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Abstract

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The Impact of Changes in Farm Structure on Agricultural Communications

Steve Drake

Change is not new! The current shift in the structure of agriculture began in the 30s. The boom years of the 70s may have been a temporary glitch in the continuing reduction in the numbers of farmers.

We've got more small farms. . .more big farms. . .and fewer middle-sized farms. Let's look at some definitions:

A small farm. . .one with less than \$20,000 in annual sales.

A part-time farm. . .one with sales of \$20,000 to \$100,000.

A moderate-commercial farm. . .sales of \$100,000 to \$200,000.

A large-commercial farm. . .sales of \$200,000 to \$500,000.

A very-large commercial farm. . .annual sales over \$500,000.

We routinely hear the rallying cry, "Save the family farm." I often wonder, what do we mean by the family farm? Who owns the very largest commercial farms in the United States? 95 percent of farms with sales over \$200,000 are family owned and operated! Think of that, 95 percent of the nation's largest, most productive farms are owned and operated by individual families.

Perhaps the rally to save the family farm really means save the moderate-sized, diversified, one-family operated farm. The moderate commercial farm typifies what people think of as the family farm. As you'll see in a few minutes, the numbers of moderate farms has increased, but their share of net farm income has decreased substantially.

Steve Drake, executive director of the American Soybean Association, gave this speech at the ACE Southern Regional Meeting in Memphis, Tenn., in April 1985.

Census people say we now have 2.2 million farms. . .that's down one-third from 6.8 million in 1935. Since 1969, the number of small farms has dropped 22 percent.

The number of part-time farms has dropped 18 percent, but the number of moderate commercial farms has increased 39 percent.

The number of large commercial farms is up 43 percent. . .and the number of very large commercial farms is up 53 percent.

The distribution of sales and income more clearly shows the direction in which U.S. agriculture is heading. The 120,000 farms selling \$200,000 or more control 54 percent of the total cash receipts and 84 percent of the net farm income. That means the largest five percent of U.S. farms get one-half the cash receipts and five-sixths of the net farm income.

More importantly, the distribution of net farm income has concentrated even more resources in the large to very large commercial farm category. In 1974, these largest farms had 47 percent of cash receipts and 35 percent of net farm income. Just 8 years later, the large farms had grown to control 54 percent of cash receipts, but 84 percent of net farm income. And, the very large farms represent the greatest growth. In fact, between 1974 and 1982, their share of net farm income jumped *fourfold* from 16 percent of the total to 64 percent of the total.

I've given a lot of statistics. What do they mean to you, to me, to the land-grant system, to farmers and farm organizations, to federal and state farm programs and policies?

First, let's recognize that the success of American agriculture is not solely the result of being blessed with good soil, water and weather. Our success comes from our people. Farmers. *And*, from the land-grant system of teaching, research and extension which provided farmers with the knowledge to capitalize on our wealth of abundance.

Second, like it or not, something is going to have to change. Congress, the land-grant system, farmers and farm organizations today face difficult policy decisions. Do we establish farm programs and policies based on *social needs*? Or do we establish policies based on *economic principles*? Or do we establish policies based on the need to *reduce the federal budget*?

Those are three distinct options. Each will affect all of us. Each will affect farmers, agribusinesses, nonfarm consumers and those of you in the land-grant system.

Third, given continuation of current trends in agriculture, the land-grant system needs to prepare for a *bimodal* structure of farming. The number of small farms—those with small farm income and few acres—is increasing. The number of large commercial farms—those who produce the bulk of farm products and net farm income—is increasing. But the moderate farms—those in the middle—appear to be under the most stress and are declining. Some are going out of business. Some are reducing farm production and seeking more nonfarm income. And, some are expanding and moving into the large farm category.

The Impact on Communicators

As a communicator, you have a bimodal role:

- *Reflect in.* . . . know your audiences, their needs and frustrations and reflect that knowledge inward to your decision makers.

- *Project out.* . . . know what's going on in your programs and project those out to your constituents.

As a professional communicator, you'd better know *why* you are communicating—that is, what you expect people to do as a result of your information. Those people still just grinding out news releases and Extension bulletins with little thought of whether or not they are effective may well find themselves selling used cars.

I want to touch on three areas within this communicators segment:

First, the days of the mass-mailed Extension bulletin, mass-mailed news release, and mass-mailed letters *are gone*.

Farmers, nonfarm consumers, media and other constituents are bombarded with messages. We're faced with a traffic jam of ideas cluttering the minds of everyone and interfering with our message.

Many of our competitors—others seeking to communicate to our audiences—have seen the light. Rather than "Dear Farmer," our competition is saying "Dear Fred." Rather than saying, "Dear alumnus, please support your university," our competitors are saying: "Last year, Jim, you gave \$50; won't you and Mary give \$75 this year?"

Not all farmers are alike. They have different wants, different needs and different abilities. Universities, Extension and research people interested in reaching farmers and other audiences are going to have to become more specific.

You need to zero in our demographics like:

Age. . .how does age affect what they expect from us?

Size. . .what should we do for the small, part-time farmer that's different from the large, commercial farmer?

Education. . .does the noncollege graduate need the same information as a farmer who holds a masters in agronomy?

Production. . .should we send hog production information to a crops-only farmer?

Those who personalize and tailor messages to individuals will win the communications battle, will gain greater support from all of their many and varied constituents.

Second, as communicators, we need to get up to speed with the new technologies. Both the new technology affecting farming or the high-tech that farmers will be using, and new technology—the high-tech tools we'll use to tell our story.

Many of the large commercial farmers are quickly adopting new communications technology. While only about 4 percent of all farmers own personal computers, the percentage is higher among large farmers. For example, 17 percent of Soybean Association members own personal computers. And 6 percent own a home satellite dish.

Most of you have done a super job in moving into satellite and computer information technology. But, the new technology challenges you to adopt new, segmented, targeted messages. Please, categorize your audiences into similar interest categories and then tailor your message to individuals within each category. An impersonal letter is still an impersonal letter, whether printed, mimeographed or sent in electronic mail.

Third, be aware of issues outside the campus that affect you, your institution and your audiences. Reflect those issues inward to both administrators and faculty. Some in PR have labeled this as the issues management function of communications.

Here are a few examples of current issues:

- AID grants. . . \$6 million to U of Illinois for subtropical soybean varieties. \$1.5 million to OSU-led project to develop soybean production in Burma. Better that AID and land-grant colleges convert those funds to programs to teach Brazil how to consume the soybeans we taught them how to grow.

- Anti-research bias. . . still present. . . surplus still makes many farmers say we don't need more production. Perhaps you can solve it. Convert farmer thinking from price per bushel to income per acre, then they'll see the value of

research

• **Macroeconomics.** As agriculture has internationalized, issues like high-valued dollar, textile agreements, U.S.-Japanese trade vitally affect U.S. farmers.

The Impact on Educators, Research and Extension

I don't plan to discuss the teaching function other than to recognize issues like fewer students, competition for state funding and difficulty maintaining quality faculty and staff. These and other issues will place a great deal of stress on university decision makers.

Rather, I want to briefly comment on some of the issues facing research and extension.

First, research.

I've previously discussed farmer emotionalism about research. Many see research as more production, which means lower prices, and prices are low enough now! I talked earlier about the need to convert farmers from price per bushel to income per acre. Together, we must all work to increase production efficiencies—to once again be the least-cost producer. If we're successful in this renewed emphasis, we'll see renewed support for research. If we fail to return as a least-cost producer, all of agriculture will suffer for we will have failed to compete in the world markets, which consume two-thirds of our wheat, one-half of our soybeans, and one-third of our corn.

Congressional decision makers are reviewing the public versus private research funding question. This may put pressure on federally-funded research. The trend toward public-private research contracts that give some benefits of public research to private companies is a likely future issue.

Another coming debate may revolve around the social question: does land-grant research benefit big farmers and hurt family-farmers. . . defined as smaller operators?

Second, Extension. Here are three items to ponder:

My father got involved in promoting production of hay in Michigan. Local Extension people didn't like the hay farmer he invited to speak, but farmers loved him. In a post-meeting survey, 46 percent of farmers at dad's hay meeting said they had never attended an Extension meeting.

One university Extension system has prevented a popular, well respected Extension specialist from accepting speaking engagements outside that state. Is this jealousy, or what?

Ag Secretary Block told the Illinois Farm Bureau that federal support of Extension is one of the items on the laundry list of possible cuts in the USDA budget.

Here are some of the challenges facing Extension:

• **Small farmers are created equal.** Extension needs

to better tailor its programs to the different needs of the different segments of agriculture.

Second. . . Extension needs to review possible structural changes in its system to match the changing farm structure. What is the role of the local county agent when many of the larger, commercial farmers bypass him and go directly to the university Extension specialist? If you've not already seen it, I strongly suggest you get a copy of "The Two Faces of Missouri Agriculture: A Dual Extension Service for a Dual Agriculture." This June 1984 report came out of Bill Hefferman and Rex Campbell at Missouri's Department of Rural Sociology. It proposed solutions for Extension's basic question.

Third. . . Extension needs to review its role vis-a-vis the dramatic changes coming through high technology and the growth of private industry into traditional research/extension areas. For example, Monsanto just opened a \$150 million research facility in St. Louis that will employ 600 research scientists. How can or should Extension get involved in evaluating these new developments and products? And, if Extension doesn't provide evaluation, who will and how can farmers gain unbiased information about which practices/products are best for them?