



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

Farm, Rural, and Natural Resources Indicators

	1990	1995	2000	2001	2002	2003	Annual percent change		
							1990-2000	2001-02	2002-03
Cash receipts (\$ billion)	169.5	188.0	193.7	202.8	193.5f	200.5f	1.3	-4.6	3.6
Crops	80.3	100.8	94.1	96.4	97.6f	101.6f	1.6	1.3	4.0
Livestock	89.2	87.2	99.6	106.4	95.9f	98.9f	1.1	-9.9	3.2
Direct government payments (\$ billion)	9.3	7.3	22.9	20.7	13.1f	17.6f	9.4	-36.6	33.7
Gross cash income (\$ billion)	186.9	205.9	230.4	238.5	222.5f	234.9f	2.1	-6.7	5.6
Net cash income (\$ billion)	52.7	52.5	58.4	59.7	46.3f	51.3f	1.0	-22.5	11.0
Net value added (\$ billion)	80.8	74.8	92.1	90.9	76.5f	90.8f	1.3	-15.9	18.7
Farm equity (\$ billion)	702.6	815.0	1,022.3	1,059.0	1,086.6f	1,099.7f	3.8	2.6	1.2
Farm debt-asset ratio	16.4	15.6	15.3	15.4	15.7f	16.0f	-0.7	1.7	2.2
Farm household income (\$/farm household)	38,237	44,392	61,947	64,117p	62,515p	65,095f	4.9	-2.5	4.1
Farm household income as a percentage of U.S. household income (%)	103.1	98.8	108.6	110.2p	na	na	0.5	na	na
Nonmetro-Metro difference in poverty rate (%)	3.6	2.2	2.6	3.1	na	na	-3.2	na	na
Cropland harvested (million acres)	310	302	314	311p	307p	na	0.1	-1.3	na
USDA Conservation Program expenditures (\$ bil.) ¹	3.0	3.5	3.4	3.7	3.5q	na	1.3	-5.4	na

Food and Fiber Sector Indicators

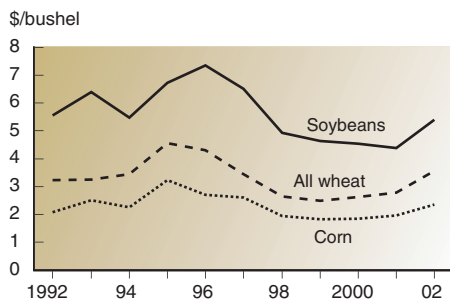
U.S. gross domestic product (\$ billion current) ²	5,803	7,401	9,825	10,082	10,446f	10,843f	5.4	3.6	3.8
Food and fiber share (%)	15.1	14.2	12.6	12.3	na	na	-1.8	na	na
Farm sector share (%)	1.4	1.0	0.8	0.8	0.8	na	-5.4	0.0	na
Total agricultural imports (\$ billion) ¹	22.7	29.8	38.9	39.0	41.0	45.5	5.5	5.1	11.0
Total agricultural exports (\$ billion) ¹	40.3	54.6	50.7	52.7	53.3	56.0	2.3	1.1	5.1
CPI for food (1982-84=100)	132.4	148.4	167.8	173.1	176.2	179.0f	2.4	1.8	1.6
Personal expenditures on food as a percentage of disposable income (%)	11.2	10.6	10.2	10.2	10.1p	na	-0.9	-1.0	na
Share of total food expenditures for at-home consumption (%)	55.4	53.9	53.3	53.8	53.9p	na	-0.4	0.2	na
Farm-to-retail price spread (1982-84=100)	144.5	174.5	210.3	215.4	221.2	na	3.8	2.7	na
Total USDA food and nutrition assistance spending (\$ billion) ¹	24.9	37.9	32.6	34.2	38.0	na	2.7	11.1	na

f = Forecast. p = Preliminary. q = 2002 Administration request. na = Not available.

¹ Based on October-September fiscal years ending with year indicated.

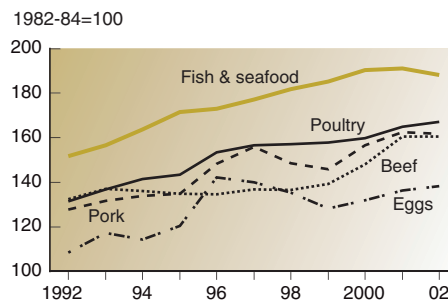
² Forecast for 2003 based on March 2003 forecasts from the Office of Management and Budget.

U.S. average prices received by farmers for wheat, corn, and soybeans, 1992-2002



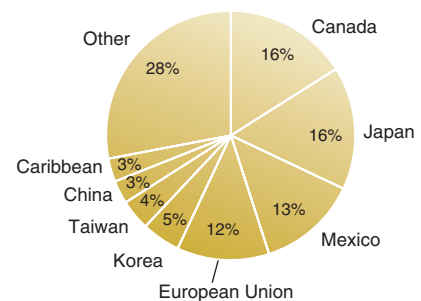
Source: National Agricultural Statistics Service, USDA.

Consumer price indexes for high-protein foods consumed at home, 1992-2002



Source: Bureau of Labor Statistics.

Major markets for U.S. agricultural exports totaling \$53.3 billion in 2002



Source: Foreign Agricultural Trade of the U.S.

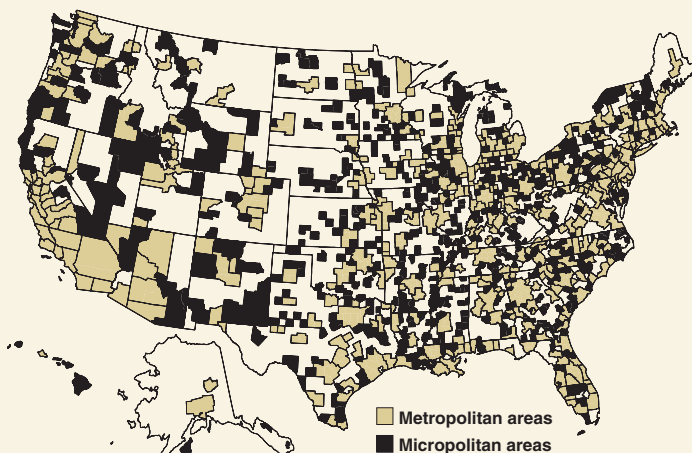
For more information, see www.ers.usda.gov/AmberWaves

Behind the Data

Defining Rural Areas Based on New County Classifications

- Analysts and policymakers who refer to "rural" America are often referring to nonmetropolitan (nonmetro) areas. In conjunction with Census 2000, the Office of Management and Budget (OMB) has made far-reaching changes to the classification system it uses to define nonmetro and metro areas, simplifying criteria that determine status and adding a new "micropolitan" classification (see box). Up until now, nonmetro territory was undifferentiated; the new micropolitan (micro) category subdivides nonmetro areas into two distinct types of counties. This change may help target rural-based programs to those areas most in need.
- Under the previous system, areas were classified as metro if they included central counties with one or more cities of at least 50,000 residents or urbanized areas of 50,000 or more residents and total area population of at least 100,000. Outlying counties were classified as metro if they were economically tied to the central counties, as measured by daily commuting to work, and displayed a level of "metropolitan character" based on population density, urbanization, and population growth.
- Under the new "core-based statistical area" system, metro areas include central counties with urbanized areas of 50,000 or more residents, regardless of total area population. In addition, the classification includes outlying counties with commuting thresholds of 25 percent, with no metropolitan character requirement. Streamlining the criteria in this manner results in approximately 2 million fewer residents covered by metro areas. However, actual expansion of metro territory during the 1990s added 9 million persons. The net effect reduces the 2000 nonmetro population from 56 million to 49 million.
- Micro areas include central counties with one or more urban clusters of 10,000-50,000 persons. As with metro area designations, outlying counties are classified as micro if commuting levels are 25 percent or higher. Because they are county-based and include outlying counties, micro areas can have total area populations that reach well beyond 50,000. The inaugural set of 560 micro areas

Metropolitan and micropolitan areas, 2003



Source: Prepared by ERS, using data from the U.S. Census Bureau.

How the New County Classification System Differs From the Old System

Metropolitan (metro) areas

Old system used prior to Census 2000

Included central counties with:

- Cities of 50,000 or more residents, or
- Urbanized areas of 50,000 or more residents and total area population of 100,000 or more.

Also included outlying counties that had at least 15 percent of the population commuting to central counties daily and that displayed metro character based on population density, urbanization, and growth.

New core-based system starting with Census 2000

Includes central counties with urbanized areas of 50,000 or more residents, regardless of total area population.

Also includes outlying counties with 25 percent or more of the employed population commuting daily, with no requirements for density, urbanization, or growth.

Nonmetropolitan (nonmetro) areas

Old system used prior to Census 2000

All counties not classified as metro.

New core-based system starting with Census 2000

Divides counties not meeting the new metro classification into two categories:

Micropolitan (micro)—counties with one or more urban clusters of 10,000-50,000 persons. Includes outlying counties with 25 percent or more commuting.

Noncore—all nonmetro counties not meeting the new micro classification.

includes 674 counties and range in size from 13,000 (Andrews, TX) to 182,000 (Torrington, CT).

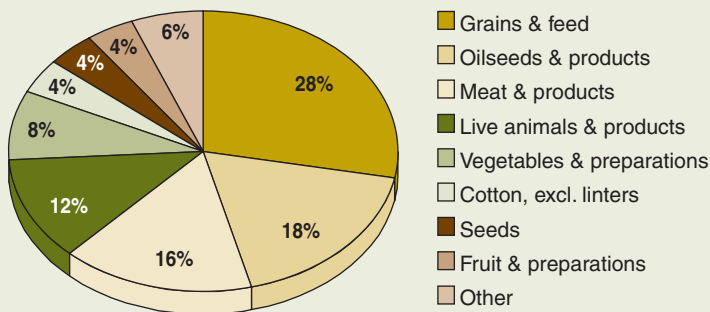
- Of the 49 million nonmetro residents counted in Census 2000, 29 million live in micro areas. The remaining 20 million nonmetro residents live in 1,383 "noncore" counties, which lack urban clusters of 10,000 or more residents. In general, lack of an urban core and low overall population density may place these counties at a disadvantage in efforts to expand and diversify their economic base. However, the population in noncore counties grew by 7.9 percent during the 1990s, compared with a growth rate of 9.9 percent in micro areas and 14 percent in metro areas.

John Cromartie, jbc@ers.usda.gov

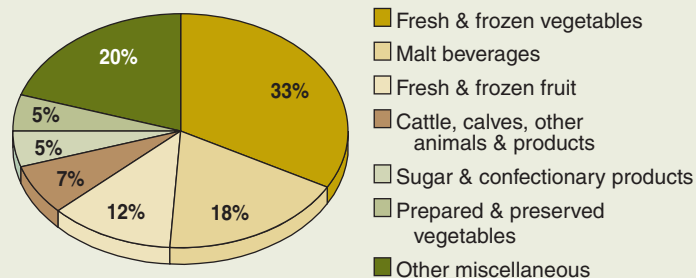
Markets and Trade

The U.S. exports more agricultural products value wise to Mexico than it imports, but the mix of products is much different

U.S. agricultural exports to Mexico totaling \$7.3 billion in 2002

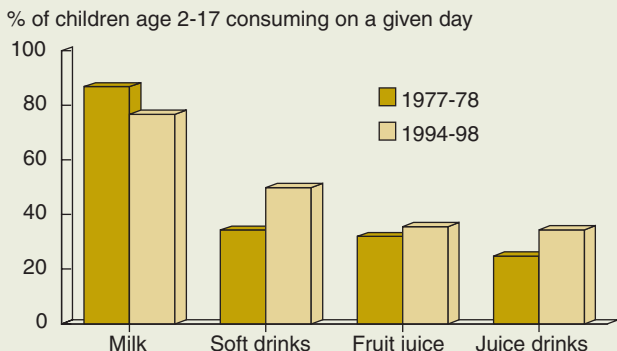


U.S. agricultural imports from Mexico totaling \$5.5 billion in 2002

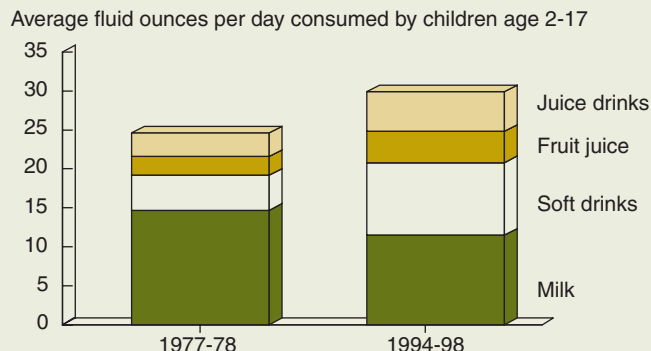


Diet and Health

Although most children still consume milk on a given day, the share has dropped while the share for other beverages has increased



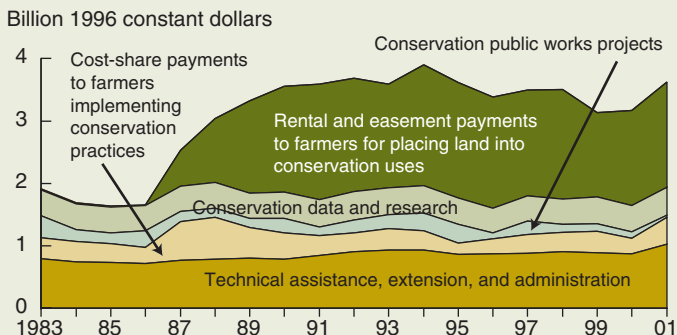
Milk consumption by children has also dropped by one-fifth since 1977-78 while that of other beverages has jumped



Sources: USDA's Nationwide Food Consumption Survey 1977-78 and Continuing Survey of Food Intakes by Individuals 1994-98.

Natural Resources and Environment

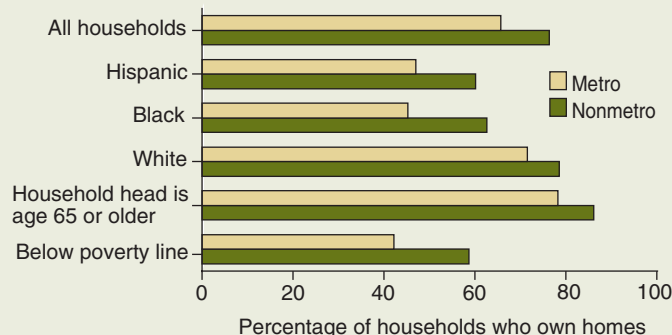
Rental and easement payments have been the largest category of USDA conservation expenditures since 1988



Source: Derived from data provided by USDA's Office of Budget and Program Analysis.

Rural America

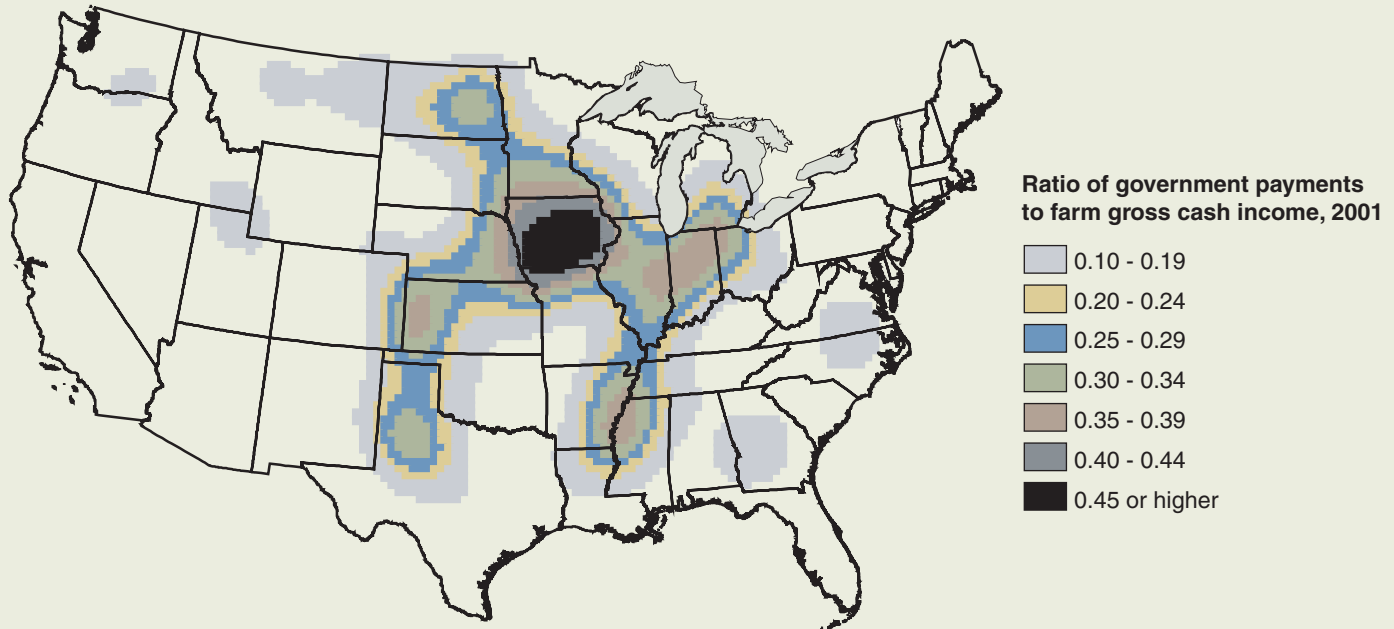
More nonmetro than metro households own homes, with poor and minority households the least likely to be homeowners



Source: Calculated by ERS using data from the 2001 American Housing Survey.

On the Map

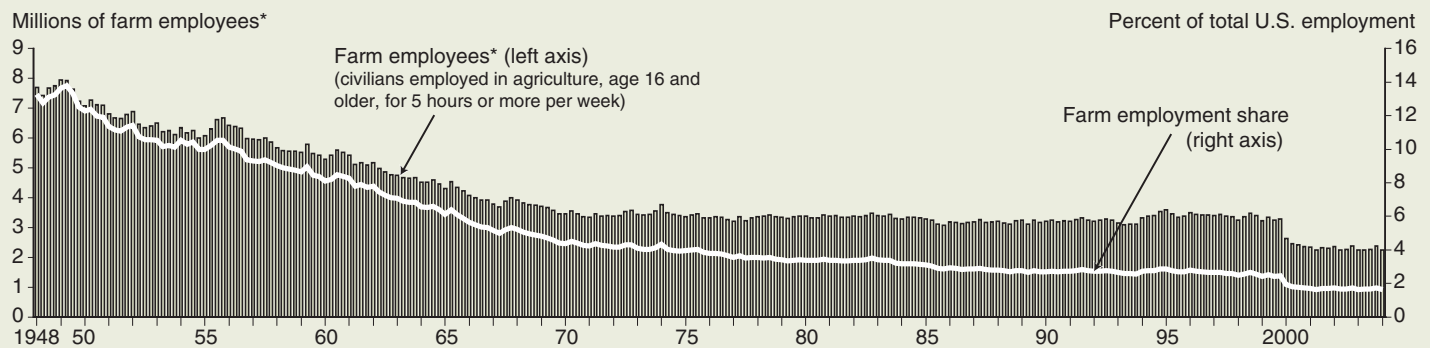
Geographic distribution of government payments as a proportion of gross cash income from farming. A substantial proportion of government payments to farmers is based on historical production of specific commodities, such as corn, oilseeds, wheat, rice, and cotton. Thus, payments represent a higher share of cash income in those areas of the country where production of these commodities is concentrated. When commodity prices are low, as they were in 2001, these payments become even more significant as components of farm income.



Mitch Morehart, morehart@ers.usda.gov

In the Long Run

Farm employment. Sharp increases in labor productivity—from rising efficiency due to the use of farm machinery, pesticides, fuel, and fertilizers as well as technological improvements in plant breeding and animal husbandry—are largely behind the dramatic decline in farm employment relative to total U.S. employment between 1948 and 1970. In contrast, during 1970 to 1995, when total employment grew faster in the U.S. than in any other major developed country, farm employment was relatively stable. Farm households have become increasingly dependent on off-farm income (keeping people in farming that would otherwise have left) and expanded use of hired farm labor (as the average age of farm operators increased). Changes in population estimates (with the 2000 Census) and accelerated emigration out of farming may account for the recent sharp drop in farm employment relative to total employment.



*Employment statistics include the self-employed.
Source: Bureau of Labor Statistics household employment series/Haver Analytics.

David Torgerson, dtorg@ers.usda.gov