KEEPING THE FARM
IN THE FAMILY

A Study of Ownership Processes in a Low Tenancy Area of Eastern Wisconsin

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ALMOST every farm family desires to own the land it operates. This is one of the pioneer ideals of American farmers. Yet with the passing decades more and more farmers have failed to achieve this goal. Approximately 40% of all farmers in the United States are tenants; in six midwestern states more than two-fifths of the farmers rent all the land they farm. Only 23% of the farmers of Wisconsin are tenants. But here as elsewhere there is much apprehension about the future of farm ownership.

This study1 was undertaken in the belief that farm families who have owned their farms for several generations would have something to teach the rest of us about land tenure. Especially, we thought these farm families may have worked out tenure practices that might be adopted by other farmers to their own profit and advantage.

I—SELECTION OF AREA

FARMERS in some parts of eastern Wisconsin are virtually all owner-operators. In an area centering in Manitowoc and Kewaunee counties fewer than 10% of the farmers are renters and it has been this way since the country was first settled. In one-half the towns in Kewaunee and Manitowoc counties more than 95% of the farms were owned by their operators in 1935. How do they do it?

1 Acknowledgments: The research project upon which this bulletin is based was begun in 1941 in cooperation with the Division of Land Economics of the Bureau of Agricultural Economics. James Marshall and Sidney Henderson helped to organize the project and assisted in the field interviews, but the pressure of emergency work prevented their continuing participation. The late Professor G. S. Wehrwein and Leonard A. Salter, Jr. made many valuable suggestions on the organization of this research effort. Matthew Madnick, graduate student assistant in the Department of Agricultural Economics, worked out many of the tabulations of the detailed data. Other graduate students, especially Erven Long and Don Kanel made many helpful suggestions on the organization of the present statement.
C. Public Records

As a background of historical interpretation, available public records were used extensively. A complete ownership and debt history of all the land in the 12 sections was compiled from deed, transfer and mortgage recordings. In addition, the individual census schedules for the area, 1860, 1870 and 1880, were consulted and analyzed. By combining the information on families secured by interviews, with the land records and census schedules, it was possible to construct fairly complete family histories for the whole period of settlement.

III—SUMMARY OF FINDINGS

This study was begun with this general question, "How do the farmers in this part of eastern Wisconsin acquire ownership of their farms?" This required that a study be made of what these people do and what their ancestors have done. In this way we began the search for significant practices. We have attempted to follow out in the experience of the community the way various practices have worked out to the end of attaining the debt-free ownership of farms by operators. The verdict clearly is that the great majority of farm families have in the past achieved this goal. Our judgment is that the present farmers will likely repeat the achievement. These achievements are possible, we conclude, because of the family pattern of tenure and operation which they have worked out. Everything seems to become subordinated to family purposes and procedures.

A. General Summary of Ownership and Debt Experience

The ownership experiences of the farmers in the area is analyzed in detail in Part IV of this bulletin. Here we merely set forth a few of the major findings of the investigation.

Out of 57 farmers whose occupational and tenure histories were studied, only 8 were tenants at the time of the survey. All of these were young men, only two had been tenants as long as 8 years.5

5Since the field work for this study was completed, 1941, three of these tenants have taken over title to the farms from their parents; also one of the two tenants who had rented for the longer term had to move since the farm he was operating was purchased by the son of a neighboring farmer.
Among the present owner-operators, less than a fifth had ever been tenants. Nor had a larger proportion of these owner-operators been hired men on other farms. The great majority of the farmers in the area have become owner-operators without ascending the traditional "agricultural ladder of tenure." They have become owners principally by working with their parents, and by the assistance given them by their families.

Most of the owners have either acquired farms from their parents, or through help from parents. Predominantly, too, the passage of the farms has been from living parents, rather than from estates of parents. As a corollary to these facts, farmers have become owners at the average age of 27 years. Furthermore this has been the experience of the community for generations.

These events do not just happen. They are brought about by the working together of the farm families: the parents of present owners, and their parents before them, have worked out ways of helping their children by means of loans, gifts, transfer of the farm and the retention of a modest annual income, and other arrangements. The methods are diverse; the general aim is one—using family accumulations both to help beginning farmers get a start and yet to provide an income for aging parents.

Farms are transferred on more favorable terms within the family than with outsiders. There are also concessions in the amount of down payment required; in many instances the "inheritance" of the child accounts for the down payment. In short, financial arrangements have been devised and are being used which promote both the continuity of the family and its ownership of the farm.

B. Transfer of Farms as Going Concerns

Among the simplest yet most significant practices used in this area is that of transferring farms as going concerns. The livestock, feed, and farm equipment are usually sold together with the land and buildings. The momentum of continuous production is uninterrupted. The very important advantages and value of this continuous operation are kept in the family. This provides not only