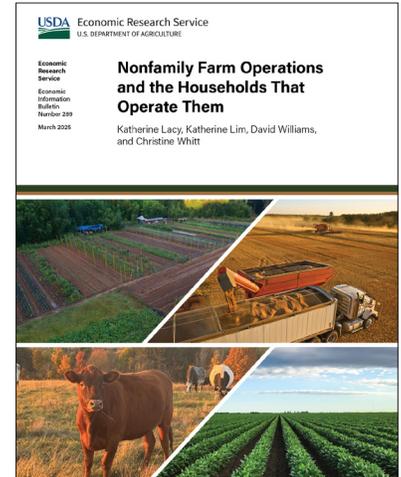




# Nonfamily Farm Operations and the Households That Operate Them

Katherine Lacy, Katherine Lim, David Williams,  
and Christine Whitt



## What Is the Issue?

Between 2018 and 2022, about 2 percent of the 2 million U.S. farms were classified as nonfamily farms, which are operations where no producer, producer’s household, or extended family owns at least 50 percent of the operation. Previous farm household research (based on the Agricultural Resource Management Survey (ARMS) data) does not include households operating nonfamily farms due to data limitations. This report provides information related to nonfamily farms and the households of their principal producers. Nonfamily farms, on average, represent 13.4 percent of U.S. agricultural value of production, and about 17 percent of these operations are considered large-scale (gross cash farm income of \$1 million or more). There is a wide range of nonfamily farm operation types—spanning different sales classes, management types, and household situations.

## What Did the Study Find?

Nonfamily farms vary in their gross cash farm income and amount of acres operated.

- **Gross cash farm income:** Between 2018 and 2022, 70 percent of all nonfamily farms were considered small with less than \$350,000 in gross cash farm income, compared with 91 percent of family farms that were considered small. However, 89 percent of the value of production from nonfamily farms was from large-scale operations.
- **Acres:** On average, small and large-scale nonfamily farms owned and operated more acres than similarly sized family farms, but mid-sized family and nonfamily farms operated similar acreage. There was no difference in the number of acres rented for similarly sized family and nonfamily farms.

There were notable differences between nonfamily and family farm operations after accounting for operation size.

ERS is a primary source of economic research and analysis from the U.S. Department of Agriculture, providing timely information on economic and policy issues related to agriculture, food, the environment, and rural America.

- **Specialization:** Midsize and large-scale nonfamily farms are more concentrated in specialty crops and less concentrated in cash grains compared with family farms of similar size.
- **Government payments:** Large-scale nonfamily farms are less likely to participate in government agricultural programs, but those farms that do participate receive, on average, higher payments compared with family farms.

The principal producer households of large-scale and midsize nonfamily farms are generally less wealthy and have lower household incomes compared with their family farm household counterparts.

- **Household income:** On average, midsize and large-scale nonfamily farm households had lower household incomes compared with family farm households. This finding was mainly driven by lower household farming income to nonfamily farm households, which could be due to being apportioned a smaller share of farm profits.
- **Household debt:** Nonfamily farms of all sizes had lower household debt compared with family farms. This finding was driven by lower household farm debt.

## **How Was the Study Conducted?**

This study is based on pooled farm-level data from the 2018–22 Agricultural Resource Management Survey (ARMS). Although principal producers on nonfamily farms report household financial data, these values are not included when USDA, Economic Research Service summarizes farm households in the ARMS web tool or the Farm Household Income and Characteristics data product or topic pages. This report is the first to use household level data for principal producers on nonfamily farms. Five years of ARMS data are pooled to ensure a large enough sample size to report statistics by farm size for nonfamily farms.