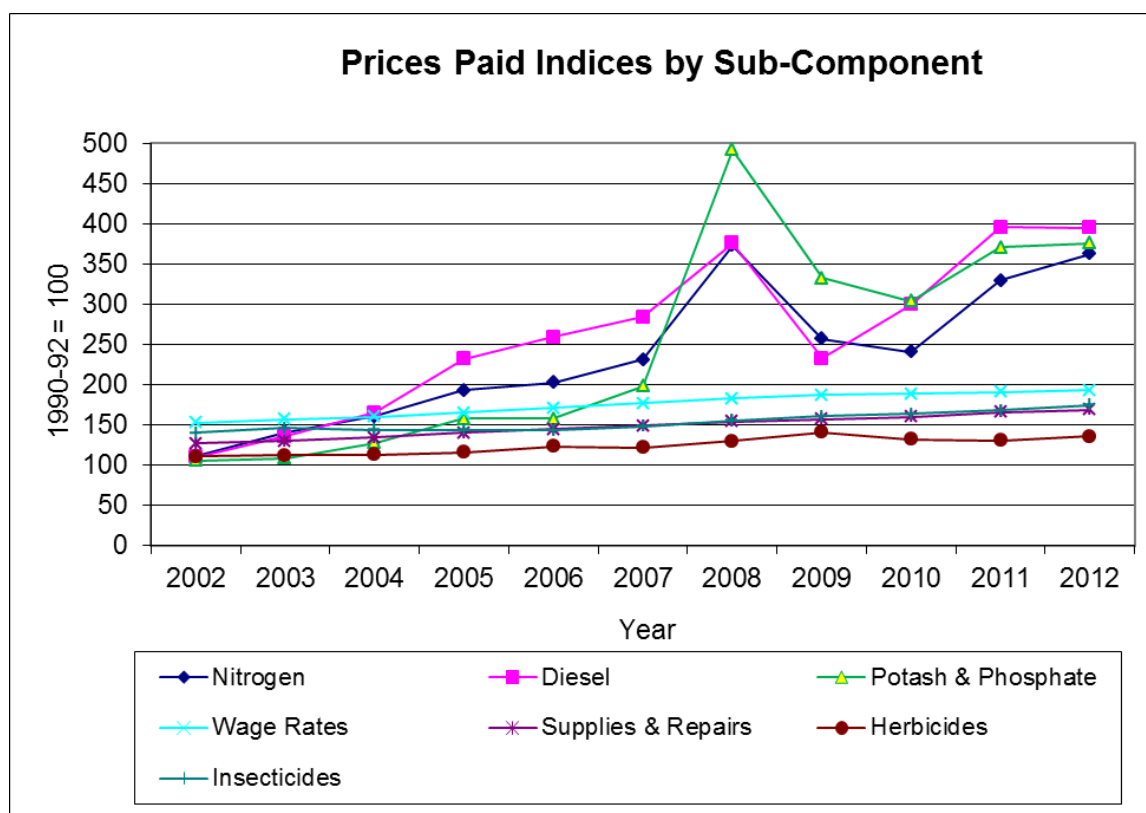


## January 2012 Prices Paid by Subcomponent Summary

Prices for diesel, potash and phosphate declined from last month, wage rates along with supplies and repairs were unchanged while all other components showing monthly increases. Reported price levels for five of the seven subcomponents increased from January 2011 levels. The monthly nitrogen index was 27.8% higher than the January 2011 level and up 1.4% from the December 2011. The monthly diesel fuel index was reported to have increased 13.8% from January 2011, but was 0.8% lower than December 2011. Potash and phosphate prices were reported to be 8.3% lower than in January 2011. Herbicide prices increased 4.6% from January 2011 levels and insecticide prices increased by 5.4% from January 2011 levels. Wage rates showed a year-over-year decline, dropping 1.0% from the January 2011 price level. Prices for supplies and repairs were unchanged from last month, and increased by 4.3% from the same month last year. The 2012 data shown in the graph represents the prices sampled in mid-January 2012, with previous years shown as annual averages.



Source: National Agricultural Statistics Service, Agricultural Statistics Board, U.S. Department of Agriculture. Agricultural Prices. January 2012. Web available at <http://usda01.library.cornell.edu/usda/current/AgriPric/AgriPric-01-31-2012.pdf>.

The prices paid by farmers indices by sub-component shown in the graph below represents the average costs of inputs purchased by farmers and ranchers to produce agricultural commodities. The average price when multiplied by quantity purchased should equal total producer expenditures for the item. The prices paid data are obtained from establishments that sell goods and services to farmers and ranchers. Annually, about 8,500 firms are randomly selected from lists by type of item sold with an average response rate in the range of 75-80 percent. Firms are

asked to report the price for the specified item "most commonly bought by farmers" or that was the "volume seller". The survey reference period for most items is the 5 business days centered on the 15th of the month. Separate prices paid surveys are conducted for agricultural chemicals, fuels, feed, fertilizer, machinery, and seed.