

Large-Scale Farming, Rural Income, and Goldschmidt's Agrarian Thesis¹

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ABSTRACT The impact of large-scale farming on rural social structure and welfare is gaining increasing attention. Using 1959 and 1964 state-level data, Goldschmidt found a highly positive correlation between the prevalence of large farms and the relative size of the "lower class" in farming. We extend Goldschmidt's analysis by adding an income variable for farmers, farm laborers, and the rural population as a whole. Our model is a sequential ordering of five variables: farm scale affects the farm social structure; these in turn affect the income of farmers, farm workers, and rural persons. Based on Goldschmidt's thesis, we generate and test six hypotheses. The results suggest that a complete acceptance of the model would be unwarranted.

Introduction

In the mid-1940s, Goldschmidt's (1946, 1947, 1978a) research showed that a community characterized by small, operator-owned farms had a much higher level of individual and collective well-being than a community of large farms. As part of the current interest in this line of inquiry, Goldschmidt (1978b) re-examines the insights derived from his case studies in California. Using state-level data from the 1959 and 1964 Censuses of Agriculture, he demonstrates a strong positive correlation between large-scale farming and the percentage of all farm personnel in the "lower class." Goldschmidt suggests that this augurs ill for the welfare of rural people and communities. However, he does not directly test this additional relationship. We do so by extending Goldschmidt's study to include rural income as an outcome variable dependent upon both farm scale and farm social structure. In his re-examination, Goldschmidt finds it convenient to explore the relationship between a 1964 independent variable and a 1959 dependent variable and to use a measure of lower class farm personnel that neglects and/or misallocates various portions of the farm labor population. For these reasons, besides adding income as a proxy for welfare, we revise Goldschmidt's indicators.

In undertaking this extension of Goldschmidt (1978b), we have not

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