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Social Forces and Cultural Factors Influencing Farm Transition

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Numerous studies demonstrate that farm transitions are influenced by farm family dynamics, socio-cultural values, land tenure, succession, and community factors in addition to economic conditions. While researchers and policy makers may inherently know that social forces and cultural factors are important to farm household survival and succession, it is often difficult to pinpoint what the issues are and how to address them.

In order to address the social and cultural factors impacting farm transition, it is important to recognize the demographic, social, and cultural differences among producers and examine how well current policies and programs respond to these differences. American farmers and ranchers may operate large, medium or small farms; they may be multi-generation or first-generation producers. The U.S. Census of Agriculture recognizes the demographic characteristics of producers by collecting information on: age, gender, race, ethnicity, and number of years farming. A producer's cultural and historical legacy influences broader motivations and values which can directly influence how a farm is structured and how transition decisions are made. Likewise, social issues such as the cost of health care and the cost of child care influence farm household economics that directly impact the farm business.

Social and Cultural Factors

Race, Ethnicity, and Gender

A large body of research has demonstrated that household-level motivations, cultural and social values, and socialization have a primary influence on farm structure,

management, and adaptation (Gasson and Errington, 1993; Lobley and Potter, 2004; Salamon, 1992; Bennett, 1982). Studies have found social fulfillment through farming and ranching consistently ranks as a primary motivation to continue ranching despite low profits and development pressure. All farmers must balance economic and non-economic goals, which have historically benefited agriculture and ensured the persistence of family farms and ranches.

Social and cultural factors are influenced by farmer race and ethnicity. The increasing ethnic diversity of farmers (Hispanic, Asian, Native American, and African Americans) (National Agricultural Statistics Service (NASS), 2007) and increasing focus on programs such as New Americans New Farmers, reinforce the need to understand how the role of culture influences farm structure and transition. Each ethnic group has unique historical and cultural legacies that influence their goals, motivations, values, access to land, and resources, which, in turn, influence the way each group structures their farms and envision the future.

Likewise, farm transition policies and programs need to address the differences between male and female farmers, as women now account for 14% of principal farm operators (NASS, 2007). Surveys of the wider female farm population have found women emphasize not only the environmental and economic benefits of sustainable agriculture, but are also more likely to emphasize the link between agriculture and community sustainability and well-being (Chiappe and Flora, 1998; Trauger et al., 2008). Some of these gendered values have been correlated with specific farm

structures, including the prevalence of and preference for low-input production, cooperative farm markets, direct marketing, value-adding, and craft development. These differences directly impact current and future farm structure and land management decisions.

Multi-Generation vs. First-Generation Farmers: Motivations and Values

Multi-generation farmers (MG) and first-generation farmers (FG) (farmers who do not come from a farm family; the term FG is distinct from “Beginning Farmer” which is defined by the U.S. Department of Agriculture (USDA) as an individual farming 10 years or less) are two sub-groups of farmers that embody different motivations for farming. On the surface, MG and FG farmers demonstrate similar economic motivations for achieving and maintaining a livelihood (Inwood and Sharp, 2012). However, each group embodies a distinct set of economic and non-economic values that underlay the strategies MG and FG farmers use to structure their farm operations. Differences in goals can have nuanced, but profound, effects on the socialization of future heirs to farm life and the investments made to accommodate the next generation.

Many MG farms are able to pass down wealth in the form of knowledge, equipment, land, capital, and credit. These families may also socialize heirs to replicate family tradition and carry on farm legacies (Jonovic and Messick, 1986; Salamon, 1992). This process can lead to intense specialization and overcapitalization in one specific production system which can make adaptation to new production and marketing systems difficult (Clark, Munroe, and Mansfield, 2010). However, part of the development of a farm can also result from taking advantage of a future heir’s off-farm work experience, knowledge,

and skills and can increase the chance of creating a successful farm operation that revitalizes the operation (Jonovic and Messick, 1986; Gasson and Errington 1993).

FG farmers have been found to struggle to access capital, land, credit, and information (Mailfert, 2006). Yet, Barbieri and Mahoney (2009) found that younger farmers, especially those new to farming, were more entrepreneurial and willing to tolerate risks associated with innovation because they were not restricted by previous investments in traditional farming assets. However, in addition to the high barriers to entry, FG farmers can face great obstacles if they have limited farming skills. Additionally, many new entrants start farming later in life after they acquire the monetary resources needed to purchase land and equipment. At the time of entry, older FG farmers most likely have older children. Developmentally, it can be more difficult to socialize older children into a new way of life. If socialization is a key process, the question is “will FG farmers be able to socialize their children into agriculture, and what values will they pass on?”

Implications of Farm Diversification for Farm Transition

To reduce risk and maximize income, farmers are encouraged to simultaneously grow and diversify their operations. Farms can grow through expanding the land base, intensifying production and revenue on the existing land base, or a combination of the two. In land-constrained environments, families can also expand by diversifying their enterprise by incorporating new production and marketing systems of varying size and intensity to allow more family members to earn a living from the farm and accommodate different life-stages and abilities (Inwood and Sharp, 2012). As the business becomes more complex, and the number of individuals with specific skill-sets grows,

the farm’s legal structure in combination with the strategies families have for managing internal conflicts have serious implications for the future of the enterprise. When it comes time to transition, how are different skills valued, for example is one child’s knowledge about soil fertility and animal nutrition valued the same as another child’s knowledge about marketing?

Researchers and policy makers need to better understand how production systems intersect with the farmer life-cycle and the farm business-cycle. An individual’s role and responsibility in the farm household and farm business change as they age. The way farm families organize and manage both the division of labor in the household and the farm enterprise have important implications for farm adaptation and persistence. In highly diversified operations, for example, the older generation may be the primary producer(s) while the younger generation may be more engaged with the marketing aspects of the business. This division of labor raises questions about the long term-viability of the production function of the farm enterprise. Will the younger ‘marketing’ generation eventually transition into a producer role? Or will he or she take on a manager role, employing labor to manage production and raise the crops? Future research should include long-term panel studies to understand how generational roles can shape agricultural change.

Health Care and Child Care Policies: Barriers or Opportunities for Farm Transitions?

The needs of the farm family change along the life cycle. At first glance, institutional theories of workforce development do not appear to fit with farm policy, but, in fact, health care and child care needs may limit both the ability of new farmers to enter agriculture and the ability of existing farm families to grow or even maintain viability.

Health Insurance

Health care costs have been cited as a significant problem for farmers. Studies consistently show farmers purchasing private insurance pay more than those obtaining benefits through an off-farm job (Jones et al., 2009; Mishra, El-Osta, and Ahearn, 2012). The Health Insurance Survey of Farm and Ranch Operators in the Midwest found that, while most respondents had health insurance, one in five had outstanding debt from medical bills with one in four reporting health care expenses contributed to their financial problems (Lottero et al., 2007). Insurance costs and high rates of underinsured farmers can have severe consequences for farm productivity, welfare, and transitions. Farmers tend to be cash poor and land rich, and transfer experts note that farmers are reluctant to transfer their land to a new generation for fear of giving up any assets that can be used for retirement and future medical costs (Parsons, 2013). This scenario paints a conundrum for young farmers who then have no equity upon which to build their operation.

In a study examining agricultural change in urbanizing environments, 66% of commercial farmers reported the cost of health insurance as a serious problem for their farm business (Inwood, Sharp, and Jackson-Smith, 2009). Interviews demonstrated how the cost of health insurance limits a farm's number of employees, especially in labor-intensive operations. This complicates agriculture creating a new economy with high-quality jobs that enhance employer and employee quality of life. Additionally, farm operators or their spouse often have an off-farm job for health care benefits (Ahearn, El-Osta, and Mishra, 2013), decreasing the amount of time available for farming and marketing. Resources are being re-directed towards health insurance rather than being reinvested. Ironically, in labor-intensive operations, farmers who have a

spouse working off the farm to collect benefits may have to hire additional part-time labor that does not receive any health insurance benefits.

Child Care

Farms are idealized to be wonderful places to grow up; the reality is, they are hazardous places. In 2009, approximately 16,100 youths were injured on farms, only 3,400 of these injuries were directly related to farm work (Centers for Disease Control (CDC) 2012). The availability, quality, and cost of daycare is a particularly salient issue for farm families and farm transition planning, yet has received relatively little attention. Many parents (including farm families) seek to save money on childcare by keeping young children at home as the average cost of center-based care is \$11,666 per year, with prices ranging from \$3,582 to \$18,773 a year (National Association of Child Care Resources and Referral Agencies (NAC-CRRA, 2011)). However, taking care of young children full time leaves limited time for business and household activities. This issue is exacerbated if one parent works off the farm.

These challenges are of particular concern for women, who can have multiple roles including: primary child caregiver, wage earner through off-farm employment, and farmer. According to the 2007 Census of Agriculture, there was a 30% increase in the number of women who were principal operators of a farm or ranch from 2002 (NASS, 2007). Nationally, 64% of all mothers return to work within the first year of giving birth (NACCRRA, 2011); however, without reliable, high-quality childcare options, women and farm families face significant challenges. This issue can also significantly impact FG farmers who move to a community to start farming but have no family and limited social support networks in the area. Farmers often cite the desire to live and work on

a farm with their children. However, Extension and farm-based, non-profit organizations are reporting young families (especially new women farmers) are increasingly challenged to support both household and business needs. Unaddressed, childcare poses a serious obstacle for building a young, vibrant farm population.

National, state, and local policy makers are increasingly recognizing the contribution of childcare to child development, parental labor force mobilization, and regional economic development (Warner, 2006). While the benefits, availability, and cost of childcare have gained national attention, there has been no large-scale research examining how this issue impacts farm families, or how a federal rural development initiative coupled with state and community efforts addressing affordability and accessibility (such as by increasing the quality and affordability of in-home childcare providers in low density, rural areas) could impact the farm sector.

Future Policy and Research Directions

The persistence and growth of agriculture is partially dependent on policy and community environments that can provide the social and economic infrastructure farm families need (Sureshwaran and Ritchie, 2011). A responsive policy environment must include the social and cultural factors that influence farm economics and farm structure. There is a need to develop farm transition policies and technical assistance programs that are aligned with the values and needs of different types of farmers and their households. For MG farmers, policies can be oriented toward succession and quality of life in addition to programs assisting farms in transitioning and adapting to new market opportunities. There is a need to develop programs that encourage younger FG farmers with young children to develop meaningful attachments to

the land supported by their ability to make a meaningful livelihood off their farm.

Enterprise structure and succession models need to be created that better account for farm diversification by reflecting the different roles and skills each family member contributes towards production, marketing, and household functions. Policies and programs should be more responsive to the cultural, ethnic, and gender diversity of producers as they influence farmer and rancher goals, values, motivations, and technical assistance needs. Finally, we must examine how well rural development policies coordinate with farm transition and market infrastructure policies to ensure there are vibrant communities to which farm heirs want to return and to which new farmers want to move. Health care and childcare are key parts of this discussion.

To build a more vibrant and resilient farm economy that enhances the quality of life of farm and ranch families, it is necessary to expand our approach to farm transition at the federal, state, and community levels to include the social forces and cultural factors that impact producers.

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