

**Structural Characteristics and Income Levels
of Burley Tobacco Producers
in Two Kentucky Counties**

by

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Lexington



Late-Stage Shifts in Baby Tobacco Allotments

1950-51

By Milton J. Holt, Robert E. Brown and Curtis M. Henderson

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STRUCTURAL CHARACTERISTICS AND INCOME LEVELS OF BURLEY TOBACCO PRODUCERS IN TWO KENTUCKY COUNTIES

by

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INTRODUCTION

Tobacco has been an important commodity to United States agriculture and business since the English colonies were settled during the early part of the 17th century. Cash receipts from farm marketings of tobacco totaled \$1.4 billion in 1970, ranking fourth among U.S. field crops.¹ In Kentucky, Tennessee, and in parts of North Carolina, Virginia, Ohio, and Indiana burley tobacco is an important source of farm income. Burley poundage quotas totaled 555 million pounds for the 1971 crop.

Burley tobacco has been the object of considerable research effort over the years, much like other major income crops. Disease-resistant hybrids have been developed to produce high yields per acre. Low-nicotine varieties have been bred as a means of combating some of the tobacco-related health problems proclaimed by leading medical

authorities. Agronomists have studied yield variation due to fertilizer rates, plant population, varieties, and other variables. Agricultural engineers have developed new and better housing facilities to control and improve tobacco curing. Yet, there is still a scarcity of information about tobacco producing units; the growers, their resources and income; and about the tenure arrangements under which burley tobacco is grown.

Although several government agencies continually collect, summarize, and report detailed information about burley tobacco and the farms that produce it, their definition of a farm is not consistent. Moreover, these agencies are primarily concerned with reporting aggregate data for counties and states and provide few statistics at the farm-firm level which describe linkages between the resource inputs of farm operators, landlords, and other farm workers and their returns.

Today, many burley growers secure labor through contractual arrangements (both written and verbal) whereby all involved parties receive some share of the tobacco crop or other compensation for their resource input. Little or no statistical information is available which describes the characteristics of these individuals, the resources they supply, and the incomes they receive.

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¹United States Department of Agriculture, Economic Research Service, *Farm Income Situation*, FIS-218, (U. S. Government Printing Office, Washington, D.C., July 1971).

For the purpose of formulating public policy, it is imperative to know something about the income level of these tobacco growers and how that level might be affected by new or modifications of existing government programs, changes in the demand for burley tobacco, and other adjustments. In light of the smoking and health controversy and threats to abolish the burley tobacco program, policy makers are becoming more concerned about the incidence of poverty among families associated with tobacco production, the importance of tobacco as a contributor to family income, and how adversely tobacco growers might be affected as a result of any change bearing on the production, sale, and demand for burley tobacco.

The purpose of this report is to summarize and contrast tenure arrangements, resource supplies, and income for several categories of burley growers in two Kentucky counties—Bourbon and Metcalfe (Figure 1).

Statistical information describing selected characteristics of the sample farms are used to show the similarities and differences which exist between the two counties with respect to farm size, enterprise mix, tenure arrangements, and income. In addition, this information may provide insight into the characteristics of a number of other burley producing regions throughout the Burley Belt.

A detailed analysis to measure the short- and long-run income effects resulting from changes in burley prices and demand is planned in another phase of this study. The analysis will utilize linear programming techniques and examine the income effect for each of the 180 sample farms where resources freed due to adjustments in the burley tobacco program can be reallocated to their highest level of return. This analysis should provide some very useful results to better explain the linkages between resource inputs and returns for various tenure groups in the farm sector.

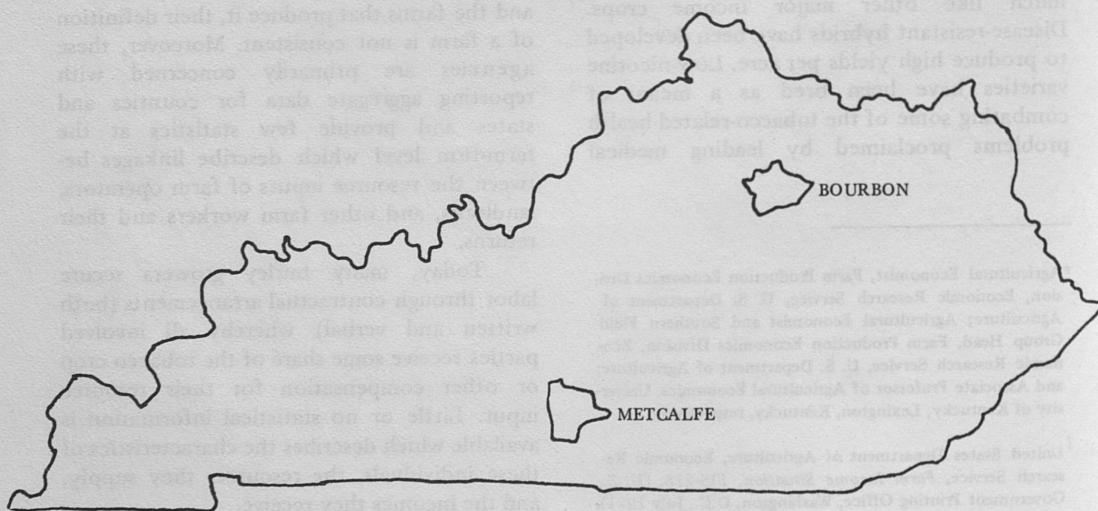


Figure 1.—The Study Areas, Kentucky, 1969.

PROCEDURE

Selection and Description of Study Areas

Bourbon County was selected to represent high income burley tobacco producing regions. In 1964 Bourbon County contained 1,006 commercial farms, 115 part-retirement, and 114 part-time farms.² The value of all farm products sold was \$13 million—an average of \$10,800 per farm. Nonfarm income of all farm operators and their families averaged \$2,311 per farm or \$3,266 for farms reporting nonfarm income. The 1,235 farms in Bourbon County averaged 143 acres of land on which an average of 5.44 acres of burley tobacco were produced in 1964.

Metcalfe County was selected to represent a low income burley tobacco producing region. In 1964 Metcalfe County contained 1,176 commercial farms, 196 part-retirement farms, and 158 part-time farms. The value of all farm products sold was \$5.8 million—an average of \$3,800 per farm. Nonfarm income of all farm operators and their families averaged \$1,682 per farm, or \$2,298 for farms reporting nonfarm income. The 1,530 farms in Metcalfe County averaged 94 acres of land on which an average of 1.91 acres of burley tobacco were produced in 1964.

Sample

Data were obtained from 180 randomly selected operators of burley tobacco farms in

the two counties. These operators were the major decision makers on farm units having headquarters in Bourbon and Metcalfe counties and producing burley tobacco in 1969. Operators were classified into one of four tenure categories, according to ownership of land included in the farm unit: 1) full-owner, 2) part-owner, 3) sharecropper, or 4) partnership operators. A frequency distribution and descriptions of these four categories and nonoperator categories are presented in Table 1.

The 180 operators who were interviewed reported renting land from 120 individual landlords and 11 estates in 1969. In addition, these operators employed 75 nonoperator tenants who received a share of the tobacco income from the sample farm units. Nearly all these landlords and nonoperator tenants were contacted personally or by mail, but only 69 landlords and 47 nonoperator tenants consented to an interview.

Survey

Two different types of questionnaires were utilized in this study. The primary questionnaire administered to operators, provided information related to tenure arrangements, land and livestock inventory, labor availability and use, farm buildings and equipment, future farm plans, net worth, and gross family income for 1969. A supplemental schedule was administered to nonoperator landlords and tenants who received a share of the 1969 burley income. This supplemental schedule secured data related to household composition, management decisions and practices under various farm programs, net worth, and gross family income.

²United States Bureau of Census, *Census of Agriculture, 1964*, Statistics for the State and Counties, Kentucky. Government Printing Office, Washington, D. C. 1967), pp. 296-307.

TABLE 1

DISTRIBUTION OF SAMPLE MEMBERS BY TENURE,
BOURBON AND METCALFE COUNTIES, 1969

Tenure	Bourbon County	Metcalfe County
(Operators)		
Full-Owners ^a	26	54
Part-Owners ^b	14	25
Share-Croppers ^c	35	16
Partnerships ^d	4	6
Total	79	101
(Nonoperators)		
Landlords ^e	25	44
Tenants ^f	21	26

^aIndividuals who were the major decision makers on operating units containing only personally owned land and having burley acreage in 1969.

^bIndividuals who were the major decision makers on operating units containing both personally owned and rented land and having burley acreage in 1969.

^cIndividuals who were the major decision makers on operating units containing only rented land and having burley acreage in 1969.

^dIndividuals who were the major decision makers on operating units containing jointly owned land and possibly rented land and having burley acreage in 1969.

^eIndividuals who were not the major decision makers on personally owned land that was rented to the part owners, share croppers, and partnership operators in 1969, but who received a share of the income from crops grown on this land.

^fIndividuals who were not the major decision makers on units operated by full owners, part owners, share croppers, or partnership operators, but who received a share of the tobacco income as compensation for their labor.

CHARACTERISTICS OF FARM OPERATING UNITS

Land, livestock, labor, and income characteristics of the entire farm operating units are summarized in the first part of this report. The last section summarizes the relative amounts of resources supplied by operators, landlords, and nonoperator tenants.

For this study, farm operating units were defined to include all land on which agricultural operations were conducted at any time in 1969 under the control or supervision of one person (full-owner, part-owner, or sharecropper) or partnership. Control may have been exercised through ownership or management, or through a lease, rental, or cropping arrangement. In addition, each of these farms produced burley tobacco during 1969.

Land Inventory, Utilization, and Productivity

Land resources varied substantially between Bourbon and Metcalfe counties. In Bourbon County, 58 percent of the land was acquired through rental and leasing arrangements, whereas in Metcalfe County nearly 82 percent of the land was owner operated (Table 2). Sample farms ranged in size from 1.72 to 1,630 acres in Bourbon County and from 4 to 3,561 acres in Metcalfe County, with an average farm size of 222.12 acres and 179.90 acres, respectively.

According to ASCS data, Bourbon County farm land in 1969 was comprised of 90 percent cropland (including rotation pasture), 2 percent woodland, 6 percent permanent pasture, and 2 percent other (i.e., farmstead, lanes, fences, etc.). In contrast, Metcalfe County farm land was classified as only 53 percent cropland, 32 percent woodland, 14 percent permanent pasture, and 1 percent other.

The average acreage of burley tobacco harvested in Bourbon County (5.47 acres) was

168 percent greater than the 2.04 acres harvested in Metcalfe County. About 63 percent of the tobacco acreage in Bourbon County represented rented land with allotments compared with only 33 percent in Metcalfe County. Burley tobacco acreage per farm operation ranged from 0.12 to 30.56 acres in Bourbon County and from 0.47 to 15.35 acres in Metcalfe County.

Corn was the most important grain crop grown in both study areas during 1969 (Table 3). Approximately 80 percent of the sample farms in Metcalfe County and 75 percent of those in Bourbon County raised corn or corn silage. More than 19 percent of this corn acreage was harvested as corn silage in Bourbon County compared with only 8 percent in Metcalfe County. No soybean production was reported on the sample farms in either county.

A sizeable acreage of legume and grass hay was harvested as roughage for dairy and beef operations in both counties. Seventy-five percent of the Bourbon County sample farms and 87 percent of the Metcalfe County farms reported the harvest of legume and/or grass hay during 1969. A few farms harvested legume and grass seed from their hay and pastureland.

Production of specialty crops (cucumbers, peppers, etc.) was limited in both counties. One Metcalfe County farm reported raising cucumbers in 1969 and another reported the planting of peppers in 1970. Several farms grew cane sorghum for molasses in Metcalfe County.

Livestock and Poultry (Production)

Beef and swine represent the major livestock enterprises on Bourbon County sample farms during 1969 (Table 4). Nearly 41 percent of these farms reported swine sales and 66 percent reported beef sales, with both swine and beef being sold by 34 percent of

TABLE 2
 AVERAGE INVENTORY OF LAND FOR 180 FARM UNITS IN BOURBON AND METCALFE COUNTIES, KENTUCKY,
 JULY 1, 1969^a

Sample Area	Land Tenure	Burley Harvested 1969	Land Classification				Total
			Cropland ^b	Woodland	Pasture ^c	Other	
Bourbon County	Owned	2.14 (3.93)	90.12 (165.59)	3.05 (11.48)	3.23 (12.77)	2.03 (3.64)	98.43 (176.74)
(79 Farm Units)	Rented-in	3.43 (5.43)	114.55 (177.43)	2.23 (8.83)	9.77 (26.63)	1.46 (2.88)	128.01 (198.29)
	Rented-out	0.10 (8.28)	4.13 (326.00)	0 (0)	0.14 (11.00)	0.05 (4.00)	4.32 (341.00)
Average Acres Per Operation		5.47	200.54	5.28	12.86	3.44	222.12
Metcalfe County	Owned	1.37 (1.63)	73.97 (87.89)	51.46 (67.50)	19.84 (30.82)	2.13 (2.53)	147.40 (175.14)
(101 Farm Units)	Rented-in	0.67 (1.73)	21.60 (49.59)	5.85 (36.91)	4.81 (32.36)	0.38 (2.18)	32.64 (74.93)
	Rented-out	0 (0)	0.14 (7.0)	0 (0)	0 (0)	0 (0)	0.14 (7.0)
Average Acres Per Operation		2.04	95.43	57.31	24.65	2.51	179.90

^a Figures enclosed by parentheses () denote the mean values only for farms reporting and figures not enclosed by () denote mean values for all farm units sampled in the county.

^b Cropland includes rotated pastureland.

^c Pasture refers to permanent pastureland only.

TABLE 3

LAND UTILIZATION AND PRODUCTIVITY FOR 180 FARM UNITS,
BOURBON AND METCALFE COUNTIES, 1969

Crops Harvested	Land Tenure	Bourbon County		Metcalf County	
		Average Acres of Farms Reporting	Average Yield Per Acre	Average Acres of Farms Reporting	Average Yield Per Acre
<u>Grain</u>					
Barley	owned	15.00	40.0 bu.	5.33	46.9 bu.
	rented-in	6.00	60.0 bu.	0.00	0.0
Corn	owned	25.67	99.5 bu.	12.18	61.0 bu.
	rented-in	24.98	88.8 bu.	17.42	57.7 bu.
Corn Silage . .	owned	24.78	19.4 ton	9.78	18.1 ton
	rented-in	23.75	17.3 ton	15.00	16.7 ton
Oats	owned	0.00	0.0	5.50	40.9 bu.
	rented-in	0.00	0.0	0.00	0.0
Wheat	owned	10.00	37.3 bu.	7.00	27.5 bu.
	rented-in	13.67	34.0 bu.	0.00	0.0
<u>Hay</u>					
All Varieties, Grass	owned	17.08	1.0 ton	31.75	1.8 ton
	rented-in	10.00	.8 ton	0.00	0.0
All Varieties, Legumes . . .	owned	36.84	2.1 ton	27.10	2.1 ton
	rented-in	48.43	2.1 ton	29.92	2.4 ton
<u>Seed</u>					
Grass Seed . .	owned	0.00	0.0	12.00	200.0 lb.
	rented-in	52.00	136.0 lb.	0.00	0.0
Legume Seed .	owned	7.00	100.0 lb.	0.00	0.0
	rented-in	24.30	120.0 lb.	0.00	0.0
<u>Other</u>					
Burley Tobacco	owned	3.74	2,989.2 lb.	1.63	2,764.7 lb.
	rented-in	5.43	2,954.6 lb.	1.73	2,956.1 lb.

TABLE 4
 AVERAGE LIVESTOCK AND POULTRY SALES BY 180 FARM UNITS,
 BOURBON AND METCALFE COUNTIES, 1969

Kind of Sale	Bourbon County ^a		Metcalfe County ^a	
	Farms Reporting	Average Quantity Sold/Farm Reporting	Farms Reporting	Average Quantity Sold/Farm Reporting
Beef:				
For Slaughter	19	45	18	9
As Feeder Calves	44	38	21	13
For Breeding	9	10	4	7
Dairy:				
Milk Cows	1	4	36	3
Dairy Calves	6	14	60	9
Grade 'A' Milk	2	282,500 lb.	5	281,000 lb.
Manufactured Milk	3	51,167 lb.	61	53,222 lb.
Swine:				
For Slaughter	10	194	15	32
As Feeder Pigs	26	193	14	33
For Breeding	2	6	3	10
Sheep:				
Ewes and Rams	4	51	0	0
Lambs	12	106	0	0
Wool	13	637 lb.	0	0
Poultry:				
Eggs	1	30,000 doz.	2	510 doz.
Broilers	0	0	1	11,000
Turkeys	0	0	1	16,000

^aNumbers have been rounded to the nearest whole number.

the farms. About 64 percent of the beef and 72 percent of the hogs were sold as feeders. Only 25 percent of the study farms in Metcalfe County reported swine sales, and 33 percent reported beef sales.

Dairy was the major livestock enterprise in Metcalfe County. Sixty percent of the study farms reported manufactured milk sales and 5 percent indicated grade 'A' milk sales in 1969 (Table 4). These dairy farms reported average sales of 281,000 pounds of grade 'A' milk per farm and 53,222 pounds of manufactured milk per farm. Although only 6 percent of the Bourbon County farms were engaged in dairy production, their grade 'A' operations had a slightly larger average milk output per farm than did Metcalfe County dairy farms. Manufactured milk production per dairy farm was greater in Metcalfe County.

No sheep were reported by the 101 farms in Metcalfe County, but 12 of the 79 sample farms in Bourbon County reported lamb production (an average of 106 lambs sold per farm).

Several factors affect the livestock enterprise mix which predominates in each county. Dairy, especially manufactured milk, seems ideal for the small owner-operated farms characteristic of Metcalfe County. To sell manufacturing milk, dairy farmers are not required to meet all the sanitation standards established for grade 'A' sales. Several cheese factories and evaporated milk plants are located in the area to purchase manufactured milk. Also, the production of such milk provides these farmers with a higher rate of return to their limited resources than other livestock enterprises.

The high percentage of cropland and pastureland per farm in Bourbon County is suited for beef and swine production. Most of these farms can produce sufficient quantities of grain and roughage to support feeder calf and feeder pig operations. Tobacco tenants can supply most of the labor and management

needed for these enterprises in addition to caring for the tobacco crop.

Labor Utilization

Burley tobacco is a labor-intensive crop which has unusually high harvesting labor requirements. When ripe, tobacco plants must be cut and housed for curing within a few days before the quality of the tobacco starts deteriorating. Most of the harvesting operations are performed with manual labor owing to a lack of economical mechanized harvesting equipment. A scarcity of seasonal farm labor in many areas forces burley growers to employ farm labor from several available sources. Many operators with small allotments swap or trade labor with neighboring growers; holders of larger allotments tend to rely upon hired labor and share-croppers.

In Bourbon County the average total labor input of 3,653 hours labor per farm was provided by the operator and his wife, unpaid family, and regularly paid farm workers (Table 5). These farms hired an additional 7 part-time laborers and traded labor (a common practice where hired labor is scarce) with 2 persons during periods of peak labor demand. Metcalfe County labor utilization in 1969 averaged 3,175 hours per farm in addition to the 5 part-time hired and 3 part-time swapped workers employed by each farm.

Utilization of regular and seasonal farm labor by farm size (acres) is presented in Tables 6 and 7, respectively. The total farm labor input (regular paid plus seasonal farm labor) increased with farm size in both counties. The average labor input for Bourbon County farms of 50 acres or less totaled 2,250 hours regular labor plus 5 part-time workers and increased to 5,400 hours regular labor and 11 part-time laborers for farms over 250 acres. Metcalfe County exhibited a similar distribution of farm labor to the various farm

TABLE 5

AVERAGE FARM LABOR UTILIZATION FOR 180 FARM UNITS,
BOURBON AND METCALFE COUNTIES, 1969

Type of Labor	Bourbon County		Metcalfe County	
	Average for all 79 Farms	Average/Farm Reporting (Hours per Year)	Average for all 101 Farms	Average/Farm Reporting
Operator	1,937	1,937	2,021	2,021
Wife	327	890	291	840
Other Unpaid Family ^a	397	1,206	327	1,574
Regular Paid Farm ^b	992	2,903	536	2,083
Total (All Farms)	3,653		3,175	
Number of Persons Hired Part-Time Per Year	7	9	5	7
Number of Persons Swapped Part-Time Per Year	2	4	3	7

^aOther unpaid family labor includes all labor supplied by members of the operator's immediate family (excluding operator and wife labor) who do not receive a share of the farm receipts or wages for labor supplied to the farm.

^bRegular paid farm labor includes only labor supplied by individuals who worked full-time on the farm and either received a share of the farm receipts or a wage for their labor input.

^cPart-time farm labor includes only labor supplied by individuals who were paid a wage to work for a few days on the farm during the harvest season.

TABLE 6

REGULAR FARM LABOR UTILIZATION BY FARM SIZE FOR 180 FARM UNITS,
BOURBON AND METCALFE COUNTIES, 1969

Type of Labor	Study Area (County)	Farm Size (Acres)					
		0—50	50.1—100	100.1—150	150.1—200	200.1—250	Over 250
		(Hours per Year)					
Operator	Bourbon	1,534	1,535	1,716	2,340	2,152	2,411
	Metcalfe	1,599	2,086	1,820	2,455	2,210	1,880
Wife	Bourbon	331	452	20	413	593	235
	Metcalfe	142	358	284	381	30	348
Other Unpaid Family	Bourbon	282	240	260	785	268	493
	Metcalfe	69	98	468	751	260	243
Regular Paid	Bourbon	103	715	873	213	1,656	2,261
	Metcalfe	0	278	493	286	51	1,870
Total/Farm	Bourbon	2,250	2,942	2,869	3,751	4,669	5,400
	Metcalfe	1,810	2,820	3,065	3,873	2,551	4,341

TABLE 7.
SEASONAL FARM LABOR UTILIZATION BY FARM SIZE FOR 180 FARM UNITS,
BOURBON AND METCALFE COUNTIES, 1969

Type of Labor	Study Area (County)	Farm Size (Acres)					(Number)
		0-50	50.1-100	100.1-150	150.1-200	200.1-250 Over 250	
Number of Persons Hired Part-Time	Bourbon	3	5	12	8	11	9
	Metcalfe	2	2	4	4	4	4
Number of Persons Swapped Part-Time	Bourbon	2	1	1	1	0	2
	Metcalfe	3	3	2	3	5	3
Total/Farm	Bourbon	5	6	13	9	11	11
	Metcalfe	5	5	6	7	9	7

sizes; but for each size category, the total labor input was less than in Bourbon County.

The types of farm labor used by the case farms differed between the two counties (Tables 6 and 7). The major types of farm labor employed by the Metcalfe County farms were family labor (operator, wife, and other unpaid family labor) and part-time swapped labor, whereas the Bourbon County farms primarily used regular paid labor (share-croppers) and part-time hired labor. In both counties regular paid (full-time) labor was used more on larger farms than on smaller farms.

Gross Farm Receipts

Total gross farm receipts is a common measure of farm size. It is used here to include total dollar receipts from the sale of all crop and livestock products by each sample farm in 1969. The 1969 total gross farm receipts for the sample farms in Bourbon and Metcalfe counties averaged \$21,618 and \$7,974 per farm, respectively (Table 8).

Burley tobacco is the most important source of farm income in both counties. Tobacco receipts averaged \$11,422 per farm in Bourbon County and represented 52.8 percent of the total gross farm receipts from all farm product sales. In Metcalfe County, 47.5 percent of the gross farm receipts represented burley tobacco sales.

The sale of livestock and poultry products provided the 180 study farms with more than 45 percent of their 1969 total gross farm income. As previously mentioned, beef production was the most important livestock enterprise in Bourbon County and represented nearly 30 percent (\$6,238 per farm) of 1969 gross farm receipts. Nearly 66 percent of these farms reported beef sales (slaughter cattle, feeder calves, or breeding stock), and 56 percent of the farms sold feeder calves. About 58 percent of the gross beef receipts in Bourbon County came from

the sale of feeder calves, 39 percent from slaughter calves, and the remaining 3 percent from the sale of beef breeding stock (Table 8).

Swine and sheep production were also important contributors to gross farm income in Bourbon County, where there is an abundance of cropland and pastureland for feed production on most farms. About 41 percent of these farmers reported swine sales and 16 percent reported sheep sales. A few farms received income from the sale of eggs, broilers, or turkeys.

In Metcalfe County, dairy production was the major livestock enterprise. Nearly 60 percent of the 101 sample farms in Metcalfe County sold manufacturing milk in 1969 and an additional 5 percent sold grade 'A' milk. Receipts from dairy cattle and milk accounted for 33.8 percent (\$2,693 per farm) of their 1969 gross farm income. About 50 percent of the dairy receipts came from the sale of manufacturing milk, 30 percent from grade 'A' milk, and the remaining 20 percent from milk cows and dairy calves.

Distribution of Gross Farm Income by Farm Size

The distribution of total gross farm receipts by size of farm (acres) is shown in Table 9 for Bourbon and Metcalfe counties. In both counties, average gross receipts per farm increased with farm size. In Bourbon County, receipts ranged from \$6,073 on farms of 50 acres or less to nearly \$48,770 on farms over 250 acres. The 1969 gross farm income per farm in Metcalfe County was considerably less than in Bourbon County, ranging from only \$3,521 on farms of 50 acres or less to \$16,275 on farms in excess of 250 acres.

An examination of the composition of farm income for the farms studied in each of the six farm size groups reveals that those farms in the smallest size class (0-50 acres)

TABLE 8.

AVERAGE GROSS RECEIPTS PER FARM FROM SALE OF FARM PRODUCTS,
180 FARM UNITS IN BOURBON AND METCALFE COUNTIES, 1969

Farm Product	Bourbon County		Metcalf County	
	Average for all 79 Farms	Average/Farm Reporting	Average for all 101 Farms	Average/Farm Reporting
	(Dollars)			
Crops:				
Burley Tobacco				
Owned	4,229	7,770	2,466	2,930
Rented	7,193	11,366	1,318	3,413
Corn				
Owned	38	3,000	63	1,054
Rented	45	708	21	425
Hay				
Owned	5	215	21	428
Rented	71	931	40	502
Other Crops				
Owned	14	281	37	1,233
Rented	128	1,687	0	0
Timber				
Owned	0	0	234	3,938
Rented	0	0	0	0
Livestock and Poultry:				
Beef				
Slaughter Cattle	2,410	10,020	327	1,835
Feeder Calves	3,625	6,508	383	1,843
Breeding Stock	203	1,778	48	1,224
Dairy				
Milk Cows	11	900	241	675
Dairy Calves	41	546	294	495
Grade 'A' Milk'	392	15,500	800	16,167
Manufactured Milk	87	2,300	1,358	2,248
Sheep				
Ewes and Rams	25	503	0	0
Lambs	394	2,594	0	0
Wool	42	256	0	0
Swine				
Slaughter Hogs	1,105	8,733	153	1,027
Feeder Pigs	1,394	4,237	90	650
Breeding Stock	14	541	18	591
Poultry				
Eggs	152	12,000	5	238
Broilers	0	0	18	600
Turkeys	0	0	39	3,900
Total	21,618		7,974	

TABLE 9

AVERAGE GROSS RECEIPTS PER FARM FROM THE SALE OF FARM PRODUCTS BY FARM SIZE,
180 FARM UNITS IN BOURBON AND METCALFE COUNTIES, KENTUCKY, 1969

Farm Product	Study Area (County)	Farm Size (Acres)					
		0-50	50.1-100	100.1-150	150.1-200	200.1-250	Over 250
		(Dollars)					
Crops:							
Burley Tobacco	Bourbon	5,710	5,684	8,211	9,603	9,782	23,259
	Metcalfe	2,134	2,454	2,778	4,464	5,201	7,155
Corn	Bourbon	74	0	0	318	0	81
	Metcalfe	4	0	0	76	103	403
Hay	Bourbon	0	9	0	11	659	66
	Metcalfe	0	0	9	155	167	104
Other Crops	Bourbon	0	0	126	108	10	428
	Metcalfe	0	0	0	35	150	0
Timber	Bourbon	0	0	0	0	0	0
	Metcalfe	0	0	4	0	188	1,470
Livestock and Poultry:							
Beef	Bourbon	0	1,442	1,660	7,260	5,742	16,562
	Metcalfe	33	214	500	599	1,422	2,532
Dairy	Bourbon	0	111	2,650	1,310	0	224
	Metcalfe	1,173	2,855	1,962	3,596	2,590	3,617
Sheep	Bourbon	0	19	139	335	694	1,328
	Metcalfe	0	0	0	0	0	0
Swine	Bourbon	289	1,391	380	1,010	2,742	6,821
	Metcalfe	154	25	496	195	142	604
Poultry	Bourbon	0	0	0	109	0	0
	Metcalfe	23	0	0	0	0	390
Totals	Bourbon	6,073	8,656	13,166	20,064	19,629	48,769
	Metcalfe	3,521	5,548	5,749	9,120	9,963	16,275

had the highest percentage of gross farm receipts from burley tobacco while farms in the largest size class (more than 250 acres) had the smallest percentage of gross farm receipts from burley tobacco. In Bourbon County the percentage of gross farm income from burley tobacco ranged from 94 percent (farm size 0-50 acres) to 48 percent (farms in excess of 250 acres). In Metcalfe County the range was from 61 percent (farm size 0-50 acres) to 44 percent (farms in excess of 250 acres).

In general, it is shown in Table 9 that all 180 sample farms relied on tobacco as their major source of farm income. This dependence on tobacco income was especially great for the small farms in Bourbon County, since most of the farm operators were tobacco tenants whose only farm income was their share of the tobacco crop. Smaller farms in Metcalfe County were less dependent on tobacco income primarily because these farms were owner operated and the operators were using part of their labor and management in the production of manufacturing milk.

CHARACTERISTICS OF TENURE GROUPS

Allotment owners used arrangements such as share cropping, hiring, and swapping to acquire sufficient labor during the peak demand periods (particularly during harvesting and stripping operations). Tenure arrangements and characteristics of the tobacco labor force reported to exist on the 180 sample farm units in 1969 are examined in this section.

other operator categories in both counties—particularly in Bourbon County. Nonoperator landlords in Metcalfe County and tenants in both counties had an education averaging less than 8 years. Landlords (nonoperators) interviewed in Bourbon County reported an education level averaging 11.8 years, contrasted to 7.6 years in Metcalfe County.

Age of Producers

The average age of the Bourbon and Metcalfe County farm operators in 1969 was almost identical—52 and 53 years, respectively (Appendix Tables 1 and 2). Full-owner and partnership operators were the oldest of the four operator categories studied in both counties. Nonoperator landlords and tenants averaged about 70 years of age and 40 years of age, respectively.

Net Worth

The average 1969 net worth per farm operator was only \$27,100 in Metcalfe County compared with about \$58,700 in Bourbon County (Appendix Tables 1 and 2). Part-owner operators in Bourbon County reported a net worth average of \$123,500. Landlords reported the highest average net worth (\$213,000 in Bourbon County and \$38,400 in Metcalfe County) and the nonoperator tenants, the lowest (\$7,100 in Bourbon County compared to \$8,900 in Metcalfe County). A large portion of the high asset levels in Bourbon County (especially for landlords) may be attributed to influences from the race horse industry and high real estate prices.

Education

Formal education completed by the operators averaged 7.8 years in Metcalfe County and 9.2 years in Bourbon County (Appendix Tables 1 and 2). Part-owners had achieved a higher level of education than the

Farm Size

In Metcalfe County, the average size of farm operating units ranged from 145 acres for sharecroppers to 234 acres for partnership operators. Partnership operators also had the largest tobacco allotments per farm in Metcalfe County (2.83 acres). For Bourbon County, partnership operations were the smallest (86 acres per farm), while part-owner operations were the largest (411 acres per farm). Part-owners in Bourbon County raised on average of 9.53 acres of burley tobacco in 1969.

Labor

Sources of farm labor employed in the production of burley tobacco during 1969 are shown in Table 10. The major source of tobacco labor used by each farm differed considerably between different farm operator categories and between the two counties.

Tenant labor (labor which received a share of the tobacco crop) was used most by the full-owner and part-owner operators in both counties. Many of these tenants were members of the operator's immediate family, such as a son, father, father-in-law, etc. None of the partnership operators reported using tenant labor in 1969.

Hourly paid labor (hired labor) was the primary type of tobacco labor used by all four operator categories in Bourbon County. Nearly 73 percent of the full owners, 71 percent of the part-owners, 86 percent of the sharecroppers, and 100 percent of the partnership operators in the county employed hired tobacco labor during 1969. Hired labor in Metcalfe County was the major labor source for only the part-owner operators.

Swapping or trading arrangements appear to have been more common in Metcalfe County than Bourbon County. This characteristic may be attributed to the small tobacco allotments on Metcalfe County farms

and a scarcity of labor available for hire. Small burley allotments per farm in this county permitted several farmers to exchange or swap tobacco labor, primarily at harvest, and yet complete harvesting on all their farms within a short time period so as not to affect tobacco quality. Larger tobacco allotments per farm in Bourbon County demanded most of the operator's labor during the critical labor demand periods and, consequently, he was not available to exchange his labor with neighboring tobacco growers.

The small average burley tobacco acreage per farm in Metcalfe County, as previously mentioned, permitted some operators in the county to utilize family labor entirely to meet tobacco labor needs. This eliminated the task of competing for hired, swapped, and tenant labor. Only 7.7 percent of the full-owner operators in Bourbon County used family labor entirely in their tobacco operations.

Crop-Share Arrangements

The crop-share lease is the most common type of rental arrangement. Customarily, the landlord provides the land, allotment, improvements, pays related taxes and other overhead expenses while the tenant pays most of the operating expenses and furnishes machinery and labor. Expenses such as fertilizer, seed, and chemicals may or may not be shared with the landlord and crop proceeds provided are shared on a 50/50 basis or as agreed upon in the lease.

The distribution of production costs and receipts between operators, landlords, and nonoperator tenants for the burley tobacco grown on the sample farms in 1969 is shown in Tables 11-14. The kind and quantity of resources supplied by operators and nonoperators varied among the four operator categories (i.e., full-owners, part-owners, share-croppers, and partnership operators).

TABLE 10.

PERCENT OF FARMS REPORTING SOURCE OF LABOR,
BOURBON AND METCALFE COUNTIES, 1969

Source of Labor	Full-Owner Operations		Part-Owner Operations		Share-Cropper Operations		Partnership Operations	
	Bourbon County	Metcalfe County	Bourbon County	Metcalfe County	Bourbon County	Metcalfe County	Bourbon County	Metcalfe County
	(Percent)							
Family labor only	7.7	14.8	0.0	4.0	0.0	12.5	0.0	16.7
Family and swapped labor	7.7	27.8	21.0	8.0	11.4	31.2	0.0	33.3
Family and hired labor	38.5	18.5	42.8	52.0	42.8	31.2	75.0	33.3
Family, swapped, and hired labor	0.0	9.3	21.4	8.0	28.6	6.3	25.0	16.7
Family and tenant labor	3.8	11.1	7.4	0.0	2.9	12.5	0.0	0.0
Family, tenant, and hired labor	30.8	9.3	7.4	12.0	5.7	0.0	0.0	0.0
Family, tenant, and swapped labor	7.7	7.4	0.0	8.0	0.0	6.3	0.0	0.0
Family, tenant, swapped, and hired labor	3.8	1.8	0.0	8.0	8.6	0.0	0.0	0.0
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

TABLE 11

BURLEY TOBACCO CROP-SHARE ARRANGEMENTS BETWEEN OPERATORS AND TENANTS
ON 28 FARM UNITS CLASSIFIED AS FULL-OWNER OPERATIONS,
BOURBON AND METCALFE COUNTIES, 1969^a

Item	Sample Area (County)	Crop-Share Arrangement ^b (Operator-Tenant)			
		100-0	50-50	0-100	Other
(Percent)					
Tobacco Crop (Receipts)	Metcalfe	0.0	93.8	0.0	6.2
	Bourbon	0.0	100.0	0.0	0.0
Operating Expenses:					
Equipment	Metcalfe	81.3	6.3	12.4	0.0
	Bourbon	58.3	25.0	16.7	0.0
Seed	Metcalfe	87.5	12.5	0.0	0.0
	Bourbon	41.7	16.6	41.7	0.0
Labor	Metcalfe	0.0	43.7	50.0	6.3
	Bourbon	0.0	16.7	83.3	0.0
Chemicals	Metcalfe	62.5	31.2	6.3	0.0
	Bourbon	41.7	33.3	25.0	0.0
Fertilizer	Metcalfe	81.3	18.7	0.0	0.0
	Bourbon	75.0	8.3	16.7	0.0

^a These 28 farm units, 16 from Metcalfe County and 12 from Bourbon County, represent all full-owner operations in the two counties which used a crop-share arrangement to secure tobacco labor in 1969. A crop-share arrangement is defined here to include all tenure arrangements where the tenant receives a share of the tobacco crop in return for his inputs (i. e., labor, equipment, etc.) into the production of burley tobacco.

^b The crop-share arrangements used in this table represent the distribution of receipts and expenditures between the full-owner operators and the nonoperator tenants in 1969. For example, 100-0 means the operator receives or supplies 100 percent of a particular resource such as labor and the tenant receives or supplies none of the resource.

Full-Owner Operations

The share arrangements on the 16 full-owner operations in Metcalfe County and 12 operations in Bourbon County which employed tenant labor in 1969 are shown in Table 11. The most common tenure arrangement in both counties specified the operator supply all the equipment, seed, chemicals, and fertilizer. The tenants provided all, or at least half, the labor; and the tobacco crop was shared on a 50-50 basis.

More than 83 percent of the full-owner crop-share arrangements examined in Bourbon County and 50 percent in Metcalfe County specified that the tenant supply all the tobacco labor and 44 percent of the tenure arrangements in Metcalfe County specified that the tobacco labor was to be shared 50-50, between operator and tenant. Again, this tenure arrangement reflected the difference in farm size and burley acreage per farm in the two counties. The large farm size and burley acreage per farm in Bourbon County lead many of the full-owner operators to share crop *part* of their owned tobacco acres. With this type arrangement, the owner supplies all the labor on a designated portion of the burley crop (i.e., he grows it himself), whereas the tenant supplies all the labor, and possibly some equipment on the remaining burley acreage. In addition, the tenant often resides in a tenant house on the farm and provides additional labor caring for livestock.

In Metcalfe County, most of the burley tobacco operations were too small to warrant full-time tenants or separation of the burley acreage between operators and tenants. Consequently, these operators and tenants shared the labor input 50-50 on the entire burley crop. Also, the tenant often is an older member of the operator's family, or a neighbor who also raises burley tobacco.

Part-Owner Operations

Eighty-four percent of the part-owner operators in Metcalfe County and 93 percent

in Bourbon County rented land with burley acreage. About 35.3 percent of these rented allotments in Bourbon County were secured through a cash rental arrangement (Table 12). With this type of arrangement, the operator receives full use of the cropland for the duration of the lease by making a cash payment to the landlord. The operator assumes all the production expenditures and receives the entire crop, unless he sub-rents to resource suppliers who contribute inputs (labor, equipment, etc.) into the production process.

The most common burley tobacco crop-share arrangement used by part-owner operators in both counties specified that proceeds from the tobacco crop be shared 50-50 between operator and landlord. Equipment, seed, labor, and chemicals were supplied by operators, with landlords furnishing all or part of the fertilizer.

Although not shown in Table 12, about 28 percent of the Metcalfe County part-owners and 14 percent of the Bourbon County part-owners employed tobacco tenants in 1969. Most of these tenants tended a specified segment of the operator's total 1969 tobacco allotment, provided their own equipment and labor, and received 50 percent of the tobacco crop.

Share-Cropper Operations

About 73 percent of the share-cropper operators in Metcalfe County and 86 percent in Bourbon County received one-half the tobacco receipts from the landlord (Table 13). The majority of operators in both counties supplied all the tobacco labor and the landlord provided all the fertilizer. Most Bourbon County operators supplied all equipment and seed and shared chemical expenditures with their landlord. The sharing arrangements for equipment, seed, and chemicals on share-cropper operations in Metcalfe County were not uniform among all the operations. About the same number of share croppers used either a 100-0, 50-50,

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TABLE 12

BURLEY TOBACCO CROP-SHARE ARRANGEMENTS BETWEEN OPERATORS AND LANDLORDS
ON 34 FARM UNITS CLASSIFIED AS PART-OWNER OPERATIONS,
BOURBON AND METCALFE COUNTIES, 1969^a

Item	Sample Area (County)	Crop-Share Arrangement ^b (Operator-Landlord)				
		100-0	50-50	0-100	Other	Cash
(Percent)						
Tobacco Crop (Receipts)	Metcalfe	0.0	79.3	0.0	13.8	6.9
	Bourbon	0.0	58.8	0.0	5.9	35.3
Operating Expenses:						
Equipment	Metcalfe	93.1	0.0	0.0	6.9	-
	Bourbon	82.3	5.9	0.0	11.8	-
Seed	Metcalfe	38.0	34.5	24.1	3.4	-
	Bourbon	76.4	0.0	11.8	11.8	-
Labor	Metcalfe	86.2	0.0	0.0	13.8	-
	Bourbon	88.2	0.0	0.0	11.8	-
Chemicals	Metcalfe	51.7	13.8	24.2	10.3	-
	Bourbon	41.2	35.3	5.9	17.6	-
Fertilizer	Metcalfe	13.8	41.4	41.4	3.4	-
	Bourbon	23.5	11.8	52.9	11.8	-

^aThese 34 farm units, 21 from Metcalfe County and 13 from Bourbon County, represent all part-owner operations in the two counties which used a crop-share or cash rental arrangement to secure burley tobacco acreage from landlords in 1969. The 21 part-owner operations in Metcalfe County rented burley acreage from 29 different landlords and the 13 operations in Bourbon County rented burley acreage from 17 different landlords.

^bThe crop-share arrangements used in this table represent the distribution of receipts and expenditures between the part-owner operators and the owners (landlords) of farm land rented-in to the operator's farm unit in 1969. For example, 100-0 means the operator receives or supplies 100 percent of a particular resource such as labor and the landlord receives or supplies none of the resource.

TABLE 13

BURLEY TOBACCO CROP-SHARE ARRANGEMENTS BETWEEN OPERATORS AND LANDLORDS
ON 51 FARM UNITS CLASSIFIED AS SHARE-CROP OPERATIONS,
BOURBON AND METCALFE COUNTIES, 1969^a

Item	Sample Area (County)	Crop-Share Arrangement ^b (Operator-Landlord)			
		100-0	50-50	0-100	Other
(Percent)					
Tobacco Crop (Receipts)	Metcalfe	4.6	72.7	0.0	22.7
	Bourbon	2.3	86.1	0.0	11.6
Operating Expenses:					
Equipment	Metcalfe	36.4	22.7	18.2	22.7
	Bourbon	83.7	4.7	4.7	6.9
Seed	Metcalfe	22.7	22.7	27.3	27.3
	Bourbon	55.8	21.0	11.6	11.6
Labor	Metcalfe	68.2	0.0	0.0	31.8
	Bourbon	88.4	0.0	0.0	11.6
Chemicals	Metcalfe	31.8	27.3	18.2	22.7
	Bourbon	25.6	44.2	18.6	11.6
Fertilizer	Metcalfe	27.3	18.2	54.5	0.0
	Bourbon	4.7	9.2	81.4	4.7

^aThese 51 farm units, 16 from Metcalfe County and 35 from Bourbon County, represent all "share-cropper" operations in the two counties which used a crop-share rental arrangement to secure all their farm land, including burley acreage, from landlords in 1969. The 16 "share cropper" operations in Metcalfe County rented burley acreage from 22 different landlords and the 35 operations in Bourbon County rented burley acreage from 43 different landlords.

^bThe crop-share arrangements used in this table represent the distribution of receipts and expenditures between the share-crop operators and the owners (landlords) of farm land rented in to the operators farm unit in 1969. For example, 100-0 means the operator receives or supplies 100 percent of a particular resource such as labor and the landlord receives or supplies none of the resource.

0-100, or other tenure arrangement for these three inputs.

Partnership Operations

Ten farms were classified as partnership operations. These operating units contained jointly owned land, and each of the owners received part of the tobacco crop raised on the farm. Most of these units were owned jointly by brothers and/or sisters or father and son.

Burley tobacco receipts and expenses were shared equally by almost all partners in both counties (Table 14). Two operators in Metcalfe County provided all the tobacco labor for their operations because their partners resided far away from the farm unit.

Four partnership operators rented additional tobacco acreage. Landlords received 50 percent of the tobacco grown on this land and the partners equally divided the remainder of the crop. The partners provided all the equipment, seed, labor and chemicals, and landlords furnished the fertilizer.

Family Income

The 1969 average family income for the farm operators, landlords, and nonoperator tenants is shown in Appendix Tables 1 and 2. Family income is composed of the net receipts (gross receipts less operating expenses) from tobacco and other farm commodities plus nonfarm and other income. Nonfarm income represents wages and salaries, whereas other income is composed of government payments, rentals, interest, dividends, and etc., accruing to the operator, landlord, or tenant and his family.

The 180 farm operators in Metcalfe and Bourbon counties reported 1969 family incomes which averaged \$4,327 and \$8,790, respectively. Part-owners had the largest family income and partnership operators had the smallest income in both counties.

Differences in average family income among the four operator categories appear to be due to farm size, burley acreage, and the number of individuals sharing the farm income. Partnership operators had low incomes primarily because about all their farm income was shared between two or more partners. Conversely, part-owners received the income from a sizeable quantity of farm land and burley tobacco acreage (both owned and rented land) and they shared only part of this income with landlords and tenants.

Landlords interviewed in Bourbon County reported family incomes which averaged nearly \$16,400. This average is high because several of these landlords owned and trained thoroughbred race horses or were owners of large nonfarm business enterprises.

Nonoperator tenants had family incomes which were among the lowest of all tenure groups studied (\$3,049 in Metcalfe County and \$5,530 in Bourbon County). These individuals owned few resources and relied heavily on tobacco as their major income source. Their low levels of education limited nonfarm employment opportunities. Several of the full-time tenants in Bourbon County tended their landlord's beef cattle and received a share of the cattle sales.

Burley tobacco represented about 35 percent of the average family income for each of the operator categories (Appendix Tables 1 and 2). Partnership operators in Metcalfe and Bourbon counties received 48 percent and 58 percent, respectively, of their income from burley tobacco. In contrast, burley tobacco comprised a much smaller portion of the landlord's family income. Most landlords received a substantial amount of income from nonfarm investments, off-farm employment, and other farm sources. Nearly 39 percent of the tenant income in Bourbon County came from burley tobacco. Since many of the Metcalfe County tenants were also farm owners and operators on farm units not included in this sample and having burley

TABLE 14
 BURLEY TOBACCO CROP-SHARE ARRANGEMENTS BETWEEN PARTNERS
 ON 10 FARM UNITS CLASSIFIED AS PARTNERSHIP OPERATIONS,
 BOURBON AND METCALFE COUNTIES, 1969^a

Item	Sample Area (County)	Crop-Share Arrangements ^b (Partners)	
		Equal Share	Other
(Percent)			
Tobacco Crop (Receipts)	Metcalfe	83.3	16.7
	Bourbon	100.0	0.0
Operating Expenses: Equipment	Metcalfe	83.3	16.7
	Bourbon	75.0	25.0
Seed	Metcalfe	83.3	16.7
	Bourbon	100.0	0.0
Labor	Metcalfe	66.7	33.3
	Bourbon	75.0	25.0
Chemicals	Metcalfe	83.3	16.7
	Bourbon	100.0	0.0
Fertilizer	Metcalfe	83.3	16.7
	Bourbon	100.0	0.0

^aThese 10 farm units, 6 from Metcalfe County and 4 from Bourbon County, represent all "partnership" operations in the two counties which used a crop-share rental arrangement to share receipts and expenditures on jointly owned land producing burley tobacco in 1969.

^bThe crop-share arrangements used in this table represent the distribution of receipts and expenditures between all the partners on the jointly owned land in 1969. For example, equal share means that all the partners received or supplied equal amounts of a particular resource such as labor.

allotments, about 68 percent of their family income came from burley tobacco. Most tenants received only a small portion of their income from nonfarm (salaries and wages) and other off-farm sources.

Distribution of Respondents into Income Classes

The distribution of operators, landlords, and tenants into five income classes is shown in Figure 2. These classes are based on total family income from both farm and nonfarm sources in 1969. About 68 percent of the operators, 66 percent of the landlords, and 85 percent of the nonoperator tenants in Metcalfe County had family incomes of \$5,000 or less. Only 4 percent of the operators, 7 percent of the landlords, and 4 percent of the tenants reported family incomes in excess of \$10,000. In Bourbon County, family incomes exceeding \$10,000 were realized by 36 percent of the operators, 36 percent of the landlords, and 10 percent of the nonoperator tenants. Nearly 67 percent of the Bourbon County tenants had family incomes of \$5,000 or less, and none of the tenants in either county earned a family income greater than \$20,000.

Metcalfe County had a higher percentage of operators, landlords, and nonoperator tenants in the low income classes than did Bourbon County. This reflected the difference in resource levels of operating units in the two areas. Most operators and nonoperators in Metcalfe County lacked sufficient resources and nonfarm alternatives to generate incomes in the upper income classes.

Burley tobacco was the major source of income in both counties, especially for tenure groups classified into the low income classes. For operators with family incomes less than \$3,000, 54 percent of this income in Bourbon

and 45 percent in Metcalfe represented burley tobacco sales (Figure 3). Except for operators with incomes exceeding \$20,000, higher income classes were less dependent on burley receipts than were low income classes, and for all income classes the Bourbon County operators were more dependent on burley income than were Metcalfe County operators. This characteristic may partially be explained by the fact that grade 'B' dairying is an important source of income in Metcalfe County. Without income from other farm enterprises or nonfarm sources, most operators in Metcalfe County could not meet family living expenses from their burley acreage.

Nonoperator tenants and landlords were also very dependent on burley tobacco as their major source of family income. More than 82 percent of the family income for Class V nonoperator tenants in Bourbon and Metcalfe counties was obtained from burley tobacco. The tenure systems characteristic of each county attribute to the percentage of tobacco in the incomes of nonoperator tenants. For Metcalfe County, most tobacco labor was secured through sharing arrangements or from family labor, and a significant portion of these individuals received a share of the tobacco crop as compensation for their labor input. Also, many derived additional income from tobacco grown on their own farms. A much different tenure system existed in Bourbon County as most tenants lived in tenant houses and, in addition to supplying labor for burley production, were engaged in the production of beef, hogs, and dairy. As compensation for their labor, these individuals received a share of the income from livestock enterprises. This feature explains the modest decline in the importance of burley for tenants in Bourbon County, especially tenants with family incomes exceeding \$3,000.

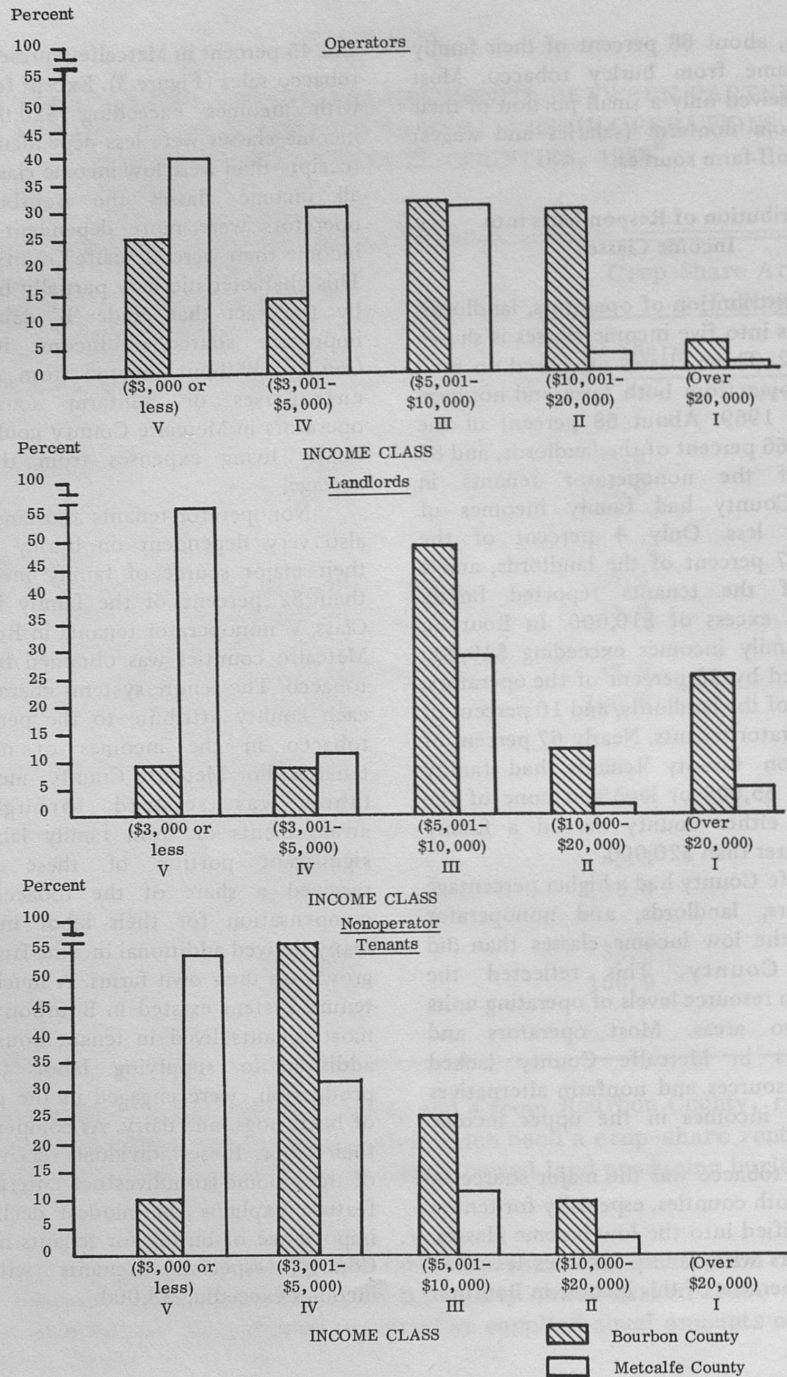


Figure 2. --Distribution of operators, landlords, and tenants into selected family income (both farm and nonfarm) classes Bourbon and Metcalfe counties, 1969

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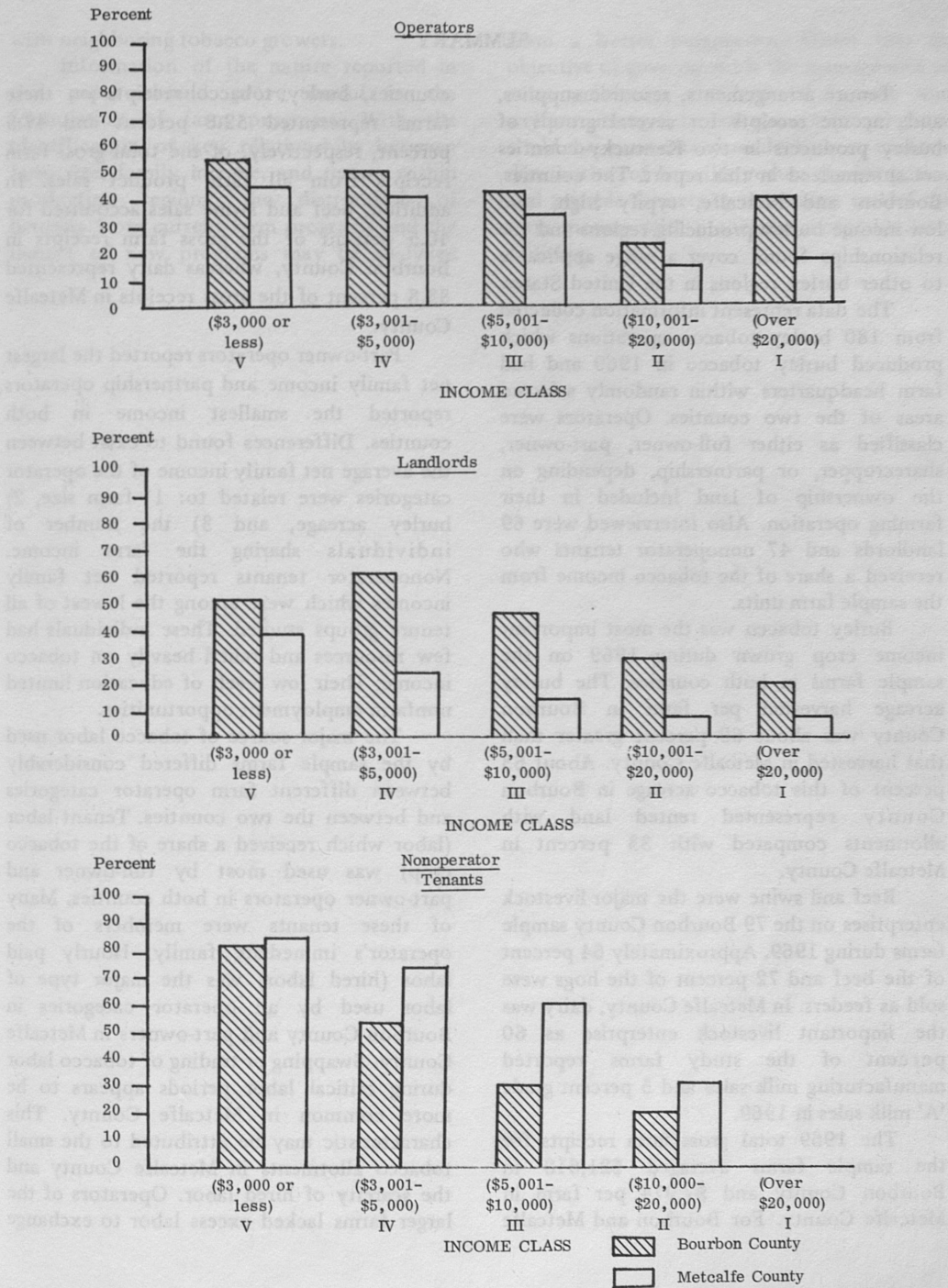


Figure 3. --Average net tobacco income as a per cent of all family income (both farm and nonfarm) for operators, landlords, and tenants classified into family income classes, Bourbon and Metcalfe counties, 1969

SUMMARY

Tenure arrangements, resource supplies, and income receipts for several groups of burley producers in two Kentucky counties are summarized in this report. The counties, Bourbon and Metcalfe, typify high- and low-income burley producing regions and the relationships found cover a range applicable to other burley regions in the United States.

The data represent information collected from 180 burley tobacco operations which produced burley tobacco in 1969 and had farm headquarters within randomly selected areas of the two counties. Operators were classified as either full-owner, part-owner, sharecropper, or partnership, depending on the ownership of land included in their farming operation. Also interviewed were 69 landlords and 47 nonoperator tenants who received a share of the tobacco income from the sample farm units.

Burley tobacco was the most important income crop grown during 1969 on the sample farms in both counties. The burley acreage harvested per farm in Bourbon County was about 60 percent greater than that harvested in Metcalfe County. About 63 percent of this tobacco acreage in Bourbon County represented rented land with allotments compared with 33 percent in Metcalfe County.

Beef and swine were the major livestock enterprises on the 79 Bourbon County sample farms during 1969. Approximately 64 percent of the beef and 72 percent of the hogs were sold as feeders. In Metcalfe County, dairy was the important livestock enterprise as 60 percent of the study farms reported manufacturing milk sales and 5 percent grade 'A' milk sales in 1969.

The 1969 total gross farm receipts for the sample farms averaged \$21,618 in Bourbon County and \$7,974 per farm in Metcalfe County. For Bourbon and Metcalfe

counties, burley tobacco receipts on these farms represented 52.8 percent and 47.5 percent, respectively, of the total gross farm receipts from all farm product sales. In addition, beef and swine sales accounted for 40.5 percent of the gross farm receipts in Bourbon County, whereas dairy represented 33.8 percent of the gross receipts in Metcalfe County.

Part-owner operators reported the largest net family income and partnership operators reported the smallest income in both counties. Differences found to exist between the average net family income of the operator categories were related to: 1) farm size, 2) burley acreage, and 3) the number of individuals sharing the farm income. Nonoperator tenants reported net family incomes which were among the lowest of all tenure groups studied. These individuals had few resources and relied heavily on tobacco income. Their low levels of education limited nonfarm employment opportunities.

The major source of tobacco labor used by the sample farms differed considerably between different farm operator categories and between the two counties. Tenant labor (labor which received a share of the tobacco crop) was used most by full-owner and part-owner operators in both counties. Many of these tenants were members of the operator's immediate family. Hourly paid labor (hired labor) was the major type of labor used by all operator categories in Bourbon County and part-owners in Metcalfe County. Swapping or trading of tobacco labor during critical labor periods appears to be more common in Metcalfe County. This characteristic may be attributed to the small tobacco allotments in Metcalfe County and the scarcity of hired labor. Operators of the larger farms lacked excess labor to exchange

with neighboring tobacco growers.

Information of the nature reported in this paper should prove useful in the formulation of farm programs. With the identification of key relationships between farm size, family income, and tenure within production regions, the distribution of benefits from current farm programs and the impact of new programs may be analyzed

from a better perspective. Given that an objective of government is the maintenance of some minimum standard of income and welfare among the rural poor, farm programs could be geared to provide a more uniform distribution of benefits, reduce the inequities, and provide farmers at the lowest end of the farm income with a socially acceptable level of living.

REFERENCES

- [1] United States Department of Agriculture, Economic Research Service, *Farm Income Situation*, FIS-218, (U.S. Government Printing Office, Washington, D.C., July 1971).
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APPENDIX TABLE 1

SELECTED CHARACTERISTICS OF SAMPLE OPERATORS, LANDLORDS, AND NONOPERATOR TENANTS
BOURBON COUNTY, 1969

	Tenure Classification					
	Full- Owners	Part- Owners	Share- croppers	Partner- ships	Total	Nonoperator Tenants
Number of Interviews	26	14	35	4	79	21
Average Age	53	50	51	64	52	40
Average Education	9.7	10.6	8.6	7.0	9.2	7.9
Average Net Worth	\$88,400	\$123,500	\$13,400	\$34,600	\$58,700	\$7,100
Average (Net) Family Income:	11,396	14,033	5,437	2,835	8,790	5,530
Tobacco	3,187	6,976	1,771	1,647	3,153	2,150
Other Farm	1,636	3,994	820	628	1,641	735
Nonfarm	5,332	1,533	1,814	0	2,830	1,388
Other	1,241	1,530	1,032	560	1,166	1,257
Average Farm Size:	171.82	411.05	199.49	86.01	222.12	
Owned	184.94	188.14	0	83.50	98.43	
Rented-In	0	222.91	199.49	2.51	128.01	
Rented-Out	13.12	0	0	0	4.32	
Average Burley Acres:	3.74	9.53	5.32	3.85	5.47	
Owned	4.06	3.88	0	2.34	2.14	
Rented-In	0	5.65	5.32	1.51	3.43	
Rented-Out	0.32	0	0	0	0.10	
Average Pounds Sold	11,190	29,428	15,173	12,059	16,231	
Average Pounds/Acre	2,992	3,088	2,852	3,132	2,967	
Income from Burley Per Farm						
As A Percent of Family Income	28.0	49.7	32.6	58.1	35.9	38.9

APPENDIX TABLE 2

SELECTED CHARACTERISTICS OF SAMPLE OPERATORS, LANDLORDS, AND NONOPERATOR TENANTS
METCALFE COUNTY, 1969

	Tenure Classification					Total	Landlords	Tenants
	Full- Owners	Part- Owners	Share- croppers	Partner- ships				
Number of Interviews	54	25	16	6	101	44	26	
Average Age	58	47	42	55	53	67	36	
Average Education	7.6	8.5	8.3	5.8	7.8	7.6	7.3	
Average Net Worth	\$32,700	\$29,000	\$9,300	\$16,700	\$27,100	\$38,400	\$8,900	
Average (Net) Family Income:	4,145	5,553	3,515	3,017	4,327	5,452	3,049	
Tobacco	1,359	2,119	1,056	1,449	1,504	1,002	2,074	
Other Farm	777	1,661	645	690	970	488	601	
Nonfarm	944	1,315	1,728	517	1,135	2,459	218	
Other	1,065	458	86	361	718	1,503	156	
Average Farm Size:	195.23	156.33	144.55	234.38	179.90			
Owned	195.32	119.46	0	225.50	147.40			
Rented-In	0	36.87	145.11	8.88	32.64			
Rented-Out	0.09	0	0.56	0	0.14			
Average Burley Acres:	1.73	2.56	2.00	2.83	2.04			
Owned	1.73	1.32	0	2.06	1.37			
Rented-In	0	1.24	2.00	0.77	0.67			
Rented-Out	0	0	0	0	0			
Average Pounds Sold	4,608	7,399	5,900	9,023	5,766			
Average Pounds/Acre	2,664	2,890	2,950	3,188	2,826			
Income from Burley Per Farm								
As A Percent of Family Income	32.8	38.2	30.0	48.0	34.8	18.4	68.0	

