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State of Iowa
1926

Report of the
Department of Agriculture

For the Period Ending June 30, 1926

M. G. THORNBURG
Secretary of Agriculture

REPORT OF THE DEPARTMENT OF AGRICULTURE

FOR THE PERIOD ENDING JUNE 30, 1926

The purpose of the consolidation of the Department of Agriculture by the 40th General Assembly was to increase the service for the people of Iowa at the lowest possible cost. In addition agriculture was given representation on the Executive Council in order that their interests would be fully considered in the management of state affairs.

These two purposes have been the goal of the department since its organization. The year ending on June 30, 1926, resulted in the largest amount of work accomplished of any year since the departments were consolidated. Fifty-two of the counties of the state are either actively engaged in the eradication of bovine tuberculosis or have completed the work. This work is under the supervision of the Animal Industry Division and sets a record for work accomplished not only in Iowa but the United States as well.

The inspectors of the Dairy and Food Division made 169,483 inspections during the past year at a cost of 82 1/3¢ per inspection as compared to 97,257 inspections at a net cost of \$1.84½ per inspection before the departments were consolidated. In other words the total cost per inspection work has been more than cut in half while the service to the public has been doubled.

The administration of the Iowa Farm Warehouse Law has added greatly to the duties of the department during the past year. Last year a total of 2,249,289 bushels of corn, 27,895 bushels of oats, 100 bushels of wheat, and 10,000 bushels of timothy were warehoused. This is practically ten times the amount of corn which was warehoused in previous seasons.

Other lines of work in the department have presented unusual demands for service during the past year. These different points will be more fully discussed later in the report.

The fact that agriculture was represented on the Executive Council has helped to secure full consideration of agriculture's problems in the conduct of the state's business. Our department, with the co-operation of farm organizations, was responsible for a thorough study which resulted in the equalization of land values for taxation purposes so that farmers of the state will be saved yearly a sum which has been estimated by various sources from \$1,500,000 to \$2,000,000.

LETTER OF TRANSMITTAL

To His Excellency, John Hammill, Governor of Iowa.

SIR: I herewith submit the annual report of the Department of Agriculture for the biennial period ending June 30, 1926.

Respectfully yours,

M. G. THORNBERG,
Secretary of Agriculture.

October 7, 1926.

In a general review of agriculture in Iowa during recent years, two interesting conditions are outstanding. Live stock was produced in smaller quantities and crops were more abundant in 1925 than in 1924. While this was true, the total returns proved greater for live stock and less for crops, although both corn and oats set new records for production.

These two conditions were largely responsible for two different views in regard to Iowa's agricultural situation. In the fall of 1925 there were those who pointed to Iowa's enormous corn and oat crops and interpreted them as meaning prosperity in terms of hogs and other live stock products. On the other hand, there were those who knew that the shortage of hogs and some other classes of live stock was caused largely by the shortage of corn from the previous year and interpreted the price of live stock in terms of marketing the short crops of 1924.

Both views were probably partly correct. Men who had a normal crop of hogs to finish out on the cheap corn raised in 1925 were not in bad shape. The returns from feeding cattle, milking cows or raising poultry showed up in a satisfactory manner as compared to former years. If the farmer had been buying things on a basis of prewar prices he would have been prosperous in spite of the low prices of corn and oats. However, the commodities that the farmer had to buy, the cost of labor, the cost of freight, all made it impossible for him to exchange his products on a basis of equality with many other lines of business. In addition, farmers, like many other people, were trying to pay off debts contracted when dollars had little value. As a result many were unable to meet their obligations.

A final review of Iowa's crop production for 1925 showed an estimated value of \$513,953,000 as compared to a value of \$571,626,000 in 1924 or a decrease of \$57,673,000. These values were based on the December 1st farm price. Lower prices on corn and oats account for a large portion of this difference. The hay crop was light and the total value was less than in 1924 even though the price per ton was greater. The 1925 potato crop was only about one-half as large as in 1924 but was worth over twice as much money. Only barley, potatoes, clover seed, sweet corn and pop corn had a greater total value in 1925 than in 1924.

A review of the live stock situation showed different results. There were only 10,972,785 hogs marketed in 1925 as compared to 13,869,792 in 1924 but they were worth approximately \$11.18 per

hundred in 1925 as compared to \$7.56 in 1924. This caused hogs to bring approximately \$65,000,000 more in 1925 than the previous year. There were 2,026,889 cattle sold and 487,334 purchased in the leading live stock markets in 1925. In 1924 the sales were 2,149,451 and the purchases 570,050. The average price in 1925 was \$8.52 per hundred as compared to \$7.43 in 1924. This would make the fewer beef cattle return slightly more money in 1925.

Sheep showed slightly lighter receipts and with little change in price the total returns were correspondingly less. Dairy production returned slightly more money in 1925 than in 1924 and the same was true of poultry products.

The balance sheet for the two years shows a slight advantage in favor of 1925 on account of the better live stock prices. Many people feel that this has been due to the smaller production caused by the light crops of 1924 and fear that the large crops of 1925 will encourage over-production, especially with hogs, so that the improvement in prices will not be permanent.

THE AGRICULTURAL SITUATION

Unfavorable financial conditions in Iowa are not the result of unfavorable conditions of any single year, but are the result of depleted returns from agricultural products for several years.

An interesting report by the National Bureau of Economic Research discloses what happened to the buying and paying power of the farmers' income in 1919, 1920 and 1921. This organization, which is located in New York City, is sponsored and financed by a large group of people who are looking for facts. In a recent report on the "Income in the Various States" they give many of the essentials in regard to the sources and distribution of income for the years mentioned above.

This report shows that in 1919 the farmers of the state had a net income above expenses of \$454,210,000. In two years this had dropped to \$36,642,000—a decrease of 92%. This means that the farmer in 1921 had only 8% of the money he formerly had to pay living expenses and buy the things that make for a higher standard of living.

Many people have wondered why the farmer stopped buying in 1921. Anyone else facing similar circumstances would have done the same thing.

When inventory values are considered, the shrink of farm income is still greater. Farm business showed a loss of \$203,152,000 in 1921 when the inventory value of crops, live stock and machinery

was included. If the loss in farm land values had been included, the figure would be still greater.

The incomes from all sources in Iowa showed some decrease during this period. In 1919 the total income of the state was \$1,818,461,000 as compared to \$1,058,327,000 two years later—a decrease of 42%.

Net incomes from private business that were non-agricultural also showed some decrease. In 1919 the returns from this class were \$177,202,000 as compared to \$125,165,000 two years later—a decrease of 30%.

Wages and salaries were the only sources of income that held up during this period. In 1919 the income from wages and salaries was \$592,756,000 as compared to \$619,691,000 two years later—an increase of 5%.

The returns from private business which are non-agricultural represents a type of income that is most comparable with farm incomes. During this period from 1919 to 1921 such business received a decrease of 30% as compared to a decrease of 92% in farm income. In other words other lines of private business retained 70% of their 1919 income, while farmers retained 8% to use in buying the necessities of life.

We are all familiar with the fact that conditions have improved somewhat since 1921. However, they have not improved to the extent that many people would have you believe. The Agricultural Economics Division of the Iowa State College have compiled figures showing the relative purchasing power of farm products. Their figures give us an idea of the situation for the years from 1920 to the present.

The results of their findings show that the purchasing power of farm products in 1920 was 77 per cent of the prewar normal. In 1921 it dropped still further to 61 per cent. In 1922 it increased slightly to 63 per cent, rising slightly until in 1924 there was a drop in nonagricultural prices which taken together with some improvement in agricultural prices raised the purchasing power of agricultural products to 75%. The short crop of 1924 caused agricultural prices to rise so that the purchasing power reached 87 per cent of the pre-war normal during the summer of 1925. However, the bumper crops again depressed prices so that the average purchasing power of agricultural products was reduced to 83 per cent of the prewar at the end of the year.

In comparing these figures with those which I have presented

on income for the years 1919, 1920, and 1921, it is important to differentiate between the per cent of the purchasing power of the agricultural products and net income. The net income in 1921 was practically nothing when the purchasing power of agricultural products was 61 per cent. The recent figures show some improvement over 1921, but at present the greater percentage of the income is used to pay fixed charges for rent and interest on borrowed capital.

Iowa has produced abundantly during the past few years, but the unequal exchange value of agricultural products as compared to the commodities the farmers need has made farming a losing game. R. K. Bliss of the Extension Service of the Iowa State College has recently compiled figures which show what this loss has meant to Iowa.

His figures show that if Iowa products had been selling on the same basis as non-agricultural products the crop returns would have been \$1,026,000,000 more than the total received in the last six years. This loss would have built a \$75,000 school in every township, paved 18,000 miles of primary and county roads, as well as grading and graveling all township roads. This unequal exchange value has meant a loss of over \$5.00 per acre each year in farm returns.

Many other facts of this kind show that the only people who benefit from a surplus are those who handle the crop, other than farmers. Bumper crops mean added freight to haul, added commissions for grain and live stock commission men, but they do not necessarily mean added buying power for the producers.

Greater stabilization of production would be a great help to agriculture. However, the 1925 corn crop was practically 50% greater than the 1924 crop, with only a little increase in acreage. More favorable weather was the reason. We can expect to make some progress on the question of stabilization, but with agriculture it cannot be regulated as it can by other industries.

The individual efforts of farmers to produce more efficiently will no doubt help many. Co-operation will help in lowering the cost of marketing farm products. The use of corn products and the opening up of other outlets for agricultural products will all be of benefit, but present little immediate hope for relief.

Some method must be devised so that the exchange value of agricultural products may be equalized with other products. There are several bills before Congress at the present time. Most of

them endeavor to provide for some means of exporting the surplus agricultural products. The common argument against them is that they are unworkable. It would seem to be a good time to centralize on some one bill and give it a fair trial.

Iowa has held many interesting meetings recently to discuss the surplus problem. The different farm organizations lead the way by demanding export legislation. An "All Iowa" conference was held on the invitation of the bankers of the state. This resulted in the appointment of a committee of 50, headed by Governor Hammill who called the "Mid-West Conference." At this meeting the entire corn-belt united in their demands for helpful legislation.

I firmly believe that agricultural conditions will continue to improve. Economic conditions will force many people from the farms. This alone will tend to curtail production after a time. The last state census shows that during the last five years of agricultural depression farm population has decreased ten times as rapidly as during the previous five years of agricultural prosperity.

Such a method of curing our agricultural ills does not seem to me to be good business for anyone who is interested in this section of the country, nor is it a sound national agricultural policy. Our surplus of agricultural products is a safeguard to the welfare of the country as a whole. The production of surplus food should be encouraged by the non-agricultural population as a matter of national policy instead of being penalized by our present marketing system.

IOWA WAREHOUSE LAW

The large corn crop has made the Iowa Farm Warehouse Law of great importance. For the calendar year 1925 a total of 2,600,000 bushels of corn was warehoused, and a heavy volume of warehouse certificates was coming in day by day at the beginning of 1926.

The warehouse certificate has been of great importance in helping to finance and orderly market Iowa's biggest corn crop. It has been of more service in some communities than others. This has been partly due to the stringent financial conditions in some communities.

There are now 109 warehouse boards with 214 sealers in 79 counties. When the law first went into effect, it was a common practice to appoint a board for each community. Later, many of the boards were made county-wide. Sealers are appointed as

needed so that they can serve each community with as small a cost as possible.

Two credit corporations were formed in Iowa in 1925 as emergency measures to assist in financing the 1925 corn crop. They have probably financed the major portion of the certificates, altho local banks and other credit corporations have also financed a large number of certificates.

One of the big needs to make the warehouse law a continued success is some permanent system of financing the certificates at a low interest rate. It is also recommended that some plan be worked out by which the sealing and inspection expense may be reduced.

THE DAIRY AND FOOD DIVISION

Cleaning up the sale of hamburger which contained harmful drugs as preservatives is a typical example of the value of the inspection work conducted by the Dairy and Food division of this department. One of our inspectors found a butcher using a preservative in hamburger. His report to the state office resulted in a request to other inspectors for a thorough test of hamburger and in a little while the whole state had been covered in an adequate manner. Forty per cent of the samples sent to the state chemist showed that sulphate had been added as a preservative. Thirty-one prosecutions were filed with the result that hamburger is again on the list of unharmed foods.

The team work of the department under the present plan of inspection makes it possible to work out problems of this kind, quickly and thoroughly. Each of the inspectors has a certain district to cover. He lives in that territory and consequently gets to know the men with whom he must deal. If anything is at fault on any territory, the individual inspector is held responsible. Adequate supervision has made it possible to build up a high class force which has resulted in thorough work.

Inspecting and analyzing seeds is another example of co-operation between the men in the field and the central office. Special seed analysts are employed in the spring under the direction of the state chemist. The inspectors collect samples of seed from all parts of Iowa and send them in for analyses. If the samples are not properly labeled the seller must comply before the seeds are released for sale. If the sample does not check with the reported analysis, the label must be changed. Where noxious weeds are found, the seed is condemned and must be returned to the seller

for recleaning. In 1925, over 1,100 samples of seeds were analyzed and the results published. In addition to the value of the checking at the time of sale, the record of the analyses gives seed buyers an opportunity to study the reliability of the different seed men.

The inspection of food is one of the important duties of the department. Foods must be examined to determine whether they are pure and wholesome, whether the labels comply with the law and to ascertain whether the customer gets full value. The department protects both the public and the honest dealers against adulterations and illegal products.

The same holds true of stock feeds and mineral mixtures for live stock. Checks must be made of the products to see that they are as represented. Insecticides and fungicides must be checked to see that they are full strength. Paints, linseed oil and such products must be checked to prevent adulterations.

The testing of kerosene for illumination takes up considerable time of our inspectors. The law requires that all oil flashing under 100° F. cannot be sold for illuminating purposes, nor can adulterations be made.

If kerosene is handled by the dealers in accordance with the law, there is little danger of accidents where it is used properly by the consumer but if handled in a careless way by the dealers, it is apt to be unsafe for illumination.

All accidents occurring through explosions are investigated by our inspectors to determine whether there has been a violation of the law in selling or handling the oil.

The department recommends that as much publicity as possible be given on the proper use of kerosene by the consumer.

Two inspectors are kept busy testing heavy scales under the weight and measure law, which requires that all scales used for public purposes shall be tested once a year. It would be impossible, however, for only two men to handle this work without the assistance of the other inspectors.

The dairy industry has received a large amount of service from our inspectors during the past year. All of the inspectors must have received training in dairy work before being appointed. They go into the creameries with the idea of helping the buttermakers and the patrons of a creamery to make a better product. The Iowa State Brand creameries are now planning on extending their work so as to more completely standardize their product and to market it co-operatively. The prevention of surplus dairy products lies in

added attention to quality. Analyzation of butter by the department helps in the production of a more uniform product and one that always complies with the law.

The Dairy and Food division has twenty-one laws to enforce. In foods this division inspects all lines—wholesale houses, retail establishments, restaurants and hotels. Besides, the inspections which have been described previously in the report, mattresses, insecticides, paints and many other miscellaneous products come under their supervision. The record for economy of operation which has been made by our inspection force is largely due to the fact that the different lines of inspection work have been combined. This makes it possible for a man to be located in one territory and take care of many duties without duplication of territory.

WEATHER AND CROP DIVISION

The Weather and Crop Division has been of unusual service to the farmers of the state during the biennium. Statistics on agricultural problems have been quoted by many people. This division has been responsible for checking many wild statements, as well as giving out information of much value. The figures presented in the beginning of this report are the result of work by this division of the department. In 1925, the work of the department was somewhat handicapped, as the Census figures conflicted with the usual work of collecting figures from the assessors. No doubt some system could be worked out in the future so that the work of taking the census could be put under the direction of this division. If this was done, it would greatly facilitate the work of the department and cheapen the cost of taking the census.

The report of this division on weather conditions is of unestimable value to the people of the state. This department co-operates with the United States Weather Bureau and as it is one of the oldest divisions of agricultural work, it is so well known that further elaboration is unnecessary.

ANIMAL INDUSTRY DIVISION

The biggest project that comes under the Animal Industry Division of the Iowa Department of Agriculture is bovine tuberculosis eradication. This project started in Iowa in 1917, when the U. S. Bureau of Animal Industry assigned three veterinarians to Iowa to conduct an educational campaign on the dangers of bovine tuberculosis and to establish tuberculosis free accredited herds. Before this, there had been more or less testing by owners of cattle

conceded to be an unfair distribution of taxes, for the reason that the taxpayers in a county bearing a small per cent of infection would be compelled to pay indemnity for counties where the infection was greater.

Also, while the accredited herd testing was eradicating tuberculosis, it was not cleaning up an area that could be recognized as a clean territory. Individual herd owners were receiving the benefit of the taxes rather than the general public.

After studying the question for some time, the legislature adopted the county area plan of tuberculosis eradication.

The county area law provides that when fifty-one per cent of the owners of breeding cattle in a county petition the board of supervisors to make application to the department of agriculture for the eradication of bovine tuberculosis, the county is enrolled on the county area plan.

If seventy-five per cent of the owners of breeding cattle in the county sign the tuberculosis petition, a hearing is held in the county, at which time, if no objections are filed which affect the status of the petition, the county is placed on the accredited area plan of testing, which means that all owners of breeding cattle must have their cattle tested.

Under either plan, each county must make a levy for the work, which cannot exceed three mills and the state allocates its appropriation to the counties so enrolled on a per capita basis of breeding cattle. The following table shows the state allotments and county levies for the years 1924, 1925 and 1926.

T. B. ERADICATION ALLOTMENTS AND LEVIES

County	1923-1924		1924-1925		1925-1926	
	State	County	State	County	State	County
Adams	\$ 3,285.62	\$ 6,050.15	\$ 3,302.41			
Appanoose	3,298.72		418.04	2,900.00	12.08	
Benton			5,727.29	33,268.34	6,134.51	3,607.61
Black Hawk	5,328.10	55,067.42	3,325.18	17,678.00		
Boone					5,388.82	10,500.00
Buena Vista	4,598.92	11,232.91	6,049.70	22,135.00	6,538.33	19,511.04
Calhoun	3,315.31	10,840.00	2,982.34	16,275.00	359.19	6,679.00
Cedar			2,831.46	15,800.00	4,454.50	21,988.08
Cerro Gordo					7,124.68	20,230.87
Clarke	3,267.19	1,098.37	1,979.09	5,400.00		963.02
Clay	3,915.05	12,237.68	2,724.71	12,800.00	5,661.53	15,979.31
Clinton	6,131.55	24,000.00	6,941.94	24,800.00		
Dallas			3,514.75	5,635.00	3,464.90	15,830.88
Delaware	6,889.09	26,907.00	9,975.85	18,500.00	8,503.09	24,730.33
Dickinson			5,227.94	29,246.75		3,667.13
Franklin			6,105.45	18,900.00	6,560.38	29,943.71
Fremont			1,487.68	10,854.00	2,196.15	
Greene	3,991.97	7,113.20	2,166.85	10,123.00	8,970.29	4,979.00
Grundy			5,388.70	19,000.00	6,612.85	16,979.47
Guthrie	3,644.34	9,160.77	4,617.92	9,113.12	4,314.36	8,288.86
Hamilton			4,820.01	29,800.00	3,975.58	9,000.00
Hancock	5,898.16	15,785.00	4,341.21	7,374.00		8,696.00
Hardin	4,322.39	17,356.04	4,353.72	22,267.40		
Howard					5,090.57	18,168.00
Humboldt	2,096.14	11,119.84	1,662.51	11,039.56	2,381.86	7,527.00
Iowa			3,225.09	20,000.00	4,827.15	14,961.53
Jackson	8,667.55	18,864.43	5,507.30	13,614.28	6,074.27	19,068.13
Jasper	4,744.06	42,333.07	3,769.41			
Jones			8,467.09	27,000.00	7,675.01	24,968.44
Kossuth	10,751.78	40,329.00	5,114.80	20,069.00		5,699.19
Lee			1,966.08	20,724.00	3,668.57	
Linn					5,372.98	24,968.04
Louisia					2,010.39	10,783.77
Lyon					6,746.89	22,000.00
Mitchell				10,156.31	22,338.00	6,946.54
Muscatine					4,679.65	8,599.00
Muskegon				7,604.22	11,600.00	
O'Brien				3,107.53	19,152.43	4,908.66
Oceola	2,924.79	6,531.11	5,404.91	12,500.00	5,210.31	12,728.31
Palo Alto	3,268.43	12,773.42				6,768.00
Pocahontas			2,865.65	14,300.00		
Polk	3,556.68	26,774.75	3,338.43	11,145.00		
Portlaw	5,319.59	14,111.99	3,465.54	19,600.00		
Scott			10,752.04	42,331.72	6,484.00	21,115.59
Shelby			4,282.74	16,500.00	5,179.75	23,192.98
Sioux			8,545.67	32,127.00	6,967.26	15,120.00
Story			7,130.82	19,397.55	5,466.63	20,000.00
Wapello			360.32			
Warren	3,781.78	3,180.00	3,147.60	9,400.00		
Webster	4,315.90	32,927.32	3,810.39	32,808.96	4,020.78	
Winnebago	3,820.13	12,819.08		70.07		
Woodbury			2,414.81	26,000.00	4,617.79	18,000.00
Worth	4,105.42	11,264.00	2,346.82	5,673.72		
Acc'd Herd	134,956.25		52,970.67		66,896.18	
Total	\$ 349,069.75	\$ 441,854.25	\$ 249,956.94	\$ 712,849.82	\$ 250,000.00	\$ 612,138.58

	1923-1924	1924-1925	1925-1926
Expenditures:			
State	\$ 249,999.75	\$ 249,999.84	\$*250,000.00
County	153,173.40	945,238.91	111,618.25
Federal	217,635.27	225,122.64	*254,999.94
Total	\$ 620,808.42	\$ 820,368.39	\$ 616,618.29
Total cattle tested	487,459	1,099,154	1,109,046
Total number reactors	15,826	27,615	39,566
Total amount paid for reactors	\$ 434,785.54	\$ 512,790.13	\$*670,606.83
Total paid for salaries and expense	\$ 186,022.94	\$ 307,508.26	*\$256,011.76

*Estimated expenditures as there were uncompleted claims for reactors, salaries and expenses outstanding on June 30th.

This table shows the finances that are being utilized for the eradication of bovine tuberculosis. It will be noted that the counties which started the work during the first year have now completed the work so that no additional levies are necessary. Federal funds are received that match the amount of state funds that are used to pay indemnities. In addition the federal government furnishes the tuberculin, some of the inspectors and helps in the supervision of the work.

The average cost of testing cattle, including indemnities, salaries and expenses has been approximately 82½¢ per head when figured on the basis of all tests. Approximately one-fourth of the cattle have been tested one or more times. Making allowances for this it would mean that the total cost of completing the test has been approximately \$1.15 per head. This is a very small cost per head as compared to other states that have a larger percentage of tuberculosis. The average percentage of reactors have varied from 3.2% to 2.3% for the different years.

An accredited veterinarian appointed by the Secretary of Agriculture is placed in charge of each county enrolled. Local, practicing veterinarians are appointed on the inspector's recommendation to assist with the work but it is the duty of the inspector in charge to arrange the itinerary of the local men and to have full supervision over them.

In many counties, the inspector in charge has found a tuberculosis committee of particular help in the organization of the work. This committee is comprised of persons representing the live stock breeders, board of supervisors and other groups in the county who are interested in the eradication of bovine tuberculosis. We believe that everyone is interested in this work and it should not necessarily be the project of any one organization or group of

farmers. While this committee does not have actual authority, their advice is particularly good in deciding the correct appraisals of cattle and itineraries for the veterinarians.

The tuberculosis law has been upheld twice in Iowa by the Supreme Court, which has helped materially in the work and the department does not anticipate further trouble from litigation. Briefly speaking, the Supreme Court has held that the statute, so far as it applies to the county area plan is constitutional and the acts of individuals and their statements as to the law are immaterial and can in no wise invalidate the petitions or acts of the officers thereunder.

Of the 99 counties in Iowa 52 have enrolled under the county area plan. To date, 21 counties have been declared "modified accredited areas" by the Bureau of Animal Industry of the U. S. Department of Agriculture, having less than one-half of one per cent of bovine tuberculosis infection remaining and are receiving the benefits therefrom. We expect four more counties will be added to the list in a very short time. I believe I am safe in saying that by the way the work is going at the present time, it will only be a matter of five to seven years before Iowa has practically eliminated bovine tuberculosis.

Our biggest problem from now on will be the maintenance of clean counties. The legislature has not adopted any definite plan with regard to these counties, but some action should be taken by them during the coming session of the legislature to maintain the clean areas. In the meantime, the department is supervising the retesting of infected herds and checking up the importation of breeding cattle in modified counties through the assistance of the assistant state veterinarians and local health officers.

MISCELLANEOUS WORK

Miscellaneous work of the department takes a large amount of time. As a member of the executive council, the secretary must give much attention to problems of that body. As an example, we might refer to the equalization of values for taxation purposes. Prior to the work on equalization, in 1925, our department prepared a complete set of figures on land and crop values for the use of the executive council. This data included actual figures on land sales in all but two counties of the state for the years of 1915, 1920 and 1925. The acreage value of crops were figured for each county. From these two sets of figures, we were able to get at the actual difference in land and production

values of the different counties. Figures were also collected on assessed and sale value of land as compared to city properties. Estimates were worked out on the net returns per acre, the cost of producing staple crops and many other miscellaneous matters which threw a light upon the ability to pay taxes. As a result of these studies, the executive council readjusted valuations so that farms are paying about \$1,700,000 less state taxes than during the previous year.

The state aid for poultry shows, farmers' institutes and short courses is paid under approval of this department. These different institutions are doing a large amount of good. The stallion registration division, while not as large as during the period of greater prosperity in the horse business, still takes a large amount of time. A large portion of the time of the assistant secretary is put on these miscellaneous projects.

During the biennium the different associations which are receiving state aid made a creditable showing. These different associations work under boards of which I am a member. Their expenses are properly audited. A more complete account of the work of each of these associations will be found in the year book. Dairy and beef cattle, corn and small grain and horticulture receives such aid. Poultry receives aid in a different way. There has been considerable demand from the horsemen of the state for equal recognition. It would seem that their demands are just and we hope that the legislature may see fit to grant their request.

The entire work of the department has been unusually effective during the period. The splendid support which the department has received from people in all parts of the state has made this good record possible. I trust that we may continue to have the same type of support in the future so we can continue to make a favorable report both from a standpoint of economy of operation and effective work accomplished.

The income and expenditures for the year 1925 are as follows:

RECEIPTS

Dairy and Food Division.....	\$210,491.17
Animal Industry Division.....	5,926.60
Stallion Registration Division.....	3,471.00
Warehouse Law	496.80
Total receipts (deposited with state treasurer)....	\$220,385.57

EXPENDITURES

Secretary of Agriculture and office force.....	\$ 10,684.88
Animal Health Division.....	11,275.56
Dairy and Food Division.....	37,046.90
Inspectors, Dairy and Food Division.....	102,475.09
Weather and Crop Division.....	8,140.76
Supplies furnished by Executive Council.....	7,670.78
Supplies furnished by Printing Board.....	14,927.76

Total expenditures (covered by appropriation).....\$192,221.73

It will be noted that our receipts from licenses, inspections, fees, etc., exceeded our expenditures by \$28,163.74. In addition to the above expenditures there is a fund of \$250,000 which is spent in eradicating bovine tuberculosis. Appropriations for different agricultural organizations are also made which are paid under the direction of this department.

Complete financial data on bovine tuberculosis eradication will be found on pages 15 and 16.