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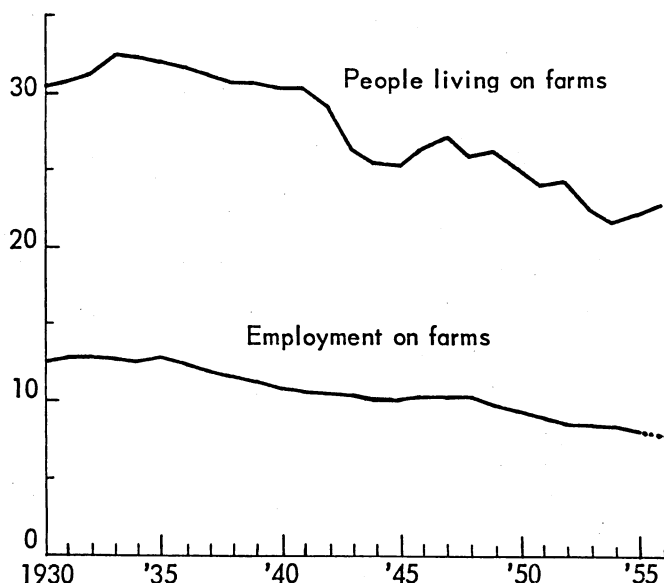
THE DOWNTREND in number of people living on farms "leveled off" during the past two years, according to recent estimates. The halt in the long-term decline in the farm population raises a question as to what new forces may be affecting the number of people living on farms.

Because the farm population over-reproduces itself and the man power requirements in agriculture have been declining, about 7 per cent of the number of people living on farms have obtained street addresses annually in recent years. If it had not been for this migration to urban centers, the farm population would have increased by nearly 70 per cent each generation.

was employed in nonagricultural industries in early 1956 compared with 30 per cent in 1950. While this trend is not new, it is becoming much more pronounced as many firms, especially those engaged in processing farm products or servicing farmers, locate in cities in agricultural areas.

Number 369

millions



The movement from farms reflects the attractive job opportunities available in urban centers, and it has aided materially in the consolidation of small acreages into larger, more efficient farms, thereby improving the earning potential of those who remain in agriculture. Thus, the decline in farm population is generally viewed as a "healthy" adjustment and one that should be speeded in time of low farm income and plentiful job opportunities in the nonfarm economy.

The recent leveling off in the farm population, due to a slackening of the movement from farms, however, showed up at a time when farmers' fortunes were still on the downgrade and business activity continued to boom. A new combination of factors, some temporary and others of a long-term nature, seem to be shaping the current trend.

More farm people seeking nonfarm employment are living at home and commuting to town. This trend has been particularly evident in recent years. Since 1950 the number of farm residents employed in agriculture has declined by 20 per cent, but the number engaged in nonagricultural activities has increased 17 per cent. Nearly 40 per cent of the labor force living on farms

Moreover, for many urban families a home in the country has become a current objective. And many of these "rural residences" actually fall within the "Census definition" of a farm. Thus, as their number swells, so does the "farm" population.

Another factor, though of a short-term nature, related to the recent trend toward stability of the farm population is the effect of Old Age and Survivors' Insurance, first extended to farmers in 1954. Whereas the number of people living on farms between the ages of 18 and 44 continues to decline, though at a slower rate than in other recent years, those over 45 have increased since 1954 and more than offset the decline in the middle age group. As shown in the accompanying table, this has been particularly true for those over 65. Apparently many operators about to retire have continued to farm in order to be eligible for Social Security benefits.

Age group	per cent change		
	1950	1954	1956
17 years and under	9.6	8.7	8.7
18 to 44 years	8.5	6.9	6.7
45 to 64 years	4.9	4.5	4.7
65 years and over	2.1	1.9	2.1
All ages	25.1	21.9	22.3

WHILE IT IS TOO EARLY to assess the effect of these forces on farm population trends, they do suggest that, as the number of farm workers decline and the number of farm residents employed in nonagricultural industries increases, income arising from nonfarm activities will make up a larger share of the total income received by people living on farms.

In 1955 the USDA estimated that of the total income received by persons living on farms, nearly 70 per cent came from farming and over 30 per cent from nonfarm sources. As recently as 1950 the nonfarm sources of income contributed only 25 per cent of the total. A continuation of this trend may notably change the complexion of rural living. Also, business on Main Street would be less dependent on agricultural income.

Research Department