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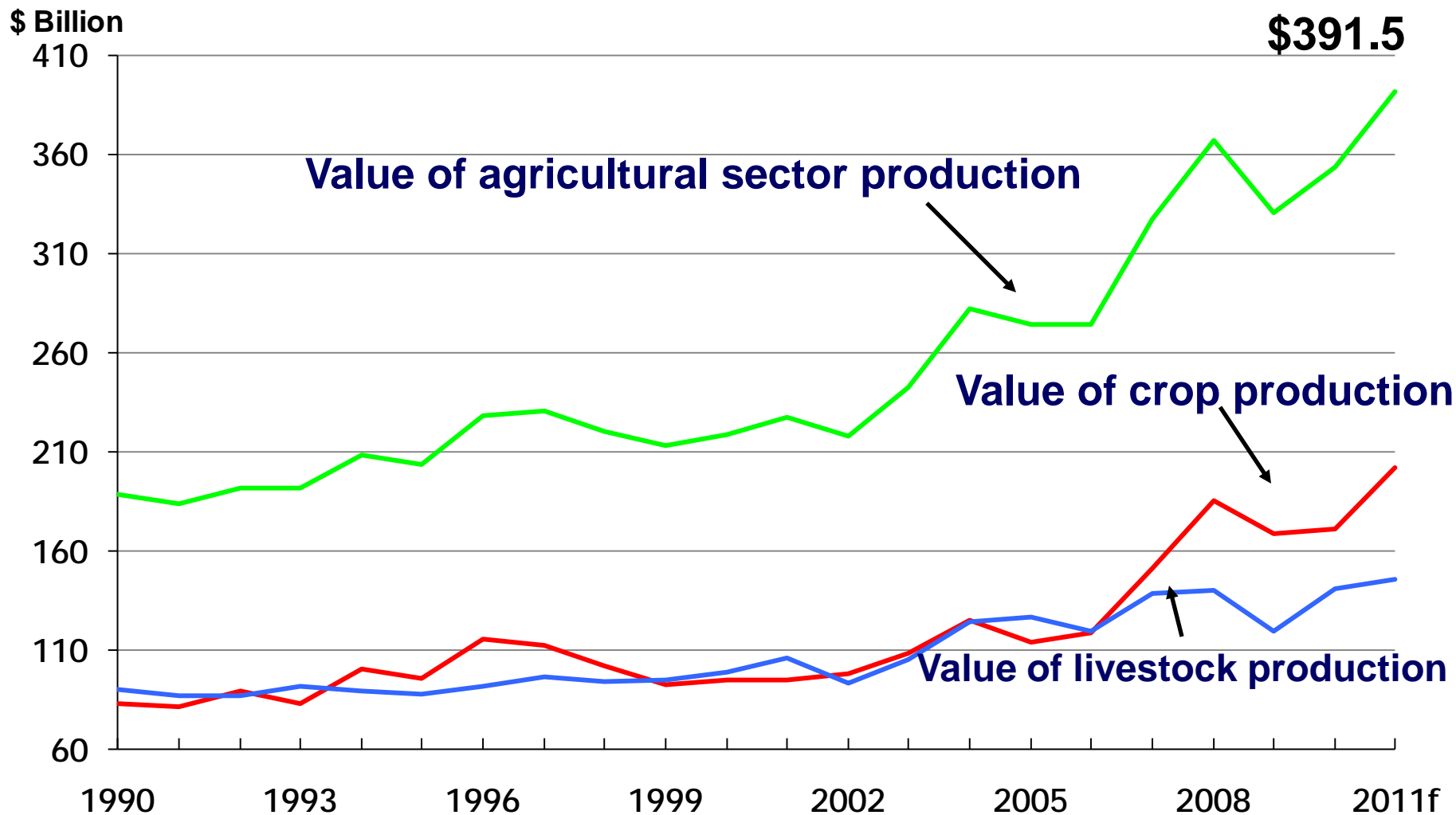
USDA Outlook for the 2011 U.S. Farm Economy

Timothy Park
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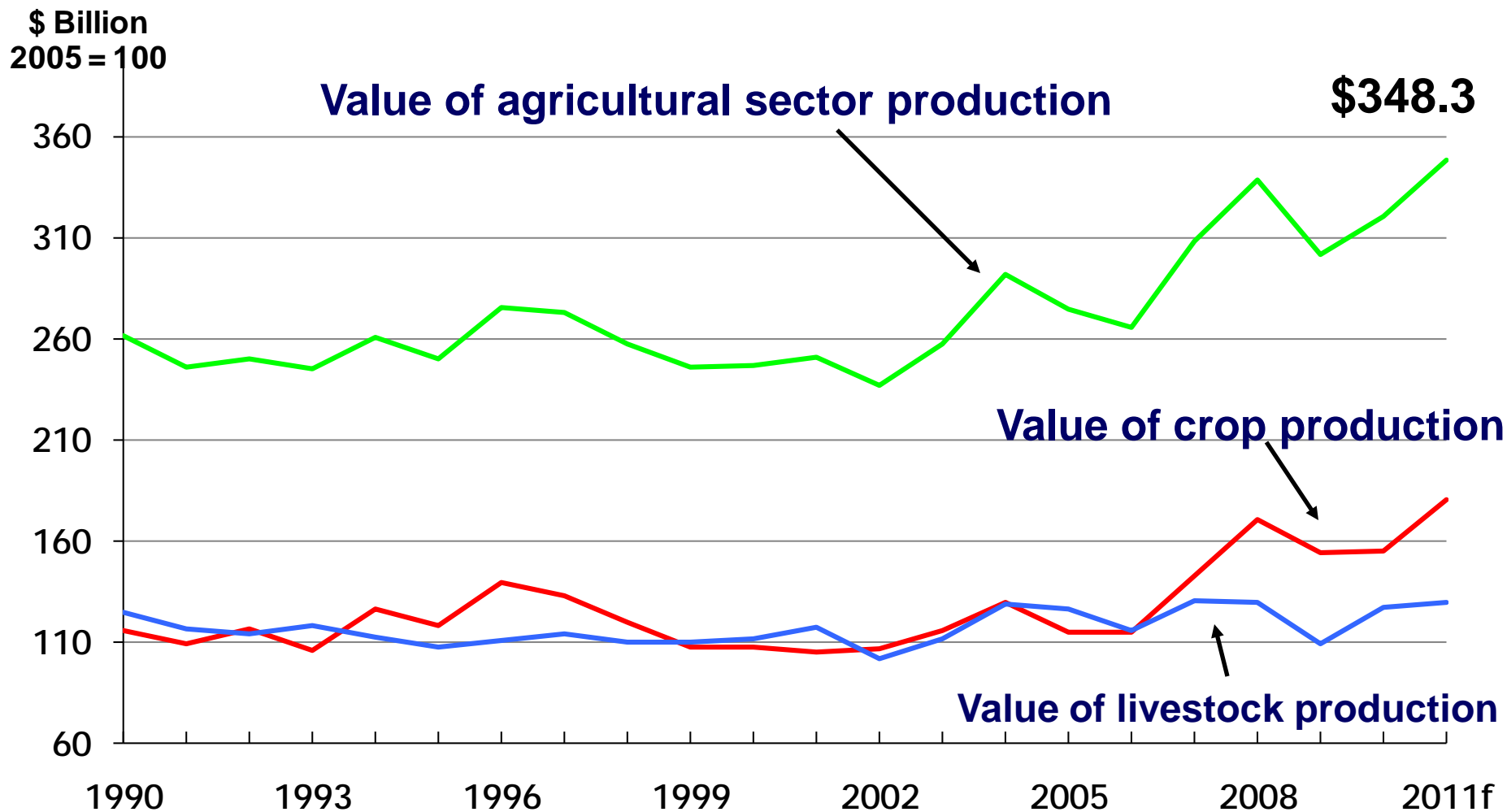
2011 USDA Ag Outlook Forum



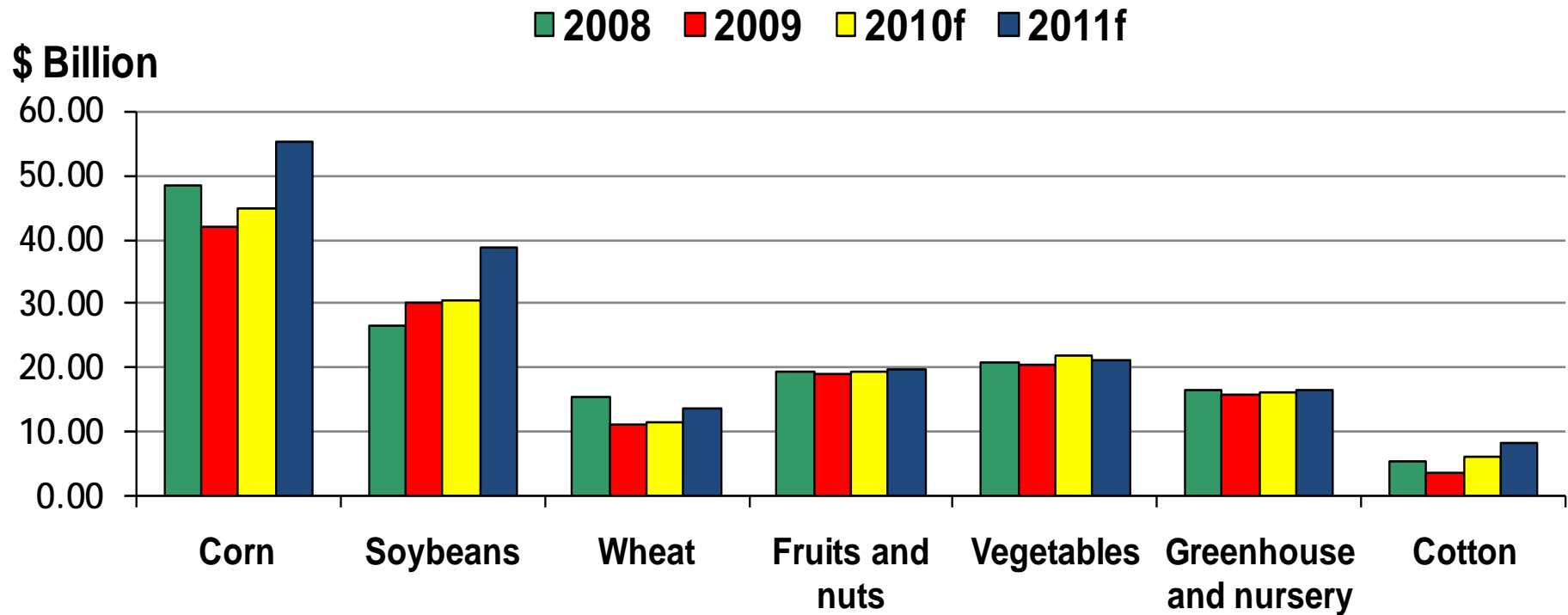
Value of agricultural sector production expected to increase \$37.4 billion in 2011



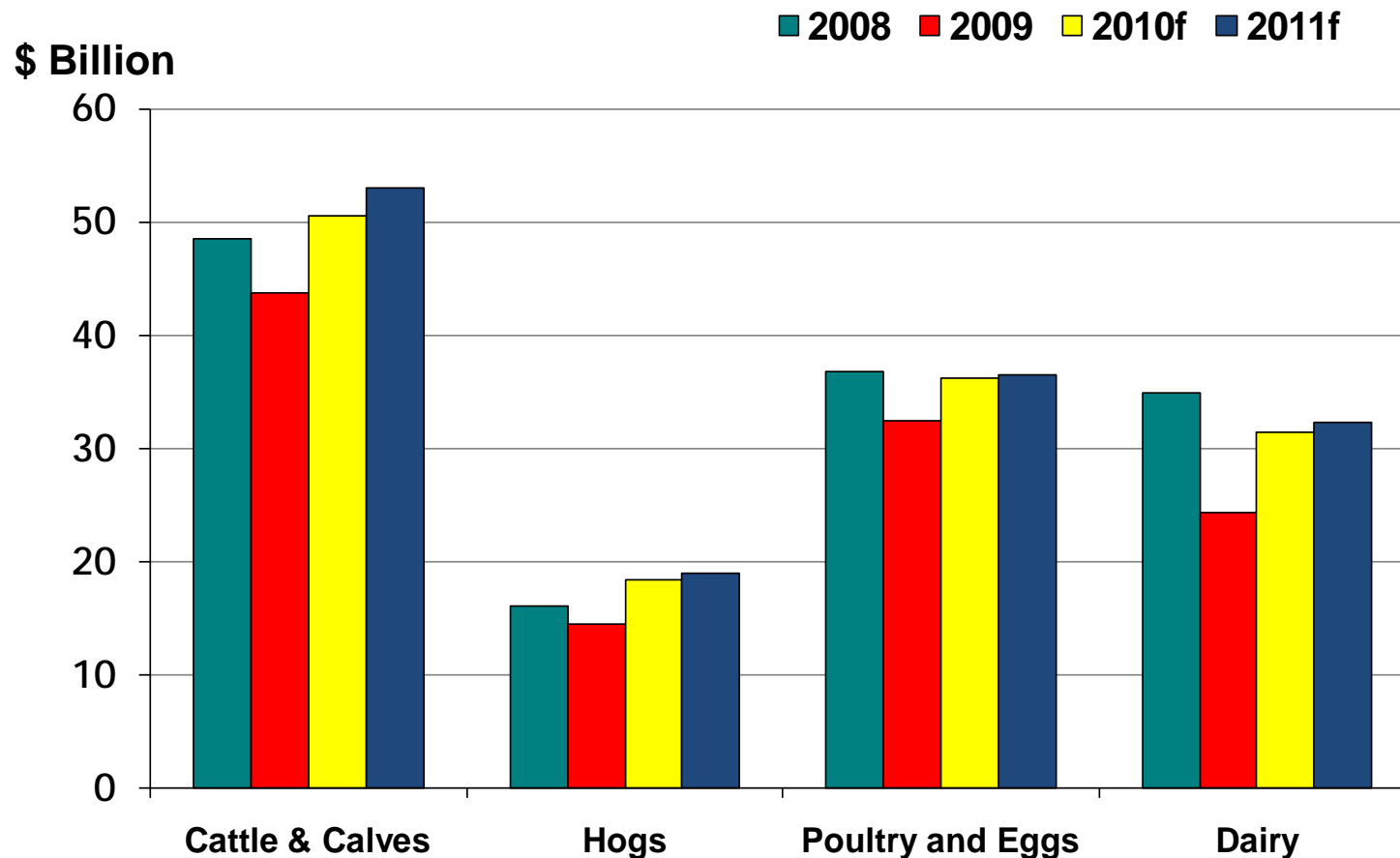
Real value of projected agricultural sector production up 8.8 percent in 2011



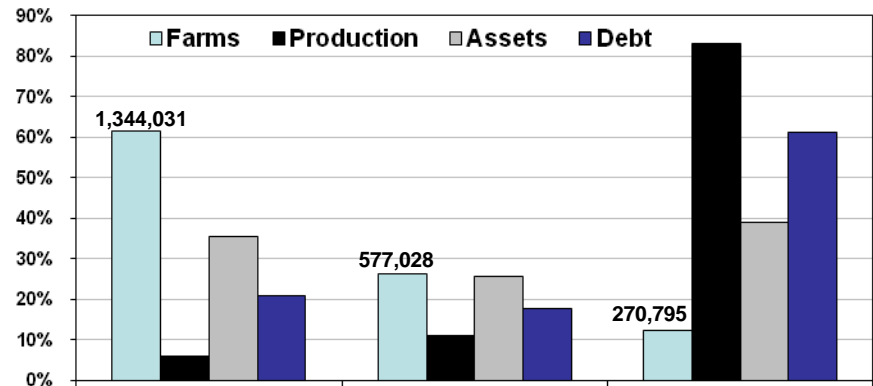
Crop cash receipts projected up \$24.1 billion



Livestock cash receipts projected up \$4.3 billion in 2011



Farm businesses represent almost 850,000 farms and account for 94 percent of production



Rural Residence

Small farms whose operators report they are retired or they had a major occupation other than farming.

Intermediate

Small farms with sales less than \$250,000 whose operators report farming as their major occupation.

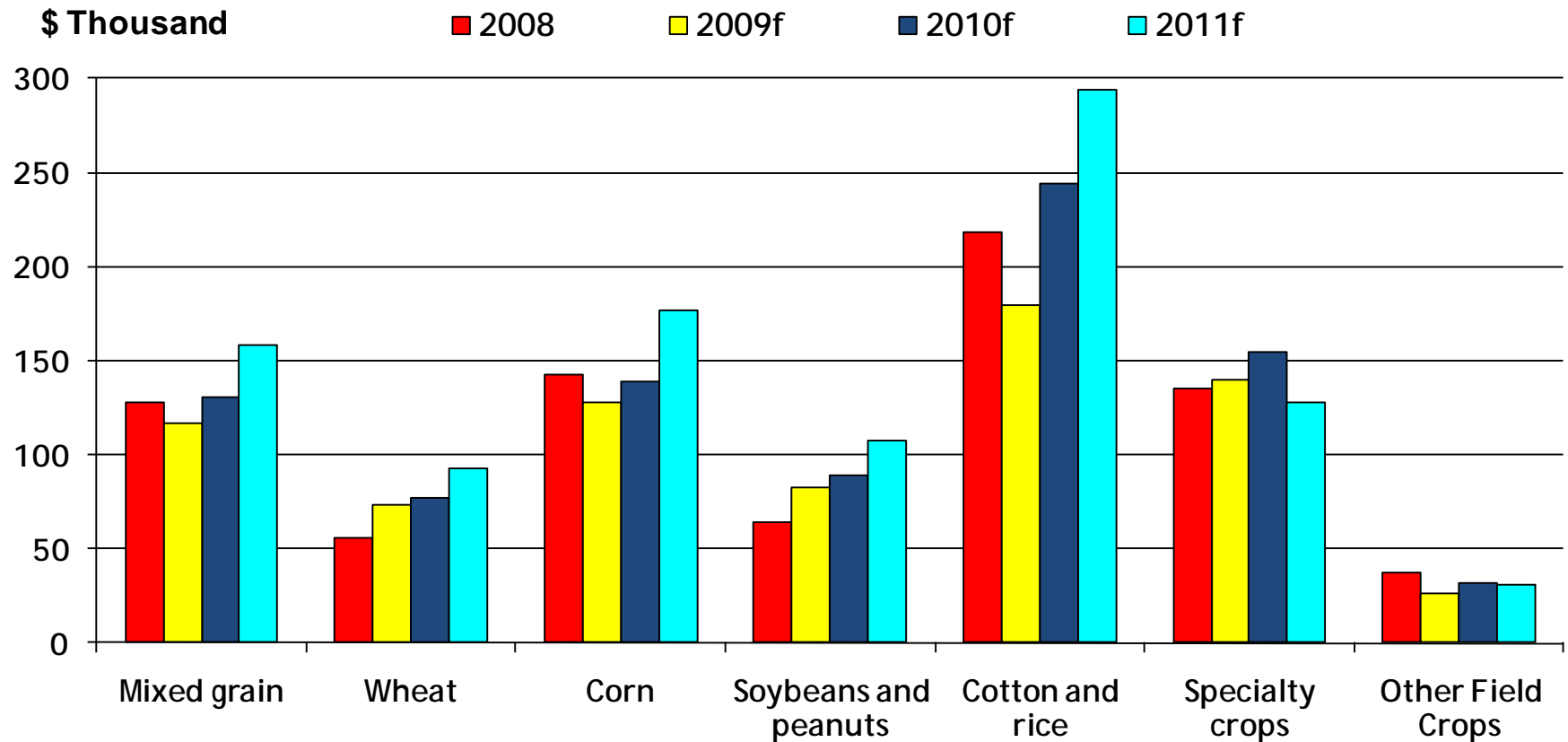
Commercial

Farms with sales greater than \$250,000 and farms organized as nonfamily corporations or cooperatives.

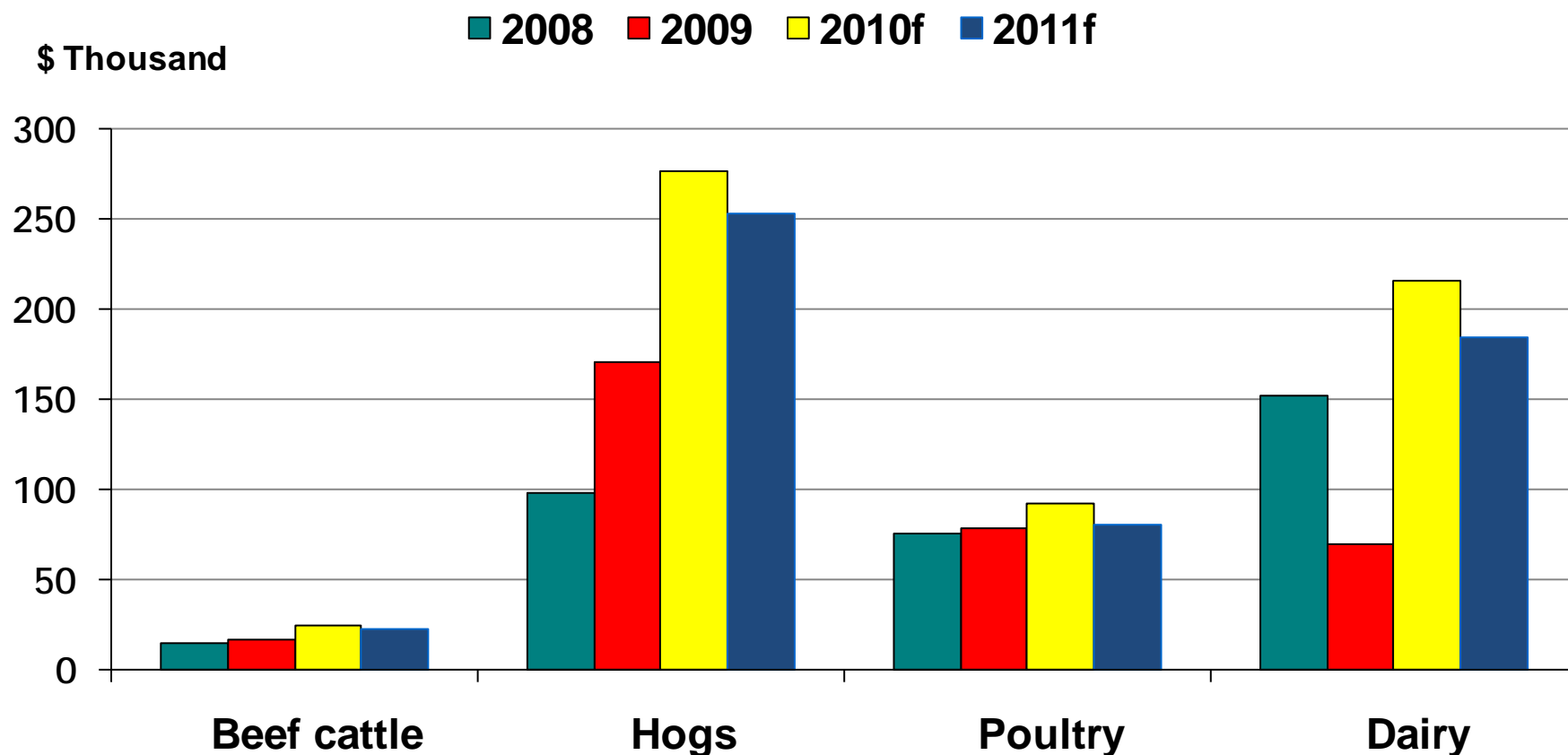
Farm Businesses



Higher average net cash incomes projected in 2011 for crop farm businesses

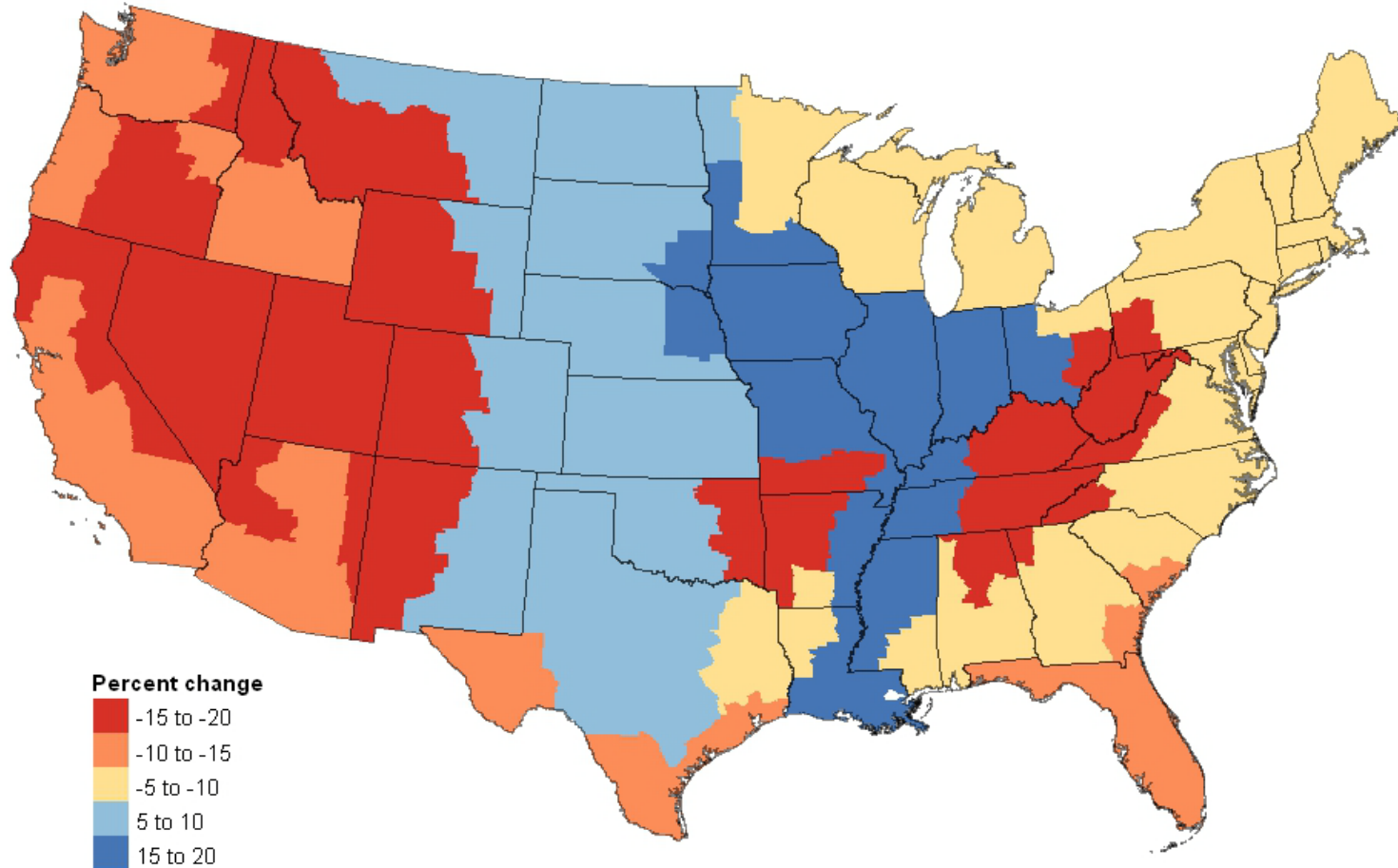


Average net cash incomes for livestock farm businesses expected to recede in 2011



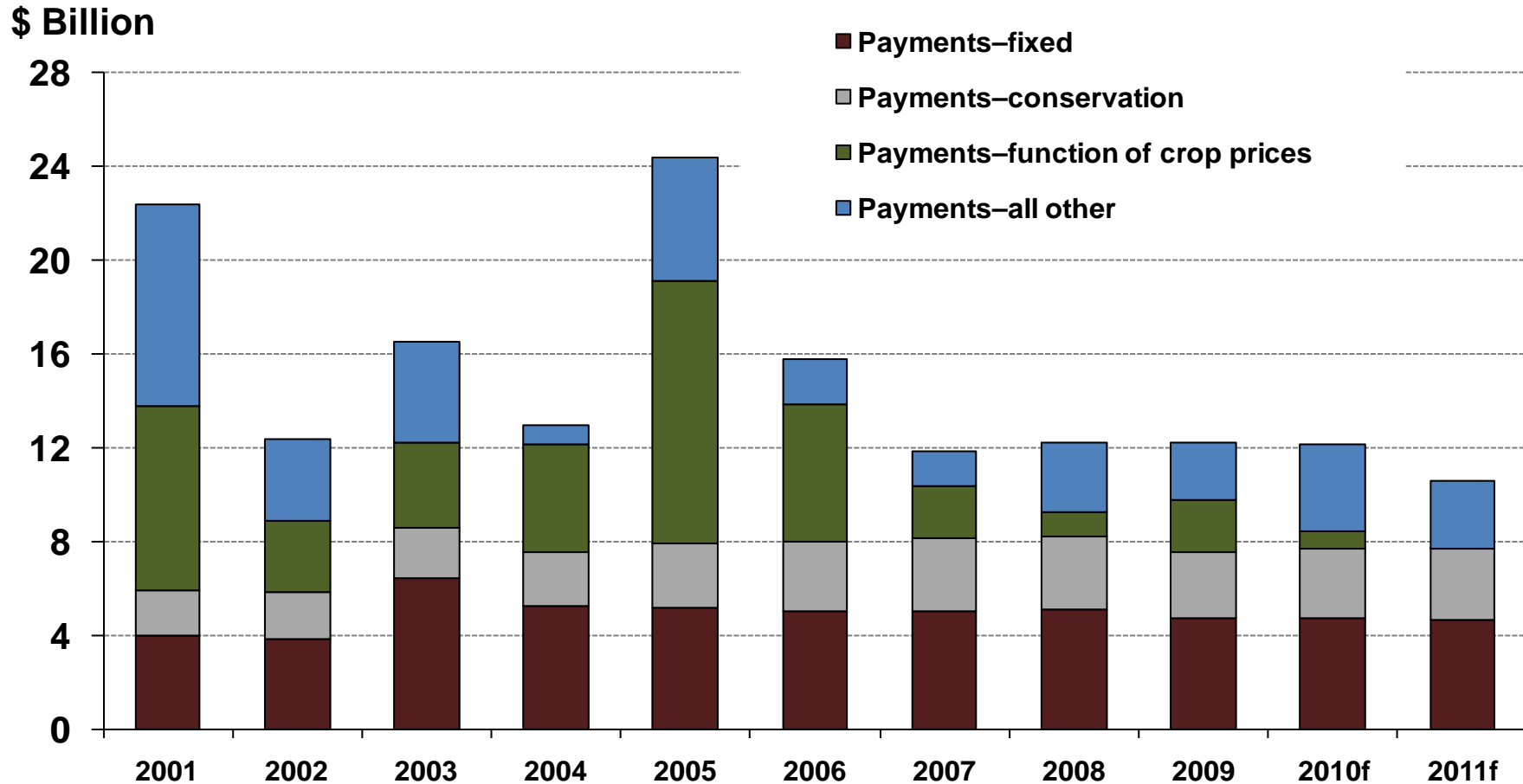
Regional disparity for farm business income prospects in 2011

2011 Farm Business Net Cash Income Forecast Compared with 2010



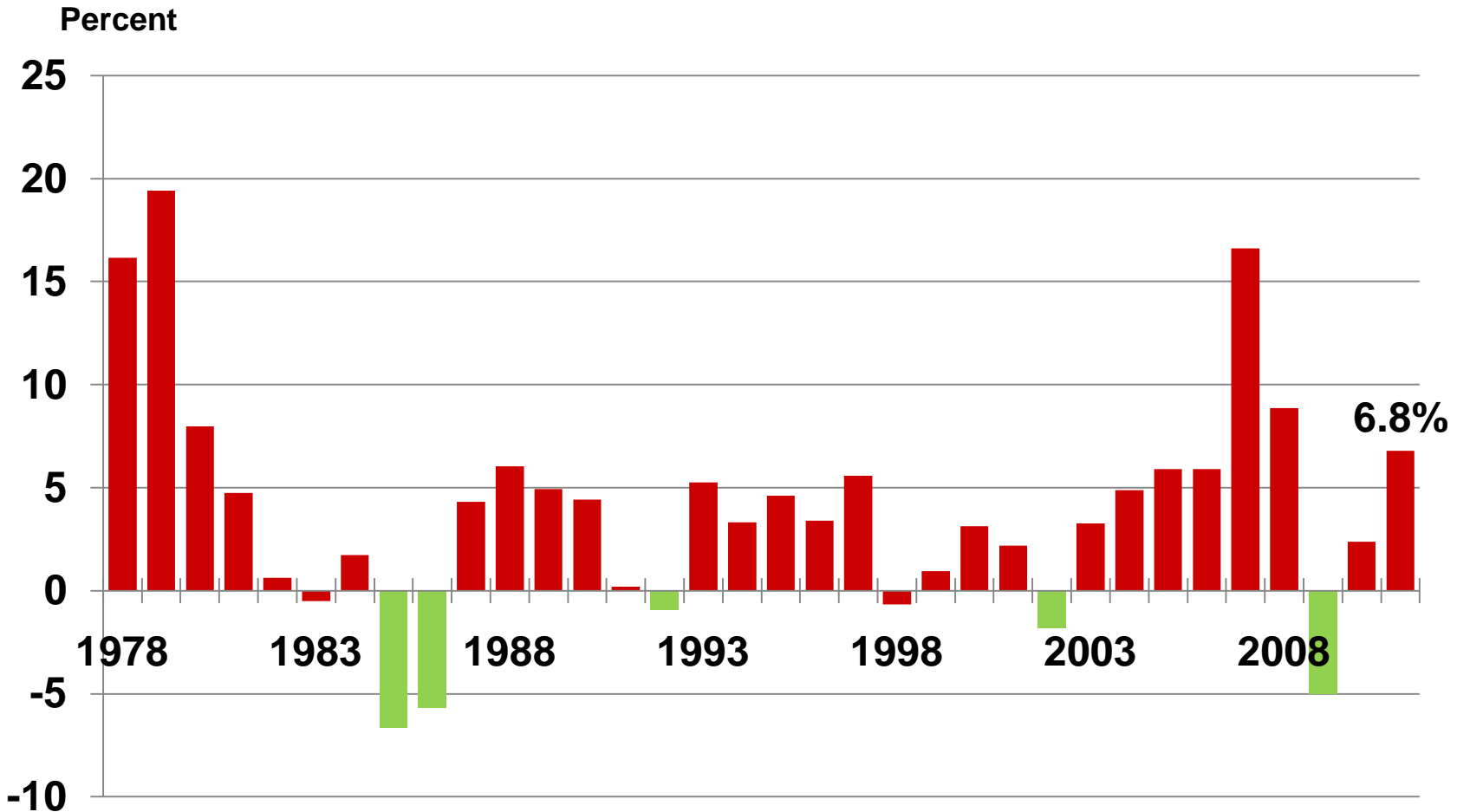
The farm level forecasts are derived from partial budget modeling on the 2009 *Agricultural Resource Management Survey (ARMS)* using parameters from the sector forecasts.

Government payments forecast at \$10.6 billion --- lowest since 1997

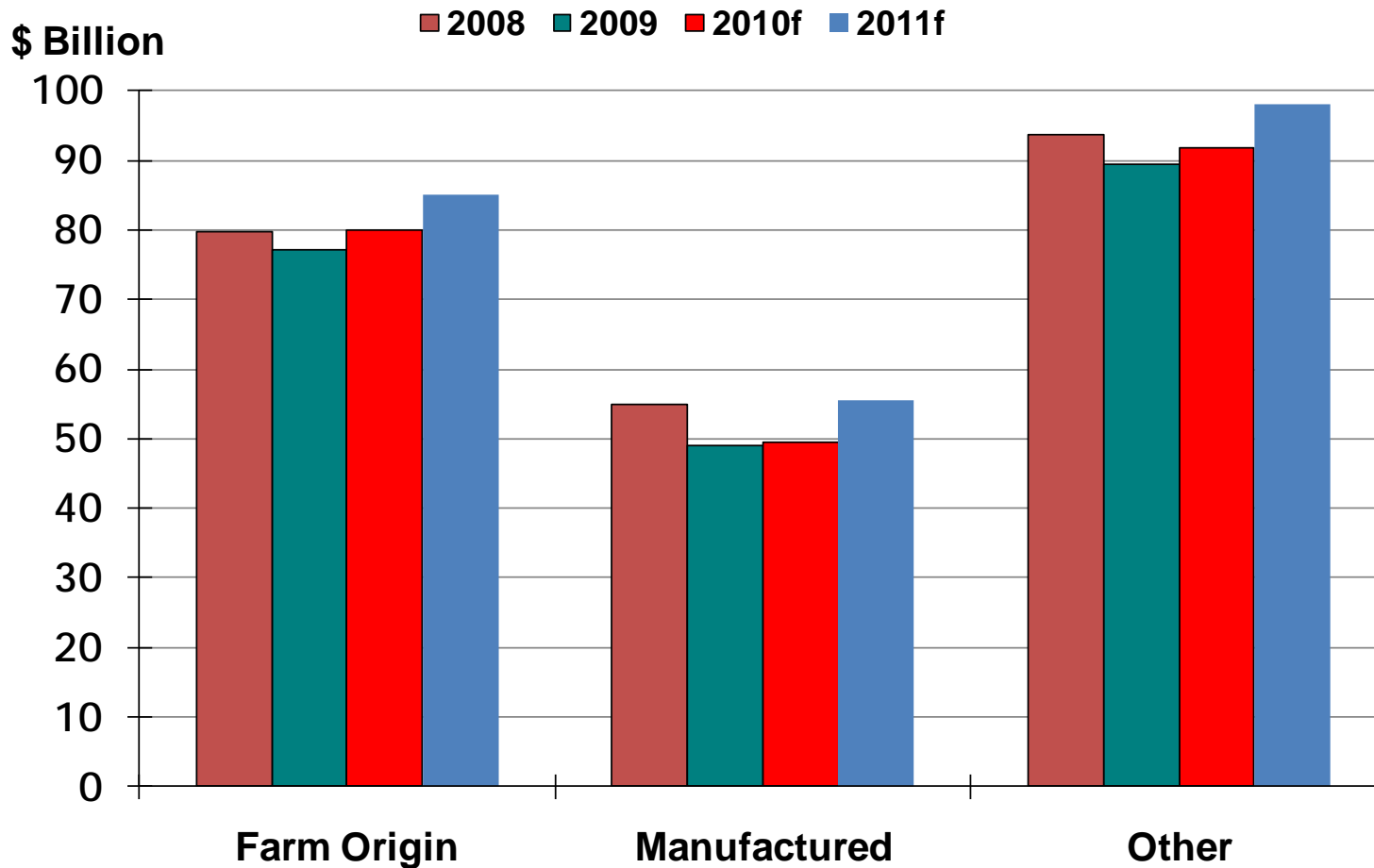


2011 expenses expected up 6.8%

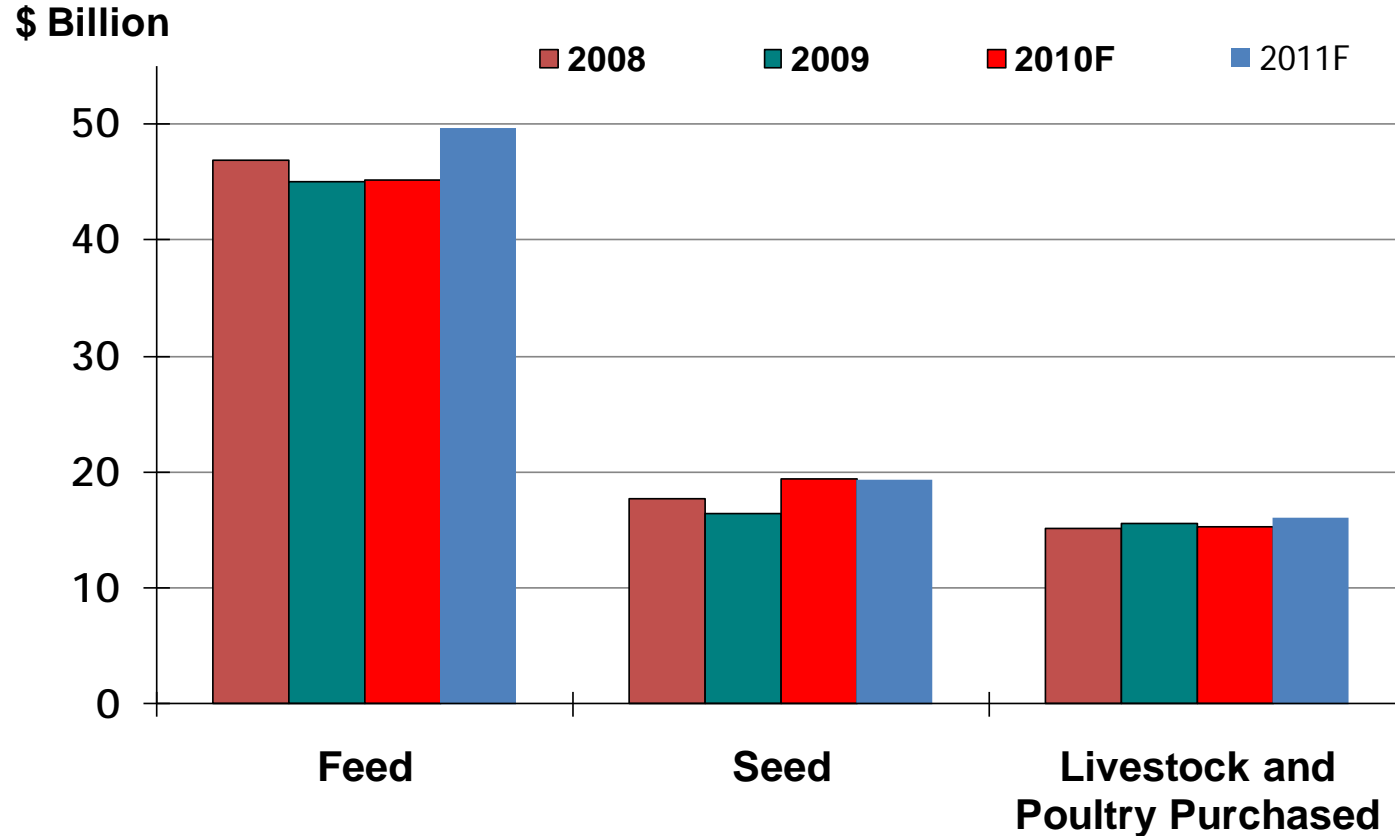
**** 3rd largest increase since the late 1970's ****



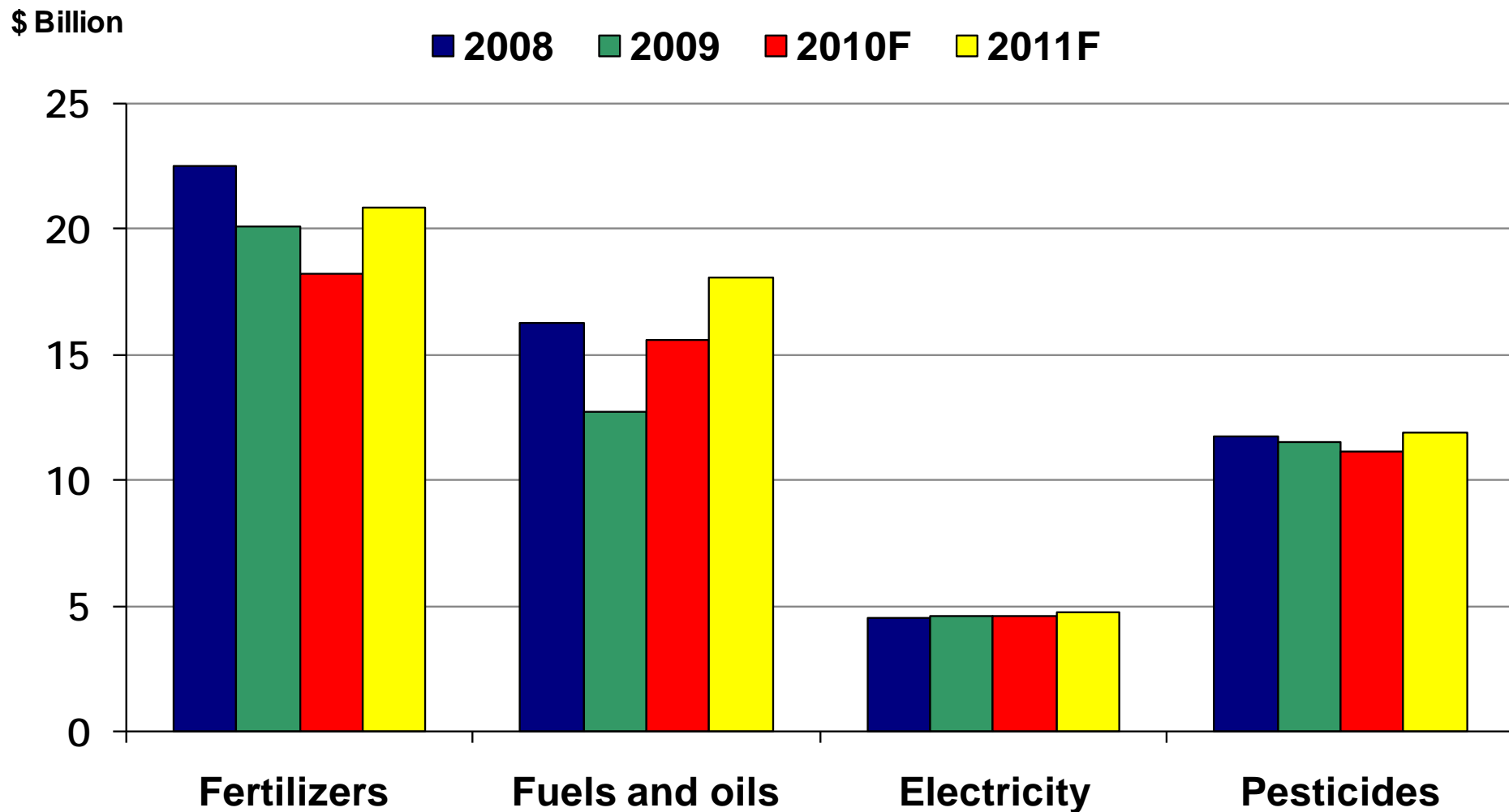
Purchased input expenses projected up \$16.4 billion in 2011



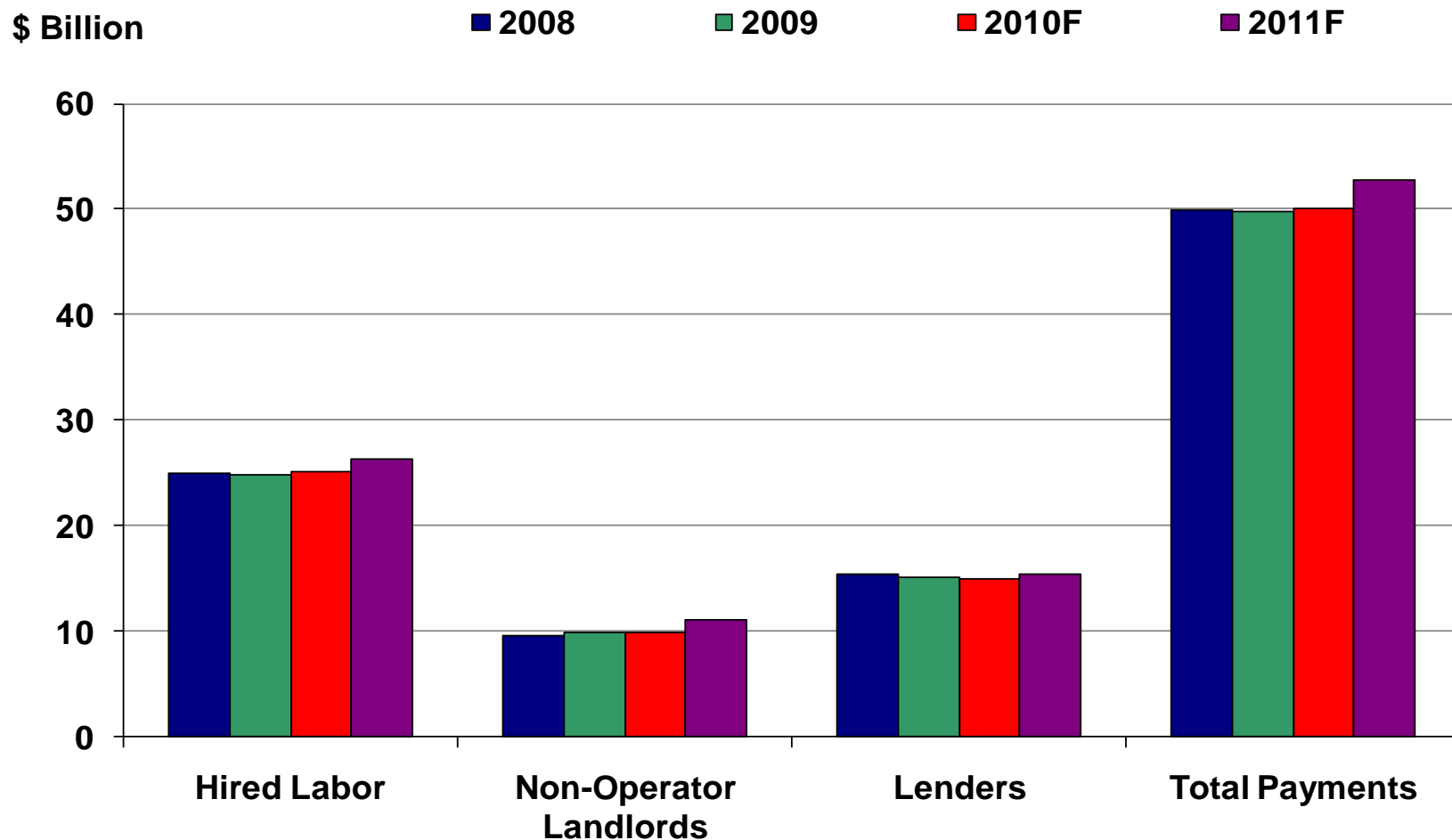
Farm origin expenses projected up \$5.2 billion in 2011



Manufactured input expenses forecast up \$6.1 billion in 2011



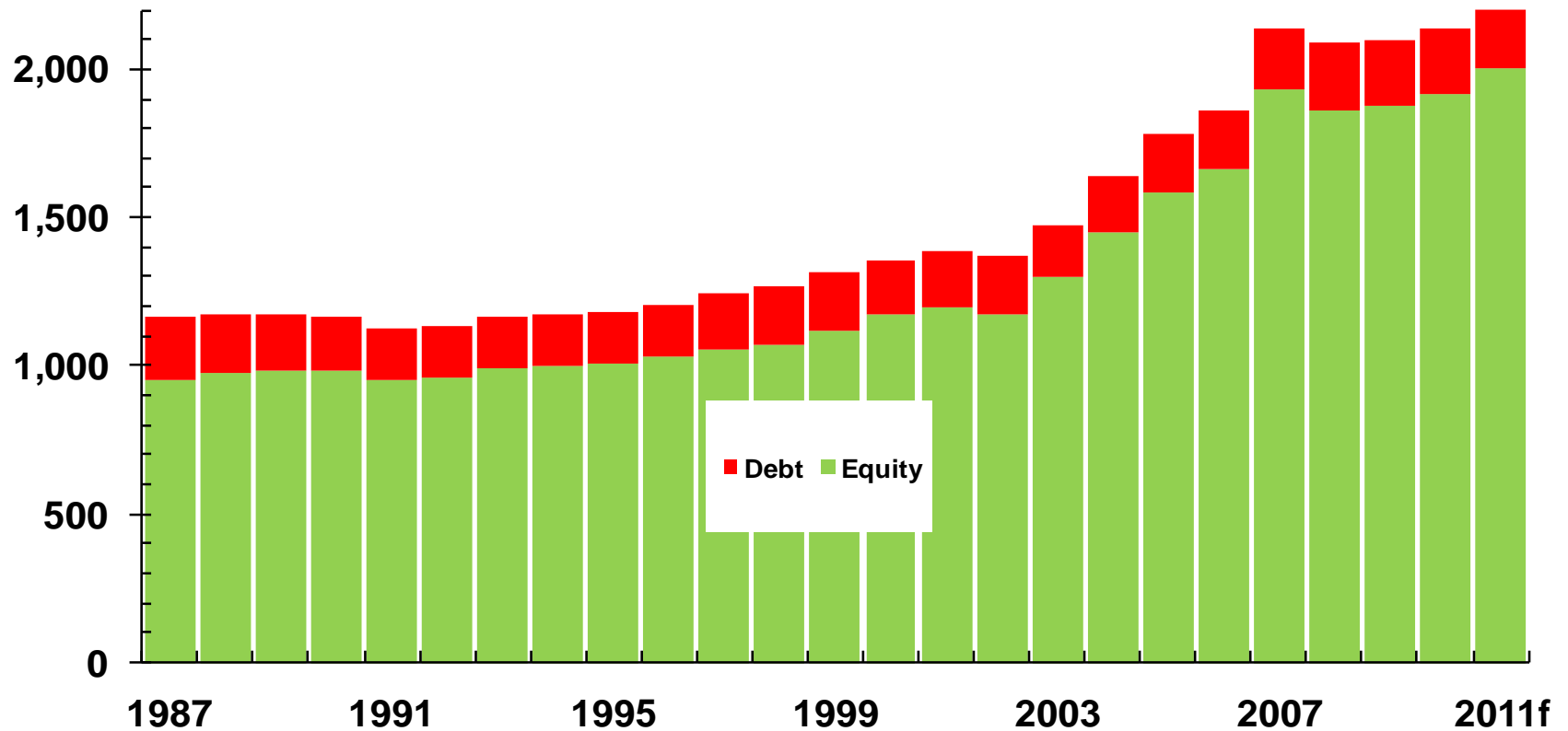
Payments to stakeholders expected to rise \$2.7 billion in 2011



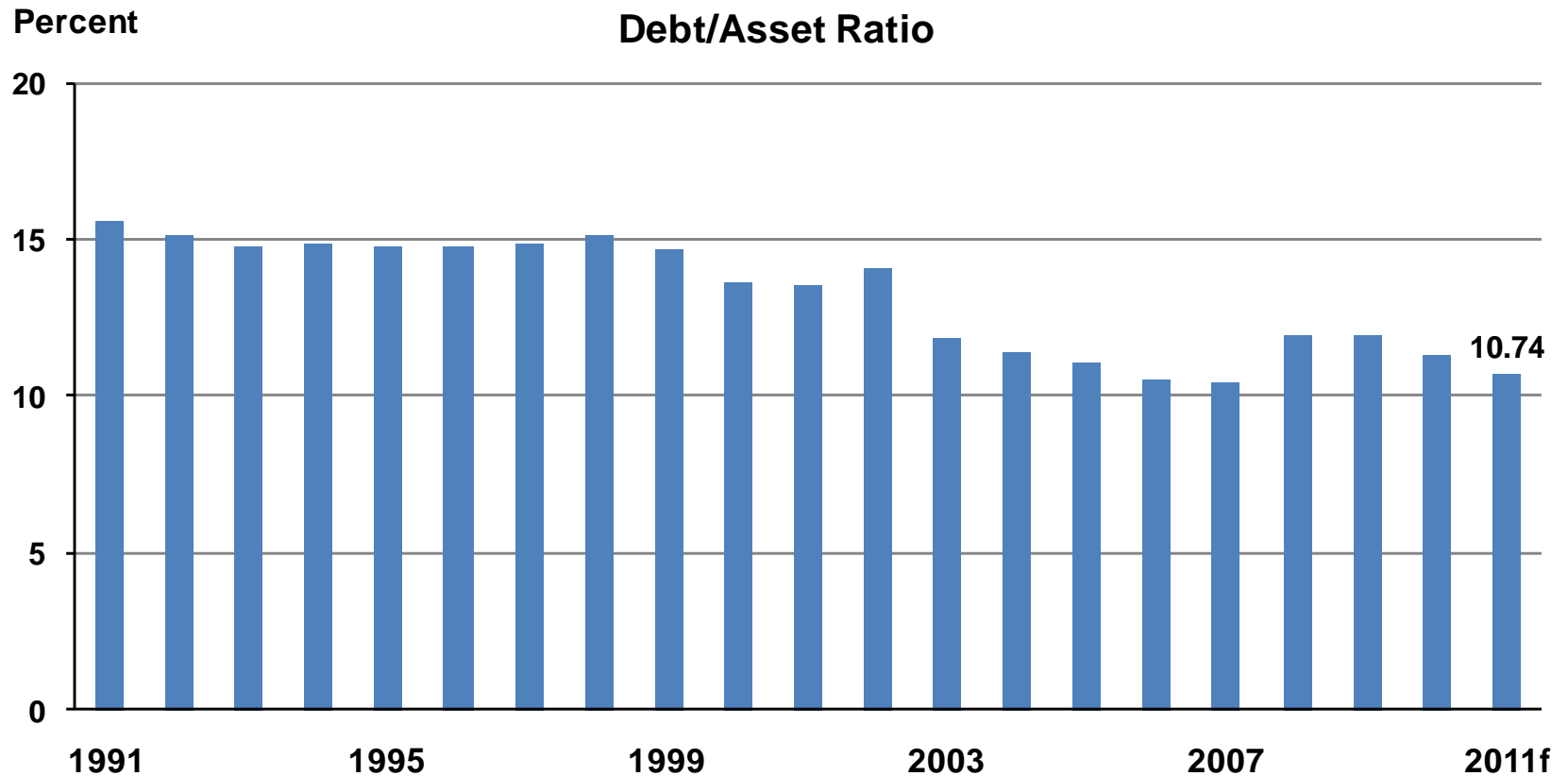
2011 real assets and equity anticipated to surpass 2007 peak values

\$ Billion
2005 = 100

Real farm sector assets, debt, and equity 1987-2011f



Share of farm assets financed by debt expected to decline in 2011



Source: USDA, ERS
Note: 2010, 2011 forecasts



Net farm income expected to rise in 2011

\$ Billion

		2011f	Change from 2010f
Value Agricultural Sector Production		\$391.5	\$37.4
Purchased Inputs	(-)	\$211.8	\$16.4
Net Government Transactions	(-)	(\$0.9)	(\$1.9)
Gross Value Added	=	\$178.8	\$19.1
Capital Consumption	(-)	\$31.4	\$0.8
Net Value Added	=	\$147.4	\$18.4
Payments to Stakeholders	(-)	\$52.7	\$2.7
Net Farm Income	=	\$94.7	\$15.7

SUMMARY

- **Agriculture's strong financial performance continues in 2011.**
 - **Nominal records for all three measures of farm sector earnings**
- **The projected increase in 2011 farm earnings favors cash grain, cotton and oilseed producers.**
- **Gains in receipts for specialty crop and livestock farms are not anticipated to offset higher production costs.**
- **Most major expense categories are forecast to increase in 2011.**

Briefing Room: Farm Income and Costs

<http://www.ers.usda.gov/Briefing/FarmIncome/>

- **Farm Income and Costs**
- [Overview](#)
- [2011 Farm Sector Income Forecast \(Updated 2/14/11\)](#)
- [2009 Farm Sector Income Estimates \(Updated 8/31/10\)](#)
- [Farm Business Income](#)
- [Assets, Debt, and Wealth](#)
- [Farms Receiving Government Payments](#)
- [Data Sources](#)
- [Recommended Readings](#)
- [Recommended Data](#)
- [Glossary](#)
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- [Debt Landscape for U.S. Farms Has Shifted](#)
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Sign up for ERS Charts of Note

<http://www.ers.usda.gov/ChartsOfNote/>



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2011 USDA Ag Outlook Forum



Farm sector profitability improves in 2011

Nominal and inflation adjusted net farm income, 1970-2011f

