Total Value of Investment

Total values of farm investment are always of interest. When the investment in land and buildings, livestock, and machinery are combined, the total investment per commercial farm was nearly $33,000 in 1954. Highest investment per commercial farm is shown for cash-grain, fruit-and-nut, and livestock farms, with about $50,000 each. Lowest investment is shown for cotton and other field-crop and poultry farms.

TABLE 35.—PERCENTAGE OF TOTAL INVESTMENT BY SOURCE FOR EACH TYPE OF COMMERCIAL FARM, BY ECONOMIC CLASS, FOR THE UNITED STATES: 1954

Source of investment	Total	Economic class of farm					
		I	II	III	IV	V	VI
All commercial farms	100	100	100	100	100	100	100
Value of land and buildings	78	82	78	76	75	75	76
Value of livestock	9	9	9	10	10	10	11
Value of machinery	13	9	13	14	15	15	13
Cash-grain	100	100	100	100	100	100	100
Value of land and buildings	82	86	83	80	78	78	79
Value of livestock	5	3	5	5	6	5	4
Value of machinery	13	10	12	14	16	17	16
Cotton	100	100	100	100	100	100	100
Value of land and buildings	83	88	85	82	78	75	75
Value of livestock	5	2	3	5	7	9	11
Value of machinery	12	9	12	13	15	16	14
Other field-crop	100	100	100	100	100	100	100
Value of land and buildings	80	84	79	80	79	78	80
Value of livestock	6	3	5	6	6	7	8
Value of machinery	15	14	16	15	15	15	12
Vegetable	100	100	100	100	100	100	100
Value of land and buildings	85	87	84	83	81	81	81
Value of livestock	2	1	2	2	3	3	4
Value of machinery	13	12	15	15	16	16	16
Fruit-and-nut	100	100	100	100	100	100	100
Value of land and buildings	91	91	90	90	90	90	90
Value of livestock	1	1	1	1	1	1	2
Value of machinery	8	7	9	9	9	9	8
Dairy	100	100	100	100	100	100	100
Value of land and buildings	70	76	71	69	68	68	72
Value of livestock	13	12	12	13	14	14	13
Value of machinery	17	12	17	18	18	18	15
Poultry	100	100	100	100	100	100	100
Value of land and buildings	77	77	76	77	77	79	80
Value of livestock	9	9	9	9	8	7	8
Value of machinery	14	14	14	14	14	14	13
Livestock other than dairy and poultry	100	100	100	100	100	100	100
Value of land and buildings	74	76	75	72	73	73	74
Value of livestock	15	17	14	15	15	14	15
Value of machinery	11	7	11	13	13	13	12
General, primarily crop	100	100	100	100	100	100	100
Value of land and buildings	82	87	82	80	79	80	81
Value of livestock	5	3	5	6	6	5	5
Value of machinery	13	10	13	15	15	15	14
General, primarily livestock	100	100	100	100	100	100	100
Value of land and buildings	72	77	72	71	71	71	73
Value of livestock	12	11	12	13	13	13	12
Value of machinery	16	12	16	16	16	16	14
General, crop and livestock	100	100	100	100	100	100	100
Value of land and buildings	75	80	77	74	72	72	74
Value of livestock	10	9	9	10	11	11	11
Value of machinery	15	11	14	15	17	17	15
Miscellaneous	100	100	100	100	100	100	100
Value of land and buildings	86	88	87	85	82	84	83
Value of livestock	3	2	3	4	5	5	5
Value of machinery	11	10	10	11	13	11	12

The lower average investment for cotton and other field-crop farms results from the relatively large proportion of these types that is made up of the smaller economic classes of farms. Much greater similarity exists between types of farms in the same economic class. For example, Class I cotton farms with a total investment of nearly $200,000 per farm are among the highest in capital requirements. Among each type of farm, except poultry, the total investment on Class I farms was $100,000 or more.

Capital investment is fairly similar among types of farms if comparisons are made by economic class. The notable departures from this are the lower capital requirements shown for poultry farms and, among the smaller economic classes, the extremely low capital investment on cotton and other field-crop farms. It is to be remembered that data for these two types are influenced by the inclusion of croppers. In general, however, the lower capital investment is related to the small acreage in these farms and the relatively low land values per acre.

The total capital investment in commercial farming, as estimated here, was $110 billion, in 1954. The bulk of this (78 percent) was represented in the value of land and buildings. Livestock and machinery comprised 9 percent and 13 percent, respectively, of the total. (See table 35.)

Land and buildings represented a slightly higher proportion of the total investment on farms having a major source of income from crops than on farms of the livestock types.

For each type of farm, land and buildings represented a greater proportion of the total investment on the larger economic classes. Although total investment was much less on the smaller economic classes, more of it was in livestock and machinery.

The distribution of total investment by economic class and by type of farm is shown in table 36. Slightly more than a fifth of the total investment is on Class I farms. Although these farms produced about one-third of all farm products sold in 1954, in terms of numbers, they accounted for only 4 percent of the commercial farms. On Class I farms, the proportion of the total investment for land and buildings was larger than for either livestock or machinery.

The intermediate economic classes (II, III, and IV) taken together accounted for about two-thirds of the total investment. They had approximately an equal value of land and buildings and livestock and more than 70 percent of the value of machinery.

Economic Classes V and VI, which comprised a third of the farm numbers, accounted for only 13 percent of the total investment. A slightly higher proportion of the livestock value and machinery value, than of land and buildings, was on these farms.

Two types of farms, cash-grain and livestock, accounted for more than half of the total investment. If the investment on dairy farms is added, two-thirds of the total investment was on these three types. They accounted for approximately two-thirds of the value of land and buildings and machinery and four-fifths of the value of livestock. Other livestock farms alone made up half of the total livestock investment.