Special Feature

Beginning with this report, the *Family Farm Report* series will feature a special topic each year. The special feature this year is "multiple-operator farms."

Multiple-Operator Farms

Some farms have more than one operator, defined as anyone who makes day-to-day-decisions about the farm business. Traditionally, farm data sources in the United States assumed each farm has only one operator. Recent surveys, however, count all farm operators, and there are 3.2 million operators on the 2.1 million U.S. farms (table 1).[3] Thus, a "one-farm, one-operator" rule would understate the count of farm operators by about 1.1 million. Multiple-operator farms produce a large share of agricultural output, approximately 64 percent of the value of production.

Because farms are generally family businesses, one would expect family members other than the principal operator to make decisions. For example, about two-thirds of the additional operators—750,000 out of 1.1 million—are spouses. The number of operators per farm also tends to increase with size, because commercial farms often require more management and labor than an individual can provide. The number of operators per farm reaches 1.9 operators—on average—for very large family farms. About 67 percent of farms of that size have two or more operators (versus 47 percent for all U.S. farms). Seventy-one percent of dairy farms have multiple operators (fig. 1), which is understandable, given the high labor requirements of dairy enterprises.

About 17 percent of multiple-operator farms are multiple-generation farms, with at least a 20-year difference between the ages of the oldest and youngest operators (table 1).[4] Multiple-generation farms are more common when the principal operator is 65 years old or older. Multiple-generation farms make up 29 percent of multiple-operator farms when the principal operator is age 65 or older, compared with 17 percent for multiple-operator farms in general. This helps explain the relatively large share of multiple-generation farms among limited-resource and retirement farms, since operators of these farms are more likely to be that age. In the remaining family farms, multiple-generation farms become more common as farm size increases, reaching approximately 31 percent of multiple-operator farms for very large farms.

[3]The "one farm, one operator" assumption was dropped when the Census of Agriculture and ARMS collected data for 2002. The census and ARMS produce similar estimates of the number of principal and secondary operators, multiple-operator farms, and multiple-generation farms. For more information, see "Appendix 1: Comparing ARMS and Census Estimates of Multiple Operator Farms."

[4]Using a 20-year difference in operator ages to define multiple-generation farms is somewhat arbitrary. A 25-year or 30-year difference could also have been used. A 20-year cutoff is used here to be consistent with that used in the 2002 Census of Agriculture by NASS (Allen and Harris, 2005).

Table 1

Multiple-operator farms, by farm type, 2003

Item	Small family farms					Large-scale farms			
				Farming occupation					
	Limited-resource	Retire-ment	Residential/ lifestyle	Low-sales	Medium-sales	Large	Very large	Nonfamily farms	All farms
				Number					
Total operators (principal and secondary)	327,335	441,363	1,358,207	535,856	215,927	141,411	129,102	64,892	3,214,092
Principal operators (and number of farms)	235,030	308,832	892,602	363,812	134,833	84,294	66,656	35,048	2,121,107
Spouses who are secondary operators	58,303	95,914	358,014	130,934	49,757	28,206	22,045	*9,795	752,970
Other secondary operators	*34,002	36,616	107,590	41,110	31,336	28,911	40,401	20,049	340,016
Operators (principal & secondary) per farm	1.4	1.4	1.5	1.5	1.6	1.7	1.9	1.9	1.5
				Percent of farms					
Farms by number of operators:									
One	63.0	60.6	50.9	55.8	47.0	44.7	33.5	42.5	53.3
Two	35.3	36.4	46.4	41.6	46.9	46.2	49.3	41.1	42.9
Three	d	*2.6	2.3	2.0	5.3	7.7	12.4	*9.9	3.0
Four or more	d	d	d	d	*0.8	1.5	4.8	*6.4	0.8
				Number					
Multiple-operator farms[1]	87,004	121,650	438,322	160,634	71,418	46,647	44,352	20,142	990,169
				Percent					
Multiple-operator farms' share of:									
All farms	37.0	39.4	49.1	44.2	53.0	55.3	66.5	57.5	46.7
Total value of production	35.4	46.3	53.3	51.0	54.9	56.7	71.9	71.7	64.3
				Number					
Multiple-generation farms[2]	*25,229	32,127	42,819	22,614	15,334	11,336	13,577	4,582	167,618
				Percent					
Multiple-generation farms' share of multi-operator farms	*29.0	26.4	9.8	14.1	21.5	24.3	30.6	22.8	16.9

d = Data suppressed due to insufficient observations.

* = Standard error is between 25 percent and 50 percent of the estimate.

[1]Farms reporting more than 1 operator.

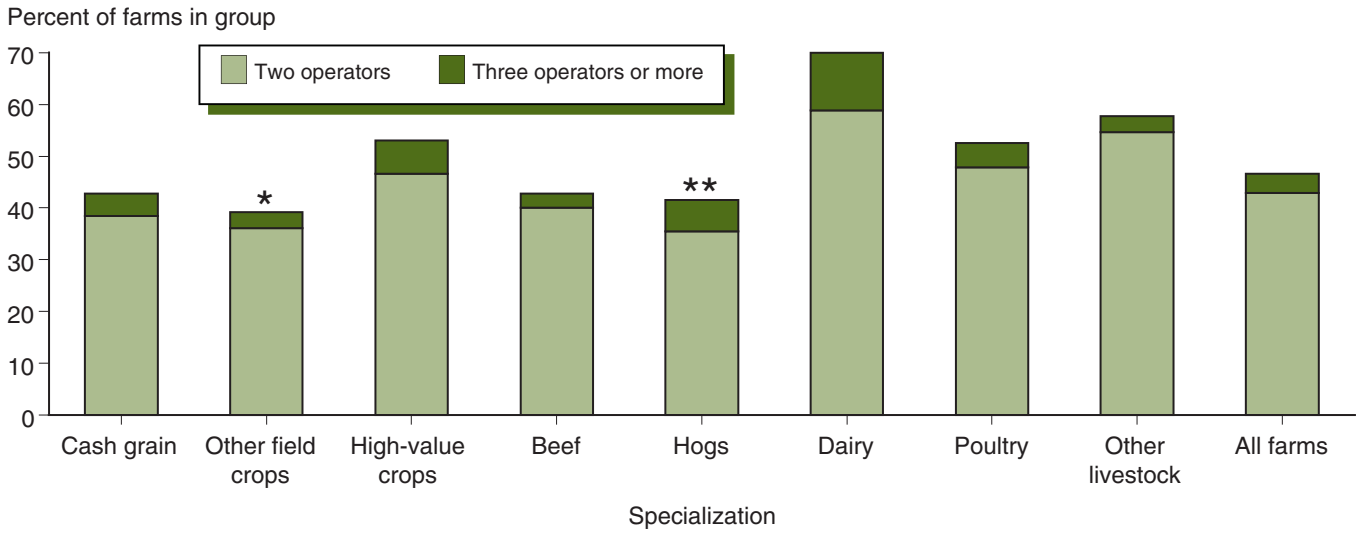
[2]Farms reporting a difference of at least 20 years between the ages of the youngest and oldest operators.

Source: USDA, Economic Research Service, 2003 Agricultural Resource Management Survey, Phase III.

Figure 1

Multiple-operator farms by specialization, 2003

Dairy farms are most likely to have more than one operator



*Standard error is between 25 percent and 50 percent of the estimate.

**Standard error is between 100 and 125 percent of the estimate.

Source: USDA, Economic Research Service, 2003 Agricultural Resource Management Survey, Phase III.