

**Virginia Farms with Sales Over \$10,000:  
Selected Characteristics by Extension District**

Sales of the 16,139 Virginia farms selling more than \$10,000 in 1997 were 96 percent of all Virginia sales. Certain Census of Agriculture tables display selected data for this group of Virginia farms.

Machinery and Equipment

Table 25 indicates the value of machinery and equipment, and the value of land and buildings. Both are on a per-farm and a per-acre basis for Virginia farms with sales over \$10,000 in 1997. Note that the values of machinery, equipment, land, and buildings reported here are the operator's estimate of current market values in 1997. These values are notoriously difficult to estimate accurately. Most changes reported since 1992 are consistent with an inflation rate of approximately 3 percent for the period 1992-97.

| Table 25. Value of Machinery & Equipment, Land & Buildings,<br>Farms with Sales Over \$10,000 |                       |               |                  |               |
|---|-----------------------|---------------|------------------|---------------|
| Extension District  | Machinery & Equipment |               | Land & Buildings |               |
|   | Per Farm (\$)         | Per Acre (\$) | Per Farm (\$)    | Per Acre (\$) |
| Central   | 66,342                | 175           | 457,776          | 1,214         |
| Northeast   | 108,563               | 230           | 890,509          | 1,887         |
| Northern  | 78,885                | 178           | 1,233,425        | 2,796         |
| Northwest   | 60,328                | 215           | 628,228          | 2,247         |
| Southeast   | 127,930               | 215           | 907,299          | 1,528         |
| Southwest   | 45,968                | 166           | 356,282          | 1,290         |
| Virginia  | 70,077                | 191           | 649,484          | 1,786         |

The average Virginia farm with sales over \$10,000 held \$70,077 worth of machinery and equipment in 1997, equivalent to \$191 per farm acre. Equipment values were less than 11 percent of land and buildings values, which was \$649,484 per farm or \$1,786 per acre.

In Central District, tobacco producing counties of Southside and Western Piedmont Planning Districts had the highest value of machinery and equipment per farm and per acre. The disparity in machinery and equipment value between such counties and other counties in the extension district appears to have grown since 1992. Only Amherst reaches the state average for land and buildings value per farm. Overall, the value of land and buildings per acre is only 2/3 of the state average, and the average farm value of land and buildings is barely more than 2/3 the state average.

The value of machinery and equipment per farm in Northeast District was more than 1.5 times the state average in 1997. However, the value per farm fell approximately \$3,000 over the period 1992-97. It may be that Northeast District farmers were not able to replace depreciating machinery and equipment in this period.

Land and buildings value per farm in Northern District was 190 percent of the state average, and land and buildings value per acre were 157 percent of the state average. Farms in this region, whose fixed assets exceed \$1.3 million per farm, face very high land costs. The value of land and buildings per farm and per acre increases for counties closer to the Beltway, except that the highest land and buildings value per farm is found in Albemarle County, where the average farm with greater than \$10,000 in sales has 222 percent of the state average value in land and buildings. Of the eight Virginia counties with land and building values per acre greater than \$3,000, Northern District includes six of those counties.

Probably due to its reliance on livestock production, Northwest District exhibits a low average machinery and equipment value per farm equal only to 86 percent of the Virginia average. Although Rockingham County produces a larger proportion of farm output than any other Virginia county, its average land and building value per farm is well below the state average. Rockingham County has about the state average value of machinery and equipment per farm, although its small average acreage per farm gives Rockingham a high value of machinery and equipment per acre. The value of land and buildings per acre grew at nearly 8 percent per year in the Central Shenandoah Planning District, indicating growing pressure on farmland from other land uses. In other counties and planning districts, the trend of land and buildings value is very different. The value of land and buildings per acre declined per farm by 12 percent in Loud Fairfax Planning District. The value of land and buildings per farm in Frederick County decreased by 19 percent between 1992-97.

The value of machinery and equipment per farm in Southeast District is 183 percent of the state average, and the value of land and buildings per farm is 140 percent of the state average. Although farms in this extension district have high machinery and equipment and land and building values, when spread across larger farm acreage, values per acre are more similar to state averages. Fortunately for agriculture in this extension district, at the present time, land values per acre are not even close to those of Northern District. Only one county in Southeast District has land and building values greater than \$2,000 per acre. It should be noted that good harvests and good crop prices experienced before the 1997 Agricultural Census stimulated new machinery purchases, and pushed the new machinery and equipment values in this extension district up by 6.5 percent per year.

Because of extensive cattle production, Southwest District had lower machinery and equipment values (2/3 of the state average), as well as very low land values per farm (55 percent of state average). The average value of land and buildings per acre is only 72 percent of the Virginia average. However, land values per acre in some counties of the district appear to be rising faster than the rate of inflation.

## Sales and Expenses

Table 26 indicates the average production expenses, sales, and net sales per farm for Virginia farms with more than \$10,000 in 1997 sales. Caution must be exercised in interpretation of these figures. In particular, the Census years are not necessarily representative of sales throughout the intra-Census years. Production expenses do not include the costs of depreciation, nor do they include any consideration of return to the farm family's labor or management. Crop and livestock sales do not include income from government payments, non-cash income, or other farm income. In 1997, Virginia total farm production expenses for farms with over \$10,000 in sales were approximately \$1.79 billion, while the market value of products sold was approximately \$2.26 billion. Overall, production expenses equaled 79 percent of sales, leaving approximately \$467 million for depreciation expense, taxes, new investment, and return for the farm family.

|      | Production Expenses per Farm (\$) | Sales per Farm (\$)* |        |           | Net Sales per Farm (\$) |
|------|-----------------------------------|----------------------|--------|-----------|-------------------------|
|      |                                   | Total                | Crops  | Livestock |                         |
| 1992 | 92,622                            | 116,730              | 63,389 | 100,260   | 24,108                  |
| 1997 | 111,388                           | 139,830              | 79,069 | 120,012   | 28,442                  |

\*Crop sales per farm plus livestock sales per farm do not equal the total per farm because each average is computed on a different number of farms.

Crop sales per farm were 25 percent higher in 1997 compared to 1992. Livestock sales per farm were 20 percent higher than 1992. On a per farm basis, 1997 sales over expenses were slightly higher than 1992 margins, and hence, net sales were 18 percent higher in 1997 compared to 1992. However, even the relatively moderate inflation rates of the past few years effectively cancel out any real increase in farm net returns.

Production expenses in Central Extension District were approximately \$292 million, while sales were \$404 million (Table 27). Net sales above expenses were thus down \$19 million from 1992. Farm sales in Central Extension District were 58 percent from livestock and 42 percent from crops. Overall, production expenses and sales per farm were much smaller than the Virginia average. Production expenses are also low (73 percent) as a proportion of sales. Tobacco sales bolster crop sales per farm, but livestock sales are far less than the Virginia average. Crop sales are concentrated in the tobacco counties (Pittsylvania, Halifax, and Mecklenburg), while livestock sales are concentrated in the poultry counties (Amelia and Cumberland) and Franklin County (dairy). Except for increased poultry sales in Piedmont Planning District, crop and livestock sales were stagnant in this extension district. Planning districts that substantially increased sales over 1992 were Southside (+26 percent increase in crop sales) and Piedmont (+18 percent increase in livestock and poultry sales). Counties that experienced large increases in sales included Mecklenburg, where crop sales increased 41 percent, and Amelia, where livestock sales increased 50 percent.

| Extension District | Production Expenses per Farm (\$) | Market Value of Sales per Farm (\$)* | Market Value of Crops per Farm (\$) | Market Value of Livestock & Poultry per Farm (\$) |
|--------------------|-----------------------------------|--------------------------------------|-------------------------------------|---|
| Central            | 84,864                            | 115,870                              | 74,562                              | 93,211  |
| Northeast          | 114,434                           | 138,686                              | 131,313                             | 69,856  |
| Northern           | 71,995                            | 93,502                               | 70,599                              | 68,122  |
| Northwest          | 198,283                           | 232,629                              | 39,536                              | 231,408   |
| Southeast          | 227,956                           | 282,144                              | 191,458                             | 234,765   |
| Southwest          | 40,568                            | 58,307                               | 24,860                              | 49,550  |
| Virginia           | 111,388                           | 139,830                              | 79,069                              | 120,012   |

\*Crop sales per farm plus livestock sales per farm do not equal the total per farm because each average is computed on a different number of farms.

Production expenses in Northeast Extension District were approximately \$123 million, while sales were \$156 million. Net sales were up approximately \$7 million over 1992. More than 80 percent of total farm sales in the district are crop sales. Production expenses and sales per farm are near the state average, although crop sales per farm are much higher and livestock sales per farm are much lower. Production expenses as a proportion of sales are approximately equal to the state average. In the principal planning districts of Northeast District, sales increased by 27 percent in Richmond Regional, 17 percent in Northern Neck, and only 1 percent in Middle Peninsula. The most important counties within the district in terms of sales are Hanover and Westmoreland, which together account for 30 percent of district sales. Hanover sold \$9.4 million of greenhouse/nursery production, while Westmoreland sold \$8 million in grain.

Production expenses in Northern Extension District were approximately \$168 million in 1997, while sales were \$217 million. Net sales were up sharply from \$26 million in 1992 to \$49 million in 1997 (+88 percent). The extension district derives 61 percent of its farm sales from livestock and 39 percent from crops. Production expenses and sales per farm were considerably below the Virginia average (65 percent of the state average for expenses and 67 percent for sales). Rappahannock-Rapidan Planning District alone accounts for 52 percent of district farm sales. Key counties in the extension district in terms of farm sales are Fauquier (21 percent of district sales), Loudon (11 percent), Orange (11 percent), Culpeper (9 percent), and Albemarle (9 percent). Together, these five counties produce 62 percent of district sales. The sharp increase in net sales of the district from 1992-97 can be primarily attributed to crop sales increases in Fauquier (+\$6 million), Orange (+\$5 million), and Caroline (+\$3 million). The former two counties significantly increased their sales of nursery and greenhouse crops, while Caroline experienced an increase in grain sales.

Production expenses in Northwest Extension District were approximately \$715 million (40 percent of all Virginia farm expenses), while sales were \$839 million (37 percent of Virginia farm sales). Net sales were up moderately from \$114 million in 1992 to \$123 million in 1997. The district accounted for 26 percent of all Virginia net returns over sales. Production expenses were 178 percent of the state average per farm, and sales were 166 percent of the Virginia average. Net sales over expenses of \$34,346 per farm were 121 percent of the state average. Northwest District derives 93 percent of its sales from livestock and livestock products. The vast majority of farm sales originate in Central Shenandoah Planning District (71 percent of district sales), with Rockingham County alone making up 52 percent of district sales. Net sales of farm products in Rockingham County rose \$6 million to \$69 million from 1992-97. The average Rockingham County farm has sales equal to 279 percent of the average Virginia farm, spends \$0.84 for each dollar of sales, and had net returns of \$60,875 (177 percent of the state average). Other key counties in the district are Augusta (16 percent of district sales) and Page (14 percent of district sales). Augusta net sales were stagnant between 1992-97, although total sales increased from approximately \$108 million to \$136 million from 1992-97. Production expenses as a proportion of sales are quite high in Augusta (88 percent), as well as in Page (87 percent). Page net sales increased from \$12.3 million in 1992 to \$14.8 million in 1997. Gross sales for the county increased \$45 million (65 percent) from 1992-97. Rockingham, Augusta, and Page counties are ranked 1, 2, and 4, respectively, in terms of Virginia farm sales.

Production expenses in Southeast Extension District were approximately \$321 million in 1997, and sales were \$394 million. Net sales increased little from 1992-97 (approximately \$3 million). Production expenses and sales of Southeast District farms were much higher than the Virginia averages (205 percent and 202 percent, respectively). Expenses as a proportion of sales were somewhat higher than the state average (81 percent versus 77 percent), but net sales over expenses per farm were 191 percent of the Virginia average. Southeast District derives 61 percent of its sales from crops, and 39 percent from livestock (primarily poultry in Accomack and hogs in Isle of Wight). Especially important counties are Accomack (third in Virginia farm sales) and Southampton (fifth in sales), but many other counties make substantial contributions to district sales. Among the notable county sales changes, Accomack crop sales fell by 22 percent from 1992-97, while its poultry sales increased by 87 percent. Northampton's 'other livestock' sales increased by more than \$10 million. Southampton sales decreased 2 percent from 1992-97, led primarily by a drop in hog sales.

Southwest District farms with sales over \$10,000 make up only 10 percent of Virginia farm production expenses and 11 percent of sales. Production expenses in Southwest Extension District were approximately \$171 million in 1997, and sales were \$245 million. Net sales rose only \$3 million from 1992-97, but the most striking data concerning Southwest District agriculture are its low expenses relative to sales. Sales per farm were only \$58,307, 44 percent of the Virginia average per farm. In both 1992 and 1997, production expenses were less than 70 percent of farm sales, reflecting land-extensive livestock production prevalent in the district. Approximately 85 percent of farm sales in the district are from livestock. The most important counties in the district in terms of farm sales are Washington and Floyd, which together account for 30 percent of district sales. Washington sales changed little from 1992-97 (despite losing

more farms than any other Virginia county), but Floyd increased livestock sales by 15 percent and crop sales by 136 percent.