

ribusiness firms and farms tied to other crops regarding their future in a world of increasing corn acres.ĈSecond, the impact on production expenses by the differential change in acres between the two periods of farm prosperity can be assessed in a simple manner. Deflated cash farm expenses excluding interest as well as purchased feed, livestock, and poultry can be divided by the number of acres planted to principal crops. Between 1972 and 1978 this per acre measure of deflated cash farm expenses increased by 20%. Between 2005 and 2011 the increase was 30%. This comparison implies that, once the different path of acres is taken into account, it is likely that crop expenses per acre have increased more during the current period of farm prosperity than during the 1970 period of farm prosperity.ĈComparison of Expenses by InputĈFigure 3 presents the change in deflated expenses for purchased seed, fertilizer and lime, pesticides, fuel and oil, property taxes, and net rent. Property taxes, fertilizer and lime, and net rent had all increased more during the current period of farm prosperity. The rate of increase during the two periods of prosperity was relatively similar for purchased seed and fuel and oil. On the other hand, spending on pesticides increased more during the 1970s