American Farm Bureau

ADDITIONAL CREDIT FACILITIES NEEDED

Present Banking System Not Adapted to Proper Handling of Agricultural Loans.

By SENATOR IRVINE L. LENROOT, Member of Congressional Joint Agricultural Inquiry Commission.

Under normal conditions agriculture cannot prosper as it should unless additional credit facilities are extended. The congressional joint agricultural inquiry commission, of which I have the honor to be a member, came to that conclusion after a long and careful study of the agricultural situation and its relation to other industries and its credit facilities. After listening to exhaustive testimony from experts of various kinds, specialists, farmers, representatives of farmers, including members of the American Farm Bureau federation, we were convinced that something must be done and done as quickly as possible so the farmer may secure sufficient personal credit to carry on his work.

The present banking machinery is not adapted to the proper handling of agricultural loans running for the length of time necessary to agriculture; that is, loans which can be carried along through the growing and marketing of the farmer's crops and live stock. Besides, there is not enough capital in our rural communities, under ordinary circumstances, to properly finance the farmer over such a period as the farmer must be financed if he is to be successful.

As the banking machinery is now constituted, while agricultural paper can be discounted, its maturity must not be more than six months and in actual practice, in a vast multitude of cases, this personal credit paper runs only for three months. In many of the farmer's operations it is necessary for him to have a year's credit or more from the time he begins to make the investment for the preparation of his crop to the time that he has actually sold it. When we consider live stock, a year is not sufficient for the farmer because, before the cattle mature and are ready to be put upon the market, it may be three years. So in considering the various needs for a

Senator Irvine L. Lenroot.

more adequate personal credit system the commission came to the conclusion that machinery should be devised which would give the farmer credit running from six months to three years.

In looking over the field we found it would not be feasible or safe to amend the federal reserve law and allow the federal reserve banking system without qualification to accept this long-term paper. We have devised the plan of adapting the banking machinery in our federal land bank system—that system which now lends money on long-term amortized farm real estate mortgages—and the general purposes that are back of that system and making them apply to a system of personal credits. We were careful not to disturb the soundness of the farm loan system based on real estate mortgages by combining with that the personal credit because it would be very likely to injure the federal farm loan bonds.

We plan, as indicated in the bill introduced by Chairman Sydney Anderson and myself, to create an entirely new set of personal credit machinery in the existing federal farm land banks. The separate department will have separate assets and separate liabilities and, except for the utilization of the machinery, it will be, to all intents and purposes, a separate institution.

We found that it would not be practical to permit the farm credit department of the banks to make loans direct to borrowers, therefore we concluded it would not be feasible to provide for farm loan personal credit associations as is done in the present law. Therefore, we did not go further than to provide that the farm loan bank, that is, the farm credit department of those banks, may discount for any bank or saving institution or live-stock loan company their paper exactly as the federal reserve banks now discount paper of their member banks. We also provided that loans may be made direct to co-operative associations composed of farmers, provided that those loans be secured by warehouse receipts. In other words, we extend the plan of the federal reserve system applied to commercial loans, in two particulars. Discounts may be made by any bank, not alone by members of the federal reserve system.

If the farmer is seeking a loan on credit the usual thing is for him to go to the bank and attempt to secure it. That bank, if this bill should become a law, would know that if it grants that credit—and it cannot be less than six months nor more than three years—that there is a means provided whereby the bank may discount it at the Federal Land bank, farm credits department, if it so desired. The paper, of course, would carry the bank's own indorsement, thus placing back of the loan the bank's liabilities. If the bank is satisfied with the paper and knows that it can rediscount it at the Federal Farm Loan bank it will feel safe in making the loan running all the way from six months to three years. We have provided that when this long-term paper matures to the extent that it only runs for six months longer it may be taken up by the federal reserve system, for it then has become short-term paper. We would have the government subscribe $1,000,000 of the capital stock to each of the 12 federal farm loan banks, making not an additional capital but a separate capital for these loan banks which may be set aside for what is known as the farm credit department.

We are not advancing any new ideas when we make this paper eligible for rediscount in the federal reserve system, for it already has authority to discount agricultural paper running for a period of six months. It is provided that the rate of discount to be charged by the Farm Loan Land bank be fixed by the bank itself with the approval of the farm loan board. There is this distinction that should be borne in mind, I think, with reference to discount; it is based upon a somewhat different theory of discount than the federal reserve banking system. The theory of the federal reserve banking system is that normally the rate of discount should be somewhat higher than the commercial rate on loans. However, when it comes to discounting agricultural paper under this bill, in the very nature of things the rate of discount must be somewhat lower than the rate of interest carried by the loan.

In commenting upon this bill Secretary of Commerce Herbert Hoover recently told me that reports from agricultural sections of the country indicate that the process of liquidation throughout the country banks is going to leave them practically unable to take care of new loans to farmers for production purposes this spring.

ECONOMICAL FEED FOR COWS

Quantity of Grain Required by Animal Depends on Her Size and Milk Capacity.

Silage, fodder, shredded stover or sudan and millet hay may be depended upon for supplying carbohydrate roughness. The quantity of grain the cow requires depends upon her size and capacity as a milk producer. The most economical feeding results when cows are fed as individuals. It isn't always possible to do this on the busy farm; but sufficient attention may be given each animal to see that she receives the right proportion of feed for maintaining her milk flow.

FALL FRESHENING IN FAVOR

Cow Will Produce 10 to 15 Per Cent More Milk and at Time When Prices Are High.

The fall-freshened cow produces 10 to 15 per cent more milk than the spring-freshened cow, according to the dairy department of the North Dakota Agricultural college, while the large production of the fall-freshened cow comes at a time when dairy products are highest in price.

DAIRY

WEIGHING MILK FOR MARKET

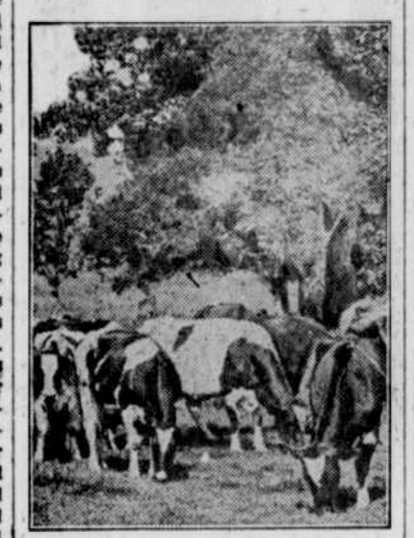
Less Trouble Between Producers and Dealers If Records Are Kept at Both Ends of Line.

(Prepared by the United States Department of Agriculture.)

Producers who ship milk to city distributors have voiced frequent complaints because of the disparity between their figures on the quantity of milk shipped and those of the dealers on the quantity received. In order to locate the cause of complaint by studying the actual loss between the country shipping point and the city plant the United States Department of Agriculture made an investigation on the Baltimore market. Records kept on more than 1,100 cans showed that the loss between the country station and the city plant was less than 1 per cent. The loss on trains, probably due to spilling, was only 0.19 per cent; and from the city railroad platform to the plant it was 0.55 per cent.

However, it was found that when the milk was weighed in the city plant there was a shortage of 2.56 per cent on the amount shipped according to can measure in the country. Of this shortage, 0.74 per cent was due to actual losses, while 1.82 per cent was the difference between can measure and weight. This is easily accounted for by the fact that cans become dented and battered, which decreases their holding capacity.

In a former investigation by the department an even greater discrepancy was found between can measure and weight, the difference being over 3 per cent. It would seem that there would be less trouble between producers and dealers if the milk were weighed at both ends of the line.



What Part of Your Milk Check Represents Profit.

PROVIDE PLENTY OF WATER

Cows Must Have Abundant Supply in Summer and Winter for Profitable Milk Production.

Successful dairy farmers find that it pays to provide plenty of good, clean, cool water for milk cows. Eighty-seven per cent of milk is water, as is nearly three-fourths of a cow's body. Experimental data show that the amount of water required by cows is in direct proportion to the amount of milk produced. In the summer, the average cow will require nearly three pounds of water for every pound of milk she produces. In one experiment a cow giving 27 pounds of milk drank 77 pounds of water daily. The same cow drank less than half as much when giving no milk. In all cases, it is decidedly good practice to provide an abundance of clean, fresh water, cool in the summer and warm in the winter.

KEEP MILK AND CREAM COOL

Product Will Soon Sour on Warm Spring Days Unless Promptly Placed in Tank.

As warm weather approaches, better care must be taken of the milk and cream. The can of cream must be put into a cooling tank into as cold water as possible to keep the cream cold. Unless milk and cream is cooled promptly and well it will sour during the warm spring days.

PLANT CROPS FOR COW FEED

Animals Will Not Prove Profitable Unless Properly Fed—Ensilage and Alfalfa Urged.

Dairy cows are not profitable unless fed properly. Ensilage and alfalfa hay are the best cow feeds. The canes, kaffirs, darso, feterita and corn are good row crops for the silo. If alfalfa cannot be grown, cow peas, soy beans or peanuts are leguminous crops to plant for dairy cow feeds.

Dirty Milk Dangerous.

Dirty milk is much more dangerous than dirty water, because disease germs that would starve in water multiply rapidly in milk.

Quality Counts Most.

It is not half as important how many cows you keep as what kind and how.

Feeding for Milk.

Good feeding is necessary for milk production. The Scotch say "it is by the head that the cow gives milk."

Get Cow Into Shape.

In order to get the cow into the best physical shape for the calving time, it is advisable to feed her some linseed oil, a quart of the raw product per dose, as this will clean out her digestive tract.

Seeding Raisins.

The seeds will readily come from raisins if boiling water is poured over the raisins and allowed to stand for a few minutes before draining.

ADVERTISING FARM PRODUCTS

BY ARTHUR G. SMITH, Director Co-operative Advertising Service, American Farm Bureau Federation.

Advertising is just as beneficial to producers' organizations as to manufacturers. It gets results for groups of individuals as well as for an individual, when the truth is told about a quality product.

Our co-operative advertising service does not mean that there is anything peculiar about advertising for co-operative associations. It simply means that the American Farm Bureau Federation has established this service which is available to the co-operative association of producers who want to advertise in order to create a greater consumption of their products.

Our constant contact with problems of marketing agricultural products proves the way to market products, is to go after the consumer in a businesslike way, just as the successful manufacturers and retailers are doing. That is to advertise and merchandise their products.

Farmers' associations have made some of the most conspicuous successes in advertising that this country has ever seen. Who does not know "Sunkist" oranges? Advertising made that name a household word, and advertising and merchandising have trebled the production of Sunkist oranges and lemons during the twelve years in which the Exchange has been advertising.

"Have you had your iron today? Sun Maid Raisins." This is another conspicuous advertising success of a co-operative producers' association—the Raisin Growers of California.

Quaker oats, puffed wheat, shredded wheat, Meli-Creme cheese, Hart Schaffner & Marx clothes, Big Ben clocks—these are conspicuous examples of successful advertising on the part of manufacturers.

The same general methods of advertising and merchandising that made the manufacturers successful were used by the growers of Sunkist oranges and Sun Maid raisins. The same methods of advertising and merchandising will make successful the products of other growers' co-operative associations, providing a standard quality of those products is established and strictly adhered to for all time to come.

One may bear this in mind, however: Advertising, building a name for a product, is like building the character of an individual. It takes time. It took several years for the full effect of Sunkist orange advertising to be felt. One may advertise steadily for a year before real results begin to come. But advertising is having the same effect upon your buying public as the sun and rain have upon the kernels of corn you plant. First the kernels sprout, then they appear above the ground, and then the slow growth until full fruition in the fall. All the time you are cultivating the corn.

So with your advertising. Repeatedly, week after week or month after month, it appears before the people who will buy your products. Soon the idea sprouts in their minds that they should eat more oranges, or potatoes, or use more cloth made from cotton.

Your advertising keeps that idea growing. You are cultivating your crop, and sooner or later, the crop is ripe. The people are actually using more of your products, and then you will know of a certainty that advertising pays.

MOTION PICTURES FOR SALE

Farm Bureau Contracts With Producing Company to Carry Out Extensive Program.

The American Farm Bureau Federation is producing and selling motion pictures. After a year's experience with motion pictures as a means of educating, the farm bureau has contracted with a Chicago producing company to carry out an extensive program on film production which includes a co-operative plan of distribution.

An exchange point has been established in Chicago and others will follow at other points as soon as warranted. The co-operative method of marketing and distribution which has been sponsored by the farm bureau in all agricultural projects will be applied to the marketing of films. This is the first instance of entertainment either on screen or stage being produced and so on a co-operative plan.

"By filming the wonderful wealth of romance and beauty, comedy and tragedy in rural America, which so far has not been capitalized upon by producers," said Samuel R. Guard, of the American Farm Bureau federation "we hope to accomplish three things. We want to give those in the city more accurate pictures of country life than they have been getting; we want to help country people appreciate their rural wealth, and we believe that by doing these things we can help raise the standard of motion pictures in general. The theater-going public will welcome a change from the banalities of bedroom farces to the freshness and sincerity of rural romance."

DAIRY COWS WORK HARDEST

Animals Give From Five to Ten Times Their Weight in Milk—Need Best of Feed.

People seldom think of the dairy cow as a hard working animal, yet it is a fact that she works harder than other domestic animals. Every year she gives from five to ten times her weight in milk, containing as much actual dry matter as do the bodies of two or three steers. It requires approximately the same amount of energy to produce 20 pounds of milk as it does to plow an acre of land. This gives us some conception of the enormous amount of work the cow does and indicates why she should be well fed and cared for.—Utah Farmer.

THE DAIRY

BIG COWS GIVE MOST PROFIT

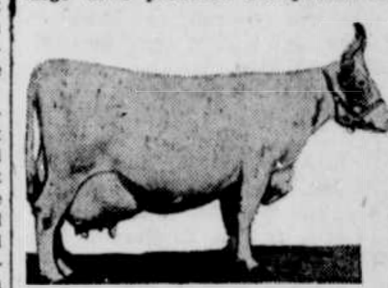
Records Show That Large Animals Are Biggest Producers of Milk and Butterfat.

(Prepared by the United States Department of Agriculture.)

Figures collected from various cow-testing associations throughout the country and compiled by the United States Department of Agriculture tend to confirm the previous conclusions of the department that within the breeds, so far as they were represented by these animals, which were mostly grades, the large cows are the biggest producers of dairy products and are also the most profitable. The evidence seems to point to the fact that in the individual farmer's herd it will be found that on the average the larger cows are more profitable than the smaller ones, although there are some indications that this may not hold true in the case of herds of native cattle containing much beef blood.

The cows whose records have been used by the department have been sorted out so that only mature animals were used for these comparisons, thus eliminating any differences that might have been caused by the immaturity of some cows.

In one group for which figures have been prepared there were 160 cows classified as small, 201 as medium, and 129 as large. The small cows averaged 243 pounds of butterfat a year, and made an income over the cost of feed of $77.39. Those of medium size made 289 pounds of butterfat and an income over feed cost of $88.91. The large cows produced 345 pounds of butterfat and a return above feed cost of $105.74.



A High Producing Cow—The Result of Good Breeding.

In another group there were 461 small cows, 483 classed as medium, and 326 large. Those in the first classification made 240 pounds of butterfat on an average and an income over cost of feed of $89.11. The mediums made 278 pounds of butterfat and $106.09 over feed cost. The large ones produced 299 pounds of butterfat and an income over feed cost of $108.29.

These tables were based mostly on figures for the years 1916 to 1919, inclusive, which accounts for the high average income over cost of feed.

CARING FOR SPRING CALVES

Young Animals Should Be Quartered in Clean Shed or Lot and Given Proper Feed.

Dairy calves should be kept in a clean shed or lot and fed regularly, according to A. C. Baer, professor of dairy husbandry at Oklahoma A. and M. college. He suggests the following feeding schedule:

First week—Feed three times a day of mother's milk.

Second week—Feed three times a day of whole milk.

Third week—Feed three times a day but substitute one-third skim milk.

Fourth week—Feed two or three times a day; one-half skim milk. Regulate the amount of milk to the size and vigor of the calf.

"After the fourth or fifth week all skim milk can be fed and a little grain, ground oats, corn, barley, and a little bran," Baer says. "Let them eat some good hay, as much as they can eat.

"Calves can be kept on pasture, but should receive some grain and hay in addition. To prevent scours, all buckets and cans must be kept clean. The shed or lot should also be cleaned regularly."

MARKS OF GOOD DAIRY COW

Angularity and Leanness Should Be Apparent When in Milk—Mammary System Important.

A good dairy cow should show angularity and leanness in appearance when in milk. A feminine head; a bright, full eye; a wide muzzle and large open nostrils indicate dairy temperament. The chest should be full and deep, giving ample room for large heart and lung development. A long, deep, wide body with well-arched ribs gives room for handling large amounts of feed. And of extreme importance is a well-developed mammary system made up of long, branching milk veins entering large milk wells; teats of convenient and uniform size, good shape and well placed in the udder and an udder that is large, well shaped and has a mellow, flexible handling quality.

Best Roughage for Cows.

Clover hay is one of the best of all roughages for the cow. It furnishes large amounts of crude protein so essential to milk production and is palatable and much relished. Clover hay is unusually rich in lime and lime is also needed.

Plant Food Removed.

A ton of butter removes only seventy cents worth of plant food from the farm, while the sale of the feeds that produce it would carry away over $400 in soil fertility.

Old Tablecloths.

An old tablecloth which has worn through around the edge of the table can be made into an attractive lunch cloth. Cut it off where it is worn and use the outside part to make a hem between two and three inches wide, slip the edge of the cloth between the two edges of the fold and hem.

DAIRY FACTS

SAFE MILK SUPPLY INSURED

Suggested That Two or More Small Towns Hire Inspector and Maintain Laboratory.

(Prepared by the United States Department of Agriculture.)

Milk inspection is of prime necessity. In most of the larger cities laboratories are maintained where bacteria counts and chemical analyses are frequently made on samples collected from retail delivery wagons, stores, and restaurants. But the small cities and towns that cannot afford the expense of a tester and laboratory find it hard to give proper supervision to their milk supplies.

The United States Department of Agriculture suggests that a practical way for such cities and towns to insure a safe milk supply is through the co-operation of two or more adjacent towns in hiring a milk inspector and maintaining a laboratory. The cost of supervising such a plan may be prorated among the different towns on the basis of population without the expense being burdensome to any one of them. State and federal authorities are always willing to co-operate in work of this sort.

Cleanliness Is Essential to the Production of Milk of Low Bacterial Count.

This plan of town co-operation in milk and dairy inspection has been carried out in different parts of the country, probably the most conspicuous example being the group of towns in northern New Jersey known as "The Oranges." In these towns the plan has been in use for a number of years with results that have been very satisfactory to all concerned.

MORE SERVICE FROM FROCKS

Guimpe Makes It Possible to Transform Single Gown to Take the Place of Several.

Chiffon embroidered guimpes with long sleeves are developed in the many different styles which sleeves have taken unto themselves this season. The guimpe makes it possible to transform a single gown to take the place of several. It is probable that the many sleeveless jackets will make their appearance. The sleeves of these guimpes have one thing in common, that they are all wide at the wrist, though this width is variously arranged. Decoration may cover the sleeve for its entire length, or may be confined to a wide cuff section. Beige chiffon for instance, is allover embroidered in red and gold; a Jenny navy chiffon sleeve has a border of rose with gold stitching. Contrasting sleeves can make many costumes of one frock in a neutral color, opaque sleeves can vary a day wear frock, and lace or chiffon sleeves serve the same purpose for more formal costumes.