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SOUTH DAKOTA'S

farm and home development

PROGRAM

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South Dakota's Farm and Home Development Program

By Lyle Bender and Arthur W. Anderson*

The South Dakota Farm and Home Development Program is a family approach to farm planning with better family living as the end objective.

Farm and home development differs from other methods of planning in that the farm family considers its problems as a whole, rather than on a piecemeal basis. This is achieved through careful study and selection of alternate choices in searching for solutions to problems. Decisions are based on needs and desires, farm and family resources, economic trends, available markets and credit, and the supply of capital and labor.

Farm and home development is not a custom built plan for farm operation. Rather, it provides a framework around which the farm family may tailor a plan to meet its individual needs. The objective of the program is for the family to set up a long-time program and carry it out, year by year.

Why Program Is Needed

Farming has changed vastly in recent years. The family farm is still the keystone of South Dakota agriculture; but today's operation calls for greater cash risks and more managerial ability on the part of the farmer.

One farmer today produces food and fiber for himself and 17 others—twice that of 20 years ago. He is doing it with a third less help and little increase in total crop acreage.

America's farmers can be proud of their long record of achievements, and particularly their phenomenal progress in the past two decades. Yet, the scientific advances that have made such progress possible also have made farming a more hazardous and complicated business. Modern equipment, greater use of fertilizers and other agricultural chemicals, improved breeding and feeding—all these require far more investment, cash risk and managerial ability than were needed a generation ago.

Average capital investment for each farm worker has risen to $25,000 from about $8,000 in 1940.

The increased cash outlay heightens the risk involved in agriculture. The situation is further complicated by intense competition for agricultural products.

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Consumption of meat, dairy, poultry, fruits and vegetables is increasing while consumption has declined for cereal products and potatoes.

Higher levels of farm living have increased cash expenditures by the farm family for modern housing, better nutrition, more education and better medical care.

Since 1945, more than a million families in the United States have started farming. Many of these families are short of capital and some are heavily in debt. Problems facing long-established farm families are just as acute. One and a third million farm families had income of less than $1,000 in 1950 and 44 per cent of the nation’s commerical farms produced only 10 per cent of the total farm products sold in 1950.

Faced with high investment requirements, a lower foreign demand for farm products, a cost-price squeeze, and other problems, today's farm families must produce efficiently in order to show a reasonable profit from their work. Records show that efficient production demands the fullest use of all their resources. This can be achieved through careful planning by the farm family.

**Its Objectives**

This type of planning is designed to bring about the best possible use of the resources available to the farmer. It encourages the use of proved agricultural practices which will result in a more dependable net return from farm operations. Preliminary goals of greater efficiency, improved practices and the best utilization of resources all resolve themselves into the ultimate goal—the best possible income resulting in better living for the farm family.

**What Program Will Do**

Through this program, farm families develop their own plans to fit their own desires and capabilities. The program will help farm families to make basic management decisions such as:

- **Proper land use**—Farming the land wisely in relation to the wants of the operator, yet maintaining soil and water resources.

- **Balanced farm organization**—Selecting the type and size of farm business to fit the farm family, the land, and market demands. Fitting crop and livestock enterprises together to make the best use of land, labor, buildings and machinery is also involved.

- **Wise use of finances**—Planning the use of savings and credit to lessen income changes due to changes in price or production. Planning the use of credit to reduce labor, utilize other resources, to increase income and improve the level of living.

- **Efficiency in Production**—Rates of production influence profits. The profit possibility of the use of a practice and rate of production depends on the physical responses of crops or livestock, the relative prices of things going into production and the prices of the final product that is produced.

- **Efficiency in marketing**—This means selecting enterprises which are suitable to the farmer and area for which adequate market outlets are available. Attention should be given to practices that will get products to the market at the right time and of proper quality to command the highest return over costs.

**Who May Take Part**

The South Dakota Farm and Home Development Program is available to all South Dakota farm families. County agricultural and home agents will work with as many families as time permits.

There are certain situations in which some farm families may make more immediate use of this service than others. These include:

- Farm Families just starting out who are searching for a basic organization plan on which to start their farm
operations. It is equally important to other families who have just taken over a farm and home that is new to them.

- Established farmers faced with major adjustments or the addition of new enterprises and production practices. For example, farmers confronted with problems of shifting from cash grain, as a result of present surpluses and controls, to more livestock would find this kind of planning useful.

- Soil management questions such as the most profitable rate of fertilization or the amounts of grasses and legumes to grow in rotations can be answered with this type of planning.

- Farmers located in watershed development areas may find this method useful in developing farm programs to prevent soil erosion and flood damage.

- A combination of irrigation and dry-land farming can be worked out to advantage under the farm and home development program.

- Farmers considering a shift from cream production to whole milk, or from raising feeder calves to buying them can benefit a great deal by comparing net income under the different systems.

Who Does The Planning

The farm family does the planning. Its knowledge of the farm, the farm home and available resources qualify it to do the best job. The family that has kept good production and financial records is in the best position to make sound plans under the farm development framework.

Farm families carrying on the farm and home development program do so voluntarily. The amount of planning a family does depends on its needs. The completed plan simply serves as a blueprint to improve or stabilize the earning capacity of the farm business and to guide the family spending towards better living.

The county agricultural and home agent, specialists of the Extension Service, and other agencies of the U.S. Department of Agriculture, can give information, supply facts, and discuss principles of organization and management that will help the farm family in its planning.

How Planning Is Done

Farm families are aware of the many new research developments and economic trends. But they do not always fit the various enterprises or combination of practices together in such a way as to get the best profit.

For example, one farmer, by careful planning of several alternatives, was able to choose the plan that had the most suitable combination of enterprises and practices. This plan will likely result in an increase in net income over the original plan by 20 percent. Planning of this nature is not difficult. Here is how it works:

The first step is for the family to analyze its needs and desires, for both the farm and the home. The family should determine what resources are available for use in meeting these needs such as land, labor, buildings, machinery, livestock, savings and credit. From here the family must develop realistic goals based on present and future resources. The farm and home plan must be based on the family's desires and still be consistent with available resources.

The second step is to analyze present farm and home operations to detect weaknesses. The farm plan includes a detailed inventory of present resources and operating procedures. It includes a farm map showing building layout, field arrangements and land use. An operating statement showing income and expenses is also included. The farm plan may be prepared separately from the home plan, if desired.

The third step is to develop alternative farm plans and to test these by
budgeting. Let's illustrate this step with the development of a farm plan as follows:

a. The farm operator would list the crop and livestock enterprises and the amounts of each he would have on his farm. Under each enterprise he would list the various production and marketing practices he would use.

b. He would then estimate input requirements (labor, equipment, fertilizer, etc.) and outputs (crop yields and livestock produced) which he might expect from the combinations of enterprises and practices that he plans to use.

c. The next step is the one that really pays off. The operator applies prices to the input items and the output items to get gross income and production expenses. By subtracting production expenses from gross income he arrives at his net income. This is the only way a farmer can determine how much a given farm plan will net him and why. As the farmer works over his present plan and develops his first alternative, he will think of other possible plans that may prove better. To find out whether the first plan is best, he will need to repeat this process of developing the general plan, estimating the inputs and outputs and figuring net income.

d. The final step is to put the best plan into operation and adjust it as needs indicate.

Under the Extension Service Farm and Home Development program, a work book which includes the necessary forms for figuring net income, will be furnished to interested farmers. In addition, reference material and information necessary for planning will be available. These may be secured from the County Extension office.

**Procedure For Helping Farm Families**

There are at least three major ways in which county agricultural and home agents can help farm families in farm and home development.

One is through general meetings where a particular problem or group of similar problems can be discussed. Principles of good farm management can be explained and used in finding answers to farm income problems. "Typical farm plans" can be used to show income possibilities of various changes in the combination and size of enterprises, and the kinds and amounts of production practices.

The second major way is to work with individual farm families in developing a farm plan as outlined in the preceding section.

Working with small groups is the third major way of helping farm families. A county agricultural and home agent in this way can serve the most people in the shortest time. Of course most of the pencil work or figuring must be done by the farmer and his wife. But they would have close at hand the counsel of the Extension Agents. If farm and home development is handled in this way, this general procedure may be used:

1. A small group (say, five or 10 families) may meet regularly in some central place.

2. To do a complete job of farm planning, like that outlined in the preceding section, will take from five to eight meetings. At these meetings the county agricultural and home agent will provide information and discuss procedures and general principles that will help a family in its planning. Some of the actual planning will be done by the family at these meetings.
and the rest at home. One meeting should be a visit to the farm.

3. The five to eight meetings may be organized as follows:

(1) Determination of family's problems, resources and goals.
(2) Planning the cropping program.
(3) Planning the livestock program.
(4) Determining the machinery, building and labor needs.
(5) Estimating farm income and expenses.
(6) Developing a home program.

4. Each cooperating family would be supplied a work book and reference material.

Any interested family should contact the county extension agents for further information on this program.