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# Balance Sheet of the Farming Sector

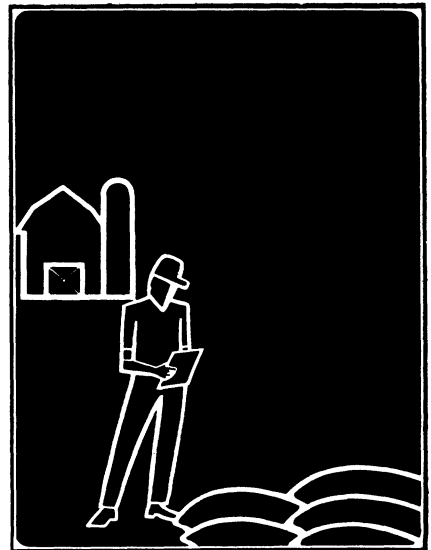
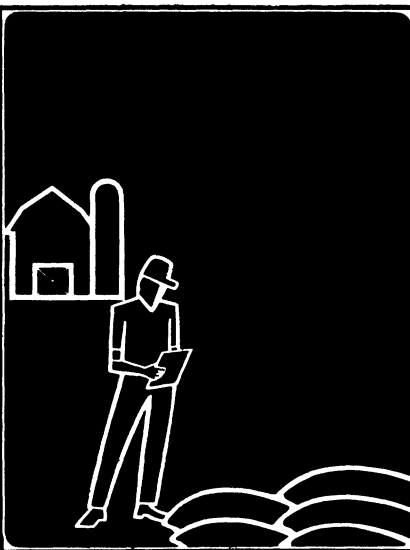
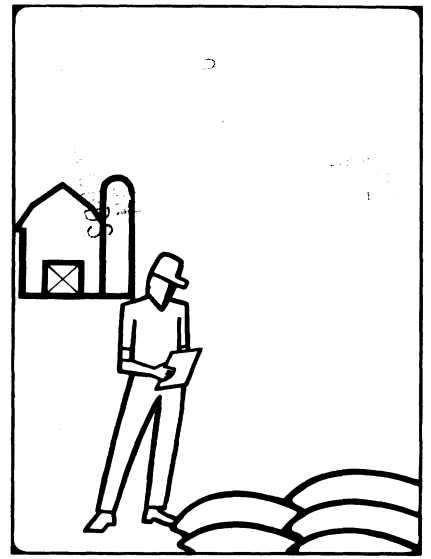
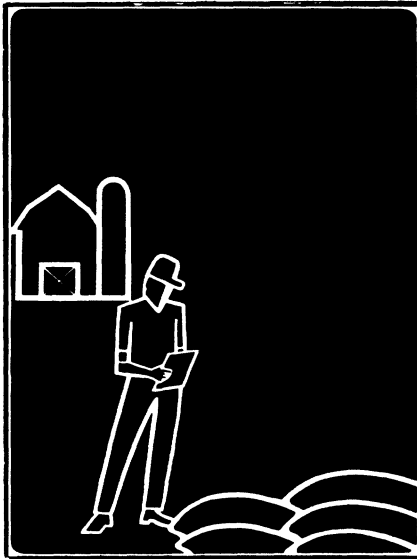
Supplement  
No. 1

Agriculture  
Information  
Bulletin  
No. 403

July  
1977

Economic  
Research  
Service

U.S. Department  
of  
Agriculture



**ABSTRACT**

Farm assets were valued at \$634.3 billion on January 1, 1977, and outstanding debt was \$101.8 billion, leaving farm proprietors an equity of \$532.5 billion. These amounts compare with assets of \$560.4 billion, debt of \$90.8 billion, and equity of \$469.6 billion at the beginning of 1976.

During 1976, farm real estate value increased \$64.0 billion (16 percent) over the revised January 1, 1976, estimate of \$397.3 billion. Farm real estate value has been revised downward for the years 1971-76, based on new data collected in the 1974 Census of Agriculture.

Livestock and poultry value of \$29.1 billion on January 1, 1977, was slightly below the value of a year earlier. Machinery and motor vehicles were valued at \$73.0 billion, an 11-percent increase from the beginning of 1976. The value of crops stored was an estimated \$20.0 billion on January 1, 1977, about the same as a year earlier. The value of household equipment and furnishings rose about 7 percent and on January 1, 1977, stood at \$17.4 billion. Financial assets rose about 5 percent to total an estimated \$33.5 billion at the beginning of 1977. Farm debt rose at a slightly faster rate than during 1975. On January 1, 1977, farm real estate debt outstanding was \$56.1 billion and nonreal estate debt (excluding CCC loans) was \$44.7 billion. CCC loans increased from \$0.3 billion on January 1, 1976, to \$1.0 billion on January 1, 1977, the highest level since 1973. Balance sheets by value of sales class, capital gains on physical assets, farm production assets, and rates of return on equity were reconstructed to reflect revisions in farm real estate values.

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# BALANCE SHEET OF THE FARMING SECTOR, 1976

## Supplement I to AIB No. 403

by

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### BALANCE SHEET SUMMARY

Preliminary estimates of the balance sheet of the farming sector for January 1, 1977, showed total farm assets of \$634.3 billion, 13 percent above the value for January 1, 1976 (table 1 and fig. 1). The average annual increase since 1970 was 15 percent. Farm debt increased by \$11.0 billion, pushing the total outstanding on January 1, 1977, to \$101.8 billion. The 12-percent

rate of increase over January 1976 compared with an 11-percent rise during 1975 and the average increase of 13 percent since 1970. Proprietors' equity totaled \$532.5 billion at the beginning of 1977, about 13 percent above a year earlier but 110 percent over January 1, 1970. Balance sheet values per farm are shown in table 2.

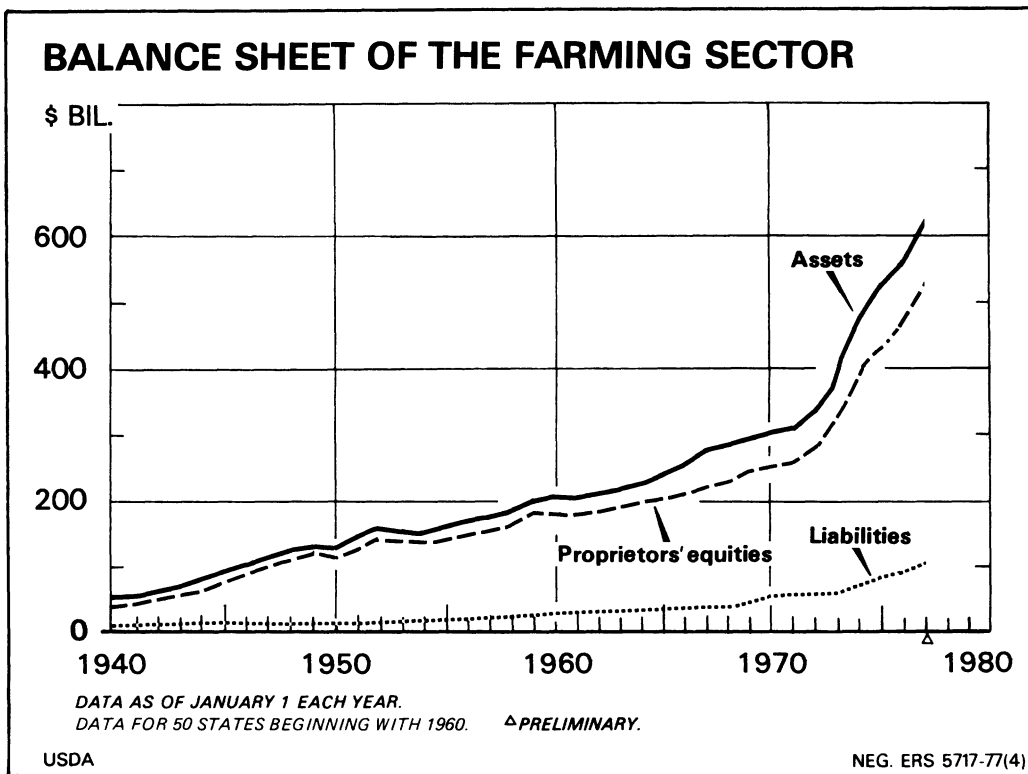


Figure 1

Table 1—Balance sheet of the farming sector, January 1, selected years, 1940-77<sup>1</sup>

Item	1940	1950	1960	1970	1971	1972	1973	1974	1975	1976	1977 <sup>2</sup>	Change		
												1976 to 1977	1976 to 1977	
	<i>Billion dollars</i>											<i>Percent</i>		
<b>ASSETS</b>														
Physical assets:														
Real estate .....	33.6	75.3	130.6	206.9	213.3	228.4	254.6	312.4	349.8	397.3	461.3	64.0	16.1	
Nonreal estate:														
Livestock <sup>3</sup> .....	5.1	12.9	15.3	23.5	23.7	27.3	34.1	42.4	24.6	29.5	29.1	-.4	-1.5	
Machinery and motor vehicles .....	3.1	12.2	22.7	32.3	34.4	36.6	39.3	44.3	56.5	65.9	73.0	7.1	10.8	
Crops stored on and off farms <sup>4</sup> .....	2.7	7.6	7.7	10.9	10.7	11.8	14.5	22.1	23.3	19.8	20.0	.2	1.2	
Household equipment and furnishings ..	4.2	8.6	9.6	9.8	10.3	11.2	12.7	13.6	15.3	16.2	17.4	1.2	7.0	
Financial assets:														
Deposits and currency .....	3.2	9.1	9.2	11.9	12.4	13.2	14.0	14.9	15.1	15.6	16.2	.6	3.1	
U.S. savings bonds .....	.2	4.7	4.7	3.7	3.6	3.7	4.0	4.1	4.3	4.4	4.5	.1	2.8	
Investments in cooperatives .....	.8	2.1	4.2	7.2	7.6	8.0	8.6	9.5	10.5	11.7	12.8	1.1	9.7	
Total <sup>5</sup> .....	52.9	132.5	204.0	306.2	316.0	340.2	381.8	463.3	499.4	560.4	634.3	73.9	13.2	
<b>CLAIMS</b>														
Liabilities:														
Real estate debt .....	6.6	5.6	12.0	29.2	30.3	32.2	35.7	41.3	46.3	51.1	56.1	5.0	9.8	
Nonreal estate debt to:														
CCC <sup>6</sup> .....	.4	1.7	1.2	2.7	1.9	2.3	1.8	.7	.3	.3	1.0	.7	184.1	
Other reporting institutions <sup>7</sup> .....	1.5	2.8	6.7	15.8	17.4	19.6	22.0	26.2	29.2	33.1	37.8	4.7	14.2	
Nonreporting creditors <sup>8</sup> .....	1.5	2.3	4.9	5.3	4.8	5.0	5.8	5.9	6.0	6.3	6.9	.6	9.4	
Total liabilities <sup>5</sup> .....	10.0	12.4	24.8	53.0	54.4	59.1	65.3	74.1	81.8	90.8	101.8	11.0	12.1	
Proprietors' equities .....	42.9	120.1	179.2	253.2	261.6	281.1	316.5	389.2	417.6	469.6	532.5	62.9	13.4	
Total <sup>5</sup> .....	52.9	132.5	204.0	306.2	316.0	340.2	381.8	463.3	499.4	560.4	634.3	73.9	13.2	
	<i>Percent</i>													
Debt to asset ratio <sup>9</sup> .....	18.9	9.4	12.2	17.3	17.2	17.4	17.1	16.0	16.4	16.2	16.1	---	---	

<sup>1</sup> Includes Alaska and Hawaii beginning with 1960. <sup>2</sup> Preliminary. <sup>3</sup> Beginning with 1961, horses and mules are excluded. <sup>4</sup> Includes all crops held on farms and crops held off farms by farmers as security for CCC loans. On Jan. 1, 1977, the latter totaled \$397 million.

<sup>5</sup> Totals of rounded data. <sup>6</sup> Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet. <sup>7</sup> Loans of all operating banks, production credit associations, the Farmers Home Administration, and discounts of the

Federal intermediate credit banks for agricultural credit corporations and livestock loan companies. <sup>8</sup> Loans and credit extended by dealers, merchants, finance companies, individual, and others. Revised beginning with 1961. <sup>9</sup> Computed from unrounded data.

Table 2—Balance sheet of the farming sector: Average per farm, current prices, January 1, selected years, 1940-1977<sup>1</sup>

Item	1940	1950	1960	1970	1976	1977 <sup>2</sup>
<i>Dollars</i>						
<b>ASSETS</b>						
Physical assets:						
Real estate .....	5,297	13,324	32,945	70,026	143,026	167,642
Nonreal estate:						
Livestock & poultry .....	808	2,283	3,848	7,949	10,622	10,566
Machinery & motor vehicles ...	482	2,154	5,739	10,934	23,716	26,526
Crops stored on & off farms <sup>3</sup> ..	420	1,344	1,952	3,697	7,112	7,267
Household equipment & furnishings .....	663	1,524	2,419	3,334	5,842	6,314
Financial assets:						
Deposits & currency .....	510	1,607	2,313	4,025	5,623	5,854
U.S. savings bonds .....	39	836	1,177	1,266	1,593	1,653
Investment in cooperatives .....	131	364	1,071	2,438	4,201	4,651
Total .....	8,350	23,436	51,464	103,669	201,735	230,473
<b>CLAIMS</b>						
Liabilities:						
Real estate debt .....	1,037	988	3,049	9,879	18,383	20,377
Nonreal estate debt:						
Excluding CCC loans .....	473	912	2,909	7,166	14,185	16,247
CCC loans <sup>4</sup> .....	70	305	294	906	129	370
Total liabilities .....	1,580	2,205	6,252	17,951	32,697	36,994
Proprietors' equities .....	6,770	21,231	45,212	85,718	169,038	193,479
Total .....	8,350	23,436	51,464	103,669	201,735	230,473
<i>Percent</i>						
Debt-to-asset ratio .....	18.9	9.4	12.2	17.3	16.2	16.0

<sup>1</sup>Total values divided by total number of farms. Data for 50 States beginning with 1960. <sup>2</sup>Preliminary. <sup>3</sup>All crops held on farms including crops under loan to CCC, and crops held off

farms as security for CCC loans. <sup>4</sup>Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

### Assets

The value of farm real estate on January 1, 1977, was \$461.3 billion. The 16-percent increase from January 1, 1976, was more than the 14-percent increase during 1975 but less than the average annual increase rate of 18 percent since 1970.

The value of livestock and poultry on farms January 1, 1977, was \$29.1 billion, slightly below the value of a year earlier. The small increase in the total value of cattle and calves over January 1, 1976, was offset by the sharp drop in the total value of hogs and pigs.

The total value of machinery and motor vehicles on farms at the start of 1977 was an estimated \$73.0 billion, \$7.1 billion over the January 1, 1976, value. The 11-percent increase during 1976 did not match the 17-percent rise from 1975 to 1976.

The value of farmer-owned stored crops on hand at the beginning of 1977 was \$20.0 billion, compared with \$19.8 billion a year earlier. A \$0.5-billion increase in the value of stored soybeans over January 1, 1976, was largely offset by lower values of other crops, especially wheat values which were down almost \$0.3 billion

although wheat stocks were up about one-fifth. The average price of soybeans at the beginning of 1977 was higher than at the beginning of 1976, but most grain prices were lower. As usual, only relatively small quantities of rice, peanuts, cotton, and tobacco were still in farmers' hands at the beginning of the year.

The estimated value of equipment and furnishings in farm households on January 1, 1977, was placed at \$17.4 billion, 7 percent above a year earlier. This was slightly less than the 8-percent average annual increase since 1970.

Farmers' financial assets rose \$1.8 billion from the year-earlier level and totaled \$33.5 billion on January 1, 1977. This was a modest 5-percent increase and was mostly the result of higher net worths of farmer cooperatives. Indications are that farmer-owned bank deposits rose only slightly. Since 1970, the average annual rate of increase of all financial assets was 7 percent.

### Debt

Farm debt outstanding January 1, 1977, totaled \$101.8 billion, including CCC loans on stored crops. The

12-percent increase from a year earlier was about the annual average rate since 1970 but slightly more than the increase from January 1975 to January 1976.

Farm real estate debt outstanding at the beginning of 1977 was \$56.1 billion, up 10 percent from a year earlier but nearly double the amount outstanding in January 1970. Federal land banks were the most prominent institutional lenders, holding more than twice the amount of loans held by commercial banks or by life insurance companies. However, the increase in Federal land bank loans outstanding between January 1, 1976, and January 1, 1977, did not match the rate of increase that occurred between 1975 and 1976. On the other hand, loans held by commercial banks and life insurance companies increased at a faster rate in 1976 than during 1975.

Nonreal estate farm loans (excluding CCC loans) outstanding January 1, 1977, amounted to \$44.7 billion, \$5.3 billion or 13 percent over a year earlier. Commercial banks were the largest lenders and held about half of the nonreal estate farm loans. Banks experienced a 15.5-percent growth in loans held during 1976, compared with a growth rate of 10.5 percent during 1975. Production credit associations, the other large institutional group, increased loans during 1976 by 13.6 percent, about the same rate as during 1975.

CCC loans increased from \$0.3 billion outstanding January 1, 1976, to \$1.0 billion on January 1, 1977. This was the largest amount outstanding since 1973. Evidently farmers placed more eligible crops under loan

with hope that prices would rise, or to use CCC loans as a source of credit.

Farm proprietors' equity in farm assets amounted to \$532.5 billion on January 1, 1977. The \$62.9 billion rise from January 1976, the largest in any year, was 20 percent more than the increase between January 1975 and January 1976.

Farm real estate value increased as a component share of total assets on January 1, 1977, continuing the trend begun in 1950 (table 3). Farm real estate debt and non-real estate debt maintained their usual shares of total debt.

#### Farm Real Estate Value Revisions

The values of farm real estate beginning with 1971 were recently revised based on data received in the 1974 Census of Agriculture. Values for the years between censuses are estimated by prorating the annual percentage changes in land values estimated by the Economic Research Service (ERS) to the latest agricultural census estimates. The 1974 Census information causes estimates after 1970 to be revised downward. The revised values are shown in table 1.

Since the value of real estate is the predominant farm asset value item, changes in its value influence heavily changes in total asset and equity values. The downward revisions in total real estate value raised the debt-to-asset rates slightly.

Over the past 5 years, the average value of farm real estate per acre has increased 114 percent (fig. 2). The

Table 3—Balance sheet components as shares of total assets and liabilities, selected years, 1940-77<sup>1</sup>

Item	1940	1950	1960	1970	1976	1977 <sup>2</sup>
	<i>Percent</i>					
<b>ASSETS</b>						
Physical assets:						
Real estate . . . . .	63.5	56.9	64.0	67.6	70.9	72.7
Nonreal estate:						
Livestock and poultry . . . . .	9.7	9.7	7.5	7.7	5.2	4.6
Machinery and motor vehicles . . . . .	5.9	9.2	11.1	10.4	11.8	11.5
Crops stored on and off farms <sup>3</sup> . . . . .	5.1	5.7	3.8	3.6	3.5	3.2
Household equipment and furnishings . . . . .	7.9	6.5	4.7	3.3	2.9	2.7
Financial assets:						
Deposits and currency . . . . .	6.0	6.9	4.5	3.9	2.8	2.6
U.S. savings bonds . . . . .	.4	3.6	2.3	1.2	.8	.7
Investments in cooperatives . . . . .	1.5	1.5	2.1	2.3	2.1	2.0
Total . . . . .	100.0	100.0	100.0	100.0	100.0	100.0
<b>LIABILITIES</b>						
Real estate debt . . . . .	66.0	45.2	48.8	55.0	56.2	55.1
Non-real estate debt:						
Excluding CCC loans . . . . .	30.0	41.1	46.8	40.0	43.5	43.9
CCC loans <sup>4</sup> . . . . .	4.0	13.7	4.4	5.0	.3	1.0
Total . . . . .	100.0	100.0	100.0	100.0	100.0	100.0

<sup>1</sup>Data for 50 States beginning with 1960. <sup>2</sup>Preliminary. <sup>3</sup>All crops held on farms including crops under loan to CCC, and crops held off farms as security for CCC loans. <sup>4</sup>Nonrecourse

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





Table 4—Value of production assets: Total, per farm and per farm worker, January 1, 1960-77

Year	Farm real estate <sup>1</sup>	Livestock <sup>2</sup>	Machinery and motor vehicles <sup>3</sup>	Other <sup>4</sup>	Total
<i>Billion dollars</i>					
<b>Total</b>					
1960 .....	114.5	15.2	19.3	8.2	157.2
1961 .....	116.3	15.6	19.1	7.9	159.0
1962 .....	122.2	16.4	19.4	8.0	166.0
1963 .....	128.0	17.3	20.2	8.2	173.6
1964 .....	135.8	15.9	20.5	8.6	180.8
1965 .....	144.1	14.5	21.4	8.4	188.4
1966 .....	154.6	17.6	22.6	8.9	203.7
1967 .....	163.5	19.0	24.3	9.1	215.8
1968 .....	173.2	18.8	26.6	9.0	227.6
1969 .....	181.6	20.2	28.0	9.1	239.0
1970 .....	187.0	23.5	29.0	9.4	248.9
1971 .....	193.4	23.7	30.8	9.6	257.5
1972 .....	207.4	27.3	32.9	10.0	277.6
1973 .....	230.9	34.1	35.3	11.4	311.7
1974 .....	284.2	42.4	40.5	14.6	381.7
1975 .....	318.7	24.6	52.6	15.3	411.0
1976 .....	362.2	29.5	61.2	14.9	467.8
1977 .....	420.9	29.3	67.8	15.1	533.1
<i>Dollars</i>					
<b>Per farm</b>					
1960 .....	31,786	3,848	4,880	2,071	42,585
1961 .....	33,332	4,080	5,000	2,070	44,482
1962 .....	36,171	4,450	5,243	2,170	48,034
1963 .....	39,141	4,845	5,652	2,284	51,922
1964 .....	42,994	4,590	5,939	2,482	56,005
1965 .....	46,677	4,319	6,387	2,502	59,885
1966 .....	51,285	5,399	6,953	2,730	66,367
1967 .....	55,533	6,000	7,686	2,865	72,084
1968 .....	60,274	6,132	8,656	2,928	77,990
1969 .....	64,810	6,752	9,352	3,050	83,964
1970 .....	68,481	7,949	9,819	3,192	89,441
1971 .....	72,278	8,150	10,597	3,283	94,308
1972 .....	79,204	9,503	11,469	3,496	103,672
1973 .....	90,072	11,983	12,414	4,021	118,490
1974 .....	113,360	14,975	14,322	5,145	147,802
1975 .....	130,049	8,750	18,726	5,431	162,956
1976 .....	149,073	10,624	22,003	5,272	187,072
1977 .....	174,853	10,639	24,654	5,502	215,648
<i>Dollars</i>					
<b>Per farm worker</b>					
1960 .....	15,588	2,076	2,634	1,118	21,416
1961 .....	16,482	2,211	2,710	1,122	22,525
1962 .....	17,662	2,374	2,797	1,158	23,991
1963 .....	19,095	2,583	3,013	1,217	25,908
1964 .....	20,831	2,434	3,150	2,327	27,732
1965 .....	23,579	2,372	3,507	1,374	30,832
1966 .....	27,558	3,134	4,036	1,584	36,312
1967 .....	31,350	3,638	4,660	1,737	41,385
1968 .....	35,311	3,840	5,421	1,834	46,406
1969 .....	38,231	4,263	5,904	1,925	50,323
1970 .....	40,736	5,114	8,318	2,054	54,222
1971 .....	42,743	5,240	6,814	2,111	56,908
1972 .....	46,565	6,125	7,392	2,253	62,335
1973 .....	52,598	7,765	8,044	2,606	71,013
1974 .....	65,302	9,738	9,313	3,346	87,699
1975 .....	72,331	5,578	11,937	3,462	93,308
1976 .....	83,142	6,774	14,029	3,425	107,370
1977 .....	95,849	6,668	15,452	3,448	121,417

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

<sup>4</sup> 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.

**Table 5—Return to equity in farm production assets from production income, 1960-76**

Year	Net income from production <sup>1</sup>	Imputed return to—		Interest on debt <sup>4</sup>	Residual earnings to equity in production assets	Equity in production assets <sup>5</sup>	Ratio of earnings to asset equity <sup>6</sup>
		Labor <sup>2</sup>	Management <sup>3</sup>				
		<i>Million dollars</i>					<i>Percent</i>
1960 .....	16,195	9,502	1,748	1,339	3,606	135,131	2.7
1961 .....	17,079	9,307	1,833	1,419	4,520	135,726	3.3
1962 .....	17,540	9,070	1,911	1,559	5,000	141,045	3.5
1963 .....	17,677	9,098	1,959	1,741	4,879	145,989	3.3
1964 .....	16,656	8,687	1,975	1,899	4,095	150,159	2.7
1965 .....	19,589	8,366	2,091	2,091	7,041	155,197	4.5
1966 .....	21,058	8,437	2,336	2,327	7,958	166,723	4.8
1967 .....	19,453	8,886	2,295	2,582	5,690	175,329	3.2
1968 .....	19,995	8,964	2,382	2,775	5,874	184,112	3.2
1969 .....	22,487	9,608	2,599	3,043	7,237	193,945	3.7
1970 .....	22,899	9,813	2,713	3,365	7,008	201,376	3.5
1971 .....	23,641	10,246	2,800	3,533	7,062	207,680	3.4
1972 .....	29,384	10,444	3,258	3,879	11,803	223,698	5.3
1973 .....	47,525	11,244	4,484	4,683	27,114	251,467	10.8
1974 .....	42,339	12,695	4,659	5,745	19,240	311,996	6.2
1975 .....	41,368	12,983	4,518	6,438	17,429	331,639	5.2
1976 <sup>7</sup> .....	38,623	14,185	4,777	7,088	12,573	381,844	3.3

<sup>1</sup>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. <sup>2</sup>Number of manhours needed for farm production times the average wage of hired workers without room and

board. <sup>3</sup>Five percent of the total of cash receipts from farm production and Government payments. <sup>4</sup>Interest on real estate and nonreal estate debt, excluding mortgage interest on the farm dwellings. <sup>5</sup>Market value, January 1. <sup>6</sup>Calculated on the market value of equity in production assets, January 1. <sup>7</sup>Preliminary.

**Table 6—Capital gains on farm physical assets, 1960-76**

Calendar year	Real estate	Machinery and motor vehicles <sup>1</sup>	Livestock and poultry	Crops stored on farms	Total
	<i>Million dollars</i>				
1960 .....	2,627	74	270	-321	2,650
1961 .....	7,335	449	449	177	8,410
1962 .....	6,960	590	294	463	8,307
1963 .....	8,983	221	-1,835	464	7,833
1964 .....	9,893	435	-1,336	548	9,540
1965 .....	12,806	501	3,266	-602	15,971
1966 .....	11,188	745	1,167	820	13,920
1967 .....	12,302	1,086	-224	-1,177	11,987
1968 .....	11,125	1,150	1,199	25	13,499
1969 .....	6,952	779	3,010	335	11,076
1970 .....	8,182	1,365	-437	1,145	10,255
1971 .....	16,606	2,148	3,106	-219	21,641
1972 .....	27,755	1,883	6,362	2,720	38,720
1973 .....	58,947	3,395	6,479	6,954	75,775
1974 .....	38,383	9,022	-18,262	3,535	32,678
1975 .....	48,861	8,639	5,946	-7,423	56,023
1976 <sup>2</sup> .....	65,544	6,465	-565	381	71,825
Total .....	354,449	38,947	8,889	7,825	410,110

<sup>1</sup>For farm use only. <sup>2</sup>Preliminary.

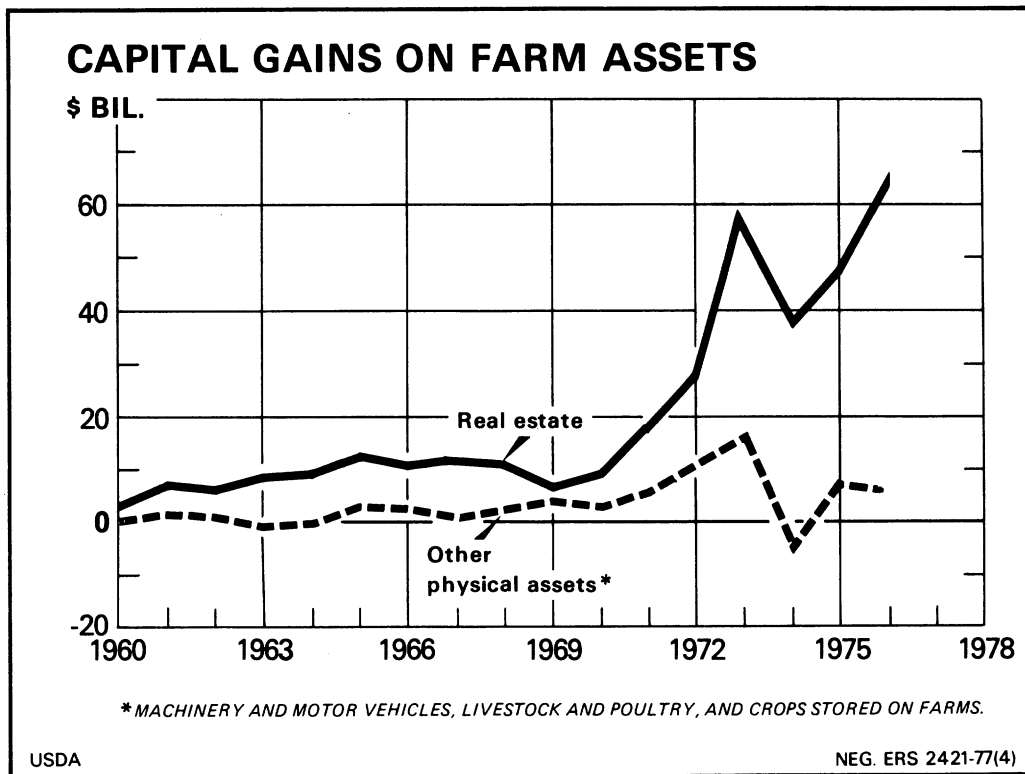


Figure 3

\$313.9 billion on farm real estate from 1960 through 1975, the revised farmland values showed capital gains

of \$288.9 billion. Adding gains for 1976 gave a total of \$354.4 billion.

### BALANCE SHEET OF THE FARMING SECTOR BY VALUE OF SALES CLASS, 1971-75

Balance sheets of the farming sector by values of sales class for 1971-75 carried previously in the balance sheet publications have been reconstructed because of the revisions in farm real estate values (tables 7-16). The revised farmland values lowered somewhat the total values and the values per farm by value of sales class. Also incorporated are slight revisions in the value of household equipment and furnishings for 1971-73 that have not

been published previously by value of sales class.

Balance sheet values by value of sales class are not yet available for 1976 and 1977. Normally there is a lag of a year or longer in obtaining reliable estimates of some of the basic data, such as the number of farms in each sales class, their cash receipts, and production expenses; which are necessary to disaggregate total values into the various values of sales classes.

Table 7—Balance sheet of the farming sector by value of sales class, January 1, 1971

Item	Gross sales							All farms
	IA	IB	II	III	IV	V	VI	
	\$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	
<i>Million dollars</i>								
<b>Total</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	32,203	38,815	43,507	30,710	20,687	17,915	29,431	213,268
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	5,457	4,455	4,932	3,347	2,105	1,645	1,766	23,707
Machinery and motor vehicles .....	3,747	6,427	7,940	5,534	3,540	2,887	4,297	34,372
Crops stored on and off farms <sup>2</sup> .....	1,644	2,516	2,922	1,846	905	510	354	10,697
Household equipment and furnishings .....	781	1,347	1,686	1,326	1,110	1,100	2,929	10,279
Financial assets:								
Deposits and currency .....	2,930	2,078	2,080	1,412	1,017	875	2,042	12,434
U.S. savings bonds .....	298	423	535	445	395	391	1,101	3,588
Investments in cooperatives .....	2,388	1,648	1,545	937	502	289	309	7,618
Total .....	49,448	57,709	65,147	45,557	30,261	25,612	42,229	315,963
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	6,373	7,283	6,373	4,552	2,427	1,517	1,821	30,346
Nonreal estate debt:								
Excluding CCC loans .....	7,792	4,452	4,230	2,894	1,336	668	890	22,262
CCC loans <sup>3</sup> .....	201	448	548	377	176	83	43	1,876
Total liabilities .....	14,366	12,183	11,151	7,823	3,939	2,268	2,754	54,484
Proprietors' equities .....	35,082	45,526	53,996	37,734	26,322	23,344	39,475	261,479
Total .....	49,448	57,709	65,147	45,557	30,261	25,612	42,229	315,963
<i>Percent</i>								
Debt to asset ratio .....	29.1	21.1	17.1	17.2	13.0	8.9	6.5	17.2
<i>Dollars</i>								
<b>Per farm</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	555,224	206,463	122,211	80,604	54,155	41,279	26,514	73,313
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	94,086	23,697	13,854	8,785	5,511	3,790	1,592	8,150
Machinery and motor vehicles .....	64,603	34,186	22,303	14,525	9,267	6,652	3,871	11,816
Crops stored on and off farms <sup>2</sup> .....	28,345	13,383	8,208	4,845	2,369	1,175	318	3,677
Household equipment and furnishings .....	13,466	7,165	4,736	3,480	2,906	2,535	2,639	3,534
Financial assets:								
Deposits and currency .....	50,517	11,053	5,842	3,706	2,662	2,016	1,840	4,274
U.S. savings bonds .....	5,138	2,250	1,503	1,168	1,034	901	992	1,233
Investments in cooperatives .....	41,172	8,766	4,340	2,459	1,314	666	278	2,619
Total .....	852,551	306,963	182,997	119,572	79,218	59,014	38,044	108,616
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	109,879	38,739	17,902	11,948	6,353	3,495	1,640	10,432
Nonreal estate debt:								
Excluding CCC loans .....	134,345	23,681	11,882	7,596	3,497	1,539	802	7,653
CCC loans <sup>3</sup> .....	3,466	2,383	1,539	989	461	191	39	645
Total liabilities .....	247,690	64,803	31,323	20,533	10,311	5,225	2,481	18,730
Proprietors' equities .....	604,861	242,160	151,674	99,039	68,907	53,789	35,563	89,886
Total .....	852,551	306,963	182,997	119,572	79,218	59,014	38,044	108,616
<i>Percent</i>								
Debt-to-asset ratio .....	29.1	21.1	17.1	17.2	13.0	8.9	6.5	17.2

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

Table 8—Percentage distribution of balance sheet of the farming sector by value of sale class, January 1, 1971

Item	Gross sales							All farms
	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	
	<i>Percent</i>							
	Components as shares of total assets and claims							
<b>ASSETS</b>								
Physical assets:								
Real estate: . . . . .	65.1	67.3	66.8	67.4	68.4	70.0	69.8	67.5
Nonreal estate:								
Livestock and poultry <sup>1</sup> . . . . .	11.1	7.7	7.6	7.4	7.0	6.4	4.2	7.5
Machinery and motor vehicles . . . . .	7.6	11.1	12.2	12.2	11.7	11.3	10.2	10.9
Crops stored on and off farms <sup>2</sup> . . . . .	3.3	4.4	4.5	4.1	3.0	2.0	.8	3.4
Household equipment and furnishings . . . . .	1.6	2.3	2.6	2.9	3.6	4.2	6.9	3.2
Financial assets:								
Deposits and currency . . . . .	5.9	3.6	3.2	3.1	3.4	3.4	4.8	4.0
U.S. savings bonds . . . . .	.6	.7	.8	.9	1.2	1.6	2.6	1.1
Investments in cooperatives . . . . .	4.8	2.9	2.3	2.0	1.7	1.1	.7	2.4
Total . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt . . . . .	44.4	59.8	57.2	58.2	61.6	66.9	66.1	55.7
Nonreal estate debt:								
Excluding CCC loans . . . . .	54.2	36.5	37.9	37.0	33.9	29.4	32.3	40.9
CCC loans <sup>3</sup> . . . . .	1.4	3.7	4.9	4.8	4.5	3.7	1.6	3.4
Total liabilities . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proprietors' equities (equity ratio) . . . . .	71.0	78.9	82.9	82.8	87.0	91.1	93.5	82.8
Total . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Shares of total component value							
<b>ASSETS</b>								
Physical assets:								
Real estate: . . . . .	15.1	18.2	20.4	14.4	9.7	8.4	13.8	100.0
Nonreal estate:								
Livestock and poultry <sup>1</sup> . . . . .	23.0	18.8	20.8	14.1	8.9	6.9	7.5	100.0
Machinery and motor vehicles . . . . .	10.9	18.7	23.1	16.1	10.3	8.4	12.5	100.0
Crops stored on and off farms <sup>2</sup> . . . . .	15.4	23.5	27.3	17.3	8.5	4.8	3.2	100.0
Household equipment and furnishings . . . . .	7.6	13.1	16.4	12.9	10.8	10.7	28.5	100.0
Financial assets:								
Deposits and currency . . . . .	23.6	16.7	16.7	11.4	8.2	7.0	16.4	100.0
U.S. savings bonds . . . . .	8.3	11.8	14.9	12.4	11.0	10.9	30.7	100.0
Investments in cooperatives . . . . .	31.3	21.6	20.3	12.3	6.6	3.8	4.1	100.0
Total . . . . .	15.7	18.3	20.6	14.4	9.6	8.1	13.3	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt . . . . .	21.0	24.0	21.0	15.0	8.0	5.0	6.0	100.0
Nonreal estate debt:								
Excluding CCC loans . . . . .	35.0	20.0	19.0	13.0	6.0	3.0	4.0	100.0
CCC loans <sup>3</sup> . . . . .	10.7	23.9	29.2	20.1	9.4	4.4	2.3	100.0
Total liabilities . . . . .	26.4	22.4	20.5	14.4	7.2	4.1	5.0	100.0
Proprietors' equities . . . . .	13.4	17.4	20.7	14.4	10.1	8.9	15.1	100.0
Total . . . . .	15.7	18.3	20.6	14.4	9.6	8.1	13.3	100.0

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

Table 9—Balance sheet of the farming sector by value of sales class, January 1, 1972

Item	Gross sales							All farms
	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	
<i>Million dollars</i>								
<b>Total</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	39,059	45,683	49,337	29,694	18,958	18,502	27,181	228,414
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	6,899	5,509	5,902	3,397	2,053	1,794	1,720	27,274
Machinery and motor vehicles .....	4,540	7,579	9,007	5,345	3,258	2,966	3,917	36,612
Crops stored on and off farms <sup>2</sup> .....	1,984	3,010	3,357	1,769	843	524	349	11,836
Household equipment and furnishings ...	1,232	1,747	1,982	1,310	1,030	1,142	2,755	11,198
Financial assets:								
Deposits and currency .....	3,248	2,204	2,152	1,346	995	940	2,266	13,151
U.S. savings bonds .....	287	430	540	434	393	415	1,177	3,676
Investments in cooperatives .....	2,634	1,765	1,640	929	486	292	302	8,048
<b>Total</b> .....	<b>59,883</b>	<b>67,927</b>	<b>73,917</b>	<b>44,224</b>	<b>28,016</b>	<b>26,575</b>	<b>39,667</b>	<b>340,209</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	5,797	8,696	7,086	4,831	2,578	1,610	1,610	32,208
Nonreal estate debt:								
Excluding CCC loans .....	8,872	4,929	4,929	2,957	1,479	739	739	24,644
CCC loans <sup>3</sup> .....	265	613	658	407	185	86	48	2,262
<b>Total liabilities</b> .....	<b>14,934</b>	<b>14,238</b>	<b>12,673</b>	<b>8,195</b>	<b>4,242</b>	<b>2,435</b>	<b>2,397</b>	<b>59,114</b>
Proprietors' equities .....	44,949	53,689	61,244	36,029	23,774	24,140	37,270	281,095
<b>Total</b> .....	<b>59,883</b>	<b>67,927</b>	<b>73,917</b>	<b>44,224</b>	<b>28,016</b>	<b>26,575</b>	<b>39,667</b>	<b>340,209</b>
<i>Percent</i>								
Debt to asset ratio .....	24.9	20.9	17.1	18.5	15.1	9.2	6.0	17.4
<i>Dollars</i>								
<b>Per farm</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	557,986	205,779	122,424	81,131	54,166	41,765	26,753	79,587
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	98,557	24,815	14,645	9,281	5,866	4,050	1,693	9,503
Machinery and motor vehicles .....	64,857	34,140	22,350	14,604	9,308	6,695	3,855	12,757
Crops stored on and off farms <sup>2</sup> .....	28,343	13,559	8,330	4,833	2,408	1,183	344	4,124
Household equipment and furnishings ...	17,600	7,869	4,918	3,579	2,943	2,578	2,712	3,902
Financial assets:								
Deposits and currency .....	46,400	9,928	5,340	3,678	2,843	2,122	2,231	4,583
U.S. savings bonds .....	4,100	1,937	1,340	1,186	1,123	937	1,159	1,281
Investments in cooperatives .....	37,629	7,950	4,069	2,538	1,389	659	297	2,804
<b>Total</b> .....	<b>855,472</b>	<b>305,977</b>	<b>183,416</b>	<b>120,830</b>	<b>80,046</b>	<b>59,989</b>	<b>39,044</b>	<b>118,541</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	82,814	39,171	17,583	13,199	7,366	3,634	1,585	11,222
Nonreal estate debt:								
Excluding CCC loans .....	126,743	22,203	12,231	8,079	4,226	1,668	727	8,587
CCC loans <sup>3</sup> .....	3,786	2,761	1,633	1,112	528	194	47	788
<b>Total liabilities</b> .....	<b>213,343</b>	<b>64,135</b>	<b>31,447</b>	<b>22,390</b>	<b>12,120</b>	<b>5,496</b>	<b>2,359</b>	<b>20,597</b>
Proprietors' equities .....	642,129	241,842	151,969	98,440	67,926	54,493	36,685	97,944
<b>Total</b> .....	<b>855,472</b>	<b>305,977</b>	<b>183,416</b>	<b>120,830</b>	<b>80,046</b>	<b>59,989</b>	<b>39,044</b>	<b>118,541</b>
<i>Percent</i>								
Debt-to-asset ratio .....	24.9	20.9	17.1	18.5	15.1	9.2	6.0	17.4

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

Table 10—Percentage distribution of balance sheet of the farming sector by value of sale class, January 1, 1972

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>							
	Components as shares of total assets and claims							
<b>ASSETS</b>								
Physical assets:								
Real estate .....	65.3	67.3	66.8	67.2	67.7	69.7	68.6	67.2
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	11.5	8.1	8.0	7.7	7.3	6.8	4.3	8.0
Machinery and motor vehicles .....	7.6	11.2	12.2	12.1	11.6	11.2	9.9	10.8
Crops stored on and off farms <sup>2</sup> .....	3.3	4.4	4.5	4.0	3.0	2.0	.9	3.5
Household equipment and furnishings ...	2.0	2.5	2.6	2.9	3.6	4.2	6.8	3.2
Financial assets:								
Deposits and currency .....	5.4	3.3	2.9	3.1	3.6	3.5	5.7	3.9
U.S. savings bonds .....	.5	.6	.7	1.0	1.4	1.6	3.0	1.1
Investments in cooperatives .....	4.4	2.6	2.3	2.0	1.8	1.0	.8	2.3
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	38.8	61.1	55.9	59.0	60.8	66.1	67.2	54.5
Nonreal estate debt:								
Excluding CCC loans .....	59.4	34.6	38.9	36.0	34.9	30.4	30.8	41.7
CCC loans <sup>3</sup> .....	1.8	4.3	5.2	5.0	4.3	3.5	2.0	3.8
Total liabilities .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proprietors' equities (equity ratio) .....	75.1	82.0	82.9	81.5	84.9	90.8	94.0	82.6
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Shares of total component value							
<b>ASSETS</b>								
Physical assets:								
Real estate: .....	17.1	20.0	21.6	13.0	8.3	8.1	11.9	100.0
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	25.3	20.2	21.6	12.5	7.5	6.6	6.3	100.0
Machinery and motor vehicles .....	12.4	20.7	24.6	14.6	8.9	8.1	10.7	100.0
Crops stored on and off farms <sup>2</sup> .....	16.8	25.4	28.4	14.9	7.1	4.4	3.0	100.0
Household equipment and furnishings ...	11.0	15.6	17.7	11.7	9.2	10.2	24.6	100.0
Financial assets:								
Deposits and currency .....	24.7	16.8	16.4	10.2	7.6	7.1	17.2	100.0
U.S. savings bonds .....	7.8	11.7	14.7	11.8	10.7	11.3	32.0	100.0
Investments in cooperatives .....	32.7	21.9	20.4	11.6	6.0	3.6	3.8	100.0
Total .....	17.6	20.0	21.7	13.0	8.2	7.8	11.7	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	18.0	27.0	22.0	15.0	8.0	5.0	5.0	100.0
Nonreal estate debt:								
Excluding CCC loans .....	36.0	20.0	20.0	12.0	6.0	3.0	3.0	100.0
CCC loans <sup>3</sup> .....	11.7	27.1	29.1	18.0	8.2	3.8	2.1	100.0
Total liabilities .....	25.3	24.1	21.4	13.9	7.2	4.1	4.0	100.0
Proprietors' equities .....	16.0	19.1	21.8	12.8	8.5	8.6	13.2	100.0
Total .....	17.6	20.0	21.7	13.0	8.2	7.8	11.7	100.0

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

Table 11—Balance sheet of the farming sector by value of sales class, January 1, 1973

Item	Sales class							
	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>Million dollars</i>								
<b>Total</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	54,241	61,880	62,135	24,956	13,497	18,335	19,608	254,652
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	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 <sup>2</sup> .....	2,374	4,257	4,735	1,651	652	550	261	14,480
Household equipment and furnishings ...	2,682	2,656	2,518	1,050	683	1,101	1,961	12,651
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 .....	83,328	91,750	93,225	37,487	20,173	26,376	29,455	381,794
<b>CLAIMS</b>								
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 <sup>3</sup> .....	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 .....	62,964	75,381	79,532	30,574	17,151	23,691	27,157	316,450
Total .....	83,328	91,750	93,225	37,847	20,173	26,376	29,455	381,794
<i>Percent</i>								
Debt to asset ratio .....	24.4	17.8	14.7	18.4	15.0	10.1	7.8	17.1
<i>Dollars</i>								
<b>Per farm</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	511,708	188,085	112,768	74,719	50,362	37,804	25,432	89,540
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	96,009	24,262	14,691	9,177	5,818	3,953	1,709	11,983
Machinery and motor vehicles .....	57,811	30,207	19,998	12,937	8,178	5,913	3,663	13,812
Crops stored on and off farms <sup>2</sup> .....	22,396	12,939	8,609	4,943	2,424	1,134	338	5,091
Household equipment and furnishings ...	25,302	8,076	4,570	3,144	2,549	2,270	2,543	4,448
Financial assets:								
Deposits and currency .....	38,981	7,778	4,318	3,539	2,941	1,849	2,705	4,931
U.S. savings bonds .....	4,255	1,650	1,155	1,290	1,364	880	1,473	1,403
Investments in cooperatives .....	29,651	5,954	3,177	2,488	1,554	580	327	3,037
Total .....	786,113	278,877	169,286	112,237	75,190	54,383	38,190	134,245
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	87,699	30,432	14,304	10,707	6,647	3,686	1,854	12,573
Nonreal estate debt:								
Excluding CCC loans .....	102,254	17,742	9,601	9,153	4,134	1,720	1,080	9,773
CCC loans <sup>3</sup> .....	2,160	1,581	991	838	453	130	44	630
Total liabilities .....	192,113	49,755	24,896	20,697	11,234	5,536	2,978	22,976
Proprietors' equities .....	594,000	229,122	144,390	91,540	63,956	48,848	35,212	111,269
Total .....	786,113	278,877	169,286	112,237	75,190	54,384	38,190	134,245
<i>Percent</i>								
Debt to asset ratio .....	24.4	17.8	14.7	18.4	15.0	10.1	7.8	17.1

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



Table 12—Percentage distribution of balance sheet of the farming sector, by value of sales class, January 1, 1973

Item	Gross sales							All farms
	IA	IB	II	III	IV	V	VI	
	\$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	
<i>Percent</i>								
Components as shares of total assets and claims								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	65.1	67.5	66.7	66.5	67.0	69.6	66.7	66.6
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	12.2	8.7	8.5	8.2	7.8	7.3	4.5	8.9
Machinery and motor vehicles .....	7.4	10.8	11.8	11.5	10.9	10.9	9.6	10.3
Crops stored on and off farms <sup>2</sup> .....	2.9	4.6	5.1	4.4	3.2	2.1	.9	3.8
Household equipment and furnishings ...	3.2	2.8	2.7	2.8	3.3	4.1	6.5	3.3
Financial assets:								
Deposits and currency .....	5.0	2.8	2.6	3.2	3.9	3.4	7.1	3.7
U.S. savings bonds .....	.5	.6	.7	1.2	1.8	1.6	3.9	1.1
Investments in cooperatives .....	3.7	2.2	1.9	2.2	2.1	1.0	.8	2.3
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>CLAIMS</b>								
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 <sup>3</sup> .....	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) .....	75.6	82.2	85.3	82.5	85.0	90.6	92.2	82.9
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Shares of total component values								
<b>ASSETS</b>								
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 <sup>1</sup> .....	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 <sup>2</sup> .....	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
<b>CLAIMS</b>								
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 <sup>3</sup> .....	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

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

<sup>3</sup> Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 14—Percentage distribution of balance sheet of the farming sector, by value of sales class, 1974

Item	Gross sales							All farms
	IA \$100,000 and over	IB \$40,000 to \$99,999	II \$20,000 to \$39,999	II \$10,000 to \$19,999	IV \$5,000 to \$9,999	V \$2,500 to \$4,999	VI Less than \$2,500	
<i>Percent</i>								
Components as shares of total assets and claims								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	65.7	67.5	67.2	68.1	69.6	70.5	68.0	67.4
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	12.2	9.0	8.7	8.5	7.9	7.4	4.7	9.2
Machinery and motor vehicles .....	6.8	10.1	11.0	10.9	10.3	10.1	8.7	9.6
Crops stored on and off farms <sup>2</sup> .....	3.2	6.1	6.3	5.6	4.0	2.5	1.1	4.8
Household equipment and furnishings ...	2.5	2.2	2.3	2.6	3.4	4.3	8.6	2.9
Financial assets:								
Deposits and currency .....	4.8	2.6	2.3	2.2	2.6	3.0	5.6	3.2
U.S. savings bonds .....	.8	.6	.6	.7	1.1	1.4	2.9	.9
Investments in cooperatives .....	4.0	1.9	1.6	1.4	1.1	.8	.4	2.0
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	49.0	65.1	57.6	45.4	62.3	55.1	71.1	55.6
Nonreal estate debt:								
Excluding CCC loans .....	50.5	33.8	40.8	53.0	36.4	43.0	27.7	43.3
CCC loans <sup>3</sup> .....	.5	1.1	1.6	1.6	1.3	1.9	1.2	1.1
Total liabilities .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proprietors' equities (equity ratio) .....	72.8	83.6	86.4	87.1	87.7	95.2	96.3	84.0
Total .....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Shares of total component value								
<b>ASSETS</b>								
Physical assets:								
Real estate: .....	22.1	25.1	24.9	9.2	4.8	7.1	6.8	100.0
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	30.2	24.6	23.8	8.4	4.0	5.5	3.5	100.0
Machinery and motor vehicles .....	16.2	26.5	28.6	10.4	5.0	7.2	6.1	100.0
Crops stored on and off farms <sup>2</sup> .....	15.1	32.1	33.2	10.6	3.9	3.6	1.5	100.0
Household equipment and furnishings ...	19.0	18.5	19.3	8.0	5.6	9.9	19.7	100.0
Financial assets:								
Deposits and currency .....	33.9	19.9	17.9	6.3	3.8	6.4	11.8	100.0
U.S. savings bonds .....	20.1	17.1	17.7	7.5	5.5	10.5	21.6	100.0
Investments in cooperatives .....	44.0	23.9	19.4	6.1	2.5	2.5	1.6	100.0
Total .....	22.7	25.1	25.0	9.1	4.7	6.8	6.6	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	34.0	30.0	22.0	6.0	4.0	2.0	2.0	100.0
Nonreal estate debt:								
Excluding CCC loans .....	45.0	20.0	20.0	9.0	3.0	2.0	1.0	100.0
CCC loans <sup>3</sup> .....	16.4	29.5	32.7	11.3	4.5	3.7	1.9	100.0
Total liabilities .....	38.6	25.7	21.2	7.4	3.6	2.0	1.5	100.0
Proprietors' equities .....	19.7	25.0	25.7	9.4	4.9	7.7	7.6	100.0
Total .....	22.7	25.1	25.0	9.1	4.7	6.8	6.6	100.0

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

<sup>3</sup> Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 13—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	II \$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>Million dollars</i>								
<b>Total</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	69,036	78,408	77,783	28,739	14,994	22,179	21,242	312,381
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	12,801	10,437	10,098	3,563	1,697	2,327	1,455	42,378
Machinery and motor vehicles .....	7,181	11,747	12,678	4,610	2,216	3,192	2,705	44,329
Crops stored on and off farms <sup>2</sup> .....	3,335	7,090	7,333	2,341	861	795	332	22,087
Household equipment and furnishings .....	2,584	2,516	2,624	1,101	748	1,346	2,679	13,598
Financial assets:								
Deposits and currency .....	5,049	2,964	2,655	938	568	956	1,747	14,877
U.S. savings bonds .....	838	712	737	312	229	438	900	4,166
Investments in cooperatives .....	4,190	2,277	1,844	578	238	234	153	9,514
<b>Total</b> .....	<b>105,014</b>	<b>116,151</b>	<b>115,752</b>	<b>42,182</b>	<b>21,551</b>	<b>31,467</b>	<b>31,213</b>	<b>463,330</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	14,026	12,376	9,076	2,475	1,650	825	825	41,253
Nonreal estate debt:								
Excluding CCC loans .....	14,460	6,427	6,427	2,892	964	643	321	32,134
CCC loans <sup>3</sup> .....	123	221	245	85	34	28	14	750
<b>Total liabilities</b> .....	<b>28,609</b>	<b>19,024</b>	<b>15,748</b>	<b>5,452</b>	<b>2,648</b>	<b>1,496</b>	<b>1,160</b>	<b>74,137</b>
Proprietors' equities .....	76,405	97,127	100,004	36,730	18,903	29,971	30,053	389,193
<b>Total</b> .....	<b>105,014</b>	<b>116,151</b>	<b>115,752</b>	<b>42,182</b>	<b>21,551</b>	<b>31,467</b>	<b>31,213</b>	<b>463,330</b>
<i>Percent</i>								
Debt to asset ratio .....	27.2	16.4	13.6	12.9	12.3	4.8	3.7	16.0
<i>Dollars</i>								
<b>Per farm</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	605,579	222,750	133,419	88,156	60,217	44,988	29,792	110,382
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	112,289	29,651	17,321	10,929	6,815	4,720	2,041	14,975
Machinery and motor vehicles .....	62,991	33,372	21,746	14,141	8,900	6,475	3,794	15,664
Crops stored on and off farms <sup>2</sup> .....	29,254	20,142	12,578	7,181	3,458	1,613	466	7,805
Household equipment and furnishings .....	22,667	7,148	4,501	3,377	3,004	2,730	3,757	4,805
Financial assets:								
Deposits and currency .....	44,290	8,420	4,554	2,877	2,281	1,939	2,450	5,257
U.S. savings bonds .....	7,351	2,023	1,264	958	920	888	1,262	1,472
Investments in cooperatives .....	36,754	6,468	3,163	1,773	955	475	215	3,361
<b>Total</b> .....	<b>921,175</b>	<b>329,974</b>	<b>198,546</b>	<b>129,392</b>	<b>86,550</b>	<b>63,828</b>	<b>43,777</b>	<b>163,721</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	123,035	35,159	15,568	7,592	6,627	1,673	1,157	14,577
Nonreal estate debt:								
Excluding CCC loans .....	126,842	18,259	11,024	8,871	3,871	1,304	450	11,355
CCC loans <sup>3</sup> .....	1,079	628	420	261	137	58	20	265
<b>Total liabilities</b> .....	<b>250,956</b>	<b>54,046</b>	<b>27,012</b>	<b>16,724</b>	<b>10,635</b>	<b>3,035</b>	<b>1,627</b>	<b>26,197</b>
Proprietors' equities .....	670,219	275,928	171,534	112,668	75,915	60,793	42,150	137,524
<b>Total</b> .....	<b>921,175</b>	<b>329,974</b>	<b>198,546</b>	<b>129,392</b>	<b>86,550</b>	<b>63,828</b>	<b>43,777</b>	<b>163,721</b>
<i>Percent</i>								
Debt-to-asset ratio .....	27.2	16.4	13.6	12.9	12.3	4.8	3.7	16.0

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

<sup>3</sup> Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet.

Table 15—Balance sheet of the farming sector by value of sales class, January 1, 1975

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>Million dollars</i>								
<b>Total</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	76,613	86,408	86,758	32,884	17,142	25,188	24,838	349,831
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	7,459	5,986	5,827	2,102	1,018	1,326	852	24,570
Machinery and motor vehicles .....	9,035	14,569	16,037	5,986	2,993	4,122	3,727	56,469
Crops stored on and off farms <sup>2</sup> .....	3,491	7,331	7,704	2,560	954	838	396	23,274
Household equipment and furnishings .....	2,343	2,618	3,047	1,302	934	1,654	3,414	15,312
Financial assets:								
Deposits and currency .....	4,655	2,896	2,584	996	634	1,151	2,144	15,060
U.S. savings bonds .....	706	693	749	347	264	502	1,070	4,331
Investments in cooperatives .....	4,731	2,531	2,029	578	237	248	159	10,513
<b>Total</b> .....	<b>109,033</b>	<b>123,032</b>	<b>124,735</b>	<b>46,755</b>	<b>24,176</b>	<b>35,029</b>	<b>36,600</b>	<b>499,360</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	16,200	14,350	9,720	2,314	1,852	926	926	46,288
Nonreal estate debt:								
Excluding CCC loans .....	16,204	7,750	7,045	2,818	705	352	352	35,226
CCC loans <sup>3</sup> .....	48	103	106	34	12	11	5	319
<b>Total liabilities</b> .....	<b>32,452</b>	<b>22,203</b>	<b>16,871</b>	<b>5,166</b>	<b>2,569</b>	<b>1,289</b>	<b>1,283</b>	<b>81,833</b>
Proprietors' equities .....	76,581	100,829	107,864	41,589	21,607	33,740	35,317	417,527
<b>Total</b> .....	<b>109,033</b>	<b>123,032</b>	<b>124,735</b>	<b>46,755</b>	<b>24,176</b>	<b>35,029</b>	<b>36,600</b>	<b>499,360</b>
<i>Percent</i>								
Debt to asset ratio .....	29.8	18.1	13.5	11.1	10.6	3.7	3.5	16.4
<i>Dollars</i>								
<b>Per farm</b>								
<b>ASSETS</b>								
Physical assets:								
Real estate .....	696,482	254,891	153,554	100,871	67,488	51,934	34,071	124,534
Nonreal estate:								
Livestock and poultry <sup>1</sup> .....	67,809	17,658	10,313	6,448	4,008	2,734	1,168	8,750
Machinery and motor vehicles .....	82,136	42,976	28,384	18,362	11,783	8,499	5,112	20,110
Crops stored on and off farms <sup>2</sup> .....	31,736	21,625	13,635	7,853	3,756	1,728	543	8,289
Household equipment and furnishings .....	21,300	7,723	5,395	3,994	3,677	3,410	4,683	5,453
Financial assets:								
Deposits and currency .....	42,318	8,543	4,573	3,055	2,496	2,373	2,941	5,363
U.S. savings bonds .....	6,418	2,044	1,326	1,064	1,039	1,035	1,467	1,542
Investments in cooperatives .....	43,009	7,466	3,592	1,773	934	511	211	3,744
<b>Total</b> .....	<b>991,208</b>	<b>362,926</b>	<b>220,772</b>	<b>143,420</b>	<b>95,181</b>	<b>72,224</b>	<b>50,196</b>	<b>177,785</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt .....	147,273	42,330	17,204	7,098	7,291	1,909	1,270	16,484
Nonreal estate debt:								
Excluding CCC loans .....	147,309	22,861	12,469	8,644	2,776	726	482	12,545
CCC loans <sup>3</sup> .....	436	304	188	105	47	23	6	114
<b>Total liabilities</b> .....	<b>295,018</b>	<b>65,495</b>	<b>29,861</b>	<b>15,847</b>	<b>10,114</b>	<b>2,658</b>	<b>1,758</b>	<b>29,143</b>
Proprietors' equities .....	696,134	297,431	190,911	127,573	85,067	69,566	48,438	148,642
<b>Total</b> .....	<b>991,152</b>	<b>362,926</b>	<b>220,772</b>	<b>143,420</b>	<b>95,181</b>	<b>72,224</b>	<b>50,196</b>	<b>177,785</b>
<i>Percent</i>								
Debt-to-asset ratio .....	29.8	18.1	13.5	11.1	10.6	3.7	3.5	16.4

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

Table 16—Percentage distribution of balance sheet of the farming sector, by value of sales class, January 1, 1975

Item	Gross sales							All farms
	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	
	<i>Percent</i>							
	Components as shares of total assets and claims							
<b>ASSETS</b>								
Physical assets:								
Real estate . . . . .	70.3	70.2	69.6	70.3	70.9	71.9	67.9	70.1
Nonreal estate:								
Livestock and poultry <sup>1</sup> . . . . .	6.8	4.9	4.7	4.5	4.2	3.8	2.3	4.9
Machinery and motor vehicles . . . . .	8.3	11.8	12.9	12.8	12.4	11.8	10.2	11.3
Crops stored on and off farms <sup>2</sup> . . . . .	3.2	6.0	6.2	5.5	4.0	2.4	1.1	4.7
Household equipment and furnishings . . . . .	2.2	2.1	2.4	2.8	3.9	4.7	9.3	3.1
Financial assets:								
Deposits and currency . . . . .	4.3	2.4	2.1	2.1	2.6	3.3	5.9	3.0
U.S. savings bonds . . . . .	.7	.6	.5	.7	1.0	1.4	2.9	.9
Investments in cooperatives . . . . .	4.2	2.0	1.6	1.3	1.0	.7	.4	2.0
Total . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt . . . . .	49.9	64.6	57.6	44.8	72.1	71.8	72.2	56.6
Nonreal estate debt:								
Excluding CCC loans . . . . .	49.9	34.9	41.8	54.5	27.4	27.3	27.4	43.0
CCC loans <sup>3</sup> . . . . .	.2	.5	.6	.7	.5	.9	.4	.4
Total liabilities . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proprietors' equities (equity ratio) . . . . .	70.2	82.0	86.5	89.0	89.4	93.6	91.0	83.6
Total . . . . .	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
	Shares of total component value							
<b>ASSETS</b>								
Physical assets:								
Real estate: . . . . .	21.9	24.7	24.8	9.4	4.9	7.2	7.1	100.0
Nonreal estate:								
Livestock and poultry <sup>1</sup> . . . . .	30.3	24.4	23.7	8.6	4.1	5.4	3.5	100.0
Machinery and motor vehicles . . . . .	16.0	25.8	28.4	10.6	5.3	7.3	6.6	100.0
Crops stored on and off farms <sup>2</sup> . . . . .	15.0	31.5	33.6	11.0	4.1	3.6	1.7	100.0
Household equipment and furnishings . . . . .	15.3	17.0	19.8	8.5	6.0	10.8	22.6	100.0
Financial assets:								
Deposits and currency . . . . .	30.9	19.2	17.1	6.6	4.2	7.6	14.4	100.0
U.S. savings bonds . . . . .	16.3	16.0	17.2	8.0	6.0	11.5	25.0	100.0
Investments in cooperatives . . . . .	45.0	24.0	19.2	5.4	2.2	2.3	1.9	100.0
Total . . . . .	21.8	24.6	25.0	9.4	4.8	7.0	7.4	100.0
<b>CLAIMS</b>								
Liabilities:								
Real estate debt . . . . .	35.0	31.0	21.0	5.0	4.0	2.0	2.0	100.0
Nonreal estate debt:								
Excluding CCC loans . . . . .	46.0	22.0	20.0	8.0	2.0	1.0	1.0	100.0
CCC loans <sup>3</sup> . . . . .	15.0	32.2	33.2	10.6	3.8	3.4	1.8	100.0
Total liabilities . . . . .	39.7	27.1	20.6	6.3	3.1	1.6	1.6	100.0
Proprietors' equities . . . . .	18.5	24.2	25.8	9.9	5.2	8.0	8.4	100.0
Total . . . . .	21.8	24.6	25.0	9.4	4.8	7.0	7.4	100.0

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

## BALANCE SHEET OF THE FARMING SECTOR, ALASKA, 1971-77

In 1974, ERS published a balance sheet for Alaska's farming sector for the years 1969-74.<sup>1</sup> Since then, additional data were acquired through the 1974 Census of Agriculture, the 1975 Alaska Farm Cost of Production Survey, and other sources which were used to revise the earlier estimates.

Farm asset values in Alaska rose steadily from 1970, following closely the increase in farm real estate value (table 17). The value of farm machinery and motor vehicles and the value of stored crops also showed relatively sharp gains after 1970. Financial assets showed substantial growth, with the sharpest gains occurring during the last several years.

The amount of farm debt outstanding in Alaska rose from \$8.1 million on January 1, 1970, to \$14.1 million at the beginning of 1974, then declined to about \$10.1 million at the beginning of 1977. Farm real estate debt and nonreal estate debt followed the same pattern.

Proprietors' equity in farm assets posted steady gains after 1970, with the sharpest increases coming after 1973. On January 1, 1977, equity totaled \$77.6 million, more than double the January 1, 1975, value.

With the increase in the importance of farm real estate as a farm asset, values shifted somewhat from their relationship in 1970 (table 18). The value of farm real estate accounted for almost three-fourths of total asset value in 1977; whereas in 1970, its share was less than two-thirds. The relationship between the outstanding amount of real estate loans and nonreal estate loans also changed during 1970-77. Farm real estate debt was 64 percent of the total in 1970, but rose to claim over 80 percent of total debt by 1977.

### Balance Sheet Components

#### Assets

*The value of privately owned farm real estate* (including farmland and buildings) in Alaska on January 1, 1977, was an estimated \$64.8 million (table 17). Since 1970, the value increased 255 percent, with the bulk of the increase occurring after 1974. A small portion of the

increase in total value was because of a slight increase in acreage, but the bulk of the value increase was caused by sharply higher per acre values. The per acre value rose partially because of the strong demand for available farmland and partially because several thousand acres of uncleared or marginally tillable land were developed into much more productive farmland. However, the loss of some farmland to residential subdivisions, especially in the Matanuska Valley, and expectations that more farmland would be subdivided also influenced the sharp rise in per acre value in the last few years.

*Livestock and poultry (excluding horses) on farms* January 1, 1977, were valued at \$3.6 million, about 4 percent less than a year earlier and 20 percent below the record high \$4.5 million on January 1, 1974. Cattle and calves accounted for over four-fifths of total livestock and poultry value in most years. Since the early seventies, the value of sheep and hogs has shown a steady decline, mostly because of fewer animals. Most livestock in Alaska are owned by relatively few farmers, which probably accounts for the rather uneven annual changes in number on hand and total value. About 13 dairies operate in Alaska, and the value of their cattle and calves make up about half of total cattle value and about 40 percent of the total value of livestock and poultry, excluding horses.

*The value of machinery and motor vehicles on farms* January 1, 1977, was \$6.4 million, 10 percent higher than a year earlier and two-and-a-half times the value of 1970. Motortruck and tractor values usually make up over half the total value of machinery and motor vehicles. On smaller farms, the machinery and equipment are often less modern and smaller in size or capacity than those on the larger farms where more powerful and more reliable units are required to cover the larger acreage.

*The value of crops stored on farms* on January 1, 1977, was estimated to be \$3.2 million, about the same as on January 1, 1976. Storable crops in Alaska are usually limited to potatoes, hay, silage, and barley. The volume of each in storage varies considerably from one year to the next depending on the amount produced and the demand after harvest. For example, livestock feed may be used up soon after harvest if output is much lower than expected because of dry weather. In this case, the volume and the total value of feed still in storage on the following January 1 would be less than it otherwise might be under more favorable conditions.

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<sup>1</sup> Evans, Carson D. "Balance Sheet of the Farming Sector, Alaska, 1969-74." *Balance Sheet of the Farming Sector, 1974*, USDA-ERS, AIB-376, Sept. 1974. The reader is directed to that article for more detail on items covered and background on farming in Alaska.

Table 17—Balance sheet of the farming sector, Alaska, January 1, 1970-77

Item	1970	1971	1972	1973	1974	1975	1976	1977 <sup>1</sup>
	<i>1,000 dollars</i>							
<b>ASSETS</b>								
Physical assets:								
Real estate .....	18,270	20,400	22,140	25,200	29,250	33,500	45,500	64,800
Nonreal estate:								
Livestock and poultry .....	2,920	3,070	3,195	3,155	4,510	2,225	3,740	3,580
Machinery and motor vehicles ...	2,650	3,150	3,660	4,180	4,710	5,260	5,830	6,430
Crops stored on farms .....	916	1,176	1,054	1,622	1,686	2,367	3,156	3,150
Household equipment and furnishings .....	2,000	2,100	2,150	2,200	2,250	2,350	2,600	2,900
Financial assets:								
Bank deposits and savings accounts .....	1,000	1,300	1,700	2,200	2,800	3,600	4,800	6,000
Investment in cooperatives .....	515	533	554	546	590	650	710	788
<b>TOTAL .....</b>	<b>28,271</b>	<b>31,729</b>	<b>34,453</b>	<b>39,103</b>	<b>45,796</b>	<b>49,952</b>	<b>66,336</b>	<b>87,648</b>
<b>CLAIMS</b>								
Liabilities:								
Real estate debt:								
Federal land bank <sup>2</sup> .....	935	842	1,532	1,816	3,410	2,066	2,027	---
Banks (all operating) .....	779	904	1,330	1,868	1,325	1,495	1,190	---
Farmers Home Administration (Direct and insured loans) <sup>3</sup> .....	992	873	1,047	822	858	725	471	---
ARRC <sup>4</sup> .....	792	744	961	927	918	1,077	1,073	---
ARLF <sup>5</sup> .....	810	1,260	1,913	2,187	2,377	2,598	2,813	---
Other .....	860	920	1,240	1,430	1,680	1,525	1,580	---
<b>Total real estate debt .....</b>	<b>5,168</b>	<b>6,287</b>	<b>8,023</b>	<b>9,050</b>	<b>10,568</b>	<b>9,486</b>	<b>9,154</b>	<b>8,159</b>
Nonreal estate debt:								
Banks (all commercial) .....	998	1,241	1,109	1,776	1,036	866	690	---
Production credit association .....	---	376	769	832	697	597	641	---
Farmers Home Administration (Direct and insured loans) <sup>5</sup> .....	1,186	993	796	680	531	373	88	---
ARRC <sup>4</sup> .....	62	111	77	57	67	65	68	---
ARLF <sup>5</sup> .....	528	818	1,094	1,120	1,058	1,014	1,024	---
Other .....	140	160	190	225	190	180	190	---
<b>Total nonreal estate debt .....</b>	<b>2,914</b>	<b>3,699</b>	<b>4,035</b>	<b>4,690</b>	<b>3,579</b>	<b>3,095</b>	<b>2,701</b>	<b>1,929</b>
<b>Total debt .....</b>	<b>8,082</b>	<b>9,986</b>	<b>12,058</b>	<b>13,740</b>	<b>14,147</b>	<b>12,646</b>	<b>11,855</b>	<b>10,088</b>
Equity .....	20,189	21,743	22,395	25,363	31,649	37,306	54,481	77,560
Debt-to-asset ratio (percent) .....	28.6	31.5	35.0	35.1	30.9	25.3	17.9	11.5

<sup>1</sup> Preliminary. <sup>2</sup> Excludes housing loans. <sup>3</sup> Farm ownership and farm rural housing loans. <sup>4</sup> Alaska Rural Rehabilitation Corporation. <sup>5</sup> Agriculture Revolving Loan Fund. <sup>6</sup> Farm operating, emergency and economic opportunity loans.

Table 18—Balance sheet components as shares of total assets and liabilities,  
Alaska, 1970-77

Item	1970	1971	1972	1973	1974	1975	1976	1977 <sup>1</sup>
	<i>Percent</i>							
<b>ASSETS</b>								
Physical assets:								
Real estate .....	64.7	64.3	64.3	64.4	63.9	67.1	68.6	73.8
Nonreal estate:								
Livestock and poultry .....	10.3	9.7	9.3	8.1	9.8	4.5	5.6	4.1
Machinery and motor vehicles .....	9.4	9.9	10.6	10.7	10.3	10.5	8.8	7.3
Crops stored on and off farms .....	3.2	3.7	3.1	4.2	3.7	4.7	4.8	3.4
Household equipment and furnishings ...	7.1	6.6	6.2	5.6	4.9	4.7	3.9	3.6
Financial assets:								
Bank deposits and savings accounts .....	3.5	4.1	4.9	5.6	6.1	7.2	7.2	6.9
Investments in cooperatives .....	1.8	1.7	1.6	1.4	1.3	1.3	1.1	.9
<b>Total .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
<b>LIABILITIES</b>								
Real estate debt .....	63.9	63.0	66.5	65.9	74.7	75.5	77.3	80.9
Nonreal estate debt .....	36.1	37.0	33.5	34.1	25.3	24.5	22.7	19.1
<b>Total .....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Preliminary.

No farmer-owned crops are stored on or off farms in Alaska under Commodity Credit Corporation loans.

*Household equipment and furnishings* on Alaska farms on January 1, 1977, were valued at \$2.9 million. There has been a steady rise in value since 1970 with the last few years showing larger increases.

*Financial assets* of farmers totaled an estimated \$6.8 million on January 1, 1977. This was almost one-fourth above 1976 and four-and-a-half times what they were in 1970. Financial assets are difficult to estimate, but recent survey data indicate that farmers have considerably more financial assets than the earlier balance sheets indicated for Alaska's farm sector. Although there are no substantiating data, farmers' financial assets may have received a large boost in the last couple of years from nonfarm income, especially income received from jobs on or related to the construction of the trans-Alaska oil pipeline.

#### Liabilities

Farm debt showed a gradual increase from \$8.1 million in 1970 to \$14.1 million in 1974, then declined to \$10.1 million on January 1, 1977. The rapid increase in financial assets mentioned above and the decline in farm debt since 1974 are probably related. Increased earnings from off-farm employment most likely enabled farmers to reduce their debts as well as increase cash savings.

*Farm real estate debt* on January 1, 1977, totaled \$8.2 million, 11 percent less than in 1976 but 60 percent above the amount outstanding at the start of 1970. There are several sources of farm long-term credit in Alaska, including the Federal land bank, commercial banks, Farmers Home Administration, and miscellaneous private lenders. Additionally, the Agricultural Revolving Loan Fund (ARLF), a State-sponsored lending agency,

and the Alaska Rural Rehabilitation Corporation (ARRC), a locally administered loan organization, supply farm real estate loans.

The Federal land bank and the ARLF are the two major lenders. In the last few years, new Federal land bank loans have almost all been for farm or rural housing. However, data for housing loans are not included.

Nonreal estate farm loans outstanding in Alaska on January 1, 1977, totaled \$1.9 million. This amount compared with \$2.7 million at the beginning of 1976 and with \$2.9 million in 1970. Since 1970, the year with highest outstanding farm nonreal estate debt has been 1973, when it was \$4.7 million.

Alaskan farmers have the same three traditional institutional lenders of short- and intermediate-term loans as farmers in the "Lower 48", namely commercial banks, production credit associations, and Farmers Home Administration. In addition, as with farm real estate loans, both the ARLF and ARRC make farm nonreal estate loans. The ARLF has emerged as the main source of farm nonreal estate loans.

*Farm proprietors' equity in farm assets* climbed rapidly since 1970 and totaled \$77.6 million on January 1, 1977. The sharpest increases occurred in the last 2 or 3 years as farm real estate value shot up while farm real estate debt actually declined.

The farm debt-to-asset ratio on January 1, 1977, was 11.5 percent. This is much lower than other years since 1970 and reflects both the decline in farm real estate debt and the rapid appreciation in farmland values. Until 1976, the debt-to-asset ratio of the Alaskan farm sector was about double that of the 48-State farm sector which has averaged from 16.0 percent to 17.4 percent the last 10 years.



## THE WIDE ECONOMIC IMPACT OF THE PRODUCTION OF FARMERS' FIXED CAPITAL

by

\*Thomas A. Niles and Gerald E. Schluter

The capital assets of farmers and appear in the *Balance Sheet of the Farming Sector* can be viewed from several different perspectives. Within the balance sheet itself, they are broken down between physical assets and financial assets. Physical assets are split between real estate and nonreal estate. The assets addressed in this article are tractors, motor trucks, automobiles, other farm machinery and equipment, land improvements, dwellings, and service buildings.

Most often capital assets are viewed using the stock concept of capital. Capital stock can be viewed as the long-term accumulation of investment flows. Investment can be further disaggregated into replacement investment (to maintain current levels of the capital stock) and new net investment (to increase the level of capital stock). Net investment is the only investment that increases agricultural capacity and the only investment that could replace labor intensive technology with more machinery intensive technology.

The annual rate of net investment in farm capital in the 5-year period 1971-75 was \$790 million. This is lower than the \$848 million and \$873 million annual averages for the forties and fifties but above the \$712 million for the sixties. At the same time, total farm capital expenditures were rising from an average of \$2.3 billion in the forties to \$10.2 billion in the 1971-75 period. This indicates a trend to an increasing proportion of farm capital expenditures committed simply to the replacement of current capital. As important as the differentiation between new and replacement investment is to adjustments in the capital stock, it is the total level of investment which influences the level of business activity and employment in the capital-producing industries. The sectors of the economy directly and indirectly involved in producing capital are less interested in how their outputs are used, whether for replacement of or additions to capital stocks, than they are in the aggregate level of investment that is done by the agricultural sector. The remainder of this report will therefore consider the inter-industry impacts of total investment.

In 1971, farmers spent \$7.0 billion for all capital items.<sup>1</sup> This original expenditure for capital items generated additional economic activity within the U.S. economy because the firms which supplied the \$7.0 billion worth of materials and services in turn had to purchase goods and services from other firms, thus requiring a total economic effort greater than the original \$7.0 billion spent. The total business activity stimulated by the \$7.0 billion in capital expenditures was an estimated \$15.1 billion. Each dollar that farmers spent for capital items in 1971 stimulated \$2.10 of total business in the economy.

The total outlays for capital items in 1971 can be further disaggregated. Farmers spent around \$4.9 billion for farm machinery alone. This expenditure generated some \$10.4 billion worth of total business activity that year. This additional output was needed to provide for the indirect demands for producing the farm machinery. Machinery production requires output from such sectors as steel, rubber, machine tools, general manufacturing, and construction. To support these activities, increased output was required from the sales and service sectors.

At the same time, farmers invested \$2.1 billion to improve their real estate assets. This consisted of improvements to and construction of buildings and other land improvements. This \$2.1 billion worth of improvements generated \$4.7 billion of total business activity.

To maintain this level of economic activity, nearly 640,000 workers were needed to produce and deliver farm capital items in 1971. With a total civilian labor force of 84 million, this result suggests that nearly 1 percent of the U.S. civilian work force was employed in providing fixed capital items for the farming sector in 1971. Each \$1 million worth of direct expenditures was associated with the employment of about 91 workers. On the other hand, the steady accumulation of farm

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<sup>1</sup> *Farm Production Expenditures for 1971*, Statistical Reporting Service, USDA, Washington, D.C., May 1975. 1971 is the latest year for which detailed breakdown of capital expenditures by farmers' is available.

capital stock has been accompanied by a steady decline in the farm labor force. A direct comparison of the employment needs of investment with the number of workers displaced by investment may not be meaningful. Intertemporal comparisons complicate the relationship. Although investment is made in one period, it displaces the farm workers for the life of the capital stock. Similarly, the number of workers leaving the farm is not a complete measure of the people being displaced by farm capital investment. Capital investment in agricultural input and processing industries can cause jobs as well as workers to be transferred to the nonfarm sector. While a direct comparison may not be meaningful, it is useful to note this capital substitution process is not costless initially and later takes a certain level of factor commitments (labor, raw material, etc.) for replacement investment.

Agricultural capital expenditures do not impact uniformly on all sectors of the economy (fig. 1). The capital expenditures within the real estate sector for building and other improvements generated about \$1.9 billion worth of economic activity in the construction sectors. Farm machinery and equipment expenditures generated nearly \$4.3 billion in activity in the machinery manufacturing sector. The material input sectors were affected

about equally by both investment in real estate improvement and investment in machinery and equipment. These input sectors included such goods as wood, metal, plastics, rubber, and petroleum products. Collectively, these material input sectors had their output augmented by over \$3 billion. The remainder of the manufacturing sectors generated \$1.6 billion in additional output.

Expenditures for farm machinery and equipment had a particularly heavy impact on the wholesale and retail trade sectors, with nearly \$1.8 billion worth of economic activity generated. About 3 percent of the \$15.1 billion of total economic activity went to the transportation sector. Utilities received only 1 percent of that total. Foreign imports totaling just over \$400 million were consumed in the total economic activity generated. This represented about 2 percent of the activity generated by real estate improvements and 3 percent of the activity from machinery and equipment expenditures. Other service sectors and the farm sector received the remaining \$1.4 billion of total economic activity.

#### Employment Levels Also Influenced

Employment also benefits from the economic activity stimulated by farmers' capital expenditures. Assuming employment varies directly with the level of business

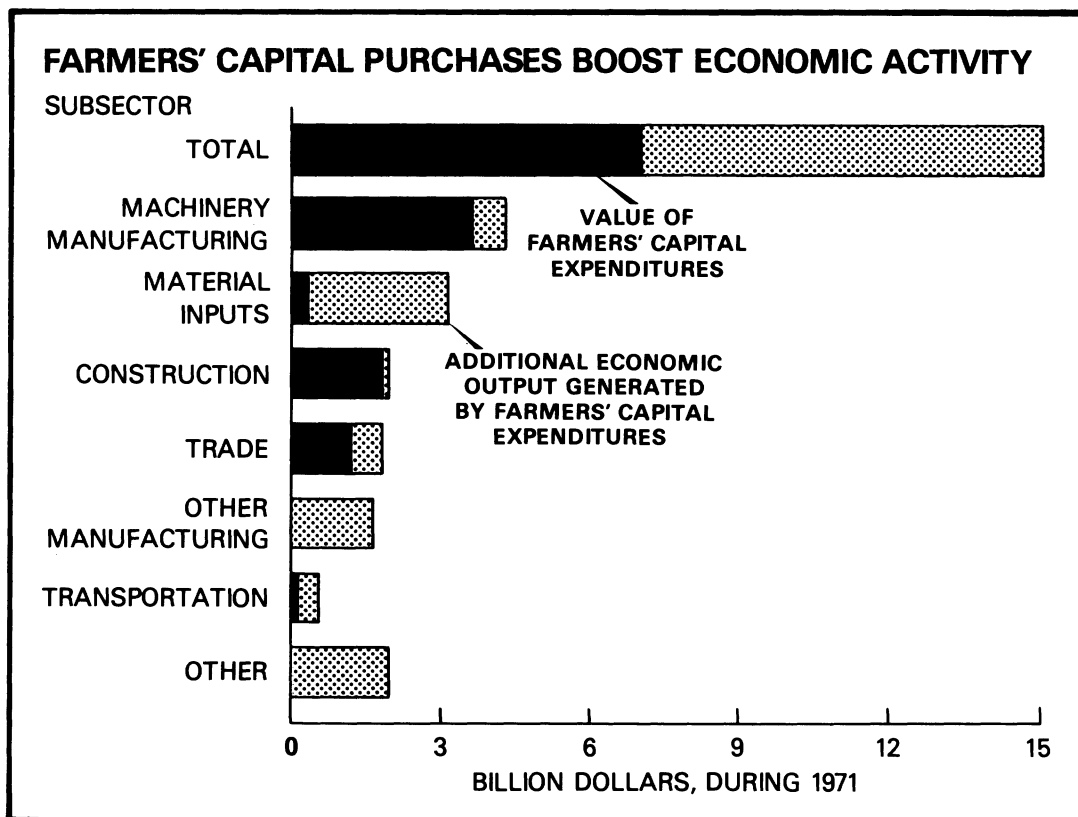


Figure 1

activity, then the \$4.7 billion worth of economic activity associated with farmers' capital expenditures to improve real estate required the employment of about 206,000 workers in 1971. The production of farmers' machinery and equipment required 431,000 workers.

The employment impact of improvements to real estate and to machinery did not fall evenly on the economy. The employment associated with machinery and equipment was largely within the wholesale and retail trade sector. The employment effect in this sector totaled about 140,000 workers in 1971. This is in part a reflection of the concentration of machinery and equipment manufacturing, both economically and geographically, and the dispersion of the farm market which requires an extensive trade network to link the two.

### Resulting Distribution of Income

Each time a transaction occurs between two sectors, a proportion is kept in the receiving sector as income or factor payments, and the remainder is passed on to other sectors through purchases of inputs. Thus, the income generated must be less than the total economic activity generated. The distribution of this income need not resemble the distribution of the initial farmers' expenditures.

About 86 cents of each farmer's dollar spent for buildings and other improvements was received by the construction sector. Ultimately, this sector retained 32 cents of this total and passed the remainder on to other sectors through purchases of inputs. On the other hand, the material supplies sectors received directly only 11 cents of each farmer's dollar spent for buildings and other improvements, but finally received 29 cents as the construction sector purchased additional material inputs. Trade, transportation, and several other sectors also benefited from this transfer effect.

**Table 1—Distribution of income dollar due to farmers' capital expenditures, 1971**

Subsector	Buildings and other improvement		Machinery and equipment	
	Initial	Final	Initial	Final
	<i>Cents</i>			
Construction . . . . .	86	32	---	1
Material inputs . . . . .	11	29	2	15
Machinery manufacturing . .	---	---	73	32
Trade . . . . .	3	12	23	23
Transportation . . . . .	---	5	1	4
Other manufacturing . . . . .	---	9	1	11
Other services and farming . . . . .	---	13	---	14
Total . . . . .	100	100	100	100

The machinery sector received about 73 cents of each dollar of farm investment in machinery and equipment and retained about 32 cents. The materials supplies and trade also received a large share of farmers' machinery and equipment expenditures. The remainder was shared by several other sectors.

The accumulation of the agricultural capital reported in the *Balance Sheet of the Farming Sector* has been shown to have a wide impact on the economy. While the farm machinery industry is the most visibly influenced by the process, this study has revealed a rather wide impact on the total economy. The interrelated nature of production in the U.S. economy demands that additional economic activity must be generated throughout much of the rest of the economy in order to provide for farmers' capital needs.