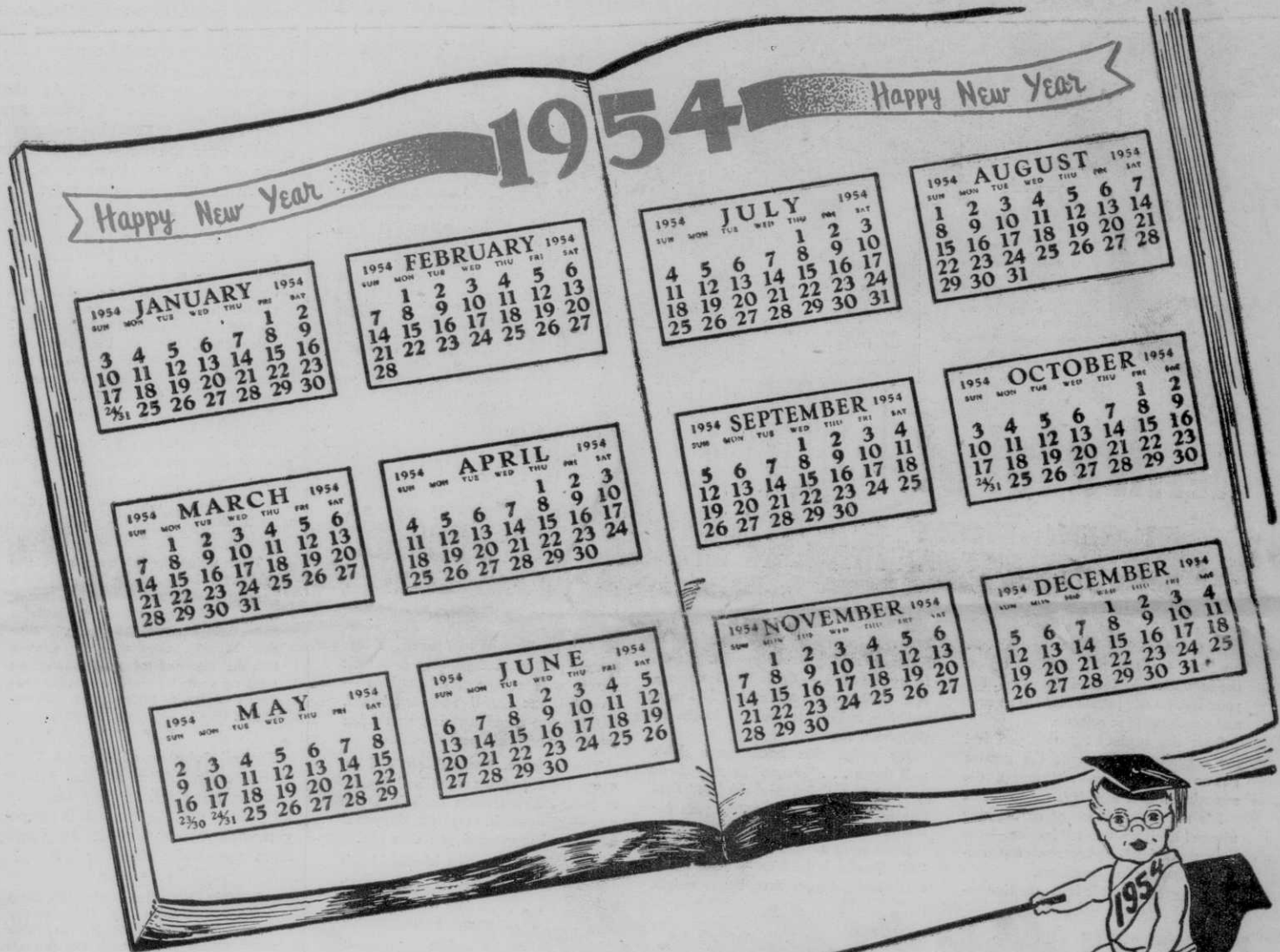


MONTANA Farmer & Stockman



PREVIEWING the 1954 Farm & Ranch Year

By GILBERT GUSLER

THE goose won't hang quite as high for farmers in 1954 as in 1953, but it will still seem like pretty good times to anyone whose memory goes back 10 or more years.

Farmers will have a little less produce to take to market, or put in the government's storehouse, than in 1953. Consumers won't be quite so well-heeled. Farm prices will average slightly lower. Fewer sales dollars will go into the farm till but production expense will be a trifle smaller. The farm family will have a little less left to live on or put in the sock. That seems to be the 1954 prospect in a nutshell.

The year starts with price tags on farm products averaging about 6 per cent lower than a year ago and 3 per cent below the general level in 1953. Farmers are getting 5 to 7 per cent less at the pay window than a year ago, but their expenses are down only about 2 per cent.

The decline of nearly 20 per cent in farm prices from the all-time high reached nearly three years ago occurred in spite of a rising trend in consumers' income and ability to buy. Nevertheless prospects for general economic activity and employment probably

are the most important factor in the farm outlook for 1954.

In recent years, 26 to 28 per cent of disposable personal income—now at a yearly rate of about \$250 billions—has been spent for food. Another portion went for wool, cotton and leather goods which come from farm raw materials. So, farmers have a big stake in the level of that income. It probably is 10 to 15 times as important to farmers as the export market. (See chart, page 4.)

For several months, economic activity has been in a slow decline. This trend is likely to continue. (Please turn to page 4)

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