



Economic Research Service
U.S. DEPARTMENT OF AGRICULTURE

Participation by Racial and Ethnic Groups in Federal Programs

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Broad Range Equity-Related Research and Activities at USDA

- USDA released its Equity Action Plan in February 2022
- All agencies are engaged in ensuring USDA programs and policies are delivered in an equitable manner
- ERS is a federal statistical agency within the Department of Agriculture whose mission is to inform public and private decision making across the agricultural sector and rural America





*Providing **trusted, objective, and timely** research and statistics on agriculture, food, the environment and rural America.*



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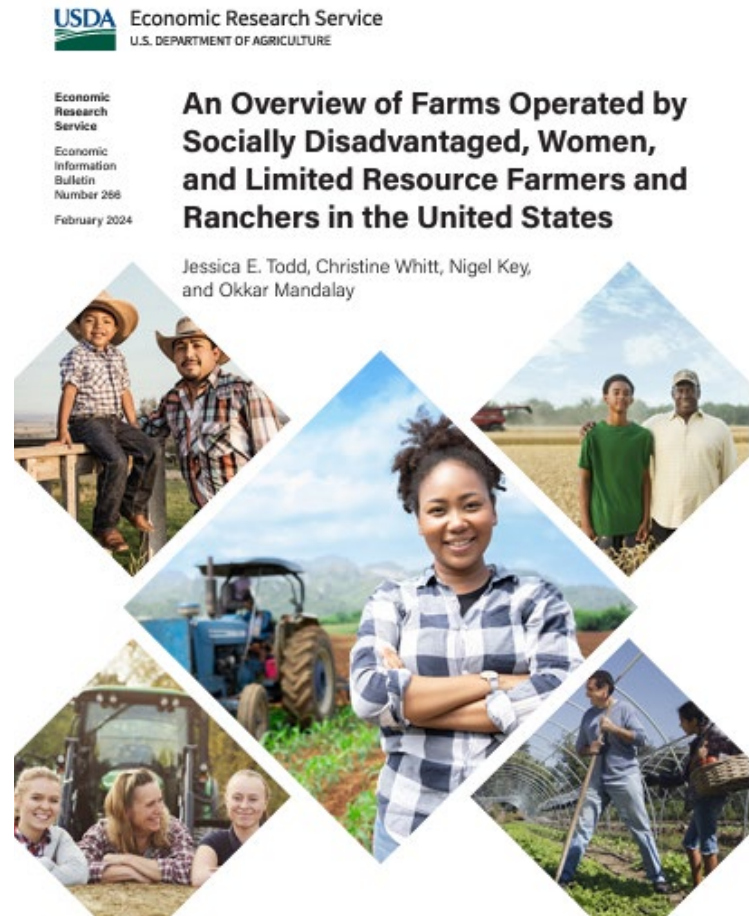


Examples of ERS Equity-related Research

- Food access, food security, and nutrition assistance programs
 - Food Access Research Atlas (FARA) provides information on community access to food stores
 - Household Food Security in the U.S. which monitors the extent and severity of food insecurity in the U.S.
- Rural and farm income research measures socioeconomic stress across households and communities
 - Rural America at a Glance, 2021, discussed the impact of the pandemic on health and economic well-being
 - Socially Disadvantaged, Beginning, Limited Resource, and Female Farmers and Ranchers examines of the characteristics of farms receiving benefits from Farm Act Programs
- And more....



Recent ERS Equity-related Research



Socially Disadvantaged (SDA) Producers

- Since the 1990s, beginning, socially disadvantaged, and limited resource farmers and ranchers in the United States have been eligible to receive benefits from a variety of Farm Act programs.
- The USDA defines socially disadvantaged (SDA) producers as those belonging to groups that have been subject to racial or ethnic prejudice.
 - For some but not all USDA programs, the SDA category also includes women.



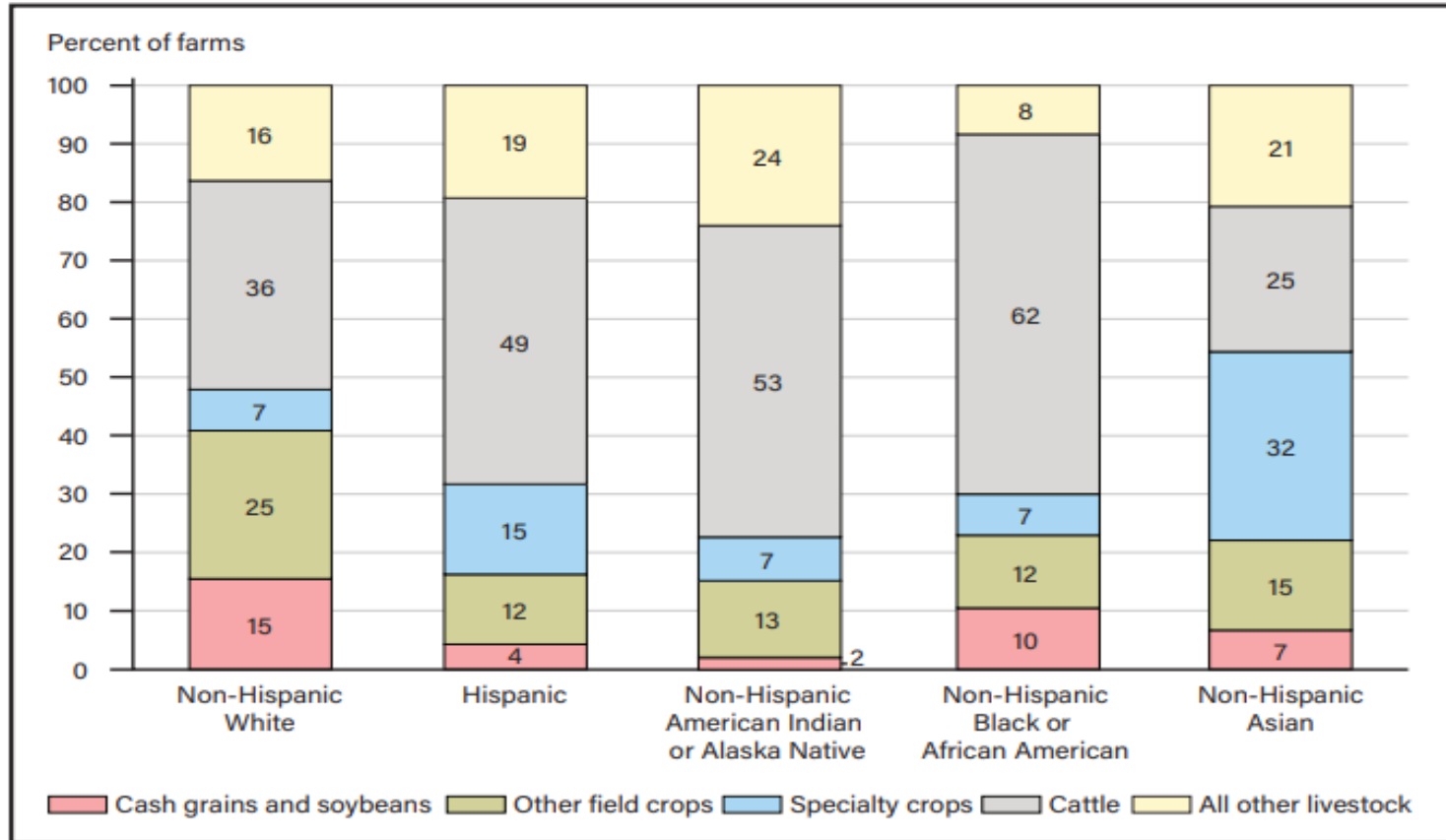
Socially Disadvantaged (SDA) Producers

Distribution of producers (2017 Census of Ag)

- Hispanic, Latino, or Spanish origin: 3.3 percent ; American Indian or Alaska Native only: 1.7 percent; Black or African American only: 1.3 percent ; Asian only: 0.6 percent; Native Hawaiian or other Pacific Islander only: 0.1 percent ; More than one race: 0.8 percent.
- About 4 percent of all farms have at least one SDA producer and produced slightly more than 2 percent of the total value of production.



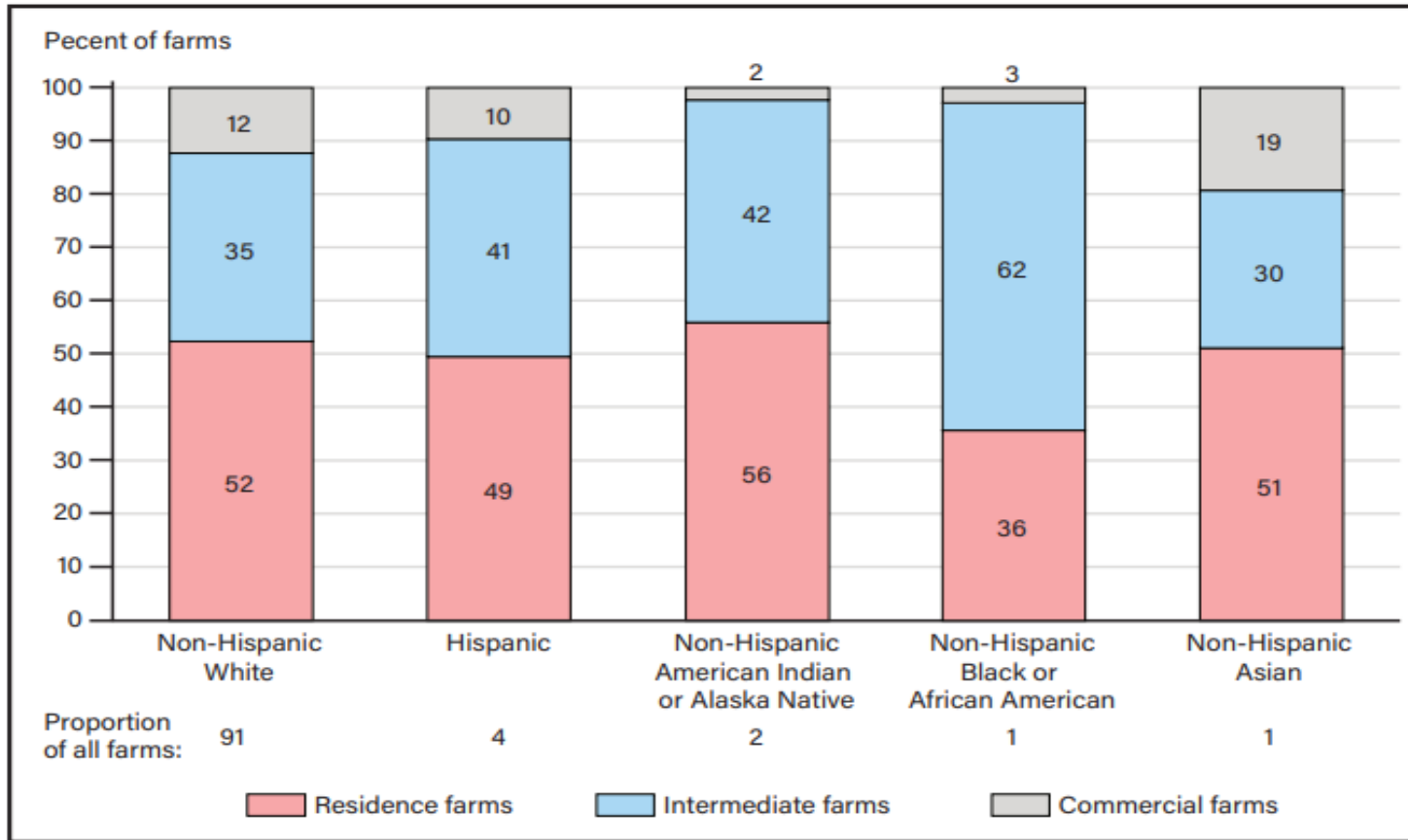
Share of farm operations concentrated in livestock production was higher for SDAs



- Farm specialization is determined by the one commodity or related group of commodities that makes up at least 50 percent of the farm’s total value of production.
- About two-thirds of farms operated by Non-Hispanic Black producers were engaged in cattle production.
- Only slightly more than one-third of farms operated by Non-Hispanic White were engaged in cattle production.



About two-thirds of non-Hispanic Black operated farms were intermediate farms in 2022



- Slightly more than half of all farms operated by Non-Hispanic Asians and Non-Hispanic White were residence farms.
- Non-Hispanic American Indian or Alaska Native producers operated the lowest share of commercial farms followed by Non-Hispanic Black producers.
- Slightly more than one-third of farms operated by Non-Hispanic Whites were intermediate farms.



All SDA groups are less likely to receive Government payments compared to non-Hispanic White farm operations

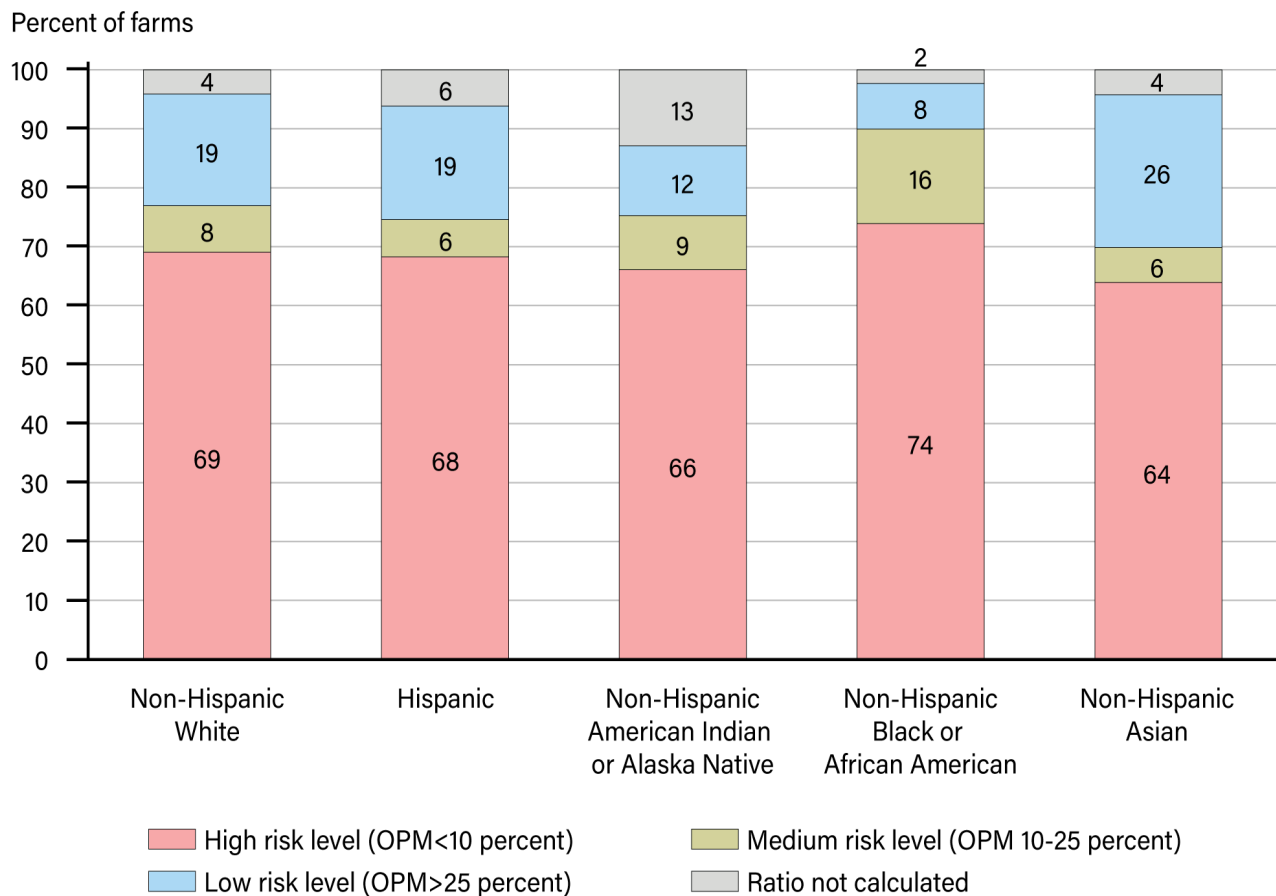
	Non-Hispanic White	Hispanic	Non-Hispanic American Indian or Alaska Native	Non-Hispanic Black or African American	Non-Hispanic Asian
Farm credit					
Percent of farms reporting debt	26	24	14	15	38
Average loan balance of farms that use credit (dollars)	492,675	582,717	379,614	154,593	776,575
Government payments					
Percent of farms that received Government payments	26	13	14	18	10
Average Government payment received if participating in a program (dollars)	16,417	17,637	13,228	7,774	21,394
Federal crop insurance					
Percent of farms that participate	14	8	2	5	11
Average indemnity payments among farms that received payments (dollars)	72,346	64,534	112,162	29,819	92,261
Percent commercial farms	12	10	2	3	19

- SDA farms were more likely to specialize in specialty crops, beef cattle, and other livestock, which are not commonly covered by direct Government agricultural programs.



Source: Whitt et al., 2023. USDA, ERS report.

Non-Hispanic Black farm operations are less likely to have an OPM in the low-risk zone compared to other groups



- One commonly used measure of profitability is the farm’s operating profit margin (OPM), the ratio of operating profit to gross farm income.
- Operating profit measures funds available to finance the farm’s ongoing operation after deducting the estimated market value of the unpaid labor and management services provided by the farm household.
- A farm is considered to be in the “critical zone,” indicating potential financial problems, if OPM is less than 10.



Conclusions

- Non-Hispanic Black operated farms were more likely to be classified as intermediate farms (62 percent) relative to non-Hispanic White operated farms (35 percent) than residence or commercial farms.
- The share of farm operations concentrated in cattle production was higher for Hispanic, non-Hispanic Black, and non-Hispanic American Indian farms relative to non-Hispanic White operated farms.
- All categories of SDA farm operations were less likely to be in cash grains or other field crops production relative to non-Hispanic White operations.



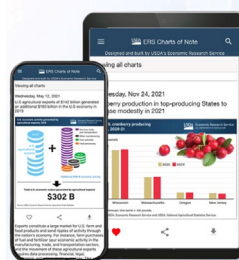
- A higher share of Non-Hispanic Black operated farms had an OPM in the high-risk zone compared to other groups.
- Share of farm operations using debt was high for Non-Hispanic Asian operated farms.
- A lower share farms operated by SDA producers received Government payments.
- A lower share of farms operated by SDA producers participated in Federal Crop Insurance Program.



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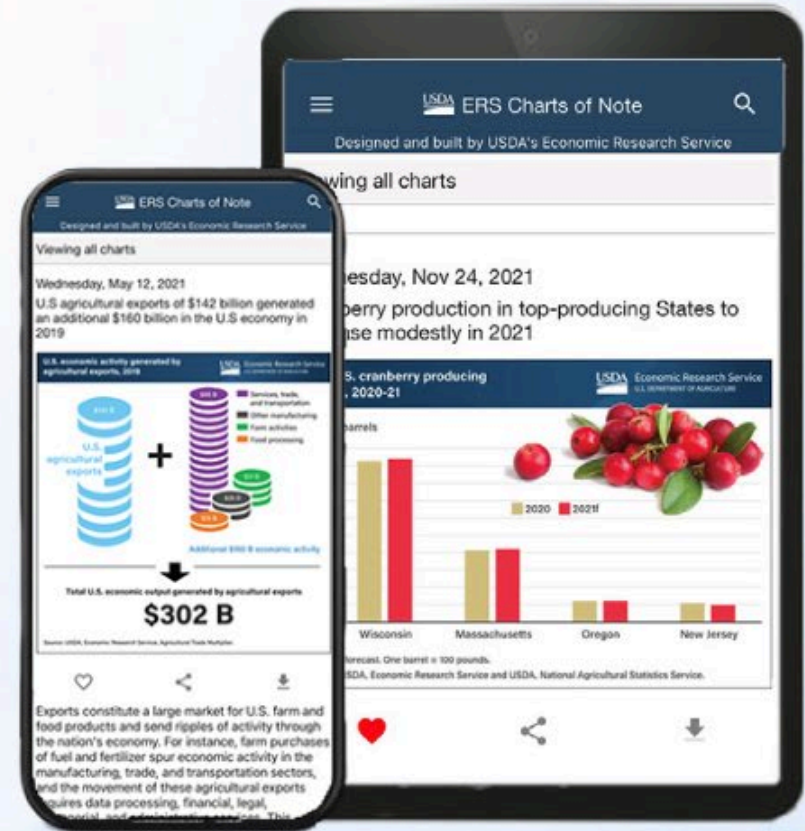
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