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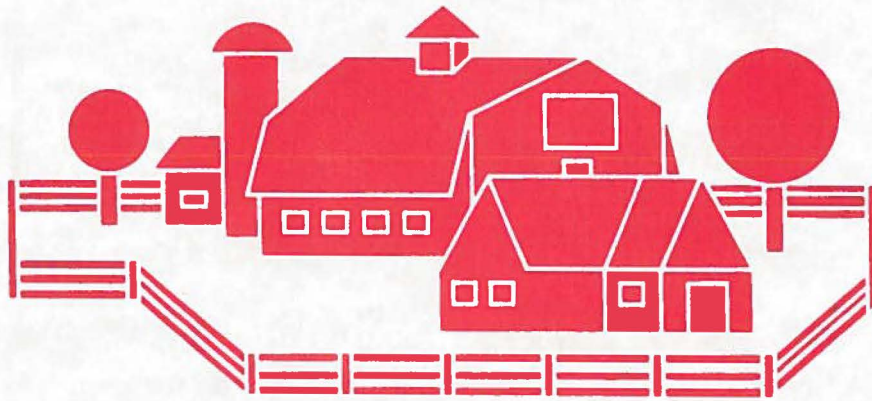
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FARM MANAGEMENT: CHALLENGES AND RESPONSIBILITIES FOR A NEW AGE



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SMALL FARMS: EXTENSION'S EDUCATIONAL RESPONSIBILITIES

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With any assigned responsibility should come a freedom to decide, to act, to change, to control one's destiny. In the case of appropriate educational programming to serve the proportionally increasing number of small farm clientele, Extension has some challenges. We must face the challenges in ways that fulfill the Extension mission and also control our Extension Service destiny.

This paper comments on some of these challenges as well as the demographic, historical, political, social and economic characteristics surrounding them. The institutional realities of limited staff resources, unlimited potential mission and the often unclear perceptions of both private citizens and public officials concerning Extension are recognized.

Mission: Accepted Responsibilities

An Extension mission statement is an expression of felt responsibility. The quotes below are pertinent to the topic at hand. They come from the current statement of the Minnesota Agricultural Extension Service.

"The mission ... is to provide education and information to the people of the state that will improve their economic well-being and quality of life. These ... extend the research and knowledge base of the University ..., the Land-Grant University System, and USDA to all people in the state regardless of their geographic location, age, sex, race creed, national origin, social or economic circumstance or handicap."

"As a Land-Grant University, the University ... has a lasting obligation to serve society by extending its teaching and research beyond the campus, applying its knowledge to the solution of problems -- problems of people, of public bodies, and of industry and agriculture -- wherever its help is needed and can be useful."

"The ... mission is achieved when ... people gain a better understanding of problems they face in their families, jobs, farms, businesses, and communities, and when they apply knowledge and new technology that help them solve those problems."

"... principles..."

Extension education provides life long learning to improve quality of life and to develop peoples' capabilities."

Few Extension educators would criticize these broad and general statements of Extension's mission. Disagreement could arise, however, concerning audience focus in carrying out the mission. For instance, last February the Governors of Minnesota and Wisconsin agreed that research and other activities should pay increased attention to "the transfer of University developed technologies to medium and smaller sized agribusiness companies and farms..." Disagreement could arise over how and how much resources should be reallocated in order to respond to this recommendation.

If we as Extension workers are to maintain control of our destiny, we must both be responsive to felt needs and their accompanying political pressures. We need to also maintain a programming style which looks beyond the currently fashionable mood swings of the political-social environment. This paper is an attempt to provide such a perspective. To do so, it must deal with a number of related topics concerning small farms.

Productivity And Equity Of Access, A Key Issue

There is a key, if not the key, issue which needs to be faced clearly and objectively. It is the issue of the appropriateness of investments in education for purposes of (a) increasing economic productivity versus (b) investments to provide a greater equity of access to the means of production including knowledge itself. Extension is not, nor should it try to be, a welfare agency. But at the same time, the Land Grant philosophy recognizes educational responsibilities to the people otherwise left behind in the process of social and economic change.

The political and social mood of the country has changed substantially since the mid-sixties and much of the seventies. The political mood is more conservative in nature. No longer is it popular to raise the issues of equity on either the national or on state political agenda.

There are reasons for this mood change, (a) the developing evidence that money thrown at social problems does not always work. Besides, (b) the general lag in productivity of our industrial sectors as compared to those of our international competitors is a reason for a call for increased focus on productivity. Conservatives came to power primarily due to the peoples' concern over one or the other of these two issues. Liberals have not found the proper balance for economic and social stability between these concerns and the humanistic concerns related to equality of opportunity and access to the "resources of a great society."

Extension today must recognize where we are in history with respect to these issues. It must further recognize that wherever we are, the situation will change tomorrow. Economic and political stability requires a balance between the two if we are to maintain a democratic society with opportunities and freedoms along with responsibilities to the individual.

Economic programming directed to operators of small farms presumes that there is value in the equity side of the equation. We commonly hear reference to an increasingly bimodal distribution of size in the nation's farms. Interpretation depends on the definition of small farms. In 1980 ten percent of the

U.S. farms sold 70 percent of the agricultural products, one-half of the farms sold only 2 percent. That half does not make a great impact to the productivity of the sector. But that half does vote. They live in the community. As workers, producers and citizens they may be more productive than other groups. If they are forced to move from the rural community they could further intensify urban problems before their integration into metropolitan areas. In the 1950's, an earlier generation migrated and problems occurred.

Categories Of Small Farms

Before proceeding further, one needs to define the target groups of small farms to which the programming issues of this paper are addressed. Census data and analysis is probably our best source, even with its imperfections. In 1980, the definition was that large farms sold over \$100,000 in agricultural products; mid-sized farms sold \$20,000 to \$100,000; while small farms sold from \$1,000 to \$20,000 in products.

According to the Agricultural Chart Handbook (8), the small farm group constituted 60 percent of all farms. If one added the mid-sized group to them, one would have two-thirds of all farms.

As the handbook points out, the net farm income derived from the small farm venture is generally not adequate to support a family. This is further substantiated with 1982 ag census data suggesting that 35 percent of the farmer operators in the midwest spend over 50 percent of their time working at nonfarm vocations. Extension experience in farm financial planning substantiates these aggregate data. With rare exceptions, farm families require \$15,000 to \$25,000 in family living. Even then, there are serious questions as to the level of living possible in a farm setting for many as compared to that obtainable from off-farm sources for people of similar skills and abilities. Farm crisis work in farm financial planning also suggests that it is most difficult year in and year out for midwest farm families to obtain that level of family living, service reasonable debt loads and maintain long run profitability on less than \$100,000 in sales. It is no wonder that in many circumstances, one or the other of the spouses works off the farm in a full or part time capacity.

Target Groups Of Small Farms

It is interesting to note the available literature on topics related to small farms through the 1970's and into the 1980's (3, 4, 5, 6, 9). In the 1970's USDA established a joint council on food and agricultural sciences. A report entitled "Research, Extension and Higher Education for Small Farms"(2) written in the late 1970's called for more work with at least part of the small farm group. They proposed targeting those farm families whose net income were below the median non-metropolitan income for their state. They proposed targeting those where the family is primarily dependent on farming for a significant, though not necessarily the major, part of their income and where family members provided most of the labor and management. They pointed out that there was a difference between what the Land Grant System said their mission was (equity of opportunity) and where they spent their money; perhaps

by inference, the squeaky wheel gets the grease. They suggested research gaps existed concerning the nature of these small farm operations, their efficiency level, their relationship and access to the community structure and programs, and the quality of life derived from their efforts. They also wondered about what technology was appropriate for use on these farms as well as what was appropriate policy to provide them with access as well as to encourage the efficient use of resources in such enterprises.

They proposed that all farmers should have access to the agricultural science and education system. They said that simple humanity requires targeting those whose needs are greatest, and that human dignity requires concern "for people left behind". They noted that opportunities for creative life styles exist in small scale farming. They also were concerned with respect to the use of the nation's resources by such farm units. Work with them would not likely affect the food supply nor affect the proportion of food and fiber produced by the nation's larger commercial farms. They suggested funding increases to support such programs.

All through the 1970's there were calls for similar funding increases. A pilot project using paraprofessionals in Missouri pointed out the positive impacts of adding such funds (3). Limited Minnesota experience supports these findings. But when legislatures and the Congress weighed the political and the economic tradeoffs, discretionary funds at the margin tended to continue to be placed on increased productivity programs before they were placed on those providing increased equity.

Things have changed politically in the 1980's. The nation is now more conservative politically. Concerns have shifted more towards increasing productivity than they were in the 1970's. By implication, if people would work harder or perhaps more cleverly, they would be able to escape the situation they are in. Economic growth will provide a larger economic pie and the impacts of this will trickle down presumably, at least, rapidly enough to avoid civil unrest.

It is interesting to note a recent study on mini-farms by ERS-USDA (7). This study argues that many farms--those with less than \$25,000 in farm sales--account for 25 percent of all U.S. farms, use 2 percent of the harvested crop land and sell less than 1 percent of all product sales. The operators view the farm primarily as a rural residence. By implication, these are not people left behind, but rather people who elect a rural life style by choice and perhaps for recreational and other life style reasons. In the process they do a bit of farming.

Twelve percent of the farms in Illinois fall in the mini-farm category. They harvest 9 of their 36 acres, often maintain some cattle and a few chickens. They sell \$13,000 in products, leaving a gross margin of approximately \$650 from their farm operations.

In 1984, an elder statesman of midwest farm management extension, Tom Brown, presented a paper to an audience of his peers on "Extension Education and Marketing in Financial Management: Challenge and Objectives for the Future" (1). As he directed his remarks to these components of Extension programming,

he developed a rather pessimistic tone concerning the shrinking number of commercial farms where the payoff from our efforts are by implication, highest. He seemed to be particularly pessimistic concerning the likelihood that strong programs can be funded to serve those components of the farm audience which are not commercial farms. He also was suspect as to the continuing funding for work with commercial farms as well. Increasing competition from the private sector does present some challenges. The cautions and concerns he expressed need to be taken seriously.

Agricultural Extension Will Continue To Pay Big Public Dividends

I, however, personally am more optimistic. I see that one of the roles we play is that of providing leadership in matters of excellence in educational programming for purposes of improving both productivity and equity of opportunity through other adult educators as well as consultants in the public and the private sectors. Even under the conditions of a completely industrialized agriculture, society will benefit far in excess of the cost of providing a viable extension service program to agriculture. Our role as change agents does not disappear with a change in structure of the industry we view as our target audience. Extension already has a track record on working in areas like food distribution in this respect. Counterpart activities in medicine, housing, and auto safety had their impact however underfunded they were. Programs of this nature are in the public interest in that they keep the stagnating and monopolistic advantages to large farms in the economy under some control.

If, then, we are to have programs for purposes of maintaining access to opportunity and knowledge for the small farms of America for whatever reason, be it to encourage political support in order to serve others or for purposes of a more humanistic nature and concern for the people themselves, there are several target audiences within the small farm classification to which our efforts can be directed. If we understand who these target audience groups are, we are better able to effectively program to meet their needs and serve society at the same time.

The farm management extension specialist's role is probably not central in serving the small farm groups. Our role is more that of being a wholesaler of basic principles and application through a delivery system made up of easy to read fact sheets, computer decision aids, self-tutorial materials, and in the case of some, paraprofessionals. Delivery through the youth program, such as Howard Doster outlined in the last workshop three years ago, should be considered also.

Potential Target Groups Of Similar Small Farms

Extension programming must deal with the issue of what is meant by small farms. Within the general specification of small farms are several potential Extension clientele groups. These groups must be specified for purposes of effective programming. Not only must they be specified but their characteristics and attributes need to be understood so that appropriate and cost effective programming can occur with them. Extension is not particularly responsible for the overall decision concerning the appropriate investment

level for programming. However, within the allocated budget, decisions must be made concerning both cost and social effectiveness of educational programming by extension.

Full Time

There exists a group of essentially full-time, though often under employed farm families. For whatever reason, they have decidedly limited resources both physically and technically. Every state has small farms of this type. They are often referred to as "the people left behind", rightly or wrongly.

They exist in the cut over of the north, and in the hills or on the poorer soils of the south across the north central states. They can "hide" in the poorer or rougher lands out of sight and mind in any community.

Some are what they are by choice in life style--poor but honest, independent and proud. Others have lost so many of the "games of life" as to reduce their expectations and their efforts. Either way, many live on the "lack of expense". Most of the children leave home as soon as they can. A few in this group, however, have reversed the usual trends and returned to the land. They represent the truth in the old adage of "overalls to overalls in three generations"! Few are politically supportive of extension. This is the group where paraprofessionals offer a preferred educational program delivery system.

Part Time

There are at least three potential target groups made up of part-time farmers. They vary by interest in, and need for, extension programs. They vary in their political concerns, their goals and life style.

First, there is a group of income motivated part time farm families. Most work essentially full time off the farm but try to augment their income (after taxes?) by operating a farm. Some produce well over \$40,000 in products - a few over \$100,000. Time for formal learning is hard to come by.

A sub group of the income motivated have a goal of full time farming. In fact, this is about the only avenue to farming as a vocation for many. To the degree that it is, extension work with commercial farmers should target this group. Their political concerns are similar to those of other farm people.

Second, there are those who are part-time but not by choice. They have been forced to down-scale operations for reasons of personal and/or financial health. Some are in this group due to ignoring the laws of economics and perhaps many of the physical laws and the related changes in technology. By and large, they have not sought to update their farm related knowledge base as times have changed. If they are politically active, it is likely to be in ways to advocate limiting of supplies and to have a "fair price that provides a reasonable profit" or parity without much recognition of changes in firm size, resource productivity, technology or market. Perhaps other vocations with less rapid change, less risk and less need to be concerned with management economics might be equally satisfying in the long run.

Third, there is also the group of spare time or life style part-time farmers. Many live on mini-farms. Most are concerned with the good life in the rural area much more than they are with the management of an economic farm unit or its income potential. These people read, they are politically active and seek knowledge. They do read. It is a way to reach them with the how to do it skills they often lack.

A Farm Management Program Perspective On Our Responsibilities To Small Farms

We should continue to encourage extension paraprofessional one-on-one programming with limited resource farmers. These are people left behind and there are opportunities to adjust to the changing economic environment outside of agriculture are limited. It works, it is economic from a social and human perspective, it is one kind of farm and home development work for the 1980's. But we can use modern tools to assist in this work. Not only should the developing audio-visual and electronically assisted learning tools be considered but certainly the financial planning tools, such as FINPACK, are as applicable for this type and size of farm as any other. Farm Management specialists should do a major part of the training of the paraprofessionals.

Rural or mini-farm residents have little direct interest in our subject matter or need for it until more resources are devoted to their farm activity by improved management of them. Use of rural development type programming may be more in line with their needs and concerns.

These part time farmers who have objectives of full time farming deserve our best efforts subject to the resources available. Industries without opportunities for new entrants often become stagnant. Innovation occurs due to those that are goal oriented. This group of part time farms are. Given the competing demands for their time, it is not easy to program with them. All of the available tools and approaches are needed. We should encourage agents to view them as a special clientele group and program accordingly. Their participation at the regular meetings and workshops system where either we or field staff teach directly should be encouraged. Could a library of audio tapes for use by commuters be considered?

Farm management programming with others in the part-time farming group is a somewhat different matter. Our objectives are mainly to increase productivity. Tradeoffs need to be made in targeting this audience versus targeting full time commercial audiences. On occasion, work with these people is as effective on a per acre or other unit production basis. However, because of the demands on both their time and ours, it may not be effective on a number or hours of contact basis. However, we must keep in mind that a number of these operators do farm several hundred acres in addition to their full-time farm off farm operation.

Current work with operators now involved in Chapter 11 bankruptcies would suggest that at least one of the reasons that they are easing out is an unwillingness to participate in learning situations. With human behavior being what it is and with due recognition of the number of resources these people will control, perhaps we should view them more as the people most likely to be impacted by the trickle down effect of our efforts than as a direct audience for our work.

However, we view these various groups, we need to recognize that through time people will move from one to another group. As they do so, appropriate Extension programming should be designed to recognize the movements, the decisions involved and the changing responses these people might have to our educational programs. Further, if we believe as I do that we earn far more than our keep, and can continue to do so under any kind of a economic structure from completely industrialized, to family farm, to bimodal, to whatever, then the challenges are to adjust programs in ways that are in line with Extension's mission. The key tradeoff will continue to be the relative emphasis placed on efforts to increase productivity versus efforts to provide equality of access to knowledge and the other resources required to successfully operate in the agricultural sector.

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