CHAPTER VI

RETAIL BUSINESS IN ARVIN AND DINUBA

INTRODUCTION

Retail business data for enterprises in the two communities were secured from the records of the California State Board of Equalization.[19] The board, along with other duties, keeps the records and accounts of the California sales and use tax, which covers virtually all retail sales with the exception of retail foods. Records are kept, not only on taxable sales but on total retail sales of all enterprises selling taxable items. The Research and Statistics Department of the Board, in cooperation with the Bureau of Agricultural Economics, analyzed the retail sales data for all rural communities in Madera, Kern, and Tulare Counties. They were made in early 1944 and refer to the 12-month period beginning October 1942 and ending September 1943. The use of this time period was dictated by the nature of the data available. Additional material is available on business enterprises from the Dun & Bradstreet Reference Book (January 1942).

NUMBER OF ENTERPRISES AND GROSS VOLUME OF BUSINESS

There is a marked difference in the volume of business and the number of business enterprises between the community of small farms and that of large farms. On virtually identical resource bases, as measured by dollar volume of production of agricultural commodities, the Dinuba merchants do approximately 4⅓ million dollars' worth of retail trade as against about 2½ million dollars' worth among Arvin merchants. On a population basis the dollar volume is somewhat less, but is nevertheless different to a significant degree. The number of business establishments in Dinuba is more than twice the number in Arvin, showing that the small farm population supports small business to a far greater extent.

According to the records of the board of equalization, there were 62 enterprises in Arvin holding a franchise to sell taxable items in the fall of 1943 and 141 in Dinuba, or a ratio of 4 to 9. Dun & Bradstreet listings for January 1942 show even greater divergence with 60 as against 155, or a ratio of less than 4 to 10. Retail trade reported to Arvin for the 12-month period studied was $2,535,000; for Dinuba during the same period it was $4,383,000 (fig. 16). This means that Arvin enjoyed $103 of retail trade for every $100 value of agricultural products, while Dinuba had $171 for every $100 value of agricultural product. Relating retail trade to resident population, we find $407 spent per person in Arvin and $592 per person in Dinuba.[20] These facts are summarized in table 39.

[19] For a full discussion of the methods of developing these data, see appendix G.

[20] Analysis of the retail potentials in communities with differing size of farm units, based upon actual farm practices in California's Central Valley, is presented by J. Karl Lee in his study, Economics of Scale of Farming in the Southern San Joaquin Valley, Calif.. The relative intensity of operation, the greater use of labor on small farms, and most particularly the difference in distribution of farm income all make for greater economic prosperity among merchants and townspeople in the rural community serving small farms.