

AGRICULTURAL FINANCE DATABOOK

November 1977

Annual Series, Outlook Conference Issue

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Data shown for the year 1977 and for January 1, 1978, are estimates prepared by the U.S. Department of Agriculture for its Food and Agricultural Outlook Conference, November 14–17, 1977, except as noted on page 54.

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Not for general distribution. Inquiries should be addressed to the authors.

The USDA estimates shown in this special issue of the Databook are presented and discussed in Agricultural Finance Outlook, AFO-18, November 1977, which is available from the U.S. Department of Agriculture, Washington, D.C. 20250. This volume is designed as a statistical companion to that USDA publication.

The following additional data shown or used in this issue were estimated by the authors:

Capital consumption allowances in 1977 are projected as \$15,554 million, compared with \$13,900 million in 1976. Accidental damage in 1977 is projected as \$335 million for buildings and \$15 million for machinery, a total of \$350 million compared with \$325 million in 1976. Depreciation allowances for buildings and machinery are each projected as 12 per cent above their 1976 values. Total depreciation allowances in 1977 are thus projected as \$15,204 million, compared with \$13,900 million in 1976.

Landlords' net rental income in 1977 is projected as \$3.8 billion, compared with \$4.1 billion in 1976.

The value of net additions in 1977 to inventories of livestock and stored crops, estimated by the USDA as \$-200 million, are projected as composed of net additions of \$-700 to livestock and \$500 million to crop inventories (remember that the farm income account treats stored crops placed under CCC loan as sales rather than as additions to inventory).

The average value of the BLS Consumer Price Index for 1977 is projected as 6.5 per cent above that for 1976.

The January 1978 value of the BLS Consumer Price Index is projected as 6.6 per cent above that for January 1977.

700 FLOW OF FUNDS

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THE FLOW OF FUNDS DATA AND ANALYTICAL RATIOS FOR THE FARMING SECTOR SHOWN IN SECTION 710 ARE PRESENTED AND DISCUSSED IN SEVERAL PAPERS BY EMANUEL MELICAR. THE BASIC PRESENTATION AND DISCUSSION IS IN "THE FARM BUSINESS SECTOR IN THE NATIONAL FLOW OF FUNDS ACCOUNTS," 1970 PROCEEDINGS OF THE BUSINESS AND ECONOMIC STATISTICS SECTION, AMERICAN STATISTICAL ASSOCIATION, 1971, PP. 571-576 (TABLES 4 AND 5). FLOWS DURING THE PERIOD 1950-1971 ARE DISCUSSED IN "FINANCING AGRICULTURE: DEMAND FOR AND SUPPLY OF FARM CAPITAL AND CREDIT," AMERICAN JOURNAL OF AGRICULTURAL ECONOMICS, MAY 1973, PP. 313-325. DISCUSSIONS CONTRASTING RECENT FLOWS WITH THOSE OF EARLIER YEARS ARE PRESENTED IN "ANALYTICAL RATIOS BASED UPON A FARM SECTOR CASH FLOW STATEMENT," PROCEEDINGS, WORKSHOP ON FARM SECTOR FINANCIAL ACCOUNTS, U.S. DEPARTMENT OF AGRICULTURE, 1977 (FORTHCOMING); "SOME CURRENT ASPECTS OF AGRICULTURAL FINANCE AND BANKING IN THE UNITED STATES," AMERICAN JOURNAL OF AGRICULTURAL ECONOMICS, DECEMBER 1977 (FORTHCOMING); AND MOST CURRENTLY IN "FARM FINANCE—CURRENT DEVELOPMENTS IN PERSPECTIVE," A PAPER PRESENTED AT THE 1977 FOOD AND AGRICULTURAL OUTLOOK CONFERENCE, U.S. DEPARTMENT OF AGRICULTURE, WASHINGTON, D.C., NOVEMBER 16, 1977.

TABLE 711.2

CAPITAL FLOW AND ITS FINANCING
ANALYTICAL RATIOS

YEAR	CAPITAL FLOWS AS PERCENTAGE OF FARM CASH FLOW			FINANCING AS PERCENTAGE OF FARM CASH FLOW		DEBT FINANCING AS PERCENTAGE OF—	
	TOTAL CAPITAL FLOW	REAL ESTATE PURCHASES FROM DISCONTINUING PROPRIETORS	CAPITAL FORMATION	INTERNAL	DEBT	CAPITAL FLOW	CAPITAL FORMATION
1950...	44.2	13.1	31.1	35.7	8.6	19.4	27.6
1951...	43.6	12.0	31.6	34.7	8.9	20.4	28.1
1952...	39.8	12.2	27.6	35.4	4.4	11.0	15.8
1953...	38.1	12.3	23.8	38.2	-2.1	-5.9	-8.9
1954...	42.0	13.4	28.6	36.8	5.2	12.5	18.4
1955...	44.8	16.1	28.7	35.0	9.2	20.6	32.1
1956...	35.9	16.5	19.4	30.6	5.3	14.9	27.5
1957...	47.3	17.9	29.5	38.5	8.8	18.7	30.0
1958...	48.8	16.6	32.0	38.0	10.8	22.1	33.7
1959...	43.2	19.7	23.5	28.0	15.2	35.1	64.6
1960...	44.0	18.1	25.9	37.0	6.9	15.8	26.8
1961...	46.0	16.4	27.6	35.8	10.2	22.2	37.1
1962...	51.5	16.6	33.0	36.4	15.1	29.3	45.9
1963...	52.7	20.1	32.6	35.4	17.3	32.8	53.0
1964...	53.2	22.0	30.5	36.7	16.4	30.9	53.8
1965...	58.9	21.7	37.3	38.9	20.0	34.0	53.8
1966...	53.6	21.7	31.8	36.6	16.9	31.7	53.3
1967...	65.0	22.2	42.7	49.5	15.5	23.9	36.3
1968...	56.9	21.0	35.9	48.1	8.8	15.5	24.5
1969...	51.0	18.9	32.1	39.8	11.2	22.0	34.9
1970...	51.3	18.0	33.3	41.5	9.8	19.1	29.4
1971...	63.6	24.1	39.5	46.1	17.5	27.6	44.4
1972...	62.1	28.5	33.6	39.8	22.3	35.9	66.4
1973...	55.5	23.9	31.6	35.0	20.5	37.0	64.9
1974...	50.7	22.9	27.9	31.3	19.4	36.3	69.8
1975...	65.4	23.6	41.6	43.8	21.6	33.0	52.0
1976...	66.4	32.3	34.1	37.0	29.4	44.3	86.1
1977...	71.5	32.2	39.3	34.3	37.2	52.0	94.6

THE RATIOS SHOWN ARE COMPUTED FROM DATA IN TABLE 711.1.

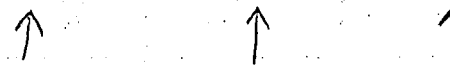


TABLE 712.2

NET CAPITAL FLOW AND ITS FINANCING
ANALYTICAL RATIOS

YEAR	CAPITAL FLOWS AS PERCENTAGE OF NET FARM INCOME			FINANCING AS PERCENTAGE OF NET FARM INCOME		DEBT FINANCING AS PERCENTAGE OF—	
	NET CAPITAL FLGW	REAL ESTATE PURCHASES FROM DISCONTINUING PROPRIETORS	NET CAPITAL FORMATION	INTERNAL	DEBT	NET CAPITAL FLOW	NET CAPITAL FORMATION
1950...	34.3	15.5	18.8	24.1	10.1	29.5	53.9
1951...	33.3	14.2	19.2	22.8	10.5	31.5	54.8
1952...	27.6	14.7	12.9	22.3	5.3	19.0	40.7
1953...	20.5	15.3	5.2	23.1	-2.6	-12.8	-50.3
1954...	26.7	17.0	9.7	20.0	6.6	24.9	68.5
1955...	28.3	20.9	7.4	16.3	12.0	42.3	162.8
1956...	16.6	21.5	-4.9	9.6	6.9	41.9	*
1957...	30.3	23.6	6.7	18.6	11.7	38.5	174.8
1958...	34.5	21.5	13.0	20.7	13.8	40.0	106.2
1959...	22.7	26.8	-4.1	2.1	20.6	90.8	*
1960...	24.8	24.3	0.5	15.4	9.3	37.7	1842.9
1961...	28.2	24.5	3.7	14.6	13.6	48.2	368.0
1962...	35.3	24.8	10.5	15.1	20.2	57.2	191.7
1963...	36.2	27.1	9.0	12.8	23.4	64.6	259.0
1964...	34.3	31.8	2.5	11.2	23.0	67.3	936.4
1965...	44.7	29.2	15.6	17.7	27.0	60.3	173.4
1966...	37.9	29.1	8.8	15.2	22.7	59.8	256.5
1967...	50.8	31.3	19.5	28.9	21.6	43.0	112.2
1968...	38.2	30.1	8.2	25.6	12.6	33.0	154.7
1969...	31.3	26.5	4.8	15.6	15.7	50.2	326.8
1970...	31.1	25.4	5.7	17.2	13.9	44.6	244.8
1971...	47.7	34.6	13.1	22.6	25.1	52.7	192.1
1972...	48.5	38.6	10.0	18.3	30.2	62.3	303.6
1973...	45.3	29.4	15.9	20.1	25.2	55.6	158.5
1974...	34.1	30.6	3.5	8.1	26.0	76.4	748.4
1975...	50.2	34.2	16.0	19.2	31.0	61.8	194.6
1976...	47.1	50.9	-3.8	0.7	46.3	98.5	*
1977...	52.8	53.4	-0.6	-9.0	61.7	117.0	*

* NET CAPITAL FORMATION IS NEGATIVE.

THE RATIOS SHOWN ARE COMPUTED FROM DATA IN TABLE 712.1.

