

AN ECONOMIC ANALYSIS OF THE NUMBER AND SIZE
OF COOPERATIVE GRAIN ELEVATORS IN KANSAS, 1950 TO 1980

by *6291*

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CHAPTER I

INTRODUCTION

Expanding population numbers and rising per capita incomes have contributed to increased domestic and foreign demand for food and feed grains during the past two decades. In addition there has been a growing concern for the quality and quantity of food being consumed. The trend established by these factors probably will continue during the present decade thus creating a favorable situation for further growth in demand for feed and food grains.

Also as in the past it appears the United States will be a substantial provider of the world's grain supply. During the 1950's and 1960's total annual grain production in Kansas rose and according to a recent study Kansas will provide an even larger percentage of the total United States grain supply.¹ Thus the demand situation for Kansas grain producers is also favorable.

Just as the total production of grain in Kansas has increased the percentage of grain which is marketed has also increased; from 68.1 percent in 1950, to 75.9 percent in 1960, to 82.2 percent in 1969.² Due

¹Orlan H. Buller, et al., Kansas Agriculture and Agribusiness in 1980, Research Paper No. 3 (Manhattan, Kansas: Kansas Agricultural Experiment Station, May, 1971.)

²Percentage of grain marketed is used in this paper synonymously with off-farm grain sales and refers to that portion of the total annual grain production which leaves the farm on which it was produced. Included in off-farm grain sales is grain sold to elevators, processors and other livestock feeders; not included in off-farm grain sales is grain fed by the producer or stored at the production site. Percentage of off-farm grain sales for