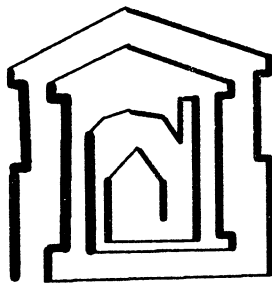


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AGRICULTURAL FINANCE DATABOOK

Second Quarter 1990

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Division of Research and Statistics
Board of Governors of the Federal Reserve System
Washington, D.C. 20551

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General Information

The Agricultural Finance Databook is a compilation of various data on current developments in agricultural finance. Large portions of the data come from regular surveys conducted by the Board of Governors of the Federal Reserve System or Federal Reserve Banks. Other portions of the data come from the quarterly call report data of commercial banks or from the reports of other financial institutions involved in agricultural lending. At the end of June, when this publication went to press, data from the survey of terms of bank lending were available for the second quarter of 1990; the other data generally were available only through the first quarter.

Parts or all of the Agricultural Finance Databook may be copied and distributed freely. Any redistribution of selected parts of the Databook should be accompanied by the "contents" pages at the beginning of the corresponding section, together with the front cover identifying the Databook and date of issue, and this page providing subscription information. Remaining substantive questions may be addressed to Nicholas Walraven or John Rosine at the address shown on the cover.

The Databook is furnished on a complimentary basis to college and university teachers, libraries of educational institutions, government departments and agencies, and public libraries. Others should enclose the annual subscription fee of \$5.00.

New subscriptions to the Databook (Statistical Release E.15) may be entered by sending a mailing address (including zip code) to:

Publications Services, Mail Stop 138
Federal Reserve Board
Washington, D.C. 20551

Notice of change of address also should be sent to Publications Services. A copy of the back cover showing the old address should be included.

SECTION I: FARM DEBT OUTSTANDING (including farm households)

TABLES:

<u>Debt held by institutional lenders</u>	<u>Page</u>
I.A Quarterly estimates.....	4

SOURCES OF DATA:

The sources of the data in this section are: quarterly reports of condition, all insured commercial banks; the quarterly information statements of the Farm Credit System; "Gross Flow of Mortgage Loans in the United States," American Council of Life Insurance; and "Report 616," Farmers Home Administration, U.S. Department of Agriculture. The farm debt series on a USDA basis is from the Economic Research Service. The data are not seasonally adjusted.

The quarterly data shown here for commercial banks, life insurance companies, and the Farmers Home Administration are virtually the same as those reported annually in the USDA accounts that include the debt of farm households (as well as the debt of farm businesses). By contrast, the numbers shown here for the Farm Credit System differ somewhat from those shown in the USDA accounts, owing to adjustments by the USDA to allow for loans that are not for agricultural purposes.

Recent developments:

The volume of outstanding farm loans held by the major institutional lenders continued to trend gradually lower in the first quarter of 1990; in total, these loans were down 2 percent from the level of a year earlier, similar to the year-to-year rate of decline that was evident in the second half of 1989. In the first quarter, a seasonal paydown of nonreal estate debt trimmed the loans outstanding at commercial banks by \$1-1/2 billion, and declines in the volume of outstandings also were reported by the Farm Credit System and the Farmers Home Administration. Relative to a year earlier, the reduction in outstanding loans was concentrated in the loans held by the Farmers Home Administration, which has been resolving loan problems that had accumulated through the 1980s.

[Note: At the end of June, when this issue of the Databook went to press, a first-quarter figure on the loans held by life insurance companies was not available; it has been assumed in these estimates that the December 1989 figure carried over into March of 1990.]

TABLE I.A

FARM DEBT OUTSTANDING: DATA REPORTED BY THE MAJOR FARM LENDING INSTITUTIONS
(END OF QUARTER)

4

REAL ESTATE DEBT								NONREAL ESTATE DEBT				MEMO: FARM DEBT HELD BY MAJOR FARM LENDING INSTITUTIONS, USDA BASIS	
TOTAL	INSURED				FARMERS HOME ADMINIS- TRATION	TOTAL	INSURED			FARMERS HOME ADMINIS- TRATION			
	TOTAL	COMMERCIAL BANKS	FARM CREDIT SYSTEM	LIFE INSURANCE COMPANIES			COMMERCIAL BANKS	FARM CREDIT SYSTEM	FARMERS HOME ADMINIS- TRATION				
I.A1 AMOUNT, END OF QUARTER, BILLIONS OF DOLLARS													
1987 Q1...	126.9	71.3	13.1	37.5	10.4	10.3	55.6	28.8	10.4	16.4		***	
Q2...	128.1	70.4	13.8	36.0	10.4	10.2	57.7	30.4	10.6	16.6		***	
Q3...	126.8	69.4	14.1	35.1	10.1	10.1	57.4	30.6	10.5	16.3		***	
Q4...	123.8	68.8	14.5	34.3	9.9	10.1	55.1	29.0	9.9	16.1		121.9	
1988 Q1...	121.4	67.9	14.7	33.6	9.7	10.0	53.4	28.1	9.5	15.9		***	
Q2...	124.1	67.7	15.2	33.0	9.6	9.9	56.4	30.3	10.1	16.0		***	
Q3...	124.2	67.8	15.3	33.0	9.6	9.8	56.4	30.8	9.8	15.8		***	
Q4...	120.6	66.9	15.4	32.2	9.7	9.6	53.8	29.8	9.3	14.7		118.5	
1989 Q1...	118.1	65.8	15.8	31.1	9.4	9.6	52.3	28.4	9.3	14.6		***	
Q2...	121.0	65.7	16.3	30.6	9.3	9.4	55.3	30.7	10.0	14.6		***	
Q3...	121.7	65.6	16.5	30.5	9.3	9.3	56.2	31.5	10.2	14.4		***	
Q4...	118.3	65.1	16.6	30.2	9.5	8.7	53.2	30.8	10.0	12.4		***	
1990 Q1...	116.0	64.8	16.8	29.9	9.5	8.6	51.2	29.3	9.7	12.1		***	

I.A2 PERCENTAGE OF TOTAL SPECIFIED DEBT, END OF QUARTER

1987 Q1...	***	100.0	18.4	52.5	14.6	14.4	100.0	51.8	18.8	29.5			***
Q2...	***	100.0	19.6	51.2	14.7	14.5	100.0	52.7	18.5	28.8			***
Q3...	***	100.0	20.3	50.6	14.5	14.5	100.0	53.4	18.3	28.3			***
Q4...	***	100.0	21.0	49.9	14.4	14.6	100.0	52.7	18.0	29.2			***
1988 Q1...	***	100.0	21.7	49.4	14.2	14.7	100.0	52.6	17.7	29.7			***
Q2...	***	100.0	22.4	48.8	14.1	14.7	100.0	53.6	17.9	28.4			***
Q3...	***	100.0	22.6	48.7	14.1	14.5	100.0	54.6	17.4	28.0			***
Q4...	***	100.0	23.1	48.1	14.5	14.4	100.0	55.4	17.2	27.3			***
1989 Q1...	***	100.0	24.0	47.2	14.3	14.5	100.0	54.3	17.8	27.9			***
Q2...	***	100.0	24.8	46.6	14.2	14.4	100.0	55.5	18.1	26.4			***
Q3...	***	100.0	25.2	46.5	14.1	14.2	100.0	56.1	18.2	25.7			***
Q4...	***	100.0	25.6	46.4	14.7	13.4	100.0	57.9	18.8	23.3			***
1990 Q1...	***	100.0	25.8	46.1	14.7	13.3	100.0	57.3	19.0	23.7			***

SECTION II: AMOUNT AND CHARACTERISTICS OF FARM LOANS MADE BY COMMERCIAL BANKS

TABLES:

<u>Estimates from the quarterly survey of nonreal estate farm loans</u>	<u>Page</u>
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II.D Average maturity.....	11
II.E Average effective interest rate.....	12
II.F Percentage of loans with a floating interest rate.....	13
II.G Distribution of farm loans by effective interest rate.....	14

SOURCES OF DATA:

These data on the farm loans made by commercial banks are derived from quarterly sample surveys conducted by the Federal Reserve System during the first full week of the second month of each quarter. Data obtained from the sample are expanded into national estimates for all commercial banks, which are shown in the following tables.

Before August 1989, the farm loan survey was part of a broader survey of the terms of lending by a sample of 340 commercial banks. A subset of 250 banks was asked for information regarding agricultural lending, and about 150 typically reported at least one farm loan.

Beginning in August of 1989, the data are being drawn from a new, redesigned sample of 250 banks that is no longer part of the broader survey. In choosing the new sample, banks are stratified according to their volume of farm lending; previously, they had been stratified according to the volume of total loans. As before, however, the sample data are being expanded into national estimates for all commercial banks. In the August 1989 survey, about 200 banks reported at least one farm loan, and the number of sample loans totaled about 4500, more than twice the number typically reported in the previous quarterly surveys.

The new panel of farm banks also was chosen so that the regional mix of sample banks corresponds roughly to the geographic distribution of outstanding farm loans; over time, as more experience is gained with the new sample, it may become possible to examine regional differences in the terms of agricultural lending.

In both the previous survey and the new one, the national estimates exhibit variability due to sampling error. This variability is particularly evident in data on average maturity, which are greatly affected by the

TABLE I.B

FARM DEBT OUTSTANDING: DATA REPORTED BY THE MAJOR FARM LENDING INSTITUTIONS

		REAL ESTATE DEBT						NONREAL ESTATE DEBT				MEMO: FARM DEBT HELD BY MAJOR FARM LENDING INSTITUTIONS, USDA BASIS
TOTAL		TOTAL	INSURED COMMERCIAL BANKS	FARM CREDIT SYSTEM	LIFE INSURANCE COMPANIES	FARMERS HOME ADMINIS- TRATION	TOTAL	INSURED COMMERCIAL BANKS	FARM CREDIT SYSTEM	FARMERS HOME ADMINIS- TRATION		
I.B1 PERCENT CHANGE FROM PREVIOUS QUARTER												
1987	Q1...	-4.3	-2.8	3.5	-4.7	-5.0	-0.8	-6.1	-7.7	-9.9	-0.4	***
	Q2...	1.0	-1.3	5.2	-3.9	-0.7	-0.8	3.9	5.7	2.2	1.6	***
	Q3...	-1.0	-1.4	2.1	-2.4	-2.6	-1.2	-0.5	0.7	-1.2	-2.2	***
	Q4...	-2.4	-0.9	2.4	-2.2	-1.8	0.0	-4.1	-5.2	-5.6	-1.1	***
1988	Q1...	-2.0	-1.2	1.9	-2.3	-2.4	-1.1	-2.9	-3.2	-4.5	-1.4	***
	Q2...	2.3	-0.3	3.0	-1.5	-0.8	-0.4	5.6	7.6	6.8	1.1	***
	Q3...	0.0	0.1	1.2	-0.0	0.1	-1.0	-0.1	1.7	-3.1	-1.5	***
	Q4...	-2.9	-1.4	0.5	-2.6	0.8	-2.5	-4.6	-3.1	-5.7	-6.9	***
1989	Q1...	-2.1	-1.5	2.7	-3.5	-2.7	-0.4	-2.8	-4.7	0.3	-0.7	***
	Q2...	2.4	-0.2	3.0	-1.4	-0.9	-1.2	5.8	8.2	7.5	-0.0	***
	Q3...	0.6	-0.2	1.2	-0.5	-0.6	-1.2	1.6	2.5	2.6	-1.0	***
	Q4...	-2.8	-0.7	0.9	-0.8	3.0	-6.8	-5.3	-2.2	-2.1	-14.4	***
1990	Q1...	-1.9	-0.4	0.7	-1.1	0.0	-0.9	-3.7	-4.7	-3.2	-1.8	***
I.B2 PERCENTAGE CHANGE FROM SAME QUARTER OF PREVIOUS YEAR												
1987	Q1...	***	***	***	***	***	***	***	***	***	***	***
	Q2...	***	***	***	***	***	***	***	***	***	***	***
	Q3...	***	***	***	***	***	***	***	***	***	***	***
	Q4...	-6.5	-6.2	13.9	-12.6	-9.9	-2.7	-7.0	-6.9	-14.1	-2.1	-6.3
1988	Q1...	-4.3	-4.7	12.1	-10.4	-7.4	-3.0	-3.8	-2.3	-9.1	-3.1	***
	Q2...	-3.1	-3.8	9.6	-8.2	-7.4	-2.6	-2.2	-0.5	-4.9	-3.6	***
	Q3...	-2.1	-2.3	8.6	-5.9	-4.8	-2.3	-1.8	0.4	-6.7	-2.9	***
	Q4...	-2.6	-2.8	6.7	-6.3	-2.3	-4.7	-2.4	2.6	-6.8	-8.6	-2.8
1989	Q1...	-2.7	-3.0	7.5	-7.5	-2.6	-4.1	-2.2	1.0	-2.0	-8.0	***
	Q2...	-2.6	-3.0	7.6	-7.3	-2.8	-4.9	-2.0	1.5	-1.5	-9.0	***
	Q3...	-2.0	-3.3	7.6	-7.8	-3.4	-5.1	-0.4	2.4	4.4	-8.6	***
	Q4...	-1.9	-2.6	8.0	-6.0	-1.2	-9.3	-1.1	3.3	8.3	-15.9	***
1990	Q1...	-1.8	-1.5	5.9	-3.6	1.5	-9.8	-2.1	3.4	4.5	-16.9	***

SECTION II: (CONTINUED)

occasional appearance of loans with a maturity of about 20 years. In addition, the breakdown of national estimates into those for large banks and small banks may be affected somewhat by the new sampling procedures that were implemented in August 1989; apparent shifts in the data as of that date therefore should be treated with caution.

More detailed results from each quarterly survey are published in Table 5 of Statistical Release E.2, "Survey of Terms of Bank Lending," for which a mailing list is maintained by Publications Services, Mail Stop 138, Federal Reserve Board, Washington, D.C., 20551. Starting with the August 1986 survey, farm loans secured by real estate are included in the data shown in Statistical Release E.2, whereas such loans are excluded from the tabulations presented here.

RECENT DEVELOPMENTS:

In the second week of May 1990, the average effective rate of interest on commercial banks' nonreal estate loans to farmers (Table II.E) was 11.8 percent, the same as in the February survey, and down roughly a full percentage point from the level reported in the May 1989 survey. The decline in rates over the last year has been apparent for all types of farm loans and at both large banks and small banks.

Other results from the quarterly surveys are presented in Tables II.A through II.D and in Table II.F. The May 1990 survey showed a small dip in the amount of nonreal estate farm loans made by commercial banks (table II.E). Although the quarterly data tend to be quite volatile, this amount was near the upper end of the range of recent quarters. The range of interest rates on loans that were in the survey tightened in May (table II.G).

ESTIMATES FROM THE QUARTERLY SAMPLE SURVEY OF BANK NONREAL ESTATE LOANS TO FARMERS
TABLE II.A

8

AMOUNT OF LOANS MADE (BILLIONS OF DOLLARS)

BY PURPOSE OF LOAN							BY SIZE OF LOAN (\$1,000s)				BY SIZE OF BANK	
ALL LOANS	FEEDER LIVE- STOCK	OTHER LIVESTOCK	OTHER CURRENT OPERATING EXPENSES	FARM MACHINERY AND EQUIPMENT	OTHER		1 to 9	10 to 24	25 to 99	100 and over	LARGE	OTHER
ANNUAL AMOUNT OF LOANS MADE												
1978.....	46.5	13.4	3.9	16.9	4.2	7.6	8.4	8.9	13.6	15.7	12.3	34.2
1979.....	52.7	16.8	4.9	18.7	4.2	8.0	8.7	8.5	17.3	18.2	11.1	41.6
1980.....	60.0	16.1	4.6	24.1	4.8	10.1	8.5	9.7	18.1	23.8	11.9	48.1
1981.....	61.1	12.7	4.3	27.3	4.7	11.4	8.3	9.5	18.0	25.3	12.8	48.3
1982.....	66.0	13.6	4.5	28.1	5.4	13.4	7.9	9.8	18.2	30.0	21.7	44.3
1983.....	67.3	12.1	5.9	31.1	6.1	11.9	8.4	9.0	17.5	32.4	18.6	48.7
1984.....	60.8	10.7	6.5	26.5	4.4	12.2	8.9	7.8	17.6	26.5	15.8	45.0
1985.....	52.1	8.6	5.2	22.6	4.4	11.3	7.2	7.4	13.5	24.0	14.9	37.3
1986.....	48.5	10.4	4.5	23.2	2.4	8.0	6.0	6.9	13.2	22.3	12.6	35.9
1987.....	49.6	13.2	3.4	22.5	2.3	8.3	5.7	6.8	12.6	24.5	17.1	32.5
1988.....	48.2	10.0	4.6	24.3	1.9	7.4	5.2	6.4	12.9	23.7	15.9	32.3
1989.....	51.6	12.9	6.0	24.3	2.0	6.4	6.1	7.7	14.4	23.4	19.6	32.0
AMOUNT OF LOANS MADE DURING FIRST FULL WEEK OF SECOND MONTH OF QUARTER, ANNUAL RATE												
1988 Q2...	50.7	12.1	3.3	25.2	2.1	8.0	6.7	6.9	12.9	24.1	18.4	32.3
Q3...	53.6	7.2	4.7	32.1	1.9	7.7	5.4	7.7	13.3	27.2	15.9	37.7
Q4...	38.1	10.7	5.4	14.7	1.1	6.1	3.7	4.9	10.8	18.7	14.1	24.0
1989 Q1...	41.2	11.7	3.1	19.1	1.8	5.4	4.8	5.6	10.0	20.7	17.0	24.2
Q2...	62.7	11.8	5.2	35.8	1.8	8.1	7.4	9.3	15.6	30.4	18.8	43.9
Q3...	47.7	11.4	5.7	22.3	2.5	5.8	6.7	8.0	14.8	18.2	18.4	29.4
Q4...	54.8	16.8	10.0	20.0	1.7	6.3	5.6	7.6	17.2	24.4	24.2	30.6
1990 Q1...	62.1	18.4	7.3	24.6	3.3	8.5	5.3	6.5	16.9	33.3	29.4	32.6
Q2...	59.9	15.9	3.5	23.9	2.2	14.4	6.8	8.1	13.6	31.4	33.2	26.7

ESTIMATES FROM THE QUARTERLY SAMPLE SURVEY OF BANK NONREAL ESTATE LOANS TO FARMERS
TABLE II.B

NUMBER OF LOANS MADE (MILLIONS)

BY PURPOSE OF LOAN								BY SIZE OF LOAN (\$1,000s)				BY SIZE OF BANK	
ALL LOANS	FEEDER LIVE- STOCK	OTHER LIVESTOCK	OTHER CURRENT OPERATING EXPENSES	FARM MACHINERY AND EQUIPMENT	OTHER			1 to 9	10 to 24	25 to 99	100 and over	LARGE	OTHER
ANNUAL NUMBER OF LOANS MADE													
1978.....	3.35	0.60	0.32	1.60	0.43	0.39		2.36	0.60	0.33	0.06	0.19	3.15
1979.....	3.42	0.52	0.31	1.75	0.43	0.41		2.37	0.59	0.37	0.08	0.18	3.24
1980.....	3.40	0.50	0.29	1.76	0.45	0.39		2.23	0.66	0.41	0.10	0.18	3.22
1981.....	3.39	0.39	0.26	2.01	0.38	0.34		2.23	0.65	0.41	0.10	0.17	3.21
1982.....	3.30	0.33	0.26	2.06	0.30	0.35		2.14	0.67	0.40	0.09	0.22	3.08
1983.....	3.41	0.37	0.32	2.00	0.39	0.32		2.32	0.60	0.38	0.11	0.20	3.21
1984.....	3.44	0.34	0.29	2.06	0.35	0.35		2.42	0.53	0.40	0.09	0.18	3.26
1985.....	2.96	0.34	0.23	1.77	0.36	0.27		2.06	0.51	0.30	0.09	0.18	2.78
1986.....	2.55	0.30	0.17	1.66	0.17	0.24		1.71	0.46	0.29	0.08	0.20	2.34
1987.....	2.38	0.39	0.13	1.54	0.14	0.19		1.57	0.46	0.27	0.08	0.20	2.18
1988.....	2.21	0.29	0.11	1.45	0.14	0.21		1.42	0.43	0.28	0.07	0.23	1.99
1989.....	2.60	0.30	0.20	1.73	0.16	0.20		1.67	0.52	0.31	0.09	0.36	2.23
NUMBER OF LOANS MADE DURING FIRST FULL WEEK OF SECOND MONTH OF QUARTER, ANNUAL RATE													
1988 Q2...	2.66	0.26	0.13	1.87	0.18	0.23		1.81	0.48	0.29	0.08	0.24	2.42
Q3...	2.37	0.28	0.11	1.60	0.13	0.25		1.49	0.51	0.31	0.06	0.26	2.11
Q4...	1.64	0.33	0.09	1.00	0.09	0.12		1.02	0.33	0.22	0.06	0.18	1.46
1989 Q1...	2.01	0.24	0.12	1.31	0.16	0.17		1.33	0.38	0.23	0.07	0.21	1.80
Q2...	3.13	0.28	0.22	2.25	0.15	0.24		2.06	0.64	0.32	0.11	0.33	2.80
Q3...	2.78	0.26	0.19	1.95	0.19	0.20		1.84	0.55	0.32	0.07	0.48	2.30
Q4...	2.47	0.44	0.29	1.40	0.15	0.19		1.47	0.52	0.39	0.09	0.45	2.02
1990 Q1...	2.37	0.30	0.23	1.38	0.25	0.20		1.48	0.42	0.36	0.10	0.40	1.97
Q2...	2.81	0.26	0.26	1.90	0.21	0.19		1.86	0.56	0.31	0.08	0.52	2.29

ESTIMATES FROM THE QUARTERLY SAMPLE SURVEY OF BANK NONREAL ESTATE LOANS TO FARMERS
TABLE II.C

10

AVERAGE SIZE OF LOANS MADE (THOUSANDS OF DOLLARS)

BY PURPOSE OF LOAN								BY SIZE OF LOAN (\$1,000s)				BY SIZE OF BANK	
ALL LOANS	FEEDER LIVE- STOCK	OTHER LIVESTOCK	OTHER CURRENT OPERATING EXPENSES	FARM MACHINERY AND EQUIPMENT	OTHER			1 to 9	10 to 24	25 to 99	100 and over	LARGE	OTHER
ANNUAL AVERAGE SIZE OF LOANS MADE													
1978.....	13.9	22.3	12.4	10.6	9.8	19.6		3.6	14.9	41.4	246	63.4	10.9
1979.....	15.4	32.4	15.9	10.7	9.8	19.4		3.7	14.4	46.7	220	61.5	12.8
1980.....	17.7	32.3	15.8	13.7	10.7	25.8		3.8	14.7	43.9	239	66.3	14.9
1981.....	18.0	32.6	16.6	13.6	12.3	33.8		3.7	14.7	43.5	255	73.0	15.0
1982.....	20.0	41.5	17.5	13.6	17.6	38.9		3.7	14.6	46.1	326	97.8	14.4
1983.....	19.7	32.5	18.2	15.5	15.6	37.1		3.6	14.8	46.3	294	92.0	15.2
1984.....	17.7	31.8	21.9	12.9	12.5	34.8		3.7	14.7	43.8	291	88.1	13.8
1985.....	17.6	25.7	22.5	12.8	12.4	42.1		3.5	14.4	45.5	255	82.0	13.4
1986.....	19.0	35.0	25.8	14.0	13.6	32.9		3.5	14.9	44.9	280	62.0	15.3
1987.....	20.8	33.8	26.3	14.6	16.1	44.6		3.6	14.7	46.5	320	85.5	14.9
1988.....	21.8	34.1	40.6	16.7	13.9	34.7		3.7	14.8	45.2	320	70.0	16.3
1989.....	19.9	42.7	29.5	14.1	12.1	32.2		3.6	14.7	45.9	272	53.7	14.4
AVERAGE SIZE OF LOANS MADE DURING FIRST FULL WEEK OF SECOND MONTH OF QUARTER, ANNUAL RATE													
1988 Q2...	19.1	46.6	26.2	13.5	12.2	34.8		3.7	14.5	44.8	301	75.3	13.4
Q3...	22.6	25.8	44.1	20.1	14.4	30.6		3.7	15.1	42.3	454	61.2	17.9
Q4...	23.2	32.6	59.3	14.6	12.3	50.0		3.6	14.5	48.7	288	80.0	16.4
1989 Q1...	20.5	49.1	25.5	14.5	11.0	32.0		3.6	15.1	43.4	296	80.9	13.5
Q2...	20.1	42.7	24.4	15.9	12.3	34.0		3.6	14.6	48.5	275	57.8	15.7
Q3...	17.2	44.2	30.0	11.4	13.6	29.2		3.6	14.5	46.5	252	38.5	12.7
Q4...	22.2	38.3	34.5	14.3	11.0	33.4		3.8	14.8	44.5	266	54.0	15.2
1990 Q1...	26.2	61.2	32.0	17.7	13.0	42.0		3.6	15.3	47.5	324	73.8	16.6
Q2...	21.3	62.0	13.8	12.6	10.5	77.5		3.6	14.3	44.3	409	63.6	11.7

ESTIMATES FROM THE QUARTERLY SAMPLE SURVEY OF BANK NONREAL ESTATE LOANS TO FARMERS

TABLE II.D

AVERAGE MATURITY OF LOANS MADE (MONTHS)

BY PURPOSE OF LOAN							BY SIZE OF LOAN (\$1,000s)				BY SIZE OF BANK	
ALL LOANS	FEEDER LIVE- STOCK	OTHER LIVESTOCK	OTHER CURRENT OPERATING EXPENSES	FARM MACHINERY AND EQUIPMENT	OTHER		1 to 9	10 to 24	25 to 99	100 and over	LARGE	OTHER
ANNUAL AVERAGE MATURITY												
1978.....	8.3	5.9	6.4	6.8	18.1	10.5	7.9	8.6	9.2	7.6	7.0	8.7
1979.....	7.1	5.9	6.8	6.0	14.2	8.7	7.7	8.3	7.8	5.5	5.3	7.6
1980.....	7.2	6.2	7.1	6.6	13.5	6.7	6.8	7.0	7.1	7.6	6.6	7.3
1981.....	6.0	5.5	6.5	5.6	11.1	5.2	6.2	6.4	6.0	5.8	5.4	6.2
1982.....	6.5	5.1	7.0	7.1	8.4	5.4	6.0	7.0	6.6	6.4	6.0	6.7
1983.....	8.9	5.5	8.1	10.4	10.6	7.8	7.0	8.1	8.1	10.0	6.1	9.9
1984.....	7.7	5.0	6.6	7.8	12.6	8.1	7.0	7.5	7.7	8.0	7.0	7.9
1985.....	8.0	6.1	7.8	7.3	13.4	8.8	6.7	7.7	9.1	7.9	6.9	8.4
1986.....	8.0	5.8	6.3	7.6	21.0	8.8	6.8	8.0	9.8	7.1	5.5	8.8
1987.....	8.4	5.5	7.7	7.6	22.8	12.1	7.5	8.1	9.3	8.3	5.9	9.3
1988.....	8.7	6.4	4.7	8.5	19.8	10.9	7.1	9.2	10.2	7.7	8.1	8.8
1989.....	8.1	6.8	7.4	7.2	18.7	11.8	7.4	8.3	9.3	7.1	7.8	8.2
MATURITY OF LOANS MADE DURING FIRST FULL WEEK OF SECOND MONTH OF QUARTER, ANNUAL RATE												
1988 Q2...	8.4	6.0	6.3	8.0	22.6	8.6	7.8	12.4	10.0	5.7	6.5	9.0
Q3...	7.0	7.2	3.7	6.4	8.8	11.2	6.1	6.4	7.3	7.2	7.0	7.0
Q4...	7.2	6.2	3.9	7.0	32.4	7.4	6.1	8.0	9.5	5.5	5.1	8.0
1989 Q1...	9.7	7.4	6.6	8.7	21.4	15.7	8.4	10.4	12.3	7.0	6.8	10.7
Q2...	7.9	6.2	6.8	7.3	18.5	11.2	8.0	8.8	9.5	6.3	8.8	7.7
Q3...	7.9	6.5	8.3	6.1	17.8	13.3	6.5	7.7	8.1	8.5	8.3	7.7
Q4...	7.5	7.0	7.4	6.8	17.4	8.1	6.8	6.8	8.5	7.1	7.2	7.6
1990 Q1...	10.8	6.3	8.5	11.6	23.7	11.9	8.3	10.2	16.3	7.6	6.8	13.0
Q2...	10.0	6.2	10.6	9.7	19.2	11.8	8.7	10.7	12.6	8.3	8.2	11.3

ESTIMATES FROM THE QUARTERLY SAMPLE SURVEY OF BANK NONREAL ESTATE LOANS TO FARMERS
TABLE II.E

AVERAGE EFFECTIVE INTEREST RATE ON LOANS MADE

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BY PURPOSE OF LOAN							BY SIZE OF LOAN (\$1,000s)				BY SIZE OF BANK	
ALL LOANS	FEEDER LIVE- STOCK	OTHER LIVESTOCK	OTHER CURRENT OPERATING EXPENSES	FARM MACHINERY AND EQUIPMENT	OTHER		1 to 9	10 to 24	25 to 99	100 and over	LARGE	OTHER
ANNUAL AVERAGE INTEREST RATE												
1978.....	9.6	9.7	9.8	9.5	9.6	9.7	9.4	9.4	9.5	9.9	10.2	9.4
1979.....	11.9	12.1	11.7	11.8	11.2	12.1	11.1	11.4	11.5	12.8	13.6	11.4
1980.....	15.2	15.6	14.6	15.3	14.4	15.3	14.7	14.7	14.9	15.9	16.2	15.0
1981.....	18.5	18.6	18.4	18.4	17.9	18.6	18.0	18.2	18.2	18.9	19.8	18.1
1982.....	16.7	15.9	16.3	16.9	17.1	16.9	17.0	16.8	17.0	16.4	16.1	17.0
1983.....	13.5	13.6	13.8	13.5	14.3	12.8	14.2	14.1	14.0	13.0	12.1	14.1
1984.....	14.1	13.7	14.3	14.2	14.6	14.0	14.6	14.3	14.3	13.7	13.1	14.4
1985.....	12.8	12.5	12.7	13.0	13.7	12.1	13.7	13.2	13.2	12.1	11.2	13.4
1986.....	11.5	11.1	11.9	11.5	12.2	11.2	12.4	12.0	11.8	10.8	9.6	12.1
1987.....	10.6	10.7	10.2	10.8	11.5	9.5	11.6	11.3	11.1	9.9	9.2	11.3
1988.....	11.2	10.9	11.9	11.2	11.7	10.7	11.7	11.6	11.4	10.8	10.2	11.6
1989.....	12.5	12.3	12.4	12.6	12.8	12.3	12.8	12.7	12.7	12.2	12.1	12.7
AVERAGE RATE ON LOANS MADE DURING FIRST FULL WEEK OF SECOND MONTH OF QUARTER, ANNUAL RATE												
1988 Q2...	10.7	10.5	10.6	10.9	11.3	10.2	11.5	11.4	11.0	10.1	9.7	11.3
Q3...	11.5	11.2	12.3	11.5	11.6	11.0	11.8	11.6	11.6	11.3	10.7	11.8
Q4...	11.6	11.6	11.7	11.6	12.1	11.3	12.1	11.9	12.0	11.1	11.1	11.8
1989 Q1...	12.3	12.2	12.2	12.4	12.5	12.1	12.5	12.3	12.6	12.1	12.1	12.4
Q2...	12.9	12.9	12.8	12.9	13.2	12.8	13.1	12.9	13.2	12.7	12.8	13.0
Q3...	12.5	12.0	12.6	12.7	12.9	12.2	13.0	12.9	12.6	12.0	12.0	12.8
Q4...	12.1	12.2	12.2	12.0	12.4	12.1	12.7	12.5	12.3	11.8	11.6	12.5
1990 Q1...	11.8	11.4	11.7	12.1	12.2	11.5	12.6	12.4	12.2	11.3	11.2	12.3
Q2...	11.8	11.6	12.2	12.0	12.4	11.5	12.5	12.3	12.1	11.4	11.4	12.3

ESTIMATES FROM THE QUARTERLY SAMPLE SURVEY OF BANK NONREAL ESTATE LOANS TO FARMERS
TABLE II.F

PERCENTAGE OF LOANS MADE WITH A FLOATING INTEREST RATE

BY PURPOSE OF LOAN							BY SIZE OF LOAN (\$1,000s)				BY SIZE OF BANK	
ALL LOANS	FEEDER LIVE- STOCK	OTHER LIVESTOCK	OTHER CURRENT OPERATING EXPENSES	FARM MACHINERY AND EQUIPMENT	OTHER		1 to 9	10 to 24	25 to 99	100 and over	LARGE	OTHER
ANNUAL PERCENTAGE OF LOANS MADE												
1978.....	17.3	18.9	19.7	14.4	2.1	28.4	1.6	3.1	7.8	41.9	62.2	1.1
1979.....	16.7	16.5	17.1	15.8	7.3	23.8	3.1	6.2	9.7	34.7	66.4	3.4
1980.....	21.5	19.8	17.7	21.0	11.2	32.7	6.9	12.1	12.9	37.2	74.6	8.4
1981.....	29.0	33.3	21.6	31.5	14.9	28.5	15.5	17.7	21.7	42.9	80.0	15.5
1982.....	39.2	47.8	30.2	43.0	15.5	31.4	24.3	25.6	29.7	53.4	65.6	26.3
1983.....	43.1	47.8	28.7	48.1	17.6	44.3	25.6	29.1	34.9	55.9	77.7	29.9
1984.....	38.9	41.2	32.3	41.7	24.3	39.5	23.8	31.3	29.0	52.7	71.1	27.6
1985.....	45.3	61.4	44.9	43.0	19.6	47.3	27.6	31.5	42.0	56.6	77.1	32.6
1986.....	53.4	60.5	34.8	57.2	30.9	50.6	40.6	41.8	48.2	63.7	71.9	47.0
1987.....	59.5	51.6	69.6	62.1	55.5	62.1	48.5	45.6	54.4	68.5	77.6	49.9
1988.....	61.4	65.3	39.5	63.8	54.9	63.2	49.3	51.5	60.8	67.0	79.1	52.6
1989.....	61.0	71.4	40.0	59.7	32.9	73.6	50.4	49.6	58.5	69.1	83.6	47.2
AVERAGE PERCENTAGE DURING FIRST FULL WEEK OF SECOND MONTH OF QUARTER												
1988 Q2...	60.9	61.8	46.7	63.3	58.7	58.7	56.7	51.5	61.4	64.6	76.1	52.3
Q3...	62.2	64.8	64.4	62.3	36.5	64.5	42.6	47.0	49.1	76.9	80.6	54.5
Q4...	62.9	61.8	17.4	78.4	68.1	66.8	51.3	53.2	60.5	69.1	74.8	55.9
1989 Q1...	68.8	82.9	30.0	67.4	40.1	75.6	45.8	52.4	69.4	78.3	88.6	55.0
Q2...	51.6	66.0	18.2	49.7	26.9	66.0	56.3	45.9	50.6	52.7	80.3	39.3
Q3...	65.7	69.5	46.2	69.5	30.7	78.3	51.9	58.2	63.9	75.6	87.1	52.3
Q4...	61.8	68.5	51.0	59.1	35.1	77.2	44.5	42.9	54.6	76.8	80.1	47.4
1990 Q1...	71.6	78.3	47.5	73.0	41.7	85.3	50.2	57.8	69.6	78.8	85.0	59.5
Q2...	74.6	77.5	50.4	73.0	47.1	84.2	55.7	63.2	65.2	85.7	88.0	58.0

Table II.G

PERCENTAGE DISTRIBUTION OF NONREAL ESTATE FARM LOANS MADE BY BANKS,¹
BY EFFECTIVE INTEREST RATE

Effective interest rate (percent)	May													
	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990
All loans.....	100	100	100	100	100	100	100	100	100	100	100	100	100	100
Under 6.0.....	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.0 to 6.9.....	7	-	-	-	-	-	-	-	-	-	-	-	-	-
7.0 to 7.9.....	6	-	-	-	-	-	-	-	-	1	1	1	-	-
8.0 to 8.9.....	43	35	4	-	-	-	-	-	-	6	11	10	-	-
9.0 to 9.9.....	40	48	14	-	1	-	1	-	5	12	21	20	-	1
10.0 to 10.9...	3	11	32	-	-	-	6	-	7	11	23	27	5	8
11.0 to 11.9...	1	6	22	-	-	-	7	1	11	33	22	23	8	33
12.0 to 12.9...	-	-	12	1	1	-	28	12	24	22	19	15	39	39
13.0 to 13.9...	-	-	10	4	1	-	31	26	31	13	3	3	34	14
14.0 to 14.9...	-	-	5	9	1	-	15	36	13	2	-	-	8	5
15.0 to 15.9...	-	-	1	7	10	2	10	21	7	-	-	-	4	-
16.0 to 16.9...	-	-	-	11	22	12	-	2	1	-	-	-	1	-
17.0 to 17.9...	-	-	-	35	19	45	1	-	-	-	-	-	-	-
18.0 to 18.9...	-	-	-	18	21	29	-	-	-	-	-	-	-	-
19.0 to 19.9...	-	-	-	9	10	9	-	-	1	-	-	-	-	-
20.0 to 20.9...	-	-	-	3	10	1	1	-	-	-	-	-	-	-
21.0 to 21.9...	-	-	-	1	4	-	-	-	-	-	-	-	-	-
22.0 to 22.9...	-	-	-	1	2	-	-	-	-	-	-	-	-	-
23.0 to 23.9...	-	-	-	-	1	-	-	-	-	-	-	-	-	-
24.0 to 24.9...	-	-	-	-	-	-	-	-	-	-	-	-	-	-
25.0 and over..	-	-	-	-	-	-	-	-	-	-	-	-	-	-

1. Percentage distribution of the estimated total dollar amount of nonreal estate farm loans of \$1,000 or more made by insured commercial banks during the week covered by the survey, which is the first full business week of the month specified.

Data are estimates from the Federal Reserve survey of terms of bank lending to farmers. Percentages may not add to 100 because of rounding.

SECTION III: SELECTED STATISTICS FROM THE QUARTERLY REPORTS OF CONDITION OF COMMERCIAL BANKS

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Agricultural banks:

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SOURCES OF DATA:

The data in tables III.A through III.G are prepared using data from the quarterly reports of condition and income for commercial banks. The observations for the first quarter of 1990 are preliminary. Delinquencies and charge-offs of nonreal estate farm loans for the nation as a whole (table III.A and table III.B) are estimated from reports of banks that hold more than 90 percent of total nonreal estate farm loans. Banks that do not report delinquencies of agricultural loans are assumed to have the same delinquency rates as those that report.

Examination of total lending at banks that have a high exposure to agricultural loans provides an alternative perspective on the agricultural lending situation. Agricultural banks in table III.C through table III.H are those that have a proportion of farm loans (real estate plus nonreal estate) to total loans that is greater than the unweighted average at all banks. The preliminary estimate of this average was 15.63 percent in March of 1990.

Failures of banks (table III.H) are obtained from news releases of the Federal Deposit Insurance Corporation, with agricultural banks defined, as above, by the amount of farm loans relative to total loans that they hold.

SECTION III: (continued)

Recent Developments:

The amount of problem farm nonreal estate loans was slightly smaller in March of 1990 than it was a year earlier, reflecting, primarily, a decline in nonaccrual loans (table III.A). The decline in the level of nonaccrual loans appears to have flattened out last year, and it may be that the current levels are roughly in line with normal business operations. Total net charge-offs (table III.B) were slightly negative for the nation in Q1, as net recoveries in California, Iowa, and Nebraska more than offset net charge-offs in Illinois, Texas, and Washington. Most other states had small positive net chargeoffs.

According to a variety of indicators, the financial performance of agricultural banks improved further during the first quarter. Only about one in ten agricultural banks had nonperforming loans that amounted to more than 5 percent of total loans (table III.C), and the proportion of banks that had large amounts of net charge-offs fell as well (table III.D). Data through the first quarter suggest that agricultural banks are earning returns at about the same rate as in the first quarter of the past several years (table III.F). The ratio of loans to deposits at agricultural banks (table III.G) remains at a relatively low level, indicating that agricultural banks, on average, have had ample funds to lend to farmers. Fewer agricultural banks have failed thus far in 1990 than in the first half of any year since 1983 (table III.H).

TABLE III.A

ESTIMATED DELINQUENT FARM NONREAL ESTATE LOANS
INSURED COMMERCIAL BANKS

MARCH 31

BILLIONS OF DOLLARS								AS PERCENTAGE OF OUTSTANDING FARM PRODUCTION LOANS						
NONPERFORMING								NONPERFORMING						
		PAST DUE 30 TO 89 DAYS		PAST DUE 90 DAYS		NON- ACCRUAL	MEMO: RESTRUCTURED LOANS IN COMPLIANCE		PAST DUE 30 TO 89 DAYS		PAST DUE 90 DAYS		NON- ACCRUAL	MEMO: RESTRUCTURED LOANS IN COMPLIANCE
		TOTAL	ACCRUING	TOTAL	ACCRUING				TOTAL	ACCRUING	TOTAL	ACCRUING		
1984.....		3.1	1.0	2.1	0.7	1.4	NA		8.0	2.6	5.4	1.8	3.6	NA
1985.....		3.8	1.3	2.5	0.7	1.8	NA		10.1	3.5	6.6	1.8	4.8	NA
1986.....		4.7	1.4	3.3	0.8	2.5	NA		14.0	4.2	9.8	2.3	7.5	NA
1987.....		3.0	0.8	2.2	0.5	1.7	0.4		10.4	2.7	7.7	1.6	6.1	1.5
1988.....		2.0	0.5	1.5	0.3	1.2	0.5		7.1	2.0	5.2	1.0	4.2	1.7
1989.....		1.6	0.5	1.0	0.2	0.8	0.5		5.5	1.9	3.5	0.6	2.9	1.6
1990.....		1.4	0.6	0.8	0.2	0.6	0.4		4.8	2.1	2.7	0.7	2.0	1.3
1987 Q1...		3.0	0.8	2.2	0.5	1.7	0.4		10.4	2.7	7.7	1.6	6.1	1.5
Q2...		2.5	0.4	2.0	0.4	1.6	0.5		8.1	1.3	6.7	1.3	5.4	1.6
Q3...		2.1	0.3	1.8	0.3	1.5	0.5		6.7	1.0	5.7	0.9	4.8	1.6
Q4...		1.9	0.5	1.4	0.2	1.2	0.5		6.5	1.7	4.8	0.7	4.2	1.7
1988 Q1...		2.0	0.5	1.5	0.3	1.2	0.5		7.1	2.0	5.2	1.0	4.2	1.7
Q2...		1.7	0.3	1.3	0.2	1.1	0.5		5.5	1.0	4.5	0.7	3.7	1.7
Q3...		1.5	0.3	1.2	0.2	1.0	0.5		4.9	0.9	4.0	0.6	3.4	1.6
Q4...		1.4	0.4	1.0	0.1	0.9	0.5		4.5	1.2	3.3	0.5	2.9	1.6
1989 Q1...		1.6	0.5	1.0	0.2	0.8	0.5		5.5	1.9	3.5	0.6	2.9	1.6
Q2...		1.4	0.4	1.0	0.2	0.8	0.5		4.4	1.3	3.2	0.6	2.6	1.5
Q3...		1.2	0.3	0.9	0.2	0.7	0.4		3.8	1.1	2.7	0.5	2.2	1.4
Q4...		1.1	0.4	0.7	0.1	0.6	0.4		3.7	1.3	2.3	0.5	1.9	1.4
1990 Q1...		1.4	0.6	0.8	0.2	0.6	0.4		4.8	2.1	2.7	0.7	2.0	1.3

Data are estimates of the national totals for farm nonreal estate loans. After 1984, estimates are based on reports from banks that hold more than 90 percent of such loans. Earlier, only large banks that held about one-fourth of such loans reported nonaccrual and renegotiated farm loans; for other banks, estimates of delinquent farm loans are based on a study of delinquent total loans at these banks.

TABLE III.B

ESTIMATED NET CHARGE-OFFS OF NONREAL ESTATE FARM LOANS
INSURED COMMERCIAL BANKS*

ESTIMATED AMOUNT MILLIONS OF DOLLARS						CHARGE-OFFS AS A PERCENTAGE OF SUCH LOANS OUTSTANDING					
	ANNUAL TOTAL	Q1	Q2	Q3	Q4		ANNUAL TOTAL	Q1	Q2	Q3	Q4
1985.....	1300	200	320	255	525		3.28	0.51	0.84	0.64	1.34
1986.....	1195	235	360	230	370		3.38	0.66	1.07	0.67	1.10
1987.....	503	173	133	57	140		1.61	0.55	0.46	0.19	0.46
1988.....	128	28	39	24	37		0.44	0.10	0.14	0.10	0.12
1989.....	91	10	26	15	40		0.29	0.03	0.09	0.05	0.13
1990.....	**	-5	**	**	**		**	-0.02	**	**	**

*Data are estimates of the national charge-offs of farm nonreal estate loans based on reports from banks that hold more than 90 percent of the outstanding national volume of such loans. Additional uncertainty of the estimates arises because small banks report only charge-offs of 'agricultural' loans as defined by each bank for its internal purposes. Banks first reported these data on the March 1984 Report of Income.

**No data.

TABLE III.C

DISTRIBUTION OF AGRICULTURAL BANKS BY RELATIVE NONPERFORMING LOANS*

NONPERFORMING LOANS AS A PERCENTAGE OF TOTAL LOANS								
PERCENTAGE DISTRIBUTION, MARCH 31								
	TOTAL	UNDER 2.0	2.0 TO 4.9	5.0 TO 9.9	10.0 TO 14.9	15.0 TO 19.9	20.0 AND OVER	
1984.....	100.0	46.9	33.1	15.5	3.3	0.7	0.5	
1985.....	100.0	38.4	33.7	19.9	5.2	1.9	1.0	
1986.....	100.0	31.6	32.0	24.2	7.5	3.0	1.8	
1987.....	100.0	35.9	32.7	21.4	6.8	2.3	1.0	
1988.....	100.0	49.1	30.8	15.7	3.2	0.9	0.4	
1989.....	100.0	57.6	29.3	10.6	1.9	0.4	0.2	
1990.....	100.0	61.9	26.8	9.2	1.5	0.5	0.2	
1987 Q1...	100.0	35.9	32.7	21.4	6.8	2.3	1.0	
Q2...	100.0	39.6	33.5	19.3	5.1	1.7	0.8	
Q3...	100.0	43.0	33.0	17.0	4.9	1.3	0.5	
Q4...	100.0	50.3	30.6	14.4	3.3	0.9	0.3	
1988 Q1...	100.0	49.1	30.8	15.7	3.2	0.9	0.4	
Q2...	100.0	51.7	31.9	13.1	2.4	0.6	0.3	
Q3...	100.0	54.0	31.3	12.0	2.1	0.4	0.3	
Q4...	100.0	59.0	28.9	9.7	1.9	0.4	0.2	
1989 Q1...	100.0	57.6	29.3	10.6	1.9	0.4	0.2	
Q2...	100.0	60.1	29.3	8.3	1.5	0.6	0.2	
Q3...	100.0	61.7	27.6	8.5	1.6	0.4	0.2	
Q4...	100.0	65.8	25.1	7.6	1.2	0.2	0.1	
1990 Q1...	100.0	61.9	26.8	9.2	1.5	0.5	0.2	

* Nonperforming loans are loans in nonaccrual status or past due 90 days or more. Renegotiated or restructured loans in compliance with the modified terms are not included. Agricultural banks are defined in the introduction to section III.

TABLE III.D

DISTRIBUTION OF AGRICULTURAL BANKS BY RELATIVE NET CHARGE-OFFS*

DISTRIBUTION BY YEARLY NET CHARGE-OFFS AS A PERCENTAGE OF TOTAL LOANS								
	TOTAL	UNDER 0.10	0.10 TO 0.49	0.50 TO 0.99	1.00 TO 2.49	2.50 TO 4.99	5.00 AND OVER	
1983.....	100.0	25.2	28.2	20.5	18.6	5.5	2.1	
1984.....	100.0	18.5	23.6	20.0	23.9	9.2	4.8	
1985.....	100.0	10.6	14.5	18.0	30.2	16.1	10.5	
1986.....	100.0	9.7	13.4	15.5	30.7	18.0	12.6	
1987.....	100.0	19.4	20.6	18.5	25.4	11.0	5.1	
1988.....	100.0	31.8	25.7	17.2	17.3	5.8	2.2	
1989.....	100.0	36.0	28.1	16.5	14.1	3.9	1.4	
DISTRIBUTION BY YEAR-TO-DATE CHARGE-OFFS AS A PERCENTAGE OF TOTAL LOANS								
1988 Q1...	100.0	71.2	18.9	5.4	3.5	0.7	0.3	
Q2...	100.0	55.2	23.6	10.7	7.8	2.1	0.7	
Q3...	100.0	46.0	25.3	13.3	10.7	3.6	1.3	
Q4...	100.0	31.8	25.7	17.2	17.3	5.8	2.2	
1989 Q1...	100.0	75.6	17.3	3.7	2.9	0.4	0.2	
Q2...	100.0	59.9	24.7	8.0	5.6	1.5	0.4	
Q3...	100.0	50.6	26.0	12.0	8.7	2.1	0.7	
Q4...	100.0	36.0	28.1	16.5	14.1	3.9	1.4	
1990 Q1...	100.0	77.2	16.3	3.8	2.2	0.4	0.1	

* Net charge-offs are charge-offs less recoveries for all loans (both agricultural and nonagricultural) during the period indicated. Agricultural banks are defined in the introduction to section III.

TABLE III.E

DISTRIBUTION OF AGRICULTURAL BANKS BY RATIO OF NONPERFORMING LOANS TO TOTAL CAPITAL*

NONPERFORMING LOANS AS A PERCENTAGE OF TOTAL CAPITAL											
PERCENTAGE DISTRIBUTION, MARCH 31											
	ALL BANKS	UNDER 25	25 TO 49	50 TO 74	75 TO 99	100 TO 124	125 TO 149	150 TO 174	175 TO 199	200 AND OVER***	
1984.....		100.0	76.5	16.1	4.4	1.6	0.6	0.6	0.3	0.2	
1985.....		100.0	68.7	19.4	6.4	2.4	1.2	0.8	0.5	0.4	
1986.....		100.0	64.7	20.5	7.2	3.4	1.7	0.6	0.5	0.2	
1987.....		100.0	71.3	17.3	5.9	2.4	1.1	0.3	0.3	0.1	
1988.....		100.0	81.2	12.3	3.3	1.3	0.7	0.4	0.2	0.1	
1989.....		100.0	87.0	8.5	2.2	0.7	0.4	0.4	0.1	0.1	
1990.....		100.0	89.0	8.1	1.6	0.6	0.3	**	0.1	0.1	
1988 Q1...		100.0	81.2	12.3	3.3	1.3	0.7	0.4	0.2	0.1	
Q2...		100.0	84.4	10.5	2.8	1.0	0.2	0.2	0.3	0.2	
Q3...		100.0	85.4	10.0	2.4	1.0	0.5	0.2	0.2	0.1	
Q4...		100.0	87.5	8.4	2.1	0.7	0.4	0.2	0.2	0.1	
1989 Q1...		100.0	87.0	8.5	2.2	0.7	0.4	0.4	0.1	0.1	
Q2...		100.0	88.6	7.9	1.7	0.6	0.3	0.2	0.2	0.1	
Q3...		100.0	89.2	7.6	1.6	0.6	0.4	0.1	0.1	0.1	
Q4...		100.0	90.1	7.6	1.1	0.6	0.1	0.1	0.1	0.1	
1990 Q1...		100.0	89.0	8.1	1.6	0.6	0.3	**	0.1	0.1	

* Total primary and secondary capital items that are available at the end of the period specified. Agricultural banks are defined in the introduction to section III.

** Less than 0.05 percent.

*** Includes banks with negative capital.

TABLE III.F

DISTRIBUTION OF AGRICULTURAL BANKS BY RATE OF RETURN TO EQUITY*

	ALL BANKS	NET INCOME AS A PERCENTAGE OF AVERAGE EQUITY AT BANK (PERCENTAGE DISTRIBUTION)							AVERAGE RATE OF RETURN TO EQUITY		RATE OF RETURN TO ASSETS		NET CHARGE-OFFS AS PERCENTAGE OF TOTAL LOANS		AVERAGE CAPITAL RATIO (PERCENT)**	
		NEGATIVE	0 TO 4	5 TO 9	10 TO 14	15 TO 19	20 TO 24	25 AND OVER	AGRI- CULTURAL BANKS	OTHER SMALL BANKS	AGRI- CULTURAL BANKS	OTHER SMALL BANKS	AGRI- CULTURAL BANKS	OTHER SMALL BANKS	AGRI- CULTURAL BANKS	OTHER SMALL BANKS
1978.....	100	1	3	14	46	28	6	1	14	13	1.1	0.9	0.2	0.3	8.9	8.3
1979.....	100	1	2	8	36	38	12	3	15	14	1.2	1.0	0.2	0.3	9.0	8.5
1980.....	100	1	2	9	33	35	14	5	16	14	1.3	1.0	0.3	0.4	9.2	8.6
1981.....	100	2	3	12	33	32	13	6	15	13	1.2	0.9	0.4	0.4	9.2	8.6
1982.....	100	4	5	15	33	28	11	4	14	12	1.1	0.9	0.7	0.6	9.3	8.5
1983.....	100	7	7	18	36	24	7	2	11	12	1.0	0.9	0.9	0.7	9.4	8.4
1984.....	100	13	9	23	36	15	3	1	8	12	0.7	0.8	1.2	0.6	9.5	8.5
1985.....	100	18	11	22	33	13	3	1	6	11	0.5	0.8	2.1	0.8	9.6	8.5
1986.....	100	19	14	27	28	9	2	1	5	8	0.4	0.6	2.3	1.1	9.5	8.4
1987.....	100	13	13	31	31	9	2	1	8	8	0.7	0.6	1.3	0.9	9.8	8.8
1988.....	100	9	9	30	36	12	3	2	10	9	0.9	0.7	0.7	0.7	9.9	8.8
1989.....	100	5	7	29	38	14	4	3	11	10	1.0	0.8	0.6	0.7	10.1	9.0
1988 Q1...	**	**	**	**	**	**	**	**	3	2	0.3	0.2	0.1	0.2	10.0	8.9
1988 Q2...	**	**	**	**	**	**	**	**	5	5	0.5	0.4	0.3	0.5	10.1	8.8
1988 Q3...	**	**	**	**	**	**	**	**	8	7	0.8	0.6	0.5	0.5	10.3	8.9
1988 Q4...	**	**	**	**	**	**	**	**	10	9	0.9	0.7	0.7	0.7	9.9	8.8
1989 Q1...	**	**	**	**	**	**	**	**	3	3	0.3	0.3	0.1	0.1	10.2	8.9
1989 Q2...	**	**	**	**	**	**	**	**	6	6	0.6	0.4	0.2	0.3	10.4	9.1
1989 Q3...	**	**	**	**	**	**	**	**	9	8	0.9	0.7	0.3	0.4	10.4	9.1
1989 Q4...	**	**	**	**	**	**	**	**	11	10	1.0	0.8	0.6	0.7	10.1	9.0
1990 Q1...	**	**	**	**	**	**	**	**	3	3	0.3	0.2	0.1	0.1	10.2	9.0

*Quarterly rates of return and charge-offs are year-to-date measures, not at an annual rate; therefore, the estimates are not comparable to data for the entire year. Agricultural banks are defined in the introduction to section III.

** Total primary and secondary capital (items that are available at the end of the period specified) as a percentage of total assets.

TABLE III.G

AVERAGE LOAN-DEPOSIT RATIOS AT AGRICULTURAL BANKS IN SELECTED FEDERAL RESERVE DISTRICTS*

MARCH 31

UNITED STATES																				AVERAGE FARM LOAN RATIO
U.S.		CLEVELAND		ATLANTA		CHICAGO		ST. LOUIS		MINNE- APOLIS		KANSAS CITY		DALLAS		SAN FRANCISCO				
NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS	NUMBER OF BANKS	LOANS TO DEPOSITS			
1985.....	4953	0.592	130	0.600	226	0.570	1258	0.578	586	0.551	887	0.637	1394	0.590	351	0.582	58	0.712	16.65	
1986.....	4830	0.555	130	0.579	195	0.590	1236	0.524	573	0.527	870	0.587	1358	0.545	357	0.573	59	0.694	15.93	
1987.....	4644	0.515	117	0.594	167	0.573	1192	0.490	556	0.509	845	0.520	1300	0.487	372	0.538	56	0.659	15.68	
1988.....	4478	0.526	103	0.623	155	0.599	1152	0.504	520	0.527	803	0.521	1271	0.503	381	0.518	59	0.643	15.51	
1989.....	4317	0.537	92	0.648	149	0.600	1100	0.535	773	0.548	773	0.540	1229	0.508	396	0.479	62	0.624	15.47	
1990.....	4177	0.536	81	0.648	151	0.592	1037	0.541	487	0.549	756	0.557	1191	0.497	398	0.468	54	0.622	15.63	
1988 Q1...	4478	0.526	103	0.623	155	0.599	1152	0.504	520	0.527	803	0.521	1271	0.503	381	0.518	59	0.643	15.51	
Q2...	4474	0.541	101	0.651	162	0.607	1147	0.526	533	0.546	801	0.552	1257	0.503	380	0.519	61	0.669	16.04	
Q3...	4474	0.541	97	0.660	162	0.607	1147	0.526	533	0.546	801	0.552	1257	0.503	380	0.519	61	0.669	16.12	
Q4...	4344	0.538	96	0.637	144	0.585	1111	0.529	500	0.549	778	0.532	1239	0.512	392	0.506	62	0.637	15.72	
1989 Q1...	4317	0.537	92	0.648	149	0.600	1100	0.535	773	0.548	773	0.540	1229	0.508	396	0.479	62	0.624	15.47	
Q2...	4321	0.557	94	0.665	161	0.604	1085	0.555	499	0.569	778	0.575	1223	0.514	391	0.495	62	0.682	16.00	
Q3...	4321	0.557	94	0.665	161	0.604	1085	0.555	499	0.569	778	0.575	1223	0.514	391	0.495	62	0.682	16.17	
Q4...	4181	0.544	84	0.641	138	0.588	1055	0.548	477	0.558	758	0.552	1196	0.511	393	0.481	57	0.637	15.87	
1990 Q1...	4177	0.536	81	0.648	151	0.592	1037	0.541	487	0.549	756	0.557	1191	0.497	398	0.468	54	0.622	15.63	

*The loan-deposit ratio is defined as total loans divided by total deposits. Agricultural banks are defined in the introduction to section III.

TABLE III.H

FAILURES OF AGRICULTURAL BANKS*
MARCH 31

NUMBER OF FAILURES					
	Q1	Q2**	Q3	Q4	ANNUAL TOTAL
1982.....	2	3	3	3	11
1983.....	1	1	2	3	7
1984.....	3	7	10	12	32
1985.....	12	21	17	18	68
1986.....	14	14	21	16	65
1987.....	22	19	12	16	69
1988.....	11	6	12	7	36
1989.....	5	7	5	5	22
1990.....	3	4	**	**	**

*Data exclude banks assisted to prevent failure. Industrial banks and mutual savings banks also are excluded. Agricultural banks are defined in the introduction to section III.

**Failures for the second quarter of 1990 are not final.

SECTION IV: FEDERAL RESERVE BANK QUARTERLY SURVEYS OF FARM CREDIT CONDITIONS AND FARM LAND VALUES

TABLES:

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IV.C Average loan/deposit ratio, and other indicators of relative credit availability.....	32
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SOURCES OF DATA:

Data are from quarterly surveys of agricultural credit conditions at commercial banks conducted at the end of each quarter by five Federal Reserve Banks. Each of these banks issues a more detailed quarterly report on its survey results, available from its Research Department at the address given below. The five surveys differ in subject matter covered (as is evident in the tables), wording of basically similar questions, and type of banks covered. Most of the differences in wording are reflected in the use of different column headings on the two pages of each table. The states included in each district are indicated in the table headings; states that fall only partly within a given district are marked with asterisks. Important differences in the type of banks surveyed are noted below.

Federal Reserve Bank of Chicago, Box 834, Chicago, Illinois, 60690

The sample includes member banks at which farm loans represented 25 percent or more of total loans as of June 1972 (a 10 percent standard is used for banks in the state of Michigan). The sample has undergone periodic review and has included roughly 900 banks in recent quarters.

Federal Reserve Bank of Kansas City, Federal Reserve P.O. Station, Kansas City Missouri 64198

The sample chosen originally in 1976 consisted of 188 banks selected from among banks at which farm loans constituted 50 percent or more of total loans, with appropriate representation of all farm areas. In recent quarters, the sample has included about 150 banks.

Section IV: (continued)

Federal Reserve Bank of Minneapolis, Minneapolis, Minnesota 55480

Before 1987, the sample provided a cross-section of banks of all sizes that were engaged in farm lending. Members of the Upper Midwest Agricultural Credit Council formed the core of the survey panel. Beginning in 1987, the sample was redrawn to include only banks at which farm loans represented 25 percent or more of total loans. Currently the sample includes 325 banks and in recent quarters the rate of responses has averaged roughly 50 percent.

Federal Reserve Bank of Dallas, Station K, Dallas, Texas 75222

The sample is stratified regionally and includes banks at which farm loans are relatively important or which hold a major portion of bank loans in their region. The sample was enlarged in the first quarter of 1985 and was redrawn in the second quarter of 1989. About 300 banks have been responding to the survey in recent quarters.

Federal Reserve Bank of Richmond, Richmond, Virginia 23261

The sample selected in 1975 consisted of 43 banks of all sizes. Banks with the larger amounts of farm loans were sampled more heavily.

RECENT DEVELOPMENTS:

The Reserve Banks' surveys of agricultural credit conditions in the first quarter of 1990 generally showed little change from the trends evident in previous quarters. The demand for farm loans at commercial banks (Tables IV.A and IV.B) is increasing in most of the agricultural regions covered by the surveys, and further gains in loan demand generally were anticipated in the second quarter, largely for the financing of farm machinery and farm operations.

Banks continue to have ample funds available for farm lending. Loan-to-deposit ratios in the first quarter were little changed from those of a year earlier in most districts, and in all districts, a large share of the bankers surveyed continue to characterize the ratios as being lower than desired. Similarly, the proportion of respondents who said that fund availability is either greater than a year ago or greater than normal remains quite high. Few banks say that they have reduced or refused a farm loan because of a shortage of loanable funds.

Section IV: (continued)

Although loan repayment rates (Table IV.A) have slowed a bit in some regions over the past year, they have improved in other regions, and the overall picture remains one in which repayment problems are relatively limited. Similarly, the demand for loan renewals and extensions has moved up a little in some regions, but still is quite low by historical standards.

The Reserve Bank surveys indicate that the interest rates on farm loans (Table IV.D) edged down further in the first quarter of 1990. In general, the first-quarter rates were about 1/2 to 3/4 percentage point below those reported a year earlier.

Land prices, on average, still appear to be trending up according to the Reserve Bank surveys, although there are marked regional differences. In the Chicago and Kansas City districts, the very rapid increases of previous years have given way to a more moderate rate of increase recently. A moderate year-to-year uptrend also is evident in the Minneapolis district, while large year-to-year gains are being maintained in the Richmond district. In the Dallas district, the price trend looks relatively flat, on balance. These patterns generally are consistent with those reported in the USDA's latest annual survey of land prices, the main exception being that the USDA figures show a stronger price trend in the states of the Minneapolis District. (The USDA data cover the period from February 1, 1989, to January 1, 1990; this period differs from any of the periods covered in Table IV.E.)

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.A

28

FARM NONREAL ESTATE LENDING EXPERIENCE COMPARED WITH A YEAR EARLIER
(PERCENTAGE OF BANKS REPORTING)

		DEMAND FOR LOANS			FUND AVAILABILITY			LOAN REPAYMENT RATE			RENEWALS OR EXTENSIONS			COLLATERAL REQUIRED		
		LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER
IV.A1 SEVENTH (CHICAGO) FEDERAL RESERVE DISTRICT (IL*, IN*, IO, MI*, WI*) AGRICULTURAL BANKS																
1988	Q1...	26	46	28	5	53	42	2	52	46	43	53	4	0	73	27
	Q2...	21	45	34	7	60	34	11	64	25	25	64	11	0	74	25
	Q3...	18	45	37	9	66	24	22	68	10	14	63	23	0	77	22
	Q4...	15	43	42	5	67	28	29	54	17	14	57	28	1	78	22
1989	Q1...	11	39	50	11	63	26	27	62	11	11	61	28	0	73	26
	Q2...	11	41	49	15	63	22	18	72	10	11	68	21	1	79	20
	Q3...	13	50	37	13	65	22	12	70	18	15	70	15	0	81	18
	Q4...	17	48	35	6	64	30	11	54	34	28	59	12	1	83	16
1990	Q1...	15	45	40	6	63	31	10	59	31	29	61	11	1	81	18
IV.A2 TENTH (KANSAS CITY) FEDERAL RESERVE DISTRICT (CO, KS, MO*, NE, NM*, OK, WY) AGRICULTURAL BANKS																
1988	Q1...	31	48	21	10	50	40	7	58	36	29	64	7	1	57	42
	Q2...	22	61	17	7	57	36	5	64	30	29	67	4	0	66	34
	Q3...	22	60	18	9	59	32	5	63	32	26	66	7	1	69	29
	Q4...	22	52	26	5	60	36	4	60	36	27	67	6	1	75	25
1989	Q1...	17	56	27	4	63	33	3	67	29	25	71	4	1	72	27
	Q2...	15	56	28	10	63	27	9	71	20	13	78	9	0	75	25
	Q3...	11	53	36	10	64	26	14	70	16	11	78	11	0	80	20
	Q4...	11	53	36	9	63	28	21	63	16	11	65	24	1	82	16
1990	Q1...	13	55	32	7	66	27	14	67	19	13	72	15	1	80	19
IV.A3 ELEVENTH (DALLAS) FEDERAL RESERVE DISTRICT (LA*, NM*, TX)																
1988	Q1...	30	44	26	8	48	44	13	56	31	32	52	16	0	44	56
	Q2...	27	50	23	6	55	39	10	62	28	30	55	15	0	43	57
	Q3...	21	46	32	12	55	33	13	61	26	27	58	15	0	46	54
	Q4...	21	49	30	8	50	42	11	60	30	31	56	13	0	51	49
1989	Q1...	25	47	27	5	51	44	10	68	22	27	64	9	0	54	46
	Q2...	28	47	26	8	55	37	15	68	17	18	66	16	0	56	44
	Q3...	20	52	28	10	57	33	15	71	14	17	65	18	0	61	39
	Q4...	20	54	26	5	61	33	23	61	16	16	61	23	0	57	43
1990	Q1...	16	54	30	7	60	33	22	68	10	13	65	22	0	59	41

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.A

FARM NONREAL ESTATE LENDING EXPERIENCE COMPARED WITH NORMAL CONDITIONS
(PERCENTAGE OF BANKS REPORTING)

	DEMAND FOR LOANS			FUND AVAILABILITY			LOAN REPAYMENT RATE			RENEWALS OR EXTENSIONS			COLLATERAL REQUIRED		
	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER
IV.A4 NINTH (MINNEAPOLIS) FEDERAL RESERVE DISTRICT (MI*, MN, MT, ND, SD, WI*)															
1988 Q1...	20	66	14	***	***	***	5	68	28	19	70	12	***	***	***
Q2...	16	66	18	***	***	***	5	81	14	10	83	8	***	***	***
Q3...	12	67	21	***	***	***	29	61	10	8	81	11	***	***	***
Q4...	18	69	12	***	***	***	19	65	16	13	77	10	***	***	***
1989 Q1...	14	64	22	***	***	***	13	75	12	16	71	13	***	***	***
Q2...	4	70	26	***	***	***	17	82	1	20	71	9	***	***	***
Q3...	6	75	20	***	***	***	16	80	5	12	81	7	***	***	***
Q4...	5	85	10	***	***	***	22	70	8	9	80	11	***	***	***
1990 Q1...	4	78	18	***	***	***	25	70	5	12	68	20	***	***	***
IV.A5 FIFTH (RICHMOND) FEDERAL RESERVE DISTRICT (MD, NC, SC, VA, WV*)															
1988 Q1...	19	73	8	12	65	23	4	89	8	8	92	0	4	64	32
Q2...	18	71	11	4	75	21	0	93	7	11	89	0	0	62	39
Q3...	18	64	18	0	77	23	5	82	14	18	77	5	5	68	27
Q4...	21	68	11	4	82	14	4	71	25	21	75	4	0	75	25
1989 Q1...	21	66	14	14	72	14	3	83	14	28	69	3	0	69	31
Q2...	14	69	17	10	76	14	0	89	11	14	82	4	0	71	29
Q3...	19	67	15	12	65	23	4	82	15	19	78	4	4	85	12
Q4...	19	69	12	4	64	32	4	77	19	15	81	4	4	84	12
1990 Q1...	21	68	11	11	68	21	11	79	11	18	79	4	4	74	22

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS

TABLE IV.B

FARM NONREAL ESTATE LOAN VOLUME EXPECTED DURING THE NEXT QUARTER, COMPARED WITH VOLUME OF LOANS MADE A YEAR EARLIER
(PERCENTAGE OF BANKS REPORTING)

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			TOTAL			FEEDER CATTLE			DAIRY			CROP STORAGE			OPERATING			FARM MACHINERY		
			LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER
IV.B1 SEVENTH (CHICAGO) FEDERAL RESERVE DISTRICT (IL*, IN*, IO, MI*, WI*) AGRICULTURAL BANKS																				
1988	Q1...		19	52	29	28	58	14	18	76	6	27	68	4	21	50	30	11	36	53
	Q2...		28	48	24	46	46	8	30	64	6	51	41	8	20	47	33	52	39	9
	Q3...		18	48	34	30	56	14	18	76	6	42	43	15	13	42	44	37	45	18
	Q4...		8	45	47	16	70	13	14	77	9	33	57	10	5	31	64	17	50	33
1989	Q1...		9	40	51	25	62	13	15	78	7	33	59	8	6	28	66	14	49	37
	Q2...		10	53	37	22	69	9	13	80	7	28	65	6	9	46	45	15	58	27
	Q3...		16	57	27	21	67	12	14	78	8	19	62	20	20	57	24	9	45	46
	Q4...		12	51	37	13	70	17	11	77	11	25	63	11	13	45	43	8	38	54
1990	Q1...		12	50	38	20	60	20	13	77	11	23	71	6	13	46	41	6	41	53
IV.B2 ELEVENTH (DALLAS) FEDERAL RESERVE DISTRICT (LA*, NM*, TX*)																				
1988	Q1...		23	57	20	28	53	19	22	71	7	20	74	6	15	58	27	27	49	24
	Q2...		20	62	18	26	58	16	22	72	7	31	60	9	16	56	28	25	52	23
	Q3...		20	61	19	24	54	22	21	72	6	18	71	11	20	50	30	28	51	22
	Q4...		15	66	20	23	57	20	16	79	5	15	76	9	14	52	33	19	58	23
1989	Q1...		22	55	23	29	53	17	16	80	4	19	76	5	16	54	31	19	61	20
	Q2...		24	52	24	31	55	14	18	76	5	24	71	5	16	54	30	25	58	17
	Q3...		18	66	16	23	59	18	20	75	5	21	70	9	15	63	22	22	64	14
	Q4...		15	59	25	23	65	12	12	82	6	17	76	7	12	54	34	24	63	13
1990	Q1...		17	59	25	22	62	16	19	76	5	17	80	3	11	58	31	20	62	17
IV.B3 FIFTH (RICHMOND) FEDERAL RESERVE DISTRICT (MD, NC, SC, VA, WV*)																				
1988	Q1...		12	85	4	13	83	4	36	64	0	30	65	4	12	76	12	20	56	24
	Q2...		22	74	4	15	81	4	30	67	4	30	59	11	11	75	14	21	64	14
	Q3...		15	70	15	6	89	6	21	68	11	25	60	15	10	67	24	18	55	27
	Q4...		10	80	10	9	87	4	32	68	0	24	68	8	11	71	18	14	68	18
1989	Q1...		8	77	15	21	79	0	26	74	0	23	77	0	10	69	21	10	66	24
	Q2...		17	62	21	12	85	4	24	76	0	24	76	0	3	72	24	10	69	21
	Q3...		24	64	12	17	83	0	44	57	0	20	64	16	11	70	19	26	63	11
	Q4...		12	64	24	9	87	4	21	79	0	17	83	0	8	65	27	15	62	23
1990	Q1...		23	65	12	20	80	0	28	72	0	24	72	4	15	67	19	19	67	15

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.B (CONTINUED)

EXPECTED DEMAND FOR FARM LOANS DURING NEXT QUARTER,
COMPARED WITH NORMAL DEMAND
(PERCENTAGE OF BANKS REPORTING)

SHORT-TERM NONREAL ESTATE LOANS				INTERMEDIATE-TERM NONREAL ESTATE LOANS				DEBT EXTENSION OR REFINANCING			
LOWER	SAME	HIGHER		LOWER	SAME	HIGHER		LOWER	SAME	HIGHER	
IV.B4 NINTH (MINNEAPOLIS) FEDERAL RESERVE DISTRICT (MI*, MN, MT, ND, SD, WI*)											
1987 Q1...	19	65	16	21	63	16	4	71	25		
Q2...	23	72	5	25	71	3	13	78	9		
Q3...	23	71	6	20	72	8	14	80	6		
Q4...	19	70	10	17	74	9	18	73	9		
1988 Q1...	13	74	13	14	75	12	15	80	6		
Q2...	11	65	24	21	65	14	12	61	26		
Q3...	13	69	18	24	69	7	7	68	25		
Q4...	11	56	32	12	80	8	7	82	11		
1989 Q1...	6	64	30	5	80	14	10	82	9		
Q2...	3	82	16	11	82	7	11	83	6		
Q3...	7	81	13	10	80	10	7	81	12		
Q4...	3	82	16	7	78	16	2	88	10		
1990 Q1...	0	80	19	4	86	10	5	81	13		

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.C

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AVERAGE LOAN-TO-DEPOSIT RATIO AND OTHER INDICATORS OF RELATIVE CREDIT AVAILABILITY (PERCENTAGE OF BANKS REPORTING)

		AVERAGE LOAN-TO- DEPOSIT RATIO, END OF QUARTER PERCENT	LOAN/DEPOSIT RATIO IS			REFUSED OR REDUCED A FARM LOAN BECAUSE OF A SHORTAGE OF LOANABLE FUNDS	ACTIVELY SEEKING NEW FARM LOAN ACCOUNTS	NUMBER OF FARM LOAN REFERRALS TO									
			LOWER THAN DESIRED	AT DESIRED LEVEL	HIGHER THAN DESIRED			CORRESPONDENT BANKS				NONBANK AGENCIES					
								COMPARED WITH A YEAR EARLIER				COMPARED WITH A YEAR EARLIER					
								NONE	LOWER	SAME	HIGHER	NONE	LOWER	SAME	HIGHER		
IV.C1 SEVENTH (CHICAGO) FEDERAL RESERVE DISTRICT (IL*, IN*, IO, MI*, WI*) AGRICULTURAL BANKS																	
1988	Q3...	54	67	25	8	***	***	***	***	***	***	***	***	***	***	***	***
	Q4...	53	72	20	8	***	***	***	***	***	***	***	***	***	***	***	***
1989	Q1...	54	68	22	11	***	***	***	***	***	***	***	***	***	***	***	***
	Q2...	56	66	22	12	***	***	***	***	***	***	***	***	***	***	***	***
	Q3...	57	62	28	10	***	***	***	***	***	***	***	***	***	***	***	***
	Q4...	56	65	26	9	***	***	***	***	***	***	***	***	***	***	***	***
1990	Q1...	55	67	25	7	***	***	***	***	***	***	***	***	***	***	***	***
IV.C2 TENTH (KANSAS CITY) FEDERAL RESERVE DISTRICT (CO, KS, MO*, NE, NM*, OK, WY) AGRICULTURAL BANKS																	
1988	Q3...	50	77	9	14	5	59	76	26	70	5	66	25	69	6		
	Q4...	49	79	10	10	3	67	72	20	72	7	66	17	75	8		
1989	Q1...	49	81	12	8	3	71	75	23	70	7	65	21	67	11		
	Q2...	51	82	7	11	2	69	78	25	75	1	65	21	75	4		
	Q3...	51	79	7	14	4	70	78	21	75	4	74	21	73	6		
	Q4...	51	79	7	14	5	67	76	18	76	6	72	19	75	6		
1990	Q1...	50	81	9	10	4	71	74	15	78	7	67	15	74	11		
IV.C3 ELEVENTH (DALLAS) FEDERAL RESERVE DISTRICT (LA, NM*, TX)																	
1988	Q3...	52	***	***	***	5	***	***	20	70	10	***	17	72	11		
	Q4...	49	***	***	***	4	***	***	21	71	8	***	25	68	8		
1989	Q1...	46	***	***	***	1	***	***	12	79	8	***	15	75	9		
	Q2...	48	***	***	***	3	***	***	18	75	7	***	18	75	6		
	Q3...	49	***	***	***	4	***	***	16	72	12	***	11	80	9		
	Q4...	47	***	***	***	2	***	***	16	74	10	***	17	68	15		
1990	Q1...	45	***	***	***	2	***	***	19	76	5	***	15	75	10		

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.C

AVERAGE LOAN-TO-DEPOSIT RATIO AND OTHER INDICATORS OF RELATIVE CREDIT AVAILABILITY (PERCENTAGE OF BANKS REPORTING)

		AVERAGE LOAN-TO- DEPOSIT RATIO, END OF QUARTER PERCENT	LOAN/DEPOSIT RATIO IS			REFUSED OR REDUCED A FARM LOAN BECAUSE OF A SHORTAGE OF LOANABLE FUNDS	ACTIVELY SEEKING NEW FARM LOAN ACCOUNTS	NUMBER OF FARM LOAN REFERRALS TO								
			LOWER THAN DESIRED	AT DESIRED LEVEL	HIGHER THAN DESIRED			CORRESPONDENT BANKS				NONBANK AGENCIES				
								COMPARED WITH NORMAL NUMBER				COMPARED WITH NORMAL NUMBER				
NONE LOWER SAME HIGHER NONE LOWER SAME HIGHER																
IV.C4 NINTH (MINNEAPOLIS) FEDERAL RESERVE DISTRICT (MI*, MN, MT, ND, SD, WI*)																
1988	Q3...	53	58	39	3	3	***	34	8	57	1	30	9	60	1	
	Q4...	51	57	39	4	3	***	33	6	61	0	34	5	57	3	
1989	Q1...	50	56	41	3	6	***	34	10	55	1	34	8	56	2	
	Q2...	53	54	45	1	3	***	35	5	59	0	31	6	61	2	
	Q3...	55	43	52	5	3	***	34	5	59	2	32	6	57	5	
	Q4...	55	43	48	9	3	***	34	4	60	3	29	3	63	5	
1990	Q1...	52	49	47	4	3	***	32	3	63	2	30	2	63	4	
IV.C5 FIFTH (RICHMOND) FEDERAL RESERVE DISTRICT (MD, NC, SC, VA, WV*)																
1988	Q3...	79	5	67	29	0	59	91	0	10	0	70	0	30	0	
	Q4...	78	11	61	29	4	67	78	0	22	0	60	0	40	0	
1989	Q1...	80	14	50	36	7	55	77	4	19	0	60	0	36	4	
	Q2...	79	10	62	28	3	66	82	4	15	0	64	4	32	0	
	Q3...	80	22	56	22	4	63	84	4	12	0	71	8	21	0	
	Q4...	76	32	56	12	0	69	73	4	23	0	62	12	27	0	
1990	Q1...	76	32	57	11	0	68	84	4	12	0	65	8	27	0	

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.D

INTEREST RATES ON FARM LOANS

MOST COMMON INTEREST RATE ON FARM LOANS (AVERAGE, PERCENT)							AVERAGE INTEREST RATE EXPECTED DURING THE NEXT QUARTER COMPARED WITH AVERAGE RATES IN THE CURRENT QUARTER (PERCENTAGE OF BANKS REPORTING)												
							SHORT-TERM NONREAL ESTATE LOANS			INTERMEDIATE-TERM NONREAL ESTATE LOANS			LONG-TERM REAL ESTATE LOANS						
							LOWER	SAME	HIGHER	LOWER	SAME	HIGHER	LOWER	SAME	HIGHER				
IV.D1 SEVENTH (CHICAGO) FEDERAL RESERVE DISTRICT (IL*, IN*, IO, MI*, WI*) AGRICULTURAL BANKS																			
1988	Q3...		11.6	11.7	***	***	11.0		***	***	***		***	***	***		***	***	***
	Q4...		11.9	12.0	***	***	11.3		***	***	***		***	***	***		***	***	***
1989	Q1...		12.5	12.5	***	***	11.7		***	***	***		***	***	***		***	***	***
	Q2...		12.4	12.4	***	***	11.5		***	***	***		***	***	***		***	***	***
	Q3...		12.1	12.2	***	***	11.3		***	***	***		***	***	***		***	***	***
	Q4...		12.0	12.0	***	***	11.1		***	***	***		***	***	***		***	***	***
1990	Q1...		11.9	11.9	***	***	11.1		***	***	***		***	***	***		***	***	***
IV.D2 TENTH (KANSAS CITY) FEDERAL RESERVE DISTRICT (CO, KS, MO*, NE, NM*, OK) AGRICULTURAL BANKS																			
1988	Q3...		11.9	11.8	***	11.9	11.4		***	***	***		***	***	***		***	***	***
	Q4...		12.2	12.1	***	12.2	11.6		***	***	***		***	***	***		***	***	***
1989	Q1...		12.6	12.6	***	12.6	12.0		***	***	***		***	***	***		***	***	***
	Q2...		12.5	12.4	***	12.5	11.9		***	***	***		***	***	***		***	***	***
	Q3...		12.4	12.3	***	12.4	11.7		***	***	***		***	***	***		***	***	***
	Q4...		12.3	12.1	***	12.2	11.6		***	***	***		***	***	***		***	***	***
1990	Q1...		12.2	12.1	***	12.1	11.5		***	***	***		***	***	***		***	***	***

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.D

INTEREST RATES ON FARM LOANS

MOST COMMON INTEREST RATE ON FARM LOANS (AVERAGE, PERCENT)						AVERAGE INTEREST RATE EXPECTED DURING THE NEXT QUARTER COMPARED WITH AVERAGE RATES IN THE CURRENT QUARTER (PERCENTAGE OF BANKS REPORTING)											
	FEEDER CATTLE LOANS	OTHER OPERATING LOANS	SHORT- TERM NONREAL ESTATE	INTER- MEDIATE NONREAL ESTATE	LONG-TERM REAL ESTATE LOANS		SHORT-TERM NONREAL ESTATE LOANS				INTERMEDIATE-TERM NONREAL ESTATE LOANS				LONG-TERM REAL ESTATE LOANS		
							LOWER	SAME	HIGHER		LOWER	SAME	HIGHER		LOWER	SAME	HIGHER
IV.D3 NINTH (MINNEAPOLIS) FEDERAL RESERVE DISTRICT (MI*, MN, MT, ND, SD, WI*)																	
1988 Q3...	***	***	11.9	12.1	11.6		1	54	44		1	55	43		1	58	41
Q4...	***	***	12.2	12.4	11.7		1	34	66		1	33	66		1	37	62
1989 Q1...	***	***	12.8	12.9	12.2		7	29	63		7	31	62		8	36	56
Q2...	***	***	12.7	12.9	12.1		43	55	2		42	54	3		42	56	1
Q3...	***	***	12.5	12.5	11.9		30	68	2		28	70	2		29	69	2
Q4...	***	***	12.4	12.3	11.7		49	50	1		44	56	1		46	54	0
1990 Q1...	***	***	12.3	12.3	11.5		8	83	9		8	80	12		8	80	11
IV.D4 ELEVENTH (DALLAS) FEDERAL RESERVE DISTRICT (LA*, NM*, TX)																	
1988 Q3...	12.4	12.6	***	12.6	12.4		***	***	***		***	***	***		***	***	***
Q4...	12.6	12.8	***	12.8	12.5		***	***	***		***	***	***		***	***	***
1989 Q1...	13.3	13.5	***	13.6	13.2		***	***	***		***	***	***		***	***	***
Q2...	13.2	13.3	***	13.3	12.9		***	***	***		***	***	***		***	***	***
Q3...	13.0	13.0	***	13.1	12.7		***	***	***		***	***	***		***	***	***
Q4...	12.9	12.9	***	12.9	12.7		***	***	***		***	***	***		***	***	***
1990 Q1...	12.7	12.8	***	12.9	12.6		***	***	***		***	***	***		***	***	***
IV.D5 FIFTH (RICHMOND) FEDERAL RESERVE DISTRICT (MD, NC, SC, VA, WV*)																	
1988 Q3...	11.5	11.4	***	11.8	11.6		***	***	***		***	***	***		***	***	***
Q4...	12.1	12.0	***	12.3	12.1		***	***	***		***	***	***		***	***	***
1989 Q1...	12.8	12.7	***	12.9	12.7		***	***	***		***	***	***		***	***	***
Q2...	12.6	12.5	***	12.6	12.5		***	***	***		***	***	***		***	***	***
Q3...	11.9	12.3	***	12.4	12.3		***	***	***		***	***	***		***	***	***
Q4...	12.2	12.1	***	12.2	11.8		***	***	***		***	***	***		***	***	***
1990 Q1...	12.0	12.0	***	12.1	12.0		***	***	***		***	***	***		***	***	***

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.E

TRENDS IN FARM REAL ESTATE VALUES AND LOAN VOLUME

MARKET VALUE OF GOOD FARMLAND													EXPECTED TREND IN FARM REAL ESTATE LOAN VOLUME DURING THE NEXT QUARTER, COMPARED TO YEAR EARLIER (PERCENTAGE OF BANKS)		
PERCENTAGE CHANGE DURING QUARTER					PERCENTAGE CHANGE FROM A YEAR EARLIER					TREND EXPECTED DURING THE NEXT QUARTER (PERCENTAGE OF BANKS)					
ALL DRY- IRRI- RANCH- LAND LAND GATED LAND					ALL DRY- IRRI- RANCH- LAND LAND GATED LAND					DOWN	STABLE	UP	LOWER	SAME	HIGHER
IV.E1 SEVENTH (CHICAGO) FEDERAL RESERVE DISTRICT (IL*, IN*, IO, MI*, WI*) AGRICULTURAL BANKS															
1988 Q3...	3	***	***	***	12	***	***	***	9	71	20	22	56	21	
Q4...	3	***	***	***	12	***	***	***	2	69	29	14	60	25	
1989 Q1...	3	***	***	***	10	***	***	***	4	73	24	15	56	30	
Q2...	1	***	***	***	9	***	***	***	3	77	20	17	63	19	
Q3...	2	***	***	***	8	***	***	***	1	67	32	11	65	24	
Q4...	1	***	***	***	6	***	***	***	2	70	29	11	60	29	
1990 Q1...	3	***	***	***	5	***	***	***	2	71	28	6	66	28	
IV.E2 FIFTH (RICHMOND) FEDERAL RESERVE DISTRICT (MD, NC, SC, VA, WV*)															
1988 Q3...	2	***	***	***	7	***	***	***	0	67	33	14	73	14	
Q4...	3	***	***	***	5	***	***	***	0	75	25	19	78	4	
1989 Q1...	6	***	***	***	16	***	***	***	0	69	31	22	70	7	
Q2...	-0	***	***	***	11	***	***	***	0	69	31	21	72	7	
Q3...	11	***	***	***	21	***	***	***	0	93	7	28	64	8	
Q4...	-4	***	***	***	13	***	***	***	0	73	27	16	76	8	
1990 Q1...	14	***	***	***	21	***	***	***	4	68	29	23	69	8	
IV.E3 ELEVENTH (DALLAS) FEDERAL RESERVE DISTRICT (LA*, NM*, TX)															
1988 Q3...	***	-0	2	-2	***	2	9	-7	***	***	***	31	59	10	
Q4...	***	-1	-3	-4	***	1	6	-8	***	***	***	23	61	16	
1989 Q1...	***	-1	2	-2	***	-2	5	-9	***	***	***	25	65	10	
Q2...	***	0	2	-1	***	-3	3	-8	***	***	***	32	61	7	
Q3...	***	-0	4	-0	***	-3	5	-7	***	***	***	28	61	10	
Q4...	***	-1	-1	-1	***	-2	7	-4	***	***	***	26	65	9	
1990 Q1...	***	1	-3	-3	***	0	2	-5	***	***	***	25	64	11	

FEDERAL RESERVE BANK QUARTERLY SURVEYS OF AGRICULTURAL CREDIT CONDITIONS AT COMMERCIAL BANKS
TABLE IV.E

TRENDS IN FARM REAL ESTATE VALUES AND LOAN VOLUME

MARKET VALUE OF GOOD FARMLAND

	MARKET VALUE OF GOOD FARMLAND									TREND EXPECTED DURING THE NEXT QUARTER (PERCENTAGE OF BANKS)			EXPECTED DEMAND FOR FARM REAL ESTATE LOANS DURING THE NEXT QUARTER, COMPARED WITH NORMAL (PERCENTAGE OF BANKS)		
	PERCENTAGE CHANGE DURING QUARTER			PERCENTAGE CHANGE FROM A YEAR EARLIER											
	ALL	IRRI- GATED	RANCH- LAND	ALL	IRRI- GATED	RANCH- LAND	ALL	IRRI- GATED	RANCH- LAND	DOWN	STABLE	UP	LOWER	SAME	HIGHER
IV.E4 TENTH (KANSAS CITY) FEDERAL RESERVE DISTRICT (CO, KS, MO*, NE, NM*, OK, WY)															
1988 Q3...	***	2	2	1	***	9	9	12	***	***	***	***	***	***	***
Q4...	***	3	3	2	***	10	11	11	***	***	***	***	***	***	***
1989 Q1...	***	4	5	4	***	11	14	10	***	***	***	***	***	***	***
Q2...	***	1	1	2	***	10	11	10	***	***	***	***	***	***	***
Q3...	***	0	2	-0	***	8	11	8	***	***	***	***	***	***	***
Q4...	***	2	1	5	***	8	9	11	***	***	***	***	***	***	***
1990 Q1...	***	2	1	-0	***	5	5	7	***	***	***	***	***	***	***
IV.E5 NINTH (MINNEAPOLIS) FEDERAL RESERVE DISTRICT (MI*, MN, MT, ND, SC, WI*)															
1988 Q3...	***	-4	-7	-3	***	5	1	3	***	***	***	***	18	77	5
Q4...	***	-2	5	-5	***	6	4	2	***	***	***	***	13	70	18
1989 Q1...	***	8	2	10	***	7	5	5	***	***	***	***	10	74	15
Q2...	***	4	5	2	***	6	4	3	***	***	***	***	9	85	6
Q3...	***	-4	-8	-1	***	6	3	5	***	***	***	***	4	75	21
Q4...	***	-2	8	-5	***	5	6	5	***	***	***	***	12	75	13
1990 Q1...	***	7	1	8	***	4	5	3	***	***	***	***	3	84	13