United States
Department of
Agriculture

S
Conservation
Service

P.O. Box 2890
Washington, D.C.
20013

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NATIONAL BULLETIN NO. 200-4-1

SUBJECT: ECON - CURRENT NORMALIZED PRICES AND DISCOUNT RATE FOR FISCAL YEAR 1984 WATER RESOURCE PLANS

Purpose. This bulletin transmits: (1) Current normalized prices for agricultural commodities; (2) The price index for computing user-day recreational values; and (3) The discount rate to be used for plan formulation and evaluation in water and related land resources implementation studies in fiscal year 1984. This information is needed by all persons involved in water resources project planning.

Expiration Date. This bulletin expires September 30, 1984.

Background. The Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies (P&G) specify the use of current normalized crop prices issued by the Department of Agriculture to evaluate National Economic Development agricultural benefits. The P&G also provide that the conversion of recreational point values to dollar values is to be done with values that are updated each year according to changes in the consumer price index. Another requirement is that the discount rate to be used in water resources planning is updated annually.

Current Normalized Prices:

Enclosed are the current normalized prices for agricultural commodities for fiscal year 1984 as furnished by the Economic Research Service of the Department of Agriculture. The method of calculation of these prices is explained in the enclosure. The method is unchanged from that used for the calculations last year. The current normalized price to be used for pasture for fiscal year 1984 will not exceed $10.00 per animal-unit-month unless documented by actual data on pasture leases.

Adjustment of Recreation Values:

Recreation user-day values for fiscal year 1984 are to be indexed upward from those shown on page 84 of the P&G by an index factor of 1.02. This is the relationship that exists between the July 1982 and July 1983 Consumer Price Index.

DIST: L (1 enclosure), T (8 enclosures), S (4 enclosures)

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Project Discount Rate:

The Department of Treasury has informed us that the average yield on interest-bearing marketable securities with 15 years or more remaining to maturity in fiscal year 1983 exceeded 8 1/8 percent. The discount rate used in plan formulation and evaluation in fiscal year 1983 was 7 7/8 percent. The discount rate to be used in plan formulation and evaluation for fiscal year 1984 will be 8 1/8 percent.

Don Jones/acting for

ROY M. GRAY
Director of Economics

Enclosure

COMPOUND INTEREST AND ANNUITY TABLES - 8.1250 PERCENT

NO. OF YRS. HENCE	PRESENT VALUE OF 1	AMORTI-ZATION	PRESENT VALUE OF AN ANNUITY OF 1 PER YEAR	AMOUNT OF AN ANNUITY OF 1 PER YEAR	PRESENT VALUE OF AN INCREASING ANNUITY	PRESENT VALUE OF A DECREASING ANNUITY
1	0.92486	1.08125	0.92486	1.0000	0.92486	0.92486
2	0.85536	0.56173	1.78021	2.08[illegible]2	2.63557	2.70507
3	0.79108	0.38891	2.57130	3.2504	5.00882	5.27636
4	0.73164	0.30276	3.30293	4.5144	7.93536	8.57930
5	0.67666	0.25128	3.97959	5.8812	11.31866	12.55889
6	0.62581	0.21714	4.60540	7.3591	15.07352	17.16429
7	0.57878	0.19289	5.18419	8.9570	19.12502	22.34847
8	0.53529	0.17484	5.71948	10.6848	23.40736	28.06795
9	0.49507	0.16091	6.21455	12.5529	27.86297	34.28250
10	0.45787	0.14987	6.67241	14.5728	32.44163	40.95491
11	0.42346	0.14093	7.09587	16.7569	37.09970	48.05079
12	0.39164	0.13356	7.48751	19.1184	41.79937	55.53830
13	0.36221	0.12739	7.84972	21.6717	46.50810	63.38802
14	0.33499	0.12218	8.18472	24.4326	51.19799	71.57274
15	0.30982	0.11772	8.49453	27.4177	55.84527	80.06727
16	0.28654	0.11388	8.78107	30.6454	60.42988	88.84834
17	0.26501	0.11055	9.04608	34.1354	64.93498	97.89442
18	0.24509	0.10763	9.29117	37.9088	69.34665	107.18559
19	0.22668	0.10507	9.51785	41.9889	73.65347	116.70344
20	0.20964	0.10280	9.72749	46.4005	77.84631	126.43093
21	0.19389	0.10079	9.92138	51.1706	81.91796	136.35230
22	0.17932	0.09900	10.10069	56.3282	85.86297	146.45300
23	0.16584	0.09740	10.26654	61.9049	89.67738	156.71953
24	0.15338	0.09597	10.41992	67.9346	93.35853	167.13945
25	0.14186	0.09468	10.56178	74.4543	96.90493	177.70123
26	0.13120	0.09352	10.69297	81.5037	100.31603	188.39420
27	0.12134	0.09247	10.81431	89.1259	103.59214	199.20851
28	0.11222	0.09152	10.92653	97.3674	106.73428	210.13504
29	0.10379	0.09066	11.03032	106.2785	109.74410	221.16535
30	0.09599	0.08988	11.12630	115.9136	112.62374	232.29165
31	0.08877	0.08917	11.21508	126.3316	115.37576	243.50673
32	0.08210	0.08852	11.29718	137.5961	118.00309	254.80391
33	0.07593	0.08793	11.37312	149.7757	120.50892	266.17703
34	0.07023	0.08739	11.44334	162.9450	122.89668	277.62038
35	0.06495	0.08689	11.50830	177.1843	125.16997	289.12867
36	0.06007	0.08644	11.56837	192.5805	127.33250	300.69704
37	0.05556	0.08603	11.62392	209.2277	129.38808	312.32096
38	0.05138	0.08565	11.67530	227.2274	131.34058	323.99626
39	0.04752	0.08530	11.72282	246.6897	133.19388	335.71909
40	0.04395	0.08499	11.76677	267.7332	134.95187	347.48586
41	0.04065	0.08469	11.80742	290.4865	136.61840	359.29328
42	0.03759	0.08442	11.84501	315.0885	138.19729	371.13829
43	0.03477	0.08418	11.87978	341.6895	139.69230	383.01808
44	0.03216	0.08395	11.91194	370.4518	141.10713	394.93001
45	0.02974	0.08374	11.94168	401.5510	142.44538	406.87169
46	0.02750	0.08355	11.96918	435.1770	143.71057	418.84087
47	0.02544	0.08337	11.99462	471.5351	144.90613	430.83548
48	0.02353	0.08321	12.01814	510.8473	146.03537	442.85363
49	0.02176	0.08306	12.03990	553.3537	147.10151	454.89353
50	0.02012	0.08292	12.06002	599.3137	148.10767	466.95355

COMPOUND INTEREST AND ANNUITY TABLES - 8.1250 PERCENT

NO. OF YRS. HENCE	PRESENT VALUE OF 1	AMORTI-ZATION	PRESENT VALUE OF AN ANNUITY OF 1 PER YEAR	AMOUNT OF AN ANNUITY OF 1 PER YEAR	PRESENT VALUE OF AN INCREASING ANNUITY	PRESENT VALUE OF A DECREASING ANNUITY
51	0.01861	0.08279	12.07863	649.0079	149.05682	479.03219
52	0.01721	0.08267	12.09585	702.7398	149.95187	491.12803
53	0.01592	0.08256	12.11177	760.8374	150.79558	503.23980
54	0.01472	0.08246	12.12649	823.5525	151.59061	515.36629
55	0.01362	0.08237	12.14011	891.5775	152.33951	527.50639
56	0.01259	0.08229	12.15270	965.0181	153.04473	539.65909
57	0.01165	0.08221	12.16435	1044.4259	153.70861	551.82344
58	0.01077	0.08213	12.17512	1130.2855	154.33336	563.99856
59	0.00996	0.08207	12.18508	1223.1212	154.92114	576.18364
60	0.00921	0.08201	12.19429	1323.4997	155.47396	588.37793
61	0.00852	0.08195	12.20281	1432.0341	155.99376	600.58074
62	0.00788	0.08190	12.21070	1549.3869	156.48238	612.79144
63	0.00729	0.08185	12.21798	1676.2746	156.94157	625.00942
64	0.00674	0.08180	12.22473	1813.4719	157.37300	637.23415
65	0.00623	0.08176	12.23096	1961.8165	157.77824	649.46511
66	0.00577	0.08172	12.23673	2122.2140	158.15880	661.70183
67	0.00533	0.08169	12.24206	2295.6439	158.51610	673.94389
68	0.00493	0.08165	12.24699	2483.1650	158.85147	686.19088
69	0.00456	0.08162	12.25155	2685.9222	159.16621	698.44244
70	0.00422	0.08159	12.25577	2905.1533	159.46151	710.69821
71	0.00390	0.08157	12.25967	3142.1970	159.73853	722.95788
72	0.00361	0.08154	12.26328	3398.5006	159.99834	735.22116
73	0.00334	0.08152	12.26662	3675.6287	160.24196	747.48778
74	0.00309	0.08150	12.26970	3975.2736	160.47036	759.75748
75	0.00285	0.08148	12.27256	4299.2645	160.68445	772.03004
76	0.00264	0.08147	12.27520	4649.5798	160.88510	784.30524
77	0.00244	0.08145	12.27764	5028.3581	161.07311	796.58288
78	0.00226	0.08143	12.27990	5437.9122	161.24925	808.86278
79	0.00209	0.08142	12.28199	5880.7426	161.41424	821.14477
80	0.00193	0.08141	12.28392	6359.5529	161.56876	833.42869
81	0.00179	0.08140	12.28571	6877.2666	161.71346	845.71439
82	0.00165	0.08138	12.28736	7437.0445	161.84894	858.00175
83	0.00153	0.08137	12.28889	8042.3044	161.97577	870.29064
84	0.00141	0.08136	12.29030	8696.7416	162.09448	882.58094
85	0.00131	0.08136	12.29161	9404.3519	162.20557	894.87254
86	0.00121	0.08135	12.29281	10169.4555	162.30953	907.16536
87	0.00112	0.08134	12.29393	10996.7237	162.40679	919.45929
88	0.00103	0.08133	12.29497	11891.2075	162.49778	931.75426
89	0.00096	0.08133	12.29592	12858.3682	162.58289	944.05018
90	0.00088	0.08132	12.29681	13904.1106	162.66248	956.34699
91	0.00082	0.08132	12.29763	15034.8195	162.73692	968.64461
92	0.00076	0.08131	12.29838	16257.3986	162.80651	980.94299
93	0.00070	0.08131	12.29908	17579.3123	162.87158	993.24207
94	0.00065	0.08130	12.29973	19008.6314	162.93240	1005.54180
95	0.00060	0.08130	12.30033	20554.0827	162.98925	1017.84213
96	0.00055	0.08129	12.30088	22225.1019	163.04239	1030.14301
97	0.00051	0.08129	12.30139	24031.8914	163.09204	1042.44440
98	0.00047	0.08129	12.30187	25985.4826	163.13843	1054.74627
99	0.00044	0.08129	12.30230	28097.8031	163.18178	1067.04857
100	0.00040	0.08128	12.30271	30381.7496	163.22227	1079.35128

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101	0.00037	0.08128	12.30308	32851.2667	163.26010	1091.65436
102	0.00035	0.08128	12.30343	35521.4322	163.29543	1103.95779
103	0.00032	0.08128	12.30375	38408.5485	163.32842	1116.26154
104	0.00030	0.08127	12.30405	41530.2431	163.35924	1128.56559
105	0.00027	0.08127	12.30432	44905.5754	163.38801	1140.86991
106	0.00025	0.08127	12.30457	48555.1533	163.41487	1153.17448
107	0.00023	0.08127	12.30481	52501.2596	163.43995	1165.47929
108	0.00022	0.08127	12.30502	56767.9869	163.46336	1177.78431
109	0.00020	0.08127	12.30522	61381.3858	163.48521	1190.08954
110	0.00019	0.08127	12.30541	66369.6234	163.50560	1202.39495
111	0.00017	0.08126	12.30558	71763.1553	163.52464	1214.70053
112	0.00016	0.08126	12.30574	77594.9117	163.54240	1227.00627
113	0.00015	0.08126	12.30589	83900.4983	163.55897	1239.31216
114	0.00014	0.08126	12.30602	90718.4138	163.57444	1251.61818
115	0.00013	0.08126	12.30615	98090.2849	163.58886	1263.92433
116	0.00012	0.08126	12.30626	106061.1205	163.60232	1276.23059
117	0.00011	0.08126	12.30637	114679.5866	163.61488	1288.53697
118	0.00010	0.08126	12.30647	123998.3030	163.62659	1300.84344
119	0.00009	0.08126	12.30656	134074.1651	163.63751	1313.15000
120	0.00008	0.08126	12.30665	144968.6910	163.64770	1325.45665
121	0.00008	0.08126	12.30673	156748.3972	163.65720	1337.76337
122	0.00007	0.08126	12.30680	169485.2044	163.66606	1350.07017
123	0.00007	0.08126	12.30687	183256.8773	163.67432	1362.37704
124	0.00006	0.08126	12.30693	198147.4986	163.68202	1374.68396
125	0.00006	0.08125	12.30699	214247.9828	163.68920	1386.99095
PERPETUITY		0.08125	12.30769		163.78698	

PURPOSE

The orderly development and use of water and related land resources require that a consistent set of economic standards and criteria be used for the evaluation of agricultural benefits. Agricultural price standards provide the price base for evaluating the agricultural effects of alternative plans for the development and management of water and related land resources.

AUTHORITY

The authority for these standards is set forth in the Water Resources Planning Act (P.L. 89-80) and by the Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies. These Principles and Guidelines state in part:

"Section 1.4.10 Prices

(a) The prices of goods and services used for evaluation should reflect the real exchange values expected to prevail over the period of analysis. For this purpose, relative price relationships and the general level of prices for outputs and inputs prevailing during, or immediately preceding, the period of planning generally represent the real price relationships expected over the life of the plan, unless specific considerations indicate real exchange values are expected to change.

(b) The general level of prices for outputs and inputs prevailing during or immediately preceding the period of planning is to be used for the entire period of analysis. In the case of agricultural planning, normalized prices prepared by the Department of Agriculture should be used."

CONCEPTUAL BASIS FOR NORMALIZED AGRICULTURAL PRICES AND COSTS

The project evaluation process should yield valid estimates of the aggregate benefits and costs to those affected during the life of the projects and programs under consideration. A set of relative price relationships representative of the period of analysis over which costs are incurred and benefits accrue is needed. Since price standard forecasting is not presently feasible, the Principles and Guidelines suggest that current price relationships should generally be used. Therefore price relationships observed in a recent time period serve as a proxy for future prices. Current price relationships should not be distorted by short-term abnormalities. Further, the prices should reflect a consistent price level. Agricultural prices and costs are generally influenced by highly variable factors such as weather, insect infestations, sudden demand changes, and inflationary forces. Thus, a procedure, such as the one described in the next section, is needed to correct for the effects of these factors.

COMPUTATIONAL PROCEDURES

The estimates of current (1983) normalized prices shown in the following tables are derived from the commodity prices over the five-year period 1978-82.

The weight coefficients used in these calculations are estimated by a polynomial distributed lag regression technique.1/ A unique set of weights is estimated for each commodity or index from a 33-year time series (1950-82) of season average prices for that commodity or index. The polynomial distributed lag regression determines weight coefficients which place greater emphasis on more recent prices and less emphasis on earlier prices.2/

The season average prices for the time series are deflated by the implicit price deflator for the Gross National Product (GNP) into constant (1967) dollars. Other deflators (such as the Index of Prices Received by Farmers) were deemed unsuitable because they confound inflationary adjustments with short-term changes in prices due to market forces. The weights described in the previous paragraph are used to derive a weighted average of the 1978-82 "real" prices, i.e., a normalized price expressed in 1967 dollars.

The weighted average "real" price is then multiplied by the implicit price deflator for the second quarter of 1983 in order to express the planning price in "current" 1983 values. For several commodities this method of computation yields a normalized price which exceeds the nominal prices for the years 1978-82.

Expressing the current normalized prices in terms of the general price level prevailing in 1983 allows for a comparison among prices of inputs and outputs on a constant price level basis. In past years, current normalized prices were estimated as averages of nominal prices over the previous 5-year period. This procedure resulted in a composite price level for that period. Since evaluation procedures require that current construction costs be used, the agricultural

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1/ The theoretical rationale for applying the polynomial distributed lag procedure is presented in Robert D. Niehaus, "'Normalized'" Prices for Project Evaluation, "Agricultural Economics Research. Vol. 28, No. 2, Economic Research Service, USDA, Washington, D.C., April 1976.

2/ In mathematical terms, the weights were restricted to a second-degree polynomial distribution, increasing monotonically from the weight for the earliest year (1978), where each individual weight is equal to or greater than zero but less than one, and where the sum of the weights equals one.

price standards based on a 5-year history reflected a slightly different price level. The present method minimizes the price level differential.

State prices--The State normalized prices are obtained by multiplying the national normalized prices by the average ratio of the State price to the national commodity price for the period 1980-82. The State normalized prices also are expressed in 1983 dollars.

USE OF CURRENT NORMALIZED PRICES IN PLANNING

Current normalized prices are to be used in all economic evaluations covered by the Principles and Guidelines, such as (1) evaluation of beneficial or adverse effects of alternative projects and programs under consideration; and (2) appraisals of economic impacts where such impacts are expressed in terms of value of production or income.

Special circumstances will require further price estimation, such as: (1) pricing of commodities not included in the price tables; (2) determination of price differentials within States; (3) determination of price differentials to reflect product quality differences from the average represented by published price data; and (4) adjustments to reflect the impacts of project or program actions on market prices. These and other special price problems should be approached in such a manner as to achieve consistency with the published estimation of current normalized prices.

Commodities not covered in price tables--In circumstances where price data for one or more specific commodities are needed, they may be developed by using a three-year average (mean) for each of the desired commodities. Normalized prices derived by this procedure should be based on data for the years 1980-82, to be consistent with normalized commodity prices presented in this guideline.3/

Forest product prices are not included in the tables. Information on current prices for forest products can be obtained from the latest issue of The Demand and Price Situation for Forest Products, Forest Service, U.S. Department of Agriculture. The user should be cautioned that to be consistent with the agricultural prices in this report, the stumpage prices should be adjusted to reflect value added from harvesting.

3/ This method also requires that such average prices must be expressed in terms of the price level underlying the present computations, i.e., the second quarter of 1983. To be specific, the 1980-82 average prices could have to be increased by 10.1%, ie. the change in the implicit price deflator for GNP between 1981 and the second quarter of 1983. In this way the proper relationship between input and output prices will be maintained.

Price differentials within States--Current normalized prices for a specific area within a State may be derived by computing the average local area-to-State price ratio for the 1980-82 period and multiplying by the State normalized price.

Price differential to reflect product quality--Published data do not provide, in most instances, a basis for deriving price estimates for particular quality attributes of a given agricultural product. Procedures for estimating such price differentials will vary from one set of circumstances to another. Since a standard procedure cannot be specified, analysts confronted by such a problem must develop their own procedures. The basis used for estimating such price differentials should be fully documented in review reports.

Price impacts--As specified in the Principles and Guidelines, whenever implementation of a plan is expected to influence price significantly, the use of a price about midway between those expected with and without implementation may be justified. Special consideration should be given to price adjustments where a program induced shift from a deficit to a surplus production area is expected, or vice versa.

Table 1: UNITED STATES: PRICES FOR PRINCIPAL

COMMODITIES AND CURRENT NORMALIZED PRICES

COMMODITY	UNIT	U.S. SEASON AVERAGE PRICES					CURRENT NORMALIZED PRICES
		1978	1979	1980	1981	1982 1/	
		DOL.	DOL.	DOL.	DOL.	DOL.	DOL.
FOOD GRAINS							
WHEAT, ALL 2/	BU.	2.97	3.78	3.91	3.65	3.53	4.10
RYE 2/	BU.	1.99	2.06	2.64	2.99	2.41	2.72
RICE 2/	CWT	8.16	10.50	12.80	9.05	8.18	11.17
FEED GRAINS AND HAY							
CORN FOR GRAIN 2/	BU.	2.25	2.52	3.11	2.50	2.65	2.88
OATS 2/	BU.	1.20	1.36	1.79	1.89	1.45	1.80
BARLEY 2/	BU.	1.92	2.29	2.85	2.45	2.16	2.46
SORGHUM GRAIN 2/	CWT.	3.59	4.18	5.25	4.27	4.52	5.13
HAY, ALL (BALED)	TON	49.80	59.50	71.00	67.10	68.60	74.71
DRY BEANS	CWT.	17.30	22.80	28.00	21.00	13.40	21.51
SUGARBEETS 3/	TON	25.20	33.90	47.20	29.20	36.40	40.08
SUGARCANE FOR SUGAR 3/	TON	19.40	26.00	38.50	24.90	26.50	31.92
COTTON, LINT (UPLAND) 4/	LB.	0.581	0.623	0.744	0.543	0.580	0.632
TOBACCO	LB.	1.32	1.41	1.52	1.71	1.76	1.86
OIL-BEARING CROPS							
COTTONSEED	TON	114.00	121.00	129.00	86.00	77.50	117.19
SOYBEANS FOR BEANS	BU.	6.66	6.28	7.57	6.04	5.57	6.67
PEANUTS HARVESTED FOR NUTS	LB.	0.211	0.206	0.251	0.269	0.249	0.281
FLAXSEED	BU.	5.74	5.97	7.20	6.73	5.16	6.85
FRUITS							
APPLES, COMMERCIAL CROP 5/	LB.	0.104	0.109	0.087	0.154	0.130	0.138
ORANGES, ALL 6/	BOX	6.15	4.85	5.30	6.61	6.56	6.80
GRAPEFRUIT, ALL 6/	BOX	3.44	4.14	4.74	3.25	3.13	4.26
VEGETABLES							
POTATOES	CWT.	3.38	3.43	6.55	5.41	4.59	5.66
SWEETPOTATOES	CWT.	10.60	8.92	13.60	13.60	7.87	11.64
		U.S. AVERAGE ANNUAL PRICES					
LIVESTOCK							
STEERS AND HEIFERS	CWT.	51.70	69.80	66.90	62.40	61.50	73.27
FEEDER STEERS-8 MKTS	CWT.	57.71	75.10	69.75	63.10	62.03	74.34
COWS FOR SLAUGHTER	CWT.	35.80	50.00	45.70	41.30	38.50	48.57
CALVES	CWT.	59.10	88.70	76.80	64.00	59.80	74.78
SHEEP	CWT.	21.80	26.30	21.10	21.20	19.50	23.94
LAMBS	CWT.	62.80	66.70	63.60	54.90	53.10	63.27
HOGS	CWT.	46.60	41.80	38.00	43.90	52.30	51.39
DAIRY PRODUCTS							
MILK 7/	CWT.	10.60	12.00	13.00	13.80	13.60	14.88
POULTRY AND EGGS							
BROILERS, COMMERCIAL	LB.	0.263	0.259	0.277	0.285	0.269	0.316
TURKEYS	LB.	0.436	0.411	0.413	0.382	0.395	0.433
EGGS	DOZ.	0.522	0.583	0.563	0.631	0.595	0.677
WOOL	LB.	0.745	0.863	0.881	0.945	0.684	1.017

1/ PRELIMINARY
2/ INCLUDES ALLOWANCE FOR LOANS OUTSTANDING AND PURCHASES BY THE GOVERNMENT VALUED AT THE AVERAGE LOAN AND PURCHASE RATE, BY STATES. DOES NOT INCLUDE PRICE SUPPORT PAYMENTS.
3/ DOES NOT INCLUDE PAYMENTS UNDER THE SUGAR ACT.
4/ PRICES BASED ON 480 POUND NET WEIGHT BALE.
5/ BOTH FRESH AND PROCESSED SALE PRICES (EQUIVALENT PACKINGHOUSE-DOOR RETURNS FOR WASHINGTON AND OREGON, EQUIVALENT FIRST DELIVERY POINT FOR CALIFORNIA AND "AS SOLD" FOR OTHER STATES).
6/ EQUIVALENT PACKINGHOUSE-DOOR RETURNS PER BOX FOR ALL USES.
7/ SOLD TO PLANTS AND DEALERS.

Table 2: UNITED STATES: INDEXES OF PRICES RECEIVED BY FARMERS, PRICES PAID BY FARMERS, PRICES FOR CONSTRUCTION COSTS ITEMS AND CURRENT NORMALIZED INDEXES

ITEM		INDEX NUMBERS					CURRENT NORMALIZED INDEX
		1978	1979	1980	1981	1982 1/	
PRICES RECEIVED BY FARMERS							
ALL FARM PRODUCTS	1967=100	210	241	246	254	243	274
ALL CROPS	1967=100	203	223	241	257	232	266
LIVESTOCK AND LIVESTOCK PRODUCTS	1967=100	217	257	251	250	254	281
PRICES PAID BY FARMERS							
ALL COMMODITIES BOUGHT FOR USE IN PRODUCTION	1967=100	217	248	276	296	298	319
FEED	1967=100	183	204	230	249	227	256
LIVESTOCK	1967=100	221	293	281	259	259	296
SEED	1967=100	273	286	309	360	368	384
FERTILIZER	1967=100	180	196	243	261	261	278
AGRICULTURAL CHEMICALS	1967=100	147	150	160	174	187	193
FUELS AND ENERGY	1967=100	212	276	380	430	426	453
FARM AND MOTOR SUPPLIES	1967=100	171	189	221	243	252	264
AUTOS AND TRUCKS	1967=100	248	273	289	335	372	377
TRACTORS AND SELF-PROP. MACHINERY	1967=100	259	289	323	362	393	403
OTHER MACHINERY	1967=100	266	293	326	359	394	403
BUILDING AND FENCING MATERIALS	1967=100	248	272	293	307	309	335
WAGE RATES FOR HIRED FARM LABOR	1967=100	242	265	287	310	319	338
CONSTRUCTION COSTS							
COMPOSITE INDEX (U.S. DEPT. OF COMMERCE)	1967=100	240	273	304	325	327	351
ENR CONSTRUCTION COST	1967=100	258	280	301	329	356	366
WHOLESALE LUMBER PRICE (U.S. DEPT. OF LABOR)	1967=100	322	354	326	325	311	361

1/ PRELIMINARY

TABLE 3: STATES: CURRENT NORMALIZED PRICES FOR PRINCIPAL COMMODITIES

STATE	COMMODITIES										
	WHEAT ALL 1/	RYE 1/	RICE 1/	CORN FOR GRAIN 1/	OATS 1/	BARLEY 1/	SORGHUM GRAIN	HAY, ALL BALED	DRY BEANS	SUGAR-BEETS 2/	SUGAR CANE SUGAR 1/
	BUSHEL	BUSHEL	CWT.	BUSHEL	BUSHEL	BUSHEL	CWT.	TON	CWT.	TON	TON
MAINE	0.00	0.00	0.00	0.00	1.49	0.00	0.00	67.81	0.00	0.00	0.00
NEW HAMPSHIRE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	84.11	0.00	0.00	0.00
VERMONT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	75.09	0.00	0.00	0.00
MASSACHUSETTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	88.84	0.00	0.00	0.00
RHODE ISLAND	0.00	0.00	0.00	0.00	0.00	0.00	0.00	90.84	0.00	0.00	0.00
CONNECTICUT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	91.04	0.00	0.00	0.00
NEW YORK	3.86	3.56	0.00	3.10	1.91	2.01	0.00	73.18	19.17	0.00	0.00
NEW JERSEY	3.84	3.35	0.00	3.05	2.23	1.98	0.00	97.82	0.00	0.00	0.00
PENNSYLVANIA	4.05	3.35	0.00	3.14	2.08	2.38	5.44	92.95	0.00	0.00	0.00
DELAWARE	3.73	3.18	0.00	3.04	0.00	2.02	0.00	84.83	0.00	0.00	0.00
MARYLAND	3.83	3.19	0.00	3.07	2.07	2.11	0.00	85.01	0.00	0.00	0.00
MICHIGAN	3.84	2.99	0.00	2.78	1.85	2.99	0.00	53.38	22.38	35.47	0.00
WISCONSIN	3.87	2.55	0.00	2.81	1.76	2.24	0.00	63.20	0.00	0.00	0.00
MINNESOTA	4.22	2.74	0.00	2.70	1.71	2.27	0.00	69.02	19.96	32.45	0.00
OHIO	3.97	3.17	0.00	2.84	1.89	1.81	0.00	82.75	0.00	39.45	0.00
INDIANA	3.85	3.30	0.00	2.85	2.09	0.00	4.53	67.22	0.00	0.00	0.00
ILLINOIS	3.86	2.77	0.00	2.92	2.30	2.24	4.71	59.27	0.00	0.00	0.00
IOWA	3.97	3.18	0.00	2.80	1.83	0.00	4.42	56.11	0.00	0.00	0.00
MISSOURI	3.73	2.98	11.23	2.88	2.14	0.00	4.83	69.90	0.00	0.00	0.00
NORTH DAKOTA	4.25	2.50	0.00	2.74	1.59	2.16	0.00	62.72	19.22	33.73	0.00
SOUTH DAKOTA	4.21	2.75	0.00	2.65	1.62	2.18	4.25	61.70	0.00	0.00	0.00
NEBRASKA	4.01	2.46	0.00	2.92	1.83	2.15	4.99	57.89	20.26	43.09	0.00
KANSAS	4.11	2.34	0.00	3.03	2.00	2.17	5.12	63.25	19.03	38.64	0.00
VIRGINIA	3.79	2.74	0.00	3.03	1.85	2.07	4.74	79.46	0.00	0.00	0.00
WEST VIRGINIA	4.07	0.00	0.00	2.96	1.79	2.45	0.00	67.65	0.00	0.00	0.00
NORTH CAROLINA	3.75	3.35	0.00	2.96	1.75	2.04	4.57	68.37	0.00	0.00	0.00
KENTUCKY	3.88	3.01	0.00	2.94	2.96	1.91	4.76	67.67	0.00	0.00	0.00
TENNESSEE	3.80	0.00	0.00	3.05	2.39	2.07	4.63	51.57	0.00	0.00	0.00
SOUTH CAROLINA	3.59	3.18	0.00	2.88	1.65	2.08	4.37	76.01	0.00	0.00	0.00
GEORGIA	3.71	2.60	0.00	3.11	1.84	0.00	4.61	68.90	0.00	0.00	0.00
FLORIDA	0.00	0.00	0.00	3.03	0.00	0.00	0.00	74.93	0.00	0.00	34.67
ALABAMA	3.75	0.00	0.00	3.07	2.04	0.00	5.08	63.52	0.00	0.00	0.00
MISSISSIPPI	3.85	0.00	11.19	3.28	0.00	0.00	4.49	56.10	0.00	0.00	0.00
ARKANSAS	3.88	0.00	11.15	3.08	2.28	0.00	4.63	51.58	0.00	0.00	0.00
LOUISIANA	3.96	0.00	11.02	3.25	0.00	0.00	4.86	54.62	0.00	0.00	28.45
OKLAHOMA	4.19	2.07	0.00	3.33	2.28	2.51	5.33	69.14	0.00	0.00	0.00
TEXAS	4.10	2.95	12.01	3.25	2.11	2.41	5.29	67.78	0.00	39.14	21.43
MONTANA	4.23	0.00	0.00	3.22	1.88	2.33	0.00	59.35	18.01	47.36	0.00
IDAHO	4.10	0.00	0.00	3.20	1.96	2.68	0.00	67.03	18.41	41.93	0.00
WYOMING	3.87	2.79	0.00	2.84	1.95	3.14	0.00	67.57	18.76	47.70	0.00
COLORADO	3.95	2.67	0.00	2.92	2.25	2.81	5.16	69.26	18.34	43.37	0.00
NEW MEXICO	4.10	0.00	0.00	3.23	0.00	2.58	5.59	88.57	0.00	42.46	0.00
ARIZONA	4.54	0.00	0.00	3.55	0.00	3.01	6.45	82.72	0.00	45.76	0.00
UTAH	4.06	0.00	0.00	3.54	2.14	2.53	0.00	70.42	17.39	40.00	0.00
NEVADA	3.92	0.00	0.00	0.00	0.00	2.75	0.00	88.95	0.00	0.00	0.00
WASHINGTON	4.43	0.00	0.00	3.44	2.17	2.51	0.00	83.03	20.52	0.00	0.00
OREGON	4.40	2.97	0.00	3.39	2.06	2.51	0.00	77.38	0.00	38.55	0.00
CALIFORNIA	4.56	0.00	10.69	3.77	2.55	2.99	5.85	94.57	30.49	43.71	0.00
ALASKA	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
HAWAII	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	32.40

1/ INCLUDES ALLOWANCE FOR LOANS OUTSTANDING AND PURCHASES BY THE GOVERNMENT VALUED AT AVERAGE LOAN AND PURCHASE RATE. DOES NOT INCLUDE PRICE SUPPORT PAYMENTS.

2/ DOES NOT INCLUDE PAYMENTS UNDER THE SUGAR ACT

--CONTINUED

TABLE 3: STATES: CURRENT NORMALIZED PRICES FOR PRINCIPAL COMMODITIES , CONTINUED

STATE	COTTON LINT UPLAND 3/	TOBACCO	COTTON SEED	SOYBEANS FOR BEANS	PEANUTS HARVESTED FOR NUTS	FLAXSEED	APPLES, COMMERCIAL 4/	ORANGES, ALL 5/	GRAPEFRUIT, ALL 5/	POTATOES	SWEET POTATOES
	COMMODITIES										
	POUND	POUND	TON	BUSHEL	POUND	BUSHEL	POUND	BOX	BOX	CWT.	CWT.
MAINE	0.000	0.000	0.00	0.00	0.000	0.00	0.189	0.00	0.00	5.10	0.00
NEW HAMPSHIRE	0.000	0.000	0.00	0.00	0.000	0.00	0.187	0.00	0.00	0.00	0.00
VERMONT	0.000	0.000	0.00	0.00	0.000	0.00	0.203	0.00	0.00	6.23	0.00
MASSACHUSETTS	0.000	7.611	0.00	0.00	0.000	0.00	0.209	0.00	0.00	5.81	0.00
RHODE ISLAND	0.000	0.000	0.00	0.00	0.000	0.00	0.207	0.00	0.00	4.95	0.00
CONNECTICUT	0.000	6.583	0.00	0.00	0.000	0.00	0.203	0.00	0.00	6.35	0.00
NEW YORK	0.000	0.000	0.00	6.09	0.000	0.00	0.178	0.00	0.00	6.85	0.00
NEW JERSEY	0.000	0.000	0.00	6.65	0.000	0.00	0.161	0.00	0.00	6.93	15.88
PENNSYLVANIA	0.000	0.920	0.00	6.61	0.000	0.00	0.135	0.00	0.00	7.00	0.00
DELAWARE	0.000	0.000	0.00	6.88	0.000	0.00	0.156	0.00	0.00	7.77	0.00
MARYLAND	0.000	1.865	0.00	6.84	0.000	0.00	0.166	0.00	0.00	7.63	12.32
MICHIGAN	0.000	0.000	0.00	6.54	0.000	0.00	0.107	0.00	0.00	6.07	0.00
WISCONSIN	0.000	1.272	0.00	6.45	0.000	0.00	0.180	0.00	0.00	6.17	0.00
MINNESOTA	0.000	0.000	0.00	6.44	0.000	6.87	0.225	0.00	0.00	5.70	0.00
OHIO	0.000	1.872	0.00	6.76	0.000	0.00	0.205	0.00	0.00	6.49	0.00
INDIANA	0.000	1.964	0.00	6.66	0.000	0.00	0.165	0.00	0.00	6.66	0.00
ILLINOIS	0.000	0.000	0.00	6.79	0.000	0.00	0.165	0.00	0.00	5.16	0.00
IOWA	0.000	0.000	0.00	6.57	0.000	0.00	0.184	0.00	0.00	6.10	0.00
MISSOURI	0.642	1.936	104.68	6.63	0.000	0.00	0.174	0.00	0.00	0.00	0.00
NORTH DAKOTA	0.000	0.000	0.00	6.26	0.000	6.77	0.000	0.00	0.00	5.07	0.00
SOUTH DAKOTA	0.000	0.000	0.00	6.33	0.000	6.99	0.000	0.00	0.00	3.82	0.00
NEBRASKA	0.000	0.000	0.00	6.40	0.000	0.00	0.000	0.00	0.00	6.25	0.00
KANSAS	0.000	0.000	0.00	6.48	0.000	0.00	0.135	0.00	0.00	0.00	0.00
VIRGINIA	0.687	1.815	101.10	6.79	0.285	0.00	0.150	0.00	0.00	8.23	11.32
WEST VIRGINIA	0.000	1.934	0.00	0.00	0.000	0.00	0.142	0.00	0.00	0.00	0.00
NORTH CAROLINA	0.676	1.826	102.36	6.79	0.284	0.00	0.101	0.00	0.00	6.72	11.03
KENTUCKY	0.000	1.945	0.00	6.90	0.000	0.00	0.169	0.00	0.00	0.00	0.00
TENNESSEE	0.636	1.901	108.67	6.74	0.000	0.00	0.191	0.00	0.00	9.10	13.59
SOUTH CAROLINA	0.664	1.782	108.29	6.85	0.287	0.00	0.140	0.00	0.00	0.00	14.93
GEORGIA	0.630	1.785	115.43	6.64	0.273	0.00	0.155	0.00	0.00	0.00	12.13
FLORIDA	0.660	1.818	104.43	6.77	0.272	0.00	0.000	6.87	4.52	9.52	0.00
ALABAMA	0.651	0.000	106.95	6.59	0.270	0.00	0.000	0.00	0.00	9.64	13.59
MISSISSIPPI	0.655	0.000	111.04	6.79	0.232	0.00	0.000	0.00	0.00	0.00	10.89
ARKANSAS	0.647	0.000	110.51	6.87	0.000	0.00	0.114	0.00	0.00	0.00	12.91
LOUISIANA	0.639	0.000	104.66	6.91	0.000	0.00	0.000	0.00	0.00	12.05	6.76
OKLAHOMA	0.549	0.000	111.52	6.33	0.270	0.00	0.000	0.00	0.00	0.00	0.00
TEXAS	0.561	0.000	115.72	6.40	0.320	4.77	0.000	5.25	3.40	10.58	18.93
MONTANA	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	8.32	0.00
IDAHO	0.000	0.000	0.00	0.00	0.000	0.00	0.150	0.00	0.00	4.97	0.00
WYOMING	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	6.06	0.00
COLORADO	0.000	0.000	0.00	0.00	0.000	0.00	0.177	0.00	0.00	5.26	0.00
NEW MEXICO	0.706	0.000	118.40	0.00	0.312	0.00	0.146	0.00	0.00	6.26	0.00
ARIZONA	0.654	0.000	113.40	0.00	0.000	0.00	0.000	5.38	3.37	6.84	0.00
UTAH	0.000	0.000	0.00	0.00	0.000	0.00	0.141	0.00	0.00	4.87	0.00
NEVADA	0.727	0.000	127.27	0.00	0.000	0.00	0.000	0.00	0.00	4.44	0.00
WASHINGTON	0.000	0.000	0.00	0.00	0.000	0.00	0.125	0.00	0.00	4.10	0.00
OREGON	0.000	0.000	0.00	0.00	0.000	0.00	0.117	0.00	0.00	4.44	0.00
CALIFORNIA	0.695	0.000	130.25	0.00	0.000	0.00	0.114	6.80	4.19	9.88	15.53
ALASKA	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	0.00	0.00
HAWAII	0.000	0.000	0.00	0.00	0.000	0.00	0.000	0.00	0.00	0.00	0.00

3/ PRICES BASED ON A 480 POUND NET WEIGHT BALE.
4/ BOTH FRESH AND PROCESSED SALE PRICES (EQUIVALENT PACKINGHOUSE-DOORRETURNS FOR WASHINGTON AND OREGON, EQUIVALENT FIRST DELIVERY POINT FOR CALIFORNIA AND "AS SOLD" FOR OTHER STATES).
5/ EQUIVALENT PACKINGHOUSE-DOOR RETURNS PER BOX FOR ALL USES.

--CONTINUED

TABLE 3: STATES: CURRENT NORMALIZED PRICES FOR PRINCIPAL COMMODITIES , CONTINUED

STATE	COMMODITIES									
	STEERS AND HEIFERS	CALVES	SHEEP	LAMBS	HOGS	MILK 6/	COMMERCIAL BROILERS	TURKEYS	EGGS	WOOL
	CWT.	CWT.	CWT.	CWT.	CWT.	CWT.	POUND	POUND	DOZ.	POUND
MAINE	61.38	66.34	44.54	90.56	51.15	15.99	0.304	0.000	0.868	0.935
NEW HAMPSHIRE	58.31	65.88	44.20	96.39	51.15	15.69	0.000	0.889	0.907	1.027
VERMONT	63.25	68.08	42.63	85.75	51.15	15.40	0.000	0.000	1.032	0.954
MASSACHUSETTS	59.83	71.34	49.60	101.29	51.15	15.77	0.000	0.845	0.925	0.989
RHODE ISLAND	58.65	71.67	0.00	0.00	51.15	15.73	0.000	0.000	0.906	0.000
CONNECTICUT	58.65	71.99	48.10	103.28	51.15	15.66	0.000	0.793	0.972	0.825
NEW YORK	59.64	75.61	25.58	67.23	52.05	14.92	0.000	0.426	0.615	0.872
NEW JERSEY	66.72	92.43	35.56	53.43	50.73	15.25	0.000	0.806	0.715	0.763
PENNSYLVANIA	69.64	93.03	26.33	70.57	54.01	15.40	0.325	0.499	0.639	0.770
DELAWARE	70.94	88.34	0.00	0.00	53.75	15.40	0.337	0.428	0.849	0.000
MARYLAND	70.94	88.34	24.31	62.65	53.75	15.44	0.339	0.428	0.847	0.801
MICHIGAN	67.12	76.02	25.58	62.54	51.74	14.96	0.342	0.458	0.579	0.754
WISCONSIN	68.41	113.08	18.13	63.29	50.65	14.47	0.317	0.411	0.540	0.743
MINNESOTA	67.03	76.80	18.78	63.01	51.51	14.17	0.330	0.418	0.554	0.770
OHIO	67.97	67.57	26.35	62.49	52.23	14.92	0.300	0.440	0.597	0.750
INDIANA	70.74	70.32	23.87	57.37	51.95	14.88	0.308	0.473	0.634	0.691
ILLINOIS	72.13	70.55	23.65	58.94	51.89	14.81	0.000	0.461	0.647	0.685
IOWA	73.46	75.25	27.84	62.31	51.22	14.40	0.441	0.415	0.556	0.742
MISSOURI	69.83	73.41	27.16	59.90	50.91	14.48	0.319	0.415	0.597	0.736
NORTH DAKOTA	72.64	75.01	21.27	58.38	47.62	13.59	0.000	0.443	0.424	0.909
SOUTH DAKOTA	75.03	80.46	27.00	63.20	51.01	14.11	0.000	0.419	0.415	1.016
NEBRASKA	74.14	78.31	26.63	63.53	51.46	14.52	0.494	0.429	0.485	0.788
KANSAS	73.45	76.30	26.21	65.37	50.20	15.14	0.000	0.389	0.551	0.836
VIRGINIA	65.58	68.28	20.85	62.89	52.09	15.21	0.302	0.426	0.835	0.848
WEST VIRGINIA	61.43	77.27	21.44	62.18	51.94	14.88	0.348	0.426	0.804	0.810
NORTH CAROLINA	62.61	65.29	24.72	59.73	51.38	16.10	0.291	0.433	0.760	0.793
KENTUCKY	66.52	68.90	19.52	64.12	52.24	14.70	0.300	0.000	0.623	0.687
TENNESSEE	66.13	67.73	20.93	65.21	51.15	15.03	0.293	0.000	0.706	0.770
SOUTH CAROLINA	63.97	67.57	0.00	0.00	49.64	16.72	0.300	0.419	0.655	0.000
GEORGIA	64.46	65.82	0.00	0.00	50.09	15.88	0.299	0.444	0.780	0.000
FLORIDA	70.37	73.57	0.00	0.00	50.46	18.05	0.300	0.000	0.561	0.000
ALABAMA	67.42	68.06	0.00	0.00	50.79	16.11	0.295	0.000	0.803	0.000
MISSISSIPPI	68.67	72.36	0.00	0.00	52.69	15.62	0.325	0.000	0.794	0.000
ARKANSAS	68.23	71.25	0.00	0.00	50.34	15.62	0.318	0.418	0.712	0.000
LOUISIANA	67.70	70.37	28.34	63.54	50.97	16.10	0.321	0.000	0.791	0.750
OKLAHOMA	73.16	73.19	19.14	64.47	50.07	15.62	0.319	0.418	0.779	0.796
TEXAS	74.87	72.99	26.48	65.23	48.70	15.95	0.337	0.422	0.778	1.220
MONTANA	72.16	74.49	19.38	57.70	48.25	14.52	0.000	0.000	0.661	1.138
IDAHO	72.21	72.97	18.06	62.19	48.19	13.89	0.000	0.000	0.609	0.984
WYOMING	74.48	79.72	21.49	59.64	51.17	14.41	0.000	0.000	0.641	1.146
COLORADO	74.53	79.25	20.85	64.91	52.19	16.10	0.000	0.414	0.666	0.994
NEW MEXICO	71.45	77.42	24.54	59.42	51.13	16.46	0.000	0.000	0.711	1.163
ARIZONA	75.75	74.75	22.01	64.61	55.42	15.25	0.000	0.000	0.565	0.854
UTAH	69.73	74.05	19.59	60.15	48.50	14.19	0.000	0.505	0.579	1.013
NEVADA	69.66	73.08	18.81	57.84	43.94	14.52	0.000	0.000	0.596	1.019
WASHINGTON	74.52	69.82	13.63	62.38	53.94	14.55	0.373	0.000	0.611	0.899
OREGON	67.21	68.86	16.49	61.54	51.20	15.03	0.392	0.472	0.637	0.861
CALIFORNIA	73.72	69.91	20.10	64.17	56.23	14.56	0.377	0.448	0.605	1.028
ALASKA	83.70	72.35	38.84	67.11	90.26	21.35	0.000	0.000	1.361	0.832
HAWAII	65.25	64.58	0.00	0.00	83.94	21.80	0.552	0.000	0.925	0.000

6/ SOLD TO PLANTS AND DEALERS.