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Older Operators Often Run Small Family Farms, Particularly Retirement and Low-Sales Farms

Finding: Farm Economy

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Older Operators Often Run Small Family Farms, Particularly Retirement and Low-Sales Farms

by Dennis Vilorio and Robert A. Hoppe



A notable characteristic of principal farm operators, the person most responsible for running a farm, is their relatively advanced age. In 2016, 36 percent of principal farm operators were at least 65 years old, compared with only 14 percent of self-employed workers in nonagricultural businesses. Older operators ran 37 percent of all small family farms—those with annual gross farm cash income (GCFI) before expenses under \$350,000—including 68 percent of retirement farms and 38 percent of low-sales farms. By comparison, older operators ran 21 or 23 percent of large-scale family farms, those with GCFI of \$1 million or more.

Improved health and advances in farm equipment enable operators to farm later in life than in past generations. The farm is also home for most farmers, and they can gradually phase out of farming by renting out or selling parcels of their land. For example, operators on retirement farms rented out 31 percent of their land in 2016 and enrolled another 14 percent in USDA's Conservation Reserve Program. Some larger, more commercially oriented farms run by older farmers may have a younger, secondary operator who might eventually replace the principal operator.

A large share of principal farm operators are at least 65 years old, particularly those running retirement and low-sales farms

Percent of principal operators at least 65 years old



Note: The principal operator is the person most responsible for running a farm. Small family farms have annual gross cash farm income (GCFI) under \$350,000. Midsized family farms have GCFI of \$350,000 to \$999,999. Large family farms have GCFI of \$1 million to \$4,999,999, and very large family farms have GCFI of \$5 million or more. Nonfamily farms are those where neither the principal operator nor individuals related to the operator own a majority of the business. Source: USDA, Economic Research Service and National Agricultural Statistics Service, 2016 Agricultural Resource Management Survey; and 2016 self-employed data from the U.S. Bureau of Labor Statistics.

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Farm Structure and Organization, by Christine Whitt, USDA, Economic Research Service, January 2020

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