

Scarce, expensive land makes it hard for young farmers to get started



Photo by Kayla Wolf

GREEN CITY, Missouri — Trevor Shafer surveys four-dozen Angus calves as they pile into a narrow fenced area inside a sagging red barn. Shafer marches around to the front of the building and positions himself next to a red cattle chute. He reaches up to grab a black lever with his left hand and a pulley with his right.

“OK, I’m ready,” he calls to a friend in the barn.

A calf rattles through the chute as Shafer yanks the pulley with one hand and slams the lever with the other, catching the calf’s head between two sliding panels and rendering it immobile. The youngster wails.

“Oh, be quiet, you big dog,” Shafer says.

Armed with three syringes, he delivers three shots to the calf’s neck, then sprays de-wormer over its back and into its mouth. He releases the lever, and the cow lunges forward, mooing and kicking its heels.

Shafer has repeated this ritual about 50 times today, and he'll do it at least 50 more. He will make sure every cow is up-to-date on its medicine and castrated before he loses daylight. The cows are like kids, he says. They need the medicine to make sure they don't get sick.

The 26-year-old farmer was up at dawn feeding the cows in the fields before corralling the calves.

Although he's never quite sure what a new day will bring, he knows tomorrow he will be outside, and he will be working.

Shafer raises cattle on his mother's land about five miles south of Green City, Missouri, in north central Missouri. He rents more acreage nearby where he farms beans and corn. He has lived in Green City nearly his entire life, and if he has it his way, he'll never leave.

Gaining a farm

Six years ago, his dad, Roger, died in a single-vehicle pickup truck accident. At 19, Trevor took over the cattle operation with his brother, Logan, and mother, Tammy. Today, he and his mother are still business partners, and Logan owns a farm nearby.

The number of farmers has also declined steadily in the last half-century or so. Sixteen percent of the labor force worked in agriculture in 1945. By 2000, less than 2 percent worked in food production, according to the U.S. Department of Agriculture.

Likewise, the number of young people, such as Trevor Shafer, getting into the business has dropped, as well as the number of new farmers. In 2007, the USDA census counted 223,741 farmers who had been in operation less than five years. In 2012, the number had fallen to 171,550 — a more than 23 percent decrease.

One reason new farmers are scarce is the tight hold on land. Ninety-seven percent of farms in the United States are already family-owned, according to the USDA. In other words, if you want to get into farming when you're young, your family better have some land.

The Shafers' land has been in the family for about 90 years, ever since Trevor's great-grandparents started a cattle and dairy operation in the early 1900s. Today, the family's cattle still graze the rolling 570 acres behind their neat farmhouse with its big oak tree and swing in the backyard.

Learning about the business

On a cloudy Thursday in late November, Tammy Shafer was perched on a tall stool in the kitchen of the farmhouse with her hands folded. A big smile dominated most of her face, and her soft red hair curled neatly over her ears.

A photograph of Trevor and his brother working a combine in the fields had a prominent spot on the wall, next to a cabinet over the sink. The kitchen and the living room were tidy except for a few books about farming or faith scattered on an ottoman in the front room.

Tammy has lived alone since her husband died in the car accident in 2009. He was just 49. She said the transition into farm management was tough for her. As a mother and a medical technologist, she had acquired little knowledge about the business side of farming.

"The financial part of it, I did nothing with it," she said. "When it came time for taxes, it was like, 'Here's the box, you take care of it, you do it.' I worked outside the home and took care of the kids."

Without an estate plan or adequate life insurance, she was forced to make difficult business decisions in order to keep the place operating. Luckily, she said, she had her two sons and a daughter, Gentry, who is now 28.

"Farmers, especially men farmers I believe, are a special breed. They are very prideful. Their farm speaks of them," she said. "If you have a good farm, it's because you have worked hard at that."

That self-sufficient pride, she said, made it difficult for her to be financially aware when her husband was alive. During "hard times," the issue of money would be pushed under the rug.

She said her husband never wanted her to worry. His role was to provide for the family, so he avoided a discussion and carried the burden himself.

When Tammy was forced to take over the farm, she said she felt unprepared and overwhelmed. At the same time, she felt "blessed" that her children were there and had worked alongside their father for many years.

Today, she gives talks to other groups of women about the importance of estate planning to help them learn from her experience so they know to prepare for the future.

A family tradition

Her husband was well-respected in the community because of his willingness to help others, his wife said.

“Roger would’ve given his shirt off his back to anybody and did many times,” she said. “He gave money when we didn’t have money to other people. He’d say, ‘They need it worse than we do.’ And he was right.”

In a photograph from his memorial service, Roger’s tanned face beams. His nose, round face and smiling eyes have been passed on to Trevor. Tammy said both of her sons inherited a farmer’s intuition from their father.

“I learned everything (about farming) from my dad,” Trevor said.

On a windy Wednesday on the Shafer farm, Trevor pointed to a white-faced calf and said, “See? That one’s sickly. ... His ears are drooping, and he’s walking a little slower than the others.”

He takes special care to make sure his cows are healthy, and he comments on each one as he treats them.

“This one’s mom is as old as I am,” he said of one particularly large black calf.

If the females keep producing good calves, he will keep them year after year, in part because it would cost thousands of dollars to replace each one of them. Also because “if you take care of them, they’ll live a long time.”

Trevor would like to expand the operation, but in a largely agricultural community, not much land is available. Tammy said her son suffers from a common problem young farmers face — they find themselves “landlocked.”

Ray Massey, an extension professor at MU who works in the Department of Agricultural and Applied Economics, as well as the Commercial Agricultural Program, said being “landlocked” was the product of low turnover.

When land is for sale, the demand for it can be incredibly high, he said. A dozen or so farmers might want that piece of land, but the farmer with an established operation could have an advantage.

Success in the business

Tammy's brother, Gary Perkins, is another established farmer in Green City. Perkins, who owns more than 1,500 acres for his cattle operation in Sullivan County, also has a place in adjacent Putnam County. He rents about 750 acres to another farmer who grows crops on the land.

Perkins began with a 326-acre farm adjacent to his parents' home. Now that acreage is his "base" with a small home and 12 quarterhorses. Since purchasing it in the late 1970s, he has expanded at least 10 times.

One rainy Monday in December, Perkins sped down a gravel road off Highway 129 in his pickup. He was in high spirits as he pointed out various parcels of his land on both sides of the road.

Perkins lives less than a mile from a brother and sister-in-law at the end of a dead-end gravel path. He fills his days feeding cows, working on machines and riding horses. He was married briefly many years ago, but he has no children.

He pulled into a drive and stopped to gaze at a small field. About 60 cows and their calves grazed there. The animals congregated along the brand-new silver fence and stared in his direction. Some mooed when they spotted the 6-foot bale of hay in the back of his truck.

"'We want corn,' that's what they're saying," he said and laughed. He turned and yelled out the window, "I don't have any corn! You already had hay today."

When he does haul corn out to them, the cows follow him "just like the Pied Piper."

Asked why he keeps farming, he paused and said, "It's all I've ever done. I guess it's in my blood. You can work and have fun."

Farming isn't his only source of income. About 15 years ago, he started buying land and reselling it. Back then, he said, land was inexpensive. It was lucrative to buy it, do a little work and sell it at a profit.

Today, land is expensive and not as plentiful.

"If land goes up for sale, there will be someone there the next day," Perkins said. "I don't care if it's pastureland or crop or whatever. People just, if times are bad, they want more land. They're always on the lookout."

A barrier to entry

Unlike other businesses, farming requires a significant investment up front, what economists call a “barrier to entry.”

If an average American makes \$53,000 per year in income, a farmer would need 1,000 acres of land to equal that amount, Massey estimated. With the price of land today, 1,000 acres would cost close to \$1 million. On top of that, a new farmer would need to invest \$1.5 million in equipment, if buying it new.

To get started, young farmers will often rent land because it's less expensive and there is more land available to rent. In 2012, 40 percent of farm land was rented to farmers, according to the USDA. For crop land, rent prices have increased by an average of 150 percent in Missouri over the last seven years.

Non-farmers own 80 percent of the land rented to farmers. Massey said non-farmers can be sorted into two primary categories — investment farmers and those who inherit land and don't want to farm it.

The investment farmer's goal is to make money, so he will try to maximize his profit, Massey said. Trevor is skeptical of investment farmers. He called them “fly-by-night” and believes they don't really care about land.

“They’re just taking (the land) away from young people who would actually do something with it,” he said.

Massey predicted that most farmers won't make money this year, especially if they rent land. After record years for corn and soybeans from 2007 to 2014, prices dropped. He said the higher earnings from the last five years were tied to higher ethanol and biofuel production and foreign investors buying crops from U.S. farmers.

But in agriculture, it takes a while for supply to catch up to demand for crops.

That means Missouri farmers who have poor crop yields are competing with states such as Minnesota and Iowa, which had relatively high yields this year, according to the USDA.

Both Perkins and Trevor Shafer said cattle prices and crop prices usually offset one another: When crop prices are high, cattle prices are low, and vice-versa. This year, both are low.

Last year, Trevor said a he received about \$1,700 for a yearling calf at auction. This year, he'll be lucky to get \$1,200, which means if he sells 100 cattle, he loses \$50,000.

Perkins said last year was a record year for both cattle and crops. But as an experienced farmer, he has the perspective that younger farmers sometimes lack. He said he thinks that prices peaked last year, but he also noted that good years often offset the bad.

Outside the barn where he has been driving calves into

Life in a small town

the chute, Trevor picks up his syringes and unties the twine that fastens tubs of dewormer to the cattle chute. The buttery-yellow sunlight is disappearing over the hills beyond the hog barns in the distance.

"We should've been done over an hour ago," he laments. But he smiles and shakes his head. He lost time earlier in the day when he had to weld a loose section to the chute.

"You never know what you're going to get out here," he says.

He works quickly to clean up the empty bottles and marches into the 90-year-old barn. It smells like dust and musty cow manure. He points out machines that his grandparents and great-grandparents used for milking dairy cows. They'd still work if he wanted to use them.

The isolation and relentless labor of farming don't appeal to everyone. Some of Trevor's friends work for a meat processing plant in Milan, Missouri, about nine miles from Green City. The plant employs hundreds of people from the area and some from as far away as Iowa, judging by the license plates of cars parked outside of the plant.

Trevor said his social life largely consists of hanging out with friends in a workshop while they work on their equipment. He says most people from Green City date others from out of town because the population of the town — 627 in 2013 — is so small.

Sometimes he and his friends drive to Columbia or Kirksville, but for the most part, he's stays around home. He admits it's not a life most people want, but he couldn't imagine living anywhere or doing anything else.

Ultimately, Trevor said he'd be happy with his own farm, and Tammy would love to have all of her children nearby. Logan's 250-acre is less than one mile away, but her daughter has moved to Iowa and travels the country selling pharmaceuticals for livestock.

Although the future is always uncertain, Tammy hopes the farm will stay in the family. If Trevor and his siblings inherit or buy the land, it will be a fourth-generation family farm.

"I am so proud of my boys, and my daughter as well," she said. "(Roger) would be proud, too. His buttons would be busting."

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