

EXTENSION PROGRAMS ON THE SOIL BANK

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WISCONSIN

Prior to the passage of the Soil Bank legislation in May 1956, the function of the Extension Service in this area was truly one of public policy education. Information was made available to farm people to help them form better judgments on the wisdom of the Soil Bank program.

To convert these judgments into intelligent decisions, extension workers in public affairs should also have some responsibility for seeing that the reactions of farm people and the ideas they may have for improving the program are transmitted to public officials.

Extension in most states can claim some credit for the fact that the general idea on which the Soil Bank program was based has had rather widespread acceptance. However, because the Soil Bank legislation was passed with considerable haste, and legislators and the public alike were at the time chiefly preoccupied with the level of price supports, the specific Soil Bank proposals did not receive adequate consideration.

Since the Soil Bank program began operation, the primary extension activity has been to assist individual farm operators in deciding how to apply the provisions of the program on their own farms. Thus, for extension workers the Soil Bank has become primarily a farm management activity.

A major exception was the corn acreage referendum in December 1956, which furnished an excellent opportunity for a public policy educational program. Since the choice to be made was between the then existing corn program and a new one, and since participation in the Soil Bank would be substantially affected by the outcome, the corn referendum stimulated considerable interest in price programs.

Extension and ASC staff worked closely together in preparing for the referendum. In Wisconsin the feeling was that the policy educational efforts in October and November 1956 were particularly fruitful.

In addition, the interagency cooperation on the program has subsequently continued and improved.

Late in 1957 and in the first half of 1958 we will again see the Soil Bank become a major policy issue. Both the House of Representatives and the Senate have raised some questions about continuing the 750 million dollar acreage reserve. Should the program be continued? How should it be changed? These will become major farm policy issues, and Extension should become involved.

One favorable aspect of the task is that by now we can draw on the results of research into the operation of the Soil Bank during 1957. The South Dakota reports of Lyle Bender, Carroll Bottum's paper at the 1957 American Farm Economic Association meeting, and the study of the Soil Bank in Rock County, Wisconsin, are illustrations of the type of research information that is becoming available. We should find this information useful and productive in the Soil Bank policy discussions that will be carried on, officially or unofficially, in almost every state this winter.

ARKANSAS

In Arkansas we conducted more policy discussions while the Soil Bank was being considered by Congress than after its passage. The reason was that we prefer to base policy work on issues or problems rather than on specific programs.

Instead of discussing the Soil Bank we usually discussed problems of resource adjustment. Of course, special emphasis was placed on the soil resource. We pointed out the increasing substitution of capital items for land and the resulting output of farm products.

After the Act was passed, the Arkansas Agricultural Extension Service cooperated with other agencies in conducting district meetings for all professional agricultural workers. These were not policy meetings; they were devoted to the administration of the Act. When considering specific programs, my experience has been that most farm audiences prefer to discuss administrative alternatives rather than policy alternatives based on economic concepts, such as the allocation of resources, both within agriculture and in the total economy.

The Soil Bank in Arkansas has been essentially an acreage reserve program. Participation by cotton producers varied from 5 percent of the allotment in Mississippi County to 85 percent in Garland. In general, the sign-up increased gradually from the Northeast to the South and West. This means relatively more land was "banked" in the less productive areas, or areas where technology and new practices have had less influence on yields during recent years.

For example, producers who have introduced irrigation during the last few years felt that prospective yield would make planting more profitable than the Soil Bank payment.

It is interesting to note that even when producers are paid for removing land from cotton the percentage removed varies considerably. On the other hand, acreage allotments often reduce acreage on a percentage basis. Imagine the complex farm management problem for a producer who has three or four special allotments and desires to budget various alternatives.

ILLINOIS

“Soil Bank” is a new name for crop production control that has been in use off and on for nearly 25 years. It was so treated in our extension work in Illinois.

Persons interested in agricultural policy are, or should be, concerned with the development of ideas into programs. We had an excellent opportunity to watch the transformation, or metamorphosis, of the Soil Bank in Illinois.

The Soil Bank idea, as first proposed by Illinois farmers, was to be a self-financing program. Farmers who used their land in accord with prescribed regulations were to receive payments from money raised by taxing those who did not do so. The self-financing goal was soon abandoned as too unpopular with farmers.

The next promotion was based on the idea that the Soil Bank would be a substitute for existing programs. Some persons opposed the Soil Bank proposal on the basis that it would probably become an additional program, rather than a substitute. Those opposed, including some Washington officials proved to be right.

After the Soil Bank bill was enacted, a principal policy question was presented in the corn referendum. In this situation the Extension Service worked closely with the state and county ASC officials and with the leading farm organizations in the state.

Time and personnel were not available to hold extensive county meetings attended by extension specialists. The specialists prepared and distributed several press releases, made radio and TV explanations, and issued two publications.

The first publication, “Corn Facts,” presented basic economic facts about the production, marketing, and use of corn. This was sent to farm advisers (county agents), and other interested persons.

The second publication, “Which Price Support for Corn?” explained the two alternatives offered in the referendum. Over 300,000 copies of this publication were printed and distributed by the ASC officials to all farmers and farm landowners in the state.

Of the Illinois farmers who voted in the referendum, 80.5 percent voted against acreage allotments for corn.

Perhaps extension workers and research economists should become more interested in some fundamental questions about the Soil Bank and similar programs.

I suggest that we need to examine very carefully the price and income problems of farm people. It is people, not industries, that have problems. I am convinced that the income needs of most of the people now living on farms cannot be met by restricting production, nor even by raising the prices of their products. We need to face up to the fact that a large majority of our farms, including a great many so-called family-size commercial farms, are too small to provide a modern income for a family even if prices were raised to so-called parity.

We need also to re-examine very carefully our assumptions about the elasticity of the demand for United States farm products. Some of our most highly regarded agricultural economists have assured us that the demand for United States farm products is quite inelastic. That is, a small reduction in the supply of a product will result in a big increase in its price.

The statistical procedures upon which they base their conclusions are, I believe, invalid for use in planning long-time farm price and income programs.

The demand elasticities now in common use are based on relatively short-time, year-to-year, changes in supplies. Such elasticities were developed and are useful for forecasting price changes from year to year. They are, I suspect, very misleading for forecasting the effects of sustained changes in supplies upon prices of United States farm products.

Prices of most of the United States farm products involved in price-support production control programs are greatly influenced by international economic forces. If it is true, which I doubt, that the United States can materially raise world price levels by restricting production slightly, then it must also be true that other nations can easily offset the price raising effects of our production control programs. Surely the United States cannot materially raise or control world price levels for cotton, wheat, rice, or tobacco. Yet this is exactly what we try to do by our production control programs.

NEBRASKA

The enactment of the Soil Bank Act in the late spring of 1956 and the efforts to apply its provisions to 1956 crops required an intensive educational program with very little time for planning. This was

followed shortly by the 1957 winter wheat acreage reserve program, the conservation reserve program, and the corn referendum. The Nebraska Agricultural Extension Service worked closely with the state and county ASC offices in carrying out this informational job. Participation in the program by Nebraska farmers was good because of the drouth relief aspects of the program.

While the Soil Bank proposal was being debated in Congress, we explained the probable operation and the advantages and disadvantages of the program. This information was provided to farm people at public meetings, in articles for farm press and radio, and via television and radio.

Following the passage of the Soil Bank Act in May 1956, extension economists and administrative staff attended the kick-off meeting of state and federal Extension and ASC to obtain details on the operation of the program and the role of the Extension Service in getting information to farmers. Our activities on the 1956 acreage reserve program in Nebraska included a question-and-answer circular for general distribution to farmers, seven radio programs broadcast by all radio stations in the state, three television programs, district meetings of county ASC and Extension personnel, and news releases and articles for farm newspapers and magazines.

A similar procedure was followed for the 1957 wheat and corn acreage reserve program. Circulars were also prepared on these phases of the program at the request of county agents and state and county ASC committees. A circular on the conservation reserve program was prepared in October 1956, and a series of four television programs was presented using the script and pictures received from the Federal Extension Service. The visual aids were especially useful but the script was modified considerably because, as received, it was primarily a "sales talk."

The Soil Bank program was explained and analyzed at a series of district conferences of bankers, sponsored by the Nebraska Bankers Association to provide basic information to member banks for their use in planning to meet the credit needs of their farmer patrons. Special emphasis was placed upon the income insurance and cost reducing aspects of the program under Nebraska conditions.

While the results of this activity were far from perfect in terms of farmers' knowledge and understanding of the Soil Bank program, it was reasonably successful as indicated by comments received from farmers, county agents, bankers, and state and county ASC personnel. Not only did county agents distribute extension circulars but the material supplied enabled them to conduct meetings and answer many

farmers' questions. Comments on the circulars, meetings, and other activities were to the effect that these had contributed greatly to farmers' understanding because the material was presented in terms readily understood by farmers.

The working relationships between the ASC and Extension Service in Nebraska were excellent from the state level on down, and were largely responsible for getting this job done within the available time. The procedure followed on the Soil Bank, with the Extension Service taking the primary responsibility for the educational job, set the pattern for cooperative efforts with other agencies. With the activation of the Great Plains Conservation Program in the summer of 1957, the Nebraska Soil Conservation Service asked us to participate in the same way on this program.