

How Young People Acquire Farms

By FRANK D. HANSING

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If you were a young farmer wanting to attain ownership of a family farm, what would you do?

If your family could help you with the initial capital, what sort of a plan would you work out, and how much of the purchase price would be required? Would you have to wait until your parents died and use your inheritance? Would you work on the home farm to save the needed capital. Or, would your family be able to furnish the money for the initial down payment?

If your family could not help you, what would you do? Would you work at nonfarm employment and save until you could make a down payment on a family-sized farm? Could you borrow the entire amount outside your family? Or, would you try to work your way up the ladder, first as farmhand, next as tenant, and finally as owner?

Every year thousands of our farm youths are confronted with these questions. Maybe you're one of them. You must decide what to do and how to do it.

Your problems are getting more complicated. The amount of capital needed has gone up pretty fast. Land and buildings, machinery and equipment, livestock and supplies . . . all, are much higher priced than they were a few years ago. The way we do things on the farm, in this modern age of machines and new techniques, has increased the capital required for farming. In many areas, livestock production is of increasing importance, and this makes large investments necessary . . . not only for animals but for feed, pasture, and equipment.

You young men who are interested in farm ownership are thus confronted with the problem of how to acquire this large amount of capital.

A study in Virginia sheds some light on how some young men have solved this problem, and finally attained farm home ownership. It shows how a typical young couple can acquire enough capital to buy an ownership interest in a farm of average value—as high as \$30,000. It shows that some young farm owners depend on family help in acquiring farm ownership. And it shows that some can get started in ownership without family assistance.

The study was made cooperatively by the Virginia Agricultural Experiment Station and the Bureau of Agricultural Economics. It was centered in Culpepper and Orange Counties,

where beef cattle and dairying are the main enterprises. Forty-nine farm owners were included in the pilot study. All of them bought their farms between 1930 and 1951. For purposes of analysis the farms were sorted into two major groups: Those starting without family help, and those starting with family help.

Without Family Help
Twenty-one of these farmers got the capital with which to buy their first land without family help. They got their capital in 3 ways: Some of them saved enough to get started while working at a nonfarm job. Some borrowed what they needed from non-relatives. A few in the group climbed the so-called agricultural ladder.

More than half of these young farmers accumulated capital with which to get started as farm owners by working at nonfarm employment. Practically all of these purchases were made in a time of growing prosperity . . . during and following World War II. That is to say, these farmers worked during a period favorable to rapid accumulation of capital. Farming was not a new venture to this group, however, since many of them had had farming experience before they bought their land.

These farmers who had no family help began farming with an average of 243 acres per farm and an average farm investment of \$16,744. The average cash investment, or down payment made by these farmers was relatively low at \$6,720, or about 40 per cent of the total farm investment. Thus, the average indebtedness per farm was about 60 per cent. Total investment was divided as follows: Land and buildings, \$12,030; machinery and equipment, \$1,031; and livestock, \$3,683. Sixteen of the twenty-one farms have remained the same size since purchase. Some farms, however, were bought so recently that their operators haven't had enough time to accumulate capital to buy additional land. Furthermore, many of the recent purchases were large enough to make unnecessary the practice of adding tract after tract to get an economic unit. Only 3 of these young farmers added more land to their original purchase. And 2 of the 21 had changed farms completely since they first became farm owners.

With Family Help
Twenty-eight farmers, among those surveyed, had some kind of family help to get started into ownership. And they got their help in one of three ways: Inheritance, family financing, and working on the home farm.

In this group, more of them got their start through inheritance than any other way. The inheritance usually was some interest in farm real estate—only two cases involved cash inheritance. Inheritance of land ranged from a one-sixth interest in 365 acres. The years of initial land acquisition of these owners were about equally divided between the 1930's and the 1940's. Thus, the relatively low average farm investment of \$11,547 was influenced by the fact that several of the operators made their initial purchases during the 1930's when land values were still comparatively low. The average initial investment made by these operators was \$7,272, or 62 per cent of the total farm investment, leaving an average indebtedness of less than 40 per cent. This is in contrast to those operators without family help, whose average indebtedness was about 63 per cent.

Here again land and buildings made up most of the farm investment, with an average of \$8,576. Machinery and equipment averaged \$1,111 and livestock \$1,860 per farm. Unlike the without-family-help group, those with family help showed considerable interest in buying additional land and in building up their farms to economic-sized units. Only 6 of the 28 farms in this group were as big when bought as they are today. The other 22 are farms that have since been enlarged . . . either by purchase, by inheritance, or both. Three of the operators were sons who did not own a full interest in their respective farms. In these cases the fathers were very old and in poor health, and the sons made all of the managerial decisions even though they owned only a partial interest in the farm real estate.

As a young man, the chances are that you would use one or more of these six methods in getting started in farm ownership. The hardest thing is to get money for the down payment. The best solution to this problem has to be determined, of course, by individual circumstances.

The process of getting started on a small tract and adding to it, piece by piece, is now practiced much less in Virginia than formerly. Also, contrary to popular opinion, few farmers in this area during recent years have climbed the so-called agricultural ladder from farm laborer to tenant, to mortgaged owner, to full owner. Work at nonfarm employment was more prevalent than we had expected. Thus, high industrial activity has evidently added a new process by which young men can attain ownership of farm homes.

If the opportunity for rapid accumulation of capital by working in industry should decrease very much, farm youth without help from the family will find it hard to get started in farm home ownership. Unless farm ownership is to become virtually a closed shop—with farms handed

down from father to son, from generation to generation—the road must be kept open for young men without family help to break into the ownership column. In the absence of lucrative off-farm employment, it may be necessary for many farmers to get loans to finance a large proportion of the farms they buy.

Lonnie Van Horn Dies After Lingering Illness

Lonnie Van Horn, 46, died at his home on East Church Street Friday morning at 4:15 o'clock following a long illness. A native of Bertie County, he lived in Edenton most of his life, working as a painter.

Surviving are his wife, Mrs. Mattie Ruth Van Horn; his mother, Mrs. Pearl Van Horn; two sons, Earl and Carl, at home; one daughter, Mrs. Dorothy Mae Dickerson of Richmond, Indiana; three sisters, Mrs. Oscar Bunch, Mrs. Elizabeth Holmes of Edenton and Mrs. Bessie Pike of Winfall, and two grandchildren.

Funeral services were conducted at the First Christian Church, of which he was a member Saturday afternoon at 4 o'clock. The pastor, the Rev. E. C. Alexander, officiated and burial was in Beaver Hill Cemetery.

Not Long Enough
Peewitt—When that elevator fell with you I suppose all your sins flashed before your eyes.

Poette—Well, not all of them. We only dropped five stories.

Edenton Police Make 51 Arrests In August

Chief of Police George I. Dail reported to Town Council Tuesday night that Edenton police made 51 arrests during August, of which number 47 were found guilty as charged. Miscellaneous traffic violations led the list with 17 arrests, followed by 11 for being drunk.

Of those arrested 27 were white males, no white females, 22 colored males and two colored females.

Fines amounted to \$675 and costs \$382.35 or a total of \$1,057.35, of which \$130.50 was turned back to the town in way of officers' fees.

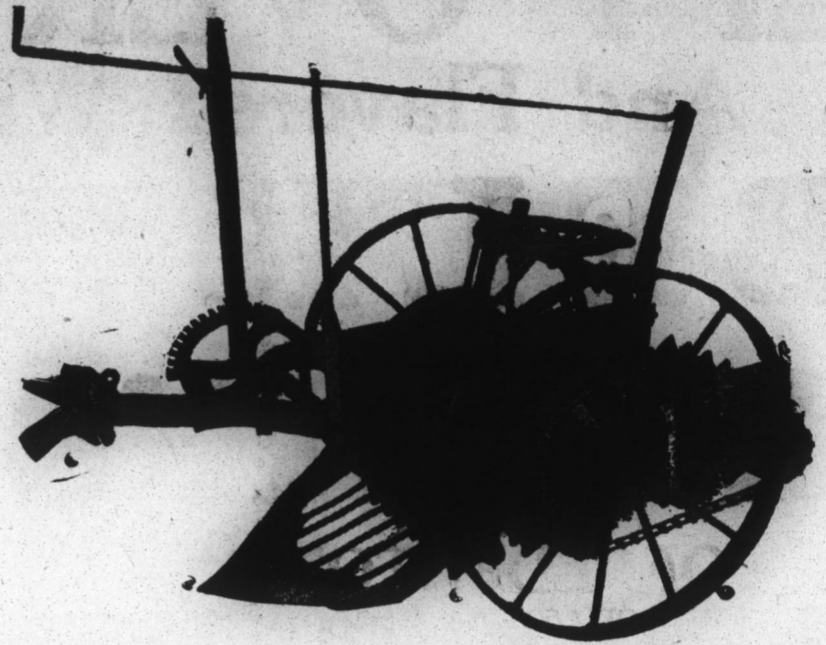
During the month the police an-

swered 84 calls, investigated four accidents, recovered one stolen automobile, worked eight funerals, report-

ed 104 street lights out, extended 57 fire call and issued 707 citations. They made 500 radio calls and were on the air 41 minutes and 40 seconds. They made 62 investigations, answered one

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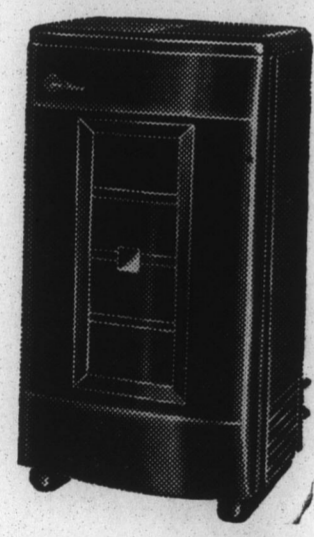
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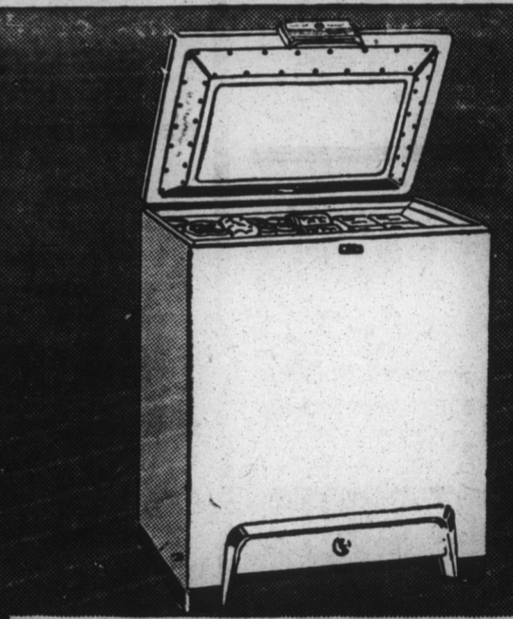
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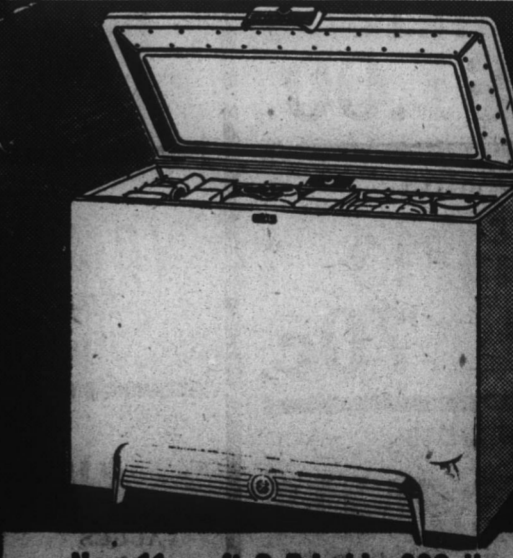
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