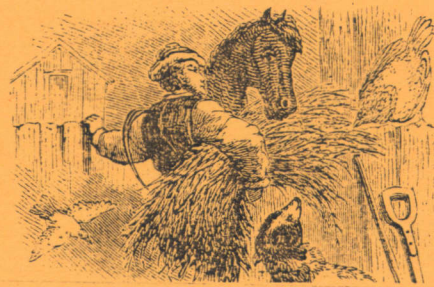


Alabama Agriculture



**25
YEARS
OF
PROGRESS**

ALABAMA AGRICULTURE

25 Years of Progress

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How
far
have
we
come?

"It was a good year for American farming--but not so good for the nation's farmers.

"The country's corn and wheat fields yielded near record harvests, as more farmers purchased new machinery. But the booming agricultural output (resulting from mechanization) was a mixed blessing for many debt-ridden producers.

"Corn and wheat prices sank to new lows. . . many farmers say they are caught up in an unending cycle of debt. As prices fall, they are under pressure to buy the new machinery so as to cultivate more land to maintain the same income. But the modernization and expansion leads to still lower prices."

---Washington Chronicle
December 31, 1876

A steak dinner to a hungry man is a bargain at any price.

But how many people really know what a bargain food is today.

25 years ago a steak dinner like the one we've just seen would have cost a dollar and a quarter if prepared at home.

Now, it cost over three dollars at home, but only 69 percent of family meals are eaten at home,

And a quality steak dinner would cost about 10 dollars at a restaurant or country club.

So, how is food such a bargain?

Well, 25 years ago the average weekly per capita income in Alabama was 17 dollars.

A dollar and a quarter meal cost over seven percent of the weekly income then.

Now, the weekly per capita income is about \$85, and the steak dinner that now cost about \$3.50 takes only $4\frac{1}{2}$ percent of the average weekly income.

A \$10 steak dinner in a restaurant takes only $\frac{2}{3}$ as big a bite out of the average income as it did 25 years ago.

Hard to believe, not considering that the average Alabamian has a five times larger income now than he did then.

Alabama agriculture has worked hard to keep food on our tables and at a reasonable price.

How farming has changed over the past 25 years is an amazing story.

For instance, to get more cars, the number of automotive workers doubled in the past 25 years.

To get more houses, the number of construction workers in Alabama increased from 32,000 to 71,000 in the last 25 years.

Logically, to produce more food for more people the number of farmers had to increase.

No, today there are only 60,000 farmers in Alabama, compared to 200,000 25 years ago.

But the amazing record is that farm output per hour of farm labor increased 257 percent in the past 25 years, compared to a 79 percent increase for manufacturing.

Your next guess then is that these more productive farmers had to plant more acres.

No, the total acreage in production has decreased 5½ million acres in the past 25 years.

How did fewer farmers use fewer acres to produce more food?

This increased productivity came about because farmers formed a close partnership with science and agribusiness.

Last year alone scientists in Auburn University's Agricultural Experiment Station conducted research on 218 identifiable problems,

Ranging from control methods for fall armyworms to long-range projects, such as developing solar powered housing for poultry and swine,

To breeding superior forest trees,

To developing genetically superior cattle and swine to produce more lean meat per pound of feed.

The Alabama Agricultural Experiment Station is now investing over one million man hours annually solving current agricultural problems and anticipated future ones.

Agriculture has become a science and technology based industry.

For example, 25 years ago the hoe and walking cultivator were the primary weapons against weeds.

Now, chemicals and better tillage practices developed by science and technology, and made available by agribusiness, have made the hoe a relic on commercial farms.

25 years ago plowing, planting, and disking were separate operations.

Now, once-over planting equipment gets the land prepared, crops planted, and up, before other tillage is needed.

Scientists are well along in developing automatic guidance systems for tractors, to make tillage more efficient and less time consuming.

25 years ago soil testing as a basis for lime and fertilizer application was in its infancy.

Only 3,500 samples were tested in Auburn's Soils Testing Lab then.

Last year about 80,000 samples were tested for 20 different crops.

Almost 12,000 of these samples were from gardens and lawns, making homeowners co-beneficiaries of science.

Next year computerization will be completed to further speed soil test results to farmers and homeowners.

Agribusiness has also played a vital role in the progress of Alabama agriculture.

Science does not become productive without technological development.

25 years ago the farmer drove to town,

Picked up his fertilizer in 200 pound bags, loaded it on his wagon or truck,

Unloaded it when he got back to the farm and applied it himself to his fields, frequently by hand.

Today's farmer orders his fertilizer by phone from agribusiness, who delivers it in any of several forms and in any quantity, and often applies it to crops in the field.

Just one example of how agribusiness helps give the farmer more time to manage his total operation.

One thing science and agribusiness haven't done for farmers is make production less expensive,

Because a farmer only get 39 percent of the food dollar now.

25 years ago he got 44 percent, which is one reason they talk about parity. They now invest more and net less.

25 years ago Alabama farmers spent 250 million dollars to produce their products.

Last year they spent 1½ billion dollars on production - six times more.

25 years ago 95 percent of Alabama's cotton was hand picked.

Today all cotton is machine-picked and a two-row picker used by most growers cost \$48,000.

25 years ago if planting was done mechanically, it was with a two-row planter that cost about \$200, pulled by a \$1,000 tractor.

More likely it was a \$50 one-row planter pulled by a \$200 mule.

Now multi-row equipment costing \$8,700, pulled by a \$25,000 tractor, is used.

To maximize production, farmers use more fertilizer today.

Last year an average of over 450 pounds of fertilizer was used on every farm acre in Alabama,

Compared to 250 pounds per acre 25 years ago.

A ton of fertilizer cost 40 dollars then and 140 dollars now.

Alabama farmers have indeed made remarkable progress in productivity.

Today, one farmer feeds himself and about 60 others, plus enough extra to export the products of 1 acre out of 4.

Alabama's leading farm industry, poultry, is a good example.

25 years ago an efficient poultryman might produce 150,000 broilers a year.

Presently, one man can produce 750,000 birds every year and Alabama markets 1½ million broilers every day.

25 years ago the harvesting of 15,000 eggs a day for one producer was something of a record.

Today's typical egg producer gathers 50,000 daily - and Alabama producers sell 10 million eggs every day.

State broiler and egg sales last year amounted to over 1/2 billion dollars, ranking Alabama 3rd in the nation in production of broilers and 5th in eggs.

Beef production is also up - thanks mostly to increased efficiency.

Last year cattle on test at Auburn had an average daily weight gain of 3¼ pounds, 50 percent better than animals in the same tests 25 years ago.

Production has increased from 600,000 mama cows 25 years ago, to 1,200,000 last year, raising cash receipts from 60 million to 300 million dollars - a 400 percent increase.

Yet choice beef brought 24 cents to the farmer then and only 44 cents last year - less than double in 25 years.

Row crops have also shown increased productivity.

Corn averaged 11 bushels per acre in the early 1950s,

Compared to a state average of 62 bushels per acre in 1976.

Last year only 800,000 acres of corn were planted, compared to 2½ million acres 25 years ago,

Yet just as much corn - 50 million bushels - was harvested last year from 1½ million fewer acres.

Tomtato production is just as dynamic.

25 years ago commercial tomato growers produced 20 million pounds from 7,500 acres.

Last year the same number of acres produced over 50 million pounds - 2½ times more.

Alabama's dairymen have also contributed to the agricultural growth, although milk production is down.

25 years ago Alabama's dairy herd was over 400,000 cows, today we have only 85,000 .

But, production per cow has increased from 3,200 pounds of milk to 8,000 pounds per cow last year.

The progress of Alabama's agricultural industry is evidenced by changes in such traditional row crops as peanuts and cotton.

Jimmy and Billy might have made peanuts popular, but farmers made them grow.

Peanut yields have increased from 550 pounds per acre in the 1950s,

To 2,750 pounds per acre in 1977.

25 years ago cotton was Alabama's leading money crop, now its well down the line.

Alabama's cotton was mostly hand picked then and boll weevils were a big problem.

Toxophene dust was used for control, and was often applied by hand.

Today, weather has replaced boll weevils as a cotton farmers biggest foe.

Toxophene is still used, but like the more popular organo-phosphate insecticides, it is now used as a liquid and is usually applied by air.

The single most dramatic progress in Alabama agriculture is the rise in popularity of soybeans.

25 years ago soybeans made up barely one percent of Alabama's farm cash receipts.

Recently they passed peanuts and cotton and became the State's top cash crop.

This type of progress in agriculture can be continued in the next 25 years.

But road blocks do exist, such as Pres. Carter's proposed farm budget, which would cut back agricultural research by 20 percent;

Inheritance taxes and increased advalorem taxes, which, unless revised, will further destroy the family farm;

And the threat of a nationwide farm strike, unheard of 25 years ago, but a very real force today, when you consider that of Alabama's 60,000 farmers, 17,000 are responsible for 90 percent of State farm sales.

Yet, these very efficient farmers are not receiving a reasonable return for their labor, management, and capital.

To overcome these serious problems, keep food a bargain in the future, and to ensure another 25 years of progress,

Agriculture, (SHORT PAUSE) Science, (SHORT PAUSE) and Agribusiness must work even harder as a team.

And they must have the understanding and continued help of their biggest supporter. (PAUSE)

You--the consumer

END

CONCLUDING REMARKS

We have endeavored to present a picture of 25 years of progress. Let me close with some concluding remarks that perhaps will set agriculture in its proper perspective. We recognize agriculture as the producer of food and fiber but it's also big business. It's the strongest component in our world power arsenal.

In Alabama, agriculture assets total about \$7 billion with annual farm sales hopefully approaching \$2 billion. Nationwide, agriculture assets total nearly \$700 billion (almost 10 times larger than the sum of all automobile industries), and sales well in excess of \$100 billion annually.

Over 1/3 of all the bills and resolutions considered by the Congress of the U.S. are referred to the Agriculture Committees of the House and Senate. Agriculture is obviously at the forefront of national concern.

This year our exports of agricultural products were \$24 billion. Even so, we had an \$11 billion deficit in balance of trade, but think what it would have been if we were back 10 years when our agricultural exports were only \$6 billion and when we had a negative balance of trade in agricultural products.

The European Common Market is our biggest customer but also our biggest competitor. Japan is our biggest purchaser for a single nation, \$4 billion (we use more land in the U.S. to produce food for Japan than is used in Japan). Our export

growth rate is about 9% compared to 4.5% for our domestic growth, but Japanese agricultural imports have been increasing at rate of 15%.

Each \$1 in export generates \$2 in domestic activity. Agriculture is no longer looked on as just food. It is recognized as hope for a positive balance of trade and for our nation's strength.

60% of our exports are to developed nations.

30% of our exports are to developing nations.

10% of our exports are to centrally planned nations.

Purchases for centrally planned economies have varied from \$4 billion to \$400,000 annually in recent years. This uncertainty is a major concern in international marketing.

We are vitally involved in the present International Trade Conference at Geneva.

We offer to sell European Common Market wheat for \$3.25 a bushel. They won't buy yet it moves in their market for \$6.00.

We can't advertise bourbon in France -- it's bad for you because it's made from grain. It's ok to advertise cognac -- it's made from grapes and is good for you.

The potential for agricultural exports is very great but this doesn't mean the potential will be realized.

Major positive forces are:

1. Japanese rising affluence and decision to buy.
2. Russia's decision to buy rather than tighten belt.
3. Mainland China's apparent decision to become a world power.
4. Taiwan and S. Korea - have set examples that nations can change from developing to developed economics.

Major negative forces are:

1. Competition between oil and food.
2. U.S. farm policy decision to not peg loan price to world market.
3. Lack of consistent leadership in developing nations to raise purchasing power.

This Nation's future depends on decisions made about its agriculture.

Alabama's agricultural potential is great indeed. We must work to foster the achievement of this potential. I solicit your interest and desire to become better informed about Alabama's agriculture and to join in a concerted effort toward the continued growth of Alabama's agriculture as an important component of the business of this State and region.

