

Farm Inputs Rise

U.S. farmers paid significantly more for most of their production inputs this April compared to one year ago. The prices paid index for production items, at 131, was 6 percent above last April. Although prices were lower for specific items such as hay and forages, insecticides, LP gas, and tucks, these decreases were not enough to counter overall increases in feed, fuel, livestock, and machinery.

The U.S. April prices paid index for fertilizers rose 6 percent, to 137, versus April 2003. The index for nitrogen increased by 7 points while potash and phosphate rose by 10 points. U.S. farmers paid \$379 per ton for anhydrous ammonia, a modest \$6 augment from last year, but a prodigious \$129 higher when compared to two years ago. North Central Region farmers (including IL, IN, IA, MI, MN, MO, OH, and WI) paid slightly more for anhydrous ammonia, at \$387 per ton. At the U.S. level, prices were higher than last year by \$15 for urea, \$26 for Diammonium Phosphate, and \$16 for Potash.

The U.S. fuel prices paid index, at 151, increased 6 percent from last April. The rise in the fuel price index was due to increases in diesel fuel, and gasoline. Average U.S. prices paid for bulk unleaded, bulk diesel, and bulk LP were \$1.76, \$1.31, and \$1.21, respectively. Except for bulk LP gas (which was virtually unchanged), all U.S. fuel prices were more than 7 cents per gallon higher than last year at the same time. Average fuel prices for the Lakes States Region (including MI, MN, and WI) in April were \$1.74 for unleaded gasoline "at the pump", \$1.76 for bulk unleaded gasoline, \$1.32 for bulk diesel, and \$1.14 for bulk LP. Across the Nation, service station gasoline was cheapest in the Corn Belt and Delta Regions (\$1.69 per gallon) and most expensive in the Pacific Region (\$2.01 per gallon). Diesel delivered in bulk was cheapest in the Delta Region (\$1.20 per gallon) and most expensive in the Pacific Region (\$1.51 per gallon). Finally, bulk delivery prices for LP were easily the cheapest in the Northern Plains Region (\$0.99 per gallon) and the most expensive in the Northeast (\$1.59 per gallon).

The U.S. index of prices paid for feed, at 131, moved up a dramatic 18 points, or 16 percent, compared to last April. Complete feeds, feed grains, and concentrates had considerable increases (18, 21, and 37 respectively), while supplements rose 7 points and hay/forages dropped by 5 points. U.S. prices for all protein concentrated dairy feed had substantial hikes in prices. Protein concentrate (32-38%)

jumped \$70 per ton. Farmers in the Lake Region, on average, could expect to pay slightly less for both 14% and 16% protein dairy feed, while paying the U.S. average for 32-38% protein dairy feed.

Farmers paid more for new machinery as shown by the 12 point jump over April 2003. Significant increases in self-propelled combines and forage harvesters were realized. Farmers throughout the Nation paid more for all new tractors with a 4 to 6 percent increases in tractors having 190 horsepower or greater.

Agricultural chemicals, at 121, were unchanged compared to last April. The indices for herbicides and fungicides inched up a point, while insecticides dropped 4 points.

Index Numbers of Prices Paid by Farmers, Interest, Taxes and Wage Rates and Related Data, United States, April 2004

| Index and ratios | 1990-92 = 100 | | |
|--|---------------|-----------------|-----------|
| | April 2004 | Difference from | |
| | | April 2003 | Jan. 2004 |
| Prices paid by farmers for commodities & services, interest, taxes, and wage rates | 133 | +5 | +2 |
| Production | 131 | +7 | +4 |
| Feed | 131 | +18 | +9 |
| Livestock and poultry | 121 | +19 | +8 |
| Seed | 158 | +1 | +1 |
| Fertilizer | 137 | +8 | +6 |
| Agricultural chemicals | 121 | 0 | +1 |
| Fuels | 151 | +8 | -3 |
| Supplies and repairs | 135 | +2 | +1 |
| Autos and trucks | 114 | -1 | -1 |
| Farm machinery | 161 | +12 | +6 |
| Building materials | 131 | +8 | +6 |
| Farm services | 123 | +1 | 0 |
| Rent | 120 | 0 | 0 |
| Interest 1/ | 104 | 0 | 0 |
| Taxes 2/ | 130 | +2 | 0 |
| Wage rates | 163 | +5 | 0 |
| Production, interest, taxes & wage rates | 132 | +6 | +3 |
| Family living-CPI 3/ | 139 | +3 | +2 |

1/ Interest per acre on farm real estate debt and interest rate on farm non-real estate debt. 2/ Farm real estate taxes, payable per acre. 3/Bureau of Labor Statistics, Consumer Price Index for all urban consumers (CPI-U), for the previous month converted by USDA. Source: Wisconsin Agricultural Statistics Service

Prices Paid

| Commodity | Unit | United States | | | Lake States 1/ |
|---------------------------------------|------|---------------|------------|------------|----------------|
| | | April 2002 | April 2003 | April 2004 | April 2004 |
| | | Dollars | | | Dollars |
| Soybean meal, 44% protein | Cwt. | 13.50 | 14.50 | 19.60 | 17.40 |
| Corn meal | Cwt. | 8.06 | 9.90 | 9.84 | 7.38 |
| Dairy feed, 16% protein | Ton | 190.00 | 200.00 | 218.00 | 216.00 |
| Gasoline, service station unleaded 2/ | Gal. | 1.359 | 1.611 | 17.500 | 1.740 |
| Diesel fuel, bulk delivery 3/ | Gal. | 0.964 | 1.238 | 1.310 | 1.320 |
| L.P. gas, bulk delivery 3/ | Gal. | 0.925 | 1.213 | 1.210 | 1.140 |
| Index 4/ (1990-92=100) | Pct. | 124 | 128 | 133 | n.a. |

1/Lake States: MI, MN, WI. 2/Includes state road taxes.3/Excludes state road taxes. 4/Index of prices paid by farmers for commodities, services, interest, taxes, and wage rates. N.a. = not available. Source: Wisconsin Agricultural Statistics Service

Index Numbers of Prices Received by Farmers, United States, April 2004

| Index and ratios | 1990-92 = 100 | | |
|------------------------|---------------|-----------------|-----------|
| | April 2004 | Difference from | |
| | | April 2003 | Jan. 2004 |
| All farm products | 124 | +23 | +13 |
| All crops | 122 | +12 | +9 |
| Food grains | 124 | +25 | +1 |
| Feed grains and hay | 124 | +17 | +19 |
| Cotton | 98 | +23 | -5 |
| Tobacco | 38 | -32 | -75 |
| Oil-bearing crops | 169 | +65 | +39 |
| Fruit and nuts | 90 | -6 | +6 |
| Commercial vegetables | 131 | -2 | -7 |
| Potatoes and dry beans | 122 | +6 | +25 |
| Other crops | 115 | +1 | 0 |
| Livestock and products | 125 | +32 | +15 |
| Meat animals | 112 | +16 | +8 |
| Dairy products | 138 | +54 | +37 |
| Poultry and eggs | 140 | +41 | +7 |
| Food commodities | 125 | +26 | +13 |

Source: Wisconsin Agricultural Statistics Service