

An Inside
Look at... Texas'
Agricultural
Industry



TEXAS AGRICULTURAL EXTENSION SERVICE
J. E. Hutchison, Director, College Station, Texas

THE MOVEMENT OF GOODS IN THE AGRICULTURAL INDUSTRY

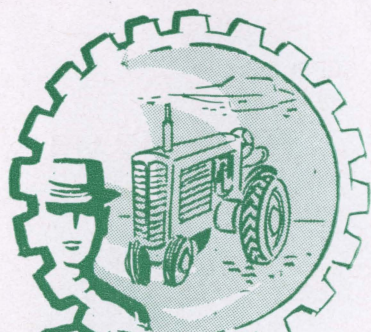
An Inside Look at Texas

ALVIN B. WOOTEN, EXTENSION ECONOMIST

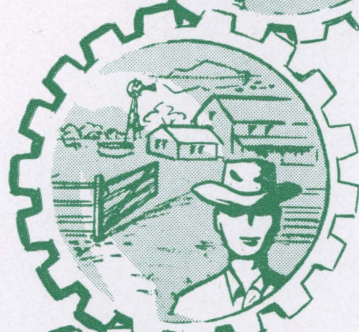
DID YOU KNOW that agriculture contributes about one-third of the total annual income for the State of Texas? Few people realize that this industry contributes annually about \$4.5 billion to the economy of this State.

Agriculture does not confine itself solely to the farm and ranch. This industry is made up of three closely related segments: producers of agricultural products (farmers and ranchmen); suppliers of machinery, fertilizer, fuel and other items used by farmers and ranchmen; and processors and distributors of farm and ranch commodities. Each segment is a vital part of the industry and its functions grow or lessen according to technological changes and the desires of consumers.

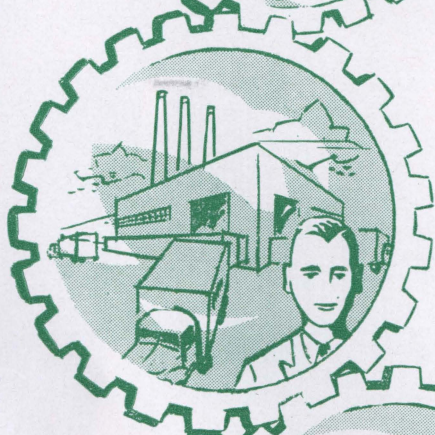
Significant changes continue within the agricultural industry. Many activities once performed on the farm and ranch are being handled today by suppliers and processors and distributors. Farmers and ranchmen today purchase most of their power in the form of machines and fuel instead of raising the work animals and feed as they did a few years ago. A modern broiler producer depends entirely upon an up-to-date farm supply, processing and distribution system.



SUPPLIER
\$1.3 Billion
Farm Supplies



FARM
\$2.0 Billion
from Farms and
Ranches



**PROCESSING
AND
DISTRIBUTION**
\$4.5 Billion Retail
Value of
Food and Fiber



CONSUMER

Each year Texas' agricultural industry produces and delivers to consumers food and fiber products with a retail value of about \$4.5 billion. This volume is expected to continue to increase.

as' Agricultural Industry

ONOMIST, *The Texas A. & M. College System*

Nearly 40 percent of Texans derive their livelihood from the agricultural industry. In 1940 about 45 percent were employed in this industry. Projecting present trends into 1975 indicates that producing food and fiber will remain the responsibility of about 40 percent of our people. Significant changes will continue within the industry—fewer people on farms and ranches, more people supplying production items and processing and distributing agricultural products.

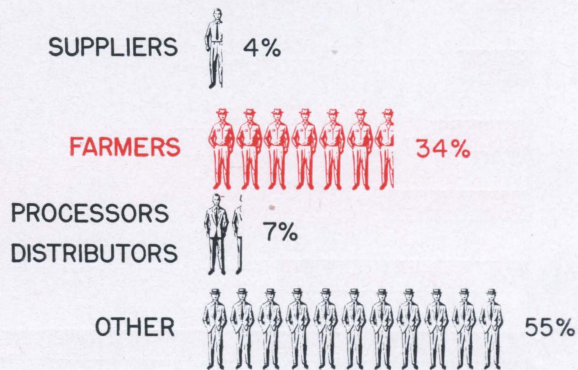
This shifting of jobs from farm and ranch producers to other segments of the agricultural industry, along with more use of improved techniques, helps to explain the rapid decline in Texas farm and ranch population from 34 percent in 1940 to 11 percent today. Despite this decline, during the same period the proportion of our population working in the agricultural industry declined only about 5 percent, from 45 to 40 percent.

Most of the major changes in agriculture in recent years have been taking place within the agricultural industry itself—not between the agricultural industry and the rest of the economy. Projection of present trends indicates that about 40 percent of our people will still be engaged in the agricultural industry in 1975.

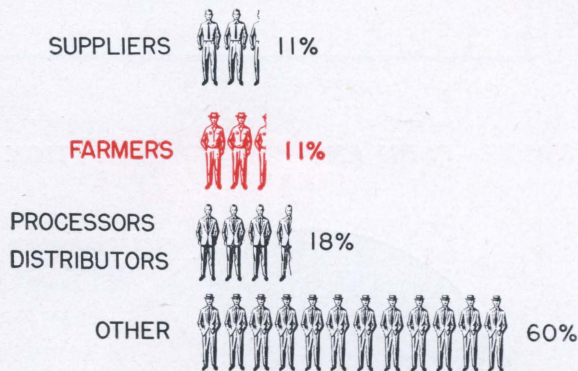
Providing the proper kind and amount of food and fiber is a joint responsibility of the supplier, farmer and ranchman, and processor and distributor. One segment cannot prosper very long unless all progress together. Because of the many mutual problems, research and educational programs are designed to work with all segments of the agricultural industry.

TEXANS EMPLOYED IN AGRICULTURAL INDUSTRY

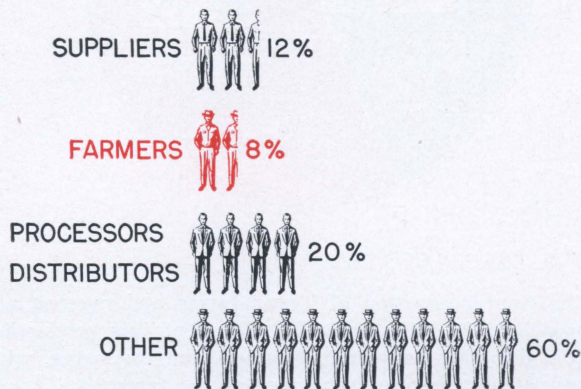
YESTERDAY 1940



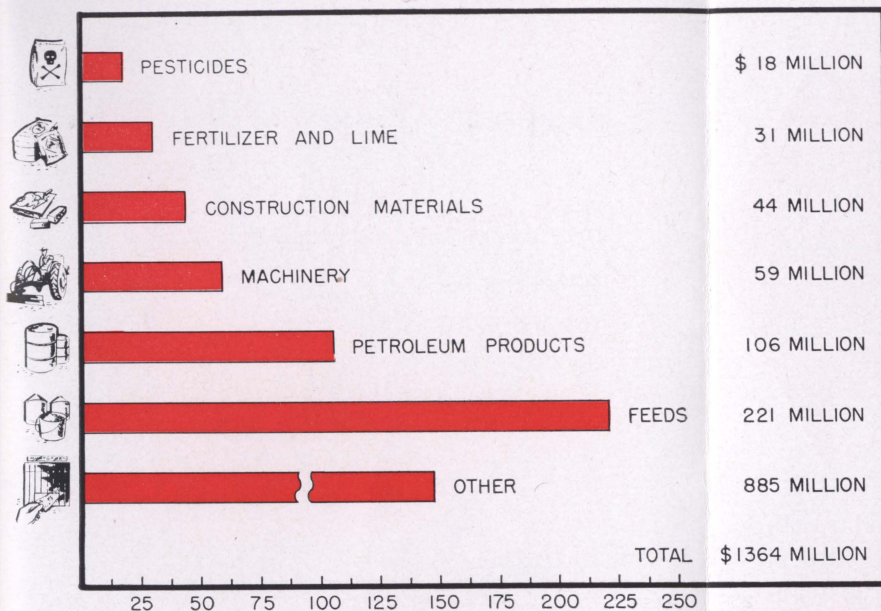
TODAY 1958



TOMORROW 1975

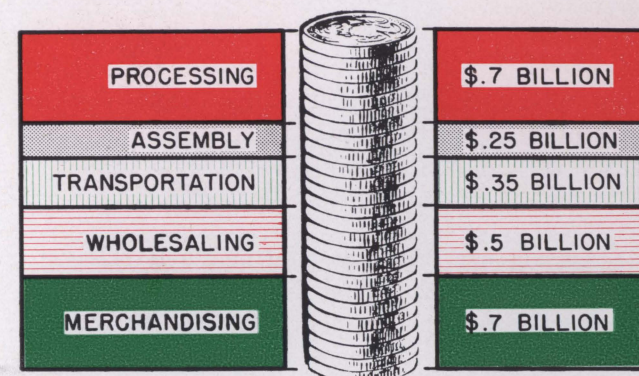


VALUE OF PRODUCTION ITEMS OBTAINED FROM FARM AND RANCH SUPPLIERS (TEXAS)



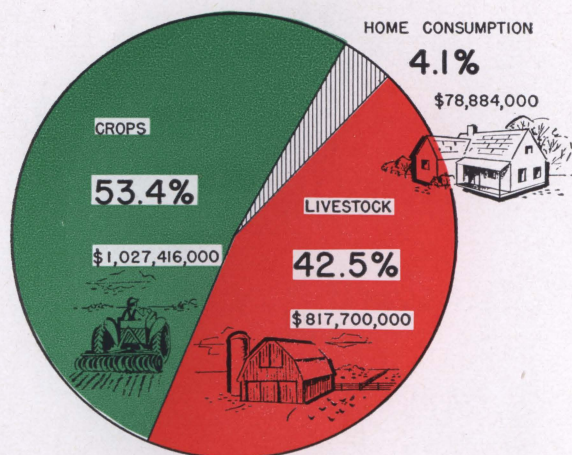
Figures are for annual purchases. Texas farmers and ranchmen rank at the top as single users of petroleum products. "Other" includes hired labor, insurance, interest on loans, machinery repair, containers and binding materials. The upward trend in purchases of production items used on Texas farms and ranches likely will continue.

VALUE ADDED BY PROCESSORS AND DISTRIBUTORS



The value added to farm and ranch products by processing and distributing agencies amounts to approximately \$2.5 billion annually. Both the farmer and consumer benefit from the services performed by these agencies. They provide foods in attractive, sanitary packages and in pre-cooked forms; fibers in more attractive, greatly varied patterns—items desired by present-day consumers and for which they are willing to pay.

VALUE—FARM AND RANCH PRODUCTION (TEXAS)



TOTAL \$1,924,000,000

The total production of Texas farms and ranches approaches \$2 billion annually. Most of this production goes into the channels of business and commerce, with only about 4 percent consumed on the farm.

FARM AND RANCH PRODUCTION RETURN TO OTHER BUSINESSES (TEXAS)

The gross value of farm and ranch products ranks second only to the gross value of oil in our economy. Other large wage and salary incomes and revenue incomes from large businesses are less than that from farm production.

