



2007 CENSUS OF AGRICULTURE

Agricultural Diversification

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Agricultural operations in the United States are becoming more diverse as farmers and ranchers look beyond commodity production to find new ways of generating income. Producers are finding that diversification can make their operations more profitable by providing additional income from agri-tourism and recreational services, government support, direct-to-consumer sales, and sales of value-added and specialty products, including certified organic products.

The 2007 Census of Agriculture showed that production of crop and livestock commodities for wholesale markets is still the primary source of U.S. farm income. U.S. farms sold \$297 billion in agricultural products through all market outlets in 2007, a 48 percent increase from 2002. Meanwhile, operators generated \$10 billion of income from other farm-related sources, up 79 percent from 2002, and received \$8 billion in government payments, up 22 percent.

Income (in thousands)	2007	2002	% Change
Market Value of Products Sold			
All Farms	\$297,220,491	\$200,646,355	48%
Average Per Farm	\$134,807	\$94,245	43%
Other Farm-Related Sources*			
All Farms	\$10,489,874	\$5,859,226	79%
Average Per Farm	\$15,133	\$9,421	61%
Government Payments Received			
All Farms	\$7,983,922	\$6,545,678	22%
Average Per Farm	\$9,523	\$9,251	3%

*Other farm-related sources include agricultural activities other than crop and livestock output that generated income and depended upon resources from the farm enterprise.

U.S. Department
of Agriculture

National Agricultural
Statistics Service



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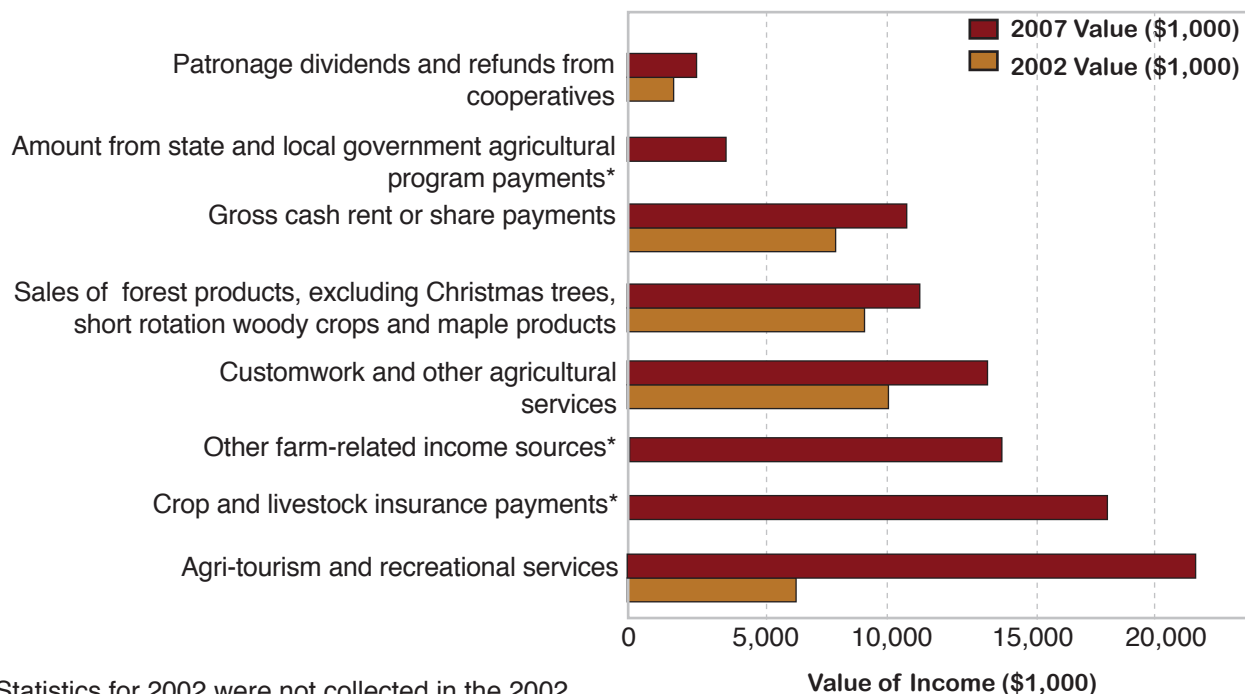
Farm-Related Income Sources

In 2007, farms with sales less than \$250,000 accounted for 58.2 percent of all farm-related income, while farms with sales of \$250,000 to \$999,999 accounted for 23.6 percent and farms with sales of \$1 million or more accounted for 18.2 percent. The activities providing the highest average income in 2007 were:

- agri-tourism and recreational services,
- crop and livestock insurance payments, and
- other farm-related income sources, including custom harvesting, forestry sales and farmhouse rental.

The number of farms offering agri-tourism and recreational services declined 17 percent between 2002 and 2007. However, the income generated from these services increased significantly. Farms providing agri-tourism and recreational services generated an average income of \$24,276 in 2007, an increase of 236 percent from 2002. Meanwhile, crop and livestock insurance payments generated an average income of \$20,448 per farm and other farm-related sources generated an average of \$15,902 per farm in 2007.

Other Farm Income Sources — Average Income Per Farm (Dollars)



Agricultural Diversification

Wholesale and Direct-to-Consumer Sales

Commodity sales remain the primary source of income for U.S. farms and ranches. In 2007, the top three commodities—cattle and calves, corn, and poultry and eggs—accounted for 46.5 percent of total sales.

Commodity	Percent of Total Sales
Cattle and calves	20.6
Corn	13.4
Poultry and eggs	12.5
Milk and other dairy products from cows	10.7
Soybeans	6.8
Fruits, tree nuts, and berries	6.3
Hogs and pigs	6.1
Nursery, greenhouse, floriculture, and sod	5.6
Vegetables, melons, potatoes, and sweet potatoes	4.9
Wheat	3.6
Other crops and hay	3.3
Cotton and cottonseed	1.6
All Other	4.5

While most commodities were sold via wholesale channels, some were sold directly to individuals. In 2007, there were 136,817 farms that sold agricultural products directly for human consumption, up 17.2 percent from 2002. However, the value of direct sales nationwide totaled \$1.21 billion, accounting for just 0.4 percent of total sales in the United States.

Nearly all farms that engaged in direct sales were small farms—those with sales less than \$250,000. These farms generated 56.7 percent of the total value of agricultural products sold directly to consumers. Census results show that direct sales marketing was most common among family or individual farms. In particular, small family farms (which include limited resource, retirement, and residential/lifestyle) accounted for 93.3 percent of all farms engaged in direct sales.

For more information:

www.nass.usda.gov

www.agcensus.usda.gov

Agricultural Statistics

Hotline
(800) 727-9540



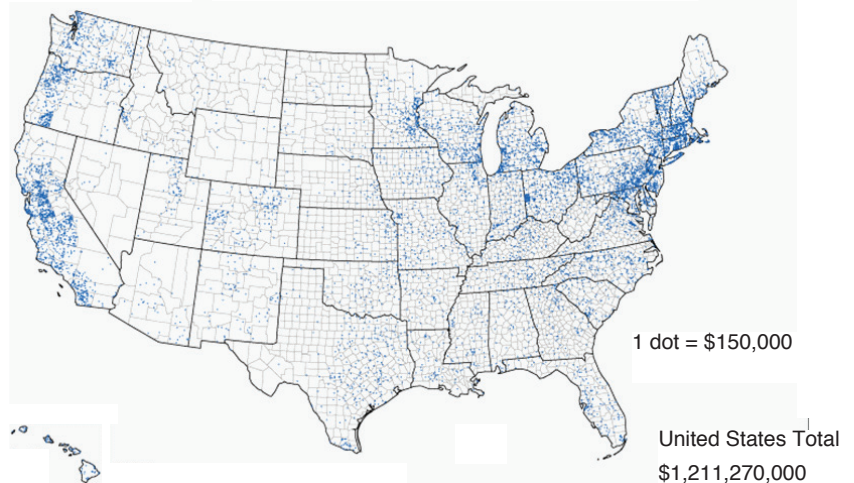
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Geography of Value of Direct Sales

California has the most direct sales of agricultural products, accounting for 13.4 percent of total direct sales in the United States. New York and Pennsylvania followed, with 6.4 and 6.3 percent of total direct sales nationwide. Together, the three states generated more than a quarter (26.1 percent) of the nation's direct sales.



Value of Agricultural Products Sold Directly to Individuals for Human Consumption: 2007



Community Supported Agriculture

In 2007, there were 12,549 farms that marketed products by way of community supported agriculture (CSA) arrangements. These arrangements were especially popular in California, Iowa, Kentucky, Michigan and Texas, which together accounted for more than a quarter (26.5 percent) of farms with CSA sales.

Value-Added Products

Value-added products such as beef jerky, fruit jams and floral arrangements, were sold on 78,418 farms nationwide in 2007. Ten percent of these operations were located in Texas.

Organic Sales

The sale of organic agricultural products generated \$1.7 billion in income for farms nationwide in 2007. More than a third (38.4 percent) of all U.S. organic sales was from California followed by Washington and Oregon at 9.3 percent and 5.2 percent, respectively. Organic products included crops, livestock and poultry and their products.

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