

## FARM-MORTGAGE DEBT

The distribution, by age, for mortgaged farms operated by part-owners is similar to that for full-owners. The median age of 44.5 for part-owners reporting mortgage indebtedness compares with the median age of 47.7 for all part owners.

The increased proportion of mortgaged farms in the under-35 age group, in 1956 as compared with 1940, reflects, in part, the increasing requirements and opportunities for use of capital by beginning farm-operators and also their willingness and ability to incur a mortgage for the purchase or expansion of their farm enterprise. It may also indicate a more rapid movement of young farmers from tenant to owner-operator status.

The concentration of the amount of mortgage debt among younger operators is further shown in Tables 15 and 16. Average mortgage debt per farm and per acre was highest in the under-35-years-of-age group. Ratio of debt to value and average debt declined as age of operator increased. Average size and average value of mortgaged farms in each age group generally increased with age of operator.

Mortgage debt by economic class of farm.—Table D shows the proportion of mortgaged full-owner farms and part-owner farms in each economic class. Since gross income is the chief determinant of economic class, the data in that table reveal a high positive correlation between gross income per farm and the occurrence of mortgage debt. These data and those in Table 17 indicate that, for full-owners, commercial farms represent 58 percent of all farms

TABLE D.—NUMBER OF FULL-OWNER AND PART-OWNER FARMS AND PROPORTION MORTGAGED, BY ECONOMIC CLASS OF FARM, FOR THE UNITED STATES: 1956

Economic class of farm	Full-owner farms			Part-owner farms		
	Total number	Number mortgaged	Percent mortgaged	Total number	Number mortgaged	Percent mortgaged
All farms.....	2,744,708	909,239	33.1	868,180	368,269	42.4
Commercial farms.....	1,594,192	602,756	37.8	766,233	337,537	44.6
Class I.....	47,195	22,383	47.4	51,206	25,709	50.2
Class II.....	158,191	73,803	46.7	149,427	72,903	48.8
Class III.....	296,721	137,351	46.3	190,043	98,138	49.3
Class IV.....	391,879	168,612	43.0	177,593	79,570	44.8
Class V.....	406,222	148,861	36.6	125,886	46,541	37.0
Class VI.....	293,984	61,746	21.0	53,078	14,676	27.6
Other farms.....	1,150,516	306,483	26.6	111,947	30,732	27.5
Part-time.....	419,726	139,352	33.2	66,635	20,985	31.5
Residential.....	730,606	167,131	22.9	45,272	9,747	21.5
Abnormal.....	184			40		

but account for 66 percent of all mortgaged farms. Likewise, from Table D and Table 18, it is shown that commercial farms account for 87 percent of all part-owner farms and 92 percent of mortgaged farms.

The average size of farm, the average value of land and buildings, and the average amount of mortgage debt for mortgaged farms tended to be higher for farms with relatively high gross income. Average size, value, and debt per farm and per acre showed a rather constant decrease from Economic Class I through Economic Class VI.

A negative correlation exists, in a limited degree, between ratio of debt to value and gross income per farm. Farms with high gross income generally had lower debt-to-value ratios than did low-income farms. The relatively large debt per farm and per acre among high-income farms was apparently more than offset by the high value of land and buildings in these economic classes. Debt loads, as measured by ratios of debt to value, were usually highest among relatively low-income farms.

Mortgage debt by type of farm.—Tables E and 19 contain data for 1956 for mortgaged full-owner commercial farms by type of farm. There are no comparable data for earlier years. Without these, observations on trends cannot be made. It is apparent that certain types of farms are located predominantly in one region and are thus influenced by characteristics of that region.

Table E shows the proportion of full-owner commercial farms mortgaged by type of farm. The data in that table indicate as much of a variation in proportion of farms mortgaged for a given type among regions as between types in the same region. The highest proportion of mortgaged farms for each type, with one exception, is in the West. The South had the lowest proportion of mortgaged farms with the exception of one type.

Variations in average size of farm, average value of land and buildings, and average mortgage debt by type of farm, as shown in Table 19, reflect differences in the characteristics of various types of mortgaged farms in each geographic division. For the United States, two types, field-crop farms other than vegetable and fruit-and-nut and livestock farms other than dairy and poultry, account for more than one-half of all land, value, and debt in mortgaged full-owner commercial farms.

Ratio of debt to value, for the United States as a whole, shows less variation than average size, value, and debt by type of farm. Dairy farms have the highest ratio of debt to value, 31.8 percent, while vegetable farms have the lowest with a 22.0 percent ratio.

TABLE E.—NUMBER OF FULL-OWNER COMMERCIAL FARMS WITH PROPORTION MORTGAGED BY TYPE OF FARM, FOR THE UNITED STATES AND REGIONS: 1956

Type of farm	The United States			The North			The South			The West		
	Total number of full-owner farms	Number mortgaged	Percent mortgaged	Total number of full-owner farms	Number mortgaged	Percent mortgaged	Total number of full-owner farms	Number mortgaged	Percent mortgaged	Total number of full-owner farms	Number mortgaged	Percent mortgaged
Full-owner farms.....	2,744,708	909,239	33.1	1,189,462	444,482	37.4	1,275,226	339,219	26.6	280,020	125,538	44.8
Commercial farms, total.....	1,594,192	602,756	37.8	837,219	330,061	39.4	586,958	190,195	32.4	170,015	82,600	48.5
Field-crop farms other than vegetable and fruit-and-nut.....	460,535	168,065	36.6	162,821	64,573	39.7	272,062	90,957	33.4	25,652	13,135	51.2
Cash-grain.....	191,244	75,380	39.4	150,065	59,719	39.8	25,222	9,307	36.9	15,957	6,354	39.8
Cotton.....	127,761	49,768	39.0	2,159	975	45.2	120,443	44,808	37.2	6,159	3,985	77.2
Other field-crop.....	141,530	43,517	30.7	10,597	3,879	36.6	126,397	36,842	29.1	4,536	2,796	61.6
Vegetable farms.....	16,937	6,915	40.8	8,228	3,516	42.7	5,715	1,830	32.0	2,994	1,569	52.4
Fruit-and-nut farms.....	67,085	24,574	36.6	13,229	4,813	36.4	16,983	4,926	29.0	36,873	14,835	40.2
Dairy farms.....	338,042	143,290	42.4	254,604	107,085	42.1	55,163	21,039	38.1	28,285	15,166	53.6
Poultry farms.....	128,002	50,424	39.4	62,831	24,449	38.9	46,428	15,778	34.0	18,743	10,197	54.4
Livestock farms other than dairy and poultry.....	383,908	133,044	34.7	226,768	83,991	37.0	121,919	34,165	28.0	35,231	14,888	42.3
General farms.....	169,831	66,130	38.9	95,789	37,110	38.7	56,817	18,093	31.8	17,225	10,927	63.4
Primarily crop.....	39,324	17,265	43.9	13,024	4,814	37.0	17,794	7,308	41.1	8,506	5,143	60.5
Primarily livestock.....	37,259	13,480	36.2	29,528	11,432	38.7	6,101	1,235	20.2	1,630	813	49.9
Crop and livestock.....	93,248	35,385	37.9	53,237	20,864	39.2	32,922	9,550	29.0	7,089	4,971	70.1
Miscellaneous farms.....	29,852	9,714	32.5	12,959	4,524	34.9	11,881	3,407	28.7	5,012	1,783	35.6
Other farms, total.....	1,150,516	306,483	26.6	352,243	114,421	32.5	688,268	149,024	21.7	110,005	43,038	39.1