



## Good year for agriculture predicted by USDA experts at outlook conference

**T**HE SMART FARMER of the future will get to relax more, like his city brother, as he finds time-saving ways of increasing his production. Chances are he will find these ways, because agricultural output per man-hour probably will increase by 3% per year in the future. That is the prediction of Grover W. Ensley, staff director of Congress' Joint Committee on the Economic Report.

Fewer workers will be needed on the farms, but those who remain must be more highly skilled, says Dr. Ensley. In 1965 only five and a half million people will be employed on farms, compared

with 6.7 million last year. The 1965 figure represents a continuation of the present declining trend in farm employment, but at a slower rate than has prevailed in recent years. Ensley made these forecasts at the 32nd Annual Agricultural Outlook Conference in Washington recently.

Summing up his predictions, Dr. Ensley says the 12 years between 1953 and 1965 may bring:

An increase in population by one-fifth.

A reduction in the average annual working hours of nearly 10%.

An increase in output per man-hour

of 40% in agriculture and 35% in industry.

An increase in total national output of nearly 50% at constant prices.

A rise in real disposable income per capita of nearly 30%.

Agricultural policy in the future must be tied in with the nation's vast economic growth, says Ensley. The demand will exceed present production levels for foods and fiber during the next decade. This will be in line with the over-all economic picture. Production totals for the entire economy in 1965 have been estimated at \$535 billion, an increase of about 50% from current levels.

Financially, the American farmer is in pretty good shape. At the start of the year American agriculture had net assets of nearly \$160 billion. This figure is down from last year and may continue to decline during 1955. The reason: leveling off of cattle and farmland prices from Korean War peaks.

During 1952 and 1953 prices for beef and land were abnormally high, according to Norman J. Wall, head of USDA's Agricultural Finance Section. Farm assets reached a \$170 billion peak in 1952. The decline since that date has been due, Wall says, to decreases in the value of livestock (\$7.7 billion) and real estate (\$6.1 billion).

These two declines have just about leveled off, Wall indicates. Farm assets will be a little lower during the first few months, but should hold firm thereafter.

### Commodity Outlook for 1955

**Fats and Oils.** Peak supplies of food fats expected with sizable beginning stocks and higher production than last year. Some overproduction may result, but excesses may be siphoned off by export sales. Lower prices may be expected for domestic supplies, although average prices should be near this year's level. For inedible fats, the downward trend in consumption seems to be halted. High exports will help to improve price situation, helped by use of these fats in animal feeds and fatty acids.

**Wheat.** Production is covered by acreage restrictions which limits this year's planting to only 55 million acres, 12% less than 1954 crop. This translates into about 850 million bushels of wheat. Domestic consumption and exports will account for more than that figure, so some reduction in carryover wheat stocks should be possible. Support prices will not go below \$2.06 a bushel, about 82.5% of parity.

**Eggs and Poultry.** For the first few months, eggs will be more plentiful than last year, meaning lower prices. Prices should improve by May or June

as fewer chickens are kept for egg production. Lower production and higher prices probably will prevail for the rest of the year. Broiler production probably will hold close to this year's levels. Turkey production may be down in 1955 because of low prices for the present crop.

**Cotton.** Carryover cotton will be reduced for the first time in the last three years. August 1955 carryover is estimated at 8.5 million bales, 1.1 million less than the year before. Supplies are expected to be about the same as this year but consumption by domestic mills is expected to rise, as are imports. Cotton probably will capture an increasing share of apparel and household markets, while synthetics will do better in the industrial market.

**Fruits and Nuts.** Frozen juice concentrates probably will take more of the orange and lemon crop in 1955. Larger production is expected in fruits such as cherries and grapes which had a bad year in 1954 because of unfavorable weather conditions. Demand seems to be holding firm for pecans, lower for other domestic nuts. Fer-

tilizer and pesticide consumption probably will be about the same as last year.

**Vegetables.** 1955 should be a fairly good year for vegetable raisers, with prices holding around the 1954 levels. Increased demand is predicted because of larger population and higher per capita consumption rates. Total supplies of processed vegetables probably will be higher than this year. Smaller supplies of potatoes are predicted for the first few months, with the rest of the year uncertain. Bean production probably will hold around 1954 levels. Greater demand for dried peas is expected.

**Tobacco.** Cigarette consumption has declined during the past year and a half. This trend may continue during 1955, but consumption will be generally within the range of the past few years. Publicity on cigarettes and health seems to have contributed to the decline. Cigar consumption probably will be about the same as 1954, with pipe and chewing tobacco down. Production is under marketing controls, which will be announced before Dec. 1.

SOURCE: USDA's Agricultural Marketing Service