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SOME CHANGES IN SOUTH DAKOTA AGRICULTURE, 1964-69

This Newsletter reviews only a few of the changes that have occurred in the South Dakota farm structure as revealed by the data from the recently released 1969 Census of Agriculture. In the space available, some of the most commonly asked questions will be discussed. It should be remembered, however, that other data are needed to supplement those presented here. Some of the most pertinent questions are those pertaining to the growing size of farms, the concentration of sales, and the outlook for smaller farms.

The data from the table below reveal that past trends are continuing, some at an average rate of change, while others are accelerating.

The number of farms with annual sales of $40,000 and over (Class 1) increased by more than 150 percent during the 1964-69 period while they increased by only 62.5 in the previous five-year period (not shown). Class 2 farms increased in number by almost 100 percent from 1964 to 1969 compared with an increase from 1959 to 1964 of about 80 percent.

These Class 1 and 2 farms now comprise 32.6 percent of all farms in South Dakota as compared with 14.1 percent as recently as 1964. They also now account for 71.6 percent of all farm sales as compared with 46.1 percent in 1964. The change resulted primarily from the increasing number of farms in these classes as well as an increase in average sales per farm, particularly in the over $40,000 class. The Class 1 group, alone, managed to increase it's total proportion of sales from 24.0 percent in 1964 to 42.1 percent in 1969.

Table. 1. Farm Numbers and Value of Agricultural Products Sold by Economic Class, South Dakota, 1964 and 1969.

Economic Class of Farms by Sales	Farms in Class		% of All Farms		Value of Products Sold Per Farm ($)		% of Total Ag. Product Sales	
	1969	1964	1969	1964	1969	1964	1969	1964
1. $40,000 & over	4,601	1,839	10.1	3.7	$87,483	$81,995	42.1	24.0
2. $20,000 - 39,999	10,285	5,181	22.5	10.4	$27,465	$26,800	29.5	22.1
3. $10,000 - 19,999	12,931	13,638	28.3	27.4	$14,594	$13,887	19.7	30.1
4. $ 5,000 - 9,999	8,109	14,671	17.7	29.5	$ 7,469	$ 7,393	6.3	17.3
5. $ 2,500 - 4,999	4,544	7,577	9.9	15.3	$ 3,557	$ 3,776	1.6	4.5
Other	5,256	6,797	11.5	13.7	-	-	.8	2.0
All	45,726	49,703	100.0	100.0	$20,951	$12,651	100.0	100.0

Source: 1969 and 1964 Census of Agriculture, S.D., Summary Data.

The number of Class 3 farms decreased only about five percent during the period. They did, however, manage to gain slightly in their relative standing in the number of total farms, while losing heavily in the percentage of farm products sold.

All of the Class 4 and 5 farm numbers declined rather drastically, with a reduction of about 10,000 farms in the process. The number of farms in the "Other" category slipped some, but it includes not only farms selling under $2,500 worth of farm produce annually, but experimental farms, institutional farms, Indian Reservations and other abnormal farms.

At this point, it might be noted that the decline in farm numbers in the under $20,000 sales categories amounted to about 12,000 farms. However, the gain of nearly 8,000 farms in the Class 1 and 2 categories left a net decline of all farms of under 4,000 farms. Thus about 8,000 farms must have moved from the lower categories into the higher-sales brackets. It might also be noted that the remaining farms with sales of under $10,000 account for less than nine percent of all farm products sold while they still represent about 40 percent of the farms.

While average gross sales are no measure of profitability of individual farms, it would appear that many of the farms in the Class 3 category could not produce income adequate to provide a good family living. Given individual circumstances, certainly those in lower categories could not. Thus the question becomes one of moving into a higher economic class, increasing prices, or supplementing income from other sources.

As indicated, some have apparently moved into higher sales brackets. Part of this may be due to an increasing proportion of farms sales being in the higher-valued livestock sales. Others have been able to expand farm size.

From an inspection of the average incomes of Class 4 and 5 farms, it becomes obvious that increases in prices would do little for most of them. Even a doubling of the prices they received would probably still leave most of them with inadequate gross sales. Other statistics do indicate that many of these farms are part-time farms or part-retirement farms.

It appears likely that in the near future some 20,000 to 25,000 farms will be producing 90 to 95 percent of all our salable farm products.

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