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Agriculture Information Bulletin No. 214

Agricultural Research Service

UNITED STATES DEPARTMENT OF AGRICULTURE

## EXPLANATION

The balance sheet as presented here brings together the assets and liabilities of agriculture as though it were one large enterprise. It is the 15th in a series that contain comparable annual estimates beginning in 1940. The annual changes shown provide a means of appraising the effects on the financial structure of agriculture of developments in both the farm and nonfarm sectors of the economy.

This report shows farm assets and farm debts as of the beginning of 1959 and selected earlier years. It deals mainly with changes in the financial situation of agriculture that occurred during 1958.

In using and interpreting the balance sheet, it should be recognized that the data are aggregates and that they do not show the distribution of assets and debts among owner-operators, tenants, and landlords. Nor do the data permit full separation of the farm firm as a production unit from the farm family as a consumption unit. Further, changes indicated in farm assets and net worth should be used with caution as a measure of the general economic situation of farmers. Year-to-year changes in the market value of farm assets frequently reflect only changes in unit prices. Recent increases in market values of some assets, particularly farm real estate, represent "paper" gains in the sense that they can be realized only if the assets are sold or used as security for additional credit.

The general financial and credit position of agriculture and how it varies among regions and among some groups of farmers is given special attention in the Agricultural Finance Outlook issued in November of each year by the Farm Economics Research Division, Agricultural Research Service.

Data relating to the inventories of livestock, crops, machinery and household equipment were prepared under the direction of the following persons: Livestock--R. H. Moats; crops--C. E. Burkhead and R. Royston; machinery--Robert H. Masucci, Q. Francis Dallavalle; household equipment--Jean L. Pennock.

Data relating to farm income and expenditures were compiled under the direction of E. W. Grove.

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The balance sheet for 1958 was issued as Agriculture Information Bulletin No. 201.

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# THE BALANCE SHEET OF AGRICULTURE, 1959

Under the direction of Norman J. Wall, Chief, Agricultural Finance Research Branch,  
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and F. D. Hansing

## THE 1959 BALANCE SHEET IN GENERAL

Both the value of farm assets and the value of proprietors' equities in these assets continued their upward courses during 1958 and reached new peaks of about \$203 billion and \$180 billion, respectively, on January 1, 1959 (table 1, appendix table 24). Farm debts also increased during 1958, but the increase in debts was much smaller than the increase in assets and equities.

About half of the total increase of nearly \$17 billion in farm asset values during 1958 resulted from the rising value of farm real estate. Farm real estate values have risen each year since 1953. The rise in the value of this asset has accounted for about 70 percent of the increase in the total value of farm assets since January 1, 1954. Although rising land values have greatly increased the net worths of farmers and other owners of farmland, they have not improved the situations of farmers with respect to current income.

All other types of farm assets also increased in value during 1958. Among these other assets, livestock on farms showed the greatest increase in value--about \$4 billion. Nearly all classes of livestock increased in number during 1958, but the greater part of the increase in value of the livestock inventory resulted from higher prices of cattle. In contrast, the rise in value of the crop inventories--about \$1.8 billion--resulted mainly from the record volume of production in 1958. The value of motor vehicles and machinery on farms was raised chiefly by higher prices, although there was a substantial increase in purchases during 1958 especially of machinery other than motor vehicles. The increase in farmers' holdings of deposits and currency resulted from higher farm

income in 1958. The larger increases in both deposits and farm income were in the Plains States and western Corn Belt.

Farm debts rose about \$3 billion in 1958. The increase in farm-mortgage debt was at about the same percentage rate as in other recent years, but an exceptionally large increase occurred in non-real-estate farm debt. The sharp increase in Commodity Credit Corporation loans to farmers resulted mainly from the greater quantities of cotton, wheat, soybeans, and grain sorghum that were under price-support loan. Other non-real-estate debt of farmers increased most in the Corn Belt, Mountain, and Pacific regions. Probably the greater numbers of cattle in feedlots and on the ranges, and the substantial increase in cattle prices, were chiefly responsible for the increase in these other farm debts.

Valued at 1940 prices, the physical assets of agriculture increased about \$1.1 billion during 1958. The increase resulted mainly from the greater numbers of livestock and poultry on farms and the larger inventories of stored crops (table 2, appendix table 25).

Gross farm income in 1958 reached a record high of \$39.4 billion. Most of the increase over the previous year was due to an increase in cash receipts from farm marketings. Favorable weather in most regions accounted for increased production of crops. Livestock prices increased almost 11 percent during 1958. Production costs increased, but by a smaller amount than income. The largest increase in expenses was for livestock purchases. Net income from agriculture increased to \$18.7 billion in 1958.

TABLE 1.--Comparative balance sheet of agriculture, United States, January 1, 1940, 1958, and 1959

Item	1940	1958	1959	Net change <sup>1</sup>	
				1940-59	1958-59
ASSETS					
Physical assets:	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Percent</i>	<i>Percent</i>
Real estate-----	33.6	116.3	125.1	271.9	7.6
Non-real-estate:					
Livestock-----	5.1	<sup>2</sup> 14.1	18.1	252.8	28.7
Machinery and motor vehicles-----	3.1	<sup>2</sup> 17.4	18.4	501.6	6.0
Crops stored on and off farms <sup>3</sup> -----	2.7	7.6	9.4	250.8	22.8
Household furnishings and equipment <sup>4</sup> -----	4.3	12.8	13.1	206.7	2.7
Financial assets:					
Deposits and currency-----	3.2	<sup>2</sup> 9.5	10.0	207.7	5.1
United States savings bonds-----	.2	5.1	5.2	1,992.1	1.8
Investment in cooperatives-----	.8	<sup>2</sup> 3.6	3.8	360.7	6.3
Total <sup>5</sup> -----	53.0	<sup>2</sup> 186.4	203.1	282.5	9.0
CLAIMS					
Liabilities:					
Real estate debt-----	6.6	10.5	11.3	71.0	7.2
Non-real-estate debt to -					
Commodity Credit Corporation <sup>6</sup> -----	.4	1.2	2.5	459.1	102.9
Other reporting institutions <sup>7</sup> -----	1.5	5.0	5.8	283.3	15.4
Nonreporting creditors <sup>8</sup> -----	1.5	3.5	3.7	146.7	5.7
Total liabilities <sup>5</sup> -----	10.0	20.2	23.3	131.4	14.8
Proprietors' equities-----	43.0	<sup>2</sup> 166.2	179.8	317.7	8.3
Total <sup>5</sup> -----	53.0	<sup>2</sup> 186.4	203.1	282.5	9.0

<sup>1</sup> Computed from unrounded data.

<sup>2</sup> Revised.

<sup>3</sup> Includes all crops held on farms for whatever purpose and crops held off farms as security for Commodity Credit Corporation loans. The latter on January 1, 1959, totaled \$1,877 million.

<sup>4</sup> Estimated valuation for 1940, plus purchases minus depreciation since then.

<sup>5</sup> Total of rounded data.

<sup>6</sup> Although these are nonrecourse loans, they are included as liabilities because borrowers must either repay in cash or deliver the commodities on which the loans were based. The values of the underlying commodities are included among the assets; hence the loans must be included as liabilities to avoid overstating the amount of proprietors' equities.

<sup>7</sup> Loans of all operating banks, the production credit associations, and the Farmers Home Administration, and discounts of the Federal intermediate credit banks for agricultural credit corporations and livestock loan companies.

<sup>8</sup> Loans and credits extended by dealers, merchants, finance companies, individuals, and others. Estimates based on fragmentary data.

TABLE 2.--Physical assets of agriculture valued at 1940 prices, January 1, 1940, 1958, and 1959

Assets	1940	1958	1959	Net change <sup>1</sup>	
				1940-59	1958-59
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Percent</i>	<i>Percent</i>
Real estate <sup>2</sup> -----	33.6	37.9	38.0	12.9	0.3
Livestock-----	5.1	4.9	5.1	-.7	3.7
Machinery and motor vehicles-----	3.1	7.2	7.2	135.9	.7
Crops stored on and off farms-----	2.7	3.7	4.4	65.0	19.5
Household furnishings and equipment <sup>3</sup> ---	4.3	7.0	7.1	66.9	1.5
Total <sup>4</sup> -----	48.8	60.7	61.8	26.8	1.9

<sup>1</sup> Computed from unrounded data.

<sup>2</sup> This series is based on data for census years developed by Alvin S. Tostlebe in cooperation with the National Bureau of Economic Research. It takes into account changes in the area in farms, acreage of improved land, and number and condition of farm structures. (See Agricultural Finance Review, November 1952.) Data for intercensal years, and for 1951-59, are extensions from census benchmarks based on net investment in farm structures (gross investment minus depreciation).

<sup>3</sup> Purchases since 1940 are deflated by an index of prices paid by farmers for house-furnishings.

<sup>4</sup> Total of rounded data.

## THE INFLUENCE OF THE GENERAL ECONOMIC SITUATION

These increases in farm assets, debts, and net worth occurred in a year that began with economic activity falling sharply and closed with a strong recovery. The bottom of the 1957-58 recession was reached during the spring of 1958. Gross national product averaged 431 billion in the first quarter, or 4 percent below the peak reached in the third quarter of 1957.

Recovery, however, began promptly. The April-June quarter showed a small gain in gross national product to \$435 billion, and by the fourth quarter of 1958, output had recovered to a level well above the previous peak in terms of current dollars, and about the same in real terms. For 1958 as a whole, gross national product totaled \$442 billion, nearly as much as in 1957 (table 3).

The recession had only a limited impact on disposable personal income--the major determinant of the demand for farm products. In contrast to the 3.8 percent decline in gross national product from peak to trough, the decline in disposable income was less than 1 percent. Consumer expenditure for food (excluding alcoholic

beverages) totaled \$69.1 billion in 1958, a gain of 4 percent over the \$66.4 billion expended in 1957.

While domestic demand for food expanded, foreign takings of U. S. agricultural commodities declined as part of a general contraction in U. S. exports. Total exports fell from \$20.6 billion in 1957 to \$17.7 billion in 1958. Agricultural exports declined to \$3.9 billion in 1958, 13 percent below the record high of \$4.5 billion in the calendar year 1957, but 19 percent above the 1950-54 average. The contraction occurred mainly in exports of cotton and wheat, which had been unusually large in 1957. Among the most important factors in the decline in farm exports were a letdown in economic activity abroad, and increased foreign supplies of many agricultural commodities.

Less price inflation occurred in 1958 than in other recent years. The upward trend in the general price level has contributed to the rise in prices of farm real estate and other farm assets.

Consumer prices advanced slowly during the first half of the year, and then leveled

TABLE 3.--Gross national product or expenditure, selected years, 1940-59

Item	1940	1945	1950	1955	1956	1957	1958	1959 <sup>1</sup>	
								1st quarter	2d quarter
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
Gross national product-----	100.6	213.6	284.6	397.5	419.2	442.5	441.7	470.2	483.5
Personal consumption expenditures---	71.9	121.7	195.0	256.9	269.9	284.8	293.0	303.9	311.5
Durable goods-----	7.8	8.1	30.4	39.6	38.5	40.3	37.6	41.3	44.5
Nondurable goods-----	37.2	73.2	99.8	124.8	131.4	37.7	141.9	145.3	148.0
Services-----	26.9	40.4	64.9	92.5	100.0	106.7	113.4	117.4	119.0
Gross private domestic investment-----	13.2	10.4	50.0	63.8	67.4	66.6	54.9	69.8	75.6
New construction-----	5.5	3.8	24.2	34.9	35.5	36.1	35.8	39.7	40.8
Producers' durable equipment-----	5.5	7.7	18.9	23.1	27.2	28.5	22.9	23.9	25.8
Change in business inventories-----	2.2	-1.1	6.8	5.8	4.7	2.0	-3.8	6.1	9.0
Net exports of goods and services-----	1.5	-1.4	.6	1.1	2.9	4.9	1.2	-.9	-1.4
Government purchases of goods and services-----	14.1	82.9	39.0	75.6	79.0	86.2	92.6	97.4	97.8
Federal-----	6.2	74.8	19.3	45.3	45.7	49.4	52.2	53.8	54.0
State and local-----	7.9	8.1	19.7	30.3	33.2	36.8	40.5	43.6	43.8

<sup>1</sup> Seasonally adjusted annual rates.

U. S. Department of Commerce.

off as declining food prices offset increases in prices of other consumer goods and services. Wholesale prices were fairly steady throughout the year. Farm product prices advanced during the early months of the year, largely because of smaller supplies, but in the second half of the year the general trend was downward.

Federal Reserve credit policy reflected the general trends in economic activity during the year. During the business contraction of the first half of 1958, steps were taken to ease the supply of credit. Interest rates moved downward, and banks net "free" reserves (excess reserves minus borrowed reserves) rose sharply. About midyear, however, these policies were reversed. Credit tightened throughout the rest of the year, and by yearend, interest rates (as measured by yields on Treasury bills) were well above those of a year earlier, and pressures for loans, together with restricted availability of new reserves had wiped out net free reserves.

## AGRICULTURAL INCOME

The net income from agriculture in 1958 reached \$18.7 billion, an increase of 16 percent over 1957. Total net income of farm operators from farming increased 21 percent to \$14.2 billion; omitting adjustments for changes in inventory, the realized net income of farmers, increased 19 percent over 1957 (table 4, appendix table 27). Average realized net income per farm was \$2,269 in 1957 and \$2,767 in 1958.

Total gross farm income increased 12 percent over 1957. Most of this increase came from larger cash receipts from farm marketings. Government payments to farmers and adjustments for changes in inventories were slightly larger than in 1957.

The total volume of farm products sold or used in the home increased by more than 7 percent during 1958, and prices increased almost 6 percent (table 5). The volume of crops sold increased almost 20 percent; prices received for crops declined slightly. The volume of livestock and livestock products sold remained about the same as in 1957, but the prices received increased about 11 percent.

Cash receipts from farm marketings in 1958 increased 12.5 percent over the previous year, mainly because of higher prices

The economic recovery that was under-way at yearend continued into 1959. Gross national product continued upward, reaching \$470 billion in the first quarter, and \$484 billion in the second. Disposable income in January-March was 6 percent above a year earlier, while total civilian employment registered a 2-percent gain. Consumer prices in early 1959 were approximately stable at a level slightly higher than a year earlier, and wholesale prices were rising slowly. Credit conditions showed some further tightening in the opening months of 1959, and interest rates moved generally higher.

The all-products index of prices received by farmers was fairly stable in the first 5 months of 1959, although it averaged 2.8 percent lower than a year earlier. Realized net income of farm operators from farming averaged \$12.0 billion in January-June 1959, at a seasonally adjusted annual rate, compared with \$13.1 billion a year earlier.

of livestock, and increased production of crops resulting from favorable weather. Each region showed an increase over 1957, with the largest increases occurring in the Northern and Southern Plains (table 6). The smallest increase occurred in the Northeast region, where changes from year to year are normally small.

Along with an increase in farm income came an increase of \$1.6 billion in production costs in 1958 over 1957. All groups of cost items increased to some extent, but the largest increases resulted from feed and livestock purchases. Livestock purchases increased by \$723 million and feed purchases by \$429 million. Prices paid by farmers for items used in production, including interest, taxes and wage rates, rose about 3 percent between 1957 and 1958.

The purchasing power of the realized net income of farm operators from farming increased by 17 percent over 1957 (table 7). The only other increase since 1951 was in 1956.

Many farmers receive additional income from nonfarm sources. In 1958, farmers received \$6.2 billion compared with \$6.3 billion for 1957. The average net money income per capita of the farm population from all sources increased from \$974 in 1957 to \$1,066 in 1958.



TABLE 4.--Comparative income statement of agriculture, United States, 1940, 1957, and 1958

Item	1940	1957 <sup>1</sup>	1958
HOW NET INCOME WAS OBTAINED			
Total gross farm income:	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
Cash receipts from farm marketings-----	8,382	29,824	33,560
Government payments to farmers-----	723	1,016	1,089
Home consumption of farm products-----	1,210	1,762	1,761
Rental value of farm dwellings-----	723	1,787	1,881
Net change in inventory <sup>2</sup> -----	281	762	1,059
Total-----	11,319	35,151	39,350
Production costs, other than wages, rent and interest on mortgages:			
Feed bought-----	998	4,083	4,512
Livestock bought, except horses and mules-----	517	1,957	2,680
Fertilizer and lime bought-----	306	1,280	1,305
Repairs and operation of capital items-----	1,006	3,773	3,788
Depreciation and other consumption of farm capital-----	796	3,885	3,988
Taxes on farm real estate and personal property---	451	1,277	1,346
Seed bought-----	197	529	534
Miscellaneous-----	708	2,286	2,468
Total-----	4,979	19,070	20,621
Net income from agriculture-----	6,340	16,081	18,729
HOW NET INCOME WAS DISTRIBUTED			
Wages to hired labor (cash and perquisites)-----	1,029	2,785	2,885
Net rent and Government payments to landlords not living on farms <sup>3</sup> -----	448	1,029	1,122
Interest on farm-mortgage debt-----	293	487	524
Net income of farm operators-----	4,570	11,780	14,198
Net income from agriculture-----	6,340	16,081	18,729
REALIZED NET INCOME OF FARM OPERATORS			
Net income of farm operators-----	4,570	11,780	14,198
Net change in inventory-----	281	762	1,059
Realized net income of farm operators-----	4,289	11,018	13,139

<sup>1</sup> Revised.

<sup>2</sup> Reflects the physical changes during the year in all livestock and crops on farms, except crops under CCC loan, with the changes valued at average prices for the year.

<sup>3</sup> After subtraction of taxes, mortgage interest, and other expenses paid by such landlords.

TABLE 5.--Volume of farm marketings and home consumption of agricultural products and prices received by farmers, selected years, 1940-58

(Index 1947-49 = 100)

Year	All commodities		Crops		Livestock and livestock products	
	Volume	Prices	Volume	Prices	Volume	Prices
1940-----	80	37	75	37	84	37
1945-----	99	76	89	82	106	72
1950-----	100	95	96	94	102	96
1955-----	112	<sup>1</sup> 86	107	<sup>1</sup> 93	116	<sup>1</sup> 80
1956-----	117	<sup>1</sup> 85	109	<sup>1</sup> 95	123	<sup>1</sup> 77
1957-----	112	<sup>1</sup> 87	<sup>1</sup> 100	<sup>1</sup> 91	121	<sup>1</sup> 84
1958-----	120	92	119	90	121	93

<sup>1</sup> Revised.

TABLE 6.--Cash receipts from farm marketings, 1957 and 1958

Region	1957 <sup>1</sup>	1958	Change
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Percent</i>
Northeast <sup>2</sup> -----	2,993	3,066	2.4
Lake States <sup>3</sup> -----	3,116	3,300	5.9
Corn Belt <sup>4</sup> -----	7,311	7,809	6.8
Northern Plains <sup>5</sup> -----	2,655	3,775	42.2
Appalachian <sup>6</sup> -----	2,452	2,619	6.8
Southeast <sup>7</sup> -----	2,034	2,223	9.3
Delta States <sup>8</sup> -----	1,343	1,502	11.8
Southern Plains <sup>9</sup> -----	2,152	3,007	39.7
Mountain <sup>10</sup> -----	2,124	2,456	15.6
Pacific <sup>11</sup> -----	3,644	3,803	4.4
United States-----	29,824	33,560	12.5

<sup>1</sup> Revised.

<sup>2</sup> Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland.

<sup>3</sup> Michigan, Wisconsin, Minnesota.

<sup>4</sup> Ohio, Indiana, Illinois, Iowa, Missouri.

<sup>5</sup> North Dakota, South Dakota, Nebraska, Kansas.

<sup>6</sup> Virginia, West Virginia, North Carolina, Kentucky, Tennessee.

<sup>7</sup> South Carolina, Georgia, Florida, Alabama.

<sup>8</sup> Mississippi, Arkansas, Louisiana.

<sup>9</sup> Oklahoma, Texas.

<sup>10</sup> Montana, Idaho, Wyoming, Colorado, New Mexico, Arizona, Utah, Nevada.

<sup>11</sup> Washington, Oregon, California.

TABLE 7.--Purchasing power of total and realized net income of farm operators in terms of commodities and services used for family living, selected years, 1940-58<sup>1</sup>

(Index 1940 = 100)

Year	Net income of farm operators from farming		Year	Net income of farm operators from farming	
	Total	Realized		Total	Realized
1940-----	100	100	1956 <sup>2</sup> -----	112	124
1945-----	181	199	1957 <sup>2</sup> -----	111	110
1950-----	151	151	1958-----	131	129
1955 <sup>2</sup> -----	115	120			

<sup>1</sup> Income deflated by 1947-49 index of prices paid for commodities and services used for family living.

<sup>2</sup> Revised.

### THE 1959 BALANCE SHEET IN DETAIL

In the preceding paragraphs, the balance sheet was summarized in general terms.

In the sections that follow, each item of the 1959 balance sheet is treated in detail.

### ASSETS

Assets fall into two general classes: (1) Physical assets, both real estate and tangible personalty; and (2) financial assets, which include cash, bank deposits, United States savings bonds, and farmers' investments in cooperative associations.

#### Farm Real Estate

The total market value of farm real estate (land and buildings) rose nearly \$9 billion, or 8 percent, in the year ended March 1, 1959, to a new record high of \$125.1 billion. Farm buildings were valued at \$28.6 billion, or about 23 percent of the total value of farm real estate. Farm dwellings accounted for about half of the total value of all buildings, or about \$14.3 billion.

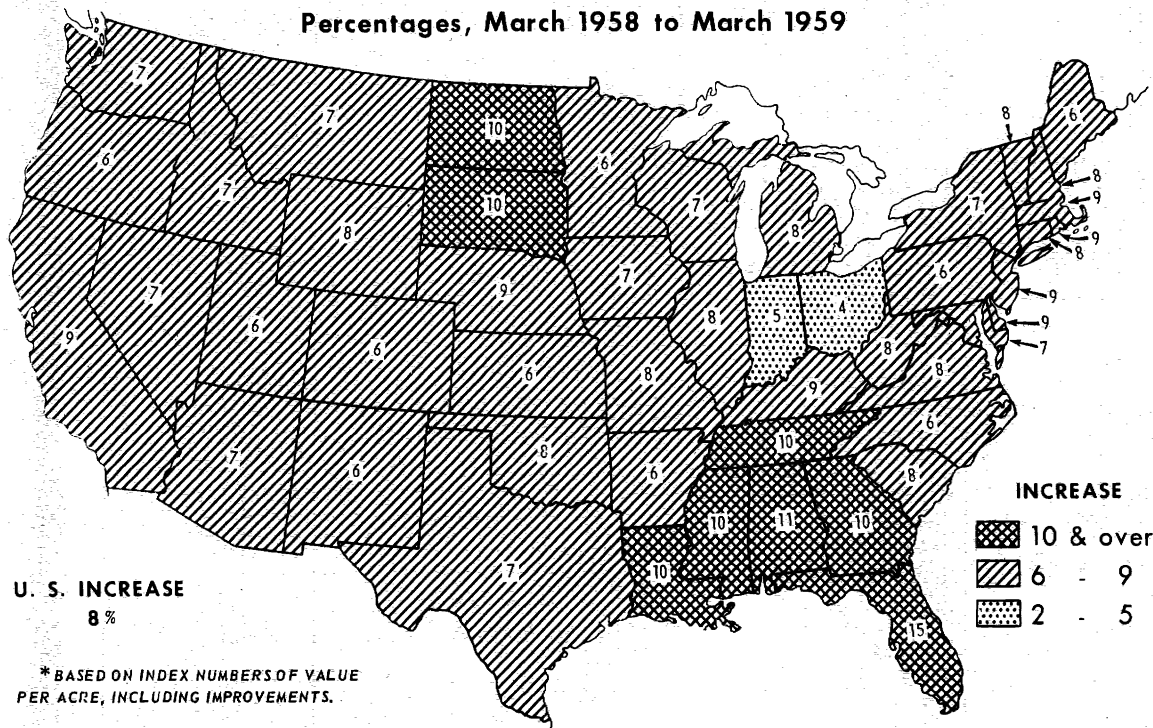
Increases of 6 to 8 percent in average values per acre were typical of most States in the 12 months ended March 1, 1959. Gains of 10 percent or more were recorded in North Dakota and South Dakota and in six southeastern States (fig. 1). Values advanced an average of 3 percent in the 4 months ended March 1, 1959, the same amount as in the comparable period ending November 1, 1958.

The accelerated rate of increase in farm real estate values in the last half of 1958, which continued into the first 2 months of 1959, reflects the combined effects of higher net farm income and the rapid recovery of the general economy. Undoubtedly, a part of the 19-percent increase in the net realized income of farmers contributed to the increased demand for land with which to enlarge existing farms, as well as to the increased purchases of farm machinery and other capital expenditures of farmers. The rapid upturn in the general economy helped to strengthen the already firmly established belief that farmland provided a good hedge against inflation.

Revised estimates of net agricultural income available as a return to farm real estate, after all other expenses were paid, showed a return of about 4.0 percent on the March 1, 1959, market value. This was sharply higher than the 2.5 percent return for 1956 and 1957, and near the long-term average. The relationship between net farm income per acre and the price of land in 1958 was about the same as in 1910-14 and in 1920-29.

# CHANGE IN DOLLAR VALUE OF FARMLAND\*

Percentages, March 1958 to March 1959



U. S. DEPARTMENT OF AGRICULTURE

NEG. 59(4)-2658 AGRICULTURAL RESEARCH SERVICE

FIGURE 1

The distribution of ownership of farm real estate between farm operators and nonoperating owners, by regions and over time, reveals the extent to which capital owned by persons other than farm operators is utilized in agricultural production. Farm operators "borrow" a substantial amount of real estate capital by means of rental arrangements in which rents represent the annual payment for the use of such capital in much the same way that interest pays for the use of borrowed funds.<sup>1</sup> They paid about \$2.1 billion in rental payments to nonfarm landlords in 1958.

<sup>1</sup> Tenants rent all the land they operate, while part owners own a portion and rent a portion from others. A relatively small acreage of land in manager-operated farms is also rented from others. The acreage of farm real estate (land and buildings) rented by tenants, part owners and managers, as reported or estimated from the 1954 census was used in the estimates presented in this section. Values per acre for rented land were projected from 1954 on the basis of the change in market values of all land in farms. National totals were derived from unrounded State totals.

As of March 1, 1959, farm operators owned and operated farm real estate having a market value of \$79.5 billion, or 64 percent of the total value of all farmland and buildings. The balance of \$45.6 billion in real estate capital was rented from other farm operators and from nonoperating owners.

Of this value, \$17.3 billion, or 38 percent, was owned by farm operators but was rented to other farmers. Persons not living on farms (and assumed to be nonfarmers) provided \$28.3 billion in real estate capital to farm operators (table 8). Thus, nonfarmers contributed about 23 percent of the total real estate capital used in agriculture.

Despite the decline in the proportion of farms operated by tenants from 39 percent of all farms in 1940 to 27 percent in 1954, the proportion of the total value of all land that is rented has declined relatively little over this period. In 1940, about 40 percent of the value of farm real estate was rented from others, and in 1959,

TABLE 8.--Farm real estate: Value of land and buildings owned and rented by farm operators, United States, March 1, 1940, 1958, and 1959

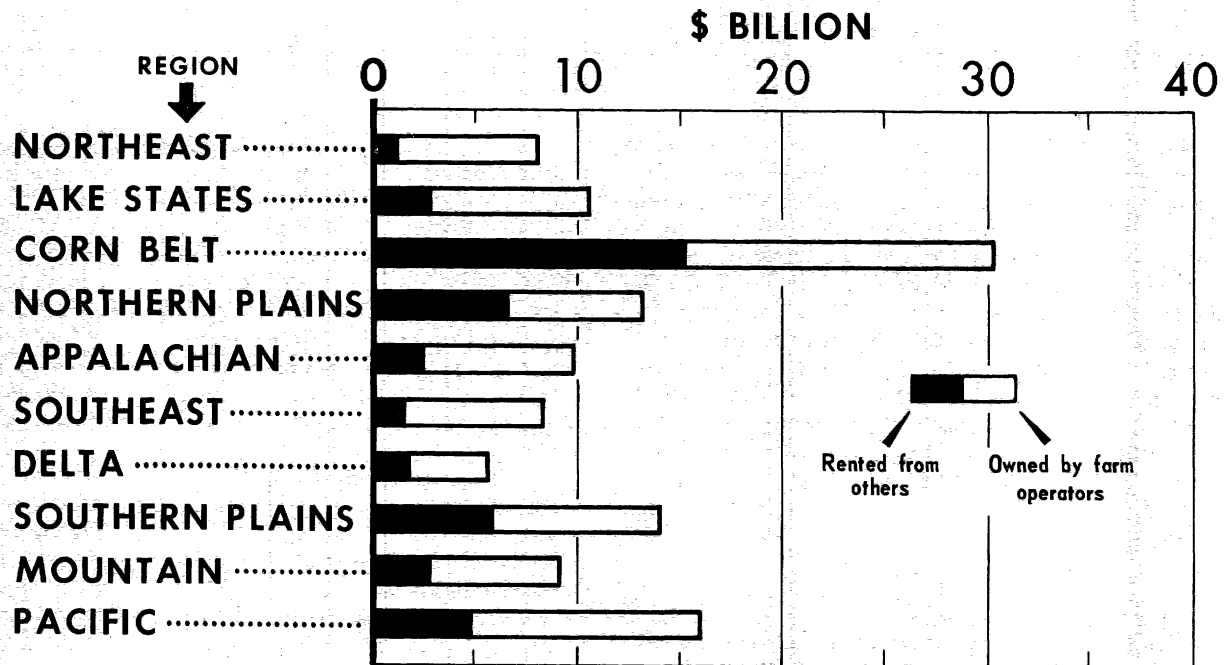
Item	1940	1958	1959	Net change	
				1940-49	1958-59
All land in farms:	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Percent</i>	<i>Percent</i>
Land owned by operators-----	20.2	73.8	79.5	294	8
Land rented by operators-----	13.4	42.5	45.6	240	7
From landlords living on farms----	4.3	16.1	17.3	302	7
From landlords not living on farms	9.1	26.4	28.3	211	7
Total-----	33.6	116.3	125.1	272	8

the proportion had declined to 37 percent. A marked increase in the proportion of all farms that are operated by part-owners, and a corresponding increase in the acreage of land rented by this tenure group is the major explanation. However, over the entire period, a small net gain has occurred in the proportion of the total real estate capital that is owned by farm operators, and nonfarmers provide

a smaller proportion of the total now than in 1940.

Differences among areas in the proportion of real estate capital provided by operators and nonoperators are much greater than the changes over time. In the Corn Belt, Northern Plains and Southern Plains, for example, 40 percent or more of the real estate capital used by farm operators was rented from others (figs. 2 and 3).

## VALUE OF FARMLAND\* Operator-Owned & Rented, 1959



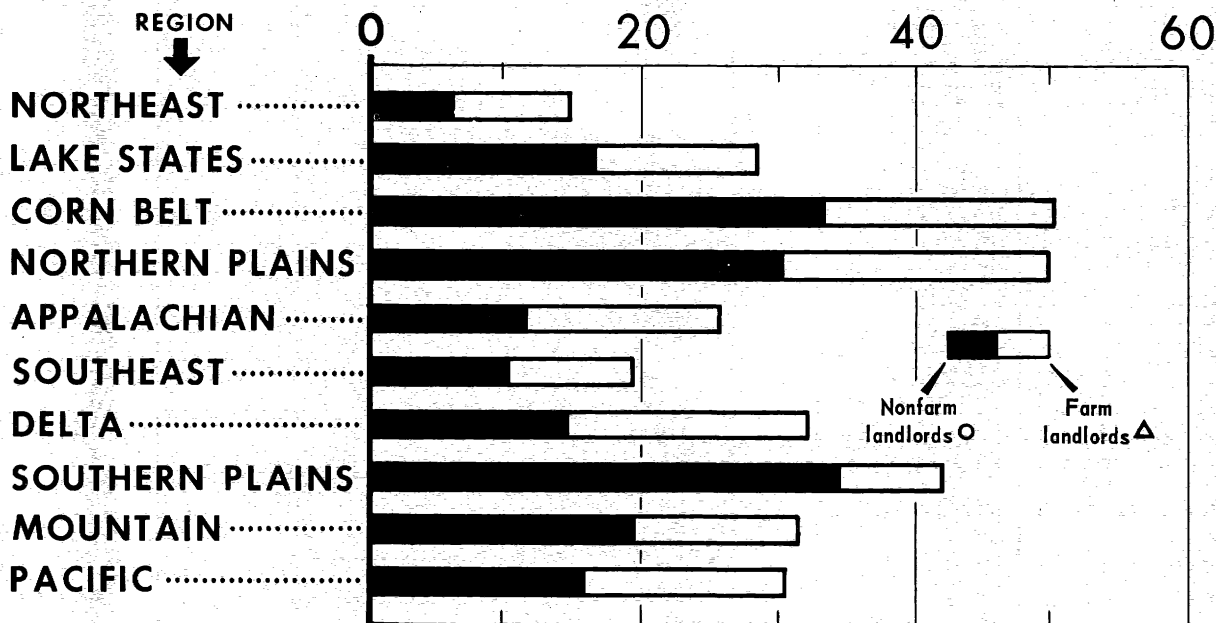
\* FARMLAND AND BUILDINGS, MARCH 1

FIGURE 2

# RENTED FARMLAND\*

Owned by Farm and Nonfarm Landlords, 1959

% OF TOTAL VALUE, ALL LAND



\* FARMLAND AND BUILDINGS, MARCH 1    O LANDLORDS NOT LIVING ON FARMS    Δ LANDLORDS LIVING ON FARMS

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FIGURE 3

Two-thirds or more of the value of the rented land was owned by nonfarm landlords. These three areas together accounted for 46 percent of the total value of all farm real estate in the country, and 61 percent of the value of all rented land. Nearly half of the total value of all farm real estate was provided by someone other than the farm operator. Almost the reverse situation is found in the Northeast and Southeast where farm operators provide 85 and 80 percent, respectively, of the farm real estate capital they operate.

A special survey of farm operators in the Great Plains made in mid-1957 provided more detailed information as to how the ownership of farm assets was divided between operators and others.<sup>2</sup> It was found that 55 percent of the value of physical as-

<sup>2</sup> The area covered by the survey included only the Great Plains portions of the States in the Northern Plains, Southern Plains, and Mountain Region.

sets used in farming was provided by the farm operator (table 9.) Farm real estate was by far the most important type of asset that was supplied by others. Tenant operators rented land valued at nearly \$50,000 per farm, but they provided nearly all of the investment in livestock and machinery and equipment. A substantial proportion of the total value of real estate operated by part owners also was rented.

The survey showed also that farmers owned real estate and certain other assets that they did not use in their farm business. On the average, farm operators in the Great Plains owned about \$4,000 of other real estate, about half of which consisted of nonfarm property, such as a residence in town. They also rented a small acreage of farmland to other farm operators. About 10 percent of all owners and tenant operators owned farm or nonfarm real estate that they did not operate themselves.

TABLE 9.--Average value per farm operator of the physical assets used in farming, and the percentage of these assets owned by the operators, by type of asset, Great Plains, mid-1957

Physical assets used in farming	Total value	Value owned by farm operators	
		Amount	Percentage of total
Real estate-----	<i>Dollars</i> 57,723	<i>Dollars</i> 27,173	<i>Percent</i> 47
Livestock-----	5,736	5,189	90
Machinery and motor vehicles-----	7,112	6,341	89
Stored crops and supplies <sup>1</sup> -----	722	611	85
Total-----	71,293	<sup>2</sup> 39,314	55

<sup>1</sup> Excludes value of stored crops under CCC loans.

<sup>2</sup> In addition, the operators owned farm assets, valued at \$2,204, that they did not use in their operations. Presumably, most of these assets were rented to other farm operators.

### Livestock and Poultry

Increased prices for livestock, a large supply of feed, and more favorable feeding ratios contributed to the increase in the number of livestock and poultry on farms during 1958.

The total inventory of livestock and poultry on January 1, 1959, was valued at \$18.1 billion, 29 percent higher than a year earlier. The 1959 inventory value has been exceeded only by the record valuation of \$19.5 billion in 1952 (table 10).

Numbers of cattle, hogs, sheep, chickens, and turkeys increased in 1958. Total inventory values were further increased by higher values per head for cattle, hogs, sheep, and horses and mules.

Cattle accounted for about 90 percent of the \$4.0 billion increase in the total value of livestock and poultry in 1958. The value per head of all cattle was \$153 on January 1, 1959, which compares with \$119 a year earlier. The number of cattle and calves on feed reached a record high for January 1, at 6,489,000 head, 11 percent higher than a year earlier. The number of cattle kept for milk declined somewhat in 1958, but the number of beef cattle increased by about 4 million head. At 64 million head, the number of beef cattle was the highest

on record and reflected a substantial decline in commercial slaughter in 1958 (fig. 4).

The number of milk cows and heifers 2 years old and over on January 1, 1959, was 21.6 million head--about 3 percent less than a year earlier. This is the smallest number since 1921. Value per head increased from \$176 to \$220 during the year.

During 1958, the number of hogs on farms increased 12 percent to 57.2 million head--the largest number since January 1, 1952. The increase was due mainly to the large 1958 fall pig crop and to the larger number of sows and gilts kept for spring farrowing in 1959.

### Machinery and Motor Vehicles on Farms

Farmers' purchases of machinery and motor vehicles increased 23 percent in 1958. The total for the year--\$3.6 billion--has been exceeded only in the 3 years of 1949, 1950, and 1951. The increase in purchases reflected better crops and higher farm income.

The total value of machinery and motor vehicles on farms January 1, 1959, was

Table 8. - Average days worked and wages earned at farm and nonfarm wage work, for workers who did 25 days or more of farm wage work, by region, color and sex of worker, United States, 1958

Region, color and sex of worker	Number of workers	Farm and nonfarm			Farm			Nonfarm		
		Days worked	Wages earned		Days worked	Wages earned		Days worked	Wages earned	
			Per year	Per day <u>1/</u> worked		Per year	Per day <u>1/</u> worked		Per year	Per day <u>1/</u> worked
	: Thousands	Number	Dollars	Dollars	Number	Dollars	Dollars	Number	Dollars	Dollars
Total	: 2,319	150	961	6.40	128	766	6.00	22	195	8.80
White	: 1,552	161	1,162	7.20	136	909	6.70	25	253	10.00
Male	: 1,321	177	1,309	7.40	149	1,023	6.85	28	286	10.35
Female	: 231	70	320	4.55	58	255	4.35	12	65	5.55
Nonwhite	: 767	127	554	4.35	111	477	4.30	16	77	4.80
Male	: 467	155	737	4.75	140	640	4.55	15	97	6.55
Female	: 300	84	269	3.20	66	225	3.40	18	44	2.55
Northeast	: 187	211	1,306	6.20	190	1,111	5.85	21	195	9.35
White	: 176	215	1,338	6.20	193	1,132	5.85	22	206	9.50
Nonwhite	: 11 <u>2/</u>									
North Central	: 434	160	1,107	6.95	126	805	6.40	34	302	9.00
White	: 418	162	1,134	7.00	128	822	6.40	34	312	9.10
Nonwhite	: 16 <u>2/</u>									
South	: 1,262	132	665	5.05	115	565	4.95	17	100	5.90
White	: 585	137	854	6.20	119	715	6.00	18	139	7.50
Nonwhite	: 677	127	503	4.00	111	436	3.95	16	67	4.25
West	: 436	166	1,523	9.15	139	1,161	8.30	27	362	13.65
White	: 373	170	1,593	9.35	142	1,204	8.45	28	389	14.05
Nonwhite	: 63 <u>2/</u>									

1/ Rounded to the nearest 5 cents. Farm wage earnings are cash only and do not include the value of perquisites received by many farm workers.

2/ Days worked and wages earned not shown for fewer than 90,000 persons.



TABLE 10.--Livestock and poultry on farms: Number, value per head, and total value, United States, January 1, 1958 and 1959

Class	1958 <sup>1</sup>			1959		
	Number	Value per head <sup>2</sup>	Total value	Number	Value per head <sup>2</sup>	Total value
	<i>1,000 head</i>	<i>Dollars</i>	<i>Million dollars</i>	<i>1,000 head</i>	<i>Dollars</i>	<i>Million dollars</i>
Cattle-----	93,350	119.00	11,154	96,851	153.00	14,809
Milk cows <sup>3</sup> -----	22,233	176.00	3,909	21,606	220.00	4,744
Hogs-----	50,980	30.20	1,538	57,201	31.90	1,826
All sheep <sup>4</sup> -----	31,337	19.22	602	32,644	20.05	655
Stock sheep <sup>5</sup> -----	27,327	19.40	529	28,364	20.30	574
Horses and mules-----	3,354	83.90	282	3,079	101.00	312
Chickens-----	370,884	1.26	468	383,257	1.26	482
Turkeys-----	5,542	4.67	26	5,861	4.65	27
Total-----	---	---	14,070	---	---	18,111

<sup>1</sup> Revised.

<sup>2</sup> Rounded to significant price intervals.

<sup>3</sup> Included in cattle.

<sup>4</sup> Includes sheep and lambs on feed for market.

<sup>5</sup> Included in all sheep.

\$18.4 billion--6 percent above a year earlier and a record high (table 11, fig. 5). By classes, the percentage increases in inventory value during 1958 were: Tractors, 4; automobiles, 9; motortrucks, 4; and other farm machinery, 6.

Depreciation of farm machinery and motor vehicles is now a major farm expense and has exceeded \$3 billion since 1952. In 1958, depreciation of farm machinery and motor vehicles totaled \$3.5 billion. In that year, total production costs other than wages, rent, and interest on mortgages amounted to \$20.6 billion.

Prices of farm machinery and motor vehicles continued to increase in 1958 and early 1959. Average prices of motor vehicles on March 15, 1959, were 3 percent above a year earlier and prices of other farm machinery were 5 percent higher.

It is estimated that during 1958 farmers purchased new (exclusive of imports) about 188,000 tractors, 45,000 combines, 60,000 pickup balers, and 22,000 field forage harvesters. Numbers of motor vehicles

and principal farm machines continued to increase in 1958 (table 12).

### Crop Inventories

Farmer-owned inventories of harvested crops, including crops pledged under loan to the Commodity Credit Corporation, were valued at \$9.4 billion on January 1, 1959, about 23 percent more than a year earlier and nearly equal to the record high of \$9.6 billion in 1955 (table 13). The large increase in inventory value during 1958 may be attributed more to high production resulting from favorable weather than to a change in prices of commodities. All of the major groups of crops, except vegetables and hay and forage, showed substantial increases in inventory value.

The inventory value of food grains, chiefly wheat, increased about 72 percent. This was due to a large increase in production which resulted in a 55-percent increase in stocks stored on farms and an increase of

TABLE 11.--Farm machinery and motor vehicles: Value by classes, United States, January 1, selected years, 1940-59

Year	Tractors	Automobiles	Motortrucks	Other farm machinery	Total
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1940-----	503	958	262	1,337	3,060
1945-----	1,425	1,144	590	3,132	6,291
1950-----	2,380	2,324	1,446	5,164	11,314
1955-----	3,120	3,827	1,885	7,332	16,164
1956 <sup>1</sup> -----	3,305	3,876	1,920	7,421	16,522
1957 <sup>1</sup> -----	3,319	4,029	2,093	7,636	17,077
1958-----	3,348	4,074	2,189	7,756	17,367
1959 <sup>2</sup> -----	3,468	4,437	2,278	8,226	18,409

<sup>1</sup> Revised.

<sup>2</sup> Preliminary.

TABLE 12.--Motor vehicles and specified machines: Number on farms, January 1, selected years, 1940-58

Year	Tractors <sup>1</sup>	Motor-trucks	Grain combines	Corn-pickers	Pickup balers	Field forage harvesters
	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>
1940-----	1,545	1,047	190	110	---	---
1945-----	2,354	1,490	375	168	42	20
1950-----	3,394	2,207	714	456	196	81
1955-----	4,345	2,701	980	688	448	202
1956-----	4,515	2,800	1,000	705	505	225
1957-----	4,600	2,900	1,020	725	550	240
1958-----	4,685	2,985	1,040	745	580	253
1959-----	4,750	3,060	1,060	760	610	264

<sup>1</sup> Excludes steam and garden tractors.

TABLE 13.--Crop inventories: Value by classes, United States, January 1, selected years, 1940-59<sup>1</sup>

Class	1940	1945	1950	1955	1957	1958 <sup>2</sup>	1959
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
Food grains-----	333	754	1,086	1,289	953	858	1,479
Wheat-----	316	729	1,063	1,218	875	801	1,413
Other <sup>3</sup> -----	17	25	23	71	78	57	66
Feed grains-----	1,219	2,902	3,476	3,971	3,659	3,399	3,871
Corn-----	944	2,191	2,736	2,889	2,859	2,396	2,753
Other <sup>4</sup> -----	275	711	740	1,082	800	1,003	1,118
Hay and forage <sup>5</sup> ---	666	1,805	1,758	2,101	2,043	2,011	2,016
Oil crops-----	70	171	271	519	578	536	613
Soybeans-----	36	87	137	2 419	440	445	524
Other <sup>6</sup> -----	34	84	134	100	138	91	89
Cotton-----	197	565	537	1,379	760	518	1,071
Vegetables <sup>7</sup> -----	72	157	191	133	149	149	129
Miscellaneous <sup>8</sup> ----	109	328	271	254	194	148	173
Total-----	2,666	6,682	7,590	9,646	8,336	7,619	9,352

<sup>1</sup> Includes all crops stored on farms, including crops under loan to Commodity Credit Corporation. Includes only those farmer-owned crops stored off farms that are under loan to CCC.

<sup>2</sup> Revised.

<sup>3</sup> Buckwheat, rye, and rice.

<sup>4</sup> Barley, grain sorghum, and oats.

<sup>5</sup> All hay, corn silage, corn forage, sorghum silage, and sorghum forage.

<sup>6</sup> Cottonseed, flaxseed, and peanuts.

<sup>7</sup> Cabbage, onions, and potatoes.

<sup>8</sup> Broomcorn, dry edible beans, dry field peas, tobacco, tung oil, and seeds for hay and pasture crops.

178 percent in stocks stored off farms under CCC loans. Between January 1958 and January 1959, the average price of wheat declined from \$1.90 to \$1.71 per bushel.

Feed grains increased about 14 percent in inventory value because of increases in quantities stored on farms and off farms under CCC loans and a slight increase in price. Most of the feed grains are stored on farms. Quantities of corn and oats stored on farms increased 9 and 12 percent, respectively. The price of corn increased from \$0.93 to \$1.02 per bushel, while the price of oats declined from \$0.61 to \$0.59 per bushel between January 1958 and January 1959.

The inventory value of cotton increased by more than 100 percent. Quantities stored on and off farms increased about 75 percent. Cotton prices increased only slightly.

Soybeans make up a large part of the oil crops, the inventory value of which in-

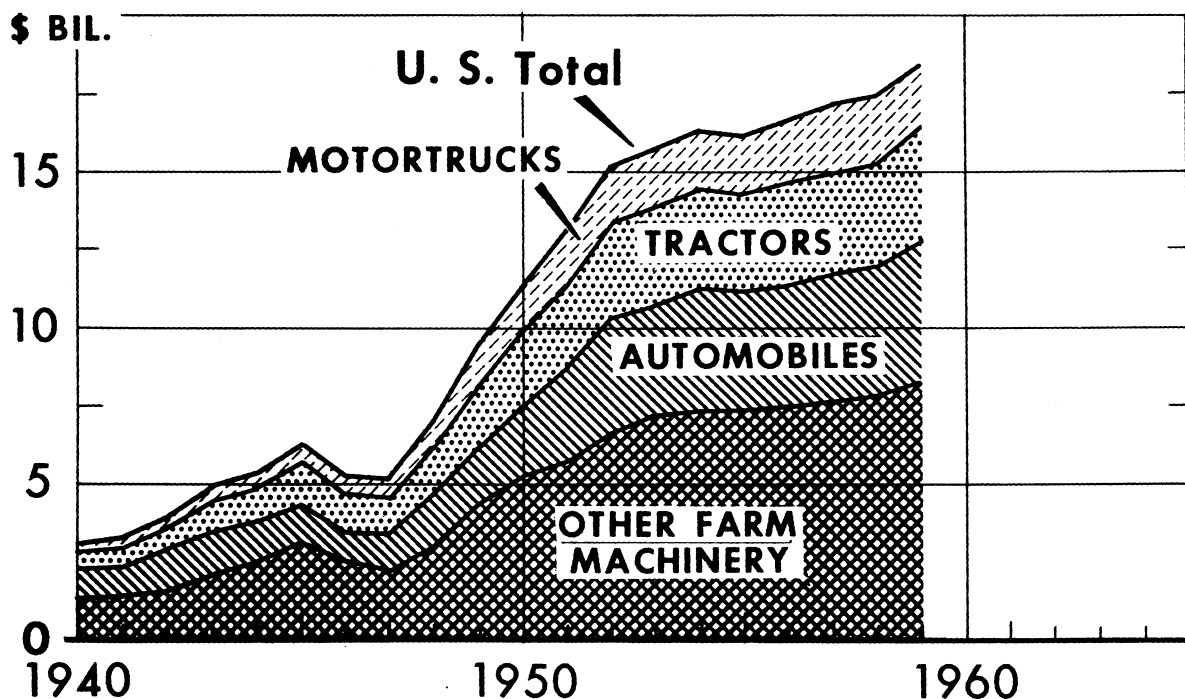
creased about 14 percent during the year. A 25-percent increase occurred in stocks of all oil crops. Soybeans declined in price from \$2.05 to \$2.02 between January 1958 and January 1959.

The inventory value of hay and forage remained about the same. Very little change was reported in either quantity stored or price per unit.

A decrease of 13 percent in inventory value was reported for vegetables. This group is influenced largely by potatoes, which increased about 17 percent in quantity but declined in price from \$1.81 per 100 pounds in January 1958 to \$1.21 in January 1959.

The physical quantity of crop inventories, as measured in 1940 prices, increased nearly 20 percent between January 1, 1958, and January 1, 1959. For crops stored on farms, the quantity increased about 9 percent. Most of this increase is attributed to the grains, principally wheat and corn. The

# VALUE OF MACHINES ON FARMS



DATA AS OF JANUARY 1

DATA FOR 1959 ARE PRELIMINARY

SOURCE: AGRICULTURAL MARKETING SERVICE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 59 (6) - 2735 AGRICULTURAL RESEARCH SERVICE

FIGURE 5

quantity of crops stored off farms under CCC loan increased by almost 150 percent. This increase was due mainly to increased storage of cotton, wheat, and soybeans.

## Household Furnishings and Equipment

On January 1, 1959, furniture and appliances in farm homes were valued at \$13.1 billion, up nearly 3 percent from a year earlier.

In terms of 1940 prices, the value of home furnishings and equipment has shown substantial increases. In 1959, the level was almost 32 percent higher than in 1950 and 65 percent higher than in 1941.

Surveys made in 1955 and reported last year indicated that a large proportion of farm families now have many of the newer electrical appliances and modern home furnishings. Recent expenditures have been largely for replacements and improvements.

## Liquid Financial Assets

Bank deposits, currency, and United States savings bonds owned by farmers on January 1, 1959, are estimated at \$15.2 billion, up about \$600 million from a year earlier (table 14). Most of the increase in these liquid financial assets occurred in farmers' checking and savings accounts. These accounts increased during the year by \$300 million and \$200 million, respectively.

According to estimates of the Federal Reserve Board, the larger increases in farmer-owned demand deposits during 1958 occurred in the Chicago, Minneapolis, Kansas City, and Dallas Federal Reserve districts (table 15). These districts contain most of the States in which cash receipts from farming were sharply higher in 1958 than in 1957. Thus it appears that the great improvement of growing conditions in the western Corn Belt and the Plains States, and the higher prices of livestock, were chiefly responsible for the increase in

TABLE 14.--Liquid financial assets owned by farmers, January 1, selected years, 1940-59

Year	Currency	Deposits		United States savings bonds	Total
		Demand	Time		
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1940-----	0.7	1.3	1.2	0.2	3.4
1945-----	2.6	3.6	1.7	3.4	11.3
1950-----	2.5	4.5	2.1	4.7	13.8
1955-----	2.2	4.7	2.5	5.0	14.4
1957-----	2.0	4.7	2.6	5.1	14.4
1958-----	2.0	<sup>1</sup> 4.6	2.9	5.1	<sup>1</sup> 14.6
1959-----	2.0	4.9	3.1	5.2	15.2

<sup>1</sup> Revised.

TABLE 15.--Demand deposits held by farm operators on January 30, 1958 and 1959, by Federal Reserve District

District	Amount		Number of accounts		Average size	
	1958	1959	1958	1959	1958	1959
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Dollars</i>	<i>Dollars</i>
Boston-----	24	36	18	21	1,368	1,752
New York-----	99	93	53	54	1,853	1,728
Philadelphia-----	102	82	71	61	1,430	1,344
Cleveland-----	171	170	160	152	1,067	1,118
Richmond-----	253	289	291	277	871	1,047
Atlanta-----	280	281	279	245	1,001	1,149
Chicago-----	862	952	615	603	1,401	1,579
St. Louis-----	510	528	469	481	1,086	1,097
Minneapolis-----	476	557	406	397	1,173	1,403
Kansas City-----	699	829	466	442	1,502	1,875
Dallas-----	515	561	290	251	1,777	2,239
San Francisco-----	555	509	229	205	2,421	2,483
Total-----	4,545	4,888	3,347	3,188	1,358	1,533

Board of Governors of Federal Reserve System.

farmer-owned demand deposits during 1958. Data compiled by the Federal Deposit Insurance Corporation indicate that the time deposits of insured commercial banks located in selected agricultural counties also increased more in these regions than in most other parts of the country.

The average size of farmers' checking accounts, as revealed by the Federal Reserve estimates, is about twice as large in the San Francisco and Dallas districts as in the Cleveland, Richmond, Atlanta, and St. Louis districts. Probably the small size of farmers' accounts in the latter districts is explained by the prevalence in these districts of farms that are small and have low capital requirements.

The United States savings bonds owned by farmers are estimated to have had a redemption value of \$5.2 billion on January 1, 1959--about \$100 million more than a year earlier. This increase arose wholly from the accrual of interest, as farmers cashed more bonds than they bought during 1958. However, the excess of redemptions over purchases was not as large as in the preceding year. Farmers bought more

bonds, and cashed fewer, in 1958 than in 1957.

Purchases by farmers of series E and H bonds increased during 1958, in all regions except the Appalachian. The largest increase--about 20 percent--occurred in the Plains States, probably because of the exceptionally large increase of farm income in these States. For the country as a whole, the increase in farmers' purchases was about 9 percent.

### Net Worth of Farmers' Cooperatives

The net worth of farmer's cooperatives increased about 6 percent during 1958 to a high of \$3.8 billion on January 1, 1959 (table 16). Marketing associations continue to have the largest net worth, \$1,322 million. Associations through which farmers buy feed, seed, and farm supplies were next in importance with an aggregate net worth of \$702 million.

Percentagewise, the rural electric cooperatives showed the largest increase,

TABLE 16.--Net worth of selected types of cooperatives, United States, January 1, selected years, 1940-59

Type of cooperative	1940	1945	1950	1955	1957	1958	1959
Marketing associations <sup>1</sup> -----	256	393	779	1,216	<sup>2</sup> 1,268	<sup>2</sup> 1,290	1,322
Purchasing associations <sup>1</sup> -----	74	194	369	592	<sup>2</sup> 637	<sup>2</sup> 669	702
Farmers' mutual telephone companies <sup>3</sup> -----	23	23	23	23	23	23	23
Farmers' mutual irrigation companies <sup>4</sup> -----	197	230	264	298	330	340	355
Farmers' mutual fire insurance companies <sup>5</sup> -----	42	63	108	167	159	<sup>2</sup> 182	202
Rural electric cooperatives <sup>6</sup> -----	3	31	92	231	356	<sup>2</sup> 420	498
Production credit system <sup>7</sup> -----	31	61	122	186	203	213	242
Federal land bank system <sup>7</sup> -----	203	224	298	397	437	456	475
Total-----	829	1,219	2,055	3,110	<sup>2</sup> 3,413	<sup>2</sup> 3,593	3,819

<sup>1</sup> Excludes intercooperative investments. Estimates based on data from Farmer Cooperative Service.

<sup>2</sup> Revised.

<sup>3</sup> Net investment for January 1, 1938, used for each date. U. S. Bureau of the Census, Census of Electrical Industries, 1937.

<sup>4</sup> Data for 1940 and 1950 from U. S. Bureau of the Census, Irrigation of Agricultural Lands, 1940 and 1950; data for other years estimated.

<sup>5</sup> Surplus and reserves. Estimates.

<sup>6</sup> Estimates before 1948. Beginning 1948, data reported by Rural Electrification Administration.

<sup>7</sup> Excludes capital and surplus paid in by Federal Government. From Farm Credit Administration.

19 percent, between January 1, 1958, and January 1, 1959.

The combined net worth of the credit cooperatives that operate under the federally sponsored Farm Credit System increased 7 percent to a new high of \$717 million.

### Assets Used in Farm Production

The value of assets used in farm production on January 1, 1959, \$155.4 billion, represents almost 77 percent of the total assets in the balance sheet of agriculture. Since 1950, the value of production assets has increased about 62 percent. During 1958, all classes of production assets rose in value.

Not only has the farm production investment expanded rapidly, but it is in

the hands of fewer farm operators and workers. The amount of production capital per farm increased from \$16,979 in 1950 to \$33,455 in 1959, or almost 100 percent. The value of productive assets per farm worker rose about 115 percent, from \$9,625 in 1950 to \$20,651 by 1959 (table 17, appendix table 26, fig. 6). Between 1950 and 1959, the value of machinery and equipment rose from \$1,753 to \$3,380 per farm, an increase of 93 percent. During the same period, the value of machinery and equipment per farmworker increased about 110 percent.

In 1947-49 prices, assets per farm increased 36 percent and assets per farmworker rose 49 percent between 1950 and 1959. The value of machinery and equipment per farm increased 44 percent and the value per farmworker 57 percent (table 18).

TABLE 17.--Value of assets used in agricultural production, United States, January 1, selected years, 1940-59<sup>1</sup>

Year	All production assets			Farm machinery		
	Total	Average--		Total	Average--	
		Per farm-worker <sup>2</sup>	Per farm <sup>2</sup>		Per farm-worker <sup>2</sup>	Per farm <sup>2</sup>
	<i>Billion dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Billion dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1940-----	38.7	3,413	6,094	2.5	220	394
1945-----	67.7	6,625	11,346	5.6	548	938
1950-----	95.9	9,625	16,979	9.9	994	1,753
1955-----	121.1	<sup>3</sup> 14,018	23,806	13.9	<sup>3</sup> 1,609	2,732
1957 <sup>3</sup> -----	132.0	16,880	27,183	14.7	1,880	3,027
1958 <sup>3</sup> -----	140.2	18,503	29,606	14.9	1,966	3,138
1959-----	155.4	20,651	33,455	15.7	2,086	3,380

<sup>1</sup> Includes farm real estate, less value of dwelling; livestock; machinery and motor vehicles, less 60 percent of the value of automobiles; crop inventories held for livestock feed; and a portion of the demand deposits determined for each year by adjusting the deposits of January 1, 1942, by an index of production costs.

<sup>2</sup> Number of farms and farmworkers used in computing these averages are as estimated by the United States Department of Agriculture.

<sup>3</sup> Revised.

TABLE 18.--Value of assets used in agricultural production, valued at 1947-49 prices, United States, January 1, selected years, 1940-59<sup>1</sup>

Year	All production assets			Farm machinery		
	Total	Average--		Total	Average--	
		Per farm worker <sup>2</sup>	Per farm <sup>2</sup>		Per farm worker <sup>2</sup>	Per farm <sup>2</sup>
	<i>Billion dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Billion dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1940-----	83.3	7,347	13,118	4.1	362	646
1945-----	90.1	8,817	15,100	4.4	431	737
1950-----	95.9	9,625	16,979	8.6	863	1,523
1955-----	103.3	11,957	20,306	10.8	1,250	2,123
1957-----	104.5	13,363	21,520	10.4	1,330	2,142
1958-----	104.8	13,831	22,068	10.1	1,333	2,127
1959-----	107.6	14,299	23,165	10.2	1,355	2,196

<sup>1</sup> Includes farm real estate, less value of dwelling; livestock; machinery and motor vehicles, less 60 percent of the value of automobiles; crop inventories held for livestock feed; and a portion of the demand deposits determined for each year by adjusting the deposits of January 1, 1942, by an index of production costs.

<sup>2</sup> Number of farms and farmworkers used in computing these averages are as estimated by the United States Department of Agriculture.

## CLAIMS

Claims on agricultural assets are of two general kinds: (1) Liabilities, which are divided into real estate and non-real-estate debt; and (2) equities, which represent the value of the residual rights in agricultural assets belonging to the proprietors--owner-operators, tenants, and landlords. Included among these proprietors are individuals, financial institutions, and other corporations, and Federal, State, and local government agencies.

### Farm Real Estate Debt

Higher farm income, increased farm expenditures, a strong demand for farmland, and the general availability of farm-mortgage money were factors in a further rise in farm-mortgage (real estate) debt in 1958.

Total farm-mortgage debt was \$11.3 billion on January 1, 1959, about 7 percent

higher than a year earlier. The total has increased each year since the postwar low of \$4.8 billion on January 1, 1946. At \$11.3 billion, total farm-mortgage debt for the first time exceeded the previous record high established in 1923 (fig. 7).

Substantial increases occurred during 1958 in the total amount of farm mortgage loans made, although the number made declined slightly. At \$2.4 billion, the amount of loans made in 1958 was up 8 percent from that of 1957. The average size increased from \$7,680 in 1957 to \$8,410 in 1958. The proportion of the total increased for the Federal land banks, commercial and savings banks, and miscellaneous lenders, but declined for insurance companies and for individuals. Federal land banks, commercial and savings banks, and miscellaneous lenders had the largest increases in 1958 in the amount of mortgages recorded (table 19).



# ASSETS USED IN PRODUCTION

Average Value Per Farm Worker

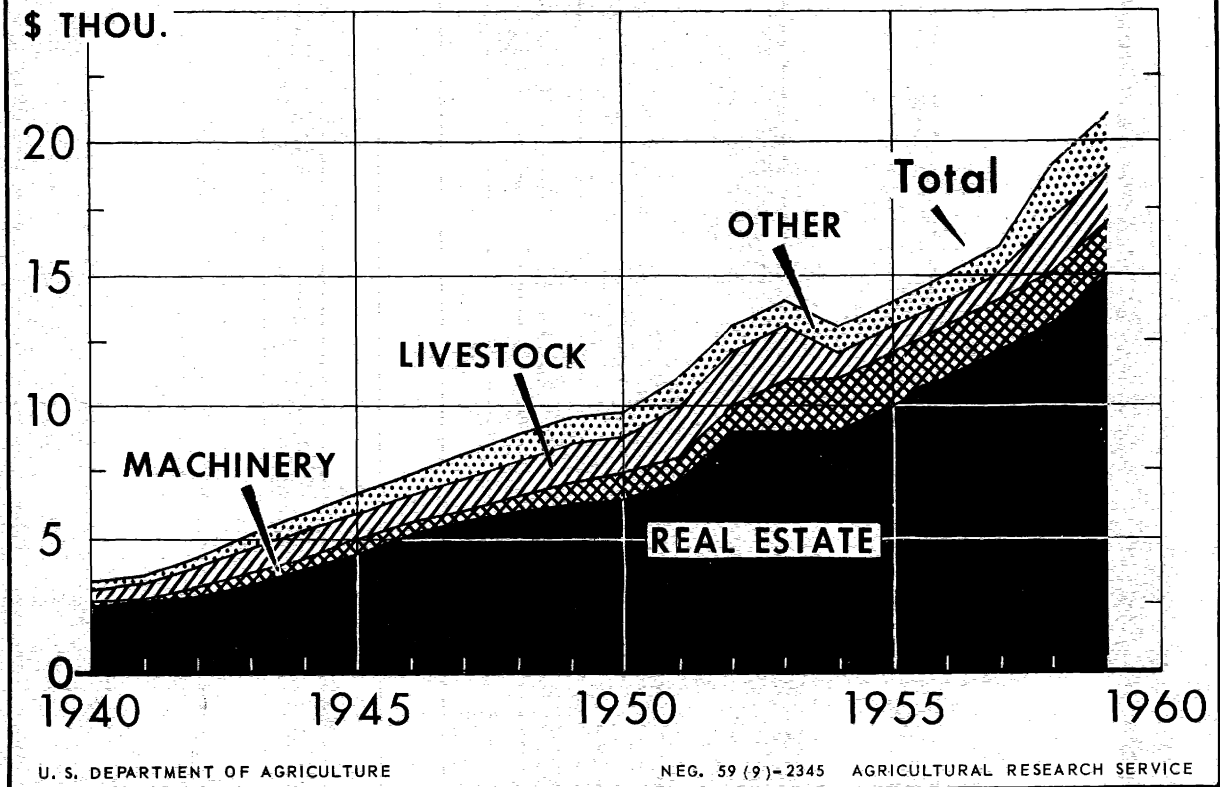


FIGURE 6

TABLE 19.--Farm-mortgages recorded: Amount, 1957 and 1958 and percentage increase 1957-58

Lender	1957	1958	Percentage increase
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Percent</i>
Federal land banks-----	404	473	17
Individuals-----	597	605	1
Commercial and savings banks-----	503	555	10
Insurance companies-----	387	390	1
Miscellaneous-----	363	410	13
Total-----	2,254	2,433	8

TABLE 20.--Farm-mortgage debt: Amount outstanding, selected years, January 1, 1940-55 and 1957-59, and percentage change, 1950-59 and 1958-59, by regions<sup>1</sup>

AMOUNT OUTSTANDING

Year	North-east	Lake States	Corn Belt	Northern Plains	Appalachian	South-east	Delta States	Southern Plains	Mountain	Pacific	United States
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1940----	577	907	1,829	863	386	248	228	586	357	605	6,586
1945----	456	712	1,337	574	301	201	196	440	262	462	4,941
1950----	578	715	1,296	460	379	271	239	518	425	698	5,579
1955----	768	986	1,798	673	598	459	397	802	736	1,072	8,289
1957----	846	1,150	2,147	861	690	565	482	946	908	1,313	9,908
1958----	875	1,207	2,273	931	741	607	530	980	970	1,393	10,507
1959----	919	1,280	2,414	973	805	680	593	1,013	1,039	1,538	11,254

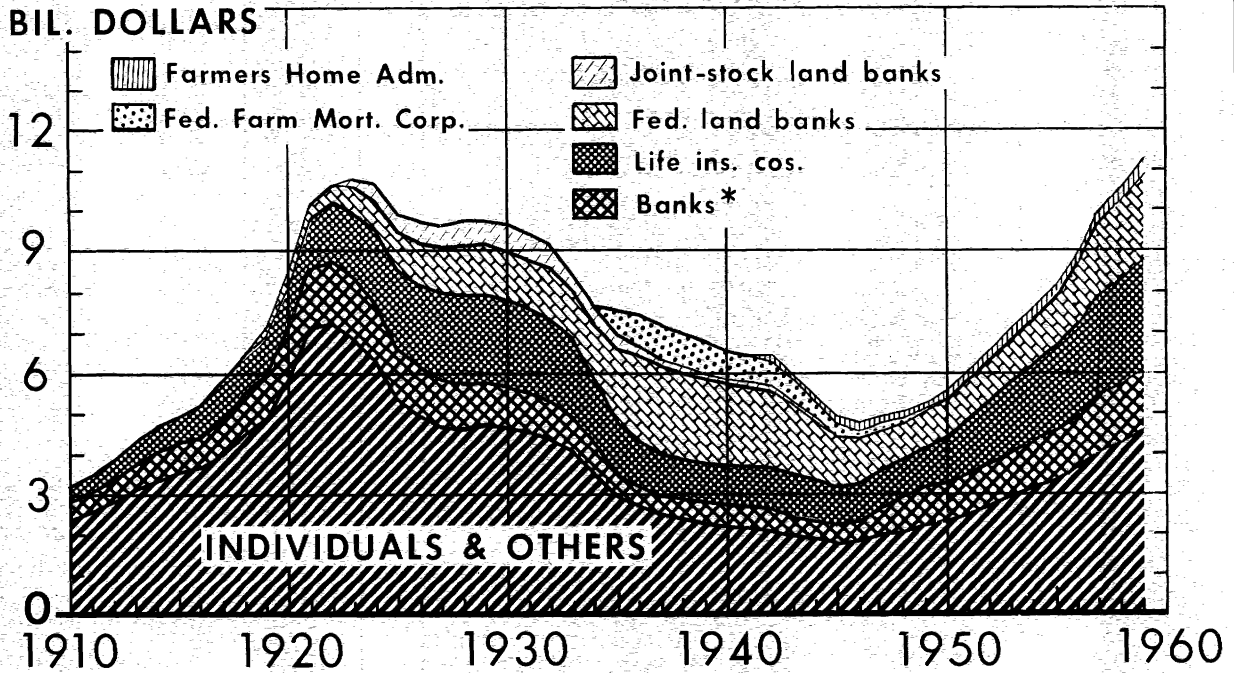
PERCENTAGE CHANGE<sup>2</sup>

	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1950-59-	58.9	78.9	86.3	111.6	112.1	150.5	148.3	95.7	144.8	120.3	101.7
1958-59-	5.0	6.1	6.2	4.5	8.6	12.0	11.9	3.4	7.1	10.4	7.1

<sup>1</sup> For regional groupings of States, see table 6, page 7.

<sup>2</sup> Computed from unrounded data.

# FARM MORTGAGE DEBT HELD BY MAJOR LENDERS



\* 1910-34, OPEN STATE AND NATIONAL BANKS; 1935-47, INSURED COMMERCIAL BANKS; 1948-, ALL OPERATING BANKS

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FIGURE 7

By the beginning of 1959, total farm-mortgage debt was 7 percent higher than a year earlier (table 20, appendix table 28). All regions showed increases; the regional increases varied from 3 percent in the Southern Plains to 12 percent in the Southeast. By lenders, the percentage increases in outstanding farm-mortgage loans during 1958 were highest for the Farmers Home Administration and the Federal land banks (table 21).

Farm-mortgage money was generally adequate in 1958. In the first half of 1958, interest rates eased somewhat and each of the Federal land banks made a rate reduction. In the last half of the year, money market rates turned higher, and there was some firming of farm-mortgage rates. Rates continued to rise through the first half of 1959; increases were made by most land banks and by insurance companies active in the farm-mortgage field. On July 1, 1959, insurance companies generally had a 5 1/2 percent minimum rate, and nine Federal land banks also were

charging 5 1/2 percent. The Springfield bank charged 5 3/4 percent and the Columbia bank had a 6-percent rate, but the Berkeley bank still charged 5 percent for new loans.

Repayments on farm mortgages were as good or better in 1958 than in 1957. Sixteen life insurance companies reported that total principal repayments in 1958 made up about the same percentage of principal outstanding as in 1957. Principal repayments in 1958 for the land banks were 8.8 percent of the total outstanding amount at the beginning of the year; this compares with 8.3 percent for 1957. At the end of the year, life insurance companies had very few loans delinquent or in foreclosure. The proportion of land bank loans with delinquent or extended payments declined. The Farmers Home Administration also reported improved payments and a decline in delinquent loans.

Purposes of farm-mortgage loans in 1958 changed somewhat from those in 1957. Reports from 12 life insurance companies

TABLE 21.--Farm-mortgage debt: Amount outstanding, by lenders, selected years, January 1, 1940-55 and 1957-59, and percentage change, 1950-59 and 1958-59, United States

AMOUNT OUTSTANDING							
Year	Federal land banks <sup>1</sup>	Federal Farm Mortgage Corporation <sup>1 2</sup>	Farmers Home Administration <sup>3</sup>	Life insurance companies <sup>1</sup>	Insured commercial banks	Individuals and miscellaneous	Total debt
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1940-----	2,010	713	32	984	534	2,313	6,586
1945-----	1,210	347	195	938	450	1,801	4,941
1950-----	906	59	193	1,172	879	2,370	5,579
1955-----	1,267	13	287	2,052	1,136	3,534	8,289
1957-----	1,722	0	290	2,477	1,311	4,108	9,908
1958-----	1,897	0	340	2,579	1,341	4,350	10,507
1959-----	2,065	0	388	2,661	1,443	4,697	11,254
PERCENTAGE CHANGE <sup>4</sup>							
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
1950-59-----	127.9	---	100.7	127.0	64.1	98.2	101.7
1958-59-----	8.9	---	14.2	4.6	7.6	7.3	7.1

<sup>1</sup> Includes regular mortgages, purchase-money mortgages, and sales contracts.

<sup>2</sup> Loans were made for the Corporation by the Land Bank Commissioner. Authority to make new loans expired July 1, 1947. On June 30, 1955, loans of the Federal Farm Mortgage Corporation were sold to the 12 Federal land banks.

<sup>3</sup> Data for 1940 include only tenant-purchase loans and direct soil and water loans to individuals. Thereafter, data include also farm-development, farm-enlargement, and project-liquidation loans; farm-housing loans beginning July 1950; and building-improvement loans beginning 1955.

<sup>4</sup> Computed from unrounded data.

showed that a smaller share of the money committed in 1958 was to be used for purchase of real estate and refinancing of debts. More was to be used for repairs and improvements. However, the Federal land banks reported that the proportion of new money loaned for refinancing mortgages of other lenders was higher in late 1958 than in 1957, as was the proportion to be used to buy farm real estate. One reason for this was that the upward revision of land bank appraisal levels in May 1958 generally increased the amount of money that could be loaned on a given farm. In late 1958, land bank interest rates were usually lower than those of other lenders, and this, together with the revision in appraisal levels, made land

bank loans more attractive to borrowers than they had been.

### Non-Real-Estate Credit

At the beginning of 1959, the outstanding non-real-estate loans to farmers held by the principal lending agencies (excluding CCC price-support loans) were 15 percent higher than a year earlier (fig. 8). Bank loans were up 15 percent and loans of the production credit associations were up 26 percent, but non-real-estate loans of the Farmers Home Administration showed a decline of about 7 percent from a year earlier. Most of the non-real-estate loans to farmers made by these agencies are used for farm production purposes.

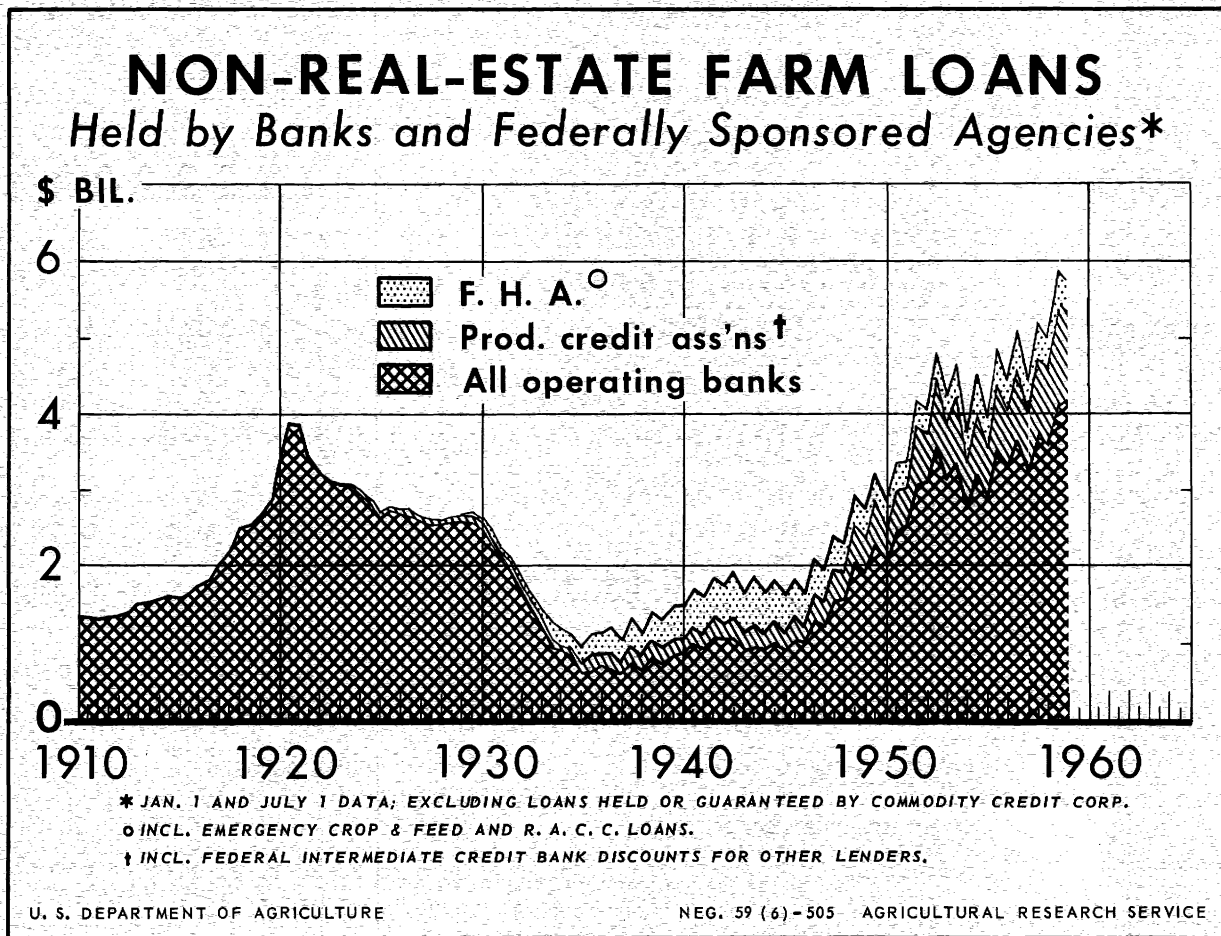


FIGURE 8

Outstanding price-support loans owed by farmers to the Commodity Credit Corporation doubled between January 1, 1958, and January 1, 1959. As of the latter date, the Commodity Credit Corporation held \$1,739 million of these loans, compared with \$784 million a year earlier, and banks and other lending agencies held \$749 million, compared with \$442 million a year earlier. The major reason for the increase in price-support loans was the greatly in-

creased quantities of cotton, wheat, soybeans, and sorghum grains that were placed under loan.

As a result of these increases, the total non-real-estate debt of farmers is estimated to have reached \$12.0 billion on January 1, 1959, about \$2.3 billion, or nearly 24 percent more than a year earlier. Excluding price-support loans, the increase was \$1 billion, or about 12 percent (table 22).

TABLE 22.--Farmers' non-real-estate debt, United States, January 1, selected years, 1940-59

Year	Price-support loans made or guaranteed by Commodity Credit Corporation <sup>1</sup>	Other loans by banks and federally sponsored agencies	Loans and book credits by miscellaneous lenders <sup>2</sup>	Total, excluding Commodity Credit Corporation loans	Total, including Commodity Credit Corporation loans
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1940-----	0.4	1.5	1.5	3.0	3.4
1945-----	.7	1.6	1.1	2.7	3.4
1950-----	1.7	2.8	2.4	5.2	6.9
1955-----	2.2	4.0	3.3	7.3	9.5
1957-----	1.6	4.5	3.5	8.0	9.6
1958-----	1.2	5.0	3.5	8.5	9.7
1959-----	2.5	5.8	3.7	9.5	12.0

<sup>1</sup> Although these are nonrecourse loans, they are treated as debts. Borrowers must either pay them in cash or deliver the commodities on which they were based.

<sup>2</sup> Estimates based on fragmentary data.

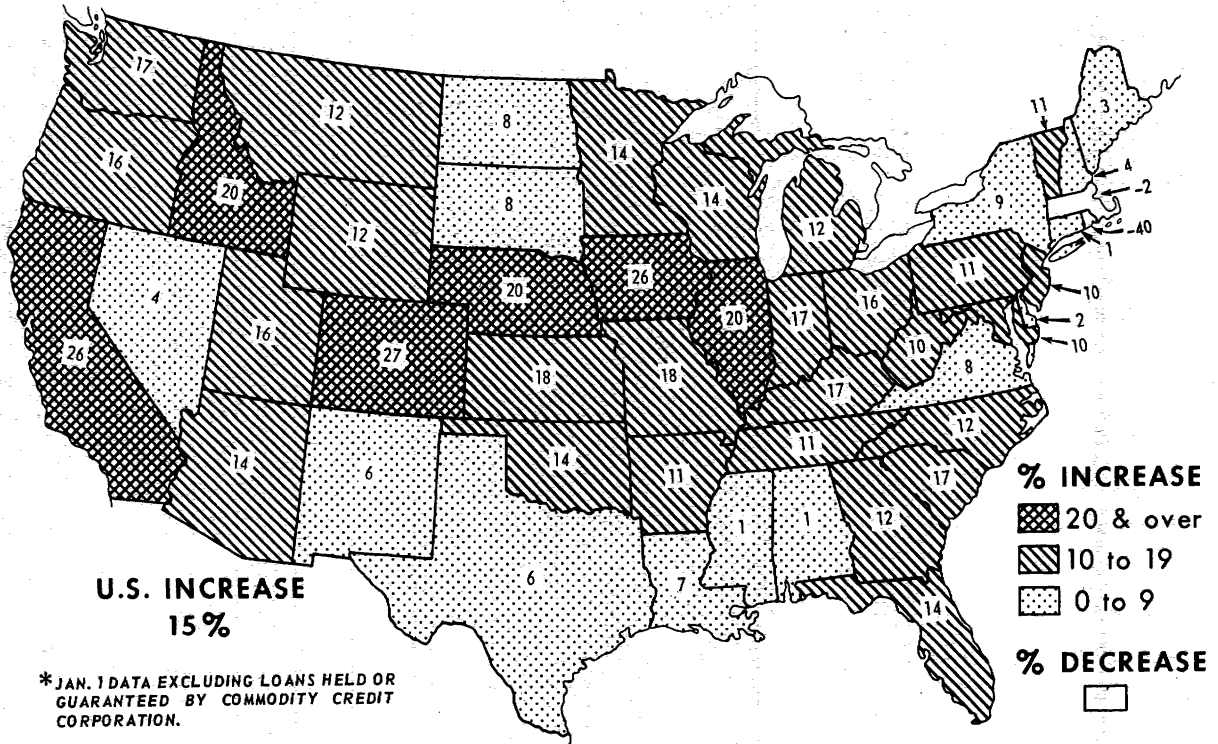
More recent data indicate that the trend of farm production loans to farmers continued upward during the first quarter of 1959. On April 30, 1959, the loans of the production credit associations were up 27 percent from a year earlier. Non-real-estate loans to farmers held by member banks of the Federal Reserve System were 21 percent higher on March 12, 1959, than on March 4, 1958.

Most of the States in which above-average percentage increases in farm production loans to farmers occurred during the last year are located in the western part

of the Corn Belt and in the Mountain and Pacific regions. Doubtless the large increases in these States resulted from the greater numbers of cattle in feedlots and on the ranges and from the substantial increase in the price of cattle. But non-real-estate loans to farmers increased during the year in all except 2 States (fig. 9). Probably this reflects the generally favorable farm situation that prevailed during 1958. Farmers' purchases of farm machinery were increased, and many farm improvements were made that would not have been undertaken under less favorable

# CHANGE IN NON-REAL-ESTATE FARM LOANS

Held by Banks and Federally Sponsored Agencies, 1958-59\*



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FIGURE 9

conditions. Many of these purchases and improvements required use of additional credit.

The increase in outstanding non-real-estate loans to farmers was not due to any slowing of payments on loans but to increased use of credit by farmers. In the production credit associations, new loans were 28 percent greater and collections 29 percent greater in 1958 than in 1957. In the Farmers Home Administration, new operating and emergency loans were about 4 percent greater and collections almost 18 percent greater during the last half of 1958 than in the corresponding period in 1957.

Both banks and production credit associations expanded their loans sharply during 1958 in the Corn Belt and Plains States. In addition, banks made above-average percentage increases in their loans in the Mountain and Pacific States, whereas additional areas in which the production credit associations made above-average increases in their loans included the Lake

States and a number of States in the Appalachian, Southeast, and Delta regions. The only State in which the operating and emergency loans of the Farmers Home Administration increased notably during 1958 was Florida, where the freeze of the preceding winter created unusually large needs for this type of credit.

Interest rates charged farmers by the production credit associations declined during most of 1958 as a result of the decline in money market rates during the first half of 1958. But the rates charged by the associations have increased since the first part of 1959 because of the increase in money market rates since last summer. As of April 1, 1959, 61 of the associations were charging farmers less than 6 percent per annum, 291 were charging 6 percent, and 143 were charging more than 6 percent. A survey made by the American Bankers Association this spring indicated that early in 1959 the rates charged by banks on non-real-estate loans to farmers averaged about 6.4 percent.

Estimates of the Farm Economics Research Division, ARS, indicate that the rate charged by banks for interest plus loan service fees was approximately the same as the rate charged by production credit associations in 1957 and 1958. The overall charges at both types of institutions were about 6.7 percent per annum in 1957 and about 6.8 percent in 1958. Banks charged the higher interest rates; production credit associations the higher loan service fees.

### Total Farm Debt

Including price-support loans, total farm debt rose during 1958 to a high of \$23.3 billion on January 1, 1959. This debt has risen constantly since 1946 and has almost doubled since 1950. However, on

January 1, 1959, farm debt amounted to only 11 percent of the value of farm assets compared with 10 percent on January 1, 1950.

Excluding price-support loans, the total farm debt rose \$1.8 billion during 1958, an increase of almost 10 percent. Regional data on the part of the non-real-estate farm debt held by noninstitutional lenders are not available. But the aggregate of all farm-mortgage debt and the non-real-estate debt held by institutional lenders showed the largest increases in the Southeast and the Corn Belt (table 23). The smallest increases were in the Southern Plains and the Northeast. Between 1946 and 1959, total farm debt increased by more than 270 percent in the Mountain region, which was more than twice the percentage increase that occurred in several of the other regions.

TABLE 23.--Percentage change in total of all farm-mortgage debt and of non-real-estate debt held by reporting lending institutions, by regions, January 1, 1946-59 and January 1, 1958-59<sup>1</sup>

Region <sup>2</sup>	Percentage change		Region <sup>2</sup>	Percentage change	
	1946-59	1958-59		1946-59	1958-59
Northeast-----	<i>Percent</i> 136.2	<i>Percent</i> 5.9	Delta States-----	<i>Percent</i> 170.6	<i>Percent</i> 10.4
Lake States-----	122.4	8.1	Southern Plains-----	154.9	5.2
Corn Belt-----	146.0	11.3	Mountain-----	270.3	10.7
Northern Plains-----	125.9	9.2	Pacific-----	237.2	13.7
Appalachian-----	191.9	9.7	United States-----	164.7	9.8
Southeast-----	199.8	11.6			

<sup>1</sup> Excludes Commodity Credit Corporation loans.

<sup>2</sup> For regional groupings of States see table 6, page 7.



## APPENDIX

TABLE 24.--Comparative balance sheet of agriculture,

	Item	1940	1941	1942	1943	1944	1945	1946	1947
	<b>ASSETS</b>								
	Physical assets:	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1	Real estate-----	33.6	34.4	37.5	41.6	48.2	53.9	61.0	68.5
	Non-real-estate:								
2	Livestock-----	5.1	5.3	7.1	9.6	9.7	9.0	9.7	11.9
3	Machinery and motor vehicles-----	3.1	3.3	4.0	4.9	5.3	6.3	5.2	5.1
4	Crops stored on and off farms <sup>2</sup> -----	2.7	3.0	3.8	5.1	6.1	6.7	6.3	7.1
5	Household furnishings and equipment <sup>3</sup> -----	4.3	4.3	4.5	4.6	4.6	4.7	4.8	5.4
	Financial assets:								
6	Deposits and currency-----	3.2	3.5	4.2	5.4	6.6	7.9	9.4	10.2
7	United States savings bonds-----	.2	.4	.5	1.1	2.2	3.4	4.2	4.2
8	Investments in cooperatives-----	.8	.9	.9	1.0	1.1	1.2	1.4	1.5
9	Total <sup>4</sup> -----	53.0	55.1	62.5	73.3	83.8	93.1	102.0	113.9
	<b>CLAIMS</b>								
	Liabilities:								
10	Real estate debt-----	6.6	6.5	6.4	6.0	5.4	4.9	4.8	4.9
	Non-real-estate debt to:								
11	Commodity Credit Corporation <sup>5</sup> -----	.4	.6	.6	.8	.6	.7	.3	.1
12	Other reporting institutions <sup>6</sup> -----	1.5	1.6	1.8	1.7	1.7	1.6	1.7	2.0
13	Nonreporting creditors <sup>7</sup> -----	1.5	1.7	1.7	1.5	1.2	1.1	1.2	1.5
14	Total liabilities <sup>4</sup> -----	10.0	10.4	10.5	10.0	8.9	8.3	8.0	8.5
15	Proprietors' equities-----	43.0	44.7	52.0	63.3	74.9	84.8	94.0	105.4
16	Total <sup>4</sup> -----	53.0	55.1	62.5	73.3	83.8	93.1	102.0	113.9

<sup>1</sup> Revised.

<sup>2</sup> Includes all crops held on farms for whatever purpose and crops held off farms as security for Commodity Credit Corporation loans. On January 1, 1958, the latter totaled \$1,877 million.

<sup>3</sup> Estimated valuation for 1940, plus purchases minus depreciation since then.

<sup>4</sup> Total of rounded data.

<sup>5</sup> Includes loans held and loans guaranteed. Although these are nonrecourse loans, they are included as liabilities because borrowers must either repay in cash or deliver the commodities on which they were based.

## United States, January 1, 1940-59

1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959		
<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	
73.7	76.6	75.3	86.8	96.0	96.6	94.7	98.8	102.7	109.5	116.3	125.1	1	
13.3	14.4	12.9	17.1	19.5	14.8	11.7	11.2	10.7	11.1	<sup>1</sup> 14.1	18.1	2	
7.0	9.4	11.3	13.0	15.2	15.6	16.3	16.2	16.7	<sup>1</sup> 17.1	<sup>1</sup> 17.4	18.4	3	
9.0	8.6	7.6	7.9	8.8	9.0	9.2	9.6	8.3	8.3	7.6	9.4	4	
6.2	7.0	7.8	8.7	9.5	10.2	10.8	11.4	11.9	12.4	12.8	13.1	5	
9.9	9.6	9.1	9.1	9.4	9.4	9.4	9.4	9.5	<sup>1</sup> 9.4	<sup>1</sup> 9.5	10.0	6	
4.4	4.6	4.7	4.7	4.7	4.6	4.7	5.0	5.2	5.1	5.1	5.2	7	
1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3	3.5	<sup>1</sup> 3.6	3.8	8	
125.2	132.1	130.8	149.6	165.6	162.9	159.7	164.7	168.3	176.4	<sup>1</sup> 186.4	203.1	9	
5.1	5.3	5.6	6.1	6.7	7.3	7.8	8.3	9.1	9.9	10.5	11.3	10	
.1	1.2	1.7	.8	.6	1.2	2.4	2.2	1.9	1.6	1.2	2.5	11	
2.3	2.7	2.8	3.4	4.1	4.2	3.7	4.0	4.4	4.5	5.0	5.8	12	
1.8	2.2	2.4	2.8	3.2	3.4	3.2	3.3	3.5	3.5	3.5	3.7	13	
9.3	11.4	12.5	13.1	14.6	16.1	17.1	17.8	18.9	19.5	20.2	23.3	14	
115.9	120.7	118.3	136.5	151.0	146.8	142.6	146.9	149.4	156.9	<sup>1</sup> 166.2	179.8	15	
125.2	132.1	130.8	149.6	165.6	162.9	159.7	164.7	168.3	176.4	<sup>1</sup> 186.4	203.1	16	

The values of the underlying commodities are included among the assets; hence the loans must be included as liabilities to avoid overstating the amount of proprietors' equities.

<sup>6</sup> Loans of all operating banks, the production credit associations, and the Farmers Home Administration, and discounts of the Federal intermediate credit banks for agricultural credit corporations and livestock loan companies.

<sup>7</sup> Loans and credits extended by dealers, merchants, finance companies, individuals, and others. Estimates based on fragmentary data.

TABLE 25.--Physical assets of agriculture valued at 1940 prices, January 1, 1940-59

Year	Real estate <sup>1</sup>	Livestock	Machinery and motor vehicles	Crops stored on and off farms	Household furnishings and equipment <sup>2</sup>	Total <sup>3</sup>
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1940-----	33.6	5.1	3.1	2.7	4.3	48.8
1941-----	33.8	5.2	3.1	3.0	4.3	49.4
1942-----	33.9	5.4	3.6	3.0	4.4	50.3
1943-----	34.1	5.7	3.4	3.4	4.5	51.1
1944-----	34.2	5.9	3.1	2.9	4.4	50.5
1945-----	34.4	5.6	3.1	3.2	4.4	50.7
1946-----	34.3	5.4	3.2	2.9	4.4	50.2
1947-----	34.7	5.1	3.5	2.9	4.6	50.8
1948-----	35.0	4.9	4.2	2.6	4.9	51.6
1949-----	35.4	4.8	5.1	3.3	5.1	53.7
1950-----	35.8	4.8	6.0	3.2	5.4	55.2
1951-----	36.1	4.9	6.7	3.0	5.8	56.5
1952-----	36.4	5.1	7.3	2.9	6.0	57.7
1953-----	36.8	5.2	7.4	3.1	6.2	58.7
1954-----	37.1	5.1	7.7	3.4	6.4	59.7
1955-----	37.3	5.1	7.6	3.6	6.6	60.2
1956-----	37.5	5.1	7.6	3.5	6.8	60.5
1957-----	37.7	5.0	7.4	3.4	<sup>4</sup> 7.0	<sup>4</sup> 60.5
1958-----	37.9	4.9	7.2	3.7	7.0	60.7
1959-----	38.0	5.1	7.2	4.4	7.1	61.8

<sup>1</sup> This series is based on data for census years developed by Alvin S. Tostlebe in cooperation with the National Bureau of Economic Research. It takes into account changes in the area in farms, acreage of improved land, and number and condition of farm structures. (See Agricultural Finance Review, November 1952.) Data for intercensal years and for 1951-58 are extensions from census benchmarks based on net investment in farm structures (gross investment minus depreciation).

<sup>2</sup> Purchases since 1940 are deflated by an index of prices paid by farmers for house-furnishings.

<sup>3</sup> Total of rounded data.

<sup>4</sup> Revised.

TABLE 26.--Value of assets used in agricultural production, in current and 1947-49 prices, United States, January 1, 1940-59<sup>1</sup>

Year	Value in current prices			Value in 1947-49 prices		
	Total	Average--		Total	Average--	
		Per farm- worker <sup>2</sup>	Per farm <sup>2</sup>		Per farm- worker <sup>2</sup>	Per farm <sup>2</sup>
	<i>Billion dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Billion dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1940-----	38.7	3,413	6,094	83.3	7,347	13,118
1941-----	39.9	3,634	6,340	84.6	7,706	13,444
1942-----	46.2	4,330	7,449	87.3	8,183	14,076
1943-----	54.4	5,179	8,934	89.8	8,549	14,748
1944-----	62.0	5,935	10,328	90.3	8,644	15,042
1945-----	67.7	6,625	11,346	90.1	8,817	15,100
1946-----	73.7	7,370	12,435	89.8	8,980	15,151
1947-----	83.1	8,072	14,154	90.2	8,762	15,364
1948-----	92.3	8,890	15,906	90.0	8,678	15,509
1949-----	98.1	9,466	17,144	94.3	9,100	16,480
1950-----	95.9	9,625	16,979	95.9	9,625	16,979
1951-----	113.1	11,394	20,434	98.2	9,893	17,742
1952-----	125.8	13,178	23,206	99.9	10,465	18,428
1953-----	121.8	13,313	22,946	100.9	11,029	19,009
1954-----	117.5	13,256	22,592	102.1	11,519	19,631
1955-----	121.1	14,018	23,806	103.3	11,957	20,306
1956-----	124.5	14,886	25,055	104.8	12,530	21,091
1957-----	132.0	16,880	27,183	104.5	13,363	21,520
1958-----	140.2	18,503	29,606	104.8	13,831	22,068
1959-----	155.4	20,651	33,455	107.6	14,299	23,165

<sup>1</sup> Includes farm real estate, less value of dwelling; livestock; machinery and motor vehicles, less 60 percent of the value of automobiles; crop inventories held for livestock feed; and a portion of the demand deposits determined for each year by adjusting the deposits of January 1, 1942, by an index of production costs.

<sup>2</sup> Number of farms and farmworkers used in computing these averages are as estimated by the United States Department of Agriculture.

TABLE 27.--Comparative income statement

Item	1940	1941	1942	1943	1944	1945	1946
HOW NET INCOME WAS OBTAINED							
Total gross farm income:	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
Cash receipts from farm marketings-----	8,382	11,111	15,565	19,620	20,536	21,663	24,802
Government payments to farmers-----	723	544	650	645	776	742	772
Home consumption of farm products-----	1,210	1,429	1,758	2,253	2,181	2,356	2,829
Rental value of farm dwellings-----	723	744	794	844	919	1,011	1,303
Net change in inventory <sup>2</sup> -----	281	420	1,099	-53	-410	-439	29
Total-----	11,319	14,248	19,866	23,309	24,002	25,333	29,735
Production costs, other than wages, rent, and interest on mortgages:							
Feed bought-----	998	1,089	1,625	2,135	2,427	2,738	3,022
Livestock bought, except horses and mules-----	517	635	877	908	812	1,011	1,170
Fertilizer and lime bought-----	306	334	417	505	576	657	683
Repairs and operation of capital items-----	1,006	1,099	1,244	1,407	1,528	1,626	1,981
Depreciation and other consumption of farm capital-----	796	874	1,370	1,403	1,463	1,340	1,224
Taxes on farm real estate and personal property-----	451	463	466	477	499	557	617
Seed bought-----	197	203	301	406	440	435	428
Miscellaneous-----	708	798	849	929	975	974	1,194
Total-----	4,979	5,495	7,149	8,170	8,720	9,338	10,319
Net income from agriculture-----	6,340	8,753	12,717	15,139	15,282	15,995	19,416
HOW NET INCOME WAS DISTRIBUTED							
Wages to hired labor (cash and per- quisites)-----	1,029	1,249	1,631	2,027	2,202	2,299	2,544
Net rent and Government payments to landlords not living on farms <sup>3</sup> -----	448	647	890	1,044	1,043	1,064	1,401
Interest on farm-mortgage debt-----	293	284	272	246	230	221	219
Net income of farm operators-----	4,570	6,573	9,924	11,822	11,807	12,411	15,252
Net income from agriculture-----	6,340	8,753	12,717	15,139	15,282	15,995	19,416
REALIZED NET INCOME OF FARM OPERATORS							
Net income of farm operators-----	4,570	6,573	9,924	11,822	11,807	12,411	15,252
Net change in inventory-----	281	420	1,099	-53	-410	-439	29
Realized net income of farm operators-----	4,289	6,153	8,825	11,875	12,217	12,850	15,223

<sup>1</sup> Revised.

<sup>2</sup> Reflects the physical changes during the year in all livestock and crops on farms, except crops under CCC loans, with the changes valued at average prices for the year.

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1947	1948	1949	1950	1951	1952	1953	1954	1955	1956 <sup>1</sup>	1957 <sup>1</sup>	1958
Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars	Million dollars
29,620	30,227	27,828	28,512	32,958	32,632	31,126	29,953	29,556	30,564	29,824	33,560
314	257	186	283	286	274	213	257	229	553	1,016	1,089
2,971	2,925	2,399	2,223	2,471	2,374	2,161	1,944	1,806	1,775	1,762	1,761
1,447	1,505	1,408	1,464	1,608	1,736	1,765	1,711	1,741	1,734	1,787	1,881
-1,760	1,732	-863	815	1,176	921	-621	490	297	-415	762	1,059
32,592	36,646	30,958	33,297	38,499	37,937	34,644	34,355	33,629	34,211	35,151	39,350
3,746	3,996	3,024	3,283	4,144	4,331	3,770	3,906	3,840	4,058	4,083	4,512
1,379	1,589	1,529	2,004	2,437	1,917	1,320	1,563	1,530	1,629	1,957	2,680
755	826	895	978	1,085	1,229	1,245	1,274	1,256	1,241	1,280	1,305
2,401	2,784	2,829	2,921	3,187	3,433	3,435	3,353	3,423	3,617	3,773	3,788
1,604	2,059	2,428	2,736	3,226	3,399	3,520	3,616	3,722	3,722	3,885	3,988
733	806	873	919	987	1,038	1,062	1,086	1,149	1,199	1,277	1,346
514	581	543	531	561	594	560	542	577	537	529	534
1,426	1,580	1,696	1,750	2,079	2,117	2,100	2,076	2,167	2,303	2,286	2,468
12,558	14,221	13,817	15,122	17,706	18,058	17,012	17,416	17,664	18,306	19,070	20,621
20,034	22,425	17,141	18,175	20,793	19,879	17,632	16,939	15,965	15,905	16,081	18,729
2,810	3,034	2,865	2,678	2,800	2,802	2,793	2,716	2,736	2,733	2,785	2,885
1,455	1,370	1,107	1,233	1,368	1,421	1,214	1,159	1,057	1,109	1,029	1,122
225	232	243	264	291	319	347	373	405	446	487	524
15,544	17,789	12,926	14,000	16,334	15,337	13,278	12,691	11,767	11,617	11,780	14,198
20,034	22,425	17,141	18,175	20,793	19,879	17,632	16,939	15,965	15,905	16,081	18,729
15,544	17,789	12,926	14,000	16,334	15,337	13,278	12,691	11,767	11,617	11,780	14,198
-1,760	1,732	-863	815	1,176	921	-621	490	297	-415	762	1,059
17,304	16,057	13,789	13,185	15,158	14,416	13,899	12,201	11,470	12,032	11,018	13,139

<sup>3</sup> After subtraction of taxes, mortgage interest, and other expenses paid by such landlords.

TABLE 28.--Farm-mortgage debt: Amount outstanding, January 1, 1940-59, by regions<sup>1</sup>

Year	North-east	Lake States	Corn Belt	Northern Plains	Appalachian	South-east	Delta States	Southern Plains	Mountain	Pacific	United States
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>
1940-----	577	907	1,829	863	386	248	228	586	357	605	6,586
1941-----	564	903	1,804	824	391	251	232	580	354	591	6,494
1942-----	549	886	1,780	799	385	256	233	576	344	568	6,376
1943-----	522	835	1,659	745	355	242	221	536	313	528	5,956
1944-----	485	762	1,488	657	325	225	206	485	279	484	5,396
1945-----	456	712	1,337	574	301	201	196	440	262	462	4,941
1946-----	449	672	1,248	516	303	204	200	422	265	481	4,760
1947-----	492	666	1,218	481	332	228	215	434	296	535	4,897
1948-----	529	674	1,200	446	358	248	224	456	341	588	5,064
1949-----	557	687	1,232	435	375	264	230	484	382	642	5,288
1950-----	578	715	1,296	460	379	271	239	518	425	698	5,579
1951-----	605	775	1,412	502	429	313	268	567	486	761	6,118
1952-----	640	832	1,532	544	477	355	295	612	540	849	6,676
1953-----	685	891	1,633	585	521	397	332	686	598	935	7,263
1954-----	726	936	1,702	631	559	426	363	750	665	1,014	7,772
1955-----	768	986	1,798	673	598	459	397	802	736	1,072	8,289
1956-----	802	1,063	1,967	757	643	506	438	884	808	1,198	9,066
1957-----	846	1,150	2,147	861	690	565	482	946	908	1,313	9,908
1958-----	875	1,207	2,273	931	741	607	530	980	970	1,393	10,507
1959-----	919	1,280	2,414	973	805	680	593	1,013	1,039	1,538	11,254

<sup>1</sup> For regional groupings of States, see table 6, page 7.