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BALANCE SHEET of the FARMING SECTOR 1975



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ABSTRACT

The January 1, 1975, value of farm assets totaled \$520.2 billion. Debt amounted to \$81.8 billion, leaving proprietors' equity of \$438.4 billion. The total figures were records but increases were not; the increase in debt slowed somewhat and the gains in assets and equity were half what they were during 1973. The value of farm real estate showed a \$46.1 billion increase, machinery and motor vehicles added another \$11.6 billion, and other assets experienced modest increases, but a drop in the value of livestock of \$17.8 billion reduced the gain in all assets to \$44.3 billion. Total farm debt rose \$7.7 billion during 1974; real estate debt increased about 12 percent in 1974 and nonreal estate debt about 10 percent. Revisions in estimates of nonreal estate debt owed to merchants, dealers, and other miscellaneous lenders substantially lowered the farm debt-to-asset ratio. On January 1, 1975, the debt-to-asset ratio was 15.7 percent, about the same as a year earlier but down considerably from 16.9 percent on January 1, 1973. Substantially higher farm incomes in 1973 and later probably helped reduce farmers' demand for borrowed money. Returns to equity in farm production assets during 1974 was 5.8 percent, substantially higher than the average since 1960 but sharply below the 10.5 percent for 1973, as increased production expenses outran gains in farm income. *The Balance Sheet of the Farming Sector* now includes data for Alaska and Hawaii beginning with 1960; formerly estimates were available for only the 48 contiguous States through 1968.

FOREWORD

The Balance Sheet of the Farming Sector assembles into one financial statement the major farm asset inventory and liability accounts. This is the 31st issue in the series (formerly called *The Balance Sheet of Agriculture*). Comparable annual estimates are available beginning with 1940.

The balance sheet depicts only farming assets, debts, and equities of farm operators and landlords. Nonfarm property and debts of many manufacturers and others who supply farm production inputs or process farm products are not included. Lack of sufficient data prevents separation of debts or assets by owner-operator, tenant, and landlord, or separate estimates for farms with debt and those that are debt free.

Farmland and building values are from annual surveys reporting values as of March 1 each year. However, since the March 1 value has been consistently used in the balance sheet in lieu of the January 1 value of farm real estate, the trend is not affected.

Except for farm loans outstanding and reported by institutional lenders, items in the balance sheet are estimates. Some relatively minor items are not included because of lack of adequate data. Further details on estimating procedures used in the balance sheet are published in *Major Statistical Series of the U.S. Department of Agriculture: How They are Constructed and Used*, Agriculture Handbook 365.

Data are for 48 States through 1959; beginning with 1960 data for Alaska and Hawaii are included.

Within the past year, analysis of data from a Bureau of the Census survey of farm debt as of January 1, 1971, along with other data resulted in substantial reductions in the estimate of nonreal estate debt owed to merchants, dealers, individuals, and other miscellaneous lenders. Those revisions which were prepared by Philip T. Allen begin with 1961 and are included in this report. A more detailed report of this change may be obtained by requesting *Revision of the Nonreal Estate Farm Debt Series of the U.S. Department of Agriculture*, to be published in October 1975 by the Economic Research Service.

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BALANCE SHEET OF THE FARMING SECTOR, 1975

By Carson D. Evans, Philip T. Allen, Richard W. Simunek, and James B. Hottel

THE 1975 BALANCE SHEET IN GENERAL

On January 1, 1975, the value of farm assets totaled \$520.2 billion, up \$44.3 billion or 9 percent from a year earlier (table 1 and fig. 1). This was the smallest percentage increase since 1971. The dollar increase was only half the record \$88.4 billion rise of 1973 and was about the same as in 1972.

Farm debt outstanding January 1, 1975 of \$81.8 billion was 10.4 percent or \$7.7 billion larger than a year earlier; in 1973 farm debt had increased \$8.7 billion. Revisions of estimates of nonreal estate farm

debt owed to merchants, dealers, and other miscellaneous lenders substantially reduced estimates of total debt outstanding over the 1961-75 period.

Equity farm proprietors owned in their assets on January 1, 1975, amounted to \$438.4 billion, 9 percent more than a year earlier and more than double the amount of 10 year earlier.

The value of assets and the amount of debt owed per farm also have trended upward. The trends have been

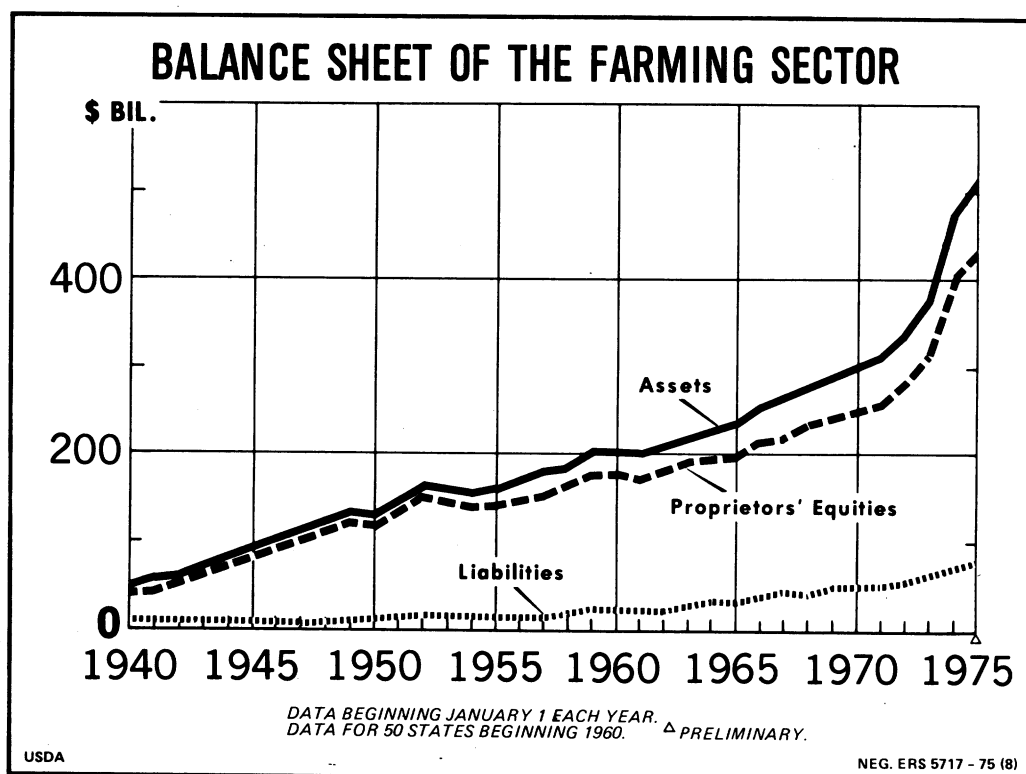


Figure 1

Table 1—Balance sheet of farming sector, January 1, selected years, 1940-75¹

Item	1940	1950	1960 ²	1970 ²	1974 ²	1975 ^{2 3}	Change	
							1974 to 1975	1974 to 1975 ⁴
	<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>Percent</i>
ASSETS								
Physical assets:								
Real estate	33.6	75.3	130.6	206.9	325.3	371.4	46.1	14.1
Nonreal estate:								
Livestock and poultry	5.1	12.9	15.3	23.5	42.4	24.6	-17.8	-42.1
Machinery and motor vehicles	3.1	12.2	22.7	32.3	44.2	55.8	11.6	26.2
Crops stored on and off farms ⁵	2.7	7.6	7.7	10.9	22.1	23.2	1.1	5.0
Household equipment and furnishings	4.2	8.6	9.6	9.7	13.3	15.4	2.1	15.6
Financial assets:								
Deposits and currency	3.2	9.1	9.2	11.9	14.9	15.0	.1	1.2
U.S. savings bonds .....	.2	4.7	4.7	3.7	4.2	4.3	.1	4.0
Investments in cooperatives .....	.8	2.1	4.2	7.2	9.5	10.5	1.0	10.5
Total	52.9	132.5	204.0	306.1	475.9	520.2	44.3	9.3
CLAIMS								
Liabilities:								
Real estate debt	6.6	5.6	12.0	29.2	41.3	46.3	5.0	12.2
Nonreal estate debt:								
Excluding CCC loans	3.0	5.1	11.6	21.1	32.1	35.2	3.1	9.6
CCC loans ⁶ .....	.4	1.7	1.2	2.7	.7	.3	-.4	-57.5
Total liabilities	10.0	12.4	24.8	53.0	74.1	81.8	7.7	10.4
Proprietors' equities	42.9	120.1	179.2	253.1	401.8	438.4	36.6	9.1
Total	52.9	132.5	204.0	306.1	475.9	520.2	44.3	9.3
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>		
Debt to asset ratio ⁴	18.9	9.4	12.2	17.3	15.6	15.7	---	---

¹ For other years after 1940, see table 25. ² Includes Alaska and Hawaii. ³ Preliminary. ⁴ Computed from unrounded data. ⁵ All crops held on farms including crops under loan to CCC, and crops held off farms as security for CCC loans. On Jan. 1, 1975

the latter totaled \$174 million. ⁶ Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

slightly steeper than those for all farms because of the steady reduction in the number of farms (table 2).

Farm real estate continued to gain as the most valuable farm asset (table 3). Livestock dropped sharply in relative importance on January 1, 1975 because of the substantial decline in value from a year earlier. Usually, however, asset categories change only slightly in relative importance from one year to the next.

The amount of farm real estate or long-term debt outstanding has consistently been larger than nonreal estate or short-term debt since the early 1960's. Commodity Credit Corporation (CCC) loans have dropped sharply in importance since 1970.

Balance Sheet Components

Farm real estate value increased at a 14-percent rate during 1974, much more slowly than the record 25-percent gain in 1973 but still a substantial rise. The average value of farmland per acre was \$354 compared with \$310 at the beginning of 1974.

The value of livestock and poultry on farms January 1, 1975, \$24.6 billion, totaled about two-thirds the value a year earlier. Cattle and calves, the main cause for the lower total value, dropped in value from \$37.4 billion on January 1, 1974, to \$21.0 billion on January 1, 1975, because of a 46-percent drop in value per head. Livestock frequently experience fluctuations in value, but the value drop from 1974 to 1975 was particularly severe. Numbers of animals and poultry on farms showed relatively small changes over 1974.

Machinery and motor vehicles owned by farmers January 1, 1975, were worth \$55.8 billion, an \$11.6 billion rise in one year. Higher prices and larger units of machinery were the main causes for the increase since numbers of most classes of machinery declined. High farm income in 1973 and again in 1974, plus larger acreage planted in 1974 and 1975, persuaded farmers to acquire larger and more efficient types of equipment.

Farmer-owned crop inventories increased \$1.1 billion in 1974 to reach a record \$23.2 billion on January 1,

Table 2—Balance sheet of the farming sector: Average per farm, current prices, January 1, selected years 1940-1975¹

Item	1940	1945	1950	1955	1960 ²	1965 ²	1970 ²	1975 ²
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
ASSETS								
Physical assets:								
Real estate	5,297	9,030	13,324 *	21,094	32,945	48,112	70,026	131,733
Nonreal estate:								
Livestock & poultry	808	1,510	2,283	2,409	3,848	4,319	7,948	8,716
Machinery & motor vehicles	482	1,085	2,154	3,995	5,739	7,398	10,934	19,791
Crops stored on & off farms ³	420	1,120	1,344	2,073	1,952	2,743	3,697	8,225
Household equipment & furnishings ...	663	936	1,524	2,147	2,419	2,569	3,295	5,473
Financial assets:								
Deposits & currency	510	1,325	1,607	2,025	2,313	2,854	4,025	5,342
U.S. savings bonds	39	566	836	1,068	1,177	1,253	1,266	1,536
Investment in cooperatives	131	204	364	668	1,071	1,667	2,438	3,729
Total	8,350	15,776	23,436	35,479	51,464	70,915	103,629	184,545
CLAIMS								
Liabilities:								
Real estate debt	1,037	828	988	1,772	3,049	5,630	9,879	16,427
Nonreal estate debt:								
Excluding CCC loans	473	456	912	1,546	2,909	4,876	7,166	12,496
CCC loans ⁴	70	114	305	477	294	460	906	113
Total liabilities	1,580	1,398	2,205	3,795	6,252	10,966	17,951	29,036
Proprietors' equities	6,770	14,378	21,231	31,684	45,212	59,949	85,678	155,509
Total	8,350	15,776	23,436	35,479	51,464	70,915	103,629	184,545
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Debt-to-asset ratio	18.9	8.9	9.4	10.7	12.2	15.5	17.3	15.7

¹ Total values divided by total number of farms. ² Includes Alaska and Hawaii. ³ All crops held on farms including crops under loan to CCC, and crops held off farms as security for

CCC loans. ⁴ Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 3—Balance sheet components as shares of total assets and liabilities, selected years, 1940-75

Item	1940	1950	1960 ¹	1970 ¹	1974 ¹	1975 ^{1 2}
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
ASSETS						
Physical assets:						
Real estate	63.5	56.9	64.0	67.6	68.4	71.4
Nonreal estate:						
Livestock and poultry	9.7	9.7	7.5	7.7	8.9	4.7
Machinery and motor vehicles	5.9	9.2	11.1	10.4	9.3	10.7
Crops stored on and off farms ³	5.1	5.7	3.8	3.6	4.6	4.5
Household equipment and furnishings	7.9	6.5	4.7	3.3	2.8	3.0
Financial assets:						
Deposits and currency	6.0	6.9	4.5	3.9	3.1	2.9
U.S. savings bonds .....	.4	3.6	2.3	1.2	.9	.8
Investments in cooperatives	1.5	1.5	2.1	2.3	2.0	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0
LIABILITIES						
Real estate debt	66.0	45.2	48.8	55.0	55.7	56.6
Nonreal estate debt:						
Excluding CCC loans	30.0	41.1	46.8	40.0	43.3	43.0
CCC loans ⁴	4.0	13.7	4.4	5.0	1.0	.4
Total	100.0	100.0	100.0	100.0	100.0	100.0

¹ Includes Alaska and Hawaii. ² Preliminary. ³ All crops held on farms including crops under loan to CCC, and crops held off farms as security for CCC loans. ⁴ Nonrecourse CCC loans

secured by crops owned by farmers. These crops are included as assets in balance sheet.

1975. The more valuable stored crops were corn, hay and forage, soybeans and wheat. Except for wheat, higher prices rather than larger quantities caused the increase in value of stored crops.

The value of *household equipment and furnishings* on farms totaled a record \$15.4 billion on January 1, 1975, after increasing an unprecedented \$2.1 billion in 1 year. The average per farm went from \$4,715 in 1974 to \$5,470, with inflated prices teaming with purchases of more modern items to cause the sharp rise.

Farmers *financial assets* increased slightly from January 1, 1974, and totaled \$29.8 billion on January 1, 1975. Practically all the \$1.2 billion gain was in the net worth of farmer cooperatives. Of the liquid financial assets (currency, bank demand and time deposits, and U.S. savings bonds) only time deposits and U.S. savings bonds showed increases. Apparently, net farm income was somewhat lower than in 1973 and farmers paid a larger proportion of operating expenses and major purchases in cash, leading to the modest gains in liquid financial assets.

Farm debt outstanding on January 1, 1975, totaled \$81.8 billion, which was \$7.7 billion more than on January 1, 1974. The increase was less than the \$8.7 billion gain during 1973.

Debt secured by farm real estate was \$46.3 billion on January 1, 1975, \$5.0 billion higher than a year earlier. However, the 12-percent rise of 1974 was lower than the 1973 increase. Higher land prices and interest rates probably slowed the rate of increase in farmland purchases and therefore long-term loans from 1973. Federal land banks strengthened their position as the primary farm mortgage lender with loans outstanding on January 1, 1975, nearly one-fourth above a year earlier. As a group, sellers of farmland and other miscellaneous lenders maintained their approximately 40-percent share of total farm real estate debt.

Nonreal estate farm debt on January 1, 1975, totaled \$35.5 billion, including \$0.3 billion CCC loans, which was about 8 percent more than a year earlier. As with farm real estate loans, farm short- and intermediate-term loans did not accumulate as rapidly during 1974 as in 1973. The deteriorating cattle markets and greater caution of farmers in general affected their willingness to borrow heavily for operating purposes and for machinery purchases. Too, the relatively high farm income in 1974 allowed

farmers to pay cash for a larger proportion of purchased inputs, thereby reducing the necessity to borrow.

Banks remained the largest source of farm nonreal estate credit, holding about one-half of the total outstanding at the beginning of 1975. But banks did not increase the loans held as much as production credit associations, the next most important lender. Data and information collected in recent surveys led to large revisions in the amount of nonreal estate farm credit supplied by merchants, dealers, individuals, and other miscellaneous lenders after 1960. Estimates for the last several years of loans held by that group were lowered sharply.

Equity owned by proprietors in their farm assets increased at about the same rate as total assets and debts, and the debt-to-asset ratio remained about the same as at the beginning of 1974, which was the lowest since 1966.

Farm Assets in 1967 Prices

Virtually all of the \$44.3 billion net increase in the value of farm assets in 1974 was due to higher prices. Farm real estate valued in current dollars increased \$46.1 billion, but only \$.1 billion in constant (1967) dollars (tables 4 and 5). Physical assets other than real estate declined, whether valued in current or constant dollars. Financial assets increased slightly in current dollars but actually declined in 1967 dollars.

Improvements to land as farmers increased crop acreage caused most of the modest \$.1 billion net increase in value of real estate in 1967 dollars (figure 2).

Sharply lower prices for livestock on January 1, 1975, caused the net drop of \$3.0 billion in the current dollar value of physical assets other than real estate, but a decline in the volume of crops stored accounted for the \$0.7 billion decline in constant dollar value of physical assets.

The \$1.2 billion gain in the current dollar value of financial assets between 1974 and 1975 was wiped out by loss of purchasing power of the dollar. Financial assets declined \$1.4 billion when valued in 1967 dollars.

From January 1, 1967, to January 1, 1975, the value of farm assets valued in current dollars increased \$252.7 billion, but 97.6 percent of this was due to increased prices.

THE 1975 BALANCE SHEET IN DETAIL

Assets

Farm Real Estate

The market value of farm real estate on March 1, 1975, was \$371.4 billion, up \$46.1 billion (14 percent) from March 1, 1974. Average value per acre of

farmland at the beginning of 1975 was \$354 compared with \$310 in 1974.

Increases in the value of farmland were not uniform regionally or by type of farm (fig. 3). (In general, value changes of recent years have mirrored the changes in farm income levels and expectations

Table 4—Value of farm assets in 1967 prices, January 1, 1940-75

Item	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
	<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>	<i>Billion dollars</i>
ASSETS														
Physical assets:														
Real estate	156.4	157.1	157.8	158.5	159.2	159.9	159.6	161.2	162.8	164.7	166.5	168.0	169.3	171.0
Nonreal estate:														
Livestock ¹	14.9	15.2	16.1	17.4	18.2	17.2	16.6	16.0	15.3	15.1	15.3	16.0	16.8	17.3
Machinery and motor vehicles . . .	9.1	9.4	10.7	10.2	9.4	9.5	10.1	11.0	13.4	16.6	19.7	22.2	24.2	24.8
Crops stored on and off farms ² . .	6.4	7.2	7.0	8.1	7.7	8.2	7.5	7.5	6.4	8.5	8.3	7.8	7.5	7.9
Household equipment and furnishings	8.4	8.5	8.6	8.0	7.6	7.5	7.6	8.2	8.5	9.0	9.1	9.4	9.6	9.3
Financial assets:														
Deposits and currency	9.0	9.4	10.0	11.5	12.6	14.4	16.5	15.4	12.9	12.8	12.4	11.4	11.2	11.5
U.S. savings bonds . . . . .	.7	.9	1.2	2.4	4.2	6.1	7.3	6.4	5.7	6.1	6.5	5.9	5.6	5.7
Investments in cooperatives	2.3	2.4	2.2	2.2	2.1	2.7	2.4	2.3	2.2	2.5	2.8	2.8	2.9	3.3
Total	207.2	210.1	213.6	218.3	221.0	225.5	227.6	228.0	227.2	235.3	240.6	243.5	247.1	250.8
	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967
	<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>	<i>Billion dollars</i>
Physical assets:														
Real estate	172.4	173.6	174.5	175.4	176.1	176.7	177.9	178.6	179.1	179.8	180.5	181.2	181.6	182.3
Nonreal estate:														
Livestock ¹	17.3	17.5	17.5	16.9	16.6	17.2	17.7	17.5	17.9	18.5	19.0	18.9	18.8	19.0
Machinery and motor vehicles . . .	26.2	26.5	26.7	26.1	25.6	25.7	26.3	25.8	25.4	25.4	25.6	26.0	26.6	27.4
Crops stored on and off farms ² . .	8.8	9.1	9.0	8.7	9.6	11.1	9.7	10.3	10.7	10.9	11.1	9.5	10.9	10.0
Household equipment and furnishings	9.3	9.7	10.1	9.7	9.6	9.5	9.3	8.8	9.1	9.0	9.0	8.7	8.7	8.4
Financial assets:														
Deposits and currency	11.6	11.6	11.9	11.3	11.2	11.5	10.4	9.9	9.9	10.1	10.0	10.3	10.4	10.3
U.S. savings bonds	5.8	6.1	6.5	6.1	6.0	6.1	5.3	5.3	5.0	4.9	4.6	4.5	4.2	3.9
Investments in cooperatives	3.5	3.7	4.0	4.2	4.3	4.5	4.8	5.1	5.5	5.5	5.8	6.0	6.1	6.2
Total	254.9	257.8	260.2	258.4	259.0	262.3	261.4	261.3	262.6	264.1	265.6	265.1	267.3	267.5
	1968	1969	1970	1971	1972	1973	1974	1975						
	<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>						
Physical assets:														
Real estate	182.5	182.7	183.0	183.2	183.5	183.5	183.6	183.7						
Nonreal estate:														
Livestock ¹	19.1	19.4	19.6	20.2	20.5	20.9	21.9	22.2						
Machinery and motor vehicles . . .	28.5	28.6	28.6	28.9	28.6	28.9	30.0	30.6						
Crops stored on and off farms ² . .	11.4	12.7	12.7	11.1	13.0	12.1	12.0	10.3						
Household equipment and furnishings	8.8	9.0	8.8	8.9	9.4	10.2	10.1	10.2						
Financial assets:														
Deposits and currency	10.7	10.7	10.5	10.5	10.6	10.2	9.4	8.4						
U.S. savings bonds	3.7	3.5	3.3	3.0	3.0	2.9	2.6	2.4						
Investments in cooperatives	6.4	6.4	6.4	6.5	6.5	6.3	6.0	5.8						
Total	271.1	273.0	272.9	272.3	275.1	275.0	275.6	273.6						

¹ Beginning with 1961, horses and mules are excluded. ² Includes all crops held on farms and crops held off farms by farmers as security for CCC loans.

Table 5—Value of farm assets in current and constant 1967 prices and changes due to higher prices, January 1, 1967, 1974, and 1975

Item	1967	1974	1975	Change		Percentage distribution of change ¹	
				1967 to 1975	1974 to 1975	1967 to 1975	1974 to 1975
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Percent</i>	<i>Percent</i>
Real estate:							
Value in current prices	182.3	325.3	371.4	189.1	46.1	100.0	100.0
Value in 1967 prices	182.3	183.6	183.7	1.4	.1	.8	.2
Change due to higher prices .....	.0	141.7	187.7	187.7	46.0	99.2	99.8
Physical assets other than real estate:							
Value in current prices	64.8	122.0	119.0	54.2	-3.0	100.0	---
Value in 1967 prices	64.8	74.0	73.3	8.5	-.7	15.7	---
Change due to higher prices .....	.0	48.0	45.7	45.7	-2.3	84.3	---
Financial assets:							
Value in current prices	20.4	28.6	29.8	9.4	1.2	100.0	100.0
Value in 1967 prices	20.4	18.1	16.6	-3.8	-1.4	.0	.0
Change due to higher prices .....	.0	10.6	13.2	13.2	2.6	100.0	100.0
Total:							
Value in current prices	267.5	475.9	520.2	252.7	44.3	100.0	100.0
Value in 1967 prices	267.5	275.6	273.6	6.1	-2.0	2.4	.0
Change due to higher prices .....	.0	200.3	246.6	246.6	46.3	97.6	100.0

¹ Computed from unrounded data.

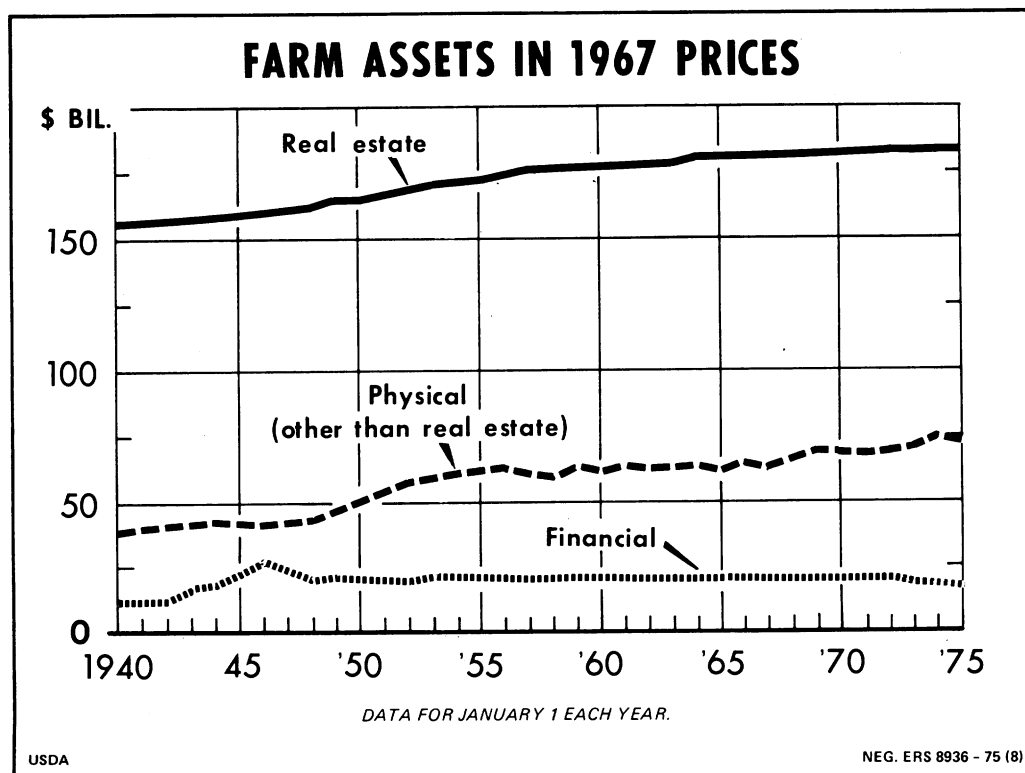


Figure 2

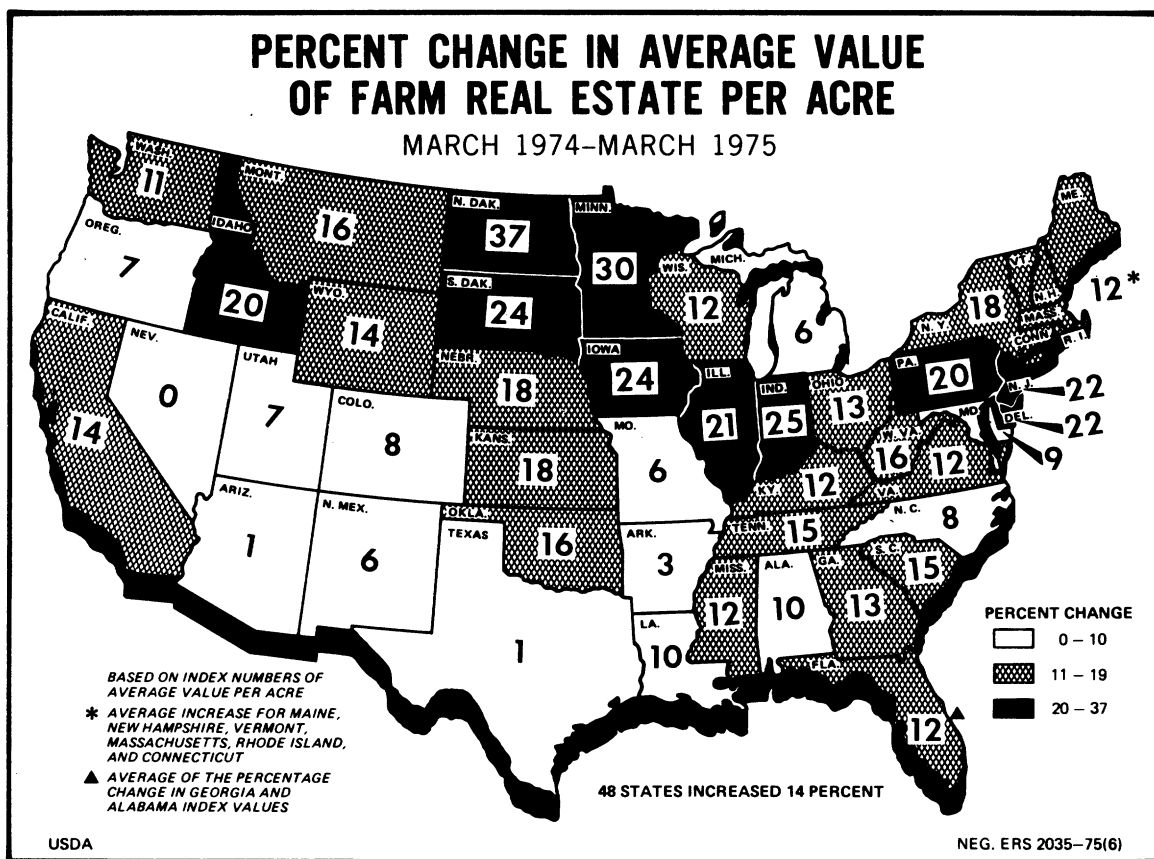


Figure 3

for earnings in the future.) There was a wide range in value increases in the past year, but as a rule, crop farming areas showed larger gains than predominantly livestock areas. For example, land prices in North Dakota and Minnesota shot up 37 and 30 percent, respectively, while Nevada, Arizona, and Texas showed virtually no change.

Sale of land going into nonfarm use is not a major factor in setting the price of land except in isolated instances. Most land transferred in 1974 was purchased for farming purposes and was expected to be paid for with farm income.

Most of the increase in value between March 1974 and March 1975 took place between March and October 1974. Demand for farmland dropped after October, and between October 1974 and March 1975, there were 19 percent fewer transfers and an average of 15 percent fewer acres per tract transferred than in the October-March period a year earlier. Between October 1974 and March 1975, farmland prices actually dropped in Arizona, Texas, Louisiana, and Arkansas.

The availability and cost of loan funds often influence the number of land transfers and thereby the movement of prices. During 1974, loans were generally available but at fairly stiff interest rates, usually in the 8-9½ percent range. Both sellers of land

and regular farm real estate lenders were active in financing farmland sales.

Livestock and Poultry

At \$24.6 billion, the value of livestock and poultry on farms January 1, 1975, was only about 60 percent of the value a year earlier, the sharpest drop ever recorded (table 6). Every class of livestock and poultry showed a drop in value, but most of the decline in total value was because of cattle and calves, by far the dominant class, which dropped to almost half the January 1974 value. The value of hogs was down a third but the effect on total livestock value was slight. Declines in the value of sheep, chickens, and turkeys were 18, 2, and 15 percent, respectively. These categories collectively make up less than 5 percent of total livestock and poultry value.

The number of cattle and calves on farms January 1, 1975, was a little higher than a year earlier, and a record, but average value per head was cut almost in half (fig. 4). Such a sharp change in price had not occurred before, and since it was on the downside it had a depressing effect on the farm sector's total asset and equity values.

The record number of cattle and calves on farms at

Table 6—Livestock and poultry on farms: Number, value per head, and total value, January 1, 1973-75

Class	1973 ¹			1974 ¹			1975		
	Number	Value per head	Total value	Number	Value per head	Total value	Number	Value per head	Total value
	1,000 head	Dollars	Million dollars	1,000 head	Dollars	Million dollars	1,000 head	Dollars	Million dollars
Cattle and calves	121,534	251.75	30,583	127,670	293.30	37,447	131,826	159.00	20,964
Hogs ²	59,179	41.96	2,484	61,106	60.40	3,691	55,062	45.10	2,482
All sheep	17,724	26.70	473	16,394	32.70	536	14,538	30.40	442
Chickens ³	406,241	1.28	520	412,503	1.62	670	382,793	1.71	653
Turkeys ⁴	3,303	6.50	21	3,553	9.58	34	2,970	9.84	29
Total	---	---	34,081	---	---	42,378	---	---	24,570

¹ Revised. ² Beginning with 1970, estimates of hogs and pigs on farms January 1 were discontinued. Hogs and pigs data relate to December 1 of the preceding year. ³ Excludes commercial broilers. ⁴ All turkey breeder hens on farms December 1 of the

preceding year. Estimates of total turkeys were discontinued in 1971.

Source: Statistical Reporting Service.

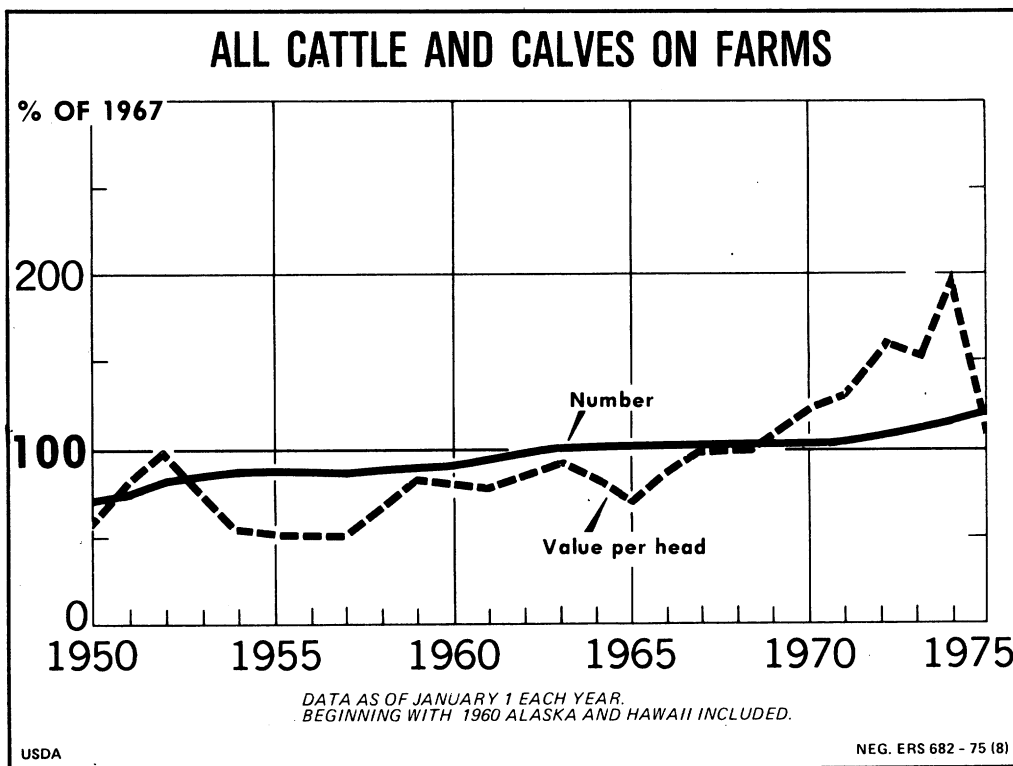


Figure 4

the beginning of 1975 reflected increases for most classes. Beef cows and calves under 500 pounds increased most; heifers for beef cow and milk cow replacements increased much less. Although milk cow numbers continued downward, the 1-percent

decline was much less than in other recent years. Steers weighing 500 pounds and over numbered 1.4 million head, or 8 percent, less.

More than the usual number of cattle of slaughter weight were kept on grass because of high feed grain

prices in the fall of 1974 and declining cattle prices. So, even though total cattle numbers were up, there were 26 percent fewer cattle on feed January 1, 1975, than a year earlier.

The drop of one-third in the value of hogs on farms from 1974 was caused by a 10-percent drop in number and a \$15-a-head decrease in value (fig. 5). The number was the smallest since 1967 but the value per head was the second highest since 1966.

Sheep numbers continued their steady decline and at 14.5 million were less than half their number in 1960. Over the same period, however, the value per head showed a gradual increase and in 1975 was the highest, except for 1974.

The number of chickens on farms was the smallest since 1964. The record value of \$1.71 per head kept the total value at a relatively high level. Similarly, the number of turkey breeder hens was the smallest in several years, but the record value per head kept total value from dropping more sharply.

The value of livestock and poultry on farms ranged between 28 and 34 percent of the total value of farm physical assets other than real estate during 1967-74. In 1975, that percentage dropped to 21 of the total.

The value of all classes of motor vehicles and machinery on farms increased. Tractor value jumped 32 percent, other farm machinery rose 27 percent, automobile value increased 20 percent, and motor truck value gained 16 percent. However, all classes of farm machinery declined in number as the shift to larger and more efficient equipment continued (table 8). For instance, all tractors sold in 1974 averaged 90.4 PTO horsepower, a rise of 43 percent over 1965.

Farmers' expenditures for motor vehicles and machinery totaled \$7.8 billion in 1974 compared with \$7.6 billion in 1973. Money spent for tractors increased 4 percent from 1973, and truck and other machinery expenditures were up 3 percent. But outlays for autos declined 9 percent.

One factor that contributed to the large purchases by farmers in 1974 was the inability of farm implement dealers to fill the unusually large orders from farmers in 1973. In addition, total harvested acres of principal crops were up 8 million in 1974, thereby raising farm machinery requirements. Higher machinery prices were primary contributors to the large dollar value of total capital outlays in 1974.

Machinery and Motor Vehicles

Motor vehicles and machinery on farms increased over one-fourth in value in 1974, reaching \$55.8 billion on January 1, 1975 (table 7).

Crop Inventory

The value of farmer-owned stored crops reached a record \$23.2 billion on January 1, 1975, after a gain of \$1.1 billion from a year earlier (table 9). Hay and

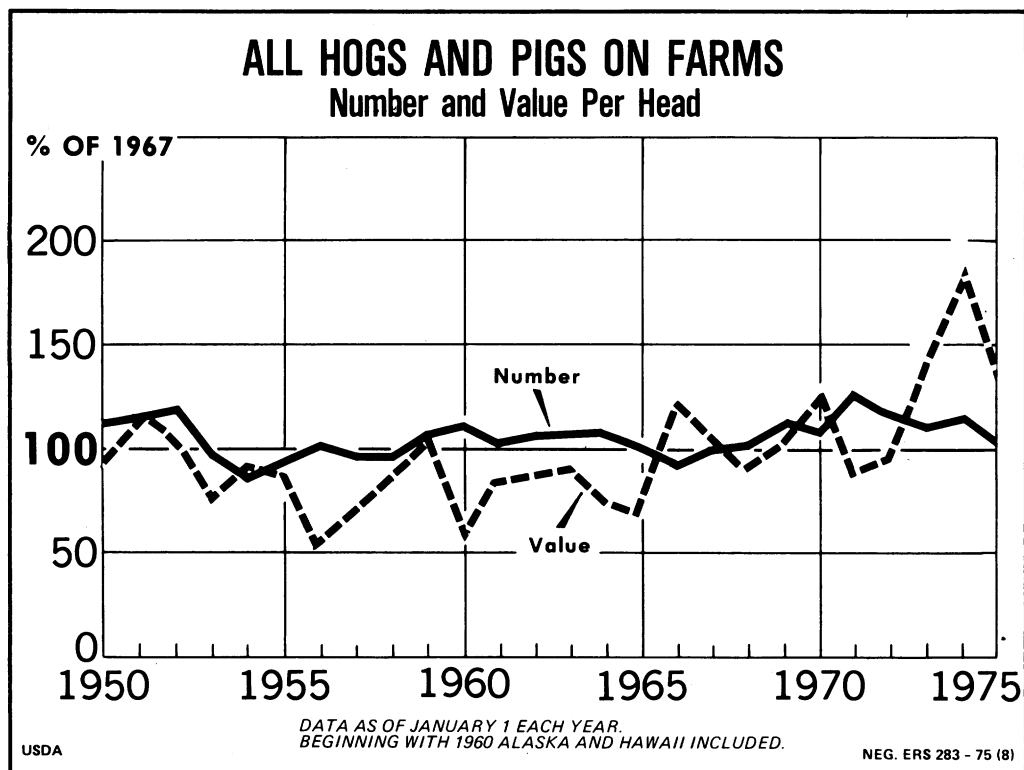


Figure 5

Table 7—Value of motor vehicles and specified machines on farms January 1, specified years, 1940-75¹

Year	Automobiles	Motortrucks	Tractors	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	958	262	503	1,337	3,060
1945	1,144	590	1,557	3,183	6,474
1950	2,313	1,446	2,905	5,502	12,166
1955	4,310	1,898	4,270	8,197	18,675
1960	4,766	2,476	5,423	10,080	22,745
1961	4,198	2,559	5,237	10,211	22,205
1962	4,283	2,667	5,213	10,353	22,516
1963	4,664	2,850	5,414	10,526	23,454
1964	4,642	2,814	5,617	10,862	23,935
1965	4,560	2,982	5,861	11,423	24,826
1966	4,515	2,948	6,310	12,232	26,005
1967	4,163	2,916	7,017	13,347	27,443
1968	4,236	3,106	7,527	14,939	29,808
1969	4,184	3,250	7,939	15,898	31,271
1970	4,303	3,243	7,997	16,756	32,299
1971	4,575	3,639	8,080	18,078	34,372
1972	4,732	3,892	8,635	19,353	36,612
1973	5,097	4,177	9,042	20,966	39,282
1974	4,700	4,547	10,808	24,137	44,192
1975 ²	5,638	5,261	14,304	30,587	55,790
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Percent change:					
1970-75	31	62	79	83	73
1974-75	20	16	32	27	26

¹ Includes Alaska and Hawaii beginning with 1960. ² Preliminary.Table 8—Motor vehicles and specified machines on U.S. farms, January 1, selected years, 1940-75¹

Year	Motortrucks	Tractors ²	Grain combines ³	Cornpickers and picker shellers	Pickup balers	Field forage harvesters
	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand</i>	<i>Thousand</i>
1940	1,047	1,567	190	110	---	---
1945	⁴ 1,490	⁴ 2,354	⁴ 375	168	42	20
1950	⁴ 2,207	⁴ 3,394	⁴ 714	⁴ 456	⁴ 196	81
1955 ⁴	2,675	4,345	980	688	448	202
1960	⁴ 2,834	⁴ 4,688	1,042	792	680	291
1965	⁴ 3,030	⁴ 4,787	910	690	751	316
1966	3,017	4,783	888	686	752	316
1967	3,009	4,786	867	680	748	319
1968	3,016	4,766	847	673	739	321
1969	3,004	4,712	820	657	725	314
1970	⁴ 2,984	⁴ 4,619	790	⁴ 635	⁴ 708	304
1971	2,968	4,562	760	618	687	300
1972	2,943	4,469	725	612	663	298
1973	2,915	4,387	701	607	642	292
1974	2,906	4,376	698	603	633	295
1975 ⁵	2,882	4,263	678	594	609	286
	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Change						
1970-75	-3	-8	-14	-6	-14	-6
1974-75	-1	-3	-3	-1	-4	-3

¹ Includes Alaska and Hawaii beginning with 1960. ² Excludes garden tractors. ³ Includes corn heads for combines. ⁴ Census of Agriculture. Census dates: January 1, 1945; April 1, 1940 and 1950; November 1954, 1959, and 1969. ⁵ Preliminary.

Table 9—Value of farmer-owned crop inventories, January 1, selected years, 1945-75¹

Crop	1945	1950	1955	1960	1965	1970	1974	1975 ²
	<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>
Corn	2,191	2,736	2,889	2,884	3,168	3,612	8,009	8,240
Other feed grains ³ ..	711	740	1,082	838	776	885	1,481	1,430
Total feed grains ...	2,902	3,476	3,971	3,722	3,944	4,497	9,490	9,670
Wheat	729	1,063	1,218	911	635	1,352	1,794	2,094
Other food grains ⁴ .	25	23	71	55	67	134	310	215
Total food grains ...	754	1,086	1,289	966	702	1,486	2,104	2,309
Soybeans	87	137	419	419	535	1,158	3,701	3,537
Other oil crops ⁵ ...	84	134	100	51	110	70	92	107
Total oil crops	171	271	519	470	645	1,228	3,793	3,644
Hay and forage ⁶ ...	1,805	1,758	2,101	2,062	2,455	2,862	4,906	5,511
Cotton	565	537	1,379	167	906	368	918	1,204
Vegetables ⁷	157	191	133	194	358	283	560	554
Tobacco	270	186	180	103	145	146	184	229
Miscellaneous ⁸	58	85	74	52	49	50	132	71
Total all crops	6,682	7,590	9,646	7,736	9,204	10,920	22,087	23,192

¹ All crops stored on farms including crops under loan to the CCC, and farmer-owned crops in off-farm storage under CCC loan. Includes Alaska and Hawaii beginning with 1960. ² Preliminary. ³ Barley, grain sorghum, and oats. ⁴ 1945-60, buckwheat, rye, and rice; 1965-75, rye and rice. ⁵ Cottonseed,

flaxseed, and peanuts. ⁶ All hay, corn silage, corn forage, sorghum silage, and sorghum forage. ⁷ Cabbage, onions, and potatoes. ⁸ Broomcorn, dry edible beans, dry field peas, tung oil (prior to 1971), and seeds for hay and pasture crops.

forage, wheat, cotton, and corn were the big gainers, more than offsetting drops in the value of soybeans, food grains other than wheat, and miscellaneous crops. Practically all farmer-owned stored crops were located on farms; less than 1 percent were stored off farms under CCC loans. There are no data on the amount of farmer-owned crops stored off farms not under CCC loan.

Corn, hay, soybeans, wheat and cotton, usually make up the bulk of stored crops (fig. 6). The January 1, 1975, values of four of these crops were above a year earlier. Corn volume was down one-fourth, but higher prices were more than offsetting. A higher price for hay offset the smaller stocks, and total value climbed 10 percent. The wheat price was slightly lower but the larger volume caused total

value to go up 17 percent. An 8-percent decrease in the price of cotton was outmatched by a 44-percent increase in stocks, and cotton value jumped one-third from a year earlier. The price of soybeans was \$7.03 at the beginning of 1975 compared with \$5.65 a year earlier, but sharply lower stocks took total value down slightly.

Although prices of most farm crops were relatively high by historic standards at the beginning of 1975, farmers reportedly were reluctant to sell for several reasons. Except for cotton, stocks were at relatively low levels and some farmers might have thought that prices would rise. The high net farm income already received in 1974 may have caused some farmers to hold crops until after the first of the year before selling in order to hold down taxable 1974 income.

Too, even though crop prices appeared to be high at the beginning of 1975 they were not as favorable as a year earlier. Crops were produced in 1974 at substantially higher costs than were 1973 crops, but the prices received were not up proportionately. In 1973, farm production expenses of \$65.8 billion generated \$86.9 billion in cash receipts from marketings. In 1974 it took expenses of \$73.4 billion to generate \$93.5 billion in marketings—a 12-percent increase in expenses to produce 8 percent more marketings. Also, the farm production index for all crops (1967=100) fell from 119 for 1973 to 110 for 1974, indicating that the volume of crops fell while production expenditures increased.

Crop	U.S. average price on December 15			Change 1973 to 1974	
	1972	1973	1974		
	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Per cent</i>
Wheat, bu.	2.38	4.78	4.65	-.13	-3
Oats, bu. ....	.81	1.20	1.70	.50	42
Soybeans, bu.	3.95	5.65	7.03	1.38	24
Hay, ton	33.00	46.00	50.70	4.70	10
Cotton (American upland), lb. ....	.26	.48	.44	-.04	-8
Corn, bu.	1.42	2.39	3.27	.88	37
Potatoes, cwt.	2.64	3.99	3.41	-.58	-15

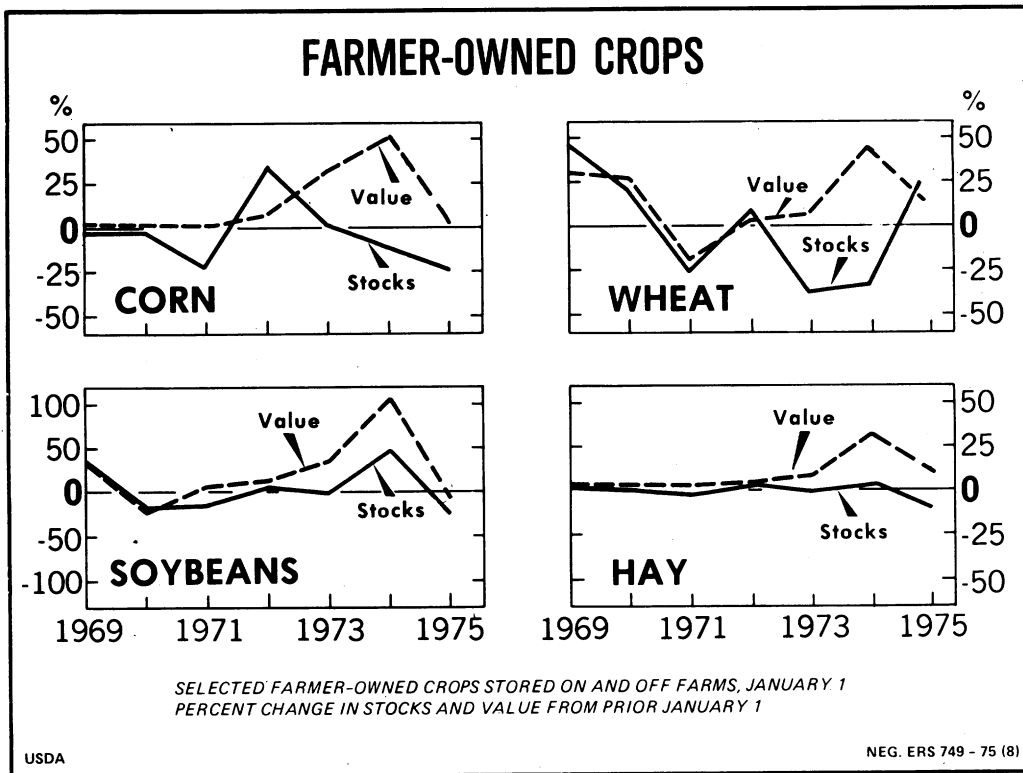


Figure 6

On January 1, 1975, the value of stored crops accounted for about 20 percent of the value of physical assets other than farm real estate; the percentage is usually 14 to 16 percent.

Crop	Farmer-owned stored crops, January 1		Percentage change 1974 to 1975
	1974	1975	
	Millions	Millions	Percent
Wheat, bu.	371	447	21
Oats, bu.	476	389	-18
Soybeans, bu.	656	500	-24
Hay, ton	94	85	-10
Cotton (American upland), lb.	1,888	2,721	44
Corn, bu.	3,379	2,537	-25
Potatoes, cwt.	134	162	21

Table 10—Household equipment and furnishings on farms: Total value and value per farm, January 1, selected years, 1940-75¹

Year	Total value	Value per farm
	Million dollars	Dollars
1940	4,213	660
1945	5,584	940
1950	8,610	1,520
1955	9,992	2,150
1960	9,587	2,420
1965	8,623	2,570
1966	8,578	2,634
1967	8,419	2,663
1968	9,056	2,950
1969	9,588	3,198
1970	9,732	3,295
1971	10,136	3,484
1972	11,019	3,839
1973	12,412	4,365
1974	13,342	4,715
1975 ²	15,427	5,470

¹ Includes Alaska and Hawaii beginning with 1960.

² Preliminary.

Source: Agricultural Research Service.

Household Equipment and Furnishings

The value of household equipment and furnishings rose to a record \$15.4 billion and a record of \$5,470 per farm, respectively, in 1975 (table 10). Increases of \$2.4 billion in total value and \$755 in per farm value reflected the relatively high farm incomes in 1973 and 1974 as well as the higher prices of recently acquired items.

Financial Assets

Farmers' time and demand bank deposits, currency, and U.S. savings bonds totaled a record \$19.3 billion at the beginning of 1975 (table 11). The

Table 11—Selected financial assets owned by U.S. farmers, January 1, selected years, 1940-75¹

Year	Liquid financial assets					Net worth of selected farmer cooperatives	Total financial assets
	Currency	Demand deposits ²	Time deposits	U.S. savings bonds	Total		
	<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>
1940	0.7	1.3	1.2	0.2	3.4	0.8	4.2
1945	2.6	3.6	1.7	3.4	11.3	1.2	12.5
1950	2.5	4.5	2.1	4.7	13.8	2.1	15.9
1955	2.2	4.7	2.5	5.0	14.4	3.1	17.5
1960	1.9	4.3	2.9	4.7	13.8	4.2	18.0
1965	1.9	4.0	3.7	4.2	13.8	5.6	19.4
1966	1.9	4.1	4.0	4.0	14.0	5.9	19.9
1967	1.9	4.1	4.3	3.9	14.2	6.2	20.4
1968	1.9	4.2	4.8	3.8	14.7	6.5	21.2
1969	2.0	4.3	5.2	3.8	15.2	6.8	22.1
1970	2.0	4.4	5.5	3.7	15.6	7.2	22.8
1971	2.0	4.5	5.9	3.6	16.0	7.6	23.6
1972	2.1	4.5	6.6	3.7	16.8	8.1	25.0
1973	2.2	4.7	7.1	4.0	18.0	8.6	26.6
1974	2.2	4.9	7.8	4.2	19.1	9.5	28.6
1975 ³	2.0	4.9	8.1	4.3	19.3	10.5	29.8

¹ Data for 50 States beginning with 1960. ² Figures for 1940 and 1965-75, estimated by USDA. Demand deposits for other

years are estimates of the Board of Governors of the Federal Reserve System. ³ Preliminary.

net increase of \$0.2 billion from a year earlier was substantially less than the rise of \$1.1 billion in 1973 and was the smallest increase since 1966. Of the four components comprising farmers' liquid financial assets, only time deposits and U.S. savings bonds showed increases; demand deposits remained static and currency actually dropped by \$0.2 billion.

At first glance, the slowdown in farmers' accumulation of financial assets seems odd in light of the exceptionally high net farm income of \$27.7 billion realized in 1974. But although high, net farm income in 1974 was considerably lower than the record \$29.5 billion in 1973. As in 1973, farmers may have used an unusually large portion of their own funds for operating expenses and for purchasing major items such as tractors and other machinery to avoid paying high interest rates on loans. An indication of this was a record expenditure for farm machinery and motor vehicles in 1974 despite shortages in some machinery lines. Too, farm nonreal estate debt did not show as much increase in 1974 as in 1973, 10 percent and 16 percent, respectively; even though farm production expenses increased by 11.5 percent in 1974. Farm loans held by banks increased less than loans held by other lenders, which could partially explain the small rise in farmers' bank deposits.

Land purchases may have soaked up an unusually large part of net income as farmers chose to pay larger cash downpayments, despite the fact that there were fewer land sales and prices per acre were higher in 1974.

Farmers' net gain in U.S. savings bond holdings slowed in 1974 from 1973. The decrease was probably related to the slowdown in bank deposits.

The net worth of farmer cooperatives increased slightly more in 1974 than in 1973, rising \$1.0 billion to total \$10.5 billion. Marketing and purchasing associations had a net worth of about \$4.1 billion, more than other kinds of cooperatives. The net worth of production credit associations, Federal land banks, and Federal land bank associations made up about 30 percent of the total, and for the last several years has increased about 15 to 18 percent per year, considerably more than marketing and purchasing cooperatives. Because of the nature of their funding arrangements, it is essential that the farm credit cooperatives maintain a net worth growth commensurate with their rapidly increasing loan volume.

Claims

Farm Debt

The growth in farm debt was slower in 1974 than in 1975, with outstanding debt increasing by \$7.7 billion compared with \$8.7 billion during 1973. The increase was smaller for both real estate and nonreal estate loans (fig. 7). On January 1, 1975, total debt outstanding, excluding Commodity Credit Corporation loans reached \$81.5 billion, 11 percent higher than on January 1, 1974. Commodity Credit Corporation loans outstanding on January 1, 1975, were \$0.3 billion, less than half the year-earlier amount, as price-support activity ebbed further (fig. 8).

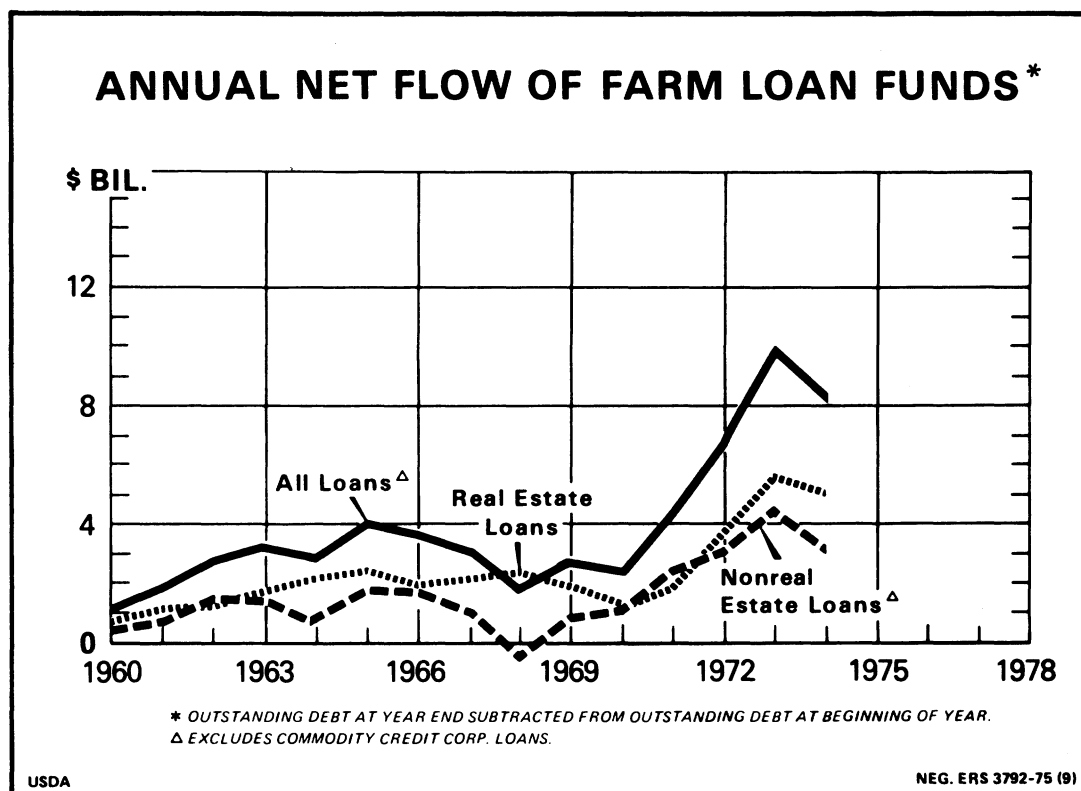


Figure 7

The slower growth in debt during 1974 appeared to reflect greater caution by both farmers and lenders, occasioned by less favorable current incomes and future prospects. The continued weakness in cattle markets reduced credit demands to finance cattle raising and finishing. With rising farm operating costs, a greater part of loan funds appeared to be used for farm operating expenses. Large purchases of farm machinery and some other capital goods in 1973 and early 1974 had probably already resulted in farms being better equipped than at any other time. Farm real estate purchases were fewer in 1974 than the record 1973 level, and even though farm real estate prices were much higher, the lower transfer rate tempered the pressure on farm mortgage loan needs. The continuing rise in interest rates probably also contributed to the weaker loan demand and may have caused farmers to use more of their earnings to finance their operations rather than borrowed money.

The condition of farm debt remained satisfactory during the year. There was a rise in nonreal estate loan renewals from the low level in 1973 when farm income was record high, but generally there were few indications of serious repayment difficulties or of shortages of nonreal estate loan funds occasioned by

a reluctance of lenders to provide funds. The number of delinquent farm real estate loans was also low. Interest rates and charges reached record levels in 1974, reflecting both the growth in outstanding debt and the high interest rate levels.

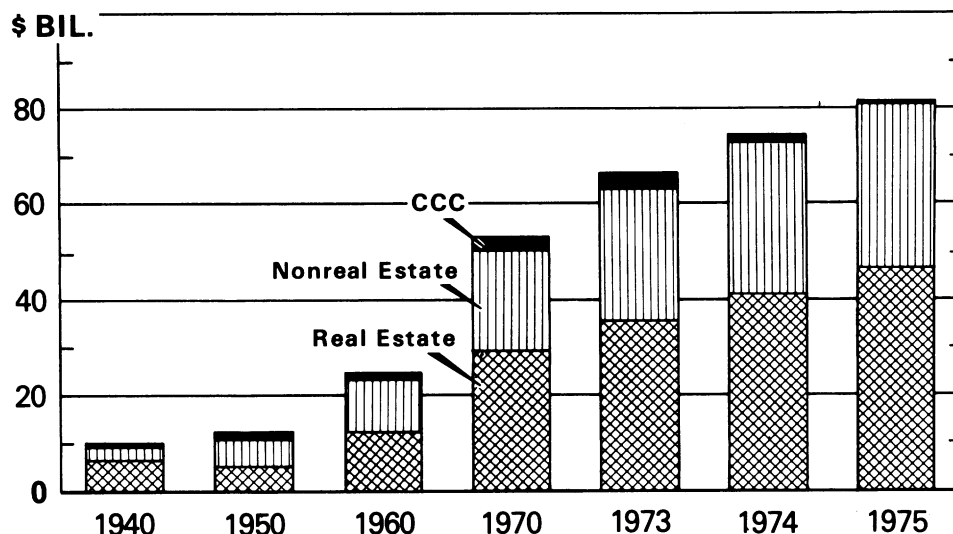
Nonreal Estate Farm Debt

Nonreal estate farm debt (excluding CCC loans) rose 10 percent during 1974, considerably less than the 16-percent increase during 1973 (table 12). Debt owed to the four reporting lender groups rose 11 percent, while the value of outstanding loans made by individuals and others, the group that does not report loan holdings, was estimated to have risen only 2 percent, as in 1973.

Bank farm nonreal estate loans outstanding increased only 6 percent, the smallest rate of increase since 1969. Lending by banks apparently slowed considerably because of the worsening situation for many livestock producers in 1973-74 and tighter loan deposit ratios, particularly in the latter half of 1974 when bank lending was quite slow.

Loans of production credit associations (PCA's) increased 22 percent in 1974 compared with 18 percent in 1973. PCA's are cooperative sources of

FARM DEBT, LOANS OUTSTANDING JANUARY 1



USDA

NEG. ERS 5734-75 (9)

Figure 8

Table 12—Nonreal estate farm debt outstanding, January 1, selected years, 1940-75

Year	Debt owed to reporting institutions (excluding CCC)					Debts owed to individuals and others ²	Total excluding CCC loans	Price support and storage loans made or guaranteed by CCC ³	Total including CCC loans
	All operating banks	Production credit association's	Federal intermediate credit banks ¹	Farmers Home Administration	Total				
	Million dollars								
1940	900	153	32	418	1,503	1,500	3,003	445	3,448
1945	949	188	30	453	1,620	1,100	2,720	683	3,403
1950	2,049	387	51	347	2,834	2,320	5,154	1,721	6,875
1955	2,934	577	58	417	3,986	3,210	7,196	2,219	9,415
1960	4,819	1,361	90	398	6,668	4,860	11,528	1,165	12,693
1961	4,992	1,480	88	420	6,979	4,990	11,969	1,390	13,359
1962	5,316	1,640	99	496	7,551	5,150	12,701	1,866	14,567
1963	5,980	1,839	110	556	8,484	5,680	14,164	2,055	16,219
1964	6,652	2,106	126	594	9,477	6,180	15,657	1,926	17,583
1965	6,990	2,278	125	644	10,036	6,330	16,366	1,543	17,909
1966	7,676	2,579	140	717	11,112	6,950	18,062	1,408	19,470
1967	8,534	3,016	157	738	12,444	7,350	19,794	1,157	20,951
1968	9,272	3,518	176	798	13,764	7,070	20,834	1,420	22,254
1969	9,720	3,826	180	822	14,547	5,840	20,387	2,671	23,058
1970	10,330	4,495	218	785	15,828	5,340	21,168	2,676	23,844
1971	11,102	5,295	220	795	17,412	4,850	22,262	1,876	24,138
1972	12,498	6,078	237	771	19,584	5,060	24,644	2,262	26,906
1973	14,315	6,607	251	781	21,954	5,840	27,794	1,793	29,587
1974	17,167	7,829	331	877	26,204	5,930	32,134	750	32,884
1975	18,238	9,519	374	1,044	29,176	6,050	35,226	319	35,545
	Percent change								
1965-75 ...	160.9	318.0	199.8	62.2	190.7	-4.4	115.2	-79.4	98.5
1973-74 ...	19.9	18.5	31.9	12.4	19.4	1.5	15.6	-58.2	11.1
1974-75 ...	6.2	21.6	12.8	19.1	11.3	2.0	9.6	-57.6	8.1

¹ Loans to and discounts for livestock loan companies and agricultural credit corporations. ² Revised for years 1961-1975. ³ Although price-support loans are nonrecourse loans, they are

treated as debts. Borrowers must either pay them or deliver the commodities on which they are based.

credit organized as part of the Farm Credit System. Loan funds for the PCA's are obtained from the central money markets by sales of debentures by the Federal intermediate credit banks.

Nonreal estate loans of the Farmers Home Administration (FmHA) increased more in 1974 than in 1973, reaching more than \$1 billion on January 1, 1975. FmHA loans are made to farm operators who are unable to qualify for sufficient amounts of credit from private or cooperative lenders; FmHA is the major credit source for these farm operators.

Even though 1974 was a good income year for many farmers, more producers were in unfavorable situations increasing demands for FmHA funds. As in other years, FmHA was able to obtain assistance from other lenders in financing the credit needs of its borrowers. About thirty percent of the operating loan funds provided to FmHA borrowers in 1974 came directly from other lenders.

Since July 1974, FmHA has guaranteed loans to eligible livestock producers otherwise unable to secure enough credit under authority of the Emergency Livestock Credit Act of 1974. By June 30, 1975, after the first year of the program, about 3,000 loans had been made for \$350 million. The program probably was no larger mainly because earning prospects of livestock producers have continued to be rather unfavorable. Nearly 90 percent of the loans were made by banks; only about 9 percent by PCA's. Beef cattle producers obtained about three-fourths of the loans; the remainder were obtained largely by mixed enterprises. The provisions of the Act were liberalized somewhat after the first year, and the program extended until December 31, 1976.

Revision of USDA Estimates of Nonreal Estate Debts Owed to Individuals and Others.

Estimates of total farm debt were lowered substantially by revising the individuals and other component (I&O) of the nonreal estate debt series¹. The revised January 1, 1975, estimate of total debt is \$81.5 billion, compared with the previous estimate of \$92.2 billion, as shown below:

Previous and revised estimates of total farm debt,
Jan. 1, 1975 (million dollars,
excluding CCC loans)

Item	Previous	Revised
Total	\$92,171	\$81,531
Real estate	46,305	46,305
Nonreal estate	45,866	35,226
Reporting institutions	29,176	29,176
Individuals and others	16,690	6,050

The I&O revision followed appraisal of information provided from two Bureau of the Census surveys of farm debt—January 1, 1971, and June 30, 1966. The I&O figure had not been revised since the

¹The revision is described more fully in *Revision of the Nonreal Estate Farm Debt Series of the U.S. Department of Agriculture*, to be published in October 1975.

establishment of a benchmark estimate for January 1, 1961, based on a Census debt survey of that date. Review of the 1966 survey data indicated the Census I&O figures were not greatly different from existing USDA estimates and no benchmark revision was made at that time. However, the 1971 Census survey revealed that much larger differences had developed by that time and a new benchmark has now been completed. For years after the 1971, benchmark estimates are quite tentative, and cannot be considered a final until full results of the 1974 Census of Agriculture become available.

Two related types of evidence from the Census surveys indicated that a massive decline in the importance of the I&O component had occurred. First, the I&O component had become a much smaller part of the Census-reported nonreal estate debt total—dropping from 38 percent of the total in 1966 to 23 percent in 1971. Second, a comparison of Census estimates with USDA estimates, where comparisons were possible for loans of banks, PCA's, and FmHA, indicated that these relationships were fairly consistent. While Census estimates were always below those of USDA, the shortfall was quite uniform in the three different censuses. But the Census/USDA relationship for estimates being used for I&O debt dropped from 53 percent in 1966 to 25 percent in 1971. It was reasoned, therefore, that the USDA estimates of I&O debt should be revised downward.

Institutional Lenders

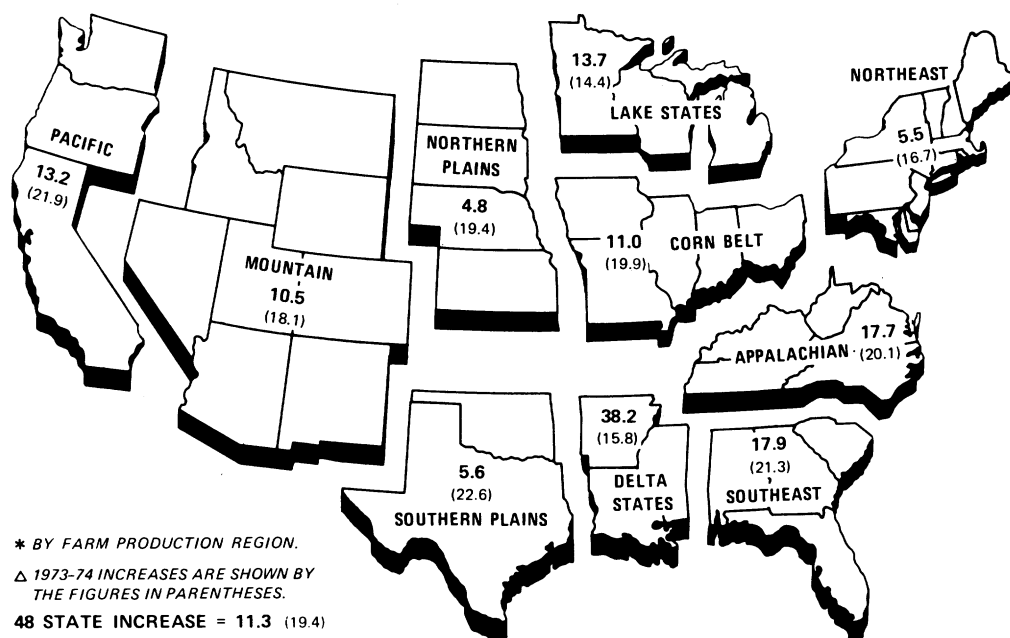
Nonreal estate farms loans of the institutional lenders increased more slowly in most farm production regions during 1974 than in 1973 (fig. 9). Reductions were greater in the Plains States and the Northeast, where the unfavorable livestock and dairy situations were probably important influences. The greater expansion of debt during 1974 than in 1973 in the Delta States possibly reflected enlarged borrowings because of slower marketings of the cotton crop and hence a delay in farm income. Loans of each of the institutional lenders in Mississippi, Arkansas, and Louisiana advanced at a rapid rate in 1974.

Lender Shares

Reflecting the revision of the I&O non-real estate debt and other influences, the shares of the nonreal estate loan market supplied by different lending sources have changed substantially in the last 15 years.

The major changes in relative importance were in loans of PCA's and of the individuals and others group. According to the Census data, the I&O loans became somewhat less important between 1960 and 1966, and had receded much further by 1971. Although benchmark data are not yet available after 1971, rather widespread reports indicated that the

INCREASE IN NONREAL ESTATE FARM LOANS HELD BY ALL OPERATING BANKS AND FEDERALLY SPONSORED AGENCIES JAN. 1, 1973 to JAN. 1, 1975 * Δ



USDA

NEG. ERS 1399-75 (9)

Figure 9

Percent of total nonreal estate farm debt held by each lender source, selected years, 1960-75

Year Jan. 1	All sources	Banks	Production credit associations ¹	Farmers Home Admin.	All institutional lenders	Individuals & others
Percent of Total						
1960	100	41.8	12.6	3.4	57.8	42.2
1965	100	42.7	14.7	3.9	61.3	38.7
1970	100	48.8	22.3	3.7	74.8	25.2
1974	100	53.4	25.4	2.7	81.5	18.5
1975	100	51.8	28.0	3.0	82.8	17.2

¹ Includes loans to other financial institutions by the Federal intermediate credit banks.

merchant and dealer component of the I&O debt has ebbed further in recent years; the estimates for 1972-75 reflects this assumption.

Among the other lenders, PCA's have been the major gainer. PCA loans outstanding now make up more than twice the proportion of 1960, and are still rising.

Farm Real Estate Debt

Farm mortgage debt increased about 12 percent in 1974 compared with a 15-percent gain in 1973. Total debt on January 1, 1975, was \$46.3 billion, about \$5.0 billion more than a year earlier (table 13). Loans of individuals and others increased only 9 percent during 1974, half the rate of increase of the previous

year. Lending by banks also slowed. Somewhat like the gains shown by PCA's in nonreal estate lending, loans of the Federal land banks increased more rapidly in 1974 than in 1973, continuing to gain relative to the other lenders. The Federal land banks obtain funds by selling bonds in the central money market, and were able to provide all the funds their prospective customers desired to borrow at the going interest rate. Some of the other lenders were more limited in availability of loan funds. Individuals and others, largely farmers who finance the sale of their farms, often are residual lenders who provide financing on an interim basis if funds are not available from other loan sources. The slow growth of I&O loans in 1974 may have reflected the increased Federal land bank role.

Table 13—Real estate farm debt outstanding January 1, selected years, 1940-75¹

Year	Federal land banks ¹	Farmers Home Admin. ²	Life Insurance co's. ³	Commercial banks ²	Individuals and others ⁴	Total
<i>Million dollars</i>						
1940	2,815	32	948	534	2,221	6,586
1945	1,562	196	938	450	1,795	4,941
1950	965	202	1,172	932	2,308	5,579
1955	1,280	378	2,052	1,161	3,374	8,245
1960	2,335	676	2,820	1,523	4,828	12,082
1961	2,539	723	2,975	1,592	4,992	12,820
1962	2,803	948	3,162	1,641	5,345	13,899
1963	3,024	1,058	3,391	1,870	5,824	15,168
1964	3,282	1,171	3,781	2,137	6,433	16,804
1965	3,687	1,285	4,288	2,417	7,218	18,894
1966	4,240	1,497	4,802	2,608	8,040	21,187
1967	4,915	1,663	5,214	2,770	8,516	23,077
1968	5,563	1,844	5,540	3,061	9,135	25,142
1969	6,081	2,054	5,764	3,333	10,165	27,397
1970	6,671	2,280	5,734	3,545	10,953	29,183
1971	7,145	2,440	5,610	3,772	11,378	30,346
1972	7,880	2,618	5,564	4,218	11,927	32,208
1973	9,050	2,835	5,643	4,792	13,437	35,758
1974	10,901	3,013	5,965	5,458	15,915	41,253
1975 ⁵	13,402	3,212	6,317	5,966	17,408	46,305
<i>Percent increase</i>						
1965-75	263.5	150.0	47.3	146.8	141.2	145.1
1973-74	20.4	6.3	5.7	13.9	18.4	15.4
1974-75 ⁵	22.9	6.6	5.9	9.3	9.4	12.2

¹Includes data for joint stock land banks and Federal Farm Mortgage Corporation. ²Farmers Home Administration loans prior to 1973 were revised so that all of their insured loans were

included with direct loans in the FmHA total rather than being included with commercial banks or others. ³Life Insurance Institute Tally sheet. ⁴Estimated by ERS, USDA. ⁵Preliminary.

Percent of total real estate farm debt held by each lender source, selected years, 1960-1975

Year Jan. 1	All sources	Commercial banks	Federal land banks	Life Insurance companies	Farmers Home Admin.	All institutional lenders	Individuals and others
<i>Percent</i>							
1960	100	12.6	19.3	23.4	5.6	60.9	39.1
1965	100	12.8	19.5	22.7	6.8	61.8	38.2
1970	100	12.2	22.9	19.6	7.8	62.5	37.5
1974	100	13.2	26.4	14.5	7.3	61.4	38.6
1975	100	12.9	28.9	13.7	6.9	62.4	17.6

The rapid shift in market share and the sharp increase in funds provided by the Federal land banks are dramatic evidence of the changes in lending policies which were the result of the Farm Credit Act of 1971. The shift also reflects the inability of insurance companies to increase their allocation of funds in agriculture in a time of rising demand for loan funds.

Interest Rates and Charges

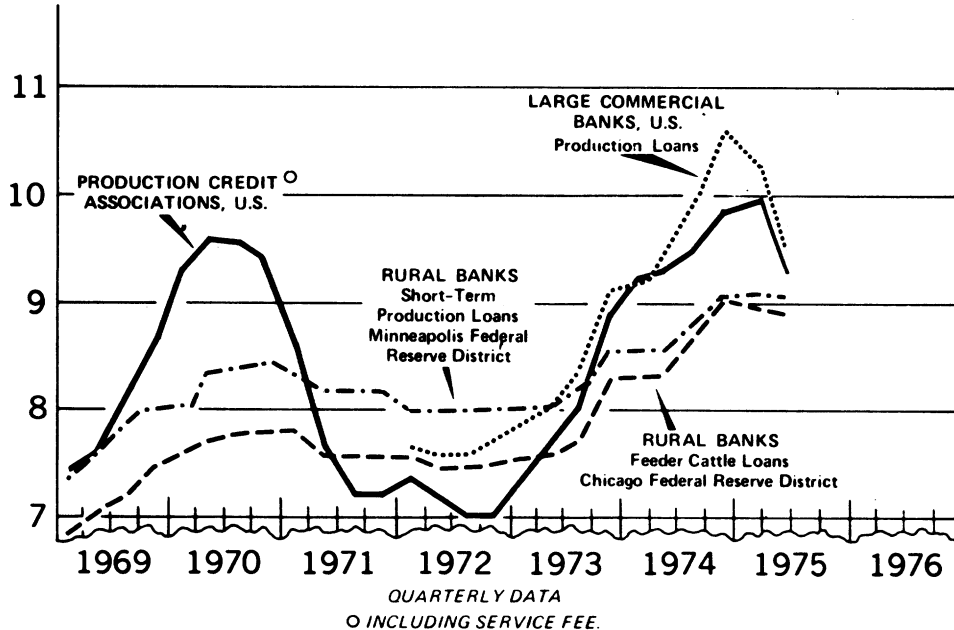
Interest rates on both nonreal estate and real estate farm loans advanced to new highs in 1974. Rates on nonreal estate loans reached about 10 percent for loans of the PCA's, and around 9 percent for rural banks in the midwest (fig. 10). PCA interest rates reflect the cost of their funds in the central money

markets; during most of 1974 these rates were at high levels. Rates declined in early 1975. Borrowers obtaining PCA loans have an additional cost of purchasing stock in the local loan cooperative, typically equal to about 5 percent of the amount borrowed which increases the cost of the loan. Rates at rural banks are less influenced by money market rates than are PCA loans. Rates on FmHA operating loans averaged 7.6 percent in 1974, up more than one percentage point from 1973.

Interest rates charged on new Federal land bank loans continued to advance in 1974 and by year-end were above 8½ percent (figure 11). Rates on life insurance loans also continued to rise, and were above 10 percent by the end of the year. Insurance company loan rates are subject to usury statutes, and in some States insurance companies withdrew from

INTEREST RATES ON NONREAL ESTATE FARM LOANS

PERCENT



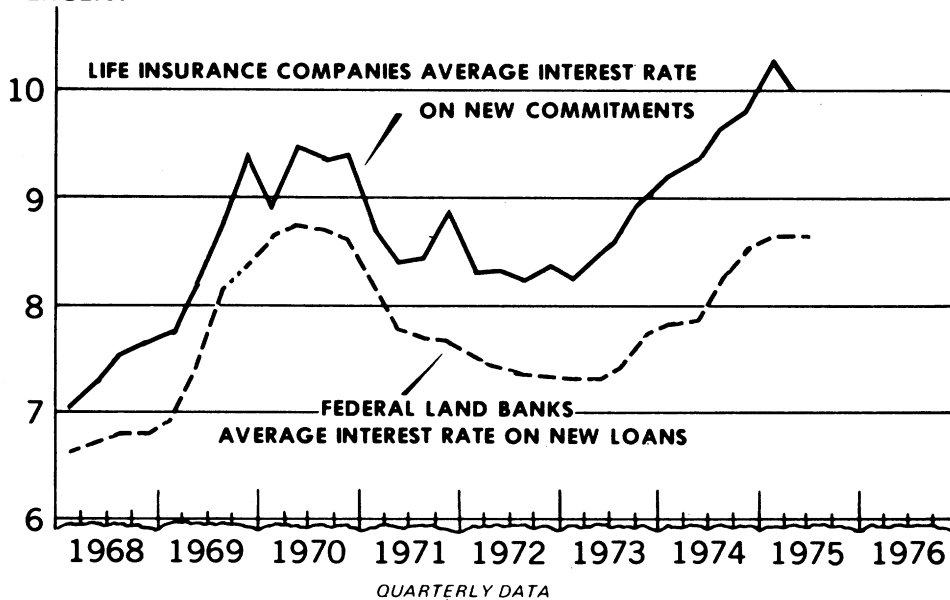
USDA

NEG. ERS 569-75(5)

Figure 10

INTEREST RATES ON FARM REAL ESTATE LOANS

PERCENT



USDA

NEG. ERS 8958-75 (9)

Figure 11

lending because the rates the companies were allowed to charge were not considered adequate. Rates charged by the Federal land banks are not subject to the State usury laws. Federal land bank borrowers, like PCA borrowers, purchase stock in the Federal land bank cooperative, usually about 5 percent of the amount borrowed.

Interest charges—Charges on both nonreal estate and real estate debt jumped sharply in 1974, as shown in table 14. The amount borrowed was larger, and rates averaged much higher. The total interest charge has been lowered, however, from previous estimates because of the smaller amount of nonreal estate debt. This revision resulted in a reduction in total interest charges of about \$½ billion.

Proprietors' Equity in Farm Assets

Equity in farm assets totaled \$438.4 billion on January 1, 1975, showing a gain of \$36.6 billion. The increase was much smaller than the record \$82.5 billion gain between 1973 and 1974, held down by a much smaller increase in real estate value and a \$17.8 billion decline in the value of livestock and poultry.

Although the \$46.1 billion increase in total farm real estate value during 1974 was considerably less than during 1973, equity in real estate still showed a sizeable gain of \$39.9 billion during 1974 (table 15). On the other hand, equity in farm nonreal estate assets registered a decline of \$4.3 billion from the January 1, 1974, level of \$117.7 billion, but was still the second highest on record.

The decline in equity value of nonreal estate farm assets was directly attributable to the sharp drop in value of cattle and calves on farms January 1, 1975, compared with January 1, 1974, without a corresponding reduction in the debt owed on the cattle. However, equity in machinery, equipment, and motor vehicles gained some during 1974. Machinery and motor vehicle value increased more than the debt against them. This helps to substantiate the belief that farmers in 1974, as in 1973, made proportionately larger cash payments on purchases than was the case prior to 1973.

The debt-to-asset ratio on January 1, 1975, for farm real estate remained about half that for nonreal estate items (fig. 12). The ratio for real estate showed a very slight gain over January 1, 1974, but the ratio for nonreal estate items rose 2.1 percentage points, the largest on record.

Compared with the 1950's and early 1960's, there has been a substantial increase over the last several years in the debt-to-asset ratios for both real estate and nonreal estate. Farmers have tended to use larger amounts of borrowed money for major capital investment and operating expenses. The gradual trend to higher debt-to-asset ratios will likely continue as proprietors take advantage of the increasing farmland value by borrowing on the appreciated value. And if farmland prices continue to post substantial annual gains, a proportionately larger amount of borrowed money will probably be involved in farmland purchases.

Table 14—Annual interest charges on the farm debt, 1960-74

Year	Total	Charges on farm mortgage debt	Charges ¹ on nonreal estate debt owed to—				
			All lenders	Commercial banks	Production credit associations	Farmers Home Admin.	Individuals and others ³
Million dollars							
1960	1,338	628	710	301	120	21	268
1961	1,416	686	730	313	117	23	276
1962	1,556	759	797	350	125	27	294
1963	1,733	846	887	392	142	30	322
1964	1,897	952	945	411	161	33	340
1965	2,085	1,075	1,010	435	179	36	361
1966	2,324	1,198	1,126	485	214	38	389
1967	2,569	1,325	1,244	547	265	40	392
1968	2,777	1,472	1,305	613	300	42	350
1969	3,019	1,625	1,394	689	354	47	304
1970	3,336	1,764	1,572	767	479	49	277
1971	3,502	1,905	1,597	818	459	51	269
1972	3,861	2,132	1,729	903	483	47	296
1973	4,619	2,487	2,132	1,144	616	51	320
1974 ⁴	5,669	2,948	2,721	1,450	870	75	326
Percent change							
1969-74	87.8	81.4	95.2	110.4	145.8	59.6	7.2
1973-74	22.7	18.5	27.6	26.7	41.2	47.1	1.9

¹Includes service fees. Excludes interest charges on Commodity Credit Corporation price support loans and interest charges on debt for family living purposes. ²In addition to

production credit associations, includes Federal intermediate credit bank loans to and discounts for livestock loan companies and agricultural credit corporation. ³Revised. ⁴Preliminary.

Table 15—Proprietors' equity in farm real estate and nonreal estate assets, January 1, 1940-75¹

Year (Jan. 1)	Farm real estate				Farm nonreal estate			
	Value	Debt out- standing	Equity	Debt-to- asset ratio	Value	Debt out- standing ²	Equity	Debt-to- asset ratio
	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Percent</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Million dollars</i>	<i>Percent</i>
1940	33,636	6,586	27,050	19.6	19,389	3,449	15,940	17.8
1941	34,400	6,494	27,906	18.9	20,456	3,976	16,480	19.4
1942	37,547	6,376	31,171	17.0	25,428	4,092	21,336	16.1
1943	41,604	5,956	35,648	14.3	32,270	3,944	28,326	12.2
1944	48,200	5,396	42,804	11.2	36,362	3,475	32,887	9.6
1945	53,884	4,941	48,286	9.2	40,256	3,403	36,853	8.5
1946	61,046	4,760	56,186	7.8	42,437	3,145	39,292	7.4
1947	68,463	4,897	63,566	7.2	47,936	3,516	44,420	7.3
1948	73,664	5,064	68,600	6.9	54,163	4,174	49,989	7.7
1949	76,623	5,288	71,335	6.9	58,222	6,082	52,140	10.4
1950	75,256	5,579	69,677	7.4	57,113	6,875	50,238	12.0
1951	86,586	6,112	80,474	7.1	64,938	6,964	57,974	10.7
1952	95,078	6,662	88,416	7.0	71,922	7,981	63,941	11.1
1953	96,535	7,241	89,294	7.5	67,937	8,859	59,078	13.0
1954	95,038	7,740	87,298	8.1	66,259	9,194	57,065	13.9
1955	98,172	8,245	89,927	8.4	66,948	9,415	57,533	14.1
1956	102,934	9,012	93,922	8.8	66,624	9,780	56,844	14.7
1957	110,421	9,822	100,599	8.9	67,488	9,523	57,965	14.1
1958	115,934	10,382	105,552	9.0	69,824	10,029	59,795	14.4
1959	124,393	11,091	113,302	8.9	77,737	12,558	65,179	16.2
1960	130,561	12,082	118,479	9.2	73,390	12,693	60,697	17.3
1961	132,169	12,820	119,349	9.7	72,588	13,359	59,229	18.4
1962	138,399	13,899	124,500	10.0	74,986	14,527	60,419	19.4
1963	144,303	15,168	129,135	10.5	77,710	16,219	61,491	20.9
1964	152,616	16,804	135,812	11.0	77,271	17,583	59,688	22.7
1965	161,464	18,984	142,570	11.7	76,529	17,909	58,620	23.4
1966	172,762	21,187	151,575	12.3	81,805	19,470	62,335	23.8
1967	182,242	23,077	159,165	12.7	85,255	20,951	64,304	24.6
1968	192,472	25,142	167,330	13.1	88,500	22,234	66,266	25.1
1969	201,392	27,397	173,995	13.6	93,793	23,058	70,735	24.6
1970	206,856	29,183	177,673	14.1	99,264	23,844	75,420	24.0
1971	214,951	30,346	184,605	14.1	102,552	24,138	78,414	23.5
1972	231,462	32,208	199,254	13.9	111,616	26,886	84,730	24.1
1973	260,556	35,758	224,798	13.7	126,903	29,587	97,316	23.3
1974	325,339	41,253	284,086	12.7	150,556	32,885	117,671	21.8
1975 ³	371,335	46,306	325,049	12.5	148,878	35,545	113,333	23.9

¹ Includes Alaska and Hawaii beginning with 1960. ² Includes CCC loans. ³ Preliminary.

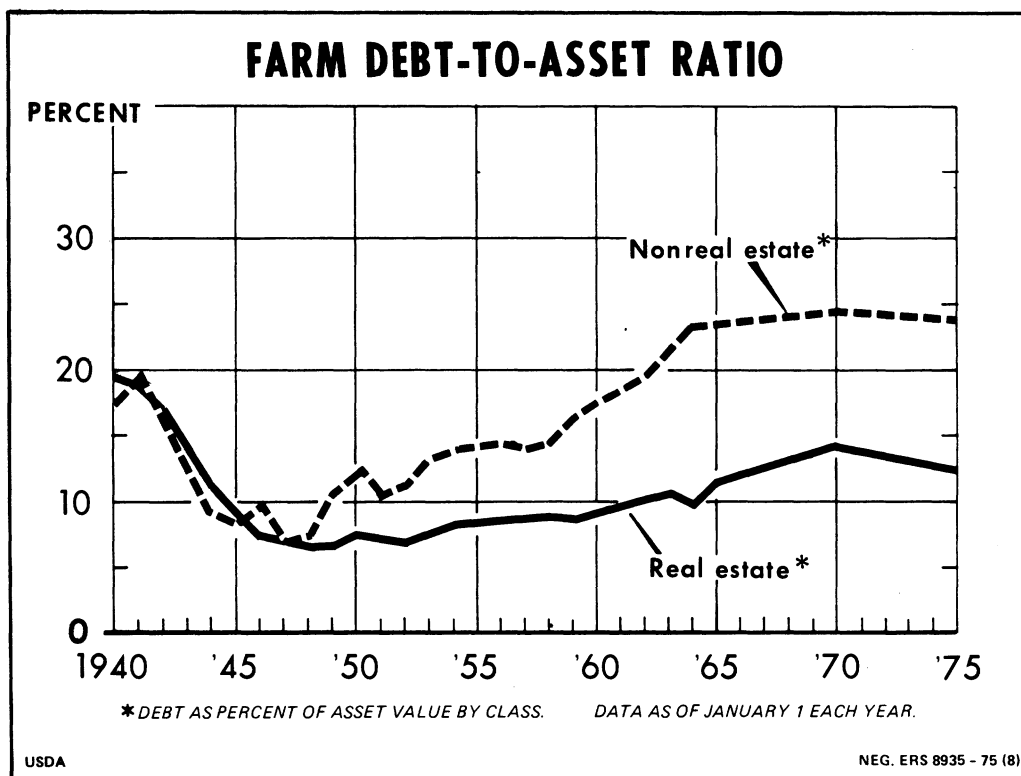


Figure 12

FACTORS INFLUENCING THE 1975 BALANCE SHEET

Farm Income

Realized net farm income of farm operators of \$27.7 billion in 1974 was some 6 percent short of the record \$29.5 billion of 1973 (table 16). However, 1974 was the second best year on record and was 60 percent higher than 1972. In 1974, realized gross farm income edged over the \$100 billion mark for the first time as cash receipts from farm marketings rose \$6.6 billion to an unprecedented \$93.5 billion (fig. 13). Crop receipts of \$52.1 billion were \$11.0 billion higher than in 1973, and more than offset lower livestock and livestock product receipts which dropped \$4.4 billion to a reduced total of \$41.4 billion. Direct Government payments fell sharply from \$2.6 billion in 1973 to \$0.5 billion in 1974. Production expenses increased 12 percent, more than offsetting the gain in gross farm income and dropping realized net income below the 1973 level.

Higher cash receipts from crops in 1974 were due to a slight increase in quantities marketed plus a sharp rise in prices farmers received. The index of the physical volume of crop marketings (1967=100) was down less than 1 percent in 1974, whereas the index of prices received by farmers for all crops jumped 30 percent. Prices received by farmers in 1974 for

livestock and livestock products dropped 17 percent from 1973. Although the volume of livestock and livestock products marketed remained about the same as in 1973, cash receipts from those sales decreased 10 percent. Dairy products and eggs were the only two livestock product groups registering a cash-receipt increase (table 17). The \$1.3 billion increase in dairy products helped offset the \$5.1 billion cut in receipts for cattle, calves, and hogs.

Sales of corn, wheat, and soybeans comprised 51 percent of the value of total crop marketings in 1974 and accounted for over half of the rise in cash receipts from crops. Other crops registering sizeable increases included hay, rice, tobacco, potatoes, sugarcane for sugar, and sugar beets.

Farm production expenses of \$73.4 billion in 1974 were \$7.6 billion above 1973, the second largest annual increase on record. Prices paid by farmers for production items, interest, taxes, and farm wages increased 16.5 percent in 1974, nearly as fast as in 1973. Prices paid by farmers to buy livestock were 24 percent lower than in 1973 but prices paid for other production items increased. Feed prices rose 17 percent; motor supply prices, 33 percent; building and fencing material prices, 24 percent; and fertilizer prices were 37 percent higher than in 1973. Farmers

Table 16—Comparative income statement of U.S. agriculture, selected years, 1940-74¹

Item	1940	1950	1960	1969	1970	1971 ²	1972 ²	1973 ³	1974	1975	1976
	<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>
Realized Net Farm Income of Farm Operators											
Realized gross farm income:											
Cash receipts from farm marketings	8,382	28,461	34,248	48,179	50,539	52,859	61,190	86,875	93,521		
Government payments to farm operators and landlords	723	283	702	3,794	3,717	3,145	3,961	2,607	530		
Home consumption of farm products . .	1,210	2,063	1,205	731	751	732	831	1,105	1,299		
Rental value of farm dwellings	744	1,464	2,098	3,046	3,019	3,226	3,474	3,913	4,880		
Other farm income	0	20	244	559	543	641	663	811	882		
Total	11,059	32,291	38,497	56,309	58,569	60,603	70,119	95,311	101,112		
Production costs:											
Feed bought	998	3,283	4,552	7,100	8,028	8,049	8,397	13,237	14,996		
Livestock bought, except horses and mules	517	2,004	2,506	4,225	4,324	5,123	6,668	8,063	5,154		
Fertilizer and lime bought	306	975	1,344	2,312	2,390	2,633	2,690	3,050	5,606		
Repairs and operation of capital items . .	1,038	2,975	3,982	4,507	4,539	4,707	4,708	5,198	6,462		
Depreciation and other consumption of farm capital	797	2,665	4,337	6,574	6,760	7,350	7,887	8,937	10,640		
Taxes on farm real estate and personal property	451	919	1,529	2,456	2,596	2,704	2,815	2,886	2,980		
Seed bought	197	518	519	871	927	1,072	1,115	1,598	2,032		
Wages to hired labor (cash and perquisites)	1,029	2,811	3,062	4,152	4,349	4,367	4,594	5,232	6,031		
Net rent and Government payments to non-operator landlords ⁵	448	1,233	1,124	2,061	2,132	2,246	3,491	5,694	5,907		
Interest on farm mortgage debt	293	264	628	1,625	1,764	1,905	2,132	2,487	2,986		
Miscellaneous	784	1,808	3,793	6,514	6,979	7,650	8,312	9,457	10,611		
Total	6,858	19,455	27,376	42,397	44,788	47,806	52,809	65,839	73,405		
Realized net farm income of farm operators ⁶	4,201	12,836	11,121	13,912	13,781	12,797	17,310	29,472	27,707		
Realized net farm income per farm (dollars) ⁶	662	2,273	2,806	4,639	4,665	4,399	6,032	10,363	9,789		
Realized Net Farm Income of Proprietors											
Realized net farm income of farm operators ⁶	4,201	12,836	11,121	13,912	13,781	12,797	17,310	29,472	27,707		
Net rent and Government payments to Non-operator landlords	448	1,233	1,124	2,061	2,132	2,246	3,491	5,694	5,907		
Realized net farm income of proprietors ⁶ . .	4,649	14,069	12,245	15,973	15,913	15,043	20,801	35,166	33,614		

¹ Includes Alaska and Hawaii beginning with 1960.
² Revised. ³ Preliminary. ⁴ Machine hire and custom

work and recreational income. ⁵ After subtraction of taxes, mortgage interest and other expenses paid by

landlords. ⁶ Realized net farm income excludes net changes in farm inventories.

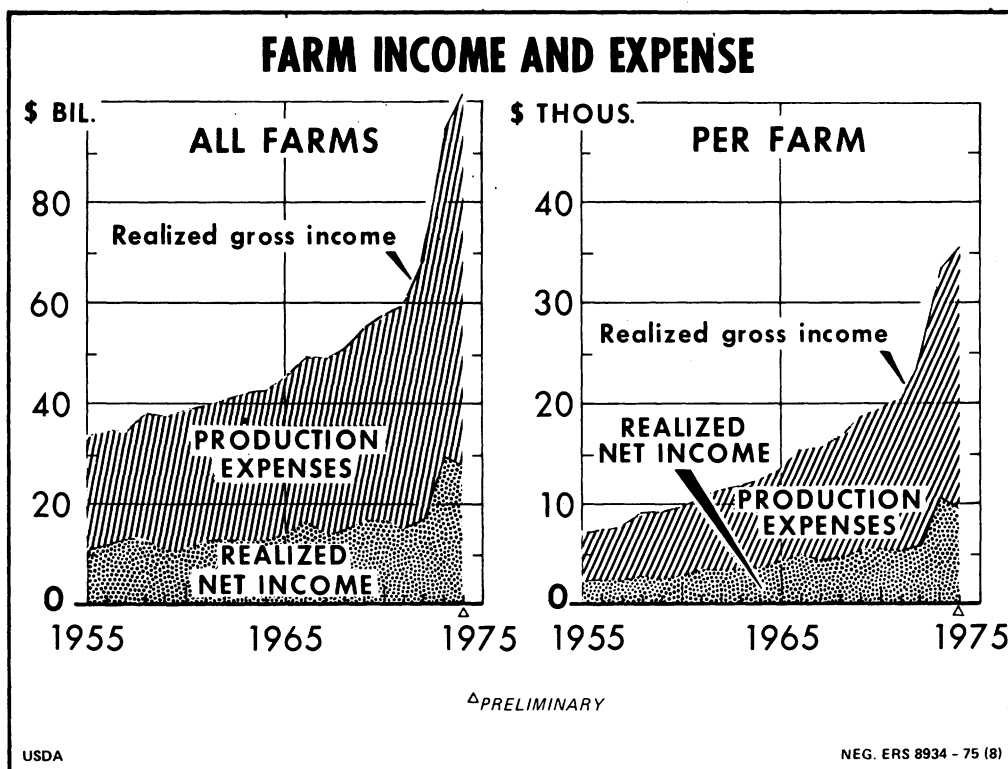


Figure 13

Table 17—Cash receipts from marketings of livestock and crops, 1972-74

Commodity	1972	1973	1974
	Million dollars	Million dollars	Million dollars
All Commodities	61,190	86,875	93,521
Livestock and products	35,670	45,824	41,424
Cattle and calves	18,246	22,410	17,889
Hogs	5,376	7,604	7,002
Sheep and lambs	352	389	366
Dairy products	7,135	8,080	9,399
Eggs	1,820	2,871	2,878
Broilers and farm chickens ..	1,752	2,904	2,604
Turkeys	630	1,049	803
Other livestock products ¹ ..	359	517	483
Crops	25,520	41,051	52,097
Food grains	3,498	7,086	9,276
Feed crops	5,854	10,604	13,882
Cotton and cottonseed	1,842	2,787	2,975
Oil bearing crops	4,393	7,585	9,604
Tobacco	1,442	1,570	2,146
Fruit and tree nuts	2,557	3,401	3,476
Vegetables	3,286	4,450	5,358
Other crops ²	2,648	3,568	5,380

¹ Ducks, geese, pigeons, wool, horses, mules, mohair, honey, beeswax, bees, and fur animals. ² Sugar crops, greenhouse and nursery products, forest products, legumes and grass seeds, hops, mint, broomcorn, popcorn, hemp fiber and seed, and flax fiber.

planted about 10 million more acres than in 1973, which further contributed to total farm production, expenses.

Farm Production Assets and Earnings

The market value of farm production assets, those assets used in actual production of farm goods, reached \$428.8 billion as of January 1, 1975—9 percent above the value at the beginning of 1974 but less than the 24-percent increase experienced during 1973 (table 18). Real estate values slowed from the 25-percent rate of increase during 1973, but still rose 14 percent. The value of machinery and motor vehicles was 27 percent higher on January 1, 1975, because of increased prices. Livestock value took a substantial drop to about three-fifths of the previous year because of a sharp drop in cattle prices.

On January 1, 1975, production assets per farm were estimated at \$162,270, which was 9 percent greater than a year earlier. The increase, although substantial, was less than half as much as the increase during 1973.

The value of assets per worker rose by \$9,000 and reached \$98,540 on January 1, 1975, nearly double the value 5 years earlier.

Farmers' total equity in production assets was \$326.4 billion at the beginning of 1974, but lower net income during 1974 caused the ratio of earnings to equity to decrease substantially (table 19). The average return to equity in farm production assets was 5.8 percent in 1974, considerably below the 10.5-percent return in 1973 but still above the levels of returns experienced during other recent years.

Table 18—Value of production assets: Total, per farm and per farm worker, January 1, 1969-75

Year	Farm real estate ¹	Livestock ²	Machinery and motor vehicles ³	Other ⁴	Total
<i>Billion dollars</i>					
Total					
1969	181.7	20.2	28.0	9.1	239.0
1970	187.2	23.5	29.0	9.4	249.0
1971	194.9	23.7	30.8	9.6	258.9
1972	209.9	27.3	32.9	10.0	280.2
1973	236.6	34.1	35.3	11.4	317.4
1974	295.6	42.4	40.4	14.6	393.0
1975 ⁵	337.8	24.6	51.2	15.2	428.8
<i>Dollars</i>					
Per farm					
1969	64,810	6,750	9,350	3,050	83,960
1970	68,520	7,950	9,820	3,190	89,480
1971	72,660	8,150	10,600	3,280	94,690
1972	79,460	9,500	11,470	3,500	103,930
1973	90,700	11,980	12,410	4,020	119,110
1974	114,250	14,980	14,270	5,140	148,640
1975 ⁵	131,080	8,420	17,560	5,210	162,270
<i>Dollars</i>					
Per farm worker					
1969	36,900	4,120	5,700	1,860	48,580
1970	39,240	4,930	6,080	1,980	52,230
1971	42,290	5,140	6,690	2,070	56,190
1972	46,260	6,010	7,250	2,210	61,730
1973	53,120	7,650	7,930	2,570	71,270
1974	67,370	9,650	9,200	3,320	89,540
1975 ⁵	77,620	5,650	11,770	3,500	98,540

¹ Farmland and service buildings, excluding operator's dwellings, as of March 1. ² Excludes horses and mules. ³ Includes 40 percent of the value of automobiles on farms and 78 percent of the value of farm trucks and all other farm machinery.

⁴ Includes one-half of the January 1 inventory of feed crops, (excluding crops under CCC loans), all hay and forage stored on farms, and working capital needed to meet farm production expenses. ⁵ Preliminary.

Table 19—Return to equity in farm production assets from production income, 1969-74

Year	Net income from production ¹	Imputed return to—		Interest on debt ⁴	Residual earnings to equity in production assets	Equity in production assets ⁵	Ratio of earnings to asset equity ⁶
		Labor ²	Management ³				
	Million dollars				Percent		
1969	22,165	9,823	2,599	3,003	6,740	193,945	3.5
1970	22,489	9,842	2,713	3,319	6,615	201,406	3.3
1971	23,153	10,240	2,800	3,484	6,629	209,172	3.2
1972	28,895	10,444	3,258	3,841	11,309	226,371	5.0
1973	47,188	11,244	4,474	4,596	26,874	257,108	10.5
1974	41,829	12,581	4,703	5,680	18,865	326,393	5.8

¹ Total net income of farm operators from farming plus cash wages and perquisites of hired labor, interest on real estate and nonreal estate debt, and net rent to nonfarm landlords, minus the imputed interest portion of the rental value of farm dwellings. ² Number of manhours needed for farm production times the average wage of hired workers without room and

board. ³ Five percent of the total of cash receipts from farm production and Government payments. ⁴ Interest on real estate and nonreal estate debt, excluding mortgage interest on the farm dwellings. ⁵ Market value, January 1. ⁶ Calculated on the market value of equity in production assets, January 1.

BALANCE SHEET OF THE FARMING SECTOR BY VALUE OF SALES CLASS, 1973-74

The total number of farms dropped slightly in 1974 (table 20). Rising cash receipts from sales of farm products caused the number of farms in higher sales classes to increase. This raised the total value of assets and debts of farms in these classes (tables 21-24). Per farm averages of asset values followed the same trends by value of sales class as total values but

this was not true for liabilities. Large farms saw their debts increase sharply over debts in 1973 while farms in classes III through VI experienced a slight decrease. However, the debt-to-asset ratio of only the largest class of farms showed an increase for 1974 over 1973.

Table 20—Number of farms and acreage by value of sales class, 1973-74

Value of sales class ¹	Number of farms		Acres in farms		Acres per farm	
	1973	1974	1973	1974	1973	1974
	<i>Thousand</i>		<i>Thousand acres</i>		<i>Acres</i>	
IA	106	115	251,139	259,992	2,369	2,261
IB	328	355	249,037	257,895	759	726
II	550	588	245,885	251,605	447	428
III	334	325	102,977	95,400	308	294
IV	269	246	52,540	46,128	195	188
V	485	494	66,200	63,950	136	129
VI	772	707	83,012	73,385	108	104
All farms	2,844	2,830	1,050,790	1,048,355	369	370

¹ IA, \$100,000 and over; IB, \$40,000 to \$99,999; II, \$20,000 to \$39,999; III, \$10,000 to \$19,999; IV, \$5,000 to \$9,999; V, \$2,500 to \$4,999; VI, less than \$2,500 of sales.

Table 21—Balance sheet of the farming sector by value of sales class, January 1, 1973

Item	Gross sales							
	IA	IB	II	III	IV	V	VI	All farms
	\$100,000 and over	\$40,000 to \$99,999	\$20,000 to \$39,999	\$10,000 to \$19,999	\$5,000 to \$9,999	\$2,500 to \$4,999	Less than \$2,500	
Total								
ASSETS	<i>Million dollars</i>							
Physical assets:								
Real estate	55,498	63,316	63,576	25,534	13,809	18,760	20,063	260,556
Nonreal estate:								
Livestock and poultry ¹	10,177	7,958	8,080	3,065	1,565	1,917	1,319	34,081
Machinery and motor vehicles	6,128	9,938	10,999	4,321	2,200	2,868	2,828	39,282
Crops stored on and off farms ²	2,374	4,257	4,735	1,651	652	550	261	14,480
Household equipment and furnishings	2,631	2,607	2,470	1,030	670	1,080	1,924	12,412
Financial assets:								
Deposits and currency	4,132	2,559	2,375	1,182	791	897	2,088	14,024
U.S. savings bonds	451	543	635	431	367	427	1,137	3,991
Investments in cooperatives	3,143	1,959	1,748	831	418	281	253	8,633
Total	84,534	93,137	94,618	38,045	20,472	26,780	29,873	387,459
CLAIMS								
Liabilities:								
Real estate debt	9,296	10,012	7,867	3,576	1,788	1,788	1,430	35,757
Nonreal estate debt:								
Excluding CCC loans	10,839	5,837	5,281	3,057	1,112	834	834	27,794
CCC loans ³	229	520	545	280	122	63	34	1,793
Total liabilities	20,364	16,369	13,693	6,913	3,022	2,685	2,298	65,344
Proprietors' equities	64,170	76,768	80,925	31,132	17,450	24,095	27,575	322,115
Total	84,534	93,137	94,618	38,045	20,472	26,780	29,873	387,459
	<i>Percent</i>							
Debt to asset ratio	24.1	17.6	14.5	18.2	14.8	10.0	7.7	16.9
Per farm								
ASSETS	<i>Dollars</i>							
Physical assets:								
Real estate	523,566	193,036	115,593	76,450	51,335	38,680	25,989	91,616
Nonreal estate:								
Livestock and poultry ¹	96,009	24,262	14,691	9,177	5,818	3,953	1,709	11,983
Machinery and motor vehicles	57,811	30,299	19,998	12,937	8,178	5,913	3,663	13,812
Crops stored on and off farms ²	22,396	12,979	8,609	4,943	2,424	1,134	338	5,091
Household equipment and furnishings	24,822	7,948	4,492	3,083	2,490	2,227	2,492	4,364
Financial assets:								
Deposits and currency	38,981	7,802	4,318	3,539	2,941	1,849	2,705	4,931
U.S. savings bonds	4,255	1,655	1,155	1,290	1,364	880	1,473	1,403
Investments in cooperatives	29,651	5,973	3,177	2,488	1,554	580	327	3,037
Total	797,491	283,954	172,033	113,907	76,104	55,216	38,696	136,237
CLAIMS								
Liabilities:								
Real estate debt	87,699	30,524	14,304	10,707	6,647	3,686	1,854	12,573
Nonreal estate debt:								
Excluding CCC loans	102,254	17,796	9,601	9,153	4,134	1,720	1,080	9,773
CCC loans ³	2,160	1,585	991	838	453	130	44	630
Total liabilities	192,113	49,905	24,896	20,697	11,234	5,536	2,978	22,976
Proprietors' equities	605,378	234,049	147,137	93,210	64,870	49,680	35,718	113,261
Total	797,491	283,954	172,033	113,907	76,104	55,216	38,696	136,237
	<i>Percent</i>							
Debt to asset ratio	24.1	17.6	14.5	18.2	14.8	10.0	7.7	16.9

¹ Excluding horses, mules, and commercial broilers. ² All crops held on farms including crops under CCC loans and crops held off farms as security for CCC loans to farmers. ³ Nonrecourse

CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 22—Percentage distribution of balance sheet of the farming sector by value of sales class, January 1, 1973

Item	Gross sales							
	IA	IB	II	III	IV	V	VI	All farms
	\$100,000 and over	\$40,000 to \$99,999	\$20,000 to \$39,999	\$10,000 to \$19,999	\$5,000 to \$9,999	\$2,500 to \$4,999	Less than \$2,500	
	Percent							
	Components as shares of total assets and claims							
ASSETS								
Physical assets:								
Real estate	65.7	68.0	67.2	67.1	67.5	70.1	67.2	67.3
Nonreal estate:								
Livestock and poultry ¹	12.0	8.5	8.5	8.1	7.6	7.2	4.4	8.8
Machinery and motor vehicles	7.3	10.7	11.6	11.4	10.7	10.7	9.5	10.2
Crops stored on and off farms ²	2.8	4.6	5.0	4.3	3.2	2.0	.9	3.7
Household equipment and furnishings	3.1	2.8	2.6	2.7	3.3	4.0	6.4	3.2
Financial assets:								
Deposits and currency	4.9	2.8	2.5	3.1	3.9	3.4	7.0	3.6
U.S. savings bonds .....	.5	.6	.7	1.1	1.8	1.6	3.8	1.0
Investments in cooperatives	3.7	2.0	1.9	2.2	2.0	1.0	.8	2.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
CLAIMS								
Liabilities:								
Real estate debt	45.7	61.2	57.5	51.7	59.2	66.6	62.2	54.7
Nonreal estate debt:								
Excluding CCC loans	53.2	35.7	38.6	44.2	36.8	31.1	36.3	42.5
CCC loans ³	1.1	3.1	3.9	4.1	4.0	2.3	1.5	2.8
Total liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proprietors' equities (equity ratio)	75.9	82.4	85.5	81.8	85.2	90.0	92.3	83.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Shares of total component value							
ASSETS								
Physical assets:								
Real estate:	21.3	24.3	24.4	9.8	5.3	7.2	7.7	100.0
Nonreal estate:								
Livestock and poultry ¹	29.9	23.4	23.7	9.0	4.6	5.6	3.8	100.0
Machinery and motor vehicles	15.6	25.3	28.0	11.0	5.6	7.3	7.2	100.0
Crops stored on and off farms ²	16.4	29.4	32.7	11.4	4.5	3.8	1.8	100.0
Household equipment and furnishings	21.2	21.0	19.9	8.3	5.4	8.7	15.5	100.0
Financial assets:								
Deposits and currency	29.5	18.3	16.9	8.4	5.6	6.4	14.9	100.0
U.S. savings bonds	11.3	13.6	15.9	10.8	9.2	10.7	28.5	100.0
Investments in cooperatives	36.4	22.7	20.3	9.6	4.8	3.2	3.0	100.0
Total	21.8	24.0	24.4	9.8	5.3	6.9	7.8	100.0
CLAIMS								
Liabilities:								
Real estate debt	26.0	28.0	22.0	10.0	5.0	5.0	4.0	100.0
Nonreal estate debt:								
Excluding CCC loans	39.0	21.0	19.0	11.0	4.0	3.0	3.0	100.0
CCC loans ³	12.8	29.0	30.4	15.6	6.8	3.5	1.9	100.0
Total liabilities	31.2	25.1	21.0	10.6	4.6	4.1	3.4	100.0
Proprietors' equities	19.9	23.8	25.1	9.7	5.4	7.5	8.6	100.0
Total	21.8	24.0	24.4	9.8	5.3	6.9	7.8	100.0

¹Excluding horses, mules, and commercial broilers. ²All crops held on farms including crops under CCC loans and crops held off farms as security for CCC loans to farmers. ³Nonrecourse

CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 23—Balance sheet of the farming sector by value of sales class, January 1, 1974

Item	Gross sales							
	IA \$100,000 and over	IB \$40,000 to \$99,999	II \$20,000 to \$39,999	III \$10,000 to \$19,999	IV \$5,000 to \$9,999	V \$2,500 to \$4,999	VI Less than \$2,500	All farms
Total								
	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	72,225	81,986	81,335	29,606	14,966	23,099	22,122	325,339
Nonreal estate:								
Livestock and poultry ¹	12,920	10,214	10,214	3,519	1,696	2,327	1,488	42,378
Machinery and motor vehicles	7,203	11,623	12,683	4,552	2,165	3,182	2,784	44,192
Crops stored on and off farms ²	3,556	7,178	7,267	2,275	795	751	265	22,087
Household equipment and furnishings	2,602	2,495	2,575	1,121	747	1,187	2,615	13,342
Financial assets:								
Deposits and currency	4,945	3,052	2,725	961	576	879	1,739	14,877
U.S. savings bonds	858	721	737	325	233	396	896	4,166
Investments in cooperatives	4,187	2,281	1,850	574	239	230	153	9,514
Total	108,496	119,550	119,386	42,933	21,417	32,051	32,062	475,895
CLAIMS								
Liabilities:								
Real estate debt	14,851	12,376	9,075	2,063	1,238	825	825	41,253
Nonreal estate debt:								
Excluding CCC loans	14,782	7,069	6,105	2,571	643	643	321	32,134
CCC loans ³	96	218	228	117	51	26	14	750
Total liabilities	29,729	19,663	15,408	4,751	1,932	1,494	1,160	74,137
Proprietors' equities	78,767	99,887	103,978	38,182	19,485	30,557	30,902	401,758
Total	108,496	119,550	119,386	42,933	21,417	32,051	32,062	475,895
	<i>Percent</i>							
Debt to asset ratio	27.4	16.4	12.9	11.1	9.0	4.7	3.6	15.6
Per farm								
	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	628,044	230,946	138,325	91,096	60,837	46,759	31,290	114,961
Nonreal estate:								
Livestock and poultry ¹	112,348	28,772	17,371	10,828	6,894	4,711	2,105	14,975
Machinery and motor vehicles	62,635	32,741	21,570	14,006	8,801	6,441	3,938	15,616
Crops stored on and off farms ²	30,922	20,220	12,359	7,000	3,232	1,520	375	7,804
Household equipment and furnishings	22,624	7,028	4,378	3,449	3,037	2,403	3,698	4,714
Financial assets:								
Deposits and currency	43,000	8,597	4,634	2,957	2,341	1,779	2,460	5,257
U.S. savings bonds	7,461	2,031	1,253	1,000	947	802	1,267	1,472
Investments in cooperatives	11,794	6,425	3,146	1,766	972	466	216	3,362
Total	943,443	336,761	203,037	132,102	87,061	64,881	45,349	168,161
CLAIMS								
Liabilities:								
Real estate debt	129,139	34,862	15,434	6,348	5,033	1,670	1,167	14,577
Nonreal estate debt:								
Excluding CCC loans	128,539	19,913	10,383	7,911	2,614	1,302	454	11,355
CCC loans ³	835	614	387	360	207	53	19	265
Total liabilities	258,513	55,389	26,204	14,619	7,854	3,025	1,640	26,197
Proprietors' equities	684,930	281,372	176,833	117,483	79,207	61,856	43,709	141,964
Total	943,443	336,761	203,037	132,102	87,061	64,881	45,349	168,161
	<i>Percent</i>							
Debt to asset ratio	27.4	16.4	12.9	11.1	9.0	4.7	3.6	15.6

¹ Excluding horses, mules, and commercial broilers. ² All crops held on farms including crops under CCC loans and crops held off farms as security for CCC loans to farmers. ³ Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 24—Percentage distribution of balance sheet of the farming sector by value of sales class, January 1, 1974

Item	Gross sales							
	IA \$100,000 and over	IB \$40,000 to \$99,999	II \$20,000 to \$39,999	III \$10,000 to \$19,999	IV \$5,000 to \$9,999	V \$2,500 to \$4,999	VI Less than \$2,500	All farms
<i>Percent</i>								
<i>Components as shares of total assets and claims</i>								
ASSETS								
Physical assets:								
Real estate	66.6	68.6	68.1	69.0	69.9	72.1	69.0	68.4
Nonreal estate:								
Livestock and poultry ¹	11.9	8.5	8.6	8.2	7.9	7.3	4.6	8.9
Machinery and motor vehicles	6.6	9.7	10.6	10.6	10.1	9.9	8.7	9.3
Crops stored on and off farms ²	3.3	6.0	6.1	5.3	3.7	2.3	.8	4.6
Household equipment and furnishings ..	2.4	2.1	2.2	2.6	3.5	3.7	8.2	2.8
Financial assets:								
Deposits and currency	4.6	2.6	2.3	2.2	2.7	2.7	5.4	3.1
U.S. savings bonds .....	.8	.6	.6	.8	1.1	1.2	2.8	.9
Investments in cooperatives	3.8	1.9	1.5	1.3	1.1	.8	.5	2.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
CLAIMS								
Liabilities:								
Real estate debt	50.0	62.9	58.9	43.4	64.1	55.2	71.0	55.7
Nonreal estate debt:								
Excluding CCC loans	49.7	36.0	39.6	54.1	33.3	43.0	27.8	43.3
CCC loans ³ .....	.3	1.1	1.5	2.5	2.6	1.8	1.2	1.0
Total liabilities	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proprietors' equities (equity ratio)	72.6	83.6	87.1	88.9	91.0	95.3	96.4	84.4
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<i>Shares of total component value</i>								
ASSETS								
Physical assets:								
Real estate:	22.2	25.2	25.0	9.1	4.6	7.1	6.8	100.0
Nonreal estate:								
Livestock and poultry ¹	30.5	24.1	24.1	8.3	4.0	5.5	3.5	100.0
Machinery and motor vehicles	16.3	26.3	28.7	10.3	4.9	7.2	6.3	100.0
Crops stored on and off farms ²	16.1	32.5	32.9	10.3	3.6	3.4	1.2	100.0
Household equipment and furnishings ...	19.5	18.7	19.3	8.4	5.6	8.9	19.6	100.0
Financial assets:								
Deposits and currency	35.0	21.2	18.6	6.5	3.7	5.3	9.7	100.0
U.S. savings bonds								
Investments in cooperatives								
Total	22.8	25.1	25.1	9.0	4.6	6.7	6.7	100.0
CLAIMS								
Liabilities:								
Real estate debt	36.0	30.0	22.0	5.0	3.0	2.0	2.0	100.0
Nonreal estate debt:								
Excluding CCC loans	46.0	22.0	19.0	8.0	2.0	2.0	1.0	100.0
CCC loans ³	12.8	29.1	30.4	15.6	6.8	3.5	1.8	100.0
Total liabilities	40.1	26.5	20.8	6.4	2.6	2.0	1.6	100.0
Proprietors' equities	19.6	24.9	25.9	9.5	4.8	7.6	7.7	100.0
Total	22.8	25.1	25.1	9.0	4.5	6.7	6.7	100.0

¹ Excluding horses, mules, and commercial broilers. ² All crops held on farms including crops under CCC loans and crops held off farms as security for CCC loans to farmers. ³ Nonrecourse

CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 25—Balance Sheet of the Farming Sector, January 1, 1940-75¹

Item	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956
	<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>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
ASSETS																	
Physical assets:																	
Real estate	33.6	34.4	37.5	41.6	48.2	53.9	61.0	68.5	73.7	76.6	75.3	86.6	95.1	96.5	95.0	98.2	102.9
Non-real estate:																	
Livestock ²	5.1	5.3	7.1	9.6	9.7	9.0	9.7	11.9	13.3	14.4	12.9	17.1	19.5	14.8	11.7	11.2	10.6
Machinery and motor vehicles	3.1	3.3	4.0	4.9	5.4	6.5	5.4	5.3	7.4	10.1	12.2	14.1	16.7	17.4	18.4	18.6	19.3
Crops stored on and off farms ³	2.7	3.0	3.8	5.1	6.1	6.7	6.3	7.1	9.0	8.6	7.6	7.9	8.8	9.0	9.2	9.6	8.4
Household equipment and furnishings	4.2	4.2	4.9	5.0	5.3	5.6	6.1	7.7	8.5	9.1	8.6	9.7	10.3	9.9	9.9	10.0	10.5
Financial assets:																	
Deposits and currency ..	3.2	3.5	4.2	5.4	6.6	7.9	9.4	10.2	9.9	9.6	9.1	9.1	9.4	9.4	9.4	9.4	9.5
U.S. savings bonds .....	.2	.4	.5	1.1	2.2	3.4	4.2	4.2	4.4	4.6	4.7	4.7	4.7	4.6	4.7	5.0	5.2
Investments in cooperatives .....	.8	.9	.9	1.0	1.1	1.2	1.4	1.5	1.7	1.9	2.1	2.3	2.5	2.7	2.9	3.1	3.2
Total ⁴	52.9	55.0	62.9	73.7	84.6	94.2	103.5	116.4	127.9	134.9	132.5	151.5	167.0	164.3	161.2	165.1	169.6
CLAIMS																	
Liabilities:																	
Real estate debt	6.6	6.5	6.4	6.0	5.4	4.9	4.8	4.9	5.1	5.3	5.6	6.1	6.7	7.2	7.7	8.2	9.0
Non-real estate debt to:																	
CCC ⁵ .....	.4	.6	.6	.8	.6	.7	.3	.1	.1	1.2	1.7	.8	.6	1.2	2.4	2.2	1.9
Other reporting institutions ⁶	1.5	1.6	1.8	1.7	1.7	1.6	1.7	2.0	2.3	2.7	2.8	3.4	4.1	4.2	3.7	4.0	4.4
Nonreporting creditors ⁷	1.5	1.7	1.7	1.5	1.2	1.1	1.2	1.5	1.8	2.2	2.3	2.8	3.3	3.5	3.1	3.2	3.5
Total liabilities ⁴	10.0	10.4	10.5	10.0	8.9	8.3	8.0	8.5	9.3	11.4	12.4	13.1	14.7	16.1	16.9	17.6	18.8
Proprietors' equities	42.9	44.6	52.4	63.7	75.7	85.9	95.5	107.9	118.6	123.5	120.1	138.4	152.3	148.2	144.3	147.5	150.8
Total ⁴	52.9	55.0	62.9	73.7	84.6	94.2	103.5	116.4	127.9	134.9	132.5	151.5	167.0	164.3	161.2	165.1	169.6
	<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>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>	<i>Percent</i>
Debt to asset ratio ⁸	18.9	19.1	16.6	13.4	10.5	8.9	7.6	7.2	7.2	8.4	9.4	8.6	8.8	9.8	10.5	10.7	11.1

See footnotes at end of table.

Table 25—Balance Sheet of the Farming Sector, January 1, 1940-75¹—Continued

Item	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975
	<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>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
ASSETS																			
Physical assets:																			
Real estate	110.4	115.9	124.4	130.6	132.2	138.4	144.3	152.6	161.5	172.8	182.3	192.5	201.4	206.9	215.0	231.5	260.6	325.3	371.4
Non-real estate:																			
Livestock ²	11.0	13.9	17.7	15.3	15.6	16.4	17.3	15.9	14.5	17.6	19.0	18.8	23.8	23.5	23.7	27.3	34.1	42.4	24.6
Machinery and motor vehicles	20.2	20.2	21.8	22.7	22.2	22.5	23.5	23.9	24.8	26.0	27.4	29.8	31.3	32.3	34.4	36.6	39.3	44.2	55.8
Crops stored on and off-farms ³	8.3	7.6	9.3	7.7	8.0	8.8	9.3	9.8	9.2	9.7	10.0	9.6	10.6	10.9	10.7	11.8	14.5	22.1	23.2
Household equipment and furnishings	10.0	9.9	9.8	9.6	8.9	9.1	9.0	8.8	8.6	8.5	8.4	9.1	9.6	9.7	10.1	11.0	12.4	13.3	15.4
Financial assets:																			
Deposits and currency ..	9.4	9.5	10.0	9.2	8.7	8.8	9.2	9.2	9.6	10.0	10.3	10.9	11.5	11.9	12.4	13.2	14.0	14.9	15.0
U.S. savings bonds	5.1	5.1	5.2	4.7	4.6	4.5	4.4	4.2	4.2	4.1	3.9	3.8	3.8	3.7	3.6	3.7	4.0	4.2	4.3
Investments in cooperatives	3.5	3.7	3.9	4.2	4.5	4.8	5.0	5.4	5.6	5.9	6.2	6.5	6.8	7.2	7.6	8.0	8.6	9.5	10.5
Total ⁴	177.9	185.8	202.1	204.0	204.8	213.3	222.0	229.8	238.0	254.6	267.5	281.0	295.2	306.1	317.5	343.1	387.5	475.9	520.2
CLAIMS																			
Liabilities:																			
Real estate debt	9.8	10.4	11.1	12.0	12.8	13.8	15.1	16.8	18.9	21.2	23.1	25.1	27.4	29.2	30.3	32.2	35.8	41.3	46.3
Non-real estate debt to: CCC ⁵	1.5	1.2	2.5	1.2	1.4	1.9	2.1	1.9	1.6	1.4	1.2	1.4	2.7	2.7	1.9	2.3	1.8	.7	.3
Other reporting institutions ⁶	4.5	5.0	5.7	6.7	7.0	7.6	8.5	9.5	10.0	11.1	12.4	13.8	14.5	15.8	17.4	19.6	22.0	26.2	27.2
Nonreporting creditors ⁷	3.5	3.8	4.3	4.9	5.0	5.2	5.7	6.2	6.3	6.9	7.4	7.1	5.8	5.3	4.8	5.1	5.8	5.9	6.0
Total liabilities ⁴ ..	19.3	20.4	23.6	24.8	26.2	28.5	31.4	34.4	36.8	40.6	44.1	47.4	50.4	53.0	54.4	59.2	65.4	74.1	81.8
Proprietors' equities	158.6	165.4	178.5	179.2	178.6	184.8	190.6	195.4	201.2	214.0	223.4	233.6	244.8	253.1	263.1	283.9	322.1	401.8	438.4
Total ⁴	177.9	185.8	202.1	204.0	204.8	213.3	222.0	229.8	238.0	254.6	267.5	281.0	295.2	306.1	317.5	343.1	387.5	475.9	520.2
Percent																			
Debt to asset ratios, ⁸	10.9	11.0	11.7	12.2	12.8	13.4	14.1	15.0	15.5	15.9	16.5	16.9	17.1	17.3	17.2	17.2	16.9	15.6	15.7

¹Includes Alaska and Hawaii beginning with 1960.²Beginning with 1961, horses and mules are excluded.³Includes all crops held on farms and crops held off farms by farmers as security for CCC loans. On Jan. 1, 1975, the latter totaled \$174 million. ⁴Totals ofrounded data. ⁵Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet. ⁶Loans of all operating banks, production credit associations, the Farmers Home Administration, and discounts of the Federalintermediate credit banks for agricultural credit corporations and livestock loan companies. ⁷Loans and credit extended by dealers, merchants, finance companies, individual, and others. Revised beginning with 1961. ⁸Computed from unrounded data.

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