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Younger Beginning Farmers Tend To Operate Larger Farms

by Mary Ahearn


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It is natural to assume that most beginning farmers--those operating farms on which all operators have 10 years or less experience operating a farm--are relatively young. Indeed, when compared with the operators of more established farms, beginning farmers do tend to be younger. The average age of the principal operators of beginning farms in the U.S. was 49 in 2011, compared with 60 for established farms. However, only 14 percent of beginning farmers were under age 35 in 2011, and just over half were over 50. While easily surpassing the 1 percent of established farm operators who were under 35 (young) in 2011, the low share of young beginning farmers helps account for the decline in the share of all farms operated by young farmers in recent decades.

Many factors help explain why farm operators, whether beginning or established, are not a young population. First, established farmers, like the general population, are living longer than farmers of the past. Second, technological advances and Government policies, like USDA's Conservation Reserve Program, often give older farm operators the flexibility to gradually retire while continuing to farm. Finally, the significant startup costs of a typical farming operation make it especially difficult for young entering operators, with fewer years to accumulate wealth to acquire control of the land and capital they need.

Younger beginning farmers are more likely to operate large farms than are older operators of beginning farms. In 2011, 11 percent of beginning operators under age 35 had gross farm sales of $250,000 or more, compared with 6 percent of those age 35-49 and 1 percent of those age 50 and older. As a result, young beginning farm households tend to earn more on their farm and less off their farm than other beginning farm households. And while beginning farmers under age 35 have more debt than older beginning farmers and have lower average net worth, a higher share of young beginning farmers operate profitable farm businesses. Still, more than half of young beginning farmers report losses and, on average, they have much higher debt-to-asset ratios than older beginning farmers. One factor in the viability of young farmers will be the degree to which they can manage their business-related debt into the future.

Characteristics of beginning family farms varied by age of principal operator in 2011

	Age of principal operator (years)				
Item	Less than 35	35-49	50-64	65 or more	All beginning family farms
Farm characteristics					
Percent of beginning family farms	14	33	40	12	100
Percent by gross sales class:					
Less than $10,000	43	67	85	83	73
$10,000 to $249,999	46	27	14	16	23
$250,000 or more	11	6	1	1	4
Average farm size (operated acres)	255	276	125	179	200
Percent with principal operators farming as their major occupation	47	27	20	29	27

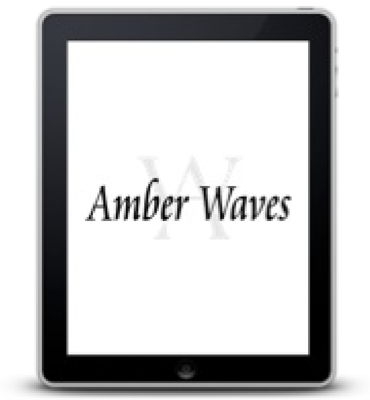
Farm household finances					
Average farm income ($)	15,651	7,095	-6,195	-1,304	1,902
With negative farm income (%)[1]	52	76	75	76	72
Average off-farm income ($)	49,686	84,036	101,615	105,909	89,015
Average farm net worth ($)	318,534	359,236	428,491	511,997	400,273

[1]Calculation of farm income reflects the expenses associated with reported depreciation.
Source: USDA, Economic Research Service using data from USDA's 2011 Agricultural Resource Management Survey.

This article is drawn from...

Beginning Farmers and Ranchers at a Glance, by Mary Ahearn, USDA, Economic Research Service, January 2013

Beginning & Disadvantaged Farmers, by James Williamson, USDA, Economic Research Service, October 2014



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