Section 38 - Farm Producer Household Income, Assets, & Debt

Why does USDA collect household information?

To get the complete picture

 Cannot understand the decisions and economic well-being without knowing what other assets, debt, or income they have

To meet Congressional and executive mandates:

- Secretary requires household income be reported concurrent with farm income (USDA Release No. 0383.93, May 1993).
- Family Farm Report (USC, Title 7, Chap 55, Sec 2266)

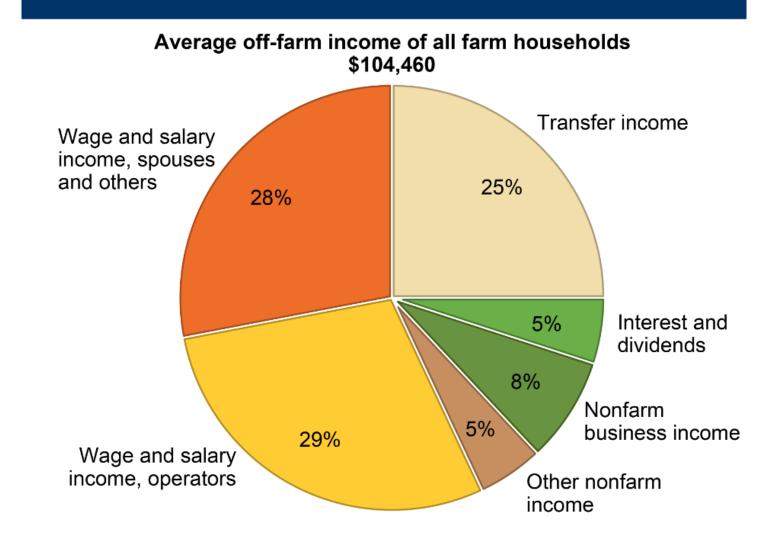
Why does USDA collect household information?

- To support robust research agenda that informs policy and programs relating to farmers and farm households
 - Are farm households well-off relative to the general population?
 - How volatile is the household income of farmers?
 - Do government programs make a difference?

Sources of Off-Farm Income

- Wages
 - Operator
 - Household Members
- Nonfarm Businesses
- Transfers
- Other Income

household sources of off-farm income, 2021



Household Income, Assets & Debt

- Whose household?
 - The "Principal Producer"
 - Identified on page 17, Q3
- Do not duplicate with on-farm books

Dollar Range Value Code	Dollar Range Value	Code Dollar	Range	Value Code	<u>D</u>	ollar Range	V	alue Code	
\$0 01	\$10,000 - 14,999	10 \$80,00	0 – 99,999 .	19	\$1	1,000,000 - 1,4	199,999	28	
\$1 - 499 02	\$15,000 - 19,999	11 \$100,0	00 – 124,999) 20	\$1	1,500,000 – 1,9	99,999	29	
\$500 - 999	\$20,000 - 24,999	12 \$125,0	00 – 149,999) 21	\$2	2,000,000 - 2,9	99,999	30	
\$1,000 - 1,999 04	\$25,000 - 29,999	13 \$150,0	00 – 199,999) 22	\$3	3,000,000 - 4,9	99,999	31	
\$2,000 - 2,999 05	\$30,000 - 34,999	14 \$200,0	00 – 274,999) 23	\$5	5,000,000 - 7,4	199,999	32	
\$3,000 - 3,999 06	\$35,000 - 39,999	15 \$275,0	00 – 349,999) 24	\$7	7,500,000 – 9,9	99,999	33	
\$4,000 - 4,999 07	\$40,000 - 49,999	16 \$350,0	00 – 499,999) 25	\$1	10,000,000 and	d over	34	
\$5,000 - 7,499 08	\$50,000 - 59,999	17 \$500,0	00 – 749,999) 26					
\$7,500 - 9,999 09	\$60,000 - 79,999	18 \$750,0	00 – 999,999) 27					
 Use the value codes from the box above to answer the questions in Section 38. (Exclude farm income reported earlier.) Which value code represents the total income received by the principal producer, spouse, and household in 2022 from - 									
SOURCE		PRINCIPAL PRODUCER INCOME		IN	SPOUSE INCOME		TOTAL HOUSEHOL INCOME		
			(Value Code)		_ `	(Value Code)		(Value Code)	
			Mark "X" if None	0950	Mark "X" if None	0951	Mark "X" if None	0952	
 a. all off-farm wages, withholdings? 	salaries, and tips befor	e taxes and		01		14		14	

Use the code in the boxes. Notice, \$0 is coded 1,01 or by checking the none box



Section 38 Topics Covered

- Income
- Spending
- Assets
- Debt

\$500 - 999	\$20,000 – 24,999 12	\$125,000 - 149,999 21	\$2,000,000 - 2,999,999 30
\$1,000 - 1,999 04	\$25,000 - 29,999 13	\$150,000 - 199,999 22	\$3,000,000 - 4,999,999 31
\$2,000 - 2,999 05	\$30,000 - 34,999 14	\$200,000 - 274,999 23	\$5,000,000 - 7,499,999 32
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\$4,000 - 4,999 07	\$40,000 – 49,999 16	\$350,000 - 499,999 25	\$10,000,000 and over 34
\$5,000 - 7,499 08	\$50,000 - 59,999 17	\$500,000 - 749,999 26	
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 Use the value codes from the box above to answer the questions in Section 38. (Exclude farm income reported earlier.) Which value code represents the total income received by the principal producer, spouse, and household in 2022 from

HOUSEHOLD SPENDING - (Please see VALUE CODES above.)

Mark "X"

2. Which value code from the list above represents how much this household spent in 2022 on -

if None

Code

OFF-FARM ASSETS - (Please see VALUE CODES on page 33.)

a food including food away from home?

3. Which value code on page 33 represents the total value of each of the following categories of off-farm assets owned by the producer and members of the producer's household on December 31, 2022, for -(Exclude assets of this operation, reported in Section 33.)

OFF-FARM DEBT - (Please see VALUE CODES on page 33.)

4. Which value code on page 33 represents the total value of each of the following categories of off-farm debt (debt not associated with this operation) owed by the producer and members of the producer's household on December 31, 2022. (Include off-farm debt secured with farm assets. Exclude any household debt, credit cards, etc. reported in Section 34, Farm Debt.)

Value



Previous Year (2021) Income and Expenses

- Question 6-8:
 - Value of sales
 - Net operating income
 - Off farm income
- Does not need to be exact—Use Value Codes
- Gives a metric for year-over-year comparisons

202	21 INCOME AND EXPENSES	Mark "X"	Value Code
6.	Which value code on page 33 represents the total farm sales last year (2021)? (Total farm sales includes livestock and crop income from cash and marketing contract sales, fees received from livestock and crop production contracts, the net change in CCC loans, and government payments.)1113	if None	Code
7.	Which value code on page 33 represents the net operating income for this operation last year (2021)? (cash income from all farm sources minus production costs and depreciation; if negative net operating income, please indicate with a negative sign before the value code)		
8.	Which value code on page 33 represents the total off-farm income last year (2021)? (wages, salaries, tips, interest, dividends, other public sources, etc. before taxes, income from operating another farm, income from operating any other business; if negative off-farm income, please indicate with a negative sign before the value code)		
	Office Use On	02 lly	

Some Things to Watch out For

- Spending, in item 2
 - a. food
 - c. utilities and household supplies
 - e. health and medical expenses
 - j. all other family living expenses
- Do not double count and report expenses already reported in Section 32- Operating Expenses
 - You can't report your personal expenses on your taxes for your business.
 - People have personal expenses too.

Some Things to Watch out For

- BE CAREFUL- is the house part of the farm or not?
- Don't want to duplicate the information if it was reported in the Farm Asset Section

b. retirement accounts? (401k, 403b, IRA, Keogh, other retirement accounts)	0954
 c. producer's dwelling, if not owned by the operation? (not reported in Section 33, Item 1a) d. real estate and other personal (second) homes? 	0984
(other farms, residential rental, commercial, and other real estate)	0985
e. business not part of this farm?	0986
f. all household vehicles? (Including household share of vehicles partly owned by the operation)	0982
g. other assets not reported elsewhere?	0987
OFF-FARM DEBT - (Please see VALUE CODES on page 33.)	
4. Which value code on page 33 represents the total value of each of the following categories of of (debt not associated with this operation) owed by the producer and members of the producer's non December 31, 2022. (Include off-farm debt secured with farm assets. Exclude any household debt, credit cards, etc. reported in Section 34, Farm Debt.)	f-farm de ousehold
a. mortgages on producer's dwelling, if not owned by the operation? (Include home mortgages, home equity loans, and lines of credit secured by the producer's dwelling.).	0988
mortgages on other real estate and other personal homes such as second homes? (Include mortgages, equity loans, and lines of credit secured by other real estate, including other farms, residential rental, commercial, and other real estate.)	0989
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