

Overview of Agriculture Statistics



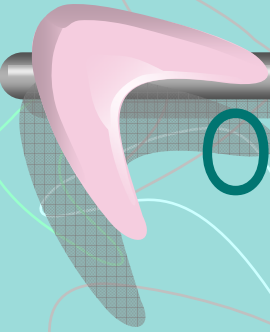
Beth LaShell

Agricultural Issues in Society



What % of U.S. Population is involved in Agriculture?

- 40%
- 20%
- 10%
- 2%



Only 2% of population is involved in Agriculture

- Only .2% is involved in food production
- 2% includes Agribusiness employees



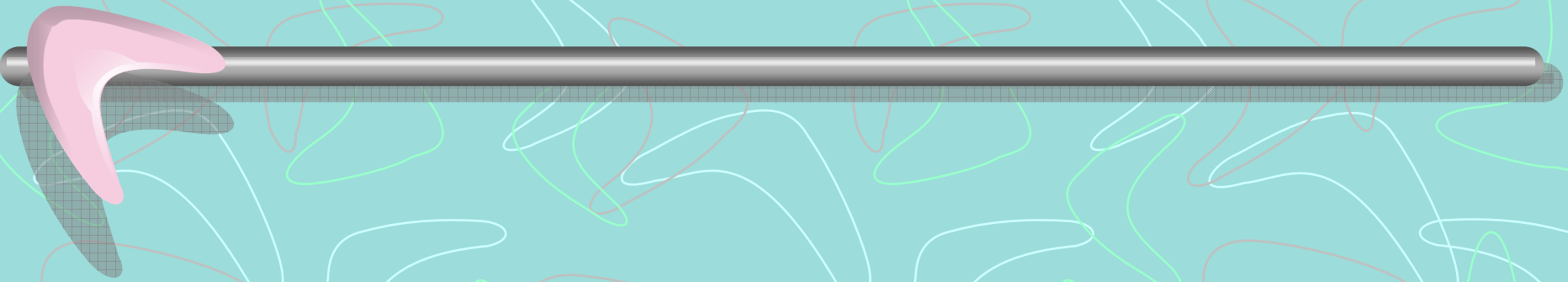
What about other countries?

- Nepal- 93%
- China - 68%
- Mexico - 25%



How many people does each U.S. Farmer feed (foreign and domestic)?

- 20
- 50
- 89
- 128
- 250



**Each U.S. Farmer feeds 128 foreign
and domestic persons**



Concern of Agricultural Community

- The average age of U.S. farmers is currently fifty-six. (US Census Bureau)
- In 1996, 30% of America's farmers were 65 years or older



Why is it happening?

- Return on Investment
 - 1990-1994, food processors and manufacturers showed an annual average return on their investment of 17.9%
 - Farmers during the same period showed a 1.98% return on their investment. (PrairieFire for Rural Action)



Why is it happening?

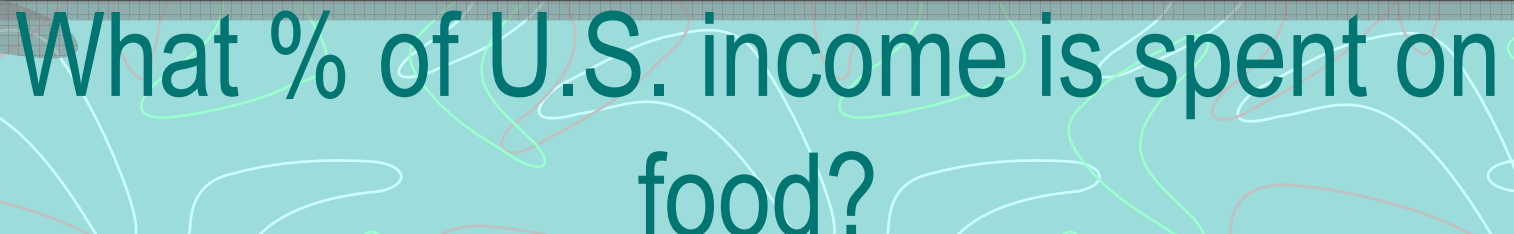
- Rising Costs and Lower returns
 - In 1971 a new tractor cost \$20,000 and wheat was \$1.71 a bushel.
 - In 1994 a new tractor of the same horsepower cost \$100,000 and a bushel of wheat was \$2.66.
 - In 2004 a new tractor of the same horsepower cost \$175,000 and a bushel of wheat was \$2.85
 - Des Moines Register 7/16/04



Why is it happening?

- Lifestyle change
 - We suffer a net loss of 32,500 farms a year.
 - 88% of average farm household income is derived from off-farm.

(PrairieFire for Rural Action)



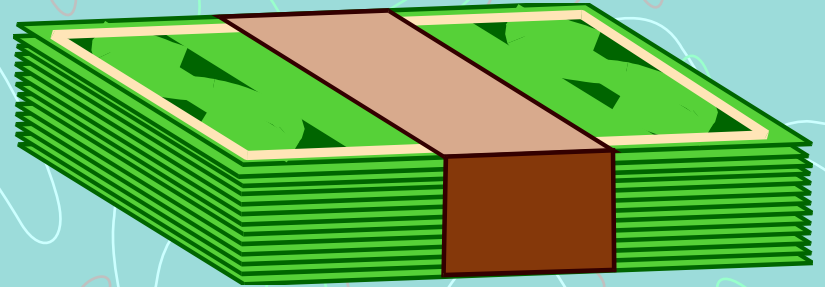
What % of U.S. income is spent on food?

- 50%
- 1%
- 10%
- 80%



Only 10% of U.S. Income is Spent on Food

- What about other countries?
 - Mexico 25%
 - India 51%
 - Italy 18%





Socio-Economic Affect

- This is before tax income
- Are there a socio economic difference in US?
 - Incomes 5-9,999 spend 32%
 - Incomes 15-19,999 spend 23%
 - Incomes 30-39,999 spend 14.7%
 - Higher Incomes



Cheap Food Policy

- Historical Reasoning



Down side of Cheap Food...

- Pricing of Agricultural Commodities
 - We have no leverage in marketing system

How much grain (\$) is in a box of cereal?

- \$.02 for Farmers
- \$.11 for Tiger Woods





How much can you buy?

- Amount of food purchased by an Hours Pay
 - 1950: 2.3 lb chicken or 2.2 doz eggs
 - 1995: 12.5 lb chicken or 12.4 doz eggs
 - Even with price of chicken rising!
 - Average Hourly Pay
 - 1950: \$1.34
 - 1995: \$11.46
 - Can these statistics be deceiving?
 - What observation should you make?



Farm to Retail Spread

- Def:
 - Difference between the average foodstore price and the farm value (net of byproduct value) of an equivalent quantity of raw food materials sold and priced at the farm or final point of sale.
 - <http://www.ers.usda.gov/briefing/foodpricespreads/spreads/>



Where does your food dollar go?

1997 2002

• Farmer/Rancher	.23	.19
• Marketing	.77	.81
– Labor	.38	.38
– Packaging	.085	.08
– Transportation, Energy, Advertising, Rent, Depreciation, Interest, Taxes,		



Farm value

Marketing bill



Some U.S. Farm Statistics

- Farmland
 - 2,262.50 million acres in United States
 - 945.5 million acres in Farmland
 - 41.2% of total land in Farmland

<http://www.usda.gov/factbook/>

Agricultural Fact Book 2002- still uses 1997 census numbers



U.S. Farmland

- Cropland Statistics
 - 431 million acres
 - 46.3% of all farmland
 - Of this cropland
 - 11.6% Irrigated
 - 15 % in pasture
 - 5.2 % in CRP



Size of Farms

- 45% are less than 100 acres
- 81.7% are less than 500 acres



Ownership

- 89 % owned by individuals and family corporations
- 9 % are partnerships
- .4 % Non family corporations
- .8 % Other



Sales

- Less than \$50,000 73.6%
- 50-\$99,000 8.3%
- 100-\$499,999 14.5%
- More than \$500,000 3.6%



Farm Assets and Production

- 92% of U.S. Farms are “small”
 - Less than 250,000 in sales
 - Responsible for 32% of production
- 8% of U.S. Farms are “large”
 - More than 250,000 in sales
 - Responsible for 68% of production

<http://www.usda.gov/factbook/chapter3.htm>