

# Statistical and Social Inquiry Society of Ireland

## Farm Land Mobility and Adjustments in Farming in Northern Ireland

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"In the future, as in the past, the great practical economic problem will be the efficient organisation of appropriate transfers of productive resources"<sup>1</sup>

This paper is about the "mobility" of land as a factor of production in Northern Ireland agriculture

Farm land mobility in the title means all forms of change of control of the use of land within the farm sector in Northern Ireland. The land is agricultural land in the Province, particularly that area returned by farmers as "crops and grass" in the Agricultural Census. Adjustments in farming refers to re-allocation of the factors of production between farm business units. This is often called "structural" change in the agricultural economic literature<sup>2</sup>

Structural changes taking place in farming include (a) decline in the number of agricultural holdings, (b) increasing average area of land per farm business, (c) decline in working farm owners and total farm labour force, (d) higher investments in buildings and stock per farming unit (increasing intensity), (e) substitution of machinery for labour, etc<sup>3</sup>. The resultant effect of such changes has an important influence on farmers' incomes.

That farm incomes in general tend to lag behind other incomes is well known, indeed almost an "iron law". This phenomenon is explainable by the difficulties and failures in making appropriate changes fast enough in the number of persons engaged in farming and in redeployment of the other resources devoted to agriculture. On the production side the problem is first, to reduce the numbers in farming and secondly, to fit enough land

<sup>1</sup> A G B Fisher, *Economic Progress and Social Security*, Macmillan and Co Ltd, London 1946, page 48

<sup>2</sup> "Structural" change is much discussed in agricultural policy. It is probably useful to have a mental picture of this such as that suggested by Fisher " (it is) visualised more or less on the model of a building with its rooms and storeys. We make a structural change when we knock down a wall between two rooms or erect a partition to screen off a portion of a larger room". See A G B Fisher, *op cit*

<sup>3</sup> Some discussion of these changes in Northern Ireland farming can be found in *Agriculture in Northern Ireland*, September 1964

and capital to the reduced labour force to make possible an acceptable distribution of income in farming<sup>4</sup> Our farm business units require to be resource combinations potentially able to yield at least some acceptable minimum income The units just able to consistently achieve this minimum return to their managers (the farmers) are marginal managerial units (farms) at a given time The appropriate constitutions of these units will change over time, due to, e g, new technology, but also due to changes in the minimum acceptable income as standards rise If combinations of resources which are, in the above sense, appropriate, are to come into being then resources must be easily transferable They must be easily transferable within the farm sector and outside it Some labour should move to higher returns in jobs outside farming and some concentration of resources on fewer farms should take place

The farm land resource, and how far it is easily transferable or mobile in the changes going on, or required, in Northern Ireland farming is the theme of this paper But examination of farm land mobility will also give some insight into other aspects of change

Much discussion about farming still centres on the land resource Sale prices of farms are £x per acre "What would be the best acreage for a man to farm nowadays?", is quite often asked The "small" farmer is still thought of as the "less than 100-acre man" On another tack much of the political strife in the Ireland of the nineteenth century was over who should be the owners of Irish land Therefore, there are excuses for discussing long-term changes in our farming in terms of land rather than, say, fixed (landlord's) capital The main excuse, however, is availability of data Rather more information can be deduced in terms of agricultural holdings and acreages The intention, however, is not to regard land as an isolated factor of production For example, it will be seen that "farm land mobility" is closely linked to farm manpower mobility or that part of it represented by the exit of elderly persons from active farming

Instead of an exclusive factor it will be more suitable to regard land as featured in the "morphological" theory of capital discussed by Denman<sup>5</sup> who considers the estate in land as an area of decision-making within which capital and land are combined This theory is relevant to what will be said about sales of agricultural holdings and inheritance of farms. It would also apply to short-term lettings of the use of land (conacre)

<sup>4</sup> It is conceded that some farming people have no wish for better incomes achieved, e g, by using modern methods Despite some devotion to a low cost way of life, farming communities have put pressure on governments to assist them in achieving incomes nearer parity with other occupations It follows that some relevant income minimum for farmers is required to agricultural policy discussion In Western Germany it is statutory requirement to examine the "Vergleichslohne" in the annual Green Report, this shows returns to farmers compared with other incomes For the United Kingdom the statutory minimum wage for farm workers is a convenient datum income

<sup>5</sup> Denman follows Lachmann (L M Lachmann *Capital and its Structure*, 1956) who perceives every capital combination as a combination of land and other resources See D R Denman, *The Estate in Land and the Employment of Resources* in land ownership and resources, Department of Estate Management, Cambridge 1960

although these come near to the idea of land as a separate resource capable of isolation<sup>6</sup>

While not considering land as a resource in isolation, a study of the changes in control of the use of land will allow insight into some of the detailed changes going on in the structure of Northern Ireland farming. For example, human resources and land are related by joint supply characteristics. Land available for amalgamation depends on the exit of some of the farming population. The detailed process of amalgamation depends on the manner of the reduction in the farming population, whether it is by death, retirement or transfer to other occupations. Light on this question would be shed by a knowledge of e.g., who sold and who bought agricultural holdings over a period.

### THE FORMS OF FARM LAND MOBILITY

The means of land mobility to be considered here are

- (i) Inheritance of agricultural holdings
- (ii) The sale of agricultural holdings
- (iii) Conacre
- (iv) Leases

The first two means are obviously important in Northern Ireland where owner occupiers predominate. Conacre, a system of the letting of the use of farm land for a short term, is a feature of the local farming scene. Conacre has specifically Irish features in its origins and practice but broadly similar arrangements exist elsewhere.<sup>7</sup> Leases are relatively unimportant but need some consideration.

Farm land mobility will be discussed under the four headings mentioned above. First, however, the various means of mobility or transfer can be illustrated using a sample of farms about which much information is available.

### FARM LAND MOBILITY ILLUSTRATED BY THE FARM MANAGEMENT SURVEY IDENTICAL SAMPLE

An identical sample of fifty farm accounts for the period 1960/61 to 1963/64 is available. Most of the farmers inherited their farm businesses from their fathers and manage farms which have belonged to their families for several generations.

Over the period considered the total area of land owned by the sample increased by 6.7 per cent. This was net of land sold and land reclaimed into the crop and grass category from waste land. This increase came about because nine of the farmers purchased land, they increased their total area

<sup>6</sup> Conacre land has associated gates, fences, and water facilities (many often not very good) and money may have been spent by the owner on drainage, etc. Such items are investment combined with the natural attributes of the land.

<sup>7</sup> For example, "Parzellenpacht" in Western Germany and "side tenancies" in Sweden.

by 45 per cent. In eight of the cases a formerly independent agricultural holding was absorbed into other farms. Eight amalgamations took place. Absorption in the business sense, rather than physical joining of two adjacent holdings,<sup>8</sup> took place.

Over the period studied two-thirds of the identical sample increased in area through buying the use of extra land. In other words, they took conacre. By this means the total area farmed by these active farm businesses increased by an annual average of 26 per cent. This changed the area size distribution of the farms, the average area farmed was 82 acres, against average area owned of only 65½ in 1961 (Appendix I, Table B).

The farmers taking conacre give the impression of drawing on resources of land owned by others. Some of the farm businesses in the sample made changes each year in the amount taken, others seem geared to a constant supply. Details of the conacre dealings of this sample are given in Appendix I.

No leases were found in the sample.

From the sample it is possible to see the various forms of land transfer at work. Here are mostly inherited farm businesses, slowly (as a group) increasing the area owned each year, making no use of leases, but annually hiring the use of a considerable area of land. An example is afforded of the various means of farm land mobility for a group of farms.

#### THE INHERITANCE OF AGRICULTURAL HOLDINGS

The inheritance of agricultural holdings is the primary means of farm land mobility where tenure is owner-occupation. Probably about 2½ per cent of agricultural holdings have changed hands annually in recent years via inheritance in Northern Ireland.<sup>9</sup>

In several countries inheritance of agricultural holdings has led to maladjustments when land has been physically divided into equal parts for the heirs. In Ireland, where in general the holding goes to one heir,<sup>10</sup> the difficulty may lie more in transferring money capital which the farm probably requires. Other members of the deceased's family besides the farming heir may well have had provision made for them out of the estate. Little is known about this subject but the writer feels fairly sure that in many cases farming finance is very much mixed up with family fortune.

Change of control of a farm business by means of father to son "signing over agreements" happens in some cases but the total effect is probably small. A recent survey<sup>11</sup> indicated that few farmers would hand over until the age of 65. The timing of change of management of a farm is bound up with family behaviour and is a matter of the personalities involved. Effective change of management may precede change of ownership within

<sup>8</sup> Although this is a point of some importance to be dealt with later.

<sup>9</sup> Many of the estimates used here are preliminary results of a sample of holdings whose registered ownership changed in 1963. Work on this is not yet complete and estimates are tentative.

<sup>10</sup> There may be problems when the former owner dies intestate.

<sup>11</sup> Some 800 farmers helped the Ministry plan for future requirements in agricultural education, by answering a questionnaire in 1963.

a family, and is normally desirable, it should not in any way be disruptive of the running of the farm business. The easing of transfer of control between generations is a potentially good method of structural improvement especially when fewer members of the new generation are full-time in farming. For individual cases it should be a well-timed and mutually agreeable<sup>12</sup> evolutionary process.

Attitudes to change of management of holdings seem to vary with the family's economic circumstances. The older generation is the more willing and, of course, the more able to move over in favour of the younger, where the family is prosperous and owns a larger farm business. The bungalow built for father and mother upon marriage of the farming heir is not uncommon among the more well-to-do farmers. Where means to do this are not available this kind of change is ruled out.

Not all those who inherit land are in active farming. Some have other occupations. These make up about ten per cent of the total heirs. They may sell the holding shortly after inheritance but there seems to be a tendency to retain it, probably for a mixture of reasons, both economic and sentimental. If retained, the land is likely to be let thus adding to the supply of conacre land. In about half the inheritances studied the land had been let in conacre, by the elderly owners, before the change took place.

Other important suppliers of conacre land are widows who succeed their husbands as registered owners. For the smaller places inheritance by an elderly person from the last owner actively to farm the holding (and he was probably retired towards the end) will often be followed by sale of the holding after a relatively short period, so that death of the farmer often means the beginning of the end of a farming family's link with a particular holding.

Most important of all transfers are the sixty per cent of inheritances where the heir is a farmer. Some of the new owners are already farming on their own and the holding inherited means a business amalgamation.

The overall results of inheritance as a means of farm land mobility or transfer depends on the characteristics of those who inherit, e.g., whether they are farmers' sons in farming, elderly persons, persons living away with other occupations, etc. It is clear that the elder generation of active farmers is not replaced by a one-to-one ratio. Fewer of the next generation are full-time in farming, yet units of land ownership out-number farm businesses. (There were about 68,000 agricultural holdings but only about 46,000 separate farm businesses in 1963). Obviously the effects of farm land mobility (by means of inheritance) on resource use in farming depends on decisions of newly-registered owners as to what they should do with the land they now own. A significant change will take place if the land inherited is either sold or let, no structural change takes place if the new owner farms the same area as the man he succeeds. In the latter case the effect on the agricultural structure is nil.

<sup>12</sup> For example, an Old Age Assistance is paid to farmers in West Germany who surrender their holdings to the next generation. See D. J. Alexander, "Some Features of West German Policy for Improving the Agricultural Structure", *Journal of Farm Economics*, November 1964, p. 800.

## SALE OF HOLDINGS

In 1963 nearly 1,300 agricultural holdings (minimum size of five acres<sup>13</sup>) were sold in Northern Ireland. Over half the holdings sold in the past five years (in the above category) have been under 20 acres in size. Some details are shown in Appendix II. Selling is much more active in this size group than if sales of holdings were at random.<sup>14</sup> In nearly sixty per cent of sales, the holding becomes part of another farm or, in other words, a business amalgamation takes place. About half the holdings which lose identity in this way are between 5 and 20 acres in size.

Smaller holdings command a premium in price per acre over larger ones. There are more potential buyers for smaller acreages. More information on the price paid for the fixed capital associated with these land holdings would be required to qualify this statement but apparently farmers are prepared to pay high prices for a small piece of land handy to their home farm rather than miss the opportunity to increase size given by its sale. It is possible that where demand for land to add to existing farms is strong, a relatively low value is placed on attached buildings, although the price to be paid may be pushed up by bidders prepared to live on and work the holding as a separate unit.

Annual sales of holdings within the last five years have involved capital of between £3 and £4 millions. Quite a lot of it is money taken out of farming.

Little is known about use of long-term credit of the kind required to finance land purchase in Northern Ireland. A good deal of use is probably made of "parsimony, patrimony and matrimony". There is little doubt, however, that some farmers take on a considerable burden to enlarge the area of their farm business through purchase. The Agricultural Mortgage Corporation<sup>15</sup> does not apply in Northern Ireland. The Radcliffe Report<sup>16</sup> thought that private lenders are still the largest single source of capital for agriculture particularly of long-term capital for the purchase or improvement of farms. This is probably especially true for Northern Ireland.

There are several rather distinct categories which contribute to the supply of agricultural holdings for sale. These are

- 1 Death of former owner and sale by his executors or his heirs of the holding(s)
- 2 Retirement of the former owner from farming
- 3 Owner relinquishing one holding to buy another one—the "farming ladder"
- 4 Other reasons, such as sale of "out-farms", parts of parent holdings, and sales by non-farming owners

<sup>13</sup> Size is total area here, i.e. crops and grass area plus rough grazing and waste land.

<sup>14</sup> For example, 33 per cent of total holdings and 56 per cent of the holdings sold were in this size group (5-20 acre) in 1962.

<sup>15</sup> The Agricultural Mortgage Corporation has been in business for over thirty years. It provides long-term loans (20 to 60 years) on the security of properties for the purchase of farms or for general working capital. Similar credit institutions are the Land Improvement Company and The Scottish Agricultural Securities Corporation.

<sup>16</sup> Committee on the working of the Monetary System Cmnd 827, page 316.

Preliminary estimates from our survey show sales following upon death of former owners in about 40 per cent of holdings sold and retirement of the former owner in a further 40 per cent. The remainder sold holdings for a variety of reasons, including several who changed to another holding.

Little evidence was uncovered of the "farming ladder". This means the possibility for the able farmer to move from control of smaller to bigger farm businesses appears to be fairly limited. There were three exchanges of holdings with family relatives.

From what evidence there is, it could be asserted that the supply of agricultural holdings is more a function of natural processes than an expression of farmers being "squeezed" out of farming. The numbers of holdings being given up because the occupier wishes to transfer to an occupation other than farming is very low. Agricultural holdings come on the market for sale with vacant possession mostly because their former owners die or retire without farming heirs.

Demand for agricultural holdings comes of course mainly from farmers. Eight out of ten new owners are full-time in farming. About six out of ten purchases result in absorption into existing farm businesses. About one in five purchases of holdings remain separate business units under new management. Most seem bigger than 40 acres in size. This movement indicates that the farming community may have its own feelings about what constitutes a viable farm size. Once again it must be emphasised that no reference has been made to the capital associated with the land holdings. This will differ from case to case.

The remaining one-fifth of holdings sold appear to be bought by retired persons or those whose main occupation is something other than farming. The sample showed that 16 per cent of holdings for sale were bought by persons with a main occupation outside farming.<sup>17</sup> The average acreage bought by the non-farmers was just over 20. It must be assumed that these are mostly residential although part-time farming may be carried on. Some people place a high value on residing in the countryside.

Three-quarters of the farmers in the sample who bought agricultural holdings are under 45 years of age. Not unnaturally it is the younger farmers who are "expansion" minded.<sup>18</sup> Forty per cent of new owners have not been registered farm owners before purchase. The high degree of amalgamation following upon purchase means that many of these are farmers' sons. Expansion in farm size often seems to take place in the name of the farming heir. Farming the new purchase will usually be integrated completely with the "home" farm.

As with inheritance, sales of holdings are also often preceded by the holding being all or partly let before sale. This was so in about half the cases. But, unlike the effect of inheritance, where a high proportion of holdings continue to be let after the change, fewer holdings are let after

<sup>17</sup> There was a variety of occupations including a general merchant, a fruit exporter, a building contractor, a doctor, a butcher, a plasterer, an excavator driver, etc., in the sample.

<sup>18</sup> It can be guessed that only about 30 per cent of owners of "full time" farm businesses are under 45 years of age.

purchase<sup>19</sup> There is a dovetailing, or interaction, of farm land mobility by means of change of registered owner (inheritance or sales) with short-term transfers of the use of land (conacre)

While about 60 per cent of agricultural holdings sold are amalgamated into other farm businesses this is not the net "concentration" effect on the number of separate farm businesses. In fact about 30 per cent of holdings sold have been parts of other farm businesses before sale. These have been sold off while the parent holding continues to function or the farm business has been sold in two or more physical parts. The "net" effect of sales will be a disappearance of 30 per cent of the holdings sold as entirely separate business units.

### CONACRE

Conacre has been given some attention particularly by geographers<sup>20</sup> Fifteen to twenty per cent of the area of crops and grass in Northern Ireland is farmed as conacre land. The supply of this land comes from

- (a) About 18,000 agricultural holdings entirely let and farming none of their land.
- (b) About 6,000 holdings which let some land

The owners of the first category of all-let holdings consist of (a) families with limited interests in farming apart from a residence in the country and the conacre rents and (b) holdings whose farming owner has retired or is temporarily incapacitated. The latter have already been encountered in the evolution towards transfer through inheritance and sale.

Farmers who let some of their land in conacre may also be involved in running down their farming activities as they near retirement. The decision to let some land by an "active" farmer could however be made on quite logical farm management analysis and depends on his enterprises, the more important of which might be on concrete. In such cases an exchange of land between farmers can take place through conacre.

About 11,000 registered owners took conacre in 1963. But a further number of persons owning no land themselves (farmers' sons, graziers, butchers, etc.) took conacre land as well.

Between £2½ and £3 million must have been paid for use of conacre in 1963. This is a considerable charge on the industry (which incidentally has not figured in its global accounting because it has been regarded as a

<sup>19</sup> Estimates from the sample *after* changes were

	<i>By inheritance</i>	<i>By sales</i>
All or partly let (as per cent of holdings)	40	19

<sup>19</sup> per cent in the case of sales contains a number of the non-farmer buyers

<sup>20</sup> See bibliography given by V. B. Proudfoot, "Farms and Fields in Northern Ireland", *Agricultural Progress*, Vol. XXXV, 1960



transaction internal to the industry) Conacre payments are high<sup>21</sup> and they reflect very efficiently the "rental" effects of various subsidy elements such as the ploughing grants given on agricultural land.

Payments for conacre might well be regarded as the industry pensioning off some of its members. It is a payment for change and, as can be seen, a generous one. Conacre is an unfettered market in the use of land.

The effect of conacre on the agricultural structure is to make land a variable resource for many farmers. Here is farm land mobility at its most active. Here land is reallocated with the minimum attachment of capital items. Here we are furthest away from the Lachman definition.

From the farmer's point of view, land-in-conacre may often appear expensive and certainly inferior to owning or leasing land, should the chance to do so occur. But conacre with all its faults (and it is not difficult to enumerate quite a few) has provided very considerable land mobility within a structure of owner-occupied holdings which otherwise might have been made too inflexible by the Land Purchase Acts.<sup>22</sup>

#### LEASES

Leases of agricultural holdings of land and farm offices, or even leases of land alone, are of little importance in Ulster. Some considered that a provision of the Small Farmer Scheme would encourage leases.<sup>23</sup> But it is estimated that this has occurred in only about 2 per cent of Schemes. Leases have in theory much to recommend them, but the conacre alternative seems to have better suited the temperament of, particularly, owners of all-let holdings. Higher returns per acre than leases would produce can be obtained from conacre. Besides, there are tacit agreements whereby a neighbouring farmer takes the same conacre year after year although entry into a formal leasing agreement is still rare.

#### TOTAL FARM LAND MOBILITY

Estimates of farm land mobility in terms of holdings subjected to a change of ownership or management (in the case of conacre) are shown in the table below.

<sup>21</sup> The table in Appendix I is fairly indicative of prices per acre.

<sup>22</sup> The historical story of land tenure in Ireland is a most interesting one, evolving from the divine rights of landlords, through well legislated dual-ownership, to complete owner-occupation conferred by State-aided land purchase. The major Land Purchase Act was that of 1925, as far as Northern Ireland is concerned. See D. J. Alexander, "A Note on the Conacre System in Northern Ireland", *Journal of Agricultural Economics*, Vol. XV, No. 3, June 1963.

<sup>23</sup> Grants can be given where land or a holding is leased for a minimum of five years.

TABLE 1

## ESTIMATES OF FARM LAND MOBILITY IN NORTHERN IRELAND AS PERCENTAGE OF TOTAL AGRICULTURAL HOLDINGS FOR 1963

	Change				Total Change
	Permanent		Temporary		
	Inherited	Bought	Leases	Conacre*	
As per cent of agricultural holdings (1963) (over 5 acres)	2.6	1.9**	0.1	26.0	30.6

\*Only conacre from all-let holdings is shown in the table, i.e. none from partly-let holdings is included

\*\*In Scotland about 2 per cent of all agricultural holdings become available for sale each year. See W. H. Senior, "Some Thoughts on Agricultural Policy", *Journal of Agricultural Economics*, Volume XV, No. 4, 1963

It can be seen that conacre lettings make all the difference to farm land mobility in Northern Ireland. Without them land mobility would be low. More permanent changes of land ownership are a slow process. Conacre redistributes use of land in a temporary way, often pending more lasting changes.

Farm land mobility through inheritance and sales of agricultural holdings alter the structure of farming mainly by (a) reducing the total number of holdings under separate control and (b) reducing the number of farm businesses (a farm business—as a unit of management—could be composed of more than one holding). Not enough of this reduction comes about by physical amalgamation, i.e., where a holding is absorbed into its neighbour and the whole is within a ring fence. This is shown in Table 2.

TABLE 2

## TABLE SHOWING THE ESTIMATED EFFECT OF FARM LAND MOBILITY IN NORTHERN IRELAND IN 1963 THROUGH INHERITANCE AND SALES OF HOLDINGS

	Inheritance	Sales
Reduction in number of separate holdings	600	780
Reduction in separate holdings by physical amalgamation	190	350
Reduction in number of separate farm businesses	300	390

Estimates therefore indicate a reduction of some 1,400 agricultural holdings as separate entities but a reduction of only about 700 separate farm businesses in 1963. Sales of holdings result in more physical amalgamations than occur via inheritance.

The idea of "farm land mobility" shows the complicated pattern made by the various changes in the farm sector. The question arises—is there enough farm land mobility and its associated changes and can there be complete satisfaction with the rate of change? The following observations seem relevant.

- (a) About 13,000 farmers have incomes lower than the statutory average of the farm worker<sup>24</sup> and have no other source of livelihood. They farm with generally out-of-date farm buildings and an average of about 20 acres of crops and grass. Probably about 60 per cent of farmers in this group are over 55 years of age. Their mobility is very low as far as taking up employment outside farming is concerned.
- (b) Land has been shown to be intimately involved in the changes going on in the farm sector. But land alone is not of paramount importance in the adjustments going on, although continual reference to average farm area would make one think otherwise. Of much greater importance is the rate of decline of the number of businesses which share in the net income to farming.
- (c) To attain income objectives the farm structure should have variety and flexibility. Entry of fresh blood into the industry should be possible and difficulties in the way of elderly owners in transferring control to their successors minimised. This flexibility should also apply to mobility of farm land between owners and users, where this is appropriate in the mechanism of moving adjustment.
- (d) The conacre system seems to be acceptable in Northern Ireland conditions. It makes an important contribution to adjusting the farm structure in Northern Ireland. Land is made a variable resource. Conacre can be praised especially where its incidence is limited to interim periods of change, e.g. between the retirement of a farmer with no farming heirs and sale of the holding on his demise, he having lived out his life in his home.
- (e) Specialisation in various land-using enterprises presupposes larger acreage units to achieve the necessary economies of scale. There appear reasonable long-term prospects for increasing output of beef and to some extent, cereals in Northern Ireland.
- (f) It is possible that sales of holdings are fewer in districts where the market for holdings should be most active if the structure of farming is to be improved, e.g., parts of Armagh and Fermanagh.

<sup>24</sup> D. J. Alexander, "Changes in Farming in Northern Ireland", *Agriculture in Northern Ireland*, Volume XXXIX, Number 5. Some description of these low output, low income farmers is given by H. J. Shemilt, "Adjustments in Family Farming in the Northern Ireland Economy", *Journal of Agricultural Economics*, Vol. XVI, Number 1.

with a predominantly small holding structure had fewer sales in 1962 and 1963 than other districts. The figures for the province may hide local disparities.

- (g) Although the amalgamation effect of absorption of holdings by other farm businesses is considerable, only between one-third and one-half result in physical amalgamation or inclusion within a contiguous farm boundary. This might lead to situations not dissimilar from those on the Continent where governments have been forced to consolidate land thus overcoming the inefficiencies of fragmentation of farms.
- (h) The costs of adjustment in the farm sector are high in the sense that those who wish to continue farming must purchase resources from those leaving active farming (or their heirs). There also are forces such as inflation, demands for land by non-farmers, and the extent of State support for farming which have an effect on the farm land market. The combined impact of forces like these may price "farm land" out of line with values which can be supported by net farm incomes.<sup>25</sup>

Amalgamation of farm land in Northern Ireland can only take place within the confines of the inheritance mechanism and limited marketings of agricultural holdings. Both means of farm land mobility show only limited reaction to present-day technological, economic and social pressures on the organisation of farming.<sup>26</sup> But flexibility is introduced through the conacre system. Conacre is something of a "vice" in that it may hold up desirable, more permanent changes. It has fitted into the sociological processes involved in the reduction of the number of farm businesses in Northern Ireland but has helped maintain the number of separate units of ownership (holdings). Required changes to produce farm units of satisfactory size and layout have to wait on "spontaneously-occurring amalgamation"<sup>27</sup> with its various imperfections—not taking place fast enough, random in effect, and possibly leading to fragmentation.

Even where opportunities for amalgamating low output farm units may present themselves in the next ten years<sup>28</sup> only about two out of five amalgamations of two adjacent small holdings might be expected to result in holdings of 50 acres of crops and grass or more. (Some reasonably-typical results of amalgamations are shown in Appendix III.)

Evolution of a policy to encourage more farm land mobility and more organisational change is difficult although various countries have tackled

<sup>25</sup> A number of countries have tried to insulate the rural farm land market from the impact of urban and investment demand. See Philip M. Raup, "Economic Development and Competition for Land Use in the United States" in the *Journal of Farm Economics*, Vol. XXXIX, No. 5, December 1957.

<sup>26</sup> The writer's findings would agree with some hypotheses put forward by W. S. Senior, "Some Thoughts on Agricultural Policy", *op. cit.*

<sup>27</sup> W. S. Senior, *op. cit.*

<sup>28</sup> See H. J. Shemilt, "Adjustments in Family Farming in the Northern Ireland Economy", *op. cit.*, pages 61-62.

the problem.<sup>29</sup> This paper presents no recipes for such a policy. Rather are directions for further research indicated. It is required to find out on a local basis if there is enough farm land mobility and enough change taking place in the number and organisation of farm businesses and compare this with what would be the appropriate number and type of farms conforming with locational advantage. Then various ways of getting from one structure to a better one must be considered. This will undoubtedly include ways of increasing the mobility of land, labour and capital. This paper has referred, however inadequately, to some of the realities in terms of farm land in Northern Ireland, which surround the economic notion of mobility of a factor of production.

## APPENDIX I

TABLE A

CONACRE DEALINGS OF AN IDENTICAL SAMPLE OF 50 FARMS OVER THE PERIOD 1960/61 TO 1963/64

	1960/61	1961/62	1962/63	1963/64
Number of farms taking conacre	34	37	36	31
Total acreage of farms (own land)	3,288	3,377	3,571	3,534
Conacre taken	950	1,095	1,160	1,235
Conacre let	139	151	256	253
Area gain by conacre	811 (25%)	944 (28%)	904 (25%)	982 (28%)
Average cost of conacre taken per farm taking it (£)	£242	£278	£326	£487
Average price of conacre (£ per ac)	£8 6	£10 5	£10 1	£12 2

TABLE B

AREA DISTRIBUTION OF 49 IDENTICAL FARM BUSINESSES IN 1960-61  
(a) on basis of land owned and (b) area farmed including net conacre

Acres	(a)	(b)
20—40	13	6
41—60	15	9
61—80	6	14
81—100	6	9
Over 100	9	11
TOTAL	49	49
Average area per farm (acres)	65½	82

<sup>29</sup> See, e.g., D. J. Alexander, "Some Features of West German Policy for Improving the Agricultural Structure", *op cit*

TABLE C

DISTRIBUTION OF THE INCIDENCE OF COSTS OF CONACRE LAND  
IDENTICAL SAMPLE OF 50 FARMS 1960/61-1963/64

Cost of Conacre	1960/61	1961/62	1962/63	1963/64
	Number of Farms			
£5 to £50	6	6	8	5
£51 to £100	6	8	2	4
£101 to £200	6	11	6	5
£201 to £500	12	5	14	10
£501 to £1,000	4	5	5	3
Over £1,000	None	2	2	4
TOTAL	34	37	36	31

## APPENDIX II

SALES OF AGRICULTURAL HOLDINGS AND THEIR SIZE DISTRIBUTION  
IN NORTHERN IRELAND 1959 TO 1963

Year	1959	1960	1961	1962	1963
No of holdings sold	1,347	1,430	1,487	1,241	1,286
Acreage Groups	Per Cent of Holdings Sold Annually				
5 to 20 acres	55	53	56	56	54
21 to 50 "	32	35	33	31	34
51 to 100 "	9	8	8	11	9
Over 100 "	4	4	3	2	3
TOTAL	100	100	100	100	100

## APPENDIX III

EFFECT OF AMALGAMATIONS THROUGH SALE OR INHERITANCE ON  
AREA SIZE FOR 81 FARMS\*

Acreage—"Home" Farm	Before Amalgamation	After Amalgamation
	Per Cent of "Home" Farms	
Less than 40	75	49
41 to 80	16	35
Over 80	8	16
TOTAL	100	100

\*52 holdings were bought, 27 inherited and 2 exchanged