

FARM SECTOR FINANCIAL EXPERIENCE AND RURAL BANKING CONDITIONS

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Chart 1

Return to Farm Assets Compared with Value of Assets

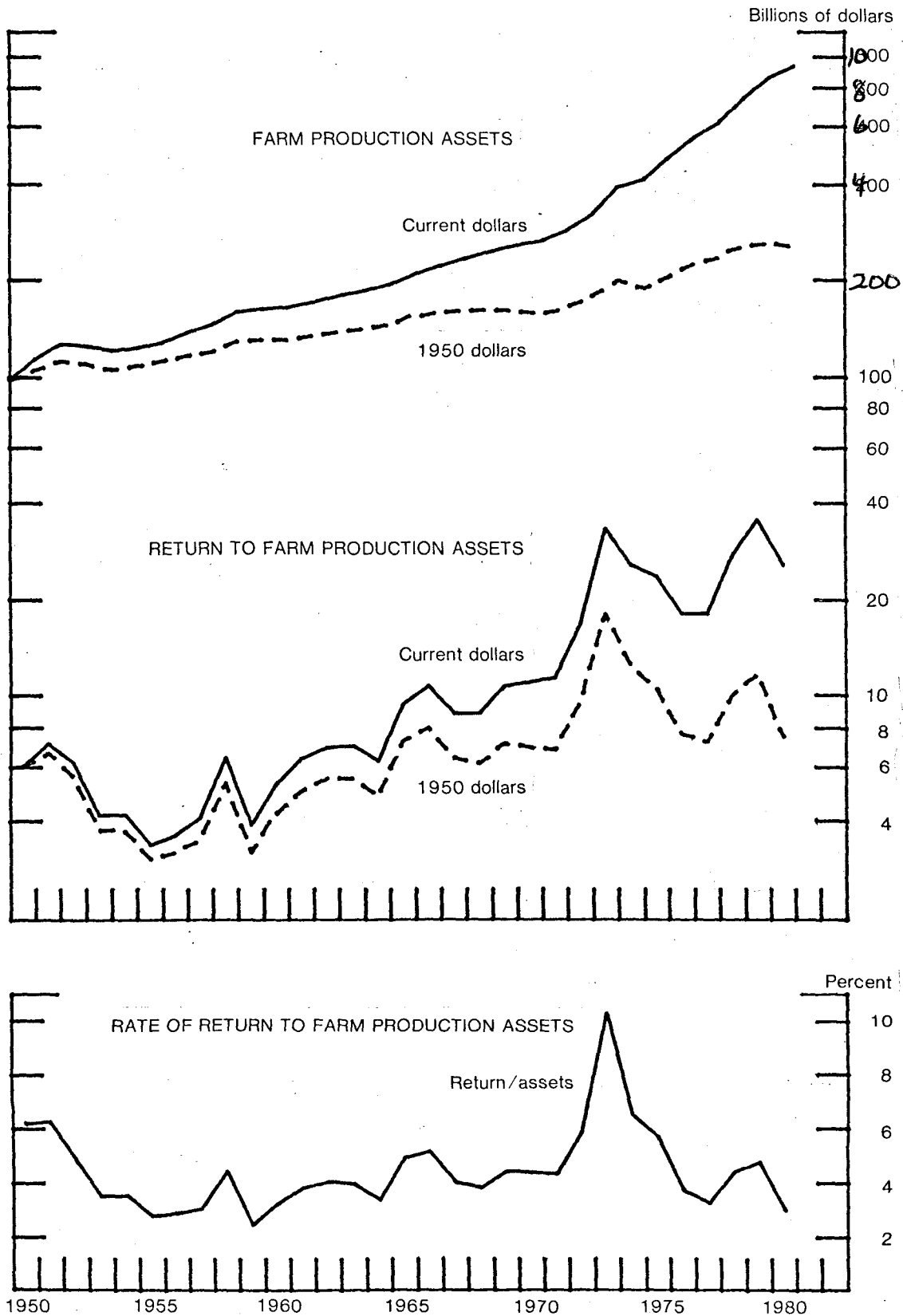
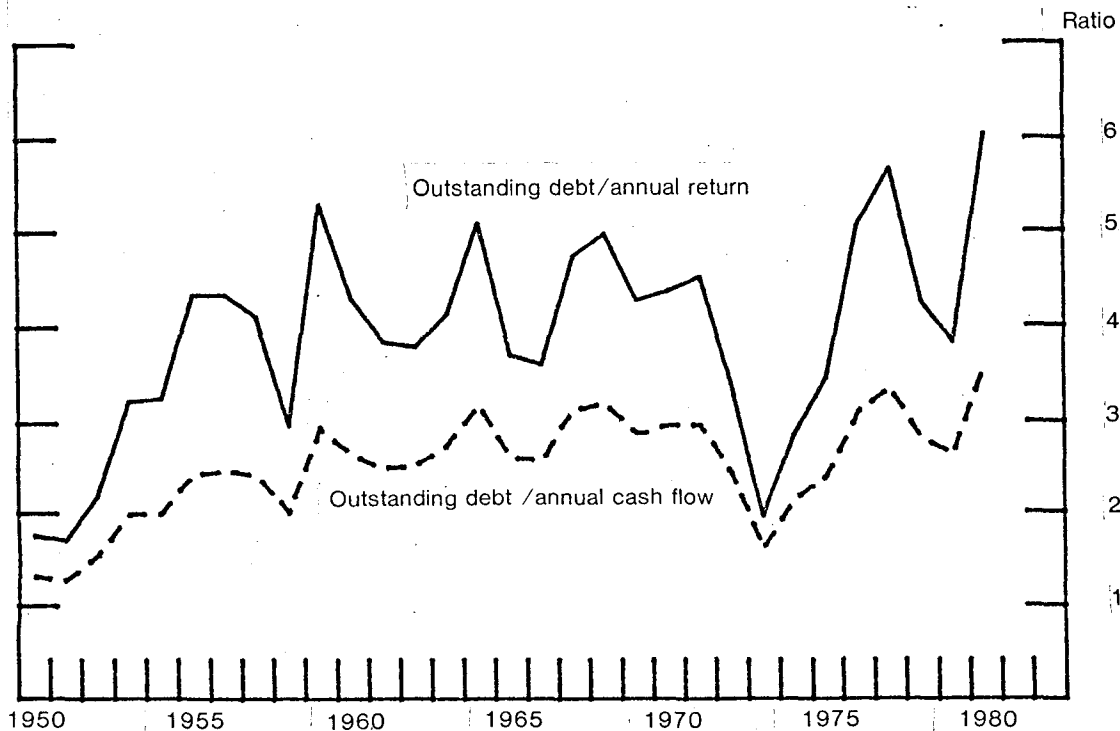
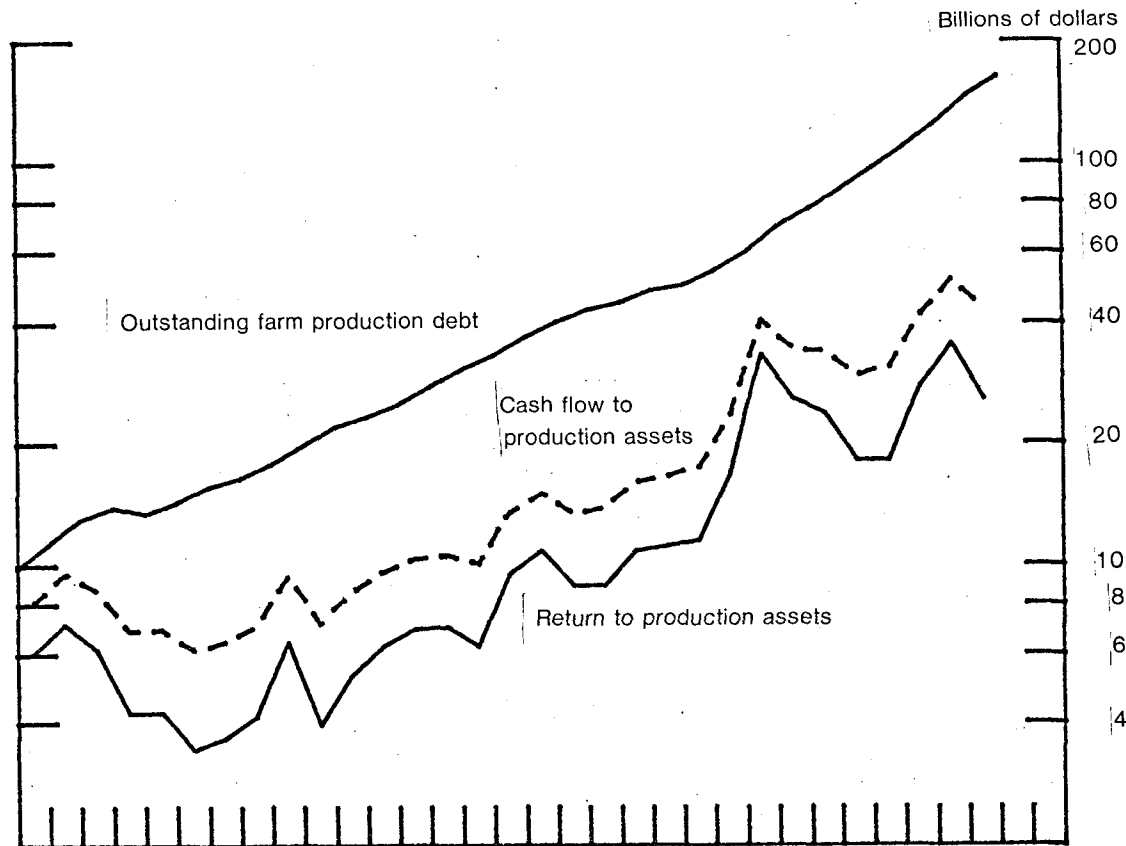


Chart 2

Farm Debt Compared with Income Flows to Farm Production Assets



Farm production debt includes debt secured by farm production assets.
Cash flow is the return to production assets plus capital consumption allowances.

Table 1

Institutional farm debt, June 30, 1981, and second-quarter changes, 1976-1981

Type of debt and lender group	Amount 6/30/81 (billions of dollars)	Change in second quarter (billions of dollars)						Percentage change in second quarter					
		1976	1977	1978	1979	1980	1981	1976	1977	1978	1979	1980	1981
Total.....	144.9	3.9	5.8	5.1	7.6	5.4	5.3	6	7	6	7	4	4
Insured commercial banks.....	41.6	1.9	2.3	1.9	1.8	.5	1.8	7	8	6	5	1	5
Farm Credit System.....	63.4	1.6	2.1	1.9	2.9	3.3	3.9	6	6	5	7	6	6
Life insurance companies.....	13.0	.2	.5	.5	.6	.3	.0	3	7	6	5	2	0
Farmers Home Administration.....	24.3	.3	.6	1.6	3.0	1.7	2.2	6	11	19	27	10	10
Commodity Credit Corporation....	2.6	-.2	.2	-.7	-.6	-.5	-2.6	-55	18	-15	-12	-9	-49
Real estate debt.....	70.6	1.2	1.8	1.8	2.9	2.7	2.5	4	5	4	6	4	4
Insured commercial banks.....	8.5	.2	.4	.3	.1	-.1	.0	4	5	4	1	-1	0
Federal Land Banks.....	40.3	.7	.9	.9	1.4	2.1	2.3	4	4	4	6	7	6
Life insurance companies.....	13.0	.2	.5	.5	.6	.3	.0	3	7	6	5	2	0
Farmers Home Administration.....	8.9	.1	.1	.2	.8	.4	.2	2	2	4	15	5	3
Non-real-estate debt.....	74.3	2.7	3.9	3.3	4.7	2.7	2.9	8	10	7	8	4	4
Insured commercial banks.....	33.2	1.7	2.0	1.6	1.7	.6	1.8	8	8	6	6	2	6
Production credit associations..	22.1	.9	1.2	.9	1.3	1.2	1.5	8	9	7	8	7	7
Fed. Int. Credit Banks (OFIs)...	1.0	.0	.0	.1	.2	.0	.1	7	12	42	41	4	12
Farmers Home Administration.....	15.4	.3	.6	1.4	2.2	1.3	2.0	14	26	36	37	13	15
Commodity Credit Corporation....	2.6	-.2	.2	-.7	-.6	-.5	-2.6	-55	18	-15	-12	-9	-49

Table 2

Institutional farm debt, first-half changes, 1975-1981

Type of debt and lender group	Change in first half (billions of dollars)							Percentage change in first half						
	1975	1976	1977	1978	1979	1980	1981	1975	1976	1977	1978	1979	1980	1981
Total.....	4.6	5.3	8.2	7.4	11.0	10.3	11.0	8	8	11	8	11	8	8
Insured commercial banks.....	1.0	2.1	3.0	1.7	1.8	-.1	1.6	4	8	10	5	5	0	4
Farm Credit System.....	2.7	2.7	3.2	2.6	4.5	6.2	6.9	12	10	10	7	11	13	12
Life insurance companies.....	.2	.3	.7	.9	1.0	.6	.1	4	4	10	10	9	5	1
Farmers Home Administration.....	.8	.4	.8	2.6	4.0	3.5	4.2	18	8	14	38	39	22	21
Commodity Credit Corporation....	-.1	-.2	.4	-.5	-.2	.0	-1.7	-38	-49	42	-11	-5	1	-40
Real estate debt.....	2.0	1.9	3.2	3.3	5.3	5.5	4.6	7	6	9	8	11	10	7
Insured commercial banks.....	.2	.1	.6	.5	.2	-.1	-.1	3	2	10	6	2	-1	-1
Federal Land Banks.....	1.5	1.4	1.7	1.7	2.6	4.0	4.2	11	9	9	8	10	13	12
Life insurance companies.....	.3	.3	.7	.9	1.0	.6	.1	4	4	10	10	9	5	1
Farmers Home Administration.....	.1	.2	.2	.3	1.6	1.1	.3	3	6	4	7	35	16	4
Non-real-estate debt.....	2.6	3.4	5.0	4.1	5.7	4.7	6.4	9	10	13	9	10	7	9
Insured commercial banks.....	.8	2.0	2.4	1.3	1.6	.1	1.6	5	10	10	5	6	0	5
Production credit associations..	1.2	1.3	1.6	.9	1.8	2.2	2.5	13	12	13	6	12	12	13
Fed. Int. Credit Banks (OFIs)...	.0	.0	.0	.1	.1	.1	.2	-3	6	7	22	15	13	18
Farmers Home Administration.....	.7	.2	.6	2.3	2.5	2.4	3.9	64	13	30	78	42	27	33
Commodity Credit Corporation....	-.1	-.2	.4	-.5	-.2	.0	-1.7	-38	-49	42	-11	-5	1	-40

Table 3

Institutional farm debt, changes in year ending June 30, 1975-1981

Type of debt and lender group	Change in year ending June 30 (billions of dollars)							Percentage change in year ending June 30						
	1975	1976	1977	1978	1979	1980	1981	1975	1976	1977	1978	1979	1980	1981
Total.....	6.5	8.1	12.3	13.0	17.4	17.1	14.1	11	13	17	16	18	15	11
Insured commercial banks.....	.9	3.3	4.5	2.2	3.2	1.1	2.2	4	13	16	7	9	3	5
Farm Credit System.....	4.4	3.8	4.6	3.6	6.6	10.1	8.7	20	15	15	10	18	23	16
Life insurance companies.....	.4	.4	1.1	1.6	1.8	1.3	.3	7	7	16	19	18	11	2
Farmers Home Administration.....	.9	.5	.9	3.1	4.8	5.0	4.8	20	11	15	47	50	35	25
Commodity Credit Corporation....	-.1	.0	1.3	2.6	1.0	-.4	-1.9	-35	-8	685	179	25	-9	-42
Real estate debt.....	3.7	3.3	5.2	5.8	8.2	9.4	7.7	14	11	15	15	18	18	12
Insured commercial banks.....	.3	.3	1.0	.8	.4	-.2	.1	5	4	16	12	5	-2	1
Federal Land Banks.....	2.8	2.5	2.8	2.9	4.1	6.4	6.6	23	16	16	15	18	24	20
Life insurance companies.....	.4	.4	1.1	1.6	1.8	1.3	.3	7	7	16	19	18	11	2
Farmers Home Administration.....	.2	.2	.3	.4	1.8	1.9	.8	6	5	9	11	43	32	10
Non-real-estate debt.....	2.8	4.8	7.0	7.2	9.2	7.6	6.3	10	15	19	16	18	13	9
Insured commercial banks.....	.6	3.1	3.5	1.4	2.8	1.3	2.1	3	16	16	5	10	4	7
Production credit associations..	1.6	1.3	1.7	.6	2.4	3.5	1.9	18	12	14	4	17	21	10
Fed. Int. Credit Banks (OFIs)...	.0	.0	.0	.1	.1	.2	.2	-3	5	6	14	31	28	27
Farmers Home Administration.....	.7	.4	.5	2.7	3.0	3.1	4.0	59	21	25	99	55	37	35
Commodity Credit Corporation....	-.1	.0	1.3	2.6	1.0	-.4	-1.9	-35	-8	685	179	25	-9	-42

Table 4

Farm non-real-estate loans outstanding at insured commercial banks

Federal Reserve District and state	Estimated amount, June 30, 1981 (millions of dollars)	Percentage change in second quarter					
		1976	1977	1978	1979	1980	1981
United States.....	33,167	8	8	6	6	2	6
1--Boston.....	112	-6	2	-2	-5	-18	29
2--New York.....	649	1	16	1	0	-6	-3
New York.....	645	1	16	1	0	-6	-3
3--Philadelphia....	309	-1	4	3	3	-3	-1
Pennsylvania*....	287	0	3	3	1	-2	-1
4--Cleveland.....	756	7	11	7	7	4	8
Kentucky*.....	232	7	8	7	6	3	10
Ohio.....	507	7	13	7	8	4	7
Pennsylvania*....	16	8	5	5	12	0	4
5--Richmond.....	751	16	16	13	12	11	10
Maryland.....	63	4	5	1	-1	4	5
North Carolina...	344	22	20	16	14	17	14
South Carolina...	96	19	20	16	19	11	9
Virginia.....	210	12	12	11	9	5	5
West Virginia*...	36	4	7	9	7	4	6
6--Atlanta.....	1,299	8	11	5	6	4	3
Alabama.....	280	12	17	6	8	8	2
Florida.....	168	-2	2	-7	-4	-7	-4
Georgia.....	344	12	10	10	7	1	2
Louisiana*.....	161	7	21	12	10	19	21
Mississippi*.....	138	8	9	7	11	11	6
Tennessee*.....	208	6	10	5	5	3	2
7--Chicago.....	7,078	5	6	2	4	-2	6
Illinois*.....	1,689	3	4	4	3	-1	7
Indiana*.....	803	9	15	6	8	3	6
Iowa.....	3,479	4	4	-1	4	-4	6
Michigan*.....	420	10	10	7	6	0	9
Wisconsin*.....	686	6	6	6	4	1	4

* Portion of state in specified Federal Reserve District.

Table 4 (continued)

Farm non-real-estate loans outstanding at insured commercial banks

Federal Reserve District and state	Estimated amount, June 30, 1981 (millions of dollars)	Percentage change in second quarter					
		1976	1977	1978	1979	1980	1981
8--St. Louis.....	2,372	9	12	8	8	7	6
Arkansas.....	397	13	24	14	8	15	7
Illinois*.....	569	8	10	7	6	4	7
Indiana*.....	173	13	11	12	9	3	9
Kentucky*.....	303	10	8	7	6	8	8
Mississippi*.....	198	8	16	10	18	18	6
Missouri*.....	597	7	4	6	8	3	4
Tennessee*.....	136	4	20	5	14	10	4
9--Minneapolis.....	4,635	6	8	8	10	0	5
Michigan*.....	8	19	6	4	10	-9	4
Minnesota.....	1,985	6	10	9	9	0	7
Montana.....	548	10	6	9	11	3	9
North Dakota.....	794	11	8	11	14	2	5
South Dakota.....	1,085	1	5	6	7	-5	0
Wisconsin*.....	215	7	6	2	5	2	7
10--Kansas City....	7,360	8	5	4	3	0	4
Colorado.....	731	10	6	3	4	4	7
Kansas.....	1,986	7	3	3	3	-1	0
Missouri*.....	728	8	7	6	7	-1	2
Nebraska.....	2,562	9	7	4	6	-1	8
New Mexico*.....	50	2	13	8	9	10	2
Oklahoma*.....	1,074	5	3	2	-5	0	2
Wyoming.....	229	10	5	7	11	6	4
11--Dallas.....	2,690	12	9	9	1	5	3
Louisiana*.....	159	16	22	18	11	16	9
New Mexico*.....	127	8	5	5	-1	3	-3
Oklahoma*.....	57	11	-3	6	-15	2	-1
Texas.....	2,348	12	9	9	1	5	2
12--San Francisco..	5,155	16	12	12	11	9	12
Arizona.....	421	-3	11	5	6	7	-2
California.....	3,260	17	13	12	10	10	12
Hawaii.....	18	-10	-16	5	-8	10	2
Idaho.....	403	18	9	9	16	11	20
Nevada.....	17	-14	31	-4	7	4	6
Oregon.....	347	26	14	15	13	15	16
Utah.....	92	11	2	2	8	4	5
Washington.....	598	24	12	18	14	4	13

* Portion of state in specified Federal Reserve District.

Table 5

Farm non-real-estate loans at insured commercial banks
Percentage change in first half of year

Federal Reserve District and state	1975	1976	1977	1978	1979	1980	1981
United States.....	5	10	10	5	6	0	5
1--Boston.....	11	-19	-5	2	-13	-32	5
2--New York.....	-11	-6	14	-2	9	-4	-3
New York.....	-11	-6	13	-2	8	-4	-3
3--Philadelphia....	2	-4	5	5	1	-7	-1
Pennsylvania*....	1	-5	2	4	-3	-5	-1
4--Cleveland.....	8	5	14	6	6	3	9
Kentucky*.....	4	-2	7	5	7	3	13
Ohio.....	11	9	18	7	6	3	7
Pennsylvania*....	-7	-5	0	-2	3	4	0
5--Richmond.....	29	30	38	19	24	24	21
Maryland.....	-3	3	9	1	-8	3	4
North Carolina...	63	61	56	31	38	38	36
South Carolina...	46	46	50	19	36	30	21
Virginia.....	7	6	23	11	14	13	8
West Virginia*...	3	-7	15	1	7	0	10
6--Atlanta.....	12	13	20	2	9	5	3
Alabama.....	22	24	26	2	17	12	0
Florida.....	-12	-6	2	-8	-4	-11	-2
Georgia.....	19	27	25	2	14	5	3
Louisiana*.....	25	9	32	21	4	21	21
Mississippi*.....	10	5	11	-3	13	8	4
Tennessee*.....	6	5	16	5	4	1	2
7--Chicago.....	3	6	9	2	4	-3	5
Illinois*.....	-4	1	7	4	-2	-6	7
Indiana*.....	17	10	17	7	5	1	5
Iowa.....	3	6	7	-4	5	-5	4
Michigan*.....	7	16	17	8	6	0	9
Wisconsin*.....	4	6	12	9	5	2	8

* Portion of state in specified Federal Reserve District.

Table 5 (continued)

Farm non-real-estate loans at insured commercial banks (continued)
 Percentage change in first half of year

Federal Reserve District and state	1975	1976	1977	1978	1979	1980	1981
8--St. Louis.....	11	12	16	8	6	5	4
Arkansas.....	22	18	31	16	-1	11	0
Illinois*.....	7	8	12	5	3	0	5
Indiana*.....	13	10	10	6	6	0	5
Kentucky*.....	9	11	9	6	2	5	9
Mississippi*.....	9	4	18	6	14	11	4
Missouri*.....	9	14	10	6	11	5	4
Tennessee*.....	0	12	29	6	13	12	4
9--Minneapolis.....	4	7	8	7	12	-1	6
Michigan*.....	12	19	2	8	6	-16	1
Minnesota.....	7	9	11	11	12	0	8
Montana.....	5	9	6	6	13	3	10
North Dakota.....	1	4	4	4	16	0	6
South Dakota.....	2	5	6	4	11	-4	0
Wisconsin*.....	0	8	11	5	8	2	9
10--Kansas City....	2	10	6	2	3	-2	2
Colorado.....	2	13	7	4	2	-2	-1
Kansas.....	2	7	4	3	1	-4	-2
Missouri*.....	2	12	10	5	7	-1	2
Nebraska.....	2	12	8	1	4	-3	7
New Mexico*.....	-5	4	17	16	9	8	4
Oklahoma*.....	-1	6	5	0	-3	0	-1
Wyoming.....	10	18	7	5	12	8	8
11--Dallas.....	-2	11	12	9	-3	3	0
Louisiana*.....	16	28	37	20	4	17	12
New Mexico*.....	3	13	7	5	-4	2	-8
Oklahoma*.....	-4	25	8	14	-14	4	1
Texas.....	-3	9	10	9	-3	2	0
12--San Francisco..	8	17	10	8	10	4	12
Arizona.....	0	-4	13	-4	-1	-6	-3
California.....	5	16	10	8	11	5	14
Hawaii.....	7	-17	-10	-6	-15	36	-7
Idaho.....	13	19	3	5	8	0	17
Nevada.....	26	23	25	-18	12	-2	-8
Oregon.....	14	28	14	15	13	18	15
Utah.....	2	12	5	-2	-2	-2	5
Washington.....	28	32	20	17	18	1	7

* Portion of state in specified Federal Reserve District.

Table 6

Farm non-real-estate loans at insured commercial banks
 Percentage change in year ending June 30

Federal Reserve District and state	1975	1976	1977	1978	1979	1980	1981
United States.....	3	16	16	5	10	4	7
1--Boston.....	11	-15	18	26	37	-6	26
2--New York.....	-19	-4	33	1	22	15	30
New York.....	-19	-4	33	1	22	15	30
3--Philadelphia....	-1	0	10	13	10	-1	-1
Pennsylvania*....	-1	0	8	14	8	3	-3
4--Cleveland.....	8	9	16	8	10	2	8
Kentucky*.....	9	2	14	12	12	2	22
Ohio.....	8	12	19	8	10	2	3
Pennsylvania*....	4	9	-27	1	-4	-8	-6
5--Richmond.....	9	13	17	0	2	3	1
Maryland.....	2	3	21	1	-10	8	8
North Carolina...	23	23	19	-1	-1	6	-1
South Carolina...	7	14	22	-8	13	-1	0
Virginia.....	-2	5	10	3	8	1	2
West Virginia*...	0	-7	16	4	0	-5	11
6--Atlanta.....	5	13	17	-1	8	-2	4
Alabama.....	19	17	18	-4	4	-2	-2
Florida.....	-14	5	13	-1	7	-9	11
Georgia.....	8	20	18	-11	15	-2	-1
Louisiana*.....	6	11	15	19	4	2	15
Mississippi*.....	4	10	17	0	10	5	5
Tennessee*.....	2	5	18	9	7	-2	6
7--Chicago.....	7	16	21	7	13	4	5
Illinois*.....	7	8	24	10	8	0	9
Indiana*.....	23	9	24	9	13	5	2
Iowa.....	3	23	20	4	19	6	3
Michigan*.....	2	18	20	5	2	-2	5
Wisconsin*.....	8	8	18	11	7	5	10

* Portion of state in specified Federal Reserve District.

Table 6 (continued)

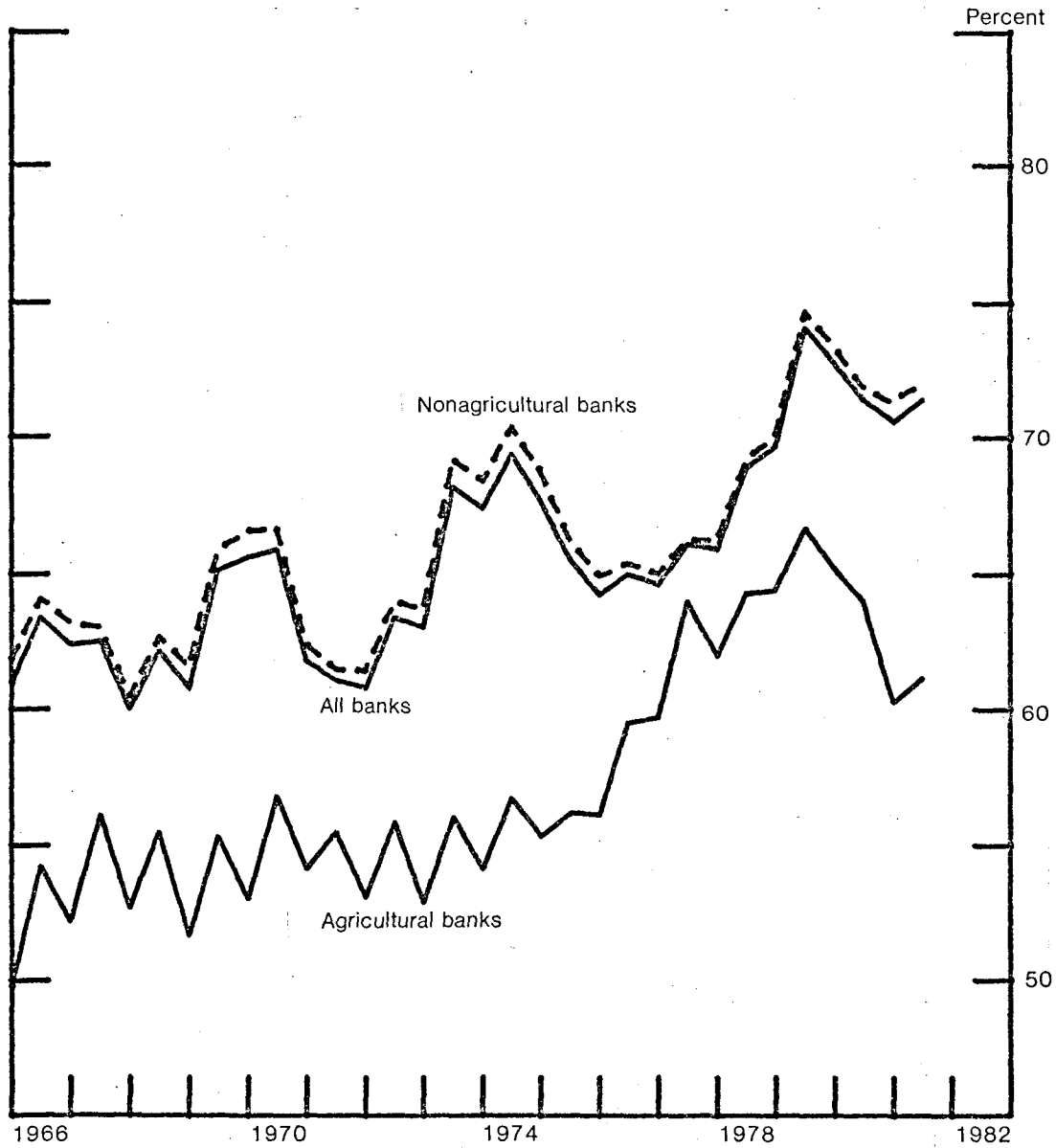
Farm non-real-estate loans at insured commercial banks (continued)
 Percentage change in year ending June 30

Federal Reserve District and state	1975	1976	1977	1978	1979	1980	1981
8--St. Louis.....	9	13	19	7	6	3	4
Arkansas.....	16	9	21	8	-8	1	-1
Illinois*.....	14	17	25	9	12	2	5
Indiana*.....	18	13	15	11	10	2	5
Kentucky*.....	9	13	13	8	3	6	9
Mississippi*.....	0	4	12	6	3	2	6
Missouri*.....	6	15	18	6	14	6	4
Tennessee*.....	-5	18	22	1	6	3	0
9--Minneapolis.....	11	20	13	7	18	6	4
Michigan*.....	11	31	-3	4	14	-15	-3
Minnesota.....	17	20	14	11	19	9	3
Montana.....	6	16	11	2	9	-2	4
North Dakota.....	18	31	12	1	22	4	4
South Dakota.....	2	14	10	8	20	5	4
Wisconsin*.....	4	11	18	10	10	10	12
10--Kansas City....	1	21	16	4	8	6	6
Colorado.....	-2	28	17	2	3	-2	0
Kansas.....	5	22	15	6	6	5	4
Missouri*.....	-1	12	16	8	14	8	3
Nebraska.....	-1	25	20	0	10	9	13
New Mexico*.....	-7	-15	12	2	0	4	2
Oklahoma*.....	1	16	9	7	6	6	4
Wyoming.....	6	10	6	-3	0	-1	1
11--Dallas.....	-2	18	16	5	2	3	6
Louisiana*.....	18	14	25	4	-10	4	13
New Mexico*.....	1	13	7	-2	-3	3	-7
Oklahoma*.....	5	11	0	27	-18	1	8
Texas.....	-2	18	16	5	2	3	7
12--San Francisco..	-2	15	8	6	12	5	13
Arizona.....	-20	5	-9	6	28	3	13
California.....	-1	13	9	7	16	9	17
Hawaii.....	0	-7	55	15	-3	15	12
Idaho.....	5	26	0	-2	-4	-6	10
Nevada.....	3	-2	10	2	16	-15	-14
Oregon.....	4	18	15	8	5	12	5
Utah.....	-8	13	18	-2	-1	-13	2
Washington.....	7	26	16	10	9	-2	1

* Portion of state in specified Federal Reserve District.

Chart 3

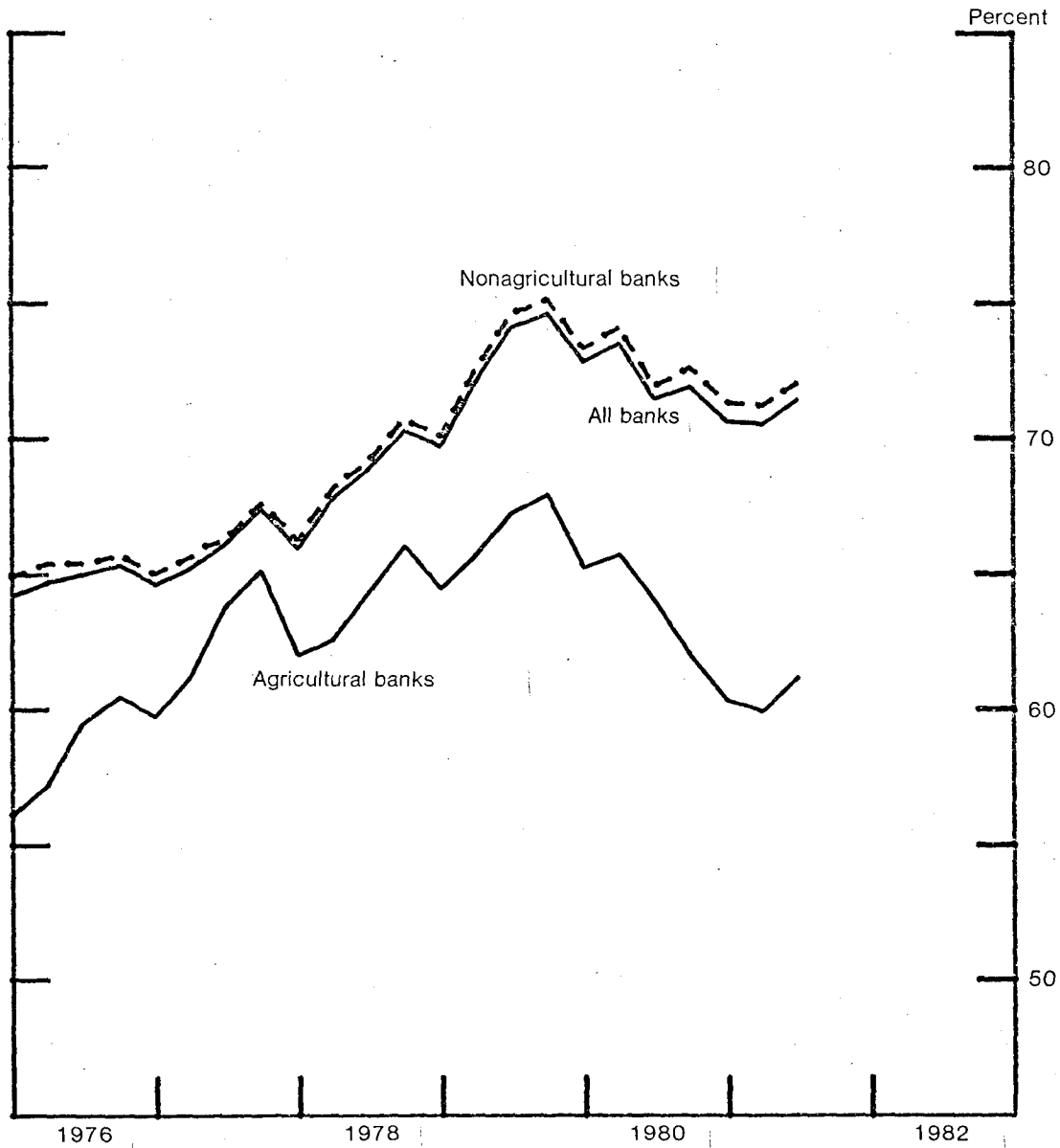
Average Loan/Deposit Ratios at Insured Commercial Banks Semiannual



"Agricultural banks" are banks at which farm loans comprise 25 percent or more of total loans.

Chart 4

Average Loan/Deposit Ratios at Insured Commercial Banks Quarterly



"Agricultural banks" are banks at which farm loans comprise 25 percent or more of total loans.

Table 7

Average loan/deposit ratios at agricultural banks (percent)

Data for banks at which farm loans are 25 percent or more of total loans
(15 percent or more of total loans in states or areas marked by *)

End of month or date	U.S.	Corn Belt					Lake States				Plains				
		OH	IN	IL	IO	MO	MI*	WI	MN	ND	SD	NB	KS	OK	TX
1975--Dec....	56	58	54	50	57	52	66	60	58	57	60	59	56	54	52
1976--Mar....	57	60	54	50	59	54	65	60	60	54	61	61	58	54	52
--June...	59	62	56	52	60	56	67	62	61	60	60	64	60	56	57
--Sept...	61	62	57	53	60	57	69	62	60	62	60	67	63	57	58
--Dec....	60	60	56	54	62	56	68	62	60	62	62	66	62	57	54
1977--Mar....	61	62	58	56	63	58	68	65	60	60	64	68	63	58	55
--June...	64	66	61	57	66	61	71	67	64	65	67	72	64	58	59
--Sept...	65	67	64	60	68	62	71	68	64	64	66	73	65	59	61
--Dec....	62	65	61	59	66	58	68	66	62	60	65	66	62	59	56
1978--Mar....	63	68	63	60	66	60	69	68	64	57	64	66	63	59	55
--June...	64	68	64	61	66	62	70	70	65	61	67	66	64	59	60
--Sept...	66	68	67	63	67	64	72	71	67	64	68	69	65	60	62
--Dec....	64	67	65	64	67	62	71	70	65	61	68	65	64	61	60
1979--Mar....	66	68	66	65	69	64	72	71	68	62	70	66	65	61	58
--June...	67	69	67	64	70	66	72	72	70	68	73	69	65	60	59
--Sept...	68	69	68	63	70	67	72	72	71	71	74	72	65	60	60
--Dec....	65	69	66	62	69	63	70	70	69	67	70	69	63	59	56
1980--Mar....	66	69	66	62	70	64	69	71	71	65	72	71	63	59	55
--June...	64	67	64	60	67	63	67	69	68	64	67	68	61	57	56
--Sept...	62	65	64	58	63	60	66	68	64	62	65	67	59	55	56
--Dec....	60	64	62	56	61	59	64	67	61	59	64	65	58	55	54
1981--Jan. 28	60	65	62	55	60	59	64	67	62	58	64	65	58	54	54
--Feb. 25	60	64	62	55	60	59	62	66	61	58	64	64	58	55	53
--Mar. 25	60	65	62	56	60	59	62	66	63	58	64	65	58	55	54
--Apr. 29	60	65	62	56	60	59	63	67	62	57	63	66	58	56	55
--May 27	61	65	62	56	61	60	63	67	63	57	63	66	58	56	55
--June 24	61	66	63	56	62	61	64	67	63	58	63	68	59	56	56
--July 1	61	65	63	57	62	61	63	67	63	58	63	67	58	55	55
--July 8	61	65	62	56	62	60	63	66	63	57	63	67	57	55	54
--July 15	61	65	63	56	62	61	63	67	64	58	63	68	58	55	54
--July 22	61	65	63	56	62	61	64	67	63	59	63	68	58	56	55
--July 29	62	66	64	57	62	61	65	67	64	59	64	69	58	55	55
--Aug. 5	61	65	63	56	62	60	63	66	63	58	63	68	57	55	54
--Aug. 12	61	65	63	56	62	61	63	66	63	59	64	68	58	55	54
--Aug. 19	61	65	63	56	62	61	63	67	63	59	64	69	58	55	55
--Aug. 26	61	66	64	57	62	61	64	67	62	58	64	69	58	56	55

Data are for insured commercial banks meeting the specified farm loan criterion on the date indicated (or, for 1981 estimates, on December 31, 1980). Data for 1981 are estimates based on experience at banks that report deposits and total loans weekly.

Table 7 (continued)

Average loan deposit ratios at agricultural banks (percent)

Data for banks at which farm loans are 25 percent or more of total loans
(15 percent or more of total loans in states or areas marked by *)

End of month or date	Mountain States					Southeast			Delta States			Appalachian			U.S.*
	NM	CO	WY	MT	ID*	FL*	GA*	AL*	MS*	LA*	AR*	TN*	KY*	VA*	
1975--Dec....	61	63	59	58	66	54	63	56	58	56	53	58	57	63	57
1976--Mar....	64	64	63	59	69	55	66	57	57	57	56	58	58	64	58
--June...	64	68	66	62	71	57	70	59	58	60	57	61	63	64	60
--Sept...	64	71	63	65	74	57	67	60	61	62	60	63	65	63	61
--Dec....	62	68	61	61	69	57	66	59	57	56	57	61	61	62	60
1977--Mar....	66	70	66	62	72	57	69	58	56	58	59	61	62	65	61
--June...	64	71	63	65	73	59	74	62	60	63	62	66	66	66	64
--Sept...	64	71	63	65	74	60	73	64	63	68	65	68	70	66	65
--Dec....	62	68	61	61	72	58	66	62	59	63	61	64	64	64	63
1978--Mar....	64	68	64	62	74	56	64	62	57	65	61	65	67	64	63
--June...	63	72	63	65	76	57	68	63	60	68	64	68	69	66	65
--Sept...	64	74	63	68	75	61	68	64	63	72	67	69	72	67	67
--Dec....	64	71	62	62	71	61	68	64	60	67	63	68	66	66	65
1979--Mar....	64	73	68	66	71	59	70	65	59	66	62	69	68	69	67
--June...	63	76	71	70	74	60	73	66	63	68	62	70	70	71	68
--Sept...	66	76	69	72	74	61	72	66	67	72	64	71	71	71	68
--Dec....	63	72	62	64	70	59	69	66	61	63	59	66	66	69	65
1980--Mar....	61	75	66	65	69	57	68	64	60	62	58	65	66	73	66
--June...	59	74	64	64	71	55	67	62	60	64	58	65	66	72	64
--Sept...	58	73	62	63	69	55	66	61	62	66	58	63	66	70	63
--Dec....	54	68	59	57	65	56	65	61	61	62	58	61	60	71	61
1981--Jan. 28	54	70	61	57	65	56	65	61	61	63	59	62	--	72	--
--Feb. 25	53	69	60	58	65	56	64	60	60	63	59	61	--	72	--
--Mar. 25	53	70	61	59	65	55	63	59	60	62	59	61	--	71	--
--Apr. 29	54	71	61	59	64	57	63	57	59	62	59	61	--	71	--
--May 27	54	73	60	60	65	56	64	58	57	62	59	62	--	70	--
--June 24	54	75	61	60	66	58	65	58	59	63	59	63	--	70	--
--July 1	53	74	61	60	65	56	64	58	59	63	59	62	--	70	--
--July 8	52	74	60	60	65	56	63	57	58	62	58	61	--	69	--
--July 15	53	73	61	60	65	57	64	57	59	63	59	62	--	70	--
--July 22	53	74	61	61	66	58	65	58	60	64	60	62	--	70	--
--July 29	54	75	62	62	66	59	65	58	60	64	60	63	--	71	--
--Aug. 5	53	73	61	61	66	58	63	57	59	63	59	62	--	69	--
--Aug. 12	53	73	61	61	67	58	64	57	59	63	59	62	--	69	--
--Aug. 19	53	74	62	62	67	59	64	57	59	63	59	63	--	70	--
--Aug. 26	55	74	61	62	67	59	65	57	59	63	60	63	--	70	--

Data are for insured commercial banks meeting the specified farm loan criterion on the date indicated (or, for 1981 estimates, on December 31, 1980). Data for 1981 are estimates based on experience at banks that report deposits and total loans weekly.

Chart 5

Average Loan/Deposit Ratios at Insured Commercial Banks Semiannual



"Agricultural banks" are banks at which farm loans comprise 25 percent or more of total loans.

"Large banks" are banks with total assets of \$500 million or more.

Table 8

Net purchases of federal funds* as a percentage of total banking resources

End of month	All banks	Agricultural banks	Nonagricultural banks with total assets--	
			Under \$500 million	\$500 million and over
1976--March.....	2.3	-3.8	-2.3	6.6
June.....	2.6	-2.8	-1.3	6.3
September...	2.9	-3.1	-1.8	7.1
December....	2.4	-3.6	-2.6	6.8
1977--March.....	2.9	-3.5	-2.1	7.4
June.....	3.3	-2.1	-1.3	7.4
September...	3.6	-2.3	-1.3	7.9
December....	2.9	-4.1	-2.1	7.2
1978--March.....	3.9	-4.3	-1.4	8.5
June.....	3.9	-2.8	-.7	7.7
September...	4.2	-2.0	-.8	8.3
December....	3.4	-2.8	-1.1	6.8
1979--March.....	4.7	-2.5	-.5	8.9
June.....	4.6	-2.3	-.9	8.8
September...	4.1	-2.6	-2.0	8.5
December....	3.7	-3.6	-2.4	8.0
1980--March.....	3.7	-4.0	-2.1	7.9
June.....	4.1	-5.2	-2.7	9.2
September...	4.4	-5.9	-3.0	9.8
December....	4.1	-5.5	-2.5	8.8
1981--March.....	4.5	-6.0	-2.9	9.8
--June.....	4.5	-4.6	-2.0	9.1

* Includes net securities sold under agreements to repurchase.

Table 9

Time certificates of deposit of \$100,000 or more as a percentage of total banking resources

End of month	All banks	Agricultural banks	Nonagricultural banks with total assets--	
			Under \$500 million	\$500 million and over
1976--March.....	13.0	4.5	9.7	16.7
June.....	12.4	4.5	9.1	16.0
September...	11.9	4.5	9.2	14.8
December....	11.3	4.5	8.5	14.2
1977--March.....	10.8	4.5	8.4	13.5
June.....	10.7	4.5	8.1	13.3
September...	11.2	4.7	8.4	13.9
December....	11.9	4.5	8.7	15.0
1978--March.....	12.8	4.7	9.5	16.1
June.....	13.0	4.8	9.4	16.3
September...	13.4	5.0	9.8	16.7
December....	14.0	5.1	10.1	17.3
1979--March.....	14.1	5.3	11.1	17.0
June.....	12.8	5.3	11.0	14.7
September...	13.2	5.5	10.9	15.4
December....	13.3	5.6	11.0	15.4
1980--March.....	13.7	6.0	11.5	15.8
June.....	13.1	6.1	11.0	15.0
September...	13.7	6.2	11.0	16.1
December....	15.4	6.5	11.6	18.4
1981--March.....	15.4	6.9	12.1	18.2
--June.....	15.9	6.9	11.9	19.0

Table 10

Money-market certificates of deposit as a percentage of total
banking resources

End of month	All banks	Agricultural banks	Nonagricultural banks with total assets--	
			Under \$500 million	\$500 million and over
1978--December....	1.7	2.4	2.5	1.2
1979--March.....	3.3	5.7	4.7	2.1
June.....	4.5	8.5	6.5	2.8
September...	5.7	11.4	8.4	3.5
December....	7.6	14.9	11.2	4.7
1980--March.....	10.2	21.7	15.1	6.2
June.....	10.7	22.5	15.6	6.6
September...	10.3	21.8	15.0	6.4
December....	11.7	24.2	17.2	7.3
1981--March.....	13.0	27.2	18.9	8.1
--June.....	13.5	29.0	19.9	8.4

Note: Money-market certificates do not include "small-saver" certificates with a minimum maturity of 30 months, which were introduced in 1979.

Chart *b*

Average Farm Loan Interest Rates at Rural Banks Compared with Prime Rate Quarterly, First Day of Quarter

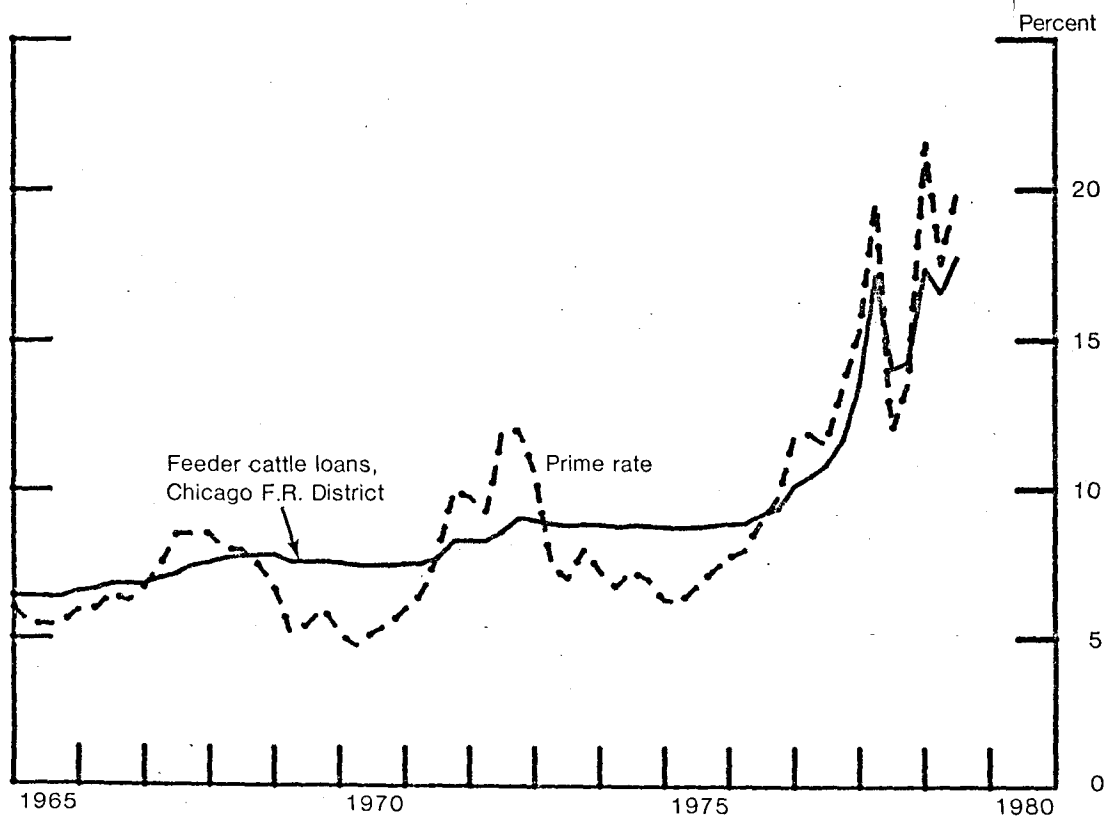
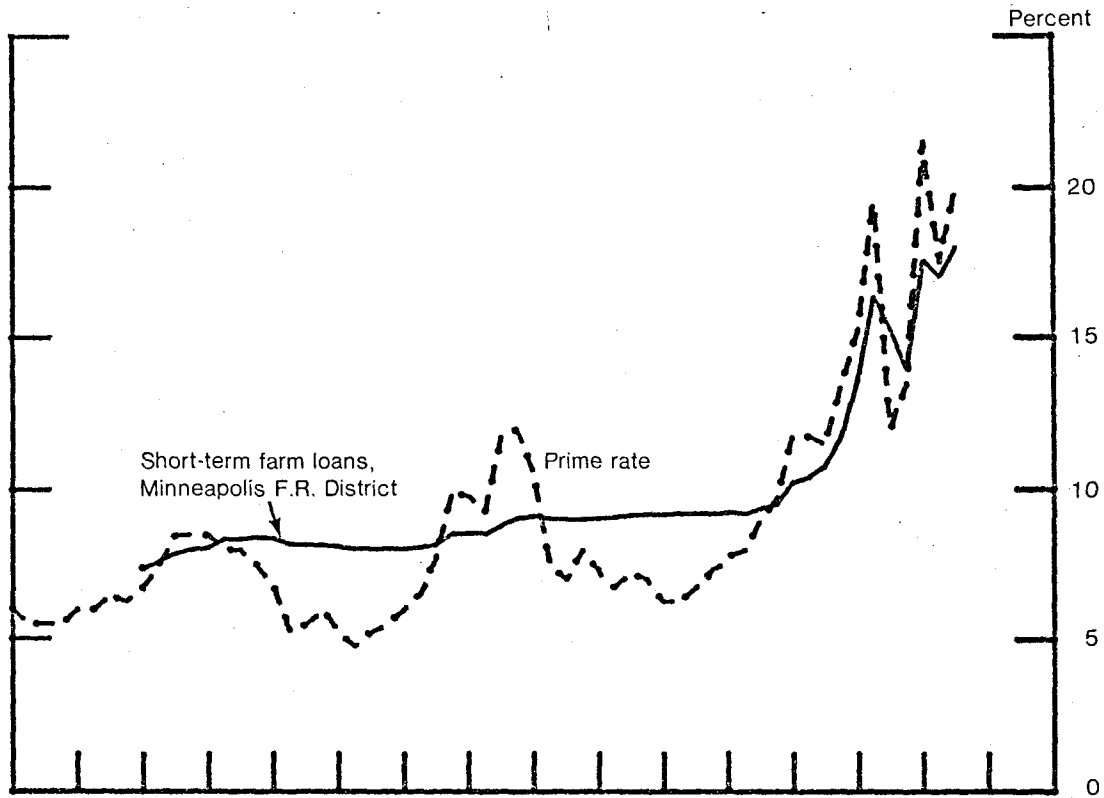
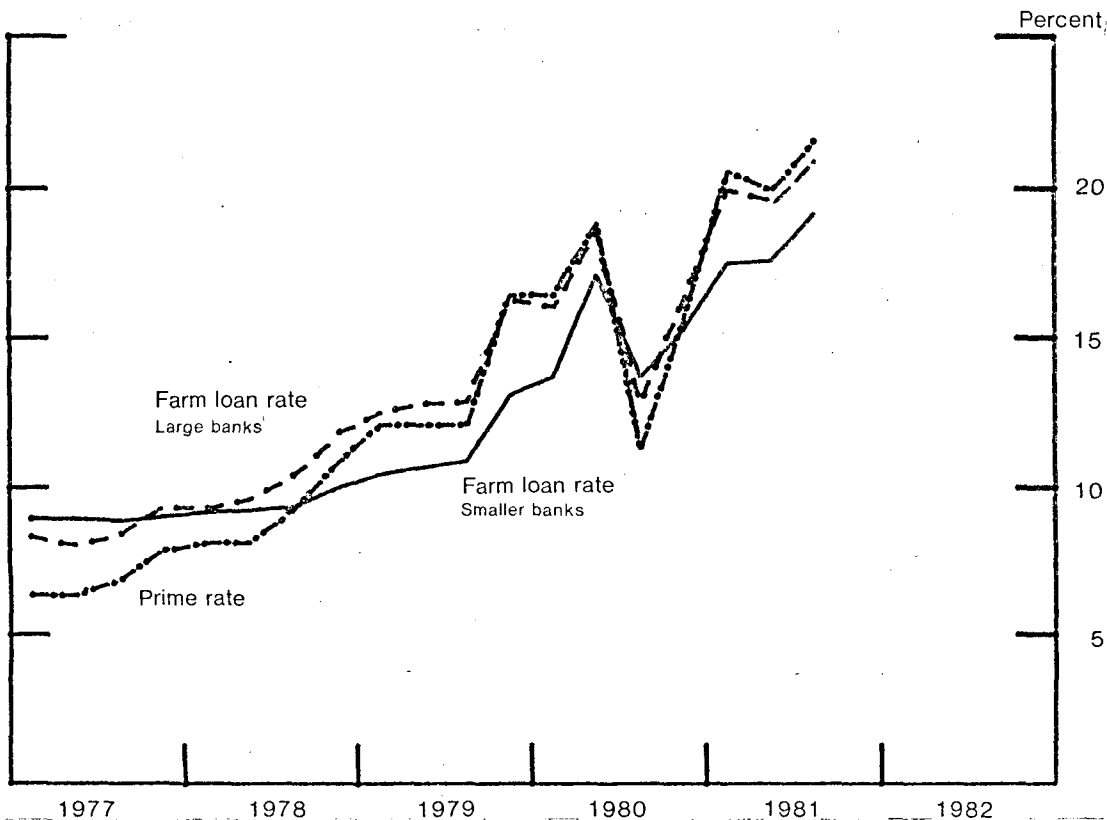
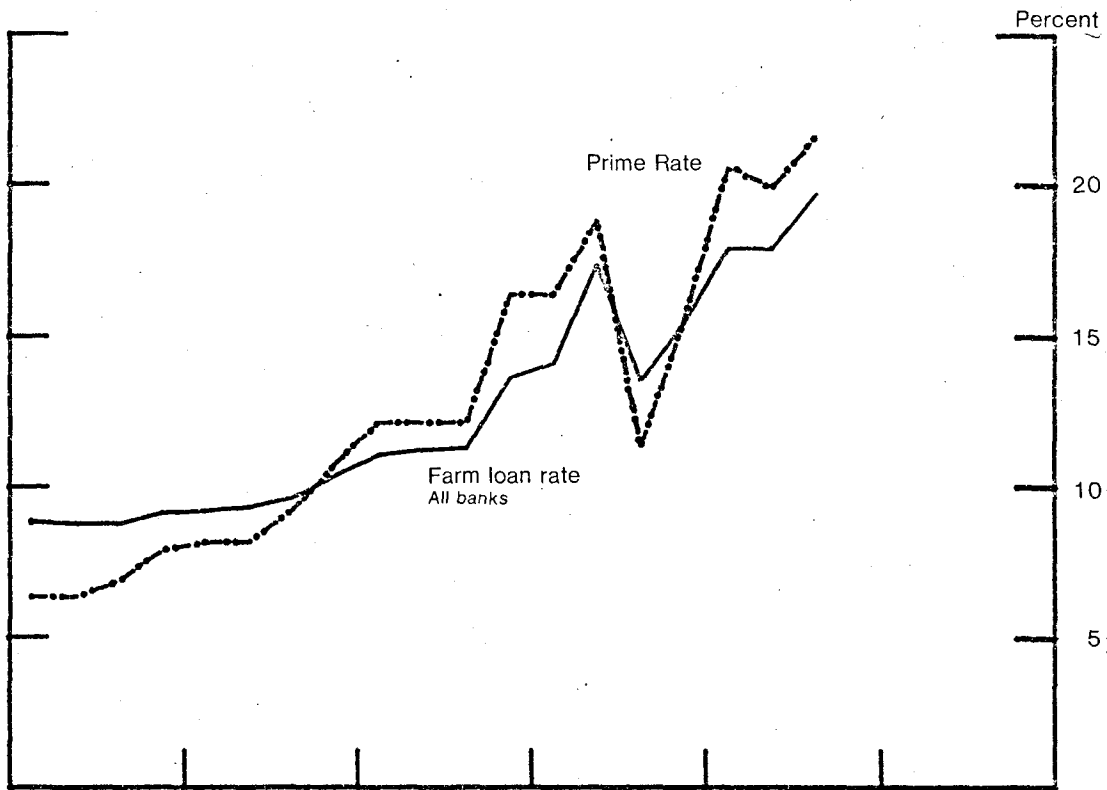


Chart 7

Average Effective Farm Loan Interest Rates at Commercial Banks Compared with Effective Business Loan Prime Rate at Major Banks

Quarterly, First Week of Second Month of Quarter



Effective prime rate was computed by assuming a loan maturity of six months (approximate average maturity of farm loans), with all interest paid at maturity.

"Large banks" (survey strata 1-3) correspond roughly to banks with over \$450 million in total assets in 1980.

Table 11

Percentage distribution of non-real-estate farm loans
made by banks, by effective interest rate^{1,2}

Effective interest rate (percent)	Aug. 1977	Aug. 1978	Aug. 1979	Aug. 1980	Aug. 1981	Aug. 1980	Nov. 1980	Feb. 1981	May 1981	Aug. 1981
All loans.....	100	100	100	100	100	100	100	100	100	100
Under 7.0.....	2	-	-	-	-	-	-	-	-	-
7.0 to 7.9.....	11	-	-	-	-	-	-	-	-	-
8.0 to 8.9.....	48	20	2	-	-	-	-	-	-	-
9.0 to 9.9.....	34	50	11	-	-	-	-	-	-	-
10.0 to 10.9.....	4	22	29	1	-	1	-	-	-	-
11.0 to 11.9.....	-	6	33	10	-	10	-	-	-	-
12.0 to 12.9.....	-	1	14	17	1	17	3	1	-	1
13.0 to 13.9.....	-	-	7	43	-	43	10	2	-	-
14.0 to 14.9.....	-	-	5	19	1	19	21	4	1	1
15.0 to 15.9.....	-	-	1	9	2	9	28	9	10	2
16.0 to 16.9.....	-	-	-	1	5	1	27	20	22	5
17.0 to 17.9.....	-	-	-	1	14	1	7	18	19	14
18.0 to 18.9.....	-	-	-	-	16	-	3	16	21	16
19.0 to 19.9.....	-	-	-	-	28	-	-	7	10	28
20.0 to 20.9.....	-	-	-	-	11	-	-	8	10	11
21.0 to 21.9.....	-	-	-	-	7	-	-	7	4	7
22.0 to 22.9.....	-	-	-	-	6	-	-	3	2	6
23.0 to 23.9.....	-	-	-	-	3	-	-	2	1	3
24.0 to 24.9.....	-	-	-	-	3	-	-	1	-	3
25.0 and over....	-	-	-	-	3	-	-	-	-	3

Addendum: Average effective interest rate (percent)² at--

All banks.....	9.1	9.6	11.3	13.5	19.6	13.5	15.5	17.9	17.9	19.6
Large banks ³	9.4	10.4	12.9	12.8	20.8	12.8	16.3	19.9	19.5	20.8
Other banks.....	9.0	9.3	10.9	13.7	19.1	13.7	15.3	17.5	17.5	19.1

Source: Federal Reserve Quarterly Survey of Terms of Bank Lending to Farmers.

1/ Percentage distribution of the total dollar amount of non-real-estate farm loans of \$1,000 or more made by insured commercial banks during the week covered by the survey, which is the first full business week of the month specified.

2/ The approximate compounded annual interest rate on each loan is calculated from survey data on the stated rate and other terms of the loan. In computing the average of these estimated effective rates, each loan is weighted by its dollar amount.

3/ "Large banks" are banks in survey strata 1-3, corresponding approximately to banks with over \$450 million in total assets as of December 1980.

Table 12

Percentage distribution of non-real-estate farm loans made by large and other banks, by effective interest rate^{1,2}

Effective interest rate (percent)	Aug. 1977	Aug. 1978	Aug. 1979	Aug. 1980	Aug. 1981	Aug. 1980	Nov. 1980	Feb. 1981	May 1981	Aug. 1981
<u>Large banks³</u>										
All loans.....	100	100	100	100	100	100	100	100	100	100
Under 7.0.....	3	1	-	-	-	-	-	-	-	-
7.0 to 7.9.....	30	-	-	-	-	-	-	-	-	-
8.0 to 8.9.....	43	1	-	-	-	-	-	-	-	-
9.0 to 9.9.....	17	30	1	-	-	-	-	-	-	-
10.0 to 10.9.....	7	44	11	-	-	-	-	-	-	-
11.0 to 11.9.....	-	20	10	16	-	16	-	-	-	-
12.0 to 12.9.....	-	3	33	43	-	43	2	1	-	-
13.0 to 13.9.....	-	-	22	31	-	31	5	-	-	-
14.0 to 14.9.....	-	-	20	6	-	6	15	2	1	-
15.0 to 15.9.....	-	-	3	2	3	2	21	10	11	3
16.0 to 16.9.....	-	-	-	1	3	1	24	8	10	3
17.0 to 17.9.....	-	-	-	-	18	-	16	9	5	18
18.0 to 18.9.....	-	-	-	-	7	-	16	4	4	7
19.0 to 19.9.....	-	-	-	-	13	-	1	6	9	13
20.0 to 20.9.....	-	-	-	-	6	-	-	20	34	6
21.0 to 21.9.....	-	-	-	-	10	-	-	19	17	10
22.0 to 22.9.....	-	-	-	-	14	-	-	10	6	14
23.0 to 23.9.....	-	-	-	-	9	-	-	10	2	9
24.0 to 24.9.....	-	-	-	-	9	-	-	3	-	9
25.0 and over....	-	-	-	-	7	-	-	-	-	7
<u>Other banks³</u>										
All loans.....	100	100	100	100	100	100	100	100	100	100
Under 7.0.....	1	-	-	-	-	-	-	-	-	-
7.0 to 7.9.....	1	-	-	-	-	-	-	-	-	-
8.0 to 8.9.....	51	27	2	-	-	-	-	-	-	-
9.0 to 9.9.....	43	58	13	-	-	-	-	-	1	-
10.0 to 10.9.....	3	13	33	1	-	1	1	-	-	-
11.0 to 11.9.....	-	1	38	8	-	8	-	-	-	-
12.0 to 12.9.....	-	1	10	11	1	11	3	1	1	1
13.0 to 13.9.....	-	-	3	45	-	45	11	3	1	-
14.0 to 14.9.....	-	-	1	23	1	23	22	5	1	1
15.0 to 15.9.....	-	-	-	10	2	10	29	9	9	2
16.0 to 16.9.....	-	-	-	1	6	1	28	23	24	6
17.0 to 17.9.....	-	-	-	1	13	1	5	20	22	13
18.0 to 18.9.....	-	-	-	-	19	-	-	18	24	19
19.0 to 19.9.....	-	-	-	-	34	-	-	7	11	34
20.0 to 20.9.....	-	-	-	-	13	-	-	6	5	13
21.0 to 21.9.....	-	-	-	-	6	-	-	5	1	6
22.0 to 22.9.....	-	-	-	-	3	-	-	2	1	3
23.0 to 23.9.....	-	-	-	-	1	-	-	1	-	1
24.0 to 24.9.....	-	-	-	-	-	-	-	-	-	-
25.0 and over....	-	-	-	-	1	-	-	-	-	1

See notes to Table 11.

Table 13

Average interest rates on business and farm borrowings (percent)

Quarter	Prime 4-6 month commercial paper ¹	Business loans at banks ²		Farm loans at banks					Farm Credit System ⁷	
		Prime rate, large banks	Average, all banks ³	Short-term farm loans, Ninth District ⁴	Feeder cattle loans, Seventh District ⁵	Non-real-estate farm loans, United States ^{2,3}			Production Credit Associations	Federal Land Banks
					Large banks ⁶	Other banks	All banks			
1976-Q4	5.2	6.25	-	9.2	8.8	-	-	-	8.2	8.6
1977-Q1	4.7	6.25	7.6	9.2	8.7	8.3	8.9	8.8	8.2	8.5
-Q2	4.9	6.25	7.6	9.2	8.7	8.1	8.9	8.7	8.1	8.4
-Q3	5.4	6.75	7.9	9.2	8.7	8.4	8.9	8.7	7.9	8.3
-Q4	6.6	7.75	8.6	9.2	8.8	9.1	9.0	9.1	8.0	8.3
1978-Q1	6.8	8.00	8.9	9.2	8.9	9.3	9.1	9.2	8.4	8.2
-Q2	6.9	8.00	9.1	9.2	8.9	9.6	9.2	9.3	8.7	8.3
-Q3	7.9	9.00	10.0	9.4	9.1	10.4	9.3	9.6	9.0	8.3
-Q4	9.0	10.50	11.4	9.5	9.4	11.7	10.0	10.4	9.2	8.4
1979-Q1	10.3	11.75	12.2	10.2	10.1	12.5	10.4	11.0	10.0	8.7
-Q2	9.9	11.75	12.3	10.4	10.5	12.8	10.7	11.2	10.6	9.0
-Q3	9.8	11.75	12.3	10.8	10.8	12.9	10.9	11.3	10.9	9.3
-Q4	13.2	15.25	15.8	11.8	11.7	16.2	13.1	13.6	11.0	9.3
1980-Q1	12.7	15.25	15.7	13.6	13.5	16.0	13.7	14.1	12.1	9.8
-Q2	14.9	17.5-18.5	17.8	16.4	17.0	18.5	17.1	17.4	13.8	10.6
-Q3	8.3	11.00	11.6	15.3	14.0	12.8	13.7	13.5	13.4	10.6
-Q4	12.3	14.5-15.5	15.6	14.0	14.3	16.3	15.3	15.5	12.2	10.3
1981-Q1	15.1	19.5-20.0	19.8	17.6	17.3	19.9	17.5	17.9	13.1	10.6
-Q2	14.2	19.0	19.9	17.0	16.5	19.5	17.5	17.9	14.4	10.9
-Q3	16.1	20.5	21.0	18.0	17.7	20.8	19.1	19.6	15.2	11.4

1/ Average, first month of quarter.

2/ First full business week of second month of quarter.

3/ Dollar-weighted average of effective rates on loans of \$1,000 or more made in the week indicated.

4/ Average of most common rates at banks representative of farm lending, first day of quarter.

5/ Average of typical rates at agricultural banks, first day of quarter.

6/ "Large banks" (survey strata 1-3) correspond roughly to banks with over \$450 million in total assets in 1980.

7/ Unweighted average of quoted rates, first day of quarter (calculated by the authors). Stock purchases and loan fees required of borrowers from these cooperatives are not taken into account in the rates shown.