

A growing percentage of U.S. farm commodity sales come from "million-dollar farms," with annual sales of \$1 million or more. Agricultural census data show that these farms accounted for 48 percent of all U.S. farm product sales in 2002, up from 23 percent in 1982 (with sales measured in constant 2002 dollars). The share of sales attributable to million-dollar farms rose as the share from small farms (sales less than \$250,000) declined. (See charts on page 39.)

The number of million-dollar farms more than tripled between 1982 and 2002 to 28,700, or 1.3 percent of all U.S. farms. Twelve percent of million-dollar farms had sales of \$5 million or more in 2002, and they accounted for about one-fourth of U.S. farm sales.

By 2005, the number of million-dollar farms had increased to 35,060, according to USDA's Agricultural Resource Management Survey. The increase reflects—in part—good years for the farm sector since the 2002 Census was conducted. Twenty-one percent of million-dollar farms were located in the Pacific States of California, Oregon, and Washington, with 16 percent in California alone.

The number of operators per farm increases with sales since commercial-sized farms often require more management and labor than one individual can provide. Such multiple-operator farms accounted for 69

## Nearly Half of Sales Come From Million-Dollar Farms



Colin Anderson, Corbis

percent of million-dollar farms in 2005, compared with 43 percent of farms in general. One-third of million-dollar farms with more than one operator were also multiple-generation farms (at least 20 years' difference between the ages of the oldest and youngest operators). Multiple-generation farms made up a larger share of million-dollar farms than any other sales class, probably because million-dollar farms had

enough business to keep more than one generation employed.

Most million-dollar farms (82 percent) were family operations in 2005, where the majority of the business is owned by individuals related by blood, marriage, or adoption. The other 18 percent were nonfamily farms, including 7 percent organized as nonfamily corporations. Direct ownership of million-dollar farms by large, publicly held corporations was negligible since nonfamily corporations with more than 10 stockholders accounted for roughly 1 percent of million-dollar farms.

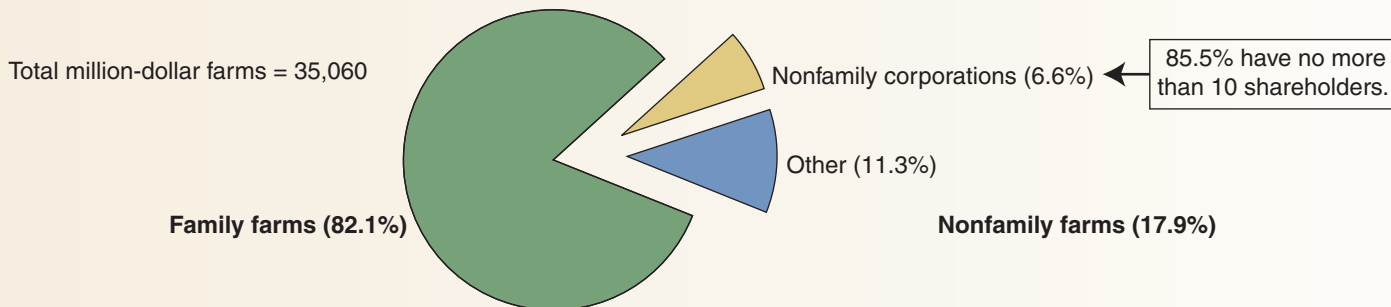
The situation was similar for the largest million-dollar farms (those with sales of \$5 million or more): 69 percent were classified as family operators and 17 percent were owned by nonfamily corporations. Nonfamily corporations with more than 10 stockholders accounted for 1 percent of the \$5-million farms. **W**

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**This finding is drawn from . . .**

*Structure and Finances of U.S. Farms: Family Farm Report, 2007 Edition*, by Robert A. Hoppe, Penni Korb, Erik J. O'Donoghue, and David E. Banker, EIB-24, USDA, Economic Research Service, June 2007, available at: [www.ers.usda.gov/publications/eib24/](http://www.ers.usda.gov/publications/eib24/)

### Most million-dollar farms were organized as family farms in 2005



Source: USDA, Economic Research Service, 2005 Agricultural Resource Management Survey (ARMS), Phase III. Number of shareholders is from version 1 of ARMS.