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# SMALL SCALE FARMERS — THE PEOPLE LEFT BEHIND?

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## INTRODUCTION

Over the past few years there has been a heightened interest in small scale agriculture. Increasing food costs, concern for the quality of food, a concept of self-sufficiency, and a re-awakening of interest in the positive attributes of rural life are among the reasons for this new attitude. At the national level, the problems of small farms has been explicitly recognized in the 1977 Farm Bill. The following amendments to the Rural Development Act of 1972 were enacted (U.S. Congress, 1977):

“(c) SMALL FARM RESEARCH PROGRAMS — Small farm research programs shall consist of programs of research to develop new approaches for initiating and upgrading small farmer operations through management techniques, agricultural production techniques, farm machinery technology, new products, new marketing techniques, and small farm finance.”

“(d) SMALL FARM EXTENSION PROGRAMS — Small farm extension programs shall consist of extension programs to improve operations of small farmers using, to the maximum extent practicable, paraprofessional personnel to work with small farmers on an intensive basis to initiate and improve management techniques, agricultural production techniques, farm machinery technology, marketing techniques, and small farm finance, and to increase utilization by small farmers of existing services offered by the United States Department of Agriculture and other public and private agencies and organizations.”

The legislation further defined a small farmer as meaning any farmer with gross sales from farming of \$20,000 or less per year. While such a definition is highly ambiguous, it does provide a means for assessing the size of the clientele group involved. For example, the 1974 Census of Agriculture for Massachusetts reported a total of 4,497 farms with mean sales of agricultural products of about \$40,000. The number of farms with less than \$20,000 in annual sales was 2,848 or 63.3 percent of the total. A corresponding high percentage of the total farms in both Connecticut and Rhode Island fall into this category. At the same time, this group of small Massachusetts farms produced only 9.6 percent of gross farm receipts and an even smaller proportionate share in Connecticut and Rhode Island. This percentage probably slightly understates the gross value of production from these farms due to the value of home consumption and cash transactions not reported for income tax purposes.

A large proportion of small scale agriculturalists obtain incomes from other activities. Nearly one-half of those farm

operators enumerated in the Massachusetts Census of Agriculture for 1974 indicated their principal occupation as “other than farming.” In addition to those identified as farmers, there are a significant, although undetermined, number of individuals who raise food for home consumption, roadside stands, and farmers’ markets.

Regardless of the lesser importance of this group in aggregate farm production, the fact remains that it is a large group in terms of numbers and, therefore, in potential support for agricultural research and extension work. It is also a fact that this group needs extension assistance as much as do large farmers.

## PROBLEMS AND INADEQUACIES IN EXTENSION FOR SMALL FARMS

The traditional activities of the Agricultural Experiment Stations and Extension Services have been directed to the problems of commercial agriculture. Some research results and Extension information is applicable to the small scale farm situation as well as to the commercial operations. Information on fertilization, varieties, use of pesticides and herbicides, and other cultural practices may be applicable regardless of scale of operation. Similarly, in livestock, dairy, sheep or poultry production information on feeding, nutrition, diseases, and the like applies to small scale as well as commercial sized operations.

The areas of research and extension that appear to be least applicable are those relating to the economics of production and marketing. Most economic analyses of production have been directed to commercial scales in both crop and livestock agriculture. Studies of marketing deal with established marketing channels involving the complex institutions and technology of modern marketing systems.

The reasons for the lack of economic information for the small scale producer are worthy of some elaboration:

1. The trends toward larger units in agriculture have been dictated by competition expressed through the concept of economies of size. At the same time, continued inflation and the rising cost of living have required that net incomes (returns to operator’s labor and investment) also increase. Thus, not only have there been competitive forces creating the pressures for increased efficiency but the operator must seek greater net returns to maintain his standard of living.
2. Along with the trends toward largeness has come decreasing availability and higher cost of farm labor. In order to increase size and remain competitive, the commercial farmer must obtain more labor or, if labor is not available at reasonable cost, increase the level of mechanization. In fact, farmers have over recent decades substituted capital in the form of machinery for labor. Many farmers maintain that they were forced to mechanize because of the unavailability and/or the high cost of farm labor.

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3. The commercial farm accounts for the major portion of food. In Massachusetts in 1974 the 62.2 percent of total farms with over \$2,500 annual sales accounted for 98 percent of agricultural product sales.
4. As research and extension work has adjusted to meet the needs of commercial agriculture, the information gap in economics has widened between the small scale food producer and the commercial farmer. The commercial farmer relies heavily on purchased inputs including hired labor. In contrast, the small scale producer may purchase few of his inputs, have a very low capital investment and furnish his own or family labor at no cash outlay. Conventional calculations of production costs applicable to commercial farms are not applicable to many small scale operations.
5. The perceived motivations of small scale food producers and commercial farmers are different. The commercial farmer is primarily motivated by his needs to generate an income to provide a satisfactory level of living and reasonable return on his investment from his farm business. Some small scale food producers appear to have motivations that are not primarily profit oriented. As stated previously, many such producers have non-farm incomes to support their living costs. Also, some small scale producers put priorities on life styles and rural living conditions that have higher weights than purely economic criteria. When profit is not an objective, and costs of production are not a primary concern, a major focus of economic analysis no longer applies.

Research and extension workers in several states have begun to recognize these problems and an increasing volume of work is being done. Among the many examples are extension bulletins from Pennsylvania and Maine (Brockett; French; Metzger and Flanders). A recent research bulletin from Tennessee presented an analysis of adjustment possibilities for small scale beef farms (Keller and Justus).

#### THE NEW ENGLAND PERSPECTIVE ON SERVING SMALL SCALE FARMS

In recent years there has been an increased interest by urban dwellers in opportunities to move to rural areas and operate small farms. Those returning to rural areas (or considering such a move) have turned to extension in many cases for assistance in farm management and marketing. However, at the same time there is a lack of coordinated and effective research and extension effort in the areas of farm management, production economics, and marketing for small farms in New England. Therefore, extension is unable to answer satisfactorily some of the questions raised by the so-called "rural returnees."

The basic reason for this inability to respond satisfactorily has been the insufficient level of research in the areas of production economics and marketing in many of the northeastern states. This has resulted in the decline and in some cases virtual absence of available extendable information for producers and marketers. Reduction in research and extension personnel over the last ten years due to budget constraints and expanding needs in other areas have contributed much to this lack of research information. Each Land-Grant University in the Northeast has attempted to maintain a skeleton staff of farm management and marketing personnel to serve both small and large farm operators in their states. Those research and extension personnel with expertise in farm management and marketing that remain in the New England states are widely scattered among the universities. This results

in most of their effort being spent in resolving or answering immediate questions with little opportunity to do research on new ideas and extend the results. Also, isolation on scattered campuses has contributed to a lack of contact with other professional personnel in the same field of economics with a result that the interchange of ideas and professional stimulation is often lacking.

However, the agriculture of the several northeastern states and especially those in New England are very similar in a number of components; for example, major farm products in all states are dairy, eggs, and fruits and vegetables. Also, market opportunities are very similar throughout the New England states in that large, nearby population centers provide ready market outlets and in some cases opportunities for direct farm-consumer marketing.

#### A PILOT PROJECT FOR SMALL FARMS

##### Origin

These problems and opportunities along with the relatively small geographic areas covered by the states of Massachusetts, Connecticut and Rhode Island suggest the possibility that a joint extension program for Southern New England could more effectively develop needed extension programs in farm management and marketing to serve the small farms which predominate in these states.

In 1977 discussions began between individuals at the University of Massachusetts and the Extension Service, USDA, which were focused on the desirability of a joint program encompassing the three state region. A proposal was drafted and submitted to ES-USDA that would establish a small farms extension program. In late 1977 this proposal was funded as a "pilot project" with the following objectives:

1. To establish and demonstrate the feasibility of a multi-state approach to development of a program for farm management and marketing to serve the small farmers in the states of Massachusetts, Connecticut, and Rhode Island.
2. To design, develop and test new production and marketing systems which will enable present and prospective operators of small farms to achieve their economic goals.
3. To improve the efficiency and effectiveness of research and extension efforts in the areas of farm management and marketing in the three states.

The Cooperative Extension Service, University of Massachusetts agreed to act as the lead agency in coordinating the project with Connecticut and Rhode Island. The project is conducted under the auspices of an advisory committee consisting of Directors or Associate Directors of Extension and the Agricultural Experiment Stations and Agricultural Program Leaders from the three states. A representative from both Extension Service-USDA and the Economic Research Service-USDA are included on the committee.

Funding under the project provides for the employment of two extension field staff and their support. Immediate supervision is the responsibility of the extension farm management specialists of the three states.

##### Functioning

Prior to initiation of the project, meetings were held in the eastern and western parts of the three state area with an advisory group primarily composed of county staff. These meetings had two primary objectives. First, an attempt was made to define the clientele group and to identify priority problem areas. Secondly,



an attempt was made, in general terms, to describe the characteristics and duties of staff who would be hired under the project.

The positions were advertised and individuals interviewed. Two individuals were hired who brought with them both technical training and experience. (However, neither had much in the way of formal training in agricultural economics.) Each individual was assigned roughly equal geographic areas and were stationed as nearly as possible in the center of these areas.

### Priorities

The meetings with the two regional advisory groups resulted in a very similar set of priorities. The five identified as being of highest priority by both groups were:

1. To assemble and distribute a directory of information including technical resources, appropriate agencies, sources of information, etc.
2. To provide information and training in the use of farm records and tax management.
3. To provide information on characteristics of alternative markets.
4. To prepare and provide information on costs and returns for different agricultural enterprises.
5. To prepare and provide information useful to people interested in starting a small farm.

At the same time, the advisory groups were asked to suggest educational activities that would be most appropriate given the constraints of time and funding. Both groups agreed that individual service should be kept to a minimum and that emphasis should be placed on activities that would reach larger numbers of people. Early emphasis should be given to making contacts with agency people (including extension staff) and to organized groups. Through this method entree can be gained to participation in ongoing programs and activities. In addition, there was consensus that the small farms field staff should concentrate on two or three problem areas and organize workshops, demonstrations, or field trips centering on those topics.

### PROBLEMS AND OPPORTUNITIES

There appear to be several problems in working with the small and part-time farmer. One is the difficulty of developing a clientele. Many of these people have had no prior experience with extension and others may have been turned off by bad experiences in the past. New releases to papers and the use of existing mailing lists in the county offices are being used to develop a mailing list of small and part-time farms, thus stimulating them to contact extension when they need assistance.

When the mailing lists are developed, mailings will be made directly with notices of meetings and workshops. Because of the short time span involved for the project, most of the information provided will be in the form of publications, meetings and workshops so that larger numbers can be served at one time rather than on an individual basis.

Another problem is that of appropriate reference publications. Most of those available have been written for commercial farming operations and will need to be adapted for small operations. Actually many of the bulletins written during the nineteen twenties and thirties are more appropriate because of their "how-to approach" but they must be updated to reflect current technology. In addition, the North Central Region, of which the Missouri Extension Service has been a leader with its Small Farm Project, has prepared materials that may be a guide to preparing materials useful to the New England Region.

At present, three separate workshops are planned for this year. Market alternatives, budgeting, and records and taxes. These will be presented in several locations in the three states and will draw on outside speakers for the presentations. In addition, two weekend-long meetings are being planned that will combine demonstrations on the practical applications of farming along with the economic decision-making that goes along with the demonstrations. For example, a two-hour demonstration is planned on farm power, horses, oxen and various sized mechanical power units and then a one-hour session on the economics of procurement, care, use, depreciation and problems of the alternative methods. Experience seems to prove that straight economic discussion is an inappropriate educational method but that it can be effective when placed in the context of practicable application. Two or more demonstrations will be run simultaneously so that people who are not interested in one area can get information in another.

The pilot project should develop methods of contacting what has to this time been an unidentified clientele. Many of these small and part-time farmers are not farming to make money but rather for health or aesthetic reasons so that the traditional extension thrust of increasing profit may not be of primary importance although production at least cost may still be important as well as minimizing the frustrations of mistakes made through lack of knowledge. The type and level of information is also important.

Preliminary contacts with this group of part-time and small farm families indicate a thirst for knowledge and must be offered extension recognition and assistance. This group is sizable in number and are taxpayers whose funds contribute to the financial support of The Cooperative Extension Program. Therefore, they have a right to the Extension Service benefits and, in turn, can benefit the Extension Service through their continued support.

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