

Updated Agricultural Finance Data

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Percentage changes in farm real estate values

Average of changes reported by bankers participating in Federal Reserve Bank quarterly surveys of agricultural credit conditions and land values

F. R. District and type of farm land	Second quarter, 1985	Year ending June 30, 1985	From peak value to 6-30-85	Date of peak
Chicago, farmland.....	-5	-20	-36	1981-Q3
Minneapolis				
Nonirrigated cropland...	-10	-13	na	na
Irrigated cropland.....	-8	-18	na	na
Pasture/grazing land....	-12	-16	na	na
Kansas City				
Nonirrigated cropland...	-5	-23	-40	1981-Q2
Irrigated cropland.....	-3	-17	-39	1981-Q2
Ranchland.....	-6	-25	-43	1981-Q2
Dallas				
Dryland.....	0	-5	-5	1984-Q2
Irrigated cropland.....	0	0	-8	1982-Q1
Ranchland.....	-2	-7	-8	1984-Q3
Richmond				
Good farmland.....	-5	-17	-21	1980-Q3

For additional historical data, see Table 635 in Agricultural Finance Databook, Statistical Release E.15, Board of Governors of the Federal Reserve System.

Farm loans at insured commercial banks and
liquidity ratios at agricultural banks
as of June 30, 1985

Farm non-real-estate loans

On the basis of reports received from 99 percent of the banks, insured commercial banks are estimated to have held \$40.1 billion in outstanding farm non-real-estate loans on June 30, 1985, up \$1.8 billion, or 4.6 percent, from March 31, 1985, but down \$1.2 billion, or 3.0 percent, from a year earlier. Past estimates based on reports from about 99 percent of all banks have been within \$0.1 billion of the final amount.

Over the nine preceding years for which quarterly data are now available, changes in the second quarter averaged +6.2 percent and ranged from +1.9 percent to +8.4 percent. Over the same period, annual changes for the year ended June 30 averaged +9.1 percent, with a range from +4.3 percent to +16.2 percent.

Farm real estate loans

Outstanding farm real estate loans at insured commercial banks are estimated at \$10.6 billion on June 30, up \$0.3 billion, or 3.1 percent, during the second quarter and up \$0.6 billion, or 6.3 percent, from a year earlier.

Farm real estate loans at banks began to rise significantly in 1983 after having remained roughly unchanged since September 1978. Before that, they had posted average annual growth of 9.5 percent during the preceding 20 years. Over the nine preceding years for which quarterly data are now available, changes in the second quarter averaged +2.5 percent and ranged from -1.0 percent to +5.2 percent. Over the same period, annual changes for the year ended June 30 averaged +5.8 percent, with a range from -2.2 percent to +15.7 percent.

Loan-deposit ratios

The loan-deposit ratio at agricultural banks is estimated to have averaged 60.0 percent on June 30, 1985, up seasonally from 59.5 percent on March 31 but below the ratio of 60.9 percent a year earlier. During the second quarter, it is estimated that total loans increased by 1.8 percent while total deposits rose by 0.7 percent.

After maintaining a plateau (except for seasonal variation) around 55 percent from 1967 through 1975, the average loan-deposit ratio at agricultural banks rose rapidly during 1976-77. It continued to rise, though more slowly, to a peak of 68.2 percent on September 30, 1979, before declining during 1980. Since 1980, the average loan-deposit ratio at these banks has fluctuated seasonally in a range between 57 and 62 percent.

All data are for domestic offices of insured commercial banks. Agricultural banks are banks with an above-average farm loan ratio; that is, banks at which the ratio of total farm loans to total loans is above the average of such ratios at all banks (16.67 percent on March 31, 1985). For additional information on the characteristics of agricultural banks identified by this new criterion adopted in March 1985, see Appendix Section G in "Agricultural Banking Experience, 1984," issued May 7, 1985.

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Average interest rates on business and farm borrowings
(percent)

Date	Effective rates on bank loans, U.S., first week of second month of quarter					Stated nominal rates, end of quarter							
	Business loans		Non-real-estate farm loans			Prime rate, large banks	Average of most common farm loan rates at banks surveyed quarterly in specified F.R. Districts						
	Prime rate, large banks	Average, all banks	Large banks	Other banks	All banks		Feeder cattle loans			Other operating loans			
						Chicago	Kansas City	Dallas	Chicago	Minne- apolis	Kansas City	Dallas	
1977-01...	6.35	7.6	8.3	8.9	8.8	6.25	8.7	8.8	9.3	8.8	9.2	9.0	9.3
-02...	6.35	7.6	8.1	8.9	8.7	6.75	8.7	8.8	9.3	8.8	9.2	9.0	9.2
-03...	6.86	7.9	8.4	8.9	8.7	7.25	8.8	8.9	9.3	8.9	9.2	9.0	9.3
-04...	7.90	8.6	9.1	9.0	9.1	7.75	8.8	8.9	9.4	8.9	9.2	9.0	9.4
1978-01...	8.16	8.9	9.3	9.1	9.2	8.00	8.9	8.9	9.4	9.0	9.2	9.1	9.4
-02...	8.16	9.1	9.6	9.2	9.3	9.00	9.1	9.1	9.5	9.2	9.4	9.2	9.5
-03...	9.20	10.0	10.4	9.3	9.6	9.75	9.4	9.3	9.8	9.5	9.5	9.4	9.7
-04...	10.78	11.4	11.7	10.0	10.4	11.75	10.1	9.9	10.1	10.2	10.2	9.9	10.1
1979-01...	12.09	12.2	12.5	10.4	11.0	11.75	10.5	10.2	10.3	10.5	10.4	10.3	10.3
-02...	12.09	12.3	12.8	10.7	11.2	11.50	10.8	10.4	10.3	10.9	10.8	11.1	10.3
-03...	12.09	12.3	12.9	10.9	11.3	13.50	11.7	11.5	11.3	11.7	11.8	11.6	11.2
-04...	16.39	15.8	16.2	13.1	13.6	15.25	13.5	13.0	13.1	13.6	13.6	13.1	12.9
1980-01...	16.39	15.7	16.0	13.7	14.1	19.50	17.1	16.5	16.2	17.1	16.4	16.5	15.8
-02...	18.81	17.8	18.5	17.1	17.4	12.00	14.0	14.0	13.2	14.0	15.3	14.1	13.2
-03...	11.30	11.6	12.8	13.7	13.5	13.50	14.3	14.0	13.3	14.3	14.0	14.1	13.3
-04...	15.56	15.6	16.3	15.3	15.5	21.50	17.3	16.9	18.6	17.4	17.6	17.1	18.4
1981-01...	20.56	19.8	19.9	17.5	17.9	17.50	16.5	16.3	17.6	16.5	17.0	16.3	17.4
-02...	19.90	19.9	19.5	17.5	17.9	20.00	17.7	17.4	19.2	17.8	18.0	17.4	19.0
-03...	21.55	21.0	20.8	19.1	19.6	19.50	18.6	18.1	19.7	18.6	18.9	18.1	19.5
-04...	18.54	17.4	18.9	18.7	18.8	15.75	16.9	16.6	17.3	17.0	17.2	16.6	17.2
1982-01...	17.02	17.1	18.0	17.5	17.7	16.50	17.3	16.9	18.0	17.3	17.4	16.9	17.8
-02...	17.18	17.1	17.9	17.7	17.8	16.50	17.2	16.9	17.5	17.2	17.4	16.9	17.6
-03...	15.56	13.5	15.6	17.4	16.7	13.50	15.6	15.4	15.6	15.6	16.3	15.5	15.7
-04...	12.36	11.4	13.3	15.4	14.7	11.50	14.4	14.3	14.1	14.4	15.0	14.4	14.1
1983-01...	11.30	10.3	12.5	14.1	13.8	10.50	13.7	13.9	13.3	13.7	14.2	14.0	13.3
-02...	10.78	10.5	12.0	13.9	13.2	10.50	13.5	13.8	13.2	13.5	13.9	13.9	13.3
-03...	10.78	11.2	12.2	14.1	13.6	11.00	13.7	13.9	13.4	13.7	14.1	14.0	13.5
-04...	11.30	11.1	11.8	14.2	13.6	11.00	13.6	13.9	13.4	13.6	14.0	14.0	13.5
1984-01...	11.30	11.1	12.2	14.1	13.5	11.50	13.8	14.1	14.1	13.8	14.1	14.2	14.1
-02...	12.78	12.5	13.3	14.5	14.2	13.00	14.3	14.5	14.7	14.3	14.6	14.6	14.8
-03...	13.42	13.3	14.4	14.9	14.8	12.75	14.4	14.6	14.8	14.4	14.9	14.7	14.8
-04...	12.31	12.9	13.4	14.4	14.2	10.75	13.6	13.9	13.6	13.6	14.3	14.1	13.7
1985-01...	10.78	10.2	11.7	13.8	13.2	10.50	13.5	13.7	13.8 †	13.5	13.9	13.8	13.8 †
-02...	10.78	10.0	11.5	13.6	13.0	9.50	12.9	13.2	13.4 †	12.9	13.4	13.4	13.4 †
-03...	9.73	9.4	10.6	12.9	12.3								

Effective prime rate is calculated by assuming a loan maturity of six months with all interest paid at maturity.

Effective loan rates are dollar-weighted averages of effective rates on loans of \$1,000 or more made in the week indicated. Additional data from this quarterly survey of bank lending are published in Statistical Releases E.2 (Survey of Terms of Bank Lending) and E.15 (Agricultural Finance Databook), Publications Services, Federal Reserve Board, Washington, D.C. 20551. In recent quarters, most "large banks" (survey strata 1 to 3) had over \$500 million in total assets, and most "other banks" (survey strata 4 to 6) had total assets below \$500 million.

Each of the Federal Reserve Bank quarterly surveys of agricultural credit conditions covers somewhat different types of banks, and so the rates shown are not strictly comparable. For more information and data, see the Agricultural Finance Databook, pages 41-51.

† The number of banks surveyed by the Federal Reserve Bank of Dallas was increased substantially in 1985-01.

Table 10 (continued)

Percentage distribution of non-real-estate farm loans
made by banks, by effective interest rate

Effective interest rate (percent)	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.	Nov.	Feb.	May	Aug.
	1981	1981	1981	1981	1982	1982	1982	1982	1983	1983	1983	1983	1984	1984	1984	1984	1985	1985	1985
All loans.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Under 6.0.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.0 to 6.9.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.0 to 7.9.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.0 to 8.9.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3
9.0 to 9.9.....	-	1	-	-	-	-	-	1	1	-	-	-	-	-	-	-	1	5	9
10.0 to 10.9...	-	-	-	-	-	-	3	5	6	4	8	3	-	-	-	1	8	7	12
11.0 to 11.9...	-	-	-	-	-	-	1	6	5	7	8	5	13	1	-	3	10	11	13
12.0 to 12.9...	1	1	1	-	-	-	7	6	13	28	22	17	17	12	4	12	16	24	18
13.0 to 13.9...	2	1	-	-	-	-	1	15	24	31	20	20	28	26	16	24	39	31	36
14.0 to 14.9...	4	1	1	-	2	-	2	17	35	15	35	36	28	36	32	32	15	13	6
15.0 to 15.9...	9	10	2	2	6	2	11	37	12	10	8	13	8	21	42	22	10	7	1
16.0 to 16.9...	20	22	5	5	13	12	23	13	4	-	1	1	2	2	5	5	1	1	1
17.0 to 17.9...	18	19	14	20	39	45	30	3	1	1	-	-	-	-	-	1	-	-	-
18.0 to 18.9...	16	21	16	31	27	29	21	1	1	-	-	-	-	-	-	-	-	-	-
19.0 to 19.9...	7	10	28	23	10	9	2	1	-	-	-	-	-	-	-	-	-	1	-
20.0 to 20.9...	8	10	11	13	3	1	1	-	-	1	-	-	-	-	-	-	-	-	-
21.0 to 21.9...	7	4	7	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
22.0 to 22.9...	3	2	6	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23.0 to 23.9...	2	1	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
24.0 to 24.9...	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25.0 and over..	-	-	3	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Addendum: Average effective interest rate (percent) at—

All banks.....	17.9	17.9	19.6	18.8	17.7	17.8	16.7	14.7	13.8	13.2	13.6	13.6	13.5	14.2	14.8	14.2	13.2	13.0	12.3
Large banks....	19.9	19.5	20.8	18.9	18.0	17.9	15.6	13.3	12.5	12.0	12.2	11.8	12.2	13.3	14.4	13.4	11.7	11.5	10.6
Other banks....	17.5	17.5	19.1	18.7	17.5	17.7	17.4	15.4	14.1	13.9	14.1	14.2	14.1	14.5	14.9	14.4	13.8	13.6	12.9

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

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.

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.

"Large banks" are banks in survey strata 1-3, corresponding approximately to banks with over \$500 million in total assets.

Data from August 1982 through May 1985 have been revised, reflecting correction of an error in the processing of reports from two of the banks participating in the survey.

Table F.1

Number of bank failures and farm loans outstanding at banks that failed

Year or quarter	Number of bank failures			Farm loans at all failures	
	Total	Agricultural	Agricultural as percentage of total	Millions of dollars	As percentage of total loans at failures
Annual:					
1981.....	7	1	14	3	4
1982.....	35	11	31	49	3
1983.....	45	7	16	62	2
1984.....	78	32	41	199	10
1985 through September 24:					
	82	49	60	335	19
Quarterly:					
1981-Q1...	3	1	33		
-Q2...	1	0	0		
-Q3...	1	0	0		
-Q4...	2	0	0		
1982-Q1...	5	2	40		
-Q2...	10	3	30		
-Q3...	11	3	27		
-Q4...	9	3	33		
1983-Q1...	11	1	9		
-Q2...	15	1	7		
-Q3...	12	2	17		
-Q4...	7	3	43		
1984-Q1...	13	3	23		
-Q2...	30	7	23		
-Q3...	17	10	59		
-Q4...	18	12	67		
1985-Q1...	20	13	65		
-Q2...	32	21	66		

Agricultural banks are insured commercial banks with an above-average farm loan ratio; that is, a farm loan ratio above the average of the farm loan ratios at all such banks (16.97 percent on December 31, 1984).

Loan data are as of the end of the preceding year (except for a few banks for which year-end data are not available, in which case data for the end of the third quarter were used).

Commercial banks that failed in 1985, through September 24

Sequence number	Month	State	Millions of dollars December 31, 1984		Farm loans as a percentage of total loans at bank, 12/31/84
			Total assets	Farm loans	
1	1	WY	3 *	0 *	0 *
2	1	NE	5 *	2 *	51 *
3	1	OR	9	0	0
4	1	OK	38	2	18
5	1	TX	37	11	55
6	1	IA	22 *	6 *	40 *
7	2	TN	18 *	0 *	0 *
8	2	IA	26	11	65
9	2	OK	17	3	31
10	2	TN	24 *	1 *	4 *
11	2	CA	44	0	0
12	2	CO	18	9	71
13	2	MN	39	16	52
14	2	IA	8	3	63
15	3	FL	39	0	0
16	3	NE	17	4	45
17	3	IA	16	7	67
18	3	IL	5	1	39
19	3	CA	82	15	24
20	3	CO	55	0	0
21	4	OK	3	0	12
22	4	CA	58	0	0
23	4	NE	3	1	60
24	4	OR	18	5	36
25	4	CA	31	0	0
26	4	TX	39	5	17
27	4	CO	17	9	87
28	4	IA	14	6	63
29	4	CA	44	0	0
30	5	KS	68	8	19
31	5	IA	17	9	62
32	5	MO	51	5	13
33	5	IA	38	16	65
34	5	OK	37	9	32
35	5	TX	43	0	0
36	5	TX	57	2	4
37	5	NE	15	10	90
38	5	AR	23	3	16
39	5	OR	128	35	39
40	5	MN	25	9	52
41	5	NE	8	4	62
42	5	NE	4	2	73
43	5	NE	6	3	60
44	6	WY	45	5	17
45	6	KS	9	4	58
46	6	MN	45	15	56
47	6	WI	31	6	31
48	6	KS	4	1	21
49	6	IA	7	2	34
50	6	OK	100	0	0
51	6	NY	141	0	0
52	6	TN	21	1	5
53	7	KS	9	3	46
54	7	AL	45	0	0
55	7	OK	18	0	0
56	7	KS	10	6	68
57	7	TX	18	9	69
58	7	CO	5	0	0
59	7	MO	6	2	37
60	7	KS	23	7	68
61	7	WY	21	0	2
62	7	KS	34	1	5
63	7	KS	26	0	2
64	8	TX	18	0	0
65	8	MN	25	9	54
66	8	NE	13	8	77
67	8	IA	6	3	78
68	8	OK	39	0	0
69	8	IL	15	4	38
70	8	KS	6	2	64
71	8	TX	22	0	0
72	8	AL	87	2	5
73	8	KS	11	3	36
74	8	MO	13	2	35
75	8	MO	8	1	26
76	8	NM	268	0	0
77	9	TN	27	4	25
78	9	CO	11	0	6
79	9	TN	14	0	0
80	9	NM	36	1	3
81	9	NY	31	0	0
82	9	NE	5	3	60

All banks that failed..... ²⁵³⁵ ~~2472~~ ³⁴⁷ ~~335~~ (19)

* Data as of September 30, 1984.