

## Characteristics of Farm Operators

The FCRS provides selected information on the people who operate farms. However, this information is collected for only one operator per farm. For farms with more than one operator, such as partnerships, data are collected only for the primary operator.

### Major Occupation

Major occupation refers to the occupation at which operators spent 50 percent or more of their work time during the year. The 1993 FCRS used four responses: farm or ranch work, hired manager, something else, and retired.

The FCRS allowed retired as a response for the first time in 1993. It is the only national data source to specifically identify retired farm operators. In previous years, retired operators were most likely to have reported farm or ranch work as their major occupation.

About 45 percent of all farm operators reported farm or ranch work as their major occupation (fig. 14). However, they operated most of the farmland (73 percent), accounted for most of gross sales (82 percent), and received most of gross cash income (82 percent). Hired farm managers ran only about 1 percent of the farms, but their farms tended to be large in terms of

average acres operated, average gross cash income, and average gross sales (table 8).

Operators reporting major occupations other than farming accounted for a substantial proportion of all farms (37 percent), but their farms were small in terms of average acres, average gross cash income, and average gross sales. Retired operators accounted for another 17 percent of farms and ran the smallest farms in terms of average gross cash income and average gross sales.

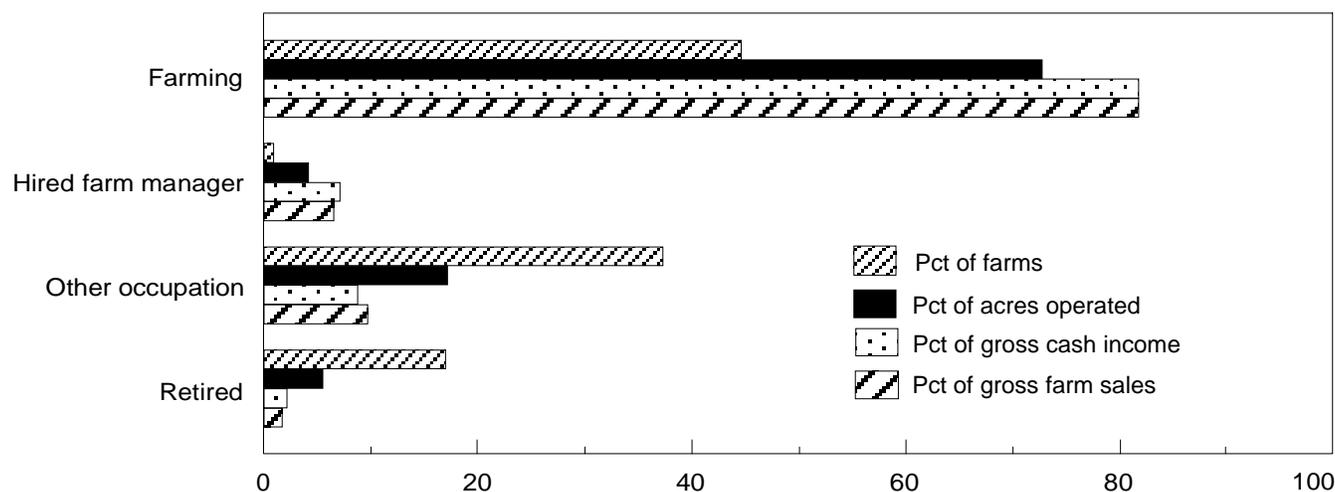
About half of the operators reporting farming or hired manager as their major occupation operated commercial-sized farms (table 9). In contrast, virtually all operators with another occupation and retired operators had noncommercial farms. In fact, 71 percent of operators with another occupation and 84 percent of retired operators reported sales less than \$10,000.

Operators with farm or ranch work as their major occupation reported the highest average hours worked onfarm, and two-thirds of these operators reported working at least 2,000 hours per year onfarm, equivalent to a full-time job. Hired managers worked fewer hours onfarm than operators reporting farming as their major occupation, but more hours than operators with another occupation or retired operators.

Figure 14

### Distribution, by major occupation of operator, of farms, acres operated, gross cash income, and gross farm sales, 1993

*Farm operators reporting farming as their major occupation account for most farming activities*



Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.

**Table 8—Farms, acres operated, gross cash income, and gross farm sales, by farm operator characteristics, 1993**

Characteristic	Farms		Mean acres operated		Mean gross cash income		Mean gross farm sales	
	Number	RSE <sup>1</sup>	Acres	RSE <sup>1</sup>	Dollars	RSE <sup>1</sup>	Dollars	RSE <sup>1</sup>
All farms	2,063,300	2.3	436	3.7	68,891	3.3	73,694	3.7
Occupation:								
Farming	922,140	2.4	712	3.5	126,175	2.7	135,047	3.2
Hired farm manager	18,281	21.1	2,077	22.7	556,555	32.5	546,245	33.4
Other occupation	771,245	4.4	201	13.2	16,273	7.0	19,267	14.4
Retired	351,634	7.3	143	9.9	8,721	7.7	7,606	8.1
Age:								
Less than 35 years	182,393	6.9	507	10.7	89,594	8.4	100,244	8.4
35-44 years	399,896	4.8	531	10.3	97,170	5.8	107,660	7.3
45-54 years	480,204	5.0	433	7.0	81,357	8.2	88,901	9.1
55-64 years	439,778	4.9	443	6.5	67,561	6.3	68,678	6.4
65 years or older	561,030	4.9	343	7.6	32,376	7.8	31,766	8.1
Education:								
Less than high school	475,841	5.4	243	6.7	32,061	6.8	34,504	7.5
High school	846,070	3.6	389	4.4	62,751	4.3	66,829	4.3
Some college	420,016	5.8	573	9.1	87,200	9.0	96,561	10.0
College	321,373	5.1	670	9.9	115,658	6.9	119,907	8.4

<sup>1</sup>The relative standard error (RSE) provides the means of evaluating the survey results. A smaller RSE indicates greater reliability of the estimate. For more information, see the box on data sources or appendix B.

Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.

Operators with another occupation worked relatively few hours onfarm, but they all reported an off-farm job. The average number of off-farm hours per reporting operator was 2,330, and 90 percent of the reporting operators worked at least 2,000 hours off-farm.

Retired operators worked the fewest hours on their farms and were least likely to report working off-farm. When they did work off-farm, they worked fewer hours than operators with another occupation and a similar number of hours as operators with farming as their major occupation.

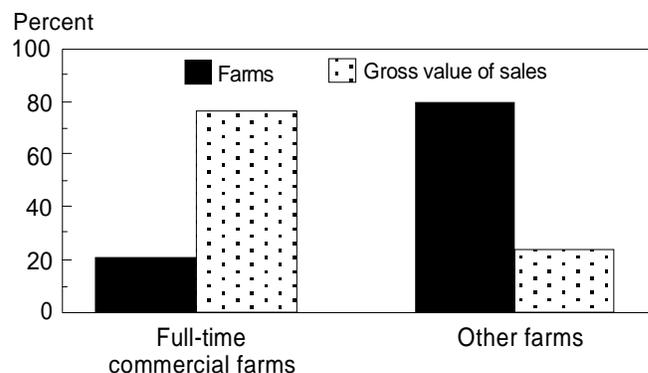
As pointed out above, most gross sales (82 percent) were accounted for by the 45 percent of operators who reported farm or ranch work as their major occupation. However, there was variation within this category in terms of size of farm and hours worked onfarm. Some operators in this category had noncommercial farms, and 20 percent worked off-farm. Sales were actually concentrated among “full-time commercial farms,” defined here as farms with sales of \$50,000 or more and an operator whose major occupation was farm or ranch work (or hired manager) and who worked at least 2,000 hours per year on the farm. Full-time commercial farms made up only 21 percent of all farms, but accounted for 76 percent of the value of gross sales in 1993 (fig. 15).

## Age

Farm operators have a relatively older age structure than other workers, with 72 percent 45 years of age or older and 49 percent age 55 or older (table 8). In comparison, 46 percent of all self-employed workers in nonagricultural industries in 1993 were age 45 or older, and only 22 percent were age 55 or older (U.S. Dept. Labor, 1994, p. 211). About 27 percent of all farm operators

Figure 15  
**Share of farms and gross farm sales for full-time commercial farms and other farms, 1993**

Full-time commercial farms account for 21 percent of farms, but 76 percent of sales



Note: Full-time commercial farms have sales of \$50,000 or more and an operator whose major occupation is farming or hired manager and who worked at least 2,000 hours on the farm.

Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.

**Table 9—Selected characteristics of farm operators by major occupation, 1993**

Item	Farming			Hired manager			Other			Retired			All operators		
	Estimate	RSE <sup>1</sup>		Estimate	RSE <sup>1</sup>		Estimate	RSE <sup>1</sup>		Estimate	RSE <sup>1</sup>		Estimate	RSE <sup>1</sup>	
Number of operators	922,140	2.4		18,281	21.1		771,245	4.4		351,634	7.3		2,063,300	2.3	
Mean age (years)	53	0.7		48	4.0		48	0.9		71	0.8		54	0.6	
Percent with commercial farm	52.7	2.4		46.8	21.8		6.3	10.2		1.7	23.5		26.6	2.8	
Mean hours worked onfarm per year	2,492	1.3		1,582	17.8		895	3.0		685	5.7		1,579	1.6	
Percent who worked 2,000 or more hours per year onfarm	65.2	2.1		44.1	22.3		6.2	12.7		5.1	24.1		32.7	2.8	
Percent who worked off-farm	19.9	8.3		na	na		100.0	1.0		11.5	20.1		48.8	2.9	
Mean hours worked off-farm per year per reporting operator	1,362	5.6		na	na		2,327	1.4		1,013	16.2		2,097	1.7	
Percent of operators reporting off-farm work who worked 2,000 or more hours per year off-farm	33.9	12.5		na	na		90.2	1.4		17.8	33.9		76.9	2.2	

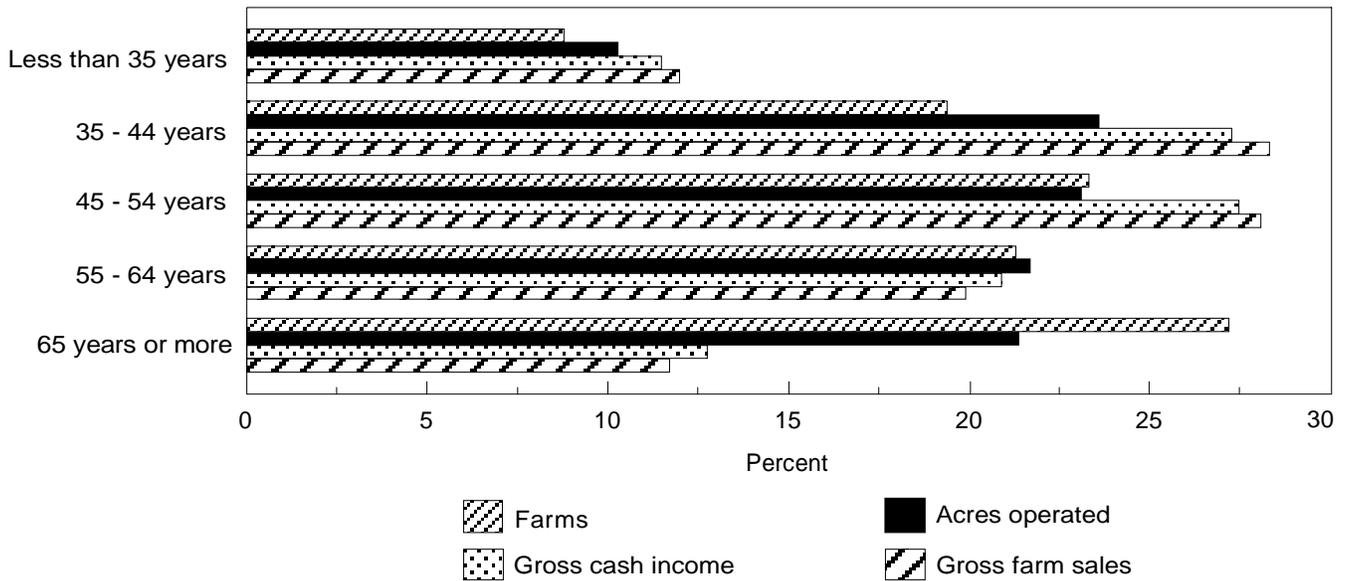
Note: na=not available.

<sup>1</sup>The relative standard error (RSE) provides the means of evaluating the survey results. A smaller RSE indicates greater reliability of the estimate. For more information, see the box on data sources or appendix B. Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey (Farm Operator Resource version for data on off-farm work; all versions for remaining items).

Figure 16

**Distribution, by age of operator, of farms, acres operated, gross cash income, and gross sales, 1993**

*Young and elderly operators account for the smallest shares of gross cash income and sales*



Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.

were at least 65 years old in 1993, according to the FCRS, compared with only 7 percent of the nonfarm self-employed.

Young operators (less than 35 years of age) account for the smallest share of farms (fig. 16). Young operators and elderly operators (65 years of age or older) accounted for similar shares of gross cash income and gross sales. The elderly, however, controlled a larger share of acres than young operators. The elderly tended to farm on a smaller scale than other operators. They had farms with smaller average acres, smaller average gross sales, and smaller average gross cash income than the other age groups (table 8).

“Elderly” and “retired” are not synonymous, as far as farm operators are concerned. Not all farmers age 65 years and above are retired, and elderly operators who are not retired still work a substantial number of hours on their farms. Nonretired elderly operators numbered 282,000 in 1993, and they worked an average of 1,685 hours per year onfarm. Approximately 21 percent of retired operators were younger than 65, and retired operators worked an average of only 685 hours onfarm per year (Hoppe, 1996b, p. 3).

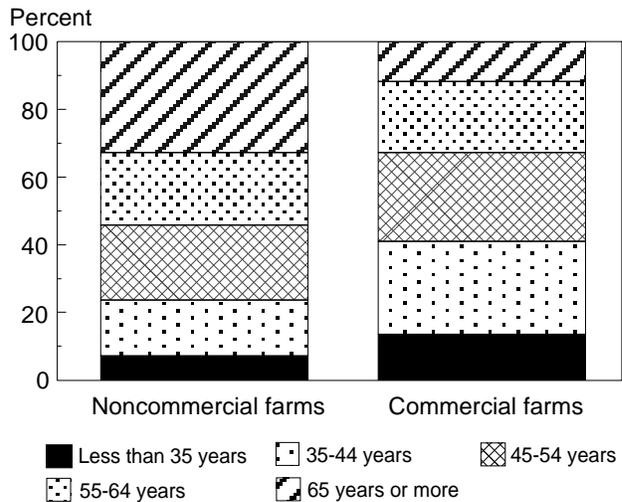
Operators of commercial farms tended to be younger than operators of noncommercial farms. Forty-one percent of commercial farm operators were less than 45

years of age, compared with only 24 percent of operators of noncommercial farms (fig. 17). Conversely, only 12 percent of commercial farm operators were age 65 or older, compared with 33 percent of operators of noncommercial farms.

Figure 17

**Age of operators by sales class, 1993**

*Operators of commercial farms tend to be younger*



Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.

## Education

Smaller farms tended to be operated by individuals with lower levels of education. Operators with less than a high school education had the smallest average acres operated, average gross cash income, and average gross sales (table 8). About 85 percent of operators with less than a high school education ran noncommercial farms, compared with about 70 percent of each of the other educational groups. Low educational attainment was closely related to age. About half of operators with less than a high school education were at least 65 years old (fig. 18).

High school graduates accounted for more of the operators (41 percent), acres operated (37 percent), gross

cash income (37 percent), and gross sales (37 percent) than any of the other educational groups. College graduates, 16 percent of the total, operated the fewest number of farms. However, college graduates and operators with some college had the largest farms in terms of average acreage, average gross cash income, and average gross sales (table 8).

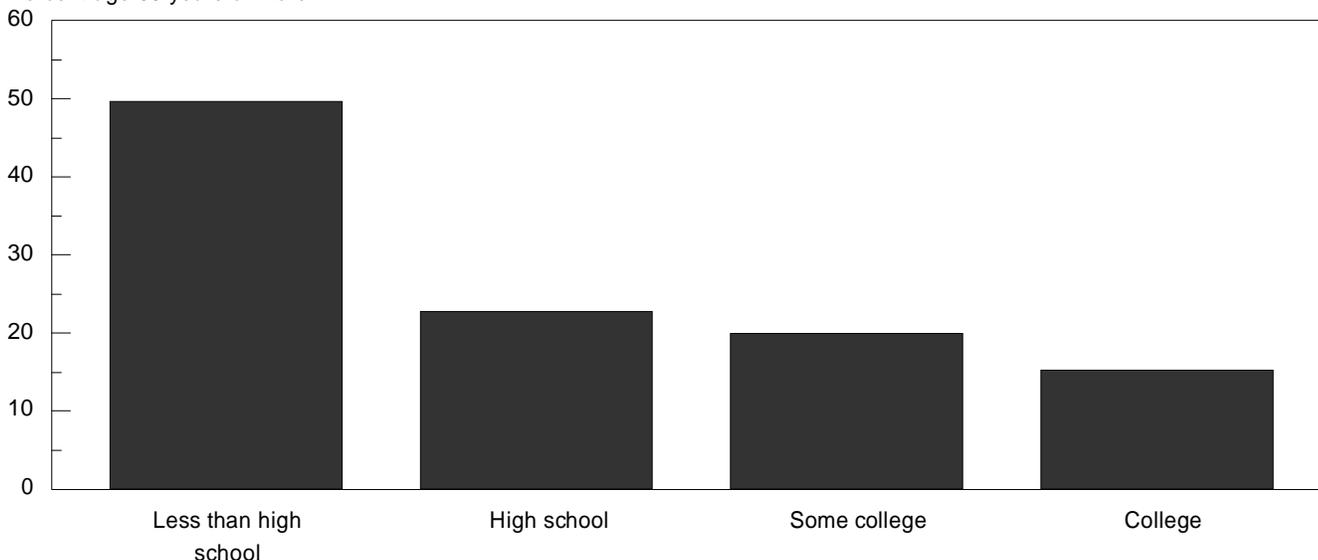
Education will become even more important in the future for those who want to succeed in farming. In the past, farm operators were less likely to graduate from high school than the U.S. population in general. The gap in high school graduation between farm operators and the U.S. population has largely disappeared, but a smaller percentage of farm operators are college graduates (Bellamy, 1992, p. 37).

Figure 18

### Percent of operators age 65 years and more by educational attainment, 1993

*Operators with less than a high school education are most likely to be elderly*

Percent age 65 years or more



Source: Economic Research Service, compiled from the 1993 Farm Costs and Returns Survey.