

■ Legal Structure of U.S. Farms (Individual, Partnership, Corporation)

Type of organization refers to the farm's form of business organization. Farms may broadly be classified as individual operations (proprietorships), partnerships, or corporations (family and nonfamily). Farm Costs and Returns Survey data indicate that individual operations are the most common type of farm organization. Nine out of ten farms in the 1995 survey were classified as individual operations. Partnerships and corporations make up a very small share of farms. About 87 percent of farm corporations are family corporations, with more than 50 percent of the stock held by people related by blood or marriage. Individual operations account for the largest share of farmland (74 percent) and gross farm sales (62 percent).

Corporate farms have the highest average farm sales. The average value of gross farm sales by corporate farms in 1995 was \$576,900, while partnerships averaged \$218,800. Gross sales for individual operations averaged \$54,300, about one-tenth of the corporate level. Average acreage was also higher for corporate farms (1,608 acres) and for partnerships (1,154 acres) than for individual operations (351 acres).