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E. AGRICULTURAL CREDIT

I. FARM CREDIT ADMINISTRATION, DIVISION OF FINANCE AND RESEARCH

Range livestock financing

The chief objective of the study is to determine the total debt-carrying capacity of a ranch and the method of extending credit that will be to the mutual advantage of the borrower and the financing institution. Experience records of the Federal Land Banks, production credit associations and Federal intermediate credit banks constitute the basic data. Certain other data are being collected from the agricultural colleges and directly from ranches through appraisal investigations being conducted by the Land Bank Division.

The study is being made by Frank I. Masche of the Economics Subdivision. An advisory committee composed of sheep men and of representatives from the divisions of the Farm Credit Administration immediately concerned with the financing of range cattle has been appointed to assist in the direction of the project and in the analysis and application of the results. No special publication of the findings is now planned.

2. FARM CREDIT ADMINISTRATION OF ST. LOUIS IN
COOPERATION WITH THE COLLEGE OF AGRICULTURE,
UNIVERSITY OF ILLINOIS

*Mortgage loan experience in Coles and seven adjoining
counties, Illinois*

With the purpose of ascertaining more precisely the factors affecting the success of mortgage loans in a limited area, intensive analysis is being undertaken of Federal Land Bank and insurance company loans. Field surveys are being made to supplement file record information. Data available in the hands of the Agricultural Adjustment Administration on the crop output of mortgaged farms in recent years are expected to be used, as well as data currently being gathered by the Bureau of Agricultural Economics in its survey of farm mortgages, land values, transfers and farm taxes. Approximately 1,000 mortgage loans closed from 1917 to 1932 will be covered by the study, although field surveys will be confined to about 100 mortgaged farms. This is the first of a series of sample area studies planned, and is therefore experimental.

In preparation under the direction of T. A. Porter of the Farm Credit Administration of St. Louis, it is a joint project of the St. Louis Farm Credit Administration and the College of Agriculture, University of Illinois. Completion of the project is expected by summer 1937. Publication plans are at present indefinite.

See also IVE7 and 9

3. FARM CREDIT ADMINISTRATION OF ST. PAUL,
STATISTICAL DIVISION

*Federal Land Bank loan experience in Michigan,
Minnesota, North Dakota and Wisconsin*

The loan experience of the St. Paul Federal Land Bank is studied in detail in order to attain more reliable standards for appraising credit risk. Each county in which a substantial volume of loans is now outstanding or were outstanding in 1933 and subsequent years is being studied. Data have so far been prepared showing the number and amount of loans outstanding by counties and the average land value per acre as indicated by loan appraisals. In addition, a certain amount of analysis has been made of farm mortgages as related to soil types of mortgaged farms, amount of down payment and other factors. It is planned to investigate loan experience by counties in the light of this background.

In preparation under the direction of W. L. Cavert, as a project of the Statistical Division of the Farm Credit Administration of St. Paul. Undertaken primarily as an internal project, the results will probably not be published. The project is not expected to be completed before 1938.

See also IVE9

4. RURAL ELECTRIFICATION ADMINISTRATION, RESEARCH
AND STATISTICS SECTION

*Factors affecting the credit standing of cooperative
agricultural groups*

This study has been undertaken to determine the relative risk that may be assumed in granting credit to newly

formed cooperatives. Various factors relating to agricultural conditions and loan experience of the area to be electrified are classified and analyzed. Factors considered in the examination of cooperative groups include farm income, land and building values, soil conditions, type and size of farms, tenancy, mobility of farm operators, mortgage foreclosures, and non-farming industries.

The examinations of cooperative agricultural groups are directed by Foster Adams as a Research and Statistics Section project. Inasmuch as this project is mainly concerned with assembling information bearing on current operating problems of the Rural Electrification Administration, no publication of findings is planned.

5. U. S. DEPARTMENT OF AGRICULTURE, BUREAU OF
AGRICULTURAL ECONOMICS, DIVISION OF AGRICULTURAL
FINANCE

*Factors of banking success or failure in Arkansas,
Utah and Wisconsin*

Special attention is paid in this study to the purposes of and to the basis for liquidation of loans made to farmers in various agricultural areas. Experience indicating the liquidity and risk elements involved in loans of various types is also studied. The data on loans to farmers were obtained directly from the banks, supplemented with data from examiners' reports. They cover the period 1925-35, inclusive.

In preparation under the direction of F. L. Garlock, in cooperation with the respective state agricultural experiment stations.

For the main description of this project see IE7; see also IVE6 and 8

6. IOWA AGRICULTURAL
EXPERIMENT STATION

[IOWA STATE COLLEGE]

*Economic provision of short term agricultural credit
in Iowa*

This investigation is to be concerned with the adequacy of short term agricultural credit facilities in Iowa and with the efficiency of methods of short term credit extension. It is expected in particular to deal with credit sources and with costs and terms of different types of short term agricultural credit, as related to various risk factors. Data indicative of the volume of short term credit and of methods in extending such credit are to be gathered over a period of several years on the basis of a sample covering several counties.

At present in an exploratory stage, the preparation of the study is in charge of W. A. Murray.

See also IE7; IVE5 and 8

7. IOWA AGRICULTURAL
EXPERIMENT STATION

[IOWA STATE COLLEGE]

Soil survey, soil conservation, land classification and appraisal, and loan experience in Tama County, Iowa

This project combines an analysis of physical factors of land productivity with an economic and financial analysis in order to attain the most complete appraisal basis possible for weighing mortgage risk. It is expected that the collaborative efforts of agricultural and financial scientists will contribute materially to the development of more effective standards for determining in advance agricultural mortgage risk. Highly intensive, the project involves the detailed mapping of the soil resources and

physical features of a single county, the segregation of lands of various grades on the basis of productivity, the correlation of physical and productivity features of land with economic elements and mortgage loan experience in order to provide a sound basis for land appraisal in connection with taxation, land transfers and land financing. All farm lands will be covered but detailed appraisal of individual farms will not be attempted. It is expected that an efficient investigation routine may be worked out so that similar projects may be undertaken elsewhere at reasonable expense.

In preparation under the direction of P. E. Brown of the Agricultural Experiment Station, Iowa State College. The Resettlement Administration, the Soil Conservation Service, the Bureau of Soil Chemistry, and the Farm Credit Administration are cooperating by lending personnel and research facilities. Completion is not expected before summer 1938. Experiment Station bulletins will present results of the study.

See also IVE₃ and 9

8. MICHIGAN

[MICHIGAN STATE COLLEGE]

AGRICULTURAL EXPERIMENT STATION

*Agricultural loans of state banks in Michigan,
1928-1936*

This study has been projected to ascertain the distinctive liquidity features and risk factors to be taken into account in connection with loans to farmers by state commercial banks. The plans of investigation call for a transcription and analysis of bank ledger accounts of loans to farmers in at least five Michigan counties, and a questionnaire, to representative farm borrowers, on the use of borrowed bank funds. Data on mortgage loans made to

short term farm borrowers are also to be gathered. So far a preliminary sample of 100 loan accounts selected at random from each of five banks situated in different types of farming district has been collected and analyzed. When complete data are finally assembled, the experience of commercial banks with farm lending is to be related to the use of funds by borrowers, types of farming, and farm conditions and business cycle phases.

In preparation under the direction of Roy J. Burroughs of the Economics Section, completion is not expected before 1938.

See also IE7; IVE5 and 6

9. NEW YORK STATE

[CORNELL UNIVERSITY]

AGRICULTURAL EXPERIMENT STATION

Land classification and loan experience

This project is a study of first mortgage loan experience in different land classes. The land in the counties to be studied has already been classified by the Department of Agricultural Economics and Farm Management according to present and probable future intensity of use. The purpose of the study is to determine the importance of the land classification from the standpoint of credit. The results are expected to be of assistance to farmers in planning their own use of available credit, and of value to lending agencies in helping to solve the problems of appraisal and of the distribution of lending risks.

The study is under the direction of S. W. Warren of the Department of Agricultural Economics and Farm Management, New York State Agricultural Experiment Station, Cornell University. The Farm Credit Administration is cooperating with the Experiment Station in

providing data and personnel for research. The Joint Stock Land Banks and other lending agencies are also providing data.

See also IVE₂, 3 and 7

10. NORTH CAROLINA [UNIVERSITY OF NORTH CAROLINA]
AGRICULTURAL EXPERIMENT STATION

Credit problems of North Carolina cropper farmers

The aim of this study is to determine the extent to which North Carolina cropper farmers rely on various types of farm credit, the cost to them of the credit used and the relationship of cropper farming to the cost of credit and credit risk. Data are being assembled by means of a questionnaire survey covering selected farms.

In preparation under the direction of Hugh H. Wooten, this study is intended to bring up to date a similar survey made in 1928, and to be completed within the present year.

11. TENNESSEE [UNIVERSITY OF TENNESSEE]
AGRICULTURAL EXPERIMENT STATION

Agricultural credit, eastern highland section of Tennessee

The purpose of this survey is to ascertain the kinds, extent, use and risk elements of farm credit in eastern Tennessee, and also the costs of credit and the types of farming in which credit is most frequently used. Data are being gathered by means of a questionnaire survey covering 200 representative farms in one county.

In preparation under the direction of C. E. Allred, the project will be completed by early fall 1937.