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FARM EXPENDITURES AND THEIR FINANCING IN 1970

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ABSTRACT

Sample survey estimates from the 1970 Survey of Agricultural Finance, Bureau of the Census show that farm operators accounted for approximately 92 percent of total farm operating expenses and 94 percent of total capital purchases; landlords and contractors accounted for the remainder. Data from the 1970 survey were not available until 1974.

Operating expenses accounted for about three-fourths of the operators' total farm expenditures, of which three-fourths were financed with personal funds and the remainder was financed with borrowed funds. Capital purchases accounted for the remaining one-fourth of the total farm expenditures, of which about half were financed with personal funds and half with borrowed funds. Overall, operators paid for about two-thirds of their total farm expenditures with personal funds and financed the remainder with credit.

Wide differences appeared among different subgroups of farm operators regarding amounts spent on operating expenses and capital purchases and their financing.

Keywords: Capital purchases, credit, expenditures, landlord, operating expenses

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SUMMARY

In 1970, cash farm expenditures for the United States totaled approximately \$42.9 billion based on estimates from the 1970 Survey of Agricultural Finance. Data from the 1970 survey were not available from the U.S. Bureau of the Census until 1974. Farm operators accounted for nearly 92 percent of this total, with the remaining 8 percent divided about equally between contractors and landlords. Operators' cash farm expenditures averaged \$16,459. Approximately two-thirds were financed with personal funds and one-third was financed with credit. However, the amounts, types, and financing varied widely among farm operator sub-groups and farm production regions.

Operating expenses accounted for about three-fourths of the operators' cash farm expenditures, and averaged \$12,484. Operators financed 72 percent with their personal funds and 28 percent with credit. Farm operators in the highest production sales classes, highest acreage categories, part owners, and younger age groups reported larger expenses and financed a higher percentage of their costs with credit than other groups.

Capital purchases, including land, accounted for approximately one-fourth of all operators' total cash farm expenditures. About 57 percent of all operators reported capital purchases for 1970, averaging \$7,017, of which about half was paid with personal funds and the rest was financed with credit. Higher percentages of larger farms and younger operators reported making capital purchases. The amounts averaged larger, and the percentage purchased with credit tended to be higher than for other groups.

In 1970, farm operators borrowed an estimated \$16.7 billion for farm uses, excluding 1 month charge accounts. Two-thirds of this amount was borrowed for a term of less than 12 months. Most of the borrowings were used for operating expenses. Heavy borrowers included operators with large operations, part owners, younger age groups, and operators of livestock farms, excluding poultry and dairy farms. Also, the use of credit varied by farm production regions.

FARM EXPENDITURES AND THEIR FINANCING IN 1970

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INTRODUCTION

Increasing amounts of cash farm operating expenses, capital investments, credit use, and debt in the agricultural sector call for continued attention to the financing of farm businesses. Considerable thought has been given to the following areas: the amount U.S. farmers spend for operating expenses and capital purchases and the extent to which farmers depend on credit; the comparison of these expenditures and their financing among major farm subgroups; and the identification of farm subgroups which depend more heavily on credit for financing their operations. However, economic analysis has been hampered by a lack of empirical data on the magnitude and characteristics of farmer's expenditures and their financing. Some of this data become available in 1974 from the 1970 Survey of Agricultural Finance conducted by the Bureau of the Census, U.S. Department of Commerce. The 1970 survey provided the latest and only data available on farm financing among major farm subgroups. Data estimates from this survey were not available from the Census until 1974. Information on data limitations and statistical reliability are found in (4). 1/ This report and other benchmark studies appraise relationships and methods of financing among farming operations which continue to be applicable today. Other recent reports based on the national financial data estimates provided by this survey include (1), (2), and (3). This report does not attempt to reconcile differences in estimates provided by (4) and various estimates previously published.

In early 1971, survey responses were obtained from approximately 52,000 farm operators and 35,300 landlords for 1970. Data from this survey provided the basis for national and State estimates of several major farm financial items by farm and operator subgroups, including cash farm operating expenses, capital purchases, and their financing. Information on these financial items is presented in the following sections and tables. Summary information on landlord contributions and contractor expenditures is presented in appendix tables 1, 2, and 3.

1/ Underscored numbers in parentheses refer to literature citations listed at the end of this report.

OVERVIEW OF MAJOR FARM FINANCIAL EXPENDITURES 2/

This report mainly discusses farm operators' farm expenditures and financing, which accounted for over 90 percent of total U.S. farm expenditures and borrowings in 1970, based on the survey estimates.

Operators' farm expenditures (their share of total operating expenses and capital purchases) amounted to approximately \$39.7 billion, about two-thirds of which was paid with personal funds at the time of purchase or within 1 month of purchase (table 1). Short-term credit was used to finance 21 percent and long-term credit was used to finance 11 percent of the total expenditures.

Farm operators' operating expenses totaled approximately \$30.1 billion in 1970, representing about three-fourths of their total farm expenditures. About 72 percent of this operating expense was paid with personal funds, and the remainder was financed primarily with short-term credit to be repaid in less than 12 months.

Capital purchases totaled \$9.6 billion, or about one-fourth of operators' farm expenditures. Almost one-half of this outlay for capital purchases was financed with long-term credit to be repaid in 12 months or more. Capital purchases were separated into capital items, which excluded land (\$7.5 billion), and land including buildings (\$2.1 billion). A higher percentage of the cost of land purchased was financed with long-term credit than any other major type of farm expenditure. However, purchases of land including buildings accounted for only 5 percent of the total farm expenditures.

2/ Further information on specific operating expense items, capital purchases, and their financing is in appendix tables 2 and 3, and in (4). The terms credit, borrowings, and borrowed funds are used interchangeably, and exclude charge accounts settled within 1 month. The terms paid in cash or paid with own funds include cash payments with personal funds at time of purchase or within 1 month of purchase. All expenditures and borrowings relate to farm business use; data on these financial items for farm family use were not obtained from the survey.

Table 1--Total farm expenditures of farm operators and their financing by major type of expenditure, 1970 1/

Expenditure	Amount	Share of total	Paid in cash <u>2/</u>	Financed with credit <u>3/</u>		
				Total credit	Less than 12 mo.	12 mo. or more
	Mil. dol.			Percent		
Operating expenses <u>4/</u> ...	30,079	75.8	72.5	27.5	23.9	3.6
Capital purchases:						
Capital items excluding land <u>5/</u>	7,519	19.0	57.9	42.1	14.7	27.4
Land, including buildings.....	2,059	5.2	26.5	73.5	5.5	68.0
Total.....	9,578	24.2	51.2	48.8	12.7	36.1
Total farm expenditures <u>6/</u>	39,657	100.0	67.3	32.7	21.3	11.4

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4). 2/ Includes cash payments with personal funds at time of purchase or within 1 month of purchase. 3/ Excludes credit extended for 1 month or less. 4/ Excludes amounts paid for by contractors and landlords. See appendix table 2. 5/ Includes operators' purchases of tractors and farm machinery, land improvements, trucks and autos, breeding stock, and all other capital items except land. See appendix table 3. 6/ Includes operators' share of farm operating expenses plus capital purchases. Excludes landlord and contractor expenditures.

OPERATING EXPENSES 3/

Operating expenses of all farm operators in 1970 averaged \$12,484, of which nearly three-fourths were paid with personal funds. These expenses and their financing varied widely among farm and operator subgroups.

For example, farm operators in the two highest sales classes represented only 11 percent of the total number of operators, but accounted for almost 62 percent of the total amount spent by all operators for operating expenses (table 2). Average amounts spent on operating expenses per operator ranged from about \$1,000 for the lowest sales classes to almost \$187,000 for the highest sales class. Also, operators in the highest sales classes financed a much larger percentage of their operating expenses with credit than those in the lower sales classes.

Distribution of operators by net income categories indicated that those in the lowest (negative) and highest (\$25,000 and over) categories accounted for about one-half of all operating expenses and had financed a higher percentage with credit than operators in the other net income categories. Based on the amounts of their operating expenses, many of the operators reporting negative net cash incomes apparently had relatively large operations. Therefore, their losses must have resulted from factors other than small operations, such as crop failures, livestock losses, or large purchases of feeder livestock and feed from which returns would not be realized until the following year.

Comparisons of operating expenses and their financing among other farm and operator subgroupings also revealed wide differences (tables 3 and 4). Although the reasons for these differences could not be determined from the data available, it appeared that they resulted mainly from farm size. Apparently the size of business largely determined the amount of expense, which in turn was positively related to the percentage financed with credit. For example, when the farms were grouped according to number of acres, the average amount of operating expense and the percentage financed with credit tended to increase with the acres operated. The size of business also may have been an underlying factor in differences within other subgroupings. For example, farmers, 65 and over showed the smallest average expense and the lowest percent financed with credit (table 4). It appeared that they also tended to operate smaller farm businesses, based on their relatively low-average operating expense.

Livestock farm operators financed their operating expenses with relatively large amounts of credit, primarily because of the loans needed for purchasing

3/ Subgroup classifications of the 1970 survey records, by type of farm, age of operator, and type of organization, were based on computer matching of their 1969 Census reports. Almost 18 percent of the 1970 survey records could not be matched with a Census report. Therefore, in the following tables data for these farms are shown in the "No 1969 report" classification (4, p. 11).

Table 2--Operating expenses of farm operators and their financing by operator income classifications, 1970 ^{1/}

Income classifications	Distribution by classifications		Operating expense ^{2/}		
	Farm operators	Operating expense ^{2/}	Average amount per operator	Paid in cash ^{3/}	Financed with credit ^{4/}
	- - - Percent - - -		Dollars	- - - Percent - - -	
Sales class					
\$100,000 or more.....	2.6	38.5	186,881	67.7	32.3
40,000 - 99,999.....	8.4	23.1	34,261	65.2	34.8
20,000 - 39,999.....	14.0	17.3	15,458	75.0	25.0
10,000 - 19,999.....	15.7	10.6	8,410	83.0	17.0
5,000 - 9,999.....	14.9	5.1	4,302	89.0	11.0
2,500 - 4,999.....	14.5	2.8	2,424	91.1	8.9
50 - 2,499.....	9.1	0.7	1,007	94.5	5.5
Part-time.....	15.4	1.4	1,151	94.0	6.0
Part-retirement.....	5.5	0.4	957	97.0	3.0
Net cash farm income ^{5/}					
Negative.....	21.5	25.2	14,596	64.5	35.5
Under \$1,000.....	22.2	3.7	2,070	81.5	18.5
\$1,000 - 2,999.....	19.4	7.2	4,623	81.2	18.8
3,000 - 4,999.....	9.3	6.0	8,011	80.2	19.8
5,000 - 7,499.....	7.7	6.5	10,521	76.4	23.6
7,500 - 9,999.....	5.3	5.7	13,484	77.2	22.8
10,000 - 14,999.....	5.9	8.3	17,632	75.3	24.7
15,000 - 24,999.....	4.9	9.8	25,156	73.9	26.1
25,000 and over.....	3.9	27.7	89,207	71.3	28.7
Total net cash income ^{6/}					
Negative.....	5.6	16.2	36,271	59.1	40.9
Under \$1,000.....	5.6	1.5	3,260	73.7	26.3
\$1,000 - 2,999.....	11.6	3.8	4,038	79.8	20.2
3,000 - 4,999.....	11.7	4.8	5,109	79.8	20.2
5,000 - 7,499.....	13.7	6.4	5,867	80.3	19.7
7,500 - 9,999.....	13.4	6.7	6,300	79.0	21.0
10,000 - 14,999.....	17.6	11.5	8,197	77.5	22.5
15,000 - 24,999.....	12.9	13.8	13,297	75.1	24.9
25,000 and over.....	7.9	35.3	55,515	71.4	28.6
All operators.....	100.0	100.0	12,484	72.5	27.5

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (^{4/}). ^{2/} Excludes amounts paid by contractors and landlords. See appendix table 2. ^{3/} Includes cash payments with personal funds at time of purchase or within 1 month of purchase. ^{4/} Excludes credit extended for 1 month or less. ^{5/} Operator's share of the value of farm products sold minus operating expenses and any cash rent paid. ^{6/} Net cash farm income plus off-farm income.

feeder livestock and feed (table 3). Part owners were relatively heavy users of operating credit. Apparently they also tended to operate larger businesses and were probably younger men with expanding farm businesses, owning some land and renting more. The largest average operating expenses incurred were for corporate farms with 10 or more shareholders. However, these accounted for less than .05 percent of all farms and less than 3 percent of total operating expenses.

Percentage distribution of cash farm operating expenses showed that a total of 91.9 percent was spent by operators, 3.6 percent was spent by landlords, and 4.5 percent was spent by contractors (appendix tables 4 and 5). Further breakdowns by farm and operator subgroups indicated that landlord and contractor contributions accounted for relatively small percentages of total operating expenses of all subgroups except poultry farms. Contractors provided an average of 36 percent of total operating expenses for this subgroup (appendix table 4).

CAPITAL PURCHASES

Approximately 57 percent of all operators reported capital purchases for 1970, averaging \$7,017, of which about half was paid with personal funds and half was financed with credit. Disaggregation by farm and operator subgroups revealed wide ranges in these items (tables 5, 6, and 7).

Like operating expenses, capital purchases by operators in the highest economic (sales) classes were larger, and a higher percentage were financed with credit than for the smaller classes (table 5). Distribution of operators by net cash income also showed that those in the higher categories made more capital purchases. But differences in the percentages financed with credit appeared relatively small among the net income categories. The percentage of operators reporting capital purchases tended to increase along with the size of business, as indicated by sales and net income.

Additional comparisons between operator and farm subgroups showed large differences in the percentages of operators reporting capital purchases, average amounts spent, and financing (tables 6 and 7). Capital purchases and their financing tended to be directly related to size of farm. As acreages increased, the percentage of operators reporting capital purchases, the average amounts spent, and the percentage financed with credit also increased. More younger operators reported making capital purchases, spent larger average amounts, and had financed more with credit than the older operators. Part owners ranked highest in capital purchases and credit financing.

Table 3--Operating expenses of farm operators and their financing by selected farm classifications, 1970 1/

Farm classifications	Distribution by classifications		Operating expense <u>2/</u>		
	Farm operators	Operating expense <u>2/</u>	Average amount per operator	Paid in cash: <u>3/</u>	Financed with credit: <u>4/</u>
	Percent	Percent	Dollars	Percent	Percent
Type of farm <u>5/</u>					
Cash grain.....	13.0	10.8	10,368	73.6	26.4
Tobacco.....	3.1	1.2	4,642	78.5	21.5
Cotton.....	1.4	2.0	18,510	76.0	24.0
Other field crop.....	1.0	2.5	30,608	70.3	29.7
Vegetable.....	.7	2.2	40,374	79.0	21.0
Fruit and nut.....	1.8	3.4	23,665	82.5	17.5
Poultry.....	1.9	5.2	34,099	71.2	28.8
Dairy.....	9.0	10.7	14,958	83.4	16.6
Livestock (excluding poultry and dairy).....	18.9	28.8	18,957	64.3	35.7
Livestock ranches.....	5.2	5.2	12,294	70.7	29.3
General.....	4.7	4.7	12,453	72.5	27.5
Miscellaneous.....	1.6	2.5	19,237	88.3	11.7
No 1969 report <u>6/</u>	17.8	18.2	12,806	70.7	29.3
Unclassified (1969 sales under \$2,500).....	19.9	2.7	1,690	93.1	6.9
Size of farm					
Under 50 acres.....	19.2	6.8	4,441	83.6	16.4
50 - 99.....	16.3	5.5	4,182	84.0	16.0
100 - 179.....	18.8	9.8	6,481	82.0	18.0
180 - 259.....	12.2	9.2	9,470	76.4	23.6
260 - 499.....	17.6	21.4	15,218	72.1	27.9
500 - 999.....	9.4	18.5	24,528	67.2	32.8
1,000 acres and over.....	6.5	28.8	55,261	66.8	33.2
All farms.....	100.0	100.0	12,484	72.5	27.5

Note: Figures may not add to totals due to roundings.

1/ For 49 States, excluding Alaska (4). 2/, 3/, and 4/ see table 2. 5/ Description of farm type classifications are available in (4, pp. 10-11). 6/ See 3/ in text.

Table 4--Operating expenses of farm operators and their financing by selected operator and farm ownership classifications, 1970 1/

Selected classifications	Distribution by classifications		Operating expense <u>2/</u>		
	Farm operators	Operating expense <u>2/</u>	Average amount per operator	Paid in cash <u>3/</u>	Financed with credit <u>4/</u>
	Percent	Percent	Dollars	Percent	Percent
Age of operator					
Under 35 years.....	9.5	9.8	12,776	68.5	31.5
35 - 44.....	16.2	20.7	15,988	68.8	31.2
45 - 54.....	23.0	26.8	14,592	72.5	27.5
55 - 64.....	21.6	18.0	10,427	76.6	23.4
65 and over.....	12.0	6.4	6,701	83.7	16.3
No 1969 report <u>5/</u>	17.8	18.2	12,806	70.7	29.3
Tenure					
Full owner.....	56.8	37.1	8,156	78.5	21.5
Part owner.....	28.8	49.4	21,415	67.9	32.1
Tenant.....	14.4	13.5	11,686	72.7	27.3
Type or organization					
Individual.....	48.8	52.7	13,489	71.9	28.1
Partnership.....	7.3	13.2	22,544	71.0	29.0
Corporation.....	0.6	12.3	237,960	73.2	26.8
Under 10 shareholders...	0.6	9.6	195,695	73.0	27.0
10 or more shareholders..	<u>7/</u>	2.7	987,898	73.9	26.1
Other and no 1969 report <u>6/</u>	23.4	19.0	10,152	71.7	28.3
Unclassified (1969 sales under \$2,500).....	19.9	2.7	1,690	93.1	6.9
All operators.....	100.0	100.0	12,484	72.5	27.5

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4). 2/, 3/, and 4/ see table 2. 5/ See 3/ in text. 6/ Other includes estates, trusts, and cooperatives (also see 3/ in text). 7/ Less than .05 percent.

Table 5--Capital purchases of farm operators and their financing by operator income classifications, 1970 ^{1/}

Income classifications	Distribution by classifications		Capital purchases ^{2/}			
	Farm operators	Capital purchases ^{2/}	Percent of operators reporting	Average amount per operator	Paid in cash ^{3/}	Financed with credit ^{4/}
		Percent		Dollars	Percent	
Sales class						
\$100,000 or more.....	2.6	20.2	82.2	37,949	51.9	48.1
40,000 - 99,999.....	8.4	23.5	80.7	13,738	47.8	52.2
20,000 - 39,999.....	14.0	22.6	75.7	8,486	47.2	52.8
10,000 - 19,999.....	15.7	14.9	66.5	5,661	50.5	49.5
5,000 - 9,999.....	14.9	7.9	53.3	3,964	58.6	41.4
2,500 - 4,999.....	14.5	5.1	48.5	2,875	55.1	44.9
50 - 2,499.....	9.1	1.5	31.7	2,052	77.5	22.5
Part-time.....	15.4	3.8	48.5	2,024	59.6	40.4
Part-retirement.....	5.5	.6	25.5	1,616	78.1	21.9
Net cash farm income ^{5/}						
Negative.....	21.5	19.6	58.1	6,237	48.3	51.7
Under \$1,000.....	22.2	6.5	38.0	3,048	54.1	45.9
\$1,000 - 2,999.....	19.4	10.2	48.9	4,266	52.2	47.8
3,000 - 4,999.....	9.3	7.2	60.1	5,098	51.0	49.0
5,000 - 7,499.....	7.7	7.4	66.8	5,733	50.6	49.4
7,500 - 9,999.....	5.3	6.3	71.6	6,674	50.9	49.1
10,000 - 14,999.....	5.9	10.4	78.3	8,904	49.9	50.1
15,000 - 24,999.....	4.9	10.6	80.2	10,744	51.8	48.2
25,000 and over.....	3.9	21.9	82.9	27,143	53.1	46.9
Total net cash income ^{6/}						
Negative.....	5.6	9.1	59.8	10,795	46.0	54.0
Under \$1,000.....	5.6	1.4	31.1	3,100	58.4	41.6
\$1,000 - 2,999.....	11.6	3.5	36.7	3,258	54.3	45.7
3,000 - 4,999.....	11.7	6.0	47.3	4,271	52.9	47.1
5,000 - 7,499.....	13.7	8.1	51.8	4,516	52.1	47.9
7,500 - 9,999.....	13.4	8.5	57.2	4,390	51.3	48.7
10,000 - 14,999.....	17.6	15.5	66.6	5,260	49.4	50.6
15,000 - 24,999.....	12.9	17.5	70.1	7,687	50.4	49.6
25,000 and over.....	7.9	30.6	78.9	19,444	52.7	47.3
All operators.....	100.0	100.0	56.7	7,017	51.2	48.8

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (^{4/}). ^{2/} See appendix table 3 for items and landlord purchases. ^{3/} Includes cash payments with personal funds at time of purchase or within 1 month of purchase. ^{4/} Excludes credit extended for 1 month or less. ^{5/} Operator's share of the value of farm products sold minus his operating expenses and any cash rent paid. ^{6/} Net cash farm income plus off-farm income.

Table 6--Capital purchases of farm operators and their financing by selected farm classifications, 1970 ^{1/}

Farm classifications	Distribution by classifications		Capital purchases ^{2/}			
	Farm operators	Capital purchases ^{2/}	Percent of operators reporting	Average amount per operator	Paid in cash ^{3/}	Financed with credit ^{4/}
	Percent			Dollars	Percent	
Type of farm ^{5/}						
Cash grain.....	13.0	16.3	59.7	8,344	48.9	51.1
Tobacco.....	3.1	1.1	40.9	3,429	55.7	44.3
Cotton.....	1.4	1.6	51.7	9,145	44.4	55.6
Other field crop.....	1.0	1.9	62.0	12,178	46.3	53.7
Vegetable.....	.7	.8	50.2	9,918	61.9	38.1
Fruit and nut.....	1.8	1.8	46.4	8,827	54.6	45.4
Poultry.....	1.9	2.1	48.1	9,370	45.3	54.7
Dairy.....	9.0	13.4	74.7	7,982	50.3	49.7
Livestock (except poultry and dairy)....	18.9	20.9	64.7	6,788	51.6	48.4
Livestock ranches.....	5.2	4.3	44.5	7,393	56.2	43.8
General.....	4.7	4.9	61.3	6,737	50.3	49.7
Miscellaneous.....	1.6	1.3	44.1	7,431	63.4	36.6
No 1969 report ^{6/}	17.8	23.0	58.2	8,833	50.3	49.7
Unclassified (1969 sales under \$2,500)....	19.9	6.3	45.1	2,784	57.3	42.7
Size of farm						
Under 50 acres.....	19.2	6.6	38.3	3,540	55.8	44.2
50 - 99.....	16.3	5.5	44.6	3,031	58.0	42.0
100 - 179.....	18.8	10.7	54.2	4,168	55.5	44.5
180 - 259.....	12.2	10.7	62.3	5,598	52.6	47.4
260 - 499.....	17.6	22.9	68.7	7,545	48.0	52.0
500 - 999.....	9.4	18.2	74.1	10,367	47.1	52.9
1,000 acres and over....	6.5	25.4	79.7	19,490	51.9	48.1
All farms.....	100.0	100.0	56.7	7,017	51.2	48.8

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (^{4/}). ^{2/}, ^{3/}, and ^{4/} see table 5. ^{5/} Description of farm type classifications are available in (^{4/}, pp. 10-11). ^{6/} See ^{3/} in text.

Table 7--Capital purchases of farm operators and their financing by selected operator and farm ownership classifications, 1970 1/

Selected classifications	Distribution by classification		Capital purchases <u>2/</u>			
	Farm operators	Capital purchases <u>2/</u>	Percent of operators reporting	Average amount per operator	Paid in cash <u>3/</u>	Financed with credit <u>4/</u>
	Percent	Percent		Dollars	Percent	Percent
Age of operator						
Under 35 years.....	9.5	12.4	65.7	7,861	39.7	60.3
35 - 44.....	16.2	21.8	65.6	8,137	43.9	56.1
45 - 54.....	23.0	24.3	60.9	6,900	53.8	46.2
55 - 64.....	21.6	14.4	50.9	5,219	63.3	36.7
65 and over.....	12.0	4.2	37.3	3,748	70.2	29.8
No 1969 report <u>3/</u>	17.8	23.0	58.2	8,833	50.3	49.7
Tenure						
Full owner.....	56.8	35.3	49.4	4,997	56.7	43.3
Part owner.....	28.8	54.0	71.5	10,428	47.9	52.1
Tenant.....	14.4	10.7	55.5	5,318	49.7	50.3
Type of organization						
Individual.....	48.8	55.1	62.5	7,175	49.8	50.2
Partnership.....	7.3	11.2	65.8	9,205	50.8	49.2
Corporation.....	.6	3.7	64.8	35,198	62.3	37.7
Under 10 share- holders.....	(.6	3.0	64.5	29,892	60.3	39.7)
10 or more share- holders.....	(<u>5/</u>	.7	71.3	120,351	70.0	30.0)
Other and no 1969 report <u>4/</u>	23.4	23.8	51.1	7,912	51.3	48.7
Unclassified (1969 sales under \$2,500).....	19.9	6.3	45.1	2,784	57.3	42.7
All operators.....	100.0	100.0	56.7	7,017	51.2	48.8

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4/). 2/ See 2/, 3/, and 4/ on table 5. 3/ See 3/ in text. 4/ Other includes estates, trusts, and cooperatives (also see 3/ in text). 5/ Less than .05 percent.

TOTAL FARM EXPENDITURES 4/

Total farm expenditures of all farm operators totaled approximately \$39.7 billion, averaging \$16,459 per operator in 1970 (table 8). Approximately two-thirds of these expenditures were paid with personal funds, and one-third was financed with credit. Disaggregation of the data, however, revealed wide differences among operator subgroups. For example, total farm expenditures among economic (sales) classes ranged from averages under \$2,000 for the smallest operators to over \$200,000 for the largest operators. Also, the percentages financed with credit differed widely, tending to be much higher for larger sales class operators than for smaller ones. Among the net cash income categories, those with negative net incomes (losses) had, on an average, financed higher percentages of their total farm expenditures with credit. The percentage of expenditures which had been financed with credit varied less among net income categories, however, than among economic (sales) classes.

Comparisons of operators' total farm expenditures and their financing among other farm and operator subgroups are shown in tables 9 and 10. The positive relationship between the size of the farming operation and the amount of expenditure, and the percentage financed with credit, was most clearly illustrated by comparisons of farm acreage categories. However, it seems likely that the size of farming business was also a major underlying factor in financial differences within the other subgroupings as previously discussed.

BORROWINGS

All operators' borrowings for farming purposes total approximately \$16.7 billion in 1970 (table 11). The main use of this credit was for operating expenses which accounted for about one-half of the total amount borrowed. Twenty-eight percent of the borrowed funds were used for capital purchases, and 22 percent were used for unspecified farm purposes. These borrowings were for farm uses only and excluded credit paid within 1 month.

Two-thirds of this farm credit had a term of less than 12 months (excluding 1-month charge accounts), and the remainder had a term of 12 months or more. Approximately 65 percent of the short-term credit was allocated to specific operating expense items, and 62 percent of the long-term credit was used for capital purchases.

For further insight into farm credit use, percentage distributions of borrowed funds were developed by selected operator and farm subgroupings (tables 12, 13, and 14). Breakdowns by sales classes indicated that although operators of farms in the two highest sales classes represented only 11 percent of the total farms, they accounted for almost 64 percent of the total funds borrowed by all operators in 1970 for farm uses. A higher percentage of these large operators had borrowed and averaged greater amounts than the small operators.

4/ Total farm expenditures included the operators' share of cash farm operating expenses, plus their capital purchases. Operators accounted for about 92 percent, and contractors and landlords accounted for about 4 percent, each, of all farm expenditures (\$42.9 billion) (4). For detailed information on specific items of U.S. farm production expenses in 1971 by economic class of farm, see (5).

Table 8--Total farm expenditures of farm operators and their financing by operator income classifications, 1970 ^{1/}

Income classifications	Distribution by classifications		Total farm expenditures ^{2/}		
	Farm operators	Farm expenditures ^{2/}	Average amount for all operators	Paid in cash ^{3/}	Financed with credit ^{4/}
	- - -Percent - -		Dollars	- -Percent - -	
Sales class					
\$100,000 or more.....	2.6	34.0	218,073	65.5	34.5
40,000 - 99,999.....	8.4	23.2	45,347	61.0	39.0
20,000 - 39,999.....	14.0	18.6	21,885	66.9	33.1
10,000 - 19,999.....	15.7	11.6	12,175	72.9	27.1
5,000 - 9,999.....	14.9	5.8	6,416	79.0	21.0
2,500 - 4,999.....	14.5	3.4	3,819	77.9	22.1
50 - 2,499.....	9.1	.9	1,688	87.9	12.1
Part-time.....	15.4	2.0	2,133	78.2	21.8
Part-retirement.....	5.5	.5	1,369	91.3	8.7
Net cash farm income ^{5/}					
Negative.....	21.5	23.8	18,222	61.3	38.7
Under \$1,000.....	22.2	4.3	3,227	71.7	28.3
\$1,000 - 2,999.....	19.4	7.9	6,708	72.2	27.8
3,000 - 4,999.....	9.3	6.3	11,077	72.1	27.9
5,000 - 7,499.....	7.7	6.7	14,352	69.5	30.5
7,500 - 9,999.....	5.3	5.8	18,264	70.3	29.7
10,000 - 14,999.....	5.9	8.8	24,602	68.1	31.9
15,000 - 24,999.....	4.9	10.0	33,771	68.2	31.8
25,000 and over.....	3.9	26.3	111,696	67.6	32.4
Total net cash income ^{6/}					
Negative.....	5.6	14.5	42,728	57.1	42.9
Under \$1,000.....	5.6	1.4	4,224	70.2	29.8
\$1,000 - 2,999.....	11.6	3.7	5,233	73.9	26.1
3,000 - 4,999.....	11.7	5.1	7,131	72.1	27.9
5,000 - 7,499.....	13.7	6.8	8,207	72.3	27.7
7,500 - 9,999.....	13.4	7.2	8,812	71.1	28.9
10,000 - 14,999.....	17.6	12.5	11,703	69.1	30.9
15,000 - 24,999.....	12.9	14.7	18,684	68.0	32.0
25,000 and over.....	7.9	34.2	70,848	67.4	32.6
All operators.....	100.0	100.0	16,459	67.3	32.7

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (4). ^{2/} Operators' share of operating expenses plus their capital purchases (\$39.7 bil.). Excludes landlord and contractor expenditures (see ^{4/} in text). ^{3/} Includes cash payments with personal funds at time of purchase or within 1 month of purchase. ^{4/} Excludes credit extended for 1 month or less. ^{5/} Operator's share of the value of farm products sold minus operating expenses and any cash rent paid. ^{6/} Net cash farm income plus off-farm income.

Table 9--Total farm expenditures of farm operators and their financing by selected farm classifications, 1970 1/

Farm classifications	Distribution by classifications		Total farm expenditures <u>2/</u>		
	Farm operators	Farm expenditures <u>2/</u>	Average amount for all operators	Paid in cash <u>3/</u>	Financed with credit <u>4/</u>
	Percent	Percent	Dollars	Percent	Percent
Type of farm					
Cash grain.....	13.0	12.2	15,347	65.6	34.4
Tobacco.....	3.1	1.2	6,043	73.3	26.7
Cotton.....	1.4	1.9	23,234	69.6	30.4
Other field crop.....	1.0	2.3	38,162	65.6	34.4
Vegetable.....	.7	1.8	45,356	77.1	22.9
Fruit and nut.....	1.8	3.0	27,764	78.4	21.6
Poultry.....	1.9	4.4	38,607	68.2	31.8
Dairy.....	9.0	11.4	20,922	73.9	26.1
Livestock (except poultry and dairy).....	18.9	26.9	23,351	61.9	38.1
Livestock ranches.....	5.2	5.0	15,582	67.6	32.4
General.....	4.7	4.8	16,584	67.0	33.0
Miscellaneous.....	1.6	2.2	22,516	84.6	15.4
No 1969 report <u>5/</u>	17.8	19.4	17,946	64.9	35.1
Unclassified (1969 sales under \$2,500).....	19.9	3.6	2,946	77.8	22.2
Size of farm					
Under 50 acres.....	19.2	6.8	5,798	77.1	22.9
50 - 99.....	16.3	5.5	5,533	77.6	22.4
100 - 179.....	18.8	10.0	8,741	75.2	24.8
180 - 259.....	12.2	9.6	12,958	70.0	30.0
260 - 499.....	17.6	21.8	20,402	66.0	34.0
500 - 999.....	9.4	18.4	32,213	62.4	37.6
1,000 acres and over.....	6.5	28.0	70,796	63.5	36.5
All farms.....	100.0	100.0	16,459	67.3	32.7

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4/). 2/, 3/, and 4/ see table 8. 5/ See 3/ in text.

Table 10--Total farm expenditures of farm operators and their financing by selected operator and farm ownership classifications, 1970 1/

Selected classifications	Distribution by classifications		Total farm expenditures <u>2/</u>		
	Farm operators	Farm expenditures <u>2/</u>	Average amount for all operators	Paid in cash: <u>3/</u>	Financed with credit: <u>4/</u>
	Percent	Percent	Dollars	Percent	Percent
Age of operator					
Under 35 years.....	9.5	10.4	17,941	60.2	39.8
35 - 44.....	16.2	21.0	21,327	62.6	37.4
45 - 54.....	23.0	26.2	18,794	68.3	31.7
55 - 64.....	21.6	17.1	13,085	73.9	26.1
65 and over.....	12.0	5.9	8,099	81.4	18.6
No 1969 report <u>5/</u>	17.8	19.4	17,946	64.9	35.1
Tenure					
Full owner.....	56.8	36.7	10,625	73.4	26.6
Part owner.....	28.8	50.5	28,871	62.7	37.3
Tenant.....	14.4	12.8	14,638	68.0	32.0
Type of organization					
Individual.....	48.8	53.3	17,974	66.4	33.6
Partnership.....	7.3	12.7	28,596	66.7	33.3
Corporation.....	0.6	10.3	260,780	72.2	27.8
Under 10 shareholders...	0.6	8.0	214,968	71.9	28.1
10 or more share-holders.....	<u>7/</u>	2.3	1,073,677	73.6	26.4
Other, and no 1969 report <u>6/</u>	23.4	20.2	14,197	65.9	34.1
Unclassified (sales under \$2,500).....	19.9	3.6	2,946	77.8	22.2
All operators.....	100.0	100.0	16,459	67.3	32.7

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4). 2/, 3/ and 4/ see table 8. 5/ See 3/ in text. 6/ Other includes estates, trusts, and cooperatives (also see 3/ in text). 7/ Less than .05 percent.

Table 11--Major uses of funds borrowed by farm operators, 1970 1/

Use of funds	Distribution of borrowed funds <u>2/</u>					
	Total		Term of loans			
	amount		Less than	12 months	12 months	or more
	borrowed					
	Mil. dol.	Pct.	Mil. dol.	Pct.	Mil. dol.	Pct.
Operating expenses <u>3/</u>	8,282	49.6	7,208	64.8	1,074	19.3
Capital purchases.....	4,676	28.1	1,215	10.9	3,461	62.2
Capital items, excluding land <u>4/</u>	(3,164	19.0	1,102	9.9	2,062	37.0)
Land, including buildings.....	(1,513	9.1	113	1.0	1,400	25.2)
Unspecified farm uses <u>5/</u>	3,727	22.3	2,698	24.3	1,029	18.5
Total.....	16,685	100.0	11,121	100.0	5,564	100.0

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4/). 2/ Excludes farm credit obtained on accounts paid within 1 month; also excludes all credit for nonfarm uses. 3/ See appendix table 2. 4/ See appendix table 3. 5/ Funds borrowed in 1970 for farm purposes, including replenishment of working capital, or to increase bank balance, but which could not be allocated to a specific use. Some part of these funds may not have been used in 1970.

Distribution of borrowings showed that most of the funds had been borrowed by operators in the highest and lowest net farm income categories (table 12). Operators in each of these categories accounted for about 27 percent of the total funds borrowed. A similar pattern was observed from percentage distributions of total borrowings by total net cash income categories (net cash farm plus off-farm income).

Breakdowns of total borrowings by other farm and operator subgroups indicated that livestock farms, excluding poultry and dairy, farms with 500 acres and over, younger operators, and part owners were relatively heavy users of farm credit (tables 13 and 14). Corporate-type farms borrowed relatively large average amounts, but their number was so small that they accounted for less than 10 percent of total farm borrowings in 1970.

REGIONAL FARM EXPENDITURES

To understand how farm expenditures and their financing might differ among geographic areas, percentage distributions of selected items were developed on a regional basis (tables 15 and 16). These distributions facilitated comparisons of relative proportions of the number of farms, farm product sales, expenditures, and borrowings among regions.

Operators' total farm expenditures averaged \$16,459, ranging from an average of \$7,223 per operator in the Appalachian region to \$36,257 in the Pacific region. These differences may have been related largely to differences in size of farming operations. As to the percentage of expenditures financed with credit, the overall average was 32.7 percent; but regionally expenditures ranged from averages of 23.4 percent for the Northeast to 40.2 percent in the Northern Plains (see fig. 1).

Reasons for regional differences could not be fully determined from the data available because of many interrelated factors. These may have included differences in soils, topography, and weather; production risks; size of operations; major types of products, and their relative profitabilities during a particular period; creditors' and operators' attitudes toward risks and borrowing; and customs.

Although regional breakdowns revealed wide differences, landlords and contractors accounted for only 3.6 percent and 4.5 percent, respectively, of total U.S. cash farm operating expenses in 1970 (table 16). For example, landlords accounted for an average of less than 1 percent of cash farm operating expenses in the Southeast, compared with 8.5 percent for the Corn Belt. Contractor contributions were smallest in the Lake States and greatest in the Southeast. The relatively large contribution of operating expenses by contractors in the Southeast probably was made mainly for poultry operations.

Table 12--Distribution of total borrowed funds, and average amounts of allocated borrowings by term of loan, by operator income classifications, 1970 1/

Income classifications	Distribution by classifications		Term of loan--allocated borrowings 2/			
	Farm operators	All borrowed funds 3/	Less than 12 months		12 months or more	
			Operators with borrowings	Average amount	Operators with borrowings	Average amount
	Percent	Percent	Dollars	Percent	Dollars	Dollars
Sales class						
\$100,000 or more.....	2.6	36.3	50.0	119,413	30.5	51,020
40,000 - 99,999.....	8.4	27.6	48.4	23,690	33.2	18,826
20,000 - 39,999.....	14.0	18.8	36.8	10,643	29.1	11,481
10,000 - 19,999.....	15.7	9.7	27.4	6,046	19.5	8,394
5,000 - 9,999.....	14.9	3.7	20.1	3,226	12.0	5,850
2,500 - 4,999.....	14.5	2.2	17.4	2,146	10.5	4,465
50 - 2,499.....	9.1	0.4	9.2	1,101	3.2	3,148
Part-time.....	15.4	1.2	14.8	1,358	11.0	3,108
Part-retirement.....	5.5	0.1	4.4	811	2.0	4,153
Net cash farm income 4/						
Negative.....	21.5	27.1	26.5	18,581	17.9	11,916
Under \$1,000.....	22.2	3.7	12.2	3,697	7.6	6,109
\$1,000 - 2,999.....	19.4	6.3	17.5	5,595	11.3	7,868
3,000 - 4,999.....	9.3	5.4	24.7	7,146	15.4	8,594
5,000 - 7,499.....	7.7	6.7	28.0	8,973	19.9	9,335
7,500 - 9,999.....	5.3	5.2	32.1	10,325	22.1	9,587
10,000 - 14,999.....	5.9	8.7	33.0	14,108	26.0	12,302
15,000 - 24,999.....	4.9	9.9	36.9	18,438	27.0	14,555
25,000 and over.....	3.9	27.0	42.7	61,078	30.4	33,227
Total net cash income 5/						
Negative.....	5.6	17.8	36.7	36,627	24.1	20,288
Under \$1,000.....	5.6	1.3	12.7	6,673	5.5	7,466
\$1,000 - 2,999.....	11.6	2.9	13.8	6,267	7.2	6,915
3,000 - 4,999.....	11.7	4.2	17.8	6,279	10.4	8,395
5,000 - 7,499.....	13.7	5.8	19.3	6,046	12.7	8,697
7,500 - 9,999.....	13.4	6.4	24.3	6,294	15.0	6,802
10,000 - 14,999.....	17.6	11.3	24.9	7,816	19.4	8,593
15,000 - 24,999.....	12.9	14.5	29.3	12,315	22.5	10,513
25,000 and over.....	7.9	35.8	35.9	45,424	26.3	25,800
All operators.....	100.0	100.0	23.3	14,981	15.9	11,860

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4). 2/ Borrowings used for specific operating expense or capital purchase items. Excludes unallocated borrowings for unspecified farm uses, such as replenishment of working capital or to increase bank balance. Operator total borrowings amounted to approximately \$16.7 billion of which \$13.0 billion was allocated and \$3.7 was not allocated. Also, see 2/ in text and table 11. 3/ Approximately \$16.7 billion, including farm borrowings, allocated and unallocated. 4/ Operator's share of the value of farm products sold minus operating expenses and any cash rent paid. 5/ Net cash farm income plus off-farm income.

Table 13--Distribution of total borrowed funds, and average amounts of allocated borrowings by term of loan, by selected farm classifications, 1970 1/

Farm classifications	Distribution by classifications		Term of loan--allocated borrowings <u>2/</u>			
	Farm operators	All borrowed funds <u>3/</u>	Less than 12 months		12 months or more	
			Operators with borrowings	Average amount	Operators with borrowings	Average amount
	Percent	Percent	Dollars	Percent	Dollars	
Type of farm <u>4/</u>						
Cash grain.....	13.0	13.5	29.5	10,001	18.6	12,539
Tobacco.....	3.1	1.0	22.7	4,683	8.0	6,879
Cotton.....	1.4	2.1	26.5	17,561	18.1	13,318
Other field crops.....	1.0	2.6	35.3	26,203	25.9	15,077
Vegetable.....	0.7	1.4	23.5	37,085	10.8	15,490
Fruit and nut.....	1.8	2.3	17.7	22,808	10.1	19,456
Poultry.....	1.9	3.9	22.1	44,142	15.1	16,774
Dairy.....	9.0	8.2	26.5	10,043	24.9	11,173
Livestock (except poultry and dairy).....	18.9	30.0	27.7	23,882	17.5	13,070
Livestock ranches.....	5.2	5.3	10.8	32,589	7.4	20,825
General.....	4.7	5.1	26.0	13,647	17.8	10,813
Miscellaneous.....	1.6	1.2	9.8	24,417	9.0	11,761
No 1969 report <u>5/</u>	17.8	21.1	28.4	13,491	19.8	12,453
Unclassified (1969 sales under \$2,500).....	19.9	2.2	12.8	1,719	8.6	5,002
Size of farm						
Under 50 acres.....	19.2	4.4	13.3	5,814	6.8	8,179
50 - 99.....	16.3	3.6	15.4	4,913	9.2	5,232
100 - 179.....	18.8	7.2	18.4	6,586	12.9	7,457
180 - 259.....	12.2	8.4	25.9	9,291	16.6	8,938
260 - 499.....	17.6	21.3	32.5	13,387	22.4	11,591
500 - 999.....	9.4	21.9	37.1	21,600	29.7	13,731
1,000 acres and over.....	6.5	33.2	37.7	48,255	29.2	26,144
All farms.....	100.0	100.0	23.3	14,981	15.9	11,860

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4/). 2/ and 3/ --see table 12. 4/ Descriptions of farm type classifications are available in (4/, pp. 10-11). 5/ See 3/ in text.

Table 14--Distribution of total borrowed funds, and average amounts of allocated borrowings by term of loan, by selected operator and farm ownership classifications, 1970 1/

Selected classifications	Distribution by classifications		Term of loan--allocated borrowings <u>2/</u>			
			Less Than 12 months		12 months or more	
	Farm operators	All borrowed funds <u>3/</u>	Operators with borrowings	Average amount	Operators with borrowings	Average amount
	Percent	Percent	Dollars	Percent	Dollars	
Age of operator						
Under 35 years.....	9.5	12.2	34.3	12,850	26.3	10,541
35 - 44.....	16.2	23.3	30.4	16,761	24.2	11,934
45 - 54.....	23.0	25.6	24.9	16,101	15.9	12,320
55 - 64.....	21.6	14.3	15.8	15,242	8.4	12,060
65 and over.....	12.0	3.6	8.2	13,393	4.0	10,022
No 1969 report <u>4/</u>	17.8	21.1	28.4	13,491	19.8	12,453
Tenure						
Full owner.....	56.8	29.1	15.5	11,667	10.5	9,770
Part owner.....	28.8	57.8	35.0	19,793	25.8	14,859
Tenant.....	14.4	13.1	31.1	10,633	17.4	7,925
Type of organization						
Individual.....	48.8	54.4	26.8	14,402	18.3	11,926
Partnership.....	7.3	13.3	29.5	22,278	19.6	15,085
Corporation.....	0.6	8.7	32.8	187,699	17.4	62,332
Under 10 shareholders.....	(0.6	7.0	33.3	154,250	17.7	51,514)
10 or more shareholders.....	(<u>6/</u>	1.7	23.9	1,013,337	12.0	345,430)
Other and no 1969 report <u>5/</u>	23.4	21.3	22.7	12,910	15.8	12,086
Unclassified (1969 sales under \$2,500).....	19.9	2.2	12.8	1,719	8.6	5,002
All operators.....	100.0	100.0	23.2	14,981	15.9	11,860

Note: Figures may not add to totals because of roundings.

1/ For 49 States, excluding Alaska (4/). 2/ and 3/ see table 12. 4/ See 3/ in text. 5/ Other includes estates, trusts, and cooperatives (also see 3/ in text). 6/ Less than .05 percent.

Table 15--Regional distribution of selected farm financial characteristics and average expenditures per farm, by farm production region, 1970 1/

Farm production region	Farm operators	Farm product sales	Operators' borrowed funds <u>2/</u>	Total farm expenditures <u>3/</u>			
				Total amount <u>3/</u>	Average for all operators	Paid in cash <u>4/</u>	Financed with credit <u>5/</u>
					Dollars	Percent	
Northeast.....	6.5	7.5	4.8	7.4	18,852	76.6	23.4
Lake States.....	10.7	8.9	8.2	8.7	13,425	66.9	33.1
Corn Belt.....	22.9	22.7	22.2	21.3	15,316	65.1	34.9
Northern Plains.....	9.7	12.4	16.4	13.0	21,961	59.8	40.2
Appalachian.....	15.4	7.4	5.9	6.8	7,223	71.9	28.1
Southeast.....	7.6	6.7	5.3	6.3	13,785	71.8	28.2
Delta States.....	6.1	4.8	4.9	4.4	11,738	66.5	33.5
Southern Plains.....	10.9	9.5	10.5	10.5	15,862	66.8	33.2
Mountain.....	4.6	8.2	10.1	9.2	33,315	66.8	33.2
Pacific.....	5.6	11.9	11.7	12.4	36,257	70.2	29.8
Total.....	100.0	100.0	100.0	100.0	16,459	67.3	32.7

Note: Figures may not add to totals because of roundings.

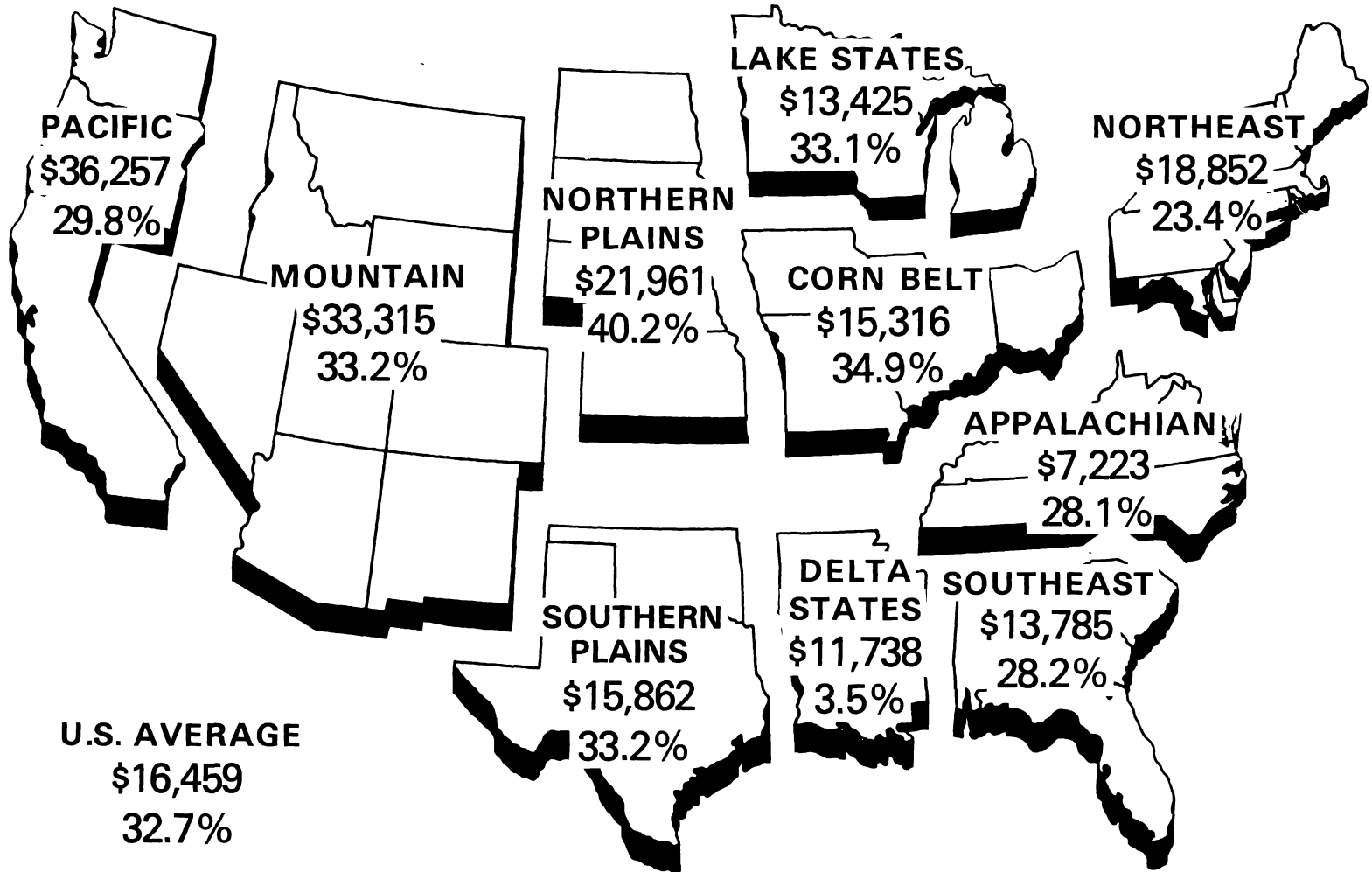
1/ For 49 States, excluding Alaska (4). 2/ For farm business uses only (approximately \$16.7 billion). 3/ Operators' share of cash operating expenses plus capital purchases, totaling approximately \$39.7 billion. 4/ Includes cash payments with personal funds at time of purchase or within 1 month of purchase. 5/ Excludes credit extended for 1 month or less.

Table 16--Regional cash farm operating expenses financed by operators, landlords, and contractors, and distribution of total contractor expenses, by farm production region, 1970 ^{1/}

Farm production region	Cash farm operating expenses				Distribution of total contractor expenses ^{2/}
	Operators	Landlords	Contractors ^{2/}	Total	
	<u>Percent</u>				
Northeast	89.4	1.2	6.4	100.0	10.6
Lake States	95.5	3.2	1.3	100.0	2.3
Corn Belt	89.9	8.5	1.6	100.0	7.4
Northern Plains :	94.4	3.7	1.9	100.0	5.2
Appalachian	84.0	3.4	12.6	100.0	19.4
Southeast	85.0	.7	14.3	100.0	22.8
Delta States ...:	84.3	2.0	13.7	100.0	14.4
Southern Plains :	94.3	2.0	3.7	100.0	8.2
Mountain	95.9	2.2	1.9	100.0	3.9
Pacific	96.9	1.0	2.1	100.0	5.8
Total	91.9	3.6	4.5	100.0	100.0
	<u>Million dollars</u>				
Total	30,079	1,163	1,473	32,715	1,473

^{1/} For 49 States, excluding Alaska (4). ^{2/} Contractors who had production contracts with farm operators under which the contractors paid for or provided certain farm operating expenses such as feed, chicks, feeder livestock, seed, fertilizer, and labor.

Average farm expenditures and the percentage
financed with borrowed funds, 1970 ^{1/}



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Appendix table 1--Selected farm financial items and the amounts accounted for by farm operators and landlords, 1970 ^{1/}

Item	All farms ^{2/}				
	Operators		Landlords		Total
	<u>Percent</u>	<u>Million dollars</u>	<u>Percent</u>	<u>Million dollars</u>	<u>Million dollars</u>
Operating expenses ^{3/}	96	31,552	4	1,163	32,715
Capital purchases.....	94	9,578	6	611	10,189
Land purchases.....	90	2,059	10	228	2,287
Other capital purchases..	95	7,519	5	383	7,902
Total farm expenditures ^{3/} ..	96	41,129	4	1,775	42,904
Total borrowed funds ^{4/}	98	16,685	2	419	17,105
Under 12 months ^{4/}	98	11,120	2	179	11,300
12 months or more ^{4/}	96	5,565	4	240	5,805

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (4). ^{2/} The total number of farms and operators was 2,409,416 based on the sample survey estimates (4). ^{3/} Amounts shown for operators include \$1,473 million of operating expenses paid or provided by contractors, representing about 4 percent of total farm operating expenses, and 3 percent of total farm expenditures. ^{4/} Excludes credit obtained on charge accounts for 1 month or less.

Appendix table 2--Operating expenses and their financing for farm operators, landlords, and contractors, 1970 ^{1/}

Operating expense item	Total cost	Financed by:		Term of loan		
		Personal funds ^{2/}	Borrowed funds ^{3/}	Under 12 months ^{3/}	12 months or more	
	Million dollars	-----		Percent -----		
		<u>Operators</u>				
Upkeep of farm buildings, fences, drains, and irrigation systems.....	1,003.0	3.1	85.0	15.0	12.5	2.5
Purchases of livestock and poultry, other than breeding stock and dairy cows.....	5,956.1	18.2	49.7	50.3	43.2	7.1
Feed, seed, fertilizer, pesticides, and fuel.....	12,494.5	38.2	72.0	28.0	24.5	3.5
All other agricultural operating expenditures ^{4/}	10,625.1	32.5	84.7	15.3	13.6	1.7
Subtotal.....	30,078.7	91.9	72.5	27.5	23.9	3.6
			<u>Landlords</u>			
Subtotal.....	1,163.4	3.6	92.2	7.8	6.7	1.1
			<u>Contractors ^{5/}</u>			
Subtotal.....	1,472.9	4.5	N.A.	N.A.	N.A.	N.A.
Total.....	32,715.0	100.0 ^{6/}	73.2	^{6/} 26.8	^{6/} 23.3	^{6/} 3.5

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (⁴). ^{2/} Includes cash payments with personal funds at time of purchase or within 1 month of purchase. ^{3/} Excludes credit obtained on charge accounts for 1 month or less. ^{4/} Includes expenses for labor, machine hire, custom work, etc. ^{5/} Those who had production contracts with farm operators and financed or provided such expenses as feed, seed, fertilizer, chicks, feeder livestock, etc. ^{6/} For operators and landlords combined.

Appendix table 3--Capital purchases and their financing for farm operators and landlords, 1970 ^{1/}

Capital purchases	Total cost	Financed by:		Term of loan		
		Personal funds ^{2/}	Borrowed funds ^{3/}	Under 12 months ^{3/}	12 months or more	
	<u>Million dollars</u>			<u>Percent</u>		
			<u>Operators</u>			
Land, including buildings..	2,059.1	20.2	26.5	73.5	5.5	68.0
Irrigation improvements....	276.3	2.7	69.0	31.0	11.4	19.6
Other land improvements....	1,229.6	12.1	55.4	44.6	12.4	32.2
Moveable irrigation equip- ment:						
New.....	112.9	1.1	56.1	43.9	14.0	29.9
Used.....	31.8	.3	69.7	30.3	14.6	15.7
Tractors and machinery:						
New.....	1,867.1	18.3	48.3	51.7	16.8	34.9
Used.....	757.3	7.4	55.7	44.3	15.9	28.4
Trucks and autos at net cost:						
New.....	938.0	9.2	63.8	36.2	11.7	24.5
Used.....	368.0	3.6	67.3	32.7	14.0	18.7
Breeding livestock ^{4/}	1,513.6	14.9	63.3	36.7	16.4	20.3
All other capital items....	424.2	4.2	63.7	36.3	12.7	23.6
Subtotal.....	9,577.9	94.0	51.2	48.8	12.7	36.1
				<u>Landlords</u>		
Subtotal.....	611.3	6.0	64.4	35.6	6.6	29.0
Total.....	10,189.2	100.0	52.0	48.0	12.3	35.7

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (^{4/}). ^{2/} Includes cash payments with personal funds at time of purchase or within 1 month of purchase. ^{3/} Excludes credit, such as charge accounts, obtained for 1 month or less. ^{4/} Includes dairy cows and heifers.

Appendix table 4--Total cash farm operating expenses financed by operators, landlords, and contractors, and distribution of total contractor expenses by type of farm, 1970 ^{1/}

Type of farm ^{3/}	Cash farm operating expenses ^{2/}				Distribution of total contractor expenses ^{4/}
	Operators	Landlords	Contractors ^{4/}	Total	
			<u>Percent</u>		
Cash grain.....	89.0	10.6	.4	100.0	.9
Tobacco.....	93.3	6.4	.4	100.0	.1
Cotton.....	98.0	1.8	.2	100.0	.1
Other field crop.....	96.6	2.8	.7	100.0	.4
Vegetable.....	98.1	1.2	.7	100.0	.3
Fruit and nut.....	98.2	1.2	.6	100.0	.4
Poultry.....	63.8	.2	36.1	100.0	59.7
Dairy.....	97.6	2.0	.3	100.0	.8
Livestock, except poultry and dairy.....	94.4	3.5	2.2	100.0	13.4
Livestock ranch.....	96.9	1.1	1.9	100.0	2.1
General.....	95.7	3.6	.8	100.0	.8
Miscellaneous.....	99.1	.3	.6	100.0	.3
No 1969 report ^{5/}	91.8	3.6	4.6	100.0	18.5
Unclassified (1969 sales under \$2,500).....	94.1	2.2	3.7	100.0	2.2
Total.....	91.9	3.6	<u>Percent</u> 4.5	100.0	100.0
Total amount.....	30,079	1,163	<u>Million dollars</u> 1,473	32,715	1,473

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (4). ^{2/} See appendix table 2 for specific expense items. ^{3/} Descriptions of farm type classifications are available in (4, pp. 10-11). ^{4/} Contractors who had production contracts with farm operators under which the contractors financed or provided certain farm operating expenses such as feed, chicks, feeder livestock, seed, fertilizer, and labor. ^{5/} See ^{3/} in text.

Appendix table 5--Total cash farm operating expenses financed by operators, landlords, and contractors, and distribution of total contractor expenses, by sales class and operator classifications, 1970 ^{1/}

Classifications	Cash farm operating expenses ^{2/}				Distribution of total contractor expenses ^{3/}
	Operators	Landlords	Contractors ^{3/}	Total	
	Percent				
Sales class					
\$100,000 or more.....	92.9	1.3	5.8	100.0	48.9
40,000 - 99,999.....	88.9	4.8	6.3	100.0	33.5
20,000 - 39,999.....	91.6	5.6	2.8	100.0	10.9
10,000 - 19,999.....	93.2	5.3	1.6	100.0	3.6
5,000 - 9,999.....	93.4	4.6	2.0	100.0	2.3
2,500 - 4,999.....	95.9	3.4	.7	100.0	.4
50 - 2,499.....	97.8	1.8	.5	100.0	.1
Part time.....	97.3	2.2	.4	100.0	.1
Part retirement.....	97.9	1.1	1.0	100.0	.1
Tenure of operator					
Full owner.....	91.6	0.0	8.4	100.0	69.7
Part owner.....	93.8	3.7	2.5	100.0	26.5
Tenant.....	86.5	12.3	1.2	100.0	3.8
Age of operator...					
Under 35 years.....	90.4	6.5	3.0	100.0	6.7
35 - 44.....	90.6	4.2	5.2	100.0	24.4
45 - 54.....	91.8	3.1	5.1	100.0	30.4
55 - 64.....	93.6	2.5	3.9	100.0	15.5
65 and over.....	92.5	1.5	3.3	100.0	4.6
No 1969 report ^{4/}	91.8	3.6	4.6	100.0	18.5
Total.....	91.9	3.6	4.5	100.0	100.0
Total amount.....	30,079	1,163	1,473	32,715	1,473

Note: Figures may not add to totals because of roundings.

^{1/} For 49 States, excluding Alaska (^{4/}). ^{2/} See appendix table 2 for specific expenditures.
^{3/} See ^{4/} on appendix table 4. ^{4/} See ^{3/} in text.