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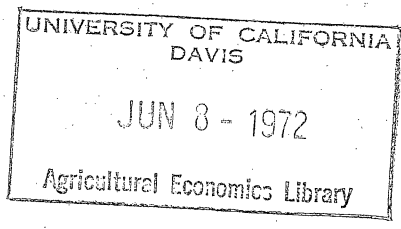
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Inflation
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The Distribution Among Agricultural Producers, Commodities, and Resources of Gains and Losses from Inflation in the Nation's Economy

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What are the effects of inflation on the distribution of income and wealth and on resource returns in agriculture? The answer depends on the kind of inflation one is talking about and the economic context in which it occurs. I assume we are discussing a moderate inflation in which comprehensive price indexes advance for at least five years and consumer prices rise in some years by 5 percent or more. But other matters are also important:

1. Is it a demand-pull inflation, cost-push inflation, or a combination of the two? In a demand-pull inflation, spending power in the hands of consumers and business initially outruns the market supply of goods and services. In a cost-push inflation, wages and prices are administratively raised by labor unions and oligopolistic firms with strong market power.

2. What is the state of anticipations? If business and investment managers expect inflation to continue indefinitely, the behavior of prices and interest rates may be much different than if inflation is expected to be temporary.

3. In identifying the effects of inflation, are we to include the effects of expansion of business and employment often accompanying some stage of inflation? The price and nonprice phenomena are different, but would one occur without the other?

4. Dislike for inflation leads to efforts to halt it, and these may reduce employment and real GNP. Are inflation restraints and their adverse effects to be considered a part of the inflation pattern?

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5. What is the state of government farm programs, especially in respect to price support, reserve stocks, and production control? If there is no government intervention in farm product markets, prices will be sensitive to any changes in demand or supply arising from general inflation. But if government is holding large stocks and is restricting production, release of stocks or relaxation of output controls can greatly moderate price advances.

It would be convenient if pure cases could be found in which different kinds of inflation and different circumstances surrounding them could be studied in isolation. But we are forced in practice to select for empirical study a recent period of rising prices and to accept whatever types of inflation and attendant circumstances actually prevailed during that period. The interval chosen for this study extends from 1953, when the war-induced Korean inflation ended, to 1970. The most rapid surges of inflation during the 18 years came between 1954 and 1959 and between 1965 and 1970.

The price rise of the latter 1950's had strong elements of cost-push inflation. The price rise of the latter 1960's began mainly as a demand-pull phenomenon but was largely a cost-push inflation by 1970. Probably anticipations of long-term inflation were strongest in the latter 1960's. Changes in prices were associated with changes in employment and real GNP in two ways: (1) a long period of strong economic expansion occurred during the 1960's, and the price level rose at a comparatively rapid rate during the latter half of that decade; and (2) year-to-year changes in prices were mildly correlated with year-to-year changes in employment and real GNP over the whole 18-year period. Efforts to slow down inflation, especially by monetary restraints, were the principal cause of the decline of real GNP in 1970, although further inflation took place. The United States was not alone in experiencing inflation; in fact, consumer prices rose somewhat more between 1960 and 1970 in most European countries and in Japan than in the United States.

Thus the period available for study is a hodge-podge of different kinds of inflation in different kinds of circumstances. In view of the limited number of years, the complexity of the relationships involved, and frequent multicollinearity problems, econometric analysis can scarcely be expected to unravel and display completely the structure of the system as we would like to understand it. Accordingly, a two-step procedure is used. Most of the paper is devoted to simple analyses of the effects of inflation on farm economic variables from 1953 to 1970. The results are interpreted in light of actual conditions during the period. Second, a more speculative analysis is made of likely effects on agriculture of the form of inflation likely to exist in the future. Though differential effects of inflation on various parts of agriculture are the ultimate concern of the study, attention is necessarily first directed to effects of inflation on agriculture as an aggregate.

Inflation and Farm Prices

One might hypothesize that rising money incomes of consumers and advancing prices of consumer goods other than food would increase demand for most farm products at retail. Both income and nonfood prices have positive coefficients in the conventional retail demand equation for all food and for most individual foods (2, p. 17). Market supplies of perishable foods are fixed in the short run, so the immediate impact of inflation would be a price increase rather than higher consumption. Although income elasticities and cross price elasticities with nonfoods are not high even for meats, the effect of inflation on food prices might be substantial because own-price elasticities are also low.

In the longer run, retail prices of farm products would be affected by any changes in market supplies forthcoming as a result of new price and cost situations. Here the excess capacity of agriculture and the operation

of farm programs are crucial. The large stocks of feed grains usually on hand and the ready availability of feed grain acreage diverted under production control permit a moderate expansion of livestock production with little increase in feed grain prices. Thus any initial gain in prices of meat and poultry products would be checked after a time by rising supplies. Prices thereafter would tend to be tied to feed grain prices, although by longer and longer tethers as production costs other than feed increased because of inflation.

Several implications follow from this hypothesis. (1) The relationship of meat animal and poultry product prices to feed costs is likely to be improved at the outset of a surge of inflation, but this effect wears off when sufficient time has elapsed for output to be expanded. (2) Producers of feed grains, wheat, and cotton, for which large stocks and standby acreage usually exist, gain little by way of selling prices until excess stocks and acreage seem likely to vanish, a point that may not be reached. Of course, government decisions might raise the level at which the market is supported, as happened for dairy products in the 1960's, but this is not assured. (3) Prices of fruits and vegetables are likely to be pulled up from the demand side, while rising production costs restrain output expansion. (4) Prices of farm products collectively will rise only slowly during general inflation as long as excess capacity exists. Government price support decisions that might offset this are discouraged by the high cost of farm programs.

Data on experience from 1953 to 1969¹ appear to be consistent with the foregoing hypothesis, although no thorough test of its validity seems possible. We cannot observe directly the hypothesized effect of inflation on prices of meats, poultry products, and fruits and vegetables because changes in market supplies, in real incomes of consumers, and in still other

variables also influenced price behavior. The effects of production cycles, especially in hogs, were particularly important in this regard. Accordingly, a simple statistical analysis was performed to test whether inflation had an independent effect on certain food prices. For this purpose, the index of prices of commodities other than food in the Consumer Price Index was used as the indicator of the course of inflation. Prices of foods were regressed on per capital consumption of the same foods, on real income per capita, and on the inflation indicator.² This was done for meat prices, for poultry prices, and for fruit and vegetable prices at both the retail and farm levels.

The results, given in Table 1, show that inflation did have an independent, positive effect on prices of the three groups of perishable foods. With one exception in six comparisons, the effect of inflation was greater on the farm price than on the retail price. This suggests that widening marketing margins as a result of inflation did not entirely prevent increases in retail prices from being accompanied by increases in farm prices.

Changes in dairy product prices were more influenced by changes in price supports and marketing orders than by inflation. The loan level for feed grains was fairly stable at a little more than \$1.00 per bushel for corn after 1960, and the market price stayed close to it except during the euphoria about the disappearance of the surplus in 1966 and during the corn blight epidemic. Wheat and cotton prices were much reduced in the 1960's by a change in government programs though inflation was occurring in the economy. Support prices for tobacco have steadily increased.

Inflation and Input Prices

Inflation of any type can be expected to influence farmers' costs by increasing prices of purchased inputs. It is difficult, however, to

separate the effects of inflation from forces causing upward or downward trends in relative prices. In an effort to do this, prices of individual inputs were regressed on an inflation indicator and on time over the period 1953 to 1970. The inflation indicator used for this purpose was the BLS index of wholesale prices of industrial products. Prices of purchased feed, livestock, and seed were omitted from the analysis because of their close ties to farm product prices already discussed.

The results, reported in Table 2, confirm the strong, positive effect of inflation on prices of farm inputs acquired from nonfarm sources. The one exception, for fertilizer, is a statistical aberration due to the fortuitous timing of overexpansion and low prices in the industry with a spurt of inflation in the late 1960's.

Data given in Table 2 are best interpreted as referring to price relationships over an intermediate period, say three to five years. If a very long period were allowed for prices to adjust to an inflationary surge, the long-run coefficients might all be close to unity--that is, prices finally become inflated in the same proportion, and original relationships among prices are restored (aside from true trends). Advantages and disadvantages to particular economic groups depend importantly upon lags in the price system and their eventual correction.

Prices of most of the individual commodity inputs purchased from industry appear to have increased by less than 1.0 percent for each 1.0 percent advance in industrial wholesale prices. Probably there is a bias toward understatement because differences of one or two years in the timing of price changes are not important for our purpose but reduce the regression coefficients. Almost all input prices appear to have had rising trends with respect to industrial prices, but apparent trends may be partly due to

long-run correction of short-term lags rather than to forces causing enduring changes in price relationships.

Farm real estate taxes have risen nearly as much as industrial wholesale prices during inflationary surges--apart from trend--while farm wage rates have risen as much or more. In addition, both have had strong upward trends. Family living costs and the comprehensive index of prices paid by farmers--the parity index--have risen about two-thirds as much as industrial wholesale price during price advances.

In the analysis of prices received by farmers for meat animals, poultry, and fruits and vegetables (Table 1), the index of nonfood commodity prices in the CPI was used as the inflation indicator. This index rose 0.65 percent when wholesale industrial prices increased 1.00 percent. Multiplication by the appropriate coefficients from Table 1 suggests that (1) farm prices of meat animals and poultry were affected more by inflation than was the index of wholesale industrial prices, (2) farm prices of fruits and vegetables were affected less, and (3) farm prices of all three classes of commodities were affected more than were prices of most products purchased from industry or the parity index.³

Net Farm Income

Changes in farm programs and in farm technology make it difficult to determine how inflation affected total net farm income over the period from 1953 to 1970. Data already presented suggest that under circumstances that actually prevailed, surges of inflation increased net incomes from meat animals, poultry, and perhaps fruits and vegetables, especially in the short run; net incomes from feed grains, wheat, and cotton were reduced. It seems reasonable to infer that net farm income from agriculture as a whole was modestly increased by inflation but that the increase did not exceed the

advance in the farm cost of living. Thus the effect of inflation on farmers' real net income was, at best, neutral and may have been negative.

Inflation and Farmers' Wealth

Inflation influences farmers' economic well-being through changes in values of assets as well as through income. As Table 3 shows, by far the most important asset is farm real estate. Inventory values of livestock, poultry, machinery, motor vehicles, crops, and household items are affected by inflation in ways already described. The total value of financial assets given in Table 3 responds little to inflation.⁴

The strong upward movement of farm real estate prices is well known but not concretely explained. In particular, how much of the increase is to be ascribed to general inflation is unclear. Land purchased for addition to existing farms has a high value because most farms are too small to get full economies of size. This is a reason why land should be high prices in relation to farm income but not why land prices should persistently rise in relation to farm income. The following equation is instructive though it is scarcely even a beginning on a thorough study of land values:

$$\log Y_{t+1} = 1.4299 + \frac{0.1372}{(0.0649)} \log X_{1,t} + \frac{0.1603}{(0.2079)} \log X_{2,t} + \frac{0.0204}{(0.0014)} X_{3,t}$$

X_1 is net farm income, X_2 is wholesale industrial prices, X_3 is time, and Y is farm real estate value per acre in March (of the following year); t runs from 1953 to 1970.⁵ Contemporary farm income has had a small effect on real estate prices, and short-term changes in the rate of inflation may have had a small separate effect, though not statistically significant in the equation. The dominant force has been an upward trend amounting to 4.8 percent per year. What accounts for that trend?

Part of the explanation probably is that imputed returns to land have been generally rising in relation to net farm income since 1953 (though not since 1966). The market appears to have responded to this upward trend without being affected by short-run departures from trend.⁶ Farm land prices have retained some connection with returns to land, for cash rents in 11 midwestern states rose slightly more than land values during the 1960's (though not after 1967).⁷ Presumably renters were not losing money. Another explanation of the rising trend of farm real estate prices, especially near urban centers, is the pressure of population growth and modern society on land space of every kind.

Farm real estate values would have risen substantially even if there had been no general inflation. But inflation has had an effect through short-term changes in farm income, the long-term trend in imputed returns to land, and the value of land for nonfarm purposes. The extent of this influence remains a guess. Possibly inflation has increased farm land prices about in proportion to the advance of wholesale industrial prices. If so, about one-fourth of the increase in farm real estate prices between 1953 and 1970 was accounted for by inflation. Boyne found a large increase in the purchasing power of farm real estate from 1940 to 1959 (1, p. 39), and Budd and Seiders found that farm business equities rose somewhat more than their inflation indicator (3, p. 128).

Income Distribution Within Agriculture

Commodity Type. Under circumstances prevailing from 1953 to 1970, inflation affected incomes of producers of different commodities in different ways, as already described. Producers of meat animals, poultry, and perhaps fruits and vegetables gained, at least temporarily; producers of feed grain,

wheat, and cotton lost. A crude test was made to see whether the varying importance of these products in the different states was an important explanation of changes in the net farm incomes of states between 1961-62 and 1968-69.⁸ Results showed that as the relative importance of meat animals, poultry, fruits and vegetables, or dairy products increased from state to state, and as the relative importance of field crops correspondingly declined, the change in net farm income between the two periods was favorably affected. But other causes of change in states' net farm incomes obviously were much more important, for R^2 was only 0.14.

Size of Farm. Table 4 summarizes familiar ERS data on income by size of farm. On the average, the smaller farms have much less income from farming than do the larger farms and depend much more on nonfarm income.

Among farms of the same type, it seems likely that inflation modestly favors commercial family farms in comparison with large-scale units--say, those with sales of \$100,000 or more. The largest farms hire much more of their labor and utilize large amounts of power machinery and equipment, both of which are sensitive to inflation. Time series on per-farm incomes by size groups are not helpful in testing this hypothesis because of shifts of farms from one size group to another and because separate income estimates are not available for large-scale farms.

Tenants and Land Owners. Data for the Midwest, mentioned earlier, indicate that cash rents rose slightly more than land values after 1960. Apparently higher returns to land, from inflation or other sources, were largely transferred to owners of cash-rented land. Probably tenants and landlords more nearly shared any gains when land was rented on a crop share basis. On the whole, however, inflation probably has favored landlords' incomes more than tenants'--as well as having had a more favorable impact on landowners' wealth, as a later section indicates.

Families on Noncommercial Farms. The effect of inflation on farm income has not been important to small farmers because they have so little income of this kind. Effects on nonfarm earnings and job opportunities have been more significant. Demand-pull inflation is likely to be accompanied at some stage by rising employment and wages for unskilled labor and to broaden economic opportunity for farm people willing and able to work off the farm.⁹ But inflation of any type squeezes elderly people or others unable to work, many of whom live on small farms. The effect of inflation on the poor depends on who the poor are.

Hired Farm Labor. The strong effect of inflation on farm wages suggests that hired farm workers have benefited from upward surges in the price level. Employment of hired farm labor has, of course, declined with mechanization, but technology seems to have been more important than the labor-capital price ratio in causing this trend.

Distribution of Wealth Within Agriculture

Inflation apparently affects the wealth represented by the largest farms more favorably than the wealth represented by the smallest farms. The larger the farm, the greater is the proportion of assets made up of real estate, which seems to be moderately sensitive to inflation, and the smaller is the proportion made up of fixed-value financial assets (Table 5). The largest farms have the largest proportion of debt and thus have leverage operating in their favor when prices rise.

One cannot tell when looking at the size classes of Table 5 whether he is observing principally changes in operators' equity, landlords' equity, or a shifting combination of the two. Census data suggest that the proportion of land operated by tenants and part owners rises as size of farm increases,

but the picture is obscured for the largest farms because the ownership of farms operated by paid managers is unknown.¹⁰ Thus it may not be safe to conclude that, on the average, inflation favors the wealth of operators of the larger farms as compared with other operators. It does seem safe to conclude that the wealth of owners of the largest farms is favored by inflation in comparison with wealth of other farm groups.

Resource Prices and Allocation

Data already reviewed indicate that wages of hired farm labor are sensitive to inflation and that land values and prices of capital in the form of machinery, livestock, and some purchased supplies are moderately responsive to it. Judged by the apparent effect of inflation on net farm income, earnings of family labor and management are no more sensitive to inflation than is the cost of farm living and may be less sensitive.

In a market economy operating under pure competition, inflation can cause resource malallocation by distorting price signals to which decision makers respond. In current American agriculture, however, government programs greatly influence production and prices, directly or indirectly, of most important products. Agricultural resources still are adjusting ponderously to past and current changes in technology and in demand for farm products. Farm size is increasing, labor is leaving agriculture, and use of capital in production is growing. Examination of the experience of the 1950's and 1960's indicates that such changes have far overshadowed any resource reallocations that might be attributed to inflation. It seems best use of time to leave the subject with this broad generalization and to turn to potential effects of inflation in the future.

Agriculture Under Prospective Inflation

The historic advantages of inflation to farmers happened because inflations prior to World War II were mainly demand-pull phenomena that had not been anticipated and were not expected to last indefinitely. Interest rates usually were established on the assumption that prices would be stable. When inflation occurred, prices of farm products rose faster than costs, farmers' net income increased, and debts could be serviced with cheapening dollars.

As was noted at the outset, the inflation of the 1950's and 1960's contained some cost-push elements and in other ways differed from the inflation of earlier days. On the whole, inflation during the period probably did not improve the purchasing power of either net farm income or farmers' wealth. Expectations of permanent inflation began to take hold at the end of the 1960's and were a reason for high interest rates and the intractability of inflation to conventional restraints.

Prospects are that inflation of the cost-push type will dominate in the future. Most income earners are employees, and most employee groups are organized to raise their wages and salaries. The market structure of much of industry permits prices to be advanced with costs. The deterioration of social discipline bodes ill for efforts to get interest groups to practice self-restraint for the collective good. Recurrent efforts to halt inflation will depress employment and real GNP. Then, perhaps, high deficit spending to revive the economy will create brief demand-pull effects. In general, the money supply will accommodate itself to the needs of trade at rising prices. Extensive government control of wages and prices is likely to be the next major phase of the nation's struggle with inflation.

The kind of inflation pictured here will be unfavorable to most of agriculture. Prices of purchased inputs will not lag behind prices of

products sold in free markets, as in demand-pull inflation. Excess farm production capacity will be a persistent brake on farm prices. Widespread anticipation of inflation will cause chronically high interest rates, thus eroding most of the former advantage of inflation to debtors. The long-term comparative advantage of the United States in export of several farm products will be reduced (except as dollar devaluation may occur). Off-farm employment opportunities for farm people may be briefly stimulated at one stage but will be depressed when attempts are made to halt inflation. The result will be an accentuation of the back-and-forth wash of labor between farm and urban areas as unskilled people seek employment and security.¹¹

Thus two final points are made about inflation. A nearly pure cost-push inflation will be damaging to agriculture. A nearly pure cost-push inflation is what we are likely to get.

Table 1. Percentage changes in prices of three foods associated with 1.0 percent changes in certain variables, and corrected multiple correlation coefficients, 1953-69.

Food group and price	Equation ^{1/}	Per capita consumption of food group	Real per capita income	Non food commodity prices ^{2/}	Time ^{3/}	R ²
<u>Meat or meat animals</u>						
Retail price	a	-1.09** (0.28)	0.29 (0.20)	1.50** (0.38)	--	0.92**
	b	-1.41** (0.24)	0.82** (0.23)	1.90** (0.33)	-1.7** (0.55)	0.95**
Farm price	a	-1.99** (0.50)	0.12 (0.36)	2.48** (0.68)	--	0.84**
	b	-2.64** (0.37)	1.20** (0.36)	3.31** (0.50)	-3.5** (0.85)	0.93**
<u>Poultry</u>						
Retail price	a	-1.43** (0.23)	0.75* (0.34)	1.37 (0.77)	--	0.81**
	b	-0.58 (0.27)	1.49** (0.30)	1.44* (0.52)	-5.2** (1.32)	0.91**
Farm price	a	-2.07** (0.31)	0.91 (0.45)	1.73 (1.01)	--	0.88**
	b	-1.17* (0.43)	1.70** (0.48)	1.82 (0.84)	-5.5* (2.08)	0.92**
<u>Fruits and vegetables</u>						
Retail price	a	-0.77** (0.16)	0.28* (0.10)	0.95** (0.21)	--	0.98**
	b	-0.71 (0.38)	0.26 (0.17)	0.90* (0.35)	0.1 (0.59)	0.98**

Table 1. (continued)

Food group and price	Equation ^{1/}	Per capita consumption of food group	Real per capita income	Non food commodity prices ^{2/}	Time ^{3/}	R ²
Farm price	a	-0.91* (0.36)	0.36 (0.23)	0.57 (0.47)	--	0.88**
	b	-1.76 (0.81)	0.69 (0.36)	1.25 (0.73)	-2.0 (1.70)	0.89**

Numbers in parenthesis are standard errors.

* Significantly different from zero at 0.05 probability level; ** significant at 0.01 level.

^{1/} Equation (a) excludes time, (b) includes time.

^{2/} Index of prices of commodities other than food in the Consumer Price Index.

^{3/} Percentage change in price per year.

Table 2. Percentage changes in prices of items purchased by farmers associated with 1.0 percent change in industrial wholesale prices and time, and corrected multiple correlation coefficients, 1953-70.

Item	Industrial wholesale prices ^{1/}	Time ^{2/}	R ²
Motor supplies	0.69** (0.07)	<u>3/</u>	0.98**
Motor vehicles	0.78** (0.19)	1.8** (0.26)	0.98**
Farm machinery	0.64** (0.18)	2.4** (0.23)	0.99**
Farm supplies	0.19 (0.23)	0.2 (0.24)	0.53**
Building, fencing materials	1.39** (0.16)	-0.3 (1.94)	0.96**
Fertilizer	-0.36* (0.14)	0.1 (0.20)	0.68**
Taxes per acre	0.76* (0.26)	6.0** (0.35)	0.99**
Farm wages	1.16* (0.51)	2.9** (0.66)	0.96**
Production commodities, wages, taxes, interest	0.54 (0.29)	1.4** (0.37)	0.94**
Farm living costs	0.72** (0.23)	0.7* (0.28)	0.94**
Parity index	0.60* (0.27)	1.2** (0.36)	0.94**

Nonfood commodities in Consumer Price Index	0.65** (0.21)	0.5 (0.28)	0.92**

Numbers in parenthesis are standard errors.

* Significantly different from zero at 0.05 probability level; ** significant at 0.01 level.

^{1/} A component of the BLS wholesale price index.

^{2/} Percentage change per year.

^{3/} Less than 0.05.

Table 3. Farm assets and liabilities January 1, 1970, and changes in prices of assets 1953-1970.

Item	Total Value	Percent of total	Price change, 1953 to 1970
	billion dollars	percent	percent
<u>Assets</u>			
Real estate	208.9	67.1	+124
Livestock and poultry	23.5	7.6	+ 56 ^{1/}
Machinery and motor vehicles	34.3	11.0	+ 66 ^{1/}
Stored crops	10.8	3.4	- 13 ^{1/}
Household equipment and furnishings	10.1	3.2	+ 5 ^{2/}
Financial assets ^{3/}	<u>23.8</u>	<u>7.7</u>	--
Total	311.4	100.0	--
<u>Liabilities and net worth</u>			
Real estate debt	28.4	9.1	--
Other debt	29.7	9.5	--
Owners' equity	<u>253.3</u>	<u>81.4</u>	--
Total	311.4	100.0	--

Source: (4)

^{1/} Change in prices of items weighted according to value in inventory in January, 1970.

^{2/} Change in prices of household furnishings.

^{3/} Bank deposits, currency, U. S. savings bonds, investment in cooperatives.

Table 4. Income and other data for three classes of farms, 1969.

Sales per farm	Proportion of:		Net income per farm		
	All farms	All cash receipts	From farming	Nonfarm sources	Total income
	-----percent-----				
\$20,000 or more	19	73	\$16,795	\$4,067	\$20,862
\$5,000-\$19,999	30	22	5,241	3,727	8,968
Less than \$5,000	<u>51</u>	<u>5</u>	<u>1,279</u>	<u>6,610</u>	<u>7,889</u>
All farms	100	100	\$ 5,437	\$5,256	\$10,693

Computed from data in (5).

$$\log Y_{t+1} = 1.4299 + \frac{0.1372}{(0.0649)} \log X_{1,t} + \frac{0.1603}{(0.2079)} \log X_{2,t} + \frac{0.0204}{(0.0014)} X_{3,t}$$

Y - Farm real estate value per acre, March

X₁ - Net farm income

X₂ - Wholesale industrial prices

X₃ - Time

t runs from 1953 to 1970

Table 5. Distribution of assets and liabilities in four size groups of farms defined by sales per farm, January 1, 1970.

Item	Less than	\$5,000 -	\$20,000 -	\$100,000
	\$5,000	\$19,999	\$99,999	or more
	-----percent-----			
<u>Assets</u>				
Real estate	62.6	63.4	69.4	78.7
Livestock and poultry	7.1	8.7	6.7	7.8
Machinery and motor vehicles	9.0	13.9	11.2	6.1
Stored crops	1.4	3.8	4.4	3.4
Household equipment and furnishings	6.6	2.9	2.3	1.0
Financial assets ^{1/}	<u>13.3</u>	<u>7.3</u>	<u>6.0</u>	<u>3.0</u>
Total	100.0	100.0	100.0	100.0
<u>Liabilities and net worth</u>				
Real estate debt	8.2	10.1	9.1	8.2
Other debt	7.2	9.5	9.0	15.8
Owners' equity	<u>84.6</u>	<u>80.4</u>	<u>81.9</u>	<u>76.0</u>
Total	100.0	100.0	100.0	100.0
Total assets per farm, thousand dollars	44.7	110.0	207 ^{2/}	870 ^{2/}

Computed from (4) and (5).

^{1/} Bank deposits, currency, U. S. savings bonds, and investment in cooperatives.

^{2/} Based on rough estimate of number of farms.