

Technology.—Output per man-hour increases for agriculture appeared to increase total agricultural employment in rural counties. Technological changes apparently caused large output increases which in turn increased the total demand for agricultural labor in these areas, particularly in the production of labor intensive commodities such as vegetables.

The expected negative effect occurred with respect to farm number changes. Technological advancements which increased output per man-hour contributed to significant declines in farm numbers in the rural counties. Since larger farms are able to take advantage of improved technology and increase output and farm size, many smaller farms were forced out of business and farm consolidation occurred.

Wage Opportunity.—Increases in the opportunity cost of remaining a farm operator should influence operators making a low return on their farming investment to seek a higher income-earning alternative. Changes in nonagricultural wages were negatively related to farm number changes for the urban group. The positive relationship for the rural groups may be explained by the relative lack of employment alternatives in rural areas. Neither coefficient was significant.

Employment Opportunity.—Changes in off-farm employment opportunities were significant and positively related to changes in farm numbers in the rural county group. This indicates that as off-farm employment opportunities have expanded the number of farm firms has also increased through part-time farming coupled with off-farm work.

Farm Operator Age.—Changes in the ages of farm operators were importantly associated with changes in the number of farms. As older farm operators disappeared through deaths and/or retirements, the number of farm operators declined and fewer farm numbers resulted. Farm consolidation was occurring rather than older operators being replaced by younger farm operators.

CONSTRUCTION ANALYSIS

Estimates of the effects of natural resource investments and the other variables hypothesized as affecting employment in the construction industry in each of the two county groups are given in Table 4. The estimated equations differ slightly from those used for agriculture and manufacturing since the variables representing product price, technology, and the number of firms were not included.