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**Farm, Rural, and Natural Resource Indicators**

|   | 2000    | 2001    | 2002    | 2003    | 2004     | 2005     | Annual percent change |         |         |
|---|---------|---------|---------|---------|----------|----------|-----------------------|---------|---------|
|   |         |         |         |         |          |          | 2002-03               | 2003-04 | 2004-05 |
| Cash receipts (\$ billion)  | 192.1   | 200.1   | 195.0   | 216.6   | 241.2    | 239.6f   | 11.1                  | 11.4    | -0.7    |
| Crops   | 92.5    | 93.3    | 101.0   | 111.0   | 117.8    | 115.9f   | 9.9                   | 6.1     | -1.6    |
| Livestock   | 99.6    | 106.7   | 94.0    | 105.6   | 123.5    | 123.7f   | 12.3                  | 17.0    | 0.2     |
| Direct government payments (\$ billion)                             | 22.9    | 20.7    | 11.2    | 17.2    | 13.3     | 22.7f    | 53.6                  | -22.7   | 70.7    |
| Gross cash income (\$ billion)                                      | 228.7   | 235.6   | 221.0   | 249.5   | 271.7    | 280.6f   | 12.9                  | 8.9     | 3.3     |
| Net cash income (\$ billion)  | 56.7    | 60.1    | 49.5    | 71.6    | 85.5     | 83.2f    | 44.6                  | 19.4    | -2.7    |
| Net value added (\$ billion)  | 91.9    | 95.0    | 78.6    | 101.2   | 125.9    | 118.1f   | 28.8                  | 24.4    | -6.2    |
| Farm equity (\$ billion)  | 1,025.6 | 1,070.2 | 1,110.7 | 1,180.8 | 1,293.9f | 1,378.9f | 6.3                   | 9.6     | 6.6     |
| Farm debt-asset ratio   | 14.8    | 14.8    | 14.8    | 14.4    | 13.8f    | 13.4f    | -2.7                  | -4.2    | -2.9    |
| Farm household income (\$/farm household)                           | 61,947  | 64,117  | 65,757  | 68,515  | 81,480p  | 83,660f  | 4.2                   | 18.9    | 2.7     |
| Farm household income relative to average U.S. household income (%) | 108.6   | 110.2   | 113.7   | 116.0   | 134.6p   | na       | 2.0                   | 16.0    | na      |
| Nonmetro-metro difference in poverty rate (% points)                | 2.6     | 3.1     | 2.6     | 2.1     | na       | na       | -19.2                 | na      | na      |
| Cropland harvested (million acres)                                  | 314     | 311     | 307     | 315     | 312p     | na       | 2.6                   | -1.0    | na      |
| USDA conservation program expenditures (\$ bil.) <sup>1</sup>       | 3.3     | 3.7     | 4.2     | 4.3     | 5.1      | na       | 2.4                   | 18.6    | na      |

**Food and Fiber Sector Indicators**

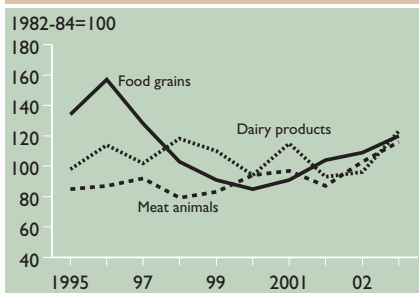
|   |       |        |        |        |        |        |      |      |      |
|---|-------|--------|--------|--------|--------|--------|------|------|------|
| U.S. gross domestic product (\$ billion) <sup>2</sup>                       | 9,817 | 10,128 | 10,470 | 10,971 | 11,734 | na     | 4.8  | 7.0  | na   |
| Food and fiber share (%)  | 4.8   | 4.8    | 4.8    | 4.8    | na     | na     | 0.0  | na   | na   |
| Farm sector share (%)   | 0.7   | 0.7    | 0.7    | 0.8    | na     | na     | 14.3 | na   | na   |
| Total agricultural imports (\$ billion) <sup>1</sup>                        | 38.9  | 39.0   | 41.0   | 45.7   | 52.7   | 57.5   | 11.5 | 15.3 | 9.1  |
| Total agricultural exports (\$ billion) <sup>1</sup>                        | 50.7  | 52.7   | 53.3   | 56.2   | 62.4   | 62.0   | 5.4  | 11.0 | -0.6 |
| Export share of the volume of U.S. agricultural production (%)              | 17.6  | 17.6   | 16.7   | 17.9   | 16.3   | na     | 7.2  | -8.9 | na   |
| CPI for food (1982-84=100)  | 167.9 | 173.1  | 176.2  | 180.0  | 186.2  | 190.7f | 2.2  | 3.4  | 2.4  |
| Share of U.S. disposable income spent on food (%)                           | 9.8   | 9.8    | 9.5    | 9.4    | 9.5    | na     | -1.1 | 1.1  | na   |
| Share of total food expenditures for at-home consumption (%)                | 51.7  | 51.7   | 50.8   | 50.3   | 49.7   | na     | -1.0 | -1.2 | na   |
| Farm-to-retail price spread (1982-84=100)                                   | 210.3 | 215.4  | 221.2  | 225.6  | 232.9  | na     | 2.0  | 3.2  | na   |
| Total USDA food and nutrition assistance spending (\$ billion) <sup>1</sup> | 32.6  | 34.2   | 38.0   | 41.8   | 46.2   | na     | 10.0 | 10.5 | na   |

f = Forecast. p = Preliminary. na = Not available.

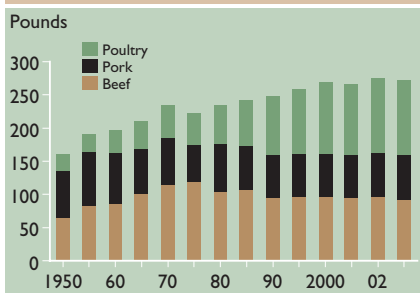
<sup>1</sup> Based on October-September fiscal years ending with year indicated.

<sup>2</sup> GDP data released July 29, 2005, and agricultural output data released April 20, 2005, by U.S. Department of Commerce, Bureau of Economic Analysis.

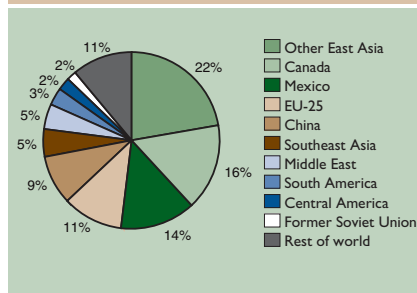
**Producer price indices of selected product groups**



**U.S. per capita meat consumption, 1950-2003**



**Major destination of U.S. agricultural exports, 2004**



For more information, see [www.ers.usda.gov/amberwaves/](http://www.ers.usda.gov/amberwaves/)

## Behind the Data

## Marketing Costs and Margins in International Trade

Marketing costs and margins—the difference between prices paid by importers and those paid by consumers—can be at least as effective a barrier to trade as tariff and nontariff measures. Marketing costs include packing, handling, transport, storage, losses, fees and taxes, and other charges involved in moving agricultural products from port to retail market. Marketing margins reflect the portion of the difference between importer and consumer prices not accounted for by marketing costs. These include returns (or profits) to international traders, wholesalers, retailers, and other intermediaries in the supply chain, as well as unaccounted costs. Investments in supply chain infrastructure and competition among firms tend to reduce marketing costs and margins.

ERS estimated the marketing costs and margins for two countries that protect their apple markets from foreign competition through high tariffs and nontariff barriers: Japan and India. Estimates for Japan were based on data from the USDA's Foreign Agricultural Service (FAS) office in Tokyo and reflect conditions in 2001—Japan did not

import U.S. apples between 2002 and 2004. FAS sources included Japan's customs trade statistics and information from Japanese traders. Data on India's apple market were obtained from published sources of market price data and interviews with growers, contractors, wholesalers, and retailers of U.S. apples sold in the Delhi market during 2003.

For Japan, the import price of a U.S. apple accounts for the largest share of the consumer price of imported apples—about 40 percent. Marketing margins received by importers, wholesalers, and retailers equal 33 percent of the retail price. Costs of customs storage and clearing, transportation to the wholesaler and retailer, and repacking into smaller units before delivery to supermarkets total about 17 percent of the consumer price. Japan imposes a 17-percent ad valorem import tariff and a 5-percent consumer tax (at the border and on top of the tariff), which together total approximately 9 percent of the retail price for apple imports.

In India, margins account for the largest share of the consumer price for imported apples—about 51 percent. The import price

accounts for the next largest share of the consumer price, about 25 percent, and India's high, 50-percent tariff on imported apples accounts for about 13 percent. Estimated marketing costs account for the remaining 10 percent. Marketing costs are low because there is no grading, processing, packaging, or other forms of value addition in the Indian marketing chain, and because traders report negligible losses in marketing imported apples. In emerging markets such as India, the lack of investment in infrastructure and the lack of competition may result in relatively high costs and margins.

Marketing margins—profits and unaccounted costs in the marketing system—account for a large share of the consumer price of imported apples in both Japan and India. Measures to reduce margins, possibly through increased competition or more integration of the various stages in the supply and marketing system, could lead to lower retail prices and higher demand for imported apples. In these cases, the impact of tariffs on trade appears less significant than that of marketing margins and costs, but high tariffs—by raising the price—have a cascading effect on costs and margins, and may also inhibit competition that would reduce margins.

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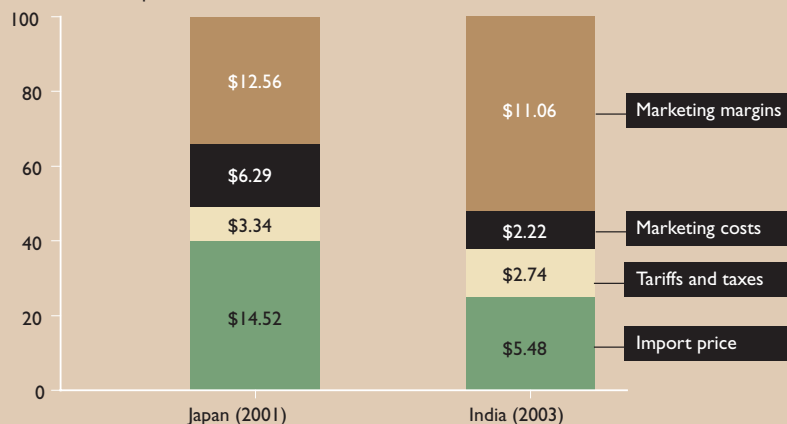
## For more information...

*Resolution of the U.S.-Japan Apple Dispute: New Opportunities for Trade*, by Linda Calvin and Barry Krissoff, FTS-31801, USDA, Economic Research Service, October 2005, available at: [www.ers.usda.gov/publications/fts/oct05/fts31801/](http://www.ers.usda.gov/publications/fts/oct05/fts31801/)

*Prospects for India's Emerging Apple Market*, by Satish Y. Deodhar, Maurice Landes, and Barry Krissoff, FTS-319-01, USDA, Economic Research Service, January 2006, available at: [www.ers.usda.gov/publications/fts/jan06/fts31901/](http://www.ers.usda.gov/publications/fts/jan06/fts31901/)

## Marketing costs and margins for imported apples

Percent of retail price

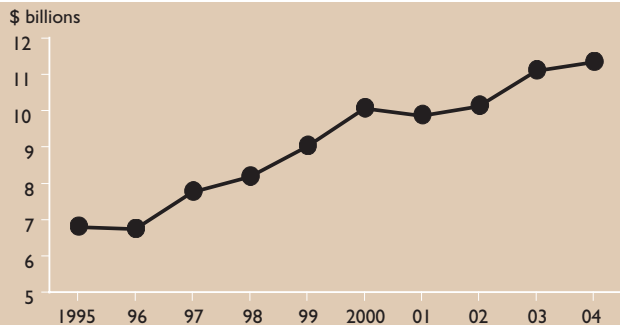


Dollar costs are per 10-kilogram box.

Source: USDA, Economic Research Service.

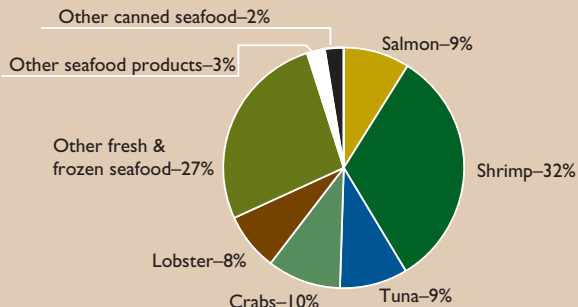
**Markets and Trade**

**Between 1995 and 2004, the value of U.S. edible seafood imports has risen 60 percent**



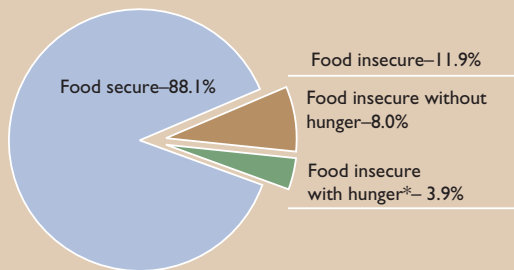
Source: USDA, Economic Research Service.

**U.S. edible seafood imports were dominated by high-value fish and shellfish in 2004**

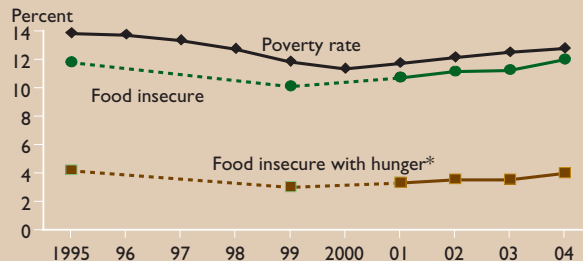


**Diet and Health**

**Most U.S. households were food secure throughout the entire year in 2004**



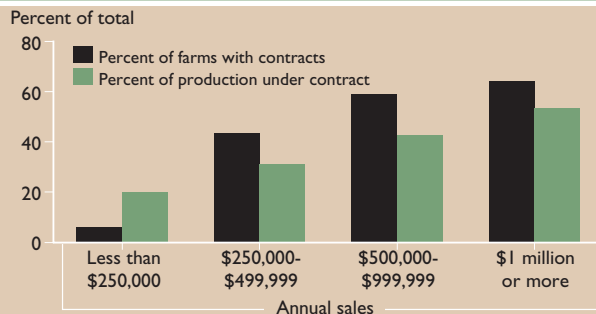
**The percentage of households that had difficulty putting enough food on the table has tracked the poverty rate**



\* Households in which one or more persons were hungry at times during the year because of a lack of money or other resources.  
 Note: Food security statistics for 1996-98 and 2000 are not directly comparable with those presented.  
 Source: Prepared by USDA, Economic Research Service using data from Current Population Survey Food Security Supplements.

**Farms, Firms, and Households**

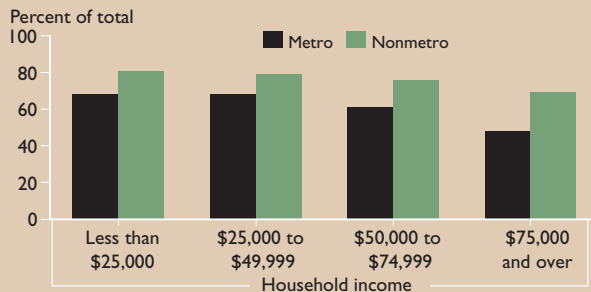
**Larger farms contract more, 2003**



Source: Prepared by USDA, Economic Research Service using data from USDA's 2003 Agricultural Resource Management Survey.

**Rural America**

**Percent of Internet households with dial-up service by income and residence, 2003**



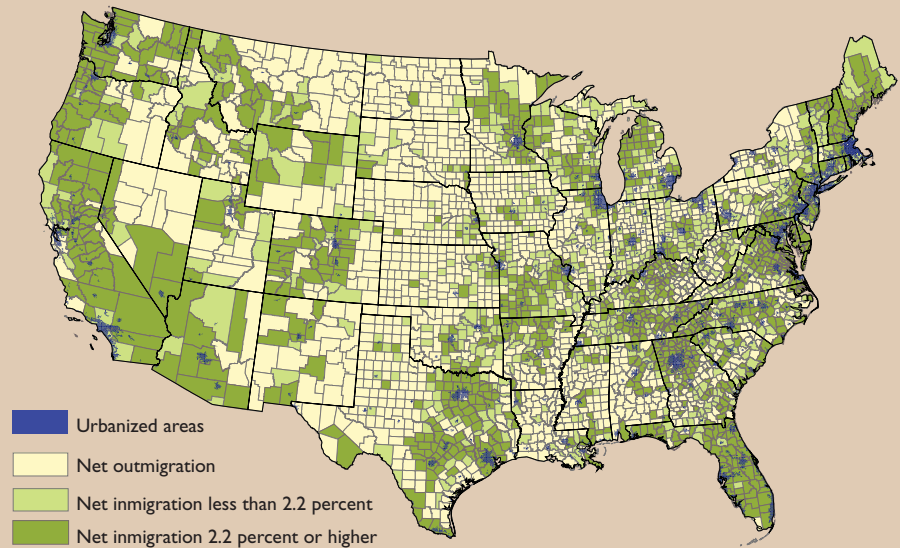
Source: Calculations by USDA, Economic Research Service using data from U.S. Census Bureau's Current Population Survey.

**On the Map**

**Nonmetro net migration rates.** More people moved from metro to nonmetro areas than in the opposite direction during 2000-04. This movement, along with immigration from abroad, increased the nonmetro population by 417,000 (0.9 percent) over the period. Nonmetro net migration rates ranged from 37 percent in Flagler County, FL, to -25 percent in Loving County, TX. The highest net migration rates were close to those of urbanized areas (the built-up cores of metro areas). Most counties in the Great Plains continued to experience net outmigration.

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**County net migration rates in relation to urbanized areas, 2000-04**



Note: Urbanized areas are defined by the U.S. Census Bureau. They are densely settled urban agglomerations that form the core of all metro areas.

Source: Prepared by USDA, Economic Research Service using data from the U.S. Census Bureau.

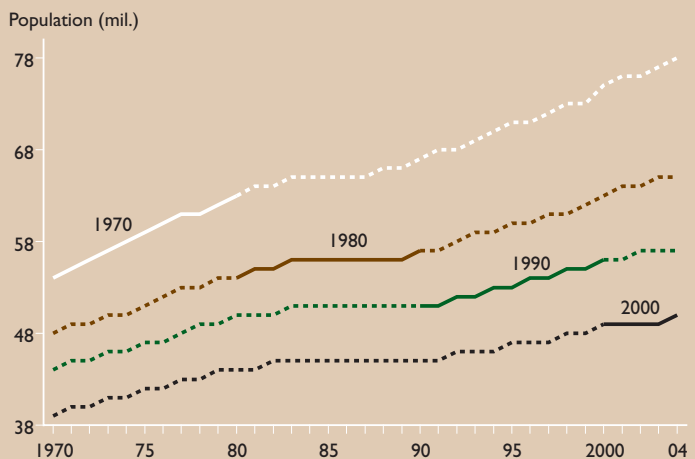
**In the Long Run**

**Changing nonmetro definitions affect population counts.** Nonmetro population grew in absolute terms every year since 1970, but nonmetro areas lost population each decade through reclassification of counties from nonmetro to metro status. The nonmetro population decreased from 54.3 million in 1970 (based on the nonmetro definition current at that time) to 49.7 million in 2004 (based on the most recent definition).

Between 1973 and 2004, 442 nonmetro counties became metro. Some nonmetro counties changed because rules governing metro classification changed. However, most became metro because of rapid urbanization—existing metro areas sprawled into neighboring nonmetro counties and smaller cities achieved metro status. Far from losing population, nonmetro areas as defined in the 1970s grew by 50 percent from 1970 to 2004, up to 77.8 million people.

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**Nonmetro population by changing nonmetro definitions, 1970-2004**



Source: Prepared by USDA, Economic Research Service using data from the U.S. Census Bureau.