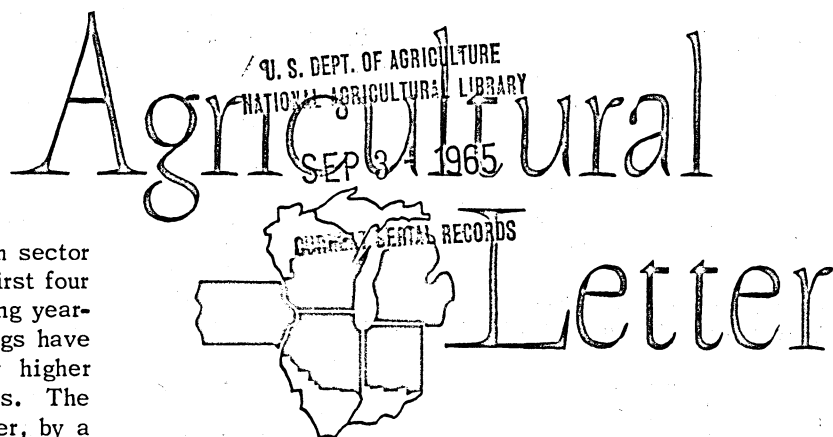


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THE OVERALL PERFORMANCE of the farm sector of the economy showed little change during the first four months of 1965 as compared with the corresponding year-earlier period. Cash receipts from farm marketings have been running about the same despite sharply higher prices for a number of important farm commodities. The effects of higher prices have been offset, however, by a reduction in the volume of marketings from the record year-earlier level. Farm cash receipts during January through April, 1965, totaled about \$10.6 billion—slightly smaller than for the corresponding year-ago period.

During the first four months of 1965, the volume of crops sold was about 4 per cent below a year ago while sales of livestock and livestock products declined nearly 5 per cent from last year's relatively high volume. The reduction in the volume of crop marketings is primarily the result of last year's drought-shortened production; feed grain production in 1964 dropped 20 million tons from the previous year's level to about 136 million. In addition, many farmers cut back the feeding of cattle and hogs following the depressed prices during much of last year.

Cash Receipts from Farm Marketings—January-April

	<u>1964</u> (million dollars)	<u>1965</u>	<u>Change</u> (per cent)
Illinois	722	750	4
Iowa	888	951	7
Indiana	376	365	3
Michigan	221	221	—
Wisconsin	396	414	5
Seventh District	2,603	2,702	4
United States	10,575	10,566	—

Prices received by farmers have improved sharply since the beginning of the year in contrast to last year's decline over the same period. In May, the index of prices received for meat animals increased 10 per cent from the previous month and was 21 per cent above the year-ago level. Prices for all species of animals were higher; hog prices were about \$5.40 per hundredweight above May 1964, and beef cattle prices were about \$3 higher.

Although the index of prices for all crops in May was about the same as a year ago, prices of most grains were above those of last year. Feed grain prices received by farmers in May were about 7 per cent higher than in May 1964. Corn, the major feed grain, reached \$1.23 per bushel in May—7 cents above a year ago and the highest for the month since 1957. Soybeans were also well above the year-ago level—\$2.72 per bushel compared with \$2.36 in May 1964.

Wheat prices, on the other hand, have dropped sharply—from \$1.88 per bushel last May to \$1.33 this year.

The decline, however, is primarily the result of the change in the Government's wheat program in mid-1964. Farmers who participated in the 1964 program received direct payments in the form of marketing certificates in the amounts of 70 cents per bushel for wheat allocated for domestic use and 25 cents for wheat allocated for export. This is in addition to the market price.

In the Seventh Federal Reserve District states, a somewhat better performance has been made. Cash receipts in the January through April period rose about 4 per cent from the corresponding year-ago level. Similar gains were recorded in both sales of crops and in livestock and livestock products, primarily reflecting the improved prices of Midwest agricultural commodities. Only in Indiana did cash receipts fail to match the year-earlier level reflecting a sharp decline in cash receipts from crops—down about 13 per cent from the relatively high year-ago figure.

Farm population has continued to decline both in total and as a per cent of the nation's population. Government estimates placed the farm population at 12.9 million persons in 1964—down from 13.7 million in 1963 and 15.6 in 1960. People living on farms now account for less than 7 per cent of the total population compared with nearly 9 per cent in 1960.

Farm Population Continues to Decline

<u>Age</u>	<u>1960</u> (thousands)	<u>1964</u>	<u>Decline</u> (per cent)
Under 14	4,995	3,878	22.4
14-19	1,868	1,642	12.1
20-24	763	620	18.7
25-44	3,264	2,579	20.9
45-64	3,453	2,959	14.3
65 and over	<u>1,326</u>	<u>1,276</u>	3.8
Total	15,669	12,954	17.3

While declines have occurred in all age groups since 1960, the largest decreases were for those adults 25 to 44 years of age and for children under 14 (whose parents, by and large, are in the 25-44 age range). In the group over 45 years of age, the migration rate drops sharply. As true in most occupations, older workers are more reluctant to shift to other types of work.

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