

# Farm Policy and the Farm Bill

## Opportunity for Action

Tori Brescoll

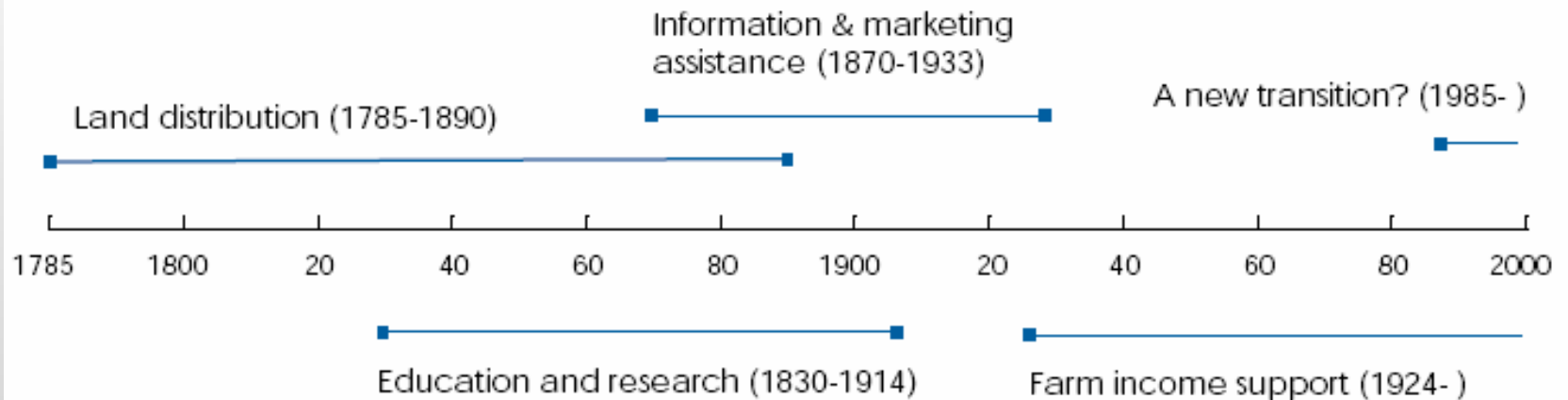
Tania Andreyeva

Chris Wharton



# Farm policy history

## Policy Eras in U.S. Agriculture



# Changes in rural America

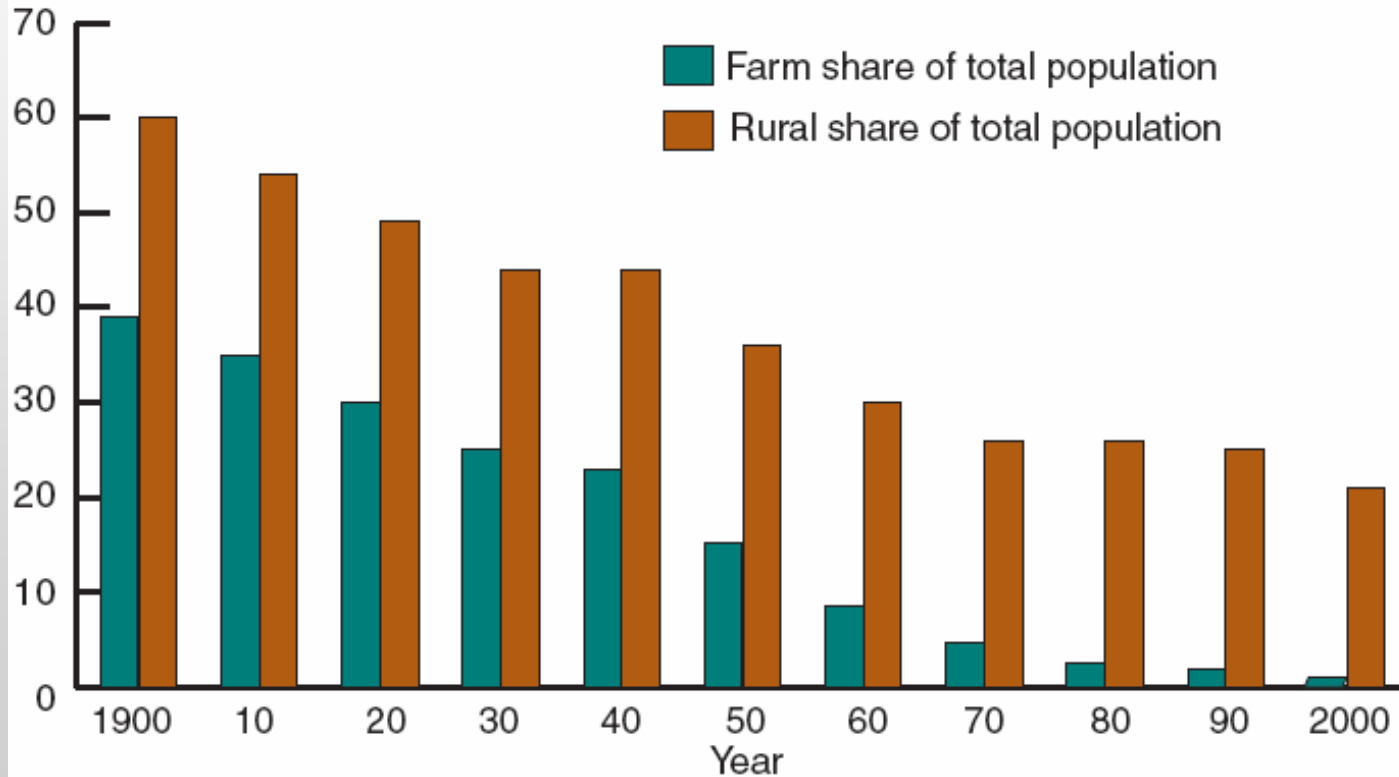
- 1900-1930: Agriculture and the economy
  - 41% of workforce
  - ~8% of GDP
- 2000: Agriculture and the economy
  - 1.9% of workforce
  - < 1% of GDP

# Agriculture and US population

Figure 1

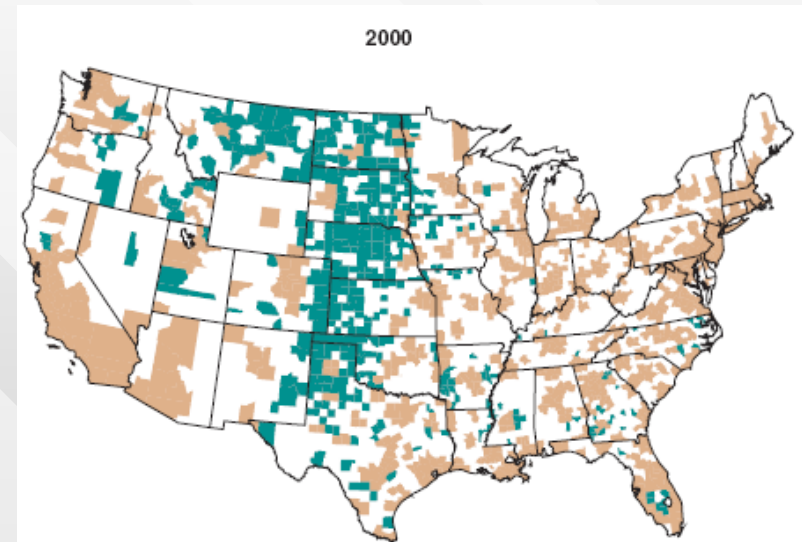
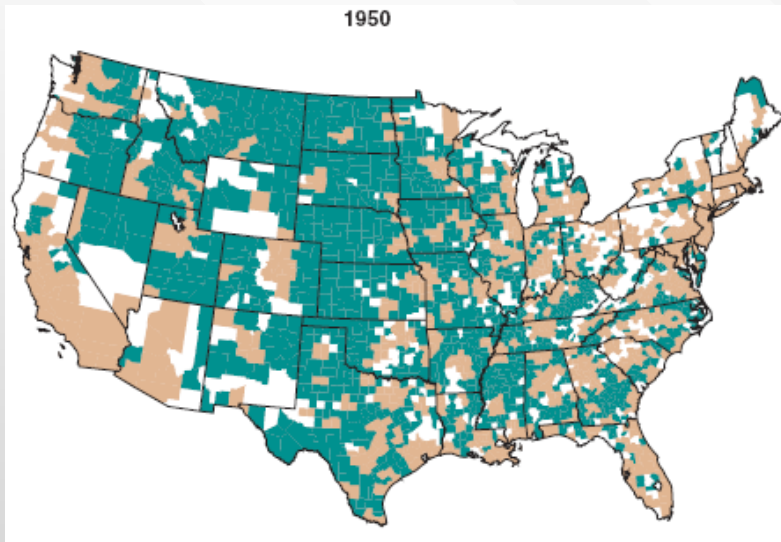
**Both the U.S. farm population and rural population have dwindled as a share of the Nation's overall population**




Percent



Sources: Share calculated by Economic Research Service, USDA using data from *Census of Agriculture*, *Census of Population*, and *Census of the United States*.

# Farming-dependent counties



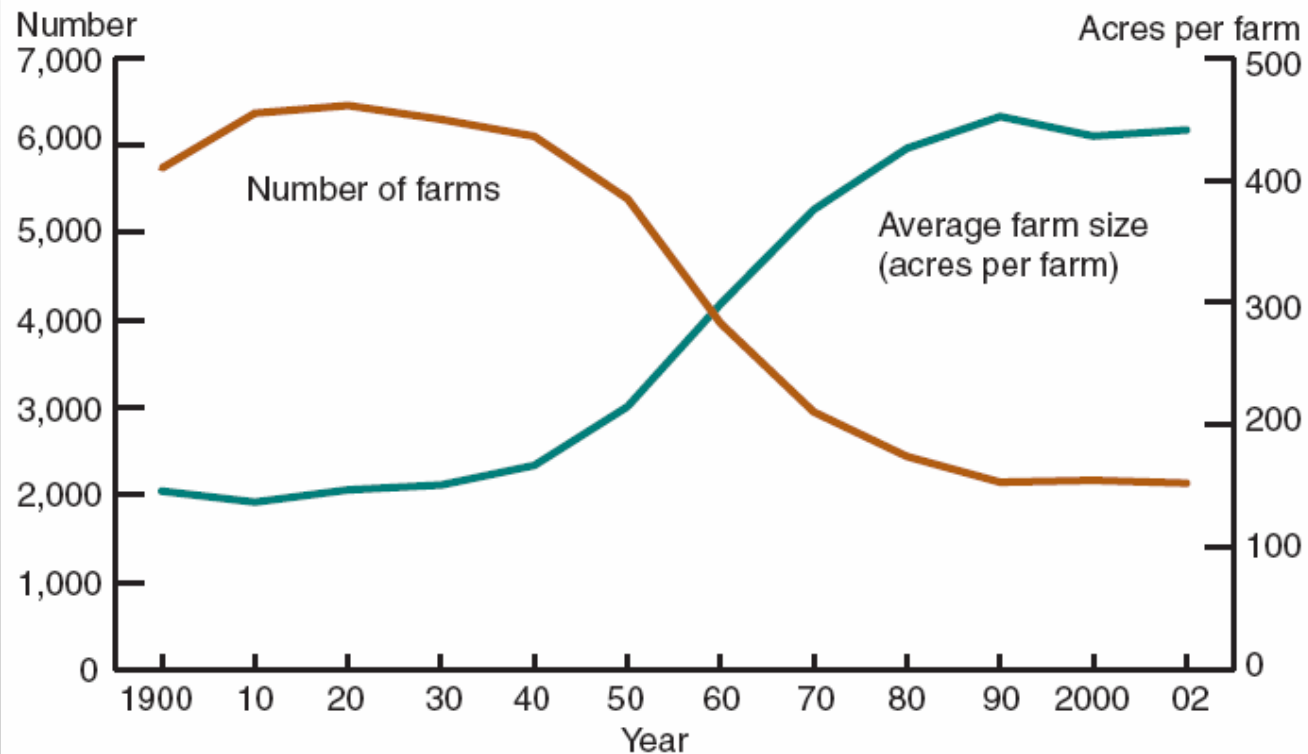
-  Nonmetro farming-dependent
-  Other nonmetro
-  Metro

Source: Economic Research Service, USDA. Farming-dependent counties are defined by ERS. For 1950, at least 20 percent of income in the county was derived from agriculture. For 2000, either 15 percent or more of average annual labor and proprietors' earnings were derived from farming during 1998-2000 or 15 percent or more of employed residents worked in farm occupations. Metro/nonmetro status is based on the Office of Management and Budget (OMB) June 2003 classification.

# Farm size over time

Figure 3

**As the number of farms declined, their average size increased**



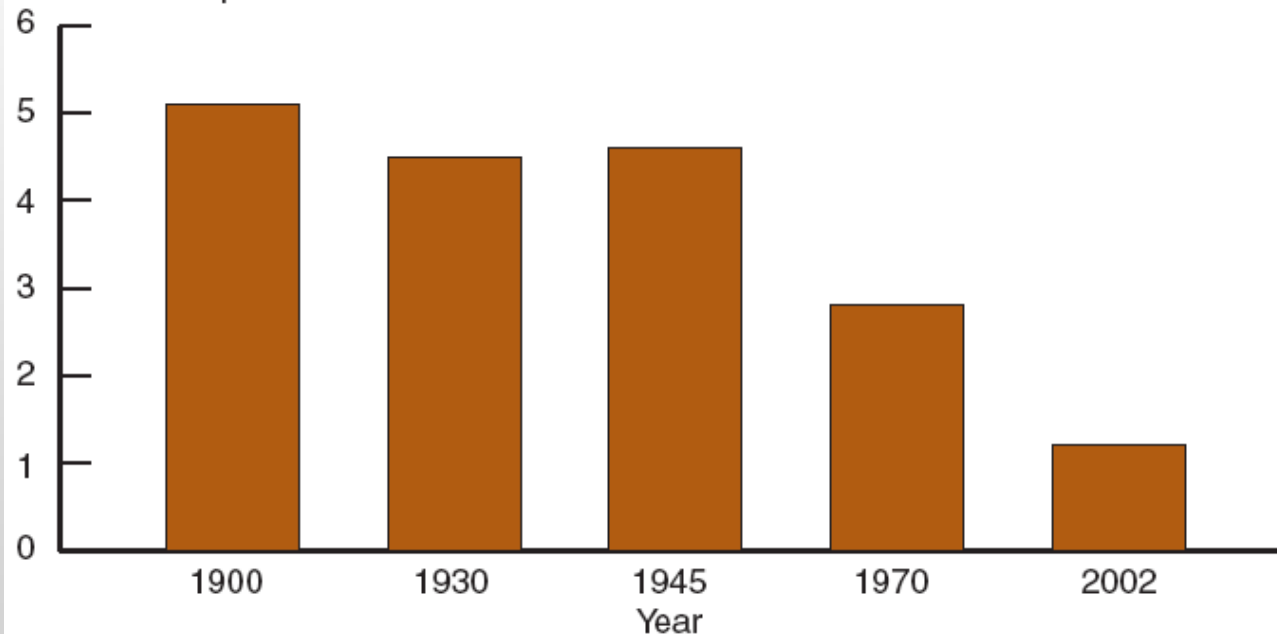
Source: Compiled by Economic Research Service, USDA, using data from *Census of Agriculture*, *Census of Population*, and *Census of the United States*.

# Commodity crops

Figure 4

**As farms have become more specialized, the number of commodities produced per farm has decreased**

Commodities per farm



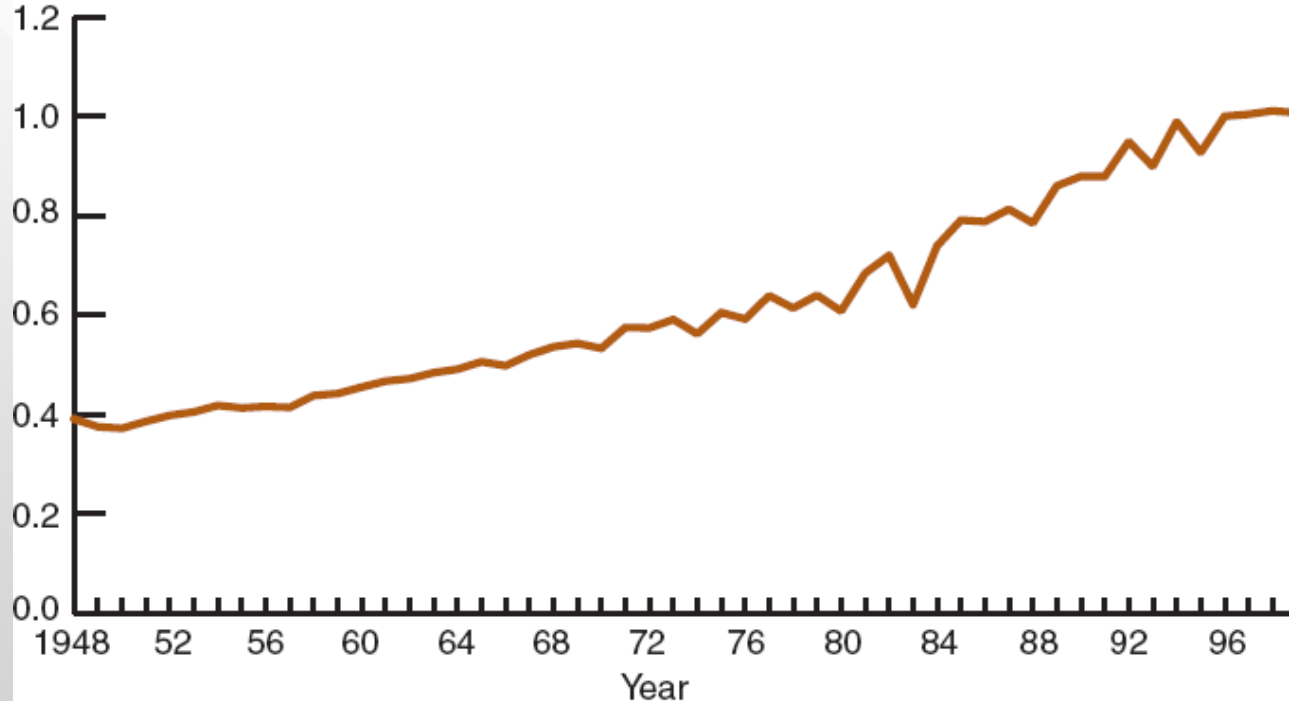
Note: The average number of commodities per farm is a simple average of the number of farms producing different commodities (corn, sorghum, wheat, oats, barley, rice, soybeans, peanuts, alfalfa, cotton, tobacco, sugar beets, potatoes, cattle, pigs, sheep, and chickens) divided by the total number of farms.

Source: Compiled by Economic Research Service, USDA, using data from *Census of Agriculture, Census of the United States*, and Gardner (2002).

# Farm productivity

## Farms are growing more productive

Total factor productivity (Index 1996=100)



Note: Productivity captures the increase in production not accounted for by the growth in quantity of inputs used, and is expressed as total factor productivity (the ratio of total outputs to total inputs). When total factor productivity is rising over time, a greater level of production can be obtained from the inputs used. Productivity changes result from changes in efficiency, the scale of production, and technical change.

Source: Economic Research Service, USDA, Agricultural Research and Productivity Briefing Room, <http://www.ers.usda.gov/briefing/AgResearch/>.