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FARM SECURITY

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The Work of the Farm Security Administration

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DEPARTMENT OF AGRICULTURE
FARM SECURITY ADMINISTRATION
WASHINGTON, D. C.

THE WORK OF THE FARM SECURITY ADMINISTRATION

The Farm Security Administration helps low-income farm families become self-supporting. It gives them advice on farm and home management and often advances the credit needed to act on the advice.

More than 1,500,000 rural families, many direct from relief rolls, have received FSA assistance since 1934. At present 650,000 families are active borrowers, obtaining supervision as well as credit. Of these, several thousand are being helped to start farming again after being displaced by defense activity.

Most FSA borrowers were victims of agricultural misfortunes beyond their control. Many failed as a result of unprofitable farming practices, of worn-out land, or of unsound tenures. Many were operating on too slim a margin and became burdened with debt. And from no other source but the FSA could these folks get the credit they needed for a new start—adequate credit at reasonable interest.

FORMS OF ASSISTANCE

A wide variety of assistance is offered by the Farm Security Administration.

1. Farm Planning and Supervision

In nearly every agricultural county of the United States the FSA has men and women workers who are known as supervisors. The principal job of the supervisors is to help borrower families develop sound plans for farm and home management. On the basis of such plans FSA operating loans are made. On June 30, 1941, nearly \$575,000,000 had been loaned, and nearly \$200,000,000 in principal and interest had already been repaid. Relatively few loans are delinquent.

The loans finance the plans. Successful plans produce income that can be used to repay the loans. Farm plans ordinarily provide for pro-

duction of at least two cash crops. They also call for feed and forage crops for livestock and enough milk, meat, eggs, and vegetables—all raised on the farm—to meet family needs. The loan is always large enough so that the farmer can buy the seed, tools, livestock, and other equipment essential in his farming operations. Often, too, the loan will cover necessary feed for the livestock and food for the family to carry them along until the first crops can be harvested.

The FSA supervisors advise borrowers about approved practices in crop rotation, erosion control, and other farm problems. Many borrower families are being urged this year to produce extra amounts of milk, cheese, pork, eggs, vegetables, and other foods needed for national defense. Besides helping to feed the democracies, the extra production means abundance of food-stuffs for the family table and added income for the family treasury.

2. Standard Rehabilitation Loans

If a farmer is in need of credit and can't get it at reasonable interest from any other source, he is eligible to apply for an FSA standard rehabilitation loan. If a prospective borrower doesn't own his farm he must have a satisfactory lease or purchase contract. An effort is made to see that each borrower has land which will support his family and produce enough income to repay the loan. The loans are secured by chattel mortgages on livestock, machinery, and crops. The term of the loans is 1 to 5 years and they bear 5 percent interest.

3. Emergency Loans

Unexpected dry spells, insect invasions, floods, hurricanes, or other natural calamities may cause damage that suddenly threatens a farmer's livelihood. Often a small loan saves a crop or keeps livestock fed. After the crisis is past, emergency borrowers generally work out farm and home management plans and apply for standard rehabilitation loans.

4. Grants

Sometimes a farming section is so hard-hit by natural misfortune that immediate aid is needed to prevent starvation. The Farm Security Administration makes small grants to families for food, fuel, and other necessities of life. Every effort is extended to get the family back on a self-supporting basis as soon as possible, usually through standard loans.

5. Community Service Loans

When a number of farmers need an item of equipment or a farm or home service too expensive for any one of them to own and operate individually, the Farm Security Administration can lend the members of the group enough money to swing the deal jointly. Before loans are made, the farmers enter into an agreement with each other showing how much they will pay for the use of the service and how the service is to be managed and operated.

Also, loans often can be made to eligible farmers for participation in cooperative associations. Thus they can get the benefit of farmer-operated creameries, grain elevators, oil stations, and other types of purchasing and marketing associations.

6. Medical Aid Loans

Frequently farmers have difficulties in making ends meet when there is sickness in their families. In many counties, local medical societies have helped organize health programs to give low-income families medical care at a cost they can afford. If necessary, the Farm Security Administration lends each family money to meet this expense, generally as part of a regular rehabilitation loan.

7. Farm Purchase Plan

Congress has authorized the Farm Security Administration to make a limited number of loans each year to help tenants, sharecroppers, and farm laborers to buy farms of their own.

These tenant-purchase loans are made only in certain counties designated by the Administrator of the FSA, on recommendation of State FSA advisory committees. Ordinarily these are counties in which tenancy is most widespread or is growing most rapidly. A tenant-purchase loan is large enough to enable the borrower to buy adequate farm land and, if necessary, to repair the buildings or put up new ones. The loans are repayable over a period of 40 years at 3 percent interest.

County committees, each consisting of three farmers, decide on the basis of character, ability, and farming experience which applicants shall receive loans.

8. Farm Debt Adjustment

For farmers overburdened with debts, the Farm Security Administration provides a means to adjust the debts to their capacities to pay. This service is available to all farmers, whether or not they take other part in the FSA program.

A local farm debt adjustment committee meets with the debtor and his creditors for discussion of their mutual problems. Often it is possible to reach an agreement for extending the time of payment, scaling down the debt, or refinancing part of it through an FSA rehabilitation loan. In this way the farmer is saved from foreclosure and the creditors get substantial payments on what might otherwise have been bad debts. Similar adjustments are made on group debts, such as those incurred under irrigation or drainage contracts.

Up to March 31, 1941, more than 150,000 farm families had been helped by such debt adjustments. The total reduction in their debts amounted to more than \$100,000,000 and the payment of almost \$5,500,000 in back taxes was accomplished.

9. Tenure Improvement

Since money is not available to help all tenants become farm owners, the Farm Security Administration is encouraging better leasing ar-

rangements. In cooperation with State agricultural colleges and other local agencies, the FSA has placed emphasis on long-term or renewable contracts and on agreements which will encourage the tenant to protect the soil and improve the property.

Flexible farm lease forms have been prepared which encourage landlords and tenants to enter into equitable leasing arrangements. These forms are available from county supervisors and county agricultural agents.

10. Special Programs

Some families are living on cut-over timberland, in drought-stricken areas, or on eroded lands that cannot be put on a paying basis by ordinary means. Every farmer in such an area may need help, whether he is a landowner or tenant, big farmer or small. Each contributes to a broad plan that will make the best use of existing natural resources, and family farm and home management plans are laid out along its lines.

Special loans sometimes are made to (1) renew the soil of worn-out farms; (2) help settle debts against a farm; (3) increase the size of an inadequate farm; or (4) repair existing farm structures or build new ones. These loans can run for terms as long as 40 years, at 3 percent interest.

11. Loans for Improvement of Farm Water Resources

In the 17 Western States, loans are available to individual farmers or small groups of farmers for the installation or development of stock ponds, diversion dams, windmills, storage tanks, or similar facilities.

A new activity in the West, increasing in importance, is the Wheeler-Case water conservation program. It is carried on by cooperation between the Department of the Interior and Farm Security Administration. Reservoirs and diversion works are being constructed to bring irrigation water to new lands, which then are developed as farms for stranded or otherwise

disadvantaged farmers. Supplemental water is being provided for old irrigated areas with an inadequate water supply at present. Under this program, there are also adjustments being made in the use of dry farming and grazing land adjacent to project areas.

12. Homestead Projects

Farm Security administers 151 farm communities which provide homesteads for around 15,500 families. Some of the projects are in exhausted mining or lumbering areas and provide living space for families who might otherwise be permanently dependent on relief. Others demonstrate approved methods of farming and of economic organization.

The FSA developed new methods of construction for these projects which made it possible to build good four- and five-room houses for as little as \$1,500.

As an outgrowth of the project program, and with the same objectives in sight for low-income farmers, there have been established a total of 50 cooperative land-leasing and land-purchasing associations. They have made similar opportunities available to nearly 5,000 additional families.

13. Camps for Migrant Farm Families

In the past decade many thousands of tenant families have been pushed off farms because motorized machinery is being substituted for horse and hand labor. In addition, thousands of families—particularly in the West—have been forced off the land by drought and windstorms.

Most of these families are trying to earn a living as migrant farm laborers—usually as harvest hands in the fruit, cotton, truck-farming, and sugar-beet districts. They seldom have homes other than makeshift roadside camps, without sanitary facilities or even good water supplies. Such camps can be a health menace, both to migrants and their communities.

Farm Security has completed 58 and is building 6 more migratory labor camps, capable of caring for about 15,000 families at any one time.



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The camps consist of shelters, sanitary and recreation facilities, and a clinic. Often they also include labor homes, permanent housing available to migrant families able to find year-round employment near the camps.

The camps are open to all migrant families so long as there is room. Residents usually contribute a few hours of labor each week to the camp's upkeep, or pay a small rental.

14. Defense Work

Since May 1940, the Farm Security Administration has undertaken three new activities directly connected with the national defense program: (1) It has assumed the major responsibility for relocating farm families displaced from their homes by defense purchases of land. (2) It is agent of the Federal Works Administrator in building and managing permanent homes for industrial workers in crowded defense areas. (3) It builds and manages trailer and dormitory projects as "stopgap" housing for defense workers, acting on a direct allocation by the President, and in areas selected by the Division of Defense Housing Coordination of the Office for Emergency Management.

15. National Planning

FSA personnel is available and equipped to participate in local or area planning. Such plans can be put into immediate effect through the medium of farm and home plans. FSA supervisors are *ex officio* members of the county land-use planning boards being established under the Land Use Coordinator's office of the U. S. Department of Agriculture.

How to Apply for FSA Aid

Any farmer who is interested in applying for the loans or services of the Farm Security Administration should call at the nearest county supervisor's office. If the applicant is eligible for help, the supervisor will be glad to go over his case and help him make out his application.