



# **agricultural prices**

**AUGUST SUPPLEMENT 1**

**Relative Importance and Item Coverage  
for Index of Prices Paid, Interest,  
Taxes and Wage Rates**

**Parity Ratios 1968-74**

**Index of Prices Paid by Farmers for  
Production Items, Including Interest, Taxes,  
and Wage Rates 1968-74**

**Pr 1 (8-74)**

**August 1974**

**CROP REPORTING BOARD**

**STATISTICAL REPORTING SERVICE • U.S. DEPARTMENT OF AGRICULTURE • WASHINGTON, D.C.**

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THE INDEX OF PRICES PAID BY FARMERS, INCLUDING  
INTEREST, TAXES, AND FARM WAGE RATES 1/

One of the important indicators of changing economic conditions affecting American agriculture is the Index of Prices Paid by Farmers, Including Interest, Taxes, and Farm Wage Rates--commonly known as the Parity Index. This index measures the average change in prices paid for commodities and services commonly bought by farm families.

The Parity Index is made up of five major components. In terms of farm expenditures, the two most important components are *the index of prices paid for commodities used in farm production and the index of prices paid for commodities used in family living*. These two indexes comprise the Index of Prices Paid by Farmers for Goods and Services. The remaining three components of the Parity Index are: (1) Interest charges per acre on mortgage indebtedness secured by farm real estate; (2) Taxes payable per acre on farm real estate; and (3) Wage rates paid to hired farm labor.

The two major indexes within the Parity Index are stratified further into 15 group indexes. The farm production index is divided into 9 group indexes--feed, feeder livestock, motor supplies, motor vehicles, farm machinery, farm supplies, building and fencing materials, fertilizer, and seed. The family living index is divided into 6 group indexes--food and tobacco, clothing, household operations, household furnishings, building materials, autos and auto supplies. Each group represents an important *class of farm expenditures and provides the basis for comparing price changes for the various groups of commodities and services that farmers buy*.

As of June 15, 1974, the farm production component of the Parity Index included 240 different commodity price series; the family living component 242 items--for a total of 482. Prices for 42 items are used in both the family living and production indexes, leaving a net of 440 separate price series, in addition to interest, taxes, and farm wage rates, in the Parity Index.

Source of Data and Method of Computation

Price data used in the computation of the various indexes are collected largely by mail from independent and chain stores in rural areas. Separate commodity price estimates are made for independent and for chain stores as of the 15th of March, June, September, and December. These separate price estimates are weighted together to obtain averages of prices paid by farmers for most family living and farm production items. In other months, prices are estimated only for chain stores which provide the basis for current index computations for the inter-quarterly months.

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<sup>1</sup>/Agricultural Prices and Parity, Volume 1, Major Statistical Series of the U. S. Department of Agriculture, October 1970, Agricultural Handbook No. 365 provides a description of the series, its construction, uses and limitations. "The January 1959 Revisions of the Price Indexes", in the April-July 1959 issue of Agricultural Economics Research, presents a detailed description of the January 1959 revision of the price indexes, the commodity weights, and commodity coverage.

The U. S. commodity prices are computed by weighting State estimates of average prices by the estimated quantities of products purchased by farmers in each State. U. S. average prices are then combined into the group indexes, using as weights the estimated quantities of the individual commodities purchased by farmers based on a 1955 survey of farmers' expenditures. Official data of the Agricultural Research Service and the Agricultural Marketing Service also were at hand to supplement the survey indications.

Group indexes are combined into their respective family living and production indexes, using percentage weights representing the estimated proportion of expenditures of farmers for each commodity group. These also were derived primarily from the 1955 Expenditure Survey. The family living and production indexes are in turn combined into the all-commodity index of prices paid, using weights representing the proportionate expenditures for these two segments. In like manner, the commodity, interest, tax, and wage rate components are weighted, on the basis of relative expenditures, for the Parity Index.

Over the years, there have been substantial changes in the quantity consists of goods and services purchased by farmers which necessitate both periodic revision in the weighting pattern and shifts in the commodity coverage. From 1910 to March 1935, estimated purchases by farmers during 1924-29 were the basis for weights. For the period March 1935 to September 1952, the basis for weights was the estimated purchases by farmers during 1937-41. The latest revision in weights was made effective as of September 1952 and was based on the 1955 Farm Expenditure Survey.

Currently, the indexes are computed first on a 1955 base and then converted to the 1910-14 base by linking them to the 1910-14 index as of September 15, 1952. To facilitate comparisons with other major indexes on a 1967=100 base, the indexes are computed as a percent of the 1967 average by dividing each index on the 1910-14 base by its 1967 average. Conversion factors are published on page 9 of the June 1970 Supplement No. 2 to Agricultural Prices.

#### Use of the Indexes

The Prices Paid Indexes are widely used as measures of changes in prices of commodities and services bought by farmers. The family living component measures the average change in prices paid by farmers for consumer goods on a nationwide basis. Similarly, the production component measures the average change in prices paid by farmers for goods and services used in farm production. The interest, tax, and wage rate components are a measure of average change in the respective rates paid by farmers. The Parity Index--Index of Prices Paid by Farmers, Including Interest, Taxes, and Farm Wage Rates--provides a comprehensive measure of changes in prices and cost rates paid by farmers. It is used in computing Parity prices for agricultural products. The legal basis and methods used in computing Parity prices are described in the July 1974 issue of AGRICULTURAL PRICES, Supplement No. 1, pages 3-10. The Parity Index is defined in Title III, Subtitle A, Section 301 (a) of the Agricultural Adjustment Act of 1938 as amended by the Agricultural Acts of 1948, 1949, 1954 and 1956, as follows: "The 'parity index', as of any date, shall be the ratio of (i) the general level of prices for articles and services that farmers buy, wage paid hired farm labor, interest on farm indebtedness secured by farm real estate, and taxes on farm real estate, for the calendar month ending last before such date to (ii) the general level of such prices, wages, rates, and taxes during the period January 1910 to December 1914, inclusive".

The Parity Ratio (the Index of Prices Received by Farmers for the products they sell divided by the Parity Index 1910-14=100) provides an indication of the per unit purchasing power of farm commodities generally in terms of the goods and services currently bought by farmers, in relation to purchasing power of farm products in the 1910-14 base period. Thus, a Parity Ratio greater than 100 indicated that the average per unit purchasing power of all farm products is higher than in 1910-14.

The Parity Ratio is a measure of price relationships; not a measure of farm income, of farmers' total purchasing power, or of farmers' welfare. The latter depend upon a number of factors other than price relationships, such as changes in production efficiency and technology, quantities of farm products sold, and supplementary income, including that from off-farm jobs and Federal farm programs.

An adjusted parity ratio is computed and published which incorporates and reflects supplementary income from Federal farm programs. A "Preliminary Adjusted Parity Ratio reflecting Government payments" based on the forecast of direct Government payments for the year is published each month in AGRICULTURAL PRICES.

Parity Indexes: Relative importance of component indexes,  
1955 and June 15, 1974 1/

Commodity group	Relative importance	
	1959 Revision	
	1955	June 15,
	2/	1974
	Percent	
Living	39.50	36.58
Food 3/	13.40	13.00
Clothing	6.34	6.69
Household operation	5.77	5.06
Household furnishings	3.99	2.65
Building materials, house	4.37	4.20
Autos and auto supplies	5.63	4.98
Production	50.90	47.40
Feed	12.80	10.76
Feeder livestock	4.60	3.61
Motor supplies	8.39	7.52
Motor vehicles 4/	4.38	4.46
Farm machinery	5.21	6.25
Farm supplies	3.66	2.89
Building & fencing materials	5.20	5.52
Fertilizer and limestone	4.11	3.48
Seed	2.55	2.91
Total commodities	90.40	83.98
Interest	.96	3.34
Taxes	2.04	3.57
Cash wage rates	6.60	9.11
Commodities, interest, taxes, and cash wage rates	100.00	100.00

1/ Data shown indicate the contribution of each component to the determination of the parity indexes reflecting the relative importance of the product of percentage weights times component price indexes. 2/ Same as index weights. 3/ Includes tobacco. 4/ Includes tractors.

Prices Paid, Interest, Taxes, and Wage Rates: Item coverage and relative importance of each commodity and service in the Parity Index, June 15, 1974

Group and commodity	Relative importance 1959	Revision Pct.	Group and commodity	Relative importance 1959	Revision Pct.
Family living	36.58		Family living (con.)		
Food and tobacco	13.00		Fruit	(.81)	
Meat, poultry, and fish	(2.97)		Apples	.10	
Round steak	.48		Bananas	.12	
Hamburger	.35		Oranges	.27	
Chuck roast	.17		Orange juice, canned	.06	
Bologna	.35		Orange juice, frozen	.06	
Frankfurters	.20		Peaches, canned (halves)	.15	
Bacon, sliced	.35		Pineapple, canned (sliced)	.05	
Ham, whole	.22		Sweets	(1.06)	
Pork chops	.13		Gelatin dessert	.06	
Pork sausage	.14		Sugar	.62	
Frying Chicken	.12		Sirup, cane (blended)	.12	
Frozen Haddock	.24		Sirup, maple (blended)	.10	
Salmon, pink	.22		Candy, non-choc. w/o nuts	.16	
Fats	(.61)		Beverages	(.97)	
Lard	.18		Coffee, ground	.38	
Vegetable shortening	.09		Coffee, instant	.06	
Margarine	.11		Tea, Orange Pekoe	.08	
Peanut butter	.09		Cola drinks	.30	
Salad dressing	.14		Beer	.15	
Dairy products and eggs	(1.61)		Tobacco	(.81)	
Milk, fluid, whole	.47		Smoking tobacco	.19	
Milk, evaporated	.14		Cigarettes, pkg.	.10	
Butter	.24		Cigarettes, carton	.52	
Cheese, American, natural cheddar	.13		Clothing	6.69	
Cheese, American, processed	.18		Men's clothing	(2.80)	
Cottage cheese, creamed	.07		Overalls	.39	
Ice cream	.29		Shirts, work	.18	
Eggs	.09		Suits, work	.06	
Cereal and bakery products	(2.46)		Socks, work	.18	
Flour	.62		Gloves, fabric	.22	
Baking powder	.14		Undershirts, T-style	.10	
Cake, plain	.28		Shorts	.10	
Cake mix	.09		Thermal shirts, knit L. sl.	.04	
Soda crackers	.20		Thermal drawers, knit	.04	
Bread, white	.73		Slacks, casual	.08	
Cornmeal	.14		Shirts, dur. press, dress	.11	
Cornflakes	.17		Jackets, chore, lined	.16	
Rolled oats	.09		Suits, winter weight	.20	
Vegetables	(1.70)		Slacks, dress, blends	.08	
Corn, canned	.13		Winter topcoats	.06	
Peas, canned	.09		Hats, felt	.10	
Beans, Navy (Pea)	.23		Suits, light weight	.06	
Potatoes, white	.68		Coats, sport, blends or poly.	.05	
Cabbage	.18		Shirts, sport, l. sl.	.09	
Lettuce	.18		Shoes, work	.23	
Tomatoes, fresh	.10		Boots, rubber, knee length	.05	
Catsup	.10		Shoes, dress	.19	
Frozen Peas	.01		Overshoes, art. w/buck.	.02	
			Overshoes, rub. w/o buck.	.01	

Continued

Prices Paid, Interest, Taxes, and Wage Rates: Item coverage and relative importance of each commodity and service in the Parity Index, June 15, 1974 Continued

Group and commodity	Relative importance 1959	Revisions Pct.	Group and commodity	Relative importance 1959	Revisions Pct.
Family living (con.)			Family living (con.)		
Clothing (con.)			Household operation (con.)		
Boy's clothing	(.63)		Services	(2.07)	
Jeans, denim	.28		Electricity	.61	
Suits (6-12)	.10		Telephone	.37	
Sweaters, pullover	.03		Newspapers	.31	
Jackets, lined, lightweight	.04		Magazines	.09	
Shoes, sizes 2½-6	.18		College tuition	.50	
Women's clothing	(2.24)		Postage, 1st class	.16	
Dresses, budget prices	.26		Parcel post	.03	
Dresses, casual or daytime	.31		Household supplies	(.96)	
Dresses, better	.05		Cleaning tissues	.07	
Girdles, panty style	.09		Toilet soap	.60	
Nightgowns	.18		Toilet paper	.13	
Hose	.08		Insect spray	.04	
Car coats	.14		Floor wax	.06	
Coats, heavy, w/fur trim	.02		Scouring Powder	.06	
Coats, heavy, without fur trim	.11		Laundry items	(.36)	
Suits, 2-piece wool blends, or polyester	.05		Starch, laundry, Aerosol spray	.09	
Blouses, poly. & cot. blends	.09		Detergents, laundry	.17	
Skirts, poly. or wool blends	.04		Lawn mowers	.10	
Sweaters, man-made fiber	.17		Household furnishings	2.65	
Panties or briefs, chiefly man-made fibers	.08		Electrical appliances	(1.07)	
Slips	.08		Floor lamps, medium quality	.13	
Shoes	.19		Radios, table model, A.M. w/ clock	.03	
Shoes, pumps or straps	.16		Radios, portable, 8-10 trans	.03	
Shoes, casuals	.08		TV, portable, 19 inch B & W	.14	
Handbags	.06		TV, portable, 19 inch col.	.02	
Girl's clothing	(.56)		TV, console, 25 inch color	.15	
Dresses, cotton or blends, 7-14	.29		Refrigerators	(.06)	
Coats, heavy	.07		14 cu. ft.	.03	
Shoes, sizes 12½-3	.15		16 cu. ft.	.02	
Anklelets	.05		18 cu. ft.	.01	
Yard goods	(.46)		Home freezers, upright	(.06)	
Gingham, cotton 44-45" width	.46		16 cu. ft.	.03	
Household operation	5.06		18 cu. ft.	.02	
Fuel	(1.67)		20 cu. ft.	.01	
Coal, soft, prepared sizes	.24		Home freezers, chest	(.06)	
Coal, soft, run of mine	.10		16 cu. ft.	.02	
Coal, hard, chestnut	.06		20 cu. ft.	.01	
Furnace or fuel oil	.70		22 cu. ft.	.03	
Kerosene	.15		Washing machines, automatic	.11	
Gasoline, filling station	.42		Clothes dryers, Electric	.04	
			Sewing machines, portable	.04	
			Vacuum cleaners, canister	.03	
			Irons, comb. spray/steam	.05	

Continued

Prices Paid, Interest, Taxes and Wage Rates: Item coverage and relative importance  
of each commodity and service in the Parity Index, June 15, 1974 Continued

Group and commodity	Relative importance 1959	Revision Pct.	Group and commodity	Relative importance 1959	Revision Pct.
Family living (con.)			Family living (con.)		
Household furnishings (con.)			Building materials (con.)		
Electric appliances (con.)			Lumber (con.)		
Stoves, 4 surface units w/oven	.10		Drop siding, Fir, C "Select" and better	.03	
Toasters, pop-up	.02		Bevel siding, Cedar, clear	.06	
Household equipment	(.33)		Flooring, 1" x 4"	(.21)	
Stoves, gas, 4 Top heat, units	.12		Yellow pine, FG, B & better	.03	
Kitchen cabinets, wall	.04		Oak, select	.09	
Dinner plates earthenware	.07		Oak, No. 1	.09	
Brooms, house	.04		Roofing and siding	(.44)	
Fruit jars	.06		Composition roofing, MS, roll	.06	
Bedding and furniture	(.71)		Galvanized steel, 28-29 gauge	.06	
Mattress & box sp.-Full size	.12		Shingles, wood, 16" cedar	.06	
Bedroom sets	.14		Shingles, asphalt, MS	.22	
Living-room sets	.19		Shingles, asbestos siding	.04	
Dining-room sets	.10		Insulating board	(.25)	
Sofa beds 72 inch	.03		Gypsum board, 3/8"	.08	
Lounge chairs, upholstered	.04		Insulating sheathing, std. 1/2"	.11	
Swivel rockers, upholstered	.04		Plywood, interior, 1/4"	.06	
Dinette sets	.05		Millwork	(.53)	
Carpets	(.09)		Doors, flush, hollow-core	.13	
Nylon	.04		Windows, house, D.N. unit	.24	
Wool	.03		Kitchen cabinets, wall	.16	
Acrylic	.02		Masonry	(.41)	
Linoleum, felt base	.08		Brick, common	.10	
Household textiles	(.37)		Brick, face	.04	
Sheets, 72" x 108", percale	.04		Blocks, concrete	.10	
Sheets, 81" x 108", percale	.04		Portland, cement	.17	
Blankets, 80" x 90" synth. fib.:	.05		Paint	(.32)	
Blankets, cotton, single	.05		House paint, exterior	.17	
Bath towels, 22x44	.07		Wallpaint, interior, rub. base	.15	
Table cloths, cot. & cot. blend:	.02		Plumbing	(.35)	
Curtains, kitchen	.10		Iron pipe, galvanized 1 1/4"	.08	
Building materials, house	4.20		Iron pipe, galvanized 1/2"	.04	
Lumber	(1.66)		Kitchen sink, sgl. w/o fixtures:	.09	
Framing, 2" x 4"	(.68)		Bath tub, 5' enamel, cast iron	.06	
Pine, standard and better	.16		Toilet, water, china	.03	
Pine, utility	.05		Mixing faucet, sink, chrome plated	.05	
Fir, standard and better	.39		Nails, 8d, common	.12	
Fir, utility	.08		Screen wire, 16 Mesh 30"	.02	
Boards, 1" random width	(.43)		Cable, electric, indoor, 2-wire, non-metal sheathed	.10	
Rough, No. 2 and better 1/	.14				
Rough, under No. 2 2/	.07				
Dressed, No. 2 and better 1/	.18				
Dressed, under No. 2 2/	.04				
T&G roofers, No. 2 & better	.05				
Shiplap, pine	(.20)				
No. 2 and better 1/	.13				
Under No. 2 2/	.07				

Continued



Prices Paid, Interest, Taxes, and Wage Rates: Item coverage and relative importance of each commodity and service in the Parity Index, June 15, 1974 Continued

Group and commodity	Relative importance 1959	revision	Group and commodity	Relative importance 1959	revision
	Pct.			Pct.	
Family living (con.)			Farm production (con.)		
Autos and auto supplies	4.98		Feeder livestock	3.61	
Autos	(2.42)		Feeder and stockers	(3.02)	
New-Intermediate size	.25		Cattle and calves	2.85	
New-Low price, standard size	.64		Lambs	.17	
New-Medium price, standard size	.38		Pigs	.04	
Used	.82		Dairy cattle	.07	
Trucks, new 3/4 ton pickup	.21		Baby chicks	.40	
Trucks, used 1/2 ton pickup	.12		Turkey poults	.08	
Supplies	(1.95)		Motor supplies	7.52	
Gasoline, filling station	1.55		Gasoline, reg., filling station	1.53	
Motor oil	(.11)		Gasoline, reg., bulk delivery	3.55	
Regular, non-detergent	.04		Diesel fuel	.53	
Heavy duty, detergent	.04		Motor oil	(.35)	
All weather, high detergent	.03		Regular, non-detergent	.13	
Auto tires, tubeless, 4 ply, 7.75-15	(.22)		Heavy duty, detergent	.12	
Conventional Construction	.11		All weather, high detergent	.10	
Bias Belted	.11		Grease, 35 lb. pail	.11	
Storage batteries, 54 plate	.05		Tires	(.40)	
Antifreeze, permanent	.02		Auto, tubeless, F-78-15, 4 ply		
Services	(.61)		Conventional Construction	.07	
Lubrication	.09		Bias-belted	.07	
Motor tune-up	.52		Truck, 6 ply, 7.00-15	.06	
Farm Production	47.40		Truck, 10 ply, 7.50x20	.07	
Feed	10.76		Tractor, rear, 13.6x28	.13	
Hay, alfalfa	.73		Batteries, 45 plate, 6 volt	.04	
Hay, other	.47		Batteries, 54 plate, 12 volt	.07	
Corn, shelled	1.54		Spark plugs	.04	
Oats	.52		Antifreeze, permanent	.04	
Barley	.14		Services	(.86)	
Grain sorghum	.12		Motor tune-up	.74	
Cottonseed meal, 41% protein	.40		Lubrication	.12	
Soybean meal, 44% protein	.13		Motor vehicles 3/	4.46	
Bran	.11		New automobiles	(.73)	
Middlings	.11		Intermediate size	.14	
Cornmeal	.10		Low price, standard size	.37	
Turkey grower, complete	.20		Medium price, standard size	.22	
Laying feed, complete	1.72		Used automobiles	.47	
Chick starter, complete	.31		New trucks, 3/4 ton, pickup	.52	
Broiler grower, complete	1.09		New trucks, 2 ton, cab		
Mixed dairy feed	(1.46)		and chassis	.17	
14% protein	.18		Used trucks, 1/2 ton, pickup	.27	
16% protein	.62		Used trucks, 1 1/2-2 ton	.12	
18% protein	.19		Tractors	(2.18)	
20% protein	.23		Wheel, 30-39 belt h.p.	.33	
32% protein	.12		Wheel, 50-59 belt h.p.	.35	
Over 40% protein	.12		Wheel, 70-79 belt h.p.	.31	
Mixed hog feed			Wheel, 90-99 belt h.p.	1.06	
14-18% protein	.60		Crawler, 20-34.9 drawbar h.p.	.05	
Over 29% protein	.50		Crawler, 35-49.9 drawbar h.p.	.08	
Beef cattle concentrate, 30% protein and over	.42		Farm machinery	6.25	
Stock salt	.09		Plows, moldboard, 2 bottom	.19	
			Plows, moldboard, 3 bottom	.12	
			Disk plows, 3 disk	.05	
			One-way disk tillers, 12 ft.	.04	

Continued

Prices Paid, Interest, Taxes, and Wage Rates: Item coverage and relative importance of each commodity and service in the Parity Index, June 15, 1974 Continued

Group and commodity	Relative importance 1959	revision	Group and commodity	Relative importance 1959	revision
	Pct.			Pct.	
Farm production (con.)			Farm production (con.)		
Farm machinery (con.)			Farm Supplies (con.)		
Disk harrows	(.38)		Kerosene	.33	
Tandem, 10 ft., trans., wheels	.22		Range or furnace oil	.07	
Tandem, 13 ft., trans., wheels	.08		Soft coal	.03	
Tandem, 16 ft., trans., wheels	.08		Lead arsenate	.01	
Spiketooth harrows, per section	.15		Methyl Parathion	.01	
Springtooth harrows, 2 section	.07		2, 4D, 4 lbs./gal.	.01	
Cultivators, 2 row, tractor	.11		Aldrin, 4 lbs./gal.	.12	
Cultivators, 4 row, tractor	.05		Atrazine, 80% wet. powder	.06	
Manure spreaders	(.16)		Parathion, 4 lbs./gal.	.02	
90-140 bu., P.T.O.	.12		Carbaryl, 80% wet. powder	.10	
140-190 bu., P.T.O.	.04		Toxaphene, 6 lbs./gal.	.08	
Tractor manure loaders	.15		Zineb, 75% wet. powder 4/		
Planters, corn, 2 row, fert.	.18		Malathion 5 lbs./gal. 4/		
Planters, corn, 4 row, plain	.08		2, 4, 5-T, 4 lbs./gal. 4/		
Grain drills, fert., 13 tube	.11		New potato sacks, burlap, 100 lbs.	.08	
Grain drills, plain, 16 tube	.11		New bags, open mesh, 50 lb.	.01	
Fertilizer spreader, 10 ft. plain	.06		New baskets, rnd. stave, bu.	.15	
Mowers, tr. drawn or mtd., 6 ft.	.12		New hampers, 1 bu., w/cover	.11	
Mowers, tr. drawn or mtd., 7 ft.	.16		Fruit cartons & boxes	.02	
Hay rakes, PTO operated	.10		Lug boxes	.02	
Hay rakes, traction operated	.07		Vegetable crate and cartons	.03	
Pick-up balers, PTO operated	.49		Hoes, 7 in. blade	.03	
Combines, self propelled	(1.59)		Pitchforks, 3 tine	.03	
Small capacity	.26		Pitchforks, 4 tine	.02	
Medium capacity	.97		Hand sprayer, pres., 3-4 gal.	.02	
Large capacity	.36		Nail hammers	.05	
Forage harvesters, PTO	(.28)		Axes, with handles	.02	
Shear bar type, pick-up attach.	.15		Barbed wire, 4 pt., galvan		
Flail type	.13		12 1/2 gage	.13	
Corn picker-huskers, 1 row	.16		Binder twine	.05	
Corn picker-huskers, 2 row	.23		Baler twine, per lb.	.22	
Cotton picker, self-prop. 2 row	.06		Rope, manila	.03	
Single milker units	.12		Cheesecloth, 36" width	.05	
Milk coolers	(.14)		Electric motors, 1/3 h.p.	.03	
Bulk, exp. type 300-400 cap.	.14		Brooders, gas burning 450-550		
Hammer mills, stationary	.06		Chick capacity	.02	
Power sprayers, tr. mtd.	.20		Electric water heater	.01	
Farm wagons, without box	.19		Chain saws, gasoline, 20"	.05	
Wagon boxes, 100-125 bu.	.05		Electric drill, 1/4 in.	.01	
Farm elevators, w/o power unit	(.16)		Movable hog feeder	.05	
Portable, 34 ft.	.10		Movable poultry feeder	.05	
Portable, 40 ft.	.06		Milk pails, heavy tin, 12 qt.	.10	
Electric motors, 1/3 h.p.	.03				
Gas engine, 3 h.p.	.03		Telephone, local service	.20	
Farm supplies	<u>2.89</u>		Electricity	.27	
Gasoline, filling station	.05		Farm magazine, annual	.07	
			1st class letter mail	.07	

Continued

Prices Paid, Interest, Taxes, and Wage Rates: Item coverage and relative importance of each commodity and service in the Parity Index, June 15, 1974 Continued

Group and Commodity	Relative importance 1959	revision	Pct.	Group and commodity	Relative importance 1959	revision	Pct.
Farm production (con.)				Farm production (con.)			
Building and Fencing Materials	5.52			Fertilizer (con.)			
Framing lumber, 2x4's	(.38)			10-10-10			.16
Pine, standard and better	.13			10-20-10			.13
Fir, standard and better	.20			10-20-20			.03
Fir, utility	.05			10-34-0			.05
Rough boards, No. 2 and better 1/	.33			12-12-12			.23
Rough boards, under No. 2 2/	.19			13-13-13			.02
Dressed boards, No. 2 and better 1/	.28			15-15-15			.05
Dressed boards, under No. 2 2/	.23			18-46-0			.33
Drop siding, pine, C and better	.05			Sodium nitrate			.13
Drop siding, fir, "C Select" and better	.05			Sulfate of ammonia			.08
Flooring, yellow pine FG, B and better	.08			Ammonium nitrate, 33.5%			.24
Shingles, wood, 16"	.10			Ammonium nitrate-limestone mixture			.06
Shingles, asphalt	.18			Anhydrous ammonia			.13
Roofing, composition, MS.	.13			Ammonium phosphate			.07
Roofing, galvanized, 28-29 gage	.56			Superphosphate			(.15)
Insulating sheathing, 1/2"	.05			Ordinary, 20 percent P <sub>2</sub> O <sub>5</sub>			.10
Paint, exterior, house	.21			Concentrated, 46% P <sub>2</sub> O <sub>5</sub>			.05
Paint, interior, wall	.05			Phosphate rock			.05
Cement, Portland	.30			Muriate of potash, 60%			.05
Concrete blocks	.16			Gypsum (land plaster)			.03
Drainage tile, clay	.15			Limestone, agricultural, spread on field			.26
Drainage tile, concrete	.05			Seed			2.91
Nails, 8d	.30			Potatoes			.21
Iron pipe, 1 1/4 in.	.11			Soybeans			.21
Water pump, deep well jet	.15			Corn, hybrid			.57
Barbed wire, 2 pt.	.17			Grain, sorghum, open pollinated			.05
Barbed wire, 4 pt.	.24			Rice			.04
Field and stock fence, 32"	.42			Oats			.25
Post, fence, steel	.15			Barley			.02
Post, fence, wood	.29			Wheat			.33
Boards, rough, No. 2 and better 1/	.10			Rye			.02
Boards, rough, under No. 2 2/	.06			Cottonseed			.15
Fertilizer	3.48			Flax			.04
0-20-20	.06			Alfalfa, common			.06
3-9-9	.09			Alfalfa, certified			.35
3-9-18	.04			Clover, red			.11
4-8-12	.04			Clover, sweet			.02
4-12-12	.05			Clover, Alsike			.02
5-10-10	.10			Clover, Ladino			.02
5-10-15	.11			Peanuts			.05
5-20-20	.06			Lespedeza, Korean			.14
6-12-12	.10			Timothy			.04
6-24-24	.23			Bluegrass, Kentucky			.02
7-21-7	.09			Ryegrass, common			.05
8-8-8	.04			Sudangrass			.02
8-24-24	.04			Fescue, Tall			.03
8-32-16	.07			Vetch, hairy			.02
				Taxes			3.57
				Interest			3.34
				Wage Rates			9.11
				Total			100.00

1/ Includes standard and better. 2/ Includes utility and economy. 3/ Includes tractors. 4/ Less than .005.

Parity Ratio: United States, by months, 1968-74 1/  
(1910-14=100)

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15
1968	73	74	74	73	73	73	74	74	75	73	73	73
1969	72	72	73	72	74	75	75	74	73	73	75	75
1970	75	75	75	72	72	72	73	71	71	70	68	67
1971	68	71	71	70	70	69	69	69	68	69	70	71
1972	73	74	72	71	73	73	75	75	75	75	75	78
1973	80	82	85	83	85	87	88	102	95	91	89	90
1974	94	94	90	83	79	74	77					

1/ Ratio of the Index of Prices Received by farmers to the Index of Prices Paid, Interest, Taxes, and wage rates.

Adjusted Parity Ratio, by months, 1968-74  
(1910-14=100)

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15
1968	79	79	79	79	79	79	79	80	81	78	78	78
1969	78	78	79	78	80	81	81	80	79	79	81	81
1970	81	81	81	78	77	77	79	76	77	75	73	72
1971	72	75	75	74	74	74	73	73	72	73	74	75
1972	78	79	77	76	78	78	80	80	80	80	80	83
1973	83	84	88	86	88	90	91	105	97	94	92	92
1974	94	94	90	83	79	74	78					

1/ Preliminary.

Index numbers of prices paid by farmers for production  
items, including Interest, Taxes and Wage rates, U. S. by months, 1968-74  
(1910-14=100)

Year	Jan. 15	Feb. 15	Mar. 15	Apr. 15	May 15	June 15	July 15	Aug. 15	Sept. 15	Oct. 15	Nov. 15	Dec. 15
1968	363	364	366	369	370	370	371	369	370	373	374	376
1969	380	383	386	391	393	395	391	390	390	392	394	394
1970	401	403	404	407	406	408	406	406	411	413	414	415
1971	420	423	425	430	430	433	431	431	432	433	435	435
1972	441	443	444	450	451	455	455	455	460	466	469	476
1973	491	497	507	514	524	542	539	562	554	554	554	563
1974	580	582	585	603	602	606	613					
(1967=100)												
1968	102	102	103	104	104	104	104	104	104	105	105	106
1969	107	108	108	110	110	111	110	110	110	110	111	111
1970	113	113	113	114	114	115	114	114	115	116	116	117
1971	118	119	119	121	121	122	121	121	121	122	122	122
1972	124	124	125	126	127	128	128	128	129	131	132	134
1973	138	140	142	144	147	152	151	158	156	156	156	158
1974	165	163	164	169	169	170	172					

1/ Preliminary.