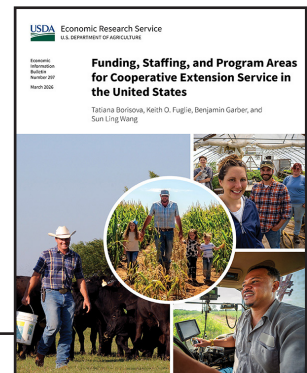




A report summary from the Economic Research Service

# Beginning Farmer and Rancher Operations: Characteristics Associated With Business Survival

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## Key Points

- Operations where all producers are beginning farmers and ranchers (BFRs) are unique from multigenerational operations or operations where no producers are beginning their farming careers.
- Farms with beginning farmers and ranchers tend to be smaller in scale than operations with no beginning producers. They are also more likely to rent all the land they operate, sell products through local food market channels, have fewer farm assets, have less farm debt and therefore few interest expenses, and receive fewer Government payments.
- Farms with beginning farmers and ranchers have survival rates lower than similar farms with no BFRs. Operations with only BFRs had 10-year survival rates that were 2–3 percentage points lower than similarly sized operations that had BFRs and more experienced farmers, depending on the size of the operation.
- This research compared characteristics of operations that survived from 2012 to 2022 with operations that did not. Results indicate that a higher survival rate for farms operated by BFRs was associated with participation in differentiated product markets (organic, local foods, value added, agritourism), use of crop insurance, greater involvement in available Government agricultural programs, and renting as opposed to purchasing farmland.
- Several USDA agencies have programs that work to meet the distinct needs of BFRs through targeted loan programs, financial assistance, crop insurance benefits, grants, or advance payments for incorporating conservation practices.

## Why Does This Matter?

Beginning farmers and ranchers, those with no more than 10 years of farming experience, are likely to play an important role in the future of U.S. agriculture as current farmers continue to get older. In 2022, more than 1 million BFRs operated in the United States, farming 196 million acres with a combined \$122 billion in agricultural sales. BFRs are typically younger than their more

established counterparts and, on average, have less net worth for securing farm loans. They also tend to operate smaller farms, which may place them at a disadvantage in relation to larger, established operations due to economies of scale. This report uses data from the 2022 Census of Agriculture to compare farm and producer characteristics of operations on which all producers were BFRs; multigenerational operations where some, but not all, producers were BFRs; and operations where

no producers were BFRs. It also examines different characteristics of beginning farms such as finances, market outlets (organic production, local foods, agritourism), and producer characteristics. Data from the 2012 and 2017 Censuses of Agriculture were also used to identify key farm and producer characteristics associated with surviving in business from 2012 to 2022.

## A Few More Details

### USDA Programs

Several USDA programs direct resources toward meeting the distinct needs of beginning farmers and ranchers, including Farm Service Agency targeted loan programs and priority financial assistance for BFRs from Rural Development. The Risk Management Agency offers benefits to BFRs who buy crop insurance, and the Natural Resources Conservation Service's Environmental Quality Incentives Program provides advance payments to BFRs to adopt conservation practices. The National Institute for Food and Agriculture administers grants through its Beginning Farmer and Rancher Development Program to entities that provide training, education, outreach, and technical assistance to BFRs. While beginning farmers and ranchers are the focus of these USDA resources, limited information exists about the characteristics of the farms they operate. BFRs may have different needs or constraints depending on whether they farm alongside more experienced producers. Information about which factors are correlated with farm business survival could inform the design and function of programs and policies that provide resources for BFRs.

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