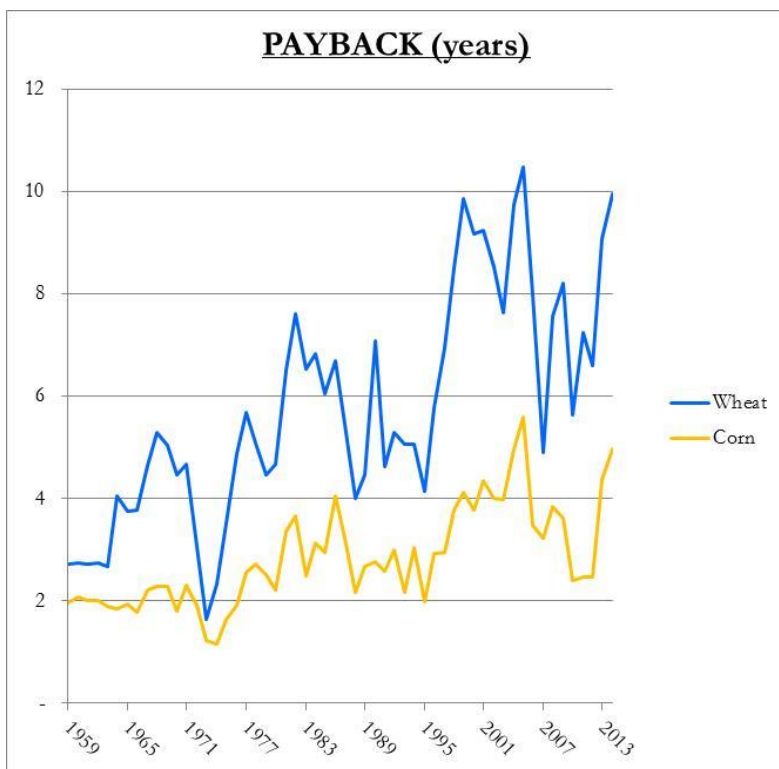


STRETCHING TIME-SPACE

Many find it difficult to observe the collapse in free exchange occurring around them under fiat. The happily ignorant are satisfied with our economy ‘booming’ and that their pockets are getting ‘fuller’...

But how has agricultural activity fared over the decades? Agricultural activity – many forget with modern technology – is the basis of the food we eat. Those employed in agriculture (“farmers”) produce the food that we eat. Naturally, if there’s no coercion involved, the farmer wishes to get a minimum return from their labour-capital. [Observing the payback period and its progression is a good gauge to the likely maintainability of agriculture...](#)

Tilling the soil to grow crops has been the occupation, as part or whole, of *all* sections of society throughout history. Those engaged in farming to create surpluses for sale would have a very simple measure for which crops to grow – the payback period. Crudely, but sufficiently refined for our purposes, the payback period for a given period is the cost of the farmland divided by the value of the harvest. If farmland costs \$500/acre and the expected harvest of wheat is \$90/acre, then the payback period is (500/90) 5.6 years. [The longer the payback period gets, the lower the impetus for successive generations of farmers to continue farming. Why should anyone pursue an activity for which the rewards are continually smaller than the work involved?](#) This form of analysis on agricultural land and payback trumps similar analyses on residential property. Why? Building a house and charging a potential inhabitant rent has no objective self-reference as to how much that rent should be. The activity of living in a house is not the same as tilling the soil to grow crops for exchange; no further elaboration on this is needed.



The United States Dept. of Agriculture (USDA) has kept an annual log of US farmland values over the decades. This, along with wheat and corn prices is the basis for calculating the payback period. Of course, farming productivity has increased over the decades and adjustment for this is taken into consideration; since 1960, the typical yield for wheat|corn has gone from 20|50 to 50|150 bushels per acre currently.

The chart to the left shows the (gross) payback period for wheat and corn from 1960 to 2014. The trend is self-evident. Even with increasing productivity, the payback period for agricultural enterprise has been increasing substantially. [In 1960, the payback period for wheat|corn was 2.7|1.9 years. As of last year, that was](#)

[10|5.5 years. Under free exchange not impeded and hindered by fiat, technological improvements would have the payback period *shrink* not expand!](#)

The payback period is calculated gross of farm overheads and any subsidies received. Farming subsidies are the ways the fiat authorities compensate for the payback period soaring...and keep farmers interested in farming (that is fiat-interested farmers.)

The ideology of fiat has created this situation; nothing more. Our labour/capital – to the exclusion of none – is marginalised for the promotion of nothing.

It certainly is the case that wheat and corn prices have fallen over the decades. But the existence of our cheap wheat and corn presupposes that the people who wish to undertake the endeavour of cultivating them exist. As the payback periods plotted head higher towards infinity, this crowd of people will head lower towards zero. This dynamic is similar to that where houses are becoming unaffordable apart from those entering a select few ‘occupations’ (termed used loosely.) Why should anyone considering a career consider wheat farming with a 10 year and growing payback? Training to be a ‘wheat consultant’ would be much more ‘profitable’ in this fiat hegemon...as those who are actually willing to grow wheat shrink rapidly in size.

At the collapse of Rome, imperial edicts forced those in communally useful occupations such as farming to remain there or face death. Just what the authorities will do this time is anybody’s guess.



Source data (United States dept. of Agriculture, Chicago Board of Trade):

| | Farmland (US\$/acre) | Yield (bushels/acre) | Price (c/bushel) | Cash yield (USD/acre) | Yield (bushels/acre) | Price (c/bushel) | Cash yield (USD/acre) |
|------|----------------------|----------------------|------------------|-----------------------|----------------------|------------------|-----------------------|
| | | WHEAT | | | CORN | | |
| 1959 | 111 | 20 | 204 | 41 | 50 | 114 | 57 |
| 1960 | 117 | 21 | 209 | 43 | 52 | 109 | 57 |
| 1961 | 119 | 21 | 207 | 44 | 54 | 111 | 59 |
| 1962 | 125 | 22 | 211 | 46 | 55 | 113 | 63 |
| 1963 | 130 | 22 | 220 | 49 | 57 | 120 | 69 |
| 1964 | 138 | 23 | 150 | 34 | 59 | 126 | 75 |
| 1965 | 147 | 23 | 169 | 39 | 61 | 125 | 76 |
| 1966 | 158 | 24 | 176 | 42 | 63 | 142 | 89 |
| 1967 | 168 | 24 | 148 | 36 | 65 | 118 | 76 |
| 1968 | 179 | 25 | 136 | 34 | 66 | 118 | 78 |
| 1969 | 189 | 26 | 147 | 38 | 68 | 121 | 83 |
| 1970 | 196 | 26 | 169 | 44 | 70 | 156 | 109 |
| 1971 | 203 | 27 | 163 | 43 | 72 | 123 | 89 |
| 1972 | 219 | 27 | 264 | 72 | 74 | 155 | 114 |
| 1973 | 246 | 28 | 546 | 151 | 75 | 269 | 203 |
| 1974 | 302 | 28 | 459 | 130 | 77 | 342 | 264 |
| 1975 | 340 | 29 | 336 | 97 | 79 | 261 | 206 |
| 1976 | 397 | 29 | 278 | 82 | 81 | 257 | 208 |
| 1977 | 474 | 30 | 279 | 83 | 83 | 224 | 185 |
| 1978 | 531 | 30 | 343 | 105 | 84 | 232 | 196 |
| 1979 | 628 | 31 | 454 | 141 | 86 | 289 | 250 |
| 1980 | 737 | 32 | 501 | 158 | 88 | 378 | 333 |
| 1981 | 819 | 32 | 392 | 126 | 90 | 271 | 243 |
| 1982 | 823 | 33 | 331 | 108 | 92 | 245 | 225 |
| 1983 | 788 | 33 | 364 | 121 | 94 | 337 | 316 |
| 1984 | 801 | 34 | 348 | 117 | 95 | 269 | 257 |
| 1985 | 713 | 34 | 343 | 118 | 97 | 248 | 241 |
| 1986 | 640 | 35 | 275 | 96 | 99 | 160 | 158 |
| 1987 | 599 | 35 | 311 | 110 | 101 | 185 | 186 |
| 1988 | 632 | 36 | 440 | 158 | 103 | 285 | 292 |
| 1989 | 668 | 37 | 409 | 149 | 104 | 240 | 250 |
| 1990 | 683 | 37 | 261 | 97 | 106 | 232 | 246 |
| 1991 | 703 | 38 | 405 | 152 | 108 | 252 | 272 |
| 1992 | 713 | 38 | 354 | 135 | 110 | 217 | 238 |
| 1993 | 740 | 39 | 378 | 146 | 112 | 306 | 342 |
| 1994 | 798 | 39 | 402 | 158 | 114 | 231 | 262 |
| 1995 | 844 | 40 | 512 | 204 | 115 | 369 | 426 |
| 1996 | 887 | 40 | 381 | 154 | 117 | 258 | 303 |
| 1997 | 926 | 41 | 326 | 133 | 119 | 265 | 315 |
| 1998 | 974 | 41 | 276 | 115 | 121 | 214 | 258 |
| 1999 | 1030 | 42 | 249 | 104 | 123 | 205 | 251 |
| 2000 | 1090 | 43 | 280 | 119 | 124 | 232 | 288 |
| 2001 | 1150 | 43 | 289 | 125 | 126 | 209 | 264 |
| 2002 | 1210 | 44 | 325 | 142 | 128 | 236 | 302 |
| 2003 | 1270 | 44 | 377 | 167 | 130 | 246 | 319 |
| 2004 | 1340 | 45 | 308 | 138 | 132 | 205 | 270 |
| 2005 | 1610 | 45 | 339 | 154 | 133 | 216 | 288 |
| 2006 | 1830 | 46 | 501 | 230 | 135 | 390 | 528 |
| 2007 | 2010 | 46 | 885 | 411 | 137 | 456 | 625 |
| 2008 | 2170 | 47 | 611 | 287 | 139 | 407 | 565 |
| 2009 | 2110 | 47 | 542 | 257 | 141 | 415 | 583 |
| 2010 | 2150 | 48 | 794 | 382 | 143 | 629 | 897 |
| 2011 | 2300 | 49 | 653 | 317 | 144 | 647 | 933 |
| 2012 | 2520 | 49 | 778 | 382 | 146 | 698 | 1021 |
| 2013 | 2730 | 50 | 605 | 301 | 148 | 422 | 625 |
| 2014 | 2950 | 50 | 590 | 296 | 150 | 397 | 595 |