

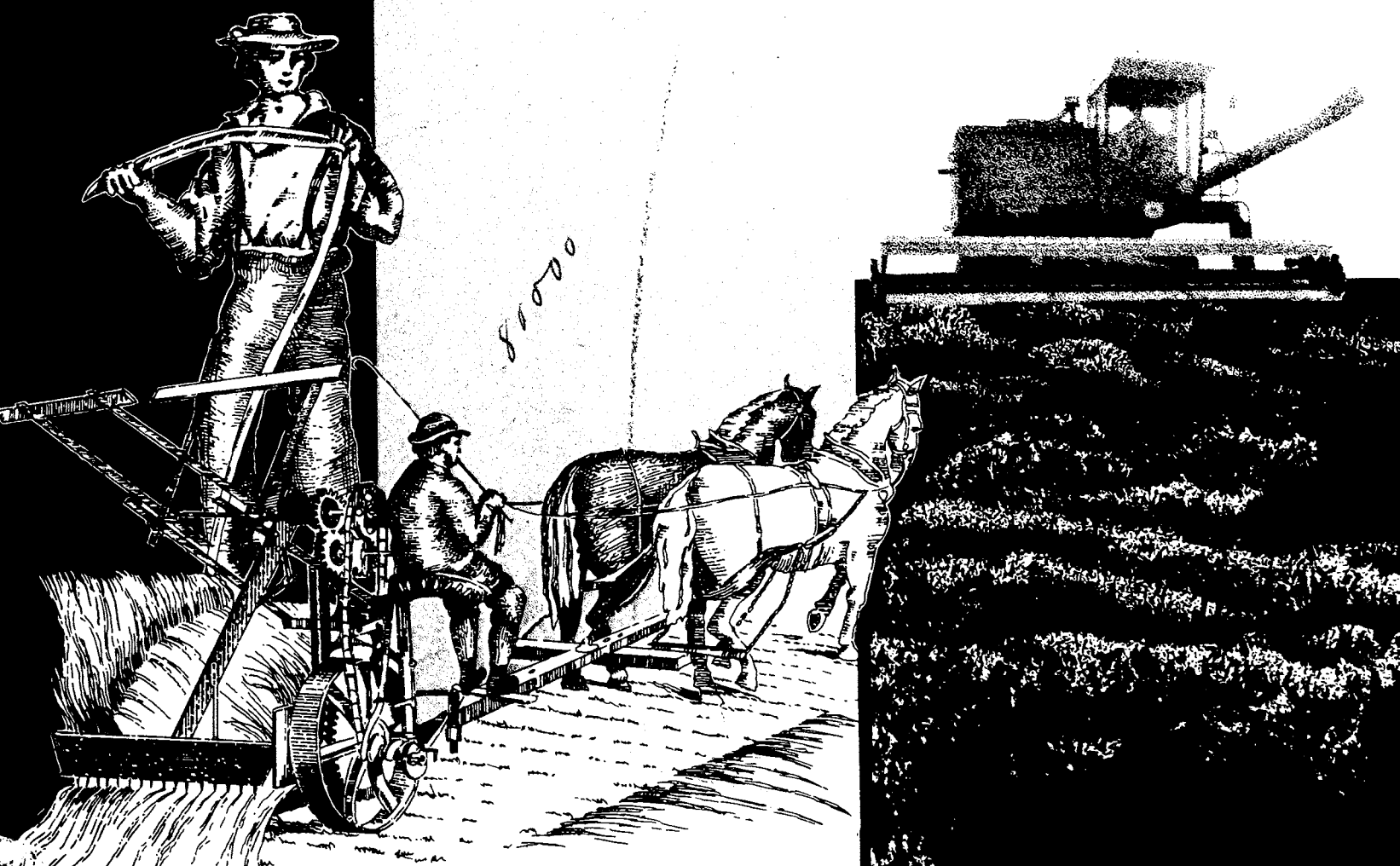
1974 Census of Agriculture

U.S. Department of Commerce
BUREAU OF THE CENSUS

Volume IV
Special Reports

Part 5

Corporations in Agricultural Production



1974
Census
of
Agriculture

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Corporations in Agricultural Production

Issued November 1978



U.S. Department of Commerce
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Preliminary Reports. Four pages of data published separately for each county having 10 farms or more, and for each State, the four geographic regions, and the United States. *The statistics printed in these reports are superseded by those in the final reports, Volumes I through IV.*

Volume I. State and County Data. One for each State, the United States, Puerto Rico, Guam, and the Virgin Islands, covering the area and its subdivisions. The reports for the States contain data for all farms and farms with sales of \$2,500 and over. *Chapter I* contains detailed data at the State level classified by size of farm, tenure and age of farm operator, type of organization, value of products sold, and major type of farm; *Chapter II*, county data summarized by subject; *Chapter III*, county data by subject for miscellaneous crop and livestock items found in relatively few counties; *Chapter IV*, county data by county.

Volume II. Statistics by Subject. Nine parts containing data for the United States, geographic regions and divisions, and States, for all farms and farms with sales of \$2,500 and over.

Volume III. Agricultural Services. Data by county for each State covering establishments whose primary activities are providing agricultural services. Data at the U.S., State, and county levels for all establishments are presented for selected four-digit standard industrial classification codes by size and type of organi-

zation. Data shown include dollar volume of business, gross receipts from products provided, gross receipts, labor and payroll by type of service performed, capital expenditures, and expenditures for electricity, gasoline, petroleum, and other fuels.

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Part 4. Procedural History. A comprehensive summary of the procedures used in conducting the 1974 Census of Agriculture in the 50 States, Puerto Rico, Guam, and the Virgin Islands. The history explains the procedures used from early planning and testing through tabulation and publication of the final reports.

Part 5. Corporations in Agricultural Production. Presents U.S. and selected State data on farm production characteristics and nonfarm business activities for corporations reporting agricultural operations, including the proportions of business receipts from farm, farm-related, and nonfarm-related business activities. Where appropriate, production characteristics are related to corporate characteristics.

Part 6. Partnerships in Agricultural Production. Reports in depth on characteristics of farm partnerships for 1976 for the United States, with selected data for States. The survey data are based on a sample of partnerships selected from the 1974 Census of Agriculture. Where appropriate, related characteristics reported in the 1974 census are shown. The report has been prepared in cooperation with Economic Statistics and Cooperative Service, U.S. Department of Agriculture.

Part 7. Agricultural Production and Marketing Contracts. Presents detailed information on eight commodities produced and/or marketed under production and marketing contracts in 1977: Feeder and stocker cattle, fattened cattle, feeder pigs, slaughter hogs, broilers, layers, tomatoes, and potatoes. Data are presented for groups of States comprising areas of concentration, based on samples of farms reporting contracts in the 1974 Census of Agriculture. The report has been prepared in cooperation with the Economic Statistics and Cooperative Service, U.S. Department of Agriculture.

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INTRODUCTION

Authority, Area Covered, and History

The 1974 Census of Agriculture was taken in accordance with the provisions of title 13, United States Code, reaffirmed by section 818 of the Agriculture and Consumer Protection Act of 1973 (Public Law 93-86). Sections 142(a) and 191 of title 13 provide for a census of agriculture every 5 years in each State, the District of Columbia, Puerto Rico, Guam, and the Virgin Islands. The 1974 census is the 20th nationwide census of agriculture and the second conducted primarily by mail.

This report presents statistics for the United States and States based upon data from the 1974 census.

Source of Data

The data shown in this report are combined from the 1974 Preliminary Survey of Selected Operations, the 1974 Supplementary Survey of Corporate Operations, and the 1974 Census of Agriculture. The principal items included in the survey report forms were suggested in meetings of the Census Advisory Committee on

Agricultural Statistics in April and October of 1973 and in written suggestions received from various governmental agencies. Of particular importance was the assistance provided by the Economics, Statistics, and Cooperatives Service of the U.S. Department of Agriculture. A facsimile of the report forms used in the survey is shown in the appendix.

Presentation of Data

The data are presented at both the farm and firm (company) levels. All data collected in the survey portion of the study were for the corporation or firm rather than for the farm or agricultural production unit. Data collected in the census were for the farm. To provide complete agricultural production data at the firm level for a corporation operating more than one farm unit, census data for all farm units were combined into a single record.

Geographically, the major portion of the information is presented only for the United States. This is true of all firm level data because of the geographic dispersion of farms operated by some multifarm

corporations. Limited farm-level data are presented for the 4 geographic regions, the 9 divisions, and the 50 States.

In the census, type of organization data was requested only of those operations with sales of farm products of \$2,500 or more. Therefore, all the tables presented in this report and terms such as "number of farms", "all corporation farms", "total firms", etc, are for farms or firms with agricultural product sales of \$2,500 or more.

Table titles and descriptions identify the content of the tables, but because of new terminology involved, particular note should be made of the definition of terms following later.

Abbreviations and Symbols

The following abbreviations and symbols are used throughout the tables:

- Represents zero.
- D Data withheld to avoid disclosing information for individual farms.
- X Not applicable.
- Z Less than half of the unit reported.
- NA Not available.

GENERAL EXPLANATION

Background

Much of the recent interest in the corporate involvement in farming and ranching has focused on its "bigness" and market concentration. Concern has been expressed that this concentration, when integrated with related business activities, may lead to oligopolistic control of some segments of American agriculture. Corporate farms owned by persons outside of agriculture, particularly corporations with large outside financial resources, are perceived as a threat to traditional land tenure goals of individual (or family) farm ownership and operation and the survival of rural communities. The incorporation of family farms to facilitate farm transfer from one generation to the next or to provide greater management flexibility is usually not viewed as a threat to the "family farm."

Because of growing interest in the role and influence of corporations in agriculture, the need for more detailed information about the size and kind of corporations engaged in farming has become increasingly important. Various State and federal agencies have expressed a need for this data to answer the many questions raised by congressional committees, State legislatures, and other interested groups. It is particularly essential in those States with proposed legislation or amendments concerning corporate agriculture.

The survey provides detailed data for all corporations reporting agricultural operations with sales of \$2,500 or more in the 1974 Census of Agriculture. It includes only those corporations which were actively engaged in farming, ranching, or other agricultural production.

Corporations which were landlords only or owned rural land on which no agricultural production took place were excluded from the survey just as they had been from the census.

The primary objective was to collect data which could relate the farm production characteristics of corporations to their nonfarm business activities and to relate both farm and nonfarm activities to more detailed organizational characteristics such as corporation ownership and control.

Historical Data

The 1974 Supplemental Survey of Corporate Operations is the first survey conducted by the Bureau of the Census that is devoted entirely to the collection of specialized data for corporations with agricultural operations. It is, however, a natural outgrowth of prior agricultural census-taking activities in the sense that it reflects the Bureau's continuing effort to provide information descriptive of developments in organizational structure within the Nation's agriculture.

Type of organization data were collected in the census of agriculture for the first time in 1969. Corporations were separated into two categories:

1. Those having 10 or fewer shareholders.
2. Those with more than 10 shareholders.

In this survey the number of shareholders was requested only of privately held corporations. But because all publicly held corporations could be assumed to have more than 10 shareholders, and

because all 1974 census corporations were included in the survey, there was a considerable degree of historical comparability with the 1969 census. In 1969, 1,797 or 8.3 percent of the corporate farms were operated by corporations with more than 10 shareholders. With publicly held corporations included, 1,960 or 7.1 percent of the corporate farms in the 1974 survey were operated by corporations with more than 10 shareholders. Slightly less than 3 percent of the privately held corporations did not report number of shareholders. No historical data from the 1969 census are shown in this publication. For information from the 1969 census, see volume II, chapter 3, Part 2, **Type-of-Farm Organization**.

Methods of Data Collection

The Survey of Corporate Operations was conducted primarily on a mailout/mailback basis. The initial data collection effort was part of the prec canvass for the 1974 census (Survey of Selected Operations). Approximately 57,000 survey forms were mailed out in April and May of 1974 to large or specialized farms, most of which were selected from 1969 census records. The prec canvass survey had multiple objectives. In addition to identifying and obtaining information about corporations and feedlots, it was used to identify companies and other operators with multiestablishment operations and to update addresses of large agricultural production units for the census and for the Survey of Agricultural Services.

Approximately 13,200 corporations or 51 percent of the cases included in the report were identified and enumerated in

GENERAL EXPLANATION Continued

the preliminary Survey of Selected Operations. The remainder of the reports in the prec canvass survey had a noncorporate type of organization or were otherwise outside the scope of the corporation survey.

Corporations identified in the census but not included in the prec canvass survey were mailed supplementary survey forms requesting the same corporation data collected in the prec canvass operation. Beginning with an initial mailout of 10,604 report forms on November 5, 1975, mailings of forms continued over an extended period of time. Corporate operations identified during the census processing were added to the survey universe on a flow basis. Eventually, 15,052 forms were mailed in the supplementary portion of the corporation survey.

There were three followup mailings and a telephone followup as part of the supplemental survey. Data collection activities resulted in 14,775 responses for a response rate of 98 percent. Corporate data were estimated for the remaining 2 percent based on the characteristics of corporate farms of similar size and type in the same geographic area.

The combined survey efforts were an attempt to include all agricultural operations reported in the census under a corporate type of organization. Approximately 2,300 respondents who had reported as corporations in the census indicated in the supplemental survey that they were not in fact incorporated. In most cases, the census type of organization was changed prior to census publication. In some instances, however, this information was received too late to change the census data. There were also a few cases of farms operated by multifarm corporations which were erroneously reported as some other type of organization in the census. They are correctly included as corporate farms in this report, but not all such changes were reflected in the earlier 1974 census publications. The net result is that there are 214 fewer corporation farms in this report than in the type of organization data reported in volumes I and II of the census.

Processing

All survey report forms were reviewed manually prior to data keying. A clerical edit was performed to check for incompleteness and inconsistency. Reports which required special handling were referred to technical analysts. Omissions, inconsistencies, and other problems were usually resolved by using related data on the survey report or the corresponding census report. If necessary, respondents were contacted by telephone to correct gross incompleteness or to resolve major inconsistencies.

A clerical matching operation of census reports and prec canvass reports was required to facilitate linkage of survey and census data and to resolve any inconsistency in reported type of organization between the two. If the type of organization reported in the prec canvass survey was noncorporate and the census report indicated a corporation, the inconsistency was usually resolved by including the case in the supplementary survey. When the reverse situation occurred, the type of organization inconsistency was most often resolved by telephone contact with the respondent.

After data from the report forms were keyed onto magnetic tape, the survey data were linked to data from corresponding 1974 census records to create a combined data record for each firm. Computer consistency checks and edits were made to determine that related entries and summations were reasonable and consistent. Entries that were inconsistent or outside acceptable tolerances were displayed on listings which were reviewed by professional and technical analysts. Necessary corrections to the data were made and verified.

Limitations of the Survey Data

Because the survey data were collected in two distinct operations which were separated by approximately 18 months, there was a likelihood that size, ownership, control, and nonfarm business characteristics of some corporations may have changed somewhat during that period. It was assumed, however, that

these changes had minor significance for the survey as a whole. The agricultural production data for all corporations were for the same time period, calendar year 1974.

Tables that present detailed organizational characteristics which consist primarily of stockholder data are limited to privately held corporations (those whose stock is owned by the few persons who formed the corporation or by their successors). Most of this detailed information would not have been relevant for large publicly held corporations.

Data for nonfarm business activities were requested only if the amount received from all nonfarm activities was \$50,000 or more. The exclusion of those corporations with lesser amounts of nonfarm business receipts overstates the number of firms engaged in farming only. It probably also affects the farm classification of some smaller corporations. Those with both farm and nonfarm sales of less than \$50,000 are always classified as primary farms.

During processing, most data were accepted as reported unless obvious reporting errors or gross inconsistencies were evident. In general, only the kind of corporation, size of total business receipts, percent of receipts from various business activities, and type of ownership were imputed. Most of the imputed data were based on data reported elsewhere in the combined survey-census report. Imputations for year of first agricultural production, year of incorporation, Subchapter S status, number of shareholders, number of related shareholders, shareholders constituting majority control, and shareholder involvement in day-to-day management were made on a very limited basis.

Only limited instructions, definitions, and samples were provided to respondents for the various items on the survey report forms. As in all self-enumeration there was some latitude for interpretation in reporting certain items. This may have allowed some corporations to report differently from others with similar characteristics or at variance with the following detailed publication definitions.

GENERAL EXPLANATION Continued

Definition of Terms

Corporation—A corporation is a legal entity separate from its shareholders, officers, and directors. It is created under laws provided by each State which determine the general purposes for which a corporation may be formed and the procedures that must be followed to establish it. In most States, corporations have the right of perpetual succession and the ability to sue and be sued, to make contracts, and incur liabilities. Shareholder liability for the corporation's debts is limited to the amount of shareholder investment. Except for tax option or Subchapter S corporations, a corporation is a separate tax entity subject to the federal corporation income tax.

Farm classification—A new farm classification series was used to present the data for the 1974 census. It was developed by the U.S. Department of Agriculture in cooperation with the Bureau of the Census to better describe today's agriculture and its complex relationships with other sectors of the economy. The major classifications for corporations are:

1. **Primary farm**—A farm operated by a corporation which received 50 percent or more of its gross business income (farm and nonfarm) from the sale of agricultural products.
2. **Business-associated farm**—A farm operated by a corporation which received less than 50 percent of its gross business income (farm and nonfarm) from the sale of agricultural products.

For purposes of this study, a corporation operating one or more primary farms was referred to as a primary farm firm and a corporation operating one or more business-associated farms was called a business-associated firm.

Type of ownership—To differentiate between closely held corporations and those which are widely held by large numbers of shareholders, the following ownership categories were established:

1. **Privately held corporation**—All or almost all of the corporation stock is owned by the few persons who formed the business firm or by their successors.
2. **Publicly held corporations and others**—The stock of publicly held corporations is bought and sold on recognized stock exchanges or over-the-counter markets. Most of the "other" corporations involve farms which are operated by religious orders or by incorporated charitable or nonprofit organizations. If a corporation was not classified as privately held, it was included in this second category.

Kind of corporation—Classifications used to indicate the kind of corporate control which best described the corporations are:

1. **Family corporation**—A corporation in which 51 percent or more of the stock is owned by persons related by blood or marriage. It has no interlocking ownership or control by, or of another corporation.
2. **Independent corporation**—A corporation which is not a family corporation and which does not own or control another corporation, nor is it owned or controlled by any other corporation.
3. **Parent corporation**—A corporation which owns or controls one or more subsidiary corporations. If the farming operation was operated by a subsidiary, corporate data was collected for the parent rather than the subsidiary.

Subchapter S corporation—This is a corporation of 10 or fewer shareholders which is permitted to avoid double federal taxation by allowing corporate ordinary income, capital gains, and operating losses to pass through the corporation to the shareholders to be reported on their individual income tax returns. In addition, it must be a

domestic corporation, each shareholder must be either an individual or the estate of a deceased individual, no shareholder may be a nonresident alien, there must be only one class of stock, no more than 20 percent of total gross receipts may come from royalties, rents, dividends, interest or annuities, and not more than 80 percent of its gross receipts may come from sources outside the United States.

Total corporate business receipts—This is the total gross income received by the corporation from all farm, farm-related, and nonfarm-related business activities.

Principal corporate business activity—*Farming* was designated as the principal business activity of only those corporations which received 50 percent or more of their total corporate business receipts from the sale of agricultural products (primary farm firms).

The principal business activity of a business-associated firm was determined by the nonfarm business activity that accounted for the largest proportion of its nonfarm business activities. Major nonfarm business activities are:

Supplying farm inputs—The manufacture, distribution, and/or sale of farm supplies and inputs (feed, fertilizer, seed, farm machinery, etc.).

Processing farm products—The processing of crops, poultry, dairy products, and livestock (slaughtering and meat packing plants, dairy processing, canning, milling, etc.).

Wholesaling or retailing farm products—The marketing of agricultural products beyond the farm level (grain elevators, livestock auctions, food stores including supermarkets, produce markets, garden centers, etc.).

Agricultural service or other business related to agriculture—Miscellaneous sources of income related to agriculture (customwork, landscaping, recreational services, labor and management services, veterinarian services, etc.).

GENERAL EXPLANATION Continued

Other business outside the food and fiber industry—Manufacturing, wholesaling or retailing of nonagricultural products, mining, construction, transportation, communications, finance, services not related to agriculture, and other business activities not related to agriculture.

Land in farms—The acreage designated in the tables as "land in farms" consists primarily of agricultural land used for crops, pasture, or grazing. It also includes woodland and wasteland not actually under cultivation nor used for pasture or grazing, provided it was part of the farm operator's total operation.

Land in farms is an operating unit concept and includes land owned and operated as well as land rented from others. Land used rent free was to be reported as land rented from others. Except for open range and grazing land used under government permits, all grazing land was included as "land in farms" provided the place was part of a farm or ranch.

Value of agricultural products sold—This item represents the gross market value before taxes and production expenditures of all agricultural products sold or removed from the place in 1974 regardless of who received the payment. It includes receipts by the operator as well as the value of any shares received by partners, landlords, contractors and others associated with the place.

The total value of agricultural products represents the sum of all crops including nursery products sold, forest products sold, and poultry and livestock and their products sold. It does not include income from farm-related sources such as agricultural services, government farm programs, or recreation and other related sources, or income from nonfarm sources.

Total farm production expenditures—This represents the total production expenditures, including depreciation, for the farm regardless of who paid the costs. It includes costs shared or paid by landlords and partners as well as estimated costs of

production inputs and services furnished by contractors.

The quality and completeness of expenditures data reported by farm operators has decreased in recent censuses as the structure of agriculture becomes more complex.

Total production expenditures for 1974 and 1969 are heavily weighted by the effect of reporting "all other production expenses." Some farmers may have misinterpreted the intent of this question and reported capital improvement expenditures, purchase of long-term assets, household expenses, and other personal expenditures; others may have failed to include all applicable items. Any calculations of net farm income based on this census figure should be used with caution.

Other definitions and explanations—A number of general definitions and explanations which are common to this survey and other volumes and parts are presented in detail in volume II, part 1 of the 1974 Census of Agriculture.

Summary of Findings

Many of the tables and much of the analysis in this publication have been designed to provide measures of the concentration and the nature of corporate agricultural production as it relates to corporate size, nonfarm business activities, and organizational characteristics. Tables which are presented as part of the text are excerpts from the more complete detail tables which begin with table 24.

Size of Agricultural Sales

Type of organization—To set the stage for an analysis of corporate agricultural production, a brief comparison of corporate production activities with those of individual, partnership, and "other" farms already published in volumes I and II of the 1974 Census of Agriculture is in order. This comparison, as well as all subsequent corporation farm data, is for farms with sales of \$2,500 and over.

In 1974, corporations operated 1.7 percent of the farms and accounted for 18 percent of the value of agricultural

sales. The average value of sales for corporation farms was \$515,030 compared with an average of \$39,571 for the three other types of organization.

Corporations tended to specialize in the production of certain commodities. They sold 60 percent of the nursery products; 37 percent of the vegetables; 33 percent of the cattle and calves; 33 percent of other field crops; 32 percent of fruits, nuts, and berries; and 28 percent of poultry and poultry products in 1974. These commodities accounted for significantly higher proportions of corporate farm sales than they did of farm sales from individual or partnership farms. On the other hand, sales of grain, tobacco, dairy products, and hogs and pigs constituted significantly lower percentages of corporate farm sales than they did for individual and partnership operations.

The significance of corporate farm commodity sales is dependent both upon the percentage of a given commodity produced by corporations and upon the relative proportion of total sales accounted for by that commodity. For example, corporate sales of cattle and calves are of particular importance not only because they constitute 33 percent of total cattle sales, but also because cattle sales account for 22 percent of the value of all agricultural products sold. As a consequence, the value of cattle sold by corporations account for 7.4 percent of total agricultural sales by all farms. By way of contrast, corporations sell 60 percent of all nursery products, but because these products make up 2 percent of the value of agricultural products sold, their sale by corporations amounts to only 1.2 percent of the total agricultural product value.

Distinction between firms and farms—

Farm level data from the 1974 Census of Agriculture are used when comparing corporate agricultural operations with those of other types of organization. Most other analysis of corporate agriculture is made at the firm level. Aggregating all agricultural operations of a firm permits a direct comparison with its other economic characteristics and nonfarm business activities.

GENERAL EXPLANATION Continued

Table 1. Land in Farms and Value of Agricultural Products Sold by Type of Organization

	Total	Individual	Partnerships	Corporations	Other	Percent distribution				
						Total	Individual	Partnerships	Corporations	Other
Farms.....number..	1,695,047	1,517,787	144,969	28,442	3,849	100.0	89.5	8.6	1.7	0.2
Land in farms.....acres..	905,640,107	678,737,911	124,479,156	96,124,823	6,298,217	100.0	74.9	13.7	10.6	.7
Harvested cropland.....acres..	296,133,940	240,105,200	39,310,961	15,819,131	898,648	100.0	81.1	13.3	5.3	.3
Value of agricultural products sold.....\$1,000..	80,598,305	54,293,546	11,231,940	14,648,469	424,350	100.0	67.4	13.9	18.2	.5
Crops, including nursery and greenhouse products sold.....\$1,000..	41,450,308	29,196,380	6,162,191	5,904,553	187,184	100.0	70.4	14.9	14.2	.5
Grain sold.....\$1,000..	24,620,683	19,958,419	3,395,243	1,195,755	71,266	100.0	81.0	13.8	4.9	.3
Tobacco sold.....\$1,000..	1,670,391	1,393,284	218,335	55,761	3,011	100.0	83.4	13.1	3.3	.2
Cotton and cottonseed sold.....\$1,000..	2,260,296	1,410,420	485,895	356,274	7,707	100.0	62.4	21.5	15.8	.3
Field seeds, hay, forage, and silage sold.....\$1,000..	2,002,154	1,508,375	282,999	203,664	7,116	100.0	75.3	14.1	10.2	.4
Other field crops sold.....\$1,000..	3,924,326	2,011,363	620,349	1,278,864	13,750	100.0	51.2	15.8	32.6	.4
Vegetables, sweet corn, and melons sold.....\$1,000..	2,338,949	962,884	507,545	863,391	5,129	100.0	41.2	21.7	36.9	.2
Fruits, nuts, and berries sold.....\$1,000..	2,935,001	1,442,559	490,804	926,087	75,551	100.0	49.2	16.7	31.5	2.6
Nursery and greenhouse products sold.....\$1,000..	1,698,508	509,076	161,021	1,024,757	3,654	100.0	30.0	9.5	60.3	.2
Livestock, poultry, and their products sold.....\$1,000..	38,924,744	24,918,792	5,042,054	8,729,295	234,603	100.0	64.0	13.0	22.4	.6
Poultry and poultry products sold.....\$1,000..	6,191,276	4,000,364	427,679	1,737,957	25,276	100.0	64.6	6.9	28.1	.4
Dairy products sold.....\$1,000..	8,193,661	6,320,978	1,344,458	512,509	15,716	100.0	77.1	16.4	6.3	.2
Cattle and calves sold.....\$1,000..	18,300,842	9,784,251	2,350,798	5,995,834	169,959	100.0	53.5	12.8	32.8	.9
Hogs and pigs sold.....\$1,000..	5,394,904	4,290,508	819,196	271,903	13,297	100.0	79.5	15.2	5.0	.3
Sheep, lambs, and wool sold.....\$1,000..	447,768	278,886	64,006	103,410	1,466	100.0	62.3	14.3	23.1	.3
Other livestock and livestock products sold.....\$1,000..	396,293	243,805	35,917	107,682	8,889	100.0	61.5	9.1	27.2	2.2

Table 2. Agricultural Products Sold—Percent Distribution by Type of Organization

	All farms	Individual	Partnerships	Corporations	Other
Value of agricultural products sold.....	100.0	100.0	100.0	100.0	100.0
Grain sold.....	30.5	36.6	30.2	8.2	16.8
Tobacco sold.....	2.1	2.6	2.0	.4	.7
Cotton and cottonseed sold.....	2.8	2.6	4.3	2.4	1.8
Field seeds, hay, forage, and silage sold.....	2.5	2.8	2.5	1.4	1.7
Other field crops sold.....	4.9	3.7	5.5	8.7	3.2
Vegetables, sweet corn and melons sold.....	2.9	1.8	4.5	5.9	1.2
Fruits, nuts, and berries sold.....	3.6	2.6	4.4	6.3	17.8
Poultry and poultry products sold.....	7.7	7.4	3.8	11.9	6.0
Dairy products sold.....	10.2	11.6	12.0	3.5	3.7
Cattle and calves sold.....	22.2	18.3	20.9	40.9	40.1
Hogs and pigs sold.....	6.7	7.9	7.3	1.9	3.1
Sheep, lambs, and wool sold.....	.5	.5	.6	.7	.3
Other livestock and livestock products sold.....	.5	.4	.3	.7	2.1
Nursery and greenhouse products sold.....	2.1	.9	1.4	7.0	.9
Forest products sold.....	.3	.3	.3	.1	.6

Table 3. Selected Corporate Characteristics by Number of Farms Operated

	All firms	Single farm firms	Multifarm firms				
			Total	2 to 4 farms	5 to 9 farms	10 to 14 farms	15 farms and over
Firms.....number..	26,873	26,137	736	640	74	15	7
Farms.....number..	28,442	26,137	2,305	1,508	474	163	160
Average land in farms per firm.....acres..	3,577	2,922	26,838	16,716	82,675	174,188	46,309
Average value of land and buildings per firm.....dollars..	916,389	749,662	6,837,239	4,394,282	20,936,252	22,428,675	47,736,315
Average harvested cropland per firm.....acres..	589	517	3,144	2,064	8,151	12,481	28,889
Average value of agricultural products sold per firm.....dollars..	545,100	376,528	6,531,446	4,506,195	16,626,382	21,280,292	53,374,654
Average value of machinery and equipment per firm.....dollars..	90,730	75,909	617,034	400,505	1,898,622	1,922,000	4,069,429

For single farm firms, the farm and firm data are the same, but for those which operate more than one farm, farm level data do not address the degree of the corporation's involvement in agriculture. Differences between single farm firms and multifarm firms are highlighted in table 3. Tables 30, 31, and 40 present more detailed information on firm-farm differences.

Kind of corporation—Family corporations made up almost 80 percent of all corporate firms and accounted for 50 percent of agricultural products sold by corporations. Independent and parent corporations, accounting for 18 and 3 percent of the corporate firms respectively, sold 24 and 26 percent of all corporate agricultural products. Parent corporations produced a dispro-

portionately larger share of almost all commodities, but there was particularly strong concentration in other field crops, especially sugarcane and Irish potatoes. Independent corporations accounted for almost one-third of the corporate sales of cattle and calves. Family corporations accounted for higher percentages of commodity sales than their percentage of corporate firms only for grain and dairy products.

The sale of agricultural products was the only source of business receipts for 88 percent of family corporations but for only 12 percent of parent corporations. For 53 percent of parent corporations, agricultural sales accounted for less than 10 percent of total corporate business receipts.

One-third of the 795 parent corporations were publicly held but they sold 66 percent of the agricultural products marketed by parent corporations.

Total corporate business receipts—Corporations with total corporate business receipts of less than \$100,000 made up almost 40 percent of all corporate firms, but accounted for less than 3 percent of the value of farm products sold by corporations. At the opposite extreme, firms with total business receipts of \$5 million or more comprised less than 4 percent of the corporations, yet accounted for 50 percent of the value

GENERAL EXPLANATION Continued

Table 4. Land in Farms and Agricultural Products Sold—Percent Distribution by Kind of Corporation

	All corporations	Family	Independent	Parent
Firms.....	100.0	79.1	17.9	3.0
Farms.....	100.0	76.5	18.0	5.5
Land in farms.....	100.0	73.6	11.0	15.4
Harvested cropland.....	100.0	74.7	13.4	11.9
Value of agricultural products sold.....	100.0	50.1	24.1	25.8
Crops, including nursery and greenhouse products sold.....	100.0	57.7	15.0	27.3
Grain sold.....	100.0	80.3	11.2	8.5
Tobacco sold.....	100.0	38.0	11.9	50.2
Cotton and cottonseed sold.....	100.0	62.6	14.3	23.0
Field seeds, hay, forage, and silage sold.....	100.0	68.0	17.3	14.7
Other field crops sold.....	100.0	36.2	11.7	52.1
Vegetables, sweet corn, and melons sold.....	100.0	59.4	21.0	19.6
Fruits, nuts, and berries sold.....	100.0	53.7	18.8	27.5
Nursery and greenhouse products sold.....	100.0	60.9	24.1	15.0
Livestock, poultry, and their products sold.....	100.0	44.6	29.2	26.2
Poultry and poultry products sold.....	100.0	41.7	23.8	34.5
Dairy products sold.....	100.0	83.5	11.4	5.1
Cattle and calves sold.....	100.0	41.0	32.6	26.4
Hogs and pigs sold.....	100.0	62.8	26.0	11.2
Sheep, lambs, and wool sold.....	100.0	65.4	25.5	9.1
Other livestock and livestock products sold.....	100.0	41.6	24.1	34.3

of corporate farm sales. Firms in this largest sales category had a higher degree of commodity specialization than any other sales group. Cattle and calves, poultry and poultry products, and other field crops accounted for 80 percent of their farm sales.

Principal corporate business activity—Almost 90 percent of the corporations were primary farm firms receiving 50 percent or more of their business receipts from the sale of agricultural products. Eighty percent of corporate agricultural sales came from these firms and 64 percent were accounted for by "farming only" firms. Primary farm firms with some business activities other than farming accounted for 16 percent of corporate

Table 5. Percent of Total Corporate Receipts From Agricultural Products Sold by Kind of Corporation

	All Corporations	Family	Independent	Parent
Percent of total corporate receipts.....	100.0	100.0	100.0	100.0
Under 10 percent.....	4.5	2.1	6.7	52.8
10 to 24 percent.....	3.3	2.5	4.9	16.2
25 to 49 percent.....	2.3	2.0	3.1	7.3
50 to 74 percent.....	2.6	2.3	3.2	6.2
75 to 99 percent.....	2.8	2.8	2.5	5.5
100 percent.....	84.5	88.3	79.6	12.0

Table 6. Parent Corporations by Type of Ownership

	Total corporations	Privately held	Publicly held and other	Percent distribution		
				Total corporations	Privately held	Publicly held and other
Firms.....number..	795	529	266	100.0	66.5	33.5
Primary farm.....number..	188	167	21	100.0	88.8	11.2
Business-associated.....number..	607	362	245	100.0	59.6	40.4
Farms.....number..	1,569	808	761	100.0	51.5	48.5
Land in farms.....acres..	14,842,352	9,532,538	5,309,814	100.0	64.2	35.8
Harvested cropland.....acres..	1,885,238	848,277	1,036,961	100.0	45.0	55.0
Value of land and buildings.....\$1,000..	4,001,753	1,867,380	2,134,373	100.0	46.7	53.3
Value of agricultural products sold.....\$1,000..	3,774,104	1,289,101	2,485,003	100.0	34.2	65.8

Table 7. Land in Farms and Agricultural Products Sold, by Total Corporate Business Receipts

							Percent distribution					
	Total	Under \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over	Total	Under \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Firms.....number..	26,873	10,567	10,737	2,396	2,175	998	100.0	39.3	40.0	8.9	8.1	3.7
Farms.....number..	28,442	10,587	10,900	2,535	2,507	1,913	100.0	37.2	38.3	8.9	8.8	6.8
Land in farms.....acres..	96,124,823	22,705,629	36,293,052	9,710,359	12,293,667	15,122,116	100.0	23.6	37.8	10.1	12.8	15.7
Harvested cropland.....acres..	15,819,131	2,091,493	6,354,298	2,116,136	2,527,897	2,729,307	100.0	13.2	40.2	13.4	16.0	17.2
Value of agricultural products sold.....\$1,000..	14,648,469	421,629	2,326,152	1,396,194	3,115,976	7,388,518	100.0	2.9	15.9	9.5	21.3	50.4
Crops, including nursery and greenhouse products sold.....\$1,000..	5,904,554	221,924	1,377,031	798,698	1,463,404	2,043,497	100.0	3.8	23.3	13.5	24.8	34.6
Grain sold.....\$1,000..	1,195,755	90,325	539,665	198,719	221,755	145,292	100.0	7.6	45.1	16.6	18.5	12.2
Tobacco sold.....\$1,000..	55,761	5,229	11,650	4,569	5,619	28,694	100.0	9.4	20.9	8.2	10.1	51.4
Cotton and cottonseed sold.....\$1,000..	356,274	8,426	88,625	44,787	73,842	140,593	100.0	2.4	24.9	12.6	20.7	39.4
Field seeds, hay, forage, and silage sold.....\$1,000..	203,664	16,993	59,660	30,260	46,211	50,540	100.0	8.3	29.3	14.9	22.7	24.8
Other field crops sold.....\$1,000..	1,278,864	6,174	137,250	134,678	239,125	761,637	100.0	.5	10.7	10.5	18.7	59.6
Vegetable, sweet corn, and melons sold.....\$1,000..	863,391	6,213	85,922	91,213	260,024	420,019	100.0	.7	10.0	10.6	30.1	48.6
Fruits, nuts, and berries sold.....\$1,000..	926,087	45,524	200,886	118,712	244,957	316,009	100.0	4.9	21.7	12.8	26.5	34.1
Nursery and greenhouse products sold.....\$1,000..	1,024,757	43,039	253,373	175,760	371,871	180,714	100.0	4.2	24.7	17.2	36.3	17.6
Livestock, poultry, and their products sold.....\$1,000..	8,729,294	197,261	941,214	596,411	1,651,377	5,343,032	100.0	2.3	10.8	6.8	18.9	61.2
Poultry and poultry products sold.....\$1,000..	1,737,957	11,537	164,408	186,735	482,248	893,029	100.0	.7	9.5	10.7	27.7	51.4
Dairy products sold.....\$1,000..	512,509	33,629	176,489	97,150	116,485	88,755	100.0	6.6	34.4	19.0	22.7	17.3
Cattle and calves sold.....\$1,000..	5,995,834	116,765	433,724	241,871	950,564	4,252,911	100.0	2.0	7.2	4.0	15.9	70.9
Hogs and pigs sold.....\$1,000..	271,903	18,933	113,824	50,193	54,640	34,312	100.0	7.0	41.8	18.5	20.1	12.6
Sheep, lambs, and wool sold.....\$1,000..	103,410	7,998	26,286	8,940	19,357	40,829	100.0	7.7	25.4	8.7	18.7	39.5
Other livestock and livestock products sold.....\$1,000..	107,682	8,398	26,482	11,521	28,083	33,196	100.0	7.8	24.6	10.7	26.1	30.8

GENERAL EXPLANATION Continued

agricultural sales although they constituted only 5.4 percent of all corporate firms.

The 10 percent of corporations which were business-associated firms accounted for 20 percent of corporate agricultural sales. The 2,724 business-associated firms produced 55 percent of the tobacco; 41 percent of the other field crops; 30 percent of the poultry and poultry products; 29 percent of the other livestock; and 26 percent of the fruits, nuts, and berries sold by corporations. Business-associated firms whose primary business activities were related to agriculture were about equally divided among those supplying farm inputs, processing farm products, wholesaling or retailing farm

products, and agricultural services or other business related to agriculture. Each accounted for 1 to 2 percent of all corporations with agricultural production.

The 1,223 corporations whose primary activity was business outside the food and fiber industry constituted 4.6 percent of all corporations. Firms processing farm products had a larger proportionate share of agricultural sales than other business-associated firms. They accounted for 12 percent of the vegetables, 10 percent of the other field crops, and 9 percent of the poultry and poultry products sold by corporations. Firms wholesaling or retailing farm products sold 13 percent of the cotton produced by corporations.

Firms whose principal business was outside the food and fiber industry accounted for 51 percent of the tobacco; 26 percent of the other field crops; 25 percent of the other livestock; and 14 percent of the fruits, nuts, and berries sold by corporations.

Type of ownership—Almost 99 percent of the corporations were privately held. Those with 5 or fewer shareholders made up almost four-fifths of all corporations while only 3 percent were privately held firms with more than 10 shareholders. Although only 1.3 percent of the corporations are publicly held, they sold 18.7 percent of the agricultural products marketed by corporations. These 358 corporations accounted for more than half the tobacco sold by corporations as well as 46, 23, and 19 percent of the sales value of other field crops; poultry and poultry products; and cattle and calves, respectively.

Other Measures of Size

Land in farms—In 1974, the average size of land in farms for all corporations was 3,577 acres. The average number of acres operated by parent corporations was almost 6 times that of family corporations and more than 8 times the average acreage of independent corporations. As

Table 8. **Agricultural Products Sold—Percent Distribution by Total Corporate Business Receipts**

	Total	Under \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Value of agricultural products sold.....	100.0	100.0	100.0	100.0	100.0	100.0
Grain sold.....	8.2	21.4	23.2	14.2	7.1	2.0
Tobacco sold.....	.4	1.2	.5	.3	.2	.4
Cotton and cottonseed sold.....	2.4	2.0	3.8	3.2	2.4	1.9
Field seeds, hay, forage, and silage sold.....	1.4	4.0	2.6	2.2	1.5	.7
Other field crops sold.....	8.7	1.5	5.9	9.7	7.7	10.3
Vegetables, sweet corn, and melons sold.....	5.9	1.5	3.7	6.5	8.3	5.7
Fruits, nuts, and berries sold.....	6.3	10.8	8.6	8.5	7.9	4.3
Poultry and poultry products sold.....	11.9	2.7	7.1	13.4	15.5	12.1
Dairy products sold.....	3.5	8.0	7.6	7.0	3.7	1.2
Cattle and calves sold.....	40.9	27.7	18.7	17.3	30.5	57.5
Hogs and pigs sold.....	1.9	1.9	1.1	.6	.6	.6
Sheep, lambs, and wool sold.....	.7	4.5	4.9	3.6	1.8	.5
Other livestock and livestock products sold.....	.7	2.0	1.1	.8	.9	.4
Nursery and greenhouse products sold.....	7.0	10.2	10.9	12.6	11.9	2.4
Forest products sold.....	.1	.6	.3	.1	(2)	(2)

Table 9. **Land in Farms and Commodity Sales—Percent Distribution by Farm Classification and Principal Business Activity**

	All corporations	Primary farm firms		Business-associated firms					
		Total	Farming only	Total	Supplying farm inputs	Processing farm products	Wholesaling or retailing farm products	Agricultural services or other business related to agriculture	Business outside the food and fiber industry
Firms.....	100.0	89.9	84.5	10.1	1.1	1.4	1.9	1.1	4.6
Farms.....	100.0	87.8	81.7	12.2	1.4	1.9	2.3	1.1	5.5
Land in farms.....	100.0	85.1	76.4	14.9	.6	1.9	2.3	.4	9.7
Harvested cropland.....	100.0	84.9	75.3	15.1	1.0	4.0	2.5	.2	7.4
Value of agricultural products sold.....	100.0	80.0	64.2	20.0	1.3	6.9	3.9	.3	7.6
Crops, including nursery and greenhouse products sold.....	100.0	77.2	60.5	22.8	.8	5.5	4.1	.4	12.0
Grain sold.....	100.0	89.1	78.4	10.9	1.4	1.8	2.1	.1	5.5
Tobacco sold.....	100.0	45.0	40.7	55.0	1.3	-	2.8	.1	50.8
Cotton and cottonseed sold.....	100.0	76.7	58.9	23.3	1.7	.2	12.9	.4	8.1
Field seeds, hay, forage, and silage sold.....	100.0	80.6	66.8	19.4	1.8	3.0	7.2	.3	7.1
Other field crops sold.....	100.0	58.7	38.6	41.3	.7	9.5	4.6	.1	26.4
Vegetables, sweet corn, and melons sold.....	100.0	80.6	61.5	19.4	.9	11.7	1.2	.2	5.4
Fruits, nuts, and berries sold.....	100.0	74.5	57.0	25.5	.1	7.4	4.0	.4	13.6
Nursery and greenhouse products sold.....	100.0	87.2	69.8	12.8	.6	.7	4.7	1.1	5.7
Livestock, poultry, and their products sold.....	100.0	81.9	66.7	18.1	1.6	7.8	3.8	.2	4.7
Poultry and poultry products sold.....	100.0	70.4	49.9	29.6	4.7	9.3	7.3	-	8.3
Dairy products sold.....	100.0	92.2	80.3	7.8	.2	2.4	2.7	-	2.5
Cattle and calves sold.....	100.0	84.0	69.5	16.0	.7	8.3	3.1	.3	3.6
Hogs and pigs sold.....	100.0	88.8	80.3	11.2	4.6	2.4	1.6	.3	2.3
Sheep, lambs, and wool sold.....	100.0	92.3	84.8	7.7	.2	.7	-	-	6.8
Other livestock and livestock products sold.....	100.0	70.9	61.6	29.1	.1	3.8	.2	.4	24.6

GENERAL EXPLANATION Continued

might be expected, land in farms per firm increased with each progressively larger category of total corporate receipts. Firms with receipts of \$5 million or more operated an average number of acres 7 times that of firms with sales of less than \$100,000.

Business-associated firms, on the average, operated more land than primary farm firms. This did not hold true, however, for all categories of principal

business activity by business-associated firms. Firms principally supplying farm inputs or engaged in agricultural services and related business operated much smaller average acreages than primary farm firms or other categories of business-associated firms.

The average acreage of land in farms operated by publicly held corporations was almost 5 times the average acreage of privately held corporations. But the

average land in farms operated by privately held firms with more than 10 shareholders was nearly as large as that of publicly held corporations.

Harvested cropland—In general, corporations with greater total business receipts and larger total acreages, also harvested larger average acreages of cropland. Firms which principally supply farm inputs are an exception in that they operated substantially fewer total acres but harvested cropland approximately equal to that for all corporations.

Multifarm firms operating 5 to 9 farms and 10 to 14 farms apparently include a disproportionate number of corporations with ranching operations. In total they have more than 10 times as much total land in farms as harvested cropland.

Value of land and buildings—The average investment in land and buildings is obviously related to the average size of land in farms. It is also strongly influenced by the proportion of the total acreage which is harvested cropland.

Commodity specialization and other efficiencies are evident for firms with higher values of agricultural sales. Although their average investments in land and buildings are larger in absolute terms than those of smaller corporations, the ratio of sales to investment in land and buildings is usually more favorable for corporations with larger sales of agricultural products.

Value of machinery and equipment—Investments in machinery and equipment follow the same pattern as investments in land and buildings. Firms with larger values of sales also have greater investments in machinery and equipment. But the ratio of agricultural sales to average investments in machinery and equipment is almost always more favorable for firms with higher sales values.

Nonfarm Business Activities

Most of the reported nonfarm business activities are those of business-associated corporations which receive less than 50 percent of their total corporate income from the sale of agricultural products.

Table 10. Land in Farms and Agricultural Products Sold—Percent Distribution by Type of Ownership and Number of Shareholders

	Total	Privately held					Publicly held and other
		Total	1 to 5 share holders	6 to 10 share holders	10 share holders or more	Share holders not reported	
Firms.....	100.0	98.7	78.8	14.1	3.0	2.8	1.3
Farms.....	100.0	96.7	76.2	14.1	3.6	2.8	3.3
Land in farms.....	100.0	94.0	58.4	19.1	12.1	4.4	6.0
Harvested cropland.....	100.0	92.0	66.8	16.2	6.2	2.8	8.0
Value of agricultural products sold.....	100.0	81.3	53.2	15.2	10.5	2.4	18.7
Crops including nursery and greenhouse products sold.....	100.0	80.8	56.8	12.8	9.1	2.1	19.2
Grain sold.....	100.0	96.2	73.4	15.6	5.0	2.2	3.8
Tobacco sold.....	100.0	47.3	33.2	10.2	2.9	1.0	52.7
Cotton and cottonseed sold.....	100.0	90.5	57.0	13.0	16.7	3.8	9.5
Field seeds, hay, forage, and silage sold.....	100.0	92.6	63.2	17.1	8.6	3.7	7.4
Other field crops sold.....	100.0	54.4	36.6	7.4	8.9	1.5	45.6
Vegetables, sweet corn, and melons sold.....	100.0	85.1	58.3	14.8	10.7	1.3	14.9
Fruits, nuts, and berries sold.....	100.0	79.5	51.9	14.0	10.5	3.1	20.5
Nursery and greenhouse products sold.....	100.0	89.1	65.8	12.4	9.4	1.5	10.9
Livestock, poultry, and their products sold.....	100.0	81.7	50.8	16.9	11.5	2.6	18.2
Poultry and poultry products sold.....	100.0	77.5	51.3	13.1	9.1	4.0	22.5
Dairy products sold.....	100.0	97.5	72.4	16.8	6.3	2.0	2.5
Cattle and calves sold.....	100.0	81.1	47.8	18.0	13.1	2.2	18.9
Hogs and pigs sold.....	100.0	93.8	68.0	16.9	6.3	2.6	6.2
Sheep, lambs, and wool sold.....	100.0	93.4	64.1	25.1	3.2	1.1	6.5
Other livestock and livestock products sold.....	100.0	71.2	50.6	6.1	9.8	4.7	28.8

Table 11. Corporate Characteristics by Selected Measurements of Agricultural Concentration

	Average per firm				
	Land in farms (acres)	Harvested cropland (acres)	Value (dollars)		
			Land and buildings	Agricultural products sold	Machinery and equipment
All corporations.....	3,577	589	916,389	545,100	90,730
Kind of corporation:					
Family.....	3,324	555	763,811	345,085	79,037
Independent.....	2,202	442	910,738	735,515	75,884
Parent.....	18,670	2,371	5,033,652	4,747,301	493,341
Total corporate business receipts:					
Under \$100,000.....	2,149	198	358,190	39,901	29,885
\$100,000 to \$499,999.....	3,380	592	749,749	216,648	76,263
\$500,000 to \$999,999.....	4,053	883	1,251,163	582,719	126,285
\$1,000,000 to \$4,999,999.....	5,652	1,162	1,957,838	1,432,633	193,292
\$5,000,000 and over.....	15,152	2,738	5,546,079	7,403,324	576,636
Principal business activity:					
Primary farm firms.....	3,388	556	813,406	485,171	83,369
Farming only.....	3,233	525	742,757	413,985	75,453
Business-associated firms.....	5,252	879	1,829,358	1,076,388	155,981
Supplying farm inputs.....	1,876	558	859,536	621,029	99,733
Processing farm products.....	4,938	1,713	2,719,958	2,764,861	290,995
Wholesaling or retailing farm products.....	4,334	745	961,592	1,094,571	150,554
Agricultural services or other business related to agriculture.....	1,159	120	423,955	132,425	46,016
Other business outside the food and fiber industry.....	7,613	960	2,530,791	916,612	159,833
Type of ownership:					
Privately held firms.....	3,409	549	835,817	449,416	82,063
1 to 5 shareholders.....	2,650	499	717,637	368,011	74,974
6 to 10 shareholders.....	4,846	676	987,281	586,933	92,687
11 shareholders or more.....	14,633	1,222	2,980,372	1,936,585	222,457
Shareholders not reported.....	5,657	610	1,127,620	469,617	79,024
Publicly held and other.....	16,029	3,513	6,883,853	7,631,793	732,637

GENERAL EXPLANATION Continued

Nevertheless, primary farm firms accounted for 35 percent of corporations with nonfarm business activities as well as 7.3 percent of nonfarm activities grossing \$1 million or more.

For most business-associated firms, the principal corporate business activity was their only nonfarm business activity in addition to the production of agricultural commodities. Table 12 shows the mix of nonfarm activities by principal business activity.

Firms whose principal business activity is outside the food and fiber industry accounted for the largest percentage of nonfarm business activities grossing \$1 million or more. Among these million dollar activities were significant proportions of nonfarm activities related to agriculture, including 13 percent each of those supplying farm inputs and processing farm products. Evidence of vertical integration was greater for firms which principally process or wholesale and retail

farm products than for those which supply farm inputs. Both of the former had higher percentages of million dollar activities related to agriculture (excluding their principal activity).

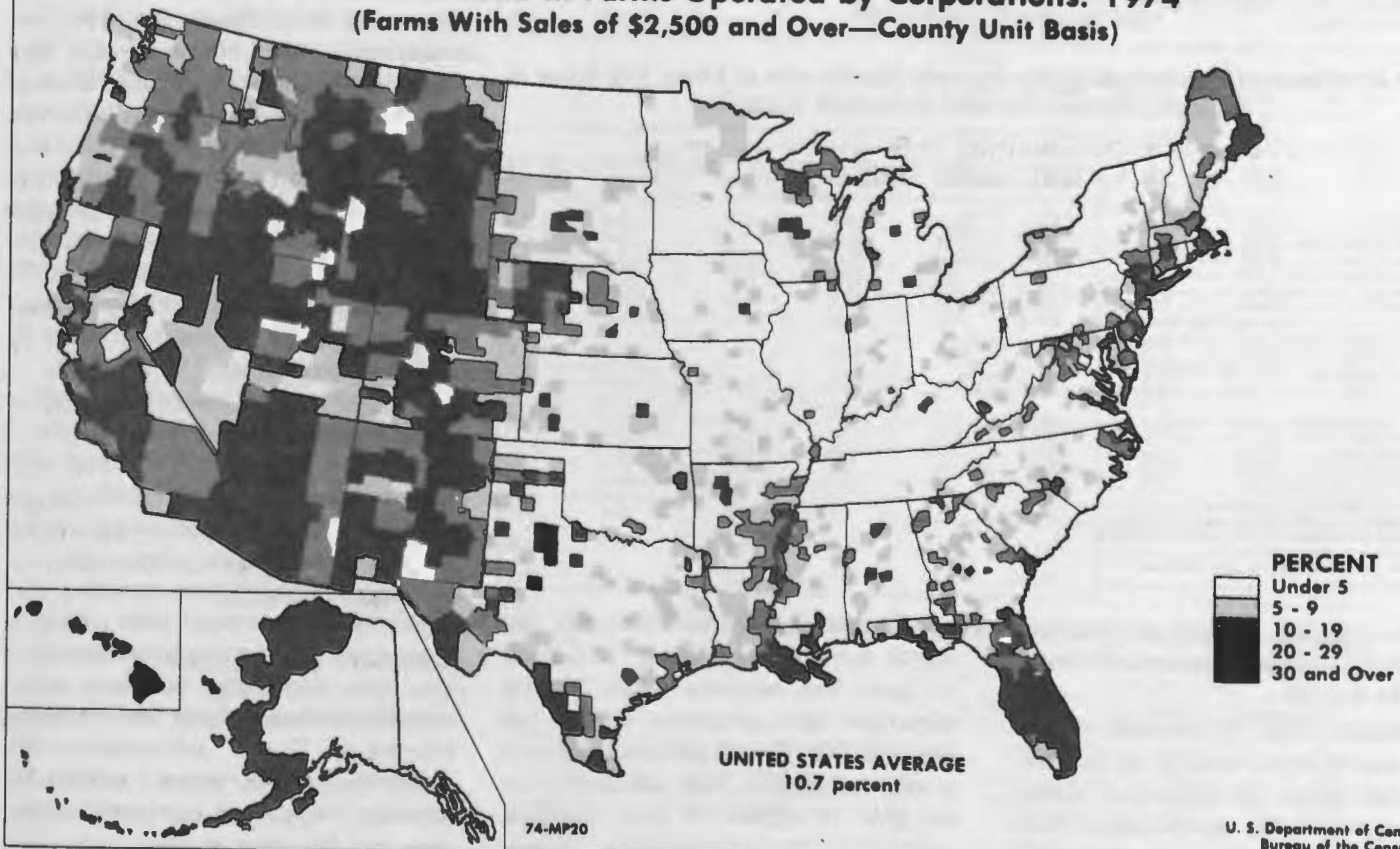
Firms principally engaged in agricultural services had no million dollar business activities other than their principal one. Tables 61 and 62 provide additional information on vertical integration for firms with business activities related to agriculture.

It should be noted that, a small shift in the percentage of total business receipts derived from the sale of agricultural products could change the classification of a firm from primary to business-associated or vice versa. Similar small changes could also have resulted in a different classification of principal business activity. Data by principal business activity are presented in tables 42, 43, and 45. Detailed data for all firms with receipts from a given business

Table 12. Nonfarm Business Activities by Principal Corporate Business Activity

	Total	Primary farm firms	Business-associated firms				
			Supply- ing farm inputs	Process- ing farm products	Wholesaling or retail- ing farm products	Agricultural services or other business related to agriculture	Other business outside the food and fiber industry
All firms.....	26,873	24,149	300	366	522	313	1,223
Any nonfarm business activity.....	4,154	1,440	300	366	522	313	1,223
Supplying farm inputs.....	701	210	300	38	83	10	60
Processing farm products.....	758	226	31	366	72	3	60
Wholesaling or retailing farm products.....	1,115	363	41	76	522	29	84
Agricultural services or other business related to agriculture.....	871	388	20	15	44	313	91
Manufacturing nonfarm products.....	275	10	3	19	12	-	231
Wholesaling or retailing nonfarm products.....	436	82	10	15	31	16	282
Services unrelated to agriculture.....	216	38	3	12	10	1	152
Other business unrelated to agriculture..	1,245	346	15	25	59	30	770

Percent of Land in Farms Operated by Corporations: 1974
(Farms With Sales of \$2,500 and Over—County Unit Basis)



GENERAL EXPLANATION Continued

Table 13. Nonfarm Business Activities Grossing \$1 Million and Over—Percent Distribution by Principal Corporate Business Activity

	Total	Primary farm firms	Business-associated firms			
			Supplying farm inputs	Processing farm products	Wholesaling or retailing farm products	Agricultural services or other business related to agriculture
Nonfarm business activities of \$1 million and over.....	100.0	7.3	8.0	18.7	18.4	1.6
Supplying farm inputs.....	100.0	12.6	56.0	8.7	9.7	(Z)
Processing farm products.....	100.0	13.7	1.9	62.9	8.6	(Z)
Wholesaling or retailing farm products...	100.0	7.6	3.4	10.5	70.9	(Z)
Agricultural services or other business related to agriculture.....	100.0	20.0	(Z)	7.3	3.6	52.7
Manufacturing nonfarm products.....	100.0	1.0	0.4	6.0	5.0	(Z)
Wholesaling or retailing nonfarm products	100.0	3.1	1.2	5.5	6.1	(Z)
Services unrelated to agriculture.....	100.0	1.9	1.9	7.7	5.8	(Z)
Other business unrelated to agriculture..	100.0	2.3	1.2	4.4	2.3	(Z)

Table 15. Firms and Value of Agricultural Sales—Percent Distribution by Principal Business Activity and Total Corporate Receipts

	Total corporate receipts	Under \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
All firms.....	100.0	100.0	100.0	100.0	100.0	100.0
Primarily farming.....	89.9	98.6	91.6	84.3	70.0	35.5
Farming only.....	84.5	97.4	85.8	72.6	55.6	26.5
Supplying farm inputs.....	1.1	.1	.8	2.8	4.1	4.8
Processing farm products.....	1.4	.1	.5	2.0	4.9	14.3
Wholesaling or retailing farm products...	1.9	.2	1.5	3.2	7.4	10.7
Agricultural services or other business related to agriculture.....	1.1	.3	1.9	1.6	1.5	.3
Other business outside the food and fiber industry.....	4.6	.7	3.7	6.1	12.1	34.4
Value of agricultural products sold.....	100.0	100.0	100.0	100.0	100.0	100.0
Primarily farming.....	80.0	99.3	97.9	96.7	93.1	64.6
Farming only.....	64.2	97.8	92.8	85.6	76.9	43.9
Supplying farm inputs.....	1.3	(2)	.2	.7	1.0	1.9
Processing farm products.....	6.9	0.1	.3	.5	1.7	12.8
Wholesaling or retailing farm products...	3.9	.1	.4	.8	2.1	6.5
Agricultural services or other business related to agriculture.....	.3	.2	.4	.3	.3	.2
Other business outside the food and fiber industry.....	7.6	.3	.8	1.0	1.8	14.0

Table 16. Principal Business Activity—Percent Distribution of Firms and Value of Agricultural Sales by Total Corporate Receipts

	Total corporate receipts	Under \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
All firms.....	100.0	39.3	40.0	8.9	8.1	3.7
Primary farm firms.....	100.0	43.1	40.7	8.4	6.3	1.5
Farming only.....	100.0	45.3	40.5	7.7	5.3	1.2
Business-associated firms.....	100.0	5.6	33.0	13.8	23.9	23.7
Supplying farm inputs.....	100.0	3.0	29.0	22.3	29.7	16.0
Processing farm products.....	100.0	3.0	15.9	12.9	29.2	39.0
Wholesaling or retailing farm products...	100.0	4.2	29.5	14.9	30.9	20.5
Agricultural services or other business related to agriculture.....	100.0	11.5	64.9	12.1	10.5	1.0
Other business outside the food and fiber industry.....	100.0	6.1	32.5	11.9	21.4	28.1
Value of agricultural products sold.....	100.0	2.9	15.9	9.5	21.3	50.4
Primary farm firms.....	100.0	3.6	19.4	11.5	24.8	40.7
Farming only.....	100.0	4.4	23.0	12.7	25.5	34.4
Business-associated firms.....	100.0	.1	1.7	1.6	7.3	89.3
Supplying farm inputs.....	100.0	.1	2.9	5.4	16.2	75.4
Processing farm products.....	100.0	(2)	.6	.7	5.2	93.5
Wholesaling or retailing farm products...	100.0	0.1	1.8	2.0	11.6	84.5
Agricultural services or other business related to agriculture.....	100.0	1.7	21.9	9.1	25.9	41.4
Other business outside the food and fiber industry.....	100.0	.1	1.7	1.2	4.9	92.1

activity, whether or not it was their principal business activity, are included in tables 46 thru 60.

Although only 10 percent of the corporations were classified as business-associated firms, 76 percent of parent corporations fit this classification. There was considerable variation in the size of

agricultural production activities by parent corporations. Almost 19 percent of them had relatively minor farming operations with agricultural sales of less than \$50,000. For 88 percent in this size group, agricultural sales accounted for less than 10 percent of total corporate receipts. At the other extreme, 38 per-

Table 14. Firm Classification—Percent Distribution by Kind of Corporation

	All corporations	Family	Independent	Parent
Total firms.....	100.0	100.0	100.0	100.0
Primary farm firms.....	89.9	93.3	85.2	23.6
Value of agricultural products sold:				
Under \$50,000.....	24.8	25.5	25.7	(Z)
\$50,000 to \$499,999..	51.0	55.1	40.6	3.3
\$500,000 to \$999,999..	7.4	7.3	8.3	4.1
\$1,000,000 and over..	6.7	5.4	10.6	16.2
Business-associated firms	10.1	6.7	14.8	76.4
Value of agricultural products sold:				
Under \$50,000.....	4.3	3.2	6.7	18.7
\$50,000 to \$499,999..	4.2	2.9	6.1	28.5
\$500,000 to \$999,999..	.6	.3	.9	7.2
\$1,000,000 and over..	1.0	.3	1.1	22.0

cent of the parent corporations had agricultural sales of \$1 million or more. For almost a third of them, \$1 million in agricultural sales represented less than 10 percent of their total corporate receipts.

As noted earlier, 998 large-scale corporations with total corporate receipts of \$5 million or more accounted for 3.7 percent of the firms and 50.4 percent of the value of agricultural products sold by corporations. Almost 36 percent of these corporations were primary farm firms and accounted for 65 percent of the agricultural sales in this size group. The remaining 64 percent were business-associated firms whose average agricultural sales were smaller than those of large-scale primary firms. The difference between percent of firms and percent of agricultural sales was particularly apparent for corporations whose principal business activities were outside the food and fiber industry. They accounted for more than 34 percent of the firms but only 14 percent of the farm sales by large-scale corporations.

For corporations with total receipts of less than \$5 million, the percentage of business-associated firms declined with each decrease in the size of total corporate receipts and their share of agricultural sales was proportionally even smaller.

Business-associated corporations with total corporate receipts of \$5 million or more accounted for almost 90 percent of the agricultural sales by firms whose principal business activity was other than farming.

There was a strong relationship between the size of nonfarm business sales and the value of agricultural prod-

GENERAL EXPLANATION Continued

ucts sold by the corporation. Firms with large nonfarm business activities tended to have large agricultural production operations as well. This relationship appears to be more true for firms with business activities related to agriculture than for those outside the food and fiber industry.

Organizational Characteristics of Privately Held Corporations

Kind of corporation—Privately held parent corporations have more shareholders, earlier dates of incorporation, and more years of agricultural production than independent corporations. The latter, in turn, have more shareholders and longer periods of incorporation and farming than family corporations. There is obviously a strong relationship between the age of a corporation and its number of shareholders. For family corporations in particular, firms incorporated for longer periods of time may include shareholders from several generations of family members.

The difficulty in making a clear distinction between these three kinds of corporations is demonstrated by the average number of shareholders related by blood or marriage that each has. For example, the average privately held parent corporation has twice as many related shareholders as the average family corporation even though kinship is considered a prime characteristic of family corporations. Some parent corporations may have been former family corporations which have acquired subsidiaries or reorganized so that part of their activities are operated by a subsidiary. Independent corporations also include a sizable number of related shareholders.

As stated previously, parent corporations have substantially larger corporate income and agricultural sales than independent and family corporations. Concern that larger nonfamily corporations are moving into agriculture in recent years does not appear to be strongly supported by data collected for privately held corporations.

On the average, both parent and independent corporations have been producing agricultural products longer

than family corporations. But because the "year began farming" data are for the corporation rather than the person in charge, these statistics may be misleading. Many family corporation farms may have been operated by present family shareholders for a number of years prior to incorporation. Perhaps the data really show that there has been a strong move toward the incorporation of "family farms" in recent years.

The difference between average number of years incorporated and average number of years farming is noticeably greater for parent corporations than for independent or family firms. This may lend support to the contention that some nonfamily corporations, originally incorporated for other business purposes, have more recently begun farming. Table 33 shows that this is particularly true of business-associated parent corporations. These data would have been more meaningful if "year began farming"

information had also been obtained for publicly held corporations.

Total corporate receipts and value of agricultural products sold—Most relationships between organizational characteristics and size which exist when tabulated by kind of corporation also hold true for corporate income and agricultural sales. Larger firms have more shareholders and have been incorporated and have farmed longer than smaller corporations. The spread between average years farming is not as pronounced, however, for increased values of agricultural products sold as it is for increased total corporate receipts.

The percentage of privately held corporations whose own shareholders are involved in the day-to-day management of the firm decreases with increased size of gross corporate receipts and agricultural sales. But the decrease in shareholder management participation is

Table 17. Nonfarm Business Activities—Percent Distribution by Value of Agricultural Products Sold

	Total agricultural sales	Under \$50,000	\$50,000 to \$99,999	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
All nonfarm business activities.....	100.0	30.3	12.8	32.4	10.1	14.4
Supplying farm inputs.....	100.0	20.8	10.7	35.7	11.7	21.1
Processing farm products.....	100.0	15.0	8.6	30.2	14.5	31.7
Wholesaling or retailing farm products.....	100.0	23.8	12.7	34.5	11.7	17.3
Agricultural service or other business related to agriculture.....	100.0	36.9	13.4	29.7	9.8	10.2
Manufacturing nonfarm products.....	100.0	32.4	7.6	21.8	6.9	31.3
Wholesaling or retailing nonfarm products..	100.0	34.6	12.2	26.8	6.4	20.0
Services unrelated to agriculture.....	100.0	27.3	7.4	31.5	7.4	26.4
Other business outside the food and fiber industry.....	100.0	39.6	14.4	27.4	6.7	11.9
Nonfarm business activities of \$1 million and over.....	100.0	17.6	7.4	24.2	11.0	39.8
Supplying farm inputs.....	100.0	9.2	5.8	25.1	13.5	46.4
Processing farm products.....	100.0	6.7	5.7	21.2	12.9	53.1
Wholesaling or retailing farm products.....	100.0	13.7	8.1	24.7	15.4	38.5
Agricultural services or other business related to agriculture.....	100.0	18.1	3.6	20.0	12.7	45.5
Manufacturing nonfarm products.....	100.0	28.0	7.8	20.2	7.3	36.7
Wholesaling or retailing nonfarm products..	100.0	25.2	8.0	21.5	8.0	37.4
Services unrelated to agriculture.....	100.0	18.3	5.8	27.9	8.6	39.4
Other business outside the food and fiber industry.....	100.0	28.1	10.2	29.5	7.3	24.9

Table 18. Organizational Characteristics by Kind of Corporation

	All privately held corporations	Family	Independent	Parent
Privately held firms.....percent..	100.0	80.2	17.8	2.0
Average number of shareholders.....	4.4	3.9	5.3	14.5
Average number of related shareholders.....	3.8	3.8	3.5	7.6
Average number of years incorporated.....	10.3	9.9	11.6	19.7
Average number of years farming.....	10.0	9.7	10.9	15.8
Subchapter S corporations.....percent..	100.0	84.3	15.3	.4
Firms managed by own shareholders.....percent..	90.4	93.0	81.4	63.1

GENERAL EXPLANATION Continued

greater for increased total corporate receipts than for increased agricultural sales.

Subchapter S corporations have sometimes been used to approximate farming corporations with low levels of agricultural sales. Table 20 shows that Subchapter S status is not a good indication of size. Almost 5 percent of the Subchapter S corporations had agricultural sales of \$1 million and over.

Table 21 indicates that 19 percent of the firms with agricultural sales of \$1 million and over and 9 percent of those with total corporate receipts of \$5 million and over made use of the Subchapter S tax option.

Shareholders—In the 1969 Census of Agriculture, corporations were divided into those with 10 or fewer shareholders and those with more than 10 shareholders. The former were thought by some to be representative of family size corporations. In this survey, corporations with one to five shareholders appear to more closely approximate family corporations. Tables 4 and 10 show that both family corporations and those with one to five shareholders account for about 80 percent of corporate firms and slightly more than 50 percent of the value of agricultural products sold. Each also contains a little more than 80 percent of the Subchapter S corporations. A comparison of tables 18 and 22 shows that they are similar in other organizational characteristics as well.

Corporate Feedlots

Corporations operating cattle feedlots with a capacity of 2,000 head or more accounted for 37 percent of the value of agricultural products sold by corporate firms. The sale of cattle fattened for slaughter on grain and concentrates made up 88 percent of the value of agricultural products sold by these firms.

Fifty-five percent of these feedlot firms custom fed cattle for ranchers, farmers, or other investors and clients, and 53 percent of the cattle marketed from corporate feedlots were custom fed. Of the firms which custom fed cattle, 65 percent custom fed 80 percent or more of the cattle sold from their feed-

lots. Almost 70 percent of the cattle sold by firms with feedlot capacities of 20,000 to 49,999 head were custom fed. Only 40 percent of the cattle marketed by firms with feedlot capacities of 50,000 head or more were custom fed.

Less than 4 percent of the cattle feeding firms had feedlot capacities of 50,000 head or more, but they sold 26 percent

of the cattle from corporate feedlots. Ten of the 23 firms with this size capacity were publicly held corporations. Of the 13 privately held firms with this feedlot size, 12 have been producing agricultural products for 10 years or more.

Production activities and organizational characteristics of corporate cattle feedlots are presented in table 63.

Table 19. Organizational Characteristics by Total Corporate Receipts

	Total	Under \$100,000	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 to \$4,999,999	\$5,000,000 and over
Privately held firms.....percent..	100.0	39.8	40.5	9.0	8.0	2.7
Average number of shareholders.....	4.4	3.8	4.0	4.5	5.4	14.3
Average number of related shareholders.....	3.8	3.6	3.8	4.0	4.2	7.3
Average number of years incorporated.....	10.3	9.0	9.8	12.0	14.7	20.3
Average number of years farming.....	10.0	9.0	9.5	11.5	13.8	17.2
Subchapter S corporations.....percent..	100.0	42.6	44.2	7.3	5.1	.8
Firms managed by own shareholders.....percent..	90.4	95.5	88.8	87.3	83.9	66.9

Table 20. Organizational Characteristics by Value of Agricultural Products Sold

	Total	Under \$50,000	\$50,000 to \$99,999	\$100,000 to \$499,999	\$500,000 to \$999,999	\$1,000,000 and over
Privately held firms.....percent..	100.0	29.3	16.0	39.5	8.0	7.2
Average number of shareholders.....	4.4	4.0	4.0	4.2	4.7	7.5
Average number of related shareholders..	3.8	3.5	3.8	3.9	4.0	4.8
Average number of years incorporated.....	10.3	9.8	9.3	10.1	12.0	14.4
Average number of years farming.....	10.0	9.7	9.0	9.8	11.6	13.9
Subchapter S corporations.....percent..	100.0	29.5	16.4	42.9	6.6	4.6
Firms managed by own shareholders.....percent..	90.4	93.0	96.1	88.3	87.6	80.8

Table 21. Subchapter S Status by Measures of Corporate Size

	All corporations	Taxed as subchapter S corporations	Not taxed as subchapter S corporations	Tax option not reported
Firms.....	100.0	29.6	49.6	20.8
Value of agricultural products sold:				
Under \$50,000.....	100.0	29.9	43.5	26.6
\$50,000 to \$99,999.....	100.0	30.5	42.6	26.9
\$100,000 to \$499,999.....	100.0	32.1	51.7	16.2
\$500,000 to \$999,999.....	100.0	24.2	60.0	15.8
\$1,000,000 and over.....	100.0	18.9	66.3	14.8
Total corporation business receipts:				
Under \$100,000.....	100.0	31.7	40.0	28.3
\$100,000 to \$499,999.....	100.0	32.4	51.2	16.4
\$500,000 to \$999,999.....	100.0	23.8	60.1	16.1
\$1,000,000 to \$4,999,999.....	100.0	19.0	67.5	13.5
\$5,000,000 and over.....	100.0	8.9	77.5	13.6

Table 22. Organizational Characteristics by Number of Shareholders

	All privately held corporations	1 to 5 shareholders	6 to 10 shareholders	11 to 15 shareholders	16 shareholders or more	Shareholders not reported
Privately held firms.....percent..	100.0	79.9	14.3	1.3	1.7	2.8
Average number of shareholders.....	4.4	3.0	7.3	12.7	38.7	-
Average number of related shareholders.....	3.8	2.9	6.7	10.8	20.9	-
Average number of years incorporated.....	10.3	9.4	12.1	18.9	28.7	14.8
Average number of years farming.....	10.0	9.1	11.6	17.9	25.7	18.3
Subchapter S corporations.....percent..	100.0	81.0	18.6	-	-	.4
Firms managed by own shareholders.....percent..	90.4	93.5	89.6	79.7	66.0	23.1

GENERAL EXPLANATION Continued

Table 23. Selected Characteristics of Cattle Feeding Firms by Capacity of Feedlots

	Total	2,000 to 7,999 head	8,000 to 19,999 head	20,000 to 29,999 head	30,000 to 49,999 head	50,000 head and over
Cattle feeding firms.....number..	635	345	171	48	48	23
percent..	100.0	54.3	26.9	7.6	7.6	3.6
Cattle and calves sold.....number..	12,298,221	2,038,514	3,035,175	1,624,382	2,445,375	3,154,775
percent..	100.0	16.6	24.7	13.2	19.9	25.6
Custom feeding firms.....number..	352	132	123	41	42	14
percent..	100.0	37.5	34.9	11.6	11.9	4.0
Custom fed cattle.....number..	6,561,639	637,776	1,814,998	1,106,111	1,715,667	1,287,087
percent..	100.0	9.7	27.7	16.9	26.1	19.6
Value of agricultural products sold.....\$1,000..	5,454,860	895,702	1,260,886	749,248	1,009,082	1,539,942
percent..	100.0	16.4	23.1	13.7	18.5	28.2
Value of fattened cattle sold.....\$1,000..	4,774,202	722,875	1,126,014	625,254	999,176	1,300,883
percent..	100.0	15.1	23.6	13.1	20.9	27.2