



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

1
Ag84Ab

Balance Sheet of the Farming Sector, 1978

Supplement
No. 1

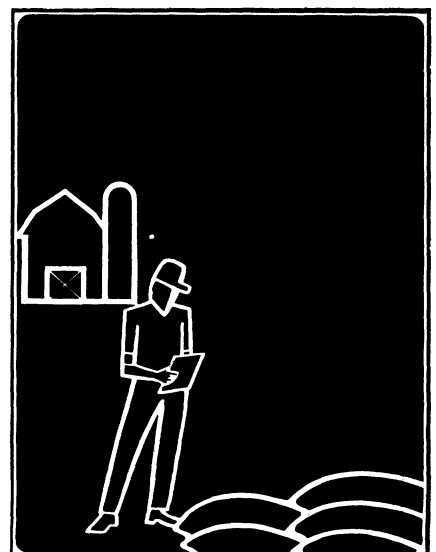
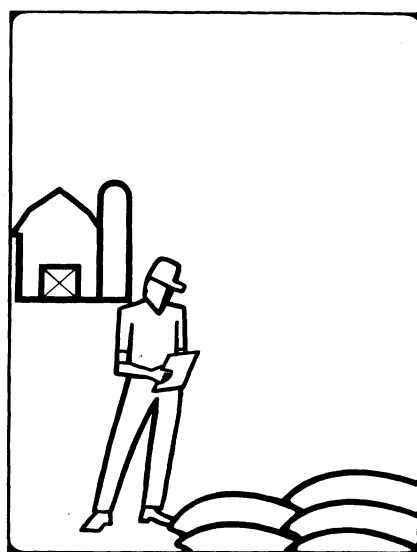
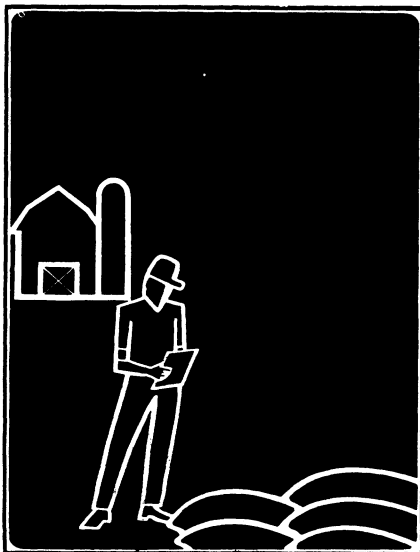
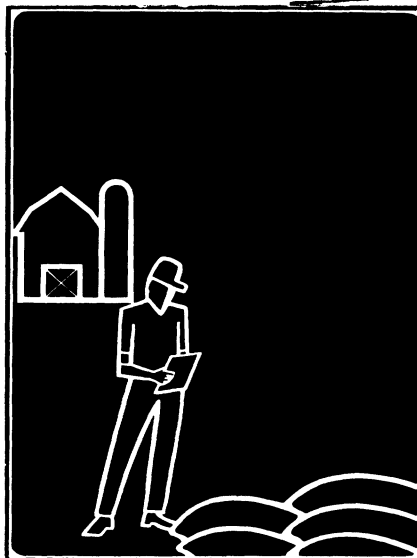
Agriculture
Information
Bulletin
No. 416A

October
1978

U. S. D. A.
National Agricultural Library
Received

U.S. Department
of
Agriculture

Economics,
Statistics, and
Cooperatives
Service



ABSTRACT

Farm assets were valued at \$708 billion on January 1, 1978, and outstanding debt was \$119 billion, leaving farm proprietors an equity of \$589 billion. These amounts compare with assets of \$655 billion, debt of \$103 billion, and equity of \$552 billion at the beginning of 1977. Farm real estate value increased \$42 billion (9 percent) over the January 1, 1977 estimate of \$484 billion. Livestock and poultry value of \$32 billion was 10 percent above a year earlier. Machinery and motor vehicle value was \$75 billion, a 6-percent increase. The value of crops stored was an estimated \$25 billion, up 12 percent. The value of household equipment and furnishings rose only slightly, to \$15 billion. Financial assets rose about 5 percent to total an estimated \$36 billion. Farm debt rose at an accelerated rate. Farm real estate debt outstanding was \$63 billion and nonreal estate debt (excluding CCC loans) was \$51 billion. CCC loans increased by \$3.5 billion to \$4.5 billion, a record high. Balance sheets by value of sales class, capital gains on physical assets, farm production assets, and rates of return on equity are reconstructed to reflect revisions in the balance sheet estimates.

KEYWORDS: Farm balance sheet, farm assets, debt and equity, capital gains.

CONTENTS

	<i>Page</i>
THE 1978 BALANCE SHEET IN SUMMARY	1
Balance Sheet Components	2
Farm Assets in 1967 Prices	4
THE 1978 BALANCE SHEET IN DETAIL	6
Farm Real Estate	6
Livestock and Poultry	9
Machinery and Motor Vehicles	9
Crop Inventory	9
Household Equipment and Furnishings	13
Financial Assets	13
Farm Debt	15
Nonreal Estate Farm Debt	15
Farm Real Estate Debt	19
Interest Charges	20
Proprietors' Equity in Farm Assets	20
FACTORS INFLUENCING THE 1978 BALANCE SHEET	24
Farm Income	24
Farm Production Assets and Earnings	26
BALANCE SHEET OF THE FARMING SECTOR BY VALUE OF SALES CLASS, 1969-77	28
FARM ASSET VALUE, DEBT, AND EQUITY BY STATE AND REGION	28
CAPITAL GAINS ON FARM PHYSICAL ASSETS	41
Capital Gains to Farm Operators and Nonoperator Landlords	45
Capital Gains and Farm Income	49
BALANCE SHEET OF THE FARMING SECTOR, 1940-78	52

BALANCE SHEET OF THE FARMING SECTOR, 1978

by Carson D. Evans and Richard W. Simunek, Agricultural Economists

THE 1978 BALANCE SHEET IN SUMMARY

Farm assets on January 1, 1978, had a total value of \$708.3 billion. The 1978 value represented a \$53.4 billion or 8.2-percent gain from January 1, 1977 (table 1 and fig. 1). These were the smallest dollar and percentage increases since those of \$38.8 billion and 8.1 percent for 1974.

Total farm debt outstanding at the beginning of 1978 was \$118.8 billion. The \$16.1 billion, or 15.7-percent, increase over January 1, 1977, was by far the largest annual change since 1940.

Equity that proprietors owned in their farm assets amounted to \$589.5 billion. The \$37.2 billion (6.7-

percent) increase over January 1, 1977, was restrained by the smaller than usual rise in asset values and the record increase in debt.

Three-fourths of the increase in asset values was due to the higher value for real estate. Physical assets other than real estate accounted for about one-fifth of the gain and financial assets the remainder.

Farm real estate debt rose by \$6.7 billion during 1977, to total \$63.3 billion on January 1, 1978. Farm nonreal estate debt excluding Commodity Credit Corporation (CCC) loans was up \$5.9 billion and totaled \$51.0 billion at the beginning of 1978. CCC loans on

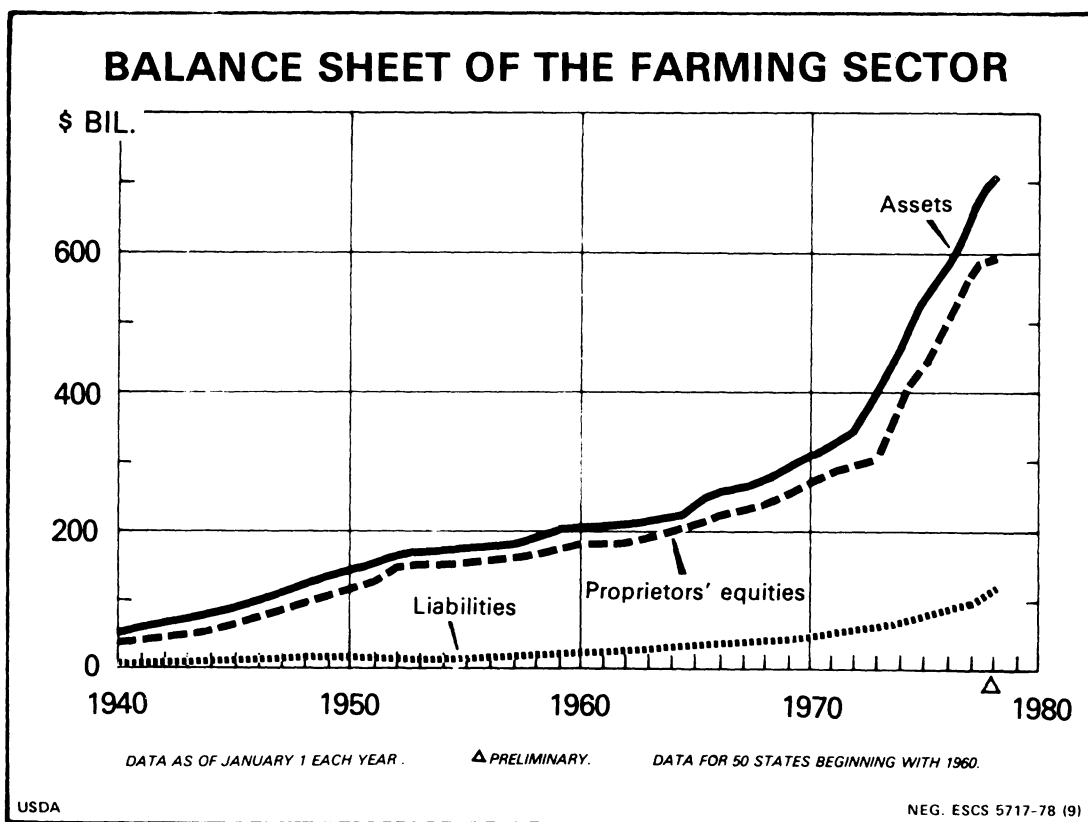


Figure 1

Table 1—Balance sheet of the farming sector, January 1, selected years, 1940-78¹

Item	1940	1950	1960	1970	1975	1977	1978 ²	Change	
								1977 to 1978	1977 to 1978
	<i>Million dollars</i>							<i>Percent</i>	
ASSETS									
Physical assets:									
Real estate	33,636	77,600	137,161	215,783	368,455	483,846	525,820	41,974	8.7
Nonreal estate:									
Livestock and poultry ³	5,133	12,894	15,248	23,480	24,581	29,053	31,989	2,936	10.1
Machinery and motor vehicles	3,060	12,166	22,745	32,299	55,742	71,005	75,171	4,166	5.9
Crops stored on and off farms ⁴	2,666	7,591	7,737	10,921	23,274	21,998	24,605	2,607	11.8
Household equipment and furnishings	4,213	8,441	9,217	9,581	14,011	14,446	14,509	63	.4
Financial assets:									
Deposits and currency	3,239	9,077	9,168	11,891	15,060	15,970	16,330	360	2.2
U.S. savings bonds	249	4,720	4,663	3,740	4,331	4,365	4,415	50	11.5
Investments in cooperatives	829	2,055	4,242	7,201	12,052	14,244	15,462	1,218	8.6
Total ⁵	53,025	134,544	210,181	314,896	519,045	654,927	708,301	53,374	8.2
CLAIMS									
Liabilities:									
Real estate debt	6,586	5,579	12,082	29,183	46,288	56,560	63,302	6,742	11.9
Nonreal estate debt to:									
CCC ⁶	445	1,721	1,165	2,676	319	1,012	4,489	3,477	343.6
Other reporting institutions ⁷	1,504	2,834	6,668	15,828	29,176	37,761	42,732	4,971	13.2
Nonreporting creditors ⁸	1,500	2,320	4,860	5,340	6,050	7,300	8,250	950	13.0
Total liabilities ⁵	10,035	12,454	24,775	53,027	81,833	102,633	118,773	16,140	15.7
Proprietors' equities	42,990	122,090	185,406	261,869	435,673	552,294	589,528	37,234	6.7
Total ⁵	53,025	134,544	210,181	314,896	519,045	654,927	708,301	53,374	8.2
	<i>Percent</i>								
Debt to asset ratio ⁹	18.9	9.3	11.8	16.8	15.8	15.7	16.8	---	---

¹ Revised. Includes Alaska and Hawaii beginning with 1960. ² Preliminary. ³ Beginning with 1961, horses and mules are excluded. ⁴ Includes all crops held on farms and crops held off farms by farmers as security for CCC loans. On Jan 1, 1978, the latter totaled \$1,827 million. ⁵ Totals of rounded data. ⁶ Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet. ⁷ 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. ⁸ Loans and credit extended by dealers, merchants, finance companies, individuals, and others. ⁹ Computed from unrounded data.

January 1, 1978 were 4.5 times their January 1, 1977, total and accounted for one-fifth of the total gain in farm debt.

Most asset and debt items maintained their usual shares of total value (table 2).

The increase in total asset and debt values and the continuing gradual decline in number of farms causes the values per farm to trend upward more rapidly than the totals (table 3).

Balance Sheet Components

Farm real estate values rose \$42.0 billion during 1977, a smaller gain than during 1975 or 1976, but considerably larger than any gains prior to 1973. Even so, because of its dominance, the movement in total

farmland value still dictated the trend in total farm asset value.

The inventory value of *livestock and poultry* reversed the slight decline between January 1, 1976, and January 1, 1977, and showed a 10-percent increase of \$2.9 billion from January 1, 1977, to January 1, 1978. Higher values for cattle and calves on farms caused about two-thirds of the value gain; hog and pig values accounted for the other one-third.

The value of *machinery and motor vehicles* on farms is the largest farm asset item other than real estate. The \$75.2 billion value on January 1, 1978, was about \$2.0 billion under the preliminary estimate made earlier in the year. Sales of machinery during 1977 were below expectations.

Table 2—Balance sheet components as shares of total assets and liabilities, selected years, 1940-78¹

Item	1940	1950	1960	1970	1975	1978 ²
	Percent					
ASSETS						
Physical assets:						
Real estate	63.5	56.9	65.1	68.5	71.4	74.2
Nonreal estate:						
Livestock and poultry	9.7	9.7	7.2	7.4	4.8	4.5
Machinery and motor vehicles	5.9	9.2	10.8	10.2	10.8	10.6
Crops stored on and off farms ³	5.1	5.7	3.7	3.5	4.5	3.5
Household equipment and furnishings	7.9	6.5	4.6	3.1	2.7	2.1
Financial assets:						
Deposits and currency	6.0	6.9	4.4	3.8	2.9	2.3
U.S. savings bonds . . . . .	.4	3.6	2.2	1.2	.8	.6
Investments in cooperatives	1.5	1.5	2.0	2.3	2.1	2.2
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	56.6	53.3
Nonreal estate debt:						
Excluding CCC loans	30.0	41.1	46.8	40.0	43.0	42.9
CCC loans ⁴	4.0	13.7	4.4	5.0	.4	3.8
Total	100.0	100.0	100.0	100.0	100.0	100.0

¹ Data for 50 States beginning with 1960. 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 this balance sheet.

Table 3—Balance sheet of the farming sector: Average per farm, current prices, January 1, selected years, 1940-78¹

Item	1940	1950	1960	1970	1977	1978 ²
	Dollars					
ASSETS						
Physical assets:						
Real estate	5,297	13,324	34,610	73,172	178,805	196,202
Nonreal estate:						
Livestock and poultry	808	2,283	3,848	7,962	10,736	11,936
Machinery and motor vehicles	482	2,154	5,739	10,952	26,240	28,049
Crops stored on and off farms ³	420	1,344	1,952	3,703	8,129	9,181
Household equipment and furnishings	663	1,524	2,326	3,249	5,338	5,414
Financial assets:						
Deposits and currency	510	1,607	2,313	4,032	5,902	6,093
U.S. savings bonds	39	836	1,177	1,268	1,613	1,647
Investments in cooperatives	131	364	1,071	2,442	5,264	5,769
Total	8,350	23,436	53,036	106,780	242,027	264,291
CLAIMS						
Liabilities:						
Real estate debt	1,037	988	3,049	9,896	20,913	23,620
Nonreal estate debt:						
Excluding CCC loans	473	912	2,909	7,178	16,652	19,021
CCC loans ⁴	70	305	294	907	374	1,675
Total liabilities	1,580	2,205	6,252	17,981	37,939	44,316
Proprietors' equities	6,770	21,231	46,784	88,799	204,088	219,975
Total	8,350	23,436	53,036	106,780	242,027	264,291
	Percent					
Debt-to-asset ratio	18.9	9.3	11.8	16.8	15.7	16.8

¹ Total values divided by total number of farms. Data for 50 States beginning with 1960. 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 this balance sheet.

The value of *farmer-owned stored crops* showed the largest percentage gain of any farm physical asset item, 11.8 percent. Almost half of the \$2.6 billion increase was accounted for by wheat. However, larger volumes of most other stored crops plus higher unit prices also helped cause the substantial rise in value.

The value of *household equipment and furnishings* on farms increased little from January 1, 1977. The slightly higher value per unit of equipment and furnishings combined with the fewer number of farm households to raise the value per household moderately.

Farmers' *financial assets* increased almost 5 percent between January 1, 1977, and January 1, 1978. The gain was a little larger than during 1976 and was mainly caused by a 9-percent hike in the net worth of farmer cooperatives. Currency and bank deposits showed changes during 1977 similar to those during 1976.

Farm real estate debt increased at a somewhat faster rate in 1977 than during 1976, 11.9 percent compared with 10.8 percent. The dollar increase from January 1, 1977, to January 1, 1978, was \$6.7 billion compared with the \$5.5 billion rise between January 1, 1976, and January 1, 1977. Institutional lenders accounted for the more rapid increase during 1977 as individuals and other lenders did not maintain their 1976 lending pace.

Farm nonreal estate loans, excluding CCC loans, outstanding January 1, 1978, were \$5.9 billion greater

than on January 1, 1977, and only slightly more than the \$5.7 billion gain between January 1, 1976, and January 1, 1977. The percentage gain during 1977 was a little less than during 1976 (13.1 percent compared with 14.4 percent). All institutional lender groups except Farmers Home Administration (FmHA) showed smaller percentage gains in 1977 than in 1976.

CCC loans outstanding on January 1, 1978, totaled \$4.5 billion, four and a half times the January 1, 1977 amount and was the main cause, along with increased FmHA loans, of total farm debt posting the record annual increase.

Farm Assets in 1967 Prices

Changes in the value of farm assets stated in prices of 11 years ago are quite different from the changes valued in current prices. For example, the \$53.4 billion increase in the value of farm assets between January 1, 1977, and January 1, 1978, shrink to a gain of only \$1.7 billion when stated in 1967 prices (table 4). The increase in terms of 1967 prices was mostly due to the larger crop inventory (table 5). The value of farm real estate in 1967 prices showed the third consecutive \$0.1 billion drop as the loss of 2.7 million acres to farming and the depreciation of buildings and other structures more than offset the improvements to the remaining farm property (fig. 2).

Table 4—Value of farm assets in current and constant 1967 prices and changes due to higher prices, January 1, 1967, 1977, and 1978

Item	1967	1977	1978	Change		Percentage distribution of change ¹	
				1967 to 1978	1977 to 1978	1967 to 1978	1977 to 1978
	Billion dollars			Percent			
Real estate:							
Value in current prices	189.1	483.8	525.8	336.7	42.0	100.0	100.0
Value in 1967 prices	189.1	197.3	197.2	8.1	-1	2.4	.0
Change due to higher prices . . . . .	.0	286.5	328.6	328.6	42.1	97.6	100.0
Physical assets other than real estate:							
Value in current prices	64.7	136.5	146.3	81.6	9.8	100.0	100.0
Value in 1967 prices	64.7	72.0	73.9	9.2	1.9	11.2	18.4
Change due to higher prices . . . . .	.0	64.5	72.4	72.4	7.9	88.8	81.6
Financial assets:							
Value in current prices	20.4	34.6	36.2	15.8	1.6	100.0	100.0
Value in 1967 prices	20.4	17.4	17.3	-3.1	-1	.0	.0
Change due to higher prices . . . . .	.0	17.2	18.9	18.9	1.7	100.0	100.0
Total:							
Value in current prices	274.2	654.9	708.3	434.1	53.4	100.0	100.0
Value in 1967 prices	274.2	286.7	288.4	14.2	1.7	3.2	4.0
Change due to higher prices . . . . .	.0	368.2	419.9	419.9	51.7	96.8	96.0

¹ Computed from unrounded data.

Table 5—Value of farm assets in 1967 prices, January 1, 1940-78¹

Item	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953
<i>Billion dollars</i>														
ASSETS														
Physical assets:														
Real estate	156.3	157.0	157.7	158.4	159.2	159.9	159.5	161.1	162.7	164.7	171.6	173.7	175.2	177.1
Nonreal estate:														
Livestock ²	14.9	15.2	16.1	17.4	18.2	17.2	16.6	16.0	15.2	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	13.5	16.6	19.7	22.2	24.2	24.8
Crops stored on and off farms ³ ..	6.4	7.2	7.0	8.1	7.7	8.1	7.5	7.5	6.4	8.5	8.2	7.8	7.5	7.9
Household equipment and furnishings	7.9	8.1	8.1	7.6	7.3	7.2	7.4	8.0	8.3	8.9	9.0	9.3	9.5	9.2
Financial assets:														
Deposits and currency	9.0	9.4	10.0	11.6	12.6	14.4	16.5	15.4	12.9	12.8	12.4	11.3	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	2.2	2.4	2.3	2.2	2.5	2.8	2.8	2.9	3.3
Total ⁴	206.6	209.6	213.0	217.9	220.7	224.6	227.3	227.7	226.9	235.2	245.5	249.0	252.9	256.8
<i>Billion dollars</i>														
Physical assets:														
Real estate	178.9	180.6	182.1	183.5	184.8	186.0	186.9	187.0	187.0	187.1	187.5	187.8	188.3	189.1
Nonreal estate:														
Livestock ²	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 ³ ..	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	9.2	9.6	10.0	9.6	9.5	9.5	9.2	8.7	9.0	8.9	8.9	8.6	8.6	8.3
Financial assets:														
Deposits and currency	11.6	11.6	11.8	11.3	11.2	11.5	10.4	9.9	9.9	10.1	10.0	10.3	10.3	10.3
U.S. savings bonds	5.8	6.1	6.5	6.1	6.0	6.0	5.3	5.3	5.0	4.8	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	5.4	5.6	5.8	6.0	6.1	6.2
Total ⁴	261.3	264.7	267.6	266.4	267.6	271.5	270.3	269.6	270.3	271.3	272.5	271.6	273.8	274.2
<i>Billion dollars</i>														
Physical assets:														
Real estate	189.4	189.8	191.0	192.3	193.5	194.8	196.4	197.7	197.4	197.3	197.2			
Nonreal estate:														
Livestock ²	19.1	19.3	19.6	20.2	20.5	20.9	21.8	22.2	21.4	20.8	19.9			
Machinery and motor vehicles ..	28.5	28.6	28.7	28.8	28.6	28.9	30.3	30.9	30.8	30.4	29.9			
Crops stored on and off farms ³ ..	11.4	12.7	12.7	11.1	13.0	12.1	12.0	9.6	11.5	11.4	14.5			
Household equipment and furnishings	8.6	8.8	8.7	8.8	9.3	10.0	10.0	9.9	9.5	9.4	9.6			
Financial assets:														
Deposits and currency	10.8	11.0	10.8	10.6	10.9	10.5	9.4	8.6	8.3	8.0	7.8			
U.S. savings bonds	3.8	3.6	3.4	3.1	3.0	3.0	2.6	2.5	2.3	2.2	2.1			
Investments in cooperatives	6.4	6.6	6.5	6.8	7.3	7.3	6.9	6.9	7.0	7.2	7.4			
Total ⁴	278.0	280.4	281.4	281.7	286.1	287.5	286.4	288.3	288.2	286.7	288.4			

¹ Revised. Data for 50 States beginning with 1960. ² Beginning with 1961, horses and mules are excluded. ³ Includes all crops held on farms and crops held off farms by farmers as security for CCC loans. ⁴ Totals of rounded data.

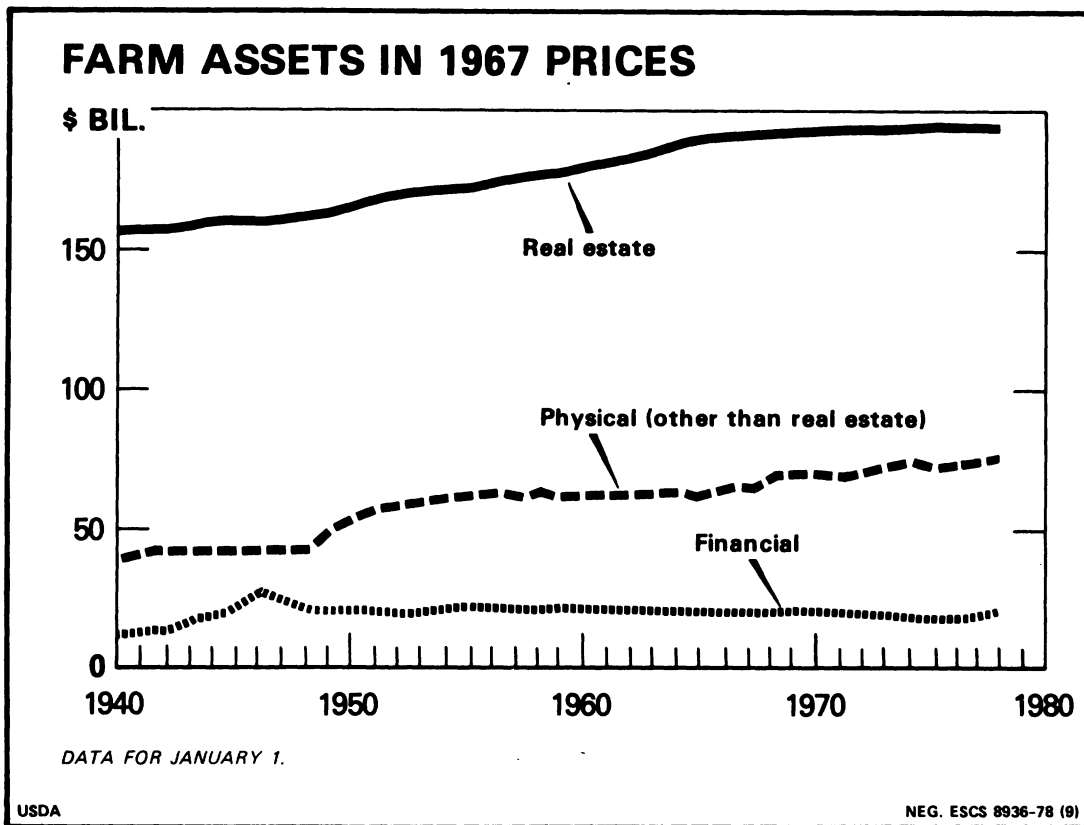


Figure 2

The much larger stocks of farmer-owned feed and food grains, soybeans, and cotton on hand January 1, 1978, compared with those on hand January 1, 1977, caused a \$3.1 billion increase in crop value in 1967 prices. Although some of that increase was offset by decreases in machinery and motor vehicle and livestock inventories, farm physical assets other than real estate registered a \$1.9 billion net gain when valued in 1967 prices. Financial assets did not rise enough to offset the forces

of inflation and lost \$0.1 billion when stated in 1967 prices.

The total value of farm assets in 1967 prices on January 1, 1978, was only 40 percent of their value in current prices, \$288.4 billion compared with \$708.3 billion. In current prices, the value of farm assets increased \$434.1 billion since 1967 but 96.8 percent, or \$419.9 billion, of that gain was due solely to higher prices.

THE 1978 BALANCE SHEET IN DETAIL

Farm Real Estate

On February 1, 1978, the value of farm real estate was \$525.8 billion. The \$42.0 billion increase from February 1, 1977, was three-fifths of the \$66.9 billion increase during 1977, and was the smallest annual percentage rise (8.7 percent) since 1972 (table 6). The

average value per acre rose to \$490 by February 1, 1978, an increase of \$40 per acre, or about 9 percent, from a year earlier.

Roughly half the gain per acre occurred between February 1977 and November 1977 and the other half between November 1977 and February 1978 (figs. 3 and

Table 6—Value of farm real estate, 1940-78

Year ¹	Value of farmland	Value of farm buildings	Total value of land and buildings	Change in total value from prev. yr.	Average total value	
					Per farm	Per acre
	--- Million dollars ---		Percent		--- Dollars ---	
1940.....	23,235	10,401	33,636	-1	5,300	32
1941.....	23,946	10,454	34,400	2	5,500	32
1942.....	26,432	11,115	37,547	9	6,100	34
1943.....	29,444	12,160	41,604	11	6,800	38
1944.....	34,539	13,661	48,200	16	8,000	43
1945.....	38,696	15,188	53,884	12	9,000	47
1946.....	44,077	16,969	61,046	13	10,300	53
1947.....	49,259	19,204	68,463	12	12,000	60
1948.....	52,650	21,014	73,664	8	13,300	64
1949.....	54,663	21,960	76,623	4	14,100	66
1950.....	54,695	22,905	77,600	1	13,700	65
1951.....	63,577	25,946	89,523	16	16,500	75
1952.....	70,264	28,188	98,452	10	18,900	82
1953.....	71,669	28,382	100,051	2	20,100	83
1954.....	71,033	27,621	98,654	-1	20,600	82
1955.....	74,338	27,878	102,216	4	22,000	85
1956.....	78,898	28,605	107,503	5	23,800	90
1957.....	85,717	29,949	115,666	8	26,500	97
1958.....	91,089	30,665	121,754	5	28,800	103
1959.....	99,044	32,010	131,054	8	32,000	111
1960 ²	104,791	32,370	137,161	5	34,600	117
1961.....	106,707	31,759	138,466	1	36,200	119
1962.....	112,228	32,320	144,548	4	39,100	125
1963.....	117,591	32,590	150,181	4	42,000	130
1964.....	125,058	33,499	158,557	6	45,900	138
1965.....	133,040	34,462	167,502	6	49,900	147
1966.....	143,172	36,039	179,211	7	55,000	158
1967.....	151,800	37,304	189,104	6	59,800	168
1968.....	161,292	38,408	199,700	6	65,000	179
1969.....	169,816	39,374	209,190	5	69,700	189
1970.....	176,177	39,606	215,783	3	73,200	196
1971.....	183,306	39,874	223,180	3	76,900	203
1972.....	197,286	42,328	239,614	7	83,800	219
1973.....	220,376	46,957	267,333	12	94,700	246
1974.....	270,808	56,942	327,750	23	117,200	302
1975.....	304,773	63,682	368,455	12	133,200	341
1976.....	345,376	71,563	416,939	13	152,300	387
1977.....	400,798	83,048	483,846	16	178,800	450
1978 ³	436,051	89,769	525,820	9	196,200	490

¹ March 1 values for 1940-75 and February 1 for 1976-78. ² Includes Alaska and Hawaii beginning with 1960. ³ Preliminary.

4). Reporters in nationwide surveys attributed the slow-down in farmland price increases to low commodity prices, both livestock and crops, during most of 1977 and to only cautious expectations for improvements in 1978.

During the 3 months from November 1, 1977, through January 1978, livestock prices, especially cattle and calves, seemed to show more promise than crop prices. Although there was no real discernable reaction among States to changes in farmland prices during 1977, it appears that expectations of higher livestock prices gave some stimulus to farmland prices from November 1977 to February 1978 in States with much of the cow-calf and hog enterprises. Stronger crop and livestock prices and higher CCC loan rates and target prices for

1978 have likely strengthened farmland prices over the 1977 rise, but the extent is not yet known.

The value of farm real estate per operating unit averaged \$196,200 at the beginning of 1978; a year earlier the average was \$178,800 per farm. The average value per acre of \$490 was 2.5 times the value at the beginning of 1970.

There were approximately 104,500 farmland transfers in 1977, about 4 percent fewer than in 1976. This is somewhat indicative of the slower rise in farmland values during 1977 compared with 1976. Farm enlargement was the reason given for 58 percent of the farmland transfers. About 90 percent of all acres transferred was expected to remain in agricultural use for at least 5 years after the sale.

PERCENT CHANGE IN AVERAGE VALUE OF FARM REAL ESTATE PER ACRE

November 1977 - February 1978

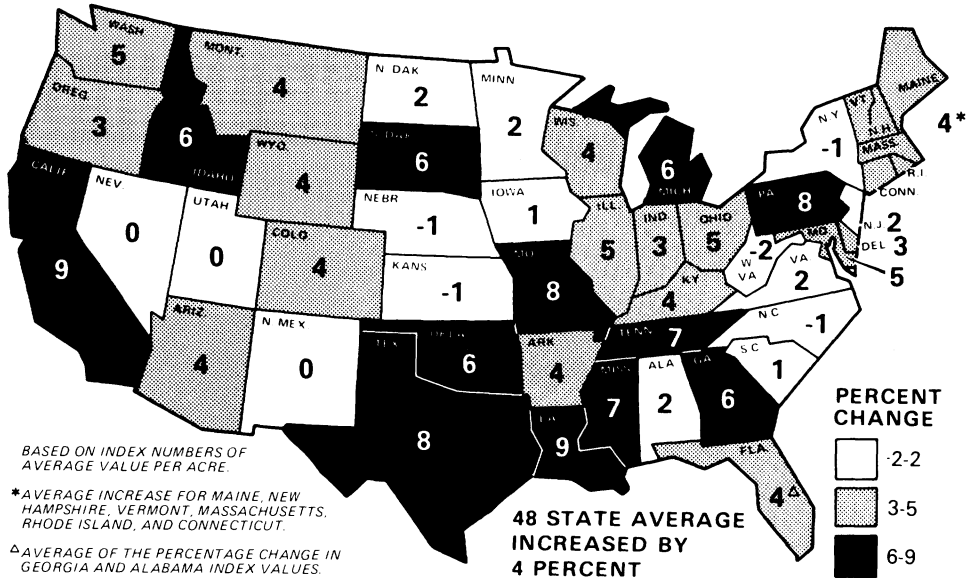


Figure 3

PERCENT CHANGE IN AVERAGE VALUE OF FARM REAL ESTATE PER ACRE

February 1977 - November 1977

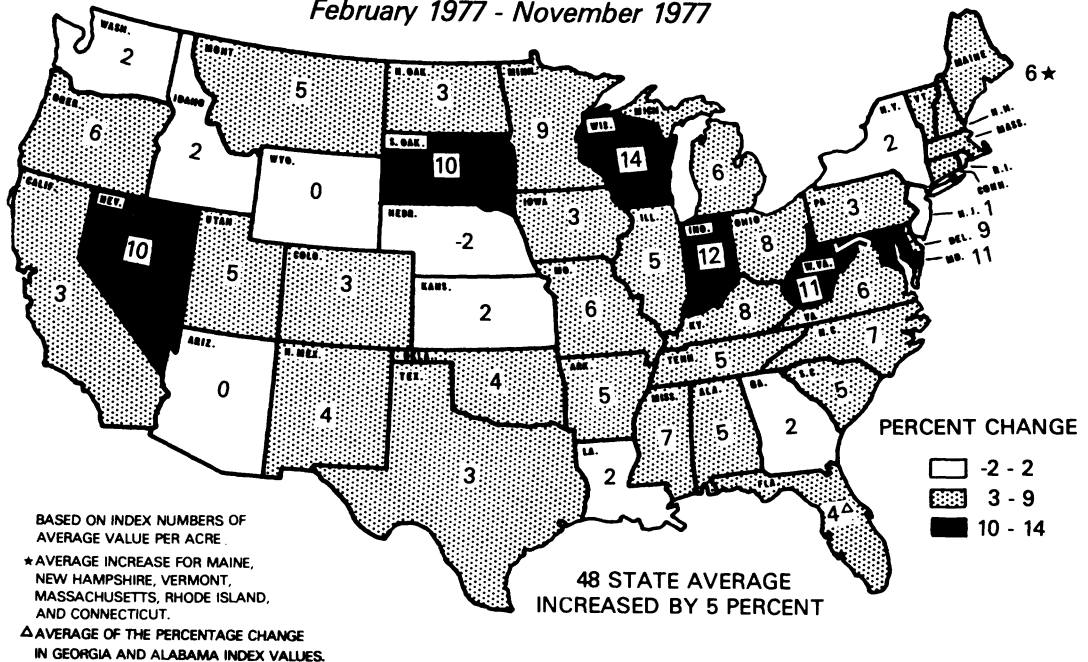


Figure 4

Livestock and Poultry

On January 1, 1978, the total value of livestock and poultry on farms hit \$32.0 billion, the third highest value on record, exceeded only by the values of \$34.1 billion for 1973 and \$42.4 billion for 1974. The increase in total value over January 1, 1977, was \$2.9 billion, or 10 percent, and contrasted sharply to the \$0.4 billion decline from 1976 to 1977 (table 7).

The average values per head of all kinds of livestock except chickens were substantially higher at the beginning of 1978 than they were a year earlier. The number on farms varied, however. Compared with January 1, 1977, chickens and hogs had higher inventories while cattle and sheep numbers were down.

For most years, the value of cattle and calves account for four-fifths or more of total livestock value. At the beginning of 1978, their total value was \$27.0 billion as the smaller number on farms was more than offset by higher average value per head (fig. 5).

Usually, hogs and pigs are responsible for most of the livestock value other than cattle and calves. Both the number on farms and average value per head were higher than a year earlier and resulted in a higher total value (fig. 6).

The number of sheep and lambs on farms continued to decline. However, the average value per head was up enough to result in a higher total value than on January 1, 1977.

Both chickens and turkeys showed slightly higher total values on January 1, 1978, than a year earlier.

Machinery and Motor Vehicles

The value of machinery and motor vehicles on farms January 1, 1978, totaled \$75.2 billion (table 8). The \$4.2 billion, or 5.9 percent, increase over the value of a year earlier was considerably less than the value change between 1976 and 1977.

Farmers' expenditures for machinery and motor vehicles in 1977 was \$9.4 billion, somewhat more than the \$9.2 billion in 1976 but depreciation of \$10.2 billion in 1977 exceeded expenditures. The increase in the inventory value was, therefore, the result of higher values per unit on farms. Figure 7 shows the relationship between tractor numbers and value per unit since 1940.

The number of trucks, tractors, and larger machinery items on farms at the beginning of 1978 changed little from a year earlier (table 9). Among the more conspicuous items, tractors continued to decline in number. The smaller number of tractors, however, was more than offset by the increase in size. The estimated average horsepower per tractor on farms was 54.5 in January 1978, up from 52.7 in January 1977 and considerably higher than the average 43.9 horsepower per tractor in January 1970.

Crop Inventory

The value of farmer-owned crop inventory at the beginning of 1978 was a record \$24.6 billion (table 10). The \$2.6 billion increase over the value on January 1, 1977, was the second largest annual increase, exceeded only by the mammoth \$7.6 billion increase between 1973 and 1974. Of the major storable crops, only hay and tobacco showed lower values on January 1, 1978, than a year earlier.

Crops stored by farmers are important assets especially in that they are readily converted into cash and in the meantime can be used as loan collateral. In addition, they often serve as indicators of farmers' satisfaction of their market price or expectation for improvement in prices over the next several months. For example, with the exception of food grains, the production of all major crops in 1977 exceeded production in 1976 and added to stocks. Prices were depressed until the last several

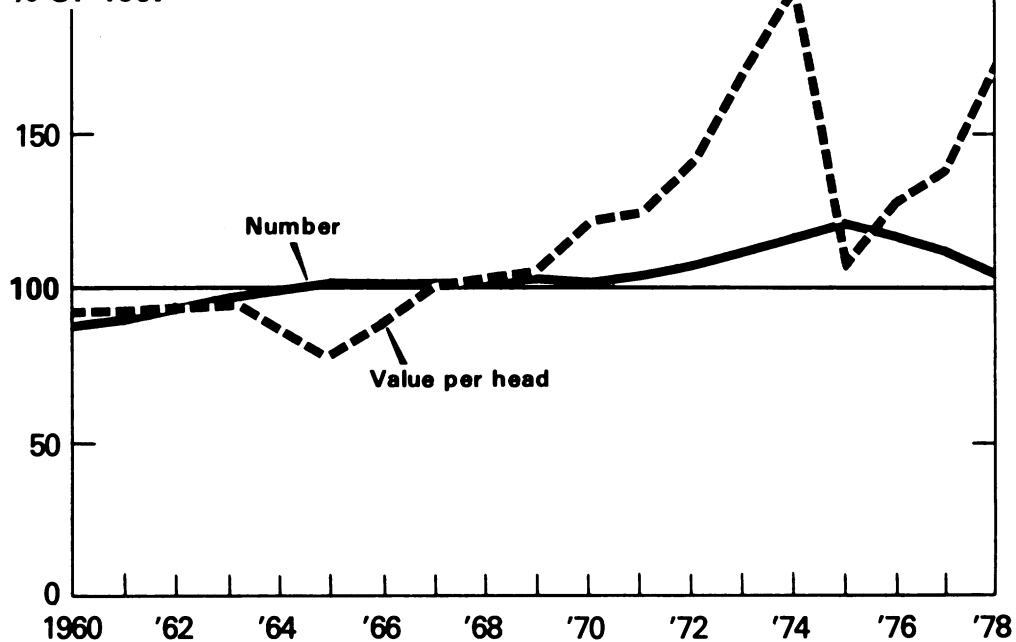
Table 7—Livestock and poultry on farms: Number, value per head, and total value, January 1, 1976-78

Class	1976 ¹			1977 ¹			1978		
	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	127,980	190.00	24,335	122,810	206.00	25,252	116,265	232.00	27,029
Hogs and pigs ²	49,267	80.40	3,959	54,934	47.00	2,583	57,587	63.10	3,635
All sheep	13,311	37.30	496	12,786	42.40	541	12,387	51.50	639
Chickens ³	379,754	1.74	660	378,238	1.70	644	386,531	1.69	652
Turkeys ⁴	3,098	10.79	33	3,064	10.83	33	3,045	11.27	34
Total	---	---	29,483	---	---	29,053	---	---	31,989

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.

ALL CATTLE AND CALVES ON FARMS

% OF 1967



USDA

DATA FOR JANUARY 1.

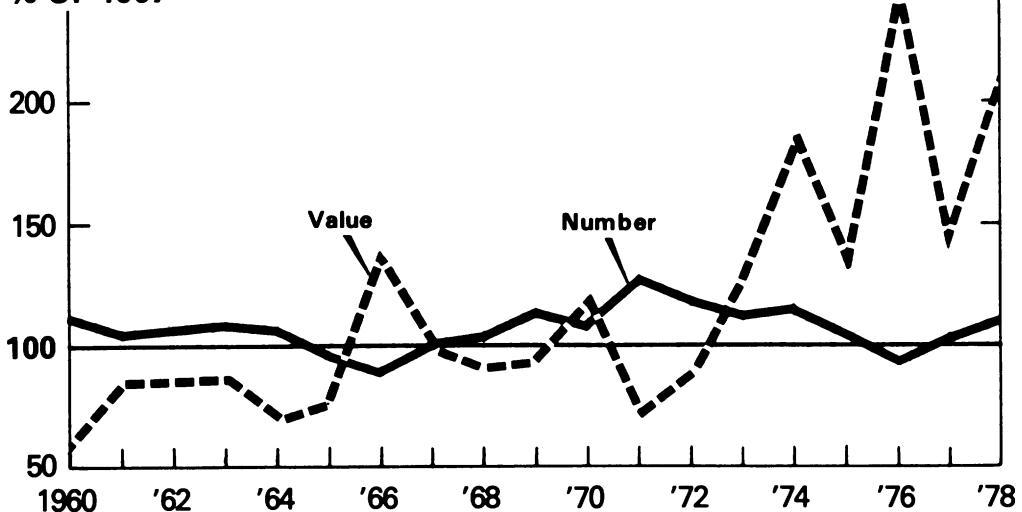
NEG. ESCS 682-78 (9)

Figure 5

ALL HOGS AND PIGS ON FARMS

Number and Value Per Head

% OF 1967



DATA FOR JANUARY 1.

USDA

NEG. ESCS 283-78 (9)

Figure 6

Table 8—Value of motor vehicles and specified machines on farms, January 1, selected years, 1940–78¹

Year	Automobiles	Motortrucks	Tractors	Other farm machinery	Total
<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	4,764	4,547	10,881	24,031	44,223
1975	5,554	5,424	14,709	30,055	55,742
1976 ²	5,929	5,567	17,254	35,917	64,667
1977 ²	6,825	6,295	19,230	38,655	71,005
1978 ³	6,732	6,351	21,308	40,780	75,171
<i>Percent</i>					
Percent change:					
1977-78	-1.4	.9	10.8	5.5	5.9
1973-78	32.1	52.0	135.7	94.5	91.4

¹ Data for 50 States beginning with 1960. ² Revised. ³ Preliminary.

Table 9—Motor vehicles and specified machines on farms, January 1, selected years, 1940-78¹

Year	Motortrucks	Tractors ²	Grain combines ³	Cornpickers and picker shellers	Pickup balers	Field forage harvesters
<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 ⁵	2,994	4,584	760	630	700	300
1972	3,003	4,549	725	625	692	298
1973	3,013	4,518	701	621	684	292
1974	3,023	4,493	698	618	674	295
1975	3,032	4,469	524	615	667	255
1976	3,043	4,434	527	610	641	263
1977	3,052	4,402	535	605	615	270
1978 ⁶	3,055	4,370	538	602	610	272
<i>Percent</i>						
Change						
1977-78	0.1	-0.7	0.6	-0.5	-0.8	0.7
1973-78	1.4	-3.3	-23.2	-3.0	-10.2	-6.8

¹ Data for 50 States 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 Revised beginning with 1971. ⁶ Preliminary.

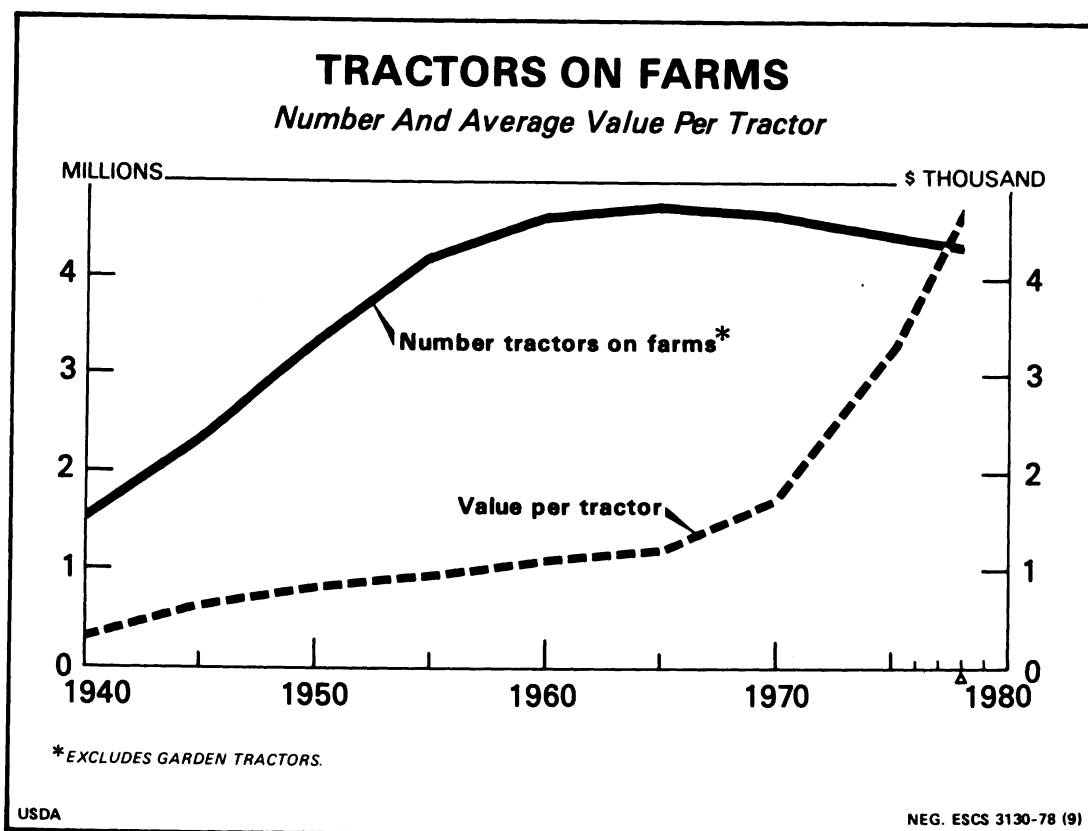


Figure 7

Table 10—Value of farmer-owned crop inventories, January 1, selected years, 1945-78¹

Crop	1945	1950	1955	1960	1965	1970	1975	1977	1978 ²
<i>Million dollars</i>									
Corn	2,191	2,736	2,889	2,884	3,168	3,612	8,308	7,578	7,683
Other feed grains ³	711	740	1,082	838	776	885	1,415	1,153	1,655
Total feed grains	2,902	3,476	3,971	3,722	3,944	4,497	9,723	8,731	9,338
Wheat	729	1,063	1,218	911	635	1,352	2,125	1,819	2,942
Other food grains ⁴	25	23	71	55	67	134	223	205	247
Total food grains	754	1,086	1,289	966	702	1,486	2,348	2,024	3,189
Soybeans	87	137	419	419	535	1,158	3,485	3,138	3,881
Other oil crops ⁵	84	134	100	51	110	70	105	56	62
Total oil crops	171	271	519	470	645	1,228	3,590	3,194	3,943
Hay and forage ⁶	1,805	1,758	2,101	2,062	2,455	2,862	5,530	6,094	5,901
Cotton	565	537	1,379	167	906	368	1,204	972	1,253
Vegetables ⁷	157	191	133	194	358	283	579	546	570
Tobacco	270	186	180	103	145	146	229	382	343
Miscellaneous ⁸	58	85	74	52	49	50	71	55	68
Total all crops	6,682	7,590	9,646	7,736	9,204	10,920	23,274	21,998	24,605

¹ All crops stored on farms including crops under loan to the CCC, and farmer-owned crops in off-farm storage under CCC loan. Data for 50 States beginning with 1960. ² Preliminary. ³ Barley, grain sorghum, and oats. ⁴ 1945-60, buckwheat, rye, and rice; 1965-78, 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.

weeks in 1977 when an upswing occurred. Expectations of higher prices within the next several months probably caused many farmers to keep much of their crops in storage until after the first of 1978.

The strikingly larger volume of farmer-owned crops on hand January 1, 1978, combined with slightly higher prices for most caused the sharp increase in total value over January 1, 1977 (tables 11 and 12). Wheat accounted for the largest portion of the rise.

Table 11—Inventory of selected farmer-owned crops, January 1, 1977 and 1978

Crop	Farmer-owned stored crops, January 1		Percentage change 1977 to 1978
	1977	1978	
	<i>Thousand</i>		<i>Percent</i>
Wheat, bu.	757,674	1,178,319	56
Sorghum, bu.	170,675	329,907	93
Soybeans, bu.	476,403	684,077	43
Hay, ton	77,432	91,288	18
Cotton (American upland), lb.	1,513,810	2,557,275	69
Corn, bu.	3,382,518	3,938,319	16
Potatoes, cwt.	174,775	178,215	2

Table 12—Average prices for selected crops, December 15, 1975-77

Crop	U.S. average price on December 15			Percentage change 1976 to 1977
	1975	1976	1977	
	<i>Dollars</i>			<i>Percent</i>
Wheat, bu.	3.41	2.39	2.43	1.7
Sorghum, bu.	2.24	1.96	1.72	-12.2
Soybeans, bu.	4.28	6.56	6.80	3.7
Hay, ton	51.60	59.00	60.90	3.2
Cotton (American upland), lb. ....	.50	.63	.60	-4.8
Corn, bu.	2.37	2.24	2.34	4.5
Potatoes, cwt.	3.92	4.00	3.40	-15.0

The volume of crops stored under the CCC loan program made the largest annual jump ever (table 13). Loan values for most crops were raised by the end of 1977 and the outlook for further market price rises early in 1978 probably made the government loans more attractive. Many farmers with crops eligible for CCC loans pledged them as security for those loans and retained ownership so they could benefit from a price rise if one occurred prior to maturity of the loan.

Most farmer-owned crops show up as being stored on farms when only crops stored under CCC loans are considered as off-farm storage, as has been the case with these balance sheet estimates. Although it was known that a considerable amount of some farmer-owned crops not under CCC loans were stored off farms, there were

Table 13—Selected farmer-owned crops stored under CCC loans, January 1, 1976-78

Crop	Quantity stored under CCC loan on and off-farms, January 1		
	1976	1977	1978
	<i>Thousand bushels</i>		
Corn	110,394	206,253	765,020
Wheat	31,522	223,005	739,837
Grain sorghum ..	5,672	15,829	157,111
Soybeans	2	12,921	67,849

no reliable data on them until January 1977. A nationwide survey at that time and again in January 1978 indicated the amount of non-CCC loan crops stored off farms by kind of crop. Data for those two dates show that farmers' crop inventory value would be considerably higher than reported heretofore in these balance sheets if non-CCC loan crops stored off farms are included (table 14). When sufficient data are collected on all crops stored off farms, their total value will be incorporated in the balance sheet crop inventory values.

Household Equipment and Furnishings

The total value of equipment and furnishings in farm households was \$14.5 billion at the beginning of 1978, an increase of less than 1 percent from January 1, 1977 (table 15). However, the value per household rose by 1.4 percent, from \$5,339 on January 1, 1977, to \$5,414 on January 1, 1978, reflecting the continuing decline in the number of farms. Higher prices for new items purchased during 1977, which were sufficient to more than offset the drop in farm numbers, was probably the main reason for the increase in total value.

Financial Assets

Farmers' financial assets totaled an estimated \$36.2 billion on January 1, 1978, a \$1.6 billion or 4.7-percent increase from January 1, 1977 (table 16). The dollar and percentage increases were somewhat more than between January 1976 and January 1977 and was caused mostly by the rise in the net worth of cooperatives.

Farmers' demand deposits (checking accounts) and time deposits (savings accounts) in banks were moderately higher on January 1, 1978, than a year earlier. Currency held by farmers dropped slightly but their ownership of U.S. savings bonds rose a bit.

The amount farmers keep in bank demand deposits usually changes little from one January to the next. The money is used mostly for day-to-day farm and household operating expenses and since it earns no interest there is little incentive to keep a larger balance than necessary. On the other hand, bank time deposits and holdings of U.S. savings bonds represent interest earning savings and, in many cases, are supplemented regularly and not usually disturbed except in emergen-

Table 14—Inventory stocks and value of farmer-owned selected crops stored on and off farms, January 1, 1977 and 1978

Crop	Stocks					Market value				
	On farms ¹	Off farms			Total on and off farms	On farms ¹	Off farms			Total on and off farms
		Under CCC loan	Not under CCC loan ²	Total			Under CCC loan	Not under CCC loan ²	Total	
	Million bushels					Million dollars				
	January 1, 1977									
Corn	3,345	37	1,023	1,060	4,405	7,495	83	2,292	2,375	9,870
Sorghum . .	161	10	194	204	365	307	20	382	402	709
Oats	339	1	23	24	363	502	2	35	37	539
Barley	154	2	26	28	182	320	4	54	58	378
Wheat	665	92	765	857	1,522	1,598	220	1,828	2,048	3,646
Soybeans . .	473	3	285	288	761	3,117	20	1,870	1,890	5,007
Total	---	---	---	---	---	13,339	349	6,461	6,810	20,149
	January 1, 1978									
Corn	3,789	149	897	1,046	4,835	7,387	292	1,758	2,050	9,437
Sorghum . .	220	110	181	291	511	375	188	310	498	873
Oats	480	5	28	33	513	540	6	31	37	577
Barley	218	4	28	32	250	381	7	50	57	438
Wheat	829	349	380	729	1,558	2,080	862	939	1,801	3,881
Soybeans . .	657	27	363	390	1,047	3,729	154	2,065	2,219	5,948
Total	---	---	---	---	---	14,492	1,509	5,153	6,662	21,154

¹ Includes crops under CCC loans. ² ESCS survey data January 1, 1977 and 1978.

Table 15—Household equipment and furnishings on farms: Total value and value per farm, January 1, selected years, 1940-78¹

Year	Total value	Value per farm
	<i>Million dollars</i>	<i>Dollars</i>
1940	4,213	664
1945	5,199	871
1950	8,441	1,495
1955	9,701	2,084
1960 ²	9,217	2,326
1965	8,399	2,503
1970	9,581	3,251
1971	9,971	3,436
1972	10,799	3,776
1973	11,882	4,196
1974	12,267	4,389
1975	14,011	5,064
1976	14,190	5,183
1977	14,446	5,339
1978 ³	14,509	5,414

¹ Revised. ² Data for 50 States beginning with 1960.

³ Preliminary.

cies or for planned major expenditures. Therefore, farmers' bank time deposits grow more steadily and usually at a little faster rate than their bank demand deposits.

Bank demand deposits of farmers on January 1, 1978, were higher than might be expected following a year of relatively low crop prices and their increased

holdings of crop inventories. Most of the increase in their bank checking accounts on January 1, 1978, can probably be explained by higher than usual cash receipts late in 1977 from CCC loans on crops and about \$750 million in government deficiency payments on wheat received in late December. The CCC loans on crops enabled borrowers to obtain a certain amount of cash for those crops and at the same time retain ownership so that in case market prices improved later they could get the benefit of the higher prices.

Prices received by farmers and ranchers for livestock and cash receipts from livestock sales were higher in the last half of 1977 than for the same period in 1976 and helped boost farmers' bank deposits.

The estimated net worth of farmer cooperatives totaled \$15.5 billion on January 1, 1978, one-twelfth higher than a year earlier. All types of cooperatives influenced the increase.

Marketing and purchasing cooperatives as a group had the largest net worth, \$6.4 billion and represented about 40 percent of the total net worth. Rural electric cooperatives with \$3.0 billion net worth, Federal land banks and associations with \$2.5 billion, and production credit associations with \$2.3 billion accounted for most of the remaining three-fifths of total farmer cooperatives' net worth. Since only a fraction of the net worth of farmer cooperatives is readily convertible to cash, they must be heavily discounted as a financial asset.

Table 16—Selected financial assets owned by U.S. farmers, January 1, selected years, 1940-78¹

Year	Liquid financial assets					Net worth of selected farmer cooperatives	Total financial assets
	Currency	Demand deposits ²	Time deposits	U.S. savings bonds	Total		
	Million dollars						
1940	742	1,286	1,211	249	3,488	829	4,317
1945	2,592	3,631	1,683	3,379	11,285	1,219	12,504
1950	2,510	4,465	2,102	4,720	13,797	2,055	15,852
1955	2,235	4,661	2,530	4,969	14,395	3,032	17,427
1960	1,903	4,325	2,940	4,663	13,831	4,242	18,073
1965	1,842	4,004	3,733	4,206	13,785	5,595	19,380
1970	2,010	4,367	5,514	3,740	15,631	7,201	22,832
1971	2,044	4,457	5,933	3,588	16,022	8,007	24,029
1972	2,094	4,557	6,500	3,676	16,827	8,823	25,650
1973	2,184	4,758	7,082	3,991	18,015	9,758	27,773
1974	2,174	4,949	7,754	4,166	19,043	10,856	29,899
1975	2,050	4,890	8,120	4,331	19,391	12,052	31,443
1976	2,000	5,010	8,610	4,412	20,032	13,292	33,324
1977	1,930	5,085	8,955	4,365	20,335	14,244	34,579
1978 ³	1,880	5,225	9,225	4,415	20,745	15,462	36,207

¹Data for 50 States beginning with 1960. ²Figures for 1940 and 1965-78, estimated by USDA. Demand deposits for other years are estimates of the Board of Governors of the Federal Reserve System. ³Preliminary.

In addition to the financial assets included in these balance sheets, farmers undoubtedly have substantial sums in savings and loan associations and other saving institutions, and, as a group, own many shares of common stocks and government securities other than U.S. savings bonds. Sufficient information is not available to make reasonably accurate estimates of the value of those kinds of financial assets but fragmentary data indicate they may have amounted to as much as \$4 billion to \$6 billion on January 1, 1978.

Farm Debt

Total farm debt outstanding on January 1, 1978, including CCC loans, was \$118.8 billion after increasing a record \$16.1 billion from January 1, 1977, to register the largest percentage rise since 1948 (table 17 and figs. 8 and 9). When CCC loans are excluded, the percentage increase was much the same as between January 1, 1976, and January 1, 1977. Also, the Farmers Home Administration (FmHA) loaned \$1.9 billion in emergency loans in 1977. If the amount of these loans still outstanding on January 1, 1978, were excluded, the increase in total debt would be considerably less than the rise between 1976 and 1977.

A somewhat unusual set of events greatly affected the farm debt picture at the beginning of 1978. Drought in the grain producing areas, mostly wheat areas, in late 1976 and early 1977 gave rise to fears of low crop sale receipts. But growing conditions improved markedly; bumper crops and dropping prices occurred in the last half of the year. The outlook for farm financial conditions, especially for cash grain producers, for the coming

years, 1978, was not particularly bright. Although cash receipts were down, the pressure of production expenses did not ease. By late 1977, evidence of serious cash flow problems for some farmers began to emerge. Receipts from sales were not sufficient to take care of current debts and ordinary operating and living expenses. In some areas, there was concern that many farmers were in such bad shape financially that they would not be served with farm loans from the usual mainstay lenders—banks and production credit associations.

While most of the immediate loan problems concerned nonreal estate debts, farm real estate loans were also affected by the cash flow situation. The lower cash receipts from crop sales and expectations of that situation continuing for some time caused some farmers with sufficient real estate equity to refinance short-term debts into longer term loans, most of which required real estate security. That, in turn, caused real estate loans to increase.

Nonreal Estate Farm Debt

Total nonreal estate farm debt on January 1, 1978, was \$55.5 billion, \$9.4 billion (20.4 percent) higher than on January 1, 1977 (table 18). The dollar and percentage increases for one year were record highs. However, about half the dollar change was because of increases in FmHA emergency loans and in CCC loans. Debt owed to commercial banks and production credit associations (PCA's), the two largest lender groups, increased less in 1977 than in 1976 while debt owed to individuals and other miscellaneous lenders increased during 1977 at about the same rate as during 1976. But, the amount of

Table 17—Total farm debt outstanding, January 1, 1968-78

Year	Real estate debt	Nonreal estate debt excluding CCC loans	Price support and storage loans made or guaranteed by CCC	Total excluding CCC loans	Total including CCC loans
<i>Million dollars</i>					
1968	25,142	20,834	1,420	45,976	47,396
1969	27,397	20,387	2,671	47,784	50,455
1970	29,183	21,168	2,676	50,351	53,027
1971	30,346	22,262	1,876	52,608	54,484
1972	32,208	24,644	2,262	56,852	59,114
1973	35,758	27,794	1,793	63,552	65,345
1974	41,253	32,134	750	73,387	74,137
1975	46,288	35,226	319	81,514	81,833
1976	51,069	39,406	358	90,475	90,833
1977	56,560	45,061	1,012	101,621	102,633
1978 ¹	63,302	50,982	4,489	114,284	118,773
<i>Dollar change</i>					
1968-73	10,616	6,960	373	17,576	17,949
1973-78	27,544	23,188	2,696	50,732	53,428
1973-74	5,495	4,340	-1,043	9,835	8,792
1974-75	5,035	3,092	-431	8,127	7,696
1975-76	4,781	4,180	39	8,961	9,000
1976-77	5,521	5,655	654	11,176	11,830
1977-78	6,742	5,921	3,477	12,663	16,140
<i>Percent change</i>					
1968-73	42.2	33.4	26.3	38.2	37.9
1973-78	77.0	83.4	150.4	79.8	81.7
1973-74	15.4	15.6	-58.2	15.5	13.5
1974-75	12.2	9.6	-57.5	11.1	10.4
1975-76	10.3	11.9	12.2	11.0	11.0
1976-77	10.8	14.4	182.7	12.4	13.0
1977-78	11.9	13.1	343.6	12.5	15.7
<i>Percentage distribution of debt</i>					
1968	53.0	44.0	3.0	97.0	100.0
1973	54.7	42.6	2.7	97.3	100.0
1974	55.7	43.3	1.0	99.0	100.0
1975	56.6	43.0	0.4	99.6	100.0
1976	56.2	43.4	0.4	99.6	100.0
1977	55.1	43.9	1.0	99.0	100.0
1978	53.7	42.9	3.8	96.2	100.0

¹ Preliminary.

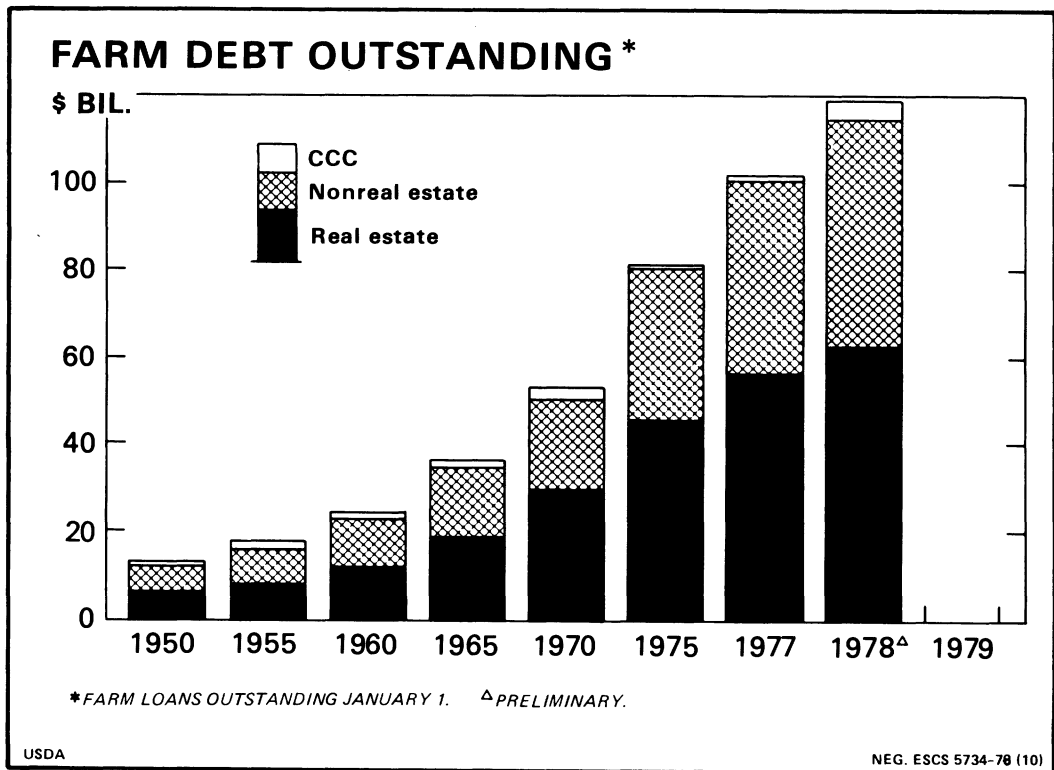


Figure 8

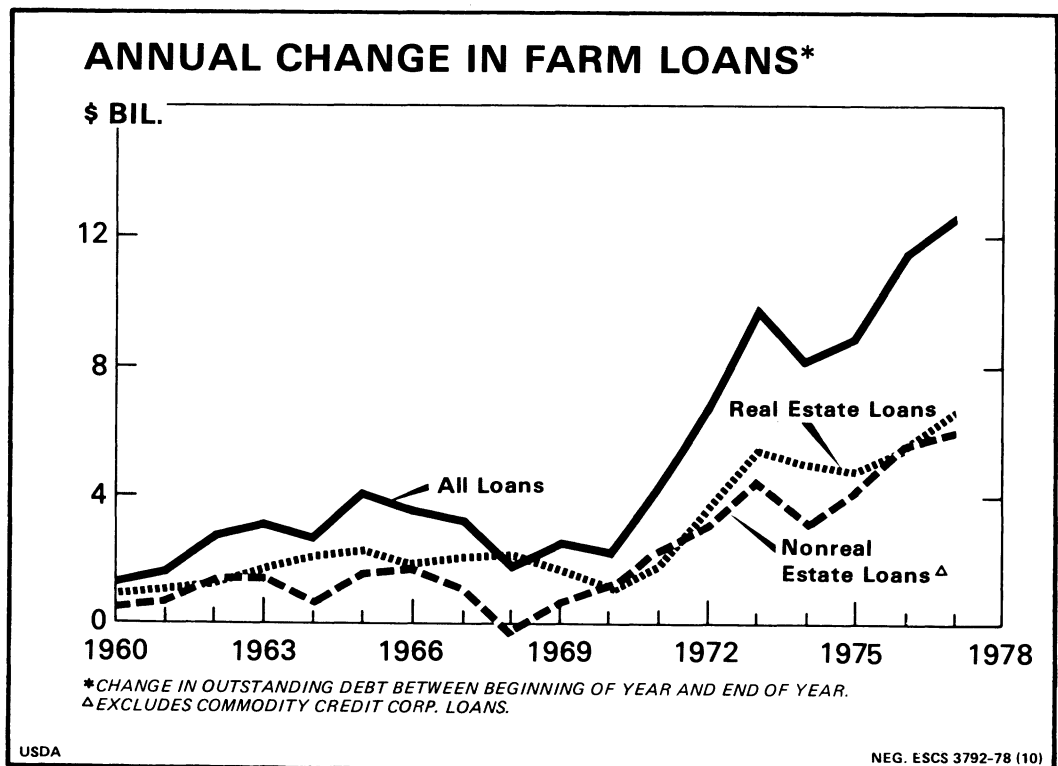


Figure 9

Table 18—Nonreal estate farm debt outstanding, January 1, 1968-78

Year	Debt owed to reporting institutions (excluding CCC)					Debts owed to individuals and others	Total excluding CCC loans	Price support and storage loans made or guaranteed by CCC	Total including CCC loans
	All operating banks	Production credit associations	Federal intermediate credit banks	Farmers Home Administration	Total				
	Million dollars								
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
1976	20,160	10,773	350	1,772	33,056	6,350	39,406	358	39,764
1977	23,283	12,223	368	1,877	37,761	7,300	45,061	1,012	46,073
1978 ¹	25,709	13,508	374	3,141	42,732	8,250	50,982	4,489	55,471
	Dollar change								
1968-73 ...	5,043	3,089	75	-17	8,190	-1,230	6,960	373	7,333
1973-78 ...	11,385	6,901	125	2,361	20,772	2,410	23,188	2,696	25,878
1973-74 ...	2,852	1,222	80	96	4,250	90	4,340	-1,043	3,297
1974-75 ...	1,071	1,690	43	167	2,972	120	3,092	-431	2,661
1975-76 ...	1,922	1,254	-24	728	3,880	300	4,180	39	4,219
1976-77 ...	3,123	1,460	18	105	4,705	950	5,655	654	6,309
1977-78 ...	2,426	1,275	6	1,264	4,971	950	5,921	3,477	9,398
	Percent change								
1968-73 ...	58.4	87.8	42.6	-2.1	59.5	-17.4	33.4	26.3	33.0
1973-78 ...	79.5	104.4	71.3	302.3	94.6	41.3	83.4	150.4	87.5
1973-74 ...	19.9	18.5	31.9	12.3	19.4	1.5	15.6	-58.2	11.1
1974-75 ...	6.2	21.6	13.0	19.0	11.3	2.0	9.6	-57.5	8.1
1975-76 ...	10.5	13.2	-6.4	69.7	13.3	5.0	11.9	12.2	11.9
1976-77 ...	15.5	13.6	5.1	5.9	14.2	15.0	14.4	182.7	15.9
1977-78 ...	10.4	10.4	2.2	67.4	13.2	13.0	13.1	343.6	20.4
	Percentage distribution of debt								
1968	41.7	15.8	0.8	3.5	61.8	31.8	93.6	6.4	100.0
1973	48.4	22.3	0.9	2.6	74.2	19.7	93.9	6.1	100.0
1974	52.2	23.8	1.0	2.7	79.7	18.0	97.7	2.3	100.0
1975	51.3	26.8	1.1	2.9	82.1	17.0	99.1	0.9	100.0
1976	50.7	27.1	0.9	4.4	83.1	16.0	99.1	0.9	100.0
1977	50.5	26.6	0.8	4.1	82.0	15.8	97.8	2.2	100.0
1978	46.3	24.3	0.7	5.7	77.0	14.9	91.9	8.1	100.0

¹ Preliminary.

debt outstanding at the end of the year can often mask considerable activity during the year, and 1977 was a year of much activity as was suggested in the previous section.

Since nonreal estate farm debt is typically used for operating expenses and for purchasing equipment and livestock, most loans have relatively short maturities, usually less than 12 months. Therefore, any reduction or even expected reductions in current income can cause serious disruptions in cash flow situations since expenses ordinarily cannot be curtailed very much. That was the

situation in late 1976 and early 1977. As short-term loans and principal payments on long-term loans became due in 1977, many farmers were pinched for cash to make the payments.

Some of those producers in basically sound financial condition refinanced their due but unpaid short-term loan balances into new loans with their current lenders. Others with sufficient equity in farmland refinanced burdensome short-term debt into long-term real estate secured debt which spread out repayment over a longer period. Still others found relief in obtaining FmHA and

Small Business Administration (SBA) emergency loans with which to repay their past due loans from banks, PCA's and other lenders. Many farmers with eligible crops obtained CCC loans and used the proceeds to repay debts or make other expenditures. In addition to renewing or refinancing current debt and obtaining loans from FmHA, SBA, and CCC, farmers used some of the approximately \$750 million in wheat deficiency payments received in late December 1977 to either repay current debts or to carry on their farming operations.

With the exception of the deficiency payments, these actions failed to reduce farmers' short-term debt load since in most cases they only postponed repayments of loans due in 1977 or early 1978 to some later time. Indeed, their total debt load increased because, in addition to the unpaid loans, new loans were incurred. The result was the record annual increase in total farm debt and in farm nonreal estate debt in particular.

Similar activity in farm nonreal estate lending continued for a time into 1978. In the early months, new fears of drought in some western grain producing States and little improvement in or expectations for higher grain prices from reduced acres because of the government set-aside program worked to keep financial pressures on farmers. In a March 1978 survey of 12 States with seemingly the worst potential problems, about twice the usual number of producers were designated by banks as in too risky financial condition to warrant additional loans.¹ That number, however, was an extremely small portion of all farmers in those States (about 3 or 4 percent).

In the first quarter of 1978, the Farmers Home Administration made about \$1.4 billion in emergency loans and CCC loans to farmers increased by \$0.5 billion. Also, farmers received about \$400 million in wheat deficiency payments. It is not known for sure how farmers disposed of the loan proceeds and government payments but undoubtedly some went to repay existing bank and PCA loans.

Since about April or May 1978, the farm income and farmer financial picture has made strong improvement. Commodity prices have strengthened and crop yields in most areas have been good. Fears of low wheat production from early droughty areas were dissipated as near record per acre yields were achieved. Target prices for most 1978 harvested crops were raised. Corn yields were headed towards unprecedented heights. Farmers have made heavy use of the commodity loan and reserve programs, and export demand has run heavier than earlier anticipated.

Gross farm income for 1978 is expected to be about \$120 billion, up 13 percent from 1977. Farm expenses are up, too, but net income before inventory adjustment is forecast to reach about \$25 billion compared with \$20.1 billion in 1977. These conditions will greatly

improve most farmers' cash flow positions and relieve, at least for the foreseeable future, much of the pinch on servicing current debts.

Regionally, the increase in farm nonreal estate debt in 1977 was greatest in the Southeast, Appalachian, and Delta States, and least in the Mountain States and the Southern Plains (fig. 10).

Farm Real Estate Debt

Farm real estate debt outstanding on January 1, 1978, totaled an estimated \$63.3 billion (table 19). The increase from January 1, 1977, was a record amount for one year, \$6.7 billion, or 11.9 percent. The percentage increase was somewhat above the 10.8 percent during 1976 but did not nearly match the jump of 15.4 percent which occurred between January 1973 and January 1974.

Loans held by individuals and miscellaneous other lenders as a group account for the largest portion of outstanding loans among lenders. However, the Federal land banks have steadily increased their share of farm real estate debt. Life insurance companies and commercial banks each account for about 12 percent or 13 percent of farm real estate loans. The share held by FmHA is, by far, the smallest, about 6 percent of the total. The FmHA loans, however, are only those that are held by that agency but does not include those loans it guarantees that are held by banks and other lenders.

Some of the activity in farm real estate lending during 1977 was caused by the rather severe cash flow problems experienced by many farmers and discussed earlier in the section on nonreal estate farm loans. More than the usual number of farm real estate loans made in 1978, especially by Federal land banks, were primarily for refinancing short-term loans too difficult for borrowers to repay from current income. Too, there was some increase in the number of farm real estate loans that had repayment troubles. Some of those loans on which the 1977 payments could not be made were reportedly refinanced into new and larger loans with lengthened repayment schedules.

The 104,500 transfers of farmland in 1977 were somewhat smaller than the 108,800 in 1976 as was the value of land transferred, \$12.8 billion in 1976 and \$12.1 billion in 1977. Likewise, the amount of real estate debt incurred in 1977 for the transfers was less, \$9.2 billion in 1977 compared with \$9.7 billion in 1976. Although there were reports generally that lenders were more cautious in lending, credit availability from the usual sources did not present a problem.

It is not possible to tell whether the total real estate lending in 1977 and the amount outstanding at the beginning of 1978 would have been much different if the farmers' cash flow problem had not been unusually severe and as widespread. It is probable, however, that without that problem more loans would have been made for farmland purchases and less for refinancing. In that case, the share held by individuals would likely have

¹ *Farmer Credit Survey, March 1978*, ESCS-17, Econ. Stat. Coop. Serv., U.S. Dept. Agr., May 1978.

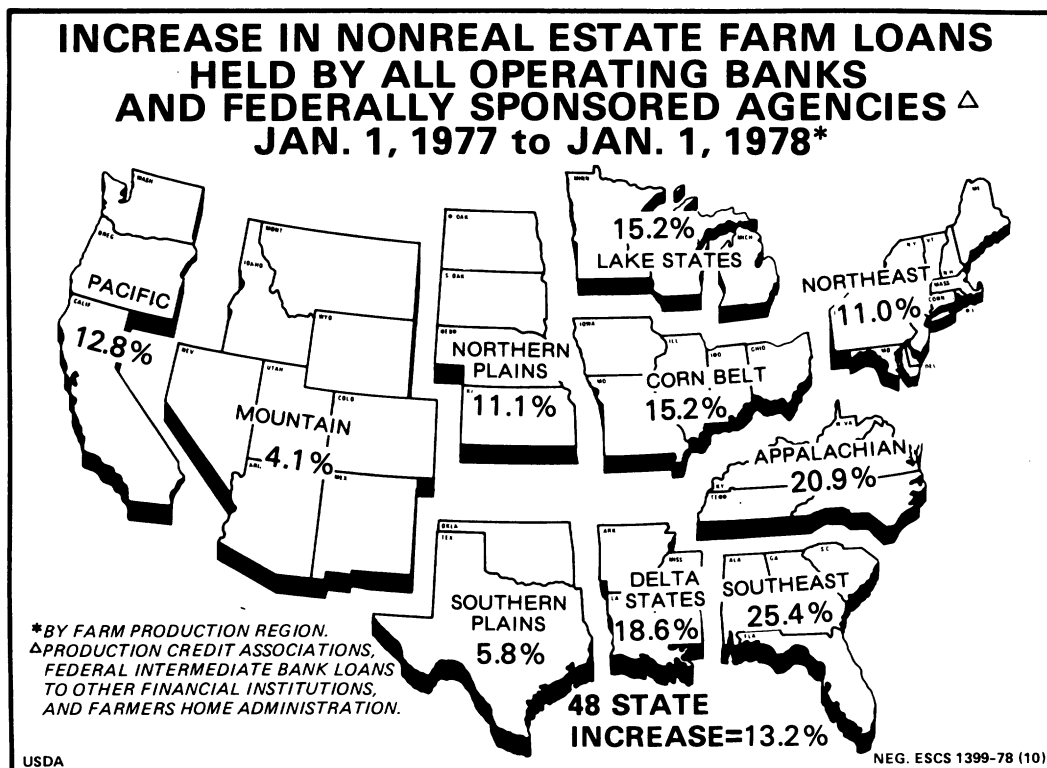


Figure 10

been larger since those lenders are mainly involved with financing real estate transfers.

Farm real estate lending in the first quarter of 1978, by and large, continued the pattern set in the last half of 1977.

Interest Charges

Interest charges on farm loans, excluding CCC loans, during 1977 totaled an estimated \$8.0 billion (table 20). The total charges in 1977 were \$0.9 billion or 13 percent above those during 1976. Farm real estate loans accounted for 55 percent of total charges and nonreal estate loans 45 percent.

Interest charges on farm real estate loans were 13 percent more in 1977 than in 1976. The rate of increase in interest charges was only slightly higher than the 12-percent increase in loans outstanding from January 1, 1977, to January 1, 1978, and probably reflected higher average interest rates in 1977 compared with rates in 1976.

Although commercial banks and PCA's increased their farm nonreal estate loans less during 1977 than during 1976, total interest charges to those lenders increased substantially more in 1977 than in 1976. Interest rates on farm nonreal estate loans from banks

averaged a little higher than in 1976 while PCA interest rates averaged a little lower. The higher interest charges on PCA loans likely reflected higher average loan outstandings in 1977 than in 1976.

Proprietors' Equity in Farm Assets

Between January 1, 1977, and January 1, 1978, farm proprietors added \$37.2 billion to the net worth of the farming sector, bringing the total to \$589.5 billion. The 6.7-percent gain was only three-fifths of the rate of accumulation during 1976. The largest annual increase was \$74.9 billion, or 22.8 percent, and occurred between January 1973 and January 1974.

The additional \$35.2 billion equity in farm real estate accounted for 90 percent of total equity gain (table 21). This was a somewhat smaller share than for the last several years because farm real estate value increased at a slower rate during 1977 than since 1973 and real estate debt increased at a faster rate than in 1975 or in 1976.

Equity in farm nonreal estate assets showed a \$1.7 billion gain between January 1, 1977, and January 1, 1978, somewhat less than the \$2.2 billion gain during 1976. Since nonreal estate debt cannot be identified

Table 19—Real estate farm debt outstanding, January 1, 1968-78

Year	Federal land banks	Farmers Home Administration	Life insurance companies	Commercial banks	Individuals and others	Total
<i>Million dollars</i>						
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	13,402	3,215	6,297	5,966	17,408	46,288
1976	15,950	3,369	6,726	6,296	18,728	51,068
1977	18,455	3,658	7,400	6,781	20,266	56,560
1978 ¹	21,391	3,982	8,480	7,780	21,669	63,302
<i>Dollar change</i>						
1968-73	3,487	991	103	1,731	4,302	10,614
1973-78	12,341	1,147	2,837	2,988	8,232	27,544
1973-74	1,851	178	322	666	2,478	5,495
1974-75	2,501	202	332	508	1,493	5,035
1975-76	2,548	154	236	330	1,320	4,588
1976-77	2,505	319	674	485	1,538	5,521
1977-78	2,936	324	1,080	999	1,403	6,742
<i>Percent change</i>						
1968-73	62.7	53.7	1.9	56.6	47.1	42.2
1973-78	136.4	40.5	50.3	62.4	61.3	77.0
1973-74	20.5	6.3	5.7	13.9	18.4	15.4
1974-75	22.9	6.7	5.6	9.3	9.4	12.2
1975-76	19.0	4.8	6.8	5.5	7.6	10.3
1976-77	15.7	9.5	10.0	7.7	8.2	10.8
1977-78	15.9	8.9	14.6	14.7	6.9	11.9
<i>Percentage distribution of debt</i>						
1968	22.1	7.3	22.1	12.2	36.3	100.0
1973	25.3	7.9	15.8	13.4	37.6	100.0
1974	26.4	7.3	14.5	13.2	38.6	100.0
1975	29.0	6.9	13.6	12.9	37.6	100.0
1976	31.2	6.6	13.2	12.3	36.7	100.0
1977	32.6	6.5	13.1	12.0	35.8	100.0
1978	33.8	6.3	13.4	12.3	34.2	100.0

¹ Preliminary.

with the asset covered by the debt, it cannot be stated for certain which nonreal estate assets accounted for the gain in equity. It is likely, however, that a sizeable portion was due to the relatively large gain in the value of livestock. This gain probably occurred without a compensating increase in debt since it was the rather rapid gain in value per head of cattle and calves in late 1977 that caused the higher total value of livestock on farms rather than a larger number on hand. The total value of stored crops and of machinery and motor vehicles also increased substantially but those items were more likely to be associated with new debt.

The ratio of total farm debt to the total value of farm assets on January 1, 1978, was 16.8 percent, a little over 1 percentage point higher than the ratio of 15.7 percent

on January 1, 1977, but about in line with most years since the late sixties. However, data in table 21 and figure 11 show that nonreal estate assets are usually two or three times more heavily indebted than real estate assets. Also, there is more year-to-year variation for the nonreal estate debt-to-asset ratio than for the real estate ratio.

The unusually large nonreal estate debt carry-over, mostly in the form of CCC loans and FmHA emergency loans, from 1977 into 1978 pushed the nonreal estate ratio to 30.4 percent, the highest since the thirties but still not an alarming rate when compared with other recent years.

Of course, the average debt-to-asset ratio for all farms covers up the condition on individual farms—some with

Table 20—Annual interest charges on the farm debt, selected years, 1960-77

Year	Total charges	Charges on farm real estate debt ¹	Charges ² on nonreal estate debt owed to:				
			All lenders	Commercial banks	Production credit associations ³	Farmers Home Adminis- tration	Individuals and others ⁴
	Million dollars						
1960	1,338	628	710	301	120	21	268
1965	2,085	1,075	1,010	435	179	36	361
1970	3,335	1,763	1,572	767	479	49	277
1971	3,502	1,905	1,597	818	459	51	269
1972	3,807	2,078	1,729	903	483	47	296
1973	4,574	2,445	2,129	1,141	616	51	320
1974	5,631	2,925	2,706	1,435	870	75	326
1975	6,249	3,393	2,856	1,439	961	119	337
1976	7,049	3,852	3,197	1,665	1,002	159	371
1977 ⁴	7,980	4,352	3,628	1,943	1,090	172	423
	Percent change						
1972-77	109.6	109.4	109.8	115.2	125.7	266.0	42.9
1976-77	13.2	13.0	13.5	16.7	8.8	8.2	14.0

¹ Revised 1972-76. Information on the revision will be given in a forthcoming ERS publication. ² Includes service fees. Excludes interest charges on Commodity Credit Corporation price support loans and interest charges on debt for family living purposes. ³ In addition to production credit associations, includes Federal intermediate credit bank loans to and discounts for livestock loan companies and agricultural credit corporations. ⁴ Preliminary.

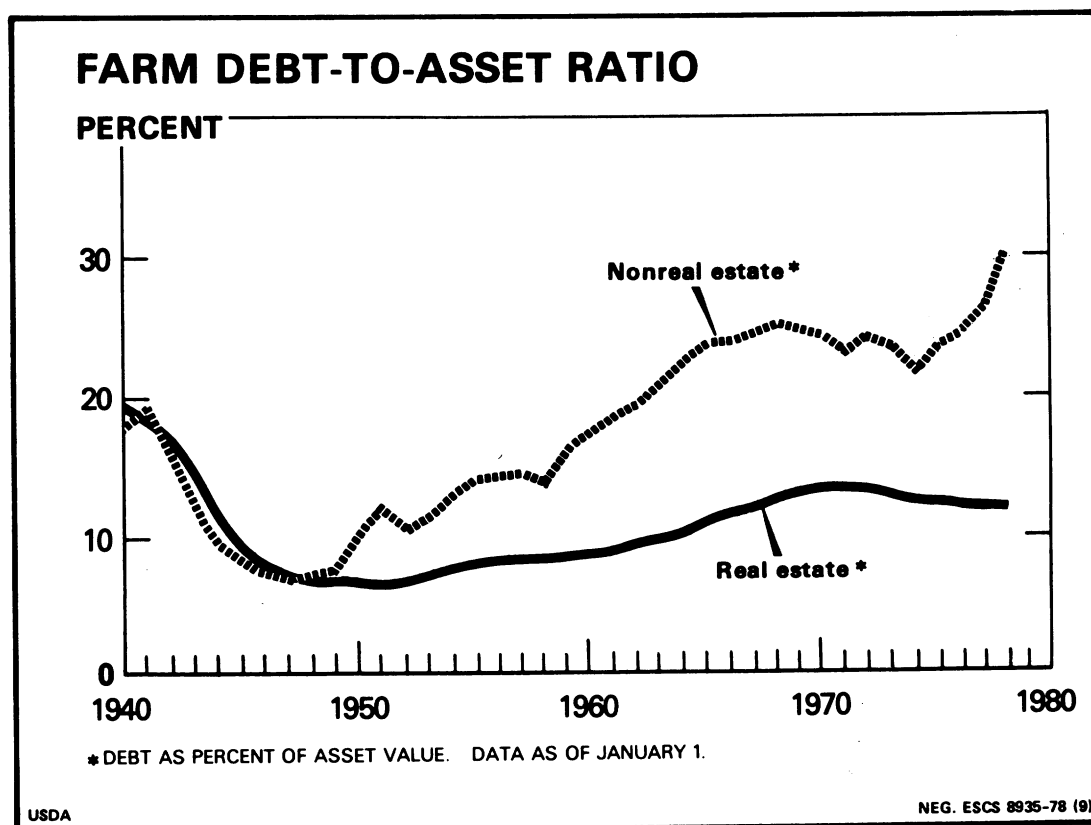


Figure 11

Table 21—Proprietors' equity in farm real estate and nonreal estate assets, January 1, 1940-78¹

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>Percent</i>		<i>Million dollars</i>		<i>Percent</i>	
1940	33,636	6,586	27,050	19.6	19,369	3,449	15,920	17.8
1941	34,400	6,494	27,906	18.9	20,356	3,976	16,380	19.5
1942	37,547	6,376	31,171	17.0	25,373	4,092	21,281	16.1
1943	41,604	5,956	35,648	14.3	32,011	3,944	28,067	12.3
1944	48,200	5,396	42,804	11.2	35,768	3,475	32,293	9.7
1945	53,884	4,941	48,286	9.2	39,871	3,403	36,468	8.5
1946	61,046	4,760	56,186	7.8	41,852	3,145	38,707	7.5
1947	68,463	4,897	63,566	7.2	47,443	3,516	43,927	7.4
1948	73,664	5,064	68,600	6.9	53,722	4,174	49,548	7.8
1949	76,623	5,288	71,335	6.9	58,020	6,082	51,938	10.5
1950	77,600	5,579	72,021	7.2	56,944	6,875	50,069	12.1
1951	89,523	6,112	83,411	6.8	64,780	6,964	57,816	10.8
1952	89,452	6,662	82,790	7.4	71,647	7,981	63,666	11.1
1953	100,051	7,241	92,810	7.2	67,549	8,859	58,690	13.1
1954	98,654	7,740	90,914	7.8	65,905	9,194	56,711	14.0
1955	102,216	8,245	93,971	8.1	66,579	9,415	57,164	14.1
1956	107,503	9,012	98,491	8.4	66,141	9,780	56,361	14.8
1957	115,666	9,822	105,844	8.5	67,090	9,523	57,567	14.2
1958	121,754	10,382	111,372	8.5	69,503	10,029	59,474	14.4
1959	131,054	11,091	119,963	8.5	77,343	12,558	64,785	16.2
1960	137,161	12,082	125,079	8.8	73,020	12,693	60,327	17.4
1961	138,466	12,820	125,646	9.3	72,392	13,359	59,033	18.4
1962	144,548	13,899	130,649	9.6	74,785	14,567	60,218	19.5
1963	150,181	15,168	135,013	10.1	77,486	16,219	61,267	20.9
1964	158,557	16,804	141,753	10.6	77,196	17,583	59,613	22.8
1965	167,502	18,984	148,518	11.3	76,305	17,909	58,396	23.5
1966	179,211	21,187	158,024	11.8	81,595	19,470	62,125	23.9
1967	189,104	23,077	166,027	12.2	85,151	20,951	64,200	24.6
1968	199,700	25,142	174,558	12.6	88,265	22,254	66,011	25.2
1969	209,190	27,397	181,793	13.1	93,598	23,058	70,540	24.6
1970	215,783	29,183	186,600	13.5	99,113	23,844	75,269	24.1
1971	223,180	30,346	192,834	13.6	102,767	24,138	78,629	23.5
1972	239,614	32,208	207,406	13.4	112,164	26,906	85,258	24.0
1973	267,333	35,758	231,575	13.4	127,486	29,587	97,899	23.2
1974	327,750	41,253	286,497	12.6	150,803	32,885	117,918	21.8
1975	368,455	46,288	322,167	12.6	149,051	35,545	113,506	23.8
1976	416,939	51,069	365,870	12.2	162,969	39,764	123,205	24.4
1977	483,846	56,560	427,286	11.7	171,081	45,723	125,358	26.7
1978 ³	525,820	63,302	462,518	12.0	182,481	55,471	127,010	30.4

¹ Data for 50 States beginning with 1960. ² Includes CCC loans. ³ Preliminary.

higher ratios and some with lower ratios. For example, the Census of Agriculture farm debt surveys in 1965 and in 1970 reported that about one-third of the farm operations had no debt at all at yearend. The various types of farms undoubtedly have varying degrees of indebtedness. Also, farms of different sizes as measured by value of sales show wide variations in indebtedness as shown later in tables 25-33. Evidently, geographical locations of farms, which in many cases may be fairly closely related to particular types of farms, also vary considerably in levels of debt load as can be seen in tables 34, 35 and 36.

Although it is not the only measure, the debt-to-asset ratio is a useful yardstick of the financial health of the farming sector. The relatively low ratios of under 20 percent indicate that, on the whole, the farming sector is in sound financial condition and, furthermore, if put to the test could weather much more serious financial developments than those of 1977 and early 1978. The accounting procedure may not be perfectly comparable but the debt-to-asset ratio of the farming sector shows up well alongside the debt-to-asset ratio for all manufacturing corporations which in the first quarter of 1978 was over 45 percent.

FACTORS INFLUENCING THE 1978 BALANCE SHEET

Farm Income

Gross farm income of \$109 billion less total production expenses of \$88 billion yielded farm operators a net farm income, after inventory change, in 1977 of \$21 billion (table 22 and fig. 12). Net farm income had declined steadily from 1973 through 1976 and 1977 was a welcome reverse in the trend. A \$1.0 billion increase in government payments and higher CCC loans contributed to the higher net farm income.

Cash receipts increased \$2,668 million over 1976 while nonmoney and other farm income rose \$4,122 million. Crop cash receipts held steady from 1976 due to the larger volume marketed as the index of crop prices received by farmers (1976=100) declined 3 percent. The index of the volume of crop marketings (1967=100) rose 4 percent. Cash receipts from livestock and livestock products were up 3 percent, again due to an increase in volume marketed. The index of prices received for livestock and livestock products by farmers (1967=100) declined 1 percent, whereas, the index of the volume of farm marketings of livestock and livestock products (1967=100) rose 3 percent.

Inflation and the continued increase in acreage planted drove farm production expenses in 1977 upward by 6 percent. Planted acreage of principle crops in 1977 was up 2 percent from 1976 and 8 percent from 1973. It was the fifth straight year that planted acreage increased.

The increase in the index of prices paid by farmers for production items, interest, taxes, and farm wages (1967=100) continued to moderate, rising 5 percent in 1977 compared with 6 percent in 1976. The index had jumped 10 percent in 1975, 13 percent in 1974, and 19 percent in 1973. Price declines in feed, fertilizer, and agricultural chemicals were primarily responsible for the slight 1977 decline in the index of prices paid, as prices for all other inputs held constant or increased.

The value of farm capital accumulated in the form of machinery, motor vehicles, equipment, and improvements to buildings and land during 1977 was an estimated \$16.1 billion. A little over half, \$8.7 billion, was financed through depreciation, at book value, and the remainder was financed with net receipts from farm real estate transfers, borrowing, and saving. In 1977, the

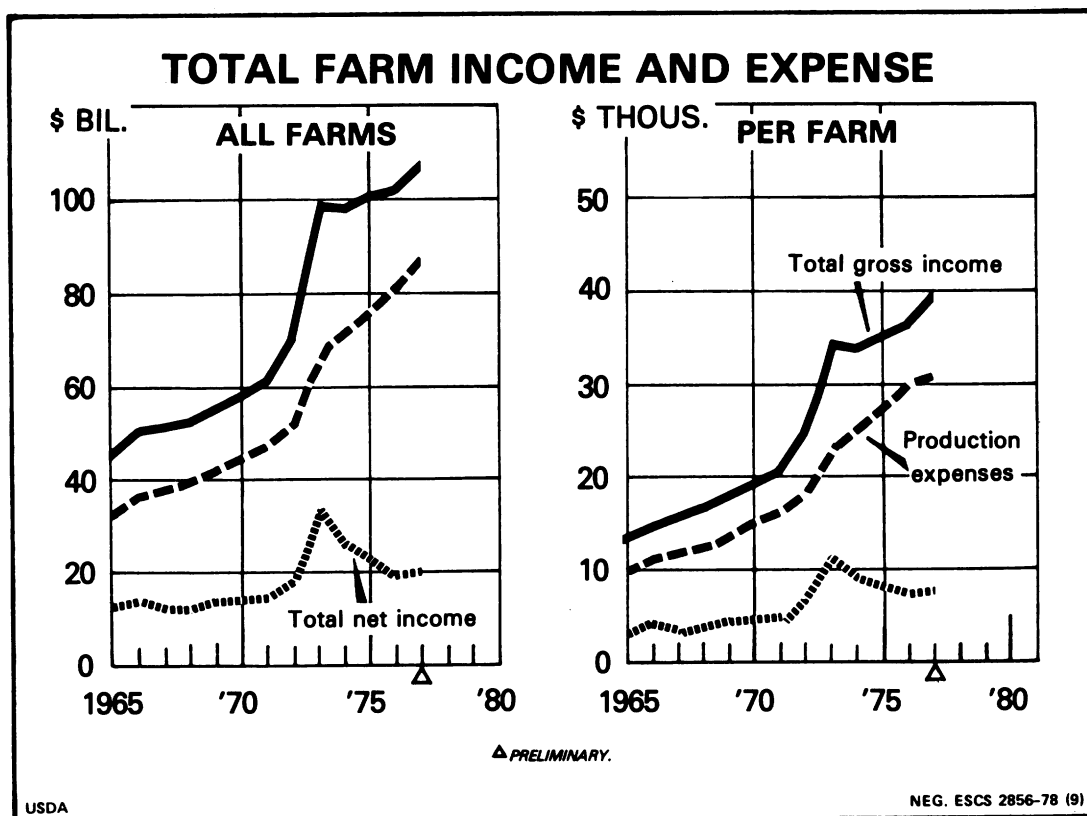


Figure 12

Table 22—Comparative income statement of U.S. agriculture, selected years, 1940-77¹

Item	1940	1950	1960	1969	1970	1971	1972	1973	1974 ²	1975 ²	1976 ²	1977 ³
	<i>Million dollars</i>											
Realized Net Farm Income of Farm Operators												
Total gross farm income:												
Cash receipts from farm marketings	8,382	28,461	34,248	48,179	50,539	52,859	61,190	87,068	92,499	88,209	94,501	96,084
Government payments to farm operators and landlords	723	283	702	3,794	3,717	3,145	3,961	2,607	531	807	734	1,819
Home consumption of farm products	1,210	2,063	1,205	731	751	732	831	1,104	1,295	1,269	1,334	1,324
Rental value of farm dwellings	744	1,464	2,098	3,046	3,019	3,226	3,474	3,913	4,687	5,420	6,166	7,326
Other farm income ⁴	0	20	244	559	543	641	663	813	989	1,233	1,352	1,547
Net farm inventory change	281	812	397	99	6	1,397	861	3,406	-1,611	3,400	-2,365	412
Total	11,340	33,103	38,894	56,408	58,575	62,000	70,980	98,911	98,340	100,338	101,722	108,512
Production costs:												
Feed bought	998	3,283	4,552	7,100	8,028	8,049	8,397	13,224	14,513	12,647	14,291	13,840
Livestock bought, except horses and mules ..	517	2,004	2,506	4,225	4,324	5,123	6,668	8,065	5,131	4,950	5,871	6,736
Fertilizer and lime bought	306	975	1,344	2,312	2,390	2,633	2,690	3,354	5,808	6,383	6,032	6,089
Repairs and operation of capital items	1,038	2,975	3,982	4,507	4,539	4,707	4,708	5,229	6,659	7,806	8,775	9,510
Depreciation and other consumption of farm capital ⁵	797	2,665	4,337	6,574	6,760	7,350	7,887	8,945	10,563	12,586	14,002	15,248
Taxes on farm real estate and personal property	451	919	1,529	2,456	2,596	2,704	2,815	2,886	3,096	3,333	3,607	3,809
Seed bought	197	518	519	871	927	1,072	1,115	1,617	2,082	2,293	2,537	2,856
Wages to hired labor (cash and perquisites)	1,029	2,811	3,062	4,152	4,349	4,367	4,594	5,232	6,036	6,357	6,958	7,445
Net rent and Government payments to non-operator landlords ⁶	448	1,233	1,124	2,061	2,132	2,246	3,491	5,679	5,100	4,600	4,100	3,900
Interest on farm mortgage debt	293	264	628	1,625	1,764	1,905	2,132	2,495	3,044	3,421	3,921	4,496
Miscellaneous	784	1,808	3,793	6,232	6,615	7,211	7,818	8,836	10,178	11,487	12,878	14,040
Total	6,858	19,455	27,376	42,115	44,424	47,367	52,315	65,562	72,210	75,863	82,972	87,969
Total net farm income of farm operators⁷	4,482	13,648	11,518	14,293	14,151	14,633	18,665	33,349	26,130	24,475	18,750	20,543
Total net farm income per farm (dollars)⁷	706	2,417	2,907	4,764	4,799	5,052	6,526	11,813	9,349	8,845	6,848	7,592
Total Net Farm Income of Proprietors												
Total net farm income of farm operators ⁷	4,482	13,648	11,518	14,293	14,151	14,633	18,665	33,349	26,130	24,475	18,750	20,543
Net rent and Government payments to non-operator landlords ⁶	448	1,233	1,124	2,061	2,132	2,246	3,491	5,679	5,100	4,600	4,100	3,900
Total net farm income of proprietors⁷	4,930	14,881	12,642	16,354	16,283	16,879	22,156	39,028	31,230	29,075	22,850	24,443

¹ Includes Alaska and Hawaii beginning with 1960. ² Revised. ³ Preliminary. ⁴ Machine hire and custom work and recreational income. ⁵ Valued at replacement cost. ⁶ After subtraction of taxes, mortgage interest and other expenses paid by landlords. ⁷ Total net farm income includes net changes in farm inventories.

amount of funds farmers generated internally through depreciation, farm real estate transfers, and saving (\$12.5 billion) almost equaled the amount of funds they obtained externally through additional loans (fig. 13).

Farm Production Assets and Earnings

The market value of farm production assets, those assets used in the production of farm products, totaled \$594.3 billion on January 1, 1978 (table 23). This was an 8.2-percent increase in value during 1977 compared with a 14-percent increase during each of the previous 2 years. Of the increase in total production assets, real estate accounted for about 85 percent.

In addition to the \$38.2 billion gain in the value of farmland, the value of livestock and poultry rose about \$3.0 billion, reflecting a substantial gain from the previous year when livestock values decreased slightly. Although the value of machinery and motor vehicles

was \$4.2 billion higher for the year, the gain was not as much as usual because of the slower increase in the value of machinery on farms.

The per farm value of production assets at \$219,625 was 9.4 percent above a year earlier. Both the higher total value of assets and the slightly lower number of farms influenced the increase in value per farm.

The value of production assets per farm worker was \$142,622, an increase of 14 percent from a year earlier. The increase was due to the 8.2-percent rise in total production asset value and a 5-percent decline in the number of farm workers in 1977.

The rate of return on equity in farm production assets in 1977 was 2.5 percent (table 24). This was slightly lower than the 2.6-percent rate of return in 1976 and the lowest in the last two decades. Although net returns to equity capital were 9 percent higher in 1977 than a year earlier, the 14-percent rise in equity, caused mainly by the continuing rise in farm real estate value in excess of an increase in farm debt, resulted in the slightly lower rate of return in 1977.

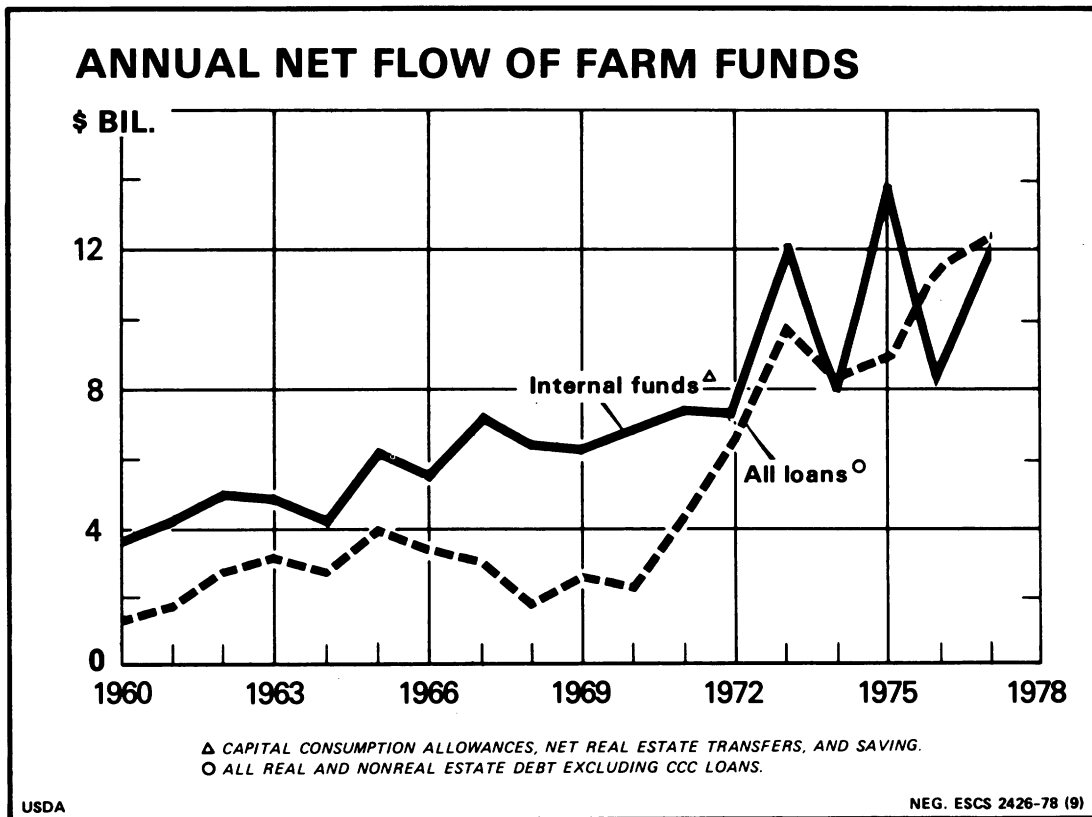


Figure 13

**Table 23—Value of production assets: Total, per farm and per farm worker,
January 1, 1960-78**

Year	Farm real estate ¹	Livestock ²	Machinery and motor vehicles ³	Other ⁴	Total
<i>Billion dollars</i>					
Total					
1960	120.2	15.2	19.2	8.2	162.8
1961	121.7	15.6	19.0	7.9	164.2
1962	127.5	16.4	19.2	8.0	171.1
1963	133.1	17.3	19.9	8.2	178.5
1964	141.0	15.9	20.2	8.6	185.7
1965	149.2	14.5	21.0	8.4	193.1
1966	160.2	17.6	22.2	8.9	208.9
1967	169.4	19.0	23.8	9.1	221.3
1968	179.5	18.8	20.6	9.0	227.9
1969	188.5	20.2	27.4	9.1	245.2
1970	195.1	23.5	28.3	9.4	256.3
1971	202.2	23.7	30.0	9.6	265.5
1972	217.3	27.3	32.1	10.0	286.7
1973	242.7	34.1	34.4	11.4	322.6
1974	297.9	42.4	39.7	14.6	394.6
1975	335.3	24.6	50.2	15.3	425.4
1976	379.4	29.5	58.8	15.1	482.8
1977	440.8	29.1	64.3	15.3	549.5
1978 ⁵	479.0	32.0	68.5	14.8	594.3
<i>Dollars</i>					
Per farm					
1960	29,270	3,714	4,682	1,999	39,665
1961	30,712	3,938	4,787	1,998	41,435
1962	33,331	4,295	5,009	2,094	44,729
1963	36,040	4,688	5,389	2,210	48,327
1964	39,462	4,442	5,654	2,402	51,960
1965	43,172	4,193	6,077	2,429	55,870
1966	47,726	5,238	6,608	2,648	62,220
1967	52,022	5,825	7,307	2,781	67,935
1968	56,777	5,955	6,522	2,844	72,098
1969	61,374	6,593	8,937	2,978	79,882
1970	61,342	7,384	8,901	2,965	80,592
1971	68,566	8,039	10,187	3,238	90,030
1972	74,890	9,398	11,061	3,457	98,806
1973	84,873	11,916	12,036	3,999	112,824
1974	105,535	15,012	14,056	5,158	139,761
1975	119,960	8,791	17,969	5,463	152,183
1976	137,121	10,655	21,262	5,474	174,512
1977	160,988	10,611	23,491	5,597	200,687
1978 ⁵	177,022	11,822	25,328	5,453	219,625
<i>Dollars</i>					
Per farm worker					
1960	16,362	2,076	2,618	1,118	22,174
1961	17,245	2,211	2,688	1,122	23,266
1962	18,424	2,374	2,769	1,158	24,725
1963	19,857	2,583	2,969	1,217	26,626
1964	21,626	2,434	3,098	1,317	28,475
1965	24,422	2,372	3,438	1,374	31,606
1966	28,554	3,134	3,953	1,584	37,225
1967	32,490	3,638	4,564	1,737	42,429
1968	36,609	3,840	4,206	1,834	46,489
1969	39,680	4,263	5,778	1,925	51,646
1970	42,489	5,114	6,165	2,054	55,822
1971	44,695	5,240	6,640	2,111	58,686
1972	48,805	6,125	7,208	2,253	64,391
1973	55,306	7,765	7,843	2,606	73,520
1974	68,457	9,738	9,118	3,346	90,659
1975	76,116	5,578	11,401	3,467	96,562
1976	87,081	6,767	13,503	3,476	110,827
1977	100,429	6,620	14,654	3,492	125,195
1978 ⁵	114,956	7,677	16,448	3,541	142,622

¹ Farmland and service buildings, excluding operator's dwellings. ² Excludes horses and mules. ³ Includes all farm machinery plus farm use portion of auto and truck values. 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 24—Return to equity in farm production assets from production income, 1960-77

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
1960	16,195	9,502	1,748	1,269	3,676	140,717	2.6
1961	17,079	9,307	1,833	1,344	4,593	140,971	3.3
1962	17,540	9,070	1,911	1,478	5,081	146,130	3.5
1963	17,677	9,098	1,959	1,655	4,965	150,820	3.3
1964	16,656	8,687	1,975	1,804	4,190	155,006	2.7
1965	19,589	8,366	2,091	1,986	7,146	159,934	4.5
1966	21,058	8,437	2,336	2,213	8,072	171,869	4.7
1967	19,553	8,886	2,295	2,458	5,914	180,798	3.3
1968	19,995	9,240	2,382	2,641	5,732	184,541	3.1
1969	22,487	9,608	2,599	2,898	7,382	200,249	3.7
1970	22,899	9,673	2,713	3,212	7,301	208,732	3.5
1971	23,641	9,970	2,800	3,372	7,499	215,744	3.5
1972	29,384	10,034	3,258	3,701	12,391	232,878	5.3
1973	47,510	10,678	4,484	4,476	27,872	262,417	10.6
1974	41,272	12,057	4,599	5,496	19,118	324,912	5.9
1975	39,820	12,267	4,451	6,066	17,036	348,049	4.9
1976	34,915	12,781	4,762	7,068	10,304	396,997	2.6
1977 ⁷	37,857	13,560	4,895	8,114	11,288	452,952	2.5

¹Total 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. ²Number of manhours needed for farm production times the average wage of hired workers without room and board. ³Five percent of the total of cash receipts from farm production and Government payments. ⁴Interest on real estate and nonreal estate debt, excluding mortgage interest on the farm dwellings. ⁵Market value, January 1. ⁶Calculated on the market value of equity in production assets, January 1. ⁷Preliminary.

BALANCE SHEET OF THE FARMING SECTOR BY VALUE OF SALES CLASS, 1969-77

Recent revisions in some of the farm asset values, amount of debt outstanding, and in the number of farms in the various sales classes beginning with 1969 caused revisions in the balance sheet estimates by value of sales

class for those years. Tables 25-33 supercede previously published data by value of sales class for 1969-77. Estimates for 1960-68 are available on request.

FARM ASSET VALUE, DEBT, AND EQUITY BY STATE AND REGION

Complete balance sheets of the farming sector for the 50 States annually for January 1, 1970, through January 1, 1977, were published in *Balance Sheet of the Farming Sector 1978*, AIB 416, July 1978. As a convenience, the total asset values, debt outstanding, and equity value data from those balance sheets for January 1, 1970, 1975, and 1977 along with per farm averages are given in tables 34, 35, and 36. Some later revisions in estimates for some asset values in the U.S. balance sheet for those years have not been incorporated fully in the State balance sheets but the discrepancies are so small they affect the State estimates very little.

There were wide variations among States and regions in farm asset value, debt outstanding, and equity value in total for all farms and per farm in each of the 3 years shown. The Mountain and Pacific regions consistently had the highest asset value and debt per farm and consequently were among the highest, along with Lake States, in debt to asset ratio. On the other hand, the Appalachian and Southeast regions had the lowest value of assets per farm. However, for those regions, debt per farm did not follow per farm asset value. The Northeast usually had the lowest debt to asset ratio.

Table 25—Balance sheet of the farming sector by value of sales class, January 1, 1969

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
Total								
	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	28,450	35,353	40,374	32,424	22,383	18,200	32,006	209,190
Nonreal estate:								
Livestock and poultry ¹	4,268	3,636	4,090	3,112	2,024	1,443	1,675	20,248
Machinery and motor vehicles	3,065	5,410	6,817	5,410	3,565	2,689	4,315	31,271
Crops stored on and off farms ²	1,231	1,761	3,289	2,260	1,125	552	393	10,611
Household equipment and furnishings ...	451	733	1,108	1,202	1,193	1,249	3,457	9,393
Financial assets:								
Deposits and currency	2,464	1,878	1,893	1,456	1,049	801	1,942	11,483
U.S. savings bonds	240	394	514	507	458	405	1,235	3,753
Investments in cooperatives	1,882	1,395	1,378	994	554	296	340	6,839
Total	42,051	50,560	59,463	47,365	32,351	25,635	45,363	302,788
CLAIMS								
Liabilities:								
Real estate debt	3,562	5,753	6,027	4,931	2,740	1,370	3,014	27,397
Nonreal estate debt:								
Excluding CCC loans	6,320	3,870	3,878	2,854	1,631	611	1,223	20,387
CCC loans ³	275	609	732	571	286	123	75	2,671
Total liabilities	10,157	10,232	10,637	8,356	4,657	2,104	4,312	50,455
Proprietors' equities	31,894	40,328	48,826	39,009	27,694	23,531	41,051	252,333
Total	42,051	50,560	59,463	47,365	32,351	25,635	45,363	302,788
	<i>Percent</i>							
Debt to asset ratio	24.2	20.2	17.9	17.6	14.4	8.2	9.5	16.7
Per farm								
	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	557,843	207,959	122,345	81,060	54,196	41,743	26,672	69,730
Nonreal estate:								
Livestock and poultry ¹	83,686	21,388	12,394	7,780	4,901	3,310	1,396	6,749
Machinery and motor vehicles	60,098	31,823	20,657	13,525	8,632	6,167	3,596	10,424
Crops stored on and off farms ²	24,137	10,359	9,967	5,650	2,724	1,266	327	3,537
Household equipment and furnishings ...	8,843	4,312	3,358	3,005	2,889	2,865	2,881	3,131
Financial assets:								
Deposits and currency	48,314	11,047	5,736	3,640	2,540	1,837	1,618	3,828
U.S. savings bonds	4,706	2,318	1,558	1,267	1,109	929	1,029	1,251
Investments in cooperatives	36,902	8,206	4,176	2,485	1,341	679	283	2,280
Total	824,529	297,112	180,191	118,412	78,332	58,796	37,802	100,930
CLAIMS								
Liabilities:								
Real estate debt	69,843	33,841	18,264	12,328	6,634	3,142	2,512	9,132
Nonreal estate debt:								
Excluding CCC loans	123,922	22,765	11,751	7,135	3,949	1,401	1,019	6,796
CCC loans ³	5,392	3,582	2,218	1,427	693	282	62	890
Total liabilities	199,157	60,188	32,233	20,890	11,276	4,825	3,593	16,818
Proprietors' equities	625,372	237,224	147,958	97,522	67,056	53,971	34,209	84,112
Total	824,529	297,412	180,191	118,412	78,332	58,796	37,802	100,930
	<i>Percent</i>							
Debt to asset ratio	24.2	20.2	17.9	17.6	14.4	8.2	9.5	16.7

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 26—Balance sheet of the farming sector by value of sales class, January 1, 1970

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
Total								
	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	32,367	37,330	39,488	31,720	22,441	18,342	34,095	215,783
Nonreal estate:								
Livestock and poultry ¹	5,035	4,225	4,597	3,474	2,305	1,740	2,104	23,480
Machinery and motor vehicles	3,488	5,717	6,718	5,265	3,553	2,713	4,845	32,299
Crops stored on and off farms ²	1,431	2,676	2,916	1,999	1,016	502	381	10,921
Household equipment and furnishings ...	517	786	1,131	1,207	1,198	1,255	3,487	9,581
Financial assets:								
Deposits and currency	2,767	2,009	1,945	1,420	1,019	813	1,918	11,891
U.S. savings bonds	307	441	554	479	423	396	1,140	3,740
Investments in cooperatives	2,127	1,558	1,465	950	513	287	301	7,201
Total	48,039	54,742	58,814	46,514	32,468	26,048	48,271	314,896
CLAIMS								
Liabilities:								
Real estate debt	5,254	6,712	6,128	4,669	2,626	1,459	2,335	29,183
Nonreal estate debt:								
Excluding CCC loans	6,350	4,869	4,022	2,752	1,482	635	1,058	21,168
CCC loans ³	321	642	750	508	241	134	80	2,676
Total liabilities	11,925	12,223	10,900	7,929	4,349	2,228	3,473	53,027
Proprietors' equities	36,114	42,519	47,914	38,585	28,119	23,820	44,798	261,869
Total	48,039	54,742	58,814	46,514	32,468	26,048	48,271	314,896
	<i>Percent</i>							
Debt to asset ratio	24.8	22.3	18.5	17.1	13.4	8.6	7.2	16.8
Per farm								
	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	567,842	209,719	121,129	81,333	55,824	43,362	29,066	73,172
Nonreal estate:								
Livestock and poultry ¹	88,333	23,736	14,101	8,908	5,734	4,113	1,794	7,962
Machinery and motor vehicles	61,193	32,118	20,608	13,500	8,838	6,414	4,130	10,953
Crops stored on and off farms ²	25,105	15,034	8,945	5,126	2,527	1,187	325	3,703
Household equipment and furnishings ...	9,070	4,416	3,469	3,095	2,980	2,967	2,973	3,249
Financial assets:								
Deposits and currency	48,544	11,286	5,966	3,641	2,535	1,922	1,635	4,032
U.S. savings bonds	5,386	2,477	1,699	1,228	1,052	936	972	1,268
Investments in cooperatives	37,316	8,753	4,494	2,436	1,276	678	257	2,442
Total	842,789	307,539	180,411	119,267	80,766	61,579	41,152	106,781
CLAIMS								
Liabilities:								
Real estate debt	92,175	37,708	18,798	11,972	6,532	3,449	1,991	9,896
Nonreal estate debt:								
Excluding CCC loans	111,403	27,354	12,337	7,056	3,687	1,501	902	7,178
CCC loans ³	5,632	3,607	2,301	1,303	599	317	68	908
Total liabilities	209,210	68,669	33,436	20,331	10,818	5,267	2,961	17,982
Proprietors' equities	633,579	238,870	146,975	98,936	69,948	56,312	38,191	88,799
Total	842,789	307,539	180,411	119,267	80,766	61,579	41,152	106,781
	<i>Percent</i>							
Debt to asset ratio	24.8	22.3	18.5	17.1	13.4	8.6	7.2	16.8

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

Item	Sales class							
	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								
<i>Million dollars</i>								
ASSETS								
Physical assets:								
Real estate	35,932	39,503	38,833	31,468	22,318	18,747	36,379	223,180
Nonreal estate:								
Livestock and poultry ¹	5,103	4,213	4,420	3,334	2,334	1,902	2,401	23,707
Machinery and motor vehicles	4,022	6,290	6,874	5,328	3,609	2,818	5,431	34,372
Crops stored on and off farms ²	1,635	2,758	2,704	1,806	919	460	406	10,688
Household equipment and furnishings	598	867	1,167	1,236	1,226	1,286	3,591	9,971
Financial assets:								
Deposits and currency	3,012	2,103	1,934	1,425	1,037	850	2,073	12,434
U.S. savings bonds	312	431	510	445	398	380	1,112	3,588
Investments in cooperatives	2,550	1,753	1,554	989	538	302	321	8,007
Total	53,164	57,918	57,996	46,031	32,379	26,745	51,714	325,947
CLAIMS								
Liabilities:								
Real estate debt	6,373	7,283	6,373	4,552	2,428	1,517	1,820	30,346
Nonreal estate debt:								
Excluding CCC loans	7,792	4,452	4,007	2,672	1,336	890	1,113	22,262
CCC loans ³	244	469	507	356	169	75	56	1,876
Total liabilities	14,409	12,204	10,887	7,580	3,933	2,482	2,989	54,484
Proprietors' equities	38,755	45,714	47,109	38,451	28,446	24,263	48,725	271,463
Total	53,164	57,918	57,996	46,031	32,379	26,745	51,714	325,947
<i>Percent</i>								
Debt to asset ratio	27.1	21.1	18.8	16.5	12.2	9.3	5.8	16.7
Per farm								
<i>Dollars</i>								
ASSETS								
Physical assets:								
Real estate	570,349	211,246	120,599	82,593	60,156	45,502	31,744	76,906
Nonreal estate:								
Livestock and poultry ¹	81,000	22,529	13,727	8,751	6,291	4,617	2,095	8,169
Machinery and motor vehicles	63,841	33,637	21,348	13,984	9,728	6,840	4,739	11,844
Crops stored on and off farms ²	25,952	14,749	8,398	4,740	2,477	1,117	354	3,683
Household equipment and furnishings	9,492	4,636	3,624	3,244	3,305	3,121	3,134	3,436
Financial assets:								
Deposits and currency	47,810	11,246	6,006	3,740	2,795	2,063	1,809	4,285
U.S. savings bonds	4,953	2,305	1,584	1,168	1,073	922	970	1,236
Investments in cooperatives	40,476	9,374	4,826	2,596	1,450	733	281	2,759
Total	843,873	309,722	180,112	120,816	87,275	64,915	45,126	112,318
CLAIMS								
Liabilities:								
Real estate debt	101,159	38,946	19,792	11,948	6,544	3,682	1,588	10,457
Nonreal estate debt:								
Excluding CCC loans	123,682	23,808	12,444	7,013	3,601	2,160	971	7,671
CCC loans ³	3,873	2,508	1,575	934	456	182	49	647
Total liabilities	228,714	65,262	33,811	19,895	10,601	6,024	2,608	18,775
Proprietors' equities	615,159	244,460	146,301	100,921	76,674	58,891	42,518	93,543
Total	843,873	309,722	180,112	120,816	87,275	64,915	45,126	112,318
<i>Percent</i>								
Debt to asset ratio	27.1	21.1	18.8	16.5	12.2	9.3	5.8	16.7

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

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
Total								
	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	45,766	45,287	39,057	30,431	22,044	18,690	38,339	239,614
Nonreal estate:								
Livestock and poultry ¹	6,393	5,053	4,608	3,557	2,477	2,088	3,091	27,267
Machinery and motor vehicles	5,236	7,322	6,773	5,126	3,515	2,783	5,857	36,612
Crops stored on and off farms ²	2,415	3,314	2,699	1,693	876	450	389	11,836
Household equipment and furnishings	842	1,091	1,253	1,285	1,263	1,307	3,758	10,799
Financial assets:								
Deposits and currency	3,453	2,204	1,849	1,371	1,048	908	2,319	13,152
U.S. savings bonds	309	434	493	441	404	400	1,195	3,676
Investments in cooperatives	2,986	1,959	1,648	1,029	551	307	343	8,823
Total	67,400	66,664	58,380	44,933	32,178	26,933	55,291	351,779
CLAIMS								
Liabilities:								
Real estate debt	7,086	8,374	6,442	4,508	2,254	1,610	1,934	32,208
Nonreal estate debt:								
Excluding CCC loans	9,365	5,422	4,189	2,711	1,479	739	739	24,644
CCC loans ³	362	611	588	385	181	90	45	2,262
Total liabilities	16,813	14,407	11,219	7,604	3,914	2,439	2,718	59,114
Proprietors' equities	50,587	52,257	47,161	37,329	28,264	24,494	52,573	292,665
Total	67,400	66,664	58,380	44,933	32,178	26,933	55,291	351,779
	<i>Percent</i>							
Debt to asset ratio	24.8	21.6	19.2	16.9	12.2	9.1	4.9	16.8
Per farm								
	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	558,122	208,696	121,673	82,918	58,941	47,923	34,571	83,781
Nonreal estate:								
Livestock and poultry ¹	77,964	23,285	14,355	9,692	6,623	5,354	2,787	9,534
Machinery and motor vehicles	63,854	33,742	21,100	13,967	9,399	7,136	5,281	12,801
Crops stored on and off farms ²	29,451	15,272	8,408	4,613	2,342	1,154	351	4,138
Household equipment and furnishings	10,268	5,028	3,903	3,501	3,377	3,351	3,389	3,776
Financial assets:								
Deposits and currency	42,110	10,157	5,760	3,736	2,802	2,328	2,091	4,599
U.S. savings bonds	3,768	2,000	1,536	1,202	1,080	1,026	1,077	1,285
Investments in cooperatives	36,415	9,028	5,134	2,804	1,473	787	309	3,085
Total	821,952	307,208	181,869	122,433	86,037	69,059	49,856	123,000
CLAIMS								
Liabilities:								
Real estate debt	86,415	38,590	20,068	12,283	6,027	4,128	1,744	11,262
Nonreal estate debt:								
Excluding CCC loans	114,207	24,986	13,050	7,387	3,954	1,895	666	8,617
CCC loans ³	4,415	2,816	1,832	1,049	484	231	41	791
Total liabilities	205,037	66,392	34,950	20,719	10,465	6,254	2,451	20,669
Proprietors' equities	616,915	240,816	146,919	101,714	75,572	62,805	47,405	102,330
Total	821,932	307,208	181,869	122,433	86,037	69,059	49,856	123,000
	<i>Percent</i>							
Debt to asset ratio	24.8	21.6	19.2	16.9	12.2	9.1	4.9	16.8

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 29—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
Total	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	69,239	61,219	37,694	26,733	18,981	16,307	37,160	267,333
Nonreal estate:								
Livestock and poultry ¹	10,008	7,462	5,015	3,517	2,498	2,168	3,401	34,069
Machinery and motor vehicles	8,131	9,742	6,403	4,360	2,907	2,278	5,461	39,282
Crops stored on and off farms ²	4,315	4,677	2,606	1,434	710	348	390	14,480
Household equipment and furnishings ..	1,497	1,652	1,366	1,259	1,200	1,212	3,696	11,882
Financial assets:								
Deposits and currency	4,517	2,552	1,692	1,216	944	847	2,256	14,024
U.S. savings bonds	507	543	515	443	399	399	1,185	3,991
Investments in cooperatives	3,894	2,225	1,549	955	515	295	325	9,758
Total	102,108	90,072	56,840	39,917	28,154	23,854	53,874	394,819
CLAIMS								
Liabilities:								
Real estate debt	10,728	10,012	6,079	3,933	2,145	1,073	1,788	35,758
Nonreal estate debt:								
Excluding CCC loans	12,229	6,393	4,169	1,945	1,112	1,112	834	27,794
CCC loans ³	430	556	394	215	108	54	36	1,793
Total liabilities	23,387	16,961	10,642	6,093	3,365	2,239	2,658	65,345
Proprietors' equities	78,721	73,111	46,198	33,824	24,789	21,615	51,216	329,474
Total	102,108	90,072	56,840	39,917	28,154	23,854	53,874	394,819
	<i>Percent</i>							
Debt to asset ratio	22.9	18.7	18.8	15.4	12.1	9.5	5.0	16.5
Per Farm	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	505,394	196,845	114,571	79,092	56,829	47,821	35,973	94,698
Nonreal estate:								
Livestock and poultry ¹	73,051	23,994	15,243	10,405	7,479	6,358	3,292	12,068
Machinery and motor vehicles	59,350	31,325	19,462	12,899	8,704	6,680	5,287	13,915
Crops stored on and off farms ²	31,496	15,039	7,921	4,243	2,126	1,020	378	5,129
Household equipment and furnishings ..	10,927	5,312	4,152	3,725	3,593	3,554	3,578	4,209
Financial assets:								
Deposits and currency	32,972	8,206	5,143	3,598	2,826	2,484	2,184	4,968
U.S. savings bonds	3,701	1,746	1,565	1,311	1,195	1,170	1,147	1,414
Investments in cooperatives	28,423	7,154	4,708	2,825	1,542	865	315	3,457
Total	745,314	289,621	172,765	118,098	84,294	69,952	52,154	139,858
CLAIMS								
Liabilities:								
Real estate debt	78,306	32,193	18,477	11,636	6,422	3,147	1,731	12,667
Nonreal estate debt:								
Excluding CCC loans	89,263	20,556	12,672	5,754	3,329	3,261	807	9,846
CCC loans ³	3,139	1,788	1,198	636	323	158	35	635
Total liabilities	170,708	54,537	32,347	18,027	10,075	6,566	2,573	23,148
Proprietors' equities	574,606	235,084	140,418	100,071	74,219	63,386	49,581	116,710
Total	745,314	289,621	172,765	118,098	84,294	69,952	52,154	139,710
	<i>Percent</i>							
Debt to asset ratio	22.9	18.7	18.8	15.4	12.1	9.5	5.0	16.5

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

Item	Sales class							
	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								
<i>Million dollars</i>								
ASSETS								
Physical assets:								
Real estate	84,887	76,694	45,230	31,136	22,287	19,665	47,851	327,750
Nonreal estate:								
Livestock and poultry ¹	12,000	9,500	6,174	4,228	3,070	2,751	4,649	42,372
Machinery and motor vehicles	9,773	11,321	6,899	4,599	3,096	2,432	6,103	44,223
Crops stored on and off farms ²	7,516	7,230	3,549	1,852	926	441	528	22,042
Household equipment and furnishings	1,681	1,816	1,398	1,264	1,190	1,202	3,716	12,267
Financial assets:								
Deposits and currency	5,582	3,033	1,638	1,080	825	717	2,002	14,877
U.S. savings bonds	971	746	471	358	321	312	987	4,166
Investments in cooperatives	5,317	2,632	1,324	717	381	219	266	10,856
Total	127,727	112,972	66,683	45,234	32,096	27,739	66,102	478,553
CLAIMS								
Liabilities:								
Real estate debt	18,150	12,376	4,538	2,888	1,238	825	1,238	41,253
Nonreal estate debt:								
Excluding CCC loans	14,462	7,069	4,820	2,249	1,285	1,285	964	32,134
CCC loans ³	180	240	158	90	45	22	15	750
Total liabilities	32,792	19,685	9,516	5,227	2,568	2,132	2,217	74,137
Proprietors' equities	94,905	93,287	57,167	40,007	29,528	25,607	63,885	404,416
Total	127,727	112,972	66,683	45,234	32,096	27,739	66,102	478,553
<i>Percent</i>								
Debt to asset ratio	25.6	17.4	14.3	11.6	8.0	7.7	3.4	15.5
Per farm								
<i>Dollars</i>								
ASSETS								
Physical assets:								
Real estate	565,914	231,704	137,896	94,638	69,214	60,137	47,471	117,263
Nonreal estate:								
Livestock and poultry ¹	80,000	28,701	18,823	12,851	9,534	8,413	4,612	15,160
Machinery and motor vehicles	65,153	34,202	21,034	13,979	9,615	7,437	6,055	15,822
Crops stored on and off farms ²	50,107	21,843	10,820	5,629	2,876	1,349	524	7,886
Household equipment and furnishings	11,207	5,486	4,262	3,842	3,696	3,676	3,686	4,389
Financial assets:								
Deposits and currency	37,213	9,163	4,994	3,283	2,562	2,193	1,986	5,323
U.S. savings bonds	6,473	2,254	1,436	1,088	997	954	979	1,491
Investments in cooperatives	35,447	7,952	4,036	2,176	1,161	664	260	3,884
Total	851,513	341,305	203,301	137,486	99,655	84,823	65,573	171,218
CLAIMS								
Liabilities:								
Real estate debt	121,000	37,390	13,835	8,778	3,844	2,523	1,228	14,760
Nonreal estate debt:								
Excluding CCC loans	96,413	21,356	14,695	6,836	3,991	3,930	956	11,497
CCC loans ³	1,200	725	482	273	140	67	15	268
Total liabilities	218,613	59,471	29,012	15,887	7,975	6,520	2,199	26,525
Proprietors' equities	632,900	281,834	174,289	121,599	91,680	78,303	63,374	144,693
Total	851,513	341,305	203,301	137,486	99,655	84,823	65,573	171,218
<i>Percent</i>								
Debt to asset ratio	25.6	17.4	14.3	11.6	8.0	7.7	3.4	15.5

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

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
Total	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	91,745	84,376	51,584	36,109	25,792	23,213	55,636	368,455
Nonreal estate:								
Livestock and poultry ¹	6,877	5,410	3,633	2,495	1,819	1,628	2,719	24,581
Machinery and motor vehicles	11,817	13,936	8,807	5,964	4,069	3,177	7,972	55,742
Crops stored on and off farms ²	7,774	7,494	3,840	2,048	1,024	489	605	23,274
Household equipment and furnishings ...	1,821	1,990	1,611	1,457	1,387	1,415	4,330	14,011
Financial assets:								
Deposits and currency	5,414	3,011	1,625	1,089	860	803	2,258	15,060
U.S. savings bonds	970	762	459	355	329	346	1,110	4,331
Investments in cooperatives	5,970	2,963	1,436	766	398	225	294	12,052
Total	132,388	119,942	72,995	50,283	35,678	31,296	74,924	517,506
CLAIMS								
Liabilities:								
Real estate debt	21,292	14,812	4,629	2,314	926	926	1,389	46,288
Nonreal estate debt:								
Excluding CCC loans	15,500	7,397	5,988	2,466	1,409	1,409	1,057	35,226
CCC loans ³	115	112	51	24	10	4	3	319
Total liabilities	36,907	22,321	10,668	4,804	2,345	2,339	2,449	81,833
Proprietors' equities	95,481	97,621	62,327	45,479	33,333	28,957	72,475	435,673
Total	132,388	119,942	72,995	50,283	35,678	31,296	74,924	517,506
	<i>Percent</i>							
Debt to asset ratio	27.9	18.6	14.6	9.6	6.6	7.5	3.3	15.8
Per farm	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	655,321	268,714	159,703	109,754	79,605	70,342	55,249	133,160
Nonreal estate:								
Livestock and poultry ¹	49,121	17,229	11,248	7,583	5,614	4,933	2,700	8,884
Machinery and motor vehicles	84,407	44,382	27,266	18,128	12,559	9,627	7,917	20,145
Crops stored on and off farms ²	55,529	23,866	11,888	6,225	3,161	1,482	601	8,411
Household equipment and furnishings ...	13,007	6,338	4,988	4,429	4,281	4,288	4,300	5,064
Financial assets:								
Deposits and currency	38,671	9,589	5,031	3,310	2,654	2,433	2,242	5,443
U.S. savings bonds	6,929	2,427	1,421	1,079	1,015	1,049	1,102	1,565
Investments in cooperatives	42,643	9,436	4,446	2,328	1,228	682	292	4,356
Total	945,629	381,981	225,991	152,856	110,117	94,836	74,403	187,028
CLAIMS								
Liabilities:								
Real estate debt	152,086	47,172	14,331	7,033	2,858	2,806	1,379	16,729
Nonreal estate debt:								
Excluding CCC loans	110,714	23,557	18,539	7,496	4,349	4,270	1,050	12,731
CCC loans ³	821	357	158	73	31	12	3	115
Total liabilities	263,621	71,086	33,028	14,602	7,238	7,088	2,432	29,575
Proprietors' equities	682,007	314,080	192,963	138,234	102,880	87,755	71,953	157,453
Total	945,629	381,981	225,991	152,856	110,117	94,836	74,403	187,028
	<i>Percent</i>							
Debt to asset ratio	27.9	18.6	14.6	9.6	6.6	7.5	3.3	15.8

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 32—Balance sheet of the farming sector by value of sales class, January 1, 1976

Item	Sales class							
	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								
	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	112,574	100,482	56,287	37,941	27,101	23,766	58,788	416,939
Nonreal estate:								
Livestock and poultry ¹	8,847	6,922	4,232	2,807	1,988	1,756	2,931	29,483
Machinery and motor vehicles	14,873	17,008	9,894	6,467	4,333	3,427	8,665	64,667
Crops stored on and off farms ²	7,308	6,967	3,366	1,747	895	447	575	21,305
Household equipment and furnishings ..	2,058	2,185	1,618	1,419	1,334	1,348	4,228	14,190
Financial assets:								
Deposits and currency	5,194	3,006	1,643	1,159	964	941	2,713	15,620
U.S. savings bonds	750	710	472	393	380	410	1,297	4,412
Investments in cooperatives	6,309	3,305	1,679	900	469	269	361	13,292
Total	157,913	140,585	79,191	52,833	37,464	32,364	79,558	579,908
CLAIMS								
Liabilities:								
Real estate debt	20,429	16,852	5,617	3,065	1,532	1,021	2,553	51,069
Nonreal estate debt:								
Excluding CCC loans	16,945	9,851	7,093	2,365	1,182	1,182	788	39,406
CCC loans ³	127	124	58	28	12	5	4	358
Total liabilities	37,501	26,827	12,768	5,458	2,726	2,208	3,345	90,833
Proprietors' equities	120,412	113,758	66,423	47,375	34,738	30,156	76,213	489,075
Total	157,913	140,585	79,191	52,833	37,464	32,364	79,558	579,908
	<i>Percent</i>							
Debt to asset ratio	23.7	19.1	16.1	10.3	7.3	6.8	4.2	15.7
Per farm								
	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	717,032	294,669	174,263	119,311	87,423	75,930	60,233	152,279
Nonreal estate:								
Livestock and poultry ¹	56,350	20,299	13,102	8,827	6,413	5,610	3,003	10,768
Machinery and motor vehicles	94,732	49,877	30,632	20,337	13,977	10,949	8,878	23,618
Crops stored on and off farms ²	46,548	20,431	10,421	5,494	2,887	1,428	589	7,781
Household equipment and furnishings ..	13,108	6,408	5,009	4,462	4,303	4,307	4,332	5,183
Financial assets:								
Deposits and currency	33,083	8,815	5,087	3,645	3,110	3,006	2,780	5,705
U.S. savings bonds	4,777	2,082	1,461	1,236	1,226	1,310	1,329	1,611
Investments in cooperatives	40,185	9,692	5,198	2,830	1,513	859	370	4,855
Total	1,005,815	412,273	245,173	166,142	120,852	103,399	81,514	211,800
CLAIMS								
Liabilities:								
Real estate debt	130,121	49,419	17,390	9,639	4,942	3,262	2,616	18,652
Nonreal estate debt:								
Excluding CCC loans	107,930	28,889	21,960	7,437	3,813	3,776	807	14,392
CCC loans ³	809	364	180	88	39	16	4	131
Total liabilities	238,860	78,672	39,529	17,164	8,794	7,054	3,427	33,175
Proprietors' equities	766,955	333,601	205,644	148,978	112,058	96,345	78,087	178,625
Total	1,005,815	412,273	245,173	166,142	120,852	103,399	81,514	211,800
	<i>Percent</i>							
Debt to asset ratio	23.7	19.1	16.1	10.3	7.3	6.8	4.2	15.7

¹ Excluding horses, mules, and commercial broilers. ² All crops held on farms including 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 33—Balance sheet of the farming sector by value of sales class, January 1, 1977

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
Total								
	<i>Million dollars</i>							
ASSETS								
Physical assets:								
Real estate	134,025	118,058	64,835	43,062	30,482	27,095	66,289	483,846
Nonreal estate:								
Livestock and poultry ¹	8,870	6,759	4,088	2,708	1,948	1,730	2,950	29,053
Machinery and motor vehicles	16,828	18,958	10,793	6,888	4,615	3,621	9,302	71,005
Crops stored on and off farms ²	7,677	7,259	3,410	1,760	880	440	572	21,998
Household equipment and furnishings ...	2,181	2,282	1,647	1,430	1,329	1,343	4,234	14,446
Financial assets:								
Deposits and currency	5,234	3,096	1,646	1,149	988	974	2,883	15,970
U.S. savings bonds	729	716	454	375	375	406	1,310	4,365
Investments in cooperatives	6,902	3,606	1,711	891	465	267	402	14,244
Total	182,446	160,734	88,584	58,263	41,082	35,876	87,942	654,927
CLAIMS								
Liabilities:								
Real estate debt	22,636	19,240	6,225	2,830	1,697	1,132	2,830	56,590
Nonreal estate debt:								
Excluding CCC loans	19,827	11,265	8,562	2,253	1,352	901	901	45,061
CCC loans ³	373	358	157	72	30	12	10	1,012
Total liabilities	42,836	30,863	14,944	5,155	3,079	2,045	3,741	102,663
Proprietors' equities	139,610	129,871	73,640	53,108	38,003	33,831	84,201	552,264
Total	182,446	160,734	88,584	58,263	41,082	35,876	87,942	654,927
	<i>Percent</i>							
Debt to asset ratio	23.5	19.2	16.9	8.8	7.5	5.7	4.2	15.7
Per farm								
	<i>Dollars</i>							
ASSETS								
Physical assets:								
Real estate	827,315	339,247	201,978	138,463	100,934	89,128	69,195	178,805
Nonreal estate:								
Livestock and poultry ¹	54,753	19,422	12,735	8,707	6,450	5,691	3,079	10,737
Machinery and motor vehicles	103,876	54,477	33,623	22,148	15,281	11,911	9,710	26,240
Crops stored on and off farms ²	47,389	20,859	10,623	5,659	2,914	1,447	597	8,129
Household equipment and furnishings ...	13,463	6,557	5,131	4,598	4,401	4,418	4,420	5,338
Financial assets:								
Deposits and currency	32,309	8,897	5,128	3,695	3,271	3,204	3,010	5,902
U.S. savings bonds	4,500	2,058	1,414	1,206	1,242	1,336	1,367	1,613
Investments in cooperatives	42,605	10,362	5,330	2,865	1,540	878	420	5,264
Total	1,126,210	461,879	275,962	187,341	136,033	118,013	91,798	242,028
CLAIMS								
Liabilities:								
Real estate debt	139,728	55,287	19,392	9,100	5,619	3,724	2,954	20,913
Nonreal estate debt:								
Excluding CCC loans	122,389	32,371	26,673	7,244	4,477	2,964	941	16,652
CCC loans ³	2,303	1,029	489	232	99	39	10	374
Total liabilities	264,420	88,687	46,554	16,576	10,195	6,727	3,905	37,939
Proprietors' equities	861,790	373,192	229,408	170,765	125,838	111,286	87,893	204,089
Total	1,126,210	461,879	275,962	187,341	136,033	118,013	91,798	242,028
	<i>Percent</i>							
Debt to asset ratio	23.5	19.2	16.9	8.8	7.5	5.7	4.2	15.7

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 34—Farm assets, debt, equity, and debt to asset ratio, total and per farm,
by State and region, January 1, 1970**

State and region	Total			Number of farms	Per farm			
	Assets	Debt ¹	Equity		Assets	Debt ¹	Equity	Debt-asset ratio
	<i>Million dollars</i>			<i>Number</i>	<i>Dollars</i>		<i>Percent</i>	
Maine	607	149	458	8,600	70,581	17,326	53,255	24.6
New Hampshire	260	33	227	3,200	81,250	10,312	70,938	12.7
Vermont	763	136	627	7,300	104,520	18,630	85,890	17.8
Massachusetts	639	76	563	6,200	103,064	12,258	90,806	11.9
Rhode Island	78	9	69	820	95,122	10,976	84,146	11.5
Connecticut	768	74	694	4,900	156,735	15,102	141,623	9.6
New York	5,428	843	4,585	58,000	93,586	14,534	79,052	15.5
New Jersey	1,475	187	1,288	8,600	171,512	21,744	149,768	12.7
Pennsylvania	6,094	763	5,331	74,000	82,351	10,311	72,040	12.5
Delaware	533	70	463	3,900	136,667	17,949	118,718	13.1
Maryland	2,640	343	2,297	18,800	140,426	18,245	122,181	13.0
NORTHEAST	19,285	2,683	16,602	194,320	99,244	13,807	85,437	13.9
Michigan	6,289	1,072	5,217	84,000	74,869	12,762	62,107	17.1
Wisconsin	8,802	1,536	7,266	110,000	80,018	13,963	66,055	17.5
Minnesota	12,117	2,614	9,503	121,000	100,140	21,603	78,537	21.6
LAKE STATES	27,208	5,222	21,986	315,000	86,375	16,578	69,797	19.2
Ohio	10,061	1,414	8,647	118,000	85,263	11,983	73,280	14.1
Indiana	10,501	1,730	8,771	107,000	98,140	16,168	81,972	16.5
Illinois	20,152	2,810	17,342	128,000	157,438	21,953	135,485	13.9
Iowa	21,323	4,262	17,061	145,000	147,055	29,393	117,662	20.0
Missouri	11,132	1,828	9,304	143,000	77,846	12,783	65,063	16.4
CORN BELT	73,169	12,044	61,125	641,000	114,148	18,789	95,359	16.5
North Dakota	6,576	1,177	5,399	45,500	144,528	25,868	118,660	17.9
South Dakota	6,487	1,244	5,243	47,000	138,021	26,468	111,553	19.2
Nebraska	11,677	2,518	9,159	73,000	159,959	34,493	125,466	21.6
Kansas	11,702	2,296	9,406	87,000	134,506	26,391	108,115	19.6
NORTHERN PLAINS	36,442	7,235	29,207	252,500	144,325	28,654	115,671	19.8
Virginia	4,608	571	4,037	76,000	60,632	7,513	53,118	12.4
West Virginia	1,019	122	897	29,000	35,138	4,207	30,931	12.0
North Carolina	7,374	848	6,526	150,000	49,160	5,653	43,507	11.5
Kentucky	6,328	1,004	5,324	127,000	49,827	7,906	41,921	15.9
Tennessee	6,044	911	5,133	127,000	47,591	7,173	40,418	15.1
APPALACHIAN	25,373	3,456	21,917	509,000	49,849	6,790	43,059	13.6
South Carolina	3,113	380	2,733	52,000	59,865	7,308	52,558	12.2
Georgia	6,003	996	5,007	77,000	77,961	12,935	65,026	16.6
Florida	6,835	996	5,839	39,000	175,256	25,538	149,718	14.6
Alabama	4,404	630	3,774	82,000	53,707	7,683	46,024	14.3
SOUTHEAST	20,355	3,002	17,353	250,000	81,420	12,008	69,412	14.8
Mississippi	6,057	985	5,072	89,000	68,056	11,067	56,999	16.3
Arkansas	6,539	1,232	5,307	72,000	90,819	17,111	73,708	18.8
Louisiana	5,207	697	4,510	51,000	102,098	13,667	88,431	13.4
DELTA STATES	17,803	2,914	14,889	212,000	83,976	13,745	70,231	16.4
Oklahoma	8,799	1,472	7,327	90,000	97,767	16,356	81,411	16.7
Texas	27,475	3,974	23,501	212,000	129,599	18,745	110,854	14.5
SOUTHERN PLAINS	36,274	5,446	30,828	302,000	120,113	18,033	102,080	15.0
Montana	5,690	1,082	4,608	26,400	215,530	40,985	174,545	19.0
Idaho	4,232	929	3,303	28,500	148,491	32,596	115,895	22.0
Wyoming	2,108	396	1,712	8,700	242,299	45,517	196,782	18.8
Colorado	5,492	1,316	4,176	30,500	180,066	43,178	136,918	24.0
New Mexico	2,688	487	2,201	12,400	216,774	39,274	177,500	18.0
Arizona	3,596	623	2,973	6,300	570,794	98,889	471,905	17.3
Utah	1,750	278	1,472	14,100	124,114	19,716	104,398	15.9
Nevada	705	113	592	2,100	335,714	53,809	281,905	16.0
MOUNTAIN	26,261	5,224	21,037	129,000	203,574	40,496	163,078	19.9
Washington	5,331	938	4,393	41,000	130,024	22,878	107,146	17.6
Oregon	4,233	836	3,397	34,500	122,696	24,232	98,464	19.8
California	22,174	3,961	18,213	64,000	346,469	61,891	284,578	17.9
Hawaii	987	50	937	4,500	219,333	11,111	208,222	5.1
Alaska	31	8	23	320	96,875	25,000	71,875	25.8
PACIFIC	32,756	5,793	26,963	144,320	226,968	40,071	186,827	17.6
UNITED STATES ²	314,926	53,029	261,907	2,949,140	106,791	17,978	88,812	16.8

¹ Includes CCC loans. ² Because of rounding and minor adjustments, the total may not agree exactly with U.S. totals and averages shown elsewhere in this report.

**Table 35—Farm assets, debt, equity, and debt to asset ratio, total and per farm,
by State and region, January 1, 1975**

State and region	Total			Number of farms	Per farm			
	Assets	Debt ¹	Equity		Assets	Debt ¹	Equity	Debt-asset ratio
	<i>Million dollars</i>			<i>Number</i>	<i>Dollars</i>		<i>Percent</i>	
Maine	1,071	196	875	7,600	140,921	25,790	115,131	18.3
New Hampshire	461	53	408	3,000	153,667	17,667	136,000	15.5
Vermont	1,262	222	1,040	6,700	188,358	33,134	155,454	17.6
Massachusetts	912	123	789	5,500	165,818	22,364	143,454	13.5
Rhode Island	131	14	117	740	177,027	18,919	158,108	10.7
Connecticut	996	137	859	4,200	237,143	32,619	204,524	13.8
New York	9,093	1,495	7,598	59,000	154,119	25,339	128,780	15.1
New Jersey	2,255	289	1,966	8,400	268,452	34,405	234,047	12.8
Pennsylvania	10,689	1,249	9,440	72,000	148,458	17,347	131,111	11.7
Delaware	908	115	793	3,800	238,947	30,263	208,684	12.7
Maryland	4,053	527	3,526	17,600	230,284	29,943	200,341	13.0
NORTHEAST	31,831	4,420	27,411	188,540	168,829	23,443	145,386	13.9
Michigan	9,924	1,629	8,295	76,000	130,579	21,434	109,145	16.4
Wisconsin	14,203	2,589	11,614	104,000	136,567	24,894	111,673	18.2
Minnesota	21,613	3,571	18,042	117,000	184,726	30,321	154,205	16.5
LAKE STATES	45,740	7,789	37,951	297,000	154,007	26,226	127,781	17.0
Ohio	17,170	2,170	14,994	111,000	154,685	19,604	135,081	12.7
Indiana	17,822	2,720	15,102	99,000	180,020	27,475	152,545	15.3
Illinois	33,861	4,201	29,660	122,000	277,549	34,434	243,118	12.4
Iowa	36,370	5,809	30,561	136,000	267,426	42,713	224,713	16.0
Missouri	18,424	2,816	15,608	135,000	136,474	20,859	115,615	15.3
CORN BELT	123,647	17,722	105,925	603,000	205,053	29,390	175,663	14.3
North Dakota	12,582	1,519	11,063	42,500	296,047	35,741	260,306	12.1
South Dakota	10,351	1,748	8,603	44,500	232,607	39,281	193,326	16.9
Nebraska	19,498	3,503	15,995	69,000	282,580	50,768	231,812	19.8
Kansas	19,939	3,167	16,772	81,000	246,160	39,099	207,061	15.9
NORTHERN PLAINS	62,370	9,937	52,433	237,000	263,165	41,928	221,237	15.9
Virginia	7,907	937	6,970	66,000	119,803	14,197	105,606	11.9
West Virginia	2,004	183	1,821	26,500	75,623	6,906	68,717	9.1
North Carolina	11,512	1,474	10,038	121,000	95,140	12,182	82,958	12.8
Kentucky	10,165	1,764	8,401	120,000	84,708	14,700	70,008	17.4
Tennessee	9,847	1,600	8,247	117,000	84,162	13,675	70,487	16.2
APPALACHIAN	41,435	5,958	35,477	450,500	91,975	13,225	78,750	14.4
South Carolina	5,114	687	4,427	45,000	113,644	15,267	98,377	13.4
Georgia	11,012	1,890	9,122	72,000	152,944	26,250	126,694	17.2
Florida	11,718	1,857	9,861	38,500	304,364	48,234	256,130	15.9
Alabama	7,509	1,062	6,447	77,000	97,520	13,792	83,728	14.1
SOUTHEAST	35,353	5,496	29,857	232,500	152,056	23,639	128,417	15.5
Mississippi	9,092	1,522	7,570	80,000	113,650	19,025	94,625	16.7
Arkansas	10,244	1,815	8,429	69,000	148,464	26,304	122,160	17.7
Louisiana	8,070	1,138	6,932	46,000	175,435	24,739	150,696	14.1
DELTA STATES	27,406	4,475	22,931	195,000	140,544	22,949	117,595	16.3
Oklahoma	14,342	2,470	11,872	87,000	164,850	28,390	136,460	17.2
Texas	42,773	6,365	36,408	205,000	208,649	31,049	177,600	14.9
SOUTHERN PLAINS	57,115	8,835	48,280	292,000	195,599	30,257	165,342	15.5
Montana	9,520	1,636	7,884	24,200	393,388	67,603	325,785	17.2
Idaho	7,677	1,458	6,219	27,300	281,209	53,407	227,802	19.0
Wyoming	3,655	653	3,002	8,300	440,361	78,675	361,686	17.9
Colorado	9,952	1,960	7,992	29,400	338,503	66,667	271,836	19.7
New Mexico	4,477	685	3,792	12,600	355,318	54,365	300,953	15.3
Arizona	5,586	828	4,758	6,500	859,385	127,385	732,000	14.8
Utah	3,177	414	2,763	13,400	237,090	30,895	206,195	13.0
Nevada	1,026	163	863	2,100	488,571	77,619	410,952	15.9
MOUNTAIN	45,070	7,797	37,273	123,800	364,055	62,980	301,075	17.3
Washington	8,170	1,422	6,748	37,000	220,811	38,432	182,379	17.4
Oregon	6,728	1,254	5,474	34,000	197,882	36,882	161,000	18.6
California	29,345	6,631	22,714	72,000	407,569	92,097	315,472	22.6
Hawaii	1,719	101	1,618	4,100	419,268	24,634	394,634	5.9
Alaska	51	12	39	310	164,516	38,710	125,806	23.5
PACIFIC	46,013	9,420	36,593	147,410	312,143	63,903	248,240	20.5
UNITED STATES ²	515,980	81,849	434,131	2,766,750	186,493	29,583	156,910	15.9

¹ Includes CCC loans. ² Because of rounding and minor adjustments, the total may not agree exactly with U.S. totals and averages shown elsewhere in this report.

**Table 36—Farm assets, debt, equity, and debt to asset ratio, total and per farm,
by State and region, January 1, 1977**

State and region	Total			Number of farms	Per farm			
	Assets	Debt ¹	Equity		Assets	Debt ¹	Equity	Debt-asset ratio
	<i>Million dollars</i>			<i>Number</i>	<i>Dollars</i>		<i>Percent</i>	
Maine	1,264	217	1,047	7,600	166,316	28,553	137,763	17.2
New Hampshire	550	65	485	3,000	183,333	21,667	161,666	11.8
Vermont	1,531	254	1,277	6,700	228,508	37,910	190,598	16.6
Massachusetts	1,079	140	939	5,300	203,585	26,415	177,170	13.0
Rhode Island	156	14	142	740	210,811	18,919	191,892	9.0
Connecticut	1,092	150	942	4,000	273,000	37,500	235,500	13.7
New York	10,353	1,634	8,719	57,000	181,632	28,667	152,965	15.8
New Jersey	2,458	322	2,136	8,300	296,145	38,795	257,350	13.1
Pennsylvania	13,798	1,436	12,362	72,000	191,639	19,944	171,694	10.4
Delaware	1,202	125	1,077	3,600	333,889	34,722	299,167	10.4
Maryland	5,077	592	4,485	17,500	290,114	33,829	256,285	11.7
NORTHEAST	38,560	4,949	33,611	185,740	207,602	26,645	180,957	12.8
Michigan	12,852	2,041	10,811	74,000	173,676	27,581	146,095	15.9
Wisconsin	18,087	3,213	14,874	100,000	180,870	32,130	151,390	17.8
Minnesota	28,809	4,673	24,136	116,000	284,353	40,284	208,069	16.2
LAKE STATES	59,748	9,927	49,821	290,000	206,028	34,231	171,797	16.6
Ohio	25,171	2,821	22,350	109,000	230,927	25,881	205,046	11.2
Indiana	26,477	3,687	22,790	96,000	275,802	38,406	237,396	13.9
Illinois	52,333	5,518	46,815	118,000	443,500	46,763	396,737	10.5
Iowa	54,199	7,797	46,402	131,000	413,733	59,519	354,214	14.4
Missouri	23,317	3,526	19,791	133,000	175,316	26,511	148,805	15.1
CORN BELT	181,497	23,349	158,148	587,000	309,194	39,777	269,417	12.9
North Dakota	15,008	2,133	12,875	41,500	361,639	51,368	310,241	14.2
South Dakota	12,585	2,123	10,462	43,500	289,310	48,805	240,505	16.9
Nebraska	25,746	4,667	21,079	68,000	378,618	68,632	309,985	18.1
Kansas	24,341	4,297	20,044	77,000	316,117	55,805	260,312	17.6
NORTHERN PLAINS	77,680	13,220	64,460	230,000	337,739	57,478	280,261	17.0
Virginia	9,167	1,114	8,053	62,000	147,855	17,968	129,887	12.2
West Virginia	2,514	212	2,302	26,000	96,692	8,154	88,538	8.4
North Carolina	13,309	1,934	11,375	117,000	113,752	16,530	97,222	14.5
Kentucky	13,403	2,257	11,146	118,000	113,585	19,127	94,458	16.8
Tennessee	11,496	2,018	9,478	112,000	102,643	18,018	84,625	17.6
APPALACHIAN	49,889	7,535	42,354	435,000	114,687	17,322	97,365	15.1
South Carolina	5,818	868	4,950	45,000	129,289	19,289	110,000	14.9
Georgia	12,149	2,308	9,841	70,000	173,557	32,971	140,586	19.0
Florida	13,617	2,055	11,562	38,500	353,688	53,377	300,312	15.1
Alabama	9,018	1,237	7,781	77,000	117,117	16,065	101,052	13.7
SOUTHEAST	40,602	6,468	34,134	230,500	176,148	28,061	148,067	15.9
Mississippi	10,016	1,828	8,188	79,000	126,785	23,139	103,646	18.2
Arkansas	12,513	2,148	10,365	68,000	184,015	31,588	152,427	17.2
Louisiana	9,107	1,383	7,724	44,000	206,977	31,432	175,545	15.2
DELTA STATES	31,636	5,359	26,277	191,000	165,634	28,058	137,576	16.9
Oklahoma	17,235	3,012	14,223	86,000	200,407	35,023	165,384	17.5
Texas	50,156	7,421	42,735	199,000	252,040	37,292	214,748	14.8
SOUTHERN PLAINS	67,391	10,433	56,958	285,000	236,460	36,607	199,853	15.5
Montana	12,265	2,077	10,188	23,300	526,395	89,142	437,253	16.9
Idaho	8,921	1,904	7,017	27,000	330,407	70,518	259,889	21.3
Wyoming	4,573	771	3,802	8,100	564,568	95,185	469,383	16.8
Colorado	12,881	2,557	10,324	29,000	444,172	88,172	356,000	19.8
New Mexico	5,196	811	4,385	12,800	405,938	63,359	342,579	15.6
Arizona	6,075	884	5,191	6,600	920,454	133,939	786,515	14.6
Utah	3,927	494	3,433	13,400	293,060	36,866	256,194	12.6
Nevada	1,081	210	871	2,100	514,762	100,000	414,762	19.4
MOUNTAIN	54,919	9,708	45,211	122,300	449,052	79,379	369,673	17.7
Washington	10,863	1,933	8,930	36,500	297,616	52,959	244,657	17.8
Oregon	7,409	1,630	5,779	34,000	217,912	47,941	169,971	22.0
California	31,267	8,031	23,236	75,000	416,893	107,080	309,813	25.7
Hawaii	1,948	117	1,831	4,100	475,122	28,537	446,585	6.0
Alaska	94	10	84	310	303,226	32,258	270,968	10.6
PACIFIC	51,581	11,721	39,860	149,910	344,080	78,187	265,893	22.7
UNITED STATES ²	653,503	102,669	550,834	2,706,450	241,461	37,935	203,526	15.7

¹ Includes CCC loans. ² Because of rounding and minor adjustments, the total may not agree exactly with U.S. totals and average shown elsewhere in this report.

CAPITAL GAINS ON FARM PHYSICAL ASSETS

The change in the current dollar value of farm physical assets minus the net value of any investments added to those assets, referred to here as capital gains,² have amounted to \$482.4 billion since 1960, the first year calculated (table 37). In each of those years, farm real estate accounted for the bulk of the gain and for the

whole period made up 87 percent of the total (table 38 and fig. 14). Machinery for farm use accounted for 9 percent over the period, and livestock and crops the other 4 percent. In half the years, either livestock or crops, or both, had a capital loss.

Most of the capital gains in farm physical assets in the years 1960-77 occurred in the latter part of the period. The 10 years 1960-69 saw only about one-fifth of total gains while the 8 years 1970-77 accommodated the other four-fifths (table 39).

Total capital gains distributed by value of sales class follows somewhat the same pattern as the value of farm real estate by size of farm since farm real estate is, by far, the dominant source of capital gains (table 40). However, there has been a shift from the capital gains

²The term capital gains as used here refers to the change in the value of farm physical assets in current dollars less the net investment in those assets and is practically all unrealized. It should not be confused with realized capital gains commonly related to income taxes. For a discussion of the term and methodology used in calculating the capital gains in the farming sector, see *Balance Sheet of the Farming Sector*, Suppl. No. 1, AIB 389, Econ. Res. Serv., U.S. Dept. Agr., April 1976.

Table 37—Farm asset valuation gain, by type of asset, January 1, 1960 to January 1, 1978

Item	Asset value		Total value change	Total net investment	Asset value gains	Asset valuation gains percent of total
	Jan. 1, 1978	Jan. 1, 1960				
	Million dollars				Percent	
Real estate	525,820	137,161	388,659	-28,882	417,541	86.6
Machinery and motor vehicles ¹	68,471	19,220	49,251	5,872	43,379	9.0
Livestock and poultry	31,989	15,248	16,741	2,869	13,872	2.9
Crops stored on farms ²	19,822	6,576	13,246	5,642	7,604	1.5
Total	646,102	178,205	467,897	-14,499	482,396	100.0

¹ For farm use only. ² Excludes crops under CCC loans.

Table 38—Capital gains on farm physical assets, 1960-77

Calendar year	Real estate	Machinery and motor vehicles ¹	Livestock and poultry	Crops stored on farms	Total
	<i>Million dollars</i>				
1960	2,324	74	270	-321	2,347
1961	7,187	449	449	177	8,262
1962	6,689	590	294	463	8,036
1963	9,046	221	-1,835	464	7,896
1964	9,990	435	-1,336	548	9,637
1965	13,217	501	3,266	-602	16,382
1966	11,601	745	1,167	820	14,333
1967	12,668	1,086	-224	-1,177	12,353
1968	11,663	1,150	1,199	-25	13,987
1969	8,252	779	3,010	335	12,376
1970	9,118	1,365	-438	1,154	11,199
1971	18,111	2,148	3,100	-228	23,131
1972	29,468	1,881	6,357	2,720	40,426
1973	62,808	3,282	6,455	6,930	79,475
1974	42,313	9,413	-18,215	3,880	37,391
1975	50,467	8,407	5,947	-6,444	58,377
1976	68,998	5,823	252	1,704	76,777
1977	43,621	5,030	4,154	-2,794	50,011
Total	417,541	43,379	13,872	7,604	482,396

¹ For farm use only.

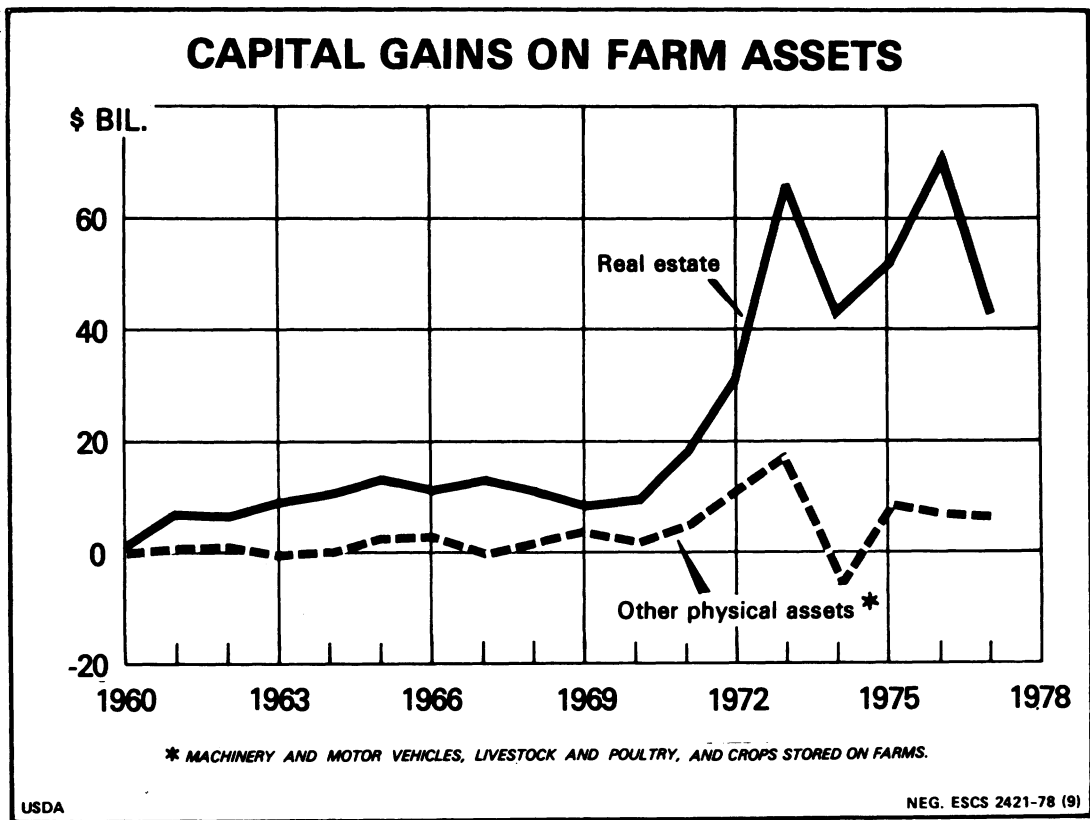


Figure 14

Table 39—Capital gains by kind of farm physical asset: Total, percent by kind of asset, and percent of total, 1960-69, 1970-77, and 1960-77

Item	Real estate	Machinery and motor vehicles ¹	Livestock and poultry	Crops stored on farms	Total
<i>1960-69</i>					
Total (\$ Mil.)	92,637	6,030	6,260	682	105,609
Percent by kind	87.9	5.7	5.9	.5	100.0
Percent of total	22.2	13.9	45.1	9.0	21.9
<i>1970-77</i>					
Total (\$ Mil.)	324,904	37,349	7,612	6,922	376,787
Percent by kind	86.2	9.9	2.0	1.9	100.0
Percent of total	77.8	86.1	54.9	91.0	78.1
<i>1960-77</i>					
Total (\$ Mil.)	417,541	43,379	13,872	7,604	482,396
Percent by kind	86.6	9.0	2.9	1.5	100.0

¹ For farm use only.

Table 40—Capital gains on farm physical assets by value of sales class, selected years, 1960-77

	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>							
1960								
Real estate	186	288	376	483	381	223	387	2,324
Machinery and motor vehicles ¹	4	9	12	17	15	8	9	74
Livestock and poultry ²	27	29	41	58	51	29	35	270
Crops stored on farms ³	-22	-37	-61	-87	-63	-28	-23	-321
Total	195	289	368	471	384	232	408	2,347
1965								
Real estate	1,494	1,996	2,379	2,419	1,705	1,057	2,167	13,217
Machinery and motor vehicles ¹	41	77	102	108	77	42	54	501
Livestock and poultry ²	480	421	588	637	457	271	412	3,266
Crops stored on farms ³	-76	-102	-140	-134	-79	-37	-34	-602
Total	1,939	2,392	2,929	3,030	2,160	1,333	2,599	16,382
1970								
Real estate	1,368	1,577	1,669	1,340	948	775	1,441	9,118
Machinery and motor vehicles ¹	147	242	284	222	150	115	205	1,365
Livestock and poultry ²	-94	-79	-86	-65	-43	-32	-39	-438
Crops stored on farms ³	151	283	308	211	107	53	41	1,154
Total	1,572	2,023	2,175	1,708	1,162	911	1,648	11,199
1971								
Real estate	2,916	3,206	3,151	2,554	1,811	1,521	2,952	18,111
Machinery and motor vehicles ¹	251	393	430	333	226	176	339	2,148
Livestock and poultry ²	666	552	577	437	307	248	313	3,100
Crops stored on farms ³	-35	-59	-58	-38	-20	-10	-8	-228
Total	3,798	4,092	4,100	3,286	2,324	1,935	3,596	23,131
1972								
Real estate	5,628	5,569	4,803	3,743	2,711	2,299	4,715	29,468
Machinery and motor vehicles ¹	269	376	348	263	181	143	301	1,881
Livestock and poultry ²	1,494	1,176	1,074	827	578	490	718	6,357
Crops stored on farms ³	555	762	620	389	201	103	90	2,720
Total	7,946	7,883	6,845	5,222	3,671	3,035	5,824	40,426
1973								
Real estate	16,267	14,383	8,856	6,281	4,460	3,831	8,730	62,808
Machinery and motor vehicles ¹	680	814	535	364	243	190	456	3,282
Livestock and poultry ²	1,898	1,414	949	665	471	413	645	6,455
Crops stored on farms ³	2,065	2,238	1,248	686	340	166	187	6,930
Total	20,910	18,849	11,588	7,996	5,514	4,600	10,018	79,475
1974								
Real estate	10,959	9,901	5,839	4,020	2,877	2,539	6,178	42,313
Machinery and motor vehicles ¹	2,080	2,410	1,468	979	659	518	1,299	9,413
Livestock and poultry ²	-5,155	-4,080	-2,659	-1,822	-1,311	-1,184	-2,004	-18,215
Crops stored on farms ³	1,322	1,273	625	326	163	78	93	3,880
Total	9,206	9,504	5,273	3,503	2,388	1,951	5,566	37,391
1975								
Real estate	12,566	11,557	7,065	4,946	3,533	3,179	7,621	50,467
Machinery and motor vehicles ¹	1,782	2,102	1,328	900	614	479	1,202	8,407
Livestock and poultry ²	1,665	1,308	880	601	440	393	660	5,947
Crops stored on farms ³	-2,152	-2,075	-1,063	-567	-284	-135	-168	-6,444
Total	13,861	12,892	8,210	5,880	4,303	3,916	9,315	58,377
1976								
Real estate	18,629	16,628	9,315	6,279	4,485	3,933	9,729	68,998
Machinery and motor vehicles ¹	1,339	1,532	891	582	390	309	780	5,823
Livestock and poultry ²	75	60	36	24	17	15	25	252
Crops stored on farms ³	584	557	269	140	72	36	46	1,704
Total	20,627	18,777	10,511	7,025	4,964	4,293	10,580	76,777
1977								
Real estate	12,083	10,644	5,845	3,882	2,748	2,443	5,976	43,621
Machinery and motor vehicles ¹	1,192	1,343	764	488	327	257	659	5,030
Livestock and poultry ²	1,246	976	598	395	279	249	411	4,154
Crops stored on farms ³	-975	-922	-433	-223	-112	-56	-73	-2,794
Total	13,546	12,041	6,774	4,542	3,242	2,893	6,973	50,011

¹ For farm use only. ² Excluding horses and mules. ³ Excludes the change in value of CCC loans.

concentration in sales classes II and III in 1960 to classes IA and IB as time has progressed (table 41). When the 1960-77 period is divided into two segments, 1960-68 and 1970-77, it is more evident that such shifts had occurred and when they happened (table 42). The sales class with smallest farms (class VI) had less change between the time periods than other classes.

Capital gains on farm real estate per acre when distributed by size of farm as determined by value of

sales show a somewhat different pattern over time from that of total capital gains on farm real estate (table 43). Larger total capital gains on farm real estate shifted from farms in the classes with lower sales in the early part of the 1960-77 period to the farms in higher sales classes in the latter years. But this shift did not occur when capital gains on farm real estate were calculated on a per acre basis. The larger total number of acres in the larger farm classes caused the real estate capital gains per

Table 41—Capital gains on farm physical assets by value of sales class, 1960-77

Year	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>								
1960	195	289	368	471	384	232	408	2,347
1961	732	1,056	1,368	1,706	1,318	762	1,320	8,262
1962	769	1,115	1,401	1,640	1,195	686	1,230	8,036
1963	761	1,201	1,423	1,534	1,065	608	1,304	7,896
1964	975	1,451	1,738	1,878	1,290	730	1,575	9,637
1965	1,939	2,392	2,929	3,030	2,160	1,333	2,599	16,382
1966	1,846	2,288	2,742	2,523	1,730	1,139	2,065	14,333
1967	1,496	1,898	2,236	2,078	1,489	1,070	2,086	12,353
1968	1,818	2,235	2,661	2,342	1,633	1,190	2,108	13,987
1969	1,883	2,151	2,468	1,941	1,306	1,014	1,613	12,376
1970	1,572	2,023	2,175	1,708	1,162	911	1,648	11,199
1971	3,798	4,092	4,100	3,286	2,324	1,935	3,596	23,131
1972	7,946	7,883	6,845	5,222	3,671	3,035	5,824	40,426
1973	20,910	18,849	11,588	7,996	5,514	4,600	10,018	79,475
1974	9,206	9,504	5,273	3,503	2,388	1,951	5,566	37,391
1975	13,861	12,892	8,210	5,880	4,303	3,916	9,315	58,377
1976	20,627	18,777	10,511	7,025	4,964	4,293	10,580	76,777
1977	13,546	12,041	6,774	4,542	3,242	2,893	6,973	50,011
Total	103,880	102,137	74,810	58,305	41,138	32,298	69,828	482,396

Table 42—Capital gains on farm physical assets by value of sales class: Total, percent of all farms, and percent of sales class, 1960-69, 1970-77, and 1960-77

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>1960-69</i>								
Total (\$ Mil.)	12,414	16,076	19,334	19,143	13,570	8,764	16,308	105,609
Percent of all farms	11.8	15.2	18.3	18.1	12.8	8.3	15.5	100.0
Percent of sales class	11.9	15.7	25.8	32.8	33.0	27.1	23.3	21.9
<i>1970-77</i>								
Total (\$ Mil.)	91,466	86,061	55,476	39,162	27,568	23,534	53,520	376,787
Percent of all farms	24.3	22.9	14.7	10.4	7.3	6.2	14.2	100.0
Percent of sales class	88.1	84.3	74.2	67.2	67.0	72.9	76.7	78.1
<i>1960-77</i>								
Total (\$ Mil.)	103,880	102,137	74,810	58,305	41,138	32,298	69,828	482,396
Percent of all farms	21.5	21.2	15.5	12.1	8.5	6.7	14.5	100.0

Table 43—Capital gains on farm real estate per acre, by value of sales class, 1960-77

Year	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>Dollars</i>								
1960	1.70	1.89	2.18	2.20	2.00	1.88	1.83	1.98
1961	5.54	6.16	6.69	6.73	6.16	5.90	5.62	6.16
1962	5.40	6.03	6.29	6.12	5.62	5.52	5.26	5.78
1963	7.57	8.51	8.59	8.12	7.54	7.40	7.12	7.87
1964	8.73	9.73	9.43	8.82	8.24	8.20	7.93	8.73
1965	11.22	12.62	12.45	11.62	11.27	11.61	10.59	11.62
1966	9.66	10.96	10.85	10.21	10.10	10.66	9.53	10.27
1967	10.38	11.82	11.87	11.23	11.38	12.16	10.57	11.29
1968	9.43	10.82	10.88	10.41	10.75	11.55	9.98	10.47
1969	6.67	7.51	7.70	7.36	7.83	8.54	7.22	7.46
1970	7.77	8.58	8.33	8.17	8.70	9.39	7.79	8.28
1971	16.33	17.02	16.26	16.31	17.41	18.52	15.40	16.54
1972	27.45	27.76	26.22	26.61	28.91	30.56	24.57	27.03
1973	59.90	59.64	54.72	56.14	61.28	64.12	52.18	57.82
1974	41.31	40.28	36.44	37.88	41.52	43.42	34.79	39.08
1975	49.31	48.21	43.62	45.35	48.83	52.57	42.01	46.74
1976	67.59	66.29	59.67	62.04	67.19	70.25	57.19	64.09
1977	42.80	41.84	38.08	39.31	42.67	45.52	35.92	40.64
1960-69:								
Total	76.30	86.05	86.93	82.82	80.89	83.42	75.65	81.63
Average	7.63	8.60	8.69	8.28	8.09	8.34	7.56	8.16
1970-77:								
Total	312.46	309.62	283.34	291.81	316.51	334.35	269.85	300.21
Average	39.06	38.70	35.42	36.48	39.56	41.79	33.73	37.52
1960-77:								
Total	388.76	395.67	370.27	374.63	397.40	417.77	345.50	381.84
Average	21.60	21.98	20.57	20.81	22.08	23.21	19.19	21.21

acre to be lower than they were on farms in the smaller farm classes which did not have such large total acres in farms.

On a per farm basis, capital gains have been consistently greater on larger farms since 1960 (table 44). When looking at total capital gains, farms in sale class VI in many years averaged greater capital gains than those in sales classes IV or V. But the larger number of farms in class VI more than offset the larger total value and reduced the capital gains per farm to the smallest of all classes of farms.

Total capital gains on farm physical assets during 1977 were smaller than those in 1976 or in 1975. The main cause was the smaller increase in farm real estate value in 1977 than in the 2 previous years.

Capital Gains to Farm Operators and Nonoperator Landlords

Most capital gains on farm assets accrue to farm real estate. Not all farm real estate is owned by farmers; much of it is owned by persons, or by estates, trusts, or other entities who do no farming but rent the land to

farm operators for farming or ranching purposes. Using information and data from agriculture censuses, division of the ownership of land between the farm operators and the nonoperator landlords can be determined fairly well in total and by size of farm. From that, the amount of capital gains on farmland accruing separately to those two types of owners can be identified.

Most information indicates that practically all farm physical assets other than farm real estate are owned by farm operators. Nonoperator landlords own probably no more than 5 percent of the total value of the on-farm inventories of machinery, livestock, and crops. Therefore, the division of capital gains on farm real estate between farm operators and nonoperator landlords can be considered as the division of all capital gains on farm property.

Since 1960, about two-thirds of the capital gains on farm real estate have gone to farm operators (table 45 and fig. 15). That has varied little annually except during 1970-72 when their share increased a percentage point or so (table 46).

The shares are different, however, when capital gains are distributed by size of farm as determined by value

Table 44—Capital gains on farm physical assets, per farm, by value of sales class, 1960-77

Year	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>Dollars</i>							
1960.....	8,478	3,211	1,621	948	582	376	221	592
1961.....	28,154	10,887	5,724	3,460	2,109	1,323	746	2,160
1962.....	26,517	10,519	5,516	3,327	2,029	1,287	729	2,177
1963.....	24,548	10,628	5,330	3,124	1,912	1,228	806	2,211
1964.....	30,469	12,728	6,485	3,896	2,416	1,557	1,011	2,788
1965.....	53,861	19,136	10,461	6,530	4,252	2,892	1,754	4,881
1966.....	42,930	16,000	9,020	5,670	3,635	2,492	1,487	4,401
1967.....	34,791	13,366	7,478	4,821	3,237	2,405	1,554	3,907
1968.....	39,844	14,745	8,539	5,552	3,674	2,700	1,640	4,493
1969.....	36,922	12,653	7,479	4,852	3,162	2,326	1,344	4,125
1970.....	27,579	11,365	6,672	4,380	2,890	2,154	1,405	3,798
1971.....	60,286	21,882	12,733	8,625	5,944	4,697	3,138	7,971
1972.....	96,902	36,327	21,324	14,229	9,816	7,782	5,252	14,135
1973.....	152,628	60,608	35,222	23,657	16,509	13,490	9,695	28,153
1974.....	61,373	28,713	16,076	10,647	7,416	5,966	5,522	13,378
1975.....	99,007	41,057	25,418	17,872	13,281	11,867	9,250	21,098
1976.....	131,382	55,064	32,542	22,091	16,013	13,716	10,840	28,041
1977.....	83,617	34,600	21,103	14,604	10,735	9,516	7,279	18,482

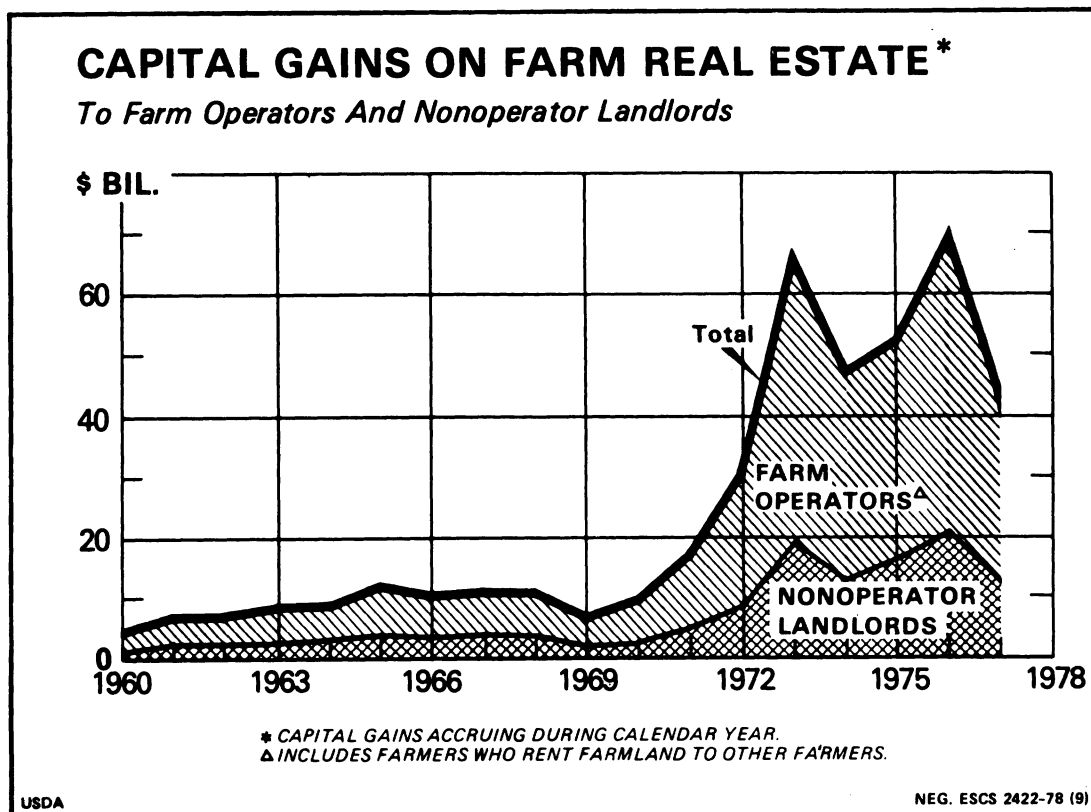


Figure 15

Table 45—Capital gains on farm real estate accruing to farm operators and nonoperator landlords, by value of sales class, selected years, 1960-77

Year and proprietor	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>							
1960								
Farm operators	126	184	207	290	259	165	324	1,555
Nonoperator landlords	60	104	170	193	122	58	62	769
Total	186	288	377	483	381	223	386	2,324
1965								
Farm operators	896	1,238	1,499	1,548	1,125	761	1,908	8,975
Nonoperator landlords	597	758	880	871	580	296	260	4,242
Total	1,493	1,996	2,379	2,419	1,705	1,057	2,168	13,217
1970								
Farm operators	848	946	1,068	938	768	643	1,369	6,580
Nonoperator landlords	520	631	601	402	180	132	72	2,538
Total	1,368	1,577	1,669	1,340	948	775	1,441	9,118
1971								
Farm operators	1,779	1,924	2,017	1,788	1,467	1,262	2,804	13,041
Nonoperator landlords	1,137	1,282	1,134	766	344	259	148	5,070
Total	2,916	3,206	3,151	2,554	1,811	1,521	2,952	18,111
1972								
Farm operators	3,377	3,341	3,074	2,620	2,196	1,908	4,479	20,995
Nonoperator landlords	2,251	2,228	1,729	1,123	515	391	236	8,473
Total	5,628	5,569	4,803	3,743	2,711	2,299	4,715	29,468
1973								
Farm operators	9,435	8,630	5,668	4,460	3,568	3,141	8,381	43,283
Nonoperator landlords	6,832	5,753	3,188	1,821	892	690	349	19,525
Total	16,267	14,383	8,856	6,281	4,460	3,831	8,730	62,808
1974								
Farm operators	6,247	5,942	3,795	2,894	2,302	2,082	5,993	29,255
Nonoperator landlords	4,712	3,959	2,044	1,126	575	457	185	13,058
Total	10,959	9,901	5,839	4,020	2,877	2,539	6,178	42,313
1975								
Farm operators	7,163	6,819	4,592	3,561	2,826	2,607	7,392	34,960
Nonoperator landlords	5,403	4,738	2,473	1,385	707	572	229	15,507
Total	12,566	11,557	7,065	4,946	3,533	3,179	7,621	50,467
1976								
Farm operators	10,619	9,811	6,055	4,521	3,588	3,225	9,340	47,159
Nonoperator landlords	8,010	6,817	3,260	1,758	897	708	389	21,839
Total	18,629	16,628	9,315	6,279	4,485	3,933	9,729	68,998
1977								
Farm operators	7,008	6,280	3,799	2,795	2,198	2,028	5,677	29,785
Nonoperator landlords	5,075	4,364	2,046	1,087	550	415	299	13,836
Total	12,083	10,644	5,845	3,882	2,748	2,443	5,976	43,621

Table 46—Percent of capital gains on farm real estate accruing to farm operators and nonoperator landlords, by value of sales class, selected years, 1960-77

Year and proprietor	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>Percent</i>							
1960								
Farm operators	67.7	63.9	54.9	60.0	68.0	74.0	83.9	66.9
Nonoperator landlords	32.3	36.1	45.1	40.0	32.0	26.0	16.1	33.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1965								
Farm operators	60.0	62.0	63.0	64.0	66.0	72.0	88.0	67.9
Nonoperator landlords	40.0	38.0	37.0	36.0	34.0	28.0	12.0	32.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1970								
Farm operators	62.0	60.0	64.0	70.0	81.0	83.0	95.0	72.2
Nonoperator landlords	38.0	40.0	36.0	30.0	19.0	17.0	5.0	27.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1971								
Farm operators	61.0	60.0	64.0	70.0	81.0	83.0	95.0	72.0
Nonoperator landlords	39.0	40.0	36.0	30.0	19.0	17.0	5.0	28.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1972								
Farm operators	60.0	60.0	64.0	70.0	81.0	83.0	95.0	71.2
Nonoperator landlords	40.0	40.0	36.0	30.0	19.0	17.0	5.0	28.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1973								
Farm operators	58.0	60.0	64.0	71.0	80.0	82.0	96.0	68.9
Nonoperator landlords	42.0	40.0	36.0	29.0	20.0	18.0	4.0	31.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1974								
Farm operators	57.0	60.0	65.0	72.0	80.0	82.0	96.0	69.1
Nonoperator landlords	43.0	40.0	35.0	28.0	20.0	18.0	3.0	30.9
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1975								
Farm operators	57.0	59.0	65.0	72.0	80.0	82.0	97.0	69.2
Nonoperator landlords	43.0	41.0	35.0	28.0	20.0	18.0	3.0	30.8
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1976								
Farm operators	57.0	59.0	65.0	72.0	80.0	82.0	96.0	68.4
Nonoperator landlords	43.0	41.0	35.0	28.0	20.0	18.0	4.0	31.6
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1977								
Farm operators	58.0	59.0	65.0	72.0	80.0	83.0	95.0	68.3
Nonoperator landlords	42.0	41.0	35.0	28.0	20.0	17.0	5.0	31.7
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

of sales class. In the early part of the 1960-77 period, there was a larger proportion of rented land on sales class II and III farms than in the latter part of the period and capital gains followed ownership (table 47).

Capital Gains and Farm Income

Although capital gains as used here are monetized only to a small extent, there is a definite relationship with the incomes from farming and rents from farmland

ownership. Appreciation in the value of farm assets, especially since the late sixties, has become probably the most important growth part of most farmers' total wealth. Comparing annual capital gains with net farm income after inventory changes, including net rent paid, as in figure 16, gives an indication of shares of capital gains and farm income as components of farm proprietors' wealth. It should be kept in mind, however, that a much larger share of capital gains goes into wealth than is true of net farm income.

Table 47—Capital gains on farm real estate accruing to farm operators and nonoperator landlords, percent of all farms, by value of sales class, selected years, 1960-77

	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
	Percent							
1960								
Farm operators	8.1	11.8	13.3	18.7	16.7	10.6	20.8	100.0
Nonoperator landlords	7.8	13.5	22.1	25.1	15.9	7.5	8.1	100.0
Total	8.0	12.4	16.2	20.8	16.4	9.6	16.6	100.0
1965								
Farm operators	10.0	13.8	16.7	17.2	12.5	8.5	21.3	100.0
Nonoperator landlords	14.4	17.9	20.7	20.5	13.7	7.0	6.1	100.0
Total	11.3	15.1	18.0	18.3	12.9	8.0	16.4	100.0
1970								
Farm operators	12.9	14.4	16.2	14.2	11.7	9.8	20.8	100.0
Nonoperator landlords	20.5	24.9	23.7	15.8	7.1	5.2	2.8	100.0
Total	15.0	17.3	18.3	14.7	10.4	8.5	15.8	100.0
1971								
Farm operators	13.6	14.8	15.5	13.7	11.2	9.7	21.5	100.0
Nonoperator landlords	22.4	25.3	22.4	15.1	6.8	5.1	2.9	100.0
Total	16.1	17.7	17.4	14.1	10.0	8.4	16.3	100.0
1972								
Farm operators	16.1	15.9	14.6	12.5	10.5	9.1	21.3	100.0
Nonoperator landlords	26.6	26.3	20.4	13.2	6.1	4.6	2.8	100.0
Total	19.1	18.9	16.3	12.7	9.2	7.8	16.0	100.0
1973								
Farm operators	21.8	19.9	13.1	10.3	8.2	7.3	19.4	100.0
Nonoperator landlords	35.0	29.5	16.3	9.3	4.6	3.5	1.8	100.0
Total	25.9	22.9	14.1	10.0	7.1	6.1	13.9	100.0
1974								
Farm operators	21.3	20.3	13.0	9.9	7.9	7.1	20.5	100.0
Nonoperator landlords	36.1	30.3	15.7	8.6	4.4	3.5	1.4	100.0
Total	25.9	23.4	13.8	9.5	6.8	6.0	14.6	100.0
1975								
Farm operators	20.5	19.5	13.1	10.2	8.1	7.5	21.1	100.0
Nonoperator landlords	34.8	30.5	16.0	8.9	4.6	3.7	1.5	100.0
Total	24.9	22.9	14.0	9.8	7.0	6.3	15.1	100.0
1976								
Farm operators	22.5	20.8	12.9	9.6	7.6	6.8	19.8	100.0
Nonoperator landlords	36.7	31.2	14.9	8.1	4.1	3.2	1.8	100.0
Total	27.0	24.1	13.5	9.1	6.5	5.7	14.1	100.0
1977								
Farm operators	23.5	21.1	12.7	9.4	7.4	6.8	19.1	100.0
Nonoperator landlords	36.7	31.5	14.8	7.8	4.0	3.0	2.2	100.0
Total	27.7	24.4	13.4	8.9	6.3	5.6	13.7	100.0

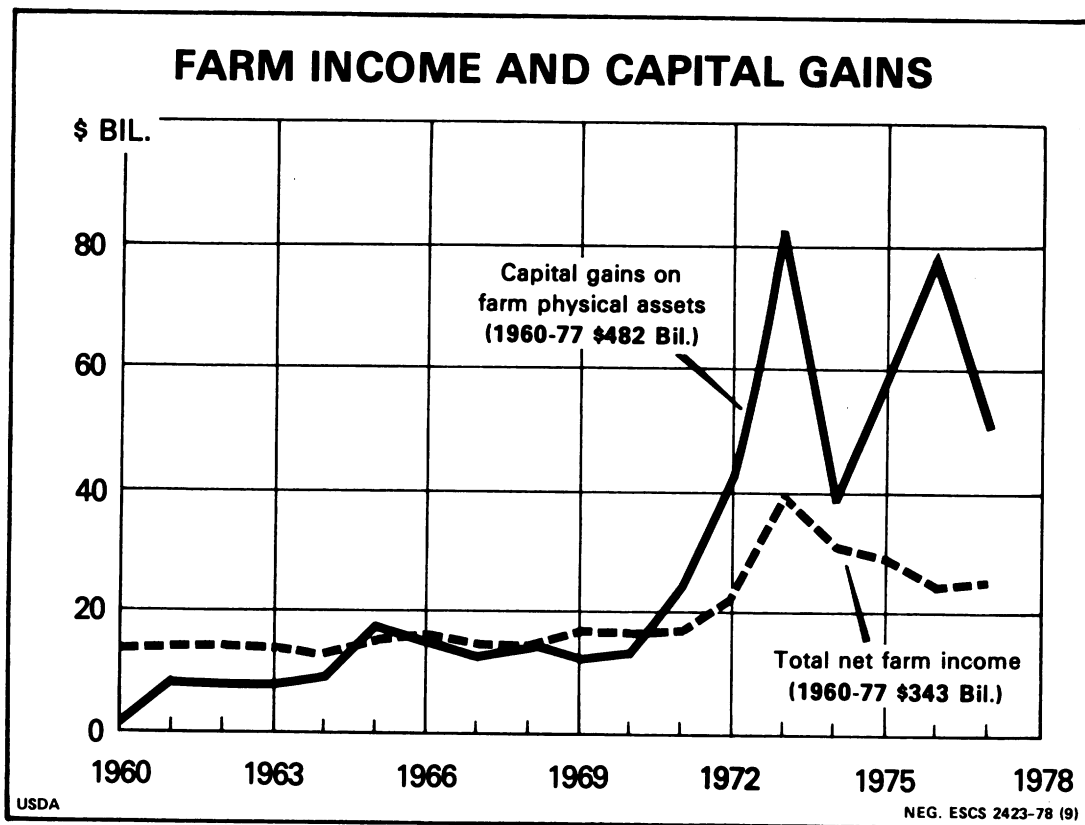


Figure 16

Over the 1960-77 period, capital gains on farm physical assets totaled \$482.4 billion, compared with net farm income after inventory change plus net rent paid to nonoperator landlords of \$342.6 billion. In each year after 1970, capital gains have exceeded the total net farm income and net rent paid. The capital gain only on farm real estate in 1977 was almost twice the total of net income from farming and net rent paid, and during 1976 was three times the total of those incomes from farming. The comparisons between capital gains and income from farming differ, however, according to whether the recipient is a farm operator or nonoperator landlord.

Data in table 48 and fig. 17 show the wide differences in the ratios of the capital gains on operator-owned farm real estate to their net farm income after inventory adjustment and the ratios of capital gains on nonoperator landlord-owned farm real estate and the net rent they receive for the use of their land. In 1977, the operator farmland capital gain to income ratio was 145 percent. That is, capital gains on farmland owned by farm operators was 1.45 times as much as the net farm income after inventory adjustment they received from

operating the land. For nonoperator landlords, the ratio was 355 percent. Or, the capital gains captured by nonoperator landlords was 3.55 times the net rent they received from the farmland they owned and rented to farm operators.

The higher ratio for nonoperator landlords does not mean they received capital gains at a higher rate per acre than farm operators, because for these calculations the rate was the same for both kinds of owners, which is probably close to the actual situation. Rather, it means that the net rent they received per dollar of capital gain was less than half the net income per dollar of capital gain received by farm operators.

Figure 17 shows the relationships of the value of farm real estate owned by farm operators to the net farm income after inventory change they received and the value of farm real estate owned by nonoperator landlords to the net rent they received. Since 1960, the ratio of land value to receipts has been much higher for farm operators than for nonoperator landlords. These comparisons strongly suggest that one important reason nonoperator landlords own farm real estate is the

expected appreciation in value rather than current income. And, if that is true, the same reasoning may hold, to some extent, for farm operators' ownership of farmland. Besides the land which farm operators own and farm themselves, they also rent some of their land to other farm operators. In most years, about 15 percent of rented farm real estate is owned by farm operators and rented to other farmers.

From 1960 through 1977, farm operators received a little more total net farm income after inventory change

than capital gains on their farm real estate. Nonoperator landlords, however, received net rent from their rented farmland equal to about one-third of capital gains on that land. In the sixties, net farm income of farm operators was twice the capital gains on their farmland while, so far in the seventies, their net farm income has equaled only about three-fourths their capital gains on farmland. For nonoperator landlords, capital gains on farm real estate outstripped net rent received in both the sixties and seventies.

Table 48—Farm proprietors' farm income and capital gains on farm real estate, 1960-77

Calendar year	Proprietors' farm income			Capital gain in farmland value			Ratios of:		
	Total net farm income of farm operators after inventory adjustment	Net rent paid to non-operator landlords	Total	Owned by farm operators	Owned by non-operator landlords	Total	Gain in value of real estate owned by farm operators to net farm income after inventory adjustment	Gain in value of real estate owned by nonoperator landlords to net rent paid to non-operator landlords	Total gain in real estate value to total proprietors' farm income
	<i>Million dollars</i>						<i>Percent</i>		
1960	11,518	1,124	12,642	1,555	769	2,324	13.5	68.4	18.4
1961	11,957	1,346	13,303	4,818	2,368	7,186	40.3	75.9	54.0
1962	12,064	1,467	13,531	4,480	2,209	6,689	37.1	150.6	49.4
1963	11,770	1,623	13,393	6,095	2,951	9,046	51.8	181.8	67.5
1964	10,492	1,655	12,147	6,736	3,254	9,990	64.2	196.6	82.2
1965	12,899	1,886	14,785	8,975	4,242	13,217	69.6	224.9	89.4
1966	13,960	2,023	15,983	7,881	3,720	11,601	56.4	183.9	72.6
1967	12,339	1,882	14,221	8,660	4,008	12,668	70.2	213.0	89.1
1968	12,322	1,999	14,321	7,995	3,668	11,663	64.9	183.5	81.4
1969	14,293	2,061	16,354	5,673	2,579	8,252	39.7	125.1	50.5
1970	14,151	2,132	16,283	6,580	2,538	9,118	46.5	119.0	56.0
1971	14,633	2,246	16,879	13,041	5,070	18,111	89.1	225.7	107.3
1972	18,665	3,491	22,146	20,995	8,473	29,468	112.5	242.7	133.1
1973	33,349	5,679	39,028	43,283	19,525	62,808	129.8	343.8	160.9
1974	26,130	5,100	31,230	29,255	13,058	42,313	112.0	256.0	135.5
1975	24,475	4,600	29,075	34,960	15,507	50,467	142.8	337.1	173.6
1976	18,750	4,100	22,850	47,159	21,839	68,998	251.5	532.7	302.0
1977	20,543	3,900	24,443	29,785	13,836	43,621	145.0	354.8	178.5
1960-69:									
Total	123,614	17,066	140,680	62,868	29,768	92,636	---	---	---
Average	---	---	---	---	---	---	50.7	174.4	65.8
1970-77:									
Total	170,696	31,248	201,944	225,058	99,846	324,904	---	---	---
Average	---	---	---	---	---	---	131.8	319.5	160.9
1960-77:									
Total	294,310	48,314	342,624	287,926	129,614	417,540	---	---	---
Average	---	---	---	---	---	---	97.8	268.3	121.9

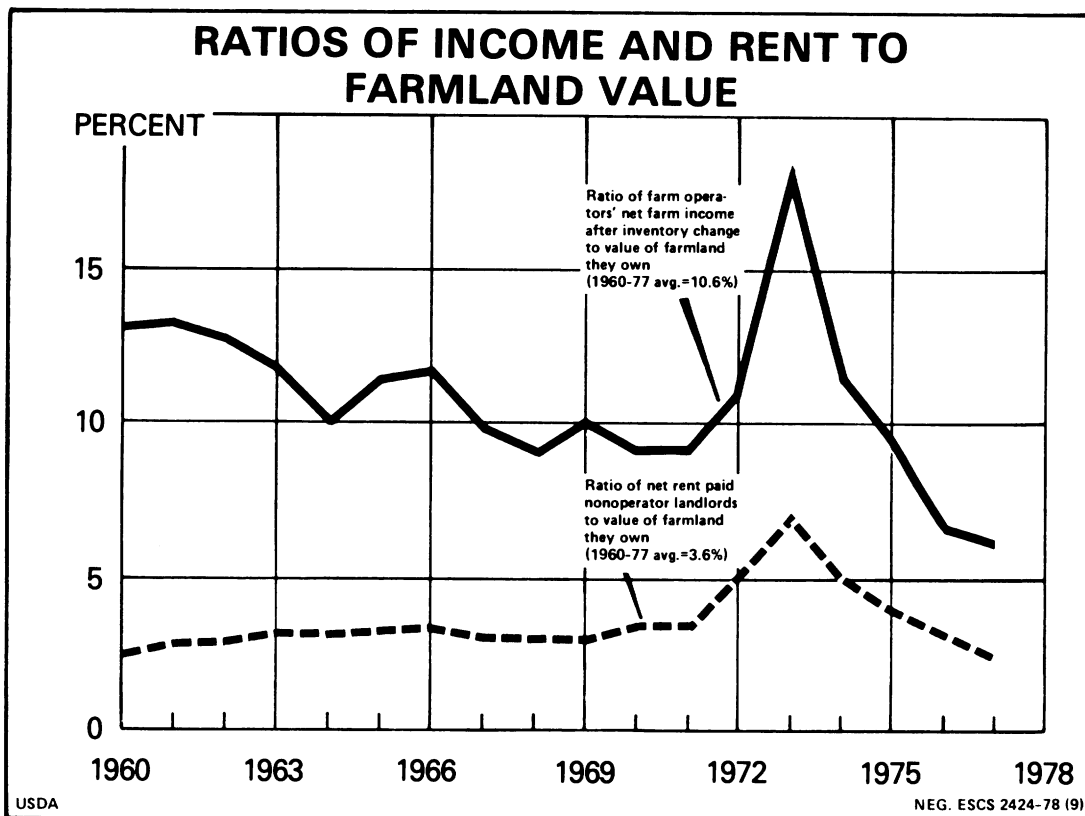


Figure 17

BALANCE SHEET OF THE FARMING SECTOR, 1940-78

Comparing farm asset value, amount of farm debt, and equity in farm assets on January 1, 1978, with those on January 1, 1940, each showed similar rates of increase. In current dollars, assets in 1978 were 13 times their value in 1940, debt was 12 times greater, and equity in farm assets was 14 times larger. However, as indicated by the annual debt-to-asset ratios, the changes in those three balance sheet components were not always in the same direction (table 49). For example, outstanding farm debt decreased from 1942 through 1946 while farm asset value increased. The total value of farm assets showed only two small decreases, one between 1949 and 1950 and the other between 1953 and 1954. Equity value increased in each year since

1940 except for a slight drop between 1940 and 1950 and again between 1953 and 1954.

Appreciation in farm real estate value was the prime mover of total farm asset value over the 1940-78 period. Despite the changes in total acres of land in farms from 1940 to 1978 (from 1,061 million acres in 1940 to a high of 1,159 million acres in 1950 to 1,072 million acres in 1978), the average value of farm real estate per acre declined in only one year. That was a minimal \$1 per acre decline from \$66 per acre in 1949 to \$65 per acre in 1950.

The decrease in debt from \$10.5 billion in 1942 to \$7.9 billion in 1946 resulted from farmers repaying farm debts at an increased rate from higher net incomes during those war years.

Table 49—Balance sheet of the farming sector, January 1, 1940-78¹

Item	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958
<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	77.6	89.5	98.4	100.1	98.7	102.2	107.5	115.7	121.8
Non-real estate:																			
Livestock ³	5.1	5.3	7.1	9.6	9.7	9.0	9.7	11.9	13.2	14.4	12.9	17.1	19.5	14.8	11.8	11.2	10.6	11.0	13.9
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	20.2	20.1
Crops stored on and off-farms ⁴	2.7	3.0	3.9	5.1	6.1	6.7	6.3	7.1	9.0	8.5	7.6	7.9	8.8	9.0	9.2	9.6	8.3	8.3	7.6
Household equipment and furnishings	4.2	4.1	4.8	4.8	4.7	5.2	5.5	7.2	8.1	8.9	8.4	9.6	10.1	9.6	9.5	9.7	10.0	9.6	9.6
Financial asset:																			
Deposits and currency . .	3.2	3.5	4.2	5.5	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	9.4	9.5
U.S. savings bonds . . . .	.3	.3	.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	5.1	5.1
Investments in cooperatives . . . . .	.8	.9	.9	1.0	1.1	1.2	1.4	1.5	1.7	1.9	2.0	2.3	2.5	2.7	2.9	3.1	3.2	3.5	3.7
Total	53.0	54.8	62.9	73.6	84.0	93.8	102.9	115.9	127.4	134.6	134.5	154.3	170.1	167.6	164.6	168.8	173.6	182.8	191.3
CLAIMS																			
Liabilities:																			
Real estate debt	6.6	6.5	6.4	5.9	5.4	4.9	4.7	4.9	5.1	5.3	5.6	6.1	6.7	7.2	7.7	8.2	9.0	9.8	10.4
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	1.5	1.2
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	3.3	4.1	4.2	3.7	4.0	4.4	4.5	5.0
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	3.5	3.8
Total liabilities . . .	10.0	10.4	10.5	9.9	8.9	8.3	7.9	8.5	9.3	11.4	12.4	13.0	14.7	16.1	16.9	17.6	18.8	19.3	20.4
Proprietors' equities	43.0	44.4	52.4	63.7	75.1	85.5	95.0	107.4	118.1	123.2	122.1	141.3	155.4	151.5	147.7	151.2	154.8	163.5	170.9
Total	53.0	54.8	62.9	73.6	84.0	93.8	102.9	115.9	127.4	134.6	134.5	154.3	170.1	167.6	164.6	168.8	173.6	182.8	191.3
<i>Percent</i>																			
Debt to asset ratio ⁸	18.9	19.1	16.6	13.4	10.6	8.9	7.6	7.2	7.2	8.4	9.3	8.5	8.6	9.6	10.3	10.5	10.8	10.6	10.7

¹ footnotes at end of table.

Table 49—Balance sheet of the farming sector, January 1, 1940-78¹—Continued

Item	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978 ²
<i>Billion dollars</i>																				
ASSETS																				
Physical assets:																				
Real estate	131.1	137.2	138.5	144.5	150.2	158.6	167.5	179.2	189.1	199.7	209.2	215.8	223.2	239.6	267.3	327.7	368.5	416.9	483.8	525.8
Nonreal estate:																				
Livestock ³	17.7	15.3	15.6	16.4	17.3	15.9	14.5	17.6	19.0	18.9	20.2	23.5	23.7	27.3	34.1	42.4	24.6	29.5	29.1	32.0
Machinery and motor vehicles	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	55.7	64.7	71.0	75.2
Crops stored on and off-farms ⁴	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	23.3	21.3	22.0	24.6
Household equipment and furnishings	9.4	9.2	8.7	8.9	8.8	8.8	8.4	8.4	8.3	8.8	9.4	9.6	10.0	10.8	11.9	12.3	14.0	14.2	14.4	14.5
Financial assets:																				
Deposits and currency ..	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	15.1	15.6	16.0	16.3
U.S. savings bonds	5.2	4.7	4.6	4.5	4.4	4.2	4.2	4.0	3.9	3.8	3.8	3.7	3.6	3.7	4.0	4.1	4.3	4.4	4.4	4.4
Investments in cooperatives	3.9	4.2	4.5	4.9	5.0	5.4	5.6	5.9	6.2	6.5	6.8	7.2	8.0	8.8	9.7	10.8	12.1	13.3	14.2	15.5
Total	208.4	210.2	210.8	219.3	227.7	235.8	243.8	260.8	274.2	288.0	302.8	314.9	326.0	351.8	394.8	478.5	517.5	579.9	654.9	708.3
CLAIMS																				
Liabilities:																				
Real estate debt	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	35.7	41.3	46.3	51.1	56.6	63.3
Nonreal estate debt to:																				
CCC ⁵	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	.3	1.0	4.5
Other reporting institutions ⁶	5.7	6.7	7.0	7.6	8.5	9.5	10.0	11.1	12.4	13.8	14.6	15.8	17.4	19.6	22.0	26.2	29.2	33.1	37.8	42.7
Nonreporting creditors ⁷	4.3	4.9	5.0	5.2	5.7	6.2	6.3	7.0	7.4	7.1	5.8	5.3	4.9	5.0	5.8	5.9	6.0	6.3	7.3	8.3
Total liabilities ...	23.6	24.8	26.2	28.5	31.4	34.4	36.8	40.7	44.1	47.4	50.5	53.0	54.5	59.1	65.3	74.1	81.8	90.8	102.7	118.8
Proprietors' equities	184.8	185.4	184.6	190.8	196.3	201.4	207.0	220.1	230.1	240.6	252.3	261.9	271.5	292.7	327.5	404.4	435.7	489.1	552.2	589.5
Total	208.4	210.2	210.8	219.3	227.7	235.8	243.8	260.8	274.2	288.0	302.8	314.9	326.0	351.8	394.8	478.5	517.5	579.9	654.9	708.3
<i>Percent</i>																				
Debt to asset ratio ⁸	11.3	11.8	12.4	13.0	13.8	14.6	15.1	15.6	16.0	16.5	16.7	16.8	16.7	16.8	16.6	15.5	15.8	15.7	15.7	16.8

¹ Revised beginning with 1940. Includes Alaska and Hawaii beginning with 1960. ² Preliminary. ³ Beginning with 1961, horses and mules are excluded. ⁴ Includes all crops held on farms and crops held off farms by farmers as security for CCC loans. On Jan. 1, 1978, the latter totaled \$1,827 million. ⁵ Nonrecourse CCC loans secured by crops owned by farmers. These crops are included as assets in this balance sheet. ⁶ 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. ⁷ Loans and credit extended by dealers, merchants, finance companies, individual, and others. ⁸ Computed from unrounded data.