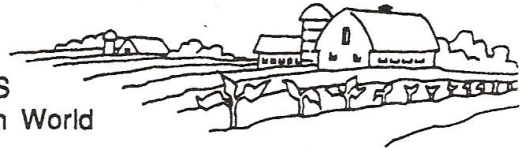


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## AMISH ECONOMICS A Lesson for the Modern World



by Gene Logsdon, Whole Earth Review, Spring 1986

The Amish have become a great embarrassment to American agriculture. Many "English farmers, as the Amish call the rest of us, are in desperate financial straits these days and relatively few are making money. As a result it is fashionable among writers, the clergy, politicians, farm machinery dealers and troubled farm banks to depict the family farmer as a dying breed and to weep great globs of crocodile tears over the coming funeral. All of them seem to forget those small, conservatively-financed family farms that are doing quite well, thank you, of which the premium example is the Amish.

Amish farmers are still making money in these hard times despite (or rather because of) their supposedly outmoded, horse-farming ways. If one of them does get into financial jeopardy, it is most often from listening to the promises of modern agribusiness instead of traditional wisdom. His brethren will usually bail him out. More revealing, the Amish continue to farm profitably not only with an innocent disregard for get-big-or-get-out modern technology, but without participation in direct government subsidies other than those built into market prices, which they can't avoid.

Not long afterwards, I gave a speech to an organization of farmers concerned with alternative methods of agriculture in which I commiserated at length with the plight of financially depressed farmers. When my talk was over, two Amish men approached me, offering mild criticism. "We have just finished one of our most financially successful years," one of them said. "It is only those farmers who have ignored common sense and

tradition who are in trouble." What made his remarks more significant is that he went on to explain that he belonged to a group of Amish that had, as an experiment, temporarily allowed its members to use tractors in the field. He also was making payments on land that he had recently purchased. In other words, he was staring at the same economic gun that's pointed at English farmers and he was still coming out ahead. "But," he said, "I'm going back to horses. They're more profitable."

Whenever I got to know an Amish farmer well enough, I asked about farm profits. Always the answer was the same, spoken with careful modesty. Not as good as in the '70s, but still okay. I heard that in 1983, '84 and even '85, when finally the agribusiness magazines admitted that agriculture faced a fullblown crisis.

Whatever one's view of such fence-straddling religious convictions, they obviously reveal tremendous economizing. In a 1972 study of Illinois Old Order Amish similar to the Holmes County Amish, conducted by the Center for the Biology of Natural Systems at Washington University in Saint Louis, Amish housewives said they spent \$10 to \$15 a week on food and non-food groceries. They reported household living expenses from \$1,379 for a small, young family up to \$4,700 for a large, better-financed one. My own Amish informants thought that today, that figure might top out at \$8,000 for a large family, including transportation by buggy and occasionally renting a car or riding a bus. A horse and new buggy cost about \$2,000 and last a good bit longer than a \$12,000 car. Throughout Amish country in eastern Ohio, a vigorous small business has grown up taxling Amish around in vans, successfully competing with older private bus lines that perform the same service at a higher price. Clothing is a low budget item for the Amish as they use long-wearing fabrics and often sew the clothes themselves. Styles do not change.

It is in agriculture that the Amish raise economy to a high art. After the ballgames, when talk got around to the hard times in farming today, the Amish said a good farmer could still make a good living with a herd of 20 to 25 cows. One of our players countered with mock seriousness: "Don't you know that you need at least 70 cows to make a living these days? Ohio State says so." "Oh my," an Amish dairyman replied, not entirely in jest, "If I could milk 70 cows, I'd be a millionaire." The Amish farmers all agreed that with 20 cows, a farmer could gross \$50,000 in a good-weather year, of which "about half" would be net after paying farm expenses including taxes and interest on land debt if any. Deducting \$8,000 for family living expenses still leaves a nice nest egg for emergencies, bad years and savings to help offspring get started in farming. Beginning farmers with higher interest payments than normal often work as carpenters or at other jobs on the side. These income estimates agree closely with those in the Washington University study mentioned above and those Wendell Berry reports in The Gift of Good Land (WER #33, p. 46), a book that demonstrates the sound fiscal foundation of small-scale, traditional farming, even--or especially--in a modern world.

Because my softball players shook their heads in disbelief at these figures, I asked one of the Amish farmers to compare his costs for producing a corn crop of 150 bushels per acre (his excellent yield in '84 and '85) with the 1984 Ohio State Budget estimates as published each year by the state extension service. He returned the budget to me by mail with his figures.

The first column of figures represents OSU's estimated typical cash grain farmer's cost per acre; the second, the Amish farmer's. I have added footnotes.

Item	1	2
<b>Variable costs:</b>		
Seed	\$ 24.00	\$ 18.66
Chemical fertilizer	63.00	9.10
Lime	8.00	5.06
Pesticides/herbicides	28.00 <sup>1</sup>	2.50
Fuel, grease, oil	19.00	3.00*
Corn drying, fuel, electric	23.00	0.00
Trucking, fuel only	3.00	0.00
Repairs	13.00	.25*
Misc. supplies, utilities, soil tests, small tools, crop insurance, etc.	13.00	.50*
Interest on operating capital	12.00	.00
<b>Fixed costs:</b>		
Labor	9.00	0.00 <sup>2</sup>
Machinery charge	50.00	5.00 <sup>3</sup>
Land rental charge	110.00	0.00 <sup>4</sup>
Management charge	18.00	0.00 <sup>5</sup>
<b>Total</b>	<b>\$ 393.00</b>	<b>\$ 44.07</b>

\*estimated

- Herbicide cost can be twice that or more if an application has to be repeated. Dennis Weaver, one of the Amish ball players, told me his herbicide cost was \$14. "An acre?" I asked. "No," he replied. "Altogether."
- The Amish farmer explains that he hires no labor and considers his own as part of the profit, not of the cost.
- The Amish farmer said he didn't know exactly how to figure this because his machinery was so old it was "actually gaining in value now." His estimate is probably high. An Amish corn harvester, pulled by horses and powered by a Wisconsin 16 HP motor, might cost \$3,000, but likely half of that. A typical agribusiness corn harvester costs over \$100,000.
- If you don't rent land, this item is called cost of ownership. The Amishmen say owning the land is a reward, not a cost.
- "What does this mean?" the Amishman wrote. "Is this time spent asking experts how to farm?" Again he figures this as part of his salary, not a cost.



According to Ohio State experts, with the price of corn reckoned at \$2.40 a bushel (lower now) a non-Amish farmer would gross \$360 per acre against \$393 in operating expenses for a net loss of \$33 per acre, leading one farmer to comment, "It's a damn good thing I don't have a bigger farm." Meanwhile the Amish would realize a net profit of about \$315 per acre. Even if you allow fixed costs in English accounting, Amish farming is better than expert farming by about \$150 an acre. Just as important, the Amish seldom sell grain, but feed it to livestock and sell milk, meat, eggs, etc., thus retaining an even greater share of their profit dollar.

I told my Amish source he needed to add the cost of cultivating weeds out of the corn rows. He thought another dollar or two per acre would cover that, with horse cultivating. And, I added he needed to add the cost of hauling all that manure to the fields. His response was a classic lesson in biological economy. "When I'm hauling manure, should I charge that to cleaning out the barn which keeps the cows healthy, or to fertilizing the field which reduces the fertilizer bill and adds organic matter to the soil, which in turn helps it to use soil nutrients more efficiently and soak up rain better to reduce erosion? How much do you charge for that in your computer? Or maybe I should charge manure hauling to training the young colt in the harness or giving winter exercise to the older horses. Or maybe deduct manure from machinery wear because the ground gets mellower with manure and is easier to work. I don't know how to calculate all that accurately on a farm."

The most amazing part of the Amish economy to me is that, contrary to notions cherished by old farm magazine editors who escaped grim childhoods on 1930s farms for softer lives behind desks, the Amish do not work as hard, physically as I did when my father and I were milking 100 cows with all the modern conveniences in the 1960s. English farmers like to make fun of the Amish for their hair-splitting ways with technology--allowing tractors or engines for stationary power tools but not in the fields. But in addition to keeping the Amish way of life intact, such compromises bring tremendous economy to their farming while lightening the workload. A motor-powered baler or corn harvester, pulled by horses ahead of a forecart, may seem ridiculous to a modern agribusinessman, but it saves thousands of dollars over buying tractors for this work. The reason tractors aren't allowed in the fields is that they would then tempt an Amishman to expand acreage, going into steep debt to do so, and in the process drive other Amish off the land--which is exactly why and how American agriculture got into the trouble engulfing it today.

To satisfy religious restrictions, the Amish have developed many other ingenious ideas to use modern technology in economizing ways. Other farmers should be studying, not belittling them. When Grade A milk regulations forced electric cooling tanks on dairymen, the Amish adopted diesel motors to generate their own electricity for the milkroom, cooler, and milk machines. They say it's cheaper than buying electricity and keeps them secure from power outages. Similarly, they operate commercial woodworking and other shops with diesel-powered hydraulic pumps rather than individual electric motors for each tool. Their small woodworking shops, like their printing and publishing houses and a lot of other enterprises, make money where others so often fail.

Where Amish are active, countryside and town are full of hustling shops and small businesses, neat homes, solid schools and churches, and scores of roadside stands and cheese factories. East central Ohio even has a small woolen mill, one of the few remaining in the country. Compare this region with the decaying towns and empty farmsteads of the land dominated by large-scale agribusiness. The Amish economy spills out to affect the whole local economy. Some farmers, like Lencie Cleppinger near Mount Vernon, have the great good sense to farm like the Amish, even though they don't live like them. They enjoy profits too. When discussing the problems agribusiness farmers have brought on themselves, Cleppinger just keeps shaking his head and repeating, "What in the world are they thinking?" The Amish sum it up in a sentence. "Don't spend more than you make and life will be good to you." Uncle Deficit should be so wise.