

Center for Urban and Regional Affairs
in cooperation with the Land Stewardship Project

October 1988

LIFE INSURANCE COMPANY OWNERSHIP OF
UNITED STATES' AGRICULTURAL LAND IN 1987

by Dave Senf

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ACKNOWLEDGEMENTS

This report was funded in part by the Rural Economic Policy Program of the Aspen Institute and the Ford Foundation through a grant awarded to the Land Stewardship Project of Stillwater, Minnesota. The financial support of the Rural Economic Policy Program of the Aspen Institute, the Ford Foundation, and the Land Stewardship Project is gratefully acknowledged. Appreciation is also extended to the Land Stewardship staff, in particular Mark Schultz, for his research assistance.



INTRODUCTION

Life insurance companies continued to acquire foreclosed farmland at a rapid rate during 1987 despite improved financial performance in the farm sector. The industry completed foreclosure on more than 1,500 farm properties last year as financial stress remained serious within the industry's farm mortgage loan portfolio. Leading life insurance companies acquired an estimated 2 million acres while selling 750,000 acres, leaving an estimated 5.2 million acres in inventory at the end of 1987.

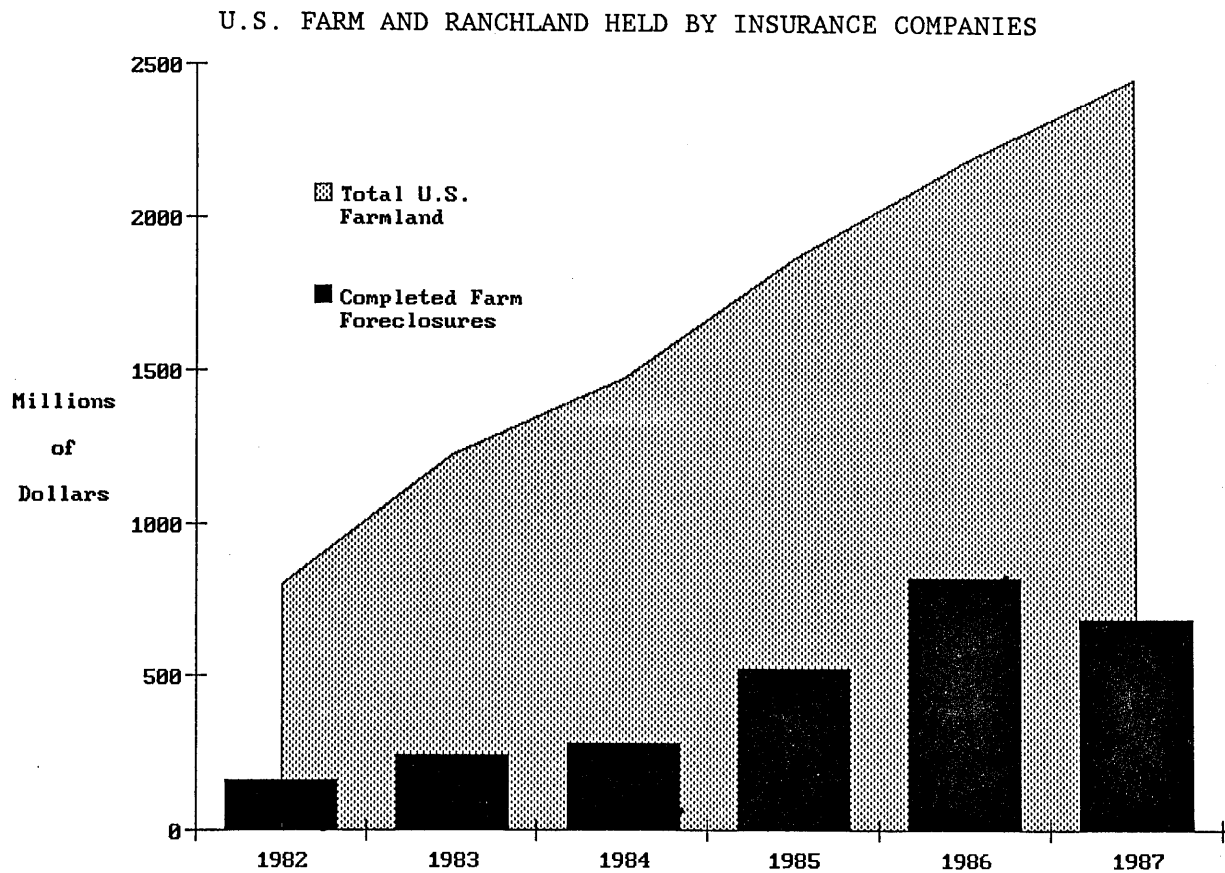
This report updates farm foreclosure and acquisition activities of insurance companies initially reported in a 1986 study. In this report farmland holdings for 1986 are revised and compared to estimated holdings in 1987. As with the 1986 study, this report concentrates on midwest farmland acquisitions. Farm holdings in eight midwest states are tabulated by individual companies. The intent of this report is to provide a central source of reliable information on insurance companies' agricultural activities, in particular the industries' farm real estate activities.¹

EXTENT OF FARMLAND OWNERSHIP BY INSURANCE COMPANIES

Insurance companies continued to acquire farmland at a rate slightly below the post-depression record rate of 1986 through foreclosure and other debt settlement arrangements last year. As shown in Figure 1, insurance companies reported farm holdings in book value terms of \$2.5 billion at the end of 1987, three times the reported value held in 1982.² (See Tables A1 and A2.) The industry also held 47,000 outstanding farm loans valued at \$9.1 billion at the end of 1987. Insurance companies completed foreclosure on 1,515 farm properties valued at \$692 million last year compared to 1,654 farm

properties valued at \$828 million two years ago. Over the last six years insurance companies have completed foreclosure on over 5,000 farm properties worth over \$2.7 billion at the time of foreclosure (see Table A3).

Figure 1.



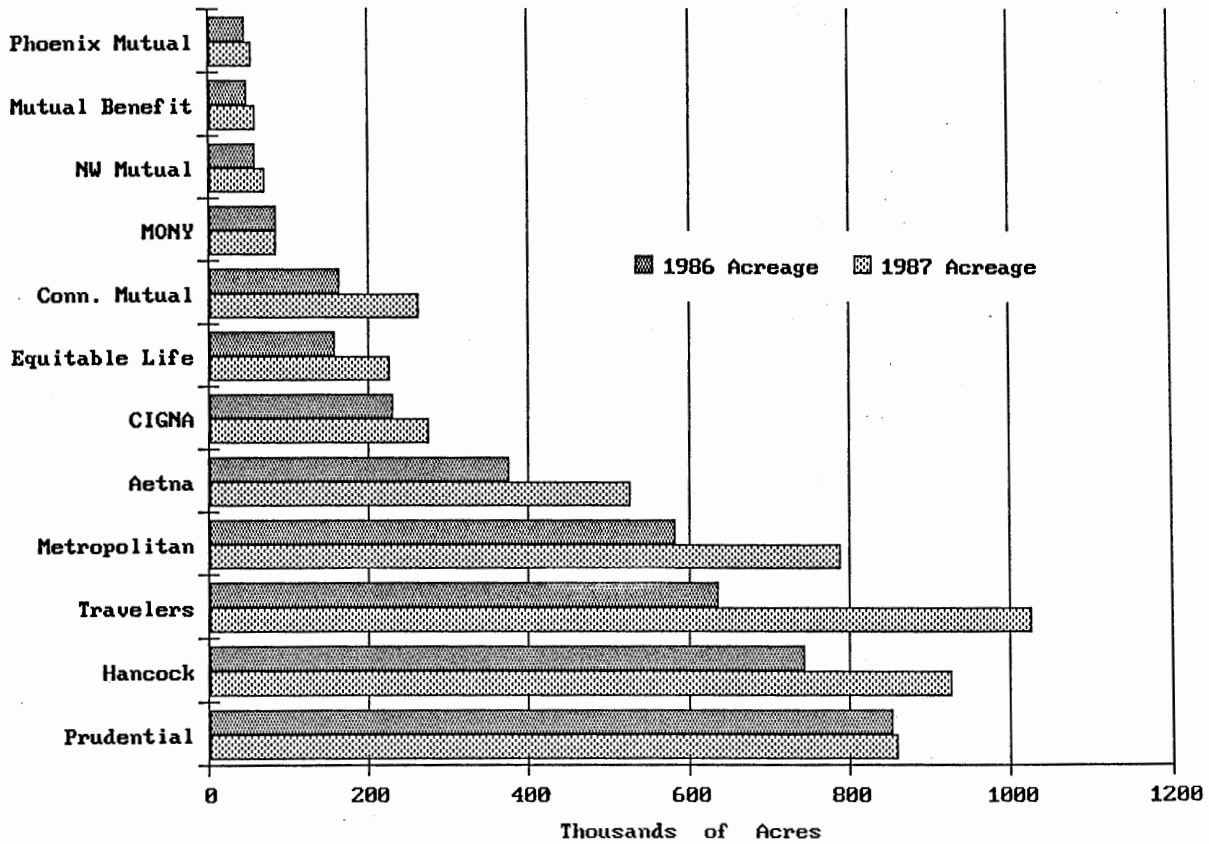
Farmland acquired by the industry during 1987 through foreclosure or other loan workouts is estimated to have totaled 2 million acres.³ An estimated 265,000 acres acquired last year were sold by the end of 1987 along with 490,000 acres acquired through investment or foreclosure prior to 1987. Net addition to the industries' farm inventory totaled 1.2 million acres last year, bringing total holdings at the end of 1987 to an estimated 5.2 million acres. Approximately 4 million acres of the inventory, or slightly more than

75 percent of industry holdings, have been acquired through foreclosure and other debt settlement arrangements during the 1980s. The remaining 1.2 million acres were directly purchased in the 1970s and early 1980s as investment properties.

Although twelve insurance companies own more than 50,000 acres each, ownership is concentrated in five companies. The leading farmland holding companies as displayed in Figure 2, continue to be Travelers, Hancock, Prudential, Metropolitan, and Aetna. These five companies combined own 80 percent of all industry holdings. Last year they accounted for 72 percent of all land transferred to insurance companies. Travelers acquired the most forfeited farmland last year, gaining title to just under 500,000 acres. The seven other companies with substantial holdings own between 50,000 and 225,000 acres. Insurance companies were actively selling forfeited farmland last year although at a much slower pace than other farm lenders with repossessed farmland. CIGNA and Prudential were the most active sellers, each selling more than 200,000 acres while Travelers, Hancock, Metropolitan and Equitable Life disposed of 240,000 acres collectively during 1987.

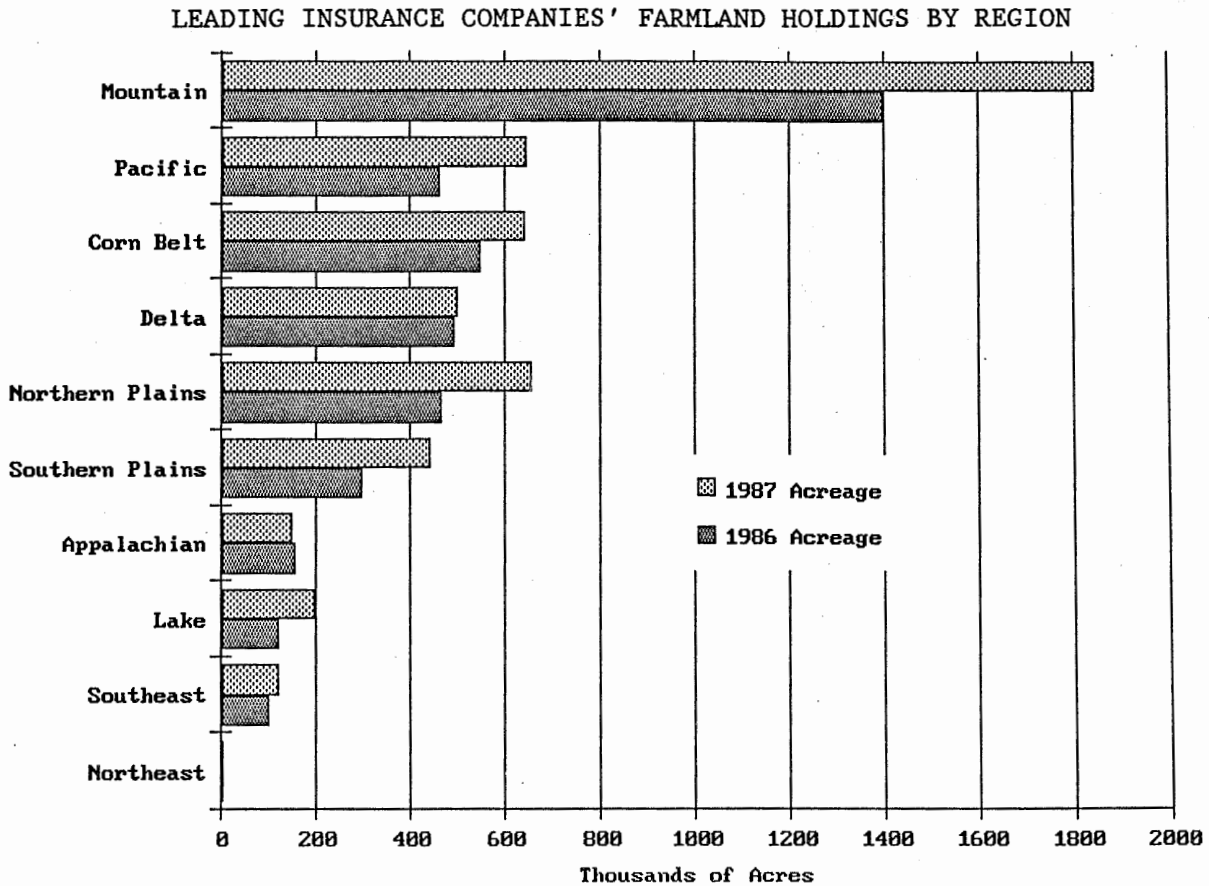
Figure 2.

ESTIMATED FARM AND 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 600,000 acres in Montana (see Table A4). Estimated farm and ranch acreage by region are shown in Figure 3. In the eight-state Mountain region insurance companies hold a number of large ranch properties acquired through investment and foreclosure. Large tracts of investment farmland are also owned by insurance companies in California, Florida, Louisiana, Mississippi, Nebraska, North Carolina and Oregon.

Figure 3.



The bulk of foreclosure activity in 1987 as in previous years was centered in the midwest. Nearly 70 percent of total industry farm foreclosures completed last year occurred in Corn Belt, Lake, or Northern Plains states (see Table A5). Foreclosures were heaviest in Iowa, Minnesota and Nebraska last year. These states also had the most insurance industry farm foreclosures in 1986 along with Missouri. Acreage held by insurance companies jumped by more than 50 percent in the Lake and Southern Plains regions between 1986 and 1987. In the Pacific, Mountain and Northern Plains regions insurance company-owned acreage increased by more than 30 percent in 1987. Slower foreclosure action and disposal of farmland in the Southeast, Delta, and Appalachian regions kept farm acreage owned by the industry almost unchanged from 1986.

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. Presented below is a brief summary of farm holdings owned by the leading farmland holding insurance companies. Acreage listed for the first seven companies was reported by the companies in their annual statements filed with the Minnesota Department of Commerce. Acreage totals reported for the last five companies are estimates based on farm real estate values reported in annual statements and average state farmland prices for 1987. (For additional farm mortgage and foreclosure information by company see Tables A6-A9.)

Travelers

Travelers has acquired the most farmland through foreclosures having acquired close to 1 million acres of forfeited farmland since 1982. Last year the company added almost 500,000 acres through repossession, including 135,000 in Texas, 71,000 in Colorado, and 53,000 in California. Travelers also owns more than 50,000 acres in Minnesota, Mississippi, Nebraska and Oklahoma. Between 20,000-50,000 acres are owned by the company in Georgia, Idaho, Iowa, Kansas, Washington, and Wyoming.

Altogether the company owns 750 farm properties across thirty-three states. Last year an additional 250 parcels were acquired while 120 were sold. Only 30 properties are investment properties covering roughly 40,000 acres mainly in Colorado, Arkansas, California, Illinois, Texas and Wyoming.

Hancock

Hancock owns more than 600 farm properties spread across thirty-four states. In 1987 the company acquired 190 farm properties while disposing of 80. In acreage terms, Hancock owned 927,000 acres of farmland at the end of 1987, having acquired 258,000 acres last year and selling 73,000 acres. Although most of the company's holdings have been acquired through foreclosures, the company has, in the past, invested in farmland. Investment acres total roughly 100,000 acres across 30 properties primarily in North Carolina, California, Colorado, Florida, Louisiana, Illinois, Indiana, Ohio and Washington. The company has acquired more than 50,000 acres of forfeited farmland in California, Colorado and Montana.

Metropolitan

During 1987, Metropolitan added 250,000 acres of forfeited farmland to its inventory and sold off 68,000 acres, increasing the company's inventory to 787,000 acres. The inventory is scattered across twenty-six states and consists of 620 farm properties. Approximately 120,000 acres are investment properties located primarily in California, Florida, Illinois, Washington and Oregon. Metropolitan sold 150 properties last year while acquiring 200 foreclosed farm parcels. The company has acquired substantial acreage in Iowa, Montana, Nebraska, and Wyoming through foreclosure.

CIGNA

CIGNA, unlike most insurance companies, has been aggressively marketing its farm inventory, selling 120 farm properties last year to reduce total properties held to 100. Total acres owned increased, however, last year due to acquisition of large ranch parcels in Nevada and New Mexico. During 1987,

260,000 acres were acquired and 215,000 were sold leaving farmland inventory at 275,000 acres. In addition to large holdings in Nevada and New Mexico, CIGNA holds large tracts in Texas, Colorado, Idaho, Kansas, and Utah. Except for 19,000 ranch acres in Colorado, all farmland owned by CIGNA has been acquired through repossession.

Connecticut Mutual

Connecticut Mutual farmland inventory increased to 263,000 acres in 1987 as the company acquired 120,000 acres while selling 20,000 acres last year. A large percentage of Connecticut Mutual's holdings are ranches located in Arkansas, Colorado, Nebraska, Montana, Oregon, South Dakota, Texas and Washington. The company acquired 19 farm parcels and disposed of 10 parcels in 1987 leaving 51 parcels in inventory.

Mutual Benefit

Mutual Benefit added 75 farm properties to its inventory of acquired farmland in 1987 while selling 40 farm properties, bringing the total acquired farm properties to 230. The company held 57,000 acres of farmland at the end of last year. Approximately 21,000 acres were acquired in 1987 and 12,000 acres were sold. Company holdings are located mostly in Iowa, Missouri, Ohio, Kentucky and Minnesota. All farm acquisitions have resulted from foreclosure or other debt settlement means.

Phoenix Mutual

Phoenix Mutual acquired 9,000 acres during 1987, increasing farmland holdings to 55,000 acres. The company has sold 5,000 acres over the last two years, but only 1,000 acres in 1987. Last year the company added 30

properties to its inventory, which at the end of 1987 numbered 170. During the 1970s and early 1980s, Phoenix Mutual invested in 12,000 acres spread across 30 farm parcels mainly in Illinois and Indiana. Phoenix Mutual's foreclosed farmland is located in the midwest, primarily in Missouri, Iowa, Ohio, Minnesota, Illinois and Indiana.

Prudential

Prudential was the most active investor in farmland among 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 24 farm investment properties but still owned 38 farm investment properties covering 650,000 acres at the end of 1987.

The company has actively marketed forfeited farmland, selling half of the 160 foreclosed properties acquired during 1987 before the end of the year. An additional 67 properties, foreclosed on before 1987, were also disposed of last year. Total farmland inventory remained nearly unchanged from 1986, totaling 860,000 acres in 1987. The company owns 140 farm properties located across twenty-one states.

Aetna

Aetna owns a number of large tracts of ranchland in Montana amounting to nearly 300,000 acres acquired through foreclosures before 1987. Total farmland inventory increased by 150,000 acres last year to 522,000 acres with the addition of 45 farm properties. Aetna has sold a limited number of forfeited farm properties, leaving 200 farm properties in inventory. Holdings are above 10,000 acres in California, Indiana, Iowa, Louisiana, Minnesota, Missouri, New Mexico, Ohio and Wyoming.

Equitable Life

Equitable Life foreclosed on more farms during 1987 than any previous year, adding 170 farm properties to its inventory. The company also sold 50 farm properties last year, leaving 360 properties in inventory. Total acreage owned increased to 228,000 acres dispersed over thirty states. Acquired acres in 1987 totaled 100,000 and acreage sold was 35,000 acres. All of the inventory is forfeited land. Major holdings are in Missouri, Nebraska and South Dakota. The company also owns more than 10,000 acres in Arkansas, Iowa, Kansas and Kentucky.

MONY

MONY is one of two companies to keep its farmland inventory from growing in 1987. By selling 40,000 acres in 1987, MONY offset the 39,000 acres it acquired last year. Almost all of MONY's 190 farm properties are foreclosed farms. Last year the company acquired 70 properties while selling 80 properties. A large share of the company's 82,000 acres are in Missouri, Montana, Washington and California.

Northwestern Mutual

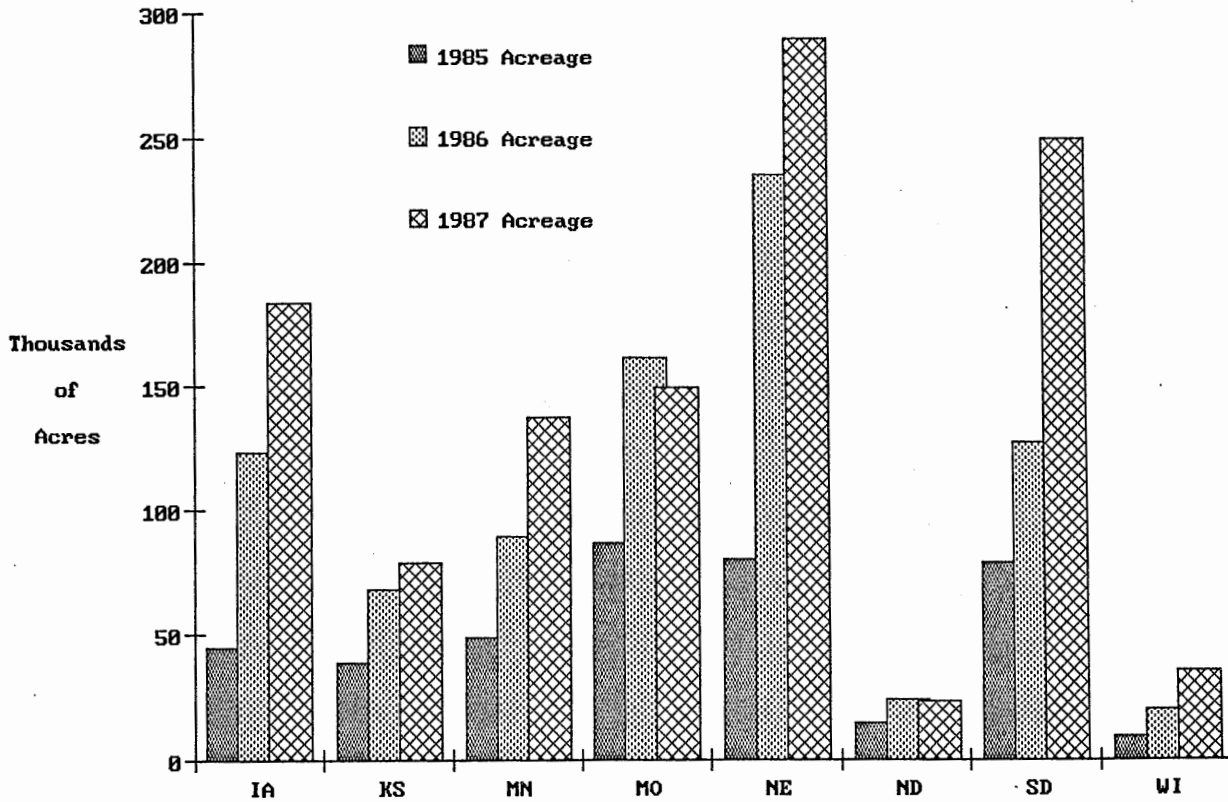
Farmland owned by Northwestern Mutual increased to 67,000 acres last year from 57,000 acres in 1986. The company owns 35 farms located in eleven states. More than half of the inventory is in either California, Colorado, or South Dakota. Northwestern Mutual sold 11 properties in 1987 covering 10,000 acres.

MIDWEST FARMLAND ACQUISITIONS

Repossession of midwest farmland by insurance companies continued to be heavy last year, increasing acreage owned by the industry to 1.2 million acres in the eight-state area focused on in the study. During 1987, the industry acquired 492,000 acres of forfeited farmland in the eight states and disposed of 120,000 acres, increasing industry holdings by 34 percent since 1986. Acreage owned by the industry decreased slightly in Missouri and North Dakota, increased moderately in Kansas and Wisconsin, and expanded rapidly in Iowa, Minnesota, Nebraska and South Dakota. Figure 4 displays foreclosed farmland held by insurance companies in each state over the last three years.

Figure 4.

ESTIMATED MIDWEST FARM ACREAGE HELD BY LEADING LIFE INSURANCE COMPANIES



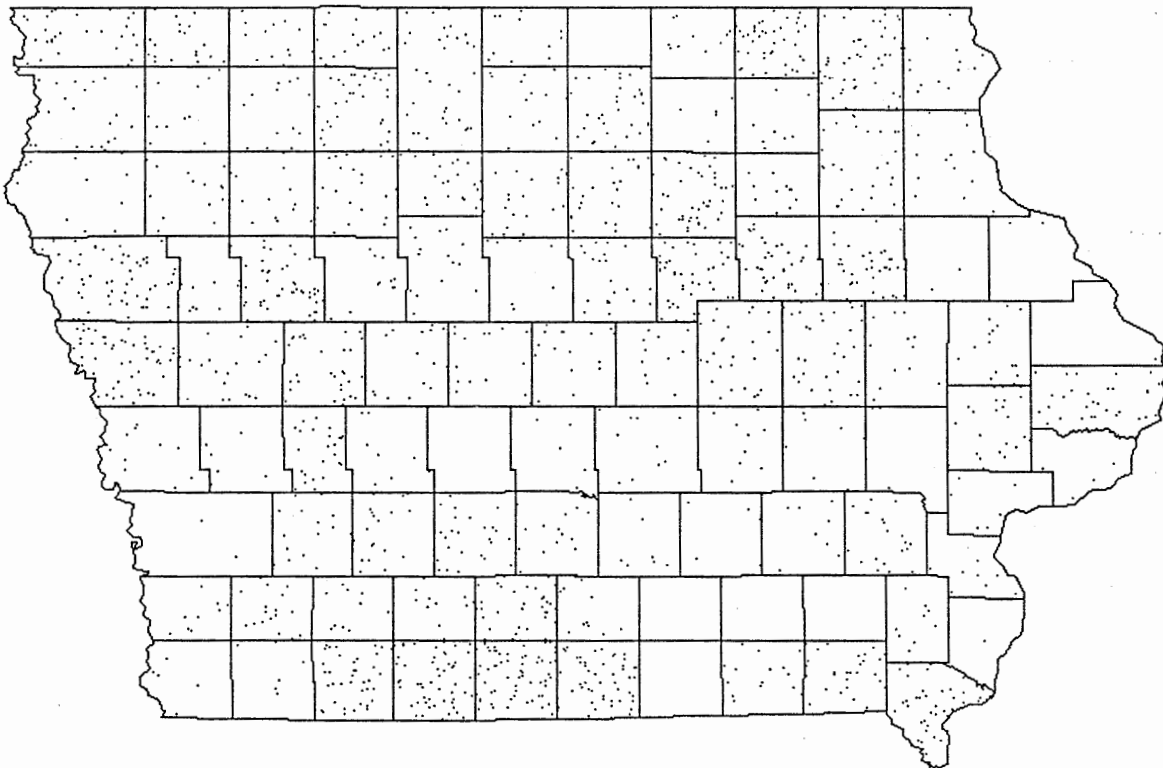
Insurance companies reported ownership of more than 1,600 farm properties across the eight-state area in 1987 compared to 1,280 in 1986. Almost 700 farm properties were acquired via foreclosure during the year, while 300 repossessed properties, acquired during 1987 or before, were sold. Metropolitan and Travelers continued to hold the largest inventories of midwest farmland in terms of acreage. Equitable Life, Hancock and Prudential also hold substantial amounts of farm acreage in the midwest (see Table A10). A summary of industry holdings in each state is presented below, along with a state map showing geographical distribution of acreage held (dots represent 100 acres on the maps).

Iowa

The insurance industry acquired an additional 77,000 acres of forfeited farmland in Iowa last year as industry holdings increased to 184,000 acres. More farms have been foreclosed by insurance companies in Iowa than in any other state. Insurance company-owned farmland is spread over 630 farm properties, up from 410 in 1986. Metropolitan owns 220 Iowa farm properties totaling 62,000 acres. Mutual Benefit owns 29,000 acres spread over 120 farm properties and Travelers holds 65 farm properties totaling 23,000 acres. Hancock, with title to 95 Iowa farms, owns 24,000 acres. As Figure 5 shows, insurance company-held farmland is scattered across the state.

Figure 5.

1987 IOWA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES

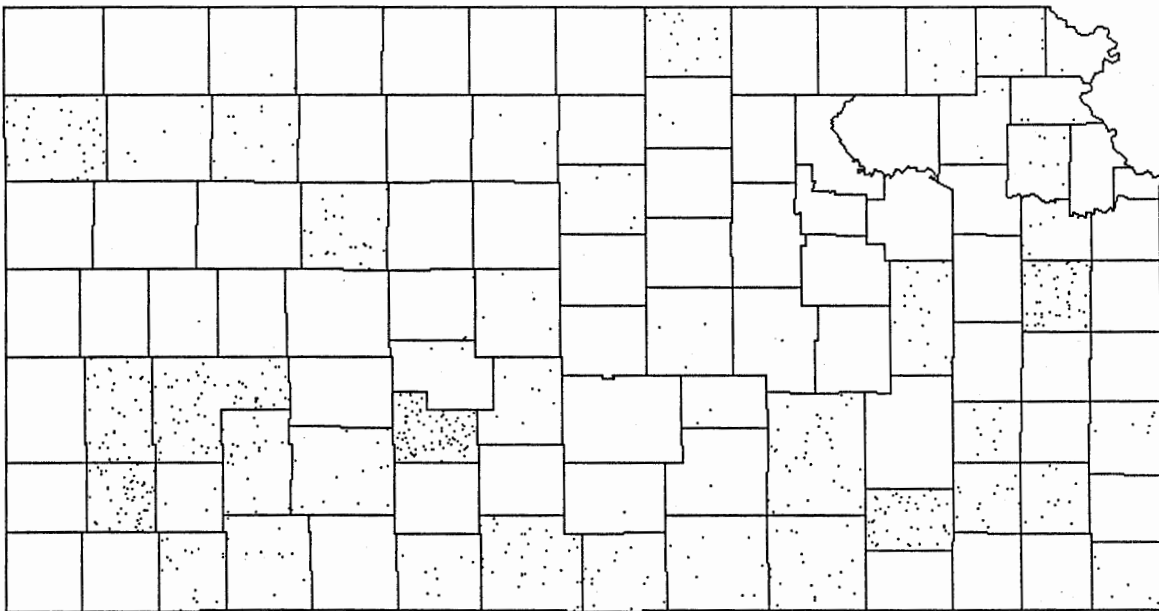


Kansas

Insurance companies acquired 55 farm properties in Kansas last year covering 40,000 acres. Companies sold 31 Kansas farm properties totaling 25,000 acres during 1987, leaving insurance industry holdings at 79,000 acres spread over 75 farm properties at the end of 1987. Travelers holds the most acreage with 25 farm parcels covering 24,000 acres. Equitable Life and Metropolitan each own 16 farm properties covering more than 13,000 acres. CIGNA owns 13,000 acres, including several large ranch properties in western Kansas. The industry holds farmland in half of the state's counties, as shown in Figure 6.

Figure 6.

1987 KANSAS FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES

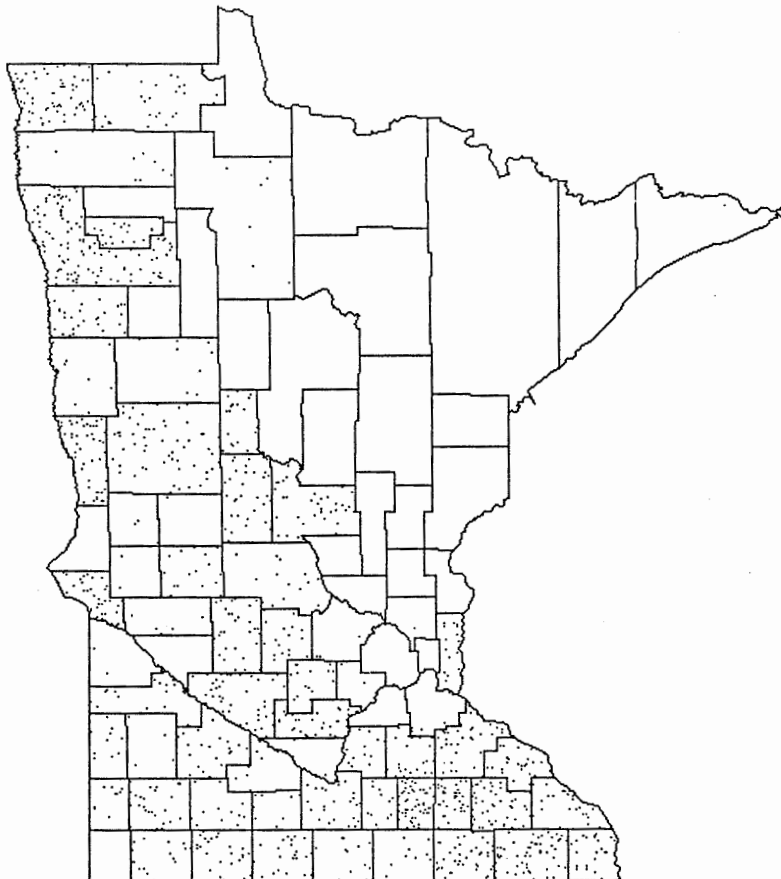


Minnesota

Travelers owns more than 40 percent of the industry's 137,000 acres of forfeited farmland in Minnesota. The industry's inventory of forfeited farmland expanded by 55,000 acres last year, led by Travelers' 27,000 acres of forfeited farmland. Travelers owns approximately 110 farm properties, or about a third of the 300 Minnesota farm parcels held by the industry. Metropolitan owns 80 farm properties covering 24,000 acres, and Hancock owns 16,000 acres spread over 40 farm holdings. Aetna is also a major land holder with 15,000 acres of Minnesota farmland spread over eight large parcels in northwest Minnesota. Industry holdings are located throughout the state as shown in Figure 7.

Figure 7.

1987 MINNESOTA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



Missouri

Missouri farmland held by insurance companies is divided among a number of companies. Eight companies own more than 10,000 acres each. In acreage terms the largest owners of forfeited farmland are Equitable Life, Hancock, and MONY each with holdings above 20,000 acres. Total industry inventory decreased slightly last year, falling from 162,000 to 150,000 acres. The decrease was due to a slow-down in repossession activity and an increase in sale of forfeited farmland. Insurance companies sold more forfeited farmland in Missouri last year than in any other midwest state. Companies acquired 34,000 acres last year but sold 46,000 acres. Total number of farm properties held by the industry dropped from 315 in 1986 to 285 in 1987. Acreage held by the industry is concentrated in northern Missouri and in the southeast as shown in Figure 8.

Figure 8.

1987 MISSOURI FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES

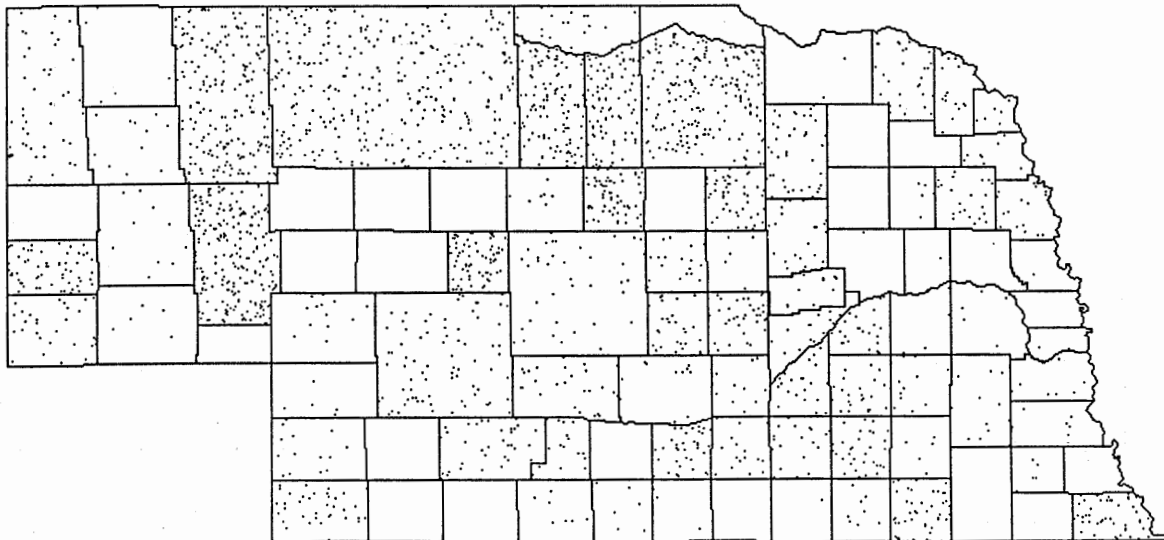


Nebraska

Insurance companies own more than 290,000 acres of farm and ranchland in Nebraska spread over 255 farm properties. Industry holdings are larger only in California, Colorado, Montana and Texas. During 1987 the industry acquired 112,000 acres while selling 59,000 acres. Travelers is the largest land holder, owning 60 farm properties covering 95,000 acres. Prudential, with forfeited and investment properties, owns 51,000 acres, while Metropolitan owns 54,000 acres of forfeited farmland. Equitable Life and Hancock also own substantial acreage with holdings exceeding 30,000 acres each. The industry holds both farm and ranch properties, as displayed in Figure 9.

Figure 9.

1987 NEBRASKA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES

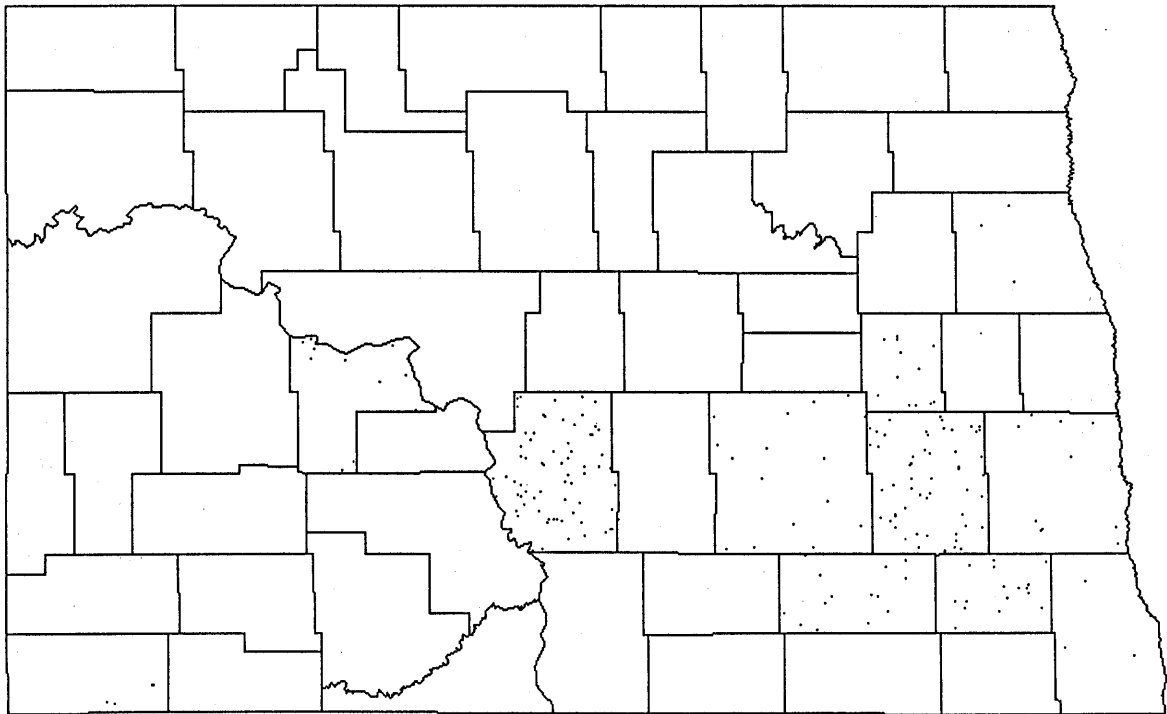


North Dakota

North Dakota has had the least amount of farmland acquired by insurance companies among the midwest states. Acres held by the industry fell last year from 25,000 to 24,000 acres as the industry acquired 6,000 acres and sold 7,000 acres. Acreage owned is divided into 19 farm properties of which Metropolitan owns 6, covering 10,000 acres. Over half of the farmland owned in North Dakota by insurance companies is in two counties, as shown in Figure 10.

Figure 10.

1987 NORTH DAKOTA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES

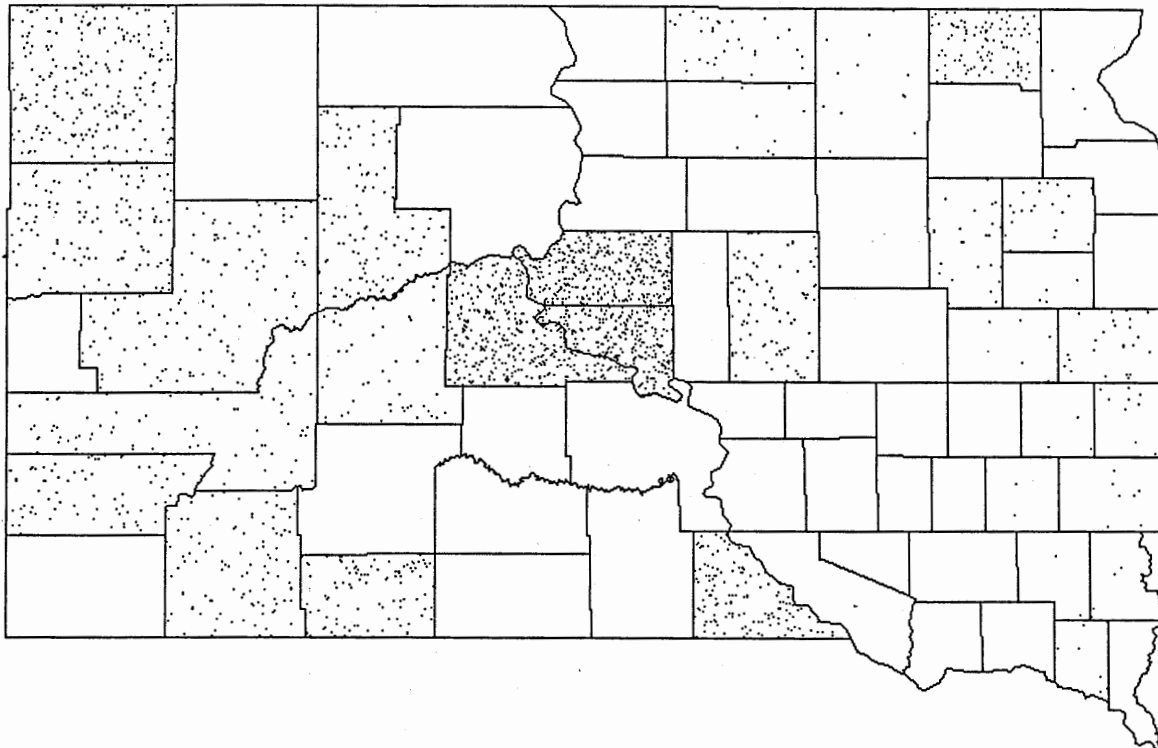


South Dakota

South Dakota farmland held by insurance companies nearly doubled in 1987, increasing to 251,000 acres from 128,000 acres. Much of the increase came from large ranch foreclosures by Metropolitan and Prudential in the central part of the state. Acreage sold by the industry during 1987 totaled 18,000 acres, while 142,000 acres were acquired. Ten of the fifty farm properties held by insurance companies in South Dakota are large ranch tracts. In addition to Metropolitan and Prudential, other companies owning large ranch parcels are Connecticut Mutual, Equitable Life and Northwestern Mutual. Over three-fourths of industry holdings are concentrated in ten of the state's sixty-six counties as revealed in Figure 11.

Figure 11.

1987 SOUTH DAKOTA FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES

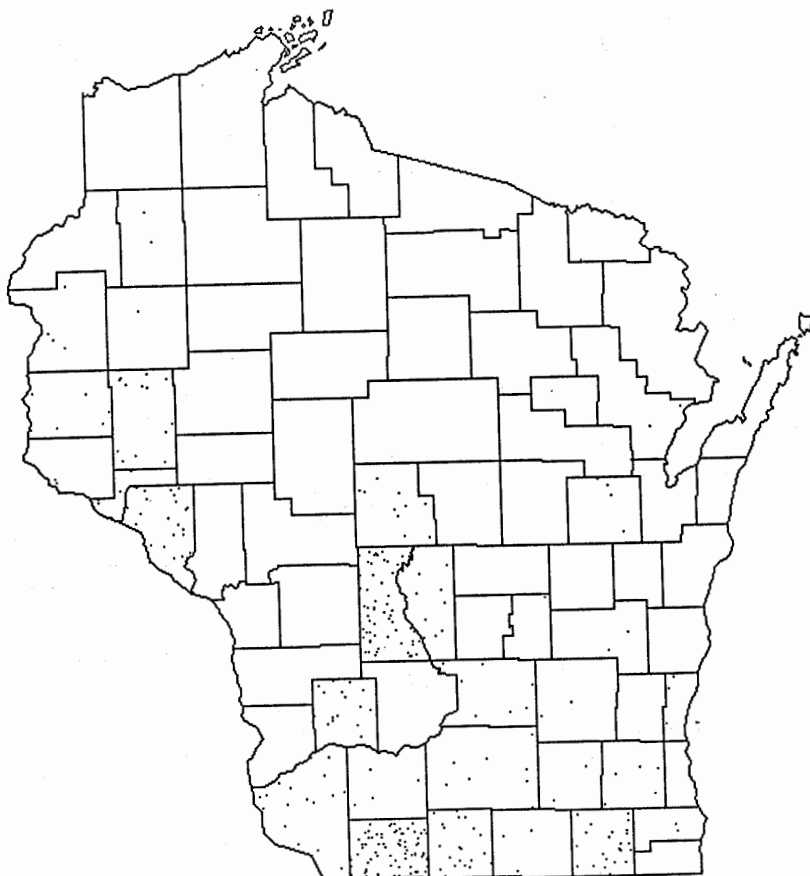


Wisconsin

Farm acreage held by insurance companies in Wisconsin reached 36,000 acres in 1987, 70 percent more than a year earlier. The industry acquired 23,000 acres during 1987 and sold 7,000 acres. The number of farm properties owned by the industry increased to 75 last year, up from 60 in 1986. Major land holders in Wisconsin are Hancock, Aetna and Travelers. Hancock owns 11,000 acres, Aetna owns 11,000 acres, and Travelers owns 4,000. Figure 12 displays the spatial distribution of insurance company-held farmland in Wisconsin.

Figure 12.

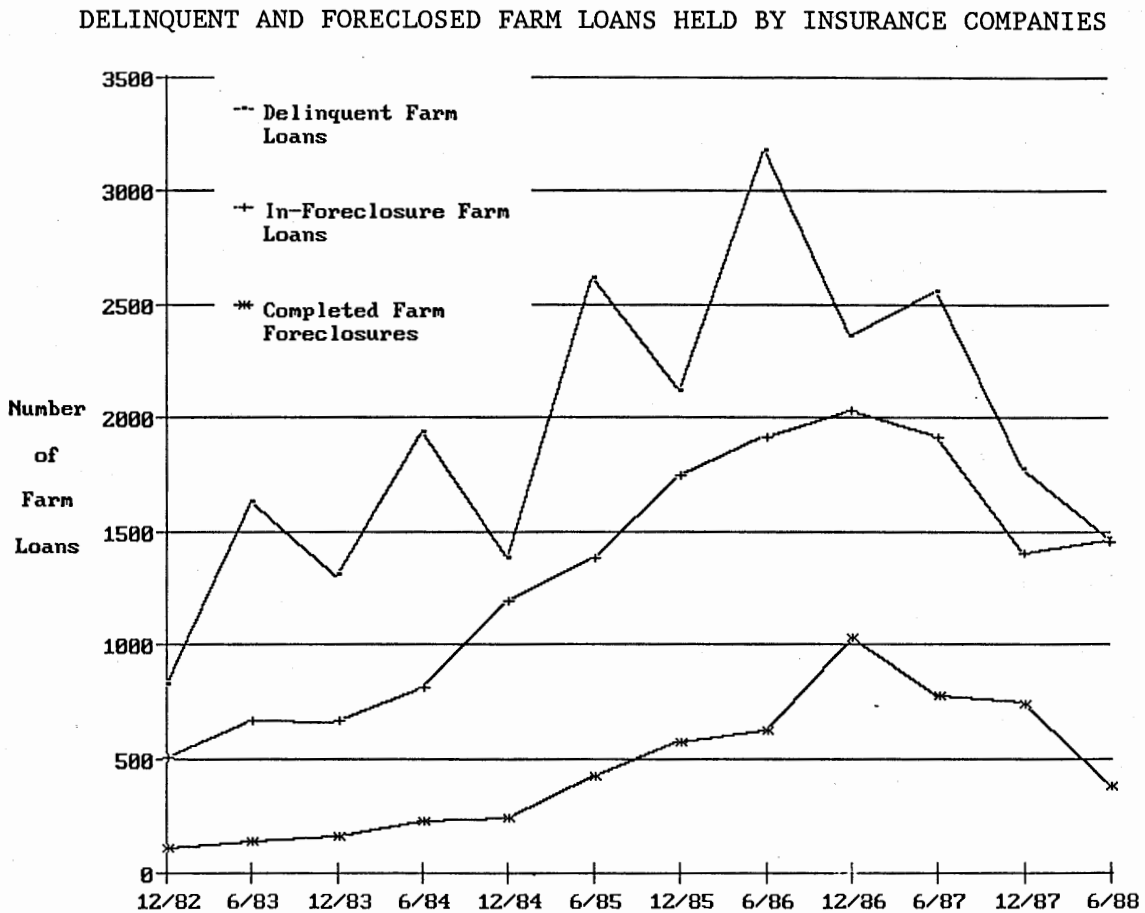
1987 WISCONSIN FARMLAND HELD BY LEADING LIFE INSURANCE COMPANIES



OUTLOOK FOR INSURANCE COMPANIES' ACTIVITIES

The number of troubled farm real estate loans held by insurance companies has decreased significantly since mid-1986, yet remains high compared to normal delinquency rates experienced prior to the onset of farm financial stress in 1982. Insurance companies reported holding 5,000 farm loans in the middle of 1986 which were either delinquent (interest payments in arrears more than 90 days) or in the process of foreclosure. At the end of 1987 troubled loans had fallen to 3,200 and continued to fall during the first half of 1988, totaling 2,900 at the end of June, 1988. Trouble loans have not been below 3,000 since the end of 1984. Recent delinquency and foreclosure numbers of insurance company-held farm mortgages are shown in Figure 13.⁴

Figure 13.



Over the last five years 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. Based on this average and the 1,458 loans classified as in-foreclosure in June 1988, insurance companies are likely to complete foreclosure on 800-900 farm properties in 1988. In the first half of 1988, the industry reported 385 completed foreclosures. The 800-900 farm foreclosures total would be more than 30 percent less than completed foreclosures in each of the previous two years. If the geographic distribution of foreclosures completed in 1988 is similar to recent years, foreclosed acreage acquired in 1988 will likely exceed one million acres.

The net growth of insurance company-held farmland during 1988 is difficult to predict since the rate at which insurance companies will be able to dispose of acquired acreage is contingent on possible drought-induced slowdown of farm real estate activity. Prior to the drought, farmland prices had begun to recover after dropping for six years. The market for farmland is likely to soften during 1988 in response to increased uncertainty about farm income created by the drought. Most of the companies appear ready to market their land, however, as indicated by increased land marketing in 1987. During 1987, most insurance companies disposed of more farmland than in 1986 but still at rates far below other farm lenders. Overall, it appears that the industry's inventory of farmland will continue to expand during 1988 but should stay below 6 million acres.

The impact of the drought on insurance companies' farm loan portfolio and farmland acquisitions beyond 1988 is unclear at this time. Before the drought, agricultural finance experts estimated 70 to 80 percent of potential farm loan losses for lenders generated by the farm financial crisis had already been written off by the end of 1987.⁵ The lower number of foreclosed

insurance company farm loans during the first half of 1988 corresponds with this estimate. A large share of the industry's outstanding farm loans, however, are located in the more severely drought affected farm areas, including most farm areas in the eight midwest states reported on here.

Another round of foreclosures starting in 1989 may develop in drought-affected areas if the worst drought scenario materializes. The worst drought scenario would include lower than predicted harvest and continuation of drought conditions into 1989. Working against another round of foreclosures are 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. Lastly, the government drought relief program will help erase some of the drought-related income loss. The drought is likely to prolong farm foreclosures and acquisition activities by insurance companies through 1990. If the drought continues to linger, insurance companies, like other lenders, will again be faced with serious farm loan problems, eventually resulting in more foreclosures.

SUMMARY

Farmland inventories held by life insurance companies continued to grow in 1987 as financial problems of farmers continued to lead to foreclosure and other debt settlement arrangements with insurance companies. Insurance company-owned farm acreage increased in net by 1.2 million acres last year, increasing total farmland held by insurance companies to 5.2 million acres. Acreage held by the industry at the end of 1987 was 30 percent higher than a year earlier. This gain was roughly the same as in 1986.

In the eight-state midwest area concentrated on in the study, acreage held by insurance companies increased by over 34 percent during 1987, totaling 1.2 million acres by the end of the year. Industry holdings in the eight-state area are spread across 1,600 farm properties. As in 1986, insurance companies foreclosed on more farms in the midwest than in any other area of the nation.

Industry farm holdings will continue to grow in 1988 but probably at a rate substantially below the last two years. Foreclosures will be down in 1988 and sale of forfeited land, which began in earnest in 1987, should leave insurance companies with title to slightly less than 6 million acres by the end of 1988.

FOOTNOTES

1. 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).
2. Valuation and acreage totals reported in the 1986 study included timberland owned by insurance companies. In this report, insurance farmland that was clearly identified as timberland in annual reports was excluded from valuation and acreage totals. Valuation and acreage totals for previous years were also adjusted to exclude timberland.
3. Seven companies list farm properties by value and acreage in their annual statements filed with state insurance regulators. The other companies list only value of property. State acreage estimates for these companies were calculated by dividing value of farm holdings by 1987 state farmland values as reported by the USDA (USDA, Economic Research Service, *Agricultural Land Values and Markets: Situation and Outlook Report*, AR-6, July 1987). For the eight midwest states concentrated on in the study, state acreage estimates for companies reporting only value of holdings were calculated by dividing value of farm holdings by county average acre values listed by the seven insurance companies reporting value and acreage.
4. The industry revised its survey technique during 1988, so 1988 figures may not be directly comparable to past years.
5. 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>
NORTHEAST					
Connecticut	0.0	0.0	0.0	1.4	0.0
Delaware	0.0	0.0	0.0	0.0	0.0
Maine	0.0	0.0	0.0	0.0	0.0
Maryland	0.0	0.1	5.1	2.5	2.5
Massachusetts	0.0	0.0	0.0	0.0	0.0
New Hampshire	0.0	0.0	0.0	2.0	0.3
New Jersey	0.0	0.0	0.0	0.0	0.9
New York	0.0	0.0	1.1	1.2	0.1
Pennsylvania	0.1	0.0	0.9	0.4	0.0
Rhode Island	0.0	0.0	0.0	0.0	0.0
Vermont	0.0	0.0	0.0	0.0	0.0
TOTAL	0.1	0.1	7.1	7.5	3.8
APPALACHIA					
Kentucky	0.1	0.0	14.2	27.2	24.9
North Carolina	2.0	20.0	96.7	75.0	79.2
Tennessee	0.4	2.8	21.2	24.2	18.3
Virginia	0.7	0.7	1.0	1.0	1.0
West Virginia	0.0	0.0	0.0	0.0	0.0
TOTAL	3.2	23.5	133.1	127.4	123.4
SOUTHEAST					
Alabama	1.0	1.0	16.5	16.6	17.2
Florida	2.5	5.7	66.4	50.4	82.4
Georgia	1.2	3.4	35.5	29.3	42.0
South Carolina	4.1	4.1	13.9	5.8	6.7
TOTAL	18.8	14.2	132.3	102.1	148.3
DELTA STATES					
Arkansas	1.2	23.0	138.9	107.4	105.6
Louisiana	0.5	0.3	80.1	67.0	59.5
Mississippi	1.4	44.5	166.9	167.9	158.2
TOTAL	3.1	67.8	385.9	342.3	323.2
CORN BELT					
Illinois	1.2	17.3	102.5	127.3	139.8
Indiana	1.7	2.6	119.4	101.1	108.1
Iowa	0.3	0.2	21.1	111.2	154.9
Missouri	0.9	2.4	39.1	88.8	79.2
Ohio	0.0	0.5	71.1	75.1	75.5
TOTAL	4.1	23.0	353.2	503.5	557.5

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

SOURCE: 1974-1984 values from Life Insurance Factbook, American Council of Life Insurance, various years. 1986-87 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>
Aetna	22.6	59.9	74.9	117.2	168.7	209.4
CIGNA	37.4	50.5	70.9	68.2	69.5	62.9
Connecticut Mutual	11.3	22.7	25.1	30.3	43.8	52.2
Equitable Life	2.0	11.1	24.6	44.4	91.2	118.0
John Hancock	106.2	188.5	243.4	292.5	371.3	443.5
Metropolitan	16.2	69.9	113.4	206.5	289.6	371.3
MONY	7.1	19.3	38.2	37.6	53.9	51.5
Mutual Benefit	3.4	3.0	11.6	31.4	50.1	54.4
Northwestern Mutual	19.5	20.4	25.4	26.1	35.7	46.0
Phoenix Mutual	24.9	33.1	39.0	37.8	41.0	49.5
Prudential	466.7	593.9	619.5	754.5	585.3	480.3
Travelers	67.4	137.2	164.6	211.5	370.9	509.2
Others	21.5	21.5	26.5	15.3	20.0	11.2
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TOTAL	806.2	1,231.0	1,477.1	1,873.3	2,191.0	2,459.4

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

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

* = less than 1,000 acres

TABLE A5

FARM MORTGAGES AND FORECLOSURES IN 1986-87
 BY LEADING LIFE INSURANCE COMPANIES - BY STATE
 (in millions of dollars)

	<u>Farm Foreclosures</u>				<u>1987 Farm Mortgages</u>	
	<u>Numbers</u>		<u>Amount</u>		<u>Numbers</u>	<u>Amount</u>
	1986	1987	1986	1987		
NORTHEAST						
Connecticut	0	0	0.0	0.0	4	1.6
Delaware	0	0	0.0	0.0	11	1.4
Maine	0	0	0.0	0.0	0	0.0
Maryland	1	0	0.7	0.0	57	15.2
Massachusetts	0	0	0.0	0.0	1	0.5
New Hampshire	0	0	0.0	0.0	2	3.5
New Jersey	1	2	0.2	0.2	19	1.7
New York	2	2	0.5	0.3	106	17.9
Pennsylvania	0	0	0.0	0.0	240	20.0
Rhode Island	0	0	0.0	0.0	0	0.0
Vermont	0	0	0.0	0.0	3	2.4
TOTAL	4	4	1.4	0.5	443	64.2
APPALACHIA						
Kentucky	13	9	7.0	3.2	657	166.4
North Carolina	5	1	5.9	0.2	175	37.5
Tennessee	10	4	3.5	2.2	238	44.8
Virginia	0	0	0.0	0.0	102	24.5
West Virginia	0	0	0.0	0.0	9	21.7
TOTAL	28	14	16.4	4.5	1,181	294.9
SOUTHEAST						
Alabama	7	6	5.5	4.1	195	59.5
Florida	3	6	1.1	12.1	508	526.9
Georgia	15	11	5.2	9.4	325	147.0
South Carolina	1	1	1.1	0.1	81	22.1
TOTAL	26	24	12.9	25.7	1,109	755.5
DELTA STATES						
Arkansas	49	50	29.2	29.7	1,349	263.4
Louisiana	12	12	17.9	18.0	327	176.7
Mississippi	34	15	27.9	10.1	808	199.2
TOTAL	95	77	75.0	57.8	2,484	639.3
CORN BELT						
Illinois	97	114	41.8	37.6	4,140	512.3
Indiana	69	55	26.5	15.6	2,589	328.8
Iowa	340	280	71.8	65.8	7,204	637.3
Missouri	154	63	45.8	16.8	2,296	261.5
Ohio	54	46	18.0	14.9	1,272	162.1
TOTAL	714	558	203.9	150.7	17,501	1,902.0

	<u>Farm Foreclosures</u>				<u>1987 Farm Mortgages</u>	
	<u>Numbers</u>		<u>Amount</u>		<u>Numbers</u>	<u>Amount</u>
	1986	1987	1986	1987		
LAKE STATES						
Michigan	3	8	1.2	11.2	318	48.6
Minnesota	146	150	26.5	40.9	2,751	266.2
Wisconsin	27	31	11.2	18.5	361	79.6
TOTAL	176	189	38.9	70.6	3,430	394.4
NORTHERN PLAINS						
Kansas	35	54	11.8	14.7	3,131	228.7
Nebraska	141	130	37.3	34.8	4,688	464.3
North Dakota	4	7	3.6	3.5	252	42.6
South Dakota	24	21	14.0	15.5	684	72.6
TOTAL	204	212	66.7	68.5	8,760	808.2
SOUTHERN PLAINS						
Oklahoma	12	17	7.1	11.5	1,252	123.5
Texas	67	54	51.3	50.0	2,309	692.1
TOTAL	79	71	58.4	61.5	3,561	815.6
MOUNTAIN						
Arizona	0	0	0.0	0.0	260	140.3
Colorado	45	50	47.2	30.6	1,210	225.0
Idaho	11	33	8.3	16.9	968	211.6
Montana	40	32	45.2	18.9	790	270.1
Nevada	1	12	0.5	18.9	82	64.0
New Mexico	2	5	1.3	6.1	284	69.5
Utah	2	0	1.1	0.0	64	12.1
Wyoming	5	9	3.4	4.4	277	83.2
TOTAL	106	141	107.0	95.8	3,935	1,075.8
PACIFIC						
California	92	59	110.0	50.5	2,697	1,749.3
Oregon	11	10	21.3	7.5	452	339.8
Washington	13	24	27.8	14.1	1,515	348.9
TOTAL	116	93	159.1	72.1	4,664	2,438.0
U.S. TOTAL	1,548	1,383	739.7	607.7	47,068	9,187.9

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>
Aetna	19.2	39.2	15.1	43.6	56.1	44.9
CIGNA	29.8	13.0	25.1	23.2	54.7	45.1
Connecticut Mutual	0.0	1.4	9.1	12.3	19.6	15.9
Equitable Life	1.5	9.4	17.6	21.5	55.6	44.9
John Hancock	38.5	62.1	77.7	200.0	122.3	105.3
Metropolitan	1.9	11.2	33.5	68.6	84.9	58.6
MONY	5.1	13.5	16.1	14.3	37.7	17.9
Mutual Benefit	0.3	0.2	9.4	23.0	21.9	16.9
Northwestern Mutual	0.0	5.3	3.8	3.8	19.2	2.8
Phoenix Mutual	3.0	0.7	18.5	20.6	8.0	5.3
Prudential	3.7	34.4	16.3	60.6	75.1	70.4
Travelers	38.3	23.5	43.7	51.1	172.7	173.8
Other	0.0	0.1	0.7	0.9	11.9	5.9
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TOTAL	141.3	214.0	286.6	543.5	739.7	607.7
INDUSTRY TOTAL	170.3	247.0	289.3	530.2	827.5	691.9

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. 1022, March 1988.

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>
Aetna	12	32	22	39	43	48
CIGNA	16	16	20	39	64	68
Connecticut Mutual	0	9	6	13	19	18
Equitable Life	5	20	31	53	156	173
John Hancock	17	47	85	248	223	196
Metropolitan	3	22	83	208	332	214
MONY	9	31	42	42	86	66
Mutual Benefit	1	12	27	78	104	74
Northwestern Mutual	0	6	3	5	20	6
Phoenix Life	5	3	35	44	39	27
Prudential	7	17	22	55	110	165
Travelers	27	44	89	145	344	310
Other	0	1	3	5	8	18
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TOTAL	102	260	468	974	1,548	1,383
INDUSTRY TOTAL	167	306	475	1,000	1,654	1,515

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>
Aetna	430	388	598	518	430	318
CIGNA	684	641	604	587	512	458
Connecticut Mutual	472	445	427	390	365	317
Equitable Life	1,792	1,721	1,625	1,659	1,655	1,540
John Hancock	2,149	2,161	2,049	1,870	1,578	1,345
Metropolitan	1,897	1,958	1,904	1,784	1,606	1,410
MONY	394	380	345	304	257	243
Mutual Benefit	361	369	378	397	410	400
Northwestern Mutual	350	317	294	236	214	186
Phoenix Mutual	131	123	111	102	87	74
Prudential	1,905	1,726	1,800	1,452	1,238	1,150
Travelers	1,712	1,839	1,835	1,945	1,974	1,726
Others	82	73	63	55	49	56
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TOTAL	12,359	12,141	12,033	11,299	10,375	9,223
INDUSTRY TOTAL	12,429	12,434	12,184	11,403	10,480	9,291

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>
Aetna	423	373	408	335	229	225
CIGNA	1,855	1,721	1,572	1,375	1,189	1,056
Connecticut Mutual	1,714	1,590	1,459	1,343	1,281	1,103
Equitable Life	18,656	17,536	16,347	16,368	14,901	13,243
John Hancock	6,898	6,271	5,266	4,169	3,237	2,655
Metropolitan	17,944	17,333	16,500	15,596	14,155	12,545
MONY	1,856	1,702	1,525	1,368	1,197	1,097
Mutual Benefit	3,451	3,291	3,066	2,887	2,552	2,293
Northwestern Mutual	1,472	1,222	994	677	539	464
Phoenix Mutual	1,537	1,421	1,299	1,179	1,030	920
Prudential	15,146	13,396	11,804	8774	6,962	5,935
Travelers	8,229	7,786	7,174	6,343	5,364	5,012
Others	1,541	1,317	1,066	846	618	536
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TOTAL	80,722	74,959	68,480	61,260	53,324	47,084
INDUSTRY TOTAL	80,434	74,708	68,223	60,918	52,898	46,537

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 1987 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	12,300	0	15,500	17,200	6,900	5,500	6,900	10,700	75,000	522,000
Connecticut Mutual	0	0	3,200	4,600	8,100	0	31,000	0	46,900	263,000
CIGNA	3,200	13,200	0	3,400	3,400	1,400	0	0	24,600	274,600
Equitable Life	12,000	13,200	600	22,000	32,900	1,500	28,900	3,800	114,900	228,200
Hancock	23,600	7,300	16,000	21,300	36,300	0	17,200	11,300	133,000	927,000
Metropolitan	61,500	13,500	24,100	17,800	53,600	10,100	72,800	0	253,400	787,200
MONY	5,400	600	2,500	23,200	2,100	0	0	2,600	36,400	82,300
Mutual Benefit	28,700	200	2,800	17,800	0	0	7,600	0	57,100	57,100
Northwestern Mutual	0	2,300	1,000	0	1,700	0	13,200	0	18,200	67,500
Phoenix Mutual	8,900	1,400	3,700	11,400	500	0	0	1,000	26,900	54,300
Prudential	4,500	600	6,300	0	51,000	0	63,100	2,100	127,600	860,700
Travelers	22,300	24,200	55,800	11,000	94,800	3,400	8,800	4,200	224,500	1,013,600
Selected others	2,000	2,900	5,800	700	0	1,700	1,000	0	14,100	43,500
TOTAL	184,400	79,400	137,300	150,400	291,300	23,600	250,500	35,700	1,152,600	5,181,000

