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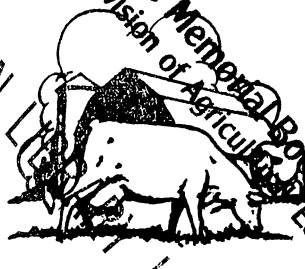
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MINNESOTA farm business NOTES



PLANNING AND ZONING OF RURAL AREAS

Erling D. Solberg

Rural zoning has served the people of rural communities in a variety of ways. In addition to preventing haphazard suburban growth, it has reduced the cost of providing essential public services, reserved fertile land areas for farming, and protected the economic base of local agricultural processing, service, and marketing firms. Rural zoning has also prevented an unwise mixture of conflicting land uses; it has helped to avoid hampering restrictions on agriculture by obviating urban-agricultural conflicts. Moreover, it has fostered and protected forestry and recreational values and safeguarded property values and the tax base.

Zoning ordinances and regulations are passed by counties, towns, or townships, and other units of local government. Before zoning, permission must be obtained from the state legislature. This is usually conferred in zoning-enabling laws. Any county or township in Minnesota may now zone.

The legislature prescribes the scope of zoning powers that may be exercised and the areas that may be zoned.

The zoning powers conferred are permissive rather than mandatory.

All zoning must be in the interest of public health, safety, morals, or the general welfare.

Forty-nine of our 50 States have passed rural zoning-enabling laws. Gen-

erally, all or selected counties may zone in the South and West; towns or townships in the Northeast; and both counties and towns or townships in the Lake States.

Planning Precedes Zoning

Planning to guide future growth of the community must precede zoning. Zoning merely helps to carry out the plan. A plan for a community is only a large-scale edition of a family or group plan.

Planning is concerned with the long-range physical development of the community, including the character and location of roads, bridges, parks, schools, utilities, and other public and semipublic properties. Planning includes land use-planning. The latter is concerned with the general location in the community of districts for residences, business, industry, farming, forestry-recreation, and other uses. But the existing land use pattern does not constitute the community's land use plan. It is only a base from which to begin. The community's land use plan looks toward the future. It outlines what thoughtful men have suggested to be the most appropriate future uses of the various land areas in the community.

Speaking broadly, planning consists of these three steps:

1. Taking a stock or inventory of what the community now has, including its potentials.

2. Deciding intelligently upon what the community will want in the future.
3. Finding practical ways to get what it wants from what it now has.

Zoning Regulations Authorized

Rural zoning is the division of the community, by means of local laws called zoning ordinances, into suitable kinds of districts or zones for agriculture, residence, business, industry, forestry and recreation, etc. Regulations are then applied in each kind of district to regulate the size and coverage of building lots or tracts; the height and size of buildings and structures; the density of population; and/or the use of buildings, structures, and land.

Each of these four types of regulations—building-tract (area) regulations; building-size regulations; density of population regulations; and use regulations—may be exercised by county boards and by township boards in Minnesota.

With these zoning tools, counties and townships can guide their future growth; they can protect existing values and foster new ones.

Sprawl Generates Problems

Suburban sprawl—a byproduct of unguided community growth—inflates taxes for farmers and nonfarm residents alike. It costs more to service scattered

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development with roads, schools, sewers, and other public facilities, etc.

Sprawl wastes productive farmland. For each acre converted to nonfarm uses, 3 more acres go out of farming. Two of these acres go into a ripening stage awaiting future nonfarm uses. The other acre remains idle.

Sprawl, coupled with an unwise mixture of land uses—agriculture, nonfarm homes, business, and industry—have caused serious urban-agricultural conflicts and problems for farmers.

First, there are excessive taxes caused by a shifting to farm taxpayers of development and public service costs. Among these are the cost of new roads, schools, parks, water mains, sewers, and other facilities and services needed by nonfarm neighbors.

Second, there are adverse effects of nonfarm land uses that damage the agricultural plant and operations. These include diverting from agriculture first those lands which are most productive. Other examples are depletion and pollution of groundwaters, and pollution of streamflows.

Third, nonfarm people in areas of mixed land uses object to certain normal farming activities. There are objections to poultry farms, dairy farms, livestock feed yards, and hog farms, among others. There may be unpleasant noises, odors, and flies. Other objections are made to dust from farming operations and to spraying and dusting with poisonous pesticides. The objections have resulted in regulation by health authorities of accepted farming and feeding practices.

There are other impacts on agriculture too. Sprawl-induced inflation of farmland values may render land use for agriculture uneconomic, hamper needed farm enlargement, impede farm repairs and improvements, increase taxes, and preclude transfer of farms between unrelated operating farmers.

In this day of agribusiness, the farm plant is coupled with much that is found in the city. Those urban business

enterprises which are most agriculturally oriented are farm supply and service firms, marketing outlets, and processing industries. A premature decline in a community's agricultural base will soon be reflected in a decline in farm-oriented business and employment.

Guiding Future Growth

What of the future in Minnesota and in other states? A growing population will require space for homes, stores, and shops. New express highways will extend commuter zones. Unless burgeoning communities take steps to guide growth, the future promises more urban-agricultural conflicts.

Minnesota counties and townships have the needed planning and zoning tools. They can separate land uses that are likely to conflict. They can establish distinct districts for farming, for homes, for business, and for industry.

Farm-Zoning Districts

Farm-zoning districts may be grouped into three main classes which are designed to cope with land-use problems and to further community objectives that differ considerably.

In the first group, most kinds of farming activities plus nonfarm residences and related uses are permitted. Other uses and activities including most kinds of business and industry are usually prohibited. Many districts of this type have been established, some of them in Minnesota.

In the second group, essentially the same kinds of regulations are applied, with one important difference—the requirement of large minimum lot or tract sizes. Minimums that range from 1 to 5 acres or more are required at times to discourage residential development and to reserve the land in these districts for agriculture. Some districts of this kind are found in Minnesota.

In the third group, agriculture alone plus a few related activities that further the use of land for farming, and certain public and semipublic uses are permitted. All other uses including nonfarm residences are excluded. Land uses—nonfarm residences and subdivisions—which require roads, schools, utilities, and other expensive public facilities and services, are excluded. The same excluded land uses have been the main source of objections voiced against normal farming practices, and the main reason for conversion to nonfarm uses of fertile soils. This third type, known as exclusive agriculture-zoning districts, was developed by farmers in California.

Protecting Recreational Values

Planning and zoning tools are also available to foster and protect forest and recreational values. In the early forties, eight counties in northern Minnesota created restricted forest districts out of areas that are submarginal for farming. Today, in the north and south, recreational potentials are receiving increasing attention. Counties and townships have the power to create a variety of recreational zoning districts, according to their needs. Districts may range from areas maintained as nearly as possible in their natural wooded condition to areas developed as commercial resorts. Between these extremes are many shadings.

Other Zones Needed

Farmers will serve the best interests of agriculture and the community by supporting a comprehensive planning-zoning program—a program that includes desirable residential districts and suitable zones for business and industrial growth.

Residential development will need community guidance as well as long-term protection. Future traffic problems may be avoided by a wise selection and zoning of areas for coming shopping centers. It will be prudent to zone for industry the good industrial sites that are needed in the future for expansion of the employment base and the property tax base.

America is a land of ever new frontiers, but imprints of the older frontiers remain. In suburbia, as on older frontiers, we are reckless in consuming our natural resources. There is ample room on our expanding urban fringe for both suburban growth and farming.

What's Happened to the Demand for Pork?

Gerald Engelman

Something's been happening to the demand for pork. Consumers in America don't spend as much of their income for pork as they used to (see figure 1).

This has been going on for quite a while, but it has become more dramatically evident during the last 10 to 14 years. During the 1920's, as consumers, we spent a little over 3 percent of our disposable income for pork. Spending for pork slipped gradually during the 1930's. By 1940 we were

MINNESOTA

farm business

NOTES

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spending about 2.5 percent of our income for pork.

During World War II, usual spending patterns were upset. Meat was rationed and prices were controlled. After the war spending for pork shot up to 3.1 percent in 1947. Then it slipped and leveled off at 2.5 percent for a year or two around 1950, and dropped to only 1.6 percent in 1960. This is about half of the spending rate for the postwar high in 1947.

Beef has enjoyed a more favored position among consumers the last few years. In the 1920's we were spending a little over 2 percent of our income on beef. Beef strengthened a bit during the 1930's while pork was declining gradually. In the postwar years from 1947 to the present spending for beef was fairly level at 2.5 percent. During this same period spending for pork was plummeting to an all time low point.

The declining demand for pork has had a marked effect on the traditional relationship between meat and income (see figure 2). Retail value of meat consumed and disposable personal income traced similar patterns in the 1920's and 30's until interrupted by rationing and price controls during World War II. Now, consumer spending for red meats is about 20 to 25 percent under the old relationship.

How has this shift affected Minnesota agriculture? Hog production was the first ranking farm enterprise in Minnesota during the early postwar years, in terms of cash farm income. Now, it is down to third place, behind beef production and dairying.

Such changes have not been unusual in the history of Minnesota agriculture. In the early 1900's Minnesota was a wheat state. Our growing country required more livestock and livestock products, and corn production pushed wheat out to the Great Plains states. In the 1920's and 1930's dairying was the leader in farm sales.

But this change has had more than the usual impact because Minnesota,

along with other midwest cornbelt states, grows ample supplies of feed grain concentrates, the feed resources especially well suited to hog production.

Let's suppose consumer spending for pork had leveled off at about 2.2 percent of total expenditures, somewhat below the postwar spending levels for beef. This would have narrowed the recent gap between meat and income to about half the width shown in figure 2. As near as can be determined, this would have increased the cash receipts contribution of the Minnesota hog enterprise by about \$100 million for each of the last several years.

Let's take a look at some of the factors which probably had a part to play in this extremely significant change in consumer-spending habits.

Urban people, on the average, eat a little more beef and a little less pork than farm people. Our population has become much more urbanized over the last few decades. Even farm people have developed more urbanized tastes with the use of home freezers and frozen food lockers. Locally slaughtered beef is available in fresh or frozen form the year around.

Higher income groups tend to consume more beef than pork. Rising incomes, especially since the war, may account for part of the superior ability of beef to hold its own in the consumers' favor over that of pork. Beef has become a "status" food. This is true especially for steaks, but also to a lesser degree for the lowly hamburger.

In a 1948 food consumption survey, higher income families ate more ham. A 10-percent difference in family income then was associated with a 5-percent difference in the amount of ham eaten per person. A similar 1955 survey, however, shows no relationship at all between income and ham consumption. Of all the pork items, ham used to be the only meat to have a real "status" symbol. Now it appears to have lost that position.

The choicest cuts of pork are no longer responsive to increases in in-

come. Pork sales can be increased only as the population increases. But that's the limit. The problem is how to reverse this trend and make pork sales again responsive to income.

The "No. 1" merchandising lesson learned in food retailing since the war has been that of standardization—providing the customer with a repeatable experience. In beef this has been reflected in the fact that more than half the fresh beef sold over the counter is federally graded. Also beef cuts have changed their form. Much more of the excess outer fat is trimmed off. The highly variable but always wasteful "tail" of the high priced short loin steak cuts is also removed.

Some progress has been made in pork, but we still have a long way to go. It's almost impossible to buy two hams that are alike or two packages of bacon that will fry the same. We may have to redesign the pork product in order to create a more favorable "product image" in the consumer's mind. In Canada, a defatted, boneless, half ham product has been developed that presents a uniform, attractive appearance in the store. It's a virtually all meat product which provides the customer with a repeatable, satisfactory experience, both in the kitchen and on the table. We need more of this type of "redesigned" pork in our meat counters in the U. S.

We've made a start in improving hog quality in the last few years. But the continuing declining demand for pork suggests that we need much more progress. Relatively few U. S. hog producers have an opportunity to know how many No. 1, No. 2, and No. 3 hogs they market and to be aware of the price differentials between these grades. Minnesota farmers are fortunate in that they have more such opportunities than farmers in most other important hog states.

If more substantial improvements in hog quality are wanted, the marketing system will have to develop more effective methods for carrying the consumer preferences for leaner pork all the way to the hog producer. Not only the full price incentive for superior hogs is needed. Producers also should have a full report on the amounts of No. 1, No. 2, and No. 3 hogs they market, so they can appraise the results and the progress of their breeding, feeding, and management programs. The problem for hog producers is not only one of arresting the downward trend in the demand for pork. They also have a stake in reversing the trend, to help pork recover a part of the status it once had as compared to beef.

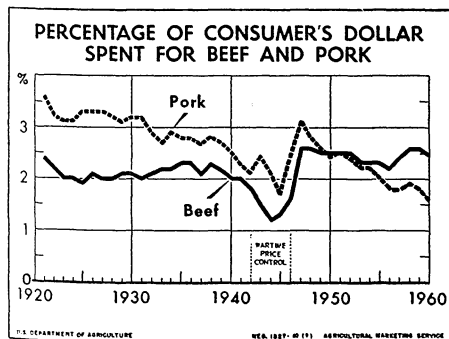


Fig. 1.

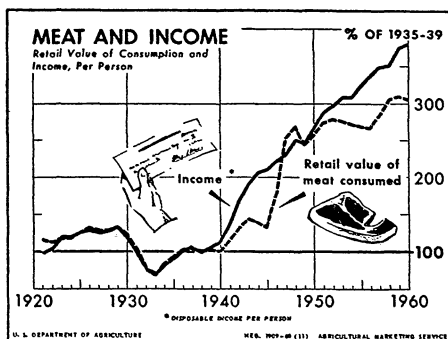


Fig. 2.

THE OUTLOOK CORNER

Declining Number of Farms in Minnesota

The 1959 U.S. Census of Agriculture gives information about recent changes in numbers of farms in Minnesota. It also provides a basis for predicting likely future changes.

The number of farms in the state as shown by the past censuses are:

1910—156,000
1920—178,000
1930—185,000
1935—203,000
1940—197,000
1945—189,000
1950—179,000
1954—165,000
1959—146,000

The number of farms reported in 1959 is unusually low for two reasons. First, a change in the definition of a farm has omitted more than 2,000 farms that would have been counted in previous years. Second, farms in the soil bank were omitted if no agricultural products were sold. It is probable that a count of 150- to 155,000 would be more nearly comparable with past years.

The reduction in the number of farms is due mostly to combining farms; only a small part is due to reduction in the total area of land farmed. When farms, especially small ones, were offered for sale, neighbors frequently bought them to enlarge their units.

Reasons for consolidation are:

1. Modern machinery makes it possible for a man to handle more land.
2. Enlarging the farm permits a more efficient use of machinery.
3. Profit margins have narrowed making it desirable to increase volume.
4. Nonfarm employment opportunities enabled many men to leave low-income farms to take better paying non-farm jobs.

Incomes from most small farms have been especially low so their operators have been the least able to pay for modern machinery. The result has been

a very rapid decline in the number of farms with less than 100 acres. This trend to consolidation has extended to larger farms in the last 5 years (see table 1).

Although the number of farms with 500 acres or more increased quite sharply, the total number is still small. There were only 6,610 farms with 500 or more acres out of a total of 146,000 in 1959. Of these, only 837, or one-half of 1 percent, had 1,000 acres or more.

The reduction in farms has been greatest in the northern and east central counties. Almost three-fourths of the farms have disappeared from the northeast district (three counties); more than half from the north central area. Only modest changes have occurred in the west central and in the southern parts of the state.

The rapid decline in the number of farms in the three northeastern crop-reporting districts is due to two main factors: (1) A very high proportion of these farms was very small. (2) The climate and soil conditions favored enterprises that result in relatively low incomes per acre.

The farms in the northwestern counties are large compared with those in other parts of the state because the rather level land and large amount of cash-crop farming enables one man to operate a large acreage. Consequently, consolidations have occurred at a rapid rate.

The proportion of small farms (small relative to what one man can work) is

quite low in west central and southern Minnesota. Consequently, the pressure for consolidation is not as intense as in other areas. The urge or need for individual farmers to operate more land seems less pronounced.

What will happen in the next decade? The forces at work are still here. New, larger, and more efficient machines are being developed so the pressure for more consolidation can be expected. The number of farms of 260 acres or less may continue to decline. The number of farms with 500 acres or more will increase but will continue as a small percentage of the total number of farms.

Table 1. Number of farms in Minnesota by size of farm

Group	1940	1950	1954	1959
	thousands of farms			
Under 10 acres	7	6	6	3
10- 69 acres	28	20	15	13
70- 99 acres	30	21	18	14
100-139 acres	25	23	20	16
140-179 acres	44	39	36	30
180-219 acres	16	18	17	16
220-259 acres	16	17	17	16
260-499 acres	27	30	31	31
500-999 acres	4	5	5	6
1,000-over*	(427)	(593)	(725)	(837)

* Full number of farms; not in thousands.

Table 2. Number of farms in Minnesota by crop reporting districts

District	1940	1954	1959
	thousands of farms		
Northwest	24	20	17
North Central	12	8	5
Northeast	8	4	2
West Central	26	23	21
Central	38	33	30
East Central	27	19	15
Southwest	17	17	16
South Central	24	23	21
Southeast	21	19	17

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