The Anti-Samuelson

BY MARC LINDER

VOLUME TWO

Microeconomics:

BASIC PROBLEMS OF THE CAPITALIST ECONOMY

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Chapter 14: The Failure of Supply and Demand as Applied to Agriculture (S's Chapter 21)

> Actually, Marx himself had little to say about agriculture. He was a city boy, primarily interested in diagnosing the social ills of early industrial societies.—Orville L. Freeman, former U.S. Secretary of Agriculture, "Malthus, Marx and the North American Breadbasket," *Foreign Affairs*, XLV, No. 4 (July, 1967), 583.

INTRODUCTION—HISTORICAL OVERVIEW

Although S seems to believe that this chapter will convince the reader how relevant an analysis supply and demand can offer (406), what it in fact shows is that bourgeois economics cannot distinguish between the underlying material processes and the socio-historical forms they assume in particular modes of production.

It is of course true that one of the characteristics of the "general" tendency of the steady increase in human productivity, particularly since the rise of capitalism, has been the relative increase in total labor time expended in industrial as opposed to agricultural enterprises—obviously a "progressive" development inasmuch as it has allowed man to create and satisfy more "civilized" needs. Agricultural production therefore represents more "basic" needs which man has sought to satisfy for thousands of years. One could perhaps say that with increasing agricultural productivity, given the "more basic" aspect of the needs satisfied by food, human society will be able to take care of *absolute* needs in this area sooner than in others.

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The suprahistorical factor pointed up in the preceding paragraph forms the rational kernel of the bourgeois economists' assertion that declining relative demand is the root problem in agriculture. But as we well know, demand and absolute need are as contradictory as exchange value and use value. Yet it must be obvious that the latter cannot provide the explanation for the former; for what suprahistorical phenomena there are find but a distorted expression in specific societies.

One must moreover always bear in mind that general tendencies and global figures mask rather divergent movements between social classes. Even if one admits that working-class families have in the course of time reduced the amount of money they spend on food, one should not assume that this complex of needs has been unconditionally sated. Given the capitalist distribution of income, it should not come as a surprise that in absolute terms the rich spend more for food—especially for meat—even though their share of total private consumption is considerably lower than that of working-class families.

If, moreover, we take into consideration the greater divergence between needs and solvent demand in the so-called Third World, then the "applicability" of the demand tool to explain agricultural crises becomes doubtful.

The neglect of the most important societal aspects of contemporary agriculture goes hand in hand with the failure to discuss the peculiar historical development of capitalist agriculture. Although "no one can possibly understand" the issues without supply and demand (406), it is apparently not necessary to know what happened before 1910. Yet the roots of the present-day "problems" of capitalist agriculture do in fact lie in the past.

In the U.S. vast stretches of fertile land were settled by noncapitalists; given the relatively small funds (we are intentionally avoiding the term capital) needed to establish such farms, the production and class structure which arose was not purely capitalist in nature. In the nineteenth century, however, a long-term process of U.S. agricultural capitalization began, a process which has not yet been

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completed. The elimination (whether through state-sanctioned violence or through "the market"—that is, through higher productivity) of these small farmers represents the twofold process of "primary accumulation": forcing large masses of formerly independent producers on to the labor market by depriving them of their means of production (basically of their land) and the centralization of production on the remaining farms.

What we have just described is a historical tendency. "Pure" class societies composed of workers and capitalists do not exist in reality. Under given historical conditions modifications arise. Thus in the U.S., the destruction of the small farmer, although already an economic fact, has not yet been completed. That is to say, although some 2 to 3 million small farmers still exist, they are no longer the major supplier. These farmers have managed to resist because they can still eke out a livelihood; they can take part-time work elsewhere; and they can work relatively small areas of land intensively. They do this for three reasons: (1) a petit-bourgeois interest in property; (2) a non-petit-bourgeois interest in avoiding the capitalistic horrors of factory work and in enjoying the less "alienated" labor on the land (whether it be theirs or someone else's or everyone's); (3) they cannot find jobs in the cities.

These are some of the main factors counteracting concentration and centralization in U.S. agriculture. But we must be careful not to let statistical ownership block our view of the real economic relations in agriculture. Formerly independent farmers in fact working for usurers, mortgage companies, feed companies, tractor companies can be confusing. Small holdings turn farmers into a source of cheap labor for the large capitalistic farms. What appears as ownership is really a means of pauperization.

"EXCESSING" THE FARMER

With this general theoretical structure in mind, let us examine the Nicholls-Samuelson proposition that in order to solve the agricultural crisis we must "reduce our surplus

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of farmers. No doubt this has to be done gradually. And it is actually happening all the time: each year there are fewer and fewer people in agriculture" (403). But what are the "problems" to which this is the solution?

The two main ones, according to S, are efficiency and distribution. Supposedly, if we were to get rid of the small farmers, the supply side could not be out of kilter. But, first of all, these farmers furnish only a small portion of the supply, so that eliminating them will not in itself solve the "supply" side of the problem; but more significantly these farmers will not simply disappear—their land will be taken over by the capitalist farmers who, given their more efficient methods, will increase production even more.

Although income distribution in agriculture is not easily determined, largely because the cut-off points for the highest income groups are so low that no homogeneous social class emerges, still the "lower end" share of farm families with income below the poverty level established by the Federal Government is twice as high as the share of all families. On the other hand, there is a tendency toward assimilation in the sense that the share of the poorest farm families is declining.[1] This does not mean, however, that their poverty is diminishing, but merely that they are disappearing from agriculture.

In any case, the large capitalist farmers are making a profit while the small farmers barely subsist. But this is not a problem peculiar to agriculture; it is true of all small businesses in which only minimum capital is needed. The question is why so much attention is paid to the plight of these small "businesses": probably because the bourgeoisie does not want to antagonize unduly a group of people at least formally supportive of private property in the means of production. To the extent that the expanding industrial sector could in the long run absorb those driven from the farms, the destruction of the "family farm" did not involve any great political dangers. Apparently during the Roosevelt administration certain sectors of the bourgeoisie were calling for the destruction of the small farmer (which was well under way during the Depression) in conjunction

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with other efforts to encourage concentration. A representative of that position stated: "The solution lies in the progressive elimination of the surplus farmer, that is, the submarginal farmer on the submarginal land, and in shifting the unsuccessful farmer into urban production and occupations where their incomes will rise."[2] This is almost identical with several of S's formulations ("many of the remaining family farmers would find their incomes so low in agriculture as to speed them into industry"—417).

Apparently those who won out decided that given the mass unemployment in the cities, "speeding" millions more into bread lines would only exacerbate an already revolutionary situation. Hence it was decided to formulate a farm policy which would, as S puts it, make the transition "gradual." But in any case, government support of the so-called family farm has been more rhetorical than material.

The following table shows the distribution of direct state subsidies according to the size of farms:[3]

FARMS BY VALUE OF SALES CLASSES, 1960-71

	Farms with sales						
Year	$40,000 and over	$20,000 to $39,999	$10,000 to $19,999	$5,000 to $9,999	$2,500 to $4,999	Less than $2,500	All Farms
Percentage distribution							
1960	2.9	5.7	12.5	16.7	15.6	46.6	100
1961	3.2	6.3	12.9	16.4	15.1	46.1	100
1962	3.7	6.9	13.4	16.0	14.5	45.5	100
1963	4.0	7.5	13.8	15.7	13.9	45.1	100
1964	4.2	7.8	14.0	15.5	13.6	44.9	100
1965	4.9	8.4	14.0	15.2	13.7	43.8	100
1966	5.9	9.5	13.9	14.8	13.8	42.1	100
1967	6.0	9.7	13.8	14.7	13.8	42.0	100
1968	6.6	10.3	13.8	14.5	13.9	40.9	100
1969	7.7	11.5	13.7	13.9	14.1	39.1	100
1970	8.2	12.1	13.7	13.6	14.1	38.3	100
1971	8.8	12.7	13.6	13.4	14.2	37.3	100

Direct Government Payments: Percentage Distribution by Value of Sales Classes, 1960-71

Percentage distribution							
1960	15.2	16.0	22.8	20.7	11.5	13.3	100
1961	16.7	16.8	22.8	19.6	10.9	13.2	100
1962	17.2	17.7	24.2	18.5	9.8	12.6	100
1963	17.6	18.6	25.2	17.5	9.1	12.0	100
1964	17.5	19.0	26.0	17.0	8.7	11.8	100
1965	18.7	19.9	25.5	16.0	8.4	11.5	100
1966	27.3	22.1	21.8	12.3	7.5	9.0	100
1967	27.6	22.3	21.6	12.2	7.4	8.9	100
1968	29.2	22.9	20.8	11.6	7.2	8.3	100
1969	32.1	23.9	19.4	10.4	6.8	7.4	100
1970	33.3	24.3	18.7	10.0	6.6	7.1	100
1971	34.5	24.8	18.1	9.5	6.5	6.6	100

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Thus we see that the largest farms receive the largest—and increasing—share of the subsidies, which also constitute a greater share of the total income of the largest farms—25 percent, versus 4 percent for the smallest farms.

S tries to portray the process as the reverse of what it really is. Thus he asserts that parity programs keep some "inefficient farmers from going to higher-productivity occupations" (411). First of all, this is neither the intent nor the effect of farm policies. And secondly, he is simplifying matters when he depicts, say, 50,000 tobacco pickers being "excessed" by a mechanical harvester as somehow being restrained from entering better-paying jobs by the bone thrown to them by the government.

But according to one of the foremost bourgeois farm experts, Theodore Schultz, the problem lies elsewhere. He notes the paradox that since World War I transfer of labor into and out of agriculture has not followed the pattern of farm-price changes: when these declined, more people stayed in farming; when they rose, more people left (which they also did when farm prices rose relative to industrial prices). He explains this by the job market in industry; for the gap in wages between agriculture and industry is so wide "that the relative prices of the products which each produced have been quite inoperative in bringing about a transfer of the excess labor in agriculture."[4]

EXCURSUS ON THE APPLICATION OF MARGINAL PRODUCTIVITY THEORY TO AGRICULTURE

Schultz also claims that most family farms are unable to get enough capital to establish an optimal farm size; as a result, they expend too much labor relative to the capital they use and hence the returns per labor unit become depressed. Obviously, as Marx says, the larger capital beats the smaller one. Those who cannot reproduce the average conditions of productivity in the branch will, if they fall far enough behind, not even meet their production costs. Since these people cannot buy the new machines, and since for the most part they cannot find jobs elsewhere, the entire family will work more intensively with their limited land

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and capital in order to have more to sell. Presto—diminishing returns!

As Blake ironically remarks: "There is a diminishing return on the use of the plow until the tractor is invented. There is a diminishing return on the soil until phosphate and potash are used."[5] The point is that this is the exceptional case of marginal productivity theory being based on stagnant technology.

What sort of capitalist would keep adding units of a "factor" beyond what is efficient? But we are obviously not dealing with a capitalist here, or at least not with a successful one. For this guy does not accumulate—in fact, his inability to accumulate is what got him into a mess to begin with, and even now he is at best trying to subsist and pay off debts.

But as Marx notes, there is a rational kernel to this irrationality: namely, the farmer can appropriate the whole product of his labor instead of delivering up the excess beyond the value of his labor power to a master—this "he owes not to his labor—which does not distinguish him from other workers—but rather to the possession of the means of production. It is thus only through the possession of the latter that he takes possession of his own surplus labor, and in this way he relates as his own capitalist to himself as wage worker."

Marx also notes, however, that retention of such an ambiguous class situation contradicts the tendency of capitalist development: such a producer will either turn into a small capitalist exploiting the labor of others or he will be dispossessed of his means of production, despite his formal retention of property rights, as in the case of mortgage. (The latter alternative accurately describes what has been happening in U.S. agriculture this century.)[6]

This little excursion also points up the objective social relations which form the consciousness of the working poor who support the private ownership of the means of production.

Our little dissection of marginal productivity theory with respect to Schultz finds ample application to S himself. Thus in his discussion of "differential birth rates" he tells

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us that we are "lucky" that farmers are moving to the cities, for in the absence of such migration, given the higher rural birth rates, cities would shrink and the farm population would grow. "What does the law of diminishing returns tell us such an eventuality would mean? It would mean a great reduction in the productivity of each man-hour spent on the farm. The land would become crowded with many people, each producing little. . . ." (407). We just saw that this does not apply to a developed capitalist society (primitive accumulation has not yet done its work in full); so we are not surprised when S tries to lend credence to the notion by bringing in Asia, where with three-quarters of the population in agriculture, only one-quarter "can be producing the comforts of life." S appears to have his causality confused: it is not because so many are farmers (or really rural unemployed or underemployed) that so few "can" be factory workers, but rather because so few are factory workers that so many must be farmers or rural lumpenproletarians. Especially in countries with limited farm land where the necessary intensive farming requires relatively substantial mechanical and chemical means, a developed chemical and electrical and automative industry are obviously prerequisites. And in fact it is relatively recently that U.S. agricultural productivity has come into its own; only in the post-World War II period has agriculture become truly industrialized. Thus in the 1920s and 1930s U.S. farm productivity on the average was one-quarter that of New Zealand, and just about the same as in much of Western Europe.[7]

Crop yields per acre (for wheat, rye, corn, and hay) remained constant between 1866 and 1940 but have more than doubled since then, while man-hours per bushel in some cases have been cut by more than 90 percent in the last quarter century.[8]

CRISES

S accurately describes this tremendous increase when he says that there will be "financial pressure and hardship on

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those farmers and rural workers whose efficiency has not undergone tremendous increase" (409). This is correct, but it contradicts the basic error of the entire chapter: *the* farmer.

What is happening in agriculture is no different from "the competitive system" elsewhere, except insofar as there are proportionately more small farmers than other small businessmen.

S's description of the differential effects of productivity increases for agricultural producers also contradicts his claim that "the" farmer is losing because "his" productivity is rising more rapidly than industry's. But it is precisely here that one has to proceed in a differentiated manner since it is mainly the small producers who are forced by competition to abandon production. This is the famous scissors, supposedly the root of all evil. But the scissors is neither the cause nor the essence of the agrarian crisis, as is shown by the fact that crises persist even where the scissors is opening in favor of the farmers.

More important than the relation of agrarian and industrial prices is the absolute level of the former; for we must remember that a large component of farmers' costs is not part of industrial costs: namely rent, taxes, and interest on mortgage. Thus if industrial prices fall more rapidly than agricultural prices, this could still spell disaster for the small farmers if their "overhead" (the three abovementioned items) eats up their income; and conversely, a more rapid rise of industrial prices could still mean relative prosperity for the small farmer. Both in relative and absolute terms, the crisis has had devastating effects on the small farmers in the twentieth century (as opposed to the nineteenth).

From the pre-World War II period to 1950, taxes, rent, and mortgage payments as a percentage of expenditures declined from approximately 20 percent to 12.3 percent; this declined further to 11.7 percent in 1960; since then, however, the trend has been upward, so that in 1971 these payments already constituted 14.9 percent of expenditures.[9]

Breaking these figures down further, we find that during

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the 1960s tax payments doubled, mortgage payments tripled, while rent remained constant.

We have already touched on the assertion that the crisis is largely due to the inelastic demand curves. What agriculture shows in this respect is that any branch producing commodities that are a prime consumption item of the working class is going to be faced with a realization problem in the form of limited working-class purchasing power.

The other part of the problem, according to S & Co., is inelastic supply. This too has a rational kernel; in agriculture capitalism still has to overcome significant natural limits (e.g., a longer production period). Industrial production can be more easily adapted to demand.

In agriculture, instead of—or rather in addition to—idle capital in its productive form, we have the destruction of capital in its commodity form. To the extent that we are speaking of the destruction of capital values, it is not clear what fundamental distinction exists here between agriculture and industry, especially since overproduction of agricultural commodities will eventually lead to a cutback in production (removing land from cultivation, etc.); moreover, if the loss of income due to the destruction of the commodity capital is great enough, the original capital structure cannot be reproduced (at least not without supplementary funds), thus in effect destroying productive capital values (and without replacement of obsolete machinery, etc., capital itself).

It would appear therefore that the basic "problem" in U.S. agriculture lies in the circumstance that it is less monopolized than other branches, and not in its peculiar supply-demand structure.

CONCENTRATION AND CENTRALIZATION PROCESSES IN U.S. AGRICULTURE

As we have already pointed out, the "weakness" of agriculture—superficially reflected in bourgeois discussions of supply and demand—lies in the fact that "the" farmer is not in the same position to pass on losses as are his

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capitalist brethren in more monopolized branches. This by no means indicates S's competitive model for agriculture, for the latter branch is merely the obverse (or losing) side of monopoly, not its putative competitive negation.

Because concentration in agriculture has not proceeded as far as in many industrial branches, even the largest agricultural capitalists are big fish in a little pond. One of the prime means of raising the profit of monopoly capital is to lower that of nonmonopoly capital. In this process agriculture is a major whipping-boy. The main mechanism for this redistribution of surplus value is the pricing system: the industrial monopolies charge monopoly high prices for their commodities while the nonmonopolists charge monopoly low prices. This is the main reason for the so-called scissors or parity issue: agriculture as whole is a nonmonopoly branch.

This line of reasoning receives indirect support from Schultz, who sees the agricultural crisis as being rooted in a more wide-ranging economic "disequilibrium"; thus he believes that from 1895 to World War I the price system functioned properly, but that since that time the economy has been so unstable that the pricing system has been unable to "guide the allocative process in production efficiently and at the same time keep farm products moving into foreign and domestic markets at a rate consistent with short-run developments." By short-run he means "the kind of commitments that arise when processors and other handlers buy farm products with a view to marketing them to consumers."[10]

A major difficulty faced by all farmers is that they are by and large buying from and selling to monopolized industries. Thus the commodity bought by farmers for use in production which rose most in price in the last fifteen years was farm machinery; between 1954 and 1969, the rise amounted to 66 percent.[11] This cost bulks very large among expenditures (second to feed). This is of course a very concentrated industry.[12]

The same holds true for the selling side. The dairy, the meat packing, and cereal industries, et al., are also very

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concentrated; a clear case of monopsony: very few large capitals exerting their pressure against a much larger number of smaller capitals.[13]

It is necessary to look for the hidden aspects of concentration (i.e., those other than direct expropriation). A major example of this is vertical integration, agribusiness, contract farming, etc.; this would appear to represent a further socialization of production—within the sphere of immediate production. Traditionally all the commodities were brought to and auctioned off at large markets (such as the stockyards in Chicago). (Of course, S's reference to the auction market [482] is ideological obfuscation, for by and large small farmers were never able to take their cattle, crops, etc., to the big markets because they were not in a position to pay for the costs of transportation and preservation. Instead, they sold them to middlemen at a lower price than they would fetch at the market. Incidentally, one reason for these markets was the fact that, in the absence of government-enforced standards, the food processors wanted to inspect the stuff they were buying. The transfer of this function to the aggregate capitalist—and financially to the taxpayers—is one reason why these central markets are no longer necessary.) This represented a lower stage of socialization—one effected strictly through the sphere of circulation.

The direct intervention of food and feed and machinery companies, etc. in the sphere of production often conceals an economic relation of capital-wage-labor beneath a veneer of formal property ownership on the part of the small farmers. This process, which has turned farmers into raw materials-suppliers of the food industry, is connected on the one hand with the above-mentioned centralization processes in the branches that supply and buy from agriculture, and on the other hand with the apparently insufficient profits of agriculture, which have hindered a massive flow of industrial capital into this branch. An integration of some sort has become necessary because the large producers of farm machinery, etc., need a market which can be supplied more "rationally" than the splintered demand of millions of small farmers permits, while the food industry

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requires a reliable standardized flow of supplies. By permitting the farmers to remain the formal owners of the means of production, the large industrial corporations avoid the risks involved in a sufficiently productive output to pay ground rent and finance large capital expenditures, while gaining de facto wage-workers who are probably cheaper than organized factory workers.

Although this process is advantageous to small farmers insofar as it can provide a more stable source of income, it must be remembered that this is always the case during the transition from small commodity producer to wage worker.

The following table offers some key data for U.S. commercial farms in 1959 and 1964 grouped according to the value of farm products sold (I—more than $40,000; II—$20,000-40,000; III—$10,000-20,000; IV—$5,000-10,000; V—$2,500-5,000; VI—less than $2,500):[14]

Percent Distribution by Economic Class of Farm

Subject and Year		All Commercial farms	Class I	Class II	Class III	Class IV	Class V	Class VI
Number of farms	1964	100 0	6 6	12 0	21 6	23 3	20 5	16.1
	1959	100 0	4 2	8 7	20 0	27 1	25 6	14 4
Land in farm	1964	100 0	28 0	19 2	22 5	16 4	9 5	4 4
	1959	100 0	25 8	17 0	22 0	19 3	12 1	3 8
Cropland harvested	1964	100 0	21 2	22 3	27 7	18 3	8 3	2 2
	1959	100 0	15 0	17 3	27 9	24 3	12 4	3 0
Regular hired farm workers	1964	100 0	59 2	19 3	13 2	5 7	2 1	0 5
	1959	100 0	48 7	20 4	17 1	9 3	4 0	0 6
Tractors other than garden	1964	100 0	13 9	17 7	26 0	22 5	14 0	5 9
	1959	100 0	10 0	13 8	25 8	27 1	18 1	5 2
Fertilizer used, tons	1964	100 0	34 1	21 9	20 8	13 3	7 2	2 6
	1959	100 0	23 4	17 3	23 5	19 3	12 5	4 2
Expenditures, total	1964	100 0	51 4	18 8	15 6	8 7	4 1	1 3
	1959	100 0	39 3	19 3	19 9	13 5	6 7	1 4
Feed for livestock and poultry	1964	100 0	49 8	20 2	16 7	8 4	3 6	1 3
	1959	100 0	32 2	20 2	23 5	15 7	7 1	1 3
Purchase of livestock and poultry	1964	100 0	61 2	18 0	11 6	5 6	2 7	0 8
	1959	100 0	50 2	20 2	15 9	8 8	4 2	0 7
Hired farm labor	1964	100 0	62 4	16 4	11 6	6 1	2 8	0 7
	1959	100 0	51 7	19 1	15 3	8 9	4 3	0 8
Machine hire and custom work	1964	100 0	40 6	16 9	19 0	14 2	7 6	1 8
	1959	100 0	30 4	16 0	20 2	18 3	12 0	3 1
Purchase of seeds, bulbs, plants and trees	1964	100 0	34 6	20 1	22 0	13 9	7 1	2 3
	1959	100 0	29 4	17 5	23 0	18 1	9 5	2 4
Gasoline and other petroleum fuel	1964	100 0	26 6	20 8	24 2	17 0	8 6	2 7
	1959	100 0	19 5	17 1	25 8	22 6	12 1	2 9
Value of all farm products sold	1964	100 0	43 7	20 7	19 2	10 6	4 7	1 1
	1959	100 0	32 8	19 2	22 8	16 0	7 7	1 6
Value of land and buildings	1964	100 0	29 3	20 6	22 2	15 3	8 7	4 0
	1959	100 0	19 5	18 6	26 1	20 8	11 8	3 1

14 Source U S Census of Agriculture, 1964, Washington, D C , 1964, II, 604

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Here we can detect two very important phenomena. First, it is clear that in all categories the shares of the largest farms (especially of Class I) are increasing, whereas those of the smallest farms are rapidly declining. A slightly different table for the year 1970 shows that this tendency has continued unabated, for by that year farms with annual sales above $40,000 already accounted for 52.6 percent of all farm sales, although they represented only 7.6 percent of all farms:[15]

NUMBER OF FARMS AND INCOME, BY VALUE OF SALES CLASSES, 1970

Item	Total	Value of Sales: Less than $5,000	$5,000 to $9,999	$10,000 to $19,999	$20,000 to $39,999	$40,000 to $99,999	$100,000 and over
Number of farms (thousands)	2,924	1,444	370	513	374	169	54
Percent of total	100	50 4	12 7	17 5	12 8	5 8	1 8
Cash receipts from marketings. (millions)	$52,948	$2,457	$3,060	$8,259	$11,346	$10,599	$17,227
Percent of total	100	4 6	5 8	15 6	21 4	20 0	32 6
Realized gross farm income (millions)	$56,580	$3,895	$3,450	$8,952	$12,004	$11,182	$17,097
Percent of total	100	6 9	6 1	15 8	21 2	19 8	30 2
Farm production expenses (millions)	$40,867	$2,108	$2,158	$5,767	$8,278	$8,250	$14,306
Percent of total	100	5 2	5 3	14 1	20 2	20 2	35 0
Realized net income (millions)	$15,713	$1,787	$1,292	$3,185	$3,726	$2,932	$2,791
Percent of total	100	11 4	8 2	20 3	23 7	18 6	17 8
Realized net income per farm from farming	$5,374	$1,238	$3,492	$6,208	$9,962	$17,349	$51 685
Off-farm income per farm	$5,833	$7,506	$4,984	$3,452	$3,503	[2]$5,803	[2]$5,803
Total income per farm, dollars	$11,207	$8,744	$8,476	$9,660	$13,465	$23,152	$57,488

[1]Estimated from totals of farms with sales of $40,000 or more
[2]Average off-farm income of farms with sales of $40,000 or more

Source USDA, Farm Income Situation, July 1971

The fact that the total-income share of "off-farm income" is so high for the smallest class—about 85 percent, compared with less than 10 percent for the largest farms—indicates that the small farmers are semiproletarianized, that is, they work only part-time in farming. It is estimated that by 1980, farms with annual sales exceeding $40,000 may account for 20 percent of all farms and 75 percent of all sales.[16]

Secondly, the data concerning wage workers provides an important indicator of the class composition of the agricultural producers. In 1964, 50 percent of the farms used no

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wage labor whatsoever, while an additional 38 percent "used less than one-half man-years of hired labor. Thus 88 percent of all farms—accounting for about 50 percent of all farm commodities—were so-called family farms (although the "owners" themselves may be disguised wage workers).[17]

The capitalist structure becomes even more apparent when we examine those farms with annual sales exceeding $100,000. In 1959, they "employed" 30.1 percent of all agricultural wage workers. By 1964, 31,000 of these farms—now accounting for ca. 1 percent of all farms—"employed" 40.6 percent of all agricultural wage workers.

Looking at the very largest farms, we see their rapidly rising shares of total farm sales[18]:

	1959		1964		1970	
Size	Number	Sales	Number	Sales	Number	Sales
over $1 million	408	4.2%	919	6.8%		
$500,000-1 mil.	800	1.7%	1674	3.1%		
$200,000-500,000	4570	4.2%	7760	6.4%		
$100,000-200,000	14201	6.2%	21148	8.0%		
Total	19979	16.3%	31401	24.3%	54000	32.6%

Apparently none of these trends warrants S's attention. Instead he refers to "some observers" who think it "odd" that the government is simultaneously helping farmers to produce less food more efficiently (412). What is so "odd" about a capitalist's wanting to bring about an artificial shortage while lowering his costs?

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