

Prices paid increased more than prices received

Prices U.S. Farmers Received and Paid, 2007–2017

87 percent . . .

...the ratio of prices received to prices paid in 2017

Between 2007 and 2017, 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 index of prices farmers received increased from 83.6 in 2007 to 92.8 in 2017, 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 79.0 in 2007, reached its peak of 112.0 in 2014, and declined to 106.5 in 2017. The base year for both indexes is 2011. (Fig. 1)

Fig. 1. Indexes of Prices U.S. Farmers Received and Paid, Annual Average, 2007–2017



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.

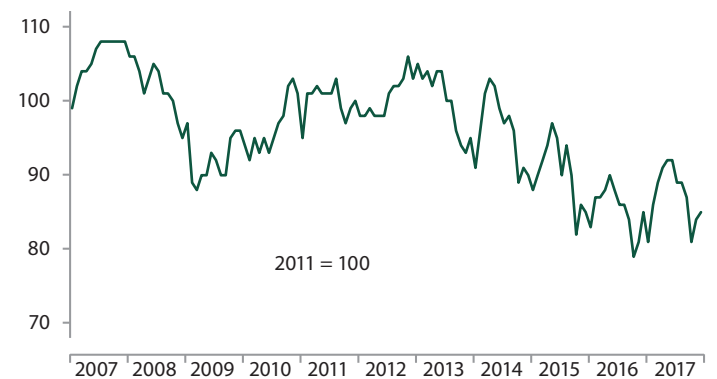
For more information on the prices program, and the charts, maps, and data available, go to: go.usa.gov/xXKdP.

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 2007 and 2017, the monthly ratio ranged from a high of 108 to a low of 79.

Fig. 2. Ratio of Prices Received to Prices Paid, Monthly, 2007–2017



The prices received index for total agricultural production had its lowest level in January 2007 at 75.4 and reached its highest value in April 2014 at 115.5. (Fig. 3) The prices paid index had its lowest level in January 2007 (76.0) and its highest level in June 2014 (113.8). (Fig. 4) Both figures show the trends for total agricultural commodities, as well as for the crop and livestock sectors.

Fig. 3. Monthly Index of Prices U.S. Farmers Received, 2007–2017: Total, Crop, and Livestock

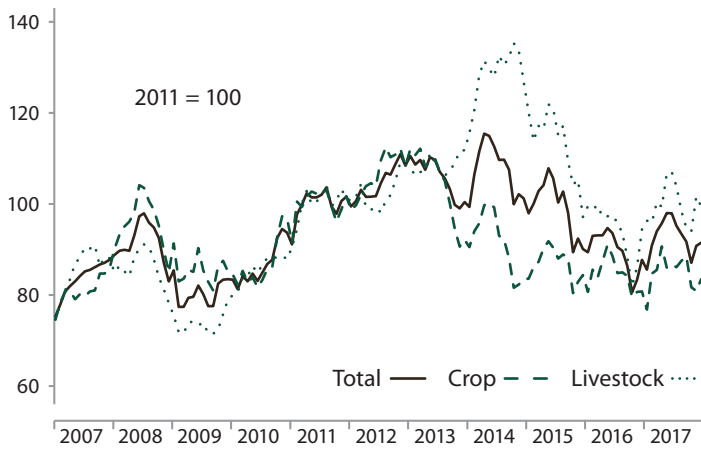
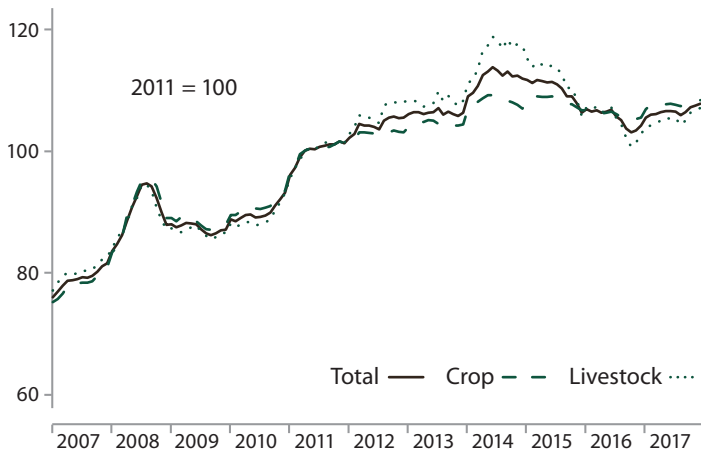


Fig. 4. Monthly Index of Prices U.S. Farmers Paid, 2007–2017: Total, Crop, and Livestock

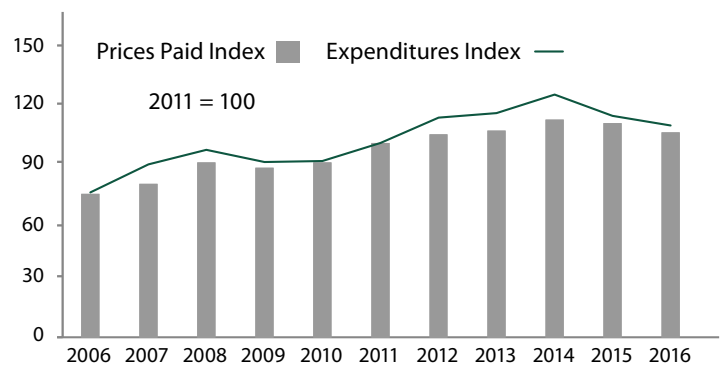


Based on 2016 cash receipts, corn and soybeans were the top-ranked crops, and beef cattle and broilers were the top-ranked livestock commodities.

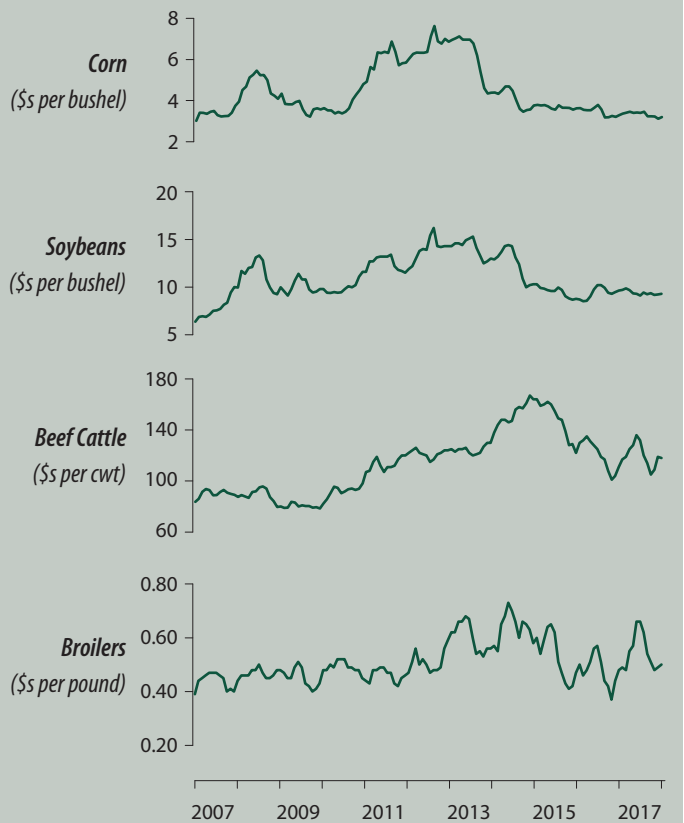
Prices and Expenditures

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 shows this relationship for the ten-year period 2006 through 2016.

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



Prices Received: Selected Commodities



Note: cwt = hundred weight



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