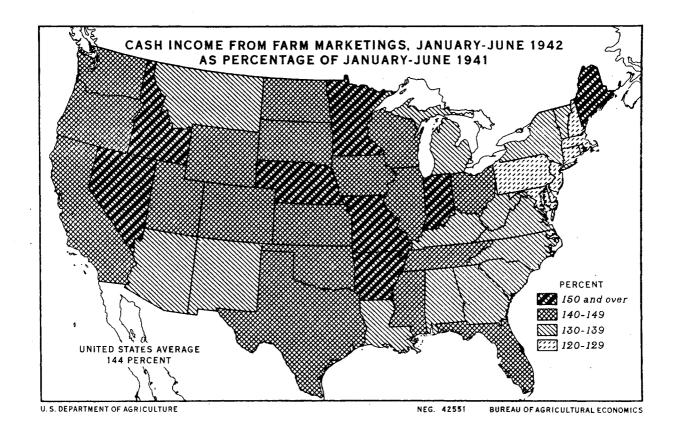
BUREAU OF AGRICULTURAL ECONOMICS UNITED STATES DEPARTMENT OF AGRICULTURE

FIS-31 August 1942



Crop prospects in the United States are the best on record and the output of livestock and livestock products is increasing in all areas. Income probably will be sharply higher this year than last in all sections of the United States. Largest increases in income will be in those sections where crop production in 1941 was relatively low, such as the Southeastern Cotton Belt and the lower Mississippi Valley States. Smallest increases in income are likely to be in the North Atlantic States, excluding Maine, where prices of farm products have increased somewhat less in percentage than the average for the nation.

THE FARM INCOME SITUATION

Summary

Cash income from farm marketings in July totaled 1,219 million dollars compared with 1,070 million dollars in June and 839 million dollars in July 1941. The relative increase in income from June to July was about as great as usual despite a decline in income from meat animals. Considerable quantities of wheat were placed under loan in July, which increased income from food grains, and income from oil crops and vegetables increased more than usual from June to July. Government payments in June totaled 55 million dollars but reports on payments for July and by States, from January to June are not yet available.

Returns from cotton and cottonseed were somewhat smaller this July than last due to the relatively small quantities of cotton redemptions in July this year. However, returns from all other groups of farm products were considerably higher this July, with tobacco, vegetables and fruits and nuts recording the greatest percentage increases. The increase in income from tobacco was due largely to the earlier opening of the markets this year, but opening prices were also substantially higher. Income from truck crops was up somewhat more than seasonally because of a sharp increase in prices and a record pack of peas and beans.

The seasonally adjusted index of income from crops advanced from 94.0 bercent of the 1924-29 average in June to 105.0 percent in July, but the index of income from all livestock and livestock products declined from 165.5 percent to 155.5 percent. The record marketings of meat animals in June were followed by sales more nearly in line with usual summer marketings, and the seasonally adjusted index of income from meat animals declined from 198.0

percent to 178.5 percent. Returns from dairy and poultry products made about the usual seasonal change from June to July.

For the first 7 months of 1942 cash income from farm marketings totaled 7.0 billion dollars compared with 4.9 billion dollars in the corresponding period of 1941. Returns from all groups of farm products were somewhat higher than a year earlier. Income from cotton and cottonseed increased less than income from other groups of commodities because farmers obtained less income this year from the redemption of loan cotton.

Crop prospects on August 1 were even more favorable than a month earlier, and a record movement of both crops and livestock during the next few months is in prospect. The large wheat crop is rapidly being marketed or placed under loan, and near record marketings of many other crops are being reported. With the record production of cattle and hows to move to market during the fall months, income from now to October may increase somewhat more than seasonally and will likely remain at a relatively high level during the last quarter of the year.

-- August 27. 1942

Income in Midwestern and Far Western States up Sharply in June

The record volume of livestock sales during June came largely from the Midwestern and far Western States. Income in these regions increased more than usual from May to June and was sharply higher than in June 1941. In the West North Central region income from livestock and livestock products was up 59 percent over June 1941, and income from all marketings was up 55 percent. In the East North Central region returns from livestock were up 47 percent and income from all marketings was up 44 percent. In the far Western States returns from livestock were only 35 percent higher than a year earlier, but returns from crops were up 42 percent, and income from all farm marketings was 38 percent larger than in June last year. Elsewhere, income was somewhat higher than in June 1941, but the increase was much less than in the Midwestern and far Western States.

The greater than usual seasonal increases in income in the East North Central, West North Central, and Western regions are shown in the Chart on page 6. In the Midwestern States the sharp increase resulted

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

Source of income	JanJuly: 1941		July 1941	: June : 1942 1/	July 1942 2/
	: Million : dollars	Million dollars	Million dollars		Million dollars
Income from farm marketings All crops Food grains Feed grains and hay Cotton and cottonseed Oil-bearing crops Tobacco Vegetables Fruits and nuts All livestock Meat animals Dairy products Poultry and eggs	.: 1,569 .: 200 .: 293 .: 177 .: 42 .: 68 .: 390 .: 229 .: 3,332 .: 1,667 .: 1,061	7,003 2,161 276 406 199 77 82 587 340 4,842 2,513 1,349 849	889 340. 102 48 25 7 3 94 50 549 258 172 94	1,070 286 25 49 9 12 2 83 92 784 395 222 132	1,219 490 146 63 7 10 8 157 83 729 361 207 130
Government payments Total income including	: 3 ⁴ 3	3/ 444	15	55	

[/] Revised.

Index numbers of income 1924-29 = 100

(Not including Government payments) : April July May June Source of income : 1942 1/ 1942 2/ 1941 1942 1942 Income from farm marketings:: 110.5 136.0 Total income, unadjusted .: 99.0 109.5 119.5 135.0. 131.5 Total income, adjusted 3/.: 98.5 130.0 131.0 94.0 105.0 83.5 All crops, adjusted: 114.0 113.0 112.5 155.5 All livestock, adjusted : 156.5 145.5 165.5 Meat animals, adjusted: 122.5 156.0 178.5 171.0 198.0 Dairy products, adjusted 130.0 107.5 138.5 133.5 131.0 Poultry and eggs, 135.5 147.0 133.0 adjusted: 90.5 133.5 Income of industrial workers: 162.5 166.5 adjusted 4/: 157.5 135.0

^{2/} Preliminary.

^{3/} Includes payments from January to June only.

^{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.

largely from the heavy marketing of livestock. In the far Western region the increase was due in large part to the heavy volume of fruit which is being marketed at prices substantially higher this year than last. In the North and South Atlantic regions income from May to June changed in about the usual seasonal proportion. Income declined in the South Central States as a result of the smaller quantities of cotton redemptions during June, whereas income usually increases slightly at this season of the year.

Cash income in the first half of 1942 was sharply higher than a year earlier in all 48 States (see chart on cover page), and the percentage changes in income were relatively uniform. In the North Atlantic region income was 32 percent higher than a year earlier, but elsewhere the percentage increases ranged narrowly from 43 percent in the South Atlantic and South Central regions to 47 percent in the East North Central and West North Central regions.

North Atlantic Region

Cash income from farm marketings in June totaled 27 percent more than a year earlier, with crops recording a slightly larger percentage increase in income than livestock and livestock products. Income was somewhat higher than a year earlier in all States of the region. Sharp increases in returns from potatoes, truck crops, strawberries, and other small fruits were accompanied by moderate increases in most other products.

During the first half of 1942 income in this region totaled 32 percent more than a year earlier, with crops and livestock recording about the same percentage increases. In Maine income from farm marketings was up 69 percent because of the sharp increase in returns from potatoes. In other States the increases in income ranged from 24 percent in Rhode Island and New Jersey to 34 percent in Vermont and New York.

East North Central Region

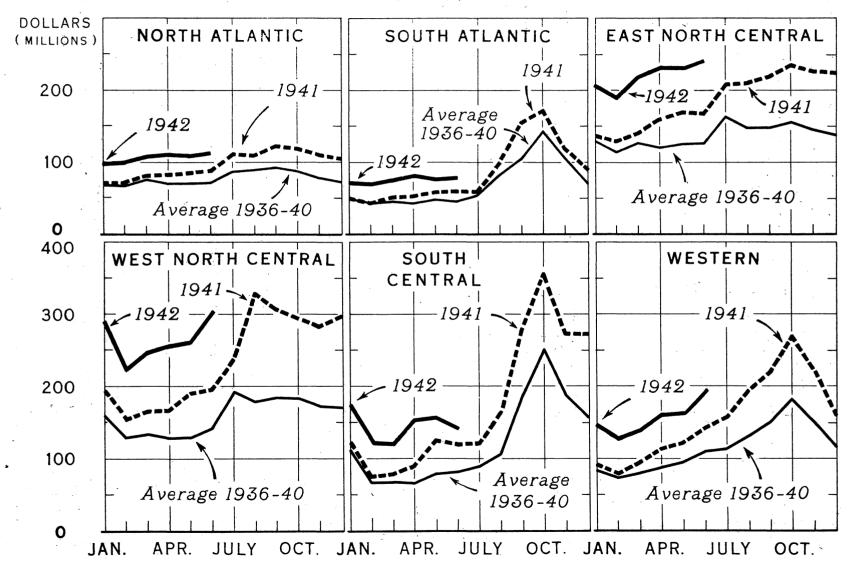
Income from meat animals in this region in June was 71 percent higher than a year earlier. This was an important factor in the sharp rise in income in Ohio and Indiana, where total returns from marketings were 56 and 61 percent higher, respectively, this year over last. Returns from crops and from livestock products were somewhat higher than a year earlier in all States, resulting in material increases in income in every State and an average increase of 44 percent for the region as a whole.

For the first half of 1942 income was substantially higher in all States of the region, the increases ranging from 34 percent in Michigan to 55 percent in Indiana. In Wisconsin the increase in income from crops was somewhat smaller than in other States, and amounted to only 17 percent, but the returns from livestock and livestock products in this State were about 50 percent larger than a year earlier. Total income from farm marketings in Wisconsin was slightly higher than the average for the region as a whole.

West North Central Region

The increase in income in this region in June over the corresponding month last year was greater than in any other major geographic region, due

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



largely to the sharp increase in returns from meat animals. In Nebraska sales of wheat were sharply higher than a year earlier, resulting in total returns from crops nearly three times as large as in June 1941. The increase in income from meat animals was also larger in Nebraska than in any other State, and total income from marketings was nearly twice as large as in June 1941. In other States the increases in income ranged from 47 percent to 58 percent.

In the first half of 1942 income in the different States of this region increased over last year from 42 percent in South Dakota to 56 percent in Nebraska. Marketings of livestock and livestock products in the first half of 1942 were sharply higher than a year earlier and accounted for most of this increase in farm income.

South Atlantic Region

Sharp increases in income from grains, vegetables, and livestock and livestock products were offset in part by smaller returns from cotton, to-bacco, and strawberries in this area during June. In Delaware, Maryland, and North Carolina returns from crops were smaller than a year earlier, but because of substantially increased returns from meat animals total income was slightly higher than in June 1941. In Maryland and Virginia income this year was reduced somewhat by unfavorable conditions for the strawberry crop. In the remaining States returns from both crops and livestock were somewhat higher than a year earlier, and the increase in income for the region as a whole was above average.

The increase in income in this region during the first half of 1942 was smaller than elsewhere except the North Atlantic area. However, conditions for cotton, tobacco, and other late crops are somewhat better than a year earlier, and present indications are that income in this region will increase substantially in the last half of the year.

South Central Region

Redemption of loan cotton provided a substantial part of the income in this area in June 1941, and the smaller income from this source this year was an important factor in the decline of 19 percent in income from all crops. However, income from livestock was substantially higher than a year earlier and income for the region as a whole was up 18 percent. Increases in income were recorded in all States except Louisiana, where a 30 percent decline in income from crops resulted in a decline of 6 percent in income from all farm marketings.

During the first half of 1942 income from crops was up 29 percent in this region. Income from livestock and from livestock products was 54 percent higher than a year earlier, resulting in a total increase in farm marketing returns of 43 percent. Increases ranged from 31 percent in Louisiana to 50 percent in Arkansas.

Western States

Income from crops in Montana, Utah, and Nevada in June was sharply higher than a year earlier. Returns from both crops and livestock were sharply higher in Colorado, Washington, and California. Consequently, increases in income from farm marketings were 40 percent or more in all of these States. In the remaining States increases in income were somewhat smaller. In Arizona, where cotton sales were smaller than a year earlier, income totaled 3 percent less than in June 1941. For the region as a whole income averaged 33 percent higher than a year earlier.

From January to June total cash income from farm marketings in this region was 45 percent above the same period last year. Income from crops and from livestock and livestock products recorded about the same percentage gains. Increases in income in the different States ranged from 34 percent in New Mexico to 60 percent in Idaho. Income from livestock in New Mexico increased somewhat less than in other States of this region, but was partly offset by a sharp increase in income from crops. The sharp percentage increase in income for Idaho was due in part to the marked increase in the price of potatoes in the first half of 1942 compared with the relatively low price of potatoes during this same period last year.

Table 2.- Cash income from crops and from livestock and livestock products, by States, June 1940-42

`	CROPS			LIVESTOCK AND LIVESTOCK PRODUCTS June			
State							
	1940	1941	1942	1940	1941	1942	
	1,000	1,000	1,000	1.000	1,000	1,000	
	dollars	dollara	dollars	dollars	dollar :	dollara	
Maine	1,447	1,372	2, 171	1,976	2,327	2,915	
Vermont	264 307	300 252	382 390	1,216 2,832	1,526 3,894	1,956 4,528	
Massachusetts	2,305	2,331	3, 275	3,490	4.419	5,449	
Rhode Island	182	163	164	513	645	760	
Connecticut	1, 109	1,008	1,507	2,684	3,429	4,048	
New York	5,384	5,835	7,882	19,519	24,584	31,095	
New Jersey	4,291	4,780	4,307	4,382	5,541	6,938	
Pennsylvania	5,340 20.629	4,959	6,917 26,995	16,355 52.967	20,954 67,319	27, 268 84, 957	
					'		
Ohio	6,902 4,102	6,200 2,738	9,896	17,807 15,800	23,848	36,836 36,951	
Illinois		13,081	4,130 14,991	25,355	22,719 38,411	58, 155	
Michigan	6,893	7, 251	9,457	12, 309	17,843	21,918	
Wisconsin	4 4-4	1,986	2,527	22, 244	32,658	45,482	
East North Central	29,115	31,256	41,001	93,515	135,479	199,342	
Minnesota	3,005	4,015	5,277	21.990	30,930	48,307	
Iowa	3,333	9, 109	10,052	42,404	62, 169	97,037	
Missouri	2,481	2,341	1,925	17,825	24,963	38,721	
North Dakota	2,099	1,402	2,874	4,745	6,344	8,543	
South Dakota		861	1,070	7,976	10,050	16, 137	
Nebraska	1,782 2,500	932 7,009	2,526 7,916	14,100 9,823	19,091 16,937	35,714 27,180	
West North Central	1	25,669	31.640	118,863	170.484	271,639	
Delaware	1, 156	1,337	969	938			
Maryland	4,341	6, 143	5.654	3,097	1,189 3,970	2,815 5,897	
Virginia	1 - 4 -	5,466	6,631	4,245	5,799	7, 727	
West Virginia	571	740	800	1,985	2,452	3,453	
North Carolina		8,852	8,794	2,990	4,065	5,394	
South Carolina		2,629	4,025	1,336	1,950	2,316	
Georgia	5,005	5,202	7, 175	2,090	2,839	3,691	
South Atlantic	2,773 29,925	6,075 36,444	9,615 43,663	1,610 18,291	1,475 23,739	2,654 33,947	
Kentucky	1,780 1,788	1,426 3,793	1,984 4,270	6,495 4,552	10,081 7,516	13,397	
Alabama	1.888	3,528	3.307	1,812	2,405	9,638 3,217	
Mississippi	1,991	4,765	4.674	2.334	2,939	4,416	
Arkansas	1,973	3,845	3, 126	2,792	4,569	6,867	
Louisiana	4,574	5, 151	3,584	1,990	2,580	3,720	
Oklahoma	3, 109	5,455	4,604	6,332	10,380	16,679	
Texas		22,803	15,744	18,425	27,927	41,599	
	27,075	50,766	41,293	44,732	68,397	99,533	
Montana	1,599	843	1,740	2,830	3,985	5,128	
Idaho	674	1,282	1,532	4,874	6,830	8,132	
Colorado	113	130 1, 254	186 2,072	2,087 4,472	2,759 6,715	3,567 10,683	
New Mexico	294	635	529	1,653	2,036	2,524	
Arizona	1,770	4,774	4,033	1,373	2,364	2,881	
Utah	505	540	1,067	2,303	3,083	4,411	
Nevada	22	9	71	580	779	971	
Washington	5,397	6, 156	9,537	5,320	7,457	9,788	
Oregon	4,544	5,605	7,647	4,967	6,921	9, 259	
•	44,028	49,957	72,353	20,286	27,915	38,088	
Western	60,453	71,185	100,767	50,745	70,844	95,432	
U. S. Cash Income	183,141	236,320	285,359	379,113	536,262	784,850	

Table 3.- Cash income from crops and from livestock and livestock products, by States, January-June 1940-42

State Maine	1940		e	ll .	January - Tun				
Maine		1044	January-June			January - June			
Maine		1941	1942	1940	1941	1942			
Maine	1,000 dollars	1,000 dollara	1,000 dollara	1,000 dollars	1,000 dollara	1,000 dollars			
	19,205	13, 168	26,841	10,593	12,003	15,715			
Vermont	2,356 4,301	2,569	2,830 5,940	7,091 16,386	8,094 18,971	10,671 24,693			
Massachusetts	13,608	3,903 13,032	14,779	20,458	23.301	31, 208			
Rhode Island	1, 131	1,022	1,058	3,033	3, 294	4,305			
Connecticut	13, 139	7,974	9,357	15,245	17,663	23,925			
New York	40,334	39,848	56,762	113,034	125,394	165,372			
New Jersey	13,486 34,409	15,143 34,696	14,886 40,987	25,585 93,710	30,373 108,884	41,421 144,113			
North Atlantic		131,355	17,3,440	305,135	347,977	461,423			
-1.	Ì								
Ohio	35,966	32,796	49,446	108,140	131,501	193,474			
Indiana	29,004 97,282	22,737 70,299	35,801 113,158	96, 233 158, 409	124,507 211,196	192,035 304,297			
Michigan	29,782	32,250	46, 165	70.930	90,369	117,622			
Wisconsin	16,113	16,417	19, 262	127,466	163,630	248,728			
East North Central	208,147	174,499	263,832	561,178	721,203	1.056.156			
Minnesota	45,387	30,849	36, 225	136,076	166,002	259, 386			
Iowa	90,079	64,991	74,973	249,607	320,599	476, 234			
Missouri	17,812	17,753	19,602	92,078	119,239	185,398			
North Dakota	20,724	13,514	21,483	22,271	29,043	40,853			
South Dakota	12,328 20.996	8,574 19,333	9,215 24,683	41,778 84,817	52, 285 102, 500	76,959 164,846			
Kansas	24,976	24, 246	27, 248	68,727	100,656	156,069			
West North Central	232,302	179,260	213,429	695,354	890,324	1,359,745			
Delaware	2,875	3, 233	3,691	4,514	5,978	18, 265			
Maryland	11,599	13,032	13,650	17,378	21, 183	33,914			
Virginia	20,933	21, 201	26,638	22,932	28,309	43,476			
West Virginia	3,737	3,906	4,465	10, 197	10,632	16, 233			
North Carolina	29,808	31,745	40,672	16,931	22, 269	33,938			
Georgia	15,659 17,379	16,809 20,251	20,996 29,659	8,981 14,939	12,145 20,280	18, 222 26, 555			
Florida	57,968	74, 126	107,441	9,345	10,828	15, 185			
South Atlantic	159,958	184,303	247,212	105,217	131,624	205,788			
Kentucky	38,384	35,252	45,100	29,753	39, 188	58,702			
Tennessee	23,564	26,468	34,459	25,393	34, 985	52,848			
Alabama	13,534 15,213	18,839 22,080	26,201 31,573	12,076 15,216	15,495 17,677	21,457 24,085			
Arkansas	15,024	24,431	41,463	16,208	25,163	42,534			
Louisiana	25,496	28, 184	32,058	11,827	16,954	26,989			
Oklahoma	18,274	19,698	25,513	36,312	54,772	82,317			
Texas	57,339	92,386	109,372	103, 229	137,420	216,309			
South Central	206,828	267,338	345,739	250,014	341,654	525,241			
Montana	11,536	8,605	12,701	16, 150	23, 192	30,250			
Idaho	12,728 1,687	12,311 2,096	24,778 3,075	20,397 13,015	26,461 14,647	37,321 21,700			
Colorado	10.866	10,405	15,945	36,322	41,902	59,672			
New Mexico	3,475	3,454	7,932	11,278	14, 114	15,539			
Arizona	15,486	22,600	31,898	10,483	16,170	20,669			
Utah	2,691 637	2,536	4,374	14,579	18,355	24,992			
Nevada	30,636	32,932	867 47, 153	4,415 28,733	4,584 35,907	7, 213 51, 307			
Oregon	15, 206	15,983	21,717	25,863	31,512	44,678			
California	154,624	180, 383	256,669	107, 165	123,435	191,725			
Western	259,572	291,866	427,109	288,400	350,279	505,066			
U.S.Cash Income	1.208,776	1,228,621	1.670,761	2,205,298	2,783,061	4,113,419			

Table 4. - Cash income from farm marketings, by States, June and January-June 1940-42

State	June			January- June			
	1940	1941	1942	1940	1941	1942	
	1,000	1,000	1,000	1,000	1,000	1,000	
	dollar#	dollers	dollars	dollara	dollare	dollars	
aine	3,423	3,699	5.086	29,798	25,171	42,556	
lew Hampshire	1,480	1,826	2, 338	9,447	10,663	13,501	
ermont	3, 139	4, 146	4,918	20,687	22,874	30,633	
assechusetts	5,795	6,750	8,724	34,066	36,333	45,987	
hode Island	695	808	924	4, 164	4,316	5,363	
onnecticut	3,793	4, 437	5,555	28,384	25,637	33, 282	
ew York	24,903	30,419	38,977	153,368	165, 242	222, 134	
ew Jersey	8,673	10,321	11, 245	39,071	45,516	56,307	
ennsylvania	21,695	25,913	34, 185	128, 119	143,580	185, 100	
North Atlantic	73,596	88.319	111,952	447,104	479,332	634,863	
hio	24,709	30,048	46,732	144, 106	164, 297	242,920	
ndiana	19,902	25,457	41,081	125, 237	147, 244	227,836	
Ilinois	34,902	51,492	73, 146	255,691	281,495	417,455	
ichigan	19,202	25,094	31, 375	100,712	122,619	163,787	
isconsin	23,915	34, 644	48,009	143,579	180,047	267,990	
East North Central	122,630	166,735	240,343	769,325	895,702	1,319,988	
innesota	24,995	34,945	53,584	181,463	196,851	295,611	
owa	45,737	71, 278	107,089	339,686	385,590	551, 207	
dissouri	20,306	27, 304	40,646	109,890	136,992	205,000	
orth Dakota	6,844	7, 746	11,417	42,995	42,557	62, 336	
outh Dakota	8,720	10,911	17,207	54, 106	60,859	86, 174	
ebraska	15,882	20,023	38, 240	105,813	121,833	189,529	
ansas	12,323	23,946	35,096	93,703	124,902	183, 317	
West North Central	134,807	196,153	303,279	927,656	1.069,584	1,573,174	
elaware	2,094	2,526	3, 784	7, 389	9,211	21,956	
aryland	7,438	10,113	11,551	28,977	34, 215	47,564	
irginia	8,672	11, 265	14, 358	43,865	49,510	70, 114	
est Virginia	2,556	3, 192	4, 253	13,934	14,538	20,698	
orth Carolina	10,906	12,917	14, 188	46,739	54,014	74,610	
outh Carolina	5,072	4,579	6,341	24,640	28,954	39, 218	
eorgia	7,095	8,041	10,866	32, 318	40,531	56, 214	
lorida	4, 383	7,550	12, 269	67,313	84,954	122,626	
South Atlantic	48,216	60,183	77,610	265,175	315,927	453,000	
entucky	8, 275	11,507	15,381	68, 137	74,440	103,802	
ennessee	6,340	11, 309	13,908	48,957	61,453	87, 307	
Uabama	3,700	5,933	6,524	25,610	34, 334	47,658	
lississippi	4, 325	7,704	9,090	30,429	39,757	55,658	
rkansas	4,765	8,414	9,993	31, 232	49,594	83,997	
ouisiana	6,564	7,731	7, 304	37,323	45, 138	59.047	
klahoma	9,441	15,835	21, 283	54,586	74,470	107,830	
exas	28,397	50,730	57,343	160,568	229,806	325,681	
South Central	71,807	119,163	140,826	456,842	608,992	870,980	
ontana	4,429	4,828	6,868	27,686	31,797	42,951	
daho	5,548	8, 112	9,664	33, 125	38,772	62,099	
yoming	2,200	2,889	3, 753	14,702	16,743	24,775	
olorado	5,979	7,969	12,755	47, 188	52,307	75,617	
ew Mexico	1,947	2,671	3,053	14,753	17,568	23,471	
risona	3, 143	7, 138	6,914	25,969	38,770	52,567	
tah	2,808	3,623	5,478	17, 270	20,891	29,366	
evada	602	788	1,042	5,052	5, 145	8,080	
ashington	10,717	13,613	19,325	59,369	68,839	98,460	
regon	9,511	12,526	16,906	41,069	47, 495	66, 395	
California	64,314	77,872	110,441	261,789	303,818	448, 394	
Western	111,198	142,029	196,199	547,972	642,145	932,175	
. S. Cash Income				3,414,074			

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