

Number of farms in Oregon drops for first time since 1990

by Bend_Weekly_News_Sources

An estimated 39,300 farms is lowest mark in nine years

After holding steady at an estimated 40,000 farms each year since 1999, the number of farms in Oregon dropped to 39,300 in 2006, according to new figures released this month by the U.S. Department of Agriculture's National Agricultural Statistics Service (NASS). While not a huge decrease, the latest statistic breaks a trend going back 16 years of either an increasing number or the same number of farms in Oregon. It also marks the lowest number since 1997 when there were an estimated 39,000 farms statewide. "One year does not make a trend and we'll have to see what happens over the next few years to know exactly if there are some real changes going on in the makeup of our farms and ranches," says Katy Coba, director of the Oregon Department of Agriculture. "But these latest statistics are interesting, especially when you look closer at a breakdown of the numbers." Oregon is consistent with national figures, which also show a decrease in the number of farms. However, the U.S. number has been dropping every year since 1999. Generally, Oregon still tends to have smaller farms, with an average size of 435 acres per operation compared to an average 446 acres per farm nationally. The amount of Oregon land in farms last year stayed steady at about 17.1 million acres. NASS's definition of a farm is any operation that records one thousand dollars or more in commodity sales, or at least has the potential to sell that amount. People don't have to be large operators to be counted as a farmer. Anyone with just a few livestock could fit the category. A breakout of the latest statistics shows that the downward change in Oregon actually centers on the smallest of operations- those that generate less than \$10,000 in sales or potential sales of agricultural products. That's also consistent with the drop in smaller farms in the rest of the U.S. "We saw an increase in these types of micro-farms when interest rates were good in 2002 and 2003," says ODA analyst Brent Searle. "Many of these have been mainly lifestyle or hobby farms often located near the urban fringe. Generating income on micro-farms is not that easy and now the owners of those small farms may be selling, in some cases, for development and home construction." From a high of 26,800 operations in 2003, the number of Oregon micro-farms with annual sales less than \$10,000 has decreased to 25,200 this past year. The number of small operations with annual sales between \$10,000 and \$100,000 has stayed steady at 9,200. The number of mid-size operations with annual sales between \$100,000 and \$250,000 has also stayed steady at 2,100. The number of large-scale operations with annual sales between \$250,000 and \$500,000 has actually increased from 1,300 to 1,400. The number of operations with annual sales exceeding a half million dollars has stayed the same at 1,400. The increased number of mid-size to larger farms is actually a sign of good health for the industry, according to Searle. "There is general strength in our larger operations," he says. "The fact that the number of mid-size to larger farms is steady or growing is indicative of the fact that farms are needing to get bigger to stay in the game, so to speak, with economies of scale." No one should make the mistake of interpreting more larger farms as a trend towards large corporate operations. Oregon remains a state of family farms. About 98 percent of all Oregon farming operations are owned by families- either as individual ownerships, family partnerships, or even a few family corporations.

Oregon, due to geography, has usually bucked the national trend of fewer, but larger farm operations. Western Oregon, in particular, has the micro-climates and soils to have smaller specialty farms that other states can't match. While Midwest states grow corn or soybeans on a large scale, Oregon displays an immense diversity of crops, with more than 225 commodities. Eastern Oregon farms do tend to be much larger in acreage. "Our weather and soils lend themselves to a lot of different niche operations on smaller acreage," says Searle. "Oregon's agricultural diversity has always been a strength, and it is reflected in the fact that more than 60 percent of our farms are considered small operations." Oregon remains the leader in the Pacific Northwest in terms of farm numbers. Washington reported 34,000 farms last year- down about 500 from 2005- while Idaho was unchanged last year at 25,000 farms. To the south, California reported 76,000 farms in 2006, which is also a drop of about 500 operations from the previous year. Nationally, Texas remains the state with the most farms at more than 230,000 followed by Missouri at 105,000 and Iowa at 88,600. However, the Hawkeye State has seen its number of farms drop by nearly 12,000 in the last decade. Of the 50 states, Oregon ranks #24 in number of farms. It's easy to speculate, but hard to predict how Oregon's farm profile will change in the next several years. Any continued drop in the number of micro-farms will signal an increased difficulty for

those operations to compete. While many of the small farms produce for farmers' markets and other local venues, micro-farms are not really in commercial production, yet face increased costs and can't take advantage of economies of scale. "As pressure from urban expansion creates more competition for land, many of these lifestyle farms are going to get out of agricultural production and into home production," says Searle. "But this will also affect larger farms as the trend continues." Big or small, Oregon farms generate more than \$4.5 billion in annual farm gate sales. They also help sustain an important rural character closely identified as part of Oregon's heritage and the beautiful vistas Oregonians enjoy. Chances are the overall number of farms will not be changing drastically anytime soon.

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