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'Aging' Farmers: Not a Crisis

by Robert Boxley

"Over the next decade or so we are going to see unprecedented changes in the ownership and the structure of American farming. There are some 939,000 farmers now over 55; with nearly 400,000 over 65. Agriculture is facing major adjustments as these operators leave the business, either from death or retirement!"

Sounds familiar? This frequently sounded alarm is not new. In fact, American agriculture has been on the brink of this cataclysmic change for decades—but it has never occurred! Given the inevitability of aging, it is obviously true that *individual* farmers of all ages will eventually leave agriculture. But as long as there is entry by new farm operators, this same process of aging creates replacements in the age distribution.

Thus, rather than cataclysmic change, a more likely prediction is that the age distribution of agriculture a decade or two hence will look very much like the current one. To understand why, it is useful to know something about the age of American farmers, and about the distinction that economists continually make between "stocks" and "flows."

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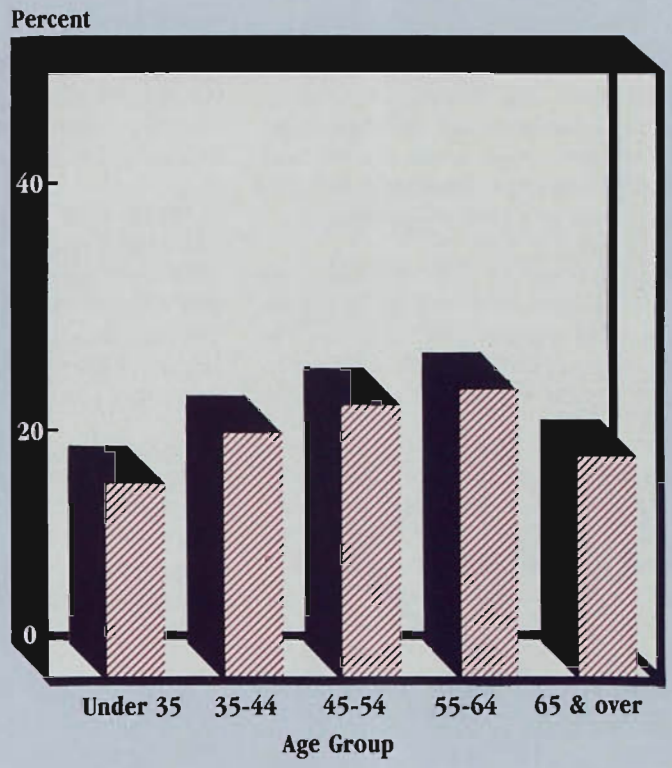
GRAPHS BY SARAH L. SCHMITT

Age Distribution of Farmers

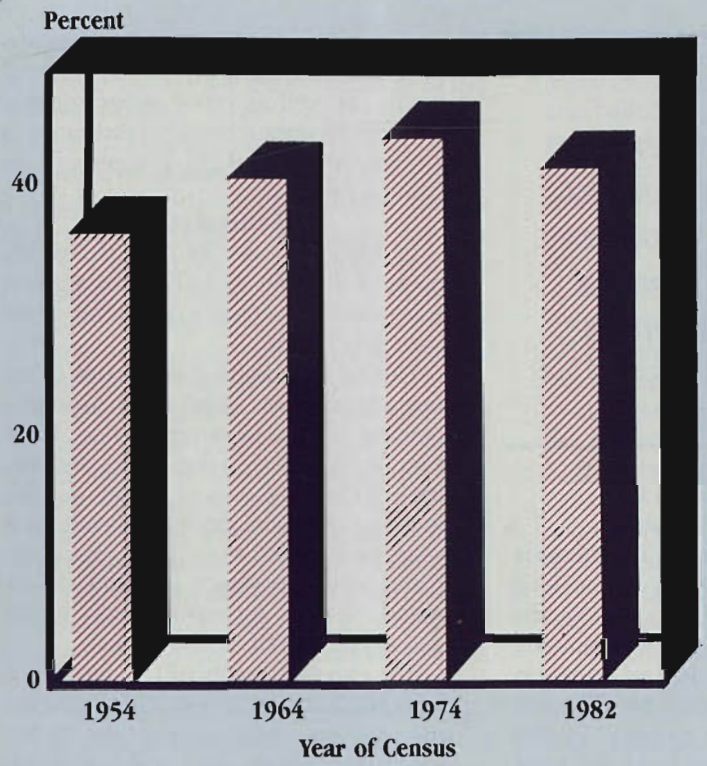


In 1982 42 Percent of Farmers Were Over 55

U.S. agriculture has long been characterized by an operator age distribution heavily weighted toward the upper end of the scale. Only a few farmers become operators before age 35 or so. In the last three censuses, the ranks of operators has continued to grow until age of 55. And many farmers continue to operate farms well after they reach "normal" retirement ages. Consequently, in 1982 the average farm operator was 50.5 years old.

t key economic figures

Farmers 55 and Over



Proportion of Farmers Over 55 Nearly Constant

This pattern of extended entry and delayed exist means that in any year there are a large number of farmers aged 55 or over. This concentration has led repeatedly to predictions of wholesale changes in farm structure in the foreseeable future. However, these predictions fail to distinquish between the number of farm operators over 55—a stock—and the rate at which that number is changing—a flow. As time passes, some operators leave farming, but other farmers reach age 55 and thus replenish the pool. Because of this process, the proportion of farmers aged 55 and over has remained nearly constant over long periods.

Source of Farmers in 55-64 Age Group, in 1982

	(Thousands)
Number of:	
45-54 year olds in 1974	577[a]
55-64 year olds in 1974	589
	1166
Less:	
Farmers reaching age 65 by 1982	– 400[a]
Equals:	
Potential 1982 pool of 55-64 year olds	766
Less:	
1982 Census estimate of farmers 55-64 years old	– 539
Equals:	
Approximate number of 1974 45-64 year olds who left farming by 1982	227

[a] Since only 8 years elapsed, these are upper limits.

Tracing Farmers Through Time

One way to identify the number of farmers who leave farming is with age-cohort analysis. This kind of analysis begins with the observation that a person in the 35-44 age group at the time of the 1964 agricultural census would be 10 years older in 1974, the time of the next census. Thus, by matching age categories on 10-year intervals with the agricultural censuses, one is able to trace the passage of farm operators in a common age group through time. This does not mean that all individuals necessarily continue farming between censuses since there will be some offsetting entries and exists within a cohort.

Since only eight years elapsed between the 1974 and 1982 censuses, the age-cohort technique does not fit this time period exactly. Nevertheless, we can see approximately how the process works by subtracting from the 1974 numbers of farmers in the 45-54 and 55-64 age groups those who could have potentially moved into the next higher age groups by 1982. The difference between the pool of potential 55 to 64 year old farmers and actual 1982 is an estimate of the number of farmers in that age cohort who left farming. C