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# The Missouri Farm Real Estate Situation for 1931-1932

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# The Missouri Farm Real Estate Situation for 1931-1932

CONRAD H. HAMMAR AND R. K. MOORE\*

## THE SITUATION IN GENERAL

The decline of farm real estate values in Missouri, so much in evidence since 1920, continued even more sharply during the first eight months of 1932. The weighted index of sales values (1927=100) fell from 70.5 in 1931 to 53.8 in the first eight months of 1932, a drop of 23.6 per cent. Average sales values are now down to a point equal to those of 1901. (See Figure 1.) In thirteen years, 1920-1932, sales values have fallen enough to counteract a nineteen years rise from 1901-1919. Values rose, with a few minor reverses, steadily from 1901 to 1920 and have fallen continuously since that time.

Missouri was not alone in experiencing drastic reductions of farm real estate values. "The Farm Real Estate Situation", an annual publication of the Bureau of Agricultural Economics of the United States Department of Agriculture, reports that for the United States as a whole estimated values of farm real estate declined, on the average, about 16 per cent from March 1, 1931 to March 1, 1932.† The various geographical divisions within the country participated with surprising uniformity in these declines.

These declines of real estate values reflect a continued drop in the price of farm products. Prices of practically all major farm products averaged lower in 1932 than in 1931. By January, 1933 grain prices had declined to 34 per cent of the 1910-14 average. Meat animal prices were down to 51 per cent, and cotton and cotton seed were down to 45 per cent of this same pre-war average. Likewise, fruits and vegetables and dairy products had reached new low levels. Poultry products, on the other hand, strengthened somewhat, reaching 96 per cent of the 1910-14 level as compared with 87 per cent in January, 1932.

The index of wholesale prices for all commodities# fell to 90 in January 1933. This index has declined persistently but the decline has not been as rapid as in the case of farm products. The ratio of prices paid by farmers to prices received, an index of farm purchasing power, had fallen to 49 in January 1933 as compared with 53 in January 1932, and 69 for the same month of 1931. As in the depression of 1921 farm prices have dropped faster than farm costs.

Under such price relationships the dollar earning power of farmers is greatly reduced and discharge of fixed costs such as taxes and mortgage

\*The text of this bulletin represents a revision of a manuscript with the same title submitted originally by Mr. Moore to the Graduate School of the University of Missouri in partial fulfillment of the requirements for the Degree of Master of Arts.

†B. R. Stauber, "The Farm Real Estate Situation, 1931-1932", U. S. D. A. Circular No. 261.

#1910-14=100.

Per  
Cent

SALE PRICES OF FARM REAL ESTATE IN MISSOURI AND THE WHOLESALE PRICE INDEX 1820-1932  
1910-1914 (inclusive) = 100

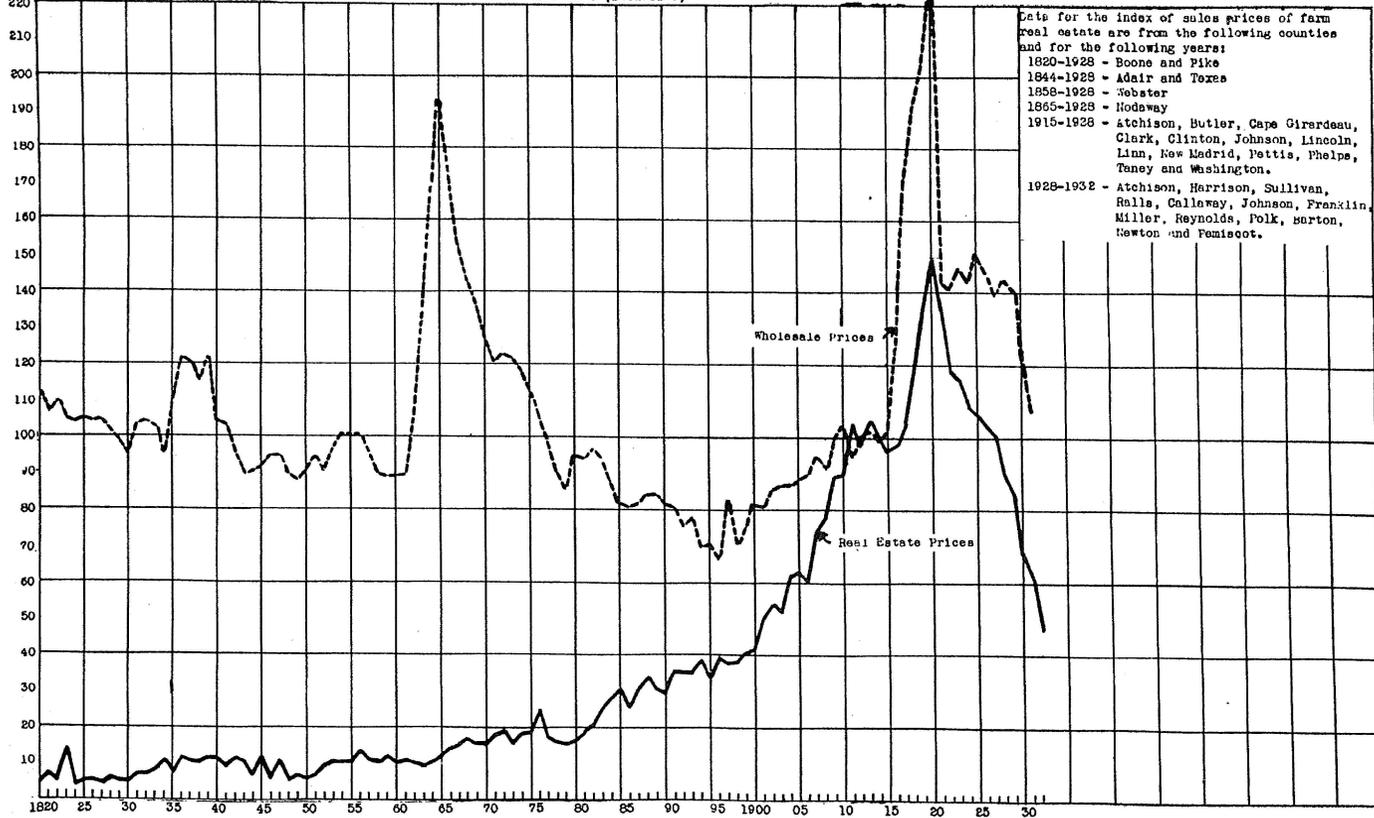


Figure 1.—Sale Prices of Farm Real Estate in Missouri and the Wholesale Price Index 1820 to 1932. (1910-1914, inclusive, 100.)

Sales data for the years 1820 to 1914 were gathered by Professor O. R. Johnson of the Department of Agricultural Economics of the University of Missouri. Those for the years 1915 to 1927 were secured under a cooperative agreement between Professor Johnson and Dr. L. C. Gray of the Division of Land Economics of the United States Department of Agriculture. Data for succeeding years are from the present study.

interest becomes a heavy burden. Stauber, in commenting on this situation, says: "This condition is one of the most painful effects of a declining price level upon agriculture, or indeed, upon any industry in which fixed charges constitute an important part of the total expenses."\* Taxes and interest, he states, required approximately 19 per cent of the gross agricultural income in 1931. This percentage is nearly two and one half times as great as the 1910-14 average.

### Agricultural Production and Farm Income

As stated in last year's Missouri Farm Real Estate Situation, "Reduction of output fails to reduce costs as materially in Agriculture as in most other industries, and price declines act, in part, to force farmers with interest and taxes to meet to increase rather than cut production, thus giving impetus to further price declines."† Gross income from agricultural production for 1932 is estimated at \$5,240,000,000.\*\* In comparison with the \$6,955,000,000 income of 1931, this is a reduction of 25 per cent and it is a 56 per cent reduction from the \$11,950,000,000 gross income of 1929. That the decline in gross income is due almost entirely to price changes is indicated by the fact that physical production in 1932 was only 5.5 per cent below that of 1929. Similar data for the State of Missouri alone were not available.

That a like reduction of incomes in most other industries would seriously curtail production and force many participants out of business is apparent. This has not been the effect on agricultural production and numbers engaged in farming however. According to L. H. Bean‡ of the Bureau of Agricultural Economics, agricultural production has remained on a very stable basis during the depression. The slight reduction in 1932 is probably no more than can be accounted for by weather variations. Numbers engaged in production have, according to Galpin and Manny# actually increased. Farm population on January 1, 1933 was, they estimated, 32,242,000. This is the highest figure ever recorded by this estimate, the previous high figure being the 1910 estimate by the Bureau of the Census.

### Factors Affecting Future Movements of Farm Real Estate Values

While it is difficult, if not impossible, to give exact quantitative weighting to factors affecting prospective movements of farm real estate values, it is possible to survey them qualitatively and to evaluate the direction of the effect of various forces which are known to affect real estate values.

\*Stauber, *op. cit.*, page 19.

†Missouri Experiment Station Research Bulletin No. 172, page 8.

\*\*"Crops and Markets", November 1932, page 439.

‡Agricultural Situation, December 1932, page 2.

#Agricultural Situation, May 1933.

Quite an imposing array of factors may be classified as strengthening their effect. Legislation which recently became a law gives the President of the United States wide discretionary powers in the field of money and credit. He is given power to encourage a rise in prices by currency expansion, credit expansion, or by the reduction of the amount of gold in the dollar. Assuming the outcome of inflationary efforts to be a rise in the general price level, farmers generally would quite certainly benefit. Raw materials generally benefit before finished products in a price rise.\* Wholesale prices paid to producers change first because of the anticipation of market middlemen of future needs of the market, and because of the reluctance with which retailers change prices. However, real estate prices are likely to respond only sluggishly to rises in commodity prices. Particularly is this true when farmer purchasers of farm real estate are behind on tax and interest payments, as is widely conceded to be the case at present. However, rises in farm product prices will be very welcome to the farmer and the direction of the effect on real estate values could hardly be anything but upward.

The Federal Farm Relief Bill (in which these grants of power to the President over money and credit were contained) attacks the problem of agricultural incomes even more directly and proposes to make a direct attempt to raise the purchasing power of agricultural products to a parity with the 1909 to 1914 level. Very positive efforts are even now being made to put the policies expounded in this law into effect and these efforts are being aided to a very considerable extent by what seems to be a somewhat normal recovery from the depression phase of the business cycle. Inasmuch as real estate values in many states, and particularly in Missouri, are far below their 1909 to 1914 level, some rebound in these values should occur if indeed it proves feasible and possible to restore the purchasing power of farm products to their pre-war level.

The recently enacted Farm Mortgage Act should have important effects in steadying the demoralized farm real estate market and exerting an upward influence on farm real estate values. The Act contains three major provisions. The first broadens the market for farm mortgages already in force by providing that the Federal Land Bank may purchase these upon certain bases; the second calls for a temporary reduction in interest and amortization payments, and the third broadens the ability of the Federal Land Bank and the Farm Loan Commissioner to extend credit to farmers and thereby essentially make more credit available to farmers. Specifically, on all outstanding Federal Land Bank loans,

\*The July 15th release of the Price Situation, a monthly publication of the U. S. Department of Agriculture, contains the following paragraph: "The general level of wholesale prices has advanced, almost without interruption, each week since early March. The Bureau of Labor Statistics weekly index converted to a 1910 to 14 base, advanced from the post-war low of 87 for the week ended March 4th to 98 for the first week in July, an advance of 13% in four months. During this period, farm products led in the advance, with a rise of 44%. . . . Recent price increases have been greatest for the raw materials which had previously declined the most."

and loans to be made for two years after the Act became law, the interest rate is to be reduced to  $4\frac{1}{2}$  per cent for a period of five years. Such a reduction should prove a boon to farmers and should have a steadying influence on farm real estate values.

Farm taxes have declined for the past four years. An actual decline in taxes reduces one of the major deductions which must be made from gross rent in figuring net return. As this net return, in its relation to land values, grows larger the prospective investor views with more favor the possibilities of a reasonable return from an investment in land. The possibility of owning land without the burden of increasing taxes tends, other things equal, to strengthen values.

The population of the United States is increasing and, according to most authorities on population growth, it will continue to grow for many years to come. The need for additional farm products will continue to increase as long as the population increases. In order to obtain this increased product, it is estimated by Baker, 12 per cent more crop land will be needed by 1940.\* An increased demand for farm real estate will tend to raise its sales value.

Further, an increased demand for land seems to have grown out of the new landward movement that has been developing since the beginning of the depression in 1929.\*\* Much of this demand will be for land for rent and the competition thus developing may tend to drive down returns to tenants and increase those to landlords. Also, many people who are moving to farms will, no doubt, want to invest such savings as they have in land. Probably, however, as seems to be the case in Missouri, much of this latter effect will be felt in the regions of poorer land and lower real estate values, such as the Ozark Highlands in Missouri. However, the net effect of both factors should be to increase farm real estate values.

One very intangible but possibly important factor may be a returning interest in investment in land in the United States. The foreign market for American capital so popular during the decade from 1920 to 1930 seems likely to be restored to its former position of importance only rather slowly. The disastrous experience with domestic stocks and even with certain types of bonds may also tend to reduce the volume of investment being made in these intangible forms of property. Investment in land has also had its unfortunate aspects in recent years, but the loss of equities in the case of land owners has probably been, on the whole, less severe than that which has fallen upon the shoulders of investors in foreign and domestic securities. Furthermore, there has apparently

\*O. E. Baker, *The Outlook for Land Utilization in the United States*, Journal of Farm Economics, April 1931, page 224.

\*\*See Agricultural Situation May, 1933, pages 2 to 5.

arisen, because of the intense uncertainty which the protracted depression period has brought into the lives of many, a new attitude toward land and a farm home as a safeguard in times of distress. The farmer who has owned his land free from debt has been counted very fortunate during the depression. Thousands, and probably millions, of city people have looked enviously toward such security, and from various quarters comes the comment that the investment in a farm home as an anchor to windward during similar periods in the future is proving enticing to many former farm people with city jobs. No statistical evidence as to the quantitative effect of such returning interest in land investment can be given at this time.

Finally, certain factors of minor importance are worthy of some small comment. In the first place there is some evidence that the prolonged trend downward in the number of horses is drawing to a close. There is even some chance that the number of horses in the next few years may increase, bringing an increased demand for land for feed crops though in any event such an increase is likely to be small.\* Secondly, wages of farm hands are at the lowest level that they have reached since 1910 and a reduction in wage costs sufficient to affect real estate values may accrue unless this reduction in wages is merely a temporary phenomenon.

The array of these factors, all of which are exerting an upward influence on real estate values, is not unimposing. However, certain factors are working on the other side, tending to offset those enumerated above. In the first place, notable increases in the efficiency of agricultural production have taken place since the war. Mr. Nils A. Olsen has commented upon this tendency in the following terms: "The substitution of tractor and automobiles for horses and mules and the increased efficiency in the utilization of feed for livestock together have added the equivalent of around 55,000,000 acres, or about 18 per cent to the effective crop area since the World War. Other tendencies, such as the shift from the less productive crops per acre to the more productive crops, and from the less productive to the more productive kinds of livestock such as dairy cattle, hogs and chickens, have contributed to the same result."† It is unlikely that these tendencies will not continue to some extent in the future. Certainly the advancement of science as applied to agriculture will continue. The use of labor saving machines and improved feeding practices have decreased the amounts of land needed for production.

The large number of farms which have come into the possession of mortgaging agencies is likely to keep the farm land market oversupplied

\*See the Agricultural Situation, July 1, 1933, pages 5 to 7.

†Nils A. Olsen, "The Agricultural Outlook and the Land Problem", Proceedings of the National Conference on Land Utilization, November 1931, pages 9 and 10.

for some time. Many individuals and organizations which have acquired this land, probably do not care to engage in farming as a long time policy and hope to sell their land as soon as possible. Under such circumstances a cloud of distressed farms will hang over the farm real estate market for a number of years exerting a continuously depressing effect on values.

There is some evidence and some likelihood that the attitude of the farmers themselves toward investment in land has changed. The tremendous publicity that has been given for a decade or more to the apparent surplus of farm products and of farm lands culminating at present in actual efforts to get acreages of certain crops actually destroyed has surely wiped out most, if not all, speculative elements in farm real estate values. The rate at which gross cash rents are capitalized into real estate values has risen in Missouri from approximately 4 per cent in 1920 to 7.15 per cent in 1933. That is, land renting for \$5 gross cash rent in 1920 would have been worth approximately \$125 per acre in 1920, while land renting for the same figure in 1933 would have been worth only \$70 per acre. Owners of farm real estate are insisting that their properties return them a higher rate now than formerly and these very declines in farm real estate values themselves, together with the great uncertainties to which farming in the past few years has been subjected, may well intensify this insistence to the point where still higher rates are demanded.

Finally, there is the major factor of the uncertain foreign market for agricultural products. The cotton, wheat and hog producers have, among American farmers, been in the past heavily dependent upon foreign countries, particularly those of Western Europe for a market for a part of their products. Increasing foreign competition, the tardiness with which the problem of international debts is being handled and the reluctance of the great trading nations of the world to reduce tariff and quota barriers so as to rejuvenate international trade are all acting to jeopardize the position of the American farm in the foreign market. The American public has been slow to recognize that trade policies suitable to the status of a debtor nation are questionable in a succeeding period of creditor nation status. Recently the new feature of depreciation of currencies has been introduced as a trade weapon and has added further uncertainty to the already troubled world trade situation.

### THE SITUATION IN MISSOURI

As previously stated, weighted average sales values of Missouri farm real estate reached 53.8 per cent of the 1927 level in 1932. This average is a composite of average values in widely different areas, and its limitations as applied to any specific area must be recognized. Land values in very different areas are seldom affected to the same degree

by any given set of economic forces. Because of the dependence of farmers of different areas upon varying sources of incomes any combination of factors is likely to have varying effects upon land values in these different areas.

**Comparative Declines in the Type-of-Farming Areas**

Average sales values declined from 1931 to 1932 in all, except two, of the twelve\* (See Table 1) counties representing the various

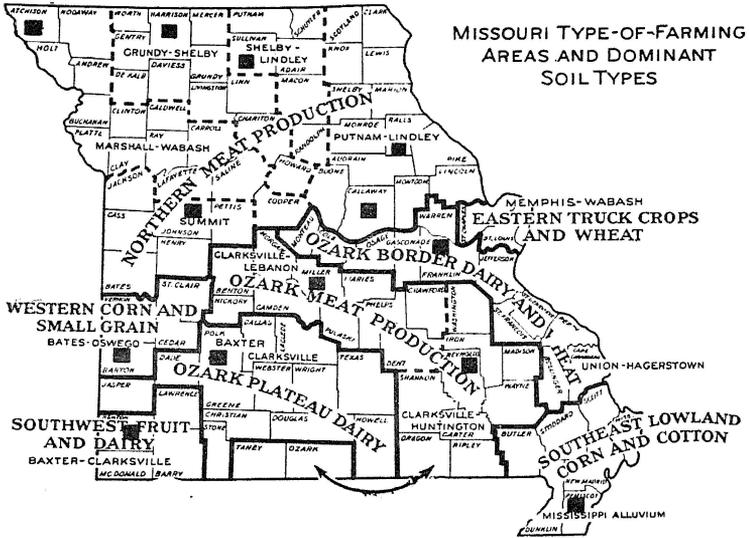


Figure 2.—Missouri Type-of-farming Areas and Dominant Soil Types.

types of farming areas of the state.\*\* The two exceptions, Miller and Franklin counties, both showed sharp increases. (See Figures 3 and 4.) Miller county values increased from 69 per cent of the 1927 level in 1931 to 82 per cent as an average for the first eight months of 1932. Franklin county values actually climbed from 83 per cent of the 1927 level in 1931 to 103 per cent in 1932. This county is the only one, among those studied, the real estate value index of which was greater in 1932 than in 1927. In Johnson county which, like Franklin county, is near a city, farm real estate value fell from 92 per cent of the 1927 level in 1931 to 67 per cent in 1932. The index of value in Johnson county has stayed above the state index most of the time since 1927. In both Johnson and Franklin counties the fluctuations from year to year have been considerable.

\*Data for Ralls and Callaway counties grouped together.  
 \*\*See Figure 2.

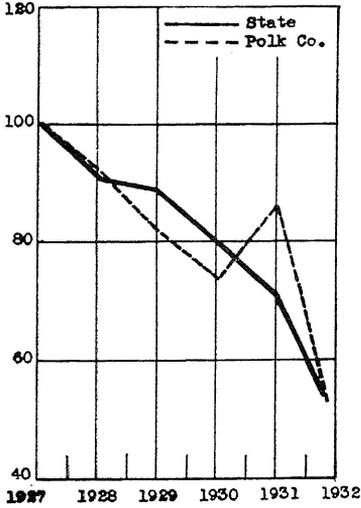
TABLE 1.—MOVEMENTS OF FARM REAL ESTATE VALUES IN MISSOURI TYPE-OF-FARMING AREAS, 1927-1932\*

State or Area	County	1927		1928		1929		1930		1931		1932	
		Dollars Per Acre	Index										
State-----	13 Counties	\$59.65	100%	\$53.75	90%	\$50.45	85%	\$40.53	67.9%	\$36.58	61.3%	\$28.34	47.5%
State (Weighted Average)**		58.52	100	53.31	91	51.82	88	46.75	79.9	42.85	70.5	32.69	53.8
Northern Meat Production													
Marshall-Wabash-----	Atchison	135.24	100	133.11	98	125.45	93	123.87	91.6	96.03	71.0	64.78	47.9
Grundy-Shelby-----	Harrison	87.70	100	67.77	77	77.00	88	58.97	67.2	54.57	62.2	46.96	53.5
Shelby-Lindley-----	Sullivan	59.01	100	57.97	98	60.26	102	46.51	78.8	38.03	64.4	29.32	49.7
Putnam-Lindley-----	Ralls and Callaway	52.90	100	35.50	67	35.63	67	29.90	56.5	28.58	54.0	19.55	36.9
Summit-----	Johnson	67.78	100	67.91	100	60.66	89	51.75	76.4	62.35	92.0	45.43	67.0
Ozark Border-----	Franklin	27.76	100	24.39	88	29.32	106	28.66	103.2	23.06	83.1	28.68	103.3
Ozark Meat Production													
Clarksville-Lebanon-----	Miller	25.08	100	22.14	88	21.09	84	25.69	102.4	17.37	69.3	20.51	81.8
Huntington-Clarksville-----	Reynolds	13.81	100	10.09	73	11.96	87	9.90	71.7	11.07	80.2	99.69	70.2
Western Corn and Small Grain	Barton	50.56	100	45.08	89	43.39	86	39.29	77.7	36.38	72.0	29.44	58.2
Ozark Plateau Dairy-----	Polk	40.62	100	37.57	92	33.29	82	30.18	74.3	34.73	85.5	21.57	53.1
Southwest Fruit and Dairy	Newton	49.73	100	53.35	107	44.27	89	36.98	74.3	34.42	69.2	21.92	44.1
outheast Lowlands-----	Pemiscot	71.43	100	84.78	119	70.42	99	63.83	89.4	44.87	62.8	34.24	47.9

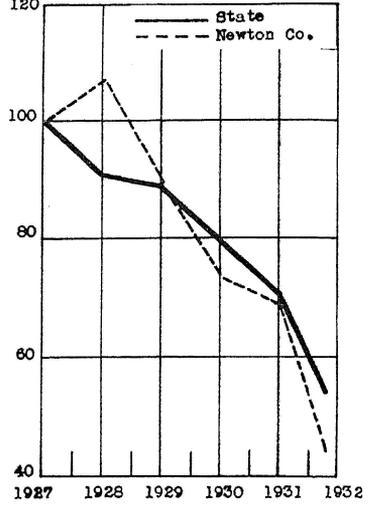
\*All figures for 1932 are subject to revision when data for the later months of the year are obtained and added to those for the months already tabulated.

\*\*Weighted by land in farms in "Type of Farming Areas" as given in the 1930 Census.

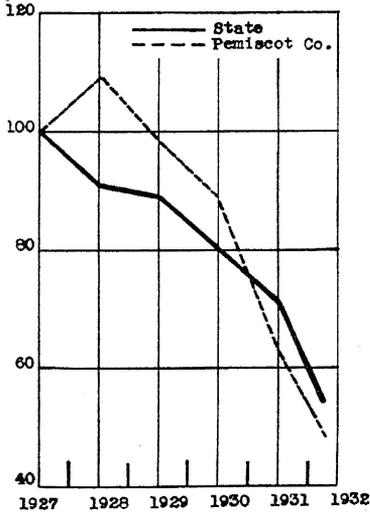
Per Cent of 1927\*



Per Cent of 1927\*



Per Cent of 1927\*

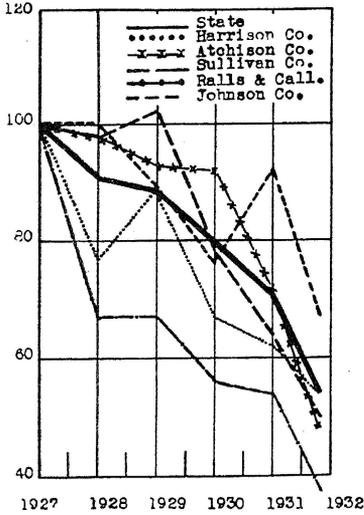


\*Average Sales Values for 1927 = 100%

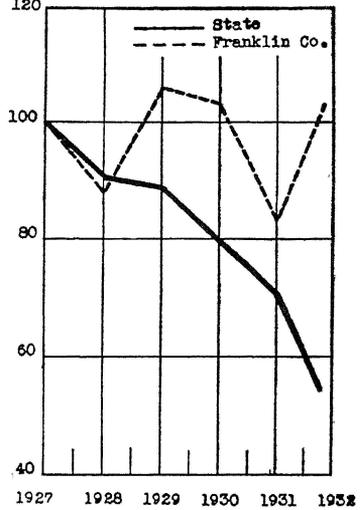
Figure 3.—Movements of Sales Values of Farm Real Estate for the State<sup>1</sup> of Missouri and the Counties of the Type-of-Farming Areas.

<sup>1</sup>State Weighted Average. See Table 1.

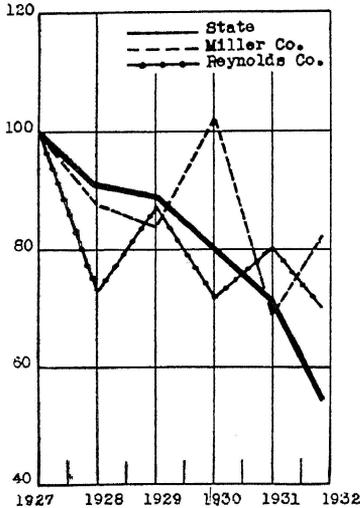
Per Cent of 1927\*



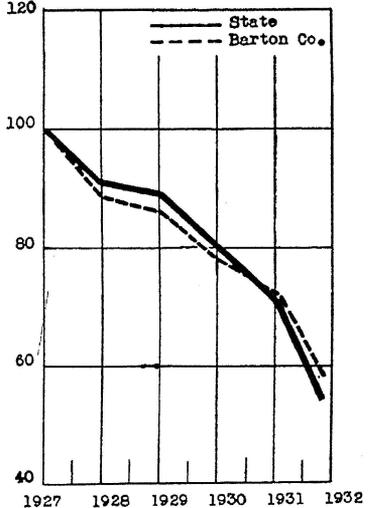
Per Cent of 1927\*



Per Cent of 1927\*



Per Cent of 1927\*



\*Average Sales Values for 1927 = 100%

Figure 4.—Movements of Sales Values of Farm Real Estate of the State<sup>1</sup> of Missouri and the Counties of the Type-of-Farming Areas.

<sup>1</sup>State Weighted Average. See Table 1.

Farm real estate values for all five counties, of the Northern Meat Production Area, (See Figure 3) declined more sharply from 1931 to 1932 than in the previous year. The Putnam-Lindley sub-area has suffered most in the five and one half years of falling values. Averages for sales values in Callaway and Ralls counties have been far below the state average at all times during this period and at the end of the first eight months of 1932 stood at 37 per cent of the 1927 level. Values in the Marshall-Wabash area, as indicated by sales data for Atchison county, fell below the state average for the first time since 1927 in the first eight months of 1932, having reached 47 per cent of the 1927 level in this period. In Harrison county, in the Grundy-Shelby sub-area, values continued to decline even more sharply than before, reaching 53 per cent of the 1927 values in 1932. Sullivan county, in the Shelby-Lindley sub-area, also registered a sharp decline in values. The index of sales value for the first two-thirds of 1932 in Sullivan county fell to 50, compared with 65 in 1931.

For the most part declines in the Ozark counties were not so sharp as in the other sections of the state. Values in Reynolds county, after having been below the state average in relation to 1927 values until 1930, inclined to 80 per cent of that level in 1931 and in the first eight months of 1932 stood at 70 per cent. The indices of value in Polk, Newton, and Barton counties have followed the movements of the state index very closely. Each registered a decline in the first eight months of 1932, the index of value being 58 for Barton county, 44 for Newton, and 53 for Polk county.

In the Southeast Lowland area values declined in the first eight months of 1932 at about the same rate as from 1930 to 1931. In 1932 the index of value fell to 48 or about 6 points below the state index.

### 1930 Census Values in the Type-of-Farming Areas

A study of farm real estate values, as reported in the 1930 Census for all counties in the state, reveals that the value of land is very closely aligned with the soil type and fertility. (See Figure 5). The area of high values in the northwestern part of the state corresponds very closely to the Marshall-Wabash sub-area of the Northern Meat Production area. This area, by and large, has the most productive soils in the State. Values in the Summit sub-area, although somewhat lower than for the Marshall-Wabash area, reflect the superiority of the Summit soils over those of the remaining areas. Progressing eastward across the Northern Meat Production area land values become lower, as does the general level of soil fertility. Values in the southern part of the State bear this same relation to soil type. Again the soils of the western part of the State are superior to those farther east until the southeast lowlands are

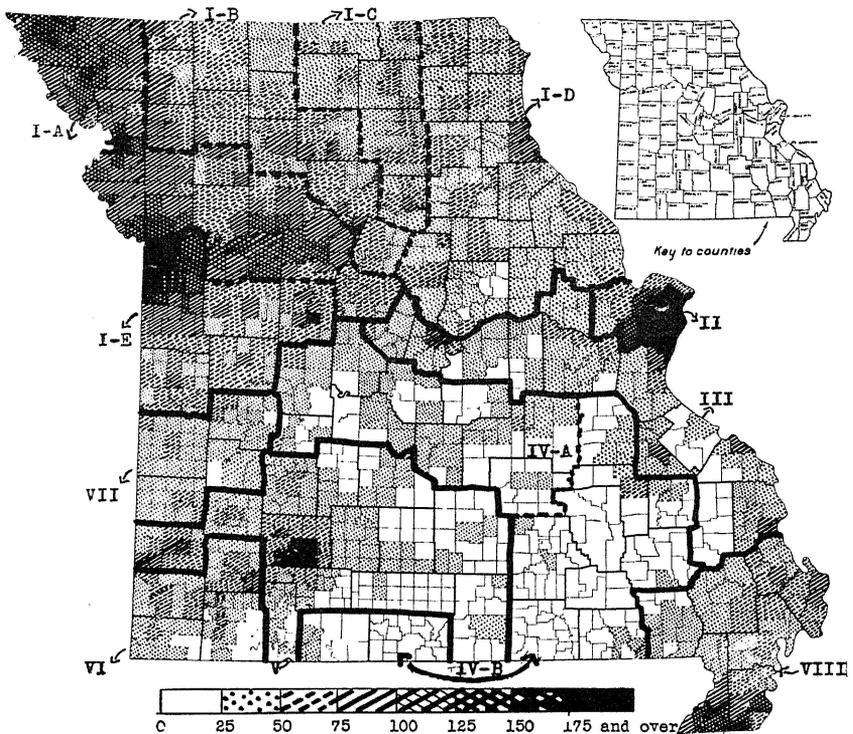


Figure 5.—Value of Farm Real Estate (Land and Buildings) in Missouri by Townships. (Federal Census 1930.)

- |   |   |
|---|---|
| <p>I.—Northern Meat Production Area:</p> <p>I-A Marshall-Wabash,<br/>I-B Grundy-Shelby,<br/>I-C Shelby-Lindley,<br/>I-D Putnam-Lindley,<br/>I-E Summit.</p> <p>II.—Eastern Truck Crops and Wheat Area.</p> <p>III.—Ozark Border Dairy and Wheat Area.</p> | <p>IV.—Ozark Meat Production Area:</p> <p>IV-A Clarksville-Lebanon,<br/>IV-B—Clarksville-Huntington.</p> <p>V.—Ozark Plateau Dairy Area.</p> <p>VI.—Southwest Fruit and Dairy Area.</p> <p>VII.—Western Corn and Small Grain Area.</p> <p>VIII.—Southeast Lowland Corn and Cotton Area.</p> |
|---|---|

reached. In a narrow strip running diagonally from Springfield to St. Louis, values are higher than they are to the immediate north or south. Two factors are responsible. First, the soils of the strip are a Lebanon silt loam which is stone free and possessed of a topography superior to most other adjacent soils. Second, the St. Louis and San Francisco Railroad runs through the entire length of the strip, affording it marketing facilities somewhat superior to that possessed by the larger part of the Ozark area.

However, soil type and the fertility level by no means account for all the variations. The highest values occur near the cities of St. Louis, Kansas City, and St. Joseph. Other cases in which farm

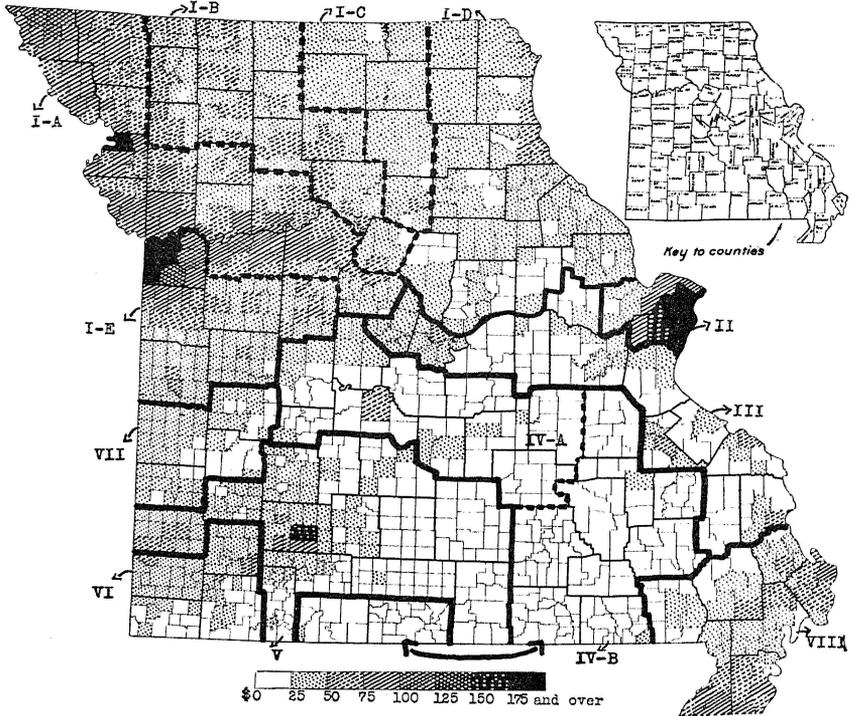


Figure 6.—Value of Farm Land (Alone) in Missouri by Townships. (Federal Census 1930.)

- |   |   |
|---|---|
| I.—Northern Meat Production Area:       | IV.—Ozark Meat Production Area:               |
| I-A Marshall-Wabash,                    | IV-A Clarksville-Lebanon,                     |
| I-B Grundy-Shelby,                      | IV-B Clarksville-Huntington.                  |
| I-C Shelby-Lindley,                     | V.—Ozark Plateau Dairy Area.                  |
| I-D Putnam-Lindley,                     | VI.—Southwest Fruit and Dairy Area.           |
| I-E Summit.                             | VII.—Western Corn and Small Grain Area.       |
| II.—Eastern Truck Crops and Wheat Area. | VIII.—Southeast Lowland Corn and Cotton Area. |
| III.—Ozark Border Dairy and Wheat Area. |   |

real estate values are actually much higher near a city than in immediate surrounding territory are near Springfield in Greene county, near Sedalia in Pettis county, the Joplin, Carthage, and Webb City area in Jasper county, and the area surrounding Jefferson City in Cole county. There are many other instances in which land values have apparently been increased considerably because of the nearness of even small cities.

The value of buildings per acre on farming land has considerably greater significance as a factor in the value of farm real estate in some areas of Missouri than in others. (See Figure 6). In some townships of counties of Northwest Missouri the value of buildings was enough to raise the value of the land and buildings (Compare Figures 5 and 6) two classes (class interval—\$25 per acre) while in a vast area of the

Ozark highlands the value per acre of buildings was insufficient to bring the real estate value up to \$25 per acre.

The removal of the value of buildings, leaving only bare land value does not remove the effect, mentioned above, of the site value derived from the proximity of a city or railroad. Neither is the effect of soil type and productivity reduced but rather accentuated.

### Transfers Increase in Some Counties and Decrease in Others

Transfers of farm real estate for all thirteen counties as a group increased very considerably in the first six months of 1932 as compared with the same period in 1931. The number of warranty deed transfers increased from 1078 in the first half of 1931 to 1272 in the first half of 1932. (See Table 2.) This is an increase of 40.7 transfers per month. In this respect the situation in Missouri differs from that reported for the West-North Central States and the United States, in which, according to Stauber, voluntary selling has declined since 1929.\* The increase in transfers of trustees' and sheriffs' deeds indicates the trend of real estate transfers through forced sales. These transfers have increased from 136 for the first half of 1930, and 294 for the first six months of 1931, to 562 for the corresponding period in 1932. This greatly increased turnover accounts for a very large part of the total increase in real estate transfers.

Numbers as well as acreage of warranty deed transfers increased in nine of the thirteen representative counties and decreased in four. (See Table 3). The most notable decreases were in Johnson, Newton and Reynolds counties. The type-of-farming in Johnson county includes a great deal of dairying. Dairy prices have held up better than prices of other farm products during most of the depression. This fact coupled with the nearness and constancy of the Kansas City market for dairy products, has, no doubt, kept distress sales at a relatively low level.

The decreases in Newton and Reynolds counties, which are less marked than in Johnson county, probably are due largely to a return to a normal rate from an unusually high number of transfers in the preceding year.

The greatest increases in numbers of farms and acreage transferred by warranty deeds were registered in Atchison, Callaway and Franklin counties. In Atchison county farm real estate values fell below 50 per cent of the 1927 level for the first time during the first half of 1932. Mortgages made during the period prior to 1927 are, at present, more than the actual value of the land in many cases. Undoubtedly many transfers occurred for the purpose of cancelling the mortgage indebtedness. The greatly reduced prices of farm products made it impossible,

\*Op. Cit., page 43. The difference may, however, arise largely because the term "voluntary sales" as herein used varies from that employed by Stauber. The difficulties of determining the exact circumstances surrounding each transfer are obvious and warranty deeds have, in this study, been counted "voluntary" transfers though that a degree of compulsion often enters into such transactions is admitted.

TABLE 2.—TRANSFERS OF FARM REAL ESTATE IN THIRTEEN MISSOURI COUNTIES\*, FIRST SIX MONTHS OF 1929, 1930, 1931, 1932

Character of Transfer	1st 6 Months 1929		1st 6 Months 1930		1st 6 Months 1931		1st 6 Months 1932	
	No.	Acreage	No.	Acreage	No.	Acreage	No.	Acreage
Warranty Deeds.....	1078	110,896	1162	108,127	1028	92,086	1272	129,557
Trustee and Sheriff Deeds.....	159	25,745	136	20,130	294	46,895	562	88,261
Total.....	1237	136,641	1298	128,257	1322	138,981	1834	217,818

\*Selected counties from each type of farming area. See Figure II. Data taken from County Recorder's books.

TABLE 3.—ACREAGE TRANSFERRED BY WARRANTY DEEDS IN MISSOURI COUNTIES, JANUARY 1, 1929 TO JUNE 30, 1932

County	Jan. 1-Dec. 31, 1929		Jan. 1-Dec. 31, 1930		Jan. 1-Dec. 31, 1931		Jan. 1-June 30, 1932	
	Number of Transfers	Acreage Transferred						
Atchison.....	106	10,650	53	5,850	50	5,736	68	10,282
Harrison.....	161	14,955	155	14,534	153	15,589	108	11,888
Sullivan.....	169	15,891	162	12,656	169	14,946	85	7,923
Ralls.....	115	8,971	84	6,862	83	9,381	64	5,495
Callaway.....	216	22,763	174	10,414	159	21,919	153	18,165
Johnson.....	99	16,840	186	14,531	219	19,432	82	8,499
Franklin.....	187	14,208	195	15,954	203	14,685	146	11,205
Miller.....	*	*	*	*	136	15,031	67	6,633
Reynolds.....	217	23,119	233	26,090	173	22,263	66	14,251
Polk.....	166	20,878	259	24,962	237	19,459	126	10,057
Barton.....	191	21,581	162	16,662	162	17,345	81	10,422
Newton.....	191	24,744	284	20,667	377	19,893	157	7,372
Pemiscot.....	115	9,848	109	10,061	112	12,656	62	7,363
Total.....	1,933	204,448	2,055	188,227	2,233	208,335	1,272	129,557
Av. per Mo.....	161.1	17,037.3	171.2	15,686.1	186.08	17,361.2	212.0	21,592.9

\*Data for Miller County not available for 1929 and 1930.

TABLE 4.—ACREAGE TRANSFERRED BY TRUSTEE'S AND BY SHERIFF'S DEEDS IN THIRTEEN MISSOURI COUNTIES, JANUARY 1, 1929 TO JUNE 30, 1932

County	Trustee's Deeds								Sheriff's Deeds							
	1929		1930		1931		1932*		1929		1930		1931		1932*	
	No.	Acreage	No.	Acreage	No.	Acreage	No.	Acreage	No.	Acreage	No.	Acreage	No.	Acreage	No.	Acreage
Atchison.....	5	7711	2	280	5	840	29	4238	5	504	--	----	2	240	3	342
Harrison.....	38	4044	29	4211	109	15852	101	12004	3	555	1	40	2	300	4	269
Sullivan.....	28	3487	35	5187	88	13492	27	3589	--	----	3	179	4	248	1	130
Ralls.....	2	247	4	426	38	5308	27	4371	--	----	2	92	7	211	6	493
Callaway.....	46	7583	73	12795	86	16573	36	5724	--	----	5	940	12	2283	4	583
Johnson.....	14	1487	32	5083	40	6559	36	6328	2	48	--	----	1	48	2	256
Franklin.....	18	1983	22	2847	15	1916	4	418	--	----	1	259	5	747	4	279
Miller.....	8	1352	16	2104	5	976	4	406	--	----	2	75	--	----	3	740
Reynolds.....	36	2330	3	160	2	102	3	344	41	2761	50	3296	65	6957	46	15521
Polk.....	38	4660	46	5191	48	5064	35	4692	--	----	2	57	6	414	4	237
Barton.....	29	3951	23	3293	32	6261	34	5608	2	290	1	320	3	500	--	----
Newton.....	41	3302	25	2457	61	4960	41	3202	4	480	2	180	9	826	13	638
Pemiscot.....	33	7487	21	5154	59	8728	63	13597	14	3969	24	4473	12	1079	32	4252
Total.....	327	42604	331	49188	588	86632	440	64521	71	8607	93	9910	128	13854	122	23740
Average per Month.....	27	3550	28	4099	49	7219	73	10753	6	717	8	825	11	1154	20	3957

\*First six months only.

in many cases, to meet fixed costs such as taxes and mortgage interest and, no doubt, added to the volume of distress sales.

The increased number of warranty deed transfers in Callaway county is apparently due to further distress selling. Farm real estate values in Callaway and Ralls counties fell to 37 per cent of the 1927 level. This great decrease in values has, no doubt, reduced the sales value of many farms to a point below the amount for which they were mortgaged. It is likely that many farmers, unwilling to go through foreclosure proceedings, have transferred their land to the mortgage holder in payment of indebtedness.

Forced sales as indicated by transfers of trustees' and sheriffs' deeds, increased during the first six months of 1932 in each of the thirteen representative counties. (See Table 4). Also, the acreage transferred increased greatly. The effect of these forced sales, in such rapidly increasing amounts, is to bring into the hands of lending agencies such as insurance companies, banks, and other mortgage holding companies, very considerable areas of farm land.

#### Foreclosures Heaviest in Areas Where Farm Land is Most Productive

During the fourteen months, July 1, 1931 to August 31, 1932 the farming areas of Missouri generally counted most productive suffered most from farm mortgage foreclosures. In this period 769 transfers by trustees' deeds were consummated in the thirteen counties studied. These foreclosures transferred 112,080.26 acres of land to mortgage holding agencies.

The greatest number foreclosures in any one county took place in Harrison county. The 165 foreclosures in this county, represented 5.3 per cent of the total number of farms\* and 4.9 per cent of the total acreage in farms. (See Table 5.) Other counties representing the

TABLE 5.—VOLUME OF FORECLOSURES JULY 1, 1931 TO AUGUST 31, 1932<sup>1</sup> RELATIVE TO TOTAL NUMBER OF FARMS AND TOTAL ACREAGE

County	Per Cent of Total Number of Farms	Per Cent of Total Acreage
State (13 Counties).....	2.1%	2.5%
Atchison.....	2.3	1.6
Harrison.....	5.3	4.9
Sullivan.....	2.8	2.7
Ralls.....	3.1	2.7
Callaway.....	2.9	3.3
Johnson.....	2.1	2.4
Franklin.....	0.4	0.4
Miller.....	0.6	0.4
Reynolds.....	0.4	0.4
Polk.....	2.3	0.3
Newton.....	2.8	2.4
Barton.....	2.9	2.5
Pemiscot.....	2.4	3.2
		10.2

<sup>1</sup>As evidenced by recorded trustee's deeds under sale.

\*As enumerated by the 1930 Census.

Northern Meat Production Area had higher foreclosure rates, on the average, than counties in the poorer soil areas of the State.

Pemiscot county, located in the Southeast Lowland Corn and Cotton Area also had a high rate of foreclosures. In this county 132 foreclosures, or 2.4 per cent of the total numbers of farms, transferred 21,615 acres to mortgaging agencies. This acreage represents over one-tenth of the total farming land of the county. Farmers in Pemiscot county have been very heavily burdened by an additional fixed cost, other than interest and customary taxes, in the form of very high drainage taxes. No doubt many farmers have felt that, under such circumstances, it is better not to own land and be relieved of these excessive fixed costs.

Barton county in the Western Corn and Small Grain Area, had 61 foreclosures, representing 2.9 per cent of the farms and 3.2 per cent of the acreage. In Newton county, representing the Southwest Fruit and Dairy Area, 94 farms or 2.8 per cent of the total were foreclosed. Land in Barton and Newton counties is counted somewhat less productive than

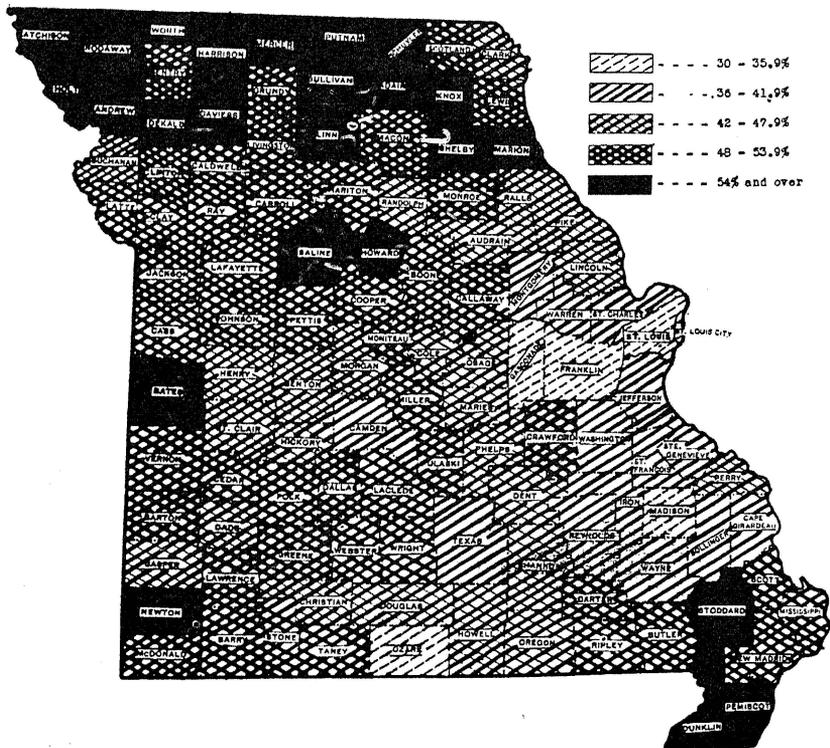


Figure 7.—Percentage of Owner Operated Farms Mortgaged; April 1, 1930.

that in the northern portion of the state, but superior to that of much of the Ozark Highland.

The Ozark region was affected least by foreclosures. Franklin county in the Ozark Border Dairy and Wheat Area had only 14 foreclosures. These represented only 0.4 per cent of the county's farms. In Miller and Reynolds counties, both of which are in the Ozark Meat Production Area, only 0.6 per cent of the farms were foreclosed. Polk county of the Ozark Plateau Dairy Area had a somewhat higher foreclosure rate, 2.3 per cent of the farms being foreclosed in the fourteen month period ending August 31, 1932.

A study of the percentage of farms mortgaged explains much of the variation between areas, in the volume of foreclosures. (See Figure 7.) It will be noticed that Atchison, Newton and Pemiscot counties, all of which show a large volume of foreclosures, lie in the areas of the heaviest percentage of owner operated farms mortgaged, according to the Census

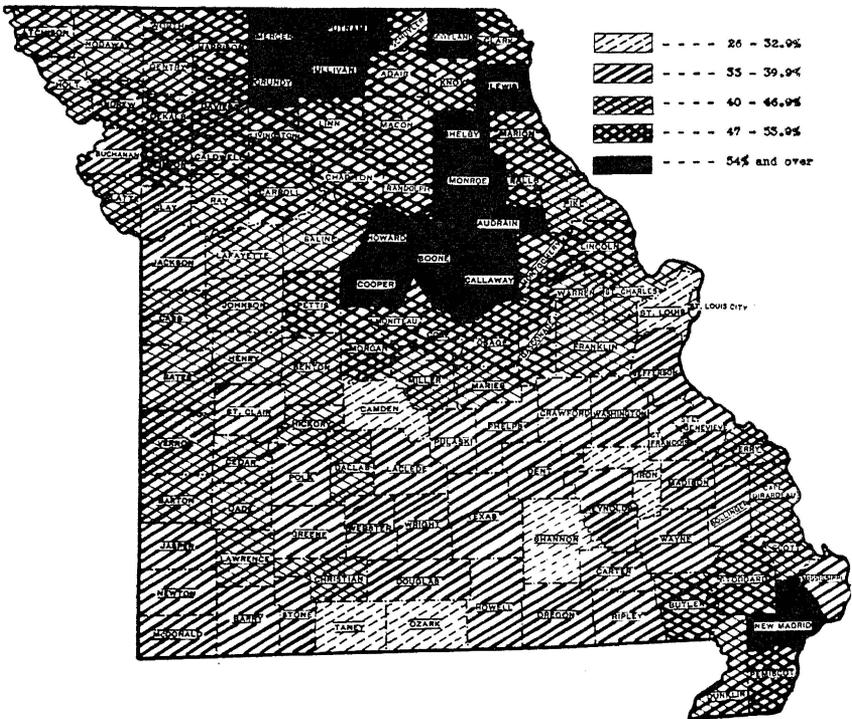


Figure 8.—Figure 8—Ratio of Mortgage Debt to Value of Real Estate on Owner Operated Farms; April 1, 1930.

of 1930. On the other hand, in Franklin and Reynolds counties where the volume of foreclosures was smallest the percentage of farms mortgaged was also low.

Apparently, also, foreclosure rates were high where the ratio of farm mortgage debt to value of farm real estate was high. (See Figure 8.) In both Pemiscot and Harrison counties these ratios were approximately 50 per cent and were relatively high among the counties of the state.

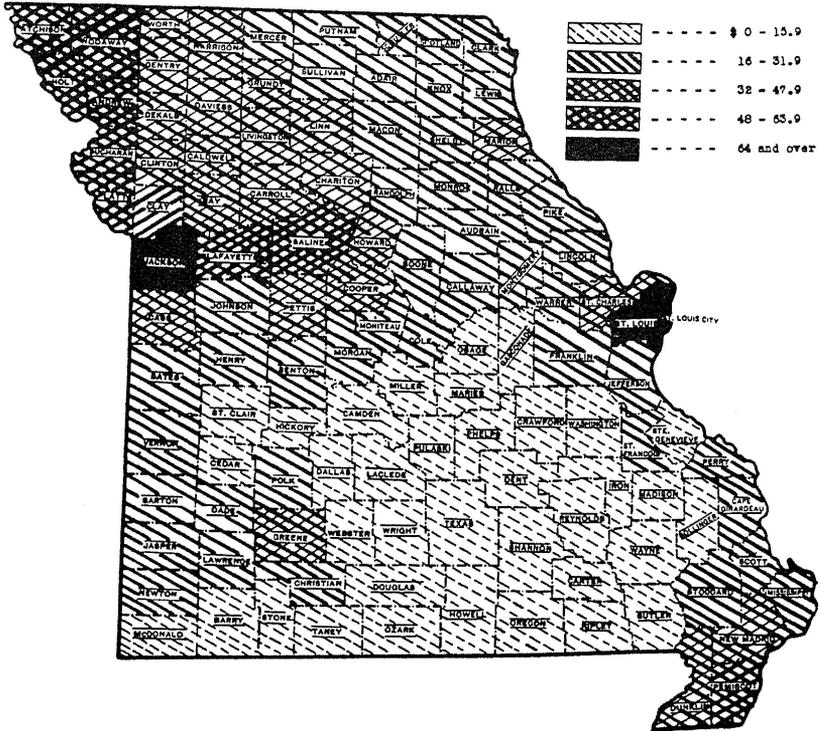


Figure 9.—Average Amount of Mortgage Debt per Acre on Owner Operated Farms; April 1, 1930.

In the counties of the Ozark regions, on the other hand, the ratios are relatively low.

The average amount of mortgage debt per acre is positively correlated with the value of farm real estate, as a comparison of Figures 9 and 5 reveals. Generally speaking, where the value per acre of the land is high the mortgage debt per acre is higher than where the value per acre of the land is low. Evidently, lending agencies were much more reluctant to lend money on land in the low value areas than they were in areas of higher per acre values. It will be noted that in Franklin, Miller and

Reynolds counties, in which foreclosures were at very low levels, the mortgage debt per acre is also small. On the other hand, the debt per acre is very high in Harrison and Pemiscot counties, in which foreclosures were also very heavy.

The principal foreclosing agencies in Missouri during this period, as indicated by the data for the twelve counties\* in which foreclosures are classified as to parties or agencies purchasing tracts being foreclosed, were individuals, insurance companies, banks and others. The latter classification includes land banks and joint stock land banks in addition to such agencies as mortgage companies, eleemosynary institutions, church corporations, schools, etc. Out of 769 foreclosures during the fourteen months from July, 1931 to August, 1932, 45 per cent of the number were purchased by individuals, 34.3 per cent by insurance companies, 10.3 per cent by banks, and the remaining 10.4 per cent by others. While these figures indicate that the volume of foreclosure by individuals was much greater than by insurance companies, figures for acreage foreclosed reveal that there was actually very little difference: 39.9 per cent of the acreage being foreclosed by individuals and 38.1 per cent by insurance companies. Table 6 indicates that loans made by individuals were not only smaller than the average for the total but smaller than the average for any other group. In addition, individuals evidently had loaned less per acre, as indicated by the average consideration per acre foreclosed. It is probable that individuals have loaned money on poorer farms than the other agencies. Probably also the greater consideration per acre and per farm foreclosed by agencies other than individuals is evidence not only of loans on larger and better farms but also of the desire of these agencies to keep down the cost of administration per \$1000 loaned. No doubt this desire has caused them to loan more willingly and liberally on the more valuable land.

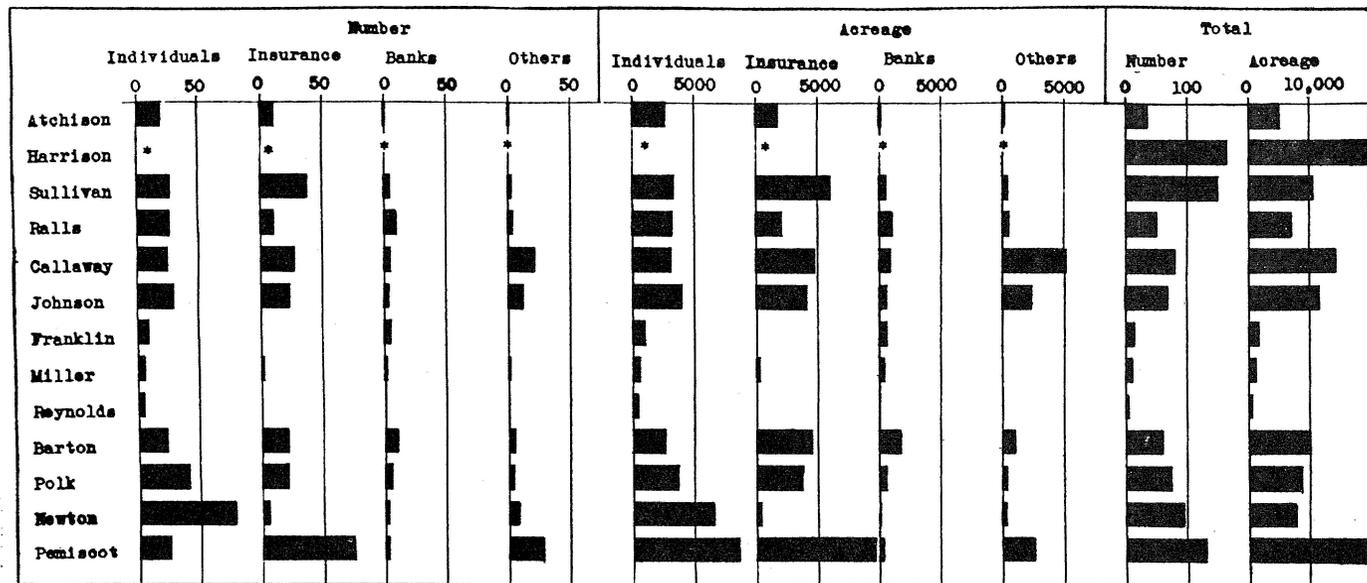
For the individual counties the distribution of foreclosing agencies is much the same as previously discussed. Figure 10 illustrates the relative importance of each agency as to number of farms foreclosed, and acreage foreclosed in each of the counties studied. The number as well as acreage of foreclosures in Franklin, Miller and Reynolds counties has been very small. Insurance companies and those agencies classified as "others" have evidently loaned very little in this area. As mentioned before, this is probably attributable to their unwillingness to loan money in areas of low land value because of the high cost of administration of smaller loans. Further evidence of this tendency is the large number of foreclosures by insurance companies in Johnson, Sullivan and Pemiscot counties in which foreclosures by insurance companies exceeded that by any other agency.

\*Data for Harrison County not classified.

TABLE 6.—TOTAL TRUSTEE DEED TRANSFERS OF FARM REAL ESTATE CLASSIFIED ON THE BASIS OF PARTIES OR AGENCIES PURCHASING FORECLOSED TRACTS IN TWELVE MISSOURI COUNTIES—JULY 1, 1931 TO AUGUST 31, 1932

Foreclosing Agency	Total Number	Total Acreage	Total Consideration	Average Size of Farm, Acres	Consideration per Farm	Consideration per Acre
Individuals.....	346	44,757.46	\$678,679.75	121.36	\$1,961.50	\$15.16
Insurance Companies.....	264	42,720.71	1,235,960.37	161.82	4,681.67	28.93
Deposit Banks.....	79	10,696.45	193,760.00	135.40	2,432.66	18.11
Others*.....	80	13,905.69	295,126.00	173.82	3,689.08	21.22
Total.....	769	112,080.31	2,043,527.26	145.75	3,125.52	21.44

\*Includes Land Banks, Joint Stock Land Banks, Educational and Eleemosynary Institutions, Farm Mortgage Companies and miscellaneous others.



\* Figure 10.—Trustee Deed Transfers of Farm Real Estate Classified on the Basis of Parties or Agencies Purchasing Farmland Tracts in 13 Missouri Counties. July 1, 1931 to August 31, 1932. \*No Data. †Deposit banks only. Land banks and joint stock land bank foreclosures included in "others".

Deposit banks as a foreclosing agency have been relatively unimportant in all thirteen counties. This bears out the fact that commercial banks have restricted their credit largely to short term loans and have been, on the whole, rather a small source of farm mortgage credit.

Other agencies foreclosing farm real estate are not important in any of the counties studied, excepting Callaway and Pemiscot. In the latter county the holdings of Federal Land Banks and Joint Stock Land Banks have been relatively large. This county is the only one having, during the fourteen month period, an appreciable number of foreclosures by land banks. In Callaway the large acreage foreclosed by agencies in this classification went largely to farm mortgage companies. Because of the relatively low land values in Callaway county, insurance companies have apparently made loans there somewhat sparingly.

The data here presented corroborate roughly the general distribution of farm real estate mortgage holdings of the principal lending agencies in the United States as reported by D. L. Wickens in a recent Department of Agriculture bulletin. Individuals and insurance companies provided by far the greatest amount of farm mortgage credit in the period following the war.\*

Large tracts of farm real estate, especially in the better farming areas of the state, have fallen by foreclosure into the hands of agencies which looked upon their farm loans as safe investments at the time they were made. These investors will be anxious to get some sort of return from the land. Eagerness on the part of the new owners of this land to sell is likely to continue to bear heavily on the sale value of farm real estate.

Sales values for trustee's deed transfers in the first eight months of 1932 were consistently lower than values computed from all sales. The average value for thirteen counties, for all sales, was \$28.54. The average for trustee's deed transfers was \$25.83. (See Table 7). With the ex-

TABLE 7.—COMPARISON OF SALE VALUE<sup>1</sup> PER ACRE OF LAND TRANSFERRED BY WARRANTY AND TRUSTEE'S DEEDS JANUARY 1, 1932-AUGUST 31, 1932

	Value, Warranty Deed Transfers	Value, Trustee's Deed Transfers	Ratio Trustee's Deeds to Warranty Deeds
State.....	\$28.23	\$25.83	91.1
Atchison.....	64.78	57.89	89.4
Harrison.....	46.96	33.46	71.3
Sullivan.....	23.86	26.31	110.3
Ralls and Callaway.....	19.55	24.46	125.1
Johnson.....	45.43	25.14	55.3
Franklin.....	28.68	17.46	60.9
Miller.....	20.51	12.56	61.2
Reynolds.....	9.69	2.65	27.3
Polk.....	21.57	16.46	76.3
Barton.....	29.44	19.87	67.5
Newton.....	21.92	21.62	98.6
Pemiscot.....	34.24	23.76	69.4

<sup>1</sup>With all second mortgage transfers eliminated.

\*For further discussion of this subject see "Farm-Mortgage Credit", U. S. D. A. Technical Bulletin 288, February, 1932.

ception of Sullivan County and Ralls and Callaway counties, values per acre of farm real estate transferred by warranty deeds were higher than values of real estate transferred by trustee deeds in the counties studied. Presumably, these lands which are in distress and foreclosed are the less productive farms. In Sullivan county and Ralls and Callaway counties the value of farm real estate has fallen so far that voluntary sales are being made on a distressed sale basis. In Newton county in which values have fallen badly the forced sale value is 98.6 per cent of voluntary sales value. In Atchison and Harrison counties where values have dropped rapidly to a low point, forced sales values are 89.4 per cent and 71.3 per cent, respectively, of those for voluntary sales. Other counties have a lower ratio between forced and voluntary sales value. In Johnson and Franklin counties, both near large cities, forced sales values were only little over half of voluntary sales values. The ratios in these counties were 55.3 per cent and 60.9 per cent, respectively. The ratios were only slightly higher in Miller, Barton, Polk and Pemiscot counties. The evidence seems to point to the fact that the liquidation of land values has been more severe and complete in the northern half of the state, and that the bargains in land to be purchased lie in this area rather than in the rougher, less productive areas of South Missouri.

### Comparison of Sales and Reported Values

Comments upon the peculiar characteristics of sales data as a basis for judging the movements of farm real estate values have already been made in preceding issues of the Missouri Farm Real Estate Situation.\* Average values derived from sales data differ considerably from those obtained by the Census and also from those reported by correspondents of the United States Crop Reporting Service.

TABLE 8.—COMPARISON OF MISSOURI FARM REAL ESTATE VALUES BASED UPON SALES DATA AND UPON REPORTS OF CORRESPONDENTS OF UNITED STATES CROP REPORTING SERVICE. 1927-1933.

Year	Reported Values		Sales Values		Differences	
	Actual	As % of 1927	Actual	As % of 1927	Actual*	As % of 1927**
1927	1	2	3	4	5	6
1928	\$64.00	100.0%	\$58.52	100.0%	8.6%	0.0
1929	62.00	96.9	53.31	91.1	14.0	5.8
1930	60.00	93.8	51.82	88.6	13.6	5.2
1931	56.90	88.9	46.75	79.9	17.8	9.0
1932	50.00	78.1	41.26	70.5	17.5	7.6
1933	42.00	65.6	31.50	53.8	25.0	11.8
1933	30.75	48.0				

\*The difference between figures in Columns 1 and 3 as per cents of those in Column 1.

\*\*Column 2 minus Column 4.

\*See Missouri Agricultural Experiment Station Research Bulletin No. 154, pp. 34-36 and Missouri Agricultural Experiment Station Research Bulletin No. 172, pp. 33-34.

In the table below, values as reported and as derived by averaging sales data are placed in contrast. For each year of the series sales data averages are lower than those of the crop correspondents. The difference is furthermore a growing one and in 1932 was nearly three times as great as in 1927. Because of this disagreement, indexes of movements of real estate values derived from the two series are not alike. The decline in values, as indicated by sales data, is much more rapidly downward than is that revealed by data of the crop reporters.

The susceptibility of sales values to the influence of distress land or land on the verge of being foreclosed or forced upon the market for any cause, affords an explanation of the differences between the two value series as given in the table above. During the period 1930 to 1932 the number of foreclosures in Missouri counties has increased greatly and so, presumably, has also the number of farms seeking a market to avoid foreclosure. Particularly great was the increase in trustees' deeds because of foreclosures between the first six months of 1931 and 1932 and, significantly, the difference between sales and reported values increased from 17.5 in 1931 to 25.0 in 1932.

#### Farm Taxes Decline for the Fourth Consecutive Year

General property taxes on Missouri farm real estate have continued the decline started in 1929. The index (See Table 9) of estimated real estate taxes per acre on all farm lands in Missouri rose continuously from 1913 to 1929. Since that time taxes have fallen.

TABLE 9.—ESTIMATED REAL ESTATE TAX PER ACRE ON ALL FARM LAND IN MISSOURI 1913-1932\*

Year	Percentage
1913	100 %
1914	101
1915	109
1916	113
1917	122
1918	133
1919	171
1920	196
1921	264
1922	273
1923	277
1924	280
1925	294
1926	301
1927	312
1928	321
1929	325
1930	311
1931	278 Preliminary
1932	247 Preliminary

\*Indices from 1913 to 1930 from estimates by the Bureau of Agricultural Economics. 1931 and 1932 indices estimated by the Department of Agricultural Economics, Missouri College of Agriculture.

Increasing taxes from 1920 to 1928, accompanied by a decline in price of farm products, hastened the collapse of land values. While

taxes were not the most important factor in this decline they added weight to the burden which oppressed the farmer. It is true that taxes have fallen since 1929 but the index of taxes is two and one-half times as great as in 1913, while the index of land values is hardly half that of 1913.

### Gross Rents Continue to Rise in Relation to Land Values

Cash rents and farm real estate values are so intimately related that one might presume that changes in one would be accompanied by like changes in the other. Such has not been the case since 1921, however, as indicated by the fact that the ratio of rent to value has risen from 5.77 per cent for 1921 and approximately 4.0 per cent for 1920 to 7.15 per cent for 1933. (See Table 10). Up to and including 1929 this increase hardly more than equalled the increase in taxes, which must be deducted in computing net rent. However, since 1929 ratios of gross rents to values have continued to increase while taxes have fallen, indicating, other things equal, an increase in net return to land ownership.

TABLE 10.—RATIOS OF GROSS CASH RENTS TO LAND VALUES FOR CASH RENTED MISSOURI FARMS\* 1921 TO 1932

Year	Gross Cash Rents	Real Estate Value	Ratios of Rents to Values
1921	\$6.00	\$104.00	5.77%
1922	4.60	80.00	5.75
1923	4.50	80.00	5.62
1924	4.50	74.00	6.08
1925	4.50	70.00	6.43
1926	4.15	67.00	6.19
1927	4.00	64.00	6.25
1928	4.00	62.00	6.45
1929	4.10	60.00	6.83
1930	3.90	56.90	6.85
1931	3.40	50.00	6.80
1932	2.90	42.00	6.90
1933	2.20	30.75	7.15

\*As reported by correspondents of U. S. Crop Reporting Service.

The net increase in return to land indicates an actual increase in the capitalization rate for land rent. Assuming little change in the amounts to be subtracted from the gross cash rent, the net return in 1933 is much greater in relation to value than in 1920 when the net return could hardly have been more than  $2\frac{1}{2}$  or 3 per cent. Certainly anticipation of future increases of rent has stopped, and the strengthened return on investment in land will tend toward stabilized values of Missouri farm real estate.

### Value of Crops Produced Per Acre Decline

Data for the average farm income in Missouri are not available. For the purpose of studying Missouri farm income, the gross value of crops produced per acre corrected for changes in the purchasing power of the farmers' dollar is the most applicable of available information.

TABLE 11.—GROSS VALUE\* OF CROPS PRODUCED PER ACRE IN MISSOURI TYPE OF FARMING AREAS, 1927 TO 1931

Area and Sub-Area	1924	1925	1927	1928	1929	1930	1931
State**	\$18.15	\$19.86	\$19.44	\$19.99	\$18.77	\$13.86	\$12.74
Northern Meat Production Area							
Marshall-Wabash	21.22	21.91	21.93	22.26	18.41	15.46	13.16
Grundy-Shelby	15.57	18.18	18.59	19.15	16.71	11.94	12.32
Shelby-Lindley	15.06	17.60	14.20	18.44	15.44	11.62	11.56
Putnam-Lindley	16.86	17.84	16.19	18.21	15.21	10.79	11.86
Summit	16.74	15.25	18.66	19.01	15.70	11.44	10.81
Ozark Border Wheat and Dairy	18.07	19.98	18.68	18.73	17.18	13.86	14.42
Eastern Truck Crops and Wheat	21.31	32.57	26.84	32.97	30.76	27.42	18.97
Ozark Meat Production							
Clarksville-Lebanon	13.80	17.66	17.71	19.25	16.65	12.32	14.02
Clarksville-Huntington	15.76	20.55	21.12	21.38	24.77	11.75	15.58
Ozark Plateau Dairy	15.69	20.39	21.38	19.66	18.56	15.31	13.85
Western Corn and Small Grain	13.28	14.88	15.02	16.02	15.49	10.15	10.61
Southwest Fruit and Dairy	15.12	22.06	20.14	19.76	17.75	16.13	14.62
Southeast Lowland Corn & Cotton	32.99	29.97	29.61	23.10	33.37	16.05	15.57

\*Gross value of all crops produced per acre of crop land corrected for changes in the price of things farmers buy for use in living and production—1924 = 100.

\*\*Gross value for the State decreased in 1932 to \$12.21 per acre.

After maintaining a level of approximately \$19 from 1924 to 1929, the average values (as adjusted) of crops produced per acre for the state as a whole had fallen to \$12.74 by 1931. (See Table 11). This figure compared with \$13.86 in 1930 results largely from the drastic reduction in relative prices received for farm products. This decline in 1931 occurred in a much more normal crop year than 1930, during which Missouri farmers got very low yields on account of the severe drought. Crop yields in 1931 were, in Missouri, somewhat better than average.

As contrasted to 1929 gross crop values per acre had fallen most seriously in the Southeast Lowland Corn and Cotton area where values were less than half (46.7%) of their 1929 figure. For the state as a whole the 1931 values were only 67.9 per cent of those of 1929. Declines were, generally, somewhat smaller in the Ozark areas than in other parts of the state.

In 1932 crop yields averaged 100.9 per cent of the 10 year average but prices were so low that gross per acre crop values for the state as a whole sank still lower to \$12.18 per acre. Data for individual areas of the state for 1932 are not yet available, but it is likely that the reduced return per crop acre was fairly uniform throughout the state.

TABLE 12.—COMPARISON OF ACTUAL AND ADJUSTED VALUE OF CROPS PRODUCED PER ACRE WITH FARM REAL ESTATE VALUES 1927=100

Year	Actual Value of Crops Per Acre	Adjusted Value of Crops Per Acre*	Farm Real Estate Values
1927	100.0	100.0	100.0
1928	104.2	102.8	91.0
1929	97.2	96.6	88.0
1930	67.6	71.3	79.9
1931	53.6	65.5	70.5
1932	44.4	62.8	53.8

\* Corrected for changes in prices of commodities used by farmers in living and production—(1924=100).

A comparison of the actual value of crops produced per acre and the value of crops produced corrected for changes in prices of commodities farmers buy (1924=100) with farm real estate values, shows that the relationship of the declines has been quite close. (See Table 12). Stating all the figures as a per cent of 1927, actual value of crops produced per acre rose in 1928 and has declined until in 1932 it stood at 44.4 per cent of the 1927 level, compared with 53.8 per cent for land values. However, the purchasing power of crops produced, as indicated by values corrected to the 1924 level of prices of commodities used by farmers in living and production, seems to have fallen less rapidly since 1930 than actual values or farm real estate values. Corrected values of crops were 62.8 per cent of their 1927 level in 1932.

Although purchasing power is very important it is the actual values of crops produced per acre which determines the amount a farmer has available to meet an inelastic debt. The vast decline in dollar value of crops produced, in relation to their 1927 values, is indicative of the farmers' inability to pay such fixed costs as mortgage interest and taxes, the result being a great volume of distressed land.

### Movements in the Northern Meat Production Area

#### The Putnam-Lindley Sub-Area (Ralls and Callaway Counties).—

The greatest decline of farm real estate values was in the Putnam-Lindley sub-area where values, as compiled from the sales data from Ralls and Callaway counties, moved from 54 per cent of the 1927 level in 1931 to 37 per cent for the first eight months of 1932. The average value per acre, computed from a sample of 90 sales, decreased from \$28.58 to \$19.55. (See Table 13).

TABLE 13.—SALES VALUES OF FARM REAL ESTATE IN CALLAWAY AND RALLS COUNTIES, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	66	5,680.0	\$310,030	\$52.90	100.0
1928	64	6,527.0	231,737	35.50	67.0
1929	86	8,369.0	298,168	35.63	67.0
1930	92	11,402.0	340,961	29.90	56.3
1931	110	12,817.0	366,250	28.58	54.0
1932*	90	9,735.0	190,299	19.55	37.0

\*Data for first eight months only.

Average sales values for 1932 in Ralls and Callaway counties are low, not only in relation to the state average but also in relation to those of other counties. In 1927 average sales values in these two counties were \$52.90 per acre compared with \$27.76 per acre in Franklin county, \$25.08 per acre in Miller county, \$13.81 per acre in Reynolds county, \$50.56 in Barton county, \$40.62 per acre in Polk county, and \$49.73 per acre in Newton county. With the exception of Reynolds county, all the above average sales values in counties of the southern part of the state were higher in 1932 than in Ralls and Callaway. The extremely low value of \$19.55 per acre in Ralls and Callaway counties in 1932, when compared with \$28.68 per acre in Franklin county, \$20.51 in Miller county, \$9.69 in Reynolds county, \$29.44 in Barton county, \$21.57 in Polk county, and \$21.92 per acre in Newton county indicates an unduly severe liquidation in the Putnam-Lindley area.

Apparently values of most farm real estate in Ralls and Callaway counties are down to a distressed sales level. The average value per acre of land transferred by trustee's deeds, after second mortgage transfers

were eliminated, was actually higher, \$24.46,\* than the value, \$19.55, per acre of tracts transferred by warranty deeds in the first eight months of 1932.

In the following table are classified the foreclosures in Ralls and Callaway counties from July 1, 1931 to August 31, 1932. Insurance companies became owners of a larger acreage than any other agency, and purchased their land for a higher price, \$32.79 per acre, than any other group, the average for all groups being \$23.31 per acre. This difference probably arises out of the tendency of insurance companies to loan only on the best land. Foreclosures in the Putnam-Lindley sub-area have proceeded at a very high rate since 1929. Presumably, the first foreclosures were of the least productive farms in the area operated by the least efficient farmers. However, as the transfers of land by foreclosures progressed the grade of lands so transferred apparently improved, until in 1932 much of the distressed land which changed hands was apparently of an equal or higher quality than that being transferred by warranty deeds.

TABLE 14.—TRUSTEE DEEDS TRANSFERS IN RALLS AND CALLAWAY COUNTIES CLASSIFIED UPON THE BASIS OF PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	51	6,619.39	\$95,483.00	\$14.42
Insurance Companies.....	39	6,940.42	227,575.00	32.79
Banks*.....	15	1,961.80	40,325.00	20.56
Others.....	26	6,290.88	145,075.00	23.06
Total.....	131	21,812.49	508,458.00	23.31

\*Deposit Banks only. Land Banks and Joint Stock Land Banks included in "Others".

In addition to the above factors there has apparently been a considerable movement of land in these two counties out of farms, as indicated by a comparison of the number of farms in 1920 and 1930 as reported by the 1930 Census. While in Ralls county the number of farms remained very constant from 1920 to 1930, in Callaway county the number of farms decreased from 3,284 in 1920 to 2,753 in 1930, and the acreage in all farms declined more than 33,000 acres. Nearly all counties in the Putnam-Lindley area registered considerable declines in number of farms and acreages of farm land. Inability of farmers to show a profit and make satisfactory return on their investment has apparently reduced the demand for the low grade lands in the Putnam-Lindley sub-area.

\*Because certain second mortgage foreclosures were deleted, the \$24.46 as noted above and in Table 7, is somewhat higher than the \$23.31 given as the average consideration per acre for all trustee deed transfers in Table 13.

**The Marshall-Wabash Sub-Area (Atchison County).**—Following the moderate declines in the period from 1927 to 1930, sales values in the Marshall-Wabash sub-area fell sharply during 1931 and 1932. For the first time Atchison county sales values fell below 50 per cent of their 1927 level. In 1932 values were only 47.9 per cent of the 1927 level, having fallen from \$96.03 per acre in 1931 to \$64.78 per acre in 1932. (See Table 15).

TABLE 15.—SALES VALUES OF FARM REAL ESTATE IN ATCHISON COUNTY, MISSOURI, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	47	6,230.74	\$842,664	\$135.24	100.0
1928	41	5,083.08	676,640	133.11	98.0
1929	36	4,693.00	588,765	125.45	93.0
1930	26	3,753.16	464,928	123.87	91.6
1931	32	4,056.00	389,525	96.03	71.0
1932	21	2,451.00	158,778	64.78	47.9

The agriculture in the Marshall-Wabash sub-area is distinctly one of corn production and livestock feeding. The livestock industry in Atchison county is almost entirely hog and cattle feeding, in which hogs are of greater importance. Relatively, hog prices declined much more than other livestock prices, having fallen from \$10.25 per hundred-weight in 1927 to \$2.75 per hundred weight in January, 1933.

In a financial summary of the farm business on 73 Atchison county farms cooperating with the Department of Agricultural Economics, the following comment is made. "It is perhaps superfluous to note the general unprofitableness of farming operations during the past year (1932), only 22 out of the 73 having received any return on their investment after allowing a wage of \$400 for the time of the operator. The average return on investment was -1.41 per cent."\* Such low returns seem to indicate that the swing of the pendulum of farm incomes is very wide in the Marshall-Wabash sub-area, which, because of its highly specialized type of farming, is heavily dependent upon a constant market for its products.

The ratio of sales value per acre of farm real estate transferred by trustee's deeds to the sale value of real estate transferred by warranty deeds was comparatively high in Atchison county during the first eight months of 1932. (See Table 7). Voluntary sale values have declined so far that they are little above forced sale value. The value of farm real estate transferred by warranty deeds was \$64.78 per acre, compared with \$57.89 per acre for trustee's deeds transfers.

\*B. H. Frame and G. W. Collier, "Atchison County, Missouri Farm Business Summary for 1932", Mimeographed report.

There has been a great increase in volume of trustee deed transfers in Atchison county since 1930, in which year only two were recorded. In 1931 there were 18 and in the first eight months of 1932, 22. (See Table 4). Table 16 indicates the relative importance of the various purchasing agencies in trustee deed transfers. Again, as is true for the State as a whole, the largest number of foreclosures was by individuals, but the total consideration and consideration per acre for land foreclosed by insurance companies was much the largest. The consideration per acre for land purchased by insurance companies was \$50.51, contrasted to the average of all groups of \$38.40 per acre.

TABLE 16.—TRUSTEE DEEDS TRANSFERS IN ATCHISON COUNTY CLASSIFIED UPON BASIS OF PURCHASING PARTIES JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	21	2,861.74	\$90,060.00	\$31.47
Insurance Companies.....	12	1,878.66	94,885.00	50.51
Banks*.....	2	221.00	6,950.00	31.45
Others.....	2	255.00	8,401.00	32.94
Total.....	37	5,216.40	\$200,296.00	38.40

\*Deposit Banks only. Land Banks and Joint Stock Land Banks included in "Others".

**The Grundy-Shelby Sub-Area (Harrison County).**—In Harrison county of the Grundy-Shelby sub-area of the Northern Meat Production Area the slight upturn of sales values of farm real estate reported for 1931 in "The Farm Real Estate Situation for 1930-1931"\* failed to be realized when data for the entire year were consolidated. Instead, there was a decrease in the index of sales value from 67.2 per cent to 62.2 per cent of the 1927 level. Farm real estate values continued to decline from 1931 to 1932, reaching 53.5 per cent of the 1927 level and a value of \$46.96 per acre.

TABLE 17.—SALES VALUES OF FARM REAL ESTATE IN HARRISON COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	55	4,435.80	\$389,000	\$87.70	100.0
1928	68	4,722.70	323,443	67.77	77.0
1929	52	4,366.80	336,247	77.00	88.0
1930	64	4,699.09	277,085	58.97	67.2
1931	44	3,547.65	193,598	54.57	62.2
1932*	27	2,564.79	120,445	46.96	53.5

\*Data for first eight months only.

Foreclosures took place at a very rapid rate in Harrison county during the fourteen months from July 1, 1931 to August 31, 1932. During this period there were 165 transfers by trustees' deeds (11.8 per month) in all or 5.3 per cent of the total number of farms reported for the county by the 1930 Census. More acres, 21,331, were foreclosed

in Harrison county than in any other of the counties studied. The large number of trustee deeds transferred in 1931, 106, and in the first eight months of 1932, 87, represents a great increase over earlier years. In 1929 only 38 farms and in 1930 only 29 farms were so transferred. These data are indicative of the distress and the loss of the farmers' equities in farm real estate in Harrison county and the Grundy-Shelby sub-area.

Prices paid at forced sales in Harrison county in the first eight months of 1932 averaged only 71.3 per cent of the average paid in the case of voluntary sales. Trustee's deeds transfers, second mortgages eliminated, averaged \$33.46 per acre, compared with \$46.96 per acre for warranty deed transfers. Trustee's deeds transfers were not classified upon the basis of purchaser in Harrison county.

Beef production, according to preliminary reports, is a larger source of income in Harrison county and the Grundy-Shelby sub-area than in the Marshall-Wabash sub-area. The reduction of incomes in the Grundy-Shelby sub-area has probably come less as a result of the reduced return to the livestock industry than from the inability to adopt cost reduction methods. The susceptibility of soil to erosion has restricted mechanization in this area. The erosion problem is probably an indication that much cost reduction could be effected by the curtailment of row crop and small grain cultivation and the maintenance of more permanent pasture. There has been some tendency in this direction, as indicated by the 1930 Census, which reports that pasture acreage increased 6,317 acres from 1924 to 1929.

**The Shelby-Lindley Sub-Area (Sullivan County).**—The Shelby-Lindley sub-area of the Northern Meat Production Area has suffered from rapidly falling farm real estate values since 1929, in which year values were 102 per cent of the 1927 level. From 1931 to 1932 the index of sales value based on 1927 values fell from 64.6 to 40.4. Values per acre declined from \$38.03 in 1931 or \$23.86 for the first eight months of 1932. (See Table 18).

TABLE 18.—SALES VALUES OF FARM REAL ESTATE IN SULLIVAN COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	81	6,493.71	\$383,166	\$59.01	100.0
1928	71	5,616.47	325,562	57.97	98.0
1929	75	6,129.90	369,364	60.26	102.0
1930	58	4,488.19	208,541	46.51	78.8
1931	43	3,925.09	149,277	38.03	64.4
1932*	29	2,137.57	72,383	23.86	40.4

\*Data for first eight months only.

The farm real estate situation in Sullivan county and the Shelby-Lindley sub-area does not differ greatly from the situation in the Putnam-Lindley sub-area. Both areas have large acreages of Lindley loam which

is rather an unproductive soil, often referred to as White Oak land. In Sullivan county sales values of farm real estate are evidently down to or below the distress sale level. In the first eight months of 1932 sales values for warranty deed transfers were \$23.86 per acre, compared with \$26.31 per acre on farms transferred by trustee's deeds. Presumably, forced sales usually take place at a lower consideration per acre than voluntary sales, the ratio between the two being less than 100. In Sullivan county the ratio in 1932 was 110.3.

In 1927 sales values in Sullivan county were higher than in several counties of the southern part of the state, which in 1932 had higher values per acre than Sullivan county. In 1927 the average sales value of Sullivan county farm real estate was \$59.01 per acre, compared with \$27.76 in Franklin county, and \$50.56 in Barton county. In 1932 Sullivan county sales value was \$23.86, contrasted with \$28.68 in Franklin and \$29.44 per acre in Barton county. The above figures reveal how drastically the depression has affected Sullivan county and the Shelby-Lindley sub-area of the Northern Meat Production Area in relation to other areas of the state.

Trustee's deed transfers in the county have increased steadily since 1929 with a very sharp increase in the first eight months of 1932. In 1929 there were only 28 transfers of trustee's deeds, while in the first eight months of 1932 there were 69, indicating that for the entire year trustee's deed transfers would be about 100, and would affect about 16,000 acres of land. A tabulation of trustee's deed transfers, with second mortgages removed, shows that for the first eight months of 1932 the consideration per acre (\$26.31) was higher than the consideration for the 32 transfers in the last half of 1931 which was \$23.02 per acre. This increase in sales value for forced sales is striking when contrasted with the decline in sales values of warranty deed transfers which brought the value per acre down to \$23.86 in the first eight months of 1932.

A classification of trustee's deed transfers as to foreclosing agencies, reveals that more than half of the foreclosures from July 1, 1931 to August 31, 1932 were by insurance companies. (See Table 19). Out of a

TABLE 19.—TRUSTEE DEEDS TRANSFERS IN SULLIVAN COUNTY CLASSIFIED UPON BASIS OF THE PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	28	3,448.25	\$29,651.00	\$8.60
Insurance Companies.....	39	6,242.71	189,550.00	30.36
Banks*.....	5	550.00	13,100.00	23.82
Others.....	3	440.00	10,150.00	23.07
Total.....	75	10,680.96	242,451.00	22.70

\*Deposit Banks only. Land Banks and Joint Stock Land Banks included in "Others".

total of 10,680.96 acres, 6,242.71 acres were purchased by insurance companies and, as is the usual case, insurance companies redeemed their loans at a much higher rate, \$30.36 per acre, than other agencies, the average for the entire group being \$22.70 per acre.

**The Summit Sub-Area (Johnson County).**—Although farm real estate values in Johnson county have fluctuated considerably since 1927 they have been on a higher level than the state average most of the time. After returning to 92 per cent of the 1927 level in 1931 the index of sales value fell to 67 in the first eight months of 1932, but remained on a much higher level than those for most other areas. The average sales value of farm real estate which was \$62.35 per acre in 1931 dropped to \$45.43 per acre in 1932. (See Table 20).

TABLE 20.—SALES VALUES OF FARM REAL ESTATE IN JOHNSON COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	100	6,987.45	\$473,618	\$67.78	100.0
1928	96	8,397.71	570,270	67.91	100.0
1929	77	6,279.10	380,877	60.66	89.0
1930	54	4,643.53	240,322	51.75	76.0
1931	54	4,032.38	251,446	62.33	92.0
1932*	24	2,379.02	111,080	45.43	67.0

\*Data for first eight months only.

The type of farming which characterizes the Summit sub-area has a combination of farm enterprises in which dairying plays a much more important role than in the other sub-areas of the Northern Meat Production Area. Dairy products prices were not affected nearly as badly during the larger part of the depression as prices of grains and meat animals. Undoubtedly, the stability of dairy product prices through the period studied helped to steady farm real estate values in this area.

Apparently, the nearness of Kansas City and the constancy of its market has been an important factor in maintaining values in Johnson county and the Summit sub-area. The sales value of farm real estate, as computed from data on 24 sales in the first eight months of 1932, was \$45.43, a much higher figure than the average sales value for 42 trustee's deed transfers, which was \$25.14 per acre for the same period. The ratio between the two values is 55.3%, the lowest ratio for any of the counties studied for which available trustee's deed data are at all adequate. Evidently, farm real estate values in the Summit area are still well above the level of distressed land values.

Trustee's deed transfers have increased very rapidly in Johnson county since 1929, the first year for which these data were obtained. Only 14 such transfers were registered in that year, the number increasing to 32 in 1930, to 40 in 1931, and reaching 42 in the first eight months of

1932. When the transfers for the fourteen months period from July 1, 1931 to August 31, 1932 are classified upon the basis of the ultimate purchaser it is found that, although individuals foreclosed more farms than insurance companies, they purchased less acreage than insurance companies. (See Table 21). The consideration was \$18.53 per acre for farm real estate purchased by individuals, compared with \$24.24 per acre for that purchased by insurance companies. The average consideration per acre for all groups was \$20.97.

TABLE 21.—TRUSTEE DEEDS TRANSFERS IN JOHNSON COUNTY CLASSIFIED UPON BASIS OF THE PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individual.....	30	4,198.88	\$77,792.00	\$18.53
Insurance Companies.....	24	4,304.79	104,353.00	24.24
Banks*.....	4	592.00	4,855.00	8.20
Others.....	12	2,406.23	54,200.00	22.52
Total.....	70	11,501.90	241,200.00	20.97

\*Deposit banks only. Land Banks and Joint Stock Land Banks included in "Others".

**The Ozark Border Area (Franklin County).**—Apparently farm real estate values in the Ozark Border Area have suffered less than in any other area of the state. Franklin county alone, among the thirteen counties studied, had values in the first eight months of 1932 above the level of 1927. The index of sales value (1927=100) for 1932 was 103.3, having risen from 83.1 in 1931. The average value per acre was \$28.68, compared with \$27.76 in 1927 and \$29.32 in 1929. (See Table 22).

TABLE 22.—SALES VALUES OF FARM REAL ESTATE IN FRANKLIN COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	58	5,639.14	\$156,553	\$27.76	100.0
1928	37	4,016.57	97,982	24.39	88.0
1929	39	3,352.87	98,299	29.32	106.0
1930	38	4,009.38	114,931	28.66	103.0
1931	37	3,445.10	79,445	23.06	83.1
1932*	36	3,159.63	97,150	28.68	103.3

\*Data for first eight months only.

Franklin county, like Johnson county, is near a large city. Undoubtedly, the nearness of St. Louis has been a contributory factor in the stability of farm real estate values throughout much of the Ozark Border Area. Table 11 indicates that the value of crops produced per acre has remained rather constant at a relatively high level in areas near cities. In the Eastern Truck Crops and Wheat Area, for which no sales data are available, values of crops produced per acre have been at the highest level for any area. They have, also, been very consistent since 1924,

probably because of the constancy of the St. Louis market. This effect is also felt in the Ozark Border Area, much of which lies close to greater St. Louis.

As in Johnson county, the ratio of sales value for trustee's deeds transfers to sales values for warranty deed transfers has been low (60.9%) in Franklin county. The average value of farm real estate at forced sales was \$17.46 per acre, compared with \$28.68 per acre for voluntary sales.

Franklin county and the Ozark Border area have benefitted greatly from the expansion and improvement of highways being carried on in this area to relieve traffic congestion near St. Louis.

The percentage of farms mortgaged in Franklin county in 1930, as depicted by Figure 8, was relatively low. There were only 14 foreclosures in the county during the fourteen months from July 1, 1931 to August 31, 1932. The distribution of foreclosing agencies was somewhat different in Franklin county than in the counties previously discussed, none of the farms being foreclosed by individuals and five by deposit banks. The average consideration per acre for the 14 trustee's deed transfers was \$7.11, contrasted to \$28.68 per acre on warranty deed transfers.

Tax delinquency in Franklin county was very low, less than 10% in 1932.\* The freedom from tax delinquency is indicative of the relatively strong position of farm owners in this county and the Ozark Border area.

Another factor evidently contributing to the stability of farm real estate values in the Ozark Border area is the evident demand for land. Voluntary transfers in Franklin county increased from 37 in 1931 to 36 for the first eight months of 1932, despite the relatively high values of farm real estate in the county.

### The Ozark Meat Production Area

**The Clarksville-Lebanon Sub-Area (Miller County).**—Although values of farm real estate in Miller county have shown a high degree of variability since 1927, and have fluctuated rather widely at times, they have maintained a level, relative to 1927 values, well above the state average. Values of farm real estate increased from \$17.37 in 1931 to \$20.51 per acre in 1932. In 1932 values were 81.8 per cent of the 1927 level. (See Table 23).

The type of farming in the Clarksville-Lebanon sub-area is one which emphasizes livestock and poultry, along with some dairying, presumably along the route of the St. Louis and San Francisco Railroad. The prices of meat animals, poultry and dairy products have held considerable

\*For further discussion of tax delinquency see Conrad H. Hammar, "Some Aspects of Rural Tax Delinquency in Missouri", *The Journal of Land & Public Utility Economics*, Vol. IX, No. 2, May, 1933.

TABLE 23.—SALES VALUES OF FARM REAL ESTATE IN MILLER COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	25	2,476.00	\$61,880	\$25.08	100.0
1928	36	3,816.95	84,525	22.14	88.0
1929	46	4,899.81	103,329	21.09	84.0
1930	53	6,055.26	155,550	25.69	102.4
1931	50	5,234.01	90,938	17.37	69.3
1932*	35	2,945.25	61,271	20.51	81.8

\*Data for first eight months only.

advantage over grains in the period of declining prices and, no doubt, have held farm real estate values at a relatively high level. However, there is relatively little dependence upon markets in this area. The agriculture is relatively self-sufficient and non-commercialized. Undoubtedly, the construction of Bagnell Dam and the development of the power site has been a great stimulus to farm real estate values in Miller county. The demand for land for development of resorts has done much to stabilize values.

During the fourteen months period, July 1, 1931 to August 31, 1932, only 11 pieces of farm real estate involving 1,389 acres were foreclosed. The ratio between forced sales value and voluntary sales value was only 61.2 per cent in Miller county for 1932. The average consideration for trustee's deed transfers was \$12.56 per acre, compared with \$20.51 per acre for warranty deed transfers.

A somewhat different distribution results, when trustee's deed transfers are classified as to foreclosing agencies, than held true in the Northern Meat Production Area. Insurance companies were of less importance in relation to other agencies. Individuals and agencies classified as "others" each redeemed their loans at a higher figure than did the insurance companies.

TABLE 24.—TRUSTEE'S DEED TRANSFERS IN MILLER COUNTY, CLASSIFIED UPON BASIS OF THE PARTIES PURCHASING JULY 1, 1931 TO AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	6	613.20	\$8,500.00	\$13.86
Insurance Companies.....	2	326.00	4,200.00	12.88
Banks*.....	2	400.00	4,050.00	10.12
Others.....	1	50.00	700.00	14.00
Total.....	11	1,389.20	17,450.00	12.56

\*Deposit Banks only. Land Banks and Joint Stock Land Banks included in "Others".

**The Clarksville-Huntington Sub-Area (Reynolds County).**—Since 1927 the movements of farm real estate values in Reynolds county have been very erratic. In relation to 1927 values they fell to 73 per cent in 1928, went up to 87 per cent in 1929, down to 71.7 per cent in

1930, up to 80.2 per cent in 1931, and back to 70.2 per cent in 1932. Actual values fell from \$11.07 per acre in 1931 to \$9.69 in 1932, the lowest per acre value in the thirteen counties studied. (See Table 25).

TABLE 25.—SALES VALUES OF FARM REAL ESTATE IN REYNOLDS COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	31	3,946.08	\$55,515	\$13.81	100.0
1928	43	4,029.40	40,682	10.09	73.0
1929	41	3,018.24	36,120	11.96	87.0
1930	5½	6,105.76	60,422	9.90	71.7
1931	64	6,682.43	73,951	11.07	80.2
1932*	31	3,725.43	38,884	9.69	70.2

\*Data for first eight months only.

The type of farming in the Clarksville-Huntington sub-area is largely beef cattle production and raising of stock hogs, with probably less crop production than in any other area of the state because of the extremely rough topography and unproductive upland soils of the area. However, there is very intensive cropping in the fertile valleys of the area. Because of the lack of transportation facilities, the agriculture of the Clarksville-Huntington sub-area is not greatly commercialized and is relatively self-sufficient.

Trustee's deed transfers have been a relatively unimportant factor in the farm real estate situation in Reynolds county and presumably in the Clarksville-Huntington sub-area. In 1929 there were 36 foreclosures which involved 2,330 acres, but this number decreased to 3 in 1930, to 2 in 1931, and only 3 transfers by trustee's deeds, which involved only 344 acres of land, were recorded in the first eight months of 1932. The consideration for the 3 transfers in 1932 was \$2.65 per acre, compared with \$9.69 per acre for warranty deed transfers.

Individuals were the foreclosing agency in each of the five trustee's deed transfers in Reynolds county from July 1, 1931 to August 31, 1932. Only 446 acres were transferred during this period, at an average consideration of \$5.28 per acre.

The development of a clearly defined land use program through the utilization of forestry possibilities, and the development of resorts in the Clarksville-Huntington sub-area would undoubtedly strengthen the position of the area.

**The Western Corn and Small Grain Area (Barton County).**—Average sales values in Barton county (as far as can be judged by the 21 transfers afforded by the first eight months of the year) moved downward sharply in 1932 and fell below \$30 for the first time since the data have been collected. The average value of \$29.44 per acre was 58.2 per cent of the average of 1927 value of \$50.56 only five years earlier.

For the six years for which data have been gathered, average values in Barton county have moved downward in almost exact step with those for the state as a whole. See Figure 4.

TABLE 26.—SALES VALUES OF FARM REAL ESTATE IN BARTON COUNTY, 1927-1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	66	5,716.6	\$289,079	\$50.56	100.0
1928	56	5,506.8	248,261	45.08	89.0
1929	42	4,370.0	189,649	43.39	86.0
1930	35	3,261.0	128,127	39.29	77.7
1931	31	2,713.2	99,921	36.38	72.0
1932*	21	2,357.6	69,412	29.44	58.2

\*Data for first eight months only.

While the general rate of turnover of farm real estate, both as measured by the numbers and acreages of warranty deeds and trustee's deed, increased in the thirteen counties in 1931 and 1932 as contrasted to 1930, the turnover in Barton county for these two later years remained much the same as in 1930. In fact, the number of warranty deed transfers in 1931 was exactly equal, 162, to that in 1930 though the acreage involved, 17,345 acres as compared to 16,662, was somewhat larger. It so happens also that for the first six months of 1931 eighty-one warranty deed transfers were recorded. This is exactly one-half of the number for the preceding year. The acreage involved was, however, 10,422 which is considerably more than half the acreage transferred in 1931.

For trustee's deed transfers the trend has, since 1929 when data were first obtained, been rather steadily upward with a pronounced increase between 1931 and 1932. In 1929 only twenty trustee's deed transfers were recorded. In 1930 the number had increased to twenty-three and in 1931 to thirty-two, and on the basis of the first six months of 1932 the number for that year will be sixty-eight transfers involving approximately 11,000 acres of land. Both the number and acreage of these trustee's deed transfers for 1932 would apparently be more than double that for any previous year since 1929.

A tabulation of these trustee's deeds, with all second mortgage sales deleted, reveals that during the last six months of 1931, 14 pieces involving 2,756 acres changed hands at an average price of \$20.43 per acre, while in the eight months of 1932, thirty-nine transfers of 6,130 acres were made at an average price of \$19.87 per acre. It is notable that these prices are much below the \$29.44 average for the warranty deed transfers, but that the decline from \$20.43 to \$19.87 is much less than the declines noted for warranty deed transfers.

These trustee's deeds for the fourteen months from July 1, 1931 to August 31, 1932 were classified upon the basis of the ultimate purchaser of the tract under trustee's sale. Usually these purchasers are the original lenders. The results of this tabulation are given in the table below.

TABLE 27.—TRUSTEE DEEDS TRANSFERS IN BARTON COUNTY CLASSIFIED UPON THE BASIS OF THE PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individual.....	24	2,623.78	\$28,550	\$10.88
Insurance Companies.....	22	4,630.06	98,995	21.38
Banks*.....	10	1,822.73	35,530	19.49
Others.....	5	1,106.00	16,500	14.92
Total.....	61	10,182.57	179,575	17.64

\*Deposit banks only. Land Banks and Joint Stock Land Banks included in "Others".

The percentage of these foreclosed farms going to the insurance companies in Barton county was about average for the twelve counties for which data were obtained. (See Table 27). As is usual, the insurance companies redeemed their loans at a considerably higher figure than did other groups, though the average of \$21.38 is below the \$29.44 average price per acre as discovered from the warranty deed transfers.

The following discussion of the adjustments in the agriculture of the Southwest Corn and Small Grain Area that should be made to compensate not only for the rapidly declining values of land in that area but to the changed economic and technical aspects of farming has been contributed to Mr. E. M. Poirot of Golden City, Missouri. Mr. Poirot is a cooperator of the Missouri College of Agriculture and operates a farm upon soils very typical of those of the area.

"The Western Corn and Small Grain Area represents soil types that in their virgin state produced large crops of hay and grain. It is not uncommon even now to hear some of the few remaining pioneers tell about the 'blue stem as high as a horse', yields of 'forty bushels of corn planted by hacking holes in the new turned sod,' heavy crops of flax 'to take the wild nature out of the soil so the next year's wheat would not go down.' How different is the present when wild nature has been removed from the soil, the wheat does not go down or even make grain without commercial fertilizer, the corn burns up with the first dry weather of the summer, the blue stem does well to reach the lowest wire of the fence, and the gross returns per acre of this area are among the lowest in the State. (Table 11). Tenants hardly make a living, owners lose their farms and land values have steadily decreased to 58.2% of their 1927 average.

"Though there may be many remedies for these conditions, those of value to the individual farmer must be of such a nature that he can

apply them in the management of his farm. If he is to make a change in his farming operations he must first of all know why his present system is at fault. To him his farm is a unit in which he invests his money and his time. His returns are measured by the total value of the finished product. The size of his farm, the money he has to invest and his labor are available in almost constant amounts from year to year, but his ability to survive depends upon the effectiveness or efficiency with which he uses them regardless of the price he receives. All farmers are under the same handicap so far as the price of their products is concerned, but those who can produce more than others with their farm time and money have a distinct advantage. It is, therefore, necessary to examine the farming system of the Western Corn and Small Grain Area to discover why its gross per acre returns are among the lowest in the State, and then to determine what readjustments might be made.

"Many of the early settlers came from the prairie regions of Illinois and Indiana, and with them came the corn, oats, and wheat rotation. They were successful for a good many years because the soil was new and well supplied with fertility. Summer drouths were unimportant. The soil, though shallow, was rich in organic matter and could hold moisture enough to tide the corn over the dry spell. Clovers would not grow well. Straw was burned and manure was not available in amounts sufficient to maintain fertility. Commercial fertilizers were later extensively used but more with the thought of supplementing the fertility already in the soil rather than supplying as much as the crop required. Livestock grazing at first was an important enterprise on the unplowed prairies but later the demand for prairie hay in Eastern cities and the cotton farmers of the South made it less attractive. These markets, however, have lost their importance since trucks and tractors have replaced horses. The system of farming as it is now might be classed in a general way as a grain system with a small acreage of such crops as soybeans and cowpeas grown for seed.

"Though this system has been profitable in the past when prices were higher and the soil richer it fails to maintain itself now for three important reasons that are general throughout the area.

"They are:

1. The soil is poor because losses of organic matter and fertility are accelerated at a rate greater than crop requirements and no provision is made for replacing them.
2. Such crops as corn and oats are not well adapted.
3. A grain system alone is too costly on this unproductive soil.

"In considering fertility losses it is well to remember that this soil is shallow and in many cases has a decidedly impervious clay or hard pan as a subsoil. The supply of fertility was in the surface soil and almost

all in the form of undecayed grass roots, and stems that accumulated for many years. It was, in its native state, covered throughout the summer with growing grass that used soluble plant food as it became available, while in the winter bacterial decay of the dead grass held especially nitrogen, in insoluble bacterial bodies. These natural processes therefore with the aid of wild legumes not only maintained the fertility of the top soil but actually increased it.

“Under conditions of cultivation without legumes these natural processes of soil building were completely wrecked and replaced by a system that not only removed fertility with crops, but created ideal conditions for bacterial decay of organic nitrogen by aerating the soil without growing crops to utilize that which became soluble. According to Dr. Hans Jenny,\* regions as far south as Missouri lose soil nitrogen, and organic matter rapidly because of the high mean annual temperature, and soil fertility, as measured by corn yields, is reduced in proportion to this loss of soil nitrogen and organic matter content. With these things in mind, we can more clearly understand why yields have been reduced and the importance of replacing the present system with one that will prevent these unnecessary losses, as well as replace the fertility taken from the soil by crops.

“It is quite probable that the reason corn and oats are so often seriously injured by a short dry spell, might be found in the physical condition of the soil as well as its lack of fertility, but the fact that they are not sure yielders with the soil in its present state places them in the group of those crops that are not well adapted to this region. The grain crops that are successful are those that can survive on shallow, infertile soil and that do most of their growing in the fall, winter and early spring when evaporation of moisture is not rapid and therefore available with plant food. About the same is true of pasture grasses found in permanent pastures. In selecting crops that meet the requirements of soil fertility, care must be taken also to select those that are adapted to the region as it is, without expensive soil treatments. It is all important that such crops be sure yielders so that the farmer can depend on them and arrange his program accordingly.

“The third difficulty is in the high per acre cost of grain farming, with a resulting high cost per bushel because of low average yields. Such costs as rents, taxes, interest and machinery depreciation are not materially reduced in periods of low prices. The tendency is to reduce costs by eliminating fertilizer and often by using seed of inferior quality. These false economies reduce yields and result in a higher cost per bushel for the crop. It is true that the farmer does not consider his labor as an item of cost in times of low prices because no other work is available,

\*Missouri Agricultural Experiment Station Research Bulletin Number 252.

but it is also true that his labor might be more productive in a different or modified system of farming that is less costly.

"It is interesting to note that here again the objection to the present system, because of cost, would not be so important if the soil were more productive. We might, therefore, logically state that the one most important reason for the present difficulties in the Western Corn and Small Grain Area is that its system of farming in the past has depleted soil fertility. A new system, however, must go further than just preventing additional losses, it must actually replace fertility under the handicap of a poor soil, and at a very low gross return per acre. It must be simple, require little capital, be capable of gradual development as fertility again increases, and require little change in present farming equipment.

"In this region of short open winters and long growing seasons with such adapted soil building pasture and grain crops as Korean lespedeza, cowpeas, soybeans, prairie grass, redtop, and winter barley, a livestock system modified to meet special conditions of individual farms seems to be the answer to the present problem. It would be in harmony with the climate, it would permit the use of adapted legume crops so that they would supply both fertility and livestock pasture or hay. It would permit a substantial reduction in the cultivated land for use as pasture, and thereby reduce the cost of farming it. Livestock is cheap and represents fair collateral at a bank if feed and pasture are on the farm. Information regarding its care is abundant and available. Expensive equipment is not necessary. The change from the present system to an extensive livestock husbandry in any of its modified forms can be gradual or rapid as the case may require.

"Climatic conditions are ideal because of short open winters, and long growing seasons that yield an abundance of pasture when the right crops are used.

"Redtop or prairie grass with Korean Lespedeza and barley fill out the pasture season from early spring to early winter. All of these are sure crops and can be depended on even in periods of severe drouths. They are cheap and require little or no soil preparation. Korean Lespedeza is a legume rich in protein and a valuable soil builder as well. It will follow any small grain crop in the rotation and supply abundant stubble pasture the first summer. In some cases it could be used as a hay crop to supply winter roughness of the highest quality but its most important place is as a pasture. It is possible in many years to begin pasturing barley March 15 and by following with redtop or prairie grass for late spring, Korean Lespedeza for summer and early sown barley for fall, it is possible to extend the pasture season to December 15.

"This would leave a relatively short winter of three months or so in which livestock could be well wintered on such hays as soybeans, cow-

peas, or korean clover. It is not necessary to purchase expensive protein feeds for stock cattle, cows or sheep if their ration contains as much as 50% of any of these. These crops again are adapted to the soil and climate of this region and yield well.

“For the livestock requiring grain, either in a fattening or a milk producing ration, barley can replace corn almost pound for pound. It is more desirable because it yields more, supplies pasture, and grows at a time when moisture supply is generous and makes use of the soluble nitrogen liberated by decaying organic matter in the open winter and early spring, that might otherwise be lost. It can be safely fertilized with heavy applications of commercial fertilizer without fear of injury, it ripens in early June, thus escaping the hot weather that so often reduces the yield of wheat and oats, and also produces a feed crop four months before corn would be available.

“It would not be possible to give one rotation of crops for this region that would apply to all conditions, but a very simple one that would apply to many farms and fit a livestock program would be a two year barley, Korean Lespedeza, soybean rotation with one-third of the farm in permanent pasture. In this, barley would supply the grain, and soybeans the legume hay for winter feeding; pasture would be supplied by barley, Korean Lespedeza and the permanent pasture. Only one-third of the farm would be plowed each year and this might be done any time after frost kills the Korean clover to soybean planting time in the spring. One soil preparation would serve for three crops, soybeans, barley, and lespedeza, with the latter altogether harvested by livestock. From a fertility standpoint the rotation could hardly be bettered since a legume crop grows on every acre of cultivated land every year supplying nitrogen and organic matter. A winter grain on half of the cultivated land, makes use of plant food as it becomes available, undecayed organic material on the clover field and pasture prevents serious losses there. Such elements as phosphate will need to be added to the barley grain crop so that the proper balance with the accumulated nitrogen is maintained.

“With this kind of a rotation on a poor farm in the Western Corn and Small Grain Area, a natural growth and development of the entire farming unit takes place. Both fertility and livestock increase in such a way that a balance might be easily maintained and the farm as a productive unit gradually approaches its capacity. As it does, it becomes more valuable to the owner as a means of making a living, and at the same time its sales value increases.

“The true value of a farm depends in a great measure upon its productive power per acre, and where fertility is the limiting factor, land values have little chance of recovering unless it is in some way

replaced. A livestock system that can profitably utilize such adapted legume crops as soybeans, cowpeas and lespedeza will not only replace fertility but supply a living for the farmer as well."

**The Ozark Plateau Dairy Area (Polk County).**—Average sales value of farm real estate in Polk county fell sharply during the first eight months of 1932. The index of value dropped from 85.5 per cent of the 1927 level in 1931 to 53.1 per cent in 1932. The average value per acre fell from \$34.73 in 1931 to \$21.57 in 1932.

TABLE 28.—SALES VALUES OF FARM REAL ESTATE IN POLK COUNTY, 1927 TO 1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	65	4,716.9	\$191,623	\$40.62	100.0
1928	105	7,688.8	288,888	37.57	92.0
1929	119	8,470.7	282,024	33.29	82.0
1930	90	7,964.9	240,400	30.18	74.0
1931	82	6,296.6	218,702	34.73	85.5
1932*	49	4,077.5	87,966	21.57	53.1

\*Data for first eight months only.

As in Barton county, sales of farm real estate in Polk county have followed the average values for the state, relative to 1927, very closely. Polk county and the Ozark Plateau Dairy area depend largely upon dairy and livestock products for its income. Although prices of meat animals and dairy products have held up well in comparison with grain prices, the reduction in the prices of these products since 1931 have been large. Reductions affecting the main source of income have had a depressing effect on farm real estate values in the area.

The relatively heavy rate of foreclosures in Polk county probably accounts for much of the decline in farm real estate values. Trustee's deed transfers have been of considerable volume since 1929. In 1929 there were 38 foreclosures, 46 in 1930, 44 in 1931, and 35 in the first eight months of 1932. The average value for the 35 trustee's deed transfers in 1932 with second mortgages eliminated, was \$16.46 per acre, or only 76.3 per cent of the average value per acre for the 49 warranty deed transfers in the same period. From July 1, 1931 to August 31, 1932, there were 74 foreclosures, involving 8,697 acres of land, the average consideration for which was \$15.09 per acre. A classification of the 74 trustee's deed transfers upon the basis of parties purchasing the tracts foreclosed shows that 42 of the purchases were by individuals, 22 by insurance companies, 6 by deposit banks, and 4 by other agencies. (See Table 29). However, insurance companies became owners of slightly more acreage than individuals at an average consideration of \$20.23 per acre, contrasted to \$10.49 per acre paid by individuals.

TABLE 29.—TRUSTEE DEED TRANSFERS IN POLK COUNTY CLASSIFIED UPON BASIS OF THE PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	42	3,738.10	\$39,206.00	\$10.49
Insurance Companies.....	22	3,819.45	77,275.00	20.25
Banks*.....	6	664.00	6,800.00	10.24
Others.....	4	475.00	7,910.00	16.65
Total.....	74	8,696.55	131,191.00	15.09

\*Deposit Banks only. Land Banks and Joint Stock Land Banks included in "Others".

**The Southwest Fruit and Dairy Area (Newton County).**—Sales values for Newton county farm real estate declined in 1931 to 1932. Average values fell from \$34.42 in 1931 to \$21.92 per acre in 1932, and as a per cent of the 1927 level, from 69.2 in 1931 to 44.1 per cent in 1932, as indicated by 41 warranty deed transfers in the first eight months of 1932. (See Table 30).

TABLE 30.—SALES VALUES OF FARM REAL ESTATE IN NEWTON COUNTY, 1927 TO 1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	106	5,923.3	\$294,615	\$49.73	100.0
1928	115	5,543.2	306,855	53.35	107.0
1929	106	6,491.1	287,410	44.27	89.0
1930	54	3,558.35	131,546	36.96	74.0
1931	61	2,798.48	95,773	32.42	69.2
1932*	41	1,603.46	35,150	21.92	44.1

\*Data for first eight months only.

The principal farm enterprises of dairying, fruit and vegetable growing require a large amount of labor on a small acreage of land, making farming in the Southwest Fruit and Dairy area largely a handicraft culture. The average size of farm in this area was 92 acres, according to the 1930 Census, compared with an average farm for the state as a whole of 132 acres.

Newton county suffered the effects of 94 foreclosures in fourteen months, ending August 31, 1932. These forced sales included 2.8 per cent of all the farms in Newton county, and involved 7,650 acres of land at an average consideration of \$13.54 per acre. For the 40 transfers of trustee's deeds in the first eight months of 1932 the average consideration of \$21.62 per acre, compared with \$21.92 per acre for warranty deed transfers. The ratio of forced sales value to voluntary sales value was 98.6, which indicates that values of farm real estate are down to about the level of distressed sales.

A classification of trustee's deed transfers as to foreclosing agencies, reveals that 79 of the 94 farms foreclosed from July 1, 1931 to August 31, 1932 went into the hands of individuals. (See Table 31). Insurance companies, deposit banks, and other agencies were relatively unim-

portant factors. The average consideration in transfers to insurance companies was, as in most counties, higher than the considerations in transfers to any other group.

TABLE 31.—TRUSTEE DEEDS TRANSFERS IN NEWTON COUNTY CLASSIFIED UPON THE BASIS OF THE PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	79	6,647.50	\$89,437.00	\$13.45
Insurance Companies....	5	403.63	8,750.00	21.68
Banks*.....	2	142.50	2,100.00	14.48
Others.....	8	456.00	3,320.00	7.28
Total.....	94	7,649.63	103,607.00	13.54

\*Deposit banks only. Land Banks and Joint Stock Land Banks included in "Others".

**The Southeast Missouri Lowlands (Pemiscot County).**—Average sales values in Pemiscot county fell continuously from 1928 to 1932. Values declined from \$44.87 per acre in 1931 to \$34.24 per acre in the first eight months of 1932, reaching 47.9 per cent of the 1927 level. (See Table 32).

TABLE 32.—SALES VALUES OF FARM REAL ESTATE IN PEMISCOT COUNTY 1927 TO 1932

Year	Number of Sales	Acreage Transferred	Consideration	Per Acre	Per Cent of 1927
1927	48	3,258.7	\$232,784	\$71.43	100.0
1928	29	2,705.1	229,332	84.78	119.0
1929	51	3,956.7	278,695	70.42	99.0
1930	31	2,974.8	189,913	63.83	89.0
1931	37	3,357.6	146,177	44.87	62.8
1932*	34	1,606.7	55,010	34.24	47.9

\*Data for first eight months only.

In the Southeast Lowland Corn and Cotton Area, corn and cotton comprise more than 65 per cent, and in Pemiscot county about 75 per cent, of the total crop and pasture acreage.\* The cotton is entirely a cash crop and much of the corn is also sold for cash. The adverse price situation for these products has lowered the incomes in this area drastically. In January, 1933 grain prices were only 34 per cent of the 1910-14 level, and cotton and cottonseed prices were down to 45 per cent of the same level.\*\* The results of this price debacle has been the inability of farmers to meet customary taxes and interest, heavy and foreclosures, and many families almost wholly dependent on relief organizations. The farmers of the seven counties comprising the Southeast Lowland Area have a heavy additional burden in the form of a drainage tax. This area has the highest general tax rate of any large area in the state.† Scott and Dunklin counties have the heaviest tax

\*See "The Missouri Farm Real Estate Situation for 1930 and 1931, op. cit., page 57.

\*\*"Agricultural Situation", February, 1933.

†Preliminary unpublished data, Department of Agricultural Economics, Missouri College of Agriculture.

rates for any counties. According to R. B. Oliver, the percentage of drainage benefit taxes delinquent in the Southeast Lowland counties was estimated at 95 per cent in 1932.†

Trustee deeds transfers have been very numerous in Pemiscot county since 1929. There were 33 in 1929, 21 in 1930, 59 in 1931, and 94 in the first eight months of 1932. As shown by Table 33, insurance companies were by far the most important foreclosing agency in Pemiscot county. During the fourteen months from July 1, 1931 to August 31, 1932, insurance companies purchased 75 farms out of the 132 foreclosed. These foreclosures involved 9,870 acres of land at an average consideration of \$32.12 per acre, compared with an average of \$23.50 per acre for all groups. Agencies classified as "Others" accounted for 28 of the trustee deed transfers, of which 10 were to land banks, involving 1233 acres. During this period 21,624 acres in Pemiscot county were foreclosed. This average amounts to 10.2 per cent to all the land of Pemiscot county.

TABLE 33.—TRUSTEE DEED TRANSFERS IN PEMISCOT COUNTY CLASSIFIED UPON THE BASIS OF THE PARTIES PURCHASING JULY 1, 1931-AUGUST 31, 1932

Purchaser	Number	Acreage	Consideration	Consideration Per Acre
Individuals.....	26	8,660.37	\$135,108.00	\$15.60
Insurance Companies.....	75	9,870.20	317,024.37	32.12
Banks*.....	3	454.48	3,468.00	7.63
Others.....	28	2,639.29	52,642.42	19.95
Total.....	132	21,624.34	508,242.79	23.50

\*Deposit banks only. Land Banks and Joint Stock Land Banks included in "Others".

The average sales value for 94 trustee's deed transfers in the first eight months of 1932 was \$23.76 per acre, compared to \$34.24 per acre for warranty deed transfers, the ratio between the two figures being 69.4. Apparently voluntary sales are still being made on a much higher level than distress sales.

†"The Extent and Causes of Drainage Tax Delinquency", Proceedings of the First Missouri Conference on Land Utilization, pages 47-52.