

Locating and Selecting an Agricultural Enterprise



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Extension Service, Oklahoma A. and M. College

Shawnee Brown, Director

Stillwater, Oklahoma

LOCATING AND SELECTING AN AGRICULTURAL ENTERPRISE

C. G. BAUMAN
Planning and Organization

Under the "G. I. Bill of Rights," veterans of this war have certain rights made available to them. One of these has to do with assistance to a veteran who is interested in engaging in agriculture. This circular has been prepared for the information of those who have indicated that they might be interested in engaging in some phase of agriculture. It is an attempt to set out briefly some of the many things that will have to be considered, some of the things that the veteran will have to do, and some of the assistance which he can secure.

I

THINGS TO CONSIDER

There are many things to consider when you plan to enter any kind of agriculture. It is not as simple as it may sound. Those who have an agricultural background will, of course, know what some of the problems are which they will have to meet and solve. Those who have had no previous agricultural experience will need to consider long and carefully all the things that will make for the success or failure of any agricultural endeavor. Agriculture is both a way of life and a business. It is a hard taskmaster in many ways, and yet in many ways, the returns are greater than returns from other occupations. Agriculture does not provide a place for one "*To get away from everything.*"

Agriculture presents many problems. It requires skill and managerial ability on the part of the farmer and his family. It requires a working knowledge of many things, including soils and soil management, livestock and livestock management, feeds and feeding, the kind of crops to grow and how to grow them, methods of home food production, the operation of farm machinery, and the building and maintenance of farm structures. It also requires a knowledge of business and of such things as markets and how to market farm products, farm finances, farm credit, and many other related problems.

Because of all these things, it is wise to give considerable thought to the following:

A. HEALTH

The health of the farmer and of the farm family is of extreme importance. The farm operator who is disabled is at a disadvantage throughout the year, and especially during the rush seasons when the success or failure of the enterprise may depend upon long hours of work. The farm operator whose family is ill is also at a disadvantage, because a family type farm or ranch requires the actual assistance and cooperation of *all* the family in order to be most successful. Hence, health of all the members of the family will be a big factor in determining the kind of agriculture in which one would engage.

B. AGRICULTURAL BACKGROUND

The person who has had no training in agriculture would do well to secure some agricultural background, both in theory and in actual practice, before setting up his own agricultural operation. An agricultural background for both the man and his wife and a desire on the part of both to be on the farm will be of considerable advantage. **IT IS DOUBTFUL THAT ANY MONEY SHOULD BE INVESTED IN AN AGRICULTURAL ENTERPRISE WHERE NEITHER THE MAN NOR HIS WIFE HAVE ANY AGRICULTURAL BACKGROUND. AGRICULTURAL EXPERIENCE AND BACKGROUND CAN BE GAINED BY WORKING FOR SOME SUCCESSFUL FARMER.**

C. FINANCIAL CONDITION

The financial condition of the family planning to enter agriculture is important. A family with limited capital can, of course, supplement this with loans. However, past experience indicates that the surest way to economic, and sometimes physical, disaster, is to start, or acquire, an agricultural enterprise which is covered by a heavy mortgage at the very beginning. The mortgage on any given agricultural enterprise should not be greater than can be carried with normal agricultural prices. A crop failure, a serious illness, or a sudden drastic decrease in the price of the major commodity being produced on the farm, can create a serious situation, if there is no financial reserve. It's nearly always better to "play safe" than to "be sorry."

D. TYPE OF FARMING TO SELECT

There are many types of agriculture, ranging all the way from the subsistence type to the large commercial type. Some of those generally used in various sections of Oklahoma are:

1. Large scale cash crop farming

An example of this type of farming will be found in the small grain area of Oklahoma where large acreages of small grain, principally wheat, are grown. Sometimes a considerable acreage of grain sorghums or cotton is used. This type of farming requires a large investment in land or machinery or both.

2. Livestock farming or ranching

There are sections of Oklahoma where the production of livestock, generally cattle, is almost the only agricultural enterprise. Generally, these operations are conducted on lands owned or leased (or both) by the operator. In some sections, principally in Eastern Oklahoma, such operations are generally conducted from a small acreage owned by the operator who uses other land known as "Free Range." No one should attempt the latter operation unless he is familiar with the people, the area, and all other factors affecting such an operation.

Livestock operations will usually require the initial outlay of considerable cash for the purchase of land, leases, livestock, and feed.

3. General farming

Over much of Oklahoma this type of farming will be found most advisable. It provides a minimum amount of risk to the operator and maximum employment of himself and his family, when conducted on a family type unit.

It should provide for:

- a. The production of livestock—hogs, cattle, sheep, and poultry; the numbers, classes, and types depending upon the individual farm and local factors.
- b. The production, as nearly as possible, of feed in sufficient quantities for the livestock.
- c. The production of food crops for the family.
- d. The production of cash crops on as many acres on the farm as are adapted and available, giving consideration to maintenance of soil fertility and erosion control.
- e. The production of suitable fruits and vegetables for market **IN SOME AREAS.**
- f. A conservation type of agriculture which will maintain the fertility of the soil.

4. Specialty farming

This type of agriculture would cover many things such as:

- a. Commercial retail dairy production
- b. Commercial fruit production
- c. Commercial poultry production—eggs or meat or both
- d. Commercial vegetable production

Each of these are highly specialized fields requiring an extensive knowledge of many factors. They might be called "high risk" enterprises. Generally, in addition to a knowledge of the business, certain special markets, or feed supplies, or transportation facilities must be available. Seasonal labor, in relative large quantities, must also be available in the case of fruits and vegetables.

5. Small scale farming

The farmer who grows a very small acreage of any cash crop as his only source of income would be an example of this type of agriculture. The production of very small numbers of livestock or amounts of livestock products for sale would also be examples.

Farmers who expect their farming operations to pay operating expenses, to provide for the retirement of indebtedness, to educate their children, and to maintain a desirable standard of living for the family need to see to it that any proposed farm unit is large enough to do these things. Operators who conduct extremely small agricultural operations usually find it impossible to meet such expenses without additional sources of income.

6. "Part-time" farming

This type of agriculture could be any of the types already mentioned. It is being called "part-time" in this circular when carried out by an operator who is regularly employed either all year or part of the year at some work other than agriculture, but who also engages in agriculture for a part of his total income. It usually can be done only in limited areas near some industrial centers where regular employment can be had.

7. Subsistence farming

There seem to be two types of subsistence farming.

- a. In some areas farm families live on small acreages and have only occasional employment with very low pay. They have only meager equipment and supplies and **MUST** grow as much of their home food requirements as possible.

- b. Some families have a small pension or income from some source other than employment. They supplement this cash income by the production of poultry and dairy products and other foods, principally for their own use.

A family must have some outside source of income in order to enjoy a satisfactory level of living in any subsistence type of farming. A veteran with a pension can supplement a small cash income in this manner.

II

LOCATING IN THE STATE

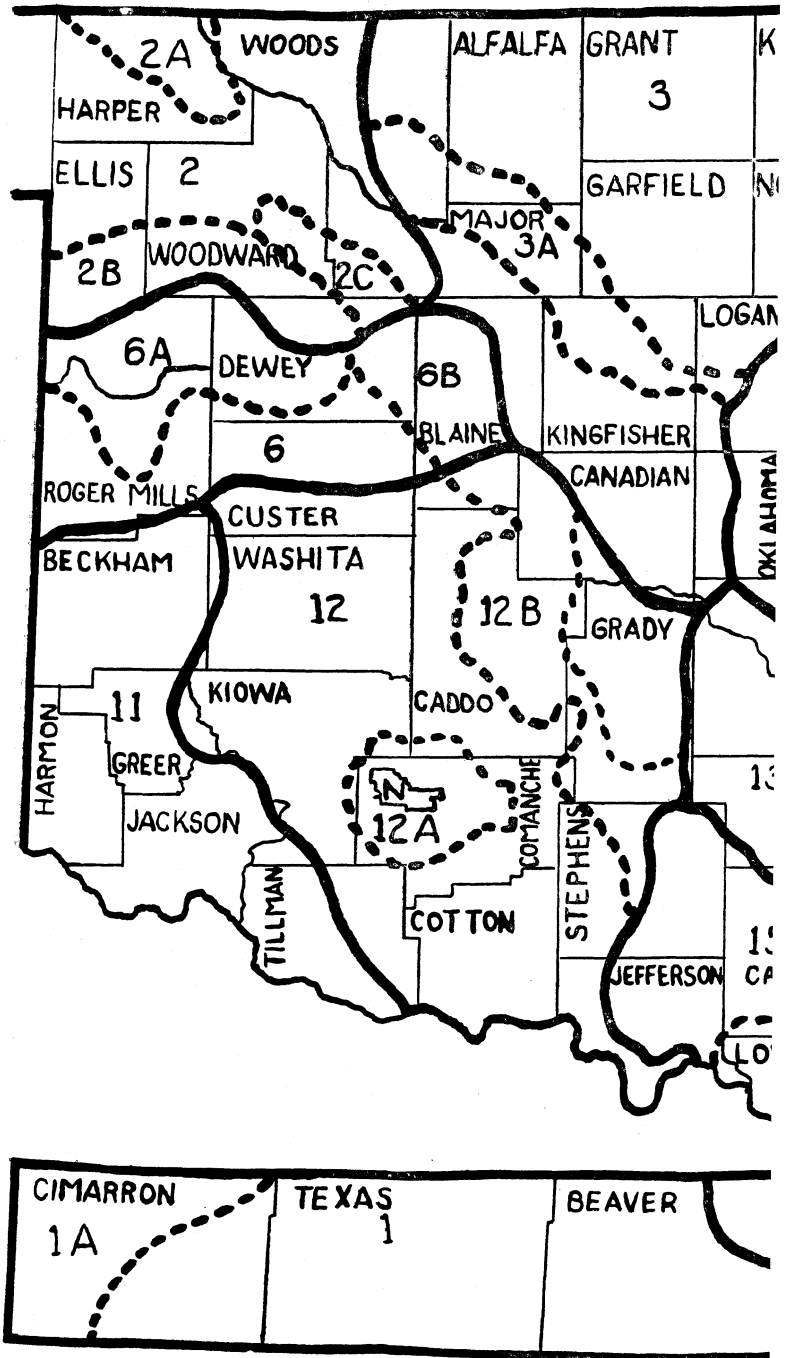
If, after due consideration, you and your family determine to engage in one type or another of agriculture, the next problem is to select a place where you would like to set up your proposed agricultural enterprise. *Generally it is best to make a start in an area with which you are familiar.* However, if you are not familiar with any agricultural area, or the area with which you are familiar is not suitable for the type of agriculture which you have decided to follow, other decisions will have to be made.

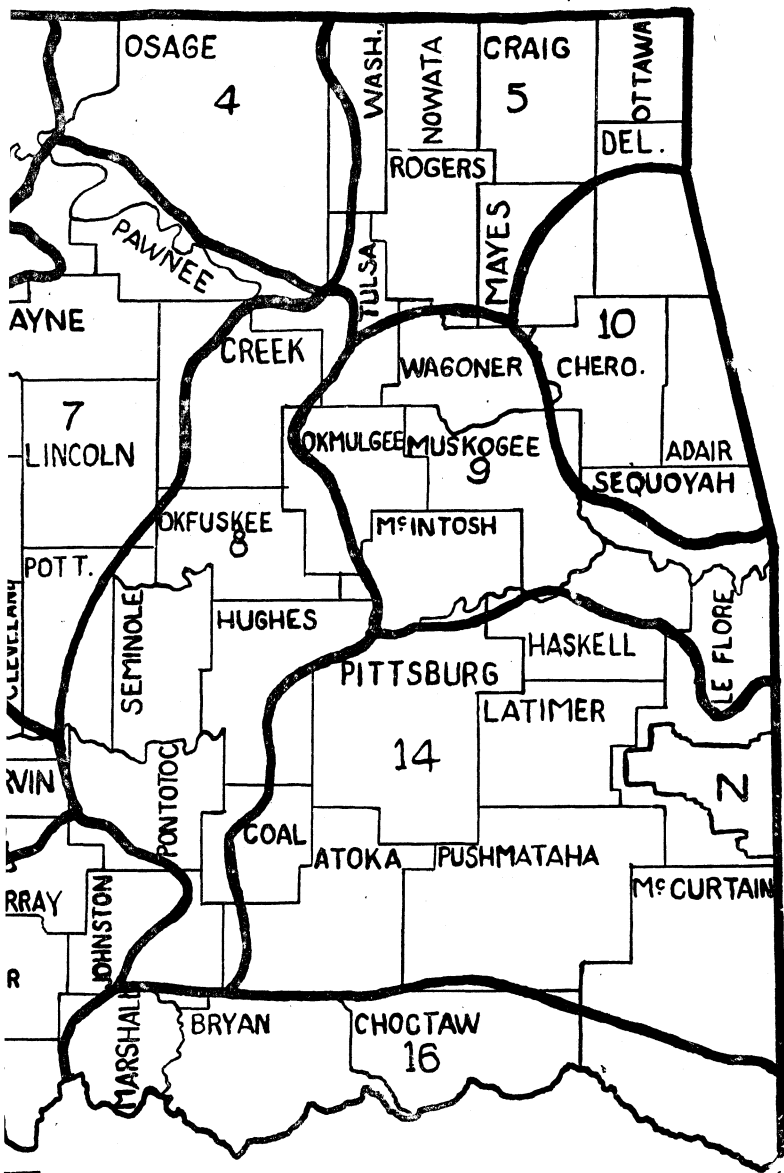
A. SELECTING AN AREA

Oklahoma has been classified into 16 major type farming areas. These areas are general and are set up on the basis of the use farmers are now making of the land in the particular area. **THE TYPE OF AGRICULTURE NOW BEING CARRIED OUT IN A GIVEN AREA IS GENERALLY A GOOD GUIDE TO FOLLOW WHEN PLANNING A NEW AGRICULTURAL ENTERPRISE.** There are specific reasons for this type of agriculture. Changes in it come slowly, and the pattern cannot be changed overnight. A study of these areas will enable you to select the area best suited for your plans. It is suggested that you study the different parts of the state, which have been classified as being suitable and desirable for the type of agriculture which you propose to follow, and then make your selection of the particular county in which you wish to settle. The type farming map in the center of this publication will serve as a guide.

B. SELECTING A COUNTY

There will usually be more than one county in a type farming area. You should study the facilities and resources of the counties in the area and select as nearly as possible the one which comes closest to providing the things you want or need.





(See page 10 for key to map.)

OKLAHOMA

Area—Type of Farming

- I. Cash Grain and range livestock
 - 1A. Largely range livestock
- II. Somewhat broken topography—some small grains, feed crops, livestock
 - 2A. Cash wheat primarily
 - 2B. Cash wheat primarily
 - 2C. Sandy area, general farming
- III. Cash grain, general farming
 - 3A. A wooded area of sandy soil general farming, some cotton produced on this strip
- IV. Range livestock—some general farms
 - V. General farming, livestock, dairy, poultry and self-sufficing
- VI. Cash grain, general farming, cotton, livestock
 - 6A. Rough sandy area, scarcely any farming, some range livestock
 - 6B. Wooded area, general farming, and cotton
- VII. General farming, cotton, livestock, dairy and poultry
- VIII. Cotton, general farming, self-sufficing, dairy (An area of generally poor soil, except on small bottoms)
- IX. Cotton, some dairy, potatoes, commercial vegetables, self-sufficing
 - X. Some fruit, general farming, dairy and poultry, self-sufficing (Rough wooded land)
- XI. Cotton, supplemented with cash grain, livestock, dairy and poultry
- XII. Cotton, cash grain, livestock, some dairy and poultry
 - 12A. Rang livestock
 - 12B. Sandy, wooded section, cotton, general farming
- XIII. Cotton, livestock, general farming, broomcorn
- XIV. Cotton, self-sufficing, livestock (Rough mountain and wooded area)
- XV. Range livestock, general farming, self-sufficing
 - 15A Cotton
- XVI. Cotton, general farming

N—National forests

The price of land, tax rates, school, church and business facilities available, markets and transportation facilities and other facilities should all be studied.

III

LOCATING IN THE COUNTY

After you have definitely determined the county in which you wish to locate, it is suggested that you take the following procedure.

A. CONTACT THE COUNTY AGENT

An advisory committee of farmers, under the supervision of the county agent, has mapped the different "natural areas" in each county in Oklahoma. Those farmers have had advice and assistance from other agricultural agencies and business men in their county. This map is available in the county agent office. It sets out in a definite way the "natural areas" of the county. Information as to the type of agriculture which is best suited to each area is also available in the county agent's office and in the offices of other agencies.

B. STUDY THE AREAS

In studying an area in the county, you should give consideration to the productivity of the soil, to markets and the distance from them, to business and banking facilities, roads and other transportation facilities, R. E. A. lines, schools, religious and social facilities. Rural telephones, mail service, and other public facilities which may not be available should be considered.

Natural hazards should also be investigated. Such things as over-flows and the frequency of their occurrences have a direct bearing on the success or failure of an agricultural program. The frequency of hail storms, destructive winds, and similar hazards should be carefully investigated.

Long distances from market over bad roads or long distances from railroad transportation or schools have a direct influence on what it will cost you to carry out your operations, maintain your family and educate them, and to pay for your farm.

All these factors have a direct influence on the value of the land which you may propose to buy.

**C. SELECT THE PARTICULAR AREA BEST SUITED TO
YOUR PROPOSED PROGRAM**

After you have studied the information for the areas in the county, you should be able to select the area best suited to your requirements.

D. SELECT A FARM OR RANCH

The same factors considered in selecting an area should be considered in selecting a farm within an area. Emphasis should be placed upon securing the most productive land available at a price based upon the land's long time productive value.

E. ACQUIRE POSSESSION OF THE FARM

This may be done by either of three ways.

1. By renting for one year.
2. By lease on a long-time basis.
3. By purchase.

A family going into agriculture for the first time, or going back to it after a few years' absence, probably should rent the farm selected with an option permitting either the renewal of the lease or the outright purchase of the farm at the end of the first year, if the farm proves to be suited to the family's needs. Those familiar with the agriculture of an area may find a long-time lease or an outright purchase desirable.

IV**THE PROBLEM OF FINANCES**

Certain financial assistance is available to a veteran through the guarantee of loans that he might need to buy a farm or to set up the operation of it. The county agent will know what these rules and regulations are in so far as agriculture is concerned. He can also tell you what agencies or individuals in the county are in a position to make loans to veterans which can be guaranteed by the Veterans' Administration. Generally, in most Oklahoma counties, veterans who desire assistance with financing will be able to secure such assistance from the Farm Credit Administration, the Farm Security Administration, or from local banks and individuals who may have money to loan.

The law provides strict limitations on guarantee of loans. If you expect to make use of the guaranty provisions, you

should remember that each loan guaranteed must be inspected and a farm must be valued at its productive value and not at an inflated value.

V

WHERE TO GET INFORMATION AND ASSISTANCE ON SPECIFIC PROBLEMS

Certain agencies of the Department of Agriculture have been assigned specific duties in the program to assist veterans in establishing or reestablishing themselves in agriculture. These agencies and some of the services which they can render are as follows:

A. THE COUNTY EXTENSION SERVICE

The County Extension Service has been assigned the responsibility of developing general agricultural information for the use of the veteran and others who are interested in establishing themselves in agriculture. County agents in Oklahoma have this information available.

For the benefit and assistance of the veteran, the agent has an advisory committee set up in the county. Many of these committeemen are veterans of the last war. The county agent will be in a position to direct a veteran to some of these farm people for information on all the things which have been mentioned in this leaflet.

This office, commonly referred to as "the county agent's office," is also in a position to assist farmers with general educational information on the various phases of agriculture and the specific information concerning many problems in agriculture.

The county home demonstration agent assists the homemaker with all the problems encountered in the home—such things as food production and preservation, nutrition and health, house furnishings, home improvement, clothing and its conservation, child development, and other problems related to the home.

B. FARM SECURITY ADMINISTRATION

The Bankhead Jones Committee of the Farm Security Administration has been assigned the responsibility of certifying to the Veteran's Bureau all applications for loan guarantees which may be made by a veteran who is asking for a loan to be guaranteed under the G. I. Bill of Rights.

This office is set up in each county with an FSA supervisor and an associate supervisor in charge of home management. It is their responsibility to make farm operating and home ownership loans to farm families who are unable to get adequate credit from other sources. They also give helpful assistance to Farm Security borrower families in the solution of their problems of farm and home management.

C. FARM CREDIT ADMINISTRATION

Veterans who buy farms will have the services of trained Federal land bank appraisers who are responsible for making valuations and inspections of farm property purchased under the guaranteed loan provided for in the G. I. Bills of Rights.

The Farm Credit Administration includes the cooperative credit associations, of which there is both a national Farm Loan Association and a Production Credit Association serving every agricultural county in the state.

National Farm Loan Associations have several plans for making long-term Federal Land Bank loans on farms now owned or farms to be purchased. Production Credit Associations make loans to farmers and stockmen for the production of crops or livestock. If a veteran has some experience, a farm, and livestock or equipment, he may apply for a loan from his local Production Credit Association.

**Cooperative Extension Work in Agriculture
and Home Economics
Oklahoma Agricultural and Mechanical College and
United States Department of Agriculture
Cooperating**

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