





The Importance of Small-Scale Farming

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What are the Characteristics of a Small-Scale Farm?

Criteria for Small-Scale Definition

Land Size - physical size – hectares/acres

Quantity of productive unit – number of head of cattle, total kilos produced

Labor Parameters

Share of family workers

Economics – gross or net revenue

Connection to markets - subsistence, self-consumption, market orientation

Input driven

Small-Scale Farmers

Comparing the original and revised typologies

Farm type	Operator's primary occupation ¹	Original typology <i>Farm size measured by gross farm sales</i>	Revised typology <i>Farm size measured by GCFI</i>
Small family farms²	Varies	Less than \$250,000	Less than \$350,000
Retirement farms	Retired	Less than \$250,000	Less than \$350,000
Off-farm occupation farms ³	Nonfarm	Less than \$250,000	Less than \$350,000
Farm occupation farms:			
Low-sales	Farming	Less than \$100,000	Less than \$150,000
Moderate-sales ⁴	Farming	\$100,000- \$249,999	\$150,000-\$349,999
Midsize family farms²	Not a criterion	Category not used	\$350,000-\$999,999
Large-scale family farms²	Not a criterion	\$250,000 or more	\$1,000,000 or more
Large farms	Not a criterion	\$250,000- \$500,000	\$1,000,000-\$4,999,999
Very large farms	Not a criterion	\$500,000 or more	\$5,000,000 or more
Nonfamily farms²	Not a criterion	Not a criterion	Not a criterion

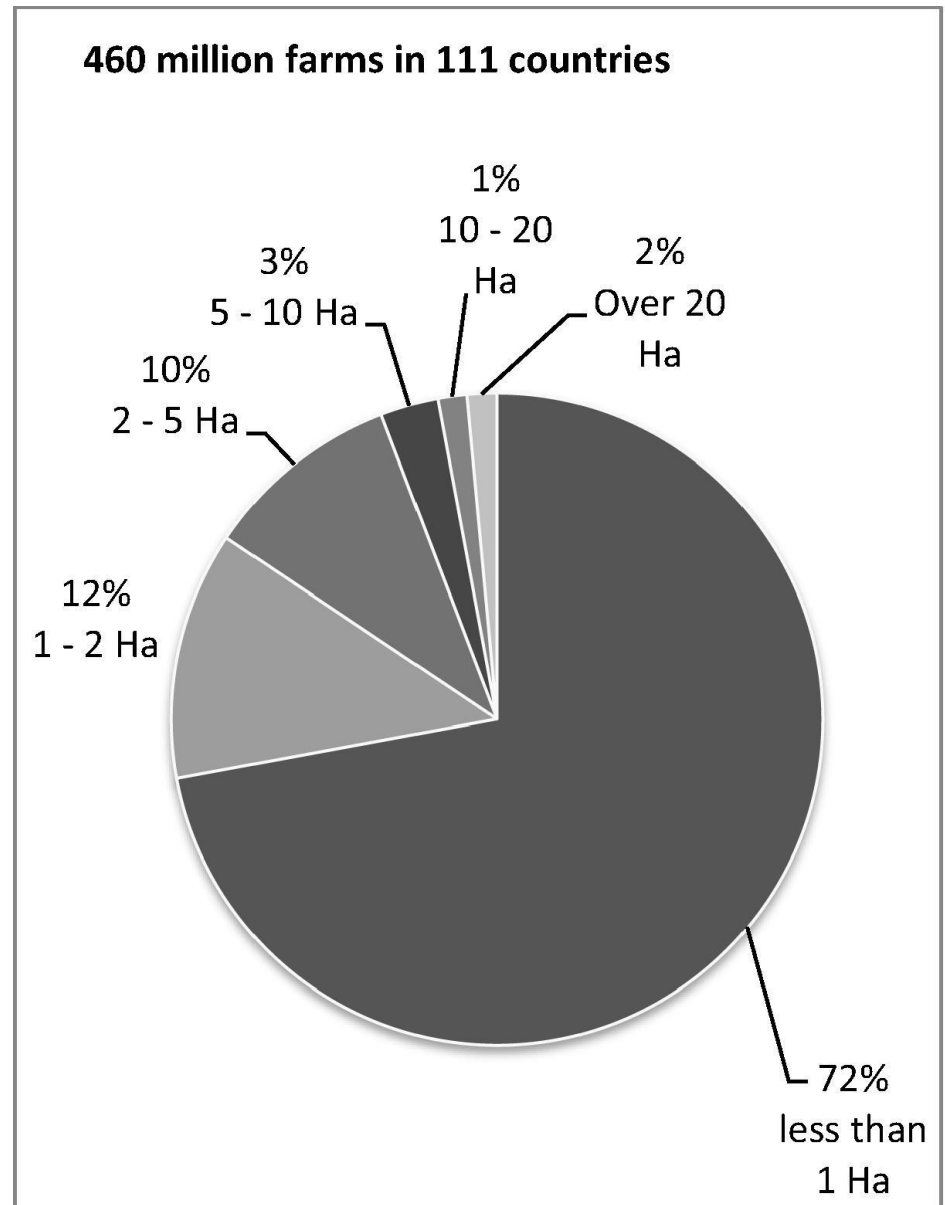
¹Occupation at which the operator spent 50 percent or more of his or her work time.

²Family farms include any farm where the majority of the business is owned by the operator and individuals related to the operator. Nonfamily farms do not meet that criterion.

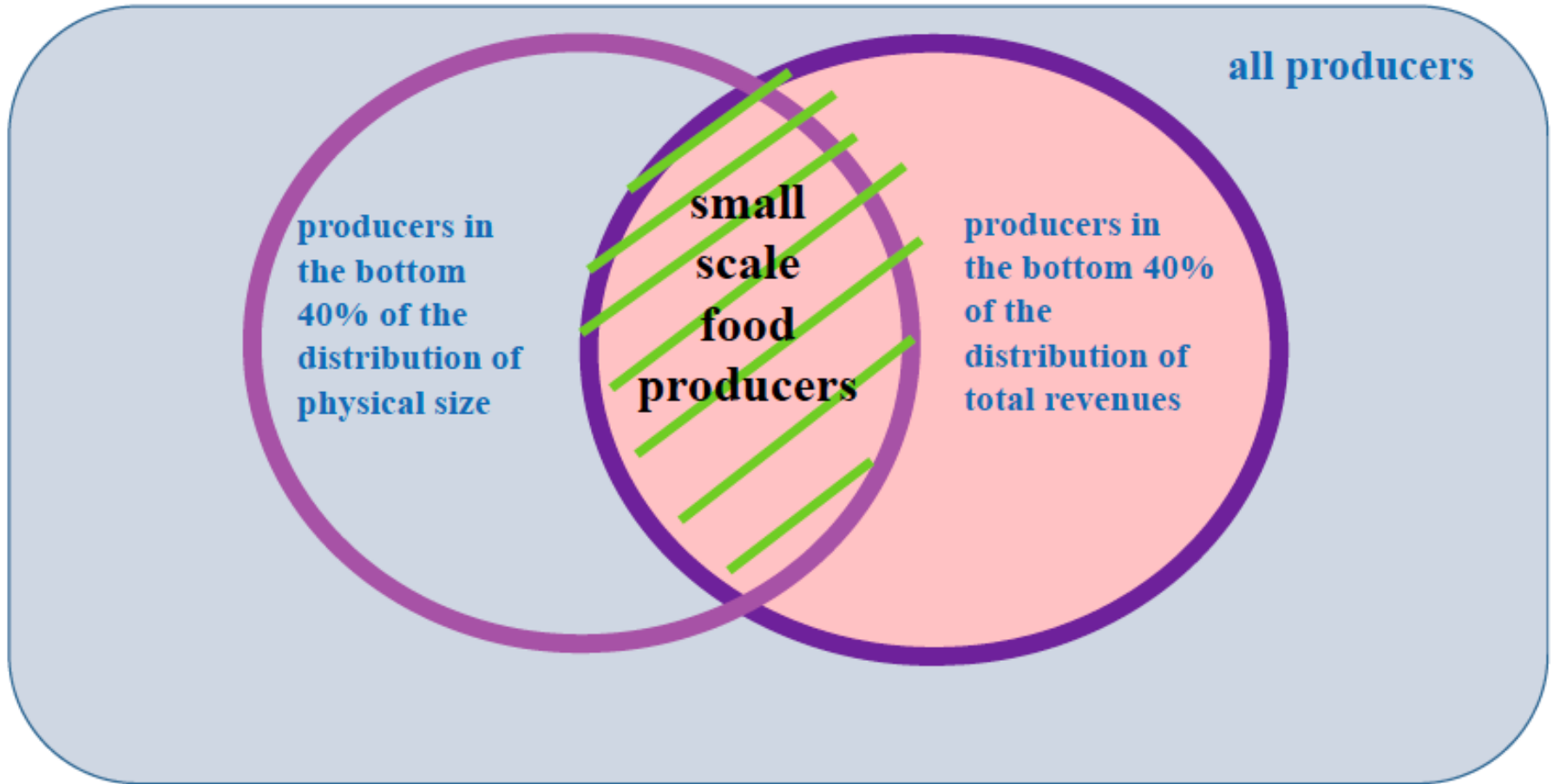
³Formerly residential/lifestyle farms.

⁴Formerly medium-sales farms.

Farms Across the Globe



FAO tried to come up with an easy definition



Smallholder farms produce one-third of the world's food

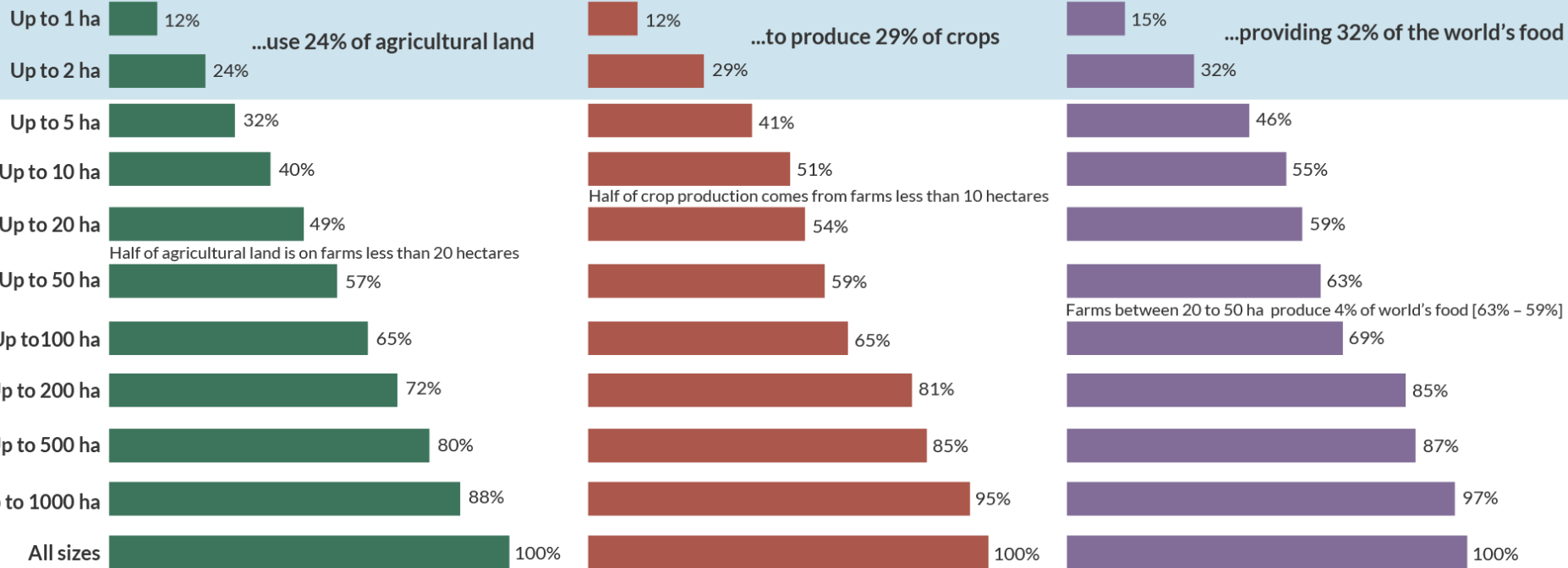
The cumulative share of the world's agricultural land, crop production and food supply, broken down by farm size.

Agricultural land, in hectares

Crop production, in kilocalories
(used for food, animal feed and fuel)

Food supply, in kilocalories
(crops used for human food only)

Smallholder farms (farms less than two hectares)...

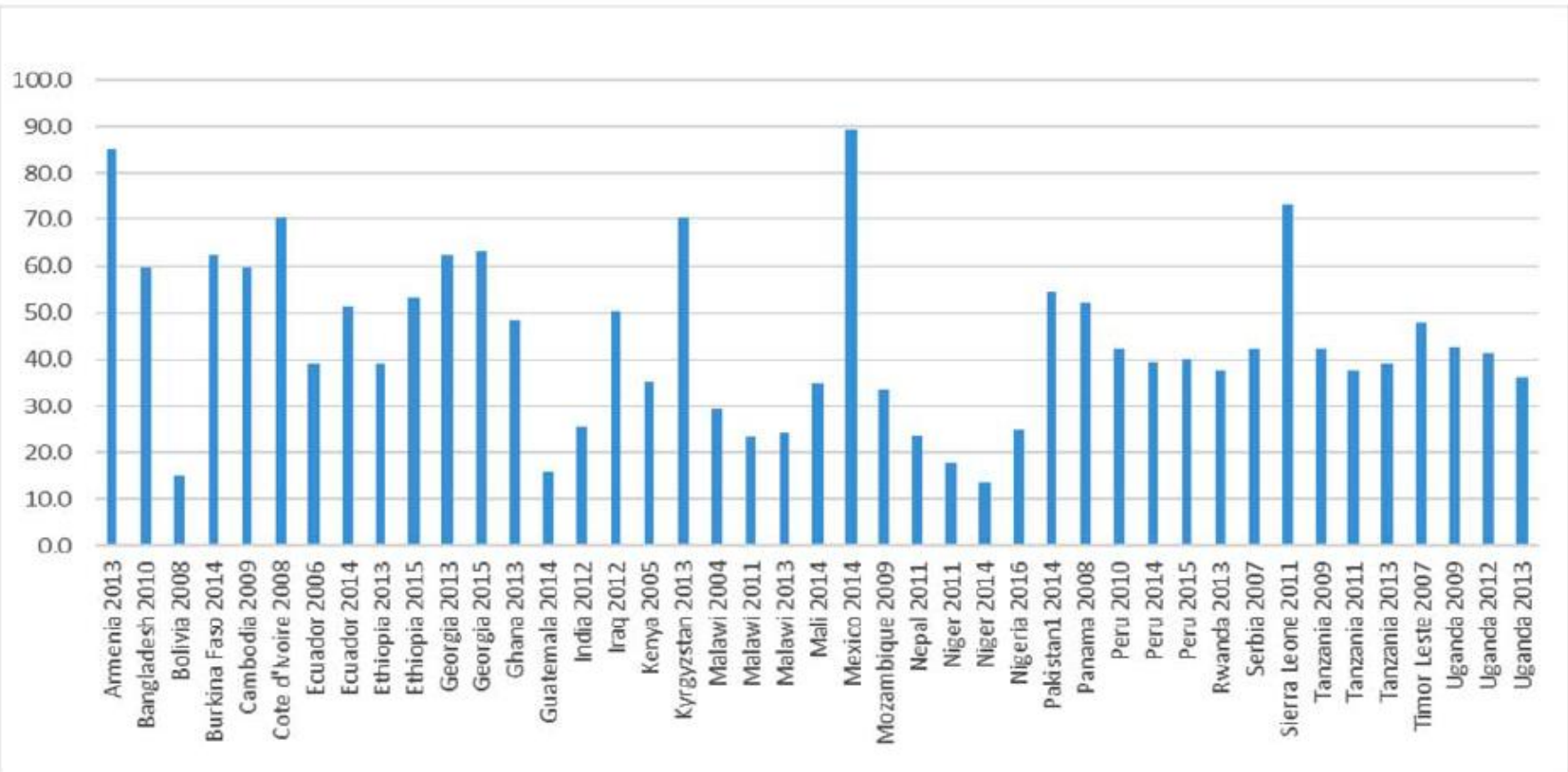


Source: Vincent Ricciardi et al. (2018). How much of the world's food do smallholders produce? *Global Food Security*.
OurWorldinData.org – Research and data to make progress against the world's largest problems.

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- “They do so using around one-quarter (24%) of the world’s agricultural land. They account for a bit more crop production than land use because smaller farms tend to achieve higher yields.”
- “smaller farms tend to [allocate a larger share](#) of their crops towards food, rather than animal feed or biofuels.”

Percentages of small-scale food producers in selected countries, based on the proposed criterion

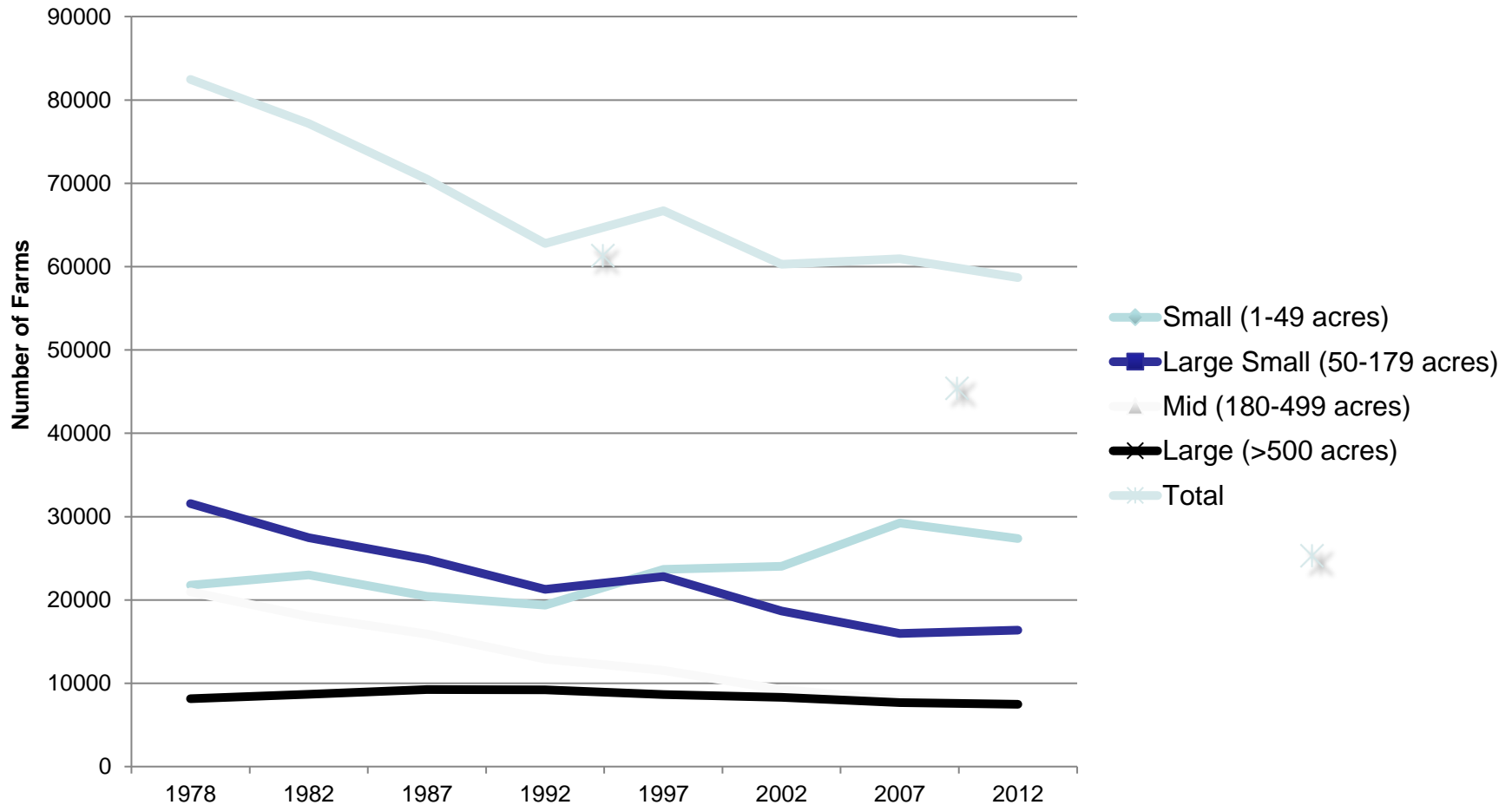


2017 Indiana Agriculture Overview

Economic Characteristics (Value of Farm Sales)	Number of Farms
Less than \$2500	18,583
\$2500 to \$4999	4,660
\$5000 to \$9999	5,396
\$10,000 to \$24,999	6,092
\$25,000 to \$49,999	4,117
\$50,000 to \$99,999	4,069
\$100,000 to \$499,999	8,398
\$500,000 or more	5,334

Small farms (<\$350,000 Gross Farm Sales) account for 85% of all farms in Indiana

Number of Farms in Indiana per Size Class



Small and Large Small make up 75% of IN farms

Source: 2012 Agricultural Census Data

Number of Farms in Indiana per Size Class

Farm Size	Number of Farms
1 to 9 acres	7,622
10 to 49 acres	18,665
50 to 179 acres	15,377
180 to 499 acres	7,419
500 to 999 acres	3,529
1000 to 1999 acres	2,585
2000 acres or more	1,452
Total	56,649

Small farms (<180 acres) account for 74% of all farms in Indiana

Complications

- Arbitrary thresholds
- Simplistic
- Availability of data
- Definition of data in different countries
- Includes all farms
- Relevance for all countries









Small farmers form a very large group in terms of population but not in acreage, difficult to determine who they are and where they are located.



Diverse Farmers

Highly valued within their individual communities as the voice and positive face of agriculture that resonates with the public at large

Diverse and lightly capitalized farming operations

One or more of the principal operators maintains off farm employment

Often engaged in the education and awareness building about agriculture of the public (farmers markets, CSA's, etc)





If you are a woman, you are more likely to own either a small or a large small farm



In general, very few minorities own or run farms (99.4% of operators are white) in Indiana

- Hispanic - 276 (0.5%)
- Asian - 30 (0.05%)
- African American - 53 (0.1%)
- American Indian - 91 (0.15%)

But if you are a minority,
you are more likely to own
either a small or a large
small farm

Hispanic (82.5%)

Asian (87.5%)

African American (83.7%)

American Indian (87.5%)



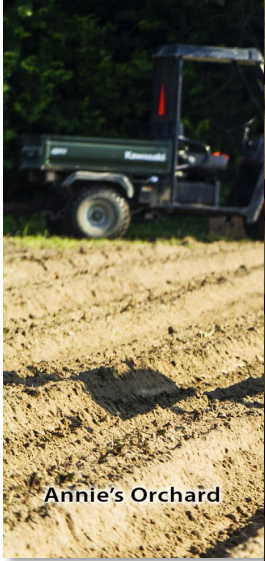
If you are less than 55 years old, you are more likely to own either a small or a large small farm



Beginning Farmers



- 22% of all farms in USA met the definition of a beginning farm (principal operator has operated the same farm for < 10 years)
- In decline for last 3 decades
- Only 6% of farmers are less than 35 years old
- Why do you think this is occurring?
- What is the “right” or “good” number of beginning farmers?
- Barriers to entry:
 - Farming expertise
 - Access to land
 - Access to capital



Annie's Orchard



Trinity Acres Farm



Harvest Moon Flower Farm

The successes and innovations of diversified farms go largely unnoticed and their needs unheard because they **lack a common voice**

Small Farms in Indiana

In Indiana more than 75% of all farmers own less than 200 acres (does not include urban farmers)

Many voices but not **unified**

Local economy is impacted

Generation of **value-added** cottage industries

High land prices for agricultural land, smaller farms are more obtainable for new or beginning farmers (military veterans)

Local Food movement (people want to know who produced the food they consume)

Benefits of Small-Scale Farming



Annie's Orchard







Annie's Orchard



The market value per acre of small farms (\$1844/acre) is two times higher than farms greater than 2000 acres (\$734/acre). Net cash income per acre is also slightly higher (\$289 vs \$210)





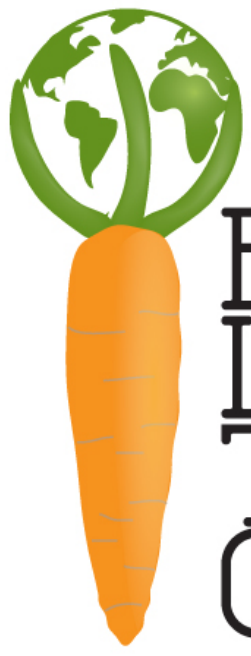












EATING
LOCALLY
THINKING
GLOBALLY



Slow Food®



Local Food Definition

- Sold directly to consumers through farmers markets, roadside stands, and community supported agriculture
- Can also be sold at supermarkets and wholesale, to restaurants or school procurement



WHY LOCALLY PRODUCED FOOD SHOULD ALWAYS BE YOUR FIRST CHOICE

1. It Reduces the Distance That Food Travels

Food miles not only consume energy, but they contribute to poor air quality too.



2. It's Healthier

The ripening process of fruits and vegetables is usually delayed in transport thanks to cold temperatures or gas, and consequently, fruit and vegetables may contain fewer nutrients.



5. Genetic Diversity is Protected

Locally grown produce rarely uses mass production technologies that are common in commercial farming.



4. It Helps the Local Economy

Spending locally ensures that your money is reinvested in the local economy, which results in improvements in the community.



3. There is Less Packaging Involved

If you buy local, most of the items being sold have significantly less packaging.



Table 1
Direct Farm Sales of Food, by Type of Buyer, 2015

	\$ billion	%
Consumer	3.0	35
Retailer	2.4	27
Institution and local intermediary business	3.4	39
Total	8.7	100

Source: USDA NASS, 2015 Local Food Marketing Practices Survey.

Top States in Direct Farm Sales (\$ millions)

California	2,869
Michigan	459
New York	441
Pennsylvania	439
Wisconsin	431
Texas	357
Vermont	250
Massachusetts	229
Virginia	217
Iowa	194

Farms sell directly to:

Consumers (35 percent of direct sales in 2015)

Includes sales through farmers markets, onsite farm stores, roadside stands, CSA (Community Supported Agriculture) arrangements, online sales, pick-your-own operations, mobile markets, and other means.

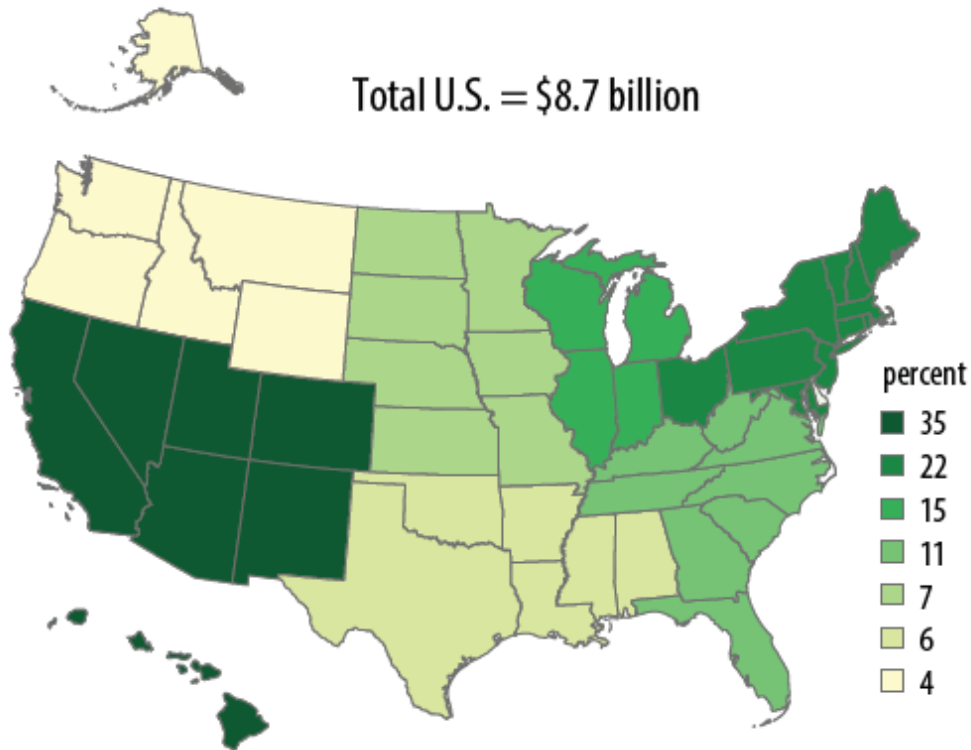
Retailers (27 percent of direct sales in 2015)

Includes supermarkets, supercenters, restaurants, caterers, independent grocery stores, and food cooperatives.

Institutions and Intermediary Businesses (39 percent of direct sales in 2015)

Includes institutions such as schools, colleges, universities, and hospitals as well as intermediary businesses such as wholesalers, distributors, processors, etc., that market locally or regionally branded products.

Fig. 1
Direct Farm Sales of Food by Regional Share, 2015



Source: USDA NASS, 2015 Local Food Marketing Practices Survey.

Table 2
Direct Sales to Consumers, by Marketing Practice and Number of Farms, 2015

	Sales		No. of Farms
	\$ million	%	
On-farm store	1,322	44	51,422
Farmers' market	711	23	41,156
Roadside stand away from farm	236	8	14,959
Community-supported agriculture (CSA)	226	7	7,398
Online	172	6	9,460
Other (pick-your-own, mobile market, etc.)	360	12	39,765
Total	3,027	100	114,801*

**Is less than the sum of individual practices because a farm may use multiple practices.*

Source: USDA NASS, 2015 Local Food Marketing Practices Survey.

Total Direct Marketed Sales of Food and Number of Farms Selling Directly - Indiana

Number of Operations = 4433

Direct Sales = \$ 103,726,596

Years Producing and Selling Directly:

< 5 years = 920 operations

6 – 10 years = 397

11 – 20 years = 670

> 21 years = 1658

Locally Grown Food

Supporting local families and businesses

Builds community and trust in local farming systems

Increases local economy and multiplier effect (2-3 times higher than a non-local business)

Preserves open spaces and benefits to the environment

Questions?



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