



The Family Farm Withers

In 1984, Duplin County led the state in total farm income with \$259 million. Number one in the state in hog and turkey sales, Duplin County farmers have also diversified into corn and soybeans, to go with a large tobacco business. By 1984, corn and soybeans each represented 6.2 percent of total farm commodities sold in the state; together, they brought in half as much as tobacco (24 percent). (See Table 4 for a ranking of farm products.) Through diversification, Duplin County farmers can survive the increasing problems with the tobacco price support system better than some. But diversification is not enough, as farmers face various pressures, particularly the debt crisis that has swept from the nation's midwestern farm belt into states like North Carolina.

"The farmers have really suffered," says Woodrow Brinson, director of economic development for Duplin County. "The dry weather has hurt. And land values have dropped over the last two years. Their land is also their collateral."

In the 1950s and 1960s, technology came to farms, much as it did the textile industry 20 years later. Machinery of all sorts, from planters to large tractors, filtered from the Midwest into the South. Fertilizers, disease control techniques, and other modern farming methods were adopted. The technology resulted in larger farm units, which in turn stimulated still more machinery

purchases—and still larger farms. The 1973 worldwide grain failure did not hit the United States, resulting in a large export market for American farmers. Modern farming meant greater yields. With a ready-made export market, farmers borrowed heavily, investing in machinery and land.

By the end of the decade, however, the overseas market had not only recovered but had become a major competitor. Tobacco imports increased sharply, as cigarette manufacturers began purchasing much larger portions of foreign tobacco, which was far cheaper and nearing the quality of American leaf.⁸ Meanwhile, the big jump in oil prices in the early 1980s sent fertilizer and equipment prices skyrocketing. Farmers tried to meet the rising costs and flood of imports with increased yields. But the larger yields, ironically, drove prices down, often resulting in a lower income for the farmer.

"Income will be down 20 to 25 percent (from 1984) for 1985," says Frank Bordeaux, chief economist for the N.C. Department of Agriculture. "It's because of low prices, which bring in less income." Meanwhile, production costs were up about 1 to 2 percent in 1985, adds Bordeaux.

The North Carolina farmers who can survive these pressures will have larger farms, employ more people, and rely on different crops than their fathers did. These trends were already in place before the current pressures of reduced

farm income. From 1959 to 1982, the average North Carolina farm grew from 83 to 142 acres while the number of farms shrunk from 191,000 to 73,000, according to the U.S. Census. The amount of farmland decreased by 35 percent, from 15.9 to 10.3 million acres. But perhaps the most revealing farm statistic is employment status. In 1960, 75 percent of farm jobs were family members; only 25 percent were hired, according to the N.C. Department of Agriculture. But by 1984, only 42 percent were family members and 58 percent were hired workers.⁹

Fifteen counties have the most at stake in this transition, according to a U.S. Department of Agriculture study released in September 1985. In the nationwide study, the USDA classified a county as "farming-dependent" if farming contributed at least 20 percent of the county's income.¹⁰ Duplin County, one of the 15 such counties in North Carolina, got 36 percent of its income from farming and 25 percent from manufacturing in 1979, the year used by the USDA study. Three counties (Greene, Gates, and Jones) had a greater portion of income from farming than Duplin (see Table 5). All but two of the 15 counties (Caswell and Alleghany) are in the eastern belt.

In the short run, the fate of the federal tobacco program will affect many farmers. Throughout 1985, U.S. Sen. Jesse Helms and U.S. Rep. Charlie Rose worked on a compromise

*"Scarecrow on a wooden cross,
blackbird in the barn,
400 empty acres, that used to be
my farm."*

*— "Rain on
the Scarecrow"*

*by John Cougar Mellencamp &
George M. Green*

in Washington to reduce the \$2.5 billion worth of unsold tobacco kept in storage and to keep the price support high enough for farmers to turn a profit. Just before the Christmas 1985 recess, Congress seemed to have reached a complex solution that would alter the federal farm program in the most fundamental way since the 1930s, but the compromise was tied to a budget bill that stalled as Congress left town. Congress finally passed the bill in March 1986.

About 64,500 people are employed in the agricultural job sector, roughly 2.5 percent of all jobs in North Carolina. But tens of thousands of others use farm income to supplement their wages. In addition, the multiplier effect in farm-belt towns—from seed-supply stores to banks to

Table 4. Top Ten Agricultural Commodities by Percentage of Cash Receipts, 1984 (with historical comparisons)

<u>Commodity</u>	<u>1984</u>	<u>1970</u>	<u>1960</u>	<u>1950</u>
1. Poultry & eggs	26.8%	21.9%	15.0%	7.6%
2. Tobacco (flue-cured & burley)	24.1	38.3	49.1	59.5
3. Hogs	8.7	8.0	4.9	4.3
4. Corn	6.2	4.3	4.3	2.4
5. Soybeans	6.2	4.0	2.2	1.1
6. Farm forest products (pulpwood, timber and Christmas trees)	5.9	2.1	1.9	2.2
7. Dairy products	5.4	6.3	6.2	5.4
8. Greenhouse nursery	3.3	1.5	1.0	.8
9. Peanuts	2.8	3.0	3.1	3.3
10. Cattle & calves	2.1	3.7	3.2	2.2

Source: N.C. Agricultural Statistics, N.C. Crop and Livestock Reporting Service, N.C. Department of Agriculture, published annually.

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the tobacco warehouses—is enormous. This vibrant farm economy has gradually diversified to make North Carolina a major supplier of many farm products nationwide. In 1983, the state ranked number one in the country in sweet potatoes, turkeys, and *farm* forest products (pulpwood, timber, and Christmas trees), as well as flue-cured and total tobacco. Other high national rankings were in production of peanuts (4th), broilers (4th), eggs (6th), apples (7th), and hogs (7th).

North Carolina farmers will undoubtedly continue to wean themselves from tobacco. Some farmers will manage the transition to other crops, and others will survive with tobacco. But increasingly, those farmers will push their children toward other careers and seek other employment themselves.

In 1985, the biggest news in Duplin County—after the dry growing season and the debt crisis—was the announcement of a new turkey processing plant. Carolina Turkeys, a new partnership formed by Carroll's Foods in Warsaw and Goldsboro Milling Company, will employ 600 people next year and up to 1,000 in three years, says Woodrow Brinson. Duplin had a 6.5 percent unemployment rate in October 1985, and the new poultry processing jobs will bring that down a point or two. While the jobs will offer a steadier wage than farmers have known in recent years, the pickings won't be so great. The average weekly wage in poultry dressing jobs was \$226 a

Table 5. North Carolina Counties Most Dependent on Agriculture

County (From Most to Least Dependent)	Percentage of Income From Farming 1975-79	Percent Increase in County's Population 1970-1984
1. Greene	54%	10%
2. Gates	43	9
3. Jones	40	0
4. Duplin	36	10
5. Northampton	33	-5
6. Caswell	32	16
7. Bertie	32	4
8. Sampson	26	12
9. Perquimans	26	18
10. Camden	26	7
11. Warren	24	3
12. Franklin	23	19
13. Pender	23	32
14. Tyrrell	22	8
15. Alleghany	21	21

Source: Bernal Green, U.S. Department of Agriculture, data prepared for *North Carolina Insight*.

week in 1985, lower than any other manufacturing sector except apparel.

