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UNITED STATES DEPARTMENT OF AGRICULTURE
Bureau of Agricultural Economics

WHAT FARM PEOPLE ARE DOING ABOUT THE "COST-PRICE SQUEEZE"

Talk by Mabel A. Rollins, Head, Department of Economics of the Household and Household Management, Cornell University, at the 31st Annual Agricultural Outlook Conference, Washington 25, D. C., October 27, 1953

The composition of the group attending this Annual Agricultural Outlook Conference illustrates one of the most significant differences between agriculture and other industries. Agriculture includes the family in a way that is characteristic of no other industry. The complex pattern in which the farm business and the farm family are interwoven makes it most appropriate here that all of us bring what knowledge we have to bear on the situation.

Those of us who work with the family side of the agricultural picture comprehend the importance of the business side and wish to learn more from those who work with it. We also have a conviction, based on our knowledge of the interwoven aspects of agriculture, that our close work with the family side may yield information useful to the business side.

The composition of this group also illustrates another fact about agriculture: We need to bring together our knowledge of what is going on in different parts of the country. I am speaking of what is going on in farm families in New York State.

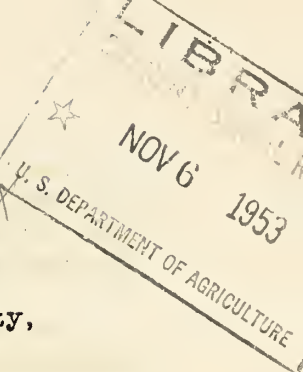
It seems to be true this year that the farm business will yield less income than in the recent past. The question then arises:

Have farm families suffered enough of a loss in income to cause retrenchment in family living?

When a reduction occurs in the income from which the family living is obtained, there seem to be several possible courses of action. The family can supplement this income in some way, possibly by wife's efforts; draw upon savings; curtail investments; go into debt; curtail consumption.

All these possibilities, of course, are not open to all families and the exact order of the adjustment made may differ from family to family.

Curtailement in consumption generally comes late. The relative stability of consumption is indicated on the national level by the relation among changes in such figures as National Income, Savings, Personal Consumption Expenditures and the like and on an individual level by an appraisal of our actions. Expenditures, of course, may be curtailed earlier, due to a decrease in the price paid or an increase in contribution of family labor or both, but the foregoing of a customary commodity or service would not occur as a result.



One other fact might be noted. Farm people represent only about 4 percent of our total state population. Nonfarm incomes have not been cut. If your neighbors have an expanding level of living, it is difficult for you to contract.

So far, farm families in New York are far from exhausting the pleasant alternatives to curtailing consumption. Some aspects of farm family living on which some information is available follows.

Housing and equipment.--Expenditures for housing and for durable goods are usually among the first curtailments. Expenditures for housing among New York State farm families are usually for improvement of an existing house. Considerable possibility exists for making these improvements with family labor. Thus the expenditure might be curtailed without the foregoing of the improvements.

From the point of view of durable goods, farm families are well situated compared to city families in most items, except running hot and cold water and central heating (table 1). The improvement in 16 years in this

TABLE 1.--PERCENT OF HOMES WITH CERTAIN EQUIPMENT

Equipment	127 home-makers Byron and Stafford townships, Genesee Co., New York 1936	95 home-makers Byron and Stafford townships, Genesee Co., New York 1952	102 city home-makers 1952	53 employed city home-makers 1952
Electricity for lighting.....	74	100	100	100
Electric iron.....	64	100	100	96
Electric or gas refrigerator.....	15	99	100	100
Electric washing machine.....	65	98	93	81
Electric vacuum cleaner.....	53	91	98	98
Furnace.....	40	85	96	92
Running hot and cold water.....	15	77	100	100
Electric range.....	4))12	46))80	14))99	17))100
Gas range.....	8)	34)	85)	83)
Electric ironer....	0	14	15	9

Adapted from: Warren, Jean, Use of time in its relation to home management, Cornell Univ. Exp. Sta. Bul. 734, 1940.

Wiegand, Elizabeth, Comparative use of time of farm and city full-time homemakers and city homemakers in the labor force in relation to home management, (unpublished thesis).

respect is startling. This group of farm families today is much more like the city families than they are like themselves 16 years ago. Expenditures for many items of equipment will have to be for replacements which might tend to decrease cash spent in this direction. Not all will be replaced at one time and for some items there will be a trade-in allowance.

Processed foods.—From a consideration of the time spent for marketing and record keeping, which has increased from 0.5 to 0.8 hours and in the time spent for food preparation, which has decreased from 2.3 hours to 1.8 hours, it would seem that farm families were making more use of factory-food preparation (table 2). Methods of work and equipment are tied up with the change to factory prepared foods. A wood stove that supplies the heat and hot water for the house encourages food processes that take time.

TABLE 2.—TIME SPENT ON CERTAIN HOMEMAKING ACTIVITIES BY 427 FARM HOMEMAKERS IN GENESEE COUNTY, NEW YORK, 1936 AND 95 FARM HOMEMAKERS IN GENESEE COUNTY, 1952

Activity	Hours spent per day	
	1936	1952
Total homemaking.....	8.2	7.6
Food preparation.....	2.3	1.8
Marketing and record keeping..	0.5	0.8
Care of clothing.....	1.0	1.7

Adapted from: Warren, Jean, Use of time in its relation to home management, Cornell Univ. Exp. Sta. Bul. 734, 1940.

Wiegand, Elizabeth, Comparative use of time of farm and city full-time homemakers and city homemakers in the labor force in relation to home management, (unpublished thesis).

One might note in passing that ownership of durable equipment may tend to make the level of consumption less flexible. For example, when a car is owned, less can be saved by walking than if expenditures were made for public transportation service; with a washing machine less can be saved by wearing a shirt a day longer, than if it were sent to the laundry.

Farm homemakers will probably talk about the high cost of food. People talk about this long before they are willing to curtail their level of eating.

How important is the employment of women outside the home to farm families?

Since the first possibility that was indicated as a way to adjust to a decreased income was to find a supplementary source of income, it might look as if farm wives would enter the labor market.

Any facts I have on this subject apply to farms where farming is the full-time occupation of the husband or head of the household. On these farms it is not customary for the farm homemaker to work away from home. In the study of ways in which homemakers spent their time in 1952, it was found that only 1 of the 95 farm homemakers had a job away from home taking 15 hours a week or more. In a study made last summer in a different county, it was found that 3 out of the 30 farm homemakers had such jobs away from home, and 2 more worked for a shorter period. We found 24 of the 60 rural nonfarm wives were working away from home but tabulations are not sufficiently far along to determine what proportion were working 15 hours a week or more.

The reasons why wives on these farms do not work away from home are rather easy to understand (table 3). For many of them an outside job exists on the farm. On the average, the farm wives spent an hour a day in farm work. This work ranged from heavy work in the barn to answering the telephone and interviewing salesmen. A number of jobs for which industry and business have found women highly satisfactory exist on the farm - particularly, one might guess on the large farms. Nineteen of the 95 farm homemakers worked a sufficient amount of time on the farm to meet the criterion of the U. S. Bureau of the Census for an employed worker.

TABLE 3.—HOURS SPENT BY HOMEMAKERS ON CERTAIN KINDS OF WORK

Kind of work	Hours spent per day			
	497 farm homemakers Genesee Co. 1936	95 farm homemakers Genesee Co. 1952	102 city home-makers 1952	53 employed city home-makers 1952
Total work	9.7	9.0	8.1	11.5
Farm work	1.0	1.0	-	-
Homemaking	8.2	7.6	7.4	4.1
Paid employment	-	*	0.3	6.8
Other work	0.5	0.4	0.4	0.6

*Less than 5 minutes

The homemaking work load on a farm is heavier than that in a city household. The number of rooms in the farm house are greater - 9 to 15 rooms was the common number in 50 percent of the farm houses, and 5 to 6 rooms common in 60 percent of the city households. The number of children was greater in the farm homes.

Last, but I am not sure least, wives are likely to be found where their husbands are. Husbands working full time on the farm are likely to be around the home place, and one might guess that the wives will be there too.

The amount of time spent on farm work was the same in 1952 as in 1936.

Wives of full-time farmers are not likely to supplement the income by work outside the home. The situation may differ decidedly in the case of part-time farmers but no information on this point is available.

To summarize:

Farm families in New York State have not had a sufficient loss of income to cause them to retrench in their living. They may spend a little less money on living this year because of lower prices (doubtful), more family labor (possible), or their well-stocked position (fairly probable).

Wives of full-time farmers do not have full-time jobs away from home and probably will not change in the present situation.

A shift from present levels of consumption of factory-produced foods probably calls for a sufficiently great enough shift in procedures to call for more pressure for curtailment than exists at present.

Farm women, in addition to others, are likely to be concerned with prices, especially food prices, and highly aware of "spreads," or marketing costs. Now seems to be a good time for Extension Service to prepare material on this subject.