

# Production of Food

## agriculture intensified in periods of stress on the national economy

Guy Black

**A national emergency**—such as a war situation—demands a high level of performance from the agricultural sector of the nation's economy.

Despite shortages, per capita food consumption by civilians in the United States—during every year of World War II—was at least 6% above the 1935–39 average.

In the peak year of World War II military purchases of food took 14% of the total supply. Since 1946, military purchases, including purchases for feeding foreign civilians, have run slightly over 3%.

United States postwar food exports depend on the food requirements of foreign nations, the cost of satisfying those requirements—domestically or elsewhere—and their ability to acquire American dollars.

It would take a 10% expansion of basic starches, a 20% expansion of livestock, and a 40% expansion of fibers to restore foreign living standards to the prewar level.

At present the demand for American foodstuffs abroad is largely dependent on the help which this nation is giving to foreign countries.

From 1924 to 1940 total United States food production, in only four years, varied by over three percentage points from the 1935–39 average, but during the war production increased to 40% over the average, with the largest gains made in grains and livestock.

During that same period agriculture had little incentive for adopting new technology or labor-saving techniques so in 1941 it could draw upon a reservoir of unutilized improvements in farming.

During the war, yields per harvested acre increased for almost every major type of farm. Productivity per farm worker went up 21% in the United States as a whole; 900,000 more tractors were on farms in 1945 than in 1940.

At this time the country is working itself into a tight labor supply situation. Although somewhat isolated from urban employment opportunities increased urban employment and wage rates affect farm wage rates. Farm labor may be short unless farmers pay higher wages.

Land under cultivation is susceptible to some intensified use. There is still room for increased fertilizer utilization and

irrigation. Increasing the application of labor or machinery in an emergency economy will be limited by the returns from such utilization and by government programs.

In a war situation there is pressure on agriculture to turn out the maximum in terms of human nutrition. As in the last war, efforts are made to direct the pattern of agricultural production toward those products which are efficient converters of fertilizer, labor, machine power, and soil nutrients into human nutrients.

### Military Demands

As the military demands of the armed forces increase, agriculture's efforts are directed toward the foodstuffs which are particularly suited for military uses.

If food becomes scarce, government could promote retention of labor in agriculture. In which direction the weight of government authority would be thrown is predictable on the basis that national policy would be aimed toward adequate food supply—but maximum military effort.

If convinced that there were no real food shortage, but military production needed expanding, governmental officials could restrict manufacture of farm machinery and encourage migration of farm labor. The reverse could just as well happen.

Agriculture, especially California agriculture, is a tremendously diverse sector of the economy which includes widely different conditions. While there are some things which affect all commodities in some degree or another, such as changes in the level of national income or employment, different crops may be affected in substantially different ways, and certain crops will be affected by conditions peculiar to them alone.

Military demand for food is concentrated in certain lines; all foods are not exported equally; as in the last war some crops experience great increases in demand because foreign supplies are cut off. Changes in food consumption habits appear with changes in the level of consumers' incomes or working habits.

Government agricultural policies could be deliberately designed to encourage production of some crops more than others.

The level of national well-being is the most important single factor affecting the economic welfare of agriculture. Therefore, those governmental policies directed toward the maintenance of national prosperity or regulating the national economy are of concern to farmers.

A major economic problem at the present time is whether the current extra demands on the nation can be met without excessive inflation and the consequent disruption of the economy.

The contents of proposals for economic controls sought recently show that those devices which were used with success in the last war are being brought forth again. Experience with these controls should make them easier to understand and to administer. A more general understanding seems to exist now than in 1941 of the use of credit restrictions and increased rates of taxation as means of controlling inflationary pressures.

At the outbreak of World War II, it seemed necessary that agricultural price policy undergo a process of reorientation towards the demands of a new situation. Administrative and legislative price guarantees were established. Legislation was passed by Congress in the spring of 1941 to support prices of basic commodities at 85% of parity through the Commodity Credit Corporation loan rate, and later the Steagall amendment extended support to all commodities for which an increase in production was requested.

Contrasted with wartime regulation of agriculture in other countries, the American farmer was fortunate to escape more stringent regulatory devices. That he did so was evidence of his ingenuity and tremendous capabilities.

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