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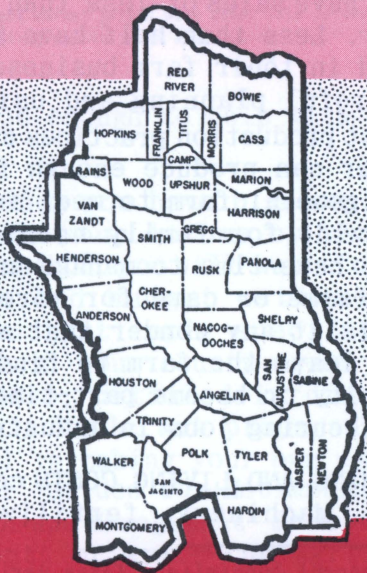
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full-time farming

in

EAST TEXAS

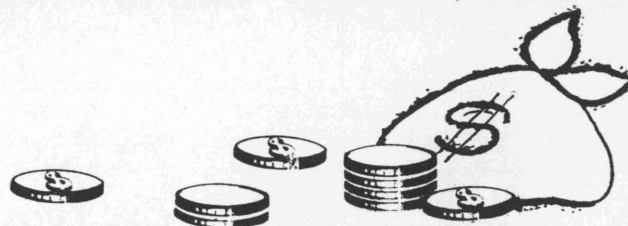
land and capital needs
for rural development



THE AGRICULTURAL AND MECHANICAL
COLLEGE OF TEXAS
TEXAS AGRICULTURAL EXTENSION SERVICE
J. E. HUTCHISON, DIRECTOR, COLLEGE STATION, TEXAS

Full-time Farming in East Texas-Land and Capital Needs

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ARE YOU HAVING TROUBLE making ends meet with your present farming operation? A recent survey of the Agricultural Research Service and The Texas Agricultural Experiment Station in 24 North East Texas Counties indicates that two out of three of the 15,000 full-time farmers do have such difficulty. These families are averaging a little less than \$2,000 net money income per year. Families living in the country and working in town have higher incomes. Since 1950 about 20,000 farm families either moved to the city or became part-time farmers in the same 24 counties. Why?

SMALL SIZE OF BUSINESS or low volume of sales is the answer in most cases. Gross farm sales average only \$2,200 while nearly two-thirds of all farmers have sales of less than \$1,200 per year. Less than half have \$15,000 invested in their farm business. Even with careful planning and using the very best production practices a family no longer can produce enough from an 80-acre general farm to meet expenses and provide for family needs. Most families have time to manage and work larger farms or care for more livestock. Is it any wonder that so many farmers leave the farm to find a job in the city or become part-time farmers by securing jobs in industry?

FARMING AND LIVING COSTS continue to rise. Machinery, fertilizer and

chemicals are needed to produce a quality product that competes. These items cost money. Cash costs for family living are increasing all the time. Does this mean that there is no future for commercial farming in East Texas?

For those who can secure *enough* land, equipment and working capital there is a good future in farming. A dollar invested in farming in East Texas will yield just as high, if not higher, returns there as in other parts of the State, provided the total investment is *enough*.

HOW MUCH LAND, EQUIPMENT, and livestock will be *enough* in the future? Based on research and estimates, economists, farm management specialists and others of The Texas A. & M. College System have answered this question. They assume an average level of prices that would prevail over a period of time. After considering the value of the home on the farm as a place to live, income tax advantages and making a minimum estimate for family needs, a farmer should plan to make at least \$2,500 over and above all expenses including a 4 percent return for investment in land and a 6 percent return for investments in machinery and livestock. With these assumptions the economists prepared an estimate to show what would be a minimum size farm operation in the future to make full-time farming attractive. With

work off the farm and other income, smaller farm operations might meet family needs.

They admit that with special marketing arrangements for some speciality enterprises, such as roses, and Shetland ponies, a few farmers can make a good living. However, these special crops and livestock enterprises provide comparatively few opportunities.

ENTERPRISES WHICH SEEM to offer the best long-range promise for wide-scale use in East Texas are included in the Table. Some farmers will be able to find credit sources to expand their operation to the recommended sizes while others may find it easier to become part-time farmers or even move to industrial centers. To match these income figures, a farmer would have to use modern, efficient farming methods. These production levels represent an adequate goal. To have less land, equipment and livestock would invite failure in most cases. However, your situation and your management ability might enable you to make this income with less land and capital.

You can use this Table to work out some possibilities for increasing income with the land, equipment and livestock that you have or can get. You probably will want to consider a combination of at least two enterprises; for example, timber and broilers, cattle and timber, broilers and beef cattle. When your labor requirement gets about 3,000 hours you will have to hire extra help or have chil-

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WHAT EAST TEXAS FARMERS NEED TO RETURN \$2,500 INCOME FOR LABOR AND MANAGEMENT ^{1/}

WITH THESE ENTERPRISES	At these prices	You will need			Land, equipment & Livestock investment ^{2/}
		No. of animals	Acres of land	Hours of labor	
Slaughter hogs - grain \$2.40 Protein supplement \$5.50 3.6 lb. feed/pound gain	Hogs \$16 cwt.	47 sows	47	1,980	\$ 13,500
Turkey - feed \$3.70 - 2 hatches per year 5.5 lb. feed per lb. gain; 6% mortality	25¢ per lb.	2,000 capacity	60	3,200	19,000
Market eggs - homemixed feed at \$3.50 cwt. 216 eggs per hen	37¢ dozen	3,000 hens	15	3,000	22,600
Broiler - contract 4 hatches per year 2.33 lb. feed per lb. gain	5¢ per bird	36,000 capacity	1	3,600	29,000
Dairy - Grade "A" fluid 8,400 lb/cow	\$5.84 cwt.	36 cows	150	3,000	44,600
Sheep - 100% lamb crop 7 lb. wool 20% replacement and death loss	Wool \$40 cwt. Lambs \$20 cwt.	466 ewes	360	2,000	45,000
Beef - calf 85% calf crop 400 lb. calf	\$25.60 cwt.	170 cows	680	3.40	102,850
Timber - cattle 70% calf crop 305 bd. ft. timber plus 1/6 pole & 1/8 cord growth/yr. 25 acres per cow	\$25/1000 bd. ft. \$21.50 return per cow	21 cows	856	445	123,605
Timber - 4,000 bd. ft. per acre stand 305 bd. ft. annual growth plus 1/6 pole and 1/8 cord in pulpwood	\$25/1000 bd. ft.		1,050	190 hours hired labor	147,000

^{1/} Labor-management income is what is left after all expenses including depreciation and interest on investment are deducted from sales.

^{2/} Current market prices were used. This is the original cost value and does not take into consideration depreciation which would decrease operating capital over a period of time.

dren old enough to help with the farm work.

When you have planned a way to increase your income by using this rough method, you will want to prepare a detailed budget estimate using figures that apply specifically to your farm. Your county agent can help you. Also, detailed information of how this Table was prepared will be helpful in making your own estimates. Ask for "Guides for Estimating Return to Labor and Management" from your county agent, or write the Agricultural Information Office, College Station, Texas. In making any substantial change in investment and management it would

be wise to check with specialists, credit agencies and the latest research information available.

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