



The Council  
of State  
Governments

# Small Rural Farmers: Challenges to Stay Afloat

Representative Kenneth Walker  
Mississippi

# What is a small farm?

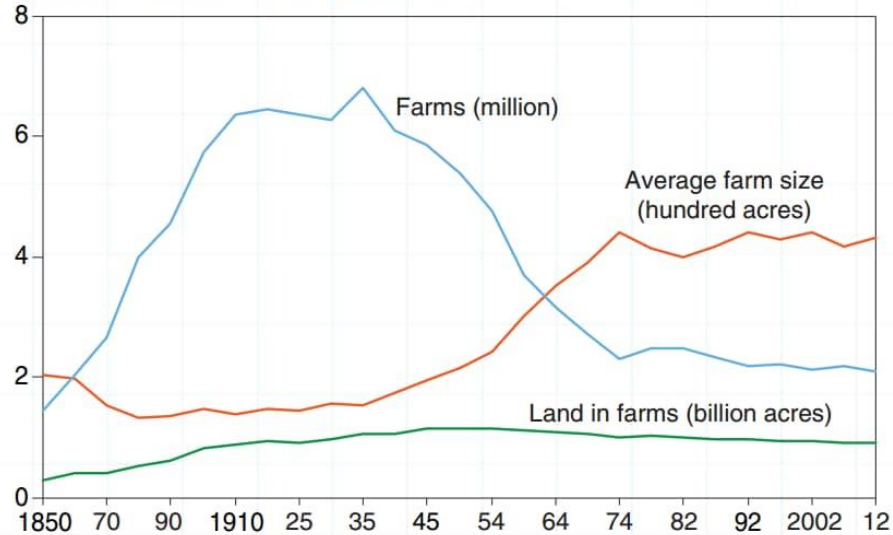
- A Small Farm, according to USDA census is a farm that is 179 acres or less in size or earns \$50,000 or less in gross income per year.



# Small Rural Farmers

**Farms, land in farms, and average acres per farm, 1850–2012**

Million farms/hundred acres/billion acres

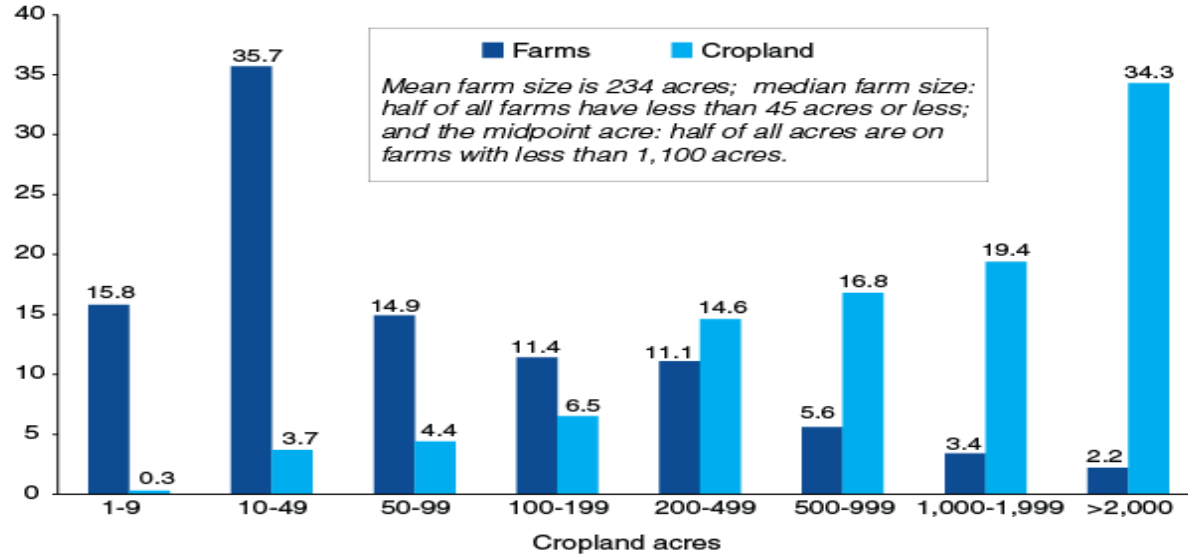


Source: USDA, Economic Research Service using data from USDA, National Agricultural Statistics Service, Census of Agriculture.

# Small Rural Farmers

## Crop farms in 2011: Most are small, but most land is on large farms

Percent of farms or acres



Source: USDA, Economic Research Service using data from USDA's 2011 Agricultural Resource Management Survey.



# Small Rural Farmers

- Today's farms are fewer and bigger. As shown on the chart above, the average farm size has more than doubled, and the amount of total land being farmed has more or less remained the same.
- At first glance, it is clear the vast majority of America's farmland was controlled by a small number of farms. The top 10 percent of farms in terms of size account for more than 70 percent of cropland in the United States; the top 2.2 percent alone takes up more than a third.
- While big farms are indeed gobbling up more and more land, small family farms aren't exactly disappearing — most farms are, after all, still relatively small.
- The country is seeing "growing numbers of very small and very large farms and declining numbers of mid-sized farms."

# Small Rural Farmers

- What are the problems faced by the farmers at present?
  - Note: Small farmers were struggling prior to the pandemic.
- Crushing debt – many small farmer debt is personal debt not backed by government guarantee due extensive paperwork and fear of losing it all for a small loan. For instance, if a farmer finances a tractor through a commercial lender and he defaults, he loses only the tractor. If finances through government backing his property is collateral
  - Small farmers are resorting to practices of days gone by, sharing. One farmer may have a tractor the other may have various types of implements.
- Loss of markets, (low quantity hog production, small tract timber harvest)
  - Creativity – create fresh farm raised meat
  - Acquire small sawmill and contract sell custom cut wood for individuals custom wood builders
- New market entry requirements (marijuana, hemp, on-site meat processing)
  - Seek USDA assistance where possible

# Small Rural Farmers

- Low prices, high costs (live weight price vs cost of feed, fertilizer, fuel)
  - Bypass stockyard and go directly to buyers facility
- Erratic weather events.
  - Stagger planting and production
- Small and fragmented land-holdings (oftentimes using heir property without clear rights to use)
  - Having frank and honest discussion about land and land rights
- Limited access to USDA practices due lack of ownership of property
- Utilizing resources at land grant to gain knowledge heirship and generational wealth

# Small Rural Farmers

- Lack of succession planning
  - Utilizing estate planners, lawyers, nonprofits to assist
- Cost of land (studies show it is almost impossible to buy land and equipment that will pay for themselves)
  - Leasing from friends and family and public entities
- Full time job to supplement farm
  - Seek opportunities close to home or allow work from home
- Seeds (hybrid seeds are expensive and tend not to reproduce).
  - Use non-hybrid seeds that can be collected and carried out to the next year for planting.
- Irrigation (this can be an expensive venture unless qualified to receive USDA practice) ...
- Lack of mechanization (even small operations require front end loaders, hydraulic remote ports). New attachments tend not work old tractors.
  - In some cases a farmers coop is created and common equipment can be purchased and used by all members.
- Agricultural Marketing (how to sell what is produced)
- Scarcity of capital (lack of skill to navigate through grants and loans that are acquired by larger operations that have farm managers and degreed owners)
  - Utilize resources at land grant schools and community support groups



# Small Rural Farmers

- Thought to ponder, two definitions of a small farm
- A Small Farm, according to USDA census is a farm that is 179 acres or less in size, or earns \$50,000 or less in gross income per year.
- USDA defines a small farm as an operation with gross cash farm income under \$250,000.