

Assistance to Intergenerational Farms: The College-to-Farm Transition

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Abstract

This study was an evaluation of the Ag-Link Program, a college-to-farm transition program begun by the College of Agriculture at Iowa State University in March and April of 1995. The program sought to facilitate the transition that students and their families make when a student returns to the farm after graduation from college. Speakers from agricultural economics, sociology, and human development addressed concerns that intergenerational farm families should resolve to ensure success of family operations. Participants reported that the program was beneficial and indicated that future sessions should include more information on financial matters and family relations.

Introduction

A new college-to-farm transition program called Ag-Link held its first sessions at Iowa State University during March and April of 1995, with a second session in February, 1996. The program was designed by ISU Extension's Beginning Farmer Center and the Department of Agricultural Education and Studies to help families make the transition to intergenerational farming. Twenty juniors and seniors in the College of Agriculture, plus their families, a total of 73, participated in the four-day program held on two weekends a month apart in 1995. Nineteen students plus their families, a total of 60, participated in 1996 on one weekend. Family members came to campus and met their students for Friday evening and all-day Saturday sessions that featured speakers from agricultural economics, sociology, and human development. Specific components of the program were 1) setting personal and business goals, 2) intergenerational farm families living and working together, 3) farm business transfer, 4) capital acquisition for young farmers, and 5) a panel discussion by intergenerational farm families.

Impetus for the program came from the increase in number of farm closings in Iowa, an indication of the problems faced by family farms. From 1988 to 1994, 5,000 Iowa family farms closed (Iowa Agricultural Statistics, 1995). There were 107,000 farms in Iowa in 1988. In subsequent years, the number of farms decreased to 105,000 in 1989,

104,000 in 1990, and 103,000 in 1991. By 1993 there were 102,000 farms in Iowa. Some of these closings occurred when farm operators had difficulty bringing young family members into the business.

As college students return home to work, farm families need to be aware of problems that may arise. Parents and adult children may view family relationships from different perspectives, and these differing perspectives may lead to relationship conflicts (ISU Extension, 1989, 1995). Financial concerns and business arrangements can destroy a potentially good relationship. The family needs to know how to make their new partnership a financial success to avoid the closing of yet another family farm.

In addition to farm closings, the aging of farmers is a concern for the future of agriculture. The average age of farmers is 53 years, and only a third of farmers expect to pass on their farms to their children (Grim reapers, 1994). Officials in public and private agencies have tried to eliminate some of the hurdles that keep young people out of farming and have initiated programs to link potential and existing producers. Programs have typically focused on financial and legal arrangements, but successful entry of young people into farming includes getting along with relatives and business partners. "It took so-called experts a bit longer to realize that financial and legal barriers were only part of the problem" (Farming with the folks, 1996).

The Ag-Link Program addressed the challenges and potential problem areas for multigenerational farm families by presenting speakers from sociology, family studies, and economics. The program provided general information necessary to plan entry into existing farm operations; furnished a resource packet with worksheets, exercises, and pertinent information; and offered an opportunity for college students and their established farm families to discuss important issues. The presenters included campus and field Extension staff and a panel of farm families.

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Purpose and Objectives

The main purpose of the study was to evaluate the Ag-Link Program by assessing participants' perceptions of the educational sessions. A related purpose was to gain information about the participants that would be helpful in planning sessions for similar families in the future.

Specific objectives were: 1) identify demographic characteristics of the participants: size and type of operation, gender, and educational level of farm operators. 2) assess perceptions of participants about the quality and the impact of the educational sessions, and 3) assess perceptions of social and financial issues that affect families' decisions.

Procedures

We developed questionnaires to evaluate the Ag-Link Program by reviewing the literature and items from the evaluation instrument required for use in all of Iowa's Extension programs. Also, those who were to be presenters at the program submitted a list of questions related to learning objectives that they considered important for intergenerational families. The questionnaires were reviewed for content validity by faculty, staff, and students in the Iowa State University Agricultural Education and Studies Department and by the program coordinator. In 1995, we used a Likert-type scale in the first questionnaire for seven questions about the perceived value of the total program and for six specific questions, one for each of the presentations and the panel discussion. Demographic questions included gender, education, and extent of farming operations. The second questionnaire focused on the knowledge gained and applied from the sessions. We measured the extent to which participants were able to apply the information in the sessions to their own families and farm operations. Also, we asked participants to give their opinions on social issues and to rank their areas of concern as they moved into intergenerational farming. We provided space for comments at the bottom of the questionnaire. We used a similar questionnaire in 1996 and added open-ended questions to gain more detailed information about preferences for changes in program content and structure for future years. Questions about the demographics of family members and farm operations were placed on a separate sheet in 1996, one sheet per operation. Participants were given the questionnaires as they registered and asked to fill them in before they left.

In 1995, 60 of the 73 participants completed the perception questions, an 82% response rate. Fewer than half (48%) answered questions about their farm operations. In 1996, 45 of the 60 participants responded to the perception questions, a 75% rate, and 100% responded to questions about their operations.

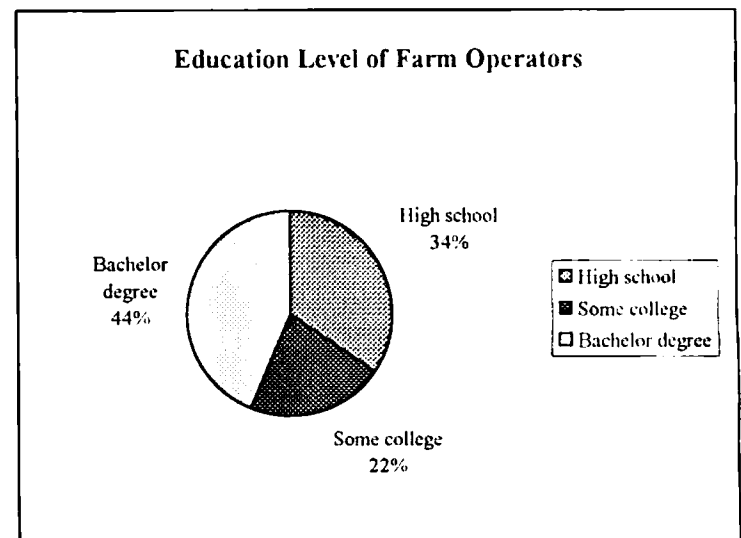
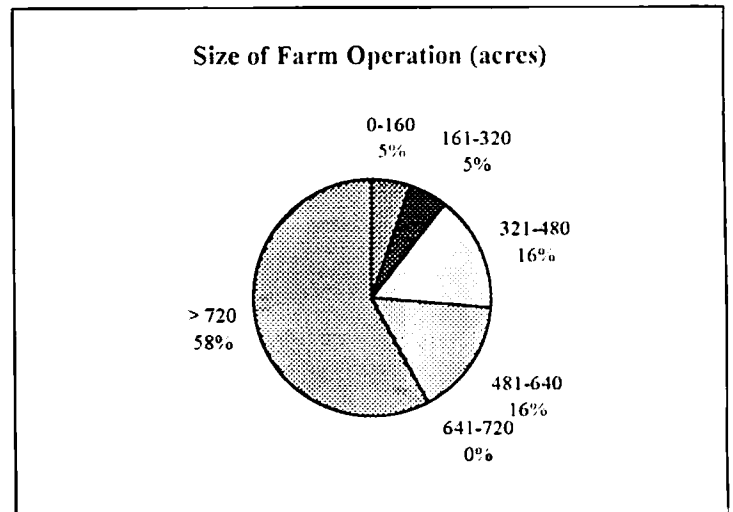
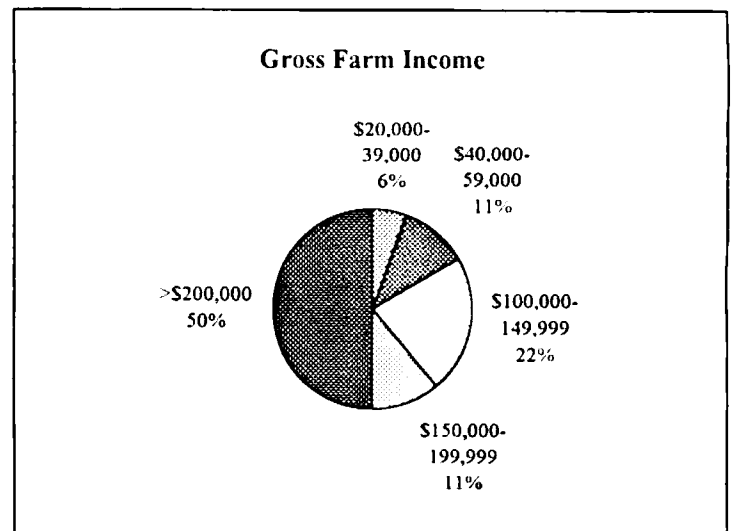


Figure 1 Farm Income, Farm Size, and Education

Table 1. Participants' perceptions of program quality by year.

Item	1996 Mean	1995 Mean
The program:		
was current and up-to-date	4.6 ²	4.6
was worth my time to attend	4.5	4.5
helped me learn new things	4.3	4.3
was easy to understand	4.3	4.6
provided ideas that I will use	4.3	4.4
answered my questions	4.0	4.0
was what I expected it to be	4.0	4.2

² Scale: 5=Yes, very much so; 1=No, not at all.

Table 2. Respondents' perceptions of program outcomes.

Outcome	1996	1995
As a result of this program, I am more likely to make time to talk about things that are important to our family and farm.	4.6 ²	4.3
Now I am more likely to consider how farming decisions may affect every member of our intergenerational family.	4.5	4.4
After attending this program, my knowledge about how to transfer a farm has increased.	4.2	4.0
My knowledge about how to pass on assets was increased as a result of this program.	4.1	4.1
After the program I have a better understanding of the alternative business arrangements that can be used in intergenerational farming.	4.0	4.0
I know more now about how to present my plan to a lender.	3.7	3.6
My skill in developing a farm plan was increased	n/a	4.0
The FINPACK computer program was helpful in finding out whether our existing operation is large enough to support an additional partner.	n/a	3.3

² Scale: 1=Strongly Disagree, 2=Disagree, 3=Uncertain, 4=Agree, 5=Strongly Agree
n/a topics were not covered in the 1996 program.

Findings

Demographics Only the demographic figures from 1996 are reported because less than half of the 1995 participants responded to these questions (Fig. 1). Most of the operators were well-educated with large operations that included both livestock and crops. Thirty-two of the participants attending the conference were listed as farm operators, 26 men and 6 women. All but one of the operations had a full time farm operator. Seventy-five percent of all the operators described their business operation as "operate own farm, own some land, and rent land and/or facilities from others. Fifty percent reported a gross income of over \$200,000, with only one operator who did not report gross income. All other figures were reported by 100% of those attending. Well over half of the families represented large operations, more than 720 acres. Almost all were diversified farms. Only three operations were strictly grain, and just one was livestock only. Two-thirds of the farm operators had at

least some college and close to half had a college degree.

Client Satisfaction Table 1 displays respondents' ratings on the questions related to client satisfaction with the quality of the program. The program was well received, according to the mean ratings of quality, which were all over 4.0 on a 5 point that ranged from 1=No, not at all to 5=Yes, very much so. The participants agreed that the presentations given by the speakers in family relations, sociology, and farm management were what they expected and worth their time to attend. The standard deviations are not included in the table, but they ranged from .48 to .89, an indication that most peoples' responses were close to the mean response. The somewhat lower rating for "what I expected it to be" may be due to the ambiguity of the question. Because the ratings were so similar, no attempts were made to search for differences in means between the two years.

Impact of Program Table 2 provides information about the outcomes of the Ag-Link Program. Participants were asked how the program changed their attitudes and how

Table 3. Ratings of attitudes toward social and financial issues.

Item	Mean
The efficiency of our operation is important in measuring our financial performance.	4.3 ¹
I have a positive attitude toward intergenerational farming.	4.1
Now is a good time for a young person to start farming.	3.6
I think that farming should be viewed as a way of life, not just a business.	3.4
The size of our operation is important in measuring our financial performance.	3.0

¹ Scale: 5=Strongly Agree; 4=Agree; 3=Uncertain; 2=Disagree; 1=Strongly Disagree

Table 4. Frequencies and percentages of responses to "Farming is a Way of Life, Not Just a Business".

Frequency and Percentage	SA ¹	A	U	D	SD
Frequency	16	18	3	10	8
Percentage	30%	33%	5%	18%	14%

¹ Scale: SA=Strongly Agree; A=Agree, U=Uncertain, D=Disagree, SD=Strongly Disagree

Table 5. Ranking of areas of concern.

Area of Concern	1996 Respondents n=45	1995 Respondents n=50
Financial worries	1	1
Worry about disagreements with other family members	2	2
Farm management worries	3	3
Worry that spouse won't be comfortable with intergenerational business	4	6
Concern that goals won't be met	5	4
Worry about not having any influence over decisions	6	5
Uncertain about making this step	7	7
Too much contact with family members	8	8

Scale: 1=Highest ranking; 8=Lowest ranking

it would influence their future decisions. They agreed that they should be better able to handle family and financial issues after attending the Ag-Link Program. The scale was a Likert-type: 1=strongly disagree and 5=strongly agree. Standard deviations ranged from .53 to .69, an indication that scores were closely clustered around the mean.

Social and Economic Issues Table 3 displays respondents' ratings of social and financial issues that affect families' decisions on intergenerational farming. These questions were asked on the 1995 questionnaire; they were omitted in 1996 to make room for open-ended questions. Respondents had a positive attitude toward intergenerational farming (mean=4.1 on a 5-point scale), and were close to agreeing that "now is a good time for a young person to start farming" (mean=3.6) They were uncertain whether size of operation was important but agreed that efficiency was. Although the trend in agriculture for the last hundred years has been toward viewing farm operations as a business (Hurt, 1993), the mean would indicate that the respondents were uncertain as to viewing farming as a way of life. On the contrary, they held strong views on both sides (Table 4) with almost two-thirds agreeing and a third disagreeing.

Areas of Concern Respondents were given a list of eight possible concerns and asked to rank the areas of greatest concern as they considered moving into an intergenerational farm operation. These concerns are listed in Table 5 in their rank order by year. In both years, financial worries and worry about family disagreements were the most highly ranked concerns.

Suggestions for future programs A series of open-ended questions provided an opportunity for participants to suggest topics and possible changes for another year. Most people wanted to leave the format the same. They said that the Friday/Saturday format over one weekend in late winter was helpful and should be tried again. They mentioned the same set of speakers: field staff Extension

economists, state Extension specialists in economics, sociology, and human development, and a panel of farm families.

Four respondents wanted information about different business types and associated equity transfer. Debt management, access to financing, and beginning farm loans were other financial topics written in by respondents. All of these financial topics were also mentioned under the heading of "topics need to be covered more in-depth." Two people asked for topics from the female point of view. Four respondents suggested more in-depth information on the communication sessions; however, six people suggested shortening these. Fourteen respondents wanted to learn more about intergenerational farming. Three specifically asked for sessions on working with off-farm heirs.

Summary and Conclusions

The typical respondent farmed over 720 acres, raised both crops and livestock, and had a gross income over \$200,000 a year. Two-thirds of the participants had attended college, and 44% had earned degrees. We concluded that the participants were at the upper end of the socioeconomic level of farmers in Iowa. All of the speakers and sessions were highly rated by the participants, an indication that, both years, the participants were satisfied with the program. They indicated that the Ag-Link program was what they expected and that the sessions provided useful information that should influence their future decisions.

Participants had positive attitudes on social and financial issues, although there was a divergence of opinion on farming as a way of life, not just a business. People reacted strongly to both sides of this question, with responses skewed toward farming as a way of life.

The answers to the open-ended questions about what should be included in future programs were similar to the ratings of topics of concern. Respondents indicated that

more information on farm management should be included in future Ag-Link programs. Also, family relations were a major concern for farm families preparing to adjust to a new business relationship between generations.

Recommendations

Decreases in the number of farms are an indication that programs are needed to help farm families adapt to change. Responses from participants in the Ag-Link Program indicated that it was a suitable program to address this need and should be continued. Because of the high ratings and the open-ended comments by participants, the next Ag-Link Program should follow a similar format including presentations on social and financial issues and a panel discussion featuring farm families. A needs assessment of potential students should be conducted in the fall to gain more information about student interests and what they and their families would like to have in future programs. Such an assessment could serve to promote the program as well.

Other institutions might consider developing a similar program. One of the happy byproducts of the program was that it provided an opportunity for parents to come to campus and interact with their college students. The program was a good example of the outreach function of a land-grant university.

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