

FIGURE 11.

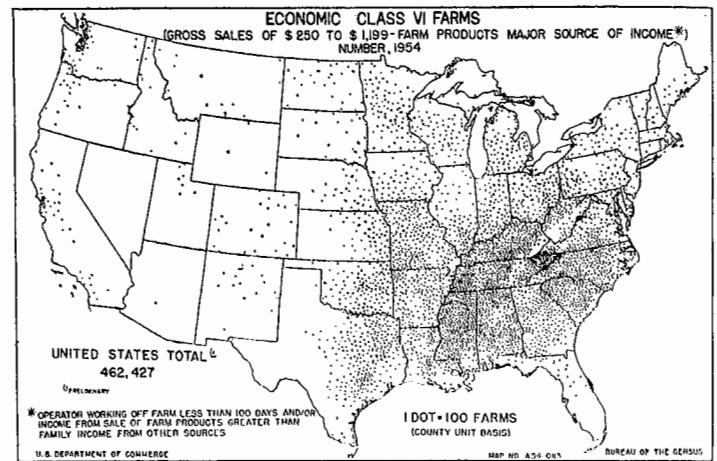


FIGURE 14.

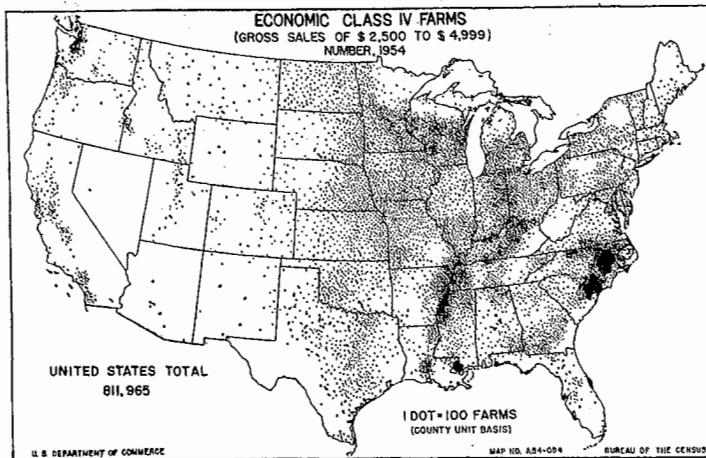


FIGURE 12.

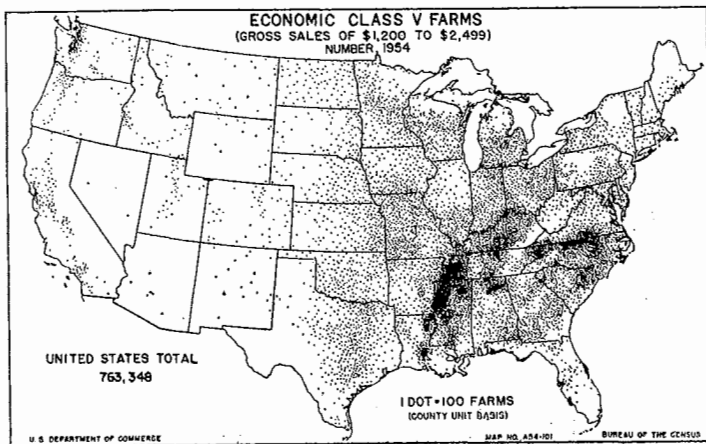


FIGURE 13.

Characteristics and limitations of the economic classification.—The economic classification is subject to certain characteristics which need to be considered when they are used. Probably the most important consideration is that classification on the basis of gross sales rather than net value of production fails to take account of differences in purchased inputs. This needs to be considered when comparisons are made between different types of farms.

In addition, the classification is based on one year's sales of farm products. For the purpose of providing a picture of the normal size of farms, this may not give an accurate picture of any farm that, because of chance factors, had higher or lower than normal yields or sales from inventories. The market output of an individual farm may vary considerably from year to year even though the farm organization remains relatively stable over a period of years in respect to capital, labor, and enterprises. This may be because of fluctuations in yield that arise through vagaries in weather or through higher or lower than normal sales of livestock. Thus, it is possible for farms with fairly similar levels of production over the average of several years to fall in different classes when classified on the basis of sales in a given year.

TYPES OF COMMERCIAL FARMS

The commercial farms are divided into types on the basis of the proportion of gross sales accounted for by sales of various commodities. In general, a farm was placed in a particular commodity type if gross sales of the particular commodity or group of commodities accounted for as much as 50 percent of the total gross sales from the farm. In some cases the type of farm was determined on the basis of the sale of an individual farm product, such as cotton, or on the basis of closely related products, such as dairy products. In other cases the type was determined on the basis of a broader group of products such as corn, sorghums, small grains, field beans, field peas, cowpeas, and soybeans. When the value of products from one source or group of sources did not represent as much as 50 percent of the total value of all farm products sold, the farms were classified as general.