



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Historic, Archive Document

Do not assume content reflects current scientific knowledge, policies, or practices.

UNITED STATES DEPARTMENT OF AGRICULTURE

OFFICE OF INFORMATION

NATIONAL FARM PROGRAM DATA
1932-1940

RHODE ISLAND HIGHLIGHTS

The story of agriculture today in Rhode Island and in the rest of the Nation is the story of an improved agriculture. Here are the highlights of progress under the National Farm Program in Rhode Island during the 7 years since it was started:

INCOME: Farmers Make More Money--1939 cash income up 41 percent from 1932; buying power 135 percent ~~from~~ 1932; \$5,126,867 loaned by Farm Credit Administration agencies from 1933 to 1939; debts of low income farmers reduced \$6,483 under Farm Security Administration debt adjustment service; 6,912,000 pounds of surplus foodstuffs distributed to needy in last fiscal year.

CONSERVATION: Farmers Are Conserving Their Soil--956 Rhode Island farmers participated in the 1939 AAA program, representing about 44 percent of the State's cropland.

SECURITY: Farmers Are More Secure In Their Homes--217 farm families received rural rehabilitation loans totalling more than \$200,000 from 1935 to 1940; \$19,553 made in grants in the same period; 1 tenant family started toward ownership by loans for farm purchases.

DEMOCRACY: Farmers Help Run The Programs--5 county AAA offices with 90 county and community committeemen administer the AAA program locally; 3 county committees and one tenant purchase committee working on program of Farm Security Administration; 1 local National Farm Loan association and 1 production credit association in operation; 1 county land-use planning committee formed.

CONTENTS.

Part One: Farm Income

- Cash farm income and cash income from principal farm products, page 3.
- Prices of farm commodities, page 4.
- Farm purchasing power, page 4 and 5.
- Farm real estate values and farm foreclosures, sales and bankruptcies,
page 6 and 7.
- Payments to farmers under A. A. A. programs, page 7.
- Farm credit and farm debt adjustment, pages 7 and 8.
- Commodity loans, page 9.
- Export payments and distribution of surplus foodstuffs, page 9 and 10.

Part Two: Conservation and Wise Use of Agricultural Resources.

- Agricultural Conservation programs, page 11.
- Soil Conservation Service programs, page 12.
- Forest Service programs, pages 12 and 13.

Part Three: Greater Security and Better Living on the Land

- Farm Security Administration programs, pages 13 and 14
- Rural Electrification Administration programs, page 15.

Part Four: Strengthening Democracy through the Farm Programs.

- Participation in A. A. A. programs, page 15 and 16.
- Results of A. A. A. referenda, page 16.
- Farmer committees in the National Farm Programs, page 16 and 17.
- Land Use Planning by Farmers, page 17.

PART ONE: FARM INCOME

Rhode Island farmers in 1939 had 41 percent more cash income than they did in 1932. Farm cash income in Rhode Island was \$9,857,000 in 1939. Government payments accounted for \$47,000 of this amount directly. The 1939 cash income was 1 percent less than in 1929, when cash income was \$10,000,000. Cash income in 1932 was \$7,000,000.

Substantial gains in cash income from 1932 to 1939 by the producers of Rhode Island's most important farm products are shown in the following table:

TABLE I. Cash Income Received by Rhode Island Farmers for Principal Commodities Listed, in 1932 and in 1939, With Amount and Percent of Change

Commodity	Cash Income 1/		Amount of	Percent of
	1932	1939 2/	Increase, 1939 over 1932	Increase, 1939 over 1932
	(Thousands of dollars)		(Percent)	
Milk	3,229	4,112	883	27
Truck crops	279	1,033	754	270
Eggs	692	890	198	29
Potatoes	258	598	340	132
Chickens	436	596	160	37
Cattle and calves	280	517	237	85
Apples	237	291	54	23
Hogs	83	157	74	89
Strawberries	33	49	16	48

1/ Because farm income statistics are being revised, all figures in this table are not strictly comparable. For the most part figures are on a calendar year basis, but there are a few commodities which are on a crop year basis for 1932. All income figures in this table exclude Gov't payments.

2/ Preliminary.

For the country as a whole cash farm income in 1939, including Government payments, was 82 percent larger than in 1932. Cash farm income was \$4,682,000,000 in 1932 and \$8,540,000,000 in 1939, including \$807,000,000 in Government payments.

Prices of Farm Commodities

Better prices for Rhode Island's leading farm commodities have put more cash in the hands of the farmers of the State. The improvement in prices received by Rhode Island farmers for their principal commodities is shown in the following table:

Table II. Average Prices Received by Rhode Island Farmers for Commodities Listed, in 1932 and in 1939

<u>Commodity</u>	Unit	<u>1932</u> (Dollars)	<u>1939 1/</u> (Dollars)
Milk (wholesale)	cwt.	2.15	2.70
Hogs	cwt.	5.30	7.30
Beef cattle	cwt.	4.20	5.30
Veal Calves	cwt.	7.00	9.30
Sheep	cwt.	3.20	4.30
Corn	bu.	.57	.68 ^{2/}
Oats	bu.	.38	.51
Potatoes	bu.	.74	1.00
Peaches	bu.	1.15	1.70
Butter	lb.	.24	.30
Chickens	lb.	.195	.174
Eggs	doz.	.277	.281
Apples	bu.	.72	.85

^{1/} Preliminary

^{2/} Includes loan corn at average loan value.

Farm Purchasing Power

Both farm income and prices paid by farmers declined sharply from 1929 to 1932, but farm income declined more. From 1932 to 1939 there was an increase in both farm income and prices paid by farmers, but farm income increased more. Thus farm buying power fell off from 1929 to 1932 and climbed upward from 1932 to 1939.

For the United States as a whole farm buying power in 1939 was 172 percent as much as in 1932 and 99 percent of the 1929 level. In other words, farmers were able to buy about as much in 1939 as in 1929 and 72 percent more than in 1932.

In Rhode Island farm purchasing power in 1939 was 135 percent as much as in 1932 and 131 percent of the 1929 level. Thus Rhode Island farmers in 1939 were in a position to buy 35 percent more of the things they needed than in 1932 and 31 percent more than in 1929.

The farmer's buying power can also be shown by the unit exchange value of farm products, namely, the ratio of prices received by farmers to prices paid by farmers for commodities used in living and production. While this measurement is not available on a state basis, Rhode Island farmers naturally benefited from nationwide improvement in the exchange value of farm products.

For all farm commodities, the unit exchange value was 26 percent higher in 1939 than in 1932. The following table, comparing 1939 and 1932, shows the unit exchange value of all farm products, as well as specified groups of farm commodities that are important in Rhode Island.

Table III. Unit Exchange Value * of all Farm Products and of Specified Groups of Commodities Important in Rhode Island.

	: Percent of Base Period : Percent		: Change
	: 1910-1914		
	1932	1939	1939 over 1932
All farm products	61	77	/ 26
Dairy products	78	86	/ 10
Chickens and eggs	77	78	/ 1
Meat animals	59	91	/ 54

* Ratio of prices received to prices paid by farmers for commodities used in living and production, 1910-14 base.

Farm Real Estate Values

Gains in farm income, prices and buying power have more than maintained real estate values on Rhode Island farms. In the year ending March 1933 the value of farm real estate was 118 percent of the period before the World War. From this point the estimated value per acre in Rhode Island rose to 120 percent of pre-war for the year ending March 1940. Thus Rhode Island farmers found their real estate worth about 2 percent more early in 1940 than in the first part of 1933.

For the United States as a whole, in the year ending March 1940 farm real estate values rose to 85 percent of the level before the World War, compared with only 73 percent of pre-war in the year ending March, 1933. The 16 percent gain from 1933 to 1940 followed more than a decade of unbroken decline in the value of farm real estate.

Farm Foreclosures, Sales and Bankruptcies

Along with a rise in farm income since 1932, there has been an improvement in the farm ownership situation in Rhode Island.

Voluntary sales and trades of Rhode Island farms were 20.6 per thousand for the year ending March 1939, compared with 19.5 per thousand for the year ending March 1933.

On the other hand, the number of forced farm sales in the state declined from 4.9 for the year ending March 1933 to 4.8 per thousand for the year ending March 1939.

Farm bankruptcies in Rhode Island dropped from a total of 4 in the year ending June 30, 1933 to none for the fiscal year ending June 30, 1939.

In the United States as a whole, voluntary sales and trades of farms rose from 16.8 per thousand in the year 1933 to 28.2 per thousand in the year ending March, 1939, and forced sale of farms declined from 54.1 per thousand to 16.8 per

thousand in the same period; farm bankruptcies in the entire country decreased 76 percent from 1933 to 1939.

All Phases of Farm Program Contribute to Income Improvement

Farmers of Rhode Island received \$27,000 in conservation payments under the 1937 program, \$33,895 under the 1938 program, and an estimated \$52,257 under the 1939 program, including county association expenses.

For the United States as a whole, payments under the 1939 Conservation program totaled \$506,179,199, including county association expenses.

Federal Credit Aids Agriculture

Farmers in Rhode Island obtained \$5,126,867 in loans from institutions under the supervision of the Farm Credit Administration from May 1, 1933, through December 31, 1939. In addition, credit was advanced to a considerable number of farmer cooperatives and privately organized agricultural financing institutions.

The Federal Land Bank of Springfield, making long-term first mortgage loans, had \$1,208,946 outstanding in Rhode Island on December 31, 1939, including loans made prior to the organization of the Farm Credit Administration. In addition, \$599,300 of first and second mortgage Land Bank Commissioner loans were outstanding on that date.

From 1933 to 1935 almost 86 percent of Federal Land Bank and Commissioner loans made in Rhode Island were used to pay off old debts. Although the largest percentage of loans continues to be made for refinancing, since October 1, 1935, some 59 Rhode Island farmers and farm tenants have purchased farms, using \$189,600 credit obtained from the Federal Land Bank of Springfield and the Federal Farm Mortgage Corporation, which provides funds for Land Bank Commissioner loans, to finance the purchases. This includes the resale on credit terms of farms which had been acquired by these agencies.

The Providence Production Credit Association operating in the State has made 1,295 loans aggregating \$3,532,207 since its organization in January 1934. This association makes loans for all types of short-term farm operations. Loans outstanding on December 31, totaled \$473,007.

The Springfield Bank for Cooperatives makes loans to farmers' marketing, purchasing, and farm business associations. On December 31, 1939, the Springfield Bank had loans outstanding to 1 Rhode Island cooperative aggregating \$56,000.

In the United States as a whole, during the same period, individual farmers and their cooperative organizations obtained \$5,951,000,000 in loans and discounts from institutions under supervision of the Farm Credit Administration. Land bank loans outstanding on December 31, 1939, totaled \$1,905,000,000; Land Bank Commissioner loans, \$691,000,000; production credit associations numbering 528, in six years made 1,312,000 loans aggregating \$1,442,000,000; in the same period the 12 district banks for cooperatives and the Central Bank made 6,868 loans aggregating \$491,047,000.

Debt Adjustment

In Rhode Island, 54 farmers, through the Farm Debt Adjustment Service of the Farm Security Administration, reduced their debts through agreement with their creditors by \$6,483 in the period September 1, 1935 to December 31, 1939, a debt reduction of 2.4 percent. As a result Rhode Island farmers have been able to pay \$871 in back taxes.

In the United States as a whole, 111,131 farmers reduced their debts by adjustments totaling \$84,942,798 or 23.7 percent, and as a result have been able to pay more than \$4,860,000 in back taxes.

Commodity Loans Protect Income

Corn and wheat loans serve to protect and stabilize farm income, help to stabilize market supplies and prices, and protect both consumers and producers against the calamity of crop failure.

In the United States as a whole, 70,000 wheat producers obtained loans on their 1938 crop, totaling about \$45,000,000 on 85,700,000 bushels of wheat, and about 235,000 producers stored 167,000,000 bushels of their 1939 crop under loans totaling about \$115,000,000

Exports Aided

Two major export programs for wheat and cotton have assisted United States producers to retain their fair share of the world market. In the fiscal year which ended June 30, 1939 the first year of the wheat export program, 118 million bushels of wheat were sold for export. Of this amount, export of 94 million bushels was assisted directly by the export program. From July 1 through December 31, 1939 sales for export of approximately 24 $\frac{1}{2}$ million bushels of wheat and wheat in the form of flour were assisted by the continuing export programs.

How the wheat program has operated to improve the domestic wheat prices in the last year and a half is shown in the following: In August 1938 the average U. S. farm price was 34 cents under the Liverpool price. In August 1939, the U. S. price was about 3 cents above Liverpool. Since Liverpool is normally about 30 cents over the domestic farm price, this meant the U. S. farmer was receiving about 33 cents a bushel more for his wheat than if his price had been based on the world price.

Domestic Consumption Increased

Expanded domestic distribution and consumption of surplus farm products was brought about through two types of programs; direct purchase of commodities

for distribution to needy families through state welfare agencies, and the Food Order Stamp Plan which puts increased food buying power directly into the hands of low-income families.

In Rhode Island in the fiscal year ending June 30, 1939, 6,912,000 pounds of surplus foodstuffs were distributed by the Federal Surplus Commodities Corporation, compared with a total of 1,970,079,155 pounds distributed throughout the United States in the same period.

Commodities purchased in Rhode Island included 15,000 bushels of apples, and 1000 cases of evaporated milk.

Up to July 1, 1940 the Food Order Stamp Plan was in operation in Providence, while others are to be added to the list.

PART TWO: CONSERVATION AND WISE USE OF AGRICULTURAL RESOURCES

Income improvement and conservation of natural resources have gone hand in hand in Rhode Island since 1933.

Under the first agricultural conservation program in 1936 about 140 Rhode Island farmers participated. Of the total cropland, about 10 percent, or 8,495 acres, was covered by applications for payments. A total of 228 acres was diverted from soil-depleting crops. Soil-building practices were put into effect on about 3,700 acres as follows: New seedings of legumes and legume mixtures, perennial grasses for pasture, and green manure crops -- 1,197 acres; and fertilizer and lime applications -- 2,507 acres.

Rhode Island farmers have continued to participate actively in the A.A.A. programs. There were 514 payees in the 1937 program and 598 in the 1938 program. Applications for payments covered 22,836 acres, or 28 percent of the cropland in the State, under the 1937 program and 25,004 acres, or 33 percent of the cropland, under the 1938 program.

Soil-building practices were put into effect in the State as follows under the A.A.A. programs for 1937 and 1938:

	<u>Unit</u>	<u>1937</u>	<u>1938</u>
New seedings	acres	1,328	1691
Green-manure and cover crop	acres	2,900	2962
Mulching	tons	--	121
Forest tree practices	acres	5	80
Fertilizer and lime applications	tons	3,645	3932
Seeding pasture mixtures	acres	--	12
Artificial reseeding of pastures	lbs. of seeds-		290
Sanding Cranberry Bogs	acres	10	30

In the United States as a whole, under the 1938 Agricultural Conservation Program, new seedings covered 30,075,000 acres and green-manure and cover crops 25,244,000 acres. Fertilizer and lime applications totaled 5,547,000 tons. Forest tree practices covered 197,000 acres and pasture practices about 2,205,000 acres. Protected summer fallow, strip cropping, contour farming, and listing were carried out on 15,990,000 acres. Terracing was carried out to the extent of 392,036,000 linear feet.

Conservation Service Activities

Approximately 12,909 acres unsuited to continued cropping have been purchased and developed for uses for which this land is better suited, principally forestry and grazing under the Land Utilization Program.

In the United States as a whole, a total of 48,267,000 acres of farm land in 82,000 farms were covered by 5-year contracts with the Soil Conservation Service up to June 30, 1939. Soil Conservation Service demonstration areas now include 68,847,000 acres. Soil Conservation Districts, numbering 217, covered a combined area of 120,000,000 acres of the Nation's 1,900,000,000 acres of land by January 1, 1940, with another 100 districts in process of organization. Within the 217 organized districts were 1,000,000 farms.

Approximately 8,600,000 acres of land unsuited to continued cropping have been purchased and developed for uses for which this land is better suited, principally forestry and grazing.

Forest Conservation and Reforestation

Approximately half of the 4,900 farms in Rhode Island contain woodland, and farm woodlands in the aggregate amount to 148,000 acres, or about 48 percent of the State's farm area.

In the United States as a whole, the national forest system now includes about 175 million acres in 40 States. More than 12 million acres have been purchased or approved for purchase for national forests since March 1933, about $2\frac{1}{2}$ times as much land as was purchased for national forests in the preceding 22 years. Approximately 125 million trees produced largely in Forest Service nurseries were planted during 1939 on 131,000 acres of national forest land.

In the Prairie States Forestry Shelterbelt Project of the Forest Service 125 million trees have been used in 11,000 miles of plantings and provide protection for about 3 million acres of land, in the Great Plains, where protection is especially needed.

About 314,000 trees were planted on farm lands in 1938 in the farm forestry program of the Soil Conservation Service, and 55 million trees were distributed for farm planting under Forest Service-State cooperation through the Clarke-McNary law.

Under the A.A.A. program in 1938 about 55,445 acres of farm land were planted to forest trees.

PART THREE: GREATER SECURITY AND BETTER LIVING ON THE LAND

Aside from the program designed to provide greater equality of income for agriculture as a whole, and nation-wide conservation practices, special attention has been given to more needy farm families requiring additional aid to become self-supporting. Special programs have been directed to low-income farmers suffering from such additional handicaps as drought, poor farming practices, worn-out or inadequate land, unsound tenure conditions, or overwhelming debt.

From 1935 to 1940 in Rhode Island, the Farm Security Administration aided 217 farm families with rural rehabilitation loans aggregating \$200,000 to

[The text in this section is extremely faint and illegible. It appears to be a series of paragraphs or a list of items, but the specific content cannot be discerned.]

enable them to get a new start and again become self-supporting.

By following complete farm and home management plans in 1939, 136 rehabilitation borrowers in Rhode Island had an average net income of \$237.75 per family as compared with \$227.63 in the year before they came to F. S. A. for help, an increase of four percent, and increased their average net worth over and above all debts by 21 percent in the same period. Thus these families had added \$54,280 to the wealth of their communities and increased their own annual incomes by a total of \$1,377. The typical rehabilitation family in Rhode Island has borrowed \$1,094.58 and already has repaid \$426.04. Rhode Island rehabilitation borrowers in 1939 produced \$37,661 worth of goods for home consumption, compared with \$27,574 worth before entering the Farm Security Administration program. In 1939 these families canned an average of 194 quarts of fruits and vegetables per family, for home consumption; and produced an average of 215 gallons of milk per family. Rehabilitation borrowers in Rhode Island are now operating an average of 64 acres, an increase of 4.04 acres since they came to the program. This increased acreage, while not adding materially to the production of commercial crops, has maintained a better diet for these families.

At the close of 1939, 91 Rhode Island families had received grants for emergency relief aggregating \$19,553.

Under the Bankhead-Jones Act, one loan for farm purchase had been made to a tenant family in Rhode Island as of December 31, 1939, amounting to \$4,447.

In the United States as a whole, from 1935 to 1940, the Farm Security Administration aided approximately 800,000 farm families with rehabilitation loans. By following complete farm and home management plans, 360,000 of these borrowers covered by a survey in 1939 had increased their net worth over and above all debts by 26 percent, and their production of food for home consumption by 64%.

The average borrower reported increasing his net worth by more than \$230.42 since coming into the program. The Farm Security Administration has made rehabilitation loans totalling more than \$370,000,000 since 1935. Although these loans are usually made for a period of five years, and much of the money is not yet due, these farmers who could not get adequate credit from any other source already have repaid more than \$130,000,000 into the U.S. Treasury. Ultimately it is expected that at least 80 percent of these loans will be collected.

Under the Bankhead-Jones Act, loans for farm purchases were made to 6,678 tenant families by December 31, 1939.

Rural Electrification

In the State of Rhode Island, 84% of all farms were electrified by June 30, 1939.

In the United States as a whole, to the close of 1939, the Rural Electrification Administration of the Department of Agriculture has made total allotments of \$273,000,000 for the construction of 260,000 miles of line to serve 600,000 farm families. Already 400,000 farms have been connected to REA-sponsored lines, the greater majority of which are cooperatively managed. The number of electrified farms in the United States has more than doubled from 1935 to the present time. Approximately 25 percent of American farms were electrified by January 1, 1940, compared with 10.9 percent on January 1, 1935.

PART FOUR: STRENGTHENING DEMOCRACY THROUGH THE FARM PROGRAMS

Democracy has been both the end and the means of National Farm Programs from 1933 to the present. Through local committees, farmers have the responsibility for local administration.

About 6 million of the nation's 6,800,000 farmers are participating in the Agricultural Conservation Program today. Participation in Rhode Island and in the United States since the AAA began in 1933 was as follows:

	<u>Rhode Island</u>	Number of contracts accepted by AAA		<u>United States</u>
1933	--		1933	1,625,912
1934	10		1934	3,105,110
1935	7		1935	3,399,779
1936 <u>1/</u>	--		1936 <u>1/</u>	291,652

	<u>Rhode Island</u>	Number of payees under the Agricultural Con- servation Program		<u>United States</u>
1936	142		1936	3,880,447
1937	514		1937	3,743,904
1938	598		1938	5,248,796
1939	956		1939	5,764,200

The results of referendum votes among Rhode Island farmers show the demand for full application of the A.A.A. programs. Important referenda in which Rhode Island farmers participated were as follows:

<u>Nature of Referendum</u>	Date	: Votes of Partici-		: Percent
		: pating Farmers	: For	
		: For	: Against	
Corn-hogs	Oct. 1934	8	2	80
Corn-hogs	Oct. 1935	12	5	71

In Rhode Island in 1940, there were 25 members and alternates of county A.A.A. committees and 65 members and alternates of community A.A.A. committees which administer the Agricultural Conservation Program locally. There were also 3 county committees of the Farm Security Administration in the State and one county tenant purchase committee. Cooperating with the Farm Credit Administration were one local National Farm Loan Association and one Production Credit Association.

1/ Winter wheat and rye contracts made before January 6, 1936.

Soil Conservation Districts are organized and developed under State laws by farmers, who have an opportunity to express their preferences both as to planning and operations within the District. By means of these Districts farmers can coordinate their efforts to control erosion thoroughly along watershed lines with technical assistance often being furnished by local, State and Federal agencies.

Land Use Planning by Farmers

Land Use Planning Committees study all agricultural problems, and how Federal, State, and local agricultural services can best be applied. Representative farm people and agricultural officials are members of both county and community planning committees. In this way farmers have a voice in planning what all public agricultural agencies will do in their communities.

In Rhode Island, one county Land Use Planning Committee, with 15 farmer members, has been formed and others were expected to be organized in 1940.

In the United States as a whole, approximately 135,000 farmers served on A.A.A. committees; there were 2,907 Debt Adjustment Committees; 1,289 Tenant Purchase Committees; and approximately 1,500 committees for rehabilitation loans; about 3,700 active National Farm Loan Associations, and 528 Production Credit Associations; approximately 370 Soil Conservation Districts were either organized or in the process of organization.

There were approximately 19,000 farmers by the end of 1939 participating as members of county Land Use Planning Committees, and 65,000 as members of community Land Use Planning Committees.

