4. SOME ECONOMICS OF COTTON PRODUCTION IN THE SOUTHEASTERN STATES

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The economic problem of agriculture, expressed in one word, is "income." If the cotton grower anywhere has a sufficient income to meet his requirements he has no problem. If he has not such an income then he shall be looking for the reason why and the source of correcting the evil. Has the southeastern cotton grower a sufficient income? In presenting the facts of record we shall confine ourselves to those five states which grow cotton as a more or less universal product of all the farms, viz., Alabama, Georgia, Mississippi, North Carolina, and South Carolina. Likewise, for comparison with western territory, we shall study only Texas, Oklahoma, Arkansas, and Louisiana. Other cotton-producing states in both areas have such wide sections without cotton that official statistics may not be readily used within state lines.

THE FARM INCOME

An accurate knowledge of farm income, correctly defined, may not be had from official sources, but the following statement (Table 1) may be accepted as at least indicating comparable facts on this point. Assuming that Georgia and South Carolina are more or less typical of the eastern cotton-producing states and Texas and Oklahoma of the western area, certain data are presented for these four states. The basic figures are taken from the 1925 census of agriculture, except that the item of "value of crop and livestock products" is taken from the estimates of the United States Department of Agriculture as probably being more nearly complete for that item for the year 1924 to which these data refer.

The value of crops and livestock is in each case an average of the two years 1924 and 1925 as balancing each state between good and bad seasons. The item of "interest at 14% of investment" is assumed as covering taxes, upkeep, replacements, and rents, the latter being necessary for tenants but coming back to farm owner operators. This percentage may or may not cover in each case the items of necessary outlay indicated, but it is assumed as being at least fairly typical and as placing all farms on an equal basis of net income. Income as here used is not, of course, actual cash income, but is

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