

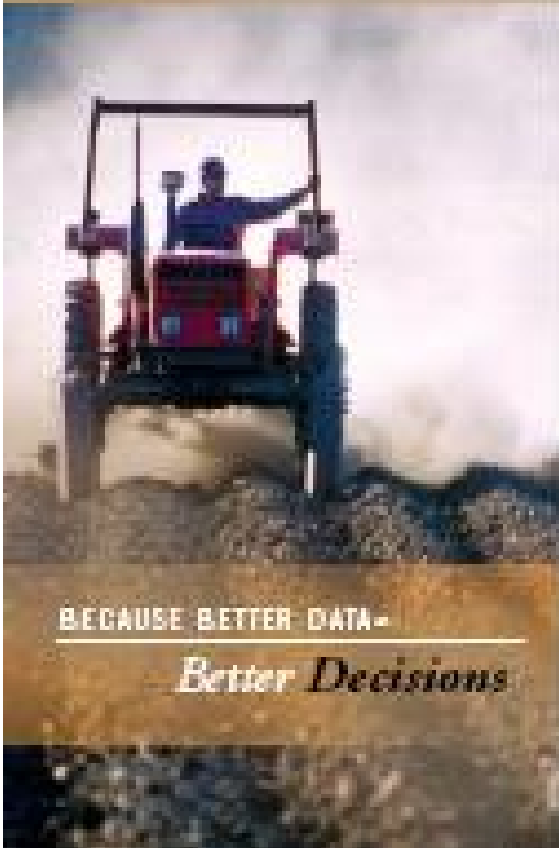
2007 ARMS III
**Montana -
Wyoming Workshop**

*Billings, MT
January 23-24*

WELCOME
Montana - Wyoming
Enumerators



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Survey Purpose and Uses of ARMS DATA

*Presented
by*

*Glenda Shepler
&
Peggy Stringer*

Federal Law Pertaining to Data Collection

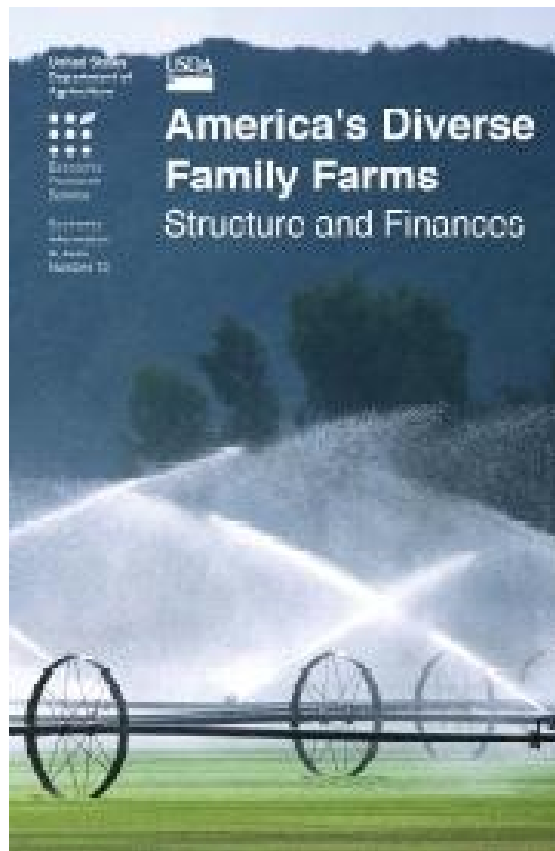
□ U.S. Code Title 7, Chapter 35 A, Subchapter II

“The Secretary of Agriculture...shall conduct a cost of production study of the wheat, feed grain, cotton, and dairy commodities under the various production practices and establish a current national weighted average cost of production...shall include all typical variable costs, including interest costs, a return on fixed costs, and a return for management.”

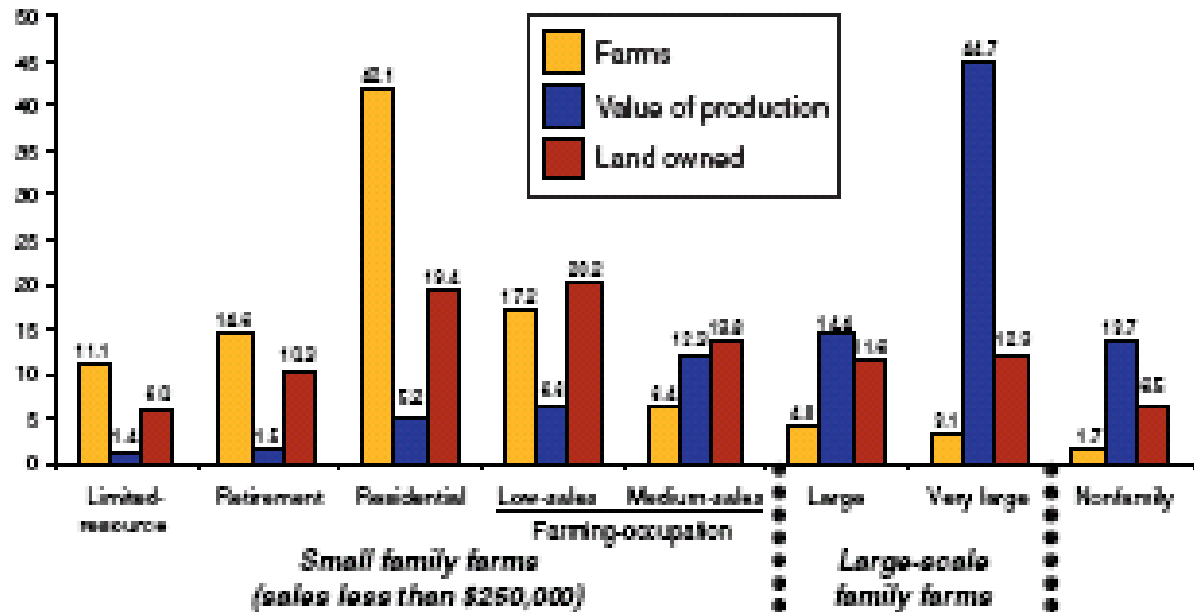
□ U.S. Code, Title 7, Chapter 55, Section 2266

“In order that Congress may be better informed regarding the status of the family farm system--the Secretary..shall submit to Congress..each year a written report containing current information on trends in family farm operations and comprehensive...data on nonfamily farm operations...The Secretary shall include an assessment of tax, credit, and other laws..and...identification and analysis of new...production... technological developments, especially in the area of biotechnology...and the effect on... the economic structure of family farms...”

Family Farm Report



Distribution of farms, value of production, and land owned, 2003
Percent of U.S. total



USDA's Responsibility To Department of Commerce and OMB For Farm Income Estimates

1956 Memorandum of Understanding

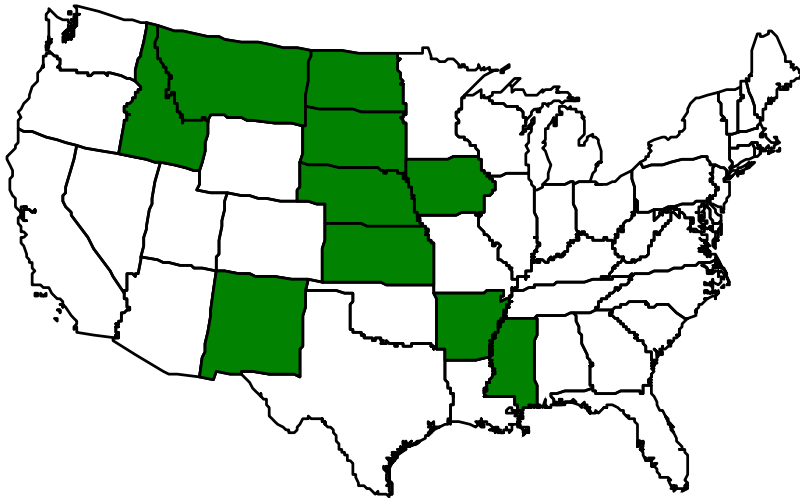
Agreement among OMB, Department of Commerce, & USDA
Established that USDA would produce U.S. farm income estimates for use in preparing Gross Domestic Product and National Income Accounts for the United States

Agreement Reaffirmed by GAO in 1982 ("The Bureau of Economic Analysis Should Lead Efforts to Improve GNP Estimates", Report to the Congress, GAO/GGD-83-1, December 27, 1982, page 54

Department of Commerce Estimates of Total Personal Income

The estimates of State and local area personal income, gross state product, and regional economic multipliers prepared by the Bureau of Economic Analysis, Department of Commerce are used as a basis for allocating funds and determining matching grants to states. In 1999 a total of \$128 billion was distributed.

Top ten states for farming contribution to total personal income



ARMS data are used in the estimation of farm labor and proprietors income, which is a component of total personal income.

Research

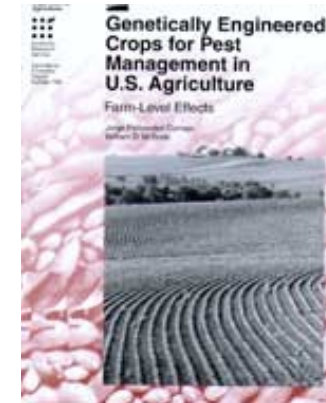
Technology Adoption Decisions in Dairy Production and the Role of Herd Expansion



Land Tenure and the Adoption of Conservation Practices



Genetically Engineered Crops for Pest Management in U.S. Agriculture



Pest Management in U.S. Agriculture



Factors Contributing to Earnings Success of Cash Grain Farms



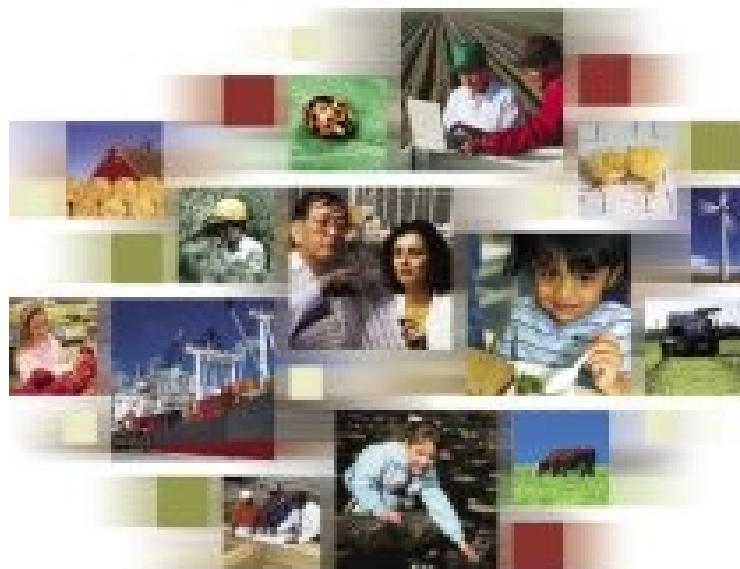
An Analysis of Risk Premia in U.S. Farm-Level Interest Rates



Policy Analysis: A New Farm Bill

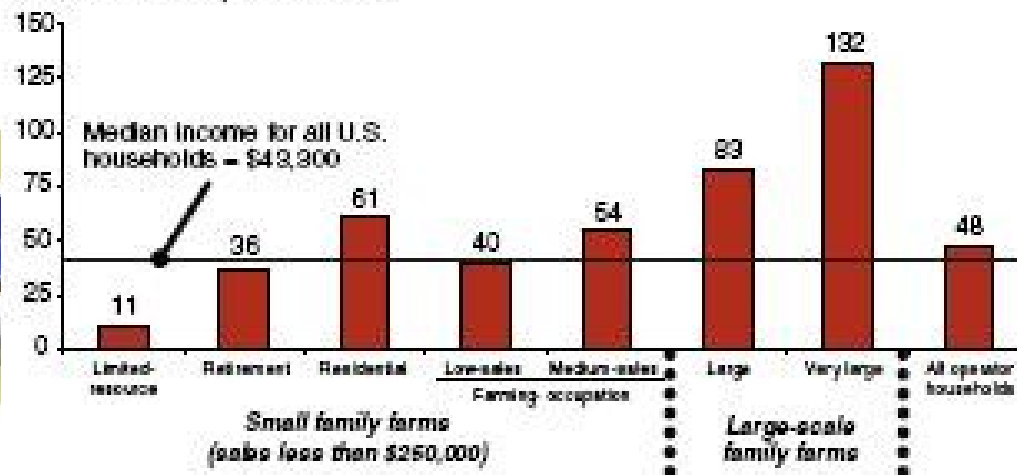
Food and Agricultural Policy

Taking Stock for the New Century



Median income of principal-operator households, 2003

Thousand dollars per household



The median falls at the midpoint of the income distribution, dividing households into two groups. Half of all households have income above the median, while the other half have income below the level. Household income is not estimated for nonfamily farms.

Policy Analysis: Distribution of Payments

United States General Accounting Office

GAO

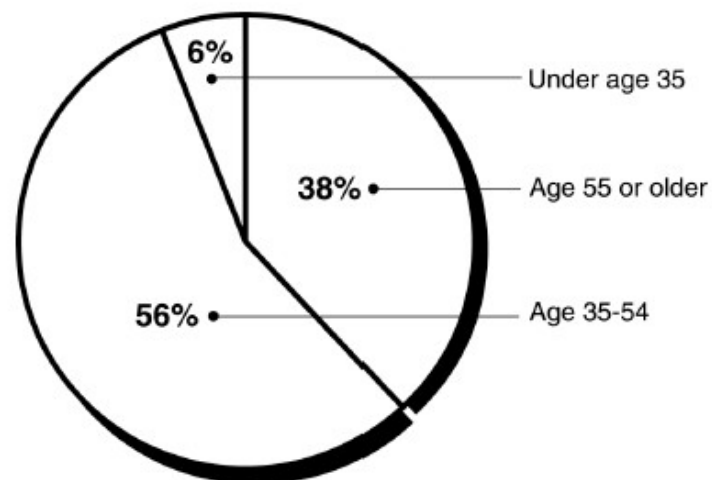
Report to the Chairman, Committee on
Agriculture, Nutrition, and Forestry,
U.S. Senate

June 2001

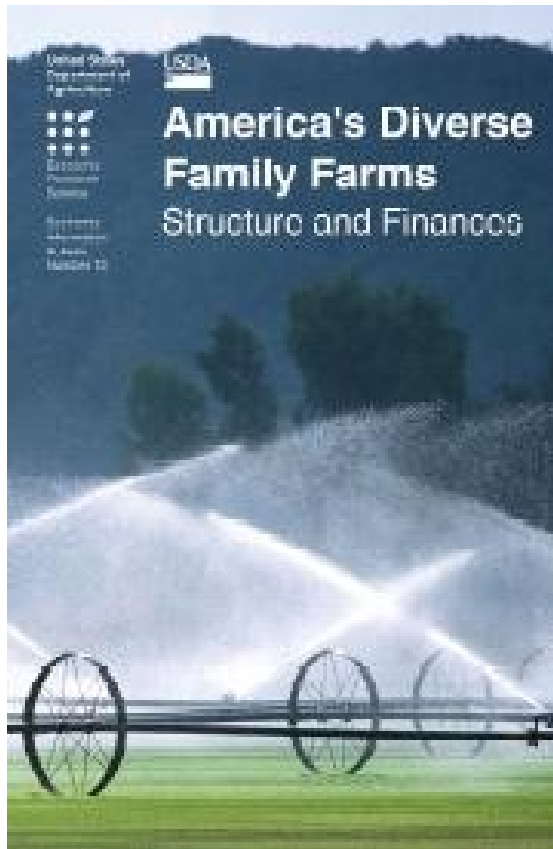
FARM PROGRAMS

Information on Recipients of Federal Payments

Figure 7: Percentage of Farm Payments Received by Farm Operators in Selected Age Categories, 1999

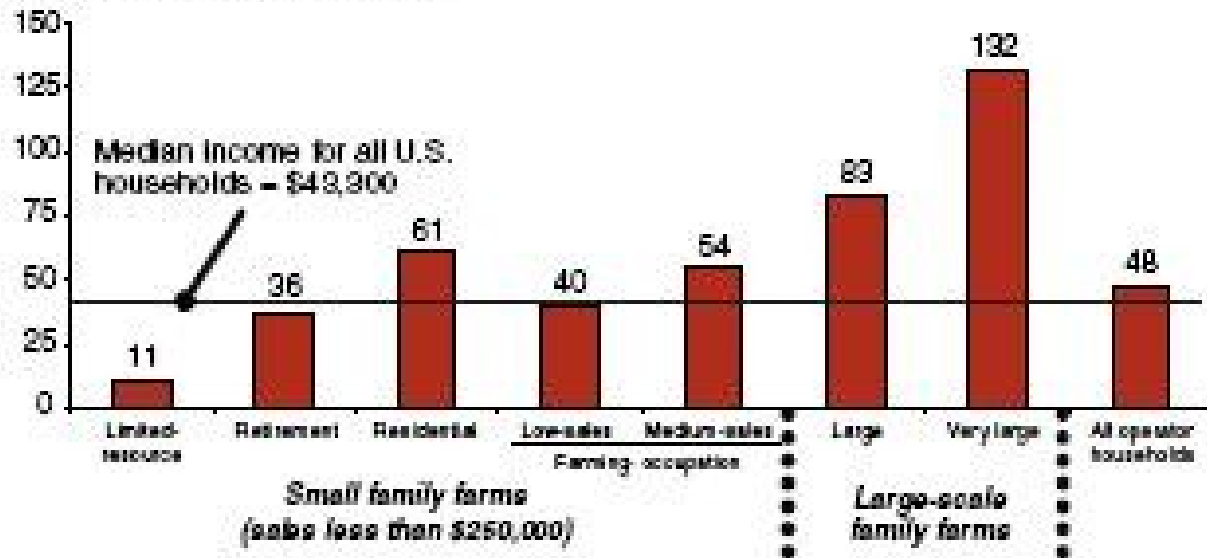


Policy Analysis: Safety Net



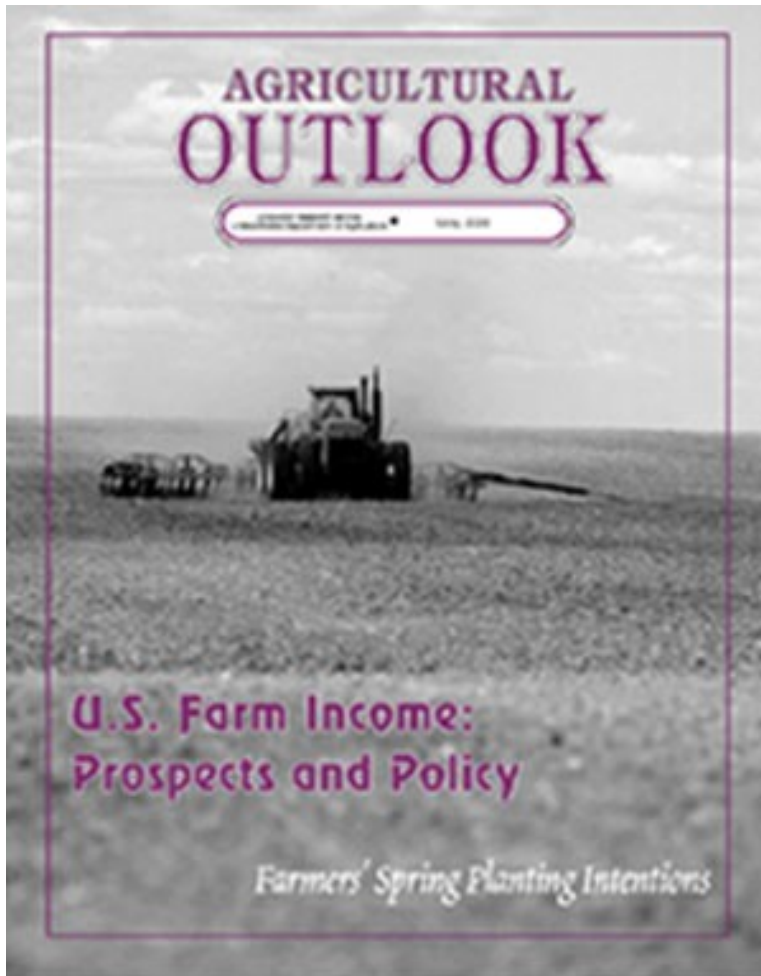
Median income of principal-operator households, 2003

Thousand dollars per household



The median falls at the midpoint of the income distribution, dividing households into two groups. Half of all households have income above the median, while the other half have income below the level. Household income is not estimated for nonfamily farms.

Policy Analysis: A Fair Income for Farmers?



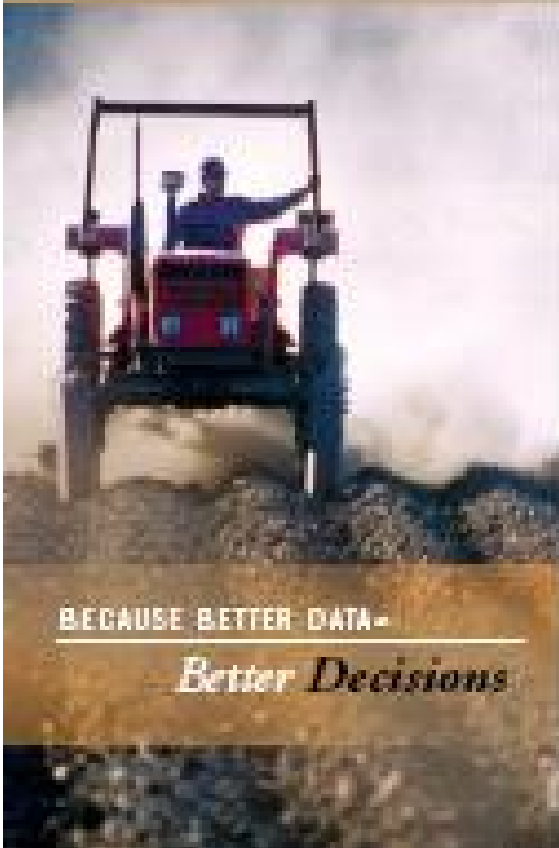
Larger Wheat Farms Have Higher Share of Operators With Relatively Low Economic Costs



Economic costs include total cash costs, allowance for depreciation, and an imputed return to management and unpaid labor of the operator and household. Economic costs per revenue dollar is less than 1 for low-cost (most financially efficient) wheat farms, 1-1.4 for mid-cost farms, and 1.5 or greater for high-cost farms.



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Benefits to Producers

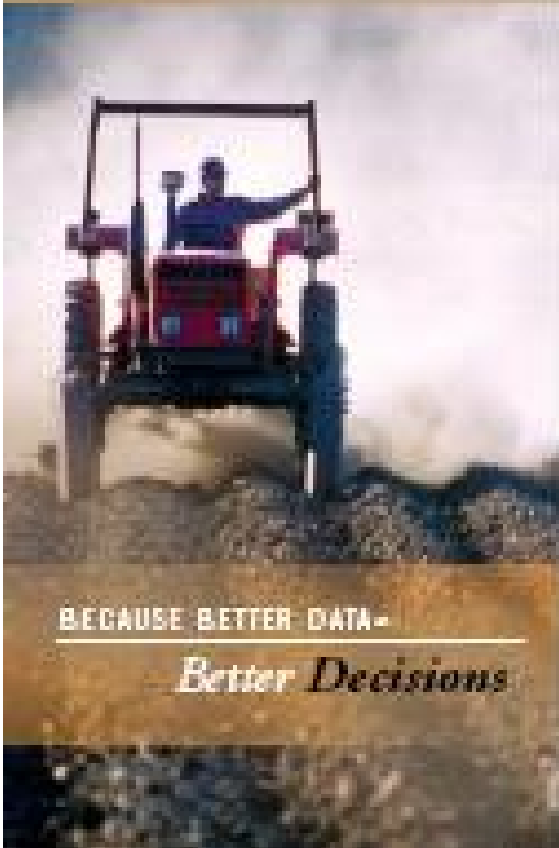
Farm Organizations,
Government Agencies,
University & Elective
Officials

Use ARMS DATA

*To measure the effects
of escalating fuel costs
on producers' bottom
line*



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Benefits to Producers

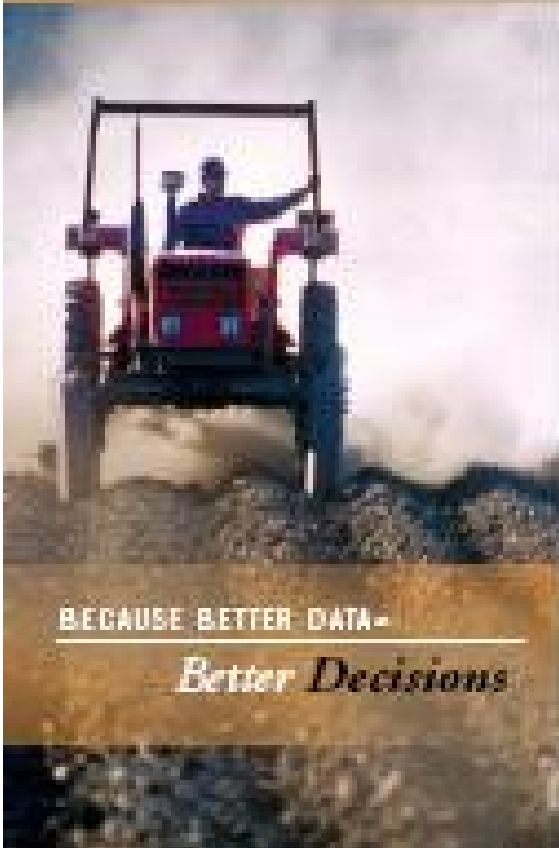
Farm Organizations,
Government Agencies,
University & Elective
Officials

Use ARMS DATA

*To measure the effects
of natural disasters by
evaluating cash receipts
and net farm income*



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Benefits to Producers

Farm Organizations,
Government Agencies,
University & Elective
Officials

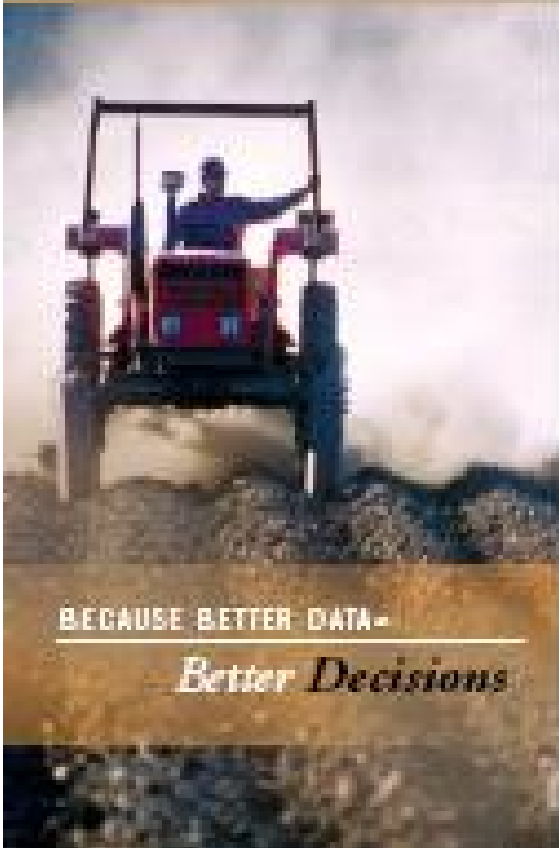
Use ARMS DATA

As a baseline to evaluate the
2007 Farm Bill's effects on
American farmers &
ranchers



Agricultural Resource
Management Survey

(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Benefits to Producers

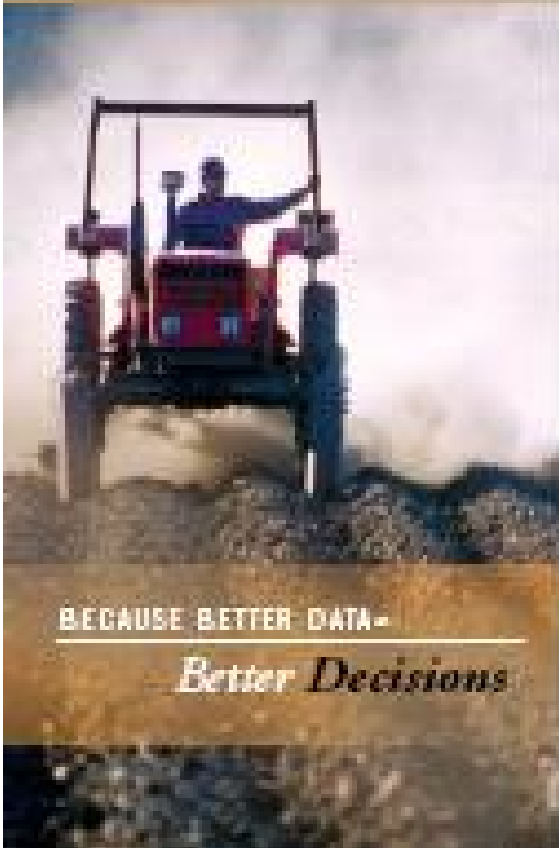
Federal Reserve Bank

Uses ARMS DATA

To publish reports which help farm credit lenders assess the lending risk to producers



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Benefits to Producers

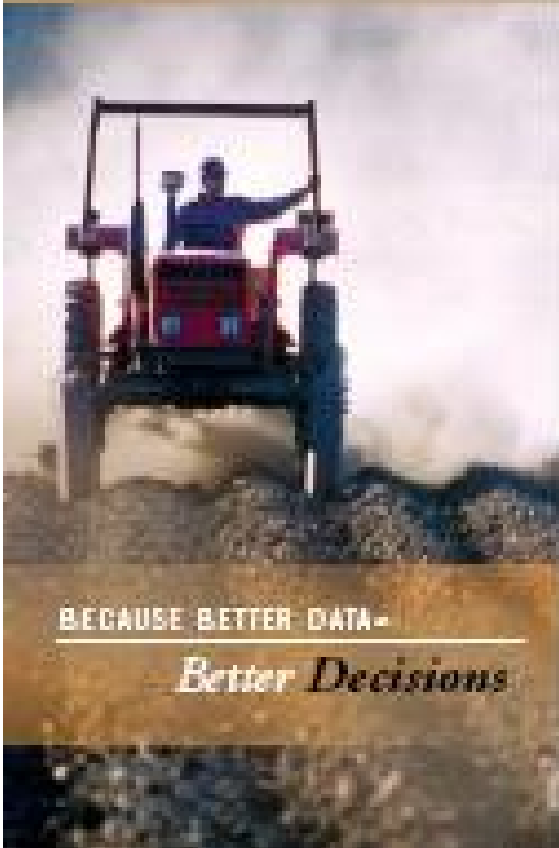
Department of Commerce

Uses ARMS DATA

To estimate total personal income which is used as a basis for allocating funds and determining matching grants to states



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Be ARMEd with the Facts

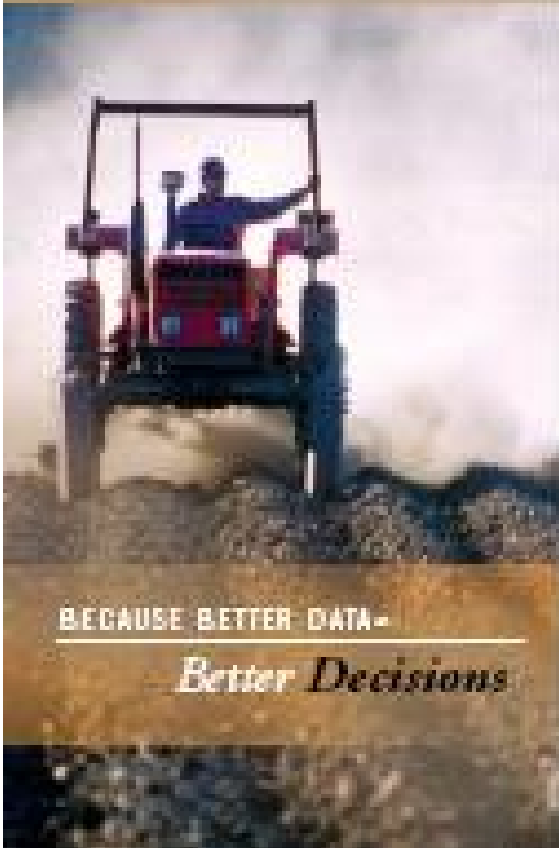
**ARMS is the only survey
that reveals the complete
financial picture for
agriculture**

With the many challenges
facing agriculture, it is
important that farmers and
ranchers tell their story

America is only as strong
as our agriculture



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

Better Decisions

Recap of Benefits to Producers *ARMS DATA*

Measures the effects of escalating fuel costs on producers' bottom line

Helps farm credit lenders assess the lending risk to producers based on ARMS

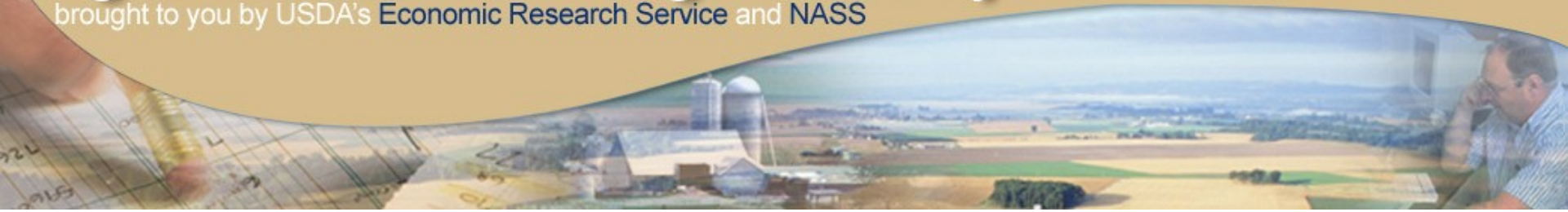
Measures the Effects of Natural Disasters by Evaluating Cash Receipts and Net Farm Income

Estimates of total personal income which is used as a basis for allocating funds and determining matching grants to states

Evaluates how 2007 Farm Bill programs & policies effects farmers & ranchers

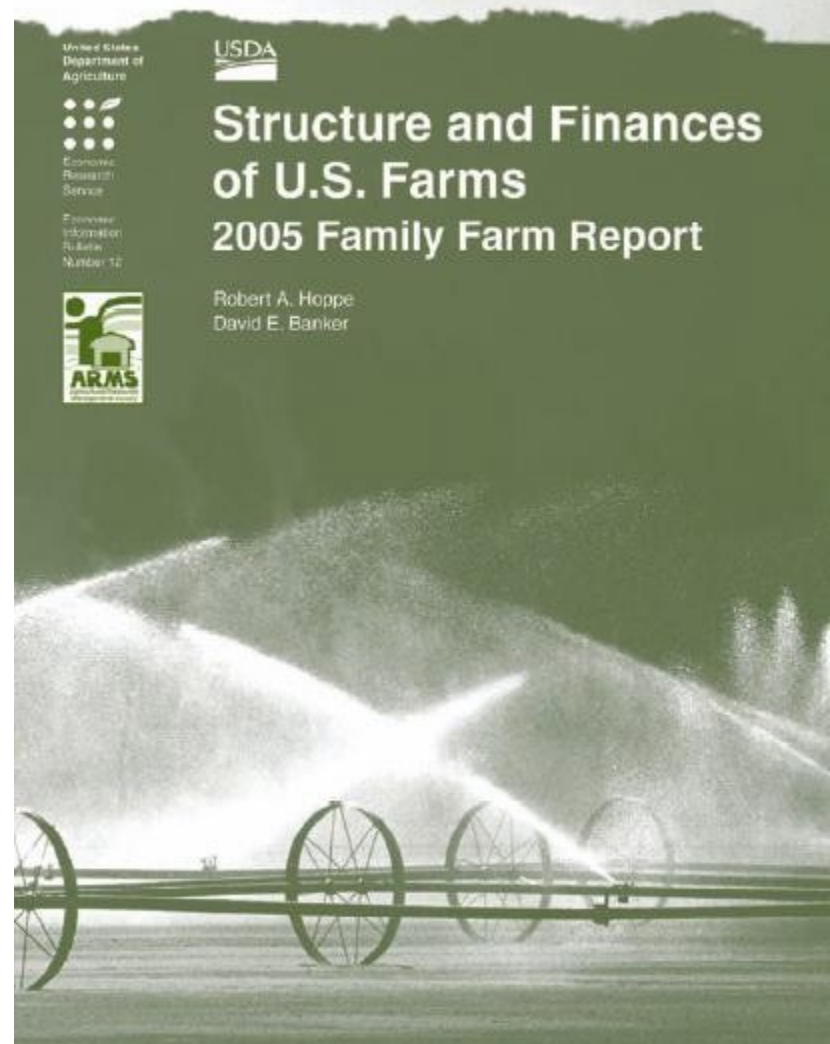
Agricultural Resource Management Survey

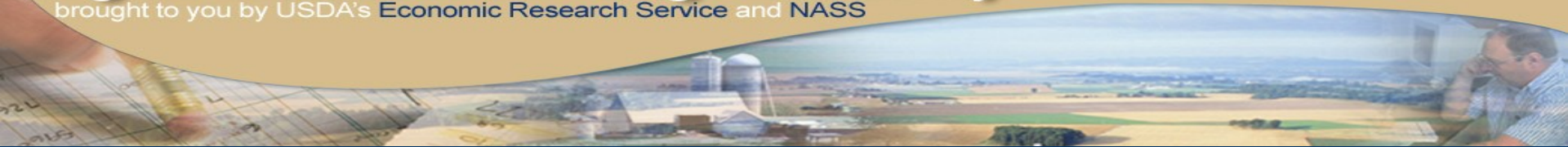
brought to you by USDA's Economic Research Service and NASS



ERS Uses ARMS to Publish Family Farm Report

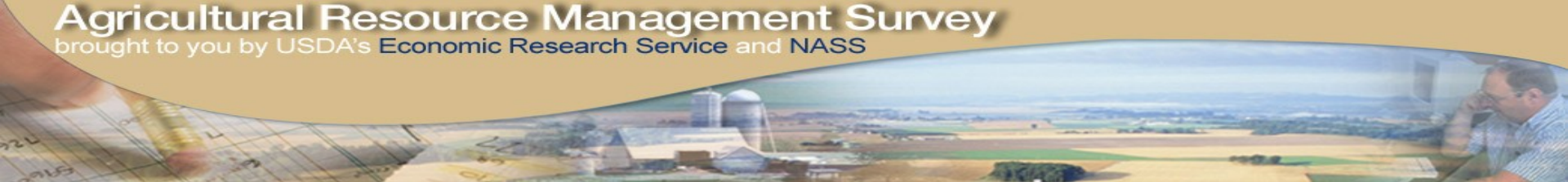
<http://www.ers.usda.gov/publications/EIB12/>





What Information Does Congress Want Included in Family Farm Reports or Analyses?

1. Trends in family farm operations and non-family farm operations
2. Information on agricultural and agricultural-related programs
3. Assessment of tax laws and credit

- 
- A panoramic image showing a rural landscape with a farm, silos, and fields under a blue sky. In the foreground, a man in a light blue shirt is sitting at a desk, looking at a computer screen. The image is partially obscured by a corkboard overlay.
4. Assessment of credit needs of family farms and the extent to which those needs are being met
 5. Assessment of how economic policies and trade policies of the United States affect the financial operation of, and prospects for family farm operations
 6. Assessment of the effect of Federal farm programs on family farms and non-family farms that (1) derive the majority of their income from non-farm sources, and (2) derive the majority of their income from farming operations

What Congressional Requirements for USDA Reporting are Met With ARMS?

Prices Paid by Farmers

ARMS provides weights for computation of the Prices Paid by Farmers Index, a component used to calculate Parity Prices as required by the Agricultural Adjustment Act of 1933

Report on the Status of Family Farms

United States Code, Title 7, Chapter 55, Section 2266...”shall submit to Congress...report containing current information on trends”

Cost and Returns Estimates

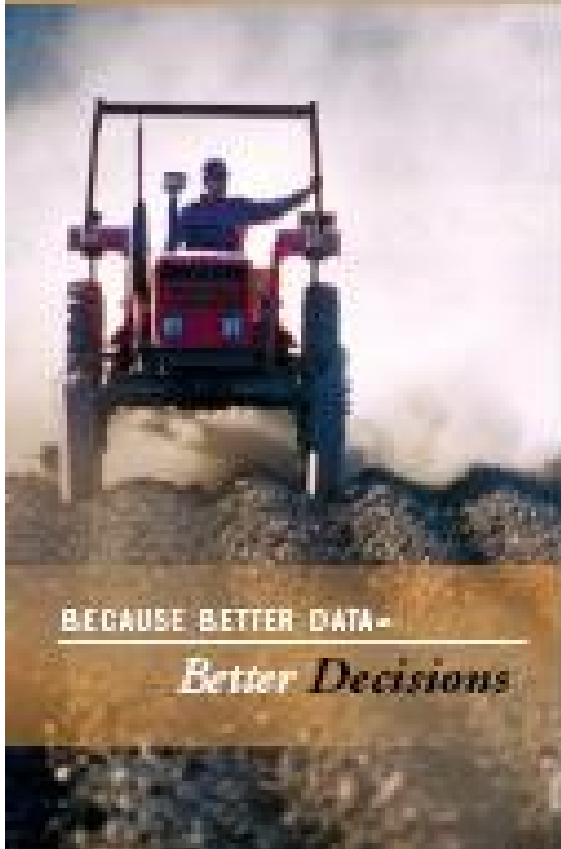
United States Code, Title 7, Chapter 35 A, Subchapter II, Section 1441a...”shall conduct a cost of production study...”

Estimates of Net Farm Income by Farm Type

Public Law 107-171, “Farm Security and Rural Investment Act, Section 1615.....”net income of commercial producers of loan commodities, livestock, and other crop commodities”



Agricultural Resource
Management Survey
(ARMS)



BECAUSE BETTER DATA -

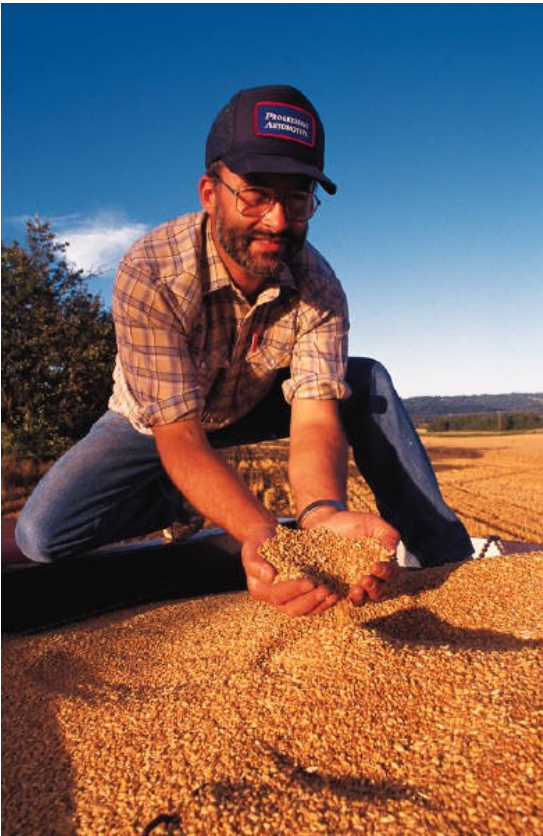
Better Decisions

**You have learned
the purpose of the
ARMS III Survey
and why it is
important
participate in
ARMS III**



***First Impressions
are important***

**What things should
you do when you
first meet the
respondent?**



1. Introduce yourself

2. Say something nice. “You have a great view here!”

3. Explain who you represent

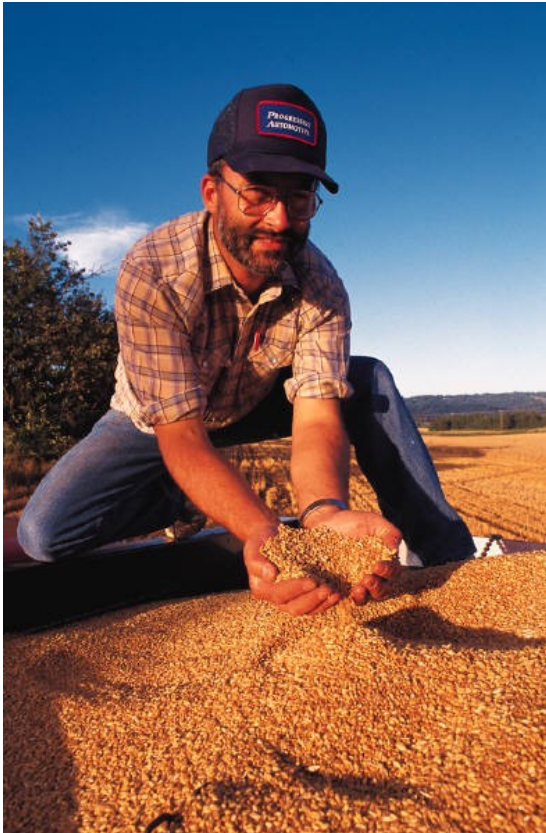
4. Explain the survey purpose

6. Let the respondent know data is confidential

5. Remind the respondent that records are helpful

7. Close the deal “is NOW a good time?”

Working in Groups of two you have 10 minutes



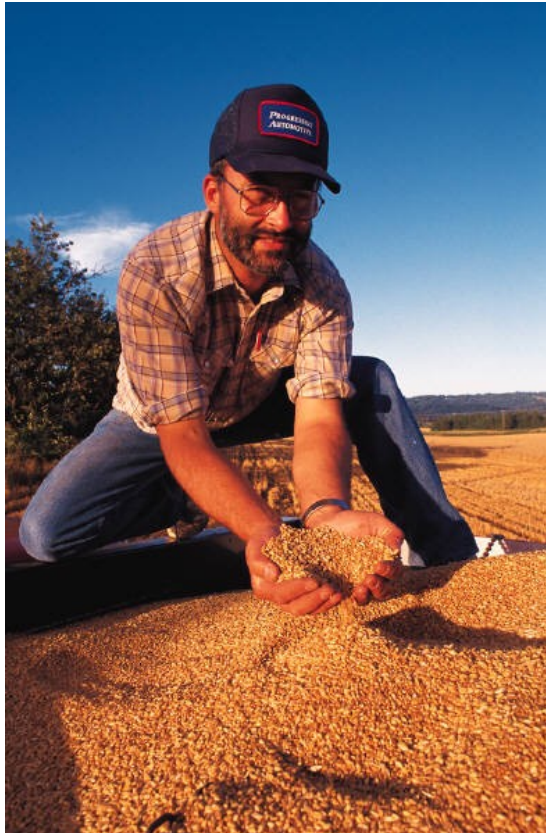
One person is the
respondent & one person
is the enumerator

Practice your introduction

Switch

Volunteers will be asked to present
their introduction to the entire group

Any Volunteers!



Thank you!