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CONTROL BY INDEPENDENT FARMERS

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There are two ways to approach a question so fundamental as what kind of farming system we will or should have in the United States. One is to start from where we are and look into possible changes. The other begins with ground zero; it asks what the alternatives are and how we should choose among them.

Though the former technique is more common, I prefer to use the latter. What indeed are the choices? How do we choose among them?

My remarks will relate primarily to a single choice, that of independent farmers. Papers that follow will deal with other systems for organizing farming.

TWO RESOURCES

Reduced to simplest elements, our economic system has only two kinds of resources. One is the physical resources of the thin shell of Spaceship Earth. The other is human resources—people. The economic problem is how to combine those resources best to meet the needs of man.

That is the problem in farming. How shall resources be combined to provide consumers with food and fiber (and a little nicotine and alcohol)? And as the resource-combining, or production, process must have order to it, the next question concerns what system shall be used to give it that order.

THREE KINDS OF SYSTEMS

Basically, there are three possible kinds of systems for producing food and fiber and such. They are:

1. Self sufficiency. This almost amounts to privation.
2. Individual proprietorship in a market system. This has been the traditional system in U.S. agriculture.
3. Group organization.
 - a. Servile relationships. This is slavery, now fortunately almost banished from the world.

- b. Status relationships. In these an autocratic authority directs workers whose roles and opportunities are sharply circumscribed. The authority can be governmental, as in socialist nations, or private, as in feudalism.
- c. Cooperative relationships. Farmers use equipment jointly, and plan production, obtain supplies, and market products cooperatively.
- d. Contract relationships.
 - (1) Production contracts. An example in farming is contracts in broilers or canning crops.
 - (2) Employment contracts. In farming this is the corporate operation where the "farmer" is a wage worker.

INCIDENCE IN THE UNITED STATES

The several systems account for about the following percentages of U.S. total farm production:

	PERCENT
Self-sufficiency	1
Individual proprietorship	76-81
Cooperative farming	1
Production contracts	12-15
Corporate farming	5-7

The 1 percent figures for self-sufficiency and cooperative farming are entered just to show they are greater than zero. The estimate for corporate farming relates to large industrial-type corporations; it does not include incorporated family farms.

INDIVIDUAL ROLE AND CRITERIA FOR CHOICE

Any system can be judged according to how it affects, first, the persons involved in it, and second, all those dependent on it. The various systems of farming put the farmer in different roles. In proprietary farming the farm operator is manager, worker, capital supplier, risk bearer, and often landholder. Under production contracts the farmer contributes less management and capital and relatively more labor. In a corporate agriculture the farmer is primarily a laborer.

The several roles are important as they affect status—always important to human beings—and income.

The kind of farming to prevail has a bearing on the rural community, on agribusiness firms that provide supplies or market product, on consumers and taxpayers—that is, all the public.

THE FUNCTION OF GOVERNMENT

Each system of farming calls for a special service by government. Government action is least in self-sufficiency, greatest—perhaps surprisingly—in individual proprietorships. If a system of individual proprietorships is to work well, government must set up trading rules and all other services that a market economy requires. It usually helps the proprietor absorb price and other risks. It makes technical information available.

Under a system of production contracts, government mainly adjudicates disputes, gives protection against duress or unfairness, and sets terms for collective bargaining. Under corporate farming, government chiefly offers certain social security (including unemployment) protections and sets the terms for unionization.

INDIVIDUAL PROPRIETORSHIPS IN A MARKET SYSTEM

A system of individual proprietorships working through a market system would have the following consequences, as compared with other systems.

GROUP	CONSEQUENCES
Farmers	
Owner-operators	Would protect managerial prerogatives and proprietary status. On the whole, net incomes might be a little better than under other systems.
Part owners and tenants	Less income and somewhat less status than full owner-operatorship, yet probably not below other systems.
Wage laborers	Laborers have not fared well under proprietary farming. More social security protections will likely be extended in the future.
Supply and market firms	Majority would have better chance for survival than under alternate systems.
Rural community	Would be more viable than under alternate systems.
General public	Probably no great, overall economic difference. Food might be priced a little cheaper than under other systems, but farm program taxes would be higher. Public generally favors image of independent farmer.

STEPS NECESSARY TO KEEP PROPRIETARY FARMING

If the public should decide to retain a proprietary system of farming, several steps would be necessary. Above all, it would be essential to keep a viable, efficient market system open, with

access assured to all producers. Some voluntary income support, tilted to favor the modest-sized farm, would probably be called for. All tax advantages to nonfarm investors and to all large-scale landownership would have to end. Environmental programs would need to be adapted to modest-sized farms. But in the final sense, some restrictions upon other kinds of farming would also prove necessary.