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A LOOK AHEAD AT FARMING OPPORTUNITIES

During the period of readjustment now confronting agriculture, as in other similar periods of our history, many people doubtless will consider returning to farms or investing funds in some type of farm operations. Past experience suggests that it would be wise for those who contemplate either of these steps to take stock of the outlook for farming to determine so far as possible the opportunities and problems that lie ahead. A recent study, entitled "Financial Prospects in a Changing Agriculture," written by Lawrence A. Jones of the Bureau of Agricultural Economics, and appearing in the latest issue of the *Agricultural Finance Review*, suggests some of the factors to be considered before investing funds in an agricultural enterprise in the period immediately ahead when agriculture still will be adjusting itself to peacetime conditions. According to this writer, any contemplated investment in agriculture in the next few years should meet certain tests before it is made. The first of these is the security of principal or, if the investment does not promise such security, the sufficiency of future income to offset the risk. This test is particularly important for those contemplating the purchase of a farm or the expansion of existing facilities. A second suggested test of soundness is whether the investment results in continuing costs that are fixed even though incomes may decline. Mr. Jones points out that fixed charges in periods of low incomes in the past have contributed directly to lowered standards of living, widespread deterioration of lands and buildings, and loss of farms through inability to meet tax and debt payments. He emphasizes the wisdom not only of refraining from incurring excessive debts at the present time but of making

every effort to reduce existing obligations to safe levels.

The author notes the current improved condition of agriculture, but points out that in the past farming has undergone a series of financial ups and downs and that prices of farm products have always been subject to rapid changes, the most violent fluctuations occurring during and immediately following war periods. The historical perspective, which shows, in particular, price recessions following major wars, gives considerable backing, in the author's opinion, to the rather widespread belief that the current high level of farm prices cannot be maintained indefinitely. It is pointed out that, though the present situation differs somewhat from those following other wars, it is probable that short-term fluctuations in prices of agricultural commodities will be with us for some time to come, due to the biological nature of agriculture and its dependency on weather which make it extremely difficult to control production quickly and easily.

This article concludes with the thought that many persons not at present operating farms who may be contemplating the investment of funds in farm land might better retain their savings in the form of United States Savings Bonds, since conditions for purchasing a farm several years hence may be much more favorable. In the meantime, valuable experience may be gained by renting a farm or by working as a hired farm laborer. Investments by present farm operators which will improve the efficiency of their farms may be desirable, as the resulting increase in output per man is one means of meeting the problem of lower prices. Investments made to secure a better balance in farming through the addition of livestock enterprises, however, might lead to heavy

losses of value, for prices of most livestock classes are now very high and appear particularly vulnerable to severe price declines. Finally, the report suggests that from a long-range viewpoint it appears desirable for farm families to maintain sizable reserves, if possible. Such reserves may be urgently needed to cover the extra risks in the downward phase of the business cycle when farm prices and incomes may be declining.

Another phase of future agricultural opportunities, namely, the outlook for the demand and supply of farm land, farmers, and farm workers, is discussed in a report released by the Bureau of Agricultural Economics, entitled *Farm Opportunities: Prospects—Problems—Policies*. This report states that more than 1,800,000 farm people went into the Armed Forces during the war and an additional 5,000,000 civilians left the farm during the war period to work in defense plants or for other reasons. A considerable number of these former rural inhabitants of both groups have returned to the farms already, but many more are likely to return to farming in the next few years, especially if employment opportunities in industry should contract. The gradual termination of veterans' periods of subsidized training may contribute to the same result. In addition to these groups, a large number of youths now on farms will also be attempting to find opportunities in agriculture. The report also points out that the present number of farms can produce about all the farm commodities that the market is expected to absorb, and that technological improvements now under way will expand the output of existing productive units and thus reduce the need for additions to the agricultural working force and the acreage devoted to farming.

Regarding openings for new farmers, it is estimated that in the next five years between 800,000 and 900,000 farms will be available to new operators because of death and retirement of present farmers, shifting of some farm operators to other jobs, and development of new farm land. Thus it appears that agriculture offers favorable opportunities for a large, but not unlimited, number of young people, including veterans, to

become farm operators, if they are qualified by experience and training. Beyond this, however, there are not sufficient opportunities for farm operators to support an extensive back-to-the-farm movement.

In contrast, the demand for hired farm workers is expected to exceed the supply. It is estimated that between 500,000 and 750,000 jobs will be available in agriculture for hired and unpaid family workers in the next few years. These openings will result as women, youths, and even children who worked on farms during the war period return to their normal activities. A survey conducted by the Army in 1944 indicated that relatively few veterans wanted jobs as farm hired men. However, many veterans have found it necessary to take jobs as farm workers since openings for new farm operators have been limited. Nevertheless, the larger than expected movement of veterans into jobs as farm workers has not equaled the demand, and it is expected that shortages of such workers will persist.

FARM MANAGEMENT

Artificial Breeding for Increased Milk Production

The announcement by the Department of Agriculture of a 1947 goal for Texas of only 1,320,000 dairy cows, or 14 thousand less than in 1946, and of a goal of milk production of 4,225,000,000 pounds, or 90 million pounds more than the indicated 1946 production, poses an interesting question. Fewer cows and more milk? Obviously, those who set the goals count upon a sizable increase in the average milk production per cow. If one considers the relative position of Texas among the states with regard to the average milk produced per cow, the need as well as the opportunity for considerable increase in this average becomes apparent. While eight states have an average annual production of over 6,000 pounds of milk per cow, and 19 states, of more than 5,000 pounds, Texas ranks 46th in the Nation with 3,040 pounds (1945) per cow. The national average in 1945 was 4,789 pounds, or 58 per cent above the Texas figure.

One should probably not expect Texas or any of the states of this district to have an

average milk output per cow equal to that found in the so-called dairy states, but it is important that an increase be made. But how? There may be several ways, but certainly one of the most promising is improvement in quality of the dairy herd. To improve the quality of a herd requires primarily the use of high grade bulls for breeding, but to maintain such bulls has not been possible or financially feasible for many dairymen in this area. The same results can be achieved, however, through organization of breeding associations like the recently organized Dallas County Artificial Breeding Association. Through participation in such an organization, dairymen are able to eliminate certain cattle diseases normally spread by natural breeding and to build a better herd of cows than they can buy on the open market, and at less cost than if they maintained their own bulls. With a gradual increase in the quality of dairy cows, increased milk production in Texas with fewer cows can be achieved, whether or not the specific goal for 1947 is reached. Such programs as that undertaken by the Dallas County Artificial Breeding Association should, in the long run, bring greater profits to milk producers and at the same time lower-priced milk to the public.

Complete information concerning the organization and operation of artificial breeding associations may be obtained from Mr. A. B. Jolley, County Agent, Records Building, Dallas, or from Texas A. & M. College, College Station.

Farm Supply Shortages to Continue

Because of reports from the United States Department of Agriculture and other sources indicating that this year's farm operations may be hampered by shortages of a number of important farm supplies, the Extension Service in the various states is urging farmers to make their farming plans as far ahead as possible and to try to secure needed supplies in advance of the growing season. It is pointed out that, if it is impossible to secure the seed and supplies necessary to produce a particular crop, plans made now can still be changed to substitute other crops for which necessary supplies can be secured. Scarcities of good

quality cottonseed, sudan, and hybrid corn seed are expected to develop during the spring planting season. Some important items of farm machinery and repair parts will continue scarce. Supplies of some of the new and improved insecticides also will be short this year. Fertilizer supplies, though double the amounts available in the years immediately preceding the war, will not be adequate to meet the greatly increased demand.

COMMODITY NOTES

Dairy Products

Prices received by dairy farmers throughout the Nation are likely to be higher through the first half of this year than prices and subsidies of a year earlier, according to the Department of Agriculture. Favorable dairy product prices compared with feed costs and improvement in the farm labor situation are expected to halt the downward trend in milk cow numbers for the Nation as a whole and to diminish the rate of decline in this district. Milk production for the first half of 1947 probably will be maintained at near 1946 levels. Consumption of fluid milk and cream continues to decline more than seasonally, but the amount of milk used in manufactured products is increasing.

Hogs

The more favorable hog-corn ratio that resulted from increased hog prices and reduced corn prices last fall prompted farmers to feed the hogs they had on hand, and will probably increase spring farrowing. An increase in next fall's crop also is anticipated, as corn supplies are expected to be large. Hog prices, however, are likely to remain relatively high through next summer because of an anticipated high demand and because of the shortness of the 1946 fall pig crop.

TECHNOLOGICAL DEVELOPMENTS

Grub Control Recommended

The time to attack cattle grubs, which annually cost livestock growers millions of dollars through reduced cattle weights and damaged hides, is shortly after the grub-caused bumps begin to appear on the backs of cattle, according to a warning issued by

the Agricultural Extension Division of Louisiana State University. The first treatment should be given shortly after the first bumps appear, with two more treatments at 30-day intervals. There will be few heel flies to bother cattle in the spring and few grubs next winter if the full schedule of three treatments is used.

At each application a dusting preparation containing one to five per cent rotenone should be applied to the animal's back. This can be done with almost any type of sprinkler, for example, a fruit jar with several holes punched in the lid. After sprinkling, the dust should be rubbed in thoroughly. One pound of the dust is enough to treat from 10 to 25 head, depending upon the number of grubs and thickness of hair. This method of grub control is easy and relatively cheap. Application of a solution containing one per cent rotenone with a high-pressure spray pump is effective when a large number of cattle are to be treated.

Sulfa Treatment for Scours

Preliminary results of experiments by the United States Department of Agriculture indicate that sulfa drugs can be used to reduce calf losses from scours and from pneumonia which often occurs in connection with scours. Since March 1945, calves in the herd maintained by the Bureau of Dairy Industry have received daily for at least 30 days from birth two grams of either sulfaguanadine or sulfathiazole. Results so far have been largely successful, but experiments with the sulfa treatment are being continued to check the response.

Control of Ticks on Sheep by Spraying

Sheep raisers will welcome the report that sheep ticks can be controlled by spraying. Joe Whiteman, assistant livestock specialist of the New Mexico Extension Service, reported an experiment with spraying which was conducted in Idaho. In this experiment each animal was driven through a chute and sprayed with a DDT solution. Compared with dipping for ticks, says Mr. Whiteman, the spraying method is faster, cheaper, and much easier on the sheep. If sheep are sprayed before shearing, the spraying will moth-proof the

wool and at the same time prevent ticks from moving onto the lambs.

ANNOUNCEMENTS

Exposition and Stock Show

The Southwestern Exposition and Fat Stock Show will be held in Fort Worth, March 5-16. Choice livestock from throughout the Southwest will be on exhibit.

Louisiana Cattlemen to Meet

The Louisiana Cattleman's Association will hold its annual meeting at the Jung Hotel in New Orleans, February 20-21, according to Harry Gayden, associate livestock specialist, Louisiana Agricultural Extension Division, and secretary of this group.

Recent Publications

Division of Agricultural Extension, Louisiana State University and A. & M. College, Baton Rouge:

A Handbook for Professional Workers and Farm Leaders in Louisiana, Extension Bulletin Number 6, by R. A. Wasson.

Pasture and Feed for Profitable Beef, Extension Circular 267, by R. A. Wasson.

Agricultural Experiment Station of the New Mexico College of Agriculture and Mechanic Arts, State College:

Maintaining Cotton Yields through Fertilizer and Legume Rotation, by D. H. Hinkle.

Division of Agriculture, Oklahoma A. & M., Stillwater:

Chemical Composition of Juices and Syrups Grown at Stillwater, Oklahoma, in 1943, 1944, and 1945, by James E. Webster and others.

Texas Agricultural Experiment Station, Texas A. & M. College, College Station:

Defoliation Studies as a Basis for the Estimation of Hail Losses, Bulletin No. 682, by Leslie R. Hawthorn.

Brush Control on South Texas Pasture Land, Progress Report 1034, by R. A. Hall.

A Summary of the 1946 Texas Corn Performance Tests, Progress Report 1051, by J. S. Rogers and others.

Notice of Termination—A Farm Lease Problem in Texas, Progress Report 1053, by Joe R. Motheral.

Copies of these bulletins may be secured by request to their respective publishers.