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We May Not Have an Aging Farmer Problem After All

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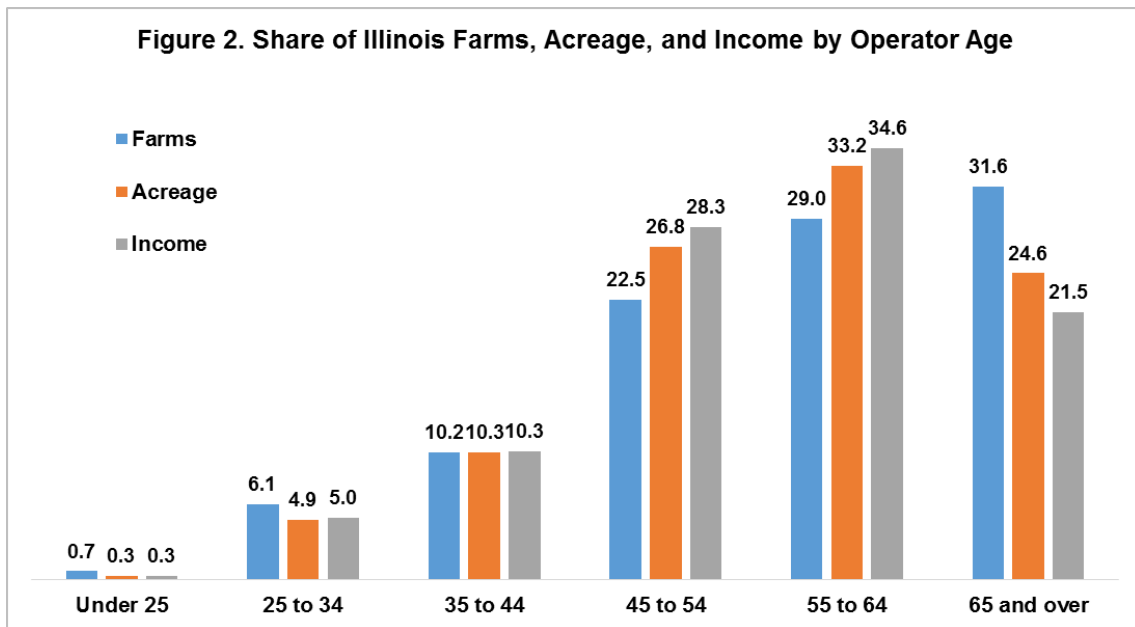
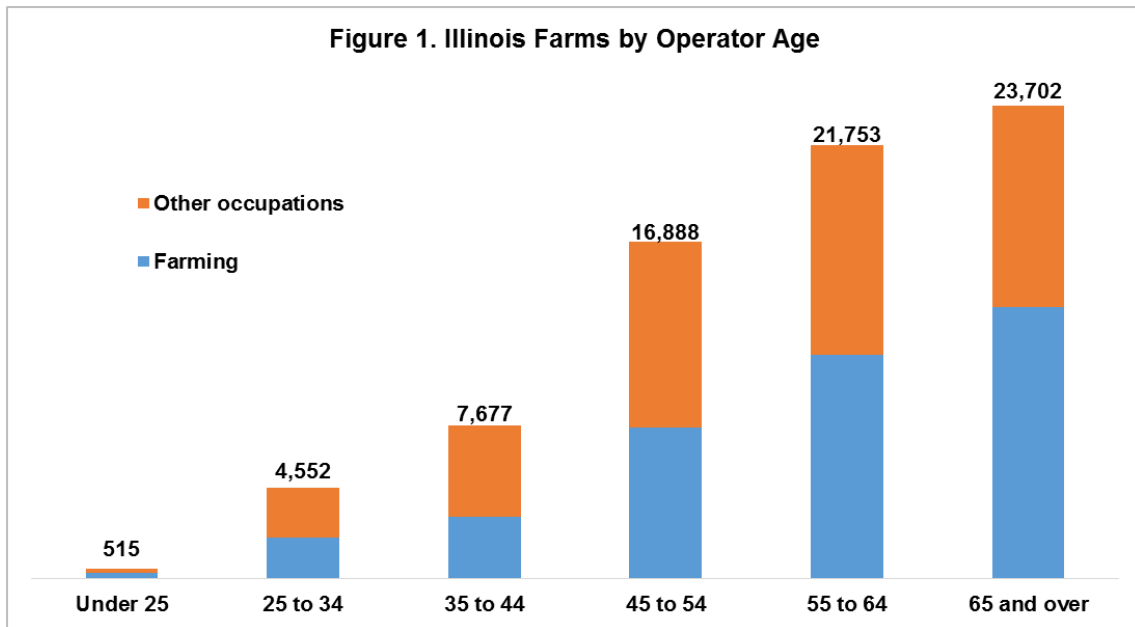
Permalink <http://farmdocdaily.illinois.edu/2015/02/we-may-not-have-an-aging-farmer-problem.html>

Many industry observers often express concern related to the “aging farmer problem.” For example, the average age of Illinois’ farm operators has increased steadily over time, with the mean age of principal farm operators in the state of 57.8 years in 2012, compared to 53.2 in 1997. This article examines the age distribution of Illinois’ principal farm operators using data collected through USDA’s Census of Agriculture. A closer look at the data reveals that the “aging farmer problem” may be overstated by some.

According the Census of Agriculture, Illinois was home to 75,087 farms in 2012. Figure 1 shows the distribution of Illinois farms by the age of the principal operator using predefined Census categories. It can be seen that a large proportion, 31.6%, of principal operators are 65 or older. This statistic can be alarming because these farmers are beyond what was once considered the traditional age of retirement. However, the figure further differentiates farm operators by primary occupation. The blue portion of the bar represents principal farm operators whose primary occupation is farming, and the orange part represent farmers whose primary occupation is something other than farming. Across the entire age distribution, roughly half of Illinois principal farm operators list their main occupation as something other than farming (49.6%). At both ends of the age distribution, a majority of the operators list farming as their primary occupation at 57.9% for under age 25 and 57.5% for 65 and over. In other words, our oldest and youngest farmers are more likely draw their livelihood from the farm operation, yet 43.4% of farm operators over age 65 still list some other profession as their main occupation.

As we have seen previously, the distribution of farms alone, however, can sometimes provide an inaccurate representation of the population of Illinois farms ([farmdoc daily, July 30, 2014](#)). For example, figure 2 below plots the distribution of Illinois farms, farm acreage, and income (including both market income and government payments) by the age of the principal farm operator. The figure shows that while 31.6% of Illinois’ farms have a principal operator age 65 or older, this age group represents a relatively smaller share of total farm acreage (24.6%) and farm income (21.5%). This observation is contrasted by farmers between the ages 35 and 54. Farmers between 35 and 54 represent a similar share of farm numbers at 32.7% but account for a much larger share of acreage (37%) and income (38.6%).

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Thus, while the distribution of farm numbers paints an alarming picture of the age of Illinois' farm sector, the distribution of farm income is much closer to what one would expect of most small businesses. The largest share of the income of the sector is captured managers between the age of 45 and 64. Just over half of Illinois' primary farm operators are between ages 45 and 64 (51.5%). This group, however, represents 60% of Illinois' agricultural land and 62.9% of the state's farm income.

It is also important to note that the U.S. labor force, overall, is also aging. [Zulauf \(2013\)](#) uses data from previous Censuses of Agriculture as well as data from the Bureau of Labor Statistics to show farm population aging mirrors that of the broader labor force.

Note: The Census defines a farm as any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the reference year, and this definition has been used since 1974. In addition, it is important to note that many of the statistics collected by the Census address the characteristics of the farm's principal operator (and his or her household), and as a result, the demographics of others employed by farms can be difficult to observe directly through the Census.

References

Kueth, T. "[Highlights of the Census of Agriculture: A Closer Look at Farm Size.](#)" *farmdoc daily* (4): 141, Department of Agriculture and Consumer Economics, University of Illinois at Urbana-Champaign, July 30, 2014.

Zulauf, C. "[Putting the Age of U.S. Farmers in Perspective](#)" *farmdoc daily* (3):202, Department of Agriculture and Consumer Economics, University of Illinois at Urbana-Champaign, October 23, 2013.