

## GENERAL EXPLANATIONS Continued

diversity of production typical of most farms. In recent years, increasing specialization by agricultural producers has encouraged the creation of a more detailed set of classifications. These classifications, found in the 1972 SIC Manual, are intended to promote uniformity and comparability in the presentation of statistical data collected by various agencies.

An establishment primarily engaged in crop production (major group 01) or livestock production (major group 02) is classified in the 3- or 4-digit industry group which accounts for 50 percent or more of the total value of sales of its agricultural production. If the total value of sales of agricultural products of an establishment was less than 50 percent from a single 4-digit industry, but 50 percent or more from the products of two or more 4-digit industries within the same 3-digit industry group, the establishment is classified in the miscellaneous industry of that industry group; otherwise, it is classified as a general crop farm in industry 0191 or a general livestock farm in industry 0291.

Detailed characteristics of farms with sales of \$2,500 or more for selected SIC groupings are shown in volume I State tables 32 and 33 and county summary table 6. Additional and more complete 1974 data for various SIC classifications will be shown in volume II, part 8.

### Farms by Value of Agricultural Products Sold

Farms with sales of \$2,500 and over comprised almost three-quarters of all farms in 1974 and accounted for almost 99 percent of the value of agricultural products sold. While the number of farms with sales of \$2,500 decreased slightly since 1969, most of the decreases in farms occurred in the under \$2,500 sales group. In comparing census counts for 1974 and 1969, farms with sales of under \$2,500 decreased by 38 percent. However, if there had not been a change in definition for the 1974 census, an additional 152,000 farms would have been included in the of under \$2,500 sales category thus reducing the change to

about 23 percent (table 31). (See volume II, part 1.)

Of the five value of sales categories enumerated for all farms in 1974, essentially all of the sales were accounted for by farms with sales of \$2,500 and over. Sales of poultry and poultry products were most highly concentrated, with 99.7 percent on farms with sales of \$2,500 and over. Forest products, with 96.1 percent, were the least concentrated of the five value categories (table 32).

### Large-Scale Farms

Farms with a total value of agricultural products sold of \$100,000 or more have been designated as large-scale farms. Selected farm characteristics for large-scale farms are presented in table 34 of this report for eight value of sales levels up to \$10 million and over. Detailed data are also presented for large-scale farms in volume II part 8 for selected standard industrial classifications.

**Table 31. Value of Agricultural Products Sold by Farms: 1974, 1969, and 1964**

	All farms	Farms with sales of--		
		Under \$2,500	\$2,500 and over	\$10,000 and over
<b>Farms:</b>				
1974				
Number	2,314,013	616,728	1,695,047	1,108,691
Percent	100.0	26.7	73.3	47.9
1969				
Number	2,730,250	994,456	1,733,683	948,154
Percent	100.0	36.4	63.5	34.7
1964				
Number	3,157,857	1,338,239	1,817,440	868,908
Percent	100.0	42.4	57.6	27.5
<b>Percent change:</b>				
1974 from 1969.....	-15.2	-38.0	-2.2	17.0
1969 from 1964.....	-13.5	-25.7	-4.6	9.1
1974 from 1964.....	-26.7	-53.9	-6.7	27.6

Census procedures for counting multi-establishments or farms with sizable separate operations at different locations as separate census farms has some effect on the actual number of large-scale farms counted. In most cases if the multiunit operations were counted as one farm, the number of extremely large farms would increase; however, in the case of companies of farms with very large units the count of large farms would be reduced. About 4,800 managements or operations with 8,000 separate units were identified during the census processing.

The number of large-scale farms nearly tripled between 1969 and 1974, increasing from 52,000 to almost 153,000. In the same period, the value of agricultural products sold from these farms increased in almost the same proportion, from \$15.3 billion to \$43.7 billion. Although these farms represented only 9 percent of the farms having sales of \$2,500 and over, they accounted for more than one-half of the value of agricultural products sold. The average value of sales decreased slightly from \$295,000 per farm in 1969 to about \$286,000 in 1974, indicating the entrance of a large number of farms at the lower end of the value range. Much of this increase in number was due to higher prices being received for agricultural products, rather than actual increases in production or scale of operation (table 33).

Since 1969, the distribution of sales within the large-scale farms has not changed significantly except that the share contributed by farms with sales of \$1,000,000 and over decreased from 34 percent in 1969 to 30 percent in 1974.

The importance of the contribution of large-scale farms to agricultural sales

**Table 32. Comparison of Sales by Value of Sales: 1974**

	Sales (million dollars)			Percent		
	All farms	Farms with sales under \$2,500 <sup>1</sup>	Farms with sales of \$2,500 and over	All farms	Farms with sales under \$2,500 <sup>1</sup>	Farms with sales of \$2,500 and over
Total value of agricultural products sold.....	81,531	933	80,598	100.0	1.1	98.9
Crops and hay seed.....	40,081	329	39,752	100.0	.8	99.2
Nursery and greenhouse products.....	1,709	11	1,699	100.0	.6	99.4
Forest products.....	232	9	223	100.0	3.9	96.1
Livestock and livestock products...	33,302	568	32,733	100.0	1.7	98.3
Poultry and poultry products.....	6,207	16	6,191	100.0	.3	99.7

<sup>1</sup>Includes \$236 million on abnormal farms.