

Sections J & K

Farm Assets & Farm Debt



United States Department of Agriculture
National Agricultural Statistics Service



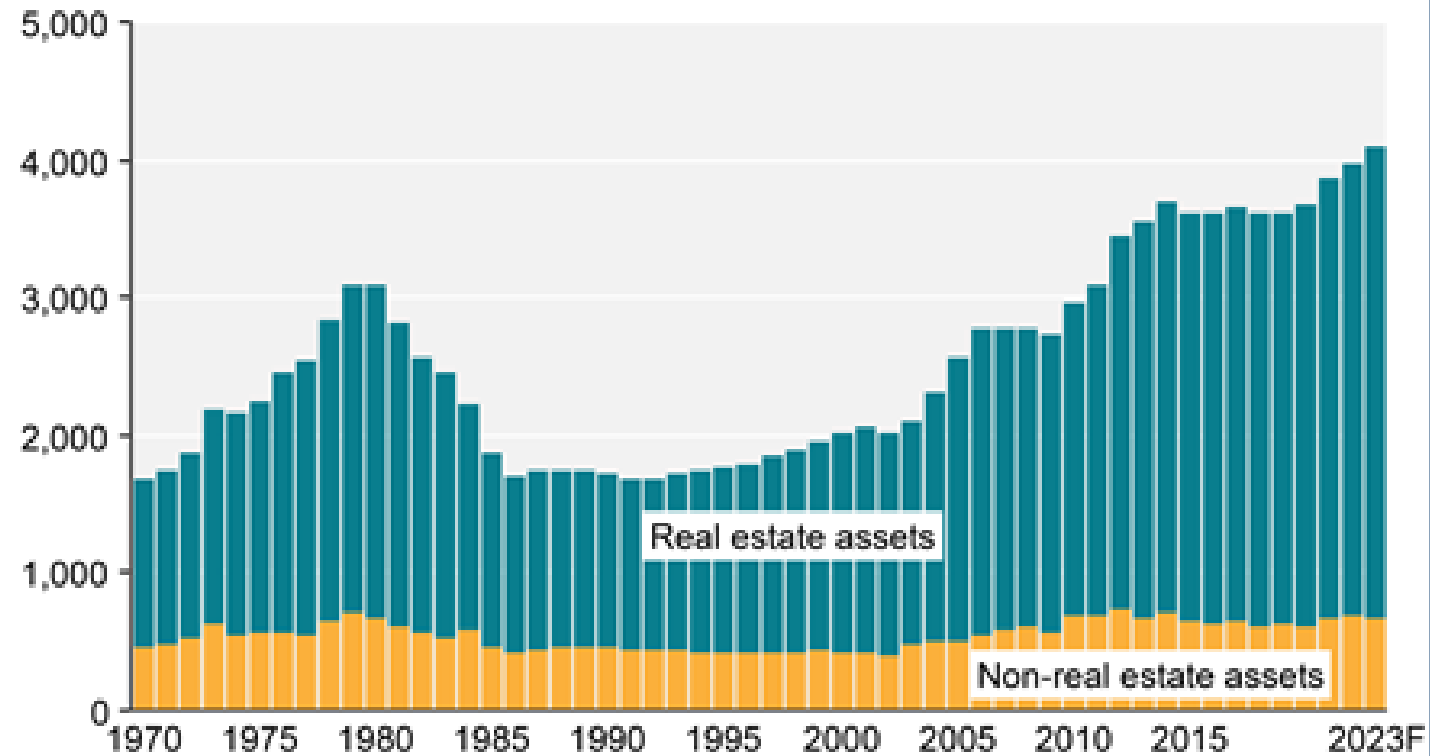
Importance of Assets and Debt Sections

- Shows farms solvency and liquidity
- Provides insight to where a farm's wealth resides
- One indicator of the farm economy's overall health



U.S. farm sector assets, inflation adjusted, 1970–2023F

Billion 2023 dollars



Note: F = forecast. Values are adjusted for inflation using the U.S. Department of Commerce, Bureau of Economic Analysis, Gross Domestic Product Price Index (BEA API series code: A191RG) rebased to 2023 by USDA, Economic Research Service.
Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.
Data as of November 30, 2023.



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Farm Assets

SECTION J

FARM ASSETS

1. What was the MARKET VALUE of the following assets OWNED by this operation on December 31, 2023:
(Include owned assets on rented land.)

a. farm producer's dwelling, if **owned by the operation**? (Owned by the operation means the house is recorded as an asset in farm record books or deeded as part of the farm.) 0850

None

Dollars

\$.00

- Duplication is a common issue on this question
- House is either reported here (on-farm asset) or Sec. N (Off-Farm)



Farm Assets

b. all other dwellings? 0851	<input type="checkbox"/>	\$.00
c. all other farm buildings and structures? <i>(Include barns and other livestock facilities, cribs, grain bins, greenhouses, silos, storage sheds, fences, corrals, etc.)</i> 0852	<input type="checkbox"/>	\$.00
d. orchard trees and vines, nursery trees, and trees grown for woody crops? 0853	<input type="checkbox"/>	\$.00
e. oil, gas, and mineral rights. 7101	<input type="checkbox"/>	\$.00
f. land? <i>(Include land rented to others. Exclude houses, buildings, orchard trees and vines, and trees grown for woody crops.)</i> 0854	<input type="checkbox"/>	\$.00

- Other dwellings may belong to other operators or farmhands
- Remind operators to separate orchard and nursery crops from the land they are on
- Item F includes land **rented to others, even if not operated by respondent**



Farm Assets

2. What was the ESTIMATED MARKET VALUE of the following on December 31, 2023:

a. trucks and cars owned by the operation? (<i>Include farm share only</i>) 0882	<input type="checkbox"/>	\$.00
b. tractors, machinery, tools, equipment and implements owned by the operation? (<i>Include ATVs and UTVs</i>) 0883	<input type="checkbox"/>	\$.00
c. stock in farm cooperatives and the Farm Credit System? 0884	<input type="checkbox"/>	\$.00

- Values dependent on farm type and size
- If equipment is expected but not reported, check for expenses on leased equipment.



Farm Assets

c. stock in farm cooperatives and the Farm Credit System? 0884	<input type="checkbox"/>	\$.00
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- Less common than some other assets
- If reported, check for Farm Credit System loans



Farm Assets

For each item below, report the MARKET VALUE(S) of the assets owned by the operation on the dates specified.

3. What was the ESTIMATED MARKET VALUE for the farm share of [item] on —

a. crops owned and stored on or off this operation? *(Include crops stored at co-op or gin warehouse, specialty crops, fruit storage, hay, silage, and nursery and greenhouse products not in the ground. Exclude trees and vines and crops under CCC loans.)*

None

	Beginning of Year JAN. 1, 2023? (Dollars)	End of Year DEC. 31, 2023? (Dollars)
0888	0889	
\$.00	\$.00	
b. breeding livestock owned by and located on or off this operation? <i>(Include aquaculture, bees, cattle, equine, hogs, mink, poultry, sheep, etc., kept for breeding purposes. Exclude livestock being produced under contract on another operation (reported in Section D).)</i>	0863	0864
\$.00	\$.00	
c. non-breeding livestock owned by and located on or off this operation? <i>(Include aquaculture, bees, cattle, equine, hogs, mink, poultry, sheep, etc., kept for non-breeding purposes. Include livestock products such as honey, mohair, and wool. Exclude livestock being produced under contract on another operation (reported in Section D).)</i>	0876	0877
\$.00	\$.00	

- Check section B and E for crop duplication
- It is unlikely for BOY value to equal EOY value



Farm Asset Example

- A cattle rancher owns a total of 12 head of cattle: 10 beef cows, 1 bull, and 1 steer. The per head and total estimated market values for each of the cattle is as follows:

Livestock	Per Head Beginning of Year Value	Total Beginning of Year Value	Per Head End of Year Value	Total End of Year Value
Beef cattle	\$1,000	\$10,000	\$1,100	\$11,000
Bull	\$1,700	\$1,700	\$2,000	\$2,000
Steer	\$900	\$900	\$1,000	\$1,000

- How would you fill out Question 2 in section C and Question 3 in section J with the information provided above?



Section C: Livestock Inventory, Number Sold/Removed, and Cash Sales

2. Report the total number of livestock, poultry, and livestock products, by type. For income received in 2023, report the total dollars this operation received from cash sales after subtracting marketing expenses. (Exclude contract sales or removals and landlord's share of sales in column 5.)

1 LIVESTOCK	INVENTORY		SALES			
	2 On Dec. 31, 2023, how many [column 1] regardless of ownership were on hand? (Number)	3 On Dec. 31, 2023, how many [column 1] were owned by and located on or off this operation? (Number)	4 What was the total number of [column 1] sold or removed in 2023? (Number)	5 How much was received in Cash Sales of [column 1] from any year's production in 2023? (Exclude marketing contract sales.) (Dollars)		
a. Beef cows (Include beef heifers that have calved. Exclude heifers that have not calved, steers, calves, and bulls.)	0255 10	0256 10	0254	1254	\$.00
b. Milk cows, including any dry cows (Exclude any heifers not yet freshened.)	0258	0259	0257	1258	\$.00
c. Other cattle and calves (Include fed cattle, beef and dairy cull animals, stockers and feeders, veal calves, etc.)	0252 2	0253 2	0251	1251	\$.00
d. Total cattle and calves (Items a + b + c)	0261 12	0265 12	0260	1295	\$.00
(i) Of the total (row d, col. 5) dollars, how much was for breeding stock? ¹⁾				0512	\$.00
(ii) Recognized gain/loss on sale of breeding stock. (If a loss was incurred, indicate with a negative sign).				0535	\$.00



Section J: Farm Assets

For each item below, report the MARKET VALUE(S) of the assets owned by the operation on the dates specified.

3. What was the ESTIMATED MARKET VALUE for the farm share of [item] on —

a. crops owned and stored on or off this operation? *(Include crops stored at co-op or gin warehouse, specialty crops, fruit storage, hay, silage, and nursery and greenhouse products not in the ground. Exclude trees and vines and crops under CCC loans.)*

None

Beginning of Year JAN. 1, 2023? (Dollars)

End of Year DEC. 31, 2023? (Dollars)
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0888	\$.00
------	----	-----

0889	\$.00
------	----	-----

b. breeding livestock owned by and located on or off this operation? *(Include aquaculture, bees, cattle, equine, hogs, mink, poultry, sheep, etc., kept for breeding purposes. Exclude livestock being produced under contract on another operation (reported in Section D).)*

0863	\$	11,700	.00
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0864	\$	13,000	.00
------	----	--------	-----

c. non-breeding livestock owned by and located on or off this operation? *(Include aquaculture, bees, cattle, equine, hogs, mink, poultry, sheep, etc., kept for non-breeding purposes. Include livestock products such as honey, mohair, and wool. Exclude livestock being produced under contract on another operation (reported in Section D).)*

0876	\$	900	.00
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0877	\$	1,000	.00
------	----	-------	-----

d. production inputs owned by this operation, such as processed feed, fertilizer, chemicals, fuels, parts, purchased seed and other supplies?

0878	\$.00
------	----	-----

0879	\$.00
------	----	-----

e. production inputs already used by this operation for cover crops or crops planted but not yet mature for harvest (also known as sunk costs), or the value of inputs used for production contracts that have yet to be delivered?

0880	\$.00
------	----	-----

0881	\$.00
------	----	-----



Farm Assets

d. production inputs owned by this operation, such as processed feed, fertilizer, chemicals, fuels, parts, purchased seed and other supplies?	<input type="checkbox"/>	\$.00	\$.00		
e. production inputs already used by this operation for cover crops or crops planted but not yet mature for harvest (also known as <i>sunk costs</i>), or the value of inputs used for production contracts that have yet to be delivered?	<input type="checkbox"/>		0880	\$		0881	\$.00

- Nearly every farm should have some kind of production inputs
- These will relate with the expenses section



Farm Assets

LIQUID ASSETS

4. What was the **ESTIMATED MARKET VALUE** of all other farm assets **not previously listed** on December 31, 2023? (*Include money owed to this operation (except money owed from commodity sales), cash certificates of deposit, savings and checking accounts, hedging account balances, government payments due, insurance indemnity payments due, balance of land contract sales, and any other farm assets not reported earlier. Exclude any personal debt owed to the producer(s).*) 0887 None

		DEC. 31, 2023 (Dollars)	
\$.00

a. Do you have any **liquid holdings** over \$250,000 at a **single** banking institution? **Include both farm business bank accounts and personal accounts.** 5774 1 Yes 3 No

- Bank accounts used solely for the farm
- Any other liquid assets not reported



Farm Debt

SECTION K		FARM DEBT	
1. Was debt used in funding the operation of this farm/ranch in 2023, including any loans obtained in earlier years? (<i>Include seasonal production and other loans taken and repaid during 2023.</i>)			
1080	<input type="checkbox"/>	3	<input type="checkbox"/>
1	Yes - Continue		No - Go to Item 5
2. What was the total amount repaid on farm business loans taken out in 2023? (Record any outstanding balances of loans taken out in 2023 in Item 3.) (<i>Include only seasonal production and other short term farm loans.</i>)		0890	<input type="checkbox"/>
		None	Dollars
		\$.00

- Item 2 is for loans repaid during the reference year, commonly referred to as “operating loans”.
- Loans with outstanding balances should go in Item 3

Lender Codes (Column 1)	
Lender	Code
FARM CREDIT SYSTEM.....	1
USDA Farm Service Agency (FSA).....	2
Small Business Administration (SBA).....	3
State & county government lending agencies ...	4
Savings and loan associations, residential mortgage lenders	5
Commercial banks.....	6
Life insurance companies.....	7
Trade credit, including input suppliers, implement dealer, co-ops and other merchants	8

Lender Codes (Column 1) (continued)	
Lender	Code
Contractor	9
Individuals	10
Credit Union	11
Any other lenders.....	12
Credit cards	13
Other debts (such as unpaid bills, etc.).....	14

Loan Type Codes (Column 5)	
Type	Code
One year or less production or other loans	1
Non-real estate loan more than one year	2
Real estate loans more than one year excluding producer's house	3
Real estate loan more than one year only for the producer's house.....	4

1 Who is the lender? [From Lender Codes Above.] (Code)	2 What was the balance owed on January 1, 2023 including outstanding principal plus unpaid interest? (Dollars)	3 What was the balance owed on Dec. 31, 2023 including outstanding principal plus unpaid interest? (Dollars)	4 What was the interest rate on Dec. 31, 2023? [Report in hundredths of a percent. Example: 9% = 09.00] (Percent)	5 What is the type of loan? [From Loan Type Codes Above.] (Code)	6 What year was it obtained? [For refinanced loans, report year refinanced] (Year) (YYYY)	7 What is the original term of the loan? (Number of Years)	8 What percentage is for expenses of running this farm operation? (Percent)
1001	1050	1002	1003	1004	1005	1008	1006
	\$.00	\$.00	.				%
1010	1051	1011	1012	1013	1014	1017	1015
	\$.00	\$.00	.				%
1019	1052	1020	1021	1022	1023	1026	1024
	\$.00	\$.00	.				%
1028	1053	1029	1030	1031	1032	1035	1033
	\$.00	\$.00	.				%
1037	1054	1038	1039	1040	1041	1044	1042
	\$.00	\$.00	.				%



Record their 5 largest loans first.

If more space is needed, please use a separate sheet of paper.



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Lender Codes (Column 1)	
Lender	Code
FARM CREDIT SYSTEM.....	1
USDA Farm Service Agency (FSA).....	2
Small Business Administration (SBA).....	3
State & county government lending agencies.....	4
Savings and loan associations, residential mortgage lenders.....	5
Commercial banks.....	6
Life insurance companies.....	7
Trade credit, including input suppliers, implement dealer, co-ops and other merchants.....	8

Lender Codes (Column 1) (continued)	
Lender	Code
Contractor.....	9
Individuals.....	10
Credit Union.....	11
Any other lenders.....	12
Credit cards.....	13
Other debts (such as unpaid bills, etc.).....	14

Loan Type Codes (Column 5)	
Type	Code
One year or less production or other loans.....	1
Non-real estate loan more than one year.....	2
Real estate loans more than one year excluding producer's house.....	3
Real estate loan more than one year only for the producer's house.....	4

1 Who is the lender? [From Lender Codes Above.] (Code)	2 What was the balance owed on January 1, 2023 including outstanding principal plus unpaid interest? (Dollars)	3 What was the balance owed on Dec. 31, 2023 including outstanding principal plus unpaid interest? (Dollars)	4 What was the interest rate on Dec. 31, 2023? [Report in hundredths of a percent. Example: 9% = 09.00] (Percent)	5 What is the type of loan? [From Loan Type Codes Above.] (Code)	6 What year was it obtained? [For refinanced loans, report year refinanced] (Year) (YYYY)	7 What is the original term of the loan? (Number of Years)	8 What percentage is for expenses of running this farm operation? (Percent)
1001	1050	1002	1003	1004	1005	1008	1006
	\$.00	\$.00	.				%
1010	1051	1011	1012	1013	1014	1017	1015
	\$.00	\$.00	.				%
1019	1052	1020	1021	1022	1023	1026	1024
	\$.00	\$.00	.				%
1028	1053	1029	1030	1031	1032	1035	1033
	\$.00	\$.00	.				%
1037	1054	1038	1039	1040	1041	1044	1042
	\$.00	\$.00	.				%

If more space is needed, please use a separate sheet of paper.

- Leave notes on unusual circumstances
- E.g. 0% interest loans
- Double check that the decimal on the interest rate is correctly placed



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Farm Debt Example

A row crop farmer in Mississippi took out 2 loans over the last 2 years in order to improve his operation. The loan information is listed below:

- The 1st loan was taken out on September 22, 2022 through the USDA Farm Service Agency.
- The balance of this loan owed on January 1, 2023 was \$125,000.
- The balance of this loan owed on December 31, 2023 was \$50,000.
- It is a non-real estate loan more than one year and had a 5.2% interest rate.
- The original term of the loan is 3 years and 90% of the loan is used towards expenses of running this operation.
- The 2nd loan was taken out on January 28, 2023 through a state government lending agency.
- It is a one year or less production loan and has an interest rate of 6.8%.
- The entirety of the loan, \$45,000, was paid in full on November 30, 2023.
- The original term of the loan is 1 year and 100% of the loan was used towards expenses of running this operation.

Based on the information given above, how would you fill out questions 2 and 3 in Section K?



2. What was the total amount repaid on farm business loans taken out in 2023? (Record any outstanding balances of loans taken out in 2023 in Item 3.) (Include only seasonal production and other short term farm loans.) 0890 None Dollars \$ 45,000 .00

← 2nd loan

3. To estimate the financial position of farms correctly and their ability to service debt and to categorize debt by types, we need to list loans this operation had on December 31, 2023, including any line of credit. (Include farm/ranch loans, debt on the producer's house if owned by the operation, Economic Injury Disaster Loans (EIDL), and multi-purpose loans used for both farm and non-farm purposes. Exclude CCC commodity loans and any loans used exclusively for non-farm purposes.

Lender Codes (Column 1)		Lender Codes (Column 1) (continued)		Loan Type Codes (Column 5)	
Lender	Code	Lender	Code	Type	Code
FARM CREDIT SYSTEM	1	Contractor	9	One year or less production or other loans	1
USDA Farm Service Agency (FSA)	2	Individuals	10	Non-real estate loan more than one year	2
Small Business Administration (SBA)	3	Credit Union	11	Real estate loans more than one year excluding producer's house	3
State & county government lending agencies	4	Any other lenders	12	Real estate loan more than one year only for the producer's house	4
Savings and loan associations, residential mortgage lenders	5	Credit cards	13		
Commercial banks	6	Other debts (such as unpaid bills, etc.)	14		
Life insurance companies	7				
Trade credit, including input suppliers, implement dealer, co-ops and other merchants	8				

1 Who is the lender? [From Lender Codes Above.] (Code)	2 What was the balance owed on January 1, 2023 including outstanding principal plus unpaid interest? (Dollars)	3 What was the balance owed on Dec. 31, 2023 including outstanding principal plus unpaid interest? (Dollars)	4 What was the interest rate on Dec. 31, 2023? [Report in hundredths of a percent. Example: 9% = 09.00] (Percent)	5 What is the type of loan? [From Loan Type Codes Above.] (Code)	6 What year was it obtained? [For refinanced loans, report year refinanced] (Year) (YYYY)	7 What is the original term of the loan? (Number of Years)	8 What percentage is for expenses of running this farm operation? (Percent)
1001	1050	1002	1003	1004	1005	1008	1006
1	\$ 125,000 .00	\$ 50,000 .00	5 2	2	2022	3	90 %
1010	1051	1011	1012	1013	1014	1017	1015
	\$.00	\$.00	.				%
1019	1052	1020	1021	1022	1023	1026	1024
	\$.00	\$.00	.				%
1028	1053	1029	1030	1031	1032	1035	1033
	\$.00	\$.00	.				%
1037	1054	1038	1039	1040	1041	1044	1042
	\$.00	\$.00	.				%

← 1st loan

Farm Debt

4. If you had farm loans in addition to the five recorded above, what is the total amount of debt from these loans owed on December 31, 2023? (Include farm/ranch loans and debt on the producer's house if it is owned by the operation. Exclude any loans exclusively for non-farm purposes that are secured by assets of the farm/ranch.) 1047

None

Dollars

\$

.00



Reminders

- A farm's assets and debt play an important role in understanding their financial well-being
- Check for duplication among assets



Questions?



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