

PRICES, PAYMENTS, & PRODUCTION



Kansas Wheat Farmers and the
Agricultural Adjustment Administration,
1933 – 1939



by R. Douglas Hurt

Kansas became the winter wheat state during the first three decades of the twentieth century. Wheat acreage increased from approximately 3.8 million acres in 1899 with 38.8 million bushels harvested to 13.1 million acres planted and 155.5 million bushels threshed in 1929. Farmers in the southwestern part of the state particularly contributed to the great plow up of the native grass for wheat acreage that continued through the 1920s. In twenty-five southwestern counties where wheat predominated, the number of farms doubled between 1900 and 1910 while the land in farms increased from 46 to 73 percent by 1920. During the relatively moist 1920s, the number of farms in that area increased from 14,272 to 16,267 while the percent of land in farms rose to 81 percent. In 1900 Kansas farms averaged approximately 241.6 acres but expanded to 283 acres by 1930, and wheat production prevailed.¹

Much of the expansion in wheat acreage depended on the adoption of new power machinery. In 1915, when the Kansas State Board of Agriculture first reported the number of tractors in the state, wheat farmers in the twenty-five county survey area owned only 286 machines, but by 1920 they operated 1,333 tractors. A decade later, they used 9,727 tractors before the ownership of these implements peaked for the decade at 11,655 in 1934. Wheat farmers in southwestern Kansas also began using combines about 1917, but the United States Department of Agriculture (USDA) did not tabulate their use until 1923, when farmers in the survey area operated 719. By 1930 these wheat farmers used 6,083 combines to harvest their crops, with ownership peaking at 7,724 implements in 1932 for the decade. Wheat farmers in southwestern Kansas and across the state used tractors and combines to provide the labor necessary to expand their wheat acreage. Wartime wheat prices averaged \$2.52 per bushel for

Abundant wheat acreage and production is evident in this Finney County harvest scene, 1924.

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1. U.S. Department of the Interior, *Fifteenth Census: 1930, Agriculture*, vol. 2, pt. 1, *The Northern States* (Washington, D.C.: Government Printing Office, 1932), 1290; Kansas State Board of Agriculture, *Sixty-seventh Annual Report* (Topeka: Kansas State Printing Plant, 1934) 233, 236; H. L. Stewart, *Changes on Wheat Farms in Southwestern Kansas, 1931–37, With Special Reference to Influence of AAA Programs*, Farm Management Reports 7 (Washington, D.C.: U.S. Department of Agriculture, Bureau of Agricultural Economics, June 1940), 4–5; The counties surveyed by the Bureau of Agricultural Economics for this report are Barber, Clark, Comanche, Finney, Ford, Gove, Grant, Gray, Greeley, Hamilton, Haskell, Hodgeman, Kearny, Lane, Logan, Meade, Morton, Ness, Scott, Seward, Stanton, Stevens, Trego, Wallace, and Wichita.

the 1917–1918 crop year on the Kansas City market and averaged \$2.12 statewide. During the 1920s prices exceeded one dollar per bushel and helped continue the expansion of wheat lands in Kansas.²

Power machinery, adequate precipitation, and high prices enabled farmers to expand their wheat acreage to such an extent that they reaped a record harvest of 251.8 million bushels from 13.8 million acres for an average of 18.5 bushels per acre in 1931. This wheat crop had a value of \$83.1 million even though the price plummeted to fifty-one cents per bushel by July on the Kansas City market. On some local markets wheat prices fell to thirty-three cents per bushel and dropped to twenty-nine cents per bushel the next year, a considerable decline from the \$0.99 to \$1.20 per bushel prices paid across the state in 1929. Farmers who had purchased land and machinery at high prices during the 1920s faced severe financial difficulties that would not have been alleviated by still larger wheat harvests in the absence of market expansion, both domestic and foreign. Unfortunately for Kansas wheat farmers, their financial situation and lives soon worsened when a record-breaking drought struck the southern Great Plains.³

Beginning in the autumn of 1931 the drought wreaked havoc with the wheat crop and limited the harvest in 1932 to an average of 5.8 bushels per acre in southwestern Kansas. Statewide the harvest fell to 120.1 million bushels from 10.3 million acres for an average of 11.6 bushels per acre. The value of this wheat crop also plummeted to \$39.6 million, a decline of \$43.4 million from the pre-

vious year. A year later farmers in southwestern Kansas averaged only 2 bushels per acre before the harvest dropped to 1 bushel per acre in 1935, while the statewide average reached only 9.5 bushels per acre, following the worst drought on record with precipitation nearing only ten inches per year, that is, desert conditions. The harvest of grain sorghum and corn also declined precipitously.



Higher prices and demand during the World War I era increased the wheat supply, which eventually led to over production and plummeting prices. But it was "good while it lasted," as this 1914 cartoon tells us.

2. Kansas State Board of Agriculture, *Sixty-seventh Annual Report*, 236; Stewart, "Change on Wheat Farms in Southwestern Kansas," 5; U.S. Department of Agriculture, *Agricultural Statistics, 1936* (Washington, D.C.: Government Printing Office, 1936), 19.

3. Kansas State Board of Agriculture, *Sixty-seventh Annual Report*, 236; U.S. Department of Agriculture, *Agricultural Statistics, 1936*, 19; U.S. Department of Agriculture, Office of Land Use Planning, *The Dust Bowl: Agricultural Problems and Solutions*, Editorial Reference Series 7 (Washington, D.C.: Government Printing Office, July 15, 1940), 15; "Crop and Live-Stock Statistics, 931 and 1932," in Kansas State Board of Agriculture, *Quarterly Report, December 1932* 204-A (Topeka: State Printer, 1933), 18–21.

Consequently, farmers had little income from their customary sources, and drought prevented them from shifting their emphasis to cattle production because feed and hay crops also withered in the sun. As agricultural production, particularly wheat, fell rapidly, the net worth of Kansas farmers also declined. A Bureau of Agricultural Economics farm management survey of sixty-three farmers in Clark, Finney, Ford, Grant, Gray, and Meade Counties indicated a 43-percent decline in net worth and a 34-percent decline in their average value of assets between 1931 and 1937. Only

six farmers reported an increase in assets during this period, and they operated large-scale farms and received high benefit payments from the Agricultural Adjustment Administration for program participation.⁴

By 1933 many wheat farmers, particularly in southwestern Kansas, faced drought, wind erosion, scant harvests, and low income, and they marshaled few financial reserves. Their parched and blowing wheat lands looked as though they were ruined forever. In Morton County, for example, USDA officials judged 78 percent of the land “highly susceptible” to wind erosion and nearly 77 percent of Stanton County affected by serious soil erosion. Although Kansas farmers and others like them on the Great Plains increasingly asked the federal government for aid, the Hoover administration had rejected active intervention in the agricultural economy to influence either prices or production. Instead, President Herbert Hoover supported the Agricultural Marketing Act of 1929, which authorized the federal government to make loans to agricultural cooperatives to help members keep their crops off the market. The Agricultural Marketing Act also permitted the federal government to establish a Federal Farm Board to create and supervise agricultural stabilization corporations for grain and cotton. These boards would purchase price-depressing surpluses to divert them from the market through donations to charitable agencies. By 1932, however, the Federal Farm Board had failed to solve the problem of overproduction and low prices. As a result, new innovative agricultural programming and policy had to await the administration of Franklin Delano Roosevelt.⁵

It came on May 12, 1933, when President Roosevelt approved the Agricultural Adjustment Act. Under this act Congress created the Agricultural Adjustment Administration (AAA) as an agency of the USDA to administer a crop reduction or adjustment program designed to decrease agricultural surpluses on seven commodities

4. Kansas State Board of Agriculture, *Sixty-seventh Annual Report*, 236; U.S. Department of Agriculture, *The Dust Bowl: Agricultural Problems and Solutions*, 16–17; Stewart, “Changes on Wheat Farms in Southwestern Kansas,” 8.

5. Arthur H. Joel, *Soil Conservation Reconnaissance Survey of the Southern Great Plains Area*, U.S. Department of Agriculture Bulletin 556 (Washington, D.C.: Government Printing Office, 1937), 44; Gilbert C. Fite, *American Farmers: The New Minority* (Bloomington: Indiana University Press, 1981), 48. For an extensive discussion of Hoover’s agricultural policy, see David E. Hamilton, *From New Day to New Deal: American Farm Policy from Hoover to Roosevelt, 1928–1933* (Chapel Hill: University of North Carolina Press, 1991).

(wheat, cotton, corn, rice, tobacco, hogs, and dairy products). Ultimately agricultural experts intended the crop reduction program to increase prices sufficiently to reestablish the prewar purchasing power or parity prices that farmers enjoyed during the “base period” from August 1909 through July 1914. The AAA targeted these “basic agricultural commodities” for several reasons. First, changes in their prices strongly influenced the price of other agricultural commodities. Second, a surplus existed for each commodity and the demand and price for each had fallen substantially. Agricultural experts considered the producers of these export commodities in a worse financial situation than farmers who produced other commodities for the domestic market. Third, these commodities required some processing before human consumption. Consequently, the production and distribution of their manufactured products could be easily monitored and regulated.⁶

The AAA acreage adjustment program did not necessarily seek a return to prewar prices. Rather, agency officials hoped that it would enable farmers who sold the same amount of wheat in 1933 as in 1914 to purchase the same amount of manufactured goods. Consequently, the Roosevelt administration intended the AAA to return a fair share of the national income to farmers who would use that income to stimulate the economy. The AAA wheat program, for example, had two fundamental objectives based on the law of supply and demand. The first sought an increase in income toward parity with the base period through payments to farmers for reducing production. The AAA contended that the benefit payments could be considered “A form of compensation by the rest of society to farmers for their service in supplying food and raw materials.” The second goal sought a reduction in production to bring the bushels of wheat marketed annually in balance with demand and thereby increase prices. The accomplishment of these objectives depended, of course, on the success of the wheat reduction program, the weather, and the amount of wheat produced by nonparticipating farmers.⁷

6. U.S. Department of Agriculture, Agricultural Adjustment Administration, *Agricultural Adjustment: A Report of Administration of the Agricultural Adjustment Act, May 1933 to February 1934* (Washington, D.C.: Government Printing Office, 1934), 6, 13; Edwin G. Nourse, Joseph S. Davis, and John D. Black, *Three Years of the Agricultural Adjustment Administration* (Washington, D.C.: Brookings Institution, 1937), 2, 23, 34.

7. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 4–5, 10, 60.

Specifically, agricultural experts designed the Agricultural Adjustment Act to increase farm purchasing power and achieve parity prices by reducing or adjusting the acreage planted. Accordingly, on June 16, 1933, the AAA announced that it sought a 20-percent acreage reduction for the 1934 and 1935 crops. To achieve the goals of the wheat program, the AAA planned to distribute substantial cash payments to farmers during the 1933–1934 crop year and anticipated doing so again for the 1934–1935 season. In theory, the AAA embraced the idea that economic relief would be brought to wheat farmers by boosting incomes with “benefit payments” for program participation. They would then be able to pay expenses and remain on the land. Moreover, farmers who accepted benefit payments would eliminate price-depressing wheat surpluses by reducing their planted acreage and ultimately production. Farmers who chose not to sign contracts pledging to reduce their wheat acreage could plant as many acres to wheat as

they chose, but they would be at the mercy of market forces and prices, and they would not receive marketing or monetary help from the federal government. Wheat farmers who exceeded or ignored their allotted acreage would be disqualified from receiving benefit payments for participation during 1934 and 1935. On July 9 the AAA also announced that an excise tax of thirty cents per bushel would be levied on wheat processors, such as millers, to pay for the program.⁸

In practice the adjustment phase of the wheat program had two meanings: production adjustment and income ad-

8. Joseph Stancliffe Davis, *Wheat and the AAA* (Washington, D.C.: Brookings Institution, 1935), 52–54; U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 6.

justment. In the minds of AAA officials, income adjustment was the most important aspect of the wheat program. They expected to make benefit payments for three years (1933, 1934, and 1935) to producers who signed contracts to restrict their wheat acreage for two crop years (1934 and 1935). Participating wheat farmers would receive a “benefit” or “adjustment” payment ranging from twenty-eight



Prior to the 1930s thousands of acres of grassland were plowed up for planting wheat. Here, men in western Kansas break virgin sod.

to thirty cents per bushel for the 1933–1934 crop year. This payment would be made on 54 percent of their average production for the “base period” from 1928 to 1932. Officials considered this percentage of a farmer’s crop to be his corresponding portion of the total national production of wheat that they calculated would be consumed domestically as food.⁹

In 1933, for example, if a farmer had planted an average of one hundred acres of wheat during the base period that produced an average yield of 10 bushels per acre, he

9. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 49; Van L. Perkins, *Crisis in Agriculture: The Agricultural Adjustment Administration and the New Deal* (Berkeley: University of California Press, 1969), 124; Theodore Saloutos, *The American Farmer and the New Deal* (Ames: Iowa State University Press, 1982), 233; Davis, *Wheat and the AAA*, 60–63.

would receive a minimum of twenty-eight cents per bushel on his domestic allotment of 540 bushels. His total crop of 1,000 bushels, not accounting for losses due to drought, could be sold at the prevailing market rate, but he would still receive the benefit payment on his 540-bushel allotment. As a result, the AAA wheat program provided considerable insurance that a drought-stricken farmer would

In return for a benefit payment, wheat farmers pledged to reduce their planted acreage by not more than 20 percent for the base period, but the reduction was not imposed in 1933 because drought essentially ruined the wheat crop, making it the smallest on record since 1894. In August 1933, however, an export and marketing agreement among wheat producing nations at the International Monetary

and Economic Conference caused the AAA to revise its allotment program and require only a 15-percent acreage reduction. Wheat acreage removed from production could be planted with soil-building or erosion-preventing crops or left as summer fallow. Officials soon found, however, that few farmers could document their wheat production for the base period, while others, particularly in southwestern Kansas, had not planted wheat until 1932 on their newly broken lands. Consequently, the AAA asked farmers to report their production for the three-year period 1930–1932.

Then they averaged and

adjusted these figures to determine the farmer's allotted wheat acreage for a benefit payment, for which he then reduced his acreage by 15 percent.¹¹

The AAA considered county agents its "shock troops" for organizing and administering the program at the local



Drought and soil erosion led to the Dust Bowl of the 1930s, which devastated vast acres of farmland and left farmers with diminished resources for income.

receive at least some income from his crop for which he promised to reduce his wheat acreage by not more than 20 percent. Since the program would continue through the 1935 crop year, farmers would collect benefit payments for three years during which time wheat prices might increase due to decreased production. AAA officials believed the program would give cooperating farmers immediate parity prices for the domestic allotment bushels, that is, they hoped the benefit payment and the market price that a farmer received when he sold his crop would equal the parity price. Eventually, when supply and demand became more balanced, the farmer would receive a parity price for his entire wheat crop.¹⁰

10. Perkins, *Crisis in Agriculture*, 125.

11. U.S. Department of Agriculture, Agricultural Adjustment Administration, *Agricultural Adjustment in 1934: A Report of Administration of the Agricultural Adjustment Act, February 15, 1934 to December 31, 1934* (Washington, D.C.: Government Printing Office, 1935), 4, 80; Davis, *Wheat and the AAA*, 60–63, 67, 108; U.S. Department of Agriculture, *Agricultural Adjustment (1934)*, 49; Nourse, Davis, and Black, *Three Years of the Agricultural Adjustment Administration*, 80; Lucile E. Fry, "The Wheat Section of the AAA, 1933–1945 (With Special Reference to Kansas and Nebraska)" (master's thesis, University of Nebraska, 1947), 58; Saloutos, *The American Farmer and the New Deal*, 233; Perkins, *Crisis in Agriculture*, 120–21.

level. The agents made direct contacts with farmers for the AAA, and they provided the leadership for organizing county production control associations. The county agent had the responsibility to work with representatives of agricultural organizations and county governing officials to appoint a temporary committee (usually the leading wheat growers) to urge local wheat farmers to meet and organize a production control association and participate in the AAA program. The elected board of directors of the association administered the wheat reduction program regarding applications, allotments, contracts, payments, and compliance and reported to the Wheat Production Section of the AAA. The officers of the wheat production control associations tended to be neither the largest nor the smallest producers but usually owner–operators, although some tenant farmers served on these committees. The officers of the production control associations usually had been active in agricultural organizations, farm cooperatives, and community activities. Local partisan politics apparently did not mar the work of these associations. In practice, the county agents gave the essential leadership to the production control associations by advising about policy and program administration.¹²

The AAA, extension service, and county agents recruited farmers for the program through an extensive educational campaign conducted through newspapers, radio programs, leaflets, and distribution of film strips to local organizations. The county agents mailed information about the program to farmers in their area, but local community meetings became the most important way to reach farmers and the most successful medium for gaining their support. The speakers at these meetings stressed the need for a high participation rate to ensure the program’s success, and reluctant farmers often found themselves pressured by participating neighbors to join their ranks. Usually, the extension service organizers found that wheat farmers cared little about the philosophy behind the program regarding economics, national “necessity,” and

world prices. Instead, they wanted only to learn about how they could participate, the extent of their acreage reduction, and, most important, the amount of money they would receive from the federal government for participation in the program.¹³

The AAA required a participating farmer to sign a contract in which he agreed to reduce his wheat acreage by the



Controlling wheat production was a major component of the Agricultural Adjustment Act, designed to financially assist farmers. However, this 1933 cartoon, entitled “All Ready for the Big Ride,” expresses doubt about farmers truly benefiting from the plan.

12. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 17, 44, 51; Davis, *Wheat and the AAA*, 74–76.

13. United States Department of Agriculture, *Agricultural Adjustment Administration, Agricultural Adjustment, 1933 to 1935: A Report of Administration of the Agricultural Adjustment Act, May 12, 1933 to December 31, 1935* (Washington, D.C.: Government Printing Office, 1936), 51; Davis, *Wheat and the AAA*, 79–81.

stipulated amount to receive payment or a benefit check. The AAA considered applications for these contracts as memberships in the county or district wheat production control association. The applications furnished information about the farmer's wheat acreage and production, and the AAA used it to write a contract that set the acreage he could plant under the program and the bushel amount for calculating the benefit check. Although the AAA intended the wheat adjustment program to encourage farmers to diversify by planting more grain sorghum, reseeding wheat lands to grass, and raising more livestock, most Kansas wheat farmers decided to participate in the AAA adjustment program because they needed the benefit check to remain on the land. In 1933, 91 percent of the wheat farmers in Kansas signed acreage reduction contracts because they could not afford to do otherwise. Checks from the AAA provided subsistence and working capital until the rains and better prices returned. Some large-scale wheat farmers who could meet their obligations with the capital at hand considered AAA benefit checks as "velvet," or free income. Many small-scale wheat farmers, however, found that they had little acreage to reduce, and their benefit checks provided less income than they would have earned had they planted all their land to wheat, no matter the price.¹⁴

The first installment of the payment for acreage reduction officially began on November 1, 1933, when the AAA issued checks that paid twenty cents per bushel for the calculated reduction. Many farmers did not receive this payment until late March 1934. The second installment, from which the agency deducted administrative expenses, amounted to eight cents per bushel, payable in 1934 after proof of compliance. The AAA sent the checks to the treasurers of the production control associations, who then distributed them to the participating farmers. In contrast to the cotton program, the AAA paid the benefit checks to the person farming the land, including tenants. Benefit payments for tenants were determined by the contractual relationship with the landowners. Cash tenants, for example, were entitled to the entire benefit amount, while crop-share tenants divided the payment with the landowner based on the percentage of wheat due the owner according

14. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 52–53; *ibid.*, *Agricultural Adjustment in 1934*, 71; *ibid.*, "The Dust Bowl: Agricultural Problems and Solutions," 20–21; Davis, *Wheat and the AAA*, 83.

to the lease agreement. In 1933, 78 percent of the tenants participated in the program.¹⁵

In Kansas the AAA achieved a reduction on approximately 89 percent of the base acreage scheduled for reduction from 1933 to 1935. Some farmers did not participate because they had not raised wheat on a significant acreage or because they had a low production history and, therefore, a low base acreage for the period of calculation. Still, many farmers who had raised wheat during the base period from 1930 to 1932 chose to participate because they experienced great financial hardship. The 1933–1934 crop year did not seem promising, but the guarantee of a modest income from the federal government for reducing their wheat acreage proved too enticing to ignore.¹⁶

The crucial test of the voluntary wheat adjustment program, however, depended on whether the participants would meet their contracted obligations not only by reducing their planted acreage but by refraining from increasing production on unrestricted acres with heavy applications of fertilizer. To ensure compliance the AAA required "certificates of performance" from the county committees certifying that each wheat farmer had reduced his acreage as required before he received the final benefit check. To aid the committee the AAA's state wheat agent appointed "farm allotment supervisors" to visit the participating farmers and inspect their fields. In principle the Wheat Section appointed these inspectors from a list of names submitted by each county production control association. In practice the county production control associations chose its supervisors who were then approved by the Wheat Section, thereby ensuring considerable local control and administration of the program. The supervisors visited each contracted farmer and measured his seeded acres to ensure that over planting had not occurred, either accidentally or intentionally. Supervisors did not work among farmers in their own neighborhoods to ensure as much accuracy in reporting and compliance as possible. Supervisors usually measured fields with a calibrated wheel. Some supervisors, however, preferred surveying instruments

15. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 53; Perkins, *Crisis in Agriculture*, 128; Davis, *Wheat and the AAA*, 86; Saloutos, *The American Farmer and the New Deal*, 195.

16. U.S. Department of Agriculture, *Agricultural Adjustment, 1933 to 1935*, 149; Davis, *Wheat and the AAA*, 99, 101, 108; Saloutos, *The American Farmer and the New Deal*, 195.

and chains. During the course of their measurements, they found that many farmers had exceeded their authorized acreage, but the over planting usually had not been intentional. Officials thought, however, that willful noncompliance would have been a problem had the drought not been as widespread or as severe. Because the drought ruined the feed crops in 1933–1934, the AAA permitted contracting farmers to seed additional wheat acres for winter pasture and hay, provided they promised in writing to plow or cut that wheat for hay or feed before the regular harvest time to maintain their compliance with the wheat adjustment or reduction program.¹⁷

Surveys by the AAA indicated that many farmers used their benefit payments to meet essential needs and pay bills, bank loans, and taxes, thereby improving their credit ratings. Farm women played a major role in determining the expenditures of these checks, which farm families considered a windfall. Even so, the wheat program benefit payments could not meet all basic financial needs of a farm family because a large part of the benefit checks was needed to purchase seed wheat and pay planting expenses, such as the cost of gasoline for tractors and feed for horses. Moreover, due to bureaucratic delays in 1933, the wheat adjustment program caused an additional and immediate financial problem because the 1934 winter wheat crop needed to be seeded before farmers received their first benefit check. Consequently, farmers had to purchase seed, gasoline, and horse feed on credit, and wait for their payment to arrive before they could settle their accounts.¹⁸

Even so, wheat farmers welcomed the AAA benefit payments. In 1933 the wheat crop in Finney County averaged only three bushels per acre. For most of the 650 wheat farmers the future looked grim, but the \$325,000 scheduled for payment gave them some hope that they could endure until the economy improved and the drought ended. With 95 percent of wheat farmers in Finney County participating in the program, they stood to receive checks averaging more than five hundred dollars each for reducing their acreage by 15 percent. L. E. Crawford, the county agent, reported: "This county has been almost bankrupt. The only

light the people have seen is the wheat allotment. Otherwise it would be a dark, dismal picture for the winter." By June 30, 1934, wheat farmers in Hodgeman County had accepted \$286,248 for participation in the wheat reduction program. A year later 20 percent of the wheat crop had failed in Seward County with the best lands yielding only three bushels per acre. There eight hundred farmers participated in the wheat allotment program and accepted benefit checks totaling \$460,889. Similarly, by March 1936 Gove County farmers had reduced their wheat acreage by nearly 31 percent due to drought and the AAA allotment program, the latter of which supplemented their income by \$843,962. In each case, AAA funds served as the major source of income for wheat farmers.¹⁹

Despite the income enhancement, however, the AAA wheat program made only an insignificant reduction in the planted acreage. Overall, the adjustment program provided for the retirement of 1.8 million acres in Kansas for the 1934 wheat crop, 1.2 million acres for the 1935 crop, and some 652,000 acres for the 1936 crop, the latter of which reflected a change in agricultural policy. Indeed, the wheat adjustment program did not necessarily mean a reduction in production by participating farmers. Wheat farmers in Meade County, for example, attempted to rent as much land as possible to plant more wheat and make up for their losses to drought and the adjustment program. In the meantime, they received AAA payments for reducing the acreage seeded to wheat on their own lands. In the summer of 1934 the Meade County register of deeds believed that not a quarter section of crop land in the county remained unrented for the 1935 crop. By putting their own wheat lands under acreage reduction contracts then renting additional lands for wheat, Meade County farmers clearly worked against the purposes of the AAA's wheat reduction program. While they schemed, these wheat farmers accepted \$333,562 for the 1933–1934 crop year and \$135,000 as the first payment for the 1934–1935 crop year

17. Davis, *Wheat and the AAA*, 121–25, 133, 138.

18. *Ibid.*, 165–66; P. H. Stevens, "Report of the Executive Council on the Federal Relief in the Drought Area of Southwestern Kansas, Northwestern Oklahoma, Texas, and Southeastern Colorado," 1933, Drought file, General Correspondence, Office of the Secretary of Agriculture, RG 16, National Archives, College Park, Md.

19. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 268–70; K. H. McGill et al., "A Survey of Hodgeman County, Kansas, June 1934," viii, 72, Bureau of Agricultural Economics, Rural Problem Reports, August 1, 1934, RG 83, National Archives; Hazel Bland, "Survey of Current Changes in the Relief Population, Seward County, Kansas, June 1935," 4, 23, Records of the Bureau of Agricultural Economics, Rural Problem Reports, May 9, 1936, *ibid.*; Kenneth J. Ekdahl, "Survey of Current Changes in Relief Population, Gove County, June 1935," 9, 25, Records of the Bureau of Agricultural Economics, Rural Problem Reports, March 31, 1936, *ibid.*

for reducing their own acreage planted to wheat. Put differently, Kansas farmers seeded an average of 13.2 million acres to wheat from 1927 to 1931, but in 1934 they planted 12.6 million acres and 13.4 million acres a year later. The AAA, however, substantially helped increase the income of wheat farmers. Although wheat prices rose from thirty-three cents per bushel in 1931 to eighty-four cents per

only salvation. Other wheat farmers favored acreage reduction but feared the program would become a permanent solution to the problem of low prices and over production. Most farmers also strongly disliked government regulation of their lives. One Kansas wheat farmer, for example, wrote President Roosevelt that no producer wanted "to be tied down on what he plants or how much stock



The Roosevelt administration encouraged full farmer participation in the AAA program, believing it was a strong plan for agricultural aid. In this 1932 photo, taken near Colby, Roosevelt campaigns for the farm vote during his initial bid for the presidency.

bushel in 1934 and earned Kansas farmers an estimated \$70.8 million, AAA benefit payments enhanced that income by about one third, or \$25.6 million.²⁰

By 1935 AAA officials believed that wheat farmers generally favored the program. At first, however, farmer opinion divided over the acreage control program. Some favored it immediately because they were so hard pressed for cash that the AAA seemed to be their

he raises." Many absentee landlords or suitcase farmers, however, favored the program because they had poor prospects for a harvest, and they preferred to abandon as much of their acreage as possible and still earn a profit while reducing operating expenses. Some Kansas farmers favored expanding exports as the best way to increase prices and reduce the wheat surplus, a suggestion that showed no understanding of foreign market conditions. Most farmers no doubt agreed with a Hutchinson observer who, on April 15, 1933, reported to Rexford G. Tugwell, assistant secretary of agriculture, that "the acreage leasing plan [under consideration] appears to be the wise plan to cope with this situation that requires quick remedy."

Grain dealers and commission men and their lawyers usually opposed the wheat allotment program on the principle that the federal government should not interfere with the capitalist system of supply and demand and that the program was socialistic as well as unworkable. Once the program began functioning, however, wheat farmers complained only because the AAA was slow to approve their contracts and to mail their benefit checks, and the food

20. "Rental and Benefit Payments by Commodities, States and Program Years, Through December 31, 1937," folder 11, Figures on AAA Programs, Agriculture, box 65, Departmental Correspondence, 1937-1938, Clifford Hope Collection, Library and Archives Division, Kansas State Historical Society; "Estimated Numbers of Acres Retired Under Agricul-

tural Adjustment Contracts By States and by Commodities From Which Withdrawn, 1933-1935," *ibid.*; K. H. McGill et al., "A Survey of Meade County, Kansas, June 1934," 30-31, 70-71, Bureau of Agricultural Economics, Rural Problem Reports, August 11, 1934, RG 83; U.S. Department of Agriculture, *Agricultural Statistics, 1936*, 9, 19; *ibid.*, 1938 (Washington, D.C.: Government Printing Office, 1938), 13; Davis, *Wheat and the AAA*, 366-67.

processors accepted it and passed on the excise tax to consumers.²¹

The acceptance of the AAA program by Kansas wheat farmers is best illustrated by their vote of approval. On May 25, 1935, the AAA held a nationwide referendum on the question: "Are you in favor of a wheat production—adjustment program to follow the present one which expires with the 1935 crop year." Farmers who had signed wheat adjustment contracts as well as those who did not participate voted by secret ballot. In Kansas 82,059 farmers voted; 71,768 supported continuation of the program while 10,291 opposed it. Of the 73,068 contract signers, 65,516 favored continuation of the program in some form. Officials in the agency used these and similar returns from other wheat-producing states to draft a new four-year program to run through 1939.²²

By 1936 income from the AAA wheat program proved substantial to the agricultural economy in Kansas. Wheat farmers used this income to pay delinquent taxes and bank loans as well as purchase daily household and farm necessities, such as food, clothing, seed, and equipment. Although the benefit checks provided only a few hundred dollars for participants, that money proved substantial, particularly when the total contributions are considered. By December 31, 1933, for example, Kansas wheat farmers had received \$7.4 million in benefit checks. On the eve of the U.S. Supreme Court's decision that held the AAA unconstitutional, Kansas wheat farmers had received more than \$93.1 million in wheat benefit checks. During the first four years of the program the AAA paid \$23,384,031 in 1933; \$25,674,120 in 1934; \$28,397,581 in 1935; and \$15,733,202 in 1936. For many Kansas wheat farmers the AAA checks

were the only cash income that they received during 1933 and 1934.²³

Opponents of the AAA, however, cared little for the monetary boost that the program gave to wheat farmers and the agricultural economy. During 1935 they increasingly challenged the constitutionality of the Agricultural Adjustment Act, particularly regarding the processing or



The Agricultural Adjustment program of 1938 provided benefits to farmers who practiced soil erosion control. These contrasting photographs in Morton County illustrate the problems and solutions to soil erosion. ABOVE: Abandoned land with four feet of soil loss from wind erosion. RIGHT: Formerly cultivated and severely eroded land now seeded to native grass to help stabilize the soil.

excise tax. Ultimately, the attack by conservatives on the agency proved successful when, on January 6, 1936, the U.S. Supreme Court held the act unconstitutional. The Court did so on the grounds that the processing tax was not a real tax but rather an agricultural production control system that was voluntary in name only. In the court's six-to-three decision Justice Owen Roberts, writing for the majority, held that the benefit payments were intended to "co-

21. Davis, *Wheat and the AAA*, 369, 381–82; Gilbert C. Fite, "Farmer Opinion and the Agricultural Adjustment Act, 1933," *Mississippi Valley Historical Review* 48 (March 1962): 664–66, 669.

22. U.S. Department of Agriculture, *Agricultural Adjustment, 1933 to 1935*, 13, 155–56; Perkins, *Crisis in Agriculture*, 192.

23. U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 261–62, 297, 303; *ibid.*, *Agricultural Adjustment, 1933 to 1935*, 296; "Rental and Benefit Payments by Commodities," Hope Collection; "Estimated Distribution Among Commodities of Gross Payments to Farmers . . . Under the 1936 Agricultural Conservation Program by States and Regions," *ibid.*

erces" farmers to accept regulation of the agricultural economy. Consequently, the processing tax and the exercise of federal power to control production by paying farmers to reduce their acreage for certain crops, such as wheat, were unconstitutional. Even so, the wheat control program of the AAA lasted longer than any other commodity production-control program.²⁴



Despite the Supreme Court's ruling, the Roosevelt administration was unwilling to allow the AAA to expire because many wheat farmers had become dependent on allotment checks for daily living expenses and to pay bills, and because the presidential election would be held that November. Consequently, the administration moved quickly to achieve congressional approval of the Soil Conservation and Domestic Allotment Act, which became law on February 29, 1936. Although policymakers still placed emphasis on increasing the wheat farmer's income, AAA payments now became based on their agreement to plant soil conserving crops rather than

on acreage reduction for production control. Essentially, while USDA officials intended the Agricultural Adjustment Act of 1933 to achieve parity prices for farmers, the Soil Conservation and Domestic Allotment Act of 1936 sought parity income by reestablishing "the ratio between the purchasing power of the net income per person on farms and that of the income per person not on farms" that existed between 1909 and 1914.

This shift in the basis for payments proved more equitable because it enabled small-scale farmers to share in the distribution of funds since they now could receive income for practicing soil conservation techniques on any part of their crop and pasture lands, in contrast to the reduction of wheat acreage alone. This policy contrasted sharply with the first AAA, which primarily aided the large-scale wheat farmers who received most of the allotment money because they had the most acres to remove from wheat production.²⁵

Senator Arthur Capper had voted for the Agricultural Adjustment Act, and he supported the Soil Conservation and Domestic Allotment Act. On February 14, 1936,

Capper told the nation over NBC radio that:

The pending measure lays the ground work for a national land utilization program. It provides a means that farmers can use to preserve the fertility of the soil, for the benefit of the entire nation. It provides a means for conserving the soil. It provides a method for preventing soil erosion. The method for adjusting production to give producers the benefit of the law of supply and demand, thru state AAA's, is rather cumbersome, but it is at least worth trying.²⁶

25. Fite, *American Farmers: The New Majority*, 60; Stewart, "Changes on Wheat Farms in Southwestern Kansas," 11.

26. Homer E. Socolofsky, *Arthur Capper: Publisher, Politician, and Philanthropist* (Lawrence: University of Kansas Press, 1962), 174, 182; "Address by Senator Arthur Capper of Kansas," National Broadcasting Company, February 14, 1936, Soil Conservation folder, box 37, Agricultural Correspondence, Arthur Capper Collection, Library and Archives Division.

24. *United States v Butler*, 297 US 1 (1936); Saloutos, *The American Farmer and the New Deal*, 126; Michael W. Schuyler, *The Dread of Plenty: Agricultural Relief Activities of the Federal Government in the Midwest, 1933-1939* (Manhattan, Kan.: Sunflower University Press, 1989), 139.

Kansas wheat farmers agreed. Under the 1936 program, 101,375 wheat farmers accepted \$18,187,158, or \$179.40 per farmer, for reducing their wheat acreage by planting soil conserving crops. In 1937, 103,858 farmers accepted \$15,281,000, or \$143.13 each, for participating in the program. Yet, these funds merely helped Kansas wheat farmers endure. In mid-February 1937 Ed Watkins, a Sublette County resident, told Representative Clifford Hope that drought and wind erosion still wrought havoc on the wheat crop. He wrote that it was "buried with dirt and not a chance in 1000 of raising a bushel in the county as well as most of the counties west of Dodge and it is starting to blow badly on east of here." For him, the allotment program provided insufficient aid. "These farmers," he wrote, "are hard up. Very few of them . . . have money to repair their tractors and buy gas and oil. Most have never rec[eived] their conservation money and when they do owe it for groceries and living expenses, some have bought gas on time and owe for that."²⁷

Roger Stewart of the Kansas Resettlement Administration, however, criticized the federal government for doing too much rather than too little. In late February 1937 he contended that "The AAA has subsidized reduction of wheat on land where wheat should not be produced." He estimated that 52 percent of the farmers in the Elkhart area were tenants and that government programs had encouraged landowners to release them. Landowners could then farm their own land and receive the entire benefit payment rather than share the AAA checks with their tenants proportionately according to the crop share agreement.²⁸

The AAA benefit checks, of course, whether from the 1933 or 1936 programs, only met immediate financial needs, and the drought, not the allotment program, primarily reduced wheat production. In March 1937 George Anspaugh, president of the Ness County Farm Bureau, told Congressman Hope that "Crops are either destroyed or in danger of destruction. Last year's soil erosion program has been followed diligently and the present condition exists through no fault of the people themselves, but through the fate of unfavorable weather." Little more than

a month later Hope received a letter from the Liberal Chamber of Commerce saying that while "honest and conscientious" farmers were doing their best to apply the best soil holding techniques to their land, the AAA program was working against them. "These farmers," the chamber reported, "are seriously handicapped by the chiseler who farms primarily for the benefit checks and who farms every available acre with little attempt to prevent blowing." The chamber also noted that "Others are financially unable to properly farm their land even with the assistance of the benefit payments, and others are too stubborn or indifferent to realize the seriousness of the situation but depend entirely on some act of God, nature, or time to correct all troubles."²⁹

Hope, however, was at work trying to expand the breadth of the AAA program by proposing, with Congressman Phil Ferguson of Oklahoma, that the agency make extra payments to Dust Bowl farmers who carried out a listing program at the rate of twenty-five cents per acre and fifty cents per acre for planting cover crops on lands not already diverted or withdrawn from production under AAA contracts. M. L. Wilson, assistant secretary of agriculture, supported Hope's efforts. Wilson had advocated a systematic conservation plan under the AAA for several years, and he believed that wheat farmers should join the AAA's production control associations and develop countywide plans for soil conservation. Wilson contended that "Establishment of a plan of systematic crop and soil management is the foundation of wind-erosion control."³⁰

Hope's efforts soon proved successful. On April 5, 1937, Howard R. Tolley, administrator of the AAA, announced an emergency wind erosion control program for ninety counties in the five-state Dust Bowl area. This special program provided payment of AAA funds ranging from twenty to fifty cents an acre for tillage and seeding of cover crops that helped control wind erosion, except on AAA diverted acreage that presumably had already been planted with soil conserving crops.

27. "Estimated Distribution Among Commodities of Gross Payments to Farmers," Hope Collection; Ed M. Watkins to Clifford R. Hope, February 17, 1937, folder 7, Dust Bowl, Agriculture, box 65, Departmental Correspondence, 1937-1938, *ibid.*

28. *Elkhart Tri-State News*, February 25, 1937.

29. George Anspaugh to Clifford R. Hope, March 9, 1937, Hope Collection; Liberal, Kansas, Chamber of Commerce to Hope, April 29, 1937, *ibid.*

30. Clifford R. Hope to George Anspaugh, March 19, 1937, *ibid.*

Where farmers conducted this work prior to the beginning of the program on June 1, 1937, the AAA would reimburse 85 percent of the costs after completion of the work. This AAA program would be administered by county committees with local administrative expenses deducted from the payments, similar to the operation and funding of the wheat allotment program.³¹

by keeping the crop off the market until needed. The AAA of 1938 also introduced crop insurance for wheat farmers. This Agricultural Adjustment program expanded government efforts to get relief funds to wheat farmers as quickly as possible so they could plow and plant their blowing lands. Farmers who participated in the 1938 program were allowed to apply to the Farm Security Administration

(FSA) for an advance loan against their benefit payments. According to this plan, the FSA would loan 60 percent of the maximum amount that a farmer expected to receive in AAA benefits to carry out soil erosion control practices before the AAA checks arrived. Although this feature of the federal relief program was beneficial, it also provided punitive measures for wheat farmers who did not work their blowing lands. In 1938, according to the adjustment program, if the land of any participating farmer blew because he did not carry out approved soil conservation practices, he would be penalized one dollar per acre for the land that contributed to the wind erosion problem. Moreover, he would not be eli-



Kansas politicians who worked especially diligently throughout and after the Dust Bowl years to advance farm assistance programs included U.S. Senator Arthur Capper (center) and U.S. Representative Clifford Hope (second from right). Remaining members of this special congressional committee on agriculture are (left to right): U.S. Representatives Thomas D. Winter, Frank Carlson, and Edward H. Rees. Hutchinson News, December 12, 1939.

In 1938 Congress passed a new Agricultural Adjustment Act that continued to emphasize production control through acreage allotments and payments for specified conservation practices. It also provided for an “ever-normal” granary plan that enabled farmers to store their surplus at government expense through loans from the Commodity Credit Corporation and thereby help control prices

eligible for any payment under the agricultural conservation program.³²

By 1939 near-normal precipitation had returned to most counties, particularly in the Dust Bowl area of southwestern Kansas. The wind had not been as severe com-

31. U.S. Department of Agriculture, Office of Information Press Service, “AAA Announces Emergency Wind Erosion Control Program for ‘Dust Bowl’ Area, April 5, 1937” (photocopy, private collection of R. Douglas Hurt, Ames, Iowa).

32. U.S. Department of Agriculture, *The AAA—What It Is* (Washington, D.C.: Government Printing Office, 1941), 5; Saloutos, *The American Farmer and the New Deal*, 242, 254–56; Roy I. Kimmel, “Activities of Federal and State Agencies in Solving Agricultural Problems of the Southwest,” address, February 10, 1939, folder 15, Resettlement, Agriculture, box 76, Departmental Correspondence, 1938–1938, Hope Collection.

pared with previous springs, and strip cropping and listing, among other conservation techniques, helped hold the soil. Only the sandy lands and denuded pastures still contributed to the wind erosion problem in the Dust Bowl portion of the state. By 1939, 13.7 million acres had been seeded to wheat across the state, and farmers harvested nearly 114.8 million bushels that summer. As a result, farmers had less need to participate in the wheat reduction program: they preferred to plant and take their chances with the market price, which averaged sixty-six cents per bushel that year. In 1940, 157,831 Kansas wheat farmers received \$11.4 million, or \$72.22 each, for participating in the wheat allotment and conservation program under the Agricultural Adjustment Act of 1938. Although the average payment per farm had declined substantially statewide, in the Dust Bowl area conservation payments designed to reduce wheat production remained relatively high. In March, for example, 620 farmers in Morton County received \$97,910, or about \$158 each, for participating, and in early May 910 farmers in the county received \$188,071, or about \$260 each, for limiting their wheat acreage and practicing certain conservation techniques.³³

In retrospect, from 1933 to 1936 the results of the AAA proved far different from the agency's intent. Instead of helping small-scale wheat farmers diversify, the AAA encouraged large- and small-scale farmers to raise wheat at the expense of other crops or livestock production, and it did not substantially decrease production. During the base period from 1930 to 1932 Kansas farmers planted an average of 13.5 million acres in wheat that yielded an average of 186.1 million bushels annually. By

33. Kansas State Board of Agriculture, *Sixty-seventh Annual Report*, 236; U.S. Department of Agriculture, *Agricultural Statistics, 1942* (Washington, D.C.: Government Printing Office, 1942), 759; *Elkhart Tri-State News*, March 15, 1940.

1936, the last year of the program under the original legislation, farmers planted 14.2 million acres that produced 120.2 million bushels at an average price of one dollar per bushel. The AAA program encouraged expansion of the wheat acreage, and the drought, not the AAA, played a greater role in reducing production than did the allotment program. It also stunted the usually hardy crops of grain



The AAA had helped wheat farmers endure the drought and economic hard times until the rains returned and World War II increased both demand and prices. Once again bountiful harvests were part of the Kansas rural scene.


sorghum and substantially reduced the yield per acre thereby preventing farmers from emphasizing cattle production, even though the acreage planted increased. Kansas farmers reduced their livestock but continued to plant large acreage in wheat because the AAA benefit payments for participating in the program ensured at least some income. By 1936 wheat production had been little changed by the adjustment program.³⁴

34. Kansas State Board of Agriculture, *Sixty-seventh Annual Report*, 236; U.S. Department of Agriculture, *Agricultural Adjustment* (1934), 57, 59; *ibid.*, *Agricultural Statistics, 1936*, 361; *ibid.*, 1938, 13, 93, 283; U.S. Department of Agriculture, "The Dust Bowl: Agricultural Problems and Solutions," 21; Stewart, "Changes on Wheat Farms in Southwestern Kansas," 24; Saloutos, *The American Farmer and the New Deal*, 240.

Moreover, the Agricultural Adjustment Act of 1933 aided large-scale farmers more than small-scale operators. In Clark, Finney, Ford, Grant, Gray, and Meade Counties, for example, farmers who received less than \$500 annually in AAA payments saw their net worth decline by \$1,044 annually from 1933 to 1936. Farmers whose benefit payments averaged at least \$2,000 annually saw their net worth increase by an average of \$3,644 each year. These large-scale farmers were able to use AAA benefit payments to meet operating expenses, expand their operations, and accumulate capital during a time of low income due to falling prices and decreased production. By providing working capital, the AAA encouraged farmers to expand their acreage and thereby continued the demand for land and helped keep real estate prices from falling drastically. Put differently, gross AAA payments expressed as a percentage of the net worth for farmers in these counties between 1933 and 1936 averaged 7 percent for farmers with fewer than 300 crop acres, 20 percent for farmers operating 300 to 899 acres, and 31 percent for farmers with 900 or more acres in crops. Overall, AAA officials estimated that 30 percent of these farmers would have become insolvent without the benefit checks.³⁵

The AAA wheat program, however, gave wheat farmers in Kansas some much needed financial support when they desperately needed it because the drought had ruined their crops while the economy prevented them from making an adequate living on minimal production. At the same time, the USDA also recognized that too many farmers remained on the land for all of them to be able to prosper,

35. Stewart, "Changes on Wheat Farms in Southwestern Kansas," 35–37.

and the agency was committed to encouraging many small-scale farmers to leave agriculture through programs such as those sponsored by the AAA. The benefit payments that tenants shared with their landowners were too small to improve their standards of living or to keep many of them on the land. Moreover, the problems of drought and economic depression could not be solved quickly. No one had ever grappled with the difficulty of providing monetary aid to farmers for decreasing production. Even so, when aid provided to farmers was linked to other support programs such as the Federal Emergency Relief Administration, Works Progress Administration, or Farm Security Administration, the AAA helped wheat farmers endure the drought and economic hard times until the rains returned and World War II increased both demand and prices. In this context, the AAA proved one of the most significant and popular agencies in the lives of wheat farmers during the 1930s. Most important, the AAA marked the beginning of the federal government's active role in regulating the agricultural economy. Certainly, the AAA laid the foundation for an agricultural policy that affected nearly every farmer until the late twentieth century. Whether they approved of such government intervention in agriculture, they became dependent on AAA-inspired policy that built on the income generation, allotment, and marketing methods introduced during the 1930s. Kansas wheat farmers would be wedded to the farm policy built on the foundation of the Agricultural Adjustment Act of 1933 for the remainder of the century.³⁶ 

36. Perkins, *Crisis in Agriculture*, 192; Saloutos, *The American Farmer and the New Deal*, 256.