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DELINQUENT FARM LOANS AT INSURED COMMERCIAL BANKS,  
DELINQUENT LOANS AT RURAL BANKS,  
AND  
LOAN-LOSS, PROFIT, AND CAPITAL RATIOS AT AGRICULTURAL BANKS

Preliminary Estimates for 1983

Data for U.S. and States

WAITE MEMORIAL BOOK COLLECTION  
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## DELINQUENT FARM LOANS AT INSURED COMMERCIAL BANKS

On December 31, 1982, and quarterly thereafter, insured commercial banks have reported the outstanding amounts of farm and other delinquent loans. Every bank was required to report the total amount of loans and lease financing receivables in each of four delinquent categories. Not all banks, however, were required to report separately the amounts of farm, business, and other types of loans in each of the four delinquent categories; in addition, not all banks were required to report farm loans separately in any of the four categories. Thus great care must be used in citing these data and in drawing comparisons, not only among types of loans and groups of banks, but also among regional and other groupings that may be correlated with the reporting requirements.

This report presents final data from the first four quarterly reports and also estimates from reports submitted as of December 31, 1983. The latter are based on reports from nearly all banks which have been reviewed for obvious errors such as those introduced in key-entry of data. However, because not all reports are yet available and other errors will be found and corrected during further processing, final data may differ from these estimates.

Data for December 1983 are particularly useful because they provide the first year-over-year comparison, and thus the first definitive indication of ongoing trends. Because these data were not collected in earlier years, it is difficult to know whether the quarterly changes observed during 1983 reflect seasonal patterns or other developments; a definitive indication of normal seasonal patterns must await the accumulation of data covering several more years. Also, lack of comparable data for earlier years severely constrains analyses of the data now available. It is difficult to assess the relative problem posed by current levels of delinquent loans without information on levels experienced during earlier periods of farm and business prosperity and recession.

Past due loans. Only banks at which farm production loans (loans to finance agricultural production and other loans to farmers not secured by real estate) exceeded 1 percent of total loans were required to report the amount of past due farm production loans that were still accruing interest. Nationally, such banks accounted for 96 percent of total farm production loans at all banks (Table 2). On December 31, 1983, 2.5 percent of the outstanding amount of farm production loans at the reporting banks was past due 30 through 89 days, and 1.2 percent was past due 90 days or more (Table 1, first panel). These percentages may be compared with data for business and total loans at the same banks (Table 1, second and third panels).

All banks were required to report past due business loans and total loans that were accruing interest (last two panels of Table 1). These data are highly

(continued on page 9)

Table 1

Past due, nonaccrual, and renegotiated loans as a percentage of total loans  
Insured commercial banks

Date	Past due 30 to 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	Renegotiated "troubled" debt	Total
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BANKS AT WHICH FARM PRODUCTION LOANS EXCEED 1 PERCENT  
OF TOTAL LOANS

Farm production loans

			Mainly large banks		
December 31, 1982....	2.6	1.2	3.5	.5	na
March 31, 1983.....	2.8	1.8	4.6	.4	na
June 30, 1983.....	1.3	1.3	4.2	.4	na
September 30, 1983...	1.4	1.2	4.7	.2	na
December 31, 1983....	2.5	1.2	5.3	.3	na

Commercial and industrial loans

			Mainly large banks		
December 31, 1982....	3.1	1.4	3.6	.7	na
March 31, 1983.....	2.9	1.5	4.2	.9	na
June 30, 1983.....	2.5	1.2	4.5	.9	na
September 30, 1983...	2.6	1.5	4.6	.8	na
December 31, 1983....	2.6	1.2	4.3	.4	na

Total loans\*

December 31, 1982....	2.8	1.3	1.9	.4	6.4
March 31, 1983.....	2.7	1.5	2.2	.3	6.7
June 30, 1983.....	2.3	1.3	2.2	.4	6.1
September 30, 1983...	2.3	1.3	2.2	.3	6.1
December 31, 1983....	2.6	1.1	2.2	.2	6.1

ALL BANKS

Commercial and industrial loans

			Mainly large banks		
December 31, 1982....	2.3	1.1	3.2	.5	na
March 31, 1983.....	2.3	1.1	3.8	.5	na
June 30, 1983.....	2.0	1.1	4.1	.5	na
September 30, 1983...	2.0	1.2	4.3	.5	na
December 31, 1983....	2.1	1.0	3.9	.3	na

Total loans\*

December 31, 1982....	2.3	1.0	1.9	.4	5.7
March 31, 1983.....	2.3	1.1	2.2	.4	6.0
June 30, 1983.....	1.9	1.0	2.2	.4	5.5
September 30, 1983...	1.9	1.0	2.2	.3	5.5
December 31, 1983....	2.1	.9	2.0	.2	5.3

\* Includes lease financing receivables.

Table 2

Comparative number and farm loan volume of banks reporting delinquent farm production loans

September 30, 1983

States and areas in which farm production loans at banks generally exceed \$25 million	Number of banks--			Farm production loans-- (millions of dollars)		
	Total	At which farm production loans exceed 1 percent of total loans		Total	At banks at which farm production loans exceed 1 percent of total loans	
		Total	Mainly large banks		Total	Mainly large banks
United States.....	14,426	9,060	1,348	39,103	37,444	13,640
New England.....	314	29	10	110	63	36
Alabama.....	282	206	17	269	254	59
Arizona.....	35	10	6	440	439	438
Arkansas.....	258	213	18	519	514	87
California.....	396	58	22	4,195	4,133	4,051
Colorado.....	396	188	58	888	881	401
Delaware.....	26	6	3	28	22	21
Florida.....	438	97	24	202	145	79
Georgia.....	398	270	87	335	312	117
Idaho.....	27	22	7	579	579	463
Illinois.....	1,248	789	132	2,602	2,407	611
Indiana.....	392	319	45	1,098	1,061	274
Iowa.....	637	623	55	3,879	3,877	542
Kansas.....	622	563	26	2,270	2,269	185
Kentucky.....	336	264	27	667	659	200
Louisiana.....	286	138	14	378	365	89
Maryland.....	90	32	10	73	41	19
Michigan.....	373	185	40	544	489	211
Minnesota.....	755	587	31	2,366	2,322	275
Mississippi.....	164	134	20	472	466	178
Missouri.....	735	528	133	1,523	1,501	508
Montana.....	167	145	20	685	683	167
Nebraska.....	464	445	18	3,044	3,042	443
New Mexico.....	92	51	10	219	215	112
New York.....	199	82	22	785	259	171
North Carolina...	71	45	25	334	301	282
North Dakota.....	176	171	15	976	975	146
Ohio.....	345	221	40	618	592	262
Oklahoma.....	523	399	31	1,254	1,239	282
Oregon.....	83	46	39	359	358	351
Pennsylvania.....	334	118	37	346	292	212
South Carolina...	71	47	6	86	67	33
South Dakota.....	146	144	11	1,333	1,333	555
Tennessee.....	336	245	97	395	365	176
Texas.....	1,700	890	102	2,682	2,494	697
Utah.....	60	30	6	103	93	64
Virginia.....	197	98	16	244	206	113
Washington.....	100	54	8	702	697	559
West Virginia....	235	48	14	30	27	8
Wisconsin.....	612	428	38	1,143	1,118	116
Wyoming.....	111	79	5	279	277	37

Only banks at which farm production loans exceeded 1 percent of total loans were required to report delinquent farm production loans. Of this group, only banks with total assets of \$100 million or more (as well as banks with foreign branches, foreign subsidiaries, or Edge Act subsidiaries) were required to report nonaccrued or renegotiated farm production loans. However, some smaller banks also reported such loans; therefore, the banks providing such data are herein referred to as "mainly large banks."

Table 3

Past due, nonaccrual, and renegotiated farm production loans  
as a percentage of total farm production loans

Insured commercial banks at which farm production loans  
exceed 1 percent of total loans

December 31, 1983

States and areas in which farm production loans at banks generally exceed \$25 million	Past due 30 to 89 days and still accruing	Past due 90 days or more and still accruing	Mainly large banks		Addendum: Percentage of farm produc- tion loans at "mainly large banks"
			Nonaccrual	Renegotiated "troubled" debt	
United States.....	2.5	1.2	5.3	.3	35
New England.....	1.7	.6	.3	.0	32
Alabama.....	3.5	.8	7.4	1.2	22
Arizona.....	1.2	1.2	10.8	.0	99
Arkansas.....	3.1	1.1	3.7	.4	17
California.....	6.7	2.3	9.8	.3	97
Colorado.....	2.0	1.9	4.0	.4	45
Delaware.....	.0	.3	.0	.0	74
Florida.....	7.6	.6	2.2	.1	39
Georgia.....	4.5	1.7	1.2	.4	35
Idaho.....	1.7	.7	2.1	.1	80
Illinois.....	1.1	.8	1.6	.9	23
Indiana.....	1.8	1.3	3.2	.4	25
Iowa.....	1.7	.9	3.6	.1	14
Kansas.....	1.6	1.0	3.4	.2	8
Kentucky.....	1.7	1.2	2.0	.0	30
Louisiana.....	4.9	1.6	1.2	4.3	23
Maryland.....	1.7	.6	.6	.0	26
Michigan.....	1.7	1.4	2.1	.5	39
Minnesota.....	2.3	1.2	4.9	.6	12
Mississippi.....	2.7	1.1	2.3	.0	38
Missouri.....	2.2	1.0	2.5	.0	33
Montana.....	4.3	1.2	3.6	.0	24
Nebraska.....	1.5	.8	4.1	.2	15
New Mexico.....	2.5	.4	4.3	.0	51
New York.....	.9	.7	1.7	.0	22
North Carolina...	10.2	.9	.6	.0	85
North Dakota.....	4.2	1.3	5.1	.1	15
Ohio.....	1.6	1.0	6.8	.9	42
Oklahoma.....	1.3	.9	1.3	.4	23
Oregon.....	4.0	2.1	3.5	.1	98
Pennsylvania.....	3.3	.8	6.1	.9	61
South Carolina...	3.3	.6	4.9	.0	38
South Dakota.....	1.9	.7	5.4	.2	42
Tennessee.....	3.7	1.5	1.8	.6	45
Texas.....	1.2	.7	2.5	.1	26
Utah.....	4.6	1.3	3.1	.0	63
Virginia.....	1.7	.4	.9	.2	46
Washington.....	2.1	1.1	2.9	.0	80
West Virginia....	1.2	2.1	.0	.0	26
Wisconsin.....	2.1	1.8	2.2	.0	10
Wyoming.....	1.1	1.1	.6	2.4	13

Table 4

Farm production loans past due 30 through 89 days  
as a percentage of total farm production loans

Insured commercial banks at which farm production loans  
exceed 1 percent of total loans

States and areas in which farm production loans at banks generally exceed \$25 million	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
United States.....	2.6	2.8	1.3	1.4	2.5
New England.....	9.5	1.6	1.6	1.2	1.7
Alabama.....	5.2	2.0	1.6	1.7	3.5
Arizona.....	4.4	12.7	3.0	2.2	1.2
Arkansas.....	4.0	2.0	1.5	1.5	3.1
California.....	6.0	6.3	2.2	3.1	6.7
Colorado.....	1.9	3.1	1.2	1.5	2.0
Delaware.....	.1	.8	.1	.6	.0
Florida.....	1.9	1.9	1.4	2.0	7.6
Georgia.....	4.5	2.7	1.8	2.1	4.5
Idaho.....	2.6	3.6	2.0	.7	1.7
Illinois.....	1.2	1.9	1.0	.8	1.1
Indiana.....	1.5	2.2	1.1	1.1	1.8
Iowa.....	1.5	2.2	1.1	1.0	1.7
Kansas.....	1.1	1.0	.9	1.5	1.6
Kentucky.....	1.6	1.7	.9	1.0	1.7
Louisiana.....	7.2	4.1	1.3	.8	4.7
Maryland.....	2.3	2.2	1.0	1.2	1.7
Michigan.....	1.5	1.8	1.5	1.2	1.7
Minnesota.....	2.3	2.4	1.1	1.4	2.3
Mississippi.....	3.7	2.9	1.7	1.5	2.7
Missouri.....	1.9	1.7	1.5	1.7	2.2
Montana.....	4.3	2.3	2.1	1.0	4.3
Nebraska.....	1.4	2.0	.9	.9	1.5
New Mexico.....	3.2	2.0	1.9	.9	2.5
New York.....	.5	1.6	1.7	1.2	.9
North Carolina...	2.6	1.1	.6	1.2	10.2
North Dakota.....	3.9	3.8	1.1	1.0	4.2
Ohio.....	1.7	2.8	1.4	1.1	1.6
Oklahoma.....	1.2	1.3	2.3	2.1	1.3
Oregon.....	8.5	5.9	1.2	1.8	4.0
Pennsylvania.....	3.3	5.0	1.9	2.4	3.3
South Carolina...	3.7	1.5	.7	.9	3.3
South Dakota.....	2.3	1.9	1.2	.9	1.9
Tennessee.....	3.4	2.0	1.9	1.8	3.7
Texas.....	2.0	2.3	.9	1.1	1.2
Utah.....	3.8	2.8	2.4	2.5	4.6
Virginia.....	1.3	1.6	1.4	1.0	1.7
Washington.....	4.3	3.0	.9	1.1	2.1
West Virginia....	1.4	3.3	1.6	3.3	1.2
Wisconsin.....	1.9	2.4	1.2	1.5	2.1
Wyoming.....	4.0	1.5	.8	1.1	1.1

Table 5

Farm production loans past due 90 days or more  
as a percentage of total farm production loans

Insured commercial banks at which farm production loans  
exceed 1 percent of total loans

States and areas in which farm production loans at banks generally exceed \$25 million	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
United States.....	1.2	1.8	1.3	1.2	1.2
New England.....	1.0	.6	1.6	.5	.6
Alabama.....	1.9	2.4	1.1	1.2	.8
Arizona.....	.2	1.0	1.0	2.0	1.2
Arkansas.....	1.0	2.9	1.6	1.3	1.1
California.....	2.9	4.4	2.4	1.8	2.3
Colorado.....	1.4	1.7	1.4	1.3	1.9
Delaware.....	1.8	1.8	1.1	.3	.3
Florida.....	1.8	1.7	.7	1.0	.6
Georgia.....	1.6	2.5	2.0	2.1	1.7
Idaho.....	1.2	1.8	1.1	.8	.7
Illinois.....	.9	1.2	1.1	.9	.8
Indiana.....	1.2	1.7	1.3	1.4	1.3
Iowa.....	.7	1.2	1.2	1.0	.9
Kansas.....	.7	.9	.8	1.1	1.0
Kentucky.....	1.5	1.1	.9	.8	1.2
Louisiana.....	1.4	4.4	2.7	1.7	1.6
Maryland.....	.6	.8	.8	.6	.6
Michigan.....	1.1	1.6	1.1	1.1	1.4
Minnesota.....	1.0	1.5	1.5	1.4	1.2
Mississippi.....	1.6	3.2	2.1	1.4	1.1
Missouri.....	1.3	1.4	.9	1.1	1.0
Montana.....	1.1	2.4	1.8	1.7	1.2
Nebraska.....	.5	1.0	.9	.9	.8
New Mexico.....	.6	1.7	1.3	2.4	.4
New York.....	.5	1.0	.8	1.2	.7
North Carolina...	.8	.6	.4	.3	.9
North Dakota.....	1.1	2.5	1.4	1.2	1.3
Ohio.....	1.5	1.3	1.3	1.3	1.0
Oklahoma.....	.7	.8	.7	.9	.9
Oregon.....	3.4	5.2	3.6	2.9	2.1
Pennsylvania.....	2.2	1.4	1.4	1.2	.8
South Carolina...	.8	.8	.5	.7	.6
South Dakota.....	.9	1.2	.8	.8	.7
Tennessee.....	1.4	2.1	1.5	1.4	1.5
Texas.....	1.0	1.4	.7	.7	.7
Utah.....	2.2	3.1	1.5	1.7	1.3
Virginia.....	.7	1.1	.6	.5	.4
Washington.....	1.4	2.6	1.4	1.2	1.1
West Virginia....	.4	1.1	.9	1.4	2.1
Wisconsin.....	1.8	2.0	1.9	2.0	1.8
Wyoming.....	1.1	2.6	1.4	1.3	1.1



Table 6

Nonaccrual farm production loans as a percentage  
of total farm production loans

Mainly large insured commercial banks at which farm production loans  
exceed 1 percent of total loans

States and areas in which farm production loans at banks generally exceed \$25 million	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
United States.....	3.5	4.6	4.2	4.7	5.3
New England.....	11.1	.4	.2	.3	.3
Alabama.....	6.3	7.1	4.9	6.6	7.4
Arizona.....	6.2	7.2	7.4	6.9	10.8
Arkansas.....	1.2	1.0	2.8	2.9	3.7
California.....	5.6	7.9	6.9	8.4	9.8
Colorado.....	2.0	3.0	2.3	3.0	4.0
Delaware.....	.0	.0	.0	.0	.0
Florida.....	2.0	2.5	2.5	2.2	2.2
Georgia.....	.8	.8	1.0	1.2	1.2
Idaho.....	1.3	2.1	2.0	1.4	2.1
Illinois.....	.9	1.8	1.5	1.7	1.6
Indiana.....	1.8	3.3	3.7	3.5	3.2
Iowa.....	2.5	2.6	3.0	3.5	3.6
Kansas.....	.4	1.0	1.4	1.5	3.4
Kentucky.....	.3	.5	.7	1.3	2.0
Louisiana.....	.3	.9	.6	.9	1.2
Maryland.....	.0	1.0	.7	.3	.6
Michigan.....	1.2	1.1	1.0	1.2	2.1
Minnesota.....	6.5	4.9	4.4	4.0	4.9
Mississippi.....	2.6	4.0	3.8	3.2	2.3
Missouri.....	1.3	1.8	3.2	3.5	2.5
Montana.....	1.0	1.6	1.8	1.6	3.6
Nebraska.....	1.6	3.1	3.0	2.7	4.1
New Mexico.....	3.9	6.8	6.7	4.3	4.3
New York.....	.4	.8	1.0	.8	1.7
North Carolina...	.8	1.2	.6	1.2	.6
North Dakota.....	3.9	5.2	6.6	6.5	5.1
Ohio.....	8.0	8.0	7.1	6.7	6.8
Oklahoma.....	1.1	1.7	2.2	1.9	1.3
Oregon.....	3.2	3.9	3.1	3.1	3.5
Pennsylvania.....	3.4	4.8	8.0	6.6	6.1
South Carolina...	1.0	3.7	4.2	4.6	4.9
South Dakota.....	3.6	3.9	4.4	4.7	5.4
Tennessee.....	1.3	.8	1.0	2.2	1.8
Texas.....	3.0	3.3	2.7	3.4	2.5
Utah.....	12.4	14.8	3.1	3.1	3.1
Virginia.....	.0	.3	.3	.3	.9
Washington.....	3.3	4.6	2.6	2.9	2.9
West Virginia....	.0	.0	.0	.5	.0
Wisconsin.....	.9	1.8	1.6	1.5	2.2
Wyoming.....	.8	.2	3.8	4.4	.6

comparable with the data on farm loans, because the banks required to report past due farm loans accounted for most farm lending.

Nonaccrual loans. Of the banks at which farm production loans exceeded 1 percent of total loans, only banks with total assets of \$100 million or more were required to report the amounts of farm and business loans in nonaccrual status as well as the amounts of "troubled" loans that had been renegotiated. However, some smaller banks elected to report these data as well; therefore, the group that reported these items is herein called "mainly large banks." These banks accounted for only 35 percent of total farm production loans at all banks, of which a disproportionate amount--nearly one-third--was in California (Table 2). Therefore, relative amounts of nonaccrual and renegotiated farm loans at the "mainly large banks" are not representative of experience with farm loans at banks in general.

That caution stems from the maldistribution of the banks required to report nonaccrual and renegotiated farm loans and is applicable regardless of the data reported. At this time, however, it needs special emphasis because banks in California reported an unusually high proportion--9.8 percent--of farm production loans in nonaccrual status (Table 3). With California included, 5.3 percent of farm production loans at the "mainly large banks" was in nonaccrual status on December 31, 1983. Excluding California, the proportion was 3.4 percent.

The same caution applies when citing the proportions of nonaccrual and renegotiated farm loans in particular states. The last column of Table 3 provides a guide which indicates that in only a few states--Arizona, California, Idaho, North Carolina, Oregon, and Washington--do the "mainly large banks" account for most of farm lending. In other states, the farm lending experience reported by these banks may or may not be indicative of average experience at all banks in the state.

#### DELINQUENT LOANS AT RURAL BANKS

All banks were required to report their total amounts of each of the four categories of delinquent loans, as summarized in the last panel of Table 1. To observe how the experience of rural banks differed from those of other banks, as well as to provide indications of the probable impact of farm lending on such experience, Tables 8 through 14 present data for banks grouped into 18 classes according to the relative importance of farm loans (including farm mortgage loans) in their loan portfolio. To aid in assessing these data, Table 7 shows the number and average size of the banks in each class, and also the amount and relative importance of their farm and total loans.

Table 7

Comparative number, size, and farm and total loan volume of banks in classes for which data on total delinquent loans are shown in Tables 8 through 14

Insured commercial banks  
September 30, 1983

Banks by size and by farm loan ratio	Number of banks	Average assets, millions of dollars	Billions of dollars			Percentage of total		
			Farm produc- tion loans	Total farm loans	Total loans*	Farm produc- tion loans	Total farm loans	Total loans*
All banks.....	14,426	134	39.1	48.2	1,085.6	100.0	100.0	100.0
<b>Total assets:</b>								
\$500 million or more.....	425	2,842	9.1	10.7	703.7	23.4	22.2	64.8
Less than \$500 million...	14,001	52	30.0	37.5	381.8	76.6	77.8	35.2
<b>Banks with total assets less than \$500 million—</b>								
<b>Farm loans as percentage of total loans at bank:</b>								
Under 1.....	4,181	76	.1	.3	170.2	.4	.6	15.7
1 to 4.....	2,000	67	1.0	1.7	70.1	2.5	3.5	6.5
5 to 9.....	1,261	54	1.7	2.6	35.7	4.4	5.4	3.3
10 to 14.....	922	44	1.8	2.6	21.0	4.6	5.3	1.9
15 to 19.....	821	41	2.2	3.0	17.3	5.6	6.2	1.6
20 to 24.....	631	37	2.0	2.7	12.0	5.2	5.6	1.1
25 to 29.....	595	35	2.4	3.0	10.9	6.0	6.3	1.0
30 to 34.....	536	31	2.2	2.8	8.7	5.5	5.9	.8
35 to 39.....	491	29	2.2	2.7	7.2	5.6	5.6	.7
40 to 44.....	430	26	2.1	2.5	5.8	5.4	5.1	.5
45 to 49.....	384	25	1.9	2.3	4.8	4.9	4.7	.4
50 to 54.....	347	23	1.9	2.2	4.1	4.8	4.5	.4
55 to 59.....	318	21	1.8	2.0	3.5	4.6	4.2	.3
60 to 64.....	318	21	1.9	2.1	3.4	4.9	4.4	.3
65 to 69.....	267	18	1.6	1.7	2.6	4.1	3.6	.2
70 to 74.....	202	18	1.3	1.4	1.9	3.4	2.9	.2
75 to 79.....	149	16	.9	1.0	1.3	2.4	2.1	.1
80 and over.....	148	15	.9	.9	1.1	2.3	1.9	.1

\* Includes lease financing receivables.

Table B

Past due, nonaccrual, and renegotiated loans as a percentage of total loans\*

Insured commercial banks  
December 31, 1983

Banks by size and by farm loan ratio	Past due 30 to 89 days and still accruing	Past due 90 days or more and still accruing	Nonaccrual	Renegotiated "troubled" debt	Total
All banks.....	2.1	.9	2.0	.2	5.3
<b>Total assets:</b>					
\$500 million or more.....	2.1	.7	2.5	.3	5.5
Less than \$500 million...	2.2	1.2	1.1	.2	4.8
<b>Banks with total assets less than \$500 million--</b>					
<b>Farm loans as percentage   of total loans at bank:</b>					
Under 1.....	2.1	1.1	1.1	.2	4.5
1 to 4.....	2.2	1.1	1.1	.2	4.6
5 to 9.....	2.4	1.3	1.1	.2	5.0
10 to 14.....	2.5	1.3	1.1	.2	5.1
15 to 19.....	2.6	1.5	1.2	.2	5.5
20 to 24.....	2.6	1.6	1.1	.2	5.5
25 to 29.....	2.5	1.6	1.1	.2	5.4
30 to 34.....	2.5	1.7	1.1	.1	5.4
35 to 39.....	2.3	1.7	1.2	.3	5.5
40 to 44.....	2.4	1.7	1.5	.2	5.8
45 to 49.....	2.2	1.4	1.2	.1	5.0
50 to 54.....	2.2	1.6	1.8	.2	5.7
55 to 59.....	1.9	1.5	1.1	.1	4.6
60 to 64.....	2.0	1.3	1.4	.1	4.9
65 to 69.....	2.0	1.4	1.1	.1	4.6
70 to 74.....	1.8	1.2	1.1	.2	4.3
75 to 79.....	1.7	1.4	1.4	.1	4.6
80 and over.....	1.7	1.0	.8	.1	3.6

\* Includes lease financing receivables.

Table 9

Total past due, nonaccrual, and renegotiated loans  
as a percentage of total loans\*

## Insured commercial banks

Banks by size and by farm loan ratio	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
All banks.....	5.7	6.0	5.5	5.5	5.3
Total assets:					
\$500 million or more.....	5.9	6.4	5.9	5.9	5.5
Less than \$500 million...	5.2	5.3	4.8	4.8	4.8
Banks with total assets less than \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	5.4	5.3	4.7	4.7	4.5
1 to 4.....	4.9	5.1	4.8	4.8	4.6
5 to 9.....	5.1	5.2	5.0	4.9	5.0
10 to 14.....	5.4	5.6	5.2	5.0	5.1
15 to 19.....	5.4	5.6	5.2	5.1	5.5
20 to 24.....	5.5	5.5	5.1	5.2	5.5
25 to 29.....	5.0	5.5	4.9	5.5	5.4
30 to 34.....	5.2	5.5	5.1	5.2	5.4
35 to 39.....	5.1	5.9	4.9	4.9	5.5
40 to 44.....	5.0	5.8	4.9	5.1	5.8
45 to 49.....	4.8	5.4	5.5	5.0	5.0
50 to 54.....	4.7	5.4	4.5	5.1	5.7
55 to 59.....	4.0	4.7	4.0	4.5	4.6
60 to 64.....	3.8	4.6	3.5	4.3	4.9
65 to 69.....	4.2	4.5	3.9	4.1	4.6
70 to 74.....	3.4	4.4	3.6	4.7	4.3
75 to 79.....	3.3	3.7	3.2	3.6	4.6
80 and over.....	2.4	3.1	2.7	3.1	3.6

\* Includes lease financing receivables.

Table 10

Total loans past due 30 days or more as a percentage of total loans\*

## Insured commercial banks

Banks by size and by farm loan ratio	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
All banks.....	3.4	3.4	2.9	2.9	3.0
Total assets:					
\$500 million or more.....	3.0	3.1	2.6	2.7	2.8
Less than \$500 million...	4.0	4.0	3.5	3.4	3.4
Banks with total assets less than \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	4.0	3.8	3.4	3.3	3.1
1 to 4.....	3.7	3.8	3.3	3.3	3.3
5 to 9.....	4.1	4.1	3.8	3.6	3.7
10 to 14.....	4.3	4.3	3.8	3.6	3.8
15 to 19.....	4.4	4.3	3.8	3.7	4.1
20 to 24.....	4.6	4.4	3.9	3.9	4.2
25 to 29.....	4.2	4.4	3.8	4.1	4.0
30 to 34.....	4.2	4.3	3.9	3.9	4.2
35 to 39.....	4.1	4.5	3.5	3.5	4.0
40 to 44.....	4.1	4.5	3.5	3.6	4.1
45 to 49.....	3.9	4.4	4.1	3.7	3.7
50 to 54.....	3.7	4.3	3.3	3.7	3.7
55 to 59.....	3.4	3.9	3.1	3.3	3.4
60 to 64.....	3.2	3.9	2.7	3.1	3.4
65 to 69.....	3.4	3.5	2.8	3.0	3.4
70 to 74.....	2.8	3.7	2.6	3.5	3.0
75 to 79.....	2.9	2.9	2.3	2.5	3.1
80 and over.....	2.1	2.7	2.0	2.4	2.7

\* Includes lease financing receivables.

Table 11

Total loans past due 30 through 89 days as a percentage of total loans\*

## Insured commercial banks

Banks by size and by farm loan ratio	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
All banks.....	2.3	2.3	1.9	1.9	2.1
Total assets:					
\$500 million or more.....	2.2	2.2	1.8	1.8	2.1
Less than \$500 million...	2.5	2.5	2.1	2.1	2.2
Banks with total assets less than \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	2.6	2.5	2.1	2.1	2.1
1 to 4.....	2.5	2.5	2.1	2.1	2.2
5 to 9.....	2.6	2.6	2.3	2.2	2.4
10 to 14.....	2.7	2.6	2.3	2.2	2.5
15 to 19.....	2.7	2.7	2.3	2.2	2.6
20 to 24.....	2.9	2.6	2.2	2.3	2.6
25 to 29.....	2.6	2.5	2.2	2.3	2.5
30 to 34.....	2.5	2.4	2.1	2.1	2.5
35 to 39.....	2.4	2.6	1.9	1.9	2.3
40 to 44.....	2.4	2.5	1.8	1.8	2.4
45 to 49.....	2.1	2.4	2.1	1.9	2.2
50 to 54.....	2.2	2.4	1.6	1.8	2.2
55 to 59.....	2.0	2.2	1.6	1.7	1.9
60 to 64.....	1.9	2.2	1.4	1.5	2.0
65 to 69.....	2.0	1.9	1.4	1.6	2.0
70 to 74.....	1.7	2.1	1.2	1.9	1.8
75 to 79.....	1.8	1.6	1.2	1.4	1.7
80 and over.....	1.3	1.5	1.0	1.2	1.7

\* Includes lease financing receivables.

Table 12

Total loans past due 90 days or more as a percentage of total loans\*

## Insured commercial banks

Banks by size and by farm loan ratio	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
All banks.....	1.0	1.1	1.0	1.0	.9
Total assets:					
\$500 million or more.....	.8	.9	.8	.9	.7
Less than \$500 million...	1.4	1.5	1.4	1.3	1.2
Banks with total assets less than \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	1.4	1.3	1.2	1.2	1.1
1 to 4.....	1.2	1.3	1.2	1.2	1.1
5 to 9.....	1.5	1.5	1.4	1.4	1.3
10 to 14.....	1.6	1.7	1.5	1.4	1.3
15 to 19.....	1.7	1.7	1.5	1.5	1.5
20 to 24.....	1.7	1.8	1.6	1.7	1.6
25 to 29.....	1.6	1.9	1.6	1.9	1.6
30 to 34.....	1.7	1.9	1.8	1.8	1.7
35 to 39.....	1.7	1.9	1.6	1.6	1.7
40 to 44.....	1.7	1.9	1.7	1.7	1.7
45 to 49.....	1.7	2.0	2.0	1.7	1.4
50 to 54.....	1.5	1.9	1.7	1.9	1.6
55 to 59.....	1.4	1.7	1.6	1.5	1.5
60 to 64.....	1.3	1.7	1.3	1.6	1.3
65 to 69.....	1.4	1.6	1.4	1.3	1.4
70 to 74.....	1.1	1.6	1.4	1.6	1.2
75 to 79.....	1.1	1.3	1.0	1.1	1.4
80 and over.....	.8	1.2	1.0	1.2	1.0

\* Includes lease financing receivables.



Table 13

## Total nonaccrual loans as a percentage of total loans\*

## Insured commercial banks

Banks by size and by farm loan ratio	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
All banks.....	1.9	2.2	2.2	2.2	2.0
Total assets:					
\$500 million or more.....	2.4	2.8	2.8	2.7	2.5
Less than \$500 million...	1.0	1.2	1.2	1.2	1.1
Banks with total assets less than \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	1.2	1.3	1.2	1.2	1.1
1 to 4.....	1.0	1.1	1.3	1.3	1.1
5 to 9.....	.8	.9	1.0	1.1	1.1
10 to 14.....	.9	1.1	1.2	1.1	1.1
15 to 19.....	.9	1.2	1.2	1.2	1.2
20 to 24.....	.8	1.0	1.1	1.1	1.1
25 to 29.....	.7	1.0	1.0	1.2	1.1
30 to 34.....	.8	1.1	1.0	1.2	1.1
35 to 39.....	.8	1.2	1.1	1.1	1.2
40 to 44.....	.8	1.1	1.2	1.2	1.5
45 to 49.....	.8	.9	1.2	1.2	1.2
50 to 54.....	.8	.9	1.0	1.3	1.8
55 to 59.....	.5	.8	.8	1.1	1.1
60 to 64.....	.6	.7	.7	1.1	1.4
65 to 69.....	.7	.9	.9	1.0	1.1
70 to 74.....	.5	.6	.9	1.0	1.1
75 to 79.....	.4	.6	.8	1.0	1.4
80 and over.....	.2	.3	.5	.6	.8

\* Includes lease financing receivables.

Table 14

## Total renegotiated "troubled" debt as a percentage of total loans\*

## Insured commercial banks

Banks by size and by farm loan ratio	12/31/82	3/31/83	6/30/83	9/30/83	12/31/83
All banks.....	.4	.4	.4	.3	.2
Total assets:					
\$500 million or more.....	.5	.5	.5	.4	.3
Less than \$500 million...	.2	.2	.2	.2	.2
Banks with total assets less than \$500 million--					
Farm loans as percentage of total loans at bank:					
Under 1.....	.2	.2	.2	.2	.2
1 to 4.....	.2	.2	.2	.2	.2
5 to 9.....	.2	.2	.2	.2	.2
10 to 14.....	.1	.2	.3	.2	.2
15 to 19.....	.1	.1	.2	.2	.2
20 to 24.....	.1	.1	.2	.1	.2
25 to 29.....	.2	.1	.2	.2	.2
30 to 34.....	.2	.2	.2	.3	.1
35 to 39.....	.2	.2	.3	.3	.3
40 to 44.....	.2	.3	.2	.3	.2
45 to 49.....	.2	.1	.2	.1	.1
50 to 54.....	.2	.2	.1	.1	.2
55 to 59.....	.1	.1	.1	.1	.1
60 to 64.....	.1	.1	.1	.1	.1
65 to 69.....	.2	.1	.2	.1	.1
70 to 74.....	.1	.1	.1	.1	.2
75 to 79.....	.0	.1	.1	.1	.1
80 and over.....	.1	.1	.1	.1	.1

\* Includes lease financing receivables.

(continued from page 9)

In general, the percentage of total loans delinquent at the smaller banks did not differ greatly with the degree to which the banks were involved in farm lending, and was only slightly lower at small than at large banks (Tables 8 and 9). Large banks had relatively more loans in nonaccrual status, but smaller banks had relatively more loans that were past due but still accruing interest (Tables 8 and 10-14).

#### LOAN-LOSS, PROFIT, AND CAPITAL RATIOS AT AGRICULTURAL BANKS

As already noted, analysis of the information on delinquent loans is hampered by lack of historical reference. In contrast, closely related data on the loan losses, profits, and capital of individual banks is available back to 1960, which permits the current situation of agricultural banks to be compared

(continued on page 28)

Table 15

Percentage distribution of agricultural banks by return to equity and provision for possible loan losses, 1983

Provision for loan losses as percentage of loans at bank	Net income as percentage of average equity at bank						
	Negative	0 to 4	5 to 9	10 to 14	15 to 19	20 to 24	25 and over
Under 0.10.....	.2	.7	3.2	7.7	6.3	2.3	.7
0.10 to 0.39....	.1	.7	2.8	8.1	6.8	1.8	.8
0.40 to 0.69....	.1	.7	2.7	6.8	4.4	1.3	.3
0.70 to 0.99....	.2	.4	2.4	5.0	2.9	.7	.2
1.00 to 2.49....	1.2	2.4	5.8	7.0	3.2	.7	.3
2.50 and over...	4.6	1.7	1.6	.8	.2	.0	.0

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Rate of return to equity is net income after taxes as a percentage of the average of equity at the beginning and end of 1983. Relative provision for possible loan losses is the provision for possible loan losses made in 1983 as a percentage of total loans outstanding on December 31.

**Table 16**  
**Loan loss rate at agricultural and other smaller banks**  
**(percent)**  
**(Banks with total assets under \$500 million)**

Farm loans as percentage of total loans at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Under 1.....	.4	.3	.2	.3	.4	.6	.6	.4	.3	.3	.4	.4	.6	.6
1 to 4.....	.3	.3	.2	.2	.3	.4	.4	.3	.3	.3	.4	.4	.6	.8
5 to 9.....	.3	.2	.2	.2	.3	.4	.3	.3	.3	.2	.4	.4	.6	.7
10 to 14.....	.3	.3	.2	.2	.3	.3	.3	.2	.3	.3	.4	.4	.7	.8
15 to 19.....	.2	.2	.2	.2	.3	.3	.3	.2	.2	.2	.3	.4	.6	.9
20 to 24.....	.2	.3	.2	.2	.3	.3	.2	.2	.2	.3	.3	.4	.7	.9
25 to 29.....	.3	.2	.2	.2	.3	.3	.3	.2	.2	.2	.3	.4	.6	.9
30 to 34.....	.2	.2	.2	.2	.3	.2	.3	.2	.2	.2	.4	.5	.6	1.0
35 to 39.....	.2	.3	.2	.2	.2	.2	.2	.2	.2	.2	.3	.4	.8	1.0
40 to 44.....	.3	.2	.1	.2	.2	.2	.2	.2	.2	.2	.3	.4	.6	.9
45 to 49.....	.3	.2	.2	.1	.3	.2	.2	.2	.2	.1	.3	.3	.8	.9
50 to 54.....	.3	.3	.1	.1	.2	.2	.2	.2	.2	.2	.4	.4	.8	1.1
55 to 59.....	.2	.2	.1	.1	.2	.2	.2	.2	.1	.1	.3	.5	.6	1.1
60 to 64.....	.2	.2	.1	.1	.2	.1	.2	.2	.2	.1	.3	.4	.7	.7
65 to 69.....	.3	.2	.1	.2	.2	.2	.2	.2	.2	.1	.2	.4	.7	1.0
70 to 74.....	.2	.1	.1	.0	.2	.1	.1	.2	.1	.1	.3	.4	.5	1.0
75 to 79.....	.1	.2	.1	.1	.2	.2	.2	.2	.1	.1	.2	.3	.9	.9
80 and over...	.2	.2	.1	.1	.2	.1	.2	.2	.2	.1	.3	.4	.7	.9
All banks.....	.3	.3	.2	.2	.4	.4	.4	.3	.3	.3	.4	.4	.6	.7
Under 25.....	.3	.3	.2	.2	.4	.5	.4	.3	.3	.3	.4	.4	.6	.7
25 and over...	.2	.2	.1	.2	.2	.2	.2	.2	.2	.2	.3	.4	.7	.9
Addendum: Annual provision for possible loan losses as a percentage of total loans outstanding on December 31														
All banks.....	.3	.3	.2	.3	.4	.5	.5	.4	.4	.4	.5	.5	.7	.8
Under 25.....	.3	.3	.2	.3	.4	.5	.5	.4	.4	.4	.5	.5	.7	.8
25 and over...	.3	.2	.2	.2	.3	.2	.3	.3	.3	.3	.4	.5	.8	1.1

Data are for banks with total assets under \$500 million, classified according to the ratio of total farm loans to total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Loan loss rate is losses charged to allowance for possible loan losses, less recoveries credited to allowance, as a percentage of total loans outstanding on December 31.

Table 17

**Rate of return to equity at agricultural and other smaller banks  
(percent)**

(Banks with total assets under \$500 million)

Farm loans as percentage of total loans at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Under 1.....	13	12	12	12	11	10	10	11	12	14	14	13	12	12
1 to 4.....	13	13	13	13	12	12	12	13	14	14	14	12	12	11
5 to 9.....	13	13	13	14	13	12	13	13	14	15	14	13	12	11
10 to 14.....	13	13	13	14	14	13	13	14	14	14	14	12	11	11
15 to 19.....	13	14	14	15	15	13	14	14	14	15	14	14	12	12
20 to 24.....	13	12	13	15	15	13	14	14	14	15	15	14	13	11
25 to 29.....	13	14	13	15	15	14	14	14	14	15	15	14	13	11
30 to 34.....	14	13	13	15	15	14	14	14	14	15	15	14	14	11
35 to 39.....	13	13	13	16	16	14	14	14	14	16	16	15	13	11
40 to 44.....	13	13	13	15	16	15	15	14	14	15	16	15	14	11
45 to 49.....	12	13	13	15	16	15	15	14	14	16	16	16	14	12
50 to 54.....	13	12	12	15	16	14	14	14	14	16	16	16	14	11
55 to 59.....	13	12	12	16	16	15	15	14	14	16	17	16	15	12
60 to 64.....	12	13	12	16	16	14	15	13	13	16	17	17	15	13
65 to 69.....	12	12	12	15	16	14	15	13	14	16	18	17	15	12
70 to 74.....	13	12	11	15	16	14	14	14	13	16	18	18	17	12
75 to 79.....	14	12	12	14	16	15	15	13	13	15	18	18	15	13
80 and over...	12	12	11	15	16	14	14	14	13	17	19	18	16	13
All banks.....	13	13	13	13	13	11	12	12	13	14	14	13	12	11
Under 25.....	13	13	13	13	12	11	11	12	13	14	14	13	12	11
25 and over...	13	13	13	15	16	14	14	14	14	16	16	15	14	11
Addendum: Rate of return to assets (net income after taxes as a percentage of total assets on December 31)														
All banks.....	.9	.9	.9	.9	.9	.8	.8	.9	.9	1.0	1.1	1.0	.9	.9
Under 25.....	.9	.9	.8	.9	.8	.8	.8	.8	.9	1.0	1.0	1.0	.9	.8
25 and over...	1.0	1.0	.9	1.0	1.1	1.0	1.1	1.1	1.1	1.2	1.3	1.3	1.2	1.0

Data are for banks with total assets under \$500 million, classified according to the ratio of total farm loans to total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Rate of return to equity is net income after taxes as a percentage of the average of equity at the beginning and end of the year.

**Table 18**  
**Capital ratio at agricultural and other smaller banks**  
**(percent)**  
 (Banks with total assets under \$500 million)

Farm loans as percentage of total loans at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Under 1.....	7.6	7.4	7.2	7.4	7.7	7.7	7.9	7.7	7.7	7.9	8.0	8.0	7.8	7.8
1 to 4.....	7.5	7.4	7.2	7.4	7.6	7.6	7.9	7.8	7.9	7.9	8.1	8.0	7.9	7.8
5 to 9.....	7.6	7.4	7.2	7.3	7.6	7.6	8.0	7.8	7.9	8.0	8.2	8.2	8.3	8.2
10 to 14.....	7.5	7.5	7.2	7.4	7.5	7.6	7.9	7.8	8.1	8.3	8.4	8.4	8.4	8.3
15 to 19.....	7.5	7.3	7.2	7.3	7.6	7.6	7.9	8.0	8.0	8.3	8.5	8.4	8.4	8.4
20 to 24.....	7.7	7.6	7.3	7.3	7.6	7.7	8.2	8.1	8.3	8.3	8.6	8.5	8.4	8.5
25 to 29.....	7.7	7.5	7.3	7.4	7.6	7.5	7.8	7.9	8.1	8.4	8.5	8.5	8.5	8.4
30 to 34.....	7.8	7.6	7.3	7.2	7.6	7.6	8.0	8.2	8.3	8.3	8.7	8.6	8.7	8.6
35 to 39.....	7.8	7.7	7.3	7.3	7.6	7.8	8.1	8.0	8.3	8.5	8.5	8.8	8.7	8.8
40 to 44.....	8.0	7.8	7.5	7.4	7.7	7.7	8.1	8.3	8.3	8.5	8.7	8.6	8.8	8.8
45 to 49.....	8.1	7.9	7.5	7.4	7.7	7.7	8.1	8.2	8.4	8.6	8.9	8.8	9.0	8.9
50 to 54.....	8.3	7.9	7.6	7.2	7.7	7.7	8.1	8.3	8.5	8.7	8.8	9.1	9.2	9.4
55 to 59.....	8.1	8.0	7.7	7.2	7.7	7.6	8.3	8.4	8.5	8.8	9.1	9.1	9.3	9.4
60 to 64.....	8.2	8.1	7.7	7.5	7.8	7.8	8.2	8.7	8.6	8.8	9.1	9.2	9.3	9.4
65 to 69.....	8.5	8.3	7.9	7.5	7.6	7.9	8.4	8.7	8.7	9.0	9.1	9.3	9.3	9.8
70 to 74.....	8.8	8.5	8.1	7.7	8.0	8.2	8.7	8.7	8.8	8.8	9.6	9.4	9.7	9.9
75 to 79.....	7.8	8.9	8.4	7.5	8.1	8.0	8.6	9.2	9.0	9.6	9.7	10.0	10.1	10.4
80 and over...	9.6	9.3	8.5	8.1	8.6	8.6	9.4	9.6	9.6	9.8	10.0	10.5	10.6	11.3
All banks.....	7.6	7.5	7.3	7.4	7.6	7.6	8.0	7.8	7.9	8.0	8.2	8.2	8.1	8.1
Under 25.....	7.5	7.4	7.2	7.3	7.5	7.6	7.9	7.8	7.8	8.0	8.1	8.1	8.0	7.9
25 and over...	8.0	7.9	7.5	7.4	7.7	7.7	8.1	8.3	8.4	8.6	8.8	8.9	8.9	9.0

Data are for banks with total assets under \$500 million, classified according to the ratio of total farm loans to total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Capital ratio is capital and surplus as a percentage of total assets on December 31.

Table 19

Percentage distribution of agricultural banks  
by annual provision for possible loan losses

Provision for loan losses as percentage of loans at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Under 0.10.....	49.0	50.6	54.3	52.5	49.0	50.6	44.8	50.1	43.0	37.8	33.1	31.4	25.3	21.2
0.10 to 0.39...	27.5	27.4	26.9	26.4	28.6	29.2	33.0	29.6	34.9	38.7	33.7	29.3	23.7	21.1
0.40 to 0.69...	13.5	13.3	12.0	13.5	13.5	12.9	13.8	11.8	12.1	13.4	16.6	18.6	18.2	16.2
0.70 to 0.99...	4.6	3.7	3.1	3.9	3.7	3.5	3.7	3.6	4.1	4.9	7.0	7.3	9.8	11.9
1.00 to 1.29...	1.9	2.0	1.3	1.6	1.9	1.6	1.9	2.0	2.3	2.0	3.9	4.7	6.9	7.6
1.30 to 1.59...	1.1	.9	1.0	.8	1.0	.8	1.0	1.1	1.3	1.4	1.7	2.3	4.2	4.5
1.60 to 1.89...	.8	.6	.6	.4	.8	.4	.4	.4	.7	.6	1.0	1.6	2.8	3.5
1.90 to 2.19...	.5	.5	.3	.3	.5	.3	.3	.4	.3	.4	.8	1.4	2.2	2.9
2.20 to 2.49...	.1	.2	.2	.1	.1	.1	.2	.2	.3	.3	.5	.8	1.7	2.1
2.50 to 4.99...	.8	.6	.2	.3	.7	.6	.6	.6	.8	.4	1.4	2.3	4.0	6.2
5.00 to 7.49...	.1	.0	.1	.1	.2	.1	.1	.2	.1	.2	.2	.3	.7	1.6
7.50 and over..	.1	.2	.1	.0	.1	.1	.1	.1	.1	.0	.2	.2	.5	1.3
All banks.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Banks are classified according to the ratio of the annual provision for possible loan losses to the total loans outstanding on December 31.

**Table 20**  
**Percentage distribution of agricultural banks**  
**by rate of return to equity**

Net income as percentage of average equity at bank	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Negative.....	1	1	1	0	1	2	1	1	1	1	1	2	3	7
0 to 4.....	5	5	6	2	2	4	4	4	3	2	2	3	5	6
5 to 9.....	24	26	28	12	12	15	14	16	14	8	9	11	15	18
10 to 14.....	43	41	43	39	34	38	41	45	47	36	31	31	33	36
15 to 19.....	21	20	18	33	34	30	31	27	28	38	36	33	29	24
20 to 24.....	5	4	4	10	13	9	8	5	6	12	15	13	11	7
25 and over...	2	2	1	4	5	2	2	1	1	3	6	7	4	2
All banks.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Banks are classified according to the ratio of net income after taxes to the average of equity at the beginning and end of the year.



Table.21

**Loan loss rate at agricultural banks in selected states  
(percent)**

State	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Alabama.....	.37	.52	.28	.31	.38	.31	.50	.44	.42	.34	.49	.85	.70	1.02
Arkansas.....	.28	.18	.14	.15	.19	.21	.20	.26	.32	.32	.20	.33	.55	.64
Colorado.....	.30	.20	.13	.13	.21	.25	.31	.32	.14	.16	.42	.87	.80	1.04
Georgia.....	.26	.22	.21	.32	.32	.38	.39	.46	.40	.47	.54	.80	.86	.88
Idaho.....	.19	.19	.20	.09	.12	.46	.28	.26	.47	.37	.22	.25	.51	.86
Illinois.....	.21	.20	.15	.14	.15	.13	.15	.13	.16	.17	.37	.43	.65	.71
Indiana.....	.26	.22	.15	.18	.26	.20	.23	.19	.22	.22	.31	.40	.96	.87
Iowa.....	.18	.14	.09	.10	.10	.13	.10	.10	.12	.12	.31	.33	.62	.90
Kansas.....	.30	.24	.15	.16	.24	.17	.27	.24	.26	.23	.41	.54	.84	.98
Kentucky.....	.17	.16	.15	.15	.17	.19	.18	.23	.23	.23	.49	.57	.76	.88
Louisiana.....	.24	.28	.15	.32	.36	.59	.42	.21	.32	.36	.25	.71	.98	.87
Michigan.....	.17	.18	.16	.19	.26	.22	.29	.16	.13	.16	.23	.45	.56	.49
Minnesota.....	.16	.12	.11	.11	.08	.09	.09	.08	.07	.08	.20	.25	.42	.70
Mississippi.....	.28	.34	.18	.25	.34	.29	.32	.36	.34	.25	.40	.87	.90	1.01
Missouri.....	.27	.18	.12	.22	.20	.21	.21	.19	.16	.20	.36	.50	.75	1.02
Montana.....	.17	.24	.10	.14	.22	.22	.16	.17	.14	.11	.21	.36	.69	.85
Nebraska.....	.22	.20	.15	.11	.20	.14	.18	.22	.14	.14	.32	.30	.73	.92
New Mexico.....	.28	.26	.23	.44	.53	.40	.69	.42	.14	.22	.56	.63	.38	2.01
North Dakota....	.18	.17	.09	.06	.10	.06	.12	.12	.09	.06	.20	.25	.80	1.03
Ohio.....	.14	.14	.12	.08	.10	.15	.21	.15	.19	.21	.31	.30	.54	.68
Oklahoma.....	.31	.37	.22	.32	.45	.30	.40	.33	.41	.29	.43	.41	.86	1.91
South Dakota....	.27	.24	.10	.06	.24	.14	.17	.07	.16	.22	.29	.41	.63	.87
Tennessee.....	.28	.26	.18	.22	.27	.35	.30	.36	.44	.39	.56	.97	1.14	1.43
Texas.....	.56	.37	.18	.13	.40	.37	.33	.32	.34	.31	.32	.49	.72	1.36
Wisconsin.....	.09	.08	.08	.10	.09	.10	.14	.17	.09	.08	.15	.19	.32	.49
Wyoming.....	.35	.29	.14	.12	.28	.28	.24	.33	.17	.21	.54	.59	.90	.91
United States...	.25	.21	.14	.15	.22	.20	.22	.20	.20	.19	.32	.41	.68	.93

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Loan loss rate is losses charged to allowance for possible loan losses, less recoveries credited to allowance, as a percentage of total loans outstanding on December 31.

**Table 22**  
**Relative provision for possible loan losses**  
**at agricultural banks in selected states**  
**(percent)**

State	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Alabama.....	.46	.57	.33	.39	.41	.33	.59	.54	.55	.50	.51	.87	.78	1.16
Arkansas.....	.29	.22	.18	.22	.23	.24	.21	.30	.41	.39	.28	.40	.62	.78
Colorado.....	.35	.28	.27	.19	.23	.23	.39	.36	.31	.28	.44	.94	.96	1.15
Georgia.....	.28	.26	.26	.35	.38	.44	.42	.54	.51	.56	.62	.83	1.02	.93
Idaho.....	.30	.41	.37	.21	.42	.42	.36	.31	.54	.42	.22	.28	.51	.99
Illinois.....	.21	.20	.20	.19	.21	.18	.22	.18	.25	.26	.39	.47	.76	.81
Indiana.....	.23	.23	.20	.24	.27	.26	.29	.25	.31	.29	.36	.44	1.05	.98
Iowa.....	.19	.16	.14	.15	.15	.15	.15	.13	.20	.20	.37	.38	.69	1.03
Kansas.....	.38	.32	.22	.25	.28	.25	.33	.27	.35	.32	.50	.60	.89	1.11
Kentucky.....	.24	.22	.20	.23	.24	.25	.26	.30	.31	.37	.56	.65	.86	1.11
Louisiana.....	.40	.38	.23	.43	.47	.62	.45	.33	.55	.43	.33	.73	.92	1.05
Michigan.....	.19	.15	.17	.19	.22	.18	.29	.20	.31	.24	.24	.53	.57	.63
Minnesota.....	.17	.15	.12	.15	.13	.12	.15	.12	.13	.15	.25	.30	.54	.85
Mississippi.....	.31	.30	.26	.30	.38	.34	.38	.42	.44	.35	.50	.98	1.25	1.11
Missouri.....	.27	.20	.17	.29	.26	.26	.29	.26	.21	.33	.44	.61	.82	1.37
Montana.....	.17	.19	.18	.22	.25	.24	.21	.22	.21	.20	.25	.34	.73	.94
Nebraska.....	.23	.26	.19	.17	.23	.21	.21	.30	.23	.25	.38	.42	.82	1.09
New Mexico.....	.49	.34	.60	.42	.54	.54	.69	.51	.24	.36	.62	.77	.69	1.92
North Dakota....	.16	.23	.11	.09	.13	.12	.17	.12	.12	.16	.27	.28	.88	1.16
Ohio.....	.21	.18	.18	.15	.17	.16	.30	.21	.28	.30	.36	.34	.71	.69
Oklahoma.....	.36	.40	.34	.43	.54	.44	.46	.40	.51	.39	.50	.52	1.05	2.31
South Dakota....	.19	.23	.18	.13	.28	.15	.15	.11	.23	.30	.33	.51	.78	1.11
Tennessee.....	.26	.27	.22	.28	.27	.38	.36	.42	.53	.52	.62	1.06	1.29	1.62
Texas.....	.60	.45	.33	.22	.47	.43	.37	.36	.40	.40	.43	.54	.83	1.73
Wisconsin.....	.11	.10	.07	.13	.13	.12	.19	.19	.15	.14	.20	.23	.35	.59
Wyoming.....	.29	.31	.23	.24	.38	.30	.31	.30	.35	.43	.61	.72	1.00	1.01
United States...	.27	.25	.21	.22	.27	.25	.27	.25	.28	.28	.39	.48	.77	1.11

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Relative provision for possible loan losses is the annual provision for possible loan losses as a percentage of total loans outstanding on December 31.

Table 23

Rate of return to equity at agricultural banks in selected states  
(percent)

State	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Alabama.....	14	14	13	15	15	13	12	12	12	14	16	14	13	12
Arkansas.....	14	14	15	19	18	14	15	14	13	14	14	12	10	11
Colorado.....	14	14	14	16	18	16	15	14	14	18	19	15	13	11
Georgia.....	15	14	13	15	15	13	14	11	13	14	16	16	13	11
Idaho.....	15	13	12	18	17	15	15	15	15	16	16	15	13	12
Illinois.....	12	13	12	15	16	15	15	14	13	14	14	13	13	12
Indiana.....	14	13	13	15	15	14	14	14	13	14	13	10	7	9
Iowa.....	12	12	12	14	16	15	15	14	14	16	16	15	14	12
Kansas.....	12	12	12	14	14	13	14	13	13	16	16	16	15	12
Kentucky.....	12	12	12	15	16	14	14	14	14	15	17	15	13	12
Louisiana.....	14	14	16	19	18	14	13	14	14	18	17	16	14	12
Michigan.....	12	13	13	14	14	13	13	12	12	13	14	7	11	11
Minnesota.....	11	11	11	12	14	14	13	13	14	16	16	16	14	11
Mississippi.....	14	15	14	15	15	13	13	13	14	16	16	14	12	12
Missouri.....	14	13	13	15	15	14	14	14	14	16	15	14	14	10
Montana.....	14	14	14	15	16	16	16	15	16	18	18	17	16	15
Nebraska.....	14	14	14	16	18	16	16	14	14	17	19	18	16	13
New Mexico.....	12	14	11	15	14	13	11	13	15	14	18	18	16	7
North Dakota....	14	13	13	16	19	18	16	14	15	16	17	17	14	12
Ohio.....	11	11	11	14	14	12	13	13	13	14	13	12	10	12
Oklahoma.....	13	13	14	16	17	16	15	15	15	18	19	20	18	10
South Dakota....	14	14	13	16	16	15	16	14	13	14	17	16	14	12
Tennessee.....	13	14	14	15	15	12	13	13	13	14	14	12	12	12
Texas.....	12	12	13	17	17	14	14	14	14	16	17	18	16	10
Wisconsin.....	12	12	12	13	13	13	12	13	14	15	14	14	15	12
Wyoming.....	12	12	13	15	16	16	16	15	15	17	19	17	17	15
United States...	13	13	13	15	16	14	14	14	14	16	16	15	14	11

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Rate of return to equity is net income after taxes as a percentage of the average of equity at the beginning and end of the year.

with earlier experience. These data were recently discussed in the article "A Financial Perspective on Agriculture" in the January 1984 issue of the Federal Reserve Bulletin. Data presented here update that discussion through 1983: Tables 16 (addendum), 17, and 18 update Bulletin Chart 8; Tables 19 and 20 update Bulletin Tables 5 and 6, respectively. The Bulletin article also discussed the origins and nature of the financial problems of indebted farmers, and estimated the incidence of financial stress.

Loan losses. Relative loan losses and provision for possible loan losses rose again at agricultural banks, reaching levels that significantly exceeded loss rates at other smaller banks. Loan losses in 1983 equalled 0.93 percent of the year-end level of outstanding loans, compared with 0.67 percent at other smaller banks (Table 16). The annual provision for possible loan losses equalled 1.11 percent of outstanding loans, compared with 0.80 percent at other smaller banks.

Bank profits. The relative extent of loan losses has a large impact on bank profitability, as illustrated by the distribution of agricultural banks shown in Table 15. With losses up, the proportion of agricultural banks with negative earnings rose to 7 percent; however, 69 percent of the banks still achieved a return of 10 percent or more on equity (Table 20). Return to equity averaged 11 percent in 1983, down from the recent cyclical peak of 16 percent in 1980 (Table 17).

Capital ratios. In spite of higher loan losses and lower profits, the capital ratio at agricultural banks rose slightly further in 1983, reaching 9.0 percent of total assets (Table 18). The banks more heavily involved in farm lending tended to have higher capital ratios that were built up in recent years, and which should serve to cushion the impact of further farm loan problems.

**Table 24**  
**Capital ratio at agricultural banks in selected states**  
**(percent)**

State	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983
Alabama.....	8.7	8.7	8.5	8.5	8.7	8.8	9.2	9.0	9.2	9.8	10.1	9.9	9.6	10.0
Arkansas.....	8.1	7.7	7.5	7.2	7.7	8.0	8.4	8.6	9.2	9.3	9.6	9.5	9.7	10.0
Colorado.....	8.7	8.3	8.1	7.9	8.1	8.5	8.9	8.9	9.2	9.3	9.5	9.4	9.7	9.4
Georgia.....	8.6	8.4	8.0	8.0	8.3	8.5	9.2	9.0	9.4	9.6	10.2	10.1	10.4	9.8
Idaho.....	7.6	7.0	6.5	6.2	6.5	6.7	6.7	7.0	7.0	7.6	7.8	7.9	8.2	8.3
Illinois.....	8.1	7.8	7.4	7.4	7.5	7.5	7.9	8.1	8.5	8.8	8.9	8.9	9.0	9.1
Indiana.....	7.6	7.5	7.3	7.2	7.3	7.5	7.9	8.0	8.4	8.6	8.8	9.0	8.8	8.7
Iowa.....	8.2	8.1	7.6	7.1	7.3	7.4	7.9	8.1	8.1	8.3	8.6	8.7	8.7	8.8
Kansas.....	8.7	8.6	8.0	7.8	8.1	8.1	8.5	8.6	8.6	8.6	8.8	8.8	9.0	9.2
Kentucky.....	8.6	8.3	7.7	7.9	7.7	7.9	8.3	8.3	8.3	8.7	9.0	9.0	9.2	9.4
Louisiana.....	6.7	6.5	6.3	6.3	6.6	6.9	7.9	8.1	8.0	7.8	8.4	8.6	8.5	8.9
Michigan.....	7.9	7.7	7.5	7.4	7.6	7.7	8.3	8.2	8.1	8.3	8.5	8.0	8.4	8.0
Minnesota.....	7.2	7.0	7.0	6.8	6.8	6.9	7.5	7.6	7.7	8.1	8.3	8.5	8.7	8.7
Mississippi.....	7.1	7.2	7.2	7.3	7.8	8.0	8.3	8.2	8.2	8.4	8.3	8.6	9.0	8.6
Missouri.....	8.2	8.1	7.7	7.6	8.1	8.1	8.4	8.4	8.7	8.7	8.9	8.9	9.1	8.9
Montana.....	6.9	6.8	6.7	6.7	6.7	6.8	7.4	7.4	7.8	8.2	8.3	8.5	8.6	8.3
Nebraska.....	8.3	8.1	7.8	7.5	7.8	7.9	8.4	8.5	8.5	8.6	9.0	9.1	8.9	9.1
New Mexico.....	7.4	7.6	7.0	7.1	7.3	7.2	7.7	7.6	7.8	7.9	7.9	7.9	7.7	8.0
North Dakota....	7.8	7.7	7.6	7.3	7.5	7.5	8.3	8.4	8.4	8.7	8.9	8.6	8.5	8.7
Ohio.....	8.7	8.6	8.1	8.3	8.3	8.3	8.9	8.7	9.2	9.8	9.7	10.0	9.9	9.6
Oklahoma.....	7.9	7.6	7.2	7.4	7.9	8.0	8.3	8.4	8.6	8.7	8.8	8.7	8.8	9.2
South Dakota....	7.3	7.3	7.1	6.9	7.1	7.2	7.6	8.1	8.0	7.9	8.1	8.5	8.6	9.0
Tennessee.....	8.5	8.3	7.7	7.8	8.2	8.0	8.2	7.9	8.1	8.4	8.5	8.2	8.0	8.5
Texas.....	8.5	8.1	7.6	7.2	8.1	8.0	8.2	8.3	8.7	8.6	8.9	9.0	9.3	9.2
Wisconsin.....	7.4	7.4	7.2	7.3	7.5	7.5	7.8	7.9	8.0	8.4	8.7	8.8	9.0	9.1
Wyoming.....	8.5	8.0	8.0	7.5	7.6	7.9	8.3	8.6	8.6	8.6	9.1	9.3	9.3	9.5
United States...	8.0	7.9	7.5	7.4	7.7	7.7	8.1	8.2	8.4	8.6	8.8	8.9	8.9	9.0

Data are for banks with total assets under \$500 million at which total farm loans accounted for 25 percent or more of total loans outstanding on December 31. Farm loans are loans secured by farm real estate, loans to finance agricultural production, and other loans to farmers. Capital ratio is capital and surplus as a percentage of total assets on December 31.