UNL news
Vol. 63 No. 1 July 1983 (ISSN 0149-4163)
Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524.

Business in Nebraska

Prepared by the Bureau of Business Research
College of Business Administration

CASH GRAIN CROP PRODUCTION IN NEBRASKA: 1960-1981

Undoubtedly, Nebraska is a leading crop-producing state. In 1960, of the four cash grain crops—corn, wheat, sorghum, and soybeans—Nebraska ranked fifth in corn for grain production, third in sorghum for grain production, and fourth in all wheat production. By 1981, Nebraska maintained its rank in corn production, improved to third in sorghum production, and dropped to tenth in wheat production. Although the 1960 rank for soybean production was not available, Nebraska soybean production, as a percentage of United States soybean production, tripled from 1.0 percent in 1960 to more than 3.0 percent in 1980. Nebraska now ranks eleventh in soybean production among all states.

Production of these four cash crops is very important to our own state economy. It should be noted that almost forty-five percent of Nebraska's 1981 value of farm production resulted from corn, sorghum, soybean, and wheat production. Many Nebraska businesses support and are dependent upon agricultural production. For example, implement sales and service, seed, fertilizer, food processing, feedlot, transportation, grain storage, marketing, and processing of agricultural products, construction, and research activities are some of the operations which serve agriculture. It is impossible to determine exactly what proportion of Nebraska's economy is directly or indirectly related to agriculture. However, it is obvious that a sizable proportion is associated with and dependent upon agriculture.

Significant changes have occurred in production composition among these crops during the past two decades. Some crops are increasingly more important to Nebraska over time than other crops. In addition, crop acreage and production have been greatly affected by agricultural technological advancements, weather conditions, and prices.

In consideration of both strong impact and production shifts of these four marketable crops, this article reviews Nebraska and United States crop production over the past two decades. Crop production data from three periods (1960-1962, 1970-1972, 1980-1982) are focused. Because any one year is not representative of actual trends, three-year intervals are used. The data, as provided by both the United States and Nebraska Departments of Agriculture, are essentially composed of three categories: acres harvested, yield/acre, and unit production. Comparisons are based upon an average production figure for each three-year period.

CORN PRODUCTION

Corn is Nebraska's most important crop in terms of bushels, acres, and value of production. Corn acres harvested per year are well over twice as much as the second largest crop, wheat. In addition, value of production of corn in 1981 makes up approximately fifty percent of Nebraska's crop value of production.

Nebraska has maintained its position as a major corn-producer in the United States in two production categories and improved in a third. When comparing Nebraska to United States production in each of the three categories (as in Table 1), Nebraska's percentages of average acres harvested and average yield/acre have remained fairly stable. However, Nebraska average production figures showed a slight improvement from 8.2 percent during the 1960-1962 period to 9.3 percent for the 1980-1982 period. Nebraska has been and remains a significant contributor to the United States production of a very important crop, corn.

Nebraska's corn production has more than doubled since the 1960-1962 period, with a percentage increase of 137.1 percent. This production rise has been fed by a dramatic average yield increase of 90.3 percent over the same period. Average acres harvested has only grown by 24.0 percent. A similar trend is found on a national scale. Although United States corn production has increased by 108.1 percent from the 1960-1962 to 1980-1982 periods, the prime force behind this rise is the 74.7 percent increase in yield.

Irrigation is a significant contributor to increased corn yields, clearly demonstrating recent agricultural technological advances. Data in Table 2 show that, from 1960 to 1981, there has been a consistent trend of additional, irrigated corn acreage. Irrigated acres harvested has more than tripled—from 1,569,000 acres in 1960 to 5,050,000 irrigated acres in 1981—whereas, non-irrigated acres declined from 4,969,000 in 1960 to 1,930,000 in 1981. During this same period, yields for both irrigated and non-irrigated corn production have increased. Of the irrigated acres harvested in 1960, yields were 79.0/acre and rose to 129.0/acre by 1981. The non-irrigated acre yields, although less than the irrigated acreage yields, showed improvement from 42.1/acre to 78.4/acre over the twenty-one year period. Growth in application of fertilizers and chemical insecticides and good management have made possible these yield improvements on both the irrigated and non-irrigated lands.

Nebraska is a significant corn-producer. Nebraska's corn yields have risen because of irrigation. In order to even improve on these production gains, we should see a continued trend of increasing irrigated acres in Nebraska.

WHEAT PRODUCTION

Although average United States wheat production increased dramatically—116.6 percent—over the 1960-1962 to 1980-1982 period, Nebraska's wheat production lags far behind that of the United States. Average Nebraska wheat production increased from 72,780,000 bushels during the 1960-1962 period to 104,733,000 bushels for the 1980-1982 period. This represents only a 43.9 percent increase, which can be explained by yield increases—not by any additional wheat acreage. Over the twenty-year period, Nebraska wheat acres harvested actually declined by 3.8 percent.

Although wheat acreage has declined, total Nebraska wheat production has increased because of improvements in yields. Advanced technology has contributed to the 50 percent increase in Nebraska's average yield/acre from 1960-1962 to 1980-1982. Yields in Nebraska have also been higher than yields nationally. During the 1970-1972 period, Nebraska yields were 20 percent greater than United States yields. In 1980-1982, Nebraska yields were 5.2 percent higher than United States yields.

Nebraska's contribution to United States wheat production is on the decline. The changing composition of crop production within Nebraska is the main cause. Nebraska's average wheat production, as percentage of United States wheat production, has shown a significant decrease from 6.4 percent to 3.9 percent. However, although Nebraska wheat is less significant on a national scope, it remains one of Nebraska's five leading cash crops, as its 1981 value of production was almost $388,000,000.

(Continued on page 2)

TABLE 1
United States and Nebraska Crop Production

	Average Acres Harvested (1,000)			Average Yield/Acre			Average Production (1,000)		
	1960-1962	1970-1972	1980-1982	1960-1962	1970-1972	1980-1982	1960-1962	1970-1972	1980-1982
Corn for grain (bu.)									
United States	62,236	59,583	73,627	60.2	85.3	105.2	3,723,424	5,088,962	7,747,924
Percentage change (70-72) to (80-82)		23.6			23.3			52.3	
Percentage change (60-62) to (80-82)		18.3			74.7			108.1	
Nebraska	5,622	5,099	6,973	54.5	88.3	103.7	304,402	451,703	721,680
Percentage change (70-72) to (80-82)		36.8			17.4			59.8	
Percentage change (60-62) to (80-82)		24.0			90.3			137.1	
Nebraska/United States (%)	9.0	8.6	9.5	90.5	103.5	98.6	8.2	8.9	9.3
All wheat (bu.)									
United States	48,946	46,180	76,946	25.1	32.5	34.5	1,228,560	1,504,717	2,660,594
Percentage change (70-72) to (80-82)		66.6			6.2			76.8	
Percentage change (60-62) to (80-82)		57.2			37.5			116.6	
Nebraska	2,997	2,467	2,883	24.2	39.0	36.3	72,780	96,127	104,733
Percentage change (70-72) to (80-82)		16.9			–6.9			9.0	
Percentage change (60-62) to (80-82)		–3.8			50.0			43.9	
Nebraska/United States (%)	6.1	5.3	3.7	96.4	120.0	105.2	5.9	6.4	3.9
Sorghum for grain (bu.)									
United States	12,695	14,485	13,495	42.6	55.0	56.5	504,008	795,309	766,499
Percentage change (70-72) to (80-82)		–6.8			2.7			–3.6	
Percentage change (60-62) to (80-82)		6.3			32.6			52.1	
Nebraska	1,507	1,773	1,920	51.2	61.0	71.0	84,060	109,092	136,170
Percentage change (70-72) to (80-82)		8.3			16.4			24.8	
Percentage change (60-62) to (80-82)		27.4			38.7			62.0	
Nebraska/United States (%)	11.9	12.2	14.2	120.2	110.9	125.7	16.7	13.7	17.8
Soybeans for beans (bu.)									
United States	26,089	43,569	68,336	24.3	27.4	29.6	634,695	1,193,126	2,023,061
Percentage change (70-72) to (80-82)		56.8			8.0			69.6	
Percentage change (60-62) to (80-82)		161.9			21.8			218.7	
Nebraska	255	722	2,047	26.8	26.7	34.7	6,803	19,236	71,520
Percentage change (70-72) to (80-82)		183.5			30.0			271.8	
Percentage change (60-62) to (80-82)		702.7			29.5			951.3	
Nebraska/United States (%)	1.0	1.7	3.0	110.3	97.4	117.2	1.1	1.6	3.5

Source: *Statistical Abstract of the United States*, Annual Editions, U.S. Dept. of Commerce.

(Continued from page 1)

SORGHUM PRODUCTION

Grain sorghum or milo has emerged an important feed for the livestock industry. It is more tolerant to heat and drought than corn and, therefore, is a good dryland crop. It is not surprising that, in 1981, there were more than seven times more non-irrigated sorghum acreage than irrigated acreage.

There have been steady production gains in bushels of sorghum on both the Nebraska and United States levels. Table 1 shows that, for average acres harvested, the United States has shown a small increase of 6.3 percent and Nebraska a 27.4 percent increase for the 1960-1962 to 1980-1982 periods. Yields for Nebraska and the United States have improved, with Nebraska showing the most improvement. Nebraska's yields have been well above the national yield figures. This fact is demonstrated by the Nebraska/United States calculation under yield/acre. Nebraska yields, for the three periods, have been 20.2 percent, 10.9 percent, and 25.7 percent, respectively, above the national levels. These figures demonstrate Nebraska's superiority as an efficient grain sorghum-producer.

Although Nebraska ranks third nationally, as a grain sorghum-producer state, it has spectacularly improved its average production to almost one-fifth of United States production (17.8 percent for the 1980-1982 period). Sorghum's production improvement, unlike corn's, has been generated from increases in both acres harvested and yield/acre. Corn's great production gains over the years resulted mainly from yield increases and not increases in acres harvested. The state's climate and continued demand for sorghum should maintain and even improve this crop's position, both in Nebraska and nationally.

SOYBEANS FOR BEANS

The history for United States and Nebraska soybean production growth is spectacular for each of the three production categories in Table 1. Unlike corn production, whose growth came from dramatic yield/acre increases, soybeans have benefited from tremendous acreage increases. On the United States level, acres harvested grew from 26,089,000 during the 1960-1962 period to 68,336,000 during the 1980-1982 period—an increase of 161.9 percent. During the same period, yield/acre changed from 24.3 to 29.6 percent—only a 21.8 percent increase. Most of the 218.7 percent increase in average production can be attributed to acreage increases.

Nebraska soybean production—in terms of acres harvested and bushels produced—is truly phenomenal. Acres harvested increased by 702.7 percent from 1960-1962 to 1980-1982. This dramatic growth was due to rapid expansion in the foreign and domestic soybean oil and meal markets, declines in some small grain acreage (like oats and wheat), and a steady shift of non-irrigated corn acreage to soybeans. Average soybean production in Nebraska increased by 951.3 percent—or about ten time over the twenty-year period. This compared with a 218.7 percent increase in average production nationally, over the same period. Soybeans are be-

(Continued on page 6)

TABLE 2

Nebraska Irrigated and Non-Irrigated Crop Production

Corn for Grain

Year	Irrigated Acres Harvested (000)	Irrigated Yield	Irrigated Production (bushels)	Non-Irrigated Acres Harvested (000)	Non-Irrigated Yield	Non-Irrigated Production (bushels)
1960	1,569	79.0	124,016,310	4,969	42.1	209,421,690
1961	1,393	79.1	110,168,010	3,903	42.3	165,223,990
1962	1,307	86.0	112,379,330	3,830	52.5	200,977,670
1963	1,394	83.3	116,112,040	3,687	45.7	168,423,960
1964	1,340	81.4	109,125,040	2,826	39.5	111,672,960
1965	1,242	95.5	118,636,120	2,323	56.4	130,913,880
1966	1,537	104.8	161,102,800	2,563	65.1	166,897,200
1967	1,840	101.7	187,174,410	2,670	54.9	146,565,590
1968	1,965	102.9	202,248,610	2,274	49.0	111,437,390
1969	2,032	118.3	240,450,370	2,588	73.1	189,209,630
1970	2,220	109.9	244,088,000	2,585	45.0	116,287,000
1971	2,526	111.8	282,401,110	2,774	60.6	168,098,890
1972	2,487	124.1	308,603,000	2,683	85.4	229,077,000
1973	2,790	114.0	318,060,000	3,110	76.1	236,540,000
1974	3,050	103.0	314,150,000	2,650	27.7	73,450,000
1975	3,350	113.0	378,550,000	2,570	48.5	124,650,000
1976	3,800	112.0	425,600,000	2,300	40.4	92,900,000
1977	4,400	116.0	510,400,000	2,150	64.2	138,050,000
1978	4,600	125.0	575,000,000	1,950	84.7	165,150,000
1979	4,850	128.0	620,800,000	2,300	87.6	201,450,000
1980	4,950	101.0	499,950,000	2,150	48.2	103,550,000
1981	5,050	129.0	651,450,000	1,930	78.4	151,250,000

All Wheat *

Year	Irrigated Acres Harvested (000)	Irrigated Yield	Irrigated Production (bushels)	Total Irrigated and Non-Irrigated Acres Harvested (000)	Total Irrigated and Non-Irrigated Yield	Total Irrigated and Non-Irrigated Production (bushels)
1963	10,360	30.9	319,760	2,953,000	21.5	63,490,000
1964	16,230	32.8	532,280	2,953,000	25.0	73,825,000
1965	10,000	25.5	255,350	2,727,000	20.0	54,540,000
1966	14,280	45.6	650,910	2,945,000	35.0	103,075,000
1967	9,830	36.4	357,480	3,325,000	26.5	88,112,000
1968	6,000	39.3	236,050	3,159,000	32.0	101,088,000
1969	7,200	31.9	229,660	2,070,000	31.5	87,570,000
1970	10,300	42.3	436,110	2,558,000	38.0	97,204,000
1971	7,600	49.5	376,230	2,434,000	42.0	102,228,000
1972	8,400	46.2	388,260	2,556,000	37.0	94,572,000
1973	7,400	47.9	354,090	2,680,000	35.0	93,800,000
1974	29,600	48.5	1,435,400	2,900,000	34.0	98,600,000
1975	61,000	42.4	2,586,400	3,070,000	32.0	98,240,000
1976	79,000	40.1	3,167,700	2,950,000	32.0	94,400,000
1977	92,000	43.9	4,034,500	2,950,000	35.0	103,250,000
1978	50,000	50.0	2,500,000	2,550,000	32.0	81,600,000
1979	74,000	52.0	3,848,000	2,950,000	38.0	112,100,000
1980	66,000	52.0	3,432,000	2,850,000	38.0	108,300,000
1981	85,000	52.0	4,420,000	2,950,000	36.0	106,200,000

Sorghum for Grain

Year	Irrigated Acres Harvested (000)	Irrigated Yield	Irrigated Production (bushels)	Non-Irrigated Acres Harvested (000)	Non-Irrigated Yield	Non-Irrigated Production (bushels)
1960	120	78.0	9,365,780	1,676,000	48.5	81,332,220
1961	110	77.4	8,511,700	1,075,000	47.7	51,330,300
1962	190	93.4	17,745,820	1,350,000	61.0	82,354,180
1963	244	83.1	20,265,510	1,666,000	50.9	84,784,490
1964	293	84.0	24,621,100	1,732,000	40.7	70,553,890
1965	380	79.9	30,368,010	1,891,000	48.2	91,129,990
1966	314	93.5	29,368,380	1,775,000	63.5	122,683,620
1967	261	85.5	22,309,320	1,932,000	52.6	101,594,680
1968	204	87.7	17,896,160	1,550,000	54.1	83,835,840
1969	145	101.8	14,755,450	1,416,000	73.4	103,880,550
1970	130	86.9	11,300,220	1,390,000	47.6	66,219,780
1971	161	92.5	14,899,790	1,896,000	57.2	108,520,210
1972	138	92.5	12,767,800	1,619,000	70.3	113,736,200
1973	130	80.0	10,400,000	1,870,000	67.2	125,600,000
1974	143	55.0	7,866,500	1,757,000	31.2	54,833,500
1975	170	78.0	13,260,000	1,730,000	52.7	91,240,000
1976	175	79.0	13,825,000	1,925,000	55.0	105,875,000
1977	200	92.0	18,400,000	1,870,000	68.8	128,570,000
1978	165	89.0	14,685,000	1,665,000	73.6	122,565,000
1979	140	97.0	13,580,000	1,780,000	77.6	138,100,000
1980	220	83.0	18,260,000	1,810,000	57.2	103,540,000
1981	250	94.0	23,500,000	1,810,000	78.1	141,300,000

Soybeans for Beans

Year	Irrigated Acres Harvested (000)	Irrigated Yield	Irrigated Production (bushels)	Non-Irrigated Acres Harvested (000)	Non-Irrigated Yield	Non-Irrigated Production (bushels)
1960	7,000	35.4	248,000	157,000	27.7	4,344,000
1961	15,600	31.3	488,840	276,400	25.2	6,957,160
1962	18,500	31.8	588,710	291,400	26.7	7,781,290
1963	19,800	35.1	695,890	336,200	28.1	9,450,110
1964	26,000	30.3	786,600	497,000	22.6	11,242,400
1965	30,000	29.4	881,310	666,000	23.2	15,474,690

*Data for 1960, 1961, and 1962 not available.

(Table 2 continued on page 6)

Review and Outlook

The level of economic activity in Nebraska dropped in March, compared to February 1983. Although three of five sectors recorded gains, the Bureau of Business Research's net physical volume index fell 2.4 percent. Compared to March 1982, the index was down 1.8 percent.

In contrast to the experience of the previous few months, activity in the agricultural sector decreased, whereas the nonagricultural component rose. The February-to-March decline in the agricultural index was 20.8 percent; increase in the nonagricultural index was 1.7 percent.

March's growth in activity in the nonagricultural sector marked the sector's first growth since last November. On a sector-by-sector basis, the changes were manufacturing, +6.9 percent; construction, +2.4 percent; distributive, +0.6 percent; and government, −0.5 percent.

Because manufacturing and construction activity have, for the past two or three years, been the state's weakest sectors, improvement in their activity is encouraging. Even with their March growth, however, these sectors still lag behind their performances of a year ago. (See Table 2)

The construction index now is beginning to reflect a pickup in residential building activity. Increases in housing starts and in building permits issued suggest that residential building will continue to gain, at least for the next few months. Construction's two other components (nonresidential building and nonbuilding) have yet to demonstrate any improvement, however.

March's manufacturing activity increase was this sector's largest in more than two years. During recent months, manufacturing employment has stabilized and begun to grow gradually. If this trend continues, as expected, the manufacturing sector also may supply the state's economy with a mild stimulus.

The distributive sector was the only sector to record any improvement over March 1982. Because this growth had been sporadic on a month-to-month basis, this sector has not been able to provide a foundation for steady growth in the state's economy.

(Continued on page 5)

Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume indicator and its components adjusted for price changes using appropriate price indexes—see Table 5, page 5.

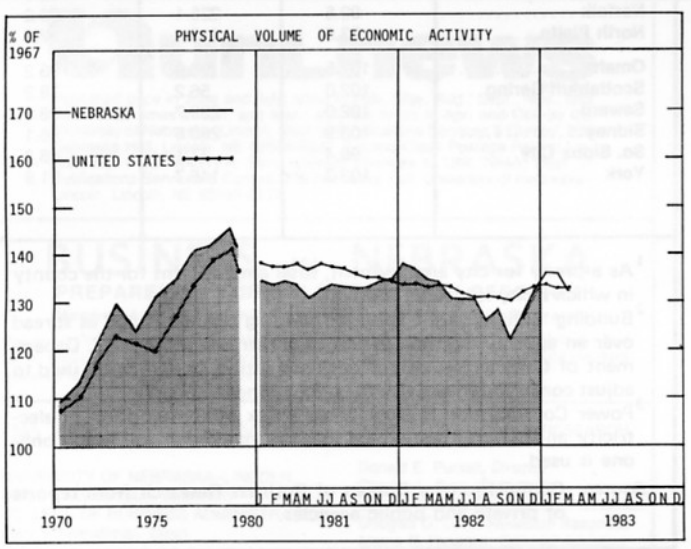
ECONOMIC INDICATORS: NEBRASKA AND UNITED STATES

1. CHANGE FROM PREVIOUS YEAR

March, 1983	Current Month as Percent of Same Month Previous Year		1983 Year to Date as Percent of 1982 Year to Date	
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	101.7	102.6	102.1	102.5
Agricultural	99.2	97.5	107.5	100.5
Nonagricultural	102.1	102.7	101.2	102.6
Construction	92.6	109.3	88.8	111.7
Manufacturing	87.8	92.9	84.4	92.2
Distributive	105.9	105.7	105.6	105.7
Government	107.2	105.6	107.5	105.6
Physical Volume	98.2	99.1	98.7	99.1
Agricultural	99.2	96.7	107.5	101.6
Nonagricultural	98.0	99.2	97.0	99.0
Construction	90.9	107.3	87.4	109.9
Manufacturing	86.7	92.4	83.4	91.6
Distributive	102.2	102.0	101.9	102.0
Government	99.1	99.1	99.2	99.2

2. CHANGE FROM 1967

	Percent of 1967 Average	
Indicator	Nebraska	U.S.
Dollar Volume	366.3	368.5
Agricultural	369.4	323.8
Nonagricultural	365.6	370.0
Construction	193.5	326.8
Manufacturing	311.5	278.7
Distributive	398.1	421.1
Government	386.6	385.2
Physical Volume	132.4	132.7
Agricultural	148.4	132.2
Nonagricultural	130.0	132.7
Construction	57.2	96.7
Manufacturing	129.2	113.5
Distributive	135.7	143.5
Government	141.4	146.2

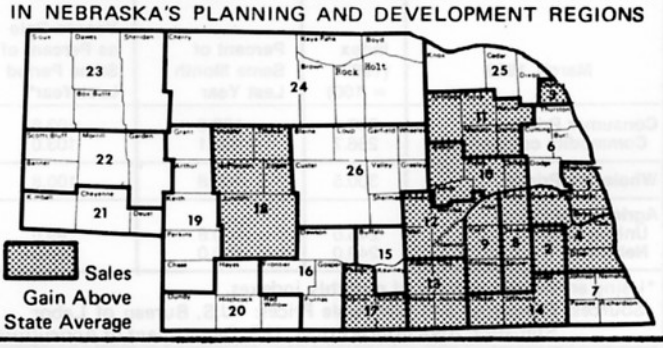


3. NET TAXABLE RETAIL SALES OF NEBRASKA REGIONS AND CITIES

Region Number and City	City Sales*	Sales in Region*	
	March 1983 as percent of March 1982	March 1983 as percent of March 1982	Year to date '83 as percent of Year to date '82
The State	100.7	102.0	101.1
1 Omaha	102.8	104.9	104.0
Bellevue	116.0		
Blair	96.8		
2 Lincoln	110.0	110.0	105.8
3 So. Sioux City	97.4	103.9	103.7
4 Nebraska City	99.4	102.9	104.5
6 Fremont	112.3	108.4	101.7
West Point	104.2		
7 Falls City	103.1	101.6	102.6
8 Seward	100.3	102.2	104.3
9 York	100.1	105.2	105.7
10 Columbus	90.7	97.6	105.8
11 Norfolk	101.4	98.9	106.5
Wayne	96.1		
12 Grand Island	103.8	104.5	106.6
13 Hastings	109.4	103.3	104.0
14 Beatrice	99.6	102.1	106.7
Fairbury	107.2		
15 Kearney	105.5	103.3	103.2
16 Lexington	94.0	97.5	99.9
17 Holdrege	114.2	110.5	105.3
18 North Platte	111.0	110.5	111.1
19 Ogallala	98.8	94.0	98.4
20 McCook	105.0	99.8	99.2
21 Sidney	97.1	92.9	87.9
Kimball	81.1		
22 Scottsbluff/Gering	94.7	94.2	98.6
23 Alliance	99.0	97.6	97.3
Chadron	95.2		
24 O'Neill	99.6	95.7	94.1
25 Hartington	99.3	102.6	101.5
26 Broken Bow	106.0	101.6	101.5

***State totals include sales not allocated to cities or regions. The year-to-year ratios for city and region sales may be misleading because of changes in the portion of unallocated sales. Regional totals include, and city totals exclude, motor vehicle sales. Sales are those on which sales taxes are collected by retailers located in the state. Compiled from data provided by Nebraska Department of Revenue.**

1983 YEAR TO DATE AS PERCENT OF 1982 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



(Continued from page 4)

Although the government sector recorded a decline in activity during March, it posted gains in 5 of the past 12 months. As a result, this sector is less than 1 percent below its level of a year ago.

As indicated earlier, the agricultural sector in March reversed several months of growth. The seasonally-adjusted value of cash farm marketings totaled $505.3 million in March 1983, but was down $130.9 million (25.9 percent) from February 1983; in addition, it was down $55.5 million (12.3 percent) from March 1982. Compared to February 1983, seasonally-adjusted prices received by Nebraska farmers increased by 0.8 percent but were unchanged from March 1982.

Net taxable retail sales exhibited a slight improvement during March, as sales totaled $787 million. This was up 2.0 percent from the $772 million in March 1982, on a dollar volume basis. Although this gain is encouraging, sales failed to keep pace with inflation, as measured by the commodity component of the consumer price index. This index rose 3.1 percent from March 1982 to March 1983. When retail sales were adjusted for changes in prices, they fell 1.1 percent.

The primary reason for the weakness in net taxable retail sales can be found by observing nonvehicle sales. On a dollar volume basis, these sales were up 0.7 percent; however, after adjusting for prices, they dropped 2.3 percent.

Motor vehicle sales, on the other hand, have shown continuing strength. Compared to March 1982, motor vehicle sales in March 1983 increased 12.8 percent, on a dollar volume basis. Adjusted for inflation, these sales still grew 9.5 percent.

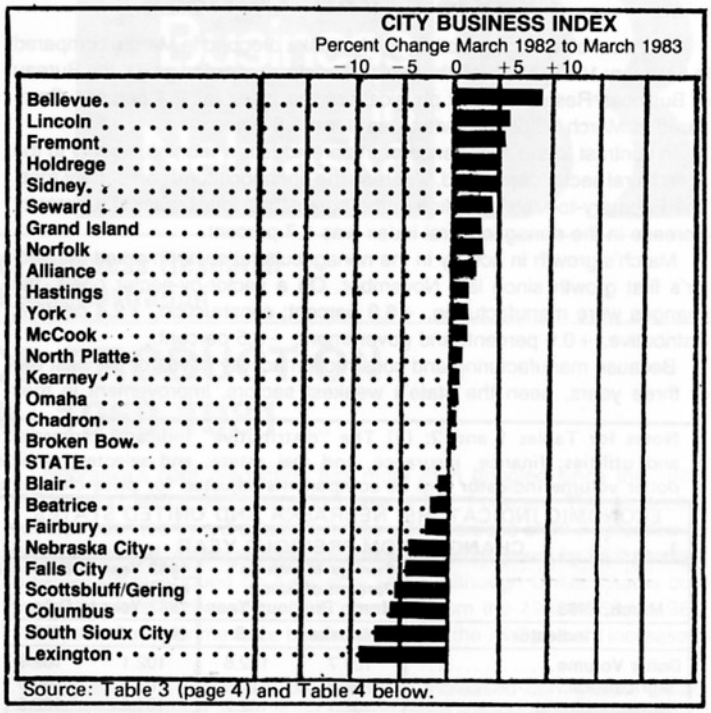
Nebraska's major cities also began to demonstrate some improvement in retail sales, on a dollar volume basis, as 17 of 32 cities recorded gains in sales from last March. Largest increases were in Bellevue, Holdrege, Fremont, and North Platte.

Table 4 illustrates that there have been minor advances in some of the indicators of economic activity. March's 0.8 percent growth in employment, compared to March 1982, represented only the second increase in the last 12 months; the other occurred in February 1983. In all, 19 of the 26 cities exhibited improvement in employment.

Building activity in the state's cities (as measured by the value of building permits issued and spread over an appropriate time period of construction) grew 15.4 percent from March 1982 to March 1983. This growth was not very uniform across the state, as some cities recorded sizable gains whereas others recorded substantial declines.

In relation to March 1982, the average of the city business indexes was unchanged. The moderate employment and building activity gains were offset by the decline in retail sales (after price adjustment). However, 17 of the 26 cities registered gains. Bellevue posted the largest economic activity increase, with a gain of 8.7 percent. Other cities with increases above 2.5 percent were Lincoln, Fremont, Holdrege, Sidney, Seward, Grand Island, Norfolk, and Alliance.

J.A.D.



Source: Table 3 (page 4) and Table 4 below.

4. MARCH CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago		
	Employment[1]	Building Activity[2]	Power Consumption[3]
The State	100.8	115.4	91.0
Alliance	100.7	236.1	102.5
Beatrice	101.0	77.2	92.2
Bellevue	101.7	161.3	91.4
Blair	104.5	100.7	83.9
Broken Bow	106.4	43.8	89.6
Chadron	100.2	205.9	91.2
Columbus	99.6	95.2	91.6
Fairbury	101.6	32.9	91.7
Falls City	102.1	33.6	88.4
Fremont	101.7	112.2	85.4*
Grand Island	101.0	166.6	85.6
Hastings	96.6	119.2	137.2
Holdrege	105.1	65.6	85.3
Kearney	103.3	66.6	87.6
Lexington	96.2	49.9	93.4
Lincoln	100.0	202.3	89.1
McCook	108.3	58.4	93.4
Nebraska City	101.1	51.6	85.9
Norfolk	99.5	235.1	96.2
North Platte	93.5	118.1	92.1
Omaha	101.5	95.9	93.2
Scottsbluff/Gering	102.0	56.2	78.2
Seward	102.0	239.7	88.0
Sidney	103.9	280.5	96.1
So. Sioux City	99.4	37.1	88.3
York	103.3	146.7	91.9

[1] As a proxy for city employment, total employment for the county in which a city is located is used.

[2] Building Activity is the value of building permits issued as spread over an appropriate time period of construction. The U.S. Department of Commerce Composite Construction Cost Index is used to adjust construction activity for price changes.

[3] Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

5. PRICE INDEXES

March, 1983	Index (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	293.4	103.6	103.6
Commodity component	266.7	103.1	103.0
Wholesale Prices	300.5	100.8	100.8
Agricultural Prices			
United States	245.0	100.8	99.0
Nebraska	249.0	100.0	100.0

*Using arithmetic average of monthly indexes.

Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

(Table 2, cont'd.)

Year	Irrigated			Non-Irrigated		
	Acres Harvested (000)	Yield	Production (bushels)	Acres Harvested (000)	Yield	Production (bushels)
1966	40,500	34.3	1,390,300	704,500	29.2	20,587,700
1967	36,000	31.0	1,114,290	746,000	22.1	16,480,710
1968	55,500	33.3	1,846,900	726,500	22.8	16,530,100
1969	51,800	40.2	2,084,120	714,200	33.0	23,576,880
1970	64,000	34.8	2,227,560	748,000	20.9	15,636,440
1971	30,000	34.9	1,048,000	579,000	24.5	14,177,000
1972	39,000	37.2	1,451,000	707,000	32.8	23,167,000
1973	102,000	36.5	3,725,100	1,108,000	29.4	32,574,900
1974	100,000	32.7	3,272,300	1,090,000	22.7	24,692,700
1975	100,000	33.7	3,370,000	1,100,000	26.4	29,030,000
1976	70,000	34.0	2,380,000	910,000	18.9	17,220,000
1977	100,000	40.0	4,000,000	1,030,000	35.6	36,680,000
1978	115,000	39.0	4,485,000	1,135,000	33.5	38,015,000
1979	195,000	40.0	7,800,000	1,415,000	33.2	46,940,000
1980	315,000	39.0	12,285,000	1,455,000	28.1	40,815,000
1981	385,000	46.0	17,710,000	1,735,000	37.4	64,970,000

Source: *Nebraska Agricultural Statistics,* individual annual reports 1960-1981, Nebraska Department of Agriculture.

(Continued from page 3)

coming a prominent, significant cash crop to Nebraska and also to the United States.

Nebraska's present position as a soybean-producer, in relation to other states, is not strong. However, there is no doubt that, if soybean demand increases, Nebraska will continue its spectacular soybean growth pattern.

CROP COMPOSITION

Information in Table 3 demonstrates composition of production shifts among these crops. Total harvested acres for the four marketable crops increased 33.2 percent—from 10,381,000 acres in the 1960-1962 period to 13,823,000 acres in the 1980-1982 period. These figures indicate that, over the twenty-year period, a greater proportion of Nebraska's agricultural acreage was allocated to these four cash crops. Half of this rise can be explained by soybean acreage, which increased by 1,792,000 acres in twenty years.

The proportion of acreage allocated to corn and sorghum production remains fairly stable. Corn declined from 54.2 percent in 1960-1962 to 50.7 percent in 1970-1972, but leveled off during the 1980-1982 period to 50.4 percent. Sorghum proportional acreage varies from 14.5 percent to 17.6 percent and then declines to 13.9 percent for each of the three periods, respectively.

In comparison, a strikingly contrasting picture is demonstrated by soybean and wheat acreage. By 1980-1982, soybean acreage totaled almost fifteen percent of total acres harvested, compared to an insignificant 2.4 percent share in 1960-1962. Conversely, wheat's share declined almost twenty-eight percent over the same period—dropping from 28.9 percent in 1960-1962 to 20.9 percent in 1980-1982. Wheat's impact on Nebraska's total crop acreage is not as strong as it once was. However, at the same time, soybeans' importance grew phenomenally.

Nebraska's crop production has undergone significant changes in the past twenty years. Generally, corn, sorghum, and soybean production have rapidly expanded (both in acres harvested and in yield), with soybeans emerging as a major Nebraska cash crop.

DANIEL E. VETTER

TABLE 3
Average Acres Harvested (thousands)

	1960-1962		1970-1972		1980-1982	
		Percent of Total		Percent of Total		Percent of Total
Wheat	2,997	28.9	2,467	24.5	2,883	20.9
Corn	5,622	54.2	5,099	50.7	6,973	50.4
Sorghum	1,507	14.5	1,773	17.6	1,920	13.9
Soybeans	255	2.4	722	7.2	2,047	14.8
TOTAL	10,381	100.0	10,061	100.0	13,823	100.0

Source: *Nebraska Agricultural Statistics,* individual annual reports 1960-1981, Nebraska Department of Agriculture.

UNL news

Published once in June and July; twice in Feb., May, Aug., Sept., Nov., and Dec.; three times in Jan. and Mar.; and four times in Apr. and Oct. by the University of Nebraska–Lincoln, Dept. of Publications Services & Control, 209 Nebraska Hall, Lincoln, NE 68588-0524. Second-Class Postage Paid at Lincoln, NE. POSTMASTER: Send address changes to UNL News, Dept. of Publications Services & Control, 209 Nebraska Hall, University of Nebraska–Lincoln, Lincoln, NE 68588-0524

Second-Class Postage Paid Lincoln, NE

BUSINESS IN NEBRASKA
PREPARED BY BUREAU OF BUSINESS RESEARCH
Member, Association for University Business & Economic Research

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No. 466 July 1983 BUREAU OF BUSINESS RESEARCH