

interpreting the average values per farm of all farm products which are shown in tables 1 and 9 of chapter III. It should be noted, however, that these average values in tables 1 and 9 exclude farms with \$0 value of all farm products, while the value-group frequencies in tables 23 to 28 of this chapter include, as a separate value group, farms with \$0 total value of products. The average values in tables 1 and 9 are for "classified farms" which include only farms which were classified both by total value of farm products and by major source of income. Obviously, farms with \$0 total value of products could not be classified as to major source of income in 1939.

The effect of the difference in dates for the value data (1939) and the color-tenure classification (April 1, 1940) is particularly noticeable where tabulations by value groups are involved. Changes in operator, which involve changes in tenure, explain many of the cases where farms fall in a value group seemingly inconsistent with their tenure classification.

Furthermore, as in the case of the major-source classification, the classification by value groups is on the basis of gross income, not net income. For this reason the value

frequency for a given tenure group should be interpreted in the light of the data on sources of income and major sources of income for that same tenure group as presented in chapters III and IV. Where the principal source of income for a tenure group has a relatively large gross value, such as livestock feeding operations, it is to be expected that many of the farms in that tenure group will fall in the higher value groups, since expenditures are not deducted.

Again, the geographic distribution of the number of farms by tenure groups and by value groups affects the comparisons for large geographic areas, such as the United States and the South. For this reason, the summary graphs used in this chapter do not necessarily indicate average relationships which may be inferred for all areas.

All of these considerations point to the fact that a careful study of the figures for States and divisions, coupled with a joint analysis of the figures on source of income, major source of income, and the value-group frequency, are necessary for proper evaluation and use of the material presented in this report.

