

GENERAL EXPLANATIONS Continued

Table 27. Percent of Off-Farm Income by Value of Agricultural Products Sold: 1974

| Farms With Sales of \$2,500 and Over | \$2,500 and over | \$40,000 and over | \$20,000 to \$39,999 | \$10,000 to \$19,999 | \$5,000 to \$9,999 | \$2,500 to \$4,999 |
|--------------------------------------|------------------|-------------------|----------------------|----------------------|--------------------|--------------------|
| Farms..... | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| Under \$1,000..... | 12.9 | 22.2 | 18.3 | 11.3 | 7.2 | 5.3 |
| \$1,000 to \$4,999..... | 29.6 | 37.1 | 34.1 | 29.4 | 25.6 | 21.9 |
| \$5,000 to \$9,999..... | 23.2 | 19.6 | 21.6 | 24.1 | 25.5 | 25.4 |
| \$10,000 to \$19,999..... | 25.5 | 14.5 | 19.3 | 26.7 | 31.8 | 35.3 |
| \$20,000 and over..... | 8.9 | 6.7 | 6.6 | 8.5 | 9.8 | 12.1 |

Table 28. Family Income From Off-Farm Sources: 1974

(Applies only to individual or family operations (sole proprietorships) and partnerships)

| Farms With Sales of \$2,500 and Over | Farms | Income (\$1,000) | Average per farm (dol.) |
|--|---------|------------------|-------------------------|
| Total family income from off-farm sources..... | 972,121 | 8,881,765 | 9,137 |
| Nonfarm-related business | 167,470 | 1,749,272 | 10,445 |
| Wages, salaries, commissions, and tips..... | 602,664 | 5,324,859 | 8,836 |
| Interest, dividends, or royalties..... | 443,310 | 1,086,335 | 2,451 |
| Federal Social Security, pensions, etc..... | 177,768 | 506,915 | 2,852 |
| Rent of nonfarm property | 80,876 | 214,385 | 2,651 |

Table 29. Percent of Farms With Off-Farm Income by Source: 1974

(Applies only to individual or family operations (sole proprietorships) and partnerships)

| Farms With Sales of \$2,500 and Over | \$2,500 and over | \$40,000 and over | \$20,000 to \$39,999 | \$10,000 to \$19,999 | \$5,000 to \$9,999 | \$2,500 to \$4,999 |
|--|------------------|-------------------|----------------------|----------------------|--------------------|--------------------|
| Off-farm income..... | 58.5 | 47.8 | 53.5 | 59.8 | 67.5 | 70.1 |
| Nonfarm-related business... Wages, salaries, commissions and tips..... | 10.1 | 6.9 | 8.7 | 10.9 | 12.3 | 13.3 |
| Interest, dividends, or royalties..... | 36.2 | 25.1 | 31.2 | 37.8 | 45.2 | 48.6 |
| Federal Social Security, pensions, etc..... | 26.1 | 26.8 | 26.9 | 25.8 | 25.8 | 24.7 |
| Rent of nonfarm property... | 10.7 | 4.7 | 7.9 | 11.9 | 15.5 | 16.9 |
| | 4.9 | 4.5 | 4.3 | 4.8 | 5.3 | 5.6 |

Table 30. Percent of Farms With Off-Farm Income by Source: 1974 and 1970

(Applies only to individual or family operations (sole proprietorships) and partnerships)

| Farms With Sales of \$2,500 and Over | Farms | | Income (million) | |
|---|-------|------|------------------|-------|
| | 1974 | 1970 | 1974 | 1970 |
| Nonfarm-related business... | 10.1 | 9.3 | 1,749 | 1,154 |
| Wages, salaries, commissions, and tips..... | 36.2 | 47.1 | 5,325 | 5,133 |
| Federal Social Security, pensions, etc..... | 10.7 | 13.6 | 507 | 397 |
| Interest, dividends, or royalties..... | 26.1 | 10.6 | 1,086 | 425 |
| Rent of nonfarm property... | 4.9 | | 214 | |

and partnerships. Instructions on the report form for partnerships requested that only the income for the senior partners and his family were to be reported.

The five questions asked in 1974 are similar to those asked to produce data which have been collected in 1960, 1965, and 1970 in sample surveys which were taken as part of the overall program of those censuses. A facsimile of section 37, part C, of the 1974 report form is reproduced.

The data shown for off-farm income are, in general, presented as reported by the respondents; only obvious errors were corrected during the processing of the data. Only a minimum effort was made during census processing to estimate or otherwise account for any incompleteness in reporting.

Off-farm family income was reported by 972,000 or 58 percent of the individual and partnership operated farms with sales of \$2,500 and over. These farms reported almost \$8.9 billion in income in 1974, an average of \$9,137 per farm. Nearly 58 percent of the farm families which reported had off-farm income of \$5,000 or more and one-third had off-farm income of \$10,000 or more. In general, farms with the lower amounts of farm sales have a higher proportion of off-farm income than farms with larger sales (table 27).

Cash wages, salaries, commissions, and tips were the most frequent of the five income sources reported and accounted for three-fifths of the total off-farm income. Income from the operation of nonfarm business averaged \$10,445 per farm in comparison with \$8,836 for cash wages (table 28).

The proportion of farms reporting off-farm income varied from almost one-half for those with sales of \$40,000 and over to more than 70 percent for farms with sales of \$2,500 to \$4,999. Except for income from interest and dividends, the proportion of farms with the various sources of income generally increased as the value of sales decreased. Farms with sales of \$2,500 to \$4,999 had the highest proportion of farms reporting income from nonfarm business, cash wages, Federal Social Security, and rents from nonfarm property (table 29).

Results of the 1974 census compared with the 1970 Survey of Farm Finance for comparable items, show an increased amount of income received by a lower proportion of the farms reporting in 1974, except income from interest, dividends, royalties, and nonfarm rent (table 30). Results of the 1970 survey can be found in 1969 Census of Agriculture, Volume V, Special Reports, Part II, Farm Finance.

Farm Classifications

The classification or stratification of farms by value of sales was made for the purpose of segregating groups of farms which are similar in economic scale of operation. For both the 1969 and 1974 censuses, data for two broad classifications are identified—farms with sales of under \$2,500 and farms with sales of \$2,500 and over.

More detailed data are presented for farms classified by selected value of sales groups for farms with sales of \$2,500 and over. These farms were also classified by specific characteristics—tenure of operator, type of organization, age and principal occupation of farm operator, size of farm (in acres), and standard industrial classification (SIC). In addition, this report contains a number of farm counts according to various characteristics, as well as frequency distributions of farms classified by value of sales of each of the principal farm enterprises.

The value of sales groups used in the volume I report for each State and for the