to make the transition a successful one.[6] But this assistance has mainly benefited white farmers.

Today only 32 percent of white-operated farms in Alabama are still classed as cotton farms; 78 percent of Negro-operated farms are so classified. Robert C. Bamberg, State FHA Director, explaining the role of FHA in financing the shift from cotton to diversified agriculture, stated that "I expect that we financed 75 percent of the dairymen in Alabama . . ." Dairying was a $50 million farm business in Alabama in 1967, but of the State's 1,400 commercial dairy farms only 65 were operated by Negro dairymen. The Farmers Home Administration has helped many farmers with only small acreage to enter the poultry business, which is Alabama's number one source of farm income for 1967. But of the State's 5,900 commercial poultry farms only 32 are operated by blacks. FHA has been the single most important source of financing for livestock operations of all sizes, but less than 4 percent of the black operated farms were considered livestock farms while nearly one-fifth of the white operated farms were livestock operations.

FHA Loan Programs

Generally individual farmers and rural residents obtain five types of loans from the Farmers Home Administration—operating loans, farm ownership loans, rural housing loans, emergency or disaster loans and economic opportunity loans. The loans are made on favorable terms at low interest rates. FHA closely supervises the loans by placing funds in supervised accounts, devising a farm-home plan with the borrower, and furnishing him with technical assistance from FHA experts in farm management, home construction, livestock management and other farming practices. This active supervision of high risk loans reduces the rate of failures and affords the borrower the benefit of FHA management experience.

The testimony of Charles Griffin, a black farmer who farmed all his life on the plantation of J. H. Hain in Dallas County and who was evicted two years ago, suggests what FHA could mean to poor black farmers. He and 11 other black tenant farmers, after great effort, secured economic opportunity loans from FHA which they used to purchase some acreage. He testified what his first year of farm ownership meant to him.

> . . . when I was on the Hain place, I was just blind, didn't know nothing but work, make it and give it to him, but now if I make anything I know which way it went, I know what I made and know what it bought and everything. That's a lot better; just 25 or 30 years too late. I hope it ain't though. I hope I have some more years to live and get some enjoyment out of it.

Black farmers however, are not participating in proportion to their numbers in FHA loan programs. White farmers and rural residents received the majoity of FHA loan funds in the 16 county area and a proportion of funds far greater than the proportion of the population which they represent. Whites in 1966 and 1967 constituted 24 percent of the borrowers but received 57 percent of the funds;[7] blacks, who constituted 76 percent of the borrowers, received 43 percent of the funds.

In the 16 county area, during 1966 and 1967, applications for loans and loans to black farmers were concentrated in the operating and economic opportunity loan programs. Of a total of 1,875 FHA loans made to Negroes in this area, 1,565 were operating or economic opportunity loans. Operating loans consist of advances for the purchase of feed, seed, and fertilizers. Although these funds can be used to purchase machinery or livestock, very few of the operating loans made to Negroes were approved for these purposes. Economic opportunity loans are made to increase the income-producing capacity of rural residents.[8]

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[6] The Commission's 1965 Report "Equal Opportunity in Farm Programs" noted:

> "A borrower is not left to decide for himself what kind of loan he will request and receive. The FHA staff plays a vital role in helping him decide the uses to which FHA funds will be put. . . . When a farmer comes in to apply for a loan, the FHA county supervisor often takes the initiative, and recommends the acquisition of additional land, enlarged allotments, off-farm employment, soil conservation assistance, and the use of extension specialists or other educational resources to improve the economic position of the farmer," at p. 72.

[7] Thus, the situation is substantially unchanged since the Commission, in its 1965 report "Equal Opportunity in Farm Programs", surveyed 13 Southern Counties (two of which were Wilcox and Greene Counties in Alabama and found that 33 percent of the borrowers were white and received 66 percent of the funds.

[8] The maximum limit on economic opportunity loans is $3,500 per borrower. The average economic opportunity loan to Negroes in the 16 county area was $1,506 (the average economic opportunity loan to whites was $1,712).