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# **The Changing Rural Setting for Agricultural Innovation and Community Prosperity**

Agricultural Outlook Forum 2004

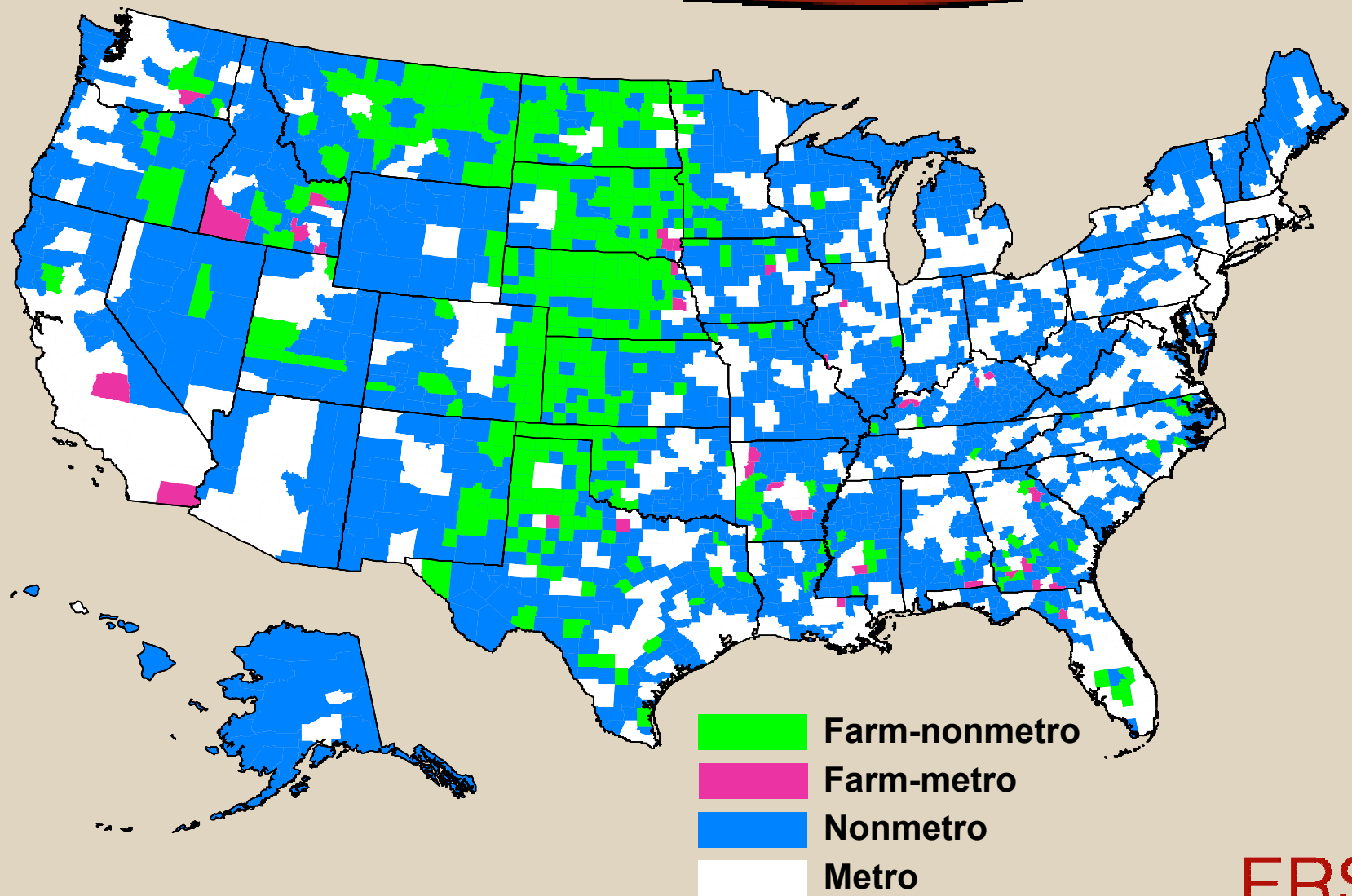


**Linda Ghelfi**  
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**U.S. Department of Agriculture**

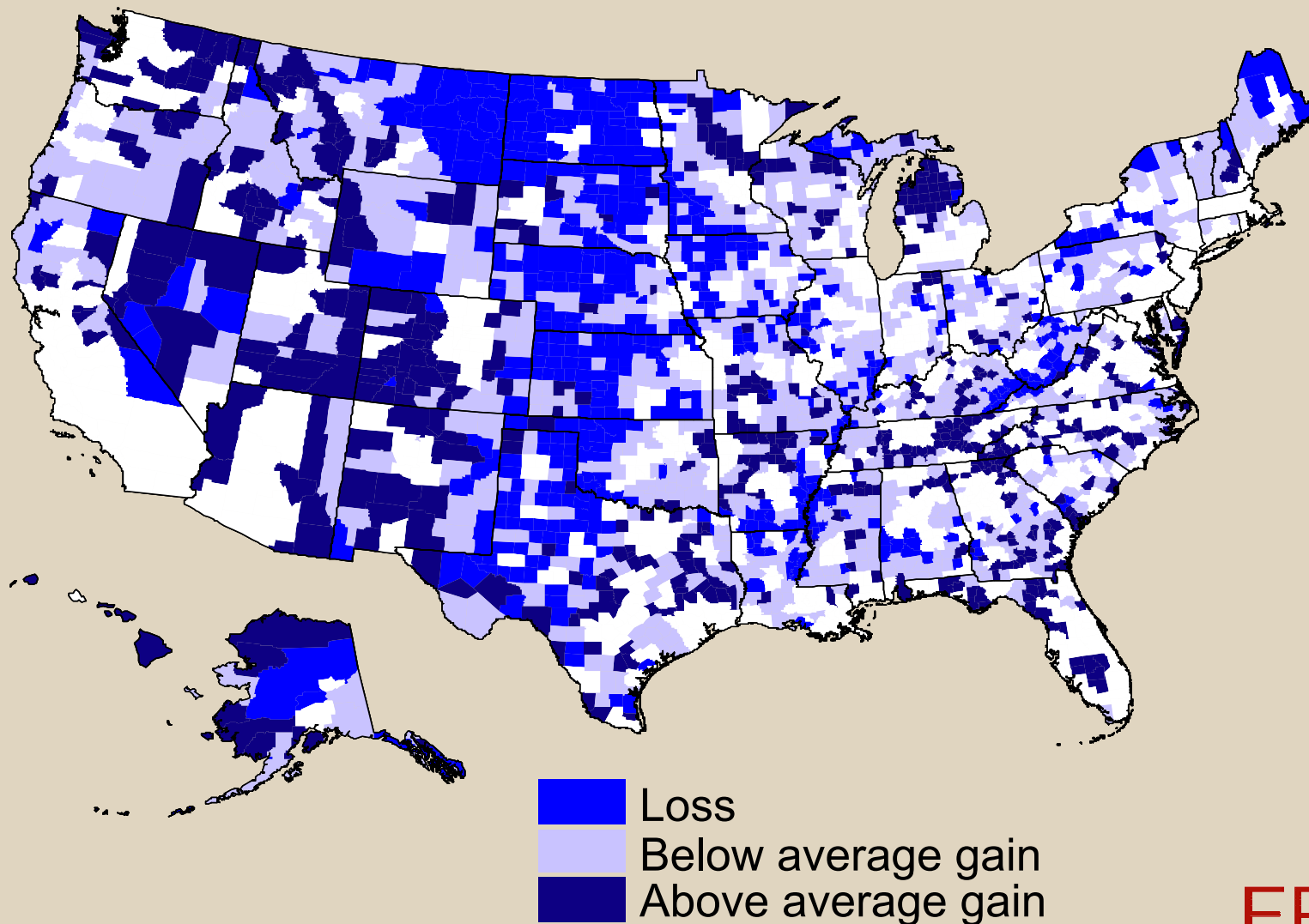
# Organization of Presentation

- Changes in rural America, especially in farming-dependent counties
- Changes in agriculture, especially consumer demand
- Implications for agricultural innovation and community prosperity

# Rural America today

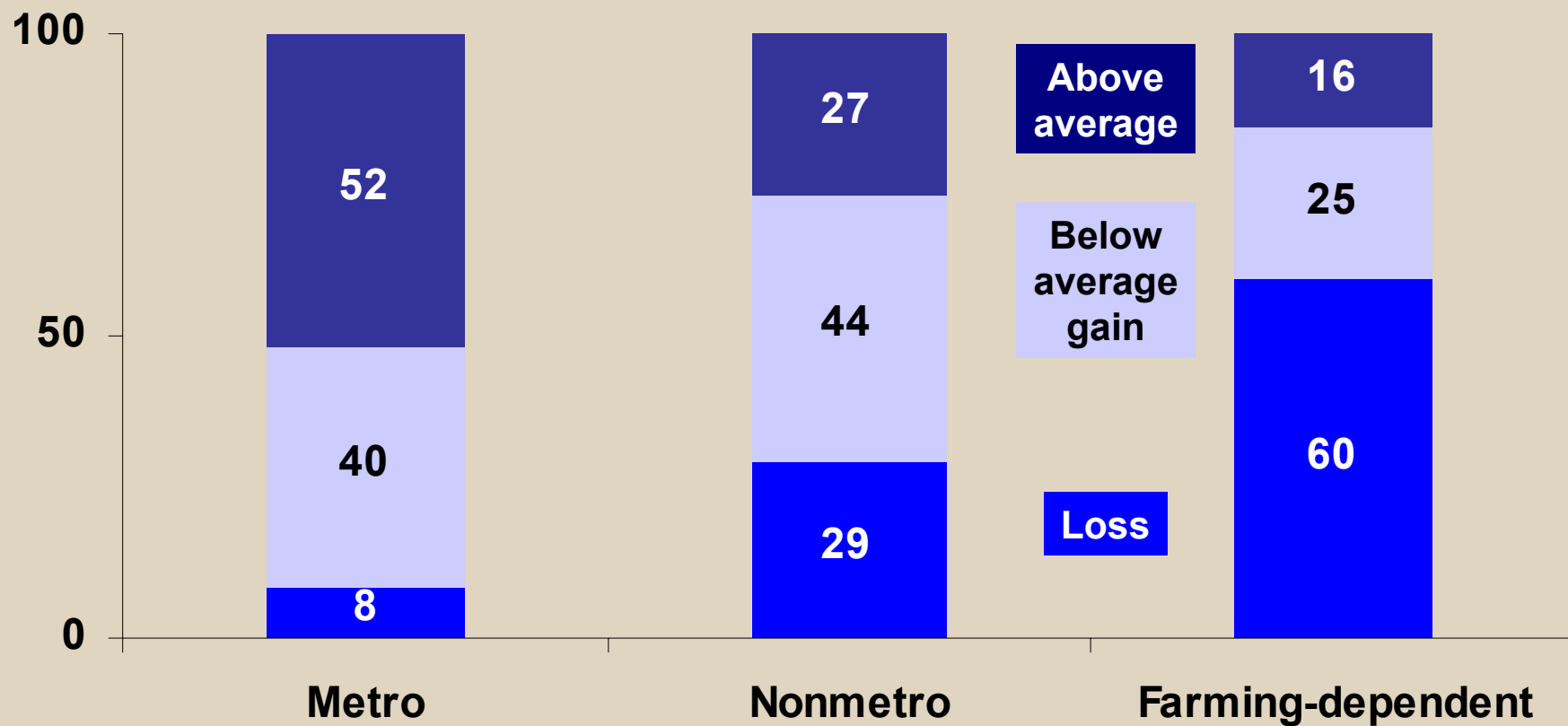


# Nonmetro population change, 1990-2000



# Counties by population change

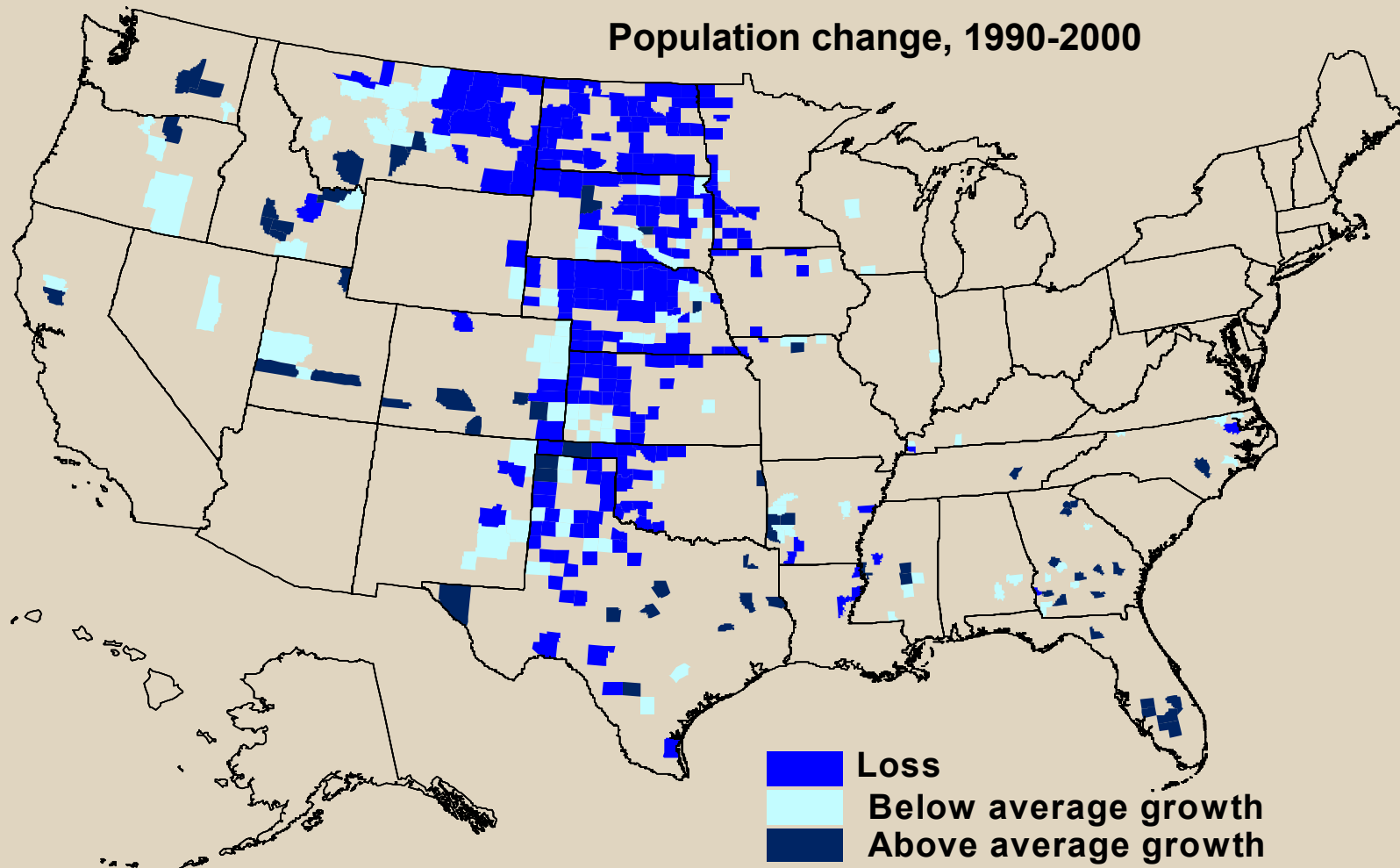
Share of counties by level of population change:



# Large Hispanic contribution

	Population change	Hispanic change	If Hispanic population had not grown, population change would have been
Metro	14	61	8
Nonmetro	9	65	7
Farming-dependent	5	63	0.2
Loss	-7	19	-8
Below average gain	6	44	2
Above average gain	24	127	12

# Farming-dependent counties

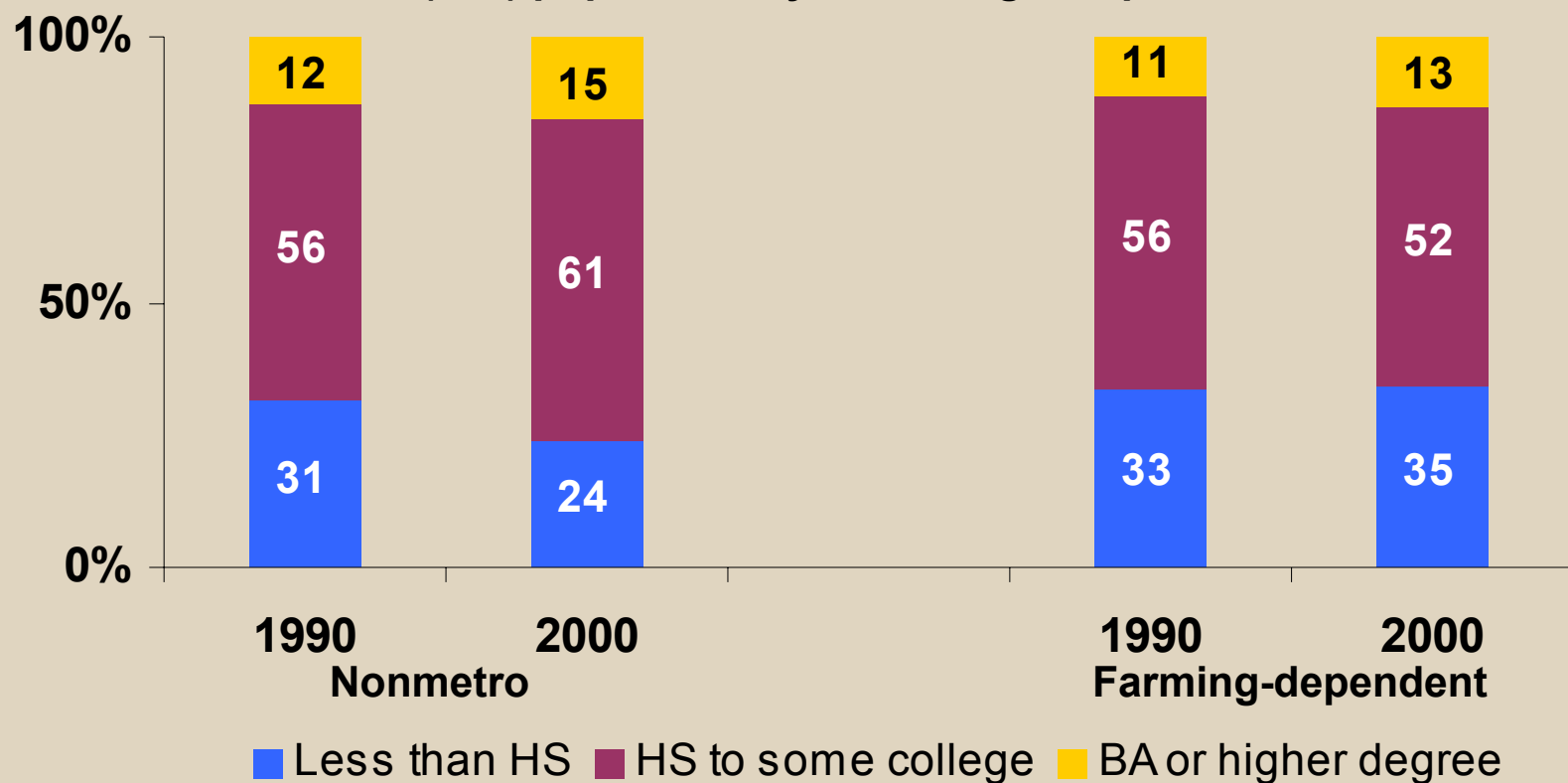


# Employment and earnings, 2000

All jobs per county	Farming- dependent	Nonmetro
Farm	737	821
Nonfarm	3,206	11,724
Earnings per job		
Farm	25,753	12,285
Nonfarm	22,494	25,914

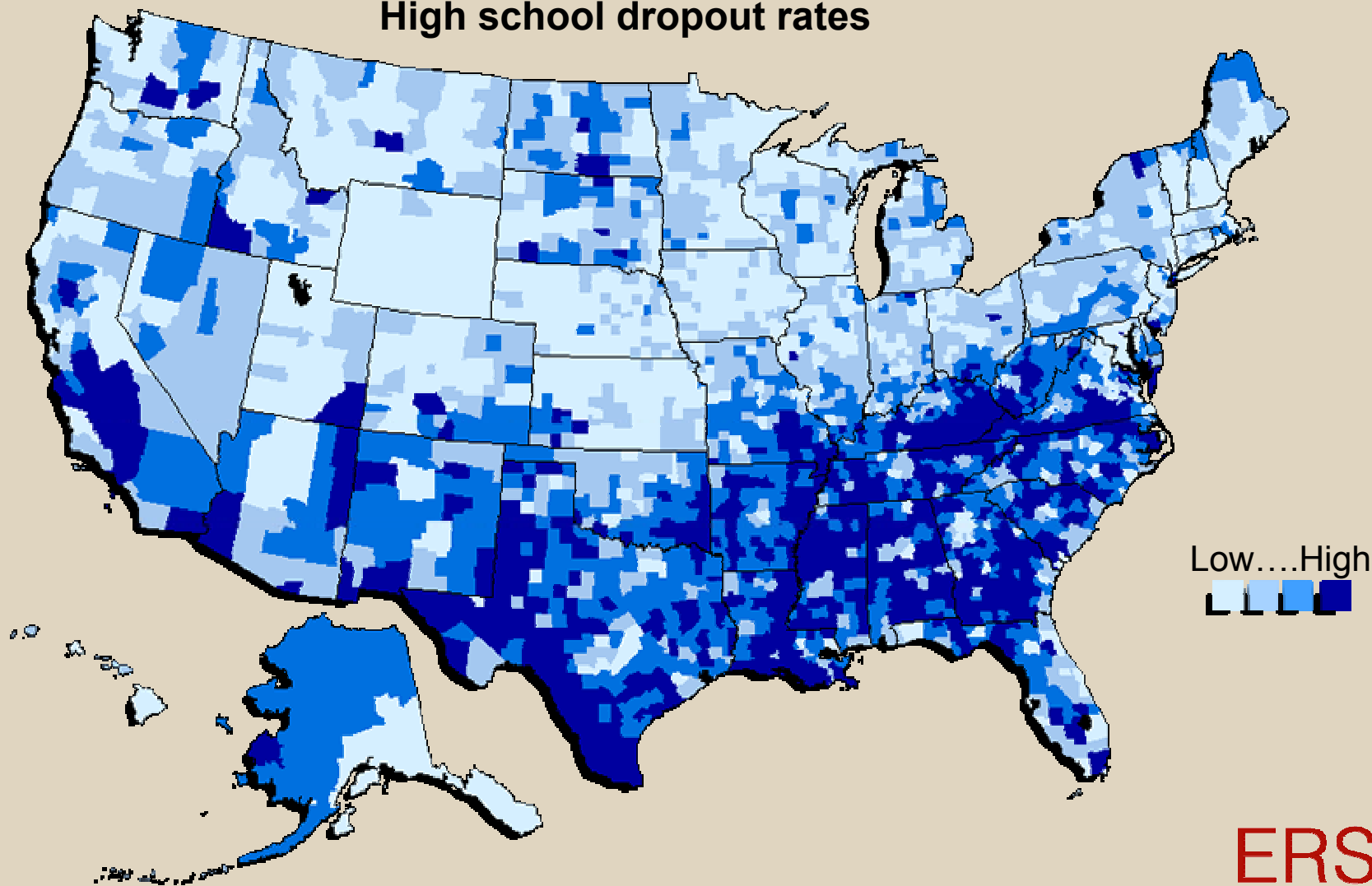
# Improving education

Distribution of adult (25+) population by schooling completed:



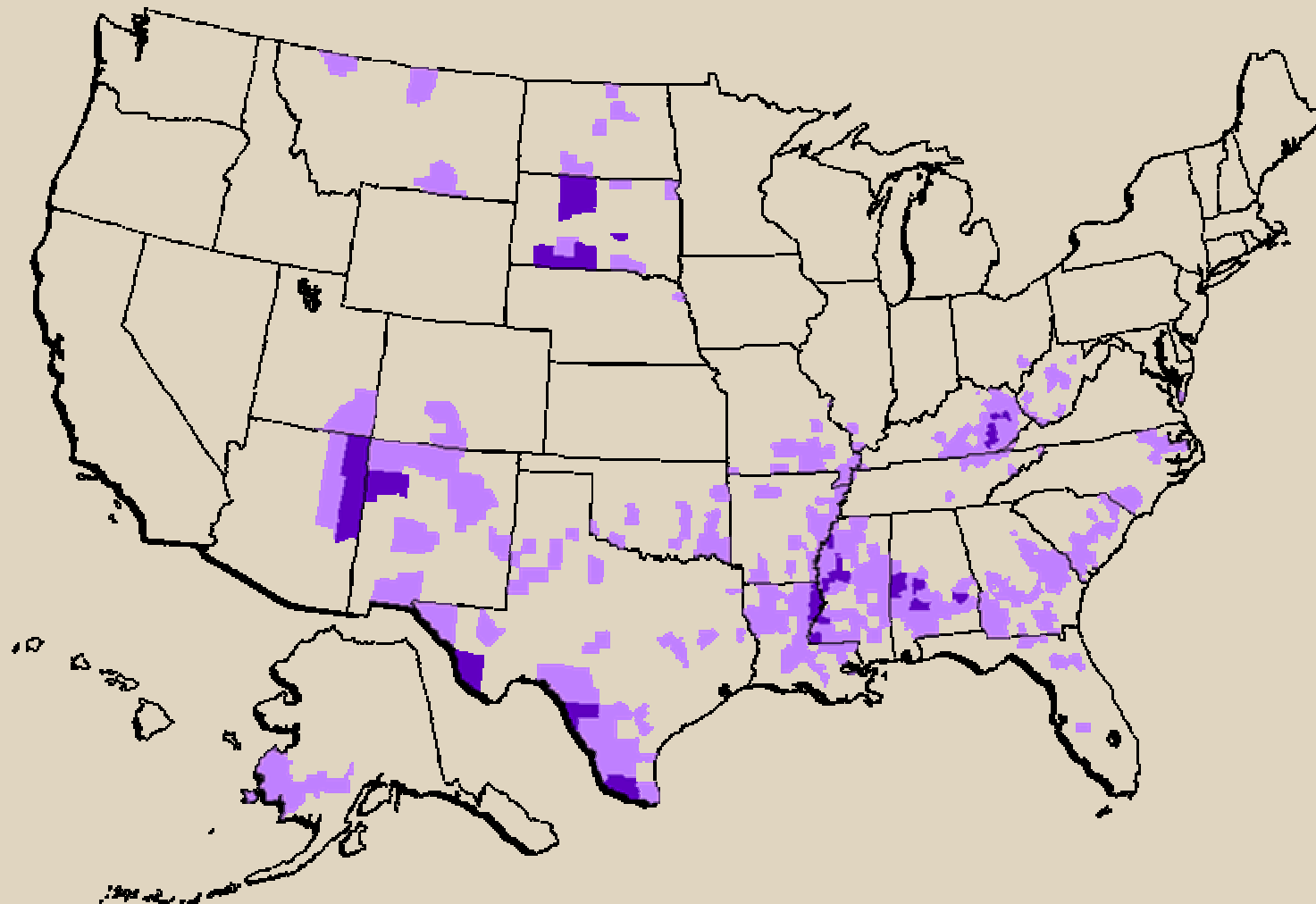
# Educational challenges

High school dropout rates



# Persistent high poverty remains

Poverty rate  over 20%  over 33.3% in every census 1960-2000



# Farm Trends

## 1997 Census of Agriculture:

	Metro	Nonmetro	Farm- dependent
<b>Farms per county</b>	<b>719</b>	<b>570</b>	<b>475</b>
<b>Average acres per farm</b>	<b>297</b>	<b>604</b>	<b>1178</b>
<b>Percent with farm occupation</b>	<b>46.4</b>	<b>52.8</b>	<b>66.3</b>
<b>Percent working any days off farm</b>	<b>56.5</b>	<b>53.2</b>	<b>44.6</b>
<b>100+ days</b>	<b>39.5</b>	<b>35.5</b>	<b>26.3</b>
<b>Percent who lost (sales less than expenses)</b>	<b>51.6</b>	<b>46.4</b>	<b>40.1</b>
<b>Percent who received farm payments</b>	<b>26.1</b>	<b>42.2</b>	<b>61.5</b>
<b>Land in Conservation/Wetlands Reserve</b>	<b>7.3</b>	<b>14.7</b>	<b>23.4</b>
<b>Percent who sold directly to individuals</b>	<b>6.5</b>	<b>3.8</b>	<b>1.9</b>

# Forces Changing Agriculture

- Increased product differentiation and market segmentation
- Forces at play
  - contracting and vertical integration
  - biotechnology
  - industrial innovations
  - logistical advances
  - information technologies
  - changing consumer demand and preferences

# Farmers are innovating to meet demand

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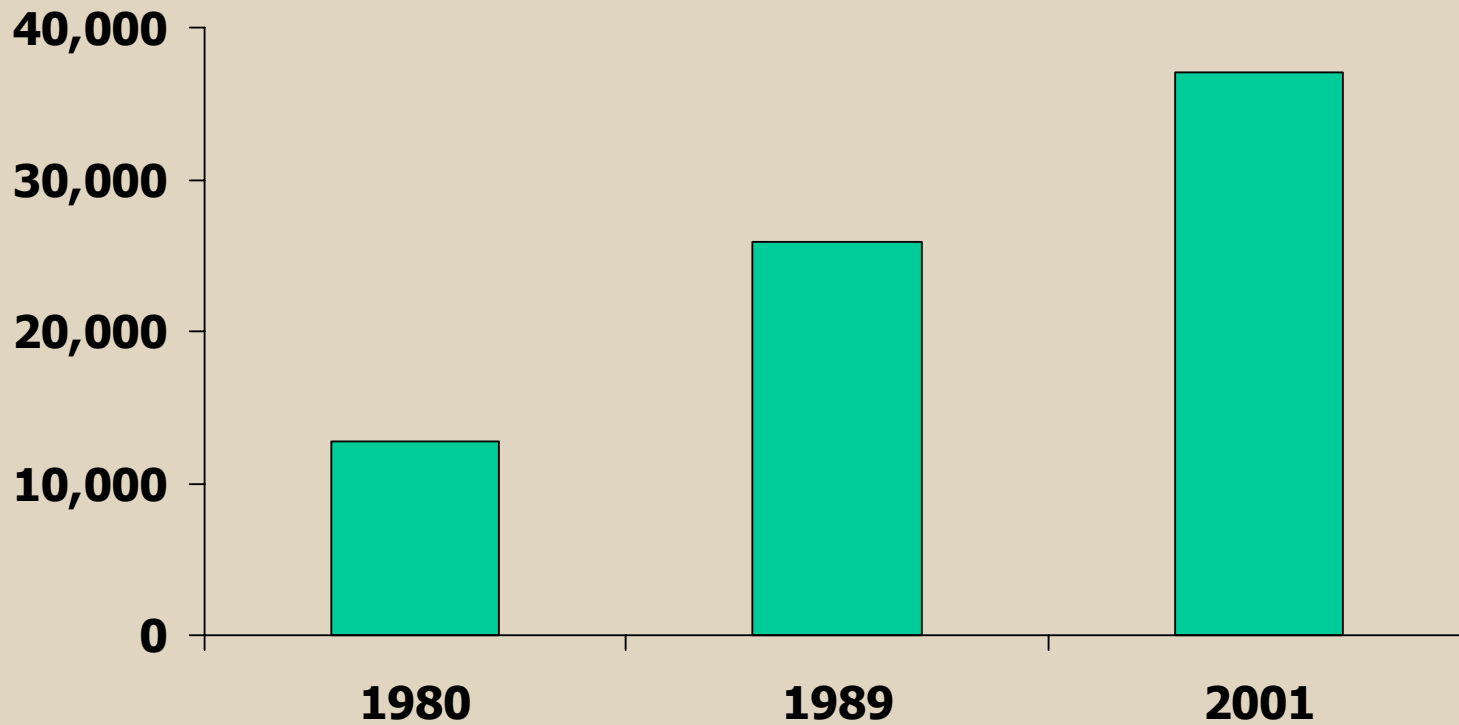


as are processors...



# ...and retailers

**Number of items carried by U.S. supermarkets**



# Opportunities and Challenges

- Product differentiation opens doors to niche markets
- Americans have long expressed desire to live in rural areas
- Identifying, funding, and starting up profitable farming innovations
- Linking innovations to growth in local jobs and earnings



# For more information...

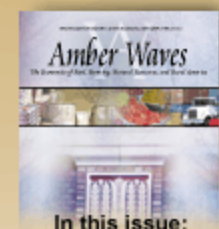
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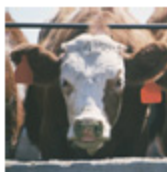
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