

# AGRICULTURAL FINANCE DATABOOK

November 1979

Annual Series, Outlook Conference Issue

Section

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Data shown for the year 1979 and for January 1, 1980, are estimates prepared by the U.S. Department of Agriculture for its Agricultural Outlook Conference, November 5-8, 1979, except as noted inside front cover.

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

THE AGRICULTURAL FINANCE DATABOOK IS MAINTAINED BY THE AUTHORS FOR THEIR USE IN ANALYSIS OF CURRENT DEVELOPMENTS IN AGRICULTURAL FINANCE. IT PROVIDES A CONVENIENT COMPILATION OF THE MAJOR FINANCIAL SERIES AND ACCOUNTS AND PRESENTS MANY ANALYTICAL RATIOS AND OTHER TRANSFORMATIONS OF THESE DATA. THESE MEASURES ARE THUS ALWAYS AT HAND TO PROVIDE HISTORICAL PERSPECTIVE AND ANALYTICAL INSIGHT USEFUL IN INTERPRETING CURRENT DATA AND EVENTS.

SPECIAL DATABOOK FEATURES INCLUDE: BALANCE SHEET DATA IN 1967 DOLLARS; NET INVESTMENT AND CAPITAL GAINS IMPLICIT IN BALANCE SHEET DATA; A FLOW OF FUNDS ACCOUNT BASED ON USDA BALANCE SHEET, CAPITAL EXPENDITURES, AND CAPITAL CONSUMPTION DATA; AND SERIES SHOWING FARM CASH FLOW AND TOTAL FARM AND OFF-FARM INCOME IN BOTH CURRENT AND 1967 DOLLARS. IN ACCORDANCE WITH CURRENT USDA PRACTICE, THE BLS CONSUMER PRICE INDEX IS NOW USED AS THE PRICE DEFLATOR WHEN SERIES ARE SHOWN IN 1967 DOLLARS.

THE DATABOOK IS DESIGNED FOR ECONOMISTS FAMILIAR WITH THE SERIES SHOWN; OTHERS SHOULD CONSULT THE SOURCES AND OTHER LITERATURE CITED FOR INFORMATION ON THE DEFINITIONS, USES, AND LIMITATIONS OF THE DATA. FOR SEVERAL SECTIONS, ORIGINATING AGENCIES PROVIDED MORE DETAIL, AND THEIR COOPERATION IS MUCH APPRECIATED. THE AUTHORS WELCOME SUGGESTIONS AND CORRECTIONS FROM READERS.

EXCEPT AS NOTED BELOW, DATA SHOWN FOR THE YEAR 1979 AND FOR JANUARY 1, 1980, ARE ESTIMATES PREPARED BY THE U.S. DEPARTMENT OF AGRICULTURE FOR ITS AGRICULTURAL OUTLOOK CONFERENCE, NOVEMBER 5-8, 1979. SEE AGRICULTURAL FINANCE OUTLOOK, AFO-20, NOVEMBER 1979, AND CONFERENCE PAPERS ON "FARM INCOME AND FINANCIAL CONDITIONS," BY GEORGE HOFFMAN, AND "AGRICULTURAL FINANCE OUTLOOK," BY DEAN W. HUGHES.

THE FOLLOWING DATA FOR 1979 WERE ESTIMATED BY THE AUTHORS IN ORDER TO COMPLETE THE FLOW-OF-FUNDS ACCOUNT IN SECTION 710:

- (1) VALUE OF REAL ESTATE TRANSFERS;
- (2) CAPITAL EXPENDITURES AND CAPITAL CONSUMPTION ALLOWANCES FOR "BUILDINGS AND LAND IMPROVEMENTS" AND "MACHINERY" (ALSO SHOWN IN SECTION 800);
- (3) NET ADDITIONS TO INVENTORIES OF LIVESTOCK AND STORED CROPS.

THE FOLLOWING ADDITIONAL DATA FOR 1979 WERE ALSO ESTIMATED IN ORDER TO COMPLETE THE INCOME ACCOUNTS IN SECTION 900 (WHICH ARE ALSO THE SOURCE OF THE FARM INCOME AND CASH FLOW SERIES SHOWN IN SECTIONS 500 AND 700):

- (1) NONFARM INCOME OF THE FARM POPULATION;
- (2) OFF-FARM INCOME OF FARM OPERATOR FAMILIES;
- (3) FARM INCOME DETAIL IN SECTION 920 (OTHER THAN "MARKETINGS") AND PRODUCTION EXPENSE DETAIL IN SECTION 930 (THESE ESTIMATES REFLECT MINOR ADJUSTMENTS TO PROJECTIONS PROVIDED BY THE USDA).

VALUES OF THE CONSUMER PRICE INDEX FOR THE 1979 ANNUAL AVERAGE AND FOR JANUARY 1980 WERE ESTIMATED AS SHOWN IN TABLE 1001.1 FOR USE IN CALCULATING THE CONSTANT-DOLLAR SERIES IN SECTIONS 500 AND 900, AS WELL AS THE IMPLICIT REAL CAPITAL GAINS SERIES IN TABLE 544.1.

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SOURCE: SECTION 710, FROM SECTIONS 100, 500, 600, 800, AND 900; SECTION 720, FLOW OF FUNDS ACCOUNTS, FLOW OF FUNDS SECTION, DIVISION OF RESEARCH AND STATISTICS, BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM.

FOR A BASIC PRESENTATION AND COMPARISON OF THE SERIES IN SECTIONS 710 AND 720, SEE "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.

DATA AND ANALYTICAL RATIOS SUCH AS THOSE PRESENTED IN SECTION 710 ARE DISCUSSED IN "ANALYTICAL RATIOS BASED ON A FARM SECTOR CASH FLOW STATEMENT: DISCUSSION," PROCEEDINGS OF WORKSHOP ON FARM SECTOR FINANCIAL ACCOUNTS, APRIL 14-15, 1977, AGRICULTURAL ECONOMIC REPORT 412, U.S. DEPARTMENT OF AGRICULTURE, NOVEMBER 1978, PP. 114-119. PAPERS USING THE DATA AND RATIOS IN SECTION 710 INCLUDE "SOME CURRENT ASPECTS OF AGRICULTURAL FINANCE AND BANKING IN THE UNITED STATES," AMERICAN JOURNAL OF AGRICULTURAL ECONOMICS, DECEMBER 1977, PP. 967-972, AND "A REVIEW OF SELECTED FARM FINANCIAL DEVELOPMENTS," PRESENTED AT THE AGRICULTURAL OUTLOOK CONFERENCE, U.S. DEPARTMENT OF AGRICULTURE, NOVEMBER 7, 1979.

IN SECTION 720, TITLES AND/OR DEFINITIONS OF SOME SERIES DIFFER FROM THOSE OF SIMILAR USDA SERIES BECAUSE THE TERMINOLOGY AND CONSTRUCTS REFLECT THOSE USED IN NON-USDA SOURCES (SEE INTRODUCTION TO FLOW OF FUNDS, FEDERAL RESERVE BOARD, FEBRUARY 1975).

TABLE 711.1

CAPITAL FLOW AND ITS FINANCING  
AMOUNTS IN MILLIONS OF DOLLARS

| YEAR    | CAPITAL FLOW |  |                   |                                       |           |           |                 |                     | FINANCING OF CAPITAL FLOW |                   |                        | ADDENDUM:<br>FARM<br>CASH<br>FLOW |
|---------|--------------|--|-------------------|---------------------------------------|-----------|-----------|-----------------|---------------------|---------------------------|-------------------|------------------------|-----------------------------------|
|         | TOTAL        | REAL ESTATE<br>PURCHASES<br>FROM<br>DISCONTINUING<br>PROPRIETORS | CAPITAL FORMATION |                                       |           |           |                 |                     | TOTAL                     | INTERNAL<br>FUNDS | INCREASE<br>IN<br>DEBT |                                   |
|         |              |  | TOTAL             | BUILDINGS<br>AND LAND<br>IMPROVEMENTS | MACHINERY | LIVESTOCK | STORED<br>CROPS | FINANCIAL<br>ASSETS |                           |                   |                        |                                   |
| 1950... | 7762.        | 2304.  | 5458.             | 1522.                                 | 3152.     | 607.      | 205.            | -28.                | 7762.                     | 6256.             | 1506.                  | 17546.                            |
| 1951... | 8915.        | 2451.  | 6464.             | 1599.                                 | 3321.     | 1017.     | 167.            | 360.                | 8915.                     | 7098.             | 1817.                  | 20449.                            |
| 1952... | 7842.        | 2401.  | 5441.             | 1614.                                 | 2966.     | 579.      | 342.            | -61.                | 7842.                     | 6982.             | 860.                   | 19708.                            |
| 1953... | 6366.        | 2171.  | 4195.             | 1527.                                 | 3201.     | -81.      | -542.           | 90.                 | 6366.                     | 6738.             | -372.                  | 17648.                            |
| 1954... | 7188.        | 2296.  | 4892.             | 1425.                                 | 2739.     | 260.      | 231.            | 237.                | 7188.                     | 6290.             | 898.                   | 17113.                            |
| 1955... | 7199.        | 2589.  | 4610.             | 1385.                                 | 2760.     | 18.       | 197.            | 250.                | 7199.                     | 5718.             | 1481.                  | 16062.                            |
| 1956... | 5773.        | 2655.  | 3118.             | 1392.                                 | 2406.     | -345.     | -111.           | -224.               | 5773.                     | 4914.             | 859.                   | 16086.                            |
| 1957... | 7584.        | 2861.  | 4723.             | 1411.                                 | 2512.     | -211.     | 829.            | 182.                | 7584.                     | 6169.             | 1415.                  | 16027.                            |
| 1958... | 8956.        | 3081.  | 5875.             | 1355.                                 | 3150.     | 576.      | 248.            | 545.                | 8956.                     | 6976.             | 1980.                  | 18340.                            |
| 1959... | 6930.        | 3165.  | 3765.             | 1654.                                 | 3414.     | 418.      | -404.           | -1317.              | 6930.                     | 4496.             | 2434.                  | 16041.                            |
| 1960... | 7468.        | 3067.  | 4401.             | 1686.                                 | 2802.     | 89.       | 308.            | -484.               | 7468.                     | 6289.             | 1179.                  | 16979.                            |
| 1961... | 8144.        | 3264.  | 4880.             | 1748.                                 | 2866.     | 372.      | -36.            | -70.                | 8144.                     | 6333.             | 1810.                  | 17691.                            |
| 1962... | 9309.        | 3354.  | 5955.             | 1832.                                 | 3190.     | 585.      | 35.             | 313.                | 9309.                     | 6577.             | 2732.                  | 18061.                            |
| 1963... | 9539.        | 3635.  | 5904.             | 1886.                                 | 3525.     | 396.      | 233.            | -136.               | 9539.                     | 6410.             | 3128.                  | 18089.                            |
| 1964... | 9064.        | 3862.  | 5202.             | 1918.                                 | 3770.     | -38.      | -779.           | 331.                | 9064.                     | 6264.             | 2800.                  | 17050.                            |
| 1965... | 11723.       | 4311.  | 7412.             | 1926.                                 | 4179.     | -175.     | 1217.           | 265.                | 11723.                    | 7734.             | 3989.                  | 19896.                            |
| 1966... | 11442.       | 4646.  | 6796.             | 2077.                                 | 4611.     | 221.      | -304.           | 191.                | 11442.                    | 7821.             | 3621.                  | 21367.                            |
| 1967... | 12998.       | 4449.  | 8549.             | 2314.                                 | 5132.     | 82.       | 575.            | 446.                | 12998.                    | 9893.             | 3106.                  | 20002.                            |
| 1968... | 11677.       | 4308.  | 7369.             | 2146.                                 | 4550.     | 218.      | -94.            | 549.                | 11677.                    | 9868.             | 1808.                  | 20521.                            |
| 1969... | 11685.       | 4326.  | 7359.             | 2340.                                 | 4525.     | 222.      | -123.           | 395.                | 11685.                    | 9120.             | 2566.                  | 22928.                            |
| 1970... | 11803.       | 4121.  | 7682.             | 2367.                                 | 4918.     | 665.      | -659.           | 391.                | 11803.                    | 9545.             | 2257.                  | 23043.                            |
| 1971... | 15261.       | 5702.  | 9559.             | 2484.                                 | 4873.     | 460.      | 937.            | 805.                | 15261.                    | 11017.            | 4244.                  | 24229.                            |
| 1972... | 18226.       | 8132.  | 10094.            | 2350.                                 | 5695.     | 445.      | 416.            | 1188.               | 18226.                    | 11526.            | 6700.                  | 30043.                            |
| 1973... | 25784.       | 10641.   | 15143.            | 3062.                                 | 7647.     | 1818.     | 1588.           | 1028.               | 25784.                    | 15949.            | 9835.                  | 47973.                            |
| 1974... | 19923.       | 8596.  | 11327.            | 4395.                                 | 8195.     | 454.      | -2065.          | 348.                | 19923.                    | 11796.            | 8127.                  | 41793.                            |
| 1975... | 26244.       | 8866.  | 17378.            | 4684.                                 | 8653.     | -1044.    | 4444.           | 641.                | 26244.                    | 17284.            | 8960.                  | 41661.                            |
| 1976... | 23840.       | 10875.   | 12965.            | 5031.                                 | 9997.     | -682.     | -1684.          | 303.                | 23840.                    | 12694.            | 11146.                 | 36715.                            |
| 1977... | 28032.       | 10446.   | 17586.            | 5657.                                 | 10462.    | -1327.    | 2384.           | 410.                | 28032.                    | 14869.            | 13163.                 | 38973.                            |
| 1978... | 31356.       | 11332.   | 20024.            | 6199.                                 | 11988.    | -1502.    | 2564.           | 775.                | 31356.                    | 13910.            | 17446.                 | 49241.                            |
| 1979... | 37028.       | 12698.   | 24330.            | 6850.                                 | 13700.    | 1500.     | 1600.           | 680.                | 37028.                    | 15896.            | 21132.                 | 54900.                            |

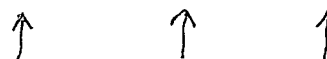
"REAL ESTATE PURCHASES" IS AN ESTIMATED PROPORTION OF REAL ESTATE TRANSFERS (TABLE 632.1). BEFORE 1965 TRANSFERS ARE ESTIMATED FROM REAL ESTATE ASSETS (TABLE 511.1) AND TRANSFER RATES (TABLE 631.1). CAPITAL FORMATION CONSISTS OF BUILDING AND MACHINERY EXPENDITURES (TABLE 810.1), NET ADDITIONS TO LIVESTOCK AND STORED-CROP INVENTORIES (TABLE 921.1), AND NET CHANGES IN CURRENCY, BANK DEPOSITS, AND U.S. SAVINGS BONDS (TABLE 521.2). "INCREASE IN DEBT" EXCLUDES CCC LOANS (TABLE 111.2). FINANCING FROM "INTERNAL FUNDS" IS TOTAL CAPITAL FLOW LESS THIS DEBT FINANCING. "FARM CASH FLOW," WHICH INCLUDES UNREALIZED AND NONMONEY INCOME, IS DEFINED IN TABLE 941.1.

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<br>CAPITAL<br>FLOW                      | REAL ESTATE<br>PURCHASES<br>FROM<br>DISCONTINUING<br>PROPRIETORS | CAPITAL<br>FORMATION | INTERNAL                                  | DEBT | CAPITAL<br>FLOW                  | CAPITAL<br>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... | 36.1  | 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                 | 35.6                                      | 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... | 46.8  | 16.8   | 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  | 18.4   | 27.6                 | 35.8                                      | 10.2 | 22.2                             | 37.1                 |
| 1962... | 51.5  | 18.6   | 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  | 22.6   | 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... | 51.2  | 17.9   | 33.3                 | 41.4                                      | 9.8  | 19.1                             | 29.4                 |
| 1971... | 63.0  | 23.5   | 39.5                 | 45.5                                      | 17.5 | 27.8                             | 44.4                 |
| 1972... | 60.7  | 27.1   | 33.6                 | 38.4                                      | 22.3 | 36.8                             | 66.4                 |
| 1973... | 53.7  | 22.2   | 31.6                 | 33.2                                      | 20.5 | 38.1                             | 64.9                 |
| 1974... | 47.7  | 20.6   | 27.1                 | 28.2                                      | 19.4 | 40.8                             | 71.8                 |
| 1975... | 63.0  | 21.3   | 41.7                 | 41.5                                      | 21.5 | 34.1                             | 51.6                 |
| 1976... | 64.9  | 29.6   | 35.3                 | 34.6                                      | 30.4 | 46.8                             | 86.0                 |
| 1977... | 71.9  | 26.8   | 45.1                 | 38.2                                      | 33.8 | 47.0                             | 74.9                 |
| 1978... | 63.7  | 23.0   | 40.7                 | 28.2                                      | 35.4 | 55.6                             | 87.1                 |
| 1979... | 67.4  | 23.1   | 44.3                 | 29.0                                      | 38.5 | 57.1                             | 86.9                 |

THE RATIOS SHOWN ARE COMPUTED FROM DATA IN TABLE 711.1.



NET CAPITAL FLOW AND ITS FINANCING  
AMOUNTS IN MILLIONS OF DOLLARS

| YEAR    | NET CAPITAL FLOW |  |                       |                                 |           |           |              |        | FINANCING OF NET CAPITAL FLOW |                  |                  | ADDENDUM:<br>NET FARM INCOME |
|---------|------------------|--|-----------------------|---------------------------------|-----------|-----------|--------------|--------|-------------------------------|------------------|------------------|------------------------------|
|         | TOTAL            | REAL ESTATE PURCHASES FROM DISCONTINUING PROPRIETORS | NET CAPITAL FORMATION |                                 |           |           |              | TOTAL  | INTERNAL FUNDS                | INCREASE IN DEBT |                  |                              |
|         |                  |  | TOTAL                 | BUILDINGS AND LAND IMPROVEMENTS | MACHINERY | LIVESTOCK | STORED CROPS |        |                               |                  | FINANCIAL ASSETS |                              |
| 1950... | 5097.            | 2304.  | 2793.                 | 740.                            | 1269.     | 607.      | 205.         | -28.   | 5097.                         | 3591.            | 1506.            | 14881.                       |
| 1951... | 5768.            | 2451.  | 3317.                 | 655.                            | 1118.     | 1017.     | 167.         | 360.   | 5768.                         | 3951.            | 1817.            | 17302.                       |
| 1952... | 4516.            | 2401.  | 2115.                 | 709.                            | 545.      | 579.      | 342.         | -61.   | 4516.                         | 3656.            | 860.             | 16382.                       |
| 1953... | 2912.            | 2171.  | 741.                  | 590.                            | 684.      | -81.      | -542.        | 90.    | 2912.                         | 3284.            | -372.            | 14194.                       |
| 1954... | 3607.            | 2296.  | 1311.                 | 419.                            | 164.      | 260.      | 231.         | 237.   | 3607.                         | 2709.            | 898.             | 13532.                       |
| 1955... | 3499.            | 2589.  | 910.                  | 313.                            | 132.      | 18.       | 197.         | 250.   | 3499.                         | 2018.            | 1481.            | 12362.                       |
| 1956... | 2050.            | 2655.  | -605.                 | 379.                            | -304.     | -345.     | -111.        | -224.  | 2050.                         | 1191.            | 859.             | 12363.                       |
| 1957... | 3671.            | 2861.  | 810.                  | 323.                            | -313.     | -211.     | 829.         | 182.   | 3671.                         | 2256.            | 1415.            | 12114.                       |
| 1958... | 4945.            | 3081.  | 1864.                 | 272.                            | 222.      | 576.      | 248.         | 545.   | 4945.                         | 2965.            | 1980.            | 14329.                       |
| 1959... | 2679.            | 3165.  | -486.                 | 505.                            | 312.      | 418.      | -404.        | -1317. | 2679.                         | 245.             | 2434.            | 11790.                       |
| 1960... | 3131.            | 3067.  | 64.                   | 475.                            | -324.     | 89.       | 308.         | -484.  | 3131.                         | 1952.            | 1179.            | 12642.                       |
| 1961... | 3756.            | 3264.  | 492.                  | 483.                            | -257.     | 372.      | -36.         | -70.   | 3756.                         | 1945.            | 1810.            | 13303.                       |
| 1962... | 4779.            | 3354.  | 1425.                 | 506.                            | -14.      | 585.      | 35.          | 313.   | 4779.                         | 2047.            | 2732.            | 13531.                       |
| 1963... | 4843.            | 3635.  | 1208.                 | 478.                            | 237.      | 396.      | 233.         | -136.  | 4843.                         | 1714.            | 3128.            | 13393.                       |
| 1964... | 4161.            | 3862.  | 299.                  | 407.                            | 378.      | -38.      | -779.        | 331.   | 4161.                         | 1361.            | 2800.            | 12147.                       |
| 1965... | 6612.            | 4311.  | 2301.                 | 322.                            | 672.      | -175.     | 1217.        | 265.   | 6612.                         | 2623.            | 3989.            | 14785.                       |
| 1966... | 6058.            | 4646.  | 1412.                 | 431.                            | 873.      | 221.      | -304.        | 191.   | 6058.                         | 2437.            | 3621.            | 15983.                       |
| 1967... | 7217.            | 4449.  | 2768.                 | 527.                            | 1138.     | 82.       | 575.         | 446.   | 7217.                         | 4112.            | 3106.            | 14221.                       |
| 1968... | 5477.            | 4308.  | 1169.                 | 224.                            | 272.      | 218.      | -94.         | 549.   | 5477.                         | 3668.            | 1808.            | 14321.                       |
| 1969... | 5111.            | 4326.  | 785.                  | 212.                            | 79.       | 222.      | -123.        | 395.   | 5111.                         | 2546.            | 2566.            | 16354.                       |
| 1970... | 5043.            | 4121.  | 922.                  | 199.                            | 326.      | 665.      | -659.        | 391.   | 5043.                         | 2785.            | 2257.            | 16283.                       |
| 1971... | 7911.            | 5702.  | 2209.                 | 99.                             | -92.      | 460.      | 937.         | 805.   | 7911.                         | 3667.            | 4244.            | 16879.                       |
| 1972... | 10339.           | 8132.  | 2207.                 | -283.                           | -49.      | 441.      | 445.         | 1188.  | 10339.                        | 3639.            | 6700.            | 22156.                       |
| 1973... | 16839.           | 10641.   | 6198.                 | -49.                            | 1813.     | 1818.     | 1588.        | 1028.  | 16839.                        | 7004.            | 9835.            | 39028.                       |
| 1974... | 9360.            | 8596.  | 764.                  | 745.                            | 1282.     | 454.      | -2065.       | 348.   | 9360.                         | 1233.            | 8127.            | 31230.                       |
| 1975... | 13658.           | 8866.  | 4792.                 | 551.                            | 200.      | -1044.    | 4444.        | 641.   | 13658.                        | 4698.            | 8960.            | 29075.                       |
| 1976... | 10027.           | 10875.   | -848.                 | 719.                            | 496.      | -682.     | -1684.       | 303.   | 10027.                        | -1119.           | 11446.           | 22902.                       |
| 1977... | 12876.           | 10446.   | 2430.                 | 824.                            | 139.      | -1327.    | 2384.        | 410.   | 12876.                        | 410.             | 13163.           | 23817.                       |
| 1978... | 14708.           | 11332.   | 3376.                 | 776.                            | 763.      | -1802.    | 2564.        | 775.   | 14708.                        | -2738.           | 17446.           | 32593.                       |
| 1979... | 18428.           | 12698.   | 5730.                 | 865.                            | 1085.     | 1500.     | 1600.        | 680.   | 18428.                        | -2704.           | 21132.           | 36300.                       |

NET CAPITAL FORMATION OF BUILDINGS AND LAND IMPROVEMENTS AND OF MACHINERY ARE CAPITAL EXPENDITURES (TABLE 810.1) LESS CAPITAL CONSUMPTION (TABLE 820.1). THE RESULT IS ALSO KNOWN AS CAPITAL NET INVESTMENT (TABLE 830.1). OTHER CAPITAL FLOW SERIES, AS WELL AS THE INCREASE IN DEBT, ARE THE SAME AS IN TABLE 711.1. THE PRESENTATION HERE THUS DIFFERS FROM THAT IN TABLE 711.1 BY RECORDING AND EXAMINING THE FINANCING OF ONLY THOSE AMOUNTS BY WHICH CAPITAL FLOW EXCEEDS CAPITAL CONSUMPTION ALLOWANCES. "NET FARM INCOME," WHICH INCLUDES UNREALIZED AND NONMONEY INCOME, IS FARM CASH FLOW AS DEFINED IN TABLE 711.1 LESS CAPITAL CONSUMPTION ALLOWANCES.

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 FLOW                               | 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... | 29.2   | 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                                       | 21.8 | 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... | 31.0   | 25.3   | 5.7                   | 17.1                                       | 13.9 | 44.8                             | 244.8                 |
| 1971... | 46.9   | 33.8   | 13.1                  | 21.7                                       | 25.1 | 53.7                             | 192.1                 |
| 1972... | 46.7   | 36.7   | 10.0                  | 16.4                                       | 30.2 | 64.8                             | 303.6                 |
| 1973... | 43.1   | 27.3   | 15.9                  | 17.9                                       | 25.2 | 58.4                             | 158.7                 |
| 1974... | 30.0   | 27.5   | 2.4                   | 3.9  | 26.0 | 86.8                             | 1063.8                |
| 1975... | 47.0   | 30.5   | 16.5                  | 16.2                                       | 30.8 | 65.6                             | 187.0                 |
| 1976... | 43.8   | 47.5   | -3.7                  | -4.9                                       | 48.7 | 111.2                            | *                     |
| 1977... | 54.1   | 43.9   | 10.2                  | -1.2                                       | 55.3 | 102.2                            | 541.7                 |
| 1978... | 45.1   | 34.8   | 10.4                  | -8.4                                       | 53.5 | 118.6                            | 516.8                 |
| 1979... | 50.8   | 35.0   | 15.8                  | -7.4                                       | 58.2 | 114.7                            | 368.8                 |

\* NET CAPITAL FORMATION IS NEGATIVE.

THE RATIOS SHOWN ARE COMPUTED FROM DATA IN TABLE 712.1.

