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# USDA Outlook for the 2011 U.S. Farm Economy

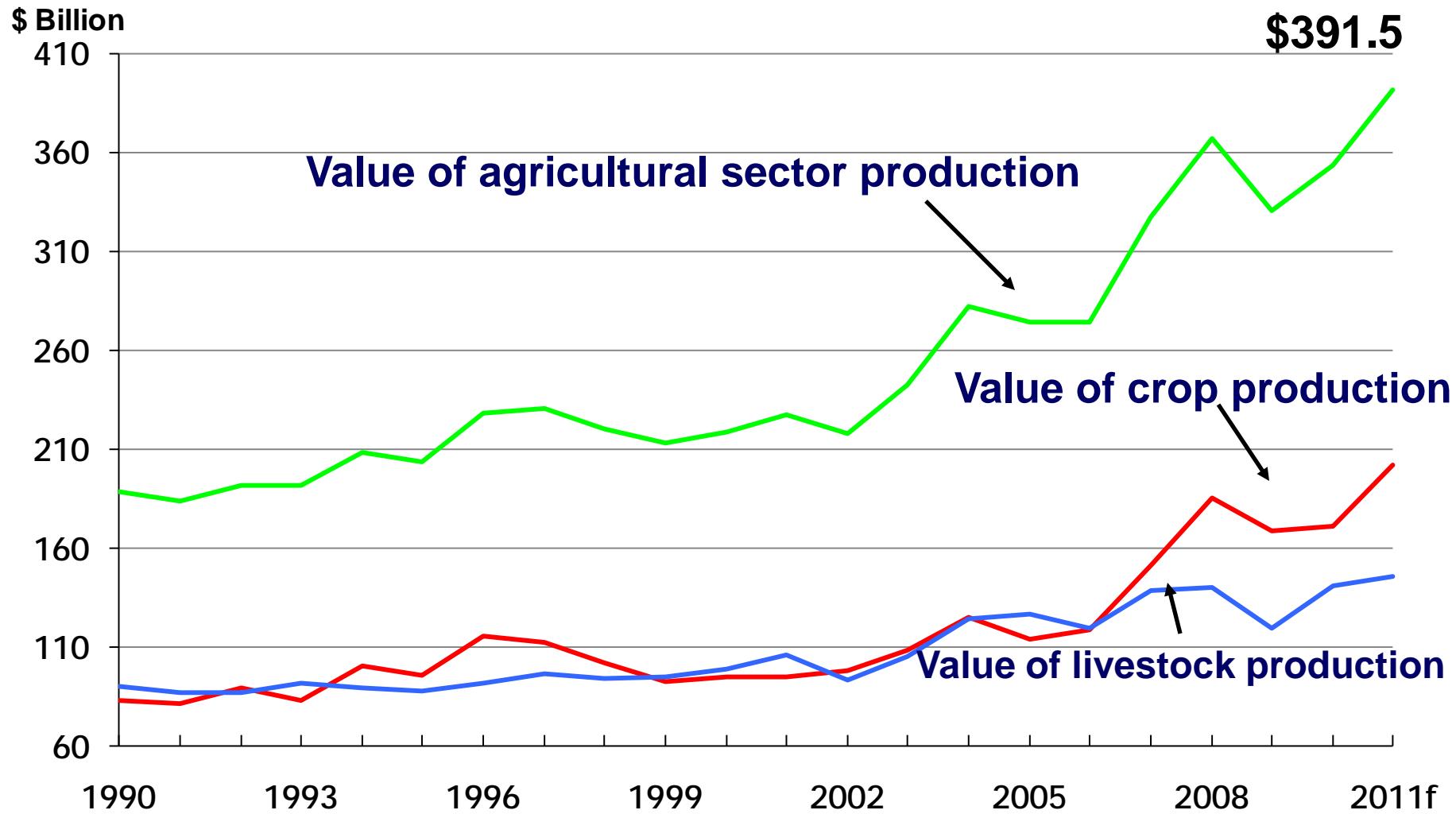
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**Timothy Park**  
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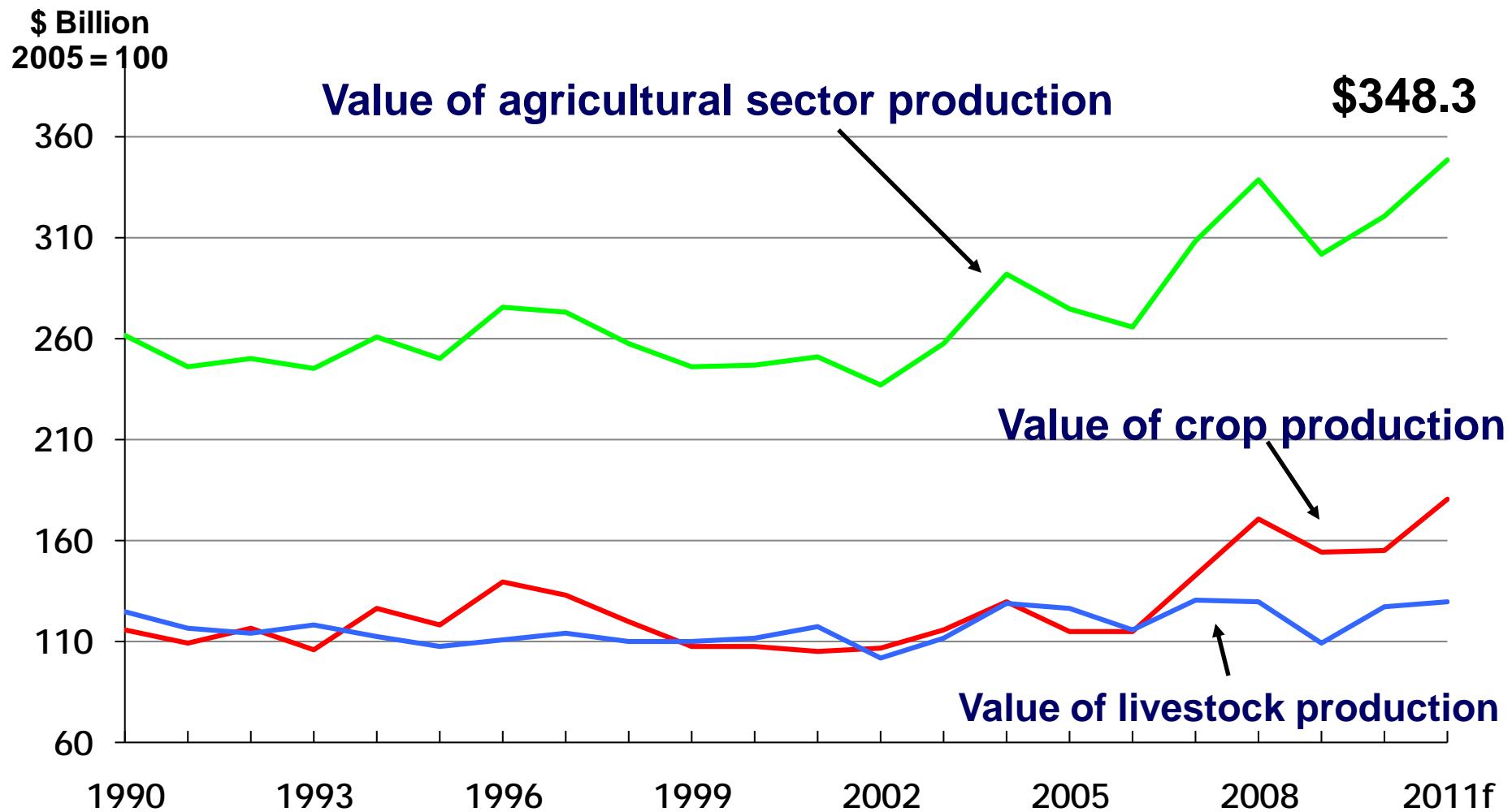
2011 USDA Ag Outlook Forum



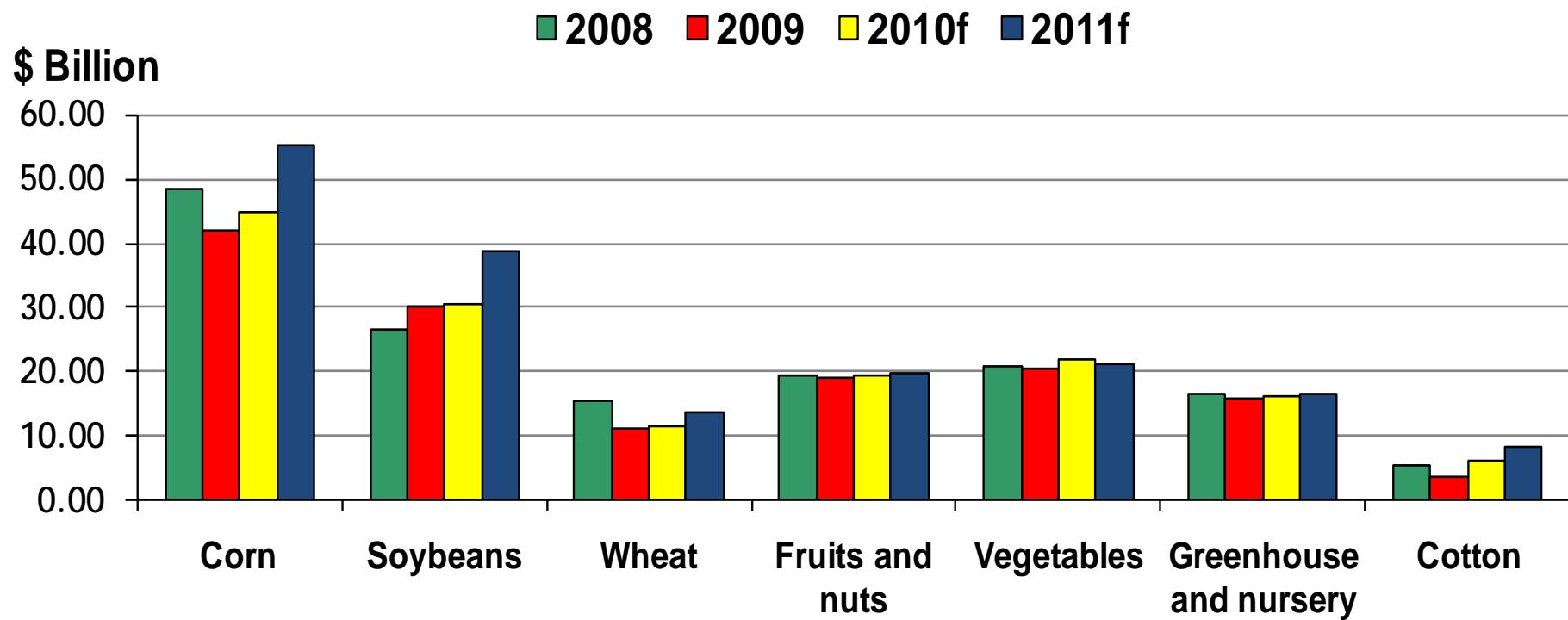
# Value of agricultural sector production expected to increase \$37.4 billion in 2011



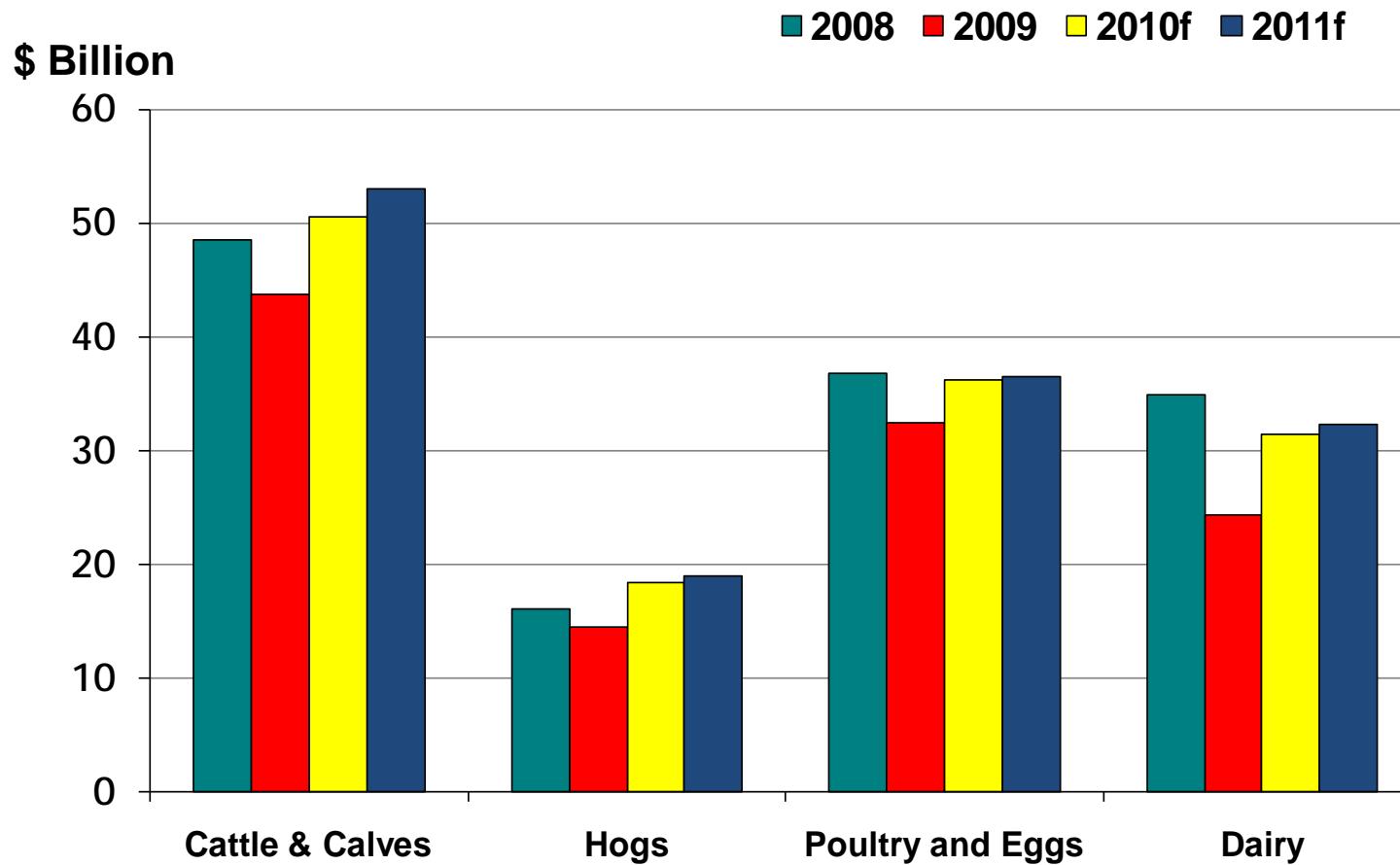
# Real value of projected agricultural sector production up 8.8 percent in 2011



# Crop cash receipts projected up \$24.1 billion

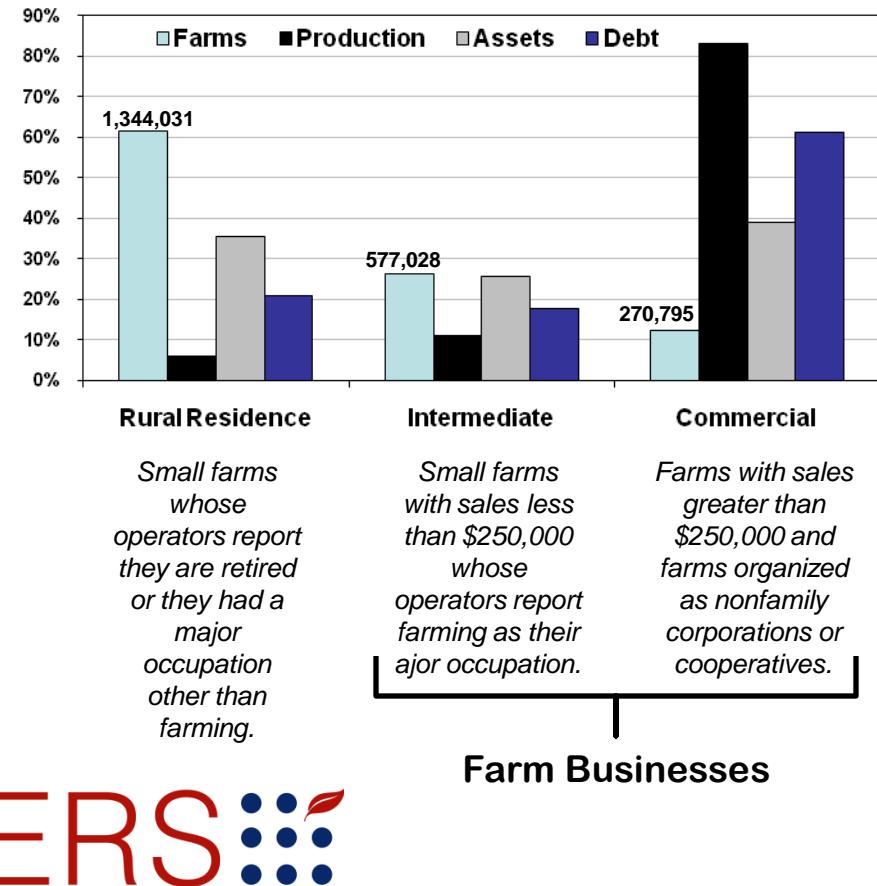


# Livestock cash receipts projected up \$4.3 billion in 2011

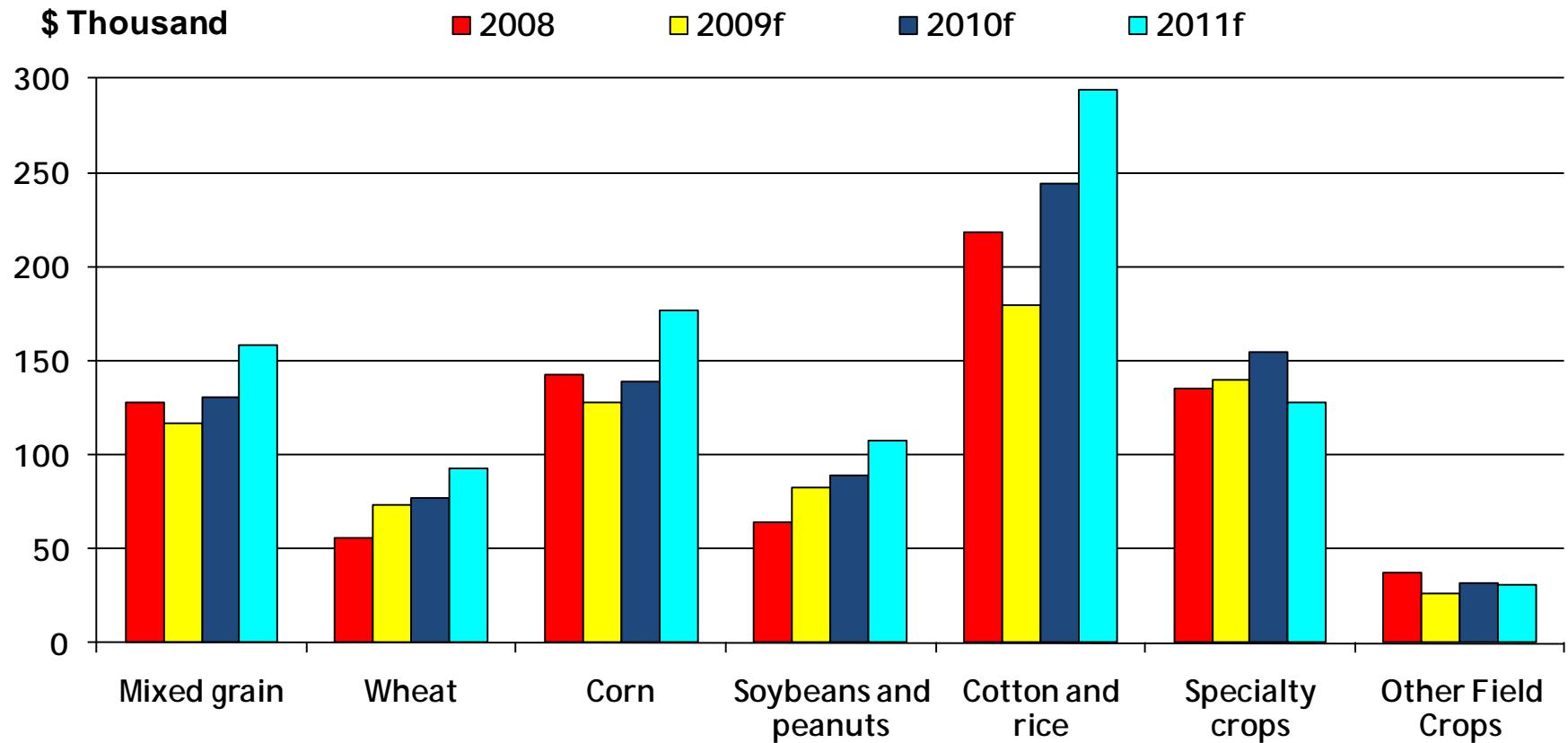




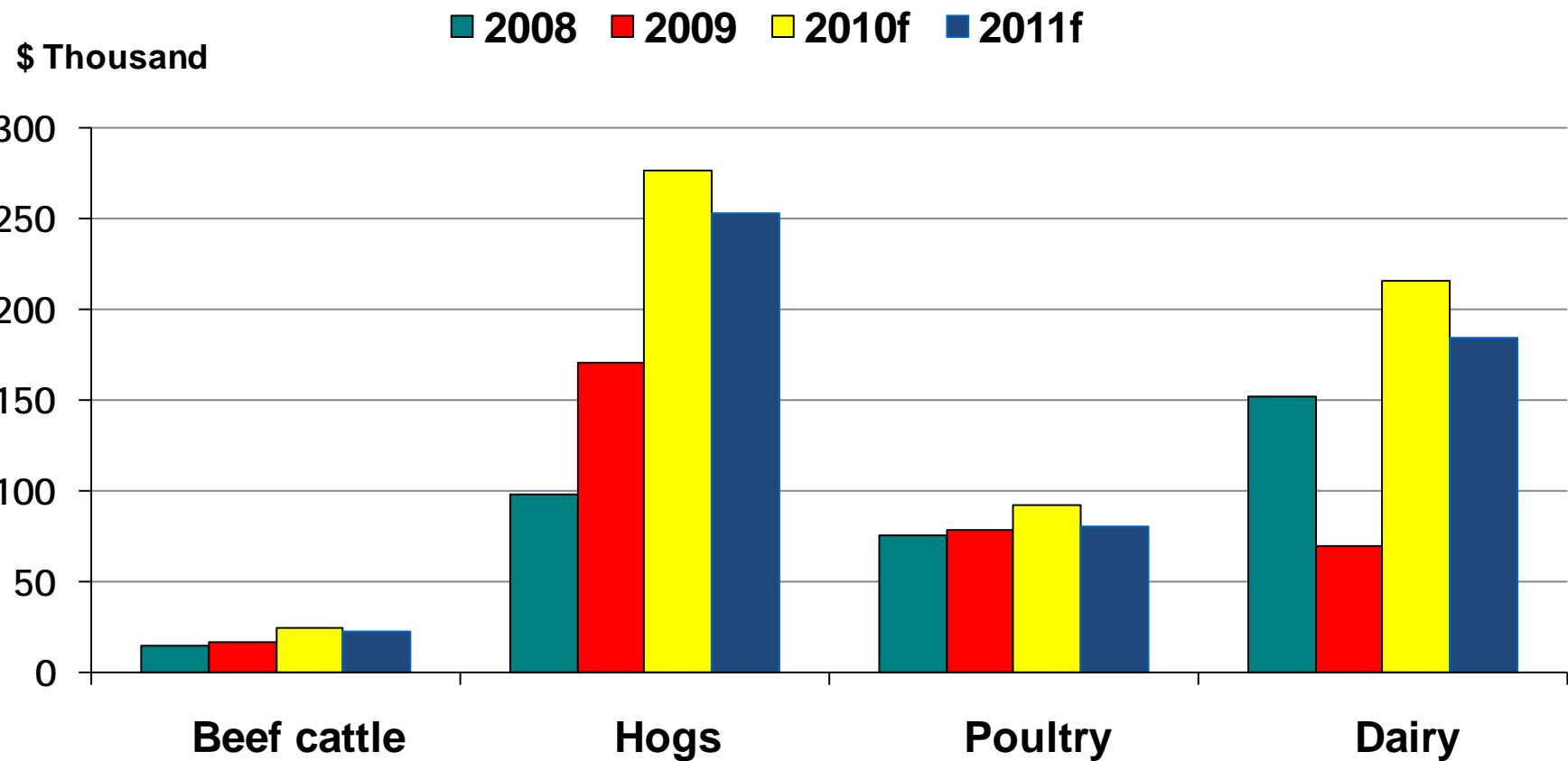
Farm businesses represent almost 850,000 farms and account for 94 percent of production



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

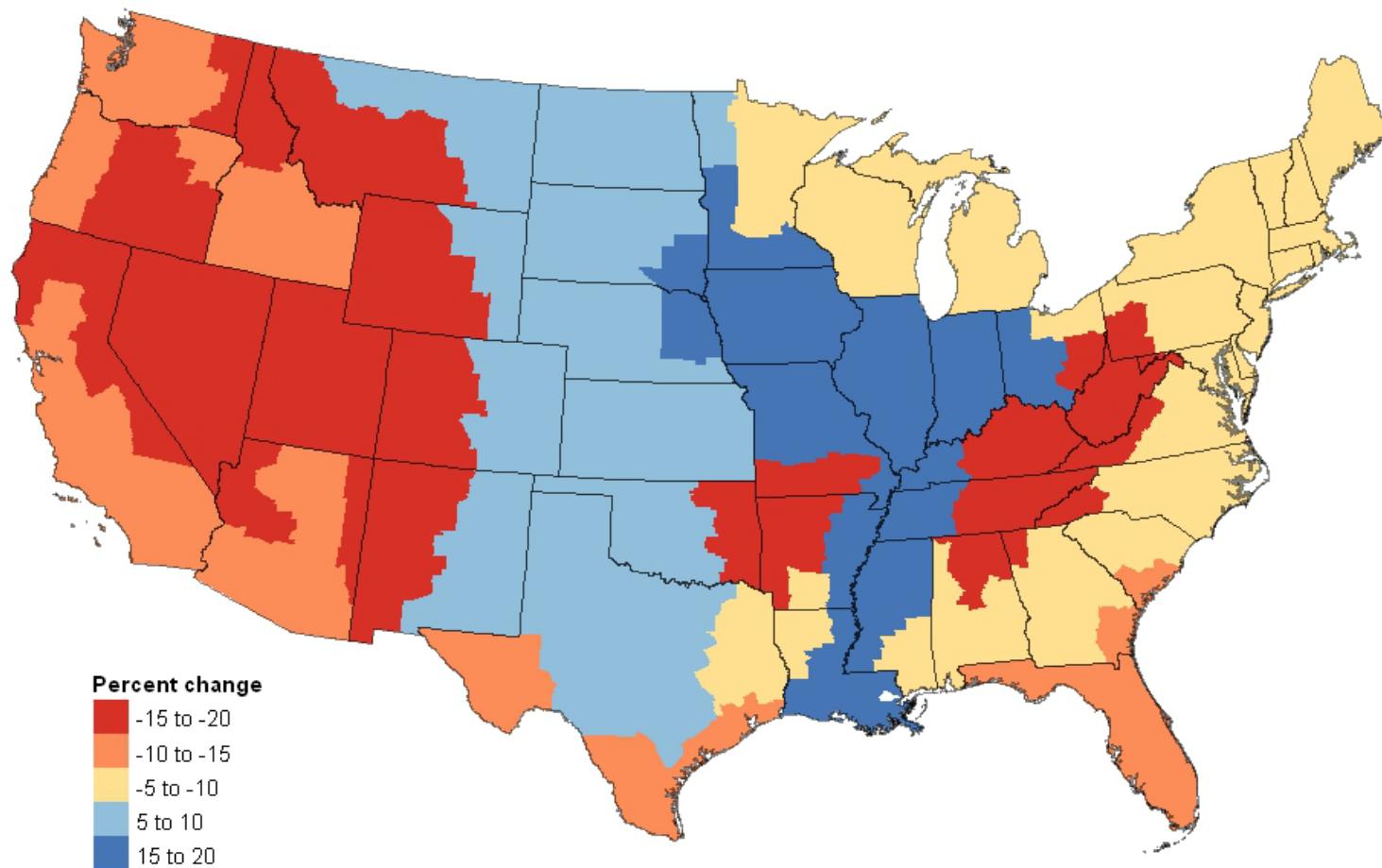


# Average net cash incomes for livestock farm businesses expected to recede in 2011



# Regional disparity for farm business income prospects in 2011

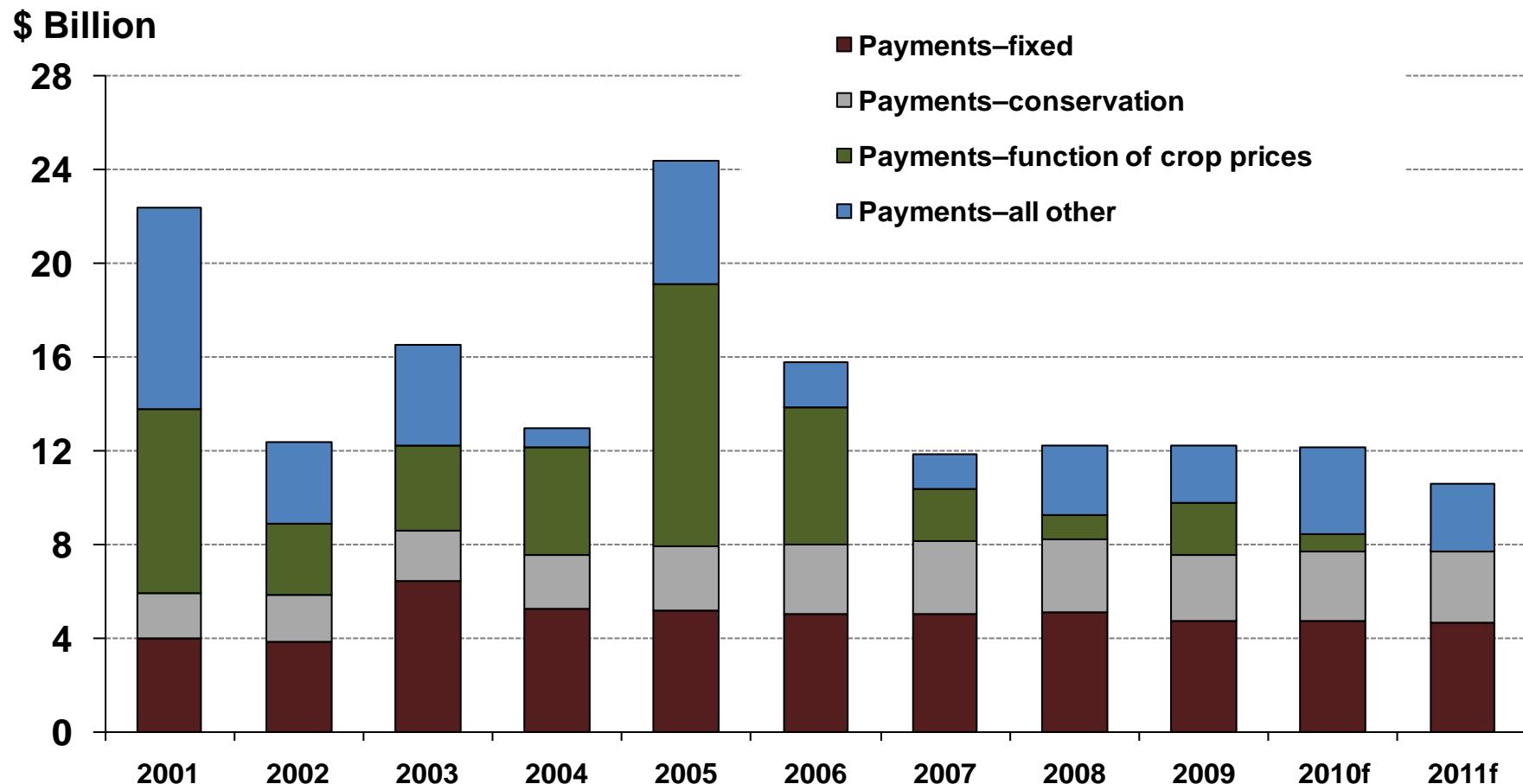
2011 Farm Business Net Cash Income Forecast Compared with 2010



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

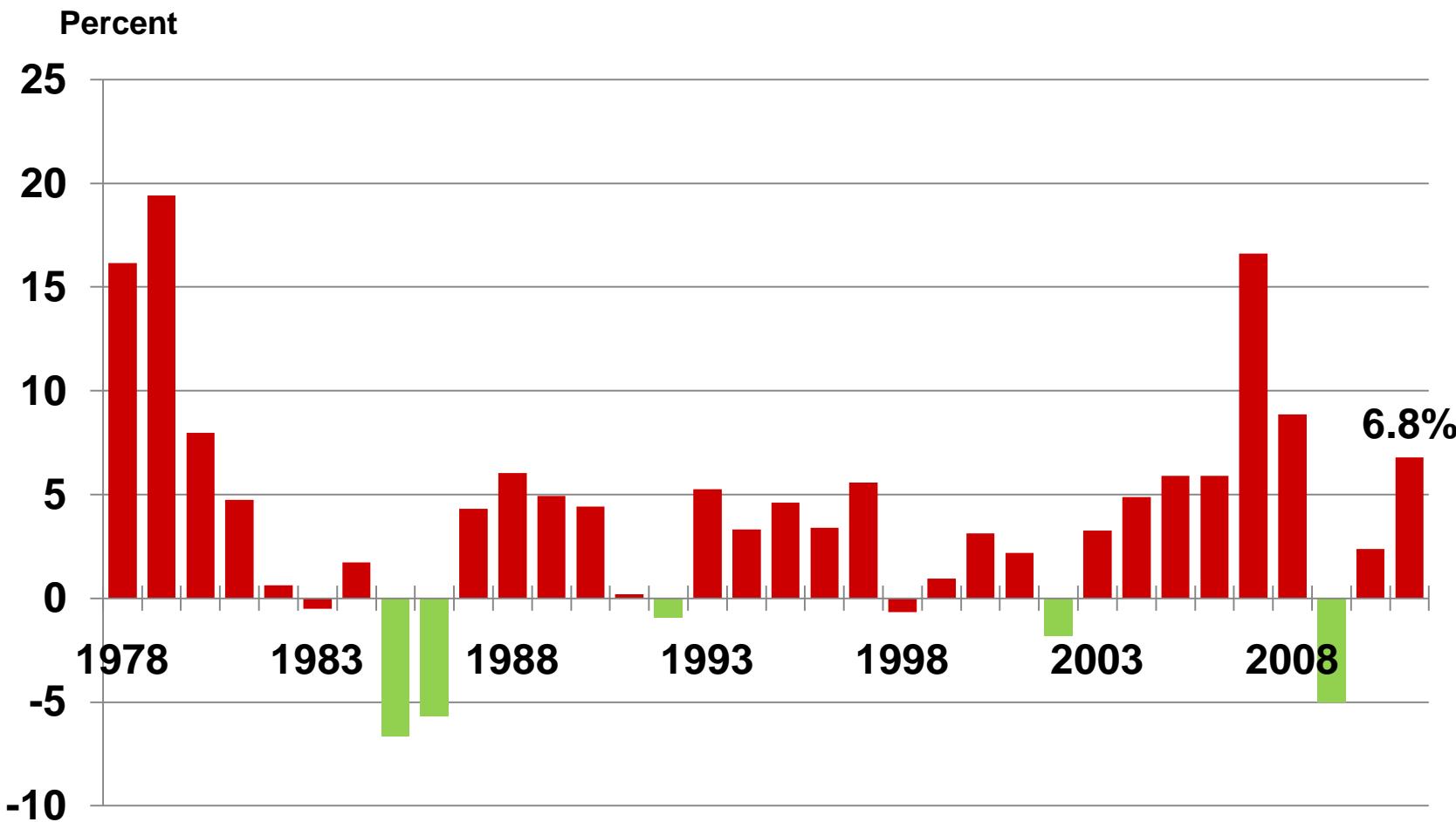
# Government payments forecast at \$10.6 billion

--- lowest since 1997

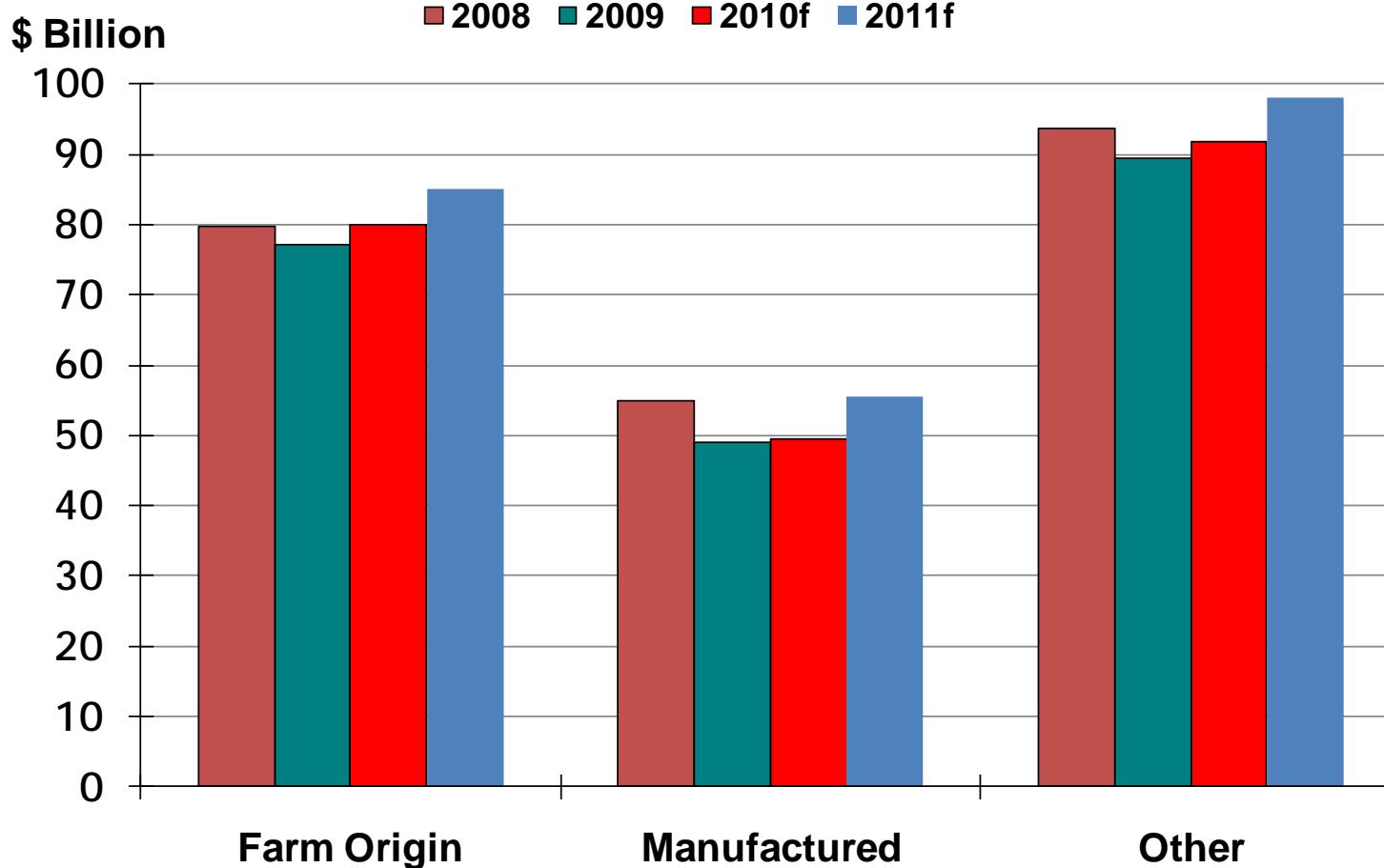


# 2011 expenses expected up 6.8%

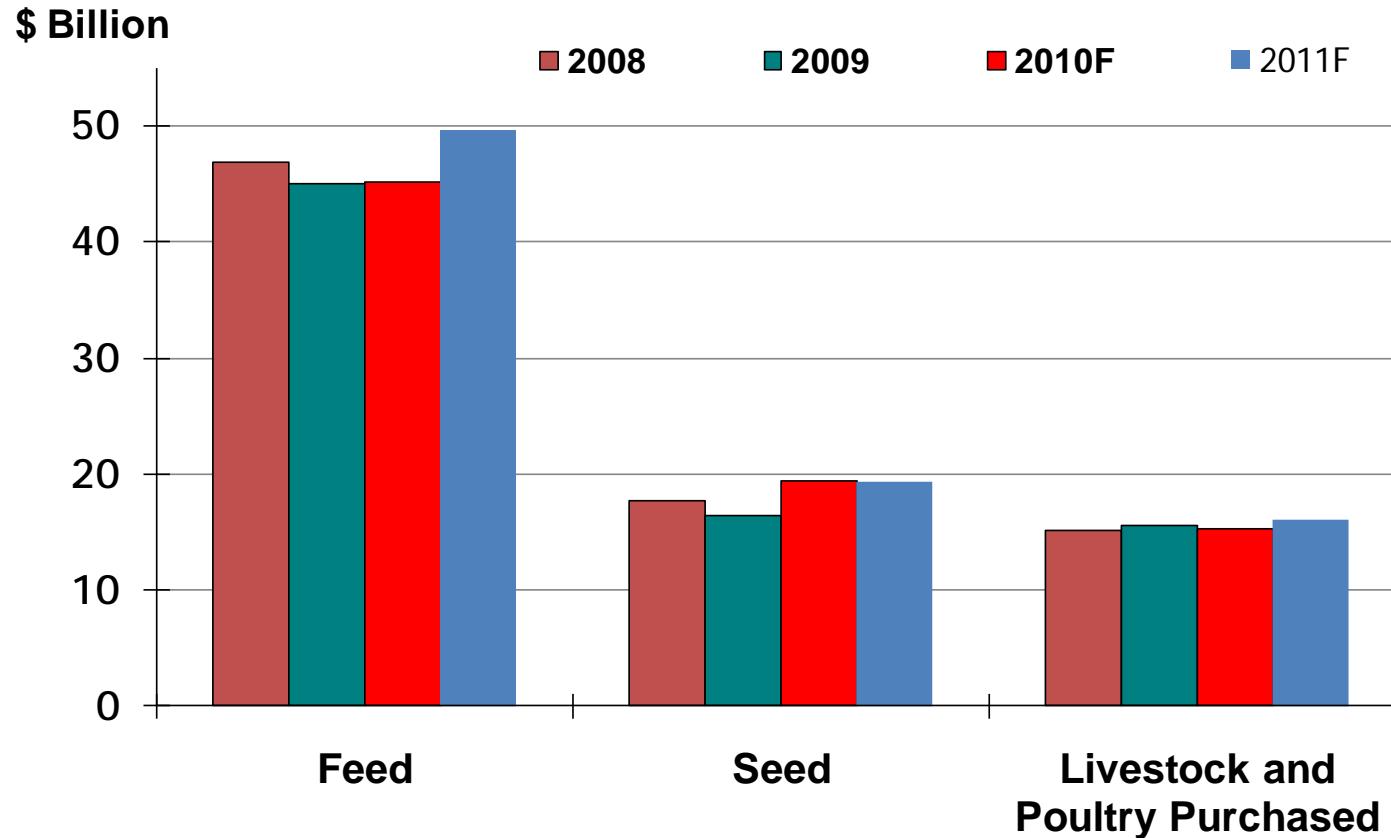
\*\* 3<sup>rd</sup> largest increase since the late 1970's \*\*



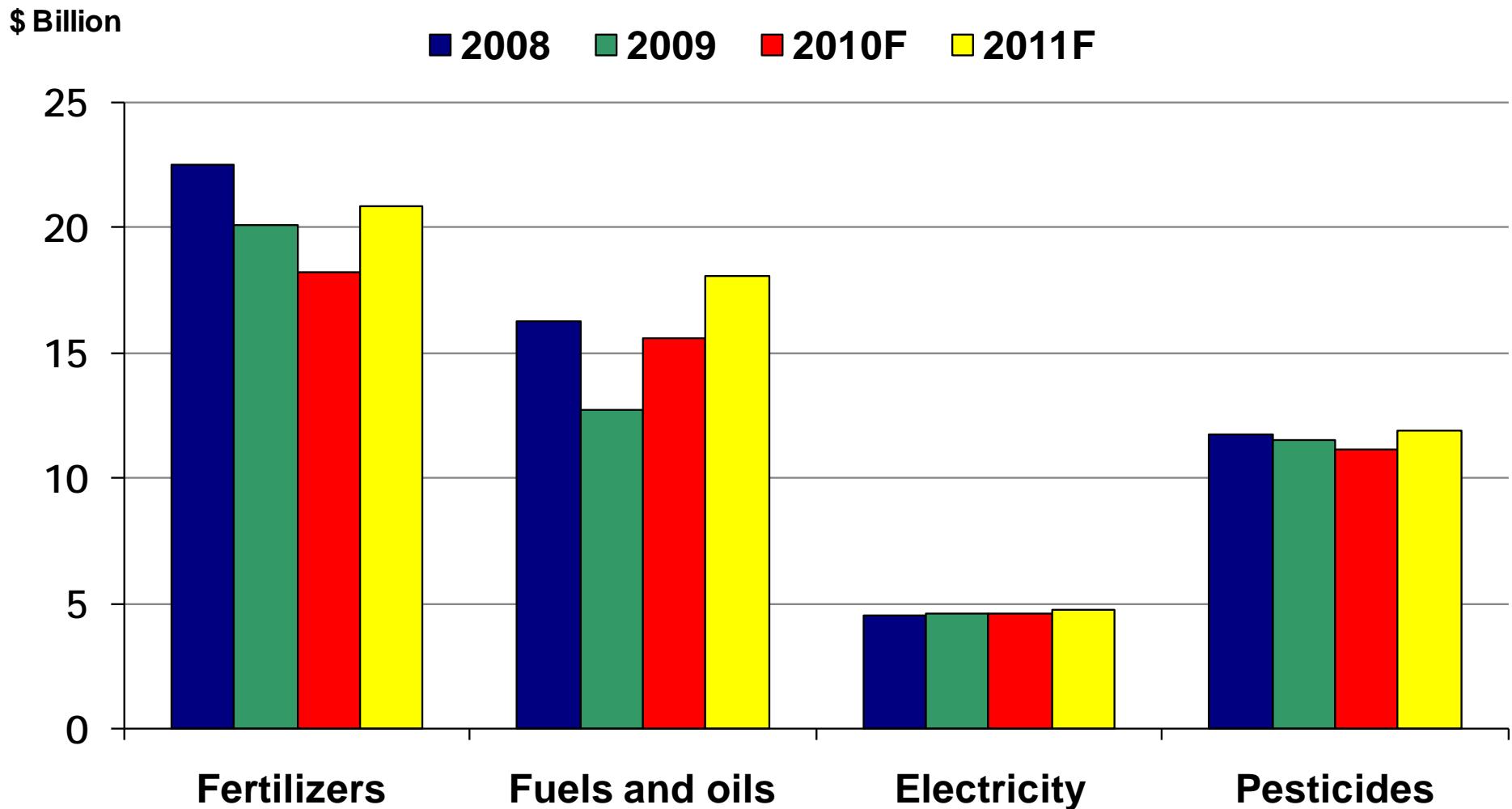
# Purchased input expenses projected up \$16.4 billion in 2011



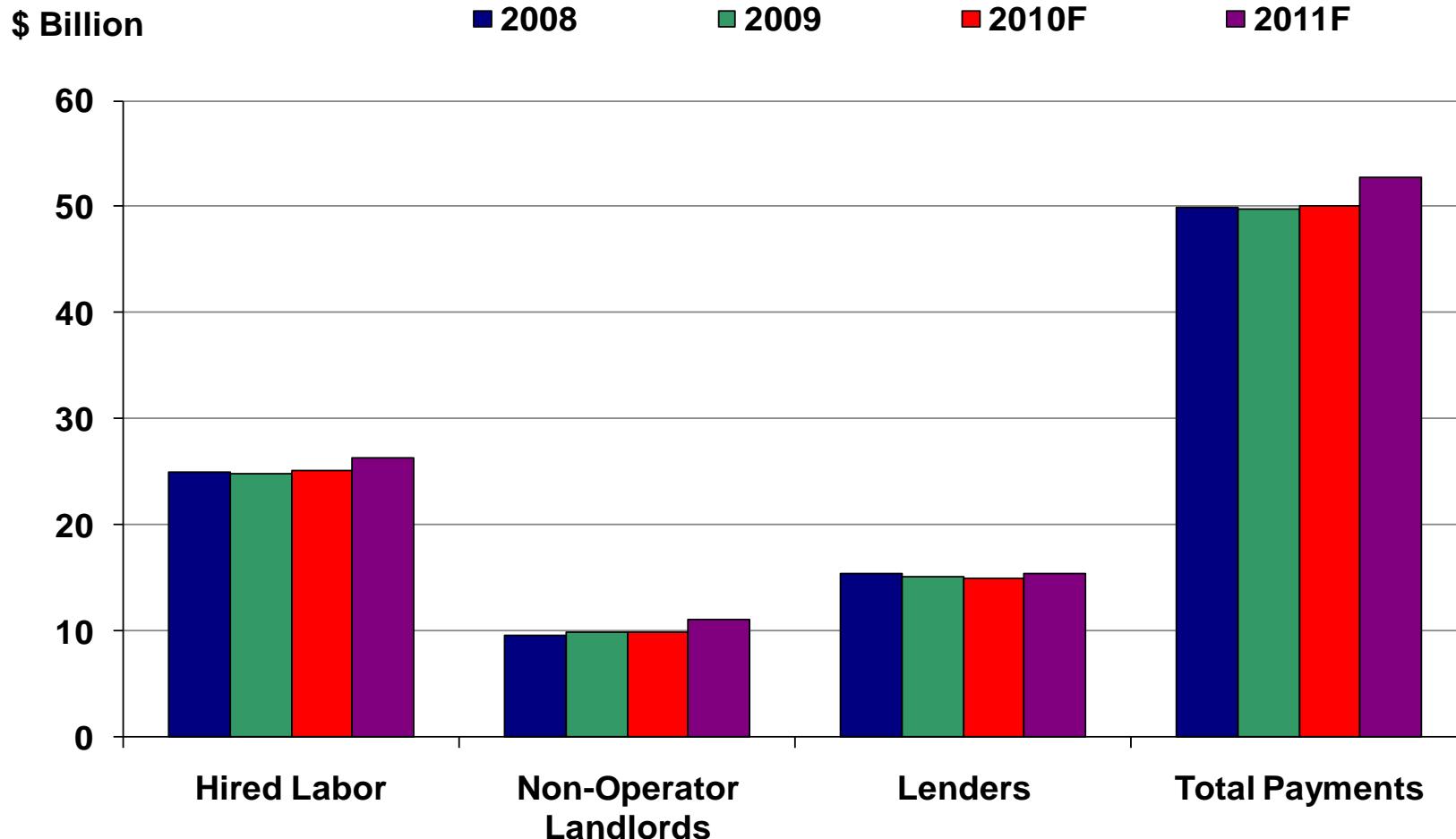
# Farm origin expenses projected up \$5.2 billion in 2011



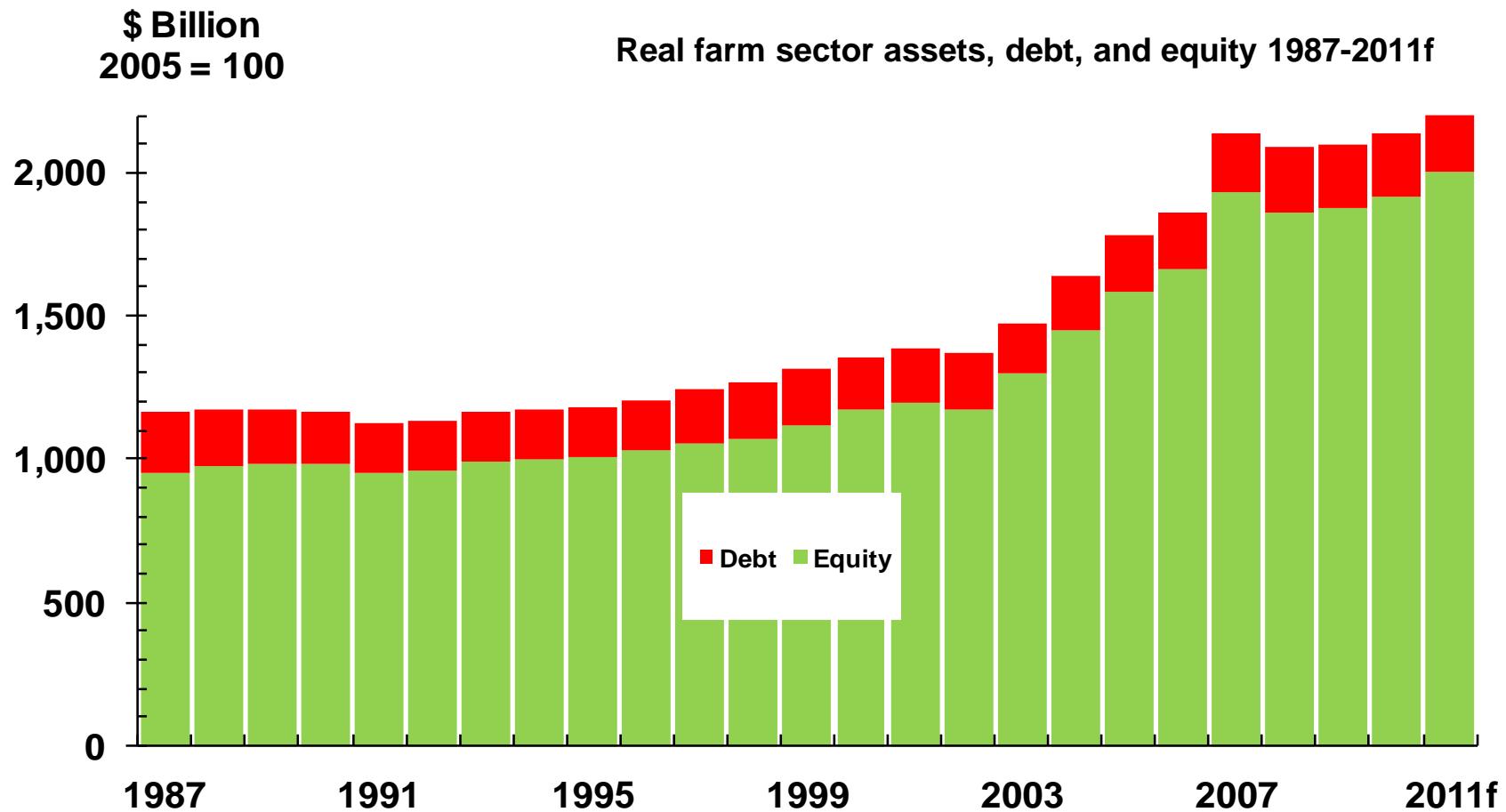
# Manufactured input expenses forecast up \$6.1 billion in 2011



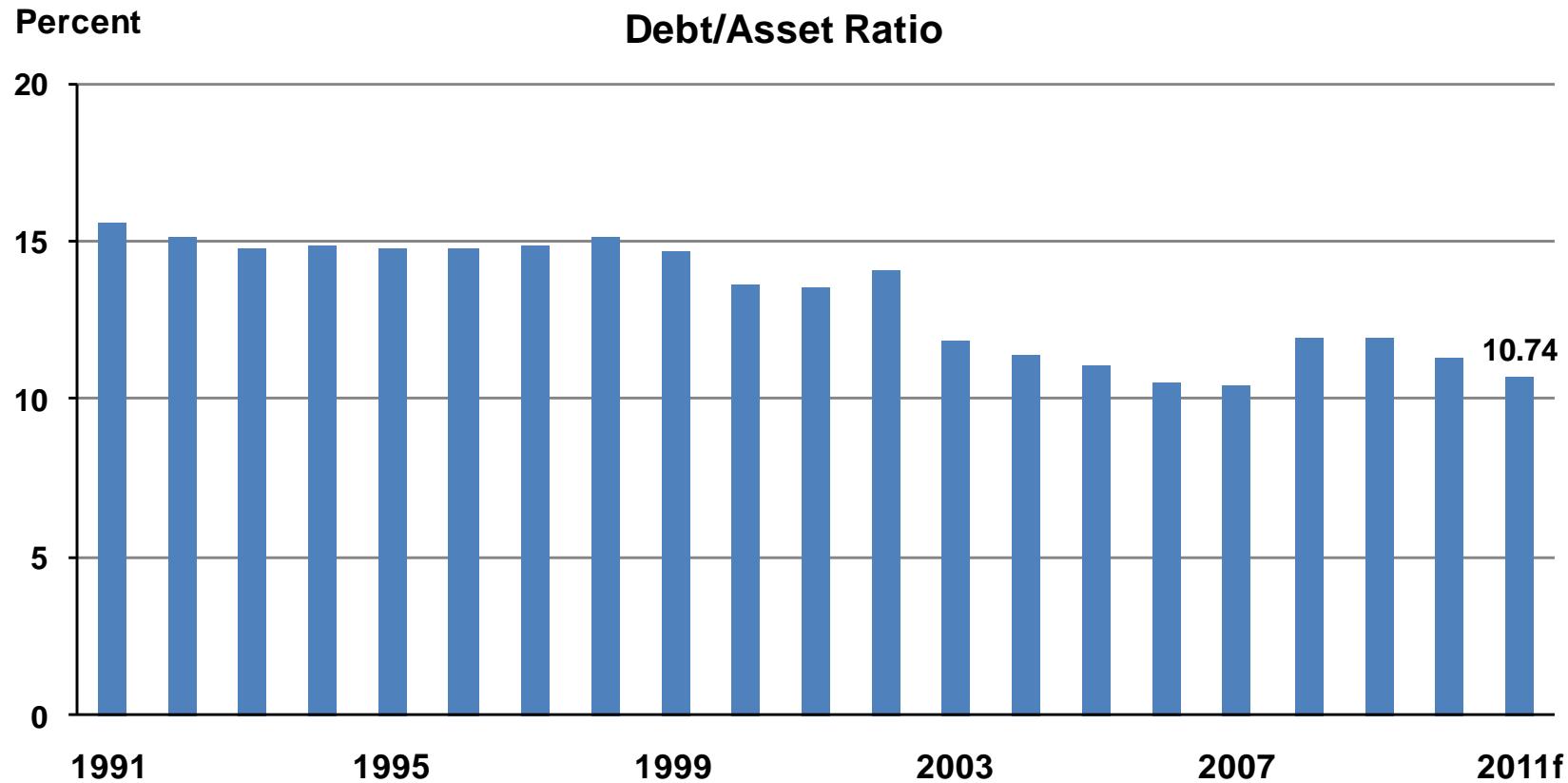
# Payments to stakeholders expected to rise \$2.7 billion in 2011



# 2011 real assets and equity anticipated to surpass 2007 peak values



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

# 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](#)
- 
- [Debt Landscape for U.S. Farms Has Shifted](#)
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# **USDA Outlook for the 2011 U.S. Farm Economy**

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**Timothy Park  
Farm and Rural Business Branch  
Resource and Rural Economics Division**

**2011 USDA Ag Outlook Forum**



# Farm sector profitability improves in 2011

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

