

## II.1 Capital

California has about 7.5% of the nation’s farm assets, 9.6% of its debt, and 7.1% of its equity. This leaves the aggregate California farming sector with higher debt-to-equity and debt-to-asset ratios than the United States as a whole.

TABLE 16

**Farm Balance Sheet, December 31, 1998 (excluding households)**

	CALIFORNIA	UNITED STATES
	\$ million	\$ million
<b>Assets</b>		
Real Estate	67,461	822,838
Non Real Estate	12,637	241,461
Livestock & Poultry	4,183	62,028
Machinery & Motor Vehicles	4,378	88,595
Crops	636	30,137
Purchased Inputs	298	5,259
Financial Assets	3,141	55,443
<b>Total</b>	<b>80,098</b>	<b>1,064,298</b>
<b>Debt</b>		
Real Estate	9,657	89,615
Non Real Estate	6,864	83,247
<b>Total</b>	<b>16,522</b>	<b>172,862</b>
Equity (assets minus debt)	63,577	891,436
Debt to Equity Ratio (percent)	26.0	19.4
Debt to Asset Ratio (percent)	20.6	16.2

FIGURE 14

**Farm Debt to Equity Ratio, 1960-1998**

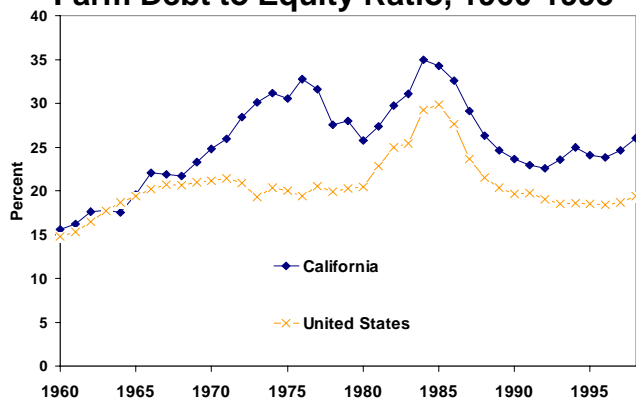
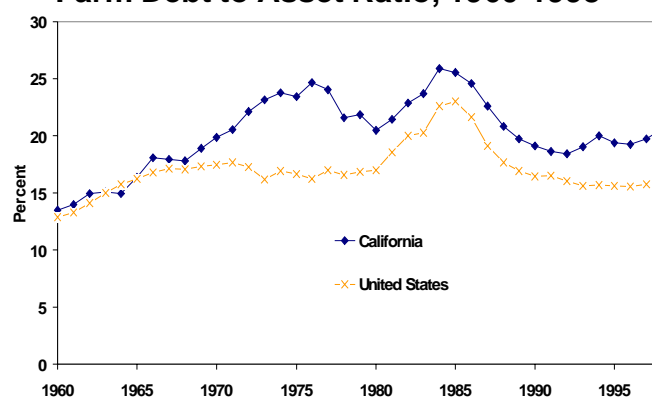


FIGURE 15

**Farm Debt to Asset Ratio, 1960-1998**



Source: USDA, Economic Research Service, Farm Business Economics Briefing Room.

- The average value per acre of land and buildings per farm in California is nearly three times the United States average.
- Half of California's farms have land and building values between \$100,000 and \$499,999.

TABLE 17

**Value of Land and Buildings, 1940-1997 (\$ nominal)**

Census Year	CALIFORNIA			UNITED STATES		
	Total Value* \$1,000,000	Average Value Per Farm (\$)	Average Value Per Acre (\$)	Total Value* \$1,000,000	Average Value Per Farm (\$)	Average Value Per Acre (\$)
1940	2,166	16,331	71	33,578	5,532	32
1945**	3,485	25,084	99	46,389	7,917	41
1950	5,650	41,192	154	75,462	14,005	65
1954**	8,568	69,620	227	97,583	20,405	84
1959**	13,026	131,212	353	128,988	34,763	115
1964	17,355	214,650	468	159,932	50,646	144
1969	16,932	217,429	479	206,717	75,714	194
1974	21,793	322,034	653	342,099	147,838	336
1978	38,152	521,240	1,161	631,436	279,672	619
1982	61,565	746,577	1,918	775,084	345,869	784
1987	48,571	583,668	1,575	604,170	289,387	627
1992	63,693	820,063	2,213	687,432	357,056	727
1997	69,765	941,170	2,605	859,855	449,748	933

\* Computed as the product of the average value per farm and the total number of farms.

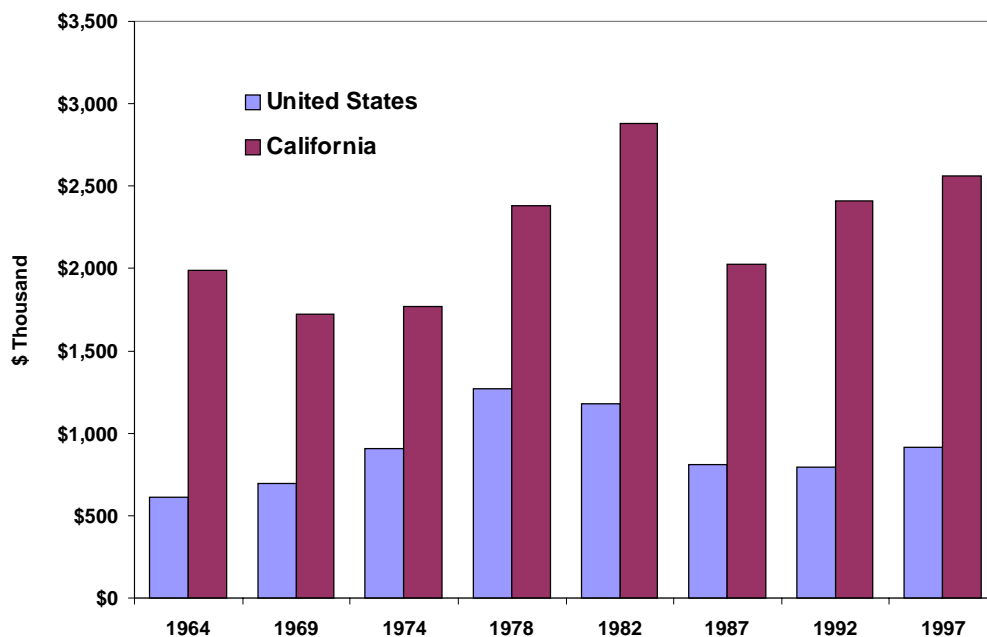
\*\* Excludes Hawaii and Alaska.

*Sources:*

1. U.S. Bureau of the Census, *Census of Agriculture*, 1940-1992.
2. USDA, National Agricultural Statistics Service, *1997 Census of Agriculture*.

FIGURE 16

**Average Value of Land and Buildings per Acre, 1964-1997  
(1996 dollars)**

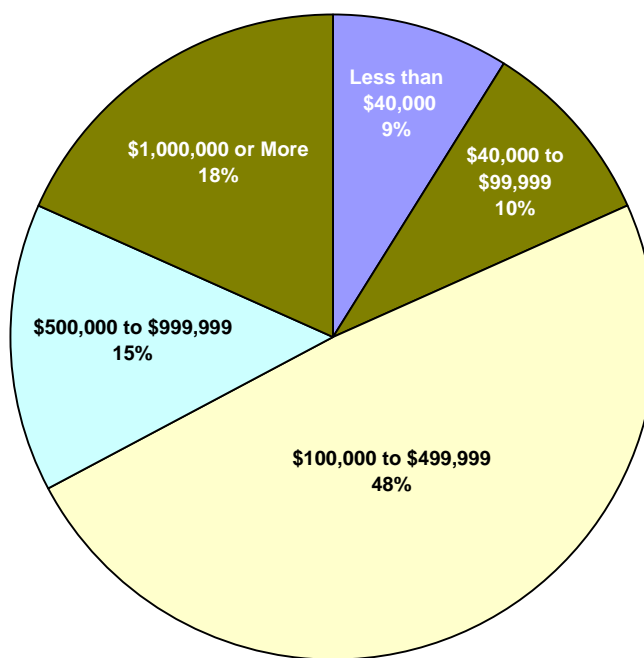


Sources:

1. U.S. Bureau of the Census, *Census of Agriculture, 1987-1992*.
2. USDA, National Agricultural Statistics Service, *1997 Census of Agriculture*.

FIGURE 17

**California Farms by Value of Land and Buildings, 1997**



Source: USDA, National Agricultural Statistics Service, *1997 Census of Agriculture*.