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FARM HOUSEHOLD WELLBEING: FORECAST AND PERSPECTIVE

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Summary

In 2007, average family farm household income is projected to be \$81,588, up 2.2 percent from the 2006 income forecast, and 8.1 percent above the 2002-2006f average. A projected 2.0 percent increase in off-farm income, expected to be 86 percent of household income, is combined with a projected 3.4-percent increase in farm income. If the forecasts for 2006 and 2007 are realized, 2007 farm household income will be comparable to the level in 2004 and 2005, following a dip in 2006.

Increases in farm household income are forecast for households of operators of both small farms (with sales less than \$250,000) and for commercial farms. Among households operating livestock farms, notable 2007 forecast changes include declines in household income of -10.5 percent for hogs (+7.9 percent below 02-06 average) and of -6 percent for dairy (39.6 percent below 02-06 average). Among households operating crop farms, notable 2007 forecast changes include increases in household income of +18.8 percent for rice (2.1 percent above 02-06 average), +17.2 percent wheat (17.7 percent above 02-06 average), +12.9 percent general cash grain (+27.4 percent above 02-06 average).

Among farm households, average household income is higher relative to all U.S. households, and low relative to all U.S. households with a self-employed head. Farm, and other self-employed, households face greater variability in income. Nonetheless, average farm household income has exceeded average U.S. household income consistently since 1996, through ups and downs in farm sector performance: during 1996-2005, the average difference was 15.2 percent.

Farm household wealth is more equally distributed across farm households relative to all U.S. households, where wealth is highly concentrated at the top end of the distribution. Comparing wealth at the midpoint of each group (the level at which 50 percent of households have higher wealth, and 50 percent have lower wealth), in 2005 median farm household wealth was \$510,018 compared to \$97,755 for all U.S. households.

For many households, off-farm income mitigates the variability in farm income: on average, 85-95 percent of farm household income is derived from off-farm sources. However family farms are diverse. Household income is most variable for the small segment of households that operates commercial farms (above \$250,000 in annual sales): only farm households in that size class realize (on average) a majority of their income from farming. However, the substantial net worth of these households can serve as a cushion against uncertain farm income, much as off-farm income does for households operating smaller farms.

In a variable-income/high-wealth sector such as farming, economic well-being measures based on both income and wealth can provide a better signal of household capacity to support a consistent living standard than income measures along. In 2005, 4 percent of farm households had both income and wealth below their respective medians for the U.S. population, compared to 37 percent for all U.S. households.

Setting the Context

Why focus on household well being?

Farm policy historically has been motivated by a concern that farm household income is low and highly variable. So farm household wellbeing has always been a concern. The difference is that, when farm policy originated many years ago, farmers specialized in farming – so farm economic performance was informative about the wellbeing of farm families. Today farm households are quite diversified – they participate extensively in off-farm sectors via jobs, self-employment in nonfarm businesses, and investments. So to understand the wellbeing of farm households, we need to look beyond farm performance to the economic outcomes from household off-farm activities as well.

At the same time, the degree of participation in off-farm sectors varies widely across farm operator households. Fortunately - with the annual survey of farms and the households of their primary operators conducted by USDA (the Agricultural Resource Management Survey, or ARMS) - we are able to describe the diversity. In our analysis with the ARMS data, we report on economic performance for households of the primary operators of all family farms. (This excludes the 2 percent of farms operated as non-family arrangements, such as coops, Indian tribes, or other institutions.)

Indicators of household wellbeing

A standard indicator of wellbeing is income: both the level and the variability of income are of interest. Household income is higher on average for farm households relative to all U.S. households, but it is also more variable - both across farm households at a point in time, and across time. This variability raises the question: How do farm households mitigate the impacts of the variability on their standard of living? Strategies include diversifying with off-farm income sources to reduce the variability of household income, as well as relying on household wealth to borrow against, or draw down, during periods of low income.

Wealth is a complementary indicator of household wellbeing, one that is particularly significant for self-employed households. Looking at income and wealth together can provide a better signal of household capacity to support a sustainable standard of living than income in a single year.

To describe farm household wellbeing, I first focus on farm household income, including the forecast for 2007: I review the pattern of farm household income at the national level forecast from 1980 to the present and then highlight the distribution of household income within the sector by farm household typology (farm sales class and primary occupation), and by farm commodity type. I then turn to a broader perspective on farm household wellbeing, a joint measure of income and wealth.

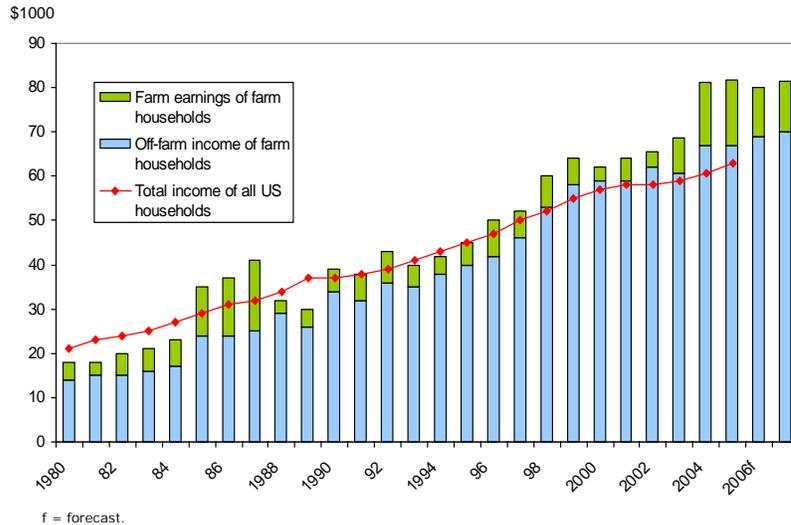
Comparing farm households to all U.S. and all top farm-state households

The 2007 forecast for average farm household income is \$81,588, up 2.2 percent from the 2006 income forecast, and up 8.1 percent above the 2002-2006f average. A projected 2.0 percent increase in average off-farm income (expected to be 86 percent of household income) is combined with a projected 3.4 percent increase in average farm income. If the forecasts for 2006 and 2007 are realized, average 2007 farm household income will be comparable to the level in 2004 and 2005, following a dip in 2006.

Average household income for farm and all U.S. households, 1980- 2007f

2007 household income forecast comparable to 2004, 2005

Average farm household income has exceeded all US household average income since 1996, despite greater variability of farm household income.

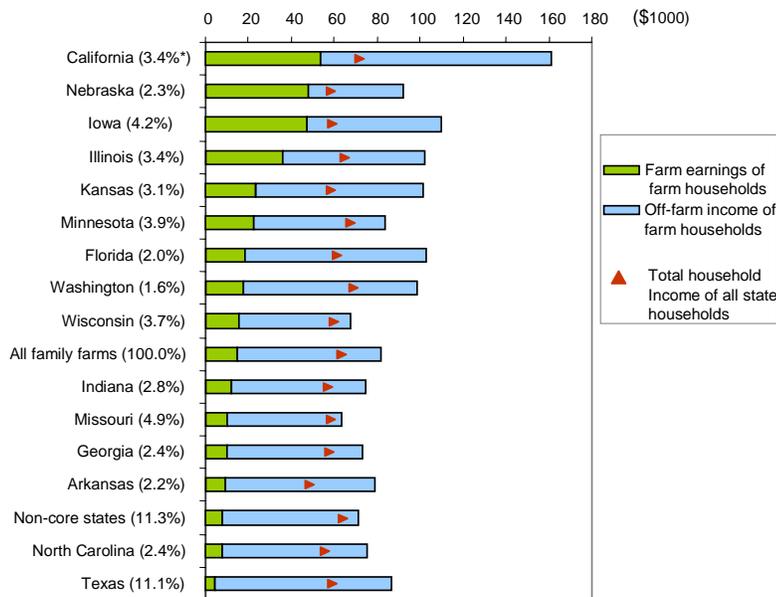


In the figure above, we represent average farm household income with the green and blue bars (green is average farm income, blue is average off-farm income) for the period from 1980 through the USDA 2007 forecast. As a point of comparison, we represent average household income for all U.S. households with the red line in the figure. Several patterns are noteworthy. First, farm households have experienced greater variability in household income across the years. Second, in 1996, the pattern in relative performance of farm and all U.S. households changed. Up until 1996, average farm household income varies around the U.S. average – higher in good years, lower in not-so-good years relative to the U.S. average. However, since 1996, average farm household income consistently has exceeded the U.S. average, through ups and downs in farm sector performance. During 1996-2005, the average difference was 15.2 percent.

Farm households also have greater variability of income across farm households at a given point in time relative to all U.S. households. For example, in each year during this same period, 5-6 percent of all farm households had negative household income, compared with 1 percent for all U.S. households.

Average household income for farm and all state households, by state, 2005

In 15 major farm states, average farm household income exceeds state average, 2005



* Share of total US farm households is in parentheses.) Source: USDA Agricultural Resource Management Survey Economic Research Service, USDA

Shifting from the national level to the 15 top-farm states based on farm sales, we see in the figure above that the pattern is robust across the states: in all cases, average household income for farm households in the state exceeds the average household income for all state households. USDA does not forecast farm household income at the state level. In this figure we report the data for 2005, the last year for which ARMS data are currently available. The pattern is robust for the previous two years in which we have had large enough samples to provide state-level estimates for the largest 15 farm states.

Among the 15 top farm states, California, with 3.4 percent of all U.S. farm households, has the highest average farm income (\$53,241) and the highest average farm household income (\$160,684). Texas, with the largest share of U.S. family farms (11.1 percent), has the smallest average farm income per farm household (around 5 percent of household income); average farm household income (\$86,237) is slightly above the national farm household average. Missouri has the lowest average farm household income at \$63,052, with 15.7 percent coming from farming activities; farm households average only 7.9 percent higher income than all households in the state, the smallest difference among the 15 reported States.

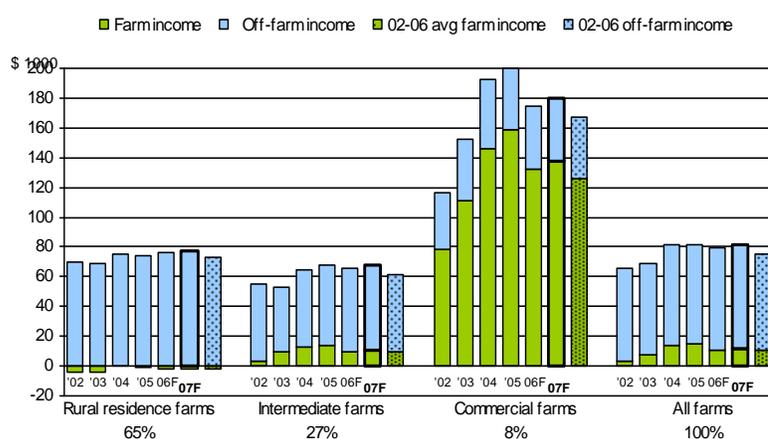
Diversity across farm households

The first breakdown we employ to illustrate the diversity in the household income forecast across farm households is a farm typology that separates farm households into three groups based on sales and self-reported occupation of the primary operator:

- **Rural residence farms:** small farms (less than \$250,000 in sales), with operator whose primary occupation is other than farming (about one-third report they are “retired” from farming),
- **Intermediate farms:** small farms (sales of \$250,000 or less), whose primary operator indicates farming as the primary occupation), and
- **Commercial farms** (greater than \$250,000 in sales).

Average farm household income, by farm typology, 2002-2007f

Operators of commercial farms have highest and most variable average household income



f = Forecast.
Source: USDA Agricultural Resource Management Survey
Economic Research Service, USDA

In the figure, for the years 2002-2005, we report estimates based on ARMS survey data; for the years 2006 and 2007, we report forecasts. And as a point of comparison, the final bar for each group reports 5-year average household income (2002-2006F). [Also see table 1 at back of paper.]

The three groups vary greatly in their average farm share of total household income. Operators of commercial farms – which represent only 7.7 percent of farms – derived 75 percent of household income from farming during 2002-2006; for operators of rural residence farms (69 percent of farms), farming made a slightly negative contribution to household income (-3 percent); and intermediate farm households averaged a 16 percent share from farming.

In some years, the different shares of farm income result in different outlooks across the groups. In the coming year that is not the case, because both farm and off-farm income are forecast up in 2007. Household income is forecast up 2 percent for rural-resident farm households and up 3 percent for the other two groups.

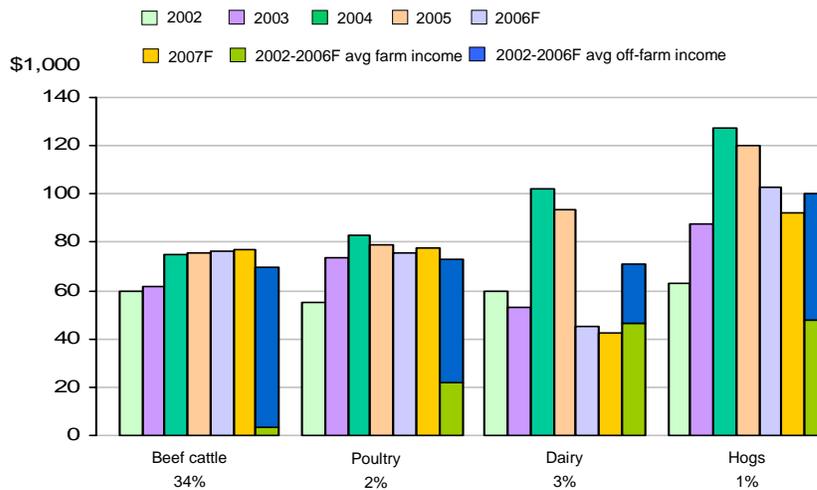
The figure highlights the diversity in income level and variability across the groups. For commercial farm households, the high farm-share is associated with greater variability in household income across the years, along with substantially higher household income.

Average farm household income, by commodity type

A farm is classified as a specific commodity type when that commodity or group of commodities makes up at least 50 percent of the farm's total value of agricultural production. With this definition, about half of all U.S. farm operator households can be classified as a particular type. The other half are more diversified. [Because this definition depends on yearly prices and quantities, an individual operation may be classified as one type one year and another type the next.]

In the following two figures – the first is for livestock, the second for crops – the last bar on right is 5-year average (2002-2006f) for household income; again, the green portion of the bar is average farm income, and the blue portion is average off-farm income. The gold bar, immediately to its left, is for the 2007 forecast. The commodities are ordered so that the level of average farm income increases from left to right in the figure. [Also see table 3 at back of paper.]

Average operator household income for livestock farms, 2002- 2007F

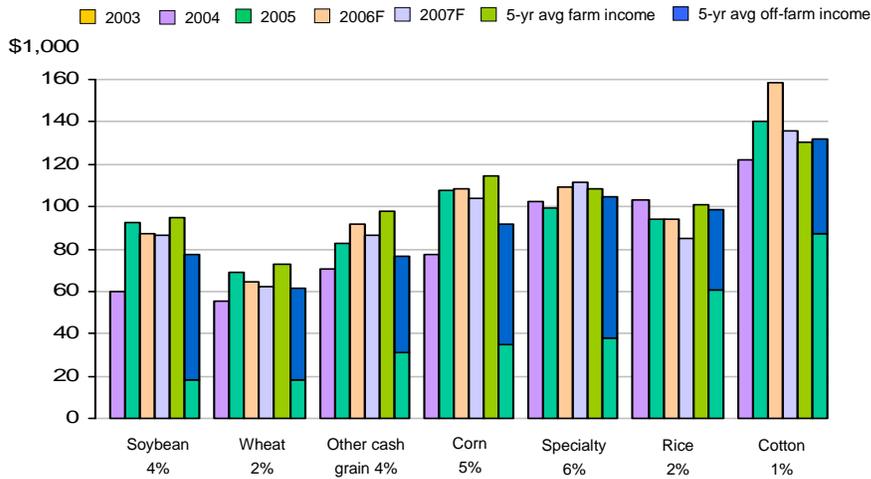


Source: 2005 USDA Agricultural Resource Management Survey
Economic Research Service, USDA

Among households operating livestock farms, notable 2007 forecast changes include declines in household income of -10.5 percent for hogs (-7.9 percent below 02-06 average) and of -5.8 percent for dairy (-39.6 percent below 02-06 average). We forecast small increases for beef cattle (+1.1 percent) and for poultry (+1.9 percent) – in both cases, the forecasts are above the 5-year average household income.

The figures also illustrate the patterns of variability of household income for these households, which are operating the more specialized half of all farms. Households operating beef cattle have a very low level of farm income; in contrast, households operating dairy and hog farms have significantly higher levels of farm income. Households operating hogs and dairy farms also have high variability in household income - hog household income ranges from \$63,000 - \$127,000 during the period. And households operating hog farms have the highest average household income.

Average operator household income for crop farms, 2004– 2007F



Source: 2005 USDA Agricultural Resource Management Survey
Economic Research Service, USDA

Among households operating crop farms, notable 2007 forecast changes include increases in household income of +18.2 percent for rice (2.1 percent above 02-06 average), +17.2 percent wheat (17.7 percent above 02-06 average), +12.93 percent general cash grain (27.4 percent above 02-06 average). In addition, household income for corn and soybean farms are forecast up +9.1 percent and +9.1 percent respectively – they are notable for being +24.2 percent and +21.9 percent respectively, relative to their 2002-2006 average income. Exceptions to the upward pattern are small decreases forecast for specialty (-2.7 percent, but +3.7 percent relative to the 02-26 average) and cotton (-3.8 percent, and -1.2 percent below 5-yr average.)

Again the commodities are ordered so that the level of average farm income increases from right to left in the figure. Again we observe variability in average household income across the past 5 years, particularly pronounced for sectors with large average farm share. For example, households operating cotton farms have the largest average farm income over the last 5 years (averaging two-thirds of household income); their average household income varies from \$100K (in 2002, not included in the figure) to \$160,000 over the period.

A broader perspective on household wellbeing

For a broader perspective on household wellbeing, we introduce information on wealth, and look at income and wealth jointly. To do this, we employ ARMS survey data - the most recent year of data currently available is 2005. Though only an aggregated typology is used to report forecasts, with survey data we are able to look in more detail at the diversity in the sector.

We start by looking at the distribution of income using a more disaggregated typology, which separates each of the three groups into two, creating six groups in total:

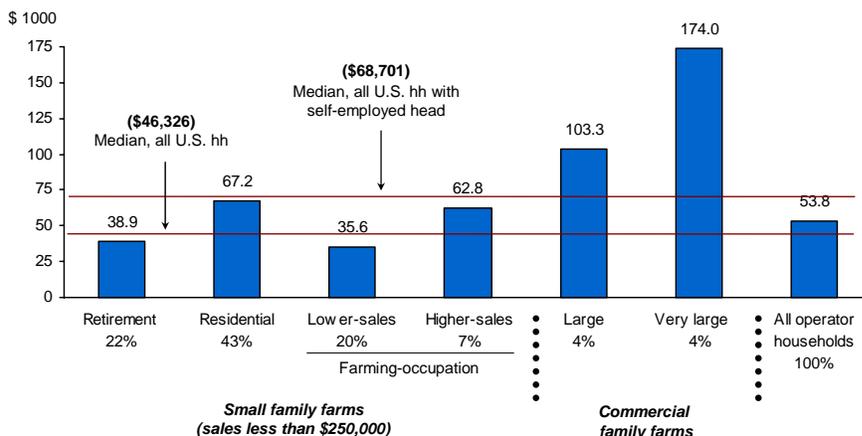
- *Rural residence*: are split into those retired from farming (**retired**, 22.3 percent) and those who report a non-farming occupation (**residential-lifestyle**, 43 percent);

- *Intermediate*: these small-farm households of operators who report farming as their occupation are split into two sales classes: **lower-sales**, less than \$100,000 (20.4 percent) and **higher-sales**, \$100,000-250,000 (7 percent); and
- *Commercial*: are split into **large** (\$250,000-\$500,000 in sales), 4.2 percent; and **very large** (greater than \$500,000 in sales), 3.5 percent.

In this analysis we employ medians, rather than averages (or means), as a measure of central tendency for income and wealth. The median of an income distribution is the point at which 50 percent have higher income, and 50 percent have lower income. We employ medians, because a few people tend to have very high values for income and wealth – and those people can skew the averages to the high side, relative to the experience of most people in the distribution.

In addition to using all U.S. households as a reference group, we introduce a second group for comparison - all U.S. households with a self-employed head - since farm operators are self-employed. In 2005, median household income for all U.S. households was \$46,326 (their average was \$63,344), compared to \$69,000 for all self-employed households. Farm households were in between, with a median household income of \$53,779 (and an average of \$81,420).

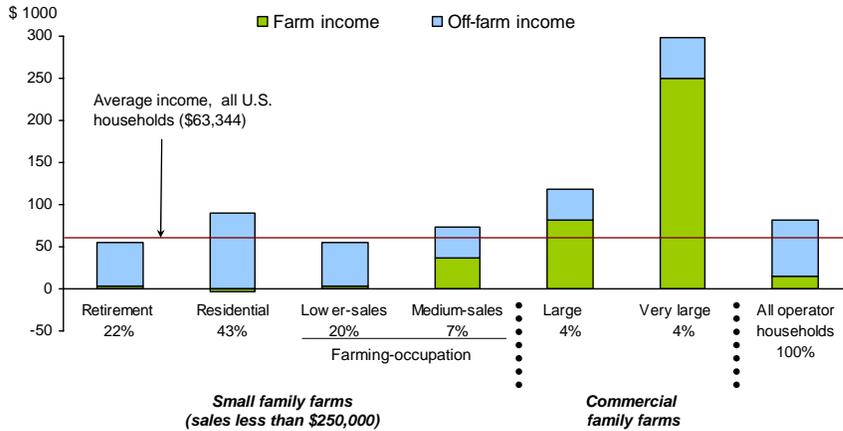
Median income of farm households by typology, 2005



Sources: USDA, Economic Research Service, 2005 Agricultural Resource Management Survey, for farm households. Federal Reserve Board, 2005 Survey of Consumer Finances, for all U.S. households and households with a self-employed head.

Looking at the distribution across the typology tells a more complex story: for only two farm typology groups was median household income below median U.S. household income – retirement and lower-sales farm households. In contrast, the only farm household groups above the self-employed median income were those operating commercial farms; residential/lifestyle farm household had median household income comparable to the median for all self-employed.

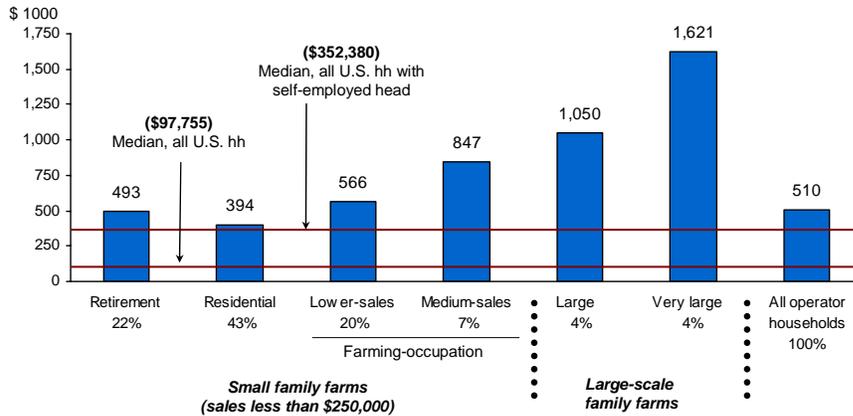
Average income of farm households by typology, 2005



Source: USDA, Economic Research Service, 2005 Agricultural Resource Management Survey, for farm households. Federal Reserve Board, 2005 Survey of Consumer Finances, for all U.S. households and households with a self-employed head.

The figure above illustrates that the average shares of household income from farming across the detailed typology groups. We can see the farming share is negligible for the three farm household types that represent 85.7 percent of all farms (retirement, residential, and lower-sales). For higher-sales small farms (6.6 percent of total farms), farm income is 50.1 percent of household income in 2005; for the commercial farms, it represents 70 percent for large farms (4.2 percent) and 83.9 percent for very large farms (3.5 percent), respectively.

Median net worth of farm households by typology, 2005



Source: USDA, Economic Research Service, 2005 Agricultural Resource Management Survey for farm households. Federal Reserve Board, 2005 Survey of Consumer Finances, for all U.S. households and households with a self-employed head.

Now considering farm household net worth (defined as assets net of liabilities) in the figure above, we see farm household median wealth is five times that of all U.S. household median wealth, and 1.5 times that for all self-employed households.

In U.S. households, wealth is highly concentrated at the top end of the distribution. In contrast, farm household wealth is more equally distributed across farm households as well as consistently higher relative to all U.S. households. The medians across all farm typology groups are above the medians for self-employed households, and particularly for all U.S. households.

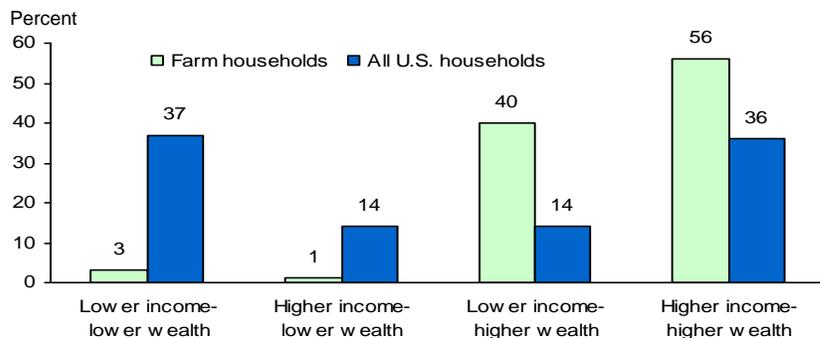
So how do farm households mitigate the variability of farm income? We have seen two strategies. On average, the majority of farm households that operate small farms earn most of their income from off-farm sources. For the three farm groups with a majority of income from farming (higher-sales/small farms; large sales/commercial farms; very large sales/commercial farms), higher levels of wealth can provide a buffer. During periods of low income, farm households may be able to maintain living standards by borrowing against, or liquidating, assets, particularly the 1/5 of farm households whose operator reports being retired from farming.

Joint income-wealth wellbeing indicator

To create a joint income-wealth well-being measure, we divide households into four groups, separating them into low and high levels of income, and low and high levels of wealth -- with the median levels of U.S. household income or wealth as the dividing lines between low and high. (The median is the level at which fifty percent of households have greater income, and 50 percent have less income.)

An interesting question is, do higher-income households also have higher wealth, and lower-income households, lower wealth? The answer is a resounding, yes, for all U.S. households. Because virtually all

Joint household income and wealth distribution relative to US household medians, for farm and all US households, 2005



"Lower" and "higher" income and wealth are defined relative to the US household medians: in 2005, \$46,326 for income, and \$97,755 for wealth. **Sources:** Agricultural Resource Management Survey, ERS, USDA; Current Population Survey, Bureau of Labor Statistics, US DOL; Survey of Consumer Finances (SCF), Federal Reserve Board.

farm households are high-wealth, the pattern is substantially different for farm households. Lower-income farm households are **not** more likely to be lower-wealth.

The combination of low income and low wealth can be considered an indication of relatively low economic well-being. In 2005, 37 percent of all U.S. households were in this category, compared to 4 percent of farm households.

What about the households with negative household income? Earlier we indicated that much higher share of farm households have negative household income: the follow-on question is, are those (low-income) households high or low wealth? Almost all of the farm households with negative income in 2005 (4.5 percent) had high wealth, whereas 2/3 of total U.S. households with negative income (0.5 percent) had low wealth. As a result, about the same shares of all farm and all U.S. households had negative income and low wealth (0.2 percent and 0.3 percent, respectively.)

References

Farm Household Economics and Well-Being: Income Forecasts and Income in Perspective, ERS Web site Briefing room, <http://www.ers.usda.gov/Briefing/WellBeing/farmhouseincome.htm>, Economic Research Service, USDA. Updated February 14, 2007. [Farm household income forecasts will be updated in August 29, and November 28, 2007.]

Covey, Theodore, Green, Robert and others. *Agricultural Income and Finance Outlook*, 2006, AIS-84, ERS, USDA November 2006.

Jones, Carol A., Hisham El-Osta, and Robert Green. *Economic Well-Being of Farm Households*, Economic Brief, EB-7, Economic Research Service, USDA, March 2006.

Table 1--Number of family farms and average income to farm operator households by farm typology, 2002-2007f

Item	2002	2003	2004	2005	2006f	2007f	2006f/2005	2007f/2006f	2007f/2002-06f Avg.	Share of family farms
	<i>Number</i>						<i>Percent change</i>			<i>Percent</i>
Family farms¹										
All	2,114,826	2,084,715	2,060,822	2,053,196	2,053,196	2,053,196	0.0	0.0	-1.0	100.0
Rural residence	1,352,876	1,429,953	1,373,946	1,417,008	1,417,008	1,417,008	0.0	0.0	1.3	69.0
Intermediate	611,324	502,771	529,081	478,806	478,806	478,806	0.0	0.0	-7.9	23.3
Commercial	150,626	151,991	157,795	157,382	157,382	157,382	0.0	0.0	1.5	7.7
	<i>Dollars/farm average</i>						<i>Percent change</i>			<i>Percent</i>
Household farm income--mean										
All	3,477	7,884	14,317	14,637	11,113	11,488	-24.1	3.4	11.7	100.0
Rural residence	-4,601	-3,888	-54	-1,149	-1,993	-2,241	-73.5	-12.4	4.1	69.0
Intermediate	2,953	9,618	12,340	13,959	10,030	10,815	-28.1	7.8	10.6	23.3
Commercial	78,161	112,900	146,072	158,831	132,409	137,143	-16.6	3.6	9.1	7.7
Household off-farm income--mean										
All	62,284	60,713	67,279	66,782	68,738	70,101	2.9	2.0	7.6	100.0
Rural residence	69,707	69,013	75,391	74,010	76,177	77,687	2.9	2.0	6.6	69.0
Intermediate	51,719	42,957	52,548	53,820	55,396	56,495	2.9	2.0	10.2	23.3
Commercial	38,492	41,364	46,035	41,144	42,349	43,189	2.9	2.0	3.1	7.7
Household income--mean										
All	65,761	68,597	81,596	81,420	79,851	81,588	-1.9	2.2	8.1	100.0
Rural residence	65,106	65,125	75,337	72,861	74,184	75,446	1.8	1.7	7.0	69.0
Intermediate	54,672	52,575	64,888	67,780	65,427	67,309	-3.5	2.9	10.2	23.3
Commercial	116,652	154,264	192,108	199,975	174,758	180,332	-12.6	3.2	7.6	7.7

Continued--

Table 1--Number of family farms and average income to farm operator households by farm typology, 2002-2007f--continued

Item	2002	2003	2004	2005	2006f	2007f	2006f/2005	2007f/2006f	2007f/2002-06f Avg.	Share of family farms
	<i>Number</i>					<i>Percent change</i>				<i>Percent</i>
Household income--median										
All	46,491	47,692	53,651	53,779	na	na	na	na	na	100.0
Rural residence	47,163	47,055	54,230	52,290	na	na	na	na	na	69.0
Intermediate	39,546	43,917	42,850	49,292	na	na	na	na	na	23.3
Commercial	80,441	97,382	112,624	119,391	na	na	na	na	na	7.7
Household wealth--median										
All	338,241	416,250	456,914	510,018	na	na	na	na	na	100.0
Rural residence	280,336	357,660	399,441	434,125	na	na	na	na	na	69.0
Intermediate	419,307	526,071	533,829	665,960	na	na	na	na	na	23.3
Commercial	753,700	1,005,385	1,137,107	1,272,450	na	na	na	na	na	7.7

f = forecast. na = not available.

¹Number of farms in 2006 and 2007 is set at number of 2005 farms.

Source: Agricultural Resource Management Survey, USDA.

Table 2--Number of family farms and average income to farm operator households by expanded farm typology without limited resource category, 2002-2007f

Item	2002	2003	2004	2005	2006f	2007f	2006f/2005	2007f/2006f	2007f/2002-06f Avg.	Share of family farms
	<i>Number</i>						<i>Percent change</i>		<i>Percent</i>	
Family farms¹										
All	2,114,826	2,084,715	2,060,822	2,053,196	2,053,196	2,053,196	0.0	0.0	-1.0	100.0
Retirement	441,092	395,585	419,262	458,523	458,523	458,523	0.0	0.0	5.5	22.3
Residential/lifestyle	874,098	930,160	859,829	882,952	882,952	882,952	0.0	0.0	-0.3	43.0
Farming occupation/lower-sales	488,581	470,664	489,615	419,851	419,851	419,851	0.0	0.0	-8.3	20.4
Farming occupation/higher-sales	160,429	136,314	134,321	134,487	134,487	134,487	0.0	0.0	-3.9	6.6
Large	86,303	85,257	86,087	85,773	85,773	85,773	0.0	0.0	-0.1	4.2
Very large	64,323	66,734	71,708	71,609	71,609	71,609	0.0	0.0	3.5	3.5
	<i>Dollars/farm average</i>						<i>Percent change</i>		<i>Percent</i>	
Household farm income--mean										
All	3,477	7,884	14,317	14,637	11,113	11,488	-24.1	3.4	11.7	100.0
Retirement	-1,959	-796	2,677	2,559	2,018	1,917	-21.1	-5.0	113.1	22.3
Residential/lifestyle	-5,857	-4,900	-491	-2,563	-3,507	-3,802	-36.8	-8.4	-9.8	43.0
Farming occupation/lower-sales	-2,369	345	2,425	2,825	1,003	827	-64.5	-17.5	-2.2	20.4
Farming occupation/higher-sales	16,966	29,248	33,998	36,879	27,722	30,731	-24.8	10.9	6.1	6.6
Large	39,829	62,775	80,250	82,381	67,945	75,331	-17.5	10.9	13.0	4.2
Very large	129,590	176,938	225,094	250,403	209,624	211,181	-16.3	0.7	6.5	3.5
Household off-farm income--mean										
All	62,284	60,713	67,279	66,782	68,738	70,101	2.9	2.0	7.6	100.0
Retirement	44,752	41,523	49,853	52,379	53,913	54,982	2.9	2.0	13.4	22.3
Residential/lifestyle	84,848	87,266	94,788	90,502	93,152	94,999	2.9	2.0	5.4	43.0
Farming occupation/lower-sales	52,024	39,401	49,373	51,850	53,368	54,426	2.9	2.0	10.6	20.4
Farming occupation/higher-sales	41,132	30,375	35,803	36,781	37,858	38,608	2.9	2.0	6.1	6.6
Large	35,612	39,275	44,870	35,326	36,360	37,081	2.9	2.0	-3.2	4.2
Very large	42,355	44,033	47,434	48,114	49,523	50,505	2.9	2.0	9.1	3.5

Continued--

Table 2--Number of family farms and average income to farm operator households by expanded farm typology without limited resource category, 2002-2007f --continued

Item	2002	2003	2004	2005	2006f	2007f	2006f/2005	2007f/2006f	2007f/2002-06f Avg.	Share of family farms
	<i>Number</i>					<i>Percent change</i>			<i>Percent</i>	
Household income--mean										
All	65,761	68,597	81,596	81,420	79,851	81,588	-1.9	2.2	8.1	100.0
Retirement	42,793	40,727	52,530	54,938	55,931	56,899	1.8	1.7	15.2	22.3
Residential/lifestyle	78,990	82,366	94,297	87,939	89,645	91,198	1.9	1.7	5.3	43.0
Farming occupation/lower-sales	49,654	39,746	51,798	54,675	54,371	55,253	-0.6	1.6	10.4	20.4
Farming occupation/higher-sales	58,098	59,623	69,801	73,659	65,579	69,340	-11.0	5.7	6.1	6.6
Large	75,441	102,050	125,120	117,707	104,304	112,412	-11.4	7.8	7.1	4.2
Very large	171,945	220,971	272,527	298,516	259,146	261,686	-13.2	1.0	7.0	3.5
Household income--median										
All	46,491	47,692	53,651	53,779	na	na	na	na	na	100.0
Retirement	31,070	28,462	37,538	38,866	na	na	na	na	na	22.3
Residential/lifestyle	58,141	59,211	67,398	67,234	na	na	na	na	na	43.0
Farming occupation/lower-sales	33,494	30,875	30,934	35,630	na	na	na	na	na	20.4
Farming occupation/higher-sales	47,834	53,743	61,075	62,765	na	na	na	na	na	6.6
Large	71,043	80,962	98,863	103,256	na	na	na	na	na	4.2
Very large	99,983	126,932	155,111	174,000	na	na	na	na	na	3.5
Household wealth--median										
All	338,241	416,250	456,914	510,018	na	na	na	na	na	100.0
Retirement	340,720	382,628	452,070	492,990	na	na	na	na	na	22.3
Residential/lifestyle	269,141	346,583	392,994	393,802	na	na	na	na	na	43.0
Farming occupation/lower-sales	351,050	436,780	443,465	565,625	na	na	na	na	na	20.4
Farming occupation/higher-sales	598,177	755,156	737,070	846,859	na	na	na	na	na	6.6
Large	720,455	893,960	980,582	1,049,687	na	na	na	na	na	4.2
Very large	804,758	1,172,354	1,383,496	1,620,975	na	na	na	na	na	3.5

f = forecast. na = not available.

¹Number of farms in 2006 and 2007 is set at number of 2005 farms.

Source: Agricultural Resource Management Survey, USDA.

Table 3--Number of family farms and farm operator household income by farm type, 2002-2007f

	2002	2003	2004	2005	2006f	2007f	2006f / 2005	2007f / 2006f	2007f / 2002-06f avg.	Share of family farms
	<i>Number</i>						<i>Percent change</i>		<i>Percent</i>	
Family farms¹										
All	2,114,826	2,084,715	2,060,822	2,053,196	2,053,196	2,053,196	0.0	0.0	-1.0	100.0
General cash grain	80,732	80,134	77,299	73,527	73,527	73,527	0.0	0.0	-4.6	3.6
Wheat	34,686	41,146	42,311	34,140	34,140	34,140	0.0	0.0	-8.4	1.7
Rice	3,955	3,961	4,190	3,113	3,113	3,113	0.0	0.0	-15.1	0.2
Corn	119,658	113,815	115,702	93,478	93,478	93,478	0.0	0.0	-12.8	4.6
Soybean	67,719	58,230	66,830	80,046	80,046	80,046	0.0	0.0	13.4	3.9
Cotton	12,620	16,881	15,859	14,910	14,910	14,910	0.0	0.0	-0.8	0.7
Other field crops	463,540	390,236	432,782	441,612	441,612	441,612	0.0	0.0	1.8	21.5
High value crops	127,712	125,691	127,003	130,005	130,005	130,005	0.0	0.0	1.5	6.3
Beef cattle	698,740	724,515	702,439	693,155	693,155	693,155	0.0	0.0	-1.3	33.8
Hogs	34,029	20,004	32,761	21,184	21,184	21,184	0.0	0.0	-18.0	1.0
Poultry	43,088	38,165	33,567	35,784	35,784	35,784	0.0	0.0	-4.0	1.7
Dairy	76,423	76,115	59,281	60,885	60,885	60,885	0.0	0.0	-8.7	3.0
General livestock	351,923	395,821	350,797	371,357	371,357	371,357	0.0	0.0	0.8	18.1
Household farm income--mean										
	<i>Dollars/farm average</i>						<i>Percent change</i>		<i>Percent</i>	
All	3,477	7,884	14,317	14,637	11,113	11,488	-24.1	3.4	11.7	100.0
General cash grain	9,544	28,907	30,246	45,895	39,009	49,256	-15.0	26.3	60.3	3.6
Wheat	10,353	13,154	16,358	27,101	23,785	33,668	-12.2	41.6	85.5	1.7
Rice	80,334	78,392	61,088	46,932	36,619	51,571	-22.0	40.8	-15.0	0.2
Corn	13,690	23,172	43,766	50,447	44,090	53,092	-12.6	20.4	51.5	4.6
Soybean	4,279	14,229	29,430	22,736	19,881	26,474	-12.6	33.2	46.2	3.9
Cotton	66,461	77,670	97,020	110,109	85,238	79,078	-22.6	-7.2	-9.4	0.7
Other field crops	354	4,337	6,628	4,886	3,779	3,704	-22.7	-2.0	-7.3	21.5
High value crops	30,203	40,676	35,203	42,017	42,067	37,727	0.1	-10.3	-0.8	6.3
Beef cattle	-2,970	754	5,335	7,256	5,821	5,239	-19.8	-10.0	61.7	33.8
Hogs	18,798	47,842	75,984	57,718	39,035	26,929	-32.4	-31.0	-43.8	1.0
Poultry	5,334	23,233	31,032	27,842	23,334	23,731	-16.2	1.7	7.1	1.7
Dairy	31,069	30,579	74,690	72,942	24,019	20,943	-67.1	-12.8	-55.1	3.0
General livestock	-5,828	-7,657	-3,983	-5,061	-6,081	-6,659	-20.2	-9.5	16.4	18.1

Continued

Table 3--Number of family farms and farm operator household income by farm type, 2002-2007f --continued

	2002	2003	2004	2005	2006f	2007f	2006f / 2005	2007f / 2006f	2007f / 2002-06f avg.	Share of family farms
	<i>Number</i>						<i>Percent change</i>		<i>Percent</i>	
Household off-farm income--mean										
All	62,284	60,713	67,279	66,782	68,738	70,101	2.9	2.0	7.6	100.0
General cash grain	41,677	41,955	52,259	46,076	47,426	48,366	2.9	2.0	5.4	3.6
Wheat	48,150	42,001	52,050	36,992	38,075	38,830	2.9	2.0	-10.6	1.7
Rice	37,362	24,995	32,607	46,838	48,210	49,166	2.9	2.0	29.4	0.2
Corn	48,771	53,887	63,899	58,212	59,917	61,105	2.9	2.0	7.3	4.6
Soybean	56,394	46,005	63,110	64,787	66,684	68,007	2.9	2.0	14.5	3.9
Cotton	36,638	44,411	42,936	48,742	50,170	51,164	2.9	2.0	14.8	0.7
Other field crops	65,784	69,317	70,191	69,200	71,227	72,639	2.9	2.0	5.1	21.5
High value crops	71,085	61,988	63,893	67,555	69,533	70,912	2.9	2.0	6.1	6.3
Beef cattle	62,453	61,206	69,666	68,359	70,361	71,756	2.9	2.0	8.1	33.8
Hogs	44,120	39,833	51,125	62,204	64,026	65,295	2.9	2.0	24.9	1.0
Poultry	49,513	50,540	51,950	51,115	52,612	53,655	2.9	2.0	4.9	1.7
Dairy	28,367	22,223	27,778	20,742	21,349	21,773	2.9	2.0	-9.6	3.0
General livestock	77,878	71,284	78,354	80,330	82,682	84,322	2.9	2.0	8.0	18.1
Household income--mean										
All	65,761	68,597	81,596	81,420	79,851	81,588	-1.9	2.2	8.1	100.0
General cash grain	51,221	70,862	82,504	91,971	86,435	97,622	-6.0	12.9	27.4	3.6
Wheat	58,503	55,155	68,409	64,093	61,860	72,498	-3.5	17.2	17.7	1.7
Rice	117,695	103,386	93,695	93,770	84,829	100,737	-9.5	18.8	2.1	0.2
Corn	62,461	77,059	107,665	108,659	104,007	114,197	-4.3	9.8	24.2	4.6
Soybean	60,673	60,234	92,540	87,523	86,565	94,480	-1.1	9.1	21.9	3.9
Cotton	103,099	122,080	139,956	158,851	135,407	130,242	-14.8	-3.8	-1.2	0.7
Other field crops	66,138	73,654	76,819	74,086	75,006	76,343	1.2	1.8	4.4	21.5
High value crops	101,288	102,664	99,096	109,572	111,600	108,639	1.9	-2.7	3.6	6.3
Beef cattle	59,483	61,959	75,001	75,615	76,182	76,995	0.7	1.1	10.5	33.8
Hogs	62,918	87,676	127,109	119,922	103,061	92,224	-14.1	-10.5	-7.9	1.0
Poultry	54,847	73,772	82,982	78,956	75,945	77,386	-3.8	1.9	5.6	1.7
Dairy	59,435	52,802	102,467	93,684	45,368	42,715	-51.6	-5.8	-39.6	3.0
General livestock	72,050	63,627	74,371	75,269	76,602	77,662	1.8	1.4	7.3	18.1

Continued

Table 3--Number of family farms and farm operator household income by farm type, 2002-2007f --continued

	2002	2003	2004	2005	2006f	2007f	2006f / 2005	2007f / 2006f	2007f / 2002-06f avg.	Share of family farms
	<i>Number</i>				<i>Percent change</i>				<i>Percent</i>	
Household income--median										
All	46,491	47,692	53,651	53,779	na	na	na	na	na	100.0
General cash grain	43,186	47,160	53,451	63,860	na	na	na	na	na	3.6
Wheat	45,560	44,325	46,650	46,122	na	na	na	na	na	1.7
Rice	83,663	126,791	53,217	89,636	na	na	na	na	na	0.2
Corn	44,921	59,173	66,463	76,562	na	na	na	na	na	4.6
Soybean	50,160	53,067	64,448	63,450	na	na	na	na	na	3.9
Cotton	48,666	77,803	74,667	105,659	na	na	na	na	na	0.7
Other field crops	47,303	52,288	49,800	52,099	na	na	na	na	na	21.5
High value crops	56,840	50,249	52,148	64,297	na	na	na	na	na	6.3
Beef cattle	43,997	44,900	51,594	51,771	na	na	na	na	na	33.8
Hogs	43,234	48,443	62,749	72,680	na	na	na	na	na	1.0
Poultry	50,709	52,138	63,791	54,050	na	na	na	na	na	1.7
Dairy	35,736	37,719	55,145	53,797	na	na	na	na	na	3.0
General livestock	48,967	44,556	54,170	47,958	na	na	na	na	na	18.1
Household wealth--median										
All	338,241	416,250	456,914	510,018	na	na	na	na	na	100.0
General cash grain	456,089	628,487	705,967	751,389	na	na	na	na	na	3.6
Wheat	425,173	409,575	475,159	538,182	na	na	na	na	na	1.7
Rice	660,342	722,808	397,700	539,275	na	na	na	na	na	0.2
Corn	502,745	625,683	637,614	738,983	na	na	na	na	na	4.6
Soybean	300,618	457,575	568,163	639,097	na	na	na	na	na	3.9
Cotton	350,400	489,509	760,742	580,627	na	na	na	na	na	0.7
Other field crops	324,913	431,679	435,890	484,325	na	na	na	na	na	21.5
High value crops	411,562	525,347	492,175	657,486	na	na	na	na	na	6.3
Beef cattle	328,926	383,421	441,211	495,516	na	na	na	na	na	33.8
Hogs	278,108	421,170	466,111	561,259	na	na	na	na	na	1.0
Poultry	407,011	435,836	542,839	555,312	na	na	na	na	na	1.7
Dairy	567,792	647,244	723,310	795,161	na	na	na	na	na	3.0
General livestock	264,356	314,641	372,246	400,121	na	na	na	na	na	18.1

f = forecast. na = not available.

¹Number of farms in 2006 and 2007 is set at number of 2005 farms.

Source: Agricultural Resource Management Survey, USDA.