

From a marketing standpoint, Federal inspection of broomcorn differs little from inspection of other farm products. The ultimate object is the same—to furnish all interested parties to the transaction a fair and impartial description of the broomcorn in question. This is accomplished, not by a casual inspection of the bale, but by drawing a representative sample which is carefully analyzed for every factor affecting quality and condition. The broomcorn-inspection certificate, signed by a Federal inspector, becomes a potent factor in consummating transactions. It provides a dependable description of the quality, length, hurl, dockage, and other factors which affect the value of the broomcorn, in terms which are so definite that, on these descriptions, buyers can adjust their buying closely to requirements. This marks an innovation in the broomcorn industry.

Marketing broomcorn on Federal inspection serves to stimulate confidence in trading, eliminates misunderstandings, and assures delivery of specified qualities on contract. It tends to eliminate the necessity of long, expensive trips to market to inspect purchases personally. Lower buying costs result, yet the buyer is assured of the delivery of the identical bales selected from the inspection certificates.

Seals for Identifying Bales

Buyers who store broomcorn recognize additional advantages in Federal inspection. Each bale is provided with an identification seal which insures the owner against loss, misplacement, or possible substitution of bales while in storage. Confidence is thus stimulated in accepting storage at shipping points, where interest or high freight rates can sometimes be saved. Inspected broomcorn, particularly when stored in a bonded warehouse, provides a good basis for borrowing money in order to carry the product until needed or for securing credit for buying large supplies when the time for such buying appears to be favorable.

Producers find Federal inspection of broomcorn advantageous. Standard descriptions are acceptable as a basis for financing the crop over periods of depression or market declines, thus promoting more orderly marketing methods. Federal inspection also serves as a basis for a comprehensive market news service whereby dependable information on broomcorn values can be secured and used more advantageously in the purchase and sale of broomcorn.

Dealers in broomcorn ultimately will recognize the advantages of Federal inspection. Marketing can be conducted on standardized description and without the responsibility of attempting to describe broomcorn in the vague indefinite terms now in common use. Thus trade expansion both in buying and selling will result directly in proportion to the extent that the terms of the inspection certificate becomes the common language for describing broomcorn.

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BUDGETS Useful in Planning a System of Farming

A farm budget is a carefully worked-out estimate of how well a particular combination of crops or combination of crops and livestock will pay. This estimate is based upon the available information as to what the prices and crop and livestock production are likely to be during the year or

period of years just ahead. The budget should show in a simplest way the expected crop and livestock production, the expenses, and receipts for the particular system contemplated.

The purpose of working out farm budgets is to aid in finding the system of farming best adapted to the farm and to the conditions of the time. Usually a more profitable system will result if plans for the system, including probable expenses and receipts, are carefully worked out and compared with plans for other possible systems, before the system is actually put into operation. In this way costly errors may be avoided. Specifically, the use of farm budgets carefully worked out has the following advantages:

1. Budgets help farmers more accurately to appraise different systems and practices so that the most profitable systems and practices may be decided upon.
2. Budgets help to keep a balance between crops in a crop system of farming and a balance between crops and livestock in a crop and livestock system.
3. Budgets help to determine in advance how much seed, fertilizer, and other supplies are likely to be needed during the year.
4. Budgets help to determine how much feed will be needed for the livestock, how much will need to be bought and how much is likely to be available for sale.
5. Budgets help in determining the amount of cash that will be needed to operate the farm, and when this will be needed.
6. Budgets help in determining the total net returns that may be expected so that living expenses, payments, or investments may be adjusted accordingly.

Data Needed for a Budget

The returns actually obtained in farming probably will not approximate the returns contemplated in a budget unless the prices, requirements, and yields used in making the budget approximate those that actually prevail. Those used in making the budget should represent the best judgment of the one doing the planning as to the production and prices that may reasonably be expected for the particular farm and period, after considering all the information available. The information that will be useful is divided into two classes—that relating to prices and that relating to production.

The following are important sources of information on prices:

1. Outlook and intention-to-plant reports issued by the United States Department of Agriculture and outlook reports issued by the State colleges of agriculture.
2. The Agricultural Situation, a monthly publication issued by the United States Department of Agriculture and similar reports issued by the State colleges of agriculture.
3. Crops and Markets, and Foreign Crops and Markets, periodicals issued by the United States Department of Agriculture.
4. Bulletins and reports showing the results of special commodity price studies.
5. Market reports carried by the farm, State, and local papers.
6. Yearbooks of the United States Department of Agriculture and of State departments of agriculture.

The outlook reports and the Agricultural Situation carry conclusions as to probable price trends during the months just ahead.

Crops and Markets, Foreign Crops and Markets, and intentions-to-plant reports carry information such as is considered in arriving at the conclusions indicated in these reports. Bulletins based upon special price studies usually carry conclusions for a somewhat longer period. The other sources carry data that are useful in making an analysis of the price situation of the principal farm commodities.

Information on Production

Among the important sources of information on production are the following:

1. Records for the farm and similar records in the community.
2. Records showing county and State crop yields.
3. Books, bulletins, and reports showing the results of livestock feeding and crop experiments of the United States Department of Agriculture and State colleges of agriculture.
4. Demonstrations showing the results of practices in the community.

The publications which carry results of experiments are likely to be most useful in determining the yields that will probably result from the use of different fertilizers or other practices, and the livestock production that will probably result from different rations. One's own experience and records showing the results on other farms will be useful in localizing and interpreting the experimental data in terms of conditions on the farm and in determining the crop and livestock production that will probably result from the practices commonly followed in the community.

A careful study of production information will provide a basis for conclusions as to the crop yields that are most likely to be obtained, the quantities of the different kinds of feeds normally required to produce 100 pounds of pork or to put 100 pounds of gain on steers, or to keep a cow or a horse a year. A similar study of the information on prices will provide a basis for conclusions as to the prices that are most likely to prevail during the coming year and years just ahead.

Study the information and formulate judgments as to prices, crop yields, livestock production, and crop and livestock requirements for such crops and livestock as appear to have possibilities on the farm being considered. Next a budget for the present system is prepared; following this the farmer considers desirable combinations of crops and livestock for other systems and works out budgets for them.

Budgets Should Be Compared

The budgets worked out in this way should be compared. Each should be considered critically to determine how well the principal crops are adapted to the area, the effect of each system upon the fertility of the soil, the kinds of markets that are available for each of the marketable products, how nearly the feed crops provide a balanced ration for the livestock (if the system includes livestock), how well the crops and livestock fit together, and how well the non-marketable products such as pasture, straw, stover, skim milk, etc., are utilized with each. With these facts and the returns that may reasonably be expected from each in mind one of the systems should be selected as the system to be followed.

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