Looking at the financial aspects, the most dramatic change over the 30 year period was in the increase in farm capitalization, which increased by a factor of nearly 27.

There was more than a six fold increase in total farm cash receipts between 1951 and 1981, however, the corresponding rate of increase in total operating expenses was more than ten fold.

The difference in the rate of change between receipts and expenses is reflected in realized net farm income, which increased by a factor of five or half the rate of increase in expenses, and about 27% of the rate of increase in receipts.

More recent information confirms that several of these trends are continuing (see table 2). Farm cash receipts increased by about 6% from 1982 through 1984, while realized net farm income fell on both a current and deflated basis. According to the Farm Credit Corporation study, total farm capital value declined by 5.1% from 1982 to 1984.

The deteriorating farm income situation is reflected in the ratio of income to receipts, which has declined steadily from the 23.1 level for 1977-81 to 17.5 in 1984. A major contributing factor was the continuing annual lag of agriculture product prices behind those of farm input prices and the CPI.