

Leopold Center for Sustainable Agriculture
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SERIOUS CONCERN ABOUT FARM COMMUNITY'S 'DISAPPEARING MIDDLE' SECTOR

AMES, Iowa The escalating loss of midsize farms could lead to serious consequences in Iowa and the rest of the nation, says the director of the Leopold Center for Sustainable Agriculture.

"The latest reports show that we're still rapidly losing midsize farms," said Fred Kirschenmann. "This 'disappearing middle' is strongly tied to the health of Iowa's economy, our environment and our rural communities."

According to data from the 2002 U.S. Census of Agriculture released February 3, Iowa has 90,634 farms, down more than 6,000 since 1997 when the last census was conducted.

The decline was greatest among Iowa farms with annual sales between \$5,000 and \$500,000. The number of farms in this category dropped by 17 percent in five years. By comparison, farms with more than \$500,000 in annual sales, which make up 5 percent of Iowa farms, grew by 17 percent between 1997 and 2002. Farms with less than \$2,500 in annual sales 26 percent of Iowa farms grew by 39 percent during the same period.

"This is not just about farm numbers or 'saving the family farm,'" Kirschenmann added. "This is about an entire segment of the food and farming industry. Its loss will dramatically change the landscape of rural America, jeopardize the future productive capacity of the land, and by extension, threaten our food security and the health of urban communities."

Kirschenmann warned that agribusiness trends including the rise of large, consolidated farms that serve the bulk commodity markets are increasingly pushing smaller operators out of the marketplace.

There is a belief that cost efficiency continues to increase as farms get larger, however, Kirschenmann pointed out, cost per unit flattens at a certain point. This occurs sooner than most people realize, he explained, and farms that expand beyond this point increase income but not efficiency. And as some farms become larger to increase income, others have to go out of business.

Kirschenmann is one of the leaders of a new national initiative, Agriculture of the Middle, designed to renew America's disappearing mid-scale farms and related agricultural and food enterprises. The project is funded by the W.K. Kellogg Foundation, the U.S. Department of Agriculture's Sustainable Agriculture Research and Education program and the Johnson Foundation.

A white paper prepared by the project's task force, "Why Worry About Agriculture of the Middle?" highlights the concern for midsize farms because they make up the largest share of the nation's "working farms," farms where the chief source of income and primary occupation is farming. The paper points to polarizing forces—growth in markets for very large and very small farms—as an imminent threat.

"These polarizing forces threaten to 'hollow out' rural America in many regions by transferring many of the agricultural economic activities that have sustained rural communities, impacting agribusiness viability, job creation and the maintenance of local tax bases," the report states. "And because these are mostly farms that have been in the family for several generations (and good land stewardship is a high priority since the land is seen as part of the family's heritage and local ecological knowledge has been handed down from one generation to the next), these farms represent considerable social and ecological capital that greatly benefit the American landscape."

Members of the multi-state project task force include researchers from the University of Wisconsin-Madison, Cornell University, University of Maine, Michigan State University, University of Missouri, North Carolina State University, Washington State University and the University of California-Davis. Leopold Center associate director Mike Duffy collaborated with Kirschenmann and other members of the task force to write the white paper.

The task force hopes to identify public-sector research and education efforts that will lead to:

- production systems that enable midsize farmers to increase their efficiencies while restoring the health of local ecosystems;
- new market structures that enable midsize farmers to retain more of the value from what they produce;
- policy alternatives to support these new markets and
- a national group of researchers and food system practitioners interested in this approach.