

There is today a great public interest in the size structure of farming. This is because of a real concern about the future of family-type farms. These are farms on which the management and most of the capital and labor are furnished by the operator and members of his family. The apparent growth in the size of farms and the reduction in the number of farms in recent years, have made people wonder whether the family type of farm is declining in importance as the major production unit in the Nation's agriculture. As farming on a commercial scale today requires large capital investments, a question is raised as to the ability of farm families to compete in the adoption of new techniques designed to increase efficiency and output.

TABLE 1.—FARMS AND SPECIFIED FARM RESOURCES BY ECONOMIC CLASS OF COMMERCIAL FARM, FOR THE UNITED STATES: 1954

Economic class of farm	Number of farms	Average per farm			
		Land in farms	Value of land and buildings	Expenditure for hired labor	Value of farm products sold
	<i>Thousands</i>	<i>Acres</i>	<i>Dollars</i>	<i>Dollars</i>	<i>Dollars</i>
<b>Commercial farms.....</b>	<b>3,328</b>	<b>310.3</b>	<b>25,429</b>	<b>665</b>	<b>7,302</b>
Class I.....	134	1,939.1	134,160	8,342	57,997
Class II.....	449	537.8	51,510	1,166	14,883
Class III.....	707	311.9	27,992	422	7,178
Class IV.....	812	201.0	15,880	214	3,703
Class V.....	764	134.3	9,829	106	1,851
Class VI.....	463	97.1	6,096	43	756
		Percentage distribution			
<b>Commercial farms.....</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>
Class I.....	4.0	25.2	22.2	50.5	32.0
Class II.....	13.5	23.4	27.4	23.6	27.5
Class III.....	21.2	21.4	23.2	13.5	20.9
Class IV.....	24.4	15.8	15.1	7.8	12.4
Class V.....	22.9	9.9	8.8	3.7	5.8
Class VI.....	13.9	4.4	3.3	0.9	1.4

Class I farms represent the relatively few large operations that had gross sales of \$25,000 or more in 1954. As a group, these farms are characterized by large acreages and large investments in land and buildings. They use considerable hired labor. The average wage bill amounted to \$8,342 per farm in 1954. Although comprising only 4 percent of the commercial farms, Class I farms accounted for 25 percent of the land in farms and 22 percent of the investment in land and buildings. They produced nearly a third of the farm products sold in 1954.

Economic Classes II, III, and IV represent, by and large, the medium to high income family farms that are an outstanding characteristic of American agriculture. They cover a fairly wide range in value of farm products sold, from \$2,500 to \$24,999. These farms as a group comprise the largest segment of commercial agriculture in respect to both numbers and value of production.

Class V farms had sales of farm products that ranged from \$1,200 to \$2,499. Class VI farms sold between \$250 and \$1,199 of farm products. By definition, operators of Class VI farms did not work off the farm as much as 100 days during the year and gross farm sales exceeded the income of the farmer and his family from off-farm sources. Although farms in these two classes comprised 37 percent of the commercial farms, they accounted for only 7 percent of the sales of all farm products. The small size of farm business

on these farms is indicated by the relatively small acreage and small investment in land and buildings.

**Geographic distribution of economic classes.**—The geographic distribution of each of the six economic classes of commercial farms is shown on the accompanying maps.

Class I farms are most numerous in Illinois, Iowa, the High Plains of Texas, and the irrigated parts of California. Many Class I farms, particularly in Iowa and Illinois, are livestock farms. Many of these purchase cattle and hogs for fattening. Farms with gross sales of \$25,000 are not considered large for this type of farm and the net income may be no larger than that received on many of the smaller economic classes in other types of farming.

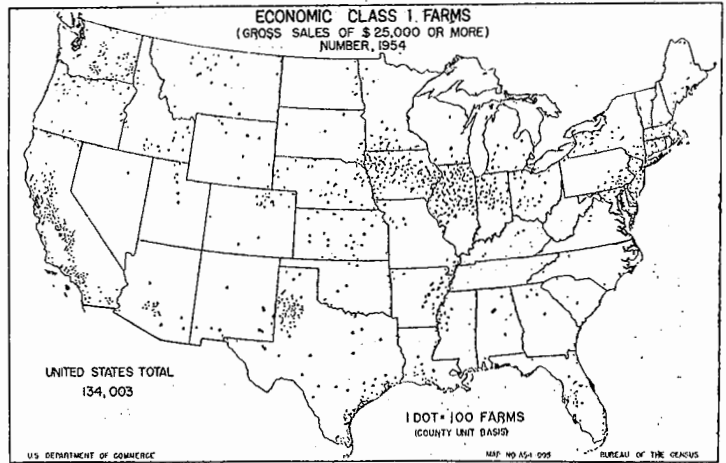


FIGURE 9.

The Corn Belt is the broad area of greatest density of Class II farms. Many farms in this class are also found in the Northeast, in the Plains States, and in the Pacific Coast States. Class III farms are widely distributed in the North. Class IV farms are fairly uniformly distributed throughout the entire country, although a heavy concentration of them is noticeable in the tobacco sections of the Carolinas. Economic Classes V and VI are much more numerous in the South where they are likely to be associated primarily with the growing of cotton and tobacco.

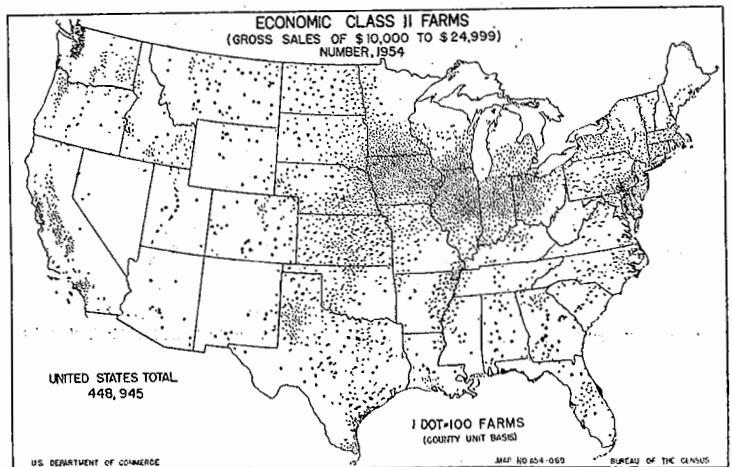


FIGURE 10.