

THE Marketing and Transportation SITUATION

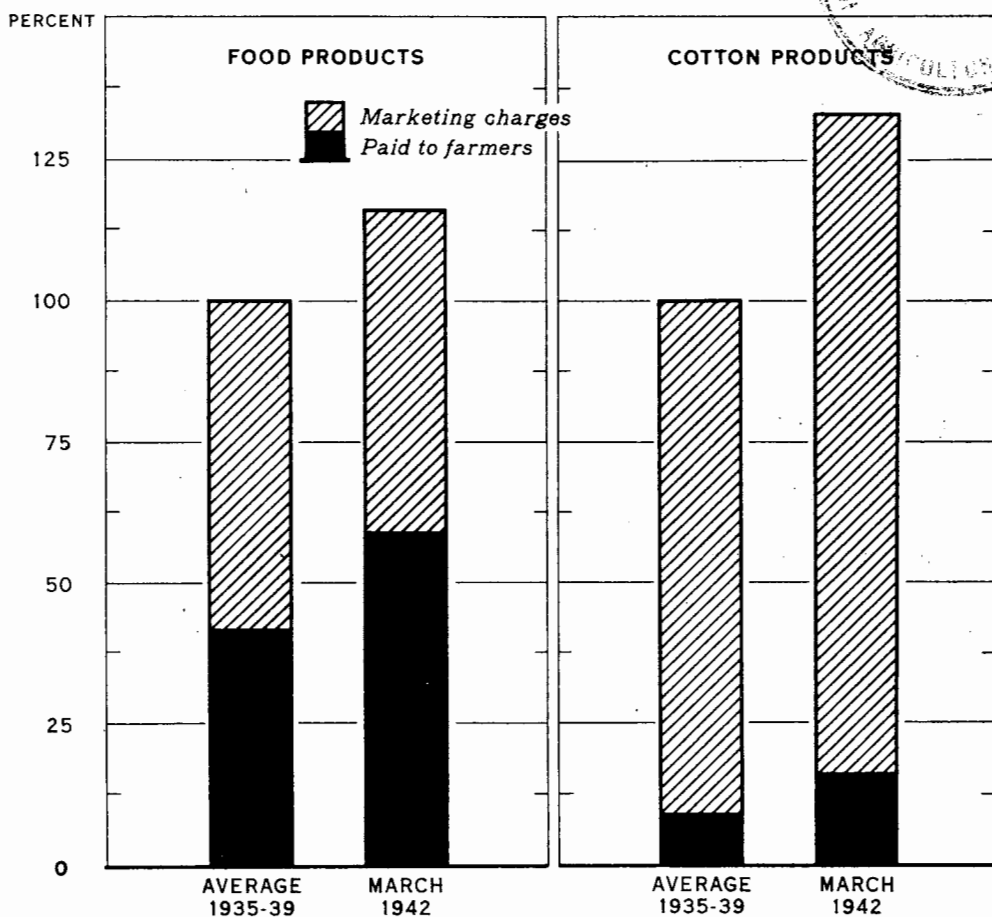
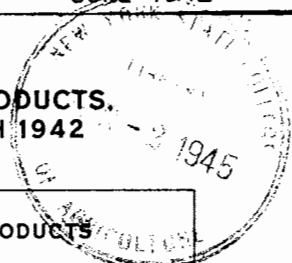
BUREAU OF AGRICULTURAL ECONOMICS
 UNITED STATES DEPARTMENT OF AGRICULTURE

MTS-2



JUNE 1942

COST TO CONSUMERS OF FOOD AND COTTON PRODUCTS.
 UNITED STATES, AVERAGE 1935-39, AND MARCH 1942
 (1935-39 COST TO CONSUMERS=100)



U. S. DEPARTMENT OF AGRICULTURE

NEG. 42336 BUREAU OF AGRICULTURAL ECONOMICS

COST TO CONSUMERS OF DOMESTIC FOOD ITEMS MAY RISE ABOVE MARCH LEVELS BECAUSE OF EXCEPTIONS FROM THE GENERAL MAXIMUM PRICE REGULATION. RETAIL COST OF COTTON CLOTHING AND FURNISHING ITEMS ARE LIKELY TO REMAIN NEAR THE MARCH LEVEL. IN MARCH, CHARGES FOR MARKETING FOOD PRODUCTS FROM AMERICAN FARMS WERE NO HIGHER THAN IN 1935-39. HIGHER MARKETING CHARGES ACCOUNTED FOR MOST OF THE INCREASE IN COST OF COTTON PRODUCTS.

SUMMARY

Marketing charges on foods produced on American farms rose nearly 3 percent from mid-April to mid-May. The farmer's share of the consumer's food dollar in mid-May, however, continued as in April at 52 percent. Cost to consumers of farm food products increased 1-1/2 percent and payments to farmers for raw produce increased somewhat less than 1/2 of 1 percent.

Increases in retail prices were chiefly in food items excepted from the terms of the General Maximum Price Regulation, which exceptions account for about a third of the average consumer's food expenditures. From May 12 to June 2 the increase in retail food prices was nearly 1 percent, and from mid-May to Mid-June wholesale food prices rose more than 1 percent. Over the month, wholesale prices of textile products were practically unchanged, and prices of hides and leather products declined about 1 percent.

The cotton mill margin, representing charges for spinning and weaving 17 important constructions of cotton gray goods, reached an unprecedented level of 22.4 cents per pound of lint cotton for the week ended June 12. This amounted to an advance of 8 percent over the margin of a month earlier. With wholesale prices of cloth restrained under maximum prices, this widening of the cotton mill margin was accompanied by a reduction of 8 percent in wholesale prices of lint cotton.

A special sample survey completed by the Bureau of Labor Statistics in 21 cities showed that from May 12 to June 2 the cost of living declined 1/10 of 1 percent. Costs of foods were up 3/4 of 1 percent.

One problem in the truck transportation field was removed early this month for the duration when Governors of all the States agreed to the establishment of lowest maximum standards on motortruck size and weight restrictions. Trucks of the size and weight decided upon will now be able to move freely in every part of the country. The immediate necessity for greater efficiency in the use of trucks is drastic in the marketing of fruits and vegetables where no substitute form of transportation is available. Rail facilities are inadequate to handle this produce, especially to nearby markets - an important outlet for most fruits and vegetables.

Record May production of dry-cargo vessels in American shipyards indicated new space available for food and fiber products. Cold storage reports for June 1 show a tightening of pressure on the available facilities, with peak months still ahead.

- June 27, 1942

FARM RETAIL PRICE SPREADS

Farmer's Share of Food Dollar Holds at 52 Cents

In May, the 58 important foods produced by American farmers cost the average family at the rate of \$392 a year (table 1). Payments to farmers for equivalent quantities of farm produce were \$202. Farmers received 52 percent of consumers' food expenditures, the same as a month ago. By June 2, the retail value of the 52 foods had advanced to \$395. The spread between expenditures by consumers and payments to farmers represents total charges of the marketing system for the services required to transfer these food products from farmers to consumers. This spread or marketing margin was \$190 in May compared with \$185 in April. Charges for marketing food have not quite reached the pre-war 1935-39 level of \$191. Retail costs of the 58 foods in May were 18 percent above the pre-war level, but were 6 percent below the cost to the consumers for same foods in 1929. Payments to farmers exceed the 1929 level by 4 percent, while marketing charges are 14 percent lower than in 1929.

Uncontrolled Food Prices Rise Sharply

Lamb products, apples, citrus fruit and potatoes lead the uptrend in retail food prices since April 14. Prices of lamb cuts have increased nearly 20 percent during the seven week period April 14 to June 2. Seasonal increases in retail prices of apples, oranges and potatoes usually occur at this time of year. Under the influence of the general Maximum Price Regulation, a majority of food items subject to control registered declines in the three week period following May 12. These declines were most significant in pork products, lard, vegetable shortening and peanut butter. Prices of beef products, rice, rolled oats and macaroni also declined. There was no significant change in retail prices of other cereal products from April to May (table 4). Retail prices of lamb products and pork products in mid-May were about 17 percent higher than the pre-war 1935-39 average. Dairy products were about 23 percent over the pre-war price level, while the price of rice exceeded pre-war by 50 percent.

Farm Food Prices Show Slight Advance from April to May

While the combined value at the farm of 58 foods advanced from \$201 in April to \$202 in May, the majority of farm products experienced negligible changes in prices and some declines were noted (table 5). Farm prices of hogs and beef cattle dropped slightly; lambs rose by 7 percent during the month. Increased payments to farmers amounted to about 3 percent for dairy products, 4 percent for eggs and 10 percent for apples.

Marketing Margins Widen for Many Foods

Outstanding increases in marketing margins from April to May occurred in pork and lamb products (table 6), but these are affected by the omission of by-products as noted in an earlier issue of this report. Substantial increases in margins occurred for oranges, potatoes and apples, amounting to 10 percent or more. Over the month, the margin on sweet potatoes rose by 9 percent; other margin increases amounted to 5 percent for peanut butter, 4 percent for eggs and 3 percent for hens. The largest decline in margin was 4 percent on oatmeal.

The general level of marketing margins in May was slightly below the pre-war 1935-39 average. For the 58 foods combined, the pre-war margin was \$191 compared with \$190 in May 1942. A comparison of current margins with the pre-war levels shows great variation among commodities. Margins on pork and lamb were roughly half the pre-war level, while margins on products and peanut butter were appreciably higher than they were for 1935-39.

Mill Margins at Record High for Cotton Products

As pictured on the cover page of this issue, there are sharp contrasts between the current status of marketing charges for cotton products and for foods in comparison with their 1935-39 pre-war levels. Through higher prices for food products the farmer has received in full the dollar increase in consumer's food cost but middlemen have absorbed most of the increased cost to consumers of cotton clothing and furnishing items. In percentage terms, the advance in lint cotton prices to the farmer has kept pace with the increased retail cost of cotton items.

By the week ended June 12, the cotton mill margin had advanced to 22.4 cents per pound of lint cotton, the highest level during the 17 years of record. This cotton mill margin covers a representative group of 17 constructions of gray goods and includes charges for spinning and for weaving. Until late April, the OPA had imposed an effective ceiling upon cotton mill margins which permitted the sales value of cloth to rise in strict proportion to higher wholesale cost of lint cotton. In late April, the regulation of cotton product prices was altered by placing a fixed ceiling on various yarns and cloth constructions with the expectation that the margin could narrow and return higher prices to the farmer for their lint. For the week ending April 24, the blended sales price of 17 constructions of gray goods obtained per pound of cotton was 40.4 cents, wholesale value of cotton was 20.2 cents, and the margin was 20.2 cents. A month later, the week ending May 22, cloth sales value was 40.8 the wholesale price of cotton had dropped slightly to 19.9 cents and the margin had widened to 20.9 cents. Three weeks later, the week ending May 12, while sales value of cloth remained at 40.8 cents, the margin had widened to 22.4 cents, 11 percent above its value in late April, and the wholesale market price of cotton was 18.5 cents, 8 percent below the level of April 17-24. There appears to be a severe shortage in productive capacity in the cotton industry but no shortage in the supply of lint cotton.

TRANSPORTATION

Record Merchant Ship Production

The Maritime Commission has announced that United States shipyards during May 1942 completed 58 vessels, a daily production rate of almost 2 ships per day. These vessels are able to carry about 632,000 tons including fuel and fresh water supplies. All but 3 were dry-cargo carriers. This is a large addition to the United States stock of boats carrying agricultural products. For the same month in 1941 only 9 ships of 105,211 tons deadweight were delivered.

The completion of these vessels established a world record for the production of steel ships during a single month. No other country has ever built such a large amount of tonnage in a comparable period of time.

Total deliveries for the first 5 months of 1942 are substantially larger than deliveries for the entire calendar year 1941. With ship production increasing at an accelerating rate, United States shipyards will produce in 1942 more vessel-tonnage than it has ever produced in a single year.

Truck Transportation Necessary for Fruits and Vegetables

Figures recently made available on the receipts of fruits and vegetables in 1941 at 9 major cities by rail, truck and boat throw light on transportation problems in the movement of these perishable products. Excluding bananas received by boat, the total unloads of fruits and vegetables at these cities were equivalent to 936,503 carlots. Of this total amount 55.3 percent came in by rail, 41.8 percent by truck and 2.9 percent by boat. The difference in the proportions of receipts by the different types of carriers for the different cities are shown in the following table:

Fruit and vegetable unloads by rail, truck and boat in 1941

City	Total unloads (Carlot equivalents)	Percent by rail	Percent by truck	Percent by boat
New York	195,130	46.8	48.1	5.1
Chicago	90,829		27.7	
Philadelphia	70,085		51.4	
Boston	54,848		31.0	
Pittsburgh	35,201		23.6	
St. Louis	28,316		32.9	
Atlanta	21,257		77.3	
New Orleans	11,698			
Washington	11,474		50.2	
Total	518,838	55.3	41.8	2.9

A further breakdown of the figures indicates the predominance of truck transportation in the movement of fruits and vegetables from the producing areas nearest to the various markets. About 37 percent of the unloads at the 9 cities covered in this report came from what may be regarded as nearby states. The remaining 63 percent came from more distant states. Of the traffic from nearby States less than 9 percent came in by rail. In the case of the more distant States receipts by rail amounted to 83 percent of the total.

These figures demonstrate the importance to fruit and vegetable growers of conserving trucks and tires for continued use throughout the war. A shift of all shipments to rail would mean, even without any expansion of production, an increase of 80 percent in the volume of fruits and vegetables carried by the railroads, an addition they are not equipped to handle. It would be particularly difficult for them to take over any large proportion of the movement from nearby sources. Some shift to rail transportation is to be expected (and with it some increase in marketing costs), but it will not in itself take care of the transportation requirements for these products next year. Adequate movement clearly depends on the availability of trucks for this essential purpose.

INTERNAL TRADE BARRIERS

States Agree to Abandon Barriers for Duration

On June 2, 1942, it was announced that the Governors of all the states had agreed voluntarily to adopt an emergency formula establishing lowest maximum standards to govern the states' motortruck size and weight restrictions. Agreement was also reached with respect to reciprocal license arrangements in order to remove barriers to the interstate transportation of war materials.

The standards are the result of the Federal-State conference on internal trade barriers in May 1942 and are based upon standards which were developed by a number of states in cooperation with the United States Public Roads Administration and approved by the War Department. They do not affect those states whose statutes already permit sizes and weights which equal or exceed those established. The new regulations are more liberal than those established by some states. If fully observed, the agreement removes the more serious restrictions on the movement of interstate truck traffic for the duration of the war.

The emergency formula governing minimum sizes and weights of commercial motor vehicles which has been approved by the Governors of all states is as follows:

1. permissible width - 96 inches
2. permissible heights - $12\frac{1}{2}$ feet
3. permissible length of a single vehicle - 35 ft.
4. permissible length of a combination - 45 ft.
5. permissible weight per inch width of tire - 600 lbs.
6. permissible weight on single axle - 18,000 lbs.
7. permissible weight on two axles - 30,000 lbs.
8. permissible weight on three axles - 40,000 lbs.
9. permissible weight of semi-trailers - 40,000 lbs.
10. permissible weight of other combinations - 40,000 lbs.

COLD STORAGE

Demand for Cold Storage Grows

Increasing quantities of perishables are being placed in cold storage according to the June 1, 1942, public cold storage space occupancy report of the Agricultural Marketing Administration. Increases in percentage of occupancy of public cold storage houses over May 1, 1942, were shown by all geographic divisions for both freezer and cooler space except the Mountain and Pacific Divisions. The following tabulation summarizes the space occupancy data by geographic divisions and indicates the relative importance of each area in terms of net piling space available in public cold storage houses:

Region	Net piling space in public cold storage warehouses		Percentage of space occupied in public cold storage warehouses			
	Cubic Feet	Percent	Freezer space		Cooler space	
			May 1	June 1	May 1	June 1
New England	10,167,000	3.7	53	59	51	60
Middle Atlantic	84,299,000	30.6	60	65	50	56
East North Central	55,153,000	20.0	66	70	63	76
West North Central	26,708,000	9.7	68	72	74	88
South Atlantic	28,468,000	10.3	72	75	27	31
East South Central	5,881,000	2.1	74	93	67	90
West South Central	10,627,000	3.9	78	82	69	78
Mountain	3,520,000	1.3	90	89	84	85
Pacific	50,707,000	18.4	45	42	27	25
United States	275,530,000	100.0	62	65	48	55

With seasonal uptrend in cold storage holdings underway, with greatly increased cold storage holdings of perishables over last year in prospect, and with the over-all storage peak probably coming in September or October, all the cold storage facilities in the United States must be utilized more efficiently than ever before. Of interest in this connection are the following comparisons of June 1, 1942, cold storage holdings of selected perishables and holdings for the same month in 1941:

Product	Unit	Cold storage holdings	
		June 1, 1941	June 1, 1942
Butter, creamery	Pounds	56,792,000	64,797,000
Cheese, total	do.	119,718,000	223,223,000
Eggs, shell	Cases	5,375,000	6,904,000
do., frozen	Pounds	142,065,000	223,316,000
Fruits, do.	do.	91,406,000	105,905,000
Vegetables, frozen	do.	43,878,000	48,523,000

Decreased storage holdings reported for frozen and cured meats are easing the storage situation at this time. For example, there were 231,603,000 pounds of frozen pork in storage on June 1, 1942, as compared with 390,282,000 pounds on June 1, 1941. Only 111,302,000 pounds of lard were in storage on June 1, 1942; on the same date in 1941, 366,086,000 pounds were in storage. However, unpredictable factors such as the availability of ocean shipping and of refrigerator cars may, in a short space of time, place a cumulative burden on cold storage houses much heavier than the storage load now anticipated.

Table 1 .- Annual family purchases of 58 foods 1/

Year and month	Cost at retail	Paid to farmers	Marketing margin	Farmer's share of retail value
	Dollars	Dollars	Dollars	Percent
1913	252	134	118	53
1914	258	137	121	53
1915	258	134	124	52
1916	285	155	130	54
1920	514	272	242	53
1921	404	179	225	44
1929	415	195	220	47
1932	270	88	182	33
1937	353	160	193	45
1938	321	130	191	40
1939	311	126	185	41
1940	314	132	182	42
1941	342	164	178	48
1935-39 average	332	141	191	42
1940 -				
Jan.	310	132	178	42
July	316	128	188	41
1941 -				
May	331	153	178	46
June	345	161	184	47
July	348	170	178	49
Aug.	348	172	176	49
Sept.	357	181	176	51
Oct.	361	180	181	50
Nov.	365	182	183	50
Dec.	366	189	177	52
1942 -				
Jan.	378	194	184	51
Feb.	381	195	186	51
Mar.	384	196	186	51
Apr.	386	201	185	52
May	392	202	190	52

1/ Important food products produced by American farmers combined in quantities representing annual purchases by a typical workingman's family.

Retail price averages for 51 cities from U. S. Bureau of Labor Statistics.

Table 2 .- Nonfarm family income and cost of family food purchases for selected periods 1/

Year and month	Family income	Retail cost	Retail cost	Food cost as percentage of income	
		of all foods	of 58 foods	All foods	58 foods
	Dollars	Dollars	Dollars	Percent	Percent
1920	1,847	688	514	37	28
1929	1,963	540	415	27	21
1933	1,116	343	264	31	24
1940	1,645	394	314	24	19
1941	1,833	430	342	23	18
1942 - - - - -					
Jan.	2,095	474	378	23	18
Feb.	2,122	476	381	22	18
Mar.	2,143	483	384	23	18
Apr.	<u>2/2,172</u>	487	386	22	18
May.	<u>3/2,193</u>	495	392	<u>3/23</u>	<u>3/18</u>

1/ For sources of material used in this table see "Farm-Retail Price Spreads December 1941", p.5. (Note at foot of table)

2/ Revised.

3/ Preliminary.

Table 3 . - Price spreads between the farmer and the consumer - food products,
May 1942

Retail commodity	Table No.	Retail		Farm equivalent		Actual margin	Farm value as percent- age of retail price
		Unit	Price	Quantity	Value		
			Cents		Cents	Cents	Percent
Pork products	11	:1 lb. prin. :pork products	29.7	1.90 lb. live hog	25.2	4.5	85
Dairy products	12	:100 lb. milk :equivalent	398.6	100 lb. milk equivalent	2/191.9	206.7	48
Hens	13	:1 lb.	36.1	1.11 lb.	20.4	15.7	57
Eggs	14	:1 doz.	40.9	1 doz.	26.5	14.4	65
White flour	15	:1 lb.	5.2	1.41 lb. wheat	2.3	2.9	44
White bread	16	:1 lb.	8.6	.97 lb. wheat	1.6	7.0	19
Corn meal	17	:1 lb.	4.7	1.5 lb. corn	2.2	2.5	47
Rolled oats	18	:1 lb.	8.6	1.78 lb. oats	2.9	5.7	34
Corn flakes	19	:8-oz. pkg.	7.2	1.275 lb. corn	1.9	5.3	26
Wheat cereal	20	:28-oz. pkg.	24.1	2.065 lb. wheat	3.4	20.7	14
Rice	21	:1 lb.	12.3	1.51 lb. rough rice	6.0	6.3	49
Navy beans	22	:1 lb.	9.0	1 lb. dry beans	4.4	4.6	49
Oranges	24	:1 doz.	31.4	1/17 box	7.6	23.8	24
Potatoes	25	:1 lb.	3.5	1 lb.	1.9	1.6	54
Apples	35	:1 lb.	7.5	1 lb.	3.2	4.3	43
Lamb products	37	:1 lb. prin. :lamb cuts	31.3	2.16 lb. live lamb	25.1	6.2	80
Sweet potatoes	38	:1 lb.	5.4	1 lb.	1.9	3.5	35
Rye bread	39	:1 lb.	9.2	.39 lb. rye & .64 lb. wheat	1.5	7.7	16
Whole wh. bread	40	:1 lb.	9.9	.92 lb. wheat	1.5	8.4	15
Macaroni	41	:1 lb.	14.2	1.72 lb. durum wheat	2.7	11.5	19
Soda crackers	42	:1 lb.	16.5	1.085 lb. wheat	1.8	14.7	11
Peanut butter	44	:1 lb.	26.9	1.73 lb. peanuts	10.9	16.0	41
58 foods combined	8	:Annual family :consumption	\$392	Annual family consumption	\$202	\$190	52

1/ Table numbers refer to numbering in original 1936 report and annual supplements entitled "Price Spreads Between the Farmer and the Consumer."

2/ Preliminary.

Retail prices from the United States Bureau of Labor Statistics.

Table 4 .- Price spreads between the farmer and the consumer - food products, retail prices

Commodity	Retail unit	Retail price					Percentage change to	
		1935-39 average	May 1941	Mar. 1942	Apr. 1942	May 1942	May 1941	Apr. 1942
		Cents	Cents	Cents	Cents	Cents	Percent	Percent
Pork products	1 lb. prin. pork products	25.3	22.7	28.5	29.0	29.7	+31	+ 2
Dairy products	100 lb. milk equivalent	324.0	349.2	393.5	395.3	398.6	+14	+ 1
Hens	1 lb.	31.7	33.9	35.7	35.7	36.1	+ 6	+ 1
Eggs	1 doz.	36.0	33.3	39.7	39.4	40.9	+23	+ 4
White flour	1 lb.	4.5	4.4	5.2	5.2	5.2	+18	0
White bread	1 lb.	8.2	7.7	8.6	8.6	8.6	+12	0
Corn meal	1 lb.	5.0	4.3	4.7	4.7	4.7	+ 9	0
Rolled oats	1 lb.	7.4	7.1	9.2	8.6	8.6	+21	0
Corn flakes	8-oz. pkg.	7.8	7.1	7.2	7.2	7.2	+ 1	0
Wheat cereal	28-oz. pkg.	24.3	23.4	24.1	24.1	24.1	+ 3	0
Rice	1 lb.	8.2	8.5	11.9	12.2	12.3	+45	+ 1
Navy beans	1 lb.	6.9	6.9	9.0	9.0	9.0	+30	0
Oranges	1 doz.	31.5	28.3	28.9	28.4	31.4	+11	+11
Potatoes	1 lb.	2.5	2.3	3.2	3.3	3.5	+52	+ 6
Apples	1 lb.	5.5	5.7	6.2	6.8	7.5	+32	+10
Lamb products	1 lb. prin. lamb cuts	27.2	27.7	28.7	28.5	31.3	+13	+10
Sweet potatoes	1 lb.	4.4	5.6	5.0	5.1	5.4	- 4	+ 6
Rye bread	1 lb.	9.1	8.5	9.1	9.2	9.2	+ 8	0
Whole wh. bread	1 lb.	9.3	9.2	9.9	9.9	9.9	+ 8	0
Macaroni	1 lb.	15.0	13.8	14.2	14.3	14.2	+ 3	-1
Soda crackers	1 lb.	16.9	14.5	16.4	16.5	16.5	+14	0
Peanut butter	1 lb.	19.3	17.8	23.4	26.1	26.9	+51	+3
58 foods combined	Annual family consumption	\$332	#331	\$384	\$386	\$392	+18	+2

Retail prices are 51-city averages as published by the United States Bureau of Labor Statistics.

Table 5 .- Price spreads between the farmer and the consumer - food products, farm value

Commodity	Farm equivalent	Farm value					Percentage change to May 1942 from-	
		1935-39: average	May 1941	Mar. 1942	Apr. 1942	May 1942	May 1941	Apr. 1942
		Cents	Cents	Cents	Cents	Cents	Percent	Percent
Pork products	1.90 lb. live hogs	15.7	15.8	23.8	25.6	25.2	+ 59	- 2
Dairy products	100 lb. milk equivalent	146.0	165.3	192.9	¹ /191.6	² /191.9	+ 16	+ ³ / ₁
Hens	1.11 lb.	16.5	18.0	20.0	20.4	20.4	+ 13	0
Eggs	1 doz.	21.7	20.1	25.8	25.6	26.5	+ 52	+ 4
White flour	1.41 lb. wh.	2.0	1.9	2.5	2.3	2.3	+ 21	0
White bread	.97 lb. wh.	1.3	1.3	1.7	1.6	1.6	+ 23	0
Corn meal	1.5 lb. corn	1.8	1.8	2.1	2.1	2.2	+ 22	+ 5
Rolled oats	1.78 lb. oats	1.9	1.9	2.9	2.9	2.9	+ 53	0
Corn flakes	1.275 lb. corn	1.6	1.5	1.8	1.8	1.9	+ 27	+ 6
Wheat cereal	2.065 lb. wheat	2.9	2.7	3.6	3.4	3.4	+ 26	0
Rice	1.51 lb. rough rice	2.5	3.9	5.7	6.0	6.0	+ 54	0
Navy beans	1 lb. dry beans	3.5	3.9	4.6	4.4	4.4	+ 13	0
Oranges	1/17 box	9.3	7.5	7.7	7.8	7.6	+ 1	- 3
Potatoes	1 lb.	1.2	0.9	1.7	1.9	1.9	+111	0
Apples	1 lb.	1.9	2.1	2.7	2.9	3.2	+ 52	+10
Lamb products	2.16 lb. live lamb	16.2	20.2	23.0	23.4	25.1	+ 24	+ 7
Sweet potatoes	1 lb.	1.5	1.8	1.8	1.9	1.9	+ 6	0
Rye bread	.39 lb. rye & .64 lb. wh.	1.3	1.2	1.6	1.5	1.5	+ 25	0
Whole wheat bread	.92 lb. wh.	1.3	1.2	1.6	1.5	1.5	+ 25	0
Macaroni	1.72 lb. durum wheat	2.3	2.0	2.7	2.7	2.7	+ 35	0
Soda crackers	1.085 lb. wh.	1.5	1.4	1.9	1.8	1.8	+ 29	0
Peanut butter	1.73 lb. peanuts	6.1	6.3	10.4	10.8	10.9	+ 73	+ 1
58 foods combined	Annual family consumption:	\$141	\$153	\$196	\$201	\$202	+ 32	+ ³ / ₁

¹/ Revised.
²/ Preliminary.
³/ Less than 0.5 percent.

Farm values are calculated from United States average farm prices.

Table 6 . - Price spreads between the farmer and the consumer - food products, margins

Commodity	Retail unit	Margin					Percentage	
		1935-39: average	May 1941	Mar. 1942	Apr. 1942	May 1942	May 1942 from - May 1941	Apr. 1942
		Cents	Cents	Cents	Cents	Cents	Percent	Percent
Pork products	:1 lb. prin. :pork products	9.6	6.9	4.7	3.4	4.5	-35	+32
Dairy products	:100 lb. milk :equivalent	178.0	183.9	200.6	<u>1</u> /203.7	<u>2</u> /206.7	+12	+ 1
Hens	:1 lb.	15.2	15.9	15.7	15.3	15.7	- 1	+ 3
Eggs	:1 doz.	14.3	13.2	13.9	13.8	14.4	+ 9	+ 4
White flour	:1 lb.	2.5	2.5	2.7	2.9	2.9	+16	0
White bread	:1 lb.	6.9	6.4	6.9	7.0	7.0	+ 9	0
Corn meal	:1 lb.	3.2	2.5	2.6	2.6	2.5	0	- 4
Rollod oats	:1 lb.	5.5	5.2	6.3	5.7	5.7	+10	0
Corn flakes	:8-oz pkg.	6.2	5.6	5.4	5.4	5.3	- 5	- 2
Wheat cereal	:28-oz. pkg.	21.4	20.7	20.5	20.7	20.7	0	0
Rice	:1 lb.	5.7	4.6	6.2	6.2	6.3	+37	+ 2
Navy beans	:1 lb.	3.4	3.0	4.4	4.6	4.6	+53	0
Oranges	:1 lb.	22.2	20.8	21.2	20.6	23.8	+14	+16
Potatoes	:1 lb.	1.3	1.4	1.5	1.4	1.6	+14	+14
Apples	:1 lb.	3.6	3.6	3.5	3.9	4.3	+19	+10
Lamb products	:1 lb. prin. :lamb cuts	11.0	7.5	5.7	5.1	6.2	-17	+22
Sweet potatoes	:1 lb.	2.9	3.8	3.2	3.2	3.5	- 8	+ 9
Rye bread	:1 lb.	7.8	7.3	7.5	7.7	7.7	+ 5	0
Whole wh. bread	:1 lb.	8.0	8.0	8.3	8.4	8.4	+ 5	0
Macaroni	:1 lb.	12.7	11.8	11.5	11.6	11.5	- 3	- 1
Soda crackers	:1 lb.	15.4	13.1	14.5	14.7	14.7	+12	0
Peanut butter	:1 lb.	13.2	11.5	13.0	15.3	16.0	+49	+ 5
58 foods combined	:Annual family :consumption	\$191	\$173	\$188	\$185	\$190	+ 7	+ 3

1/ Revised

2/ Preliminary

Table 7 .- Price spreads between the farmer and the consumer - food products, farm value as percentage of retail price

Commodity	Farm value as a percentage of retail price				
	1935-39 average	May 1941	Mar. 1942	Apr. 1942	May 1942
	Percent	Percent	Percent	Percent	Percent
Pork products.....	62	70	84	88	85
Dairy products.....	45	47	49	48	48
Hens.....	52	53	56	57	57
Eggs.....	60	60	65	65	65
White flour.....	44	43	48	44	44
White bread.....	16	17	20	19	19
Corn meal.....	36	42	45	45	47
Rolled oats.....	26	27	32	34	34
Corn flakes.....	21	21	25	25	26
Wheat cereal.....	12	12	15	14	14
Rice.....	30	46	48	49	49
Navy beans.....	51	57	51	49	49
Oranges.....	30	27	27	27	24
Potatoes.....	48	39	53	58	54
Apples.....	35	37	44	43	43
Lamb products.....	60	73	80	82	80
Sweet potatoes.....	34	32	36	37	35
Rye bread.....	14	14	18	16	16
Whole wheat bread.....	14	13	16	15	15
Macaroni.....	15	14	19	19	19
Soda crackers.....	9	10	12	11	11
Peanut butter.....	32	35	44	41	41
58 foods combined	42	46	51	52	52

Table 8 .- Farm products: Indexes of prices at several levels of marketing, 1935-39 = 100

Year and month	Cost	Foods			Fibers			Whole-		
	of living: of city: families: 1/	Retail: prices: of all: foods: 1/	Whole-: sale: prices: of : 2/	Farm : prices: of 58 : foods : 3/	Retail: prices: of cloth-: ing : 1/	sale : prices: of textile: pro-: ducts : 2/	Farm : prices: of cotton: and wool : 4/	prices: of all : farm : pro-: ducts : 2/	Farm : prices: of all : pro-: ducts : 3/	Prices: paid : by farm-: ers : 3/
1913	71	80	81	95	69	81	111	94	95	81
1914	72	82	82	97	70	77	97	94	95	80
1916	78	91	96	110	78	99	131	111	111	100
1918	108	134	151	174	128	193	281	195	190	141
1920	143	169	174	193	201	232	282	198	199	162
1929	122	132	126	138	115	127	167	138	137	123
1932	98	86	77	62	91	77	55	63	61	86
1935	98	100	106	98	97	100	109	104	102	100
1936	99	101	104	108	98	101	114	106	107	100
1937	103	105	108	113	103	107	111	114	114	105
1938	101	98	93	92	102	94	81	90	89	98
1939	99	95	89	89	100	98	85	86	88	97
1940	100	97	90	94	102	104	97	89	92	99
1941	105	105	105	116	106	119	131	108	115	105
1939 -										
Aug.		94	85	84		96	85	80	83	96
Sept.	101	98	95	95	100	101	91	90	92	98
1940 -										
Jan.		95	91	94		110	101	91	93	98
Mar.	100	96	89	91	102	104	99	89	91	99
July		97	89	91		102	96	88	89	98
1941 -										
May	103	102	101	109	103	117	119	101	105	100
June	105	106	105	114	103	119	129	108	111	103
July	105	107	107	121	105	121	141	113	118	105
Aug.	106	108	110	122	107	124	149	115	123	107
Sept.	108	111	113	128	111	126	168	120	131	109
Oct.	109	112	112	128	113	128	160	118	131	112
Nov.	110	113	113	129	114	128	154	119	127	113
Dec.	110	113	114	134	115	129	157	125	135	115
1942 -										
Jan.	112	116	119	138	116	132	164	133	140	117
Feb.	1113	117	120	138	119	134	171	133	137	118
Mar.	114	119	122	138	124	136	174	135	137	119
Apr.	115	120	125	143	127	138	183	138	141	121
May	116	122	125	143	126	138	184	137	143	122
June 2	116	122	126	-	126	138	-	138	-	-

1/ From "Changes in Cost of Living" Bureau of Labor Statistics.

2/ Calculated from figures of the Bureau of Labor Statistics.

3/ Based on figures published by the United States Department of Agriculture.

4/ Cotton and wool prices weighted by production in the period 1935-39.

Table 9. - Indexes of food costs, consumer income and of charges and hourly earnings in marketing, 1935-39 = 100

Year and month	: Non-		: Monthly Payments		: Market-		: Hourly earnings in marketing enterprises		
	: Retail cost of 58 foods	: agri-cultural income payments 1/	: earnings per employed factory worker 2/	: to farmers for 58 foods	: margin of 58 foods	: Class I steam railways 3/	: Food processing 4/	: Food marketing 5/	: Cotton processing 4/
1929	125	122	118	138	115	93	-	-	-
1935-39 average	100	100	100	100	100	100	100	100	100
1940	95	113	111	94	95	105	110	105	106
1941	103	133	131	116	93	106	115	110	119
1941 -									
May	100	130	129	109	93	104	117	110	116
June	104	133	133	114	96	104	117	111	116
July	105	134	134	121	93	103	115	110	121
Aug.	105	136	135	122	92	103	115	110	122
Sept.	108	136	139	128	92	104	115	110	124
Oct.	109	138	140	128	95	103	118	111	130
Nov.	110	140	140	129	96	106	121	113	130
Dec.	110	144	143	134	93	119	123	114	130
1942 -									
Jan.	114	146	150	138	96	119	125	117	131
Feb.	115	148	149	138	98	122	125	119	131
Mar.	116	150	149	138	99	119	126	118	132
Apr.	116	6/152	6/153	143	97	118	128	119	133
May	118	7/154	7/155	143	99				

1/ United States Department of Commerce estimates. Adjusted for seasonal variation.
 2/ Prepared in the Bureau of Agricultural Economics from data of the U. S. Bureau of Labor Statistics, adjusted for seasonal variation.
 3/ Compiled from data published by the Interstate Commerce Commission.
 4/ United States Bureau of Labor Statistics.
 5/ Weighted composite of earnings in steam railways, food processing, wholesaling, and retailing.
 6/ Revised. 7/ Preliminary estimates.