

\$10000

INCOME



ON CUTOVER FARMS

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UNIVERSITY OF MINNESOTA
Agricultural Extension Service
U. S. DEPARTMENT OF AGRICULTURE

A Personal Letter to:

Seventeen Thousand Farm Families
Representing Seventy Thousand People
Living in Northeastern Minnesota
On Partially Developed Cutover Farms
With Five to Thirty Crop Acres Per Farm.
Discussing Problems and Possibilities.
Suggesting Need of \$1,000 Annual Income.
Reporting How Some Are Doing It.

M. B. Taylor

A. D. Wilson

Conditions Encountered in Developing a Farm

	Fifty Years Ago	Now
Land values	Increasing	Doubtful
Export outlet	Good	Poor
Outside work	Plentiful	Scarce
Capital needs	Low	High
Living costs	Low	High
Public relief	Small	Large
Taxes	Low	High
Income needed	Small	Large
Farms needed	More	Enough now?

iously limited opportunities for outside employment.

To make clear the differences in developing a farm in the past and now, we present the chart above.

Not all people may agree with statements made in the above chart, but both the authors grew up on farms in the process of development at an earlier time in northeastern Minnesota, both are operating farms here now, and believe this chart shows a fair comparison between the past and the present.

As we see it, the points made clear so far are:

1. Development of a farm now is more difficult than formerly.
2. A larger cash income is needed now.

3. Outside employment is scarce.

4. Your farms are not now sufficiently developed to provide the income needed.

Not Easy to Borrow Money

Because there are apparently too many farms and too many farmers in the United States now, farm values have depreciated so much that the owner of a partly-developed farm is generally unable to borrow money needed for development. This leaves you where you need to do some very careful thinking and comparing of possibilities before you decide definitely what is best to do. No one can decide for you because each of you has a little different situation to face.



What Course Will You Take?

WE SUGGEST that you form a family council and carefully consider your resources and possibilities. The whole family should be included in this council. You need a careful inventory of your family, your farm, and any other resources you may have. The following outline is offered for your consideration.

1. What kind of a family are we?
 - a. How many of us can work and help?
 - b. How many are dependent?
2. What do we really want to do?
3. What can we do best?
4. Can we really work together?
5. What kind of a farm have we?
 - a. Is it well located, considering schools, roads, markets, etc.?
 - b. Is the soil good?
 - c. How much crop land?
 - d. How much will it cost and how long will it take to clear more land?
6. What equipment have we to work with?
7. What buildings do we have and need?
8. What resources have we?
9. What debts must we pay?

When you have a clear picture of your resources, abilities, and aims, and the obstacles that lie before your goal, then you have a fairly sound basis for selecting your best course. This provides a basis for reasonable planning, rather than just drifting.

By way of suggestion we present some of the alternatives you might consider as best for you, all things considered; there may be others.

Alternatives

1. Some of you, particularly those who have skills, may find employment in various industries. The present national defense program will undoubtedly increase opportunities for such outside employment. In view of the present outlook for farming, the authors believe such jobs in industry, if available, are likely to provide a better income for the present than a small farm.

2. Some of you who like to work in the timber and are so located that you can get timber to harvest may choose to continue as part-time farmers and part-time timber operators. Your farm will furnish you a home and some or most of your food. The state and Federal Forest Services are now offering to sell timber stumpage from public land to small operators. It may pay you to contact your local forest ranger and see what he can offer you.

Those who do not find such outside employment or part-time jobs still have a few choices left. None are simple or easy to put in operation.

3. Some of you who have poor health or other handicaps may continue as you are, possibly on a rather meager subsistence basis, and possibly with some public assistance. Any personal efforts at making your home more comfortable and attractive and in producing a maximum for home consumption on your own farms will materially improve your living conditions.

4. Some of you who have more initiative and ability may develop your small units to furnish comfortable, attractive homes and also produce and preserve everything possible for home use, such as plenty of meat, milk, eggs, vegetables, and fruit. This will assure you a home and food. With relatively little outside employment, you may live in fair comfort and security.

5. A few of you who have or will acquire the necessary technical skill and experience and are properly located may find a way out by some special type of farming, such as raising poultry, small fruit, or vegetables. These enterprises may be carried on on a small acreage and with very little capital outlay.

6. Some of you who have a real desire to farm, have some farm experience, and have "what it takes" to tackle a hard job, stick to it, and go without many of the things you would like, and can get pleasure and satisfaction from tackling a hard job and making it work out will proceed to develop your farms to sufficient size to get into the commercial farming field.

You Can Do It

The authors believe that for the "strong in heart" and real lovers of the land who have fair health and strength, the last choice, though hard, is the more promising for the long run.



THE FAMILY COUNCIL

What Income Will You Need?

YOU WHO have chosen the last alternative and are to continue to develop your farms to commercial farm size will do well to consider first what income you feel essential to maintain yourselves and make the necessary improvements on your farms.

As a basis for your family discussion on income, we submit the following table taken from many farm records in Beltrami County. The blank column is for your own estimate.

The fact that 1,600 farms out of 2,481 farms in Beltrami County receive gross farm incomes of less than \$1,000 proves there is a serious farm income problem in northeastern Minnesota. Conditions in other counties in the cut-over region are much the same, but we have used figures for Beltrami County because they were available as a result of a study of farm incomes and factors affecting incomes in that county.

While farm incomes in the cutover area vary from almost nothing to \$7,000 per year, 60 per cent of the farm gross incomes are below \$1,000. The problem of getting these farms to yield incomes of \$1,000 or more is not hopeless or impossible as 40 per cent have already passed that goal.

You probably will find the table showing income needed will not quite fit your conditions. We suggest you use it merely as a basis for starting to figure what you actually need. You may raise some items, lower others, add some, and eliminate some. Since there is no danger of getting more income than needed, it is well to allow for some margin of safety.

Can You Make \$1,000 Income?

Many of you will doubt your ability to make enough income to meet your requirements. To show that it is be-

Table 1. Suggested Division of a \$1,000 Farm Cash Income for a Family of Five on a Small Farm in Northeastern Minnesota

	Your Own Figures
Cash Family Expense	
1. Food, in addition to farm products	\$ 180.00
2. Clothing, bedding, household goods, etc.....	150.00
3. Health—Dentist, doctor, medicines, hospitalization.....	60.00
4. Insurance—Life and accident.....	40.00
5. Recreation—Entertainment, church, luxuries.....	60.00
Farm Cash Operating Expense	
6. Taxes (real and personal), fire insurance, or rent.....	75.00
7. Transportation and car expense	150.00
8. Miscellaneous farm operating expense (salt, feed, minerals, kerosene, grinding feed, twine, poison, threshing, repairs on machinery, etc.).....	125.00
9. Repairs and upkeep, fences and buildings.....	30.00
10. Interest—payment on old debts, new equipment, livestock, or new improvements	130.00
Total	\$1,000.00

Table 2. Incomes Obtained from Different Types of Small Farming Units in Beltrami County (40 Crop Acres Each)

Products for sale	FARM A Badly balanced Fair production	Income	FARM B Poorly balanced Fair production	Income	FARM C Well balanced Fair production	Income	FARM D Well balanced Efficient production	Income
Dairy cows..... (Butterfat).....	2 (family use) No B.F. sales	.....	8 (200 lbs. B.F.) Gross \$60 each	\$480	8 (200 lbs. B.F.) Gross \$60 each	\$480	8 (300 lbs. B.F.) Gross \$90 each	\$720
Stock.....	No sales	.....	Sales	75	Sales	75	Sales	100
Sheep.....	40 ewes \$6 per head	\$240	None	.....	25 ewes \$6 per head	150	25 ewes \$8 per head	200
Poultry..... (Eggs)	No sales No sales	.....	25 hens Poultry and egg sales	25	100 hens Poultry and egg sales	160	100 hens Poultry and egg sales	240
Hogs.....	No sales	.....	No sales	.....	1 sow (litter of 6) Sell 4 at \$15 Use 2; keep 1	60	1 sow (litter of 7) Sell 5 at \$15 Use 2; keep 1	75
Potatoes.....	No sales	.....	2 acres 200 bushels 30c per bushel	60	4 acres 400 bushels 30c per bushel	120	4 acres 500 bushels 40c per bushel	200
Grass seed and other cash crops.....	20 acres \$10 per acre	200	10 acres \$10 per acre	100	5 acres \$10 per acre	50	5 acres \$10 per acre	50
Total Gross Returns.....		\$440		\$740		\$1,095		\$1,585

ing done, we give table 2 showing income from four farms in Beltrami County, two of which failed to make \$1,000 and two that succeeded. These farms are about the usual size, 120 to 160 acres, but have about 40 crop acres per farm.

Table 2, developed from farm records, would indicate that a fairly satisfactory gross income can be had on a small farm with only 40 crop acres, provided a well-balanced farm producing unit is developed and efficiently managed. Farm C, at least, is not too high to aim. Only a very few can or will reach the high standard of farm D. It was necessary for farms C and D to purchase some feed, but even at that their net earnings were much greater than on farms A and B.

It is evident to you of course that \$1,000 gross income cannot be made at general farming on a small farm unless the farm is in good order and is well managed.

Requirements for \$1,000 Income

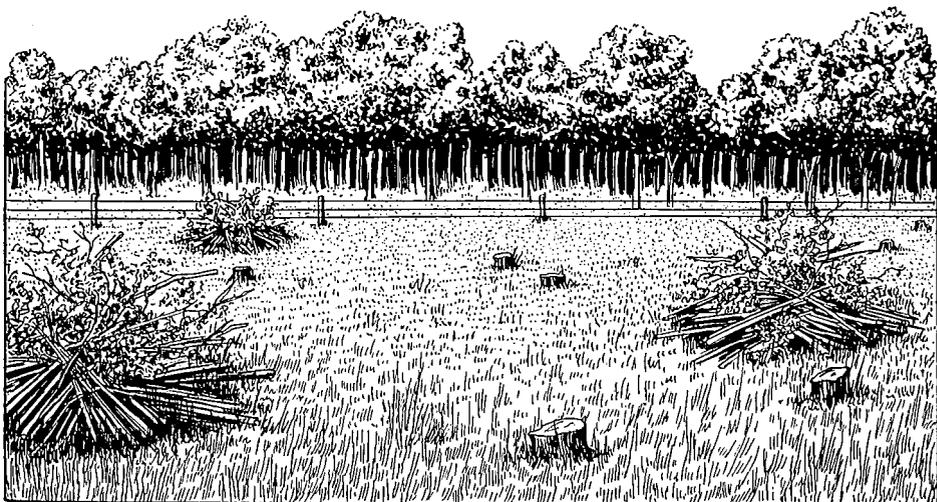
1. There must be 40 acres or more of good crop land in good condition, seeded to productive crops, and well handled throughout the season.

2. There must be plenty of pasture, just brush land will not do. At least 20 acres, preferably more, should be more or less free of brush and trees. Very little grass will grow in brush or under trees, and what does grow is not very good. It takes a few years, some clearing and seeding and pasturing to develop a good pasture.

3. There must be enough livestock to furnish the income secured by farm C in table 2. The setup on farm C is good because dairying and sheep raising are the two most common and promising enterprises for this cutover area.

4. A few acres of wild hay meadow will be an advantage.

5. Farm operations must be well planned and well managed.



How Will You Prepare for \$1,000 Income?

HOW ARE you going to get your farm fixed up and ready to produce the \$1,000 income?

Right here we sincerely hope you are not easily discouraged because for the next few years we expect the going will be tough for you. The better your farm is now, the easier it will be to get it ready. You need the help now of your family council and any other help you may get. Your dream of owning a nice little productive farm is hanging in the balance. But you may be cheered by the fact that many more people in the world are puzzled and are uncertain of the way out. Many have been before you and have worked a way out. We believe you will.

Many Are Willing To Help

Probably some of your good neighbors who have progressed a little further than you have in developing their farms can give you many helpful suggestions. Most of them will be glad to help. Nearly everyone likes to help a neighbor who is sincerely trying to help himself.

Possibly the Extension Service can help. Call on your County Agricultural Agent. He is familiar with conditions in your county. He knows what other farmers are doing and how they are doing it. He may help you to figure the best way ahead. Talk everything over with him; get him to help work out a plan that he and you think will work. A successful farm does not just happen; it is the result of careful planning and action.

If your farm is not good or not well located, your County Agent or your Board of County Commissioners may be able to work out some plan for exchanging your present farm for some better land more suitably located. Land is so cheap now, even good land, that it doesn't seem wise to us to go to the labor and expense of developing land that is not good or not well located.

There are many things besides quality of land that are important to consider. For example, taxes and bonded debt are so high in some school districts and townships that it seems almost hopeless to try to develop a farm in such a place that will have any real value to the owner. All values may be more than covered by the present and prospective tax load.

If there has been a land use study made in your county, we advise you to get in touch with your township land use committee; your County Agent can tell you who they are. They will know whether your farm is well located or not. If not, they and your County Land Use Committee can help you find a better location.

Financial Assistance

If you are to have 40 acres or more of good crop land, suitable buildings, and livestock you may need to borrow some money. Debt is about the easiest thing in the world to get and is often very hard to get rid of. Some borrowing is often necessary and wise; however, we advise extreme moderation

in assuming indebtedness. Your local banker may be willing and able to furnish you the money you will need. The United States Government has two agencies either of which may be able to help by loaning you money. Get in touch with them; they are your local Farm Security Office and Production Credit Association. The F.S.A. supervisor for your county may be able to help you work out a plan for complete financial assistance. He will not make you a loan unless you and he can figure out a way by which your farm can be made to produce enough to pay it back.

We believe you will be wise to plan to make all possible improvements you can with your own labor and resources, such as clearing land and getting out timber for buildings and getting them built. Thus you can keep your borrowing as low as possible.

Cropping System

We think the most important thing in developing a farm is to get at least 40 acres of land cleared and in shape for crops as quickly as possible. You need that much land to produce feeds for the livestock which will form a basis for your farm income. There are many different ways of clearing land.

Some ways are very expensive; others are much cheaper. Clearing land is a problem by itself. It is very much worth-while to look into this carefully and to work out the best and cheapest way to do the job under your particular conditions. Forty acres will furnish you five 8-acre fields. Where you can grow alfalfa well, we recommend that you plan a rotation about like the one below.

This rotation will provide you with a maximum of feed and keep your land in good condition for high production. It takes time and planning to get a farm in shape for such a rotation.

It is not serious to have to buy a little grain for feed. We think the main aim should be to provide a **maximum of good roughage** carefully cured, **alfalfa preferred**. If you can't get this, clover will do. Also provide **plenty of good pasture**. Good pastures furnish the cheapest feed there is.

Livestock and Equipment

We assume that you are going to depend, for the major part of your income, on butterfat, the rest from stock sales, sheep and wool, poultry and poultry products, and probably a few acres of potatoes or other cash crops.

Suggested Five-Year Rotation

Year	Field A	Field B	Field C	Field D	Field E
First.....	Cultivated crops	Grain seeded to alfalfa	Alfalfa	Alfalfa	Alfalfa
Second.....	Grain seeded to alfalfa	Alfalfa	Alfalfa	Alfalfa	Cultivated crops
Third.....	Alfalfa	Alfalfa	Alfalfa	Cultivated crops	Grain seeded to alfalfa
Fourth.....	Alfalfa	Alfalfa	Cultivated crops	Grain seeded to alfalfa	Alfalfa
Fifth.....	Alfalfa	Cultivated crops	Grain seeded to alfalfa	Alfalfa	Alfalfa

If you can get your farm up to the productive capacity suggested without outside financial assistance, but need some additional livestock and equipment, your local Production Credit representative may be able to help you to finance your necessary chattel purchases. Both Production Credit and Farm Security will loan money at low rates and on easy terms. Both will try to work out with you a safe and sane plan of meeting your needs.

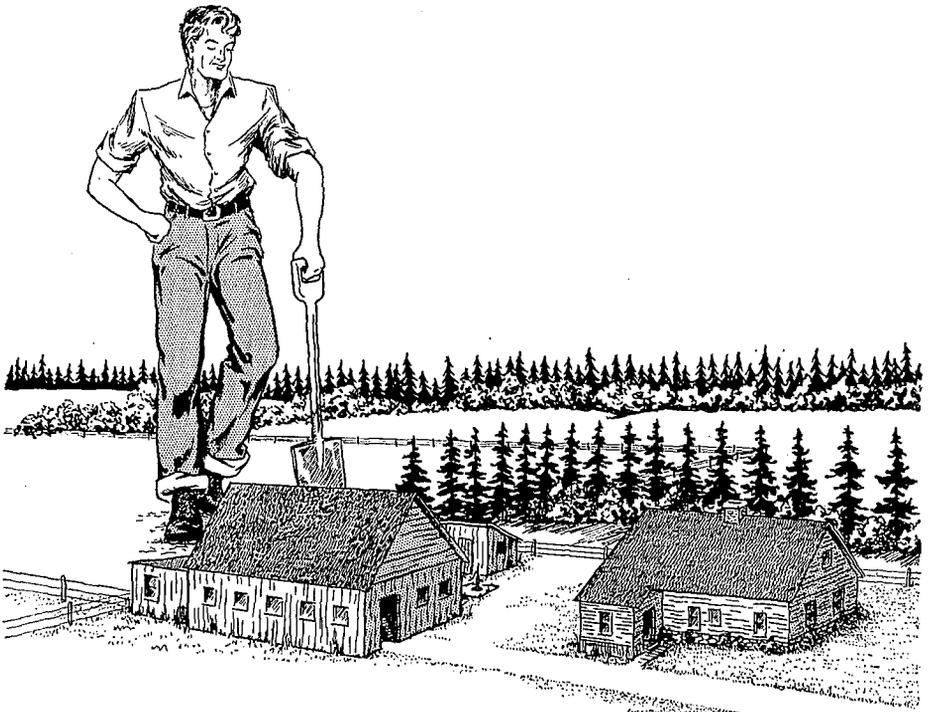
Handling Livestock

It is not enough to have livestock. They must produce for you. There are many little tricks in handling livestock

absolutely essential to success. Know all you can about livestock and its management. Talk with your neighbors, County Agent, and others and plan to beat the average. The average is not good enough.

It Can Be Done

We want to emphasize again, that if you really want to develop and own a commercial farm and are willing to work hard and make some sacrifices, we believe you can do it. It has been done, it is being done, it will be done. However, only the strong and courageous can do it.



Is a \$1,000 Income the Limit?

A \$1,000 farm income is by no means the limit. It is the first necessary goal for progress. Others have gone beyond this. As a basis for future dreams, aims, and accomplishments, we submit table 3, which shows what is being done on three larger farms in cutover area with more crop land.

For a crop rotation for farms mentioned in table 3 we recommend the same as for the 40-acre farms. In this case the fields will be from 15 to 18 acres in size. You will notice a very marked difference in income on these three farms in table 3. The farms are about equal in size and capacity. The

difference is in the way they are handled. Farm A is a poorly balanced farm unit. Sources of income are limited. It is handled with a minimum of labor. Yields are low and, particularly in winter, labor is only partially employed. Farm B is a well-balanced farm unit. There are several sources of income. More labor is required and is well distributed throughout the year. This is a good, well-balanced farm. Farm C is an exceptional case; not only is it a well-balanced farm unit, but it also represents a high degree of efficiency in production. Very few can or will attain this efficiency, but it can be

Table 3. Incomes Received from Larger Farming Units in the Cutover Section of Minnesota (75-90 Crop Acres Each)

Products for sale	FARM A Poorly balanced Fair production (1 man)		FARM B Well balanced Fair production (2 men or 1 man and family help)		FARM C Well balanced Efficient production (2 men or 1 man and family help)	
		Income		Income		Income
Dairy cows.....	2 (family use)		12 (200 lbs. B.F.)	\$720	12 (350 lbs. B.F.)	\$1,260
(Butterfat).....	No B.F. sales		Gross \$60 each		Gross \$105 each	
Stock.....	No sales		Sales	150	Sales	200
Sheep.....	80 ewes	\$480	50 ewes	300	50 ewes	400
	\$6 per head		\$6 per head		\$8 per head	
Poultry.....	50 hens		200 hens	320	200 hens	480
(Eggs)		50	8 doz. eggs each		12 doz. eggs each	
Hogs.....	No sales		2 sows (litters of 5)	105	2 sows (litters of 6)	135
			Sell 7 at \$15		Sell 9 at \$15	
			Use 3; keep 2		Use 3; keep 2	
Potatoes.....	No sales		8 acres	240	8 acres	400
			800 bushels		1,000 bushels	
			30c per bushel		40c per bushel	
Grass seed and other cash crops.....	40 acres \$10 per acre	400	10 acres \$10 per acre	100	10 acres \$10 per acre	100
Total Gross Returns.....		\$930		\$1,935		\$2,975

done. We offer it merely as a suggestion of the possible, to those who are satisfied only with the very best.

Not More, But Better Farms

The problem in the cutover region is not one of getting more people out on small farms, but rather in having better developed and managed farms, more centrally located where people can be more readily serviced with schools, roads, markets, rural electrification, etc.

Records show that 50 per cent of the farms in America produce 90 per cent of all marketable farm products, while the other 50 per cent produce only 10 per cent of marketable products. This, together with the large number of small farm incomes, clearly indicates that we have too many small farms with a small volume of business, incapable of producing a good standard of living due to one or all of the following factors:

1. Lack of crop acres and livestock units to utilize labor available.

2. A poorly-balanced farm producing unit. Or,

3. Low production from inefficient management.

The greatest of these factors on the smaller farm is lack of sufficient crop acres. Crop acreage, not the total acres in the farm, is the basis of farming and farm incomes. Crop acres largely determine the amount of livestock that can be kept. Soil, how it is managed and preserved, must be carefully considered. But in the last analysis you must keep in mind that farm incomes will largely depend on how effectively you master the three main factors affecting farm incomes, namely:

1. Sufficient crop acres and livestock units.

2. Establishing a well-balanced farm producing unit.

3. Efficiency in production and good farm management.

FREE POPULAR BULLETINS

If you want further information on any of the topics discussed in this bulletin, write the Bulletin Office, University Farm, St. Paul or see your local county agent for any of the following extension bulletins:

124—Talking Turkey

141—Sheep on Minnesota Farms

155—Well Planned Farm Business

174—Vegetable Gardening

186—Let's Look Into This Chicken Business

212—Clearing Land With the Bulldozer

218—Feeding the Dairy Herd

226—Home Vegetable Storage

227—Straw Sheds

Folder 84—Getting Alfalfa Stands on Sandy Soils

Folder 100—Home Canning Fruits and Vegetables

A Final Word:

From the above facts it should be clear that many of the smaller farm owners definitely need to do one or all of the following:

1. Get more land under cultivation.
2. Plan a well-balanced farm producing unit with efficient production, or
3. Secure considerable outside employment.

The question of importance to you is: What can and will you do about your own individual case?

Sincerely,

M. B. Taylor

A. D. Wilson



NOT MORE, BUT BETTER FARMS

UNIVERSITY FARM, ST. PAUL, MINNESOTA

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