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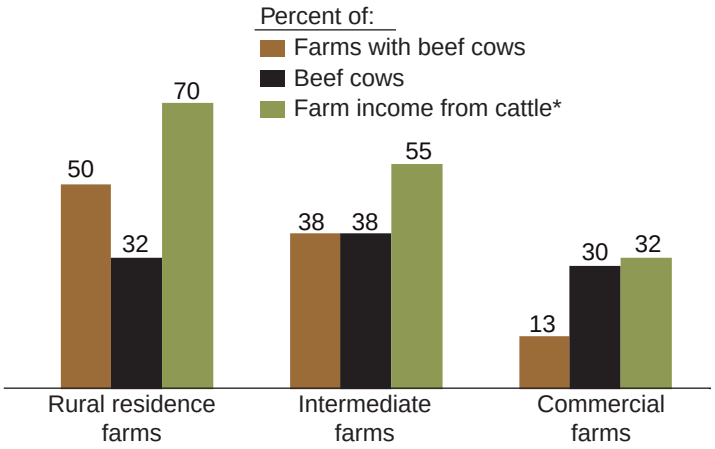
Beef Cow-Calf Production a Lifestyle Choice Among Many Farmers

Beef cow-calf production, the first stage of the beef production process, occurs in every State and is economically important in most of the United States. About 35 percent of the 2.2 million U.S. farms—nearly 765,000 farms—have beef cows. About a third of these farms have fewer than 10 beef cows, more than half have fewer than 20 cows, and nearly 80 percent have fewer than 50 cows. Beef cow-calf farms are quite diverse. Beef cattle are a primary source of income for some farmers, while for many, beef cattle farming is more of a lifestyle choice. This diversity presents a unique set of challenges to policymakers.

Data from USDA's 2008 Agricultural Resource Management Survey on beef cow-calf producers with 20 or more beef cows capture the diversity of U.S. beef-cow calf production. Producers are classified based on a farm typology that reflects different producer characteristics and goals. Rural residence farms have gross farm sales below $250,000 per year and farm operators who are either retired or have a primary occupation off the farm. Intermediate farms also have farm sales below $250,000 per year, but the operator's primary occupation is farming. Commercial farms have annual sales of more than $250,000.

Beef cow-calf farms have diverse farm and operator characteristics that influence their goals for beef cattle production



*Percent that cattle sales comprise of gross cash farm income.

Source: USDA, Economic Research Service using data from USDA's 2008 Agricultural Resource Management Survey.

Each of these three types of farms has roughly a third of the total beef cows in the U.S., but the proportion of their total household income attributable to their cattle operations varies. Rural residence farms make up half of farms with beef cows and generate 70 percent of their gross cash farm income from cattle. However, most of their household income is from off-farm sources, like wages, salaries, or retirement income. Cow-calf production is an important source of farm income on intermediate farms, accounting for 55 percent of gross cash farm income. With less total household income than other farms, intermediate farms are the most vulnerable to the input and output price variations of beef cow-calf production. Commercial farms, comprising 13 percent of total beef cow farms, generate more than $600,000 in gross cash farm income, but only 32 percent is from cattle sales.

The beef cow-calf industry is characterized by a large number of small farms, along with several large farms, on which beef cattle production is a secondary source of farm household income. This suggests that beef cow-calf production as a lifestyle choice is at least as important as earning a profit on many farms.

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This finding is drawn from . . .

The Diverse Structure and Organization of Beef Cow-Calf Farms, by William D. McBride and Kenneth Mathews, Jr., EIB-73, USDA, Economic Research Service, March 2011, available at www.ers.usda.gov/publications/eib73/