Aging farm population and implications for land use

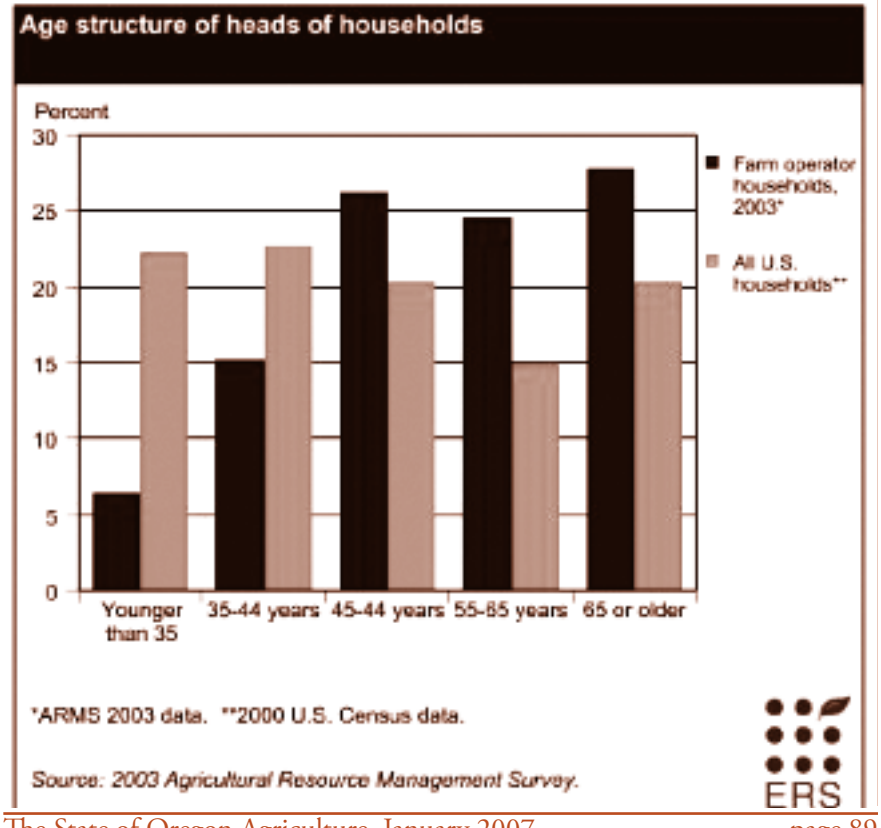
The steady climb in the average age of Oregon's farmers has been followed closely over the past few decades by policy makers and agricultural groups. At 54.9 years, Oregon farmers are the oldest on record. But for those who claim farming as their principal profession, the average age is even higher at 56.6 years.

About one-fifth of farm operators are 65 years of age or more and average 73.1 years. These growers own 25 percent of Oregon lands in agricultural production. Farmers over 55 who claim agriculture as their primary occupation own 41 percent of farmland. Absentee owners or others over 55 years of age who claim another occupation as primary own another 8.5 percent of Oregon's farmlands. Somewhere between 25-50 percent of Oregon's farmland will change hands in the next decade.

The average age of operators has been greater than 50 years since at least the 1974 Census of Agriculture. Part of the reason for the advanced age structure of farmers is because the farm is not just a place of business—it is the family home. About 15 percent of farm operators are "retired." Senior farmers adjust to farming in a variety of ways, such as operating their farms at a smaller scale or participating in the Conservation Reserve Program or other land retirement programs.

At the other end of the spectrum, the percentage of principal operators with average ages of less than 35 years has been declining since 1982, when it was 16 percent; in 2002 this group made up 5.8 percent of all farmers.

The age structure for non-farm US households is much different compared to US farm households. The proportion of US households in each major age category generally decreases as age increases; the opposite is true for farm operators.



Why is the age of farmers important?

If economic conditions and other incentives to encourage entrance into production agriculture do not exist, consolidation of farms will accelerate more quickly. Large corporate (non-family owned) farming has not yet moved into Oregon on a large scale, but the potential exists. The economics of farming are forcing operations to become larger, and fewer young people choose farming as a profession.

Many of the skills required to successfully operate a farm or ranch require years of learning and application. Animal health, genetics, feed production, sophisticated equipment operation and repair, crop production and plant biology, soil management, irrigation, proper chemical usage, construction skills, commodity storage and marketing, regulatory permits, employee management—these are just a few of the many abilities that are required for operators.

Additionally, agriculture operations produce crops or livestock that may require one to five or more years (or growing seasons) to reach maturity. The initial investment is substantial and biological production cannot be turned on and off like a factory power switch. Once the seed is in the ground or the cow is bred, it takes time, professional knowledge, and years of experience to get superior yields and quality products.

While it is true that technology and mechanization have enabled fewer producers to generate more product, Oregon still needs a new generation of farmers to care for the land, enhancing the economic, environmental, and social contributions the industry makes to the state. Because of the unique characteristics of the industry, young entrants are imperative due to the years of experience required to transfer institutional knowledge from an aging generation to a younger group of producers.

Few other industries face the same economic and structural barriers in attracting young owners/operators.

Potential hurdles include the vagaries of weather, reliance on a global marketplace, changing government policies, large financial requirements, little control over price of products, challenging physical labor, and uncertain returns.

Up to half of Oregon farmland will change hands in the next 10-15 years. It remains to be seen whether free market forces can create a balance that is in the best interest of the state and the nation to ensure a viable agricultural industry. Policy makers will need to consider whether they can, or should, provide any incentives, programs, or structures that encourage farming as a profession.

Many factors will influence the transition, including inheritance tax laws, environmental pressures, land prices, commodity prices, education and training programs throughout the education system (agricultural literacy curriculum in kindergarten through higher education is very limited), financing availability, and public attitudes about farming.

Oregon may be better off than other states in some respects. Farms reporting two or more operators—implying possible multi-generations—is higher than any other state at 53.4 percent. The US average is 37.7 percent. However, when looking at the generational make-up of these multi-partnerships, most operators are in the same age range, and most likely are siblings or other relatives of similar ages. The multi-generational farms are highest among those with sales over

$250,000 (40.2 percent) and fewest with farms having sales of less than $100,000 (17.2 percent). Whether this means growers have succession plans in place is unknown. ***USDA National Agricultural Statistics Service.***

- http://www.nass.usda.gov/census/census02/otheranalysis/demographicpaper022505.txt