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Louisiana farmers have enjoyed two relatively good crop years in 1963 and 1964; indications are that with normal weather and other conditions in 1965 they will experience a third.

For the nation, the net income realized per farm in 1965 ran about three per cent above 1963. Farmers' income from non-farm sources increased also. Domestic markets for farm products are expected to continue expanding in 1965 and exports are expected to come near the record of 1963-64. The general economic picture indicates another strong advance in business activity.

Farmers' gross income in 1965 may be near the levels of the past two years. Some gains are likely in receipts from livestock and products. Smaller receipts in crops may be offset by larger government payments. The rise in production expenses slowed down in 1964 compared with preceding years, and expenses in 1965 are expected to show a relatively small gain. This will mean that farmers realized net income will be about the same as for 1964.

A combination of increased wages and other personal income and reduced tax rates boosted consumer's income in 1964 to about eight per cent above 1963. Consumer buying intentions in 1965 for cars, appliances and other durable goods, as well as nondurable goods and services, are well above a year ago. This condition will have an effect on increased demand for agricultural products, particularly food items. Strong gains are expected in per capita consumption of beef, veal and poultry.

Utilization of feed grains in 1965 is expected to exceed that of 1964, which will further reduce the carryover and strengthen prices. Soybean supplies are at a record level, but use is expected to follow the long-run trend. Soybean crushings are expected to be above 1964 and exports to continue at a record rate.

Cotton yields in 1964 set a new record and are double the 1947 average. As a consequence of government control programs has declined considerably, but yields have increased enough to maintain production levels. Carryover of cotton on August 1, 1965, was up over a million bales from 1963. The acreage to be planted in 1965 and prices will be controlled by government programs.

Based on disappearance estimates, the carryover of rice on August 1, 1965, may be up from the carryover of the preceding three years, but again would be well below the five-year average. Domestic consumption and exports are expected to be about the same as for 1964. Prices will be controlled by the price support government loan program.

The upswing in cattle numbers is expected to slow down in 1965. All classes of cattle have shown significant increases in slaughter in 1964, with cow and calf slaughter showing the largest gains. This is expected to continue in 1965. Prices of fed cattle are not expected to reach the low levels of 1964.

Hog prices are expected to average moderately above 1964. Hog slaughter in the summer of 1965 will be substantially below 1964. Higher corn prices will tend to prevent expansion in hog production in early 1965. Sheep and lamb prices are expected to continue above 1964 levels due to continued decrease in numbers.

The production of poultry and eggs tends to increase each year. Increases in production have been greater for poultry than for eggs. The per capita demand for eggs has been declining while that for poultry has been rising. It is expected that more eggs and broilers will be produced in 1965 than in 1964. Egg production increases are expected to be large enough to cause a further decline in prices. The expansion of broiler production may be small and farm prices may average higher.

Although milk and cream production will likely increase slightly in 1965 over 1964, prices are likely to remain at a high level. A strong domestic demand coupled with special U. S. D. A. programs and large exports will tend to strengthen these prices.

The farm income outlook for Louisiana is one of continued stability. Farmers will continue to enjoy expanding domestic and foreign markets. An increasing proportion of total output is being accounted for by larger farms and fewer farmers. The rapid movement out of agriculture continues, but the gap between the high income farmer and the low income farmer is probably widening.