

■ Net Farm Income by State

The ranking of States by the aggregate value of net farm income reflects the size of the State, the proportion of its land that can be cultivated, and the fertility of the land and climate within the State, as well as the State's comparative advantage in producing and marketing high valued commodities. Because these factors do not readily change, the ranking of States remains relatively stable over a period of years.

California led the Nation in 1993 with a net farm income of \$5.2 billion, followed by Texas with \$4.1 billion, North Carolina with \$2.5 billion, Florida with 2.2 billion, and Nebraska with \$2.1 billion.

California, at \$19.9 billion in cash receipts, led the Nation in the value of cash receipts from all commodities. California's diversity in agricultural production is reflected by the State's top five commodities from agricultural sales: dairy products, greenhouse and nursery products, grapes, cattle and calves, and lettuce, which together accounted for 46 percent of the State's total cash receipts. California was also the top producing State in the Nation for agricultural sales from five commodities: greenhouse and nursery products, hay, grapes, tomatoes, and lettuce. California also had the highest production expenses, \$16.3 billion.

The second leading State in net farm income, Texas, ranked second in cash receipts from all commodities, with \$12.6 billion in sales. Texas was first in livestock receipts (\$8.3 billion) and fourth in crop receipts (\$4.3 billion) for the Nation. Texas is a more specialized State: 50 percent of its agricultural sales in 1993 came from the State's top commodity, cattle and calves. Texas led the Nation in sales of cattle and calves, cotton, and sorghum grain. Texas ranked second in production expenses, \$11.6 billion.

The third-ranking State in net farm income, North Carolina ranked eighth in gross farm income but ranked twelfth in production expenses in the Nation. North Carolina's top commodities include tobacco, broilers, and hogs, which accounted for 54 percent of the State's sales from agricultural commodities in 1993. North Carolina also led the Nation in sales from tobacco and turkeys.

Florida ranked fourth in net farm income, ninth in gross farm income, and thirteenth in production expenses. Florida's top four commodities—greenhouse and nurseries, oranges, tomatoes, and cane for sugar—comprised 51 percent of the State's sales from agricultural production in 1993. Florida led the Nation in sales from oranges and cane for sugar.

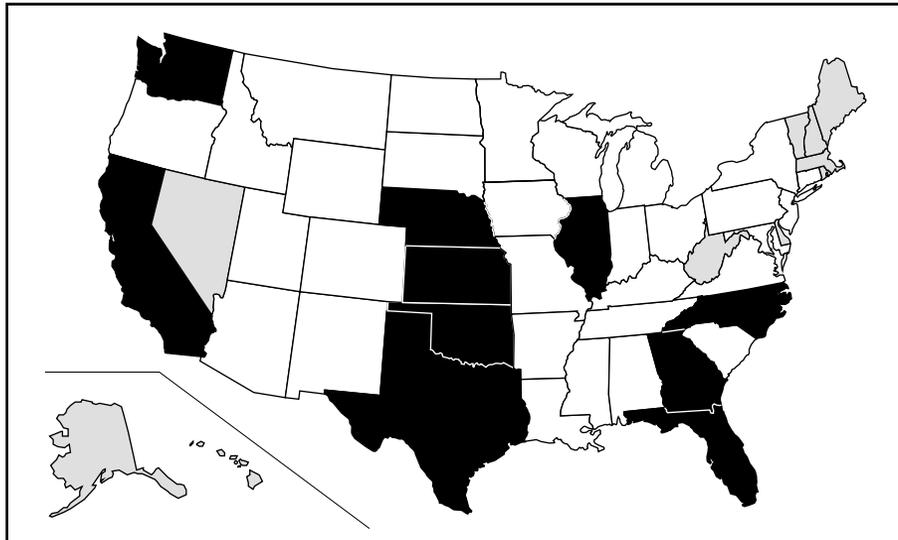
Nebraska was the fifth leading State in net farm income. Nebraska ranked fourth in gross farm income and fifth in production expenses. The State also ranked fourth in cash receipts with \$8.9 billion, second in livestock sales (\$5.8 billion), and seventh in crop sales (\$3.1 billion). The State's leading commodities, cattle and calves, corn, and hogs, accounted for 83 percent of the State's cash receipts from agricultural products in 1993, with cattle and calves contributing 53 percent.

Even though Arkansas ranked 16th in net farm income and 14th in cash receipts from the sales of all agricultural commodities, the State led the Nation in sales from broilers and chicken eggs in 1993.

Figure 3-5.

Net farm income, 1993

■ Top 10 States in net farm income □ Bottom 10 States in net farm income



Source: Agriculture Income and Finance Situation and Outlook Report AIS-54, September 1994, USDA, ERS