FARM ADJUSTMENTS TO MEET WAR IMPACTS¹

SHERMAN E. JOHNSON²

THE general question raised by this topic is, How can farmers who are operating under widely varying conditions throughout the country and producing different combinations of products best adjust their operations to meet war conditions—for their benefit and for the Nation's welfare?

In dealing with this question the first thing discovered is the highly variable effects of the war and the defense program on demand for major commodities. The products normally exported are adversely affected by the war. This means that the dark spots in the demand picture are cotton and tobacco in the South, wheat in the Great Plains and Pacific Northwest, pork and lard in the Midwest, and fruits everywhere that were formerly produced for export.

The bright spots in the demand picture are the domestically consumed dairy and poultry products, meats, wool, and fruits and vegetables. Larger payrolls will mean increased consumption of these products.

Having in mind the demand contrasts among the various products we can analyze better the adjustments that farmers will need to make. It is usually necessary for farmers to look ahead at least 5 years because changes set in motion now will affect production for several years.

The war and the defense program may be totally different in the latter part of a 5-year period. Many more drastic changes than can now be foreseen may be required. However, the outlook for two major commodities probably will be pretty dark regardless of the outcome. These are cotton and wheat. A shift to other alternatives in some of the areas producing these commodities seems highly desirable. The alternatives are already major enterprises in other regions; consequently, interregional competition may be intensified for dairy products, meat animals, wool, and fruits and vegetables.

The basic problem is really one of how many people must find their support in agriculture. If the industrial pick-up would furnish employment for a sufficient number of farm people the intensity of production in areas that have lost markets for a part of their production could be slackened. Some of the poorest land could be abandoned and less labor and materials would be used even on the better lands. We could then concentrate on increasing the efficiency of production for the remaining product.

This type of solution would be the same as those of earlier periods. Land in New England was abandoned when the Erie Canal brought cheaper products from the West, but industrial development in

¹Presented as part of a symposium on "War and Agricultural Adjustment with Special Reference to Grassland Agriculture" before the Crops Section of the American Society of Agronomy and the Soil Science Society of America, Chicago, Ill., December 6, 1940.

²Head, Division of Farm Management and Costs, Bureau of Agricultural Economics, U. S. Dept. of Agriculture, Washington, D. C.