



Where Are All Those “Corporate Farms”?

Ownership patterns in US cotton farming

George Frisvold

University of Arizona

Jeanne Reeves

Cotton Incorporated

Economics & Marketing Conference

Beltwide Cotton Conferences

January 5 – 7, 2015

San Antonio, Texas

What's the Issue?

- Term “corporate farm” used frequently in popular press and other media
- Used disparagingly, in contrast to “family farm”
- Used in
 - Critiques of farm programs
 - Critiques of farm resource use
 - Critiques of international agricultural trade
 - Arguments for regulation of agriculture

Research Questions

- How much of US cotton production carried out by family, corporate, & other operations?
 - How do corporate & family operations differ?
 - What are trends on US cotton production by farm type?
 - What are regional patterns of cotton production by farm type?
-

Farms by legal status for tax purposes

- Family or individual (sole proprietorship)
 - Partnership, including family partnership
 - Corporation, including family corporations
 - Other, cooperative, estate or trust, institutional, etc.
-

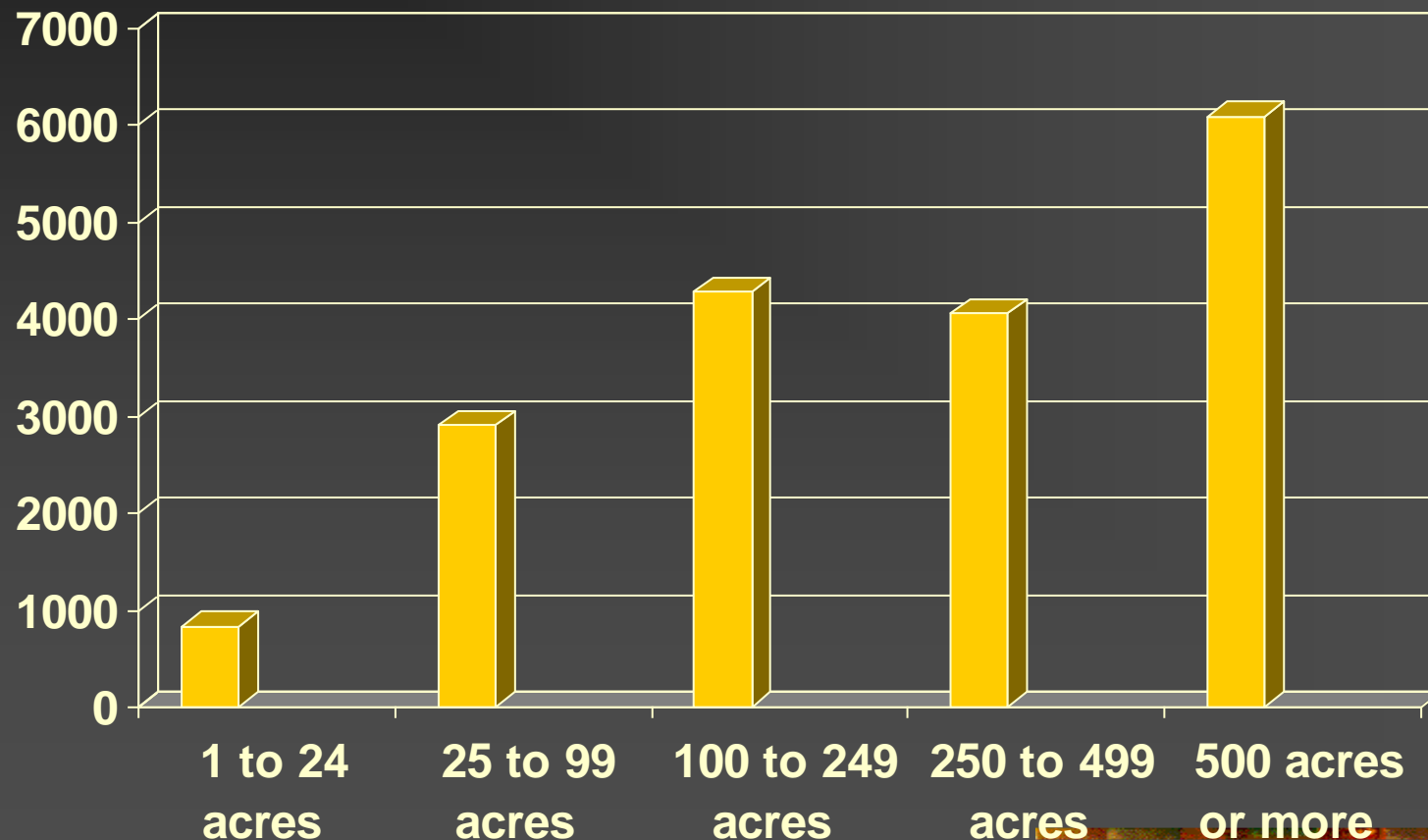
Cotton farms by legal status

	Farms	Acres	Bales	Sales
Family / individual	68%	55%	51%	49%
Partnership	21%	34%	38%	38%
Family held corporation	8%	8%	8%	8%
Non-family corporation	1%	2%	2%	4%
Other	1%	1%	1%	1%

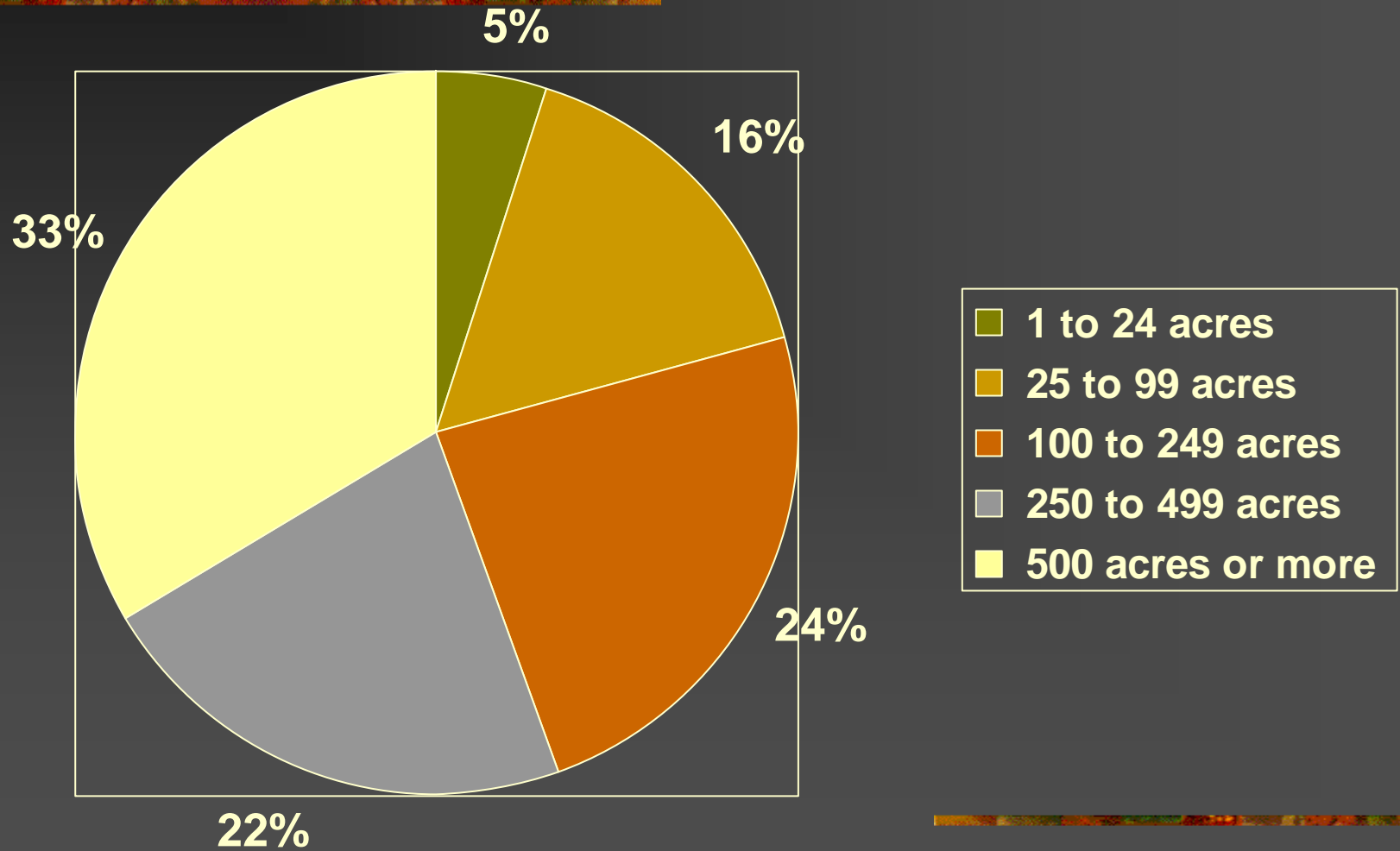
Cotton acreage, yields, and revenues

	Acres / Farm	Bales / Acre	Revenues / Acre
Family / individual	416	1.62	\$242,095
Partnership	834	1.94	\$602,888
Family held corporation	497	1.80	\$330,903
Non-family corporation	1,199	2.45	\$1,723,358
Other	368	2.24	\$ 324,038

Distribution of US farms by cotton acreage



US cotton farms by cotton acreage



Distribution by legal status and cotton acres

	1-24	25-99	100-249	250-499	>500
Family / individual	85%	81%	74%	69%	56%
Partnership	8%	11%	15%	20%	33%
Family held corporation	3%	6%	9%	10%	9%
Non-family corporation	0.2%	0.3%	0.6%	0.8%	1.1%
Other	4%	2%	1%	1%	1%

Irrigation and specialization in cotton

	% Irrigated Farms	% Irrigated Acres	NAICS Cotton Farms
Family / individual	63%	48%	75%
Partnership	25%	40%	16%
Family held corporation	10%	8%	7%
Non-family corporation	1%	3%	1%
Other	1%	1%	1%

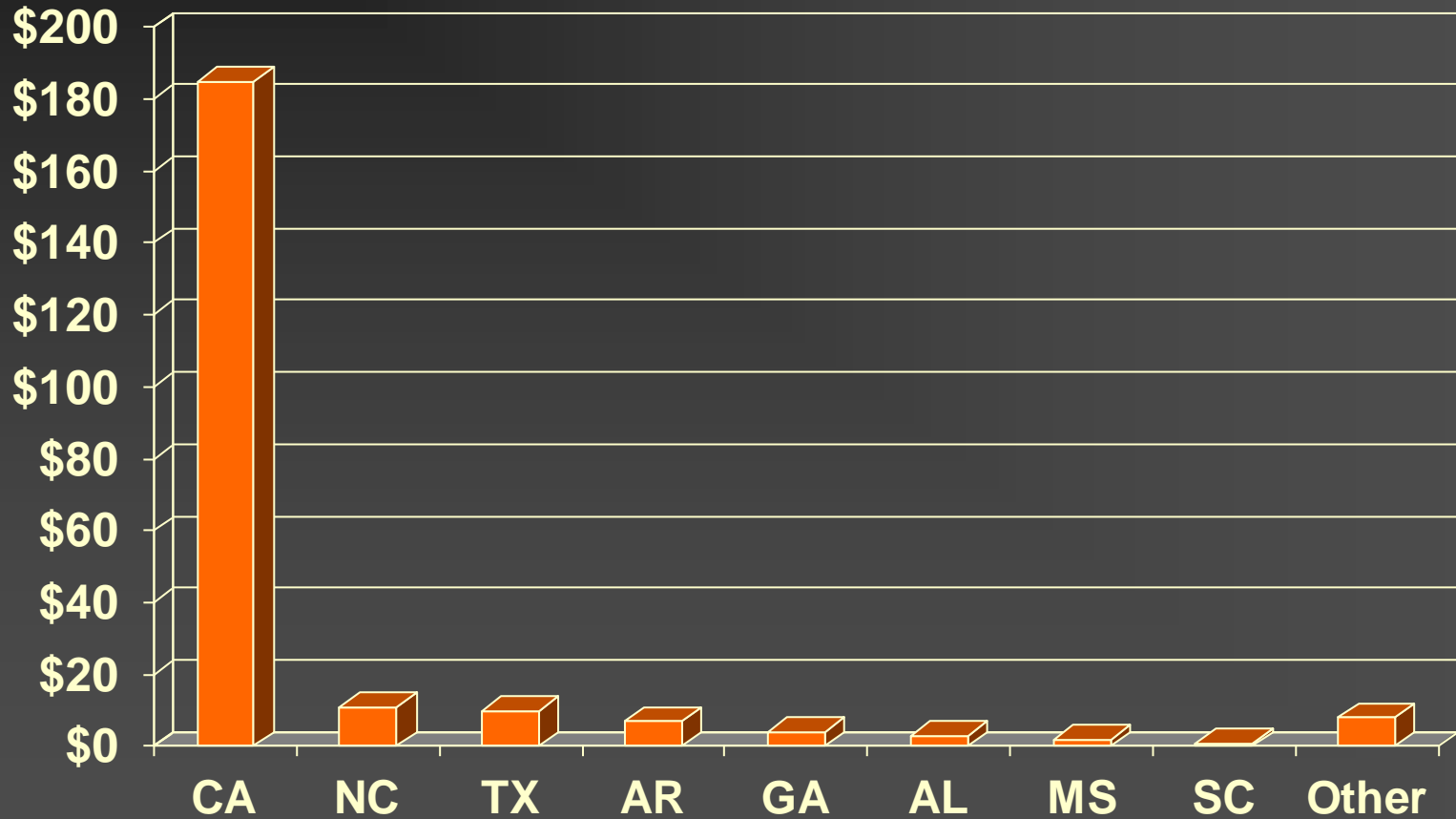
Irrigation adoption

	% Farms Irrigating Cotton	% Cotton Acres Irrigated
Family / individual	46%	35%
Partnership	59%	47%
Family held corporation	57%	38%
Non-family corporation	62%	75%
Other	57%	62%

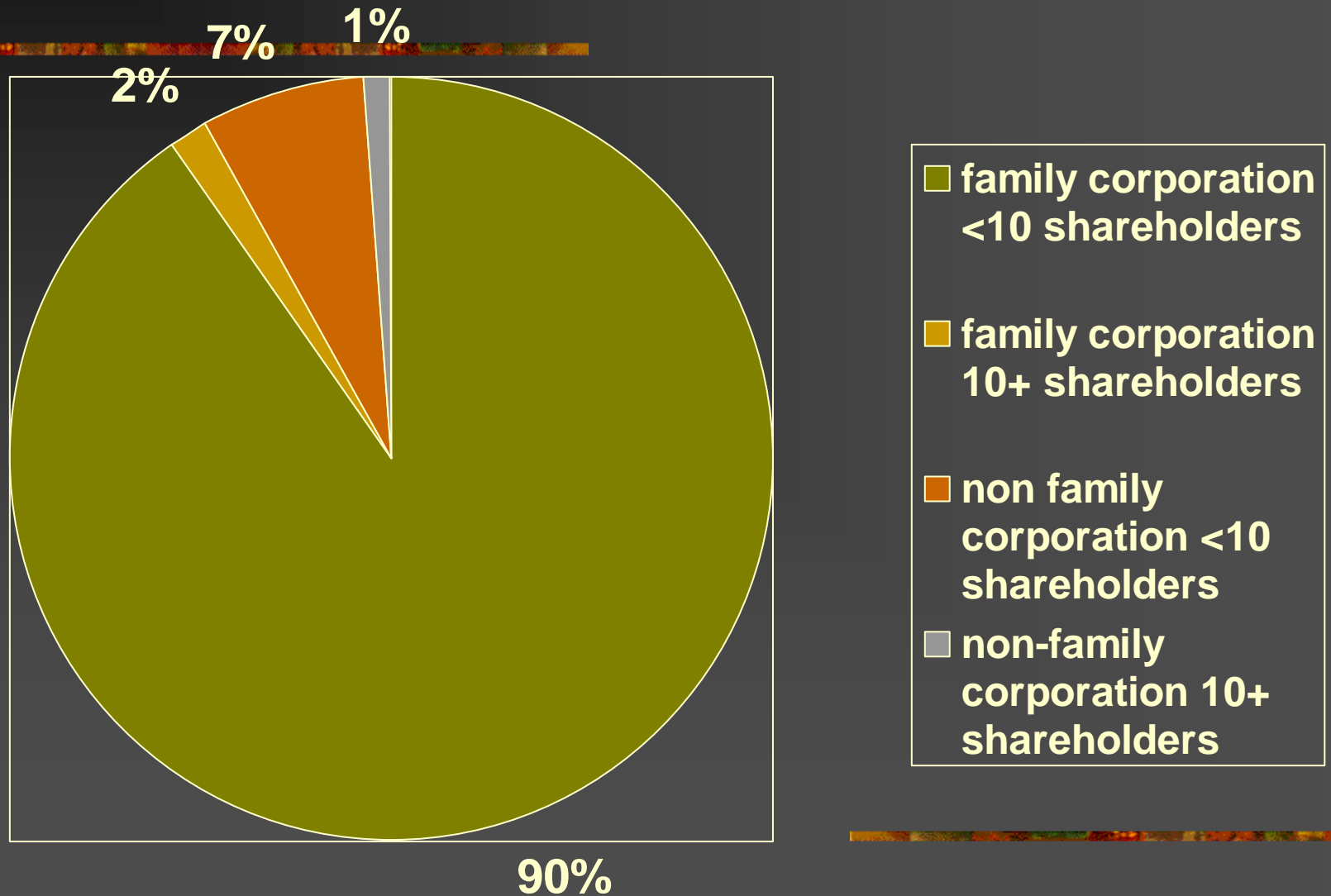
Revenues per pound and per farm

	Cotton & cotton seed revenue / lb	Cotton & cotton seed revenue / farm
Family / individual	\$0.75	\$242,095
Partnership	\$0.78	\$ 602,888
Family held corporation	\$0.77	\$330,903
Non-family corporation	\$1.22	\$1,723,358
Other	\$0.82	\$324,038

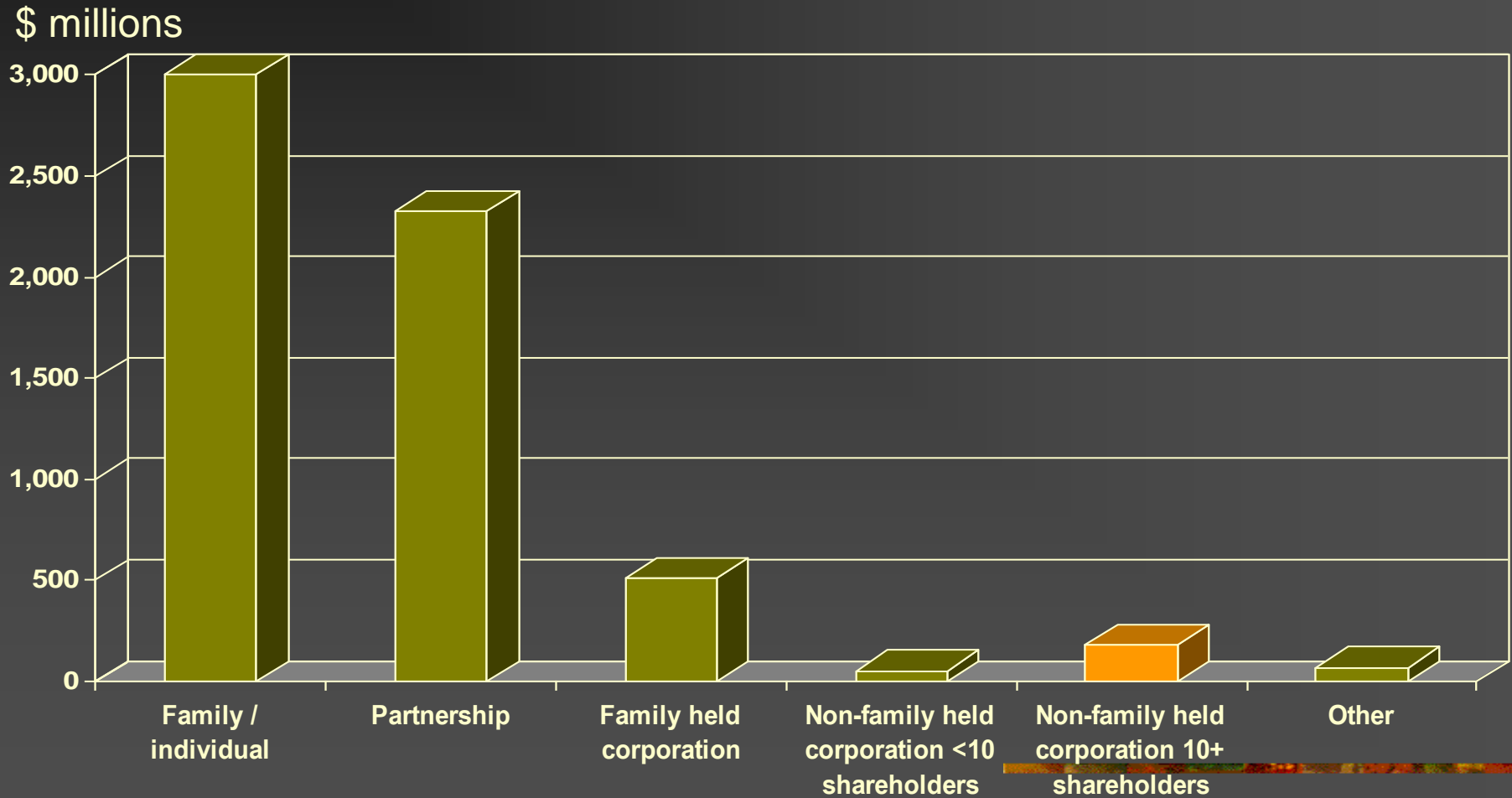
2012 Cotton & cottonseed sales (\$ mill) by non-family held corporations



Incorporated cotton operations



2012 Cotton & cottonseed sales by operation legal status



Summing up

- US cotton production predominantly family / individual operations & partnerships accounting for 87% of sales
 - Incorporated operations predominantly family corporations
 - 92% of corporations
 - 69% of sales by corporations
-