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Farm Mortgage Debt and Farm Taxes

(A Cooperative Report)

SPECIAL REPORTS

Prepared under the supervision of
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PREFACE

This report presents data on farm mortgage indebtedness as of January 1, 1961, and on taxes levied on farmland in 1960. The data include the amount of mortgage indebtedness, the debt held by principal lending agencies, and interest charges, with some related information on number of farms, land in farms, value of farms, and assessed value of farmlands, and taxes levied on farmland in 1960. Data are presented for the conterminous United States, for geographic divisions, and for the 48 States. The data are estimates based on a special mail survey of owners of farmlands as reported in the 1959 Census of Agriculture.

This report was prepared cooperatively by the Bureau of the Census, United States Department of Commerce, and the Economic Research Service, United States Department of Agriculture. It continues a series of cooperative reports covering farm mortgage indebtedness which has been issued in conjunction with the more recent censuses of agriculture.

Plans for this cooperative report were made by Ray Hurley, Chief of the Agriculture Division, Bureau of the Census and Norman J. Wall, Chief of the Agricultural Finance Branch, Farm Economics Division, Economic Research Service of the United States Department of Agriculture. Most of the technical work relating to the selection of the sample and the processing of the data was performed by Robert Rades and Q. Francis Dallavalle. Gerald W. Owens, Margaret Wood, Bennie Sharp, and Lois Miller assisted in the planning and supervising of processing operations. Ronald Bird reviewed the tabulations on farm taxes. The report was written, largely, by Q. Francis Dallavalle, Agricultural Economist, Economic Research Service of the United States Department of Agriculture and Warder B. Jenkins, Assistant Chief of the Agriculture Division, Bureau of the Census.

November 1962.

III

UNITED STATES CENSUS OF AGRICULTURE: 1959

FINAL REPORTS

Volume I—Counties—A separate part for each State, Puerto Rico, Guam, Virgin Islands, and American Samoa. Statistics on number of farms; farm characteristics; acreage in farms; cropland and other uses of land; land-use practices; irrigation; farm facilities and equipment; farm labor; farm expenditures; use of commercial fertilizer; number and kind of livestock; acres and production of crops; value of farm products; characteristics of commercial farms, farms classified by tenure, size, type, and economic class; and comparative data from the 1954 Census.

Part	State or States	Part	State or States	Part	State or States	Part	State or States
	New England States:		West North Central:		East South Central:		Mountain—Con.
1	Maine.	15	Minnesota.	30	Kentucky.	44	Utah.
2	New Hampshire.	16	Iowa.	31	Tennessee.	45	Nevada.
3	Vermont.	17	Missouri.	32	Alabama.		Pacific:
4	Massachusetts.	18	North Dakota.	33	Mississippi.	46	Washington.
5	Rhode Island.	19	South Dakota.		West South Central:	47	Oregon.
6	Connecticut.	20	Nebraska.	34	Arkansas.	48	California.
	Middle Atlantic States:	21	Kansas.	35	Louisiana.	49	Alaska.
7	New York.		South Atlantic:	36	Oklahoma.	50	Hawaii.
8	New Jersey.	22	Delaware.	37	Texas.		Other Areas:
9	Pennsylvania.	23	Maryland.		Mountain:	51	American Samoa.
	East North Central:	24	Virginia.	38	Montana.	52	Guam.
10	Ohio.	25	West Virginia.	39	Idaho.	53	Puerto Rico.
11	Indiana.	26	North Carolina.	40	Wyoming.	54	Virgin Islands.
12	Illinois.	27	South Carolina.	41	Colorado.		
13	Michigan.	28	Georgia.	42	New Mexico.		
14	Wisconsin.	29	Florida.	43	Arizona.		

Volume II—General Report—In 1 volume and also as 13 separates (for the Introduction and for each chapter). Statistics by subjects for 1959 and prior censuses. Statistics are presented for the United States, geographic regions, and divisions, and for the States.

Chapter	Title	Chapter	Title
	Introduction.		
I	Farms and Land in Farms.	VII	Field Crops and Vegetables.
II	Age, Residence, Years on Farm, Work Off Farm.	VIII	Fruits and Nuts, Horticultural Specialties, Forest Products.
III	Farm Facilities, Farm Equipment.	IX	Value of Farm Products.
IV	Farm Labor, Use of Fertilizer, Farm Expenditures, and Cash Rent.	X	Color, Race, and Tenure of Farm Operator.
V	Size of Farm.	XI	Economic Class of Farm.
VI	Livestock and Livestock Products.	XII	Type of Farm.

Volume III—Irrigation of Agricultural Lands—Data from the Irrigation Censuses of 1959 and 1950, by drainage basins, for the conterminous United States and for each of the 17 western States and Louisiana. Separate maps are available. Report also includes data from the 1959 Census of Agriculture for land irrigated and acres and production of crops on irrigated land in the 18 conterminous States and Hawaii.

Volume IV—Drainage of Agricultural Lands—Statistics for States and counties and for the conterminous United States, presenting 1960 data on number, area, physical works, and costs for drainage projects of 500 or more acres by size, type, and year organized. Maps are included.

Volume V—Special Reports

Part 1.—Special Census of Horticultural Specialties—Statistics for States, except Alaska and Hawaii, and for the conterminous United States, presenting 1959 data on number and kinds of operations, gross receipts and/or sales, sales of specified products, inventories, employment, and structures and equipment.

Part 2.—Irrigation in Humid Areas—Statistics for 30 eastern States showing 1960 data on acres irrigated, number of constructed ponds and reservoirs, source and method of applying water, type of pumping power, acreage of individual crops irrigated, and frequency of irrigation by States and counties.

Part 3.—Ranking Agricultural Counties—Statistics for selected items of inventory and agricultural production for the leading counties in the United States.

Part 4.—Farm Taxes and Farm Mortgage—A cooperative report by the Economic Research Science, U.S. Department of

Agriculture and the Bureau of the Census, U.S. Department of Commerce, presenting 1961 data by States on taxes on farms, number of mortgaged farms operated by full owners and part owners, amount of mortgage debt held by principal lending agencies, and amount of interest paid.

Part 5.—1960 Sample Survey of Agriculture—Statistics by economic class and type of farm, showing 1960 data on farm-operator-family income from farm and off-farm sources; inventory and use of selected types of farm equipment, tractors by year made and fuel used; number, size, and materials used for new buildings constructed 1958 to 1960; number of farmers having contracts with dealers, processors, or others for the production and marketing of 15 farm products; and real estate and non-real-estate debts of farm operators and farm landlords by lending agencies.

Part 6.—A Graphic Summary of Agriculture, 1959—A cooperative report by the Economic Research Service, U.S. Department of Agriculture and the Bureau of the Census, U.S. Department of Commerce, presenting graphically for 1959 and prior census years some of the significant uses of agricultural land; the extent and nature of the various kinds of tenure under which farms are held and operated; and changes and developments in the use of agricultural resources and production of agricultural products.

Special Publication—Principal Data-Collection Forms and Procedures: United States Census of Agriculture, 1959, and Related Surveys—Facsimiles of the enumeration forms used, showing variations for the 50 States, Puerto Rico, American Samoa, Guam, and the Virgin Islands, together with brief descriptions of the census field procedures for the census and the related surveys.

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INTRODUCTION

(VII)



INTRODUCTION

Scope of the report.—This report presents statistics relating to the mortgage status and mortgage indebtedness of farmland as of January 1, 1961, and taxes levied on farmland in 1960. The basic information for the mortgage and tax totals was obtained in a mail survey of owners of land for a sample of the farms included in the 1959 Census of Agriculture. The data presented herein are estimates for all farmland. Totals are given for each of the 48 States comprising the conterminous United States. In nearly all instances, data are given for groupings of the 48 States which comprise the standard geographic divisions for which census data usually have been presented. Many of the data are given for each geographic area by broad tenure classifications of farmland. A substantial portion of the tenure data has been subclassified by economic class of farm and by type of farm but estimates for such cross-classifications are among those available only for geographic groupings of States.

In respect to farm mortgage information, estimates are given for the total farm mortgage indebtedness, the amount held by the principal types of lenders, number and types of loans on farmland, year in which loan on the farmland was made or assumed by the landowners, maturity dates of farm mortgage loans, terms or periods of loans, annual interest charges, and interest rates on farm mortgage loans by type of lender. Some characteristics are given for both farmlands and farmowners free of mortgage debt as well as for those with mortgage indebtedness.

The 1960 farm tax data given in this report also are estimates for all taxable farmland. Farm property tax information is presented in relation to the acreage and in relation to both market and assessed values of the land and buildings.

The estimated totals for acreages of farmland, the number of full-owner and part-owner farms, and the distribution of farms and farmland by economic class and by type of farm, have been adjusted to those for the 1959 Census of Agriculture. However, the totals presented for value of farmlands and buildings and farm mortgage indebtedness are for January 1, 1961, and for farm taxes for 1960.

Farm mortgage statistics have been published in connection with several censuses. Varying amounts of data relating to debt secured by farm real estate have been compiled by the Bureau of the Census since 1890. In the early censuses, mortgage information was obtained only for the farmland of owner-operators as tenant-operators, even if aware of the existence of a mortgage against the land they were operating, were unlikely to know the amount of the indebtedness. In connection with recent censuses, mortgage statistics have been obtained for all farmland. At first the full coverage of farmland was obtained, in part, through direct enumeration of owner-operators and, in part, through the use of questionnaires mailed to a sample of owners of rented farmland. In the two most recent censuses of agriculture, inquiries concerning the amount of farm mortgage indebtedness have been omitted, as such information and related facts were obtained by a special survey for a sample of farms included in the census.

Some comparative data from earlier censuses or surveys are presented in this report. A few supplementary data, compiled

in the U.S. Department of Agriculture, have been utilized in making the historical presentation of the amount of farm mortgage debt held by principal lenders through 1956. In most of the time series tables, the earliest farm mortgage figures are for 1930 or 1940. In several instances, estimates are given only from the 1956 and the 1961 surveys. Many of the mortgage figures given in the accompanying tables are restricted to estimates for the 1961 survey as only 1961 data are available for such items as the number and types of loans and the distribution of the loans by various loan characteristics such as year loan was made, year loan was due, and term of loan.

Historical figures dealing with farm taxes are not given in this report. The 1950, 1940, and 1930 Census of Agriculture reports present a limited amount of data for farm property taxes paid by owner-operators. The data for those years are further restricted to the lands of operators who reported the requested tax information.

The farm mortgage debt and farm tax data are used in many ways and are of interest to legislators, lenders, and borrowers. They are used in preparing the annual Balance Sheet of Agriculture, a U.S. Department of Agriculture publication that summarizes the assets and liabilities of agriculture as an industry or business. Both debt and tax data are components of the parity index used by that department in computing parity prices for agricultural commodities. Support prices for certain agricultural commodities are based, in part, on parity prices.

Because the data from the periodic censuses and surveys are used as benchmarks to adjust the annual series of farm mortgage and farm tax data, the U.S. Department of Agriculture has participated with the Bureau of the Census in formulating questionnaires and in preparing estimates. The 1961 farm mortgage and the 1960 farm tax estimates were prepared, in large measure, by the staff of the Bureau of the Census. However, professional personnel of the U.S. Department of Agriculture collaborated in the preparation of the questionnaire; in the processing, summarization, and analysis of the data; in the expansion of the survey totals to represent State and National estimates; in the subsequent adjustments to attain conformity with 1959 census totals and with distributions by tenure, by economic class, and by type of farm; and, finally, in the preparation of the text for this report.

Credit needs in farming are in excess of those required for land ownership. Fewer and larger farms, coupled with higher land values and the increased use of purchased inputs have required individuals to make larger outlays of capital—money paid or obtained—whether for land purchase or for stocking, equipping, and operating farms. In order to get a measure of total farm credit requirements, information needs to be secured from tenant-operators, landlords, and owner-operators. Accordingly, in the 1960 Sample Survey of Agriculture conducted in the fall of that year, the Bureau of the Census included a series of inquiries dealing with farm operator and farm landlord debts. Estimates giving borrowings of farm operators and unpaid obligations of their landlords which were associated with the operation of farms, are given in Volume V, Part 5: 1960 Sample Survey of Agriculture.

X FARM MORTGAGE DEBT AND FARM TAXES

Basic information from censuses of agriculture.—The census of agriculture questionnaire for the conterminous States in 1959, as in 1954, carried only one inquiry in regard to farmland indebtedness. In each of these two censuses, information was required of approximately 20 percent of all farm operators as to the presence or absence of a mortgage on any owned land. The inquiry in 1959 was as follows:

315. Is there any mortgage debt on land and buildings owned by you? (Mark one.) No Yes No land owned

The following table shows by geographic division the number of farms operated by full owners and by part owners, by mortgage status, as estimated for 1959 on the basis of the 1959 census and as estimated for 1961 on the basis of the survey for 1961. As explained on page XIV the total number of farms for both estimates is the number of farms in 1959. The estimates for the number of farms mortgaged and debt free for the 1959 census are not fully comparable with the estimates for the 1961 survey as the farms for which mortgage debt status was not reported have not been classified and included in the totals for farms reported as mortgaged and farms reported debt free. The mortgage status of land owned by full- and by part-owner operators was used as a basis for making the mortgage estimates for farms operated by full owners and by part owners for the 1961 survey.

Table A.—COMPARISON OF THE NUMBER OF FARMS OPERATED BY FULL OWNERS AND PART OWNERS BY MORTGAGE STATUS, AS SHOWN BY THE 1959 CENSUS OF AGRICULTURE AND AS ESTIMATED FOR THE 1961 SAMPLE SURVEY, BY GEOGRAPHIC DIVISIONS, FOR THE CONTERMINOUS UNITED STATES

Tenure of operator and geographic division	Total number of farms	Farms reported as mortgaged		Farms reported as debt free		Farms for which mortgage status was not reported, 1959 census
		1961 estimate	1959 census	1961 estimate	1959 census	
Farms operated by full owners:						
United States.....	2, 116, 129	732, 153	629, 053	1, 383, 976	1, 288, 351	198, 725
New England.....	42, 146	18, 090	16, 980	24, 056	22, 115	3, 051
Middle Atlantic.....	142, 962	48, 984	45, 239	93, 968	85, 426	12, 287
East North Central.....	397, 125	150, 728	132, 478	246, 397	232, 663	31, 984
West North Central.....	377, 942	148, 379	136, 178	229, 563	214, 348	27, 416
South Atlantic.....	349, 421	95, 240	74, 694	254, 181	239, 691	35, 036
East South Central.....	329, 623	90, 664	68, 271	238, 959	229, 581	31, 771
West South Central.....	263, 220	76, 113	65, 756	187, 107	160, 021	37, 443
Mountain.....	77, 575	37, 140	32, 092	40, 435	38, 486	6, 997
Pacific.....	136, 125	66, 815	57, 365	69, 310	66, 020	12, 740
Farms operated by part owners:						
United States.....	809, 682	388, 131	338, 407	421, 551	420, 350	50, 925
New England.....	12, 315	6, 611	6, 326	5, 704	5, 337	662
Middle Atlantic.....	39, 705	18, 096	17, 034	21, 609	20, 301	2, 370
East North Central.....	146, 284	71, 720	63, 207	74, 564	74, 059	9, 018
West North Central.....	214, 620	111, 012	100, 174	103, 608	103, 983	10, 463
South Atlantic.....	102, 487	41, 638	34, 299	60, 849	60, 207	7, 981
East South Central.....	95, 860	41, 245	31, 102	54, 615	57, 444	7, 314
West South Central.....	115, 167	51, 468	44, 556	63, 699	62, 406	8, 205
Mountain.....	48, 180	26, 461	23, 264	21, 719	21, 949	2, 967
Pacific.....	35, 064	19, 880	18, 445	15, 184	14, 664	1, 955

The instructions to 1959 census enumerators specified that farm mortgages, purchase money mortgages, land purchase contracts, deeds of trust, deeds to secure debt, bonds for deeds, confessions of judgment, and vendors' liens (deed with vendor) were to be considered as farm mortgages if these debts were on the land and buildings. Crop liens, mortgages on livestock and machinery, chattel mortgages, promissory notes, delinquent taxes, judgments, and mechanics' liens were to be excluded.

The purpose for which a debt was incurred is not indicated by the existence of a mortgage on land. Borrowing, in the first instance, may have been for a purpose other than land acquisition. However, throughout the long history of census collection of

mortgage statistics, emphasis has been placed on land and buildings pledged as security for debts and never on the purpose for which the loan was made.

The 1960 Alaska questionnaire and the 1959 Hawaii questionnaire, for those censuses of agriculture, had two inquiries in respect to indebtedness on lands owned by farm operators. These were designed to ascertain whether such lands were covered by a mortgage and, if a mortgage existed, to obtain the amount of the indebtedness. The available data for Hawaii are presented in State table 23 of volume I (part 50) of the 1959 Census of Agriculture reports. Similar data for Alaska are presented in the following table.

Table B.—ALASKA—FARM MORTGAGE DEBT OF FULL OWNERS AND PART OWNERS: CENSUSES OF 1959 AND 1950

Item	Year	
	1959	1950
All farms operated by owners.....number.....	338	495
Reported free from mortgage.....number.....	138	179
Reported mortgaged.....number.....	150	128
Proportion mortgaged.....percent.....	52.2	41.7
No report as to mortgage status.....number.....	50	188
Farms operated by full owners.....number.....	256	445
Reported free from mortgage.....number.....	116	165
Land owned.....acres.....	14, 235	22, 513
Value of land and buildings.....dollars.....	2, 642, 530	1, 756, 485
Average value per farm.....dollars.....	22, 780	10, 645
Reported mortgaged.....number.....	97	99
Proportion mortgaged.....percent.....	37.9	22.2
Land owned.....acres.....	15, 940	11, 641
Value of land and buildings.....dollars.....	3, 902, 110	1, 123, 580
Average value per farm.....dollars.....	40, 228	11, 349
Amount of mortgage debt.....dollars.....	1, 164, 152	361, 850
Average equity per farm.....dollars.....	28, 226	7, 694
Average debt per farm.....dollars.....	12, 002	3, 655
Ratio of debt to value.....percent.....	29.2	32.2
No report as to mortgage status.....number.....	15	NA
Land owned.....acres.....	2, 055	NA
Value of land and buildings.....dollars.....	452, 300	NA
Average value per farm.....dollars.....	30, 153	NA
Farms operated by part owners.....number.....	82	50
Reported free from mortgage.....number.....	21	14
Land owned.....acres.....	3, 087	2, 505
Value of land and buildings.....dollars.....	590, 725	283, 934
Average value per farm.....dollars.....	28, 120	20, 281
Reported mortgaged.....number.....	52	29
Proportion mortgaged.....percent.....	63.4	58.0
Land owned.....acres.....	12, 908	4, 513
Value of land and buildings.....dollars.....	4, 509, 100	360, 565
Average value per farm.....dollars.....	86, 713	12, 433
Amount of mortgage debt.....dollars.....	1, 314, 801	105, 990
Average debt per farm.....dollars.....	25, 285	3, 655
Ratio of debt to value.....percent.....	29.2	29.4
No report as to mortgage status.....number.....	4	NA
Land owned.....acres.....	358	NA
Value of land and buildings.....dollars.....	215, 960	NA
Average value per farm.....dollars.....	53, 990	NA

NA Not available.

Although the amount of farm real estate indebtedness was not obtained in the conterminous States, either in the 1959 or 1954 Census of Agriculture, such information was obtained in 1950 and in all earlier years for which data are herein presented. The 1950 questionnaire contained the following inquiry which was required for a sample of approximately 20 percent of the farms.

327. Is there any MORTGAGE { No
DEBT on the land and buildings { Yes. How much? . . . \$ _____/00
owned by you? { Yes. How much? . . . \$ _____/00
(Dollar only)

The 1950 inquiry related to all land owned by the operator and not to the portion retained by him in case any of his land was rented to others. For the census years 1930 through 1945, the inquiries concerning farm mortgage indebtedness were similar to those of 1950 but, except in 1935, were to apply to all operators who owned a part or all of the land in the farms they were operating at the time of the census. In 1935, the inquiries were required to be answered for owners owning all the land they operated.

For each census beginning with 1930, mortgage information for rented and manager-operated land has been obtained through a special mail survey. The mail survey plan was also utilized in 1935 to obtain all mortgage data for land owned and operated by part owners, and in 1930 to obtain the indebtedness for lands in this same tenure group. In each survey year, the sample of farms was selected from the farms included in the census of agriculture. In 1930, the mail survey was undertaken by the Bureau of Agricultural Economics of the U.S. Department of Agriculture. In 1935, 1940, and 1945, the mail survey was conducted jointly by the Bureau of the Census and the Bureau of Agricultural Economics. In 1950, although the mail survey was made by the Bureau of the Census, the Bureau of Agricultural Economics cooperated in designing the questionnaires and in making the estimates. All mortgage data for rented and manager-operated lands for 1950, 1945, 1940, 1935, and 1930, and the number of farms mortgaged and the amount of debt for the owned portion of part-owner farms in 1935, and the debt for the owned portion of part-owner farms in 1930, were estimated on the basis of these mail surveys.

No mortgage data appear in the census volumes for the 1935 and 1945 Censuses of Agriculture. The census volumes for 1930 and 1940 presented mortgage data for owner-operators but the totals did not include estimates for farms for which mortgage information was incompletely reported. Therefore, the mortgage data presented in this report for full owners and part owners for 1930, 1935, 1940, and 1945, do not agree exactly with mortgage data for full owners and part owners as shown in earlier census reports for those years.

Sample for the 1961 sample survey.—The sample for the 1961 survey was selected from farms included in the 1959 Census of Agriculture. The sample of farms for the sample survey was selected from farms included in the sample of approximately 20 percent of the farms used for the 1959 Census of Agriculture. (See page XVIII of the Introduction to volume II of the reports for 1959 Census of Agriculture for a description, etc., of this sample.) The sampling rates established for each State varied by tenure of farm operator and by economic class of farm. The rates for each of the three major farm-operator-tenure groups (full owners, part owners, tenants, and managers) were varied in order to provide a sample adequate insofar as possible to provide estimates for mortgage indebtedness for the three major tenure groups in each State. Within the three major tenure groups, the sampling rates were varied by economic class of farm (see page XVII for a description and definition of economic class of farm.) The farms with larger value of farm products sold, are larger in size, have a higher value of farm land and buildings, are more frequently indebted, and have a greater amount of debt than do farms with a lower value of farm products sold. Therefore, a larger proportion of farms with a high value of farm products sold than of the farms with a low value of farm products sold was included in the sample for the 1961 survey. Because of the small number of farms (specified farms) containing 1,000 or more acres or with a value of \$100,000 or more farm products sold, there were included in the sample all such farms in Delaware, Rhode Island, and Nevada, one-half of such farms in Arizona, and one-third of such farms in Wyoming.

Table 1 presents (a) the sampling rates established for the 1961 survey and (b) the number of farms selected by application of these rates.

The number of farms selected for the 1961 farm mortgage and farm tax survey was 129,033. This total represented 3.5 percent of all farms included in the 1959 Census of Agriculture. The questionnaires for the 1959 Census of Agriculture indicated that the lands in these sample farms were owned by 220,224 owners. By States, the number of selected farms ranged from 284 in Rhode Island—for which State all farms included in the sample for the 1959 census were included—and 730 in New

Hampshire to 5,101 farms in Texas and 5,004 farms in Iowa. The 1961 survey questionnaire was not mailed to all owners of the 220,224 tracts. The mortgage and tax information was not applicable to land owned by Federal, State, and local government agencies. The names of such agencies appeared for 5,406 farms. Neither was the 1961 survey questionnaire mailed to the landowner included in the 1960 Sample Survey of Agriculture, which preceded the 1961 survey. There were approximately 900 of these landowners. Survey questionnaires could not be mailed to another group of 5,504 landowners because of incomplete addresses. A total of 208,128 survey questionnaires were actually mailed at the first mailing.

The questionnaires for the 1961 survey.—Owners of farmland were the source of information regarding both farm mortgages and farm taxes. Further, since the mortgage and tax survey was planned to supplement the 1959 Census of Agriculture, and since it was logical and advantageous to relate data collected in the survey to those which had been secured in the 1959 enumeration, the mortgage and tax inquiries were combined into one survey questionnaire. By this combination, economies were realized in the methods of conducting the survey, particularly in selecting the sample, in the mailing out and receiving of questionnaires, and in the editing and other processing activities connected with the returned questionnaires.

One version of the questionnaire was used for landlord-owners of farmland and another for operating owners. The questionnaire for landlords identified the portion of a landlord's holding for which a report was required by giving the name of the lessee or tenant of the land as recorded in the 1959 Census of Agriculture.

Property taxes may be levied on (a) real estate, (b) tangible personal property, and (c) other personal property. In Delaware, New York, and Pennsylvania, the (b) and (c) classes of property are not usually subject to general property taxation. Hence, for these three States, both the landlord-owner and the operating-owner questionnaires were modified to reflect the situation in these States. Thus, in all, four questionnaire forms were used in the 1961 survey. Facsimiles of these four questionnaires are shown on pages XXVII to XXX.

The inquiries in the mortgage and tax sections of the survey questionnaire were more detailed than in previous surveys.

Mailing of questionnaires.—The first mailing of the questionnaires was made in January 1961. An explanatory letter from the Director of the Bureau of the Census appeared on the face of each questionnaire. A facsimile of the letter and questionnaire appears on page XXVI.

Three mailings of the questionnaire were made, covering a time span of about nine weeks. The first mailing was begun on January 16, 1961, and was completed February 7. For those landowners who had not replied, a second mailing was begun on February 8 and was completed March 3. A third mailing was started March 2 and was completed March 24. Questionnaires used in the second and third mailings were stamped "second request" or "third request," whichever was appropriate, as a reminder to the respondent.

Special letters were sent to respondents whose replies to the farm tax questions were incomplete or inconsistent with other reports in the area or with assessed values and market values of the land owned.

Out of 208,128 landowners to whom a questionnaire was sent in the first mailing, reports were received from 179,811, or 86.4 percent. Of reports received, 143,221, or 68.8 percent of the first total, were usable after editing for mortgage and/or tax data. As a percentage of mailings, usable reports ranged from 52 percent in Louisiana to 79 percent in Wisconsin. The proportion of usable returns ranged between 70 and 79 percent in 22 States, between 60 and 69 percent in 19 States, and between 50 and 59 percent in 7 States.

Questionnaire processing.—Many incomplete questionnaires, with usable information for mortgages and/or taxes, were used for making survey estimates by obtaining additional information from landowners or by supplying estimates for essential missing data. For example, a missing land value was usually estimated for individual questionnaires if the amount of taxes or the mortgage information was given. The value reported on the 1959 questionnaire or on other 1959 questionnaires for farms with similar characteristics, as reflected by size, tenure, economic class, and type of farm, was useful as a basis in estimating missing values.

If a 1959 landowner reported he had sold his land since 1959, or if it was learned that he had died in the interval following the 1959 enumeration, estimates for individual landlords were not made. Government owned land, including land in Indian reservations, was considered to be mortgage debt free and also not subject to real estate taxes. Corporation owned land was also considered to be debt free unless an amount for mortgage debt was reported. However, information was sought as to taxes for corporation owned land.

Information regarding age of operator, off-farm work, and other income of the farm operator was taken from the following inquiries of the 1959 Census of Agriculture and used for tabulating purposes:

219. How old were you on your last birthday? Years _____

(OFF-FARM WORK AND OTHER INCOME:

222. How many days *this year* did you work off your farm? Include work at a nonfarm job, business, profession, or on someone else's farm. Include days you expect to work off your farm between *now* and *December 31, 1959*. (Do not include exchange work.)

(Mark one.) →

(1)	(2)	(3)	(4)	(5)
None <input type="checkbox"/>	1 to 49 days <input type="checkbox"/>	50 to 99 days <input type="checkbox"/>	100 to 199 days <input type="checkbox"/>	200 or more days <input type="checkbox"/>

223. Did any other member of your family living with you have a nonfarm job, business, profession, or work on someone else's farm *this year*? No Yes

224. Have you any income *this year* from any of the following sources: Sale of products from land rented out? Cash rent? Boarders? Social Security? Old-age assistance? Pensions? Veterans' allowances? Unemployment compensation? Interest? Dividends? Profits from nonfarm business? Financial help from members of your family? No Yes

(If "None" for question 222 and "No" for both questions 223 and 224, skip to question [226].)

225. Will the income which you and your family receive from work off the farm and from other sources (listed in questions 223 and 224) be greater than the total value of all agricultural products sold or to be sold from your place *this year*? No Yes

Likewise, the codes for type of farm and economic class of farm for the farms included in the survey were taken from the questionnaire for the 1959 Census of Agriculture.

The data compiled for the 1961 survey related to farms included in the 1959 Census of Agriculture. If the farmland in a farm had changed since the 1959 census, the data from the 1961 survey were adjusted through the use of a computer program so that they related to the farmland included in the farm for the 1959 Census of Agriculture. For example, if an owner-operator had increased the size of the farm he operated since the 1959 census, the data (acreage, value of land and buildings, amount of mortgage debt, amount of taxes, assessed value, etc.) were adjusted so that they related to the farm as it existed in 1959. The questionnaires for the 1961 survey, sent to landlords, specified the name of the 1959 lessee or tenant and the acreage of farmland for which the questionnaire was to be prepared. The data on the questionnaire for landlords were adjusted when necessary to cover only the acreage for 1959 on the farm included in the 1961 survey.

Preparation of estimates.—State estimates were made for farms, acreage, and value of farmlands by multiplying the totals for the farms, acreage, and value of farmlands included in the survey by the sampling rate. (See table 1.) All data for the farms and farmlands for the survey were tabulated separately for each group having a different sampling rate. Separate tabulations and estimates were made for farmlands for which usable questionnaires were received.

Usable questionnaires were not obtained for all farmlands included in the sample for the survey. It was necessary, therefore, to make estimates for the farmland for which reports were not received. Table C gives by States the percentage of estimated acreage and value of land and buildings for which usable reports were not obtained for farm mortgage indebtedness. Table

27 provides data showing the acreage and value of farmlands for which usable reports for farm taxes were not received.

Data on the acreage and value of farmlands for which a usable report was not received for the survey were tabulated for each State for each of the three groups for tenure, viz, (1) full owners; (2) part owners (owned portion only); and (3) tenants, managers, and the rented portion of part-owner farms. For each of these three groups totals were obtained for three groups of economic classes of farms, viz, Economic Classes I and II, Economic Classes III to VI, and Economic Classes VII, to IX (part-time, part-retirement, and abnormal farms). For full owners and for part owners (owned portion only), data for each of the group of economic classes were compiled by the mortgage status of the farms according to the report for the 1959 Census of Agriculture. Estimates for mortgaged land were calculated by multiplying the estimated acreage and value of the farmland for each of the following groups, by the ratio of the acreage with mortgage debt to the acreage of farmland for farmlands for which usable reports were obtained.

Full owners

Economic Class of Farm I and II

- Reported as mortgaged in the 1959 Census of Agriculture
- Reported as not mortgaged in 1959 Census of Agriculture
- No report made as to mortgage status in the 1959 Census of Agriculture

Economic Class of Farm III to VI

- Reported as mortgaged in the 1959 Census of Agriculture
- Reported as not mortgaged in 1959 Census of Agriculture
- No report made as to mortgage status in the 1959 Census of Agriculture

Economic Class of Farm VII to IX (part-time, part-retirement, and abnormal farms)

- Reported as mortgaged in the 1959 Census of Agriculture
- Reported as not mortgaged in the 1959 Census of Agriculture
- No report made as to mortgage status in the 1959 Census of Agriculture

Part owners

Economic Class of Farm I and II

- Reported as mortgaged in the 1959 Census of Agriculture
- Reported as not mortgaged in the 1959 Census of Agriculture
- No report made as to mortgage status in the 1959 Census of Agriculture

Economic Class of Farm III to VI

- Reported as mortgaged in the 1959 Census of Agriculture
- Reported as not mortgaged in the 1959 Census of Agriculture
- No report made as to mortgage status in the 1959 Census of Agriculture

Economic Class of Farm VII to IX (part-time, part-retirement, and abnormal farms)

- Reported as mortgaged in the 1959 Census of Agriculture
- Reported as not mortgaged in the 1959 Census of Agriculture
- No report made as to mortgage status in the 1959 Census of Agriculture

Tenants, managers, and rented portion of part-owner farms

Economic Class of Farm I and II

Economic Class of Farm III to VI

Economic Class of Farm VII to IX, other farms (part-time, part-retirement, and abnormal farms)

Farmlands owned by governmental agencies and farmlands owned by corporations for which a report as to mortgage debt was not obtained were excluded when calculating the ratio of the acreage of farmlands mortgaged for farmlands for which usable reports were obtained. For farmlands for which usable reports were not obtained, the amount of mortgage debt was calculated by multiplying the estimated value of farmland for which reports had not been received by the ratio of mortgage debt to

Table C.—PERCENT OF THE NUMBER OF FARMS, ACRAGE, AND VALUE OF FARMLAND FOR WHICH MORTGAGE DEBT WAS ESTIMATED, BY ECONOMIC CLASS OF FARM, BY GEOGRAPHIC DIVISIONS AND STATES FOR THE CONTERMINOUS UNITED STATES: 1961 SURVEY

Main data table with columns for Region, division, and State; Percent of the number of farms; Percent of the acres of farmland; and Percent of the value of farmland. Rows include U.S., The North, The South, The West, Geo. Div., N. E., M. A., E. N. C., W. N. C., S. A., and Pac., along with individual states.

value for all farmlands for which usable reports were received. Interest charges were estimated by multiplying the interest rates for farmlands mortgaged for the farmlands for which usable reports were obtained, by the amount of mortgage debt. The distribution of mortgage debt by lender for farmlands for which usable reports were not obtained, were calculated on the basis of the distribution by lender for the mortgaged farmlands for which usable reports were obtained. The number of mortgaged farms for full owners and part owners (owned portion only) was calculated by multiplying the ratio for farms mortgaged for the group of farms for which usable reports were received by the number of farms for which usable reports were not received for each of the groups. The data given in this report represent totals obtained by adding the estimates for farmlands for which usable reports were obtained and estimates made for farmlands for which usable reports were not obtained.

The estimates for the number of farms for full owners and part owners, the acreage, and the value of land and buildings were further adjusted to totals shown for all farms for each of the three tenure groups of farmland in the 1959 Census of Agriculture. The estimates of the number of farms operated by full owners and part owners and the acreage of farmland for the survey agree with the totals provided for all farms for the 1959 Census of Agriculture.

The value of land and buildings for the farmlands for which usable reports were obtained represents the estimated value as of January 1, 1961. For the farmland for which usable reports were not obtained, the value reported for these farmlands for the 1959 Census of Agriculture was used.

DEFINITIONS AND EXPLANATIONS

The farms included in the 1961 survey of farm mortgages and farm taxes were selected from a sample of those included in the 1959 Census of Agriculture.

The definitions and explanations in the 1959 report, which are particularly applicable to this farm mortgage and farm tax survey, are repeated herein with additional information in regard to the 1961 survey. A full discussion is given for new items of inquiry.

Census definition of a farm.—The basic unit for surveys of farm mortgages and farm taxes has been a farm. The number of farms and their composition are determined, in large measure, by the definition of a farm. The definition of a farm and, likewise, of the constituent acreage has not been constant throughout the period for which mortgage data are presented. The definition of a farm, for a given survey, has always been the same as that used in the immediately preceding census of agriculture. Since the 1959 farms established both the base for selection of ownership tracts to be included in the 1961 survey of farm mortgages and farm taxes and the universe totals for acres of farmland and number of farms (full owners and part owners only) and since interest in mortgage and tax data is centered in the latest figures, the 1959 Census of Agriculture definition of a farm is presented in more detail than that for any prior census. Reference is made to the definition used in an earlier census only when the comparability of data is affected.

For the 1959 Census of Agriculture, the definition of a farm was based primarily on a combination of "acres in the place" and the estimated value of agricultural products sold.

The word "place" was defined to include all land on which agricultural operations were conducted at any time in 1959 under the control or supervision of one person or partnership. Control may have been exercised through ownership or management, or through a lease, rental, or cropping arrangement.

Places of less than 10 acres in 1959 were counted as farms if the estimated sales of agricultural products for the year amounted

to at least \$250. Places of 10 or more acres in 1959 were counted as farms if the estimated sales of agricultural products for the year amounted to at least \$50. Places having less than the \$50 or \$250 minimum estimated sales in 1959 were also counted as farms if they could normally be expected to produce agricultural products in sufficient quantity to meet the requirements of the definition. This additional qualification resulted in the inclusion as farms of some places engaged in farming operations for the first time in 1959 and places affected by crop failure or other unusual conditions.

To avoid biases arising from an enumerator's personal judgment and opinion, the Bureau did not give enumerators the definition of a farm. Instead, enumerators were instructed to obtain questionnaires for all places considered farms by their operators and for all other places that had one or more agricultural operations. In 1954, enumerators were instructed to fill questionnaires on the same basis as in 1959. In 1950, agricultural operations were defined to include every place of 3 or more acres, whether or not the operator considered it a farm, and every place having "specialized operations," regardless of the acreage. "Specialized operations" referred to nurseries and greenhouses and to places having 100 or more poultry, production of 300 or more dozen eggs in 1949, or 3 or more hives of bees. In the three last censuses, as a result, questionnaires were filled for a considerable number of places that did not qualify as farms. The determination as to which questionnaires represented farms was made during office processing operations and only those questionnaires meeting the criteria for a farm were included in the tabulation.

For both the 1950 and 1954 Censuses of Agriculture, places of 3 or more acres were counted as farms if the annual value of agricultural products, whether for home use or for sale but exclusive of home-garden products, amounted to \$150 or more. Places of less than 3 acres were counted as farms only if the annual sales of agricultural products amounted to \$150 or more. A few places with very low agricultural production because of unusual circumstances, such as crop failure, were also counted as farms if they normally could have been expected to meet the minimum value of sales criteria.

In the censuses from 1930 to 1945, enumerators were given a definition of "farm" and were instructed to obtain reports only for those places which met the criteria. According to this definition, farms included all places of 3 or more acres, regardless of the quantity or value of agricultural production, and places of less than 3 acres if the value of agricultural products, whether for home use or for sale, amounted to \$250 or more. Because of changes in price level, the \$250 minimum resulted in the inclusion of varying numbers of farms of less than 3 acres in the several censuses taken during this period. Generally, the only reports excluded from tabulation were those taken in error and those showing very limited agricultural production, such as only a small home garden, a few fruit trees, a small flock of chickens, etc. In 1945, reports for places of 3 acres or more were tabulated only if at least 3 acres were in cropland and/or pasture or if the value of products in 1944 amounted to at least \$150.

The decrease in the number of farms in 1950 and 1954, as compared with earlier censuses, was partly due to the change in farm definition, especially with respect to farms of 3 or more acres in size. Some of the places of 3 or more acres that were not counted as farms in 1950 and 1954 because the value of their agricultural production was less than \$150 would have qualified as farms if the criteria had been the same as in earlier censuses.

For 1959, the decrease in the number of farms as compared with all prior censuses resulted partly from the change in farm definition. The fact that sales of agricultural products in 1959 were used resulted in the exclusion of some places that would have qualified as farms had the value of agricultural products alone been considered. The increase in the acreage minimum also had

an effect. The reduction in the number of farms due to change in definition, 1954 to 1959, is shown in the Introduction to volume II.

For inclusion as a farm or as farmland, it was necessary for a tract (or tracts) of land comprising the entire holding of one individual, partnership, or corporation to meet the established acreage and sales criteria, even though the holding was locally thought of as being a farm. This was true even if the landowner was a participant in a Government program, such as the Soil Bank and his land was only temporarily out of productive agricultural use.

Land in farms.—For 1959, 1954, and 1950, the land to be included in each operating unit was determined from the operator's answers to questions concerning the total number of acres owned, the total number of acres rented from others or worked on shares for others, the total number of acres managed for others, and the total number of acres rented to others or worked on shares by others. Except for managers, the acres owned and the acres rented from others or worked on shares for others were first added together and then the acres rented to others or worked on shares by others were subtracted. The result represented the number of acres in the operating unit. The test of what constituted a farm was applied to these residual acres. The number of acres in a managed operation was the difference between the total acreage managed and any part of the managed land that was rented to others or worked on shares by others. In each census year, if a hired manager also operated land on his own account, the operating unit which was managed for pay and the own-account lands were considered to be separate farms. As the definition of a farm changed, so did the acreage counted as farmland. In censuses prior to 1950, enumerators were instructed to exclude all land rented to others before apportioning the land retained by an own-account operator between acreage owned and acreage rented from others. Likewise, acreage managed for others was supposed to represent residual acres in case a portion of the managed lands was rented to others or worked on shares by others.

The acreage designated in the tables as "land in farms" consists primarily of "agricultural" land—that is, land used for crops and pasture or grazing. It also includes considerable areas of land not actually under cultivation nor used for pasture or grazing. For example, the entire acreage of woodland and wasteland owned or rented by farm operators is included as land in farms unless it was being held for nonagricultural purposes or unless the acreage was unusually large. For 1959 and 1954, if a place had 1,000 or more acres of woodland not pastured and wasteland, and less than 10 percent of the total acreage was used for agricultural purposes, the acreage of woodland not pastured and wasteland was reduced to equal the acreage used for agriculture. The procedure used in 1950 for excluding unusually large acreages of woodland not pastured and wasteland differed slightly from the one used in 1959 and 1954. In 1950, adjustments were made in places of 1,000 or more acres (5,000 or more in the 17 Western States) if less than 10 percent of the total acreage was used for agricultural purposes.

Except for open range and grazing land used under Government permit, all grazing land was to be included as land in farms provided the place of which it was a part was a farm. Grazing land operated by grazing associations was to be reported in the name of the person chiefly responsible for conducting the business of the association. Land used rent-free was to be reported as land rented from others. All land in Indian reservations that was used for growing crops or grazing livestock was to be included. Land in Indian reservations that was not reported by individual Indians and that was not rented to non-Indians was to be reported in the name of the cooperative group that used the land. In some instances, an entire Indian reservation was reported as one farm.

The determination of whether rented or managed land was privately or publicly owned was made from the answers to the question on the census of agriculture questionnaire asking for the names and addresses of the landlords. Public land in farms is that owned by Federal, State, or other governmental agencies.

Ownership and tenure of farmland.—For this study, it was necessary to distinguish between ownership of farmland and tenure of operator of farmland. The latter term is used to designate the manner or condition under which land is held for conducting agricultural operations. Land may be owned by an individual or by united or associated individuals. Joint ownership of land may be vested in members of a family, such as husband and wife, in the heirs of an undivided estate, in other types of partnerships, in private corporations, in quasi-public corporations, or in public agencies. Land need not be owned in fee simple or need not be free of debt to be classified as owned.

A farmland owner can be a farm operator or a landlord. He can be both an operator and a landlord or an owner-operator and a renter of another's land. Occasionally, an owner of farmland, by reason of unusual circumstances, rents either all or a portion of his own land to another operator, and, at the same time, rents land from another owner. Corporations which conduct farming operations must operate through an intermediary who is classified as a farm manager. Land operated by a hired manager can be owned by a manager's employer or can be rented by the employer from other landowners. Nearly all identifiable corporation-owned acreage was treated as mortgage free but, as a general rule, only public-owned acreage was treated as tax free. Since a questionnaire was usually sent to identifiable private corporations for the tax information, these private corporations had an opportunity to report indebtedness if any existed against the real estate. Such reports of indebtedness were accepted.

Land owned.—All land that the operator and/or his wife held under title, purchase contract, homestead law, or as heir or trustee of an undivided estate at the time of enumeration is considered as owned. For a partnership, all the land owned by any of the partners and operated as a partnership was to be included as land owned. Land allotted in trust to an Indian and any reservation land assigned to him for his own use was considered as land owned by the operator.

Land rented from others.—This item includes not only land that the operator rented or leased from others but also land he worked on shares for others and land he occupied rent-free. Grazing land used under Government permit or license is not included.

Land rented to others.—This item includes all land rented or leased to others, except land leased to the Government under the Soil Bank, and all land worked by others on shares or on a rent-free basis. For the most part, the land rented to others represents agricultural land but it also includes land rented for residential or other purposes. The tenant or sharecropper is considered as the operator of land leased, rented, or worked on shares even though his landlord may supervise his operations. The landlord is considered as operator of only that portion of the land not assigned to tenants or croppers.

Land managed.—This item includes all tracts of land managed for one or more employers by a person hired on a salary basis. A hired manager was considered to be the operator of the land he managed since he was responsible for the agricultural operations on that land and frequently supervised others in performing those operations. Managed land was always to be reported on a separate questionnaire whether or not the manager also operated a farm on his own account.

Farm operator.—The term "farm operator" is used to designate a person who operates a farm, either doing the work himself or directly supervising the work. He may be the owner; a member of the owner's household; a hired manager; or a tenant, renter, or sharecropper. If he rents land to others or has land worked on shares by others, he is considered as operator only of the land

which he retains for his own operation. In the case of a partnership, only one partner is counted as an operator. The number of farm operators is considered to be the same as the number of farms.

The classification by tenure, as applied both to farm operations and the farms for the 1959 census follows:

- a. Full owners operate only land they own.
- b. Part owners operate land they own and also land rented from others. These operations could be termed "part owner-part tenant."
- c. Managers operate land for others and are paid a wage or salary for their services. Persons acting merely as caretakers or hired as laborers are not classified as managers. If a farm operator managed land for others and also operated land on his own account, the land operated on his own account was considered as one farm and the land managed for others as a second farm. If, however, he managed land for two or more employers, all the managed land was considered to be farm.
- d. Tenants rent from others or work on shares for others all the land they operate.

In 1959, and also in 1954, farm operators, who rented land to others or had land worked for them on shares, were classified according to the tenure under which they held the retained land. In 1950, farm operators were classified according to the tenure under which they held all lands, including any that were rented to others or worked on shares by others. For the 1945 and earlier censuses, the tenure determination was made on the basis of the land operated.

Value of land and buildings.—The 1961 survey questionnaire requested an estimate, from each farmland owner, of the current value of all farm and ranch land owned on January 1, 1961, including the buildings on the land. For an operating owner, the following inquiry requested information as to the acres and value of any owned land which was rented to others in 1960.

2. How many acres of the land that you now own did you rent to others in 1960? None (Acreage)

(Include land worked on shares as rented.)

(a) How much would the land and buildings that you rented to others in 1960 now sell for? \$ (per acre) or \$ (total)

For a landlord-owner, the inquiry as to acreage rented out was restricted to a stated acreage rented to a named tenant, as reported for the 1959 Census of Agriculture.

Mortgage status.—A mortgaged farm is one having any part of the land and/or the buildings on it pledged as security for debt. One free of debt has none of the land and/or buildings on it pledged as security. Since debt secured by real estate is related to land ownership rather than to land operation, it was necessary to make adjustments in some of the reported data to present data for farms or for farmland by tenure.

Full owners and part owners, together, are referred to as owner-operators but not all land in the part-owner farms is owner-operated. By definition, a part owner operates rented acreage as well as acreage that he owns. Whereas it is possible to show a distribution of full-owner farms between free and mortgaged, this is not possible for part-owner farms included in the 1961 and 1956 surveys. For this latter group, the method of processing allowed a count to be made, by mortgage status, only for the owner-operated portion. However, the acreage in part-owner farms, both owned and rented, was distributed by mortgage status. Likewise, for tenant and managed farms, the processing plans for 1961 and 1956 did not provide for a count of farms free from debt and those mortgaged. But the land in farms of those tenures was classified by mortgage status. Therefore, for presentation of farm mortgage data, the rented acreage in part-owner farms is grouped with the acreage in tenant-operated farms and manager-operated farms. Data on number of

farms, shown in the tables with the acreage for this inclusive tenure grouping for 1950 and prior years, relate only to tenant- and manager-operated farms. The number of farms for these earlier years was estimated on the basis of the proportion of the owners of such farms who had mortgage indebtedness.

In 1961, if a full-owner operator reported mortgage indebtedness on land owned and rented out, but none on the acreage he retained, his farm was considered mortgage free. In some instances, the entire acreage in a mortgaged farm or a mortgaged tract is not under mortgage. However, the entire farm or tract has been treated as a unit in the compilation of the data. This procedure results in the understatement of the ratio of mortgage debt to the value of mortgaged farmland for totals and for individual farms or ownership tracts in those cases where the mortgage does not relate to the entire acreage of farmland in the farm or tract. The mortgage status of the owned portion of a part-owner farm was determined in a similar manner. In 1956, the owned portion of any owner-operator's farm was always considered mortgaged regardless of the incidence of the debt, since there was no way of determining the debt status of the land rented out. However the comparability of data reflecting mortgage status of farms or farmlands was not appreciably affected by this change.

Farm mortgages.—Farm mortgages are evidences of a pledge of farmland and buildings as security for a debt. They may arise through the purchase of farmland as one or several tracts, through a subsequent loan on all or a portion of the holding, or by the refinancing of an existing debt not originally secured by real estate. Farm mortgages include purchase money mortgages, land purchase contracts, deeds of trust, deeds to secure debt, bonds for deeds, confessions of judgment, and vendors' liens (deed with vendor). They do not include crop liens, mortgages on livestock or machinery, other chattel mortgages, promissory notes, delinquent taxes, judgments, or mechanics' liens.

More than one mortgage may be on the land under one ownership. In regard to the acreage pledged as security, several mortgages can be wholly overlapping, partially overlapping, or not covering any of the same acreage. If two or more mortgages are placed on the same acreage, the first one placed is called a first mortgage. Although data were secured by type of loan (e.g., first mortgage, junior mortgage, or land purchase contract) and for the acreage pledged for each loan, such totals are not provided. The inquiry as to the amount of each loan when made, assumed, or refinanced was asked in order to improve the accuracy of the report for the amount of unpaid principal.

All Production Credit Association loans were considered non-real estate loans in this survey and, when identifiable, were deleted during the editing process. This was done to conform with practices followed in farm credit statistics prepared in the U.S. Department of Agriculture, even though available evidence suggests that real estate mortgages are being accepted as secondary security by the Production Credit Associations in an increasing number of cases. In addition, loans for which the respondent reported no acres pledged as security were deleted if the lender was a commercial or savings bank, an individual, or "other" lender.

Age of farm operator.—The age data in this report are restricted to mortgage data for full owners and part owners and are shown for the 1961 and 1956 surveys. Table 15 provides a count of full owners and of part owners, by age, and gives the estimated proportion in each of these tenure groups which had a mortgage on their land. The age refers to the age of the farmowner at the time of the census in 1959 or in 1954. The proportions mortgaged reflect the debt status of the lands of these operators at the time of the survey (1961 or 1956). Although age of farm operator figures are available for six 1959 age groupings, data for only five groupings are shown in this report. The "under 25 years" and "25 to 34 years" groups have been combined.

Off-farm work by farm operator.—One measure of the extent to which farm operators rely on off-farm sources for part of their income is the number of days which they worked off their farms during the calendar year covered by the census. The 1959 inquiry cautioned the respondent to include work at a nonfarm job, business, profession, or on someone else's farm but not to include exchange work.

Off-farm income, whether from personal services, investments, etc., has more significance when related to indebtedness than when related to taxes. Therefore, for this report, a limited amount of data regarding days worked off the farm for pay or profit is presented for the number of mortgaged farms operated by full owners and by part owners (owner-operated portion only).

Farm taxes.—All questions in the farm taxes section of the 1961 survey questionnaire must be read as a group in order to comprehend the nature of the data collected, or published. For ease of reference, the tax section of the survey questionnaire (used in all except three of the conterminous States) is reproduced on page XXV in its entirety. The (a), (b), and (c) subinquiries of question 3 were omitted for the three excepted States, viz, Delaware, New York, and Pennsylvania.

Although the several States are legally independent of one another in determining their respective arrangements for taxation, the basic concepts and principles of property taxation are similar from State to State. As is to be expected, there is a range in the terminology, classification of property, administrative arrangements, the tax calendar, and rate of assessment. Since much of the administration of the property tax rests with local government officials, the variety in procedures and rates found within a State has been effectively weighted, for the recent surveys, by the method employed for selection of farms included in the surveys.

In discussions of the base for property taxation, a sharp distinction is usually made between two major categories—real property and personal property. Real property consists of land and any structures or other improvements on it. Personal property includes not only tangible items such as farm machinery and equipment, livestock, and furniture, but also intangible personal property such as money, bank deposits, stocks, bonds, mortgages, and other such assets which have value for exchange purposes rather than for direct use. Practically all privately owned real property is legally subject to the "general" property tax throughout the United States. Intangible personal property, at the other extreme, is in most States legally exempt from general property taxes although in many instances subject to certain special property taxes. In most States, at least some kinds of tangible personal property are within the scope of the general property tax but legal provisions apply widely for the partial or complete exemption of personal property, or for dealing with it by special property taxes.

Property taxes are those conditioned on ownership of property. The term, as commonly used, includes general property taxes relating to property as a whole, real and personal, tangible or intangible, whether taxed at a single rate or at classified rates; and taxes on selected types of property, such as motor vehicles or certain or all intangibles.

The meaning of "assessment" which is relevant to this report is "an official valuation of property . . . for taxation." Two levels of "assessed value" must be recognized—the gross value before deduction of exemptions and the net amount of assessed value actually subject to tax. Under the general property tax system the valuations officially recorded for all kinds of taxable property, at any particular location, are taxed at the same total rate, or at a set of related rates. This does not mean, of course, that the tax will have a uniform relation to the real or "full"

value of all taxable property since, by law or in practice, the relation of the taxable value to the actual market value may differ materially among various classes of property.

A landowner may be paying taxes on his real property to several taxing districts. In addition to his State and county, he may be paying taxes to one or more of the following: Township or city, a school district, a weed district, a road improvement district, a fire district, a health district, a mosquito abatement district, a watershed conservancy district, a sanitary district, a hospital district, a drainage district, an irrigation district, etc. Some of the charges or burdens laid upon real property are in the nature of special assessments. An effort was made in the 1961 survey to record separately special assessments and to exclude such amounts from farm taxes. Mention was made specifically only of drainage and irrigation assessments for exception from the farm tax bill. It was expected that other charges levied, not according to the value of the property but according to the assumed benefits, would have been included in the amount reported for special assessments.

The concept of what constitutes farm and ranch properties, for which the assessed value was to be reported in question 3 and the total taxes in question 5, is indicated by the (a), (b), and (c) subinquiries of question 3. The year to which the taxes relate is more accurately indicated in question 3 than in question 5. Question 3 specifies the "tax bill you received in 1960" whereas question 5 is not as explicit in language as it refers to "total taxes in 1960." It can be inferred that, since the survey was conducted in early 1961, the taxes reported are, to all intent and purpose, those levied in 1960. Taxes levied in 1960 should not be confused with taxes paid in 1960 although the two sums, if known, may not have differed greatly.

If the respondent was a landlord, the total tax bill was allocated to land in the sample farm on the basis of the ratio of the value of land in the sample farm or tract to the value of all land owned. The allocation of taxes between real estate and personal property was based on the relationship of assessment values for the two groups of property.

Economic class of farm.—Because of changes in the basic classification, data are presented by economic class of farm only for 1961, the classification of farms or farmland was made on the basis of the classification of the farm in which the farmland was included for the 1959 Census of Agriculture.

The classification of farms by economic class represents groupings of farms that are similar in characteristics and size of operations. The economic classes for 1959 were established on the basis of one or more of four factors: (1) Total value of all farm products sold, (2) number of days the farm operator worked off the farm, (3) the age of the farm operator, and (4) the relationship of income received by the operator and members of his household from nonfarm sources to the value of all farm products sold. Institutional farms, Indian reservations, agricultural experiment stations, and grazing associations were always classified as "abnormal."

Farms were grouped into two major categories, commercial farms and other farms, mainly on the basis of total value of products sold. In general, all farms with a value of sales amounting to \$2,500 or more were classified as commercial. Farms with a value of sales of \$50 to \$2,499 were classified as commercial if the farm operator was under 65 years of age and (1) he did not work off the farm 100 or more days during the year and (2) the income received by the operator and members of his family from sources other than the farm operated was less than the value of all farm products sold. The remaining farms with a value of sales of \$50 to \$2,499 and institutional farms and Indian reservations were included in one of the groups of "other farms."

Commercial farms were divided into six economic classes on the basis of the total value of all farm products sold, as follows:

Economic class of farm	Value of farm products sold
I-----	\$40,000 or more
II-----	\$20,000 to \$39,999
III-----	\$10,000 to \$19,999
IV-----	\$5,000 to \$9,999
V-----	\$2,500 to \$4,999
VI ¹ -----	\$50 to \$2,499

¹ Provided the farm operator was under 65 years of age, and (1) he did not work off the farm 100 or more days, and (2) the income that he and members of his household received from sources other than the farm operated was less than the total value of farm products sold.

Other farms were divided into three economic classes as follows:

- a. **Class VII, part-time.**—Farms with a value of sales of farm products of \$50 to \$2,499 were classified as "part-time" if the operator was under 65 years of age and he either worked off the farm 100 or more days or the income he and members of his household received from sources other than the farm operated was greater than the total value of farm products sold.
- b. **Class VIII, part-retirement.**—Farms with a value of sales of farm products of \$50 to \$2,499 were classified as "part-retirement" if the farm operator was 65 years old or over. Many of these are farms on which the income from sources other than the farm operated was greater than the value of sales of agricultural products. Others are residential, subsistence, or marginal farms. In previous censuses, the age of the farm operator was not a criterion for grouping farms by economic class. Since the number of elderly people in our population has been steadily increasing during recent years, a separate classification for farms operated on a part-retirement basis was considered important for an adequate analysis of the agricultural structure.
- c. **Class IX, abnormal.**—All institutional farms and Indian reservations were classified as "abnormal," regardless of the value of sales. Institutional farms include those operated by hospitals, penitentiaries, schools, grazing associations, government agencies, etc. A more detailed description of the comparability of 1959 economic-class-of-farm definitions and data with those for prior censuses is given in chapter XI.

For purposes of this report, combinations of the above-listed 1959 economic classes were made as follows:

- Commercial farms
 - Classes I and II
 - Classes III and IV
 - Classes V and VI
 - Classes VII to IX, other farms (part-time, part-retirement, and abnormal)

Data by economic class of farm are presented only for full owners and for the owned portion of part-owner farms and are presented only for mortgaged farms.

Type of farm.—Data are presented by type of farm for only 1961 and only for farms of full owners and for part owners (owned portion only). The classification of each farm by type was the same as that for the farm for the 1959 Census of Agriculture.

To be classified as a particular type, a farm had to have sales of a particular product or group of products amounting in value to 50 percent or more of the total value of all products sold during the year.

The types of farms, together with the products on which type classification is based, are as follows:

Type of farm	Source of cash income
Cash-grain-----	Corn, sorghums, small grains, soybeans for beans, cowpeas for peas, dry field and seed beans and peas.
Tobacco-----	Tobacco.
Cotton-----	Cotton.

[Products with sales value representing 50 percent or more of total value of all farm products sold]

Type of farm	Source of cash income
Other field-crop----	Peanuts, potatoes (Irish and sweet), sugarcane for sugar or sirup, sweet sorghums for sirup, broomcorn, popcorn, sugar beets, mint, hops, and sugar beet seed.
Vegetable-----	Vegetables.
Fruit-and-nut-----	Berries, other small fruits, tree fruits, grapes, and nuts.
Poultry-----	Chickens, chicken eggs, turkeys, and other poultry products.
Dairy-----	Milk and cream. The criterion of 50 percent of total sales was modified in the case of dairy farms. A farm having value of sales of dairy products amounting to less than 50 percent of the total value of farm products sold was classified as a dairy farm if— <ul style="list-style-type: none"> (a) Milk and cream sold accounted for more than 30 percent of the total value of products sold and— (b) Milk cows represented 50 percent or more of total cows and— (c) The value of milk and cream sold plus the value of cattle and calves sold amounted to 50 percent or more of the total value of all farm products sold.
Livestock other than dairy and poultry -----	Cattle, calves, hogs, sheep, goats, wool, and mohair except for farms in the 17 Western States, Louisiana, and Florida that qualified as livestock ranches.
Livestock ranches--	Farms in the 17 Western States, Louisiana, and Florida were classified as livestock ranches if the sales of livestock, wool, and mohair represented 50 percent or more of the total value of farm products sold and if pastureland or grazing land amounted to 100 or more acres and was 10 or more times the acreage of cropland harvested.
General -----	Field seed crops, hay, silage. A farm was classified as general also if it had cash income from three or more sources and did not meet the criteria for any other type.
Miscellaneous -----	Nursery and greenhouse products, forest products, mules, horses, colts, and ponies. Also all institutional farms and Indian reservations.

The data for farms classified by type of farm for 1959 are not comparable with those for prior censuses largely because of the change in the criteria for commercial farms. A detailed discussion of the comparability of data presented by type-of-farm classifications for the 1959, 1954, and 1950 censuses is given in chapter XII, volume II of the reports for the 1959 Census of Agriculture.

Period to which estimates for 1961 survey relate.—The estimates for the amount of mortgage indebtedness, mortgage indebtedness by type of lender, interest rates, interest charges, and characteristics of mortgage loan, and the value of farm land and buildings (except for farmlands for which usable reports were not obtained) relate to January 1, 1961. However, these estimates relate to the farms and for farmlands included in the 1959 Census of Agriculture. The estimates for number of farms; the number of farms classified by tenure of operator, by economic class of farm, by type of farm, by age of farm operator, and by days of work off the farm by the farm operator; number of farms mortgaged; acreage in farms; acreage of farmland mortgaged relate to approximately November 1959. (The period of the enumeration for the 1959 Census of Agriculture.)

The data on real estate taxes refer to taxes levied in 1960 on farmlands included in the 1959 Census of Agriculture. The data on assessed value refer to the assessed value in 1960 of farmlands included in the 1959 Census of Agriculture. Data on personal property taxes for full-owner farms refer to taxes levied in 1960

on operators of farms who owned all the land they operated as shown by the 1959 Census of Agriculture.

SUMMARY OF DATA

Presentation of data.—Data for farm mortgage indebtedness are presented in tables 2 to 26 and for farm taxes in tables 27 to 32. Data in these tables relate only to the 48 States in the conterminous United States, as the special survey did not cover Alaska and Hawaii. Most of the data are presented for 3 regions, 9 geographic divisions, and each of the 48 States. (See map on page VIII.)

Amount of farm real estate debt.—Indebtedness secured by farm real estate on January 1, 1961, for the conterminous United States, is estimated at \$12,812,210,000, an increase of 41.3 percent over the \$9,066,153,000 estimated for January 1, 1956. The amount of outstanding indebtedness, \$5,579,278,000 on January 1, 1950, has more than doubled in the succeeding 11-year period. Although the absolute increase during the 1956-1961 interval of 5 years was in excess of that shown for the 1950-1956 interval covering 6 years, the percentage of increase was smaller for the more recent period. The percentage increase for the 1950-1956 interval was 62.5 percent as contrasted with 41.3 percent for the shorter more recent period. The estimate for 1961 represents a new peak in farm mortgage indebtedness, exceeding the previous census-year peak reached in 1925 by \$2,899,560,000 (see table 11). The 1961 total also exceeds the \$12,288,759,000 estimated by the U.S. Department of Agriculture for January 1, 1960, the previous high in an annual series extending back to 1910.

The value of farmland and buildings in the period January 1, 1956, through January 1, 1961, increased from \$106,576,916 to \$131,001,698,000, or 22.9 percent. Thus, from a balance sheet standpoint, the equity position of all farmland owners as a group improved during the 5 years although the debt-to-value ratio did not reflect such an improvement in financial condition. However, the impact of indebtedness is borne not by all farmland owners, but by those who are responsible for liquidation of the debt. Farmland in mortgaged ownership increased in value by 3.4 percent while that free decreased 6.4 percent; the total value of the mortgaged lands increased by 34.0 percent while that of mortgage-free tracts increased by only 17.2 percent; and the ratio of debt to value of the mortgaged tracts rose from 25.0 percent to 26.3 percent.

During the 1956 to 1961 period, real estate values continued to rise. These advances not only made it possible for farmland owners to borrow more on land which they could pledge as security but also required prospective buyers to borrow more to buy land. Collateral information indicates that other factors contributed to the rise in indebtedness. Among these was an increase in credit-financed transfers, a decrease in the amount of down payment on credit-financed transfers, and an increase in farm operating costs financed by real estate secured credit. Some farmowners have also refinanced short-term debts with real estate secured long-term debts in an attempt to reduce annual interest charges and annual principal payments.

Mortgage debt on full-owner-operated farms (\$5,899,430,000) increased 25.0 percent from 1956 to 1961. In the same period, the debt on the owner-operated part of part-owner farms (\$3,969,679,000) increased 71.7 percent while the combined debt on land operated by tenants and managers and on land leased by part owners (\$2,943,101,000) increased 44.7 percent. These differential rates of increase had a marked effect on the proportion of mortgage debt falling within each group, particularly for owner-operated lands. In the period 1956-1961, the number of farms operated by full owners decreased 22.9 percent whereas farms operated by part owners declined by only 6.7 percent. If there had been no change in farm definition, the drop in the number of full owners in the meantime would not have been as large but would have been above the percentage for part owners. For

1961, the distribution of the debt by tenure was 46.0 for full owners, 31.0 for part owners (owned portion only), and 23.0 percent for rented lands of part owners, tenants, and managers. For 1956, the distribution for the same groups was 52.1, 25.5, and 22.4 percent, respectively.

Full-owner operators of mortgaged farms had an average equity of \$21,240 in their farms on January 1, 1961, up \$7,046 from their equity on January 1, 1956. The average amount of indebtedness increased from \$5,191 to \$8,058. The equity in mortgaged farmland and buildings owned by part-owner operators increased from \$18,397, to \$26,413 in the period between 1956 and 1961 and the average debt rose from \$6,278 to \$10,228. The equity of part owners increased less, percentagewise, than for full owners as the increase in debt per farm for part owners was greater than for full owners while the increase in average value per farm was about the same for both groups.

Farm mortgage indebtedness increased from 1956 to 1961 in all of the geographic divisions except New England. The decline in New England resulted from rather substantial debt reductions in four States which were not fully offset by a large increase in Maine and a smaller one in Vermont. Increases in the other divisions ranged from 17 percent in the Middle Atlantic to 61 percent in the Pacific. With the exception of New Jersey and the four New England States mentioned above, mortgage indebtedness increased in all States from 1956 to 1961.

Number of mortgaged farms.—The number of mortgaged farms operated by full and part owners (owner-operated portion only) on January 1, 1961, was estimated to be 1,120,284, a decline of 12.3 percent from the number on January 1, 1956. This compares with a decline of 22.7 percent for all full- and part-owner-operated farms which were estimated to be mortgage free. For the two tenures combined, mortgaged farms in 1961 represented 38.3 percent of the total number compared with 35.4 percent in 1956.

Of the farms operated by full owners, 34.6 percent was mortgaged in 1961, an increase of 1.5 percentage points from 1956. Of part-owner farms, 47.9 percent was mortgaged in 1961, compared with 42.4 percent in 1956. Although all full-owner and part-owner-operated farms declined in number from 1956 to 1961, the number of mortgaged part-owner farms increased.

In most of the geographic divisions, the proportion of mortgaged full-owner farms to all full-owner farms increased from 1956 to 1961. Small decreases in the proportion of mortgaged full-owner farms to all full-owner farms occurred in the Middle Atlantic Division, 1.6 percentage points, and in the West South Central Division, 0.2 percentage points.

In 1961, the proportion of mortgaged part-owner farms to all part-owner farms was greater than in 1956 in all geographic divisions. The change from 1956 was smallest in the New England Division (0.2 percentage points), and the largest (7.8 percentage points), in the East North Central Division.

Acres in mortgaged farms.—It is estimated that 360,588,816 acres were in mortgaged ownership tracts in 1961, and this acreage represented 32.2 percent of the total land in farms. This is an increase from 1956 of nearly 12 million acres. During this period, total land in farms declined about 40 million acres. In many instances, the entire acreage in a mortgaged farm, or in a mortgaged ownership tract, is not under a mortgage. Acres in mortgaged full-owner farms declined slightly less than 11 million acres during the 1956 to 1961 period, a decline that was more than offset by an increase in the amount of mortgaged land for the other two tenure groups. Although there was a difference in the amount of change from 1956 to 1961 in the absolute amount of land in mortgaged farms among the tenure groups, the proportion of mortgaged land to total land in farms increased for all three groups. The proportions of land in mortgaged farms to total land in farms for full-owner-operated, part-owner owned and operated, and rented and managed land including part-owner rented land in 1961, were 39.6, 51.4, and 17.0 percent, respectively. In 1956,

the proportions mortgaged for the three groups were 37.5, 44.9, and 16.4 percent, respectively.

The average size of mortgaged full-owner farms in 1961 was estimated to be 189 acres. This compared with an average of 152 acres for debt-free farms and 165 acres for all farms of this tenure. Mortgaged part-owner farms (owner-operated portion), averaged 352 acres per farm, 46 acres more than debt-free farms and 24 acres more than the average for all farms for the same tenure group.

Compared with 1956, the 1961 average size of mortgaged full-owner farms increased more than debt-free full-owner farms. However, the increase in the average size of mortgaged part-owner farms (owner-operated portion) from 1956 to 1961 was almost double that which occurred in debt-free farms in the same group.

Mortgaged full-owner farms were larger in average size than debt-free farms in all of the geographic divisions in 1961. With the exception of the Pacific Division, the same situation existed in 1956. In two geographic divisions, Mountain and Pacific, mortgaged part-owner farms (owner-operated portion) in 1961 were slightly smaller than debt-free farms. In 1956, mortgaged part-owner farms (owned portion) in the West North Central and Mountain divisions were smaller than those without mortgage debt.

Value of mortgaged farms.—The value of farmland and buildings in mortgaged ownership on January 1, 1961, was estimated at \$48,623,473,000, or about \$135 per acre. Farmlands free of mortgage debt were valued at \$82,378,225,000, or slightly more than \$108 per acre. Each group—those mortgaged and those free of mortgage—increased in total value, between 1956 and 1961, by slightly more than \$12,000 million. The spread between mortgaged and debt-free farmlands of \$26 in the average value per acre for 1961, is much larger than the \$17 difference for 1956, and the \$11 difference for 1950.

Debt-free and mortgaged farmlands operated by full owners have a higher per acre value than farmlands for either of the other tenure groups. In 1961, mortgaged full-owner farms were valued at \$155 per acre, compared with \$104 for mortgaged farmland owned and operated by part owners, and \$151 per acre for mortgaged farmland operated by tenants and managers, including the rented portion of part-owner farms. Differences in value per acre between mortgaged and debt-free holdings were largest for land operated by tenants and managers and smallest for land owned and operated by part owners.

With the exception of the Pacific Division, mortgaged full-owner farms in each geographic division had a higher value per acre than nonmortgaged farms of the same tenure. The debt free owner-operated portions of part-owner farms in the Middle Atlantic Division, on a per acre basis, were valued slightly higher than mortgaged portions.

Mortgaged tenant- and manager-operated lands, including the rented portion of part-owner farms, had a higher value per acre than the debt free lands of the same tenure group in all geographic divisions.

Average interest rates and annual interest charges.—The average rate of interest on farm mortgage debt outstanding on January 1, 1961, was estimated at 5.1 percent, or 0.4 percentage point higher than the 4.7 percent estimated for January 1, 1956. The increase in the interest rate on farm mortgage loans made since 1956 reflects the same money-market conditions that resulted in increased yields for United States Government bonds, Aaa corporate bonds, and high-grade municipal bonds.

The average interest rate in the South Atlantic Division, which was higher than in any other division in 1956 and one of the two highest in 1961, increased from 5.1 percent in 1956 to 5.4 percent in 1961. The highest absolute increase in the average interest rate from 1956 to 1961 was in the Pacific Division. The average

rate in the Pacific Division, which equaled the South Atlantic high in 1961, increased from 4.9 percent in 1956 to 5.4 percent in 1961. The average rate of interest in the West North Central Division was lower than in any other division both in 1956 and 1961, but the absolute increase from 1956 to 1961 (0.4 percentage point) was greater than in five divisions (0.3 percentage point), was the same as in two other divisions, and was not as large as in the Pacific Division (0.5 percentage point).

The average rate of interest on debt outstanding on January 1, 1961, varied widely by type of lender within each geographic division. Without exception, the highest average interest rates within a geographic division were on loans held by "All operating banks" and lowest on loans held by the Farmers Home Administration. The spread between rates on debt held by these two general classes of lenders ranged from 2.0 percentage points in the West South Central Division to 1.0 percentage point in the Middle Atlantic Division. The differences among divisions within a lender group also were substantial for several types of lenders, depending upon the lending policy of the supplier of mortgage funds. The spread in rates charged among divisions was smallest (0.3 percentage point) on debt held by the Farmers Home Administration, resulting from a uniform nationwide rate.

The widest divergence in the average rate of interest (1.1 percentage points) was shown for debt held by the "All other" group of lenders. However, the range for "All operating banks" was from 5.4 to 6.3 percent and for individuals was from 4.5 to 5.4 percent. The Federal land bank rate varied from 4.7 in the West North and West South Central divisions to 5.4 percent in the South Atlantic Division.

Nearly one-third (33.0 percent) of the full owners and slightly more than one-fourth (27.3 percent) of the part owners reported a rate of interest on total farm mortgage indebtedness of 6.00 percent or more on January 1, 1961. These percentages are not materially different from those for 1956 which were 33.5 and 26.6 percent, respectively. Full owners who reported interest rates in the 5 percent interval (5.00 to 5.99), represented 31.6 percent of this tenure group in 1961 and only 23.1 percent in 1956. For part owners, the corresponding figures were 34.1 percent and 21.9 percent. Rates of 5.50 to 5.99 percent, which were infrequently reported in 1956, were reported with greater frequency in 1961. For example, the percentage for full owners rose from 1.7 percent to 12.1 percent and for part owners from 1.5 percent to 12.3 percent. About 20 percent of mortgaged full owners and 22 percent of mortgaged part owners reported rates in the 5.00 to 5.49 percent range. A larger percentage of full owners was paying interest rates of 7 percent or more in 1961 than in 1956. The percentage of part owners paying 7 percent or more as interest in 1961 remained about the same as in 1956.

Average interest rates paid by full owners in 1961 averaged 0.1 percentage point higher than those paid by part owners and landlords for the United States. Landlords paid the lowest rates in four geographic divisions, the highest rates in only one division, and in four divisions the interest rates paid by landlord were equal to or exceeded those for full owners and part owners. The greatest difference in rates paid by the different tenure groups occurred in New Jersey, Florida, Arkansas, and California. In these States, the landlord rates were lowest. In Florida and California, the spread between full-owner and landlord rates was 0.4 percentage point, in New Jersey it was 0.6 percentage point, and in Arkansas it was 0.7 percentage point.

The amount of mortgage indebtedness against each broad tenure grouping of farmland has been multiplied by the average rate of interest and the resulting product has been designated "Annual interest charges." These figures represent what the mortgagors were required to pay the mortgagees during one full calendar year as interest. Payments on principal, commissions for securing or renewing a loan, abstract fees, appraisal fees, etc. are not included in these annual charges.

Mortgage debt by type of lender.—The amounts of farm mortgage debt held in 1961 by the several lender groups are not fully comparable with the amounts shown by lenders for earlier years because of a change in the estimating procedures. For the surveys conducted prior to 1961, the estimates of mortgage debt for the Federal land banks, Farmers Home Administration, life insurance companies, and all operating banks for each State and the United States were amounts reported by these institutions and not the amounts estimated from the special surveys. In making adjustments, State by State, in the amount of debt held by the four types of institutional lenders, no changes were made in the estimated State total amount of debt. Adjustments were made only in the "Other lender" total. For 1961, no adjustments were made for either institutional or other types of lenders. The estimated institutional totals are as estimated on the basis of reports by the respondents and were not adjusted to totals for the four types of institutional lenders. Differences between totals (as published by the institution) and survey totals vary from 1 percent for Federal land banks to 53 percent for the Farmers Home Administration. The differences between the two sets of estimates in 1961 may be due to the following reasons:

1. Differences in the definition of a farm as applied by the census of agriculture and the loaning agency. Also, a long-term loan made on what was once farmland may still be in existence against the land even though the land is no longer used for agricultural production.
2. Respondent errors in reporting real-estate-secured debt and nonreal-estate-secured debt. This confusion in the mind of the respondent could arise principally in the use of the term mortgage, which may have a different meaning to different respondents.
3. Lack of knowledge by the respondent of the actual mortgage holder. Apparently this factor may be primary cause of the difference in the two totals for the Farmers Home Administration. At the end of 1960 this agency had outstanding approximately \$201 million of insured farm mortgage loans most of which were held by other lending agencies. As the Farmers Home Administration serviced these loans, farmer borrowers probably did not know that the actual lending agency was not the Farmers Home Administration.
4. Location for which the debt was reported. Mortgage loan data reported for operating banks are classified according to location of the lending bank making the loan, not by the location of the security or borrower. This factor has no influence on the United States total, but may affect the distribution by States.
5. Debt on farms not included in the 1959 Census of Agriculture. Between 38,000 and 100,000 of the persons having whole farm Conservation Reserve contracts in 1959, were not included in the census, because there were no agricultural operations on such places or the place was missed in the census. (See pages XXXVII and XXXVIII of the Introduction to volume II of the reports of the 1959 Census of Agriculture for data regarding the coverage by the 1959 census for places or farms covered by "whole farm" Conservation Reserve contracts). Approximately 9.5 percent of the farms, 4.0 percent of the land in farms, and 3.4 percent of the cropland harvested in farms or places qualifying as census farms were not included in the 1959 Census of Agriculture because of incompleteness of the census. No data are available regarding the amount and distribution of mortgage debt on farms, and farmland not included in the 1959 Census of Agriculture.
6. Procedure used for making estimates for farmland for which reports were not received regarding mortgaged status. As explained on page XII, it was necessary to prepare estimates for farmland for which reports were not received for the 1961 survey. In order to obtain some measures for differences resulting from the making of estimates for the farmland for which information was not obtained, attempts were made to obtain by a followup survey as completely as possible reports for all farmland included in the survey for the States of North Carolina and Illinois. However, because of deaths of owners of farmlands and the difficulty of obtaining re-

ports from owners living in other States, it was not possible to obtain reports for all farmland included in the survey of these two States.

The following table indicates the percentages for farms, farmland, and value for farmland for which reports were obtained for the regular survey and for the regular survey plus the followup survey.

State and item	Tenure of farmland			
	Total	Full owners	Part owners (owned portion only)	Tenants, managers, and part owners (rented portion)
NORTH CAROLINA				
Percent covered by reports received for—				
Number of farms:				
Regular survey.....	NA	61.5	55.0	NA
Regular survey plus followup survey.....	NA	82.4	78.3	NA
Acre:				
Regular survey.....	57.7	58.6	61.9	53.8
Regular survey plus followup survey.....	80.1	84.8	86.5	69.4
Value of land and buildings (dollars):				
Regular survey.....	60.2	63.0	62.1	55.9
Regular survey plus followup survey.....	79.2	84.4	86.3	69.8
ILLINOIS				
Percent covered by reports received for—				
Number of farms:				
Regular survey.....	NA	67.5	68.4	NA
Regular survey plus followup survey.....	NA	85.4	86.9	NA
Acre:				
Regular survey.....	67.0	67.8	69.5	66.0
Regular survey plus followup survey.....	81.2	86.7	89.5	77.0
Value of land and buildings (dollars):				
Regular survey.....	67.0	68.1	69.9	65.9
Regular survey plus followup survey.....	78.9	84.1	87.9	75.3

NA Not available.

After the completion of the followup survey, new estimates using the same method of making estimates as for the regular survey were made for Illinois and North Carolina. The percent by which these estimates differed from the estimates for the original survey are shown in the following table.

Item	Percent of estimates based on regular survey plus followup survey were of estimates of regular survey	
	Illinois	North Carolina
Number of mortgaged farms operated by—		
Full owners.....	96.6	105.9
Part owners (owned portion).....	95.6	96.7
Farmland of—		
Total.....	100.0	100.0
Full owners.....	100.0	100.0
Part owners (owned portion).....	98.1	101.1
Tenants, managers, and part owners (rented portion).....	100.5	99.4
Value of farmland of—		
Total.....	102.3	101.5
Full owners.....	108.2	102.9
Part owners (owned portion).....	96.2	101.7
Tenants, managers, and part owners (rented portion).....	101.6	99.7
Farmland mortgaged for—		
Total.....	98.1	101.5
Full owners.....	100.3	105.4
Part owners (owned portion).....	92.7	101.6
Tenants, managers, and part owners (rented portion).....	99.7	94.6
Farmland debt-free—		
Total.....	100.7	99.5
Full owners.....	99.8	98.3
Part owners (owned portion).....	102.8	100.8
Tenants, managers, and part owners (rented portion).....	100.6	100.7
Value of mortgaged farmland—		
Total.....	88.9	97.1
Full owners.....	100.6	95.8
Part owners (owned portion).....	91.7	101.8
Tenants, managers, and part owners (rented portion).....	102.3	95.0
Value of farmland debt-free—		
Total.....	103.5	103.3
Full owners.....	113.1	105.9
Part owners (owned portion).....	100.7	101.6
Tenants, managers, and part owners (rented portion).....	101.6	101.1
Amount of mortgage debt—		
Total.....	97.0	98.1
Full owners.....	109.5	93.5
Part owners (owned portion).....	90.4	107.8
Tenants, managers, and part owners (rented portion).....	93.3	96.3

For these two States, the survey estimates for number of mortgaged farms, value of farmland, acreage of farmland mortgaged, and amount of mortgage debt would not have been significantly different from those estimates that would have been made if usable questionnaires had been obtained for all the farmland included in the sample selected for the survey.

According to the 1961 survey, life insurance companies slightly surpassed the Federal land banks as the most important institutional lender in the United States on farmland as security. Each of these groups hold nearly \$2,600 million of the total farm mortgage indebtedness. Commercial banks (termed "All operating banks" in the tables) also held in excess of \$2,000 million. The estimate for the survey for mortgage loans by the Farmers Home Administration was \$739 million. Of the total amount of mortgage loans held by all lenders, individuals represented the most important lender class in 1961. The amount held by individuals exceeded by 80 percent the amount held by life insurance companies. With the exception of Federal land banks in 1940, individuals have been the foremost lenders in the time series for which data are available (see table 11).

The amount of loans held by the several lender groups varied by region, geographic division, and State. In 1961, commercial banks were the most important source of funds in two geographic divisions, viz, New England and Middle Atlantic. Individuals held the largest percentage of the amount of farmland loans in all other divisions.

The distribution by geographic divisions of the amount of loans held by the several institutional lenders reflects, to a large degree, institutional lending policies. Farm mortgage debt held by life insurance companies is highly concentrated in the four geographic divisions where there is a high concentration of the value of farmland and buildings. Nearly one-third of life insurance companies holdings are on lands in the West North Central Division. Federal land bank loans also are distributed among geographic divisions in about the same manner as the value of all farmland and buildings. Based on the amount of indebtedness outstanding, the Federal land banks had placed about one-fourth of their loans in the West North Central Division. In the period 1956-1961, Federal land bank loans on farmlands had more than doubled in the Pacific, Mountain, and South Atlantic divisions.

There appears to be an inverse relationship between distribution of loans held by the Farmers Home Administration and the distribution of the value of land and buildings of all farms. More than one-third of the Farmers Home Administration loans are in four divisions where only one-fifth of the value of land and buildings is located. About half of the Farmers Home Administration holdings are in the four divisions representing 70 percent of the value of farmland and buildings. Commercial bank holdings are high in the New England, Middle Atlantic, East North Central, South Atlantic, and East South Central divisions compared with other lenders. Commercial bank holdings are relatively low in the West North Central, West South Central, Mountain, and Pacific divisions.

Ratio of debt to value.—Table 14 presents data regarding the number, acreage, and value of farms operated by full owners and part owners, classified by ratio of debt to value.

The ratio of mortgage debt to value of farmland and buildings for mortgaged full-owner, part-owner (owner-operated part), tenant, and manager farms (including the rented portion of part-owner farms) was 27.5, 27.9, and 22.7 percent, respectively, on January 1, 1961. Between 1956 and 1961, the ratio of debt to value for all three groups increased for the first time since 1940. The 1956 percentages were 26.8, 25.4, and 21.3 respectively.

The average size of mortgaged full-owner farms, for the United States, seems to have an inverse relationship with the ratio of debt to value. For 1961, this relationship did not hold for all geographic divisions. The same inverse relationship between the average size of mortgaged farms and the ratio of debt to value existed for the operator owned portion of part-owner farms, but, here again, the relationship varied by geographic divisions. For the United States and the several geographic divisions, the highest average value of land and buildings per farm for both tenures was for the groups having the lowest ratio of mortgage debt to value of land and buildings in all divisions, except the East South Central Division. In the latter division, part-owner farms in the "10-19 percent" ratio group had a higher average value per farm than those in the "under 10 percent" group. In all divisions except the Middle Atlantic, the lowest average value of land and buildings per farm for farms operated by full owners was for those in the group with the highest ratio of debt to value. For the 48 conterminous States as a group, the 1961 average value of land and buildings per farm, both for full- and part-owner farms, declined as the ratio of debt to value increased.

For the 48 conterminous States, as a group, farmlands operated by their owners which had mortgage encumbrance of 50 percent or more, on the average, were not as large nor as valuable as those not so heavily mortgaged. For mortgaged full-owner farms, 22.8 percent had a mortgage equaling one-half of the value of the real estate, but these farms had only 16.2 percent of the total land in mortgaged full-owner farms and 14.9 percent of the value. The corresponding percentages for part-owner farms (owner-operated portion only) were 22.6, 17.0, and 14.3.

Mortgage status by age of farm operator.—Table 15 presents figures showing, by geographic divisions, the relationship of the age of full-owner operators and of part-owner operators and the mortgage status of the land which they owned and were operating. Data are shown for 1961 and 1956. The ages of operators were those recorded in the 1959 and 1954 Censuses of Agriculture (taken in the closing months of those years) while the mortgage status of their lands was as reported for January 1, 1961, and January 1, 1956, respectively.

In general, the data reveal that, as the age of an owner-operator increases, the proportion having mortgage indebtedness on their farmland decreases. For the year 1956, there was no exception to this relationship but for 1961 there were several relatively minor exceptions. These exceptions occurred in the two younger age groupings, affecting only the distribution of part owners in the East South Central Division and of both full owners and part owners in the West South Central Division. The general distribution pattern for both years is very similar in that for the "Under 35 years" group, a smaller proportion of the part owners had a farm mortgage on their land than was true of the full owners while for the three age groups comprising operators "45 years of age and over" the reverse situation usually prevailed. For the 48 conterminous States, as a group, 62.1 percent of the full owners "Under 35 years of age" had a farm mortgage in 1961 compared with 59.5 percent of the part owners. The percentages, in the same order, for the "45 to 54 years" age group were 40.6 and 50.1; for the "55 to 64 years" group were 25.9 and 36.1; and for the "65 years and over" age group were 13.5 and 21.6.

As between the geographic divisions, the proportion of 1961 full owners "Under 35 years" who had a mortgage on the farmland they owned and were operating, ranged from 46.9 percent in the East and West South Central divisions to 75.1 percent in the

East North Central Division and 75.0 percent in the New England Division. For part owners the range was from a low of 50.2 percent in the East South Central Division to 70.9 percent in the Pacific Division. The proportion of 1961 mortgaged full owners who were in the "65 years and over" class varied from 10.0 percent in the Middle Atlantic Division and 10.1 percent in the South Atlantic Division to 22.8 percent in the Mountain Division. The range for part owners in the same age category ranged from 15.2 percent in the Middle Atlantic Division to 33.9 percent in the New England Division.

Mortgage statistics by economic class of farm.—Economic class of farm data relating to farm mortgages, for this report, are restricted to mortgaged full-owner farms and to the mortgaged owner-operated portion of part-owner farms. An approximate count of the counterpart farms, those free of mortgage, by economic class may be obtained by subtracting the number of mortgaged farms from the total count of full-owner farms as shown in Chapter XI: Economic Class of Farm, of Volume II of the 1959 Census of Agriculture reports. Some characteristics of the free-from-mortgage farms may also be approximated by the same general procedure. Some similar data can also be secured for part-owner farms free of mortgage.

Relatively more part owners had mortgage encumbered farmland in 1961 than did full owners. This relationship held consistently for "commercial farms" and the subclasses thereof and for "other farms." Farms with the highest value-of-farm-products-sold group were most frequently mortgaged and the proportion mortgaged declined with lower value of farm products sold for both full-owner and part-owner tenures. These facts are shown by the following data :

Economic class of farm	Full-owner farms			Part-owner farms (owner-operated portion)		
	Total number	Number mortgaged	Percent mortgaged	Total number	Number mortgaged	Percent mortgaged
All farms.....	2,116,129	732,153	34.6	809,682	388,131	47.9
Commercial farms, total...	1,094,753	437,603	40.0	685,310	345,166	50.4
Classes I and II.....	100,153	53,107	53.0	127,783	77,035	60.3
Classes III and IV.....	463,023	207,015	44.7	368,617	191,078	51.8
Classes V and VI.....	531,577	177,481	33.4	188,910	77,053	40.8
Other farms.....	1,021,376	294,550	28.8	124,372	43,965	35.3

Commercial full-owner farms made up 51.7 percent of all full-owner farms in the 1959 Census of Agriculture. Mortgaged farms, operated by full owners in the commercial classification, accounted for 59.8 percent of all mortgaged full-owner farms in the United States in 1961. Mortgaged commercial farms operated by full owners accounted for 83.7 percent of the land in mortgaged full-owner farms, 79.7 percent of the value, and 78.3 percent of the debt.

Mortgaged commercial farms operated by part owners comprised 88.9 percent of all mortgaged part-owner farms in 1961. They accounted for 97.7 percent of the land, 96.5 percent of the value, and 96.1 percent of the debt.

The per farm averages for size, value, and debt for mortgaged farms were larger for commercial farms than for noncommercial farms both for full and part owners. Within the mortgaged commercial farm group, there was a direct relationship of the value of farm products sold (which is a determinant of economic class) with average size, average value per farm, and average debt per farm.

Mortgage statistics by type of farm.—A limited amount of data for mortgaged farms, classified by type of farm, is presented in table 18 for farms operated by full owners and in table 19 for the operator-owned portion of farms operated by part owners. In these tables a few farm characteristics are presented for each grouping. A comparison of the total number of commercial farms

and the number mortgaged for each type is given in the following table:

Type of farm	Full-owner farms			Part-owner farms (owner-operated portion)		
	Total number	Number mortgaged	Percent mortgaged	Total number	Number mortgaged	Percent mortgaged
All farms.....	2,116,129	732,153	34.6	809,682	388,131	47.9
Commercial farms, total...	1,094,753	437,603	40.0	685,310	345,166	50.4
Field-crop farms other than vegetable and fruit-and-nut farms..	257,076	97,045	37.7	258,527	129,106	49.9
Cash-grain farms.....	120,694	48,311	40.0	145,497	73,554	50.6
Tobacco farms.....	67,107	19,671	29.3	44,006	18,346	41.7
Cotton farms.....	56,122	23,304	41.5	56,291	30,356	53.9
Other field-crop farms..	13,153	5,759	43.8	12,733	6,850	53.8
Vegetable farms.....	9,733	3,784	38.9	7,608	3,453	45.4
Fruit-and-nut farms.....	46,644	20,013	42.9	8,716	4,692	53.8
Poultry farms.....	81,915	35,312	43.1	13,135	6,702	51.0
Dairy farms.....	236,635	112,347	47.5	126,569	71,422	56.4
Livestock farms.....	343,697	122,756	35.7	197,453	91,952	46.6
Livestock ranches.....	26,568	9,856	37.1	30,463	12,457	40.9
General farms.....	89,760	37,007	41.2	68,590	35,973	52.4
Miscellaneous farms.....	29,293	9,339	31.9	4,712	1,866	39.6

The type classification of each ownership holding was that assigned for the 1959 Census of Agriculture. While the acreage, value, and indebtedness shown in table 19 for part owners relate to the operator-owned portion only, the type classification for this tenure was actually made on the basis of the income for the whole farm (operator-owned portion plus the operator-rented portion). The two tables give figures only for the 48-State conterminous area and for each geographic division. Although data are not given in tables 18 and 19 in respect to the type of farm for cash owners and part owners free of mortgage, such figures can be approximated by relating the data for the mortgaged group with the corresponding data given for all operators of those tenures, as shown in chapter XII of volume II of the 1959 Census of Agriculture reports.

Loan characteristics.—Of the 732,153 mortgaged farms in 1961 operated by full owners, 622,920, or 85.1 percent, had one mortgage loan, 94,946, or 13.0 percent, had two, and 14,287, or 2.0 percent, had 3 or more. For the 388,131 mortgaged part-owner farms (owner-operated portion only), the corresponding absolute numbers were 314,772, or 81.1 percent, 61,639, or 15.9 percent, and 11,720, or 3.0 percent.

The percentage of full owners whose real estate holdings were encumbered by more than one loan ranged from 29.2 percent in Arizona, 28.6 percent in Nevada, and 28.4 percent in New Jersey to 6.6 percent in Arkansas, 9.1 percent in West Virginia, and 9.7 percent in Tennessee. Part owners (owner-operated portion only) had more than one loan in 36.2 percent of the cases in Arizona and 35.0 percent in Utah and the percentage ranged on down to 10.4 percent in Tennessee.

The 1961 survey questionnaire listed three types of loans, viz, (a) first mortgage or deed of trust; (b) second or other junior mortgage or deed of trust; and (c) land purchase contract. In making the tabulations, first and junior mortgages were combined. Figures are presented, by States, for (1) farms reporting mortgages only, (2) farms reporting land purchase contracts only, (3) farms reporting the existence of both a mortgage and a land purchase contract. Type of lien data are given in table 21 separately for both full owners and for part owners (owner-operated portion only).

The type of lien (loan) was not given by approximately 27 percent of both the full owners and the part owners. Of the full owners reporting the type of lien, 85.0 percent placed all existing loans on their real estate in the mortgage category, 12.7 percent placed all their loans in the land purchase contract category, and 2.3 percent reported the existence of both a mortgage and a land purchase contract. The corresponding percentages for part own-

ers were 81.1, 15.1, and 3.9. Thus, mortgage debts far exceeded land purchase contracts in debt financing at the time of the 1961 survey. The percentages given for land purchase contracts do not indicate the full importance of this kind of instrument in land transfers. A land purchase contract always originates with a sale of real estate while a first or a junior mortgage can come into existence at a time other than when a property is purchased. A mortgage may supersede a land contract after the terms set forth in the land contract have been fulfilled. Then, too, a mortgage on land can be given as security for a debt incurred for capital improvement, for purchase of other capital assets, for operating expenditures, or in connection with a transaction not connected with the operation of a farm.

Based on the data presented in table 21, land purchase contracts, though possibly not predominant in the transfer of land in any State, are used by the largest number of owners of farmland in Minnesota, Iowa, Wisconsin, Washington, and Texas. As a general rule, part owners make more purchases through the use of land contracts than do full owners. For example, in North Dakota, the State with the highest percentage of both full owners and part owners with land contracts, the percentages were, respectively, 38.0 and 43.6. Land purchase contracts were very infrequently reported in the northeastern States and in many other States in the eastern part of the United States. Elsewhere, the lowest percentages for full owners with land purchase contracts were recorded in Louisiana (5.0 percent) and in Missouri (6.3 percent); and for part owners, Missouri (8.5 percent) and Arkansas (8.9 percent).

Mortgaged farms by days operator worked off farm.—Many full owners and part owners have income from work not connected with the farm they operated or have income from sources other than the farm operated and off-farm work. Some operators with income from sources other than the farm operated are dependent upon agriculture for most of their living. At the other extreme are those operators, whose lands are classed as farms, who have full employment at a nonfarm job, business, or profession. The income from the sale of agricultural products in the group is not large. In some instances, the availability of income from sources other than the farm operated may have determined whether or not a landowner qualified for the existing mortgage loan on his real estate. In table 22, State counts are given of the number of 1961 mortgaged farms operated by full owners, or of similarly indebted farms operated by part owners (owner-operated portion), according to the number of days each operator worked off his farm for pay or income in 1959. (Similar data are given in chapter II of volume II of the 1959 Census of Agriculture reports for all operators by tenure of operator.)

Reports from the 1959 Census of Agriculture show that 47.7 percent of all full owners and 41.0 percent of all part owners worked off their farms for pay or profit in 1959. Of the full owners and part owners reported as having mortgage indebtedness, 59.0 percent and 43.4 percent, respectively, worked at an off-the-operated farm job for pay or profit in 1959. Of all full owners, those working 100 or more days on an off-the-operated farm job represented 36.4 percent of the total and the corresponding percentage for those who had mortgage indebtedness was 45.8. The corresponding percentages for the part-owner group were 21.7 and 22.2.

The number of days that a farm operator works off his farm is determined, in part, by the seasonable nature and the volume of the agricultural activities he is engaged in and by the availability of employment off the farm and in industry. In the West North Central Division, only 21.9 percent of all the mortgaged full owners and 7.2 percent of the mortgaged part owners worked at jobs off the farm to the extent of 200 or more days. The maximum percentages were as high as 48.7 percent for mortgaged full owners in the Pacific Division and 22.0 percent for mortgaged part owners in the South Atlantic Division.

Period of loan.—The period of loan as shown in table 23 for full owners and in table 24 for part owners, was obtained by recording the spread between the date reported for the year in which a loan was to mature and the date reported for the year in which the same loan was made, assumed, or refinanced. For those loans for which the period of the loan could be computed, 52.9 percent of the total real estate mortgage obligations of full owners had a total span of less than 15 years. This percentage figure compares with 48.1 percent of part-owner loans. Loans for an expected period of 30 or more years represented 11.5 percent of all full-owner mortgages as compared with 15.4 percent for part-owner mortgages. The percentage distribution by year in which loan was made was not significantly different for full owners and part owners.

Number of loans.—Based on the number of loans for which a report was made of the year in which the loan was made, assumed, or refinanced, one-fifth of the total loans for both full owners (19.7 percent) and part owners (20.8 percent) became obligations of the landowners in 1960. More than one-half of the total loan obligations for both tenures came into being in the 1955 to 1959 period, the percentage for full owners being 54.7 and for part owners 54.6. Only 1.2 percent of the full owners and 0.7 percent of the part owners became obligated for an existing loan prior to 1940.

Real property mortgage loans which are obligations of full owners, have a shorter maturity date than do those which are obligations of part owners. For full owners, 73.7 percent of the loans existing at the beginning of 1961 were expected to mature by 1975 or before as compared with 67.2 percent of the part-owner loans.

FARM TAXES

Total real estate taxes on farmlands.—Real estate taxes on taxable farmland and buildings in the conterminous United States, for 1960, were estimated at \$1,245,865,000. This is the estimated tax bill for 1,024,498,269 acres of land owned by individuals, partnerships, and corporations which are not government agencies. This is the acreage with an estimated value of \$128,308,184,000 at the beginning of 1961 and an assessed value of \$32,697,710,000 in 1960. Real estate taxes were equivalent to a tax of \$1.22 per acre and \$0.97 for each \$100 of market value.

The average tax per acre was highest in the Middle Atlantic Division, \$3.11, and lowest in the Mountain Division, \$0.41, reflecting, in part, differences in land values. Land in the Middle Atlantic Division had an average value of \$190 per acre compared with \$43 in the Mountain Division. As between the States, the highest tax per acre, \$9.21, was reported in New Jersey, and the lowest, \$0.15, in New Mexico. Three other States, all in New England, reported taxes in excess of \$5.00 per acre, viz, Massachusetts, Connecticut, and Rhode Island. Twenty-one States, including New Mexico, reported taxes below \$1.00 per acre with 9 of the 21 below the \$0.50 per acre level. These are predominantly in the South and in the Mountain Division.

Taxes per \$100 of the estimated market value of farmland and buildings ranged from a high of \$1.87 in New England to a low of \$0.46 in the East South Central Division. The spread as between the States in the tax per \$100 of estimated value was less than in the tax per acre. While the range for the tax per acre was from \$9.21 to \$0.15, the range for the tax per \$100 of estimated value was from \$2.19 to \$0.35, reported in Maine and Alabama, respectively.

Taxes per acre in most divisions were higher on land operated by tenants and managers than on land operated by full owners or part owners, due in part to the fact that land operated by tenants and managers generally had a higher value than that operated by full owners or part owners. In some States, the land

that is tenant-operated, or manager-operated, tends to be principally cropland while in other States it is largely grazing land. Also, exemptions of homesteads are usually more applicable to land operated by owner-operators. Taxes per \$100 of value also were generally higher on land operated by tenants and managers than on land operated by full owners, part owners (owner-operated part), or part owners (rented part). The tax per \$100 of value in the United States averages \$0.92 for land owned and operated by full owners, \$0.90 for land owned and operated by part owners, \$1.02 for land rented by part owners, and \$1.07 for land operated by tenants and managers. With few exceptions, taxes paid per \$100 of full value on rented land were higher than corresponding rates on operator-owned land in all divisions.

Real and personal property taxes for full-owner farms.—Total property taxes and the distribution of this total between real and personal property taxes were compiled from the 1961 survey for full-owner farms only. These data appear in table 32. Tangible personal property is not subject to general property taxation in New York, Pennsylvania, and Delaware. Intangible property is all, or nearly all, exempt in many States (19 States in 1957) including New York and Delaware. Pennsylvania applies special property taxes to specified intangibles only. Hence the figures for the three States mentioned by name show the total property tax bill as levied on land and buildings.

For the 48 conterminous States, 81.1 percent of the 1960 levy on farm property operated by full owners represented taxes on land and buildings.

In three States—New York, Pennsylvania, and Delaware—most types of personal property were exempt from taxation. In the other 45 States the ratio of taxes on real estate to the total of real estate and personal property taxes varied from 53.9 percent in Louisiana to 91.4 percent in Connecticut.

Assessed value of farm real estate.—Taxable farm real estate in the United States in 1960 was assessed at \$32,697,710,000 for tax

purposes. This was equivalent to 25.5 percent of the estimated market value of all taxable farmland and buildings on January 1, 1961.

Wide variations in the ratio of assessed to estimated market value of farm real estate were evident among geographic divisions and States. New England, with an estimated average ratio of 39.4 percent, ranked highest while the Mountain Division, with 16.1 percent, ranked lowest. The highest and lowest ratios in the individual States, 54.0 and 8.2 percent, respectively, were found in Rhode Island and Arizona.

Government-owned and privately owned farmlands.—A byproduct of the 1961 Survey of Farm Mortgages and Farm Taxes was the estimated amount of acreage of land in census farms owned by the Federal government (including land in Indian reservations) or by other government agencies. For this study, government-owned lands were assumed to be both tax and mortgage free. The estimated government-owned farmland area and the area of other farmland, designated privately owned, are shown in table 33.

The total farmland area of the 48 conterminous States, as recorded in the 1959 Census of Agriculture, was 1,120,157,789 acres. Of the 1959 total farmland area, 95,659,520 acres, or 8.5 percent, were estimated to be government-owned. The estimated value of all farmland and buildings was \$128,987,659,000 at the time of the 1959 enumeration and \$131,001,698,000 at the beginning of 1961. Privately owned farmlands, with an area of 1,024,498,269 acres, were estimated to have a value of \$128,308,184,000 in 1961. This total value of privately owned farmland was used as a base for computing the total farm real estate tax bill. These farmlands had an assessed value of \$32,697,710,000 which was equivalent to 25.5 percent of the estimated market value.

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
AGRICULTURE OPERATIONS OFFICE
PARSONS, KANSAS

U.S. DEPARTMENT OF COMMERCE
BUREAU OF THE CENSUS
AGRICULTURE OPERATIONS OFFICE
PARSONS, KANSAS

Dear Fellow Citizen:

You are being asked to cooperate in providing important information on farm taxes paid and farm mortgage debts of farm owners in the United States. You can provide the needed information by answering the questions on the reverse side of this letter. These questions are being asked of a representative cross section of approximately 1 out of every 30 farm owners in the United States.

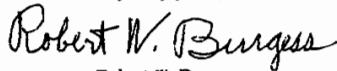
The requested information is necessary to show important farm changes during the last 5 years. This information can be obtained only from farm owners themselves. The figures you provide will be added to those for other farm owners to obtain totals for your State.

You are assured that in accordance with the provisions of U. S. laws: (1) Your report can be used only to obtain State totals. (2) The Census employees who handle your report are under oath not to disclose any individual information under penalty of a fine of \$1,000 or imprisonment for not more than 2 years. (3) Information in your report cannot be used for purposes of taxation, investigation or regulation. The information you report will not be given to the Internal Revenue Service, the Department of Agriculture, or other Government Agencies. It will be used for statistical purposes only.

PLEASE FILL OUT AND MAIL THIS QUESTIONNAIRE THIS WEEK EVEN THOUGH YOU DO NOT NOW OWN ANY FARM OR RANCH LAND. Please use the enclosed self-addressed envelope, which does not require postage, for mailing the filled out questionnaire. It is necessary to obtain a report from you. Your returning the questionnaire promptly will be appreciated and will eliminate the necessity of writing you again.

Thank you for your cooperation.

Very truly yours,



Robert W. Burgess
Director
Bureau of the Census

60-02-484

Dear Fellow Citizen:

The reports submitted for the 1959 Census of Agriculture show that you own farm or ranch land. You are being asked to cooperate in providing important information on farm taxes paid and farm mortgage debts of farm owners in the United States. You can provide the needed information by answering the questions on the reverse side of this letter. These questions are being asked of a representative cross section of approximately 1 out of every 30 farm owners in the United States.

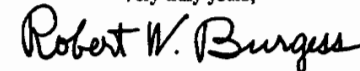
The requested information is necessary to show important farm changes during the last 5 years. This information can be obtained only from farm owners themselves. The figures you provide will be added to those for other farm owners to obtain State totals.

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PLEASE FILL OUT AND MAIL THIS QUESTIONNAIRE THIS WEEK EVEN THOUGH YOU DO NOT NOW OWN ANY FARM OR RANCH LAND. Please use the enclosed self-addressed envelope, which does not require postage, for mailing the filled out questionnaire. It is necessary to obtain a report from you. Your returning the questionnaire promptly will be appreciated and will eliminate the necessity of writing you again.

Thank you for your cooperation.

Very truly yours,



Robert W. Burgess
Director
Bureau of the Census

60-02-485

This Census is authorized by Act of Congress, United States Code, Title 13, Sections 5, 9, 142, 221, 223, 224, requiring that the inquiries be answered completely and accurately, and guaranteeing that the information furnished be accorded confidential treatment. *The Census report cannot be used for purposes of taxation, investigation, or regulation.*

A17a FARM TAX AND FARM MORTGAGE DEBT SURVEY, 1961

PLEASE ANSWER THE QUESTIONS BELOW AND RETURN THIS QUESTIONNAIRE EVEN THOUGH YOU OWN NO LAND NOW OR HAVE NO FARM MORTGAGE DEBT

1. How many acres of farm and ranch land did you own on January 1, 1961? None Acres _____
(Include all tracts of land owned regardless of where located, even though these are considered separate units. Also include cropland, pastureland, woodland, and wasteland.)
(If you owned no land on January 1, 1961, mark X for "None" and skip to question 17.)
- (a) How much would the land you owned on January 1, 1961, and the buildings on it now sell for? \$ _____ or \$ _____
(per acre) (total)
2. How many acres of the land that you now own did you rent to others in 1960? None \$ _____
(Include land worked on shares as rented.)
- (a) How much would the land and buildings that you rented to others in 1960 now sell for? \$ _____ or \$ _____
(per acre) (total)

FARM TAXES

3. What was the total assessed value, for tax purposes, of your farm and ranch properties as shown on the tax bill you received in 1960? \$ _____
(Report assessed value before deducting exemptions.)
- Of this total, how much was the assessed value of:**
- (a) Farm and ranch land and buildings? \$ _____
- (b) Tangible personal property?..... { None
Not shown separately \$ _____
(Livestock, farm machinery, household furnishings, etc.)
- (c) Other personal property?..... { None
Not shown separately \$ _____
(Securities, bank deposits, mineral rights, other intangibles.)
4. How much of the total assessed value reported in question 3 was exempt from some or all taxes because of homestead, veteran's, or other exemptions? ... None \$ _____
5. What were the total taxes in 1960 on all farm and ranch properties you own (reported in question 3)?..... \$ _____
(Do not include poll or capitation taxes.)
- (a) How much of this amount was for special assessments?..... None \$ _____
(For drainage, irrigation, etc.)

FARM MORTGAGE DEBT

6. Was there mortgage or other real estate debt on any of the farm and ranch land and buildings you owned on January 1, 1961?..... No Yes
(Consider mortgages, deeds of trust, and land purchase contracts as debts against real estate.)
(If you had no mortgage or real estate debt, skip to question 17.)
7. What was the total unpaid principal of the mortgage and other real estate debt you owed on January 1, 1961? \$ _____
8. Who are now holders of each mortgage or other real estate loan you owed?..... Check below the answer for each loan you owe

	Loan No. 1	Loan No. 2	Loan No. 3
(a) Federal land bank?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Farmers Home Administration?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Insurance Company?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Commercial or savings bank?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Individual person?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) Other lender? Give name _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. What is the type of each loan you owe?			
(a) First mortgage or deed of trust?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Second or other junior mortgage or deed of trust?.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Land purchase contract?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. In what year was each loan made, assumed, or refinanced? (Enter year of most recent transaction.)	Year _____	Year _____	Year _____
11. What was the amount of each loan when made, assumed, or refinanced?	\$ _____	\$ _____	\$ _____
12. In what year does each loan mature?.....	Year _____	Year _____	Year _____
13. What is the interest rate on each loan?.....	% _____	% _____	% _____
14. What was the unpaid principal of each loan on January 1, 1961?.....	\$ _____	\$ _____	\$ _____
15. How many acres are pledged as security for each loan?..	Acres _____	Acres _____	Acres _____
16. Of the acres pledged as security for each loan, how many acres were rented to others (or worked on shares by others) in 1960?	Acres _____	Acres _____	Acres _____

17. Did you have any mortgage or other real estate debt secured by farm land and buildings on November 1, 1959?..... No Yes

INTRODUCTION

XXVII

Form 60-02-485 (12-21-60)

U. S. Department of Commerce Bureau of the Census

Budget Bureau No. 41-6080 Approval expires Aug. 31, 1961

This Census is authorized by Act of Congress, United States Code, Title 13, Sections 5, 9, 142, 221, 223, 224, requiring that the inquiries be answered completely and accurately, and guaranteeing that the information furnished be accorded confidential treatment.

A17b FARM TAX AND FARM MORTGAGE DEBT SURVEY, 1961

PLEASE ANSWER THE QUESTIONS BELOW AND RETURN THIS QUESTIONNAIRE EVEN THOUGH YOU OWN NO LAND NOW OR HAVE NO FARM MORTGAGE DEBT

- 1. How many acres of farm and ranch land did you own on January 1, 1961? None [] Acres []
2. According to the 1959 Census of Agriculture, you were renting (or had worked on shares) about [] acres of land to [] in November 1959.

FARM TAXES

- 3. What was the total assessed value, for tax purposes, of your farm and ranch properties as shown on the tax bill you received in 1960?
Of this total, how much was the assessed value of:
(a) Farm and ranch land and buildings?
(b) Tangible personal property?
(c) Other personal property?
4. How much of the total assessed value reported in question 3 was exempt from some or all taxes because of homestead, veteran's or other exemptions?
5. What were the total taxes in 1960 on all farm and ranch properties you own (reported in question 3)?

FARM MORTGAGE DEBT

- 6. Was there mortgage or other real estate debt on any of the farm and ranch land and buildings you owned on January 1, 1961?
7. What was the total unpaid principal of the mortgage and other real estate debt you owed on January 1, 1961?
8. Who are now holders of each mortgage or other real estate loan you owed? Check below the answer for each loan you owe

Table with 3 columns: Loan No. 1, Loan No. 2, Loan No. 3. Rows include lender types (Federal land bank, Farmers Home Administration, Insurance Company, Commercial or savings bank, Individual person, Other lender), loan type (First mortgage, Second or other junior mortgage, Land purchase contract), and loan details (Year made, Amount, Year matures, Interest rate, Unpaid principal, Acres pledged, Acres rented).

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PLEASE ANSWER THE QUESTIONS BELOW AND RETURN THIS QUESTIONNAIRE EVEN THOUGH YOU OWN NO LAND NOW OR HAVE NO FARM MORTGAGE DEBT

1. How many acres of farm and ranch land did you own on January 1, 1961? None Acres _____
(Include all tracts of land owned regardless of where located, even though these are considered separate units. Also include cropland, pastureland, woodland, and wasteland.)

(If you owned no land on January 1, 1961, mark X for "None" and skip to question 17.)

(a) How much would the land you owned on January 1, 1961, and the buildings on it now sell for? \$ _____ or \$ _____
(per acre) (total)

2. How many acres of the land that you now own did you rent to others in 1960? None 1.5 acres
(Include land worked on shares as rented.)

(a) How much would the land and buildings that you rented to others in 1960 now sell for? \$ _____ or \$ _____
(per acre) (total)

FARM TAXES

3. What was the total assessed value, for tax purposes, of your farm and ranch properties as shown on the tax bill you received in 1960? \$ _____
(Report assessed value before deducting exemptions.)

4. How much of the total assessed value reported in question 3 was exempt from some or all taxes because of homestead, veteran's, or other exemptions? None \$ _____

5. What were the total taxes in 1960 on all farm and ranch properties you own (reported in question 3)? \$ _____
(Do not include poll or capitation taxes.)

(a) How much of this amount was for special assessments? None \$ _____
(For drainage, irrigation, etc.)

FARM MORTGAGE DEBT

6. Was there mortgage or other real estate debt on any of the farm and ranch land and buildings you owned on January 1, 1961? No Yes
(Consider mortgages, deeds of trust, and land purchase contracts as debts against real estate.)
(If you had no mortgage or real estate debt, skip to question 17.)

7. What was the total unpaid principal of the mortgage and other real estate debt you owed on January 1, 1961? \$ _____

8. Who are now holders of each mortgage or other real estate loan you owed? Check below the answer for each loan you owe

	Loan No. 1	Loan No. 2	Loan No. 3
(a) Federal land bank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Farmers Home Administration?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Insurance Company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(d) Commercial or savings bank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Individual person?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) Other lender? Give name _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. What is the type of each loan you owe?			
(a) First mortgage or deed of trust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Second or other junior mortgage or deed of trust?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Land purchase contract?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. In what year was each loan made, assumed, or refinanced? (Enter year of most recent transaction.)	Year _____	Year _____	Year _____
11. What was the amount of each loan when made, assumed, or refinanced?	\$ _____	\$ _____	\$ _____
12. In what year does each loan mature?	Year _____	Year _____	Year _____
13. What is the interest rate on each loan?	% _____	% _____	% _____
14. What was the unpaid principal of each loan on January 1, 1961?	\$ _____	\$ _____	\$ _____
15. How many acres are pledged as security for each loan?	Acres _____	Acres _____	Acres _____
16. Of the acres pledged as security for each loan, how many acres were rented to others (or worked on shares by others) in 1960?	Acres _____	Acres _____	Acres _____

17. Did you have any mortgage or other real estate debt secured by farm land and buildings on November 1, 1959? No Yes

Form 60-02-485
(12-21-60)

U. S. Department of Commerce
Bureau of the Census

Budget Bureau No. 41-6080
Approval expires Aug. 31, 1961

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A17d FARM TAX AND FARM MORTGAGE DEBT SURVEY, 1961

PLEASE ANSWER THE QUESTIONS BELOW AND RETURN THIS QUESTIONNAIRE EVEN THOUGH YOU OWN NO LAND NOW OR HAVE NO FARM MORTGAGE DEBT

1. How many acres of farm and ranch land did you own on January 1, 1961? None Acres _____
(Include the land rented in 1959 to the person listed in question 2 below and all other tracts of land owned regardless of where located, even though these are considered separate units. Also include cropland, pastureland, woodland, and wasteland.)

(If you owned no land on January 1, 1961, mark X for "None" and skip the remaining questions.)

(a) How much would the land you owned on January 1, 1961, and the buildings on it now sell for? \$ _____ or \$ _____
(per acre) (total)

2. According to the 1959 Census of Agriculture, you were renting (or had worked on shares) about _____ acres of land to _____ in November 1959.

(a) How much would the land you rented to the person listed above and the buildings on it now sell for?..... \$ _____ or \$ _____
(per acre) (total)

FARM TAXES

3. What was the total assessed value, for tax purposes, of your farm and ranch properties as shown on the tax bill you received in 1960? \$ _____
(Report assessed value before deducting exemptions.)

4. How much of the total assessed value reported in question 3 was exempt from some or all taxes because of homestead, veteran's or other exemptions?.... None \$ _____

5. What were the total taxes in 1960 on all farm and ranch properties you own, reported in question 3)? \$ _____
(Do not include poll or capitation taxes.)

(a) How much of this amount was for special assessments?..... None \$ _____
(For drainage, irrigation, etc.)

FARM MORTGAGE DEBT

6. Was there mortgage or other real estate debt on any of the farm and ranch land and buildings you owned on January 1, 1961? No Yes
(Consider mortgages, deeds of trust, and land purchase contracts as debts against real estate.)
(If you had no mortgage or real estate debt, skip the remaining questions.)

7. What was the total unpaid principal of the mortgage and other real estate debt you owed on January 1, 1961? \$ _____

8. Who are now holders of each mortgage or other real estate loan you owed?..... Check below the answer for each loan you owe

	Loan No. 1	Loan No. 2	Loan No. 3
(a) Federal land bank?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(b) Farmers Home Administration?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Insurance Company?	(Check one) <input type="checkbox"/>	(Check one) <input type="checkbox"/>	(Check one) <input type="checkbox"/>
(d) Commercial or savings bank?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(e) Individual person?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(f) Other lender? Give name _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. What is the type of each loan you owe?			
(a) First mortgage or deed of trust?	(Check one) <input type="checkbox"/>	(Check one) <input type="checkbox"/>	(Check one) <input type="checkbox"/>
(b) Second or other junior mortgage or deed of trust?...	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
(c) Land purchase contract?.....	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. In what year was each loan made, assumed, or refinanced? (Enter year of most recent transaction.)	Year _____	Year _____	Year _____
11. What was the amount of each loan when made, assumed, or refinanced?.....	\$ _____	\$ _____	\$ _____
12. In what year does each loan mature?.....	Year _____	Year _____	Year _____
13. What is the interest rate on each loan?.....	% _____	% _____	% _____
14. What was the unpaid principal of each loan on January 1, 1961?.....	\$ _____	\$ _____	\$ _____
15. How many acres are pledged as security for each loan?.... (Include not only land rented by the person listed for question 2, but also any other farm land or ranch land pledged for the loan.)	Acres _____	Acres _____	Acres _____
16. How many of the acres pledged as security for each loan were rented to the person in question 2 in November 1959?	Acres _____	Acres _____	Acres _____