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Tools for Community Self-determination

Nebraska
Farm & Food Economy

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for
Center For Rural Affairs
and
USDA Heartland Regional Food Business Center

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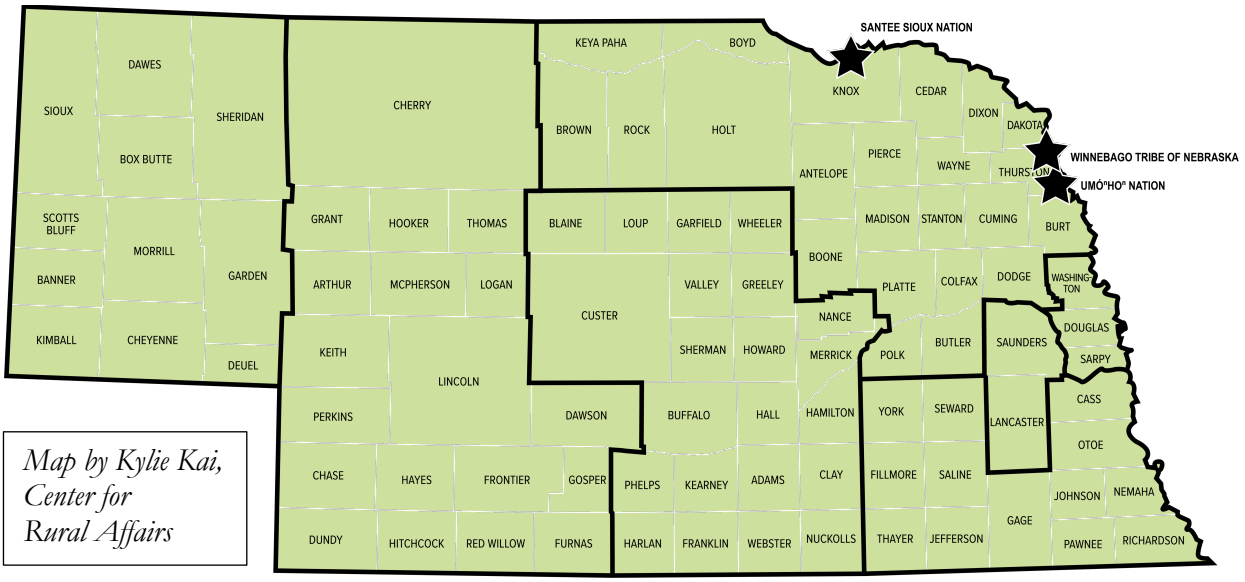
This is an update of the *Nebraska Farm and Food Economy* report commissioned by No More Empty Pots in 2010.

Paul, Nebraska. Photo by Ken Meter, 2017



Map by Kylie Kai, Center for Rural Affairs

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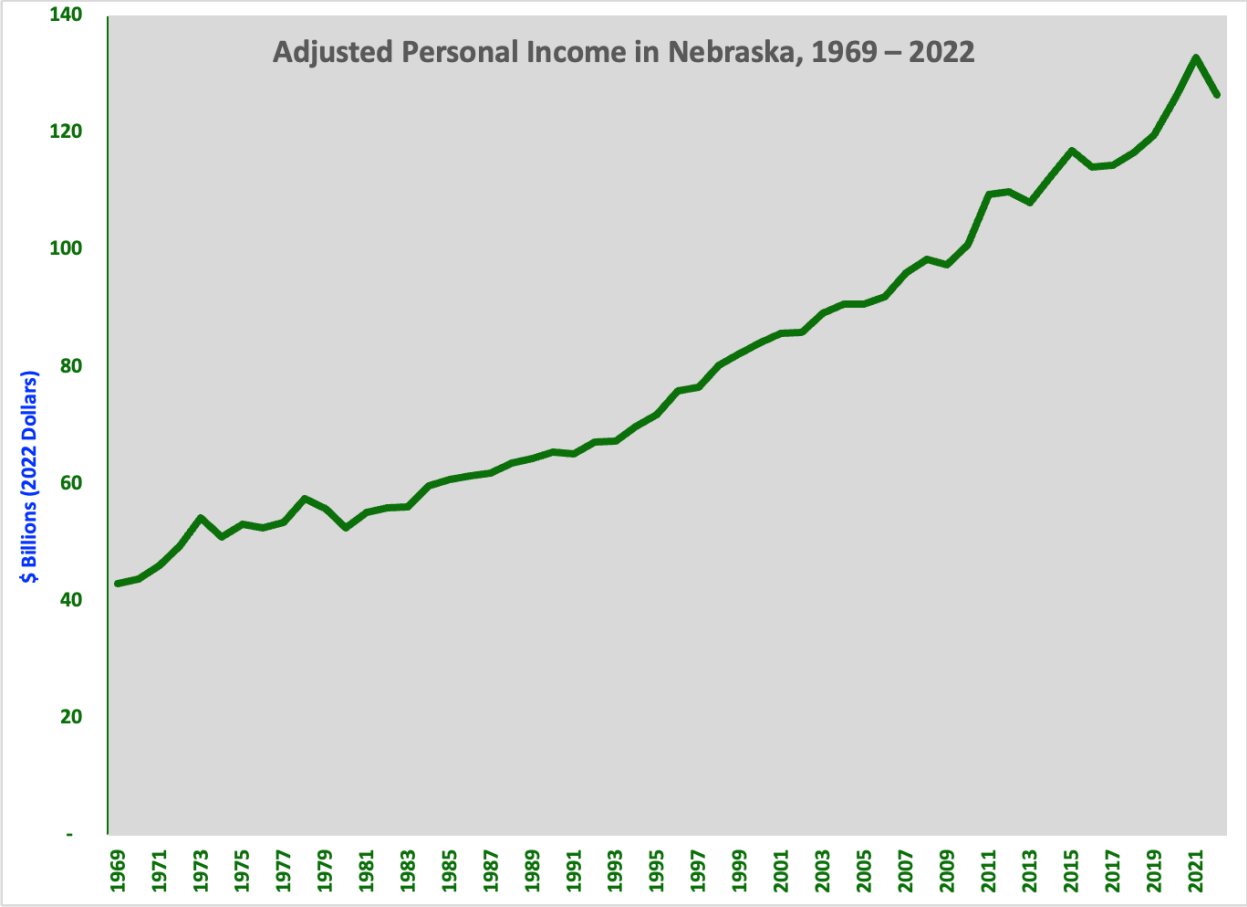
The Context: Personal Income, Poverty, & Food Insecurity

Personal Income in Nebraska

1,967,923 Nebraska residents receive $126 billion of income annually. Personal income increased 195%, from $43 billion 1969, after dollars were adjusted for inflation. This means that real income has nearly tripled over the past 54 years. Data on Charts 1–2 do not include farm income, which is covered separately below. *Source: Bureau of Economic Analysis.*

Chart 1: Adjusted Personal Income in Nebraska, 1969 – 2022

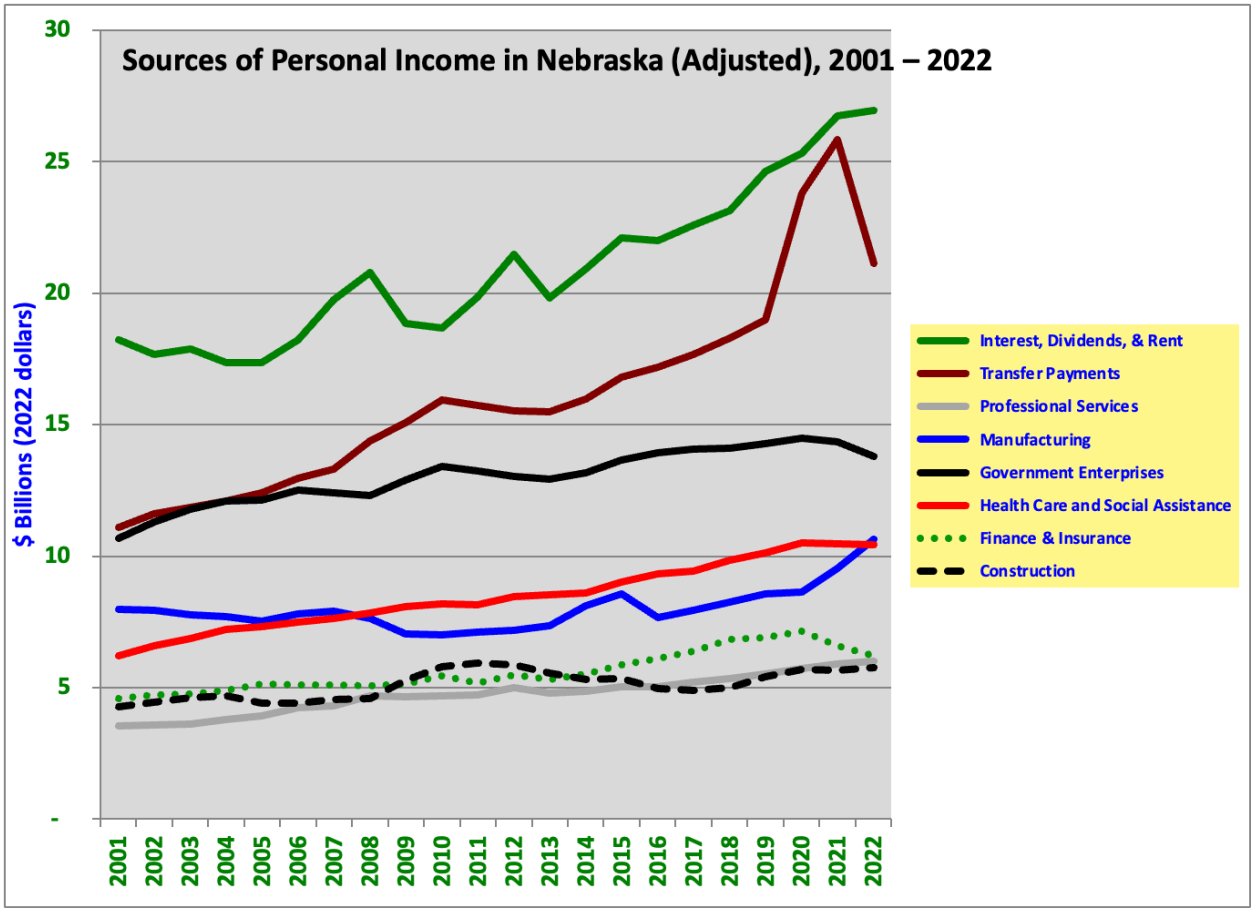


Source: Bureau of Economic Analysis. Adjusted for inflation using Federal Reserve CPI data. This chart does not include farm income. As shown in Chart 23 below, Net Cash Income for Nebraska farmers was $5.6 billion in 2022, up from $2.1 billion in 1969, but with considerably more variability than nonfarm income.

As Chart 2 and Table 1 below show, the largest source of personal income is capital income (from interest, dividends, or rents), totaling $26.9 billion in 2022. Transfer payments (from government programs such as pensions) rank second, at $21.1 billion. Government jobs rank third, with $13.8 billion (this includes educational institutions). Manufacturing workers earn $10.6 billion of personal income, while health care workers receive $10.4 billion. Finance and insurance workers receive $6.2

billion, professional service providers earn $6.0 billion, and construction workers bring in $5.7 billion.

Chart 2: Sources of Personal Income in Nebraska (Adjusted), 2001 – 2022



Source: Bureau of Economic Analysis. Note the peak in transfer payments during the pandemic era. Adjusted for inflation using Federal Reserve CPI data.

Table 1: Top Sources of Personal Income, 2022

Source of Income	$ Billions	Percent
Interest, Dividends, & Rents	26.9	21.3%
Transfer Payments	21.1	16.7%
Government	13.8	10.9%
Manufacturing	10.6	8.4%
Health Care	10.4	8.2%
Finance and Insurance	6.2	4.9%
Construction	5.7	4.5%

Source: Bureau of Economic Analysis. These top categories cover 75% of personal income.

Note that income from public sources (government jobs plus transfer payments) totals $34.9 billion, making up 28% of all personal income for state residents.

Income earned from transfer payments includes $7.3 billion of retirement and disability insurance benefits; $8.7 billion of medical benefits; $1.7 billion of income maintenance benefits; $.057 billion of unemployment insurance; and $1.1 billion of veterans' benefits.

Government income includes $1.9 billion of income earned by federal workers and $10.8 billion earned by state and local government workers (this includes educational institutions). Military personnel earn $1.1 billion of personal income.

Although the state's population increased more than 34% from its 1969 level of 1,474,000, there has been only limited public planning to assure a secure and stable food supply, despite the fact that farmland is being lost and the number of farms is declining, as shown below.

Issues Affecting Low-Income Residents of Nebraska

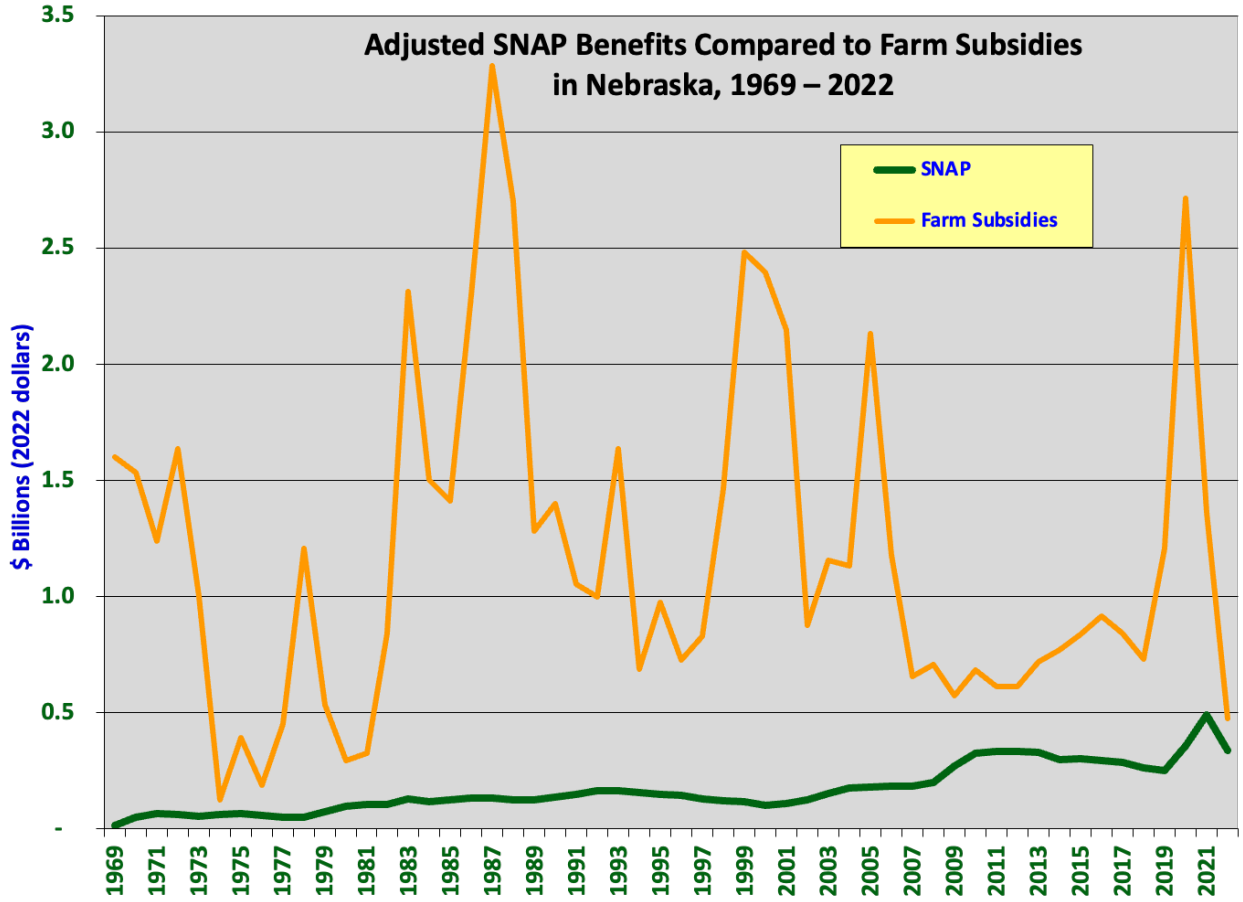
460,056 Nebraska residents (24%) earn less than 185% of federal poverty guidelines. This is a more meaningful measure of hardship than the official poverty line itself. 62,362 (3%) residents received SNAP benefits (formerly known as food stamps) during the years 2018–2022. *Source: Federal Census, American Community Survey, 2018–2022.*

53% of these recipient households earned more than the federal poverty guideline. Only 15% had no one working. 53% had at least one person working, while 32% had 2 or more members working. *Source: Federal Census, American Community Survey, 2018–2022.*

Average SNAP receipts for all Nebraska residents combined were $201 million per year (34-year average, 1989–2022). Benefits peaked at $489 million in 2021 in the wake of the pandemic, but returned to a more normal level of $337 million in 2022. See Chart 3 below. *Source: Bureau of Economic Analysis Regional Income data.*

Chart 3 compares SNAP receipts to federal farm program benefits. Notice that 21,085 (47%) of the state's 44,479 farms received government payments in 2022. These totaled $422 million, falling well below the average annual combined total of $1.1 billion in farm subsidies (34-year average, 1989–2022). Subsidies mostly support farms growing crops such as corn, soybeans, or wheat that are sold as commodities for processing, not to feed Nebraskans. *Data from USDA NASS Census of Agriculture, & Bureau of Economic Analysis.*

Chart 3: Adjusted SNAP Benefits Compared to Farm Subsidies in Nebraska, 1969 – 2022



Source: Bureau of Economic Analysis. Adjusted for inflation using Federal Reserve CPI data.

4% percent (32,608) of the state's 776,379 households (this is more than 79,000 residents) earn less than $10,000 per year. *Source: Federal Census, American Community Survey, 2018–2022.*

Although the percentage of households experiencing food insecurity declined from 2010 to 2019, the pandemic created greater food insecurity. As Table 2 shows, one of every eight Nebraska households is currently food insecure.

Moreover, the number of households with very low food security has actually increased, despite concerted efforts to provide food relief in recent years.

Table 2: Food Insecurity in Nebraska, 2010 – 2022

	2010–12 avg.	**2017–19 avg.**	**2020–22 avg.**
Food Insecure Households	13.4%	10.8%	12.1%
Very Low Sood Secure Households	5.0%	4.3%	5.6%

Source: USDA Economic Research Service.

Feeding America, the national organization representing food banks, measures even higher rates of food insecurity. They calculate that Nebraska has 267,960 residents who are food insecure, or 13.6% of the population. The organization estimates that it would cost $187 million to cover meal costs for all those who require food relief. *Source: Feeding America, Map the Meal Gap (2022). https://map.feedingamerica.org/county/2022/overall/nebraska*

Food-Related Health Conditions

43% of Nebraska residents reported in 2021 that they eat less than one serving of fruit per day, while 21% reported they eat less than one serving of vegetables each day. These are key indicators of health, since proper fruit and vegetable consumption has been connected to better health outcomes. Many health experts recommend eating at least 5 servings of fruits and vegetables per day. *Source: Centers for Disease Control.*

Only one in five (21%) Nebraska adults reported that they participated in enough aerobic and muscle-strengthening exercises to meet guidelines in 2019. *Source: Centers for Disease Control.*

10.8% of Nebraska residents have been diagnosed with diabetes as of 2022. *Source: Centers for Disease Control.* Medical costs for treating diabetes and related conditions in Nebraska were estimated at $1.38 billion per year in 2017, and national costs have increased 26% since then. The most recent national data show that direct and indirect medical costs of diabetes total $412.9 billion per year. To show the significance of this cost, it amounts to 76% of the $543 billion value of all crops and livestock sold by U.S. farmers in 2022. *Source: American Diabetes Association and USDA NASS Census of Agriculture.* Also Parker *et al* (2024). *Economic Costs of Diabetes in the U.S. in 2022; Diabetes Care 2024; 47:26–43; https://doi.org/10.2337/dci23-0085.*

70% of Nebraska residents are overweight (35%) or obese (35%) as of 2022. *Source: Centers for Disease Control.*

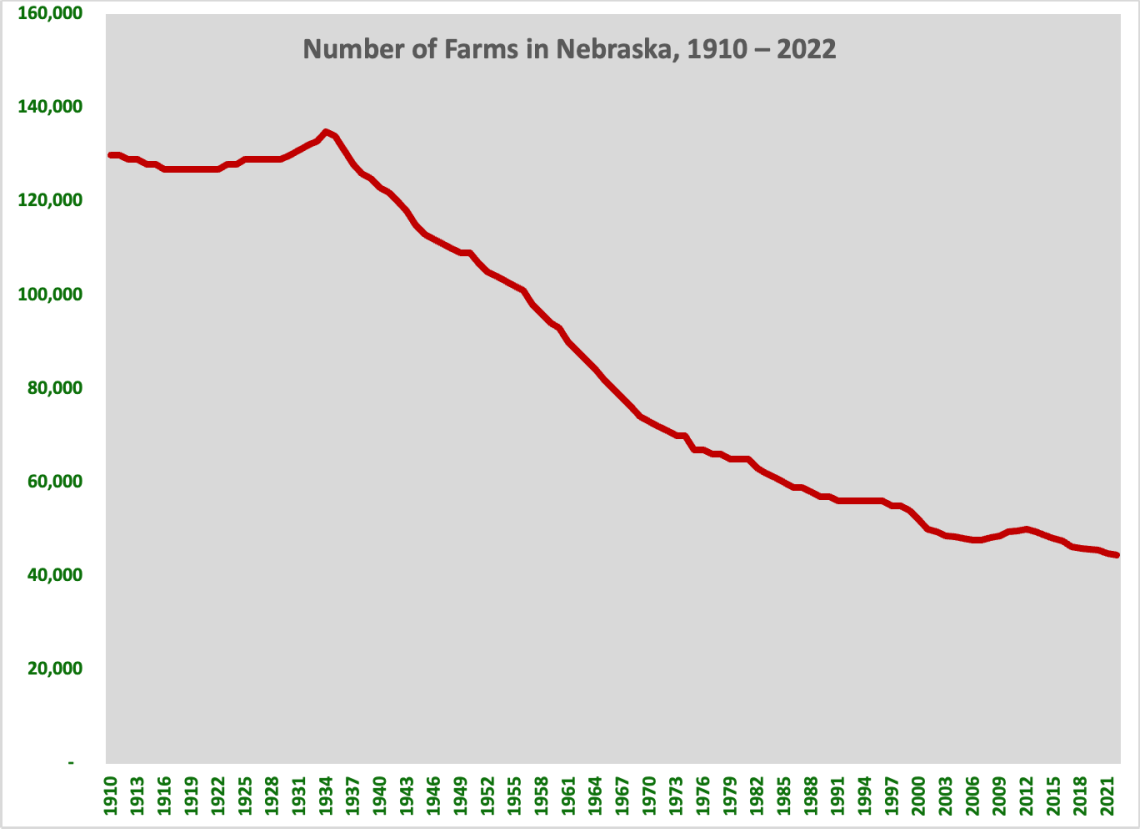
Nebraska's Farms

Data in this section are drawn from the USDA NASS Census of Agriculture unless otherwise noted. Data for 2022 were released in February, 2024. The Census of Agriculture defines a "farm" as "an operation that produces, or would normally produce and sell, $1,000 or more of agricultural products per year."

Farm Characteristics

Nebraska has 44,479 farms, 4% fewer than in 2017. Moreover, this is a 66% percent decline from the 130,000 farms Nebraska held in 1910, as Chart 4 shows.

Chart 4: Number of Farms in Nebraska, 1910 – 2022

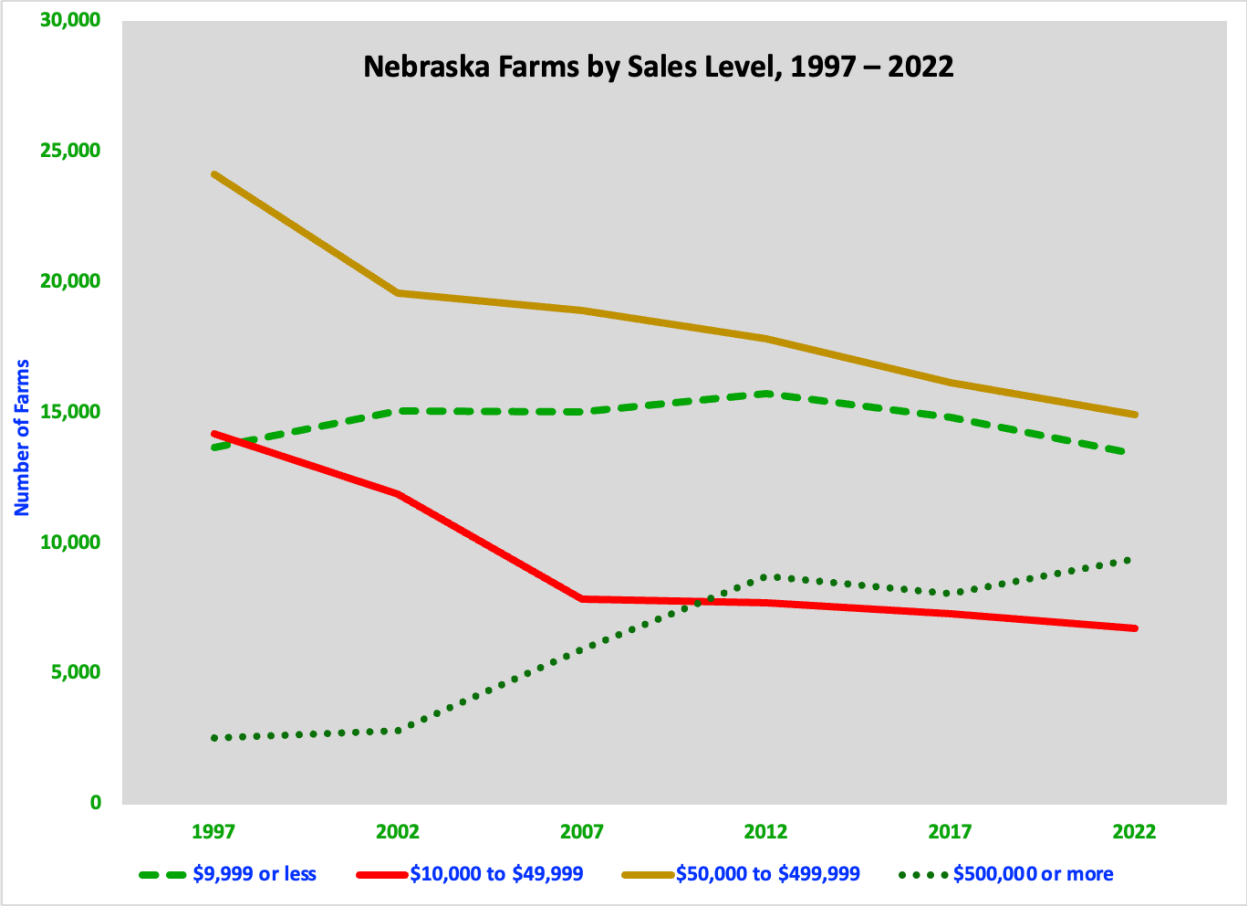


Source: USDA NASS Census of Agriculture. Note that the official USDA definition of what constitutes a "farm" has changed several times over the period shown in this chart.

One of every five Nebraska farms (9,132) sells less than $2,500 of farm products per year. Nearly one of every three farms (13,436) sells less than $10,000. Almost half of the state's farms (20,120; 45%) sell more than $100,000 per year.

Over the past 25 years, as Chart 5 shows, the number of the smallest farms (by sales) has held fairly steady, while the number of largest farms has increased steadily. The number of mid-sized farms has consistently declined.

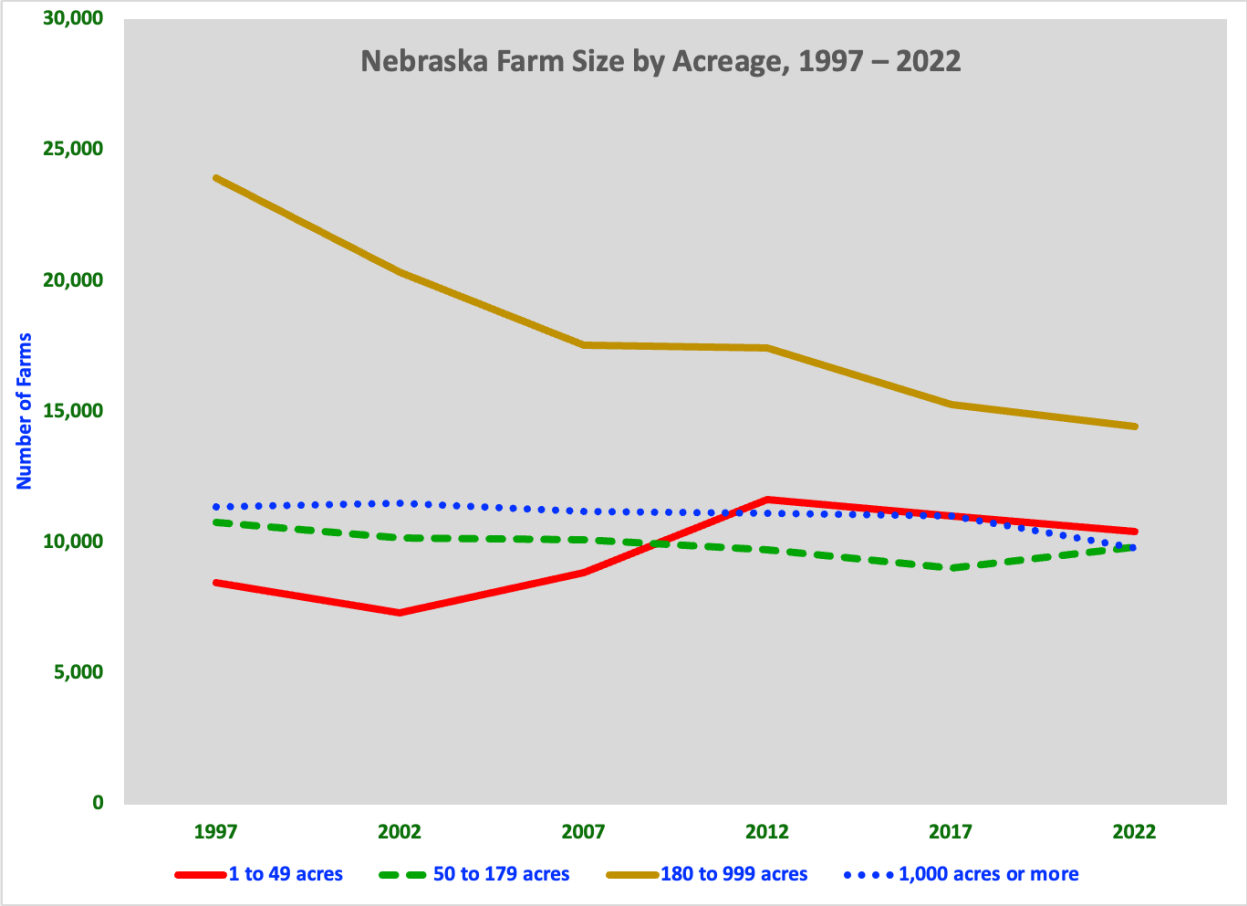
Chart 5: Nebraska Farms by Sales Level, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

23% (10,421) of the state's farms are less than 50 acres, while 22% (9,807) are 1,000 acres or larger. As Chart 6 shows, the count of the smaller and larger farms has held fairly steady for 25 years, while the number of farms of 180–999 acres has declined markedly.

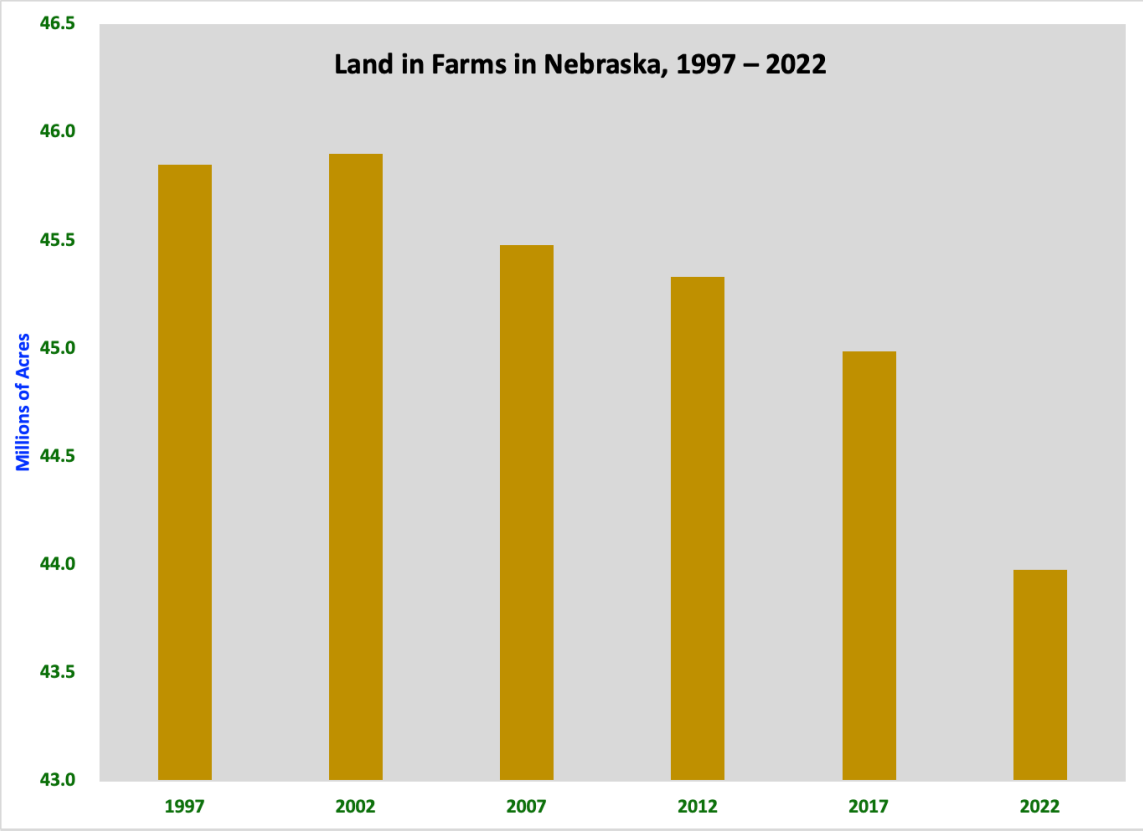
Chart 6: Nebraska Farm Size by Acreage, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

The state has 43.9 million acres of farmland, 1 million (2%) less than the 45 million acres held five years before, and 2 million acres (4%) less than in 2002, as Chart 7 shows.

Chart 7: Land in Farms in Nebraska, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

Farm Operators

The state's 80,283 farm operators are predominantly White, as Table 3 shows:

Table 3: Farm Operators by Race

	Number	Percent
Native American	115	0.143%
Asian	56	0.070%
African-American	14	0.017%
Hawaiian/Pacific Islander	4	0.005%
White	79,918	99.545%
More than one race	176	0.219%
Hispanic or Latino	727	0.905%

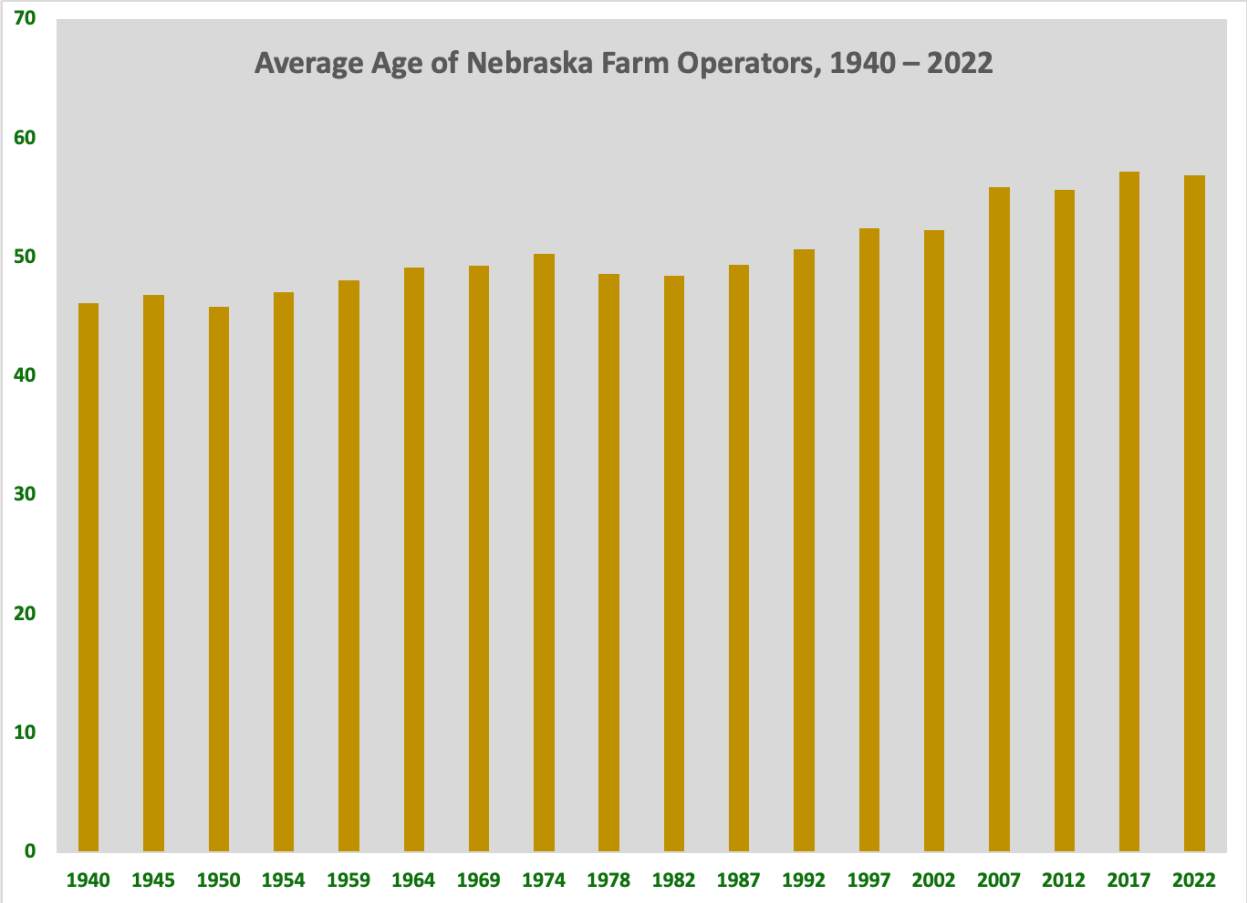
Source: USDA NASS Census of Agriculture, 2022.

Note that Hispanic farmers are included in the total number of farms (80,283) shown above, as members of other groups defined by race. The term "Hispanic or Latino" represents a culture, not a racial group. For that reason, this count is reported separately, showing only those who identify as Hispanic or Latino as their primary racial identity.

20,926 (26%) of the 80,283 state's farmers in 2022 are considered new and beginning farmers by USDA. USDA defines these as "producers operating on any operation for 10 years or less. They may be on farms [working] with producers who are not beginning."

Still, the average age of Nebraska farm operators has risen steadily, from 46 years in 1940 to 57 years in 2022, as shown in Chart 8 below.

Chart 8: Average Age of Nebraska Farm Operators, 1940 – 2022



Source: USDA NASS Census of Agriculture for each year shown.

Livestock Inventory

The state's livestock farmers held a substantial inventory of animals at the end of 2022. This is shown in Table 4. Poultry are clearly important to the state economy, with more than 23 million animals. However, cattle and calf sales are much higher, as shown in Table 5.

Table 4: Inventory of Farm Animals in Nebraska, 2022

Boiler chickens	15,912,621
Layer hens	7,161,783
Turkeys	*[not disclosed]*
Cattle & Calves	6,390,191
Hogs & Pigs	3,606,923
Pullets	2,206,036
Sheep & Lambs	58,026
Goats	35,366
Horses & Ponies	38,487

Source: USDA NASS Census of Agriculture, 2022. Data cover the end of year 2022.

Nebraska Ranks High in the U.S.

Nebraska is the 4th largest farm state in the US, ranked by sales. *Data in this section are taken from USDA NASS Census of Agriculture, 2022.*

The state's farmers sold a total of $29 billion** of farm products in 2022. $15 billion of these sales were livestock and $14 billion were crops. ***Note that the USDA Economic Research Service data show total farm product sales of $31 billion in 2022.*

The state ranks 5th in the U.S. for both crop sales and livestock sales.

Nebraska also ranks 3rd in the U.S. for cattle and calf sales; 4th for grains, oilseeds, edible peas, and edible beans; and 5th in the U.S. for sales of hogs and pigs.

Farm Product Sales

Table 5: Nebraska's Top Farm Products, 2022
See also Chart 9 on next page.

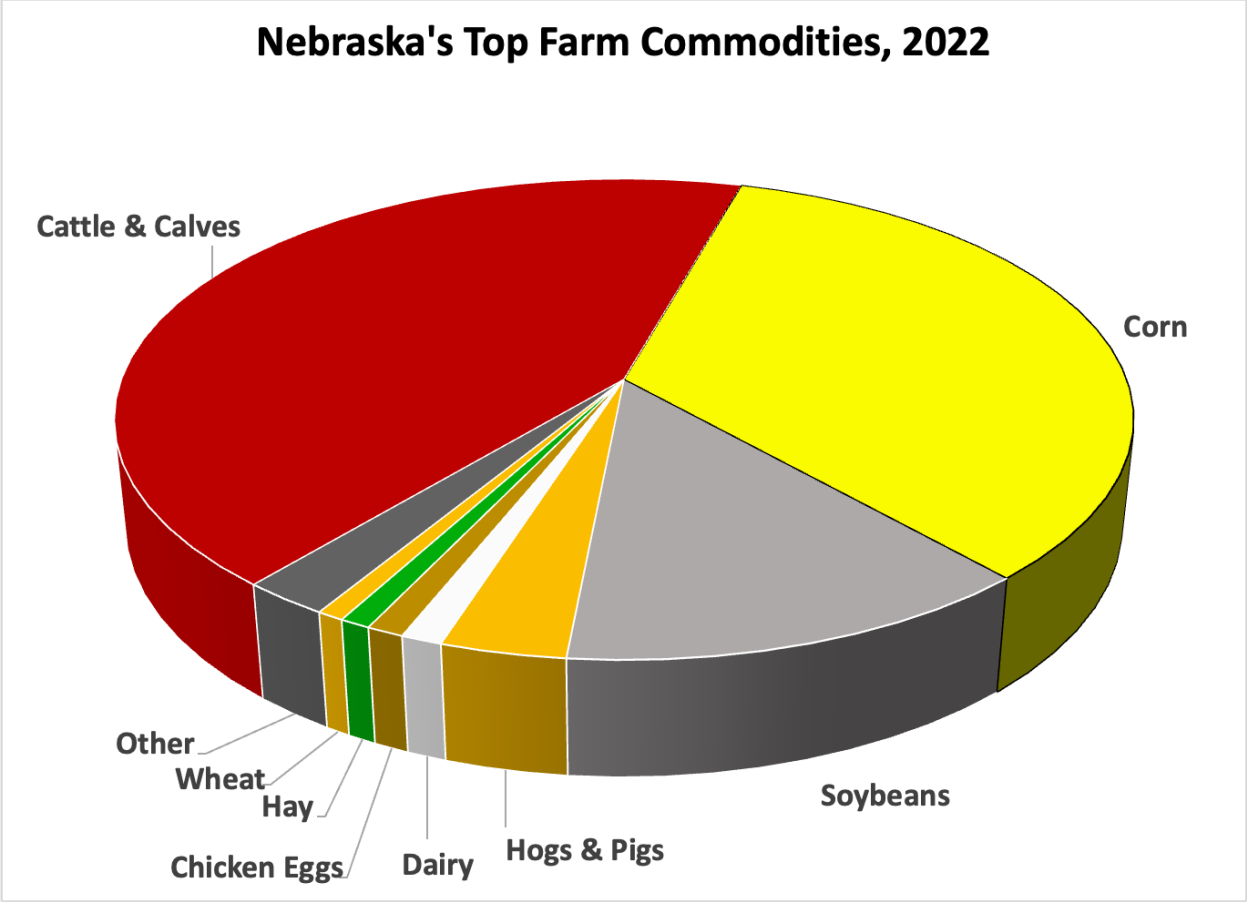
	$ Millions
Cattle & Calves	13,677.25
Corn	10,755.01
Soybeans	4,153.38
Hogs	1,085.04
Dairy Products & Milk	356.73
Chicken Eggs	324.18
Hay	267.37
Miscellaneous Crops	240.92
Wheat	236.05
Potatoes	99.92
Dry Beans	93.79
Sorghum	71.25
Sugar Beets	64.66
Other Animals & Products	58.16
Broiler Chickens	37.44
Proso Millet	27.49
Floriculture	14.47
Rye	12.57
Sunflower	11.11
Turkeys	10.36
Oats	7.44
Dry Peas	5.23
Honey	4.22
Trout	1.60
Farm Chickens	0.30
Wool	0.29
Mohair	0.03

Source: USDA Economic Research Service. Total sales recorded by ERS for Nebraska farmers for 2022 were $31,616 million ($31.6 billion). This figure differs slightly from that reported by USDA NASS Census of Agriculture for the same year ($29.4 billion), and by the Bureau of Economic Analysis ($33.2 billion).

The top 5 farm commodities sold by Nebraska farmers in 2022 shown in Table 5 above accounted for 95% of farm product sales. The top 4 commodities accounted for 94% of sales.

Note also that at $16.6 million, direct sales from farmers to household consumers ranked above floriculture, rye, sunflowers, turkeys, oats, and dry peas in sales.

Chart 9: Nebraska's Top Farm Commodities, 2022



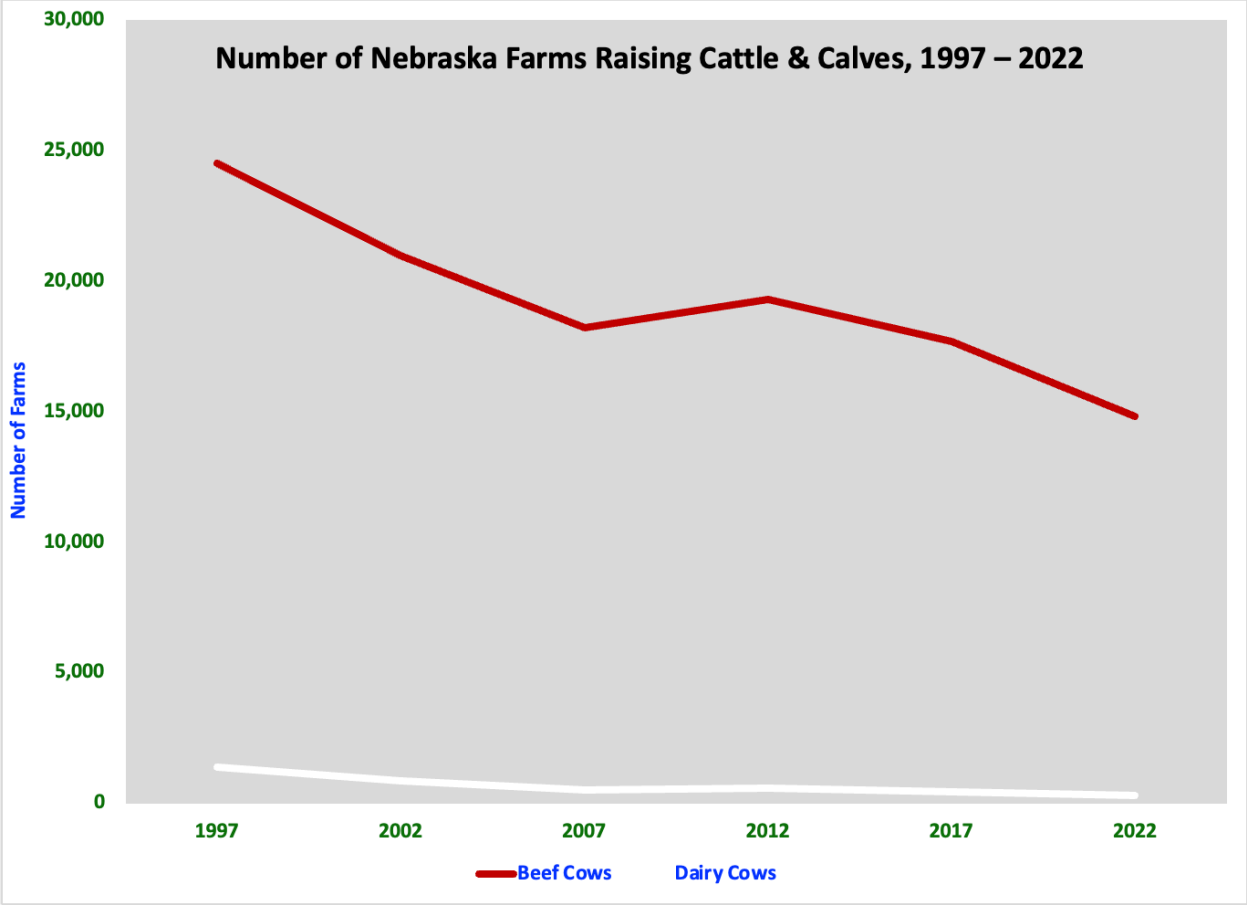
Source: USDA Economic Research Service.

Trends for Major Farm Commodities

Cattle & Calves

Nearly 15,000 farms, more than one of every three farms in Nebraska, raises cattle or calves, as Chart 10 shows. However, the number of farms raising cattle or calves declined 40% over the past 25 years. Only 300 farms currently raise dairy products.

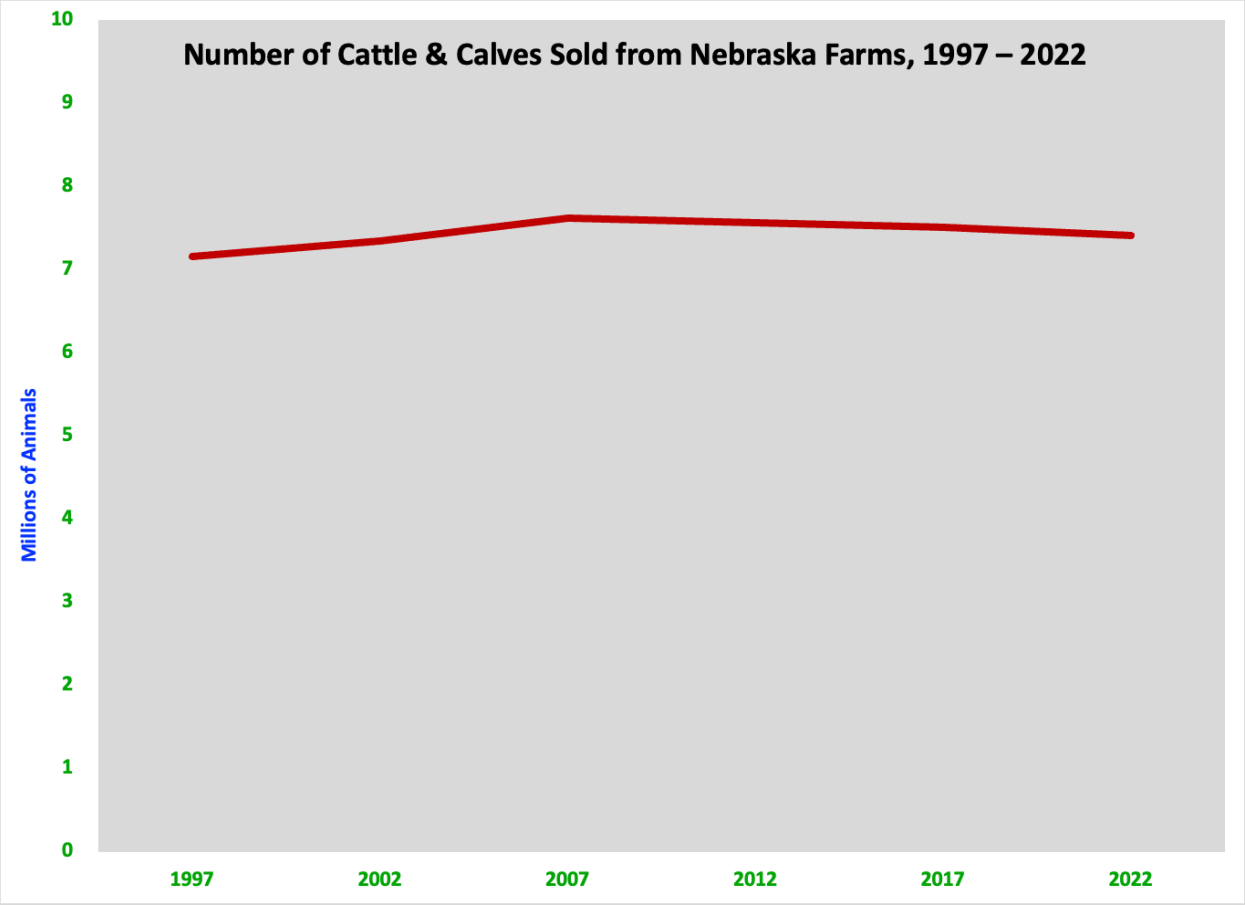
Chart 10: Number of Nebraska Farms Raising Cattle & Calves, 1997 – 2022



Source: USDA Economic Research Service.

Although the number of farms has decreased, the number of cattle and calves sold has held fairly steady, now at 7.4 million animals. Peak measurement was 2007, when 7.6 million animals were sold. This is shown in Chart 11.

Chart 11: Number of Cattle & Calves Sold from Nebraska Farms, 1997 – 2022

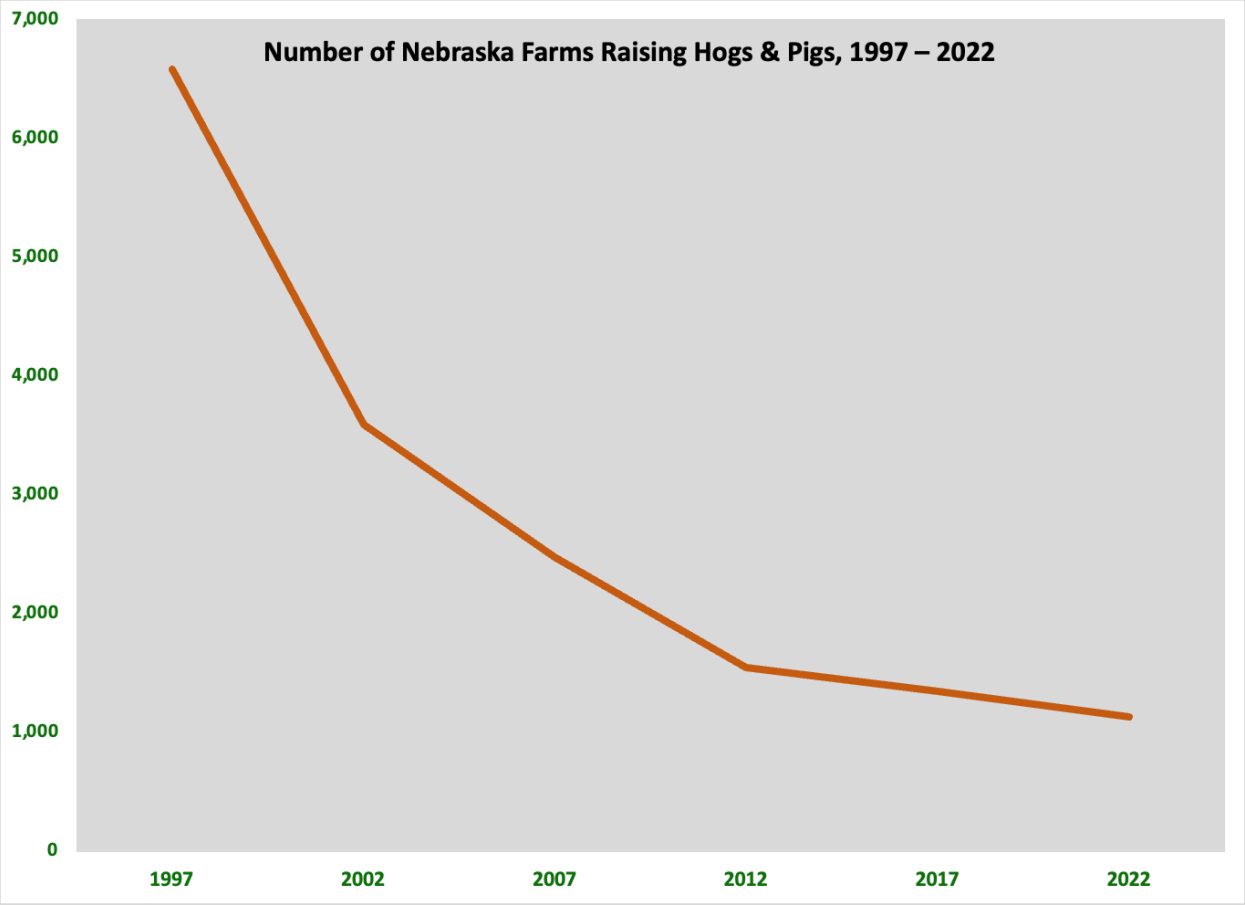


Source: USDA Economic Research Service.

Hogs & Pigs

The number of farms raising hogs and pigs has fallen precipitously (83%), from 6,600 to 1,140, over the past 25 years, as shown in Chart 12.

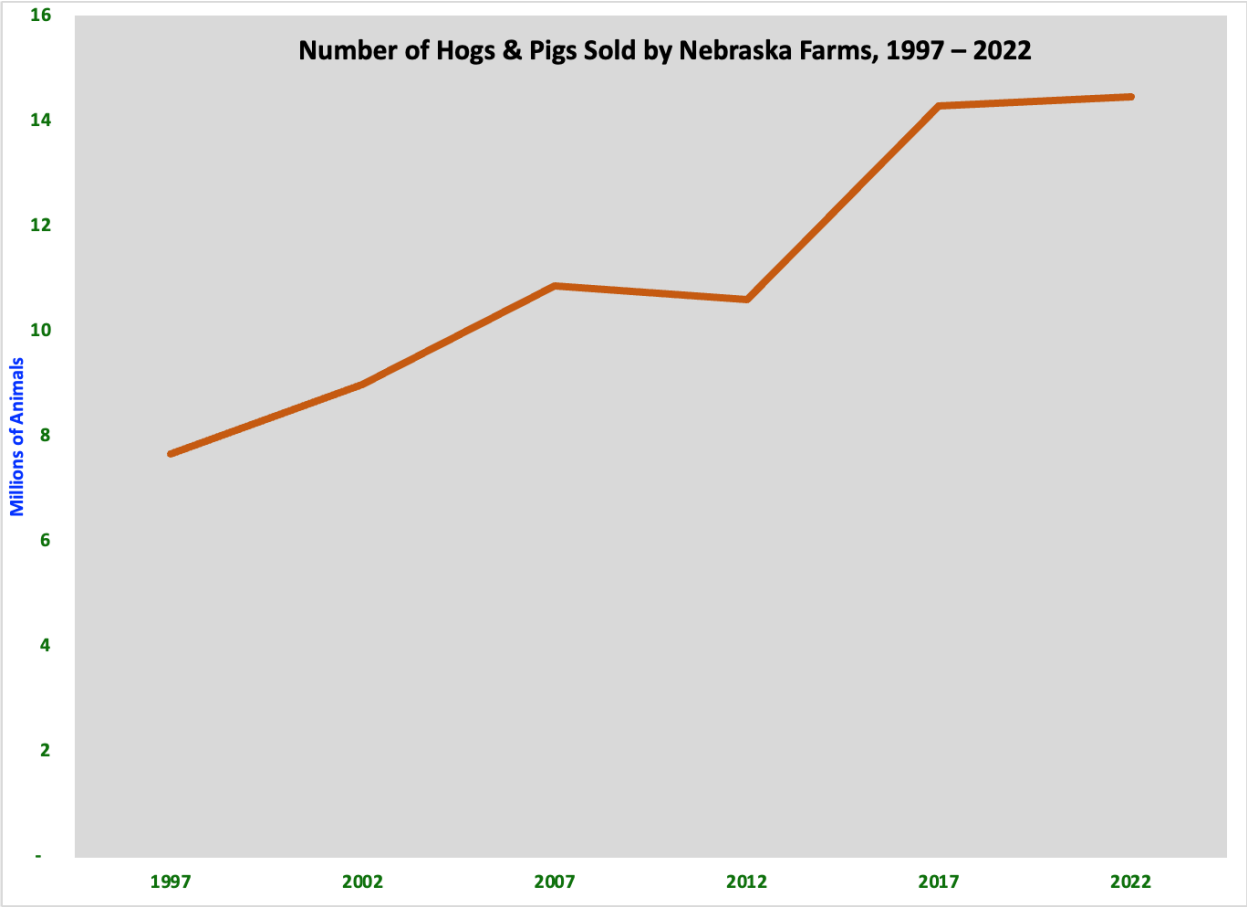
Chart 12: Number of Nebraska Farms Raising Hogs & Pigs, 1997 – 2022



Source: USDA Economic Research Service.

Despite the decline in the number of farms, however, the number of hogs and pigs sold increased 89% from 7.7 million to 14.5 million over the past 25 years. This is shown in Chart 13. *Note that Chart 14 below will show that hog and pig sales declined despite the increase in the number of hogs and pigs sold.*

Chart 13: Number of Hogs & Pigs Sold by Nebraska Farms, 1997 – 2002



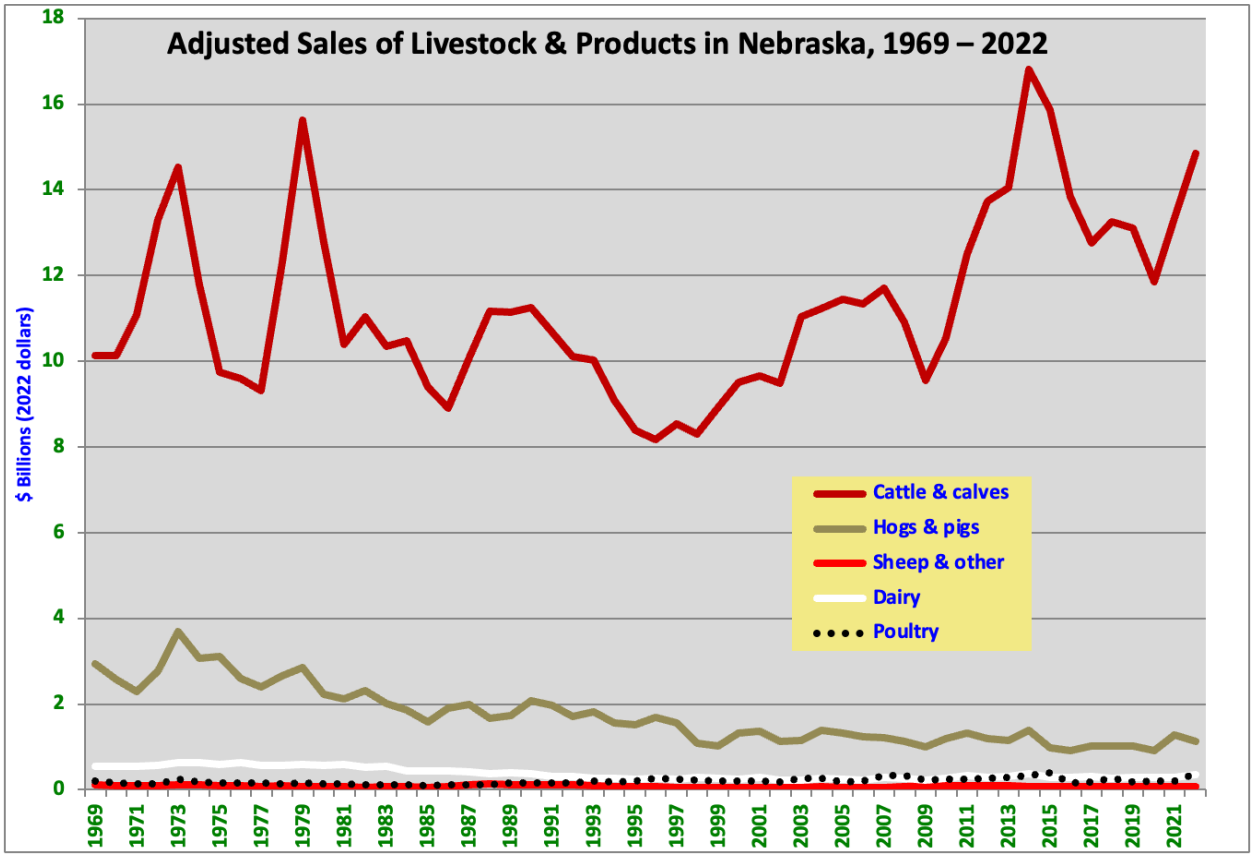
Source: USDA Economic Research Service.

The Bureau of Economic Analysis (BEA) reports data for crop and livestock sales on an annual basis at the state level. BEA show that cattle and calf sales, so important to the state economy, have been highly variable, depending on significant market fluctuations. Chart 14 shows this.

Still, sales of cattle and calves have generally increased since 1997, while hog and pig sales have fallen steadily, as have dairy sales.

Poultry sales have risen in recent years, but remain small compared to cattle sales, despite the state's inventory of 25 million boiler chickens, laying hens, and pullets.

Chart 14: Adjusted Sales of Livestock & Products in Nebraska, 1969 – 2022



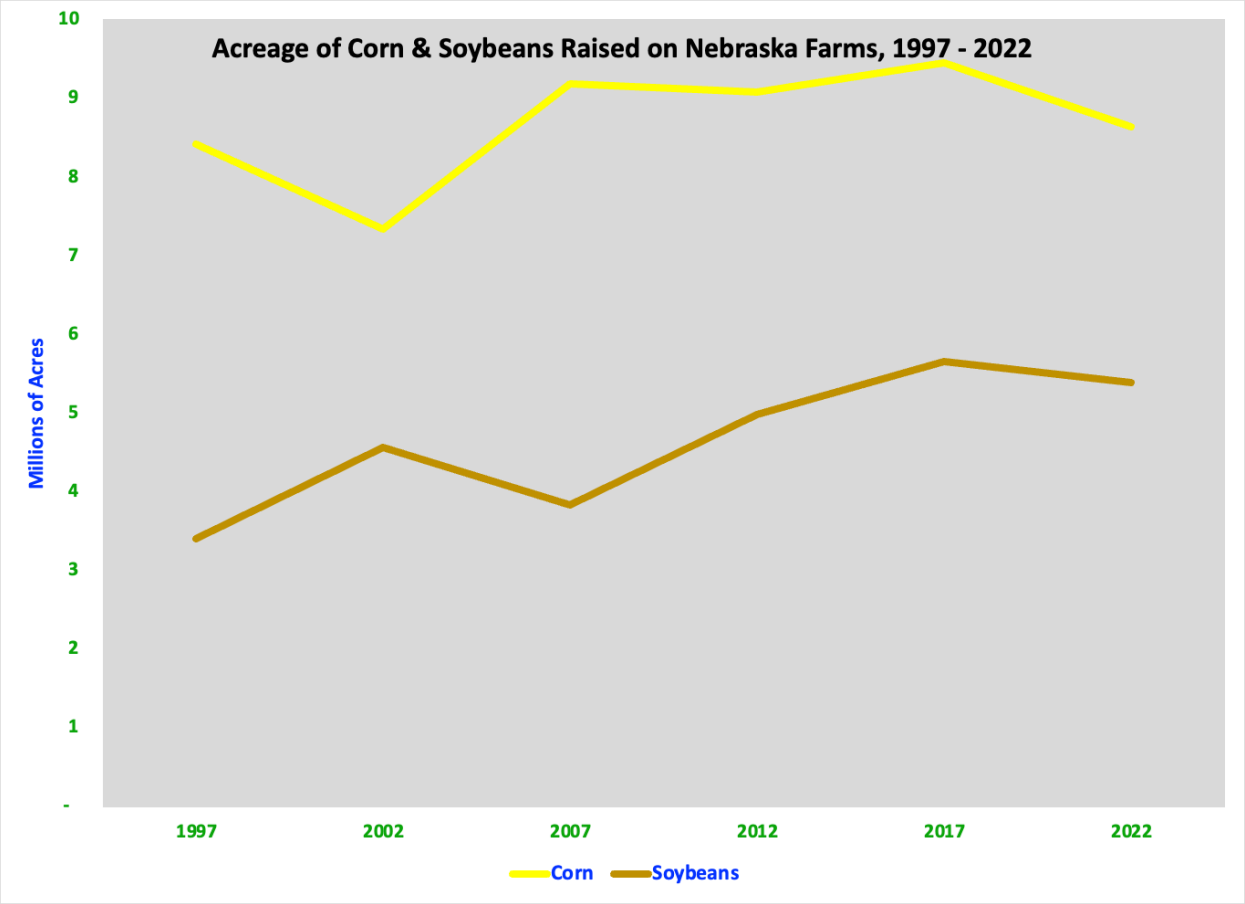
Source: Bureau of Economic Analysis. Adjusted for inflation using Federal Reserve CPI data.

Note that cattle and calf sales have increased markedly since 2009, despite little change in the number of animals sold. This may reflect increased consumer demand for higher quality beef, and their willingness to pay higher prices for this quality. If so, it suggests that increased consumer interest in purchasing "local" food has directly benefitted commodity cattle growers by raising both quality and prices.

Corn & Soybeans

Corn and soybeans dominate the Nebraska farm landscape. As Chart 15 shows, 14 million acres are planted with these two crops. This is of every three acres of the state's farmland, and three of every four acres of harvested cropland.

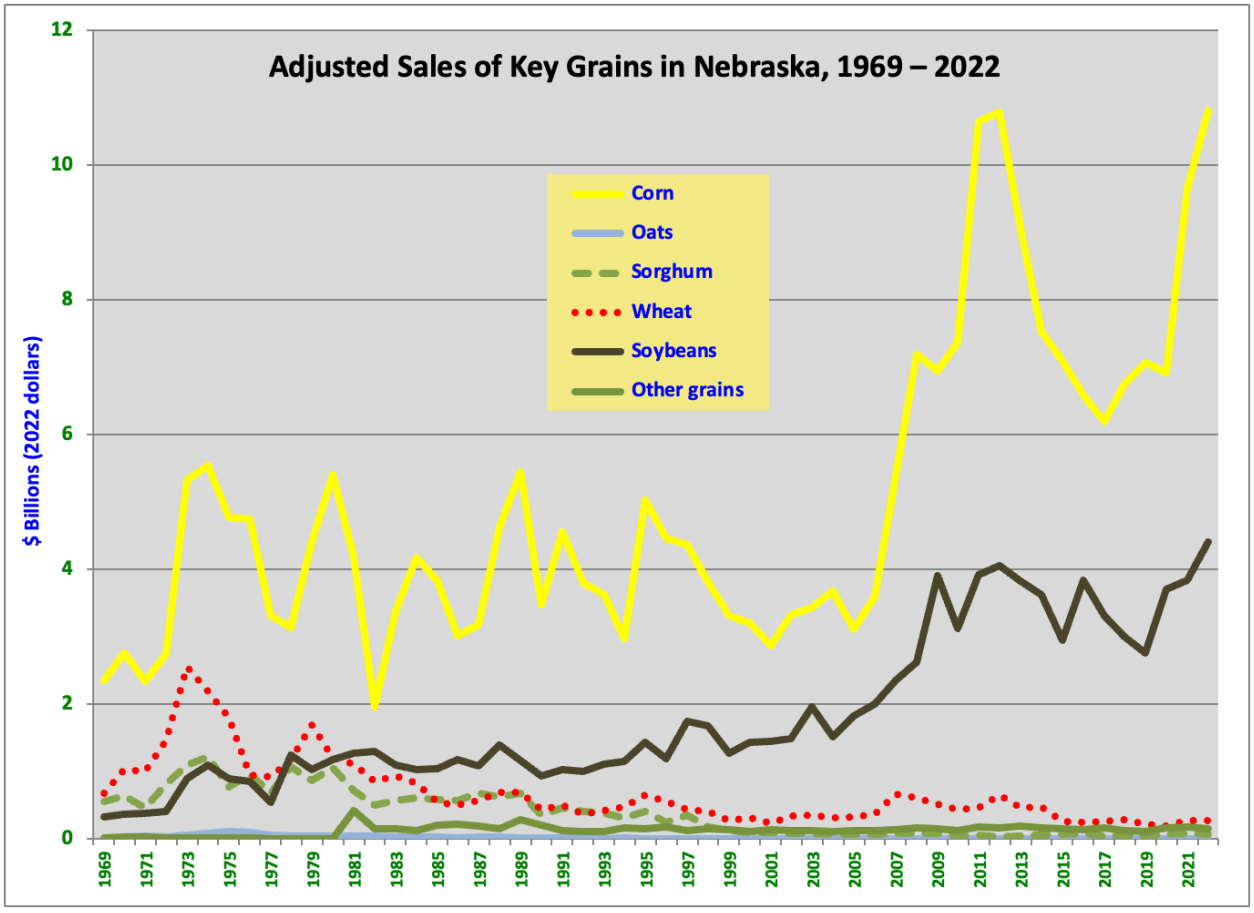
Chart 15: Acreage of Corn & Soybeans Raised on Nebraska Farms, 1997 – 2022



Source: USDA Economic Research Service.

Trends in crop sales are also compiled annually by the Bureau of Economic Analysis, as shown in Chart 16. These data show the strong growth in sales of corn and soybeans, while sales of oats and wheat have declined.

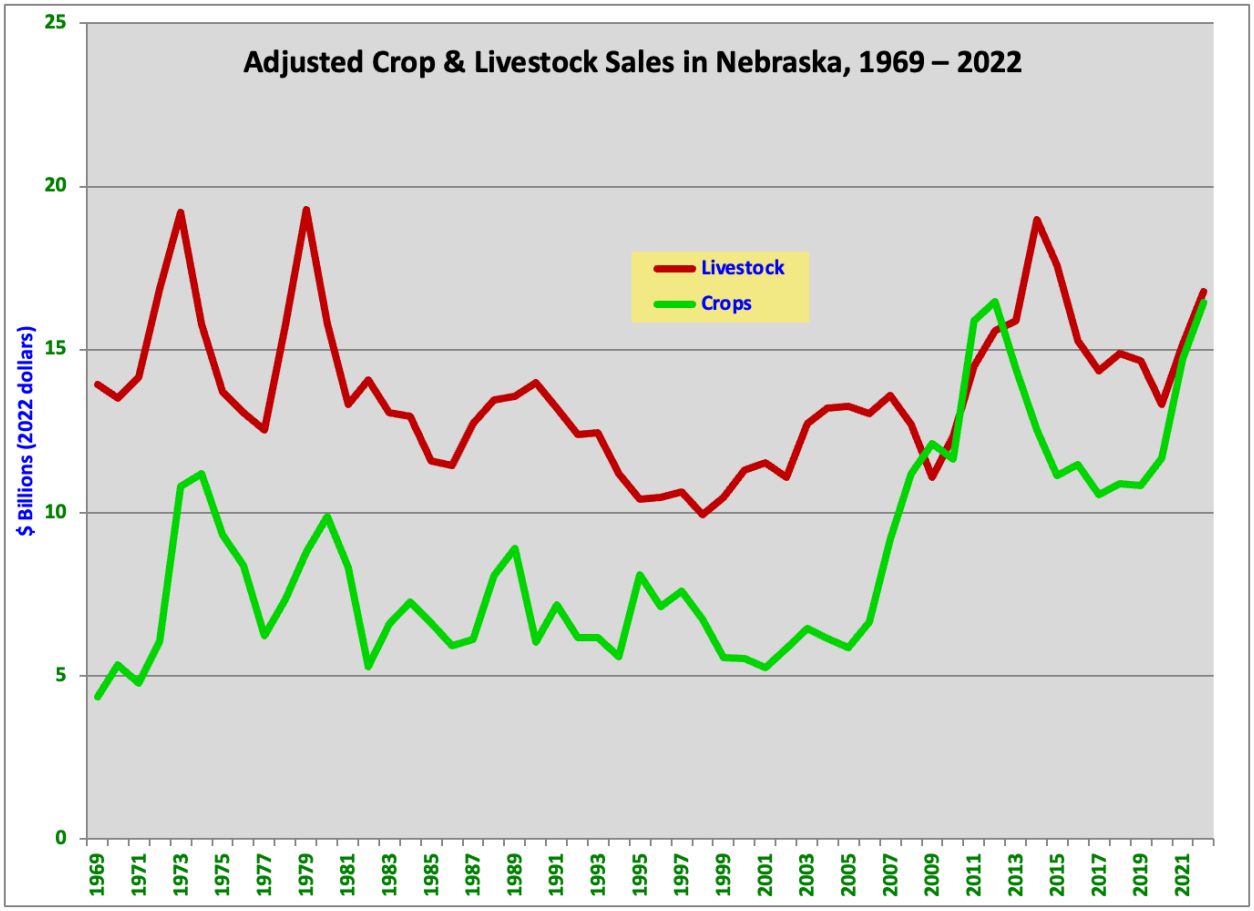
Chart 16: Adjusted Sales of Key Grains in Nebraska, 1969 – 2022



Source: Bureau of Economic Analysis. Adjusted for inflation using Federal Reserve CPI data.

BEA data further show that despite the historical dominance of cattle sales in the state's farm economy, crop sales are becoming just as important financially. This is shown on Chart 17.

Chart 17: Adjusted Crop and Livestock Sales in Nebraska, 1969 – 2022



Source: Bureau of Economic Analysis. Adjusted for inflation using the Federal Reserve Bank Consumer Price Index (Minneapolis FRB). Adjusted for inflation using Federal Reserve CPI data.

Products that are More Directly Consumable by Household Residents

Direct Sales to Households & Institutions

1,107 (2.5%) Nebraska farms sold farm products directly to household consumers in 2022. This was fewer than the 1,187 farms selling direct five years before. Yet these farms sold $16.6 million of products directly, far more than the 2017 level of $9.0 million.

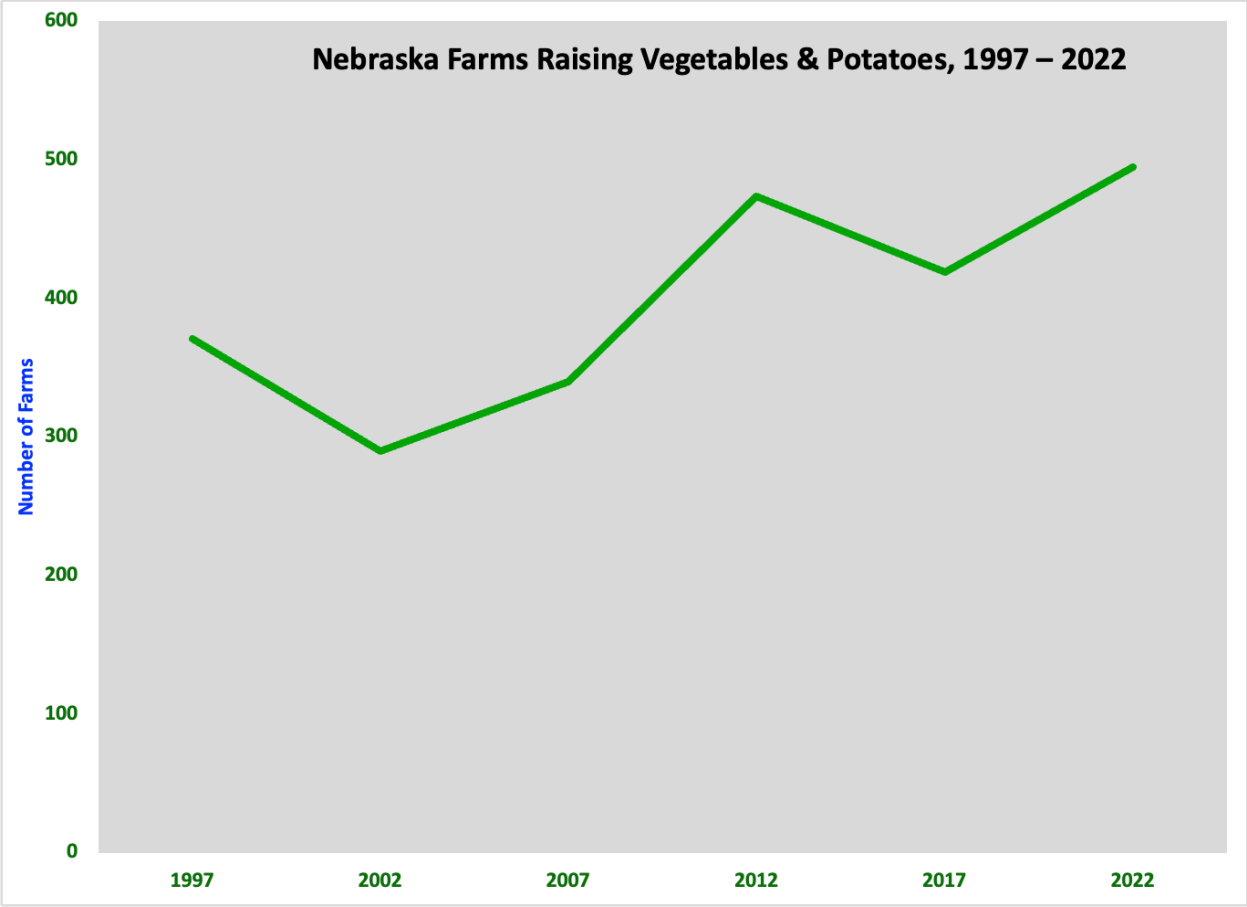
311 (0.7%) farms sold $12.5 million of products directly to retailers, institutions, and food hubs, considerably more than the $8.6 million sold by 217 farms in 2017.

407 (0.9%) farms sold $15.1 million of value-added products in 2022, somewhat more than the $11.1 million sold by 297 farms in 2017. Value-added products include items such as packaged pecans, berry jams, salsa, frozen meat cuts, or other processed food items manufactured from raw foods produced on each farm that responded to this question.

Vegetables & Potatoes

The number of Nebraska farms raising vegetables and potatoes generally increased from 1997 to 2022. 495 farms (1% of the state's farms) now raise these vegetables, compared to 371 farms in 2002. This is shown in Chart 18. *Note that due to differences in how data were reported prior to 2007, this chart combines potato farms with vegetable farms for 1997 and 2002. This may create a slight overcount for those two years.*

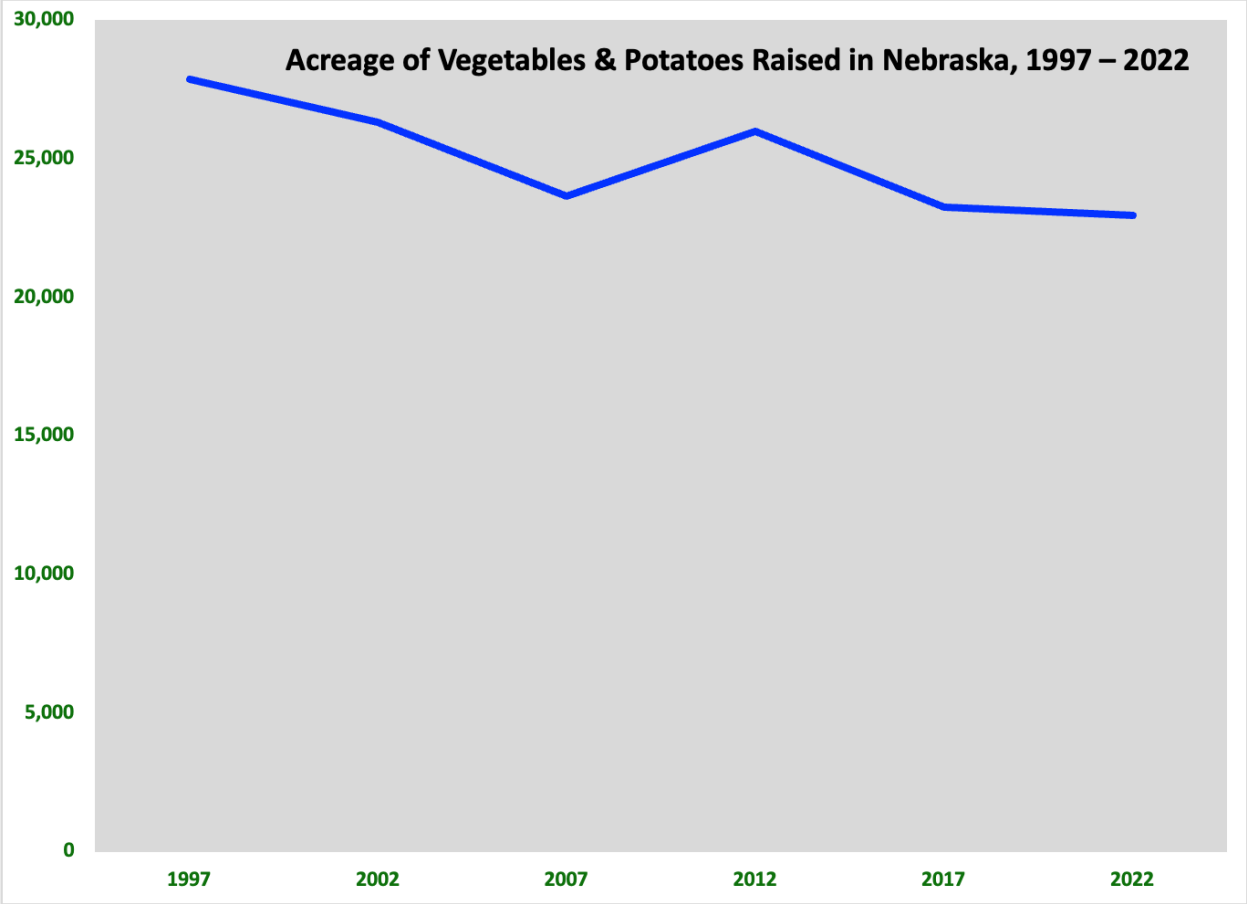
Chart 18: Nebraska Farms Raising Vegetables & Potatoes, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

Although the number of farms raising vegetables increased, vegetable acreage decreased to 22,966, as Chart 19 shows. This is .01% of Nebraska's crop acreage. About 89% of this vegetable acreage was devoted to potatoes. For a more complete listing of potato and vegetable acreage for 2022, see Table 6 below. *Note that due to differences in how data were reported prior to 2007, this chart combines potato farms with vegetable farms for 1997 and 2002. This may create a slight overcount for those two years.*

Chart 19: Acreage of Vegetables & Potatoes Raised in Nebraska, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

All told, 504 (1.1%) farms sold $142.8 million of vegetables, melons, potatoes, and sweet potatoes in 2022. This compares with 428 farms selling $93.5 million in 2017.

Note that Table 5 above lists $99.9 million of sales of potatoes in 2022, 70% of vegetable sales. Specific vegetables are listed as separate items as well as included in the category of "Miscellaneous Crops."

Table 6 below lists the major vegetables grown on Nebraska farms as tracked by USDA in the Census of Agriculture.

Table 6: Vegetables & Potatoes Grown in Nebraska, 2022

	Farms	Acres
Vegetables & Potatoes	**495**	**22,966**
Asparagus, bearing age	58	28
Beans, lima	4	(Z)
Beans, snap	64	30
Beets	40	6
Broccoli	22	10
Brussels sprouts	10	1
Cabbage, Chinese	2	(D)
Cabbage, head	33	7
Cabbage, mustard	1	(D)
Cantaloupes and muskmelons	64	53
Carrots	58	7
Cauliflower	12	1
Celery	5	1
Chicory	--	--
Collards	7	3
Cucumbers & pickles	112	28
Daikon	9	1
Eggplant	28	4
Escarole & endive	6	1
Garlic	29	4
Ginger root	1	(D)
Ginseng (cultivated only)	2	(D)
Gourds	32	10
Herbs, fresh	52	8
Honeydew melons	3	1
Horseradish	14	2
Kale	37	6
Lettuce, all	68	13
Lettuce, head	28	4
Lettuce, leaf	42	7
Lettuce, romaine	18	2
Mustard greens	8	1
Okra	19	2
Onions, dry	72	15
Onions, green	59	6
Parsley	14	1
Parsnips	3	(Z)
Peas, Chinese	8	(D)
Peas, green	31	3
Peas, southern	3	(Z)
Peppers, Bell	110	52
Peppers, other	86	25
Potatoes	155	20,446

	Farms	Acres
Pumpkins	162	872
Radishes	69	10
Rhubarb	63	6
Spinach	36	4
Squash, all	106	85
Sweet corn	140	621
Sweet potatoes	26	(D)
Tomatoes in the open	197	63
Turnip greens	3	(Z)
Turnips	23	2
Watermelons	97	473
Other vegetables	29	44

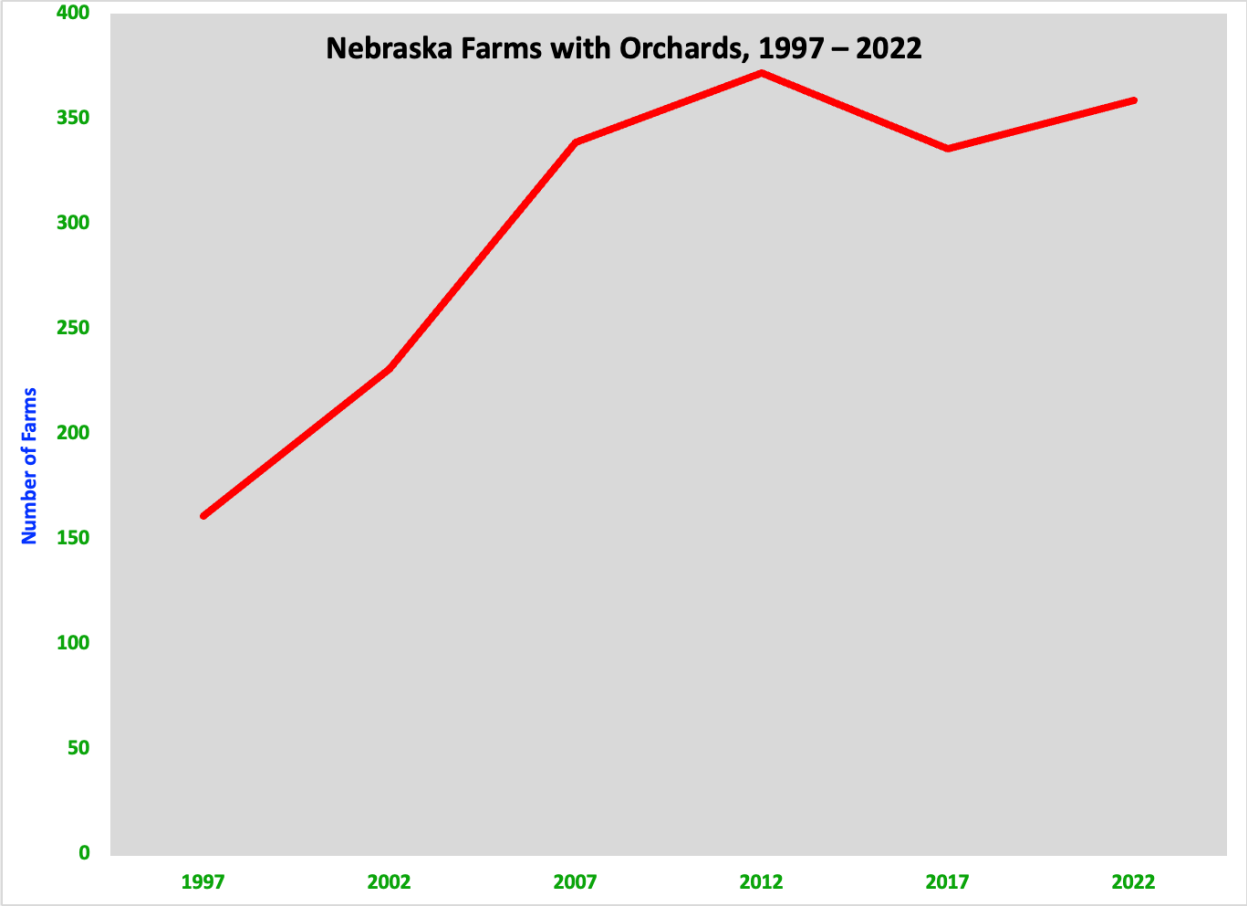
Source: USDA NASS Census of Agriculture, 2022. Note that (D) signifies that data were withheld in an effort to protect the confidentiality of individual producers, and (Z) means that responses were too low to be reported. Growers do not always report vegetable acreage consistently, so these data should be considered a minimum count rather than definitive numbers.

Note that 89% of vegetable acreage is devoted to potatoes.

Fruits, Berries, & Nuts

The number of Nebraska farms cultivating orchards peaked at 372 in 2012, and has fallen slightly since then. This is shown in Chart 20.

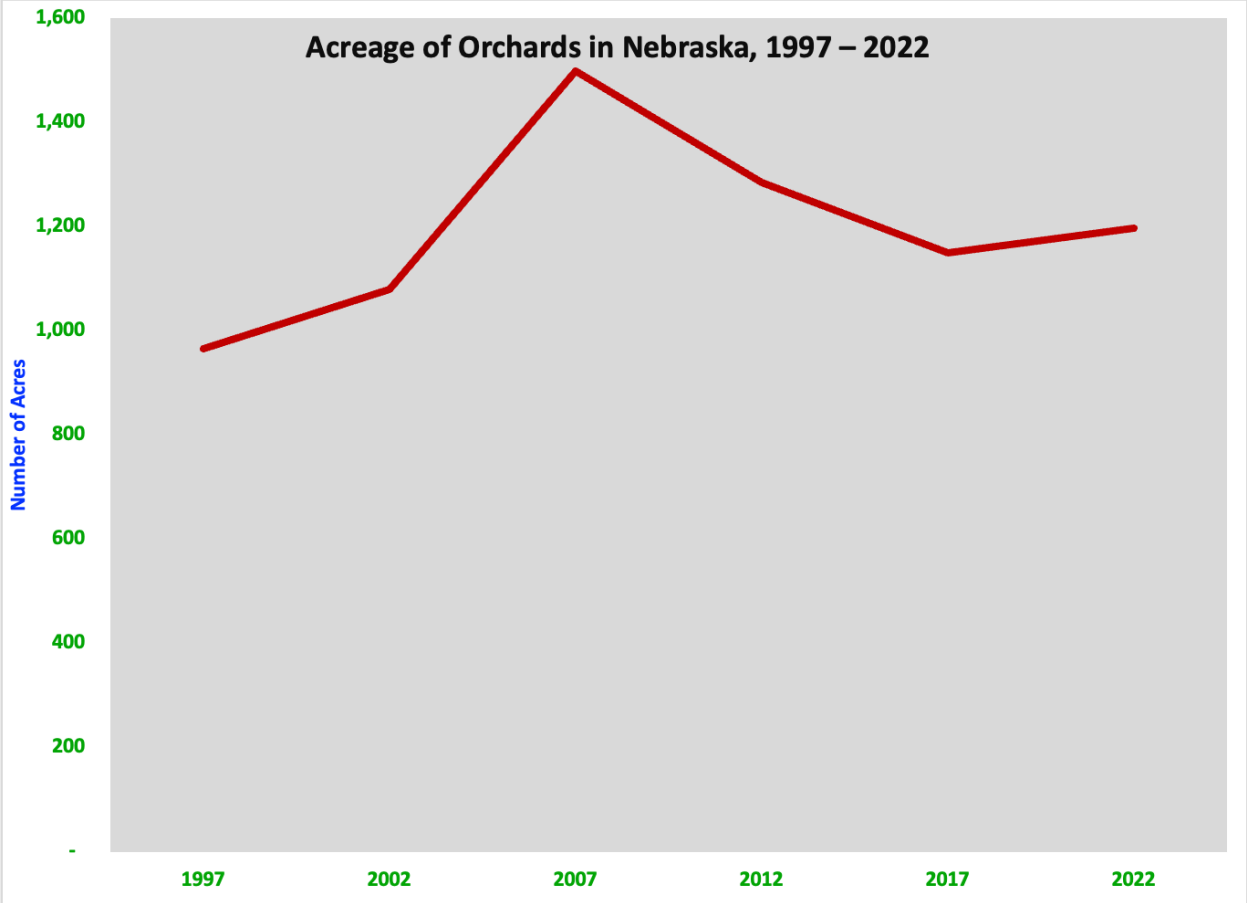
Chart 20: Nebraska Farms with Orchards, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

However, despite the rising number of farms, orchard acreage peaked at 1,500 acres in 2007, and has now fallen to 1,200 acres, as Chart 21 shows.

Chart 21: Acreage of Orchards in Nebraska, 1997 – 2022



Source: USDA NASS Census of Agriculture, 2022.

388 (0.9%) Nebraska farms sold $6.1 million of fruits, berries, and nuts in 2022, more than the $3.4 million sold by 345 farms in 2017.

Acreage devoted to commercial production of specific major fruit crops is shown in Table 7 below. Berries are listed in Table 8, and Nuts are shown in Table 9.

Table 7: Fruits Grown Commercially in Nebraska, 2022

	Farms	Acres
Fruits	**336**	**1,090**
Apples	147	438
Apricots	14	1
Cherries, sweet	28	5
Cherries, tart	57	16
Grapes	169	536
Nectarines	6	1
Pawpaws	2	(D)
Peaches, all	78	50
Peaches, clingstone	40	13
Peaches, freestone	44	37
Pears, all	90	32
Pears, Bartlett	31	8
Pears, other	67	24
Persimmons	3	(D)
Plumcots, pluots, etc.	3	(D)
Plums & Prunes	29	8
Plums	29	(D)
Prunes	2	(D)
Other noncitrus fruit	3	(D)

Source: USDA NASS Census of Agriculture, 2022. Note that (D) signifies that data were withheld in an effort to protect the confidentiality of individual producers.

Table 8: Berries Grown Commercially in Nebraska, 2022

	Farms	Acres
Berries	**182**	**495**
Aronia berries	85	430
Blackberries & dewberries	27	11
Blueberries	14	6
Boysenberries	2	(D)
Currants (black or red)	11	1
Elderberries	25	6
Loganberries	4	(D)
Mulberries	9	3
Raspberries	50	18
Strawberries	48	18
Other berries	6	2

Source: USDA NASS Census of Agriculture, 2022. Note that (D) signifies that data were withheld in an effort to protect the confidentiality of individual producers.

Table 9: Nuts Grown Commercially in Nebraska, 2022

	Farms	Acres
Nuts	**50**	**107**
Almonds	7	(D)
Chestnuts	8	27
Hazelnuts	13	3
Pecans, all	18	74
Walnuts, English	13	3
Other nuts	2	(D)

Source: USDA NASS Census of Agriculture, 2022. Note that (D) signifies that data were withheld in an effort to protect the confidentiality of individual producers.

Organic Sales

Organic sales are increasingly important to the Nebraska economy. 293 (0.6%) farms sold $152.6 million of organic products in 2022, more than twice the $67.6 million that was sold by 257 farms in 2017. This is a 125% increase.

Unfortunately, previous data reporting organic product sales and acreage cannot be compared to these more recent data, because reporting protocols have changed. Earlier reports focused on acreage of crops and livestock that were considered organic by farm respondents. Newer reports are limited to certified organic farms (and their sales) and do not include similar detailed breakdowns of organic acreage.

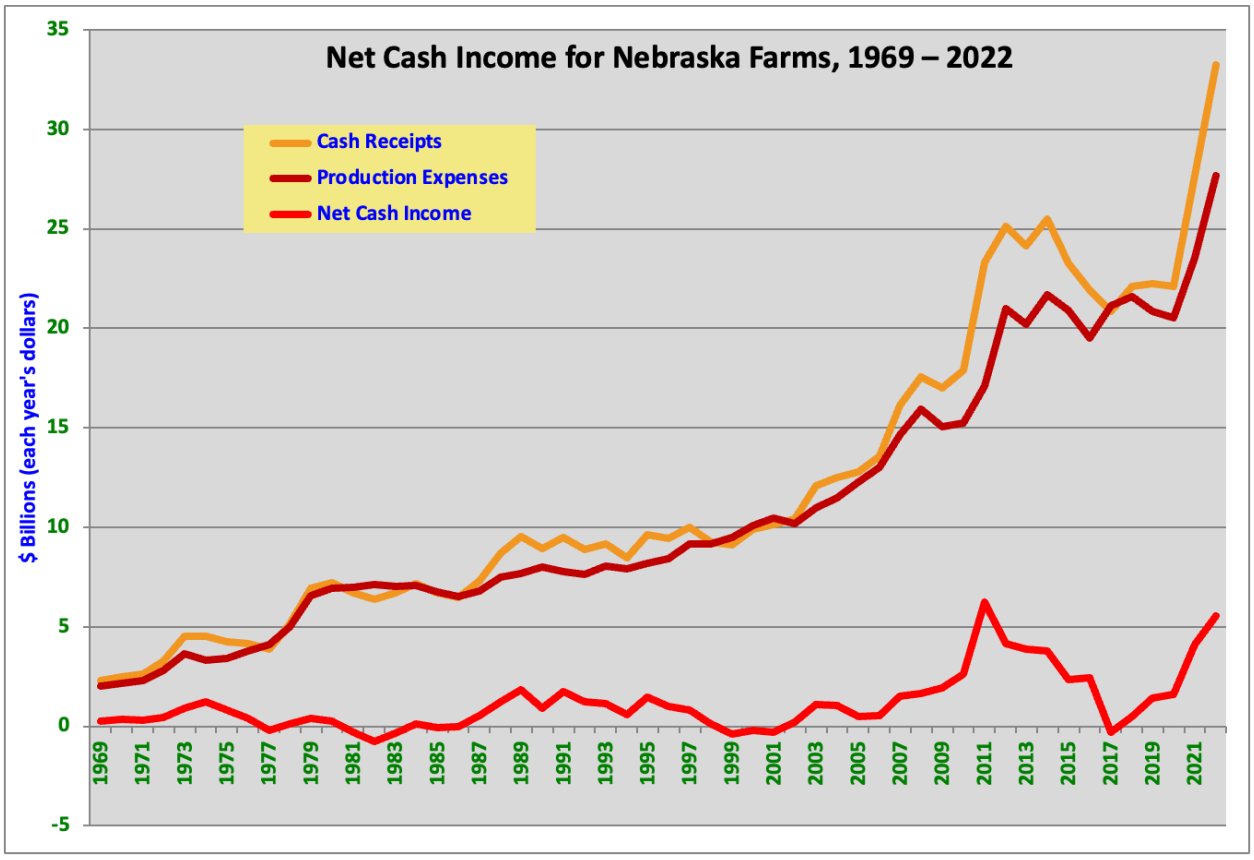
Organic sales data are included in the USDA NASS Census of Agriculture.

Net Cash Farm Income

As Chart 22 shows, cash receipts for Nebraska farmers as reported by the Bureau of Economic Analysis have increased dramatically over the past 54 years, starting at $2.3 billion in 1969 and ending at $33 billion in 2022 (orange line). This represents significant growth in the farm sector. However, production expenses have risen commensurately, from $2.0 billion to $27 billion (maroon line), so the Net Cash Income for Nebraska Farms (cash receipts less production expenses; red line) rose more modestly, from $300 million to $5.6 billion. Note that Net Cash Income held fairly steady from 1969 to 2006, and then began to rise, peaking in 2011 and 2022 but falling below zero in 2017. This illustrates the volatility of farm income.

Moreover, while farmers in many states have experienced chronic losses, Nebraska farmers have enjoyed a positive cash flow in all but 9 of the past 54 years.

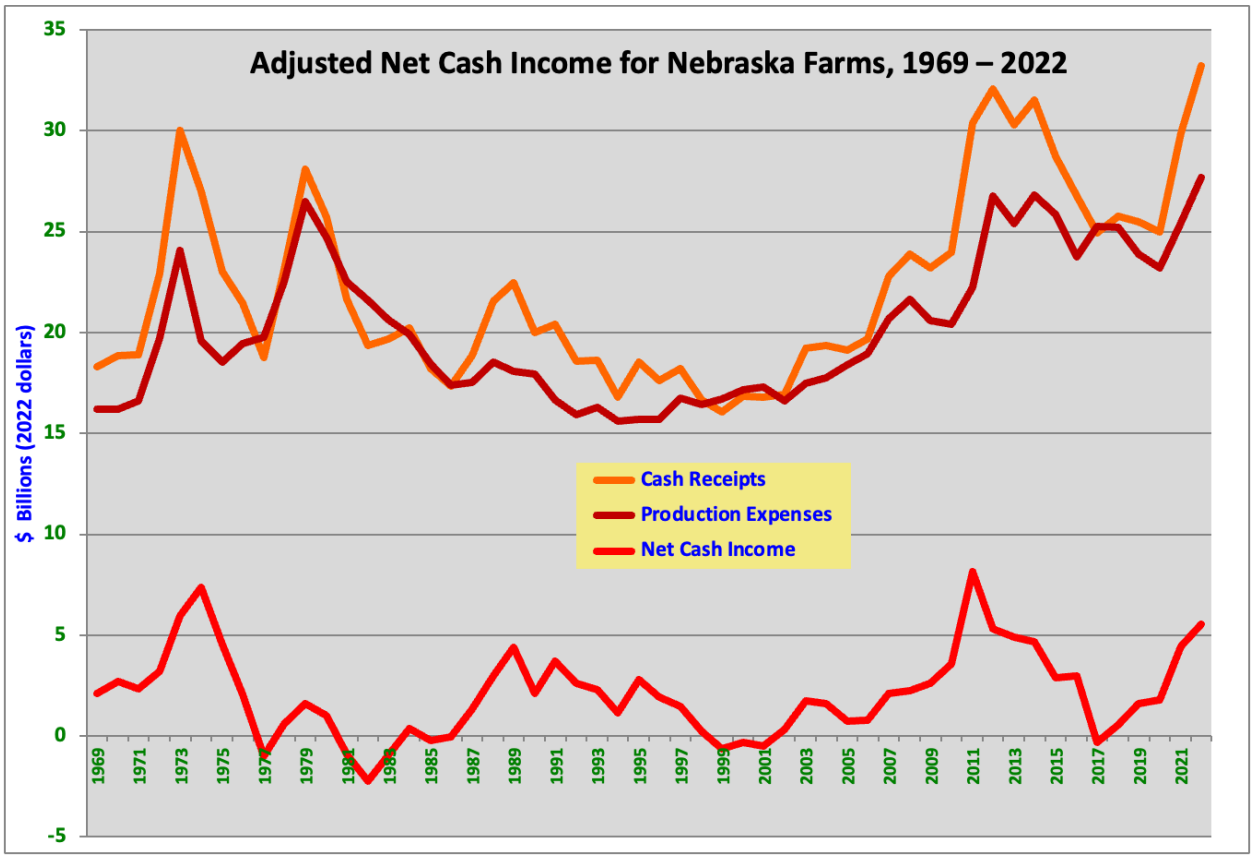
Chart 22: Net Cash Income for Nebraska Farms, 1969 – 2022



Source: Bureau of Economic Analysis, 2022. Adjusted for inflation using Federal Reserve CPI data.

However, the value of the dollar has diminished considerably over the past five decades, with each dollar now worth one-eighth of its earlier value. Chart 23 portrays the same data as Chart 22, but adjusts for inflation. Once this adjustment is made, the increase in Net Cash Income is still robust, increasing from $2.1 billion in 1969 to $5.6 billion in 2022. However, this adjustment for inflation also makes the variability of farm income more visible.

Chart 23: Adjusted Net Cash Income for Nebraska Farms, 1969 – 2022



Source: Bureau of Economic Analysis. Adjusted for inflation using U.S. Federal Reserve Bank Consumer Price Index (Minneapolis FRB). Adjusted for inflation using Federal Reserve CPI data.

It should be kept in mind that 2022 was an unusually strong year for the U.S. farm economy, so net cash income is likely to decrease. Current USDA forecasts project that net income for farmers nationally will fall 37% from 2022 to 2024. USDA's calculation of net income is typically higher than net cash income because it includes other sources of income such as government supports.

If the same trends hold for the state, Nebraska's net cash income could fall from $5.6 billion to $3.5 billion. USDA further noted that production costs rose in 2024 even as cash receipts fell, and government payments are likely to be smaller in 2024 than in previous years.

Reuters news analyst Karen Braun warned in February that this national trend "would mark the biggest two-year decline in net farm income by percentage since 1983, when the U.S. rural economy was caught in a major agricultural crisis."

On a brighter note, USDA also predicted in August that Nebraska will enjoy record corn harvests in 2024, although net income will fall.

Balance of Cash Receipts and Production Costs

Nebraska currently has 44,479 farms, with an average of 50,740 farms during the period 1989–2022. State farms sell an average of $22.6 billion of food commodities per year (1989–2022 average), spending $20.3 billion to raise them, for an average net cash income of $2.3 billion each year. This is an average of $45,329 per farm, when calculated using the average number of farms during that period. *Note that these sales figures compiled by the BEA may differ from cash receipts recorded by the USDA Agriculture Census (above). Commodities are crops and livestock primarily sold as raw materials designed for further processing, but also include food items sold directly to consumers or wholesalers.*

Overall, Nebraska's farm producers earned an aggregate total of $770 billion by selling crops and livestock over the years 1989 to 2022, spending a total of $690 billion to produce them. This is an aggregate net cash income of $80 billion over the past 34 years.

Nonetheless, farm production costs exceeded cash receipts for 4 years of that 34-year period, and 16,744 (38%) of the state's farms reported net losses in 2022, with an aggregate loss of $938 million. This reduced the $8 billion of gains made by 27,735 farms to a net gain of $7 billion. *Source: USDA NASS Census of Agriculture, 2022.*

Nebraska farmers and ranchers earned $3.4 billion more in net cash income by selling commodities in 2022 than they earned in 1969 (in 2022 dollars). *Source: Bureau of Economic Analysis.*

Farmers and ranchers earn another $1.1 billion per year of farm-related income — primarily crop insurance, land-rental income, and custom work (34-year average for 1989–2022). Federal farm support payments also averaged $1.1 billion per year. *Source: Bureau of Economic Analysis.*

The State's Consumers

See also information covering low-income food consumption and food-related health conditions, page 2 above, as well as estimated consumer market for food on Tables 10, 11, and 12; pages 35–36 below.

Nebraska consumers spend $7.1 billion buying food each year, including $4.5 billion for home use. Most of this food is produced outside the state, so Nebraska consumers spend at least $6.4 billion per year buying food sourced outside the state. Only $16.6 million of food products (0.06% of farm cash receipts and 0.2% of the state's consumer market) are sold by farmers directly to household consumers. These food items include individual products like sweet corn or tomatoes sold from a farm stand or farmers' market, as well as through internet sales, so not all of these food items are consumed in Nebraska.

Consumer markets are estimated by the Bureau of Labor Statistics. *See Tables 10–12 below; pages 35–36.*

Farm & Food Economy Summary

This page summarizes data that were derived above. Farmers earn a net cash income of $2.3 billion each year producing food commodities. It should be noted, however, that billions of dollars of the essential farm inputs (such as machinery, chemicals, and fuel) are sourced outside the state, creating considerable cash flow away from Nebraska. It is difficult to measure these cash flows precisely. Generating more seeds, fertility, and other inputs inside Nebraska would help reduce these cash outflows.

Meanwhile, consumers spend $6.4 billion buying food sourced outside the state. This means that the Nebraska farm and food economy draws at least $4.1 billion away from the state.

Moreover, USDA now forecasts that net income (which is typically higher than net cash income because it includes other sources of income such as government supports) nationally fell 14% from 2022 to 2023, and is expected to fall even more drastically by another 27% in 2024 (adjusted for inflation). This is an overall decline of 37% below 2020 levels.

Reuters news analyst Karen Braun warned in February that this national trend "would mark the biggest two-year decline in net farm income by percentage since 1983, when the U.S. rural economy was caught in a major agricultural crisis."

USDA added that production costs rose in 2024 even as cash receipts fell, and government payments are likely to decrease. As of August, the National Agricultural Statistics Service was projecting record corn yields for Nebraska, but lower yields nationally and lower net income nationally.

Household Food Consumption

Table 10: Nebraska: markets for food eaten at home, 2022
Nebraska residents purchase $7.1 billion of food each year, including $4.5 billion to eat at home. Home purchases break down in the following way:

	$ Millions
Meats, poultry, fish, & eggs	926
Fruits & vegetables	839
Cereals & bakery products	567
Dairy products	422
"Other," incl. Sweets, fats, & oils	1,731

Sources: Bureau of Labor Statistics Consumer Expenditure Survey for average Midwest food consumption per household with calculations by Ken Meter using Federal Census data.

If each Nebraska resident purchased (or had purchased for them) $5 of food each week directly from some farm in the state, this would generate $512 million of new farm income for those farmers.

Table 11: Omaha/Council Bluffs Metro region: markets for food eaten at home, 2022
Omaha Metro residents purchase $3.5 billion of food each year, including $2.2 billion to eat at home. Home purchases break down in the following way:

	$ Millions
Meats, poultry, fish, & eggs	460
Fruits & vegetables	416
Cereals & bakery products	281
Dairy products	209
"Other," incl. Sweets, fats, & oils	859

Sources: Bureau of Labor Statistics Consumer Expenditure Survey for average Midwest food consumption per household with calculations by Ken Meter using Federal Census data.

If each Omaha Metro resident purchased (or had purchased for them) $5 of food each week directly from some farm in the state, this would generate $254 million of new farm income for those farmers.

Table 12: Lincoln Metro region: markets for food eaten at home, 2022
Lincoln Metro residents purchase $1.2 billion of food each year, including $780 million to eat at home. Home purchases break down in the following way:

	$ Millions
Meats, poultry, fish, & eggs	161
Fruits & vegetables	146
Cereals & bakery products	99
Dairy products	73
"Other," incl. Sweets, fats, & oils	301

Sources: Bureau of Labor Statistics Consumer Expenditure Survey for average Midwest food consumption per household with calculations by Ken Meter using Federal Census data.

If each Lincoln Metro resident purchased (or had purchased for them) $5 of food each week directly from some farm in the state, this would generate $89 million of new farm income for those farmers.

Key Data Sources

Bureau of Economic Analysis data on regional income and farm production balance
https://apps.bea.gov/itable/?ReqID=70&step=1

Food consumption estimates from Bureau of Labor Statistics Consumer Expenditure Survey
https://www.bls.gov/cex/tables.htm

U.S. Census of Agriculture
https://www.nass.usda.gov/AgCensus/

USDA/Economic Research Service food consumption data:
https://data.ers.usda.gov/

USDA/ Economic Research Service farm income data:
https://data.ers.usda.gov/

U.S. Centers for Disease Control and Prevention — Behavioral Risk Factor Surveillance Survey. https://www.cdc.gov/brfss/data_tools.htm

U.S. Department of Agriculture, Economic Research Service. (2024). "Farm Sector Income & Finances: Highlights from the Farm Income Forecast." February 7.

U.S. Department of Agriculture, Economic Research Service. (2024). "USDA forecasts US corn production down and soybean production up from 2023." August 12.
https://www.nass.usda.gov/Newsroom/2024/08-12-2024.php

Braun, Karen (2024). "US farm income set for biggest plunge in 18 years as prices cool way off." Reuters News Service analysis. Feb. 14, 2024.

For more information:
To read the original *Nebraska Farm and Food Economy* report commissioned by No More Empty Pots in 2010:
https://www.crcworks.org/crcdocs/nebsum10.pdf

To read the original *Finding Food in Farm Country* study from Southeast Minnesota (written for the Experiment in Rural Cooperation in 2001): http://www.crcworks.org/ff.pdf

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All CRC studies are posted at http://www.crcworks.org/

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