

## Family Farms of North America; Executive Summary<sup>1</sup>

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Historically, family farms held positions of esteem in the dominant cultures of North America, as in much of the rest of the world. The first family farmers in North America were the indigenous peoples who had lived on the continent for centuries before the arrival of Europeans. They farmed as extended families on common lands occupied by their tribes. The European settlers displaced the indigenous peoples and “enclosed the commons,” creating independently owned and operated family farms. Thomas Jefferson, the third president of the United States, believed strongly that the “yeoman farmer” best exemplified the kind of “independence and virtue” that should be respected and supported by government. He was reflecting the historical values of both Western and Eastern cultures.

### The Family Farm – Defined

No generally accepted definition of the “family farm” has emerged, in spite of centuries of family farming. Some statistical indicators of family farms were outlined in the 2014 “Dialogue of Family Farming in North America.”<sup>1</sup> The likelihood of a farm being a true “family farm” decreases along statistical gradients from family labor to paid employees, family capital to non-farm investments, independent operator to contract producer, land owner to cash renter, single proprietor to corporation, and producing for families and local markets to producing for international markets. A family that provides the labor for a farm, makes the management decisions, and owns and lives on the farm is more likely to feel a deep, personal sense of connectedness to the farm, which characterizes family farms.

The sense of interconnectedness of the family with the farm makes the farm a “family farm” and the family a “farm family.” Such farms and the families are inseparable. The same farm with a different family would be a different farm, and the same family with a different farm would be a different family. True family farms represent a way of life rather than just a means of making an economic living. Such farms are managed in ways that reflects the social and ethical values of the farm family as well as the potential economic value: they are *intentionally* multifunctionality. Family owned and operated farms that give priority to economic benefits are managed as *mono-functional* farms, even though they have multiple effects on society and nature.

Sustainability may well be the defining question of the 21<sup>st</sup> century: How can we meet the needs of the present without diminishing opportunities for the future? Sustainability is

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inherently multifunctional in that it has three key dimensions: ecological integrity, social equity, and economic viability. Farmers that manage *multifunctionally* are better endowed to address the multiple dimension of sustainability.

### Evolution of Family Farms in North America

Farm families who migrated from Europe to the US and Canada participated in a form of enclosures when indigenous peoples were forced off their land and the frontier was privatized. Homesteads gave farm families 160 acres in both the US and Canada. This continued a trend toward market allocation of land use, which was common in Europe during the 1600s. Farmland had to be privatized or commodified before it could be bought and sold and thus reallocated to ensure its highest economic use. This fundamentally changed the nature of family farms, farming in general, and ultimately the history of humanity.

Prior to the mid-19<sup>th</sup> century, farming in North America was predominantly a “way of life” and most farms were clearly family farms. Farm sizes began to increase, as farms on the US and Canadian prairies began to mechanize and expand production to provide food for growing populations in the East. Improved storage and transportation allowed grain surpluses to be more easily traded abroad. Farmer cooperatives played a significant role in the evolution of farming in Canada and the US, as farmers joined together in various organizations to gain bargaining power against large grain merchants and provide their own services. Farms continued to expand in acreage and productivity during the 1800s and early 1900s, with various setbacks associated with economic recessions.

Following World War II, millions of US and Canadian farms were destined to become farm businesses rather than ways of life, and agriculture soon became an industry. Wartime technologies developed to supply munitions, poison gas, and tanks were soon adapted to produce chemical fertilizers, pesticides, and farm equipment. During the 1950s and 1960s, capital and technology replaced labor and management and farms were consolidated into larger and fewer farm businesses. By 1970, farm numbers in the both countries had dropped by more than one-half from their peak. The global economic recession of the 1980s caused roughly one-fourth of the remaining farms to go out of business in the US. Since then, farm numbers have continued to decline and average farm size is now 421 acres<sup>ii</sup> in US and 778 acres<sup>iii</sup> in Canada.

Farming in Mexico has followed a path quite different from the US and Canada, but the tendency toward industrial consolidation has been much the same.<sup>iv</sup> In 1876, Spain established a dictatorship in Mexico that lasted until 1911. The emphasis on *modernisation* included enclosing and privatizing farmland. Unlike the US and Canada, lands in Mexico were privatized as large estates (*haciendas*) in an attempt to minimize domestic food costs provide agricultural exports. Railroads were built to encourage expansion of agricultural production for export.

The resulting social inequity, deprivation of access to farmland, and the exploitation of peasants and workers led to repeated rebellions, which spawned the Mexican revolution of 1910, leading to a new Constitution in 1917. The new constitution authorized agrarian land reform. By 1940 most of the country's arable land had been redistributed to peasant farmers, benefitting approximately one-third of all Mexicans. However, declining productivity during 1980s, and mounting food imports gave Mexican President Salinas, elected in 1988, political momentum to

reform the land tenure system. The following reconsolidation of agricultural land into large corporate farms set the stage for the North American Free Trade agreement of 1994 (NAFTA) between Mexico, the US, and Canada. As in the US and Canada, family farms in Mexico are being consolidated into large farm business intended to compete in global markets.

### Challenges to Family Farmers

North American farm families today face a number of major challenges – some continuing and others new. Farm policies that increasingly support the industrialization of farming in a quest for economic efficiency have intensified with the implementation of NAFTA. The increasing emphasis of farm policies on mono-functional economic efficiency makes it even more difficult for multifunctional family farms to survive economically while maintaining their social and ethical commitments to multifunctionality.

During the 1960s and 1970s, the focus of US farm policy shifted from ensuring food security through preserving family farms to food security through agricultural productivity. A more efficient agriculture was intended to reduce food prices, making adequate quantities of wholesome and nutritious food affordable for everyone. The strategies of industrial agriculture are specialization, standardization, and consolidation of control, which inevitably leads to larger and fewer farms. Every major farm program in the US since the New Deal era of the 1930s, in one way or another, has promoted agricultural industrialization – thereby promoting consolidation of agricultural production into fewer and larger economic production units.

As agricultural production expanded well beyond needs for domestic consumption, farm policies shifted to expansion of export markets. Farm policies in Canada today are largely driven by international trade considerations. The emphasis on international trade further narrows the focus of farm policies on mono-functionality and economic efficiency. Thus, NAFTA has severely affected multifunctional family farmers in all three countries, especially in Mexico, where the agreement accelerated agricultural consolidation and industrialization, particularly in the northern regions of the country.

Another major challenge to family farmers in North America is the advancing age of farmers. Young people without farm backgrounds have begun to operate small farms in the US and Canada, but not enough to offset those leaving established farms. If current trends continue, even more farms will become consolidated into mono-functional farm businesses, leaving still fewer smaller multifunctional family farms. Much of the knowledge and wisdom that will be needed to sustain family farms resides in the hearts and minds of today's aging farmers. Industrial agriculture dominates public research and education, particularly the Land Grant Universities. As a result, multifunctional family farmers have turned to learning from each other. Unfortunately, when today's aging farmers retire or die, their personal knowledge and wisdom will go with them.

Young people who do choose farming as their occupation also face a major challenge in gaining access to land. Prices of farmland are at record high levels in the US as a consequence of expanding demand in global markets and domestic biofuel subsidies and mandates. Government programs for “beginning farmers” are targeted primarily to new commodity producers, not new family farmers who produce for local markets. As much as 70 percent of US farmland may

change hands over the next two decades.<sup>v</sup> Non-farm investors and large private equity investors have become major competitors in farmland markets. Access to farmland for family farmers is a challenge not likely to be met without significant changes in land tenure policies.

Farmers traditionally have prided themselves on their independence. This may have been an asset to family farms in the past but it could be a major obstacle in the future. Today's smaller family farms that are producing for local niche markets will need to “scale up” their operations without compromising their ecological and social integrity. To meet this challenge, literally thousands of farmer alliances, collaboratives, networks, and food hubs are being established all across the US and Canada.<sup>vi</sup> These new food networks must follow the organizational principles of earlier cooperative organizations if they are to maintain their multifunctionality and thus their sustainability. Those farmers who meet the challenges of cooperation may well find it to be one of the most economically and personally rewarding aspects of family farming in the future.

### Do Family Farms Matter?

Family farms obviously are important to farm families but is their survival important for society as a whole or the future of humanity? Those who value traditional family farms are often seen as naïve or idealistic. The controversies surrounding family farms versus industrial farms invariably center on questions of agricultural sustainability: The ability to meet the basic food needs of all of the present without diminishing opportunities for those of future generations. It is not naïve to be concerned about sustainability.

The historical root meanings of the words “farm” and “farmer” suggest that economics has always been an important aspect of farms and farming. However, these words have also always had important social and ethical dimensions. Historically, farmers have managed their farms multifunctionally. The industrial agriculture emphasis of economic efficiency invariably leads to extraction and exploitation of the natural and human resources that ultimately must sustain long-run agricultural productivity. True family farms are a way of life, not just a business, and thus have a natural advantage in meeting the multiple needs of all of both present and future generations.

Industrial agriculture has shown an inability to provide domestic food security in the United States and Canada. About one-in-six residents of the US and one-in-eight Canadians is classified as “food insecure.”<sup>vii,viii</sup> Many can get enough food to satisfy their need for calories or energy only by buying cheap industrial food products that fail to meet their nutritional needs for healthy, active lifestyles. As a result, diet-related illnesses in the US are rampant, including obesity and related diseases such as diabetes, hypertension, heart failure, and various types of cancers.

Development experts attribute the persistent hunger globally to increases in population made possible by increased food production of the Green Revolution. However, many of those living and working in developing nations have a very different view. Numerous studies sponsored by the United Nations indicate that multifunctional farms are key for meeting the food needs of a growing global population. In the US and Canada, the challenge is agricultural sustainability, not agricultural productivity.

## Government Policies for Family Farms

Since government policies have been focused on mono-functional economic efficiency rather than multifunctionality or sustainability, the definitions of family farms describe farm businesses rather than farms as ways of life. The existing definitions tend to give some attention to previously mentioned gradients between family and non-family farms, including the nature of management, legal ownership, and sources of labor and markets to lesser extents. However, current family farm definitions are of limited usefulness in address questions of functionality.

Food security has been accepted as the logical motivation for farm policies in the past. However, with growing ecological and social equity concerns, a more encompassing farm policy mandate for the future is agricultural sustainability. Agricultural sustainability is a multifunctional concept with ecological, social, and economic dimensions. Thus, farm policies that support and promote agricultural sustainability must support and promote intentional multifunctionality. Examples include: 1) Reducing emphasis on subsidies for industrial agriculture that incentivize specialization and corporatization at the expense of diversification and family farms, beginning with programs linked to specific commodities, including corn, soybeans, wheat, and rice – including subsidized crop insurance. 2) Reducing economic risks for multifunctional family farms with subsidized “whole-farm revenue insurance,” with lower premiums for more diversified farming operations. 3) Subsidizing farm families, not farm production. Link government payments to family size not farm size – subsidize people not production.

Policies supporting multifunctional farming must extend beyond farming operations: 1) Providing basic health care to multifunctional farm families as well as workforce's compensation and other “fringe benefits.” 2) Restoring farmland to some sense of “the commons.” *Permanently* zone enough farmland for food production to meet the food needs of all of both current and future generations. Develop land tenure policies that will support more farms, local markets, local control, and food democracy, thus restoring farmland to the commons, ensuring its use for the common good. 3) Redirecting public research and education to serve public interests, giving priority to on-farm research and with-farmer education. Farming must again be treated as a learned profession.

In summary, the sustainability of food production for the benefit of all of the “world's people” can be and should be ensured by policies that support a global network of local community-based food systems that support and are supported by multifunctional family farms. Multifunctional farmers are endowed with the inherent potential to farm sustainably, and sustainable farms are essential to achieving sustainable food and agricultural systems. Public policies thus must support this transition from mono- to multi-functionality. Family farms can and must return to their honored, almost sacred, position in the cultures of North America as well as the rest of the world.

## End Notes:

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[http://www.agcensus.usda.gov/Publications/2012/Full\\_Report/Volume\\_1,\\_Chapter\\_1\\_US/st99\\_1\\_001\\_001.pdf](http://www.agcensus.usda.gov/Publications/2012/Full_Report/Volume_1,_Chapter_1_US/st99_1_001_001.pdf) (accessed September 15, 2014).
- <sup>iii</sup> Statistics Canada, “A statistical portrait of agriculture, Canada and provinces: census years 1921 to 2006,”  
<http://www.statcan.gc.ca/pub/95-632-x/2007000/t/4185570-eng.htm> (accessed September 15, 2014).
- <sup>iv</sup> Ricardo Améndola, Epigmenio Castillo & Pedro A. Martínez, “Country/Pastures Forage/Resource Profiles, Mexico,” <http://www.fao.org/ag/AGP/AGPC/doc/Counprof/Mexico/Mexico.htm> (accessed September 15, 2014).
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- <sup>vi</sup> John E Ikerd., “Local Food: Revolution and Reality,” *Journal of Agricultural and Food Information*, Volume. 12, Number 1, 2011, 49-57.
- <sup>vii</sup> Alisha Coleman-Jensen, Christian Gregory, and Anita Singh, “Household Food Security in the U.S. in 2013,” Economic Research Report No 173, September 2014. <http://www.ers.usda.gov/media/1565415/err173.pdf> (accessed September 15, 2014)
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<http://www.cbc.ca/news/canada/new-brunswick/1-in-8-canadian-families-struggle-to-put-food-on-table-study-says-1.1346620> (accessed September 15, 2014).