

CHAPTER I



INTRODUCTION

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Contents

	Page
Introduction.....	3
Gross value of products as a measure of production and classification.....	3
Occupations as reported on Agriculture and Population Schedules.....	3
Relation of occupation, off-farm work, and age.....	4
Part utilization of farms.....	4
Poverty in the low-value groups.....	4
Distribution of farms by value groups.....	5

MAPS

Map of the United States, showing geographic divisions.....	6
Number of farms, April 1, 1940.....	6
Farms reported with total value of products less than \$250 in 1939.....	7
Farms reported with total value of products of—	
\$250-\$399 in 1939.....	7
\$400-\$599 in 1939.....	8
\$600-\$999 in 1939.....	8
\$1,000-\$1,499 in 1939.....	9
\$1,500-\$2,499 in 1939.....	9
\$2,500-\$3,999 in 1939.....	10
\$4,000 and over in 1939.....	10

Introduction

The tabulations included in this monograph provide the first opportunity in recent years to analyze many of the characteristics of the farm and of the farm operator as they are related to the value of products. These tabulations and analyses are intended to supplement other studies and reports which have considered the total farm plant of the United States from the viewpoints of the various uses of the land in the farms, the crops grown, the livestock raised, the value of the land and buildings, the color of the operator, the tenure of the operator, and the like.

Most of the tabulations of data were from a 2-percent sample of the individual farm reports in the 1940 United States Census of Agriculture. The figures for farms with \$10,000 and over gross value of products relating to specified farm expenditures, family and hired labor, major source of income, tenure of operator, and the color of operator, however, were based upon a complete tabulation of the reports for individual farms.

Although the particular tabulations included in this technical monograph have not been published previously, summary data relating to these items appear in volume III, General Report on Agriculture, 1940 Census. In addition, this monograph furnishes five counts that have not been made previously, they are: (1) Farms reporting horses and/or mules and tractors; (2) farms reporting horses and/or mules but no tractors; (3) farms reporting tractors without horses and mules; (4) farms reporting horses, mules, cattle, and/or hogs; and (5) farms reporting one to nine acres of cropland harvested.

GROSS VALUE OF PRODUCTS AS A MEASURE OF PRODUCTION AND CLASSIFICATION

The gross value of products has been used throughout this monograph as the measure of the size of the farm operations. It is recognized that for some purposes the number of acres in the farm may be a preferable measure of size, for other purposes the number of acres of cropland harvested may be better. In the South the measure of farm operations is frequently the number of mules used—the one-mule farm, the two-mule farm, etc. In some sections of the United States the number of livestock fed or the number of dairy cows in the herd is preferred. Each of these methods of measurement emphasizes some one aspect of the farming operations, and for that reason has certain advantages. However, if the purpose of the analysis is to measure the results of the entire farm operations, the gross value of products seems to have some advantages; it is the resultant of a number of factors and, therefore, more nearly a composite picture than would be true if only one or two factors were taken into consideration.

The difference between the gross value of products and the net income should be kept clearly in mind in using the gross value of products as a measure of farm operations. For some crops the gross value of products per acre may be small, but with only a small percentage of the total going for expenses; for these crops the net income per acre may be relatively large. The sale of livestock, on the other hand, usually provides a large gross value of products which is one of the

reasons why a large proportion of farms in the high-value groups is livestock farms. However, this high-gross value received from the sale of livestock is very materially reduced after allowances for the purchase of the livestock, the cost of feed, and other expenses associated with livestock operations have been made. For these reasons the major source of income is important in evaluating the significance of the gross value of products for net income and for family living.

The data for the group in which the value of products used by the farm household was the major source of income should be used with caution. A large proportion of these farms normally depend upon incidental sales of crops or livestock and livestock products to supply the cash needed to buy items not produced on the farm. But this group also includes other than purely "subsistence farms." For example, farms with a single crop or a single type of livestock which, because of crop failure or unusual conditions, reported a value of garden, poultry, and livestock products used for home consumption in excess of the value of the crop and/or livestock sold or traded are included in this major-source group. Also, included are farms, particularly in the higher-value groups, where the crop and livestock enterprises were so diverse that the value of products used by the farm household exceeded the value from any one of the other nine sources of income. On some of these farms several households used the products of the farm. In other words, the "subsistence farms" in the lower-value groups were generally so classified because of limited crop and livestock production, whereas those in the higher-value groups were placed in that category because of diversity of products or large number of farm households.

OCCUPATIONS AS REPORTED ON AGRICULTURE AND POPULATION SCHEDULES

An important fact to bear in mind in considering the characteristics of the farm operators reported by the Census of Agriculture, 1940, is that at least one-sixth of these operators did not consider themselves farmers or farm managers in March 1940. The 1940 Census of Agriculture reported an operator for each of the 6,096,799 farms, yet the total number of persons reporting their occupation as farmer or farm manager on the Population Schedule was 5,143,614, or 16 percent less than the number of farm operators reported by the Census of Agriculture.

The difference between the number of "farm operators" reported on the Farm and Ranch Schedule and the number of "farmers and farm managers" reported on the Population Schedule was due, largely, to the farm operators reporting their occupations as other than farmers or farm managers because they were working or seeking work in some other occupations, or because they were too old to work, or were incapacitated and, therefore, not in the labor force. Under these definitions it was possible for an individual to be reported as a farm operator in the Census of Agriculture and as a doctor, banker, merchant, salesman, miner, laborer, etc., or not in the labor force on the Population Schedule.

While a large majority of individuals work either in nonfarm or farm occupations, the persons reported in the Census of Agriculture as farm operators and in the Population Census as being in some occupation other than that of a farmer or farm manager are classified in both groups. The number of persons working at least a few days or weeks in both farm and nonfarm occupations, however, was much greater than is indicated by the difference between the Agriculture and Population figures. The total number of farm operators reporting nonfarm work in 1939 was 1,317,766, or almost one-third of a million more than the 953,185 farm operators who reported occupations other than farmer or farm manager on the Population Schedule. The number of persons reported in nonfarm occupations by the Census enumerators, who earned part of their income during this period from farm work, is unknown. The proportion of farm operators reported in nonfarm occupations was greatest in New England and least in the West North Central Division.

RELATION OF OCCUPATION, OFF-FARM WORK, AND AGE

There is a close correlation between the percentage of farm operators who did not report themselves as farmers or farm managers in March 1940 and the percentage of farm operators reporting 100 days or more work off the farm during 1939. This fact seems to indicate that, in the main, individuals who live on places meeting the Census definition of a farm and work off the farm a large proportion of the working days during the year do not think of themselves as farmers, although they are reported as farm operators in the Census of Agriculture.

While a large percentage of farm operators reporting 100 days or more off-farm work is in the lower-value groups, these individuals are not limited to these groups. In each of the groups with \$1,000 and over value of products, at least 5 percent of the operators reported this amount of off-farm work during 1939; below that amount the percentage increased. More than one-fifth, 22 percent, of the operators in the \$250 to \$399 value group and more than one-third, 36 percent, of the operators in the group with less than \$100 value of products reported 100 days or more work off the farm.

The proportion of farm operators reported in the 1940 Census of Agriculture, who were not reported as being farmers or farm managers on the Population Schedule, was greatest in the upper-age groups, particularly the 65-year and over group. Many of these individuals were classified as farm operators because the small places on which they lived were farms according to the Census definition of a farm, although they thought of themselves as being retired workers and not in the labor force. Some aged persons were reported as farm operators by the Census of Agriculture, although the actual management and work were performed by relatives, tenants, or hired help, either because the operators were incapacitated by poor health or other circumstances, or did not want to assume the responsibility of operating their farms. This latter group may or may not have been reported as farmers or farm managers on the Population Schedule, depending on whether the individuals desired to be considered as farm operators or as retired farmers and, therefore, not in the labor force.

The percentage of operators 65 years of age and over, as well as the percentage of operators working 100 days or more off the farm, was highest in the low-value-of-products groups. The percentage of aged farm operators varied from 22 percent in the group with less than \$100 value of products to 8 percent in the \$6,000 to \$9,999 value group.

The lower-value groups thus include a large proportion of elderly persons and a large proportion of individuals working 100 days or more off their farms. The sum of these two percentages varied from 58 percent in the \$1 to \$99 value group to 13 percent in the \$6,000 to \$9,999 value group, with the percentage decreasing with the increase in the value of products. While these two groups are not mutually exclusive, the sum of these two percentages does give some appreciation of the magnitude of the group which probably makes a limited contribution to agriculture because of age or work off the farm.

Many of the operators in the lower-value-of-products groups probably never intended that their residences, farms under the Census definition, offer a full-time job, nor would they want a full-time job as a farm operator.

In addition to these farm operators who did not consider themselves farmers or farm managers, there were many individuals in all value groups, reporting their occupations as that of farmers or farm managers, who supplemented their incomes from their farms by off-farm work. The only indication in the Census of Agriculture of the amount of this supplemental income is the number of days the operators worked off their farms in 1939. The individuals with this type of supplemental income usually are among operators working less than 100 days off the farm. In general, the individuals with 100 days or more work off their farms probably considered the occupations in which they worked this number of days as their principal occupations and farming as the source of their supplemental income.

PART UTILIZATION OF FARMS

It should be remembered that the classification of an operator as a part-time farmer, or as an aged operator not in the labor force, does not mean that the place or the farm on which he lives is only partly used or that the agricultural production from the farm would be increased if the operator worked full time there instead of spending part of his time on the farm and part of his time at some other occupation. Some of the part-time, retired, and aged farmers live on farms which are fully utilized, either through the efforts of the operator or with the use of hired help—this is particularly true on farms in the higher-value groups. On the other hand, some of these part-time and aged operators live on farms that are only partly utilized. This part utilization may be the result of choice, lack of workstock and equipment, lack of time because of work off the farm, ignorance, inadequate strength, age, or health conditions, and the like.

In addition to the farms, as defined by the Census, for which part-time and aged operators were reported in the lower-value groups, a miscellaneous collection of farms reported an unusually low value of products in 1939. For these farms, crop failures may have been part or total in 1939, few sales of livestock or crops may have occurred because of a desire to increase the number of livestock or the amount of feed on hand, new farms may have been started on which there were few items for sale or for use by the farm household, or the Census schedule may have been incompletely filled in.

POVERTY IN THE LOW-VALUE GROUPS

After accounting for rural residences, retirement units, and the miscellaneous group with unusually low yields in 1939, there remains a group of farms in the lower-value groups whose operators had no employment other than agriculture. Their gross income with which to meet all farm and household expenses, including rent, therefore, had to come from the farm.

While the greatest concentration of these farms was in the East South Central Division, they were reported in all geographic divisions.

The meagerness of the income from which household and family expenses have to be paid is suggested by the deductions from the gross value of products required of the various tenure groups and the report on specified farm expenditures. Tenants generally pay from one-fourth to one-half of their crops and/or livestock to the landlord as rent. Owners have to make allowance for such items as interest payments, taxes, repairs, and maintenance of buildings and fences, and the like.

A low value of products from a farm does not of itself prove the existence of poverty. The operator and members of his family may have income from other sources, such as work off the farm, pensions, savings, investments, and the like, which are used to supplement the income from the farm. The amount of gross income from other sources is not known, but it is certain that the income available to an operator and his family under these circumstances may have little relation to the value of the products reported for the farm. Despite these extenuating circumstances, the tabulations indicate that a large number of farm families in the United States live at a level which falls below the American standard for health and decency. Much of this poverty arises from the meager income from the farm.

DISTRIBUTION OF FARMS BY VALUE GROUPS

About one-third of all farm operators enumerated in the 1940 Census of Agriculture reported less than \$400 value of products from the farm. However, probably less than one-third of the operators reporting their occupations as that of farmers or farm managers on the Population Schedule was included in these low-value groups. The middle third of the farm operators in the Census of Agriculture reported \$400 to \$999 value of products for the farm, while the upper third reported products valued at \$1,000 and over.

The value of products, usually, increased with an increase in land resources. The average number of acres per farm and the average number of acres of cropland harvested increased with an increase in the value of products. More than one-fourth of the gross value of products reported for 1939 came from 2.5 percent of the farms, those producing \$6,000 and over value of products. These farms included 22 percent of all the land in farms.

The farms in the higher-value groups, however, are so diverse with respect to many of the items included in this monograph that it is not feasible to attempt a summarization of their characteristics as was done for the lower-value groups.