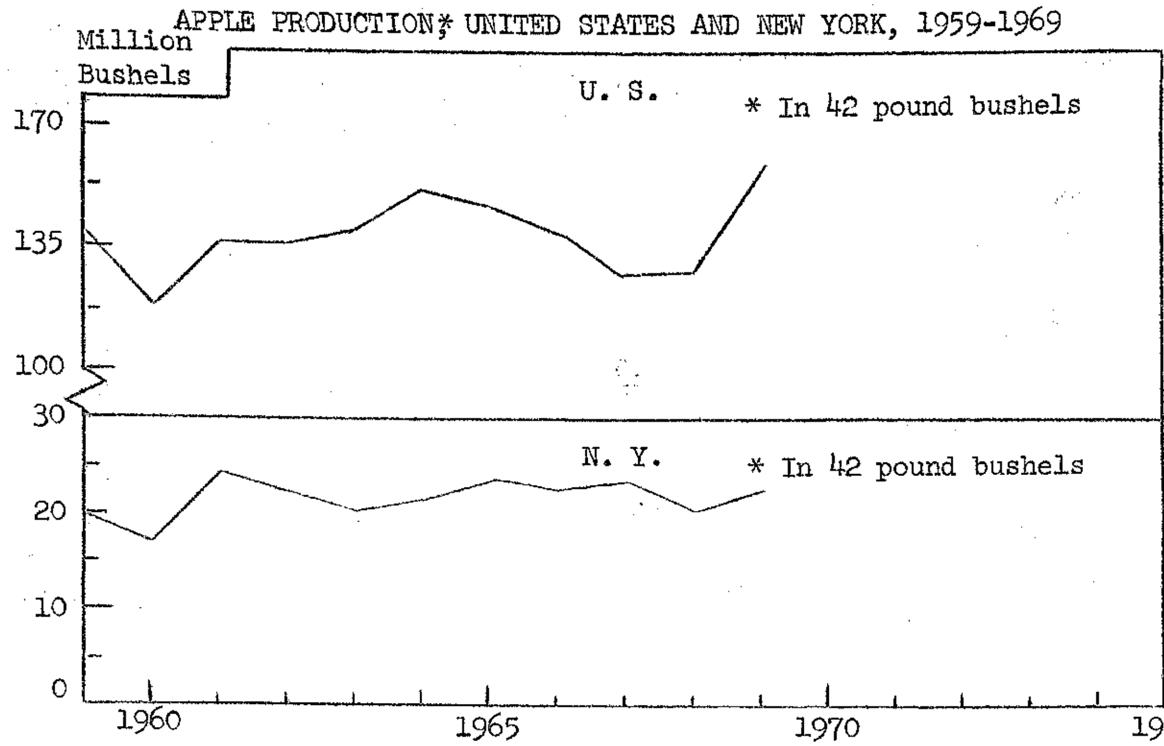
APPLE PRODUCTION* IN THE UNITED STATES




Source: U.S.D.A. Crop Production Average refers to 1963-67.

Apple production during 1969 in each of the major producing areas was above 1968 levels and above average. The greatest increase in terms of bushels was in the Western States.

APPLE PRODUCTION* UNITED STATES AND NEW YORK, 1959-1969




The 1969 national apple crop of 158.6 million bushels was the largest one in recent years. The New York crop of 22 million bushels was about two million bushels larger than the amount produced during 1968.

NATIONAL STORAGE HOLDINGS OF APPLES BY REGIONS, NOVEMBER 1

| Region | 1964-68 Av. | 1967 | 1968 | 1969 |
|---|---|---|---|---|
| | | million bushels | | |
| Northeast | 14.7 | 14.4 | 14.1 | 14.6 |
| Southern | 10.5 | 10.0 | 11.1 | 14.7 |
| Midwest | 9.6 | 8.3 | 9.5 | 10.8 |
| Western | 27.0 | 25.3 | 23.0 | 36.3 |
| U. S. total | 61.8 | 58.0 | 57.7 | 76.4 |

Source: International Apple Association

NATIONAL STORAGE HOLDINGS OF APPLES BY TYPE OF HOLDING, NOVEMBER 1

| Type of holding | 1964-68 Av. | 1967 | 1968 | 1969 |
|---|---|---|---|---|
| | | million bushels | | |
| Graded and packed* | 24.9 | 23.4 | 19.9 | 31.1 |
| Not graded and packed** | 36.9 | 34.6 | 37.8 | 45.3 |
| Total holdings** | 61.8 | 58.0 | 57.7 | 76.4 |
| Processor holdings | 10.7 | 11.1 | 11.6 | 14.3 |
| "Fresh" supplies | 51.1 | 46.9 | 46.1 | 62.1 |
| C. A. holdings | 13.2 | 13.0 | 14.6 | 16.5 |

* Actually graded and packed and stored in boxes, cartons, crates, baskets, or consumer packages, or reported on a converted packed basis.
** Mostly Tree Run; also includes packing house sorts and processor holdings.
Source: International Apple Association

NEW YORK STATE HOLDINGS OF APPLES BY REGIONS, NOVEMBER 1

| Region | 1963-67 Av. | 1967 | 1968 | 1969 |
|---|---|---|---|---|
| | | million bushels | | |
| Eastern | | | | |
| Regular | 2.4 | 1.8 | 2.1 | 2.5 |
| C. A. | 2.5 | 2.6 | 2.8 | 2.9 |
| Total | 4.9 | 4.4 | 4.9 | 5.4 |
| Western | | | | |
| Regular | 3.1 | 3.0 | 3.1 | 2.8 |
| C. A. | .5 | .5 | .5 | .4 |
| Total | 3.6 | 3.5 | 3.6 | 3.2 |
| New York State | | | | |
| Regular | 5.5 | 4.8 | 5.2 | 5.3 |
| C. A. | 3.0 | 3.1 | 3.3 | 3.3 |
| Total | 8.5 | 7.9 | 8.5 | 8.6 |

Source: Bureau of Statistics, State of New York, Department of Agriculture and Markets

## PROCESSED APPLE SITUATION

| Item | Average 1963-67 | 1967 | 1968 | 1969 |
|---|---|---|---|---|
| Applesauce | | million actual cases | | |
| Carryin, Sept. 1 | 3.5 | 2.7 | 4.0 | 4.6 |
| Pack to Nov. 1 | 11.6 | 11.4 | 13.3 | 13.5 |
| Supply | 15.1 | 14.1 | 17.3 | 18.1 |
| Shipments to Nov. 1 | 4.4 | 3.9 | 4.3 | 4.5 |
| Stocks, Nov. 1 | 10.7 | 10.2 | 13.0 | 13.6 |
| Canned Apple Slices | | million cases of 6/10's | | |
| Carryin, Sept. 1 | 1.0 | .8 | 1.1 | 1.3 |
| Pack to Nov. 1 | 1.4 | 1.3 | 1.4 | 1.3 |
| Supply | 2.4 | 2.1 | 2.5 | 2.6 |
| Shipments to Nov. 1 | .8 | .8 | .7 | .6 |
| Stocks, Nov. 1 | 1.6 | 1.3 | 1.8 | 2.0 |
| Frozen Apples | | million pounds | | |
| Stocks, Nov. 1 | 36.3 | 35.5 | 49.0 | 58.9 |
| Apple Juice | | million cases of 24/2's | | |
| Season's Pack | 9.1 | 8.7 | 9.4 | N.A. |

N. A. - not available Source: National Canners Association

A larger carryin of canned applesauce, an increased pack, and average shipments combined to give a total supply of 18.1 million cases on November 1, 1969. Stocks on November 1 were 13.6 million cases, compared with 13.0 million cases a year ago and average stocks of 10.7 million cases. The total supply of canned apple slices was 2.6 million cases on November 1, 1969. On the same date stocks were 2.0 million cases, 400,000 cases above average.

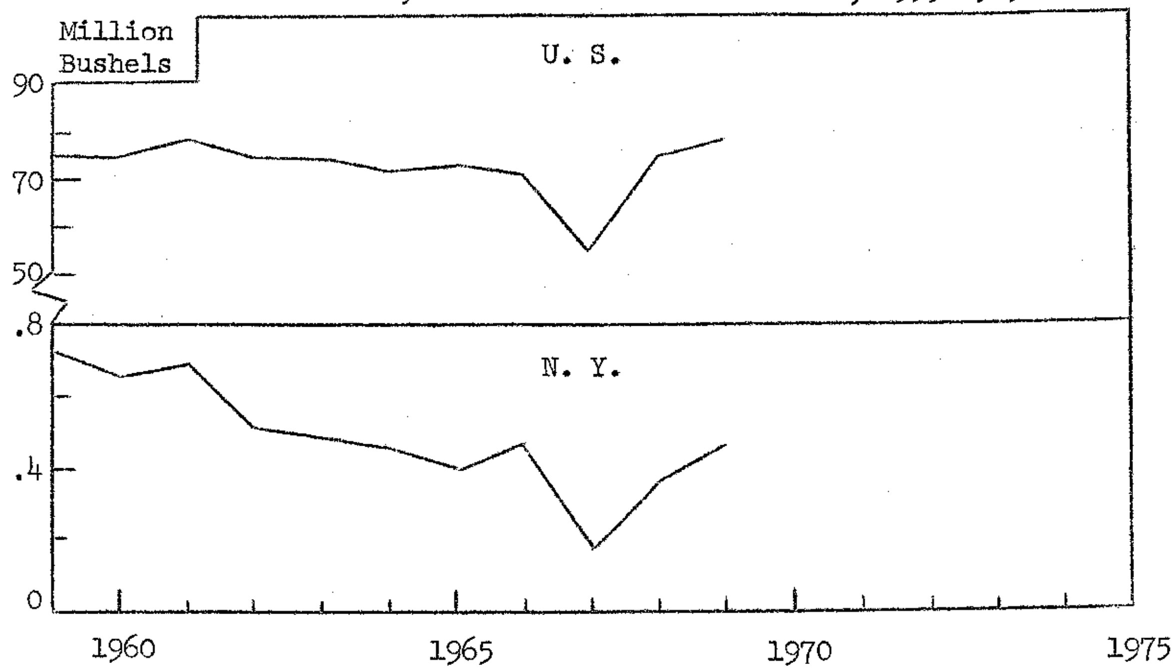
## PROCESSED RED TART CHERRY SITUATION

| Item | Average 1963-67 | 1967 | 1968 | 1969 |
|---|---|---|---|---|
| Canned Cherries | | million actual cases | | |
| Carryin, July 1 | .3 | * | ** | .1 |
| Pack | 2.3 | 1.1 | 1.6 | 2.1 |
| Supply | 2.6 | 1.1 | 1.6 | 2.2 |
| Shipments to Nov. 1 | 1.4 | .5 | .6 | .9 |
| Stocks, Nov. 1 | 1.2 | .6 | 1.0 | 1.3 |
| Frozen Cherries | | million pounds | | |
| Stocks, Nov. 1 | 101.6 | 66.6 | 93.3 | 115.9 |

* 46,000 cases ** 28,000 cases Source: National Canners Association

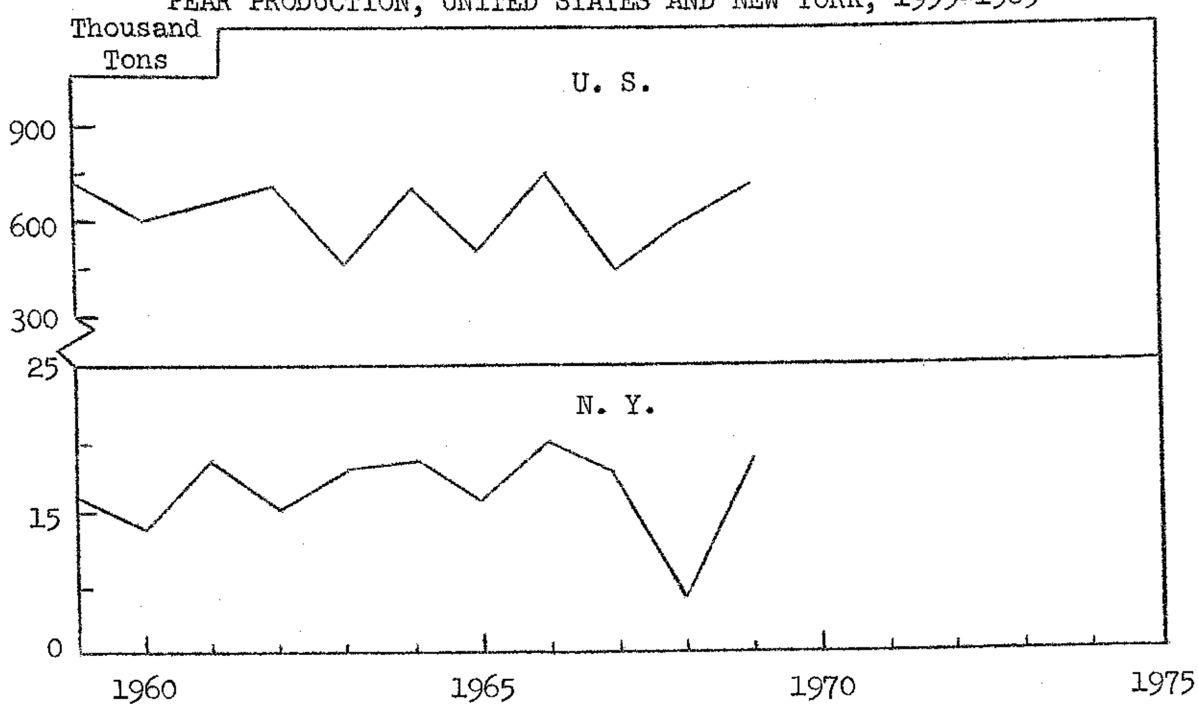
Stocks of canned red tart cherries on November 1, 1969, were 1.3 million cases, just above average and 300,000 cases more than last season on the same date. Stocks of frozen cherries were 115.9 million pounds -- 14 per cent above average.

PEACH PRODUCTION, UNITED STATES AND NEW YORK, 1959-1969



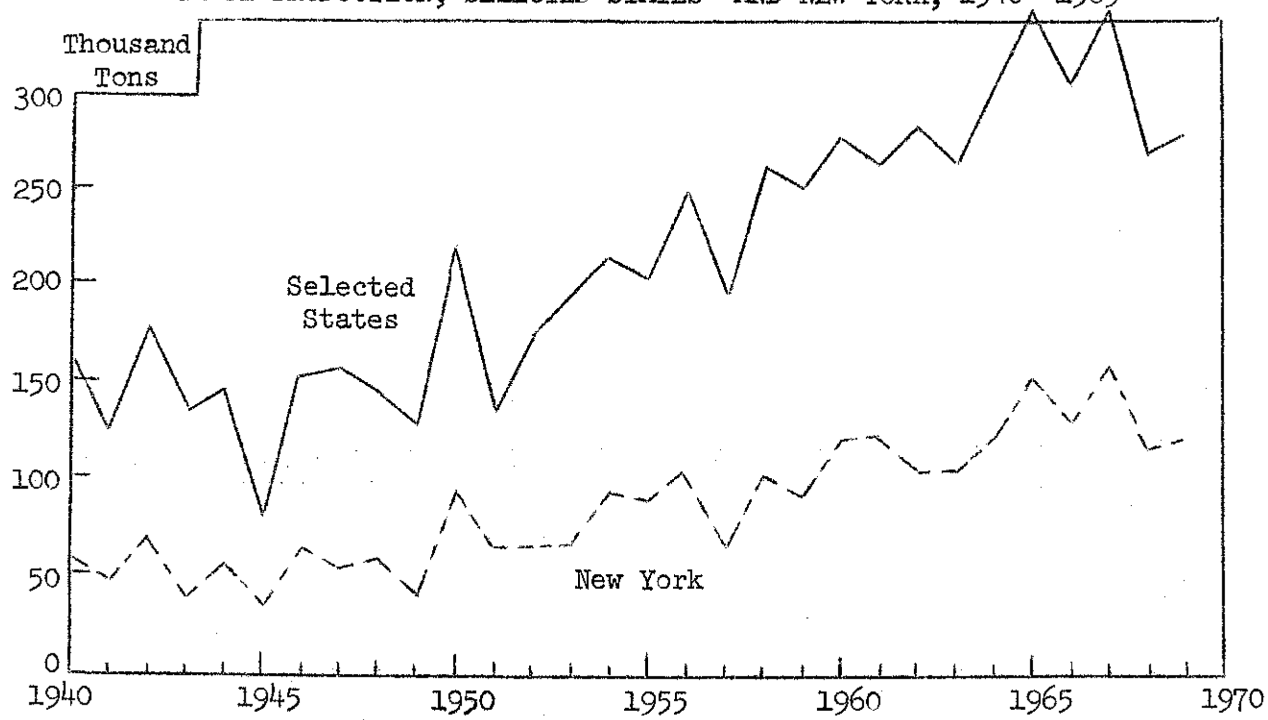

The production of peaches in the U. S. during 1969 amounted to 79 million bushels - an increase of 4 million over 1968. The New York State crop was 450,000 bushels - the largest amount produced since 1966.

PEAR PRODUCTION, UNITED STATES AND NEW YORK, 1959-1969




National pear production in 1969 was 711 thousand tons, up 105 thousand tons from the light 1968 crop. Pear production in New York was 18 thousand tons - almost double the short crop produced in 1968.

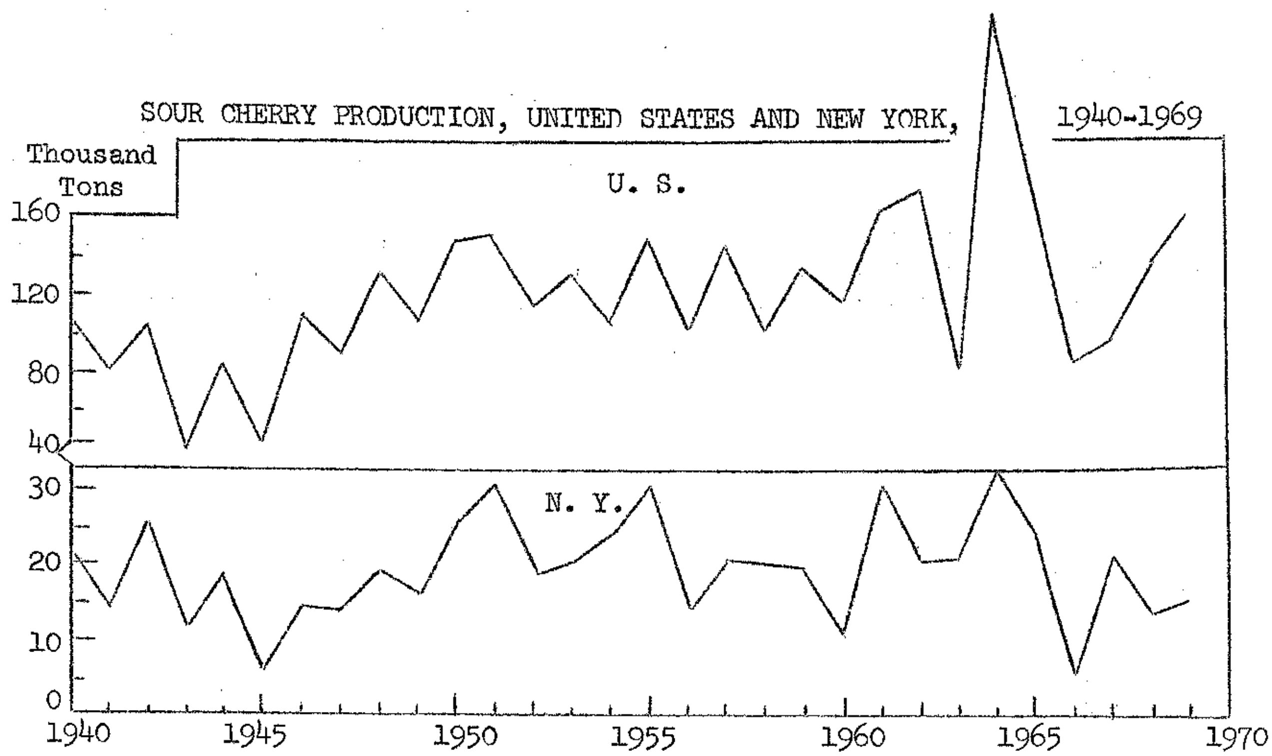
GRAPE PRODUCTION, SELECTED STATES* AND NEW YORK, 1940- 1969




* N. Y., Pa., Ohio, Mich., Ark., and Wash.

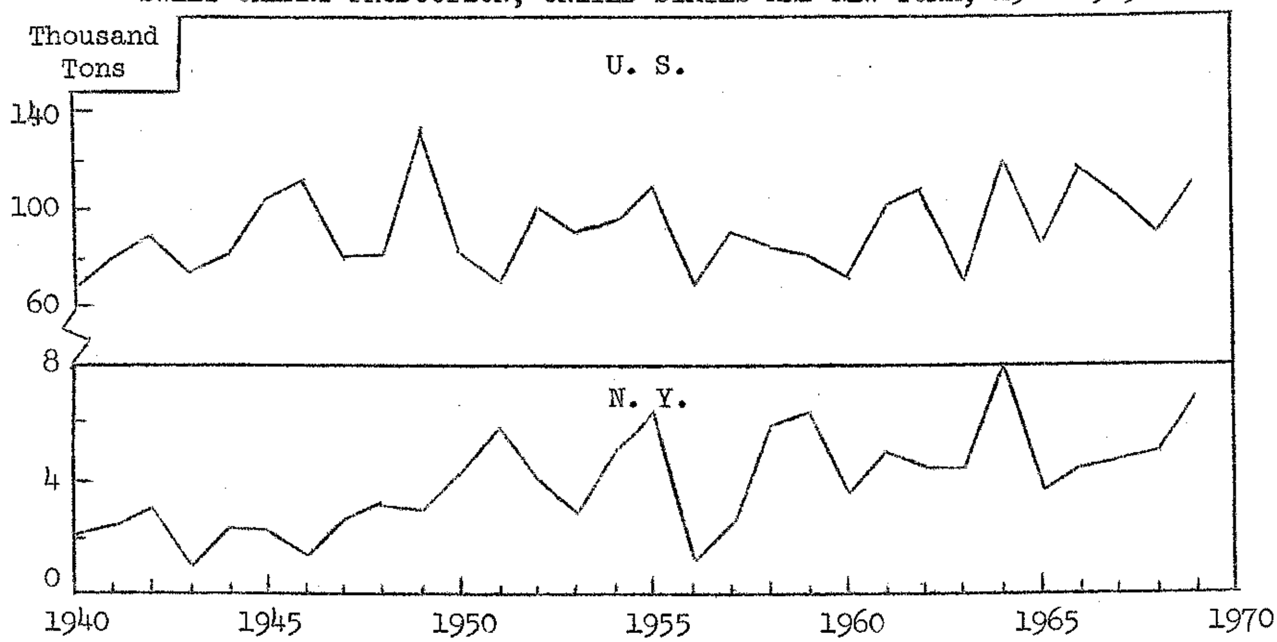
Grape production during 1969 in the six states producing the American-type grape came to 279 thousand tons -- a relatively light supply for the second year in a row. The New York State crop of 120 thousand tons was up only moderately over 1968.

SOUR CHERRY PRODUCTION, UNITED STATES AND NEW YORK, 1940-1969




The national red tart cherry crop of 161 thousand tons was up 33 thousand tons from 1968 and above average in size. New York State's crop of 15.5 thousand tons was only one thousand tons larger than 1968 and below average in size.

SWEET CHERRY PRODUCTION, UNITED STATES AND NEW YORK, 1940-1969




The United States sweet cherry crop of 115 thousand tons was over 24 thousand tons larger than the 1968 crop and above average in size. The 1969 New York crop of seven thousand tons was the largest crop since 1964 when 8 thousand tons were produced.

RELATIVE IMPORTANCE OF BEARING AND NON-BEARING TREES AND VINES
FOR SELECTED FRUITS IN EASTERN AND WESTERN NEW YORK, 1966

| Kind of fruit and area | Number of trees | | Trees under seven years | |
|---|---|---|---|---|
| | Seven years and older | Under seven years of age | Per cent of total trees | Approximate percentage necessary to maintain bearing tree numbers |
| | thousands | | per cent | |
| Apples: | | | | |
| Eastern | 921 | 264 | 22 | |
| Western | 1,279 | 423 | 25 | |
| State total | 2,200 | 687 | 24 | 15 |
| Peaches: | | | | |
| Eastern | 54 | 46 | 46 | |
| Western | 127 | 115 | 47 | |
| State total | 181 | 161 | 47 | 25 |
| Pears: | | | | |
| Eastern | 109 | 55 | 33 | |
| Western | 205 | 143 | 41 | |
| State total | 314 | 198 | 39 | 15 |
| Sour cherries: | | | | |
| Eastern | 18 | 4 | 19 | |
| Western | 495 | 108 | 18 | |
| State total | 513 | 112 | 18 | 25 |
| Sweet cherries: | | | | |
| Eastern | 28 | 5 | 19 | |
| Western | 93 | 32 | 26 | |
| State total | 112 | 37 | 25 | 25 |
| Plums and prunes: | | | | |
| Eastern | 30 | 23 | 43 | |
| Western | 101 | 49 | 32 | |
| State total | 132 | 72 | 35 | 25 |
| Grapes: | | Acres | | |
| Eastern | 1.2 | .1 | 11 | |
| Finger Lakes | 9.0 | 1.8 | 16 | |
| Western | 17.2 | 3.9 | 18 | |
| State total | 27.4 | 5.8 | 18 | 8 |

Source: New York Fruit Tree and Vineyard Survey, 1966, AMA Release No. 98, by the New York Crop Reporting Service, September, 1966.

Except for sour cherries, planting levels during the past few years have been high enough to maintain or increase the number of bearing trees of each of the fruits in New York State.

RELATIVE IMPORTANCE OF APPLE VARIETIES AND HOW THEY WERE BEING MAINTAINED, NEW YORK STATE, 1966

| Variety | Bearing trees 1/ | Non-bearing trees 2/ | Proportion non-bearing |
|---|---|---|---|
| | per cent of total | | per cent |
| McIntosh | 27 | 15 | 15 |
| Delicious | 13 | 25 | 37 |
| R. I. Greening | 12 | 6 | 14 |
| Rome | 11 | 5 | 13 |
| Cortland | 9 | 2 | 6 |
| Baldwin | 5 | * | 1 |
| Golden Delicious | 5 | 13 | 46 |
| Northern Spy | 4 | 2 | 12 |
| Twenty Ounce | 3 | 5 | 34 |
| Ben Davis | 2 | * | 4 |
| Wealthy | 2 | * | 3 |
| Early McIntosh | 1 | 2 | 31 |
| Monroe | 1 | 3 | 44 |
| Idared | * | 9 | 76 |
| Wayne | * | 4 | 98 |
| Jonathan | * | 1 | 44 |
| Other | 5 | 8 | 33 |
| Total | 100 | 100 | 24 |
| Number of trees (000) | 2,200 | 687 | - |

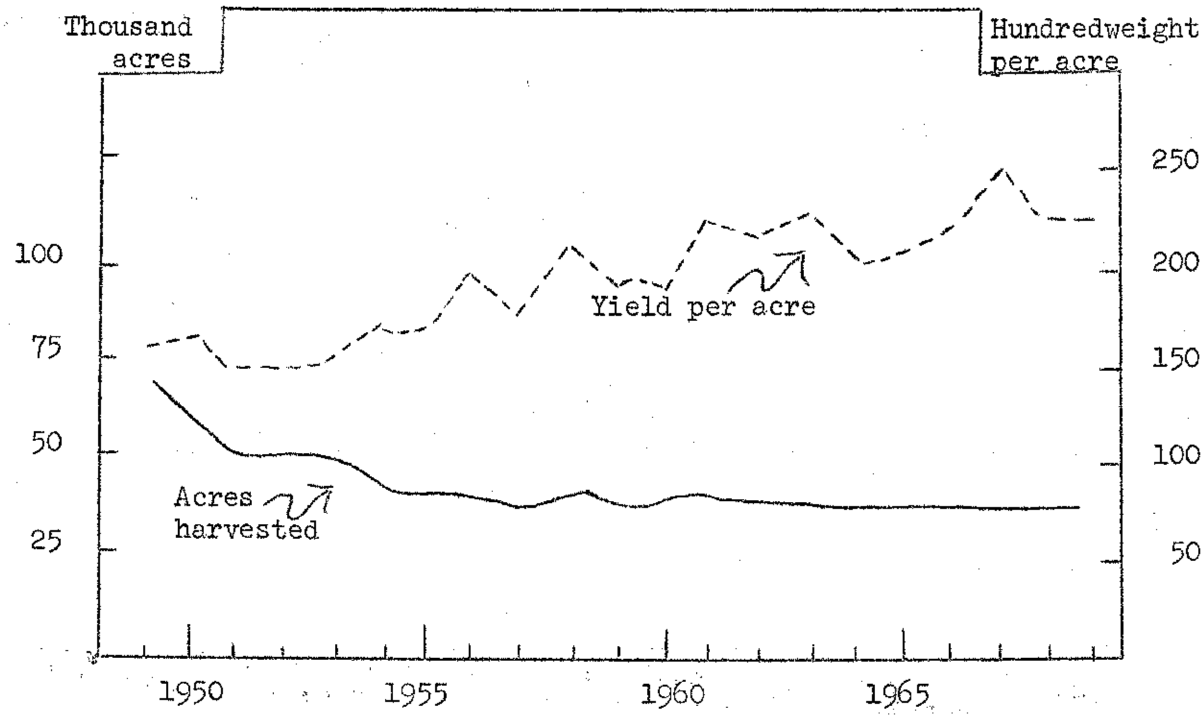
1/ Seven years and older 2/ Under seven years * Less than 1 per cent.

Source: New York Fruit Tree and Vineyard Survey, 1966, AMA Release No. 98, by the New York Crop Reporting Service, September, 1966.

Changes will take place in the importance of apple varieties in New York State in the next few years. The leading variety, McIntosh, is not as important in young plantings as among mature trees so bearing tree numbers will decline over time. The same is true for Rhode Island Greening and Rome. On the other hand, Delicious has been heavily planted in the State. The same is true for Golden Delicious. Several newer varieties - Monroe, Idared and Wayne - account for 16 per cent of the non-bearing trees.

POTATO ACREAGE AND YIELD PER ACRE

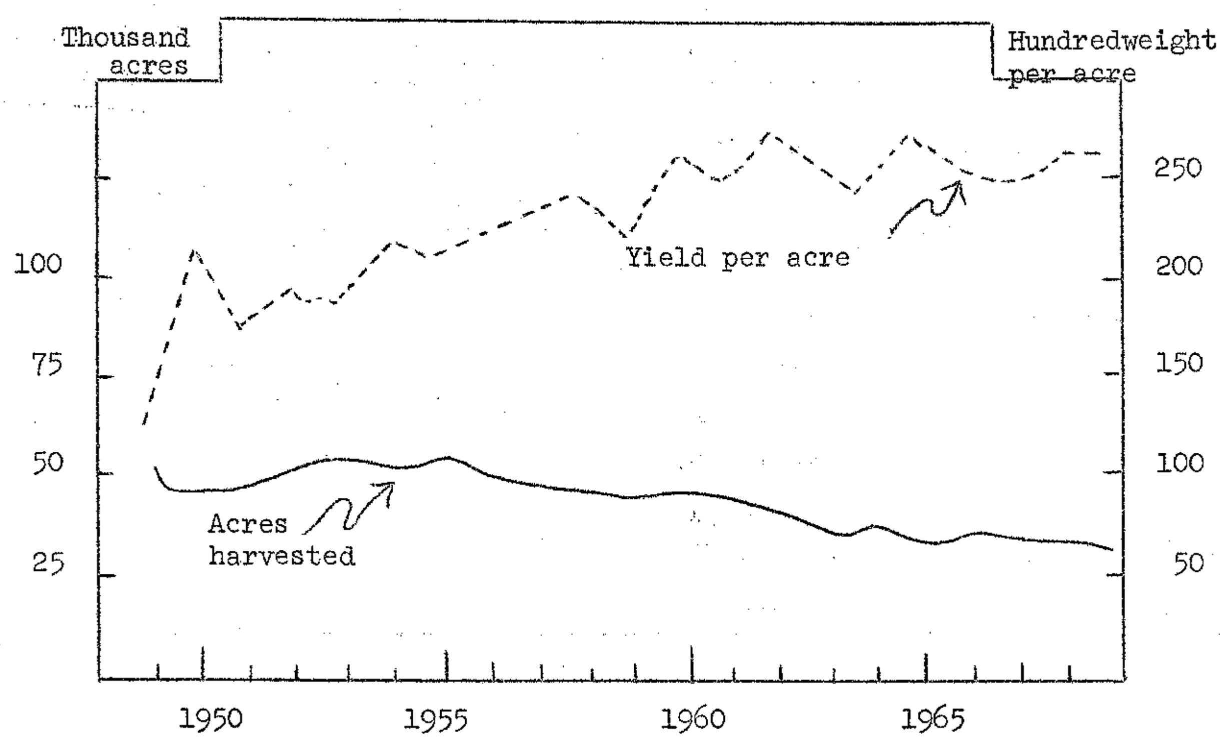
Upstate New York



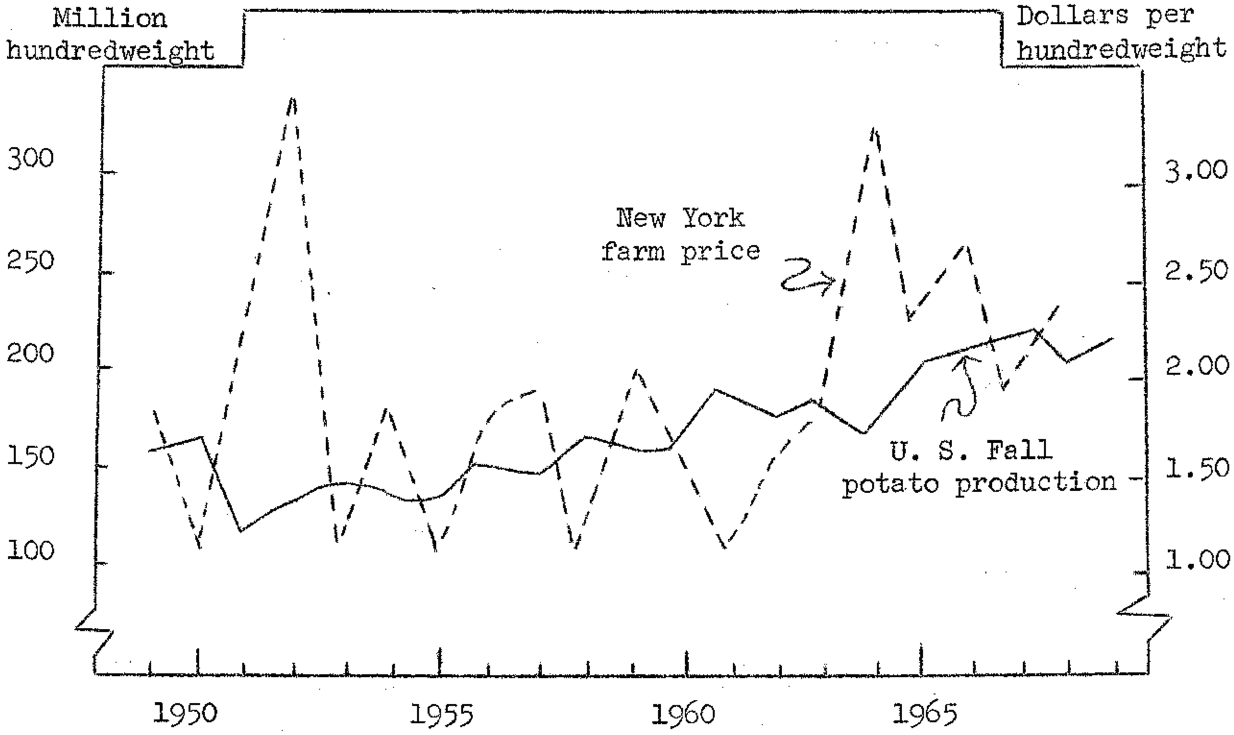

Potato acreage has declined gradually both in Upstate New York and on Long Island, while yield per acre has risen substantially in both areas in recent years.

POTATO ACREAGE AND YIELD PER ACRE

Long Island



U. S. FALL POTATO PRODUCTION
AND NEW YORK FARM PRICE




There has been a fairly consistent upward trend during the last ten years in U. S. production of potatoes during the fall season, and considerable fluctuation in New York farm prices of potatoes. Changes in potato production per capita from year to year is the major factor associated with changing farm prices, although there are other contributing factors.

U. S. FALL POTATO PRODUCTION
AND NEW YORK FARM PRICE

| Season | U. S. Fall Production | New York Season Average Farm Price | | |
|---|---|---|---|---|
| | | Upstate | Long Island | All |
| | million hundredweight | | dollars | |
| 1959-63 average | 190.6 | $2.02 | $1.58 | $1.76 |
| 1964 | 172.2 | 3.91 | 3.17 | 3.50 |
| 1965 | 213.8 | 2.80 | 2.16 | 2.43 |
| 1966 | 227.8 | 3.00 | 2.60 | 2.78 |
| 1967 | 231.5 | 2.29 | 1.54 | 1.90 |
| 1968 | 220.9 | 2.71 | 1.96 | 2.31 |
| 1969 | 231.2 | -- | -- | -- |

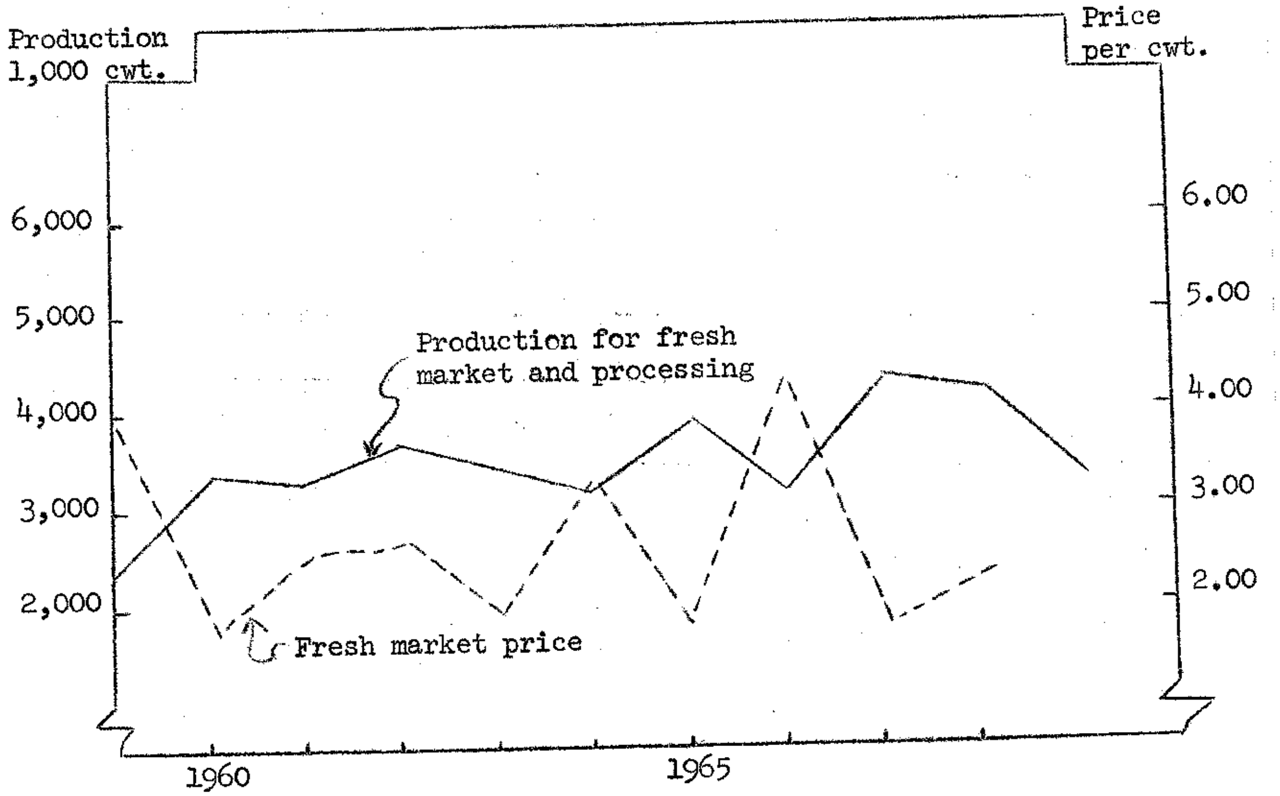
VEGETABLES FOR FRESH MARKET: ACREAGE AND YIELD

New York

| Crop | Season | Acreage harvested 1967 | 1968 | 1969 | Yield per acre 1967 | 1968 | 1969 |
|---|---|---|---|---|---|---|---|
| | | | acres | | | hundredweight | |
| Sweet corn | Late summer | 18,200 | 18,800 | 18,000 | 54 | 52 | 55 |
| Cabbage* | Early fall, L.I. | 1,300 | 1,100 | 1,200 | 198 | 220 | 210 |
| | Upstate | 10,150 | 10,200 | 10,400 | 400 | 405 | 330 |
| Onions* | Late summer | 14,000 | 13,400 | 13,200 | 300 | 280 | 275 |
| Snap beans | Summer | 7,200 | 6,700 | 6,200 | 41 | 42 | 45 |
| Cauliflower* | Summer | 1,800 | 1,800 | 1,700 | 95 | 100 | 100 |
| | Early fall, L.I. | 1,700 | 1,800 | 1,500 | 125 | 125 | 115 |
| Tomatoes | Late summer | 4,200 | 4,300 | 4,300 | 105 | 115 | 115 |
| Lettuce | Summer | 5,000 | 3,750 | 3,600 | 171 | 165 | 160 |
| Cucumbers | Late summer | 3,000 | 2,900 | 2,700 | 85 | 88 | 90 |
| Carrots* | Early fall | 1,900 | 2,200 | 2,300 | 330 | 335 | 320 |
| Celery* | Late summer | 1,800 | 2,000 | 2,100 | 310 | 290 | 300 |
| Cantaloups | Late summer | 900 | 800 | 800 | 95 | 100 | 95 |
| Green peppers | Late summer | 800 | 800 | 800 | 70 | 60 | 60 |
| Brussel sprouts* | Fall | 900 | 1,200 | 1,300 | 64 | 65 | 70 |

* Includes production for both fresh market and processing.

EARLY FALL CABBAGE: UPSTATE NEW YORK




| Crop year | Acres harvested | Yield per acre | Total production | Price per cwt |
|---|---|---|---|---|
| | 1,000 acres | cwt. | 1,000 cwt. | |
| 1959 | 10.3 | 230 | 2,369 | $3.85 |
| 1960 | 10.9 | 310 | 3,379 | 1.80 |
| 1961 | 10.4 | 320 | 3,328 | 2.60 |
| 1962 | 10.6 | 345 | 3,657 | 2.75 |
| 1963 | 10.6 | 330 | 3,498 | 2.00 |
| 1964 | 10.3 | 315 | 3,244 | 3.45 |
| 1965 | 10.8 | 365 | 3,942 | 1.95 |
| 1966 | 9.7 | 325 | 3,152 | 4.45 |
| 1967 | 10.3 | 425 | 4,378 | 1.90 |
| 1968 | 10.2 | 405 | 4,131 | 2.10 |
| 1969 | 10.4 | 330 | 3,432 | -- |

VEGETABLES FOR PROCESSING: ACREAGE AND PRODUCTION

United States

| | Acreage: Harvested 1967 | Acreage: Harvested 1968 | Acreage: For harvest 1969 | Production 1967 | Production 1968 | Production Ind. 1969 |
|---|---|---|---|---|---|---|
| | thousand acres | | | thousand tons | | |
| Green lima beans | 97.3 | 104.7 | 85.8 | 115.7 | 115.1 | 100.7 |
| Snap beans | 274.0 | 267.1 | 246.7 | 636.8 | 626.7 | 580.9 |
| Beets | 17.6 | 21.2 | 17.7 | 206.4 | 269.2 | 225.9 |
| Cabbage for kraut (contract) | 11.4 | 10.8 | 11.0 | 217.9 | 200.0 | 190.7 |
| Sweet corn | 470.6 | 519.2 | 439.8 | 2,101.9 | 2,479.3 | 2,035.8 |
| Cucumbers for pickles | 154.7 | 144.8 | 131.8 | 595.6 | 554.6 | 508.8 |
| Green peas | 458.2 | 452.1 | 421.8 | 590.6 | 581.7 | 560.4 |
| Spinach: Winter | 10.9 | 10.6 | 8.1 | 93.4 | 87.6 | 64.6 |
| Spring | 10.2 | 9.3 | 8.5 | 38.7 | 42.0 | 43.2 |
| Fall | 6.1 | 5.5 | 6.0 | 24.9 | 24.2 | 26.7 |
| Tomatoes | 327.6 | 370.2 | 274.0 | 5,187.5 | 6,965.9 | 5,034.2 |
| Total 9 Vegetables | 1,838.6 | 1,915.4 | 1,650.9 | 9,809.3 | 11,946.4 | 9,371.6 |
| Asparagus for processing | 98.1 | 94.6 | Dec. 18 | 111.0 | 115.9 | Dec. 18 |
| Cabbage for kraut (open market) | 2.9 | 1.7 | Dec. 18 | 55.2 | 31.9 | Dec. 18 |
| Total 10 Vegetables | 1,939.6 | 2,011.7 | | 9,975.4 | 12,094.1 | |

Source: U.S.D.A. Vegetables - Processing November 1969

## VEGETABLES FOR PROCESSING: ACREAGE AND YIELD
New York

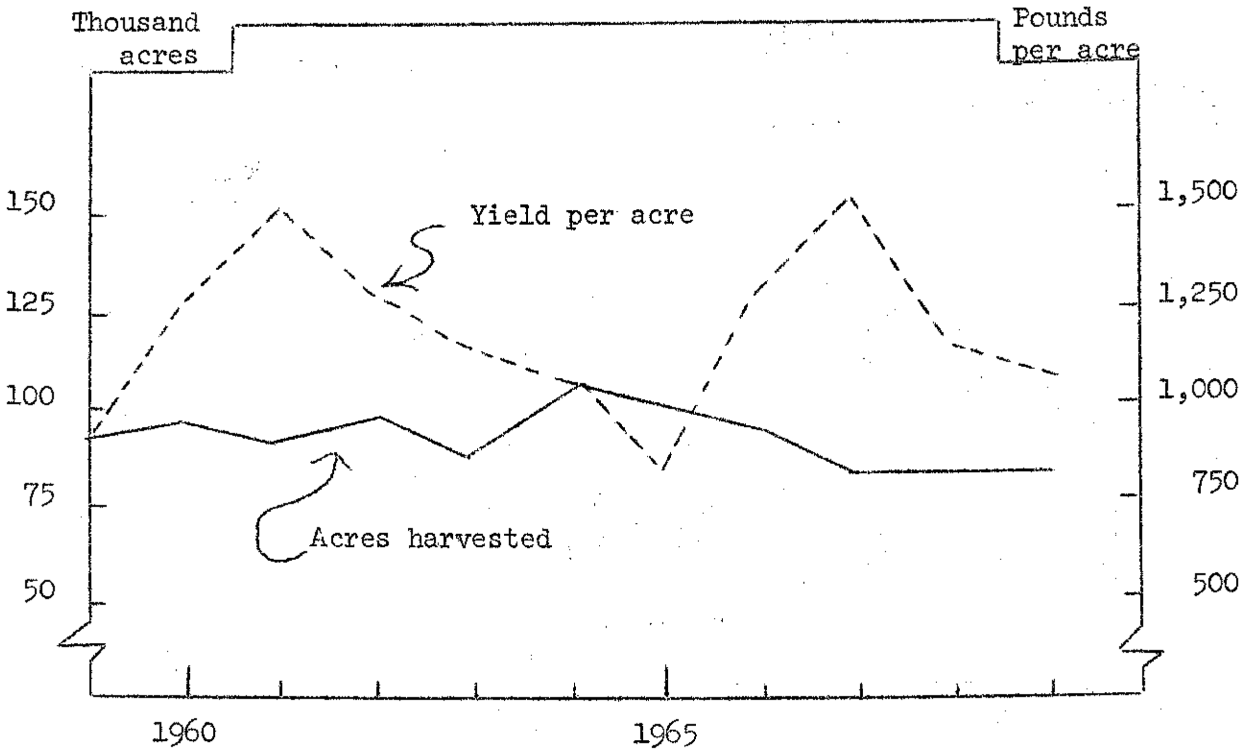
| Crop | Acreage harvested | | | Yield per acre | | |
|---|---|---|---|---|---|---|
| | 1967 | 1968 | 1969 | 1967 | 1968 | 196 |
| Snap beans | 52,600 | 53,500 | 52,000 | 2.0 | 1.8 | 1. |
| Sweet corn | 14,800 | 15,000 | 14,000 | 5.20 | 5.25 | 4. |
| Green peas | Not separately reported | | | | | |
| Tomatoes | 6,700 | 7,000 | 5,400 | 13.5 | 12.1 | 13. |
| Beets | 4,600 | 5,100 | 4,600 | 17.0 | 17.5 | 15. |
| Cabbage (contract only) | 3,000 | 3,170 | 3,300 | 24.4 | 23.0 | 20. |
| Cabbage (total) | 4,400 | 4,000 | --- | 24.5 | 23.0 | -- |

## VEGETABLES FOR PROCESSING: FARM PRICES
New York

| Crop | 1966 | 1967 | 1968 | 196 |
|---|---|---|---|---|
| Snap beans | $ 92.80 | $ 92.00 | $ 91.40 | -- |
| Sweet corn | 22.20 | 22.50 | 30.30 | -- |
| Green peas | 117.00 | 116.00 | 103.00 | -- |
| Tomatoes | 37.50 | 43.00 | 41.50 | -- |
| Beets | 19.30 | 19.20 | 20.30 | -- |
| Cabbage | 24.20 | 15.60 | 17.20 | -- |

DRY BEAN HARVESTED ACREAGE AND YIELD PER ACRE

New York



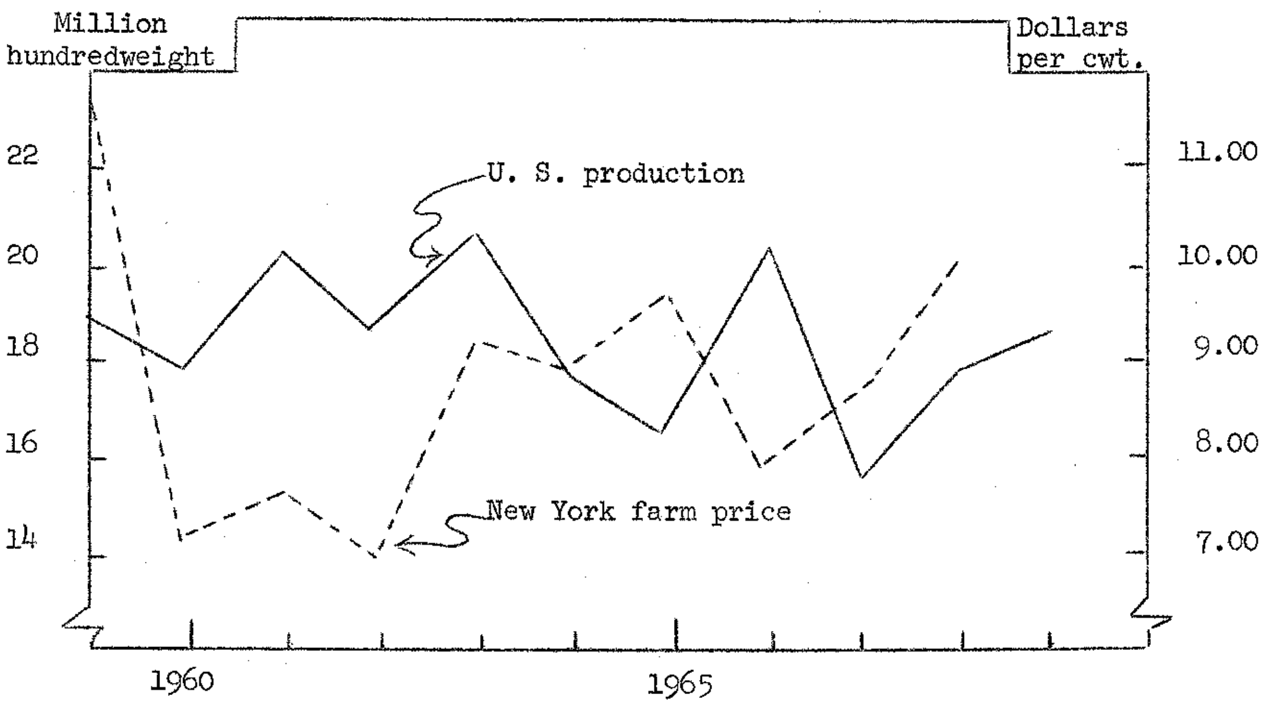

The acreage of dry beans harvested in New York during the past ten years has tended to level out. Yields have varied considerably. Red Kidneys continue to be the most important class of beans grown in New York although production has declined in recent years. Production of Black Turtle Soup has increased.

DRY BEAN PRODUCTION BY CLASSES

New York

| Year | Acres harvested | Yield per acre | Production by Classes: Red Kidneys | Black Turtle | Other | Total production |
|---|---|---|---|---|---|---|
| | thousands | pounds | thousand cwt. cleaned basis | | | |
| 1959 | 89 | 940 | 653 | 82 | 99 | 837 |
| 1960 | 96 | 1,270 | 984 | 144 | 91 | 1,219 |
| 1961 | 87 | 1,530 | 958 | 220 | 153 | 1,331 |
| 1962 | 98 | 1,300 | 884 | 317 | 73 | 1,274 |
| 1963 | 82 | 1,180 | 774 | 103 | 91 | 968 |
| 1964 | 106 | 1,100 | 798 | 308 | 60 | 1,166 |
| 1965 | 101 | 850 | 562 | 192 | 88 | 842 |
| 1966 | 93 | 1,300 | 877 | 295 | 128 | 1,300 |
| 1967 | 82 | 1,530 | 673 | 321 | 108 | 1,102 |
| 1968 | 82 | 1,180 | 548 | 331 | 83 | 972 |
| 1969 | 82 | 1,100 | --- | --- | --- | 902 |

U. S. DRY BEAN PRODUCTION, NEW YORK FARM PRICE



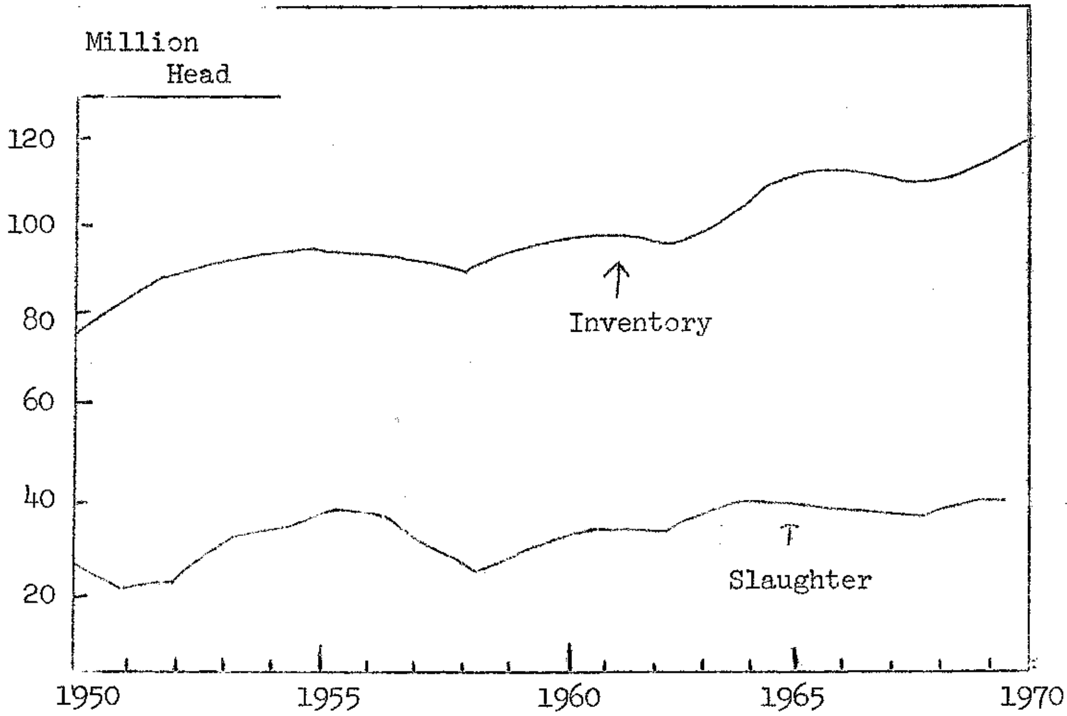

The New York farm price of dry beans is a composite of several different classes. Price supports provide a floor under Red Kidney prices. Supports are not available for Black Turtle Soup, and the market depends on export business. Total supply of the particular class as well as supplies of competing classes influence market prices.

U. S. DRY BEAN PRODUCTION, U. S. RED KIDNEY PRODUCTION,

AND NEW YORK PRICES

| Year | U. S. Production: All classes | U. S. Production: Red kidneys | New York farm pric |
|---|---|---|---|
| | thousand hundredweight | | per hundredweigh |
| 1959 | 18,853 | 988 | $11.70 |
| 1960 | 17,917 | 1,474 | 7.20 |
| 1961 | 20,287 | 1,555 | 7.60 |
| 1962 | 18,599 | 1,579 | 7.00 |
| 1963 | 20,612 | 1,691 | 9.20 |
| 1964 | 17,809 | 1,636 | 8.90 |
| 1965 | 16,501 | 1,366 | 9.70 |
| 1966 | 20,271 | 1,658 | 7.80 |
| 1967 | 15,177 | 1,158 | 8.70 |
| 1968 | 17,676 | 1,174 | 10.00 |
| 1969 | 18,777 | --- | --- |

CATTLE AND CALVES ON FARMS, JANUARY 1 AND
TOTAL CATTLE AND CALF SLAUGHTER - U.S.




Source: Livestock and Meat Situation, USDA
1969 Slaughter: Estimated
1970 Inventory: Forecast

The big story in the cattle industry is hidden in these statistics. Although cattle numbers have increased only 5% in the last 14 years, beef production is up 50% since 1954.

Growth in output has come about through a substantial change in the make-up of the cattle inventory, a change in the mix of slaughter cattle and the growth of feed lot finishing. Beef cattle now account for 80% of the total U.S. cattle inventory compared to 62% in 1954. Veal marketings have declined by approximately 7 million head and beef marketings are up nearly 10 million head since 1954 In 1954, about 60% of the beef output was from non-fed beef. Today, 90% of all steers and heifers slaughtered are off the feed lot. In short, beef cattle numbers have increased and they have been reaching the market faster at heavier weight and higher yields. Further increases in beef output will be limited largely to expansion in the beef breeding herd and improved production efficiencies.

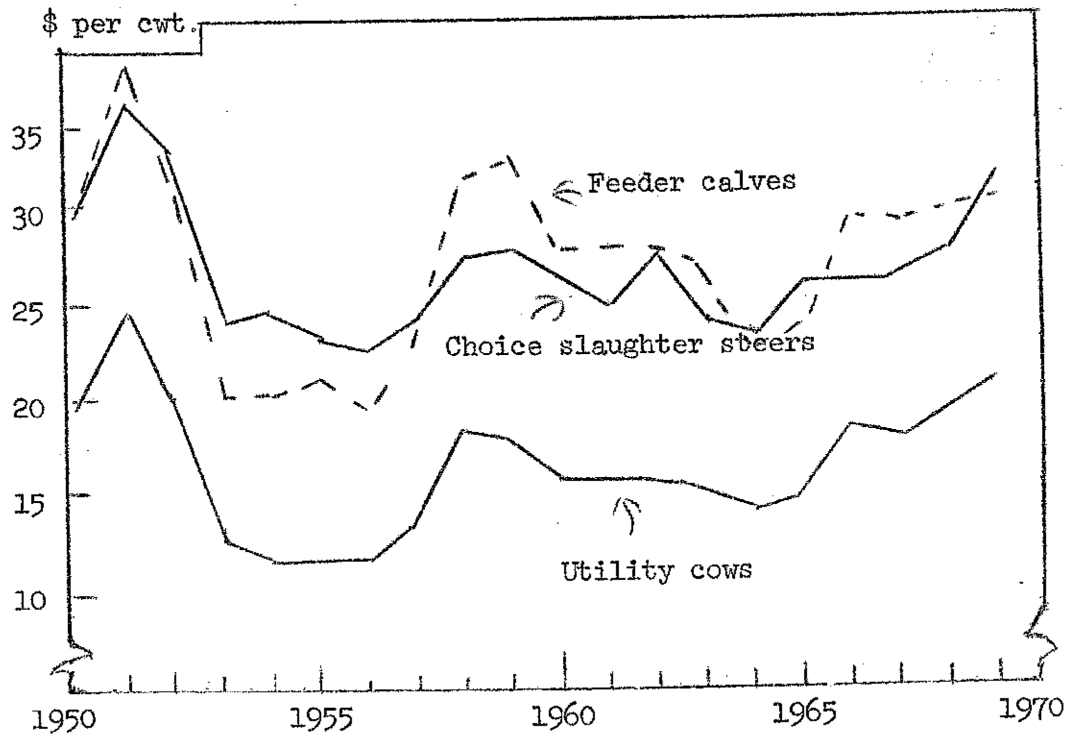
CATTLE ON FARMS, JANUARY 1 AND
TOTAL CATTLE AND CALF SLAUGHTER

| Year | Inventory January 1 | Slaughter |
|---|---|---|
| | (1,000 head) | |
| 1955 | 96,592 | 39,452 |
| 1956 | 95,900 | 40,754 |
| 1957 | 92,860 | 39,421 |
| 1958 | 91,176 | 34,106 |
| 1959 | 93,322 | 31,794 |
| 1960 | 96,236 | 34,644 |
| 1961 | 97,700 | 34,551 |
| 1962 | 100,369 | 34,768 |
| 1963 | 104,488 | 35,274 |
| 1964 | 107,903 | 39,310 |
| 1965 | 109,000 | 40,959 |
| 1966 | 108,862 | 41,032 |
| 1967 | 108,645 | 40,407 |
| 1968 | 109,152 | 41,024 |
| 1969 | 109,661 | 41,200* |
| 1970** | 110.0-110.5 | --- |

* Estimated

** Forecast

STEER AND COW PRICES AT SELECTED MARKETS




Source: Livestock and Meat Statistics, USDA
Livestock and Meat Situation, USDA

Lower spring production and strong demand sparked a sharp spring price rise for fed cattle. Some seasonal decline occurred during the summer, but prices strengthened again in the fall averaging $29 in October, (choice steers at Chicago), $1 higher than a year earlier. This level will be maintained through the winter and prices are expected to remain strong in 1970.

Utility cow prices will average more than $2 per cwt. higher in 1969. Prospects for smaller pork supplies in early 1970 combined with no signigicant increase in cow slaughter may bolster cow prices higher this winter.

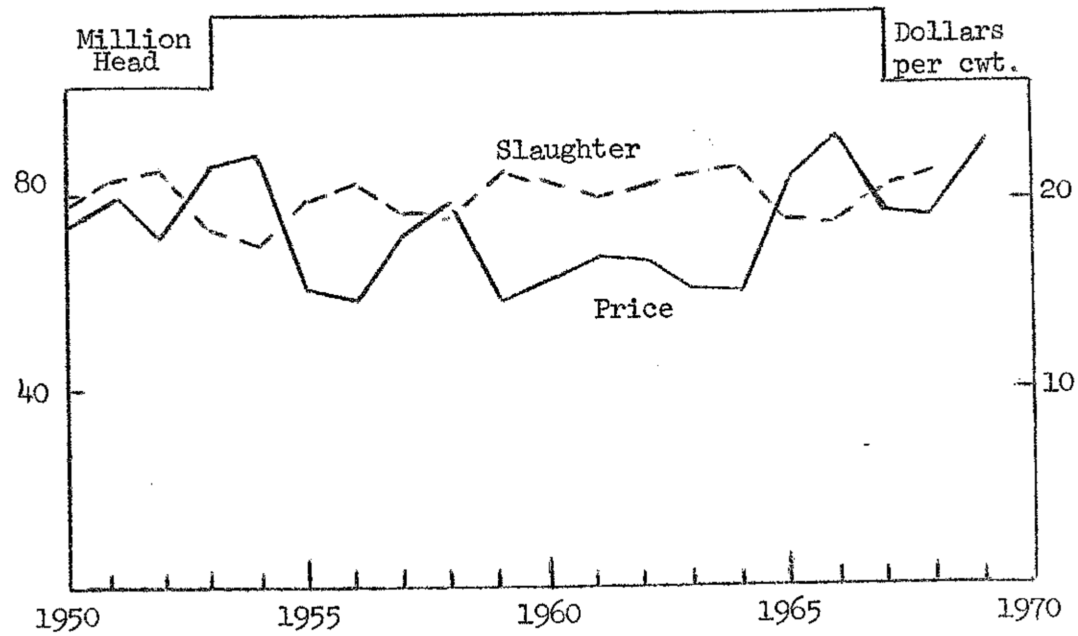
Prices of feeder cattle averaged well above 1968 levels reflecting good pasture conditions and strong demand. They are expected to rise seasonally and stay above prices of a year earlier in 1970.

STEER AND COW PRICES
1955 to Date

| Year | Choice Sl. Steers 1/ | Utility Cows 1/ | Feeder Calves 2/ |
|---|---|---|---|
| | (Dollars per Cwt.) | | |
| 1955 | 23.16 | 11.52 | 21.04 |
| 1957 | 23.83 | 13.61 | 23.36 |
| 1958 | 27.42 | 18.41 | 31.68 |
| 1959 | 27.83 | 17.79 | 32.65 |
| 1960 | 26.24 | 15.68 | 27.88 |
| 1961 | 24.65 | 15.66 | 27.77 |
| 1962 | 27.67 | 15.50 | 27.69 |
| 1963 | 23.96 | 15.10 | 27.02 |
| 1964 | 23.12 | 13.74 | 22.57 |
| 1965 | 26.19 | 14.46 | 23.70 |
| 1966 | 26.29 | 18.02 | 28.38 |
| 1967 | 26.04 | 17.52 | 28.00 |
| 1968 | 27.74 | 18.45 | 29.10 |
| 1969* | 31.00 | 20.68 | 30.00 |

1/ At Chicago.
2/ Good & choice steers, Kansas City.
* Preliminary

HOG SLAUGHTER AND PRICE -- UNITED STATES




Source Livestock and Meat Statistics, USDA

Commercial hog slaughter last winter was about 4% higher than a year earlier, but dropped sharply in May and barely maintained 1968 output levels through August. September slaughter fell 6% below 1968 levels and has remained at this relative position to date. As a result, total hog slaughter will be down 2-3% in 1969.

During the first half of 1970, hog slaughter is expected to continue below the 1969 winter and spring output. This will result from 2% fewer pigs on farms this fall and 1% fewer pigs born during the same period. If hog producers carry through with their intentions to farrow 2% more sows this winter, and if hog-feed price relationships remain favorable, hog slaughter during the second half of 1970 should exceed 1969 levels.

1969 hog prices were up sharply nearly equaling the increase of 1964. 1970 hog prices are expected to average above 1969 prices for the first half of the year reflecting the smaller supply and continuing strong consumer demand.

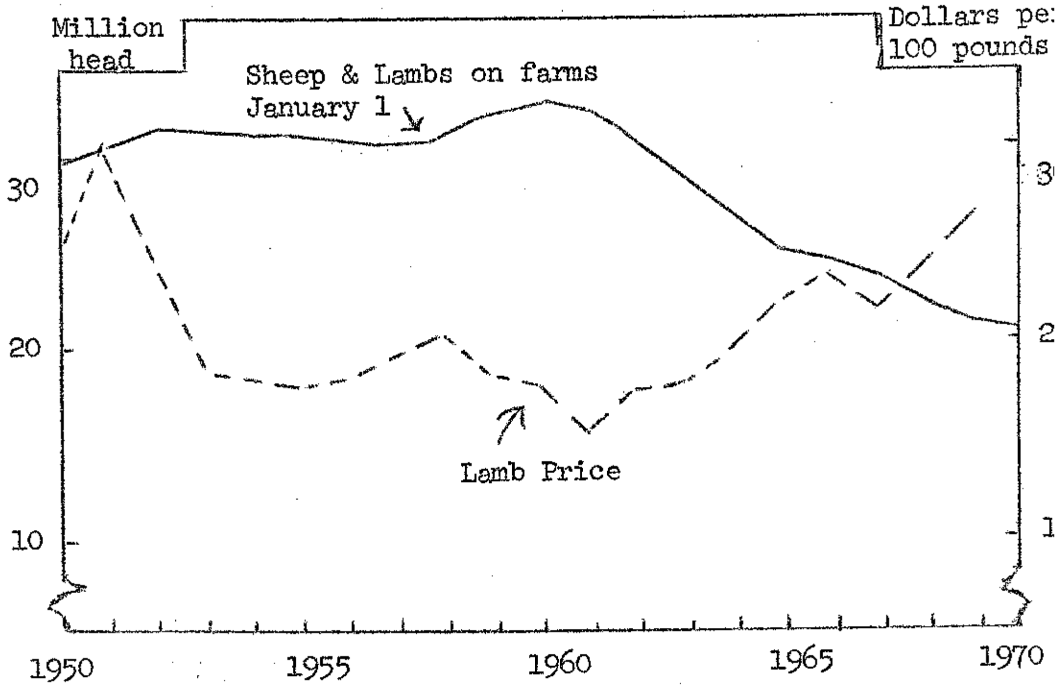
HOG SLAUGHTER AND PRICES
1955 to Date

| Year | Thous. Head slaughtered | $ per cwt.* |
|---|---|---|
| 1955 | 81,051 | 15.19 |
| 1956 | 85,064 | 14.82 |
| 1957 | 78,636 | 18.29 |
| 1958 | 76,822 | 20.25 |
| 1959 | 87,606 | 14.64 |
| 1960 | 84,196 | 15.96 |
| 1961 | 81,970 | 17.16 |
| 1962 | 83,424 | 16.82 |
| 1963 | 81,117 | 15.38 |
| 1964 | 86,284 | 15.31 |
| 1965 | 76,394 | 21.30 |
| 1966 | 75,325 | 23.49 |
| 1967 | 83,421 | 19.37 |
| 1968 | 86,401 | 19.19 |
| 1969** | ------ | 23.30 |

* Barrows and gilts, 8 markets
** Preliminary

SHEEP AND LAMBS ON FARMS, JANUARY 1, AND

PRICES RECEIVED FOR LAMBS -- U. S.




Source: Livestock and Meat Statistics, USDA
1969 Preliminary
1970 Estimated

Sheep and lambs on farms continued to decline in 1969 but at a slower rate than during the previous three years. The 1969 lamb crop was down 6% and producers were withholding ewe lambs for breeding stock which caused a sharp decline in slaughter. 1969 slaughter will average approximately 10% below 1968 output and the decline is expected to continue into 1970.

Lamb prices were up sharply in 1969 reaching the highest level since 1951. Choice slaughter lambs averaged $28.90 per cwt. at San Angelo for the first 9 months of 1969, or $3 above prices of a year earlier. The strength in lamb prices is a result of the reduced slaughter and the strong consumer demand for red meats. Price strength is likely to continue into 1970.

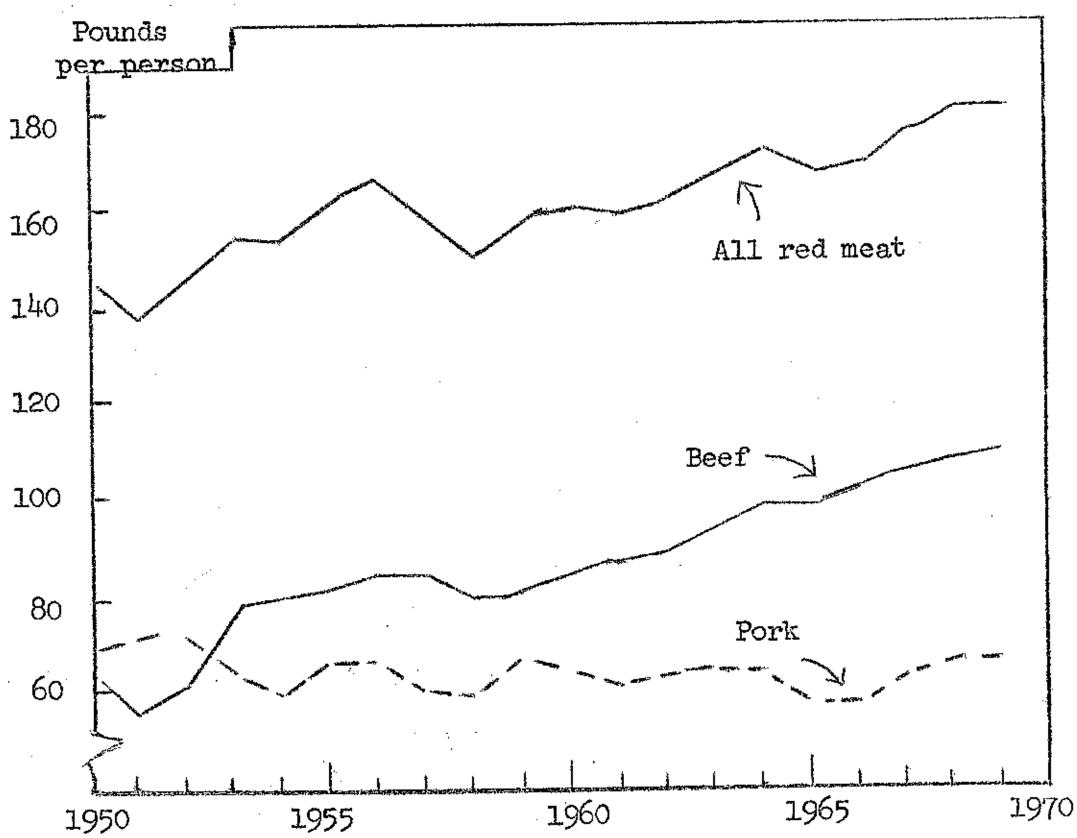
Strong lamb prices are attracting growing quantities of lamb imports. During the first 9 months of 1969 imports were up more than 150% for accounting 23% of the lamb and mutton consumed in the U.S.

SHEEP AND LAMBS ON FARMS, JANUAR
AND PRICES RECEIVED FOR LAMBS --

| Year | Sheep and Lambs | Pr Per ( |
|---|---|---|
| | (Mil. head) | (Doll |
| 1956 | 31.2 | 18. |
| 1957 | 30.7 | 19. |
| 1958 | 31.2 | 21. |
| 1959 | 32.6 | 18. |
| 1960 | 33.2 | 17. |
| 1961 | 32.7 | 15. |
| 1962 | 31.0 | 17. |
| 1963 | 29.2 | 18. |
| 1964 | 27.1 | 19. |
| 1965 | 25.1 | 22. |
| 1966 | 24.7 | 23. |
| 1967 | 23.9 | 22. |
| 1968 | 22.1 | 24. |
| 1969 | 21.1 | 27. |
| 1970** | 20.5 - 21.0 | -- |

* Preliminary
** Estimated

PER CAPITA CONSUMPTION OF RED MEAT




Source: Livestock and Meat Situation, USDA

Per capita red meat consumption in 1969 may be slightly below record 1968 levels but combined consumption of red meat and poultry will be somewhat higher. Declines in consumption of veal, lamb and pork will more than offset a slight increase in beef consumption. The biggest change is in pork consumption where fall supplies have been considerably below 1968 output and prices have remained high.

Beef consumption is expected to rise again in 1970. Veal and lamb consumption will continue to decline, and pork consumption may increase slightly.

All evidence points to continued high meat prices in 1970 unless inflationary pressures are reduced significantly. Growth in demand is expected to keep pace with a small increase in red meat supplies.

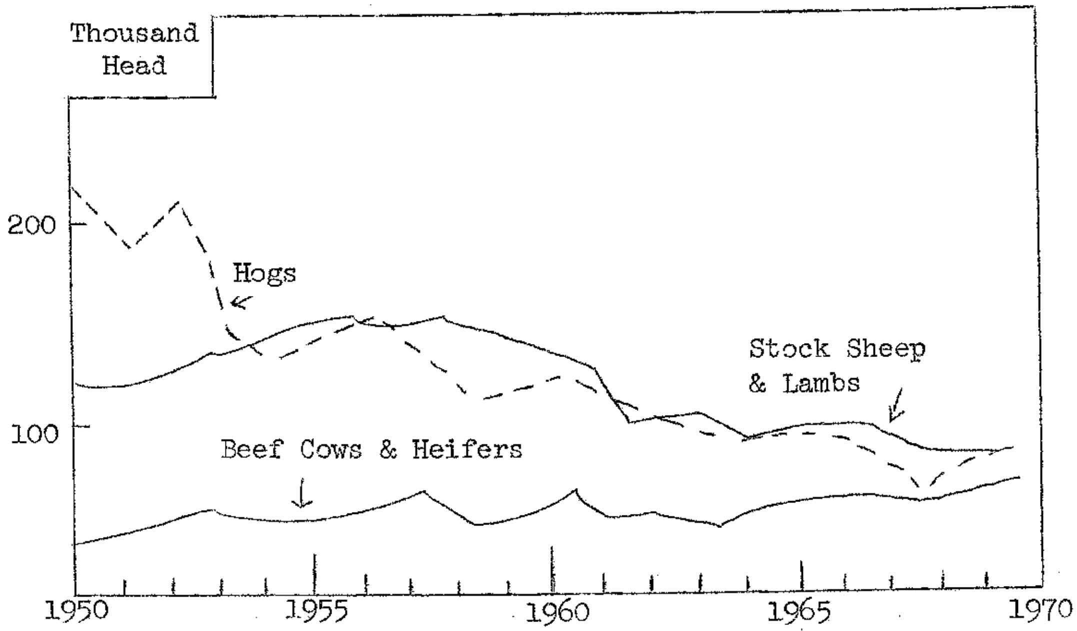
PER CAPITA CONSUMPTION OF RED MEAT
UNITED STATES, 1950-67

| Year | Beef | Veal | Lamb & Mutton | Pork | Total |
|---|---|---|---|---|---|
| | | | (pounds) | | |
| 1950 | 63.4 | 8.0 | 4.0 | 69.2 | 144.6 |
| 1955 | 82.0 | 9.4 | 4.6 | 66.8 | 162.8 |
| 1957 | 84.6 | 8.8 | 4.2 | 61.1 | 158.7 |
| 1958 | 80.5 | 6.7 | 4.2 | 60.2 | 151.6 |
| 1959 | 81.4 | 5.7 | 4.8 | 67.6 | 159.5 |
| 1960 | 85.0 | 6.1 | 4.8 | 64.9 | 160.8 |
| 1961 | 87.7 | 5.6 | 5.1 | 62.0 | 160.4 |
| 1962 | 88.8 | 5.5 | 5.2 | 63.5 | 163.0 |
| 1963 | 94.3 | 4.9 | 4.8 | 65.3 | 174.5 |
| 1964 | 99.8 | 5.2 | 4.2 | 65.3 | 169.3 |
| 1965 | 99.3 | 5.2 | 3.7 | 58.5 | 166.7 |
| 1966 | 104.0 | 4.5 | 4.0 | 58.0 | 170.5 |
| 1967 | 105.9 | 3.8 | 3.9 | 63.9 | 177.5 |
| 1968 | 109.4 | 3.6 | 3.7 | 66.0 | 182.7 |
| 1969* | 109.9 | 3.0 | 3.6 | 65.0 | 181.5 |

* Preliminary

NUMBERS OF HOGS, SHEEP, AND BEEF CATTLE ON NEW YORK FARMS

January 1, 1950-69




LIVESTOCK NUMBER ON NEW YORK FARMS, JANUARY 1, 1940-69

| | HOGS | | SHEEP AND LAMBS | | | BEEF CATTLE | |
|---|---|---|---|---|---|---|---|
| | Sows & Gilts | Total | Stock Sheep & Lambs Ewes | Stock Sheep & Lambs Total | Lambs on feed | Cows & Heifers | Stee & Cal |
| | (Thousand head) | | | | | | |
| 1940 | 36 | 298 | 236 | 303 | 40 | 9 | 44 |
| 1945 | 36 | 317 | 186 | 246 | 36 | 20 | 48 |
| 1950 | 28 | 217 | 92 | 124 | 20 | 15 | 45 |
| 1955 | 23 | 145 | 114 | 154 | 20 | 36 | 63 |
| 1960 | 20 | 133 | 116 | 150 | 23 | 58 | 59 |
| 1962 | 14 | 97 | 99 | 128 | 21 | 61 | 6C |
| 1963 | 14 | 95 | 94 | 118 | 17 | 62 | 54 |
| 1964 | N.R. | 89 | 93 | 117 | 14 | 69 | 56 |
| 1965 | N.R. | 81 | 87 | 110 | 11 | 73 | 56 |
| 1966 | N.R. | 68 | 80 | 99 | 12 | 72 | 54 |
| 1967 | N.R. | 82 | 75 | 95 | 13 | 69 | 61 |
| 1968 | N.R. | 86 | 74 | 93 | 15 | 75 | 65 |
| 1969 | N.R. | 86 | 69 | 85 | 18 | 80 | 64 |

Source: Livestock and Poultry Inventory, January 1 USDA

Sheep and lamb numbers continued the downward trend in 1968 and at a slightly faster rate. Hog numbers were unchanged after increasing since 19

The number of beef cows and heifers increased in 1967 & 1968 to reestablish the long-time upward trend. Steer and calf number declined slightl in 1968.

RELATIVE POSITION OF FARM INDUSTRIES

NEW YORK STATE, 1958 & 1968

| Industry or Commodity | Cash Receipts 1958 | 1968 | Percent of Total 1958 | 1968 |
|---|---|---|---|---|
| | (thous. dollars) | | (Percent) | |
| Dairy 1/ | 496,500 | 625,000 | 58.2 | 60.0 |
| Poultry | 92,600 | 90,700 | 10.8 | 8.7 |
| Fruit | 52,200 | 76,800 | 6.1 | 7.4 |
| Vegetables | 57,800 | 71,900 | 6.8 | 6.9 |
| Greenhouse & Nursery | 53,800 | 59,600 | 6.3 | 5.7 |
| Grain, Hay & Dry Beans | 39,500 | 41,800 | 4.6 | 4.0 |
| Potatoes | 24,000 | 32,200 | 2.8 | 3.1 |
| Livestock | 23,800 | 23,200 | 2.8 | 2.2 |
| Beef 2/ | (15,600) | (16,200) | | |
| Hogs | ( 6,000) | ( 5,530) | | |
| Sheeps & Lambs | ( 1,700) | ( 1,180) | | |
| Wool | ( 500) | ( 290) | | |
| Miscellaneous Livestock and Products 3/ | 7,400 | 9,000 | 0.9 | 0.8 |
| Forest and Maple | 4.300 | 7,000 | 0.5 | 0.7 |
| Miscellaneous Crops 4/ | 1,700 | 4,000 | 0.2 | 0.4 |
| Sugar Beets | --- | 800 | 0.0 | 0.1 |
| TOTAL | 853,600 | 1,042,000 | 100.0 | 100.0 |

Source: Farm Income Data

1/ Includes estimate of cattle sales from dairy farms.
2/ Estimate of cattle and calf sales from beef producers
3/ Includes beeswax, honey, horses, poneys, rabbits, mink, and silver foxes.
4/ Includes buckwheat, legume seed, grass seed, other seeds, and other field crop

The purpose of this table is to give the reader a general picture of the relative position of New York State's farm industries when compared on the basis of cash receipts. Comparisons based on net income, cash expenditures, and other measures could produce significantly different results. The figures in the table represent the approximate amount of cash receipts earned by each industry or commodity group. Some error may have occurred through rounding and estimation.

Dairying is by far the largest farm industy in New York, accounting for 60% of all cash farm receipts in 1968. The livestock industry accounted for little more than 2.0% of cash receipts in 1968, a slight decrease from 1958. The dairy, fruit and potato industries increased in relative importance during the last decade while poultry, greenhouse and nursery, field crops and livestock have declined.