A farm is defined by USDA as a place that normally sells at least $1,000 worth of farm commodities a year. Farms include 4-H projects and hobby gardens that sell directly to consumers as well as the Resnick-owned Wonderful companies that Forbes estimated have almost $5 billion a year in revenue from 200,000 acres of citrus and nuts in the San Joaquin Valley as well as Fiji water and Teleflora.

USDA categorizes farms by their gross cash farm income (GCFI). A USDA survey of 12,000 farms found that 89 percent were small family farms with a GCFI of less than $350,000 in 2020, six percent were midsize family farms with a GCFI of $350,000 to $1 million, three percent were large-scale family farms with a GCFI of $1 million or more, and 2.4 percent were nonfamily or corporate farms.

Large family farms with annual GCFI of $1 million or more accounted for almost three-fourths of dairy income and over half of the farm value of the fruits, vegetables and horticultural specialties (FVH) that were sold. Cows produce an average 23,000 pounds of milk a year worth $20 a hundredweight, so each cow generates $4,600 a year and 220 cows generate over $1 million a year in GCFI. The revenue from fruits and vegetables varies from $5,000 to $75,000 an acre; a strawberry farm with as few as 15 acres could generate over $1 million in GCFI.

Most small family farms had low or negative profits from farming, meaning that they were at high risk of losses if their income is based solely on farming. By contrast, less than 30 percent of large-scale family farms had operating profit margins of less than 10 percent.

Costs

Farm operating expenses vary by type of farm. For example, fertilizers and chemicals accounted for a quarter of expenses on field crop farms such as those growing corn and soybeans. Almost half of the expenses of dairy farms were for feed, but feed was less than 20 percent of costs for beef cattle farms.

Labor costs were a seventh of costs on all farms and almost 40 percent of costs on FVH specialty crop farms. Labor’s share of operating expenses rose by three percent for all farms between 2011 and 2020, and by five percent for FVH farms.

The 90% Small Family Farms Accounted for 20% of U.S. Farm Revenue in 2020; the 3% Large Family Farms Accounted for 46% of Farm Revenue

Distribution of farms, land operated, and value of production by farm type, 2011 and 2020
Income

The median income of farm households, $80,100, exceeded that of nonfarm households, $67,500 in 2020. Median household income varied by size of farm, with very large family farms whose CGFI was $5 million or more reporting an average $1.1 million in household income.

Almost 85 Percent of FVH or Specialty Crop GCFI was From Large Family Farms (57 Percent) and Non-Family Farms (27 Percent).

Most Small Family Farms had Low or Negative Profit Margins from Farming
Labor Costs were 40% of Costs on FVH Specialty Crop Farms

The Median Income of Farm Households was 20% Higher than for Nonfarm Households in 2020

References

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