

Cornhusker Economics

Cooperative Extension

Institute of Agriculture & Natural Resources
Department of Agricultural Economics
University of Nebraska – Lincoln
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College Student Views On Farming & Ranching Careers

Market Report	Yr Ago	4 Wks Ago	3/25/05
<u>Livestock and Products,</u>			
<u>Weekly Average</u>			
Nebraska Slaughter Steers, 35-65% Choice, Live Weight	\$82.97	\$86.42	\$91.06
Nebraska Feeder Steers, Med. & Large Frame, 550-600 lb	116.19	127.32	128.94
Nebraska Feeder Steers, Med. & Large Frame 750-800 lb	93.69	103.20	109.75
Choice Boxed Beef, 600-750 lb. Carcass	140.72	139.25	151.68
Western Corn Belt Base Hog Price Carcass, Negotiated	65.56	71.15	65.25
Feeder Pigs, National Direct 45 lbs, FOB	49.75	65.76	73.22
Pork Carcass Cutout, 185 lb. Carcass, 51-52% Lean	70.27	67.20	71.05
Slaughter Lambs, Ch. & Pr., 90-160 lbs., Shorn, Midwest	94.00	112.25	109.00
National Carcass Lamb Cutout, FOB	231.60	265.50	272.43
<u>Crops,</u>			
<u>Daily Spot Prices</u>			
Wheat, No. 1, H.W. Omaha, bu	3.96	3.51	3.09
Corn, No. 2, Yellow Omaha, bu	2.87	1.93	1.82
Soybeans, No. 1, Yellow Omaha, bu	9.92	5.71	5.91
Grain Sorghum, No. 2, Yellow Columbus, cwt	4.82	2.71	2.70
Oats, No. 2, Heavy Minneapolis, MN, bu	1.81	1.75	1.87
<u>Hay</u>			
Alfalfa, Large Square Bales, Good to Premium, RFV 160-185 Northeast Nebraska, ton	115.00	115.00	115.00
Alfalfa, Large Rounds, Good Platte Valley, ton	57.50	62.50	62.50
Grass Hay, Large Rounds, Good Northeast Nebraska, ton	62.50	57.50	57.50
* No market.			

Given the average age of the principal farm operator in Nebraska has increased from 48.5 years in 1982 to 53.9 years in 2002, it would appear that fewer young people have the opportunity or desire to pursue careers in production agriculture. Many agricultural producers and inhabitants of rural communities recognize this trend and often ponder whether it is lack of interest, lack of opportunity or both that cause youth to pursue other careers. Certainly, the highly competitive, capital intensive, low-margin business that production agriculture has become could be expected to deter many college students from a career in farming or ranching because their opportunity costs are too high. Positions in the agribusiness industry or non-ag sector might offer them a higher salary, better work conditions or both.

Assessing college students interest in pursuing a farming or ranching career and their general outlook on production agriculture is important to understanding these issues. To determine their potential interest in a production agriculture career and the challenges associated with it, an electronic Internet-based survey of students in the College of Agricultural Sciences and Natural Resources (CASNR) at the University of Nebraska was conducted in July 2004. Survey responses were obtained from 252 students who represented both farming and non-farming backgrounds geographically distributed throughout Nebraska. A variety of academic majors and length of college education were represented by the survey respondents.

Over 70 percent of the students surveyed considered themselves to have been raised on a farm. Of those not raised on a farm, about half had experience working on a farm. This suggests that the survey sample is familiar with farming operations, and many either had or will make the decision of whether to be involved in a farming or ranching operation after their college education.

Nearly half (48 percent) of the students surveyed in 2004 believed that farming and ranching offered less desirable opportunities than non-farming opportunities. Thirty-nine percent viewed farming and non-farming opportunities as basically equal. Only 13 percent considered farming to offer better alternatives. Despite a common view that production agriculture opportunities are less attractive than non-farming opportunities, a majority of CASNR students indicated that they are interested in farming or ranching

as a career after college. Thirty-five percent indicated interest in farming full-time after college and 33 percent reported interest in farming part-time after college. Thirty-two percent were not interested in farming or ranching.

Given that two-thirds of the student respondents were interested in farming as a career, even though only 13 percent thought farming offered better alternatives, suggests that factors other than ease of entry or economic incentives are important to CASNR students desiring to farm. Quality of life, satisfaction associated with business ownership and other personal considerations may offset the perceived economic disadvantages of farming and ranching.

For the two-thirds of students interested in farming as a career, the largest proportion planned to begin 5-10 years after completing college (Figure 1). This partially explains the increase in the average age of farmers. These potential agriculture operators may delay their entrance into farming/ranching to gain useful experiences and knowledge in other fields, amass financial resources to invest in a farming operation or wait for an older generation to retire from a family operation. The next largest group already had begun farming operations and planned to continue after college (Figure 1). This group is most likely to need additional financial support from family members and incentives from beginning farmer programs.

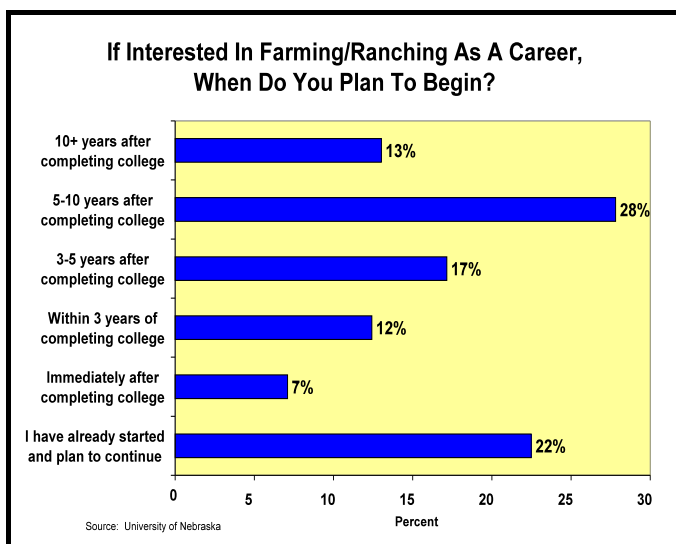


Figure 1.

Successfully launching a farming and ranching career is often dependent on the level of assistance received from family and non-family partners involved in the operation. These partners may provide capital, machinery, land, livestock and/or labor to enable the beginning farmer/rancher to become established. It does not appear that availability of assistance would limit most CASNR students from beginning a farming/ranching career if they had an interest in doing so. Seventy-eight percent of student respondents would have assistance from family members and 40 percent would have assistance from non-family members.

Figure 2 reports the respondents ranking of several factors they perceive to be the biggest hurdles to beginning farm/ranching. Cost of land or land rental rates was viewed as

the greatest impediment to beginning farming, followed by the lack of profitability, high input prices and availability of land to rent or purchase. Other factors such as availability of credit, management and marketing ability and family assistance tended to rank low as problems associated with beginning farming.

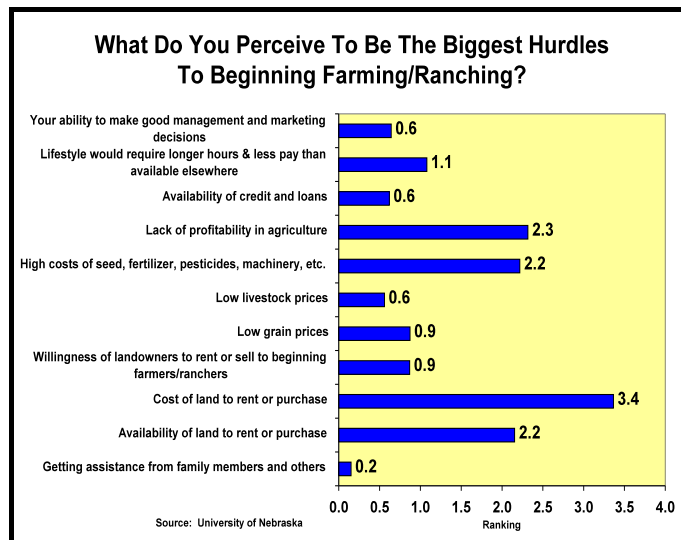


Figure 2.

One challenge often cited by prospective farmers and ranchers is the cost of land and the willingness of landowners to sell or rent land to beginning farmers. Results in Figure 2 confirm that prospective farmers view the cost of land as the biggest hurdle to begin farming. The willingness of landowners to sell or rent to beginning farmers was ranked much lower however. Apparently, though, landowner willingness to sell or rent to beginning farmers is quite variable. Twenty-six percent of the respondents indicated that landowners would either be somewhat or very willing to sell or rent to them, whereas 27 percent indicated landowners would be somewhat or very unwilling to sell or rent to them.

The results of the survey of CASNR students indicates that there is considerable interest in farming and ranching careers amongst a relatively well-educated group of individuals with high probabilities of successful careers either related or not related to production agriculture. However, they also recognized that production agriculture may not offer equivalent opportunities as off-farm or non-agriculture careers. Unfortunately, the reasons cited as the biggest obstacles to beginning farming/ranching careers (e.g., high input prices, especially land) imply that it will be difficult for other family members and rural communities to assist new beginning farmers. Still, beginning farmer incentive or assistance programs do make a difference for those interested in pursuing a farming/ranching career. More information about this survey of CASNR students is available at http://agecon.unl.edu/mark/Papers/DeptRept180_Student%20P%20perspectives.pdf.

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