

Do Mid-sized Farms Have a Future?

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The middle of American agriculture is still shrinking, according to the 2007 Census of Agriculture. *Total* farm numbers actually increased between 2002 and 2007, as a result of more farms with annual sales of less than \$1,000 and more than \$250,000. All farm sizes in between lost numbers. This continues a trend of the past several decades. Without quibbling about how big is big or how small is small, it's obvious the middle of American agriculture is disappearing.

Most farm experts seem to believe that farms in the middle are too small to be competitive in basic commodity production – corn, soybeans, hogs, cattle – but are too large to take advantage of profitable niche markets – farmers markets, CSAs, and on-farm sales. However, the problem isn't the size of the farm; it's the mindset of the farmer.

Mid-sized farmers can produce basic commodities competitively, if they are willing to become contract growers for large agribusiness corporations. This is the reason concentrated animal feeding operations, or CAFOs, have spread across the countryside like an infectious disease. Many mid-sized farmers are unwilling or unable to farm very differently from how they have farmed in the past. Since they can't compete with the large agribusiness corporations in that kind of agriculture, they have to become their contract growers. They are held hostage by their mindset – their unwillingness to change.

Mid-sized farmers can also take advantage of the more profitable niche markets, if they are willing to change their mindset. The problem isn't that the niche markets are too small; it's that they are food markets rather than commodity markets. Most mid-sized farmers produce crops and livestock and leave it to processors and retailers to turn their commodities into food. Farmers who produce food grow crops and livestock targeted for specific groups of consumers who have needs and preferences very different from those of mainstream food consumers. Mid-sized farmers can take advantage of profitable market niches, if they are willing to produce food.

The value of agricultural commodities makes up only about one-fifth of the total value of food. Well over half of the farmers' one-fifth goes to pay for seed, fertilizers, pesticides, medications, vet bills, fuel, and all of the other out of pocket costs of production. As a mid-sized farmer recently told me, "Farmers buy their crops these days." Farmers who produce food for the new high-valued niche markets must be willing to *produce* their crops and livestock, rather than *buy* them from corporate agribusinesses.

Virtually all of the imagination and creativity involved in conventional commodity production is embodied in the seeds, fertilizers, pesticides, feeds, medications, and equipment that is designed and manufactured by corporate agribusinesses. The imagination and creativity involved in turning commodities into food obviously doesn't take place on the farm. It takes a big operation to make a living if all the farmer contributes is the unskilled labor required to monitor a CAFO, drive a tractor, or operate largely automated equipment. If mid-sized farmers want to make a living farming, they are going to have to contribute something to everything that adds value to their crops and livestock – from conception to consumption.

The discriminating consumers who are making niche markets profitable want something fundamentally different from the food produced by today's industrial food system and they are willing to pay for it. They are not a bunch of idealistic, uninformed yuppies willing to pay ridiculously high prices for anything with a natural, organic, or local label. Most have been duped and are wary of marketing gimmicks. They are looking for food with integrity and will only buy food from farmers who have integrity.

Profitable niche markets are not limited to farmers markets, CSAs, and on-farm sales. However, these are good places for mid-sized farmers to learn how to produce high-value food rather than low-cost commodities. Farmers shouldn't attempt to make the transition all at once. A few acres of crops or a few head of livestock is a logical place to start. It's far easier to use modern technologies to dominate nature and disinformation to deceive consumers than to work in harmony with nature and provide real value for customers. Such domination and deception have put mid-sized farmers in the predicament they find themselves in today. The transition may not be easy, but it will be necessary for success.

Once farmers have learned to produce high-quality food, they are in a position to access higher-volume markets. A large and growing number of supermarkets, restaurants, schools, and hospitals are searching for high-quality, locally-grown foods. Most want foods that are natural, organic, ecological, pesticide free, hormone free, antibiotic free, GMO free – something different from today's industrial foods. They prefer foods that are grown locally or at least regionally – by people they can get to know and trust.

The small farmers who are supplying these markets today simply cannot meet the growing demand. Many successful small farmers are not interested in marketing beyond their farmers markets, CSAs, or on-farm sales. They like the person-to-person contact with their customers. In addition, their ability to connect personally with their customer may be the primary basis for their continuing profitability. For them, moving into higher-volume markets might reduce their profits as well as their quality of life. They are successful as small farmers; why become larger?

Other small farmers would like to expand and could expand successfully if they had access to enough land or capital to operate at the scale of a mid-sized farm. They simply can't provide the quantities of products needed to serve the higher-volume markets. These farmers would be ideal collaborators with mid-sized farmers in accessing high-value food markets. Mid-sized farmers could supply the necessary product volume while smaller farmers could add diversity of products and knowledge of high-value markets. The so called niche markets are small today only because there are not enough small and mid-sized farmers willing to work together to produce high-quality food with ecological and social integrity.

Mid-sized farmers confront a number of psychological obstacles in addition to their own biases about what constitutes “real farming.” Perhaps the largest obstacle is the bias of the “agricultural establishment” in favor of corporate agriculture. The U.S.D.A., state departments of agriculture, agricultural colleges, commodity organizations, and some farm organizations, notably the Farm Bureau Federation, are unabashed promoters of industrial agriculture. They promote high-tech production -- CAFOs, GMOs, rBGH, GPS... – as the future of farming. They

tell mid-sized farmers their only options are to get bigger, give in to corporate control, or get out of farming. They may actually believe that agriculture is destined to continue the trends of the past. If they were right, there is not future for mid-sized farms in America.

The “agricultural establishment” experts are wrong. It's quite understandable that many farmers would be inclined to believe them. Farmers should be able to trust these people to tell them the truth. They are supposed to be serving the interest of farmers – not corporate agriculture. Mid-sized farmers should remind themselves: these are same organizations who have presided over the disappearing middle of agriculture. With each new census of agriculture, more of American agriculture is controlled by fewer and larger farms. The option of getting bigger has been working for fewer and fewer farmers and will work for even fewer farmers in the future. The only realistic future for the vast majority of mid-sized farmers is to produce high-quality food with ecological and social integrity.

Farmers must look beyond the agricultural establishment if they are to be a part of this future. Fortunately, they can rely on other farmers who have already decided to make the change. They can begin the process by checking out the *Agriculture-of-the-Middle* program. This program focuses its efforts on “mid-scale farms/ranches and related agrifood enterprises that are unable to successfully market bulk commodities or sell food directly to consumers.” The program began as a national initiative of farmers, academics, and food system executives in 2003 and is now entering the market development phase of its work; <http://www.agofthemiddle.org/>.

The development phase is being carried out by the *Association of Family Farmers*. Their goal is to “save America's family farms, ranches, and fisheries by helping them feed America's families what they want to eat.” They realize “America is losing its family farmers, ranchers and fishermen, just as Americans are demanding more of the food only family farmers, ranchers and fishermen can produce.” They invite family farmers to “take advantage of the soaring demand for the food you grow, raise and catch by participating in the Association of Family Farms.”

They want to link mid-sized farmers into supply chains called value chains. Value chains are business partnerships where growers, distributors, wholesalers, retailers or restaurants, and consumers agree to share the economic and other benefits of the entire food production process; <http://www.familyfood.net/>. They are trying to create a new food system – from conception to consumption – that has ecological, social, and economic integrity.

Several states have initiated programs to help farmers within their states produce more of the food consumed by people within their states. The state of Wisconsin, for example, has set a specific target for the percentage of foods to be produced locally by a specific time in the future. Many people in middle-America are beginning to realize that something is fundamentally wrong with today's global, industrial, corporately controlled food system. Many do not yet understand that what's wrong can be fixed only by producing foods with ecological, social, and economic integrity. Mid-sized farms have a future in America, if farmers on mid-sized farms are willing to produce high-quality food rather than low-cost agricultural commodities.