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DEBATING AMERICAN FARM CRISIS: ITS SUCCESS STORY

Land of opportunity – this term has excited the imagination of many people and has come to be associated with the United States of America. The country's economy, and agriculture in particular, certainly prove the term's validity today considering the role farming has played in the economic development of the USA. For many years, especially around the birth of the nation, farming was a locomotion of economic progress as well as being the qualities which American farmers possessed becoming the core of what Americans proudly define as *American values* today. This has happened over the period of years where agriculture has evolved into a complex system of environmental, economical, political, social and cultural interdependencies. It is, therefore, difficult to overemphasize the significance farming has exerted on the life of the common American, even if he or she, inhabiting some densely populated urban area, declares to have had nothing to do with it.

Despite a number of various difficulties that American agriculture experienced in the 20th century, it still achieved success which certainly reinforces the notion of America as the land of opportunity. The last century, in particular, saw an unprecedented development of American agriculture. Among the main factors contributing to it are favorable natural conditions, technological advancement, the development of international markets, changes in population and the influence of American society, government and politics.

Geographical conditions. The territory of the United States of America enjoys particularly beneficial natural conditions. Nature has endowed the American landscape with advantageous climate as well as an abundance of arable soil and natural resources. Excluding Alaska, the whole territory of the USA remains in the northern zone of what is considered to be mild climate area, where it is predominantly warm, but neither tropical nor cold, yet diverse enough

to grow virtually all kinds of farm produce. This fact, together with the country's size – the US occupies six percent of the world's total area – is sensational on a global scale. Moreover, as Woś (1971:14) points out, the six percent is even more significant as it constitutes over twelve percent of the world's total arable land. The total amount of cultivated farmland reaches 968 million acres.

The country, furthermore, is outstandingly rich in natural resources like iron ore, oil, coal, natural gas, etc., and minerals which increase the fertility of the soil (phosphorus and potassium). Huge areas of very fertile soil, especially in the Midwest of the USA, alongside the nurturing climate, have let American farmers obtain high crop yields from a relatively small input. Countries with more limited amounts of fertile land demand much larger capital investments (e.g. irrigation, land improvement, and soil erosion offset) as well as customary production inputs (e.g. fertilizers, farm machines, cultivation and crop outlays) to obtain a comparable rate of growth production.

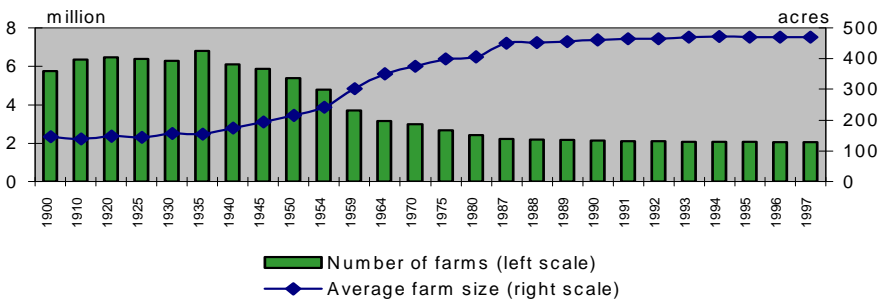
The abundance of arable land fostered extensive development of American agriculture, particularly in the 18th and 19th centuries when the growth of agricultural production was brought on by the increase of cultivated land, not through the improvements of cultivation techniques. As indicated by Woś (1971:16), all these factors created enormous cultivation opportunities, which were skillfully employed by hardworking American farmers, and contributed to the success of American farming with relatively low cost and effort.

Technological advancement. Historically, the success of American agriculture sanctions farm development through general technological advancement of the country, particularly since, during the second half of the 19th century, agriculture has constituted an important market for American industry. Until the beginning of 20th century, the demand for farm machines and equipment was mainly reliant on the progress of converting unsettled lands into arable lands. However, after World War I, mainly due to the disappearance of unsettled land reserves and the stabilization of farm employment, the importance of the industrial means of production, which effected land and work efficiency, increased. In the period between the world wars, American agriculture saw mass introduction of new farm machines, as well as chemicals in support of farm production.

Technological changes in American agriculture also affected the efficiency of farm production. During the years 1940–1990 agricultural production in one land unit increased twofold, the area of farmland per person employed in the farming sector increased fourfold, and work efficiency (i.e., farm production per unit of work input) increased over tenfold. As pointed out by Kwieciński and Tomczak (1993:51) work efficiency in agriculture increased at a much higher rate than in nonfarm sectors of American economy.

The constant increase of an average farm size was another trend characteristic of agricultural development in the United States. The trend was facilitated by the continuous flow of the rural population to urban areas which, as a result, decreased the total number of farms and the percentage of populated farms. Consequently, extended acreage could yield more production and, because of economies of scale, reduce its cost which, in turn, rewarded those farmers, who had acquired new lands, with higher profits. On the other hand, the overall development of the economy demanded more and more workers to work in nonfarming industries. Figure 1 contains the data to illustrate the extent of changes in the average farm size and the total number of farms in the 20th century (based on *Farms and Land in Farms. Final Estimates 1993–1997*):

Figure 1. Number of Farms & Average Farm Size in the USA in Selected Years



According to the above mentioned federal report only during the years 1954–1959 did an average farm size increase by 25.1%. In the following five-year period it grew by another 16%. Between 1945 and 1964 it grew by 80%. In years 1987–1997 the average farm size increased by 4.4%. These structural changes were very advantageous for the development of American agriculture and have positively affected efficiency of farm production. According to the economies of scale, the capital (machines, chemicals, workers, etc.) can be more effectively used only if production grows, which, in the case of agriculture, is facilitated by extended acreage.

The intensive growth of farming efficiency is undoubtedly another part of the success of American agriculture. However, apart from the rapid rise of the unemployed in the farming sector and growth of the average farm size, the increase in efficiency was also the result of a general trend among farmers to specialize within agricultural production. In this respect, agricultural technological progress is one of the major factors which allows farmers to choose a specific type of farming. This has occurred because the introduction of new technologies and machines demands a minimum level of production of a

given produce or livestock to yield satisfactory profits. At the same time, the chemical industry was capable of supplying enough artificial fertilizers and pesticides to enable farmers to grow crops on the same land over many consecutive years. The high rate of specializing in American farm production (nearly 90% of farms concentrate on growing 1–3 crops according to Woś (1971:94)), highly specialized and efficient machines, as well as high scale production, have facilitated large quantities of food at a relatively low cost.

A noteworthy part of the success in the development of American agriculture has been contributed by science and agricultural education. American agriculture has achieved its high level of advancement because it has been able to put the achievements of science to agricultural use. As a result, agriculture in the United States has arrived at the status of a *science-based agriculture*. A farmer is assisted by university based experimental stations which provide him with many different types of advice covering not only farming such as new pesticides, fertilizers, machines or recent farming technologies, but also business, management, tax law, federal assistance programs, etc. as well. Though the scope of activities in which a farmer is involved is more limited than that of major companies, the degree of management complexities a farmer has to face is, as a matter of fact, comparable, if not higher. To be successful, a farmer is expected to be professional with many domains of agriculture which, with regards to the complexities and integrity of today's farming with science and other sectors of national economy, has generally come to be called *agribusiness*. The term has been coined to indicate the large-scale structure of agricultural enterprise in the modern US economy. The term includes the entire complex of farm related businesses: farm cooperatives, rural banks, shippers of farm products, commodity dealers, farm equipment manufacturers, food-processing industries, grocery chains and many other businesses. The system has contributed to the fact that American agriculture of today has to comply with interests of the nonfarm business environment, specifically, large corporations operating on the food market. On the other hand, however, it has stimulated the process of specializing in agricultural production and supplies the means of production.

International markets. Increased demand for food all over the world is a large part of the success that American agriculture has earned and has enabled the country to win its leading position in international markets. Each year America produces surplus grain that constitutes the world's 100-day food supply (cf. McCan (1991:106)). Hence, agriculture has secured the United States a privileged, or even a monopolistic position as Wilkin (1986:80) suggests in international trade negotiations which can be best measured by the extent to which the United States has effected the agreements of the Uruguay Round of GATT.

Moreover, the significance of the American agricultural sector, and consequently its farmers, has been enhanced recently due to the growing role of exported farm products, its share of total American exports and its perception as a new and powerful tool in American foreign policy. In 1970 US agricultural exports were \$7,259 million but by 1978 had reached the level of \$29,395 million (cf. Johnson (1981:84)), and in 1981 they rose to a high of \$43,300 million (cf. Lunger (1994:63)). Over one-third of the cropland in the United States planted is destined for export.

Demography and population. The abundance of arable soil, which was the result of the westward expansion of U.S. territory, and the development of the newly acquired areas, constituted a great challenge for both the country and for those willing to become involved in land cultivation. The total number of American farmers grew up until the second decade of the 20th century. Simultaneously, farming demanded, and consequently fostered, mobility of its workers. In the early days of the nation's existence, American farmers were characterized by nomadic tendencies which helped to evenly spread the farming population among the arable farmlands of the country. The mobility of American farmers in that respect has been unrivaled throughout the world. This phenomenon is deeply rooted in specific features of American society and the economy of the United States.

To possess one's own land was also an attractive prospect for immigrants pouring in to the USA from all over the world. To a large extent, foreign immigration assisted new American citizens in settling the vast western areas of land. At the end of the 19th century and the first two decades of the 20th century, mass immigration was a significant factor of population growth. The largest immigration influx into the United States took place in the 1930s during the Great Depression. A significant amount of immigrants took up farming. It was facilitated by the fact that most of them had an agricultural background. A number of government publications (see, e.g. Statistical Abstract (1993)) point out that in the period between 1820–1990, the United States was reinforced with 61 million immigrants from all over the world.

America had originated as a nation of small-scale farmers. As McCan observes (1981:97), when, in 1790, the first national census was taken, 94% of all people in the United States inhabited rural areas. Today only as little as about 2% of the American population is engaged in agriculture. The change has its roots in structural changes in overall American economy and a huge increase in farming efficiency in particular.

Social impact. American agriculture would never have been able to rise to its current status and achieve its success if it had not been for the unique role society, and politics in turn, have always assigned to it. All the federal programs

would never have taken place and industries would have disregarded agriculture as a valuable market if society had not perceived farmers as bearers of the so-called *American values*. A number of writers (see, e.g. Lunger (1994:53)) observe that American society, since the earliest days, have fostered specific glorification of farming and a farmer-like style. From the nation's inception, American leaders have paid tribute to the virtues of the hardy, self-reliant farmer as those most worthy of emulation by the people as a whole. Thomas Jefferson (1984:290) expressed it in the words:

Cultivators of the earth are the most valuable citizens. They are the most vigorous, the most independent, the most virtuous, and they are tied to their country and wedded to its interests by the most lasting bonds.

Elsewhere Thomas Jefferson (1984:818) declares that farmers are [...] *the men chosen by the God*. One could argue this mythical farmers' self-sufficiency, as Lunger (1994) suggested, in that they have always been determined by turns of weather, the marketplace, and the character of government policy. Also Browne (1992:15) challenges the *farmers' myth* when he states:

Today public seems less willing to see the farming community as the principal source of moral inspiration and virtue. Some city dwellers now see farmers as glorified welfare recipients or as willful polluters, rather than as paragons of virtue.

However, Browne concludes his argument with the words: *Farming is different today, but agrarian ideals, ideals focused on the public good, are still relevant [...]*. Certainly, American farmers have exemplified a spirit of individualism and egalitarianism that has been appreciated and followed by the rest of the society. Consequently, as a number of authors agree (see, e.g. Gorchach (1995)), to a large extent, the values of American farmers have been incorporated in and become an integral part of American values.

State assistance. Having recognized the significance of the farmer's qualities' contribution to American values in general, which in turn has become part of the *American Dream*¹, the government has come to appreciate the role agriculture plays. In the early years of the country's life, a farming job was certainly the most popular occupation. In this respect, it is not a coincidence that one of the first American presidents, Thomas Jefferson, was a farmer himself.

¹ As a number of writers in the field of American studies (see, e.g. Fiedler (1990:29)) suggest, though the idea of American Dream is hard to define, it, among other notions, inevitably incorporates a common American belief that success in life can be earned through hard work, sacrifice, perseverance, and family loyalty. It accounts for a widely spread perception of America as the *land of opportunity*, and has attracted immigrants from all over the world, substantial number of whom were farmers. They came to this *promised land* in the hope that their dreams of freedom and prosperity can be achieved more fully than anywhere else.

At the rise of the nation, government agricultural assistance was primarily concerned with the westward expansion of the nation, pushing the frontier further west. American farmers were perceived as pioneers of the nation, and in fact they were often the first people to settle any given area. Every family who settled American soil sanctioned the existence of the American nation and contributed to the stability, strength and independence of the newborn nation. To enhance the expansion and settling of newly acquired lands, in 1862 the American government passed the Homestead Act. The law offered 160 acres of land to each family of settlers. Any United States citizen and head of a family, at least 21 years of age, could receive property by simply moving on to a piece of public land and inhabiting it for at least five years (cf. e.g. Lunger (1994:56)). In later years, the government passed legislation which enabled families to acquire new pieces of land at little or no cost. The American farmers could take advantage of the benefits of the Homestead Act until 1918.

Once the American Plains had been covered with farms, the land had to be properly cultivated and the produce properly dispensed. The government assisted in that part of the process as well. The 1862 Morrill Act granted federal land to each state government in order to establish a network of agricultural and technical colleges. As a result, 69 so called *land-grant colleges* were set up across the country in the following years. Their main purpose was to educate farmers in the newest agricultural and scientific methods. In the 20th century they became the foundation of the *agricultural extension service* providing advice to farmers in an attempt to implement scientific findings into farming. Though distrusted by farmers at the beginning, the system, as Lunger *op. cit.* puts it, [...] *has played a key role in advancing agricultural research and in educating successive generation of farmers.*

Since the 1930s, the federal government has been running many programs directly assisting agricultural development. The government sanctioned aid in favor of farmers because the constant rise of capital and the growth of agricultural production, consequently caused the increase of risk contingencies inevitably connected with agricultural production.

Basically, any summary of government finances shows the extent of federal assistance for agriculture in the form of various farm programs measured in billions of dollars every year (see, e.g. 1994 *Government Finances. Summary of Federal Government Finances: 1991 to 1994*). As Bosworth (1987:111) points out, [...] *farming is also heavily dependent on credit financing [...]*, which is more than any other sectors in the national economy because it demands high capital input. Farm income is highly unstable from year to year. Moreover, any other type of economic activity can avoid risk of failure through diversification of its production, whereas farmers are limited in their ability to do so. Though risk is considered to be an indispensable part of farming, excessive risk may cause its stagnation and, as a result, negatively affect the whole economy. In

general, agricultural production is often subject to market fluctuations. These were the main reasons for federal agricultural assistance which has mainly been concentrated on farm price and income support programs. Risk of agricultural activity has been partially taken over by the government and dispersed among society and the state. This kind of agricultural policy has made farming safer in terms of market profits and contributed to the stability of agriculture and the whole economy.

As of now, many production decisions are affected by government programs and farmers consider the benefits of those programs as a crucial part of planning their agricultural production. Governmental intervention in agriculture has always played an important role in the development of this sector of the national economy. On the other hand, the increasing role of international markets has sanctioned the governmental assistance in American farming through efficient export policies.

Political impact. Farmers of the United States have been well remembered for their unprecedented role in the territorial expansion of the country as well as their contribution to the rise of the American economic empire. Even though the share of agriculture in the total Gross National Product has been steadily declining, as is the percentage of people engaged in agriculture, farmers still hold strong to their political and economical position. It is enhanced by the political system and structure of the electoral system which, in relative terms, is advantageous to scarcely populated rural areas of the country. McCan (1991:96) aptly points out that:

For generations, the farming areas were over-represented in state legislature and in the Congress. As the U.S. Congress, all but one of the state legislatures are bicameral, with members of the upper house [...] representing geographical districts without regard to how large or small their population. The rural areas often gave their senators repeated terms in office, thereby permitting them to acquire seniority. As a consequence, legislation was additionally and systematically “biased” in favor of certain kinds of farmer preferences.

The strong political position of American farmers is also enhanced by the activities of well-organized farm organizations. Considering the fact that American government promotes political pressure from different social groups, farmers' organizations and lobbies specifically, the political impact of different farm organizations and lobbies on the policy making process is self-explanatory. What comes as a surprise, however, is that, as Olson (1971:157) indicates, no significant and lasting farm organization or lobby ever existed in the United States since the Civil War. It was the state of things even in spite of the fact that the farmers were the largest population group in the country. Many farmers' organizations were very unstable – a general pattern was that they came up and then disappeared within a few years of their birth. To name just some of them: The Farmers' Alliances, the Greenback movement, the Agricultural Wheel, the Brothers of Freedom, the

Gleaners, Populism, the Free Silver movement, and the Equity. Today, it is the American Farm Bureau Federation who wields a great deal of political power. It has what no farm organization in America has ever had before: a large, stable, nationwide membership. The Farm Bureau is helped in its pro-farm activities by other organizations like the Farmers Union (particularly popular in the Great Plains), the Grange, and recently, the National Farmers Organization.

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American farming is an example of an unprecedented success. It has achieved high levels of production, high work efficiency, good cooperation among farmers and with other sectors of national economy, and the most advanced agricultural technology. All of this, connected with the enormous advantage of natural resources, has placed the United States in the leading position as an agricultural producer in the world. The role of farming is also indisputable in the creation of contemporary American culture and values.

Agriculture itself is undoubtedly a very intriguing field due to its complexities and interrelation with other contemporary sciences and technological advancement, as well as various economic, political and social processes. Farming is subject to many of the above influences and every aspect has to be perceived and understood in context. The complexity of agriculture has been addressed here only to a small degree. This paper has been meant to be at most short account on the successes of American farming. In fact, American farming is not only a success story. Although only 2% of the U.S. population live on farms, few other issues have stirred the general American public more than farm problems. Many authors (see, e.g. Tomczak (1990) or Gorlach (1995)) writing about U.S. agriculture are in agreement on the fact that no other issues have been more persistently engaging either to the public or the government with their efforts and attempts to solve farming problems for over seventy years now. Contemporary America can observe an increasing interest in the issues related to farming as demonstrated by either public interest expressed on various American mass media or its presence on the legislative agenda of the successive administrations of American government.

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