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)

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...
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.

**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. 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.