

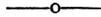
**COOPERATIVE EXTENSION WORK
IN
AGRICULTURE AND HOME ECONOMICS
STATE OF OKLAHOMA**

W. D. BENTLEY, *Director*

OKLAHOMA AGRICULTURAL AND MECHANICAL COLLEGE AND
EXTENSION SERVICE
COUNTY AGENT WORK
UNITED STATES DEPARTMENT OF AGRICULTURE, COOPERATING
STILLWATER, OKLAHOMA

Distributed in Furtherance of the Acts of Congress of May 8 and June 30, 1914

**WHAT TYPE OF FARMING
IS MOST PROFITABLE?**



What Type of Farming Is Most Profitable?

Who makes the most money---the man who plants all of his land to cotton, or most of it, or the man who has a better balanced type of farming, with cotton as one of his major crops? Who adds to his wealth the faster---the man who ventures everything on cotton, or the man who has other sources of income from his farming, and does not have "all his eggs in one nest"?

The Oklahoma Agricultural and Mechanical College, through its Department of Agricultural Economics, has been making a careful study of the relationship between the rate at which farmers accumulate wealth, and the percentage the farmer's cotton income is of all his gross income. In other words, does a high degree of reliance on cotton bring high or low accumulation when a series of years is taken into account? The same study has included also the relationship between the percentage of total farm income obtained from the sale of livestock and livestock products, garden and fruits, and the farmer's annual saving of wealth. The saving was calculated as an average of the entire earning life of each farmer. The percentage of all income that came from cotton and the percentage from livestock, garden and fruits was necessarily for 1924 only.

The amount of added wealth from year to year means the substantial, visible wealth in money in the bank, or property in the possession of the farmer---the result of his average year's business on the farm during his entire past earning life. It represents what he gained over the living and other expenses not invested.

In the following tables may be seen the result of this investigation. To get these results the Department of Agricultural Economics of the College made a careful survey of 199 farmers in Bryan county, Oklahoma, and 157 farmers in Pottawatomie county. In this survey everything connected with the farm business was taken into account, and careful averages made. This survey was made in the year 1924, when cotton was at a very much higher price than it is in the fall of 1926, or is going to be in the spring of 1927.

The Relation Between Average Annual Accumulation of Wealth During the Entire Past Earning Life of Farmers and the Percentage of All Receipts That Were from Cotton in 1924, For 199 Farmers in Bryan County, and 157 Farmers in Pottawatomie County:

Farmers Whose Cotton Receipts Were the Given Percentage of All Receipts	Average Annual Accumulation of Wealth Since They Began for Themselves		
	Bryan County	Pottawatomie County	Total
Below 40 per cent	266	300	284
41 to 70 per cent	142	150	146
71 per cent plus	88	54	78

The Relation Between Average Annual Accumulation of Wealth and the Percentage That Garden, Fruit and Livestock Were of All Receipts in 1924:

Farmers Whose Garden and Livestock Receipts Were the Given Percentage of All Receipts	Average Annual Accumulations of Wealth Since They Began for Themselves		
	Bryan County	Pottawatomie County	Total
10 per cent and below	99	42	85
11 to 25 per cent	129	158	142
26 per cent and over	357	205	240

To summarize the results, the first table shows that those farmers in Bryan county who received less than 40 per cent of their income from cotton accumulated wealth on an average of \$266 per year, while those of Pottawatomie county accumulated \$300, or an average of \$284 for both groups. Now look carefully. When the percentage of the annual income from cotton was 41 to 70 per cent, the annual saving of wealth averaged only \$142 in Bryan county and \$150 in Pottawatomie county, or an average of \$146 per year for both groups. But when the average percentage of the total annual income from cotton was more than 71 per cent of the whole income, the average annual saving of wealth was only \$88 in Bryan county, and only \$54 in Pottawatomie county, or an average of only \$78 per year for all these farmers.

The net result shown in this table is that the farmers who received 71 per cent of all their farm income from cotton saved during all their past earning years at a rate that was only from a fourth to a third as fast as had farmers whose cotton receipts were less than 40 per cent of all their farm receipts.

These figures mean that those who devoted too much of their farm to cotton failed to make as much money as those who devoted a smaller part of their farms to cotton and received part of their income from other sources.

The second table shows the same things as to the amount of the income from livestock and livestock products. As the percentage of income from livestock increases the annual saving of wealth increases. Those who received 10 per cent or less of their income from livestock made an average annual increase in wealth of only \$99 in Bryan county and \$42 in Pottawatomie county. The average was \$85. When the percentage of income from livestock increases from 11 to 25 per cent of the entire income, the annual increase in wealth is raised to \$129 in one county and \$158 in the other, or an average of \$142 in the two combined. Those farmers whose income from livestock was 26 per cent and above, had an annual increase in wealth of \$357 in one county and \$205 in the other, or an average of \$240 for both counties.

Let us put it another way. The farmer in these groups who had less than 40 per cent of his income in cotton and more than 25 per cent of his income in livestock and livestock products, made the most money on an average. Putting it another way, THE MAN WHO HAD THE GREATEST PART OF HIS INCOME IN COTTON, MADE THE SMALLEST ADDITION TO HIS OWN WEALTH EACH YEAR.

It is not what you receive which adds to your wealth, but what you can save. Cotton, when overdone, makes poverty stalk in at your back door, but when properly balanced with other crops and livestock will bring a prosperous agriculture to Oklahoma.

A farmer who raises all cotton is like a man driving an old fashioned one cylinder automobile. It makes a lot of noise; there is a terrible lot of vibration; the riding is rough, and the pace is slow. Get a six cylinder farm, be up to date, and cut out the vibration.