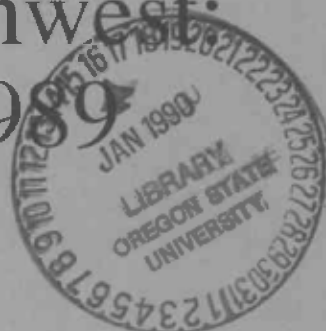


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Farmland Values in the Pacific Northwest: 1960 to 1989



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FARMLAND VALUES IN THE PACIFIC NORTHWEST: 1960 TO 1989

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The Objective

The objective of this paper is to examine the changes in farmland values that have occurred over the three decades, 1960 through 1989. A national perspective is presented, with the focus on the Pacific Northwest (PNW) states of Idaho, Montana, Oregon and Washington, and on the changes that appear to have developed from early 1988 through mid-1989. National data sources are used together with the results from two April 1989 surveys, one of the PNW Farmland Values Panel, the other of the PNW agricultural lenders.

Moderate Inflation in Farmland Values

Until the 1980s, farmland values had increased generally throughout the United States since 1933. From that point until 1960, the index of average values had risen by 325% [USDA-ESCS, 1979]. During the 1960s, U.S. values increased on the average at 5.5% per year (Table 1); for the Western region, the rate was 4.6%. The three Pacific Northwest states of Montana, Oregon and Washington experienced about the same rate as the U.S. average; Idaho was lower, at 4.4%. During the same period, in contrast, the annual rate of increase for the consumer price index (CPI) was only 2.3%. Hence, farmland experienced real capital gains.

Double-Digit Inflation in Farmland Values

Starting in 1973, increases in average values of U.S. farmland reached double-digit rates that would last through 1981 (Table 1 & Figure 1). This was also true for the Western region and for each of the four Pacific Northwest states. Average values in each of the four states and the U.S. had annual rates of increase that peaked at over 20%. The peak rate year for Idaho, Montana, and the U.S. was 1974. It was 1976 in Washington, and 1979 in Oregon.

During the 1970s, the value of U.S. farmland, on the average, grew at an annual rate of nearly 13% [Jones, 1985]. The same was true for the four Pacific Northwest states. This rate substantially out-paced general price inflation; during the decade the CPI grew at an annual rate of 7.1% (Table 1).

The Peak Years for Farmland Values

Land value appreciation rates peaked in the 1970s, but land values continued to rise through the early years of the 1980s (Table 1). Average values reached the highest levels for Idaho, Montana, the

Western region and the U.S. in 1982; it was 1983 in Oregon, and 1984 in Washington (Appendix Table 1).

For the U.S., the increase in farmland values from 1960 to the peak year of 1982 averaged 9.3% per year (Table 1). Each of the eleven states in the Western region had similar increase rates over comparable periods, with the highest in Utah (13.0%), the lowest in California (7.2%).

The forces that stimulated high appreciation rates in farmland during the 1970s were complex and included economic, political, and psychological factors [Reinders, 1987]. Among the more important were: 1. strong domestic and international demand for farm products, 2. attractive government support programs, 3. low to negative real interest rates, 4. the easy availability of real estate financing with low down payments, and 5. high rates of general price inflation and prevailing beliefs that farmland would continue to be a good hedge against inflation.

Declining Farmland Values

From the peak years in the early 1980s, farmland values fell generally across the U.S., and by drastic magnitudes in some states (Table 2). The most severe decreases from peak levels occurred within states of the Corn Belt, Lake States and Northern Plains regions. Notable in this respect were the states of Minnesota (-53%), Iowa (-48%), Indiana (-48%), and Illinois (-44%).

The declines in farmland values were importantly affected by: 1. falling world prices for farm commodities, 2. the strong U.S. dollar that made U.S. farm exports too expensive, 3. high real interest rates that raised farm operating costs and reduced returns to farmland, and 4. the change in expectations of potential land investors -- pessimism replaced optimism.

The Turning Point: 1988

USDA's Farmland Market Survey for February 1988 showed a turnaround in farmland values for most regions [USDA-ERS, June 1988]. The U.S. average value per acre increased by 3% from 1987 to 1988 (Table 2). This was the first increase in the U.S. average since the 1981-82 change (Table 1). While the U.S. average edged upwards from 1987 to 1988, increases did not generally extend to the Western region. The 1987-88 estimated change for the region was -2%; only 2 of 11 states experienced increases (Table 2). For the four Pacific Northwest states, the 1987-88 average change was estimated at -1%.

While 1988 was not a positive year for land values in the Western region, it was a turnaround year, or at least the beginning of a turnaround. This becomes clear when 1987-88 changes are contrasted with a year earlier. For 1986-87, the Pacific Northwest region was down by an average of 11%. The 1986-87 change for Montana was -18%, for Idaho, -12%, for Washington, -11%, and -8% for Oregon.

The Developing Situation in 1989

The February 1989 Farmland Market Survey by USDA [USDA-ERS, April 20, 1989] indicates a continuation of the turnaround that began during 1988. The average value of farmland in the U.S. increased by 6% between 1988 and 1989 (Table 2). Increases characterized a large number of states; a few indicated declines. Some states showed double-digit increases from 1988 to 1989. Iowa (+17%), Missouri (+16%), and Nebraska (+15%) experienced the greatest increases.

Land value changes in the Western region ranged from -3% in Wyoming to +7% in New Mexico (Table 2). Nine of the 11 western states registered increases from 1988 to 1989. In the Pacific Northwest, no change was indicated in Oregon. The other states had increases, with Montana up 2%, Washington 4%, and Idaho 5%.

A survey by the Federal Reserve Bank of Chicago of agricultural bankers in Illinois, Indiana, Iowa, Michigan, and Wisconsin indicates a 3% increase in the first quarter of 1989 [Benjamin, 1989]. The increase across the district to April 1, 1989 from a year earlier was estimated at 10%.

Surveys in the third quarter of 1988 by federal reserve banks indicated generally increasing farmland values [Walraven, 1989]. The exception was for the Minneapolis District which was severely hit by the drought. The survey in that district showed land values turning down after midyear, but holding a bit above levels of a year earlier. The enactment of the Disaster Assistance Act of 1988, which became law on August 11, 1988 probably played an important role in this respect [USDA-ERS, October 1988].

Pacific Northwest Farmland Values Surveys

The information reported in Tables 3, 4, and 5 is from the April 1989 surveys of the Pacific Northwest Farmland Values Panel (PNW Panel), and PNW agricultural lenders (Lenders). The PNW Panel, established in 1985, consists of real estate brokers, appraisers, and agribankers who are knowledgeable about farm real estate values. Panel members are drawn from Washington, Oregon, Idaho, and Montana.

The lender survey, initiated in 1989, covers the same Pacific Northwest states. It includes only agricultural lenders. None of these lenders are members of the PNW Panel. These surveys provide estimates of farmland values, land rental rates, expectations for 12 months into the future, and farm real estate market activity during the previous quarter. They furnish information on the basis of land use class, which is not available from any other source.

Changes in Farmland Values by Land Use Class

Both surveys for 1989, on the whole, agreed with USDA estimates that farmland values in the Pacific Northwest have turned the corner after a long period of steep declines. The 1989 PNW Panel survey indicates

increases from 1988 to 1989 across most land uses within the four states (Table 3).

While the 1988-89 increases were modest, it is clear that farmland markets in the PNW showed a posture of optimism absent in recent years. By way of contrast, the 1988 PNW Panel survey still showed general

declines, although at very moderate rates and severe declines for the 1985-87 period (Appendix Table 2).

Cropland

The 1989 PNW survey showed increases in the value of irrigated cropland in all four states (Table 3). The high was in Idaho (+7%); the low in Oregon (+2%); the average for the four states was +5%, a considerable change from the previous year's average decline of 4% [Wirth, April 1989].

The 1989 lenders survey showed the same general direction of change in land values, but with a slightly lower average four-state increase (+3%) than with the PNW survey (5%). Lender's estimates of average value per acre were 5% to 26% below those reported in the PNW survey (Table 3).

The 1988 PNW survey showed that from 1987 to 1988, irrigated cropland fell in value by 4% on the average for the four-state region [Wirth, April 1989]. The moderate decreases indicated for 1988 contrasted sharply with the annual double-digit declines that characterized each state since the first PNW Panel survey in 1985.

The situation was similar for nonirrigated cropland in the region. Both surveys revealed an average 1988-89 increase for the four-state region of about 4%. This compares with -4% a year earlier, as estimated by PNW panel members [Wirth, April 1989]. Again, the contrasts with the large percentage decreases over the 1985-87 period seem significant.

Other Farmland

The 1989 PNW survey indicated an average increase of 2% to 3% for irrigated pasture and grazing land across the four-state region (Table 3). The low was recorded for Oregon (-2%), and the high in Washington (4%). When compared with the three previous years, 1989 was indeed a rebound year for these lands. The annual losses from 1985 through 1987 averaged more than 19% for the region each year, a cumulative decrease in value of 35% from 1985 [Wirth, May 1989]. The picture was similar for dryland pasture and grazing land, but the 1985-87 declines were less severe, and the average four-state decrease from 1985 was slightly less (32%).

Estimates of 1988-89 changes in both dryland and irrigated pasture and grazing land from the lender survey were very close to those of the PNW Panel survey (Table 3). Again, as with cropland, the lender survey

produced average value estimates for the region that were 4% to 14% below those of the PNW survey.

The 1989 PNW Panel survey also showed rising values for woodlands on farms (Appendix Table 2). Panel estimates are available for Oregon and Washington that cover the 1985-89 period. Both states experienced severe declines in the value of farm woodlands from 1985 to 1988, ranging from -12% to -34% each year with a cumulative decrease of nearly 50% for both states from 1985.

Data on orchards and vineyards are available only from Washington for the 1989 PNW Panel survey. The 1988-89 changes indicated slight decreases. Orchards were down about 1%; vineyards were off 2% (Appendix Table 2). By comparison with the previous two years, these decreases were moderate. If the pattern of recovery for orchards and vineyards follows the developing trends for cropland, 1989 may also be a turning point.

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Quality Ranges in Farmland Values

In addition to estimates of the value of average quality farmland, respondents for both the PNW Panel and lender surveys made value estimates of low and high quality cropland. The results showed rather consistent differences between the means of the two surveys (Table 4). As discussed above, the lender survey means of average quality land tended to fall below the estimates from the PNW survey. When low and high quality croplands are considered, the lender survey indicated generally lower means for low quality land, but higher means for high quality land.

When both surveys are considered as a whole, substantial differences existed in the value-quality ranges for irrigated and dry cropland (Table 4). The means for the PNW states for irrigated cropland ranged from 47% below average for low quality land to 56% above average for high quality cropland. The comparable figures for nonirrigated cropland were 55% below and 90% above.

Data from the PNW Panel showed considerable variability with respect to percentage declines in both low and high quality farmland from 1985 through 1988 (Appendix Table 3). Yet, there is an almost consistent pattern indicating that low quality lands fell by larger percentages than average lands, and average lands by larger percentages than high quality lands.

Predicted Changes in Land Values in Next 12 Months

Survey respondents were asked to predict the change in land values by land use category for the 12 months ahead. Judging from responses and comments from both PNW Panel members and lenders, there was a mood of cautious optimism that was not in evidence since the first PNW Panel survey in 1985. Virtually all respondents expected 1990 land values to be higher or about the same as in 1989 (Table 3). Only a few were predicting declines.

Expectations for 1990 for the four-state region for irrigated cropland averaged +4.5% for the PNW Panel and +4.0% for lenders. The corresponding figures for irrigated pasture or grazing land were +3.6% and +3.0%. Dry cropland and pasture expectations for 1990 were for increases, but one to two percentage points below irrigated land. In the past, the PNW Panel tended to predict more moderate declines in farmland values than what actually prevailed after the fact. This has been consistently true for each state in each land use category, and for both 1985-86 and 1986-87 (Appendix Table 4). The predicted declines in cropland values underestimated the actual decreases by 8% to 13% per year between the 1985 and 1987 surveys.

A different story emerged for the 1987-88 predicted changes; they came much closer to the actual changes. For the four-state region, the average expected change (from the April 1987 survey) in the value of irrigated cropland for 1988 was -5.1%. The actual change reported for 1988 was -4.0%. Similarly, for nonirrigated cropland, the prediction was -5.2%, the 1988 reported actual was -4.2%. In 1988 the expected change to 1989 for both irrigated and dry cropland was +1% (Appendix Table 4). The actual change 1988-89 change was 4-5% (Table 3).

Whether this closer correspondence between predicted and actual noted for cropland will hold for the time ahead is an interesting question. If it does, it suggests a general upward drift in farmland values for the Pacific Northwest. However, this conclusion presupposes that panelists have effectively discerned and modeled the important factors that affect land values into their prediction techniques. And perhaps also, that they are lucky in making predictions. It is left to the reader to decide how much credibility to place in these predictions, or any others.

Farmland and General Price Inflation

Farmlands in the Pacific Northwest region had an excellent track record as a hedge against general price inflation until 1983. From 1960 through 1982, farmland values in the region grew at an average annual rate of 9.6%, while the CPI was increasing at an average annual rate of 5.5%. In 22 of those 23 years, farmland appreciated at a higher rate than general price inflation (Table 1 and Figure 2).

In 1983, the situation changed. Farmland values in the region began to fall. By 1988, average land values for the region had decreased 30% from 1982, an average of -5.1% per year. During that 6-year period,

the CPI grew 23%, about 3.5% a year. Over these years in the region, the asset values of farmlands in real terms were falling by 8% to 9% a year, farmland was no longer an effective hedge against inflation. To what extent farmland will return to its former status is an important question for present land owners, potential land buyers, and those who finance farm real estate. The answers that these people give to that question will importantly influence the future directions of farmland values.

Some members of the PNW Panel offered opinions in this regard in the 1988 survey [Wirth, 1988]. Several noted that until the crash in land values in the early 1980s, farmland as an investment had more than kept up with inflation, and would again fulfill the same role. Others observed that farmers compared with nonfarm investors are content to accept a lesser return on investment. They said that farmers were now anticipating a 2% to 3% annual rate of growth in values, and that may explain some of the rebound in current land bids and sales. A number offered opinions suggesting that farmland values appeared to be nearing the level where prospective returns could be expected to produce a positive rate of return on investment.

Farm Real Estate Market Activity

The 1989 PNW Panel survey indicated an improving market over a year earlier. Sixty percent of panel members said that sales of irrigated cropland were above last year, and 59% said the same thing with respect to dry cropland (Table 5). Only 7% said that sales for irrigated cropland were below 1988; 9% said the same thing with regard to nonirrigated cropland.

Lender's assessments of market activity were a little less optimistic. Fifty-three percent said 1989 sales of irrigated cropland were above a year ago; 21% gave the same response with respect to dry cropland. Only 2% and 4% said that sales were lower this year for irrigated and dry cropland, respectively.

When both surveys are taken as a whole, there is a strong consensus that farm real estate sales in the first quarter of 1989 were above the same period in 1988. For all cropland, over half reported increased sales and only 7% said sales were below a year earlier.

Sales of orchards and vineyards, as reported in the PNW Panel survey, also appear to have picked up in 1989 compared with a year earlier. About a third of those reporting indicated sales increases compared with 13% to 14% in 1988 (Appendix Table 5).

Some respondents in both surveys reported that the farm real estate market in their area in 1989 was still slow, but foreclosures and distressed listings appeared to have tapered off. There were a few who said that some potential buyers were still staying out of the market with the expectation of buying cheaper a little later on. As with the 1988 PNW Panel survey, there were some comments that net returns from farmland still wouldn't justify current market prices. Apparently some

believed the current rebound in land values to be temporary, with further downward movements in prospect.

USDA's February Farmland Market Survey provided information on farmland transfers in 1988 [USDA-ERS, June 1988]. The survey indicated that owner-operators accounted for 56% of all reported purchases, 64% of all acreage sold, and 54% of total sales value. These percentages are similar to previous years. Acres per sale averaged 317, significantly above earlier years, while average price per acre fell to \$566 compared with \$607 in 1987. Seventy percent of all sales reported for 1988 were credit financed, down from 73% in 1987, 76% in 1986, and 91% in the peak year of 1980.

Cash Rents for Cropland

Cash rents for irrigated and dry cropland are available from the PNW Panel data base for 1986 through 1989 (Appendix Table 6). The annual changes over these years show a great deal of variability. The essential story is that cash rents were falling generally through the 1986 to 1988 period, but less severely than land values.

From 1988 to 1989, cash rents like land values, indicate a turnaround in the four-state region. Per acre cash rents for irrigated cropland ranged from \$43 in the Western Montana area to \$98 in Southern Idaho. Both of these rental rates were up 8% over 1988. For nonirrigated cropland, average per acre cash rents in 1989 were reported to range from a low of \$18 in Eastern Montana to a high of \$87 in Western Washington. Average rates increased in these two areas by 7% and 4% respectively from 1988 to 1989.

In the 1986 and 1987 surveys, comments indicated that some farmers negotiated lower cash rents, or changed to share rents to lower cash costs or shift more of the production risk to land owners. Similar comments were absent in the 1988 and 1989 surveys.

Ratios of rent-to-value for 1989 were slightly higher than averages in 1988 (Appendix Table 6). The general upturn in ratios reflects the more than proportionate downward shift in the value of rented land relative to adjustments in cash rents from 1988 to 1989. These higher ratios suggest a higher rate of return on land capital compared to previous years. But, that would only be the case for a new purchase under the terms indicated. For the land owner who has held the land for some time, a fall in cash rent is a reduction in rate of return on capital. Similarly, a fall in the asset value of land is a capital loss that would be realized if the property were sold at the reduced value. Just the opposite would be true for increasing rental rates and rising land values.

There is a further important consideration that concerns ratios of rent-to-value, whether those published here or elsewhere. Most data on average cash rents, including the PNW Panel estimates used here, are gross cash rents. Therefore, these cash rents should not be interpreted as net returns to land, nor should the derived ratios of

rent-to-value be used as capitalization rates in present value analysis, or for use in income-capitalization approaches to value often used in appraisals [Suter, 1987].

Current Financial Condition of Farmers

The lender survey solicited information about farmers financial condition. Respondents were asked to make a judgment whether farmers' financial condition in the second quarter of 1989 was: 1. better, 2. about the same, or 3. worse than last year. Their responses indicated overwhelmingly that conditions were better in 1989 than a year earlier (Table 6). For the four-state region, 78% said better, 16% indicated about the same, and only 6% said worse. All respondents saying that farmers' financial condition was worse than last year were from Washington. They cited: 1. low apple prices and the Alar pesticide scare, and 2. winter kill in wheat and barley crops as the principal problems associated with deteriorating financial conditions for some agricultural operations in Washington.

Comparison of Surveys

The two surveys discussed in this report reflect the expertise and judgments of two different professions. The PNW Panel is primarily composed of farm real estate brokers and appraisers. Respondents to the lender survey were exclusively agricultural lenders. While the judgments of these two groups were similar in many respects, there were a few significant differences.

Lender's estimates tended to place somewhat lower values on all categories of farmland compared to Panel estimates. It was also noted that the range in values with respect to land quality was wider for lender's than was the case for panel members. Moreover, lender's were not as positive as panel members when predicting farmland values for 1990.

The more conservative tone of the lender survey may result from the orientation of the two professions represented by these two surveys. Most PNW Panel members are involved directly or indirectly with farmland sales. Lenders tend to see land as an important component of the farm balance sheet and a substantial part of the collateral package that provides security for farm loans. In this context, conservatism is an understandable characteristic.

Looking Ahead on Farmland Values

On the national and international scene, a number of factors are changing in ways that can be expected to seriously impact agriculture's financial fortunes, especially the value of farmland. Within this context, a number of developments need to be followed and evaluated:

- o The optimism concerning farmland values that is beginning to emerge in some regions and states may be primarily the result of the high net cash incomes in farming for 1986, 1987 and 1988, and the

expectation that those levels will continue through 1989 and beyond.

- o Direct government payments to agriculture are forecast at \$9-12 billion for 1989 [USDA-ERS, October 1989]. The average was \$14.2 billion over the 3-year 1986-88 period, close to three times the average for the 1980-85 period (Appendix Table 7). These unprecedented high payments have obviously played an important role in the turnaround for farmland values. An important question now is: how long will federal government programs continue to support agriculture at current high levels? Congress is now considering this question in the context of the 1990 Farm Bill. Whatever emerges as legislation will obviously have a profound impact on the farm economy in the future, and on farmland values. The same can be said for the agricultural components of international trade agreements under negotiation [Drabenstott, 1989]. These developments need to be watched.
- o Low to moderate interest rates have beneficial effects in supporting land values, on lowering production costs, and on refinancing possibilities. Interest costs are always an important claim against farm income, and hence on the rates of return earned on farmland and other farm resources.

The high interest rates of the early 1980s, with the prime rate averaging 18.9% in 1981 and peaking above 20% [USDC, 1989], resulted in interest costs that exceeded net farm income in both 1980 and 1983 [USDA, 1988, 1984, and 1980]. The prime fell from 11.0% to 10.5% on 7-31-89 [Wall Street Journal]. Some analysts think that it will fall further in early 1990 because the Fed will move to counteract recessionary forces that are beginning to emerge. Others feel that the Fed is more concerned with the recurrence of price inflation and therefore is unlikely to move toward lower interest rates.

Lower interest rates would tend to enhance the value of farmland. But, a movement toward higher interest rates would dampen the recovery of farmland values as potential investors factor the higher rates into capitalization calculations [Suter, 1987]. On the other hand, the risk and instability in the stock and bond markets may make farmland, as an investment, attractive by comparison.

- o Federal law now requires implementation of adequate conservation practices to maintain eligibility for farm program benefits beginning in 1990. This legislation may have mixed impacts on farmland values. Downward pressures may be exerted on lands that require special practices. On the other hand, the Conservation Reserve Program (CRP) may put upward pressures on the value of enrolled acreages of lower quality erodible cropland. USDA reported this to be the case in some areas [USDA-ERS, June 1988].

The Agricultural Stabilization and Conservation Service reported in June 1989 that an additional 2.5 million acres have been contracted by farmers under the CRP [ASCS, 1989]. The total, now nearly 31 million acres, exceeds the 29 million acres in the 1960 Soil Bank, making the CRP the largest long-term cropland retirement program in U.S. history.

- o The Federal Agricultural Mortgage Corporation (Farmer Mac), a federally-chartered instrumentality of the United States, was created by federal statute (Agricultural Credit Act of 1987, enacted January 1988) to attract new capital for the financing of agricultural real estate, and to provide liquidity for agricultural lenders [Hiemstra, 1989].

The objective is to form a secondary market for long-term farm mortgages that would permit lenders to originate and service such loans without carrying them on their books. Farmer Mac is similar in design to the secondary market for home mortgages. By selling mortgages in the secondary market, lenders will be able to pass forward some of the default and interest rate risk while keeping the origination and service fees.

This program is not expected to be in full operation until 1990. At this point, the possible effects of this new source of farmland financing are unclear, yet, it should have a positive influence on farmland values by increasing competition and lowering the costs of financing farm real estate transfers.

- o Chapter 12 of the U.S. Bankruptcy Code became effective November 26, 1986. This new chapter was enacted by the Congress to cover cases that have reorganization and work-out potential. It is available to family farmers whose debts do not exceed \$1.5 million [Harl, 1988 and 1986].

In November and December of 1986, 600 petitions were filed across the U.S. in federal bankruptcy courts [Koenig, 1989]. In 1987, the first full year under the new code, the number of petitions rose to 6064. In 1988, filings dropped by two-thirds to a total of 2035. By the end of 1988, filings in the U.S. since the effective date of Chapter 12 totaled 8699.

The Western region accounted for only 16% of total U.S. filings through 1988 (Appendix Table 8). The Corn Belt, Northern and Southern Plains, and Delta regions had 61% of total U.S. filings. Nebraska (925 cases) led in filings, far ahead of second place South Dakota (583), and third place Louisiana (445). These 3 states alone, accounted for 22% of all filings through the end of 1988.

The quantum decrease in Chapter 12 filings between 1987 and 1988 reflected a general lessening of financial stress that characterized agriculture during the first half of this decade. Important in this regard were: 1. substantially higher net farm income over the past two years, 2. the general improvement in the

farm balance sheet, 3. the exit of a number of financially troubled farmers, 4. the fact that many of the most pressing and serious cases sought remedy under Chapter 12 during 1987, and 5. the existence of Chapter 12 has undoubtedly encouraged lenders to try to develop workout arrangements with some farm customers rather than see them file for bankruptcy.

- o Negative influences continue to characterize some farmland markets. Important in this regard are: 1. concerns that the extensive drought of 1988, which has continued through 1989 in areas of the Southern Plains states and areas of the West, especially California may not be over [USDA-ERS, April 1989], 2. farmlands that lenders still hold and may dump on the market [Stam, 1989], 3. world agricultural trade negotiations, and 4. the weakened balance sheet position of some farmers that implies at least another year or two of serious debt reduction and asset restructuring.
- o Risks, and uncertainties overshadow the immediate future for farmland values, but, there is reason for cautious optimism that farmland values are beginning to stabilize, if not increase in a broad range of land markets. If inflationary pressures continue, there could be a renewal of land price appreciation that characterized earlier times.

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TABLE 1--FARMLAND VALUES FOR PACIFIC NORTHWEST AND UNITED STATES, AND CONSUMER PRICE INDEX, 1960 TO 1989

YEAR	ID	MT	OR	WA	FOUR STATES	U.S.	CPI ^a	ID	MT	OR	WA	FOUR STATES	U.S.	CPI ^a
AVERAGE VALUE PER ACRE OF LAND AND BUILDINGS (\$)								-----ANNUAL PERCENTAGE CHANGE-----						
1960	112	35	88	133	92	117	29.6	2.8	6.1	0.0	3.1	2.5	5.4	1.6
1961	114	36	90	136	94	119	29.9	1.8	2.9	2.3	2.3	2.2	1.7	1.0
1962	120	38	94	137	97	125	30.2	5.3	5.6	4.4	0.7	3.5	5.0	1.1
1963	124	39	102	143	102	130	30.6	3.3	2.6	8.5	4.4	4.9	4.0	1.2
1964	129	41	108	147	106	138	31.0	4.0	5.1	5.9	2.8	4.2	6.2	1.3
1965	134	42	115	154	111	147	31.5	3.9	2.4	6.5	4.8	4.7	6.5	1.7
1966	142	47	121	168	120	158	32.5	6.0	11.9	5.2	9.1	7.4	7.5	2.9
1967	152	50	128	182	128	168	33.4	7.0	6.4	5.8	8.3	7.1	6.3	2.9
1968	162	54	134	199	137	179	34.8	6.6	8.0	4.7	9.3	7.2	6.5	4.2
1969	168	56	143	215	146	189	36.7	3.7	3.7	6.7	8.0	6.0	5.6	5.4
1970	177	60	150	224	153	196	38.8	5.4	7.1	4.9	4.2	5.0	3.7	5.9
1971	188	63	166	224	160	203	40.5	6.2	5.0	10.7	0.0	4.9	3.6	4.3
1972	205	68	186	238	174	219	41.8	9.0	7.9	12.0	6.3	8.7	7.9	3.3
1973	229	76	205	273	196	246	44.4	11.7	11.8	10.2	14.7	12.3	12.3	6.2
1974	287	96	234	308	231	302	49.3	25.3	26.3	14.1	12.8	18.1	22.8	11.0
1975	339	112	250	350	263	340	53.8	18.1	16.7	6.8	13.6	13.6	12.6	9.1
1976	386	134	294	438	313	397	56.9	13.9	19.6	17.6	25.1	19.1	16.8	5.8
1977	454	157	342	535	372	474	60.6	17.6	17.2	16.3	22.1	18.8	19.4	6.5
1978	515	176	414	602	427	531	65.2	13.4	12.1	21.1	12.5	14.7	12.0	7.7
1979	585	196	504	692	494	628	72.6	13.6	11.4	21.7	15.0	15.8	18.3	11.3
1980	698	235	587	736	564	737	82.4	19.3	19.9	16.5	6.4	14.1	17.4	13.5
1981	774	251	668	877	643	819	90.9	10.9	6.8	13.8	19.2	13.9	11.1	10.4
1982	839	271	705	922	684	823	96.5	8.4	8.0	5.5	5.1	6.5	0.5	6.1
1983	814	259	705	933	678	788	99.6	-3.0	-4.4	0.0	1.2	-0.9	-4.3	3.2
1984	814	264	698	961	684	782	103.9	0.0	1.9	-1.0	3.0	1.0	-0.8	4.3
1985	749	222	579	923	618	679	107.6	-8.0	-15.9	-17.0	-4.0	-9.6	-13.2	3.6
1986	644	204	521	812	545	595	109.6	-14.0	-8.1	-10.0	-12.0	-11.8	-12.4	1.9
1987	567	167	479	723	484	547	113.6	-12.0	-18.1	-8.1	-11.0	-11.2	-8.1	3.7
1988	592	164	466	699	480	564	118.3	4.4	-1.8	-2.7	-3.3	-0.8	3.1	4.1
1989	621	167	466	727	495	597	125.5	4.9	1.8	0.0	4.0	3.1	5.9	6.1
PEAK YEAR	839	271	705	961	684	823	125.5	25.3	26.3	21.7	25.1	19.1	22.8	13.5
	1982	1982	1983	1984	1982	1982	1989	1974	1974	1979	1976	1976	1974	1980
PERCENTAGE CHANGE FROM INDICATED YEARS								AVERAGE OF CHANGE RATES (%) OVER INDICATED YEARS						
1960-69	50	60	63	62	58	62	24	4.4	5.5	5.0	5.3	5.0	5.5	2.3
1970-79	231	227	236	209	224	220	87	13.4	13.5	13.6	12.6	13.1	12.9	7.1
1980-89	-11	-29	-21	-1	-12	-19	52	1.1	-1.0	-0.3	0.9	0.4	-0.1	5.7
1960-89	454	377	430	447	438	410	324	4.7	4.5	4.6	4.7	4.6	4.6	3.8
1970-89	251	178	211	225	224	205	223	7.3	6.3	6.6	6.7	6.8	6.4	6.4
1960 TO PEAK YR	649	674	701	623	644	603	324	9.4	9.8	9.2	8.6	9.4	9.3	5.0
PEAK YR TO 1989	-26	-38	-34	-24	-28	-27	NA	-2.4	-4.6	-5.5	-3.9	-3.0	-3.6	NA

^a CPI MEANS CONSUMER PRICE INDEX, 1982-84 = 100. THE 1989 VALUE IS THE ANNUAL RATE THOUGH THE FIRST QUARTER.

SOURCES: USDA, ERS, AGRICULTURAL RESOURCES, AR-6, JULY 1987, AND FARM REAL ESTATE HISTORICAL SERIES DATA, 1950-85, STATE BULLETIN 738, DEC 1985. USDC, BUREAU OF THE CENSUS, STATISTICAL ABSTRACT OF THE UNITED STATES, 1987, AND USDC, BUREAU OF ECONOMIC ANALYSIS, SURVEY OF CURRENT BUSINESS, VOL 67, NO 6, JUNE 1987 (THE CPI INDEX FOR 1988 IS BASED ON MARCH). USDA- ERS, FARM REAL ESTATE MARKET DEVELOPMENTS, CD-84, AUG 1979.

USDA-ERS, OUTLOOK & SITUATION SUMMARY, 4-14-88, & 4-20-89. THE U.S. AVERAGE ACRE OF FARMLAND INCREASED 325% FROM 1933 (GREAT DEPRESSION LOW) TO 1960.

FILE: TABLE1

TABLE 2--FARMLAND VALUE TRENDS, SELECTED REGIONS AND STATES, 1973, 1981, 1982, AND 1986 THROUGH 1989

	1973	1981	1982	1987	1988	1989	1973- 1982	1981- 1989	1982- 1989	1986- 1987	1987- 1988	1988- 1989
LAKE STATES	DOLLARS PER ACRE						PERCENTAGE CHANGE					
MICHIGAN	444	1289	1278	833	853	879	188	-32	-31	-11	2	3
WISCONSIN	328	1152	1144	626	630	661	249	-43	-42	-12	1	5
MINNESOTA	269	1281	1272	493	563	602	373	-53	-53	-19	14	7
AVERAGE	347	1241	1231	651	682	714	255	-42	-42	-13	5	5
CORN BELT												
OHIO	505	1831	1629	942	991	1051	223	-43	-35	-7	5	6
INDIANA	494	2031	1804	931	983	1061	265	-48	-41	-12	6	8
ILLINOIS	567	2188	2023	1040	1114	1225	257	-44	-39	-9	7	10
IOWA	466	1999	1889	748	890	1041	305	-48	-45	-11	19	17
MISSOURI	294	990	945	552	572	666	221	-33	-30	-9	4	16
AVERAGE	465	1808	1658	843	910	1,009	256	-44	-39	-10	8	11
NORTHERN PLAINS												
NORTH DAKOTA	108	436	455	282	292	301	321	-31	-34	-11	4	3
SOUTH DAKOTA	94	329	349	178	187	204	271	-38	-42	-17	5	9
NEBRASKA	193	729	730	335	366	421	278	-42	-42	-8	9	15
KANSAS	199	619	628	340	368	390	216	-37	-38	-12	8	6
AVERAGE	149	528	541	284	303	329	264	-38	-39	-12	7	8
MOUNTAIN STATES												
MONTANA	76	251	271	167	164	167	257	-33	-38	-18	-2	2
IDAHO	229	774	839	567	592	621	266	-20	-26	-12	4	5
WYOMING	55	180	193	151	140	136	251	-24	-30	-2	-7	-3
COLORADO	137	434	451	364	364	364	229	-16	-19	2	0	0
NEW MEXICO	56	192	195	122	132	141	248	-27	-28	-9	8	7
ARIZONA	91	287	302	242	214	212	232	-26	-30	5	-12	-1
UTAH	141	567	589	454	428	428	318	-25	-27	-5	-6	0
NEVADA	74	262	268	211	193	199	262	-24	-26	6	-9	3
AVERAGE	107	368	389	285	278	284	262	-23	-27	-5	-2	2
PACIFIC STATES												
WASHINGTON	273	877	922	723	699	727	238	-17	-21	-11	-3	4
OREGON	205	668	705	479	466	466	244	-30	-34	-8	-3	0
CALIFORNIA	509	1732	1900	1366	1341	1421	273	-18	-25	-13	-2	6
AVERAGE	329	1092	1176	856	835	871	257	-20	-26	-12	-2	4
PACIFIC NORTHWEST												
MONTANA	76	251	271	167	164	167	257	-33	-38	-18	-2	2
IDAHO	229	774	839	567	592	621	266	-20	-26	-12	4	5
WASHINGTON	273	877	922	723	699	727	238	-17	-21	-11	-3	4
OREGON	205	668	705	479	466	466	244	-30	-34	-8	-3	0
AVERAGE	196	643	684	484	480	495	250	-23	-28	-11	-1	3
LAKES STATES, CORN BELT AND NORTHERN PLAINS	330	1240	1179	608	651	709	257	-43	-40	-11	7	9
WESTERN REGION (MOUNTAIN AND PACIFIC STATES)	168	566	603	441	430	444	259	-22	-26	-10	-2	3
48 STATES	246	819	823	547	564	597	235	-27	-27	-8	3	6

SOURCES: USDA, ERS, FARM REAL ESTATE: HISTORICAL SERIES DATA, 1950-85, STATISTICAL BULLETIN 738, DEC 1985, AND AGRICULTURAL RESOURCES: AGRICULTURAL LAND VALUES AND MARKETS, SITUATION AND OUTLOOK REPORT, AR-6, JULY 1987. USDA, ERS, OUTLOOK & SITUATION SUMMARY, 4-14-88, AND 4-20-89. FILE: TABLE2L

TABLE 3--FARM REAL ESTATE VALUES: AVERAGE VALUE PER ACRE OF LAND IN 1989, PERCENT CHANGE 1988-89, AND EXPECTED PERCENT CHANGE 1989-90, BY STATE

	TYPE OF SURVEY ^a	IDAHO	MONTANA	OREGON	WASHINGTON	FOUR STATE REGION ^b
IRRIGATED CROPLAND						
AVERAGE VALUE	PNW PANEL	\$1,093	\$691	\$1,162	\$1,565	\$1,128
PER ACRE, 1989	LENDERS	\$1,029	\$511	\$1,105	\$1,471	\$1,029
CHANGE 1988-89	PNW PANEL	6.7%	5.1%	1.7%	6.2%	5.0%
	LENDERS	7.4%	2.0%	-1.3%	3.8%	3.0%
EXPECTED CHANGE	PNW PANEL	4.1%	2.3%	8.4%	4.3%	4.5%
1989 TO 1990	LENDERS	5.2%	3.8%	2.7%	4.3%	4.0%
NONIRRIGATED CROPLAND						
AVERAGE VALUE	PNW PANEL	\$511	\$273	\$528	\$1,113	\$606
PER ACRE, 1989	LENDERS	\$520	\$247	\$489	\$1,078	\$584
CHANGE 1988-89	PNW PANEL	4.4%	2.4%	0.4%	5.3%	3.7%
	LENDERS	1.3%	5.3%	4.4%	4.4%	3.9%
EXPECTED CHANGE	PNW PANEL	0.5%	2.0%	7.7%	1.9%	2.7%
1989 TO 1990	LENDERS	2.6%	3.7%	3.3%	3.3%	3.2%
IRRIGATED PASTURE OR GRAZING LAND						
AVERAGE VALUE	PNW PANEL	\$504	\$359	\$670	\$1,098	\$658
PER ACRE, 1989	LENDERS	\$390	\$337	\$434	\$993	\$539
CHANGE 1988-89	PNW PANEL	3.9%	3.1%	-1.8%	4.1%	2.4%
	LENDERS	4.3%	4.5%	1.2%	4.0%	3.5%
EXPECTED CHANGE	PNW PANEL	4.4%	1.5%	7.1%	1.2%	3.6%
1989 TO 1990	LENDERS	2.3%	3.0%	2.5%	4.3%	3.0%
NONIRRIGATED PASTURE OR GRAZING LAND						
AVERAGE VALUE	PNW PANEL	\$184	\$85	\$268	\$736	\$318
PER ACRE, 1989	LENDERS	\$214	\$73	\$209	\$596	\$273
CHANGE 1988-89	PNW PANEL	3.2%	1.4%	-0.7%	2.9%	2.1%
	LENDERS	1.6%	3.9%	1.3%	0.9%	1.9%
EXPECTED CHANGE	PNW PANEL	1.6%	3.3%	6.0%	1.2%	2.8%
1989 TO 1990	LENDERS	1.9%	3.6%	2.1%	0.4%	2.0%

^a BOTH OF THESE SURVEYS WERE CONDUCTED DURING APRIL-MAY 1989.

FILE: TABLE3L

^b FOUR STATE TOTALS ARE UNWEIGHTED MEANS OF THE FOUR STATE MEANS.

TABLE 4--FARM REAL ESTATE VALUES: AVERAGES AND RANGES IN VALUE PER ACRE OF FARMLAND,
IDAHO, MONTANA, OREGON, AND WASHINGTON, 1989

LAND USE	SURVEY SOURCE OF DATA ^a	VALUE OF LAND WHOSE QUALITY IS:			VALUE OF LAND WHOSE QUALITY IS:		
		LOW	AVERAGE	HIGH	LOW	AVERAGE	HIGH
ESTIMATED AVERAGE VALUE PER ACRE (DOLLARS)							
NORTHERN IDAHO					SOUTHERN IDAHO		
IRRIGATED	PNW PANEL	600	1,055	1,200	662	1,131	1,532
CROPLAND	LENDERS	550	955	1,094	731	1,103	1,589
NONIRRIGATED	PNW PANEL	408	675	833	218	347	401
CROPLAND	LENDERS	500	713	958	218	327	455
WESTERN MONTANA					EASTERN MONTANA		
IRRIGATED	PNW PANEL	560	735	1,106	434	647	925
CROPLAND	LENDERS	460	546	695	300	475	650
NONIRRIGATED	PNW PANEL	238	323	438	157	223	333
CROPLAND	LENDERS	169	271	338	178	223	269
WESTERN OREGON					EASTERN OREGON		
IRRIGATED	PNW PANEL	1,185	1,370	2,060	605	954	1,231
CROPLAND	LENDERS	1,117	1,249	1,943	581	961	1,144
NONIRRIGATED	PNW PANEL	577	631	1,198	190	425	550
CROPLAND	LENDERS	543	603	1,123	217	375	575
WESTERN WASHINGTON					EASTERN WASHINGTON		
IRRIGATED	PNW PANEL	1,160	1,853	2,377	680	1,277	1,395
CROPLAND	LENDERS	1,267	1,752	2,310	721	1,190	1,590
NONIRRIGATED	PNW PANEL	1,130	1,688	2,110	279	538	718
CROPLAND	LENDERS	1,200	1,601	2,212	315	555	866

^a BOTH OF THESE SURVEYS WERE CONDUCTED DURING APRIL-MAY 1989.

FILE: TABLE4L

TABLE 5--CROPLAND SALES, FIRST QUARTER 1989 COMPARED WITH FIRST QUARTER 1988, BY STATE AND REGION

LAND USE	TYPE OF SURVEY ^a	CROPLAND SALES IN FIRST QUARTER 1989 COMPARED WITH FIRST QUARTER 1988	IDAHO	MONTANA	OREGON	WASHINGTON	FOUR STATE REGION
-----PERCENTAGE OF RESPONDENTS-----							
IRRIGATED CROPLAND	PNW PANEL	INCREASED	78	56	54	52	60
		NO CHANGE	19	38	42	33	32
		DECREASED	3	6	4	15	7
		TOTAL	100	100	100	100	100
	LENDERS	INCREASED	71	14	25	69	53
		NO CHANGE	29	71	75	31	44
		DECREASED	0	14	0	0	2
		TOTAL	100	100	100	100	100
	PNW PANEL & LENDERS COMBINED	INCREASED	76	49	47	57	58
		NO CHANGE	22	44	50	33	36
		DECREASED	2	8	3	11	6
		TOTAL	100	100	100	100	100
NONIRRIGATED CROPLAND	PNW PANEL	INCREASED	78	50	73	39	59
		NO CHANGE	19	41	27	42	33
		DECREASED	3	9	0	19	9
		TOTAL	100	100	100	100	100
	LENDERS	INCREASED	28	20	20	14	21
		NO CHANGE	67	80	80	79	74
		DECREASED	6	0	0	7	4
		TOTAL	100	100	100	100	100
	PNW PANEL & LENDERS COMBINED	INCREASED	61	43	63	32	49
		NO CHANGE	35	50	37	52	44
		DECREASED	4	7	0	16	8
		TOTAL	100	100	100	100	100

^a BOTH OF THESE SURVEYS WERE CONDUCTED DURING APRIL-MAY 1989.

FILE: TABLE5L

TABLE 6--CURRENT FINANCIAL CONDITION OF FARMERS, RANCHERS, AND GROWERS. SECOND QUARTER 1989,
COMPARED WITH SECOND QUARTER 1988, BY STATE AND REGION

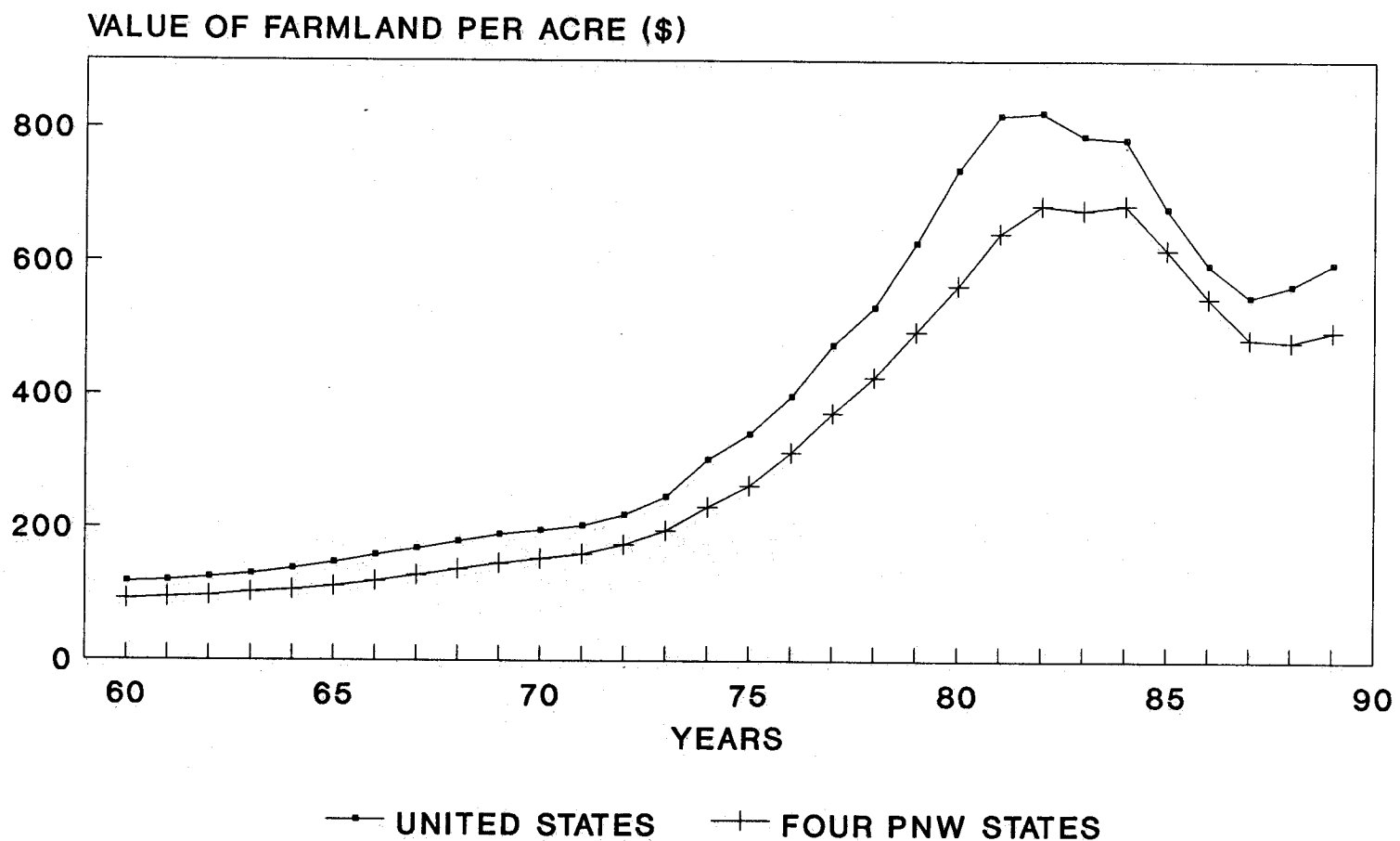
FINANCIAL CONDITION OF FARMERS, RANCHERS, AND GROWERS. SECOND QUARTER 1989 ^a COMPARED WITH SECOND QUARTER 1988 ^a	IDAHO	MONTANA	OREGON	WASHINGTON ^b	FOUR STATE REGION
	-----PERCENTAGE OF RESPONDENTS-----				
BETTER THAN LAST YEAR	92	64	100	65	78
ABOUT THE SAME AS LAST YEAR	8	36	0	20	16
WORSE THAN LAST YEAR	0	0	0	15	6
TOTAL	100	100	100	100	100

^a LENDER SURVEY, APRIL-MAY 1989.

FILE: TABLE6L

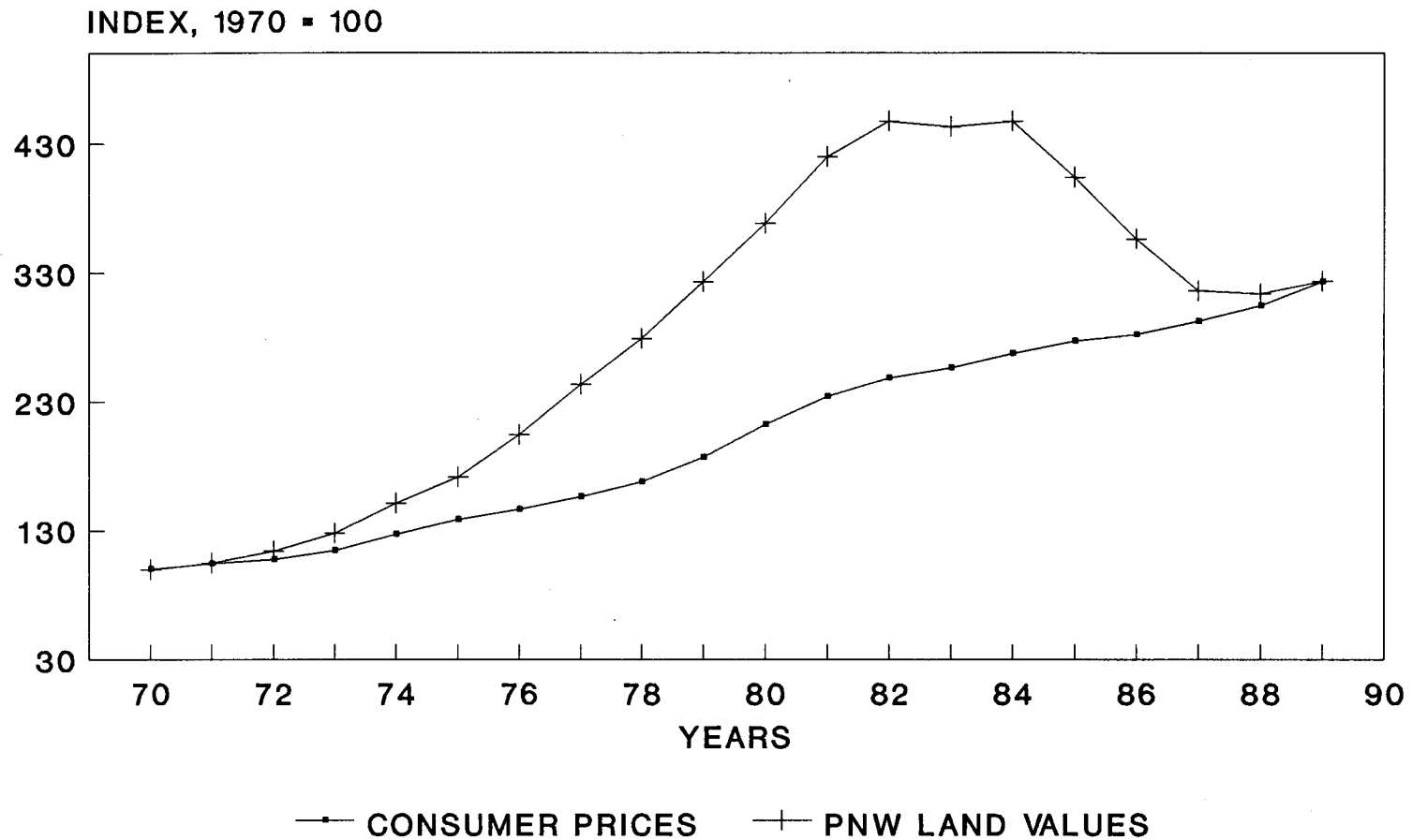
^b THE 'WORSE THAN LAST YEAR' RATINGS CAME FROM LENDERS WHO FINANCE APPLE GROWERS, WHO WERE EXPERIENCING LOW PRICES ASSOCIATED WITH OVER PRODUCTION AND ADVERSE PUBLICITY CONCERNING THE PESTICIDE ALAR.

FIGURE 1. FARMLAND VALUES, UNITED STATES AND FOUR PNW STATES (ID, MT, OR & WA), 1960 TO 1989



SOURCE: AGRICULTURAL STATISTICS, 1988,
AND USDA-ERS OUTLOOK AND SITUATION
SUMMARY, 4-20-89.

FIGURE 2. LAND VALUES AND CONSUMER
PRICES, FOUR PNW STATES
(ID, MT, OR & WA), 1970 TO 1989



SOURCE: AGRICULTURAL STATISTICS, 1988,
USDA-ERS, AGRICULTURAL OUTLOOK,
APRIL 1989.

APPENDIX TABLE 1--FARMLAND VALUES, WESTERN REGION AND UNITED STATES, AND CONSUMER PRICE INDEX, 1960 TO 1989

YEAR	AZ	CA	CO	ID	MT	NV	NM	OR	UT	WA	WY	WESTERN STATES	U.S	CPI ^a
-----AVERAGE ANNUAL PERCENT CHANGE IN VALUE PER ACRE OF LAND AND BUILDINGS (\$)-----														
1960	48	360	54	112	35	31	24	88	60	133	22	88	117	29.6
1961	49	382	55	114	36	33	26	90	62	136	23	91	119	29.9
1962	50	396	61	120	38	34	28	94	64	137	25	95	125	30.2
1963	51	407	65	124	39	35	30	102	66	143	26	99	130	30.6
1964	53	437	68	129	41	36	33	108	68	147	27	104	138	31.0
1965	54	469	71	134	42	38	35	115	71	154	28	110	147	31.5
1966	57	487	78	142	47	42	38	121	77	168	31	117	158	32.5
1967	61	472	83	152	50	45	40	128	81	182	33	121	168	33.4
1968	65	485	87	162	54	48	40	134	84	199	36	127	179	34.8
1969	67	487	92	168	56	50	41	143	87	215	38	131	189	36.7
1970	70	479	95	177	60	53	42	150	92	224	41	135	196	38.8
1971	76	471	103	188	63	59	45	166	109	224	42	141	203	40.5
1972	86	494	116	205	68	66	49	186	128	238	48	153	219	41.8
1973	91	509	137	229	76	74	56	205	141	273	55	168	246	44.4
1974	110	570	175	287	96	85	73	234	171	308	70	198	302	49.3
1975	111	653	188	339	112	85	78	250	188	350	80	221	340	53.8
1976	122	711	219	386	134	98	86	294	227	438	98	256	397	56.9
1977	138	759	256	454	157	112	101	342	271	535	110	294	474	60.6
1978	154	914	273	515	176	140	112	414	308	602	121	339	531	65.2
1979	199	1186	322	585	196	191	143	504	400	692	144	415	628	72.6
1980	267	1424	387	698	235	248	185	587	530	736	161	496	737	82.4
1981	287	1732	434	774	251	262	192	668	567	877	180	566	819	90.9
1982	302	1900	451	839	271	268	195	705	589	922	193	603	823	96.5
1983	289	1918	454	814	259	249	178	705	560	933	193	596	788	99.6
1984	295	1918	468	814	264	254	182	698	571	961	197	602	782	103.9
1985	265	1726	435	749	222	229	163	579	514	923	177	544	679	107.6
1986	231	1571	357	644	204	199	134	521	478	812	154	482	595	109.6
1987	242	1366	364	567	167	211	122	479	454	723	151	441	547	113.6
1988	214	1341	364	592	164	193	132	466	428	699	140	430	564	118.3
1989	212	1421	364	621	167	199	141	466	428	727	136	444	597	125.5
PEAK	302	1918	468	839	271	268	195	705	589	961	197	603	823	125.5
YEAR	1982	1984	1984	1982	1982	1982	1982	1983	1982	1984	1984	1982	1982	1989
-----PERCENTAGE CHANGE FROM INDICATED YEARS-----														
1960-69	40	35	70	50	60	61	71	63	45	62	73	49	62	24
1970-79	184	148	239	231	227	260	240	236	335	209	251	208	220	87
1980-89	-21	-0	-6	-11	-29	-20	-24	-21	-19	-1	-16	-11	-19	52
1960-89	342	295	574	454	377	542	488	430	613	447	518	405	410	324
1970-89	203	197	283	251	178	275	236	211	365	225	232	229	205	223
1960 TO PEAK YR.	529	433	767	649	674	765	713	701	882	623	795	586	603	324
PEAK YR TO 1989	-30	-26	-22	-26	-38	-26	-28	-34	-27	-24	-31	-26	-27	NA

^a CPI = CONSUMER PRICE INDEX (1982-84 = 100) THE 1989 VALUE IS THE ANNUAL RATE THROUGH THE FIRST QUARTER. SOURCES: USDA, ERS, AGRICULTURAL RESOURCES, AR-6, JULY 1987, AND FARM REAL ESTATE HISTORICAL SERIES DATA, 1950-85, STATE BULLETIN 738, DEC 1985. USDC, BUREAU OF THE CENSUS, STATISTICAL ABSTRACT OF THE UNITED STATES, 1987, AND USDC, BUREAU OF ECONOMIC ANALYSIS, SURVEY OF CURRENT BUSINESS, VOL 67, NO 6, JUNE 1987 (THE CPI INDEX FOR 1988 IS BASED ON MARCH). USDA-ESCS, FARM REAL ESTATE MARKET DEVELOPMENTS, CD-84, AUG 1979. USDA-ERS, OUTLOOK & SITUATION SUMMARY, 4-14-88, & 4-20-89. FILE: AT1

APPENDIX TABLE 2--FARM REAL ESTATE VALUES: AVERAGE VALUE PER ACRE OF LAND, BY STATE, PACIFIC NORTHWEST, 1985 THROUGH 1989

LAND USE ^a	IDAHO	MONTANA	OREGON	WASHINGTON	FOUR STATE REGION ^b
----- ESTIMATED AVERAGE VALUE PER ACRE IN DOLLARS ^b -----					
IRRIGATED CROPLAND					
1985	1,493	1,030	1,657	2,069	1,562
1986	1,218	860	1,426	1,782	1,322
1987	987	676	1,234	1,580	1,119
1988	1,024	657	1,143	1,474	1,075
1989	1,093	691	1,162	1,565	1,128
CHANGE 1985-86 IN %	-18.4%	-16.5%	-13.9%	-13.9%	-15.4%
CHANGE 1986-87 IN %	-19.0%	-21.4%	-13.5%	-11.3%	-15.3%
CHANGE 1987-88 IN %	3.7%	-2.8%	-7.4%	-6.7%	-4.0%
CHANGE 1988-89 IN %	6.7%	5.1%	1.7%	6.2%	5.0%
IRRIGATED PRODUCING ORCHARDS					
1986	d	nr	4,972	7,181	6,077
1987	d	nr	4,381	6,475	5,428
1988	d	nr	4,112	5,773	4,943
1989	d	nr	d	5,697	na
CHANGE 1986-87 IN %	d	nr	-11.9%	-9.8%	-10.7%
CHANGE 1987-88 IN %	d	nr	-6.1%	-10.8%	-8.9%
CHANGE 1988-89 IN %	d	nr	na	-1.3%	na
IRRIGATED PRODUCING VINEYARDS					
1986	d	nr	2,733	4,388	3,561
1987	d	nr	2,596	4,025	3,311
1988	d	nr	2,487	3,773	3,130
1989	d	nr	d	3,694	na
CHANGE 1986-87 IN %	d	nr	-5.0%	-8.3%	-7.0%
CHANGE 1987-88 IN %	d	nr	-4.2%	-6.3%	-5.5%
CHANGE 1988-89 IN %	d	nr	na	-2.1%	na
IRRIGATED PASTURE OR GRAZING LAND					
1985	713	625	1,090	1,726	1,039
1986	604	484	916	1,356	840
1987	480	358	722	1,132	673
1988	485	348	682	1,055	643
1989	504	359	670	1,098	658
CHANGE 1985-86 IN %	-15.3%	-22.6%	-16.0%	-21.4%	-19.1%
CHANGE 1986-87 IN %	-20.5%	-26.0%	-21.2%	-16.5%	-19.9%
CHANGE 1987-88 IN %	1.0%	-2.8%	-5.5%	-6.8%	-4.5%
CHANGE 1988-89 IN %	3.9%	3.1%	-1.8%	4.1%	2.4%
NONIRRIGATED CROPLAND					
1985	696	426	892	1,504	880
1986	551	344	649	1,316	715
1987	488	278	550	1,125	610
1988	489	267	526	1,057	585
1989	511	273	528	1,113	606
CHANGE 1985-86 IN %	-20.8%	-19.2%	-27.2%	-12.5%	-18.7%
CHANGE 1986-87 IN %	-11.4%	-19.2%	-15.3%	-14.5%	-14.7%
CHANGE 1987-88 IN %	0.2%	-4.0%	-4.4%	-6.0%	-4.2%
CHANGE 1988-89 IN %	4.4%	2.4%	0.4%	5.3%	3.7%
NONIRRIGATED PASTURE OR GRAZING LAND					
1985	261	157	508	1,159	521
1986	205	122	392	1,015	434
1987	173	94	293	849	352
1988	178	84	270	715	312
1989	184	85	268	736	318
CHANGE 1985-86 IN %	-21.5%	-22.3%	-22.8%	-12.4%	-16.8%
CHANGE 1986-87 IN %	-15.6%	-23.0%	-25.3%	-16.4%	-18.7%
CHANGE 1987-88 IN %	2.9%	-10.6%	-7.8%	-15.8%	-11.5%
CHANGE 1988-89 IN %	3.2%	1.4%	-0.7%	2.9%	2.1%
WOODLAND ON FARMS					
1985	d	d	577	1,400	989
1986	d	d	452	921	687
1987	d	d	340	809	575
1988	d	d	296	718	507
1989	d	d	303	748	526
CHANGE 1985-86 IN %	d	d	-21.7%	-34.2%	-30.6%
CHANGE 1986-87 IN %	d	d	-24.8%	-12.2%	-16.3%
CHANGE 1987-88 IN %	d	d	-12.9%	-11.2%	-11.7%
CHANGE 1988-89 IN %	d	d	2.4%	4.2%	3.7%

a: ESTIMATES FOR LAND USE CLASSES ARE FROM THE PACIFIC NORTHWEST PANEL.

FILE: AT2

b: FOUR STATE TOTALS ARE UNWEIGHTED MEANS DERIVED BY AVERAGING THE FOUR STATE MEANS.

d: INSUFFICIENT NUMBER OF ESTIMATES; NOT REPORTED TO AVOID DISCLOSURE.

na: NOT APPLICABLE.

nr: NONE REPORTED.

APPENDIX TABLE 3--FARM REAL ESTATE VALUES: AVERAGES AND RANGES IN VALUE PER ACRE OF FARMLAND, IDAHO, MONTANA, OREGON, AND WASHINGTON APRIL 1, 1985 THROUGH 1989

LAND USE ^a		VALUE OF LAND WHOSE QUALITY IS:			VALUE OF LAND WHOSE QUALITY IS:		
		LOW	AVERAGE	HIGH	LOW	AVERAGE	HIGH
ESTIMATED AVERAGE VALUE PER ACRE (DOLLARS)							
NORTHERN IDAHO					SOUTHERN IDAHO		
IRRIGATED CROPLAND	1985	d	d	d	884	1,531	2,351
	1986	720	1,229	1,420	648	1,206	1,794
	1987	697	1,005	1,320	638	969	1,512
	1988	663	994	1,295	618	1,054	1,540
	1989	600	1,055	1,200	662	1,131	1,532
NONIRRIGATED CROPLAND	1985	700	970	1,079	275	421	580
	1986	564	744	994	234	357	484
	1987	512	653	990	226	323	420
	1988	498	647	976	214	331	436
	1989	408	675	833	218	347	401
WESTERN MONTANA					EASTERN MONTANA		
IRRIGATED CROPLAND	1985	737	1,097	1,560	650	962	1,215
	1986	617	886	1,208	589	834	1,164
	1987	579	710	1,085	513	642	955
	1988	467	690	1,076	452	624	866
	1989	560	735	1,106	434	647	925
NONIRRIGATED CROPLAND	1985	325	484	686	259	367	480
	1986	258	384	512	229	303	456
	1987	246	319	477	174	237	401
	1988	239	312	466	152	222	388
	1989	238	323	438	157	223	333
WESTERN OREGON					EASTERN OREGON		
IRRIGATED CROPLAND	1985	1,322	1,843	2,428	1,006	1,470	2,002
	1986	1,207	1,565	2,258	898	1,287	1,750
	1987	1,180	1,444	2,020	730	1,042	1,543
	1988	956	1,341	1,939	669	945	1,425
	1989	1,185	1,370	2,060	605	954	1,231
NONIRRIGATED CROPLAND	1985	748	1,057	1,348	505	726	904
	1986	579	797	1,048	347	500	645
	1987	553	639	1,042	279	461	624
	1988	524	628	1,091	282	424	629
	1989	677	631	1,198	190	425	550
WESTERN WASHINGTON					EASTERN WASHINGTON		
IRRIGATED CROPLAND	1985	1,773	2,433	3,358	1,240	1,705	2,231
	1986	1,686	2,120	3,060	976	1,444	1,883
	1987	1,451	1,838	3,063	862	1,321	1,756
	1988	1,240	1,737	2,678	748	1,211	1,690
	1989	1,160	1,853	2,377	680	1,277	1,395
NONIRRIGATED CROPLAND	1985	1,731	2,279	3,082	475	729	1,020
	1986	1,628	2,011	2,744	385	621	933
	1987	1,225	1,701	2,474	336	548	828
	1988	1,104	1,598	2,414	317	516	801
	1989	1,130	1,688	2,110	279	538	718

^a: ESTIMATES BY LAND USE CLASS ARE FROM THE PACIFIC NORTHWEST PANEL.
d: INSUFFICIENT NUMBER OF ESTIMATES; NOT REPORTED TO AVOID DISCLOSURE.

FILE: AT3

APPENDIX TABLE 4--FARM REAL ESTATE VALUES: AVERAGE EXPECTED PERCENTAGE CHANGES IN VALUE IN NEXT 12 MONTHS, PACIFIC NORTHWEST, 1985 THROUGH 1989

LAND USE ^a	YEAR	IDAHO	MONTANA	OREGON	WASHINGTON	FOUR STATE REGION ^b
AVERAGE EXPECTED % CHANGE IN LAND VALUES EXPECTED IN NEXT 12 MONTHS						
IRRIGATED CROPLAND	1985	-6.0	-8.7	-5.8	-5.2	-6.4
	1986	-5.9	-6.1	-6.5	-7.8	-6.6
	1987	-5.2	-6.9	-1.5	-6.7	-5.1
	1988	-0.1	1.3	2.0	0.2	0.9
	1989	4.1	2.3	8.4	4.3	4.5
IRRIGATED PRODUCING ORCHARDS	1986	d	nr	-1.5	-4.8	-3.2
	1987	d	nr	-2.1	-1.5	-1.8
	1988	d	nr	1.9	-3.2	-0.7
	1989	d	nr	d	0.8	1.2
IRRIGATED PRODUCING VINEYARDS	1986	d	nr	-4.3	-1.7	-3.0
	1987	d	nr	-1.0	-1.3	-1.2
	1988	d	nr	9.3	-2.1	3.6
	1989	d	nr	d	1.3	2.8
IRRIGATED PASTURE OR GRAZING LAND	1985	-4.7	-5.9	-5.3	-5.8	-5.4
	1986	-5.4	-4.9	-4.7	-5.0	-5.0
	1987	-5.0	-4.3	-0.9	-3.7	-3.5
	1988	1.1	0.0	0.3	-0.8	0.2
	1989	4.4	1.5	7.1	1.2	3.6
NONIRRIGATED CROPLAND	1985	-5.1	-6.9	-4.4	-5.4	-5.5
	1986	-4.9	-7.1	-5.2	-8.0	-6.3
	1987	-6.0	-6.5	-3.2	-5.1	-5.2
	1988	-0.2	1.0	1.9	0.0	0.7
	1989	0.5	2.0	7.7	1.9	2.7
NONIRRIGATED PASTURE OR GRAZING LAND	1985	-3.3	-7.6	-5.9	-2.9	-4.9
	1986	-5.7	-7.2	-4.3	-4.8	-5.5
	1987	-5.0	-7.0	-3.5	-2.1	-4.4
	1988	0.4	1.7	1.5	0.2	1.0
	1989	1.6	3.3	6.0	1.2	2.8
WOODLAND ON FARMS	1985	d	d	-6.0	-6.8	-6.4
	1986	d	d	-2.0	-1.9	-2.0
	1987	d	d	-0.6	-2.1	-1.4
	1988	d	d	4.5	0.3	2.4
	1989	d	d	5.0	2.2	3.7
ALL LAND USES	1985	-4.8	-7.3	-5.4	-4.8	-5.6
	1986	-5.5	-6.3	-5.2	-6.4	-5.8
	1987	-5.3	-6.2	-2.3	-4.4	-4.5
	1988	0.3	1.1	2.1	-0.5	0.8
	1989	2.7	2.3	7.0	2.1	3.3

^a: ESTIMATES BY LAND USE CLASS ARE FROM THE PACIFIC NORTHWEST PANEL.

FILE: AT4

^b: FOUR STATE REGION TOTALS ARE WEIGHTED MEANS OF DATA FROM THE FOUR STATES.

d: INSUFFICIENT NUMBER OF ESTIMATES; NOT REPORTED TO AVOID DISCLOSURE.

nr: NONE REPORTED.

APPENDIX TABLE 5--FARM REAL ESTATE MARKET ACTIVITY, BY STATE AND REGION, PACIFIC NORTHWEST, APRIL 1, 1988
AND APRIL 1, 1989

LAND USED ^a	FARM REAL ESTATE MARKET ACTIVITY IN PAST 3 MONTHS COMPARED WITH PREVIOUS YEAR		IDAHO		MONTANA		OREGON		WASHINGTON		FOUR STATES REGION		
			LIS- TINGS	SALES	LIS- TINGS	SALES	LIS- TINGS	SALES	LIS- TINGS	SALES	LIS- TINGS	SALES	
-----PERCENTAGE OF RESPONDENTS ^b -----													
IRRIGATED CROPLAND	1988	INCREASED	37	78	24	50	33	73	29	39	30	58	
		NO CHANGE	58	19	76	41	54	27	60	42	63	33	
		DECREASED	5	3	0	9	13	0	11	19	7	9	
		TOTAL	100	100	100	100	100	100	100	100	100	100	
	1989	INCREASED	26	76	16	51	46	49	19	53	25	48	
		NO CHANGE	51	21	74	42	27	46	58	31	55	44	
		DECREASED	23	3	10	7	27	5	23	16	20	8	
		TOTAL	100	100	100	100	100	100	100	100	100	100	
	IRRIGATED PRODUCING ORCHARDS	1988	INCREASED	d	d	nr	nr	0	0	65	14	58	13
			NO CHANGE	d	d	nr	nr	75	100	22	34	28	41
			DECREASED	d	d	nr	nr	25	0	13	52	14	46
			TOTAL	d	d	nr	nr	100	100	100	100	100	100
1989		INCREASED	d	d	nr	nr	d	d	27	32	27	32	
		NO CHANGE	d	d	nr	nr	d	d	55	42	55	42	
		DECREASED	d	d	nr	nr	d	d	18	26	18	26	
		TOTAL	d	d	nr	nr	d	d	100	100	100	100	
IRRIGATED PRODUCING VINEYARDS		1988	INCREASED	d	d	nr	nr	0	0	38	14	33	14
			NO CHANGE	d	d	nr	nr	100	100	56	57	61	57
			DECREASED	d	d	nr	nr	0	0	6	29	6	29
			TOTAL	d	d	nr	nr	100	100	100	100	100	100
	1989	INCREASED	d	d	nr	nr	d	d	17	36	17	36	
		NO CHANGE	d	d	nr	nr	d	d	75	55	75	55	
		DECREASED	d	d	nr	nr	d	d	8	9	8	9	
		TOTAL	d	d	nr	nr	d	d	100	100	100	100	
	NONIRRIGATED CROPLAND	1988	INCREASED	12	32	32	54	12	73	18	41	19	50
			NO CHANGE	81	63	66	35	78	22	75	43	74	41
			DECREASED	7	5	2	11	10	5	7	16	7	9
			TOTAL	100	100	100	100	100	100	100	100	100	100
1989		INCREASED	13	33	19	41	30	40	27	39	34	39	
		NO CHANGE	70	63	75	56	35	55	58	52	49	55	
		DECREASED	17	4	6	3	35	5	15	9	17	6	
		TOTAL	100	100	100	100	100	100	100	100	100	100	

^a: ESTIMATES BY LAND USE CLASS ARE FROM THE PACIFIC NORTHWEST PANEL.

^b: MAY NOT TOTAL 100 BECAUSE OF ROUNDING.

d: INSUFFICIENT NUMBER OF ESTIMATES; NOT REPORTED TO AVOID DISCLOSURE.

nr: NONE REPORTED.

FILE: AT5

APPENDIX TABLE 6--CROPLAND RENTED FOR CASH: GROSS CASH RENT PER ACRE AND RATIO OF RENT TO VALUE, BY STATE AND REGION, APRIL 1, 1986 THROUGH 1989

STATE AND AREA	YEAR	ANNUAL	AVERAGE	RATIO	ANNUAL	AVERAGE	RATIO
		GROSS	VALUE	OF RENT	GROSS	VALUE	OF RENT
		CASH	OF LAND	TO VALUE	CASH	OF LAND	TO VALUE
		RENT	RENTED	OF LAND	RENT	RENTED	OF LAND
		DOLLARS PER ACRE		PERCENT	DOLLARS PER ACRE		PERCENT
IRRIGATED CROPLAND					NONIRRIGATED CROPLAND		
NORTHERN IDAHO	1986	55.40	1,120	4.9	40.33	795	5.1
	1987	51.11	994	5.1	42.38	699	6.1
	1988	50.14	925	5.4	43.18	650	6.6
	1989	54.52	947	5.8	47.44	668	7.1
SOUTHERN IDAHO	1986	107.50	1,343	8.0	32.62	417	7.8
	1987	96.77	1,222	7.9	31.43	394	8.0
	1988	90.08	1,104	8.2	30.38	366	8.3
	1989	98.73	1,177	8.4	31.50	368	8.6
WESTERN MONTANA	1986	46.66	879	5.3	21.66	292	7.4
	1987	44.73	693	6.5	24.74	298	8.3
	1988	40.23	608	6.6	24.38	288	8.5
	1989	43.34	650	6.7	26.53	312	8.5
EASTERN MONTANA	1986	55.00	858	6.4	16.08	282	5.7
	1987	54.92	772	7.1	17.39	281	6.2
	1988	55.60	758	7.3	16.58	245	6.8
	1989	59.27	782	7.6	17.73	238	7.4
WESTERN OREGON	1986	85.00	1,741	4.9	41.78	979	4.3
	1987	82.66	1,532	5.4	44.44	812	5.5
	1988	88.40	1,519	5.8	47.80	745	6.4
	1989	94.11	1,530	6.2	49.45	740	6.7
EASTERN OREGON	1986	85.27	1,727	4.9	29.16	525	5.6
	1987	80.57	1,266	6.4	33.33	468	7.1
	1988	81.30	1,222	6.7	33.78	480	7.0
	1989	87.23	1,228	7.1	36.40	475	7.7
WESTERN WASHINGTON	1986	92.50	2,068	4.5	86.42	1,624	5.3
	1987	88.08	1,823	4.8	81.77	1,633	5.0
	1988	81.45	1,703	4.8	83.45	1,592	5.2
	1989	91.01	1,747	5.2	87.10	1,617	5.4
EASTERN WASHINGTON	1986	99.50	1,376	7.2	37.70	868	4.3
	1987	86.22	1,302	6.6	43.52	755	5.8
	1988	87.68	1,338	6.6	43.33	616	7.0
	1989	94.47	1,402	6.7	44.25	638	6.9

SOURCE: ESTIMATES IN THIS TABLE ARE FROM THE PACIFIC NORTHWEST FARMLAND VALUES PANEL. FILE: AT6

APPENDIX TABLE 7--SELECTED FINANCIAL DATA FOR U.S. AGRICULTURE, 1970 TO 1989

	NET FARM INCOME		TOTAL FARM INTEREST CHARGES	DIRECT GOVERNMENT PAYMENTS TO FARMERS	PRIME INTEREST RATE		TOTAL RATE OF RETURN ON FARM ASSETS		
	CURRENT DOLLARS	1982 DOLLARS			NOMINAL ^a	REAL	CURRENT INCOME	REAL CAPITAL GAINS	TOTAL
	-----BILLION OF DOLLARS-----				-----PERCENTAGE-----				
1970	14.4	34.2	3.4	3.7	7.91	1.99	3.0	-0.3	2.6
1971	15.0	33.8	3.6	3.1	5.72	1.42	3.1	3.0	6.0
1972	19.5	41.8	3.9	4.0	5.25	1.95	4.2	7.5	11.8
1973	34.4	69.4	4.7	2.6	8.03	1.80	7.7	10.7	18.4
1974	27.3	50.5	5.7	0.5	10.81	-0.16	4.5	-2.3	2.2
1975	25.5	43.1	6.4	0.8	7.86	-1.28	3.6	7.8	11.4
1976	20.2	32.0	7.4	0.7	6.84	1.07	2.1	9.7	11.8
1977	19.9	29.5	8.5	1.8	6.82	0.37	1.8	3.4	5.1
1978	25.2	34.9	10.2	3.0	9.06	1.40	2.3	9.1	11.5
1979	27.4	34.9	13.1	1.4	12.67	1.41	2.5	5.2	7.8
1980	16.1	18.8	16.3	1.3	15.27	1.75	1.2	-0.2	1.0
1981	26.9	28.6	19.9	1.9	18.87	8.50	2.2	-6.6	-4.3
1982	23.5	23.5	21.8	3.5	14.86	8.73	2.2	-7.0	-4.8
1983	12.7	12.2	21.4	9.3	10.79	7.57	1.1	-3.8	-2.7
1984	32.2	29.9	21.1	8.4	12.04	7.78	3.2	-14.4	-11.3
1985	32.3	29.1	18.7	7.7	9.93	6.36	3.8	-12.6	-8.9
1986	37.5	32.9	16.9	11.8	8.33	6.41	5.0	-8.7	-3.7
1987	46.3	39.3	15.5	16.8	8.22	4.57	6.0	-0.6	5.5
1988 ^P	45.7	37.6	15.2	14.5	9.31	5.23			
1989 ^F	50.5	41.0	16.0	10.5	10.5				

^a: THE PRIME RATE FELL FROM 11.5% TO 11.0% ON JUNE 5, 1989 (WALL STREET JOURNAL).

FILE: AT7

^P: PRELIMINARY ESTIMATES OF INCOME, INTEREST, AND GOVERNMENT PAYMENTS.^F: FORECASTED LEVELS OF INCOME, INTEREST, AND GOVERNMENT PAYMENTS.

SOURCE: USDA-ERS. ECONOMIC INDICATORS OF THE FARM SECTOR: NATIONAL FINANCIAL SUMMARY, 1987, ECIFS 7-1, OCTOBER 1988; USDA-ERS, AGRICULTURAL OUTLOOK, OCT 1989; AND USDA, AGRICULTURAL STATISTICS, 1988.

APPENDIX TABLE 8--CHAPTER 12 VOLUNTARY BANKRUPTCY CODE PETITIONS COMMENCED, U.S. DISTRICT COURTS, BY REGION AND STATE, 1986, 1987 AND 1988

REGION & STATE	1986	1987	1988	TOTAL	REGION & STATE	1986	1987	1988	TOTAL
<u>NORTH EAST</u>	9	99	48	156	<u>SOUTHEAST</u>	47	335	105	487
MAINE	1	8	3	12	ALABAMA	11	92	26	129
MASSACHUSETTS				0	FLORIDA	8	33	18	59
NEW HAMPSHIRE				0	GEORGIA	28	176	52	256
RHODE ISLAND			9	9	SOUTH CAROLINA		34	9	43
CONNECTICUT		1		1					
NEW YORK	4	57	23	84	<u>DELTA</u>	44	547	170	761
VERMONT		3	3	6	ARKANSAS	6	109	43	158
NEW JERSEY	1	3	1	5	LOUISIANA	36	309	100	445
DELAWARE		1		1	MISSISSIPPI	2	129	27	158
PENNSYLVANIA	3	18	3	24					
MARYLAND		8	6	14	<u>SOUTHERN PLAINS</u>	41	394	185	620
					OKLAHOMA	28	194	78	300
<u>LAKE STATES</u>	50	465	175	690	TEXAS	13	200	107	320
MICHIGAN	10	164	76	250					
MINNESOTA	25	128	46	199	<u>MOUNTAIN STATES</u>	42	546	256	844
WISCONSIN	15	173	53	241	ARIZONA	2	15	7	24
					COLORADO	6	124	57	187
<u>CORN BELT</u>	103	1292	447	1842	IDAHO	15	189	47	251
ILLINOIS	29	280	102	411	MONTANA	1	87	92	180
INDIANA	16	236	93	345	NEVADA	2	6	7	15
IOWA	29	313	61	403	NEW MEXICO	6	40	18	64
MISSOURI	21	247	99	367	UTAH	4	38	9	51
OHIO	8	216	92	316	WYOMING	6	47	19	72
<u>NORTHERN PLAINS</u>	148	1553	358	2059	<u>PACIFIC STATES</u>	24	363	188	575
KANSAS	35	240	58	333	CALIFORNIA	10	164	86	260
NEBRASKA	49	736	140	925	OREGON	8	73	38	119
NORTH DAKOTA	9	142	67	218	WASHINGTON	6	126	63	195
SOUTH DAKOTA	55	435	93	583	ALASKA			1	1
					HAWAII				0
<u>APPALACHIAN</u>	92	470	102	664					
KENTUCKY	21	161	31	213	<u>GUAM</u>			1	1
NORTH CAROLINA	40	157	25	222					
TENNESSEE	29	110	37	176					
VIRGINIA	2	33	8	43	<u>U.S. TOTAL</u>	600	6064	2035	8699
WEST VIRGINIA		9	1	10					

SOURCE: DATA ARE FROM: VOLUNTARY BANKRUPTCY CODE PETITIONS COMMENCED IN U.S. DISTRICT COURTS, FILE: AT8
 PROVIDED BY DR. STEVEN KOENIG, AGRICULTURAL ECONOMIST, AGRICULTURAL FINANCE SECTION, AGRICULTURE
 AND RURAL ECONOMY DIVISION, ERS-USDA, APRIL 25, 1989. CHAPTER 12 BECAME LAW ON NOV 26, 1986.