

Evaluating Credit Usage by Young or Beginning Farmers and Ranchers

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- The views presented here do not necessarily reflect the views of the US Department of Agriculture, The Farm Credit Council or the University of Arkansas

Purpose and Motivation

- Identify recent changes in numbers and shares of young and beginning farmer and rancher operations (YBFR)
- Identify changes in shares of YBFR operations reporting interest paid
- Gauge lender success and potential gaps in serving YBFRs
 - Young Farmer and Rancher (YFR) is < 35 years of age
 - Beginning Farmer and Rancher (BFR) has 10 or fewer years experience operating any farm
 - By Socially Disadvantaged Farmer & Rancher (SDFR) group
 - By state

Purpose and Motivation

- SDFRs are identified as belonging to historically underserved groups; USDA defines SDFR as:
 - Women
 - Hispanic, Latino, or Spanish Origin
 - American Indian or Alaska Native
 - Black or African American
 - Asian
 - Native Hawaiian or other Pacific Islander
- Increasing numbers of SDFRs
 - Predominately women (Pilgeram *et al.*, 2020)
 - And women of all ages and experience, including young and beginning women

Data and Methods

- USDA, National Agricultural Statistics Service, Census of Agriculture data for 2012 and 2017
 - YBFR and SDFR operations are identified as an operation where the principal operator in 2012 or primary producer in 2017 is a member of the particular YBFR group or SDFR group
 - Primary producer, from among up to four producers in 2017, is a
 - Principal Operator
 - Made the most decisions for the farm
 - » Worked fewest number of days off the farm
 - Listed first

Table 1. Primary Producers Identified as SDFR, 2017

SDFR Group	Number of SDFR	% of all primary producers
Women	489,000	23.9%
Hispanic	66,727	3.3%
Am Indian / Alaska Native	35,494	1.7%
Black / African Am	31,071	1.5%
Asian	11,955	0.6%
Native HI / other Pacific Islander	1,662	0.1%
More than one race	16,342	0.8%
SDFR Hispanic / non-White ^a	158,915	7.8%
Total SDFR ^b	604,019	29.6%
Total Primary Producers	2,042,220	100.0%

^a The number of SDFR Hispanic or non-White primary producers is the number of minority primary producers.

^b Primary producers can be counted in multiple SDFR groups, e.g., individual primary producer may report as Hispanic Black or Asian women. Therefore, the total number of SDFR primary producers is less than the sum of the SDFR groups.

Source: USDA, NASS, 2017 Census of Agriculture

Table 2. Principal Operators Identified as SDFR, 2012

SDFR Group	Number of SDFR	% of all primary producers
Women	288,264	13.7%
Hispanic	67,000	3.2%
Am Indian / Alaska Native	37,851	1.8%
Black / African Am	33,371	1.6%
Asian	13,669	0.6%
Native HI / other Pacific Islander	1,468	0.1%
More than one race	10,292	0.5%
SDFR Hispanic / non-White ^a	159,715	7.6%
Total SDFR^b	419,365	19.9%
Total Principal Operators	2,109,303	100.0%

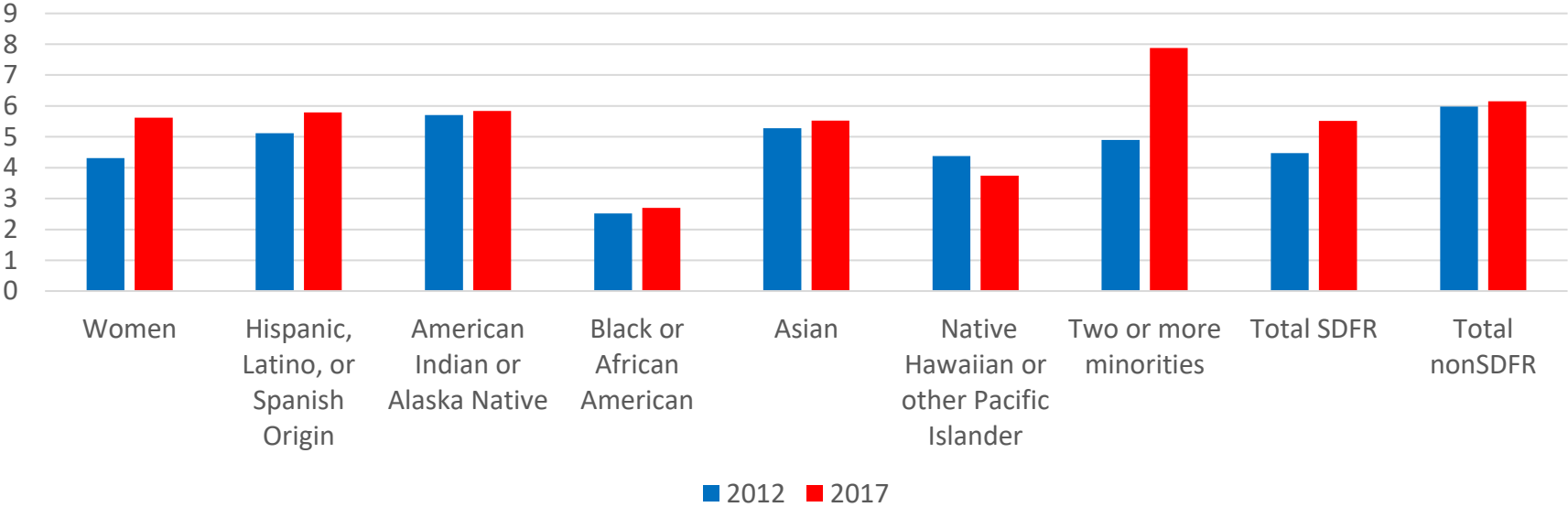
^a The number of SDFR Hispanic or non-White principal operators is the number of minority principal operators.

^b Principal operators can be counted in multiple SDFR groups, e.g., individual principal operator may report as Hispanic Black or Asian women. Therefore, the total number of SDFR principal operators is less than the sum of the SDFR groups.

Source: USDA, NASS, 2012 Census of Agriculture

Percent of total farms operated by a young primary producer has increased from 5.7% to 6.0%, and for most SDFR groups

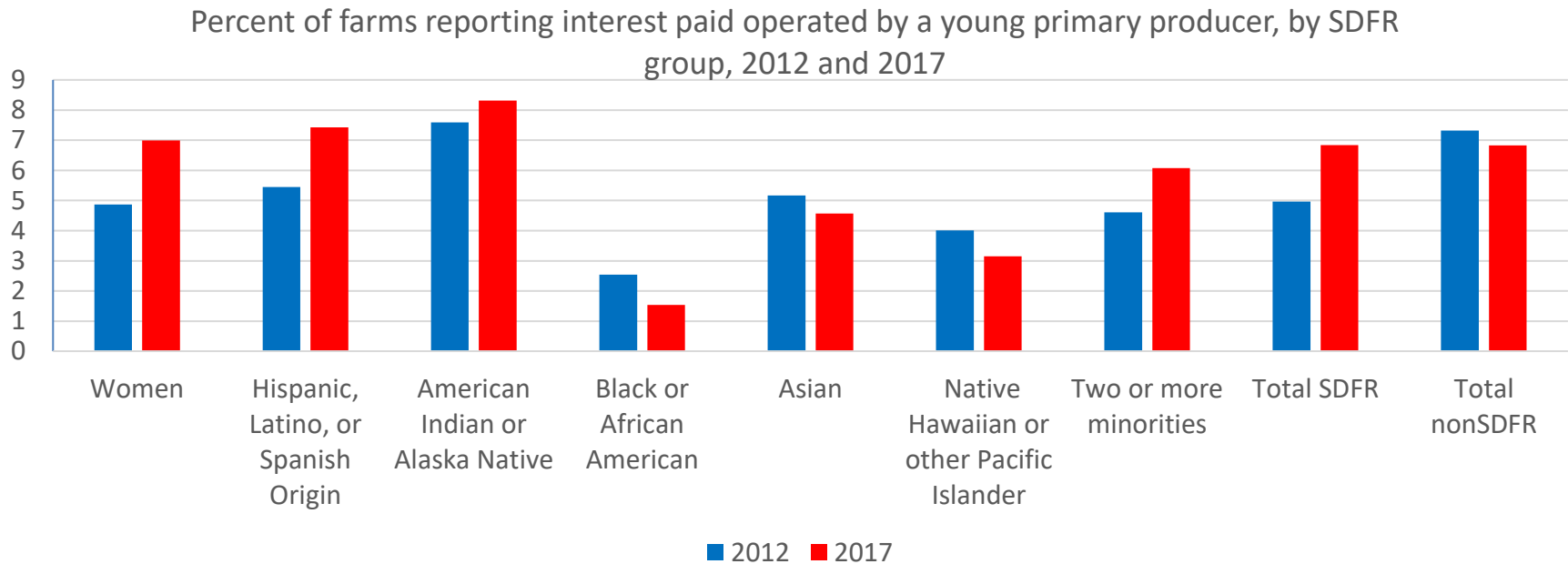
Percent of farms operated by a young primary producer, by SDFR group, 2012 and 2017



Young is less than 35 years of age

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author calculations

Percent of total farms reporting interest paid operated by a young primary producer decreased slightly from 7.0% to 6.8%, but not for most SDFR groups

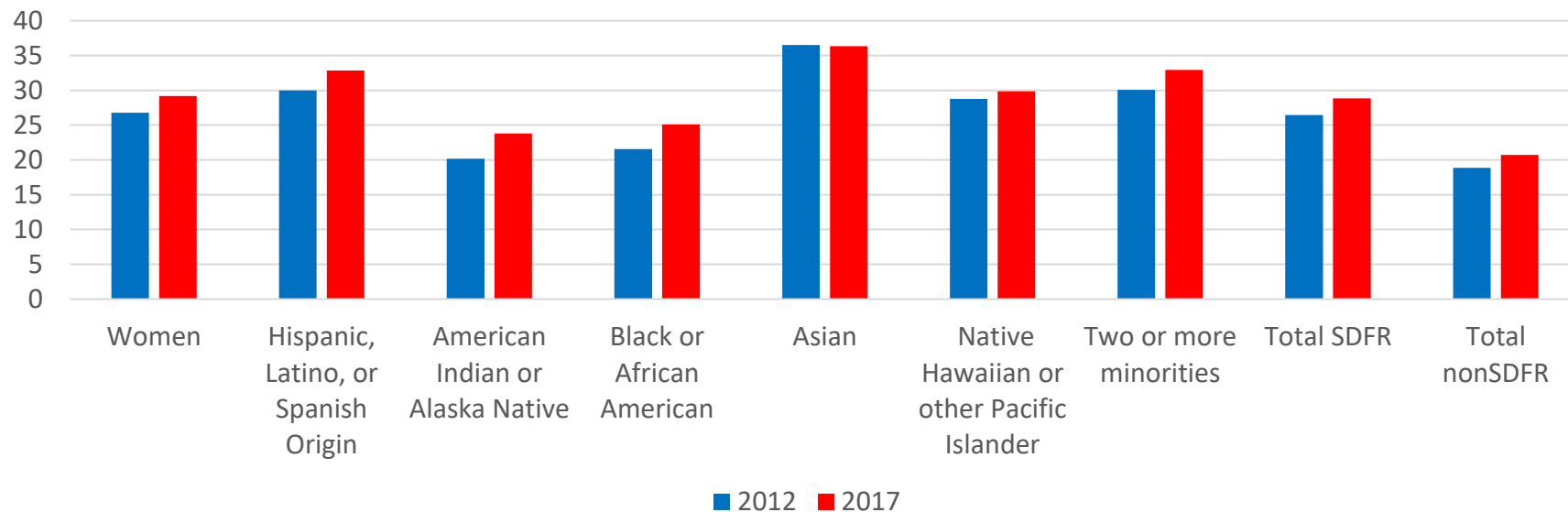


Young is less than 35 years of age

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author preliminary calculations

Percent of total farms operated by a beginning primary producer has increased from 20.4% to 23.1%

Percent of farms operated by a beginning primary producer, by SDFR group, 2012 and 2017

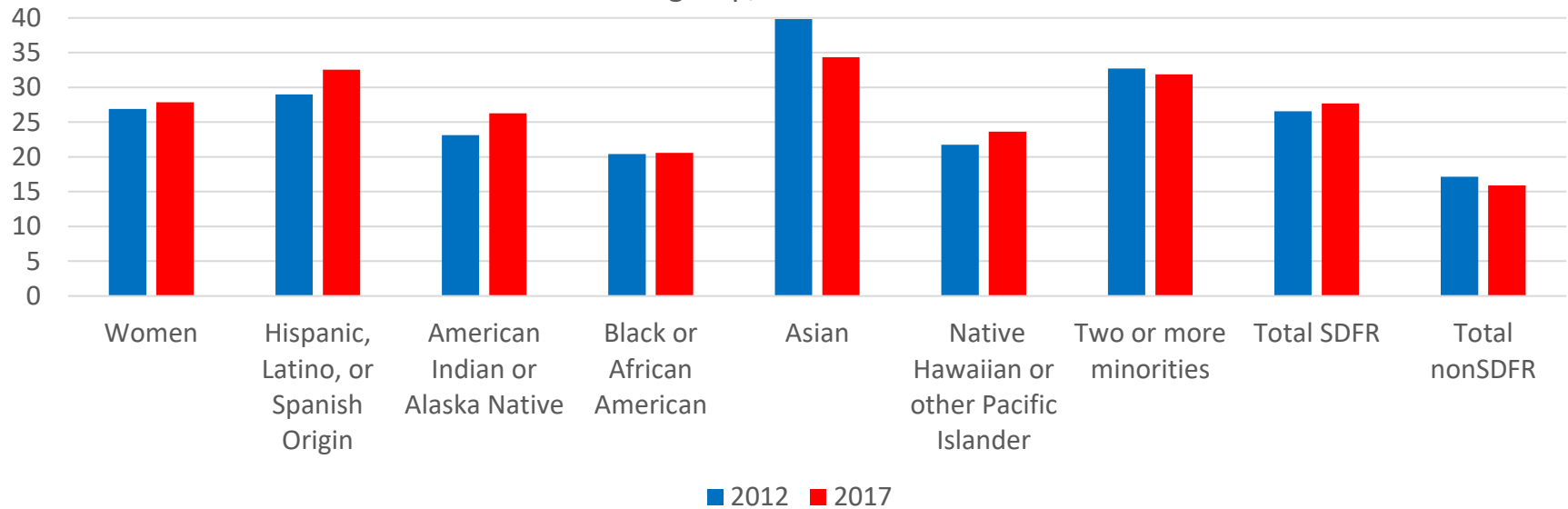


Beginning is 10 or fewer years operating any farm

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author calculations

Percent of total farms reporting interest paid operated by a beginning primary producer has remained at 18.5%, but most SDFR groups have increased

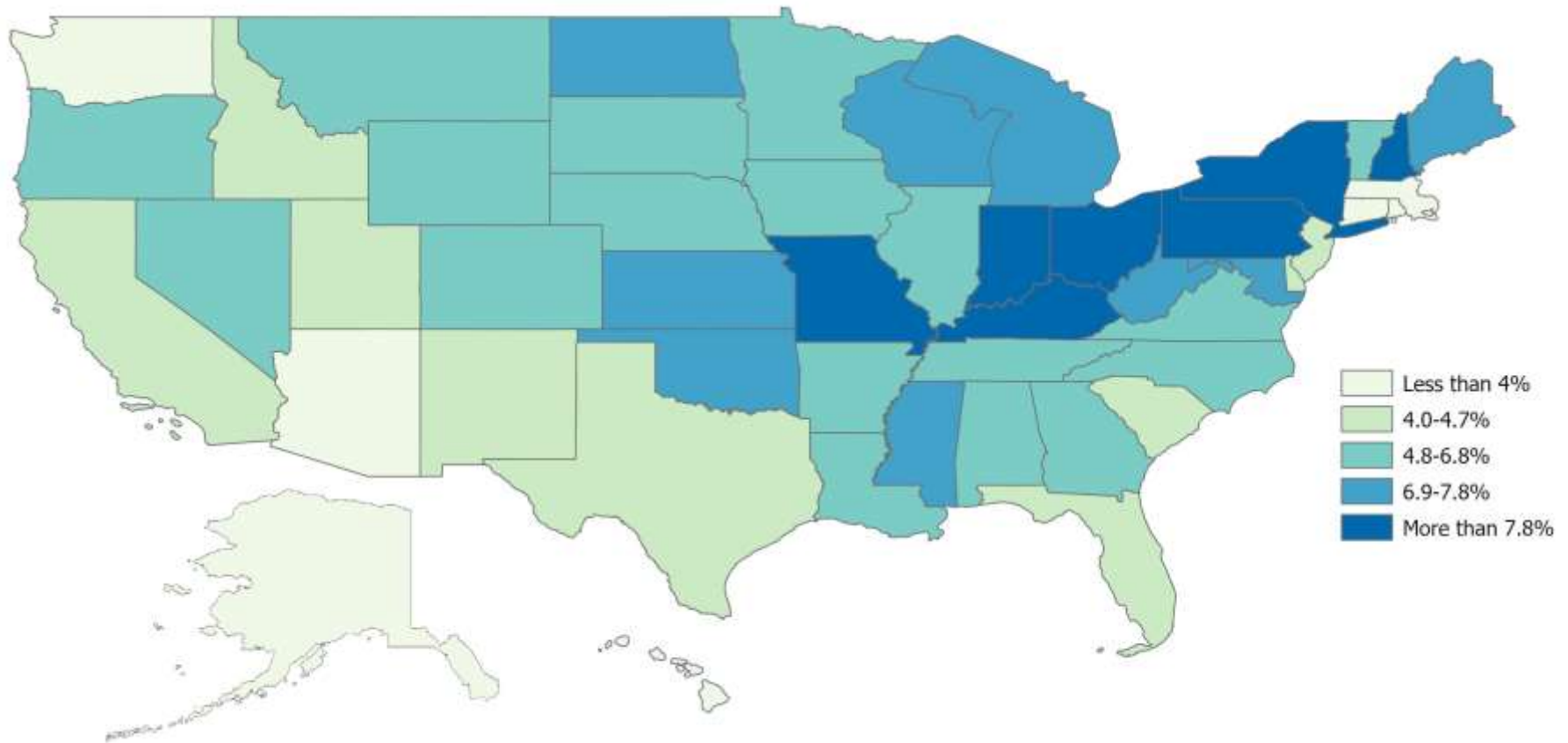
Percent of farms reporting interest paid operated by a beginning primary producer, by SDFR group, 2012 and 2017



Beginning is 10 or fewer years operating any farm

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author preliminary calculations

Percent of nonSDFR operated farms reporting interest paid that have a young primary producer, 2017

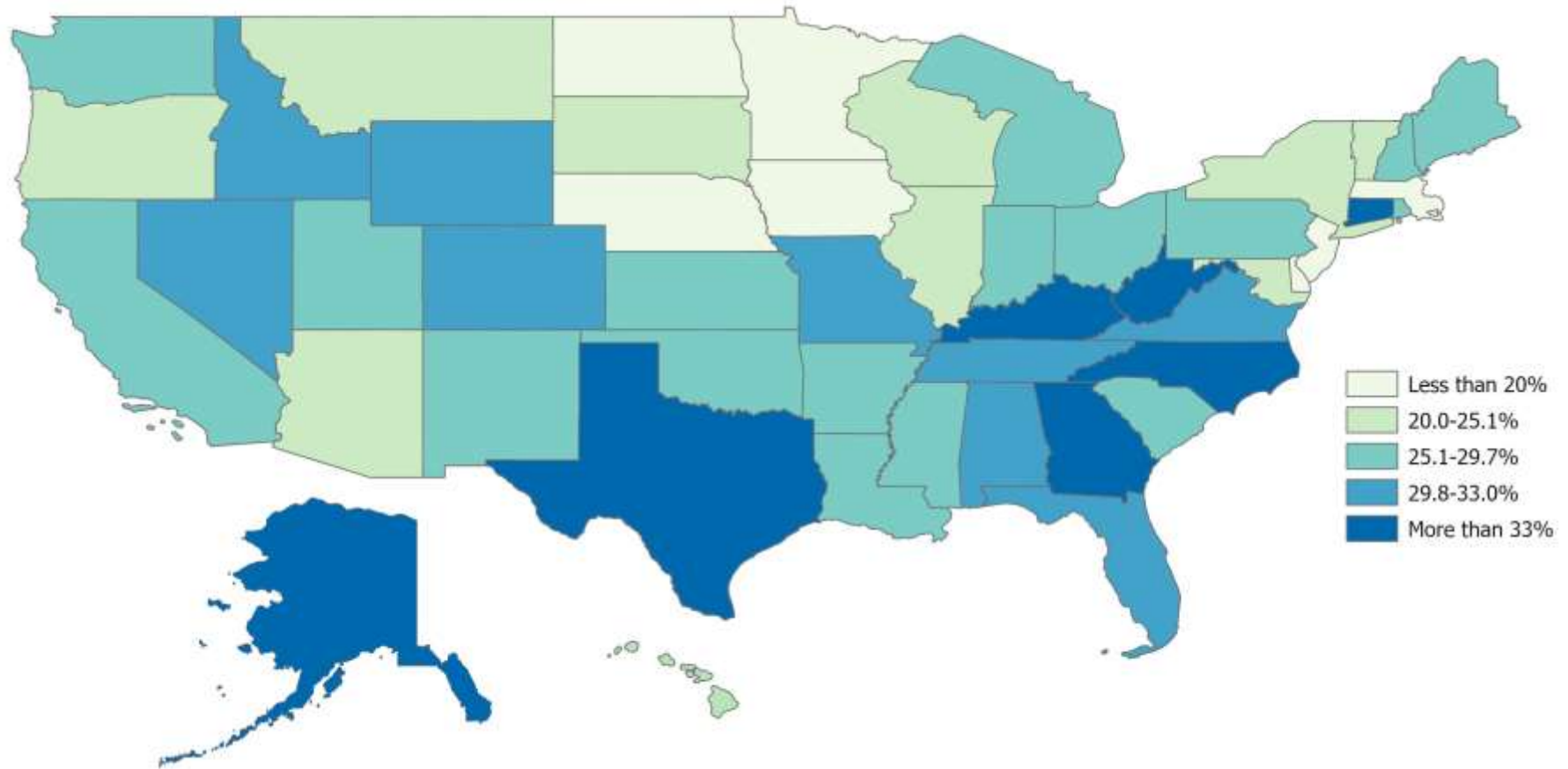


U.S. = 6.8% for interest paid
U.S. = 6.1% regardless of interest paid

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author preliminary calculations

Smaller percentages in parts of the west, southwest, and northeast
Larger percentages from Missouri to Vermont

Percent of SDFR operated farms reporting interest paid that have a beginning primary producer, 2017

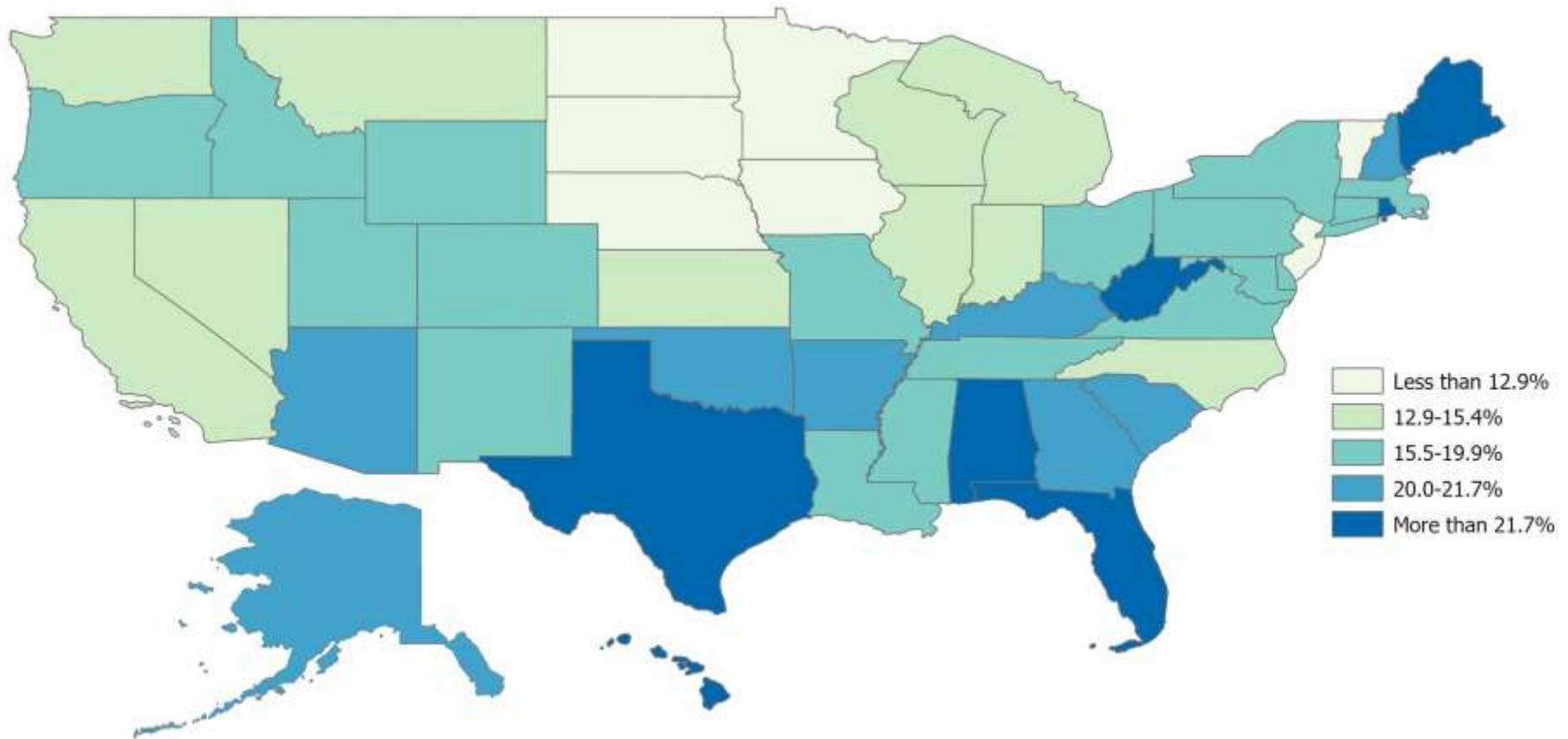


U.S. = 27.7% for interest paid
U.S. = 28.9% regardless of interest paid

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author preliminary calculations

Smaller percentages in parts of the northeast, northern plains, and upper Midwest
Larger percentages in parts of Appalachia and southeast

Percent of nonSDFR operated farms reporting interest paid that have a beginning primary producer, 2017



U.S. = 15.9% for interest paid
U.S. = 20.7% regardless of interest paid

Source: USDA, NASS, 2012 and 2017 Census of Agriculture, and author preliminary calculations

Smaller percentages in parts of the northern plains and upper Midwest
Larger percentages in parts of south, southeast, and northeast

Results (relative to all producers)

- SDFR operations are geographically concentrated and diverse
 - Women producers are slightly younger, more likely beginning farmer, smaller farm production
 - Hispanic producers are younger, more likely beginning farmers, smaller farm production, more likely specialty crops
 - American Indian or Alaska Native producers are younger, more likely female, smaller farm production, more likely livestock
 - Black or African American producers are older, smaller farm production, more likely beef cattle
 - Asian producers are younger, more likely beginning farmer, larger farm production, more likely specialty crops

Future Research

- Are there differences
 - Between young/beginning SDFR and non-SDFR operations
 - Among young/beginning SDFR operations
 - In
 - Amount of credit used
 - Value of production
 - Acreage
 - Take into account: farm size, credit needs, and days worked on farm

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