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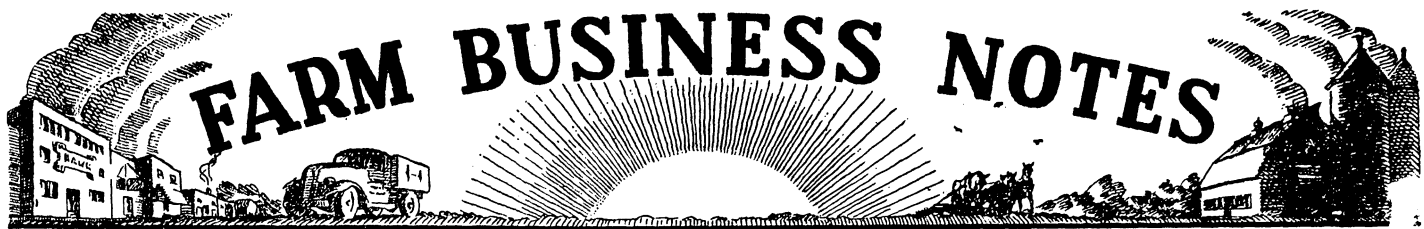
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Prepared by the Divisions of Agricultural Economics and Agricultural Extension  
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NO. 255

UNIVERSITY FARM, ST. PAUL

MARCH 22, 1944

## Government Control of Food

WARREN C. WAITE

The government has become the largest single purchaser of many foods in the United States as a result of the war. In 1943 about one fourth of all our food was taken by the military forces and the War Food Administration. The securing of such a large quantity necessarily influences greatly the supplies available for civilians. Purchases of food-stuffs are made both by the armed forces and by the War Food Administration. The purchases by the armed forces are rightly made with the single view of providing the fighting forces with the food and reserves necessary to win the war. The War Food Administration is primarily concerned with procuring food for our allies, our insular possessions, and special programs such as the Red Cross. It is also responsible for seeing that the fairest sharing possible is made of our food supplies. The proportions of the total taken by the armed forces, lend-lease, and civilians vary according to the particular product as is indicated by examples given in table 1.

Authority for the allocations of food among the principal claimants rests with the War Food Administration. Food requirements are reported to it by the claimants. The armed forces state their requirements, the lend-lease and other customers state theirs, and the civilians are represented by the Civilian Food Requirements Branch. The total of the requests is compared with the estimated supplies. If requests exceed supplies, the less important requests are reduced until the total is equal to the probable supplies. The War Food Administrator then announces the allocation of our food supplies.

Merely to announce allocations does not insure the claimants securing the allocated supplies. The military secure their supplies through outright purchase, requisition, and priorities, sometimes assisted by measures instituted by the War Food Administration. Civilians are limited to their allotments by rationing. The War Food Administration advises the Office of Price Administration of the quantities to be moved in civilian channels during a specified period. The Office of Price Administration, by adjustments in rationing, endeavors to adjust civilian con-

### University Farm Radio Programs

HOMEMAKERS' HOUR—10:45 a.m.

UNIVERSITY FARM HOUR—12:30 p.m.

THE FRIENDLY ROAD—1:00 p.m.

Station WLB—770 on the dial

sumption of affected commodities to the supplies available. The War Food Administration employs a variety of devices to secure its supplies.

In a few cases the War Food Administration makes an outright purchase of the entire supply. For example, the Commodity Credit Corporation representing the War Food Administration purchases the entire peanut supply. Farmers are

paid support prices by the government and the peanuts are later sold to cleaners and shellers and to crushers at specified prices. Control is maintained over the quantity of peanuts crushed for oil. An analogous control is exercised over the crushing of soybeans. In some commodities the government buys the entire output for the purpose of raising producer prices, rather than for supply control. Examples are cheddar cheese and, in a few cities, market milk. Outright purchase has the advantage to the government of providing it with complete or nearly complete control of supplies, thus enabling it entirely to control allocations. Thus far it has seemed feasible to apply it only to some of the minor farm products produced in particular

Table 1. Allocations of Selected Foods by the War Food Administration for the Fiscal Year 1943-44

| Commodity                                      | Reserve  | Military | Lend-lease | Other    | Civilians |
|--|----------|----------|------------|----------|-----------|
|  | Per cent | Per cent | Per cent   | Per cent | Per cent  |
| Beef .....                                     | 5.5      | 16.6     | 14.1       | .7       | 63.1      |
| Pork .....                                     | 4.0      | 11.5     | 24.7       | .6       | 59.2      |
| Butter .....                                   | .5       | 14.8     | 5.8        | .4       | 78.5      |
| Cheese .....                                   | .5       | 11.1     | 31.2       | 1.6      | 55.6      |
| Evaporated milk .....                          | .8       | 35.2     | 18.1       | 2.4      | 43.5      |
| Dry skim milk .....                            | .4       | 11.9     | 53.3       | .9       | 33.5      |
| Eggs, fresh and frozen .....                   | 0        | 8.4      | 0          | .2       | 91.4      |
| Eggs, dried, whole .....                       | .6       | 14.5     | 83.3       | 1.6      | 0         |
| Canned fruits and<br>juices (ex. citrus) ..... | 5.7      | 40.1     | .5         | .4       | 53.3      |
| Citrus, fresh and<br>canned .....              | 1.3      | 14.8     | 5.3        | 4.4      | 74.2      |
| Canned vegetables .....                        | 3.8      | 25.8     | 1.2        | .6       | 68.6      |
| Dry beans .....                                | 1.7      | 16.2     | 25.0       | 6.2      | 50.9      |
| Dry peas .....                                 | 8.2      | 8.6      | 42.8       | 1.3      | 39.1      |
| Edible fats and oils .....                     | .6       | 5.6      | 25.4       | 3.0      | 65.4      |
| Potatoes .....                                 | 0        | 15.4     | 2.8        | .4       | 81.4      |

sections of the country and with a comparatively small number of processors or distributors. Carried out with a major product it would entail great administrative difficulties.

### WFA Uses Set Aside Orders to Get Supplies

The most widely used procurement device of the War Food Administration is the set aside order. Such an order requires the processor or seller to set aside a certain quantity or proportion of the product handled by him for purchase by the government. The processor or seller is free to dispose of the remainder of the product elsewhere. This procedure insures the government supply and permits the industry to make its own choice of the disposition of the remaining product. It also distributes the burden of providing supplies for government purchase over the entire industry rather than placing it on a few concerns, although small-sized operators are exempted for administrative reasons in some cases. When the set aside includes the entire production as with the orders in dried fruits and dehydrated fruits and vegetables, nearly as complete control is secured as with outright purchase. The government buys its requirements and releases the remainder for civilian sales. Complete set aside is probably feasible only for nonperishable products. Most of the set aside orders are for only a proportion of the products. They have been employed in canned fruits and vegetables, butter, cheese, citrus fruit, rice, canned fish, beans, and peas, and at times with lard and meat.

### Dairy Set Asides Important in Minnesota

The set aside orders in dairy products are of special importance to Minnesota farmers. The set aside for both roller and spray dry skim milk powder for human consumption is 75 per cent of the plants production. The proportions to be set aside of cheddar cheese and creamery butter have varied by months. Butter may be used as an example to show the process of determining a variable set aside. Before the season of flush production in 1943, the military indicated their requirements for the year at about 330 million pounds and lend-lease and other War Food Administration requirements totaled about 120 million pounds.

The War Food Administration accordingly allotted the expected supply of 1,750 million pounds of creamery butter as follows: 330 million pounds to the armed forces, 120 million pounds to lend-lease and other purposes, and 1,300 million pounds to civilians. This latter would amount to slightly over 100 million pounds a month if civilian consumption were maintained at a uniform rate. The production of butter varies seasonally from a peak of around 200 million pounds in May and June to a low of around 100 million pounds in November. The set aside was varied to leave the civilians with a little over 100 million pounds each month and with government acquiring the excess. Thus the set aside was 30 per cent during February, March, and April; 50 per cent in May, June, and July; 30 per cent in August; and 20 per cent in September, with no set aside for the six months of October to March, inclusive.

### Expected Supplies Not Always Obtained

The set aside in the case of products with several uses may encounter difficulties if other outlets than the one covered by the order are more profitable. Thus if fluid cream or plastic cream bring a better return than butter, more of the supply may be shifted to such uses, with the result that the set aside order does not provide the expected supply. Similarly cheese production may shift from cheddar to types not covered by the set aside, or condensed skim milk may be sold rather than dry skim milk. This, of course, is fundamentally a problem of pricing and price control.

### Limitation Orders Also Employed

Limitation orders which limit the production of commodities or their sale to certain classes of consumers have also been employed. The controls in meats have depended largely on the limitation of sales by slaughterers to civilians, expecting in this way to free supplies for purchase by the military and the War Food Administration. The first such order was put into effect on October 1, 1942, by the Office of Price Administration. It divided slaughterers into two classes: large quota slaughterers who were limited, in the case of hogs, to 75 per cent of their deliveries to civilians in 1941, and smaller nonquota slaughterers who were ordered not to deliver over 100 per cent of their base (1941) sales to civilians. This procedure shortly revealed weaknesses. Production did not come up to expectations in the winter of 1942-43 and the federal agencies bore the brunt of the fluctuation under this plan. The nonquota slaughter also expanded at the expense of the quota slaughter. Subsequent orders have endeavored to secure greater control over nonquota slaughter by a system of licenses and permits. Intermittently in the early and middle part of 1943 it was necessary to employ set asides in meat. With the large marketings in the winter of 1943-44 nearly all restrictions were removed.

## Custom Rates for Farm Operations

GEORGE A. POND

Custom work serves as a means of making a given supply of machinery cover more farms. It makes possible laborsaving on farms too small to justify ownership of some of the more expensive equipment. Current shortages of machinery and manpower, resulting from the war situation, have resulted in a large increase in the amount of custom work done in Minnesota. Since many farmers are doing or hiring custom work for the first time, they are interested in current rates for the various farm operations.

In the accompanying table are shown the results obtained from a questionnaire study of custom rates made in the spring of 1943 through the cooperation of the neighborhood leaders and county extension services. The rates shown are largely those prevailing in 1942. Most replies indicated that rates would be higher in 1943. For all operations the average increase expected was one-sixth. In general a larger increase was expected for traction

**Table 1. Custom Rates for Farm Operations**  
(Rates paid prior to 1943)

|  | Basis of charge | No. of reports | Most common rate* | Other common rates |        |
|--|-----------------|----------------|-------------------|--------------------|--------|
| <b>Seed bed preparation</b>            |                 |                |                   |                    |        |
| Plowing.....                           | Acre            | 125            | \$1.50            | \$1.25             | \$2.00 |
| Plowing (2 bottom plows).....          | Hour            | 32             | 1.25              | 1.50               | 1.75   |
| Disking, single.....                   | Acre            | 42             | .50               | .40                | .25    |
| Disking, tandem.....                   | Acre            | 40             | .75               | .50                | 1.00   |
| Spring-tooth harrowing.....            | Acre            | 34             | .50               | 1.00               | .75    |
| Duckfoot harrowing.....                | Acre            | 17             | .75               | .60                | .50    |
| Cultipacking.....                      | Acre            | 11             | .25               | .30                | .40    |
| <b>Planting</b>                        |                 |                |                   |                    |        |
| Seeding grain, drill.....              | Acre            | 49             | .50               | 1.00               | .75    |
| Planting corn.....                     | Acre            | 45             | .50               | .75                | 1.00   |
| <b>Cultivating</b>                     |                 |                |                   |                    |        |
| Cultivating corn.....                  | Acre            | 40             | .50               | .75                | .40    |
| <b>Harvesting and threshing grain</b>  |                 |                |                   |                    |        |
| Harvesting grain, binder.....          | Acre            | 94             | 1.00              | .75                | 1.25   |
| Windrowing grain.....                  | Acre            | 36             | .50               | .75                | 1.00   |
| Combining grain.....                   | Acre            | 105            | 2.50              | 3.00               | 2.00   |
| Combining soybeans.....                | Acre            | 57             | 3.00              | 2.50               | 2.00   |
| Threshing oats.....                    | Bu.             | 153            | .03               | .025               | .04    |
| Threshing barley.....                  | Bu.             | 131            | .04               | .03                | .035   |
| Threshing wheat and rye.....           | Bu.             | 121            | .06               | .05                | .08    |
| Threshing flax.....                    | Bu.             | 114            | .10               | .12                | .11    |
| Threshing small grain.....             | Hour            | 17             | 4.00              | 3.50               | 3.00   |
| <b>Harvesting corn</b>                 |                 |                |                   |                    |        |
| Cutting corn, binder.....              | Acre            | 85             | 1.50              | 2.00               | 1.75   |
| Picking corn, mechanical picker.....   | Acre            | 107            | 3.00              | 2.50               | 2.00   |
| Filling silo, stationary cutter.....   | Hour            | 50             | 2.50              | 3.00               | 3.50   |
| Filling silo, stationary cutter.....   | Foot            | 22             | .75               | .50                | 1.00   |
| Husking and shredding.....             | Hour            | 35             | 1.50              | 1.25               | 1.00   |
| Shelling.....                          | Bu.             | 66             | .025              | .02                | .03    |
| <b>Harvesting hay and seed crops</b>   |                 |                |                   |                    |        |
| Mowing.....                            | Acre            | 29             | .50               | .75                | 1.00   |
| Raking (dump rake).....                | Acre            | 10             | .25               | .40                | .50    |
| Stacking (sweep rake and stacker)..... | Hour            | 12             | 2.00              | 2.50               | 1.50   |
| Baling (stationary baler).....         | Bale            | 21             | .10               | .12                | .07    |
| Baling (stationary baler).....         | Ton             | 17             | 3.00              | 2.50               | 2.00   |
| Baling (pickup baler).....             | Bale            | 33             | .10               | .12                | .09    |
| Combining clover and alfalfa.....      | Acre            | 27             | 3.00              | 2.50               | 2.00   |
| Hulling clover and alfalfa.....        | Hour            | 12             | 3.00              | 4.00               | 5.00   |
| Hulling clover and alfalfa.....        | Lb.             | 12             | .03               | .05                | .025   |

\* This is the rate most frequently reported. In the next column is the rate next in frequency of mention and in the third column is the rate ranking third in frequency of report.

operations than for belt operations. Anticipated increases in threshing rates varied from 10 to 14 per cent, whereas the increases for most field operations such as plowing, disking, seeding, cultivating, and harvesting were 20 per cent or slightly higher. The rates shown should be increased in line with these percentages for use at the present time.

It should also be mentioned that while rates were fairly uniform over most of the state, those in the cutover areas of northeastern Minnesota were about 14 per cent above the state average and in the counties between this area and the western tier of counties, 13 per cent lower.

## Changes in Livestock Numbers in 1943

TRUMAN R. NODLAND

Some indications of the changes in livestock numbers on Minnesota farms during 1943 may be secured from the records of the various Farm Management Services. The data presented in this article were secured from approximately 375 farmers in southern and west central Minnesota.

The number of livestock on hand January 1, 1943, the percentage change to December 31, 1943, and the number of farmers reporting increases, no change, and decreases are presented in table 1. A small reduction in the number of milk cows was reported. However, there was a large percentage increase in the number of two-year-old heifers. The change in the numbers of beef cows also was quite small. On the other hand, there was a large reduction in the number of feeder cattle.

There were one-third more market hogs on hand at the end of the year than at the beginning of the year. Very little change occurred in the numbers of fall pigs. The net result for both market hogs and fall pigs was an increase of 17 per cent. On December 31, 1943, farmers reported keeping approximately 17 per cent fewer sows in 1944 than were kept in 1943. However, one must bear in mind that many farmers normally do not have all the sows bred by January 1 and that additional gilts may be selected for breeding from the hogs being fed for market.

The numbers of sheep, both farm flocks and feeder sheep, were increased considerably. A farm flock can be expanded a great deal without materially increasing the labor requirements. Large increases occurred in poultry numbers; there were 13 per cent more laying hens on hand at the end of the year than at the beginning of the year. Poultry numbers as well as hogs may be expanded or contracted relatively quickly.

These livestock changes were not always uniform over the area covered. There was an increase of 3.4 per cent in the number of dairy cows in southeastern Minnesota and decreases in the other areas. The numbers of fall pigs increased 9.7 per cent in the southeastern and 3.1 per cent in the south central sections of the state and decreased .7 per cent in the southwestern and 14 per cent in the west central areas. All the areas showed an increase in laying hens.

**Table 1. Changes in Livestock Numbers January 1, 1943, to December 31, 1943**

|                              | Average number per farm reporting 1/1/43 | Per cent change during year | No. farmers reporting |           |            |
|------------------------------|--|-----------------------------|-----------------------|-----------|------------|
|                              |  |                             | In-creases            | No change | De-creases |
| <b>DAIRY CATTLE</b>          |  |                             |                       |           |            |
| Milk cows.....               | 16                                       | - 1.1                       | 120                   | 45        | 134        |
| 2-year-old heifers.....      | 3  | +15.9                       | 131                   | 77        | 91         |
| Yearling heifers.....        | 5  | - 2.1                       | 111                   | 69        | 119        |
| Calves.....                  | 7  | + 6.3                       | 127                   | 58        | 114        |
| <b>BEEF CATTLE</b>           |  |                             |                       |           |            |
| Cows.....                    | 14                                       | + 1.4                       | 33                    | 11        | 28         |
| Heifers.....                 | 5  | -11.0                       | 22                    | 19        | 31         |
| Calves.....                  | 10                                       | +10.5                       | 40                    | 7         | 25         |
| Stockers and feeders.....    | 30                                       | -18.8                       | 54                    | 2         | 92         |
| <b>HOGS</b>                  |  |                             |                       |           |            |
| Market hogs.....             | 32                                       | +33.5                       | 164                   | 41        | 102        |
| Fall pigs.....               | 34                                       | + 1.8                       | 118                   | 58        | 131        |
| Sows and gilts.....          | 18                                       | -16.5                       | 77                    | 55        | 175        |
| <b>SHEEP</b>                 |  |                             |                       |           |            |
| Breeding ewes.....           | 34                                       | + 9.9                       | 66                    | 12        | 65         |
| Yearling ewes and lambs..... | 11                                       | - 1.9                       | 52                    | 46        | 45         |
| Feeder sheep.....            | 371                                      | +25.6                       | 15                    | 1         | 9          |
| <b>POULTRY</b>               |  |                             |                       |           |            |
| Laying hens.....             | 279                                      | +12.6                       | 212                   | 28        | 116        |

## Minnesota Farm Prices for February, 1944

Prepared by W. C. WAITE and R. W. Cox

The index number of Minnesota farm prices for February, 1944, is 165. This index expresses the average of the increases and decreases in farm product prices in February, 1944, over the average of February, 1935-39, weighted according to their relative importance.

### Average Farm Prices Used in Computing the Minnesota Farm Price Index, February, 1944, with Comparisons\*

|                | Feb. 15, 1944 | Jan. 15, 1944 | Feb. 15, 1943 |                   | Feb. 15, 1944 | Jan. 15, 1944 | Feb. 15, 1943 |
|----------------|---------------|---------------|---------------|-------------------|---------------|---------------|---------------|
| Wheat .....    | \$ 1.48       | \$ 1.48       | \$ 1.21       | Hogs .....        | \$13.00       | \$12.80       | \$14.50       |
| Corn .....     | 1.02          | 1.01          | .79           | Cattle .....      | 11.70         | 11.50         | 12.30         |
| Oats .....     | .72           | .71           | .51           | Calves .....      | 12.90         | 12.40         | 13.80         |
| Barley .....   | 1.09          | 1.07          | .70           | Lambs-Sheep ..... | 12.55         | 12.00         | 13.30         |
| Rye .....      | 1.10          | 1.12          | .62           | Chickens .....    | .21           | .21           | .19           |
| Flax .....     | 2.86          | 2.86          | 2.67          | Eggs .....        | .29           | .29           | .32           |
| Potatoes ..... | 1.20          | 1.15          | 1.10          | Butterfat .....   | .54           | .53           | .52           |
| Hay .....      | 9.60          | 9.30          | 7.10          | Milk .....        | 2.70          | 2.75          | 2.50          |
|                |               |               |               | Wool† .....       | .40           | .40           | .39           |

\* These are the average prices for Minnesota as reported by the United States Department of Agriculture.

† Not included in the price index number.

The prices of livestock sold by Minnesota farmers increased from January to February but the prices of livestock products remained about the same. The returns actually realized from the sale of milk and butterfat were greater than the reported prices because the latter do not include the subsidy payments for these products. With the exception of potatoes and hay, the prices of crops remained close to their levels in January. The Minnesota farm price index is only slightly higher than one year ago. While the crop price index increased 26 per cent, the livestock price index declined almost 8 per cent.

There was no significant change in the feed ratios during the past month but all ratios are much lower than in February, 1943. If the subsidy payment of 6 cents per pound of butterfat is added to the reported price of this product in February, the butterfat-farm-grain ratio would be raised to 28.4.

### Indexes and Ratios for Minnesota Agriculture\*

|  | Feb. 15, 1944 | Feb. 15, 1943 | Feb. 15, 1942 | Average 1935-39 |
|--|---------------|---------------|---------------|-----------------|
| U. S. farm price index.....                          | 181.9         | 166.0         | 135.3         | 100             |
| Minnesota farm price index.....                      | 165.4         | 163.8         | 130.4         | 100             |
| Minn. crop price index .....                         | 173.3         | 137.1         | 115.2         | 100             |
| Minn. livestock price index .....                    | 167.6         | 181.5         | 145.9         | 100             |
| Minn. livestock product price index.....             | 159.5         | 154.5         | 118.8         | 100             |
| U. S. purchasing power of farm products              | 129.7         | 127.9         | 114.9         | 100             |
| Minn. purchasing power of farm products              | 118.0         | 126.2         | 110.7         | 100             |
| Minn. farmers' share of consumers' food dollar ..... | 62.5†         | 61.4          | 55.0          | 48.0            |
| U. S. hog-corn ratio.....                            | 11.4          | 16.2          | 15.2          | 13.1            |
| Minnesota hog-corn ratio .....                       | 12.7          | 18.4          | 18.2          | 15.5            |
| Minnesota beef-corn ratio .....                      | 11.5          | 15.6          | 14.9          | 12.1            |
| Minnesota egg-grain ratio .....                      | 13.5          | 18.9          | 17.2          | 14.4            |
| Minnesota butterfat-farm-grain ratio .....           | 25.1          | 34.3          | 28.6          | 34.2            |

\* Explanation of the computation of these data may be had upon request.

† Figure for December, 1943.

## A Year of Red Point Rationing

The variation in the pressure of red point rationing through the year is indicated by the indexes given in the table below. The index numbers result from a comparison of the red points required to buy the food consumption of these families in 1935-36, as reported in the Consumers Purchases Study, with the number of red points available to the family under rationing. Thus the index of 135 for Chicago and New York families in the first ration period means that these families would have required 35 per cent more ration points than they had in order to have been able to consume the quantities of the various commodities which they consumed in 1935-36. Consumption of the families in the \$1,000-\$1,499 income group has been used.

The pressure of points in the red ration point group increased from the beginning of rationing in March until November. This increase was largely the result of increasing the value of points on dairy products; although meat points were also increased. The decline has been the result of lowering the meat points and the granting of free points in the purchase of pork. The differences in the magnitude of the indexes between the groups are indicative of the differences in rationing pressure. An index for farmers would be even lower than those shown for the groups in the table.

### Index of Food Costs in Terms of Red Ration Points for Family Consumption on 1935-36 Pattern (Base=Ration points of family)

| Ration period beginning | New York and Chicago families | Northwest village families | Southeast village families (white) |
|-------------------------|-------------------------------|----------------------------|------------------------------------|
| March 29, 1943 .....    | 135                           | 114                        | 122                                |
| June 6 .....            | 151                           | 122                        | 130                                |
| July 4 .....            | 160                           | 128                        | 131                                |
| August 1 .....          | 164                           | 130                        | 129                                |
| September 5 .....       | 165                           | 134                        | 132                                |
| October 3 .....         | 177                           | 145                        | 141                                |
| October 31 .....        | 174                           | 146                        | 142                                |
| December 5 .....        | 145                           | 123                        | 120                                |
| January 2, 1944 .....   | 140                           | 120                        | 116                                |
| January 30 .....        | 154                           | 130                        | 124                                |
| March 5 .....           | 139                           | 121                        | 108                                |

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