



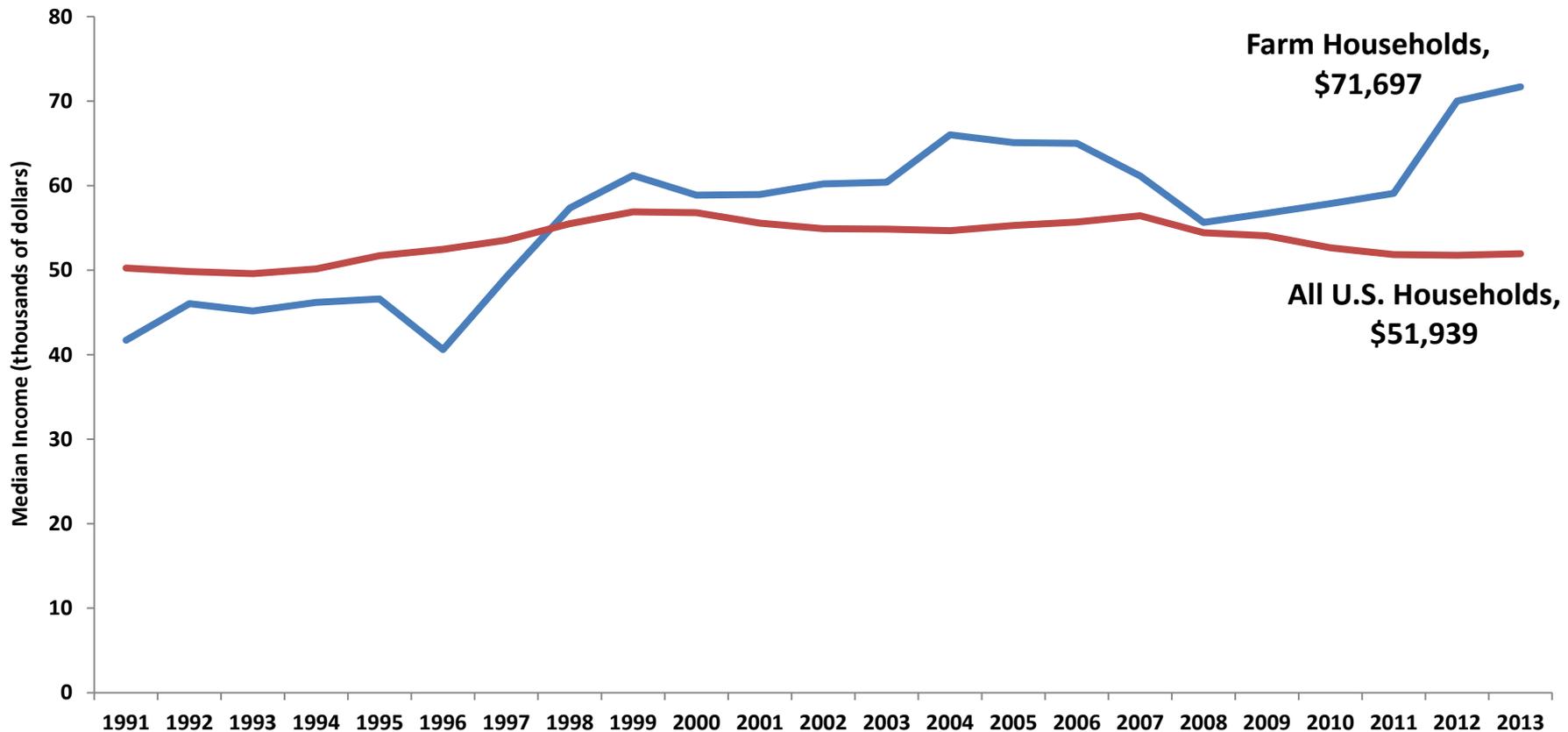
United States Department of Agriculture

Trends in Farm Household Income and Assets

Daniel Prager
Economic Research Service
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Farm Household Income Has Increased Over Time



Note: nominal dollars have been deflated using the Consumer Price Index Research Series (CPI-U-RS)

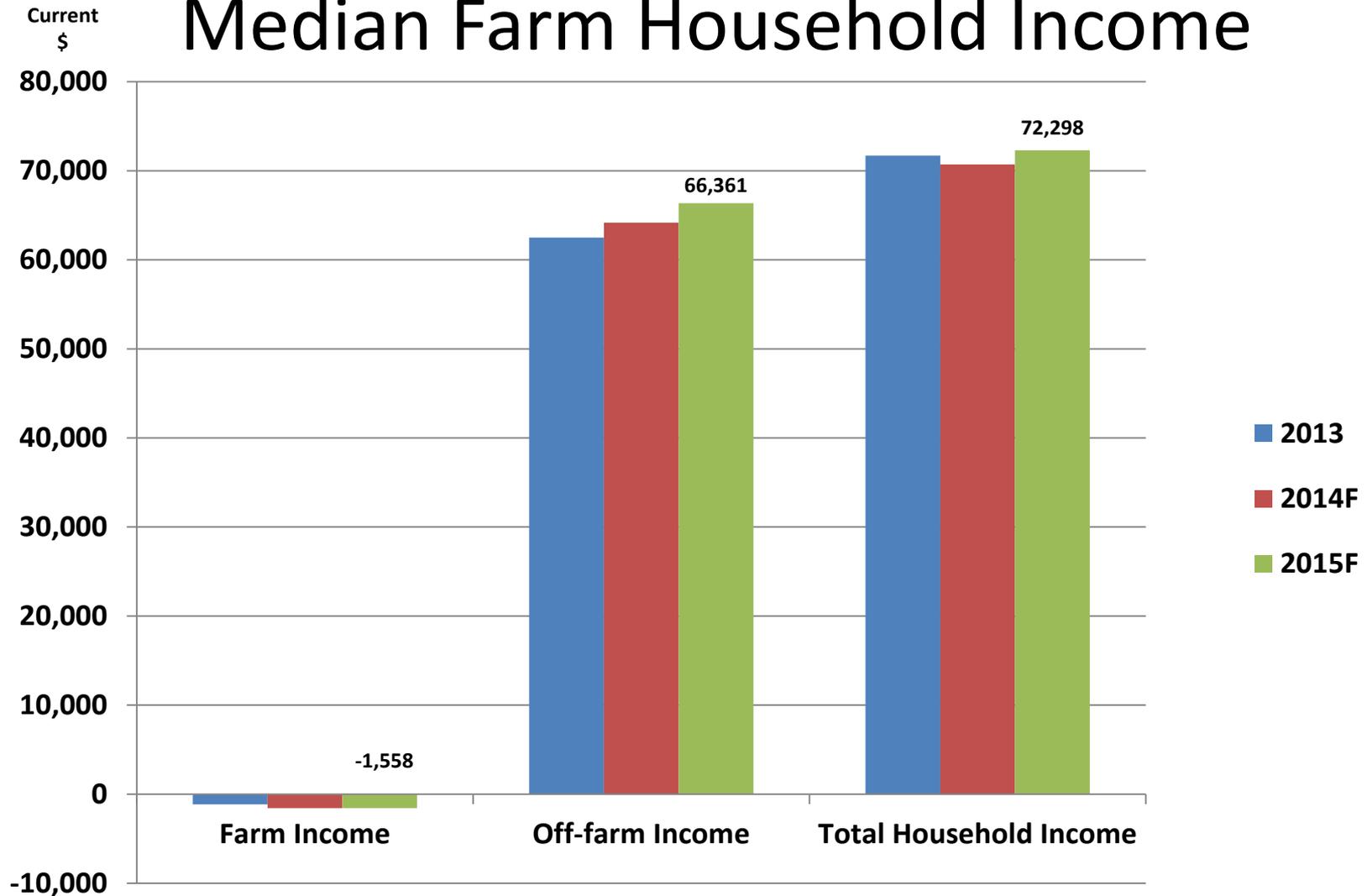
Average annual growth rate since 1991

- Farm Households: 2.3%
- U.S. Households: 0.1%

Sources: Agricultural Resource Management Survey (1996-2013); Farm Costs and Returns Survey (1991-1995); U.S. Census Bureau (1991-2013)



Slight Rise Projected in Median Farm Household Income



Sources: Agricultural Resource Management Survey 2013, ERS Forecasts



Take-Away Points from the Sector Forecast

- U.S. net cash farm income expected to decrease in 2014 and 2015
- Crop receipts will fall for all major categories
- Total livestock receipts forecast to be down 5%
 - Cattle and calf receipts projected to increase
- Moderating asset values and rising debt levels expected to leave equity values effectively unchanged in 2015



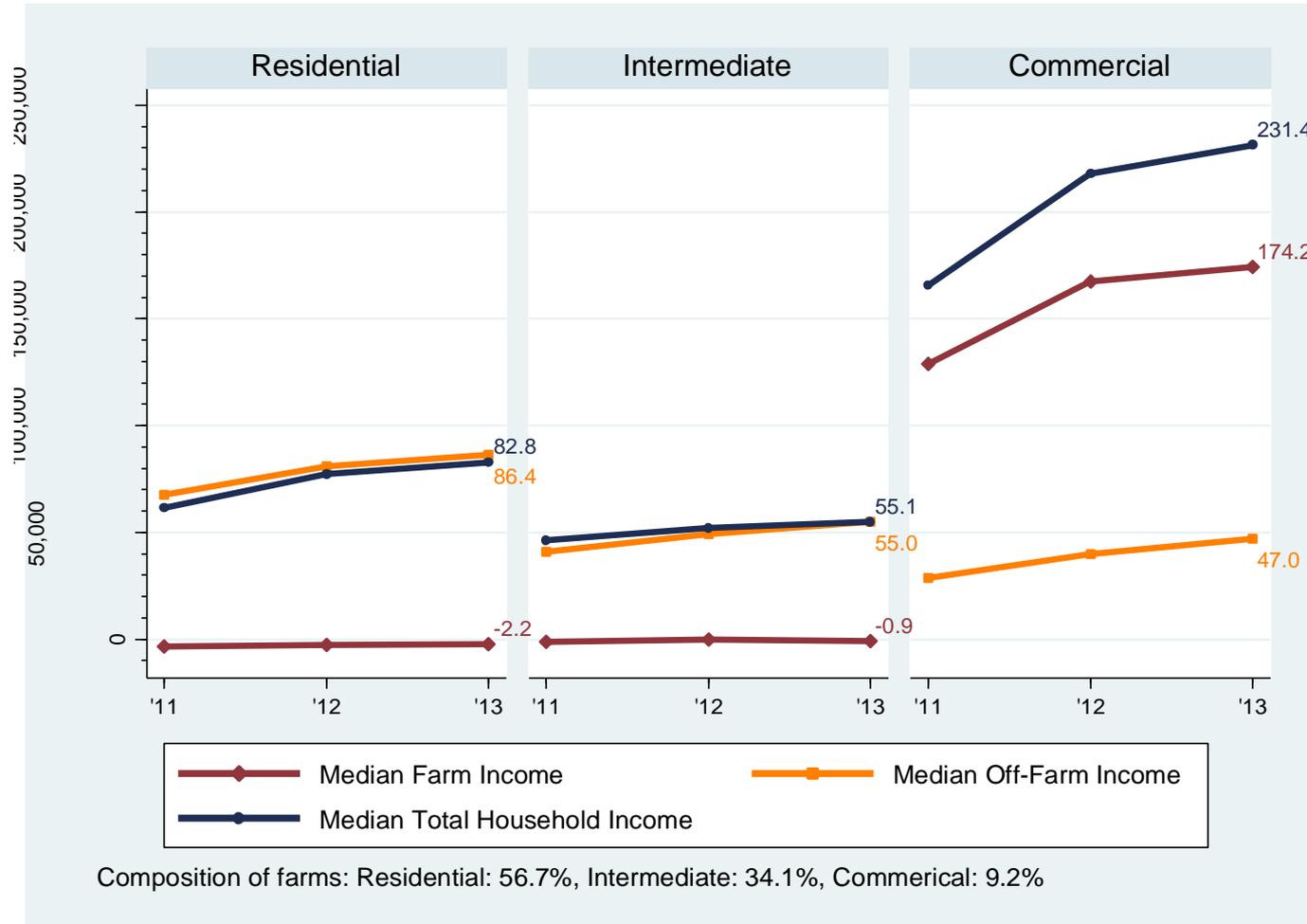
Households exhibit varying degrees of dependence on net farm income

Two main types of farms:

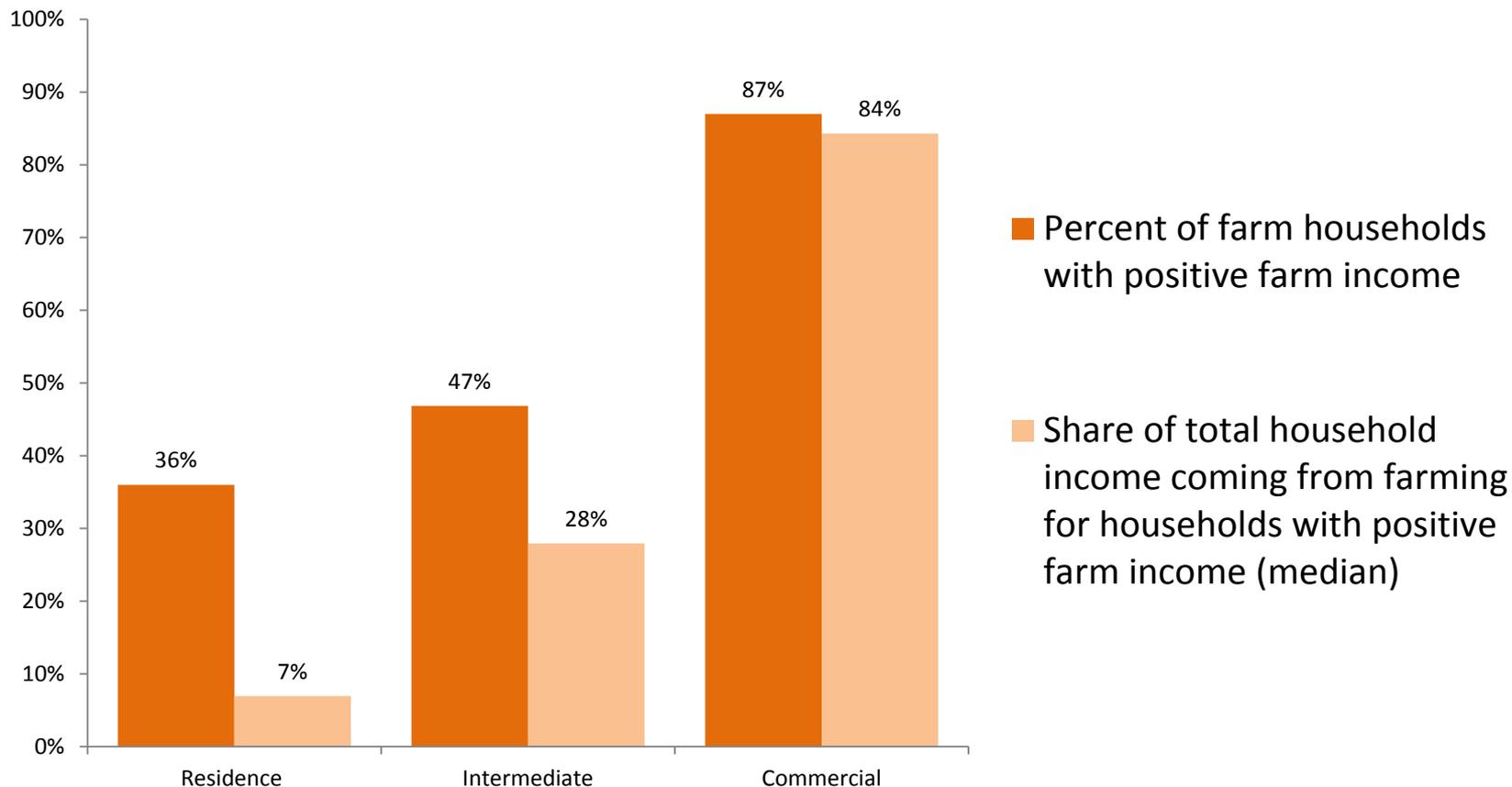
- Farming Not Primary Occupation (Residence Farms)
 - 1.16 million households
 - Typical household loses money on farm
- Farm Business (Intermediate and Commercial Farms)
 - 885,000 households: 79% Intermediate, 21% Commercial
 - Intermediate households derive <10% of income from farm business on average
 - Commercial households (>\$350,000 in gross cash income)
 - Three-fourths of income from farming



Commercial Farms Generate the Majority of Farm Household Income



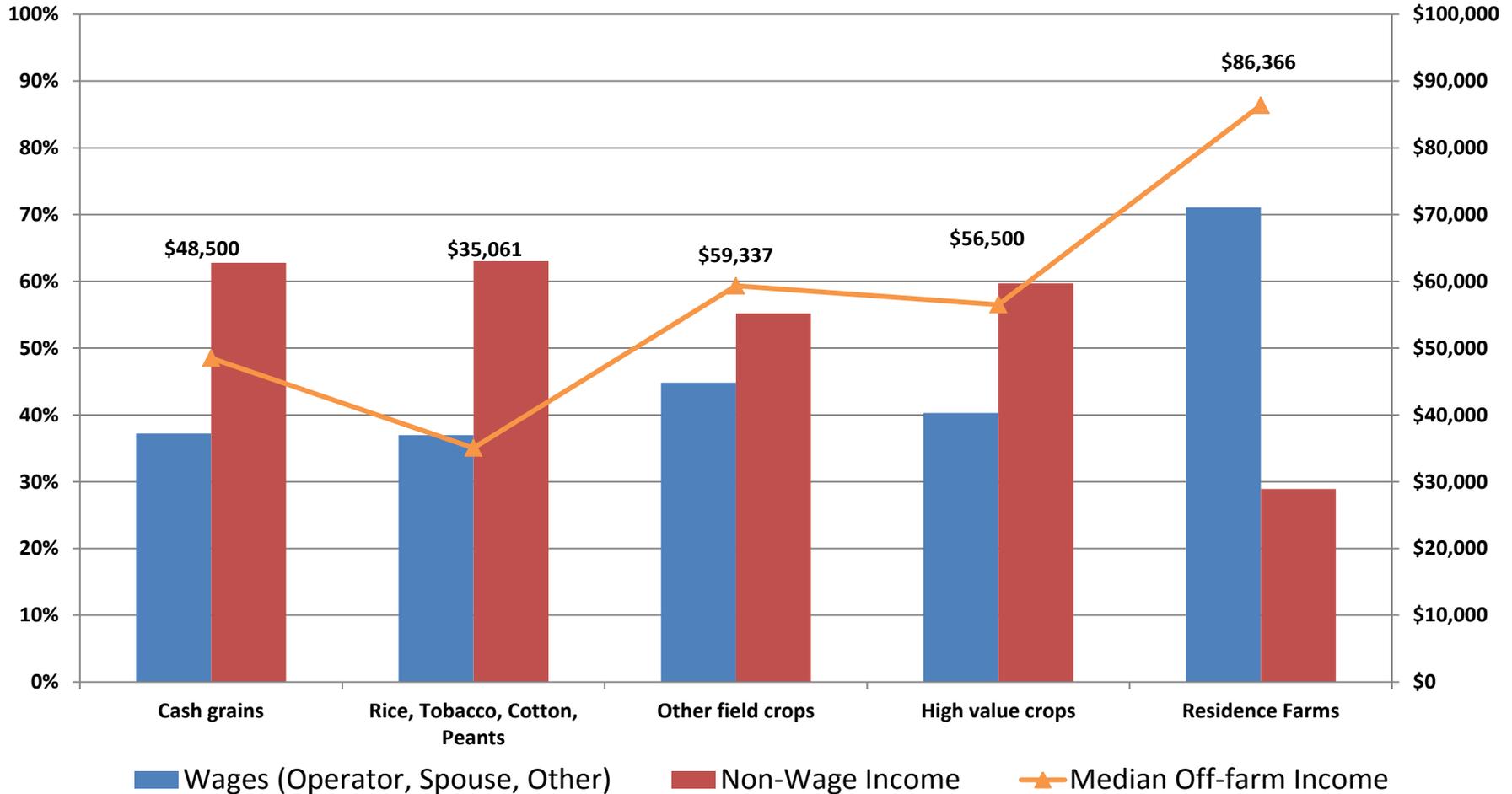
Residence and Intermediate Farms Derive More Income from Off-farm Sources



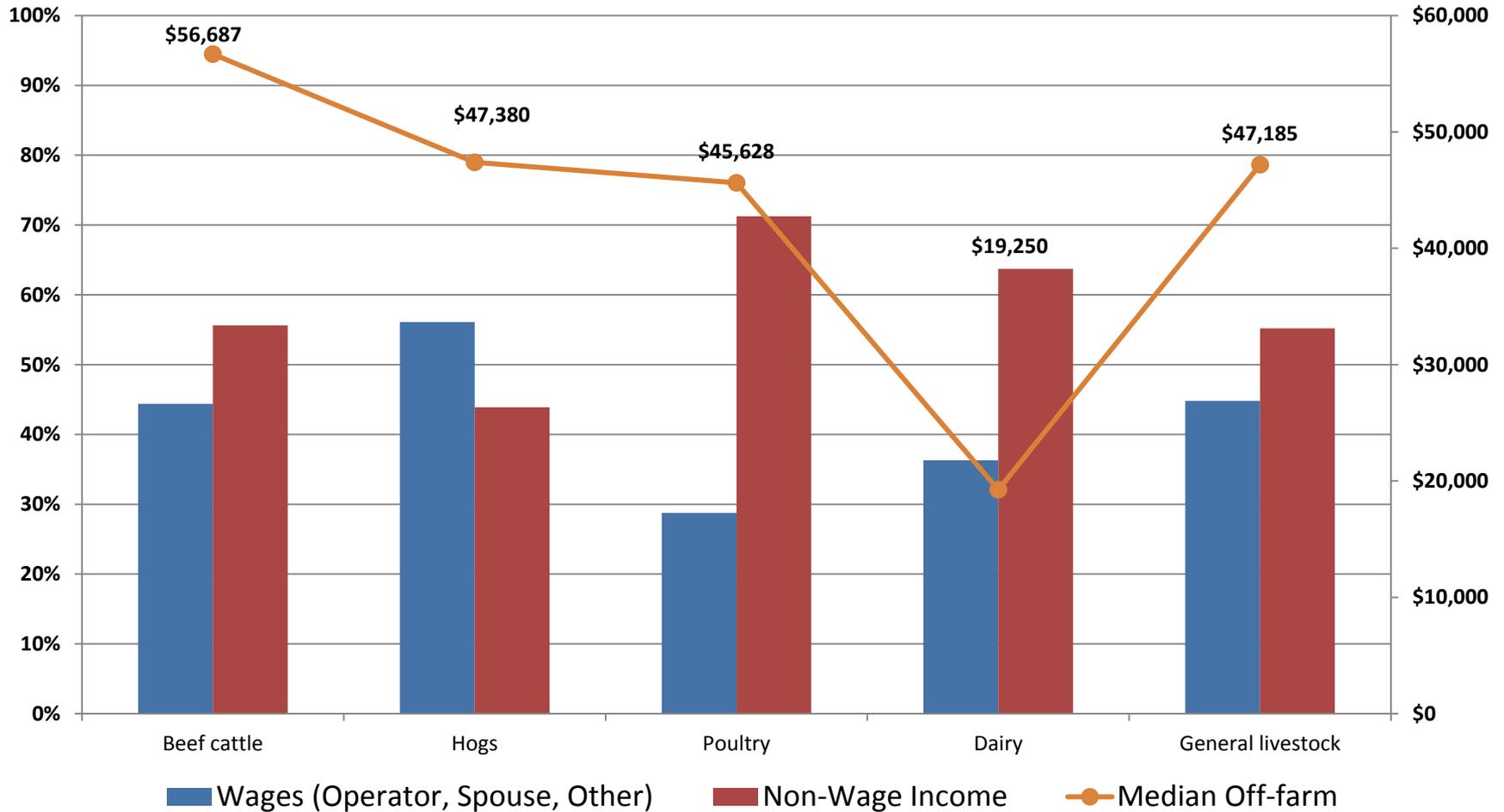
Source: Agricultural Resource Management Survey, 2013



For Crop Farms, Wages Comprise 39% of Off-farm Income



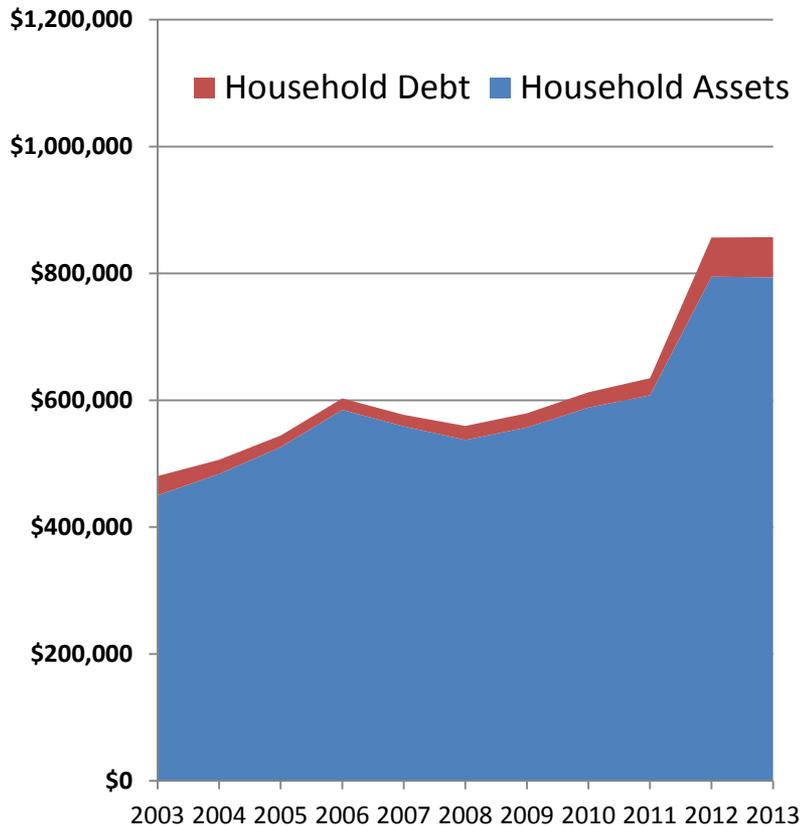
Dairy Farms Receive Least Income from Off-farm Sources



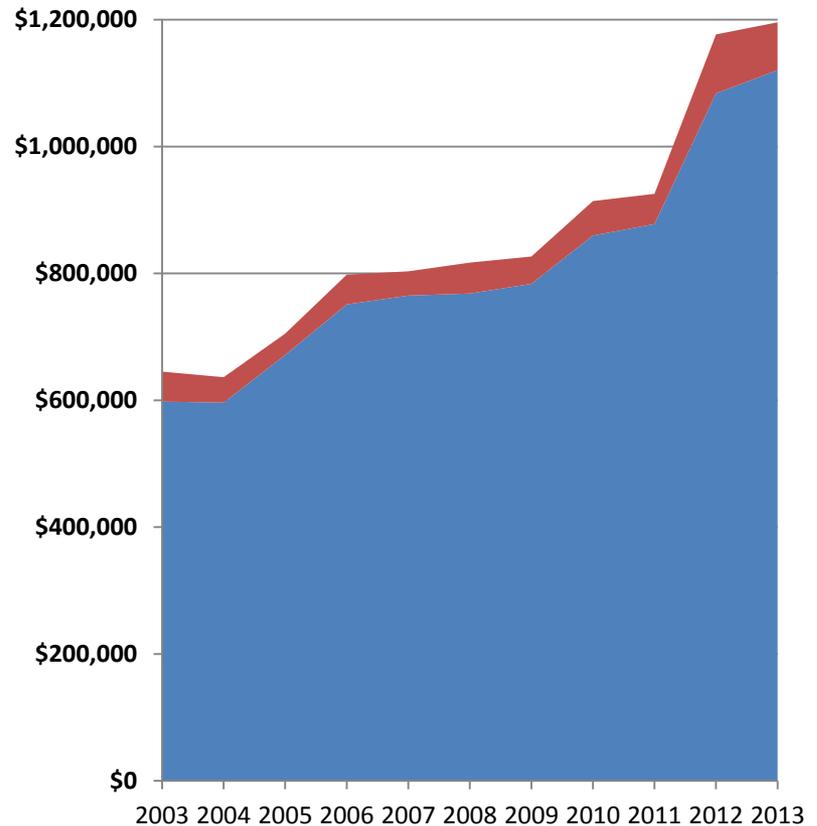
Source: Agricultural Resource Management Survey, 2013



Median Household Assets have Grown Faster for Crop Farmers



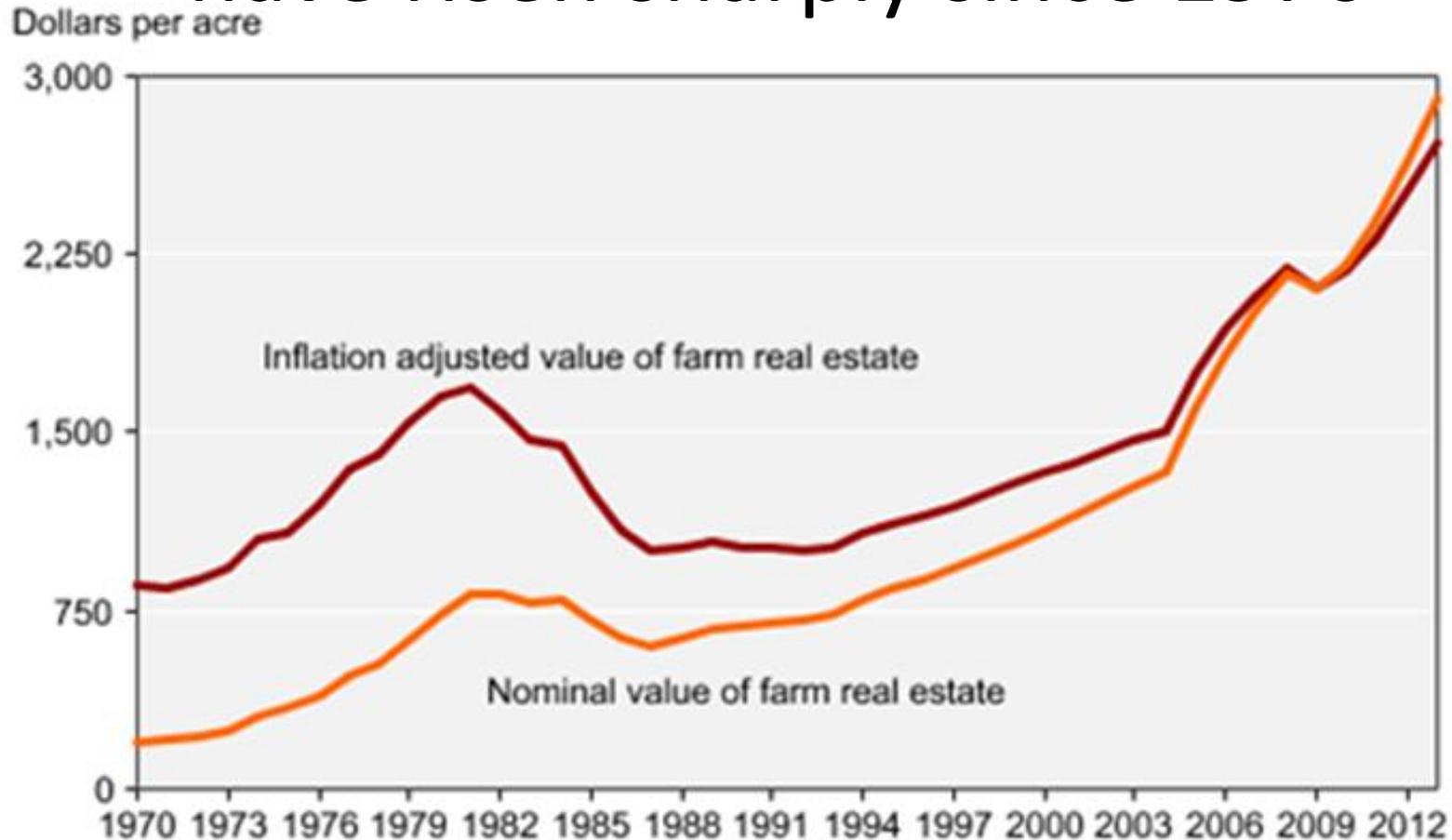
Livestock Farms



Crop Farms



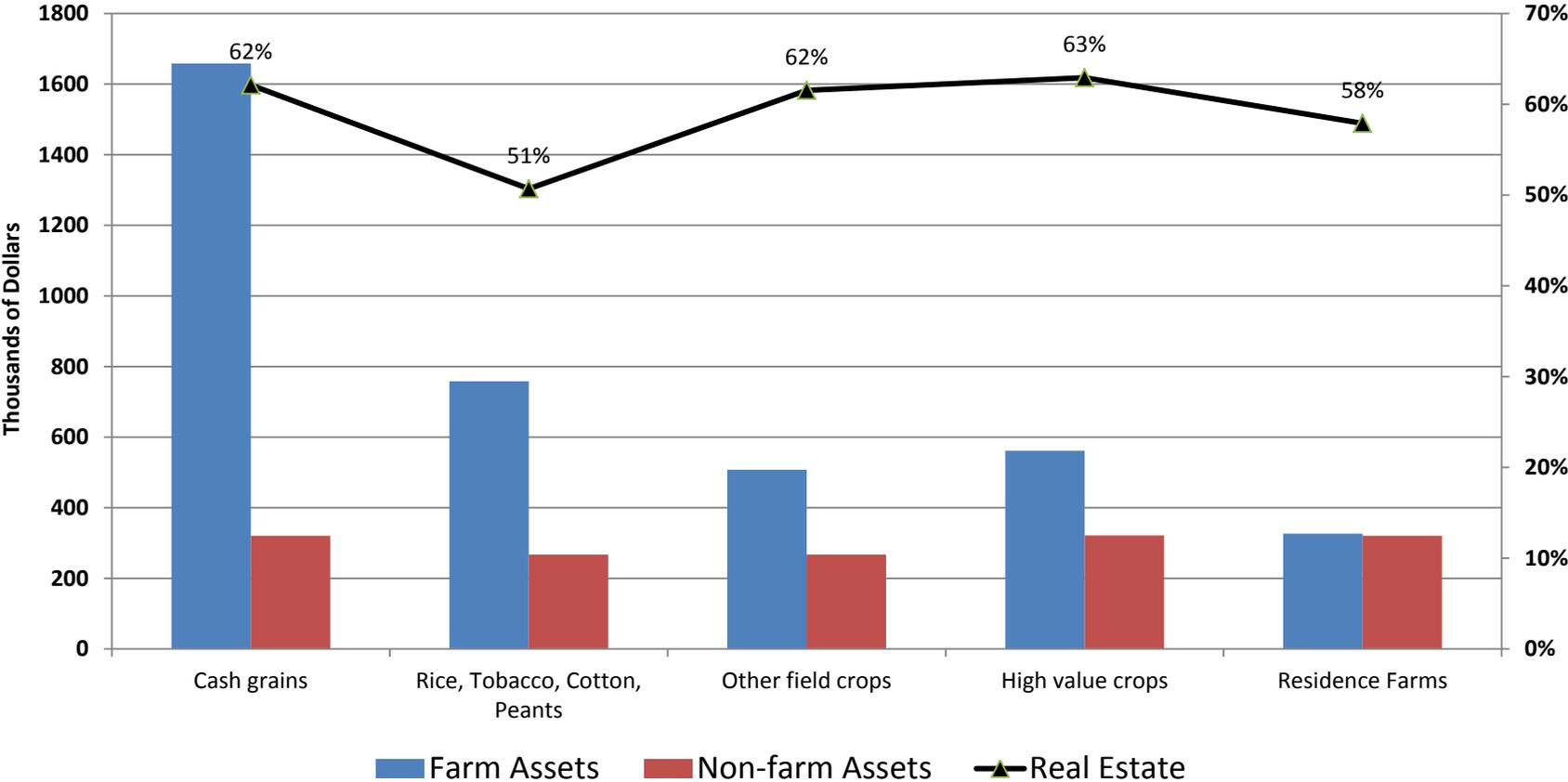
Average U.S. Farm Real Estate Values have risen sharply since 1970



Source: United States Department of Agriculture, Economic Research Service (ERS) and National Agricultural Statistical Survey (NASS)



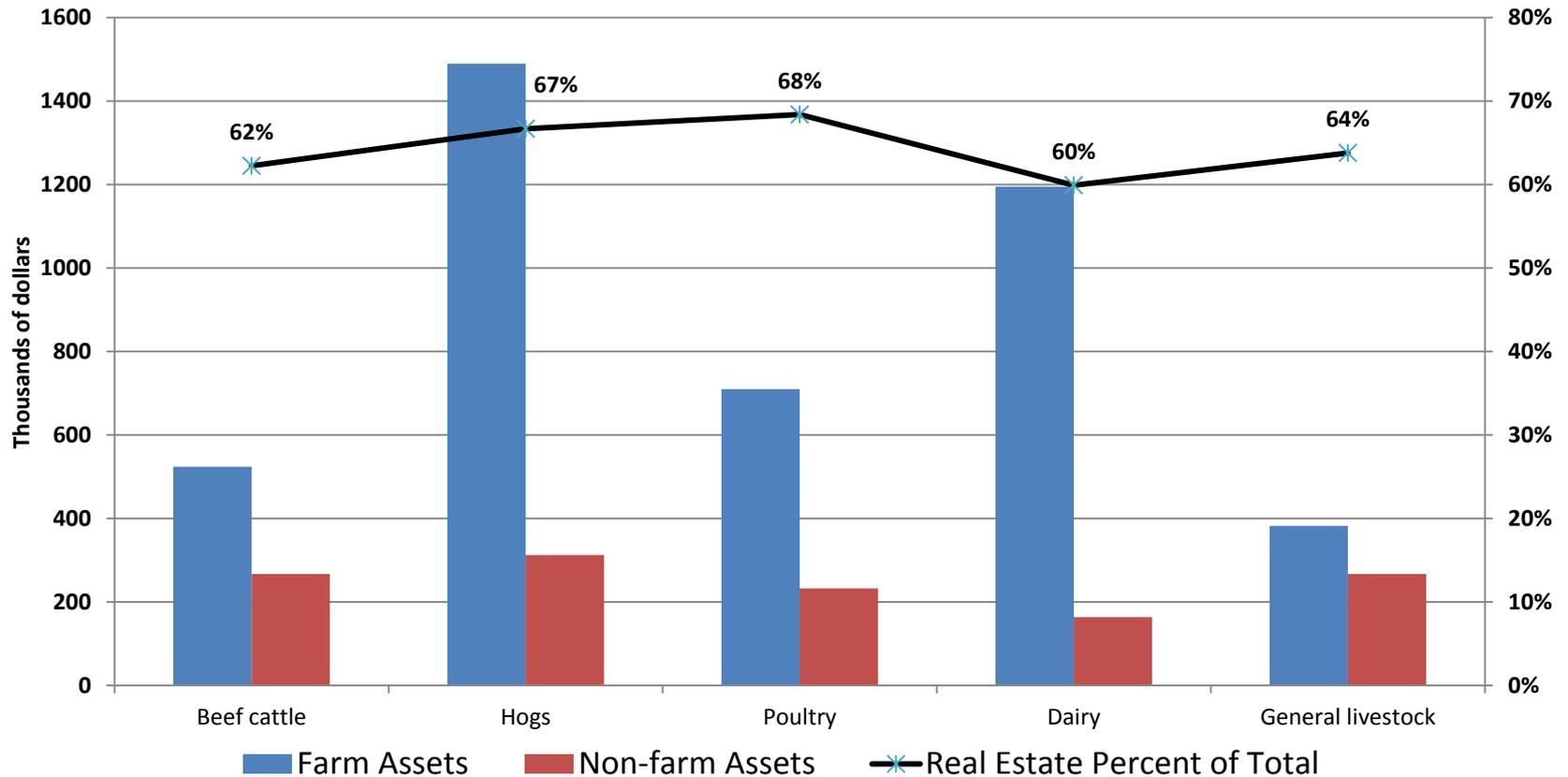
Median Asset Holdings Highest for Cash Grain Farmers



Source: Agricultural Resource Management Survey, 2013



Beef and General Livestock Producers have Lowest Real Estate Holdings

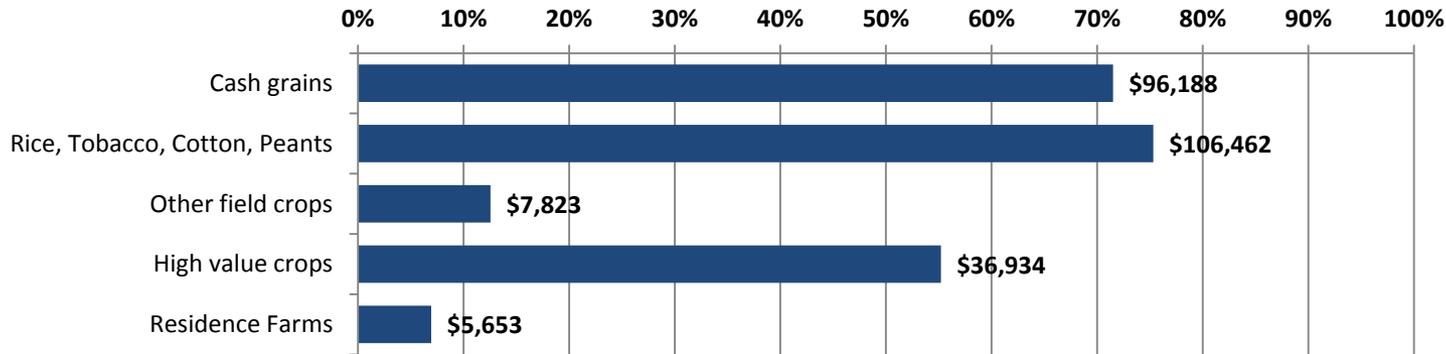


Source: Agricultural Resource Management Survey, 2013

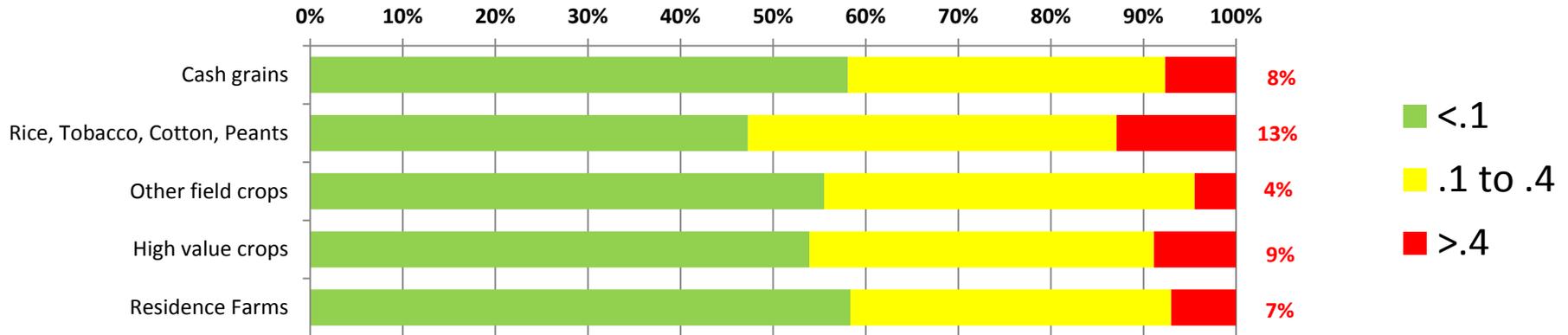


Crop Household Debt-to-Asset Ratios Are Typically Low

Median percent of income from farming



Distribution of Crop Household Debt-to-Asset Ratios

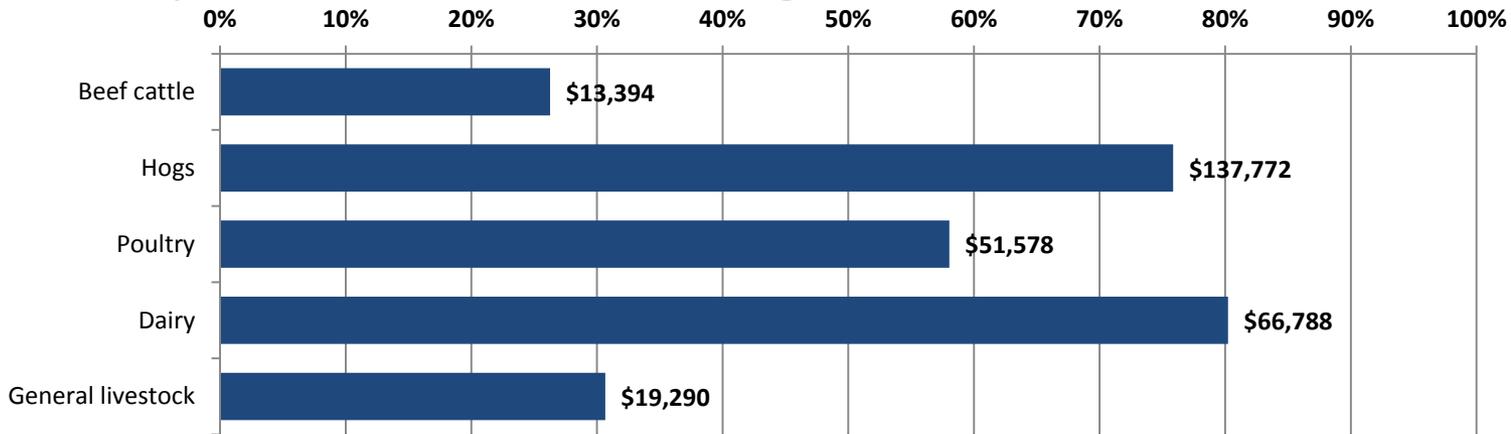


Source: Agricultural Resource Management Survey, 2013



Livestock Producers have Relatively Higher Debt-to-Asset Ratios

Median percent of income from farming



Distribution of Livestock Household Debt-to-Asset Ratios



Source: Agricultural Resource Management Survey, 2013



Conclusions

- Many farm households are diversified in farm and non-farm income
 - Exceptions are dairies, hogs, and certain cash crops
- Farm household assets have grown over last 10 years
 - 51 to 68 percent of assets are in farm and non-farm real estate holdings
- Overall, debt-to-asset ratio levels remain low
 - Hogs, poultry and dairy producers are more leveraged

Source: Agricultural Resource Management Survey, 2013



Contact Information

- Daniel Prager, ERS/USDA
 - (202) 694-5528
 - daniel.prager@ers.usda.gov
- Household Data Pages
 - Household Well-being Topic Page:
<http://www.ers.usda.gov/topics/farm-economy/farm-household-well-being.aspx>
 - Farm Household Income and Characteristics Data Product:
<http://www.ers.usda.gov/data-products/farm-household-income-and-characteristics.aspx>
 - Web query tool: <http://www.ers.usda.gov/data-products/arms-farm-financial-and-crop-production-practices.aspx>

