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FARM INCOME: NEBRASKA AND THE REGION

Figures on 1971 farm income for Nebraska and other states recently released by the United States Department of Agriculture show that in total cash farm marketings the state had a percentage increase over 1970 of 5.4, slightly above the West North Central Region (4.9 percent) and the nation (5.0 percent).¹ When government payments are taken into consideration, however, Nebraska total cash receipts from farming in 1971 as compared with 1970 show an increase of only 3.6 percent, again slightly above the region (3.2 percent), but exactly the same as the nation as a whole. The figures are given in Table 1 below.

In rate of increase from 1970 to 1971 Nebraska among the seven states in the region was fifth in livestock marketings, fourth in crop sales, and fifth in both total cash receipts from farm marketings and total cash receipts from farming.²

1969-1971 COMPARISONS

Because of year-to-year fluctuations in farm production and prices, percentage changes for two-year periods may be more significant than annual changes. These figures are also given in Table 1. On the basis of change from 1969 to 1971 in total cash receipts from livestock and crops, and in total cash receipts from farming, all states in the region showed an increase, whereas from 1970 to 1971 one state, Iowa, recorded a decrease. The figures for the two-year period showed more uniformity than the annual figures, with four states (Minnesota, North Dakota, South Da-

kota, and Nebraska) recording percentage increases in cash farm marketings of between 14 and 15 percent, somewhat above the regional gain (13.1 percent) and considerably above the national increase (10.2 percent). By contrast, Kansas showed a 30.2 percent gain and Iowa only 3.6 percent in the two-year time span. The difference is due to the decline in cash receipts from livestock in Iowa, although that state retained its first-place ranking in the nation in this category.

All the states showed a greater percentage increase in cash receipts from crops than from livestock for this two-year period. This is apparently due primarily to the fact that the price of livestock averaged exactly the same in 1971 as in 1969, whereas crops increased from 10 to 15 percent in price. The difference in percentage increase between the two was least in Kansas, which showed the largest increase of any of the states in livestock receipts, both in dollar and percentage terms, and moved up to third place in the region and fifth in the nation in total livestock sales.

In the overall increase in cash receipts from farming 1969 to 1971, the regional increase for the two-year period was 10.2 percent, two percentage points higher than in the United States as a whole. Three states, Nebraska (11.6 percent), South Dakota (11.4 percent), and Minnesota (11.0 percent) showed remarkable uniformity in rate of increase, contrasted to such disparate increases as 25.7 percent in Kansas and 2.0 percent in Iowa. The difference between these two states is due to the decline in livestock sales noted above and to the much greater decrease in government payments in Iowa than in Kansas.

A notable feature of this two-year comparison is a marked decline nationally and in all states of the region in the degree of

TABLE 1
PERCENTAGE CHANGE IN COMPONENTS OF CASH RECEIPTS FROM FARMING

	Livestock		Crops		Cash Receipts from Farm Marketings		Government Payments		Total Cash Receipts from Farming	
	1970-71	1969-71	1970-71	1969-71	1970-71	1969-71	1970-71	1969-71	1970-71	1969-71
United States	+ 2.8	+ 6.5	+ 8.1	+15.7	+ 5.0	+10.2	-15.4	-17.1	+ 3.6	+ 8.2
West North Central Region	+ 3.6	+ 6.3	+ 7.5	+28.7	+ 4.9	+13.1	-15.9	-19.2	+ 3.2	+10.2
Nebraska	+ 5.4	+ 7.9	+ 5.6	+30.9	+ 5.4	+14.3	-15.8	-14.7	+ 3.6	+11.6
Iowa	- 3.9	- 5.7	+ 1.6	+30.6	- 2.2	+ 3.6	-13.7	-21.8	- 2.8	+ 2.0
Kansas	+17.8	+29.7	+ 5.9	+31.1	+13.5	+30.2	- 4.4	- 7.5	+11.7	+25.7
Minnesota	+ 5.9	+ 7.8	+ 3.1	+29.7	+ 4.9	+14.9	-25.9	-34.3	+ 2.9	+11.0
Missouri	- 4.6	+ 4.2	+41.8	+32.2	+ 8.2	+12.9	-27.3	-28.4	+ 5.1	+ 9.0
North Dakota	+13.2	+13.1	+10.0	+15.6	+11.1	+14.8	-16.0	-13.8	+ 6.3	+ 9.6
South Dakota	+ 8.8	+11.1	- 2.8	+26.3	+ 6.0	+14.1	-15.7	-17.5	+ 4.2	+11.4

Source: *Farm Income Situation*, July, 1972, USDA. Calculations by Bureau of Business Research.

¹Supplement to the July, 1972, *Farm Income Situation*, August, 1972, Economic Research Service, U.S. Department of Agriculture.

²The distinction in meaning between these two similar items should be noted. "Cash receipts from farm marketings" includes cash sales and CCC loans made under price support programs. "Total cash receipts from farming" includes in addition direct government payments to farmers.

dependence of agriculture on government payments as a source of cash income. (See Table 2.) Marked differences among the states of the region in the extent of this decline in government payments, both from 1969 to 1971 and from 1970 to 1971, account for some conspicuous variations among the states in the comparison of cash farm marketings and total cash receipts from farming in the different years.

TABLE 2
PERCENT OF CASH RECEIPTS FROM FARMING

	Livestock		Crops		Government Payments	
	1970	1971	1970	1971	1970	1971
United States	55.1	54.2	37.6	40.2	7.3	5.6
W. N. Central Region	63.2	60.9	27.7	32.4	9.1	6.7
Nebraska	65.4	63.1	25.3	29.8	9.3	7.1
Iowa	69.8	64.6	23.9	30.6	6.3	4.8
Kansas	58.4	60.3	29.6	30.9	11.9	8.8
Minnesota	62.5	60.7	29.6	34.6	7.9	4.7
Missouri	62.6	59.9	28.0	33.9	9.4	6.2
North Dakota	29.2	30.2	52.8	55.7	18.0	14.2
South Dakota	72.9	72.7	18.3	20.8	8.8	6.5

Source: Supplement to the July, 1972, *Farm Income Situation*.
Calculations by the Bureau of Business Research.

In Nebraska the decline in government payments has been from 9.3 percent of total cash receipts from farming in 1970 to 7.1 percent in 1971, about the same as the average decline for the region, whereas the national decline has been from 7.3 percent to 5.6 percent. Taking a longer term view, the 7 percent figure for Nebraska is about the same as that which prevailed throughout the decade of the fifties. By way of contrast, the percentage was above 10 throughout the decade of the sixties and above 15 in 1964 and 1965.

NEBRASKA, THE REGION, AND THE NATION

In 1971 as in 1970, five states in the West North Central Region ranked among the top ten agricultural states of the nation in terms of cash receipts from farm marketings, but there were some conspicuous changes in rank among the states. Iowa retained its second place position, but Nebraska dropped from fifth to seventh place and Minnesota, which had been sixth in 1970, moved into fifth place. Kansas rose from seventh to sixth place and Missouri from ninth to eighth place.

Nebraska retained its fourth place rank in receipts from livestock products but dropped from ninth to tenth place in receipts

TABLE 3
WEST NORTH CENTRAL STATES
AND U.S. CASH FARM MARKETINGS, 1971

	Total Cash Farm Marketings		Receipts from Livestock & Products		Receipts from Crops	
	Rank in U.S.	Amount (million dollars)	Rank in U.S.	Amount (million dollars)	Rank in U.S.	Amount (million dollars)
Nebraska	7	2,243	4	1,524	10	719
Iowa	2	4,025	1	2,730	3	1,295
Kansas	6	2,256	5	1,492	9	764
Minnesota	5	2,283	6	1,454	4	830
Missouri	8	1,703	9	1,087	13	616
North Dakota	24	854	31	300	16	554
South Dakota	19	1,114	11	867	32	248
Regional Total		14,478		9,454		5,026
U.S. Total		53,063		30,454		22,609
Region as Percent of Nation		27.3		31.0		22.2

Source: Supplement to July, 1972, *Farm Income Situation*, USDA.

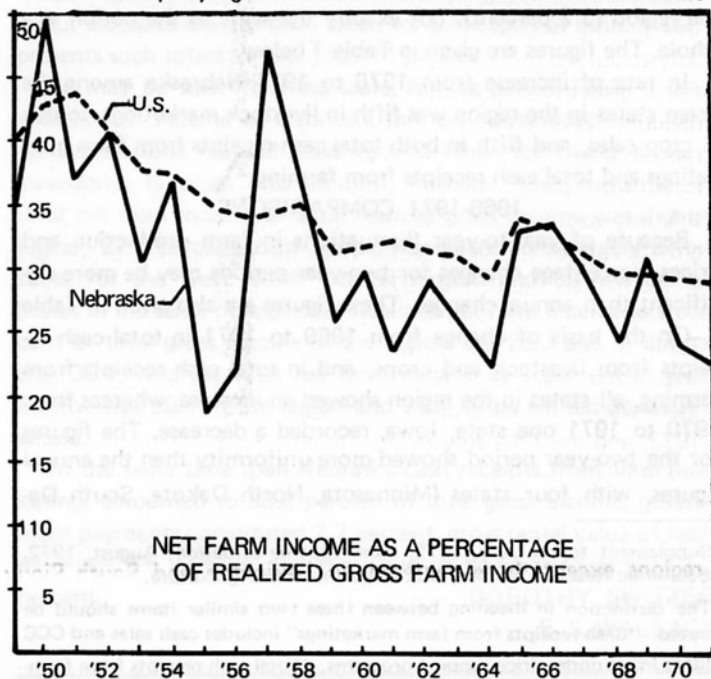
from crops. Comparative figures for states in the region are shown in Table 3.

With regard to specific commodities, Nebraska ranked third among states of the nation in corn and sorghum grain, fourth in cattle and calves, fifth in hogs and wheat, seventh in sugar beets, and tenth in hay. The state's five leading sources of cash receipts in order of importance were cattle, corn, hogs, wheat, and sorghum grain. These five items account for nearly 90 percent of Nebraska's total farm marketings.

GROSS AND NET INCOME

More significant to the farmer than the gross income figures are the data on net income. Recent disclosures by a knowledgeable agricultural economist in the U.S. Department of Agriculture that important items of expense, such as contract payments for custom farming, are omitted in calculating net income³ have cast some doubt on the significance of the net income figures. Since the method of calculation has not changed and is the same throughout the nation, it might seem at first that such omissions would not affect comparisons among states or over a period of time. The relative importance of the omitted items is different in different regions, however, and has increased in recent years. Nevertheless, the figures on net income compiled by the Economic Research Service of the U.S. Department of Agriculture are the only ones we have, and they are presented here.

The accompanying chart shows for the state and nation the



percentage relationship of net farm income to realized gross farm income⁴ for the period 1949-1971. It can readily be seen that the percentage is much more stable for the nation than for the state. It will also be noted that in all but four years of this entire period the percentage was lower in Nebraska than in the nation. More significant perhaps, in spite of the upswing in 1969, is the pronounced downward trend of the past five years in Nebraska. Net income dropped from 33.6 percent of realized gross in 1966 to 22.3 percent in 1971. In only three

(Continued on page 6)

³The basis for the omissions originally was the assumption that most of these payments were made to other farmers. This may no longer be true.

⁴Realized gross farm income includes, in addition to total cash receipts from farming, an estimated allowance for value of home consumption and rental value of farm dwellings.

College Faculty Changes

Dr. C. S. Miller, Dean of the College of Business Administration, announces a number of staff changes for the current academic year.

Dr. Leonard L. Berekson has joined the faculty of the Department of Finance as an Assistant Professor. He holds B.S., M.B.A., and Ph.D. degrees from the University of California at Los Angeles, as well as the CLU and CPCU professional designations. For the past five years he was a member of the School of Business and Economics faculty at California State University, Los Angeles, teaching insurance and finance courses. Prior to that he spent two years as a life insurance agent.

Dr. Berekson has had articles published in the *Journal of Risk and Insurance* and the *Annals* of the CPCU. He is a member of the American Risk and Insurance Association and of the Western Association of Insurance Professors and served the former organization as chairman of the academic placement service and on the membership committee.

Dr. and Mrs. Berekson, who have been long-term residents of southern California, say they are looking forward to "the good life in the clean air of Nebraska."

Dr. Leonard P. Vidger, Professor of Finance, is on leave for the academic year. He has returned to San Francisco to assist in the development of research and education in the areas of urban economics and real estate. He will be working with the state Department of Real Estate in Sacramento and the California Real Estate Association of Los Angeles.

His work will entail establishing an ongoing research activity at California State University, San Francisco. He will also consult in the development and coordination of an educational program to facilitate professionalization in real estate.

The Department of Economics has two new faculty members, Dr. Bert Evans, Associate Professor, and Rodger Weaver, Assistant Professor.

Dr. Evans, who has a B.A. degree from the University of Nebraska, the M.A. from the University of Texas, and A.M. and Ph.D. degrees from Harvard, will also work on a part-time basis with the Bureau of Business Research.

He has been a member of the faculty of the College of Agriculture since 1958 and since 1961 has been an assistant professor of agricultural economics, assigned to agricultural extension. Widely known throughout Nebraska, Dr. Evans has given leadership to many state, regional, and national rural development programs. He is the co-author of a University of Nebraska Press monograph and of a number of articles in the *Journal of Farm Economics*, has contributed articles to many publications and papers to the published proceedings of numerous conferences, and in 1971 co-authored (with Mrs. Roberta Sward) an extension service publication, *Your Community Is What You Make It*.

Dr. Evans is a member of the American Association of University Professors, the American Agricultural Economics Association, Gamma Sigma Delta, honor society in agriculture, and Omicron Delta Epsilon, honor society in economics. He has been active in civic affairs, has been a consultant to the National Broadcasting Company, the National Rural Cooperative Association, the Northern Systems Company, and various other organizations.

Dr. Evans, who is unmarried, lives at 3241 Holdrege.

Rodger Weaver, the new assistant professor in the Department

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of Economics, expects soon to receive the Ph.D. degree from the University of Utah, where he earned the B.A. degree in 1967 and has since been a graduate student in the Department of Economics. His dissertation title is "The Reswitching Principle and Neo-Classical Growth and Distribution Theory." Regional economics is one of his areas of specialization.

Last year Mr. Weaver was the Assistant State Planning Coordinator, Office of the Governor, State of Utah. He had previously been a research assistant in that office and was a Research Fellow at the University of Utah in 1970-71. He has also had experience as a research assistant in the Bureau of Economic and Business Research at that university, a research associate in the Salt Lake City Community Improvement Program, and a staff member of the transportation and warehousing subcommittee of the Utah Governor's Advisory Council on Industrial Development.

Mr. Weaver, who was instrumental in establishing the *Intermountain Economic Review*, served as its first editor-in-chief, 1969-71, and authored an article on "Monetary Policy in Capital Mix Adjustment," which appeared in the Fall, 1971, issue. He was also one of the authors of a study *Utah Coal-Market Potential and Economic Impact*, published by the University of Utah Bureau of Economic and Business Research.

He is married, and he and Mrs. Weaver live at No. 25, 7311 Old Post Road.

S. Joseph Lambert III, who is a new Assistant Professor in the Department of Accounting, received the B.S. degree, 1968, and the M.S. degree, 1969, from Louisiana State University and expects to earn the Ph.D. degree from that institution within the coming year. His dissertation is entitled "A Study of the Basic Assumptions of Financial Accounting Measurement in an Axiomatic Framework."

Mr. Lambert, who has passed the CPA examination, is the author of a number of article-reviews on accounting subjects, which have appeared in *Management Adviser* and *Management Services*. He is co-author with Mrs. Lambert of an article "The CPA and Social Responsibility: A National Health Insurance Program," in the *Louisiana Certified Public Accountant* (Winter, 1970).

Mr. and Mrs. Lambert have a son, Michael Joseph, who was born in May of this year. They live at 5200 Fremont. Mrs. Lambert is also a CPA and is nearing the doctoral degree in accounting from Louisiana State University.

Review and Outlook

After experiencing a sharp increase in business activity in June, the Nebraska economy slipped back slightly in July. In Table 2 it can be seen that the overall dollar-volume index for the state stood at 147.5% of the 1967 average in July. This compares with a level of 148.8% in June (published in September's *Business in Nebraska*). Most of this decline from June to July occurred in the agriculture and distributive and services sectors of the economy and can be attributed to declines in the cash receipts from farm marketings and retail sales indicators. Since these two indicators often move somewhat erratically month-to-month, it would probably not be appropriate to attribute a great deal of significance to the small June to July drop in the dollar-volume index. The agri-

culture and distributive and services drops, however, were large enough to offset a substantial June to July gain in construction dollar volume. Construction continues to be the strongest growth sector for the state and had reached a level of 211.2% of the 1967 average in July compared with 196.9% in June.

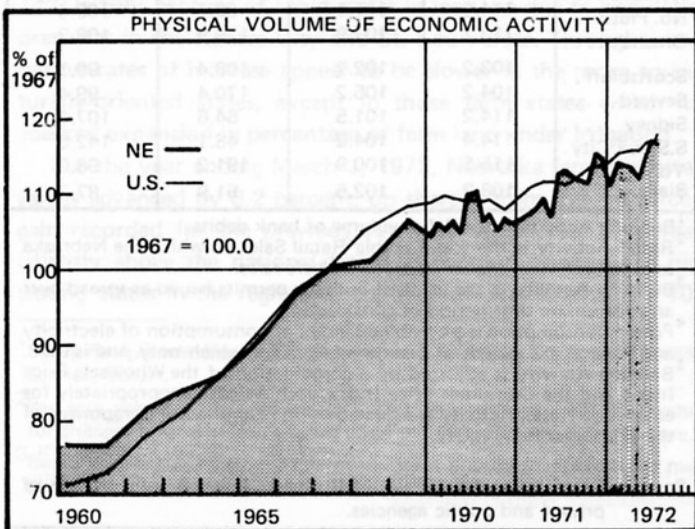
Although most sectors of the Nebraska economy were stable or declined from June to July, activity levels in July generally remained well above 1971 levels. As shown in Table 1, the overall dollar-volume index was up 8.6% in July compared with July, 1971. The July-to-July growth of construction (54.2%) far exceeded this average dollar-volume growth; the growth of government (9.4%) slightly exceeded the average; while the growth of

(Continued on page 5)

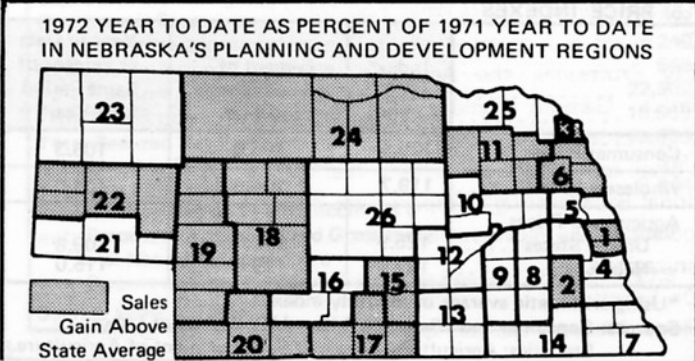
Notes for Tables 1 and 2: (1) The "distributive" indicator represents a composite of wholesale and retail trade; transportation, communication, and utilities; finance, insurance, and real estate; and selected services. (2) The "physical volume" indicator and its components represent the dollar volume 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				
July, 1972	Current Month as Percent of Same Month Previous Year		1972 Year to Date as Percent of 1971 Year to Date	
	Nebraska	U.S.	Nebraska	U.S.
Indicator	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume	108.6	109.8	110.7	109.0
Agricultural	103.1	113.5	112.3	109.0
Nonagricultural	109.6	109.7	110.5	109.0
Construction	154.2	110.2	149.7	115.3
Manufacturing	107.2	108.8	107.8	107.8
Distributive	106.6	110.3	108.7	109.0
Government	109.4	108.7	108.8	108.6
Physical Volume	102.4	105.9	104.9	104.8
Agricultural	85.9	100.6	97.5	99.2
Nonagricultural	105.7	106.1	106.3	105.0
Construction	148.6	106.2	141.0	108.5
Manufacturing	103.3	105.3	103.9	104.1
Distributive	103.4	107.1	105.2	105.5
Government	104.1	103.8	103.2	103.3
2. CHANGE FROM 1967				
July, 1972	Percent of 1967 Average			
	Nebraska	U.S.		
Indicator	Nebraska	U.S.		
Dollar Volume	147.5	146.8		
Agricultural	123.1	134.5		
Nonagricultural	152.3	147.2		
Construction	211.2	165.2		
Manufacturing	140.1	127.2		
Distributive	146.9	154.0		
Government	171.1	158.1		
Physical Volume	115.2	117.2		
Agricultural	96.6	106.9		
Nonagricultural	119.0	117.6		
Construction	153.0	119.7		
Manufacturing	118.0	107.5		
Distributive	117.1	122.7		
Government	115.8	118.4		

3. NET TAXABLE RETAIL SALES ¹ OF NEBRASKA REGIONS (Unadjusted for Price Changes)		
Region ² and Principal Retail Trade Center	July, 1972 as Percent of July, 1971	1972 Year to Date as Percent of 1971 Year to Date
<i>The State</i>	107.4	112.4
1 (Omaha)	109.2	113.2
2 (Lincoln)	109.0	113.4
3 (So. Sioux City) ..	124.5	124.3
4 (Nebraska City) ..	104.7	110.3
5 (Fremont)	109.4	112.0
6 (West Point)	114.8	114.8
7 (Falls City)	100.5	106.3
8 (Seward)	103.6	107.0
9 (York)	92.5	107.2
10 (Columbus)	101.3	108.0
11 (Norfolk)	109.0	114.9
12 (Grand Island) ..	104.3	112.2
13 (Hastings)	104.9	109.7
14 (Beatrice)	100.8	107.0
15 (Kearney)	107.7	113.5
16 (Lexington)	111.1	110.9
17 (Holdrege)	103.8	118.0
18 (North Platte) ..	111.2	115.0
19 (Ogallala)	105.5	112.8
20 (McCook)	111.6	114.1
21 (Sidney, Kimball) ..	103.7	111.1
22 (Scottsbluff)	110.0	115.9
23 (Alliance, Chadron)	110.4	111.7
24 (O'Neill)	106.0	113.3
25 (Hartington)	108.7	110.5
26 (Broken Bow)	96.6	106.1



¹Sales on which sales taxes are collected by retailers located in the state, including motor vehicle sales.
²"Planning and development" regions as established by the Nebraska Office of Planning and Programming and shown in the map below.
 Source: Compilations by Bureau of Business Research from data provided by the Nebraska Tax Commissioner.



(Continued from page 4)

the manufacturing (7.2%), distributive and services (6.6%) and agriculture (3.1%) sectors lagged behind the 8.6% average July-to-July growth. The July-to-July growth of the overall physical-volume index (2.4%) was substantially below the dollar-volume growth. To a large extent this rapid dollar-volume growth relative to physical-volume growth can be attributed to a substantial, 19.9% increase in agricultural prices received from July, 1971 to July, 1972 (see Table 5).

The Nebraska growth pattern for July was largely the reverse of the national pattern. The overall U.S. dollar-volume index stood at 146.8% of the 1967 average in July up from 145.5% in June (which in turn represents a slight upward revision of the previously published 145.3% for June). Also in contrast to Nebraska the national agriculture and distributive and services sectors were up strongly from June to July, while construction activity for the nation did not grow from June to July. The general pattern of month-to-month growth in Nebraska compared with the nation can be seen by examining the physical-volume chart on page 4. This chart shows the Nebraska physical-volume index again falling below the national level in July.

The strength of national growth relative to Nebraska growth in July is further illustrated by the July, 1971 to July, 1972 growth rates shown in Table 1. The U.S. dollar-volume growth rate over this period was 9.8%, which not only exceeded the Nebraska July-to-July growth rate, but also exceeded the comparable national growth rates for the earlier months of 1972. Among the individual national sectors, July-to-July dollar-volume growth rates ranged from 8.7% for the government sector to 13.5% for the agriculture sector. In all national sectors except construction the July-to-July dollar-volume growth rate was higher than the growth rate of the same sector from the first six months of 1971 to the first six months of 1972.

The retail sales data for Nebraska and its planning regions in Table 3 show a 7.4% increase in net taxable retail sales for the state from July, 1971 to July, 1972. As noted earlier, however, there was an actual drop in retail sales from June, 1972 to July, 1972, and the 7.4% July-to-July growth is substantially below the year-to-date average growth of 12.4% shown in the second column of the table. The relative sluggishness of retail activity in July seemed to affect nearly all parts of the state. In all planning regions except those centered on Lexington and South Sioux City, the July-to-July growth of retail sales lagged behind the year-to-date average growth for the same region. The city and state indicators in Table 4 show that banking activity in July was somewhat stronger than retail activity for the state, but the July growth of banking activity also tended to lag behind the growth rate shown in recent issues of *Business in Nebraska*. V. R.



4. JULY CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago			
	Banking Activity ¹	Retail Activity ²	Building Activity ³	Power Consumption ⁴
	(Adjusted for Price Change) ⁵			
<i>The State</i>	105.9	104.7	117.4	105.0
Alliance	90.3	100.1	70.4	106.7
Beatrice	104.0	107.0	210.8	101.0
Bellevue	95.8	106.7	16.7	95.7*
Broken Bow . . .	114.6	87.1	154.6	103.8
Chadron	104.0	111.8	97.4	112.9
Columbus	99.9	101.2	137.4	100.6
Fairbury	98.6	91.1	136.4	107.0*
Falls City	98.6	94.4	612.6	102.5
Fremont	104.9	113.9	77.9	94.2*
Grand Island . .	112.5	104.8	187.2	99.7
Hastings	114.6	105.9	81.3	114.5
Holdrege	98.2	108.6	98.9	91.9
Kearney	113.2	110.3	115.7	104.6
Lexington	NA	99.9	323.8	93.4
Lincoln	105.7	106.1	167.9	99.4
McCook	104.2	105.8	67.4	110.8
Nebr. City	98.8	104.2	129.9	102.1
Norfolk	109.1	102.3	227.2	102.4
No. Platte	114.6	111.1	28.7	109.6
Omaha	113.7	107.9	179.9	108.2
Scottsbluff . . .	103.2	102.7	108.4	99.1
Seward	104.2	105.2	170.4	99.4
Sidney	114.2	101.5	64.6	107.1
S.Sioux City . . .	114.4	104.2	48.1	142.0
York	115.5	100.9	191.2	96.6
Blair	108.2	102.5	51.9	87.3

5. PRICE INDEXES

	Index* (1967 = 100)	Percent of Same Month Last Year	Year to Date as Percent of Same Period Last Year*
Consumer Prices	125.5	103.0	103.3
Wholesale Prices	119.7	104.5	104.0
Agricultural Prices			
United States	125.9	112.8	109.8
Nebraska	127.5	119.9	115.0

*Using arithmetic average of monthly indexes.
Sources: Consumer and Wholesale Prices: U.S. Bureau of Labor Statistics; Agricultural Prices: U.S. Department of Agriculture.

¹ Banking Activity is the dollar volume of bank debits.
² Retail Activity is the Net Taxable Retail Sales on which the Nebraska sales tax is levied, *excluding motor vehicle sales*.
³ Building Activity is the value of building permits issued as spread over an appropriate time period of construction.
⁴ Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked * for which only one is used.
⁵ Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city; Retail Activity is adjusted by the commodity component of the Consumer Price Index.

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

Farm Real Estate: Values and Transfers

The extent of increases in value of Nebraska farm real estate in the past few years has been measured in a report released recently by the Economic Research Service of the U.S. Department of Agriculture.¹ In the period from March 1, 1966, to March 1, 1972, the total value of the state's farm real estate, including improvements, rose more than 37 percent. This rate of increase was five percentage points above the average for the seven states in the West North Central Region and six percentage points above the national increase in the same period.

Total value of Nebraska farm real estate was \$7,840 million on March 1, 1972, third high among the states in the region, the same rank it held in 1966 when the total valuation was \$5,704 million. Nebraska was second high, however, in percentage increase in average value per acre of farm real estate 1966-72, with 42.5 percent, exceeded only by Missouri, which had a 54.8 percent gain.² These states were the only ones in the region with higher gains than the national rate of increase (37.3 percent), but Minnesota and North Dakota had gains approaching the national rate, with increases of 36.9 and 35.6, respectively. The average value per acre of farm land in the West North Central Region increased 35.3 percent in the 1966-72 time span, two percentage points below the national gain.

Nebraska ranks fourth in the region in average value per acre of farm real estate (\$171), considerably below the regional (\$203) and national (\$217) averages. Iowa, where the value is \$406 per acre, ranks first in the region. On the basis of average value of farm real estate per operating unit Nebraska ranks first in the region, however, with \$113.1, considerably above second place Iowa, \$99.9, and far above the regional and national averages, \$89.1 and \$86.5, respectively.³

Nebraska was second high in percentage gain in total value of buildings on farm real estate (23.4), followed closely by South Dakota (23.3), North Dakota (22.5) and Minnesota (21.1). Missouri was at the top with a 42.9 percent increase and Kansas at the bottom with a gain of only 4.1 percent. Only Missouri in the region exceeded the national rate of increase (26.9 percent). The regional rate of gain was 21.6 percent.

Using the year 1967 as a base year (1967 = 100) the USDA computed for each state indexes of average value per acre of farm real estate. The Nebraska index as of March 1, 1972, was 127, third high in the region. In 1968 Nebraska and Missouri had the same index, 108, but by 1972 the Missouri index had increased to 142, largely because of rapid shifts in land use due to population pressures in the Kansas City and St. Louis areas. Throughout the nation rates of increase appear to be slower in the more agriculturally-oriented states, except in those farm states which had marked expansion in percentage of farm land under irrigation.

For the year ending March 1, 1972, Nebraska farm real estate values advanced by 8.2 percent, up sharply from the 2.6 percent gain recorded for the previous year. The state's rate of increase (slightly above the national figure, 8 percent), was second high among states in the region, where Missouri was first with a 10.2

percent rise. The per acre increase in Nebraska was \$13, from \$158 to \$171, compared with a rise of \$24, from \$236 to \$260, in Missouri. In the continental United States the per acre increase was \$16, from \$201 to \$217.

FARM REAL ESTATE TRANSFERS

Data on farm title transfers per 1,000 farms for the year ending March 1, 1972, show that such transfers in Nebraska increased 30 percent over the previous year, this rate being third high among states in the region and much above the regional increase (19.2 percent) and the national (11.9 percent). Minnesota was the only state in the region showing a decline in farm title transfers, largely due to a drop in voluntary sales, although such sales constituted a larger proportion of total transfers in that state than in any other state in the region. Voluntary sales accounted for almost 70 percent of the transfers in Nebraska, about the same as the nation and slightly above the regional proportion.

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(Continued from page 2) years of the past twenty (1955, 1956, and 1964) has the percentage been lower.

Because of the large year-to-year fluctuations in agriculture, percentage comparisons of various categories of farm income between any two years are not particularly significant. More meaningful statistics are based on totals for some span of time. Table 4 presents such totals for the 1959-71 period.

As may be seen from the table, for the period 1959-71 total realized net income of Nebraska farmers constituted only 25.9 percent of total realized gross income. When the change in farm inventories is taken into account, however, the proportion of total net farm income to total realized gross income was slightly higher, 27.2 percent. Both proportions were considerably below those for the West North Central Region and for the United States in the same time period. Realized net farm income as a percent of total gross income in the region was 28.3 and in the nation 30.0, whereas total net farm income as a percent of gross income was 29.4 in the region and 30.7 in the United States as a whole.

In the same time span Nebraska cash receipts from farm marketings amounted to 88.8 percent of total gross income; government payments constituted 7.7 percent, gross rental value of farm dwellings 2.5 percent, and the value of home consumption 1.0 percent.

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TABLE 4
NEBRASKA, TOTAL FARM INCOME, 1959-71
(million dollars)

Cash Farm Marketings	20,337.8
Government Payments	1,759.3
Value of Home Consumption	240.9
Gross Rental Value of Dwellings	565.7
Total Realized Gross Income	22,902.5
Farm Production Expenses	16,969.0
Total Realized Net Farm Income	5,933.5
Net Change in Farm Inventories	311.2
Total Net Farm Income	6,244.9
Total Realized Net Farm Income as a	
Percent of Total Realized Gross Income	25.9
Total Net Farm Income as a	
Percent of Total Realized Gross Farm Income	27.3

Source: Same as Table 3.

¹Farm Real Estate Market Developments, July 1972, Economic Research Service, USDA.

²Per acre values from 1966 to 1971 were revised June, 1972, to account for changes in land in farms based upon the 1969 Census of Agriculture.

³Based on average value of all farmland with improvements and the number of farms projected from the 1969 Census of Agriculture.