TABLE 8.—INDEXES OF WORLD AVERAGE EXPORT UNIT VALUES OF AGRICULTURAL PRODUCTS, BY MAIN COMMODITY GROUPS

[1957-59=100]

	Average, 1953-57	1958	1959	1960	1961	1962	1963	1964	1965 (preliminary)
Agricultural products	107	99	96	97	93	92	99	102	100
Food and feedstuffs	104	99	98	97	96	97	108	110	109
Cereals	112	100	98	98	97	103	103	106	104
Sugar	97	96	91	87	89	89	139	137	104
Oilseeds and vegetable oils	103	98	101	97	95	91	98	99	110
Fruit	95	105	89	90	93	93	100	94	97
Meat	96	101	105	108	106	102	107	121	127
Dairy products	109	92	104	103	96	96	102	106	115
Beverages and tobacco	111	105	92	89	83	81	84	92	91
Coffee	127	102	83	80	76	73	69	88	89
Cocoa	103	118	103	83	66	63	68	71	56
Agricultural raw materials	111	94	94	103	97	92	96	96	90
Wool	118	89	85	92	90	89	103	113	96
Cotton	116	101	88	94	96	92	91	88	89
Rubber (natural)	97	87	111	125	92	87	83	79	76
Average export unit value of manufactured products	96	100	99	101	102	102	103	104	107

Source: FAO, "The State of Food and Agriculture, 1966," table II-10, p. 40, Rome, 1966.

These trends have been interpreted as a worsening of the terms of trade for the developing nations, since they largely export farm products. But this trend also suggests that economic development is proceeding, that food requires a smaller part of the total family budget than formerly, leaving purchasing power to support a higher level of living. About 100 years ago, the typical U.S. family spent about two-thirds of its income on food and clothing; the decline in this percentage to a fourth or less is a major component of our economic development. The decline has been strongly influenced by a significant and continued increase in agricultural productivity. The fewer farmers of today are able to produce more food than their predecessors, and this process continues. True, this change required migration of millions of people from agriculture to industry and other urban occupations, a migration with many fits and starts. Farm prices and farm incomes lagged because of comparative overcommitments of resources in agriculture. The adjustment process brought anguish to many unable to understand and to accept the consequent inequities, and unable, also, to do much about them.

Is this same process operating in the agriculture of other nations? In most advanced countries, it is clear that evolving agricultural technology is leading to greater production per man and per acre, with substantial outmigration of rural manpower. Technical change also is affecting the conditions of production of some of the major exports of developing countries, e.g., coffee, cocoa, and cotton. The challenge is not to keep agriculture from becoming more productive; rather it is to devise procedures by which to take advantage of the changes that are occurring, and to assure that the gains are more equitably distributed. In the developing nations, rising population and income pressures lead to much concern that food production will not increase rapidly enough, despite substantial increases in food production. But, at present, another issue looms larger in politic-economic discussions coming from the developing to developed countries.

This is the argument that the longrun relative price movements of agriculture and manufactured goods—the terms of trade are adverse to the developing nations and leads to a deterioration of exchange