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NET INCOME PER FARM reached a record high of \$5,024 in 1966, nearly one-fifth above the previous year, according to recent U. S. Department of Agriculture estimates. Sharply higher farm commodity prices as well as a slightly larger total volume of marketings and a 4 percent decline in the number of farms accounted for the rise. Total farm income was 15 percent above a year earlier, but this level had been exceeded in 1947.

Income Per Farm at Record Levels

	Realized income			
	Gross		Net	
	1966	Change, 1965-66	1966	Change, 1965-66
	(dollars)	(percent)	(dollars)	(percent)
Illinois	22,487	+19	8,043	+30
Indiana	14,922	+18	5,151	+22
Iowa	24,233	+21	7,778	+24
Michigan	10,800	+14	3,478	+23
Wisconsin	13,256	+17	5,105	+29
United States	15,238	+14	5,024	+19

Only in four states did net income per farm fail to increase. In Alabama, marketings of cotton were down sharply; in Maine and Idaho increases were affected adversely by low potato prices; in Delaware, rapidly rising expenses more than offset the increase in gross income.

Total per capita disposable income of the population living on farms—including income from both farm and non-farm sources—increased for the third consecutive year and was a record high of \$1,731, or 11 percent above the preceding year. The gain reflects, in addition to the rise in farm income and the decline of farm population, the greater opportunities for employment in nonfarm jobs. The income per person from nonfarm sources averaged well over \$500 for the entire farm population, or nearly one-half the income from farming.

In the Seventh Federal Reserve District, income gains outpaced those for the nation by a wide margin. Income per farm was at a record level in all five of the District states, with each of the states showing gains of 22 percent or more from the preceding year. Income gains from nonfarm sources were probably also greater, reflecting the economic boom in the District states.

In the three Corn Belt states, greater receipts from marketings of cattle, hogs, corn and soybeans—reflecting higher prices for these products—boosted total receipts well above year-ago levels. Government payments to farmers in these states, under the feed grain and wheat

programs, were curtailed somewhat because of reduced participation, but larger receipts from crops more than offset this decline.

In the Dairy states of Michigan and Wisconsin, net income was also boosted by receipts from the sale of meat animals and feed grains, but much of the increase in income can be attributed to the sharply higher milk prices which averaged nearly 57 cents per hundredweight above a year earlier. Also, while Government payments are much smaller in the dairy areas than in the feed grain areas, they were above the year-earlier level in 1966.

Broiler producers are apparently again planning for a sharp expansion in production. Production was rapidly expanded during the latter part of last year, rising 12 percent above a year earlier. In response to the increased output, broiler prices dropped to 11.9 cents per pound in December—more than 4 cents below the year-earlier level. As a result, chick placements during the early part of this year were reduced and prices have subsequently improved. However, now that prices have improved, producers have begun to expand the rate of production again. Chick placements during the three-week period ending March 4 rose 7 percent above the year-earlier level. Moreover, the number of eggs set were up 9 percent from the comparable period of last year.

Egg production is also expanding. During January and February output was up 7 percent from a year earlier, reflecting both a buildup in laying flocks and a younger laying flock, resulting in an increased laying rate. Moreover, since hatches of replacement chicks have been at high levels, laying flocks are likely to continue to expand. The laying rate is expected to be maintained as flocks are culled heavily this spring and summer because of lower egg prices and high costs. With egg production expected to increase sharply in 1967, the long-standing downtrend in egg consumption per person is expected to level off for the first time in 15 years.

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