



Journal of Economic Issues >

Volume 21, 1987 - [Issue 2](#)

20	12	0
Views	CrossRef citations to date	Altmetric

Issues in Agriculture

# Farm Debt and Financial Instability

Paul S. Estenson

Pages 617-627 | Published online: 05 Jan 2016

“ Cite this article <https://doi.org/10.1080/00213624.1987.11504654>

Sample our  
Economics, Finance,  
Business & Industry Journals  
>> [Sign in here](#) to start your access  
to the latest two volumes for 14 days



“ Citations

Metrics

Reprints & Permissions

Read this article

Share

## Farm Debt and Financial Instability

*Paul S. Estenson*

Today the agriculture of the midwest and that of the United States as a whole is under great economic and social stress. The wealth of the nation's farm sector has declined substantially since 1981.<sup>1</sup> Net farm income has been falling while the debt load of farmers has increased to record levels.<sup>2</sup> The result of this combination has been the beginning of a new migration out of the rural United States, as farms have failed and debts have been foreclosed. The consequences of the current problems are evident even to the administration's chief trade representative, Clayton Yeutter, who believes that the "farm crisis could result in a disaster that will dwarf the Great Depression."<sup>3</sup>

While the troubles currently afflicting farmers and rural communities are apparent, I believe that the ultimate reasons for the agricultural crisis are rooted deeply within the structure of the agriculture that emerged after World War II. This new agriculture was the product of a technological transformation.<sup>4</sup> The agriculture that emerged from this transformation was dominated by larger, more specialized farms that were increasingly dependent on fossil fuels, chemicals, and capital inputs obtained with financial leverage, that is, debt. On one plane, this could be viewed as a shift from inputs largely supplied from the farm, to inputs supplied by off-farm sources.<sup>5</sup>

---

*The author is Assistant Professor of Economics, Gustavus Adolphus College, Saint Peter, Minnesota. He would like to thank Don Kanel for his helpful comments. This article was presented at the Annual Meeting of the Association for Evolutionary Economics, New Orleans, Louisiana, 27-30 December 1986.*

> [Log in](#)

Restore content access

> [Restore content access for purchases made as guest](#)

Purchase options \*

Save for later

PDF download + Online access

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed

EUR 48.00

Add to cart

Issue Purchase

- 30 days online access to complete issue
- Article PDFs can be downloaded
- Article PDFs can be printed

EUR 116.00

Add to cart

\* Local tax will be added as applicable

Related Research 

People also read

Recommended articles

Cited by 12

## Information for

[Authors](#)

[R&D professionals](#)

[Editors](#)

[Librarians](#)

[Societies](#)

## Opportunities

[Reprints and e-prints](#)

[Advertising solutions](#)

[Accelerated publication](#)

[Corporate access solutions](#)

## Open access

[Overview](#)

[Open journals](#)

[Open Select](#)

[Dove Medical Press](#)

[F1000Research](#)

## Help and information

[Help and contact](#)

[Newsroom](#)

[All journals](#)

[Books](#)

## Keep up to date

Register to receive personalised research and resources by email



Sign me up



Copyright © 2025 Informa UK Limited [Privacy policy](#) [Cookies](#) [Terms & conditions](#)

[Accessibility](#)

 Taylor and Francis Group

Registered in England & Wales No. 01072954  
5 Howick Place | London | SW1P 1WG