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Agricultural Policy, Economics, and Diverse Farms and Farmers

Stephen Morgan and Samantha L. Padilla

JEL Classifications:

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The design, implementation, and evaluation of agricultural policy serves a landscape of diverse farms and farmers who each face different opportunities and challenges. Farm operations vary across key characteristics including farm size, commodities produced, geography, and soil characteristics, among many others. In 2022, just over 1.9 million farms in the United States operated over 880.1 million acres (U.S. Department of Agriculture, 2024). Around 88% of farms were classified as small family farms, those with a gross cash farm income (GCFI) of less than \$350,000. These farms operate 46% of U.S. agricultural land, accounting for nearly one-fifth of the total value of agricultural production (Whitt et al., 2023). Large-scale family farms—those with a GCFI greater than \$1 million—accounted for 52% of the value of production in 2022. Farm diversity is also linked to the types of commodities produced. For example, small farms account for the largest share of production value for poultry, eggs, and hay, while large-scale family farms lead in beef, hogs, cash grains/soybeans, cotton, dairy, and specialty crops (Whitt et al., 2023).

At the same time, farmers themselves are as diverse as the farms they operate. Farmers vary across multiple dimensions including (but not limited to) educational background, race, ethnicity, sex, farming experience, and income level. Several USDA programs target producers to meet the specific needs of limited resource (LR) producers, beginning farmers/ranchers, and women farmers. LR producers are those with gross farm sales under \$180,300 (2020 dollars) and subject to other household income requirements (Todd et al., 2024). Previous research has identified specific challenges for some of these groups of producers including access to credit, financial risk, participating in direct payment programs, and entry into production of specific commodities (Todd et al., 2024).

Articles in this thematic issue of Choices Magazine address topics at the intersection of diversity in U.S. agriculture and different programs or policies related to

Articles in this Theme:

- [Are More Socially Disadvantaged Farm Borrowers “Creditworthy” under Farm Service Agency’s Unconventional Credit Risk Assessment Model?](#)
Cesar L. Escalante, Maoyong Zheng, and Olawale Akinleye
- [Underserved or Not Served? Participation Rates Explain Much of the Difference in Agricultural Program and Credit Use across Farm Demographic Groups](#)
Nigel Key, Boris Bravo-Ureta, Michée A. Lachaud, and Eric Njuki
- [Exploring Differences in Market Facilitation Program Payments by Farmer Characteristics Using ARMS Data](#)
Samantha L. Padilla, Stephen Morgan, Nigel Key, and Nathan Hendricks
- [Consumer Preferences for Value-Added Foods from Black-Owned Food Companies](#)
Logan G. Moss, Brandon R. McFadden, Saroj Adhikari, Jacquelyn R. Wiersma-Mosley, L. Lanier Nalley, and Norbert L.W. Wilson
- [Latino/a Immigrant Farmers in the Midwest Navigate Market Entry and Sales Challenges](#)
Ervin Leiva, Corinne Valdivia, Stephen Jeanetta, and Rafael Bakhtavoryan

credit, government payments, and consumer/producer behavior.

The first study is centered around the issue of farmers and farm loans. Escalante et al. analyze USDA Farm Service Agency (FSA) direct lending data to investigate

how FSA credit scoring affects the distribution of loans and credit access across diverse farms and farmers compared with commercial bank lending practices. The authors find that FSA borrowers are usually “marginal” borrowers under commercial lending standards and discuss how financial measure selection may improve the ability of socially disadvantaged groups to obtain credit.

The next two articles analyze the distribution of government payments across different farm types. Key et al. use 2017 Census of Agriculture data to compare participation in and use of agricultural programs and credit markets across farms classified by principal operator race and ethnicity. The authors find that program participation rates are important for understanding average differences in program use across demographic groups. Operator participation in programs can be related to many factors, including farm size, commodity mix, land ownership, and access to program offices. Padilla et al. use ARMS data to analyze the distribution of self-reported, ad hoc Market Facilitation Program (MFP) payments across farms based on demographic characteristics including race, sex, beginning farmer, and limited resource status. The authors find that average MFP payments to farms with only White operators are approximately 4.6–6.7 times higher than those to farms with only Black operators.

Similarly, women-only farms, LR operators, and beginning operators all reported receiving lower levels of average MFP payments compared with their counterparts. The authors find a positive association between acreage and MFP payments, with farm size explaining some of the difference between these groups.

The final two studies focus on different facets of consumer and producer behavior and their intersection with diverse producers. Moss et al. analyze consumer willingness-to-pay (WTP) for food produced by Black entrepreneurs. Estimates find a positive WTP for Black-owned products; however, this effect was smaller in magnitude than a local production label. The authors also find that demographics play an important role in consumer choice of foods produced by Black entrepreneurs, with urban, high-income communities with higher Black representation providing more market opportunities. Focusing on producers, Leiva et al. study market participation and sales among Latino/a immigrant farmers in the Midwest, focusing on the effects of training programs and cultural barriers. The authors find increased investment levels as well as training in farming practices and financial planning are associated with increased market participation, while two different measures of acculturation are associated with reduced participation likelihood.

For More Information

Todd, J.E., C. Whitt, N. Key, and O. Mandalay. 2024. An Overview of Farms Operated by Socially Disadvantaged, Women, and Limited Resource Farmers and Ranchers in the United States. U.S. Department of Agriculture, Economic Research Service, Economic Information Bulletin EIB-266.

U.S. Department of Agriculture. 2024. 2022 Census of Agriculture. U.S. Department of Agriculture, U.S National Agricultural Statistics Service. Available online: www.nass.usda.gov/AgCensus

Whitt, C., K. Lacy, and K. Lim. 2023. America's Farms and Ranches at a Glance: 2023 Edition. U.S. Department of Agriculture, Economic Research Service, Economic Information Bulletin EIB-263.

About the Authors: Corresponding Author: Stephen Morgan (Stephen.Morgan@usda.gov) is a Research Agricultural Economist with the USDA Economic Research Service. Samantha L. Padilla is a Research Agricultural Economist with the USDA Economic Research Service.

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