

## CHANGES IN THE STRUCTURE OF COMMERCIAL FARMING

## CHANGES AFFECT FARMERS DIFFERENTLY

Agriculture is confronted with many problems of production and is undergoing basic adjustments. These problems, and the kinds of adjustments that may be needed, vary considerably by types and sizes of farms.

Changes that have affected agriculture have had different impacts upon the several types and sizes of farms. This is true for new developments in farm-production practices, changes in demand, and prices of products, as well as for the more general changes.

Improved techniques designed to increase yields and decrease labor needs in farming have varied in their adaptability to different crop and livestock enterprises and different sizes of farms. Differential rates of progress have been characteristic in the invention of machinery to mechanize completely the production of the major cash crops. Notable examples are the cash grains, which for many years have been grown and harvested almost entirely with machinery; and tobacco, which still requires a great deal of hand labor, particularly at harvest. Mechanization has been more feasible for farmers on larger acreage units and for those with land that is fairly level and in sizable tracts. Because of the high capital requirements, the financial and credit positions of farmers have also been important factors bearing on the rate of mechanization.

Farmers have not benefited equally even in the more simple practices of increasing yields. The results from use of commercial fertilizer, which have been so noticeable in humid eastern areas, have not proven as effective in areas where rainfall is more limited. Crop yields have been increased by using a wide variety of improved plants and seeds, but only a few crops have had such spectacular success as hybrid corn, which has affected the farmers in the Corn Belt, primarily.

More general changes, that have originated in the economic growth of the Nation, have also had different impact upon the various sectors of agriculture. With increasing concentration of population in cities, farmers have needed to produce the products demanded by urban tastes and customs. Substitutions of commodities have taken place. Consumers are buying less of the starchy foods in the form of bread, flour, potatoes, and rice, and are buying more meats, milk, eggs, and fresh vegetables. Vegetable oils have increased in demand for both household and industrial uses.

Rapid transportation and new processes for freezing foods have changed the locational advantages of farmers. These developments have enabled some farmers who are far from population centers to compete for what were formerly local markets. The development and production of synthetic fibers, the decline in foreign markets, and the competition of foreign agricultural producers, each has a distinct impact upon the structure of American agriculture.

Commercial farms have become fewer but they are much larger when measured by either the volume of farm sales or the acres of land in farms. The larger farms have become more numerous and there are fewer small farms. At the same time, there have been shifts in farming from one type to another. Along with the reduction in the number of commercial farms, most types of farms have decreased in actual number, but at different rates. Some types have increased as a proportion of the commercial farms. The changing structure is also reflected in adjustments made in the composition and use of farm resources.

Changes in agriculture are gradual. Most of the comparisons of changes, which follow, are based upon the Censuses of 1950 and 1954. The time period is too short to permit isolation of long-run trends or to warrant conclusions regarding the implications of these changes. Some of the changes that have occurred between 1950 and 1954 are thought to be illustrative of basic and long-run adjustments that are being made. Others may reflect only short-run variations that resulted from conditions peculiar to one or the other years under consideration.

The Censuses of 1950 and 1954 are selected as the basis of these comparisons because of the comparability of classifications used. Both Censuses provide data on the characteristics of farms grouped by economic class and by type of farm. The criteria used by the two Censuses for determining economic class and type of farm were identical. These classifications permit a more detailed examination of changes in commercial agriculture than has been possible previously.

## CHANGES BY ECONOMIC CLASSES

Between 1950 and 1954 the number of commercial farms decreased by 378,523, a decrease of approximately 10 percent. The number of Class I farms increased by 30,833. This represents an increase of more than a fourth in the number of these large operations. As a proportion of the total commercial farms, however, Class I farms comprised less than 3 percent in 1950 and only 4 percent in 1954. (See table 5.)

TABLE 5.—CHANGES IN NUMBER AND PERCENT DISTRIBUTION OF COMMERCIAL FARMS, BY ECONOMIC CLASS, FOR THE UNITED STATES: 1950 TO 1954

Economic class of farm	Number		Increase or decrease (—) from 1950 to 1954		Percent of farms	
	1950	1954	Number	Percent	1949	1954
<b>Commercial farms.....</b>	3,706,412	3,327,889	-378,523	-10.2	100.0	100.0
Class I.....	103,231	134,064	30,833	29.9	2.8	4.0
Class II.....	381,151	448,847	67,696	17.8	10.4	13.5
Class III.....	721,211	706,862	-14,350	-2.0	19.6	21.2
Class IV.....	882,302	812,108	-70,194	-8.0	23.8	24.4
Class V.....	901,316	763,515	-137,801	-15.3	24.2	22.9
Class VI.....	717,201	462,503	-254,698	-34.1	19.1	13.9

The number of farms in Class II increased by 63,000—an increase of 16 percent. Farms in this class comprised about 13 percent of the commercial farms in 1954, compared with 10 percent in 1950.

Farms in the smaller economic classes decreased in number. This decrease was relatively small for Economic Classes III and IV. While decreasing in actual number, farms in these classes comprised a slightly larger proportion of the commercial farms in 1954 than in 1950. Most of the reduction in the number of commercial farms was among the small farms producing less than \$2,500 of farm products for sale. Class V farms decreased by 132,156, a decrease of 15 percent, and Class VI farms decreased in number by 245,561, a decrease of 35 percent. These classes, taken together, accounted for 36 percent of the commercial farms in 1954 compared with 43 percent 5 years earlier.