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Statistics and Research on New and Beginning Producers using Census of Agriculture Data

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In 1973, Secretary of Agriculture Earl Butz encouraged producers to “get big or get out.” According to the Census of Agriculture, the past few decades have witnessed a general decline in the number of U.S. farms. Conducted every 5 years by the U.S. Department of Agriculture (USDA), the Census of Agriculture collects data on agricultural production, demographics, and economic factors for producers nationwide. The 2022 Census of Agriculture revealed a rising average age among U.S. producers, with the average age reaching 58.1 years in 2022, an increase of 0.6 years since 2017, continuing the long-term trend of an aging producer population. Between 2017 and 2022, the number of farms decreased from 2,042,220 to 1,900,487, indicating a loss of 141,733 farms, a 6.9% decline. Total U.S. farmland also decreased by 2.2%, from 900 million acres in 2017 to 880 million acres in 2022. This reduction in both the number of farms and total farmland acres has coincided with an increase in average farm size, which reached 463 acres per farm in 2022. During the same period, the total number of producers remained relatively stable at around 3.4 million, showing only a slight decrease of 0.8% between 2017 and 2022.

These statistics are a wake-up call for agricultural stakeholders and policy makers. U.S. Secretary of Agriculture Tom Vilsack, speaking at the 2022 Census of Agriculture release event, posed a critical question: “Are we, as a country, okay with losing this many farms and this much farmland?” Secretary Vilsack also highlighted the important role of new and beginning producers in potentially reversing these concerning trends. The aging producer population and impending generational transitions have emphasized the urgency of encouraging new entrants into agriculture over the past decade (Ahearn and Newton, 2009; Key and Lyons, 2019).

In response, there has been increased efforts to support new and beginning producers to slow down the aging farm population and the decline in farm numbers and land in farms. For example, the Beginning Farmer and Rancher Development Program, authorized under recent

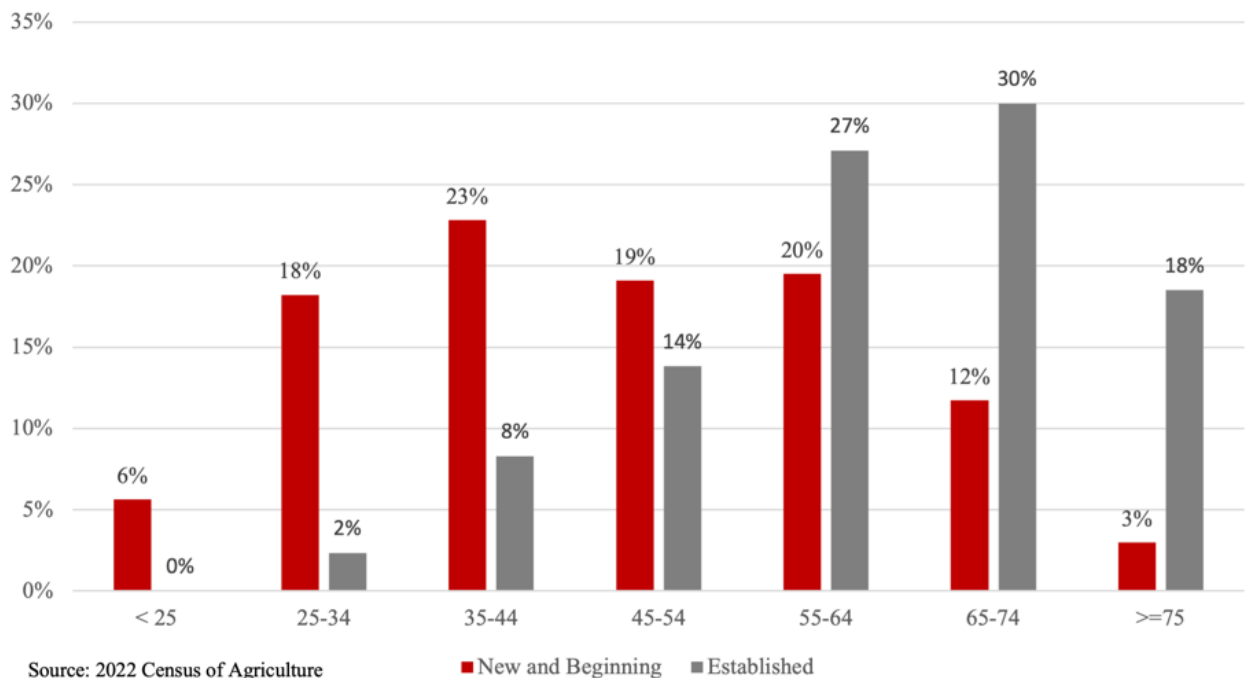
farm bills, has provided funds to support education, mentoring, and technical assistance initiatives for beginning producers. In addition, beginning producers are supported through the USDA’s Farm Service Agency beginning farmer direct and guaranteed loan programs.

Numerous studies and reports have used Census of Agriculture data to examine the characteristics of new and beginning producers and trends over time. Using census microdata and linking farms over time has allowed researchers to examine important trends that cannot be observed in repeated cross-sectional data from the censuses. Studies have looked into characteristics of beginning producers (Ahearn and Newton, 2009), entry and exit rates in agriculture (Hartarska, Nadolnyak, and Sehrawat, 2022; Katchova and Ahearn, 2017), survival and success for beginning producers (Key, 2022), credit and financing for beginning producers (Hartarska, Nadolnyak, and Sehrawat, 2022; Key, 2022; Williamson and Katchova, 2013; Ahrendsen et al., 2022), farmland ownership and leasing (Katchova and Ahearn, 2016), and beginning producers and the farm bill (Jablonski et al., 2022).

Characteristics of Beginning Producers

The USDA defines beginning producers as individuals who have operated a farm or ranch—either independently or in partnership with others—for 10 years or less. Established producers are defined as those with over 10 years of farming experience. The aging population among established producers has raised concerns for policy makers regarding farmland transition and potential future shortages of producers. In 2022, approximately 48% of established producers were 65 years and older (Figure 1), a significant increase compared to the 2007 Census of Agriculture, where 33% of producers were over the age of 65. The number of producers aged 65 and over increased by 12%, from 1.15 million in 2017 to 1.29 million in 2022. The 2007 Census also reported that the number of producers over age 75 was more than 5 times the number of those

Figure 1. Age Distribution of U.S. Farmers



under age 25 (Meyer et al., 2011). There is a continuing trend of an aging producer population.

Although there is a common belief that new and beginning producers are predominantly young (Ahearn, 2011), and thus helping to address the issue of aging producer population, the Census of Agriculture tells a different story. The average age of beginning producers was 47.1 in 2022, compared to the overall average of 58.1 for all producers, an age gap of only 11 years between beginning and established producers. In addition, 15% of beginning producers were aged 65 and older in 2022, indicating that they are not exclusively young (Figure 1). Approximately 47% of new and beginning producers were 44 years old or younger, while around 69% fell within the age group of 35–64 years. While older individuals are also entering agriculture, though their entry rates are lower than those of younger beginning producers (Katchova and Ahearn, 2017).

Beginning producers are less likely than established producers to be retired. From 2013 to 2017, only 4% of farms with beginning producers were classified as retirement farms (GCFI less than \$350,000 and a principal operator who is retired from farming or ranching), compared to 8% of farms with established producers (Key and Lyons, 2019).

An encouraging trend has been the significant upward trend in the number and proportion of beginning producers to total farm population. According to the Census of Agriculture, 30% of all U.S. producers were classified as new and beginning producers in 2022, up

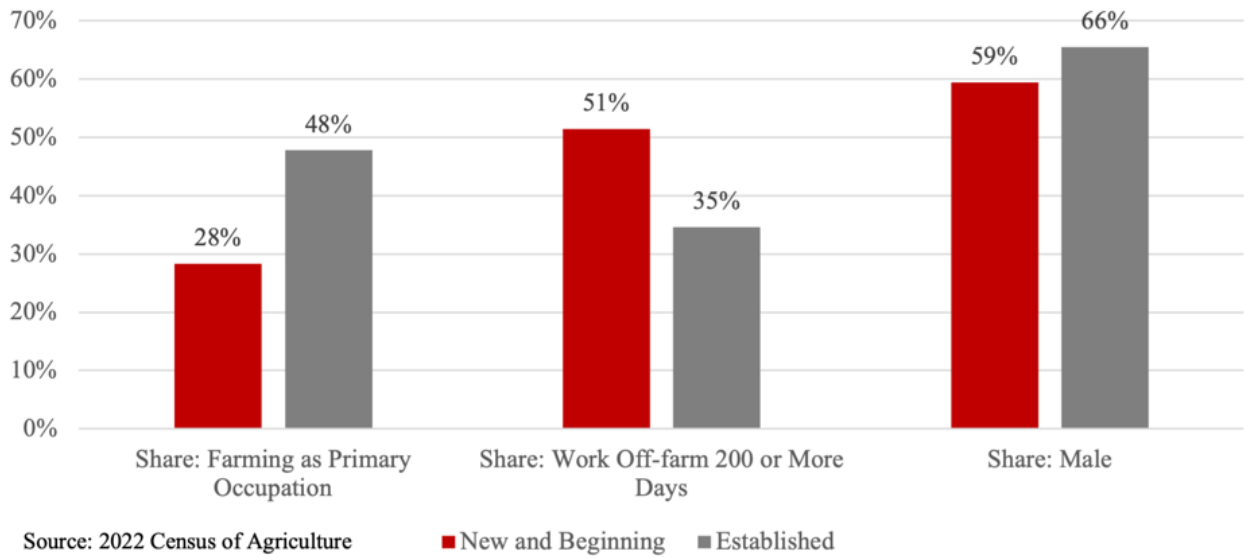
from 27% in 2017, reaching 1,011,715 out of the country's 3.37 million producers. This indicates that more beginning producers are entering the agricultural sector, helping to mitigate the aging producer population issue. Additionally, the number of farms with beginning producers increased from 597,377 in 2017 to 630,116 in 2022, which 33% of all U.S. farms had at least one beginning producer. Despite the overall decrease in the number of farms, the number of all producers remained stable at around 3.4 million in 2022, the same as in 2017.

An interesting characteristic of beginning producers is their higher likelihood of being female. While most U.S. producers are male, the proportion of women among new and beginning producers is larger (41%) than among established producers (34%) (Figure 2). In other words, women are slightly more likely to become new and beginning producers than in the past, indicating a trend toward more women in agriculture (Ahearn and Newton, 2009).

Farm Characteristics for Beginning Producers

Beginning producers face numerous challenges when entering farming, including gaining access to farmland and farm equipment and financing their farm businesses (Key and Lyons, 2019). Accessing farmland is difficult due to perpetually high demand for both purchasing and renting land. Additionally, lenders are more cautious about lending to producers lacking significant equity, making it harder for new producers to secure financing.

Figure 2. Selected Farm Characteristics



This financial constraint hinders beginning producers' ability to expand the size of their farms and invest in more equipment. Moreover, beginning producers often face challenges in farm management due to lack of knowledge and experience.

Although new and beginning producers operate farms of all sizes, on average, they tend to operate smaller or medium-sized farms (Ahearn, 2011; Ahearn and Newton, 2009). As the number of beginning producers increased from 2017 to 2022, so have the number of beginning producers for each category of acres operated (less than 50, 50–179, and greater than 180 acres). Although the average farm size has grown from 431 acres in 1997 to 463 acres in 2022, slightly over half (51%) of new and beginning producers manage less than 50 acres of farmland.

Katchova and Ahearn (2016) use cross-sectional data from the Census of Agriculture to show that beginning producers operate fewer acres than established producers. They find that older beginning producers tend to manage smaller farms and are less likely to expand their farm businesses over time, while young producers are more likely to increase their farm size in terms of owned and leased acres after entering agriculture. Using linked longitudinal Census of Agriculture data, Katchova and Ahearn (2016) find that young producers almost double their operated acres within 10 years and have an overall annual growth rate in operated acres of 5.6%.

During the recent farm bill discussions and the release of the 2022 Census of Agriculture, Secretary of Agriculture Vilsack emphasized the need to support small and medium-sized farms by creating new markets and ensuring diverse income streams, after being significantly impacted by trade wars, the pandemic, and "get big or get out" policies.

With government support, beginning producers have improved their success rates and increased in number. The 2022 Census of Agriculture reveals that farms with at least one beginning producer generated \$122 billion in agricultural products. These beginning producer farms accounted for 23% of total U.S. agricultural sales and received \$2.2 billion in government payments in 2022. New and beginning producers share common specialties with established producers, such as beef cattle ranching, other crop farming (including tobacco, cotton, sugarcane, and hay), and oilseed and grain farming. Among the farms with new and beginning farmers, 26% specialize in beef cattle, 22% in other crops, and 14% in oilseeds and grain. The percentage of new and beginning producers among all producers increased from 29% in 2017 to 33% in the 2022 Census of Agriculture, indicating a significant entry of new and beginning producers in that time.

However, financial challenges for farms with beginning producers persist. The 2022 Census of Agriculture shows that only 21% of farms with a beginning producer had combined sales and government payments exceeding \$50,000 per year, compared to 27% of all U.S. farms. Additionally, 58% of farms with a beginning producer generated less than \$10,000 in sales and government payments, compared to 52% of all U.S. farms in 2022.

These financial challenges help explain the differences exhibited by new and beginning producers compared to established producers in terms of off-farm work. Only 28% of beginning producers identify farming as their primary occupation; more than half (51%) of them report working off-farm for over 200 days (Figure 2). This trend is consistent over time, with data from 2013–2017 showing that 47% of beginning farms considered something other than farming as their primary

occupation (Key and Lyons, 2019). Additionally, beginning producers tend to be located in counties with more off-farm job opportunities (Hartarska, Nadolnyak, and Sehwat, 2022) and tend to receive most of their income from off-farm sources (Key and Lyons, 2019).

There are differences between new and beginning producers and established producers based on economic class. The economic class of producers is defined by classifying the market value of agricultural products sold and government payments for their farm. Established producers are more likely to be in higher-value economic classes compared to beginning producers. This is expected since beginning producers tend to operate smaller farms and have less access to government support. It is important to note that being in a lower economic class does not necessarily mean that beginning producers are poor; rather, they are more likely to rely on off-farm income sources (Ahearn and Newton, 2009).

The statistics presented in this article highlight the potential of new and beginning producers' entry in agriculture to address the challenges of an aging population and farmland transition. Government policies play a crucial role in supporting the success of these new entrants. However, beginning producers still encounter numerous challenges that threaten the survival of their farms. Therefore, it is important for policy makers to work on more supportive policies aimed at enhancing market opportunities for new and beginning producers. By doing so, the issues related to aging producer populations and smoother transition of

farmland to the next generation can be effectively addressed.

Concluding Remarks

The continued trends of a decreasing number of U.S. farms, decreasing operated acres of farmland, and an aging producer population have raised concerns about farmland transitions from one generation to the next. This underscores the crucial role that new and beginning producers play when entering agriculture. Building upon continued support of beginning producers through farm bills and government programs, recent Census of Agriculture data show that the number of new and beginning producers has increased, indicating a continuous entry into agriculture and a promising outlook for the future of the U.S. agricultural sector.

Using the newly released 2022 Census of Agriculture data, we find that new and beginning producers, compared to established producers, tend to be younger, operate smaller farms, are less likely to be male, have less access to government payment programs and receive lower payments, are more likely to rely on off-farm income sources, and are more likely to be in lower economic classes. These comparisons highlight that while beginning producers have received more support to start their businesses, the challenges they face in obtaining farmland and equipment, and accessing loans have remained (Ahearn, 2011). Continued support through the new farm bill will be vital to the success of new and beginning producers.

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