expenditures for each farm to obtain the net gain or loss. The gains and losses shown are for the farm unit and do not necessarily represent the income situation for the farm operator and his family; nor do these figures include the effect of farm-related and other off-farm income unless otherwise noted. Table 23 gives further insight into characteristics of farms with gains and losses (table 23).

**Net Gains**

For farms with sales of $2,500 and over, 78 percent showed net gains in 1974, an average net gain of $18,352 per farm. Of the 1,330,372 farms with net gains, 131,917 or 10 percent had total sales of $100,000 and over. These farms accounted for $11.1 billion or 45.5 percent of the total net gain. These 1,330,372 farms with net gains showed losses of less than $20,000. These farms accounted for 33.1 percent of the net losses. Over 25 percent of the farms with sales of $5,000 to $9,999 and 45 percent of those with sales less than $5,000 showed losses.

### Net Losses

Approximately 22 percent of farms with sales of $2,500 and over had a loss in 1974, an average loss of $10,072 per farm. Of the 364,675 farms with losses, 20,682 or 6 percent of these farms had sales of $100,000 and over. These farms accounted for $1.4 billion or 39.5 percent of the $3.6 billion loss. At the other end of the loss spectrum, 261,517 or 71.7 percent of the farms with losses had sales of less than $20,000. These farms accounted for 33.1 percent of the net losses. Over 25 percent of the farms with sales of $5,000 to $9,999 and 45 percent of those with sales less than $5,000 showed losses.

**Farms-Related Income and Expenditures**

### Collecting the Data

Inquiries on farm-related income were included on both the short and regular forms. The regular form section for farm-related income is shown; the questions were the same on the short form. (See facsimile of section 36).

The purpose of these inquiries was to identify the type and extent of supplemental income received by farm operators which was closely related to farm activities and/or resources used in farm production. This income was not included in the total value of agricultural products sold which has been described earlier.

### Comparable Income Data were obtained in 1969 for customwork and other agricultural services, recreation, and government farm program payments. Income from cash or share rent from farmland and other farm-related sources was obtained for the first time in 1974. Likewise, expenditures involved in producing this farm-related income were asked for the first time.

Instructions for the farm operator in the leaflet guide which accompanied the regular report form are shown on page 13.

Often the farm operator was unable to report separately expenditures for these activities as they were combined with farm production costs which were already reported. If separate records were available, expenditures were to be reported in the farm-related section of the report form. Therefore, the expenditure figures presented in this section represent only a portion of the total expenditures involved in producing this farm-related income. The remainder of the expenditures are included with farm production expenditures.

Data presented are as reported by the farm operator, except for reports which did not qualify under the concepts of being farm-related income. For example, income from the sale of minerals such as coal or oil and capital assets such as land or farm machinery were deleted. No attempt was made to adjust or impute data for incomplete reports.

During the office processing, questionable reports of income were closely reviewed if they appeared to represent a separate establishment or operation not closely related to the farm. Reports of income which were produced from separate physical locations or from non-