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FARMER REACTION TO CORN ALLOTMENT AND OTHER FARM PROGRAMS

by

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INDEX

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INTRODUCTION

The 1954 price support program is the first since 1950 to call for acreage allotments for corn. Under this program, farmers in commercial corn-growing areas were required to plant within their corn acreage allotment in order to be eligible for the 1954 price support for corn. The total 1954 acreage allotments in the commercial corn-growing area were 17.6 per cent below the total acres of corn in 1953.

The purpose of this study was to learn farmers' reactions to the 1954 corn allotment program in the principal corn-growing area in the State. It was designed to bring out the factors that determine or condition participation in the program. This information should be useful to other farmers in formulating a decision as to participation in such a program as well as to those who plan and administer it. Some effort was made to get the farmers' general thinking on government programs for agriculture.

Information in this report was obtained from responses to a questionnaire sent to all members of the Southeastern and Southwestern Farm Management Associations 1/ the last week in June. Usable replies were received from 291 farmers. The questionnaire supplied information on size of farm, acres of tillable land, and acres of corn raised in 1953 and 1954, and the corn allotment in 1954. Each respondent indicated whether he was complying with the program, and gave the reason for his participation or non-participation. He supplied considerable additional information on crops substituted for corn, use of fertilizer on corn, and effect of the corn allotment program on his livestock program.

Members of these farm management associations keep complete financial and production records in cooperation with the Institute of Agriculture of the University of Minnesota and the United States Department of Agriculture. In general, they are operators of more than average ability and the farms they operate are larger and more productive than the average farm in the area. The average size of farm was 248 acres, as compared with 183 for all farms in the same counties, weighted according to the number of replies received from each county. The proportion of total farm land in corn was about 9 per cent greater than for the area as a whole and the yield per acre of corn was 16 per cent above county averages. These farms were more heavily stocked than were the counties as a whole, and more of the crops raised were marketed through livestock. Only 18 per cent of the cash receipts on these farms was from the sale of crops as compared with 27 per cent for the counties as a whole. Sales

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1/ The Southeast Minnesota Farm Management Association includes 180 farmers in the following counties: Dakota, Dodge, Freeborn, Goodhue, LeSueur, Mower, Nicollet, Olmsted, Rice, Scott, Steele, Wabasha, Waseca, and Winona. The Southwest Minnesota Farm Management Association includes 173 farmers in Cottonwood, Faribault, Jackson, Martin, Murray, Nobles, Redwood, Rock, and Watonwan Counties.

of farm products averaged $6,339 per 100 acres for farm management association farms in 1949 as compared with $4,241 for all farms in these same counties. Operators of these farms were somewhat younger than all farmers in the area, 42.4 years as compared with 45.9 years. Thirty-seven per cent of them were tenants as compared with 35 per cent for all farmers in the same counties.

The authors have not assumed that the replies received are necessarily representative of the thinking of all farmers in the counties covered. They do believe that a random sample of all farmers would probably bring out few if any reactions or opinions not expressed in these replies. These farms differ widely in type, size and productivity and the operators vary widely in respect to age, education, experience, managerial ability, capital resources, and judgment. As the data used may not represent a normal distribution of these factors, they are offered as case studies rather than as a weighted picture of farmer reaction to the corn allotment program in southern Minnesota.

Some evidence of how these farms vary in size, organization, production, and efficiency of operation is indicated in table 1.

Table 1. Range in Size, Organization, Productivity, Efficiency and Earnings of Farms Included in the Southeastern and Southwestern Farm Management Association 1/

	S.E. Farm Mgt. Ass'n.		S.W. Farm Mgt. Ass'n.	
	Average	Range	Average	Range
Size - Acres	226	80 - 790	283	110 - 1100
Productive man work units	440	181 - 769	397	112 - 1020
Organization - Index of crop selection	65.7	32.5 - 87.3	64.8	41.8 - 100.0
Animal units per 100 acres	30.7	1.6 - 116.1	31.3	1.2 - 111.3
Production - Crop index	100	42 - 164	100	31 - 148
Butterfat per cow	309	156 - 495	286	177 - 419
Eggs per hen	194	69 - 293	186	88 - 277
Efficiency - Use of labor*	244	113 - 459	234	112 - 507
Use of feed**	100	0 - 161	100	0 - 221
Use of capital***	$9.70	$3.82 - 27.74	$11.66	$3.78 - $29.76
Earnings - Operators Earnings	$3594	-$5385 to 13208	$ 4274	-$14331 to 19805

1/ Data from Reports 214 and 215, Department of Agricultural Economics, Institute of Agriculture, University of Minnesota.
* Productive man work units per worker
** Return per $100 feed to productive livestock
***Power, machinery, equipment and building expense per work unit.

PART I

RESPONSE TO AND APPRAISAL OF THE 1954 CORN ALLOTMENT PROGRAM

Majority of Respondents not Complying

Only a little more than a third of the farmers who responded to the questionnaire were complying with the program in 1954. Forty-eight per cent of the farmers in southwestern Minnesota who replied complied with the programs, as compared with only 28 per cent of those replying from the southeastern counties. Farms in southwestern Minnesota are larger than those in the southeastern part of the State, 272 acres as compared with 227, and a larger proportion of the land is in corn, 45 per cent as compared with 34 per cent. The smaller farms were in general more heavily stocked and had a smaller proportion of land in corn. They needed the corn they raised for feed. Cash sales of corn were a more important source of income in the southwestern group--11 per cent of the total income from sales of farm products compared with 6.5 per cent in the southeastern area.

Reasons for Compliance

Reasons given for compliance by those farmers who planted within their allotments are shown in table 2. Nearly two-thirds of those who participated in the program indicated that they hoped thereby "to insure a good price for my corn," as one man expressed it. They thought the output from a smaller acreage of corn would sell at a sufficiently higher price to bring in as much or more income. A southwestern Minnesota farmer who raises some corn for sale said, "As a cash crop, the support price for allotted acres may be equal to the cash market price on quite a few more acres." His answer may have been conditioned, at least partly, by the expectation of getting a higher yield on his 55 acres as well as a higher price. This idea of a higher yield on the reduced acreage is brought out by a general livestock and crop farmer in south central Minnesota. He said, "My reasons for complying are that we may need a support program badly in the future if we have a good crop. Then (we) will be able to get a loan on the surplus, and by using more fertilizer and taking better (care) of the corn we probably could raise as much corn."

Table 2. Reasons Given for Complying with the Corn Acreage Control Program and Number of Farmers Reporting Each 1/

	Southeast Minnesota	Southwest Minnesota	Total
Number of farmers complying	44	65	109
1. In order to insure a good price for surplus corn.	27	38	65
2. Wish to cooperate with program.	11	18	29
3. Allotment acreage fitted in with crop program for this year.	11	15	26
4. Believe it may be more profitable to seal own corn and purchase "free corn" for feeding.	5	16	21
5. To allow landlord to get price support for his share of crop.	-	8	8
6. Other	4	2	6

1/ A number of the farmers listed more than one reason why they were complying with the program.

Frequently mentioned as a reason for compliance was the desire to cooperate in any program designed to help farmers. A little more than a fourth of those complying gave this reason. A general livestock farmer in southeastern Minnesota said, ". . . I believe it is our patriotic duty (to cooperate) if possible . . ." "Cooperation" says a member of the Southwest Association "is the only means of trying to make the present program work." A cash-crop farmer, in his statement as to why he wished to cooperate, wrote, "To guarantee top price for my corn (I have no livestock). Second, I wish to cooperate in the National farm program, if it is economically possible and it fits my farm to good long-range farm management."

Nearly a fourth of those farmers who were complying indicated that a major reason was the fact that compliance happened to fit their crop program for 1954. Typical of this group is this statement from a dairy farmer in southeastern Minnesota, "It was convenient this year as far as our rotation was concerned." A number of those who complied for this reason indicated that they did not expect to comply in 1955 if the present program were continued.

About one in five of the farmers complying thought they might be able to buy grain for feeding requirements on the cash market well below the loan price. The reply of an operator of a small dairy-hog farm in southeastern Minnesota is typical of this group, "I though perhaps with the large carryover of corn that with a good crop this year I could seal my corn at the loan price and buy cash corn for feeding at a good profit."

In case of crop share rentals landlords are concerned with the cash market because they get their rental income from selling their share of the crop. Some renters indicated that their only reason for compliance was the insistence of the landlord.

Reasons for Non-Compliance

Each farmer who did not plant within his acreage allotment of corn was asked to list the principal reason for his non-compliance. A summary of these reasons is shown in table 3. The most commonly mentioned reason was that the corn acreage allotment allowed them would not provide for their feeding needs. Nearly four in five gave this reason. The statement of a dairy and hog farmer on a rented farm in southeastern Minnesota is typical of this group, "I feel that I could not produce enough corn on the allotted acres to continue to carry my present number of livestock." Many of those who normally feed all the corn they raise gave little attention to the corn allotment program. In some cases they did not even know what their allotments were. The indifference of this group toward the program is reflected in a typical response from a member of the Southwest Association, "I don't raise enough corn with the kind of rotation program I have, so I am not interested in a corn acreage (control) program."

Table 3. Reasons Given for Non-Compliance with the Corn Acreage Allotment Program 1/

	Southeast Minnesota	Southwest Minnesota	Total
Number of farmers not complying	111	71	182
Reasons for not complying and number of times mentioned:			
1. All or most of the farm grown grain is fed to livestock	79	61	140
2. Allotments do not fit in with the present cropping program and don't want to change program	37	14	51
3. Cropping history of farm gives too small a corn allotment	11	6	17
4. Do not believe in present allotment program	6	4	10
5. Other	12	19	31

1/ Many of the farmes listed more than one reason for non-compliance.

Many of those who did not plant within their allotment said they considered corn their most profitable crop. To substitute for it other grain crops such as oats or barley would materially reduce their net income. To reduce their acreage of corn to their allotment in the hope that they could seal their own corn, receive the guaranteed price, then buy "free corn" in the open market appeared to involve too much risk. These farmers were not convinced that the spread between the loan and open-market prices would be large enough to compensate them for the production loss they would take by substituting a lower return crop for their most profitable one--corn. A hog feeder in southwestern Minnesota wrote, "I feed all my corn and buy a lot more, so the only way I could get anything out of complying would be to seal my own corn and buy feed. I doubt (if) I could buy cheap enough to make it pay considering the shringkage on corn I sealed, the spread between buying and selling price, and hauling. Besides I feel my own corn feeds farther than some I buy. Also much corn I buy contains cockleburrs."

Interference with a fairly well established and generally satisfactory crop rotation was mentioned frequently as a reason for non-compliance. This was especially true in southeastern Minnesota where a third of those replying gave this as the reason for not planting within their allotments. Definite rotations are more common in this part of the State; in many cases they are dictated by soil conservation considerations. A considerable number of this group were operating under long-time plans developed in soil conservation district programs. Typical of these reactions is this statement of a dairy farmer in a county that borders on the Mississippi River, "My farm is rolling and I am using a 4-year rotation on contour-stripping deal under Soil Conservation Service recommendations. This gives me 40 acres of grain (corn), 40 acres of oats, and 80 acres of hay. An allotment of 29 acres of corn throws my program out of whack." Several farmers in the hilly areas said that substituting crops such as soybeans would result in excessive soil erosion because of the contour of their land. In southwestern Minnesota soybeans do not substitute well for corn because of the problem of weed infestation. Those raising this point said they found it much easier to control weeds in corn than in beans.

A dairy farmer on a rented farm in southeastern Minnesota said, "Since corn seems to be the key to our farming system I believe any change from one year to another as great as the allotments would be hard to adjust to." Dairying is rather inflexible; it needs a feed supply that does not fluctuate too widely from year to year. The business does not lend itself to "in-and-out" operation.

Many farmers failed to stay within their allotments because they thought the allotments were too small. Nearly 10 per cent of all replies indicated this reaction. They questioned the basing of allotments on the cropping history of the farm as, according to them, this method discriminates against farmers who are already following soil-building and soil-conserving programs. A farmer in southeastern Minnesota who recently shifted from dairy to beef cattle expressed his feeling about his allotment as follows, "My allotment does not seem high enough. I used to have a large acreage in grass when I had the dairy cows, and that has kept my allotment down." A dairy farmer in an eastern county wrote, "I feel the acreage (of corn) allowed wasn't enough for efficient land use on my farm. With the manure from a large dairy herd and the use of commercial fertilizer, I raise better crops than when I started farming. With so many people in the world starving it is my duty to raise as much food as good land use allows."

Failure to plant within allotments was due in some cases to objection to an acreage control program as a matter of principle. One farmer who operates a dairy and hog farm in a south central county said, "I don't like controls." A southeastern dairyman elaborated somewhat "..I.. do not believe in government regimentation. I'm afraid the more we accept allotments and such the less liberty we have to work out our own problems."

Others did not comply with their allotments because they did not believe that the allotment plan would be effective in controlling or preventing surplus production. A cattle feeder in a southwestern county wrote, "We believe that the mere shifting of corn acres to other crops is no help to the over-all program." A general livestock and crop farmer in a southeastern county expresses a similar doubt, "It is ineffective because acreage control is not bushel control. Taking the poorest acres out of production and applying fertilizer to the best corn acres to increase production doesn't look like production control to me."

Comparisons Between Farmers in Compliance and Those not in Compliance

Comparisons in size of farm, earnings, and cash sales of corn for farmers who complied with the corn allotment program and those who did not are shown in table 4. There was no significant difference in size of farm when measured in terms of acres or work units between the two groups. Farmers who did not comply had somewhat higher labor earnings in 1953 but the difference is not large. It seems reasonable to assume that the higher earnings may be associated with a larger proportion of income from livestock and livestock products. Those who complied had larger proportions of their incomes from sales of corn.

Table 4. Comparisons Between Complying and Non-Complying Farmers in Size of Business, Earning, and Cash Income from Corn Sales

	Southeast Minnesota		Southwest Minnesota		Both Areas	
	Farmers Complying	Farmers not Complying	Farmers Comolying	Farmers not Complying	Farmers Comply-ing	Farmers not Complying
Average acres per farm	232	225	274	270	257	243
Average work units per farm, 1953 1/	424	459	408	393	414	433
Average labor earnings, 1953 1/	$2923	$3399	$3822	$4767	$3443	$3921
Cash receipts from corn sales, 1953 1/	$1600	$ 685	$3555	$2204	$2732	$1264
% corn sales of total farm sales, 1953 1/	10	4	13	9	12	6

1/ Includes only farmers who were members of these associations in 1953.

Program Reduces Corn Acreage Ten Per Cent on the Farms Studied

Acreages of corn raised by the 265 farmers included in this study who operated the same acreages in 1953 and 1954 were approximately 10 per cent less than they would have been had there been no program. (See table 5.) Those farmers who planted within their allotments planted 27.1 per cent fewer acres of corn in 1954 than they raised in 1953 and 23.5 per cent fewer than they would have raised if there had been no allotment program. Farmers who did not comply with the allotment program increased their acreages of corn only 1 per cent over the acreages raised in 1953. The net result was a decrease of 10 per cent in 1954 as compared with 1953 or with what would have been planted in 1954 with no program.

Table 5. Average Number of Acres Planted in Corn in 1953 and 1954, Average Corn Allotment for 1954, and Average Number of Acres that Would Have Been Planted in Corn Had There Been no Acreage Allotments 1/

	Number of farms	Average corn acres 1953	Average corn acres 1954	Average corn allotment 1954	Ave. acres that would have been planted in corn in 1954 had there been no allotments	% that acres planted in corn in 1954 are of: Acres planted in corn in 1953	% that acres planted in corn in 1954 are of: Acres that would have been planted in 19 had there been no allotment
Southeastern Minnesota							
Farmers complying	43	70.2	50.7	52.4	64.9	72.2	78.1
Farmers not complying	100	56.1	57.7	41.4	58.3	102.9	99.0
Total or Ave.	143	60.4	55.6	44.7	60.3	92.1	92.2
Southwestern Minnesota							
Farmers complying	59	106.8	78.3	79.1	103.4	73.3	75.7
Farmers not complying	63	99.6	101.7	73.2	101.6	102.1	100.1
Total or Ave.	122	103.1	90.4	76.0	102.5	87.7	88.2
Total, Southeast and Southwest							
Farmers complying	102	91.4	66.6	67.9	87.1	72.9	76.4
Farmers not complying	163	72.9	74.7	53.7	75.0	102.5	99.6
Total or Ave.	265	80.0	71.6	59.2	79.7	89.5	89.8

1/ Includes only farmers who operated the same farm and the same acreage in 1954 as in 1953.

The reduction in acreage of corn from what it would have been without an allotment program was larger in the southwestern counties, where a larger proportion of farmers complied, than that in the southeastern counties -- 12 per cent as against 8 per cent. In neither area did farmers who were not complying tend to raise more corn than they would have done had there been no allotment program. There was no evidence that they made any attempt to "beat the program". Farmers who planted within their allotments reported acreages 2 per cent below their allotments. This may have been due to the fact that they did not have accurate measurements of their fields at planting time and also to the fact that it was difficult to fit their allotments precisely to their field layouts.

Use of Fertilizer on Corn Increased in 1954 Over 1953

A reduction of 10 per cent in the acrage of corn, as indicated in table 5, does not necessarily mean that total production of corn is reduced by 10 per cent. A question as to the quantity of commercial fertilizer used on corn in 1954 compared with 1953 was answered by 272 of the 291 farmers who returned questionnaires. Forty-seven per cent of the replies indicated an increase in rate of fertilizer application, 50 per cent reported no

change, and 3 per cent indicated some decrease. This increase in use of fertilizer on corn probably is a continuation of an upward trend in use of commercial fertilizer in southern Minnesota in recent years, rather than any specific attempt to circumvent the control of production implied in the acreage allotment program. The fact that heavier applications of fertilizer were slightly less common on farms whose operators planted within their allotments suggests that program compliants make no more effort to get high corn yields by using fertilizer than do other farmers in the area. Data on rates of application in 1953 and 1954 were not sufficiently precise to measure the amount of increase on the part of those who used more fertilizer in 1954.

Table 6. Changes in Use of Commercial Fertilizer on Corn from 1953 to 1954

Area	Total Number	Change in Fertilizer Use		
		More	Same	Less
		%	%	%
S. E. Minnesota				
Farmers complying	40	40	55	5
Farmers not complying	104	49	49	2
All farmers	144	46	51	3
S. W. Minnesota				
Farmers complying	59	44	53	3
Farmers not complying	69	51	46	3
All farmers	128	48	49	3
Totals - S. E. & S. W. Minnesota				
Farmers complying	159	42	54	4
Farmers not complying	173	50	48	2
All farmers	272	47	50	3

Soybeans First Choice to Replace Corn

Response to the question as to what crop was used to take up the acreage released by planting within the corn allotment is shown in table 7. Soybeans were most commonly used in both areas, although they ranked much higher as a substitute crop in southwestern counties. Hay and oats, important feed crops, ranked second and third in southeastern counties, with flax, a cash crop, and hay ranking second and third in southwestern Minnesota. Soybeans do not fit the rolling lands of the southeastern counties because of the erosion hazard. Farms in this area are smaller and in order to increase the size of business more livestock are maintained. Feed crops, therefore, are more important in this area.

Table 7. Crops Substituted for Corn by Farmers Who Complied with Corn Allotment Program

	Southeastern Minnesota	Southwestern Minnesota	Both Areas
No. farmers replying 1/	41	56	97
Crops replacing corn and number of times each is reported 2/:			
Soybeans	21	41	62
Hay	15	10	25
Oats	14	6	20
Flax	-	12	12
Pasture	4	6	10
Other	5	5	10

1/ Includes only farmers who operated same land in 1953 and 1954.
2/ A number of farmers mentioned more than one replacement crop.

Corn Allotment Less Than Recommendation for Soil Conservation

Half of the southeastern Minnesota farmers who replied and a fifth of those in southwestern Minnesota had farm plans that they had developed with the assistance of Soil Conservation District technicians. Comparisons between the farm plans for soil conservation, the 1954 allotment, and also the 1953 and 1954 plantings of corn are shown in table 8. The acreages of corn in the farm plans exceeded the allotments on these farms in southeastern Minnesota by 27% and in southwestern Minnesota by 20%, a fact that probably contributed to the decision of many of these farmers not to comply with the allotment program. However, the average acreage of corn planted in 1953 exceeded the acreage in the farm plans by about 10 per cent.

Table 8. Average Annual Acreage of Corn Recommended for Soil Conservation, Average Corn Allotment for 1954, and Acreage Planted in 1953 and 1954 1/

	No. Farms	Soil Cons. Dist. Farm Plan	1954 Allotment	Acreage Planted 1953	Acreage Planted 1954
		acres	acres	acres	acres
Southeastern Minnesota					
Farmers complying	19	60.7	51.1	68.2	49.0
Farmers not complying	49	53.0	40.6	55.8	56.9
All farmers	68	55.2	43.5	59.2	54.7
Southwestern Minnesota					
Farmers complying	11	113.8	93.6	127.7	92.9
Farmers not complying	11	74.9	63.7	85.7	87.3
All farmers	22	94.3	78.7	106.7	90.1

1/ Includes only cases where S.C.S. plan covers the same land in 1953 and 1954.

Effect of Corn Acreage Allotments on the Farmers' Livestock Program

Only 16% of the 291 farmers replying indicated that they expected to change their livestock programs because of corn acreage allotments. (See table 9). Some of the changes suggested were not direct results of the program, especially those mentioned by non-compliants. The latter frequently mentioned increased livestock feeding. Recent profits from feeding may have conditioned some of these answers. A few assumed that they would be able to buy "free corn" on the open market much below the loan price. More change was anticipated in the southwestern counties where cattle, hog, and lamb feeding is relatively more important than in southeastern Minnesota. Compliants indicated more changes than the non-compliants. This is to be expected because their supplies of feed have been altered by their reduced acreages of corn.

Table 9. Proportion of Farmers Planning a Change in Their Livestock Program as the Result of the Corn Allotment Program

	Southeastern Minnesota			Southwestern Minnesota			Total-Both Areas		
	Com-pliants	Non-Com-pliants	Total	Com-pliants	Non-Com-pliants	Total	Com-pliants	Non-Com-pliants	Total
Total No. reporting	44	110	154	65	70	135	109	180	289
% planning a change	14	14	14	23	14	19	19	14	16
% planning no change	86	86	86	77	86	81	81	86	84

Farmers Expect Corn Allotment Program to be Continued in 1955

Each farmer was asked whether he expected the present corn allotment program to be continued in 1955. This questionnaire went out in late June before Congress had acted on pending agricultural program legislation and before any announcement as to the 1955 program had been made. Eighty-two per cent of the farmers who answered this question expected the present program to be continued in 1955; 18 per cent answered in the negative. There was little difference between compliants and non-compliants. A slightly larger proportion of replies from the southwestern counties indicated expectancy that the program would be continued than was true of replies received from the southeastern area.

Little Change in Compliance Likely in 1955

Each farmer was asked this question, "If the present program is continued in 1955 without cross-compliance do you think you will plant within your allotment?" A summary of the answers is presented in table 10. The answers suggest that if the present allotment program is continued in 1955 the proportion of compliance will closely approximate that of 1954. With cross-compliance in the picture the pattern may change somewhat. As it is, 36% indicate compliance in 1955 as compared to 37.5% compliance in 1954.

Table 10. Compliance Expected if Present Corn Acreage Allotment Program is Continued in 1955

	Southeastern Minnesota	Southwestern Minnesota	Both Areas
Number who complied in 1954 but will not comply in 1955	10	6	16
Number who did not comply in 1954 but will comply in 1955	13	7	20
Number complying in 1954 who will comply in 1955	31	54	85
Number not complying in 1954 and who will not comply in 1955	85	58	143
Number who were undecided	16	11	27
	155	136	291

PART II

FARMERS' SUGGESTIONS AND COMMENTS CONCERNING A PROGRAM OF FARM PRODUCTION CONTROL

Each farmer covered in the study of responses to the 1954 corn allotment program reported in Part I was invited to offer "any suggestions you care to make as to a program of farm production control that will encourage good land use, control erosion, stabilize farm income, and eliminate price-depressing surpluses of farm products." The objectives of a farm program, as outlined in this instance, may have been too inclusive and too ambitious. A student of farm policy whose opinions in this field receive wide acceptance said of this question that it was an approach to "asking for the millennium". But the request brought a variety of thinking on the general subject of farm programs which appears to be worthy of careful study and analysis. Not all of the farmers covered in the study commented on this question. Answers do not lend themselves to statistical enumeration and classification. They do present a cross-section of the thinking of these farmers as to farm programs in general and to the corn allotment program in particular.

Soil Conservation Objectives Should Dominate the Farm Production Control Program

Probably most frequently mentioned in responses to the question as to the characteristics of a good farm program was that it should stress soil conservation. Emphasis on the idea that farmers should be paid for practicing soil conservation suggested that many considered it a public as well as an individual responsibility. "I think," wrote the operator of a 480-acre farm in south central Minnesota, "we need a plan to make payments for the planting of grass and thereby encourage more use of grass to build up our soil." The operator of a small beef and hog farm in a southwestern county wrote, "I believe that when the acres of any crop are cut, those acres should be put into a soil building crop such as is adapted to the area it is in. It might be necessary to make payments for this land in order to have enough farmers cooperate. I believe that if grain prices are kept high, it would keep the 'in and outers' out of the farming business."

A commonly held opinion was that if farmers followed soil conservation practices to a desirable extent, much land would be retired automatically from production of surplus crops. A cash tenant on a half-section farm in a southwestern county expressed his idea of the importance of conservation objectives thus, "In a new farm program soil conservation should be given top priority. If all land were used according to its capability this would automatically retire from cultivation land which now produces our surplus. . . . . Our new program needs a high monetary inducement to farmers to incorporate this practice (increased use of sod crops) in their cropping plans. It is my opinion that a grass-legume (program) will reduce the need for mechanical controls, bring our food production in line with current needs, reduce costs of farm operation, give the family more leisure, and with government payments for acres in grass-legume crops will stabilize farm income."

Some replies presented the idea that putting land into conservation crops would prevent much soil exploitation induced by high price supports. The owner of a quarter-section farm in southwestern Minnesota put it this way, "Forget the business of supporting a soil-depleting crop and put the 'too much expense' toward supporting a soil-building crop if it must be spent. I sure do not like to see so many land owners with one foot in the grave 'corning' land to death now while there is still a price for it (corn) and leave a sour, soggy, rocky, gullied, weedy or much depleted piece of land . . ."

A few farmers who apparently believe that any kind of inducement payments may eventually result in excessive production suggested that such payment should be on a temporary basis. The operator of a small livestock farm in a southwestern county wrote, "I think any support price should be on a disaster support basis. About 50% of parity would give some protection to the individual farmer in case of a severe recession but would never encourage farmers to overplant because of a (high) support price.

"It certainly is to the general public interest that our land be well used. I believe that our government can well afford to make good land use payments, but once a good land use practice is established the individual farmer should not expect payments."

Many Farmers Favor the "Soil Bank" Idea

Rather than allowing the acres diverted from corn to be planted to other crops for harvest, many farmers suggested that land be kept idle or planted to a grass or a green manure crop. "Land that is taken out of corn," wrote the operator of a large livestock farm in southeastern Minnesota, "should be planted to green manure and plowed under." A tenant farmer in southwestern Minnesota who is planting within his allotment only because the landlord insists, suggested a similar program, ". . . our corn program and allotment is OK as far as it goes but it seems to me that a certain percentage of the tillable acres should be idle or in a soil-building crop not to be harvested in order to offset the overproduction of one crop or another. Why take it out of the soil when it is not needed? May come a time when we will need all that can be produced. I have acres in this farm that can stand a rest."

The operator of a large livestock and crop farm in a south central county presents this general idea from another angle, "I favor a plan whereby a certain acreage for each farm would be put in grass and not harvested or

pastured, only clipped to control weeds (soil bank idea). This of course would mean that the poorer soil would be put in this set-aside allotment, but perhaps that would be the soil that needs building up. If enough such land could be satisfactorily put aside it would not be necessary to have an elaborate system of acreage controls and cross compliance on other crops. It would take some fancy foot work to establish this set-aside acreage for each farm and establish it fairly as to productivity and land use."

Government rental payments to farmers for idle acres taken out of current production were frequently mentioned. Typical of these statements was one offered by the operator of a large dairy farm in southeastern Minnesota, "The farm surplus problem is not easy to solve. A possible solution would be for the government to pay a small cash rent for surplus acreages to be seeded to grass or legumes and not harvested. These could be returned to cultivation as needed." A dairy farmer in an adjoining county had a similar suggestion, "I think our Federal Government could and should lease crop acres (starting with marginal land) and take it completely out of production, paying rent and a soil conservation payment for controlling weeds and erosion, also a soil building payment where wanted to assist farmers in liming, fertilizing, and seeding a permanent cover of legumes and/or grasses."

A beef cattle feeder in southeastern Minnesota would go even further; he would have a government agency consider the purchase of marginal land. He writes, "I think further study should be made of the idea of having a government agency buy up marginal land and other acreage not suitable for cropping to take it out of production, thereby creating a reserve and restoring much land to their natural grasses to prevent their depletion."

Government-Fostered Conservation Programs May Create New Problems

Many farmers, even though they advocate diversion of cropland into grasses and legumes or leaving it idle, apparently recognize that diversion affords only temporary relief. Setting aside land and building it up merely increases its potential productivity. The operator of a 160-acre general farm in south central Minnesota expressed it in this way, "I believe a program that requires the retiring of a certain number of acres on each farm could be very beneficial in erosion and maintaining soil fertility and if well subsidized would aid somewhat in (increasing) farm income. It is doubtful, however, if more than 50 per cent compliance could be achieved and since most cooperating farmers would by various means increase the yields on their remaining lands, the burdensome surpluses would remain."

"Shifting as at present into hay and pasture crops does not cut production," writes a general livestock farmer in a southeastern county, "but tends to shift surpluses to some other commodity." A cattle-feeding tenant on a southwestern Minnesota farm expresses the idea that farmers must be paid for leaving their land idle rather than putting it into sod crops. His fear was that, "Grassland used for grazing and hay would also develop headaches. Our margin in cattle is narrow now. I hate to think of more farmers getting into feeding and increasing the count higher."

The owner of a 240-acre dairy and hog farm in south central Minnesota expressed uneasiness at increasing sod crops and livestock production and building up fertility for which there may be no need - "I would say that a system of - - - raising all you can and feeding it to livestock should be - - - ideal (from the standpoint of production). That is, a large percentage of land in grass produces a lot of feed and later raises larger crops after grass.

But it seems to me if we don't have an all out war we can raise enough food and fiber with our hands tied behind us. - - - - Crops in reserve, I believe, are very good for any nation but at present it seems that there are many burdensome surpluses." The operator of a large dairy and hog farm in a southeastern county points to the increased production resulting from conservation practices but adds hopefully, "- - - our population may increase enough to eat our surpluses."

Some of the replies indicated doubt as to the efficacy or desirability of government aid for conservation farming. A dairy and hog farmer in a southeastern county said, "I do not feel so-called soil conservation payments have made any great contributions to soil building. Farmers will be better served if the government will stop all price and production programs. Good land use cannot be bought by decree but will be the result of education and individual planning for each farm. Farm income in the long run depends on consumer demand and not on piling up unsolvable surpluses." An additional opinion along this line was expressed by a dairy farmer in southeastern Minnesota as follows: "(Neither) government payments nor high prices will control erosion but the farmer who is interested in his business and plans for the future."

Many Farmers Objected to Historical Bases for Corn Allotments

Probably the most frequent criticism of the 1954 corn allotment program was the fact that it was based on the past cropping history of farms rather than on their land use capability. A successful livestock farmer in a southeastern county said, "I do not think that it is right to cut a farm that now has a large acreage of hay and pasture the same as the corn farmer who sells all of his corn to the government."

A frequently suggested base for corn allotments was a fixed percentage of the tillable land. This reply from a dairy and poultry farmer in a southeastern county typifies this thinking, "- - - I do feel that the corn allotment program would be more successful in limiting corn acreage if every farmer were allowed a minimum percentage of his tillable land in corn (30 per cent for instance). - - - - This would penalize the cash corn man, who has created the bulk of the government sealed corn in the first place, more than the diversified operator with a regular rotation." A general livestock farmer in southwestern Minnesota who advocated the percentage basis for allotments wrote, "The corn allotment program is penalizing the farmer who has been doing a good job of soil conservation. If the soil conservation program is to protect the land of the nation in years to come as well as the present this policy will have to be changed. The corn allotment program was established on the basis of previous corn raised - thus the fellow that had been robbing the soil most keeps right on robbing - - - ."

Some replies suggested allotments that would provide for both a maximum percentage of tillable land in corn and a minimum percentage in sod crops. Others felt that soil conservation objectives and corn acreage limitations might be effected by a sufficiently high minimum acreage in sod crops. A southwestern Minnesota farmer suggested ". . . 20% of the land in soil-conserving crops (legumes and grasses). . . . Reduction in support price to about 75% of parity to keep out 'in and outers' without acreage restrictions (on corn). --Controls and rigid price supports tend to lower one's interest in farming ---make it less of a challenge to him." The operator of a half-section farm in the same county, who also advocated a fixed percentage of

tillable land in hay and pasture, elaborated as follows, "For example: a 160-acre farm all tillable should have 25 acres of pasture and 20 acres of hay ---. He (the operator) could do with it what he wanted (harvest or plow under)." This farmer also suggested the additional requirement that the sod crops be rotated regularly.

As an alternative to a fixed percentage of tillable land in sod crops suggestions were made that a general cropping plan be set up for each farm on the basis of land use capability. A southeastern Minnesota dairyman had the idea of "having the Soil Conservation Service set up a plan for each farm--- the farm plan should be the basis for acreage allotments rather than past records of acreages". Whether it was assumed that this plan must be followed for all crop or crop groups or whether it would be used only in determining the corn acreage was not clear.

Some Farmers Favored High Rigid Price Supports

Farmers who favored high rigid price supports usually based it on the high fixed cost with which farmers are faced. These costs do not come down as prices of farm products drop, at least not proportionately. A typical comment from the operator of a large farm with much steep land in the eastern edge of the area was, "When it comes to stabilizing income, I believe in 90% of parity or even 100%---. It is too uneven and by that I mean that when you sell a fat steer you can't tell what you might get for it. At the same time when you buy feed for the same steer you know for sure that you have to pay an extravagant price for it. The same goes for everything the farmer buys. So I believe if grain and machinery are 90 per cent of parity that livestock and all farm products should be the same to be fair about it and help stabilize the farm income."

Some replies expressed doubt that lower prices for farm products would help materially to reduce surpluses. According to these replies, farmers would only produce more in order to build up their income. A beef cattle feeder in a southeastern Minnesota county remarked "----I do not believe in this business of dropping support prices to discourage production. ---that doesn't work." The operator of a half section farm in another southeastern county suggests "the farmer should be guaranteed full parity for his production but he must be willing to take the required number of acres out of production---. The present plan of both reducing parity and acreage control (with a more severe plan announced for 1955) certainly can't solve the problem. ---Guarantee income commensurate with fixed costs, then ask the farmer to cut production and I feel he can cooperate and still give his family a decent standard of living."

Many Farmers Opposed High Rigid Price Supports

A large majority of the 58 farmers who commented on high rigid price supports were opposed to them. A common observation was that they only added to the surplus problem. "I don't see how we can keep piling up corn!" wrote a southeastern county dairy and hog farmer. "As long as they keep the price so high there will be more corn." A dairy-hog farmer in the next county summed up his opinion in these words, "I think farmers will get along surprisingly well if we didn't have so many politicians worrying about us. The law of supply and demand has never been repealed and will continue to work. Without high supports our surpluses will not develop."

That government action may complicate rather than ease farmers' problems was mentioned in several replies. "I still like to run my own farm", said the operator of a large dairy farm in a leading dairy county. "I do diversified farming and feed most of my crops. I don't think much can be done with holding prices too high as I believe supply and demand will be the governing factor. rather than have the government piling up large amounts. The more business the government gets into the worse off we will be."

The operator of a small farm in southwestern Minnesota advocated lower supports in order to remove surplus production and discourage poor land use. He went on to say, "I am not ready to believe our free enterprise system of supply and demand needs to be scrapped and a system of acreage allotments and marketing quotas and government price supports should replace it. This is nothing more than a socialized agriculture."

A reply from the operator of a large hog and crop farmer in a southwestern county discussed price supports as follows. "Flexible supports seem more sensible to me than the present system. If we continue high supports on basic crops then we will have to have a system of strict cross-compliance. I think that is what we are headed for. If prices are to be made in Washington so will production and I hope that doesn't come to pass."

Some farmers favored price supports for price protection in severe depressions. This view was expressed by the operator of a small but intensely operated general livestock farm in a southwestern county. "I think any price support should be on a disaster support basis. About 50 per cent of parity would give some protection to the individual farmer in case of a severe recession but would never encourage farmers to over-produce because of a support price."

An occasional reply suggested that it might be better if price supports were dropped entirely. The operator of a quarter-section farm in a southwestern county said, "I think the government should drop all price supports and let supply and demand regulate the price. We would all be better off. This may not be the answer. I guess it's a mess anyway you look at it."

An additional comment on high rigid supports came from a farmer in a southwestern county. "Drop high rigid supports and have lower supports to act more as a floor. They could be raised to increase production, but would be used mostly to prctect the farmer from sever market drops."

Inequities in the Present Program

There was some feeling that because prices of all farm products were not supported on a comparable basis the present program was inequitable and unfair to producers of certain products. Not all farmers were believed to benefit equally. A livestock farmer in a southwestern county wrote, "I think it imperative that a program be set up so that the prices of farm commodities stay in line with supply and demand. This can only be achieved through flexible supports. Support programs should be designed to prevent severe price drops and not to guarantee farmers a high price for everything they sell. The support program as it is now tends to help only grain farmers and operators of larger farms. The farmer on the small farm who tries to keep fully employed by feeding livestock is actually penalized by the higher cost of feed grains he must buy. The oleo manufacturers have gained most from the butter support program since it priced butter off the market to some extent."

An instance of inequitable treatment for different classes of producers was mentioned by the operator of a small dairy farm on the eastern edge of the area, "As far as I am concerned, the drop of (the) parity price of dairy products is a stab in the back to me. It hurts the farmers that have 120 or 80 acres for the simple reason that they have to buy feed to come out and you can't buy feed at present prices of feed for the price of butterfat. If they are going to drop parity on one product they (had) better do it on all." A south central county farmer wrote, "that the program is primarily designed for the cash grain farmer and also most landlords that sell their crops. It has actually hurt the livestock farmer in the way of increased feed costs."

Advertising and Research Should Play a Role in the Farm Program

A number of farmers advocated a program of advertising and research that would open up new outlets for farm products. A very successful dairyman in a leading dairy county wrote, "Do more advertising of dairy products. We must try to produce our dairy products cheaper. - - - I also believe (there should be) vending machines such as the Coke machines in factories and places where there are (numbers) of people employed - - - both chocolate milk and other milk in these machines."

There wa an occasional "doubting Thomas" on this advertising idea so far as opening up domestic markets was concerned. A south central Minnesota livestock farmer envisioned a foreign outlet for some of our farm production based on a "two way" trading proposition. "The American people are generally too well fed for us to entertain any hopes of increasing our home market. Extensive advertising of any product only shifts the attention of the public from one food to another and any gains in the consumption of one food are made at the expense of others, so little relief can be expected in this direction. The place to sell food would seem to be in those areas of the world in which a scarcity exists. While these countries may suffer a dollar shortage, they must have something we are lacking that our industry can use. I believe an aggressive program of selling or bartering our surplus grains in these foreign markets could do more to relieve the pressure at home and at the same time maintain our production which we may at some time urgently need."

Efficiency in Production May Be the Solution

A number of replies indicated that education and the resulting increased efficiency in production would do more than legislation to solve the farmers' problems. The following comment by the operator of a small but efficently operated livestock farm in a southwestern county illustrates this line of thinking: "I honestly believe that what we are seeking for will never be attained by legislation. It can be realized only when we recognize in the first place the responsibility agriculture has toward our economy as a whole, and secondly that each farming enterprise is a distinct unit by itself made up of a variety of elements all its own but never becoming an average. It seems to me that more can be accomplished by studying each individual farm and recommending a sound farm program according to the needs and possibilities of it ---, always keeping in mind that economic production is the key to success."

Excessive Dependence on Government Help

Some farmers expressed the feeling that politics played too large a part in agricultural programs. Some farmers were apprehensive about agriculture's

growing dependence on government aid. They felt that it is destroying the farmer's initiative and freedom of action. Farmers, they say, would be better off if they were allowed to solve some of their own problems. This view is typified in this comment by a general livestock farmer on the eastern edge of the State, "I am a believer in the law of supply and demand governing price and if left alone to adjust itself it will work to our satisfaction instead of some politician getting or at least claiming credit. We must have less restrictions and consequently less office force, etc. We must get out and work for what we get or we won't appreciate it."

From the western edge of the area comes this statement from a successful farmer. "I think it is time to get the government out of business -- especially supervising any kind of farm program. I am for a program that can be run from the bottom up. There are too many misses in government guessing on estimates, marketing information, etc. Too many lines of thinking on the farmers' problems. Let's get some sound thinking. Too many working from 8 to 4 doing the thinking for those who work from 4 to 8."

A cattle and hog farmer in a south central county questioned the value of government programs. "- - - We must be careful lest we decide we have reached the end as far as new uses (and) methods are concerned. America has always accepted the theory of change, adjustment, new frontiers. Let's not freeze the status quo by legislation, acreage allotments, quotas, - disregarding the ability of the operator and the ever present need for efficient production. If we do we will be like a person in the shade with his ox team when the 20th Century Limited rushes by."

The operator of a half-section livestock and crop farm in a southwestern county also saw danger for the farmer in accepting too much government assistance. "I think we need a government program," he wrote, "but I am opposed to the present high support guarantee that we have because I think it takes responsibility and planning off the shoulders of the farmer and tends to spoil him. I think we should be given an opportunity but not (be) guaranteed security. The more government help we have the more we expect. The most serious result of this is that it tends to sway the thinking of our good rural representatives in government, because they have a tendency to do what they think will give them the most votes. - - - "

Interpretation Rests With the Reader

These quotations speak for themselves. It has not been possible to use all of the statements received but every effort has been made to present a representative cross-section of views. They make clear the wide differences of opinion among farmers in southern Minnesota regarding farm programs. As indicated at the outset these replies came from farmers most of whom have farms which are larger and more productive than the average of their areas. The group includes a considerable number of community leaders who accumulate ideas from a variety of sources and who have given studied thought and attention to the ideas they present. The interpretations are left to the reader.