

# How the Census of Agriculture Influences Farm Policy and Programs

A Presentation by:

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For the

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**The Count that Counts: The Census of Agriculture and  
Policy Decisions: Changes in Rural America**

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## Disclaimer:

Views expressed in this presentation are those of the presenter only and should not be interpreted as representing those of the House Committee on Agriculture or any of its Members.

# How Is Congressional Policy Influenced?

1. Providing Relevant, Accurate and Timely Information to Help Form Positions
2. Providing Information Useful for Advancing Positions.
3. Providing Information Useful for Countering Opponents' Arguments and Their Use (or Misuse) of Information.  
*(Misuse of information sufficiently publicized and not countered effectively is influential, too.)*
4. Presenting information in a Usable Format.
5. Knowing Who to Talk to.
6. While Doing the Above, Maintaining Credibility.

# The Agricultural Census Has an Important Influence on Ag Policy and Affects Ag Programs by Providing:

1. The Most Detailed, Extensive, Comprehensive Snapshot of the U.S. Agriculture Sector for a Point In Time Available from Any Data Source.
2. The Ability to Create Cross-References and Frequency Distributions of Relationships Among Production Data, Economic Data (Including Income), Farm Characteristics, and Operator Characteristics
3. Data for Policy Analysis
4. Benchmarks for Annual Surveys & Estimates
5. Information on Agricultural Activities by Congressional District
6. For a Few Programs, A Basis for Allocating National Program Benefits to States

# The Influence of the Census of Agriculture Is Reduced by Several Inherent Factors:

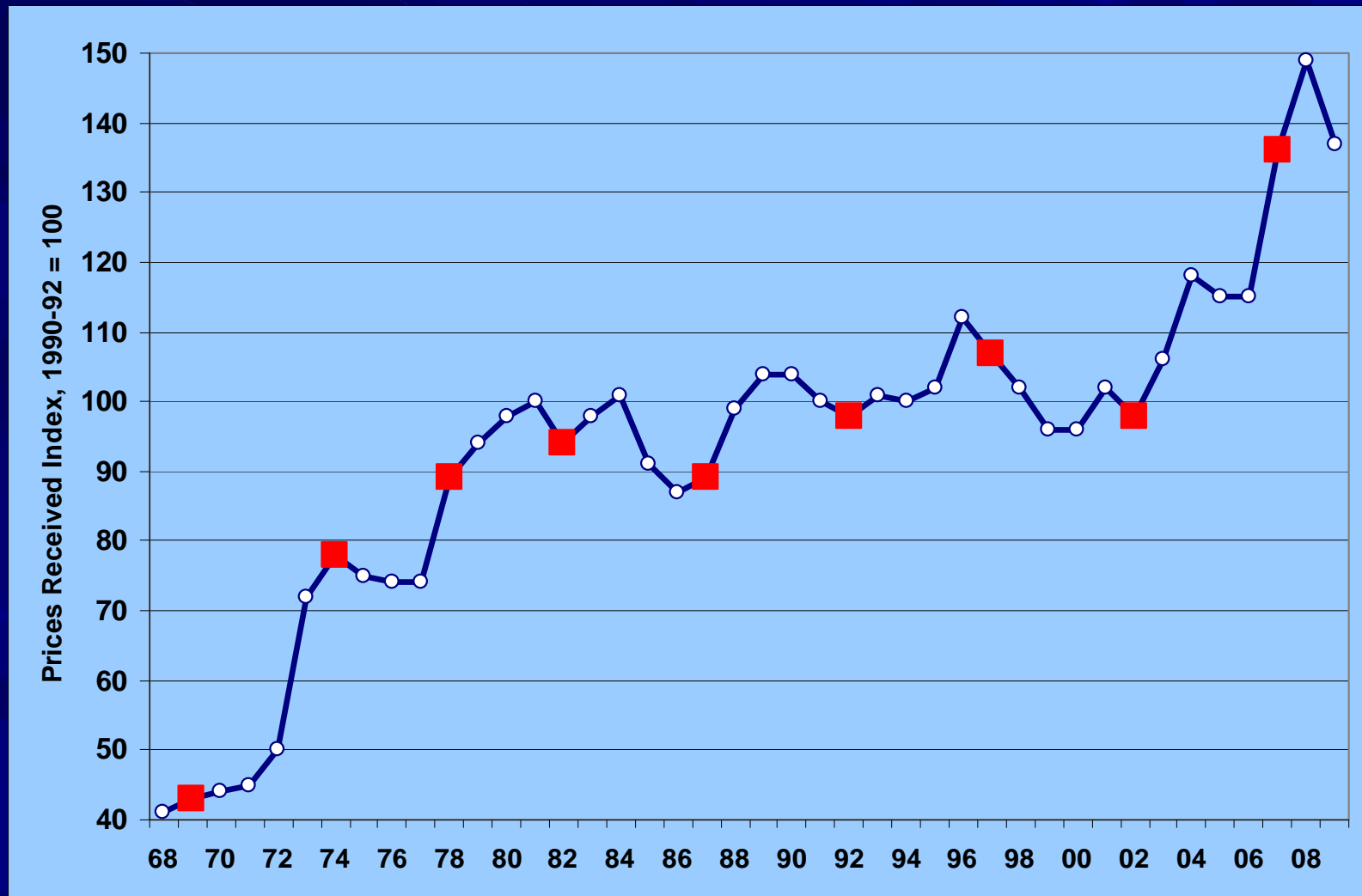
1. The Census is conducted only every 5 years.
2. Census results are only available a year or more “after the fact.”
3. The results are dependent on market conditions during the Census Year which can make comparisons between Censuses problematic.
4. Coverage and response rates can vary from year to year, thereby reducing the validity of comparisons of some variables among different censuses.
5. Those focused on “Commercial Agriculture” consider the Census definition of a “farm” to not reflect their reality.

**Often Policy Concerns Are Driven by  
Current Market Conditions**

**Why Annual Surveys and Current Non-  
Census Estimates Are Needed**

# Market Conditions in Census Years Can Vary Greatly from Non-Census Years

A Rough Indicator: Index of Prices Received for All Farm Products: 1990-92 = 100. Red Squares Denote Census Years.



# Census Benchmarks for Annual Surveys & Estimates. Examples.

## Crop Production:

- Field Crop Final Estimates, 2002-2007
- Citrus Fruits Final Estimates, 2003-2007
- Noncitrus Fruits and Nuts Final Estimates 2002-2007
- Rice Stocks Final Estimates 2003-2008
- Stocks of Grain, Oilseeds, & Hay Final Estimates 2003-2008
- Vegetables Final Estimates, 2003-2007

## Farm Income and Balance Sheet:

- Many Production Expenses: Alaska & Hawaii Data
- Farm-Related Income: Alaska & Hawaii Data
- Machinery & Motor Vehicle Assets

ARMS Survey: Census can be used to Validate and Cross-Check (for Census Years), the ERS/NASS Annual Survey that Provides Census-like Cross-Referencable Data That is Extensively Used for Policy Analysis



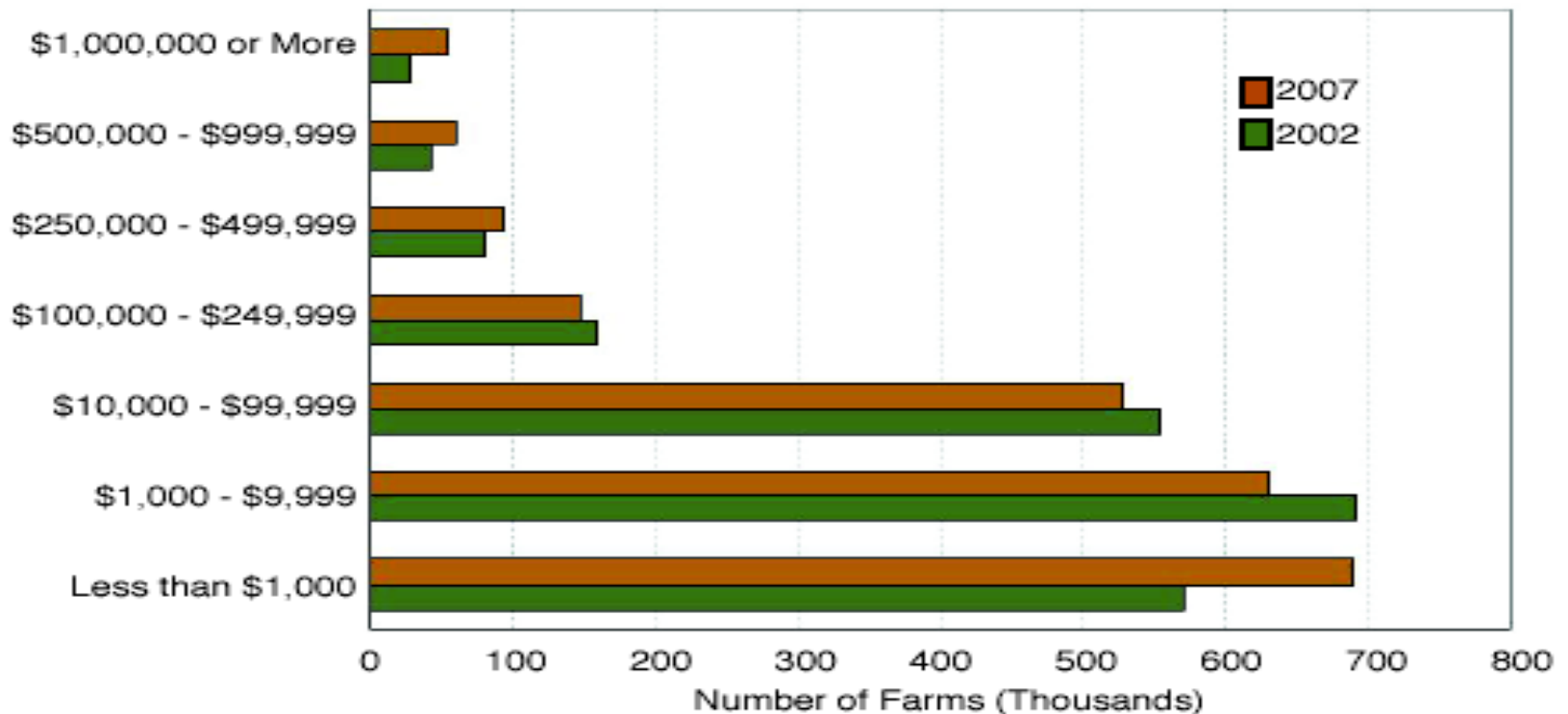
# **Changes in Farm Numbers, Like Changes in Farm Income, Can Be Politically Charged**

**Some Concerns  
(While acknowledging that  
most problems are easier to  
identify than to solve)**

# Because Price Levels Affect the Value of Sales, Comparing Changes Between Censuses in the Number of Farms by Fixed-Value Sales Classes Is Problematic When Price Levels Are Significantly Different

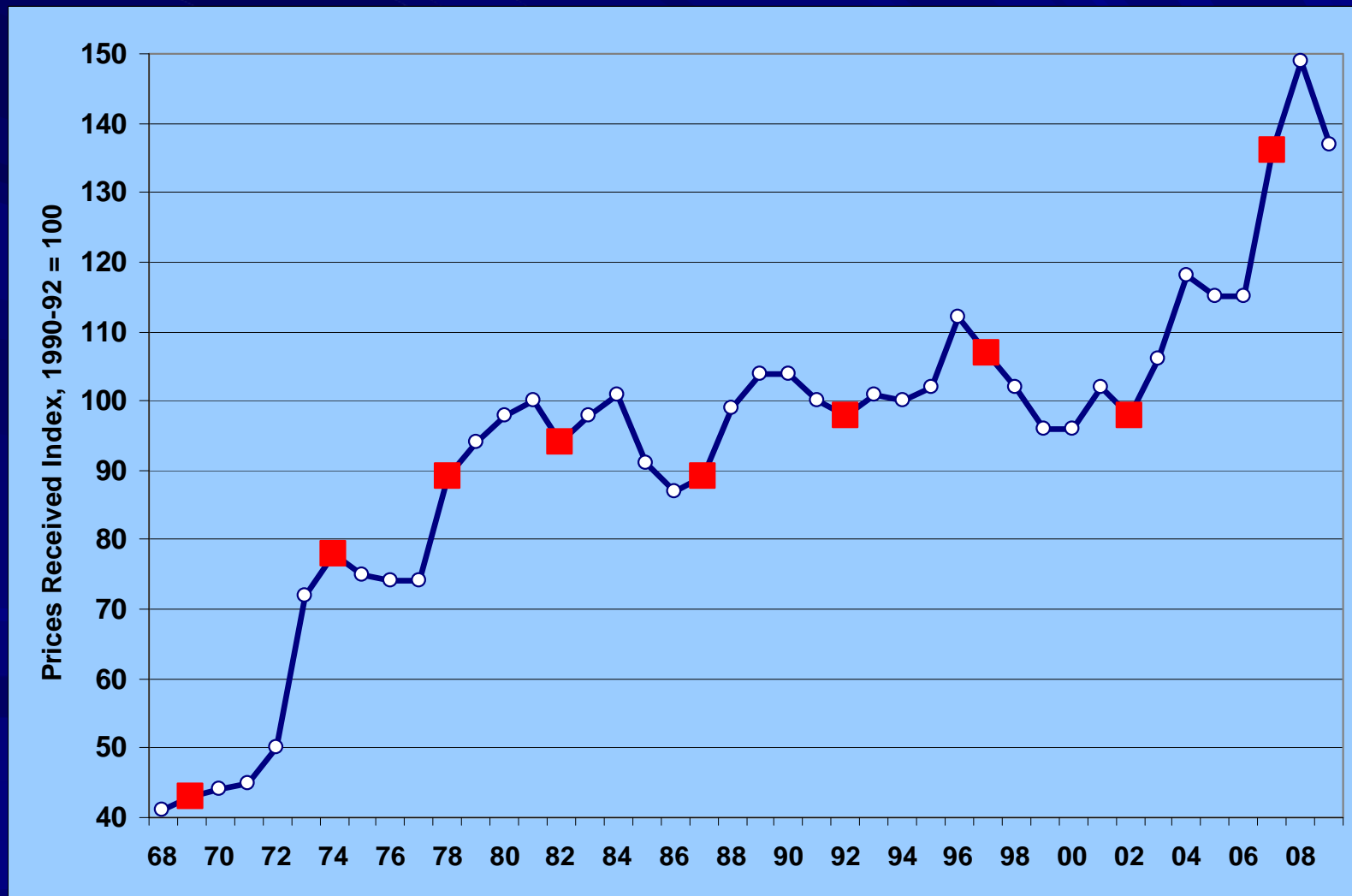
Between 2002 and 2007, the number of farms with sales of less than \$1,000 increased by 118,000. The number of farms with sales of more than \$500,000 grew by 46,000 during the same period.

Number of Farms by Sales Class



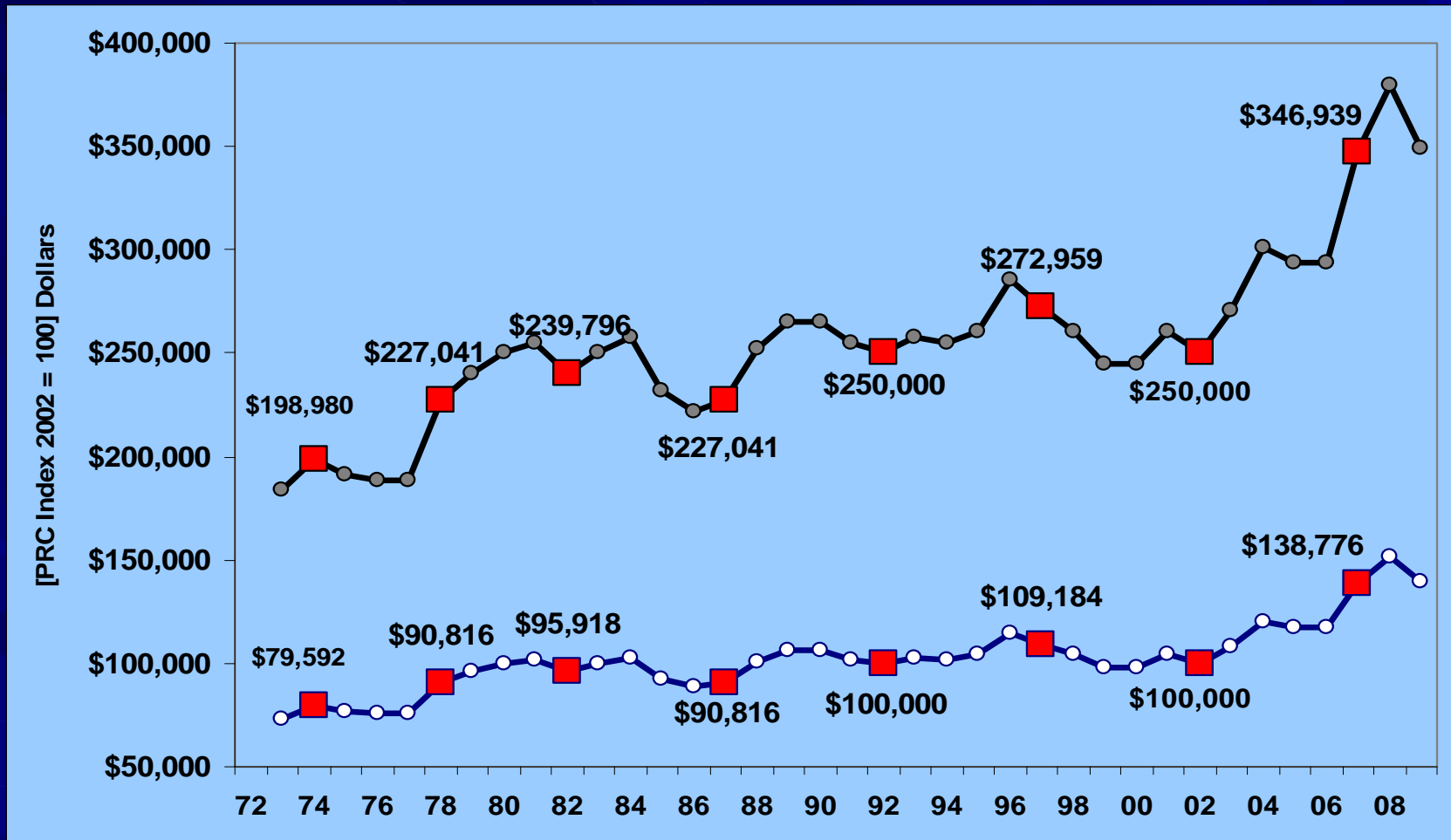
# The Index of Prices Received for All Farm Products Increased by 38.8% between 2002 and 2007

Index of Prices Received All Farm Products: 1990-92 = 100.  
Red Squares = Census Yrs.



# Sales Class Thresholds for Other Census Years to Be Equivalent to 2002 Thresholds of \$100,000 and \$250,000 Taking into Account Price Differences.

A Rough Indicator: Index of Prices Received All Farm Products: 2002 = 100. Red Squares = Census Years



# Increased Numbers of Small Farms between 2002 & 2007

## Price changes

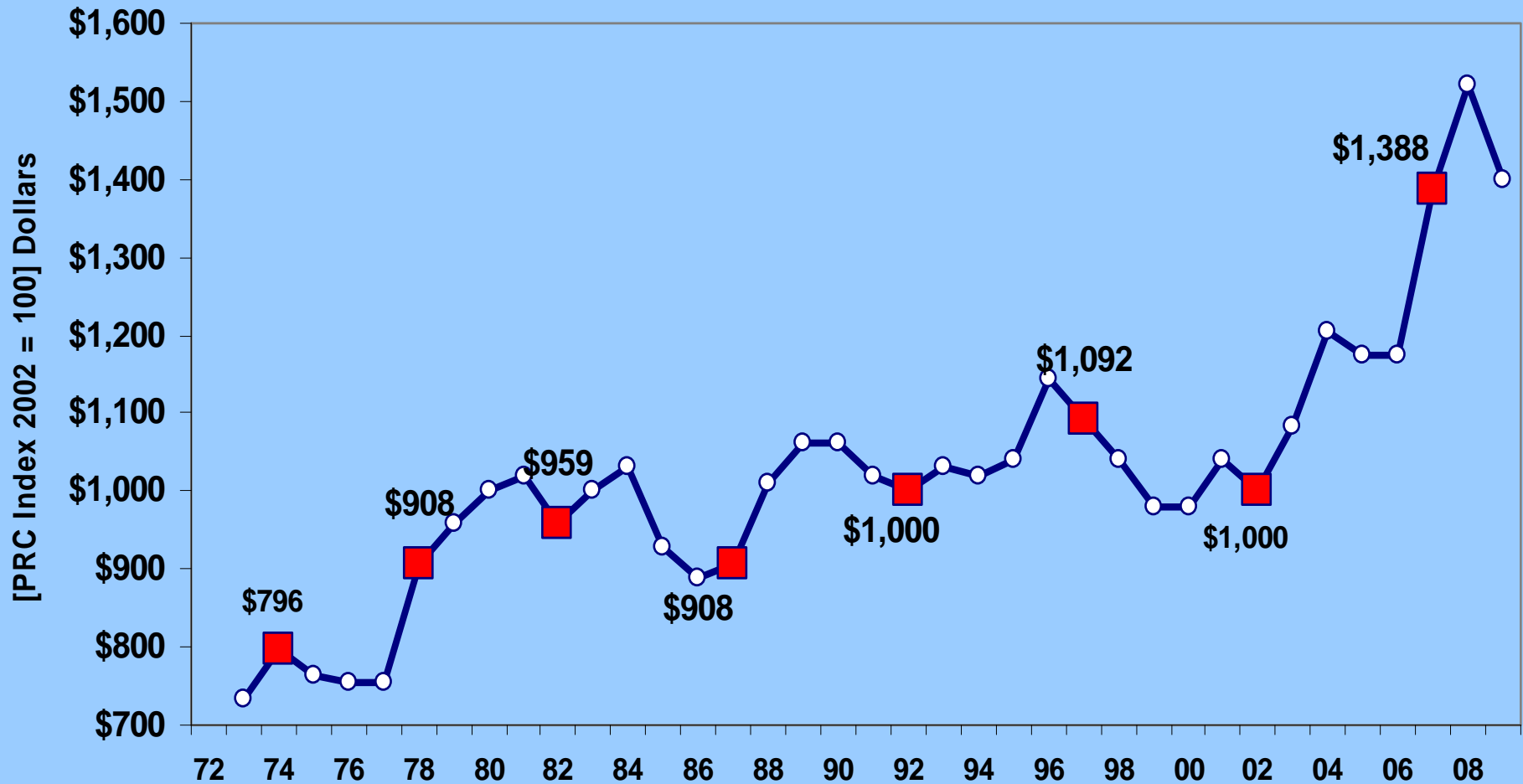
- Because of significant price increases between 2002 and 2007, some farms that did not qualify at the \$1,000 threshold level in 2002 would qualify at the \$1,000 threshold in 2007 based only on the price increase.
- (Note: Procedures for determining if sales would normally be \$1,000 or more in some cases implicitly and partially adjust for price changes)

## Increased Efforts to Locate Small Farms

- Increased efforts by NASS to better identify and locate smaller farming operations, have contributed to the increase in small and minority farms in the 2007 Census.
- This effort is appropriate and increases the validity of the 2007 Census. But it also reduces the validity of comparing changes from the 2002 Census.
- *See Discussion on p. 31 of NASS's "Farms, Land in Farms, and Livestock Operations" February, 2008 publication.*

# Levels for other years equivalent to the \$1,000 fixed threshold to qualify as a farm in 2002 after adjusting for price changes.

A Rough Indicator: Index of Prices Received All Farm Products: 2002=100. Red Squares = Census Years.



# A Modest proposal to address Concerns of Commercial Agriculture

- Work with interested parties to develop an OFFICIAL Census Definition of a “Commercial Farm”
- The current farm typology used in by the Census is adapted from a typology developed by the Economic Research Service. It is not established by regulation or statute.
- The ERS typology has a number of useful classification categories but not that of: “Commercial Farm.”
  - Residential / Lifestyle
  - Retirement
  - Limited Resource
  - Farming Occupation / Lower Sales
  - Very Large Family
  - Farming Occupation / Higher Sales
  - Nonfamily
  - Large Family

**The Census is A Main Source of  
Frequency Distributions Showing  
Relationships Among Production Data,  
Economic Data, Farm Characteristics,  
and Operator Characteristics**



## What do you want to know? Examples:

In 2007:

- How many female farm operators were there in the U.S. aged 35 to 44? **13,938**
- How many farm operators under the age of 25 in the U.S. had self-propelled cotton pickers and strippers on their farms? **94**
- How many farms in Alaska were involved in Aquaculture? **51**
- How many farms in the U.S. grew more than 500 acres of organic products? **886**
- Of the 3,281,634 total farm operators, how many were the third operator on the farm? **145,072**
- What was the average age of all farm operators, principal operator, second operators, and third operators? **54.9, 57.1, 51.4, and 44.6, respectively.**

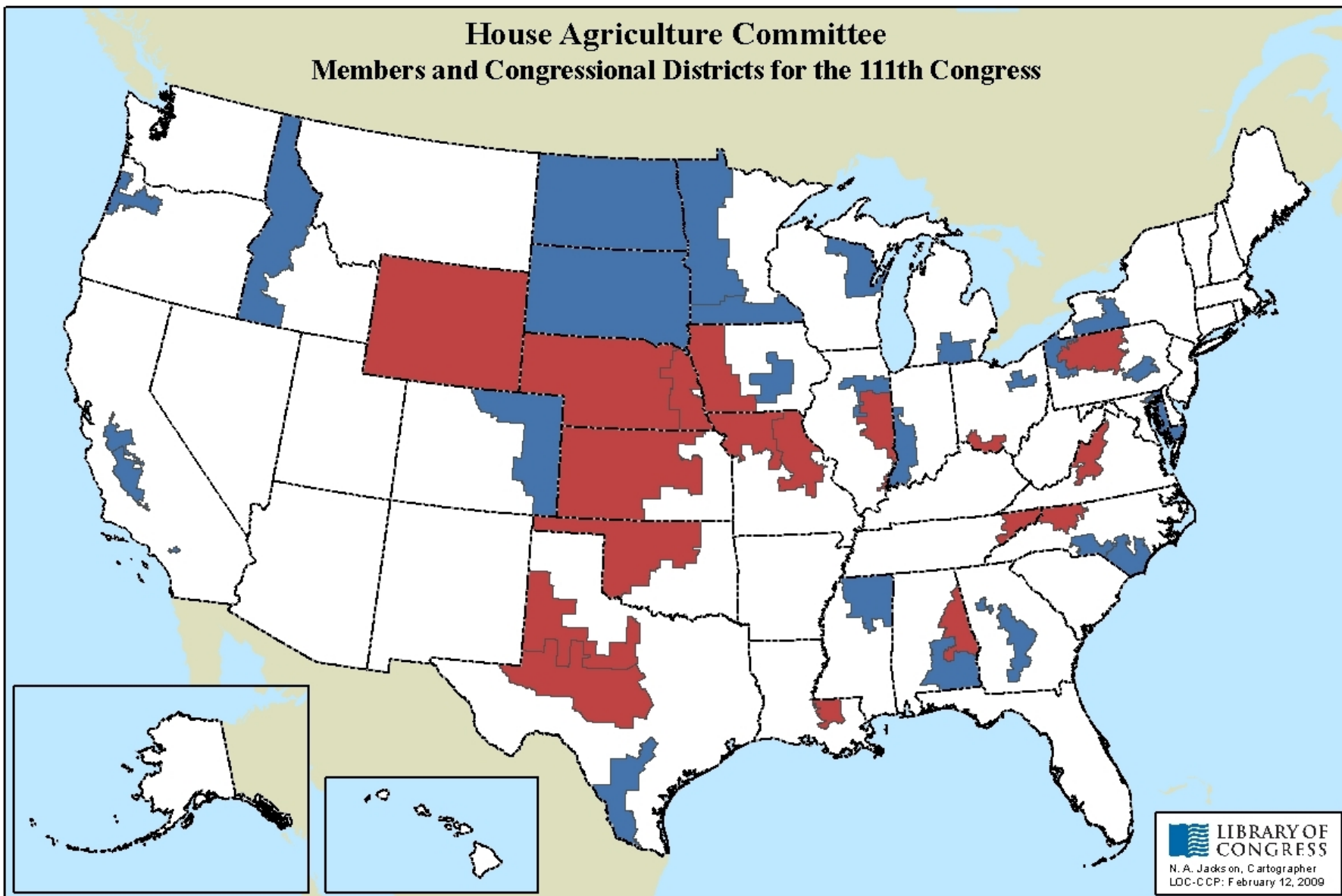
# Census Data as Input into Policy Analysis: A 2002 Farm Bill Example

- Various payment limits on commodity program benefits were proposed during the 2002 farm bill debate.
- Because farm size was a key factor in determining whether a particular payment limit was hit, analysts needed a frequency distribution of farms by acres of specific crops.
- Although Census farms are not defined in the same way as FSA program farms, Census farm size data was the main data available to many researchers so it was used.
- Establishment of FSA's 1640 data base, as provided in the 2002 farm bill, provided better data that was used in analyzing 2008 farm bill payment and AGI limit options.

**Knowing Who to Talk To:  
Which Members Are Interested  
in Which Issues?**

**Congressional District  
Rankings and Profiles**

# House Agriculture Committee Members and Congressional Districts for the 111th Congress



111th Congress: House Agriculture Committee

# Information on Farms, Farm Operators, and Agricultural Activities in Congressional Districts

- The Census of Agriculture is the only comprehensive source for Congressional District information.
- Because a number of counties are split among two or more districts, the alternative of aggregating county information is complicated and inherently inaccurate.
- For the 2002 Census, Congressional District information included:
  - Rankings of Congressional Districts from #1 to #418 for 46 categories including 13 operator characteristics, 6 farm characteristics, 2 Value of Agricultural Products Sold, 8 Livestock and Poultry, and 17 Crops.
  - 2-page Profiles for each District.
- 2007 Census Information on Congressional Districts will be available soon. The following examples of Congressional District information is based on the 2002 Census.

# Congressional District Rankings, 2002 Census: Ranked by Market Value of Ag Products Sold

<u>Member</u>	<u>District</u>	<u>Rank</u>	<u>Value</u>
#1 Rank: Jerry Moran	KS-1	1	\$7,176,335,000
# 418 Rank : Xavier Becerra	CA-13	418	\$8,000
H. Ag Chair: Collin Peterson	MN-7	7	\$3,792,754,000
H. Ag Ranking Member: Frank Lucas	OK-3	16	\$2,528,847,000
H. Ag Approp Chair: Rosa DeLauro	CT-3	343	\$20,755,000
Speaker Nancy Pelosi	CA-8	399	\$1,012,000

# Congressional District Rankings, 2002 Census: Ranked by Number of Farm Operators

<u>Member</u>	<u>District</u>	<u>Rank</u>	<u># Operators / Farms</u>
#1 Rank: Jerry Moran	KS-1	1	47,914 / 34,746
# 418 Rank : Chaka Fattah	PA-2	418	2 / 2
H. Ag Chair: Collin Peterson	MN-7	5	44,956 / 32,629
H. Ag Ranking Member: Frank Lucas	OK-3	6	43,491 / 30,462
H. Ag Approp Chair: Rosa DeLauro	CT-3	321	592 / 389
Speaker Nancy Pelosi	CA-8	412	8 / 8

# Congressional District Profile: District 7, Minnesota

## Rep. Collin Peterson, Chairman, House Ag Committee

### 2002 Census of Agriculture: Examples from 63 Categories

- Number of Farms: 32,629
- Land in Farms: 14,848,949 acres
- Total Number of Farm Operators: 44,966
- Market Value of Production: \$3,792,754,000
- Government Payments: \$193,524,000
- Top Crop Items: District Rank in U.S.
  - Sugar beets for Sugar: 1
  - Soybeans: 2
  - All Wheat: 5
  - Corn for Grain: 6
- Top Livestock Items: District Rank in U.S.
  - Turkeys: 1
  - Hogs & Pigs: 9
  - Cattle & Calves: 25



# **Census Data Is Used to Allocate National Benefits for Some Programs to the States**

# Programs Benefits Affected by Ag Census Variables

**Source: Congressional Research Service**

1. FSA Farm Direct & Guaranteed Loan Programs: 70% to 75% of State Allocation Factors for \$3.4 Billion in loan authorizations
2. Selected Conservation Programs: 5% to 9% of State Allocation Factors for EQIP, Conservation Tech Assistance, Chesapeake Bay Watershed Assistance, and Ag Management Assistance Program
3. Ag Experiment Stations: 26% of State Allocations Factors of Additional funding above Base 1955 levels.
4. Cooperative Extension Service: 40% of State Allocations Factors of Additional funding above Base 1962 levels.
5. If variables were redefined, allocation formulas could be redefined, too. Likely easier for formulas defined through administrative action or regulation than those defined by statute.

# **A Final Key Congressional Use for the Census of Agriculture:**

**The House Ag Committee Staff  
Christmas Party's Annual  
Agriculture Jeopardy Contest**

# Let's Give Thanks to the "Hack Workers"!

"Disdain for data collection is built into the value and reward structure of our discipline. Ingenious efforts to tease bits of information from unsuitable data are much applauded; designing instruments for collecting more appropriate information is generally considered hack work."

-- Alice Rivlin, Richard T. Ely Lecture, 1976.

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