

The farms for each period were sorted into three groups of low, average, and high yields so that about an equal number of farms fell in each group. In each case, there was a positive relationship between yields and income (Table 19). In 1945, farms with low yields made a labor income of minus \$211 compared to \$3,113 for those with high yields. There was little relationship between yields and prices received which tends to indicate that the quality of the product placed on sale by farmers with high yield was not greatly different from the quality of the product placed on sale by farmers with low yields. However, on farms with low yields more culling may have been necessary in preparing the product for sale.

Good crop yields show good management. Crops are sometimes grown on soils unsuited for the crop. Good seed, proper use of fertilizer, proper insect and disease control, good cultivation and care of growing crops are all important factors affecting yields.

PRICES RECEIVED

Prices received reflect quality and grade of the product, care with which it is prepared and packed, time of selling, bargaining ability of the farmer and other factors. A price index was calculated for each farm by dividing the actual receipts from products by what the sales would have been had the crops been sold at average prices received by all farmers in the group. No price index was calculated for the group of farms surveyed in 1945.

As with crop index, there was a close relationship between price index and labor income (Table 20). The greatest difference in labor income was in 1927, when labor income was minus \$746 on farms with low prices and \$733 on farms with high prices. In 1932 and 1927, farmers receiving average prices operated farms that were larger than those receiving either high or low prices. For the period 1917-22 farms with the highest average prices were also the largest farms. In this period the high average labor income in the group with high prices was partly accounted for by the increase in size of business.

Crop Yields and Prices Combined.—A farm may be high in one factor and low in another; this will serve to keep income low. When an operator excels in both factors income may be much higher than it would be otherwise. This is shown by these farms when the effects of good yields and high prices