



Figure 43.

FARM INCOME AND TENURE

The 1954 net income originating from agriculture was more than three times that of 1910 according to estimates of the Agricultural Marketing Service of the United States Department of Agriculture. The number of persons employed in agriculture in 1954, on the other hand, was less than two-thirds the 1910 farm employment.

This agricultural net income includes more than the net income of farm operators from farming. It also includes wages for farm labor, net farm rents, and interest on farm-mortgage debt. Most, but not all, of the total agricultural net income of farm operators from farming goes to farm residents. But nearly one-half of farm wages, about two-thirds of the net farm rents, and practically all of the interest on farm-mortgage debts goes to nonfarm residents. In 1954, 15.1 percent of the total agricultural net income went to nonfarm residents.

The income of farm residents, on the other hand, is not limited to income from agriculture. Many persons living on farms receive income from nonfarm sources. In 1954, according to estimates of the Agricultural Marketing Service of the United States Department of Agriculture, 28.5 percent of the net income of the farm population was from nonfarm sources.

Tenure arrangements, in respect to rights in the use of farm lands and in the division of income from land, are influenced by the whole economy, nonfarm as well as farm. For example, farm tenants who receive much of their income from nonfarm sources may rent the farm primarily as a place to live rather than as a source of livelihood. In bargaining for the use of the farm, its value as a residence may be preeminent in the consideration of the would-be tenant. The landlord may consider

its rent potential from agricultural use as well as residential use. The agricultural possibilities of many of these places, however, are very limited resulting in paramount consideration being given to their residential potential by both tenants and landlords.

Distribution of farm income by tenure.—In the 1954 Census of Agriculture, 69.6 percent of the farms were classed as commercial. The remaining 30.4 percent, consisting principally of part-time and residential farms, account for a high proportion of the farm population dependent primarily on income from nonfarm sources. The tenure of these noncommercial farms is determined in large part by considerations other than the farm as a business enterprise. For the most part, they are owner-operated with only 13.0 percent tenancy as compared with 28.8 percent tenancy for commercial farms. A high proportion of the tenants on these noncommercial farms pay cash rent or payments other than share of crops or livestock.

For commercial farms, the tenure distributions vary by income. In general, the higher the gross farm income the lower the percentage of farms in that income group operated by full owners. The opposite holds for part owners. The proportion of part-owner farms represented in the lower economic classes is low but this ratio increases with each higher economic class of farm. The proportion of farms operated by managers, also, increases with increases in the gross farm income. For tenants, the proportion of tenancy is lower for both the lowest and highest economic classes than for the intermediate classes. Of Class VI farms, the lowest economic class of commercial farms in respect to gross income, 63.6 percent were operated by full owners; 11.5 percent, by part owners; 0.1 percent, by managers; and 24.8 per-

(Continued on page 190)