

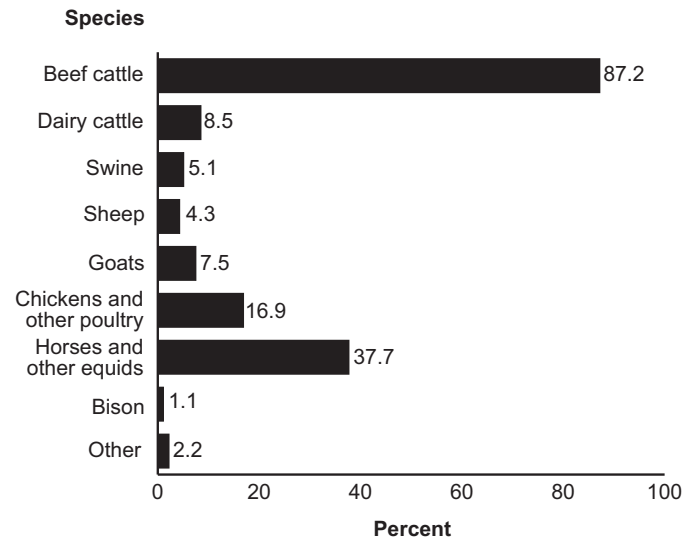
Characteristics of Small-scale U.S. Livestock Operations

In 2011, the U.S. Department of Agriculture's (USDA) National Animal Health Monitoring System (NAHMS) conducted the Small-scale U.S. Livestock Operations study. The study focused on livestock operations with annual sales from \$10,000 to \$499,999 in which the predominant agricultural enterprise was a livestock/animal species such as cattle, poultry, goats, sheep, swine, horses, aquaculture, or other farm animals raised for sale or home use. Based on the NASS 2007 Census of Agriculture, approximately 350,000 farms in the United States fit this definition. Data for the study were collected April 17 to May 18, 2011, from 8,123 of these farms distributed across all 50 States.¹

Operation characteristics

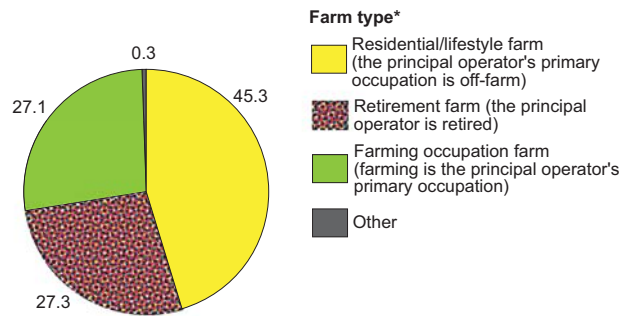
Nearly 9 of 10 operations (87.2 percent) had beef cattle (figure 1) and almost half (47.1 percent) had more than 1 type of livestock.² The West region had a higher percentage of operations with more than one type of livestock (66.9 percent) compared with the North Central, Northeast, or South regions (45.1, 50.4, and 43.6 percent of operations, respectively). Operations in the West region commonly kept both beef cattle and horses.

Figure 1. Percentage of operations by livestock species present during the previous 12 months



About one-half of small-scale operations (45.3 percent) were residential/lifestyle farms in which the operator's primary occupation was off-farm. About one-fourth (27.1 percent) were farming occupation farms; and about one-fourth (27.3 percent) were retirement farms (figure 2).

Figure 2. Percentage of operations, by farm type



*Farm-type terminology developed by the USDA Economic Research Service.

¹ **States/Regions:** Based on Sustainable Agriculture Research and Education regions:

North Central: Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin
Northeast: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, West Virginia
South: Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia
West: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, Wyoming.

² Nine livestock types were considered: (1) beef cattle, (2) dairy cattle, (3) swine, (4) sheep, (5) goats, (6) chickens and other poultry, (7) bison, (8) horses and other equids, and (9) other.

Producer characteristics

Certain producer demographics on small-scale livestock operations differed from those on all U.S. farm operations (table 1). For example, the primary operator was at least 65 years old on 37.1 percent of small-scale livestock operations and at least 65 years old on 29.7 percent of all U.S. farm operations. A total of 9.1 percent of small-scale livestock operations had a female primary operator compared with 13.9 percent of all U.S. farm operations. A total of 4.1 percent of primary operators on small-scale livestock operations were of Spanish, Hispanic, or Latino origin compared with 2.5 percent of operators on all U.S. farm operations.

Table 1. Percentage of operations by demographics of principal farm operator

Principal farm operator	Percent Operations	
	Small-scale livestock operations (this study)	All U.S. farm operations*
Female	9.1	13.9
Spanish, Hispanic, Latino origin	4.1	2.5
At least 65 years old	37.1	29.7

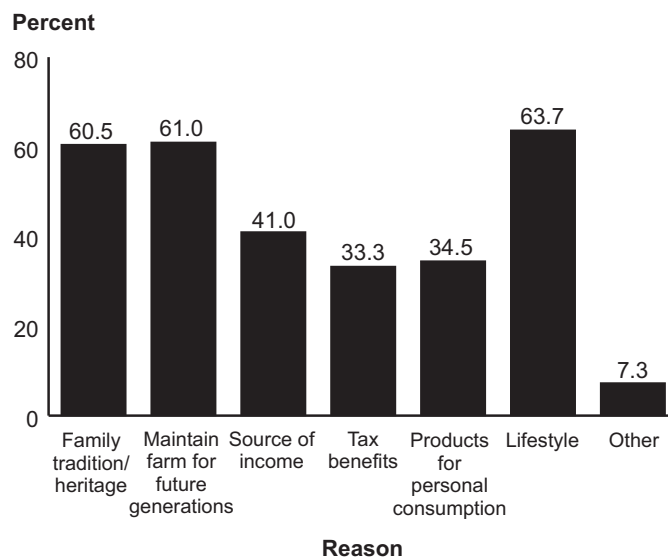
*Source: 2007 Census of Agriculture.

Reasons for farming

Although income is an important reason for farming, many operators on small-scale operations also consider other reasons, such as enjoyment of the farming or ranching lifestyle, to be equally or more important. For example, the USDA's Agricultural Resource Management study found that "operation provides a rural lifestyle" was more important to operators as a measure of success than "operation provides adequate income" for certain types (limited resource, retirement, and residential/lifestyle) of small-scale farms (ERS, 1999).

Lifestyle, maintaining the farm for the next generation, and family tradition/heritage were very important reasons for farming on 63.7, 61.0, and 60.5 percent of small-scale operations, respectively (figure 3). Source of income was very important to 41.0 percent of operations, and producing products for personal consumption was very important to 34.5 percent of operations. Tax benefits and "other" reasons were very important to 33.3 and 7.3 percent of operations, respectively. The most common "other" reasons for farming were personal enjoyment, exercise/physical activity, pride in acting as stewards of the land, and producing food for people.

Figure 3. Percentage of operations in which the following reasons for farming were rated very important



Future plans

Overall, operators on 9 of 10 small-scale operations (89.4 percent) expected to continue farming for the next 5 years. A higher percentage of operators on high-sales operations (94.1 percent) than low-sales operations (89.1 percent) expected to continue farming for the next 5 years.³

During the study, operators were asked about the necessity of several factors that directly affect the decision to continue farming. For operators that expected to continue farming for the next 5 years, the top three factors rated very necessary for continuing to farm were improved farm product prices, stable cost of farm expenses, and greater stability of prices for farm products (ranked very necessary by 62.8, 58.6, and 57.3 percent of operations, respectively). The remaining factors—low interest rates on debt, access to operating loans, and ability to find off farm employment—were ranked very necessary by 41.6, 26.8, and 35.9 percent of operations, respectively.

Marketing

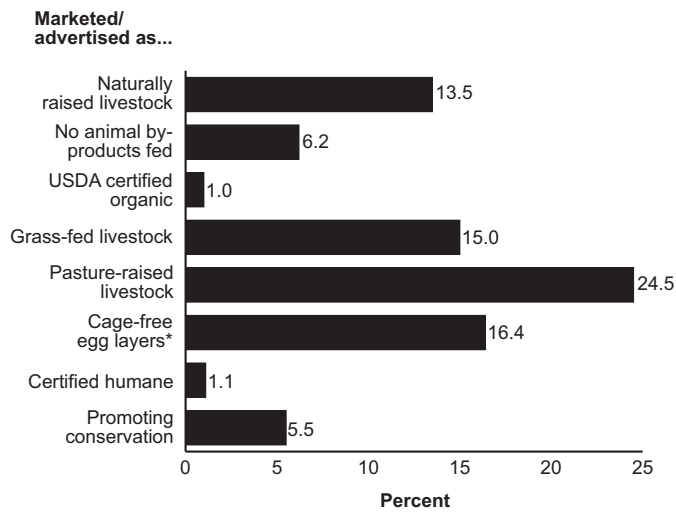
An auction/sale barn was the most common channel used by small-scale operations to market animals or products (88.3 percent of operations). About one of four operations (25.2 percent) marketed animals or products directly to individuals or consumers. These sales included, but were not limited to, direct sales through farmer's markets or community supported agriculture, Internet sales direct to consumers, and sales of live animals to other producers for breeding or other purposes. Direct marketing allows operations to

³ Farm sales categories (gross annual sales in 2010):

Low: less than \$100,000
Medium: \$100,000–\$249,999
High: \$250,000–\$499,999.

differentiate their products by highlighting product features that appeal to consumers, rather than competing on price alone. About one of four operations (24.5 percent) marketed or advertised agricultural products as pasture-raised livestock (figure 4). Of operations that had chickens and/or other poultry, about one of six operations (16.4 percent) marketed or advertised agricultural products as produced by cage-free egg layers. Less than 6 percent of operations marketed or advertised products as USDA certified organic, certified humane, or promoting conservation.

Figure 4. Percentage of operations that marketed or advertised agricultural products in the following ways



*For the subset of operations that had any chickens and/or other poultry.

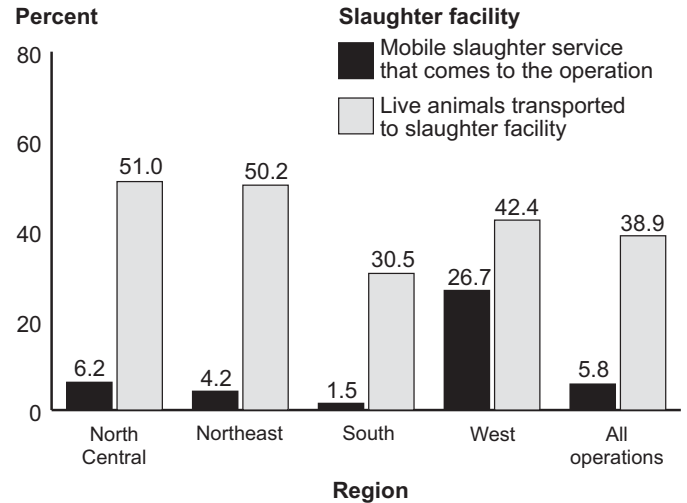
Slaughter facilities

Access to slaughter facilities can be a challenge for small-scale operations that want to directly market meat and poultry products to consumers, since some regions of the United States do not have enough slaughter facilities to meet these needs (Goodsell and Stanton, 2010). Also, when live animals are transported to slaughter, the distance traveled can have implications for product quality, food safety, and animal welfare.

A mobile slaughter unit (MSU) is a self-contained slaughter facility that can travel from site to site. MSUs can serve multiple small producers and can help serve the needs of the local community as well as growing niche markets that sell natural, forage-fed, and organic meat and poultry. MSUs can provide advantages such as reduced stress on animals and lower processing costs for small producers (FSIS, 2012).

About 1 of 15 small-scale operations (5.8 percent) used an MSU for livestock or poultry, and 38.9 percent transported live animals to a slaughter facility (figure 5). A higher percentage of operations in the West region used an MSU (26.7 percent) compared with operations in the North Central, Northeast, and South regions (6.2, 4.2, and 1.5 percent, respectively).

Figure 5. Percentage of operations by facilities used for slaughtering livestock or poultry for home use or sale, and by region



Operator awareness of Federal indemnity

Both USDA and State Veterinarians are responsible for controlling a specific set of regulated diseases such as (but not limited to) tuberculosis, brucellosis, pseudorabies, and exotic Newcastle disease. If a herd or flock is infected and must be euthanized to prevent disease spread, Federal law provides compensation (indemnity) to the producer based upon the fair-market value of the animals lost. Less than half of operations (47.2 percent) had heard of Federal indemnity. A higher percentage of medium- and high-sales operations (57.5 and 60.5 percent, respectively) than low-sales operations (45.9 percent) had heard of Federal indemnity.

Summary

Small-scale U.S. livestock operations account for a large share of U.S. agricultural land, and exploring issues affecting these operations provides some interesting insights. Small-scale U.S. livestock operations make important contributions to emerging regional food systems by helping satisfy the meat and poultry needs of local consumers through direct marketing and by serving growing niche markets such as natural and organic meat and poultry.

References

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Goodsell M, Stanton T. A resource to direct marketing livestock and poultry. March 2010. Available at: http://counties.cce.cornell.edu/orange/Direct_Marketing_Livestock_and_Poultry.pdf

FSIS Mobile Slaughter Unit Compliance Guide. Available at: http://www.fsis.usda.gov/PDF/Compliance_Guide_Mobile_Slaughter.pdf Accessed Feb. 2012.

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