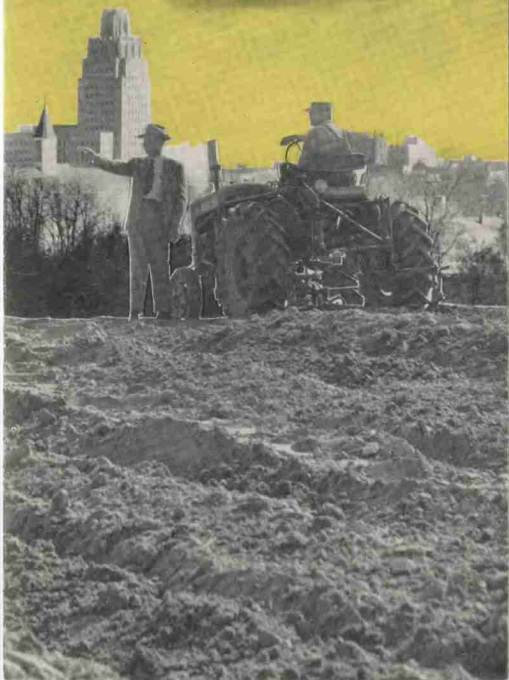


Agriculture...

**INDUSTRY'S
GROWING
BUSINESS
PARTNER**

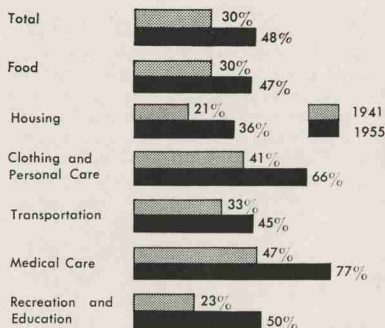


FARM PEOPLE ARE CONSUMERS OF INDUSTRIAL PRODUCTS

Spending patterns of farm families are becoming more like those of urban families.





On the average, U. S. farm families spent 48% as much for family living (food, clothing, etc.) as urban families in 1955. In 1941, they spent only 30% as much, says the USDA.

Farm as a Per Cent of Urban Family Spending



There has been a marked increase in the use of modern appliances and utilities by Tar Heel farm families.

The percentage of North Carolina farms reporting certain modern facilities in 1954 is as follows:

Electricity		94%
Telephones		17%
Piped running water		48%
Television		26%

Source: 1954 Census of Agriculture



FARM RESIDENTS ARE A SOURCE OF LABOR FOR INDUSTRY

A large part of the farm population in North Carolina work at least part time in industry.

The number of farm operators in North Carolina working off the farm 100 days or more increased from 38,100 in 1945 to 67,242 in 1954—almost doubling the number of part-time farmers in the 10-year period.

Part-time farming adds some stability to North Carolina industry. Many manufacturers, such as the textile and furniture companies, operate on a stock and order basis. To meet changes in demand for products, fluctuations in employment are necessary. Under these conditions, it is desirable to have workers who have an alternative source of employment, such as part-time farmers.

A large number of people reared on farms migrate to urban areas to work in industry.

It is estimated that 1/3 of the people living on Tar Heel farms in 1940 had left by 1950. In industrialized areas of the state, the net effect on this migration was an increase in non-farm residents. Where employment opportunities are not available locally, most persons leaving farms go to other areas.

High rates of production in agriculture are necessary to release workers for non-farm employment.

Farm output per man-hour in the U. S. has doubled since the pre-war period, 1935-39. One important reason for the lack of industry in under-developed countries is that most of the able-bodied workers are needed to produce food and the other minimum needs of the population. Abundant farm production in the U. S. has allowed rapid economic growth.

Agribusiness is Big Business

FOR NORTH CAROLINA

The retail value of North Carolina farm products, sold both in and out of state, is estimated at \$3.4 billion. Farmers receive \$1.0 billion in farm sales, and \$2.4 billion, excluding taxes, is added through manufacturing and trade channels prior to use by the consumer.

Based on the marketing margin for individual commodities and the sources of farm income in 1956, Tar Heel farmers received 29 cents of each dollar consumers spent for their products. This is a considerably smaller part of the consumer's dollar than received by farmers throughout the country.

One reason is the large amount of processing devoted to the tobacco and cotton output of this state. Of the retail cost, excluding taxes, farmers receive only 26% of the amount spent for tobacco products and only 12% for cotton goods. On the other hand, farmers receive 55 cents from each dollar consumers spend on North Carolina livestock and poultry products.

Actual retail sales of farm products within North Carolina are not as great as the total retail value of farm commodities produced in the state. This means that North Carolina is essentially an exporter of farm products.

Farm Receipts from Commodities, N. C. 1956
\$1.003 billion

Marketing Margin on Commodities Produced in N. C. 1956
\$2.391 billion

Retail Value, Items Produced on N. C. Farms, 1956
\$3.394 billion

FARMERS BUY INDUSTRIAL PRODUCTS

Farmers use large quantities of manufactured items.

Over 1½ million tons of fertilizer are bought annually by North Carolina farmers. Feed purchases continue to rise to meet rapidly expanding poultry and livestock needs.

Farm machinery is used extensively in North Carolina.

Tractors on farms increased from 31,000 in 1945 to 126,000 in 1954. Motor trucks rose from 33,000 to 86,000 over the same period. This rapid rise in machine use has occurred despite sharper rises in price of farm machinery than in production items such as feeds purchased from farm sources.

Farmers use credit extensively.

Outstanding credit to North Carolina farmers on January 1, 1958 was an estimated \$291 million. Commercial banks are the largest group of lenders to farmers. Contract farming and equipment dealer financing are also important sources of credit.

Farmer Expenditures for Production in N. C., 1956

Feed	\$80,500,000
Seed	\$9,400,000
Fertilizer and Lime	\$77,400,000
Building Materials	\$50,043,000
Petroleum	\$41,875,000
Repairs	\$15,129,000
New Vehicles and Machinery	\$62,198,000
Supplies	\$23,928,000
Total	\$360,473,000

FARMERS SUPPLY PRODUCTS TO INDUSTRY AND CONSUMERS

Sales of farm products are an important part of the economy of North Carolina.

Tar Heel farmers now get around one billion dollars a year for their products. This represents a 33 1/3% increase over 10 years ago.

In recent years dramatic changes have occurred in the types of commodities produced.

Poultry, dairy and hog products doubled in sales in North Carolina between 1946-56. These increases have created new jobs in marketing, processing and distributing.

Cash crops continue to be major sources of farm income. These commodities, especially cotton and tobacco, are closely related to textile and tobacco manufacturing, two of the state's principal industries.

Farm Sales in N. C., 1956

Other Livestock	\$64,443,000
Dairy	\$58,950,000
Poultry	\$119,687,000
Other Crops	\$192,969,000
Cotton	\$59,860,000
Tobacco	\$507,247,000
Total	\$1,003,156,000

INDUSTRY PROCESSES AND SELLS PRODUCTS DERIVED FROM AGRICULTURE

Manufacturing and trade industries have a big stake in handling farm commodities.

Most of the manufacturing companies in North Carolina use some farm and forestry products.

	Manufacturers related to agriculture*	Per cent of total manufacturers
No. of establishments	5,122	77
No. of employees	370,184	86
Payroll (\$1,000)	946,732	82
Value added by manufacture (\$1,000)	1,807,973	82
New capital expenditures (\$1,000)	85,221	66

* Includes food products, tobacco manufactures, textile mill products, apparel and related products, lumber and wood products, furniture and fixtures and pulp and paper products.

Sources: 1954 Census of Manufactures

Most North Carolina retail trade establishments handle farm products and supplies used by farmers.

	Retail trade related to agriculture**	Per cent of total retail trade
No. of establishments	23,378	61
Sales (\$1,000)	1,822,547	57
Payroll for year (\$1,000)	173,504	56

** Includes food stores, eating and drink-places, furniture and home furnishings stores, general merchandise stores, apparel and accessories stores, farm equipment dealers, lumber and building material dealers, hay, grain and feed stores, farm and garden supply stores and florists.

Source: 1954 Census of Business-Retail Trade



3.4
BILLION
DOLLARS

. . . the retail value of North Carolina farm products, sold both in and out of state, is estimated at 3.4 billion dollars.

. . . over 1½ million tons of fertilizer are purchased by Tar Heel farmers each year.

. . . Outstanding credit to these farmers as of January 1, 1958 was an estimated 291 million dollars.

. . . Tar Heel farmers now get around one billion dollars a year for their products. This represents a 1/3 increase over 10 years.

. . . poultry, dairy and livestock products doubled in sales in this state between '46-'56.

. . . a large part of the farm population in North Carolina work at least part time in industry.

Prepared by

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