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# the Balance Sheet of Agriculture 1960

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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 16th in a series that contain comparable annual estimates beginning in 1940. The annual changes shown provide a means of appraising the effects of developments in both the farm and nonfarm sectors of the economy on the financial structure of agriculture.

This report shows farm assets and farm debts at the beginning of 1960 and selected earlier years. It deals mainly with changes in the financial situation of agriculture that occurred during 1959.

In using and interpreting the balance sheet, it should be remembered 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.

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, Mardy Myers; 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 OF AGRICULTURE, 1960

Under the direction of Norman J. Wall, Chief, Agricultural Finance Research Branch,  
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## THE 1960 BALANCE SHEET IN GENERAL

Although the average income per person on farms from farming and off-farm sources was lower in 1959 than in 1958, it was higher than for any other year since 1951. More farm families have supplemented their farm income by obtaining off-farm jobs, and the number of farms has decreased so that the available farm income has been distributed among fewer farm people.

Because of higher average prices for farm products, farm income prospects for 1960 have improved since last fall. If crop yields are average or better in 1960, the per capita income of farm people from all sources should equal or exceed that of 1959.

Farm assets reached a record value of \$203.6 billion on January 1, 1960, nearly 1 percent above the value a year earlier (table 1, appendix table 22). The increase of \$1.3 billion in farm asset values during 1959 contrasted with increases of about \$8 billion in 1956, \$10 billion in 1957, and \$16 billion in 1958.

Farm debt continued small relative to farm assets. On January 1, 1960, debts totaled \$24.3 billion, about 12 percent of the value of farm assets. The equities of farmers and other owners of farm property remained virtually unchanged at the record level of about \$179 billion in 1959, in contrast to increases of \$7.6 billion, \$9.0 billion, and \$13.2 billion, respectively, during the preceding 3 years.

Real estate--the principal farm asset--rose about \$4 billion in value in 1959. Although this was a substantial increase it was less than the increases in each of the preceding 3 years. Further increases also occurred in the value of farm machinery and motor vehicles, of household furnishings and equipment, and of farmers' investments in cooperatives. But the value of both crop and livestock inventories declined,

and, for the first time in 10 years, farmers' holdings of deposits and currency were reduced substantially.

The lower farm income in 1959 and the relationship that has developed between land values and farm income were probably responsible for slowing down the rise in farm real estate values. This slowdown was most apparent in the Corn Belt, Lake States, and Northern Plains. On a national basis, the calculated return on current market value of farm real estate, after all costs were paid, has been below the mortgage rate of interest in 4 of the last 5 years. In 1959, it was estimated at 3 percent.

The major reason for the decline in value of the livestock inventory was lower prices of cattle and hogs. Numbers of both types of animals were larger on January 1, 1960, than a year earlier, but average values per head were \$17 lower for cattle and \$13.50 lower for hogs.

Farmer-owned inventories of crops were nearly 15 percent lower in value on January 1, 1960, than a year earlier. The lower value resulted chiefly from a reduction in the quantity of crops stored off the farm under Commodity Credit Corporation loans. Principal reasons for the reduced quantity of off-farm stocks under loan were a smaller wheat crop and the change in the cotton price-support program. The 1959 cotton crop was supported chiefly through direct purchases by the Commodity Credit Corporation rather than through loan operations. Farmers gave up title to their cotton when they received the support price, rather than retaining title as under the loan programs.

The decline in farmer-owned deposits and currency was largely the result of the cost-price squeeze on farmers in 1959.

TABLE 1.--Comparative balance sheet of agriculture, United States, Jan. 1, 1940, 1959, and 1960<sup>1</sup>

Item	1940	1959	1960	Net change <sup>2</sup>	
				1940 to 1960	1959 to 1960
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	125.1	129.1	283.8	3.2
Non-real-estate:					
Livestock-----	5.1	18.1	16.2	216.3	-10.3
Machinery and motor vehicles-----	3.1	<sup>3</sup> 17.7	18.4	502.1	4.0
Crops stored on and off farms <sup>4</sup> -----	2.7	<sup>3</sup> 9.3	8.0	199.4	-14.5
Household furnishings and equipment <sup>5</sup>	4.3	13.1	13.5	214.8	2.6
Financial assets:					
Deposits and currency-----	3.2	10.0	9.1	182.6	-8.2
United States savings bonds-----	.2	5.2	5.2	1,986.3	.3
Investment in cooperatives-----	.8	3.8	4.1	390.8	6.8
Total <sup>6</sup> -----	53.0	<sup>3</sup> 202.3	203.6	283.5	.6
CLAIMS					
Liabilities:					
Real estate debt-----	6.6	11.3	12.3	86.6	9.2
Non-real-estate debt to-					
Commodity Credit Corporation <sup>7</sup> -----	.4	2.5	1.4	211.7	-44.3
Other reporting institutions <sup>8</sup> -----	1.5	5.8	6.7	342.9	15.5
Nonreporting creditors <sup>9</sup> -----	1.5	3.7	3.9	160.0	5.4
Total liabilities <sup>6</sup> -----	10.0	23.3	24.3	141.5	4.4
Proprietors' equities-----	43.0	<sup>3</sup> 179.0	179.3	316.6	.2
Total <sup>6</sup> -----	53.0	<sup>3</sup> 202.3	203.6	283.5	.6

<sup>1</sup> Data for 48 States only.

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

<sup>3</sup> Revised.

<sup>4</sup> Includes all crops held on farms for whatever purpose and crops held off farms as security for Commodity Credit Corporation loans. On Jan. 1, 1960, the latter totaled \$499 million.

<sup>5</sup> Estimated valuation for 1940, plus purchases minus depreciation since then.

<sup>6</sup> Total of rounded data.

<sup>7</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>8</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>9</sup> Loans and credits extended by dealers, merchants, finance companies, individuals, and others. Estimates based on fragmentary data.

However, crop conditions accentuated the decline in some areas. The high moisture content of the 1959 corn crop, which made much of the corn ineligible for loans until after January 1, 1960, reduced the inflow

of funds in the Corn Belt during the late months of 1959, and the short grain crops in the Dakotas cut receipts in these States.

Farm machinery and motor vehicles on farms increased in value by about \$0.7

billion during 1959. Expenditures for these items exceeded depreciation charges, but the rise in inventory values was chiefly the result of a revaluation of the inventory at the higher prices prevailing at the end of 1959.

Farm debts increased during 1959 by only about 4 percent compared with an increase of nearly 15 percent in 1958. The difference lies wholly in price-support loans of the Commodity Credit Corporation. In 1958, farm debt represented by these loans doubled; in 1959, it declined by about 44 percent.

Farm-mortgage debt increased by about 9 percent during 1959, compared with about 7 percent in 1958. The non-real-estate farm debt, excluding Commodity Credit

Corporation loans, increased by about 12 percent, the same as in 1958. The continued growth of these types of debt reflects the increase in credit-financed transfers of farm real estate and the rising level of farm expenditures for production and capital equipment. However, farm debts remain relatively small and farm foreclosures and distress transfers continue near a record low.

As reflected by valuations at 1940 prices, the physical assets of agriculture totaled about the same on January 1, 1960, as a year earlier (table 2, appendix table 24). The substantial drop in crop inventories was offset by increases in other assets, particularly by the increased numbers of cattle and hogs.

TABLE 2.--Physical assets of agriculture valued at 1940 prices, United States, Jan. 1, 1940, 1959, and 1960<sup>1</sup>

Assets	1940	1959	1960	Net change <sup>2</sup>	
				1940 to 1960	1959 to 1960
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Percent</i>	<i>Percent</i>
Real estate <sup>3</sup> -----	33.6	38.0	38.2	13.6	0.5
Livestock-----	5.1	5.1	5.3	3.2	3.9
Machinery and motor vehicles-----	3.1	7.2	7.3	137.9	.7
Crops stored on and off farms-----	2.7	4.4	3.8	43.4	-12.9
Household furnishings and equipment <sup>4</sup> ---	4.3	7.1	7.2	69.2	1.4
Total <sup>5</sup> -----	48.8	61.8	61.8	26.8	-.02

<sup>1</sup> Data for 48 States only.

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

<sup>3</sup> This series is based on data for census years developed by Alvin S. Tostlebe in co-operation 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 1951-60, are extensions from census benchmarks based on net investment in farm structures (gross investment minus depreciation).

<sup>4</sup> Purchases since 1940 are deflated by an index of prices paid by farmers for house-furnishings.

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

Gross farm income moved from slightly more than \$39 billion in 1958 to slightly less than \$38 billion in 1959. Most of this decline of nearly \$1.3 billion in gross income resulted from changes in inventories and reduced Government payments to farmers. Farm production costs increased again

in 1959. As a result, the net realized income of farm operators, excluding income from nonfarm sources, declined from about \$13 billion in 1958 to about \$11.3 billion in 1959. On a per farm basis, including farms of all sizes, realized net farm income declined from \$2,733 in 1958 to \$2,437 in 1959.

## THE INFLUENCE OF THE GENERAL ECONOMIC SITUATION

The slowing down in the rise in farm assets and equities and the decline in farm income occurred despite high and rising general economic activity. Total output of goods and services, which continued its recovery from the 1958 recession, gained rapidly in the first half of 1959, and reached a record \$488 billion rate in the March to June quarter. Work stoppages after mid-year caused some decline in Gross National Product, but the effect was confined largely to inventories, and final purchases continued upward throughout the year. For the year as a whole, GNP averaged nearly \$482 billion, 8.5 percent over 1958 (table 3).

Employment also set new records. For the year as a whole, civilian employment averaged 65.6 million compared with 64 million in 1958. With widespread advances in both hourly earnings and the average workweek, wage and salary income in 1959 showed a gain of almost eight percent over 1958. Consumer income (before taxes) was up by more than six percent to \$383 billion.

High levels of employment and income in 1959 supported a strong domestic demand for agricultural products. Consumer expenditures for food (including alcoholic beverages) increased 1.5 percent over 1958 to \$68.6 billion. Agricultural exports also increased in calendar 1959. Despite this high level of demand, markets for farm products continued to be dominated by heavy supplies, with the result that prices trended downward throughout much of 1959.

Increases in the general price level--an

important influence on values of farm real estate and other farm assets in recent years--were very small in 1959. The consumer price index averaged less than 1 percent above 1958, as a continued rise in the services component and nondurables (except food) more than offset a decline in retail food prices. In wholesale markets likewise, overall stability in prices resulted from lower farm product prices canceling rises in the nonfarm components.

Demand for credit by business, consumers, and government alike, coupled with Federal Reserve policies of continued restraint on the growth of the money supply, kept financial markets tight during 1959 and led to further increases in interest rates. Short-term borrowing costs, as measured by the rate paid on 90-day Treasury bills, increased from 2.8 percent at the beginning of the year to 4.6 percent at yearend, the highest in the postwar period. At the same time, long-term government bonds increased in yield from 3.8 to 4.8 percent.

This credit tightening was reflected in higher borrowing costs to farmers. During the year all the Federal land banks, for example, increased rates on new mortgages, and by the end of the year all were charging the maximum of 6 percent. Rates on short-term loans also moved higher. Higher costs and limited availability of funds may have been a factor in holding the rise in debt (other than to the Commodity Credit Corporation) to about the same as occurred in 1958.

## AGRICULTURAL INCOME

Total gross farm income of \$38 billion in 1959 was 3 percent less than the high level of 1958 (table 4, appendix table 23). This decrease was due largely to the discontinuance of the Acreage Reserve of the Soil Bank, which resulted in a 37-percent drop in Government payments to farmers, and to a 50-percent smaller net value of increase in inventory.<sup>1</sup>

While gross farm income was going down, production costs (other than wages, rent, and interest) increased almost 5 percent to

a high of \$21.6 billion. All major categories of expenses increased somewhat during 1959. Fertilizer and lime, repairs, and taxes increased about 7 percent each.

With a decrease in gross farm income and an increase in production costs, net income from agriculture dropped to \$16.3 billion. After deducting wages to hired labor, net rent, and interest on farm-mortgage debt, the net income of farm operators was 16 percent lower in 1959 than in 1958. Omitting adjustments for changes in inventory, the realized net income of farmers dropped to \$11.3 billion, or almost 13 percent. The average realized net income per farm, including farms of all sizes, decreased from \$2,733 in 1958 to \$2,437 in 1959 after allowing for a decrease in the number of farms.

<sup>1</sup>The net value of the "increase in inventory," reported here, is not inconsistent with the decline in value of the crop and livestock inventories shown by the Balance Sheet of Agriculture. For an explanation of the differing methods of treating inventories in the income accounts and the balance sheet accounts, see Agriculture Handbook 118, v. 3, pp. 16 and 17, and v. 6, pp. 45 and 49.

TABLE 3.--Gross national product or expenditure, specified years 1940 to 1960

Item	1940	1945	1950	1955	1957	1958	1959	1960 <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	442.8	444.2	482.1	501.3	505.0
Personal consumption expenditures...	71.9	121.7	195.0	256.9	285.2	293.5	313.8	323.3	328.5
Durable goods.....	7.8	8.1	30.4	39.6	40.4	37.3	43.4	44.2	44.2
Nondurable goods.....	37.2	73.2	99.8	124.8	137.7	142.0	147.6	150.5	153.5
Services.....	26.9	40.4	64.9	92.5	107.1	114.2	122.8	128.6	130.8
Gross private domestic investment.....	13.2	10.4	50.0	63.8	66.1	56.0	72.0	79.3	75.5
New construction.....	5.5	3.8	24.2	34.9	36.1	35.4	40.3	40.8	40.3
Producers' durable equipment.....	5.5	7.7	18.9	23.1	28.5	23.1	25.8	27.1	29.2
Change in business inventories.....	2.2	-1.1	6.8	5.8	1.6	-2.5	5.9	11.4	6.0
Net exports of goods and services.....	1.5	-1.4	.6	1.1	4.9	1.2	-1.0	1.2	2.5
Government purchases of goods and services.....	14.1	82.9	39.0	75.6	86.5	93.5	97.1	97.5	98.5
Federal.....	6.2	74.8	19.3	45.3	49.7	52.6	53.3	51.8	51.6
States and local.....	7.9	8.1	19.7	30.3	36.8	40.8	43.9	45.7	46.8

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

U. S. Department of Commerce.



TABLE 4.--Comparative income statement of agriculture, United States, 1940, 1958, and 1959<sup>1</sup>

Item	1940	1958 <sup>2</sup>	1959
HOW NET INCOME WAS OBTAINED			
Total gross farm income:	Million dollars	Million dollars	Million dollars
Cash receipts from farm marketings-----	8,382	33,490	33,146
Government payments to farmers-----	723	1,089	681
Home consumption of farm products-----	1,210	1,753	1,628
Rental value of farm dwellings-----	723	1,884	2,012
Net change in inventory <sup>3</sup> -----	281	1,037	518
Total-----	11,319	39,253	37,985
Production costs, other than wages, rent, and interest on mortgages:			
Feed bought-----	998	4,496	4,623
Livestock bought, except horses and mules-----	517	2,711	2,727
Fertilizer and lime bought-----	306	1,345	1,444
Repairs and operation of capital items-----	1,006	3,832	4,087
Depreciation and other consumption of farm capital-----	796	3,961	4,125
Taxes on farm real estate and personal property-----	451	1,343	1,445
Seed bought-----	197	532	534
Miscellaneous-----	708	2,470	2,664
Total-----	4,979	20,690	21,649
Net income from agriculture-----	6,340	18,563	16,336
HOW NET INCOME WAS DISTRIBUTED			
Wages to hired labor (cash and perquisites)-----	1,029	2,878	2,929
Net rent and Government payments to landlords not living on farms <sup>4</sup> -----	448	1,141	1,001
Interest on farm-mortgage debt-----	293	527	580
Net income of farm operators-----	4,570	14,017	11,826
Net income from agriculture-----	6,340	18,563	16,336
REALIZED NET INCOME OF FARM OPERATORS			
Net income of farm operators-----	4,570	14,017	11,826
Net change in inventory-----	281	1,037	518
Realized net income of farm operators-----	4,289	12,980	11,308

<sup>1</sup> Data for 48 States only.

<sup>2</sup> Revised.

<sup>3</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>4</sup> After subtraction of taxes, mortgage interest, and other expenses paid by such landlords.

In the Delta States, cash receipts from farm marketings increased almost 18 percent over 1958 (table 5). This was due to larger crops, particularly those of rice and cotton, and slightly higher average prices in 1959 over 1958. The Southeast and Pacific Regions showed an increase in cash

receipts of about 7 and 6 percent, respectively, over 1958. Cash receipts decreased from 4 to 6 percent in the Northeast, Lake, Corn Belt, and Northern Plains Regions, principally because of lower livestock and livestock product prices.

TABLE 5.--Cash receipts from farm marketings, by regions, United States, 1958 and 1959

Region	1958 <sup>1</sup>	1959	Percentage change
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Percent</i>
Northeast <sup>2</sup> -----	3,069	2,947	-4.0
Lake States <sup>3</sup> -----	3,307	3,157	-4.5
Corn Belt <sup>4</sup> -----	7,839	7,399	-5.6
Northern Plains <sup>5</sup> -----	3,686	3,542	-4.0
Appalachian <sup>6</sup> -----	2,642	2,613	-1.1
Southeast <sup>7</sup> -----	2,241	2,391	6.7
Delta States <sup>8</sup> -----	1,484	1,748	17.8
Southern Plains <sup>9</sup> -----	2,967	2,917	-1.7
Mountain <sup>10</sup> -----	2,490	2,452	-1.5
Pacific <sup>11</sup> -----	3,765	3,980	5.7
United States <sup>12</sup> -----	33,490	33,146	-1.0

<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.

<sup>12</sup> Data for 48 States only.

The total volume of farm products sold or used in the home increased 3 percent from 1958 to 1959, but prices received for those sold declined an average of 4 percent (table 6). The total volume of crops sold increased less than 1 percent, and the prices received for crops remained the same as a year earlier. The volume of livestock and livestock products sold increased about 5 percent but prices decreased about 6 percent. In some regions, the increase in volume was not sufficient to offset the decline in livestock prices.

The purchasing power of the realized net income of farm operators from farming

was slightly more than 13 percent lower in 1959 than in 1958 and was at the same level as 1957 (table 7). This resulted chiefly from a decline in current dollar income but partly from an increase in prices farmers paid for items used in family living.

The income that farmers received from nonfarm sources in 1959 is estimated at \$6.8 billion, up about 6 percent over 1958. The average per capita income of farm people from nonfarm sources increased from \$299 in 1958 to \$321 in 1959, a record high. In many areas, increased opportunities for nonfarm employment have helped farm families increase their total income.

TABLE 6.--Volume of farm products sold or used in the home, and prices received by farmers, United States, specified years 1940 to 1959<sup>1</sup>

(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	86	107	93	116	80
1956-----	117	85	109	95	123	77
1957-----	112	87	100	91	121	84
1958-----	<sup>2</sup> 124	92	<sup>2</sup> 121	90	<sup>2</sup> 127	<sup>2</sup> 94
1959-----	128	88	122	90	133	88

<sup>1</sup> Data for 48 States only.

<sup>2</sup> Revised.

TABLE 7.--Purchasing power of total and realized net income of farm operators in terms of commodities and services used for family living, United States, specified years 1940 to 1959<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	1957-----	111	110
1945-----	181	199	1958 <sup>2</sup> -----	129	128
1950-----	151	151	1959-----	109	111
1955-----	115	120			

<sup>1</sup> Data for 48 States only. Income deflated by 1947-49 index of prices paid for commodities and services used for family living.

<sup>2</sup> Revised.

### THE 1960 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 1960 balance sheet is treated in detail.

#### Assets

Assets fall into two general classes: (1) Physical assets, both real estate and

tangible personal; and (2) financial assets, which include cash, bank deposits, United States savings bonds, and farmers' investments in cooperative associations.

#### Farm Real Estate

The market value of farm real estate (land and buildings) advanced to \$129.1 billion as of March 1, 1960, or \$111.46

per acre. This was \$4 billion, or 3 percent above a year earlier and a new record high. Farm buildings accounted for 22 percent of the total value of farm real estate, about the same proportion as a year earlier. About half the value of farm buildings, which is estimated at \$28.2 billion, is represented by operators' dwellings.

The 3-percent gain in farm real estate values in the year ended March 1, 1960,

was about half as large as in each of the preceding 3 years. Although the increase in 1959-60 was less than in 1958-59 in all regions, the slowdown was most pronounced in the Corn Belt, Lake States, and Northern Plains (table 8). Average values for most of the States in these regions this March were less than 2 percent above a year earlier (fig. 1). The advance in the Pacific Coast States was double the national average,

TABLE 8.--Average value of farm real estate per acre, by regions, United States, Mar. 1, specified years 1950 to 1960<sup>1</sup>

Region <sup>2</sup>	1950	1958	1959	1960	Net change	
					1958 to 1959	1959 to 1960
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Percent</i>	<i>Percent</i>
Northeast.....	107.73	164.96	176.74	183.79	7.1	4.0
Lake States.....	89.07	137.74	146.90	148.64	6.7	1.2
Corn Belt.....	132.54	206.47	219.71	222.79	6.4	1.4
Northern Plains.....	46.82	66.31	71.67	72.93	8.1	1.8
Appalachian.....	82.32	119.75	129.09	133.34	7.8	3.3
Southeast.....	51.94	100.06	112.01	116.69	11.9	4.2
Delta States.....	63.10	104.00	112.91	116.76	8.6	3.4
Southern Plains.....	47.24	72.07	77.49	80.99	7.5	4.5
Mountain.....	22.03	32.85	35.03	36.67	6.6	4.7
Pacific.....	112.19	194.20	210.14	222.90	8.2	6.1
United States.....	64.96	100.39	108.11	111.46	7.7	3.1

<sup>1</sup> Data for 48 States only.

<sup>2</sup> For regional groupings of States see table 5.

chiefly because of continued strength in California where demand for land for non-farm purposes remains strong.

Changes in market values in the 4 months ended March 1, 1960, amounted to 1 percent or less in 30 States. Most of the 14 States that showed increases of 2 or 3 percent were in the Northern and Southern Plains and along the Pacific Coast. The national index of average value per acre advanced to 173 (1947-49= 100), 1 percent above the index of November 1959.

Although during recent years many factors have combined to increase land values, the slowing of the rate of increase in 1959 probably resulted from the relationship that has developed between land values and farm incomes.

Nationally, the average value of farm real estate, which was \$111.46 per acre on March 1, 1960, was 9.6 times the net

income per acre of \$11.57 in 1959 (fig. 2). Only 2 other years since 1910--1921 and 1933--show a higher ratio than that for 1959. In 1925-29, land values per acre averaged 6.6 times annual net income per acre, in 1935-39, 6.2 times and in 1950-54, 6 times. For the period 1955-59, the ratio averaged 8.5 times. Repayment of debts from farm earnings, particularly when the debt represents a high proportion of the purchase price, becomes more difficult when land values are as high in relation to net farm income as they are at present.

The calculated rate of return on current market values of farm real estate, after all other costs are paid (including an allowance for unpaid labor) has been below the mortgage rate of interest in 4 of the last 5 years. In 1959, the rate was estimated at 3 percent.

Rates of voluntary and distress transfers in the year ended March 1, 1960, remained

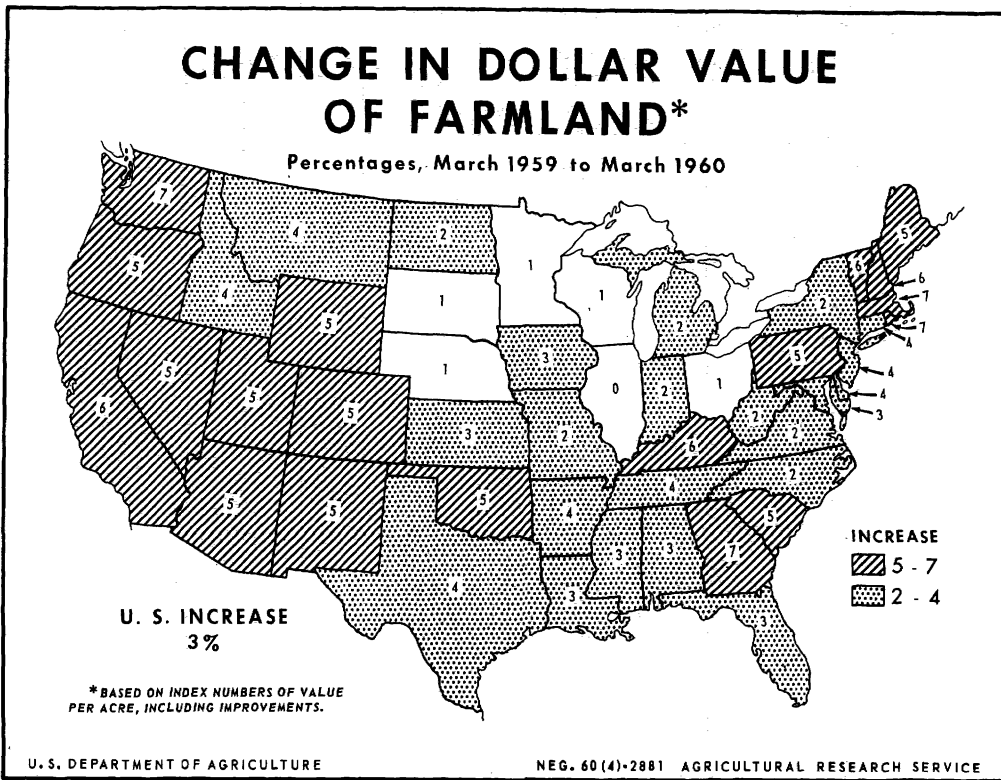


FIGURE 1

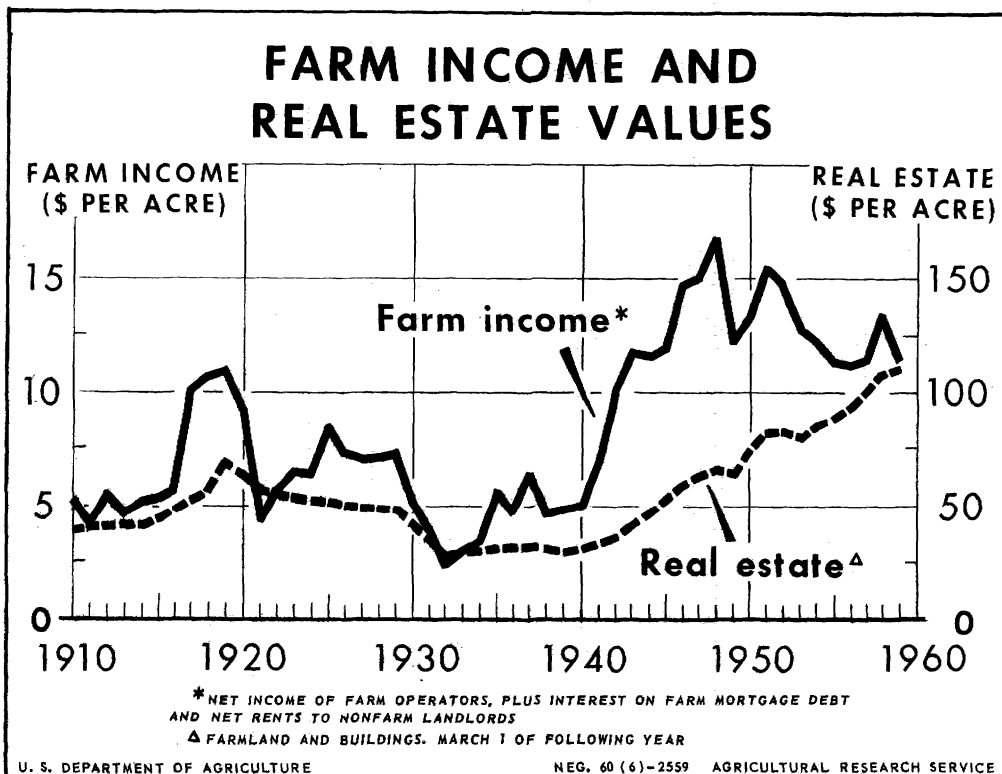


FIGURE 2

low despite the continued decline in numbers of farms. Although many farm-liquidation sales have occurred, rising market prices and the strong demand for land have enabled owners to recover their original equities and often to realize capital appreciation. The rate of voluntary sales in 1959-60, at 30.7 farms per 1,000, was 2 percent below that of the previous year and the lowest since 1939-40. Farm foreclosures and distress transfers in 1959-60 totaled about 6,500, 100 less than in the previous year and near a record low.

About 70 percent of all land transfers in 1959-60 were credit-financed, compared with 67 percent in 1958-59. A sharp increase in the use of land contracts, particularly in the Corn Belt, was chiefly responsible. Nationally, about a fourth of all voluntary transfers were estimated to be financed by contracts in 1959-60, compared with about 15 percent 10 years earlier. As contracts normally involve smaller downpayments than do conventional

mortgages, their increased use in recent years has helped to raise the average amount of debt incurred in relation to the purchase price. Debts of 75 percent or more of the purchase price were reported for more than a third of the credit sales in 1958-59, compared with about a fifth of the sales a decade earlier.

#### Livestock and Poultry

The total inventory value of livestock and poultry on farms January 1, 1960, was down 10 percent from the \$18.1 billion level of January 1, 1959 (table 9). In 1959, numbers of cattle, hogs, and sheep increased, but numbers of horses and mules, chickens, and turkeys decreased. Value per head decreased for cattle, hogs, sheep, and chickens and increased for horses and mules and turkeys. The result was a decrease in total value for all classes of livestock except horses and mules and turkeys. The index of numbers of livestock and poultry

TABLE 9.--Livestock and poultry on farms: Number, value per head, and total value, United States, Jan. 1, 1959 and 1960<sup>1</sup>

Class	1959 <sup>2</sup>			1960		
	Number	Value per head <sup>3</sup>	Total value	Number	Value per head <sup>3</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-----	96,650	153.00	14,784	101,520	136.00	13,841
Milk cows <sup>4</sup> -----	21,488	219.00	4,715	21,331	208.00	4,436
Hogs-----	56,924	32.00	1,820	58,464	18.50	1,084
All sheep <sup>5</sup> -----	32,945	20.05	660	33,621	16.43	552
Stock sheep <sup>6</sup> -----	28,497	20.30	578	29,481	16.50	487
Horses and mules-----	3,142	101.00	319	3,089	112.00	345
Chickens-----	383,529	1.26	482	366,859	1.05	386
Turkeys-----	5,923	4.65	28	5,673	4.91	28
Total-----	---	---	18,093	---	---	16,236

<sup>1</sup> Data for 48 States only.

<sup>2</sup> Revised.

<sup>3</sup> Rounded to significant price intervals.

<sup>4</sup> Included in cattle.

<sup>5</sup> Includes sheep and lambs on feed for market.

<sup>6</sup> Included in all sheep.

on farms on January 1, 1960, was the second highest of record, and, at 116 percent of the 1947-49 average, it was 4 percent higher than last year.

Although the total number of all cattle increased in 1959, the number of cows and heifers 2 years old and over kept for milk declined to 21,331,000 head, the lowest number since 1917 (fig. 3). The value per head of cattle other than cows kept for milk declined about 13 percent, while the value for milk cows decreased 5 percent. Cattle on feed January 1, 1960, in 26 important feeding States were up 9 percent from the preceding year. Abundant feed in most areas of the country has been an important factor in the reduced rate of cattle and calf slaughter and the resulting buildup of cattle inventories.

Total hog numbers on January 1, 1960, were 3 percent higher than a year earlier and at their highest peak since 1952. All classes except sows and gilts shared in the increase. Sows and gilts on farms declined 11 percent from the level on January 1, 1959, reflecting farmers' intentions to reduce 1960 spring farrowings.

#### Machinery and Motor Vehicles on Farms

Gross expenditures by farmers for all farm machinery in 1959 totaled \$3,724 million, up \$86 million (2.4 percent) from 1958 expenditures. Although the 2.4 percent increase is considerably below the 23 per-

cent recorded for the previous year, the 1959 level of expenditures for all farm machinery was the fourth highest of record.

Expenditures were up for tractors (15 percent) and other farm machinery (10 percent) as farmers continued the trend toward larger and more efficient machinery units. Fewer dollars were spent for automobiles and motortrucks in 1959 than in 1958, reflecting mainly the continued decline in number of farms.

Expenses for depreciation in 1959 totaled \$3.6 billion, a new high for this expense category. Depreciation expenses were less than purchases (for the second consecutive year) resulting in a net investment of \$94 million, about three-fourths of the net investment in 1958.

The value of all machinery on farms on January 1, 1960, totaled \$18.4 billion—\$703 million, or 4 percent, above the value on January 1, 1959 (table 10 and fig. 4). Of this increase, other farm machinery accounted for 75 percent, tractors for 12 percent, trucks for 8 percent, and automobiles for 5 percent. A large part of the increase in the value of all machinery on farms on January 1 was the result of the continued uptrend in machinery prices. In 1940 dollars, the total value of all machinery on farms was up 0.7 percent, or \$49 million. Two capital-investment categories, automobiles and trucks, actually declined in constant-dollar value in 1959, as expenditures fell off \$55 million and \$11 million,

TABLE 10.--Farm machinery and motor vehicles: Value by classes, United States, Jan. 1, specified years 1940 to 1960<sup>1</sup>

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-----	3,305	3,876	1,920	7,421	16,522
1957-----	3,319	4,029	2,093	7,636	17,077
1958 <sup>2</sup> -----	3,290	3,802	2,205	7,722	17,019
1959-----	3,307	3,953	2,278	8,183	17,721
1960 <sup>3</sup> -----	3,392	3,986	2,339	8,707	18,424

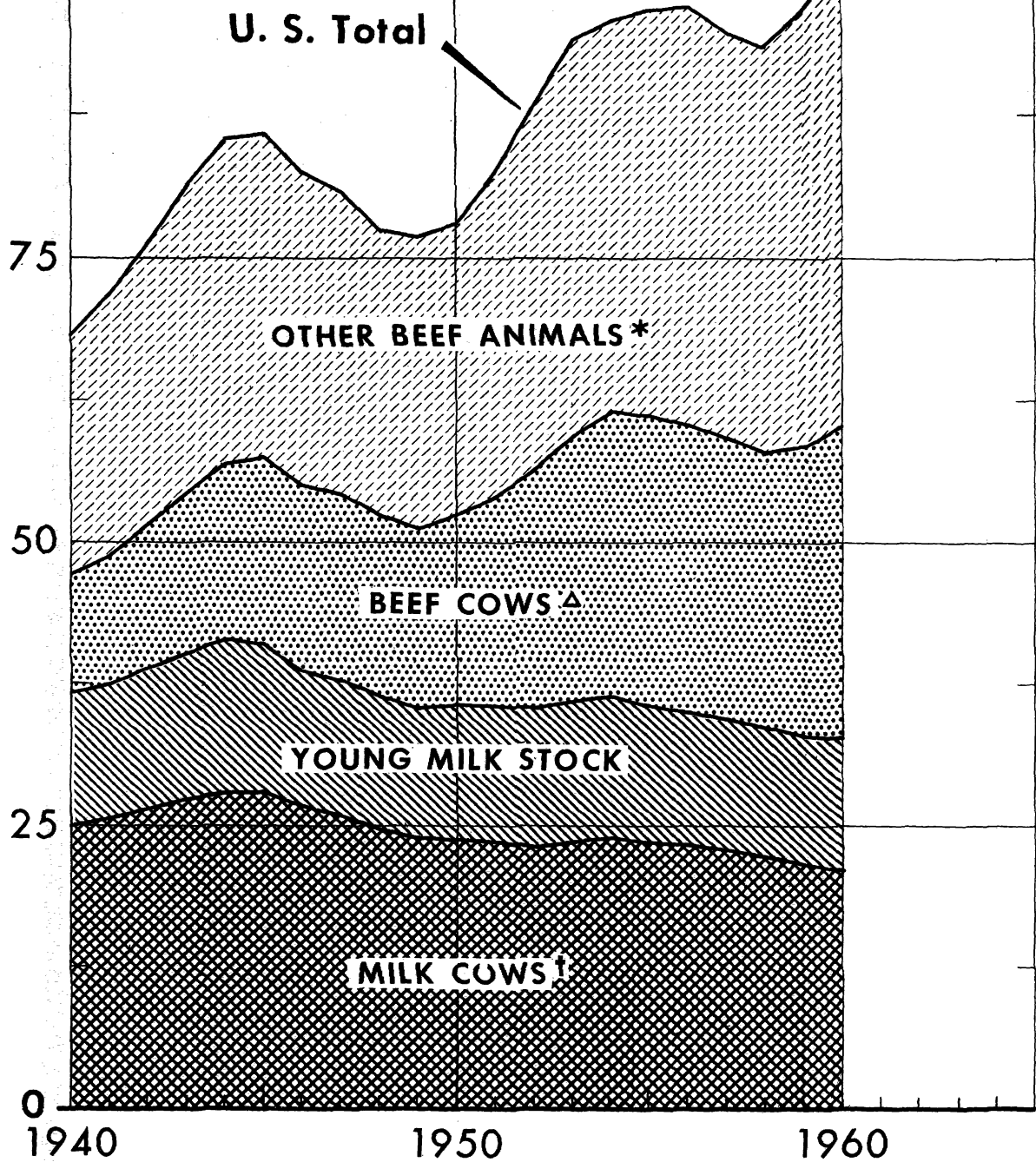
<sup>1</sup> Data for 48 States only.

<sup>2</sup> Revised.

<sup>3</sup> Preliminary.

# CATTLE ON FARMS

MILLIONS



\* HEIFERS & CALVES NOT FOR MILK, AND ALL STEERS & BULLS

Δ 2 YEARS & OLDER NOT FOR MILK

† COWS & HEIFERS 2 YEARS & OLDER FOR MILK

DATA AS OF JANUARY 1

DATA FOR 1960 ARE PRELIMINARY

SOURCE: AGRICULTURAL MARKETING SERVICE

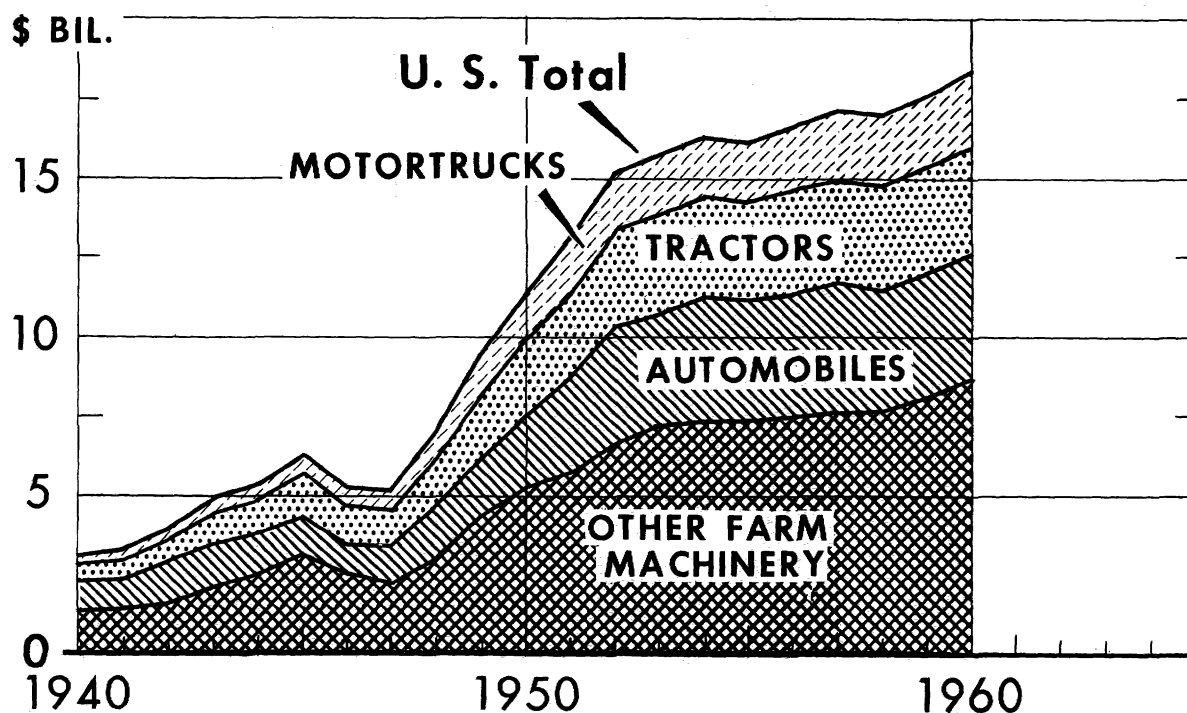
U. S. DEPARTMENT OF AGRICULTURE

NEG. 60 (6) - 2734 AGRICULTURAL RESEARCH SERVICE

FIGURE 3



# VALUE OF MACHINES ON FARMS



DATA AS OF JANUARY 1

DATA FOR 1960 ARE PRELIMINARY

SOURCE: AGRICULTURAL MARKETING SERVICE

U. S. DEPARTMENT OF AGRICULTURE

NEG. 60(6)-2735 AGRICULTURAL RESEARCH SERVICE

FIGURE 4

respectively, from 1958 and depreciation dropped only \$3 million for automobiles and held constant for trucks.

The upward trend in prices of farm machinery and motor vehicles, which started in 1955, continued in 1959. Average prices were 3 to 4 percent higher in 1959 than in 1958.

Most of the major types of motor vehicles and machines on farms increased in 1959. However, the increase in the number of tractors was only 20,000 units in 1959, the smallest annual increase in many years (table 11).

## Crop Inventories

On January 1, 1960, farmer-owned inventories of harvested crops, including crops pledged under loan to the Commodity Credit Corporation, were valued at \$8.0 billion, a decrease of nearly 15 percent from a year earlier (table 12). This decrease

resulted chiefly from a reduction in the quantity of stocks stored off farms under CCC loans. On January 1, 1960, the value of stocks stored off farms was 73 percent less than a year earlier.

All commodities stored off farms under CCC loans, except corn, showed a decrease in value on January 1, 1960, from a year earlier. Cotton and wheat accounted for about two-thirds of the decline in the value of these stocks. The declines in these crops may be attributed principally to a smaller wheat crop in 1959, and to a change in the cotton program under which the Commodity Credit Corporation purchased most of the cotton instead of making loans on it.

The value of crops stored on farms changed less than 1 percent between January 1, 1959, and January 1, 1960. There were some differences, however, between the various groups of commodities. Food grain stocks, consisting chiefly of wheat, decreased about 28 percent. Part of this

TABLE 11.--Motor vehicles and specified machines: Number on farms, United States, Jan. 1, specified years 1940 to 1960<sup>1</sup>

Year	Tractors <sup>2</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-----	<sup>3</sup> <sup>4</sup> 1,567	<sup>4</sup> 1,047	190	110	---	---
1945-----	<sup>5</sup> 2,354	<sup>5</sup> 1,490	<sup>5</sup> 375	168	42	20
1950-----	<sup>4</sup> 3,394	<sup>4</sup> 2,207	<sup>4</sup> 714	<sup>4</sup> 456	<sup>4</sup> 196	81
1955 <sup>6</sup> -----	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	620	270
1960-----	4,770	3,110	1,065	780	650	285

<sup>1</sup> Data for 48 States only.

<sup>2</sup> Excludes steam and garden tractors.

<sup>3</sup> Revised.

<sup>4</sup> Census of Agriculture Apr. 1.

<sup>5</sup> Census of Agriculture Jan. 1.

<sup>6</sup> Census of Agriculture Nov. 1954.

decrease in stocks was offset by a 3- to 4-percent increase in price.

Feed grains increased about 3 percent in inventory value. The January 1 stocks of corn were about 15 percent higher but the average price had decreased from \$1.02 to \$0.96 per bushel. Stocks of oats decreased sharply but a 15-percent increase in price partly offset the decrease in stocks.

The inventory value of hay and forage declined about 7 percent, but the average price had increased about \$2.00 per ton.

The physical quantity of crop inventories, as measured in 1940 prices, decreased about 13 percent between January 1, 1959, and January 1, 1960. For crops stored on farms, the quantity decreased about 3 percent and for crops stored off farms under CCC loan, it decreased about 67 percent. These decreases were due mainly to a reduction in farmer-owned stocks of cotton, grain sorghum, wheat, and soybeans.

#### Household Furnishings and Equipment

The value of furniture and appliances in farm homes on January 1, 1960, was \$13.5 billion, an increase of almost 3 percent over a year earlier and an increase of about 73 percent since 1950.

In terms of 1940 prices, the value of home furnishings and equipment has shown sub-

stantial increases. In 1960, the level was 34 percent higher than in 1950 and 69 percent higher than in 1940.

A large proportion of the farm families now have many of the newer household appliances and home furnishings. Increasingly, expenditures are largely for replacements and improvements.

#### Liquid Financial Assets

On January 1, 1960, the bank deposits, currency, and United States savings bonds owned by farmers were estimated at \$14.3 billion, a decrease of almost \$900 million from a year earlier (table 13). Almost \$600 million of this decrease occurred in farmers' checking accounts.

According to estimates of the Federal Reserve Board, farmer-owned demand deposits decreased in all districts except one during 1959 (table 14). Farm operators in the San Francisco Federal Reserve District increased their demand deposits by about 3 percent. In the Pacific area, cash receipts from farming increased almost 6 percent during 1959. Large decreases in farmer-owned demand deposits occurred in the Boston, New York, Chicago, Minneapolis, and Kansas City Districts. These districts contain most of the States in which cash receipts from farming decreased

TABLE 12.--Value of crop inventories by classes, United States, Jan. 1, specified years 1940 to 1960<sup>1</sup>

Class	1940	1945	1950	1955	1958	1959 <sup>2</sup>	1960
	<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	858	1,476	972
Wheat-----	316	729	1,063	1,218	801	1,414	918
Other <sup>3</sup> -----	17	25	23	71	57	62	54
Feed grains-----	1,219	2,902	3,476	3,971	3,399	3,868	3,781
Corn-----	944	2,191	2,736	2,889	2,396	2,753	2,931
Other <sup>4</sup> -----	275	711	740	1,082	1,003	1,115	850
Hay and forage <sup>5</sup> ---	666	1,805	1,758	2,101	2,011	2,014	2,151
Oil crops-----	70	171	271	519	536	615	477
Soybeans-----	36	87	137	<sup>2</sup> 419	445	529	422
Other <sup>6</sup> -----	34	84	134	100	91	86	55
Cotton-----	197	565	537	1,379	518	1,052	255
Vegetables <sup>7</sup> -----	72	157	191	133	149	134	184
Miscellaneous <sup>8</sup> ----	109	328	271	254	148	177	163
Total-----	2,666	6,682	7,590	9,646	7,619	9,336	7,983

<sup>1</sup> Data for 48 States only. Includes all crops stored on farms, including crops under loan to the 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.

TABLE 13.--Liquid financial assets owned by farmers, United States, Jan. 1, specified years 1940 to 1960<sup>1</sup>

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
1958-----	2.0	4.6	2.9	5.1	14.6
1959-----	2.0	4.9	3.1	5.2	15.2
1960-----	1.9	4.3	2.9	5.2	14.3

<sup>1</sup> Data for 48 States only.

TABLE 14.--Demand deposits held by farm operators, by Federal Reserve Districts, United States, Jan. 30, 1959 and 1960<sup>1</sup>

District	Amount		Number of accounts		Average size	
	1959	1960	1959	1960	1959	1960
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Dollars</i>	<i>Dollars</i>
Boston-----	36	23	21	19	1,752	1,230
New York-----	93	69	54	52	1,728	1,329
Philadelphia-----	82	81	61	57	1,344	1,423
Cleveland-----	170	149	152	140	1,118	1,064
Richmond-----	289	266	277	270	1,047	986
Atlanta-----	281	267	245	238	1,149	1,122
Chicago-----	952	764	603	571	1,579	1,339
St. Louis-----	528	504	481	459	1,097	1,100
Minneapolis-----	557	459	397	378	1,403	1,214
Kansas City-----	829	686	442	411	1,875	1,669
Dallas-----	561	560	251	256	2,239	2,186
San Francisco-----	509	525	205	191	2,483	2,740
Total-----	4,888	4,353	3,188	3,042	1,533	1,431

<sup>1</sup> Data for 48 States only.

Board of Governors of Federal Reserve System.

substantially. Lower prices for farm commodities, increased production costs, and unfavorable weather, particularly in the Corn Belt and Great Plains, were the main reasons for the decline in cash receipts.

According to Federal Reserve estimates, the average size of farmers' checking accounts decreased about 7 percent. All districts except three reported a decrease. The San Francisco, Philadelphia, and St. Louis Districts reported increases of 10, 6, and 0.3 percent, respectively. The average size of farmers' checking accounts in the San Francisco District is more than twice that in any other district except Dallas and Philadelphia.

On January 1, 1960, the United States savings bonds owned by farmers were estimated as having a redemption value of \$5.2 billion, the same as last year. During 1959, total purchases of E and H bonds by farmers decreased and redemptions increased. However, the accrual of interest practically offset these two factors. Purchases by farmers of Series E and Series H bonds decreased in all regions except the Northern Plains and the Mountain States, where there were slight increases.

#### Net Worth of Farmers' Cooperatives

The net worth of farmers' cooperatives increased almost 7 percent in 1959 compared with a 6-percent increase in 1958 (table 15). As of January 1, 1960, the net worth of cooperatives was slightly more than \$4 billion, an increase of 98 percent during the last 10 years.

The marketing and purchasing associations continue to have the largest net worth. They accounted for about 52 percent of the total net worth of cooperatives on January 1, 1960.

Percentagewise, the rural electric cooperatives again in 1959 showed the largest increase--17.2 percent. Since 1950, the rural electric cooperatives have increased their net worth more than 500 percent.

The production credit associations increased their net worth by 14 percent during 1959, as in 1958. Between 1953 and 1958, the net worth of the associations increased only 4 to 5 percent each year.

The net worth of the Federal land bank system rose to a high of \$501 million in 1959, an increase of about 5 percent. A steady increase of about 5 percent a year has occurred each year since 1953.

TABLE 15.--Net worth of selected types of cooperatives, United States, Jan. 1, specified years 1940 to 1960

Type of cooperative	1940	1945	1950	1955	1958	1959	1960
Marketing associations <sup>1</sup> -----	256	393	779	1,216	1,290	1,322	1,365
Purchasing associations <sup>1</sup> -----	74	194	369	592	669	702	748
Farmers' mutual telephone companies <sup>2</sup> -----	23	23	23	23	23	23	23
Farmers' mutual irrigation companies <sup>3</sup> -----	197	230	264	298	340	355	370
Farmers' mutual fire insurance companies <sup>4</sup> -----	42	63	108	167	<sup>5</sup> 175	<sup>5</sup> 197	207
Rural electric cooperatives <sup>6</sup> -----	3	31	92	231	420	<sup>5</sup> 494	579
Production credit associations <sup>7</sup> --	31	61	122	186	213	242	276
Federal land bank system <sup>7</sup> -----	203	224	298	397	456	475	501
Total <sup>8</sup> -----	829	1,219	2,055	3,110	<sup>5</sup> 3,586	<sup>5</sup> 3,810	4,069

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

<sup>2</sup> Net investment for Jan. 1, 1938, used for each date. U. S. Bureau of the Census, Census of Electrical Industries, 1937.

<sup>3</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>4</sup> Surplus and reserves. Estimates.

<sup>5</sup> Revised.

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

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

<sup>8</sup> Data for 48 States only except as noted in footnote 6.

### Assets Used in Farm Production

On January 1, 1960, the value of assets used in farm production was \$157.3 billion, or about 77 percent of the total assets in the balance sheet of agriculture (appendix table 25). These assets increased about 1.5 percent during the last year and almost 30 percent during the last 5 years.

The value of farmland and service buildings made up about 73 percent of the total value of assets used in production. Livestock and machinery each accounted for 10 percent of the total value of production assets.

The value of farmland and service buildings increased 3.7 percent in 1959 and about 35 percent between 1955 and 1960. The value of livestock decreased 10.5 percent in 1959 but on January 1, 1960, it was still almost 45 percent higher than on January 1, 1955. The value of machinery and equipment used in farm production increased 4.6 percent in 1959 but only about 15 percent since 1955.

In 1947-49 prices, total assets used in farm production increased about 1 percent in 1959 and 13 percent since 1950 (appendix table 26). On January 1, 1960, the value of farm real estate accounted for about 66 percent of the total in 1947-49 prices compared with 73 percent in current prices. The value of livestock accounted for 14 percent of the total compared with 10 percent of the value in current prices.

While the value of production assets has increased greatly since 1950, the number of farms has dropped 20 percent and the number of farmworkers, 26 percent. The amount of production capital per farm on January 1, 1960, in current prices was about \$34,600, an increase of more than 100 percent since 1950, while the capital per farmworker was \$21,303, an increase of about 121 percent since 1950 (fig. 5, table 16, appendix table 27). Between 1950 and 1960, the value of real estate and service buildings per farm increased 124 percent, machinery 101 percent, and live-

TABLE 16.--Value of production assets per farm, and per farmworker, in current and 1947-49 prices, United States, specified years 1940 to 1960<sup>1</sup>

CURRENT PRICES

Year	Farm real estate <sup>2</sup>		Livestock		Machinery and motor vehicles <sup>3</sup>		Other <sup>4</sup>		Total	
	Per farm	Per farm-worker	Per farm	Per farm-worker	Per farm	Per farm-worker	Per farm	Per farm-worker	Per farm	Per farm-worker
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
1940-----	4,394	2,461	803	450	394	220	503	282	6,094	3,413
1945-----	7,642	4,462	1,508	881	938	548	1,258	734	11,346	6,625
1950-----	11,278	6,393	2,284	1,295	1,753	994	1,664	943	16,979	9,625
1955-----	16,749	9,862	2,202	1,296	2,732	1,609	2,123	1,251	23,806	14,018
1958-----	21,331	13,369	2,969	1,861	3,138	1,940	2,084	1,307	29,522	18,427
1959-----	23,874	14,724	3,900	2,405	3,297	2,033	2,327	1,436	33,398	20,598
1960-----	25,308	15,561	3,568	2,194	3,524	2,167	2,248	1,381	34,648	21,303

1947-49 PRICES

1940-----	9,165	5,133	2,031	1,138	646	362	1,276	714	13,118	7,347
1945-----	10,189	5,950	2,464	1,438	737	430	1,710	999	15,100	8,817
1950-----	11,225	6,363	2,319	1,315	1,523	863	1,912	1,084	16,979	9,625
1955-----	13,210	7,779	2,870	1,690	2,123	1,250	2,103	1,238	20,306	11,957
1958-----	14,508	9,093	2,990	1,874	2,127	1,333	2,443	1,531	22,068	13,831
1959-----	15,148	9,342	3,189	1,967	2,198	1,355	2,650	1,635	23,185	14,299
1960-----	15,661	9,629	3,392	2,086	2,269	1,395	2,599	1,597	23,921	14,707

<sup>1</sup> Data for 48 States only.

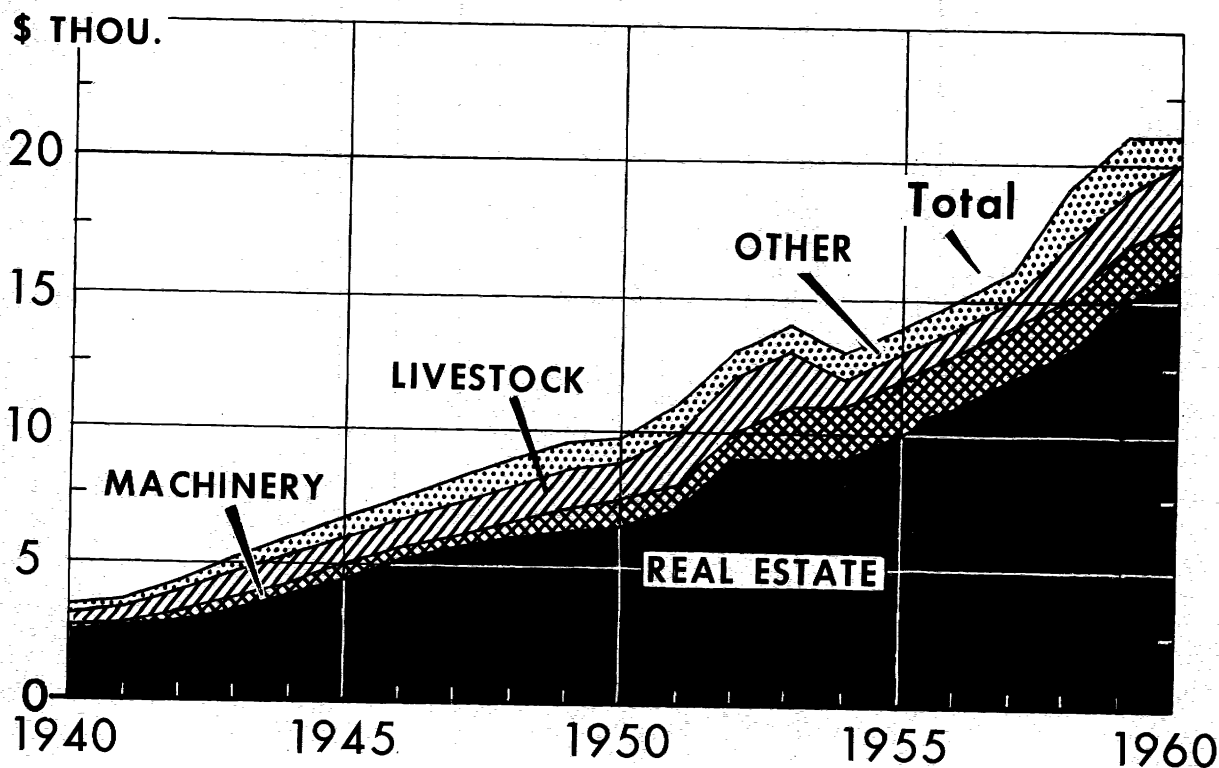
<sup>2</sup> Excludes value of dwellings.

<sup>3</sup> Excludes 60 percent of the value of automobiles.

<sup>4</sup> Includes crop inventories held for livestock feed and the portion of the demand deposits owned by farmers estimated as being held to meet farm production costs.

# ASSETS USED IN PRODUCTION

Average Value Per Farm Worker



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FIGURE 5

stock 56 percent. In constant prices, the value of real estate increased 40 percent, with livestock increasing 46 percent and machinery 49 percent. Similar increases are shown for each category on a per farm-worker basis.

## 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

Farm-mortgage debt reached a total of \$12.3 billion on January 1, 1960, 9.2 percent higher than a year earlier, but it was still less than 10 percent of the value of farm real estate (table 17, fig. 6, appendix table 28). Higher land prices, an increase in the proportion of credit-financed land transfers, and increased farm expenditures contributed to the increase of \$1 billion.

All lender groups shared in the increase, although at differing rates. The rate of increase for the Federal land banks, Farmers Home Administration, and individuals and others was above the average, whereas the rate of increase from 1959 to 1960 for life insurance companies and insured commercial banks was below average (table 18). All lenders except the Farmers Home Administration, which was restricted by budget allotments, increased their holdings of

TABLE 17.--Farm mortgage debt: Amount outstanding Jan. 1, specified years 1940 to 1960, and ratio of debt to value of farm real estate, 1950 and 1960, by regions, United States<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
1960 <sup>2</sup> ----	968	1,394	2,639	1,047	887	763	653	1,060	1,138	1,742	12,291

FARM-MORTGAGE DEBT AS A PERCENTAGE OF VALUE OF FARM REAL ESTATE

	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
1950-----	10.9	10.9	6.9	5.4	5.7	7.0	7.5	6.0	7.7	8.4	7.4
1960-----	11.5	13.2	8.6	7.8	8.8	8.8	11.2	7.2	11.9	10.2	9.5

<sup>1</sup> Data for 48 States only. For regional groupings of States, see table 5.

<sup>2</sup> Preliminary.



TABLE 18.--Farm-mortgage debt: Amount outstanding Jan. 1, specified years 1940 to 1960, and percentage change 1950 to 1960 and 1959 to 1960, by lenders, United States<sup>1</sup>

AMOUNT OUTSTANDING

Year	Federal land banks <sup>2</sup>	Federal Farm Mortgage Corporation <sup>2 3</sup>	Farmers Home Administration <sup>4</sup>	Life insurance companies <sup>2</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
1960 <sup>5</sup> -----	2,335	0	437	2,821	1,554	5,144	12,291

PERCENTAGE CHANGE<sup>6</sup>

	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
1950 to 1960--	157.7	100	126.1	140.6	76.7	117.1	120.3
1959 to 1960--	13.0	none	12.6	6.0	7.7	9.5	9.2

<sup>1</sup> Data for 48 States only.

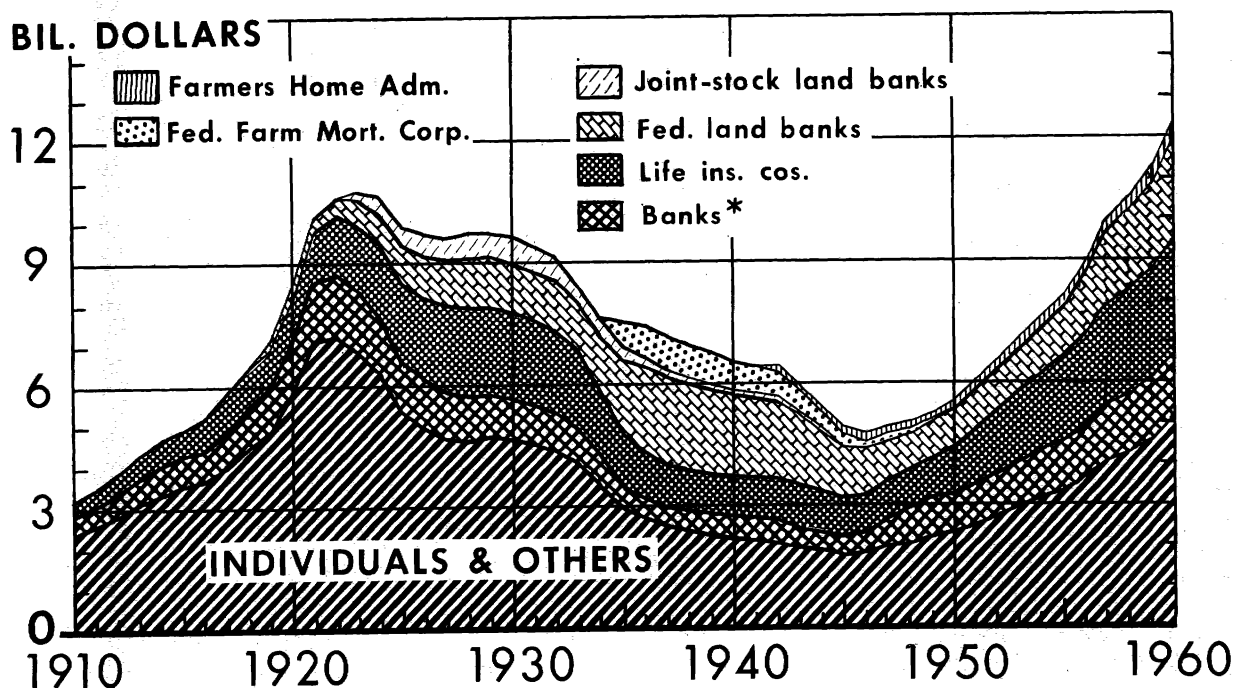
<sup>2</sup> Includes regular mortgages, purchase-money mortgages, and sales contracts.

<sup>3</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>4</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>5</sup> Preliminary. <sup>6</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.  
DATA FOR 1960 ARE PRELIMINARY

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FIGURE 6

farm-mortgage loans at a faster rate in 1959 than in 1958.

The proportion of total farm-mortgage debt held by Federal land banks, individuals and others, and the Farmers Home Administration increased in 1959; the proportion held by life insurance companies and all operating banks declined.

Regionally, the greatest percentage increase in farm-mortgage debt occurred in two regions--Pacific and Southeast. In both these regions, the Farmers Home Administration and the Federal land banks, in that order, had the greatest percentage change in farm-mortgage loans held from January 1, 1959, to January 1, 1960.

The number and amount of farm mortgages recorded by all lender groups increased 3 percent and 16 percent, respectively, in 1959. The Federal land banks increased recordings in 1959 over 1958 by 32 percent. Increases over 1958 for the other lenders were as follows: Life insur-

ance companies, 15 percent; miscellaneous, 14 percent; individuals, 10 percent; and commercial banks, 9 percent (table 19).

Available data indicate that borrowers were using more of the funds secured by farm real estate for purchase of real estate in 1959 than in 1958 and slightly less for purposes of refinancing real estate mortgages.

Interest rates on farm-mortgage loans climbed steadily in 1959, but had apparently reached a leveling-off point by early 1960. On January 1, 1959, 9 of the 12 Federal land banks were charging 5 percent on new farm-mortgage loans and 3 were charging 5-1/2 percent. However, as the cost of borrowed funds increased during 1959, the banks found it necessary to pass along some of the increased costs to farmer borrowers. By June 1, 1959, 10 banks were charging 5-1/2 percent, 1 was charging 5-3/4 percent, and 1 was still at 5 percent. By December 31, 1959, all the banks were

TABLE 19.--Farm-mortgages recorded: Amount and percentage increase, United States, 1958 and 1959<sup>1</sup>

Lender	1958	1959	Percentage increase
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Percent</i>
Federal land banks-----	473	626	32
Individuals-----	605	666	10
Commercial and savings banks-----	555	606	9
Insurance companies-----	390	450	15
Miscellaneous-----	410	466	14
Total-----	2,433	2,814	16

<sup>1</sup> Data for 48 States only.

charging 6 percent, the statutory limit. Interest rates on farm-mortgage loans made by life insurance companies reporting in a regular quarterly survey averaged 5.9 percent in the fourth quarter of 1959. In the first quarter of 1960, the average rate had moved up to 6.1 percent.

Both Federal land bank and life insurance company borrowers had a higher repayment rate in 1959 than in 1958. Borrowers from life insurance companies repaid their debt at an average rate of 11.4 percent of principal indebtedness. The rate for Federal land bank borrowers averaged 9.1 percent.

#### Non-Real-Estate Debt

On January 1, 1960, the total non-real-estate debt of farmers (including CCC loans) was estimated to be \$12.0 billion, the same as a year earlier (table 20). An increase of \$1.1 billion in loans held by banks, federally sponsored agencies, and other creditors was offset by a decrease of \$1.1 billion in price-support loans owed by farmers to the Commodity Credit Corporation.

The non-real-estate loans to farmers held by the principal lending agencies, excluding CCC loans and certificates of interest, totaled about \$6.7 billion on January 1, 1960 (fig. 7). This was nearly 16 percent above the amount outstanding a year earlier. During 1959, the non-real-estate farm loans held by banks increased 15.7 percent and those of the production credit associations 22.1 percent, but a small de-

cline--2 percent--occurred in loans held by the Farmers Home Administration.

Outstanding price-support loans owed by farmers to the Commodity Credit Corporation decreased 44 percent during 1959. Much of this decrease was due to a reduction in the amount of cotton and wheat put under loan. Under the cotton-support program, CCC purchased most of the cotton instead of making loans on it, and the 1959 wheat crop was smaller than the previous year's crop.

Farmers' non-real-estate debt held by the principal lending agencies increased in all geographic regions (fig. 8). Areas of largest expansion by banks included the Pacific, Lake, and Northern Plains Regions. Non-real-estate debt held by production credit associations increased 41 percent in the Lake States. Other regions showing considerable increase were the Southeast and the Corn Belt.

Outstanding loans of the production credit associations declined more in the second half of 1959 than in the comparable period of 1958, and expansion in 1960 has been at a more moderate rate than a year earlier. As compared with year-earlier levels, outstanding loans were up 27 percent in mid-1959, 22 percent at the end of the year, and only 12 percent on May 31, 1960.

This spring, the associations renewed more loans but made a smaller volume of new loans than last spring. For the 5 months from January to May inclusive, renewed loans were 26 percent larger, but new loans were 3 percent less than in the comparable

TABLE 20.--Farmers' non-real-estate debt, United States, Jan. 1, specified years 1940 to 1960<sup>1</sup>

Year	Price-support loans made or guaranteed by Commodity Credit Corporation <sup>2</sup>	Other loans by banks and federally sponsored agencies	Loans and book credits by miscellaneous lenders <sup>3</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
1958-----	1.2	5.0	3.5	8.5	9.7
1959-----	2.5	5.8	3.7	9.5	12.0
1960-----	1.4	6.7	3.9	10.6	12.0

<sup>1</sup> Data for 48 States only.

<sup>2</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>3</sup> Estimates based on fragmentary data.

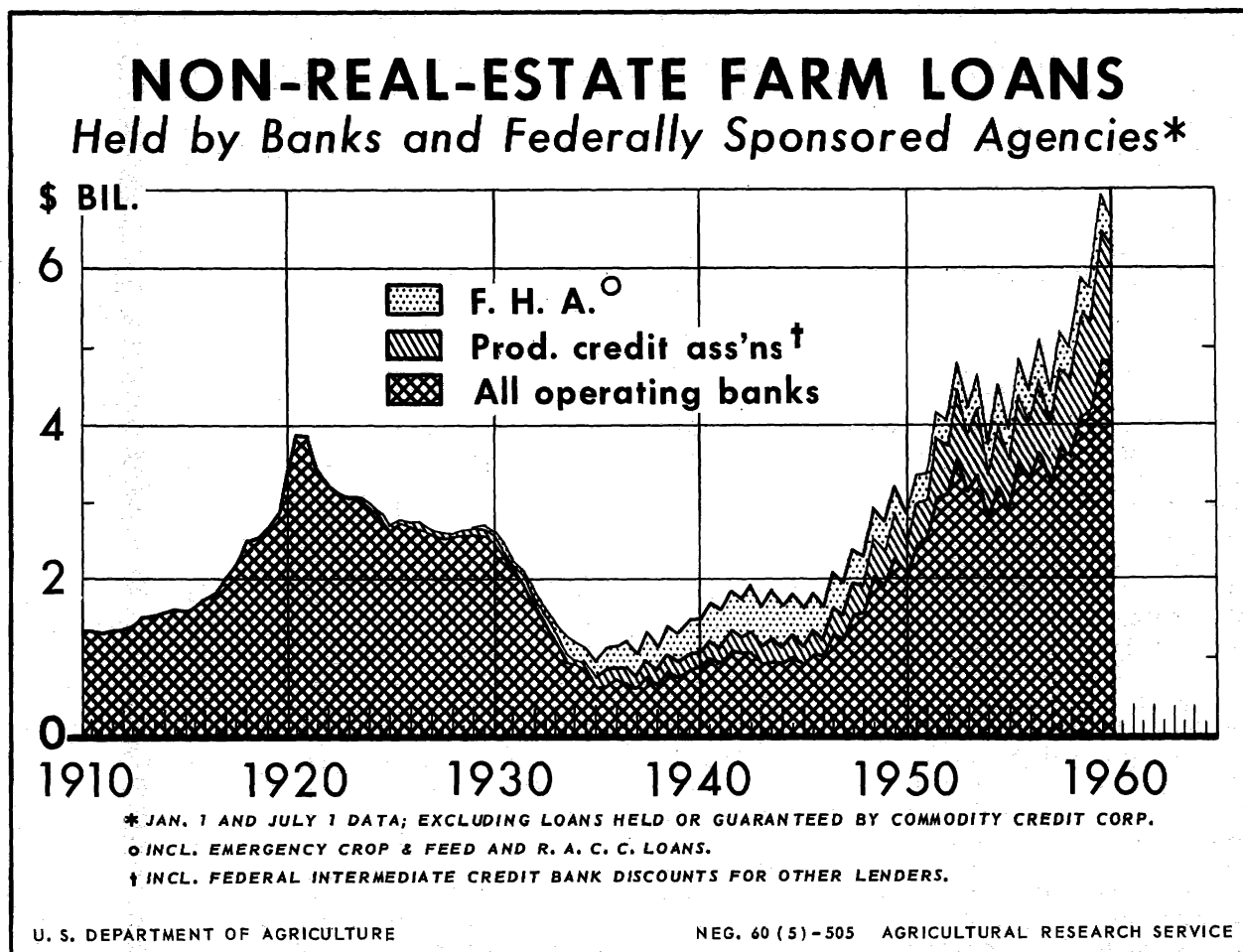
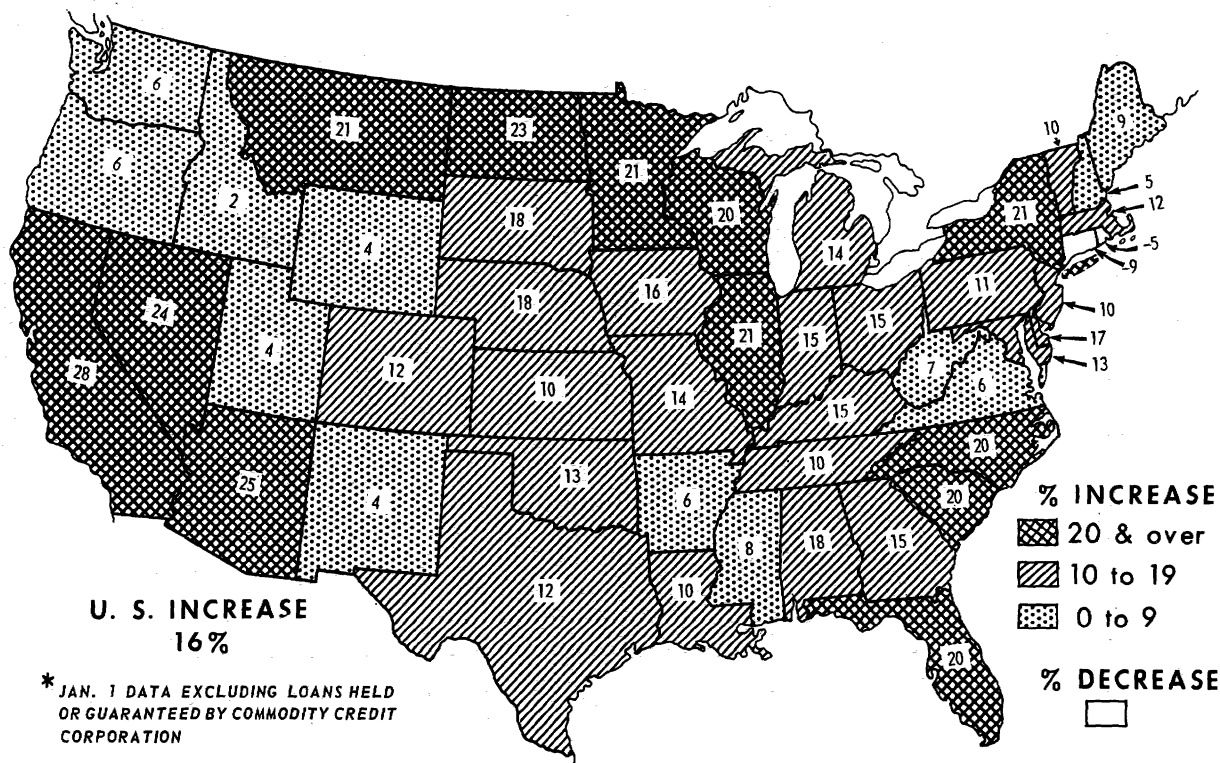


FIGURE 7

# CHANGE IN NON-REAL-ESTATE FARM LOANS

*Held by Banks and Federally Sponsored Agencies, 1959-60\**



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FIGURE 8

period of 1959. There were similar trends in renewals and in new loans at some banks, particularly in the Corn Belt. At the same time, applications to the Farmers Home Administration for operating loans increased.

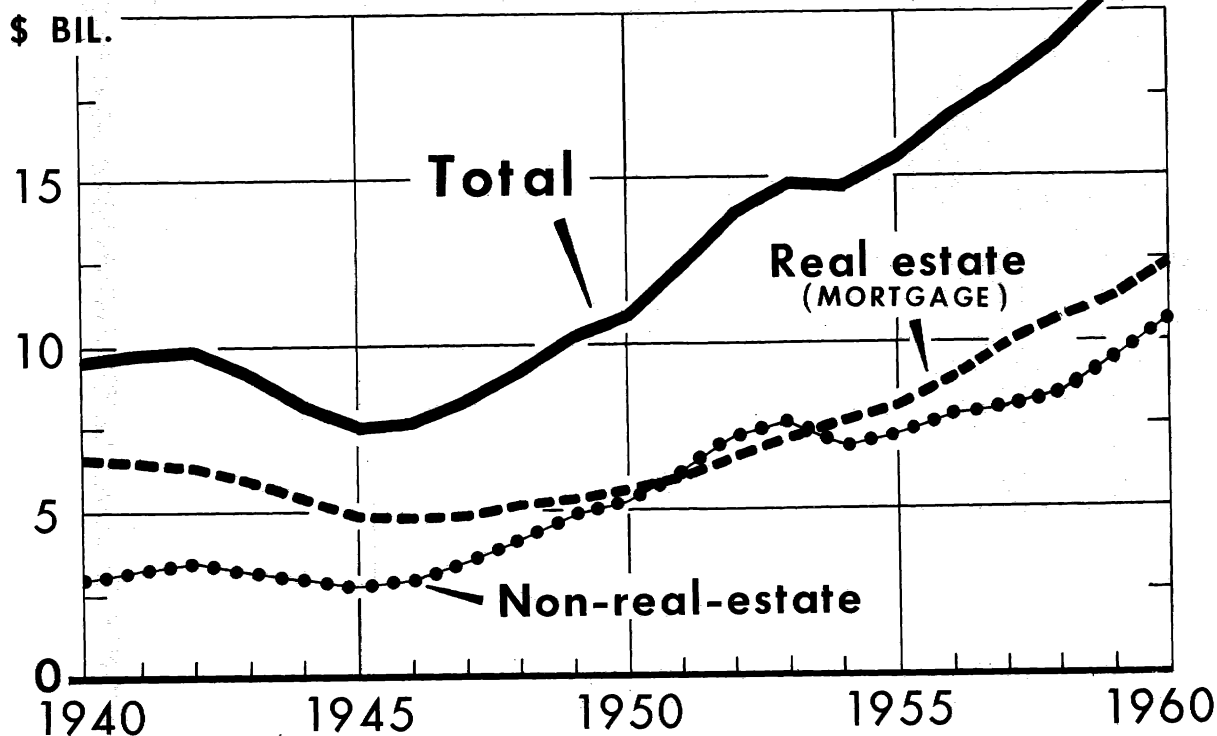
Interest rates charged by the production credit associations increased by about 1 percentage point during 1959, as interest rates in general moved upward. On April 1, 1960, 63 percent of the associations were charging farmers rates of 7 percent or more, whereas a year earlier only 9 percent had been charging such rates. Seven percent of all associations were charging 8 percent or more in April 1960, whereas none charged such rates in April 1959. According to a survey made by the American Bankers Association in the spring of 1960, rates paid by farmers to banks had increased by about one-third of 1 percentage point during the preceding 12 months.

## Total Farm Debt

Excluding price-support loans, farm debt increased about 10 percent during 1959 to a high of \$22.9 billion (fig. 9). This is an increase of \$2.1 billion over 1958. The aggregate farm-mortgage debt and non-real-estate debt held by institutional lenders showed the largest increases in the Pacific and Southeast Regions (table 21). In both regions, the percentage increase in non-real-estate loans was larger than that in real estate loans. Regions of smallest increase were the Southern Plains and the Northeast. In each of these regions, farm-mortgage debt increased only 5 percent. Between 1946 and 1960, farm debt increased most in the Mountain and Pacific Regions.

Including price-support loans, farm debt increased during 1959 to a high of \$24.3 billion on January 1, 1960. Although total

# FARM DEBT \*



\*EXCLUDING CCC LOANS

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FIGURE 9

debt has risen each year since 1946 and has nearly doubled since 1950, it represented only 12 percent of the value of farm assets

on January 1, 1960, compared with 10 percent on January 1, 1950, and 19 percent on January 1, 1940.

TABLE 21.--Percentage change Jan. 1, 1946 to 1960, and Jan. 1, 1959 to 1960, in total farm debt held by reporting lending institutions, by regions, United States<sup>1</sup>

Region <sup>2</sup>	Percentage change		Region <sup>2</sup>	Percentage change	
	1946 to 1960	1959 to 1960		1946 to 1960	1959 to 1960
	Percent	Percent		Percent	Percent
Northeast-----	154.8	7.9	Delta States-----	196.3	9.5
Lake States-----	148.7	11.9	Southern Plains----	174.4	7.6
Corn Belt-----	175.8	12.1	Mountain-----	309.3	10.5
Northern Plains----	150.8	11.0	Pacific-----	289.2	15.4
Appalachian-----	224.0	11.0			
Southeast-----	241.2	13.8	United States <sup>3</sup> ---	194.8	11.4

<sup>1</sup> Farm mortgage debt and non-real-estate debt; excludes Commodity Credit Corporation loans. <sup>2</sup> For regional groupings of States see table 5. <sup>3</sup> Data for 48 States only.

# APPENDIX

TABLE 22.--Comparative balance sheet of agriculture,

	Item	1940	1941	1942	1943	1944	1945	1946	1947	1948
	ASSETS									
	Physical assets:	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>	<i>Bil. dol.</i>
1	Real estate-----	33.6	34.4	37.5	41.6	48.2	53.9	61.0	68.5	73.7
	Non-real-estate:									
2	Livestock-----	5.1	5.3	7.1	9.6	9.7	9.0	9.7	11.9	13.3
3	Machinery and motor vehicles-----	3.1	3.3	4.0	4.9	5.3	6.3	5.2	5.1	7.0
4	Crops stored on and off farms <sup>3</sup> -----	2.7	3.0	3.8	5.1	6.1	6.7	6.3	7.1	9.0
5	Household furnishings and equipment <sup>4</sup> -----	4.3	4.3	4.5	4.6	4.6	4.7	4.8	5.4	6.2
	Financial assets:									
6	Deposits and currency---	3.2	3.5	4.2	5.4	6.6	7.9	9.4	10.2	9.9
7	United States savings bonds-----	.2	.4	.5	1.1	2.2	3.4	4.2	4.2	4.4
8	Investments in cooperatives-----	.8	.9	.9	1.0	1.1	1.2	1.4	1.5	1.7
9	Total <sup>5</sup> -----	53.0	55.1	62.5	73.3	83.8	93.1	102.0	113.9	125.2
	CLAIMS									
	Liabilities:									
10	Real estate debt-----	6.6	6.5	6.4	6.0	5.4	4.9	4.8	4.9	5.1
11	Non-real-estate debt to Commodity Credit Corporation <sup>6</sup> -----	.4	.6	.6	.8	.6	.7	.3	.1	.1
12	Other reporting institutions <sup>7</sup> -----	1.5	1.6	1.8	1.7	1.7	1.6	1.7	2.0	2.3
13	Nonreporting creditors <sup>8</sup> -----	1.5	1.7	1.7	1.5	1.2	1.1	1.2	1.5	1.8
14	Total liabilities <sup>5</sup> -----	10.0	10.4	10.5	10.0	8.9	8.3	8.0	8.5	9.3
15	Proprietors' equities-----	43.0	44.7	52.0	63.3	74.9	84.8	94.0	105.4	115.9
16	Total <sup>5</sup> -----	53.0	55.1	62.5	73.3	83.8	93.1	102.0	113.9	125.2

<sup>1</sup> Data for 48 States only.

<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 Jan. 1, 1960, totaled \$499 million.

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

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

<sup>6</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

United States, Jan. 1, 1940-60<sup>1</sup>

1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	
<i>Bil. dol.</i> 76.6	<i>Bil. dol.</i> 75.3	<i>Bil. dol.</i> 86.8	<i>Bil. dol.</i> 96.0	<i>Bil. dol.</i> 96.6	<i>Bil. dol.</i> 94.7	<i>Bil. dol.</i> 98.8	<i>Bil. dol.</i> 102.7	<i>Bil. dol.</i> 109.5	<i>Bil. dol.</i> 116.3	<i>Bil. dol.</i> 125.1	<i>Bil. dol.</i> 129.1	1
14.4	12.9	17.1	19.5	14.8	11.7	11.2	10.7	11.1	14.1	18.1	16.2	2
9.4	11.3	13.0	15.2	15.6	16.3	16.2	<sup>2</sup> 16.5	17.1	<sup>2</sup> 17.0	<sup>2</sup> 17.7	18.4	3
8.6	7.6	7.9	8.8	9.0	9.2	9.6	8.3	8.3	7.6	<sup>2</sup> 9.3	8.0	4
7.0	7.8	8.7	9.5	10.2	10.8	11.4	11.9	12.4	12.8	13.1	13.5	5
9.6	9.1	9.1	9.4	9.4	9.4	9.4	9.5	9.4	9.5	10.0	9.1	6
4.6	4.7	4.7	4.7	4.6	4.7	5.0	5.2	5.1	5.1	5.2	5.2	7
1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.3	<sup>2</sup> 3.4	3.6	3.8	4.1	8
132.1	130.8	149.6	165.6	162.9	159.7	164.7	<sup>2</sup> 168.1	<sup>2</sup> 176.3	<sup>2</sup> 186.0	<sup>2</sup> 202.3	203.6	9
5.3	5.6	6.1	6.7	7.3	7.8	8.3	9.1	9.9	10.5	11.3	12.3	10
1.2	1.7	.8	.6	1.2	2.4	2.2	1.9	1.6	1.2	2.5	1.4	11
2.7	2.8	3.4	4.1	4.2	3.7	4.0	4.4	4.5	5.0	5.8	6.7	12
2.2	2.4	2.8	3.2	3.4	3.2	3.3	3.5	3.5	3.5	3.7	3.9	13
11.4	12.5	13.1	14.6	16.1	17.1	17.8	18.9	19.5	20.2	23.3	24.3	14
120.7	118.3	136.5	151.0	146.8	142.6	146.9	<sup>2</sup> 149.2	<sup>2</sup> 156.8	<sup>2</sup> 165.8	<sup>2</sup> 179.0	179.3	15
132.1	130.8	149.6	165.6	162.9	159.7	164.7	<sup>2</sup> 168.1	<sup>2</sup> 176.3	<sup>2</sup> 186.0	<sup>2</sup> 202.3	203.6	16

commodities on which they 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 23.--Comparative income statement

Item	1940	1941	1942	1943	1944	1945	1946	1947
<b>HOW NET INCOME WAS OBTAINED</b>								
Total gross farm income:	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>
1 Cash receipts from farm marketings---	8,382	11,111	15,565	19,620	20,536	21,663	24,802	29,620
2 Government payments to farmers-----	723	544	650	645	776	742	772	314
3 Home consumption of farm products---	1,210	1,429	1,758	2,253	2,181	2,356	2,829	2,971
4 Rental value of farm dwellings-----	723	744	794	844	919	1,011	1,303	1,447
5 Net change in inventory <sup>3</sup> -----	281	420	1,099	-53	-410	-439	29	-1,760
6 Total-----	11,319	14,248	19,866	23,309	24,002	25,333	29,735	32,592
<b>Production costs, other than wages, rent, and interest on mortgages:</b>								
7 Feed bought-----	998	1,089	1,625	2,135	2,427	2,738	3,022	3,746
8 Livestock bought, except horses and mules-----	517	635	877	908	812	1,011	1,170	1,379
9 Fertilizer and lime bought-----	306	334	417	505	576	657	683	755
10 Repairs and operation of capital items-----	1,006	1,099	1,244	1,407	1,528	1,626	1,981	2,401
11 Depreciation and other consumption of farm capital-----	796	874	1,370	1,403	1,463	1,340	1,224	1,604
12 Taxes on farm real estate and personal property-----	451	463	466	477	499	557	617	733
13 Seed bought-----	197	203	301	406	440	435	428	514
14 Miscellaneous-----	708	798	849	929	975	974	1,194	1,426
15 Total-----	4,979	5,495	7,149	8,170	8,720	9,338	10,319	12,558
16 Net income from agriculture--	6,340	8,753	12,717	15,139	15,282	15,995	19,416	20,034
<b>HOW NET INCOME WAS DISTRIBUTED</b>								
17 Wages to hired labor (cash and perquisites)-----	1,029	1,249	1,631	2,027	2,202	2,299	2,544	2,810
18 Net rent and Government payments to landlords not living on farms <sup>4</sup> -----	448	647	890	1,044	1,043	1,064	1,401	1,455
19 Interest on farm-mortgage debt-----	293	284	272	246	230	221	219	225
20 Net income of farm operators-----	4,570	6,573	9,924	11,822	11,807	12,411	15,252	15,544
21 Net income from agriculture-----	6,340	8,753	12,717	15,139	15,282	15,995	19,416	20,034
<b>REALIZED NET INCOME OF FARM OPERATORS</b>								
22 Net income of farm operators-----	4,570	6,573	9,924	11,822	11,807	12,411	15,252	15,544
23 Net change in inventory-----	281	420	1,099	-53	-410	-439	29	-1,760
24 Realized net income of farm operators-----	4,289	6,153	8,825	11,875	12,217	12,850	15,223	17,304

<sup>1</sup> Data for 48 States only.<sup>2</sup> Revised.<sup>3</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>4</sup> After subtraction of taxes, mortgage interest, and other expenses paid by such landlords.

for agriculture, United States, 1940-59<sup>1</sup>

1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958 <sup>2</sup>	1959	
<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	<i>Mil. dol.</i>	
30,227	27,828	28,512	32,958	32,632	31,126	29,953	29,556	30,564	29,824	33,490	33,146	1
257	186	283	286	274	213	257	229	553	1,016	1,089	681	2
2,925	2,399	2,223	2,471	2,374	2,161	1,944	1,806	1,775	1,762	1,753	1,628	3
1,505	1,408	1,464	1,608	1,736	1,765	1,711	1,741	1,734	1,787	1,884	2,012	4
1,732	-863	815	1,176	921	-621	490	297	-415	762	1,037	518	5
36,646	30,958	33,297	38,499	37,937	34,644	34,355	33,629	34,211	35,151	39,253	37,985	6
3,996	3,024	3,283	4,144	4,331	3,770	3,906	3,840	4,058	4,083	4,496	4,623	7
1,589	1,529	2,004	2,437	1,917	1,320	1,563	1,530	1,629	1,957	2,711	2,727	8
826	895	978	1,085	1,229	1,245	1,274	1,256	1,241	1,280	1,345	1,444	9
2,784	2,829	2,921	3,187	3,433	3,435	3,353	3,423	3,617	3,773	3,832	4,087	10
2,059	2,428	2,736	3,226	3,399	3,520	3,616	3,722	3,722	3,885	3,961	4,125	11
806	873	919	987	1,308	1,062	1,086	1,149	1,199	1,277	1,343	1,445	12
581	543	531	561	594	560	542	577	537	529	532	534	13
1,580	1,696	1,750	2,079	2,117	2,100	2,076	2,167	2,303	2,286	2,470	2,664	14
14,221	13,817	15,122	17,706	18,058	17,012	17,416	17,664	18,306	19,070	20,690	21,649	15
22,425	17,141	18,175	20,793	19,879	17,632	16,939	15,965	15,905	16,081	18,563	16,366	16
3,034	2,865	2,678	2,800	2,802	2,793	2,716	2,736	2,733	2,785	2,878	2,929	17
1,370	1,107	1,233	1,368	1,421	1,214	1,159	1,057	1,109	1,029	1,141	1,001	18
232	243	264	291	319	347	373	405	446	487	527	580	19
17,789	12,926	14,000	16,334	15,337	13,278	12,691	11,767	11,617	11,780	14,017	11,826	20
22,425	17,141	18,175	20,793	19,879	17,632	16,939	15,965	15,905	16,081	18,563	16,336	21
17,789	12,926	14,000	16,334	15,337	13,278	12,691	11,767	11,617	11,780	14,017	11,826	22
1,732	-863	815	1,176	921	-621	490	297	-415	762	1,037	518	23
16,057	13,789	13,185	15,158	14,416	13,899	12,201	11,470	12,032	11,018	12,980	11,308	24

TABLE 24.--Physical assets of agriculture valued at 1940 prices, United States, Jan. 1, 1940-60<sup>1</sup>

Year	Real estate <sup>2</sup>	Livestock	Machinery and motor vehicles	Crops stored on and off farms	Household furnishings and equipment <sup>3</sup>	Total <sup>4</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>5</sup> 6.9	<sup>5</sup> 60.4
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
1960-----	38.2	5.3	7.3	3.8	7.2	61.8

<sup>1</sup> Data for 48 States only.

<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 1951-60 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.

<sup>5</sup> Revised.

TABLE 25.--Production assets used in agriculture, in current prices, United States, Jan. 1, 1940-60<sup>1</sup>

Year	Farm real estate <sup>2</sup>	Livestock	Machinery and motor vehicles <sup>3</sup>	Other <sup>4</sup>	Total
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1940-----	27.9	5.1	2.5	3.2	38.7
1941-----	28.6	5.3	2.6	3.4	39.9
1942-----	31.4	7.1	3.2	4.5	46.2
1943-----	35.0	9.6	4.1	5.7	54.4
1944-----	40.7	9.7	4.6	7.0	62.0
1945-----	45.6	9.0	5.6	7.5	67.7
1946-----	51.8	9.7	4.6	7.6	73.7
1947-----	58.2	11.9	4.4	8.6	83.1
1948-----	62.5	13.3	6.0	10.5	92.3
1949-----	65.1	14.4	8.3	10.3	98.1
1950-----	63.7	12.9	9.9	9.4	95.9
1951-----	74.2	17.1	11.3	10.5	113.1
1952-----	82.1	19.5	13.0	11.2	125.8
1953-----	82.5	14.8	13.5	11.0	121.8
1954-----	81.4	11.7	13.9	10.5	117.5
1955-----	85.2	11.2	13.9	10.8	121.1
1956-----	89.4	10.7	14.2	10.2	124.5
1957-----	95.8	11.1	14.7	10.4	132.0
1958-----	101.3	14.1	14.7	9.9	140.0
1959-----	110.8	18.1	15.3	10.8	155.0
1960-----	114.9	16.2	16.0	10.2	157.3

<sup>1</sup> Data for 48 States only.

<sup>2</sup> Excludes value of dwellings.

<sup>3</sup> Excludes 60 percent of value of automobiles.

<sup>4</sup> Includes crop inventories held for livestock feed and a portion of total demand deposits owned by farmers estimated as being held to meet farm production costs.

TABLE 26.--Production assets used in agriculture, 1947-49 prices, United States, Jan. 1, 1940-60<sup>1</sup>

Year	Farm real estate <sup>2</sup>	Livestock	Machinery and motor vehicles <sup>3</sup>	Other <sup>4</sup>	Total
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1940-----	58.2	12.9	4.1	8.1	83.3
1941-----	58.8	13.0	4.3	8.5	84.6
1942-----	59.4	13.9	4.9	9.1	87.3
1943-----	59.9	15.0	4.7	10.2	89.8
1944-----	60.4	15.8	4.3	9.8	90.3
1945-----	60.8	14.7	4.4	10.2	90.1
1946-----	60.8	14.3	4.6	10.1	89.8
1947-----	61.6	13.7	5.0	9.9	90.2
1948-----	62.1	13.0	6.0	8.9	90.0
1949-----	62.9	12.9	7.4	11.1	94.3
1950-----	63.4	13.1	8.6	10.8	95.9
1951-----	64.5	13.6	9.6	10.5	98.2
1952-----	65.1	14.3	10.3	10.1	99.8
1953-----	65.6	14.5	10.5	10.2	100.8
1954-----	66.7	14.3	10.8	10.4	102.2
1955-----	67.2	14.6	10.8	10.7	103.3
1956-----	68.3	14.8	10.7	11.0	104.8
1957-----	69.0	14.4	10.4	10.7	104.5
1958-----	68.9	14.2	10.1	11.6	104.8
1959-----	70.3	14.8	10.2	12.3	107.6
1960-----	71.1	15.4	10.3	11.8	108.6

<sup>1</sup> Data for 48 States only.

<sup>2</sup> Excludes value of dwellings.

<sup>3</sup> Excludes 60 percent of value of automobiles.

<sup>4</sup> Includes crop inventories held for livestock feed and the portion of demand deposits owned by farmers estimated as being held to meet farm production costs.

TABLE 27.--Value of assets used in agricultural production, in current and 1947-49 prices, United States, Jan. 1, 1940-60<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	<sup>3</sup> 99.8	10,465	18,428
1953-----	121.8	13,313	22,946	<sup>3</sup> 100.8	11,029	19,009
1954-----	117.5	13,256	22,592	<sup>3</sup> 102.2	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	<sup>3</sup> 18,477	<sup>3</sup> 29,522	104.8	13,831	22,068
1959-----	<sup>3</sup> 155.0	<sup>3</sup> 20,598	<sup>3</sup> 33,398	107.6	14,299	<sup>3</sup> 23,185
1960-----	157.3	21,303	34,648	108.6	14,707	23,921

<sup>1</sup> Data for 48 States only. 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 the portion of demand deposits owned by farmers estimated as being held to meet farm production costs.

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

<sup>3</sup> Revised.

TABLE 28.--Farm-mortgage debt: Amount outstanding, by regions, United States, Jan. 1, 1940-60<sup>1</sup>

Year	North- east	Lake States	Corn Belt	Northern Plains	Appa- lachian	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
1960 <sup>2</sup> ----	968	1,394	2,639	1,047	887	763	653	1,060	1,138	1,742	12,291

<sup>1</sup> Data for 48 States only. For regional groupings of States, see table 5.<sup>2</sup> Preliminary.