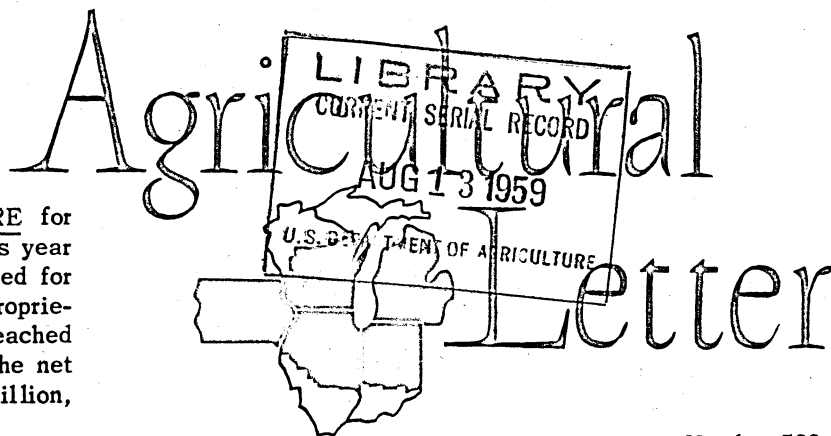


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THE BALANCE SHEET OF AGRICULTURE for January 1, 1959, reflects the relatively prosperous year farmers had during 1958. New peaks were reached for both the value of farm assets and the value of proprietors' equities. The total value of farm assets reached \$203 billion, 9 per cent above last year, and the net worth of farmers and farm owners climbed to \$180 billion, a gain of 8.3 per cent.

The value of farm real estate increased 7.6 per cent and accounted for about half the dollar increase in farm assets. Farm real estate values have increased in each year since 1953. About 70 per cent of the rise in assets in the last five years has been accounted for by the rise in price of farm real estate.

The value of non-real estate assets increased 13.7 per cent, with higher livestock prices and larger crop inventories accounting for most of the rise.

Financial assets increased 4.4 per cent during the year. Most of the gain was in deposits and currency, reflecting the larger farm income during 1958.

Comparative Balance Sheet of Agriculture
United States, January 1, 1957, 1958 and 1959

	1957	1958	1959	Per cent increase 1958-1959
	(billion dollars)			
Assets				
Physical assets:				
Real estate	109.5	116.3	125.1	7.6
Non-real estate	49.0	51.9	59.0	13.7
Financial assets	17.9	18.2	19.0	4.4
Total	176.4	186.4	203.1	9.0
Claims				
Liabilities:				
Real estate debt	9.9	10.5	11.3	7.2
Non-real estate debt:				
Loans held and guaranteed by				
Commodity Credit Corp.	1.6	1.2	2.5	102.9
Other	8.0	8.5	9.5	11.8
Total liabilities	19.5	20.2	23.3	15.3
Proprietors' equities	156.9	166.2	179.8	8.3
Total	176.4	186.4	203.1	9.0

Farm debts rose \$3 billion during 1958, an increase of 14.8 per cent. Debt secured by mortgages on farm real estate increased 7.2 per cent, about the same as in other

recent years, but a sharp increase occurred in other farm debt. Commodity Credit Corporation loans more than doubled during the year as the record crops of 1958 brought large quantities of cotton, wheat, soybeans and grain sorghums under price support loan. Other non-real estate debt rose 11.8 per cent. The largest increases in this debt were in the Corn Belt, Mountain and Pacific regions, reflecting the larger inventory of cattle on ranches and in feedlots in those areas and higher cattle prices.

THE INDEX OF PRICES RECEIVED by farmers on July 15 was 4 per cent below a year earlier. Lower prices for hogs, oranges and eggs were partially offset by higher prices for beef cattle and potatoes.

The index of prices paid on July 15 was 2 per cent higher than a year ago, with only the price of feed used and of food and tobacco below the 1958 levels.

Hog prices in mid-July averaged \$13.30 per hundred-weight, down \$1.70 from June, down \$8.40 from July 1958 and the lowest since March 1956. Beef cattle averaged \$23.10, down 50 cents from June, due primarily to lower prices for slaughter cows, but up 90 cents from year earlier. Eggs made a substantial recovery to 30 cents per dozen from 25 cents in June. However, egg prices were still well below the 37 cents per dozen a year ago.

Fruit prices as of mid-July were nearly 25 per cent below the high level of a year earlier, due primarily to lower prices for citrus fruits, apples and pears. Somewhat higher prices prevailed for fresh vegetables. Potatoes in mid-July averaged \$2.70 per hundredweight compared with \$1.56 in the 1958 month.

Consumer food prices reflected the lower prices received by farmers. The Bureau of Labor Statistics' food price index declined during each of the first five months of this year and was below the corresponding months last year, except in January. During June, the food index rose because of sharp price increases for fresh fruits and vegetables, particularly potatoes, but still was 3 per cent below June of last year.

FARM BUSINESS CONDITIONS

JUNE 1959, WITH COMPARISONS

I T E M S	1959		1958
	June	May	June
PRICES:			
Received by farmers (1947 - 49 = 100)	89	90	92
Paid by farmers (1947 - 49 = 100)	119	120	117
Parity price ratio (1910 - 14 = 100)	81	82	85
Wholesale, all commodities (1947 - 49 = 100)	120	120	119
Paid by consumers (1947 - 49 = 100)	125	124	124
Wheat, No. 2 red winter, Chicago (dol. per bu.)	1.87	1.89	1.93
Corn, No. 2 yellow, Chicago (dol. per bu.)	1.31	1.30	1.37
Oats, No. 2 white, Chicago (dol. per bu.) .....	.71	.71	.71
Soybeans, No. 1 yellow, Chicago (dol. per bu.)	2.28	2.34	2.26
Hogs, barrows and gilts, Chicago (dol. per cwt.)	16.18	16.32	23.06
Beef steers, choice grade, Chicago (dol. per cwt.)	28.48	29.34	28.07
Milk, wholesale, U.S. (dol. per cwt.)	3.69	3.75	3.66
Butterfat, local markets, U.S. (dol. per lb.) .....	.58	.59	.57
Chickens, local markets, U.S. (dol. per lb.) .....	.15	.16	.20
Eggs, local markets, U.S. (dol. per doz.) .....	.25	.25	.35
Milk cows, U.S. (dol. per head)	237	238	210
Farm labor, U.S. (dol. per week without board)	--	44.25*	41.25*
Factory labor, U.S. (dol. earned per week)	90.54	90.32	83.10
PRODUCTION:			
Industrial, physical volume (1947 - 49 = 100)	155	153	132
Farm marketings, physical volume (1947 - 49 = 100)	--	99	102
INCOME PAYMENTS:			
Total personal income, U.S. (annual rate, bil. of dol.) ...	383	381	357
Cash farm income, U.S. ¹ (annual rate, bil. of dol.)	--	33	34
EMPLOYMENT:			
Farm (millions)	7.2	6.4	6.9
Nonagricultural (millions)	60.1	59.6	58.1
FINANCIAL (District member banks):			
Demand deposits:			
Agricultural banks (1955 monthly average = 100)	103.6	105.0	102.1
Nonagricultural banks (1955 monthly average = 100)	102.1	104.2	105.4
Time deposits:			
Agricultural banks (1955 monthly average = 100)	128.3	127.4	119.5
Nonagricultural banks (1955 monthly average = 100)	125.5	124.6	120.3
¹ Based on estimated monthly income.			
* April			

Compiled from official sources by the Research Department, Federal Reserve Bank of Chicago