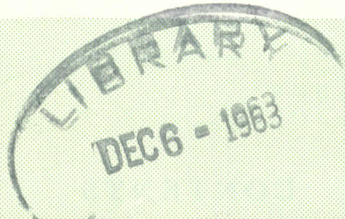
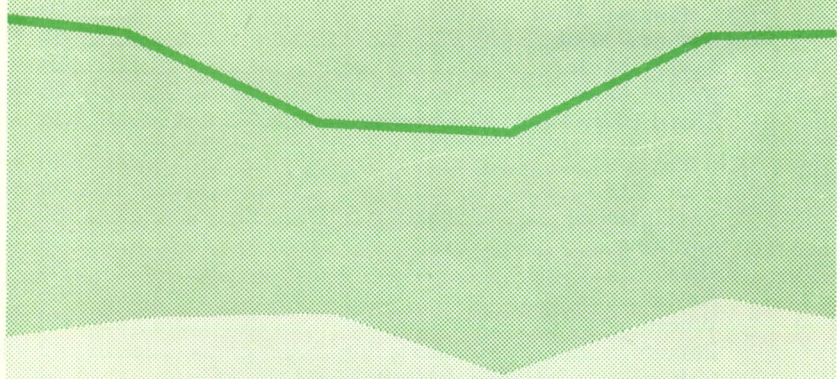


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SEASONAL VARIATIONS in Prices of Selected Farm Commodities



BULLETIN 350
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AGRICULTURAL EXPERIMENT STATION
AUBURN UNIVERSITY

E. V. Smith, Director

Auburn, Alabama



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SEASONAL VARIATIONS in Prices of Selected Farm Commodities*

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FARMING is a seasonal venture. Most products are produced, stored, and sold seasonally. The resulting prices also vary seasonally. Some products have a seasonal demand. Because of this variation in demand and in production, there is also seasonal variation in prices and market movements.

Price changes constitute one of the elements contributing to the risk of farming. Farm prices have four important movements: long-run trend, seasonal variation, cyclical movements, and irregular fluctuations. Since a farmer can adjust his operation in some degree to take advantage of seasonal variation, primarily this price movement is considered. However, other price movements are important in planning and are not to be overlooked.

Prices received by farmers fluctuate between wide extremes. Prices of raw agricultural products rise and fall more, faster, and sooner than prices received for processed goods and services. The same is true of farm prices as compared with wholesale and retail prices of farm-derived products. As a result, the farmer experiences difficulty in planning production to cope with price changes.

Low or high prices paid and received by farmers greatly influence returns to farming. The level of prices received as related to the level of prices paid determines financial success or failure of a farm operation. The importance of price changes increases

* Analytical procedures and methods of presentation used in this report are similar to those used by Morris White and J. H. Yeager in Auburn University Agricultural Experiment Station Bulletin 295, published June, 1955.

as cash expenditures for items of production comprise a greater proportion of total costs.

Commodity prices used in making decisions about changing enterprises or making shifts within existing enterprises are those prices that may be expected to prevail at the time commodities will be sold. A knowledge of factors that affect prices is needed to forecast price changes. Therefore, individuals must keep currently informed on volumes of commodities being produced and marketed, and general supply-demand conditions.

Government price-support and storage programs have been important factors in reducing wide seasonal changes in the prices of certain storable commodities. Under these programs purchases and loans are made at harvest time when greatest quantities are available for sale by producers. Amounts placed in storage at that time may be released later when marketings by producers slacken. If the competitive market price is below the support price, these programs result in a relatively higher price at harvest time and a relatively lower price during the normal non-marketing season than would prevail if the programs were not in effect. Too, government price support programs tend to hold prices up during years of large crops and to hold prices down in years of small crops.

This publication presents recent information about seasonal price variation for major commodities produced and sold by Alabama farmers. Six feeds purchased by farmers are included also.

Bulletin 295 issued by this Station presented information about seasonal price variations during the period 1948-54. Changes in production, seasonal price patterns, and general price level have rendered that information inadequate. Information presented in this publication provides an up-to-date basis for making estimates of price changes.

METHOD OF STUDY

Indexes of seasonal variation of prices for 14 commodities sold and 6 commodities purchased by Alabama farmers were calculated for the 10-year period 1953-62. Mid-month prices received and paid by Alabama farmers, as reported by the Alabama Crop Reporting Service, United States Department of Agriculture, were used in all calculations. The index of seasonal variation was de-

rived by dividing averages for each month of the year during the 10-year period by the overall average for the entire period for each commodity.

Indexes of seasonal price variation are shown by commodities in the charts by the scale on the right side. The index represents the percentage each monthly average price was above or below the average price that prevailed during the 10-year period. Also, the charts show actual average monthly prices. These are represented by heavy lines using the scale on the left side. The shaded area shows the range within which the monthly price and index number can be expected to fall two-thirds of the time.¹ These charts can be useful in estimating the prices that are likely to prevail at selling time.

The price scale and the index scale were made comparable by using a common base of the average yearly price equalling an index of 100.

The lower portion of the charts shows the number of times out of 10 that prices for each commodity increased or decreased from the price of the previous month. When no change in price occurred from the previous month, bars in the chart show less than 10 years. The seasonal price index and number of times out of 10 that prices moved up or down from the previous month point out periods in which relatively high or low prices can be expected and how consistent price movements are during these periods.

The tables give all data presented in the charts, except the range in prices and indexes. Additional information is in the tables, such as the number of times each monthly price was the highest or lowest during the 10-year period. Sometimes the high and/or low exceeds 10 because the high or low price occurred in more than one month.

The period selected for study of seasonal price variation was one in which trend was not significant at the 0.10 level.

The figures in this report are 1953-62 data for prices received or paid by farmers. Cash farm income data cover the 1953-61 period. Income data for 1962 were not available at the time study was made. Price data for 1962 were preliminary.

¹ The index of irregularity was computed as plus or minus one standard deviation. This means that the monthly average price or index number for a given year should fall within the computed average plus or minus the percentage value of one index of irregularity 2 out of 3 years. The shaded area was determined by delineating the area within plus or minus one index of irregularity about the mean.

LIVESTOCK AND LIVESTOCK PRODUCTS

EGGS

Seasonal price changes have been greater for eggs than for all other farm commodities. During 1953-62 the change in average price from the low in the spring (May) to the high in the winter (December) was 9.5 cents per dozen, or 24 per cent, Table 1 and Figure 1.

The average price for December was greater than that for any of the other months. However, there were 4 years during the 10 when the December average price dropped below the November average.

Response by producers to the higher prices that normally occurred during the fall and winter months resulted in relatively greater adjustment being made in prices during these months.

TABLE 1. EGGS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|---------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, cents per dozen | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 111 | 12 | 49.1 | 5 | 0 | 2 | 8 | 0 |
| February | 104 | 8 | 46.2 | 0 | 0 | 2 | 8 | 0 |
| March | 95 | 8 | 42.0 | 0 | 1 | 1 | 8 | 1 |
| April | 91 | 8 | 40.3 | 0 | 4 | 1 | 8 | 1 |
| May | 89 | 10 | 39.7 | 0 | 4 | 4 | 5 | 1 |
| June | 90 | 11 | 40.0 | 0 | 3 | 6 | 2 | 2 |
| July | 93 | 10 | 41.2 | 0 | 1 | 7 | 3 | 0 |
| August | 97 | 10 | 43.0 | 0 | 0 | 10 | 0 | 0 |
| September | 103 | 10 | 45.4 | 0 | 0 | 9 | 0 | 1 |
| October | 107 | 11 | 47.5 | 1 | 0 | 8 | 1 | 1 |
| November | 109 | 12 | 48.4 | 1 | 0 | 8 | 2 | 0 |
| December | 111 | 13 | 49.2 | 3 | 0 | 6 | 4 | 0 |
| TOTAL | 1200 | 123 | 532.0 | 10 | 13 | 64 | 49 | 7 |
| AVERAGE | 100 | 10 | 44.3 | | | | | |

¹ When the high or low price occurred in more than one month, each month was reported as a high or low.

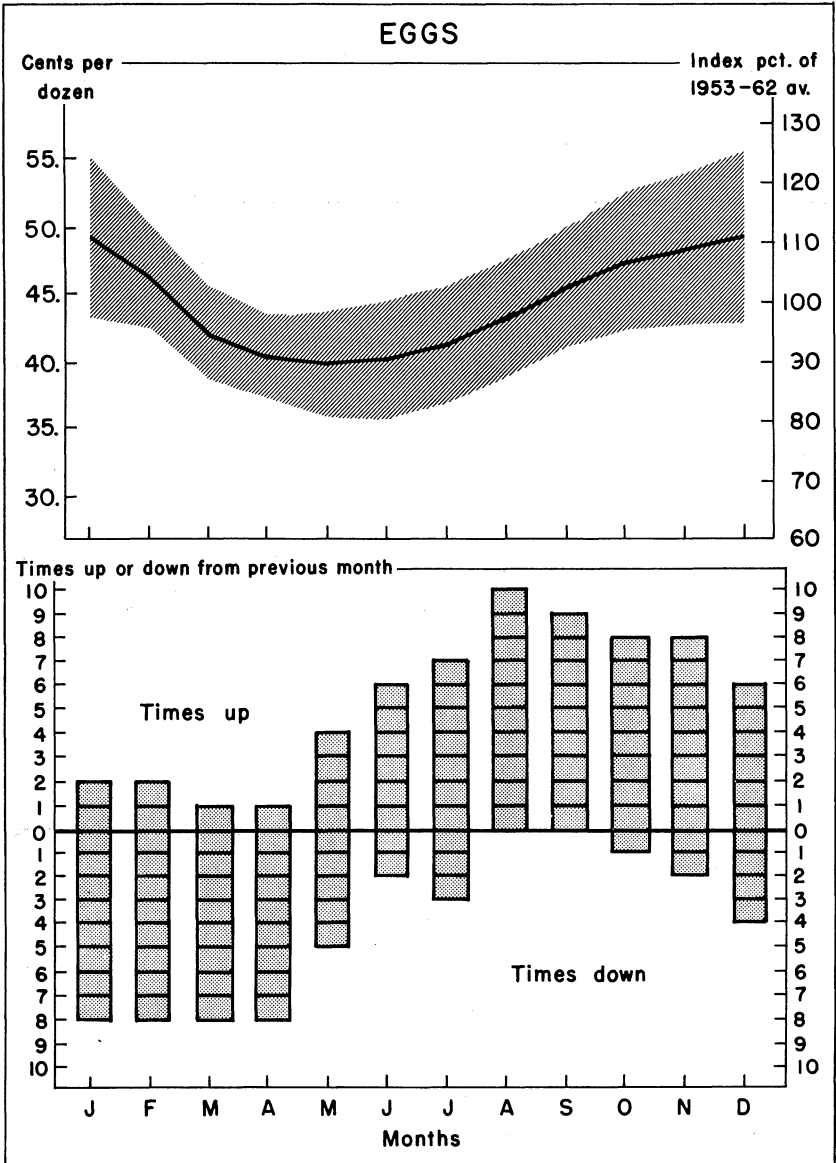


Figure 1. Eggs: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

BROILERS

The level of prices received at the farm had declined more for broilers than for other farm commodities.

Development and adoption of new production technology together with increased processing and marketing efficiency have enabled the industry to expand production while experiencing declining prices. Production of broilers in the United States increased at an average rate of 9 per cent per year during the 1953-62 period. The production increase in Alabama was 26 per cent per year during the same period.

Price fluctuations within the year showed a rise through January and February to a peak in March, Table 2 and Figure 2. This rise was followed by a drop in April to a level that was maintained until August, when a downward trend began and continued through December.

Prices received for broilers at the farm averaged 18.8 cents per pound during the period 1953-62. This was 23 per cent higher than the 15.3 cents average during the past 5 years, Table 2 and Appendix Table 1.

TABLE 2. BROILERS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------|-----------------------|------------------------|------------------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, cents per pound | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 104 | 22 | 19.5 | 1 | 0 | 7 | 1 | 2 |
| February | 106 | 20 | 19.9 | 2 | 0 | 6 | 2 | 2 |
| March | 109 | 23 | 20.5 | 6 | 0 | 7 | 2 | 1 |
| April | 104 | 26 | 19.6 | 1 | 0 | 0 | 8 | 2 |
| May | 103 | 26 | 19.4 | 0 | 1 | 3 | 5 | 2 |
| June | 103 | 27 | 19.4 | 0 | 1 | 2 | 3 | 5 |
| July | 104 | 27 | 19.4 | 3 | 0 | 5 | 3 | 2 |
| August | 101 | 29 | 19.0 | 1 | 0 | 2 | 6 | 2 |
| September | 96 | 28 | 17.9 | 1 | 1 | 1 | 8 | 1 |
| October | 91 | 28 | 17.2 | 0 | 3 | 1 | 7 | 2 |
| November | 90 | 26 | 16.9 | 0 | 2 | 3 | 6 | 1 |
| December | 89 | 19 | 16.8 | 1 | 7 | 3 | 6 | 1 |
| TOTAL | 1200 | 300 | 225.4 | 16 | 15 | 38 | 56 | 26 |
| AVERAGE | 100 | 25 | 18.8 | | | | | |

¹ See Table 1.

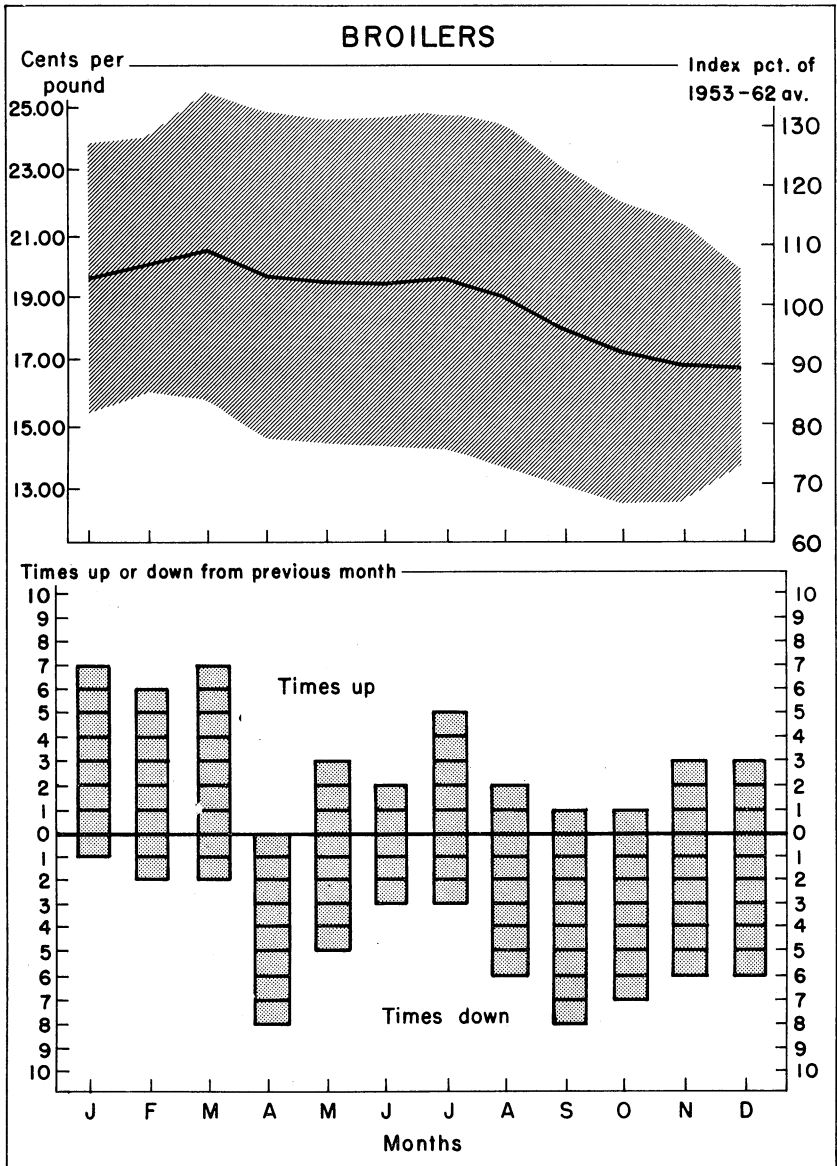


Figure 2. Broilers: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

BEEF CATTLE

Beef cattle prices were relatively high in the spring and low in the fall, Table 3 and Figure 3.

Fewer cattle were marketed in the spring when farmers held or bought cattle for grazing. In the fall, cattle that had been on pasture were sold in greater numbers, resulting in lower prices. November prices averaged 8 per cent below the average price for the period 1953-62. The April price was 7 per cent above average.

Beef cattle prices were for all grades and classes of beef cattle excluding calves. They were the most variable of any commodity prices except those for calves. The average index of irregularity was 24.

The average price of beef cattle was \$15.45 per hundred pounds during 1953-62. Alabama farmers received slightly more than 15 per cent of their cash farm income from the sale of cattle and calves during the period of study.

TABLE 3. BEEF CATTLE: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|----------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per cwt. | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 101 | 23 | 15.58 | 1 | 2 | 10 | 0 | 0 |
| February | 102 | 21 | 15.89 | 0 | 1 | 7 | 2 | 1 |
| March | 106 | 21 | 16.39 | 3 | 0 | 8 | 2 | 0 |
| April | 107 | 22 | 16.57 | 4 | 0 | 6 | 3 | 1 |
| May | 106 | 22 | 16.45 | 2 | 0 | 4 | 6 | 0 |
| June | 101 | 25 | 15.59 | 0 | 0 | 0 | 10 | 0 |
| July | 100 | 25 | 15.46 | 0 | 0 | 2 | 7 | 1 |
| August | 97 | 25 | 14.98 | 0 | 0 | 1 | 8 | 1 |
| September | 97 | 27 | 14.93 | 0 | 0 | 3 | 6 | 1 |
| October | 94 | 26 | 14.48 | 0 | 1 | 1 | 6 | 3 |
| November | 92 | 27 | 14.25 | 0 | 6 | 3 | 7 | 0 |
| December | 96 | 26 | 14.86 | 1 | 2 | 8 | 1 | 1 |
| TOTAL | 1200 | 291 | 185.43 | 11 | 12 | 53 | 58 | 9 |
| AVERAGE | 100 | 24 | 15.45 | | | | | |

¹ See Table 1.

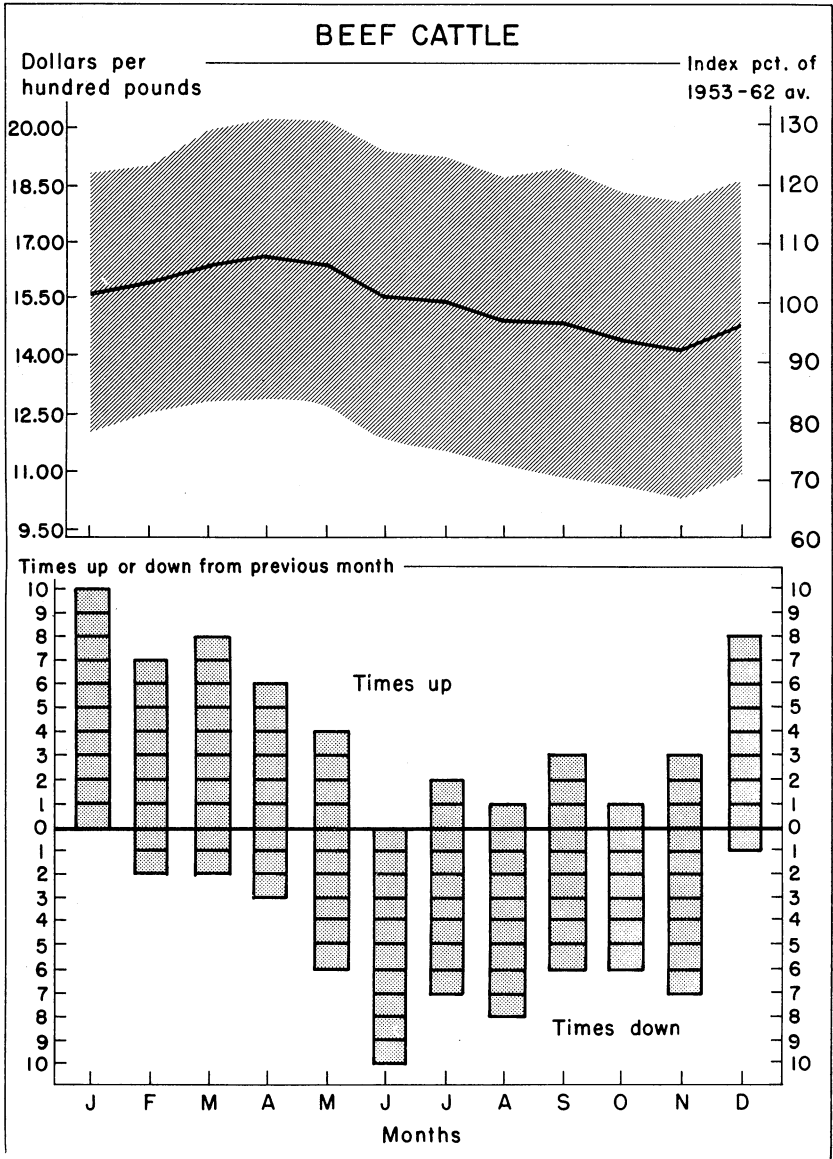


Figure 3. Beef Cattle: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

MILK

Average price of milk was relatively lower in April, May, and June, the flush spring production period, Table 4 and Figure 4. Price was highest during the fall and winter months when less fluid milk was diverted to manufacturing purposes. From May to December, the price rose 16 per cent as an average during the 10-year period.

Seasonal variation in the price of milk resulted from the fluctuation in milk production. Increased milk supplies during the spring, which resulted in lower prices, were chiefly the result of higher production per cow.

Milk prices were a combination of prices of milk used for fluid and for manufacturing purposes. Many farmers who produce milk for the fluid market sold large quantities of surplus milk at manufacturing prices during spring and early summer. Even though milk prices were lower during spring and early summer, income remained fairly constant because of changes in the volume of milk sold.

Milk prices were relatively stable from year to year. The average index of irregularity for the 10-year period was only 4, the

TABLE 4. MILK: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ | | Monthly movement | | |
|-----------|--------------------|-----------------------|-------------------------|---------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, dollars per cwt. | of times | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 107 | 4 | 5.85 | 6 | 0 | 5 | 2 | 3 |
| February | 105 | 4 | 5.74 | 2 | 0 | 0 | 7 | 3 |
| March | 99 | 6 | 5.40 | 0 | 0 | 0 | 10 | 0 |
| April | 93 | 5 | 5.06 | 0 | 5 | 0 | 10 | 0 |
| May | 92 | 6 | 5.05 | 0 | 6 | 4 | 5 | 1 |
| June | 93 | 6 | 5.09 | 0 | 2 | 5 | 0 | 5 |
| July | 95 | 6 | 5.18 | 0 | 0 | 8 | 2 | 0 |
| August | 97 | 4 | 5.28 | 0 | 0 | 6 | 2 | 2 |
| September | 102 | 3 | 5.57 | 0 | 0 | 10 | 0 | 0 |
| October | 105 | 2 | 5.73 | 1 | 0 | 10 | 0 | 0 |
| November | 107 | 2 | 5.84 | 5 | 0 | 9 | 0 | 1 |
| December | 105 | 2 | 5.73 | 0 | 0 | 0 | 9 | 1 |
| TOTAL | 1200 | 51 | 65.51 | 14 | 13 | 57 | 47 | 16 |
| AVERAGE | 100 | 4 | 5.46 | | | | | |

¹ See Table 1.

lowest for any commodity in this report. Dairy products brought Alabama farmers about 7.6 per cent of the total cash farm income during 1953-61. In addition, sales of calves and culled dairy cattle provided an important source of income to dairy farmers.

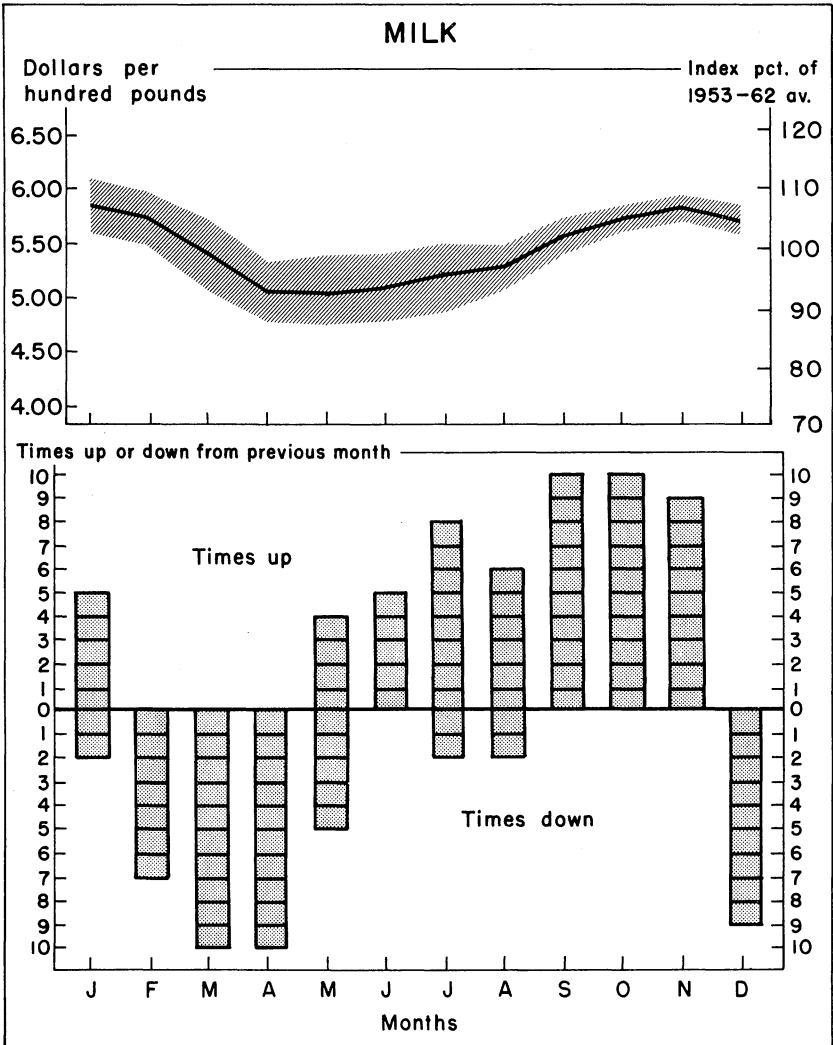


Figure 4. Milk: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

CALVES

Prices of calves (includes all calves under 1 year old) were relatively high in the spring and low in the fall, Table 5 and Figure 5. The seasonal price pattern for calves was almost identical to that of beef cattle.

The average index of irregularity was 25, the highest for any commodity in this report. This high index of irregularity indicated that there was a considerable range in monthly prices from year to year.

The high price was 15 per cent greater than the low. Prices of calves averaged \$18.72 per hundred pounds during the 10-year period.

TABLE 5. CALVES: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------|-----------------------|-------------------------|------------------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, dollars per cwt. | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 101 | 23 | 18.94 | 0 | 4 | 10 | 0 | 0 |
| February | 104 | 23 | 19.52 | 1 | 0 | 9 | 0 | 1 |
| March | 105 | 22 | 19.75 | 3 | 0 | 6 | 3 | 1 |
| April | 107 | 23 | 19.99 | 6 | 0 | 5 | 3 | 2 |
| May | 106 | 22 | 19.83 | 2 | 0 | 3 | 5 | 2 |
| June | 99 | 25 | 18.50 | 0 | 0 | 0 | 10 | 0 |
| July | 99 | 25 | 18.60 | 0 | 0 | 4 | 4 | 2 |
| August | 97 | 26 | 18.14 | 0 | 1 | 1 | 7 | 2 |
| September | 97 | 27 | 18.16 | 0 | 1 | 3 | 4 | 3 |
| October | 95 | 27 | 17.70 | 0 | 0 | 1 | 7 | 2 |
| November | 93 | 27 | 17.44 | 0 | 4 | 3 | 6 | 1 |
| December | 97 | 25 | 18.13 | 2 | 2 | 7 | 2 | 1 |
| TOTAL | 1200 | 296 | 224.70 | 14 | 12 | 52 | 51 | 17 |
| AVERAGE | 100 | 25 | 18.72 | | | | | |

¹ See Table 1.

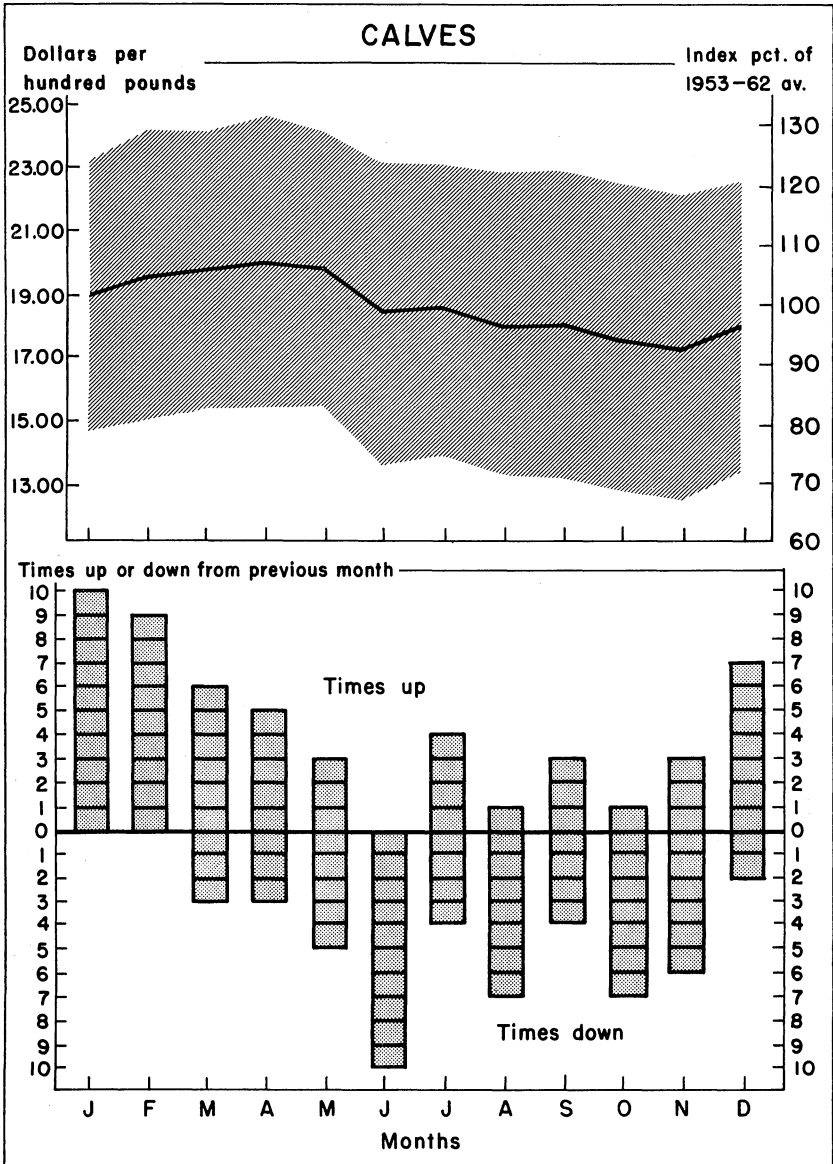


Figure 5. Calves: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

Hogs

Hog prices showed a distinct seasonal variation in Alabama during 1953-62, Table 6 and Figure 6. The average seasonal changes were gradual, with the average high price occurring in July and the low in December. The average seasonal movement was upward from December through July and then downward through November.

Seasonal price changes reflected the pattern of marketings. As marketings increased in late fall and winter, hog prices declined to 6 per cent below average in December. There was an increase of 14 per cent in prices from the low point in December to the July peak.

Hog prices had a high degree of variability. They varied more than prices for any of the crops and for eggs.

Prices are for all weight groups of hogs. Average price was \$16.12 per hundred pounds during 1953-62. Alabama farmers received approximately 8.5 per cent of their cash farm income from the sales of hogs during the study period.

TABLE 6. HOGS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|----------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per cwt. | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 95 | 20 | 16.32 | 1 | 5 | 4 | 3 | 3 |
| February | 97 | 19 | 16.55 | 0 | 0 | 7 | 3 | 0 |
| March | 98 | 20 | 16.78 | 0 | 0 | 4 | 5 | 1 |
| April | 101 | 19 | 17.23 | 1 | 0 | 7 | 2 | 1 |
| May | 102 | 20 | 17.49 | 0 | 1 | 4 | 5 | 1 |
| June | 105 | 18 | 18.08 | 1 | 0 | 7 | 2 | 1 |
| July | 107 | 18 | 18.28 | 2 | 0 | 6 | 4 | 0 |
| August | 105 | 15 | 18.02 | 3 | 0 | 5 | 4 | 1 |
| September | 103 | 15 | 17.65 | 2 | 0 | 3 | 7 | 0 |
| October | 98 | 14 | 16.85 | 1 | 0 | 2 | 8 | 0 |
| November | 95 | 15 | 16.21 | 0 | 1 | 0 | 8 | 2 |
| December | 94 | 18 | 16.04 | 0 | 4 | 3 | 5 | 2 |
| TOTAL | 1200 | 209 | 205.50 | 11 | 11 | 52 | 56 | 12 |
| AVERAGE | 100 | 17 | 17.12 | | | | | |

¹ See Table 1.

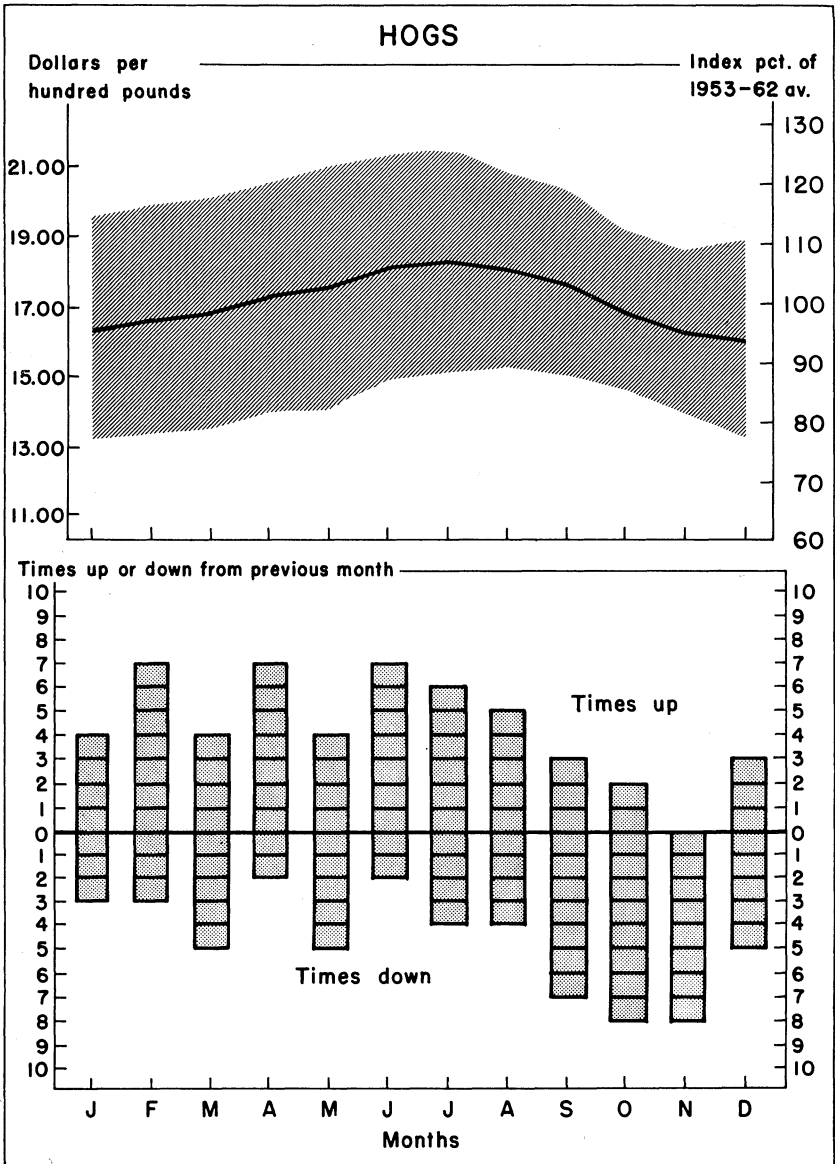


Figure 6. Hogs: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

FEEDS PURCHASED

ALFALFA HAY

The seasonal pattern of prices paid by farmers for alfalfa hay moved gradually from season to season, Table 7 and Figure 7. The lowest average price was in September and the highest average price in December and April. Prices were more variable in January through May than during the remainder of the year.

For the period of study, the average price of alfalfa hay paid by farmers was \$43.64 per ton.

TABLE 7. ALFALFA HAY: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES PAID, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|---------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per ton | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 102 | 11 | 44.35 | 1 | 1 | 3 | 6 | 1 |
| February | 103 | 12 | 45.00 | 2 | 0 | 6 | 3 | 1 |
| March | 103 | 10 | 44.85 | 0 | 0 | 5 | 4 | 1 |
| April | 104 | 13 | 45.45 | 3 | 1 | 4 | 4 | 2 |
| May | 101 | 13 | 44.25 | 1 | 3 | 1 | 6 | 3 |
| June | 99 | 9 | 43.05 | 0 | 2 | 1 | 4 | 5 |
| July | 96 | 7 | 42.15 | 0 | 4 | 1 | 5 | 4 |
| August | 96 | 7 | 42.15 | 0 | 3 | 4 | 3 | 3 |
| September | 95 | 7 | 41.35 | 0 | 1 | 3 | 4 | 3 |
| October | 97 | 8 | 42.35 | 0 | 2 | 7 | 2 | 1 |
| November | 100 | 10 | 43.60 | 0 | 1 | 8 | 1 | 1 |
| December | 104 | 8 | 45.20 | 4 | 0 | 6 | 2 | 2 |
| TOTAL | 1200 | 115 | 523.75 | 11 | 18 | 49 | 44 | 27 |
| AVERAGE | 100 | 10 | 43.64 | | | | | |

¹ See Table 1.

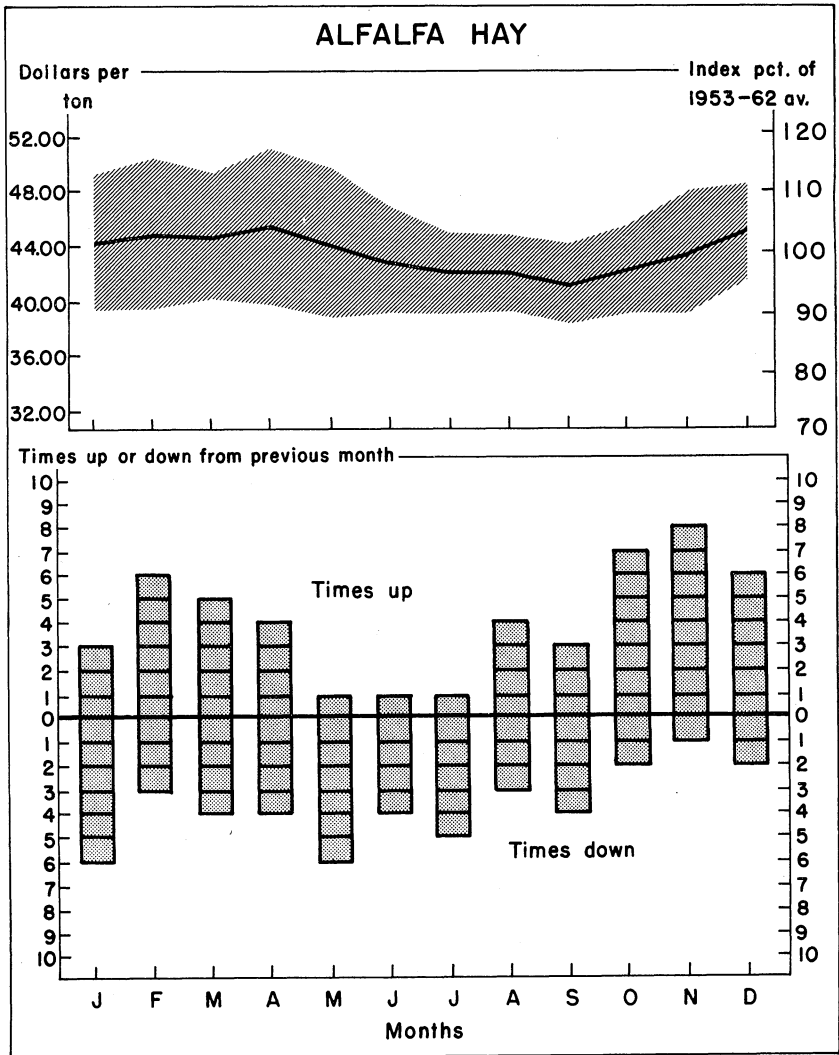


Figure 7. Alfalfa Hay: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

COTTONSEED MEAL

There was limited seasonal variation of cottonseed meal prices during the 10-year period studied, Table 8 and Figure 8. Prices varied from 5 per cent below the average in October and November to 3 per cent above the average in March and April. They were lowest when quantities were greatest in the fall.

Prices were more variable during the winter cattle feeding period than in any other time of the year. The average price paid by farmers during 1953-62 was \$43.83 per ton.

TABLE 8. COTTONSEED MEAL: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------|-----------------------|-------------------------|------------------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, dollars per cwt. | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 101 | 11 | 3.69 | 3 | 5 | 7 | 1 | 2 |
| February | 102 | 10 | 3.74 | 4 | 1 | 7 | 1 | 2 |
| March | 103 | 10 | 3.76 | 2 | 0 | 3 | 3 | 4 |
| April | 103 | 10 | 3.74 | 1 | 0 | 1 | 4 | 5 |
| May | 102 | 8 | 3.72 | 1 | 0 | 3 | 3 | 4 |
| June | 101 | 6 | 3.70 | 0 | 0 | 3 | 4 | 3 |
| July | 101 | 6 | 3.70 | 0 | 2 | 3 | 4 | 3 |
| August | 102 | 6 | 3.72 | 3 | 0 | 6 | 2 | 2 |
| September | 98 | 7 | 3.57 | 1 | 0 | 1 | 7 | 2 |
| October | 95 | 7 | 3.46 | 0 | 4 | 0 | 8 | 2 |
| November | 95 | 8 | 3.47 | 0 | 3 | 3 | 4 | 3 |
| December | 97 | 7 | 3.54 | 2 | 1 | 8 | 0 | 2 |
| TOTAL | 1200 | 97 | 43.83 | 17 | 16 | 45 | 41 | 34 |
| AVERAGE | 100 | 8 | 3.65 | | | | | |

¹ See Table 1.

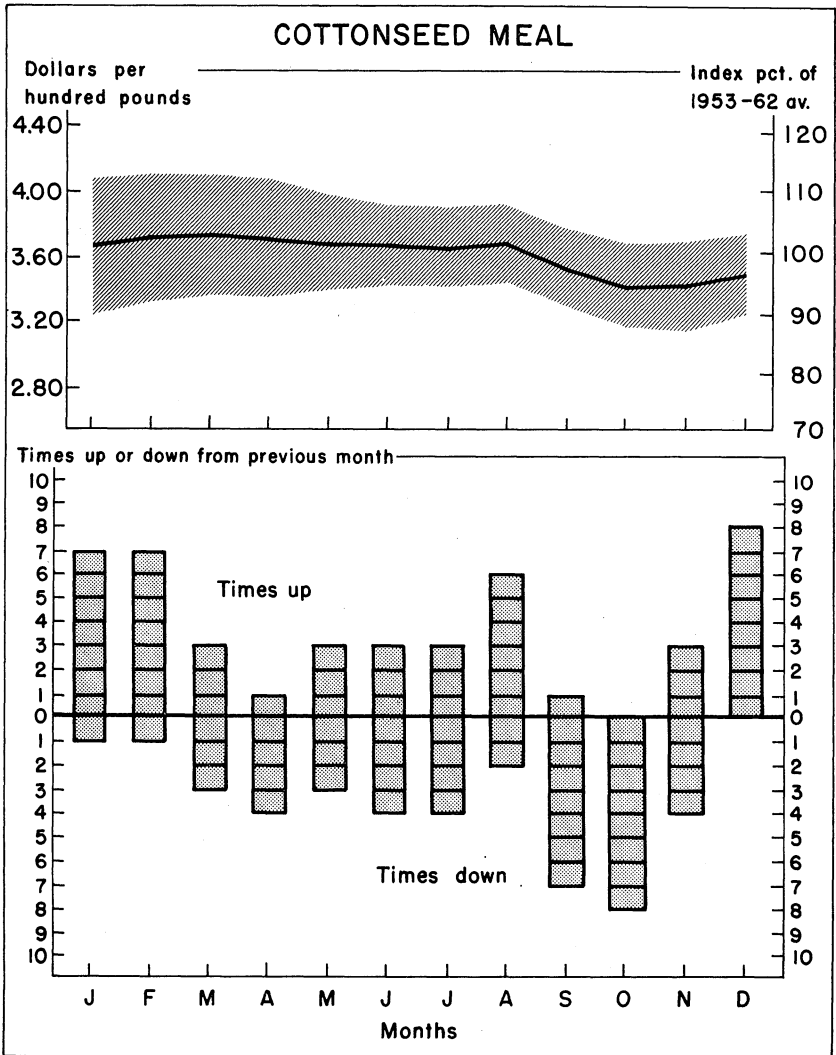


Figure 8. Cottonseed Meal: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

SOYBEAN MEAL

Prices of soybean meal had very little seasonal variation, Table 9 and Figure 9. Soybean meal was cheaper during the period of heavy production and large supply from October until March. Prices of soybean meal were characterized more by irregular fluctuations than by regularity of the seasonal pattern.

The index of irregularity indicated high variability of soybean meal prices. This variation was the greatest of all feeds purchased by farmers.

Soybean meal has been the major source of protein for meat production during recent years. The average price of soybean meal paid by farmers was \$4.18 per hundred pounds during 1953-62.

TABLE 9. SOYBEAN MEAL: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ | | Monthly movement | | |
|-----------|--------------------|-----------------------|-------------------------|---------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, dollars per cwt. | of times | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 99 | 14 | 4.16 | 4 | 3 | 3 | 2 | 5 |
| February | 99 | 13 | 4.16 | 2 | 1 | 3 | 4 | 3 |
| March | 100 | 12 | 4.18 | 0 | 0 | 4 | 6 | 0 |
| April | 101 | 14 | 4.22 | 0 | 0 | 3 | 4 | 3 |
| May | 103 | 15 | 4.28 | 2 | 0 | 5 | 3 | 2 |
| June | 101 | 13 | 4.22 | 2 | 0 | 2 | 3 | 5 |
| July | 102 | 14 | 4.26 | 0 | 0 | 5 | 4 | 1 |
| August | 102 | 15 | 4.27 | 2 | 0 | 5 | 4 | 1 |
| September | 102 | 11 | 4.25 | 2 | 0 | 2 | 3 | 5 |
| October | 97 | 11 | 4.07 | 0 | 2 | 0 | 9 | 1 |
| November | 97 | 11 | 4.03 | 0 | 3 | 4 | 6 | 0 |
| December | 97 | 10 | 4.06 | 0 | 3 | 3 | 2 | 5 |
| TOTAL | 1200 | 152 | 50.16 | 14 | 12 | 39 | 50 | 31 |
| AVERAGE | 100 | 13 | 4.18 | | | | | |

¹ See Table 1.

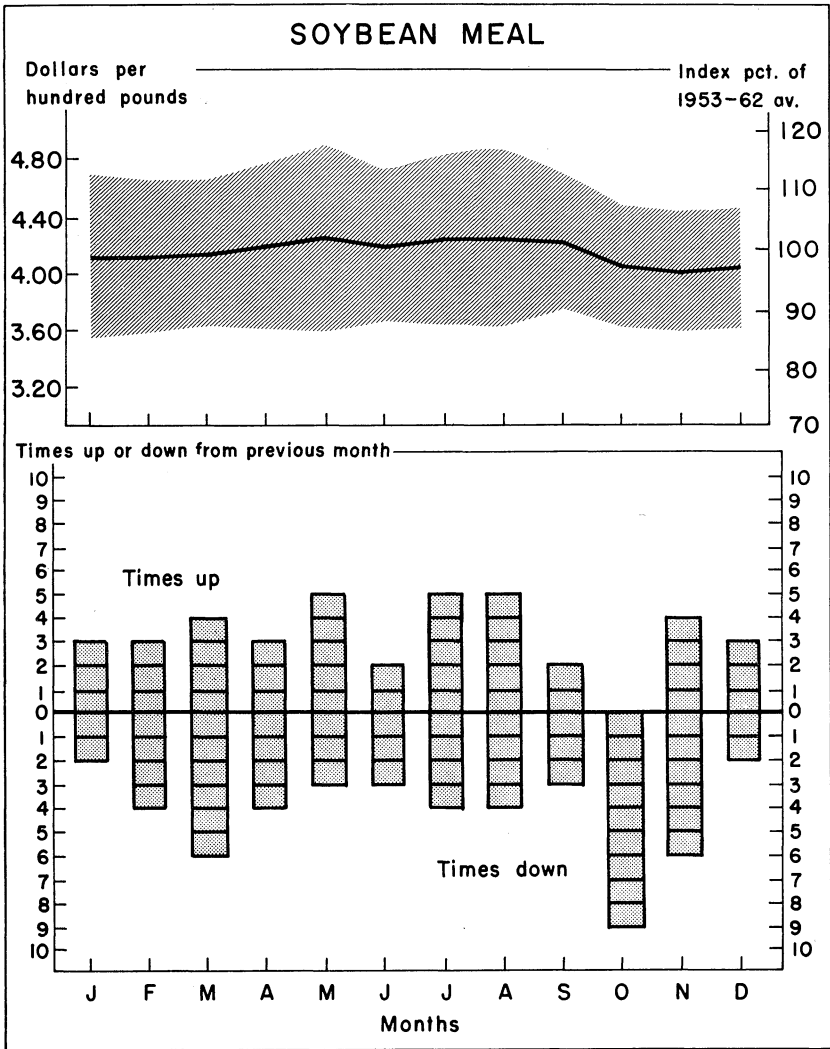


Figure 9. Soybean Meal: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

LAYING MASH

Prices paid for laying mash varied less than 5 per cent within the year. The changes that did occur were in the form of a slight rise during the summer and a slight drop between August and December, Table 10 and Figure 10.

Prices paid for laying mash were relatively stable from one year to the next. Ample supplies of storage grain plus price support programs contributed to the year to year stability in price.

Prices used were those reported by the Crop Reporting Service in dollars per hundred pounds. Quoted bulk prices were not available.

TABLE 10. LAYING MASH: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES PAID, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|----------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per cwt. | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 101 | 9 | 4.86 | 4 | 4 | 4 | 1 | 5 |
| February | 101 | 8 | 4.86 | 2 | 2 | 2 | 2 | 6 |
| March | 100 | 8 | 4.84 | 2 | 1 | 2 | 2 | 6 |
| April | 101 | 8 | 4.86 | 2 | 0 | 3 | 1 | 6 |
| May | 101 | 8 | 4.86 | 2 | 1 | 4 | 5 | 1 |
| June | 101 | 7 | 4.88 | 3 | 0 | 2 | 0 | 8 |
| July | 101 | 7 | 4.86 | 2 | 0 | 1 | 4 | 5 |
| August | 101 | 7 | 4.86 | 3 | 0 | 2 | 1 | 7 |
| September | 100 | 6 | 4.82 | 2 | 0 | 0 | 5 | 5 |
| October | 98 | 6 | 4.75 | 0 | 2 | 1 | 8 | 1 |
| November | 97 | 6 | 4.70 | 0 | 5 | 0 | 7 | 3 |
| December | 98 | 6 | 4.72 | 1 | 5 | 4 | 2 | 4 |
| TOTAL | 1200 | 86 | 57.85 | 23 | 20 | 25 | 38 | 57 |
| AVERAGE | 100 | 7 | 4.82 | | | | | |

¹ See Table 1.

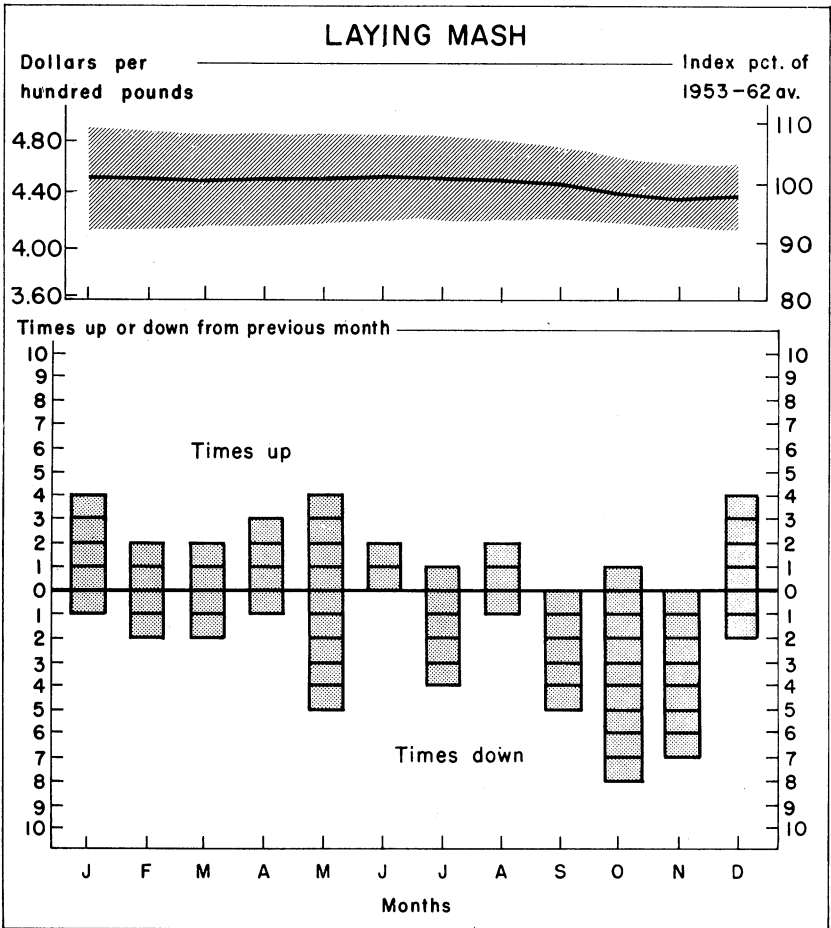


Figure 10. Laying Mash: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

BROILER MASH

Average price quotations for broiler mash showed that there was a 3 per cent variation within the season during the period 1953-62, Table 11 and Figure 11.

Continuous demand for feed and availability of basic feed ingredients at fairly uniform prices contributed to the stability of broiler mash prices.

Prices paid for broiler mash in Alabama were approximately 17 per cent lower in 1962 than in 1953. Most of the drop in prices occurred in 2 years and did not affect the pattern of seasonal prices during the 10-year period.

Prices used were those reported by the Crop Reporting Service in dollars per hundred pounds. Quoted bulk prices were not available.

TABLE 11. BROILER MASH: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|----------------------------------|---------------------------------|-----|---------------------------------------|--|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per cwt. | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | | | | | |
| January | 100 | 8 | 5.02 | 4 | 3 | 4 | 2 | 4 |
| February | 100 | 8 | 5.03 | 2 | 1 | 3 | 3 | 4 |
| March | 101 | 7 | 5.05 | 3 | 1 | 4 | 3 | 3 |
| April | 101 | 7 | 5.06 | 2 | 0 | 2 | 3 | 5 |
| May | 101 | 8 | 5.06 | 3 | 0 | 3 | 2 | 5 |
| June | 101 | 7 | 5.04 | 2 | 0 | 3 | 4 | 3 |
| July | 101 | 7 | 5.03 | 3 | 2 | 2 | 3 | 5 |
| August | 100 | 7 | 5.02 | 2 | 0 | 3 | 3 | 4 |
| September | 100 | 6 | 4.98 | 1 | 0 | 2 | 5 | 3 |
| October | 99 | 6 | 4.94 | 1 | 2 | 1 | 4 | 5 |
| November | 98 | 5 | 4.88 | 0 | 4 | 2 | 7 | 1 |
| December | 98 | 6 | 4.89 | 1 | 2 | 4 | 4 | 2 |
| TOTAL | 1200 | 82 | 60.02 | 24 | 15 | 33 | 43 | 44 |
| AVERAGE | 100 | 7 | 5.00 | | | | | |

¹ See Table 1.

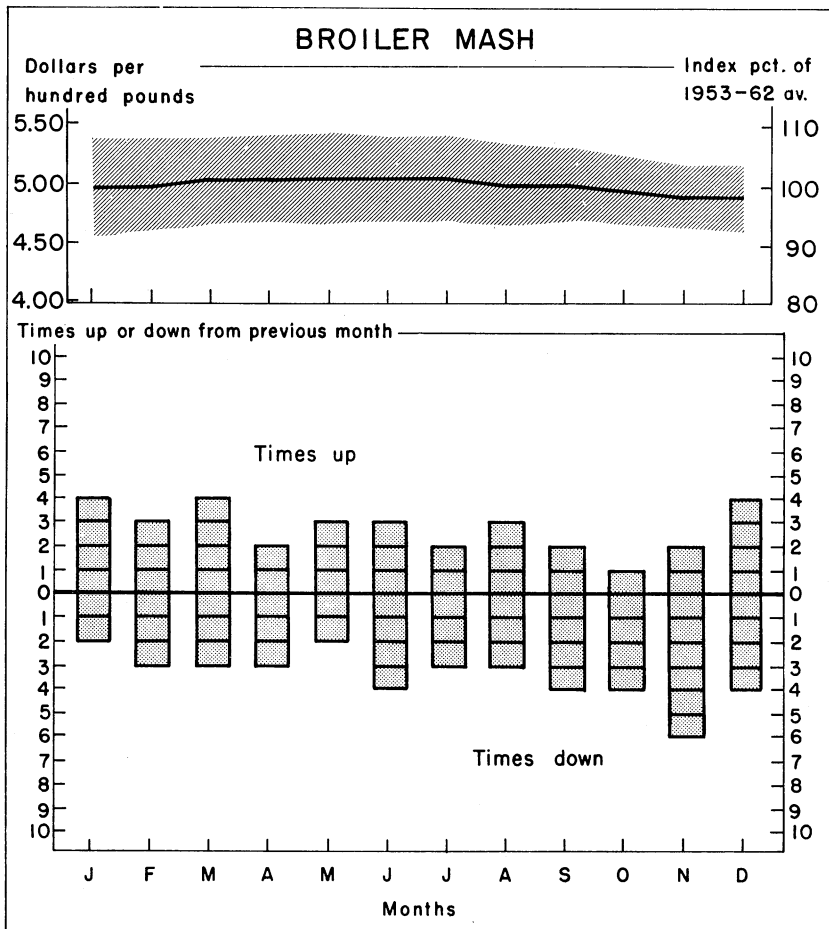


Figure 11. Broiler Mash: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

MIXED DAIRY FEED, ALL FORMULAS

There was almost no variation in seasonal prices of mixed dairy feed, Table 12 and Figure 12. Price variability was very small. Differing seasonal variations and normal fluctuations of ingredients of dairy feed tended to offset one another, which resulted in low seasonal variation and year to year variation.

The average price for mixed dairy feed paid by farmers was \$3.90 per hundred pounds during the period of study.

TABLE 12. MIXED DAIRY FEED, ALL FORMULAS: AVERAGE SEASONAL MOVEMENT OF ALABAMA FARM PRICES PAID, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|----------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per cwt. | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 101 | 6 | 3.92 | 2 | 1 | 6 | 1 | 3 |
| February | 101 | 6 | 3.94 | 4 | 2 | 4 | 1 | 5 |
| March | 101 | 6 | 3.95 | 4 | 0 | 4 | 2 | 4 |
| April | 101 | 6 | 3.92 | 2 | 1 | 0 | 4 | 6 |
| May | 100 | 6 | 3.92 | 1 | 0 | 2 | 4 | 4 |
| June | 100 | 5 | 3.90 | 1 | 0 | 2 | 4 | 4 |
| July | 100 | 5 | 3.90 | 2 | 0 | 1 | 3 | 6 |
| August | 100 | 5 | 3.88 | 1 | 2 | 2 | 4 | 4 |
| September | 99 | 5 | 3.86 | 0 | 2 | 2 | 6 | 2 |
| October | 99 | 5 | 3.84 | 0 | 3 | 3 | 4 | 3 |
| November | 99 | 5 | 3.84 | 0 | 3 | 3 | 4 | 3 |
| December | 99 | 4 | 3.86 | 2 | 5 | 5 | 3 | 2 |
| TOTAL | 1200 | 62 | 46.76 | 19 | 21 | 34 | 38 | 48 |
| AVERAGE | 100 | 5 | 3.90 | | | | | |

¹ See Table 1.

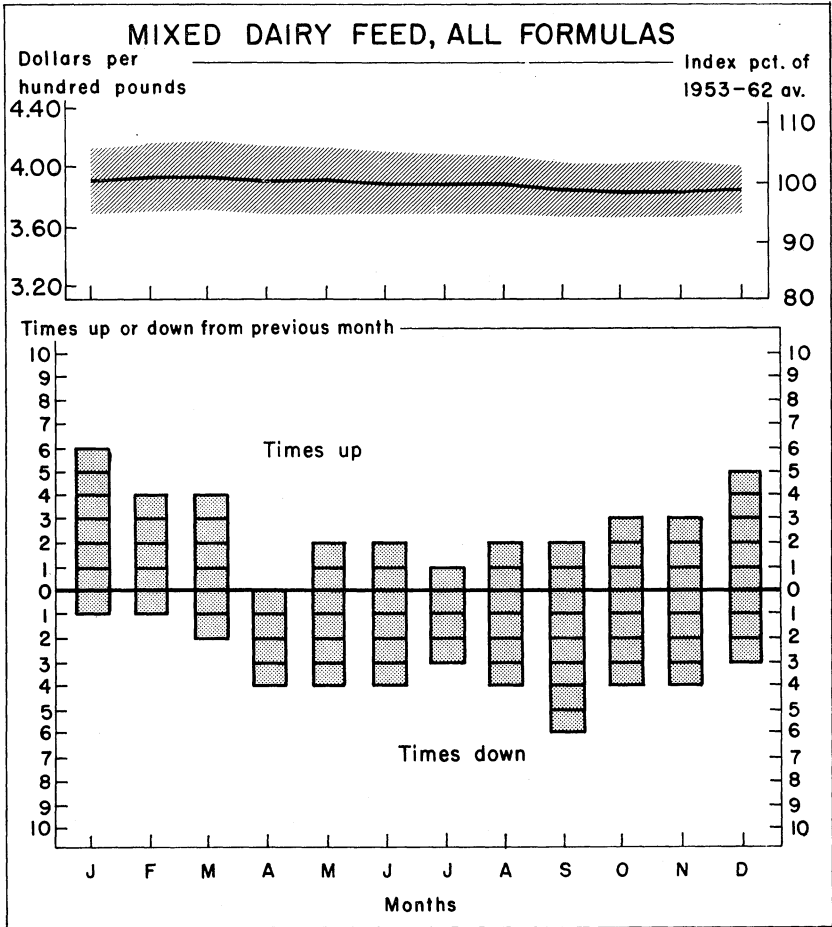


Figure 12. Mixed Dairy Feed, All Formulas: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

CROPS

CORN

Prices received for corn were lowest in October, November, and December and highest during late spring and summer, Table 13 and Figure 13. The increase in average price from November to June was 26 cents per bushel.

The average seasonal price increase from fall to summer was probably sufficient to cover costs of storage, if corn were stored properly and insects and rodents were controlled. The price of corn was low during harvest and concentrated selling—October, November, and December. Beginning in December the price gradually rose through June, declined slightly in July and August, and then sharply dropped to a low in 3 months.

Corn prices had the greatest average index of irregularity of any of the crops. The average price during the 10-year period was \$1.34 per bushel.

During 1953-62, sales of corn accounted for 3.1 per cent of the total cash farm income in Alabama. More acres of cropland in Alabama were planted in corn than were planted in any other row crop.

TABLE 13. CORN: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------|-----------------------|---------------------------|------------------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, dollars per bushel | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 98 | 21 | 1.32 | 0 | 2 | 9 | 1 | 0 |
| February | 102 | 19 | 1.37 | 0 | 0 | 10 | 0 | 0 |
| March | 105 | 18 | 1.40 | 2 | 0 | 9 | 1 | 0 |
| April | 105 | 17 | 1.41 | 1 | 0 | 7 | 2 | 1 |
| May | 106 | 17 | 1.42 | 4 | 0 | 8 | 0 | 2 |
| June | 107 | 17 | 1.44 | 5 | 0 | 5 | 4 | 1 |
| July | 107 | 17 | 1.43 | 1 | 0 | 2 | 6 | 2 |
| August | 105 | 15 | 1.41 | 3 | 0 | 3 | 6 | 1 |
| September | 97 | 14 | 1.31 | 0 | 0 | 0 | 10 | 0 |
| October | 90 | 14 | 1.21 | 0 | 3 | 0 | 10 | 0 |
| November | 88 | 14 | 1.18 | 0 | 7 | 2 | 7 | 1 |
| December | 90 | 13 | 1.21 | 0 | 1 | 9 | 0 | 1 |
| TOTAL | 1200 | 196 | 16.12 | 16 | 13 | 64 | 47 | 9 |
| AVERAGE | 100 | 16 | 1.34 | | | | | |

¹ See Table 1.

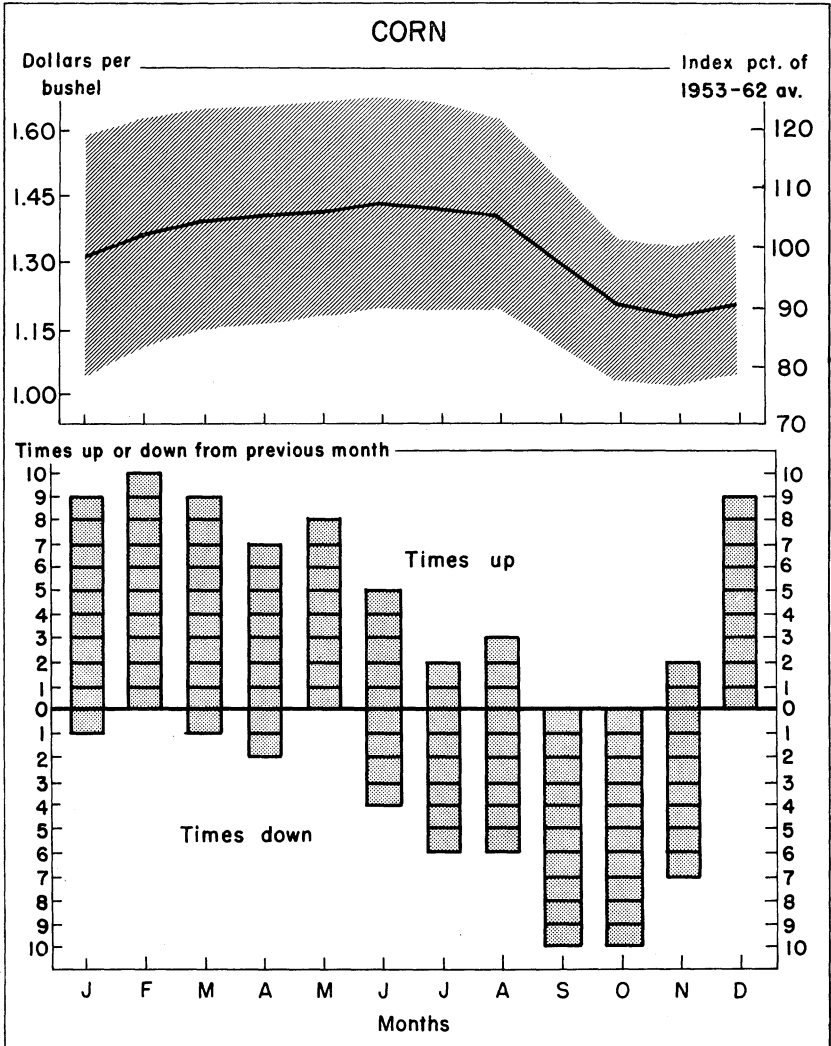


Figure 13. Corn: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

SWEETPOTATOES

Prices received for sweetpotatoes showed a 21 per cent increase from November to the following August as an average for the 1953-62 period, Table 14 and Figure 14. In 7 of the 10 years, the lowest price occurred in November; and in all 10 years, the price increased from November to January.

Harvesting and heavy marketings during the fall accounted for the decline in prices. Afterward, the price rose gradually, followed by a slight decrease in June and July. Apparently, the lack of demand for sweetpotatoes during those months was responsible for the decrease in price.

The average price of sweetpotatoes during the period studied was \$4.88 per hundred pounds.

TABLE 14. SWEETPOTATOES: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62¹

| Month | Seasonal average | | | Number ² of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|------------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per bushel | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 100 | 12 | 4.89 | 2 | 0 | 9 | 0 | 1 |
| February | 102 | 13 | 4.98 | 1 | 0 | 6 | 3 | 1 |
| March | 103 | 13 | 5.03 | 0 | 0 | 5 | 2 | 3 |
| April | 104 | 13 | 5.09 | 1 | 0 | 5 | 3 | 2 |
| May | 106 | 13 | 5.16 | 2 | 0 | 5 | 4 | 1 |
| June | 103 | 15 | 5.02 | 1 | 1 | 1 | 4 | 3 |
| July | 104 | 11 | 5.07 | 2 | 0 | 2 | 3 | 2 |
| August | 106 | 7 | 5.19 | 3 | 0 | 6 | 3 | 1 |
| September | 98 | 11 | 4.80 | 0 | 0 | 0 | 8 | 2 |
| October | 92 | 10 | 4.46 | 0 | 2 | 0 | 10 | 0 |
| November | 88 | 9 | 4.30 | 0 | 7 | 2 | 7 | 1 |
| December | 94 | 8 | 4.57 | 0 | 1 | 10 | 0 | 0 |
| TOTAL | 1200 | 135 | 58.56 | 12 | 11 | 54 | 47 | 17 |
| AVERAGE | 100 | 11 | 4.88 | | | | | |

¹ No price was reported in June of 1961 and 1962.

² See Table 1.

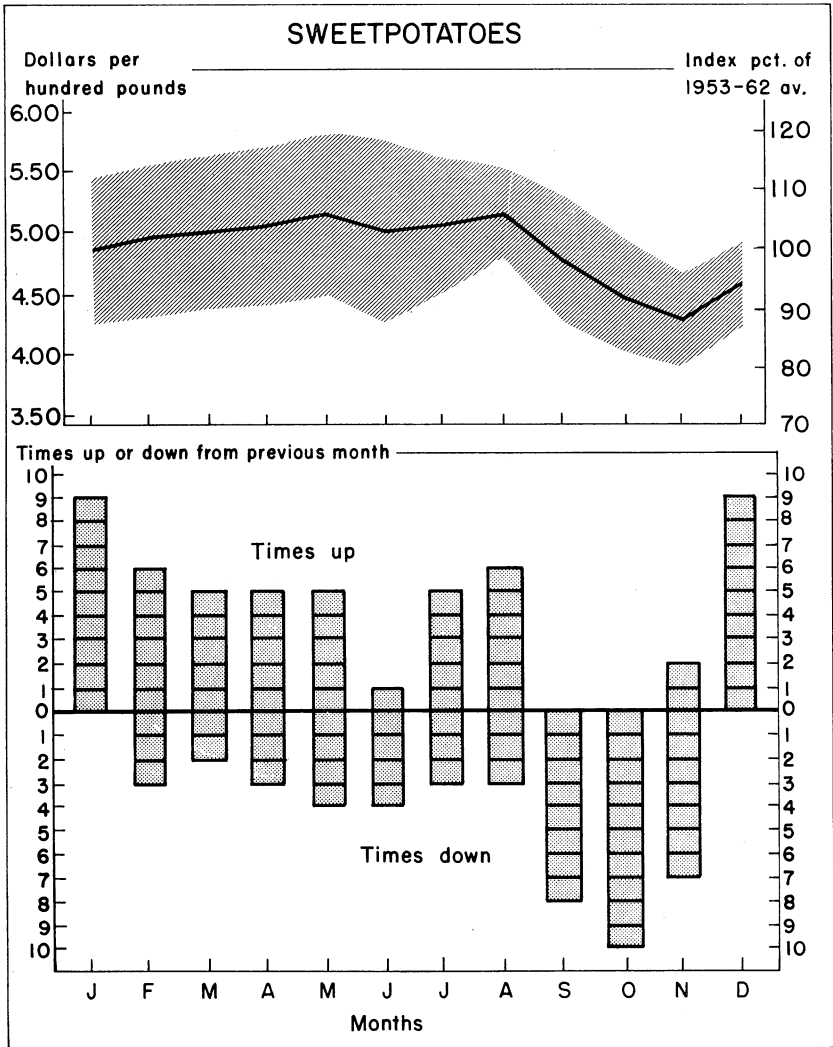


Figure 14. Sweetpotatoes: Average monthly price and index numbers of prices received with area of ranges, and changes in price from previous month, Alabama, 1953-62 (10-year average = 100).

SOYBEANS

Soybean prices were lowest in the fall (November lowest month) and highest in April, May, and June, Table 15 and Figure 15. The seasonal price change was greater for soybeans than for any other storable grain during 1953-62.

Prices increased 19 per cent from November to May as an average for the 10-year period. This amounted to a 40-cent per bushel price increase. The average price for the period of the study was \$2.32 per bushel.

Storing soybeans can make increased profits possible from this crop. In such case, all expenses must be evaluated and compared carefully with the expected seasonal price increase. These expenses include building or bin costs, possible losses in quality, insect and rodent control, and labor and machinery costs for placing soybeans in storage and moving them out.

Soybeans is an important cash crop in Baldwin, Escambia, and Mobile counties, and in areas around Guntersville and Decatur. The crop brought Alabama farmers 1.1 per cent of their total cash farm income during 1953-62. However, soybeans accounted for a high proportion of the cash income of many farmers in the major soybean producing areas.

TABLE 15. SOYBEANS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------|-----------------------|---------------------------|------------------------------|-----|------------------------------|--------------------------------|------------------------------|
| | Index of variation | Index of irregularity | Price, dollars per bushel | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 97 | 12 | 2.24 | 0 | 2 | 7 | 1 | 2 |
| February | 101 | 12 | 2.34 | 3 | 0 | 7 | 0 | 3 |
| March | 104 | 13 | 2.42 | 3 | 0 | 6 | 1 | 3 |
| April | 107 | 13 | 2.49 | 5 | 0 | 6 | 0 | 4 |
| May | 110 | 14 | 2.54 | 8 | 0 | 3 | 0 | 7 |
| June | 107 | 13 | 2.50 | 3 | 0 | 1 | 6 | 3 |
| July | 103 | 13 | 2.39 | 1 | 0 | 0 | 9 | 1 |
| August | 99 | 9 | 2.30 | 1 | 0 | 0 | 4 | 6 |
| September | 95 | 9 | 2.21 | 0 | 2 | 0 | 9 | 1 |
| October | 92 | 8 | 2.14 | 0 | 3 | 3 | 7 | 0 |
| November | 92 | 13 | 2.14 | 0 | 3 | 5 | 3 | 2 |
| December | 93 | 12 | 2.16 | 1 | 1 | 4 | 1 | 5 |
| TOTAL | 1200 | 141 | 27.86 | 25 | 11 | 42 | 41 | 37 |
| AVERAGE | 100 | 12 | 2.32 | | | | | |

¹ See Table 1.

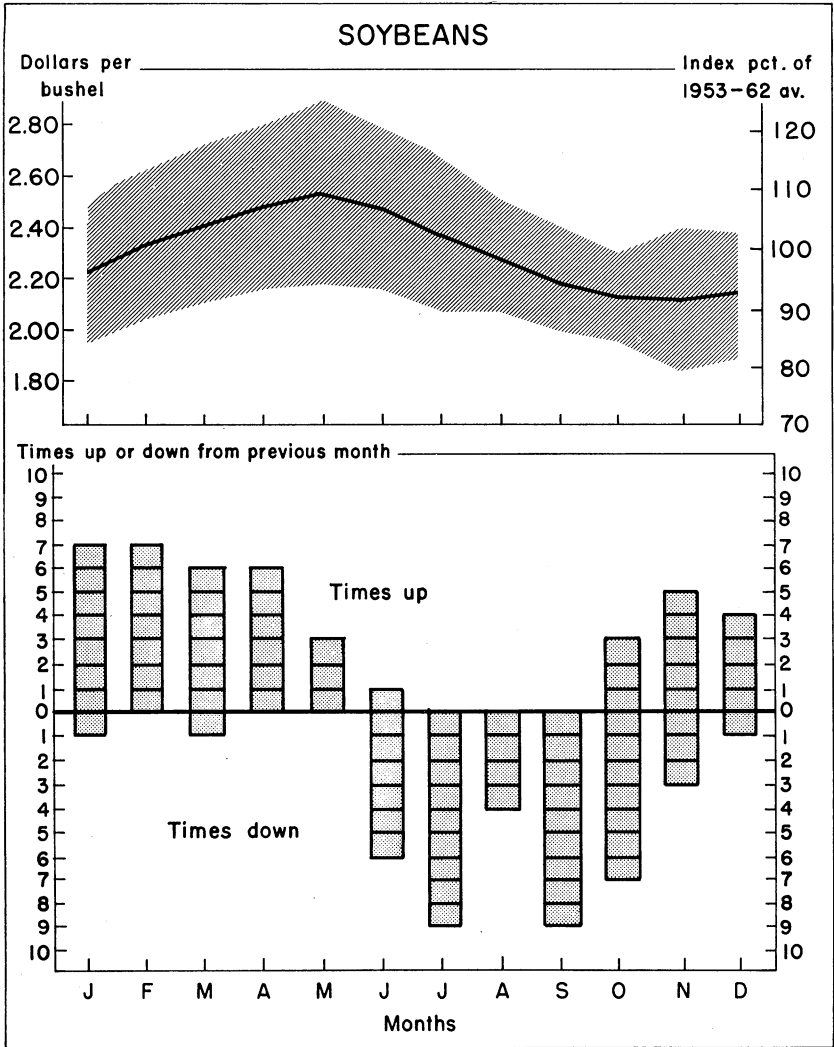


Figure 15. Soybeans: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

OATS

The seasonal price pattern for oats, 1953-62, was characterized by relatively low prices in June through September, Table 16 and Figure 16. The highest price occurred in January. In 9 of the years, the September price increased over the price for the previous August. Price usually declined from February through July, with the sharpest drop occurring in May and June.

Oats was grown principally as a feed and seed crop on Alabama farms. Most of the oats that left the farm on which grown was sold directly from the combine or during oat planting season.

Seasonal price rise usually was inadequate to justify storage facilities when used only for oats. The 10-year average price was 89 cents per bushel.

TABLE 16. OATS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|------------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per bushel | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 106 | 14 | .95 | 6 | 0 | 7 | 1 | 2 |
| February | 106 | 13 | .94 | 5 | 0 | 3 | 3 | 4 |
| March | 105 | 12 | .94 | 1 | 0 | 1 | 5 | 4 |
| April | 104 | 13 | .92 | 1 | 0 | 1 | 6 | 3 |
| May | 102 | 13 | .91 | 0 | 0 | 1 | 7 | 2 |
| June | 93 | 8 | .83 | 0 | 2 | 0 | 10 | 0 |
| July | 91 | 8 | .82 | 0 | 8 | 1 | 6 | 3 |
| August | 93 | 9 | .83 | 0 | 3 | 7 | 2 | 1 |
| September | 97 | 9 | .86 | 0 | 0 | 9 | 0 | 1 |
| October | 100 | 9 | .89 | 1 | 0 | 7 | 1 | 2 |
| November | 102 | 9 | .91 | 1 | 0 | 6 | 1 | 3 |
| December | 101 | 8 | .90 | 1 | 0 | 3 | 5 | 2 |
| TOTAL | 1200 | 124 | 10.68 | 16 | 13 | 46 | 47 | 27 |
| AVERAGE | 100 | 10 | .89 | | | | | |

¹ See Table 1.

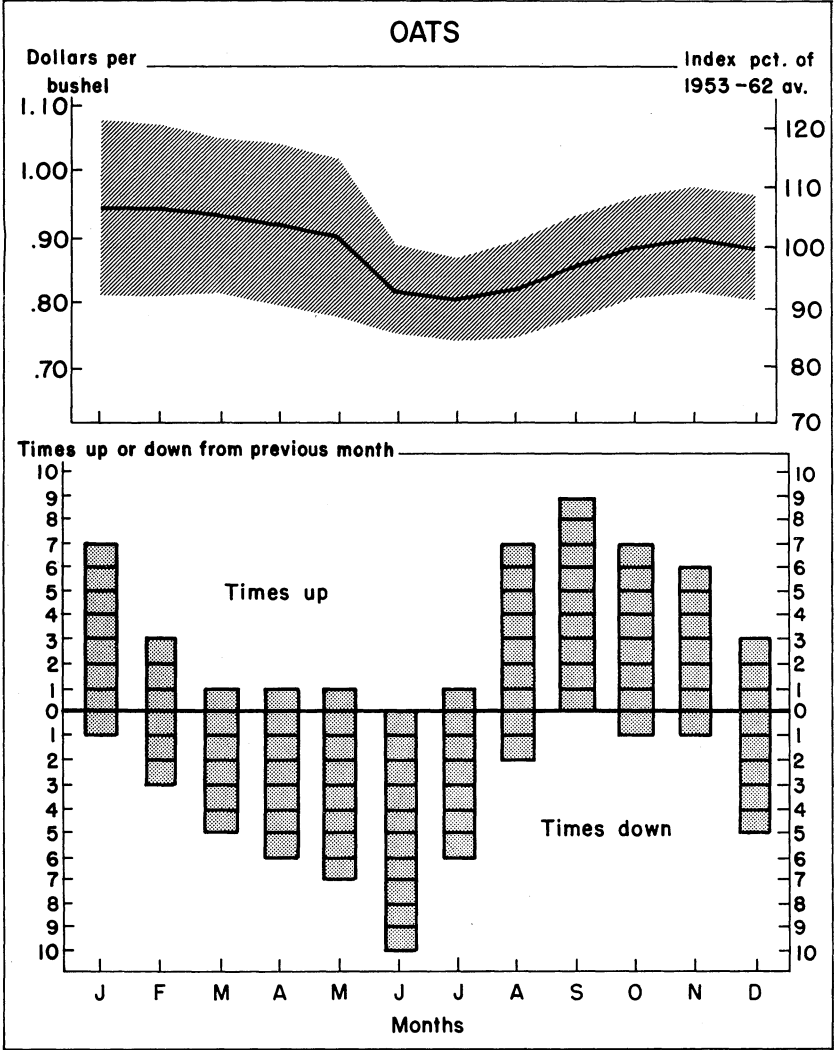


Figure 16. Oats: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

HAY

Prices received by farmers for hay varied from 6 per cent above the average in March to 5 per cent below average in August and September. In January, during the entire 1953-62 period, hay prices increased over the previous month.

Changes in hay prices were gradual from season to season, Table 17 and Figure 17. Extremely high prices occurred only during severe winters or following a poor crop year.

Hay prices were for baled hay of all kinds. Peanut and johnson-grass hay were the most important kinds sold until the last few years. The volume of peanut hay has been declining. A portion of the peanut hay is being replaced with Coastal bermuda hay.

The average price of hay during the period of study was \$25.29 per ton.

TABLE 17. HAY: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|---------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per ton | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 104 | 11 | 26.33 | 1 | 1 | 10 | 0 | 0 |
| February | 105 | 12 | 26.61 | 1 | 0 | 6 | 3 | 1 |
| March | 106 | 12 | 26.87 | 4 | 0 | 6 | 4 | 0 |
| April | 104 | 13 | 26.28 | 0 | 0 | 0 | 10 | 0 |
| May | 102 | 13 | 25.66 | 0 | 1 | 1 | 8 | 1 |
| June | 98 | 8 | 24.86 | 0 | 1 | 2 | 7 | 1 |
| July | 96 | 8 | 24.31 | 0 | 1 | 2 | 8 | 0 |
| August | 95 | 7 | 24.06 | 0 | 2 | 2 | 6 | 2 |
| September | 95 | 8 | 24.05 | 0 | 1 | 6 | 4 | 0 |
| October | 96 | 10 | 24.27 | 0 | 3 | 4 | 5 | 1 |
| November | 98 | 10 | 24.81 | 0 | 1 | 9 | 1 | 0 |
| December | 101 | 9 | 25.37 | 4 | 0 | 9 | 1 | 0 |
| TOTAL | 1200 | 122 | 303.48 | 10 | 11 | 57 | 57 | 6 |
| AVERAGE | 100 | 10 | 25.29 | | | | | |

¹ See Table 1.

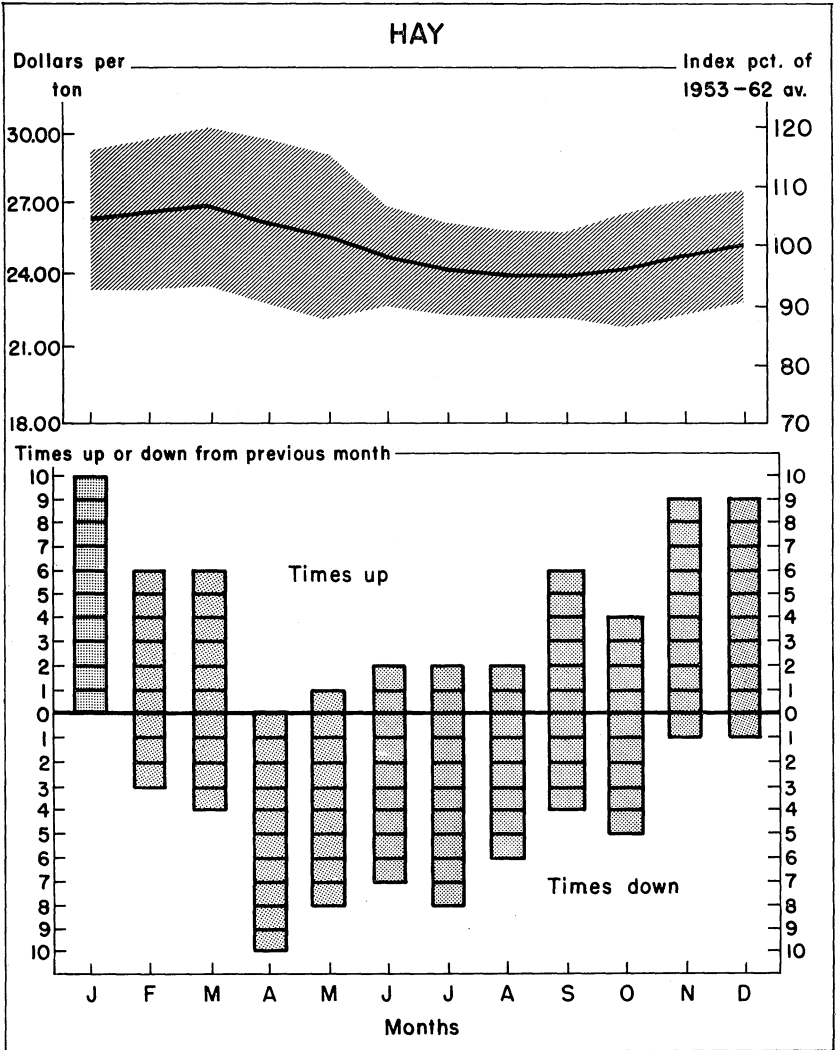


Figure 17. Hay: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

WHEAT

Wheat prices in the 1953-62 period were lowest during June through October, Table 18 and Figure 18. The seasonal price rise from harvest time until February was 9 per cent as an average for the 10 years. The lowest average price occurred in July. Generally, the price started declining in April and continued through July. Prices in October and November showed a change from previous month in only 3 of the 10 years.

The average seasonal price rise of 16 cents per bushel was hardly enough to cover storage costs in most instances.

The average price of wheat during the period of study was \$1.86 per bushel. The variability of price about the average was relatively small.

TABLE 18. WHEAT: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|------------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, dollars per bushel | High | Low | Times up from previous month | Times down from previous month | Times same as previous month |
| January | 103 | 7 | 1.92 | 2 | 1 | 5 | 2 | 3 |
| February | 103 | 7 | 1.93 | 2 | 1 | 3 | 1 | 6 |
| March | 104 | 7 | 1.93 | 5 | 1 | 5 | 3 | 2 |
| April | 103 | 7 | 1.92 | 2 | 1 | 2 | 4 | 4 |
| May | 102 | 6 | 1.91 | 1 | 1 | 1 | 5 | 4 |
| June | 97 | 3 | 1.81 | 0 | 1 | 1 | 9 | 0 |
| July | 95 | 3 | 1.77 | 0 | 6 | 0 | 9 | 1 |
| August | 96 | 4 | 1.78 | 0 | 4 | 6 | 3 | 1 |
| September | 98 | 4 | 1.83 | 1 | 0 | 10 | 0 | 0 |
| October | 98 | 5 | 1.82 | 1 | 0 | 1 | 2 | 7 |
| November | 100 | 4 | 1.86 | 3 | 0 | 1 | 2 | 7 |
| December | 101 | 5 | 1.89 | 3 | 0 | 6 | 1 | 3 |
| TOTAL | 1200 | 61 | 22.38 | 20 | 16 | 46 | 39 | 35 |
| AVERAGE | 100 | 5 | 1.86 | | | | | |

¹ See Table 1.

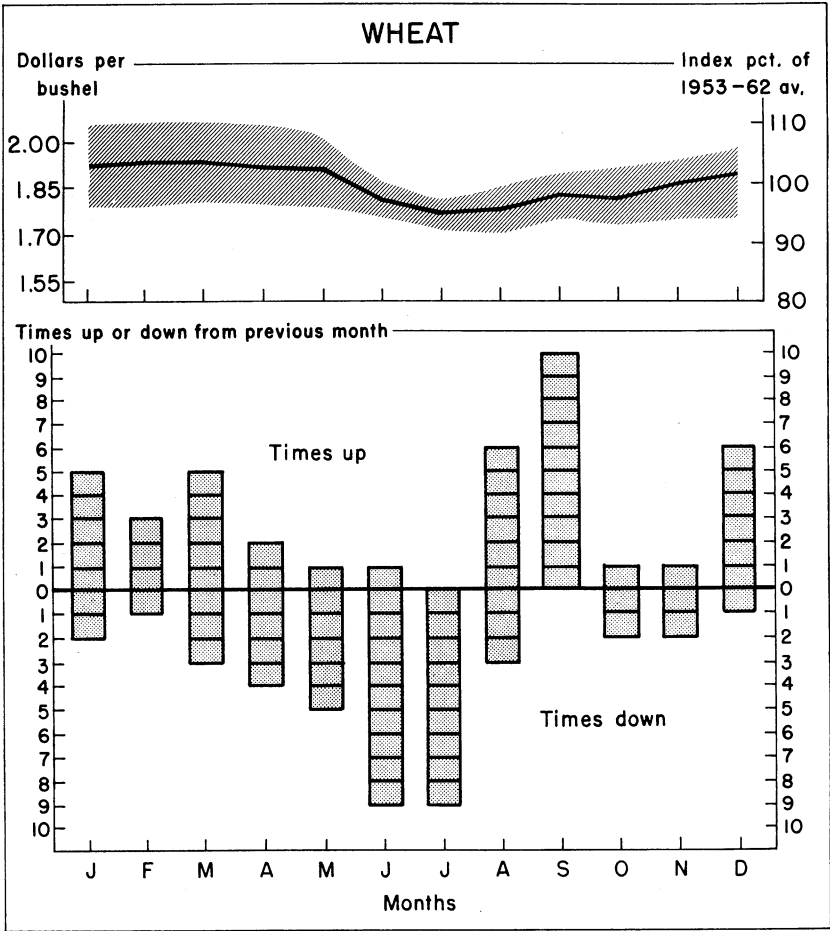


Figure 18. Wheat: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

PEANUTS

Prices received by farmers for peanuts showed very little seasonal variation during 1953-62, Table 19 and Figure 19. Also, the variability of price about the average monthly price was comparatively small.

Normally, few peanuts are sold by farmers between January and the following harvest period. Prices during the season of few or no sales are indications of what dealers would be willing to pay if peanuts were available for purchase. Therefore, prices during this season probably reflect those that prevailed at the end of the marketing season. Average price during the period of study was 10.3 cents per pound.

Alabama farmers, primarily those in southeastern Alabama, received 11 to 23 million dollars annual income from peanuts during 1952 through 1961. Income from the sale of peanuts accounted for 3.9 per cent of the total cash farm income during those years.

TABLE 19. PEANUTS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62¹

| Month | Seasonal average | | | Number ² of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|---------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, cents per pound | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 98 | 7 | 10.1 | 2 | 3 | 4 | 1 | 5 |
| February | 101 | 6 | 10.4 | 0 | 1 | 4 | 1 | 1 |
| March | 99 | 8 | 10.2 | 3 | 1 | 2 | 0 | 4 |
| April | 101 | 6 | 10.4 | 5 | 1 | 3 | 1 | 4 |
| May | 104 | 5 | 10.7 | 1 | 1 | 0 | 0 | 5 |
| June | 104 | 4 | 10.7 | 0 | 1 | 0 | 1 | 4 |
| July | 103 | 4 | 10.6 | 0 | 1 | 0 | 1 | 4 |
| August | 99 | 4 | 10.2 | 1 | 2 | 1 | 3 | 1 |
| September | 98 | 7 | 10.1 | 0 | 0 | 3 | 5 | 1 |
| October | 97 | 9 | 9.9 | 1 | 3 | 3 | 5 | 2 |
| November | 98 | 9 | 10.0 | 1 | 4 | 3 | 3 | 4 |
| December | 98 | 8 | 10.1 | 3 | 2 | 6 | 2 | 2 |
| TOTAL | 1200 | 77 | 123.4 | 17 | 20 | 29 | 23 | 37 |
| AVERAGE | 100 | 6 | 10.3 | | | | | |

¹ No price was reported in February of 1958, 1959, 1960 and 1962; March of 1958 and 1962; May, June and July of 1958-1962; and August of 1960.

² See Table 1.

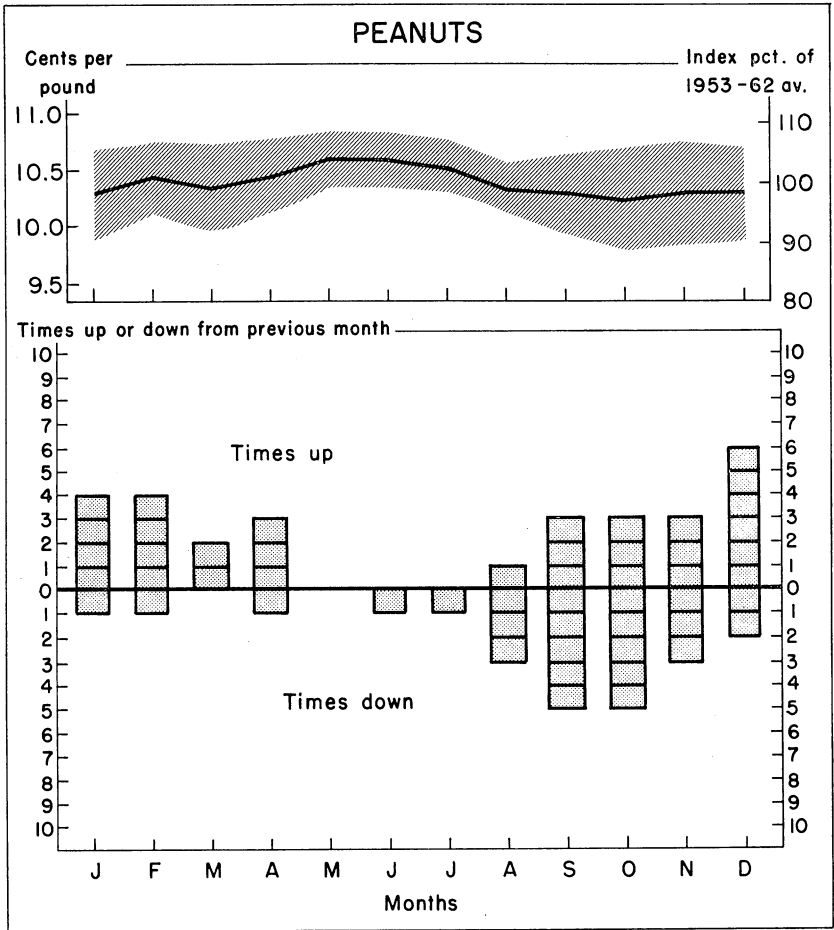


Figure 19. Peanuts: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

COTTON

Prices received by Alabama farmers for cotton showed little seasonal variation during the period 1953-62, Table 20 and Figure 20. The price of cotton was only 4 per cent above average in September, the month of highest price, and 3 per cent below the average in December. The total spread in price was 7 per cent. An average price of 32.8 cents per pound prevailed during the 10-year period.

Cotton was the major source of income for Alabama farmers. From 1953 through 1961, sales of cotton (lint only) accounted for 26.3 per cent of the total cash farm income of Alabama farmers. Cotton and cottonseed accounted for 28.8 per cent.

Prices of cotton did not vary greatly because of relatively stable price support programs.

TABLE 20. COTTON: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1953-62

| Month | Seasonal average | | | Number ¹ of times | | Monthly movement | | |
|-----------|--------------------------|----------------------------------|---------------------------------|---------------------------------|-----|---------------------------------------|---|---------------------------------------|
| | Index of variation | Index of irreg- ularity | Price, cents per pound | | | Times up from previous month | Times down from previous month | Times same as previous month |
| | | | | High | Low | | | |
| January | 98 | 5 | 32.1 | 0 | 4 | 5 | 3 | 2 |
| February | 99 | 5 | 32.4 | 0 | 2 | 5 | 1 | 4 |
| March | 99 | 4 | 32.6 | 0 | 1 | 6 | 1 | 3 |
| April | 99 | 4 | 32.7 | 0 | 1 | 4 | 2 | 4 |
| May | 100 | 3 | 32.8 | 0 | 0 | 4 | 2 | 4 |
| June | 101 | 3 | 33.0 | 1 | 0 | 6 | 2 | 2 |
| July | 101 | 3 | 33.2 | 1 | 0 | 5 | 3 | 2 |
| August | 103 | 2 | 33.8 | 2 | 0 | 7 | 3 | 0 |
| September | 104 | 3 | 34.2 | 5 | 0 | 6 | 4 | 0 |
| October | 101 | 5 | 33.1 | 1 | 0 | 1 | 9 | 0 |
| November | 98 | 5 | 32.3 | 0 | 1 | 0 | 10 | 0 |
| December | 97 | 6 | 31.9 | 0 | 5 | 1 | 7 | 2 |
| TOTAL | 1200 | 48 | 394.1 | 10 | 14 | 50 | 47 | 23 |
| AVERAGE | 100 | 4 | 32.8 | | | | | |

¹ See Table 1.

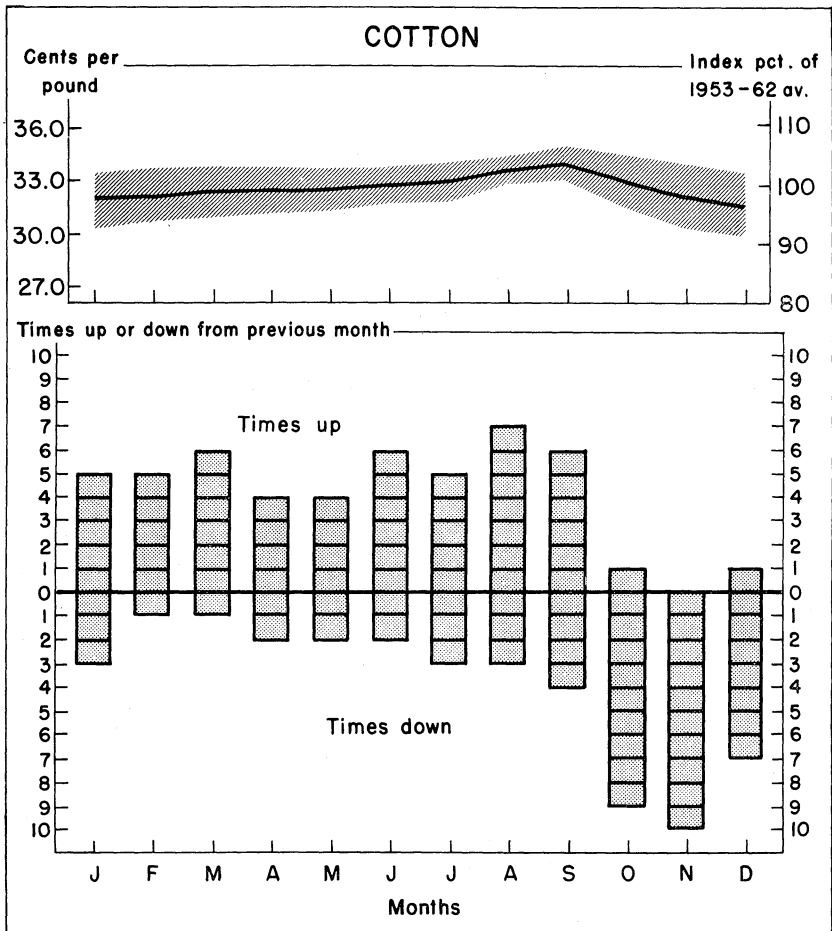


Figure 20. Cotton: Average monthly price and index number of prices received with area of ranges, and change in price from previous month, Alabama, 1953-62 (10-year average = 100).

CHANGES IN SEASONAL PRICE PATTERNS
BETWEEN 1948-54 AND 1953-62

In order to make comparisons, the monthly index of prices received by Alabama farmers for 13 farm commodities was calculated for the period 1948-54. Methods similar to those used in calculating monthly indexes for 1953-62 were used in arriving at the 1948-54 seasonal pattern of prices.

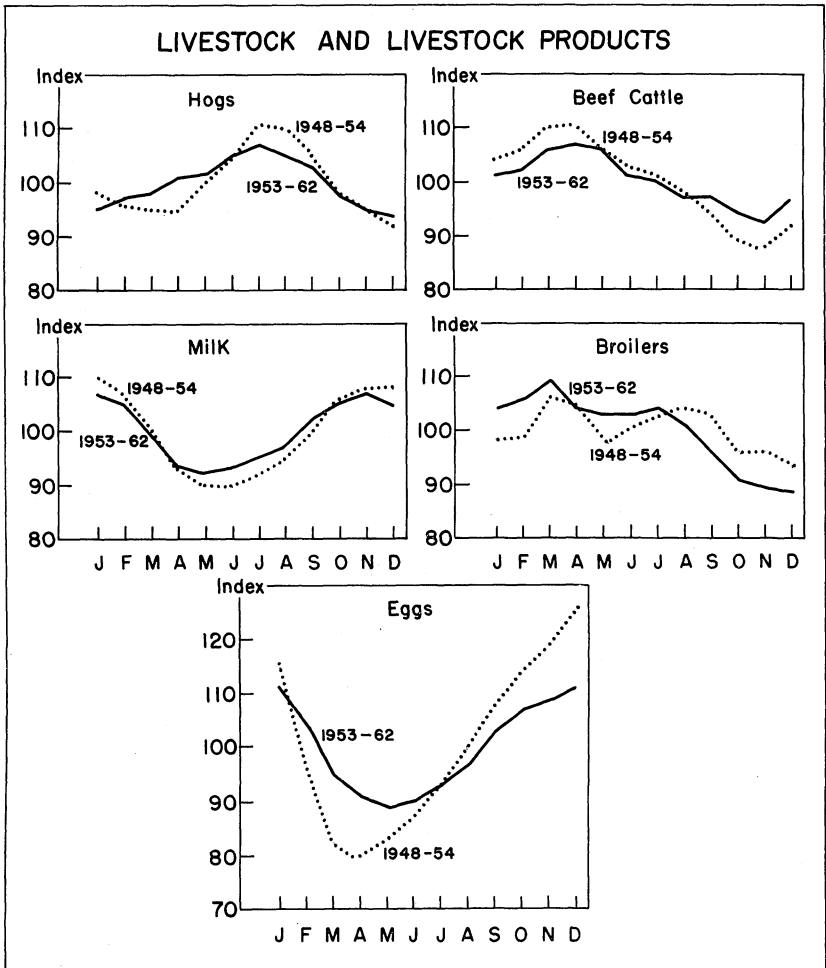


Figure 21. Comparison of seasonal price patterns for selected livestock and livestock products, Alabama (1948-54 and 1953-62 = 100).

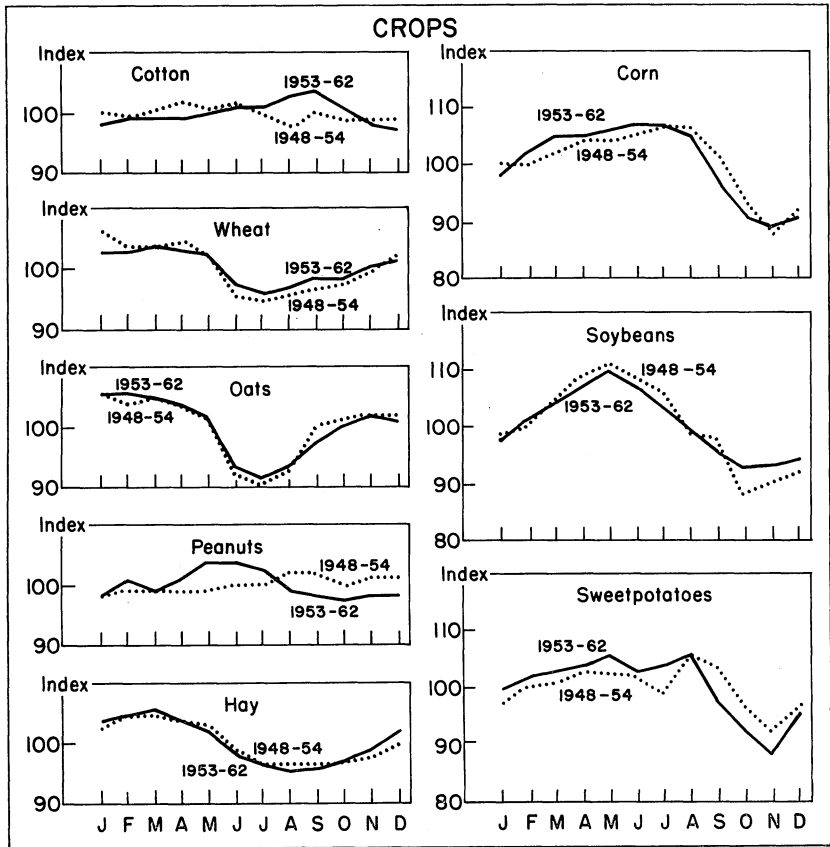


Figure 22. Comparison of seasonal price patterns for selected crops, Alabama (1948-54 and 1953-62 = 100).

With the exception of prices for a few commodities, seasonal price patterns for the two periods were quite similar, Figures 21 and 22.

Prices of all livestock and livestock products except broilers changed less seasonally in the 1953-62 period as compared with the 1948-54 period. This can partially be accounted for by more stable feed prices, improved production and marketing information plus more uniform sales.

For the 1953-62 period, cotton prices peaked in September, which was 3 months later than the earlier period.

Seasonal variations in prices of wheat, oats, and hay were almost identical during both time periods.

For peanuts, seasonal price variation was greater in the 1953-62 period than in the earlier period, and high and low price months shifted more inversely with seasonality of sales.

The magnitude of seasonal price change of corn increased during the later period.

Seasonal price patterns for soybeans during both periods were relatively similar, but seasonal price change was less in the later period.

There was greater seasonal price change for sweetpotatoes in the 1953-62 period.

SUMMARY AND CONCLUSIONS

Prices received by farmers changed considerably more within the year than did prices paid by farmers.

Changes in average prices for farm commodities sold, except cotton, wheat, and peanuts, amounted to more than 10 per cent from the month of lowest to the month of highest prices. Prices of commodities purchased by farmers increased less than 10 per cent from the lowest to highest months of prices. The following table is based on monthly average prices received or paid by Alabama farmers during the 10-year period, 1953-62.

| <i>Commodity</i> | <i>Percentage increase from month of lowest to month of highest average price</i> |
|------------------|---|
| Eggs | 24.1 |
| Broilers | 22.4 |
| Beef cattle | 16.3 |
| Milk | 15.8 |
| Calves | 14.6 |
| Hogs | 14.0 |
| Alfalfa hay | 9.9 |
| Cottonseed meal | 8.5 |
| Soybean meal | 6.3 |
| Laying mash | 3.7 |
| Broiler mash | 3.7 |
| Dairy feed | 2.7 |
| Corn | 21.5 |
| Sweetpotatoes | 20.8 |
| Soybeans | 19.2 |
| Oats | 16.4 |
| Hay | 11.7 |
| Wheat | 9.4 |
| Peanuts | 8.1 |
| Cotton | 7.2 |

Eggs, compared with other commodities, showed the greatest seasonal change in price. Cotton and peanuts, Alabama's most

important crops from a cash farm income standpoint, showed little seasonal change in price during the 10-year period. This price stability resulted, at least in part, from the government price-support and storage programs.

Livestock and livestock products, particularly beef cattle, as well as certain crops, such as soybeans, corn, and small grains, are becoming more important to Alabama farmers as sources of direct or indirect farm income. The seasonal price patterns of several of these commodities indicate that considerable effort is justified on the part of farmers to adjust production and/or marketing in order to receive the highest possible seasonal price.

For crops, lowest seasonal prices usually occurred during or shortly after harvest season. In the case of livestock and livestock products as well as that of crops, various supply and demand factors must be considered in accounting for the seasonal pattern of prices. Supply and demand factors and their relative importance change with the passage of time. The price patterns as presented for various commodities give an indication of the seasonal pattern that may be expected in the future.

Producers who are taking the risk of producing to sell during out-of-season high-price periods may be penalized by stabilization of prices. Other producers who adjust production for least cost and who may sell when prices are lowest benefit from the higher support prices. The first group of producers probably would not like this and would soon be following the practices of the second group, thus increasing the seasonal variation. This important relationship should be considered in establishing, administering, and adjusting government price-support programs.

Although seasonal price patterns may serve well as guides, the many price-making forces must be watched constantly by farmers. Several things that farmers can do to take advantage of seasonal prices are:

1. Become familiar with the entire marketing system through which their products move.
2. Make adjustments in numbers of livestock and poultry, or size of other enterprises, to obtain greatest returns.
3. Consider putting into practice a breeding program that takes into account the seasonal price pattern of products produced, but at the same time consider additional costs that might result from a different breeding program.

4. Make adjustments in the amount and kind of feed used.
5. Time the purchases of cattle, hogs, sheep, and poultry to take advantage of low seasonal prices. Likewise time the sale of livestock and poultry to take advantage of high seasonal prices.
6. Consider the storage of farm commodities that lend themselves to storing and for which there is considerable seasonal variation in prices.

The material and charts presented will serve only as guides by which farmers can plan their operations. This information should not be used alone in making decisions. It can be most helpful when used along with other information available on production and marketing for each particular commodity and in each area of the State.

Making adjustments on the basis of a historical, seasonal price pattern does not guarantee increased profits. Seasonal price patterns result from the forces of supply and demand peculiar to a given season and product. Sometimes the result is not as expected.

Sales that result in the greatest net returns may or may not be those made during the season of highest commodity price. As more and better price information is published and producers grow more familiar with its use, efforts to adjust the quantity and quality of products to market demands within the year will prove less difficult and more profitable.

APPENDIX

RELIABILITY OF SEASONAL PRICE PATTERNS

The seasonal price patterns calculated for the period 1953-62 were similar to those that prevailed during 1948-54 for most of the commodities studied. Seasonal price patterns do not change rapidly. Many of the seasonal demand factors such as eating habits of consumers change rather slowly. However, seasonal quantities of commodities, such as broilers and eggs, can be changed fairly rapidly. These changes may result in slightly different seasonal price patterns than those presented. Producers who are aware of the number of chicks placed on farms as well as other key factors that will later affect prices of broilers and eggs, can make proper adjustments in their operations to take advantage of indicated seasonal production and prices.

Furthermore, a certain amount of error can be expected in estimating the seasonal level of prices for any farm commodity. However, this error, based on past monthly price variation, can be measured. Indexes of irregularity were calculated as a measure of variation from the monthly average prices presented in the tables. These indexes actually measure in percentage the average amount that individual monthly prices differed from the monthly average price as presented.

Here is an example illustrating use of the indexes of irregularity: For March, the index of irregularity of beef cattle prices was 21 (21 per cent), Table 3. This means that average prices in March during the 10 years varied from 21 per cent above \$16.39 per hundred pounds to 21 per cent below. The seasonal index of price variation for beef cattle was 106 in March. If the average price of beef cattle was estimated to be \$16.00 per hundred pounds in a future year, the March price could be estimated as \$16.96 per hundred pounds, or 6 per cent above the average price. The index of irregularity for March means that beef cattle prices might vary 21 per cent from the monthly average. In fact, based on historical data presented, two-thirds of the time prices as estimated for the month of March would fall between \$13.40 and \$20.52 (\$16.96 minus 21 per cent and \$16.96 plus 21 per cent). By a similar process, based on historical variation in prices, expected prices can be estimated for a given month through use of the seasonal index of price variation and the index of irregularity.

The price ranges are shaded on Figures 1 through 20. A relatively good estimate of expected price can be obtained from these figures. However, price patterns and levels change. When this occurs, the most recent data are used in estimating price.

During the 10-year period 1953-62, prices of certain commodities varied more from the monthly averages than others. As shown in the following table, prices of cotton, wheat, peanuts and milk varied less than 10 per cent from monthly average prices. However, beef cattle, calves, and broilers showed approximately 25 per cent variation. Therefore, estimates of seasonal prices for these three commodities, based on historical data, could not be as precise as price estimates for the other commodities.

Soybean meal was the only commodity purchased for which the price varied more than 10 per cent from monthly average prices.

| <i>Commodity</i> | <i>Average index of irregularity</i> |
|--------------------|--|
| Broilers (1953-62) | 25.0 |
| Calves | 24.6 |
| Beef cattle | 24.2 |
| Hogs | 17.4 |
| Corn | 16.4 |
| Broilers (1958-62) | 12.9 |
| Soybean meal | 12.7 |
| Soybeans | 11.8 |
| Sweetpotatoes | 11.1 |
| Oats | 10.4 |
| Eggs | 10.2 |
| Hay | 10.2 |
| Alfalfa hay | 9.6 |
| Cottonseed meal | 8.1 |
| Laying mash | 7.1 |
| Broiler mash | 6.9 |
| Peanuts | 6.0 |
| Dairy feed | 5.2 |
| Wheat | 5.1 |
| Milk | 4.3 |
| Cotton | 4.0 |

APPENDIX TABLE 1. BROILERS: AVERAGE SEASONAL MOVEMENTS OF ALABAMA FARM PRICES, 1958-62

| Month | Seasonal average | | |
|----------------|--------------------|-----------------------|------------------------|
| | Index of variation | Index of irregularity | Price, cents per pound |
| January..... | 108 | 10 | 16.6 |
| February..... | 110 | 10 | 16.9 |
| March..... | 112 | 12 | 17.1 |
| April..... | 103 | 12 | 15.8 |
| May..... | 102 | 17 | 15.6 |
| June..... | 101 | 20 | 15.5 |
| July..... | 99 | 18 | 15.2 |
| August..... | 96 | 14 | 14.7 |
| September..... | 93 | 13 | 14.3 |
| October..... | 90 | 12 | 13.8 |
| November..... | 90 | 9 | 13.9 |
| December..... | 96 | 7 | 14.8 |
| TOTAL..... | 1200 | 154 | 184.2 |
| AVERAGE..... | 100 | 13 | 15.3 |

