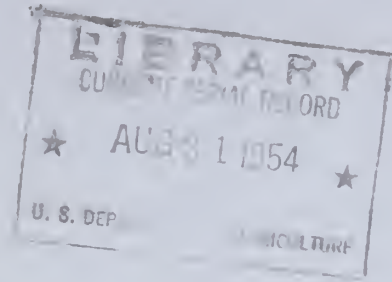
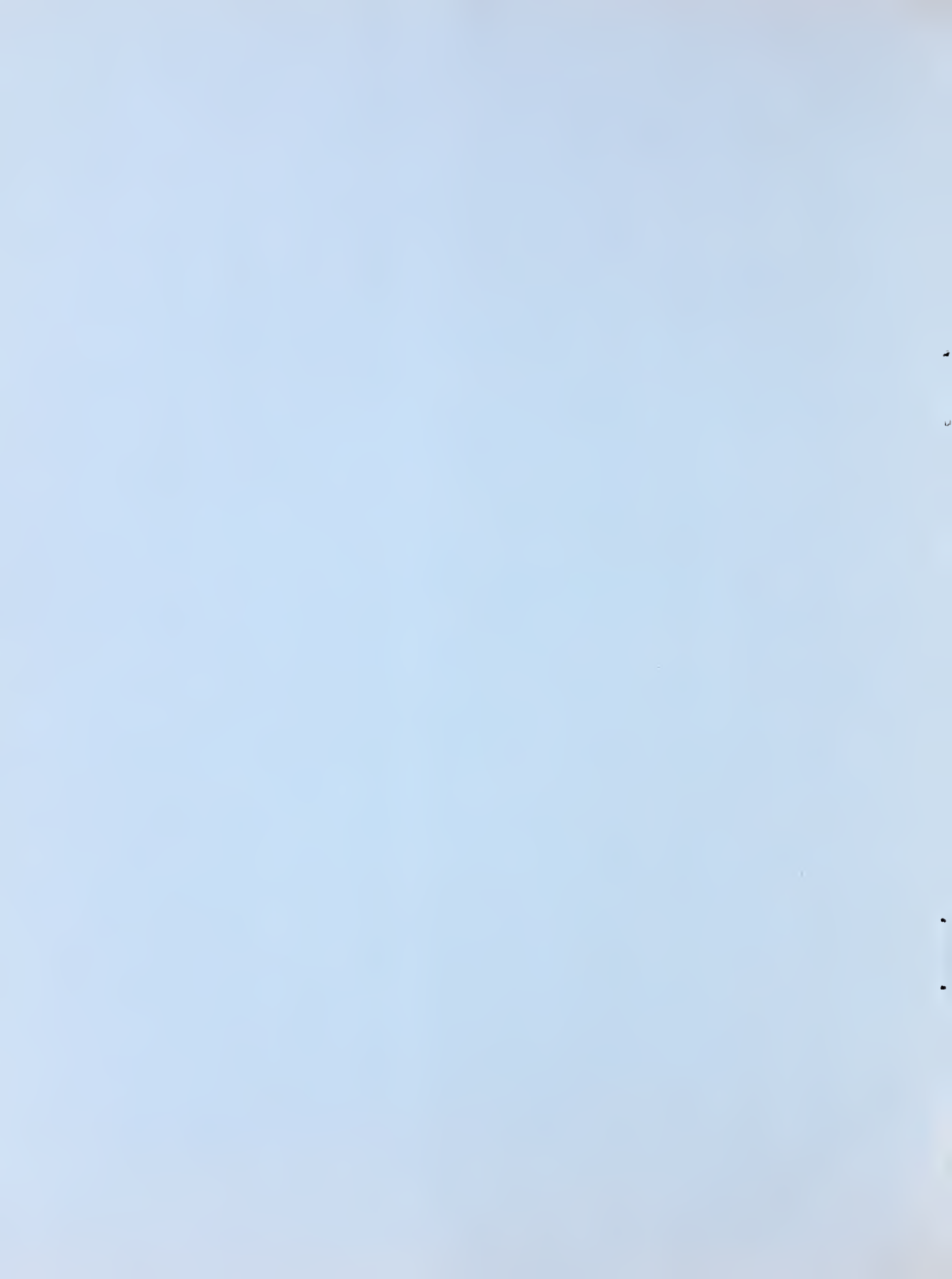


A284.29
F222
Cop. 2



Farm Credit Administration

**EXPENSE DATA
FOR THE
FISCAL YEAR 1954**



FARM CREDIT ADMINISTRATION

Expense data for the fiscal year 1954

The administrative cost of the Farm Credit Administration covers supervision and examination of and facilities and services to the Farm Credit banks and corporations. This cost for the fiscal year 1954 represents expenses applicable to employees in Washington, to employees in the district offices of the registrars and resident examiners, to chief reviewing appraisers, and to field examiners.

Section 601 of the Department of Agriculture Organic Act of 1944 directs the Farm Credit Administration at the beginning of each fiscal year, to estimate and apportion equitably its expenses for the ensuing fiscal year to the institutions comprising the Farm Credit system, to assess in advance the amounts so apportioned, and at the end of the year to allocate its actual expenses equitably and make necessary adjustments for the difference between the advance assessments and the allocations of actual expenses.

In accomplishing the distribution, the following principles are employed:

1. Charge direct to each group of banks or corporations, the salaries and travel expenses of employees devoting their full time to the group.
2. Charge on a metered or estimated base, salaries and travel expenses of employees not subject to direct charge.
3. Distribute remaining cost as overhead.

Illustrative of the foregoing principles, the salaries and travel expenses of all employees of the Land Bank Service, including the 12

THE UNIVERSITY OF CHICAGO

PHYSICS DEPARTMENT

PHYSICS 551

LECTURE 10

STATISTICAL MECHANICS

ENTROPY

AND THE SECOND LAW

OF THERMODYNAMICS

AND THE THIRD LAW

OF THERMODYNAMICS

AND THE FOURTH LAW

OF THERMODYNAMICS

AND THE FIFTH LAW

OF THERMODYNAMICS

AND THE SIXTH LAW

OF THERMODYNAMICS

AND THE SEVENTH LAW

OF THERMODYNAMICS

AND THE EIGHTH LAW

OF THERMODYNAMICS

AND THE NINTH LAW

OF THERMODYNAMICS

AND THE TENTH LAW

OF THERMODYNAMICS

AND THE ELEVENTH LAW

OF THERMODYNAMICS

AND THE TWELFTH LAW

reviewing appraisers (less a predetermined percentage covering services to the Federal Farm Mortgage Corporation) are charged directly to the land banks. The expense of the Registrar's office in each district is distributed upon a ratio of the services rendered each group. The cost of examination is distributed on examination time reports. The cost of the service divisions is distributed on calculated percentages based on metered or time estimates.

The cost of the Federal Farm Credit Board, Governor's Office and Legal Division is distributed 24 percent each to Land Banks, Intermediate Credit Banks, Banks for Cooperatives and Production Credit Corporations, and 4 percent to the Federal Farm Mortgage Corporation. The cost of the service divisions, Finance and Accounts and Administrative, Economic and Credit Analysis, Personnel, and Information is distributed on metered or time estimates. The remaining cost covering communications, printing and reproduction, supplies and equipment, is distributed on a calculated percentage as overhead.

Tables 1 through 5 show pertinent information concerning the expenses of the Farm Credit Administration and the allocations of these expenses to the Farm Credit institutions.



Table 1 - Actual expenses by object classification, fiscal year 1954

The Farm Credit Administration limitation on administrative expenses authorized by Congress for 1954 was \$2,255,500, actual expense totaled \$2,136,452, \$119,048 less than the limitation.

Object	Amount
Salaries-----	\$1,836,758
Travel-----	198,355
Transportation of things-----	4,480
Communication services-----	37,267
Rents and utility services-----	9,818
Printing and reproduction-----	17,104
Other contractual services-----	8,599
Supplies and materials-----	14,470
Equipment-----	8,201
Taxes and assessments-----	1,400
Total expenses-----	2,136,452

Table 2 - Distribution of Expenses - Man-years, personal service and travel expenses, by divisions, and general administrative expense (all other objects)

Service, Division, or Office	1954	
	Man-Years	Expenses
Salaries and travel:		
Federal Farm Credit Board ^a -----	-	\$22,469
Governor's Office-----	12	85,180
Land Bank Service ^b -----	33	293,104
Short-term Credit Service-----	16	128,773
Cooperative Bank Service-----	8	63,821
Legal Division ^a -----	3	33,343
Examination Division ^b -----	97	704,940
Finance and Accounts Division ^b -----	77	421,627
Administrative Division-----	40	145,931
Personnel Division-----	8	46,248
Economic and Credit Analysis Division-----	10	59,306
Information and Extension Division-----	5	30,371
Total salaries and travel-----	309	2,035,113
General administrative expenses (all other)-----		101,339
Total expenses-----		2,136,452

^aCosts of Federal Board, Legal Division covers period 12-4-53 to 6-30-54.

^bIncludes field employees:

Land Bank Division-----	12	\$131,492
Examination Division-----	81	609,228
Finance and Accounts Division-----	28	162,400
Total-----	121	903,120

Table 3 - Distribution of actual expenses to sources of funds
fiscal year 1954

Assessments from Farm Credit institutions	Actual expenses	
	Percent	Amount
Federal land banks-----	49.0	\$1,046,645
Federal Farm Mortgage Corporation-----	2.1	46,147
Federal intermediate credit banks-----	16.5	354,544
District banks for cooperatives-----	10.7	225,693
Central Bank for Cooperatives-----	2.3	49,582
Production credit corporations-----	11.5	245,151
Production credit associations-----	7.8	166,000
Other-----	0.1	2,690
Total assessments-----		2,136,452

Table 4 - Average number of employees (man-years), average salary, and total expenses, fiscal years 1944-1954

The data for 1944-1953 represents the expenses of Farm Credit Administration activities prior to the reorganization under the Farm Credit Act of 1953; it is on an obligation basis as in the budget, includes reimbursements from agencies other than Farm Credit institutions rather than net as in 1954, and is adjusted for comparability with 1953 except for the transfer of employees of the chief reviewing appraisers' offices to the Federal land banks in 1952. The 1954 expenses represent net obligations to be charged to the advance assessments collected from the Farm Credit banks and corporations and as used in the other tables and in the budget.

The data reflects the gradual reduction in the size of the Farm Credit Administration organization.

Fiscal year	Average number of employees (man-years)	Average salary	Expenses		
			Salaries	Other	Total
1944-----	806	\$3,324	\$2,679,762	\$397,996	\$3,077,758
1945-----	739	3,461	2,556,053	361,169	2,917,222
1946-----	694	3,556	2,467,640	389,443	2,857,083
1947-----	655	4,090	2,681,076	383,434	3,064,510
1948-----	536	4,374	2,344,490	357,449	2,701,939
1949-----	492	4,830	2,377,164	344,895	2,722,059
1950-----	468	5,082	2,378,544	413,839	2,792,383
1951-----	447	5,243	2,343,521	393,272	2,736,793
1952-----	391	5,847	2,286,063	365,887	2,651,950
1953-----	373	5,950	2,219,284	339,062	2,558,346
1954-----	309	5,944	1,836,758	299,694	2,136,452

Table 5 - Distribution of supervision and examination expenses, by groups of institutions
Final settlement of actual expenses, 1944-1954

This table represents the final settlements made with the banks and corporations in the Farm Credit system of the actual expenses of supervision and examinations for the years shown

Fiscal year	Detail	Distribution by institutions, showing percent of total																	
		FLBs		FFMC ^b		FICBs		DBC		CBC		PCCs		PCAs		OTHER ^c		TOTAL	
		Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
1944	Supervision--	\$747,216	38.0	\$620,618	31.5	\$197,509	10.0	\$117,039	6.0	\$55,644	2.8	\$229,589	11.7	-	-	-	-	\$1,967,615	100.0
	Examination--	393,137	69.8	19,677	3.5	36,813	6.5	15,060	2.7	1,201	0.2	6,872	1.2	\$70,638	12.5	\$20,187	3.6	563,585	100.0
	Total----	1,140,353	45.1	640,295	25.3	234,322	9.3	132,099	5.2	56,845	2.2	236,461	9.3	70,638	2.8	20,187	0.8	2,531,200	100.0
1945	Supervision--	702,293	38.8	538,745	29.7	197,738	10.9	100,941	5.6	52,588	2.9	218,649	12.1	-	-	-	-	1,810,954	100.0
	Examination--	382,722	66.9	35,281	6.2	39,023	6.8	20,986	3.7	1,010	0.2	7,408	1.3	72,514	12.7	12,893	2.2	571,837	100.0
	Total----	1,085,015	45.5	574,026	24.1	236,761	9.9	121,927	5.1	53,598	2.2	226,057	9.5	72,514	3.1	12,893	0.6	2,382,791	100.0
1946	Supervision--	624,895	36.7	496,549	29.2	222,168	13.0	99,233	5.8	42,880	2.5	218,634	12.8	-	-	-	-	1,704,359	100.0
	Examination--	328,920	63.9	24,840	4.8	44,566	8.7	20,432	4.0	1,277	0.2	7,385	1.4	75,154	14.6	12,173	2.4	514,747	100.0
	Total----	953,815	42.9	521,389	23.5	266,734	12.0	119,665	5.4	44,157	2.0	226,019	10.2	75,154	3.4	12,173	0.6	2,219,106	100.0
1947	Supervision--	665,781	38.4	476,762	27.5	226,533	13.1	105,018	6.0	41,084	2.4	219,351	12.6	-	-	-	-	1,734,529	100.0
	Examination--	378,316	63.2	20,364	3.4	50,613	8.5	26,846	4.5	1,649	0.3	12,155	2.0	96,920	16.2	11,339	1.9	598,202	100.0
	Total----	1,044,097	44.8	497,126	21.3	277,146	11.9	131,864	5.6	42,733	1.8	231,506	9.9	96,920	4.2	11,339	0.5	2,332,731	100.0
1948	Supervision--	722,727	46.6	271,994	17.6	204,756	13.2	105,025	6.8	38,230	2.5	206,886	13.3	-	-	-	-	1,549,618	100.0
	Examination--	322,317	60.8	18,740	3.6	43,018	8.1	29,688	5.6	2,829	0.5	13,992	2.7	88,585	16.7	10,617	2.0	529,786	100.0
	Total----	1,045,044	50.2	290,734	14.0	247,774	11.9	134,713	6.5	41,059	2.0	220,878	10.6	88,585	4.3	10,617	0.5	2,079,404	100.0
1949	Supervision--	811,137	51.6	161,522	10.3	192,372	12.2	137,944	8.8	55,908	3.5	213,967	13.6	-	-	-	-	1,572,850	100.0
	Examination--	326,007	57.9	8,204	1.5	52,395	9.3	38,292	6.8	3,521	0.6	16,055	2.9	105,857	18.8	12,370	2.2	562,701	100.0
	Total----	1,137,144	53.2	169,726	7.9	244,767	11.4	176,236	8.3	59,429	2.8	230,022	10.8	105,857	5.0	12,370	0.6	2,135,551	100.0
1950	Supervision--	833,962	51.7	166,044	10.3	197,632	12.3	141,730	8.8	51,746	3.2	220,076	13.7	-	-	-	-	1,611,190	100.0
	Examination--	338,504	56.6	248	-	60,741	10.2	41,393	6.9	2,274	0.4	15,853	2.7	124,312	20.8	14,063	2.4	597,388	100.0
	Total----	1,172,466	53.1	166,292	7.5	258,373	11.7	183,123	8.3	54,020	2.5	235,929	10.7	124,312	5.6	14,063	0.6	2,208,578	100.0
1951	Supervision--	844,252	54.4	119,391	7.7	198,086	12.7	143,269	9.2	38,413	2.5	209,298	13.5	-	-	-	-	1,552,709	100.0
	Examination--	360,572	55.5	778	0.1	70,337	10.8	46,860	7.2	4,274	0.7	15,036	2.3	137,855	21.2	14,026	2.2	649,738	100.0
	Total----	1,204,824	54.7	120,169	5.5	268,423	12.2	190,129	8.6	42,687	1.9	224,334	10.2	137,855	6.3	14,026	0.6	2,202,447	100.0
1952	Supervision--	674,749	45.9	96,859	6.6	257,035	17.5	167,031	11.4	49,787	3.4	223,576	15.2	-	-	-	-	1,469,037	100.0
	Examination--	396,569	53.2	4,992	0.7	85,846	11.5	57,056	7.7	6,456	0.9	17,857	2.4	158,441	21.2	17,706	2.4	744,923	100.0
	Total----	1,071,318	48.4	101,851	4.6	342,881	15.5	224,087	10.1	56,243	2.5	241,433	10.9	158,441	7.2	17,706	0.8	2,213,960	100.0
1953	Supervision--	637,296	45.9	80,427	5.8	250,081	18.1	155,332	11.2	48,405	3.5	214,748	15.5	-	-	-	-	1,386,289	100.0
	Examination--	392,800	53.7	400	0.1	87,300	11.9	58,200	7.9	3,800	0.5	21,900	3.0	158,500	21.7	8,698	1.2	731,598	100.0
	Total----	1,030,096	48.6	80,827	3.8	337,381	15.9	213,532	10.1	52,205	2.5	236,648	11.2	158,500	7.5	8,698	0.4	2,117,887	100.0
1954	Supervision--	660,645	47.2	45,747	3.3	254,544	18.2	162,693	11.6	46,582	3.4	228,151	16.3	-	-	-	-	1,398,362	100.0
	Examination ^a --	386,000	52.3	400	0.1	100,000	13.5	63,000	8.5	3,000	0.4	17,000	2.3	166,000	22.5	2,690	0.4	738,090	100.0
	Total----	1,046,645	49.0	46,147	2.1	354,544	16.5	225,693	10.7	49,582	2.3	245,151	11.5	166,000	7.8	2,690	0.1	2,136,452	100.0

^aExamination costs for 1954 distributed on estimates of Chief Examiner.

^bExamination costs represent only the costs of examining the FFMC central office accounts. Costs of examining the district office accounts are paid by the FLB's and recovered by the banks through their contracts with the Corporation.

^cIncludes joint stock land banks, general agents, fiscal agent, and audit of NFLA-PCA retirement plans.

FARM CREDIT ADMINISTRATION AND FARM CREDIT INSTITUTIONS

Table 6 - Selected comparative data, fiscal years 1949-1954

	Fiscal year 1949		Fiscal year 1954			
	Number	Amount	Number	Amount	Percentage change from 1949	
					Number	Amount
Operating expenses:						
Farm Credit Administration ^a -----	-	\$2,135,551	-	\$2,136,452	-	+0.04
Farm Credit system:						
Federal land bank system (FLB's and NFLA's)-----	-	15,675,535	-	19,368,166	-	+24
Federal Farm Mortgage Corporation-----	-	1,871,106	-	740,333	-	-60
Federal intermediate credit banks-----	-	1,526,592	-	2,008,583	-	+32
Production credit corporations-----	-	1,525,940	-	1,702,210	-	+12
Production credit associations-----	-	11,696,957	-	17,648,013	-	+51
Banks for cooperatives-----	-	1,696,590	-	2,114,783	-	+25
Total-----	-	33,992,720	-	43,582,088	-	+28
Selected operating data:						
Federal land banks:						
National farm loan associations-----	1,233	-	1,123	-	-9	-
Loans made-----	35,186	163,696,466	49,405	301,433,724	+40	+84
Loans outstanding-----	303,567	880,137,999	323,188	1,241,658,202	+6	+41
Federal Farm Mortgage Corporation:						
Loans outstanding-----	73,380	65,496,576	24,880	14,848,208	-66	-77
Federal intermediate credit banks:						
Loans made-----	-	1,610,618,238	-	1,790,272,806	-	+11
Loans outstanding-----	-	643,602,436	-	791,581,278	-	+23
Production credit system:						
Production credit associations -----	503	-	498	-	-1	-
Wholly - farmer owned-----	53	-	354	-	+568	-
Members-----	451,118	-	479,994	-	+6	-
Farmer - owned stock-----	-	61,940,628	-	93,685,373	-	+51
Loans made-----	283,363	956,367,720	266,907	1,225,753,193	-6	+28
Loans outstanding-----	252,458	528,026,386	245,034	740,033,429	-3	+40
Banks for cooperatives:						
Credit extended-----	-	458,716,117	-	491,173,531	-	+7
Loans outstanding-----	1,666	248,008,208	2,050	303,965,019	+23	+23

^a1949 expense is adjusted for comparability with 1954 except for the assumption by the FLB's July 1, 1951 of all expenses of the reviewing appraisers' offices other than the salary and travel of the chief reviewing appraiser.

