

2. Structure of U.S. Agriculture

■ Farming Regions

The 10 major farm production regions in the United States differ in soils, slope of land, climate, distance to market, and storage and marketing facilities. Together they comprise the agricultural face of the Nation.

The Northeastern States and the Lake States are the Nation's principal milk-producing areas. Climate and soil in these States are suited to raising grains and forage for cattle and for providing pastureland for grazing.

Broiler farming is important in Maine, Delaware, and Maryland. Fruit and vegetables are also important to the region.

The Appalachian region is the major tobacco-producing region in the Nation. Peanuts, cattle, and dairy production are also important there.

In the Southeast region, beef and broilers are important livestock products. Fruits, vegetables, and peanuts are grown in this region. Big citrus groves and winter vegetable production areas in Florida are major suppliers of agricultural goods. Cotton production is making a comeback.

In the Delta States, the principal cash crops are soybeans and cotton. Rice and sugarcane are also grown. With improved pastures, livestock production has gained in importance. This is a major broiler-producing region.

The Corn Belt has rich soil and good climate for excellent farming. Corn, beef, cattle, hogs, and dairy products are the major outputs of farms in the region. Other feed grains, soybeans, and wheat are also important.

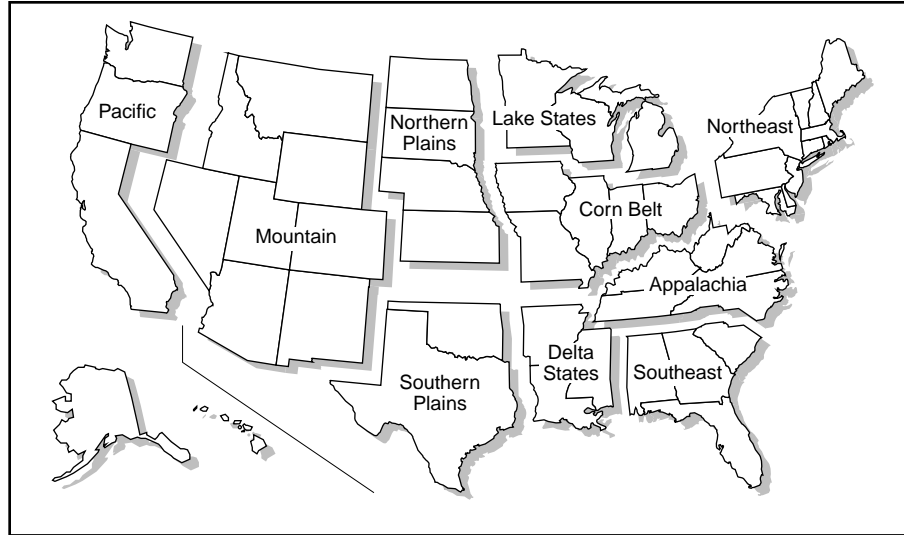
Agriculture in the northern and southern Plains, which extend north and south from Canada to Mexico, is restricted by rainfall in the western portion and by cold winters and short growing seasons in the northern part. About three-fifths of the Nation's winter and spring wheat is produced in this region. Other small grains, grain sorghum, hay, forage crops, and pastures form the basis for raising cattle. Cotton is produced in the southern part.

The Mountain States provide a still different terrain. Vast areas of this region are suited to raising cattle and sheep. Wheat is important in the northern parts. Irrigation in the valleys provides water for such crops as hay, sugar beets, potatoes, fruits, and vegetables.

The Pacific region includes the three Pacific Coast States plus Alaska and Hawaii. Farmers in Washington and Oregon specialize in raising wheat, fruit, and potatoes; vegetables, fruit, and cotton are important in California. Cattle are raised throughout the region. In Hawaii, sugarcane and pineapples are the major crops. Greenhouse/nursery and dairy products are Alaska's top-ranking commodities.

Figure 2-1.

U.S. farm production regions



■ Farms and Land in Farms

The United States had 2.04 million farms in 1994, down about 1 percent from 1993. A farm is defined as any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year. The number of farms declined from 1 to 2 percent per year from 1984 through 1994; the overall decline for the period was 13 percent. This decline continues the downward trend started in 1936. Farm operator households now represent about 2 percent of total U.S. households.

Land in farms continues to decline slowly; the total of 975 million acres in 1994 is down 0.3 percent from a year earlier and down 4.2 percent from 1984. Land in farms has declined every year since reaching its peak at 1.206 billion acres back in 1954.

The number of farms has declined at a faster rate than land in farms; the average size of farms increased from 436 acres in 1984 to 478 acres in 1994.

Table 2-1.

Number of farms, land in farms, average farm size:
United States, June 1, 1984-94

Year	Number of Farms	Land in Farms	Average Farm Size
	In 1,000	In 1,000 of acres	In acres
1984	2,334	1,017,803	436
1985	2,293	1,012,073	441
1986	2,250	1,005,333	447
1987	2,213	998,923	451
1988	2,197	994,543	453
1989	2,171	991,153	457
1990	2,140	987,420	461
1991	2,105	982,766	467
1992	2,094	979,963	468
1993	2,065	977,733	473
1994 ²	2,040	974,800	478

¹A farm is any establishment from which \$1,000 or more of agricultural products were sold or would normally be sold during the year.

²Preliminary.

Source: U.S. Department of Agriculture, National Agricultural Statistics Service. *Farm Numbers and Land in Farms*

■ Farms by Sales Class

Farms are commonly classified in size groups based on the total value of their gross farm sales. Data from the annual Farm Costs and Returns Survey, which is conducted by ERS and the National Agricultural Statistics Service, show that the largest share of farms is in the lowest class, with nearly 60 percent reporting gross-farm sales of less than \$20,000 in 1993. According to the survey, these small farms account for only 18 percent of the acreage operated and 4 percent of the sales.

A relatively small number of very large farms produce the largest share of farm sales. Only 2 percent of the farms in 1993 were large operations with sales of \$500,000 or more, but they generated 40 percent of gross farm sales and operated 13 percent of the land.

Average acreage increases consistently with sales class, ranging from 133 acres per farm in the lowest sales class to 2,537 acres for farms with gross receipts of \$500,000 or more. The average farm in the \$500,000-or-more sales class reported farm sales of more than \$1.3 million in 1993, compared with sales of more than \$5,164 for the average farm in the lowest sales class.

Table 2-2.

Number of farms and land in farms, by State,
June 1, 1989-94¹

	<i>Land in farms</i>			<i>Farms</i>		
	<i>1989</i>	<i>1990</i>	<i>1991</i>	<i>1989</i>	<i>1990</i>	<i>1991</i>
	<i>1,000 Acres</i>			<i>Number of Farms</i>		
AL	10,600	10,100	9,900	47,000	47,000	46,000
AK	1,010	1,000	980	600	580	560
AZ	36,000	36,000	36,000	8,100	7,800	8,000
AR	15,700	15,500	15,500	48,000	47,000	46,000
CA	31,300	30,800	30,300	84,000	85,000	83,000
CO	33,500	33,100	32,800	27,000	26,500	26,000
CT	440	420	420	4,000	3,900	3,900
DE	590	570	570	3,000	2,900	2,900
FL	11,200	10,900	10,500	41,000	41,000	40,000
GA	12,600	12,500	12,100	48,000	48,000	46,000
HI	1,720	1,710	1,710	4,650	4,600	4,600
ID	13,700	13,700	13,500	22,100	21,800	21,400
IL	28,500	28,500	28,500	86,000	83,000	82,000
IN	16,400	16,300	16,000	71,000	68,000	65,000
IA	33,500	33,500	33,500	105,000	104,000	102,000
KS	47,900	47,900	47,900	69,000	69,000	69,000
KY	14,200	14,100	14,100	95,000	93,000	91,000
LA	9,100	8,900	8,800	34,000	32,000	30,000
ME	1,450	1,450	1,420	7,300	7,200	7,100
MD	2,300	2,250	2,250	15,600	15,200	15,400
MA	680	680	680	6,900	6,900	6,900
MI	10,800	10,800	10,800	55,000	54,000	54,000
MN	30,000	30,000	30,000	90,000	89,000	88,000
MS	13,300	13,000	12,800	41,000	40,000	38,000
MO	30,400	30,400	30,400	109,000	108,000	107,000
MT	60,600	60,500	60,300	24,700	24,700	24,700
NE	47,100	47,100	47,100	57,000	57,000	56,000
NV	8,900	8,900	8,900	2,500	2,500	2,500
NH	500	490	480	3,100	2,900	2,900
NJ	880	870	880	8,300	8,100	8,300
NM	44,500	44,500	44,300	14,000	13,500	13,500
NY	8,400	8,400	8,300	39,000	38,500	38,000
NC	10,000	9,700	9,600	65,000	62,000	60,000
ND	40,500	40,500	40,400	33,500	34,000	33,000
OH	15,700	15,700	15,700	86,000	84,000	80,000
OK	33,000	33,000	33,000	70,000	70,000	70,000
OR	17,800	17,800	17,800	37,000	36,500	37,000
PA	8,200	8,100	8,100	54,000	53,000	53,000
RI	73	70	66	770	740	700
SC	5,300	5,200	5,200	25,500	25,000	24,500
SD	44,300	44,300	44,200	35,000	35,000	35,000
TN	12,600	12,400	12,400	91,000	89,000	87,000
TX	132,000	132,000	131,000	186,000	186,000	185,000
UT	11,300	11,300	11,300	13,000	13,200	13,300
VT	1,510	1,510	1,510	7,000	7,000	6,900
VA	9,000	8,900	8,800	47,000	46,000	45,000
WA	16,000	16,000	16,000	38,000	37,000	37,000
WV	3,700	3,700	3,700	21,000	20,500	20,000
WI	17,600	17,600	17,500	81,000	80,000	79,000
WY	34,800	34,800	34,800	8,900	8,900	9,000
US	991,153	987,420	982,766	2,170,520	2,140,420	2,105,060

See footnotes at end of table.

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Table 2-2 continued.

Number of farms and land in farms, by State,
June 1, 1989-94¹ (continued)

	<i>Land in farms</i>			<i>Farms</i>		
	<i>1992</i>	<i>1993</i>	<i>1994²</i>	<i>1992</i>	<i>1993</i>	<i>1994²</i>
	<i>1,000 Acres</i>			<i>Number of Farms</i>		
AL	9,800	10,000	10,000	46,000	47,000	46,000
AK	960	940	930	540	530	520
AZ	36,000	36,000	36,000	8,000	7,900	7,900
AR	15,500	15,400	15,400	46,000	46,000	44,000
CA	29,800	29,700	29,500	80,000	76,000	76,000
CO	32,800	32,800	32,700	25,500	25,500	25,300
CT	410	400	390	4,000	3,800	3,600
DE	560	550	550	2,700	2,500	2,500
FL	10,500	10,300	10,300	39,000	39,000	39,000
GA	12,100	12,100	12,100	46,000	45,000	43,000
HI	1,710	1,710	1,710	4,500	4,400	4,400
ID	13,500	13,500	13,500	21,000	20,500	20,500
IL	28,400	28,300	28,300	81,000	79,000	77,000
IN	16,000	16,000	16,000	65,000	63,000	63,000
IA	33,400	33,300	33,200	102,000	100,000	100,000
KS	47,800	47,800	47,800	67,000	65,000	65,000
KY	14,100	14,100	14,100	91,000	91,000	89,000
LA	8,700	8,600	8,400	30,000	29,000	28,000
ME	1,420	1,380	1,370	7,100	6,800	6,800
MD	2,200	2,200	2,200	15,600	15,000	14,500
MA	680	640	630	6,900	6,500	6,200
MI	10,800	10,700	10,700	54,000	52,000	52,000
MN	29,800	29,700	29,700	88,000	87,000	85,000
MS	12,800	12,800	12,700	38,000	39,000	39,000
MO	30,300	30,200	30,000	107,000	106,000	104,000
MT	60,000	59,800	59,700	24,600	23,800	23,100
NE	47,100	47,100	47,100	56,000	55,000	55,000
NV	8,900	8,900	8,900	2,500	2,400	2,400
NH	470	460	450	2,900	2,700	2,500
NJ	880	870	860	8,500	8,400	8,500
NM	44,200	44,200	44,200	13,500	13,500	13,500
NY	8,200	8,200	8,000	38,000	38,000	37,000
NC	9,500	9,400	9,300	60,000	59,000	58,000
ND	40,400	40,400	40,400	33,000	32,500	32,000
OH	15,400	15,200	15,200	78,000	76,000	75,000
OK	34,000	34,000	34,000	71,000	70,500	70,000
OR	17,500	17,500	17,500	37,500	37,500	37,500
PA	8,000	7,900	7,800	52,000	51,000	51,000
RI	63	63	60	700	700	690
SC	5,200	5,150	5,100	24,500	24,300	24,000
SD	44,200	44,200	44,200	35,000	34,500	34,000
TN	12,600	12,400	12,300	88,000	86,000	84,000
TX	130,000	130,000	129,300	183,000	185,000	185,000
UT	11,300	11,200	11,100	13,200	13,000	13,000
VT	1,510	1,470	1,450	6,900	6,500	6,300
VA	8,700	8,600	8,600	44,000	43,000	43,000
WA	16,000	16,000	15,800	37,000	36,000	35,500
WV	3,700	3,700	3,700	20,000	20,000	20,000
WI	17,300	17,100	16,900	79,000	79,000	78,000
WY	34,800	34,800	34,700	9,200	9,200	9,200
US	979,963	977,733	974,800	2,093,840	2,064,930	2,040,410

¹A farm is any establishment from which \$1,000 or more of agricultural products were sold or normally would be sold during the year. ²Preliminary.

Source: U.S. Department of Agriculture, National Agricultural Statistics Service. Farm Numbers and Land in Farms.

Table 2-3.

Percent of farms and land in farms: by economic sales class,
United States, June 1, 1993-94¹

<i>Economic class (gross value of sales)</i>	<i>Percent of total</i>				<i>Average size of farms</i>	
	<i>Farms</i>		<i>Land</i>		<i>1993</i>	<i>1994²</i>
	<i>1993</i>	<i>1994²</i>	<i>1993</i>	<i>1994²</i>		
\$1,000-\$2,499	21.0	20.2	2.7	2.6	61	61
\$2,500-\$4,999	14.3	13.9	3.0	2.9	99	100
\$5,000-\$9,999	12.8	13.3	4.0	4.1	148	147
\$10,000-\$19,999	11.4	11.9	6.1	6.7	253	269
\$20,000-\$39,999	10.7	10.7	9.5	9.3	420	415
\$40,000-\$99,999	13.4	13.2	20.3	20.4	717	738
\$100,000-\$249,999	10.8	10.9	26.1	25.9	1,144	1,135
\$250,000-\$499,999	3.4	3.6	13.3	13.3	1,852	1,765
\$500,000+	2.2	2.3	15.0	14.8	3,228	3,074
Total	100.0	100.0	100.0	100.0	473	478

¹A farm is any establishment from which \$1,000 or more of agriculture products were sold or normally would be sold during the year. ²Preliminary.

Source: U.S. Department of Agriculture, National Agricultural Statistics Service

■ Legal Structure of U.S. Farms (Individual, Partnership, Corporation)

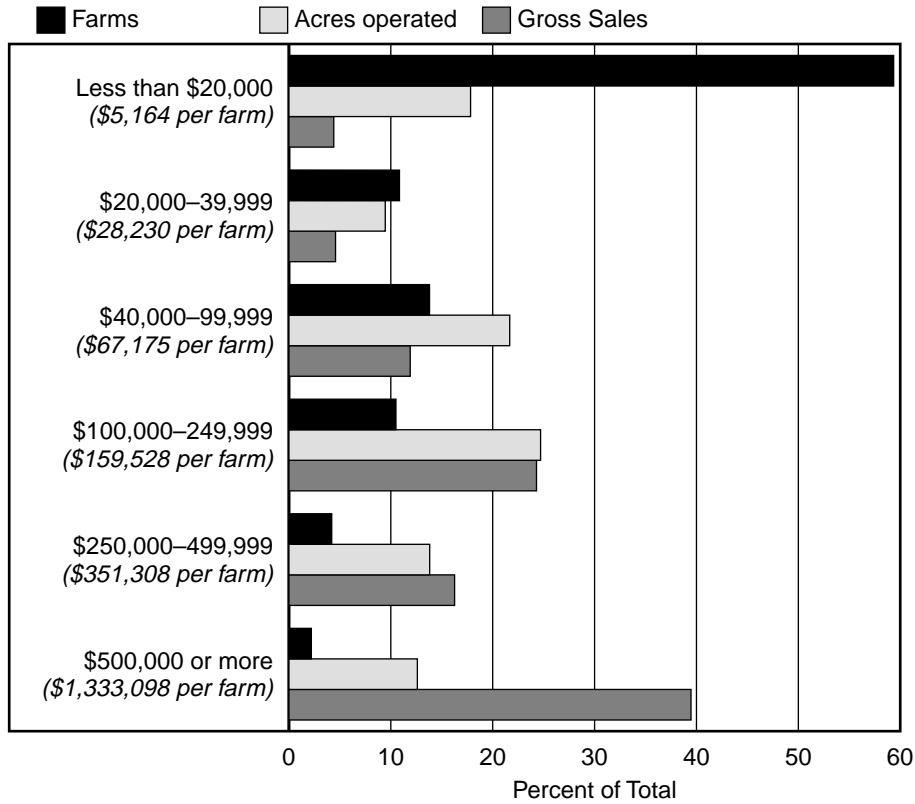
Type of organization refers to the farm's form of business organization. Farms may be broadly classified as individual or family operations, partnerships, or corporations (family and nonfamily). Farm Costs and Returns Survey data indicate that individual operations are the most common type of farm organization. Nine out of ten farms in the 1993 survey are classified as individual operations. Partnerships and corporations make up a very small share of farms. About 85 percent of farm corporations are family corporations, with more than 50 percent of the stock held by people related by blood or marriage. Individual operations, because of their large number, also account for the largest share of farmland (75 percent) and gross farm sales (64 percent).

Corporate farms have the highest average farm sales. The average value of gross farm sales by corporate farms in 1993 was \$396,000 with partnerships averaging \$197,000 or about half of corporate sales; gross farm sales for individual operations averaged \$52,000, about one-eighth of the corporate level. Average acreage is also highest for corporate farms at 1,672 acres in 1993, compared with 850 for partnerships and 362 for individuals.

Figure 2-2.

Farms, farmland, and gross farm sales, by sales class, 1993

The largest number of farms surveyed fall in the lowest sales class with less than \$20,000 of gross farm sales during the year



Source: USDA, Farm Costs and Returns Survey

■ Land Tenure

Land tenure describes the farm operator's ownership interest in the land farmed. The major land tenure categories are (1) full owners, who own all the land they operate, (2) part owners, who own some and rent the remainder of their land, and (3) tenants, who rent all of their land or work on shares for others. The majority of farms in the 1993 Farm Costs and Returns Survey (54 percent) reported full ownership of the land they operated, while 36 percent owned part and rented part of the farmland they operated. Only 10 percent of operations reported that they rented all of their land.

Part owners generally operate the largest farms, averaging 730 acres in 1993, followed by tenants with 534 acres and full owners with 225 acres per farm. Part owners account for the largest share of acreage operated (60 percent of the total in 1993).

Gross farm sales are also concentrated on part-owner operations (55 percent of gross farm sales in 1993). The average value of gross farm sales for part owners in 1993 was \$113,300, very close to the average for tenants at \$111,000. Gross farm sales for full-owner operations averaged \$40,700.

Table 2-4.

U.S. agricultural landholdings of foreign owners, by State,
December 31, 1994

<i>State</i>	<i>Foreign-owned agricultural land Acres</i>	<i>State</i>	<i>Foreign-owned agricultural land Acres</i>	<i>State</i>	<i>Foreign-owned agricultural land Acres</i>
Alabama	300,375	Louisiana	667,587	Ohio	199,521
Alaska	75	Maine	2,052,701	Oklahoma	58,047
Arizona	331,859	Maryland	51,112	Oregon	642,812
Arkansas	178,928	Massachusetts	2,029	Pennsylvania	91,880
California	918,771	Michigan	443,377	Puerto Rico	839
Colorado	642,309	Minnesota	221,502	Rhode Island	17
Connecticut	822	Mississippi	485,589	South Carolina	197,137
Delaware	5,878	Missouri	73,790	South Dakota	42,957
Florida	621,201	Montana	476,198	Tennessee	82,734
Georgia	561,412	Nebraska	76,585	Texas	1,173,564
Hawaii	179,971	Nevada	285,773	Utah	60,604
Idaho	22,375	New Hampshire	16,451	Vermont	85,784
Illinois	203,761	New Jersey	18,366	Virginia	148,604
Indiana	66,113	New Mexico	784,030	Washington	388,439
Iowa	32,459	New York	275,995	West Virginia	167,632
Kansas	67,958	North Carolina	224,737	Wisconsin	78,474
Kentucky	114,225	North Dakota	27,840	Wyoming	186,975
				Total	14,058,174

■ Foreign Ownership of U.S. Farmland

Foreign ownership of U.S. agricultural land remained relatively steady from 1981 through 1994—slightly above or below 1 percent of the privately owned agricultural land in the United States.

At the end of 1994, foreign persons owned 14.1 million acres—slightly more than 1 percent of the 1.3 billion acres of privately-owned U.S. agricultural land (farm and forest land).

Forest land accounts for 47 percent of all foreign-owned acreage, cropland for 18 percent, pasture and other agricultural land for 32 percent, and nonagricultural land for 3 percent.

Corporations own 71 percent of the foreign-held acreage, partnerships own 21 percent, and individuals own 6 percent. The remaining 2 percent is held by estates, trusts, institutions, associations, and others.

About 53 percent of the reported foreign holdings involve land actually owned by U.S. corporations. The law requires them to register their landholdings as foreign if as little as 10 percent of their stock is held by foreign investors. The remaining 47 percent of the foreign-held land is owned by investors not affiliated with U.S. firms.

A total of 67 percent of foreign-held acreage is owned by investors (including individuals, corporations, partnerships, etc.) from Canada, the United Kingdom, Germany, Switzerland, the Netherlands Antilles, and the British Virgin Islands (in descending rank order). Japanese investors own only 3 percent of foreign-owned acreage.

Maine is the State with the largest number of acres (2,052,701) owned by foreign persons. Foreign holdings in Maine account for 11 percent of that State's privately owned agricultural land and 15 percent of all the reported foreign-owned agricultural land nationwide. Three companies own 87 percent of the foreign-held acres in Maine, all in forest land. Two of these companies are Canadian, and the third is a U.S. corporation that is partially Canadian owned.

Outside of Maine, foreign holdings are concentrated in the West and South, each containing 35 percent of all reported foreign holdings of U.S. agricultural land.

These findings are based on reports submitted to USDA under the Agricultural Foreign Investment Disclosure Act of 1978.

Table 2-5.

U.S. agricultural landholdings by country of foreign owner,
December 31, 1994

Interests excluding U.S. corporations with foreign shareholders

<i>Country</i>	<i>Acres</i>	<i>Country</i>	<i>Acres</i>
	<i>Number</i>		<i>Number</i>
Argentina	13,405	Colombia	11,414
Australia	6,137	Costa Rica	13,835
Austria	57,312	Croatia	1,023
Bahamas	36,126	Cuba	58
Bahrain	313	Czech Republic	347
Barbados	117	Denmark	12,948
Belgium	65,526	Dominican Republic	2,108
Belize	549	Ecuador	971
Bermuda	73,643	Egypt	2,076
Bolivia	11	El Salvador	128
Brazil	10,081	Finland	22
British Virgin Islands	124,975	France	128,202
Canada	1,572,107	Gambia	294
Cayman Islands	40,635	Germany	758,844
Chile	2,074	Greece	60,491
China	935	Guatemala	1,102

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Table 2-5 continued.

U.S. agricultural landholdings by country of foreign owner,
December 31, 1994

<i>Country</i>	<i>Acres</i>	<i>Country</i>	<i>Acres</i>
	<i>Number</i>		<i>Number</i>
Guyana	35	Pakistan	982
Honduras	1,018	Panama	121,649
Hong Kong	14,741	Peru	308
Hungary	103	Philippines	3,816
India	1,734	Poland	147
Indonesia	752	Portugal	4,146
Iran	2,343	Russia	761
Ireland	10,508	St. Vincent	2,637
Israel	951	Saudi Arabia	31,553
Italy	82,633	Singapore	504
Ivory Coast	119	Somalia	11
Jamaica	321	South Africa	2,673
Japan	200,302	Spain	3,890
Jordan	1,580	Sweden	54,549
Kampuchea	31	Switzerland	291,392
Korea (South)	1,570	Syria	2,689
Kuwait	20,188	Taiwan	7,899
Laos	31	Tanzania	10,143
Lebanon	12,604	Thailand	1,835
Liberia	29,632	Trinidad & Tobago	94
Liechtenstein	135,249	Turkey	38
Luxembourg	3,109	Turks Island	3,192
Malaysia	7,948	United Arab Emirates	4,080
Mexico	178,736	United Kingdom	1,734,467
Morocco	1,035	Uruguay	10,807
Namibia	197	Venezuela	22,610
Netherlands	112,292	Vietnam	152
Netherlands Antilles	356,837	Zimbabwe	230
New Zealand	13,587	Multiple ¹	54,145
Nicaragua	1,378	Third tier ²	65,887
Norway	5,073		
Oman	454	Subtotal ³	6,632,186

U.S. corporations with foreign shareholders

<i>Country</i>	<i>Acres</i>	<i>Country</i>	<i>Acres</i>
	<i>Number</i>		<i>Number</i>
US/Andorra	3,741	US/Barbados	41
US/Argentina	4,056	US/Belgium	88,484
US/Australia	5,030	US/Bermuda	38,264
US/Austria	23,091	US/Brazil	14,400
US/Bahamas	61,496	US/Brit. Virgin Islands	423,636

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Table 2-5 continued.

U.S. agricultural landholdings by country of foreign owner,
December 31, 1994

<i>Country</i>	<i>Acres</i>	<i>Country</i>	<i>Acres</i>
	<i>Number</i>		<i>Number</i>
US/Canada	1,687,398	US/Malaysia	300
US/Cayman Islands	12,528	US/Malta	500
US/Chile	9,929	US/Mexico	252,485
US/China	15,589	US/Netherlands	363,882
US/Colombia	10,154	US/Netherlands Antilles	212,250
US/Costa Rica	407	US/New Hebrides	883
US/Denmark	7,917	US/New Zealand	50,455
US/Dominican Republic	589	US/Nicaragua	282
US/Ecuador	1,632	US/Norway	9,709
US/Egypt	959	US/Panama	151,798
US/El Salvador	607	US/Paraguay	236
US/Finland	2,212	US/Peru	1,696
US/France	271,571	US/Philippines	7,793
US/Germany	867,626	US/Portugal	1,683
US/Greece	5,249	US/Qatar	219
US/Guatemala	412	US/Saudi Arabia	10,648
US/Guyana	334	US/Singapore	73
US/Honduras	37	US/South Africa	2,733
US/Hong Kong	131,139	US/Spain	4,574
US/Indonesia	644	US/Sweden	4,094
US/Iran	1,861	US/Switzerland	323,510
US/Iraq	800	US/Taiwan	18,207
US/Ireland	1,942	US/Thailand	252
US/Israel	414	US/Trinidad & Tobago	20
US/Italy	23,547	US/Turkey	443
US/Japan	284,860	US/United Arab Emirates	3,443
US/Jordan	434	US/United Kingdom	1,024,718
US/Kenya	32	US/Uruguay	618
US/Korea (South)	85	US/Venezuela	40,182
US/Kuwait	8,330	US/Multiple	178,177
US/Lebanon	703	US/Third Tier	387,016
US/Liberia	26,733		
US/Libyan Arab Republic	280	Subtotal ⁴	7,425,988
US/Liechtenstein	99,365	Total all landholdings	14,058,174
US/Luxembourg	234,551		

¹A report is processed as "multiple" when no single country predominates—for example, an equal partnership between a Canadian and a German.

²A report is processed as "third tier" if three or more levels of ownership are reported with no foreign interests stated.

³Total interests excluding U.S. corporations with foreign shareholders.

⁴Total interest of U.S. corporations with foreign shareholders.