

ROLE OF SMALL FARMS IN AMERICAN AGRICULTURE AND RURAL SOCIETY

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From one analytical perspective, the small farm buttresses one end of the size distribution of farms and helps describe that population. In that context, small is simply the other end of a distribution from large. If one examines this apparent tautology carefully, one begins to identify many of the difficulties associated with the policy issue of small farms. Small becomes less a descriptive term than it is a philosophical one. Small is an imprecise term; for political reasons it is probably important to keep it so, because quite varied support can be generated under a “vague” term.

For purposes of policy analysis, however, it is important to add specificity. Therefore, the purpose of this paper is to examine the reasons why the small farm issue is pursued and to specify the categories of entities toward which policy proposals are directed. Policy objectives and small farm categories are interrelated, and they are identified on the basis of the concerns of interested parties or participants. The interdependence and overlap of objectives and categories will be obvious. Therefore, this should not be viewed as a taxonomic system but rather a framework for policy analysis.

Basic Policy Objectives

The various policy objectives that one might identify tend to be manifestations of what role interested parties see for the small farm in either American agriculture or rural society. This presentation places emphasis upon policy objectives rather than role in order to avoid or postpone the question as to whether a given role is analytically supportable.

Redirection of Public Resources

A major goal of many who espouse small farms is the redirection of public resources to directly assist the economically and socially disadvantaged. The small family farm is viewed as a vehicle for public assistance to better achieve economic and social equity. This

redirection of public resources tends to be recipient specific — minorities and economically dependent rural residents. The companion view is that public resources should not be used to assist those who are already self-sufficient.

Increased Opportunity

Less recipient specific, this policy goal for small farms combines the attempt to increase competition in the agricultural sector — a return to a more nearly perfect competition model — with a shift in rural-urban population balance and a chance for varied lifestyles. In large measure, this policy goal has its impetus in a rekindled interest in agricultural fundamentalism — a return to Jeffersonian political philosophy.

Shift Away from Dependence on Technology

A major policy goal, particularly of urban supporters for small farms, is a desire to shift from dependence upon technology. This policy objective appears in two forms: reduced use of fossil fuel energy both in developing power for equipment and in producing chemicals, and a reversal of trends in order to substitute labor for capital. The small farm is perceived as a means of achieving both forms of the policy objective.

Combat Bigness

An increase in the number of small farms is viewed as an effective means of stemming the trend toward concentration of economic power in the agricultural sector. If size is not specifically defined, this objective gains support externally, from the general public, as well as internally within agriculture, primarily as a means of blocking what is frequently referred to as the “corporate takeover” of agricultural production. Thus, bigness is perceived as bad when no definitions are possible and only extremes are visualized.

Locally Produced Farm Commodities

A popular objective of small farm policies, particularly at the local level, is to increase the volume of farm produce available in urban centers on a direct farm to market basis. Inherent in this objective is that small local farmers will provide local consumers with products to which are attributed the qualities of freshness, increased quality, better flavor characteristics, and both increased producer price and decreased consumer cost. All of these supposedly result from bypassing the traditional marketing system.

Land Reform

Closely associated with Jeffersonian political philosophy are those supporters of small farms whose objective is essentially a redistribution of land ownership. In this context, the small farm is viewed

less as a production unit in the agricultural sector than it is a means of achieving equity in ownership, use, or access to the basic resource land. Land is the focal point rather than the farm.

Community Support

Based upon the hypothesis that rural communities remain viable only with the economic and social support of a substantial number of farm families, the small farm policy goal is to bolster the survival of smaller communities. Extremes may again be visualized of a prosperous rural community with hundreds of farm families against the dying or stagnant community surrounded by only a very few corporate farms. The obvious goal is to enhance the economy of the small rural community and support the necessary social infrastructure.

Two points seem worthy of emphasis for policy analysts: To what extent can increased knowledge about each policy goal be developed in order to provide a basis for better informed decisions, and to what degree does any specific policy proposal supportive of small farms increase the probability of achieving the various policy objectives.

Small Farm Definitions

There is little agreement as to a definition of what constitutes a small farm or farmer. This is not surprising since definitional attempts tend to be either descriptive of a heterogeneous population or supportive of a specific policy or program. Furthermore, absence of a functional definition avoids fragmentation of political support.

For purposes of policy analysis, it may be useful to identify the various groups that comprise this heterogeneous population. A suggested approach is to categorize by objective function: What does the farm operator wish to achieve? A variety of categories could be identified—the following are suggested as a starting point for analysis and discussion.

Limited Resource Farmers

Probably the largest category of limited resource farmers are those currently operating farm units which consistently fail to generate adequate family income by standards of either the family or society. The resources which may be limiting can be capital, management, language, education, or market access. Frequently, these factors simply constrain the volume of product for sale although they may also constrain selection of appropriate products. Within this category there may also be at least two significant sub-units by operator function: Those who, with constraints removed, would like to become larger; and those who do not seek increased size but simply an economic opportunity to succeed within the current structural framework. From an objective function standpoint, these marginal resource farmers depend upon (or would prefer to depend upon) farming as their sole source of income.

Farming for Supplemental Income

An apparently large number of farm families have found off-farm employment to supplement income. A more recent phenomenon is the use of farming by non-farm people to either supplement income or increase net worth. Since farming is not consistently a time-clock type of employment, evening and weekend farming by urban or suburban residents provides an opportunity to convert leisure hours into monetary benefit. While probably small scale in acreage or product, this category may not fit more traditional views of family agriculture.

Hobby

Traditionally, the category of those with substantial personal income who were seeking methods of converting that income into capital gains, the hobby farm has become more general in both appeal and access. Whatever the objective function, generating income streams tends not to be high on the list even if present. By net income standards, however, many of these would be "small farms."

Life Style

The farm is viewed principally as a residence with amenities for family living. Virtually every urban center has some farming operations on a small scale — in many instances purchased from a farmer who either retired or failed — on which urbanites are able to enjoy farm life without dependence upon the vagaries of farm income. If product sales cover cash costs, taxes and mortgage payments, so much the better.

Non-maximizing Income

A relatively new entrant during this century is the family unit which indicates that economic survival is the objective but without particular attention to income. While perhaps few in total number, the purpose is not to maximize income but merely cover simple family needs. Self-sufficiency is a characteristic. This category is in many ways akin to the 19th century homesteader.

Counter-Culture

Although this category could be included in others, a small cadre of serious efforts at communes and other economic and social experiments have their own characteristics as small farms. Partly as a protest against present economic and social institutions and partly as an effort to seek other alternatives, this is a small but possibly increasing component of the small farm audience.

Organic Production

With both producer and consumer support, organic production processes lend themselves to the small farm category. From an overall policy perspective this category may not require special consideration. However, some policy proposals — changes in market grades and standards, for example — may be directed toward this group while others, such as acreage limitations, may be irrelevant.

Currently Successful Farms

A category frequently ignored in discussions of small farms is the currently functioning family farm operation which is apparently economically viable. The objective function of this farmer category appears to be a combination of providing family income while remaining sufficiently small to permit management of resources without either increased risk of capital or the possibility of exceeding managerial capabilities.

Summary

The policy goals and small farm categories are neither mutually exclusive nor precise. It is not even suggested that these are the only such items in any possible list. Rather, for policy analysis purposes, it seems critical to look beyond the political rhetoric. Some policy goals and issues may be more important than others.

Certainly there are categories of “small farms” needing and deserving assistance; others may meet neither criterion. What becomes apparent is that the term “small farm” is irrelevant. The critical policy issues relate individual farmer objectives and societal goals to proposals for public intervention and support.

