Father-Son Farm Agreements in Virginia

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Throughout the country father-son agreements are being developed to aid farm boys in their attempt to climb the "agricultural ladder." In this discussion the authors report on the extent to which these agreements are being used and the conditions under which they are possible for a county in Virginia.

STUDIES in land tenure, especially those from 1941 to the early 1930's, emphasized the opportunity for a young man to attain farm ownership through a series of steps under which he served an apprenticeship while acquiring the necessary capital. This series of steps, called the agricultural ladder, progressed from farm laborer to tenant to mortgaged-owner to full ownership. The young farm boy, working as a farm laborer, accumulated enough capital and experience to become a tenant, and so secured a tangible share in a farm business. At the same time he served the interest of an older farmer who was no longer able to farm efficiently and wished to give up the work either partially or entirely. Frequently there was some degree of kinship between the two parties. Often a son was the tenant and his father or mother was the landlord.

In more recent years considerable interest has developed in father-son farm agreements which approximate a partnership to help the agricultural ladder to function. This type of tenure arrangement has its origin in three increasing trends: A greater capital requirement in farming,[1] a longer period of life expectancy, and better opportunities for employment off the farm.

According to the 1945 Census of Agriculture, the average capital investment in land and buildings in Virginia on farms of 30 acres or more was $6,554. For farms of 100 to 179 acres, the average investment was $5,827. If size was increased to 180 to 259 acres, the average investment increased to $9,179. To operate an average farm in Virginia, an additional $1,000 to $2,000 is needed for equipment and work stock, $1,500 to $2,000 is needed in livestock, and $500 to $1,000 in other forms of working capital. Apparently $2,000 to $4,000 must be accumulated by a farm laborer now before he can successfully become a tenant and, assuming a safe margin as down payment on a farm, he needs $7,000 to $10,000 before advancing to ownership, unless he inherits a farm or its equivalent.

Gradual prolongation of life expectancy as a result of advancements in medical and other sciences is giving us a larger proportion of our farmers approaching retirement age. Then the war prevented many older farmers from letting go. In 1910, 11 percent of the farm operators in Virginia were 65 years of age and older. This proportion had increased to 19 percent by 1945.

Recent trends in decentralization of industrial activity and increased professional services have offered farm youth more opportunities for employment off the farms. Farm youth who are not interested in farming as an occupation have found it easy to get started in other vocations.

Two problems are evident. First, there is the young man who is striving to accumulate capital to begin farming on his own. Second, there are the established farmers who wish to assist their children and at the same time safeguard their resources and income during their declining years. It would seem that the two problems could be solved on many farms through forming a father-son agreement. The increased interest in such agreements in the last few years indicates they have a definite place in the tenure arrangement on farms in this country.

In July 1948, the Virginia Agricultural Experiment Station and the Bureau of Agricultural Economics began a study of father-son farm agreements in Augusta County of Virginia. The study had two major purposes: (1) to learn the extent to which father-son agreements are being used to aid in the effective functioning of the agricultural ladder and (2) to evaluate conditions under which father-son agreements are adaptable to a typical farming community. Data were obtained from a random sample of 143 farms of 50 acres or more and from a selected sample of 55 farms on which

[1] North Central Regional Land Tenure Committee. CAPITAL NEEDED TO FARM IN THE MIDWEST. (North Central Regional Publication No. 5.) Minn. Agr. Expt. Sta. Bul. 389. 1946. p. 8.

a son was known to be working with his father. This article is a progress report on the study.

Locality Studied

Augusta County lies near the head of the famous Shenandoah Valley of Virginia. Approximately half of its land area comprises the rolling calcareous soil belt of the main valley which is flanked on the east and west by the Blue Ridge and Allegheny Mountains respectively. The valley is an area of rich agricultural resources. Its fertile soils, equable climate, level topography, and its economic location form the basis of the county's well-balanced and relatively prosperous agricultural economy. Practically all the mountains are covered with forest, but in the valley or foothills the forests are confined mainly to crests of low ridges, steep slopes, and along some streams. Most of the mountains are included in the George Washington National Forest.

The agriculture of the county is diversified. Dairying, poultry, livestock, and fruit furnish the major part of cash farm income. The principal crops are corn, wheat, barley, and hay. Apples and peaches flourish in some localities.

The 1945 Census of Agriculture showed the approximate land area of Augusta County to be 639 thousand acres, of which 59 percent was in farms. The total number of farms of all sizes was 3,803; approximately half of these had less than 50 acres each. Tenancy in the county was considerably less than in some other parts of the State. Full owners accounted for the largest tenure group, comprising 80 percent of all farm operators and occupying 81 percent of all the land in farms. Tenants accounted for only 11 percent of the farmers, the other 9 percent being part-owners and farm managers.

Industrially, Augusta County is important, too. There is a balance between agricultural and manufacturing enterprises. Staunton and Waynesboro are centers of manufacturing industries, and several smaller towns have manufacturing plants. The 1940 Census of Manufactures reported 69 manufacturing establishments employing 5,183 wage earners at an annual wage of over 4.8 million dollars in the county. The value of products manufactured in 1939 exceeded 27 million dollars. With the development of industrial plants in the county, part-time farming has increased and probably accounts at least partly for the large proportion of farms that have less than 50 acres. In 1945, a total of 1,594, or 42 percent of all the farm operators, reported that they worked off their farms a part of their time in 1944; they averaged 219 days work at outside employment.

Farms Without Father-Son Agreements

Conditions on each and every farm in any area are not favorable to the formation of father-son agreements. In Augusta County, data were obtained from 62 farms where there were no agreements. These farms provide some data on family and farm conditions that are not conducive to agreements. For convenience of analysis the farms may be divided into two groups; one of 37 farms with either no sons or sons too young and another of 25 farms from which the sons have gone to other employment.

No sons or sons too young.—Bachelors were operating five farms and on seven others the farmers were married but there were no children in the families. On these farms the only possibility of an agreement lies with a young relative or with some boy of no kinship. Although no case of an agreement with one not a relative was found in this study, the writers found several farmers each of whom has expressed a wish to take a young man into the business when an interested and capable one can be found.

On the remaining 25 farms of the 37-farm group, the farmers' families had children too young to be considered in regard to agreements. Some of these children may enter agreements with their parents later when they have finished school. Several of the farmers expressed an interest in making an agreement with a son when the boy becomes of age. These 25 farmers averaged 45 years of age; eight were less than 40 years old.

Sons in other employment.—In this group of 25 farms, the families had 60 sons in all, 56 of whom were 21 years old or older and had left their homes for other work. This group represents farms whose sons could be available, but conditions were not suitable for the formation of agreements. These farmers averaged 60 years of age, with nine who were 65 years old or older. The approximate average age of the fathers at the time the youngest sons left the farms was 53 years. Only two had made attempts to keep a son on the home farm; neither succeeded because the sons were more interested in other kinds of work. Two other farmers are now working out agreements under which a son will return from outside employment to the home farm in 1949. These farmers are 65 and 67 years old. Their ages at the time the sons left the farms were 51 and 50 years, respectively.

On seven of the farms there were nine sons in all, who, according to the fathers, had a definite interest in farming. Three are now farming on their own farms; all of these had aid from their parents in getting established. A fourth is a part-time farmer. The other five are not farming at present but two are the ones who expect to begin farming under father-son agreements in 1949. Another of these five lost his father recently; he wants to buy the home place but thus far has not reached an agreement with the other heirs. The remaining two were sons of a tenant farmer; when they left the farm, their father was renting a small farm that was unsuitable for the employment of two additional workers.

Analysis of the data from the 25 farms shows some reasons for not making such agreements and conditions that are not conducive. Most important, perhaps, is that many farm youth are not interested in farming and should not be encouraged to enter father-son agreements, as that would delay their training in work they prefer. Success in farming depends considerably on a liking for one's work just as is true in other occupations. Agreements entered under such circumstances are likely to be unsuccessful; neither son, father, nor farm resources are likely to benefit very much from it. That such agreements would likely fail was indicated many times by farmers both with and without sons operating with them. Several farmers—some with sons working with them and some not—told the enumerators they thought parents should not encourage their children to enter work for which they have no liking; to do so would be a great injustice to the sons, and they doubted any benefit either to father or to farm in an arrangement under such circumstances. Furthermore, on several farms where a son recently began working with his father, the son was on a wage basis until it was certain that he wanted to farm. In other words, the agreement was such that it could be easily discontinued, if it was found that the son would prefer other employment.

Factories located in the county had attracted a larger proportion of the 60 sons who had left the farms than any other single element; 25 of these young men are now working in the factories. Service institutions and professional work accounted for another 22 of the young men.

It cannot be assumed that all of the sons who left for other employment had a dislike for farm work. When the fathers were asked their opinions as to why the sons chose other work, they usually answered that the boy disliked farm work; or he wanted to be a doctor, lawyer, or some professional or skilled worker; or there were better opportunities elsewhere. As this phrase, "better opportunities elsewhere," indicates that conditions on the home farms influenced some sons in their decisions, the records on these farms were examined for characteristics which might have influenced the decisions. Size and degree of productivity were considered first because they were notable exceptions to the usual answers given by the fathers. That is, several fathers said their farms were too small to provide enough income for both the father and son, and several mentioned that their farms were of such low productivity that industrial employment offered a better opportunity. The data verified the premise that size and productivity of the home farm influenced some sons who left home (table 1). Sixteen of the farms, or 73 percent, have crop yields of less than the average for the county, and slightly more than a third had less than 100 acres of total land. Compared with the farms that had father-son agreements, these farms distinctly did not offer much opportunity to the youth who grew up on them. The sons preferred nonfarm employment but they might have chosen to remain in agricultural work if they had had a chance to start on larger farms of at least average productivity.

Most of the sons reared on the farms in the two groups of low productivity were working in the industries of the county or as skilled and unskilled laborers in various trades at the local centers. More than one-half of the sons who grew up on the large farms that had above-average productivity were professional men.

Several minor factors influenced some sons to go into nonfarm employment, such as (1) the son's health or some physical handicap, (2) the father's disposition, (3) the dislike of the son's wife for farming or for living on a farm, and (4) an agreement between the father and one son that left no opportunity for the other sons.

TABLE 1.—*Size and productivity of 22 farms* [1]

Size and productivity of farms	Farms	Average per farm		Crop index	Animal units per farm	Average	
		Acreage	Crops produced			Age of father	Sons per family
Without father-son agreement:							
Less than 100 acres—	*Number*	*Acres*	*Acres*		*Number*	*Years*	*Number*
Low productivity	3	77	22	96	6.94	70	3.7
High productivity	5	69	44	135	12.31	62	1.6
100 acres or more—							
Low productivity	8	146	40	96	11.15	62	2.5
High productivity	6	180	64	119	15.04	58	2.7
With father-son agreement	[2] 22	248	87	130	31.06	61	2.4

[1] Three of the farmers who were tenants when the sons left for nonfarm employment are omitted because they are not now on the same farms they occupied when their sons left.

[2] Farms in the random sample only. Had the farms in the selected sample been included, the difference would have been larger.

Possibility of father-son farm agreements.—Apparently the extent of father-son agreements in a particular area depends upon the age of the farmers, the interest of the sons in farming, the conditions of agriculture in the area, and several minor factors. An estimate from the random sample indicates that one out of every 10 farms (50 acres or more in size) in Augusta County has a son operating under some type of agreement with his parents. This proportion must of course be interpreted in terms of the broad definition of a father-son agreement set up for the study. A more rigid definition, confining agreements to those in which the son actually participates under a profit-sharing arrangement in the major enterprise or the total farm business, would mean the inclusion of decidedly fewer agreements in this county.

Many farmers are not familiar with arrangements like or similar to the father-son agreements. This often means that a son leaves the home farm when he would have remained if a real opportunity had been provided. As more and more farmers and their sons see agreements working successfully on neighboring farms, and as experience accumulates in the formation and carrying out of such agreements, their importance in our farm land tenure will probably increase. The extent of the increase will depend principally upon future conditions of capital requirements and farm income.

Undoubtedly more widespread adoption of these family arrangements would be beneficial both to the families and the land resources. It would mean a degree of stability of farm tenure, especially if the son continued to operate the farm after the death of the father. On the other hand, a degree of fluidity has always been a desirable feature of farm tenure in this country. Such fluidity allows for an individual's movement from one farm to another, or from the farm to nonfarm employment, in accordance with his wishes and capabilities. Father-son agreements should not and probably will not be adopted to an extent that would be detrimental to the mobility necessary in the individual farmer's efforts to adjust himself to land resources and to advance in proportion to his ability.

Farms With Father-Son Agreements

Father-son agreements were in operation on 77 of the farms on which records were obtained—22 in the random sample and 55 in the selected sample. These farms averaged 278 acres, on which an average of 98 acres of crops and 40 animal units of livestock were produced. The average yield of the crops on these farms was 33 percent higher than the average for the county. The fathers averaged 61 years of age; 30 were more than 64 years old. In all, 86 sons and 4 sons-in-law were operating with their parents or parents-in-law on the 77 farms, under some type of agreement. An additional 82 sons had left these farms for other employment.

Some significant variations from these averages were found. Four farms had less than 100 acres each. Agreements on three of these farms were apparently due to special considerations: on two the fathers' health no longer allowed them to operate their farms, and on the third the agreement was entered to allow the son to obtain "On-the-Job-Training" under the Veterans' Program. Four small farms overcame the handicap of limited acreage by renting additional land. Three farms owning between 100 and 150 acres each, rented additional land which appeared to be necessary to the agreement.

Two farms had yields that were below the average for the county. The low yields on one farm came from the freezing out of the small grain. On the other farm they were due to the low productivity of the land. The owner of this farm was 81 years old; he had managed the farm without assistance until 1946, but the productivity had declined greatly during his late years, according to the son-in-law who now operates with him. The farm was reported to have been in a high state of productivity at one time.

Fathers on nine of the farms were under 50 years of age. Four had full-time jobs off the farm, two were unable to do heavy work, and on one farm the son was working with his father under the "On-the-Job-Training" program.

Formation of the agreements.—What brought the fathers and sons together under these agreements? That was a question to be answered. Analysis of key information obtained, plus the judgment of the fathers and the enumerators who took the records, provided a basis for classification of the factors. Although they are presented singly, the factors were usually interrelated. Often several merged to create a condition that was favorable to the formation of the agreement.

The interest of a son in farming and the parents' wish to encourage and help him to get started was the most important factor. This combination was given as a paramount cause of 21 of the agreements (table 2). But it cannot be separated from all of the other factors and it should be understood that the interest of the son in farming goes hand in hand with all of them.

This group of 21 farms includes a diversity of agreements. Some are just beginning; others have been running for considerable time. A few of the sons have just reached 21 years of age; others are in their thirties. A few receive wages only; others are substantial partners in the business. As a whole, the young men have accumulated enough capital to own some equity in the business. That is the important point and the degree of capital accumulation is closely related to the years the agreement has been in operation. Five of the older among them owned an interest in the land besides a share of the livestock and equipment.

Closely related is a second group of nine farms where the sons are working with their parents more or less on a trial basis, planning to enter a formal agreement later. They are working primarily for wages. They are relatively young, and have accumulated little capital. One father said, "I am trying my boy out and if, after a year or so, he shows interest and ability to take hold, I expect to take him into the business with me. Meanwhile, he can accumulate some savings toward buying a share of the livestock and equip-

TABLE 2.—*Important factors in formation of father-son agreements*

Factor	Farms	Sons	Average age		Type of payment received by sons			
			Sons	Fathers	Paid wages	Share from— Certain enterprises	Share from— Total farm business	Share from— Net profits
	Number	*Number*	*Years*	*Years*	*Number* [1]	*Number* [1]	*Number* [1]	*Number* [1]
Interest of son in farming	21	29	30	59	3	8	7	3
Testing period of son	9	9	21	51	6	2	1	0
Age of father	13	14	35	74	0	2	9	2
Health or death of father	15	18	32	63	1	3	9	2
On-the-job-training	7	8	24	52	0	5	1	1
Father's nonfarm employment	5	5	23	49	1	1	3	0
Miscellaneous	7	7	25	61	4	3	0	0

[1] Number of farms using methods shown.

ment." Some of the other young men have apparently passed through this stage.

The age of the father and the health or death of the father were considered the key factors on 13 and 15 of these farms respectively. These factors are more closely related to the circumstances of the parents but that does not mean that the sons had less opportunity. All conscientious parents want to encourage their sons. If to this wish is added the need of the parents for the aid of the son, the son's opportunity becomes greater, not less. The sons in these agreements were in their late twenties or thirties. Only four were under 26 years and three of these were young sons who had taken over because of the recent illness or poor health of the fathers. In most of these agreements, the sons owned a substantial share of the livestock and equipment, although frequently they were paying off notes they gave when they bought their interest. Many, especially the older ones, own their shares free of debt; and on 12 of the 28 farms the sons had acquired an interest in the real property. In all cases the accumulation of capital had been enough to establish the son in farming, and in some cases it apparently had proceeded to such an extent that the son would take over the home farm completely either at the retirement or at the death of his parents.

After World War II many boys returned to their home farms. Under the Veterans' Program these sons could get "On-the-Job Training" by entering an agreement with their fathers. This was considered to be the key factor in the formation of eight agreements on seven farms. The sons were comparatively young and had accumulated very little capital, so they possessed relatively small equities in the businesses. The primary emphasis in these agreements was apprenticeship. Some of these sons plan to enter permanent agreements with their parents at the termination of the temporary GI agreements. For these sons the "On-the-Job Training" serves as a period of testing, training, and accumulating some capital toward purchase of an interest in the livestock and equipment.

Method of sharing income.—In many respects, the method of sharing the income is the focal point in father-son agreements. The varying circumstances of the families when agreements are started, the diversity of the sons' responsibilities and equities at the formation of agreements, and the progress made by sons in assuming responsibility and accumulating assets in the business, are expressed through the method of sharing the income. It is obvious, therefore, that there will be a variety of arrangements in any given area. This diversity may be readily grouped under (1) wage agreements, (2) sharing income from a designated enterprise or enterprises, (3) joint operators sharing the total farm income according to an agreed division, and (4) partnerships, usually of a limited nature. A fifth arrangement was identified as cash or share renting by the son from the father as landlord but as only one of the agreements studied was of this type, it is omitted from the analysis in this section.

On 15 of the farms studied, 18 sons were operating with their parents under wage agreements. This type of arrangement is often the beginning stage of a business relationship between the father and son. While it is running the son learns whether or not he wants to make farming his life work, and the father can teach the boy many fundamentals of managing different enterprises on the farm. Therefore, wage agreements are often temporary; they may be terminated on short notice without undue hardship to either party. These sons were comparatively young; 12 of the 18 were under 25 years. Most of them had accumulated little if any capital and had little if any equity in the farm business. During this trial period, the son may accumulate savings toward a later purchase of an interest in one or more of the enterprises.

But it would be erroneous to assume that all wage agreements are temporary and made for a trial period. Several of those studied appeared to be entirely on an employee-employer basis without apparent consideration of a change of status after a few years. On the other hand, the plan on several farms was for the son to stay on a wage basis until the father retires or dies; on one of these farms, the father paid the son a bonus each year in addition to the agreed wages, but the amount of the bonus was not fixed in the agreement and apparently varied from year to year according to variation in the farm income.

On 24 farms 27 sons operated with their fathers under an agreement which gave them either all of the income from one or more enterprises or an agreed share of the income from one or more

TABLE 3.—*Method of sharing income under father-son agreement*

Method	Farms	Sons	Average age		Time son worked under agreement	Percentage of sons owning a share of property	
			Sons	Fathers		Personal	Real
	Number	*Number*	*Years*	*Years*	*Years*	*Percent*	*Percent*
Wage agreements	15	18	24	56	3	6	0
Income from enterprises	24	27	27	58	5	93	0
Joint operators	29	33	31	62	9	94	33
Partnerships	8	11	35	66	13	91	73
Cash rent	1	1					

enterprises. Like the wage agreement, this type is frequently used during a trial period during which the father tests the son and the son accumulates experience and capital. This arrangement is often used as a beginning agreement if the son has accumulated some livestock under an FFA or 4-H Club project while still in school. Twenty-five of these 27 sons had obtained an equity in one or more of the enterprises on the farms. The average age of the sons was 27 years.

They averaged older than those who were operating under wage agreements and they apparently assumed a larger share of the responsibility and management, especially in those enterprises in which they held part of the capital investment. On some farms with relatively large enterprises—like dairying, broilers, or turkeys—the sons will continue on an enterprise-sharing agreement for a long time, sometimes throughout the life of the agreement.

On 29 farms 33 sons had agreements with their parents as joint operators. Under these agreements the father and son work together in the production of the total farm business, each paying an agreed proportion of the expenses and each receiving an agreed proportion of the income. Usually the division of the expenses and income is the same as the proportion of the capital in livestock and machinery owned by the son. That is, if the son owns one-half the livestock and machinery, he will pay one-half the expenses and receive one-half the income. Thus the shares vary from farm to farm according to what the son has accumulated. On these 29 farms, 19 sons received one-half the income, 4 received one-fourth, 4 received one-third, and 1 received three-fourths of the income. On one farm the son received all the income; he was operating the farm of his deceased father for his mother, and she accepted her support instead of a share of the income. There was considerable evidence that the proportions in the sharing had changed as the years passed under this type of agreement. At the beginning of joint operatorship, the son may have capital for only one-fourth; but he gradually accumulates additional capital, is allowed to invest it in the business, and so increases his share in the income from the farm. In addition to accumulating a larger share of the personal property, 11 sons had acquired an interest in the real property. In these instances, the agreements had usually reached an advanced stage.

The sons who were working under joint-operator agreements averaged 31 years of age, 7 and 4 years older respectively than the wage and enterprise groups. The sons who had accumulated an interest in the real property averaged 37 years of age compared with 28 years for those who had only an interest in the personal property.

Sons attain joint operatorship with their fathers through various methods. Several of these had progressed from wage agreements to enterprise agreements to joint operators; others began on wage agreements and had moved directly to joint operators; a few had been joint operators from the beginning. These last included sons who had been given an interest in the personal property by their parents, sons who worked several years at nonfarm employment and returned to the home farm, and veterans who returned from service. On several farms, the son had operated with his father for several years beyond the age of 21 without receiving income, except for his support and spending money. Then, at some strategic time like the marriage of the son, it was assumed that he owned a certain share of the personal property and the two began to work on a joint-operator basis.

On 8 farms 11 sons were operating with their parents on a partnership basis. On these farms the total income was credited to a farm account from which all expenses were paid. At a stated time each year, the farm profits were calculated and were divided between father and son according to an agreed plan. In a legal sense it is doubtful that any of these agreements could be termed a true partnership. From the standpoint of agreements, it offers another alternative to fathers and sons when choosing a method of sharing the income. The division of the profits varied. Three sons received one-sixth each; four received one-fourth; one received one-third; two received one-half, and one received two-thirds. These sons have progressed in accumulating capital, 10 having acquired a large interest in the personal property and 8 having acquired an interest in all or a part of the real property. The average age of the sons in this group was 35 years—4 years older than the average among the joint-operators. Partnerships are an advanced stage of father-son agreements. The sons are usually old enough to have accumulated enough experience to assume the greater part of the management of the farm, and the fathers have reached or are approaching the age of retirement. The most distinctive feature is the shift in management principally to the son, or from the older to the younger generation.

Advancement of sons under agreement.—This grouping of the agreements into four types does not imply that the types are distinct. Nor should it be assumed that one type of agreement is better on certain farms and another type is better for other farms. Actually, the types appear to be different stages in a father-son agreement, and are closely tied to each other through the son's advance in experience and capital accumulation. Records from Augusta County were too few to warrant statistical analysis of the progress made by sons in passing from one stage to another. Then, too, the records were heavily weighted by sons who had been operating only a few years with their parents and thus had not passed to the more advanced stages. In spite of these limitations in the data, the analysis of 69 records giving the information wanted and the emphasis which fathers put on the "working of a son" rather than on "taking a son into an agreement," seem to warrant the conclusion that father-son farm agreements are a process under which the son gradually gains experience and capital.

On the 69 farms on which data are available, 41 sons were working under either a wage or an enterprise agreement (table 4, p. 86). A few of these agreements are likely to continue in their present form; there is no indication of plans to modify them later so that the son will participate in the total farm business. But the majority of them represent an apprenticeship stage through which the son is to go before he shares in the total farm business as either a joint operator or a partner. Of the remaining 38 sons on the 69 farms, 16 had at one time worked for wages but had advanced to other methods of income-sharing by the time the record was taken. Three of these had reached only the enterprise-sharing stage; another 10 were joint operators; all except one having gone directly to joint operatorship from the wage agreement. The remaining three were now under partnership agreements. Only two sons had gone through as many as three stages—one began under a wage agreement, then received a share of income from certain enterprises, and now is a joint operator. The other began on a wage agreement, shifted to a joint operator, and now has partnership agreement.

Of the 21 sons who started as joint operators or partners, without first working through an apprenticeship, 16 began under special conditions. Seven were veterans who were taken in jointly by their fathers when they returned from World War II, four had worked at other employment and then returned to the home farms, and two worked on the home farm several years beyond the age of 21 without any income except support and spending money, and then went directly into a joint-operator arrangement.

Conclusions

Father-son farm agreements occupy an important and strategic place in American land tenure. They are a means whereby a young man can gradually accumulate experience and capital for a career in farming. At the same time they provide a way for an older farmer to continue the

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TABLE 4.—*Steps of advancement under father-son agreements*

Stage of present agreement	Steps in advancement through method of sharing income with son	Sons working under agreement
		Number
Apprenticeship	Paid wages	18
	Shares income from certain enterprises	23
	Paid wages—shares income from certain enterprises	3
Joint operator	Shares income from total farm business	18
	Paid wages—shares income from total farm business	9
	Paid wages—shares income from certain enterprises—shares income from total farm business.	1
Partnership	Shares in net profits	3
	Paid wages—shares in net profits	2
	Paid wages—shares income from total farm business—shares in net profits	1

efficient operation of his farm during his declining years. Under agreements both the family capital and the family labor are effectively used in the interest of both the younger and the older generations. Furthermore, the productivity of the farm is maintained or it may even increase through improved practices.

No single type of agreement is superior, considering all conditions and all farms in a given area or locality. Each family first decides what its circumstances are and are likely to be and then drafts an agreement to meet its specific requirements. It seems best to have the arrangement looked upon as a process; that is, it need not be a permanent or rigid arrangement although it should look toward stability. At the beginning, the son can serve an apprenticeship by working for wages or, if he has accumulated some livestock in an FFA or 4–H Club project, he can start by sharing the income in that particular enterprise. After several years as an apprentice, or when he has gained some experience and accumulated some capital, the agreement can be so changed that the son can buy an interest in the total farm personal property and then receive an agreed share of the total farm income. This share may be increased as the son gains further capital and experience. Finally, when the father is ready to withdraw from active management, the son can take over the management of the farm and operate it on either a joint owner or a partnership basis. He may also start accumulating an interest in the real property.

But, of course, it is not necessary for all sons to pass through all the stages. If conditions of the family permit and the parents feel sure of the son's interest in farming, he may begin as a joint operator. In Augusta County this was done on some farms by giving the son an interest in the personal property; on other farms, by selling the son an interest, the parents taking his note for payment.

All farms in all parts of the country do not lend themselves to the formation of father-son agreements. It might not be desirable to have it so. But, in view of the recent trends in increased capital requirements in farming and a greater life expectancy of our farmers, it is probable that such agreements will become increasingly important in land tenure. To the degree that they are successful they will add stability to our tenure process.