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LIFE INSURANCE COMPANY OWNERSHIP OF
UNITED STATES AGRICULTURAL LAND IN 1988

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PREFACE

The Center for Urban and Regional Affairs (CURA) has been involved in many research efforts during the last twenty years related to the changing economy and population base of Minnesota and the Upper Midwest. A natural outgrowth of that work has been the current interest in the changing agricultural base of the region, particularly as it relates to the form and function of the region's trade centers. Important in this is the growing concern about the impact of current agricultural practices on the environment and a resultant growing interest in potential adjustments back to a more "sustainable" form of agriculture which could have substantial impact on local economies.

Similar concerns about change in farmland ownership, operational control and management have led to other studies by CURA done in cooperation with the Land Stewardship Project, with partial funding from the Ford Foundation through the Aspen Institute.

The growing concern about the environment, relative to agricultural activity, led CURA into a number of studies dealing with issues of farm operations, farm owner and operator attitudes about soil and water quality, and use of conservation-oriented practices in southeastern Minnesota. One project, a study of the Duschee Creek watershed in Fillmore County, Minnesota, led to the production of an award winning video entitled "Dilemma on the Duschee," which concentrated on framing the issue of the farmer caught between the economic need to use chemicals and commercial fertilizers and his growing concern about environmental degradation.

This report is the second from a family of Ford Foundation funded projects (through the Aspen Institute's Rural Economic Policy Program) carried

out at CURA during 1989 and early 1990. The current projects are: 1) Disposal of Repossessed Farmland, the Southeastern Minnesota Experience; 2) 1989 Update of Insurance Company Ownership of Farmland in the U.S.; 3) The Changing Roles and Functions of Trade Centers in Minnesota, Wisconsin, Iowa, South Dakota, North Dakota, and Montana; and 4) Video Production of Sequel to "Dilemma on the Duschee."

This report of life insurance company ownership of United States agricultural land in 1988 is a direct outgrowth of earlier work done at CURA which identified land repossessed by insurance companies as a result of the farm crisis which started in the early 1980s. The report summarizes the extent of insurance company ownership of agricultural land in the United States, but concentrates on eight midwestern states. This report, and the previous two for 1986 and 1987, show a continuing pattern of insurance company sales and divestiture of previously repossessed agricultural land.

Major funding for the project came from the Ford Foundation with a matching grant from CURA.

Thomas L. Anding
Project Director
Associate Director, CURA

INTRODUCTION

After experiencing a crisis in agricultural lending unequalled since the 1930s, life insurance companies are in the process of reducing the size and value of their loan portfolios and their land inventories. The number and value of loan foreclosures reached a high in 1986, and has declined continuously since then. Life insurance companies did, of course, continue to acquire farmland through foreclosure and other means of debt settlement during 1988. However, during the last year, the rate at which insurance companies were selling agricultural land exceeded that at which they were foreclosing upon it. The leading companies¹ reported acquiring 931 properties while 2,355 parcels were sold. As a result, the total estimated agricultural acreage held by the leading life insurance companies fell to 4.8 million acres as of the end of 1988. This is a 7.7 percent drop from the 5.2 million acres held in 1987.

This report updates farm foreclosure and acquisition activities of insurance companies previously described for calendar years 1986 and 1987.² The farmland holdings of insurers in 1986 and 1987 are compared to estimated holdings in 1988. As with the previous two studies, this report concentrates on midwest holdings. Inventories of agricultural acreage in eight midwest states are tabulated by individual companies. The purpose of this report is to provide a central source of reliable information on insurance companies' farm real estate and lending activities.

EXTENT OF FARMLAND OWNERSHIP BY INSURANCE COMPANIES

Insurance companies continued to acquire farmland through foreclosure and other debt settlement arrangements in 1988, but sales outpaced acquisitions

for the first time in recent years. As shown in Figure 1, insurance companies reported farm holdings with a market value of \$2.2 billion at the end of 1988, down by 12 percent from the reported value of \$2.5 billion held in 1987.³ (See Tables A1 and A2.) The industry held 42,000 outstanding farm loans valued at \$8.9 billion at the end of 1988, down from 47,000 loans valued at \$9.2 billion in 1987. (See Tables A8 and A9.) Sales of repossessed farmland increased during 1988, with the majority of companies reporting substantially increased sales activity. Travelers, Metropolitan and Hancock were the most active sellers, each selling more than 300,000 acres, while Prudential and Aetna disposed of a combined total of 236,000 acres during 1988. Insurance companies completed foreclosure on 727 farm properties valued at \$364 million last year compared to 1,515 farm properties valued at \$692 million in 1987. Over the seven-year period 1982-1988, insurance companies have completed foreclosure on over 6,000 farm properties worth over \$3.1 billion at the time of foreclosure. (See Table A3.)

Farmland acquired by the industry during 1988 by foreclosure or other loan workouts is estimated to have totaled 1.1 million acres.⁴ The net decrease to the industries' farm inventory totaled 0.4 million acres last year, bringing total holdings at the end of 1988 to an estimated 4.8 million acres. Although twelve insurance companies own more than 50,000 acres each, farmland ownership is concentrated in five companies (see Figure 2). Hancock, Travelers, Prudential, Metropolitan and Aetna together held 80 percent of total industry holdings. These five companies also accounted for 80 percent of all land acquired by insurance companies in 1988. Hancock acquired the most forfeited farmland last year, gaining title to just over 340,000 acres.

Figure 1. U.S. FARM AND RANCLAND HELD BY INSURANCE COMPANIES

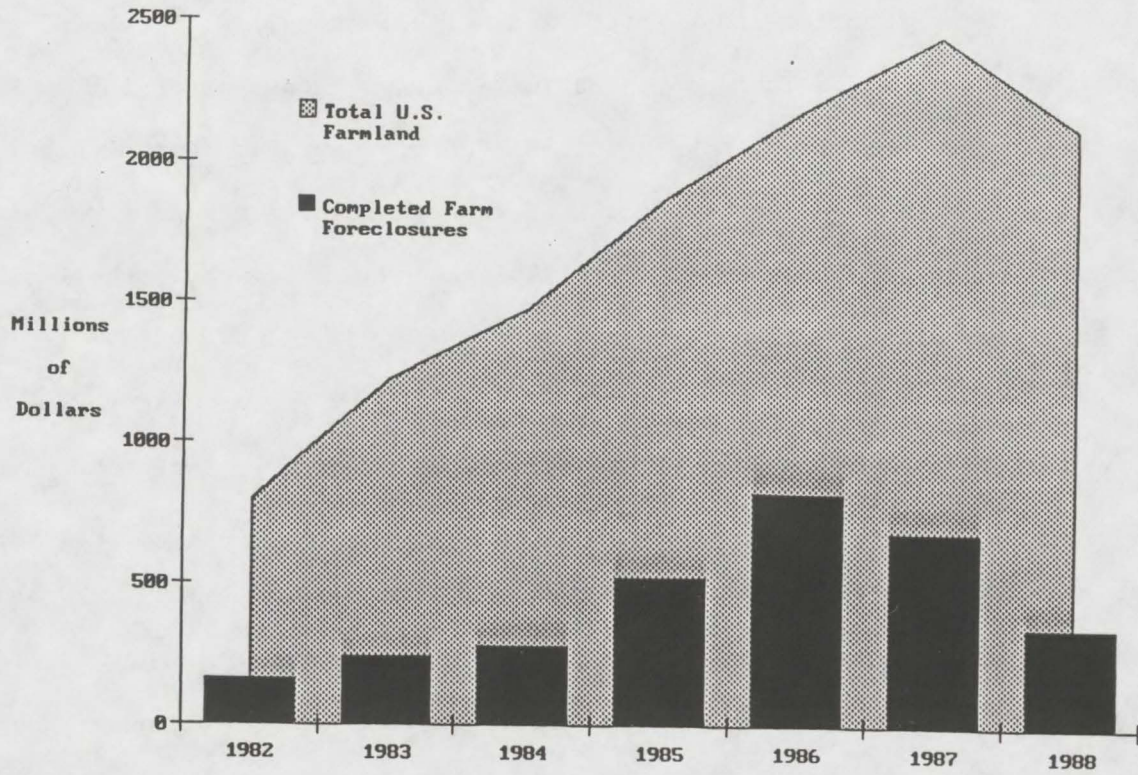
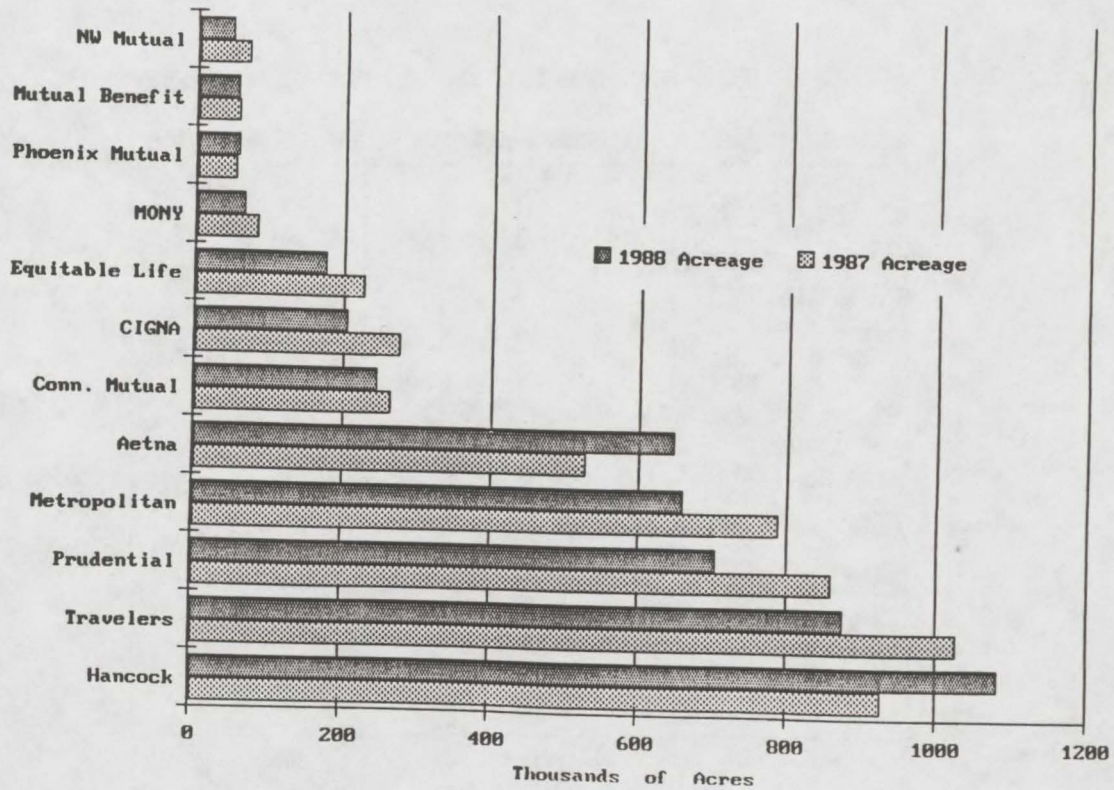


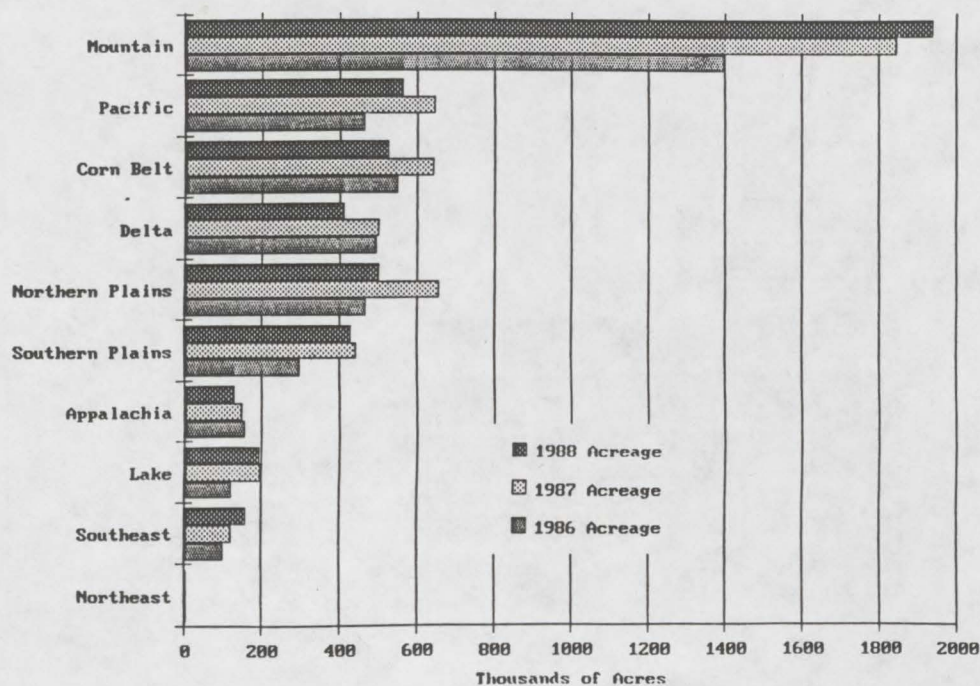
Figure 2. ESTIMATED FARM/RANCH ACREAGE HELD BY LEADING INSURANCE COMPANIES



Insurance companies own agricultural property in forty-one states with holdings ranging from less than a thousand acres in Virginia to over 650,000 acres in Montana. (See Table A4.) Estimated farm acreage by region is shown in Figure 3. In the eight-state Mountain region, insurance companies hold a large number of ranch properties acquired through investment and foreclosure. Insurance companies also have substantial investment holdings in the Pacific, Corn Belt and Delta regions.

Foreclosure activity, as measured by the value of properties foreclosed, declined by 40 percent from 1987 to 1988. (See Table A5.) The geographic distribution of foreclosures also changed. For example, almost 70 percent of insurance industry farm foreclosures took place in the Corn Belt, Lake and Northern Plains regions in 1987. By contrast, only about 40 percent of total industry foreclosures during 1988 took place in these three regions. The decline in the value of properties foreclosed ranged from 2 percent in Appalachia to 58 percent in the Southeast.

Figure 3. LEADING INSURANCE COMPANIES' FARMLAND HOLDINGS BY REGION



The estimated acreage held by insurance companies increased only in the Southeast and Mountain regions between 1987 and 1988. (See Table A4.) The acreage increases were 30 and 5 percent, respectively, in these two regions. The largest decrease in acreage, both in absolute and percentage terms, was in the Northern Plains, where the acreage fell by 193,000 acres, or 29 percent, between 1987 and 1988. Overall, the nationwide drop from 5.2 to 4.8 billion acres represents a 7.7 percent decrease.

HOLDINGS BY COMPANY

The number, size, and regional location of farm properties owned by insurance companies vary among companies, reflecting past farm purchase activities, foreclosure policies, and mortgage lending patterns. Nine of the twelve companies discussed below reported a decrease in the farmland acreage they held between 1987 and 1988. Presented below is a brief summary of the largest farmland inventories held by individual insurance companies at the end of 1988.

Acreages for CIGNA, Connecticut Mutual, Hancock, Metropolitan, Mutual Benefit, Phoenix Mutual, and Travelers were reported by the companies in their annual statements filed with the Minnesota Department of Commerce. Acreage totals for Aetna, Equitable Life, MONY, Northwestern Mutual, and Prudential have been estimated based on farm real estate values reported by the companies in their annual statements and average state farmland values for 1988 as reported by the United States Department of Agriculture. (For additional farm mortgage and foreclosure information by company, see Tables A6-A9.)

Hancock

Hancock holds approximately 20 percent of the total farmland acreage owned by the life insurance companies reviewed in this study, and is now the leading insurance company holder of agricultural land in the United States. The company reports owning 686 farm properties spread across thirty-four states. In 1988, Hancock acquired 258 farm properties while disposing of 312. In acreage terms, the company owned 1,081,000 acres of farmland at the end of 1988, having acquired almost 341,000 acres and sold 314,000 acres during the calendar year.

Hancock owns more than 50,000 acres in California, Colorado, Montana, Nebraska, North Carolina, Washington, and Wyoming and between 20,000 and 50,000 acres in Arkansas, Florida, Illinois, Iowa, Missouri, Mississippi, and Texas.

Although most of Hancock's holdings have been acquired through repossession, the company has, in the past, invested in farmland. Investment acreage totals almost 98,000 acres in thirty-nine states, with most of this acreage being in California, Florida, and North Carolina.

Travelers

Travelers reported owning 875,000 acres of farmland in 1988. The company added almost 100,000 acres through repossession, including about 36,000 in Texas and over 18,000 in New Mexico. Travelers owns more than 50,000 acres in Colorado, Nevada, South Dakota, and Texas and between 20,000 and 50,000 acres in Florida, Georgia, Minnesota, Mississippi, New Mexico, Oklahoma, Washington, and Wyoming.

Travelers owns a total of 360 farm properties in thirty-four states. Last year an additional 125 parcels were acquired while 734 were sold. Thirty of

the company's properties were acquired through investment rather than by foreclosure. These investment properties total almost 95,000 acres, primarily in Arkansas, Colorado, Florida, Georgia, and Wyoming.

Prudential

Prudential was the most active investor in farmland among the leading insurance companies during the 1970s, purchasing large tracts in Arizona, Arkansas, California, Indiana, Louisiana, Nebraska, North Carolina, Ohio, and Oregon. Last year the company sold twenty-two investment properties, but still owned thirty investment parcels totaling approximately 550,000 acres at the end of 1988.

The company has continued to market its foreclosed farmland actively, selling sixty-one of the ninety-nine foreclosed properties that it acquired during 1988 by the end of the year. An additional eighty-five parcels, foreclosed on prior to 1988, were also disposed of last year. The number of properties acquired through foreclosure declined from 160 in 1987 to 99 in 1988. As a result of increased sales and reduced foreclosure activity, Prudential's total farmland inventory declined from 860,000 acres in 1987 to 704,000 acres at the end of last year. Prudential reported owning ninety-four farm properties located in twenty-two states at the end of 1988.

Metropolitan

During 1988, Metropolitan added almost 175,000 acres of farmland to its inventory and sold 339,000 acres, reducing its inventory to 659,000 acres at the end of 1988. Metropolitan's holdings consist of 475 agricultural properties in twenty-seven states. Last year Metropolitan sold 505 properties (compared with 150 during 1987), while acquiring 126 farm parcels. Its larg-

est holdings are in Wyoming (236,000 acres), Oregon (73,000 acres), and South Dakota (43,000 acres). Metropolitan also has holdings in excess of 20,000 acres in Florida, Iowa, Montana, Nebraska, and Washington. Its investment land is concentrated in California, Florida, Illinois, Oregon, and Washington, while its foreclosure activity has been particularly heavy in Iowa, Montana, Nebraska, and Wyoming.

Aetna

With the addition of thirty-seven properties, Aetna's farmland inventory increased by an estimated 125,000 acres last year to 647,000 acres. This increase was second only to that of Hancock in 1988. Aetna has sold a limited number of forfeited farm parcels, leaving approximately 210 properties in its farmland inventory. Aetna's inventory is broadly distributed across the country. Holdings are estimated at more than 10,000 acres in Arizona, California, Indiana, Louisiana, Michigan, Minnesota, Missouri, New Mexico, North Dakota, Ohio, South Dakota, Wisconsin, and Wyoming.

Connecticut Mutual

Connecticut Mutual's farmland inventory declined from 263,000 acres in 1987 to 245,000 acres in 1988. The company acquired approximately 38,000 acres and sold more than 55,000 acres last year. This compares with acquisitions of 120,000 acres and sales of 20,000 acres in 1987. A substantial part of Connecticut Mutual's agricultural holdings consists of ranch acreage in Arkansas, Colorado, Montana, Oregon, South Dakota, and Texas. The company acquired twenty-seven properties and disposed of forty-six parcels in 1988, leaving sixty-one properties in Connecticut Mutual's inventory.

Equitable Life

Equitable Life foreclosed on 102 farms during 1988, down from its high of 170 foreclosures in 1987. The company also sold 134 farm properties last year, leaving 315 parcels in its agricultural inventory. Total acreage owned declined somewhat to 214,000 acres dispersed over 28 states. Acreage acquired in 1988 totaled 60,000, and 52,000 acres were sold. All of the company's agricultural holdings were acquired through foreclosure or other means of debt settlement. Holdings exceed 15,000 acres in Missouri, Nebraska, and South Dakota. The company also owns more than 10,000 acres in Arkansas, Colorado, Iowa, Kansas, and Kentucky.

CIGNA

CIGNA started marketing its farm inventory sooner than most other insurers and continued its aggressive selling in 1988, disposing of ninety-eight properties last year to reduce its total properties held to forty-three. During 1988, 70,000 acres were acquired and 155,000 acres were sold, reducing total farmland inventory to 204,000 acres. This acreage is spread across sixteen states. In addition to large holdings in Nevada and New Mexico, CIGNA holds large tracts in Colorado, Montana, and Texas. With the exception of 19,000 acres of Colorado ranch land, all of CIGNA's agricultural land has been acquired through repossession.

MONY

MONY's farmland inventory declined from 82,000 acres in 1987 to 65,000 acres at the end of last year. By selling 41,000 acres during 1988, MONY more than offset the 24,000 acres it acquired last year. Almost all of MONY's 146 agricultural properties are foreclosed farms. Last year the company acquired

54 properties while selling 156 parcels. A large share of MONY's 65,000 acres are in California, Missouri, Montana, and Washington.

Phoenix Mutual

Phoenix Mutual acquired approximately 2,000 acres during 1988, increasing farmland holdings to almost 56,000 acres. The company sold 4,000 acres last year, up from 1,000 in 1987. Last year the company added nine properties to its farmland inventory, which consisted of 170 parcels at the end of 1988. During the 1970s and early 1980s, Phoenix Mutual invested in thirty parcels totaling 12,000 acres, which were located primarily in Illinois and Indiana. Phoenix Mutual's foreclosed farmland is also located in the midwest, particularly in Illinois, Indiana, Iowa, Missouri, and Ohio.

Mutual Benefit

Mutual Benefit added forty farm properties to its inventory of acquired farmland in 1988, while selling 118 farm properties. The company held almost 55,000 acres of farmland at the end of last year, distributed across 229 parcels. This represents a slight decline in acreage from 57,000 in 1987. Approximately 18,000 acres were acquired in 1988 and almost 19,000 acres were sold. The largest holdings are located in Idaho, Iowa, and Missouri. All of Mutual Benefit's agricultural holdings have been acquired through foreclosure or other debt settlement.

Northwestern Mutual

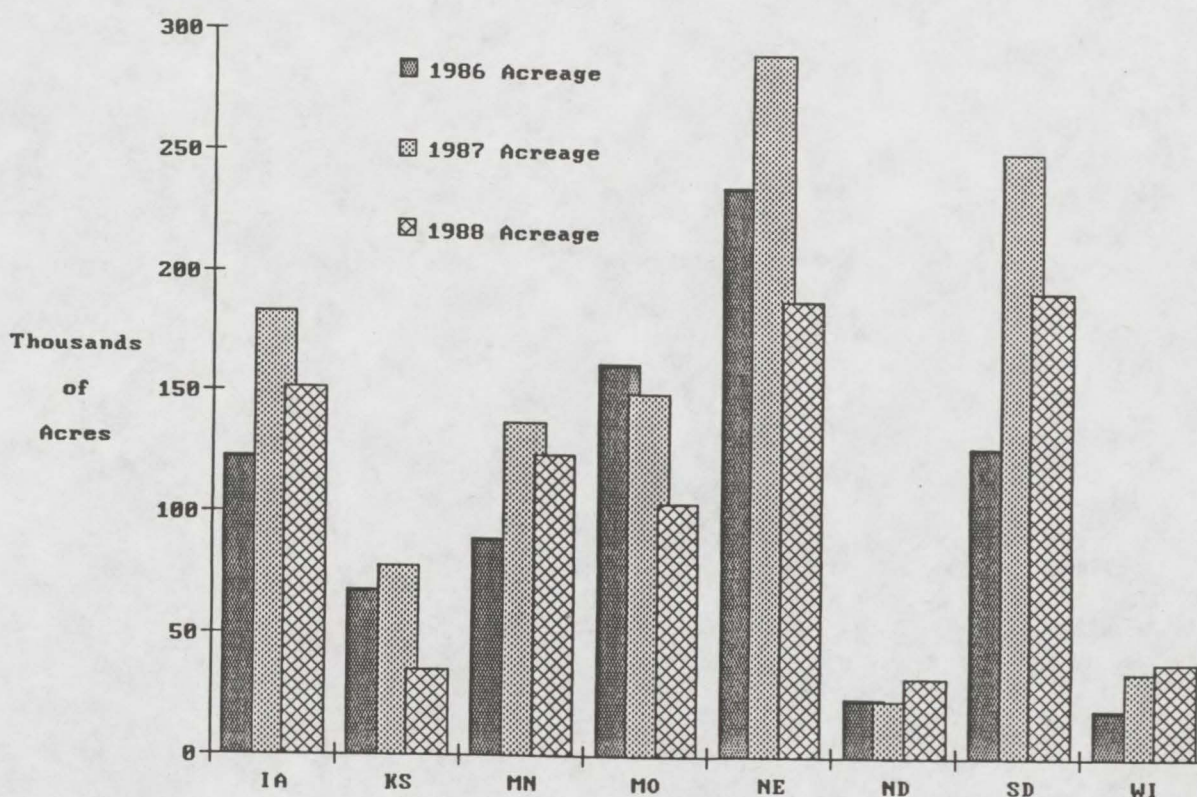
Northwestern Mutual's farmland holdings declined from 67,000 acres in 1987 to 53,000 acres at the end of last year. The company sold seventeen properties totaling more than 14,000 acres in 1988. As of the end of 1988, it

owned thirty-one farms located in eleven states. Northwestern Mutual's largest holdings are in California and Colorado.

MIDWEST FARMLAND ACQUISITIONS

Repossession of midwest farmland by insurance companies continued last year, but at a reduced rate. During 1988, sales outpaced acquisitions, reducing the industry's holdings by 25 percent to 0.9 million acres in the eight midwest states focused on in this study. Acreage owned by leading insurance companies increased in North Dakota and Wisconsin, but decreased in the other six midwest states. Figure 4 shows the acreage held by insurance companies in each of the eight states over the last three years.

Figure 4. ESTIMATED MIDWEST FARM ACREAGE HELD BY LEADING LIFE INSURANCE COMPANIES

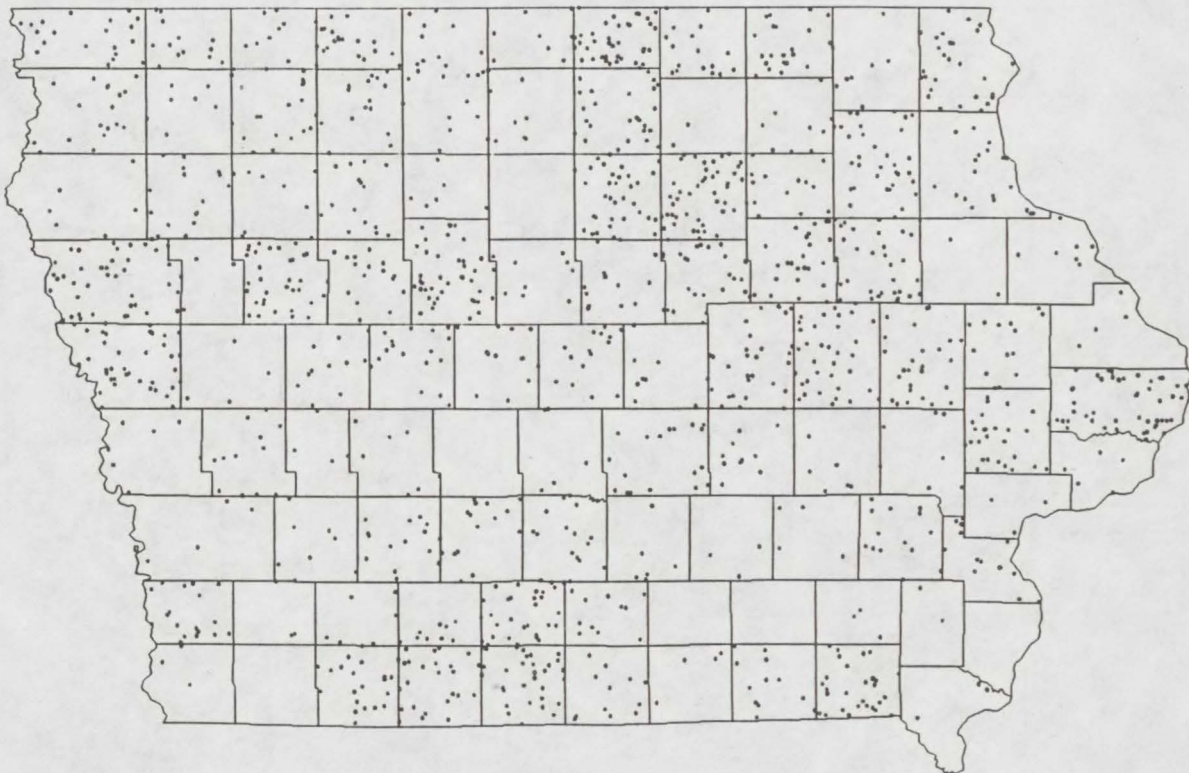


Insurance companies reported owning more than 1,350 agricultural properties across the eight midwest states in 1988, compared with 1,600 properties in 1987. While the majority of the leading life insurance companies reported a decrease in farmland acres held, Aetna, Hancock, Northwestern Mutual, and Phoenix Mutual increased the size of their midwest inventories between 1987 and 1988. Hancock became the largest insurance company holder of farmland in the eight-state study area, overtaking Travelers and Metropolitan, which held the second and third largest inventories respectively in 1988. Aetna and Equitable Life also hold substantial amounts of farm acreage in the midwest. (See Table A10.) A summary of industry holdings for each state is presented below, along with a map showing the geographical distribution of insurance company holdings within each of the eight states. Dots represent 100 acres of agricultural property on the maps.

Iowa

Insurance industry sales outpaced acquisitions by approximately 38,000 acres in Iowa during 1988 as industry holdings decreased to 146,000 acres. More farms have been foreclosed by insurance companies in Iowa than in any other state. The industry owned about 580 farm properties in 1988, down from 630 in 1987. Metropolitan, with 171 farm parcels totaling 46,000 acres, owns the most agricultural acreage in Iowa. Mutual Benefit owns 27,000 acres in 154 properties, and Hancock holds 118 properties totaling 29,000 acres. As Figure 5 shows, insurance company farmland holdings are broadly distributed across the state.

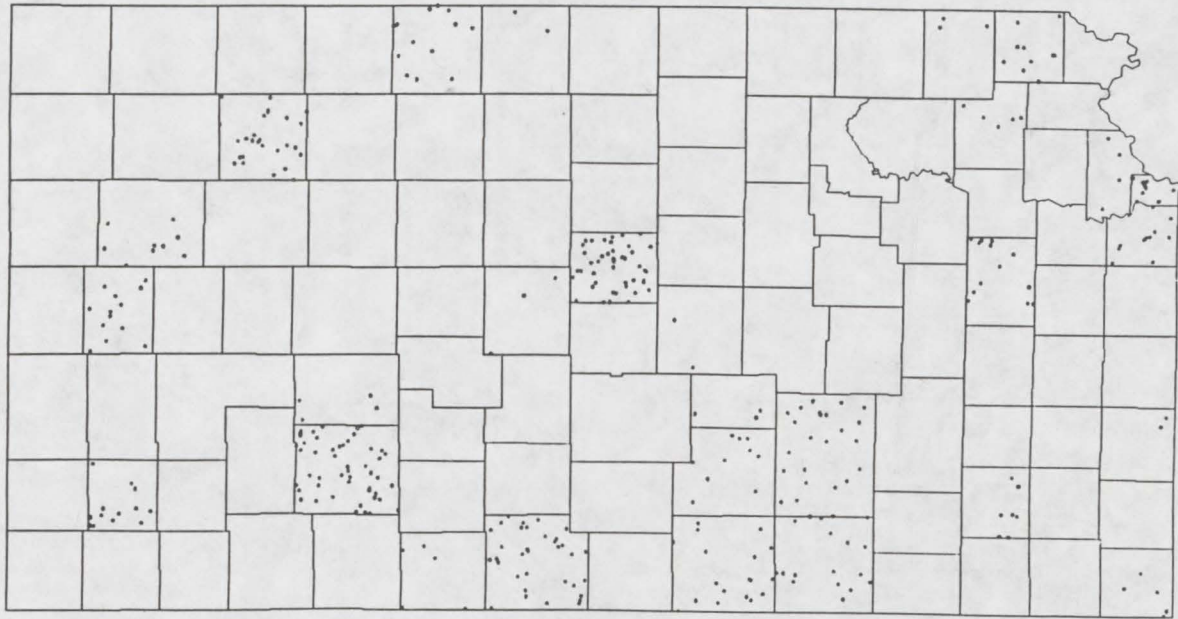
Figure 5. 1988 IOWA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



Kansas

Sales exceeded acquisitions by 41,000 acres in Kansas last year, leaving insurance industry holdings at 38,000 acres distributed across thirty-six farm properties at the end of 1988. Equitable Life holds the most acreage, with fourteen farm parcels covering 12,000 acres. Hancock owns seven properties totaling 10,000 acres. CIGNA sold all of its agricultural land in Kansas last year, including several large ranch properties in the western part of the state. Insurance companies' holdings in Kansas are distributed as shown in Figure 6.

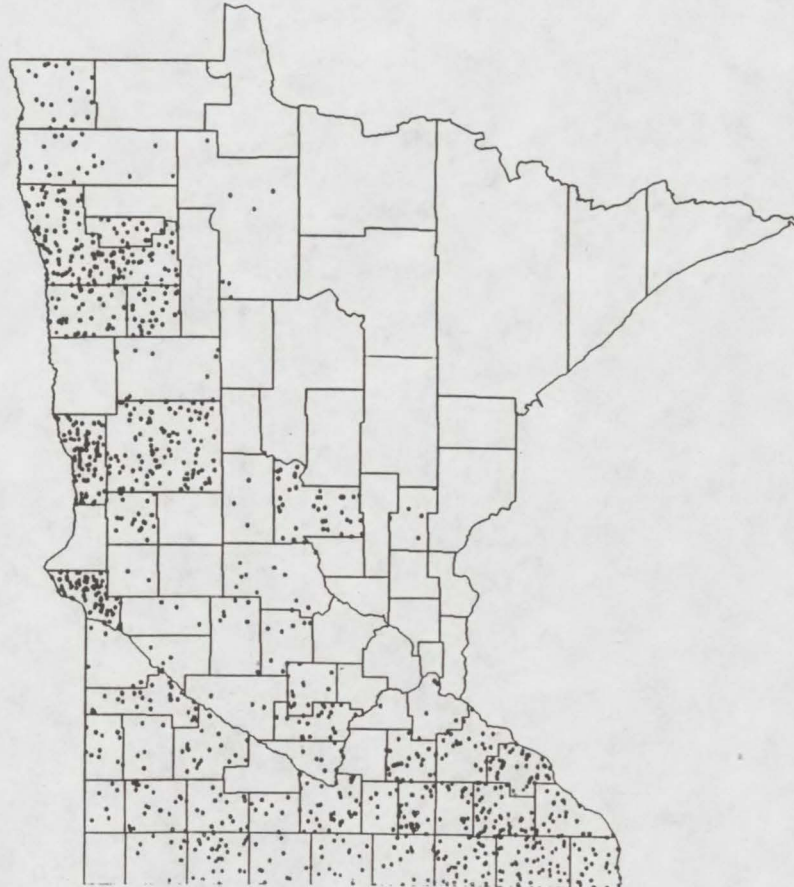
Figure 6. 1988 KANSAS FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



Minnesota

The insurance industry's total inventory declined to 125,000 acres spread across 266 properties in 1988. This represents a modest decline from 1987 as sales exceeded acquisitions by approximately 12,000 acres. Travelers remained the largest insurance company holder of forfeited farmland in Minnesota, while reducing its inventory by 23,000 acres during 1988. However, Aetna, Hancock, and Prudential all increased their holdings in Minnesota last year. Each of the three companies holds approximately 20,000 acres; but Aetna holds only six properties, while Hancock owns fifty-two and Metropolitan owns sixty-seven. Industry holdings are located throughout the state, with the exception of northeastern Minnesota, as shown in Figure 7.

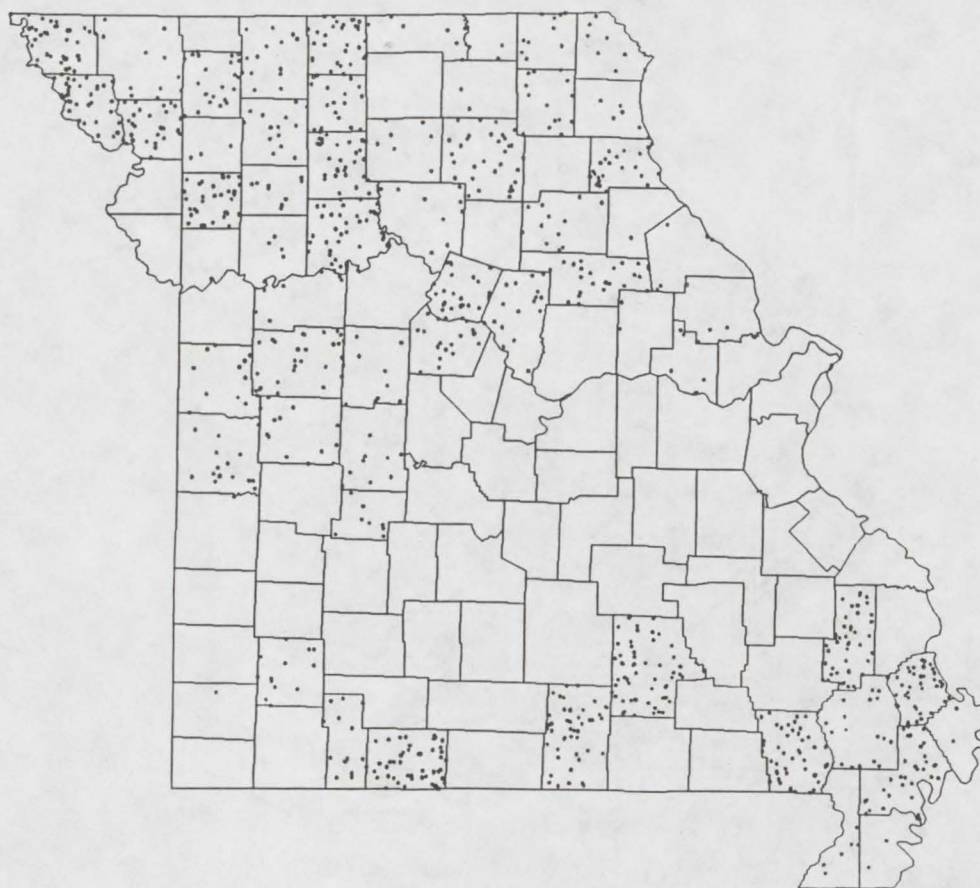
Figure 7. 1988 MINNESOTA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



Missouri

Insurance industry holdings of Missouri farmland are divided among a number of companies. Hancock is the largest insurance holder of agricultural land in Missouri, with over 23,000 acres in thirty-six properties. Equitable Life, Metropolitan, MONY, and Phoenix Mutual each reported owning more than 10,000 acres in the state at the end of 1988. Total industry holdings decreased last year, falling to 105,000 acres, as sales exceeded acquisitions by 45,000 acres. The total number of farm properties held by the industry dropped from 285 in 1987 to 188 in 1988. Acreage held by insurance companies is concentrated in the northern and southeastern parts of the state, as shown in Figure 8.

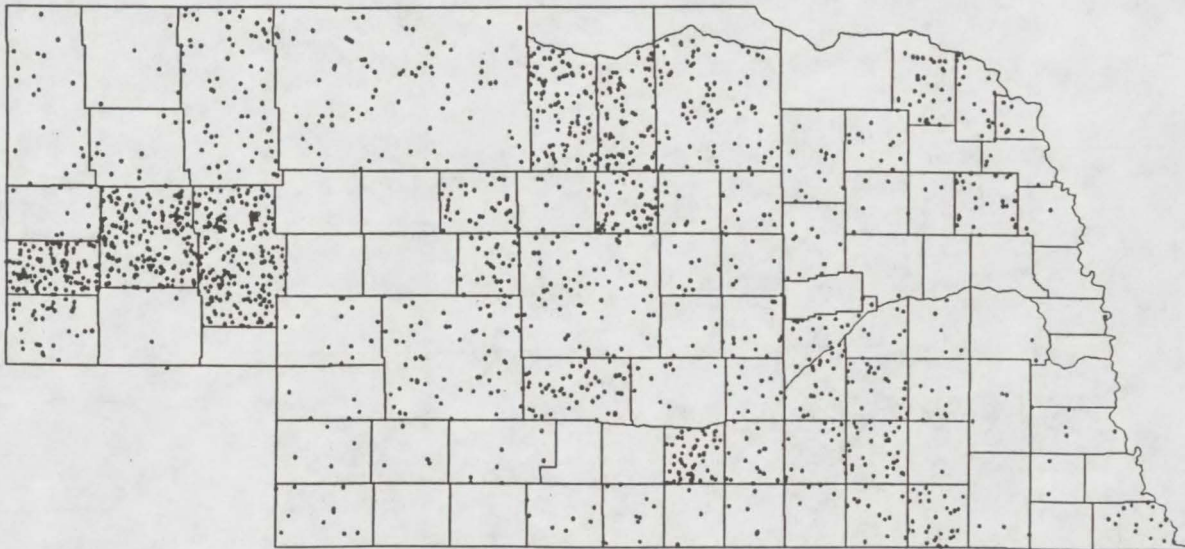
Figure 8. 1988 MISSOURI FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



Nebraska

Insurance companies own an estimated 191,000 acres of farm and ranchland in Nebraska, distributed over 166 parcels. This represents a decrease of almost 100,000 acres and 100 properties from 1987. Travelers remained the largest insurance company land holder in Nebraska during 1988, with twenty properties covering almost 61,000 acres, down from 95,000 acres in 1987. Hancock increased its holdings in the state from 36,000 acres in 1987 to almost 55,000 acres at the end of 1988. Equitable Life, with 27,000 acres, and Metropolitan, with 23,000 acres, hold the third and fourth largest insurance company inventories in the state. The insurance industry owns agricultural land throughout Nebraska, as shown in Figure 9.

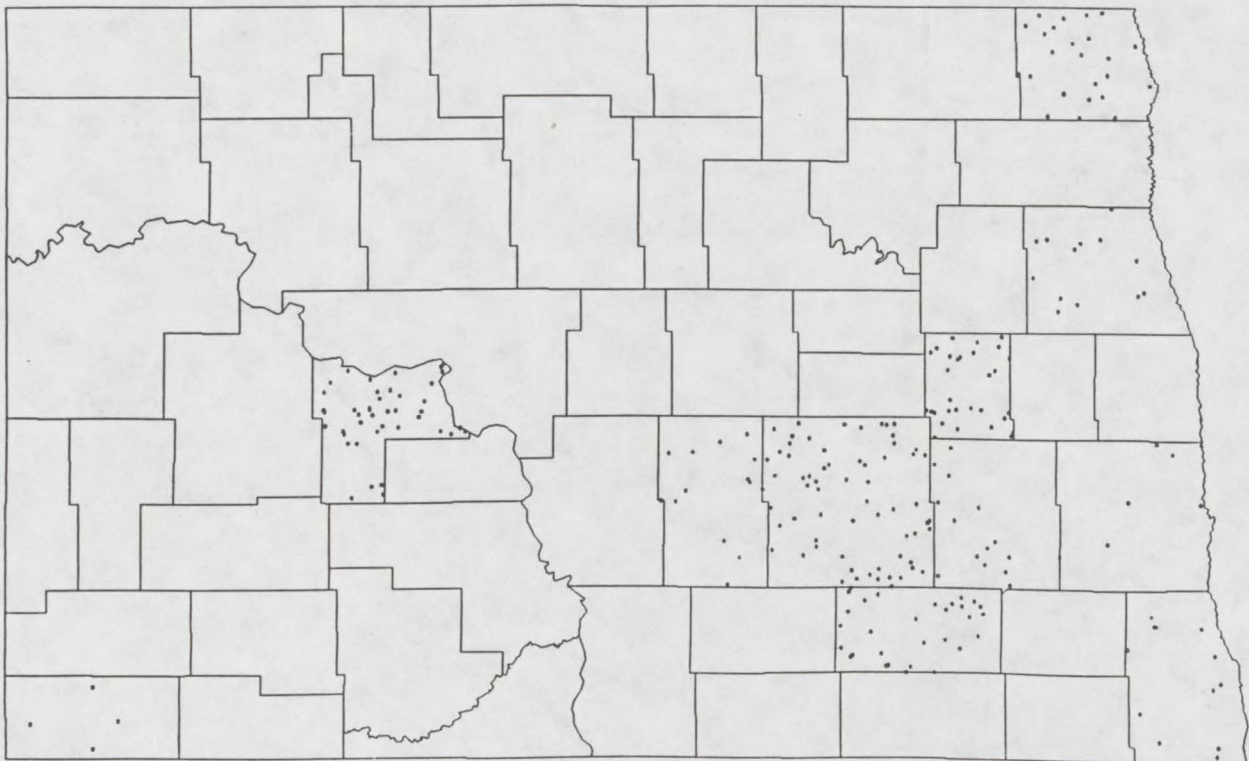
Figure 9. 1988 NEBRASKA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



North Dakota

Insurance industry farmland holdings have been the smallest in North Dakota out of the eight midwest states. This remained the case in 1988, but industry holdings in the state increased to 33,000 acres, up from 24,000 acres in 1987. The industry's acreage is divided among twenty-one farm properties. Metropolitan, which held the most acreage in 1987, reduced its inventory from 10,000 acres in 1987 to less than 2,000 acres at the end of last year. Aetna and Travelers, however, increased their holdings to 12,000 and 10,000 acres, respectively. CIGNA and Equitable Life also more than doubled their acreage in North Dakota, reaching 3,000 and 5,000 acres, respectively, in 1988. Insurance company holdings in North Dakota are concentrated in a few counties that are located primarily in the eastern portion of the state, as shown in Figure 10.

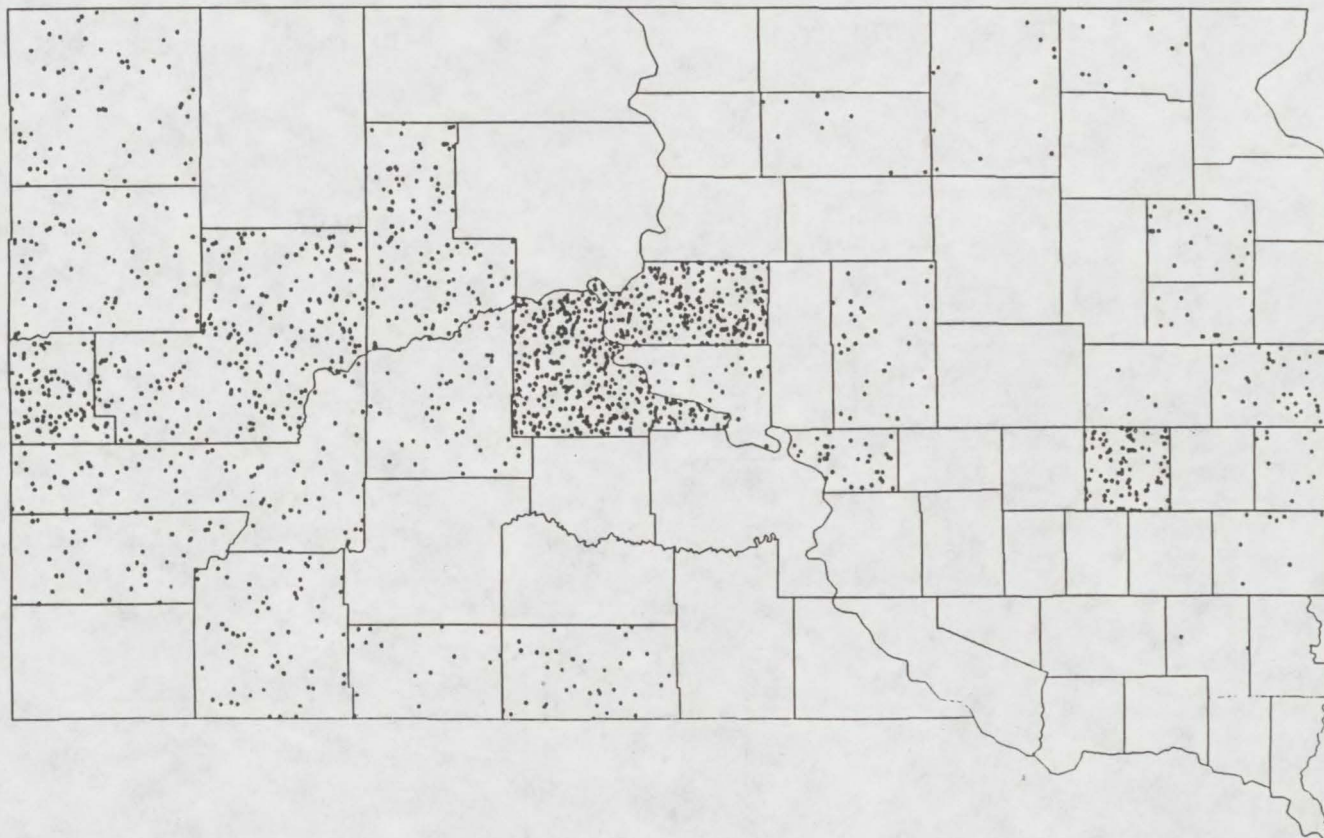
Figure 10. 1988 NORTH DAKOTA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



South Dakota

Insurance company holdings in South Dakota declined by approximately 50,000 acres in 1988. The industry reported owning 200,000 acres in fifty properties, including several large ranches acquired through foreclosure. Aetna acquired over 25,000 acres in the state last year; but Metropolitan remained the largest insurance company owner of farms and ranches in South Dakota, with 60,000 acres in ten properties. Connecticut Mutual, Equitable Life, Hancock, Northwestern Mutual, and Prudential each own more than 10,000 acres in the state. Holdings are located primarily in the western and central parts of the state, as shown in Figure 11.

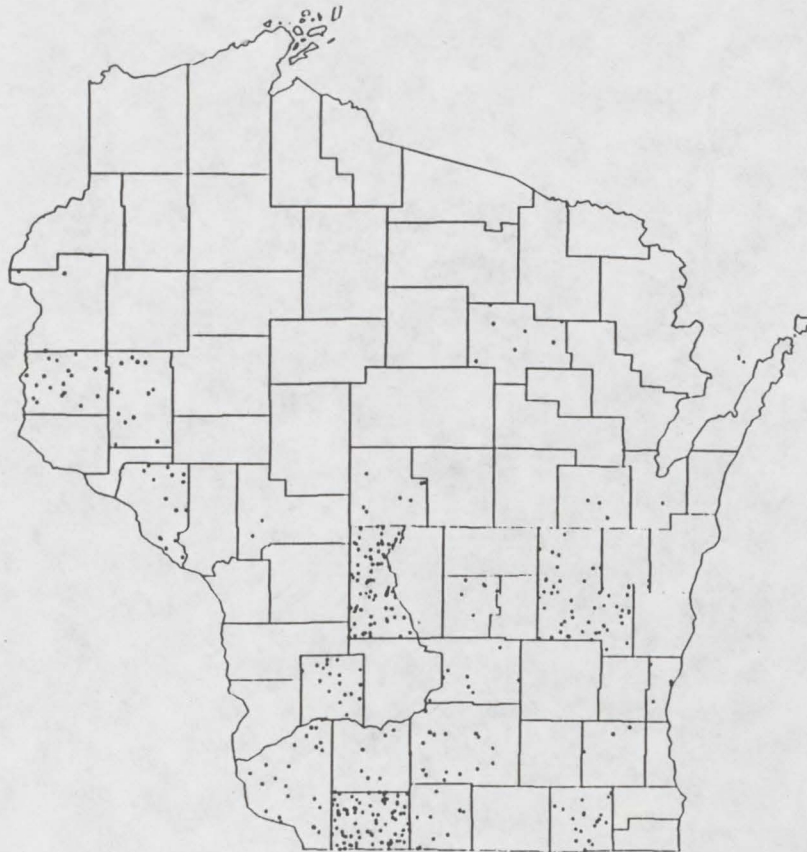
Figure 11. 1988 SOUTH DAKOTA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



Wisconsin

The Wisconsin agricultural holdings of the leading life insurance companies increased slightly in 1988, from 36,000 acres in 1987 to 40,000. While Wisconsin was one of only two midwest states to show an increase in insurance farmland inventory in 1988, this 11 percent increase represents a substantial slowdown from the 70 percent increase experienced between 1986 to 1987. Insurance companies reported owning fifty-seven parcels in the state last year. Aetna and Hancock increased their holdings in Wisconsin and remain the leading insurance land holders in the state with 13,000 and 15,000 acres, respectively. Figure 12 illustrates the spatial distribution of farmland held by insurance companies in Wisconsin. Industry holdings are located mostly in the southern and central portions of Wisconsin, as shown in Figure 12.

Figure 12. 1988 WISCONSIN FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



OUTLOOK FOR INSURANCE COMPANIES' ACTIVITIES

The number of troubled farm real estate loans held by insurance companies has decreased significantly since mid-1986, and is approaching the level held at the onset of farm financial stress in 1982. Insurance companies reported 5,000 farm loans in mid-1986 that were either delinquent (interest payments in arrears more than ninety days) or in the process of foreclosure. At the end of 1987 troubled loans had fallen to 3,200. Numbers continued to fall to a total of 1,800 at the end of 1988, and remained at this level through June, 1989. Delinquency and foreclosure numbers for insurers' agricultural mortgages are shown for the last six years in Figure 13.⁵

The number of foreclosures completed by the industry over a six-month period has, on average, equaled one-third of loans in foreclosure at the start of the period (see Table A3). Based on this average and the 904 loans classified as in-foreclosure in June 1989, insurance companies are likely to complete foreclosure on fewer than 500 farm properties in 1989. In the first half of 1989, the industry reported 203 completed foreclosures. If foreclosures fall to this level, it would represent a decrease of more than 30 percent from the number of completed foreclosures in 1988. If the geographic distribution of foreclosures completed in 1989 is similar to recent years, foreclosed acreage acquired in 1989 will not likely exceed one million acres.

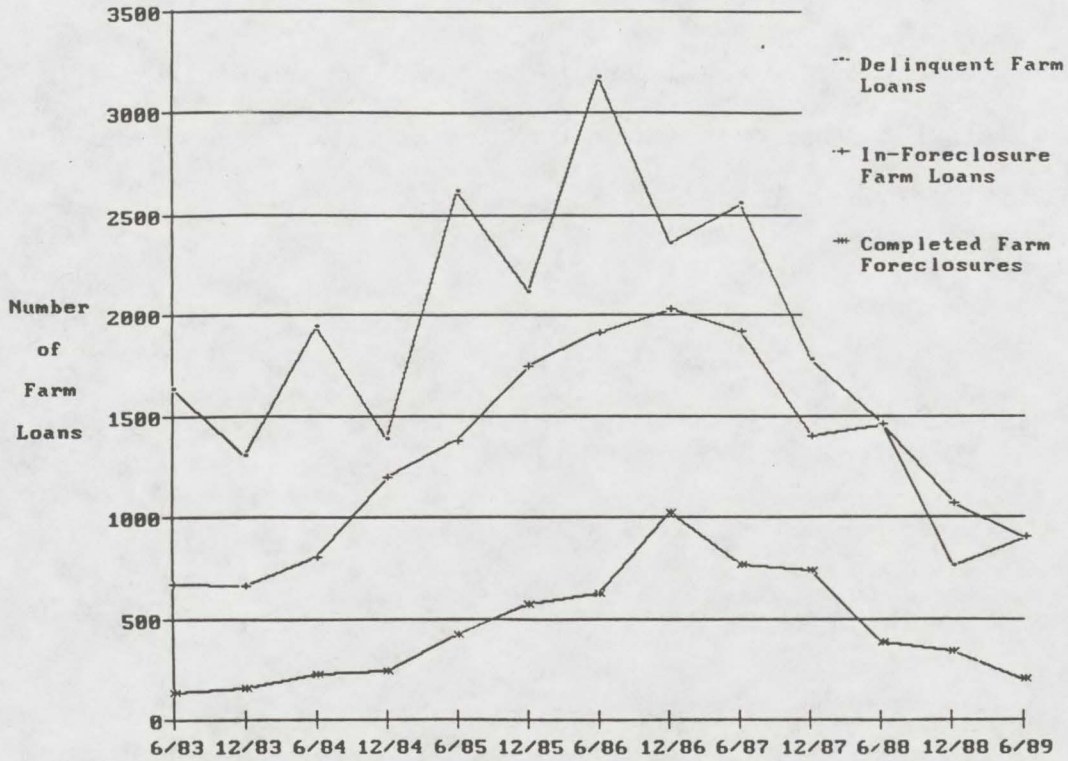
The net decline of insurance company-held farmland during 1989 is difficult to predict since the rate at which insurance companies can dispose of acquired acreage is contingent, in part, on a possible drought-induced slow-down of farm real estate activity. Overall, farm lenders do not think the drought will sidetrack the farm recovery and they report falling farm loan delinquencies and foreclosures throughout 1988.⁶

Prior to the drought of 1988, farmland prices had begun to recover after dropping for six years. While there was speculation that the market for farmland would soften in response to economic uncertainties created by the drought, the market for farmland improved during 1988. Despite the effect of the drought, which hit farmers hardest in the Northern Plains, Mountain and Central Lake regions, the agricultural market reflected higher acreage valuation for farmland. Most of the insurance companies appear ready to continue marketing their land, as indicated by increased sales activity during 1988. Overall, it appears that the industry's inventory of farmland will continue to decrease during 1989 and should stay below five million acres.

Before the drought, agriculture finance experts estimated 70 to 80 percent of potential farm loan losses generated by the farm financial crisis had already been written off by the end of 1987.⁷ The lower number of foreclosed insurance company farm loans during 1988 and the first half of 1989 corresponds with this estimate. While a large portion of the industry's outstanding farm loans are located in the more severely drought-affected regions, including the eight midwest states reported on here, the number of foreclosures continued to decline through 1988.

The worst drought scenario, with lower than predicted harvest and continued drought conditions into 1989, might have developed into another round of foreclosures. Working against that were several factors, however. Foremost is that farmers with the deepest financial problems five years ago have already been forced out of production. Additionally, farmers have been able to improve their financial situations over the last few years by restructuring loans and reducing debt. Last, the government drought relief program helped to erase some of the drought-related income loss over 1988.

Figure 13. DELINQUENT AND FORECLOSED FARM LOANS HELD BY INSURANCE COMPANIES



SUMMARY

Farmland inventories held by life insurance companies declined in 1988 as the farm real estate market improved and foreclosure activity continued to decline. Insurance company owned farm acreage decreased in net by 0.4 million acres last year, decreasing total farmland held by insurance companies to 4.8 million acres. Acreage held by the industry at the end of 1988 was 7.7 percent lower than a year earlier.

In the eight-state midwest area concentrated on in the study, acreage held by insurance companies decreased by 24.2 percent during 1988, totaling 873,000 million acres by the end of the year. Industry holdings in the eight-state area are spread across 1,364 farm properties. As in 1987, insurance

companies foreclosed on more farms in the midwest than in any other region of the nation.

The prospect of decreased foreclosures and continued sales of forfeited land suggests a further decrease in the size of insurance companies' agricultural holdings in 1989.

ENDNOTES

1. The leading life insurance companies studied in this report are the following:

Aetna Life Insurance Company
Connecticut General Life Insurance Company (CIGNA)
Connecticut Mutual Life Insurance Company
Equitable Life Assurance Society of the United States
John Hancock Mutual Life Insurance Company
Kansas City Life Insurance Company
Metropolitan Life Insurance Company
Mutual Benefit Life Insurance Company
Mutual Life Insurance Company of New York (MONY)
Northwestern Mutual Life Insurance Company
Northwestern National Life Insurance Company
Phoenix Mutual Life Insurance Company
Prudential Life Insurance Company of America
Travelers Insurance Company

2. Prior to the 1986 report, forfeited farmland held by insurance companies was estimated by most sources to be below 1 million acres. The 1986 study estimated forfeited farmland inventory to be 2.7 million acres. The USDA confirmed that forfeited farmland held by the industry was significantly above 1 million acres, estimating industry holdings of 2.4 million acres of forfeited farmland at the end of 1986 (USDA, Economic Research Service, *Agricultural Resources: Agricultural Land Values and Markets: Situation and Outlook Report*, AR-6, July 1987).
3. Valuation and acreage totals reported in the 1986 study included timberland owned by insurance companies. In the 1987 and 1988 reports, insurance farmland that was clearly identified as timberland in annual reports was excluded from valuation and acreage totals.
4. Seven companies list farm properties by value and acreage in their annual statements filed with state insurance regulators. They are CIGNA, Connecticut Mutual, Hancock, Metropolitan, Mutual Benefit, Phoenix Mutual, and Travelers. The other companies list only value of property. These companies are Aetna, Equitable Life, MONY, Northwestern Mutual, and Prudential. State acreage estimates for these companies were calculated by dividing value of farm holdings by 1988 state farmland values as reported by the United States Department of Agriculture (USDA, Economic Research Service, *Agricultural Land Values and Markets: Situation and Outlook Report*, AR-14, June 1989).
5. The industry revised its survey technique during 1988, so 1988 and 1989 figures may not be directly comparable to previous years.
6. See USDA, Economic Research Service, *Agricultural Land Values and Markets: Situation and Outlook Report*, AFO-32, February 1989).
7. See USDA, Economic Research Service, *Potential Loan Losses of Farmers and Lenders*, Agriculture Information Bulletin Number 530, September 1987.



APPENDIX A--REFERENCE TABLES

TABLE A1

U.S. FARM REAL ESTATE HELD BY LIFE INSURANCE COMPANIES - BY STATE
(in millions of dollars)

	<u>1974</u>	<u>1979</u>	<u>1984</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
NORTHEAST						
Connecticut	0.0	0.0	0.0	1.4	0.0	0.0
Delaware	0.0	0.0	0.0	0.0	0.0	0.0
Maine	0.0	0.0	0.0	0.0	0.0	0.0
Maryland	0.0	0.1	5.1	2.5	2.5	2.7
Massachusetts	0.0	0.0	0.0	0.0	0.0	1.9
New Hampshire	0.0	0.0	0.0	2.0	0.3	0.0
New Jersey	0.0	0.0	0.0	0.0	0.9	0.0
New York	0.0	0.0	1.1	1.2	0.1	0.6
Pennsylvania	0.1	0.0	0.9	0.4	0.0	0.0
Rhode Island	0.0	0.0	0.0	0.0	0.0	0.0
Vermont	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.1	0.1	7.1	7.5	3.8	5.2
APPALACHIA						
Kentucky	0.1	0.0	14.2	27.2	24.9	25.7
North Carolina	2.0	20.0	96.7	75.0	79.2	57.4
Tennessee	0.4	2.8	21.2	24.2	18.3	13.7
Virginia	0.7	0.7	1.0	1.0	1.0	0.8
West Virginia	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	3.2	23.5	133.1	127.4	123.4	97.6
SOUTHEAST						
Alabama	1.0	1.0	16.5	16.6	17.2	16.1
Florida	2.5	5.7	66.4	50.4	82.4	118.9
Georgia	1.2	3.4	35.5	29.3	42.0	35.7
South Carolina	4.1	4.1	13.9	5.8	6.7	6.7
TOTAL	8.8	14.2	132.3	102.1	148.3	177.4
DELTA STATES						
Arkansas	1.2	23.0	138.9	107.4	105.6	74.7
Louisiana	0.5	0.3	80.1	67.0	59.5	65.9
Mississippi	1.4	44.5	166.9	167.9	158.2	113.9
TOTAL	3.1	67.8	385.9	342.3	323.2	254.5
CORN BELT						
Illinois	1.2	17.3	102.5	127.3	139.8	128.2
Indiana	1.7	2.6	119.4	101.1	108.1	105.7
Iowa	0.3	0.2	21.1	111.2	154.9	131.0
Missouri	0.9	2.4	39.1	88.8	79.2	57.9
Ohio	0.0	0.5	71.1	75.1	75.5	63.7
TOTAL	4.1	23.0	353.2	503.5	557.5	486.5

	<u>1974</u>	<u>1979</u>	<u>1984</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
LAKE STATES						
Michigan	0.1	0.0	13.5	8.1	17.9	22.1
Minnesota	0.5	0.1	33.1	64.1	92.1	72.7
Wisconsin	2.0	1.4	3.7	16.8	29.1	24.3
TOTAL	2.6	1.5	50.3	89.0	139.6	119.1
NORTHERN PLAINS						
Kansas	0.2	0.0	16.4	20.1	27.7	18.9
Nebraska	0.1	0.7	18.8	78.8	73.5	53.1
North Dakota	0.0	0.0	2.8	7.5	8.1	9.3
South Dakota	0.0	0.0	4.8	20.5	32.0	31.7
TOTAL	0.3	0.7	42.8	126.9	141.3	113.0
SOUTHERN PLAINS						
Oklahoma	0.1	0.2	4.5	11.6	15.0	24.3
Texas	5.1	8.4	55.0	71.3	102.2	105.0
TOTAL	5.2	8.6	59.5	82.9	117.2	129.3
MOUNTAIN						
Arizona	1.0	4.0	2.7	70.2	63.8	70.0
Colorado	2.9	13.7	38.2	64.9	88.1	67.0
Idaho	1.3	4.0	8.5	13.1	30.6	24.3
Montana	0.1	0.0	16.3	78.1	90.4	87.9
Nevada	0.9	1.1	5.1	7.7	20.0	18.6
New Mexico	0.1	0.1	1.5	2.0	7.7	7.3
Utah	1.2	0.7	5.4	4.1	3.6	0.9
Wyoming	0.0	0.9	11.0	26.8	28.2	30.1
TOTAL	17.5	24.5	88.7	266.9	332.4	306.1
PACIFIC						
California	8.7	63.9	281.4	432.3	418.0	317.0
Oregon	0.1	12.1	38.5	52.0	83.0	72.0
Washington	0.8	1.5	49.5	58.2	71.6	83.1
TOTAL	9.6	77.5	369.4	542.5	572.6	472.1
<hr/>						
U.S. TOTAL	64.5	241.4	1,622.3	2,191.0	2,459.4	2,160.8

SOURCE: 1974-1984 values from Life Insurance Factbook, American Council of Life Insurance, various years. 1986-88 values from regular and separate accounts, schedule A, part 1, of annual statements filed by insurance companies with the Minnesota Commerce Department.

TABLE A2

U.S. FARM REAL ESTATE HELD BY LEADING LIFE INSURANCE COMPANIES
(in millions of dollars)

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Aetna	22.6	59.9	74.9	117.2	168.7	209.4	249.5
CIGNA	37.4	50.5	70.9	68.2	69.5	62.9	51.5
Connecticut Mutual	11.3	22.7	25.1	30.3	43.8	52.2	54.0
Equitable Life	2.0	11.1	24.6	44.4	91.2	118.0	118.9
John Hancock	106.2	188.5	243.4	292.5	371.3	443.5	445.7
Metropolitan	16.2	69.9	113.4	206.5	289.6	371.3	351.6
MONY	7.1	19.3	38.2	37.6	53.9	51.5	46.0
Mutual Benefit	3.4	3.0	11.6	31.4	50.1	54.4	49.8
Northwestern Mutual	19.5	20.4	25.4	26.1	35.7	46.0	40.6
Phoenix Mutual	24.9	33.1	39.0	37.8	41.0	49.5	59.0
Prudential	466.7	593.9	619.5	754.5	585.3	480.3	363.0
Travelers	67.4	137.2	164.6	211.5	370.9	509.2	322.2
Others	21.5	21.5	26.5	15.3	20.0	11.2	9.7
TOTAL	806.2	1,231.0	1,477.1	1,873.3	2,191.0	2,459.4	2,160.8
Change from previous year		52.7%	20.0%	26.8%	17.0%	12.3%	-12.1%

SOURCE: Regular and separate accounts, schedule A, part 1, of annual statements filed with the Minnesota Commerce Department.

TABLE A3

FARM MORTGAGE LOAN DELINQUENCIES AND FORECLOSURES
BY LEADING LIFE INSURANCE COMPANIES

	<u>Number of Completed Foreclosures</u>	<u>Value of Completed Foreclosures (million dollars)</u>	<u>Number of Delinquent Loans</u>	<u>Number of In- Foreclosure Loans</u>
1st half-1982	56	49.6	1093	310
2nd half-1982	111	120.4	830	508
1st half-1983	142	109.1	1,633	669
2nd half-1983	164	137.9	1,305	663
1st half-1984	230	132.5	1,939	809
2nd half-1984	245	156.8	1,383	1,195
1st half-1985	425	240.6	2,615	1,381
2nd half-1985	575	289.6	2,118	1,743
1st half-1986	626	304.5	3,173	1,915
2nd half-1986	1,028	523.0	2,358	2,030
1st half-1987	773	342.7	2,554	1,917
2nd half-1987	742	349.2	1,775	1,403
1st half-1988	385	185.8	1,466	1,458
2nd half-1988	342	178.6	761	1,073
1st half-1989	203	116.6	897	904

SOURCE: "Investment Bulletin," American Council of Life Insurance, various issues.

TABLE A4

ESTIMATED FARM ACREAGE HELD BY LEADING LIFE INSURANCE COMPANIES
(in thousands of acres)

	<u>1986</u>	<u>1987</u>	<u>1988</u>		<u>1986</u>	<u>1987</u>	<u>1988</u>
NORTHEAST							
Connecticut	1	0	0	LAKE			
Delaware	0	0	0	Michigan	10	22	27
Maine	0	0	0	Minnesota	91	137	125
Maryland	1	1	1	Wisconsin	21	36	40
Massachusetts	0	0	1	TOTAL	122	195	192
New Hampshire	1	1	0				
New Jersey	0	*	0	NORTHERN PLAINS			
New York	1	1	1	Kansas	69	79	37
Pennsylvania	*	0	0	Nebraska	237	291	188
Rhode Island	0	0	0	North Dakota	25	24	33
Vermont	0	0	0	South Dakota	128	250	193
TOTAL	5	4	3	TOTAL	459	644	451
APPALACHIA				SOUTHERN PLAINS			
Kentucky	33	34	29	Oklahoma	63	88	42
North Carolina	92	90	80	Texas	233	354	385
Tennessee	28	23	21	TOTAL	296	442	427
Virginia	*	*	*				
West Virginia	0	0	0	MOUNTAIN			
TOTAL	153	147	130	Arizona	284	229	327
SOUTHEAST				Colorado	209	392	316
Alabama	24	30	18	Idaho	22	53	41
Florida	35	44	95	Montana	478	634	693
Georgia	34	42	39	Nevada	26	65	109
South Carolina	6	4	4	New Mexico	16	81	91
TOTAL	99	120	156	Utah	19	18	2
				Wyoming	342	373	368
				TOTAL	1,396	1,845	1,947
DELTA				PACIFIC			
Arkansas	162	184	124	California	270	315	202
Louisiana	87	84	97	Oregon	72	200	226
Mississippi	242	231	193	Washington	120	130	143
TOTAL	491	499	414	TOTAL	462	645	571
CORN BELT							
Illinois	99	119	116	U.S. TOTAL	4,031	5,181	4,825
Indiana	97	116	101				
Iowa	124	184	152				
Missouri	162	150	106				
Ohio	66	71	59				
TOTAL	548	640	534				

* = less than 1,000 acres

TABLE A5

FARM MORTGAGES AND FORECLOSURES, 1986-88,
 BY LEADING LIFE INSURANCE COMPANIES - BY STATE
 (in millions of dollars)

	Farm Foreclosures						1988 Farm Mortgages	
	Numbers			Amount			Numbers	Amount
	1986	1987	1988	1986	1987	1988		
NORTHEAST								
Connecticut	0	0	0	0.0	0.0	0.0	2	0.5
Delaware	0	0	1	0.0	0.0	0.0	9	1.3
Maine	0	0	0	0.0	0.0	0.0	0	0.0
Maryland	1	0	0	0.7	0.0	0.0	46	12.0
Massachusetts	0	0	0	0.0	0.0	0.0	1	0.5
New Hampshire	0	0	0	0.0	0.0	0.0	2	2.8
New Jersey	1	2	0	0.2	0.2	0.0	13	0.8
New York	2	2	0	0.4	0.3	0.0	90	12.9
Pennsylvania	0	0	0	0.0	0.0	0.0	199	15.7
Rhode Island	0	0	0	0.0	0.0	0.0	0	0.0
Vermont	0	0	0	0.0	0.0	0.0	0	0.0
TOTAL	4	4	1	1.4	0.5	0.0	362	46.5
APPALACHIA								
Kentucky	13	9	7	7.0	3.2	3.5	565	139.4
North Carolina	5	1	1	5.9	0.2	0.0	149	33.7
Tennessee	10	4	3	3.5	2.2	0.9	213	46.0
Virginia	0	0	0	0.0	0.0	0.0	84	82.7
West Virginia	0	0	0	0.0	0.0	0.0	8	81.4
TOTAL	28	14	11	16.4	4.5	4.4	1,019	383.2
SOUTHEAST								
Alabama	7	6	7	5.5	4.1	2.4	173	47.2
Florida	3	6	4	1.1	12.1	2.8	476	602.4
Georgia	15	11	6	5.2	9.4	3.7	295	126.0
South Carolina	1	1	3	1.1	0.1	1.8	67	16.7
TOTAL	26	24	20	12.9	25.7	10.7	1,011	792.3
DELTA STATES								
Arkansas	49	50	20	29.2	29.7	14.3	1,229	260.4
Louisiana	12	12	14	17.9	18.0	13.4	311	149.7
Mississippi	34	15	11	27.9	10.1	3.7	725	190.2
TOTAL	95	77	45	75.0	57.8	31.4	2,265	600.3
CORN BELT								
Illinois	97	114	58	41.8	37.6	22.3	3,616	443.9
Indiana	69	55	34	26.5	15.6	12.0	2,334	299.1
Iowa	340	280	131	71.8	65.8	32.7	6,382	548.8
Missouri	154	63	24	45.8	16.8	8.5	2,101	240.8
Ohio	54	46	19	18.0	14.9	5.3	1,187	147.1
TOTAL	714	558	266	203.9	150.7	80.8	15,620	1,679.7

	Farm Foreclosures						1988 Farm Mortgages	
	Numbers			Amount			Numbers	Amount
	1986	1987	1988	1986	1987	1988		
LAKE STATES								
Michigan	3	8	7	1.2	11.2	4.9	301	44.5
Minnesota	146	150	106	26.5	40.9	26.1	2,393	212.4
Wisconsin	27	31	15	11.2	18.5	8.8	323	61.3
TOTAL	176	189	128	38.9	70.6	39.8	3,017	318.2
NORTHERN PLAINS								
Kansas	35	54	16	11.8	14.7	2.5	2,821	222.1
Nebraska	141	130	46	37.3	34.8	11.6	4,177	415.9
North Dakota	4	7	12	3.6	3.5	8.0	224	31.7
South Dakota	24	21	17	14.0	15.5	8.7	593	55.3
TOTAL	204	212	91	66.7	68.5	30.8	7,815	725.0
SOUTHERN PLAINS								
Oklahoma	12	17	17	7.1	11.5	6.7	1,081	112.6
Texas	67	54	36	51.3	50.0	34.0	2,079	570.1
TOTAL	79	71	53	58.4	61.5	40.7	3,160	682.7
MOUNTAIN								
Arizona	0	0	1	0.0	0.0	11.4	227	160.3
Colorado	45	50	23	47.2	30.6	10.0	1,136	211.9
Idaho	11	33	25	8.3	16.9	9.9	869	187.0
Montana	40	32	23	45.2	18.9	28.4	716	223.5
Nevada	1	12	8	0.5	18.9	5.5	71	46.9
New Mexico	2	5	3	1.3	6.1	0.6	263	69.2
Utah	2	0	0	1.1	0.0	0.0	55	10.2
Wyoming	5	9	11	3.4	4.4	11.8	255	68.4
TOTAL	106	141	94	107.0	95.8	77.6	3,592	977.7
PACIFIC								
California	92	59	22	110.0	50.5	25.8	2,590	1,829.1
Oregon	11	10	11	21.3	7.5	9.9	427	462.4
Washington	13	24	15	27.8	14.1	9.4	1,415	326.2
TOTAL	116	93	48	159.1	72.1	45.1	4,432	2,617.7
U.S. TOTAL	1,548	1,383	757	739.7	607.7	361.3	42,293	8,823.3

SOURCE: Regular and separate accounts, schedules A and B, of annual statements filed with the Minnesota Commerce Department.

TABLE A6

U.S. FARM FORECLOSURES - LOAN AMOUNT BY LEADING LIFE INSURANCE COMPANIES
(in millions of dollars)

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Aetna	19.2	39.2	15.1	43.6	56.1	44.9	41.2
CIGNA	29.8	13.0	25.1	23.2	54.7	45.1	30.0
Connecticut Mutual	0.0	1.4	9.1	12.3	19.6	15.9	7.8
Equitable Life	1.5	9.4	17.6	21.5	55.6	44.9	35.3
John Hancock	38.5	62.1	77.7	200.0	122.3	105.3	88.6
Metropolitan	1.9	11.2	33.5	68.6	84.9	58.6	29.6
MONY	5.1	13.5	16.1	14.3	37.7	17.9	11.8
Mutual Benefit	0.3	0.2	9.4	23.0	21.9	16.9	15.4
Northwestern Mutual	0.0	5.3	3.8	3.8	19.2	2.8	4.8
Phoenix Mutual	3.0	0.7	18.5	20.6	8.0	5.3	1.9
Prudential	3.7	34.4	16.3	60.6	75.1	70.4	34.7
Travelers	38.3	23.5	43.7	51.1	172.7	173.8	58.3
Other	0.0	0.1	0.7	0.9	11.9	5.9	1.9
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TOTAL	141.3	214.0	286.6	543.5	739.7	607.7	361.3
INDUSTRY TOTAL	170.3	247.0	289.3	530.2	827.5	691.9	364.4
Change from previous year		45.0%	17.1%	83.3%	56.1%	-16.4%	-47.3%

SOURCE: Regular and separate accounts, schedule B, part 3, of annual statements filed with the Minnesota Commerce Department. Industry total from "Investment Bulletin," American Council of Life Insurance, No. 1062, March 1989.

TABLE A7

U.S. FARM FORECLOSURES - NUMBER OF FARMS BY LEADING LIFE INSURANCE COMPANIES

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Aetna	12	32	22	39	43	48	31
CIGNA	16	16	20	39	64	68	45
Connecticut Mutual	0	9	6	13	19	18	20
Equitable Life	5	20	31	53	156	173	103
John Hancock	17	47	85	248	223	196	128
Metropolitan	3	22	83	208	332	214	97
MONY	9	31	42	42	86	66	35
Mutual Benefit	1	12	27	78	104	74	47
Northwestern Mutual	0	6	3	5	20	6	4
Phoenix Life	5	3	35	44	39	27	9
Prudential	7	17	22	55	110	165	95
Travelers	27	44	89	145	344	310	136
Other	0	1	3	5	8	18	7
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TOTAL	102	260	468	974	1,548	1,383	757
INDUSTRY TOTAL	167	306	475	1,000	1,654	1,515	727
Change from previous year		83.2%	55.2%	110.5%	65.4%	-8.4%	-52.0%

SOURCE: Regular and separate accounts, schedule B, part 3, of annual statements filed with the Minnesota Commerce Department. Industry total from "Investment Bulletin," American Council of Life Insurance, various issues.

TABLE A8

U.S. FARM REAL ESTATE MORTGAGES - LOAN AMOUNT
 BY LEADING LIFE INSURANCE COMPANIES
 (in millions of dollars).

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Aetna	430	388	598	518	430	318	246
CIGNA	684	641	604	587	512	458	405
Connecticut Mutual	472	445	427	390	365	317	286
Equitable Life	1,792	1,721	1,625	1,659	1,655	1,540	1,534
John Hancock	2,149	2,161	2,049	1,870	1,578	1,345	1,348
Metropolitan	1,897	1,958	1,904	1,784	1,606	1,410	1,448
MONY	394	380	345	304	257	243	233
Mutual Benefit	361	369	378	397	410	400	382
Northwestern Mutual	350	317	294	236	214	186	159
Phoenix Mutual	131	123	111	102	87	74	65
Prudential	1,905	1,726	1,800	1,452	1,238	1,150	1,201
Travelers	1,712	1,839	1,835	1,945	1,974	1,726	1,528
Others	82	73	63	55	49	56	45
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL	12,359	12,141	12,033	11,299	10,375	9,223	8,880
Change from previous year		-1.8%	-0.9%	-6.1%	-8.2%	-11.1%	-3.7%
INDUSTRY TOTAL	12,429	12,434	12,184	11,403	10,480	9,291	9,114
Change from previous year		0.0%	-2.0%	-6.4%	-8.1%	-11.3%	-1.9%

SOURCE: Regular and separate accounts, Schedule B, part 1, of annual statements filed with the Minnesota Commerce Department. Industry total from "Investment Bulletin," American Council of Life Insurance, various issues.

TABLE A9

U.S. FARM REAL ESTATE MORTGAGES - NUMBER OF LOANS
BY LEADING LIFE INSURANCE COMPANIES

	<u>1982</u>	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>	<u>1988</u>
Aetna	423	373	408	335	229	225	186
CIGNA	1,855	1,721	1,572	1,375	1,189	1,056	932
Connecticut Mutual	1,714	1,590	1,459	1,343	1,281	1,103	991
Equitable Life	18,656	17,536	16,347	16,368	14,901	13,243	11,854
John Hancock	6,898	6,271	5,266	4,169	3,237	2,655	2,191
Metropolitan	17,944	17,333	16,500	15,596	14,155	12,545	11,154
MONY	1,856	1,702	1,525	1,368	1,197	1,097	1,023
Mutual Benefit	3,451	3,291	3,066	2,887	2,552	2,293	2,143
Northwestern Mutual	1,472	1,222	994	677	539	464	372
Phoenix Mutual	1,537	1,421	1,299	1,179	1,030	920	827
Prudential	15,146	13,396	11,804	8774	6,962	5,935	5,171
Travelers	8,229	7,786	7,174	6,343	5,364	5,012	5,160
Others	1,541	1,317	1,066	846	618	536	435
TOTAL	80,722	74,959	68,480	61,260	53,324	47,084	42,439
Change from previous year		-7.1%	-8.6%	-10.5%	-13.0%	-11.7%	-9.9%
INDUSTRY TOTAL	80,434	74,708	68,223	60,918	52,898	46,537	41,264
Change from previous year		-7.1%	-8.7%	-10.7%	-13.2%	-12.0%	-11.3%

SOURCE: Regular and separate accounts, Schedule B, part 1, of annual statements filed with the Minnesota Commerce Department. Industry total from "Investment Bulletin," American Council of Life Insurance, various issues.

TABLE A10

ESTIMATED 1988 MIDWEST AND NATIONAL ACREAGE HELD BY LEADING LIFE INSURANCE COMPANIES
(in acres)

	<u>IA</u>	<u>KS</u>	<u>MN</u>	<u>MO</u>	<u>NB</u>	<u>ND</u>	<u>SD</u>	<u>WI</u>	<u>Midwest Total</u>	<u>U.S. Total</u>
Aetna	9,000	2,200	20,400	9,700	5,600	11,900	35,600	12,800	107,200	646,500
Connecticut Mutual	0	0	1,600	4,600	8,400	0	21,300	0	35,900	245,100
CIGNA	500	0	200	0	0	3,000	0	0	3,700	204,400
Equitable Life	13,600	12,200	6,600	17,700	26,600	5,100	15,400	4,500	101,700	198,500
Hancock	29,100	9,500	19,000	23,400	54,700	0	17,300	14,900	167,900	1,081,300
Metropolitan	46,200	1,600	19,900	11,500	23,000	1,700	59,800	0	163,700	659,000
MONY	4,300	200	2,600	12,200	1,300	0	0	4,200	24,800	65,000
Mutual Benefit	26,900	300	3,100	8,100	0	0	0	0	38,400	54,900
Northwestern Mutual	0	2,800	1,100	0	500	0	6,300	0	10,700	53,000
Phoenix Mutual	11,900	1,100	3,200	13,800	500	0	0	1,200	31,700	55,700
Prudential	4,100	100	13,200	300	5,700	0	28,700	1,900	54,000	704,000
Travelers	5,100	1,500	32,600	4,000	60,700	10,200	8,800	900	123,800	828,100
Selected others	1,100	4,900	1,500	0	1,500	1,400	0	0	10,400	30,900
TOTAL	151,800	36,400	125,000	105,300	188,500	33,300	193,200	40,400	873,900	4,826,400

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