

Old New England Had a Farm ...

Among the hardships of a New England winter are snow, ice, cold, and — perhaps worst of all — “rubber” tomatoes. “Rubber” tomatoes are grown in faraway places and bred to bounce around in farm machinery. For most of the year we use “rubber” tomatoes to garnish our hamburgers or add color to our salads. With the arrival of spring, however, New Englanders begin to think about such summertime delights as native tomatoes, sweet corn, and strawberries — fresh from the farmstand.

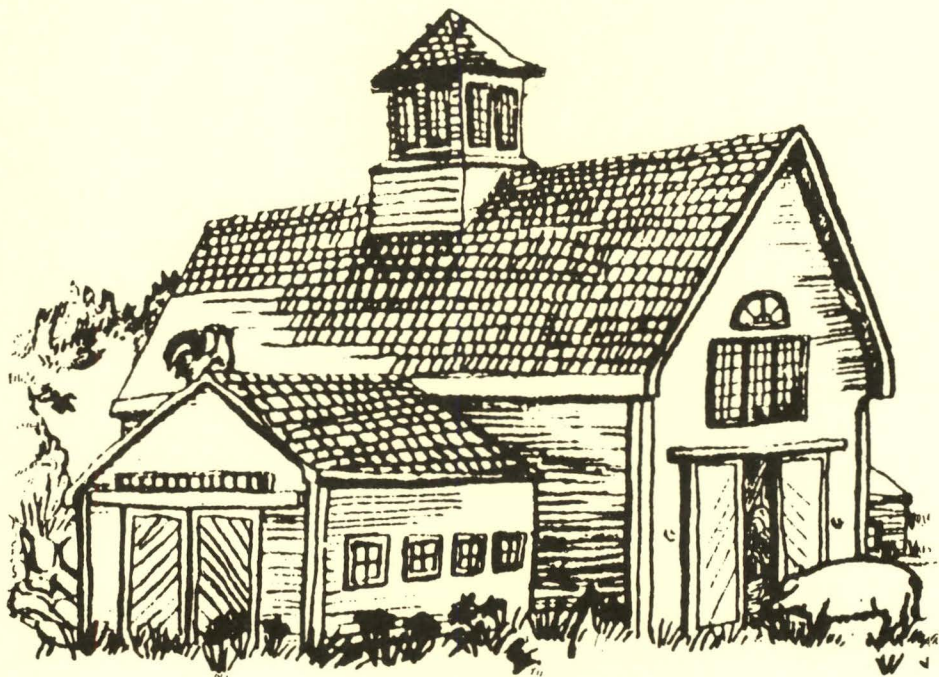
New England’s farmers live close to some of the nation’s most populous areas, and many earn their living by selling produce directly to the public. Each year, however, a few more farmstands are replaced by suburban subdivisions, shopping malls, and industrial parks.

The following article looks at agriculture in New England. It begins with a backward glance at New England’s agricultural past and then focuses on how economic development is affecting the region’s farmers.

Nowadays, the word “farm” is all too often followed by the word “crisis.” The family farm has fallen on hard times.

Recent Hollywood films have dramatized the farmers’ plight, and well-known musicians have staged concerts to aid struggling farm families. The current farm crisis is the worst since the Great Depression, and many Midwestern farmers are wondering how much longer they can hold on.

Newspaper columnists, television commentators, and economists have tried to explain why so many farmers are in such deep financial trouble. Some blame high interest rates, low crop prices, falling land



values, and stiffer foreign competition; others say the farmers’ troubles began with the grain embargo of 1979. A few observers have even suggested that the family farm is an anachronism.

Whatever the case, one thing is certain: farmers are being forced off their land at an alarming rate. People who once produced an abundance of corn, wheat, soybeans, and dairy products are now having to face the realization that no matter how hard they work, they may not be able to keep their farms.

Cities and towns in the Farm Belt states are also feeling the effects of the farm crisis. Farm equipment manufacturers, bankers, and smalltown merchants are all feeling the pinch. Entire towns are closing up.

Against this background, a recent article in *The Wall Street Journal* came as something of a surprise because its headline declared that, “Many Farmers Are Prospering in New England.” The headline was unexpected because Yankee farmers have always had a reputation for being frugal, taciturn people who have had to wrest a meager living from rocky soil. (Midwestern farms are famous for their “amber waves of grain,” and New England farms are best known for their stone walls.)

New England’s farmers have worked in the shadow of their Farm Belt counterparts for many years. But the six-state region has a long and proud farming tradition that dates back to 1621 when an Indian named Squanto taught the Pilgrims how to fertilize their corn crop with herring.

The Plymouth Colony was also the birthplace of that revered American institution, the family farm. Originally, the Pilgrims tried communal farming, but the system broke down after only two seasons because newcomers often balked at going into the fields to work for the common good. In the spring of 1623, with the colony on the brink of starvation, Plymouth's General Court dropped the communal system and assigned each family its own parcel of land. According to one observer, the new plan "made all hands very industrious, so as more corne was planted than other waise would have bene."

Over the next 200 years, New England agriculture extended inland to the Connecticut River Valley and to the hill country beyond. But farmers who lived away from the coast or the major rivers faced an age-old problem: they lacked a cheap, convenient way to move their produce to market. Most farmers took their produce to market by wagon or ox-cart, and few were able to cover more than 15 miles in a day.

Then in 1835, a railroad linked Boston with Worcester, and a whole new era began. By the 1850s, rail service reached into every corner of New England, and steam trains carried produce from back-country farms to major markets in just one day.

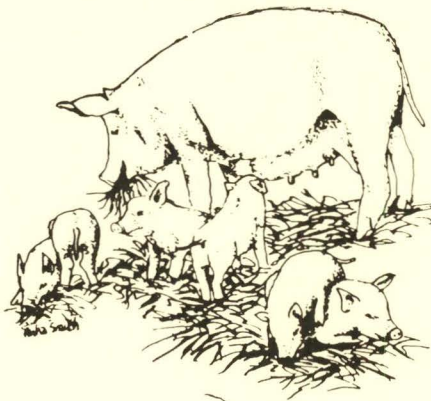
At about the same time, factories in Lowell, Lawrence, Manchester, and dozens of other New England towns began to produce everything from shoes to farm implements. Railroads carried the manufactured goods to distant markets in other parts of the country.

But railroads also contributed to the eventual decline of New England agriculture, because they offered Midwestern farmers quick and relatively cheap access to national markets. Improved transportation and mechanized farming enabled Midwesterners to undersell New England farmers in their own backyard. New England's rocky soil and hilly terrain proved no match for the Midwest's rich soil and wide-open spaces.

Locally-grown fruit and vegetables as well as locally-produced eggs and milk continued to find a lucrative market in Boston and other

large New England cities and towns, but grain and livestock production shifted to the Midwest. With every passing year, a larger percentage of New England's food supply came from outside the six-state region. (Today, the six New England states import nearly 80 percent of their foodstuffs from other regions and nations.)

Over the years, much of New England's farmland has simply reverted to forest, but developers have also claimed their share. Each new surge of economic development has claimed more farmland.



In the Boston area, for example, the 1900s saw the remaining orchards and market gardens of Dorchester and Roxbury give way to three-decker houses. During the 1950s and 1960s, suburban subdivisions, shopping malls, and high technology companies sprouted in farmers' fields after a six-lane beltway (Route 128) cut a semi-circle through the towns outside Boston. Then the economic boom of the 1980s brought more of the same as skyrocketing real estate prices prompted builders and homebuyers to seek affordable land and houses farther from Boston.

Figures show just how dramatic the loss of farmland has been. In 1900, more than half of New England's total acreage was devoted to agriculture, but by 1980 less than 10 percent was classified as farmland. The number of farms and the number of New Englanders living on farms have also declined sharply since 1900.

Yet quite a few New England farmers have managed to survive and prosper by concentrating on specialty crops that can't be grown more cheaply or more efficiently in

other areas. Massachusetts, for example, produces nearly 50 percent of the nation's cranberry crop, and cranberries have quadrupled in price during the past ten years. In fact, prices have remained strong for most of New England's main farm products — fruit, vegetables, eggs, and poultry. (Milk and potatoes are the exceptions. Prices for both have suffered because of overproduction.)

Their proximity to large population centers gives New England's farmers the added advantage of being able to sell their produce directly to consumers. Throughout the summer and fall, New England's city dwellers and suburbanites head for the country to buy sweet corn, tomatoes, and apple cider or to pick their own blueberries, strawberries, and apples. Some go looking for bargains, but many shop at farmstands because it gives them a chance to enjoy a day in the country. (Massachusetts alone has approximately 950 roadside farmstands.)

But the farmers who are closest to Boston and New England's other pockets of high-tech prosperity are faced with an interesting dilemma. They can work their land and make a decent living or they can sell their land and make a fortune. A lot of New England farmland is worth more than anyone ever dreamed. Development pressures have pushed land prices so high that many of New England's farmers could sell-out to developers and become rich overnight. (Their situation contrasts sharply with that of Midwestern farmers who have seen land values drop 20 to 40 percent since 1980.)

Farmers within an hour's drive of Boston seem to be under the greatest pressure to sell their land. Developers, of course, are not forcing farmers to sell, they're simply offering so much money for the land that farmers are having a harder time saying no.

The Patriot Ledger, a daily newspaper that serves communities to the south of Boston, recently ran an article under the headline, "Where corn once grew, homes are cropping up." The article profiled H. Winford Powers, a suburban Boston farmer who recently sold some of his land to developers.

"When [the developers] first came," said Mr. Powers, "we had no idea of selling. Then they started throwing numbers at us." (The entire article is reprinted here because it so clearly describes the difficult choices facing Mr. Powers and many other New England farmers.)

Another recent article in *The Patriot Ledger* described the development pressures facing farmers in Middleboro, Massachusetts — a quiet rural community not far from where the Pilgrims and the Indians celebrated the first Thanksgiving. Joseph Arruda, a Middleboro dairy farmer, received calls from three developers on the morning after they learned he was closing his operation. Two weeks later he signed a purchase and sale agreement for "a great deal of money." In the words of his wife Kathaleen, "It's a price we couldn't turn down."

On the other hand, Middleboro dairyman Wilfred Schobel has no intention of selling the 235-acre farm he has worked for 46 years. "I have a family involved in it and it's still home to everybody," said Schobel. But he added, "If I ever opened up to [developers], there would be a real flock of them here. I'd have to hire a receptionist to take care of them."

If New England's economy continues to expand, however, even farmers like Wilfred Schobel will have a hard time saying no to developers. Offers that range from \$50,000 to \$80,000 per acre are enough to make even the most determined holdout think twice about selling.

The continued loss of prime farmland has become a source of great concern to many New Englanders. Development pressures have prompted legislators and agriculture officials in several New England states to look for ways to preserve productive acreage. In 1977, for example, Massachusetts legislators enacted the Agricultural Preservation Restriction Program to preserve farmland through the purchase of development rights.

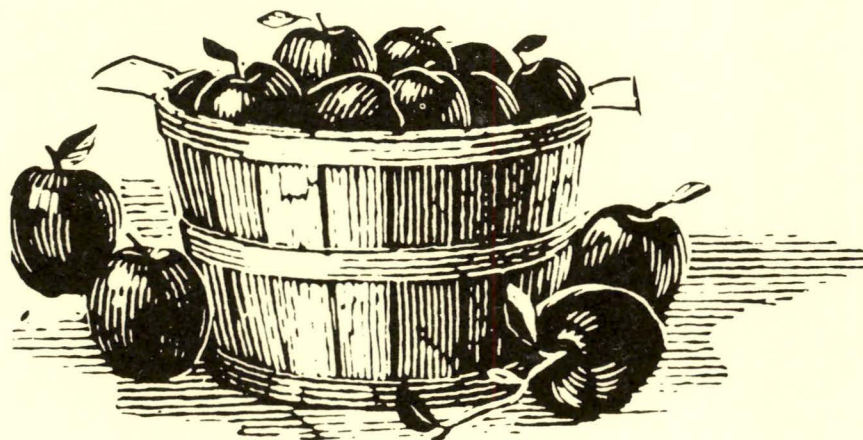
The Agricultural Preservation Restriction Program is a voluntary program whereby farmland owners first apply to the Massachusetts Department of Food and Agriculture to sell the development rights to all or part of their land. Then after field inspections, a screening and selection process, and approval by the Agricultural Lands Preservation Committee, the Commonwealth of Massachusetts acquires deed restrictions, which prohibit all activities that would destroy or impair the land for farming. Furthermore, the deed restrictions run in perpetuity, so future owners are also prohibited from developing the land for non-agricultural purposes. Title to the land still rests with the landowner, who continues to enjoy all the rights of property ownership with only one major exception — the property cannot be developed for non-agricultural purposes. To be eligible for the program, property must be at least five acres of agricultural land and have produced at least \$100 per acre gross sales annually, and have been in farming for the two consecutive years prior to application.

The specific goals of the Agricultural Preservation Restriction Program include the following:

- 1) To save the best and most productive agricultural land remaining in the Commonwealth; and
- 2) To provide an opportunity for farmers to purchase farmland at affordable prices; and
- 3) To help farmland owners overcome estate planning problems and to address other personal ownership problems such as age, health, retirement; and
- 4) To release the equity "locked-up" in the land and therefore provide working capital to enable farm operations to become more financially stable; and
- 5) If other objectives are met, to protect scenic and open space and environmentally sensitive lands; and
- 6) To develop a positive attitude among farmers, agribusinessmen, landowners, and urban residents that agriculture makes an important contribution to the state's economy, food supply, and rural character.

Lack of money seems to be the program's major shortcoming — there may not be enough money available to preserve the very expensive farmland near Boston and the high-tech areas. Nevertheless, between 1980 and 1985, the Agricultural Preservation Restriction Program acquired the development rights to more than 13,000 acres of Massachusetts farmland (more than 130 farms), at a total cost of over \$21 million (average cost per acre: approximately \$1,600). And efforts are underway to secure large blocks of protected farmland in central Massachusetts, where land prices are not yet as steep as they are in the high-tech belt around Boston.

The Massachusetts Department of Food and Agriculture is also trying to help the Commonwealth's farmers market their produce more effectively. The Farmers' Market Program, for example, encourages farmers to set up farmstands in cities and towns on a regular schedule during the summer and fall.

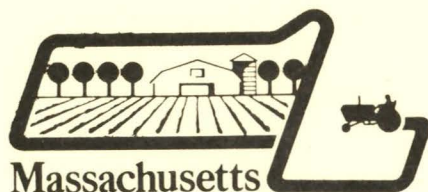


Another program seeks to improve communications between local growers and restaurant chefs, so that hotels and restaurants will be able to offer native Massachusetts fare on their menus. "We are going to provide a directory of availability which would be updated every year and sent out to all the chefs in the state three months before the harvesting of the crop," explained Massachusetts Food and Agriculture Commissioner August Schumacher, Jr. The directory would list all the products by farmer and include the anticipated volume of each crop.

Schumacher noted that, "People come to Boston because they want to see the heritage of Massachusetts. They order clam chowder, lobster, schrod, and baked beans — all the local dishes. They don't want strawberries from California or Mexico. They want to go back and say they ate Honeoye strawberries with Lunenburg cream."

The Massachusetts Commerce Department and the Department of Food and Agriculture are also sponsoring the Massachusetts Specialty Foods Program to encourage the sale of homegrown specialties in gourmet shops and selected food marts across the Commonwealth. Goats' cheese, jams, jellies, maple syrup, and fruit wines are but a few of the native delights the program seeks to promote.

With the exception of the Agricultural Preservation Restriction Program, the Massachusetts programs require no large government expenditures, and none of the programs involve subsidies or giveaways. Moreover, their objectives are clear and attainable. In short, the programs are in the best tradition of Yankee agriculture — a tradition that has spanned more than 350 years.



**Massachusetts
grown...and fresher!**

The following article is reprinted with permission of *The Patriot Ledger*.

Where corn once grew, homes are cropping up

By Fred Hanson
The Patriot Ledger

RANDOLPH — H. Winford Powers has farmed in the shadow of suburbia for decades. Now, suburbia is creeping closer to Powers' Sunnyworth Farm.

He is selling about nine of the 28 acres of his farm on North Main Street to a Milton firm, Woodland Development Corp., for \$700,000. The company plans to turn Powers' old cornfield off Grove Street into a 20-lot subdivision; 19 of the lots will be large enough for duplex homes.

"When they first came, we had no idea of selling," Powers said. "Then they started throwing numbers at us."

Powers, 68, has long realized that the land itself was becoming far more valuable than the crops it grows. He is devoted to the land he's farmed for nearly a half century and to the way of life it has given him. He doesn't call it love, because he thinks it is impossible to love something that has been as consistently hard and frequently cruel as farming.

As he walked through the field he's worked for almost a half-century, Powers talked of the plight of his fellow farmers and the passing of a way of life.

"The thing that really pushed us [to sell] is that we can't handle it anymore," he said. "It's almost like a part of me goes when the land is sold."

Powers lives and works on the farm with his son, Dana, 30, the fourth generation of the family to do so. There always is work on a farm, and Powers — stiffened and slowed by the years, as well as by back and knee problems — and his son have struggled to keep up with the load. Hired help is expensive, he said, and difficult to find.

"It's a hard business, and yet you hate to see it slip away," he said. "I enjoyed the work and it was a challenge. But ... the things I enjoyed doing are hard to do now."

He's selling land off because he thinks land values have just about reached their peak, and because town meeting's recent action to restrict the construction of duplexes might spell the beginning of more curbs on development.

"We knew the land would appreciate, but I never thought it would get this crazy," he said. Real estate values in town have shot up nearly 40 percent in a year. "We would have been been foolish to close shop, but we weren't rich enough to keep doing it forever."

His farm has never really made money. Powers estimated total income from it last year at about \$2,500. Income from investments has allowed the family to survive and hold on to the farm. That money came from two earlier sales of land from the farm, which was 40 acres during the 1960s.

He's been able to keep farming partly because of a state law that taxes farmland at a fraction of its market value. The assessment for farmland has remained the same for years, about \$250 an acre, roughly equal to the ton of hay that the land can produce in a year.

Now, by selling to a developer, Powers will have to pay the difference between what he's already paid in taxes for the last five years and what the taxes otherwise would have been. It will be "a substantial amount" of the proceeds, he said.

Powers once sold the corn he grew at a roadside stand to pay off taxes. But he no longer grows much corn and his farm isn't as busy as it once was.

Still, there are 50 chickens in the coop near the barn next to his yellow frame Victorian home and he sells their eggs to steady customers. And though the dairy cows have been gone for a couple of years, Powers has two work horses and 15 head of beef cattle, which are easier to take care of and don't have to be milked each day before dawn. He will sell some, cutting the size of the herd in half this fall when he hopes prices will improve.

"People have no idea of the costs involved," he said. It takes at least 18 months to raise a calf for market, where the animal brings about \$450. "How many of those would you have to have to make a living? The only way it can work is on a big, big scale, where you can cut costs."

Powers strolled along the dirt track that serves as the main road through the fields that produced 1,500 bales of hay last year to feed his animals.

Signs of spring abounded this sunny but chilly April afternoon. The grass in the meadows was turning brilliant green. Ducks and geese glided on placid Norroway Pond. And the crimson buds of the maple trees on the other side of the pond were visible against the gray tree limbs and trunks.

Hooking his thumbs under the bib of his overalls, Powers said it would be "really beautiful" in a couple weeks more. "It's a little kingdom," he said, and pointed to two small buildings on the banks of the pond. He once ran a skating business there, two decades ago, before the town opened an indoor rink. On hot summer nights, he sleeps in one of the sheds to take advantage of the coolness at the edge of the water.

But now, Powers sought the warmth of the old-fashioned wood-fired range that stands next to a modern gas stove in his kitchen.

Both stoves are used. Powers said the black iron range had been in the kitchen as long as he remembers.

His grandfather had purchased the farm in 1898, after coming to this country from Northern Ireland. At that time, the farm was on the outskirts of town. Powers was born in the farmhouse in 1917, and when he was growing up, there were at least a half-dozen working farms in Randolph. Now, his and another on High Street are the only ones left.

When his father died in the 1930s, his family hired a series of hands to work the farm during the Great Depression. "We couldn't get a guy to stay any length of time to do the work," he remembered. "I figured I had to do it or we couldn't survive. It was mine by default. I never had a great love for it when I was a kid because we were forced to do it. But, I learned to live with it."

As a young man, Powers won a scholarship and attended Boston University — for a day or two. The most important lesson he learned was that city life wasn't for him. "I felt like a fish out of water," he said.

So he turned to what he knew, putting in 100-hour work weeks on the farm, starting at 5 a.m. each day to milk the cows and finishing with a second round of milking after supper.

The longest he's been away from the farm was his three-day honeymoon in Washington, D.C., 38 years ago. His wife, Marion, died in December. The farm life was hard, but it had its benefits. "The best and easiest place to raise children was here," Powers said. The many chores kept Dana and his sisters, Nancy and Cynthia, out of mischief.

In Powers' view, the tragedy of the passing of the farm family is not the loss of the produce, but the loss of the men and women schooled in the values that farm life brings —

hard work and responsibility. "This country is losing some of its best material," he said.

Family farmers in the Midwest have contributed to their own problems, he believes, by trying to expand too quickly and relying too much on expensive equipment. They've borrowed heavily at high interest rates.

"Any farmer who would borrow money and go in over his head on the expectation that next year will be better than the last is crazy. You got to figure it's going to be worse," he said. "Farming is one of the riskiest things you can be in because you're at the mercy of the weather and the markets."

The purchase of equipment to make work easier has pushed many farmers deeper in debt. Powers isn't sure it's worth the cost. "The grandfather did it with a team of horses," he said. "The father did it with a tractor. And now the son needs \$100,000 of air-conditioned equipment to do the same job." Powers still uses a 1949 Ford he bought for \$1,300, and a 1947 Dodge pickup, as well as horse-drawn equipment.

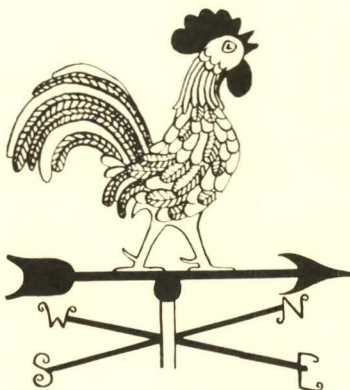
Powers said Dana plans to keep the smaller farm going as long as he can, as Powers did even after the return for his hours of backbreaking work grew smaller. "It's just a way of life," Powers said. "It's something you've always done. And, I've got the feeling that if I stop doing it, I'm not going to be around long."



A Day in the Country

Suburban subdivisions, mini-malls, and companies with names that all seem to end with "-tech" or "-ex" continue to overrun the hayfields, cornfields, and orchards of eastern Massachusetts. But there's a place where suburbanites and city dwellers can still experience the sights, sounds, and smells that were once so familiar to generations of Yankee farmers. The place is Drumlin Farm Education Center and Wildlife Sanctuary in Lincoln, Massachusetts.

Drumlin Farm's 220 acres of pastures, fields, woodlands, and ponds are owned, operated, and protected by the Massachusetts Audubon Society. Representative New England farm animals are housed in several large barns, and a live exhibit of wild animals that typically inhabit the New England landscape is located on the property.



There are classes and courses for all ages, as well as annual events such as a barn dance, Harvest Days, Bird Seed Day, and winter and spring vacation week activities. During the spring of 1986, for example, the staff at Drumlin Farm conducted a series of Sunday afternoon family programs on a variety of topics ranging from cow milking to birding for beginners.

Drumlin Farm was donated to the Massachusetts Audubon Society in 1955, and since then, thousands of people have visited the farm each year. In 1971, the United States Department of the Interior designated Drumlin Farm as a National Environmental Education Landmark in recognition of its outstanding programs and facilities.

Drumlin Farm is open Tuesday through Sunday, 9 a.m. to 5 p.m. (closed Mondays). General admission fees are \$4.00 for adults and \$2.00 for children and senior citizens (members of the Massachusetts Audubon Society admitted free). For more information please write to: Drumlin Farm, Massachusetts Audubon Society, South Great Road, Lincoln, MA 01773; or call (617) 259-9005, Tuesday through Friday, between 1 and 4 p.m. for program information.

the LEDGER

Editor: Robert Jabaily

Graphics Arts Designer: Ernie Norville

This newsletter is published periodically as a public service by the Federal Reserve Bank of Boston. The reporting of news about economic education programs and materials should not be construed as a specific endorsement by the Bank. Further, the material contained herein does not necessarily reflect the views of the Federal

Reserve Bank of Boston or the Board of Governors. Copies of this newsletter and a catalogue of other educational materials and research publications may be obtained free of charge by writing: Bank and Public Information Center, Federal Reserve Bank of Boston, Boston, MA 02106, or by calling: (617) 973-3459.

Illustrations courtesy of Drumlin Farm and the Massachusetts Department of Food and Agriculture.

