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PROCEEDINGS

of the

WESTERN FARM ECONOMICS ASSOCIATION

Ninth Annual Meeting

July 30, 31 and Aug. 1, 1936

UNIVERSITY OF WYOMING

Laramie, Wyoming

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AGRICULTURAL ADJUSTMENT AND LIVESTOCK
PRODUCTION IN THE NORTHERN GREAT PLAINS REGION

by

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A paper presented at the Western Farm Economics Association
Meeting held at Laramie, Wyoming, July 30
and 31, and August 1, 1936.

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The events of the past fifteen years have raised some serious doubts as to the permanency and stability of great many areas of the Northern Great Plains Region as to the permanency and stability, not only as to cash crop production, but also as to the stability of range livestock production under present organization and types of existing operating units and systems of land tenure, use, and management.

In considering the past and prospective changes of agricultural production in this region we wish to consider the following specific points:

1. To what extent can the stability of existing range livestock operating units be materially improved by:
 - a. Changes in the internal organization and management of livestock ranch operating units,
 - b. Changes in the present systems of land tenure and control, and other institutional arrangements under which stock ranches operate but over which they do not exercise any direct or immediate control from the individual management standpoint.
2. To what extent do adjustments in internal adjustments of farm organizations and major shifts and land use interrelate and merge in certain of the marginal farming areas where present cash crop production is of a very speculative nature and probably cannot be sustained on the basis of present communities of family farms and farm homes.
 - a. Through the possible shifts to the production of feed crops and livestock,
 - b. Through the possible shifts in the use of grazing lands now used by ranch operators to their use by present cash crop farmer operators,
 - c. Through possible artificial restoration of abandoned crop land to pasture uses.
3. To what extent can these adjustments as far as their desirability can be foreseen be expedited by:

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- a. Extension program in farm management and range management,
- b. Temporary subsidies to facilitate shifts in type of crops produced and practices of farm operation for the purpose of soil conservation and other adjustment objectives,
- c. By the work of public administrative agencies engaged in altering the ownership control and method of use of grazing lands,
- d. Changes in taxation, county and local government organizations, and other legislative measures.

In considering the first of these points relative to internal adjustments of the management characteristics in ranch operating units, we can make the observation that a systematic plan of range management is possible with an operating unit only when the operator has control either through ownership or long term lease of all or nearly all of the range lands in use. The results of recent experimental work in the management of short grass ranges show rather clearly the economy of limited grazing and other management practices even to the extent that, within rather definite limits, it would be possible to produce a higher poundage of meat, and probably better quality, with fewer animals than are now on some of the range lands of this region. This might seem to indicate that about all that is needed in adjustments as far as range livestock production is concerned would be a vigorous extension campaign in range livestock management. It appears to be a fair guess, however, that many operators have already been aware of the fact illustrated by this experiment in range and livestock management and have no doubt a reasonably good concept of its application to their own operations. Two factors primarily have worked against their instituting such changes in their management practices. One of these has been the speculative incentive of being as fully stocked as possible in anticipation of an exceptional year or years when and if they do come. The other is the fact that a relatively small percentage of the range livestock operators in this region have any effective control over more than fifty per cent of the range land which they use. The competitive use of the uncontrolled and poorly controlled range has probably resulted not so much in actual over-stocking in terms of number of livestock so much as reduced carrying capacity of range through too early a seasonal use.

For example, the Mizpah Grazing District in southeastern Montana, in operation since 1927, required a reduction in the severe drouth year of 1934 of only about twenty-five per cent of livestock numbers and this primarily due to winter feed shortage. On the open range lands to the west of this district of similar character, and proposed for inclusion in the Mizpah District but not included, the livestock operators using this land had to reduce their numbers by about seventy-five per cent. Another obstacle in the way of the development of range management practices, such as deferred and rotation grazing, limited grazing, and artificial restoration by various means through the initiative of individual operators, has been that the initial cost of such changes are likely to be prohibitive at their inception and require reductions in livestock numbers.

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The question might be raised why such practices, if desirable, have not started by individual initiative. In the past in many cases where operators had complete ownership or adequate lease arrangements such practices have, of course, been developed over a series of years. However, the traditional psychology of range stockmen, carried over from the experience of the past days of open range operation, has been to look upon range livestock production as a process of harvesting nature's grass crop rather than the development of cultural practice to improve upon or assist natural feed production. It appears fair to say that the experience of the past few years will probably do a great deal to change this psychology. Recent survey records of a large number of ranches in eastern Montana show that practically none of the ranches are now carrying out a systematic plan of range management for the purpose of attempting to stabilize the carrying capacity of their range over a series of years. Various statistical sources indicate that there has been a sharp upward trend in the production of winter feed crops by livestock ranch operators in the northern plains region. Probably this has been partly due to an attempt to make up for a deficiency in winter feed production, but probably also it has been partly due to a declining range resource and an attempt to off-set it by production of more winter feed.

Ranch organization studies rather generally indicate that it would be a good deal more economical to shift this cost toward cultural practices relating to range and pasture lands rather than feed crop lands. It appears fair to say that the present situation of instability is, however, due in a large measure to factors beyond the control of individual range livestock producers. The inflation of land value and land charges due to the infiltration of farming and the development of farm communities and the related public overhead has worked against the ownership of their range land by livestock ranch operators. The inevitable result has been a land tenure situation unfavorable to the necessary management practice in ranch units. The remaining unappropriated and unreserved Public Domain of this region is but a small fraction of the other grazing and abandoned farm lands, that are either opened and uncontrolled as to grazing use or else are used on a basis of sporadic and uncertain lease tenure not conducive to anything but exploitation use.

In the consideration of the probable effects upon livestock production of adjustments in areas where cash crop production is of a marginal character because of soil problems, isolation, and other factors, the adjustments indicated would appear to be a combination of changes in the type of operating units and in the major use of agricultural resources. A combination of the production of cash and feed crops, the development of larger operating units, and artificial restoration of abandoned crop lands to pasture appears to be the most likely course of adjustment. This is probably going to mean that measured in terms of their income possibilities a majority of the farm units in such areas will remain small for some time to come.

The resettlement and other re-location possibilities for the large numbers of such present farm units appears to be rather limited. As these areas make their adjustment towards a different type of farm set-up and a different type of land use, they are probably going to look for various means which would otherwise be idle family labor time. The finishing or partial finishing of feeder livestock for market as an outlet for such labor time is

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possible alternative. This means that the operation will be in the nature of livestock farms rather than livestock ranches. In some areas farms of this type will be able to effect a tie-up with adjacent range through cooperative community control by means of the present and future legal and administrative measures such as grazing districts. This means to some extent a displacement of range livestock uses but where such range land has been open and uncontrolled it probably also means a higher productivity of such range lands.

There is much talk now among land use planners about the reversion of range areas of abandoned and prospective abandoned farming areas to grazing. The reversion, however, appears to be rather doubtful about this. In view of the present limited alternatives for the present farm families located in such areas to move away, will not many such operators be forced to work out such adjustment as they can in their present location? Will it involve a lower social cost to make some public investment in such adjustments by subsidizing the artificial restoration of grazing lands as a conservation objective. This is a rather costly procedure in which present farm operators will not make a considerable investment of their own any time soon.

The question might be raised as to whether we wish to subsidize the building up of our agricultural resources as a conservation or other adjustment measure in view of our potential productive capacity already being ample. If, however, we are to accept even a part of the present gospel of soil conservation we may need all of such artificially created resources not many years hence.

In considering the third point which we first outlined for analysis as to various means and measures of expediting adjustments, the work of research and extension in farm organization and management and in range management appear to be quite limited at present. There are too many factors now under the control of the individual operator and upon which the application of extension work in production economics must wait the other adjustments in order to be effective. The present pattern of land tenure, the present land charges, present taxation, and public service overhead do not fit the necessary goal of extension use of lands in many areas. The adjustments which farm and ranch units will eventually make in their organization set-up and management practices can, it would appear, be greatly facilitated through the operation of the present Agricultural Adjustment Administration Soil Conservation Act if it is made more flexible as to allowable crop shifts and management practices as between different farm and ranch operating units and as between different geographic areas. When this measure begins operating on the basis of differential adjustments in the marginal farming areas as compared with the better areas it is coming very close to working on a combined objective of improving farm organization and improving major land use, both under the avowed purpose of conservation of natural resource.

There still remains, however, in the matter of adjustments in this region relating to livestock production, the situation of adjustments in range land tenure and control of range lands which are now uncontrolled and the range lands which have a shifting and uncertain tenure situation. Associated with this is the adjustment objective as to whether it is economically and

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ally more desirable to associate such land with stabilized stock ranches with communities of stock farms which are attempting to stabilize and make adjustments where they now are.

There is also involved the question of adjustment in taxation and the overhead costs of local government and public services. The local grazing district is a new type of institution now in process of evolution, the purpose of which is to achieve largely through democratic procedure the planning of cooperative use and sharing the permits on a grazing area which represents a community of interests. This is done on the basis of rather definite defined rules and procedure for adjustments. There appear to be several alternatives in adjusting the present uneconomic land tenure and control situation. One of these is for the local cooperative associations to attempt to lease all of the open lands within the boundaries of a certain area under a long time lease contract; another is the consolidation of such lands in public ownership through tax sale or public purchase; still another is the organization of lease block associations by land owners; another is the exchange of lands by various institutional or public land owners. It might be mentioned in this connection that the Division of Grazing Control which exercises control over the remaining Public Domain of Montana has recently seen the necessity for fitting the administration of the remaining scattered Public Domain lands of Montana into the local state grazing association district which operates under the jurisdiction of the state administrative agency. What adjustment may eventually be necessary in that part of the land costs now represented by real property taxes and what effect this may have upon local government and service organizations is tied up with policies as to use of state school and other such funds as subventions, but it is quite clear in some areas this type of adjustment is the key factor in the situation. It is possible to find individual ranch operations where the land charges in taxes alone is beyond what budgetary analysis indicates is beyond the maximum limit for the total land charges, including an interesting return of any kind to capital values in land.

It appears to be a fair guess that the agricultural adjustments of this region can be greatly expedited and the individual and social costs lessened by various public measures and administratively assisted collective action. It also appears to be fair to say that such adjustments must be combined with continued extension activities in production economics and in farm and range management, with the latter eventually becoming an increasingly important factor in the future.