



The Hand That Feeds U.S.

Family-Owned Businesses are Still the Face of Farming

Critics of agriculture and U.S. farm policy want Americans to believe that ADM, Cargill, Kraft and other multi-billion-dollar conglomerates are growing the country's food and fiber. That's simply not the case—the risks are too high and the profits are too low for large corporations to get heavily involved in farming.

America's farms remain a family affair, and America's farm policy helps keep it that way. Indeed, a careful examination would reveal that those sectors of U.S. agricultural production that opted against having a direct form of a safety net in the farm bill have been the most susceptible to vertical integration with large agribusinesses, while sectors with a direct safety net remain independent and family-owned.



- 98% of U.S. farms are family-owned. The number of non-family corporate farms—and percentage of sales from those farms—has remained virtually unchanged since 1978. *Source: USDA*
- The USDA defines a farm as an entity that would normally market at least \$1,000 of agricultural products. Using that threshold, there are only 2.2 million farms in our nation of more than 300 million people.
- Here's how the USDA breaks down these 2.2 million farms:
 - 125,000 (6%) have gross sales of more than \$500,000 and produce 75% of the country's food and fiber—these entities are mainly family owned and are considered full-time farmers. Even an 800-acre corn and soybean farm would fit into this category.
 - 775,000 (34%) have gross sales between \$10,000 and \$500,000 and produce 23% of the country's food and fiber—these entities vary greatly in size. They contribute meaningfully to America's food security but still earn much of their income from non-farm sources.
 - 1.3 million (60%) have gross sales under \$10,000 and produce less than 2% of the country's food and fiber—these family operators are hobby farmers, enjoying the rural way of life, but do not rely on farm income for a living.
- Gross Sales should not be confused with Net Profit. According to USDA figures, a 650-acre Texas cotton farm will need to sell more than \$500,000 in a year just to cover production costs.
- The most profitable side of the food business is in processing and marketing, and that's where you'll find the large corporations. For example, a \$2.99 loaf of bread only contains 12 cents worth of wheat and a 90-cent candy bar has barely a penny of sugar. *Source: National Farmer's Union, American Sugar Alliance*

***"The farmer is the only man in our economy who buys everything at retail,
sells everything at wholesale, and pays the freight both ways."***

— President John F. Kennedy