

THE

Farm Income

SITUATION

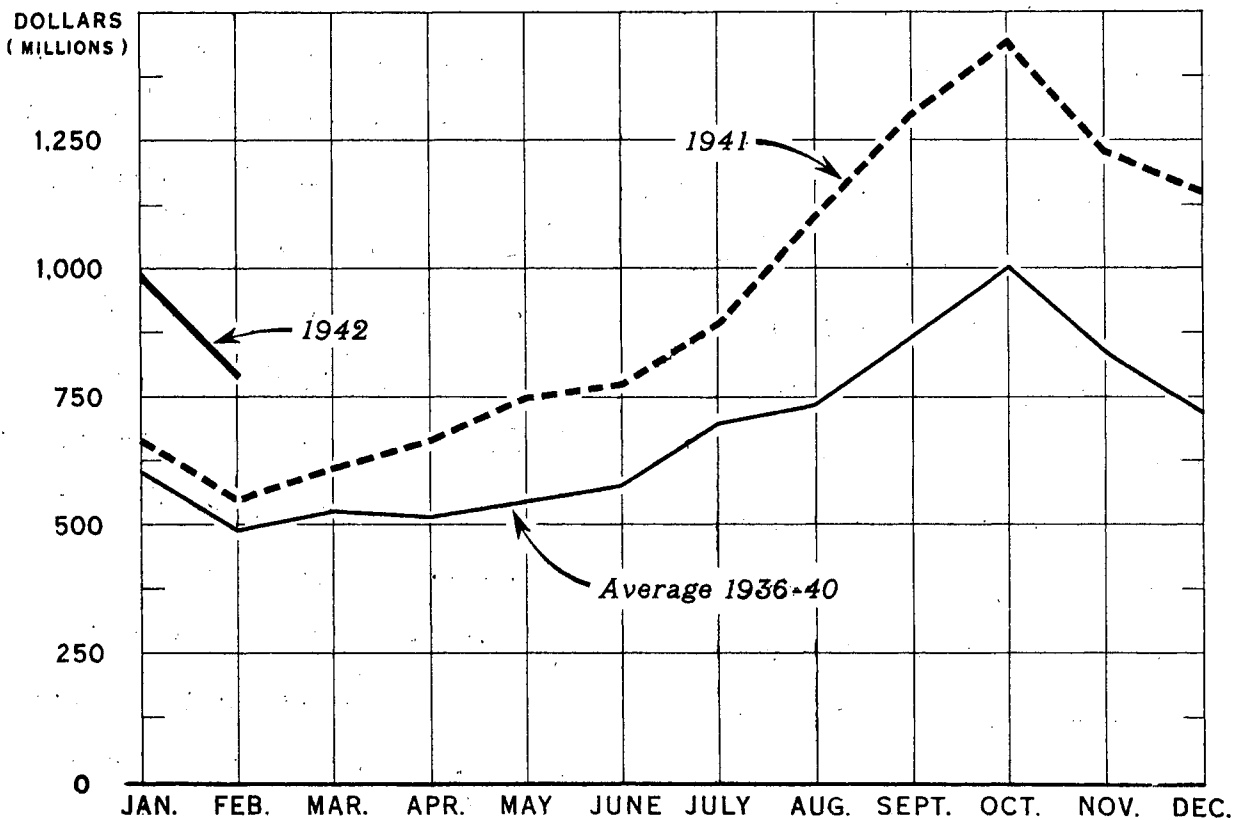
BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

IS-26



MARCH 1942

CASH INCOME FROM FARM MARKETINGS, UNITED STATES,
AVERAGE 1936-40, AND 1941-42



U. S. DEPARTMENT OF AGRICULTURE

NEG. 38125 BUREAU OF AGRICULTURAL ECONOMICS

AN ADVANCE OF 35 PERCENT IN PRICES RECEIVED BY PRODUCERS FROM FEBRUARY TO OCTOBER LAST YEAR WAS THE PRINCIPAL FACTOR IN THE SHARP RISE IN FARM INCOME DURING THIS PERIOD IN 1941. WHILE IT IS PROBABLE THAT CASH INCOME FROM FARM MARKETINGS WILL INCREASE MORE THAN USUAL FROM FEBRUARY TO OCTOBER THIS YEAR, IT IS NOT LIKELY THAT THE RISE WILL BE AS SHARP AS IT WAS LAST YEAR.

T H E F A R M I N C O M E S I T U A T I O N

Summary

Cash income from farm marketings and Government payments in February totaled 887 million dollars compared with 1,098 million in January and 632 million dollars in February of last year. After allowing for the usual seasonal changes, income from livestock and livestock products increased slightly from January to February, but income from crops declined materially as prices of truck crops declined sharply and marketings of wheat, cotton, and corn decreased more than usual. Returns from all groups of products, however, were sharply higher than a year earlier and income from farm marketings totaled 808 million dollars, 47 percent more than in February 1941. Government payments in February totaled 79 million dollars, compared with 111 million dollars in January and 82 million dollars in February 1941.

Income from crops in February of 260 million dollars was 50 percent higher than a year earlier. Returns from nearly all crops were higher, but the greatest increases in returns were from soybeans, rice, potatoes, dry edible beans, and truck crops. Income from meat animals declined slightly less than usual from January to February as the sharp drop in marketings of hogs was about offset by heavier than usual marketings of cattle. Marketings of dairy products increased seasonally and prices declined much less than usual so that income in February was slightly higher than in January. Returns from poultry and eggs made about the usual seasonal decline from January to February, and returns from all livestock and livestock products of 548 million dollars were 45 percent higher than in February of last year.

For the first 2 months of 1942 cash income from farm marketings and Government payments amounted to 1,985 million dollars compared with 1,386

million dollars in the same period of 1941. Income from farm marketings totaled 1,795 million dollars, 47 percent more than for the first 2 months of last year. Government payments in January and February totaled 190 million dollars this year compared with 169 million dollars a year earlier.

A decline of 3 percent in the level of prices received by producers, together with a sharp decrease in the marketing of hogs and in the quantities of corn and cotton placed under loan, were the principal factors in the decline in the seasonally adjusted index of income from farm marketings from 131.5 percent of the 1924-29 average in January, to 126.5 in February. Marketings of hogs were unusually heavy in January but in February were only about equal to the relatively light marketings in February of last year. On the other hand, prices of hogs were somewhat higher than in January and returns from cattle and lambs declined somewhat less than usual from January to February, resulting in an increase in the index number of income from all meat animals from 154.0 percent of the 1924-29 average in January to 154.5 in February. Income from dairy products in February was maintained as prices of wholesale milk declined less than usual and butterfat prices were practically unchanged from January to February.

The usual trend of income from farm marketings is upward from February through October. If the domestic demand for farm products and lend-lease buying show the increases which now seem likely, the rise in income from farm marketings during this period of 1942 should be greater than the average of the 5-year period 1936-40 (see chart on cover page). However, it is not likely that the increase in farm income will be as great during this period in 1942 as it was in 1941 when the seasonally adjusted index of income increased from 84.0 percent of the 1924-29 average in February to 111.5 percent in October, or about 33 percent more than usual.

Table 1.- Monthly cash income from farm marketings, United States, with comparisons

Source of income	Jan.-Feb.	Jan.-Feb.	Feb.	Jan.	Feb.
	1941	1942	1941	1942 1/	1942 2/
	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
Income from farm marketings ...	1,217	1,795	550	987	808
All crops	404	604	173	344	260
Food grains	39	50	18	26	24
Feed grains and hay	96	141	42	80	61
Cotton and cottonseed	53	99	19	63	36
Oil-bearing crops	8	15	4	8	7
Tobacco	53	60	11	45	15
Vegetables	70	136	36	70	66
Fruits and nuts	40	53	19	28	25
All livestock	813	1,191	377	643	548
Meat animals	453	689	206	385	304
Dairy products	251	319	124	159	160
Poultry and eggs	101	174	44	95	79
Government payments	169	190	82	111	79
Total income including Government payments	1,386	1,985	632	1,098	887

1/ Revised.
2/ Preliminary.

Index numbers of income
1924-29 = 100

(Not including Government payments)

Source of income	Feb.	Nov.	Dec.	Jan.	Feb.
	1941	1941	1941	1942 1/	1942 2/
Income from farm marketings:					
Total income, unadjusted	61.5	137.5	128.5	110.0	90.0
Total income, adjusted 3/	84.0	112.5	134.0	131.5	126.5
All crops, adjusted	66.5	101.5	124.5	119.0	105.5
All livestock, adjusted	100.5	123.0	143.0	143.0	145.5
Meat animals, adjusted	105.0	122.5	153.5	154.0	154.5
Dairy products, adjusted	102.0	131.5	131.5	124.5	132.0
Poultry and eggs, adjusted	78.0	106.5	132.0	143.5	144.5
Income of industrial workers, adjusted 4/	108.5	140.5	146.0	153.0	

1/ Revised.
2/ Preliminary.
3/ Adjusted for seasonal variation.
4/ Based on pay rolls of factory workers and railroad and mining employees, adjusted for seasonal variation.

Farm Income in January Above a Year
Earlier in All States

Cash income from farm marketings and Government payments in January was higher than a year earlier in all States, the increase ranging from 9 percent in Delaware to more than 100 percent in Nevada. Income from farm marketings in all major geographic regions began 1942 at levels substantially higher than a year earlier, the increases ranging from 36 percent in the North Atlantic region to 60 percent in the Western region (see chart on opposite page).

The sharp increase in income from potatoes in January was reflected in several of the States. Income from potatoes in Maine was over three times as large as in January last year and total income, including Government payments, was almost twice as high as in January 1942. Income from crops in Idaho was more than twice that of a year earlier. In Illinois the sharp increase in returns from soybeans was reflected in total income and in Michigan income was increased considerably by the marked increase in income from dry edible beans. In New Mexico income from crops was more than doubled because of the increased returns from cotton and feed crops. Income from livestock and livestock products was somewhat higher than a year earlier in all States, but the greatest increases were in the Carolinas and Nevada where returns from meat animals were sharply higher than a year earlier.

North Atlantic States

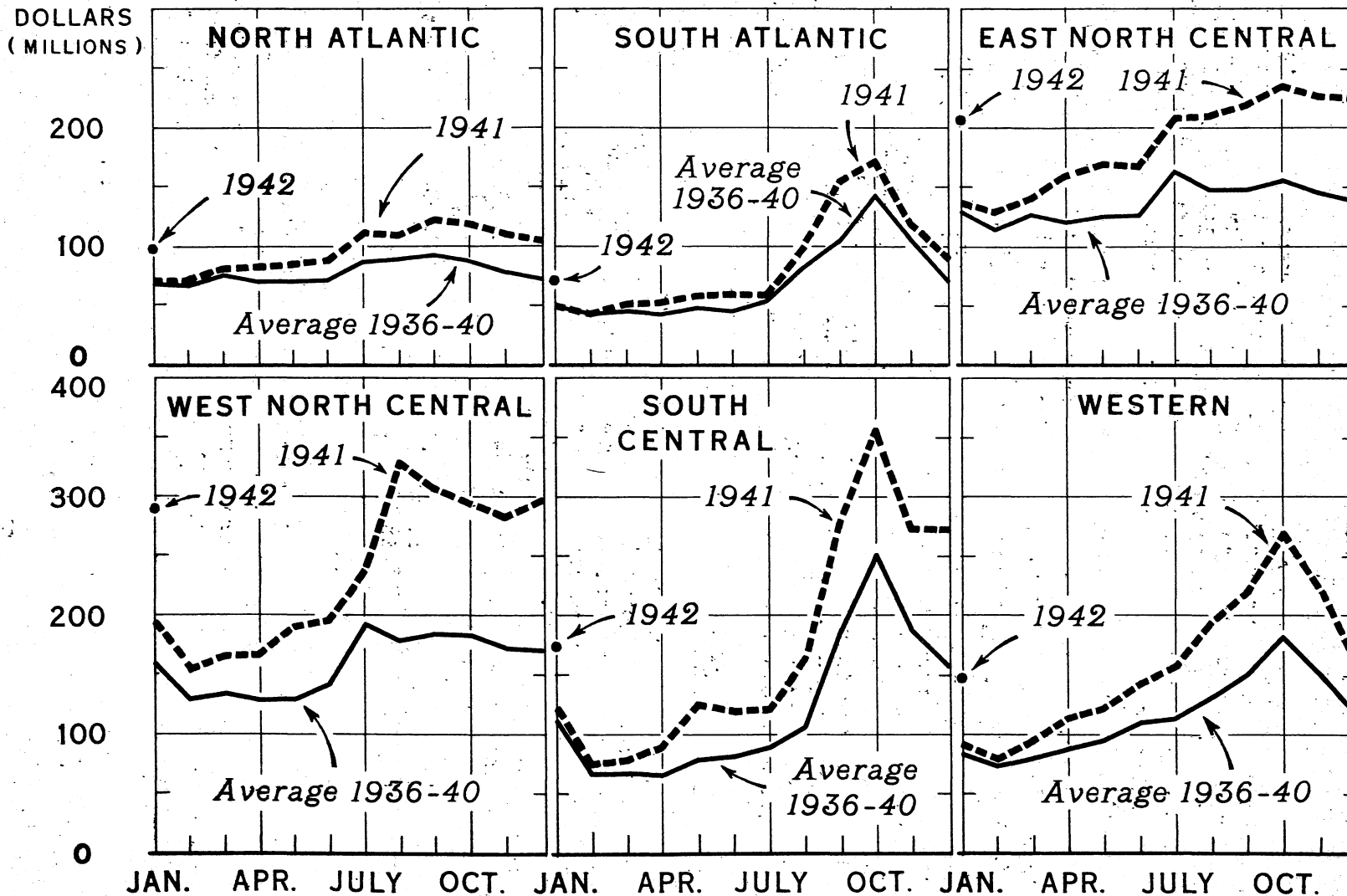
A sharp increase in returns from potatoes and apples during January was an important factor in the increase of 53 percent in income from crops over January last year. The increase was most pronounced in Maine and New York but returns from crops were somewhat higher than a year earlier in all States in the region. Income from livestock and livestock products in the region was 29 percent higher than a year earlier. The increases ranged from 14 percent in New Hampshire to 42 percent in Vermont and resulted from increased returns from all types of livestock and livestock products. Total income, including Government payments, in the region was 34 percent higher than in January last year, the increases ranging from 12 percent in New Hampshire to 94 percent in Maine.

East North Central Region

Income from crops in this region during January was 73 percent more than a year earlier. The greatest increases were recorded in Illinois and Michigan, where returns from soybeans and dry edible beans were more than twice as high as in January last year. In Wisconsin income from crops was up only 4 percent as returns from tobacco and barley were less than a year earlier.

Income from livestock and livestock products was sharply higher in all States of this region, the increase averaging 46 percent for the region as a whole. The increase in income, when compared with a year earlier, was particularly marked for hogs, fluid milk, and eggs. Total income, including Government payments, for the region as a whole was 48 percent higher than a year earlier, increases ranging from 32 percent in Ohio to 57 percent in Wisconsin.

CASH INCOME FROM FARM MARKETINGS, BY REGIONS, AVERAGE 1936-40, AND 1941-42



West North Central Region

In this region income from crops was only 25 percent higher than a year earlier but returns from livestock and livestock products were up 55 percent due to the marked increase in returns from hogs and eggs. Income from hogs in January this year was nearly twice as large as a year earlier, and income from eggs was up more than two and one half times, as prices were nearly twice as high as in January last year and production also was up sharply from a year earlier.

Government payments in this region in January were also sharply higher than a year earlier and total income, including Government payments, was 53 percent more than in January last year. All States of the region except Missouri, South Dakota, and Kansas recorded increases in cash income of 50 percent or more, and in North Dakota the increase amounted to 84 percent.

South Atlantic Region

Income from crops during January totaled 38 percent more than a year earlier and income from livestock and livestock products was up 49 percent, resulting in a total return from farm marketings 43 percent higher than in January last year. However, Government payments were somewhat less than last January and total income, including Government payments, was up only 38 percent. In Maryland and South Carolina returns from crops were 8 percent and 9 percent, respectively, smaller than a year earlier. There were no sales of tobacco in Maryland during January this year and returns from sweetpotatoes and legume seeds were less than last January. In South Carolina the decline in income from crops resulted largely from smaller sales of cotton, but income from sweetpotatoes was also lower. The only State recording a marked increase from crops was Florida, where an increase of 78 percent resulted largely from a sharp increase in returns from truck crops and citrus fruits.

Returns from livestock and livestock products in January were higher than a year earlier in all States of the region, the increase ranging from 5 percent in Florida to more than 100 percent in North and South Carolina. Marketings of hogs were unusually heavy in the latter States during January, while the relatively small increase in income in Florida resulted from smaller than usual marketings of livestock and returns from dairy products only about as large as in January 1941. The increases in income from farm marketings and Government payments in this region ranged from 9 percent in Delaware to 69 percent in South Carolina and for the region as a whole averaged 38 percent.

South Central Region

The increase of 43 percent in income from farm marketings in this region was about equally distributed between crops and livestock and livestock products. However, Government payments in January were slightly less than a year earlier and total income, including Government payments, was up only 35 percent. The increase in total farm income, including Government payments, ranged from 17 percent in Kentucky to 75 percent in Mississippi. Income from crops in Kentucky was only 15 percent higher than a year earlier as sales of tobacco were somewhat smaller than in January last year. In the

remaining States income from crops was sharply higher as marketings of cotton were somewhat higher and were augmented, to some extent, by redemption of cotton placed under loan during 1941.

The increased returns from livestock and livestock products were fairly general throughout the region, with all groups of products contributing toward the increase.

Western Region

All States in the Western region recorded substantial increases in income from crops, and in all States except New Mexico income from livestock and livestock products was somewhat higher than in January last year. Income from crops for the region as a whole totaled 70 percent more than a year earlier and the increase amounted to 50 percent or more in all States except Montana, Nevada, Washington, and Oregon. Income from livestock and livestock products was sharply higher in all States except Utah, Arizona, and New Mexico where marketings of meat animals were relatively light. In New Mexico total income from livestock and livestock products was 1 percent less than a year earlier, and in the other two States returns from livestock and livestock products were much below the average for the region as a whole. Total income, including income from Government payments, in this region amounted to 53 percent more than a year earlier, the increases ranging from 20 percent in New Mexico to more than 100 percent in Nevada. In Idaho returns were 76 percent higher than a year earlier due in large part to the sharp increase in income from potatoes, and in California income was up 70 percent as returns both from crops and from livestock and livestock products were sharply higher than a year earlier.

Table 2.- Cash income from farm marketings, by States, January 1940-42

STATE	C R O P S			LIVESTOCK AND LIVESTOCK PRODUCTS		
	January			January		
	1940	1941	1942	1940	1941	1942
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	4,006	2,090	5,670	1,662	1,859	2,461
New Hampshire	485	510	518	1,121	1,311	1,500
Vermont	546	566	612	2,531	2,636	3,748
Massachusetts	1,593	1,412	1,577	3,346	3,690	4,684
Rhode Island	166	144	175	509	518	705
Connecticut	2,972	1,383	1,517	2,306	2,769	3,422
New York	7,294	6,605	11,625	18,584	19,724	25,811
New Jersey	1,080	1,118	1,349	4,012	4,963	6,215
Pennsylvania	5,772	4,763	5,626	14,470	15,893	20,541
<i>North Atlantic</i>	<i>23,914</i>	<i>18,682</i>	<i>28,669</i>	<i>48,541</i>	<i>53,363</i>	<i>69,087</i>
Ohio	6,232	5,278	7,801	18,150	19,102	25,170
Indiana	6,798	4,463	6,653	17,230	18,280	26,437
Illinois	21,828	9,793	22,159	27,785	34,792	49,849
Michigan	4,673	4,479	7,875	11,092	12,444	17,893
Wisconsin	3,767	4,339	4,498	20,510	22,803	37,452
<i>East North Central</i>	<i>43,298</i>	<i>28,352</i>	<i>48,986</i>	<i>94,767</i>	<i>107,421</i>	<i>156,801</i>
Minnesota	11,898	5,307	6,934	25,775	27,727	43,575
Iowa	12,511	17,047	18,750	49,950	58,167	91,570
Missouri	5,548	4,523	6,382	16,600	18,971	27,595
North Dakota	2,791	2,583	4,438	4,130	4,141	8,108
South Dakota	4,589	2,375	2,719	8,215	9,799	14,421
Nebraska	4,108	6,259	8,150	16,280	17,382	27,528
Kansas	4,606	3,515	4,847	14,950	17,276	25,394
<i>West North Central</i>	<i>46,051</i>	<i>41,699</i>	<i>52,220</i>	<i>135,900</i>	<i>153,463</i>	<i>238,191</i>
Delaware	264	282	283	701	861	1,045
Maryland	1,025	1,004	919	2,897	3,111	4,173
Virginia	5,569	5,091	6,181	3,893	4,195	6,424
West Virginia	838	986	1,103	1,556	1,651	2,148
North Carolina	7,591	5,831	7,158	2,341	2,340	4,677
South Carolina	2,793	1,982	1,795	1,164	1,491	3,820
Georgia	2,719	3,077	3,416	2,946	4,491	5,926
Florida	8,801	11,221	19,927	1,724	2,721	2,846
<i>South Atlantic</i>	<i>29,600</i>	<i>29,474</i>	<i>40,782</i>	<i>17,222</i>	<i>20,861</i>	<i>31,059</i>
Kentucky	24,151	25,642	29,491	4,910	5,134	7,499
Tennessee	6,891	10,386	13,889	4,210	4,895	7,644
Alabama	2,098	1,890	3,028	2,239	3,454	4,323
Mississippi	4,233	4,566	8,075	2,910	2,932	3,799
Arkansas	3,634	5,014	7,994	2,766	4,221	6,272
Louisiana	3,374	3,629	5,285	2,306	5,108	6,859
Oklahoma	3,199	4,480	7,477	6,600	8,362	11,222
Texas	9,329	15,943	27,867	11,120	16,156	23,478
<i>South Central</i>	<i>56,909</i>	<i>71,550</i>	<i>103,106</i>	<i>37,061</i>	<i>50,262</i>	<i>71,096</i>
Montana	1,662	1,396	2,004	2,965	3,325	5,586
Idaho	2,394	1,994	4,485	3,312	3,660	5,763
Wyoming	482	537	822	1,875	1,617	2,571
Colorado	2,373	2,106	3,911	6,985	6,028	8,676
New Mexico	1,293	1,049	2,210	1,440	1,840	1,813
Arizona	3,372	4,666	8,165	1,645	1,970	2,548
Utah	541	469	824	3,433	3,907	4,432
Nevada	206	180	216	1,071	833	1,853
Washington	5,210	5,627	7,325	4,465	5,351	8,074
Oregon	2,840	2,432	3,062	5,015	5,317	7,438
California	17,392	21,132	37,490	13,525	16,280	27,661
<i>Western</i>	<i>37,765</i>	<i>41,588</i>	<i>70,514</i>	<i>45,731</i>	<i>50,128</i>	<i>76,415</i>
<i>U. S. Cash Income</i>	<i>237,537</i>	<i>231,345</i>	<i>344,277</i>	<i>379,222</i>	<i>435,498</i>	<i>642,649</i>

Table 3.-- Cash income from farm marketings, Government payments and cash income from farm marketings, including Government payments, by States, January 1940-42

STATE	CASH INCOME FROM FARM MARKETINGS			GOVERNMENT PAYMENTS			TOTAL INCLUDING GOVERNMENT PAYMENTS		
	January			January			January		
	1940	1941	1942	1940	1941	1942	1940	1941	1942
	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars	1,000 dollars
Maine	5,668	3,949	8,131	386	333	171	6,054	4,282	8,302
N. H.	1,606	1,821	2,018	64	42	77	1,670	1,863	2,095
Vt.	3,077	3,202	4,360	97	125	187	3,174	3,327	4,547
Mass.	4,939	5,102	6,261	73	86	87	5,012	5,188	6,348
R. I.	675	662	880	8	10	14	683	672	894
Conn.	5,278	4,152	4,939	88	60	72	5,366	4,212	5,011
N. Y.	25,878	26,420	37,436	1,701	938	697	27,579	27,358	38,133
N. J.	5,092	6,081	7,564	233	222	56	5,325	6,303	7,620
Pa.	20,242	20,656	26,167	1,401	969	1,089	21,643	21,625	27,256
N. Atl.	72,455	72,045	97,756	4,051	2,785	2,450	76,506	74,830	100,206
Ohio	24,382	24,380	32,971	5,042	2,787	2,957	29,424	27,167	35,928
Ind.	24,028	22,743	33,090	4,245	3,898	4,962	28,273	26,641	38,052
Ill.	49,613	44,585	72,008	8,231	8,366	9,574	57,844	52,951	81,582
Mich.	15,765	16,923	25,768	3,506	1,350	1,014	19,271	18,273	26,782
Wis.	24,277	27,142	41,950	374	1,218	2,695	24,651	28,360	44,645
E.N. Cent.	138,065	135,773	205,787	21,398	17,619	21,202	159,463	153,392	226,989
Minn.	37,673	33,124	50,509	6,172	2,555	5,767	43,845	35,679	56,276
Iowa	62,461	75,214	110,320	5,098	6,621	14,676	67,559	81,835	124,996
Mo.	22,148	23,494	33,977	6,375	3,508	5,477	28,523	27,002	39,454
N. Dak.	6,921	6,724	12,546	8,267	2,190	3,833	15,188	8,914	16,379
S. Dak.	12,804	12,174	17,140	3,934	4,429	4,681	16,738	16,603	21,821
Nebr.	20,388	23,641	35,678	7,112	3,336	9,134	27,500	26,977	44,812
Kans.	19,556	20,791	30,241	10,332	5,955	7,721	29,888	26,746	37,962
W.N. Cent.	181,951	195,162	290,411	47,290	28,594	51,289	229,241	223,756	341,700
Del.	965	1,143	1,328	154	257	199	1,119	1,400	1,527
Md.	3,922	4,115	5,092	1,004	449	813	4,926	4,564	5,905
Va.	9,462	9,286	12,605	782	891	1,213	10,244	10,177	13,818
W. Va.	2,394	2,637	3,251	369	250	373	2,763	2,887	3,624
N. C.	9,932	8,171	11,835	710	1,428	201	10,642	9,599	12,036
S. C.	3,957	3,473	5,615	2,071	7	253	6,028	3,480	5,868
Ga.	5,665	7,568	9,342	191	1,022	683	5,856	8,590	10,025
Fla.	10,525	13,942	22,773	497	54	139	11,022	13,996	22,912
S. Atl.	46,822	50,335	71,841	5,778	4,358	3,874	52,600	54,693	75,715
Ky.	29,061	30,776	36,990	2,602	2,594	2,213	31,663	33,370	39,203
Tenn.	11,101	15,281	21,533	1,031	2,316	1,895	12,132	17,597	23,428
Ala.	4,337	5,344	7,351	1,344	574	1,450	5,681	5,918	8,801
Miss.	7,143	7,498	11,874	2,706	1,900	4,571	9,849	9,398	16,445
Ark.	6,400	9,235	14,266	2,569	1,873	1,937	8,969	11,108	16,203
La.	5,680	8,737	12,144	955	464	622	6,635	9,201	12,766
Okl.	9,799	12,842	18,699	4,950	2,710	1,974	14,749	15,552	20,673
Tex.	20,449	32,099	51,345	19,115	11,804	8,440	39,564	43,903	59,785
S. Cent.	93,970	121,812	174,202	35,272	24,235	23,102	129,242	146,047	197,304
Mont.	4,627	4,721	7,590	2,135	1,563	1,441	6,762	6,284	9,031
Idaho	5,706	5,654	10,248	1,785	561	683	7,491	6,215	10,931
Wyo.	2,357	2,154	3,393	524	273	528	2,881	2,427	3,921
Colo.	9,358	8,134	12,587	2,589	2,106	1,933	11,947	10,240	14,520
N. Mex.	2,733	2,889	4,023	873	783	388	3,606	3,672	4,411
Ariz.	5,017	6,636	10,713	458	555	577	5,475	7,191	11,290
Utah	3,974	4,376	5,256	353	179	228	4,327	4,555	5,484
Nev.	1,277	1,013	2,069	35	22	39	1,312	1,035	2,108
Wash.	9,675	10,978	15,399	1,140	1,162	613	10,815	12,140	16,012
Oreg.	7,855	7,749	10,500	775	546	448	8,630	8,295	10,948
Calif.	30,917	37,412	65,151	1,361	2,080	1,792	32,278	39,492	66,943
West.	83,496	91,716	146,929	12,028	9,830	8,670	95,524	101,546	155,599
United States	616,759	666,843	986,926	125,817	87,421	110,587	742,576	754,264	1,097,513