



Just What is a “Farm”

Mike McCurry

Rural Life and Census Data Center

The 2007 Census of Agriculture showed that the number of farms in the United States has grown since 2002. Conversely, the Census showed that, as they have since 1935, South Dakota’s farm numbers continued to decline (though between 2002 and 2007 the rate of decline slowed significantly). These opposing facts (i.e., national growth vs. South Dakota decline) have motivated calls to South Dakota State University’s Rural Life and Census Data Center. The calls ask basically the same question: “Just what is a farm?” It’s a relevant question.

The official governmental definition of *farm* has changed 9 times between 1850 and 1974—with the 1974 definition, our current definition, lasting longer than any previous definition. Here is the current definition, according to the 1992 Census of Agriculture:

The current definition, first used for the 1974 census, is any place from which \$1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the census year. (1992 Census of Agriculture)

Clearly, the above definition allows for a broad range of farms and farmers. The definition also makes it easy to be a “small farmer”: if a family has a couple dozen hens and eats organic eggs from

its own free-range chickens, the family probably produces enough to be living on a farm. Similarly, a two-Holstein-steer feedlot with all purchased feed can meet the definition of a farm. Obviously, a large hog confinement facility is a farm, even if it lacks plows and fields.

The current definition of *farm* is not without debate. Some critics find the definition too inclusive; some believe that the time has come for a new definition. The argument in favor of changing the definition of *farm* is that \$1,000 just isn’t the same as it was in 1974. A calculation from the Consumer Price Index supports the argument: \$1,000 in 1974 was equivalent to \$4,531 in 2007 (Consumer Price Index 2009). It’s hard to argue that inflation has not altered the definition of *farm* since 1974, though the words and figures that comprise the definition have stayed the same.

It may seem reasonable to change the definition of *farm*, but such a change also has unanticipated consequences. Changing definitions can be problematic, as some falsely assume that apples are being compared to apples. Changed definitions increase the likelihood that trends may be misinterpreted. It is important to ask, “What is a farm, and when?” Table 1, taken from Ronald Wimberly (with only slight modification), shows the current and historic definitions of *farm*.

Table 1. Definitions of a “farm” — by year published	
Year	Definition
1850	At least \$100 worth of agricultural production for home use or sale.
1879	Any agricultural operation of 3 or more acres; if less than 3 acres, at least \$500 worth of agricultural products sold.
1900	An agricultural operation requiring the continuous services of at least one person.
1910	Any agricultural operation with 3 or more acres; if less than 3 acres, \$250 worth of agricultural goods produced for home use or sale, or an agricultural operation requiring the constant services of at least one person.
1925	Any agricultural operation with 3 or more acres; if less than 3 acres, \$250 worth of agricultural goods produced for home use or sale.
1945	Agricultural operations consisting of 3 acres or more of cropland or pastureland; or \$150 worth of agricultural products produced for home use or sale. If less than 3 acres, \$250 worth of agricultural products produced for home use or sale.
1950	If 3 acres or more, \$150 worth of agricultural products produced for home use or sale. If less than 3 acres, \$150 worth of agricultural products produced for sale.
1959	If 10 acres or more, at least \$50 worth of agricultural products produced for sale; if less than 10 acres, a minimum of \$250 worth of agricultural products for sale.
1974	Any place from which \$1,000 or more of agricultural products were produced or sold, or normally would have been sold, during the census year.

Another term that inadvertently confuses people is *farming-dependent county*. It’s another term developed by the USDA to describe data extracted from the Census of Agriculture. In 2004 South Dakota had 45 farming-dependent counties, while in 1990 South Dakota had 33 farming-dependent counties. The increase sounds like a fairly significant change—36 percent more farming-dependent counties. However, due to a change in the definition of *farming-dependent*, the percent change was even more extreme.

In 1989 the definition of *farming-dependent county* was “counties with 20 percent or more labor

and proprietors’ income from farming” (Cook & Mizer, 1994). However, the current (2004) USDA definition of *farming-dependent* is based on two criteria. First, farm earnings account either for 15 percent of total count earnings or for 15 percent of all occupations in the county. Second, farming dependence takes precedence over any other type of economic dependence. This altered definition reclassified counties that were considered *manufacturing-* or *government-dependent* in 1990 as farming-dependent in 2000. While we have more farming-dependent counties now than in 1990, we continue to see the number of people who actually are dependent on farming continue to drop.

The changed definition of farming dependency masks the actual reduction of dependence on farming that occurred in the last 10 years of the 20th century. While the altered definitions may not make a lot of difference to the operator on a tractor, policy makers and legislators are better off knowing that the definition has changed. When a definition for a term such as *farm* changes, we must be aware that we cannot compare, on equal terms, the past with the present.

REFERENCES

- Census of Agriculture, 1992
- Consumer Price Index, 4-15-2009, U.S. Department Of Labor, Bureau of Labor Statistics, Washington, D.C. 20212
- Peggy J. Cook and Karen L. Mizer, The Revised ERS County Typology: An Overview, RDRR-89, U.S. Department of Agriculture, Economic Research Service, December 1994.
- Ray, Darryl E. “What do we mean when we talk about farming/ agriculturally-dependent counties? MidAmerica Farmer Grower, Vol. 23, No. 22, June 2, 2006
- Wimberly, Ronald C. “What Is a Farm, and Why Does It Matter?” presentation to the USDA National Small Farm Conference in Nashville, Tennessee, September 12, 1996.



South Dakota
Cooperative Extension Service

South Dakota State University, South Dakota counties, and U.S. Department of Agriculture cooperating. South Dakota State University is an Affirmative Action/Equal Opportunity Employer and offers all benefits, services, education, and employment opportunities without regard for race, color, creed, religion, national origin, ancestry, citizenship, age, gender, sexual orientation, disability, or Vietnam Era veteran status.

EXEX9004 Access at <http://agbiopubs.sdstate.edu/articles/ExEx9004.pdf>.