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The Banker-Farmer

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Information for the Farmer

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An Agricultural Program For 1924

By H. L. RUSSELL,

Dean, College of Agriculture, University of Wisconsin

1. Make Wisconsin Self Supporting.
2. Grow More Legumes.
3. Quality Products Pay Best.
4. Study the Markets.
5. Keep Records.
6. Efficient Marketing.
7. Keep the Homes Happy.

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College of Agriculture, University of Wisconsin

MADISON, WIS.

An Agricultural Program For 1924

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H. L. RUSSELL

Why lay out an agricultural program to follow? Wisconsin is an excellent example of what diversification has done for a state that is dominant in agriculture. Its stability is recognized on all sides and its economic strength lies in its very diversity. Why then, should we forsake this principle or even suggest that all should follow any set plan or procedure?

First, we know that it will not be done. Human nature is so constituted that it is impossible to secure collective or unit action on the part of all persons. Even if over-production of a crop well nigh wrecked those who grew the crop, some would figure that others would stop growing the crop in question; therefore it would be a good time for them to stay in. They prefer to keep in the game realizing that they cannot always expect to hit the crest of the wave, as to prices, yields, and so forth. If they can strike it four times—or even three times out of five they are lucky. And in farming, luck, if you want to call weather hazard by so elusive a term, counts for a good deal more than it does in many other kinds of business.

Second, if a plan could be proposed, it would not fit the needs of all individuals. Each man will follow more or less his own bent, his own desires. One grows tobacco, liking the uncertainty, the gamble of crop and price that follows the course of the weed; another prefers to play a safer game; he grows the competitive crop of sugar beets, knowing beforehand the price per ton which he will secure, even though he takes his chances on the yield per acre, which in part he may yet control to some extent through the care and culture that he bestows on the growing crop.

So farming appeals to the individualist, the man who wants to be the molder of his own destiny, the one who would rather be on his own pay roll than on the pay roll of some one else.

Can, then, any agricultural program be suggested that is even worth while to consider? No! not with reference to production of specific crops, for no one knows enough to forecast the future with any degree of absolute certainty.

While a specific production program cannot be advised there are, however, fundamental principles that can be recognized that are worth while for all of us to follow. The successful farmers of today are already practicing those principles. So in the main this program is only to recognize the most successful practice of our neighbors.

Self-Sustenance Reduces Cash Outlay

First, and foremost, it seems necessary and wise in these days of high labor costs, and high freight rates, to **make our farms** just as near **self-sustaining** as possible. When we realize that farm labor costs, though they may not have soared to the heights which urban industry is now able to secure, are yet far above pre-war figures, and that every finished farm product is made up in large measure of labor, it is obvious that the farmer should keep his cash outlay for labor at a minimum. In this way he can convert his own labor and that of his family into tangible cash return before he is forced to disburse his returns for hired labor.

On our farms in Wisconsin where livestock and its products already make up over 80% of our farm income, it is doubly necessary that we free ourselves as far as practicable from cash outlay for the purchase of such feeding stuffs as roughage. Some concentrates we will always have to purchase, for Wisconsin produces neither wheat, cotton or flax, the by-products of which make up a considerable part of the feeding stuffs that are used with our dairy and livestock. To continue, however, to import such coarse forage crops as alfalfa hay that could be so readily grown in our own state, is anything but a sound business policy. Alfalfa laid down in Wisconsin never gets down in price to a cent a pound, and often is not far below the farm price of some of our standard grain crops. To the railroad goes more for freight on such bulky, coarse commodities than

to the farmer in the West who produces the crop. Surely costs of production can never be lowered to the point of maximum profit when we pay out millions of dollars for such feeds that can be raised at home.

A Legume Campaign for 1924

This year, as never before, a legume campaign should be put on that would replace hundreds of thousands of acres of low protein timothy with such high protein feeds as alfalfa, clover and soy bean hay. The drought of last summer proved to many farmers that alfalfa, by virtue of its deeper root system, was able to stand the weather better than clover. With lime, inoculation, and right strains of seed, alfalfa can be secured even on our acid soils. On the lighter sandy soils, the soy bean makes a most excellent growth. These high protein hays with silage meet the needs of our live stock when supplemented with moderate amounts of concentrated feeds.

Quality Pays Most in Times of Low Prices

Another factor of primary consideration in these days of deflated prices is to realize that quality must replace quantity in agricultural production. When prices were at the high peak of war inflation, quality was of little moment; quantity was what was wanted with little regard as to how it was produced. But in these times of deflation, in fact even under normal conditions, **low cost** of production is more important than mere production. If the 4,000 pound cow will but barely pay her board, why continue to board her, and use high priced labor and feed?

Pedigreed seeds outyield the average seed that is sown, yet too many farmers continue in the old rut, simply because they have not been sufficiently jarred by adverse conditions to pull themselves out of old habits into newer and better methods. Under the lash of adversity, whether it be low prices, bad luck, or otherwise, now, as never before, should the practice of the best farmers become the heritage of all. Of course it won't be done; but he who does have the foresight to adopt newer, if better, methods, rises above the common herd, emancipates himself from mediocrity, and makes a big improvement in not only his financial standing but his position in the community.

Variation in Production Costs Outweighs Market Fluctuations

The variation in cost of production between different farmers often far exceeds the variation in the market value of any single crop. For instance, the cost of producing milk, as determined by our cost of production studies, is far greater than the variation which is to be observed in different markets at the same time. One is apt to find fault with the market and charge that the low price to the producer is caused by the manipulation of the few, whom he thinks are in control of the channels of distribution. Nearby conditions which are often very largely under our own control are ignored. It is easier to rail at a more remote evil that, as individuals, we may be powerless to change.

Necessity of Farm Records

This leads to a most important need of farming, the necessity of maintaining farm records that will enable the operator to know definitely whether he is making a profit, or suffering a loss on the different phases of his farm business. Running a farm without records is like running a clock without hands; in motion, it is true, but it tells you nothing. The manufacturer knows he could not borrow money at the bank to carry his purchases if his accurate cost accounting system did not tell him and his banker at any moment what his production costs are. He knows he must meet competition in merchandising; he also knows that he would be like a mariner on an uncharted sea, if he were selling his goods without definite knowledge of what his merchandise cost him.

The farmer is no less a manufacturer; it is just as indispensable that he too knows his costs of producing milk, livestock and grain crops to keep his financial course charted. In fact more so, for the farmer is less able to control the prices he gets for his finished product than the industrial manufacturer. Consequently his chance for increased profits, if any, rests more particularly in lowering his own individual costs of production to less than the average.

Efficient Marketing

More and more the farmer sees that his work is not done when the crop is grown. We are past the days of barter. Modern commerce demands that one man dispose of the results of his labor for cash and with that cash he purchases those things he needs. All producers, whether agricultural or industrial, are, therefore, keenly interested in the processes of marketing and merchandising.

With the farmer, will it be cooperative or not? It is not essential which plan is followed; but it is essential that marketing be efficient. The extra and often the

unnecessary links in the distributive chain are the main cause for the spread between the producer and the consumer. More and more the farmer is learning the marketing problem himself; and for that reason cooperative marketing is making rapid headway at present. But cooperative marketing is no cure-all. It too must operate under the same sound business principles as corporate business if it is going to replace the old order of things, but it is very unlikely that it will ever displace in large measure the existing machinery. If it teaches the producer better business methods it is well worth the effort; for a more considerate understanding of the problem of both the producer and distributor by each other will help to produce better relationships.

Contented Homes

No program, agricultural or otherwise, is complete unless it ends in a better home. Farming or business is not what it should be unless it makes possible home ownership, satisfactory living conditions, and the establishment of a contented and enlightened citizenry. Of late years, this objective in farming has been enveloped in fog. The occupants of the farm, whether owners or tenants, have been struggling with taxes, interest, or rents, rising living costs, and generally more or less diminished labor returns. It is this situation that has led many to forsake the land for the city. Perhaps the tide has run its course. If it hasn't it soon will for the law of action and reaction is no more true with the tides of the sea than it is in the flow of economic forces. Wisconsin has come through the deflation period better than most sections. Its record is pointed out as an example of the relative safety of diversified, stabilized agriculture. Let us hope that 1924 will more completely establish that parity in exchange between all phases of labor and between urban and rural industry, that will make for prosperity and contentment in our commonwealth.

Satisfied Customers

During the latter part of November and the early part of December, the Banker-Farmer Exchange representative in the Waukesha County district, Arthur F. Bennett, sold eight carloads of dairy cattle. Two of these were a repeat order from a man who had purchased earlier in the year, and a third load went to a man who had been referred to us by a former customer. This emphasises the real worth to Wisconsin of quality stock, special service, and the results of satisfied customers.

Your Crop Program

The next number of the Banker-Farmer News Bulletin will contain a seasonal article on "Why Purebred Seeds and a Balanced Crop Program," by L. F. Graber of the College of Agriculture of the University of Wisconsin. Now is the time to plan our spring cropping systems. What, and how much to plant is an important feature in a properly balanced crop program. Don't miss this next issue.

Some Lively Cooperation

Another illustration of how farmers and bankers are interested in the same things and can cooperate to advantage, is to be found in Rock county. Realizing the value of a special service to the Livestock industry, the Rock County Bankers' Association backed the move to employ a full time man by guaranteeing \$1000 to the Rock County Farm Bureau in case their drive for membership did not reach the proportions necessary to meet this additional expenditure. That this service was worth while to both bankers and farmers had been demonstrated by a balance of \$1000 in the treasury, the result of prizes won on Rock County livestock which was exhibited last fall at state and county fairs, under the direction of their special representative, Jack Nesbit. Again this fall they exhibited 18 head of stock at the Chicago International, and returned home with 23 ribbons. As a result, Mr. Nesbit continues on the job for Rock County, to help market surplus stock and assist the farmers in finding good foundation animals. Mr. Nesbit also acts as the local representative for the Banker-Farmer Exchange.