

In a nutshell, all participants—regardless of their profession or geographic location—said they anticipate great things from the newly expanded state-level ARMS.

“This expanded state basis is going to be fabulous for us,” said Dr. James W. Richardson, co-director of Texas A&M University’s Agricultural and Food Policy Center. “We’re going to get far more data than before.”

ARMS already does much

And that says a lot. According to Richardson, “AFPC has benefitted from the ARMS data base for more than a dozen years.”

Specifically, the Center relies on ARMS data in its work with the “panel farms” it uses to represent farms in regions of importance to Congress. The farms—located in major production regions as specified by economists on the House and Senate Agriculture Committees—help formulate and evaluate policies.

“ARMS is generally the first place we look for data on ag. It helps us think about how ag issues affect the rural economy as a whole.”

Nancy Novack, Center for the Study of Rural America, Kansas City Federal Reserve Bank

“Access to the ARMS data base,” said Richardson, “makes our jobs easier. We are more confident our farms are representative.”

Nancy Novack, Kansas City Federal Reserve Bank’s Center for the Study of Rural America, also praised ARMS. “ARMS is generally the first place we look for data on agriculture,” she said.

According to Novack, the Center relies on ARMS to analyze a range of issues to see how agriculture affects the rural economy as a whole and vice versa. The Center also uses ARMS to help regulate banks in the district (by answering, for example, questions about the impacts of drought on the financial condition of banks) and to advise Federal Reserve Board members.

Others in attendance—state officials, ag industry representatives, financial industry leaders, and researchers—expressed similar sentiments about the value of ARMS to their work and to their constituents. As one participant noted, “I probably make use of all the ARMS data in one form or another.”

For more information on ARMS: www.ers.usda.gov/Briefing/ARMS/



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Agricultural Resource Management Survey

Any decision—public or private—is only as good as the information that drives it. Is the information relevant? Is it complete? Accurate? Accessible? When it comes to decisions about America’s farms and farm households, the answer to all those questions is “yes”—thanks in large part to the Agricultural Resource Management Survey (ARMS).

And now, thanks to expansion of ARMS to the state level in the 15 largest agriculture-producing states, an already powerful tool will become even more powerful.

A brief history

The U.S. Department of Agriculture (USDA) has for decades collected various data on American agriculture—everything from crop yields and production practices to farm costs and returns.

Together, these data and the analyses that rely on them provide the relevant, complete, accurate, and accessible information needed to make good



decisions about American agriculture—decisions made on the farm as well as those made on Capitol Hill. As a result, the breadth and depth of our agricultural information base is unsurpassed.

Relatively few—even among those who regularly rely upon it to inform their decisions—are fully aware of the extent of ARMS and just what it can do.

What can ARMS do?

The annual survey covers the 48 contiguous states, 15-plus major commodities, and farms of all sizes and classifications. It is the only annual, national-level, representative survey of U.S. farm operations and farm households.

ARMS goes straight to America’s farmers and farm households and asks them about everything from acres planted and the technology, chemicals, and production practices used on those acres to the bushels, bales, and crops harvested and livestock marketed, and the prices received for them; from the value of assets owned to the use of credit to the off-farm jobs held.

Their answers help paint the truest and most complete picture of American agriculture possible.

Since 1996, many of these data have come from one survey: ARMS, a joint effort by USDA’s Economic Research Service (ERS) and National Agricultural Statistics Service (NASS), with funding from Congress.

Yet despite the richness of its data and the vast array of its uses, ARMS has been one of USDA’s “best kept secrets.”

ARMS: a key source of knowledge

ARMS is USDA's primary source of knowledge about the financial condition, production practices, resource use, and economic well-being of farms and farm households. It provides both the basis for characterizing farming and farm households and for analyzing the implications of actions or events for farms and farming stakeholders.

As a result, ARMS is a critical ingredient in the development of federal farm legislation, various programs, trade regulations, university research and state grants. It is a critical ingredient in our understanding of American agriculture and the people involved in it. For example, ARMS data reveal:

- **Dramatic increase in herbicide-tolerant crops.** In 2001, herbicide-tolerant soybeans were grown on 68 percent of the soybean acreage, up from 17 percent in 1997. More than half the cotton acreage had herbicide-tolerant cotton in 2001, compared with 10 percent four years earlier.
- **Reduced pesticide use.** In 2002, use in total pounds of pesticide active ingredient was at the lowest level in more than 10 years and at the lowest level since the 1970s.
- **Cropping patterns.** Of the four major field crops—corn, cotton, soybeans and wheat—cotton is most likely to be grown continuously and soybeans are most likely to be grown as part of a rotation.
- **Economic output.** In 2002, farm operator households earned about one-third of the value that agriculture contributed to national economic output. Hired laborers, lenders, landlords and contractors earned the remaining two-thirds.

- **Similarities of farm/nonfarm livelihoods.** Like nonfarm households, farm households generate livelihoods through a variety of work, saving and investment activities.

- **Key demographic shifts.** In 2002, 91 percent of all farms were considered small, having total sales less than \$250,000. These farms accounted for 28 percent of the gross cash income earned from farming.

- **Farm asset values.** Farm operations in 2002 had average assets of \$652,627, ranging from \$116,715 for limited resource farms to \$3,862,265 for non-family farms.

If it involves agriculture or ag households, it probably relies on ARMS.

ARMS data also undergird many of the most widely used reports produced by USDA:

Agriculture Income and Finance Outlook—an annual report describing the current financial status of U.S. farm business and farm operator households.

Family Farm Report—an annual report of the structural and financial characteristics of U.S. farms.

Enterprise Cost of Production Estimates and Studies—characteristics, production practices, and costs of various agricultural enterprises.

These are but a few examples of the use and importance of ARMS. From research and analysis to policy formulation and program implementation, from Congress to industry to news media, ARMS data play a critical role. Indeed, if it involves agriculture or agricultural households, it probably relies on ARMS.

New, stronger ARMS

As powerful as ARMS is, it soon will become even more so. Beginning in 2004, the ARMS survey sample will be expanded in the 15 largest agricultural producing states (Arkansas, California, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, North Carolina, Texas, Washington, and Wisconsin). This expansion will allow for results that are statistically representative at the state level in these states. As a result, ARMS will soon inform a whole new level of decisionmaking.

In December 2003, the new, expanded ARMS was rolled out for an audience of state government officials, research and extension professionals, and agricultural leaders from the 15 states at a workshop organized by Farm Foundation and USDA's Economic Research Service.

The workshop, *Data to Serve 21st Century Agriculture: Expanding the Agricultural and Resource Management Survey*, aimed to inform these key stakeholders about the expanded ARMS, its uses, limitations, and potential, and at the same time

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begin an ongoing public-private partnership to improve ARMS and its many uses.

Throughout the two days, participants remarked again and again at how impressed they were by the breadth of ARMS coverage, the power of its analytical capacity, and the willingness of ERS and NASS to work with ARMS users to improve the product.

Over the course of discussions, two key themes emerged.

ARMS to do even more

As powerful as ARMS is, participants in the workshop agreed that the expansion will make the survey more powerful and the data more useful for them, their professions, and their constituents.

- University research and extension personnel plan on using the data to bet-

ter understand issues facing the farm sector in their individual states and to better target assistance to the farms, households, and industry sectors that need it.

- Farm industry leaders anticipate help in getting a handle on costs of production, assessing the potential of value-added enterprises like ethanol, and evaluating the impacts of property taxes on farms and rural areas.

- Financial industry leaders see the enhanced ARMS data as being useful in assessing risk, examining farm household spending, and researching market performance and new market potential.

- Finally, state officials look forward to the state-level data to help them create and implement better public policy on everything from confined animal feeding operations to conservation to rural development to taxes.

