



Outside the Box

▶ by Tom Field, director of producer education, National Cattlemen's Beef Association

Where have all the flowers gone?

The theme song of the '60s might have been "Where Have All the Flowers Gone?" Yet as we endure the consequences of decisions made on the skewed values of the '60s, when the ideals of duty and accountability seem to have been eroded by a sense of entitlement without investment and benefit without effort, we find ourselves asking the question "Where has common sense gone?"

Light-years away

Perhaps in no other realm has the loss of common sense become more apparent than in the notion that America can reverse course and go back to the days of the small family farm to accomplish the task of feeding the nation. Less than 1% of our population has chosen to work, invest and bear the risk of a career in production agriculture. Yet, many activists, media, regulators and policymakers have the naïve view that turning back the clock to the farms of old is a simple option free of undesirable consequences.

Fifty years ago the U.S. population could have been considered only a generation away from the farm and that many citizens would have spent time on a family member's farm or ranch. Today, that is not the case.

Size and scope

The Economic Research Service (ERS) of the U.S. Department of Agriculture (USDA) reports that there are approximately 90,000 farms with gross sales of between \$250,000 and \$499,000; 46,000 entities with sales of between \$500,000 and \$999,999; and 35,000 farms with gross sales more than \$1,000,000. Certainly, the size and scope of U.S. farms has changed over time. USDA reports that:

- ▶ Million-dollar farms — less than 2% of all farms — accounted for 48% of the sales of farm products in 2002, up from 23% in 1982.

- ▶ At the same time, the share of sales by farms with less than \$250,000 fell from 53% to 24%.
- ▶ The most common specializations among million-dollar farms are specialty crops (27% of the category), poultry (19%), dairy (14%) and hogs (10%). For example, the largest 58 farms involved in head lettuce production account for two-thirds of the acreage planted to head lettuce, while nearly 70% of broccoli production is planted by the largest 77 farms involved.

To put a million-dollar farm in perspective, a 1,900-acre soybean and corn business with a 400-head feedlot would generate gross sales of approximately \$1,200,000. Yet, most million-dollar farms (88%) are family-owned operations, with less than 1% of million-dollar farms owned by publicly held corporations (see Table 1).

Farms that generate less than \$250,000 in annual gross sales are different than other farms:

- ▶ Owners are five years older on average.
- ▶ About one-fifth of these owners are retired.
- ▶ About one-half of owners have significant off-farm income.
- ▶ About 10% fewer owners in the category have a college educational experience or degree, compared to "professional" farms.

- ▶ Profit margins are negative for the average farm with less than \$250,000 gross sales but are positive for farms in high sales categories.

The data speak the following messages clearly and plainly:

- ▶ Small, subsistence-level farming typically operated as a lifestyle choice, tax opportunity or retirement option does not provide the productivity of larger-scale farms and thus cannot be counted on to feed the citizens of the United States.
- ▶ Larger farms with a more professional approach attract younger and better-educated managers/owners.
- ▶ Larger farms account for the vast majority of gross farm receipts (about three-quarters), but only about 12% of all farms.
- ▶ An increasingly small percentage of U.S. citizens are willing to work in production agriculture, thus increasing in each generation a greater dependence on those people who make the commitment to be food producers.

Protect the farm

In essence, approximately 170,000 farms stand between 300 million citizens of the United States and hunger. This fact should astonish consumers and propel lawmakers at both the state and federal level to assure that American farms and ranches have protection from excessive regulation and taxation, access to domestic and international markets, and assurance that these businesses can successfully pass from one generation to the next. Our nation's most precious intellectual capital lies in the experience, creativity and resolve of the farm families who create the raw materials for the phenomenal food production and distribution system that we enjoy.

The agricultural community must trumpet this message loudly to consumers and policymakers at every possible opportunity. The cultural elite must not be allowed to create policies that undercut our agricultural production system or instead of wondering where the flowers have gone, we will instead be mourning the day when our children ask, "Where has all the food gone?"

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Table 1: Age, occupation and education by farm gross sales

	\$250,000-499,000	\$500,000-999,000	>\$1,000,000
Average age of owner	53	52	52
% 35-44 years old	16	17	17
% 45-54 years old	31	36	35
% 55-64 years old	28	26	27
% 65 years or older	16	15	14
Occupation			
Production agriculture, %	91	96	96
Non-farming, %	8	4	3
Education			
Some college, %	28	29	25
College graduate, %	30	28	31

Source: Adapted from ERS: USDA.