Structural and Financial Characteristics of U.S. Farms, 1993: 18th Annual Family Farm Report to Congress. By Robert A. Hoppe, Robert Green, David Banker, Judith Z. Kalbacher, and Susan E. Bentley. Rural Economy Division, Economic Research Service, U.S. Department of Agriculture. Agriculture Information Bulletin No. 728.

Abstract

In 1993, the 2.1 million farms in the contiguous United States operated an average of 436 acres and produced an average of $73,700 in agricultural products, as measured by gross sales. Characteristics of individual farms—including their level of production—varied widely, however. Most production occurred on relatively few commercial farms. Commercial farms (sales of $50,000 or more) were only 27 percent of U.S. farms, but accounted for about 90 percent of sales. Households with noncommercial farms (sales less than $50,000) relied on off-farm sources for virtually all their income. U.S. farms are diverse, and variation within the industry is hidden by U.S. averages.

Keywords: Farm Costs and Returns Survey, farm structure, farm financial situation, farm operator household income.

Preface

This report is the 18th annual report to the Congress on the status of family farms. These reports have been submitted to Congress in accordance with the Food and Agriculture Act of 1977, as amended. This report is the fourth in the series to provide annual data on the major structural and financial characteristics of U.S. farms using the U.S. Department of Agriculture's Farm Costs and Returns Survey (FCRS).

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Summary

The 2.1 million farms in the contiguous 48 States operated an average of 436 acres and produced an average of $73,700 in agricultural products in 1993. But the characteristics of the farms varied widely.

This report uses statistics from USDA's 1993 Farm Costs and Returns Survey. It presents information on structural characteristics of farm operations, farmland ownership and use, farm finances, characteristics of farm operators, farm operator households' dependence on farming, and linkages between farm operators and their communities.

Nearly three-fourths of U.S. farms were noncommercial (gross farm sales less than $50,000). However, noncommercial farms accounted for only 10 percent of total gross farm sales. Commercial farms (gross sales of $50,000 or more) made up 27 percent of all farms but accounted for 90 percent of gross sales. Just 4 percent of all farms accounted for half of gross sales, while less than 1 percent of farms produced 25 percent of total U.S. output.

Overall, only about 12 percent of farm operator household income came from farming. Households operating noncommercial farms averaged $35,000 in total income, virtually all from off-farm sources. Households running commercial farms averaged higher income ($53,100), half of which came from off-farm sources. Only 8 percent of all farm operator households received income from farming that was near or above the average income for all U.S. households.

Most farm operations were full owners of their land. The 6 percent of farms that rented both land and other assets produced about 23 percent of gross sales. About 3 percent of U.S. farms were corporations in 1993, and that 3 percent produced 18 percent of total gross farm sales. Family corporations accounted for a larger share of total gross farm sales (15 percent) than nonfamily corporations (3 percent).

About 17 percent of all farm operators said they were retired. Although still classified as farm operators, this group accounted for little production.