

■ The Balance Sheet

Farm business asset values totaled \$888 billion on December 31, 1993, an increase of 3 percent over the preceding year. Farm business debt rose 2.3 percent during 1993, totaling \$141.9 billion at year's end. A 3-percent increase in equity resulted from the value of assets rising more rapidly than debt. Average equity per farm on December 31, 1993, was \$360,000.

The debt-to-asset ratio (expressed as a percentage) decreased from 16.1 to 16.0 during 1993. The ratio was substantially below the peak of 23 percent that it reached in 1985.

Real estate assets accounted for 74 percent of the total value of farm business assets at the end of 1993. Real estate assets increased 3.6 percent during the year. The average farm real estate value per farm was \$317,800 on December 31, 1993.

Nonreal estate assets increased 1.7 percent during 1993. Increases in value occurred for livestock and poultry, purchased inputs, and financial assets. The value of machinery and equipment remained constant in 1993, while the value of crops held in inventory declined.

Farm business real estate debt increased slightly in 1993, standing at \$76 billion at the end of the year. Nonreal estate debt rose over 3 percent to \$65 billion. On December 31, commercial banks held 38 percent of farm business debt, and the Farm Credit System held 25 percent.

Table 3-2.

Farm business assets, debt, and equity¹

<i>Item</i>	<i>1960</i>	<i>1970</i>	<i>1980</i>	<i>1990</i>	<i>1993</i>
			<i>Billion dollars</i>		
Assets	174.2	278.7	983.2	848.3	888.0
Real estate	123.3	202.4	782.8	628.2	656.3
Nonreal estate ²	50.9	76.3	200.4	200.1	231.7
Debt	22.4	48.8	166.8	137.4	141.9
Real estate ³	11.3	27.5	89.8	74.1	76.0
Nonreal estate ⁴	11.1	21.2	77.1	63.2	65.9
Equity (assets minus debt)	151.7	229.9	816.4	710.9	746.1

¹As of December 31. ²Crop inventory value is value of non-CCC crops held on farms plus value above loan rate for crops held under CCC. ³Includes CCC storage and drying facilities loans. ⁴Excludes value of CCC crop loans.

Source: Economic Indicators of the Farm Sector: National Financial Summary, 1993, ECIFS 13-1, December 1994, USDA, ERS.