Updates of *Agricultural Outlook's* statistical tables are just a click away at www.ers.usda.gov/publications/AgOutlook

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	192.0	199.8	192.9	209.9 f	1.3	-3.5	8.8
Crops	80.3	100.8	92.4	93.4	99.5	105.6 f	1.4	6.5	6.1
Livestock	89.2	87.2	99.5	106.4	93.5	104.3 f	1.1	-12.1	11.6
Direct government payments ($ billion)	9.3	7.3	22.9	20.7	11.0	19.7 f	9.4	-46.9	79.1
Gross cash income ($ billion)	186.9	205.9	228.6	235.3	219.4	246.0 f	2.0	-6.8	12.1
Net cash income ($ billion)	52.7	52.5	56.5	59.2	49.1	65.1 f	0.7	-17.1	32.6
Net value added ($ billion)	80.8	74.8	92.0	94.2	76.9	100.1 f	1.3	-18.4	30.2
Farm equity ($ billion)	702.6	815.0	1,025.6	1,070.1	1,110.7 f	1,147.2 f	3.9	3.8	3.3
Farm debt-asset ratio	16.4	15.6	14.8	14.8	14.8 f	14.8f	-1.0	0.0	0.0
Farm household income ($/farm household)	38,237	44,392	61,947	64,117 p	65,757 p	68,884 f	4.9	2.6	4.8
Farm household income relative to average U.S. household income (%)	103.1	98.8	108.6	110.2	na	na	0.5	na	na
Nonmetro-Metro difference in poverty rate (%)	3.6	2.2	2.6	3.1	2.6	na	-3.2	-1.7	na
Cropland harvested (million acres)	310	302	314	311	307 p	na	0.1	-1.3	na
USDA Conservation Program Expenditures ($ bil.)[1]	3.0	3.5	3.4	3.7	3.5 q	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	10,446	10,863 f	5.4	3.6	4.0
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	45.7	5.5	5.1	11.5
Total agricultural exports ($ billion)[1]	40.3	54.6	50.7	52.7	53.3	56.2	2.3	1.1	5.4
Export share of the volume of U.S. agricultural production (%)	22.5	25.8	22.4	22.5	21.9 p	na	-0.0	-2.7	na
CPI for food (1982-84=100)	132.4	148.4	167.9	173.1	176.2	180.0 f	2.4	1.8	2.2
Share of U.S. disposable income spent on food (%)	11.2	10.6	10.2	10.2	10.1	na	-0.9	-1.0	na
Share of total food expenditures for at-home consumption (%)	55.4	53.9	53.3	53.8	53.9 p	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	41.6	2.7	11.1	9.5

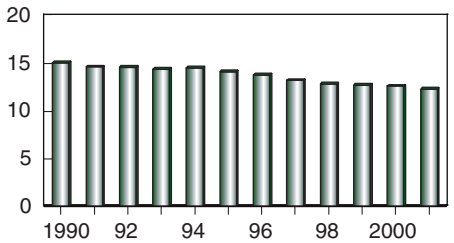
f = Forecast. p = Preliminary. q = 2002 Administration request. na = Not available.

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

[2] Forecast for 2003 based on the Office of Management and Budget's Midsession Budget Review, July 2003.

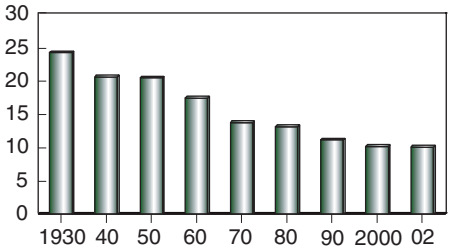
The food and fiber sector (farming, processing, and marketing) has been slowly declining as a percent of U.S. gross domestic product (GDP)

Percent of U.S. GDP

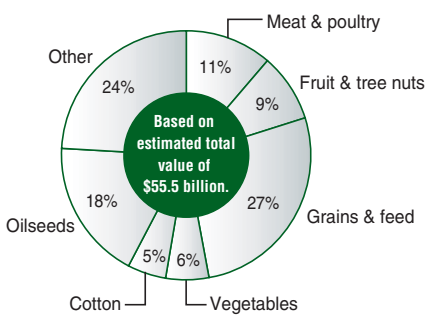


Food purchases by U.S. consumers are a declining share of their disposable personal income

Percent of disposable personal income



Major U.S. agricultural exports, 2003



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

Behind the Data

Calculating the Food Marketing Bill

Total consumer spending on food grown and processed in the U.S. was $709 billion in 2002. Nineteen cents of every dollar spent on U.S.-grown food goes to the farmer for the raw food inputs, while the other 81 cents covers the cost of transforming these inputs into food products and getting them to our grocery shelves and lunch counters. ERS tracks these processing and distribution costs by calculating what consumers spend for U.S.-grown food each year, and then subtracting the farm value (what farmers were paid) to derive the "marketing bill."

Retail sales data from the Bureau of Census are used to calculate how much consumers spend on foods purchased in grocery stores and eating establishments. The value of food served by schools, hospitals, and other institutions is also included in these estimates. ERS uses supermarket industry data to exclude spending for imported foods and seafood.

ERS calculates the farm value by multiplying farm prices (from USDA's National Agricultural Statistics Service) by the quantity of farm products purchased in a given year (from ERS supply and utilization tables). Nonfood byproducts (hides, offal, etc.) are excluded from the farm value estimates.

ERS estimates 11 cost components of the marketing bill. Labor, the largest component, includes wages and salaries of employees, earnings of owners and proprietors, and employee benefits. ERS calculates labor costs using payroll data from the Bureau of the Census and the Bureau of Labor Statistics. Packaging (the second largest component) and energy costs are calculated from Census data. The remaining cost components are derived from Internal Revenue Service statistics.

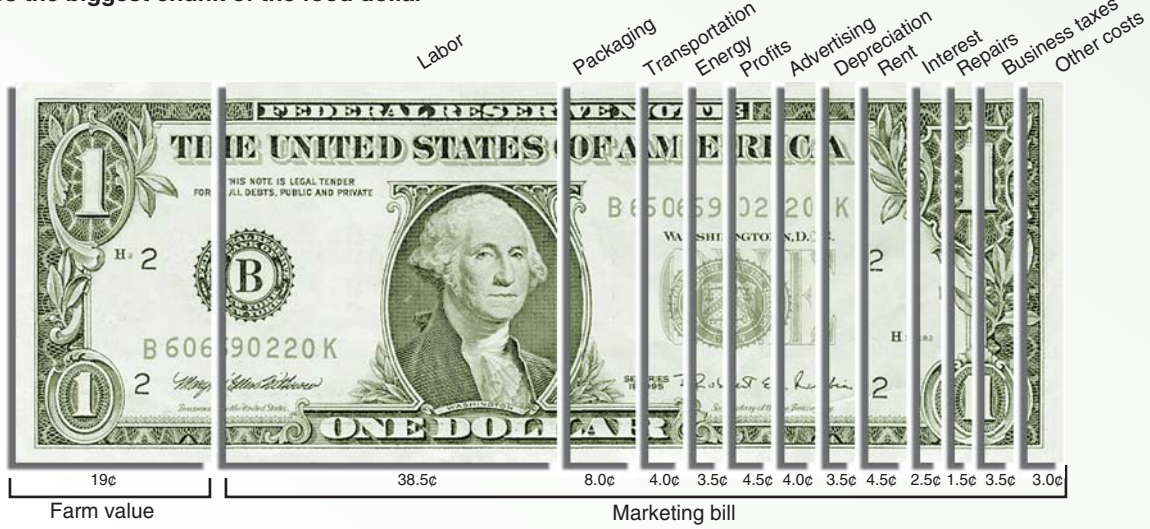
The size of the marketing bill is affected by changes in the amount and type of products consumers buy. For example, restaurant meals have more marketing costs associated with them, and are therefore more expensive than foods at grocery stores. So, as consumers spend more at restaurants, the marketing bill increases in value. Similarly, as consumers purchase more highly processed food products, such as microwave-ready dinners, relative to less processed fruits, vegetables, and meats, the value of the marketing bill increases. Over the last two decades, the marketing bill has increasingly taken a larger share of the consumer food dollar, growing from 73 percent of consumer food spending in 1982 to 81 percent in 2002.

The marketing bill for U.S.-grown food totaled $577 billion in 2002

Expenditures	1980	1990	2000	2002
	Billion dollars			
Labor	81.5	154.0	252.9	273.1
Packaging materials	21.0	36.5	53.5	56.8
Rail and truck transportation	13.0	19.8	26.4	28.4
Fuels and electricity	9.0	15.2	23.1	24.9
Pretax corporate profits	9.9	13.2	31.1	33.0
Advertising	7.3	17.1	26.1	28.1
Depreciation	7.8	16.3	24.2	25.3
Net interest	3.4	13.5	16.9	19.2
Net rent	6.8	13.9	26.7	30.3
Repairs	3.6	6.2	10.1	10.9
Business taxes	8.3	15.7	23.5	24.9
Other costs	11.1	22.2	23.3	22.0
Total marketing bill	182.7	343.6	537.8	576.9
Farm value	81.7	106.2	123.3	132.5
Consumer expenditures	264.4	449.8	661.1	709.4

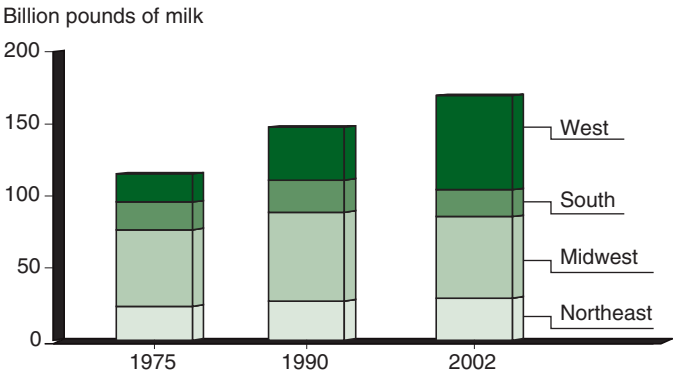
Howard Elitzak,
helitzak@ers.usda.gov

Labor takes the biggest chunk of the food dollar



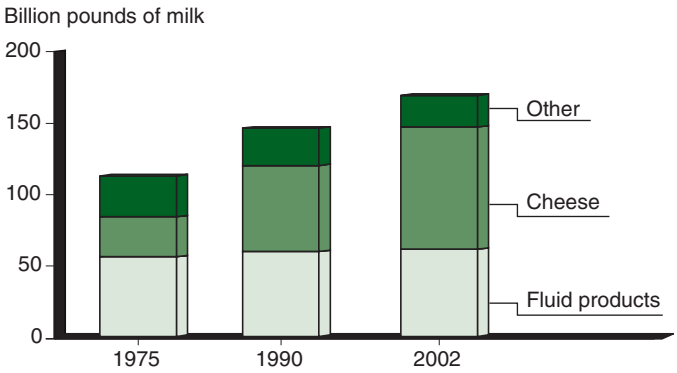
Markets and Trade

Productivity has boosted milk production, especially in the West. . .



Source: USDA's National Agricultural Statistics Service.

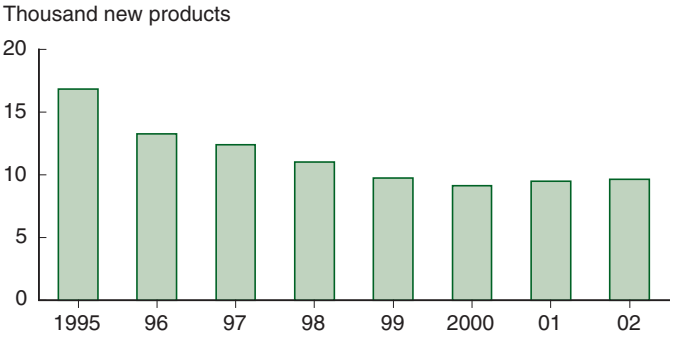
. . .with the added milk going mostly into cheese



Sources: USDA's National Agricultural Statistics Service & ERS compilations.

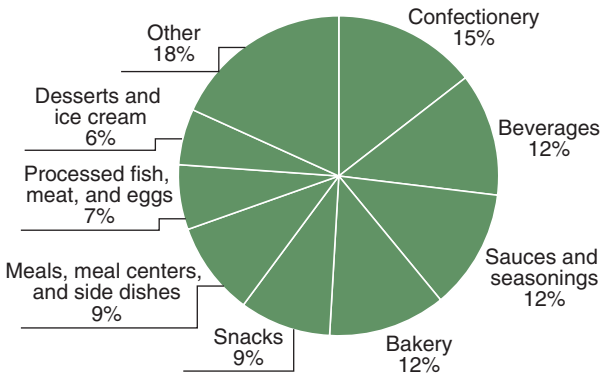
Diet and Health

Annual introductions of new food and beverage products in the U.S. market were dropping until 2000 but have since increased slightly



Source: Mintel International, Global New Products Database, *New Product News.*

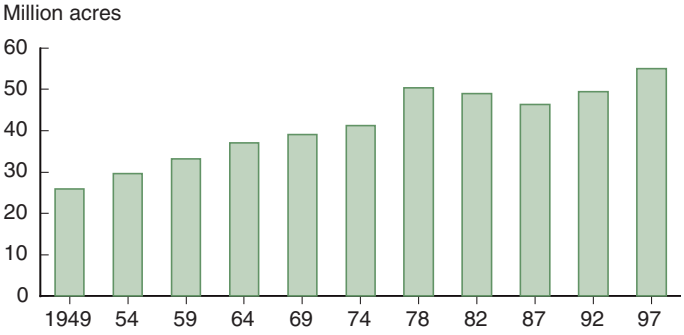
New products satisfying America's sweet tooth lead 2002 food introductions



Source: Mintel International, Global New Products Database, *New Product News.*

Natural Resources and Environment

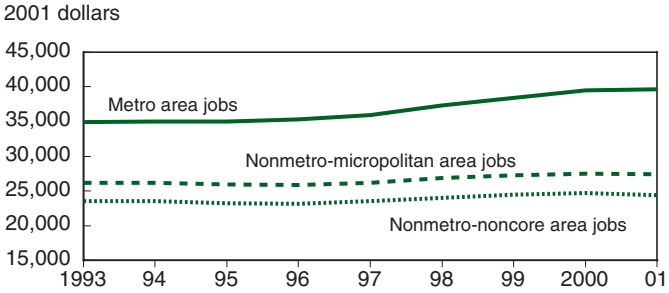
Irrigated farmland in the U.S. is increasing after a dip in the mid-1980s that was due to weak commodity prices and high cropland idling



Source: Census of Agriculture.

Rural America

Real earnings per nonfarm job have grown faster in metro than nonmetro areas since 1997



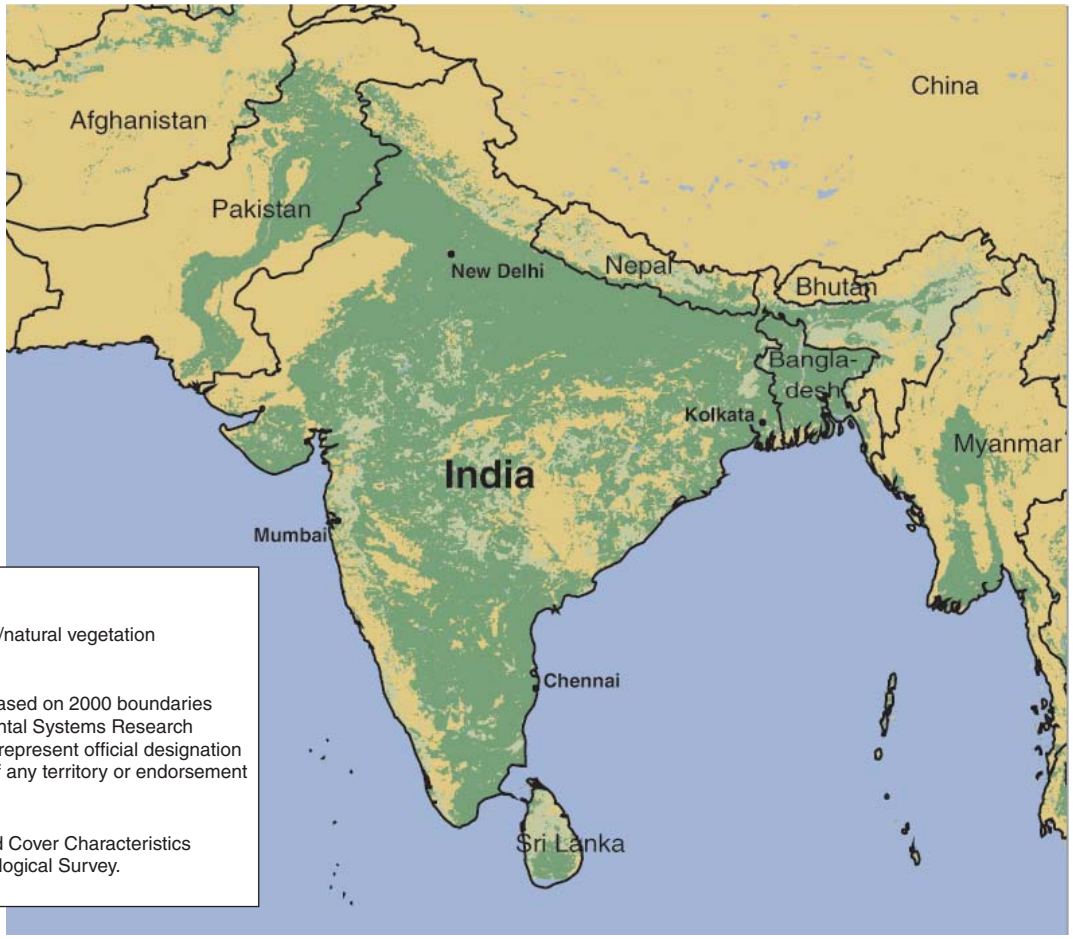
Micropolitan areas are nonmetro counties with an urban cluster of 10,000-50,000 persons, or outlying counties with commuting levels of 25 percent or higher into or out of the urban cluster. Noncore areas are nonmetro counties not meeting the micropolitan classification.

Source: Calculated by ERS using data from the Bureau of Economic Analysis.

On the Map

Agricultural land in India. Agriculture is a major economic activity in virtually all regions of India. Wheat is the major crop grown in the north, rice in the east and south, and coarse grains, pulses, and oilseeds in the central and western regions.

Keith Wiebe,
kdwiebe@ers.usda.gov



Land cover
- Cropland
- Mixed cropland/natural vegetation
- Other

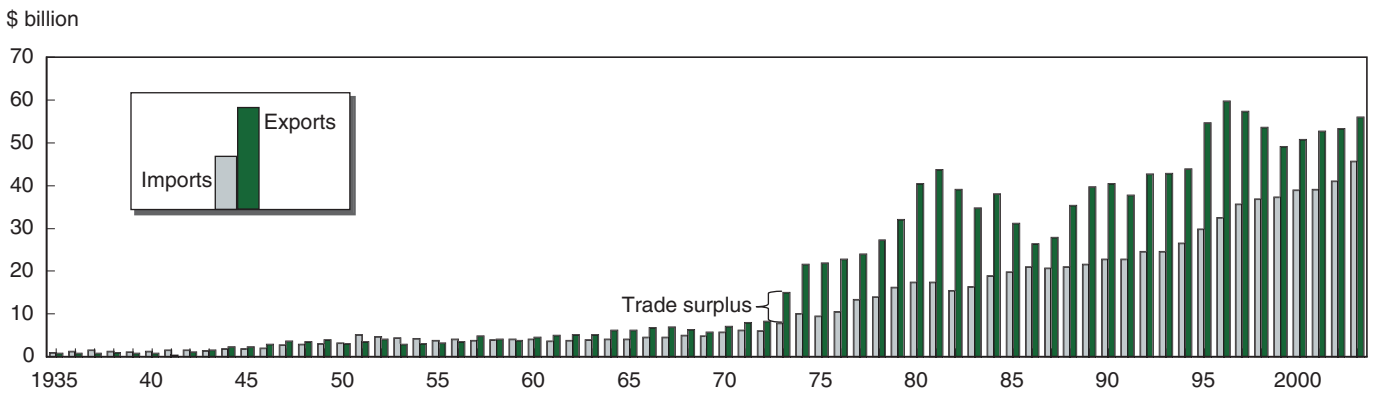
Note: Borders are based on 2000 boundaries from the Environmental Systems Research Institute and do not represent official designation of the legal status of any territory or endorsement of such boundaries.

Source: Global Land Cover Characteristics Database, U.S. Geological Survey.

In the Long Run

U.S. agricultural trade. Farm exports have recovered after declines in the late 1990s, not unlike in the 1980s. Although our trade surplus continues, it is smaller than in recent years, and imports have been growing faster than exports since 1997.

Carol Whitton, cwhitton@ers.usda.gov
Alberto Jerardo, ajerardo@ers.usda.gov



Trade surplus is represented by the height of the export bar over the import bar.
Sources: Economic Research Service, USDA, and Census Bureau, U.S. Dept. of Commerce.