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FARM BUSINESS NOTES

Prepared by the Divisions of Agricultural Economics and Agricultural Extension
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NO. 207

UNIVERSITY FARM, ST. PAUL

MARCH 1940

Democracy in Land Use Planning in Minnesota

H. P. HANSON

Problems of land utilization in the general farming areas of Minnesota and in the cut-over sections of the state are strikingly different. Recommendations for better land use not only for the immediate but also for the more distant future must vary greatly in the two areas. There is, however, one common feature in the current consideration of the general problem. In both areas, studies of land use problems and suggestions for their solution are being made by local people with the cooperation of the Agricultural Extension Service, the Bureau of Agricultural Economics, and representatives of various other federal and state agencies directly concerned with such problems. Previous studies of this nature have been made, mainly by professional workers, often with little knowledge on the part of local people that such surveys were under way. Occasionally local individuals were asked to tell the results of their experiences with regard to particular practices or were invited to offer more general suggestions for better land use, but no program with widespread participation by local people was common.

Within the past few months, comprehensive land use studies have been launched in several Minnesota counties based on the active participation of local groups. The writer is most familiar with the program in southern and western Minnesota and will confine his statements to the work being carried on in those areas.

In 1936 Dr. George A. Pond of the Division of Agricultural Economics, together with representatives from the Agricultural Extension Service aided in starting an activity that, in the future, may be regarded as the forerunner of organized cooperative land use planning efforts in Minnesota. Under this plan county committees composed of 25 or 30 members were selected in a majority of counties in the state to consider current cropping practices and to make recommendations for such changes as would best tend to maintain soil fertility, promote soil conservation and, in general, represent good soil and farm management practices. This project was unique in the respect that it was set up on the basis of combining through

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open discussions and committee action the factual data and technical knowledge of professional workers with the experiences and observations of local farmers. Conclusions of several of these committees have been published in pamphlet form and have had wide distribution. Some county agents report that recommendations have been extensively used and that many farm-

ers have profited by the local committee's suggestions.

The land use planning studies now under way or contemplated in southern and western Minnesota are, in large measure, a continuation and extension of this pioneer work. Some organizational changes are being made and the scope of the studies broadened, but the fundamental feature of cooperative planning by local groups and technical specialists remains intact. Washington and Winona are the counties in which the most comprehensive studies are currently being undertaken in the southern half of the state, and in which there has been general participation by comparatively large numbers of local people. In both of these counties township committees consisting of 5 to 12 members were selected to make a thorough study of past and present land use in their respective communities, to analyze the problems connected therewith, and to suggest such solutions as appeared most appropriate to them. While Washington county has used township committees composed entirely of men, both sexes in approximately equal numbers have been represented on the committees in Winona county. In both counties, members have been selected who have a genuine interest in the land use problems of their communities. An unknown but fairly high proportion of committee members have a lifelong knowledge of their community and in several instances are operating farms that have been in their families for two or more generations. Owner-operators and renters are represented on nearly all committees although no attempt was made in either county to have the proportion of each group on the committees correspond precisely to the percentages actually on the farms in the respective townships.

The county committees have not been completely organized, but they will consist of one representative from

each of the township committees and one from each of the federal and state agencies operating within the county which are directly concerned with the use of land. They include the Agricultural Adjustment Administration, Farm Security Administration, Soil Conservation Service, Bureau of Agricultural Economics, the Minnesota Agricultural Extension Service, and may include other agencies not yet specified. These county committees will have the job of formulating recommendations for the best type of land use for the entire county, basing their suggestions on the material coming from the township committees, reinforced by whatever additional information they may be able to secure either through their own efforts or from the cooperating agencies.

When the township committees started their work, they had in their possession considerable factual data pertaining to past and present use of land in the township and the county. It included such material as maps of the area, aerial photographs supplied by the AAA, statistical data relating to crop and livestock trends, farm size, farm credit data including foreclosures, population trends, tax delinquency, information relating to roads and schools, a limited amount on the relief situation, and other less important factors.

The local interest that is being taken in these studies may be indicated by the attendance of local people at the township committee meetings. Up to the present time there have been held in the two counties nearly 125 meetings, with an average attendance of approximately 7 members, representing practically 80 per cent of the full membership. Most meetings have been held during the afternoon or evening and on the average have lasted three full hours. Representatives of the interested governmental agencies have also attended several of the sessions, have taken part in the discussions, and have furnished considerable information with respect to their activities and the ways in which their agencies may be of assistance in a solution of the problems that loom up in the counties.

No reports of either township or county committees have been made as yet, but there has been much consistency in the suggestions brought out in the township committee discussions and a general recognition in both counties that soil erosion control and the maintenance of soil fertility are basic needs to insure a permanent type of agriculture. The committees have made specific suggestions for the control of erosion and maintaining soil fertility through the employment of better cropping systems, the use of limestone in many sections, phosphates and other fertilizers where the need exists, and the use of supporting conservational practices where they are necessary. They have also been quick to point out that if their suggestions are universally followed, they will unquestionably lead to changes in the livestock organization on many farms, accompanied by some modification of feeding practices.

Space does not permit a detailed report of the topics that have been discussed by the local committees, and a mere mention of some that have appealed to them as most important must suffice. They include a thorough consideration of tenancy and farm credit as they relate to land use problems, some consideration of taxes, road, and

school costs, the relief situation in the community, and the part that federal action may play in the development of a permanent type of agriculture. The committees have recognized that some factors which eventually may have a vital bearing upon land use, including foreign trade, monetary policy, prices, and others of a similar nature are not within their immediate reach. They have, therefore, tried to concentrate their efforts on the problems over which they can exercise some local control, either as individuals or by group action, unaided or with the assistance of either state or federal agencies.

Farm Real Estate Taxes in Minnesota

R. W. Cox

Taxes levied on Minnesota farm real estate increased from an average of 26 cents per acre in 1910 to 86 cents in 1921, an increase of more than 200 per cent in 11 years. During the period, 1922-1930, the tax per acre varied considerably, but it continued to remain at a comparatively high level. Subsequent to 1930, the levy declined reaching a low point of 60 cents per acre in 1934 and then increased during the succeeding four years. The tax levy in 1938 payable in 1939 averaged 69 cents per acre.

Table 1. Farm Real Estate Taxes Per Acre and Per \$100 of Value, Minnesota, 1910-1938

Year of Levy	Amount of Taxes		Year of Levy	Amount of Taxes	
	Per acre	Per \$100 of value		Per acre	Per \$100 of value
	cents	cents		cents	cents
1910.....	26	58	1925.....	85	107
1911.....	29	61	1926.....	81	104
1912.....	31	63	1927.....	89	121
1913.....	37	71	1928.....	86	120
1914.....	46	84	1929.....	90	127
1915.....	46	84	1930.....	88	128
1916.....	49	84	1931.....	83	139
1917.....	50	70	1932.....	66	132
1918.....	51	65	1933.....	66	165
1919.....	70	82	1934.....	60	143
1920.....	83	76	1935.....	64	152
1921.....	86	79	1936.....	66	159
1922.....	79	83	1937.....	67	163
1923.....	91	102	1938.....	69	168
1924.....	81	94			

The amount and trend of taxes per acre by themselves do not indicate adequately the changes over a period of time in the burden of farm taxes. Although taxes per acre declined from 90 cents in 1929 to 66 cents in 1932 and 1933, a decrease of 26 per cent, the burden was much greater in the latter two years because of the significant changes in farm real estate values and in farm prices and cash income. The index of farm real estate acre value had declined 43 per cent, a change which was almost twice that of the tax levy per acre. In consequence, the increase in the amount of taxes per \$100 of real estate value increased from 127 cents in 1929 to 165 in 1933. During the same period, farm income declined drastically, the cash income per acre of farm land dropping from \$12.50 in 1929 to \$4.90 and \$5.80, respectively, in 1932 and 1933.

The situation in 1934 was slightly better than in 1932 and 1933, inasmuch as the tax per acre had declined to 60 cents, and the cash income had increased to \$6.70 per acre. During the following four years an increase of taxes per acre accompanied by a more or less stable acre value of real estate accounted for the increase in the amount of taxes per \$100 of value although this unfavorable tendency was more than offset by the increased cash farm income.

Increased tax delinquency on farm real estate is another indication of the unfavorable relationship between taxes and income. The cumulative delinquent taxes on farm real estate which approximated 5.6 million dollars on January 1, 1929 had increased to 19.2 million on January 1, 1936. The 1930 tax levy payable in 1931 was delinquent to the extent of 11 per cent of the levy. The corresponding figures for the 1931, 1932, and 1933 levies were 18, 21, and 23 per cent, respectively. The decrease in the cumulative delinquency to about 10.7 million on January 1, 1939 was due not only to some payment of back taxes which accompanied the increase in cash farm income, but also to a certain amount of cancellations and the acquisition of tax delinquent farm land by the state. Delinquency is not distributed uniformly over the state, but tends to be concentrated in the less important agricultural regions, particularly in the cut-over areas.

Change in Size of Minnesota Farms Since Purchase of a Tractor

T. R. NODLAND

The results of a recent survey,¹ conducted by the University of Minnesota and the United States Department of Agriculture covering 581 farms and 708 tractors, shows that most farmers have increased the size of their farms after purchasing a tractor. During the period 1924 to 1937 the amount of the increase on the farms studied varied from an average of 12 acres per farm in southwestern Minnesota to 90 acres per farm in the Red River Valley (table 1). The average size of all farms, tractor and non-tractor, in the areas studied remained the same except in the Red River Valley where all farms increased approximately 8 per cent in size during this period.

Ordinarily a farmer will have a surplus of power available after purchasing a tractor. One way of utilizing this excess power is to add more land. In most of the areas

Table 1. Average Size of Farms Using Tractors, 1924-1937

Area	1924-28	1929-33	1934-37
	acres	acres	acres
Southeastern Minnesota	217	222	231
South central Minnesota	202	206	218
Southwestern Minnesota	312	316	324
West central Minnesota	281	292	311
Northwestern Minnesota	411	453	501

¹ Assistance in the preparation of this material was furnished by the personnel of the Work Projects Administration, Official Project No. 65-1-71-140, Sub-project 461.

studied it is difficult for a farmer to secure additional land adjacent to the home farm. Another indication, then, of change in size of farms can be secured from the change in number of non-contiguous units operated. About one third of the farms studied had one or more such units in 1938. This was an increase of 50 per cent over the number operated before the purchase of a tractor. Of the farms having non-contiguous units, 18 per cent had two and 8 per cent had three or more. In general, more of the farms in the Red River valley had non-adjointing units, and they also had more non-adjointing units per farm.

With the purchase of the tractor, a farmer is able to travel a considerable distance in order to operate more land. In this study the average distance from the home farm to the non-contiguous units was 1.8 miles. This varied from 1.3 miles in south central and west central Minnesota to 3.0 miles in the Red River valley. Very few of the farmers set up temporary headquarters on non-contiguous units. With the aid of a car or truck, it is possible to return to the home farm each evening. Other factors, such as the increased use of rubber tires and high speed general purpose tractors, make it possible to operate land some distance away from the home farm. The results of this survey show that in 1938 approximately 30 per cent of the tractors were equipped with rubber tires. A large proportion of the tractors were of the high speed general purpose type, that is, they were adapted for use with row crops. The latter varied from 55 per cent in southeastern Minnesota and in the Red River Valley to 85 per cent in southwestern and west central Minnesota. These tractors make good time going to and from the non-contiguous units, and they can be used for all of the work requiring drawbar horsepower.

About 20 per cent of the farmers interviewed in this study indicated that they were considering adding more land to their farming units. Consequently it can be expected that the trend toward the operation of larger farming units will continue in the future.

Twelve institutional landlords were recently asked whether they or their tenants paid for electric wiring, appliances, and current. This question is especially timely because of the recent inauguration of the REA and the increased use of electricity on farms.

The landlords generally replied that they considered the wiring and non-detachable electric fixtures as part of the real estate and should be paid for by the landlords. Most of them, moreover, regarded the cost of wiring as an investment that would bring them better tenants or a higher sales value. When leasing their farms, however, these landlords carefully considered the tenant's ability to pay for the current before installing electricity.

Although the tenant usually pays for the current, this expense is shared when the landlord shares the livestock receipts. One of the landlords, who rented his farm under the 50-50 livestock share lease, furnished the electric motor and the tenant the milking machine.—J. B. McNulty.

Minnesota Farm Prices for Feb., 1940

Prepared by W. C. WAITE and W. B. GARVER

The index number of Minnesota farm prices for the month of February, 1940 was 69. When the average of farm prices of the three Februarys, 1924-25-26, is represented by 100, the indexes for February of each year from 1924 to date are as follows:

1924—88	1928—101	1932—46	1936—87
1925—100	1929—106	1933—36	1937—101
1926—115	1930—102	1934—54	1938—77
1927—113	1931—69	1935—86	1939—70*
			1940—69*

* Preliminary.

The price index of 69 for the past month is the net result of increases and decreases in the prices of farm products in February, 1940, over the average of February, 1924-25-26, weighted according to their relative importance.

Average Farm Prices Used in Computing the Minnesota Farm Price Index, February 15, 1940, with Comparisons*

	Feb. 15, 1940	Jan. 15, 1940	Feb. 15, 1939		Feb. 15, 1940	Jan. 15, 1940	Feb. 15, 1939
Wheat	\$0.86	\$0.86	\$0.59	Cattle	\$6.60	\$7.10	\$6.80
Corn .....	.43	.43	.35	Calves	8.60	8.70	8.90
Oats .....	.33	.31	.21	Lambs-sheep	7.52	7.52	7.36
Barley .....	.43	.44	.35	Chickens .....	.09	.09	.11
Rye .....	.53	.55	.32	Eggs .....	.17	.17	.14
Flax	1.90	1.97	1.65	Butterfat .....	.32	.32	.27
Potatoes .....	.50	.50	.50	Hay	4.58	4.79	4.60
Hogs	4.80	5.00	7.30	Milk	1.60	1.65	1.45

* These are the average prices for Minnesota as reported by the United States Department of Agriculture.

With wheat and corn prices unchanged from the averages of the previous month, the prices of other crops showed a rise of 2 cents for oats, a decline of 1 cent for barley, of 2 cents for rye, and of 7 cents for flax. Potatoes were unchanged at 50 cents. The changes for all the grain crops, except for oats, however, may be said to show weakening because they either declined more or failed to rise as much as the normal seasonal movement.

Hogs, cattle, and veal all declined substantially instead of showing the usual seasonal rise from January to February. Butterfat, on the other hand, remained at 32 cents as against the usual seasonal decline, while milk declined seasonally.

Indexes and Ratios of Minnesota Agriculture*

	Feb. 1940	Jan. 1940	Feb. 1939	Average Feb. 1924-26
U. S. farm price index.....	71.1	69.7	64.8	100
Minnesota farm price index.....	68.6	68.8	69.7	100
U. S. purchasing power of farm products	91.0	86.3	84.3	100
Minn. purchasing power of farm products	87.7	85.2	90.7	100
Minn. farmer's share of consumer's food dollar		42.7	43.0	53.7
U. S. hog-corn ratio.....	9.1	9.7	16.4	11.4
Minnesota hog-corn ratio.....	11.2	11.6	20.9	13.7
Minnesota egg-grain ratio.....	15.4	13.1	17.4	18.3
Minnesota butterfat-grain ratio.....	34.3	35.3	40.5	36.4

* Explanation of the computation of these data may be had upon request.

Annual Livestock Inventory

United States expansion in livestock numbers which began in 1938 continued at an increasing rate through 1939, the United States Department of Agriculture, Agricultural Marketing Service, revealed in its annual report on Livestock Inventories as of January 1. The greatest increase occurred in hogs where the number on farms January 1, 1940 was estimated at 58,312,000 head, an increase of more than 18 per cent over a year ago. Ample supplies of feed grains during late 1938 and 1939 resulted in greatly increased spring and fall-pig crops in 1939. The increase was especially marked in the North Central states, of which Minnesota is one.

The favorable feed situation in 1939 also gave stimulus to expansion of cattle numbers by 3 per cent over the January 1, 1939 figure. The 1940 total for the United States was 68,769,000 head, an increase of 1,980,000. Of this increase only 524,000 head were added to milk cow numbers, an increase of 1½ per cent, while 1,456,000, or 4½ per cent, were added to beef cattle numbers. For cattle kept for milk, the greatest rate of increase was in 1-2 year old heifers, which increased 6 per cent in numbers. The increase in cows and heifers 2 years old and over was less than 1 per cent. Number of heifer calves declined slightly from the previous year. Of the increase in cattle kept mainly for beef, the increase in 1-2 year old heifers was 7 per cent, the increase in 2-year olds and over was 6 per cent, while calves, steers, and bulls increased somewhat less.

Sheep showed an increase of slightly over 1 per cent for the year, with the estimated totals for January 1, 1940 at 54,473,000 head. The greatest relative increase was in sheep on feed, which increased 3 per cent. Stock-lamb numbers were less than a year ago, while ewes and rams over one year old increased somewhat, and wethers declined somewhat.

The number of horses on farms (including colts) declined 2 per cent to 10,616,000 head during 1939. Colts under one year totaled less than a year ago, indicating a decline last year under 1938 in the number of colts foaled.

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UNIVERSITY FARM, ST. PAUL, MINNESOTA

Cooperative Extension Work in Agriculture and Home Economics, University of Minnesota, Agricultural Extension Division and United States Department of Agriculture Cooperating, P. E. Miller, Director. Published in furtherance of Agricultural Extension Acts of May 8 and June 30, 1914.