

Financing Beginning and Part-Time Farm Operations

Agricultural Credit School

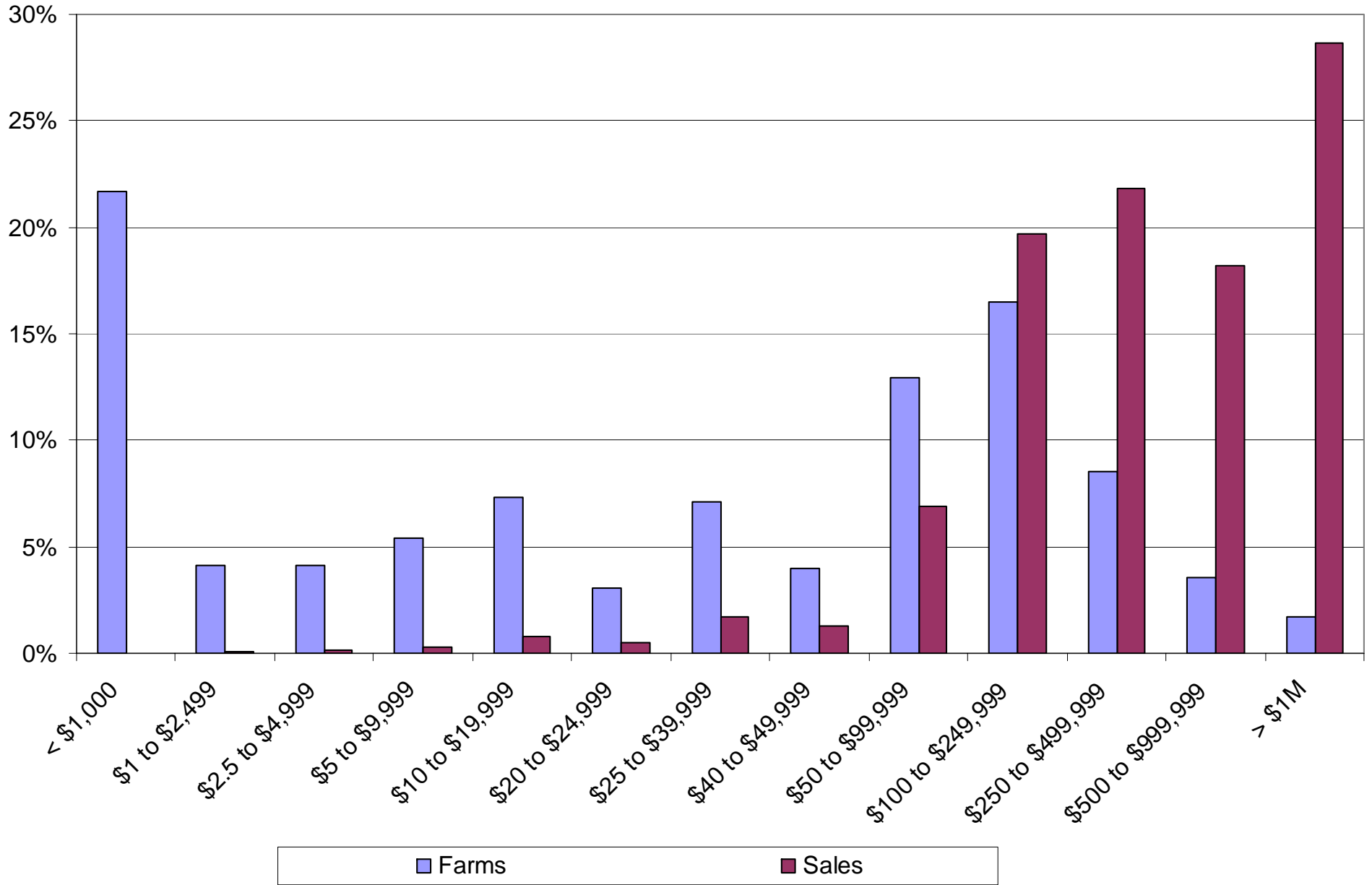
June 10, 2005

Michael Duffy and John Baker

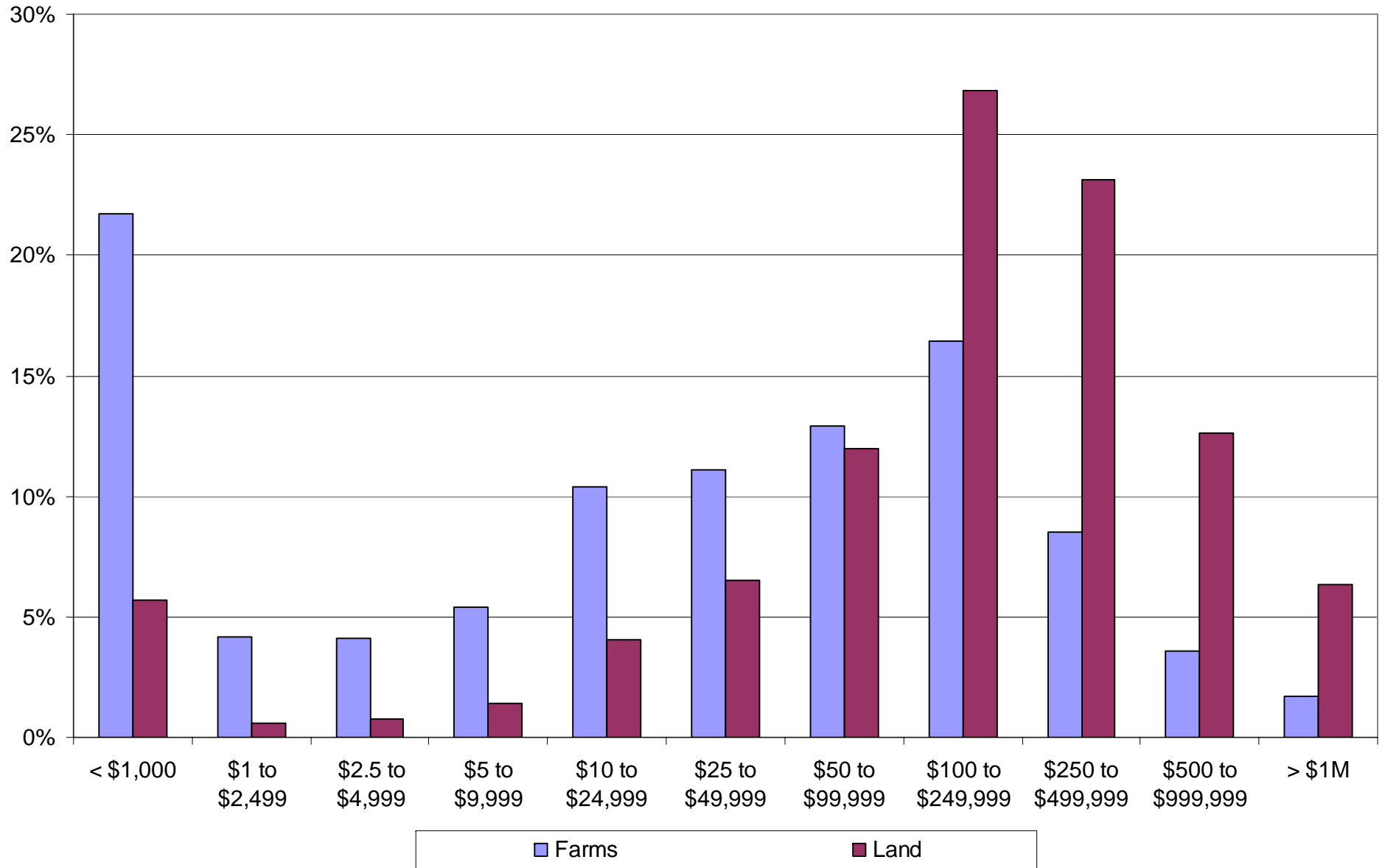
The logo for the Beginning Farmer Center features a stylized sun with rays in shades of yellow and orange. The text "Beginning" is written in a large, black, serif font, with the sun's rays appearing behind the letters. Below it, the words "Farmer Center" are written in a smaller, black, serif font. A thick black horizontal line is positioned at the bottom of the logo.

Beginning
Farmer Center

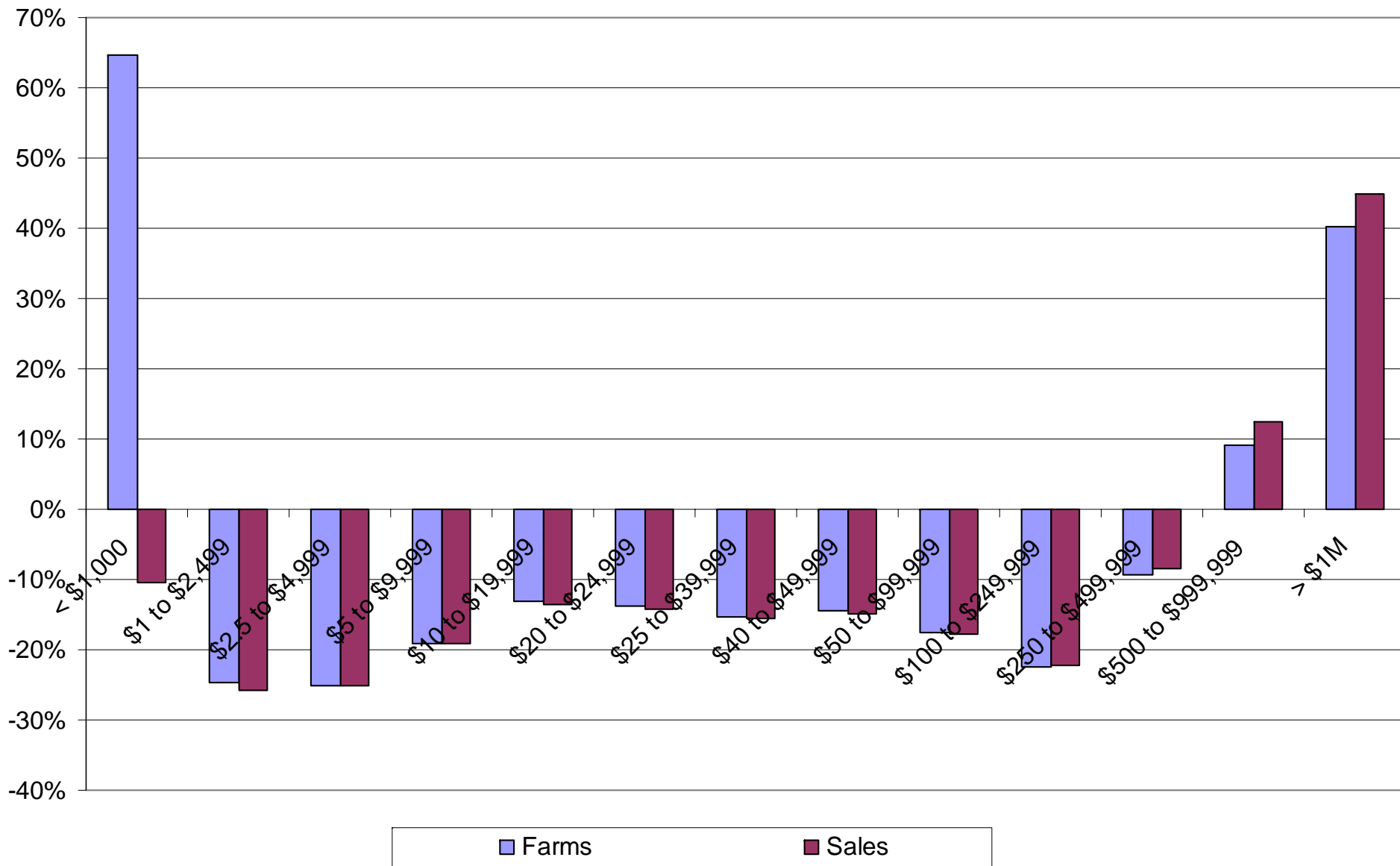
Percent of Iowa Farms and Sales by Sales Class, 2002



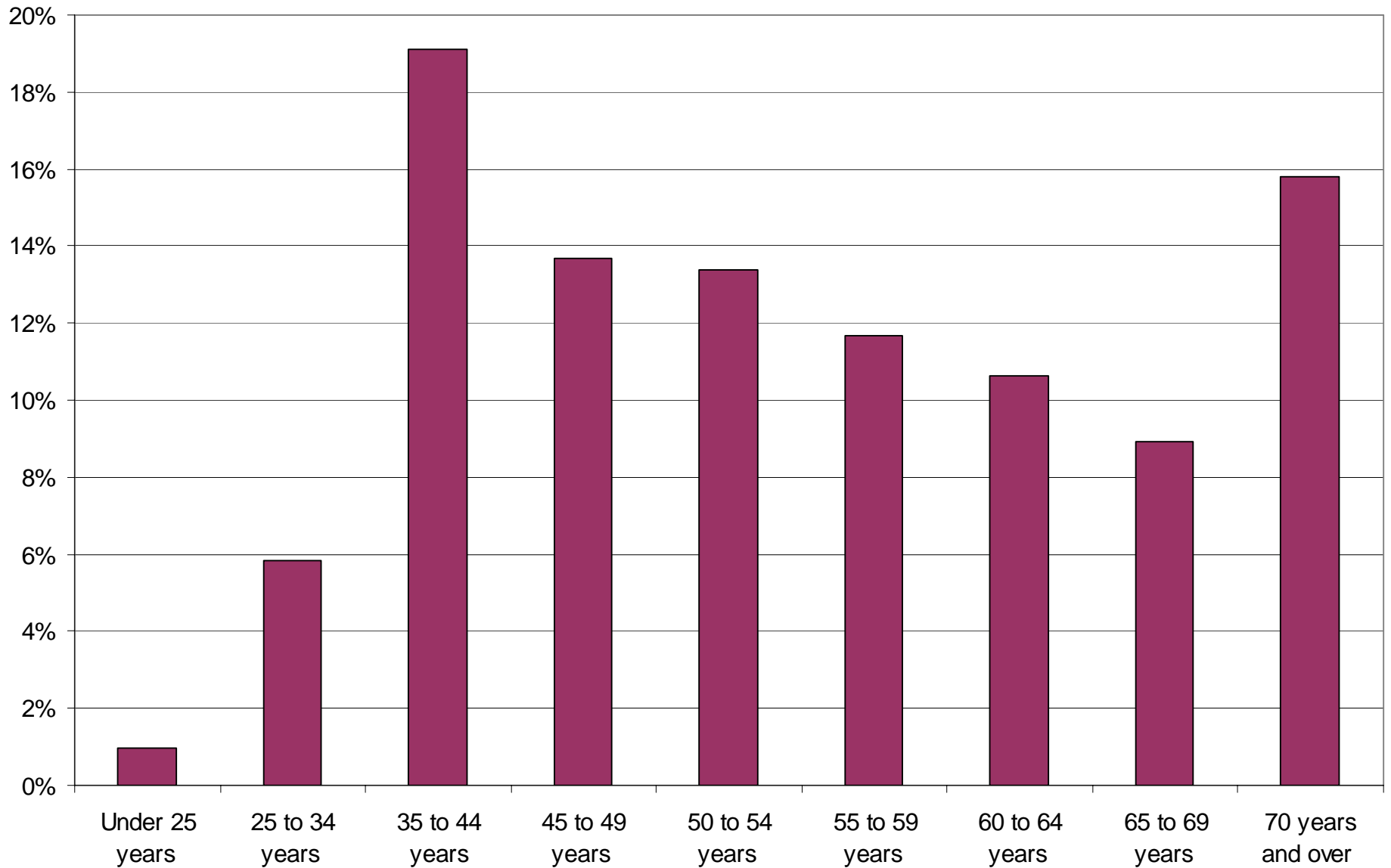
Percent of Iowa Farms and Land by Sales Class, 2002



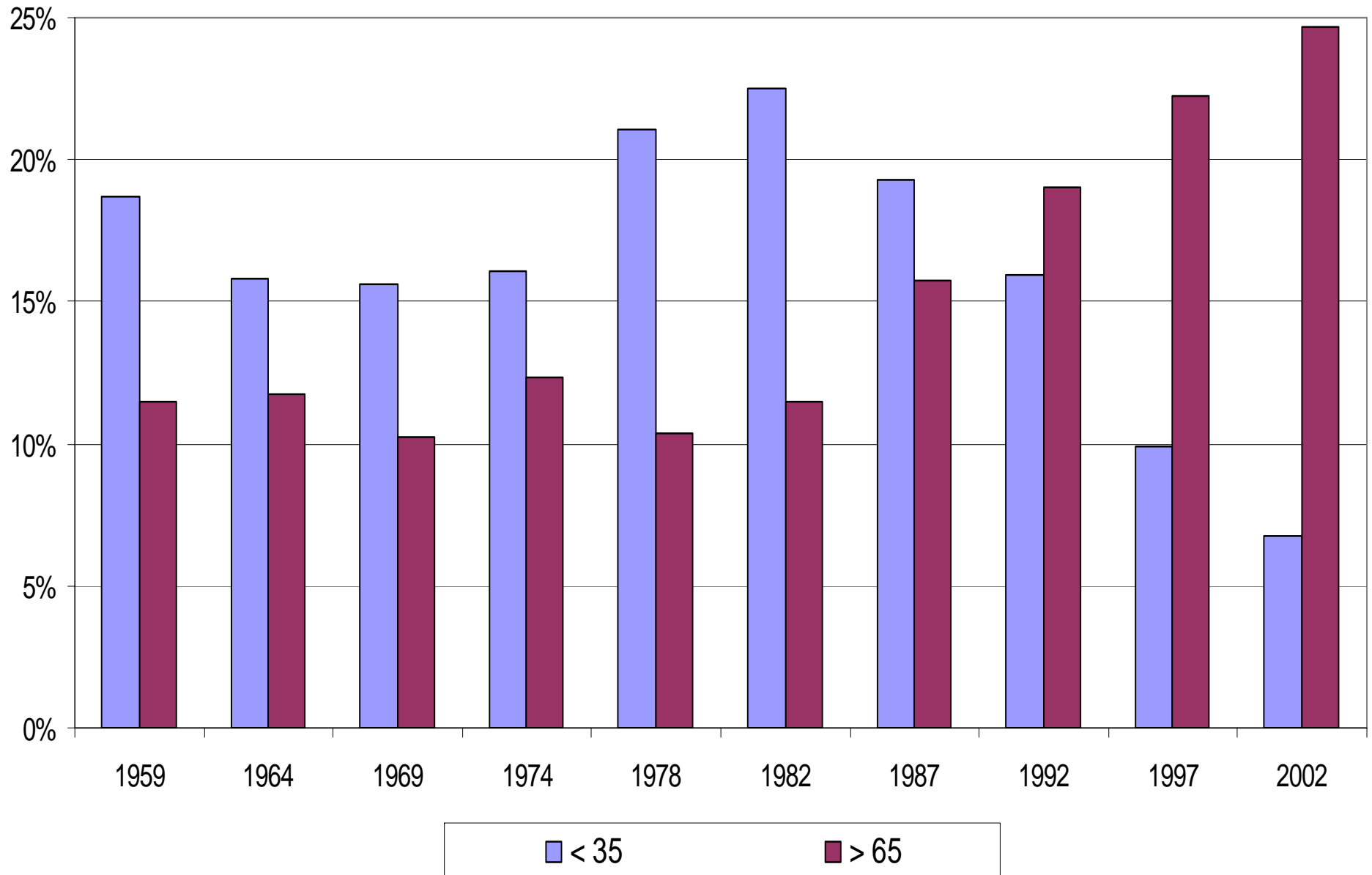
Percent Change in Iowa Farms and Sales by Sales Class, 1997-2002



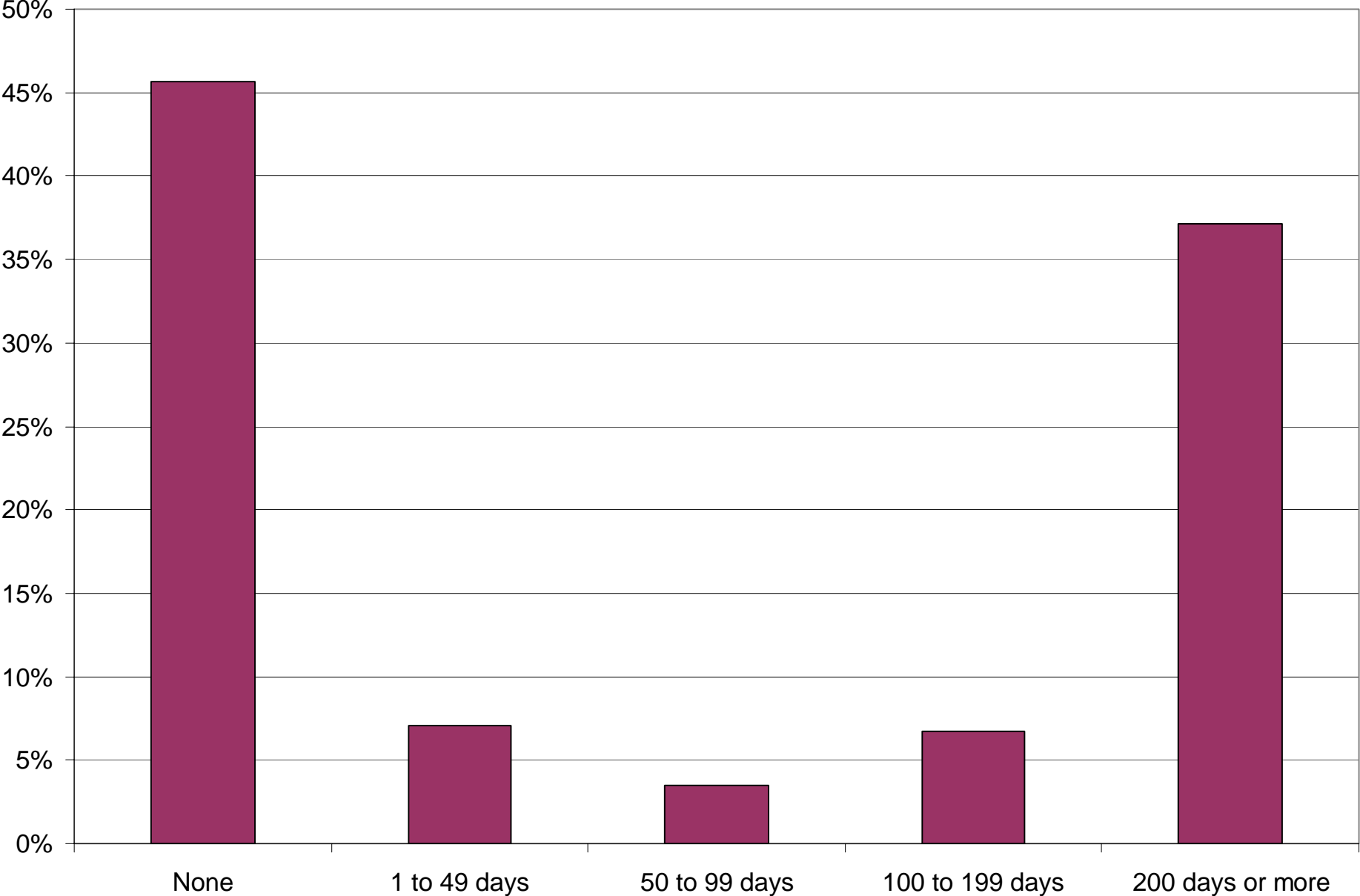
Percent of Operators by Age Group, Iowa 2002



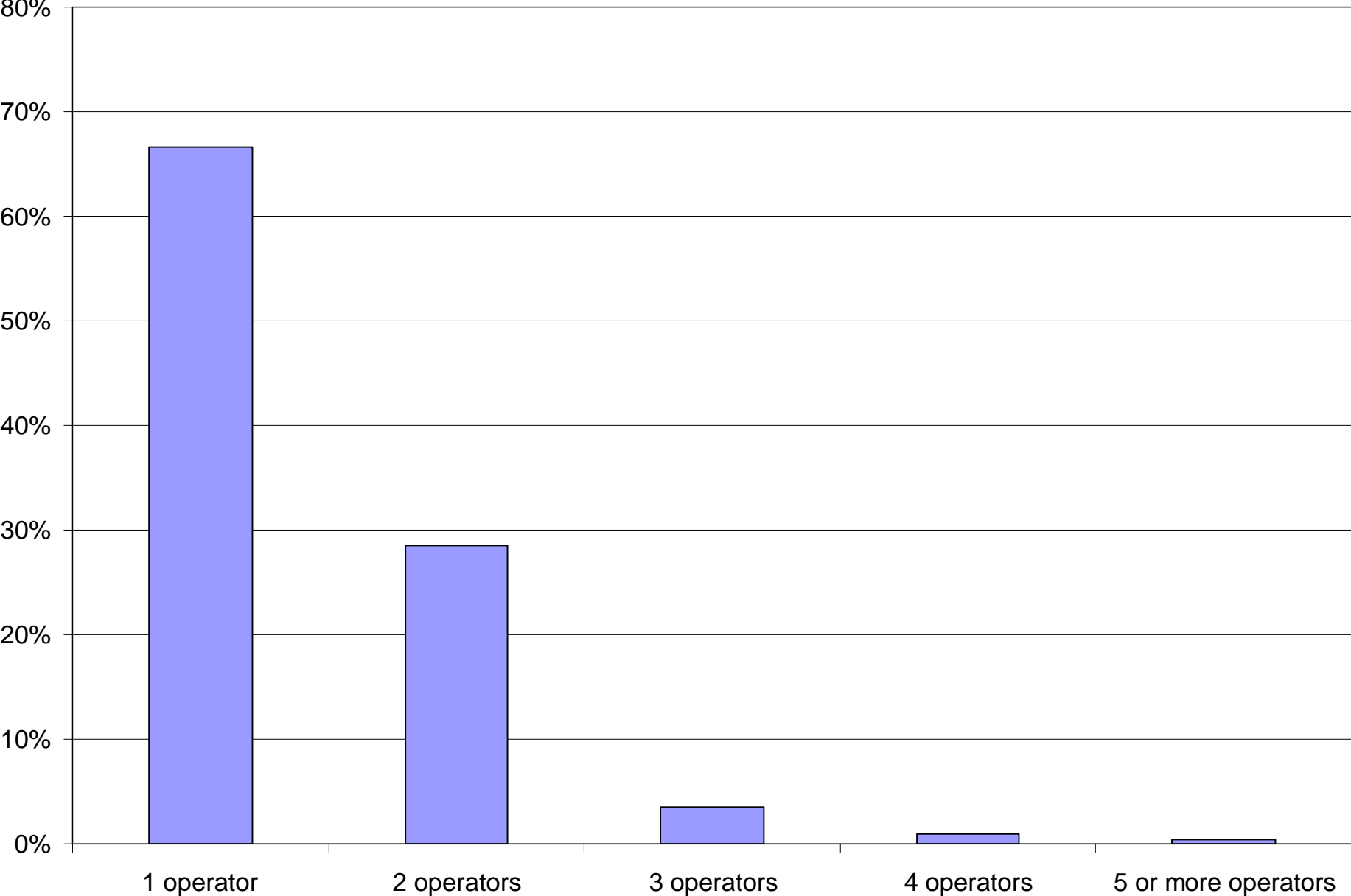
Percent of Iowa Farmers Over 65 and Under 35 Years Old



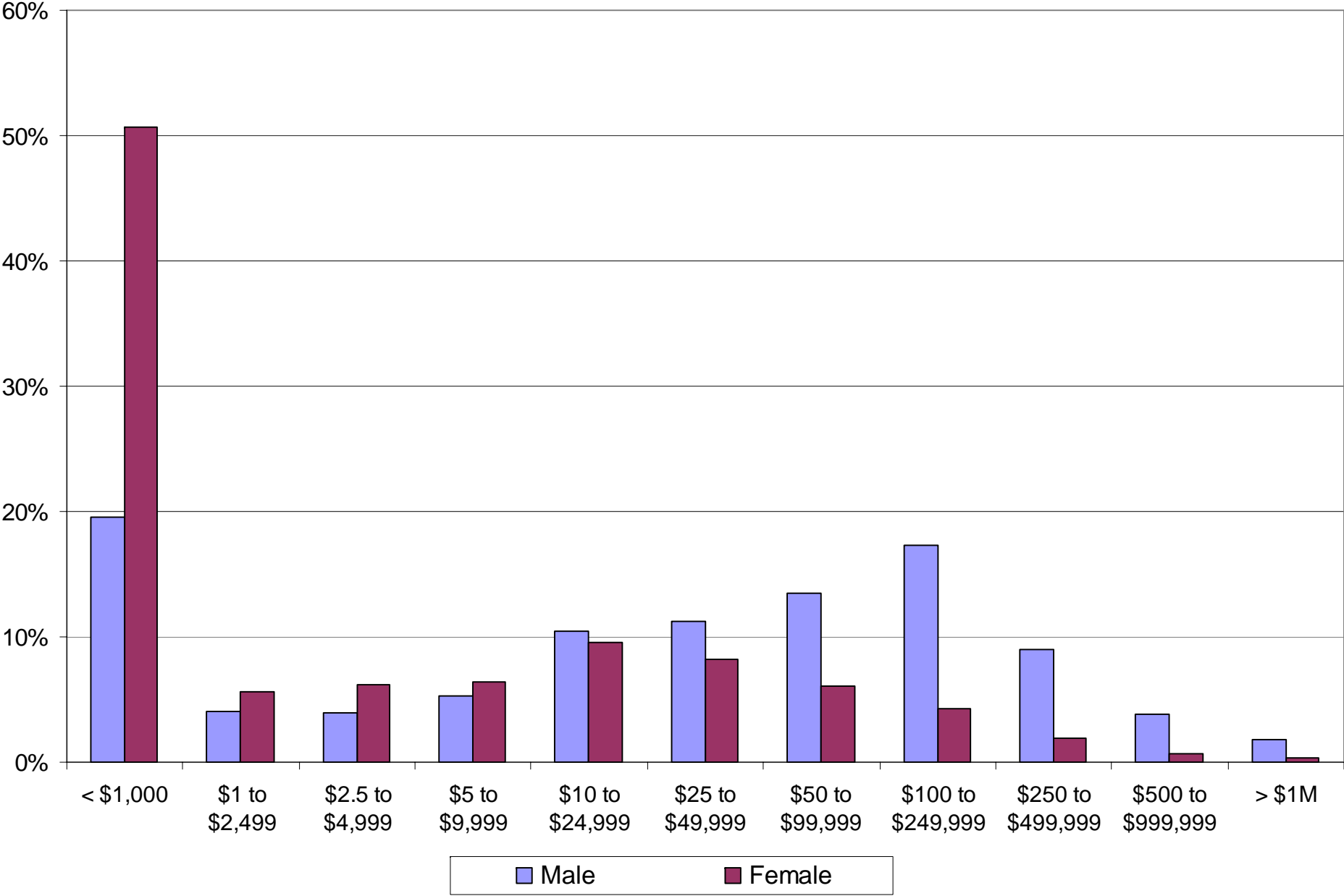
Percent of Operators working Off Farm, Iowa 2002



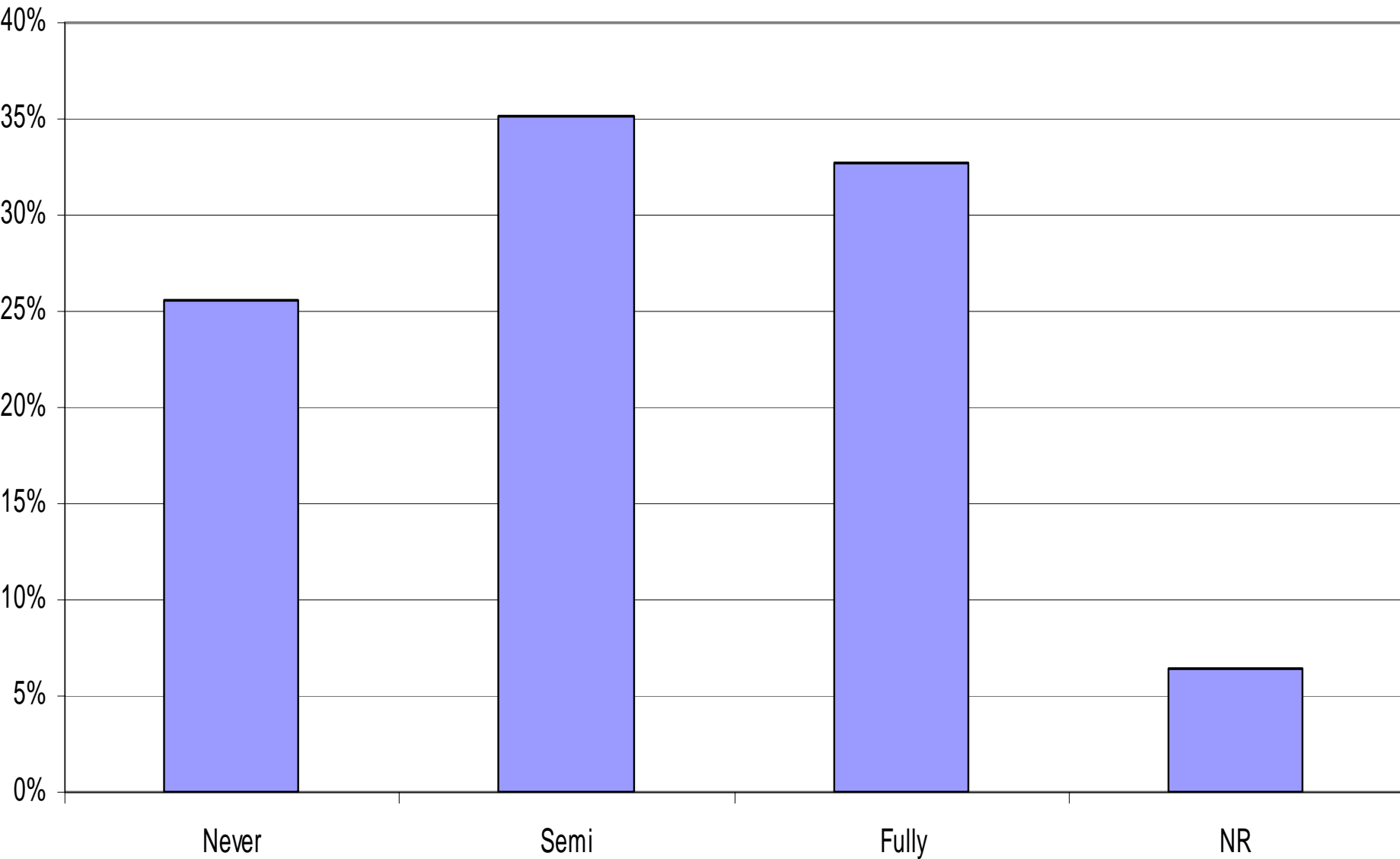
Percent of Iowa Farms based on the Number of Operators, 2002



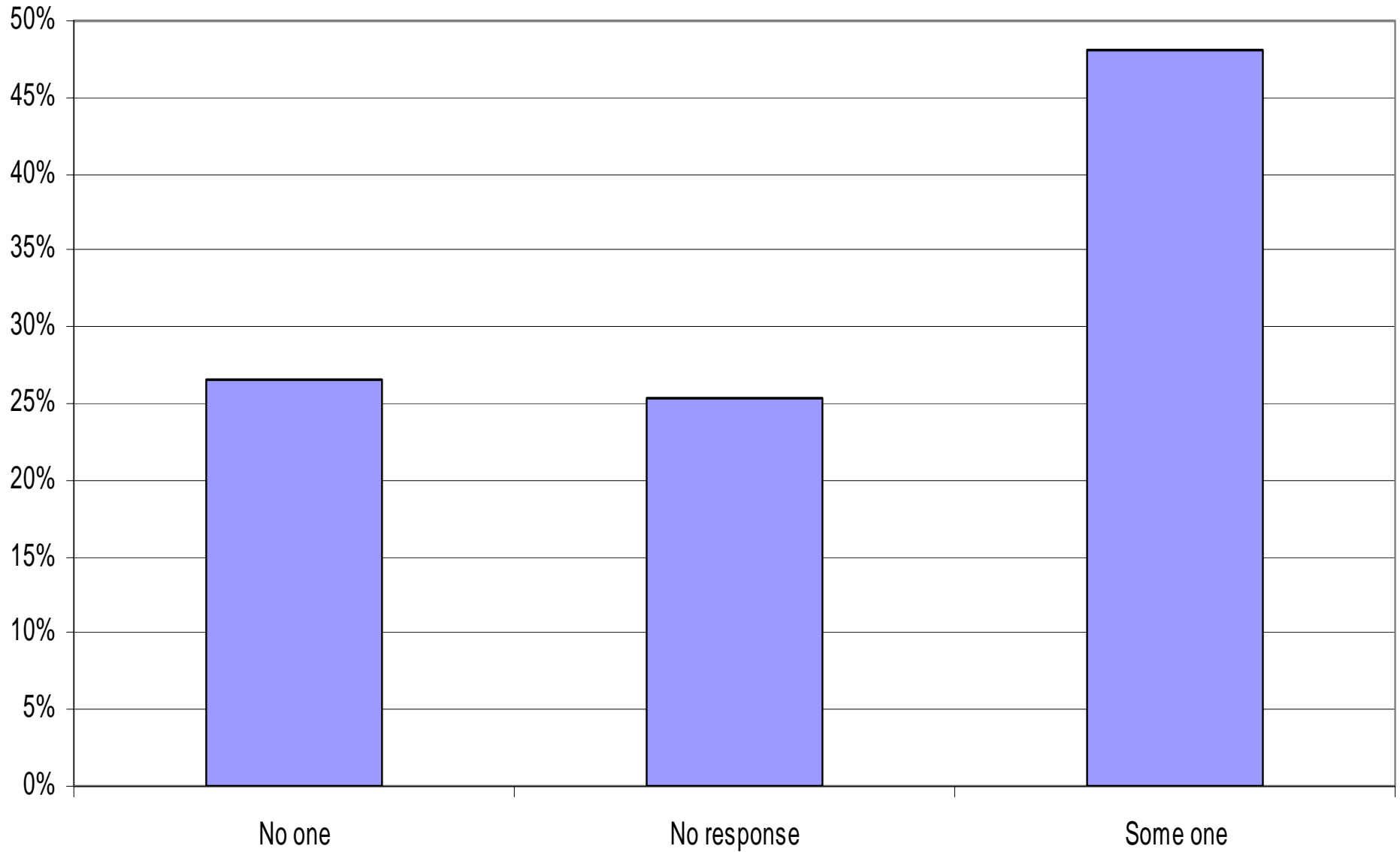
Percent of Operators by Gender in Sales Class, Iowa 2002



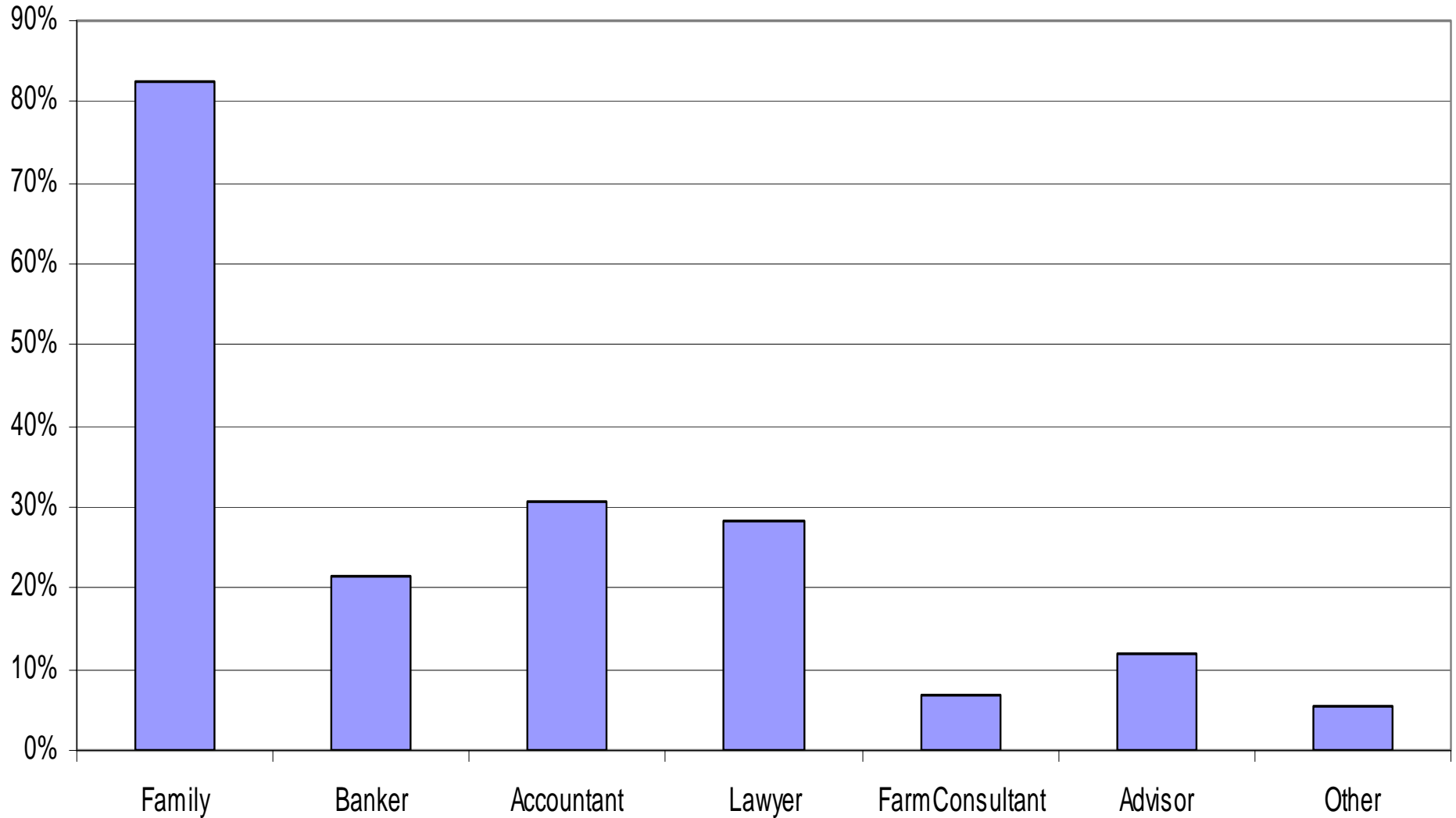
Percent of Iowa Farms by Retirement Plans



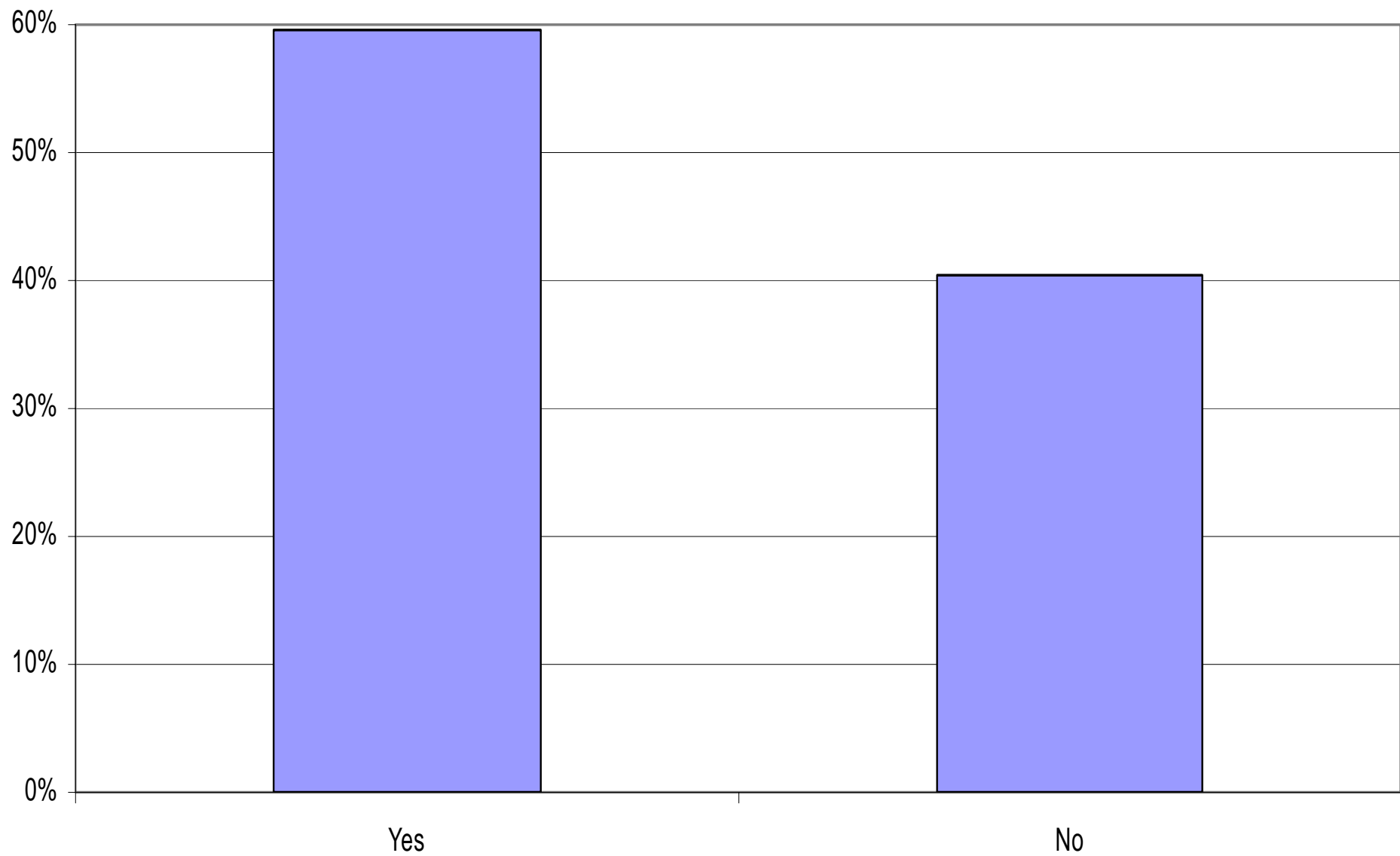
Percent of Iowa Farms by Discussion of Retirement Plans



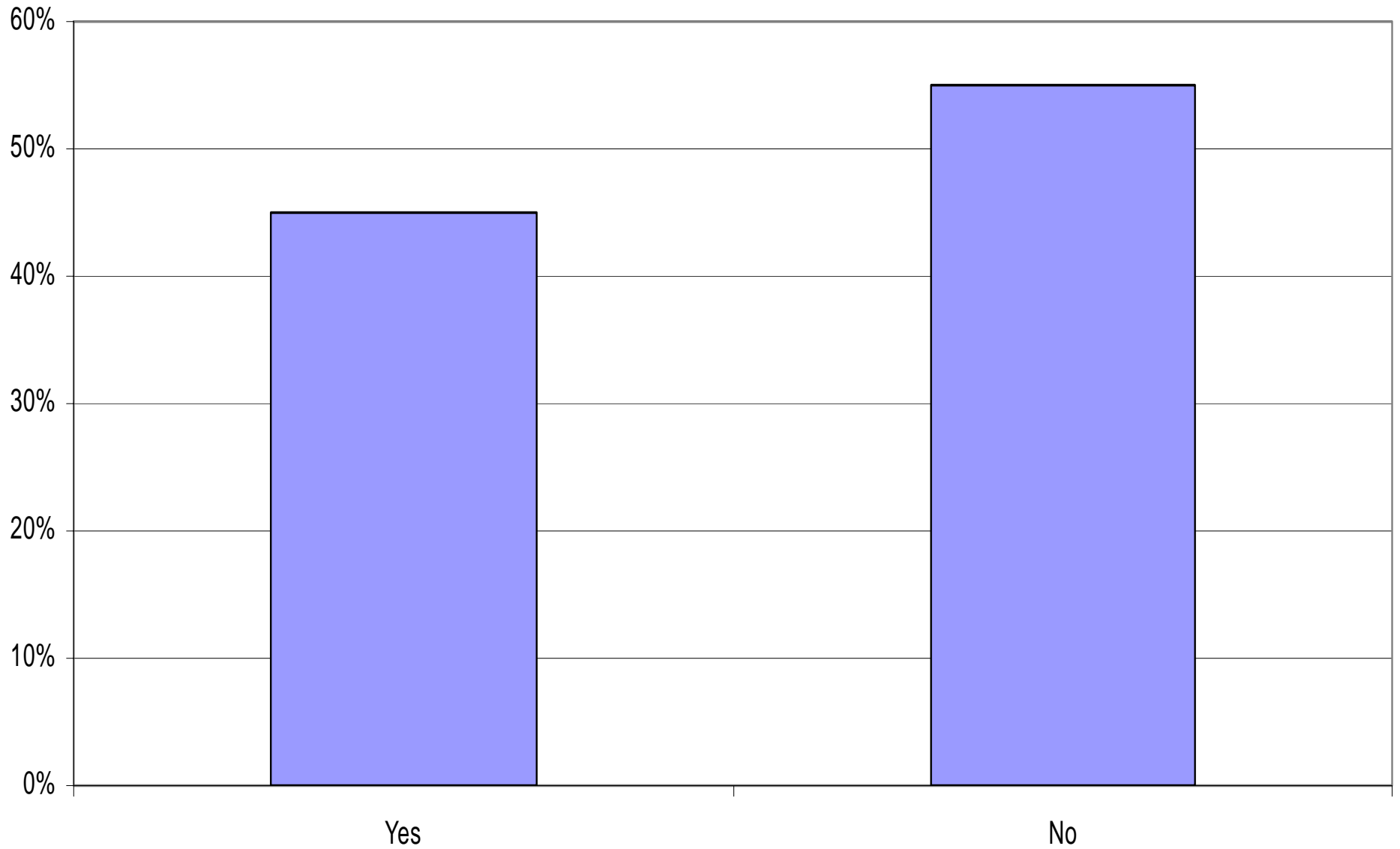
Percent of Groups with Whom Iowa Farmers Have Discussed Retirement Plans



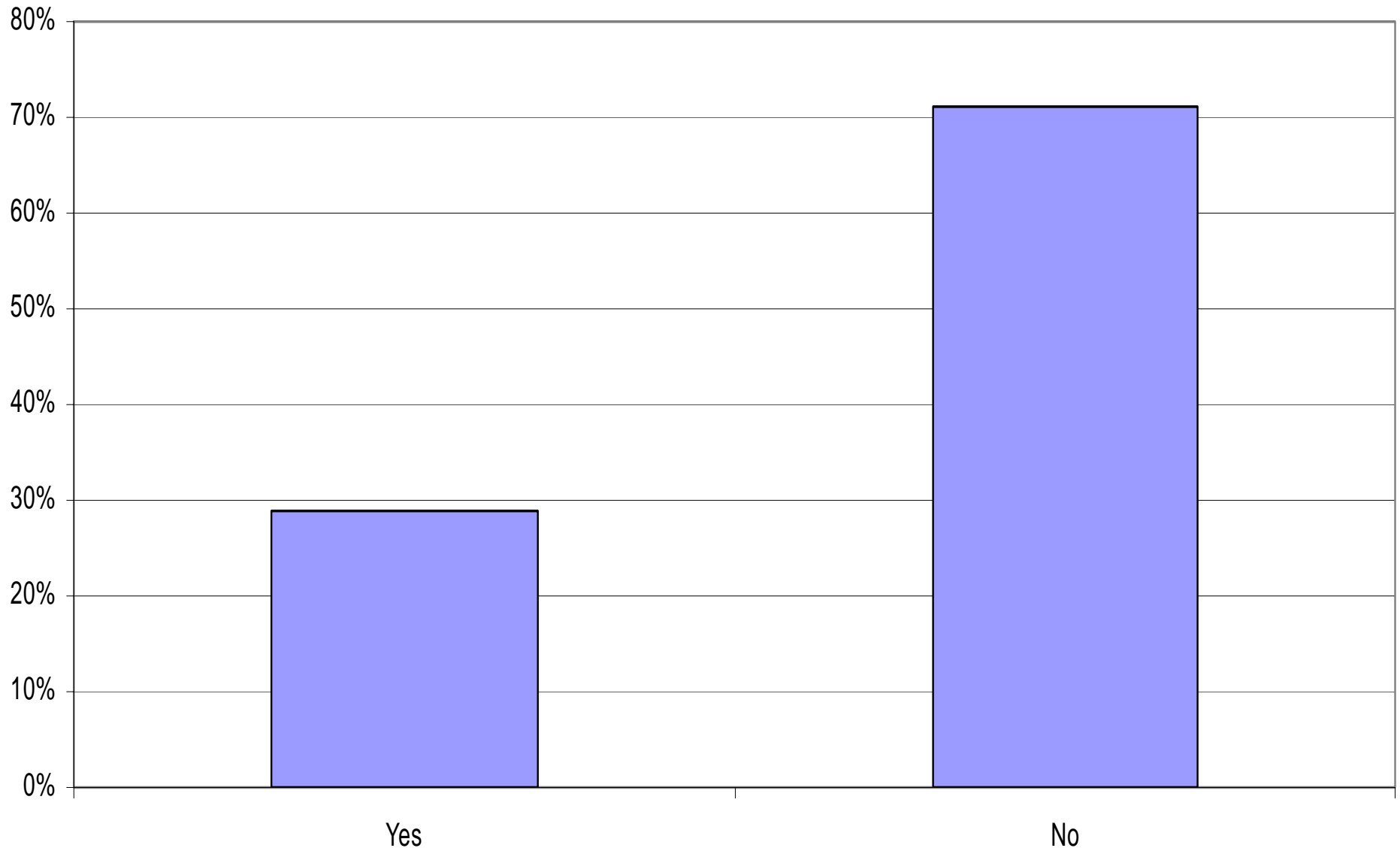
Percent of Iowa Farms Contributing to a Non-Social Security Pension Plan



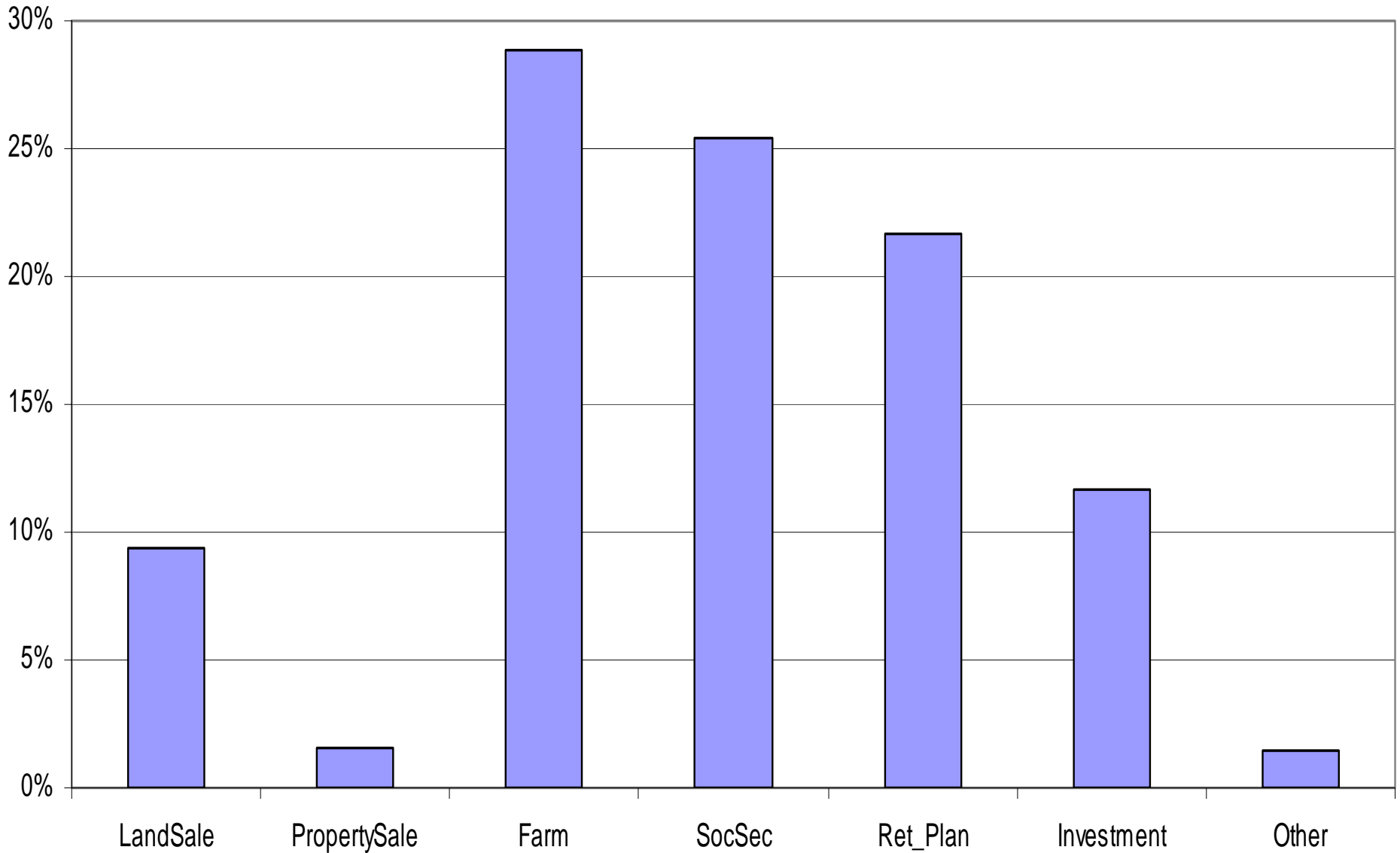
Percent of Iowa Farms That Have Made an Estate Plan



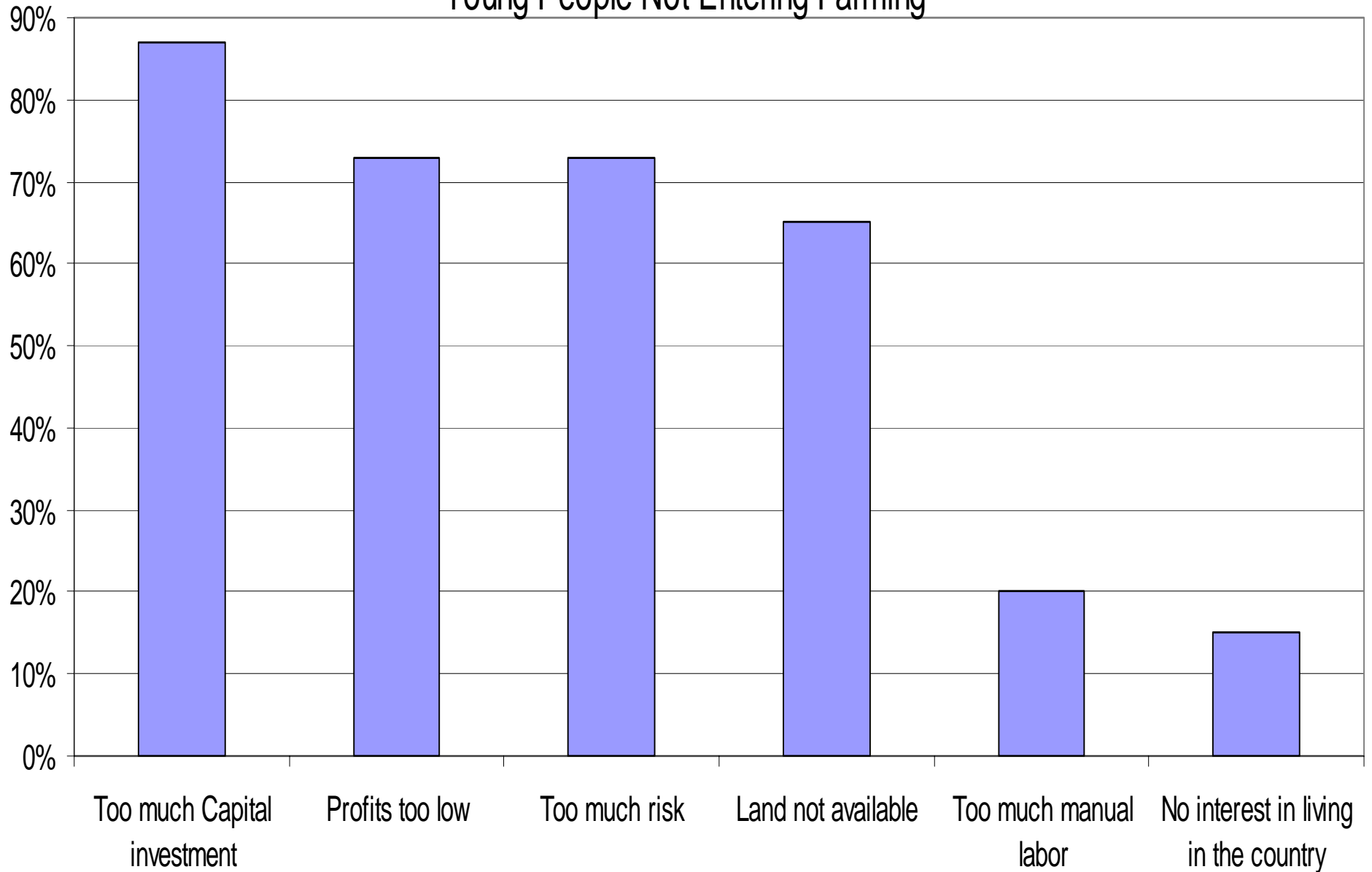
Percent of Iowa Farms That Have Identified a Successor



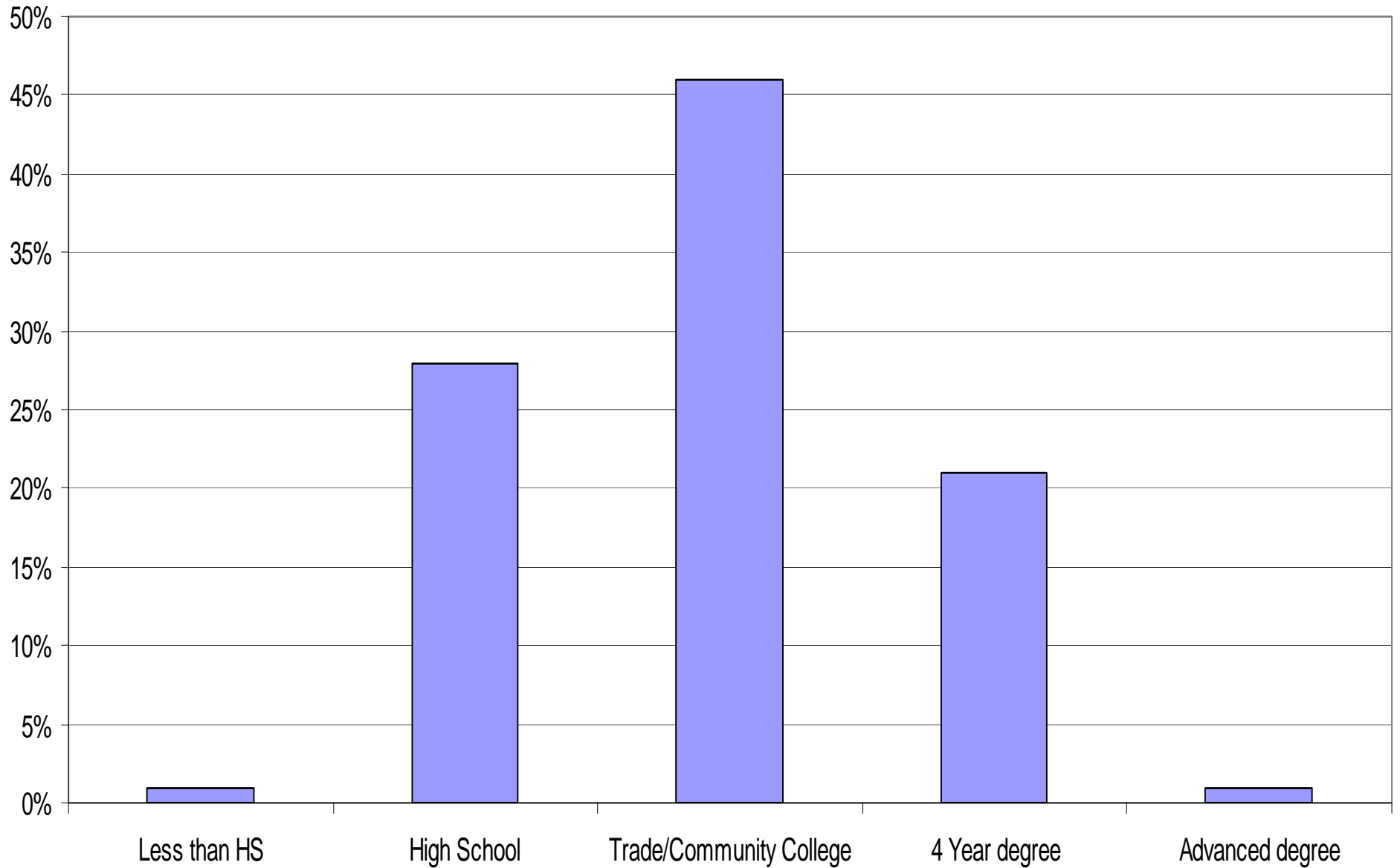
Anticipated Retirement Income by Source



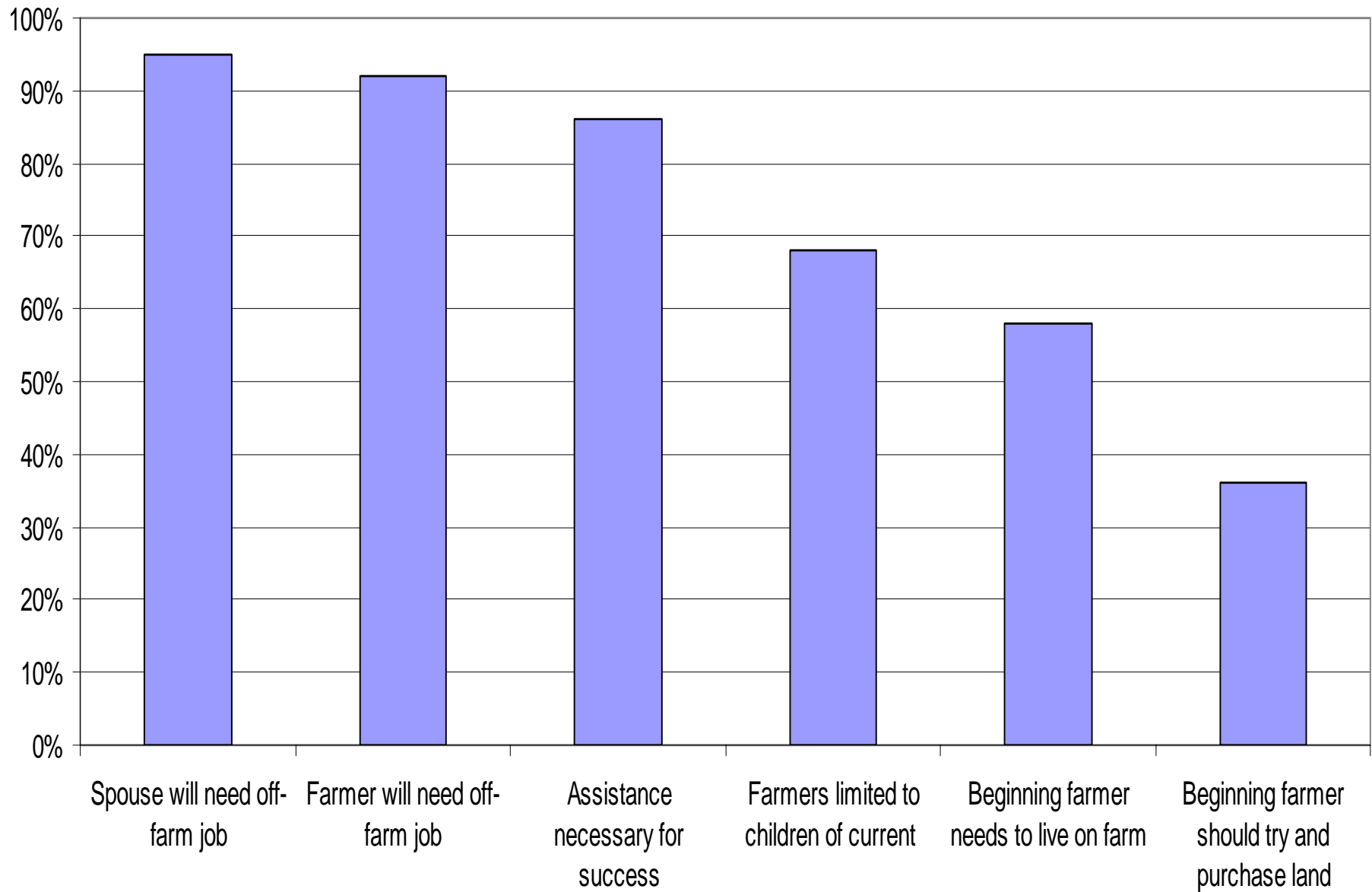
Percent of Respondents Who Identified Following Reasons as Very Important to Young People Not Entering Farming



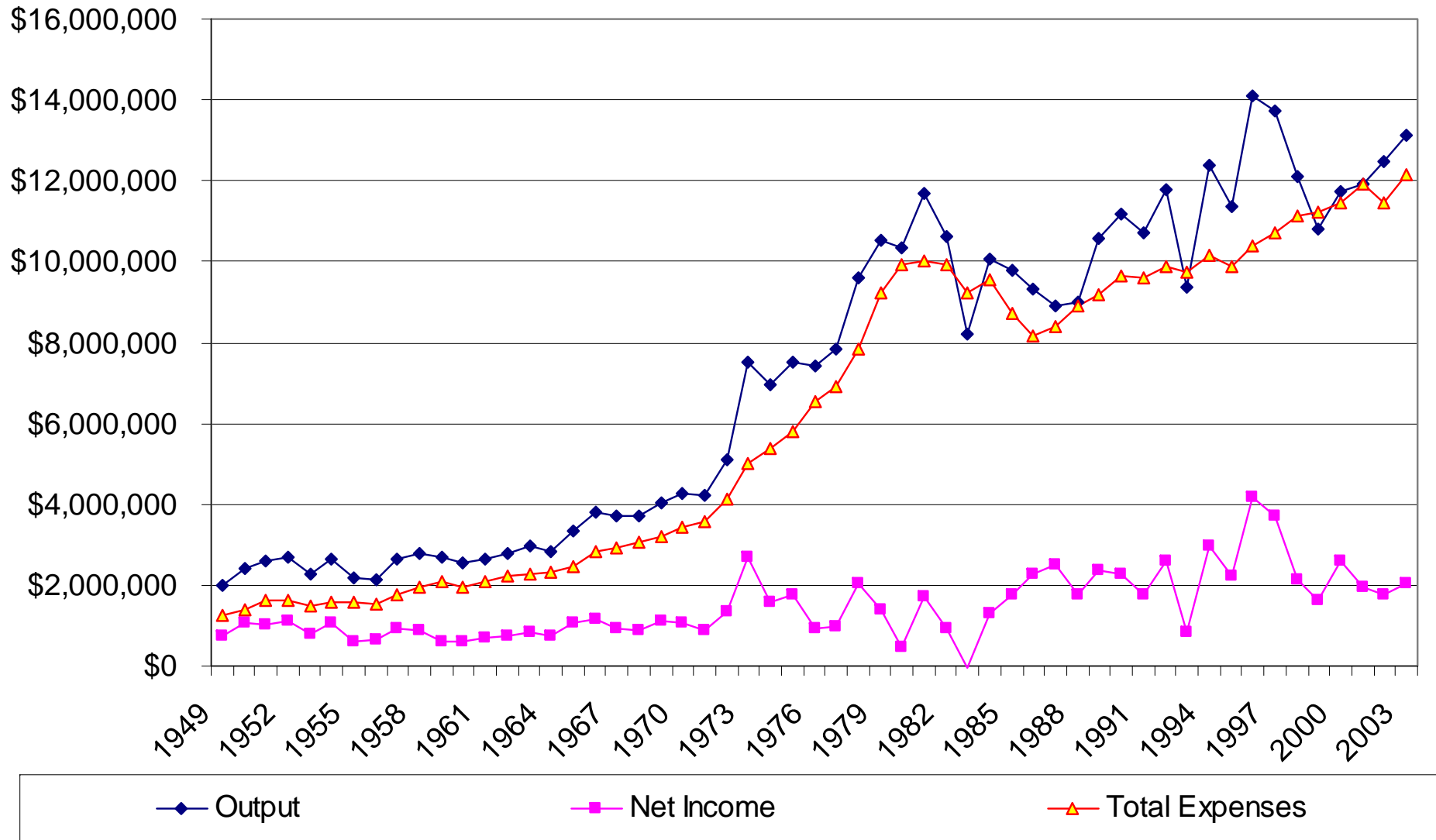
Level of Education Needed for Beginning Farmers



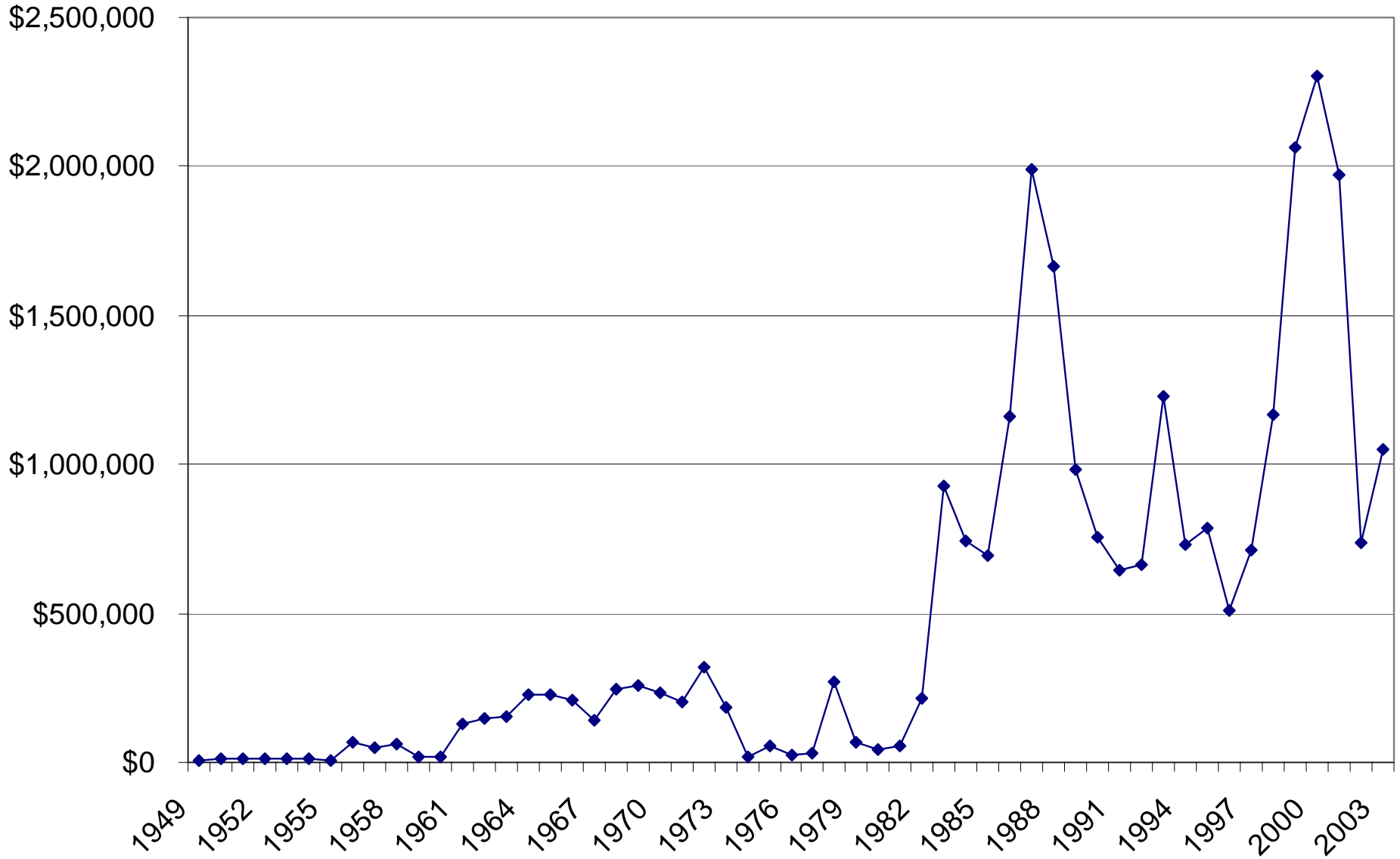
Needs for Beginning Farmers



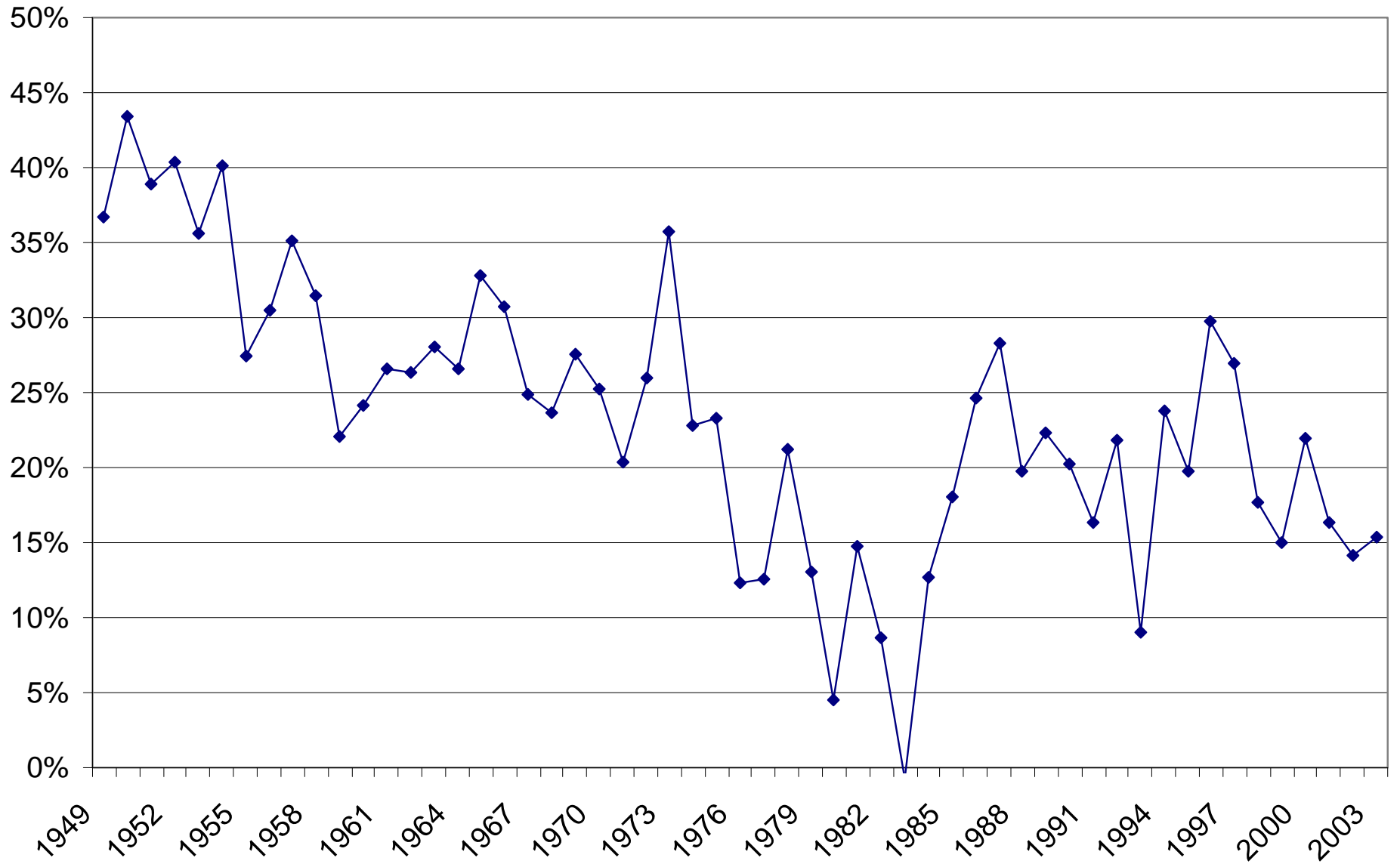
Iowa Farm Output, Total Expenses, and Net Farm Income



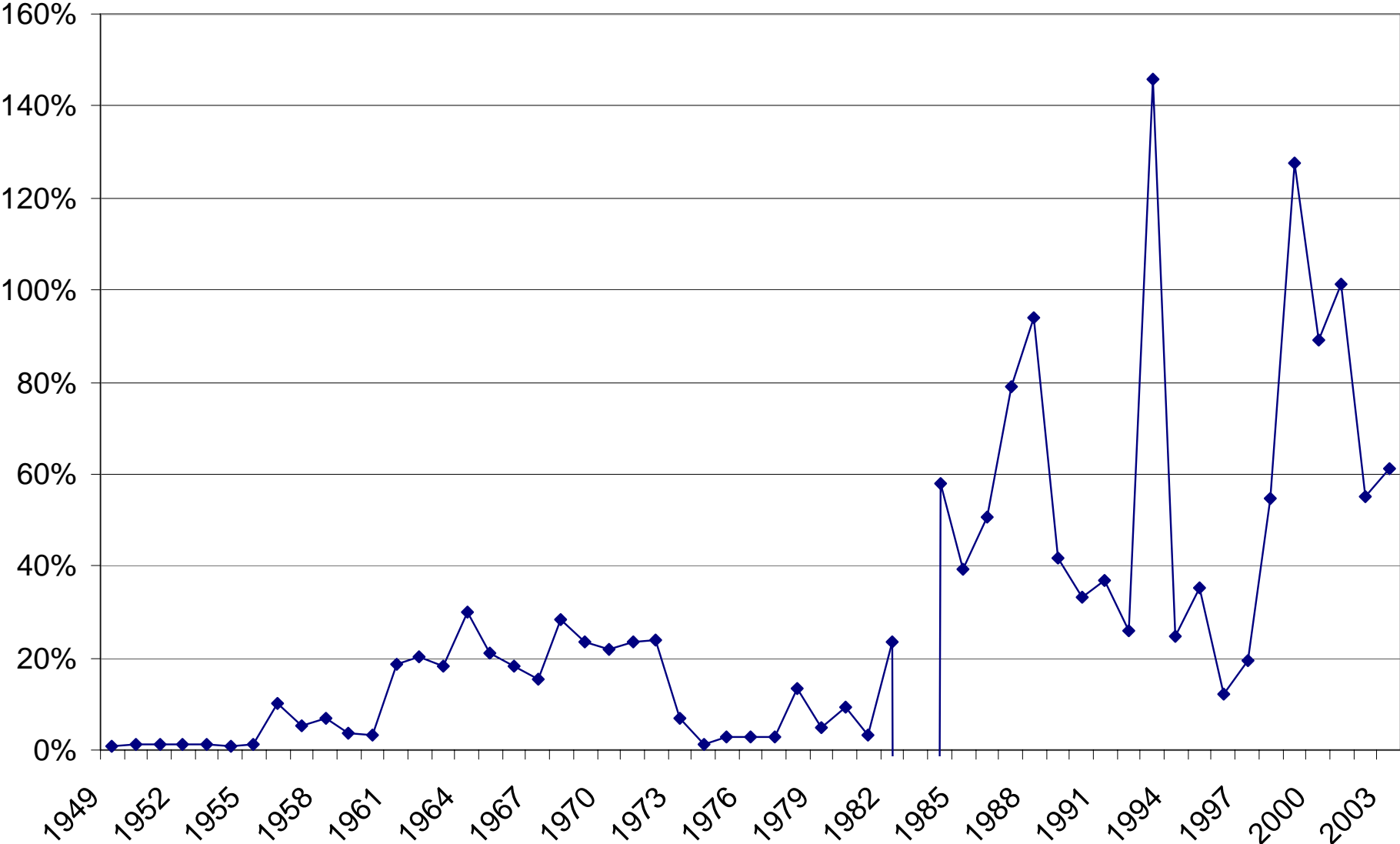
Iowa Direct Government Payments



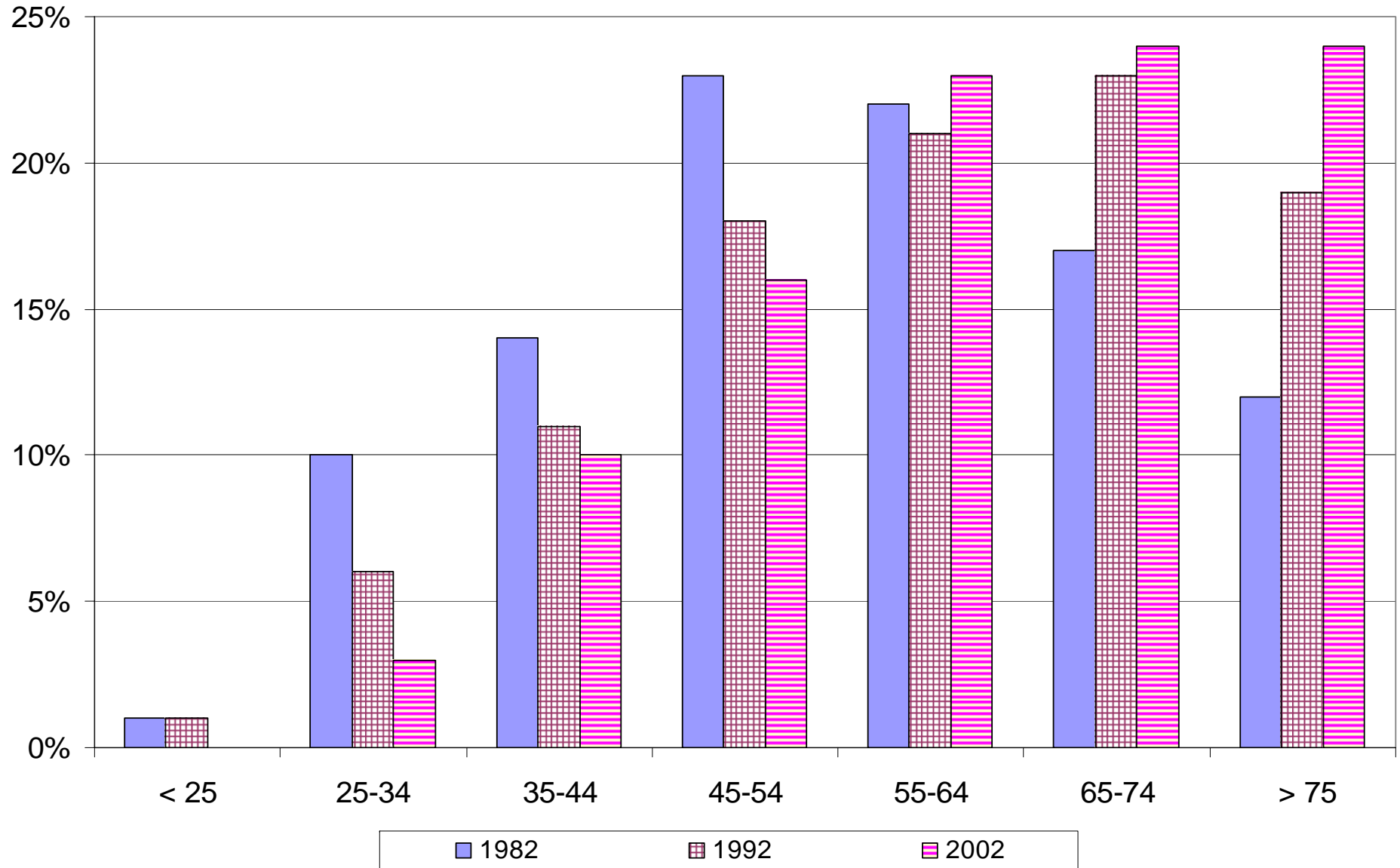
Iowa Net Farm Income as a Percent of Gross Income



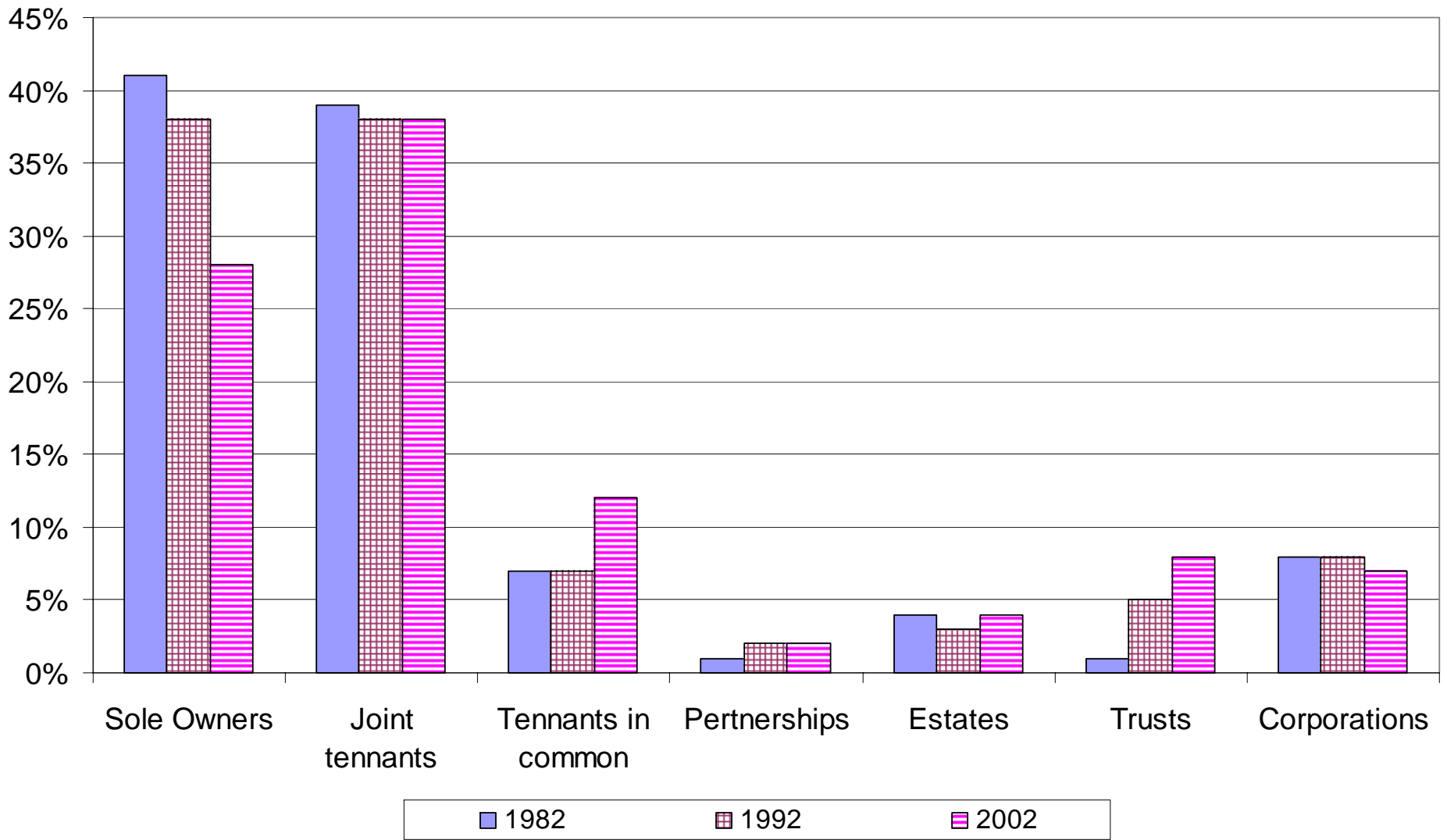
Government Payments as a Percent of Net Farm Income



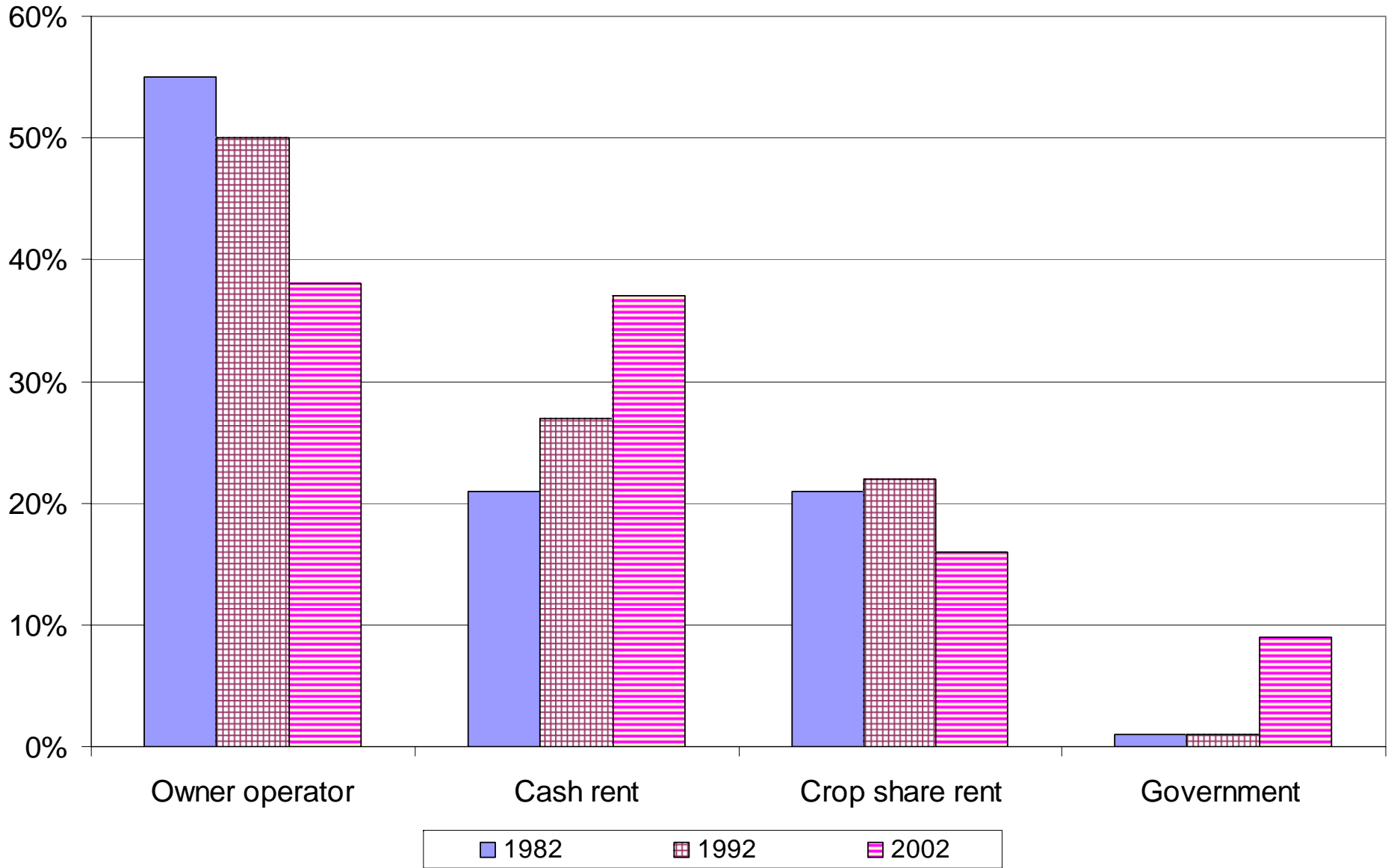
Distribution of Iowa Farmland by Age of Owner and Year



Distribution of Iowa Farmland by Ownership Type and Year



Distribution of Iowa Farmland by Tenure Type



Percent of Iowa Farmland by Residence of Owner



Beginning and Part-Time Farmers

- The 'disappearing middle' is quite evident in Iowa farms. We are continuing to see a move towards a few large farms and a large number of small farms.
- Income is the key. With current production and techniques volume is needed to ensure an adequate income, this generally means increase size. Otherwise alternatives must be found; wider margins, alternative crops, alternative sources of income

Beginning and Part-Time Farmers

- The farm population is aging and there will be significant changes in land ownership over the next several years
- There will be more returning, part-time and multi-generation farms in the future
- Needs for these customers will be very different; simply getting more money won't be enough for their success