

Data may have been updated since publication. For the most current information, see www.ers.usda.gov/publications/agoutlook/aotables/.

Farm, Rural, and Natural Resources Indicators

	1990	2000	2001	2002	2003	2004	Annual percent change		
							1990-2000	2002-03	2003-04
Cash receipts (\$ billion)	169.5	192.1	200.1	195.1	211.6	235.4f	1.3	8.5	11.2
Crops	80.3	92.5	93.4	101.3	106.2	113.2f	1.4	4.8	6.6
Livestock	89.2	99.6	106.7	93.8	105.5	122.2f	1.1	12.5	15.8
Direct government payments (\$ billion)	9.3	22.9	20.7	11.0	15.9	14.5f	9.4	44.5	-8.8
Gross cash income (\$ billion)	186.9	228.7	235.6	222.0	243.9	266.1f	2.0	9.9	9.1
Net cash income (\$ billion)	52.7	56.7	59.5	50.7	68.6	77.8f	0.7	35.3	13.4
Net value added (\$ billion)	80.8	91.9	94.1	78.8	101.4	118.0f	1.3	28.7	16.4
Farm equity (\$ billion)	702.6	1,025.6	1,070.2	1,110.7	1,180.8	1,247.0f	3.9	6.3	5.6
Farm debt-asset ratio	16.4	14.8	14.8	14.8	14.4	14.2f	-1.0	-2.7	-1.4
Farm household income (\$/farm household)	38,237	61,947	64,117	65,757	68,506	71,102f	4.9	4.2	3.8
Farm household income relative to average U.S. household income (%)	103.1	108.6	110.2	113.7	na	na	0.5	na	na
Nonmetro-Metro difference in poverty rate (%)	3.6	2.6	3.1	2.6	2.1	na	-3.2	-19.2	na
Cropland harvested (million acres)	310	314	311	307	314p	na	0.1	2.3	na
USDA conservation program expenditures (\$ bil.) ¹	3.0	3.4	3.7	3.5q	na	na	1.3	na	na

Food and Fiber Sector Indicators

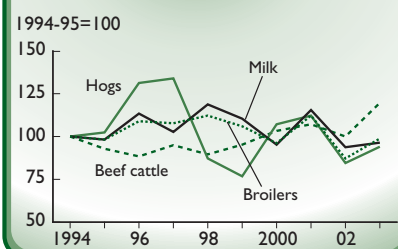
U.S. gross domestic product (\$ billion current) ²	5,803	9,825	10,082	10,446	10,863f	na	5.4	4.0	na
Food and fiber share (%)	15.1	12.6	12.3	na	na	na	-1.8	na	na
Farm sector share (%)	1.4	0.8	0.8	0.8	na	na	-5.4	na	na
Total agricultural imports (\$ billion) ¹	22.7	38.9	39.0	41.0	45.7	52.7	5.5	11.5	15.3
Total agricultural exports (\$ billion) ¹	40.3	50.7	52.7	53.3	56.2	62.3	2.3	5.4	10.9
Export share of the volume of U.S. agricultural production (%)	18.2	17.6	17.7	16.5	17.9	na	-0.3	8.5	na
CPI for food (1982-84=100)	132.4	167.9	173.1	176.2	180.0	186.2	2.4	2.2	3.4
Share of U.S. disposable income spent on food (%)	11.2	10.1	10.2	10.1	10.1	na	-1.0	0.0	na
Share of total food expenditures for at-home consumption (%)	55.4	53.3	53.9	53.8	53.1	na	-0.4	-1.3	na
Farm-to-retail price spread (1982-84=100)	144.5	210.3	215.4	221.2	na	na	3.8	na	na
Total USDA food and nutrition assistance spending (\$ billion) ¹	24.9	32.6	34.2	38.0	41.8	46.1	2.7	10.0	10.3

f = Forecast. p = Preliminary. q = 2002 Administration request. na = Not available.

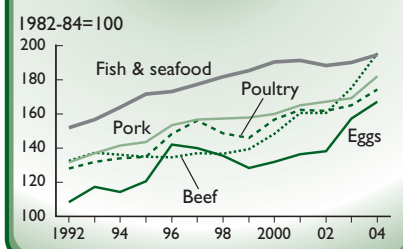
¹ Based on October-September fiscal years ending with year indicated.

² Forecast for 2003 based on the Office of Management and Budget's Midsession Budget Review, July 2003.

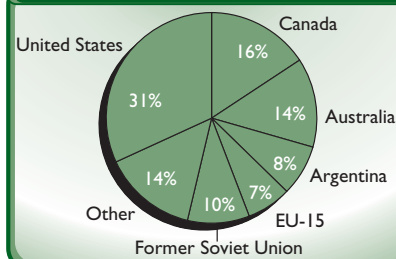
Indices of annual prices received by farmers: Livestock and milk



Consumer price indices for high-protein foods consumed at home



Major wheat-exporting countries, 2003/04



For more information, see www.ers.usda.gov/amberwaves/

Behind the Data

Natural Amenities Scale

Nature is rural America's greatest resource. At one time, its primary use was for food, timber, and minerals. But the enjoyment by vacationers, young families, and retirees is now its major use in many areas. Forest Service surveys show that over half of the U.S. population age 16 and older spends time outdoors viewing natural scenery in any given year.

Just as not all land is equally good for farming, not all nature is equally attractive to visit or inhabit. While researchers have developed several measures of the suitability of land for farming, they are only beginning to develop similar measures of the relative attractiveness of different outdoor settings.

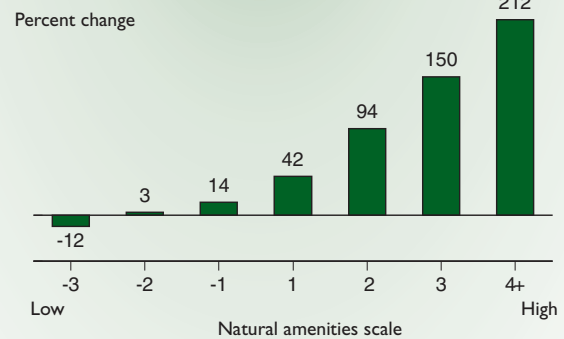
ERS created a very basic scale of natural amenities, including climate, topography, and water (lakes, ponds, oceans)—all relatively enduring characteristics. The scale includes four measures of climate: average number of days of sun in January, average January temperature, lowness of average July humidity, and temperateness of July weather. Temperateness is measured in such a way that places with the warmest winters and coolest summers score highest on the scale.

The topography measure was taken from a 1937 *National Geographic* map, which had 26 categories ranging from flat with no hills to highly mountainous. The water measure is based on the proportion of county area classified as water by the Bureau of the Census. Because county boundaries extend offshore, ocean front as well as lakes and ponds are reflected in this measure. The measure used in the scale is a relative (logarithmic) measure. (For example, if County B has twice as much water area per square mile as County A, the difference in scores is the same whether County A is 5 percent water or 25 percent water.)

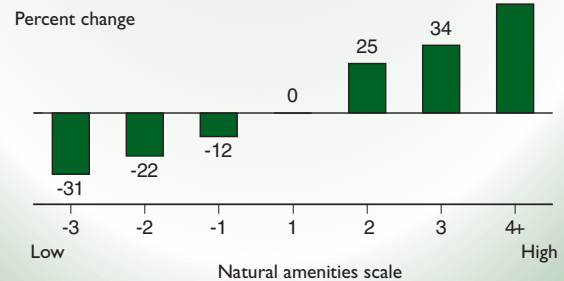
These six characteristics do not tend to be found together; often there are tradeoffs. For instance, areas with more extensive surface water tend to have more temperate climates than their neighbors, but they also tend to have cloudier Januaries and more humid Julys. The natural amenities scale is designed to reflect these tradeoffs by combining these characteristics into a single scale. Statistical analyses of county population data from 1970 to 1996 indicate that the scale accurately reflects the overall relationships between these characteristics and population change during that period. These analyses and the methods used to create the scale are described in an ERS report, *Natural Amenities Drive Rural Population Change* (AER-781).

The scale highlights the association between natural amenities and population change over the past 30 years. Counties at the high end more than tripled their population on average over the past 32 years, while counties at the low end lost population. However, the scale is useful in other ways as well. For instance, while the number of farms in the U.S. has declined dramatically over time, the number has actually risen in high-amenity counties. There are a

Natural amenities and average rural county population change, 1970-2003



Natural amenities and average rural county change in number of farms, 1977-2002



number of possible reasons for this. For instance, counties with low scores tend to be relatively flat and extensively farmed, making farm consolidation relatively easy. At the same time, given that people are drawn to natural amenities, it is possible that there are far more prospective farmers—even among sons and daughters—in places where landscape is varied, climate is pleasant, and population and employment are growing.

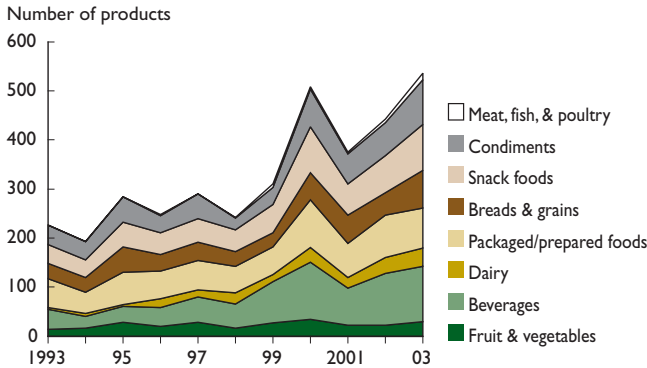
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This article is drawn from . . .

Natural Amenities Drive Rural Population Change, by David A. McGranahan, AER-781, USDA/ERS, October 1999, available at: www.ers.usda.gov/publications/aer781/

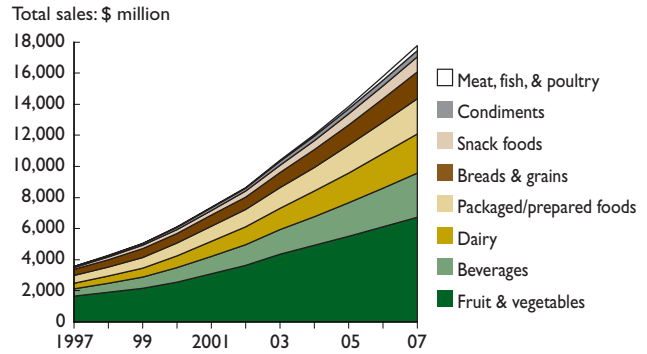
Market and Trade

New organic product introductions are led by beverages, prepared foods, and snacks



Source: ERS calculations using ProductScan data from Datamonitor, 2004.

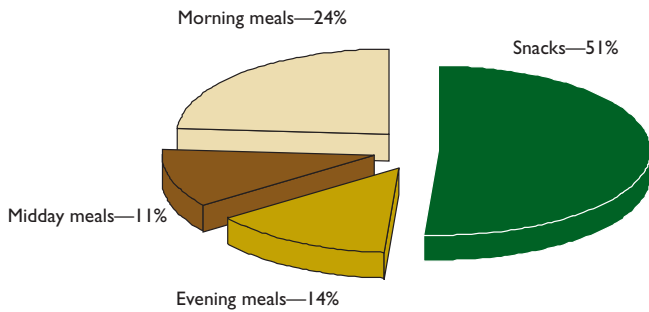
Fruits and vegetables remain the largest category of sales, accounting for 42 percent of organic food sales in 2003



2004-2007 estimated.
Source: Nutrition Business Journal, 2004.

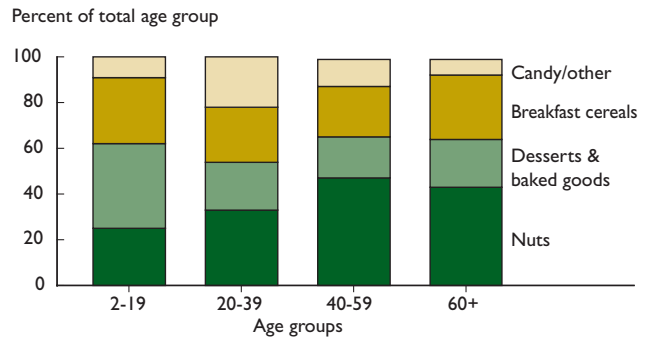
Diet and Health

Over half of tree nuts are eaten as snacks



Source: ERS analysis of USDA's 1994-96 Continuing Survey of Food Intakes by Individuals, 2-day.

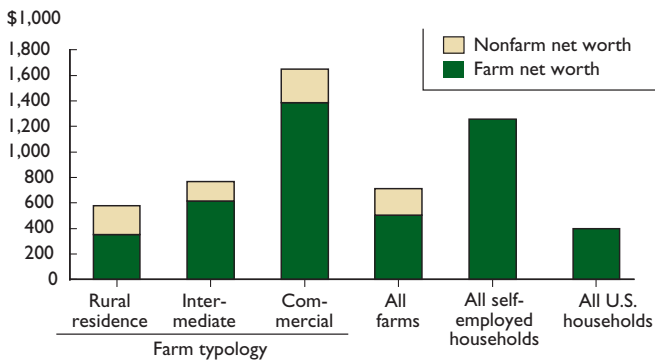
Adults favor eating tree nuts as nuts; children like desserts and baked goods with nuts



Source: ERS analysis of USDA's 1994-96 Continuing Survey of Food Intakes by Individuals, 2-day.

Farms, Firms, and Households

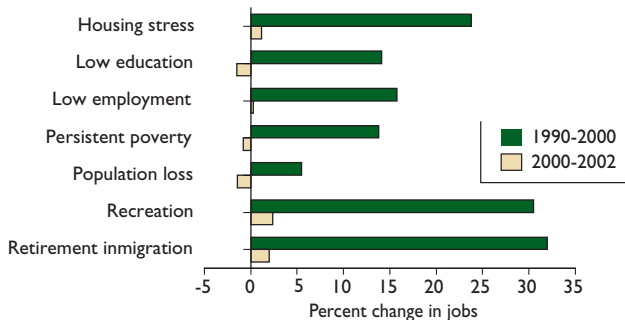
Commercial farm households have higher wealth compared with all other households



Sources: USDA's 2003 Agricultural Resource Management Survey and 2001 Survey of Consumer Finances.

Rural America

In the 1990s, jobs increased faster in rural counties with retirement immigration, recreation, and housing stress



Note: For definitions of county types, see the ERS county typology at www.ers.usda.gov/briefing/rurality/typology/. County groups are not mutually exclusive, a county may be classified under more than one type.

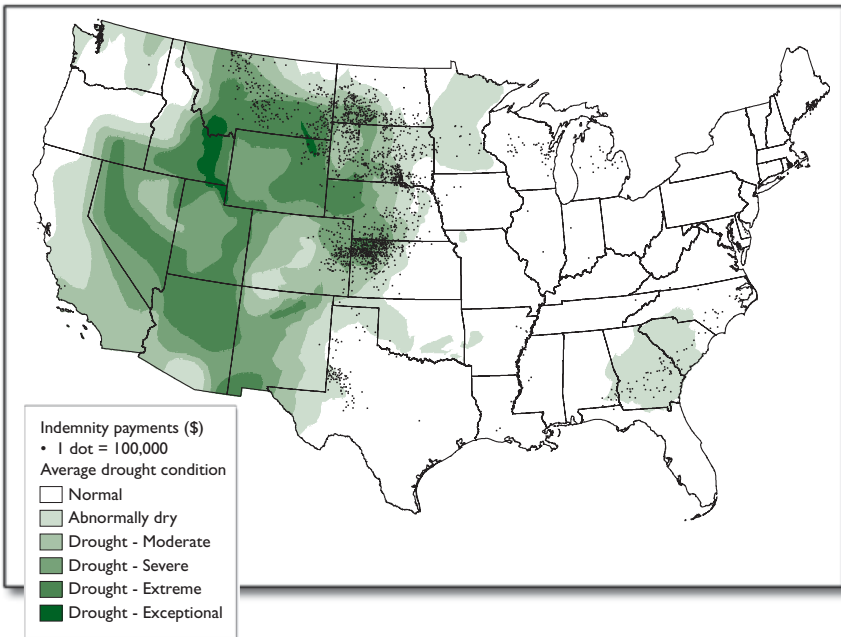
On the Map

Drought triggers crop insurance indemnity payments... in some areas

Much of the western U.S. experienced severe, extreme, or exceptional drought in 2004. As of January 17, 2005, USDA had paid producers \$260 million in crop insurance indemnities related to the 2004 summer drought plus an additional \$200 million to winter wheat growers. Areas experiencing drought conditions and those receiving indemnity payments do not always overlap—drought impacts and indemnity payments depend not only on the physical extent and severity of drought, but also on economic factors, such as location, investment in irrigation, and producers' choices about participation in crop insurance and other programs. Possible explanations for drought-driven crop insurance payments outside identified drought areas include localized drought conditions or inadequate moisture at critical crop development times in areas with otherwise adequate precipitation.

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Warm-season drought areas and drought-based crop insurance payments, 2004



Source: April to September drought severity index from the Drought Monitor (www.drought.unl.edu/dm/index.html) and data from USDA's Risk Management Agency (www.rma.usda.gov/ftp/miscellaneous_files/cause_of_loss/prem_and_indem/). Excludes indemnity payment data for wheat in States where mostly winter wheat is grown.

In the Long Run

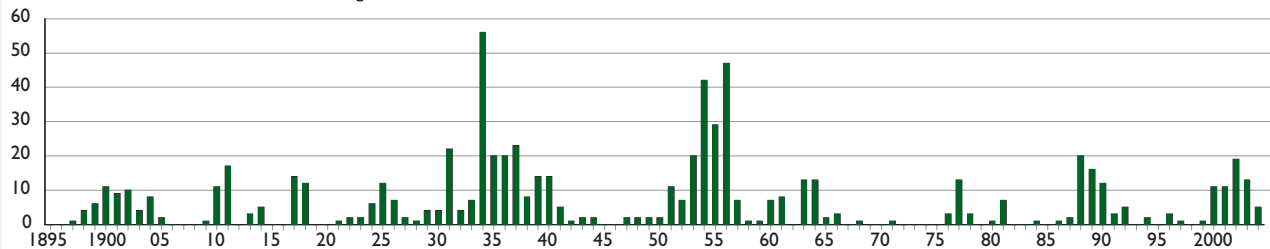
Drought is a recurring risk faced by agricultural producers

Over the past century, an average of 7 percent of U.S. agricultural land has experienced severe or extreme drought each year. Over half the total agricultural land experienced severe or extreme drought in 1934, and over 40 percent in 1954 and 1956. More recently, in 1988 and 2002, about 20 percent of acreage was affected. In 2004, about 5 percent of the agricultural land experienced severe, extreme, or exceptional drought.

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Severe and extreme drought on agricultural land, 1895-2004

Percent of acres with severe or worse drought



Note: Percentage of land is based on current land use for agriculture, including land in crops, pasture, range, and USDA's Conservation Reserve Program.
 Source: National Oceanic and Atmospheric Administration.