

Prices paid increased more than prices received

Prices U.S. Farmers Received and Paid, 2006–2016

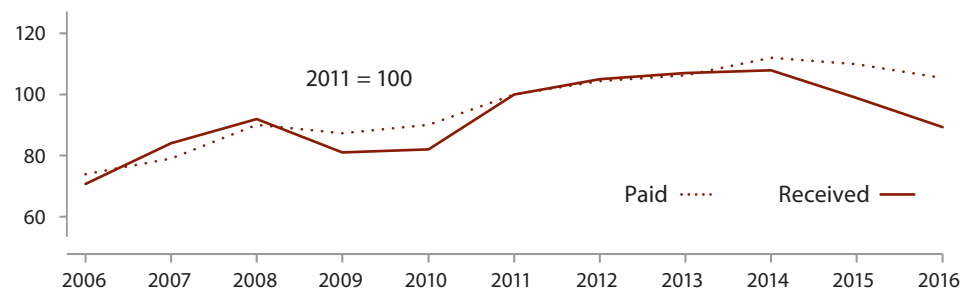
85 percent . . .

...the ratio of prices received to prices paid in 2016

Between 2006 and 2016, the prices farmers paid for farm inputs increased more than the prices they received for the agricultural products they sold, as indicated by the average annual indexes of prices received and prices paid.

The prices received index increased from 70.7 in 2006 to 89.3 in 2016, after reaching a high of 107.9 in 2014. The index of prices farmers paid for farm inputs (including production items, interest, taxes, and wages) was 73.9 in 2006, reached its peak of 112.0 in 2014, and declined to 105.4 in 2016. The base year for both indexes is 2011. (Fig. 1)

Fig. 1. Indexes of Prices U.S. Farmers Received and Paid, Annual Average, 2006–2016



About the Surveys

The USDA National Agricultural Statistics Service (NASS) Agricultural Prices Program provides statistics on the prices producers receive for more than 70 crop and livestock commodities; indexes of prices received; and indexes of prices paid for farm inputs. These statistics are based on hundreds of monthly and annual surveys and other data. The prices received and prices paid indexes measure price change relative to the reference year (2011), when all prices were based at 100.

For more information on the prices program, and the charts, maps, and data available, go to: go.usa.gov/xXKdP.

To access current and historical price program data, go to the Quick Stats database: quickstats.nass.usda.gov.

Farmer Purchasing Power

Together the two indexes indicate farmers' purchasing power. In Fig. 2, the ratio of prices received to prices paid indicates the purchasing power of agricultural commodities sold relative to farm inputs purchased. Between 2006 and 2016, the

Fig. 2. Ratio of Prices Received to Prices Paid, Monthly, 2006–2016



monthly ratio ranged from a high of 108 to a low of 78.

The prices received index for total agricultural production had its lowest level in April 2006 at 68.0 and reached its highest value in April 2014 at 115.5. (Fig. 3) The prices paid index had its lowest level in February 2006 (73.3) and its highest level in June 2014 (113.8). (Fig. 4) Both figures show the trends for total agricultural commodities, as well as for crop and livestock commodities separately.

Fig. 3. Monthly Index of Prices U.S. Farmers Received, 2006–2016: Total, Crop, and Livestock

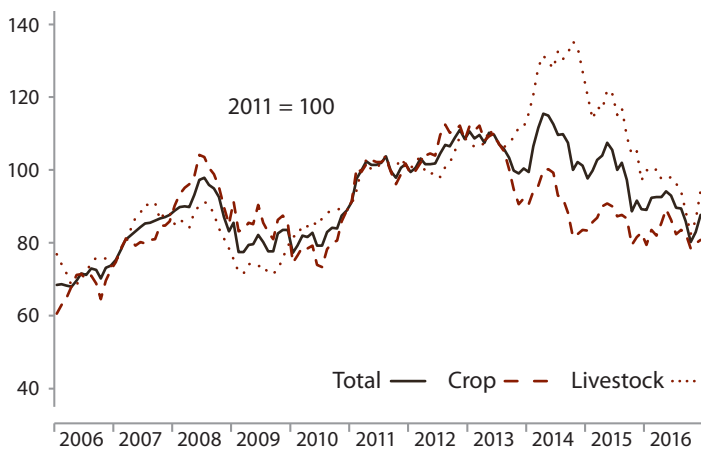
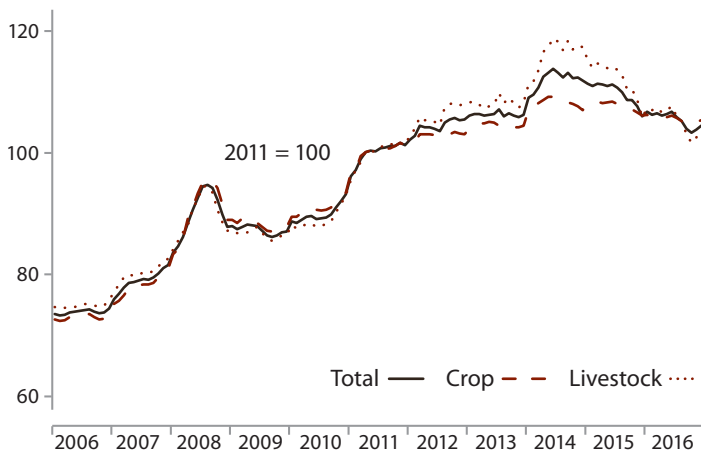


Fig. 4. Monthly Index of Prices U.S. Farmers Paid, 2006–2016: Total, Crop, and Livestock

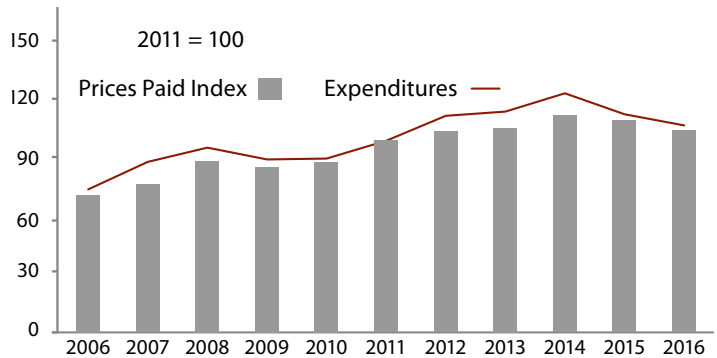


Based on 2016 cash receipts, corn and soybeans were the highest earning crops, and beef cattle and broilers were the highest earning livestock commodities.

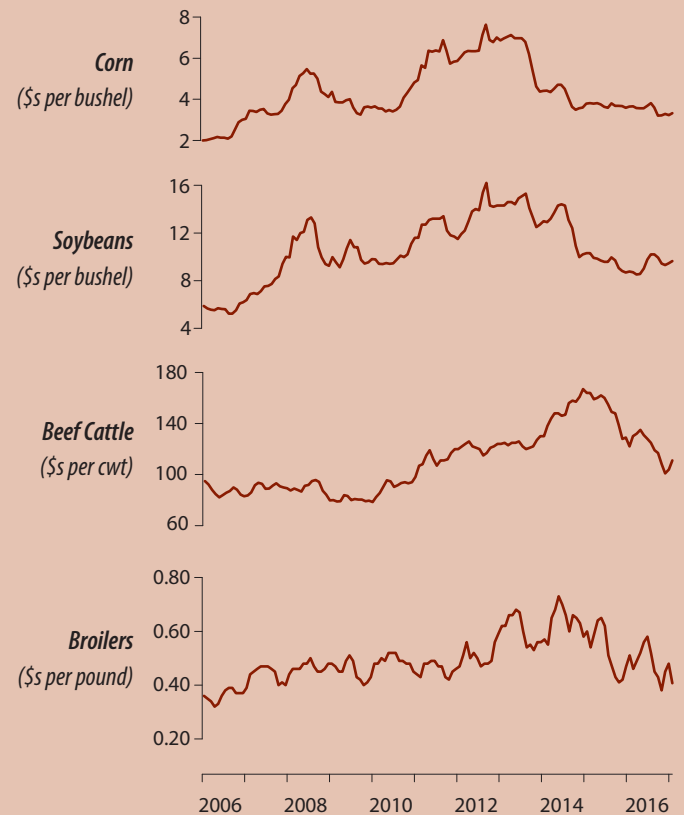
Prices and Expenditures

The prices paid index and the index of farmers' total farm and personal expenditures are highly correlated, indicating their expenditures are mostly influenced by price changes in the production inputs they purchase. (Fig. 5)

Fig. 5. Farmer Expenditures and the Prices Paid Index, 2006–2016



Prices Received: Selected Commodities



Note: cwt = hundred weight