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The FARM INCOME SITUATION

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FARM INCOME IN 1957

Farm operators' realized net income this year is likely to show some further improvement. Realized net income in 1956 was 11.8 billion dollars, up 4 percent from 1955. The increase this year may come fairly close to that of last year.

Total cash receipts from farm marketings are not likely to equal those of 1956, but increased Government payments to farmers from the Soil Bank program will likely more than offset any reduction in marketing receipts. While prices received by farmers are expected to remain fairly stable, averaging slightly better than a year ago, the volume of farm marketings may be smaller (table 2), reflecting acreage cut-backs under the Soil Bank.

Cash receipts from livestock and livestock products are expected to show some improvement -- especially for hogs, but also for dairy products and beef cattle. Prices of hogs and cattle are more favorable this year than last, while milk production is at a higher level with national support prices the same as in 1956.

(Continued on next page)

Cash receipts from crops, however, may be down substantially this year. Large acreage cuts likely for wheat, corn, cotton, tobacco, and rice are generally in line with goals of the Soil Bank program. This will be only partly offset by increased plantings scheduled for sorghums, barley, and soybeans. Support prices for cotton, major feed grains, and oil crops are somewhat lower for the 1957 crops than for 1956 crops. However, the substantial increase in Soil Bank payments will likely offset a considerable part of the reduction in cash receipts from crops. As of early April, farmers' participation in the 1957 Acreage Reserve of the Soil Bank, involving over 21 million acres, provided for payments amounting to 611 million dollars. As of mid-March participation in the Conservation Reserve, involving some 5 million acres, provided for 75 million dollars. Farmers had until April 15 to participate in the Conservation Reserve. In 1956, farmers received 243 million dollars under the Soil Bank.

Farm production expenses may show some further small increase this year, mostly reflecting increased interest and tax payments together with higher depreciation charges on capital equipment. These overhead items are not much affected by reduced acreage. However, the total of current operating expenses may hold fairly steady as higher farm wage rates and higher prices of many industrial products are offset by reduced inputs associated with a reduction of 3 or 4 percent in planted acreage. Current operating expenses account for 70 percent of total production expenses.

Cash receipts in the first quarter

Cash receipts from farm marketings in the first quarter of 1957 totaled approximately 6.4 billion dollars, up 2 percent from the total of $6\frac{1}{4}$ billion for the first 3 months of 1956. Total marketings were down slightly from a year ago, mostly due to smaller sales of hogs, but prices averaged 4 percent higher. First quarter livestock receipts of 3.9 billion dollars were up 6 percent because of increases for cattle, hogs, and dairy products. Crop receipts of $2\frac{1}{2}$ billion dollars were down slightly from last year, mostly reflecting smaller marketings from last year's cotton crop.

The preliminary estimate of farmers' cash receipts in March is 1.9 billion dollars, 3 percent above a year earlier. March receipts from livestock and products are estimated at 1.3 billion dollars, crop receipts at 0.6 billion dollars.

Seasonally adjusted annual rates

The first quarter realized net income rate of 12.0 billion dollars was a little below last year's fourth quarter rate of 12.4 billion, but 3 percent higher than the year-earlier rate of 11.6 billion (table 1). The decline from the fourth quarter reflects a somewhat smaller rate of marketings on a seasonally adjusted basis, together with a slightly higher production expense rate. The increase from the first quarter of 1956 is due to higher average prices of farm products and increased Government payments, more than offsetting a substantial rise in production expenses.

Table 1.- Gross and net income of farm operators, seasonally adjusted at annual rates, by quarters, 1956-57

Item	1956					1957
	Year	I	II	III	IV	I
	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.	Bil. dol.
Cash receipts from farm marketings	30.0	29.7	30.0	30.1	30.3	30.1
Nonmoney income and Government payments	4.0	3.6	3.8	4.0	4.6	4.5
Realized gross farm income	34.0	33.3	33.8	34.1	34.9	34.6
Farm production expenses	22.2	21.7	22.2	22.2	22.5	22.6
Farmers' realized net income	11.8	11.6	11.6	11.9	12.4	12.0
Net change in farm inventories	-.2	-.1	-.3	-.3	-.3	-.3
Farmers' total net income	11.6	11.5	11.3	11.6	12.1	11.7

Table 2.- Index numbers of volume of farm marketings and home consumption, by major subindexes, 1940-57
(1947-49=100)

Year	Marketings			Home consumption			Marketings and home consumption			Food		Non-food marketings 1/
	Live-stock and products	Crops	Total	Live-stock and products	Crops	Total	Live-stock and products	Crops	Total	Marketings	ings and home consumption	
1940	81	72	77	117	126	119	84	75	80	78	82	74
1941	84	73	79	113	127	116	86	76	82	81	85	71
1942	93	80	88	110	126	114	95	83	90	91	93	78
1943	105	79	93	112	122	115	104	81	94	97	98	80
1944	107	85	98	111	120	114	107	87	99	102	103	84
1945	105	87	98	112	115	113	106	89	99	102	103	85
1946	103	86	96	114	112	113	104	87	97	101	102	78
1947	102	96	99	106	105	106	103	96	100	102	102	92
1948	96	98	97	100	98	99	97	98	97	98	98	95
1949	101	106	103	94	96	95	101	106	103	100	100	113
1950	103	96	100	92	93	92	102	95	99	100	99	99
1951	107	94	101	92	90	91	105	94	101	103	102	97
1952	109	100	105	86	90	87	107	99	104	106	104	102
1953	113	107	110	81	85	82	110	106	108	109	106	113
1954	117	102	111	78	82	79	113	101	108	111	108	108
1955	121	106	115	77	81	78	116	105	112	114	110	118
1956	127	106	118	76	79	77	122	105	115	120	116	114
1957 2/	128	101	117	74	78	75	123	100	113	119	114	110

1/ There are no nonfood items in the home consumption index.

2/ Preliminary estimates as of April 1.

Table 3.- Cash receipts from farming, United States

Source	January		February		January-February	
	1956	1957	1956	1957	1956	1957
	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.	Mil.dol.
Farm marketings and						
CCC loans ^{1/}	2,491	2,530	1,945	2,001	4,436	4,531
Livestock and products	1,279	1,384	1,180	1,226	2,459	2,610
Meat animals	630	756	580	633	1,210	1,389
Dairy products	364	384	346	361	710	745
Poultry and eggs	265	220	234	209	499	429
Other	20	24	20	23	40	47
Crops	1,212	1,146	765	775	1,977	1,921
Food grains	155	164	108	97	263	261
Feed crops	314	316	255	240	569	556
Cotton (lint and seed) ..	292	184	101	108	393	292
Oil-bearing crops	107	101	53	80	160	181
Tobacco	80	87	21	17	101	104
Vegetables	91	112	89	90	180	202
Fruits and tree nuts	77	70	74	69	151	139
Other	96	112	64	74	160	186
Government payments	39	44	27	31	66	75
Total cash receipts	2,530	2,574	1,972	2,032	4,502	4,606

^{1/} Receipts from loans represent value of loans minus value of redemptions during the month.

Table 4.- Index numbers of cash receipts from farm marketings and CCC loans, physical volume of farm marketings, and prices received by farmers, United States (1947-49=100)

Item	January		February		January-February	
	1956	1957	1956	1957	1956	1957
	Cash receipts from farm mar-					
ketings and CCC loans: ^{1/}						
All commodities	102	104	80	82	91	93
Livestock and products ..	94	102	87	90	90	96
Crops	113	107	71	72	92	90
Physical volume of farm						
marketings:						
All commodities	122	119	97	95	110	107
Livestock and products ..	126	126	116	113	121	120
Crops	117	108	72	72	95	90
Prices received by farmers:						
All commodities	83	88	83	86	83	87
Livestock and products ..	76	81	75	80	76	81
Crops	93	97	93	94	93	95

^{1/} Receipts from loans represent value of loans minus value of redemptions during the month.

Table 5.- Cash receipts from farm marketings, by states, January 1956-57

State and region	Livestock and products		Crops		Total	
	1956	1957	1956	1957	1956	1957
	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.
Maine	8,322	7,966	8,217	7,583	16,539	15,549
New Hampshire	4,830	4,506	680	857	5,510	5,363
Vermont	8,587	8,989	627	657	9,214	9,646
Massachusetts	10,288	9,950	3,530	3,362	13,818	13,312
Rhode Island	1,419	1,294	358	406	1,777	1,700
Connecticut	9,838	9,064	5,149	4,406	14,987	13,470
New York	49,480	50,664	11,744	16,476	61,224	67,140
New Jersey	17,256	15,002	3,604	4,792	20,860	19,794
Pennsylvania	49,298	48,292	12,305	14,202	61,603	62,494
North Atlantic Region	159,318	155,727	46,214	52,741	205,532	208,468
Ohio	48,845	51,686	35,201	29,111	84,046	80,797
Indiana	52,050	57,971	37,404	38,644	89,454	96,615
Illinois	80,615	92,059	105,867	106,448	186,482	198,507
Michigan	30,771	31,897	17,998	23,064	48,769	54,961
Wisconsin	75,010	78,388	9,336	10,878	84,346	89,266
East North Central Region	287,291	312,001	205,806	208,145	493,097	520,146
Minnesota	69,638	76,035	56,767	64,187	126,405	140,222
Iowa	133,984	160,205	66,906	65,819	200,890	226,024
Missouri	45,388	50,910	27,399	18,188	72,787	69,098
North Dakota	10,789	12,064	36,616	42,857	47,405	54,921
South Dakota	29,533	34,616	13,660	13,764	43,193	48,380
Nebraska	56,343	67,887	28,953	27,843	85,296	95,730
Kansas	41,261	45,531	25,712	25,387	66,973	70,918
West North Central Region	386,936	447,248	256,013	258,045	642,949	705,293
Delaware	6,098	6,798	1,065	1,501	7,163	8,299
Maryland	12,101	11,821	2,106	3,199	14,207	15,020
Virginia	16,436	16,684	11,474	18,238	27,910	34,922
West Virginia	5,853	5,649	1,946	1,428	7,799	7,077
North Carolina	18,215	19,243	12,385	16,298	30,600	35,541
South Carolina	6,465	6,908	6,632	6,865	13,097	13,773
Georgia	24,906	27,223	10,193	10,016	35,099	37,239
Florida	11,586	12,404	48,989	49,649	60,575	62,053
South Atlantic Region	101,660	106,730	94,790	107,194	196,450	213,924
Kentucky	16,164	18,264	47,560	52,676	63,724	70,940
Tennessee	14,458	15,667	28,753	24,708	43,211	40,375
Alabama	14,799	16,827	13,997	8,846	28,796	25,673
Mississippi	11,739	12,323	44,064	23,424	55,803	35,747
Arkansas	12,254	13,201	47,003	32,778	59,257	45,979
Louisiana	9,250	10,060	21,650	18,041	30,900	28,101
Oklahoma	22,720	23,862	15,206	12,916	37,926	36,778
Texas	63,399	66,484	108,910	74,071	172,309	140,555
South Central Region	164,783	176,688	327,143	247,460	491,926	424,148
Montana	11,900	12,936	33,673	27,430	45,573	40,366
Idaho	11,165	12,300	18,159	19,978	29,324	32,278
Wyoming	4,124	4,089	2,878	2,834	7,002	6,923
Colorado	24,498	27,781	14,820	16,892	39,318	44,673
New Mexico	4,498	4,943	11,515	6,623	16,013	11,566
Arizona	7,689	8,253	45,195	46,700	52,884	54,953
Utah	9,110	9,767	3,005	3,793	12,115	13,560
Nevada	3,146	3,532	514	779	3,660	4,311
Washington	15,263	16,346	37,280	33,493	52,543	49,839
Oregon	12,454	13,474	15,509	17,866	27,963	31,340
California	75,250	71,687	99,690	96,550	174,940	168,237
Western Region	179,097	185,108	282,238	272,938	461,335	458,046
United States	1,279,085	1,383,502	1,212,204	1,146,523	2,491,289	2,530,025

Table 6.- Cash receipts from farm marketings, by States, February 1956-57

State and region	Livestock and products		Crops		Total	
	1956	1957	1956	1957	1956	1957
	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.
Maine	7,690	7,733	9,171	7,276	16,861	15,009
New Hampshire	4,408	4,277	650	794	5,058	5,071
Vermont	7,440	7,533	742	673	8,182	8,206
Massachusetts	7,955	8,952	3,164	3,018	11,119	11,970
Rhode Island	1,213	1,071	358	414	1,571	1,485
Connecticut	8,250	7,874	4,372	3,904	12,622	11,778
New York	42,075	43,021	11,714	15,190	53,789	58,211
New Jersey	15,429	13,949	3,462	4,495	18,891	18,444
Pennsylvania	44,694	43,849	12,205	12,779	56,899	56,628
North Atlantic Region	139,154	138,259	45,838	48,543	184,992	186,802
Ohio	47,497	48,596	24,551	19,529	72,048	68,125
Indiana	52,522	55,573	29,141	32,027	81,663	87,600
Illinois	78,560	82,149	81,959	95,654	160,519	177,803
Michigan	29,178	29,769	13,814	20,661	42,992	50,430
Wisconsin	77,829	79,426	7,171	8,756	85,000	88,182
East North Central Region	285,586	295,513	156,636	176,627	442,222	472,140
Minnesota	71,932	74,346	44,702	46,428	116,634	120,774
Iowa	126,945	137,267	53,020	48,843	179,965	186,110
Missouri	41,951	43,878	14,890	10,815	56,841	54,693
North Dakota	8,458	8,617	18,811	24,726	27,269	33,343
South Dakota	23,373	24,595	8,445	7,821	31,818	32,416
Nebraska	50,175	55,073	20,419	19,776	70,594	74,849
Kansas	33,050	33,530	25,857	21,184	58,907	54,714
West North Central Region	355,884	377,306	186,144	179,593	542,028	556,899
Delaware	6,116	7,078	617	1,107	6,733	8,185
Maryland	10,578	10,654	2,329	3,749	12,907	14,403
Virginia	15,268	15,768	6,127	8,113	21,395	23,881
West Virginia	5,439	5,183	1,565	900	7,004	6,083
North Carolina	17,693	19,286	5,783	8,797	23,476	28,083
South Carolina	6,372	6,680	3,316	4,593	9,688	11,273
Georgia	23,249	26,433	8,195	12,960	31,444	39,393
Florida	10,467	11,038	53,516	46,057	63,983	57,095
South Atlantic Region	95,182	102,120	81,448	86,276	176,630	188,396
Kentucky	15,977	16,837	8,533	6,804	24,510	23,641
Tennessee	15,167	15,782	12,177	10,008	27,344	25,790
Alabama	15,110	16,421	13,984	10,954	29,094	27,375
Mississippi	10,610	12,489	30,192	24,584	40,802	37,073
Arkansas	11,975	11,847	21,003	19,655	32,978	31,502
Louisiana	8,902	9,428	9,051	10,268	17,953	19,696
Oklahoma	20,129	19,784	5,714	6,682	25,843	26,466
Texas	56,047	55,511	34,887	45,205	90,934	100,716
South Central Region	153,917	158,099	135,541	134,160	289,458	292,259
Montana	9,719	10,398	17,041	9,933	26,760	20,331
Idaho	10,079	10,421	10,640	11,107	20,719	21,528
Wyoming	2,816	3,103	1,551	1,246	4,367	4,349
Colorado	17,287	17,803	7,640	5,129	24,927	22,932
New Mexico	4,245	4,473	5,951	5,972	10,196	10,445
Arizona	7,434	7,361	10,541	10,240	17,975	17,601
Utah	7,494	7,846	1,550	1,553	9,044	9,399
Nevada	2,254	2,450	411	693	2,665	3,143
Washington	13,474	14,052	26,739	25,703	40,213	39,755
Oregon	11,193	11,855	11,641	14,367	22,834	26,222
California	64,100	65,382	65,841	63,752	129,941	129,134
Western Region	150,095	155,144	159,546	149,695	309,641	304,839
United States	1,179,818	1,226,441	765,153	774,894	1,944,971	2,001,335

Table 7.- Cash receipts from farm marketings, by States, January-February 1956-1957

State and region	Livestock and products		Crops		Total	
	1956	1957	1956	1957	1956	1957
	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.	1,000 dol.
Maine	16,012	15,699	17,388	14,859	33,400	30,558
New Hampshire	9,238	8,783	1,330	1,651	10,568	10,434
Vermont	16,027	16,522	1,369	1,330	17,396	17,852
Massachusetts	18,243	18,902	6,694	6,380	24,937	25,282
Rhode Island	2,632	2,365	716	820	3,348	3,185
Connecticut	18,088	16,938	9,521	8,310	27,609	25,248
New York	91,555	93,685	23,458	31,666	115,013	125,351
New Jersey	32,685	28,951	7,066	9,287	39,751	38,238
Pennsylvania	93,992	92,141	24,510	26,981	118,502	119,122
North Atlantic Region	298,472	293,986	92,052	101,284	390,524	395,270
Ohio	96,342	100,282	59,752	48,640	156,094	148,922
Indiana	104,572	113,544	66,545	70,671	171,117	184,215
Illinois	159,175	174,208	187,826	202,102	347,001	376,310
Michigan	59,949	61,666	31,812	43,725	91,761	105,391
Wisconsin	152,839	157,814	16,507	19,634	169,346	177,448
East North Central Region	572,877	607,514	362,442	384,772	935,319	992,286
Minnesota	141,570	150,381	101,469	110,615	243,039	260,996
Iowa	260,929	297,472	119,926	114,662	380,855	412,134
Missouri	87,339	94,788	42,289	29,003	129,628	123,791
North Dakota	19,247	20,681	55,427	67,583	74,674	88,264
South Dakota	52,906	59,211	22,105	21,585	75,011	80,796
Nebraska	106,518	122,960	49,372	47,619	155,890	170,579
Kansas	74,311	79,061	51,569	46,571	125,880	125,632
West North Central Region	742,820	824,554	442,157	437,638	1,184,977	1,262,192
Delaware	12,214	13,876	1,682	2,608	13,896	16,484
Maryland	22,679	22,475	4,435	6,948	27,114	29,423
Virginia	31,704	32,452	17,601	26,351	49,305	58,803
West Virginia	11,292	10,832	3,511	2,328	14,803	13,160
North Carolina	35,908	38,529	18,168	25,095	54,076	63,624
South Carolina	12,837	13,588	9,948	11,458	22,785	25,046
Georgia	48,155	53,656	18,388	22,976	66,543	76,632
Florida	22,053	23,442	102,505	95,706	124,558	119,148
South Atlantic Region	196,842	208,850	176,238	193,470	373,080	402,320
Kentucky	32,141	35,101	56,093	59,480	88,234	94,581
Tennessee	29,625	31,449	40,930	34,716	70,555	66,165
Alabama	29,909	33,248	27,981	19,800	57,890	53,048
Mississippi	22,349	24,812	74,256	48,008	96,605	72,820
Arkansas	24,229	25,048	68,006	52,433	92,235	77,481
Louisiana	18,152	19,488	30,701	28,309	48,853	47,797
Oklahoma	42,849	43,646	20,920	19,598	63,769	63,244
Texas	119,446	121,995	143,797	119,276	263,243	241,271
South Central Region	318,700	334,787	462,684	381,620	781,384	716,407
Montana	21,619	23,334	50,714	37,363	72,333	60,697
Idaho	21,244	22,721	28,799	31,085	50,043	53,806
Wyoming	6,940	7,192	4,429	4,080	11,369	11,272
Colorado	41,785	45,584	22,460	22,021	64,245	67,605
New Mexico	8,743	9,416	17,466	12,595	26,209	22,011
Arizona	15,123	15,614	55,736	56,940	70,859	72,554
Utah	16,604	17,613	4,555	5,346	21,159	22,959
Nevada	5,400	5,982	925	1,472	6,325	7,454
Washington	28,737	30,398	64,019	59,196	92,756	89,594
Oregon	23,647	25,329	27,150	32,233	50,797	57,562
California	139,350	137,069	165,531	160,302	304,881	297,371
Western Region	329,192	340,252	441,784	422,633	770,976	762,885
United States	2,458,903	2,609,943	1,977,357	1,921,417	4,436,260	4,531,360

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