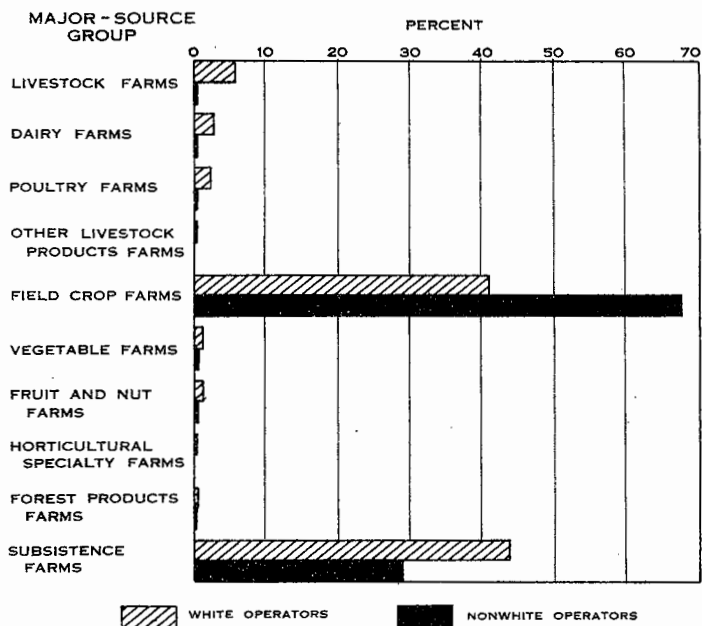


necessary summary data, i.e., totals for farms in all major-source classes, as well as figures on "Unclassified farms," "Farms with \$0 value of all farm products," and the recorded totals for "All farms."

**Derived figures.**—The derived figures on major source of income, presented in the tables of this chapter, correspond to the derived figures on sources of income shown in the tables for chapter III: (1) Average value of all farm products per farm in each major-source (or combination of major sources) class, (2) percent distribution by color-tenure groups of number of farms and value of all farm products for each major-source class, (3) within each color-tenure group the percent distribution by value groups of number of farms and value of all farm products. The value groups here referred to are the two subgroups under each color-tenure group, i.e., "Under \$10,000" and "\$10,000 and over," which are based on total value of farm products sold, traded, or used by farm households. In addition the tables show, for each color-tenure group and value subgroup, the percentage of all farms falling in a specified major-source class, such as "Vegetable farms." The corresponding percentage based on values, i.e., value of all farm products for each major-source class as a percent of the value of all farm products for all classified farms, was omitted from these tables because of space limitations.

PERCENT DISTRIBUTION OF NUMBER OF FARMS BY 10 MAJOR SOURCES OF INCOME, WHITE COMPARED WITH NONWHITE FARM OPERATORS, FOR THE SOUTH: CENSUS OF 1940



**Interpretation of major-source statistics.**—The definition of "major source of income," quoted in chapter I and amplified in the first section of this chapter, makes it clear that *this classification is based on value data for 1939 only*. For brevity, and for convenience in building the tables, the terms "livestock farm," "vegetable farm," "subsistence farm," etc., have been used. However, the "livestock farms" referred to in this monograph are not livestock farms in the type-of-farm sense, but are more accurately defined as farms on which the major source of income in 1939 was from the sale of livestock. The same distinction applies to each of the other nine major-source classes. Unusual conditions in 1939 caused some farms to fall in a major-source class much different from the type-of-farm category in which they apparently belonged. A few specific examples will illustrate the difference between nominal

type-of-farm classification, and classification according to major or principal source of gross income in any given year:

(1) A commercial dairy farm, on which the income from sale of livestock exceeded the income from sale of dairy products, would be classified as a "livestock farm." This situation sometimes occurs on large dairy farms holding sales of registered dairy cattle.

(2) A factory worker living on a small farm sells milk from 2 or 3 cows to his neighbors, but has very little other farming operations. Such a farm would appear in these tabulations as a "dairy farm," although locally it might be considered a part-time farm.

(3) A livestock ranch in the West might show no sales of livestock because of an increase in size of operations. As a result such a livestock ranch could be classified as a "field crop farm," or even as a "subsistence farm" in this study.

(4) A livestock feeder in the Corn Belt may have sold his stock late in 1938 or early in 1940, rather than in 1939. Such a farming operation would be classified as a "field crop farm," "subsistence farm," etc., depending upon the relative magnitude of the gross farm income from other sources.

(5) Farms or ranches, in the "Flint Hills" area and elsewhere, which derived their major income from pasturing livestock, as for example on a "per head" basis, were not necessarily classed as "livestock farms," because there was no place on the 1940 Farm and Ranch Schedule to report such income.

(6) The operations of a cotton sharecropper in the South would be classed as a "subsistence farm," rather than a "field crop farm," if the value of the cotton production was low compared with the value of farm products used by the farm household.

(7) A general or deversified farm would be classed as a "subsistence farm" if the value of farm products used by the operator's family and other households on the farm exceeded the value of any one of the other sources of income. This situation occurs most commonly when (a) there is extreme diversification, i.e., many sources of income, and/or (b) when there are several households on the farm.

Finally, a classification of farms according to major source of *net* farm income would present a much different picture from the classification by major source of *gross* farm income used in the 1940 Census of Agriculture. For example a cattle or sheep feeder may have a gross value for sales of livestock which is several times the gross value of the crops sold off his farm. However if the cost of the livestock purchased for feeding, the cost of feed purchased, and other expenses were deducted from his gross income from livestock, the resulting *net livestock income* might be much less than the corresponding *net income from cash crops*.

**Difference in dates for major-source classification and color-tenure classification.**—While the classification of farms by major source of income was based on value data for 1939, the classification of the farm operator by color and tenure was as of the census date, April 1, 1940. It was pointed out in chapter I that this difference in dates sometimes results in seemingly incongruous figures. This is particularly apt to be true where tabulation involves major-source data.

**Geographic variation in tenure-value relationships.**—For large geographic areas the relationships between tenure and value of products are the result of numerous factors, one of the most important of these, for any single major-source class, being the geographic distribution of the farms (operators) by different color-tenure groups. Similarly, for any single color-tenure group, the value figures for all classified farms are