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Agricultural Banking Developments 1971

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Agricultural Banking Developments 1971



AGRICULTURAL and RURAL AFFAIRS COMMITTEE

THE AMERICAN BANKERS ASSOCIATION

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Foreword

The demand for Agricultural Credit continued to increase during 1970. Total farm debt on January 1, 1971 stood at \$61.2 billion—up from \$58.1 billion the previous year. At the same time, total investment in agriculture was \$318.9 billion of which 19% was borrowed capital. Commercial banks, the largest of all institutional lenders, supplied slightly more than one-fourth of all farm loans.

This report follows the format set in last year's initial edition of *Agricultural Banking Developments*. Actual state and regional loan volumes for all major lenders are collected and compiled in separate tables and discussions. Supplementing these data is information obtained from the annual "Agricultural Credit Situation Survey of Banks." The survey results offer the reader an opportunity to obtain firsthand information about recent happenings in agricultural banking in addition to having the loan volumes for all lenders. This information is further supplemented by a section of "Related Agricultural Data" which includes such widely used tables as the Comparative Income Statement and the Balance Sheet of the Farming Sector.

The Agricultural and Rural Affairs Committee would like to express its appreciation for the aid and information supplied by the various agencies noted in the text. Special recognition is given to the 700 agricultural bankers who responded to the survey questionnaire and made that portion of the book meaningful.

The Agricultural and Rural Affairs Committee wishes to emphasize that the information presented in this report is not intended as a substitute for individual analysis by each bank of its own practices, costs, charges, and policies. As for these, each bank exercising independent judgment should make its own determinations. The Committee does feel, however, that individual banks will find this information helpful in evaluating important relationships among factors influencing agricultural banking.

Agricultural Lending by Banks

Eighty-eight percent of the 13,492 insured commercial banks in the United States held agricultural loans on January 1, 1971. In some areas, particularly the important agricultural areas of the Corn Belt and the Plains, the percentage is higher than this. In six states, Iowa, North and South Dakota, Nevada, Idaho, and Vermont, all insured banks made loans for agricultural purposes. Table 1 gives a state-by-state comparison of banks holding agricultural paper.

LOAN VOLUME

Agricultural loans held by all operating banks in the United States totaled \$15.5 billion on January 1, 1971. This is a 7 percent increase in 1970. Total loans are composed of \$11.1 billion, or 71 percent non-real estate loans and \$4.4 billion, or 29 percent real estate loans. In 1970 real estate loans grew slightly faster than non-real estate loans, 8 percent versus 7 percent. The 7 percent growth rate on total agricultural loans is slightly more rapid than the 6 percent rate in 1969. Only five states, all in the North-East, had a decrease in total agricultural loans held by banks.

REAL ESTATE

As indicated in Table 2, bank real estate loan volume increased in 43 of the 50 states during 1970. New York and New Mexico reported the greatest gains, 59 percent and 23 percent respectively. In 11 states, volume grew by more than 10 percent. Real estate loans decreased in about one-half of the states in the North-East. However, with the large increase in New York State, the North-East region's growth of 15 percent surpassed all other regions. Gains in the other regions were near the national average with the exception of the West, which had only a 2 percent increase in real estate loans in 1970.

NON-REAL ESTATE

In non-real estate loans by banks, the North-East and Plains regions experienced the largest growth with both regions displaying a 9 percent gain over 1969. Only nine states reported decreases. These decreases were rather small with the exception of Nevada, Rhode Island and Massachusetts, which all reported decreases of greater than 10 percent.

In both non-real estate and real estate loans, the North-East Region displayed a wide divergence in the results of its states. New Jersey had an increase in non-real estate loans of 49 percent and Rhode Island had a decrease of 17 percent. Yet the region as a whole had a growth of 9 percent. Other regional changes, all increases, included the Plains 9%, Corn Belt 8%, South 7%, and the West 4%. In 14 states, Maryland, Wisconsin, Indiana, Kentucky, West Virginia, Mississippi, North Dakota, South Dakota, Nebraska, Oklahoma, Montana, Idaho, Wyoming, and Alaska, the

TABLE 1
Insured Commercial Banks Holding Agricultural Loans
by Types of Loans, January 1, 1971

	Total Number Insured Commercial Banks	Per Cent of Banks Reporting		
		Non-Real Estate Farm Loans	Real Estate Farm Loans	One or More Types of Loans to Farmers (1)
Maine	39	77%	82%	90%
New Hampshire	72	64	46	74
Massachusetts	158	39	30	45
Vermont	42	93	90	100
Connecticut	58	48	38	55
Rhode Island	11	18	18	27
New York	287	74	70	79
New Jersey	215	35	40	44
Pennsylvania	463	76	88	89
Maryland & D.C.	118	75	83	87
Delaware	18	67	78	78
Michigan	329	86	86	91
Wisconsin	604	88	88	92
Minnesota	726	87	86	90
NORTH-EAST - TOTAL	3,140	76%	77%	83%
Ohio	514	88	93	95
Indiana	404	95	95	98
Illinois	1,105	76	78	84
Iowa	658	92	97	100
Missouri	664	86	90	92
CORN BELT - TOTAL	3,345	87%	89%	92%
Virginia	233	72	76	92
West Virginia	200	54	72	76
Kentucky	339	86	94	96
South Carolina	102	89	96	97
North Carolina	97	88	90	94
Tennessee	304	91	96	98
Georgia	434	82	84	87
Alabama	272	91	92	94
Mississippi	182	95	96	97
Arkansas	248	97	97	98
Louisiana	230	77	74	84
Florida	495	47	51	61
SOUTH - TOTAL	3,136	78%	82%	86%
North Dakota	166	100	98	100
South Dakota	161	100	95	100
Nebraska	437	98	79	98
Kansas	600	96	91	98
Oklahoma	433	93	89	97
Texas	1,183	82	71	86
PLAINS - TOTAL	2,980	91%	82%	93%
Montana	139	97	76	98
Idaho	24	96	83	100
Wyoming	70	96	71	99
Colorado	227	85	67	87
Utah	48	83	83	92
New Mexico	66	92	86	95
Arizona	12	92	58	92
Washington	89	75	71	85
Oregon	47	91	87	96
Nevada	8	100	63	100
California	144	53	50	59
Hawaii	7	71	71	71
Alaska	10	10	30	30
WEST - TOTAL	891	82%	70%	86%
U.S. TOTAL	13,492	83%	82%	88%

(1) Types of Loans to Farmers include: "Other Loans to Farmers" and "Real Estate Loans on Farm Land."
Source: Data compiled from unpublished report of Federal Deposit Insurance Company.

TABLE 2
Agricultural Loans Held by All Operating Banks by States
January 1, 1971, with Comparisons
(In Thousands of Dollars)

State	Non-Real Estate (1)	% Change 1970-1971	Real Estate	% Change 1970-1971	Total (1)	% Change 1970-1971
Maine	\$ 13,562	1%	\$ 6,663	-14%	\$ 20,225	-5%
New Hampshire	5,126	-8	5,947	-3	11,073	-5
Vermont	16,508	4	21,218	-2	37,726	0
Massachusetts	8,153	-11	9,030	-21	17,183	-17
Connecticut	4,994	3	5,309	-20	10,303	-10
Rhode Island	266	-17	524	-12	790	-14
New York	163,997	5	383,356	59	547,353	37
New Jersey	23,903	49	20,949	2	44,852	22
Pennsylvania	173,996	5	167,516	2	341,512	3
Maryland & D.C.	38,569	11	67,730	-4	106,299	1
Delaware	4,904	28	16,511	6	21,415	10
Michigan	183,245	4	120,810	-8	304,055	1
Wisconsin	295,667	13	222,227	8	517,894	11
Minnesota	553,865	6	140,556	6	694,421	9
NORTH-EAST - TOTAL	1,489,755	9	1,188,346	15	2,678,101	11
Ohio	191,559	3	219,214	4	410,773	3
Indiana	303,793	11	201,038	6	504,831	9
Illinois	738,986	7	289,466	7	1,028,452	8
Iowa	1,097,379	8	139,682	4	1,237,061	8
Missouri	426,705	9	235,887	4	662,592	7
CORN BELT - TOTAL	2,758,422	8	1,085,287	6	3,843,709	8
Virginia	102,427	9	90,474	8	192,901	8
West Virginia	19,683	12	33,176	4	52,859	7
Kentucky	177,650	12	172,549	4	350,199	8
North Carolina	102,818	8	69,231	-8	172,049	1
South Carolina	33,061	2	30,859	14	63,920	7
Tennessee	124,403	3	143,374	1	267,777	2
Georgia	116,060	7	176,896	10	292,956	9
Alabama	83,820	6	89,750	7	173,570	7
Mississippi	114,048	11	139,287	14	253,335	12
Arkansas	133,716	6	133,789	9	267,505	8
Louisiana	74,389	-1	79,734	13	154,123	6
Florida	106,593	6	86,857	13	193,450	10
SOUTH - TOTAL	1,188,668	7	1,245,976	7	2,434,644	7
North Dakota	226,513	11	78,545	13	305,058	12
South Dakota	367,894	17	32,101	9	399,995	16
Nebraska	785,025	12	44,845	15	829,870	12
Kansas	698,381	8	107,261	7	805,642	8
Oklahoma	373,131	18	97,386	3	470,517	15
Texas	817,476	1	193,843	2	1,011,319	1
PLAINS - TOTAL	3,268,420	9	553,981	5	3,822,401	9
Montana	226,766	14	15,986	5	242,752	14
Idaho	168,280	12	5,755	-15	174,035	12
Wyoming	110,898	38	9,400	14	120,298	24
Colorado	333,755	8	23,789	2	357,544	8
Utah	61,750	5	10,288	0	72,038	4
New Mexico	84,761	5	10,605	23	95,366	7
Arizona	220,786	-2	7,079	-20	227,865	3
Washington	187,679	7	31,605	2	219,284	6
Oregon	127,393	-3	20,920	-15	148,313	5
Nevada	10,115	-13	2,594	7	12,709	9
California	855,148	-1	229,145	5	1,084,293	0
Hawaii	10,931	-1	3,099	-7	14,030	3
Alaska	1,241	22	904	16	2,145	21
WEST - TOTAL	2,399,503	4	371,169	2	2,770,672	4
U.S. - TOTAL	\$11,101,768	7	\$ 4,444,769	8	\$15,546,537	7

(1) Excludes Commodity Credit Corporation.
Source: Data from Economic Research Service, U.S.D.A.

increase in non-real estate bank loans was greater than 10 percent. Wyoming headed the list with an increase of 38%.

LOAN-TO-DEPOSIT RATIO

Survey results showed the North-East and West regions with the largest percentage of banks with loan-to-deposit (L-T-D) ratios of 70% or higher (17% and 13% respectively). Fifty seven percent of the banks in the West had ratios of 60% or greater. The Southern region had slightly more banks than the other regions with L-T-D ratios of under 40%. The Plains reported only half as many banks (7%) in this lower category than was indicated in the 1970 survey. (See Table 3.)

TABLE 3
Distribution of Agricultural Banks By Loan-To-Deposit Ratio
(Year-End 1970)

Ratio	REGIONS					
	All Regions	North-East	Corn Belt	South	Plains	West
Total	100%	100%	100%	100%	100%	100%
Under 40%	7	3	8	10	7	6
40% to 49.9%	19	21	18	17	22	13
50% to 59.9%	34	25	45	35	36	24
60% to 69.9%	31	34	23	34	28	44
70% and over	9	17	6	4	7	13

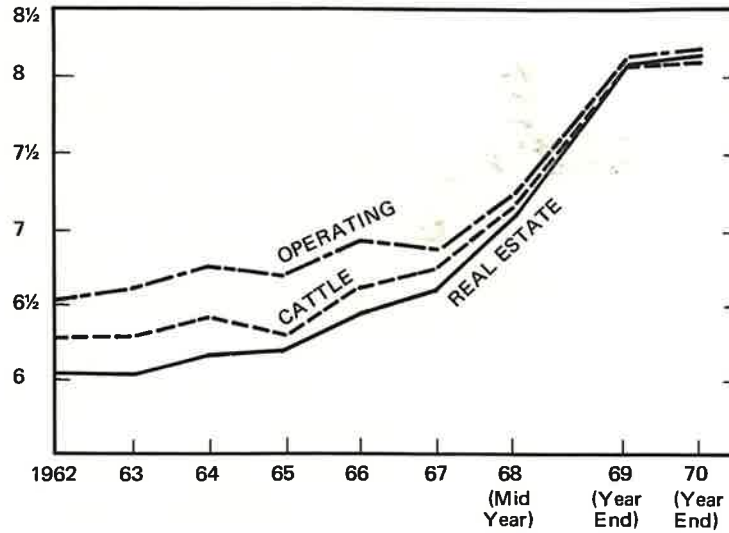
As is generally true, the ratios of banks were higher at midyear than year-end. At midyear, 29% of the Western region banks and 23% of North-East banks reported a loan-to-deposit ratio of 70% or greater.

Of the respondents, over half said that they would like to maintain their year-end loan-to-deposit ratio at the present level and one-third indicated that they would like to increase it. Only 12% indicated they would prefer to decrease their year-end loan-to-deposit ratio. There appeared to be no substantial differences in the intentions of changing loan-to-deposit ratios among the various regions. It is interesting to note that three-fourths of the banks with a loan-deposit ratio of less than 40% had total loans and discounts of less than \$5 million, and also that one-half of the banks with total loans and discounts of over \$10 million had a loan-to-deposit ratio of 60% or greater.

INTEREST RATES

During 1970, interest rates did not show the dramatic changes of a year earlier. On a national basis, year end rates on farm loans as reported by Agricultural banks had drifted slightly upward by 3 to 7 points. (See Graph.) Generally, farm loan interest rates do not reach the high peaks that rates of other loans of similar maturity do in times of record high interest rates. As indicated in the 1970 issue of "Agricultural Banking Developments" farm loan interest rates were at high levels in 1969. However,

**FARM LOAN INTEREST RATES
MIDYEAR 1962-1970**



because they did not reach the higher levels of other types of loans, bank farm loan interest rates did not show the dramatic drop that general interest rates did in 1970. There was some decline in rates, particularly in the South, Plains and West where lower rates were reported on Cattle and Operating loans. In addition, real estate loan interest rates declined in both the South and West. In contrast all categories of loan interest rates were slightly higher in the North-East and in the Corn Belt. This may be partially explained by the fact that these areas never reached the interest rate levels experienced in the Plains and the West. (See Table 4.)

**TABLE 4
Farm Loan Interest Rates*-Year-End 1970
(With Changes from Year-End 1969)**

Types and Sizes of Loans	REGIONS					
	All Regions	North- East	Corn Belt	South	Plains	West
Real Estate						
\$15,000	8.16	7.94	8.02	8.00	8.45	8.59
(change)	+ .07	+ .11	+ .07	- .02	+ .18	- .10
Operating						
\$10,000	8.17	8.00	7.98	7.95	8.37	8.70
(change)	+ .03	+ .19	+ .11	- .15	- .02	- .18
Cattle						
\$10,000	8.13	7.93	7.89	7.99	8.22	8.74
(change)	+ .05	+ .14	+ .10	- .08	- .06	- .07

*The rates indicated represent the mean for each classification. The mean shown is the arithmetical average of all rates reported, calculated from 10 groups.

LENDING LIMITATIONS

Legal loan limits of survey respondent banks continued to increase over previous years. Banks with limits of under \$50,000 have decreased from 31% in 1965 to the present 12%. During the same period the percentage of banks with a limit of \$150,000 or greater has increased from 27% to this year's 45%. Characteristically, a greater percentage of banks in the West have limits of \$1,000,000 and over while only 6% of the Corn Belt banks have this limit. (See Table 5.)

TABLE 5
Distribution of Agricultural Banks by Legal Loan Limit
(Year-End 1970)

Legal Loan Limit	REGIONS					
	All Regions	East	Corn Belt	South	Plains	West
Total	100%	100%	100%	100%	100%	100%
Under \$50,000	12	18	10	5	17	9
\$50,000 to \$99,000	25	22	30	22	31	13
\$100,000 to \$149,000	18	16	15	18	22	19
\$150,000 to 999,000	35	34	39	44	23	33
\$1,000,000 to 4,999,000	8	7	5	8	7	20
\$5,000,000 and over	2	3	1	3	0	6

Slightly more than half of the reporting banks with limits of between \$150,000 and \$1 million had loan-to-deposit ratios of 70% or higher and approximately 2 out of 10 had L-T-D ratios under 40%. Conversely, of the banks with legal limits of under \$50,000, less than 1 in 10 reported a L-T-D ratio of 70% or over while about 30% had ratios of under 40%.

EXCESS LOAN APPLICATIONS

The survey results indicated a slight decrease in the percentage of banks which had loan applications over their legal loan limit. In 1970, 27% of the respondents reported having at least one otherwise acceptable farm loan application which exceeded the bank's legal limit. The 1969 response was 30%. As in the past, more banks in the Plains reported this type of loan application than in any other region. Almost one-half of all the respondent banks in the Plains had experienced receiving acceptable farm loan applications that they were legally unable to make because of loan limits. This region accounted for over 40% of the total dollar volume of this type of loan. The West also accounted for a large share of the dollar volume (33%).

With respect to disposition of excess loan applications, less than 10% was never granted or was lost to other lenders. The remaining 90% was retained within the banking system primarily through participation with a correspondent bank. Only about 2% of the excess loan volume was referred entirely to the correspondent bank.

FARM CREDIT DEMAND

Six out of 10 survey banks reported an increased demand for non-real estate credit with 7% of the banks indicating that the increased demand was substantial. Banks with deposits of less than \$5 million indicated most frequently that the demand had increased substantially. Conversely, the largest banks, those with \$10 million or more in deposits, reported the lowest increase in farm non-real estate loan demand. Banks in the Plains felt the increased pressure more often while the South respondents indicated decreases in demand more than any other region.

Real Estate loan demand was characterized as unchanged by nearly 4 out of 10 bankers nationally. Opposite extremes of demand were somewhat comparable with 4% reporting a substantial increase in demand and 7% indicating a substantial decrease.

FINANCIAL CONDITION OF FARMERS

Survey bankers felt that 75% of U.S. farmers would have no financial problem in meeting their debt commitments in 1970. It was felt that an additional 21% would experience some difficulty in debt payment and the remaining 4% would be forced to quit farming because of a heavy debt load. These percentages do not vary significantly from those reported in the 1969 report. Bankers in the South reported the largest percentage (28) of farmers who would experience debt payment difficulty. This is up slightly from last year's report.

The respondents were asked to indicate the reason they felt some farmers would not be able to meet their debt payments. On a national scale, these reasons, in descending order of response are: cost price squeeze, unsatisfactory level of farm management ability, inefficiency of small farm operations, high capital needs for day-to-day farm operations, bad weather, and crop diseases. The highest response for low level of farm management ability was reported from the Corn Belt and the Plains. The Corn Belt also ranked highest in response to inefficiency of small operations and crop disease while the Plains bankers felt that bad weather was a substantial factor in causing farmers to cease operations.

SUPPLY AND DEMAND FOR FUNDS

Fifteen percent of the respondents considered the demand for funds to be greater than the supply during 1970. However, the shortage of funds was greater than this in the South, Plains, and West. Nationally 8 out of 10 indicated that demand was in good balance or less than the supply of funds. (See Table 6.)

Of the banks with a loan-to-deposit ratio of less than 40%, one-half reported an insufficient demand for loan funds. Banks which had a ratio of total farm loans to total assets of 20% or greater reported the highest percentage of loan demand exceeding their resources.

Over eighty percent of the bankers who reported excess loan demand took action to obtain funds. By far the greatest action taken to increase available funds was selling participations to correspondent banks. Somewhat fewer borrowed from the Federal Reserve Bank and a few placed loans with the Federal Intermediate Credit Bank (these include discounts through an affiliated credit corporation). This use of F.I.C.B.'s was

TABLE 6
Relation of Credit Demand to Loanable Funds
(Year-End 1970)

Relation of Credit Demand to Loanable Funds	REGIONS					
	All Regions	North-East	Corn Belt	South	Plains	West
Total	100%	100%	100%	100%	100%	100%
Greater demand than could handle	15	10	10	17	20	23
Handled all loans, but resulted in a high loan-to-deposit ratio	6	9	5	5	6	5
Demand in good balance with funds available.	51	47	60	49	46	45
Demand less than funds available.	28	34	25	29	28	27

reported primarily from the Plains and West. Fourteen percent of the bankers felt that they would need to seek other sources of funds during 1971 to meet their farm loan demand.

BANKS WITH A CREDIT CORPORATION

Four percent of banks indicated that they have formed a credit corporation. Banks with deposits of \$10 million or over reported the highest percentage (6%). In the Plains region, 6% of the bankers have formed a credit corporation. This is the highest of all regions.

COMPETITION FOR SAVINGS AND TIME DEPOSITS

Of the bankers responding to this survey, one-half indicated increased competition for deposits as compared to a year ago. The North-East and South regions reported the greatest competition. Banks of all sizes reported approximately the same increase in competition. Six out of 10 banks ranked other banks as being the most important competitor for their deposits. Savings and loan associations were classified as the most important competitor by one-half of the banks and second most important competitor by 30% of the banks. Government Bonds were ranked as the third most important competitor. Corn Belt bankers indicated that Government Bonds were a greater competitor than did bankers in other regions. Municipals, credit unions and Federal Intermediate Credit Bank Bonds were only of minor importance.

SERVICES OFFERED

Fourteen percent of the survey banks provide EDP Farm Record Service for their customers. The percentage offering this service ranges from 17% of the largest banks to 6% for banks with under \$5 million in deposits. The Corn Belt and Western Regions were the highest in offering this service, with 20% of the banks in each Region offering EDP Service. Banks with a larger percentage of farm loans also reported a higher percentage of banks offering this service.

A farm management service is provided by 17% of the banks. The Corn Belt and Plains region rank highest in providing a Farm Management Service (30% and 19% respectively). Ten percent of the banks nationally provide a farm equipment leasing service and 1% reported having farm building leasing as one of their services.

Comparison of All Agricultural Lenders with Banks

On January 1, 1971 a record \$61.2 billion was held in real estate and non-real estate farm loans in the United States. This total represents a 5 percent increase over 1970 figures and 134 percent greater than a decade ago. Comprising this total is \$29.8 billion in non-real estate loans, \$29.6 billion in real estate investments and an additional \$1.9 billion in Commodity Credit Corporation Loans. Table 7 gives the volume of agricultural loans held by the major lenders for 1971, 1970, 1966 and 1961.

TABLE 7
Farm Loans Held by Lenders Plus Changes, United States,
January 1, Selected Years

	Volume Outstanding (In Millions of Dollars)				Percent Change in Volume		
	1961	1966	1970	1971	Past Year	Past 5 Years	Past 10 Years
NON-REAL ESTATE							
Banks	\$ 4,991	\$ 7,677	\$10,330	\$11,102	7%	45%	122%
Production Credit Associations	1,480	2,579	4,533	5,295	17	105	258
Federal Intermediate Credit Banks	88	140	224	220	2	57	150
Farmers Home Administration	420	717	785	795	1	1	89
Merchants, Dealers, Finance Companies and Others	4,900	7,880	11,230	12,340 ⁽¹⁾	10	57	152
Total	\$11,879	\$18,993	\$27,102	\$29,752⁽¹⁾	10%	57%	152%
REAL ESTATE							
Banks	\$ 1,691	\$ 2,939	\$ 4,113	\$ 4,445	8%	51%	163%
Life Insurance Companies	2,975	4,815	5,746	5,626	- 2	17	89
Federal Land Banks	2,539	4,240	6,714	7,145	6	69	181
Farmers Home Administration (2)	484	631	455	347	-24	-45	- 28
Individuals and Others	5,131	8,588	11,441	12,024 ⁽¹⁾	5	40	135
Total	\$12,820	\$21,213	\$28,469	\$29,588⁽¹⁾	4%	40%	131%

(1) Preliminary.

(2) Direct only.

Source: Compiled from data furnished by Economic Research Service, U.S.D.A.

Non-real estate loan volume again displayed a significantly greater growth rate than did real estate loans. The 10% growth of non-real estate is accounted for by large increases by Banks, Production Credit Associations and Merchants, Dealers and others.

Dollarwise, PCAs and Banks were surprisingly close in their growth even though percentagewise, PCAs far outdistanced the banking sector. Merchants, dealers and others continue to be the largest lender.

Real estate loan growth was slightly under last year's five percent. Commercial banks displayed the greatest percentage growth, but here again a smaller total is involved. Federal Land Banks showed an 8% gain while the Life Insurance Companies share continues to decrease.

Non-Bank Lenders

FARM CREDIT ADMINISTRATION AGENCIES

On January 1, 1971, the Farm Credit System had \$14.8 billion in loans outstanding to farmers and cooperatives. This represents a 12% increase over the \$13.2 billion outstanding on January 1 of last year. Federal Land Banks held \$7.2 billion in real estate loans while the Production Credit Association had \$5.3 billion in non-real estate loans. Banks for Cooperatives held \$2.0 billion in cooperative loans and the Federal Intermediate Credit Banks had \$222 million in discounts outstanding to financial institutions other than PCAs. Table 8 gives the state and regional loan volumes for each of the Agencies.

Outstanding loan volume of Production Credit Associations increased substantially in all regions. Loan volume surpassed the \$1 billion mark in the Plains for the first time with large percentage increases in South Dakota and Nebraska. Texas continues to lead all other states in volume with over one-third of a billion dollars in outstanding agricultural loan volume.

The Federal Land Banks displayed a domestic growth of slightly over six percent during 1970. Although this is slightly less than the growth in 1969 all regions shared in the increase. In fact all five survey regions show Federal Land Bank totals now in excess of 1 billion dollars.

At year's end the Federal Intermediate Credit Banks had approximately the same loan volume outstanding to other financial institutions as was the case at year-end 1969. However, during the year the amount of loans discounted was up 23% over the previous year.

The volume of loans held by the Banks for Cooperatives represents a 17 percent increase over that held a year earlier. The number of cooperatives actually borrowing from the Bank of Co-Ops increased slightly over 2%.

LIFE INSURANCE COMPANIES

Total agricultural loans held by Life Insurance Companies in the United States declined 2% in 1970. All regions experienced varying degrees of decrease with the exception of the West which increased slightly, with California, Idaho, Wyoming, Arizona, and Washington recording gains. The most significant declines were in the Corn Belt and Plains where volume of Life Insurance Company Loans exceed \$1 billion accompanied by a decrease of 4% during 1970. Table 9 gives the loan volumes for January 1, 1971 together with percentage changes from last year.

TABLE 8
Loans Held by Farm Credit Administration Agencies
by States, January 1, 1971
(In Thousands of Dollars)

	Production Credit Associations	Federal Land Banks	Intermediate Credit Banks ⁽¹⁾	Banks for Cooperatives
Maine	\$ 16,995	\$ 8,825	\$ 38	\$ 2,386
New Hampshire ⁽²⁾	3,609	3,657	—	—
Vermont ⁽²⁾	20,218	19,589	—	806
Massachusetts	11,999	14,213	—	31,701
Connecticut ⁽²⁾	18,837	20,510	—	1,314
Rhode Island ⁽²⁾	1,803	2,623	—	—
New York	145,098	119,923	—	61,861
New Jersey	20,489	35,873	1	617
Pennsylvania	73,669	74,950	639	40,012
Maryland & D.C.	39,642	64,131	—	727
Delaware	9,623	12,793	1,152	2
Michigan	104,296	215,732	422	27,603
Wisconsin	284,326	155,038	3,762	24,270
Minnesota	230,689	285,101	8,623	121,829
NORTH-EAST — TOTAL	981,293	1,032,958	14,637	313,128
Ohio	177,901	215,252	1,771	38,681
Indiana	176,064	283,879	869	62,297
Illinois	187,855	350,459	1,357	61,286
Iowa	256,267	425,659	8,568	98,334
Missouri	154,108	192,953	1,911	69,430
CORN BELT — TOTAL	952,195	1,468,202	14,476	330,028
Virginia	54,379	117,070	—	31,527
West Virginia	8,215	12,199	4	7
Kentucky	168,220	141,953	379	12,755
North Carolina	175,501	190,522	—	28,214
South Carolina	88,013	111,054	—	1,072
Tennessee	166,919	145,944	—	68,987
Georgia	185,381	244,030	242	82,356
Alabama	59,979	129,150	—	19,403
Mississippi	84,013	154,320	14,388	80,100
Arkansas	139,204	113,994	—	40,801
Louisiana	64,283	154,935	1,046	53,389
Florida	172,786	161,001	767	84,296
SOUTH — TOTAL	1,366,893	1,676,172	16,826	502,907
North Dakota	116,810	154,101	5,449	2,881
South Dakota	106,901	165,627	1,174	3,149
Nebraska	204,599	234,617	2,628	17,113
Kansas	137,195	263,839	7,615	173,696
Oklahoma	152,400	127,590	22,676	47,975
Texas	337,653	531,134	47,117	137,542
PLAINS — TOTAL	1,055,558	1,486,908	86,659	382,356
Montana	118,477	188,413	—	2,420
Idaho	99,317	175,504	738	5,963
Wyoming	42,512	54,870	2,712	317
Colorado	197,995	172,560	25,550	8,159
Utah	31,051	33,685	18,185	11,917
New Mexico	56,578	62,164	12,900	2,095
Arizona	18,395	36,633	2,675	2,393
Washington	46,974	132,672	—	92,487
Oregon	117,750	133,624	88	86,845
Nevada	3,219	13,900	—	189
California	206,634	455,700	24,620	282,061
Hawaii	—	16,167	—	—
Alaska	—	842	—	50
WEST — TOTAL	938,902	1,476,734	87,468	494,896
U.S. TOTAL ⁽³⁾	\$5,294,841	\$7,140,174	\$220,066	\$2,023,315

(1) Loans to and discounts for livestock loan companies and agricultural credit corporations.
(2) One PCA services the four states of New Hampshire, Massachusetts, Connecticut, and Rhode Island.

Note: District and United States total figures may not equal totals of states due to rounding.
Source: Annual Report of Farm Credit Administration.

TABLE 9
Agricultural Loans Held by Life Insurance Companies
by States, January 1, 1971 (1)
(In Thousands of Dollars)

State	1971	% Change 1970-1971
Maine	\$ 283	- 6%
New Hampshire	895	-36
Vermont	398	-20
Massachusetts	184	- 8
Connecticut	1,601	14
Rhode Island	0	0
New York	8,364	-10
New Jersey	4,995	-18
Pennsylvania	14,218	- 3
Maryland & D.C.	6,408	- 4
Delaware	1,158	5
Michigan	36,724	- 4
Wisconsin	47,734	- 5
Minnesota	203,320	- 5
NORTH-EAST - TOTAL	326,282	- 6
Ohio	103,864	- 6
Indiana	176,900	- 6
Illinois	321,405	- 5
Iowa	466,641	- 3
Missouri	213,042	- 4
CORN BELT - TOTAL	1,281,852	- 4
Virginia	33,861	- 7
West Virginia	2,063	- 6
Kentucky	71,234	- 6
North Carolina	57,309	- 4
South Carolina	25,328	- 4
Tennessee	32,772	- 3
Georgia	62,232	- 3
Alabama	45,967	- 3
Mississippi	197,262	- 3
Arkansas	262,213	- 2
Louisiana	139,351	(2)
Florida	202,068	(2)
SOUTH - TOTAL	1,131,660	- 1
North Dakota	24,505	- 6
South Dakota	81,859	- 5
Nebraska	241,638	- 1
Kansas	240,077	- 1
Oklahoma	169,808	- 3
Texas	590,948	- 3
PLAINS - TOTAL	1,348,835	- 4
Montana	109,792	- 1
Idaho	141,090	10
Wyoming	60,500	1
Colorado	153,495	0
Utah	14,493	- 6
New Mexico	83,397	(2)
Arizona	106,334	2
Washington	149,281	5
Oregon	88,759	- 4
Nevada	33,682	- 2
California	595,063	2
Hawaii	0	0
Alaska	1,978	-10
WEST - TOTAL	1,537,864	- 1
U.S. TOTAL	\$5,626,493	- 2

(1) Preliminary estimate.

(2) Less than 0.5 per cent.

General Note: Includes regular mortgages and purchase-money mortgages; excludes sales contracts.

Source: Economic Research Service, U.S.D.A.

FARMERS HOME ADMINISTRATION

All categories of Farmers Home Administration loans increased during 1970. The most significant increase was in rural housing where the combination of both direct and insured rural housing loans increased almost 50 percent. Other categories did not display this dramatic rise although Farm Ownership increased approximately \$150 million. Table 10 gives a state-by-state loan volume for each of the five major categories of FHA loans.

TABLE 10
Farmers Home Administration Loans Outstanding
by States, January 1, 1971 (1)
(In Thousands of Dollars)

State	Farm Ownership (2)	Rural Housing (2)	Soil and Water Conservation (2)	Operating (3)	Emergency (4)
Maine	\$ 32,185	\$ 60,636	\$ 126	\$ 24,959	\$ 7,533
New Hampshire	2,271	13,797	4	1,617	56
Vermont	14,594	27,158	28	8,684	27
Massachusetts	1,852	5,478	101	1,603	81
Connecticut	2,161	10,953	11	1,618	180
Rhode Island	265	3,055	15	196	22
New York	38,328	88,163	100	27,924	969
New Jersey	5,960	55,674	121	4,496	1,208
Pennsylvania	22,918	54,674	92	14,024	467
Maryland & D.C.	5,923	35,277	12	3,196	60
Delaware	2,054	6,559	9	761	29
Michigan	28,617	66,120	306	16,175	442
Wisconsin	84,053	85,879	820	31,482	90
Minnesota	86,670	56,064	362	25,596	1,229
NORTH-EAST - TOTAL	327,853	569,487	2,107	162,331	12,393
Ohio	28,855	49,940	75	8,668	773
Indiana	40,938	70,413	104	14,481	668
Illinois	58,301	69,517	122	25,086	1,066
Iowa	101,900	68,270	834	37,338	700
Missouri	108,710	126,681	362	22,872	3,401
CORN BELT - TOTAL	338,704	384,821	1,497	108,445	6,608
Virginia	19,140	83,261	25	6,828	432
West Virginia	10,619	55,110	8	10,087	143
Kentucky	49,554	108,146	335	15,589	78
North Carolina	56,607	206,807	670	17,538	1,156
South Carolina	24,980	133,128	129	7,116	1,193
Tennessee	56,645	128,985	217	11,589	429
Georgia	43,466	139,204	73	17,801	2,047
Alabama	39,596	127,210	412	10,846	1,131
Mississippi	59,495	213,484	687	21,450	4,818
Arkansas	52,655	133,955	1,457	14,597	1,432
Louisiana	25,087	57,990	798	14,451	2,719
Florida	16,500	54,297	417	7,201	2,998
SOUTH - TOTAL	454,344	1,441,577	5,228	155,090	18,576
North Dakota	109,464	38,364	251	30,137	779
South Dakota	95,645	26,691	846	37,793	687
Nebraska	88,866	27,047	2,051	20,930	1,101
Kansas	62,100	36,181	735	13,683	1,513
Oklahoma	58,119	85,404	1,296	21,245	1,852
Texas	98,392	163,749	3,485	55,054	16,925
PLAINS - TOTAL	512,586	237,473	8,664	178,842	22,857
Montana	35,662	13,434	506	16,470	383
Idaho	58,483	42,791	1,205	24,897	2,130
Wyoming	19,292	15,333	185	8,530	290
Colorado	43,707	21,335	655	11,262	2,354
Utah	22,270	30,616	971	11,014	356
New Mexico	16,677	14,494	683	7,051	477
Arizona	7,967	23,393	815	3,744	447
Washington	47,556	41,138	1,551	15,637	2,280
Oregon	21,267	23,786	613	6,944	750
Nevada	2,786	2,347	222	2,341	68
California	14,338	36,335	542	8,791	1,691
Hawaii	2,816	18,839	29	778	7
Alaska	516	9,549	0	920	72
WEST - TOTAL	293,347	293,390	7,977	118,379	11,305
U.S. TOTAL	\$1,926,834	\$3,066,711	\$25,473	\$723,090	\$71,739

(1) Does not include direct and insured loans to groups, totaling \$993 million.

(2) Includes direct and insured loans.

(3) Includes economic opportunity loans. Total for U.S. is \$53 million.

(4) Includes production, economic, crop and feed, and special emergency loans. Also includes fur, orchard, flood damage, flood and windstorm loans made by the Regional Agricultural Credit Corporation prior to the establishment of the Emergency Loan Revolving Fund and special livestock loans. The special livestock loan authority expired in 1957; however, loans may be made to borrowers indebted for such loans. Outstanding as of January 1, 1971, totaled \$1,158,885.

Source: Farmers Home Administration, U.S.D.A.

Related Agricultural Data

TABLE 11
Non-Real Estate Loans Held by Banks and Principal Federal Agencies,
United States, Specified Dates 1930-1971⁽¹⁾
(In Thousands of Dollars)

Beginning of Year or Month	All Operating Banks	Production Credit Associations	Federal Intermediate Credit Banks ⁽²⁾	— Farmers Home Administration —			Total
				Operating Loans	Prod and Econ. Emer- gency Loans	Emergency Crop & Feed	
1930	\$ 2,490,742		\$ 47,283			\$ 7,976	\$ 2,546,104
1935	627,878	\$ 60,459	55,083	\$ 5,600	\$ 87,087	111,238	947,345
1940	900,079	153,425	32,316	242,200	8,005	167,795	1,503,820
1945	948,829	188,306	29,792	300,908	13,618	138,068	1,619,521
1950	2,048,819	387,454	50,825	262,714	12,771	71,186	2,833,769
1951	2,524,153	450,673	62,073	253,538	22,544	53,283	3,366,264
1952	3,120,196	561,371	77,841	245,754	20,110	38,191	4,063,463
1953	3,195,058	599,295	82,931	281,054	28,739	27,919	4,214,996
1954	2,762,562	541,786	63,557	304,900	50,792	19,946	3,743,543
1955	2,933,851	576,997	58,276	330,345	70,532	16,327	3,986,328
1956	3,308,443	644,449	61,907	319,443	72,747	13,494	4,420,483
1957	3,279,911	699,283	60,007	337,832	81,776	11,079	4,469,888
1958	3,605,183	885,918	67,192	348,181	79,203	8,306	4,993,983
1959	4,160,660	1,114,694	83,722	339,702	60,071	5,852	5,764,701
1960	4,819,340	1,361,198	89,576	346,526	47,031	4,028	6,667,699
1961	4,991,473	1,479,473	88,446	377,504	39,031	2,977	6,979,236
1962	5,315,852	1,640,219	98,784	447,603	46,097	2,381	7,550,936
1963	5,979,484	1,838,977	109,667	500,905	53,155	2,133	8,484,321
1964	6,652,171	2,105,490	125,681	539,256	52,695	1 830	9,477,123
1965: January	6,990,021	2,277,510	124,707	586,253	56,083	1,577	10,036,151
July	7,660,348	2,726,821	138,480	723,496	104,550	1,500	11,355,195
1966: January	7,676,853	2,578,929	139,520	651,335	64,277	1,408	11,112,322
July	8,490,178	3,121,806	165,170	734,089	120,394	1,322	12,632,959
1967: January	8,533,489	3,015,639	156,930	665,827	70,516	1,115	12,443,516
July	9,334,871	3,822,795	181,859	779,022	124,275	900	14,043,722
1968: January	9,271,660	3,517,903	176,415	720,591	76,700	753	13,764,022
July	9,980,678	4,065,235	201,684	798,279	139,103	615	15,859,594
1969: January	9,719,738	3,825,821	180,181	731,315	89,877	487	14,547,419
July	10,534,138	4,535,035	219,108	790,102	148,319	415	16,227,117
1970: January	10,339,795	4,533,205	224,425	714,783	70,003	323	15,882,534
July	11,202,101	5,321,300	247,357	783,655	127,865	254	17,682,532
1971: January	11,101,768	5,294,808	220,066	723,075	71,659	185	17,411,561

(1) Beginning 1960, Alaska and Hawaii are included.

(2) Loans to and discounts for private financing institutions.

Source: Data from Economic Research Service, U.S.D.A.

TABLE 12
Farm Mortgage Debt: Total Outstanding and Amounts
Held by Principal Lenders, United States,
Specified Dates, January 1, 1910-1971⁽¹⁾
(In Thousands of Dollars)

	Total Farm Mortgage Debt	Commercial And Savings Banks ⁽²⁾	Federal Land Banks (3) (4)	Life Insurance Companies ⁽³⁾	Farmers Home Administration	Individuals and Other ⁽⁵⁾
1910	\$ 3,207,863	\$ 406,248		\$ 386,961		\$ 2,414,654
1920	8,448,772	1,204,383	\$ 293,595	974,826		5,975,968
1930	9,630,768	997,468	1,201,732	2,118,439		5,313,129
1940	6,586,399	534,170	2,723,110	984,290	\$ 32,178	2,312,651
1945	4,940,915	449,582	1,556,983	938,275	195,519	1,800,556
1946	4,760,464	507,298	1,318,317	891,263	184,091	1,859,495
1947	4,896,970	683,229	1,123,369	888,665	191,954	2,009,753
1948	5,064,245	840,647	995,999	959,715	197,927	2,069,957
1949	5,288,331	900,843	946,076	1,036,383	192,328	2,212,701
1950	5,579,278	937,144	964,727	1,172,326	193,301	2,311,780
1951	6,112,286	1,008,359	991,439	1,352,635	220,104	2,539,749
1952	6,662,327	1,046,923	1,026,906	1,541,874	240,809	2,805,815
1953	7,240,937	1,105,096	1,095,257	1,716,022	268,257	3,056,305
1954	7,739,931	1,131,214	1,187,046	1,892,773	282,098	3,246,800
1955	8,245,278	1,210,676	1,279,787	2,051,784	287,171	3,415,860
1956	9,012,016	1,346,287	1,480,204	2,271,784	277,869	3,635,872
1957	9,821,525	1,386,270	1,722,381	2,476,543	289,546	3,946,785
1958	10,382,475	1,414,207	1,897,168	2,578,958	339,865	4,152,258
1959	11,091,390	1,511,859	2,065,372	2,661,229	388,010	4,464,920
1960	12,082,409	1,631,271	2,335,124	2,819,542	439,269	4,857,203
1961	12,820,304	1,691,239	2,539,044	2,974,609	483,985	5,131,427
1962	13,899,105	1,789,103	2,803,103	3,161,757	569,093	5,576,049
1963	15,167,821	2,056,944	3,024,013	3,391,183	588,802 ⁽⁶⁾	6,106,879
1964	16,803,505	2,360,320	3,281,797	3,780,537	605,307 ⁽⁶⁾	6,775,544
1965	18,894,240	2,668,535	3,685,755	4,287,671	619,492 ⁽⁶⁾	7,631,787
1966	21,186,886	2,939,046	4,240,227	4,801,677	631,147 ⁽⁶⁾	8,574,789
1967	23,301,235	3,169,469	4,914,522	5,213,587	585,426 ⁽⁶⁾	9,418,231
1968	25,485,372	3,541,927	5,563,204	5,539,600	536,221 ⁽⁶⁾	10,305,420
1969	27,139,309	3,856,514	6,081,229	5,763,500	493,522 ⁽⁶⁾	10,944,544
1970	28,407,291	4,113,251	6,671,222	5,733,900	455,338	11,433,580
1971	29,587,000 ⁽⁷⁾	4,444,769	7,145,363	5,626,493 ⁽⁷⁾	346,569	12,023,806 ⁽⁷⁾

(1) Beginning 1960, data for reporting institutions in Alaska and Hawaii are included.

(2) Before 1935, open state and national banks; 1935-1947, insured commercial banks; and 1948 to date, all operating commercial and savings banks.

(3) 1910-1929, regular mortgages only; 1930-1964, regular mortgages, purchase-money mortgages, and sales contracts; beginning 1965, life insurance company data exclude sales contracts.

(4) Includes mortgages held by the Federal Farm Mortgage Corporation that were made on its behalf by Land Bank Commissioner. Authority expired July 1, 1947.

(5) 1920-1950 includes loans held by Joint Stock Land Banks.

(6) Excludes rural nonfarm housing.

(7) Preliminary.

Source: Compiled from reports and unpublished data of the Economic Research Service, U.S.D.A.

TABLE 13
Balance Sheet of The Farming Sector, United States ⁽¹⁾
January 1, Selected Years
(In Billions of Dollars)

	1940	1950	1960	1969	1970	1971 ⁽²⁾
ASSETS						
Physical assets:						
Real estate	\$33.6	\$ 75.3	\$130.2	\$202.6	\$208.9	\$214.0
Non-real estate						
Livestock	5.1	12.9	15.2	20.1	23.5	} 80.7
Machinery and motor vehicles.	3.1	12.2	22.2	32.6	34.3	
Crops stored on and off farms ⁽³⁾	2.7	7.6	7.7	10.5	10.8	
Household furnishings and equipment	4.2	8.6	9.6	9.1	10.1	
Financial assets:						
Deposit and currency	3.2	9.1	9.2	11.5	11.9	} 24.2
United States savings bonds2	4.7	4.7	3.8	3.7	
Investments in cooperatives8	2.1	4.4	7.8	8.2	
Total	\$52.9	\$132.5	\$203.2	\$298.0	\$311.4	\$318.9
CLAIMS						
Liabilities:						
Real estate debt	\$ 6.6	\$ 5.6	\$ 12.1	\$ 27.1	\$ 28.4	\$ 29.5
Non-real estate debt to:						
Commodity Credit Corporation ⁽⁴⁾						
Other reporting institutions ⁽⁵⁾	1.5	2.8	6.7	14.5	15.8	} 29.7
Nonreporting creditors ⁽⁶⁾	1.5	2.3	4.9	10.3	11.2	
Total	\$10.0	\$ 12.4	\$ 24.9	\$ 54.6	\$ 58.1	\$ 61.1
Proprietors' equities	42.9	120.1	178.3	243.4	253.3	257.8
Total	\$52.9	\$132.5	\$203.2	\$298.0	\$311.4	\$318.9

(1) Data for 48 states only.

(2) Preliminary estimates.

(3) Includes all crops held on farms for whatever purpose and crops held off farm as security for CCC loans.

(4) Nonrecourse CCC loans secured by crops.

(5) Loans of all operating banks, the PCAs, and the FHA, and discounts of the FICBs for agricultural credit corporations and livestock loan companies.

(6) Loans and credits extended by dealers, merchants, finance companies, individuals, and others.

Source: Economic Research Service, U.S.D.A.

TABLE 14
Comparative Income Statement for Agriculture,
United States, Selected Years 1940-1970⁽¹⁾
(In Billions of Dollars)

	1940 ⁽¹⁾	1950 ⁽¹⁾	1960	1969 ⁽²⁾	1970
REALIZED NET FARM INCOME OF FARM OPERATORS					
Million Dollars					
REALIZED NET FARM INCOME OF FARM OPERATORS					
Realized gross farm income:					
Cash receipts from farm marketings	\$ 8,382	\$28,461	\$33,999	\$47,913	\$49,015
Government payments to farm operators and landlords	733	283	693	3,783	3,706
Home consumption of farm products	1,210	2,063	1,248	748	773
Rental value of farm dwellings	744	1,464	1,975	2,815	2,849
Total	\$11,059	\$32,271	\$37,915	\$55,259	\$56,343
Production costs:					
Feed bought	998	3,283	4,911	6,465	7,054
Livestock bought, except horses and mules . .	517	2,004	2,500	4,199	4,289
Fertilizer and lime bought	306	975	1,305	2,010	2,083
Repairs and operation of capital items	1,038	2,975	3,957	4,956	5,110
Depreciation and other consumption of farm capital	797	2,665	4,237	6,660	6,902
Taxes on farm real estate and personal property	451	919	1,500	2,757	2,990
Seed bought	197	518	509	702	735
Wages to hired labor (cash and perquisites) . .	1,029	2,811	2,864	3,125	3,317
Net rent and Government payments to landlords not living on farms ⁽³⁾	448	1,233	1,007	1,314	1,337
Interest on farm mortgage debt	293	264	627	1,597	1,715
Miscellaneous	784	1,763	2,825	4,758	5,182
Total	6,858	19,410	26,242	38,543	40,714
Realized net farm income of farm operators ⁽⁴⁾ .	4,201	12,861	11,673	16,716	15,629
REALIZED NET FARM INCOME OF PROPRIETORS⁽⁴⁾					
Realized net farm income of farm operators . . .	4,201	12,861	11,673	16,716	15,629
Net rent and Government payments to landlords not living on farms ⁽³⁾	448	1,233	1,007	1,314	1,337
Realized net farm income of proprietors	4,649	14,094	12,680	18,030	16,966

(1) For 48 States.

(2) Revised.

(3) After subtraction of taxes, mortgage interest, and other expenses by landlords.

(4) Realized net farm income excludes net changes in farm inventories.

Source: Economic Research Service, U.S.D.A.

TABLE 15
Cash Income Received by Farmers from Crops and Livestock,
by States, 1970, with Comparisons
(In Thousands of Dollars)

	Cash Receipts	
	1970	% Change 1969-1970
Maine	\$ 255,738	7
New Hampshire	55,722	- 2
Vermont	162,748	7
Massachusetts	173,472	4
Connecticut	167,575	*
Rhode Island	21,530	2
New York	1,112,852	3
New Jersey	246,953	- 1
Pennsylvania	1,044,011	2
Maryland & D.C.	393,413	1
Delaware	147,685	- 2
Michigan	900,240	4
Wisconsin	1,597,391	5
Minnesota	2,016,268	3
NORTH-EAST - TOTAL	8,295,598	4
Ohio	1,333,650	6
Indiana	1,510,347	2
Illinois	2,742,604	1
Iowa	3,882,276	3
Missouri	1,479,217	2
CORN BELT - TOTAL	10,948,094	3
Virginia	603,081	5
West Virginia	108,997	3
Kentucky	927,508	3
North Carolina	1,522,033	9
South Carolina	441,455	10
Tennessee	705,297	5
Georgia	1,147,874	*
Alabama	736,267	2
Mississippi	903,924	12
Arkansas	1,057,370	2
Louisiana	640,247	12
Florida	1,255,435	- 7
SOUTH - TOTAL	10,049,488	4
North Dakota	693,121	- 7
South Dakota	1,015,930	3
Nebraska	1,987,150	3
Kansas	1,745,108	2
Oklahoma	947,744	1
Texas	3,100,121	7
PLAINS - TOTAL	9,489,174	3
Montana	557,486	4
Idaho	638,875	1
Wyoming	226,478	1
Colorado	1,071,142	7
Utah	216,885	3
New Mexico	393,874	1
Arizona	663,037	*
Washington	787,667	2
Oregon	560,095	3
Nevada	80,513	6
California	4,489,080	3
Hawaii	206,584	4
Alaska	4,213	11
WEST - TOTAL	9,895,929	3
U.S. TOTAL	48,678,283	3

*Less than 0.5%.

Source: Data from Farm Income Situation, Economic Research Service, U.S.D.A.

Appendix

SURVEY BACKGROUND

The 1971 Bank Agricultural Credit Situation Survey reflecting year-end 1970 data was mailed to the members of the agricultural panel of banks in January. These banks are selected from a group which meets the following criteria:

Banks with under \$5 million in assets having 5 percent or more of their assets outstanding as farm loans.

Banks with \$5 million or more in assets having 1 percent or more of their assets in farm loans.

A total of 700 banks, or 62 percent of those receiving this questionnaire, responded to the survey and were broken down into two major categories — region and size of bank. Most of the information given in this report is categorized by the following five regions:

- North-East** — The Northeast and Lake States areas where dairying is important.
- Corn Belt** — The five Corn Belt states where corn and other row crops, along with hogs and cattle, are predominant.
- South** — A 12-state area stretching from the South Atlantic Coast on the east to and including the Mississippi Delta on the west — a section experiencing considerable transition in agricultural production, with less dependency on traditional crops such as cotton and tobacco and with increased emphasis on corn, soybeans, cattle, and poultry.
- Plains** — A combination of the northern and southern plains resulting in a six-state belt stretching through the middle of the country running from the Canadian border on the north to the Mexican border on the south — a section of the country where agriculture is by far the most important industry and where a large proportion of production involves wheat and cattle.
- West** — A vast land area consisting of the Mountain States on the east with its range livestock and irrigated crop production to the highly intensified and diversified crop production along the Pacific Coast.

The three size categories used are: banks with deposits of under \$5 million, \$5 million to \$10 million, and \$10 million and over. These are arbitrarily called "small," "medium," and "large" banks.

Survey results indicate that as of year-end 1970, the median survey bank in the United States had \$14,144,000 in deposits. This is a growth in deposits of 11% since year-end 1969. During the years in which this survey was conducted, the median bank deposits increased from \$6.79 million in 1962 to the present \$14.1 million. This is a 108% increase during the 8-year period.

Regional distribution of bank deposits indicates that there is considerable variation in the median bank's size. Banks of the Western region are generally larger, as indicated by the median bank deposits of \$25.1 million. Smaller banks predominate in the Plains regions where the median bank deposits in 1970 were \$9,484,000. The regions of the North-East, Corn Belt, and South tend to fall very near the U.S. average for median bank deposits.

MEDIAN BANK DEPOSITS AND LOANS
(December 1970)

TERM	REGIONS					
	All Regions	North-East	Corn Belt	South	Plains	West
General						
Total Deposits	\$14,144	\$14,293	\$15,418	\$14,792	\$ 9,484	\$25,119
(Median banks—\$000 omitted)						
Farm Loans						
Real Estate	377	388	377	543	214	206
All other	1,199	869	1,192	572	1,739	2,488
Total	1,576	1,257	1,569	1,115	1,953	2,694
Ratios						
(Median Banks)						
Total time and savings deposits						
Total Deposits	55.73%	64.8%	56.7%	52.3%	50.6%	53.0%
Total Farm Loans						
Total Assets	10.99%	7.3%	11.3%	6.5%	21.4%	9.3%

Specific Agricultural Finance Data and Their Sources

Agricultural Finance Review Supplement – Provides data related particularly to farm credit, with many items reported by States. Published annually, usually in the fall.

Agricultural Situation – A discussion of the agricultural situation on a national scale is available in the U.S.D.A. publication *Demand and Price Situation*. There is also a discussion of the general economic factors which affect agriculture in some way. The publication is a quarterly, usually coming out in January, May, August, and November.

Balance Sheet of The Farming Sector – Preliminary estimates are given in *Agricultural Finance Outlook* which is published for the Outlook Conference held by the U.S.D.A. each year. A detailed analysis of assets, liabilities, and net worth is contained in *Balance Sheet of The Farming Sector* which is usually released in late summer.

Farm Income Data – Information on total cash receipts by state and U.S. totals for various commodity groups may be found in the U.S.D.A. publication *Farm Income Situation* which is published in February, April, July, and November.

Farm Real Estate Index Numbers – Current values are available in *Farm Real Estate Market Developments* which is published semiannually by the U.S.D.A. Other data relative to the changing real estate market are also contained in this publication.

Farm Tax Data – State real estate totals, amount per acre, amount per \$100 of value, and other information are presented in the statistical supplement of U.S.D.A.'s *Agricultural Finance Review*. This supplement, normally published near the end of the year, also contains data on fire and crop insurance, Commodity Credit Corporation loans, and interest and money rates as well as the Balance Sheet and Income Statement of Agriculture.

Production Credit Association Data – Breakdowns of individual state PCA information is presented in *Annual Summary of Operations-Production Credit Associations* published by the Farm Credit Administration. Detailed comparative PCA figures are available on an individual state basis from The American Bankers Association.

USDA publications may be obtained by writing:

Office of Information
United States Department of Agriculture
Washington, D.C. 20250

Farm Credit Administration publications may be obtained by writing:

Research and Information Division
Farm Credit Administration
Washington, D.C. 20578