

National Ag Day: Celebrating Our Farmers & Ranchers

Agriculture is a driving force impacting how people around the world live their everyday lives. It provides the food we consume, the clothes we wear, even the biofuels we use to drive on our roads.

National Ag Day was created in 1973 as a way to highlight the industry's significance, celebrate its contributions, and build awareness of the vital role it plays in our economy.

In honor of National Ag Day, AmericanAgTM is spotlighting the impact of agriculture in the United States and just a few of the ways that farmers and ranchers are adapting to thrive in a constantly evolving environment.

Family Farms and Ranches – A Powerful Economic Force

In 2019, the United States Department of Agriculture estimated that there were over 2 million farms in the US.¹ That number has seen a constant decline over the past ten years – in 2010 there were just over 2.2 million farms.²

Despite the decline in numbers, family farms and ranches still account for 87% of US agricultural products sold,³ with corn and soybean accounting for 40% of US crop cash receipts in 2019,⁴ and cattle as the largest category for animal products. In 2018, approximately \$140 billion of American agriculture products were exported around the world.⁵

¹ "Farms and Land in Farms: 2019 Summary," US Department of Agriculture, National Agricultural Statistics Service, February 2020, https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnl00220.pdf

² "Farms, Land in Farms, and Livestock Operations: 2010 Summary," US Department of Agriculture, National Agricultural Statistics Service, February 2011, https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnl00211.pdf

³ "Farming and Farm Income," Ag and Food Statistics: Charting the Essentials, US Department of Agriculture, Economic Research Service, updated February 5, 2021, <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/farming-and-farm-income/#:~:text=The%20number%20of%20U.S.%20farms%20continues%20to%20decline%20slowly&text=Rapidly%20falling%20farm%20numbers%20during, and%20increased%20on farm%20employment%20opportunities.&text=In%20the%20most%20recent%20survey, from%202.20%20million%20in%202007>

⁴ "Farming and Farm Income," US Department of Agriculture, Economic Research Service.

⁵ "Agricultural Trade," Ag and Food Statistics: Charting the Essentials, USDA Economic Research Service, updated August 20, 2019, <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/agricultural-trade/>



Rewards and Risks of Technology

One reason for the continued high output productivity is advances in technology. Farmers are now able to use drones, temperature and moisture sensors, aerial imaging, and other equipment to be more profitable, efficient, and environmentally friendly.

Like many other industries, agriculture has become vulnerable to cyber attacks as a result of the introduction of technology. Approximately 50% of small-medium sized businesses experience a data breach within a 12-month period,⁶ and in 2017, 1 in 1,815 phishing emails were targeted specifically to the agriculture industry.⁷ In order to address the growing threats and dangers associated with information security breaches, insurers have begun incorporating cyber protection into insurance policies issued to farmers and ranchers.

Impact of COVID-19

The agriculture industry is continuing to experience major changes. COVID-19 and the subsequent US shut down have taken a toll on the food world and its supply chain. Agricultural exports were down 3.5% in the first half of 2020.⁸ Changes in supply and demand for meat, dairy, and specialty crops have sent shock waves through farming and food industries. The US experienced short-term and localized food shortages, especially with livestock products in the beginning of 2020, and retail food prices began to surge because of these food shortages. This further heightened panic and fear in many consumers, and grocery stores had more and more empty food shelves.

This instability forced some producers to euthanize livestock, dump excess milk, and dispose of other perishable products. The pandemic also left some farmers and ranchers struggling financially. Livestock feeder loans declined more than 40% in 2020 as a result of COVID, economic shutdowns, and fluctuations in supply and demand.⁹

⁶ Ponemon Institute. 2016 State of Cybersecurity in Small and Medium Sized Businesses (SMB), June 2016. https://www.keepersecurity.com/assets/pdf/The_2016_State_of_SMB_Cybersecurity_Research_by_Keeper_and_Ponemon.pdf.

⁷ Symantec. 2017 Internet Security Threat Report (ISTR). <https://docs.broadcom.com/doc/istr-22-2017-en>.

⁸ Johansson, Robert. "America's Farmers: Resilient Throughout the COVID Pandemic." Blog, USDA, October 13, 2020. <https://www.usda.gov/media/blog/2020/09/24/americas-farmers-resilient-throughout-covid-pandemic>.

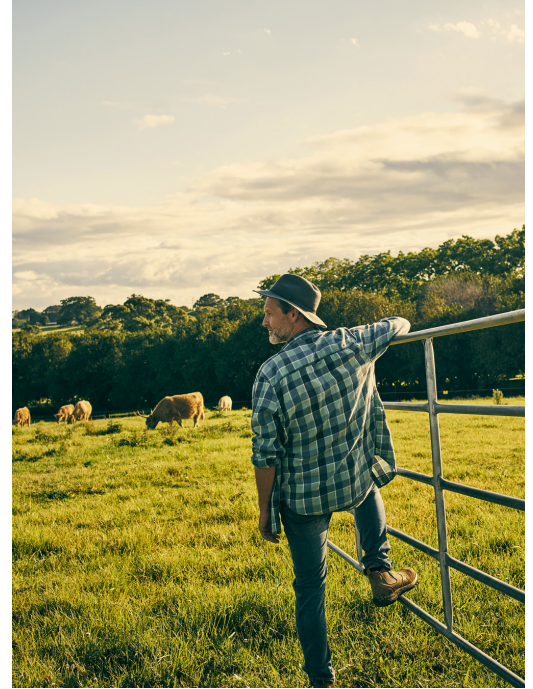
⁹ Johansson, Robert. "America's Farmers: Resilient Throughout the COVID Pandemic."

New Strategies for Marketing

Despite the negative effects COVID-19 has caused on the meat and dairy industries, many farmers are finding success with community-supported agriculture (CSA) arrangements, farmer's markets, and selling and delivering directly to consumers, both in urban and rural areas. Popularity in this concept was already rising, as research shows that the number of farms that sold at roadside stands, farmers' markets, pick-your-own farms, on-farm stores, and CSAs increased 24% between the years of 2002 and 2012.¹⁰

Digital strategies have pulled agriculture into a more virtual environment, and signs suggest that this type of marketing may help farms stay in business longer. Social media platforms have become an increasingly popular way for farmers to stay in touch with their clients, and specialized farm-to-consumer websites such as [FarmShake.com](https://www.farmshake.com) have emerged in response to an increased demand for fresh products, including poultry, eggs, and pork. One potential advantage of this type of marketing is the opportunity for farms to be less capital-intensive, with less land and machinery needed to achieve a certain level of sales. Also, a steadier flow of income could help these farms maintain more stability in their sales, allowing for lower overall risk.

Overall, the ingenuity and flexibility that farmers are embracing to guarantee the success of their livelihoods is without a question changing the agricultural landscape, and it appears to be more of a permanent trend that is likely to stay beyond the COVID-19 crisis.



Amid Challenges, Farmers and Ranchers Are Continuing to Thrive

Despite a multitude of changes, farmers and ranchers have been resilient in their efforts to maximize growth and deliver high quality products, and the agricultural industry as a whole is expected to continue to thrive in production and output.

In honor of National Ag Day, we at AmericanAg™, would like to take a moment to celebrate the important contributions that American farmers and ranchers make every day to keep our world thriving – and commend you for all that you do to protect and serve them!

© 2021 American Agricultural Insurance Company

This article is intended to provide a general understanding of the topic and explicitly does not provide legal advice. Before taking any action regarding a topic addressed in this article, a thorough, specific analysis of the law as it applies to the subject should be completed. Reproduction of this article is strictly prohibited. Any opinions included in this publication are specifically those of the author and not AmericanAg™.

¹⁰ Key, Nigel, "Farms That Sell Directly to Consumers May Stay in Business Longer," Blog, USDA, February 21, 2017, <https://www.usda.gov/media/blog/2016/04/28/farms-sell-directly-consumers-may-stay-business-longer>.

Sources

"Agricultural Trade." Ag and Food Statistics: Charting the Essentials, USDA Economic Research Service, updated August 20, 2019. <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/agricultural-trade/>.

Duvall, Zippy. "National Ag Week and Ag Day." Viewpoints: The Zipline, American Farm Bureau Federation, March 22, 2017. <https://www.fb.org/viewpoints/national-ag-week-and-ag-day>.

"Farming and Farm Income." Ag and Food Statistics: Charting the Essentials, US Department of Agriculture, Economic Research Service, updated February 5, 2021. <https://www.ers.usda.gov/data-products/ag-and-food-statistics-charting-the-essentials/farming-and-farm-income/#:~:text=The%20number%20of%20U.S.%20farms%20continues%20to%20decline%20slowly&text=Rapidly%20falling%20farm%20numbers%20during,and%20increased%20onfarm%20employment%20opportunities.&text=In%20the%20most%20recent%20survey,from%202.0%20million%20in%202007>.

"Farms and Land in Farms: 2019 Summary." US Department of Agriculture, National Agricultural Statistics Service, February 2020. https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnlo0220.pdf.

"Farms, Land in Farms, and Livestock Operations: 2010 Summary." US Department of Agriculture, National Agricultural Statistics Service, February 2011. https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnlo0211.pdf.

"Food Security." US Department of Agriculture, accessed March 2021. <https://www.usda.gov/topics/food-and-nutrition/food-security>.

Johansson, Robert. "America's Farmers: Resilient Throughout the COVID Pandemic." Blog, USDA, October 13, 2020. <https://www.usda.gov/media/blog/2020/09/24/americas-farmers-resilient-throughout-covid-pandemic>.

Key, Nigel. "Farms That Sell Directly to Consumers May Stay in Business Longer." Blog, USDA, February 21, 2017. <https://www.usda.gov/media/blog/2016/04/28/farms-sell-directly-consumers-may-stay-business-longer>.

National Ag Day, accessed March 2021. <https://www.agday.org/>.

Ponemon Institute. 2016 State of Cybersecurity in Small and Medium Sized Businesses (SMB), June 2016. https://www.keepersecurity.com/assets/pdf/The_2016_State_of_SMB_Cybersecurity_Research_by_Keeper_and_Ponemon.pdf.

Symantec. 2017 Internet Security Threat Report (ISTR). <https://docs.broadcom.com/doc/istr-22-2017-en>.