

SUMMARY

The total number of farms in the United States will decline from 2.9 million in 1974 to 2.1 million in 1990 and to 1.8 million in 2000 if present trends continue. The farms will probably be arranged in a bimodal distribution--a large proportion of small farms, an ever-increasing proportion of large farms, and a declining proportion of medium-size farms. Small farms (gross sales of less than \$20,000) will constitute about 50 percent of all farms in 2000, a decline from 72 percent in 1974, while the proportion of large farms (gross sales of more than \$100,000) will increase from 5 percent to 32 percent.

The projections deemed most likely to be realized are summarized as follows:

<u>Sales class</u>	<u>1974</u>	<u>1985</u>	<u>1990</u>	<u>2000</u>
<u>1,000 farms</u>				
Less than \$20,000	2,070	1,416	1,193	889
\$20,000 - \$99,999	655	563	450	301
\$100,000 - \$499,999	139	290	358	344
\$500,000 and over	11	51	88	217
All farms	2,875	2,320	2,090	1,750

Much of the shift to larger farms will be due to the expected rise in the index of prices received by farmers rather than a rise in the real output per farm. For example, the number of farms with sales of \$100,000 or more is projected to increase four times between 1974 and 2000 in current prices compared with an increase of 2.7 times in that period if constant (1964) prices are used. If the rate of price increases through the year 2000 is less than that projected, the numbers of farms in each sales class will change: the number of farms in the larger sales classes will be reduced and the number of farms in the smaller sales classes will be increased.

The decline in farm numbers and the increase in farm size will probably be accompanied by other changes in the structural characteristics of the U.S. farm sector. The highlights are:

- Agricultural production and farmland ownership will be dominated by fewer and fewer farms. By 2000, the largest 1 percent of farms will account for about half of all farm production. By contrast, 50 percent of the farms--the smaller ones--will produce only 1 percent.
- Almost two-thirds of the production will likely come from the largest 50,000 farms and nearly all farm products will be produced by the largest 1 million farms in 2000.