



# U.S. Farm Income

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## Summary

According to USDA's Economic Research Service (ERS), national net farm income—a key indicator of U.S. farm well-being—is forecast at \$114 billion in 2012, down 3.3% from last year's record, but still the second-highest total on record.

In addition to near-record farm income, farm wealth is also at record levels. Farm asset values—which reflect farm investors' and lenders' expectations about long-term profitability of farm-sector investments—are expected to rise nearly 7% in 2012 to a record \$2,540 billion for a fourth consecutive year of gains. Farm land cash markets have continued to see gains related to strong crop prices in 2012. Since 2008, farm asset values are up 26% while farm debt has risen by only 10%. As a result, the farm debt-to-asset ratio has declined steadily since 2008 and is expected to fall to 10.5%, its second-lowest level since 1960.

The 2012 outlook for a second year of strong farm income occurs in spite of slow growth in the domestic economy and the most severe and extensive drought in at least 25 years. The ongoing drought is expected to destroy or damage a significant portion of the U.S. corn and soybean crops, with deleterious impacts on all U.S. livestock sectors—cattle, hogs, poultry, and dairy—and with the potential to affect food prices at the retail level. Yet, drought-induced large increases in the value of this year's crops, plus substantial crop insurance indemnity payments, are expected to more than offset rising production expenditures for both crop and livestock activities and generate record farm income.

Government farm payments, at about \$11 billion, are expected to remain relatively small in 2012 (second-lowest total since 1997) as high commodity prices shut off payments under the price-contingent marketing loan and counter-cyclical payment programs.

These data suggest a strong financial position in 2012 for the agricultural sector as a whole relative to the rest of the U.S. economy, but with substantial regional variation. In general, the increase in expenses will affect livestock producers more harshly than crop producers. Cash grain farmers in the Corn Belt and Northern Plains are expected to experience a second year of record revenues despite the drought. In contrast, livestock and poultry feeders are experiencing record high feed costs that have narrowed or eliminated profit margins despite record high wholesale and retail prices for their end products. In addition, the severe nationwide drought has limited grazing opportunities and hay production for cattle ranchers in the affected regions and led to substantial herd liquidation.

The lingering effects of the drought are expected to spill over into next year, when record-high market prices will likely motivate large feed grain and oilseed plantings. Eventual 2013 agricultural economic well-being will hinge greatly on spring crop planting and summer growing weather, as well as both domestic and international macroeconomic factors including economic growth and consumer demand.

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## Introduction

The U.S. farm sector is vast and varied. It encompasses production activities related to traditional field crops (such as corn, soybeans, wheat, and cotton) and livestock and poultry products (including meat, dairy, and eggs), as well as fruits, tree nuts, and vegetables. In addition, U.S. agricultural output includes greenhouse and nursery products, forest products, custom work, machine hire, and other farm-related activities. The intensity and economic importance of each of these activities, as well as their underlying market structure and production processes, vary regionally based on the agro-climatic setting, market conditions, and other factors. As a result, farm income and rural economic conditions may vary substantially across the United States.<sup>1</sup> However, this report focuses singularly on aggregate national net farm income and the farm debt-to-asset status as reported by the U.S. Department of Agriculture (USDA).<sup>2</sup>

Annual U.S. net farm income is the single most watched indicator of farm sector well-being, as it captures and reflects the entirety of economic activity across the range of production processes, input expenses, and marketing conditions that have persisted during a specific time period. When national net farm income is reported together with a measure of the national farm debt-to-asset situation, the two summary statistics provide a quick indicator of the economic well-being of the national farm economy.

### Measuring Farm Profitability

Two different indicators measure farm profitability: net cash income and net farm income.

**Net cash income** compares cash receipts to cash expenses. As such, it is a cash flow measure representing the funds that are available to farm operators to meet family living expenses and make debt payments. For example, crops that are produced and harvested but kept in on-farm storage are not counted in net cash income. Farm output must be sold before it is counted as part of the household's cash flow.

**Net farm income** is a value of production measure, indicating the farm operator's share of the net value added to the national economy within a calendar year, independent of whether it is received in cash or noncash form. As a result, net farm income includes the value of home consumption, changes in inventories, capital replacement, and implicit rent and expenses related to the farm operator's dwelling that are not reflected in cash transactions. Thus, once a crop is grown and harvested it is included in the farm's net income calculation, even if it remains in on-farm storage.

- Net cash income is generally less variable than net farm income. Farmers can manage the timing of crop and livestock sales and of the purchase of inputs to stabilize the variability in their net cash income. For example, farmers can hold crops from large harvests to sell in the forthcoming year, when output may be lower and prices higher.
- Off-farm income and crop insurance subsidies, both of which have increased in importance in recent years, are not included in the calculation of aggregate farm income.
- Off-farm income is included in the discussion of farm income at the household level in the last section of this report.

<sup>1</sup> For information on state-level farm income, see the "U.S. and State Farm Income and Wealth Statistics," available as part of the Farm Income and Wealth Statistics, Farm Income and Costs, Farm Economy Topics, Economic Research Service (ERS), USDA, at <http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics.aspx>.

<sup>2</sup> For a more detailed discussion of the issues in this report, see the Briefing Room "Farm Income and Costs: 2012 Farm Sector Income Forecast," ERS, USDA, at <http://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-2012-farm-income-forecast.aspx>.

## Highlights of 2012 Farm Income Forecast

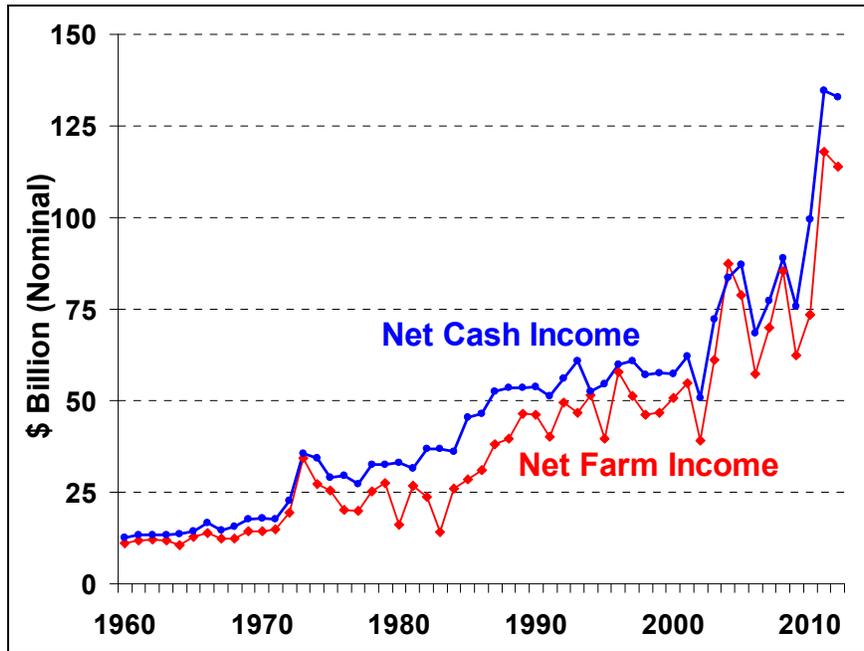
Both net farm and net cash income for 2012 are forecast down slightly from 2011's record levels, but still at the second-highest level on record. Farm wealth is projected at record levels, driven by record land values, while the debt-to-equity ratio is expected to decline to 10.5%, the second-lowest level since 1960. These data suggest a strong financial position in 2012 for the agricultural sector as a whole relative to the rest of the U.S. economy, but with substantial regional variation. In general, the increase in expenses will affect livestock producers more harshly than crop producers.

- Drought-induced large increases in the value of this year's crops, plus substantial crop insurance indemnity payments, are expected to partially offset rising production expenditures for both crop and livestock activities and generate near-record farm income.
- U.S. net farm income is forecast at \$114 billion in 2012—the second-highest level on record—down about \$4 billion (-3.3%) from the previous year's record (**Figure 1** and **Table 4**).<sup>3</sup> When measured in cash terms, net cash income in 2012 is also projected to be the second-highest on record at \$132.8 billion, down 1.4% from 2011's record level. When adjusted for inflation (**Figure 2**), current farm income forecasts remain well below the peak period of the early 1970s.
- The 2012 outlook for a second year of strong farm income occurs in spite of slow growth in the domestic economy and the most severe and extensive drought in at least 25 years.<sup>4</sup> The drought (**Figure 4**) destroyed or damaged a significant portion of the U.S. corn and soybean crops, with deleterious impacts on all U.S. livestock sectors—cattle, hogs, poultry, and dairy.
- Farm prices for most feedstuffs—feed grains (corn, sorghum, barley, and oats), hay, and protein meals—as well as soybeans hit record highs in 2012. High commodity prices, in turn, are expected to contribute to low government payments (\$10.9 billion)—up slightly from last year, but the second-lowest since 1997. The full effects of the increase in commodity prices for packaged and processed foods (cereal, corn flour, etc.) will likely take 10-12 months to move through to retail food prices.
- High commodity prices contributed to record farm-level gross returns for both crops (\$217 billion) and livestock and poultry products (\$169 billion). However, these are expected to be more than offset by record high total production expenses (\$334 billion), led by feed costs (\$64.4 billion) that surged nearly 18% from last year's record high.
- Increases in farm asset values (to \$2,540 billion) are expected to exceed increases in farm debt (to \$266 billion), resulting in another successive record high for farm equity (of \$2,274 billion) and a debt-to-equity ratio of 10.5%, the second-lowest since 1960.

<sup>3</sup> USDA, ERS, Farm Sector Income & Finances, updated November 27, 2012; available at <http://www.ers.usda.gov/topics/farm-economy/farm-sector-income-finances/highlights-from-the-2012-farm-income-forecast.aspx>.

<sup>4</sup> For drought-related details and updated information, see USDA, ERS, "U.S. Drought 2012: Farm and Food Impacts," at <http://www.ers.usda.gov/newsroom/us-drought-2012-farm-and-food-impacts.aspx>.

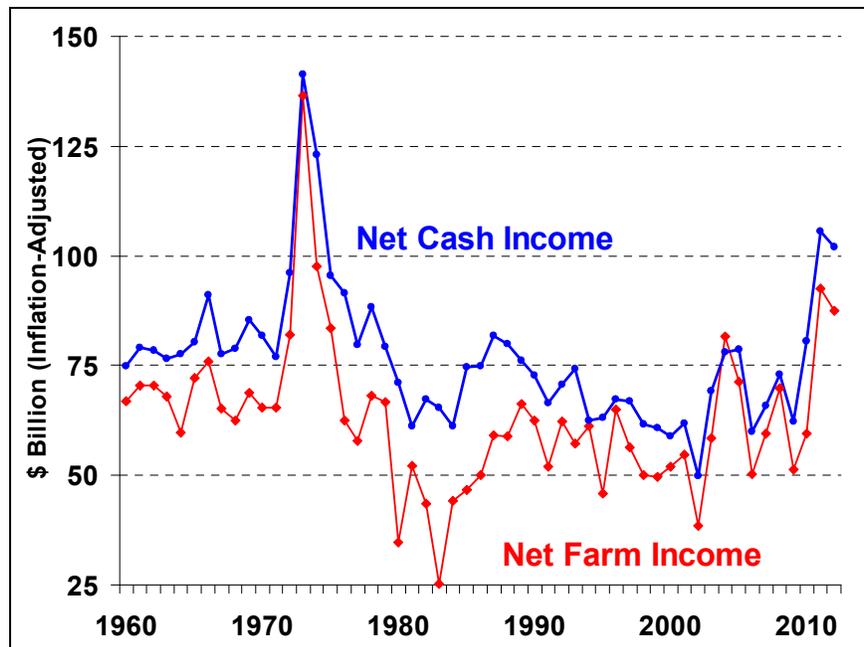
Figure 1. Annual U.S. Farm Sector Nominal Income, 1960 to 2012F



Source: USDA, ERS, "2012 Farm Income Forecast," November 27, 2012.

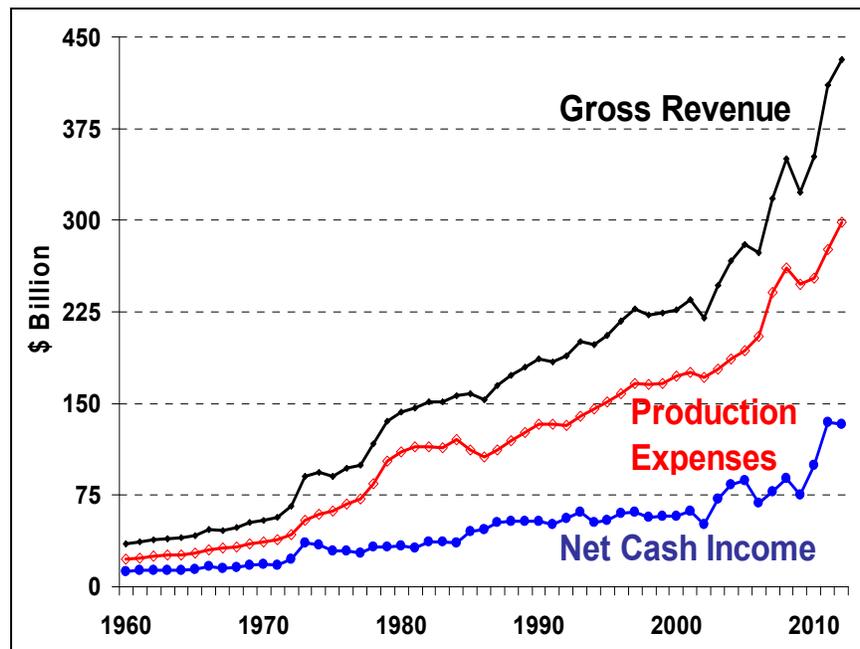
Notes: All values are in nominal terms, i.e., not adjusted for inflation. 2011 is preliminary, 2012 is forecast.

Figure 2. Annual U.S. Farm Sector Inflation-Adjusted Income, 1960 to 2012F



Source: USDA, ERS, "2012 Farm Income Forecast," November 27, 2012.

Notes: All values are adjusted for inflation using the Bureau of Labor Statistics (BLS), Consumer Price Index (CPI) where 2002-2003=100. 2011 is preliminary, 2012 is forecast.

**Figure 3. U.S. Farm Gross Revenue, Production Expenses, and Net Income**

Source: USDA, ERS, “2012 Farm Income Forecast,” November 27, 2012.

Notes: All values are in nominal terms, i.e., not adjusted for inflation. 2011 is preliminary, 2012 is forecast.

## Summary of U.S. Agriculture for 2012

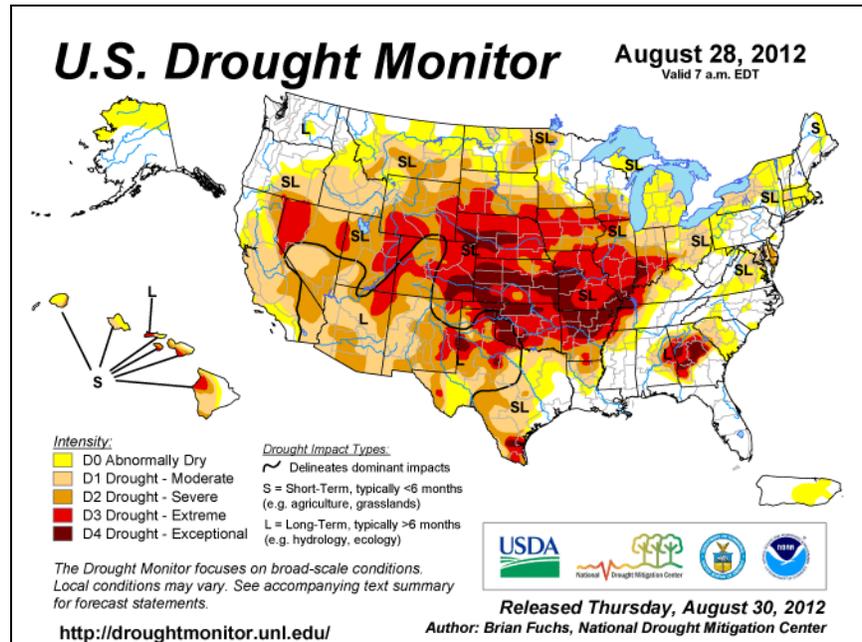
The 2012/2013 growing season will be remembered for the dramatic reversal of fortunes whereby early springtime prospects for record harvests and low commodity prices were transformed in a two-month period into an outlook of supply shortages and record high commodity prices.

Springtime planting conditions in 2012 were nearly ideal across much of the United States and farmers responded by planting early and extensively—from fence row to fence row in response to high commodity prices. On June 12, USDA projected U.S. corn plantings of 95.9 million acres—the most since 1937. Normal weather patterns were expected to produce a record 2012 corn harvest of 14.8 billion bushels which, in turn, would lead to a build-up in U.S. corn ending stocks in 2013 of nearly 2 billion bushels (up 111% year-to-year), and a 2012/2013 season-average corn price of \$4.60/bushel (down 25%).<sup>5</sup> However, in mid-June, an extensive swath of the Central and Southern Plains and much of the Corn Belt were hit by a combination of extreme heat and dryness that produced what was referred to as a “flash drought” (Figure 4). By August—just two months later—USDA had completely reversed its outlook from one of abundance to one of shortage. USDA lowered its outlook for U.S. corn production to 10.8 billion bushels (a 27% drop of 4 billion bushels from its May forecast), corn price projections were raised sharply to \$8.20 per bushel (up 78%), and stocks of feed grains and soybeans were forecast to approach historic low levels relative to demand by the end of 2012/2013 crop year (i.e., at the end of summer 2013).<sup>6</sup>

<sup>5</sup> Midpoint of a projected range of \$4.20 to \$5.00 per bushel, *World Agricultural Supply and Demand Estimates (WASDE)*, World Agricultural Outlook Board (WAOB), USDA, June 12, 2012.

<sup>6</sup> *WASDE*, WAOB, USDA, August 10, 2012.

**Figure 4. Widespread Drought Conditions Persist Across Plains and Corn Belt**



**Source:** USDA at <http://droughtmonitor.unl.edu/>.

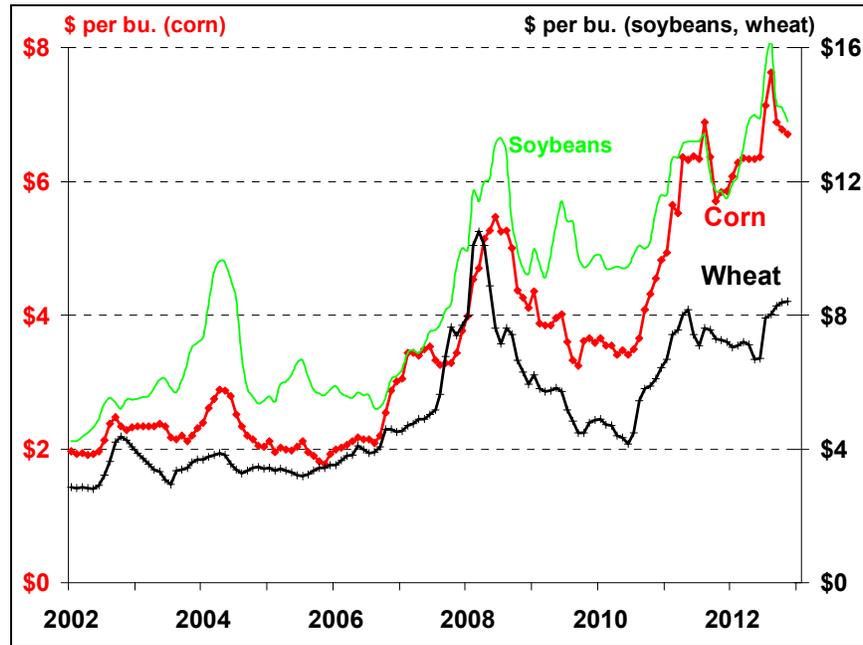
The outlook for lower feed grain and oilseed stocks has pushed feed grain and oilseed prices well above their 2008 highs (**Figure 5** and **Figure 6**).<sup>7</sup> In addition to expected crop production shortfalls, the summer heat has also taken a toll on the U.S. livestock sector, as this year's lack of adequate rainfall over more than half of the country has resulted in reduced availability of pasture and higher prices for corn and other feedstuffs. Drought-induced prospects for significantly higher feed prices and heat stress on crops, pastures, livestock, and poultry are likely to restrain growth of U.S. cattle and hog breeding herd numbers as well as poultry and milk production.<sup>8</sup> Despite relatively high output prices (**Figure 7** and **Figure 8**), the U.S. livestock, poultry, and dairy sectors have come under severe economic pressure, squeezed by ever-rising prices for their major cost component—feed grains and protein meals (derived primarily from crushing oilseeds).

A reversal of the current situation will hinge greatly on a return to normal weather patterns over the major U.S. growing regions in 2013.

<sup>7</sup> For more information, see the ERS (USDA) publications *Feed Outlook*, FDS-12h, August 14, 2012, at <http://www.ers.usda.gov/media/868958/fds12h.pdf>, and *Oil Crops Outlook*, OCS-12h, August 2012, at <http://www.ers.usda.gov/publications/ocs-oil-crops-outlook/ocs12h.aspx>.

<sup>8</sup> See "U.S. Drought 2012: Farm and Food Impacts," ERS, USDA, at <http://www.ers.usda.gov/newsroom/us-drought-2012-farm-and-food-impacts.aspx>.

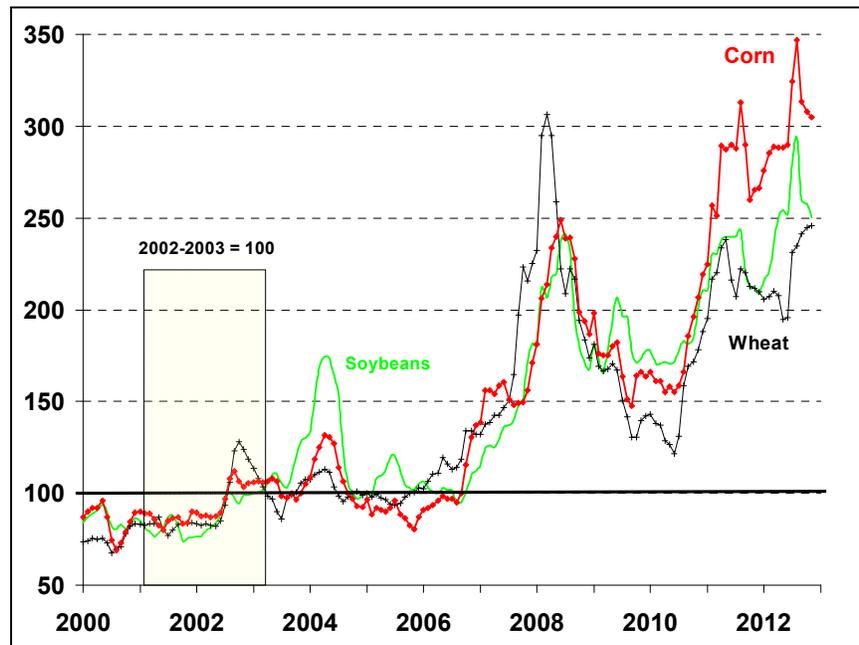
**Figure 5. Monthly Farm Prices for Major Field Crops, Nominal Dollars**  
(\$ per bushels)



Source: USDA, National Agricultural Statistics Service (NASS), *Agricultural Prices*, November 30, 2012.

Note: cwt = hundredweight or units of 100 lbs.

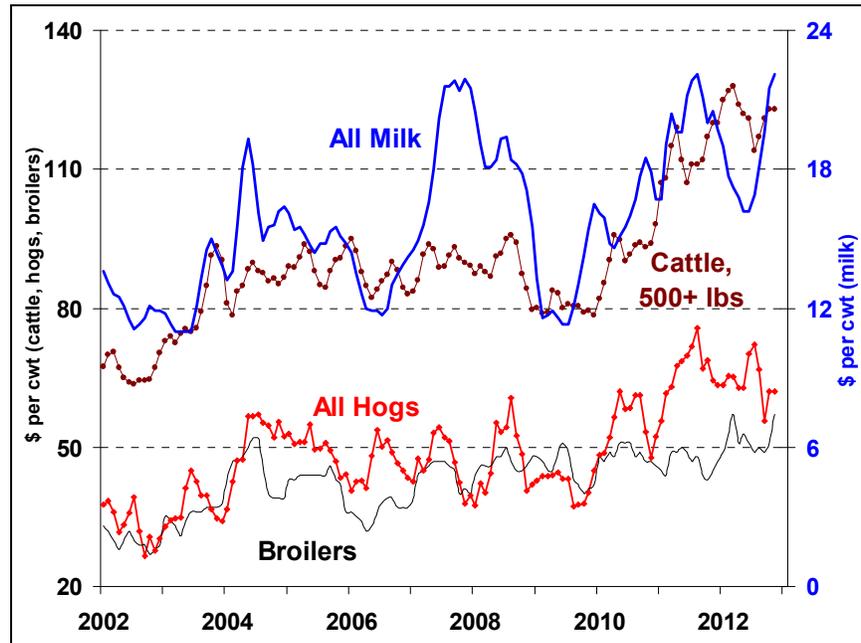
**Figure 6. Monthly Farm Prices for Major Field Crops, Indexed Dollars**  
(indexed to 2002-2003 = 100)



Source: USDA, NASS, *Agricultural Prices*, November 30, 2012.

Notes: Monthly prices are adjusted for inflation using the CPI to permit relative comparisons.

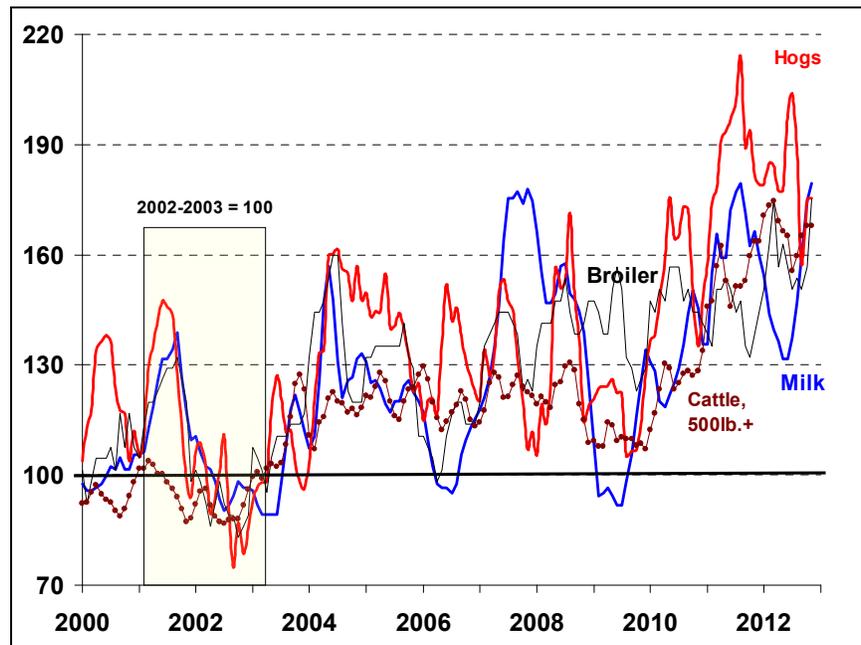
**Figure 7. Monthly Farm Prices for Major Livestock Products, Nominal Dollars**  
 (\$ per hundredweight (cwt))



Source: USDA, NASS, *Agricultural Prices*, November 30, 2012.

Note: cwt = hundredweight or units of 100 lbs.

**Figure 8. Monthly Farm Prices for Livestock Products, Indexed Dollars**  
 (indexed to 2002-2003 = 100)



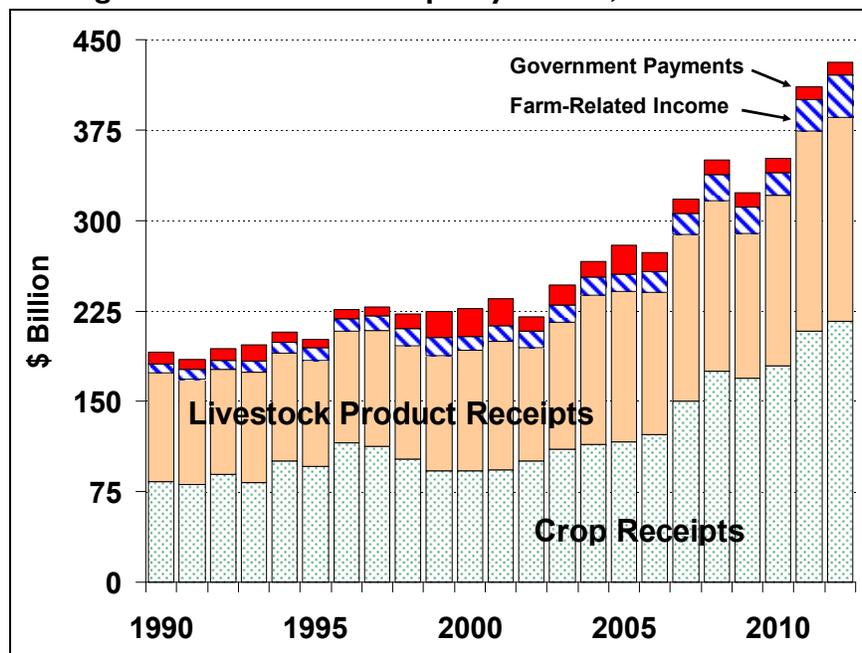
Source: USDA, NASS, *Agricultural Prices*, November 30, 2012.

Notes: Monthly prices are adjusted for inflation using the CPI to permit relative comparisons.

## Cash Receipt Highlights

- Total farm sector gross cash receipts for 2012 are projected at a record \$431.3 billion, 5% above last year's record (**Table 2** and **Figure 9**).
- Farm sector revenue sources and shares include crop revenues (50% of sector revenues), livestock receipts (39%), government payments (about 3%), and other farm-related income including crop insurance indemnities, machine hire, and custom work (8%).

**Figure 9. Farm Cash Receipts by Source, 1990 to 2012F**



**Source:** USDA, ERS, "2012 Farm Income Forecast," November 27, 2012.

**Notes:** 2012 is forecast. Receipts from crop and livestock product sales, and government payments, are described in more detail below. Farm-related income includes income from custom work, machine hire, agri-tourism, forest product sales, insurance indemnities, and cooperative patronage dividend fees.

## Crop Highlights

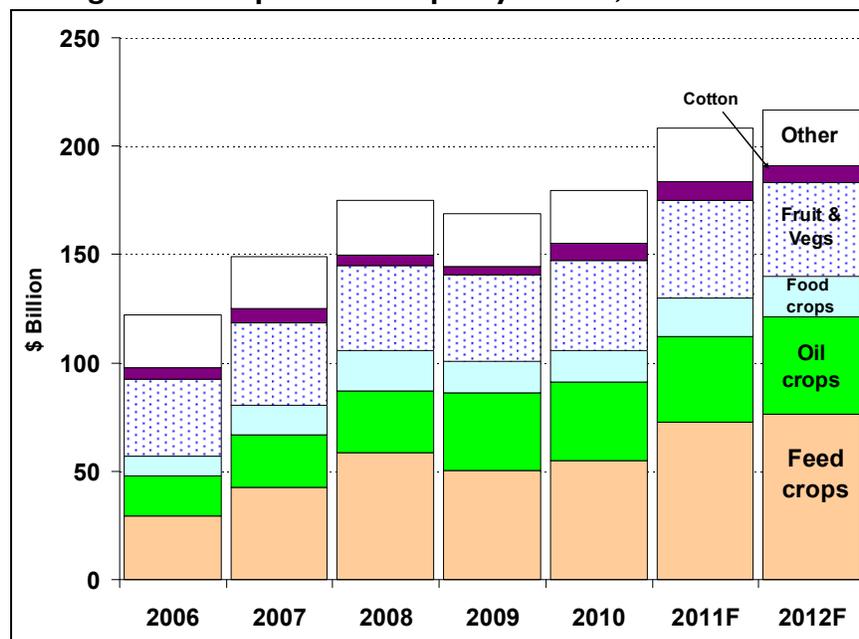
Total crop sales—projected at a record \$216.6 billion in 2012 (up 3.8% from last year's record)—are expected to account for 50% of total U.S. gross cash receipts in 2012 (**Figure 9**). The crop sector includes field crops sales (i.e., feed and food grains, oil crops, and cotton) of a record \$147.4 billion (up 6.2%) and other crop receipts—i.e., fruits and nuts, vegetables, and all other crops—of \$69.1 billion (down slightly by 1.2%).

Highlights include projections for:

- a record corn crop valued at \$65.8 billion, up 3% from last year's record;
- a record feed grain crop—corn, sorghum, barley, and oats—valued at over \$76.5 billion (up 5%);
- a record soybean crop valued at \$41.9 billion, up 10.3% from last year's record;

- a record total oil crop—soybeans, sunflowers, rapeseed, canola, and other minor oilseeds—valued at nearly \$45 billion (up 11.4%);
- a record hay crop valued at nearly \$8 billion (up 16.4%);
- a near-record food crop—wheat and rice—valued at \$18.4 billion (up 4.4%), second only to 2008’s \$18.7 billion;
- a cotton crop valued at \$7.7 billion (down over 8% from last year’s record due to lower production); and
- other crop receipts—fruits and nuts, vegetables, and all other crops—down slightly by 1.2% from the previous year’s record, to nearly \$69 billion.

**Figure 10. Crop Cash Receipts by Source, 2006 to 2012F**



Source: USDA, ERS, “2012 Farm Income Forecast,” November 27, 2012.

Notes: 2011 is preliminary, 2012 is forecast. See **Table 2** for details.

## Livestock Highlights

The livestock sector, broadly defined, includes cattle, hogs, sheep, poultry and eggs, dairy, and other minor activities. The value of the total livestock sector is projected record-large in 2012 at \$169 billion (up 1.8%). However, relatively high livestock product prices are expect to be offset by record-high feed costs and detrimental heat-related operating conditions in 2012.

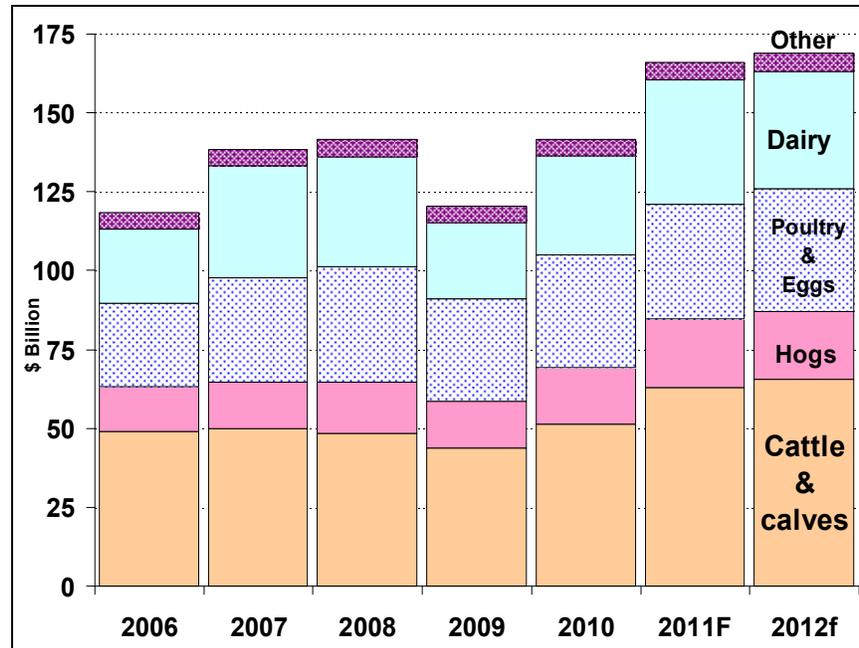
Record-high cash receipts for livestock (cattle, poultry and eggs) are muted somewhat by lower dairy receipts of \$35.2 billion (down 12.2%), while hog receipts are down slightly.

Highlights for individual activities include projections for:

- record cattle and calf sales of over \$65.7 billion (up 4.2%);
- record broiler sales of \$25.1 billion (up 7.7%);

- near-record hog sales of \$21.3 billion (down 1.9% from last year's record); and
- lower (-6.9%) dairy sales, valued at \$37.0 billion, the second-largest on record.

**Figure 11. U.S. Livestock Product Cash Receipts by Source, 2006 to 2012F**



Source: USDA, ERS, "2012 Farm Income Forecast," November 27, 2012.

Notes: 2011 is preliminary, 2012 is forecast. See **Table 2** for details.

### Government Payment Highlights

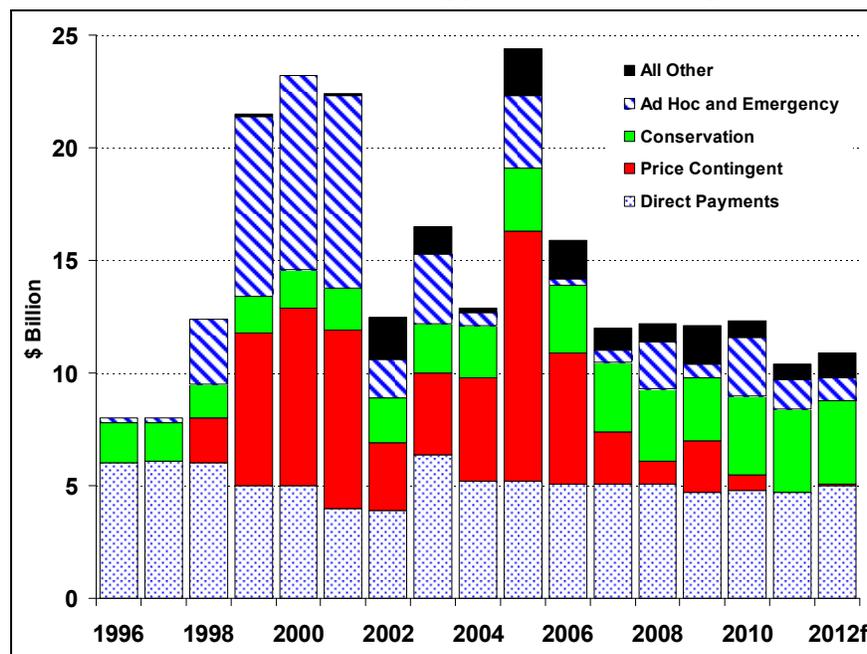
Government farm payments, although projected up 4% in 2012 at \$10.9 billion, are expected to remain relatively small (second-lowest total since 1997) as high commodity prices shut off payments under the price-contingent marketing loan and counter-cyclical payment programs (**Figure 12**).

- Government payments are expected to represent a relatively small share (2.5%) of projected gross cash income of \$431.3 billion.
- In contrast, government payments represent 8% of net cash income of \$132.8 billion; however, the importance of government payments as a percent of net farm income varies nationally by sector and region.
- Farm fixed direct payments, whose payment rates are fixed in legislation and are not affected by the level of program crop prices, are forecast at \$5 billion in 2012, up 5.7% due to an increase in the portion of base acres receiving payments (raised to 85% from 83.3%) for the 2012 crop year.
- Payments under the price-contingent marketing loan benefit and counter-cyclical payment (CCP) programs are expected to fall to \$0 in 2012. Nearly all of this decline is due to higher cotton and rice prices, as other program crop prices were

above program payment triggers for all of 2011 and are expected to remain so throughout 2012 (**Table 7**).<sup>9</sup>

- Payments under the Average Crop Revenue (ACRE) program are forecast at \$52 million in 2012.
- Milk Income Loss Contract (MILC) payments—which compensate dairy producers when domestic milk prices fall below a specified benchmark price subject to feed-cost adjustments—are forecast at \$460 million in 2012.
- Conservation programs include all conservation programs operated by USDA’s Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) that provide direct payments to producers. Estimated conservation payments of \$3.7 billion in 2012 are largely unchanged from 2011.
- Supplemental and ad hoc disaster assistance payments are forecast to be \$1 billion in 2012, a 24% decrease from 2011 levels.<sup>10</sup>

**Figure 12. U.S. Government Farm Support, Direct Outlays, 1996 to 2012F**



**Source:** USDA, ERS, “2012 Farm Income Forecast,” November 27, 2012.

**Notes:** Data are on a fiscal year basis and may not correspond exactly with the crop or calendar year; 2011 is preliminary, 2012 is forecast. Direct payments include production flexibility contract payments enacted under the 1996 farm bill and fixed direct payments of the 2002 and 2008 farm bills; price-contingent outlays include loan deficiency payments, marketing loan gains, counter-cyclical payments and ACRE payments; conservation outlays include Conservation Reserve Program payments along with other conservation program outlays; Ad Hoc and Emergency includes emergency supplemental crop and livestock disaster payments and market loss assistance payments for relief of low commodity prices; and “all other” outlays include peanut quota buyout payments, milk income loss payments, tobacco transition payments, and other miscellaneous expenditures.

<sup>9</sup> See CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*.

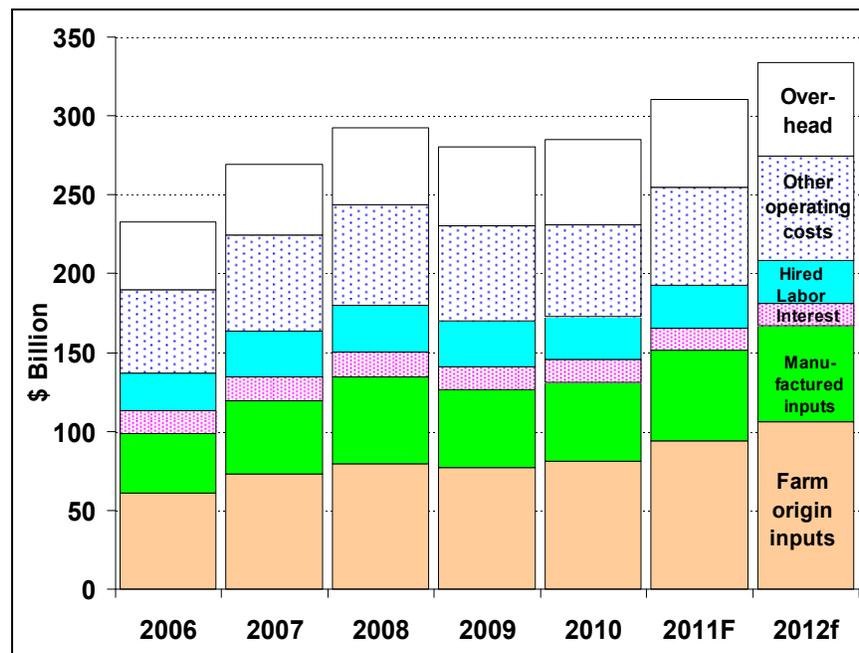
<sup>10</sup> CRS Report RS21212, *Agricultural Disaster Assistance*.

- Supplemental Revenue Assistance (SURE) payments are expected to amount to \$565 billion in 2012 to cover crop-year 2010 losses.<sup>11</sup>
- Noninsured Assistance Program payments of \$255 million are expected to be made to livestock and specialty crop producers for whom no commodity insurance program is available. The Livestock Forage Program (LFP), Livestock Indemnity Program (LIP), Emergency Loss Assistance Program (ELAP), and the Tree Assistance Program (TAP) are expected to pay out \$67 million in 2012.
- Note that disaster relief programs (SURE, LIP, LFP, ELAP, and TAP) under the soon-to-expire 2008 farm bill only covered losses incurred prior to October 1, 2011. Thus, *drought-related commodity and livestock losses for the 2012 crop year currently are not covered.*

## Production Expense Highlights

- Total farm production expenses are forecast to rise by 7.6% to a record \$334 billion in 2012, ahead of 2011's previous record tally of \$310.6 billion (Table 3).
- The \$23.5 billion increase in expenses offsets the \$20.5 billion rise in gross cash receipts, thus accounting for the modest 1.4% decline in net cash income.

**Figure 13. Farm Cash Production Expenses by Source, 2006 to 2012F**



**Source:** USDA, ERS, "2012 Farm Income Forecast," November 27, 2012.

**Notes:** 2011 is preliminary, 2012 is forecast. See for Table 3 details.

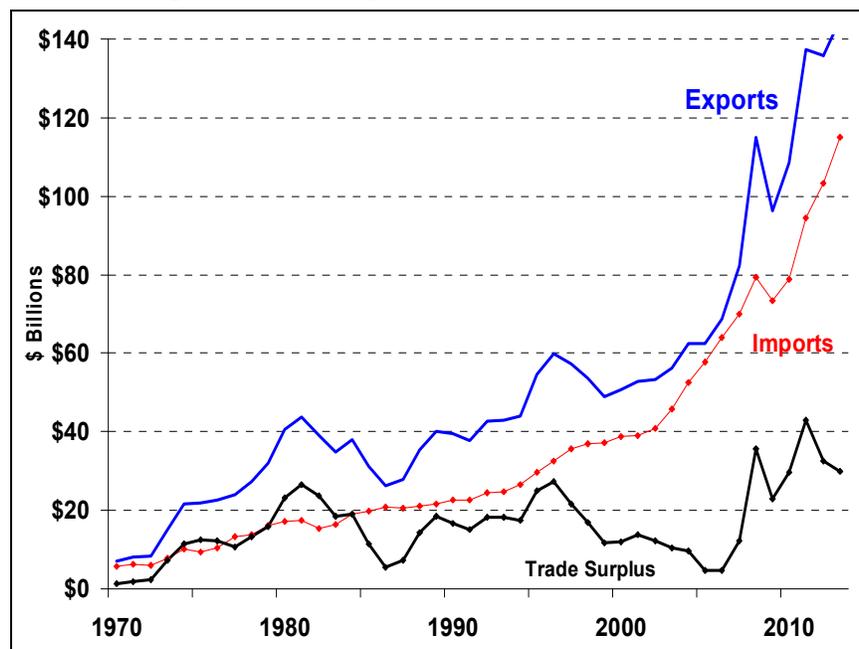
<sup>11</sup> SURE payments are based on the average market-year price calculated after a crop year ends. The lag in calculating the average price coupled with a market-year spilling over two calendar years, results in the nearly two-year delay in SURE payments. See CRS Report R40452, *A Whole-Farm Crop Disaster Program: Supplemental Revenue Assistance Payments (SURE)*.

- Nearly every cost category—fertilizer, pesticides, fuel, feed, seed, etc., as well as most operating and overhead expenses—are projected at record levels in 2012 (**Figure 13** and **Figure 3**).
- The increase in expenses will affect crop and livestock farms differently. The principal expenses for livestock farms (i.e., feed and feeder animals and poultry) are expected to increase by nearly \$10 billion (11.7%) to \$86.4 billion, while the principal crop expenses (seed, fertilizer, pesticides, and crop insurance premiums) are expected to increase by \$6.8 billion (7.3%) to \$94 billion.
- The miscellaneous operating expenses category, which is projected up \$2 billion (6.3%) to \$34.5 billion, includes crop insurance costs and thus directly impacts crop production.

## Agricultural Trade Outlook

- A major catalyst behind projections for stronger farm income is the strength of U.S. agricultural exports in 2012—forecast at \$136.5 billion, down slightly from 2011's record (**Figure 14**). USDA projects that U.S. agricultural exports will expand further to an all-time high of \$143.5 billion in 2013.
- U.S. agricultural imports were record-large in 2012 at \$103.4 billion and are projected up another 11% to \$115 billion in 2013.
- As a result of the surge in imports, the U.S. agricultural trade surplus is projected at \$32.4 billion in 2012 (down 24%) and at \$30 billion in 2013 (down another 7%).

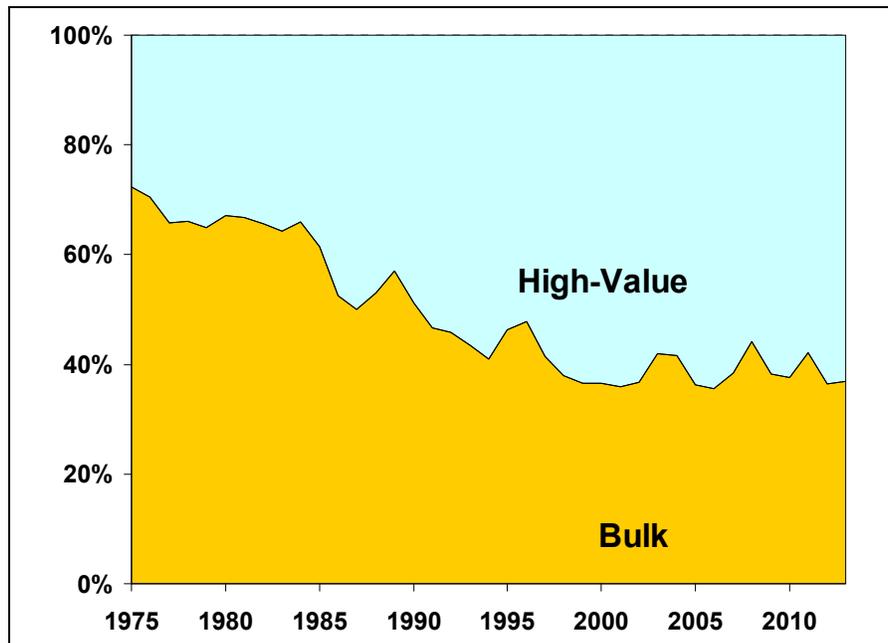
**Figure 14. U.S. Agricultural Trade Since 1970**



Source: USDA, ERS, *Outlook for U.S. Agricultural Trade*, AES-76, November 29, 2012.

- Over the past four decades, steady growth in high-valued export products (**Figure 15**) has helped to push U.S. agricultural export value to ever higher totals. However, this pattern appears to have plateaued since 2006, when rapid growth in demand from both international commodity markets and domestic biofuels pushed prices for most bulk crops (especially feed grains and oilseeds) to record levels.

**Figure 15. U.S. Agricultural Trade: Bulk vs. High-Value Shares**



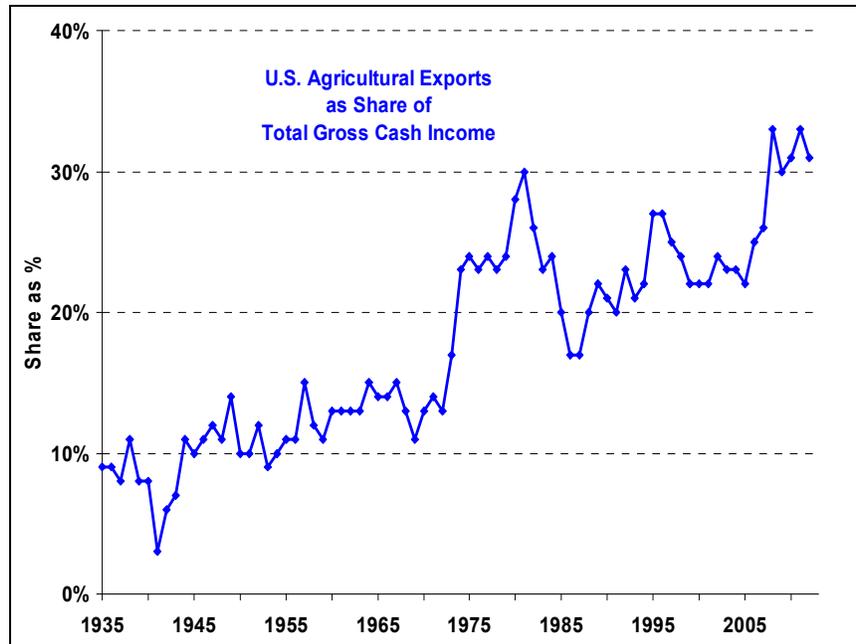
Source: USDA, ERS, *Outlook for U.S. Agricultural Trade*, AES-76, November 29, 2012.

- Much of the increase in U.S. agricultural exports since 2010 has been due to higher-priced grain and feed shipments plus record oilseed exports to China, and growing animal product exports to East Asia.<sup>12</sup> As a share of total gross farm receipts, U.S. agricultural exports are projected to account for 31% of earnings in 2012 (**Figure 16**).
- Bulk commodity shipments (primarily wheat, rice, feed grains, soybeans, cotton, and unmanufactured tobacco) are forecast at a 36% share of total U.S. agricultural exports in 2012, at \$49.5 billion, before rising modestly to \$53.5 billion (37% share) in 2013.
- In contrast, high-valued export products—including horticultural, livestock, poultry, and dairy—are forecast to rise for a fourth consecutive year, to \$91.5 billion in 2013.
- The top six forecast markets for U.S. agricultural exports in 2012 are China (\$23.6 billion), Canada (\$20 billion), and Mexico (\$18.9 billion), followed by Japan (\$13.8 billion), the EU-27 (\$8.9 billion), and South Korea (\$6.2 billion).

<sup>12</sup> USDA, ERS, *Outlook for U.S. Agricultural Trade*, AES-76, November 29, 2012. The U.S. agricultural trade outlook—released quarterly—is available at <http://www.ers.usda.gov/Briefing/AgTrade/>.

- In 2013, the top six U.S. export markets are expected to retain their same rank, although China's total is forecast to decline to \$21.2 billion, just ahead of Canada's \$21 billion.

**Figure 16. U.S. Agricultural Export Value as Share of Gross Cash Income**



Source: USDA, ERS, *Outlook for U.S. Agricultural Trade*, AES-76, November 29, 2012.

## Farm Asset Values and Debt

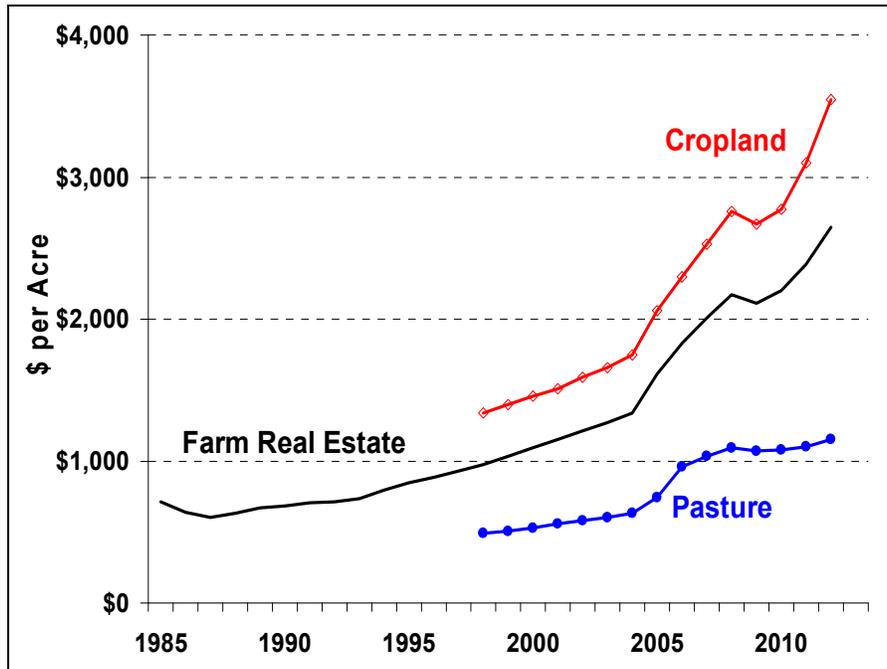
Farm asset values—which reflect farm investors' and lenders' expectations about long-term profitability of farm sector investments—are projected up nearly 7% in 2012 to \$2,540 billion, reflecting a continued strong outlook in the general farm economy (**Table 6**).

Higher farm asset values are due primarily to stronger farm real estate values (**Figure 17**). After rebounding from a 2.8% decline during 2009—the first decline since 1987—farm real estate values have grown by a projected 26% through 2012, due largely to strong crop prices. This same pattern is reflected in both cropland and pastureland values (up 33% and 7.5%, respectively, since 2008).

- Meanwhile, total farm debt is forecast to rise to \$265.5 billion in 2012 (up 4.5% year-to-year).
- As a result of the relative improvement between farm asset values and farm debt, farm equity (or net worth, defined as asset value minus debt) is projected record-high in 2012, at \$2,274 billion.
- The farm debt-to-asset ratio had been steadily declining since 1985's peak value of 23%—except for a one-year reversal in 2008, to a projected historic low of 10.5% in 2012 (**Figure 18**).

These data suggest a strong financial position in 2012 for the agriculture sector as a whole.

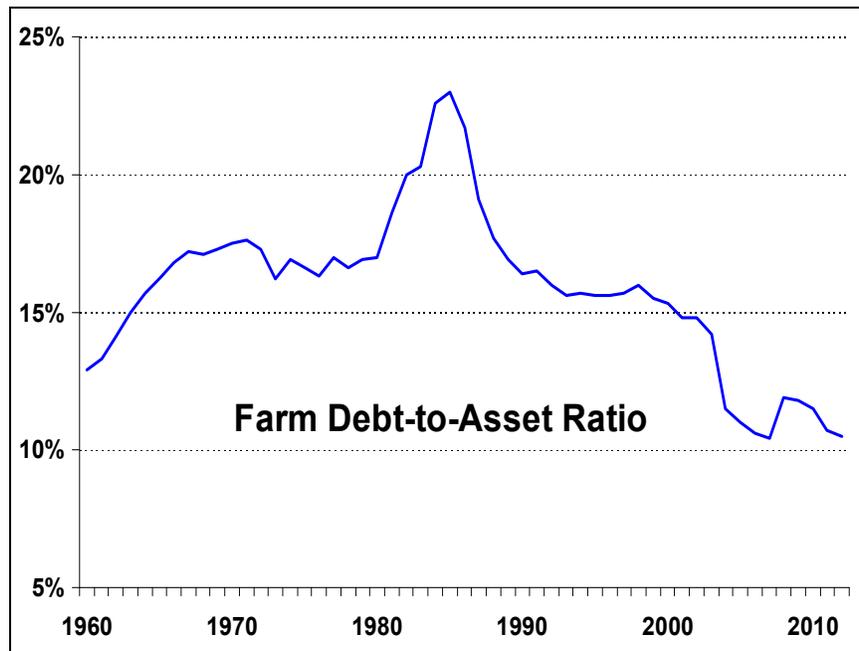
**Figure 17. U.S. Average Farm Land Values, 1985 to 2012F**



**Source:** USDA, NASS, *Land Values 2012 Summary*, August 2012.

**Notes:** 2012 is a forecast. Farm real estate value measures the value of all land and buildings on farms. Cropland and pasture values are only available since 1998.

**Figure 18. U.S. Farm Debt-to-Asset Ratio Since 1960**



**Source:** USDA, ERS, "2012 Farm Income Forecast," November 27, 2012, at <http://www.ers.usda.gov/Briefing/FarmIncome/>.

**Note:** 2011 is preliminary, 2012 is forecast.

## Average Farm Household Income

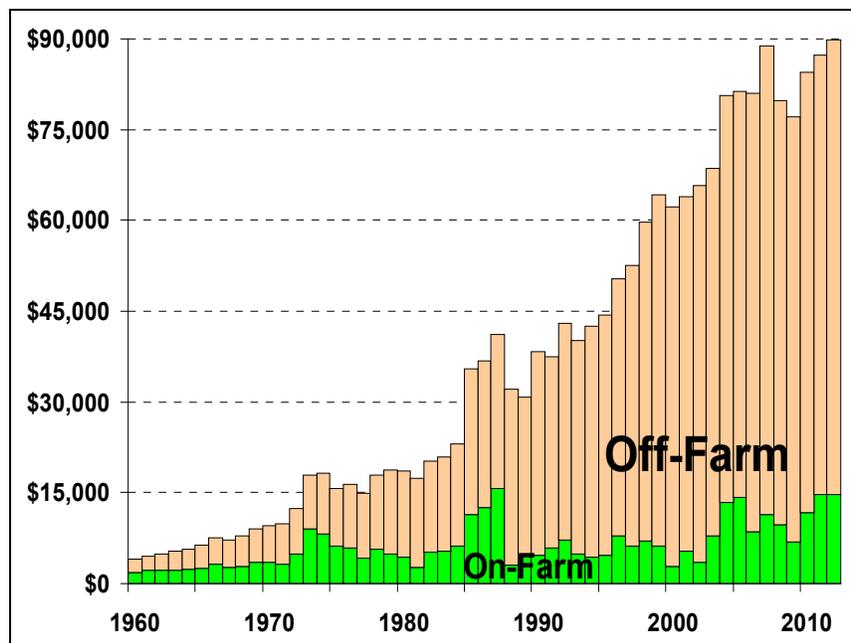
### On-Farm vs. Off-Farm Income Shares

- Average farm household income (the sum of both on- and off-farm income) is projected to grow for a third consecutive year in 2012, rising 2.1% to \$89,073 (Table 5).
- The share of farm income derived from off-farm sources has increased steadily in recent decades and appears to have peaked at about 95% in 2002.
- In 2012, off-farm income sources are forecasted to account for about 84% of the national average farm household income, compared with about 16% from farming activities (Figure 19).

### U.S. vs. Farm Household Income

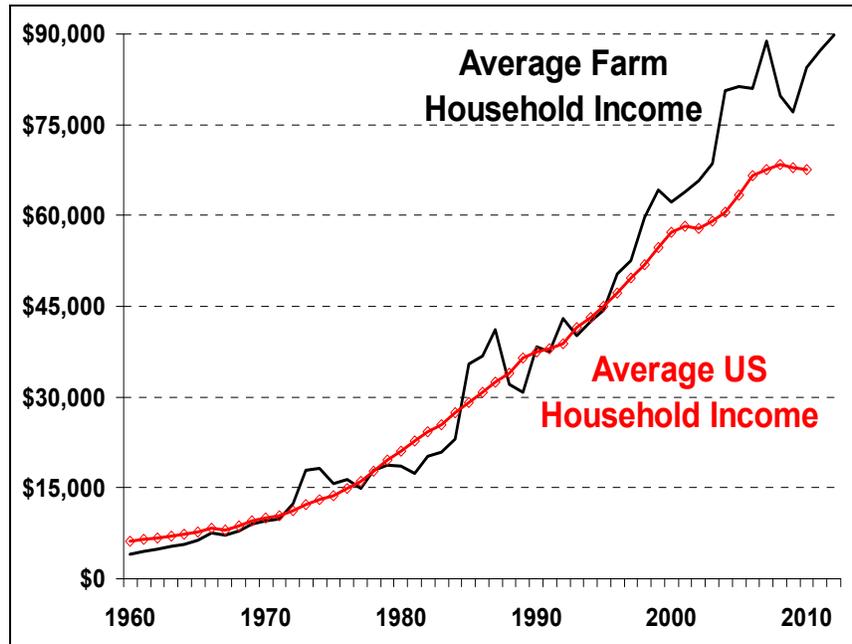
- Over the past decade, farm household incomes have surged ahead of average U.S. household incomes (Figure 20 and Figure 21).
- In 2011 (the last year for which comparable data were available), the average farm household income of \$87,289 was about 25% higher than the average U.S. household income of \$67,677 (Table 5).

**Figure 19. U.S. Average Farm Household Income, On- and Off-Farm Sources, Since 1960**



**Source:** USDA, ERS, "Farm Household Economics and Well-Being: Historic Data On Farm Operator Household Income," November 27, 2012.

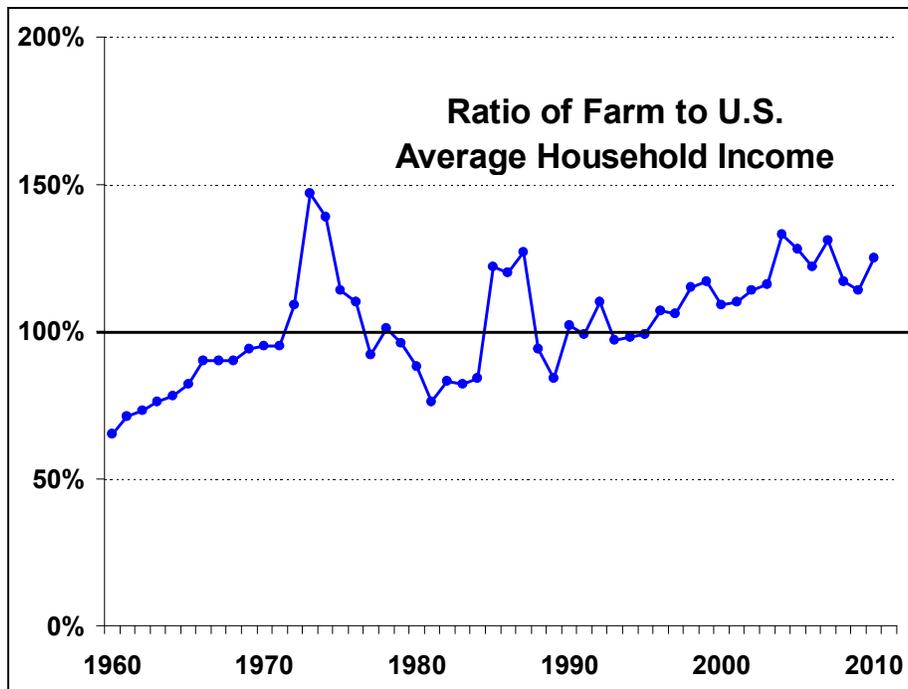
Figure 20. Comparison of Farm to U.S. Average Household Income Since 1960



Source: USDA, ERS, "2012 Farm Income Forecast," November 27, 2012.

Note: 2011 is preliminary, 2012 is forecast.

Figure 21. Ratio of Farm to U.S. Average Household Income Since 1960



Source: See above source note. 2011 is the last year with comparable data.

## Farm Household Income by Sales Class

The share of income from farming increases with farm size as measured by gross sales (**Table 1**).

- “Large” commercial farm households (farms with annual sales greater than \$250,000) obtained nearly 76% of household income on-farm and accounted for 82% of the value of total U.S. agricultural production in 2011, while representing only about 10% of farm households.<sup>13</sup>
- Intermediate family farms (farms with annual sales in excess of \$10,000 but less than \$250,000) obtained about 10% of household income from on-farm sources, accounted for about 17% of the value of total U.S. agricultural production, and represented about 30% of family farms.
- “Small” farm households (annual sales less than \$10,000) actually lost revenue from farming operations (-9% of household income) and accounted for slightly more than 1% of the value of total U.S. agricultural production in 2011, while representing 59% of farm households. A substantial number of these small farms are classified as rural residence farms and either receive little or no income from farm sources or have a total income level that qualifies them as limited-resource farms.

**Table 1. Distribution of Farms and Value of Production by Gross Farm Sales, 2011**

Value of Gross Sales	Family Farms		Total U.S. Production	Total HH Income (Mean)		
	Number	Share	Share	On-farm Share	Off-farm Share	Total Value
< \$10,000	1,255,816	59%	1.2%	-9%	109%	\$70,507
\$10,000 to \$249,999	639,430	30%	16.5%	10%	90%	\$79,780
≥ \$250,000	219,422	10%	82.3%	76%	25%	\$205,215
<b>All</b>	<b>2,114,668</b>	<b>100%</b>	<b>100.0%</b>	<b>17%</b>	<b>83%</b>	<b>\$87,289</b>

**Source:** USDA, ERS, *Farm Income and Wealth Statistics*; U.S. and State Farm Income and Wealth Statistics, updated as of November 27, 2012; available at <http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics.aspx>.

<sup>13</sup> For more information on farm typology, see the ERS Briefing Room, *Farm Household Well-Being*, at <http://www.ers.usda.gov/topics/farm-economy/farm-household-well-being.aspx>.

**Table 2. U.S. Crop and Livestock Revenue by Source, 2007-2012F**

(\$ billions)

Item	2007	2008	2009	2010	2011 <sup>a</sup>	2012 <sup>a</sup>	Change (%)
<b>Field crops</b>	<b>86.9</b>	<b>111.1</b>	<b>104.8</b>	<b>113.0</b>	<b>138.3</b>	<b>147.4</b>	<b>6.2%</b>
<b>Food grains</b>	<b>13.6</b>	<b>18.7</b>	<b>14.8</b>	<b>14.1</b>	<b>17.6</b>	<b>18.4</b>	<b>4.4%</b>
Wheat	11.4	15.4	11.7	11.1	14.6	15.9	8.0%
Rice	2.1	3.2	3.0	3.0	2.9	2.4	-19.8%
<b>Feed crops</b>	<b>42.3</b>	<b>58.6</b>	<b>50.5</b>	<b>54.8</b>	<b>72.7</b>	<b>76.5</b>	<b>5.0%</b>
Corn	34.1	48.4	42.5	47.2	63.9	65.8	3.0%
Other Grains	2.2	2.7	2.4	2.3	2.1	2.7	23.5%
Hay	6.0	7.4	5.6	5.3	6.7	8.0	16.4%
<b>Oil Crops</b>	<b>24.6</b>	<b>28.6</b>	<b>35.6</b>	<b>36.5</b>	<b>39.7</b>	<b>44.8</b>	<b>11.4%</b>
Soybeans	23.1	26.4	33.7	34.5	37.6	41.9	10.3%
Peanuts	0.8	1.2	0.8	0.9	1.0	1.6	35.0%
<b>Cotton (lint &amp; seed)</b>	<b>6.5</b>	<b>5.2</b>	<b>4.0</b>	<b>7.6</b>	<b>8.3</b>	<b>7.7</b>	<b>-8.4%</b>
<b>Other Crops</b>	<b>61.8</b>	<b>63.8</b>	<b>64.0</b>	<b>66.6</b>	<b>69.9</b>	<b>69.1</b>	<b>-1.2%</b>
Fruits and nuts	18.7	19.2	19.3	21.9	24.2	24.0	-0.6%
Vegetables	19.3	19.9	20.4	20.1	21.0	19.4	-8.0%
All other crops	23.9	24.9	24.3	24.6	24.8	25.7	3.4%
<b>Total Crops</b>	<b>150.1</b>	<b>174.8</b>	<b>168.9</b>	<b>179.6</b>	<b>208.3</b>	<b>216.6</b>	<b>3.8%</b>
<b>Meat animals</b>	<b>65.1</b>	<b>65.0</b>	<b>59.0</b>	<b>70.0</b>	<b>84.6</b>	<b>86.9</b>	<b>2.7%</b>
Cattle & calves	49.8	48.5	43.8	51.5	62.9	65.7	4.2%
Hogs	14.8	16.1	14.7	18.0	21.7	21.3	-1.9%
Sheep & lambs	0.5	0.4	0.4	0.5	na	na	na
<b>Poultry and eggs</b>	<b>33.1</b>	<b>36.8</b>	<b>32.5</b>	<b>35.5</b>	<b>36.4</b>	<b>39.0</b>	<b>6.6%</b>
Broilers	21.5	23.2	21.8	23.7	23.2	25.1	7.7%
Turkeys	3.9	4.5	3.6	4.4	5.0	5.5	8.9%
Eggs	6.7	8.2	6.1	6.5	7.3	7.5	2.5%
<b>All dairy</b>	<b>35.5</b>	<b>34.8</b>	<b>24.3</b>	<b>31.4</b>	<b>39.5</b>	<b>37.0</b>	<b>-6.9%</b>
Other livestock	<b>4.9</b>	<b>5.0</b>	<b>4.5</b>	<b>4.7</b>	<b>5.4</b>	<b>6.0</b>	<b>10.3%</b>
<b>Total Livestock</b>	<b>138.5</b>	<b>141.6</b>	<b>120.3</b>	<b>141.6</b>	<b>166.0</b>	<b>169.0</b>	<b>1.8%</b>
Government payments	11.9	12.2	12.2	12.4	10.4	10.9	4.0%
Other farm income <sup>b</sup>	17.6	21.5	22.0	18.3	26.1	34.9	25.1%
<b>Total Farm Revenue</b>	<b>318.0</b>	<b>350.1</b>	<b>323.3</b>	<b>351.8</b>	<b>410.8</b>	<b>431.3</b>	<b>4.7%</b>

**Source:** "USDA, ERS, *Farm Income and Wealth Statistics*; updated as of November 27, 2012. na=not available.

a. Forecast. Change represents year-to-year change between 2011 and 2012.

b. Machine hire, custom work, forest products sales, insurance indemnities, and other farm income.

**Table 3. U.S. Farm Production Expenses by Source, 2007-2012F**  
(\$ billions)

Item	2007	2008	2009	2010	2011 <sup>a</sup>	2012 <sup>a</sup>	Change (%)
<b>Farm origin inputs<sup>b</sup></b>	<b>73.4</b>	<b>79.8</b>	<b>77.3</b>	<b>81.4</b>	<b>94.2</b>	<b>106.4</b>	<b>11.5%</b>
Feed	41.9	46.9	45.0	45.4	54.6	64.4	17.8%
Livestock	18.8	17.7	16.7	19.6	21.7	22.1	3.2%
Seed	12.6	15.1	15.5	16.3	17.8	19.9	11.9%
<b>Manufactured inputs<sup>c</sup></b>	<b>46.3</b>	<b>55.0</b>	<b>49.0</b>	<b>49.6</b>	<b>57.5</b>	<b>60.6</b>	<b>5.4%</b>
Fertilizer & lime	17.7	22.5	20.1	21.0	25.1	26.7	6.3%
Fuels & oils	13.8	16.2	12.7	13.2	15.6	16.2	3.7%
Electricity	4.3	4.5	4.6	4.6	4.9	4.8	-2.3%
Pesticides	10.5	11.7	11.5	10.7	11.8	12.9	9.0%
<b>Total interest charges</b>	<b>15.1</b>	<b>15.4</b>	<b>15.2</b>	<b>14.6</b>	<b>13.9</b>	<b>13.9</b>	<b>0.4%</b>
Short-term interest	6.9	6.6	6.4	6.1	5.1	5.3	3.0%
Real-estate interest	8.3	8.8	8.6	8.5	8.7	8.7	-1.1%
<b>Other operating exp.<sup>d</sup></b>	<b>89.8</b>	<b>93.4</b>	<b>88.8</b>	<b>85.5</b>	<b>89.2</b>	<b>93.6</b>	<b>4.9%</b>
Repair & maintenance	14.3	14.8	14.7	14.8	15.5	17.0	9.9%
Hired & contract labor	29.0	30.0	28.9	27.4	27.1	27.3	0.7%
Custom work	3.8	4.1	3.9	4.3	4.0	4.4	10.3%
Marketing, storage, etc.	10.3	10.1	10.3	10.3	10.3	10.4	1.8%
Miscellaneous	32.3	34.3	31.0	28.7	32.4	34.5	6.3%
<b>Overhead expenses<sup>e</sup></b>	<b>44.9</b>	<b>49.0</b>	<b>50.3</b>	<b>54.2</b>	<b>55.8</b>	<b>59.5</b>	<b>6.6%</b>
Capital consumption	27.0	28.7	30.1	30.7	32.1	33.0	2.6%
Property taxes	10.3	10.7	10.4	10.8	11.3	12.3	9.1%
Non-operator net rent	7.6	9.6	9.8	12.7	12.3	14.2	14.8%
<b>Total Production Exp.</b>	<b>269.5</b>	<b>292.6</b>	<b>280.3</b>	<b>285.2</b>	<b>310.6</b>	<b>334.0</b>	<b>7.6%</b>

**Source:** USDA, ERS, *Farm Income and Wealth Statistics*; updated as of November 27, 2012; available at <http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics.aspx>.

- a. Forecast.. Change represents year-to-year change between 2011 and 2012.
- b. Farm origin inputs include purchases of feed, livestock and poultry, and seed.
- c. Manufactured inputs include fertilizers and lime, pesticides, petroleum fuel and oils, and electricity.
- d. Other operating costs include repair and maintenance of capital items, machine hire and custom work, marketing storage, transportation expenses, and other miscellaneous expenses.
- e. Overhead expenses include property taxes, net rent to a non-operator landlord, and capital consumption.

**Table 4. Annual U.S. Farm Income Since 2005**  
(\$ billions)

Item	2005	2006	2007	2008	2009	2010	2011 <sup>a</sup>	2012 <sup>a</sup>	Change (%)
<b>1. Cash receipts</b>	<b>241.0</b>	<b>240.6</b>	<b>288.5</b>	<b>316.4</b>	<b>289.1</b>	<b>321.1</b>	<b>374.3</b>	<b>385.5</b>	<b>3.0%</b>
Crops <sup>b</sup>	116.1	122.1	150.1	174.8	168.9	179.6	208.3	216.6	4.0%
Livestock	124.9	118.5	138.5	141.6	120.3	141.6	166.0	169.0	1.8%
<b>2. Government payments<sup>c</sup></b>	<b>24.4</b>	<b>15.8</b>	<b>11.9</b>	<b>12.2</b>	<b>12.2</b>	<b>12.4</b>	<b>10.4</b>	<b>10.9</b>	<b>4.2%</b>
Fixed direct payments <sup>d</sup>	5.2	5.1	5.1	5.1	4.7	4.8	4.7	5.0	5.7%
CCP <sup>e</sup>	4.1	4.0	1.1	0.7	1.2	0.2	0.0	0.0	0%
Marketing Loan Benefits <sup>f</sup>	7.1	1.8	1.1	0.3	1.1	0.1	0.0	0.0	0%
Conservation	2.8	3.0	3.1	3.2	2.8	3.5	3.7	3.7	0.3%
Ad hoc and emergency	3.2	0.3	0.5	2.1	0.6	3.1	1.3	1.0	-23.8%
All other <sup>g</sup>	2.1	1.7	1.0	0.8	1.7	0.7	0.7	1.1	66.5%
<b>3. Farm-related income<sup>h</sup></b>	<b>14.4</b>	<b>16.8</b>	<b>17.6</b>	<b>21.5</b>	<b>22.0</b>	<b>18.3</b>	<b>26.1</b>	<b>34.9</b>	<b>33.5%</b>
4. Gross cash income (1+2+3)	279.8	273.2	318.0	350.1	323.3	351.8	410.8	431.3	5.0%
5. Cash expenses <sup>i</sup>	192.8	204.8	240.6	261.1	247.6	252.4	276.1	298.5	8.1%
<b>6. NET CASH INCOME</b>	<b>87.0</b>	<b>68.4</b>	<b>77.4</b>	<b>89.0</b>	<b>75.6</b>	<b>99.4</b>	<b>134.7</b>	<b>132.8</b>	<b>-1.4%</b>
7. Total gross revenues <sup>j</sup>	298.6	290.2	339.6	377.9	342.8	358.9	428.5	448.0	4.6%
8. Total production expenses <sup>k</sup>	219.8	232.7	269.5	292.6	280.3	285.2	310.6	334.0	7.6%
<b>9. NET FARM INCOME</b>	<b>78.8</b>	<b>57.4</b>	<b>70.0</b>	<b>85.4</b>	<b>62.5</b>	<b>73.9</b>	<b>117.9</b>	<b>114.0</b>	<b>-3.3%</b>

**Source:** USDA, ERS, *Farm Income and Wealth Statistics*; U.S. and State Farm Income and Wealth Statistics, updated as of November 27, 2012.

- a. Data for 2012 are USDA forecasts. Change represents year-to-year change between 2011 and 2012.
- b. Includes Commodity Credit Corporation loans under the farm commodity support program.
- c. Government payments reflect payments made directly to all recipients in the farm sector, including landlords. The non-operator landlords' share is offset by its inclusion in rental expenses paid to these landlords and thus is not reflected in net farm income or net cash income. For more information on U.S. farm commodity programs, see CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*; for more information on conservation programs see CRS Report RL34557, *Conservation Provisions of the 2008 Farm Bill*.
- d. Direct payments include production flexibility payments of the 1996 Farm Act through 2001, and fixed direct payments under the 2002 Farm Act since 2002.
- e. CCP = counter-cyclical payments.
- f. Includes loan deficiency payments (LDP); marketing loan gains (MLG); and commodity certificate exchange gains.
- g. Peanut quota buyout, milk income loss payments, and other miscellaneous program payments.
- h. Income from custom work, machine hire, agri-tourism, forest product sales, and other farm sources.
- i. Excludes depreciation and perquisites to hired labor.
- j. Gross cash income plus inventory adjustments, the value of home consumption, and the imputed rental value of operator dwellings.
- k. Cash expenses plus depreciation and perquisites to hired labor.

**Table 5. Average Annual Income per U.S. Household, Farm versus All, 2005-2011F**

(\$ per household)

	2005	2006	2007	2008	2009	2010	2011F	2012F
Average U.S. Farm Income by Source								
On-Farm Income	\$14,227	\$8,541	\$11,364	\$9,764	\$6,866	\$11,788	\$14,623	\$13,872
Off-Farm income	\$67,091	\$72,502	\$77,432	\$70,032	\$70,302	\$72,671	\$72,665	\$75,201
Total Farm income	\$81,318	\$81,043	\$88,796	\$79,796	\$77,169	\$84,459	\$87,289	\$89,073
Average U.S. Household Income	\$63,344	\$66,570	\$67,609	\$68,424	\$67,976	\$67,530	\$67,677	na
Farm Household Income as Share of U.S. Avg. Household Income (%)	128%	122%	131%	117%	114%	125%	125%	na

**Source:** USDA, ERS, *Farm Household Income and Characteristics*, principal farm operator household finances, data set updated as of November 27, 2012; at <http://www.ers.usda.gov/data-products/farm-household-income-and-characteristics.aspx>.

**Note:** Data for 2011 and 2012 are USDA forecasts.

**Table 6. Average Annual Farm Sector Debt-to-Asset Ratio, 2005-2012F**

(\$ billions)

	2005	2006	2007	2008	2009	2010	2011F	2012F
Farm Assets	1,779.4	1,923.6	2,055.3	2,023.3	2,054.4	2,190.9	2,383.9	2,539.9
Farm Debt	196.4	203.6	214.1	241.6	241.9	251.6	254.1	265.5
Farm Equity	1,583.0	1,720.0	1,841.2	1,781.7	1,812.5	1,939.3	2,129.8	2,274.4
<b>Debt-to-Asset Ratio (%)</b>	<b>11.0%</b>	<b>10.6%</b>	<b>10.4%</b>	<b>11.9%</b>	<b>11.8%</b>	<b>11.5%</b>	<b>10.7%</b>	<b>10.5%</b>

**Source:** USDA, ERS, *Farm Income and Wealth Statistics*; U.S. and State Farm Income and Wealth Statistics, updated as of November 27, 2012; available at <http://www.ers.usda.gov/data-products/farm-income-and-wealth-statistics.aspx>.

**Note:** Data for 2011 are preliminary, 2012 are USDA forecasts.

**Table 7. U.S. Prices and Support Rates for Selected Farm Commodities Since 2007/08 Marketing Year**

Commodity <sup>a</sup>	Unit	Year	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13F <sup>b</sup>	% change from 2011/12 <sup>c</sup>	2013/14P <sup>b</sup>	% change from 2012/13 <sup>d</sup>	2012 Loan Rate <sup>e</sup>	2012 Target Price
Wheat	\$/bu	Jun-May	6.48	6.78	4.87	5.70	7.24	7.75-8.45	11.9%	—	—	2.75	3.92
Corn	\$/bu	Sep-Aug	4.20	4.06	3.55	5.18	6.22	6.95-8.25	22.2%	—	—	1.95	2.63
Sorghum	\$/bu	Sep-Aug	4.08	3.20	3.22	5.02	5.99	6.55-7.85	20.2%	—	—	1.95	2.57
Barley	\$/bu	Jun-May	4.02	5.37	4.66	3.86	5.35	6.05-6.85	20.6%	—	—	1.85	2.44
Oats	\$/bu	Jun-May	2.63	3.15	2.02	2.52	3.49	3.50-4.10	8.9%	—	—	1.33	1.44
Rice	\$/cwt	Aug-Jul	12.80	16.80	14.40	12.70	14.30	14.50-15.50	4.9%	—	—	6.50	10.50
Soybeans	\$/bu	Sep-Aug	10.10	9.97	9.59	11.30	12.50	13.90-15.90	19.2%	—	—	5.00	5.80
Soybean oil	¢/lb	Oct-Sep	52.0	32.16	35.95	53.20	51.90	51.0-55.0	2.1%	—	—	—	—
Soybean meal	\$/st	Oct-Sep	335.9	331.2	311.27	345.52	393.53	455-485	19.4%	—	—	—	—
Cotton, Upland	¢/lb	Aug-Jul	59.3	47.8	62.9	81.50	88.3	64-72	-23.0%	—	—	52.00	71.25
Choice Steers	\$/cwt	Jan-Dec	91.8	92.27	83.25	95.38	114.73	122.47	6.7%	123-133	4.5%	—	—
Barrows/Gilts	\$/cwt	Jan-Dec	47.1	47.84	41.24	55.06	66.11	60.73	-8.1%	62-67	6.2%	—	—
Broilers	¢/lb	Jan-Dec	76.4	79.7	77.60	82.90	79.0	85.2	7.8%	85-92	3.9%	—	—
Eggs	¢/doz	Jan-Dec	114.4	128.3	103.0	106.30	115.3	117.8	2.2%	112-121	-1.1%	—	—
Milk	\$/cwt	Jan-Dec	19.13	18.29	12.83	16.26	20.14	18.50-18.60	-7.9%	19.10-20.00	5.4%	—	—

**Source:** Various USDA agency sources as described in the notes below.

- Season average farm price for grains and oilseeds are from USDA, National Agricultural Statistical Service, *Agricultural Prices*. Calendar year data is for the first year, e.g., 2000/2001 = 2000; F = forecast and P = projection from *World Agricultural Supply and Demand Estimates (WASDE)* November 9, 2012; — = no value; and USDA's out-year 2013/2014 crop price forecasts will first appear in the May 2013 WASDE report. Soybean and livestock product prices are from USDA, Agricultural Marketing Service (AMS): soybean oil—Decatur, IL, cash price, simple avg. crude; soybean meal—Decatur, IL, cash price, simple avg. 48% protein; choice steers—Nebraska, direct 1100-1300 lbs.; barrows/gilts—national base, live equivalent 51%-52% lean; broilers—wholesale, 12-city avg.; eggs—Grade A, New York, volume buyers; and milk—simple avg. of prices received by farmers for all milk.
- Data for 2012/2013 are USDA forecasts; 2013/2014 data are USDA projections.
- Percent change from 2011/2012, calculated using the difference from the midpoint of the range for 2012/2013 with the estimate for 2011/2012.
- Percent change from 2012/2013, calculated using the difference from the midpoint of the range for 2013/2014 with the estimate for 2012/2013.
- Loan rate and target prices are for the 2012/2013 crop year. For more information, see CRS Report RL34594, *Farm Commodity Programs in the 2008 Farm Bill*.

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