

Interviews

Family Farm Project

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Interview with Auctioneer John 'Red' Shaw

Andy Legant

John Shaw

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1994

Andy Legant
December 2,

ANSO 67-68
Howard Sacks

Interview With Auctioneer John "Red" Shaw

Friday Afternoon, October 28, 1994 after the auction of a 10 1/2 acre farm at 20617 Zion Rd. Interviewer Andy Legant

AL: My name is Andy Legant and I am a student at Kenyon College. I don't know whether you have heard about the project or not yet.

RS: Well I've heard a little about it but not really a lot.

AL: What we are doing is a three year project we just basically started this year. We are trying to get involved in the Knox County community and family farming in general. We have been interviewing a lot of farmers and now we are reaching out to the community and seeing how basically other members of the community view farming. Someone else interviewed a banker, people at the machine shops, feed and grain workers, and farm sales. So we are just trying to get an idea of how other members of the community view farming. We really don't have a specific goal as of yet but..for what we are trying to do with this project. We are trying to have it be a dual effort with the community, give something back at the same time we learn something, at the same time we might effect something. Anyway. If we could just get started here, I have a series of questions.

RS: Sure go right ahead.

AL: It's Friday, the 28th of October and I am going to start interviewing John Red Shaw, an auctioneer in the Knox County community. How long have you basically been in the auction business.

RS: Twenty six years in the auction business.

AL: Did you grow up in Knox county?

RS: No I grew up basically in Tuscaull's (sp) county which is New Comers town Ohio near New Philadelphia in that area.

AL: That's about an hour or so from here.

RS: Well, it'd be about an hour and fifteen minutes, yeah.

AL: Did you grow up on a farm?

RS: Yeah, yeah. Grew up on a farm and was in the 4H programs and one thing led to another as I grew up and then I went to college and then was headed toward veterinary school and didn't really...kinda lost interest in that and took a job after three years of college. I took a job as a farm manager for a horn and hooper farm near Sunbury. Then about twenty six years ago I went into the auction business.

AL: Why did you decide to go into that?

RS: Well I'll tell you. I like that kind of business. I like to be with people and around people and of course my big business is agriculture sales, whether it be farm or livestock. I sell lots of registered livestock as well as a lot of farm realstate, and a lot of farm machinery. So I can't completely get away from the farm business.

AL: That's interesting. Do you belong to a whole bunch of organizations also?

RS: Yeah several. I belong to several but you know any more as busy as I am I really don't have time to participate.

AL: How many auctions do you typically do?

RS: Well, I'll probably average three sales a week. You know that varies from realstate to registered hogs or registered cattle or farm machinery or whatever it might be. I sell a lot of antiques also. But, I will average three sales a week.

AL: Does that tend to vary on particular seasons?

RS: Yes it does vary. In the March/April period (February/March/April period) you'll see a lot of farm sales. The livestock sales are scattered out through the year. They are really not as seasonable as the farm sales are and of course in that June through October period you'll see a lot of antique sales and household goods.

AL: Obviously through...being an auctioneer you come into contact with farming quite a bit. How many farm auctions of this type do you normally do and how often do you do them?

RS: Oh, I will probably do twenty five to thirty farm auctions a year. And of course I am an auctioneer and I also work for Producers Livestock Association that's based in Mount Vernon and I have been there twenty five years. We have an auction there every Wednesday which I am involved. I also buy and sell a lot of cattle privately.

AL: Through this you work individually with individual farmers or the owners of the farms pretty much?

RS: Yes. Right. It's basically on an individual basis.

AL: How do you feel your work serves farmers? Do you just basically sell the farms or...?

RS: Well yes basically. That's my business is the auction business and you know there is a lot of different occasions or situations that you get into some of them are due to death, you know. Some of them are due to retirement or whatever. But I spend a lot of time in agriculture period.

AL: Why would somebody come to you as opposed to a realstate person or realtor?

RS: Well I'll tell you the realstate the last few years has really sold better at auction than it has privately. And you see these things kind of go in cycles. You see a period of time when you see a lot of property sold at auction. And then that cycle kind of swings and you see more sold privately. But, the great thing about it is when you go the auction route you know that in 30 days from the day of sale a deal will be closed and you will have your money. You put it on the market privately and it might sit there for several months before you sell it.

AL: That's true.

RS: So that has a certain amount of effect on the way people choose to sell it.

AL: Interesting. Do you find that there are more farm auctions

for sale than there used to be in the past?

RS: No. I would say not. I would say there is not any more. The thing that you have to remember when you say more is that we have less and less farmers all the time. In other words back twenty five years ago we had a lot more farmers that might have a sale versus today. In other words your farms are becoming bigger. People dealing with bigger equipment. Their farming more acres. So the potential of sales out there is probably less than it was twenty five years ago, the number of them. But, probably the value of them has probably quadrupled since twenty five years ago. You know the value of the machinery.

AL: Do you think the value of the land has gone up?

RS: The value of the land has gone up in comparison to the last two or three years. It's not as high as it was for example ten years ago. But, it has definitely risen in value the last couple years.

AL: Primarily I am thinking in the post-eighties era. Do you think there has been a kind of jump since the eighties? Has it gone up or down?

RS: Well at that period of time there right around the eighties, we got a pretty good jump in the market and then as we went in towards 1983 maybe 1986, 1987 we seen a little decline. And now the last couple years, I'd say within the 1990's on the value has risen some.

AL: What have your images and views of farming been over the years and what are they now? How do you see farming in the community? How would you describe it?

RS: Well, you know I think, I think that we will continue to see exactly what we have seen the last several years and that is that the farms are going to be bigger. They are going to farm more acres. The margin of profit today in agriculture is pretty thin. And the only way that some of those fellahs can survive is do it maybe making less per acre but farming more acres. I think this is gonna be...I think this is going to continue because the young person today who goes out to try and buy...a farm is a tremendous investment. You're talking about a farm, and land, and machinery and what have you. I think that probably those bigger farms are going to continue to buy the smaller

farms and I think it's probably going to get bigger.

AL: How do you see farming functioning in the Knox County community as it is now? What are your impressions of farming in Knox County? How would you describe it?

RS: Well, of course Knox County has some of the best farm land that there is in the state of Ohio. Some of the most productive ground that there is in the state of Ohio. But, agriculture in general today has a problem making money, you know. We just went through a year this past year that the guys that were feeding cattle, lots of those fellahs lost money. And this is the problem. You know, Knox County as well as the nation has always said we needed to be more efficient. Well that has happened. There is no place in America that the farmers are any more efficient than they are here. But by the same token when those farmers are that efficient and they have that high a production than everything is based on supply and demand when it comes to pricing that product. So as a result the American farmer has done an awful good job of producing a lot of bushels per acre. But when he does that he puts that much more supply on the market which makes the price lower. So in some situations I think the American farmer has efficiented himself to a lower profit. If we were in a situation in which we were producing instead of 150 bushels of acre, if we were producing 100 bushels per acre our price would be a lot better per bushel. But there again it goes back to the big farmer that has the big equipment that can produce and farm a lot of acres.

AL: That's really interesting. How important do you think farming is then to Knox County?

RS: How important is it. Oh it's extremely important to Knox County. There is a lot of dollars generated in agriculture in Knox County. And of course when you say Knox County, that's one thing but agriculture is important to our country period. Whether it be in Knox County or Tuscuallts County (sp) or Morrow County, you know our country eats as cheap as any country in the world and that is because we have the efficiency in agriculture and we can produce a cheap food. That is important to any segment of life or whatever. When you are talking about being able to eat cheap.

AL: To what extent then do you think farming affects the overall economy of not so much the nation but of Knox County?

RS: Well it has a tremendous impact on our economy because I would have no idea without doing a little bit of research...but when you talk about agriculture your not only talking about the farmer himself but your talking about all the feed mills, your talking about all the grain markets, your talking about all the chemical companies that's involved with sprays, and there is a tremendous amount of dollars that is thrown into our economy in Knox County that comes directly from agriculture.

AL: Do you like living in a farm community?

RS: Oh yeah. You bet.

AL: Why is that?

RS: Well as you know I was raised in the country. Three years in Columbus, Ohio at the Ohio State University and to be real honest with you I couldn't wait to get out of there. That was to tight for me. You know, sirens blew all night long and everything going on you know and this old country boy wasn't used to that. And so I got out of there basically about as soon as I could. I promised myself that if I ever did get out of there that I would live no place but the country.

AL: Do you think there is a division between farmers and non-farmers within the community of Knox County? Do they tend to interact quite a bit?

RS: Oh I think you see a lot of inter-reaction...interacting. I think you see quite a bit of that involved between other business. You know like I say agriculture has a tremendous impact. And you know if you are in agriculture your dealing with lots of other people that are not directly involved with agriculture but there business and there livelihood comes from that. Yeah I think that they interact quite a bit.

AL: Is there any tension that you see between them?

RS: Not basically. You don't see that I don't think. Between...in the community I don't think there is much tension at all between the agriculture people and the average person that may work in other jobs in Knox County. The only thing I would say is that I don't think a lot of people that are not involved in agriculture in Knox County realize how tough it is

for people who are in agriculture to make a decent living. You know, a lot of people that do not work that way don't realize the investment that a farmer has to try and make a living.

AL: You said that you tend to see a certain, you have a lot of these auctions...you said twenty five a year, how economically successful do you think farmers are in Knox County?

RS: Well I think economically in Knox County they are just as successful as they are anywhere else but the whole picture of agriculture....it is tough for those fellahs to make a living not only in Knox County and Knox County is no exception. It's tough for those fellahs it's tough for fellahs in other counties. But the agricultural picture when you take into consideration what kind of investment you have, then you are not making a really big return on that investment.

AL: What do you think is responsible to their levels of success? Do you think it's the practices that they use....

RS: Well yeah. Today management plays a big role in whether a man is successful or not. And a lot of this is done, for example buying fertilizer maybe in January when you can buy it at a little discount versus May when you are going to use it. Different things like that you can take advantage of and that comes back to the managerial part of it.

AL: I know you said management. What about politics? How do farmers play in politics or influence politics?

RS: Well I don't think the farm oriented people, whether you like to think about it or not, the farm oriented people are such a minority of the total picture that political wise I don't think the politicians really pay a whole lot of attention to the people in agriculture. I won't say they don't pay any because that's not right but your talking probably about....I don't know exactly what the figure is but it is a very very small percentage of the total people that's involved in agriculture as farmers. So you know political wise you don't want to say that politicians don't pay attention to them, but I am sure they pay attention to a lot of other people with a lot more influence than they do the farmers.

AL: Do you think most farmers tend to think alike on political issues?

RS: Oh, I think most of them, yeah.

AL: Would they lean mostly towards the right, as far as the two parties Democrat and Republican?

RS: I don't think there is much variation that way. I don't think they would lean one versus the other one. Unfortunately when you go to politics and you go as high as you can to the President of the United States probably doesn't pay as much attention to agriculture as he does to a lot of other things.

AL: Maybe not politically, but do you think farmers tend to hold certain....farm families do you think they tend to hold certain values?

RS: Oh yeah, there is no question about that. That is the reason that a lot of our people are still in agriculture today is the way of life that it offers. You are out there as a farmer, you basically make your own decisions and run your own life. Versus working for somebody else and taking orders from somebody else. When you are in agriculture you can do basically as you please. You are your own boss. This is a thing that a lot of people put a lot of value in. They are willing to work for a little less and still do what they want to do themselves. Definitely.

AL: Do you see a distinction between family values of the values instilled growing up on a farm and the values that might be instilled growing up from someone also in the Knox County community but someone who grows up in Mount Vernon?

RS: There again there is a big variance in that. I don't want to show any partiality or one thing another. But when you are involved in agriculture as a young person 99% of those young people have responsibilities on that farm. They are taught to work on that farm. And sometimes when you see other segments of the community where the young people, and I am not saying that people that are not in agriculture are bad (I'm not saying that at all), but a lot of times people that are involved in other segments of the community, a lot of those young people have in my way of thinking a lot of free time that they don't know what to do with. And sometimes that free time can get you in trouble. And I am not saying that there is not people in agriculture who don't get into trouble. I am not saying that at

all. I am just saying when you look at values a lot of those young people have responsibilities which teaches them that they have got to have responsibility and they learn that early in life. Maybe other young people that don't have that opportunity and are not involved with those responsibilities maybe don't accept those responsibilities maybe as quick as people in agriculture.

AL: Interesting. That makes a lot of sense. Actually that's the view that has been expressed by many of the farm families around here too. What changes have you seen in Knox County farming over the years? I know you said you have been here for basically 25 years, is that right?

RS: Like I say. You see the biggest change is that the farms are becoming bigger. And that is a result of this and one thing another that involved with the older farmers. And as I said before the young people are not in a position to replace those older farmers. And those farms are being bought up by bigger farms. And that's what you normally see. You don't see a lot of situations these days where young people, if their Dad was not a farmer before them; it's pretty tough for that young person to become a farmer, because of the tremendous investment today. Now if Dad has got the farm, he's got the machinery and you can buy that off of Dad and Dad holds the note and takes securities responsibilities for you then you can get that done. But if you don't have that....you know if you are looking at a farm today of 500 acres and you are looking at it being worth probably a minimum of one thousand dollars an acre, so that's 500 thousand and then you talk about machinery today to farm 500 acres. Your talking about another hundred thousand or hundred and fifty thousand. So you are looking at an investment to farm 500 acres of somewhere between six and seven and eight hundred thousand dollars. Well there is not very many young people that can start in agriculture and borrow that kind of money. You know with no security what so ever. So the few young people that you do see in agriculture are the people that their Dad's were farmers ahead of them and they've got everything laid out there for them.

AL: How interested do you think the youth are in farming today? Do you see less people going into farming?

RS: Definitely. You definitely see less people. Number one agriculture requires a lot of physical labor--period. A lot of

the young people today are not really that anxious to get involved with heavy physical labor involving a lot of days, 12 to 14 hours would not be an exceptionally long day for a farmer in the Spring of the year or the Fall of the year when he is harvesting. The thing about it is the farmers today are in a position where they can't really pay a high wage for that young person to work on the farm because of their limited income. So the young person can go to town or get to a factory or wherever and probably triple his income per hour. Versus what he can get on the farm.

AL: How have these changes affected you as an auctioneer in your line of work?

RS: Well it hasn't really affected me that much. It's just like I said that maybe you will have a few less sales than you had twenty five years ago. But those sales are bigger. So in other words today...twenty five years ago you might have had an average farm sale and sold seventy five thousand dollars worth. Today you will sell between two hundred and three hundred thousand dollars worth. That is because as we said a minute ago, the farms are all bigger they all have bigger equipment and they all have more equipment. So you know as far as my situation as an auctioneer it's just as good or better than it was twenty five years ago because of the dollars that are involved.

AL: Do you think that you are selling these individual farms...what is the size of the farms you typically sell? I know this was just a 10 1/2 acres.

RS: Well this was just a house and 10 1/2 acres. Tomorrow I am selling a house and five acres. Back in the Spring I sold a farm involving 375 acres. So that varies. You know that varies. I just had a man call me before I left the house that has got 66 acres. So you know, you get involved in all kinds of real estate sales. This today would not be considered a farm. But the 300 acre plus deal was a farm. But the farms as I said, it's tougher and tougher everyday. It used to be that if a man had a hundred, hundred and twenty five or hundred and fifty acres he could make a good living. But you can't do that today. With a hundred or hundred and twenty five acres it's a burden to you because you can't make a profit on that small acres.

AL: Do you think most of these farms, the smaller ones or the

larger ones...are they being bought by small family farmers wanting to get bigger or basically by people who are already big wanting to rent out more land?

RS: That varies also. You see different kinds of situations. You see people today that are not in agriculture but they are buying agriculture land for an investment. You see quite a bit of that. You will also see situations where maybe the father and son are farming together and they need a few more acres to make it profitable and they will buy some of those farms that are for sale. Where the land is, the location, different things affects who might be the buyer.

AL: That makes sense. Why do people typically sell the farms? Do they sell them because they are getting older and they have no one to pass them on to or....

RS: This is a lot of the situations. There are other situations, the same as we have talked about or situations where a fella is getting older and even though he may have a son or two those sons have chosen not to be in agriculture. They've got a job in town. So when he reaches retirement age or whatever his sons are not interested in the farm. They have got jobs elsewhere and that farm becomes for sale. And you will see different situations like that. You will see situations where maybe there is a farmer who maybe had no children whatsoever, and he passed away and of course the farm has to be sold to settle his estate. So there's all these kinds of situations and reasons as to why a farm would sell.

AL: Do most young people...or not necessarily young people but middle aged people who own a farm, try to hold the farm throughout their lives and then sell it or do you see many bankruptcies and people selling because they have to get out?

RS: Again that varies with situations. You will see people, middle aged people that would love to stay on that farm but because of financial reasons and they cannot make a profit. Then they are forced to sell that farm. You see some of this done...you see this quite often. Situations where the bank has repossessed the farm and one thing another. That there is just no way that that person can make a living on that farm. If you can't make the payments and one thing another as a result it is either sold in a bank, or he makes his own decision to sell it before he gets involved in that kind of a situation.

AL: What do you think the future holds for farming in Knox County?

RS: Well I think the future in agriculture is probably not in the future going to be any great thing. You know as far as an income for those people. But agriculture is always gonna remain a very important part of our whole economy. And you know as you travel around the country, or as I do, you see a tremendous amount of building going on today. New homes, one thing another. We everyday have more people to feed. And there is one thing about it. We are going to feed those people on the same amount of acres that we have today. The good Lord is not going to make any more land. It's all here. And a lot of it is being consumed by housing developments and one thing another and there is less and less land all the time in production. And our farmers are going to have to remain real efficient to continue to make a profit, but someday and I probably won't live long enough to see that, but some day our food in this country will be considerable higher than it is today. Without any question.

AL: As far as that goes. Just something that is in the news is the food tax. Does that have anything to do with farmers?

RS: Sure it does. Sure it does.

AL: Are they against it or for it?

RS: Well I am sure most of the farmers are against it. You know when you look at the agriculture picture and you look at other businesses. Agriculture is the only one that somebody else sets the price for their product. In other words if you are in the car manufacturing business today they tell you what you give for a new automobile. If you go and buy seed corn they tell you how much it cost. When the farmer takes his production to town he doesn't tell them what he wants for it. They tell him what they will give for it see. And your supply will definitely affect that. It's just like this year. We have, the farmers have a tremendous corn crop. But because of that tremendous corn crop we have got a lot of bushels of corn that there is not a big demand for. So as a result today you are talking about a \$1.85 to \$1.95 cent a bushel of corn and in most situations it will cost that much or more to produce that bushel of corn. So the margin is very thin.

AL: Alright. I am not sure if you have any ideas but what do you think we might do as a project? I told you that we have a class of ten or eleven students and a couple people from within the community. Pam Owen, I am not sure if you know her, and then a couple of others. Greg Spaid, he was here today. Basically we have been talking to farmers so far as I said. What do you think we might do?

RS: Well I really don't know your situation or what your goal are or what you strive to do. But I think one thing that this country lacks is information to the average John Doe person that is not involved in agriculture. I think there is a lot of lack of information of just what that farmer has to deal with. We go to the store and we buy whatever we want to buy at a very reasonable price. But I don't think a lot of people have any idea. What kind of an investment. What kind of a gamble that that farmer has to produce that cheap food that we are eating. I think a lot of people that are not involved in agriculture have no idea how tough it is for that farmer to make a living. And I think it is just a fact that they lack the knowledge of what's been going on. In other words a farmer today pays fifty or sixty or seventy dollars a bushel for seed corn. He has an investment of a thousand dollars an acre in the ground that he is going to put that corn in. He has an investment of 250 to 300 dollars per ton for the fertilizer that goes in there. He pays \$50 or \$60 or \$70 dollars an acre to spray it or whatever for weed control. And if the good Lord doesn't let it rain he has no crop. That's a pretty big investment and you know we go to the meat counter today and we buy poultry or we buy beef or we buy pork. We take a lot of that for granted that it's always gonna be there. But it may not be. And you know the person that gets up in the morning has no investment whatsoever. He maybe eats his lunch in a cafeteria where he works or whatever. The biggest investment he would have would be a dinner bucket, maybe if he packed his lunch to work. That's the biggest investment he has. You know those people sometimes do not understand why beef or pork or one thing another is high in the store. It is cheap in the store because they don't understand everything that goes and is involved. You know it's just like the beef prices. The beef prices are really cheap today but if you stop and look back at where that beef come from...that man has got to put that investment in that land...in his cows to produce his calves. But he has also out there, as we just went through the past winter with minus thirty and minus forty degree temperatures with pipelines frozen up and everything frozen up,

well he has to deal with that everyday. And a lot of people just flat don't understand that. You know they just go and they think the meats there on the counter and that is all there is to it. But there is a whole lot more behind that than what I think the average person sees that is not involved in agriculture.

AL: More of an educational purpose then.

RS: Exactly. I think a lot of people would be a lot more understanding and be willing even to pay more for the food that they get if they knew the facts, the labor, the investment, and everything that was in that product that they buy out of the store.

AL: Have there been any things that we have missed or that we have covered?

RS: I can't think of anything else. I think you pretty well covered it. You know, I make my living basically out of a segment of agriculture. I am not per se a farmer that actually plants the crop and harvests it. But I am involved with what he does produce or his life. And I am involved that way with it. If I had a choice I would not change what I am doing. I mean I love agriculture and I will be in it until the day I die. Like I say I don't own a farm. I own some standard bred horses. But there again I am buying hay and I am buying feed for my horses that directly affects what that farmer gets for his crop. And you know I have no problem whatsoever when they tell me the price of hay or they tell me the price of the corn that I am going to have to buy....I have no problem with that because I know exactly what kind of an investment they have got to produce. And I don't have a problem with that. And I think a lot of people would feel the same way if they knew exactly that farmers situation. And the thing about it is, there is one thing that you don't want to forget. You can tramp on the farmers and you can keep them on a small margin of profit and one thing another, but you don't want to forget that the man that's a farmer and the man that is in agriculture is the man that feeds you everyday. And if we lose those people this country will be hungry. And we don't want to see that. Or I don't want to.

AL: I surly don't either. Thank you very much for your time. I realize you have a very busy schedule.

RS: Well that's okay. I enjoyed visiting with you.

AL: Thank you.