

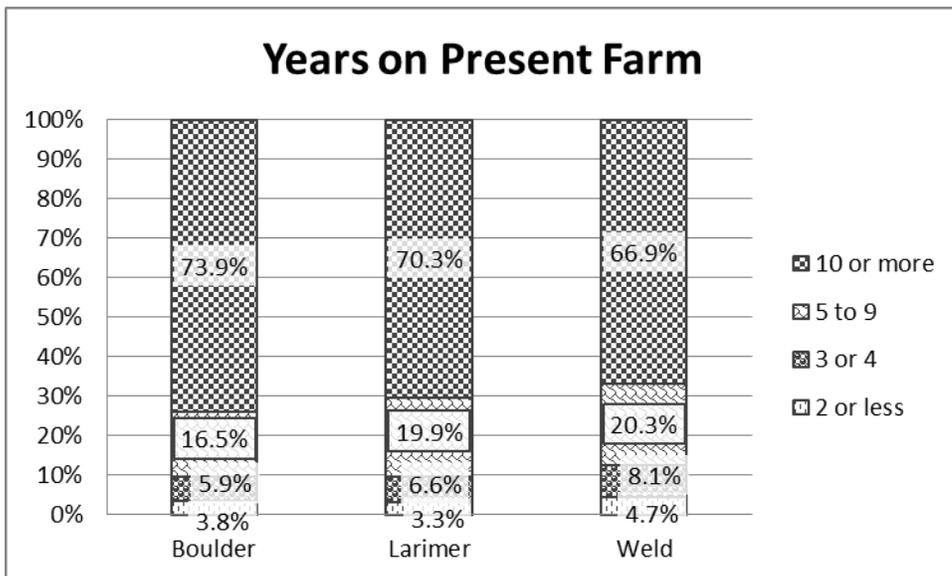
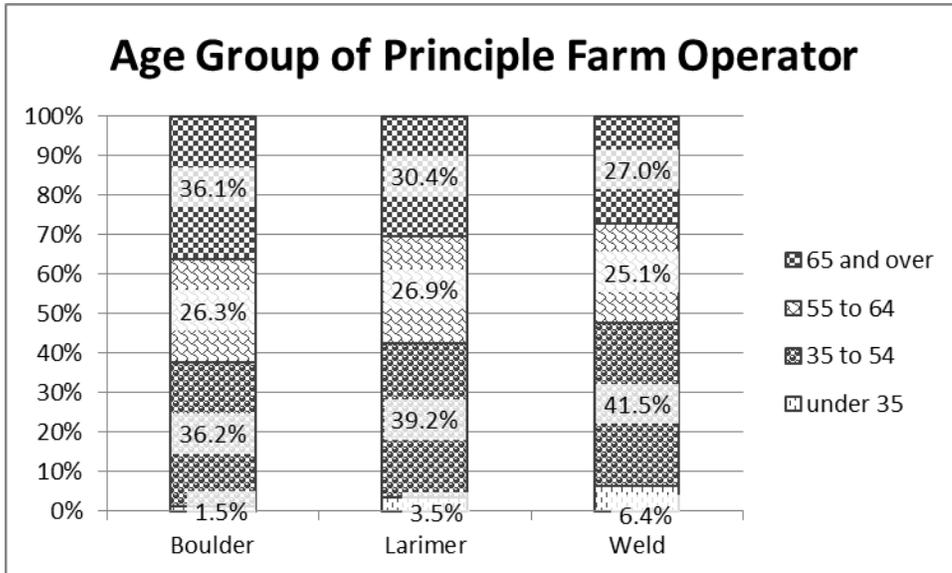
www.larimer.org/foodassessment/

A Closer Look at Farm Operators

There are three ways we used to define how operators differ:

1. Their age and time in farming as an indicator of the entry and succession issues that agriculture faces
2. The land base, economic scale and lifestyle orientation of farmers to illustrate the diversity of engagement in agriculture across farms.
3. The market orientation of producers to show how the region is reacting to greater interest in local food systems.

One way used to describe agricultural producers is by age and years on farm, which helps categorize the experience levels, lifestage and planning horizon of the operator.



- Boulder County farm operators have the highest average age, and Weld County farm operators have the lowest.
- Similarly, Weld County has a larger percentage of operators that are new to farming, but the majority of farmers and ranchers have been on the same operation for more than 10 years in all counties
- These demographics lead to a continued interest in helping young and beginning farmers establish operations and gain access to production resources

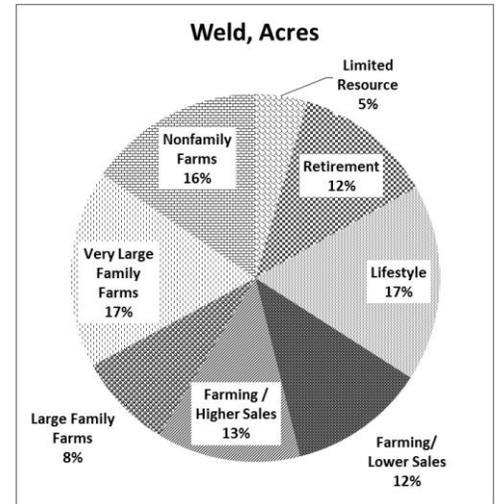
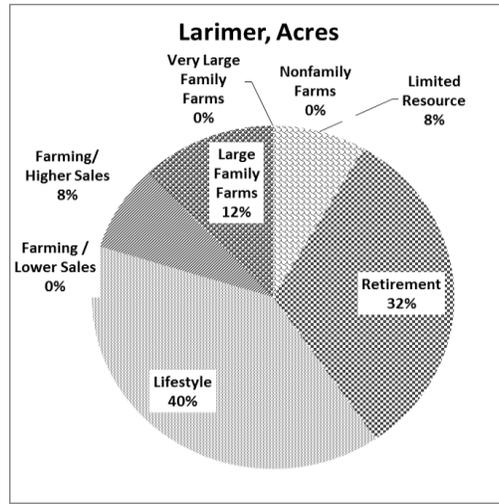
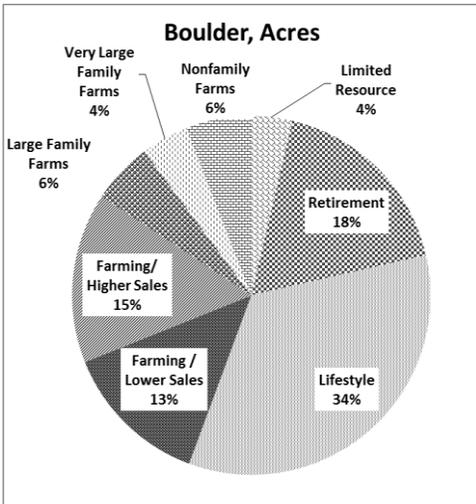
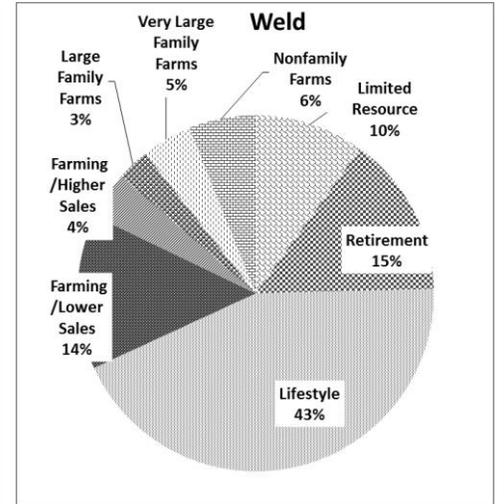
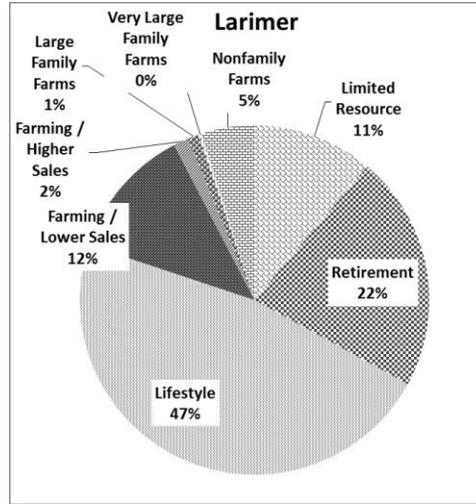
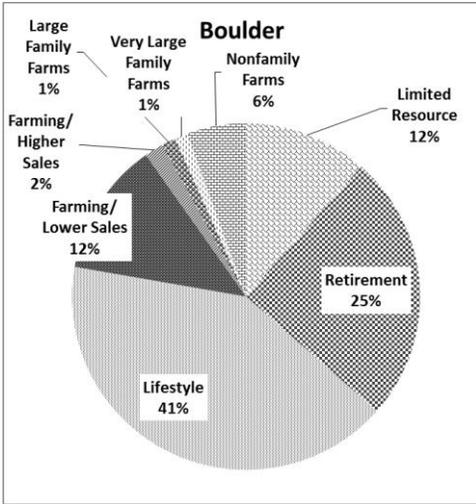
Share of Farms Categorized by Sales and Level of Engagement

Due to the changing nature of farms and producers, the USDA recently developed a new system of categorizing farms, which we use to describe our region using 2007 Ag Census data. The following table defines each of these categories. Note that most are classified as family farms, but the size of operations among family farms is even quite varied.

USDA Defined Farm Types	
Small family farms (gross sales less than \$250,000) ¹	Large-scale family farms (gross sales of \$250,000 or more)
<p>Rural-residence family farms: Retirement farms. Small farms whose operators report they are retired. Residential/lifestyle farms. Small farms whose operators report a major occupation other than farming.</p> <p>Intermediate family farms: Farming-occupation farms. Small family farms whose operators report farming as their major occupation. •Low-sales farms. Gross sales less than \$100,000. •High-sales farms. Gross sales between \$100,000 and \$249,999.</p>	<p>Commercial family farms: Large family farms. Gross sales between \$250,000 and \$499,999. Very large family farms. Gross sales of \$500,000 or more</p> <p>Nonfamily farms Any farm not classified as a family farm, that is, any farm for which the majority of the farm business is not owned by individuals related by blood, marriage, or adoption.</p>
<p>¹The National Commission on Small Farms selected \$250,000 in gross sales as the cutoff between small and large-scale farms.</p>	

A 'limited resource' farmer or rancher or forest owner is an applicant who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years.

- In Weld County intermediate and large scale farms control a larger portion of the agricultural acreage than is seen in Boulder and Larimer Counties.
- Lifestyle and retirement are significant in terms of farm numbers and acres in production, especially in Larimer and Boulder counties
- Family farms are still dominant players in our region

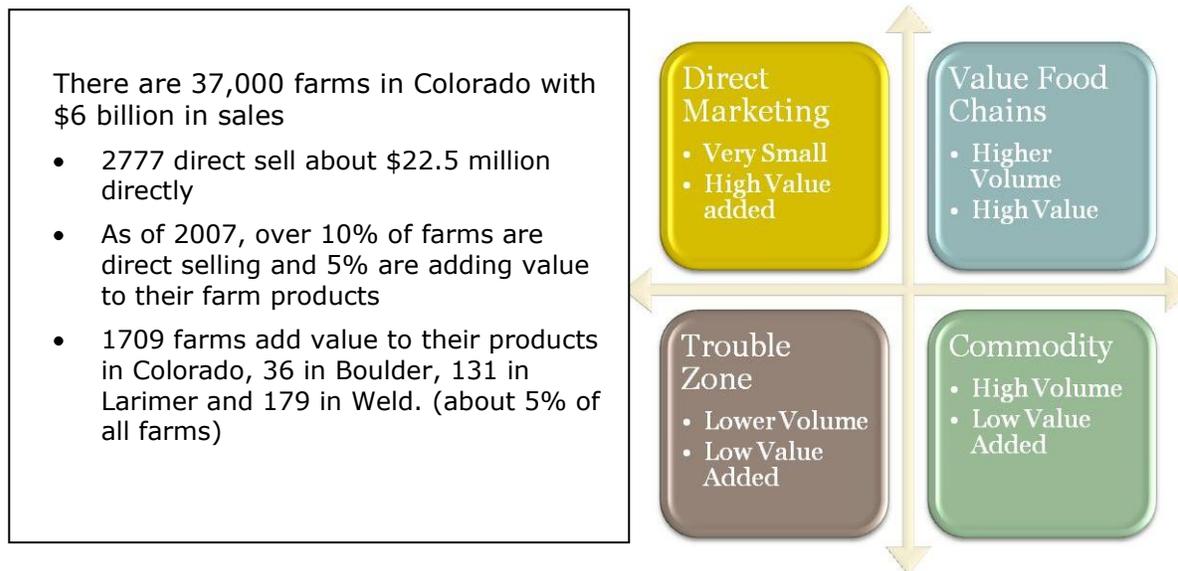


Market Orientation

Given economic struggles by some sizes and types of farm enterprises, there is renewed interest in diversifying the types of marketing strategies that farms use to suit their potential sales volume, quality and reputation. So, you might think of farms being divided by their size and potential to add value with customers as we show below.

For those seeking to direct market, because of small sales volumes and attempts to increase the freshness and quality of their offerings, we have seen increased activity in Colorado in recent years.

Others are maintaining high volumes of sales, but adding value to create a greater profit margin for their farms and ranches (sometimes called a value food chain).



Direct-to-Consumer Sales

The share of direct sales in our three counties is only 0.1 to 2% of all sales, but the number of farms direct marketing grew by over 20% in all 3 counties

- **Boulder** has 746 farms with \$34 million in sales
 - 105 sell \$715,000 directly to consumers
- **Larimer** has 1757 farms with \$128 million in sales
 - 199 sell \$838,000 directly to consumers
- **Weld** has 3921 farms (10% of the state's total) with \$1.5 billion in sales (25% of the state's total)
 - 303 farms in Weld sell \$2.2 million directly to consumers

CSA - Community Supported Agriculture

There are 214 Colorado farms with CSAs as of 2007 Census of Agriculture

- 10 in Boulder County
- 21 in Larimer County
- 15 in Weld County

Little data is available, but we thought it was interesting to develop estimates.

97 are listed on Local Harvest [www.localharvest.org] and looking through the listings, they sell 30-100 shares at each CSA.

A couple of very large CSAs report a significantly higher number of shares for sale (4000 for Grant Family Farms, 250 for some in Boulder). For this exercise, we assume 60 shares are sold, on average, except for those big operations.

Share prices range from \$500-800 per share, so let's assume an average of \$600.

If you believe there are 214 operating, and 200 are 'medium sized', that is $\$600 * 200 * 60 = \$7,200,000$ in revenues for the whole state.

If we assume Grant Family Farms sells 3000 of their available shares at \$600 per share, that is \$1,800,000 for that one CSA in our region.

Given the number of CSAs in the Northern Colorado region (46), and assuming Grant Family Farms is one with \$1.8 million in CSA revenues, and there are 5 other larger CSAs (200 shares at \$600 per piece), we have $\$600,000 + \1.8 million, or \$2.4 million in sales from larger CSAs.

If the other 40 CSAs are more average, that is \$36,000 per CSA or \$1,440,000 more in sales.

So, a realistic estimate for the region's CSAs is \$3.8 million in sales.

For Colorado as a whole, we would estimate about \$10 million in CSA sales activity, or about half of the reported direct sales in 2007.

References

USDA, Colorado Ag Census

http://www.nass.usda.gov/Statistics_by_State/Colorado/index.asp

Agriculture of the Middle Research Group

<http://www.agofthemiddle.org>