

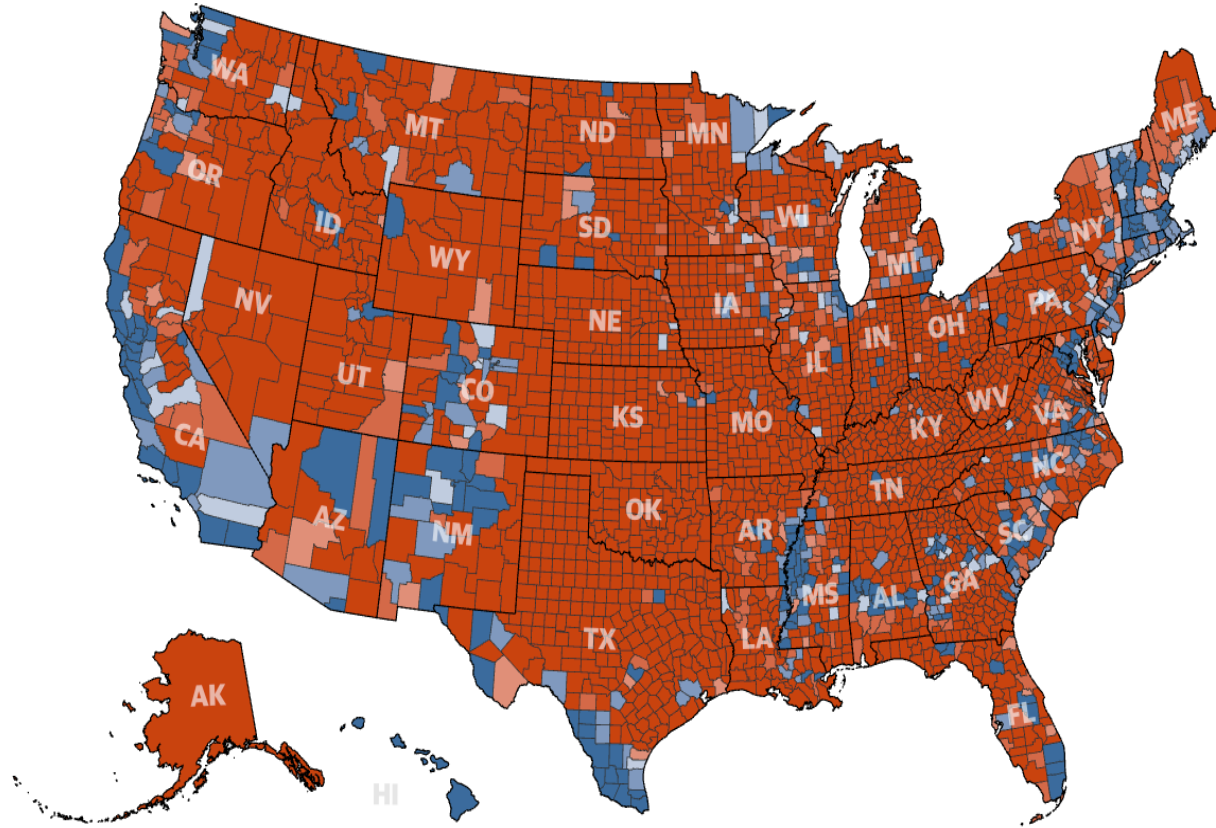
Is the Farm Economy the Rural Economy?

Scott Faber

Senior Vice President

Environmental Working Group

“There is real potential for a crisis in rural America”



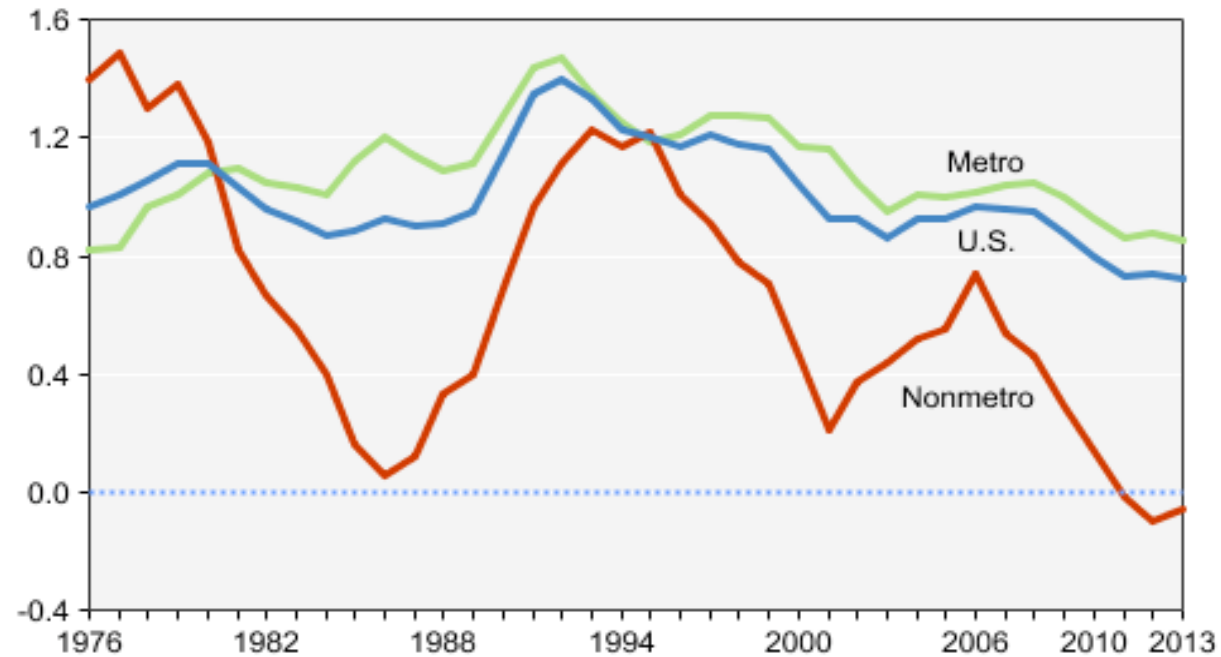
US

170,791/171,332 (>99%) precincts reporting



Population change by metro/nonmetro status, 1976-2013

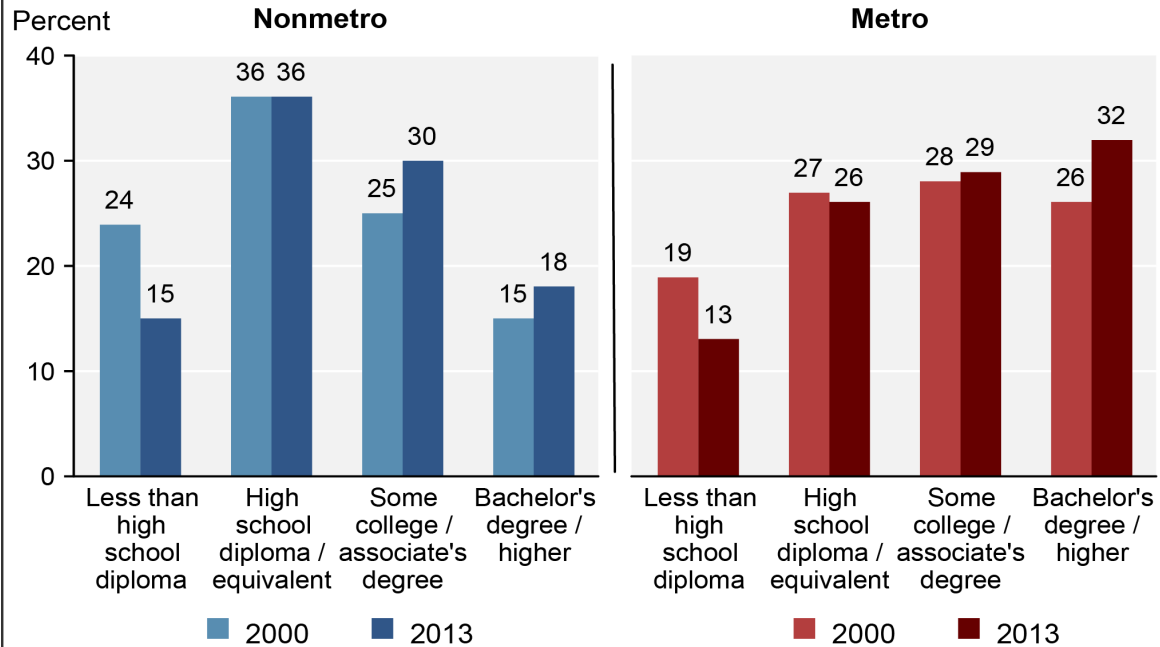
Percent change from previous year



Note: Metro status changed for some counties in 1980, 1990, 2000, and 2010. Rates are imputed for 1989-1990, 1999-2000, and 2009-10.

Source: USDA, Economic Research Service using data from U.S. Census Bureau.

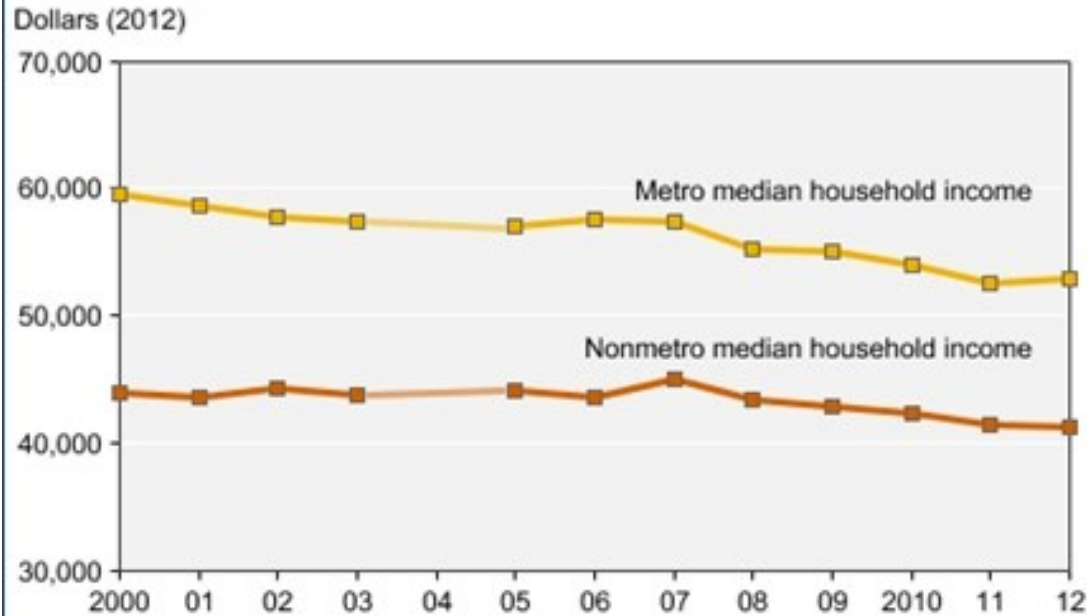
Educational attainment for adults 25 and older, 2000 and 2013



Note: Metro/nonmetro status determined by Office of Management and Budget's 2013 metropolitan area definitions.

Source: USDA, Economic Research Service using data from the U.S. Census Bureau's 2000 Census and 2013 American Community Survey.

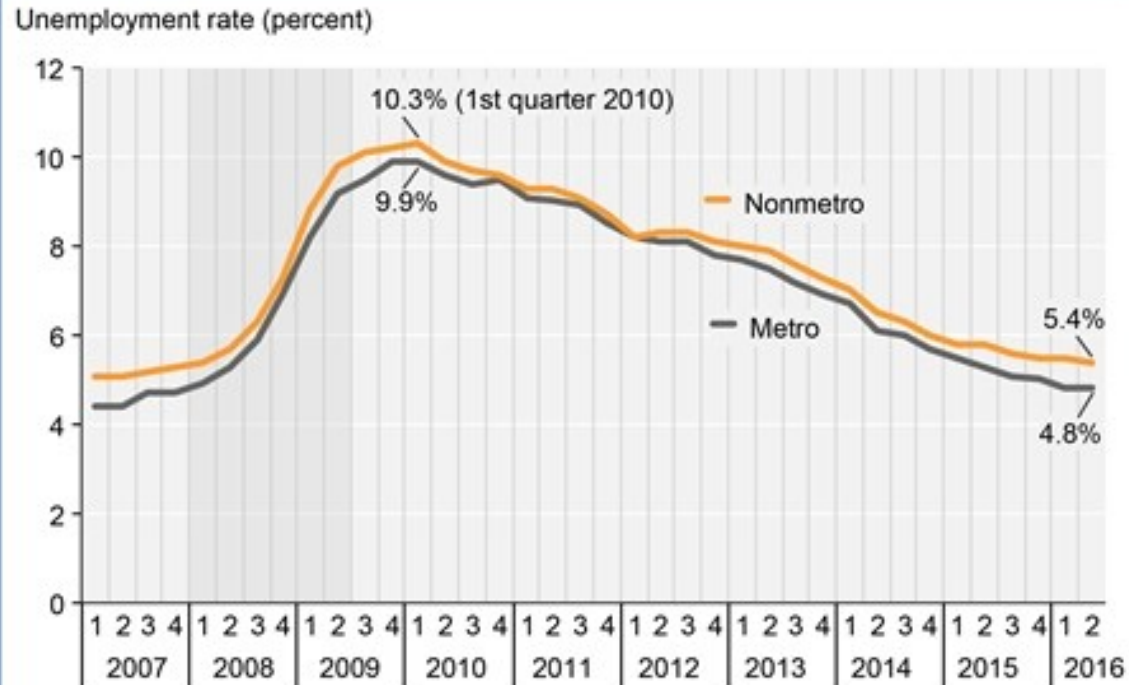
Real median household income by residence, 2000-12 (in 2012 dollars)



Notes: The definition of metropolitan areas changed during the course of 2004 and metro/nonmetro estimates for 2004 are not available. Post-2004 estimates reflect the 2003 Office of Management and Budget metro/nonmetro definitions.

Source: USDA, Economic Research Service using data from U.S. Census Bureau's P-60 reports and updates. Inflation-adjusted using CPI-U.

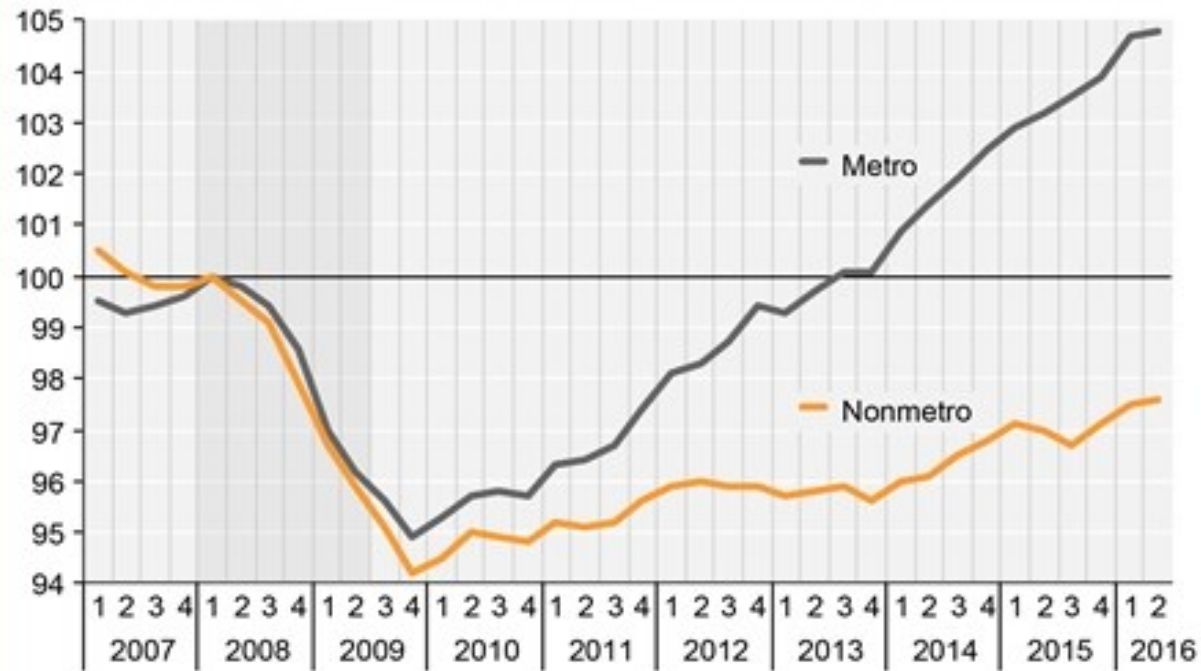
U.S. unemployment rates, metro and nonmetro areas, 2007-2016 (quarterly)



Notes: Data are seasonally adjusted. Shaded area indicates recession period.
Source: USDA, Economic Research Service using data from Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS) data.

U.S. employment, metro and nonmetro areas, 2007-2016 (quarterly)

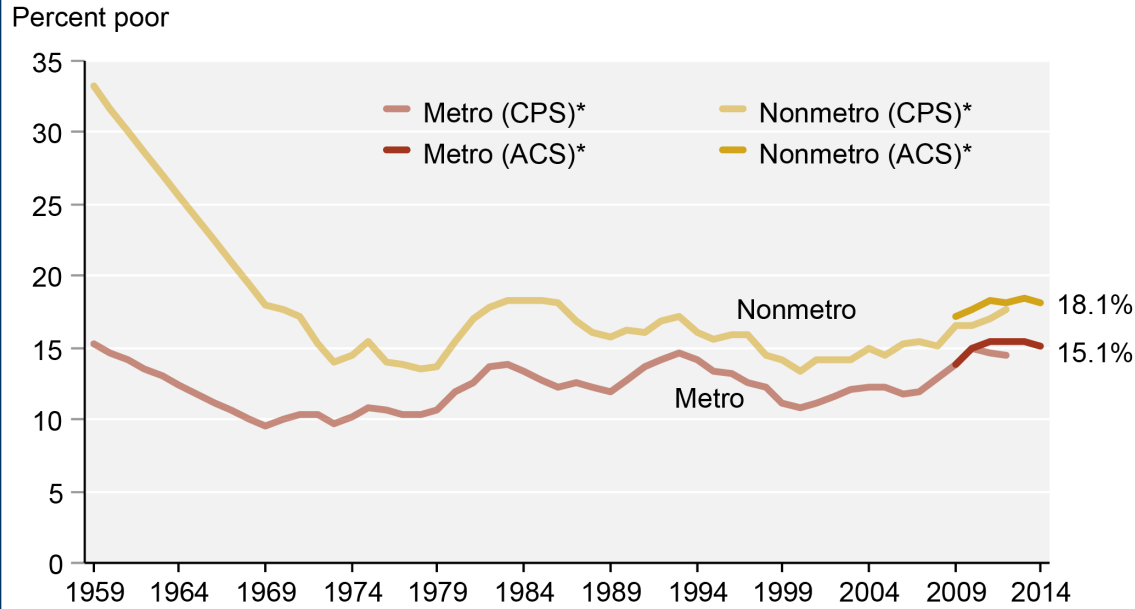
Employment, index (2008 Q1=100)



Notes: Data are seasonally adjusted. Shaded area indicates recession period.

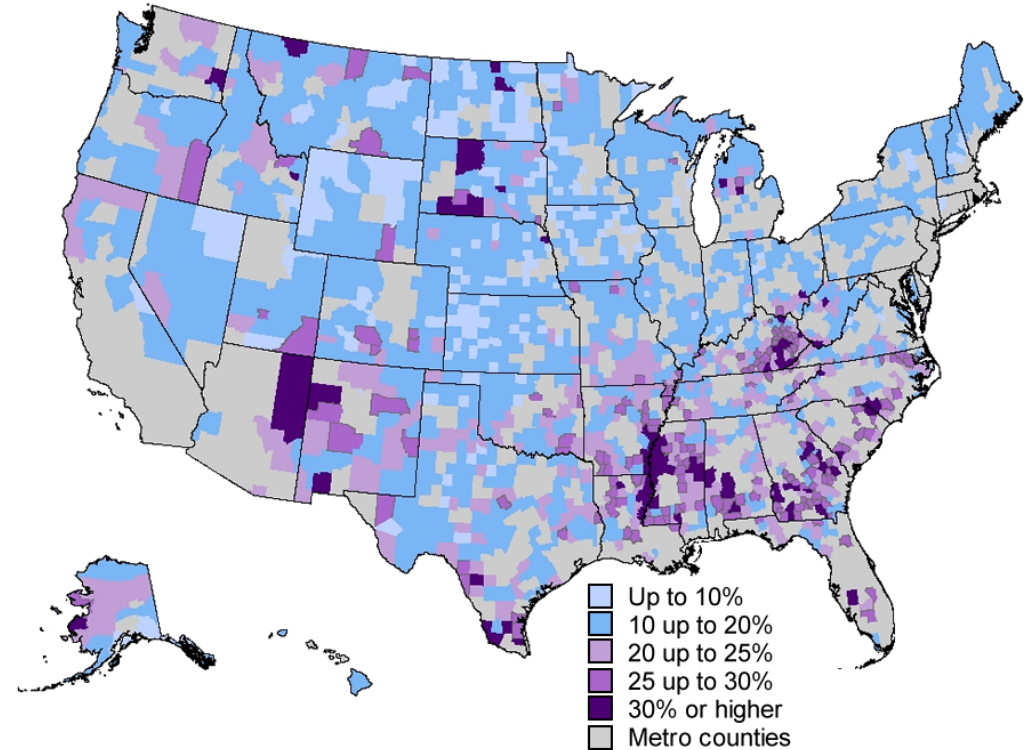
Source: USDA, Economic Research Service using data from Bureau of Labor Statistics, Local Area Unemployment Statistics (LAUS).

Poverty rates by metro/nonmetro residence, 1959-2014



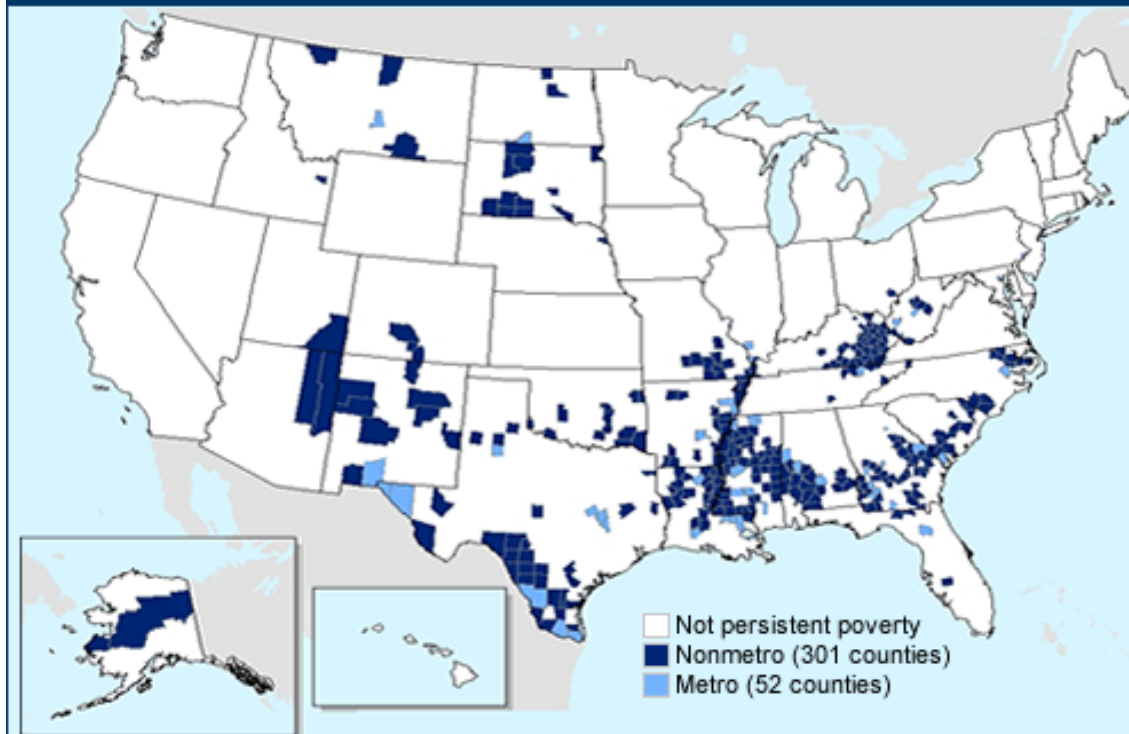
Note: Metro status of some counties changed in 1984, 1994, 2004, and 2014.
 Source: Calculated by USDA, Economic Research Service using data from the U.S. Census Bureau's Current Population Survey (CPS) 1960-2013 and annual American Community Survey (ACS) estimates for 2009-14.
 *CPS poverty status is based on family income in prior year and ACS poverty status is based on family income in the past 12 months.

Nonmetro county poverty rates, 2010-14 average



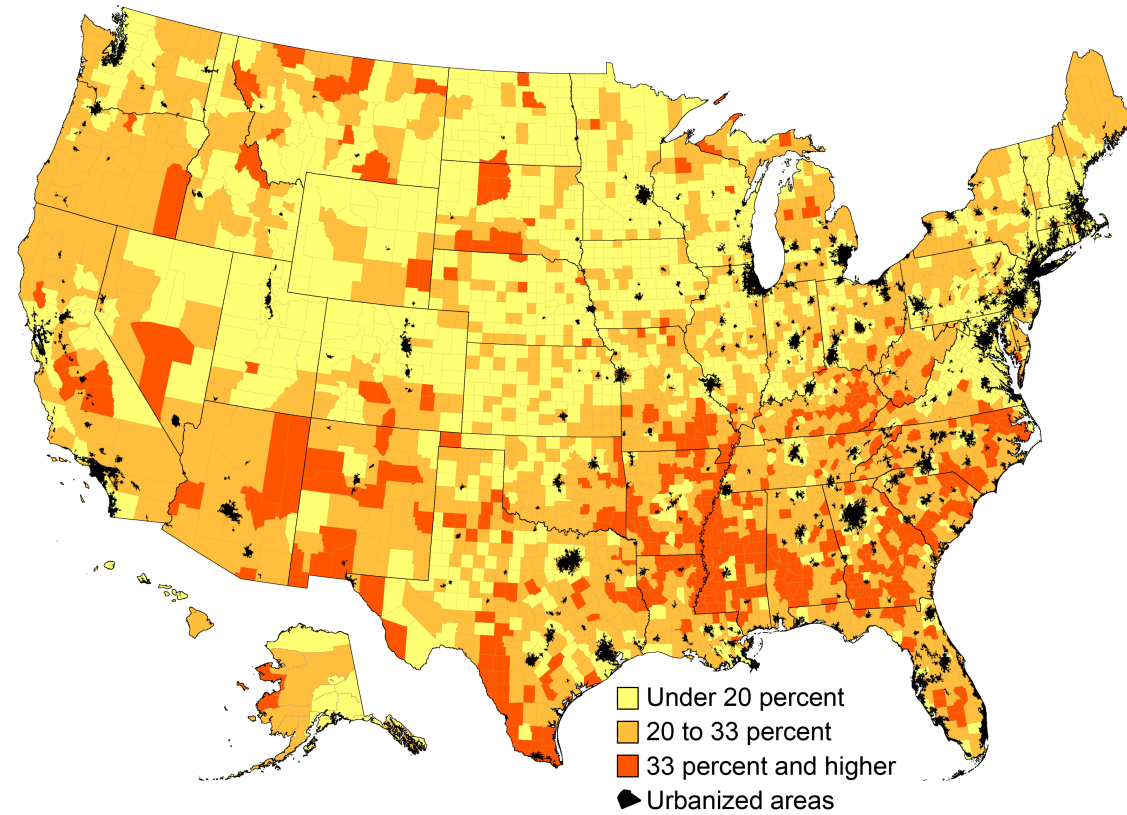
Source: USDA, Economic Research Service using data from U.S. Census Bureau, 2010-14 American Community Survey, and 2013 Office of Management and Budget nonmetro/metro county designations.

Persistent poverty counties



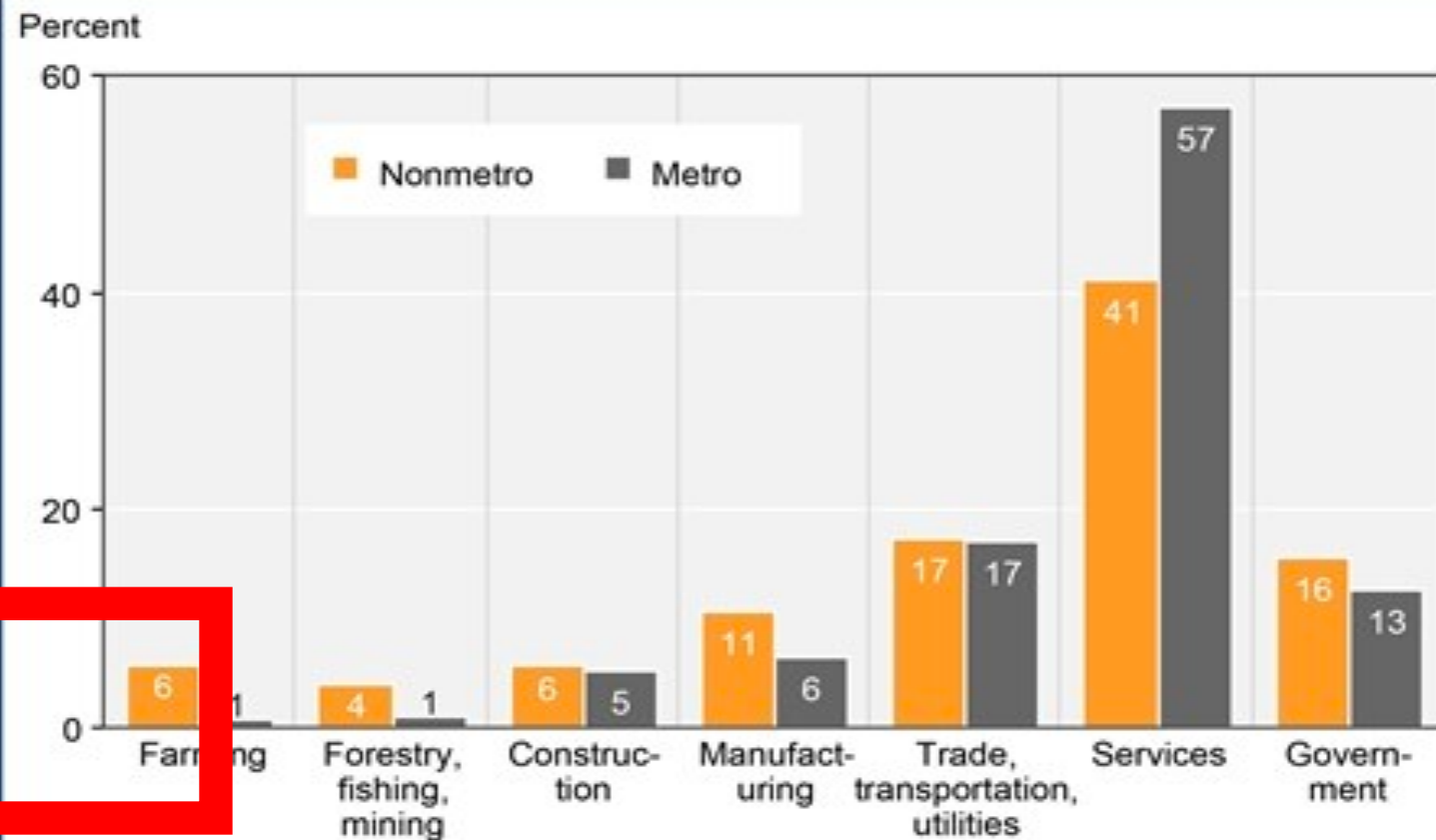
Source: USDA, Economic Research Service. Persistent poverty counties had poverty rates of at least 20 percent in each U.S. Census 1980, 1990, and 2000, and American Community Survey 5-year estimates, 2007-11.

Poverty rates for children under 18 by county, 2009-13



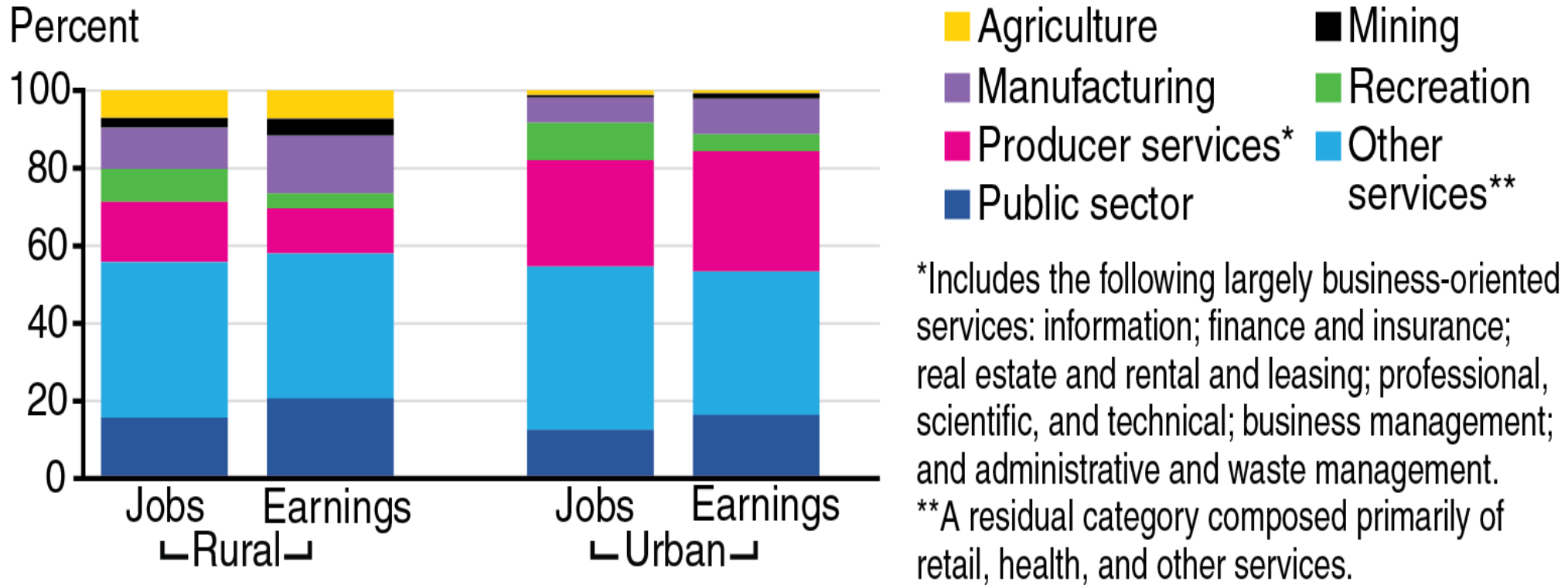
Source: USDA, Economic Research Service using data from U.S. Census Bureau, American Community Survey 5-year averages, 2009-13. Mapped variable is percent of related children under 18 living in poverty, 2009-13 county average.

Distribution of nonmetro and metro employment by industry group, 2014



Note: Employment is full-time and part-time jobs, by place of work.
Source: USDA, Economic Research Service using data from Bureau of Economic Analysis.

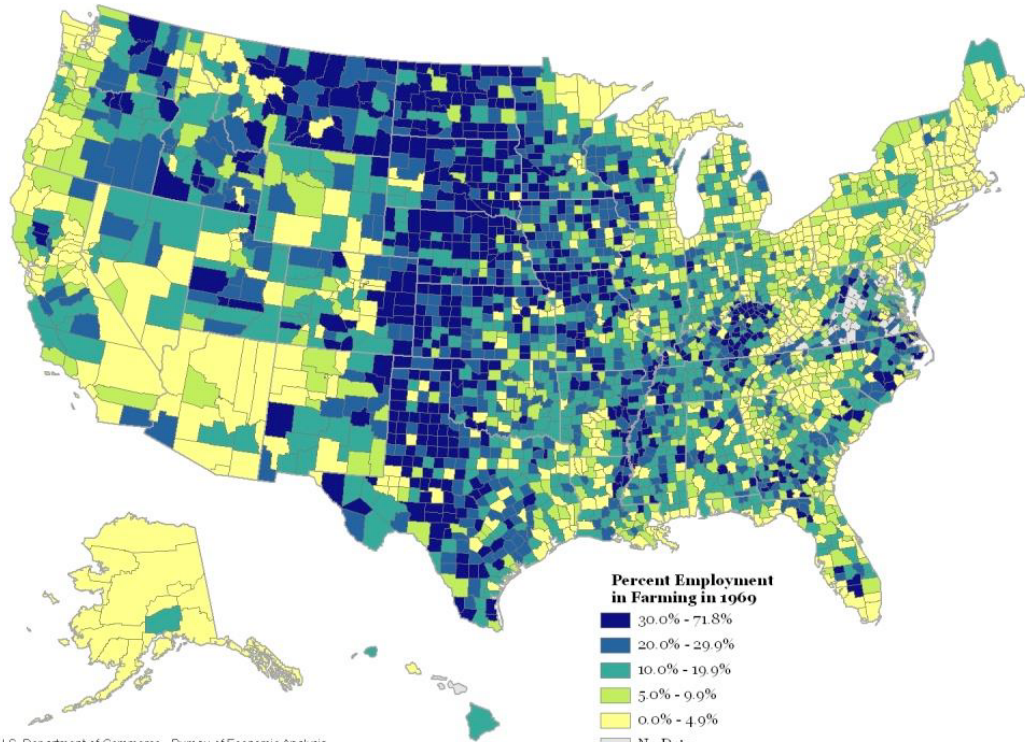
Producer services play a larger role in the labor market in urban areas, 2014



Note: Data shown are for 2014. Recreation and related includes accommodation and food services. Agriculture and related also includes forestry, hunting, and fisheries.

Source: USDA, Economic Research Service based on data from the Bureau of Economic Analysis, U.S. Department of Commerce.

Percent of County Employment in Farming, 1969



Percent Employment in Farming in 1969

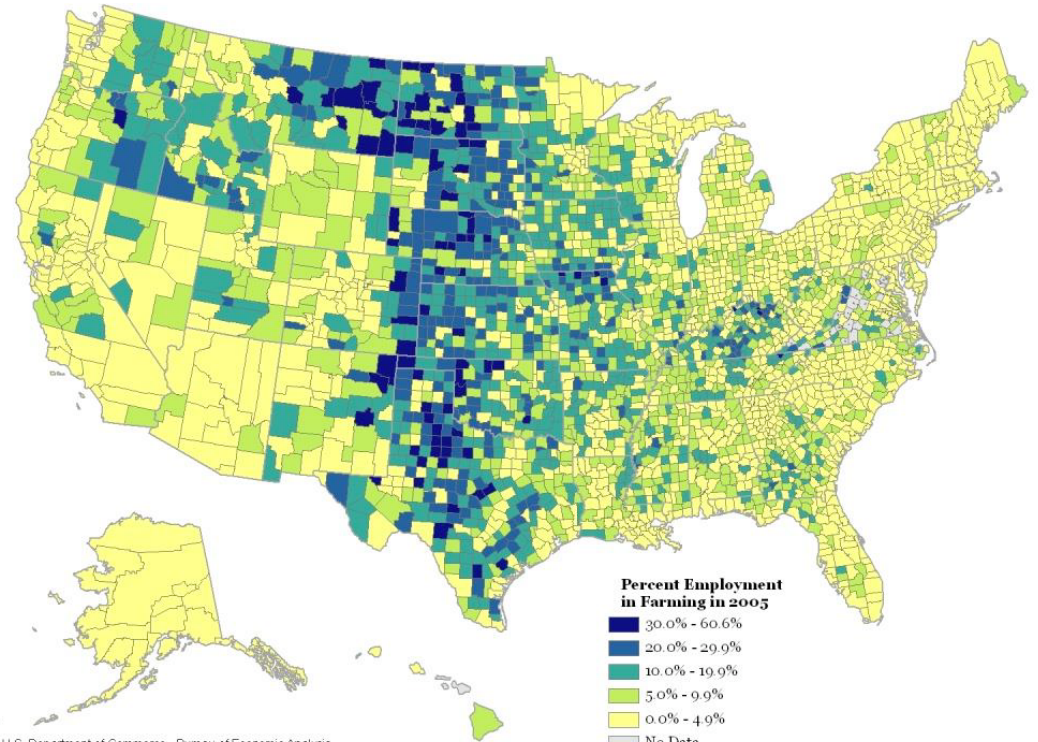
- 30.0% - 71.8%
- 20.0% - 29.9%
- 10.0% - 19.9%
- 5.0% - 9.9%
- 0.0% - 4.9%
- No Data

Sources: U.S. Department of Commerce - Bureau of Economic Analysis, Regional Economic Information System. April, 2007.

RUPRI's Community Information Resource Center. August, 2007.

rupri Rural Policy Research Institute's
Community Information Resource Center

Percent of County Employment in Farming, 2005



Percent Employment in Farming in 2005

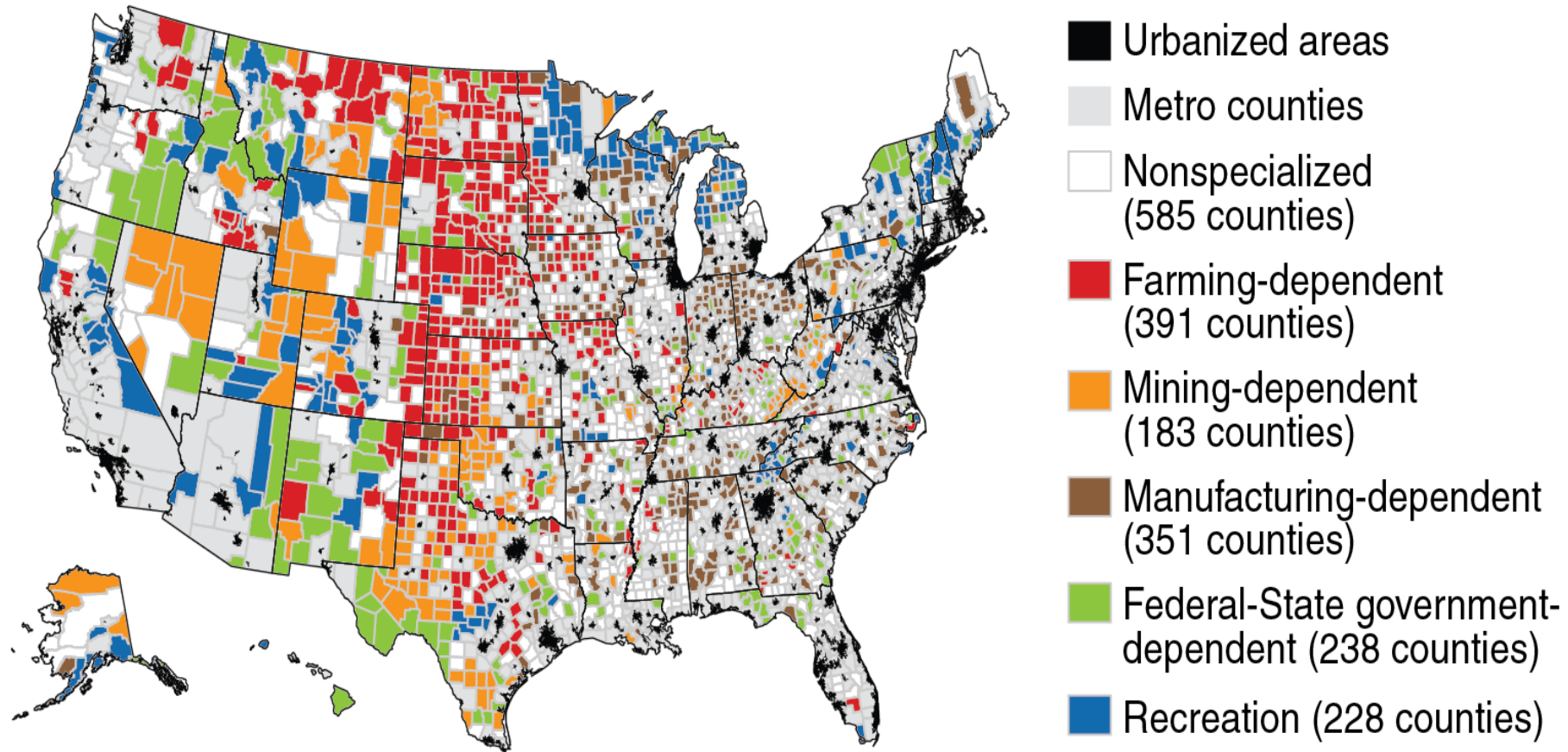
- 30.0% - 60.6%
- 20.0% - 29.9%
- 10.0% - 19.9%
- 5.0% - 9.9%
- 0.0% - 4.9%
- No Data

Sources: U.S. Department of Commerce - Bureau of Economic Analysis, Regional Economic Information System. April, 2007.

RUPRI's Community Information Resource Center. August, 2007.

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Rural counties vary in their economic structure with marked regional differences

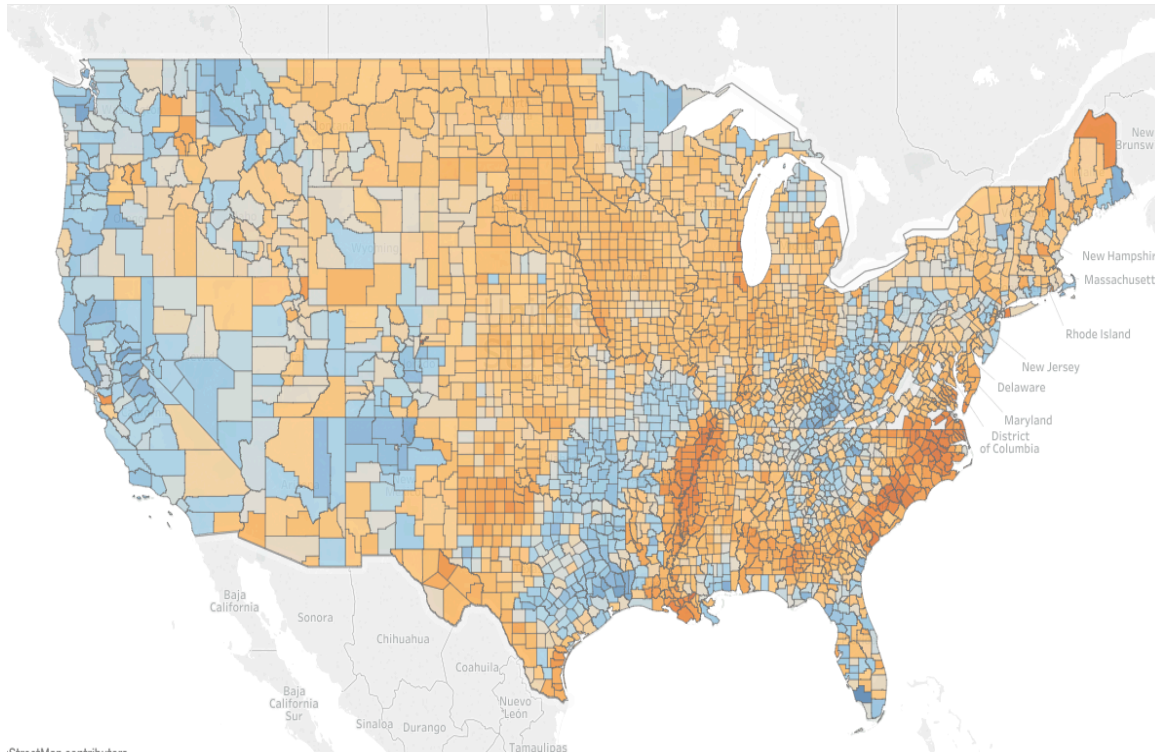


Note: The 2015 county typologies use data from 2010-2012. See footnote 1.

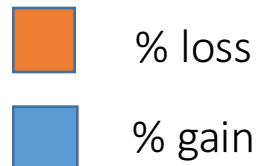
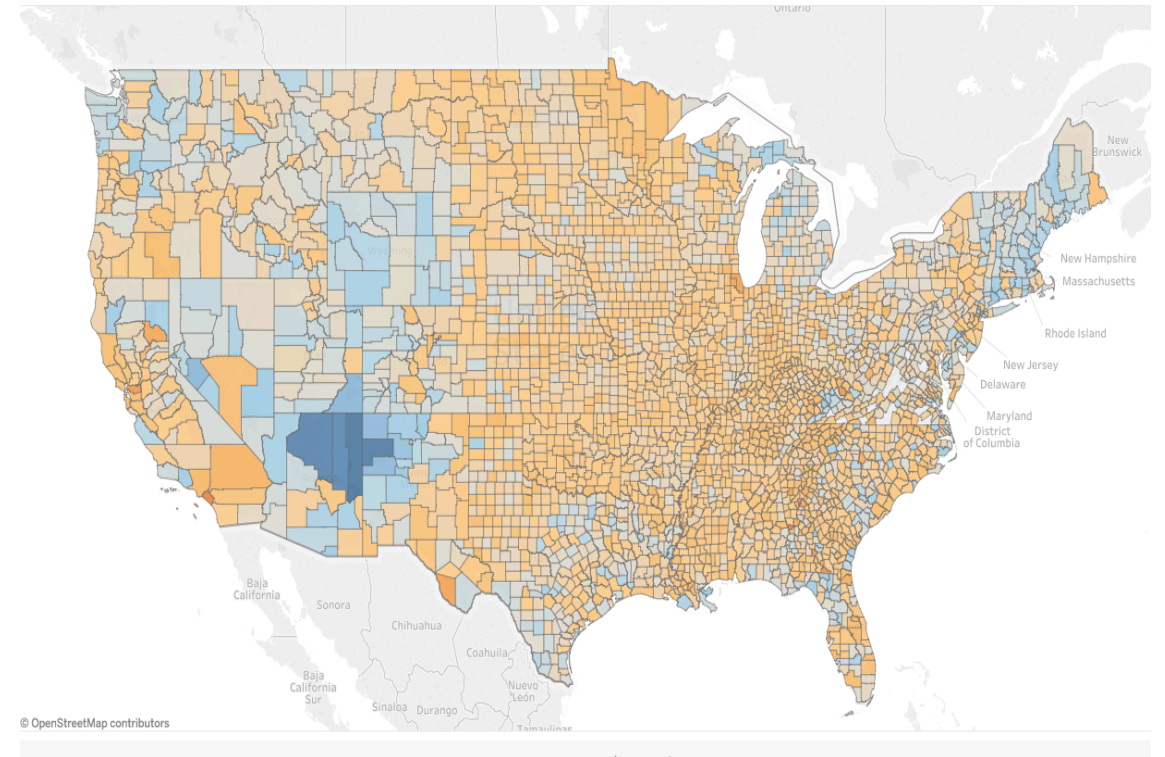
Source: USDA, Economic Research Service using data from the Bureau of Economic Analysis.

Changes in Employment in Farming Sector

1969 - 2000

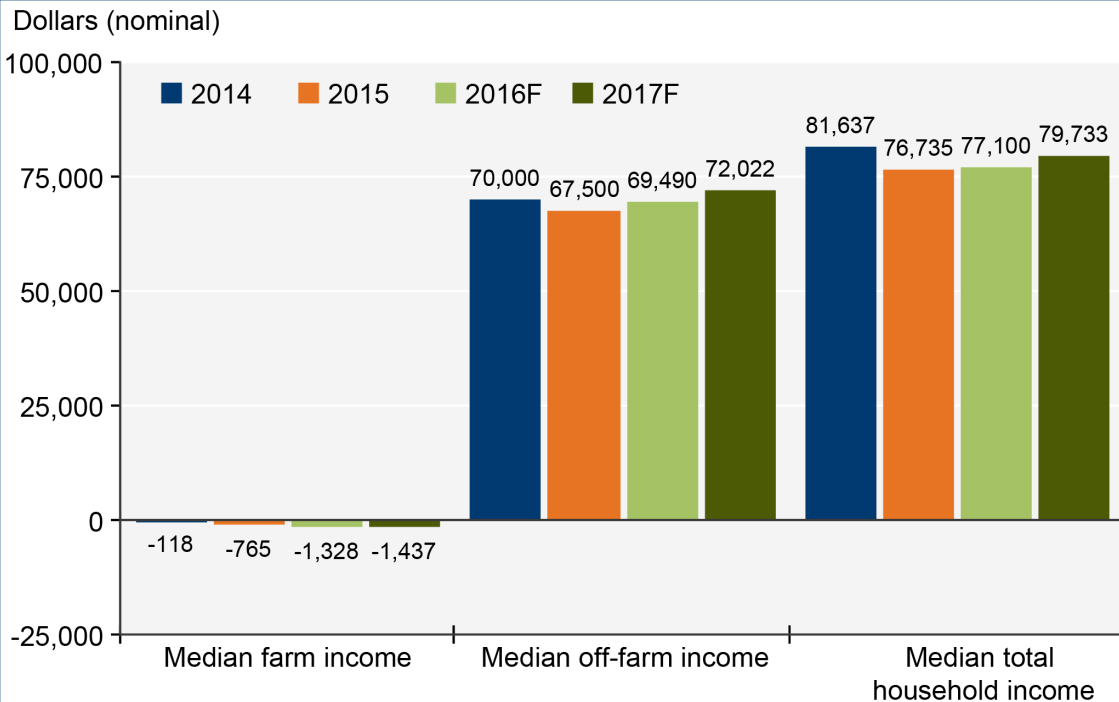


2001 - 2015



Farm Household Income

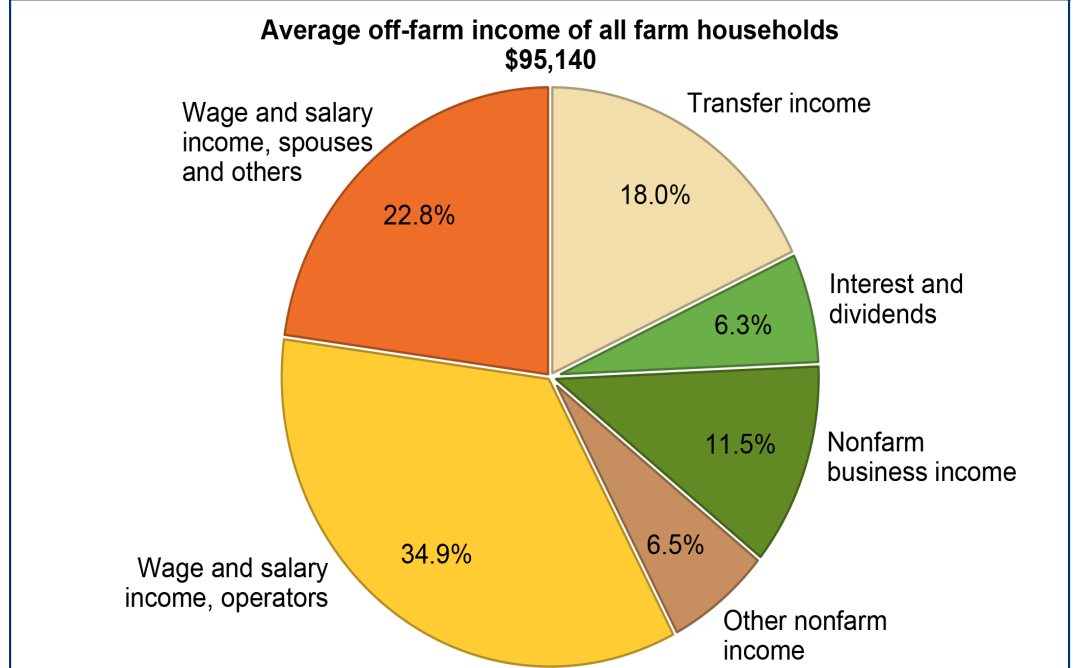
Median farm income, median off-farm income, and median total income of farm operator households, 2014-2017F



Note: F = forecast.

Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of February 7, 2017.

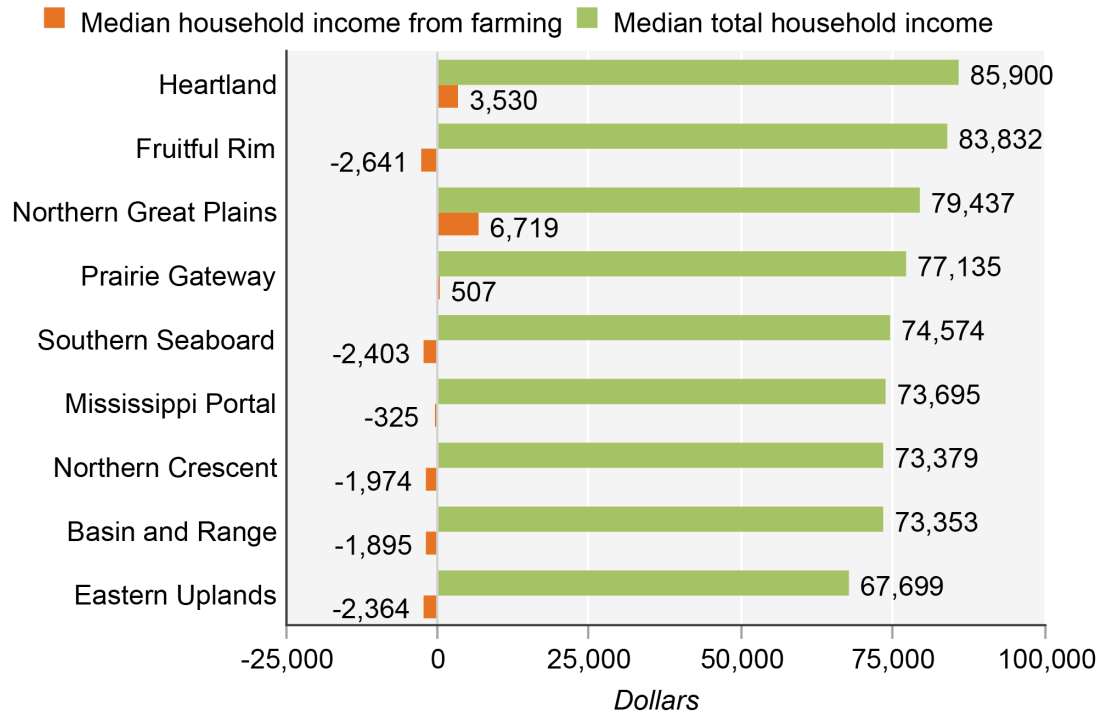
Sources of off-farm income for farm operator households, 2015



Note: Other nonfarm income includes gifts, payment for nonbusiness services, or miscellaneous income such as gambling winnings, financial payments, rebates, etc.
Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of November 30, 2016.

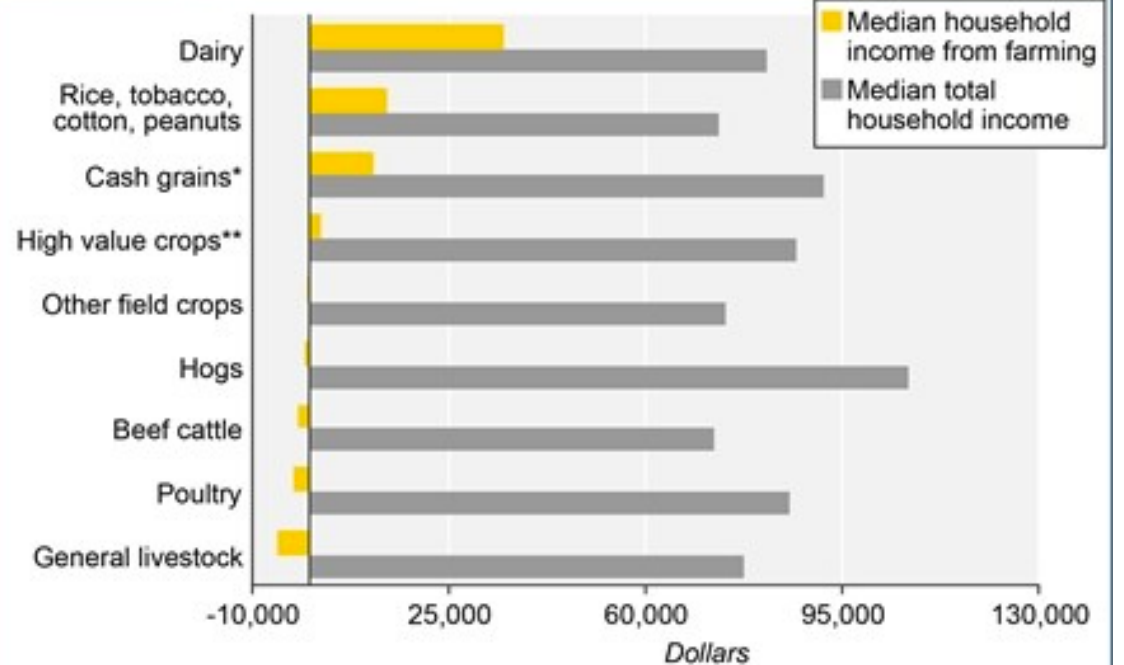
Farm Household Income

Median farm income and median total household income by ERS resource region, 2015



Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of November 30, 2016.

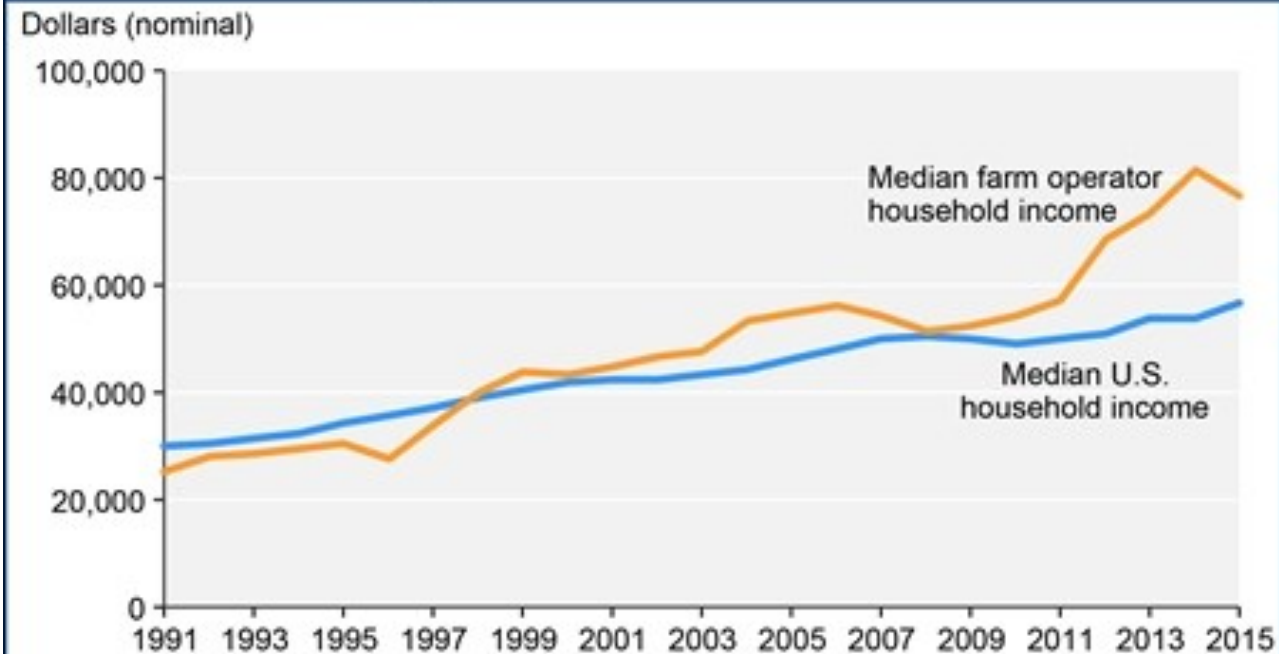
Median farm income and median total income of farm households by commodity specialization, 2015



*Includes corn, sorghum, soybean, wheat, and other cash grains. **Includes fruit, nuts, vegetables, greenhouse, and nursery.

Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey. Data as of November 30, 2016.

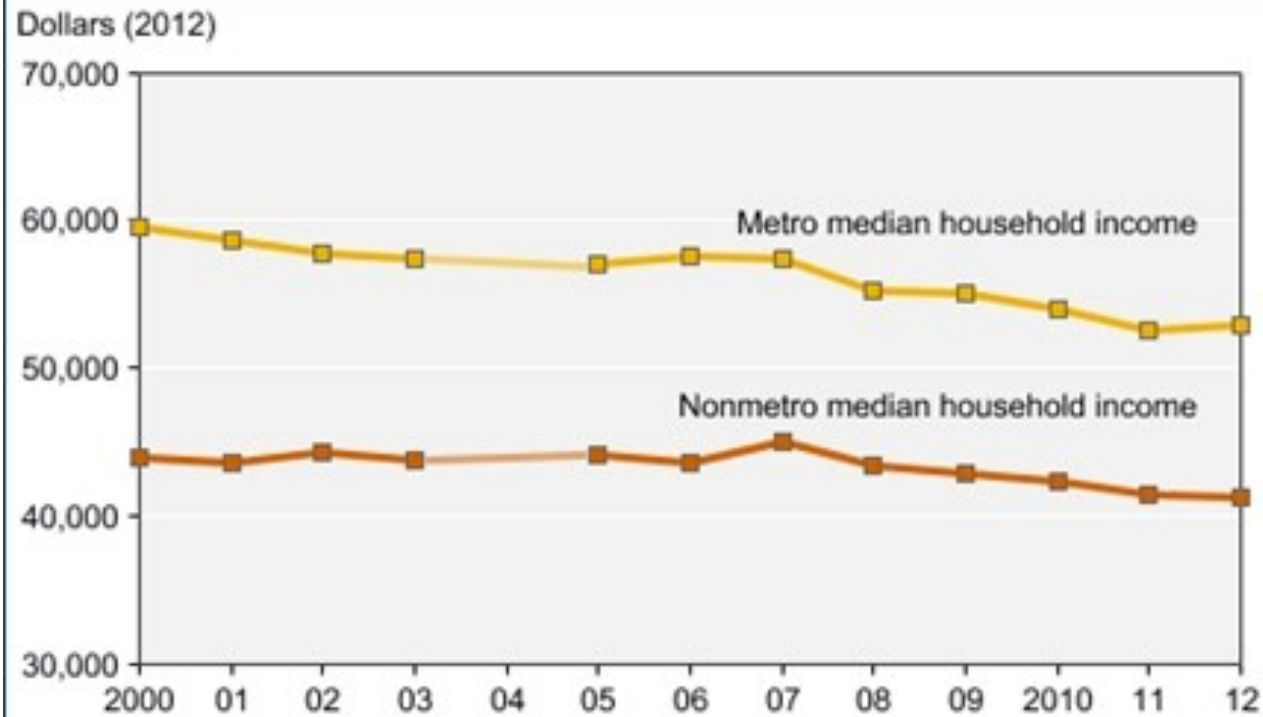
Median farm operator household income compared with median U.S. household income, 1991-2015



Note: Differences between farm operator income estimates from 2012-2015 and estimates from prior years reflect changes in survey methodology and implementation associated with the 2012 Agricultural Resource Management Survey in addition to changes in the economic situation of farm households.

Source: USDA, Economic Research Service and National Agricultural Statistics Service, Agricultural Resource Management Survey and U.S. Census Bureau, Current Population Survey. Data as of November 30, 2016.

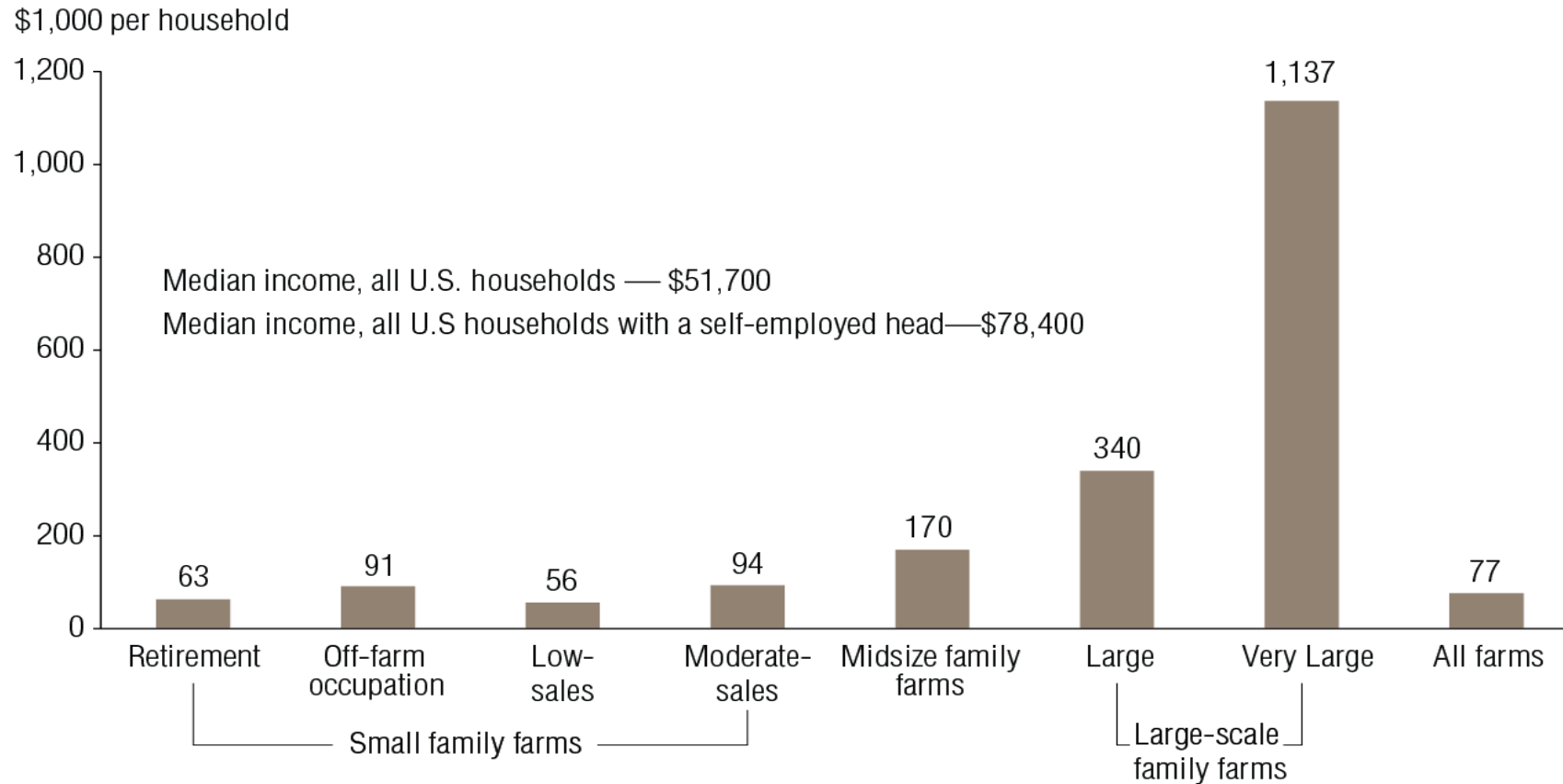
Real median household income by residence, 2000-12 (in 2012 dollars)



Notes: The definition of metropolitan areas changed during the course of 2004 and metro/nonmetro estimates for 2004 are not available. Post-2004 estimates reflect the 2003 Office of Management and Budget metro/nonmetro definitions.

Source: USDA, Economic Research Service using data from U.S. Census Bureau's P-60 reports and updates. Inflation-adjusted using CPI-U.

Median operator household income by farm type, 2015

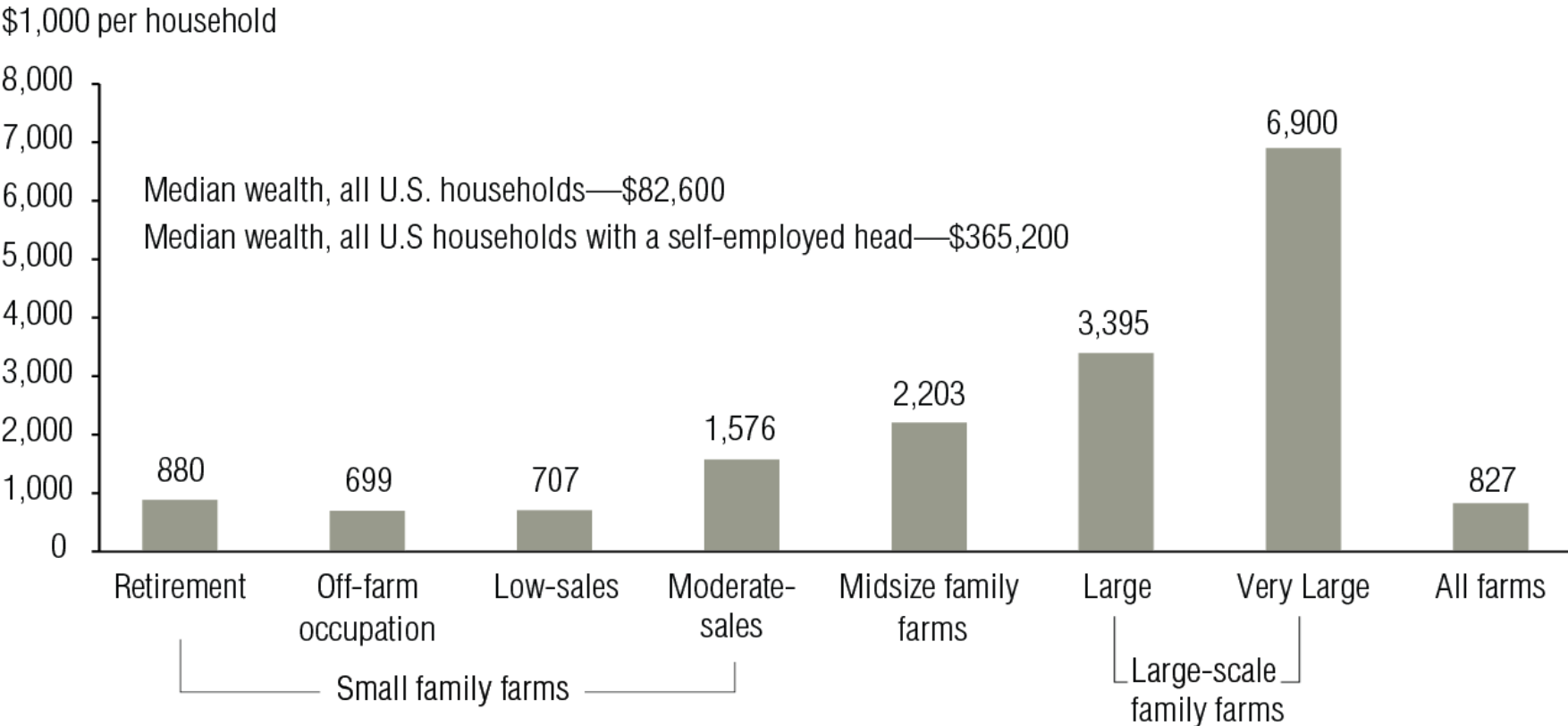


Household income is not estimated for nonfamily farms.

Operator household income includes both farm and off-farm income received by household members. Median income falls at the midpoint of the distribution of households ranked by income; half of households rank above the median and half below it.

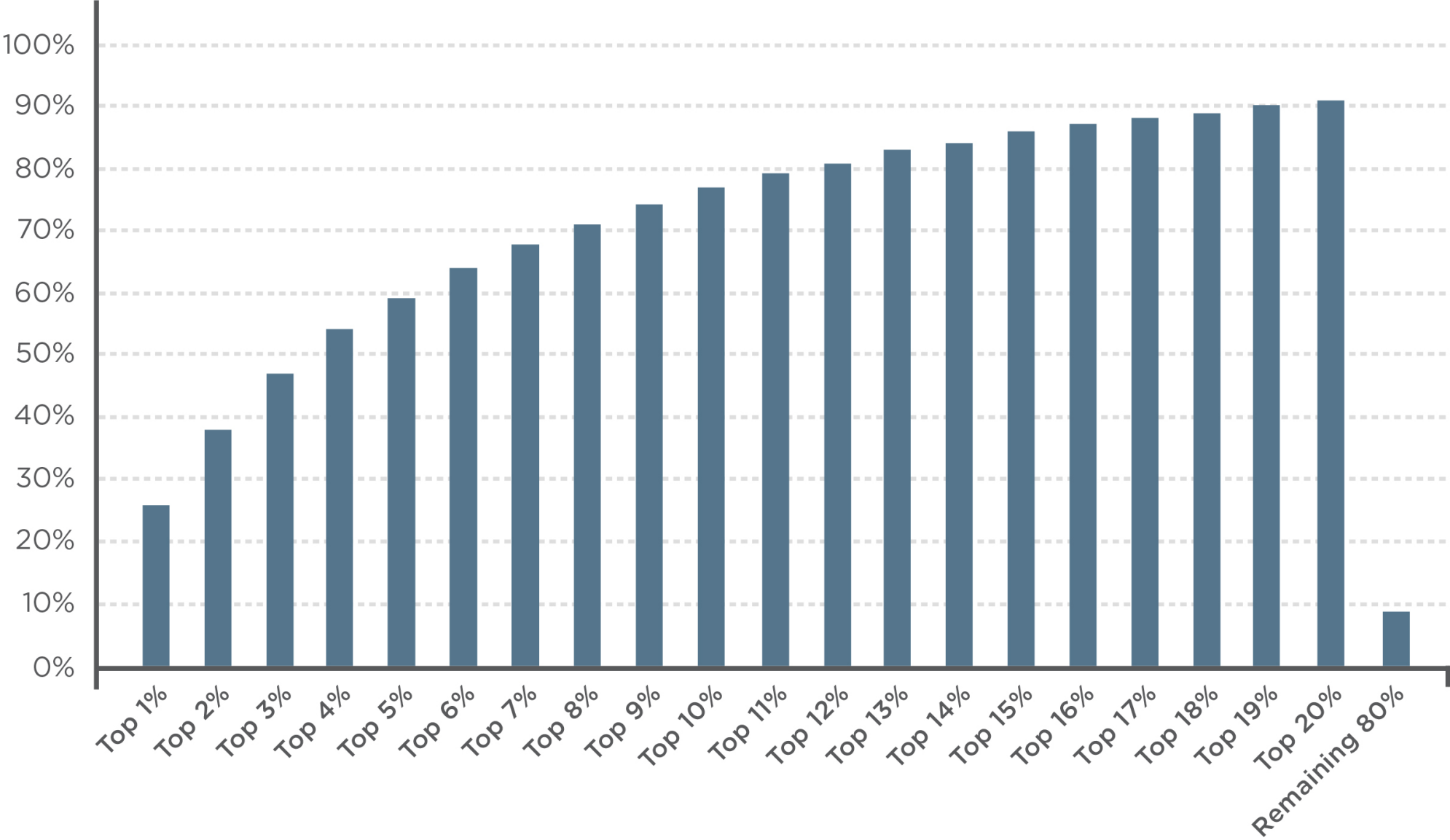
Source: USDA, National Agricultural Statistics Service and Economic Research Service, 2015 Agricultural Resource Management Survey for farm households. Federal Reserve Board, 2013 Survey of Consumer Finances for all U.S. households and all U.S. households with a self-employed head.

Median operator household wealth by farm type, 2015

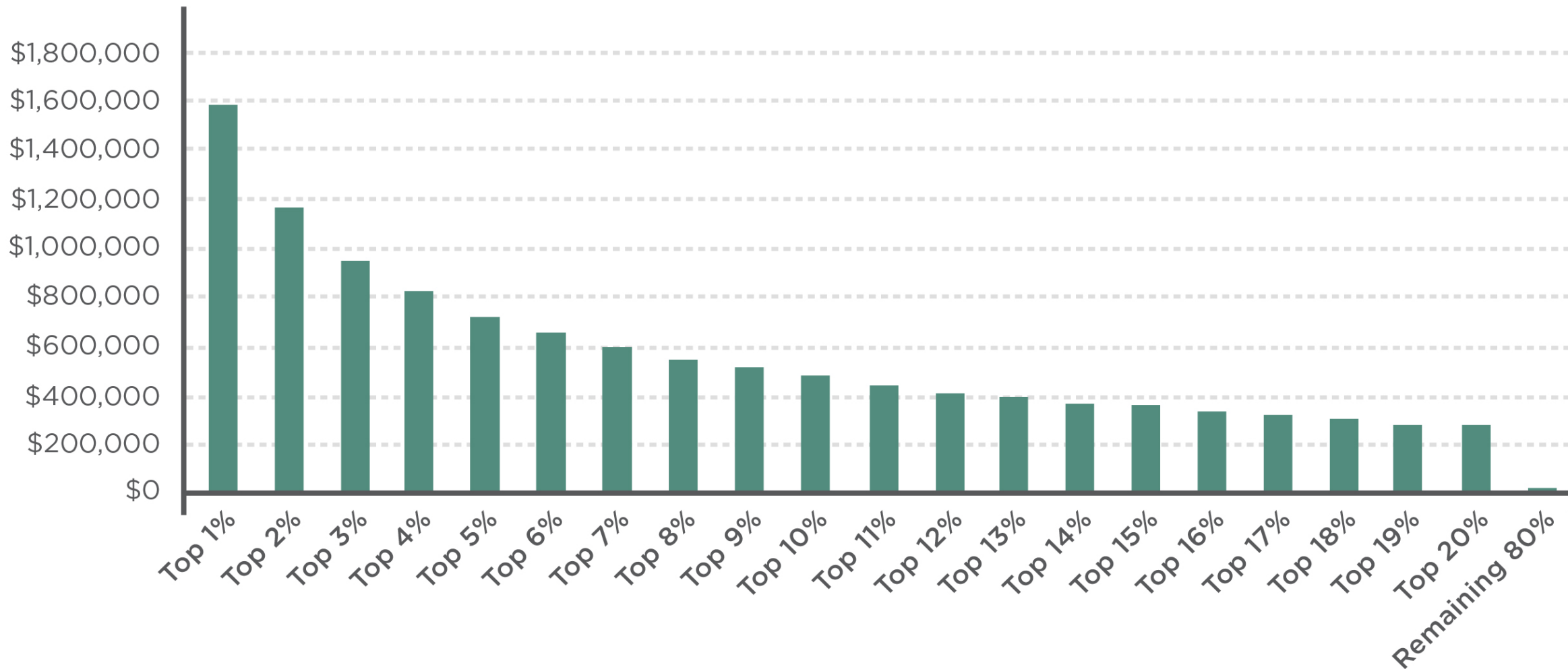


Household wealth is not estimated for nonfamily farms. Operator household wealth is defined as household net worth, the difference between the household’s assets and liabilities, considering farm and nonfarm assets and liabilities. Median wealth falls at the midpoint of the distribution of households ranked by wealth; half of households rank above the median and half below it. Source: USDA, National Agricultural Statistics Service and Economic Research Service, 2015 Agricultural Resource Management Survey for farm households. Federal Reserve Board, 2013 Survey of Consumer Finances for all U.S. households and all U.S. households with a self-employed head.

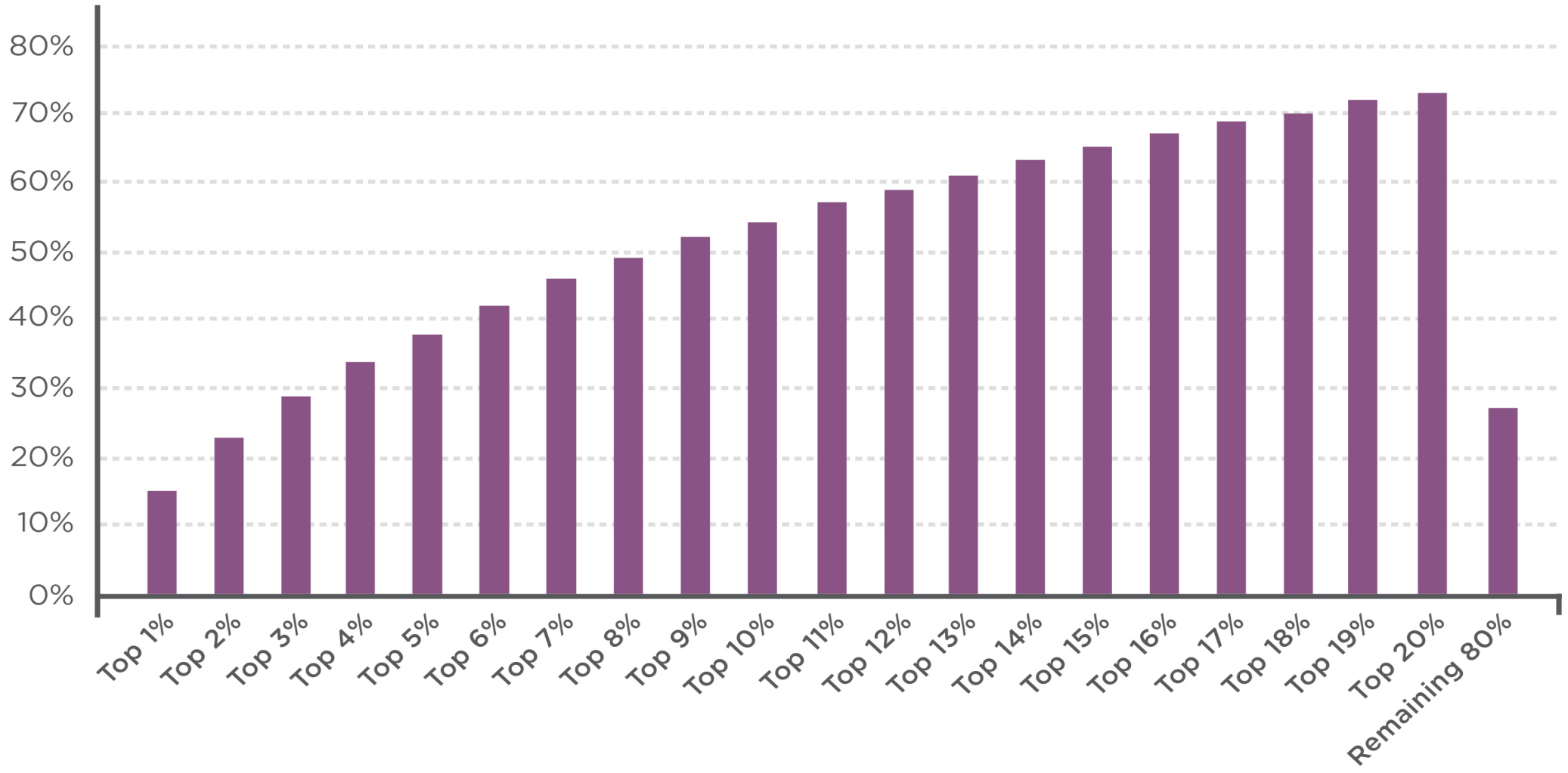
PERCENT OF PAYMENTS



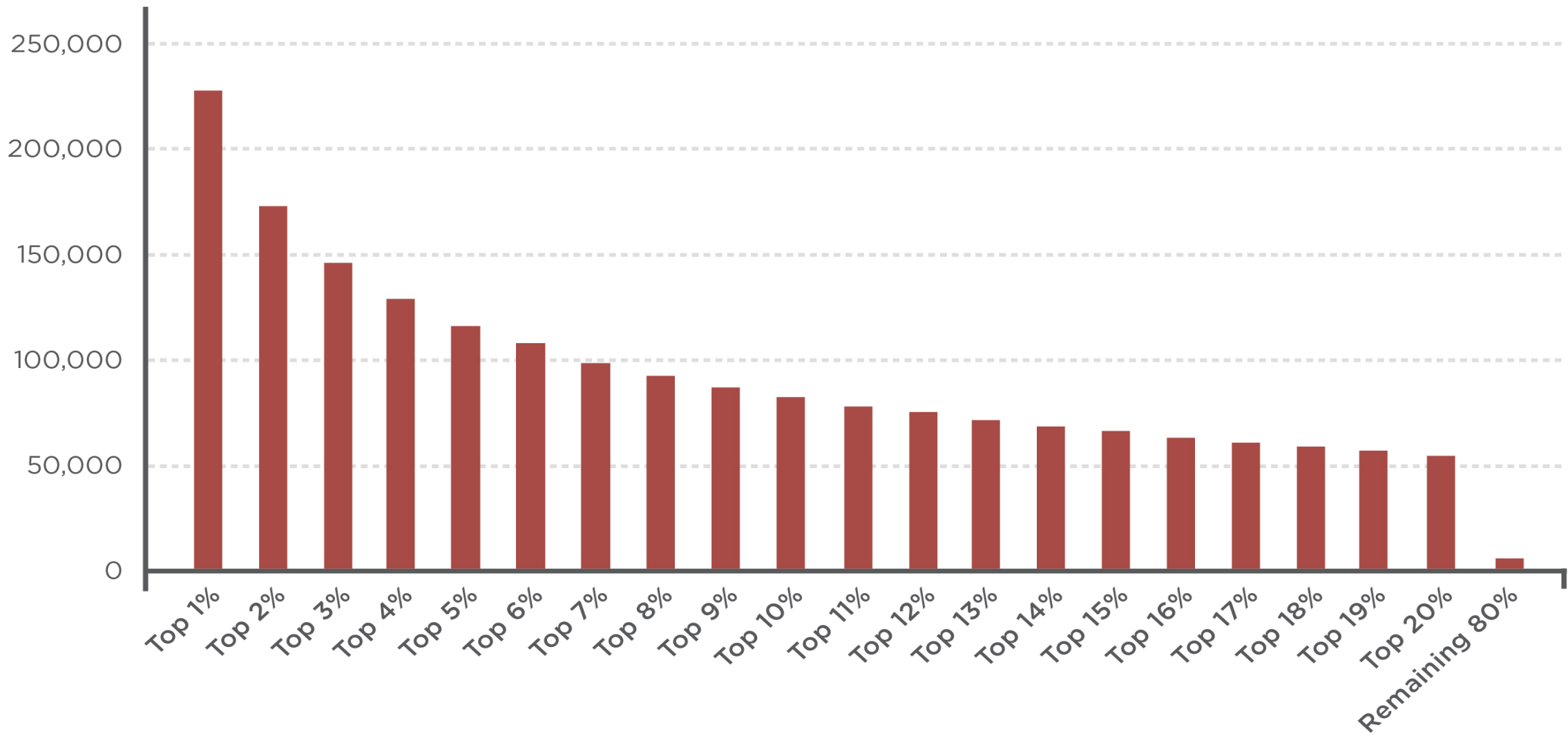
PAYMENT PER RECIPIENT



PERCENT OF PREMIUM SUBSIDIES



PREMIUM SUBSIDY PER POLICYHOLDER



“The farm programs themselves have almost no impact on incomes of the poor in the United States.”

“What most people fail to realize is that in many cases, production agriculture is no longer the economic engine in most rural U.S. Counties . . . Traditional rural occupations such as agriculture and mining are not the answer in sustaining rural economic growth. “The most effective rural policies for the 21st century will recognize the increased importance of nonfarm jobs and income as the main drivers of rural economic activity”

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