



Bureau of the Census **Agricultural Brief**

Large Farms Are Thriving in the United States

According to the 1992 Census of Agriculture, the number of large farms (those with sales of \$100,000 or more) has increased rapidly in the last quarter century. Where there was one large farm in 1969, there were six in 1992. While total farm count has dwindled from 2.7 million in 1969 to 1.9 million in 1992, the number of large farms has jumped from 51,995 in 1969 to 333,865 in 1992. Large farms and farms with less than \$100,000 in sales provide two distinctly different profiles.

Based on the 1992 Census of Agriculture data, large farms are much greater in size and produce more products than smaller farms. They account for the majority of assets. Large farms are also more likely to be operated by full-time farmers, receive most of the government payments, are more likely to be corporations, and generate far greater cash returns.

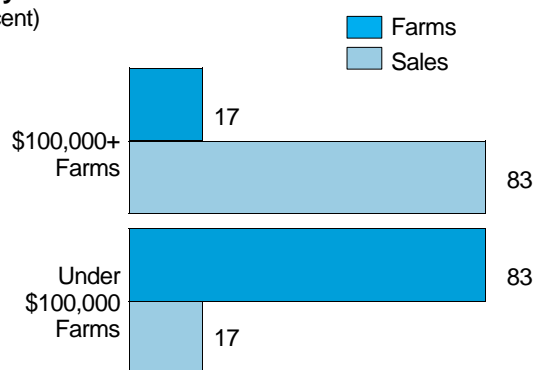


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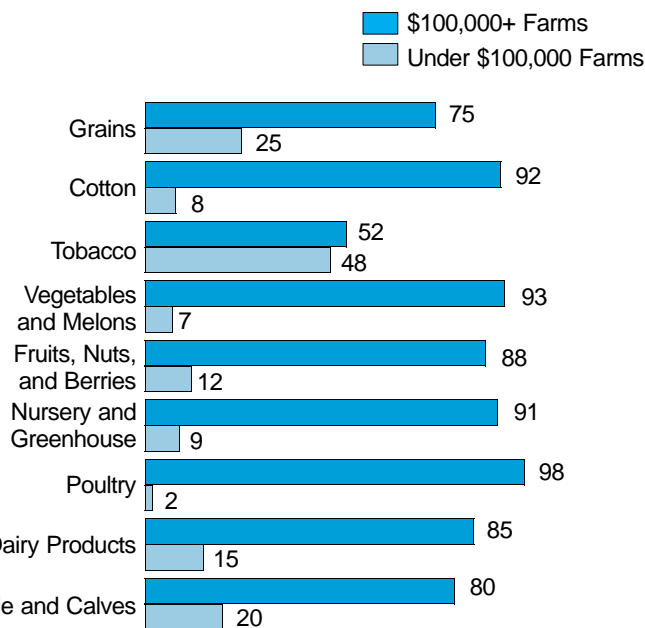
Agriculture and Financial Statistics Division
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Farms and Farm Products Sold by Value of Sales: 1992
(In percent)



Source: U.S. Bureau of the Census, 1992 Census of Agriculture.

Percentage of Commodity Sold by Value of Sales: 1992



Source: U.S. Bureau of the Census, 1992 Census of Agriculture.

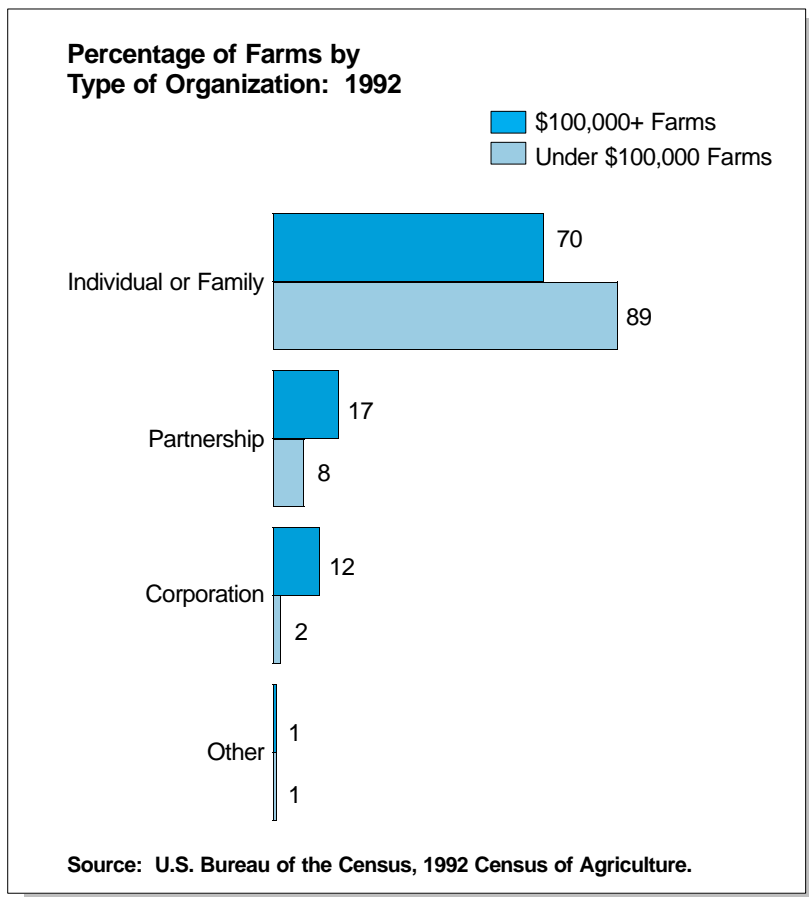
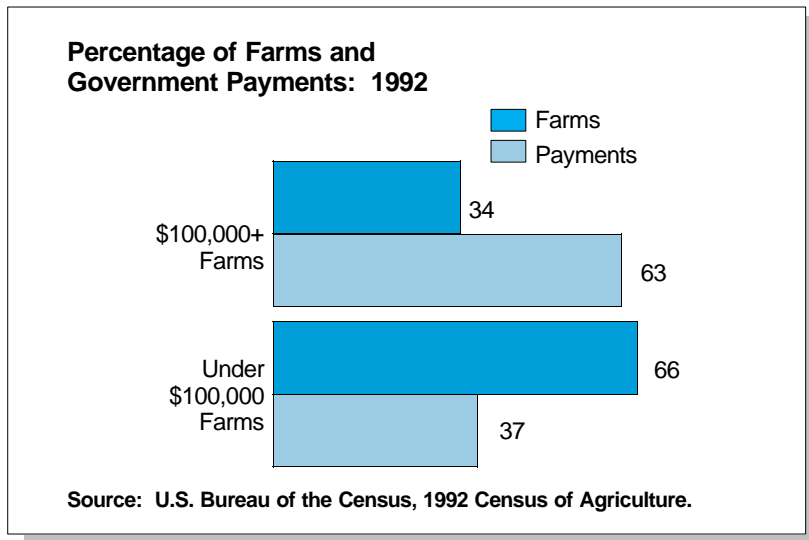
Many large farms are not just relatively large economically, but are large in acreage terms, too. Though large farms in 1992 comprised less than 20 percent of all farms in the United States, they operated 54 percent of the total land in farms and produced approximately 83 percent of all farm products sold. Large farms averaged 1,542 acres compared to 271 acres for smaller farms.

Most of the United States' farm products came from large farms, which accounted for the majority of the value of agricultural products sold. Large farms dominated poultry and poultry products, accounting for 98 percent of these sales in 1992. In contrast, these farms accounted for only 52 percent of tobacco sales.

Large farms tend to hold large assets. In 1992, they accounted for more than half of the total value of machinery and equipment and total value of land and buildings on farms. For these farms, the average value of machinery and equipment was \$150,852. The average value for land and buildings was \$1,059,510. These average values were approximately five times greater for large farms than for their smaller counterparts.

Managing a large farm is a full-time job for most farm operators. Over 90 percent of large farm operators considered farming to be their principal occupation, compared to 47 percent of the small farm operators. In the 1992 Census of Agriculture, only 24 percent of the large farm operators reported any off-farm work compared to the 57 percent reported by the smaller-farm operators.

About 24 percent of farms with sales less than \$100,000 received government payments, whereas 57 percent of all large farms received government payments in 1992.



Even though 66 percent of farms receiving government payments in 1992 reported less than \$100,000 in sales, they received only 37 percent of the total payments.

Corporations are more commonly found among large farms than small

ones, while “individual or family” is the most common type of organization for both groups. Large farms are six times more likely to be corporations compared to farms with sales less than \$100,000. Of all corporate farms in 1992, 57 percent were large farms. Large farms were

twice as likely as their smaller counterparts to be partnerships.

Large farms produce large returns. Net cash return for the farm unit is defined as current noncapital farm

production expenses subtracted from the value of sales. Average net cash return was 46 times greater on large farms than on farms with less than \$100,000 in sales. The average net cash return for farms with less than

\$100,000 in sales was only \$1,836, versus \$83,812 for large farms, excluding government payments.

U.S. Averages of Selected Items For Farms With Sales of \$100,000 or More Compared to Farms With Sales of Less Than \$100,000: 1992

Item	\$100,000 or more	Less than \$100,000
Land in Farms (<i>acres</i>)	1,542	271
Value of Land and Buildings (<i>dollars</i>)	1,059,510	212,816
Value of Machinery and Equipment (<i>dollars</i>)	150,852	27,547
Value of Sales (<i>dollars</i>)	402,081	17,825
Grains (<i>dollars</i>)	125,806	19,873
Cotton and Cottonseed (<i>dollars</i>)	222,735	22,961
Tobacco (<i>dollars</i>)	115,933	11,418
Vegetables, Sweet Corn, and Melons (<i>dollars</i>)	332,264	10,631
Fruits, Nuts, and Berries (<i>dollars</i>)	441,001	15,329
Nursery and Greenhouse Crops (<i>dollars</i>)	611,477	18,105
Poultry and Poultry Products (<i>dollars</i>)	544,452	7,549
Dairy Products (<i>dollars</i>)	221,848	40,646
Cattle and Calves (<i>dollars</i>)	182,538	9,917
Hogs and Pigs (<i>dollars</i>)	133,219	13,329
Government Payments (<i>dollars</i>)	17,171	5,080
Average Net Cash Returns (<i>dollars</i>)	83,812	1,836

Editor's Note: Sampling is used to collect data for selected items and to account for nonresponding farm operations. Thus, the results are subject to sampling variability, as well as reporting and coverage errors.

Source: U.S. Bureau of the Census, 1992 Census of Agriculture.