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OUTDOOR RECREATION EXPANDS

With growing numbers of people increasingly affluent in income, mobility, and leisure time, demand for rural outdoor recreation has soared in recent years. And there are no signs of a letup in demand for recreation facilities this year or next, when more and more facilities will be available. Rest and relaxation in the countryside, for a weekend or a vacation, appeal to teen-agers, young married couples with small children, older families, and retired urban dwellers. Modern camper-trailers, motor boats, beach buggies, and many other types of equipment have been developed to make outdoor recreation pleasurable even for the tenderfoot.

Many farmers that were once reluctant to accommodate the invasion of city dwellers now welcome tourists with open arms. Like other farm enterprises, providing outdoor recreation facilities for the public can be a successful business. Family-operated recreation enterprises are similar to part-time or small-sized crop or livestock enterprises. These family-operated enterprises are usually supplementary to farming and generally include picnicking areas, campgrounds, vacation farms, hunting areas, and guide services. Each enterprise is a business, however, and must be able to meet competition.

Most Americans (90 percent, according to one study) have simple taste in outdoor recreation. They prefer sightseeing in a car, picnicking, swimming, fishing, boating, hiking, hunting, camping, and horseback riding. Although they like to be near water, rolling woodlands are preferred to flat, open areas. Many people want and need a combination of natural resources, facilities, and services.

Ideally, there should be other public or private playgrounds and recreation areas located nearby. These facilities help attract customers to the area and provide a variety of activities in addition to those the farm recreation enterprise provides. Consequently, unless an operator plans to emphasize or specialize in types of recreation that capitalize on isolation, he should probably avoid going into the recreation business any great distance from other recreation sites.

In developed recreation areas, the attraction of one activity is enhanced by others. The combined community of interests attracts more visitors and tourists from further away than most of the enterprises could alone. About 90 percent of the operators interviewed in an Economic Research Service study were near public lands and waters that, in effect, draw potential customers for them. Nearly half the operations were near other privately owned recreation facilities.

With the growing demand for outdoor recreation, farm recreation should be profitable. But some operations are more profitable than others, according to findings of an ERS survey of six types of farm recreation enterprises in Arkansas.

— Fishing lakes netted annual returns that averaged about $320, with the range from minus $200 to plus $1,400.

— Private campgrounds brought in net returns averaging $640, ranging from $380 to $900.

— Riding stables reflected net returns ranging from minus $500 to plus $4,900, with $1,100 the average.

— Boat rentals averaged $1,800 in net returns, ranging from $400 to $1,900.

— Guide services showed an average net return of $1,800, with a range from $1,100 to $2,500.

— Hunting preserves showed a negative return average of $4,000, with a range from minus $8,000 to a plus $500.

Numerous studies of other areas indicate the same general financial relationships. Among the reasons given for low or negative returns were the highly seasonal nature of the business, dependence on part-time or unskilled labor, poor location, high overhead costs, and the inability to attract sufficient customers.

Opportunities for developing recreation businesses exist in almost every community. Most operators attribute success of the enterprises to location near paved roads and other recreation areas, effective advertising, well-trained employees, facilities that appeal to a variety of interests, well-developed community enterprises, attractive facilities, and good service catering to individual desires. Opportunities for success are greatly improved for locations near large population centers and close to water-based recreation.

Financial Condition Of Farmers Is Up

The balance sheet of agriculture — similar to the annual statement of an organization — shows the assets and liabilities of the nation's farming sector.

In general, the financial condition of farmers was stronger at the begining of 1970 than a year earlier, according to the USDA. Realized net farm income ran close to the $16.3 billion record of 1966, quite a jump from the $14.7 billion received in 1968.

Farmers grossed about $54.5 billion in 1969, up from $51.1 billion a year earlier. Farm production expenses totaled about $38.5 billion, around $2.2 billion more than in 1968. Prices advanced for all major inputs except fertilizer.

Assets: Totaling over $307 billion on January 1, assets such as real estate, livestock, and bank deposits were worth $9.7 billion more than a year earlier. This 3-percent rise, compared with 5 percent in 1968 and 6 percent in 1967, evidences softening, and in some areas declines, in farmland prices, particularly in the last half of 1969.

Liabilities: Farm debt totaled $55.5 billion (excluding CCC loans) on January 1, a 6.8-percent rise over a year earlier and 6.1 percent above January 1, 1968. But, during most of the 1960's, farm debt rose almost 10 percent a year.

Loans are down from their usual level because of the highest interest rates in several decades. Apparently, farmers have used a larger than usual part of their earnings and reserves to avoid borrowing at the high rates.

The Balance Sheet of Agriculture

(In billions of dollars)

	January 1, 1970	January 1, 1969
Assets		
Physical:		
Real estate	$208.6	$202.6
Non-real estate	74.7	71.8
Financial	23.8	23.0
Total	$307.1	$297.4
Liabilities		
Real estate debt	$ 28.7	$ 27.1
Non-real estate debt:		
Excluding CCC	26.8	24.8
CCC	2.6	2.7
Total	$ 58.1	$ 54.6
Proprietors' equities	$249.0	$242.8

Planting Intentions Up

As of March 1 indications, farmers intended to plant 258 million acres to 17 major crops, 3 percent more than were seeded in 1969. National plantings of the feed grains (corn, sorghums, oats, and barley) are expected to be 4 percent larger than in 1969, reflecting an increase for each crop.

Farmers in the Eleventh District states of Arizona, Louisiana, New Mexico, Oklahoma, and Texas intended to plant 29.9 million acres to major spring crops — 5 percent more than were seeded last year and nearly 10 percent more than in 1968. Prospective rice plantings for the District, as well as the nation, are down 15 percent from 1969. The acreage intended for cotton is up slightly more than 3 percent, and the increase for sorghums is nearly 6 percent.

Dairy Price Support

Effective April 1, a support price of $4.66 per hundredweight for manufacturing milk was announced by the USDA. This is up from the level of $4.28 a year ago. Manufacturing milk — as opposed to fluid grade or bottling milk — is used in making butter, cheese, nonfat dry milk, and other dairy products. Prices will continue near recent levels, as the average price farmers received for milk in February was $4.69 per hundredweight. The USDA also set the support price for butterfat in farm-separated cream at 71.5 cents a pound for the 1970-71 marketing year.

Rice Exports Strong

Large rice crops, both in exporting and importing countries, have dampened world trade. But with continued heavy food-aid shipments, U.S. rice exports in the 1969-70 season may approximate last year's record 56.2 million hundredweight (rough-rice basis), according to a USDA report. With domestic use up this season due to increased food and brewery utilization, the carryover on August 1 may be around 10 percent smaller than last summer's 16.2 million hundredweight.

That carryover — the largest since 1958 — plus a near-record crop, has pushed the 1969-70 supply to 108 million hundredweight, down only 3 million from the previous year's record. Strong export movement, together with extensive use of the loan program (one-fourth of the crop was put under loan through February) is holding prices over the loan. The average farm price for the 1969-70 season was estimated at $4.92 per hundredweight, 20 cents over the national average loan rate.

Upland Cotton Signup

A total of 476,887 farms in cotton-producing counties of 20 states have been signed up to participate in the 1970 upland cotton program, the USDA has announced. The final report reflects the number of producer registrations processed following the signup period, which ended March 20. Enrolled farms have 15.9 million acres in cotton allotments, or 96 percent of the 1970 national allotment. Farmers in the Eleventh District states have placed slightly more than 8.5 million acres of cotton in the allotment program.

Hog Cholera Warning

Farmers should watch for signs of illness in baby pigs because of the possibility that hog cholera may have been transmitted through the pregnant sow. Because of the lengthy incubation period of the disease, this is a particularly treacherous means of spreading hog cholera.

In 1966, USDA veterinarians found that sows exposed to the hog cholera virus during pregnancy could transmit the virus to their unborn pigs without showing evidence of illness themselves. The pigs carry the virus when born and may become ill, transmitting the disease to other hogs.

All-Roughage Diet

Should the time come when most feed grain supplies are needed for human consumption, finishing cattle entirely on roughage could become the general practice. In feeding trials conducted by R. R. Oltjen at Beltsville, Maryland, steers gained well on a pelleted, 98.5 percent alfalfa hay ration. The steers were taken directly off pasture when they weighed 500 pounds and fed to a weight of 1,000 pounds.

Steers fed an all-concentrate diet gained 2.8 pounds a day. Those fed a combination of concentrates and roughages gained only slightly more than the cattle fed an all-roughage ration, which gained 2.3 pounds a day. Steers fed alfalfa were graded Choice, and a taste panel rated their meat equal in flavor and juiciness to the concentrate-fed steers. All-roughage may not be economically practical now when farmers and ranchers are striving for fast weight gains for their animals, but it is a future possibility, Mr. Oltjen says.

High Plains Water

Trends in water depletion indicate drastic changes in store for parts of the irrigated areas of the Texas High Plains. With intensive irrigation of roughly half their nearly 7 million acres, 21 High Plains counties have been highly productive for 30 years. But there seems to be just so much groundwater available in these counties. According to a recent study by the Economic Research Service, water levels are dropping rapidly. Just how rapidly depends on the location. William F.

Hughes and Wyatte L. Harman developed projections using 1966 cost-price levels and Government programs to indicate a range from five years for some locations to more than 50 years for others.

Trends show irrigated acreage declining from 3.5 million acres in 1966 to 125,000 acres in the year 2015. During that time, the amount of water High Plains farmers pump is expected to drop from 4.13 million acre-feet to 95,000. As a result, the study shows substantial declines in farm production and income as the area returns to dryland farming. Cotton production is shown dropping from about 1 million bales in 1966 to 355,000 bales by 2015, when 70 percent of the High Plains cotton crop is expected to be produced on dryland farms. Production of sorghum grain is shown declining about 91 percent by 2015, with three-fourths of the decline coming by 1990. But wheat production is seen increasing to about 22 percent higher in 2015 than in 1966. Dryland winter wheat was the area's principal crop before irrigation made other crops possible.

Based on 1966 prices, the aggregate annual value of agricultural production on the High Plains is expected to fall from $432 million in 1966 to $128 million by 2015 — a drop of 70 percent. Aggregate annual net farm returns are expected to decline from $194 million to $60.6 million — or a 69-percent drop.

The expected decrease in net farm income creates some difficult problems of adjustment for farm operators in the area. With the declining water tables, many farmers are already having to cope with increasing production costs. To stay in business, these farmers will have to adopt new enterprises (such as hog feeding, for example), expand their farm sizes, or possibly both. The increase in size offers some possibilities, but land values, interest rates, and labor costs are high enough to present serious obstacles to expansion. The most critical period of adjustment for the High Plains economy is apparently from now until about 1985.

Texas Catfish Farmers Organize

Commercial catfish farming in Texas is now represented by the Catfish Farmers of Texas. Don Carr (Eagle Pass) has been elected president of the organization; W. B. Harris (Columbus), first vice president; Joe Surovik (Liberty), second vice president; Arthur Stehling (Fredericksburg), secretary; and Jack Griffin (San Antonio), treasurer. Board members representing every section of the state were also elected.

Texas now ranks fourth in the nation in commercial catfish farming, and the catfish industry is growing faster than in any of the other producing states. Although the demand for catfish is great, the rapid growth of new producers and the generally disorganized nature of the fish market offer the new organization the potential to develop a system of orderly marketing.

Managerial Skill

A farmer's success 50 years ago was due primarily to his abilities in growing crops and livestock. Today, it is more apt to be his managerial ingenuity — his skill in adapting technological know-how to the efficient use of capital, credit, and the other resources and services available.

Like other entrepreneurs, he is a manager of resources, drawing inputs from many sources and combining them through the techniques of mass production. As a result, much of the farm returns leave the farm in the same way returns of other industries flow to outside suppliers of goods and services. This is particularly true in the case of specialized agricultural enterprises, such as beef feedlots, confinement market hog operations, broiler and egg production, and dairy operations. These operations are losing their identification as farms, taking on the characteristics of nonfarm businesses. With the growing size and capital requirements for successful farm operations, farmers will need not only resource management but also greater skill in financial management.

Food Prices

To those that remember when a loaf of bread cost a nickel, a quart of milk cost 10 cents, and sirloin steak was 59 cents a pound, it may seem strange to call today's food one of our best values. The world's most efficient agricultural and food marketing system has helped make this possible. Although food prices have gone up through the years, wages have increased relatively more than food costs. In fact, Americans now spend a smaller part of their income for food than ever before — about 17 percent of after-tax income.

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