

Tobacco Control Program Resulted From Low Prices

Plan Has Backing of Farmers and is Cooperative Enterprise — Extension Specialist Gives History of Program.

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The tobacco control program originated and was made possible by the distressing low prices which demanded that the growers cooperate together in order to be heard.

In the meantime representatives of both houses of federal congress were also thoroughly familiar with the needs of the constituents back home. They began to work as never before to aid farmers, all over the United States, in some federal program. As a result of this study the agricultural adjustment act was approved on May 12, 1933. After considerable study by farmers and those interested in the welfare of farmers, it was decided that this act would mean much to the growers if they would accept a program that would be written to apply to the different commodities in distress. As a result of this there were various commodity programs worked out and were known as the cotton, corn-hog, wheat, sugar, flax, rice, tobacco, peanut programs, etc.

These programs were accepted by better than 80 percent of the producers of these commodities. It was later decided that in order to perfect the administration of the tobacco program it would be necessary to have some control factors other than those laid down in the tobacco production adjustment program. Again, the representatives of the tobacco growers got together and passed an act that was approved on June 28, 1934, and was known as the Kerr-Smith tobacco act. This was the first time that the tobacco growing interest had ever had the opportunity to cooperate in a control program administered and enforced by the agents of the federal government. This act was discussed throughout the entire country and was considerably criticized by a few, but it was that act together with the tobacco production adjustment act and the full cooperation of the tobacco growers, that made it possible to increase the income from flue-cured tobacco. As an example, we will take our own state, North Carolina. In 1934, 96.5 percent of all of the flue-cured tobacco was grown under a contract. Those not growing tobacco under contract paid a penalty of 25 percent of the gross value. In 1935 those growers who deliberately would not cooperate with the program in 1934 were given a chance to sign a contract. Also those growers who could not get an equitable base for the base period of 1931, 1932, and 1933, were given special consideration in order to allow the remaining tobacco growers, who had grown tobacco since 1929, to be given an equitable base in line with their neighbors. As a result of this consideration and the increase of tax from 25 percent of the gross value to 33 1-3 percent of the gross value for the year 1935, only seven percent of the flue-cured tobacco grown in North Carolina was not under contract. This in itself would prove convincingly

that the growers of flue-cured tobacco will respond to a compulsory control program.

To show further the results that may be obtained by a compulsory control program, we will illustrate again by the value received for the tobacco produced and sold in North Carolina. As you no doubt know, North Carolina grows 70.2 percent of all of the flue-cured tobacco grown in the United States. The value in income to the tobacco growers of this state was increased from \$35,428,000 in 1932 to \$117,443,000 in 1935. This does not include the \$15,977,018 which were paid growers in the form of the 1933 equalizing, 1934 rental and adjustment, and 1935 rental and adjustment payments. As a result of the beginning of the program in 1933, the price started to increase after the markets for flue-cured tobacco were closed until the people had a chance to express themselves. The growers of this state, and other states, were determined not to produce another crop of tobacco and allow their wives and children to go ragged and hungry, much less lose their farms. After the growers showed the nation their determination in no uncertain terms the price of the 1933 crop increased five or six cents per pound, which gave a total of \$86,444,000 for the flue-cured crop in the state.

In the year of 1934 the program got into full swing and the tobacco crop was of splendid quality throughout the entire flue-cured belt with the exception of Georgia. In 1934 the amount received by growers in North Carolina was \$118,808,000. In 1935 with an increase in production the State of North Carolina produced as much tobacco as all of the states growing tobacco in 1934. Any time other than 1935, with the increase we had in 1935 due largely to seasonal conditions, you would have heard the cry of over-production on the markets, but under the control program you never heard over-production used

by the buyers. This goes to show that if the growers of flue-cured tobacco will produce in line with consumption they can expect a reasonable price, which will give them a fair profit above the cost of production which the tobacco producers are due just as much as any other business on the face of the earth. Not until we continue with such a program as we have had in the past, or in some program that the growers will give their full cooperation, will we be able to keep production in line with consumption over a period of years and realize a reasonable profit for the growers of flue-cured tobacco.

It is quite true that some growers, due to conditions beyond their control were unable to establish a base under the control program that was equitable, or would give them the necessary cash crops. It was equally true that some few growers established a base acreage

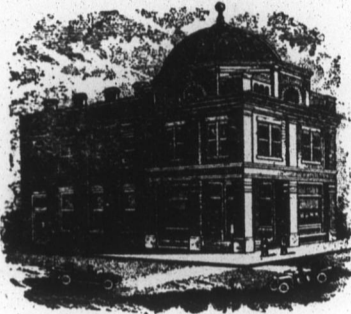
and poundage that was greater than they needed or normally grew, but there has never been an organization with 89,640 people cooperating that some people did not get more than was due them, thereby causing some to get less. This percentage was remarkably small in our state due to the untiring work of the committeemen in making the necessary adjustment in the contracts. To indicate that the Washington office had confidence in the splendid administration of the program, North Carolina was given an increase year by year. In 1934 we had a base acreage of 691,186 acres with a yield per acre of 749 pounds. In 1935 we had a base acreage of 737,598 acres with a yield per acre of 757. In 1936 we had a base acreage of 756,000 with a yield of 780 pounds. We will admit that these increases we were getting from year to year were not as great as the final production for our state.

However, the greatest yields per acre that North Carolina has ever received, going back as far as 1924, was in 1933, 1934 and 1935. Our yields were based on our past records. We were assured that if we continued to get record yields as in 1934 and 1935 our allotment would have been increased accordingly. In several years it was possible to iron out these differences and at the same time give most every person cooperating with the program a greater return for the commodity produced, than they would have received had there been no program.

The tobacco producers not only received an increase in price but increased the yield per acre and the quality in like manner. To illustrate, the yield per acre in North Carolina was 626 pounds per acre in 1932, 794 pounds per acre in 1933, 847 pounds per acre in 1934, and 935 pounds per acre in 1935. This

increase in yield was beyond the expectation of the statisticians, or those familiar with the production of flue-cured tobacco. This was due to the fact that the best uniform soil was selected, the proper rotation was carried on, and with the amount of tobacco that was planted more attention and consideration was given to the crop. Tobacco is one crop that should have the intense interest of the producer together with the best fertilization, cultivation, and uniformity of soil that can be had in our state. When these factors are considered to the fullest extent, you will find the growers of flue-cured tobacco producing far superior quality, which is our only hope to exceed in the production of flue-cured tobacco for world consumption. We have been given soil, climate, and experience which gives us the lead over

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