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## CHAPTER IV. Contracts and Futures Market

### Historical Background

Many farm products are produced under contract or binding agreement made between the producer and the person who buys or uses the farm product. These contracts or agreements usually specify the kind and amount of the farm product to be produced, where or to whom it is to be delivered, what price the producer is to be paid, or how the price is to be determined. They may specify the variety of crop or breed of animal or poultry to be produced and may provide for services such as spraying, dusting, fertilizing, harvesting, transporting, packing, and marketing. They may specify that the contractor is to supply seed, fertilizer, or feed, or provide financing, technical assistance, and inspection of the product while it is being produced.

Higher production costs and increased indebtedness of farm operators make it necessary that farm products be sold and marketed in an orderly fashion. Thus a factor contributing to the increased utilization of marketing contracts, forward pricing contracts, and contracts other than production contracts is the necessity that farmers make advance arrangements for covering their operating costs and guaranteeing repayment of loans. Marketing contracts generally specify the price or the method of determining the price the farmer will receive for his product, as well as the quantity to be marketed.

Grains, soybeans, and dairy products reported under contract in 1974 were mostly grown under marketing contracts. These contracts assured farmers a market for their products and a determined price, which helps to eliminate marketing

uncertainty while allowing farmers the freedom to produce their product independent of the influences of a contractor.

Since 1960, the census of agriculture has attempted to gather data on contracts by use of surveys or censuses. In the 1960 Sample Survey of Agriculture, approximately 147,000 (4.5 percent) of all farm operators reported that they had contracts relating to the production or marketing of one or more of 14 selected farm products. Besides specifying the kind of product under contract, information was obtained on type of items provided and information furnished by contractor to the producer. Such items included - how price was derived, feed or machinery provided, and type of money or credit provided.

Contracts or agreements were reported by an estimated 141,000 (6.5 percent) farms with sales of \$2,500 and over in the 1965 Sample Survey of Agriculture. Only the name of the product under contract was obtained. Most of these contracts were on poultry and fruit and tree nut farms.

In 1969, there were 156,000 contracts reported by farms with sales of \$2,500 and over. The net number of farms reporting any contracts would be less since some operators have two or more contracts, however, no tabulation of the number of farms with contracts was made. Information was obtained on production and marketing types of contracts, including type of contractor, items furnished by contractor, and amount received by producer.

In 1974, about 156,000 farm operators reported approximately 190,000 production or marketing contracts. This represents 9.2 percent of farms reporting

sales of \$2,500 or more in the United States. Type of contract, type of contractor, items furnished by contractor, amount received, and whether amount received was specified by the contract were reported.

### Other Published Data

In addition to the data published in this chapter, contract data are shown for each State in volume I, county table 2 and State table 27.

In the fall of 1977, a series of supplemental sample surveys was taken of farm operators who indicated that they conducted specific kinds of agricultural operations on a contract basis. These surveys were taken on a cooperative basis with the Economics, Statistics, and Cooperatives Services of the U.S. Department of Agriculture. Results of this survey will be published in the 1974 Census of Agriculture, volume IV, part 7. The commodities included in the surveys were feeder and stocker cattle, fattened cattle, feeder pigs, slaughter hogs, broilers, layers, tomatoes, and potatoes.

Information was obtained in these surveys about various aspects of the contract operation: When the contract was made, who made the decisions regarding the production and/or sale of the product, who furnished specified production items, how long the producer had produced the product, what proportion of the total agricultural operations was accounted for by the item under contract, and what would have happened had the terms of the contract not been fulfilled.

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**Section 29**

**Did you have any CONTRACT or BINDING AGREEMENT to produce or market any farm products on this place in 1974?** (Include oral and written agreements made more than 30 days prior to delivery.)

- YES — Complete this section
- NO — Go to Section 30

1. Mark (X) as many products as you produced and/or marketed under contract.

|  |   |   |   |
|--|---|---|---|
| No. 1 <input type="checkbox"/> Broilers                      | No. 7 <input type="checkbox"/> Feeder cattle and/or stocker cattle                                    | No. 13 <input type="checkbox"/> Field and seed corn         | No. 19 <input type="checkbox"/> Fruit, citrus, nuts for fresh market  |
| No. 2 <input type="checkbox"/> Started pullets               | No. 8 <input type="checkbox"/> Breeding cattle  | No. 14 <input type="checkbox"/> Soybeans                    | No. 20 <input type="checkbox"/> Fruit, including citrus, for processing   |
| No. 3 <input type="checkbox"/> Chicken eggs                  | No. 9 <input type="checkbox"/> Slaughter hogs   | No. 15 <input type="checkbox"/> Wheat                       | No. 21 <input type="checkbox"/> Sugar beets   |
| No. 4 <input type="checkbox"/> Turkeys                       | No. 10 <input type="checkbox"/> Feeder pigs   | No. 16 <input type="checkbox"/> Cotton                      | No. 22 <input type="checkbox"/> Other crops, such as hops, popcorn, potatoes, safflower, sugarcane, etc. (Write product name on line A1 below.) |
| No. 5 <input type="checkbox"/> Milk and other dairy products | No. 11 <input type="checkbox"/> Breeding hogs   | No. 17 <input type="checkbox"/> Vegetables for fresh market |   |
| No. 6 <input type="checkbox"/> Fattened cattle               | No. 12 <input type="checkbox"/> Other livestock and/or poultry (Write product name on line A1 below.) | No. 18 <input type="checkbox"/> Vegetables for processing   |   |

2. For each product marked above, enter the Name and No. in the column heading where indicated and complete the remaining entries in the column (items B through G) for that product.

| A. Product(s) under contract<br><i>Enter name and No. from item 1 above</i>  |   | FIRST CONTRACT  |  | SECOND CONTRACT |  | THIRD CONTRACT |  | FOURTH CONTRACT |  |
|--|---|-----------------|--|-----------------|--|----------------|--|-----------------|--|
|  |   | 1. Product name |  |                 |  |                |  |                 |  |
|  |   | 2. No.          | 731  | 732             | 733  | 734            |  |                 |  |
| B. Type of contract<br><i>Mark (X) one of these items for each product under contract</i>  | 1. Production (12)                              | 1               | 1 <input type="checkbox"/>                                   | 1               | 1 <input type="checkbox"/>                                   | 1              | 1 <input type="checkbox"/>                                   | 1               | 1 <input type="checkbox"/>                                   |
|  | 2. Marketing (13)                               | 2               | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   | 2              | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   |
|  | 3. Production, including feeding, and marketing | 3               | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   | 3              | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   |
|  | 4. Other  | 4               | 4 <input type="checkbox"/>                                   | 4               | 4 <input type="checkbox"/>                                   | 4              | 4 <input type="checkbox"/>                                   | 4               | 4 <input type="checkbox"/>                                   |
| C. Type of contractor<br><i>Mark (X) one of these items for each product under contract</i>  | 1. Co-op  | 2               | 1 <input type="checkbox"/>                                   | 2               | 1 <input type="checkbox"/>                                   | 2              | 1 <input type="checkbox"/>                                   | 2               | 1 <input type="checkbox"/>                                   |
|  | 2. Feed company                                 | 2               | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   | 2              | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   |
|  | 3. Packer                                       | 3               | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   | 3              | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   |
|  | 4. Processor                                    | 4               | 4 <input type="checkbox"/>                                   | 4               | 4 <input type="checkbox"/>                                   | 4              | 4 <input type="checkbox"/>                                   | 4               | 4 <input type="checkbox"/>                                   |
|  | 5. Other  | 5               | 5 <input type="checkbox"/>                                   | 5               | 5 <input type="checkbox"/>                                   | 5              | 5 <input type="checkbox"/>                                   | 5               | 5 <input type="checkbox"/>                                   |
| D. Items furnished by contractor under terms of contract<br><i>Mark (X) for as many items as apply for each product under contract</i> | 1. Feed   | 3               | 1 <input type="checkbox"/>                                   | 3               | 1 <input type="checkbox"/>                                   | 3              | 1 <input type="checkbox"/>                                   | 3               | 1 <input type="checkbox"/>                                   |
|  | 2. Chicks, pullets, cattle, feeder pigs, etc.   | 2               | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   | 2              | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   |
|  | 3. Seed   | 3               | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   | 3              | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   |
|  | 4. Fertilizer                                   | 4               | 4 <input type="checkbox"/>                                   | 4               | 4 <input type="checkbox"/>                                   | 4              | 4 <input type="checkbox"/>                                   | 4               | 4 <input type="checkbox"/>                                   |
|  | 5. Chemicals                                    | 5               | 5 <input type="checkbox"/>                                   | 5               | 5 <input type="checkbox"/>                                   | 5              | 5 <input type="checkbox"/>                                   | 5               | 5 <input type="checkbox"/>                                   |
|  | 6. Labor  | 6               | 6 <input type="checkbox"/>                                   | 6               | 6 <input type="checkbox"/>                                   | 6              | 6 <input type="checkbox"/>                                   | 6               | 6 <input type="checkbox"/>                                   |
|  | 7. Machinery, equipment, or buildings           | 7               | 7 <input type="checkbox"/>                                   | 7               | 7 <input type="checkbox"/>                                   | 7              | 7 <input type="checkbox"/>                                   | 7               | 7 <input type="checkbox"/>                                   |
|  | 8. Harvesting                                   | 8               | 8 <input type="checkbox"/>                                   | 8               | 8 <input type="checkbox"/>                                   | 8              | 8 <input type="checkbox"/>                                   | 8               | 8 <input type="checkbox"/>                                   |
|  | 9. Transportation                               | 9               | 9 <input type="checkbox"/>                                   | 9               | 9 <input type="checkbox"/>                                   | 9              | 9 <input type="checkbox"/>                                   | 9               | 9 <input type="checkbox"/>                                   |
|  | 10. Processing/packing                          | 4               | 10 <input type="checkbox"/>                                  | 4               | 10 <input type="checkbox"/>                                  | 4              | 10 <input type="checkbox"/>                                  | 4               | 10 <input type="checkbox"/>                                  |
|  | 11. Credit                                      | 11              | 11 <input type="checkbox"/>                                  | 11              | 11 <input type="checkbox"/>                                  | 11             | 11 <input type="checkbox"/>                                  | 11              | 11 <input type="checkbox"/>                                  |
|  | 12. Technical assistance                        | 12              | 12 <input type="checkbox"/>                                  | 12              | 12 <input type="checkbox"/>                                  | 12             | 12 <input type="checkbox"/>                                  | 12              | 12 <input type="checkbox"/>                                  |
|  | 13. Other                                       | 13              | 13 <input type="checkbox"/>                                  | 13              | 13 <input type="checkbox"/>                                  | 13             | 13 <input type="checkbox"/>                                  | 13              | 13 <input type="checkbox"/>                                  |
|  | 14. None  | 14              | 14 <input type="checkbox"/>                                  | 14              | 14 <input type="checkbox"/>                                  | 14             | 14 <input type="checkbox"/>                                  | 14              | 14 <input type="checkbox"/>                                  |
| E. What percent of the total production of this product was sold under contract?   |   | 5               | Percent  | 5               | Percent  | 5              | Percent  | 5               | Percent  |
| F. 1. Amount received from contractor for product covered by contract?   |   | 6               | Dollars  | 6               | Dollars  | 6              | Dollars  | 6               | Dollars  |
|  |   |                 | Cents  |                 | Cents  |                | Cents  |                 | Cents  |
| 2. Did this payment represent the total market value of the product?   |   | 7               | 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No | 7               | 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No | 7              | 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No | 7               | 1 <input type="checkbox"/> Yes 2 <input type="checkbox"/> No |
| G. Did the contract specify —<br><i>Mark (X) one</i>   | 1. Exact price?                                 | 8               | 1 <input type="checkbox"/>                                   | 8               | 1 <input type="checkbox"/>                                   | 8              | 1 <input type="checkbox"/>                                   | 8               | 1 <input type="checkbox"/>                                   |
|  | 2. Method of determining price?                 | 2               | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   | 2              | 2 <input type="checkbox"/>                                   | 2               | 2 <input type="checkbox"/>                                   |
|  | 3. Neither price nor method?                    | 3               | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   | 3              | 3 <input type="checkbox"/>                                   | 3               | 3 <input type="checkbox"/>                                   |

- (12) Production contracts, including custom feeding, usually specify kind and/or amount of farm product to be produced and may specify variety or breed, operations to be performed during production, or inputs and technical assistance to be supplied by contractor.
- (13) Marketing contracts usually specify kind and/or amount of farm product to be delivered but usually do not specify that contractor provides services or supplies or that particular operations or methods be used in production.

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### Source of Data

Data for contracts were obtained in the 1974 Census of Agriculture only for farms with sales of \$2,500 and over. A facsimile of section 29 of the A1 report form, which shows the content and format of the contract inquiries, is shown on page IV-2.

### Reporting Instructions

The farm operator was to report any commodity produced or marketed under a contract or binding agreement. This included either oral or written agreements made 30 days prior to delivery. Not to be included were arrangements to provide services such as plowing and hauling and agreements by which the operator purchased commodities produced by others.

Also, the operator was to report by commodity whether contracts were production, marketing, or production and marketing contracts. An "other" category was included for those operators who could not specify either a production or a marketing contract.

Commodities which generally have tightly controlled markets for the producer are produced under some form of production contract. For example, over 90 percent of the farms reporting type of contract for broilers and nearly 60

percent of those reporting type of contract for vegetables for processing reported a production contract or a production and marketing contract.

Production contracts usually provide that some of the basic inputs, such as feed, chicks, seed, harvesting, transportation, are furnished by the contractor. Even though a contract was reported as a production agreement only, it would provide for marketing and method of establishing payment for the operators resources and management.

In contrast, marketing agreements generally provide an exact price or specific method of determining price for commodities and items furnished by the contractor, if any, are generally for processing and packing or transportation.

Only limited instructions were provided on the report form; however, additional instructions and definitions were provided for the farm operator on the instruction sheet which accompanied the report form. These are reproduced below.

### Completeness of Data

In general, the operators' reporting of contracts and the detailed characteristics of the contracts reported are incomplete. As the questions become more specific

the response rate decreases. The concept of producing and/or marketing products under contract, the numerous varieties of contracts, and the complexity of terms are difficult to define and even more difficult to report. The data published is the data reported; only inconsistencies were corrected. Limited imputation of data was made for operators reporting broilers, started pullets, or layers when the value of sales reported indicated that the commodity was produced under contract.

The "not reported" item in the statistical tables indicates to some degree the incompleteness of the reported data. The "unspecified contracts" item reflects operators who did not indicate the type of contract.

The amount received from the contractor for the product covered by contract will often be less than the expected full market value. This is especially true for production type contracts. In theory, the value received reflects the full market value less the value of inputs supplied by the contractor. For some commodities such as broilers, or grain produced strictly for seed crop, where true market value is difficult to establish, the amount received from the contractor may reflect the return the operator is willing to accept for his capital, labor, and management.

### Comparability of Data

For comparability between 1969 and 1974 it is necessary to combine some types of contracts in 1974 to match the larger categories tabulated in 1969. For example, individual crops such as corn and wheat had individual contract reportability in 1974 but were included in "other crops" in 1969. This is also the case for items furnished by the contractor and amounts received from the contractor.

### Summary of Findings

Table 3 shows a summary at the U.S. level of the individual commodities or groups reported under contract in 1974.

Of all crops, livestock, or poultry under contract, soybeans accounted for

### Section 29 — Contracts

Many farm products are produced and marketed under a contract or binding agreement between the farm operator (producer) and the person who buys or uses the farm product. It may be a production contract, a marketing contract, or a combination of both.

**Production contracts** usually specify the kind and/or amount of farm product to be produced and may specify variety or breed, the operations to be performed during production, and the inputs and technical assistance to be supplied by the contractor. **Marketing contracts** usually specify the kind and/or amount of farm product to be delivered but usually do not specify the particular operations or methods to be used in production.

For each product under contract, report the type of contract. Co-op contractors should include production contracts with cooperative processors. Do not include contracts made by you for services (customwork, hauling, etc.) or to produce farm items for you wherein you are the purchaser rather than the supplier of the products.

If a sales contract or agreement provides also for supplying or furnishing feed, seed, labor, or equipment, report it as a production contract. Do not report contracts or agreements which do not provide **specifically** for the production or marketing of agricultural products.

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20 percent of all contracts reported, while the breeding hogs accounted for less than 1/10 of 1 percent of all contracts reported.

Sixty-one percent of the contracts reported were marketing contracts or agreements. Dairy products, soybeans, and field corn accounted for the majority of them. Broilers, dairy products, soybeans, and vegetables accounted for most production contracts reported.

Of the operators reporting broiler contracts, 92 percent reported production or production and marketing contracts. Chicks and feed were the items most commonly supplied to the producer. Of those broiler contracts reported as marketing only, most were actually production and marketing contracts. Most dairy contracts were marketing contracts, with transportation and processing the items most commonly supplied by the contractor. Most soybean contracts were marketing contracts with seed and transportation the items most commonly supplied to the grower. Vegetable contracts, especially those for processing vegetables, were production contracts with seed and harvesting the items most commonly supplied to the grower.

### Futures Market

#### Background and Reporting Instructions

Data on the futures market were first collected in the 1974 census to determine

the extent to which farm operators utilized the commodity futures market in 1974 to hedge sales of any farm commodities produced on the place. In addition to the information published in this chapter, limited data for 1974 has been published for each State in volume I, county table 2.

Data indicating use of the futures market were obtained in the 1974 Census of Agriculture only for farms with sales of \$2,500 and over. A facsimile of the inquiry from section 28 of the A1 report form and of the supplemental instructions that were provided to the operator in the instruction sheet that accompanied the report form are reproduced below.

Forward marketing contracts (contracts with a buyer to sell a product produced on this place at a specified price) are not considered as transactions in the commodity futures (exchange) market and were not to be reported.

The data shown probably represent an overstatement of the actual number of farm operators hedging in the futures market. Apparently respondents were confused between futures market transactions and forward pricing agreements. If a respondent reported utilization of the futures market, the product marked was checked to see that it was produced on the respondent's farm and that production was above a minimum amount. If production was below the minimum, the product was deleted. No other adjustments were made to the data beyond correcting obvious errors.

### Summary of Findings

In total, 48,553 farm operators reported use of the futures market to hedge products they produced in 1974. Of the specified crops and livestock listed in table 9, corn, cattle, and soybeans were most often reported as being hedged on the futures market.

Table 9 shows that 34 percent of the farms reporting utilization of the futures market were farms with sales of \$40,000 and over. The North Central region had the largest portion, with 59 percent of all farms reporting utilization of the futures market.

Overall, less than 3 percent of the operators of farms with sales of \$2,500 and over reported use of the futures market to hedge sales in 1974. However, for operators of farms with sales of \$200,000 and over, 12 percent of the operators reported using the futures market.

More than one-half of the reports of utilization of the futures market were on cash grain farms (table 10). Livestock farms excluding dairy, poultry, and animal specialties accounted for another one-fourth of the transactions.

A number of farm operators reported the same commodity as being hedged on the futures market and produced under a contract agreement. Table 1 shows corn and soybeans to be most frequently reported in combination.

The tabulation of utilization of futures market by operator characteristics showed a high concentration of reporting

## Section 28 MISCELLANEOUS ITEMS — COMPLETE THIS SECTION

3. FUTURES MARKET — Did you utilize the commodity futures market in 1974 to hedge sales of any farm commodities which you produce?

724

- 1  YES — Mark which commodities  
2  NO — Go to Section 29 on next page

725

- 1  Corn (grain)      7  Cattle (live)  
2  Sorghums (grain)      8  Hogs (live)  
3  Soybeans (grain)      9  Other — Specify →  
4  Wheat (grain)  
5  Cotton  
6  Potatoes

### Section 28 — Miscellaneous Items

**Futures market** — Report those commodities you bought or sold (or bought and sold) through a commodity exchange as a hedge against crops produced on this place. Do not report transactions in any commodities not grown on the place. For example, if you bought or sold both wheat and cotton through a commodity exchange and wheat was grown on the place but no cotton, mark only the box opposite wheat.

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Table 1. Farms by Commodity Reported Hedged and Produced Under Contract Agreement: 1974

|  | Corn  | Soybeans | Wheat | Cotton | Cattle | Hogs |
|--|-------|----------|-------|--------|--------|------|
| Total.....   | 5,974 | 3,812    | 1,352 | 1,302  | 203    | 299  |
| FARMS BY VALUE OF SALES                              |       |          |       |        |        |      |
| \$500,000 and over.....                              | 83    | 80       | 94    | 101    | 49     | 11   |
| \$200,000 to \$499,999.....                          | 533   | 654      | 240   | 297    | 46     | 38   |
| \$100,000 to \$199,999.....                          | 1,300 | 1,298    | 340   | 358    | 36     | 72   |
| \$40,000 to \$99,999.....                            | 2,756 | 1,524    | 498   | 447    | 39     | 89   |
| \$20,000 to \$39,999.....                            | 1,067 | 246      | 160   | 93     | 12     | 51   |
| \$10,000 to \$19,999.....                            | 228   | 10       | 19    | 6      | 10     | 20   |
| \$5,000 to \$9,999.....                              | 7     | -        | 1     | -      | 5      | 9    |
| \$2,500 to \$4,999.....                              | -     | -        | -     | -      | 6      | 9    |
| FARMS BY STANDARD INDUSTRIAL CLASSIFICATION          |       |          |       |        |        |      |
| Cash grain farms (011).....                          | 4,714 | 3,262    | 1,057 | 311    | 18     | 27   |
| Cotton farms (0131).....                             | 5     | 144      | 30    | 800    | -      | 1    |
| Tobacco farms (0132).....                            | 68    | 21       | 1     | 1      | -      | 1    |
| Other field crop farms (0133, 0134, 0139).....       | 63    | 62       | 90    | 103    | 1      | -    |
| Vegetable farms (016).....                           | 13    | 15       | 22    | 16     | -      | -    |
| Fruit and tree nut farms (017).....                  | 3     | 2        | 4     | 13     | -      | -    |
| Horticultural specialty farms (018).....             | 1     | 1        | 1     | -      | -      | -    |
| General farms, primarily crop (0191).....            | 102   | 80       | 50    | 40     | 1      | 1    |
| Livestock farms, except dairy and poultry (021)..... | 671   | 166      | 71    | 6      | 170    | 260  |
| Dairy farms (024).....                               | 223   | 33       | 17    | 9      | 10     | 5    |
| Poultry farms (025).....                             | 42    | 17       | 8     | 3      | 3      | 3    |
| Animal specialty farms (027).....                    | -     | -        | -     | -      | -      | -    |
| General farms, primarily livestock (0291).....       | 61    | 6        | 1     | -      | -      | 1    |
| Farms not classified by SIC.....                     | 8     | 3        | -     | -      | -      | -    |

by operators of the younger age groups and by those who report their occupation as farming, (table 12). The 35-to-44 age group accounted for 18 percent of the

farm operators reporting age, however, this same age group accounted for almost 21 percent of the operators reporting use of the futures market.

Table 2. Futures Market by Type of Organization: 1974

|                          | Farms     | Utilizing futures market | Percent |
|--------------------------|-----------|--------------------------|---------|
| All farms.....           | 1,695,047 | 48,554                   | 2.9     |
| Sole proprietorship..... | 1,517,573 | 39,536                   | 2.6     |
| Partnership.....         | 144,969   | 6,989                    | 4.8     |
| Corporation.....         | 28,656    | 1,927                    | 6.7     |
| Other.....               | 3,849     | 101                      | 2.6     |

Table 2 shows that partnerships and corporations make a greater use of the futures market than individuals and family farms.

As would be expected, full-time operators whose farms are sizeable enough to warrant the extra effort of following the futures market are more likely than operators of smaller farms to make futures a part of their marketing plan.