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THE ECONOMIC PAMPHLETEER
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Small farms, large farms; family farms, corporate farms; complex or complicated: Does it matter?

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I have long been an advocate for small family farms. Does that make me biased? No more so than the vast majority of agricultural economists who advocate large industrial farms. They prioritize production and profitability. I prioritize ecological, social, and economic sustainability. We naturally reach different conclusions. They conclude that only large, industrial farms can meet the needs of a growing global population. I conclude that only small family farms can meet everyone's needs today and leave equal or better opportunities for the future.

We also have different ideas about how to define farm size and family farms. Size cannot be captured by the single indicators, such as land used or capital invested, employee numbers, or value of production, used by economists and government agencies. A farm includes all of the financial, human, and natural resources that are planned, organized, directed, and controlled as a single management unit. Some farm resources may come from off-farm sources, such as rented land, borrowed money, hired labor, buildings, and machinery. However, once the farm manager has the authority to decide how these resources will be

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Why an Economic Pamphleteer? In his historic pamphlet *Common Sense*, written in 1775–1776, Thomas Paine wrote of the necessity of people to form governments to moderate their individual self-interest. In our government today, the pursuit of economic self-interest reigns supreme. Rural America has been recolonized, economically, by corporate industrial agriculture. I hope my "pamphlets" will help awaken Americans to a new revolution—to create a sustainable agri-food economy, revitalize rural communities, and reclaim our democracy. The collected Economic Pamphleteer columns (2010–2017) are available at https://bit.ly/ikerd-collection

used, they become part of the farm management unit.

If the manager is the owner, as in the case of family-owned farms, once they borrow money, rent a parcel of land, hire a worker, build a building, or buy a machine, they have the authority to decide how to use these resources regardless of whether they own them. If the manager is a hired manager, as in the case of nonfarm corporate operations, the corporation gives the manager the authority to decide how to use them.

The U.S. Department of Agriculture (USDA) defines small farms as those with a gross farm cash income (before subtracting expenses) of less than US$350,000/year. This measures a farm's economic performance rather than the size of the farm management unit (Dorn, 2021, para. 2). A farm is also more than an acreage (or hectares) of land. Some types of farming operations require more land; others require more capital or labor. A berry farm, for example, may require little land but a lot of labor, while a cattle ranch requires the opposite. So, no single indicator fully captures farm size.

I contend that only small farms can meet both present and future human needs — because sustainable farms are inherently management-intensive rather than management-extensive.

The size of a farm, or a farm management unit, is determined by the amount of land, labor, and capital that a competent farm manager can manage effectively. The owner of the farming operation, typically the farmer, decides how much land, labor, and capital they, or a hired manager, can manage. Farming operations that require less management relative to the amount of land, labor, and capital managed will be larger, and farms that require more management relative to land, labor, and capital will be smaller.

In economic terms, large farms are *management-extensive* and small farms are *management-intensive*. A management-intensive berry farm will be smaller than a management-extensive berry farm. The same is true for cattle ranches. Better managers can manage more land, labor, and capital, while less-competent managers struggle with less. But for a given level of management, management-intensive farms are smaller. I contend that only small farms can meet both present and future human needs because sustainable farms are inherently management-intensive rather than management-extensive.

Sustainable farms are more management-intensive because they must be managed by the same basic principles as authentic family farms. However, my concept of a family farm also differs from the definition used by most economists and government agencies. The USDA defines a family farm as any farm where more than half of the business is owned by the principal operator and individuals related to them by blood, marriage, or adoption (Dorn, 2021, para. 4). In other words, if a farm is principally owned by the farm manager and his or her family members, it is a family farm, regardless of how it is managed. This definition includes 96% of the farms in the U.S. and excludes only farms owned and managed by nonfamily corporations (Dorn, 2021, para. 1). Using this definition, a family farm is no different from a corporately owned and operated farm, other than ownership.

A family farm that is managed to maximize profits or family wealth is an economic entity—no different from a publicly traded corporation. The connectedness of farm and family is economic. The farm is a source of income and economic security for the farm family, much as corporations provide dividends and economic security for corporate shareholders. The family may live in a farming community but farm land in several different communities. The farmers may claim to be environmentalists or stewards, but economic opportunities take precedence over ecological responsibilities, much like CEOs of for-profit corporations.

Independent small family farmers have been idealized historically as the backbone of democracy and the ultimate protectors of public virtue. They epitomize the core American values of self-reliance, independence, and persistence. As a result, agriculture has been exempted from many environ-

mental, public health, and worker safety regulations imposed on other industries (Grillo, 2025). Many of today's large, family-owned farming operations are managed more like industrial operations than traditional family farms. The USDA definition suggests differences between many family-owned and -operated farms and nonfamily corporate farms that in reality do not exist.

The traditional family farms that society has valorized were not simply economic enterprises. Family farms have changed over the years, but the principles of family farming remain unchanged. A true family farm is a social and ethical way of life as well as a way for the family to make a living. The farm and family are inseparable. The same farm with a different family would be a different farm, and the same family with a different farm would be a different family. The status of the family in their community is inseparable from their farm; not how big it is or how much money it makes, but *how* it is farmed. The success of a family farm is measured by quality of life rather than quantity of income or wealth.

True family farms, as I have defined them, are managed to provide ecological, social, and economic benefits, not only to the farm family but also for their community and society. Family farms are *multifunctional* rather than economically *monofunctional* (Ikerd, 2014). As described by Quendler et al. (2020),

> All farms, both monofunctional and multifunctional, have inevitable multiple effects on communities and ecosystems, regardless of the motivation for ownership or management priorities. These effects may be either positive or negative. It is the multiple economic, social, and ethical 'motivations' for owning and operating family farms and the consequent management priorities that distinguish multifunctional family farms from monofunctional family-owned farm businesses. Multifunctional family farms are 'intentionally' multifunctional. (p. 2)

For multifunctional family farm managers, social responsibility, environmental stewardship, and economic viability are management objectives, not constraints. Profitability is a necessity, but no more so than ecological and social integrity. Profitability may need to be prioritized in some circumstances, but social and environmental responsibilities must be prioritized in others. All are essential to the farm's viability. Holistic Management (Savory & Butterfield, 2016) and agroecology (Altieri, 2018) are contemporary examples of multifunctional farm management. Multifunctional farms may or may not be sustainable, just as many family farms of the past were not sustainable. However, all sustainably managed farms are intentionally multifunctional. Sustainable farms may or may not be owned or managed by nuclear families, but they must be managed for the multiple benefits traditionally associated with family farms.

True family farms, as I have defined them, are managed to provide ecological, social, and economic benefits, not only to the farm family but also for their community and society.

Consequently, sustainable farms of the future will be management-intensive, regardless of whether they are considered small by conventional measures of farm size. A sustainable farm manager must guide the farm toward its intended multiple/holistic purpose of ecological, social, and economic sustainability by maintaining mutually beneficial relationships among its interdependent and dynamic elements across space and over time: rotating crops, integrating crops and livestock, and nurturing the diverse ecosystems that sustain the life of the farm.

A farm is a *complex* living agroecosystem. Everything on the farm is interconnected with everything else. Life in the soil and natural environment, cultivated plants and farm animals, farm workers, farm families, and even farm managers are all interconnected parts of the living farm system. A farm cannot be reduced to its individual parts: the relationships matter. The relationships are interdependent, nonlinear, and dynamic, with multiple positive and negative feedback loops. Small changes in one component can trigger large and unpredictable changes in the farming system as a

whole. Lead and lag times may be short or long, and some changes are irreversible. Living systems cannot be controlled; they can only be encouraged or discouraged, incentivized, or penalized, while anticipating but never knowing precise outcomes in advance, all resulting in a complex management process.

Monofunctional farms, on the other hand, are managed as *complicated* organizations, rather than complex systems. They are organized and managed more like manufacturing operations or factories than living organizations or organisms. Management of money, machinery, commercial inputs, and hired labor may be complicated but is not complex. Relationships among the various components may be indirect and difficult to comprehend, but they are stable and observable. The linkages between causes and effects, or inputs and outputs, are ultimately deterministic or at least probabilistically predictable. Stability and predictability simplify the management process and reduce management intensity.

When complicated management strategies are used to manage complex systems, unintended consequences are inevitable. Even more complicated management strategies are then developed to mitigate the unintended consequences. "Precision agriculture" (Syngenta, n.d.) and "sustainable intensification" (Pretty & Bharucha, 2014) are examples of complicated strategies for maximizing profits while limiting negative environmental and social impacts. However, as long as nature and society are treated as constraints to profitability, economic incentives to push the limits will always exist, with unintended and unsustainable ecological and social consequences resulting from complexity.

No matter how complicated they become, monofunctional farm management decisions can still be guided by the results of scientific experiments and precise mathematical calculations encoded in computer algorithms. However, no formulas or algorithms exist for managing complexity. Complicated problems are solvable, but complex problems are only manageable. Landing a spaceship on Mars is complicated; eliminating hunger is complex. Artificial intelligence is incapable of empathy and altruism, and thus is incapable of managing for sustainability (Ikerd, 2026).

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In summary, sustainable farms will require more thoughtful, caring management relative to land, labor, and capital. Social responsibility, ecological integrity, and long-run economic viability will be management objectives rather than limits or constraints to short-run profitability. If farming—and humanity—is to be sustainable, farms of the future must have the basic characteristics of small family farms of the past. This is not nostalgic or sentimental. Farms of the future must be management-intensive and multifunctional. Farm management matters.

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