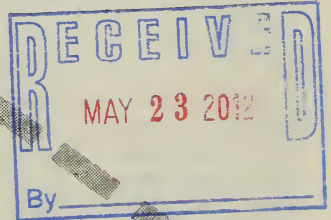


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Program Facts for

**ASC
COMMITTEEMEN**



PA-339

U.S. DEPARTMENT OF AGRICULTURE
Commodity Stabilization Service
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This booklet contains general information about the Agricultural Conservation Program, Soil Bank, production adjustment, price support, and other programs administered by Agricultural Stabilization and Conservation Committees. It is not intended to replace handbooks, bulletins, manuals, or other administrative instructions applicable to the various programs, and ASC committees should not base program decisions upon the information contained herein. Such decisions must be based upon the appropriate administrative regulations and instructions.

Revised September 1959

PROGRAM FACTS FOR ASC COMMITTEEMEN

OVERALL RESPONSIBILITIES

County Agricultural Stabilization and Conservation Committees administer locally the following national farm programs:

1. Acreage allotments and marketing quotas
2. The Agricultural Conservation Program
3. Price-support loans, purchase agreements, and incentive payments
4. The Sugar Program
5. The Soil Bank
6. The Wool Program
7. Other programs assigned by the Secretary of Agriculture or Congress.

It is the committee's responsibility to see that the programs are carried out fairly and in full accordance with official regulations.

County and community committeemen are elected annually by the farmers of the county. County committees function under the general supervision of the State's Agricultural Stabilization and Conservation Committee. The county agricultural extension agent is *ex officio* a member of the committee without the power to vote.

Alternate county and community committeemen are elected at the time of the annual committeeman elections. If for any reason a committeeman cannot serve, either temporarily or permanently, the first alternate committeeman serves on the county committee. If a second committeeman is unable to serve, the second alternate serves on the county committee.

In all but two States, the State committee consists of three farmer-members and the State Director of the Agricultural Extension Service, who is *ex officio* a member of the committee. In Texas and California, there are five farmer-members

and the State Director of the Agricultural Extension Service on the State committee.

Farmer-members of the State ASC committees are appointed annually by the Secretary of Agriculture. The membership of the committee is rotated—one member is replaced by a new member at the end of each term of office.

A State administrative officer, employed by each State committee, is responsible for the supervision and direction of the work of the State office employees under the policies established by the State committee.

Each county committee employs a county office manager; the manager, in turn, is responsible for hiring the necessary employees for office and field work. It is the job of the county office manager to see that the office's day-to-day operations are effectively and efficiently performed. The county committee could be described as a board of directors, with the county office manager responsible for carrying out the committee's policies and decisions and keeping it informed on program developments and the operation of the office. County committeemen do not perform routine office or field work and may not be employed as clerks or field workers. When employing field workers, the general policy is to encourage the employment of community committeemen who are fully qualified.

Committee meetings, attended by all county committeemen and the office manager, should be held on regularly established dates, and special meetings are held when necessary. Minutes of each committee meeting must be complete and readily available for future reference

and must include all official actions taken.

The office manager is responsible for establishing a plan of work and reviewing it at regular intervals to determine whether or not both field and office work is on schedule. This plan of work and the progress under it should be reviewed periodically by the county committee.

Although day-to-day operations are the responsibility of the county office manager, not of the committeemen, it occasionally may be necessary for one or more members of the committee to settle special or difficult cases. Examples of such cases would be unusual agricultural conservation program irregularities, refusal of a farmer to permit measurement of the acreage of a crop under marketing quotas, or

refusal of a farmer to pay a marketing quota penalty. Reports on such special activities must be included in the minutes of the county committee meeting.

Contact with county committees is maintained by the State ASC committee through written communication, telephone, and visits of fieldmen. Fieldmen are the representatives of the State committee and are responsible for assisting the county committee and the county office manager in discharging their responsibilities. They are the county's principal point of contact with the State office. Fieldmen report to the State ASC committee through the State administrative officer, who occupies a position with the State ASC committee similar to that of the county office manager with the county committee.

KEEPING FARMERS AND THE PUBLIC INFORMED

County ASC committees are generally responsible for seeing that farmers and others are informed about the programs available and the requirements for eligibility to participate in those programs. Since the county agricultural extension agent is the local representative of the field information and education service of the Department, as well as a member of the county committee, his experience and training can be very useful in planning and carrying out activities to keep farmers and the public factually informed on ASC programs.

In most counties, the following methods of providing factual program information are used by the county ASC office or carried out in cooperation with the county agricultural extension agent:

Day-to-day contacts with other farmers by committeemen and county office employees—probably the best opportunity for program explanations, and thus a most effective

way to get or to increase farmer understanding of the various programs and their operation.

Work with local newspaper editors, who usually welcome program information for special articles or news items.

Participation in radio programs—an excellent means of increasing farmer understanding of programs and of informing and reporting to the general public.

Distribution of published material, available on such programs as wheat marketing quotas, cotton marketing quotas, the wool program, the Soil Bank, etc.

Explanatory talks and question-and-answer periods by county ASC committeemen at farmers' or local civic organization meetings or luncheons.

Program information meetings with community committeemen.

Periodic program letters to community committeemen. Since community committeemen are frequent-

ly in contact with their neighbors, most county offices use this method. *Informing representatives of*

other agricultural agencies of the essential details of the various programs which are in operation.

ADMINISTRATIVE RESPONSIBILITIES

Employees

County office managers must meet minimum qualification standards established for the State by the State ASC committee. The salary of a manager is based generally on the number of active programs and the volume of administrative work in the county office.

The county office manager is responsible for the employment and supervision of county office employees. Classification and rates of pay of employees are recommended by the county committee and approved by the State committee or its representative. Use of job classifications makes it possible to provide employees with uniform rates of pay for similar work and responsibility.

County committee employees are not Federal employees and are therefore not covered by the Civil Service retirement system. They are not eligible to participate in the Federal employees' group life insurance plan.

County and community committeemen and employees of the county office are covered under the U. S. Employees Compensation Act (for injuries while on duty) and the Federal Insurance Contributions Act (old age and survivors insurance). Employees of the county office are also covered by the Unemployment Compensation Act. For regular employees, there is a uniform vacation and sick leave system.

Budget

Preparation of the county office budget involves estimating costs for performing essential work for each of the programs being operated in the county. Budgets are prepared for a fiscal year—from July 1 through June 30.

After the budget is prepared and approved by the State ASC committee, the county committee, with the assistance of the office manager, should regularly review expenditures to make sure that they are authorized and that the necessary work will be accomplished with the funds available. Money to meet administrative expenses is advanced as needed. Budgets and other controls of expenditures are necessary to secure efficient operations and to account properly for the funds appropriated by Congress.

County Office Quarters

The location of the county office is determined by the county committee, with the approval of the State committee. In some counties, free or Federal office space is available. When office space is available in a Federal building, the county committee requests the State committee to secure assignment of the desired space.

Leases, subleases, or other arrangements for rented space are made in the name of the county committee after the State committee has approved the space and lease arrangements.

In selecting office space, county committees give consideration to the convenience of the location to farmers and to other agricultural agencies, the adequacy of the space for the number of employees and the necessary office equipment, and the cost. Miscellaneous services such as telephone, telegraph, electricity, water, janitor service, etc., must also be arranged for and costs considered.

Good working conditions are essential to effective office operations.

CONSERVATION PROGRAMS

Agricultural Conservation Program

The Agricultural Conservation Program is an important part of a coordinated effort to help farmers attain soil conservation objectives. The total effort includes research, education, technical assistance, cost-sharing, and such indirect aids as credit. At the national level, ACP is administered by the Department of Agriculture's Agricultural Conservation Program Service.

The Agricultural Conservation Program operates as a farmer-Government partnership by providing a share of the cost of approved soil- and water-conserving practices. The share provided by the Government is an evidence of the interest of all the Nation's people in insuring future supplies of agricultural products.

ACP assistance is made available for conservation over and above what farmers would carry out with their own resources and on their own initiative. The assistance may be in the form of financial aid, or materials or services to obtain the needed conservation.

Participation in the program is voluntary, and all farmers are eligible to take part.

County programs are developed and administered by Agricultural Stabilization and Conservation County Committees in cooperation with local representatives of the Soil Conservation Service, Forest Service, Extension Service, local soil conservation districts, and other agricultural agencies. These agencies also assist with the educational and technical work needed in the administration of the program.

Responsibilities of County Committees

1. Make recommendations to the State ASC committee for the na-

tional Agricultural Conservation Program.

2. Develop the county Agricultural Conservation Program, in cooperation with designated agencies and organizations.

3. See that farmers are informed of program provisions and that they have an opportunity to request cost-sharing. The Extension Service and other agencies assist in the educational and informational phases of the program.

4. Review farmers' requests for cost-sharing and approve those which will achieve the most and best-quality conservation work.

5. Budget program (ACP) funds, keeping approvals for cost-sharing within available funds, and budget funds for technical services.

6. Hear and make decisions on program appeals; make findings on violations of program provisions.

7. Determine policy in the local adaptation and administration of the program.

Responsibilities of Community Committees

1. Counsel with county ASC committee on policies and procedures needed to carry out the most effective AC program in the county.

2. Keep informed on the ACP.

3. Help inform farmers on the provisions in the ACP.

4. At request of county ASC committee, make recommendations on the individual requests of farmers for cost-sharing.

5. At request of county committee, report facts in connection with individual appeals and complaints of farmers.

Emergency Conservation Programs

From time to time, special program authorizations and appropriations have been made by the Con-

gress to help meet emergency conditions caused by natural disasters. In the past, such authorizations were limited to designated areas in which it was necessary to rehabilitate farm lands damaged by disas-

trous floods or to apply emergency wind-erosion control measures.

In general, the responsibilities of ASC committeemen under such emergency programs are the same as for the regular ACP.

THE SOIL BANK PROGRAM

The Soil Bank originally provided two programs to assist farmers to divert a portion of their cropland from the production of crops and to carry out a program of soil, water, forest, and wildlife conservation.

These two programs authorized under the Soil Bank were:

- (1) The Acreage Reserve—a short-time program to reduce current production of allotment crops. This program was discontinued on December 31, 1958.
- (2) The Conservation Reserve—a long-time program to shift general cropland from production to a conservation use. Contracts under this program may be entered into during the 5-year period 1956-60.

The Conservation Reserve

Under the Soil Bank Conservation Reserve, farmers may voluntarily sign contracts for 3 to 10 years, to remove a designated acreage of cropland from production and devote that land to a conservation use. During the period the land is under contract, the farmer agrees not to graze or harvest a crop from the land. In general, contracts cannot be signed for less than 5 acres except that if the land is to be planted to trees, as little as 2 acres may be placed in the program.

For putting cropland in the Conservation Reserve, the farmer receives two types of payment: (1) An annual payment, and (2) a

cost-share payment to assist in establishing an approved conservation use on the land.

Average basic annual per-acre rates are established for States and counties. County ASC committees then establish a basic annual per-acre rate for the land on which the farmer requests such rate. When the rate is established, it is called the regular rate.

When the request for a basic annual rate per acre is for all the cropland on a farm, the rate is generally 10 percent more than when the rate is for only part of the cropland.

After the basic annual rate per acre is furnished, farmers have an opportunity to offer to place cropland in the program at a rate lower than the established basic rate.

The maximum total annual payment to an individual is \$5,000.

Under circumstances where the total land offered by farmers in a State would require total payments greater than the money allocated to a State, a priority system of accepting applications for contract will be used.

A priority system of awarding 1959 contracts was in effect in all counties in States in which applications oversubscribed available funds.

On farms on which only a part of the cropland is placed in the Reserve, a "Soil Bank base" is established. The Soil Bank base is the acreage on the farm normally used to produce such crops as grain,

cotton, soybeans, flax, potatoes, sugar beets, and other row crops.

In general, when part of the cropland is placed in the Reserve at the regular rate of annual payment, the land used for the production of Soil Bank base crops must be reduced by the number of acres placed in the program. Additional eligible land may also be placed in the Reserve at a lower rate — 50 percent of the regular rate — without making equal reduction in the acreage of Soil Bank base crops.

For farms with a Soil Bank base of more than 30 acres, the land placed in the Reserve at the lower rate must at least be matched acre-for-acre with land at the regular rate of annual payment.

On farms with a Soil Bank base of less than 30 acres, land may be placed in the Reserve at the lower rate without having to match it acre-for-acre with land placed in the Reserve at the regular rate.

Administration. In administering the Soil Bank Conservation Reserve, the State, county, and community Agricultural Stabilization and Conservation (ASC) committees carry the program to farm operators in their areas. The Department of Agriculture's Commodity Stabilization Service has general responsibility for administering program funds, and for developing and administering the program at the national level. The Agricultural Conservation Program Service formulates the conservation practices available under the Conservation Reserve. Technical resources of the Soil Conservation Service, the Forest Service, the Fish and Wildlife Service, and the various State agricultural and forestry agencies are used in the program. The Federal Extension Service, working through State and

Federal agencies, supplies general information on the Conservation Reserve to all farmers.

Duties of County Committees

Under the Soil Bank Conservation Reserve program, the responsibilities of the county committee include:

1. Giving overall supervision to program administration in the county.

2. Establishing basic annual rates per acre for land on which requested.

3. Establishing a farm Soil Bank base for the farms to which the base is applicable.

4. Informing and instructing community committeemen and farmers generally about necessary details and requirements of the program.

5. Making recommendations to the State ASC committee for approved conservation practices to be carried out on Conservation Reserve land.

6. Recommending rates of cost-sharing for conservation practices to be carried out on Conservation Reserve land.

7. Reviewing, approving, adjusting, and recommending the cancellation of Conservation Reserve contracts on behalf of the Secretary.

8. Through designated employees, providing for accurate and timely checking of performance and inspections.

9. Arranging for the investigation and consideration of contract violations.

Duties of Community Committees

1. Assist county committee in the establishment of farm Soil Bank base acreages.

2. Assist county committee in the determination of basic annual rates per acre.

PRODUCTION ADJUSTMENT ACTIVITIES

Agricultural program laws provide for acreage allotments and marketing quotas on cotton, peanuts, rice, tobacco, and wheat (in "commercial" wheat States).

Duties of the County Committee

When acreage allotments or marketing quotas are in effect, the responsibilities of the county committee generally include:

1. Giving overall supervision to the determination of farm acreage allotments.

2. Considering complaints of producers relating to farm acreage allotments.

3. Appearing before marketing quota review committees when producers have appealed determinations on marketing quotas.

4. Arranging for and supervising marketing quota referendums and certifying the results to the State ASC office.

5. Through designated employees, providing for accurate and timely checking of performance.

6. When quotas are in effect, causing marketing cards and certificates to be issued to producers who have been determined to be eligible to receive such cards and certificates.

7. In cases where the farm acreage allotment (for a crop under marketing quotas) has been exceeded:

(a) Determining the amount of the farm marketing excess and penalty including determination of the normal yield for the farm.

(b) In the case of peanuts and tobacco, causing "excess" marketing cards to be issued to such growers.

(c) Arranging for prompt settlement of marketing quota penalties which have not been collected at the county office

or through buyers, warehousemen, or dealers.

8. Arranging for investigation of irregularities and considering violations.

Duties of Community Committees

1. Review farm data and assist in the establishment of farm allotments.

2. Keep informed on the general provisions of production-adjustment programs operating in the county.

3. When requested, assist the county committee in the investigation of marketing quota violations.

Wheat

Acreage Allotments

Wheat acreage allotments are required every year unless the Secretary dispenses with them under the emergency powers of the law.

National. The national wheat acreage allotment is defined by law as the number of acres of wheat which, at average yields, will maintain a supply equal to 130 percent of a normal year's domestic consumption and exports. However, the national wheat acreage allotment cannot be less than 55 million acres.

State. The national wheat acreage allotment, less a reserve not to exceed 1 percent for adjustments in county allotments because of reclamation or other new areas coming into the production of wheat, is apportioned among the States on the basis of the acreage considered seeded for the production of wheat as grain during the preceding 10 years (plus, in applicable years, the acreage diverted under previous adjustment and conservation programs) with adjustments for abnormal weather conditions and trends in acreage.

Noncommercial Wheat Area.

The law authorizes the Secretary to designate any State with an acreage allotment of 25,000 acres or less as a noncommercial wheat State. Acreage allotments and marketing quotas are not established for counties and farms in such States.

County. The State wheat acreage allotment, less a reserve not to exceed 3 percent for apportionment to new farms, is apportioned among the counties in a State on the same basis as the national allotment is apportioned to States, plus an adjustment for the promotion of soil-conservation practices.

Farm. The county acreage allotment, plus any allotment from the national reserve, is apportioned among farms on the basis of the past acreage considered as devoted to wheat, tillable acres, crop rotation practices, type of soil, and topography.

New Farms. Up to 3 percent of the State wheat acreage allotment may be apportioned to farms on which wheat has not been considered planted during any of the 3 years immediately preceding the year for which the allotment is made. These farms are commonly referred to as "new wheat farms."

Marketing Quotas

The Secretary is required to proclaim a national wheat marketing quota when the total supply of wheat exceeds the normal supply by more than 20 percent. A "normal supply" of wheat is a year's domestic consumption and exports plus a 20-percent allowance for reserves.

May 15 is the last date on which the national wheat acreage allotment and the wheat marketing quota may be proclaimed by the Secretary. A referendum must be held among growers between the time of the proclamation and July 25. At least two-thirds of the growers voting in a referendum

must approve marketing quotas if they are to be in effect.

Marketing quotas are carried out through acreage allotments. When marketing quotas are in effect, producers who exceed their farm wheat acreage allotments, if the wheat acreage is more than 15 acres, are subject to a marketing penalty on each bushel of excess wheat. Therefore, as much as 15 acres of wheat may be harvested for grain on a farm without being subject to a marketing penalty. Also, if approved by the county committee, up to 30 acres of wheat may be produced for use on the farm as feed, seed, or food without being subject to a marketing quota penalty. The marketing quota penalty on each "excess" bushel is 45 percent of the May 1 parity price of wheat. The wheat from farms on which the acreage allotment is exceeded is not eligible for price support.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District Court for review of his case.

Corn

In a referendum held November 25, 1958, corn producers in the commercial corn-producing area voted to discontinue the commercial area and acreage allotments for corn. The corn referendum was required by the Agricultural Act of 1958. (See also section on Price Supports, p. 20.)

Cotton (Upland)

Marketing Quotas

Not later than October 15, the Secretary is required to proclaim a marketing quota for upland cotton for the following year's crop when the total supply for the marketing year exceeds the normal supply.

(The "normal supply" for upland cotton is the year's estimated domestic consumption and exports plus a 30-percent reserve.)

A referendum must be held by December 15 following the proclamation of quotas; at least two-thirds of the growers voting in the referendum must approve marketing quotas if they are to be in effect.

Marketing quotas are carried out by means of acreage allotments. When quotas are in effect, producers who exceed their farm acreage allotments are subject to a marketing quota penalty on each pound of the farm marketing excess. The penalty rate per pound is 50 percent of the cotton parity price per pound as of June 15 of the calendar year in which the cotton is produced.

Acreage Allotments

The national marketing quota for the 1959 and 1960 crops of upland cotton is the larger of: (1) The amount of cotton needed from the particular crop which, with the estimated carryover and exports, will make available a "normal supply" of cotton for the marketing year; or (2) the number of bales of cotton required to provide a national acreage allotment of 16 million acres. (Beginning in 1961, an additional provision of law will guide the determination of the national upland cotton marketing quota.)

National. The national acreage allotment for upland cotton is determined by dividing the national marketing quota by the national average yield per acre for the 4 years immediately preceding the year in which the quota is proclaimed. The process is reversed if the quota is determined under the 16-million-acre provision. In addition, a national acreage reserve of 310,000 acres is available for use in establishing minimum farm acre-

age allotments, which is distributed to States on the basis of need. The law gives Nevada 1,000 acres of this reserve.

State. The national acreage allotment for upland cotton less the amount required for minimum State allotments for four minor cotton-producing States is apportioned among the other States on the basis of the cotton acreage history during the preceding 5 years with adjustment in acreages for individual years as provided by law.

County. The State acreage allotment for upland cotton (less the State reserve) is apportioned among counties in the State on the basis of the cotton acreage history in each county during the 5 years preceding the year in which the quota is proclaimed, with adjustment in acreages for individual years for abnormal weather conditions. The State committee is authorized to reserve not to exceed 10 percent of the State acreage allotment (15 percent in the case of Oklahoma) to be used in making adjustments in county allotments for trends in the acreage of cotton or for abnormal conditions adversely affecting production, or for small farms, or new farms, or to correct inequities and to prevent hardship.

Farms. The county committee is authorized by law to reserve not more than 15 percent of the county allotment to use in establishing acreage allotments for new cotton farms and for adjusting acreage allotments for old cotton farms. Most counties, however, were restricted by regulation to a maximum reserve of less than 15 percent for 1959.

The following method is used in apportioning the county allotment (less reserve) to old cotton farms in order to establish equitable allotments for farms in the county. An "old cotton farm" is one on which

cotton has been planted or regarded as planted in one or more of the 3 years previous to the year for which allotments are being determined.

A minimum allotment equal to the smaller of 10 acres or the 1958 farm allotment is established for each old cotton farm.

If the county allotment (less reserve) exceeds the acreage required to establish minimum farm allotments, the portion of the county allotment (less reserve) which is available for farms with 1958 farm allotments of more than 10 acres is apportioned among such farms by the county committee by applying to the 1958 farm allotment a uniform county percentage factor. The allotment for any such farm, however, must be at least 10 acres.

Special Provisions of Law Applicable to 1959 and 1960 Crops of Cotton—For 1959—and for the 1960 upland cotton crop if marketing quotas are in effect, each farm operator who has an upland cotton acreage allotment may elect to comply with his “regular”—called Choice (A)—farm allotment, in which case his crop will be eligible for the full level of price support available for the crop (not less than 80 percent of parity for 1959 and not less than 75 percent of parity for 1960); or he may elect to comply with the farm’s Choice (B) farm allotment—which may be as much as 40 percent more than the Choice (A) allotment, and be eligible for price support at a level which is 15 percent of parity less than the level available under Choice (A). For 1959, the Choice (B) farm allotments are the full 40 percent larger than the Choice (A) allotments for the same farms, but the percentage increase has not been determined for 1960.

If quotas should be disapproved for the 1960 crop of upland cotton in a referendum, the Choice (B) allotment for the farm would not be in effect but the “regular” farm al-

lotments would be, and price support would be available to cooperators at 50 percent of parity.

Release of Unused Allotments. If a part or all of a Choice (A) farm cotton acreage allotment is not needed or wanted on the farm, it can be released—for 1 year or permanently—to the county ASC committee, which may reapportion the released allotments to other farms in the same county. Where the allotment is released for 1 year only, the farm releasing the allotment gets credit under certain conditions. The farm which receives the reapportioned allotment does not get history credit for planting such acreage. However, the State and county do get credit for reapportioned acreage which is planted to cotton.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal in writing at the county ASC office and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to the proper Federal or State court for review of his case.

Cotton (Extra Long Staple)

Marketing Quotas

The Secretary is required to proclaim not later than October 15 a marketing quota for extra long staple cotton for the following year when the total supply exceeds the normal supply for the marketing year by more than 8 percent. (The “normal supply” is the year’s estimated domestic consumption and exports plus a 30-percent reserve.)

A referendum must be held by December 15 allowing the proclamation of the quota, and at least two-thirds of the growers voting in the referendum must approve marketing quotas if they are to continue in effect.

Marketing quotas are carried out by means of acreage allotments. When quotas are in effect, producers who exceed their farm acreage allotments are subject to a marketing quota penalty on each pound of the farm marketing excess. The penalty rate per pound is the higher of (a) 50 percent of the parity price of extra long staple cotton as of June 15 of the calendar year in which the cotton is produced, or (b) 50 percent of the support price for extra long staple cotton on June 15 of such year.

Acreage Allotments

The national marketing quota is the number of pounds of extra long staple cotton which is determined to be necessary to maintain a normal supply, but not less than the larger of (a) 30,000 bales, or (b) a number of bales equal to 30 percent of the estimated domestic consumption plus exports of such cotton for the marketing year beginning in the calendar year in which such quota is proclaimed. Beginning in 1961, the national marketing quota will be determined on a different basis, as directed by law. The national marketing quota is converted to a national acreage allotment.

National. The national acreage allotment for extra long staple cotton is determined by dividing the national marketing quota by the national average yield per acre for the 4 years immediately preceding the year in which the quota is proclaimed.

State. The national acreage allotment is apportioned among extra long staple cotton-producing States on the basis of the acreage planted to such cotton during the preceding 5 years with adjustment in acreages for individual years as provided by law.

County. The State acreage allotment for extra long staple cotton (less the State reserve) is appor-

tioned among counties in the State on the basis of the acreage planted to extra long staple cotton in each county during the 5 years preceding the year in which the quota is proclaimed, with adjustment in acreages for individual years as provided by law. The State committee is authorized to reserve not more than 10 percent of the State acreage allotment to be used in making adjustments in county allotments for trends in the acreage of extra long staple cotton or for abnormal conditions adversely affecting production, or for small farms or new farms, or to correct inequities and prevent hardship.

Farms. The county committee is authorized by law to reserve not more than 15 percent of the county allotment to use in establishing acreage allotments for new cotton farms and for adjusting acreage allotments for old cotton farms. The county allotment (less reserve) is apportioned to old extra long staple cotton farms by applying to the 1958 farm allotment a uniform county percentage factor.

If a part or all of a farm cotton acreage allotment is not needed or wanted on the farm, it can be released—for 1 year or permanently—to the county ASC committee, which may reapportion the released allotments to other farms in the same county. Where the allotment is released for 1 year only, the farm releasing the allotment gets credit under certain conditions for planting the released acreage. The farm which receives the reapportioned allotment does not get history credit for planting such acreage. However, the State and county do get credit for reapportioned acreage which is planted to cotton.

Peanuts

Marketing Quotas

Regardless of the supply of peanuts, the Secretary is required be-

tween July 1 and December 1 of each year to proclaim a national marketing quota for the next crop of peanuts.

The national marketing quota is the quantity of peanuts which will supply the market with a crop equal to the average quantity harvested for nuts during the preceding 5 years. Certain adjustments are made in the national marketing quota to allow for current trends and prospective supply conditions. The national marketing quota cannot be less than that quantity which will provide a national acreage allotment of 1,610,000 acres.

County Allotments and Farm Allotments. The Agricultural Adjustment Act of 1938, as amended, provides that the State allotment may be apportioned in one of two ways: (1) Direct to farms by the application of a uniform State factor to farm adjusted acreages as determined by ASC county committees, or (2) to counties by the State ASC committee, and to farms by the application of a county factor to farm adjusted acreages as determined by the county ASC committee. In recent years, however, the Secretary has provided by regulations that the various State allotments be apportioned directly to eligible farms and county allotments have not been established. Allotments are established for farms on which more than 1 acre of peanuts were picked or threshed (or so considered under program provisions relating to preservation of allotment-history acreage) during one or more of the past 3 years on the basis of: Peanut-producing experience of the producer; past acreage of peanuts, taking into consideration previous allotments; abnormal conditions; land, labor, and equipment available for peanut production; crop-rotation practices; soil and other physical factors affecting the production of peanuts.

A part or all of a farm peanut acreage allotment can be released—for 1 year or permanently—to the county ASC committee, which may reapportion the released acreage to other farms in the same county.

Increase in Peanut Allotments. When the Secretary determines that the supply of all peanuts or of any one type of peanuts is insufficient to meet demands for cleaning and shelling, he is required to make appropriate increases in allotments for such peanuts.

Marketing Quota Penalty. Peanuts marketed in excess of the farm marketing quota are subject to a penalty equal to 75 percent of the basic price-support rate for the year in which the peanuts are produced. Farms harvesting 1 acre or less of peanuts for nuts are exempt from marketing quotas.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District court for review of his case.

In years when a referendum is required, it must be held not later than December 15 to determine whether or not peanut producers favor marketing quotas. When a referendum is held, growers may vote for quotas for 3 years, or they may vote against quotas. If quotas are disapproved, another referendum must be held the following year. If quotas are approved, no referendum is required for the second and third years of the 3-year period. At least two-thirds of the growers voting in the referendum must approve before quotas can be put in effect.

Acreage Allotments

The national acreage allotment is determined at the time the national marketing quota is proclaimed by

dividing the national quota by the average yield per acre for the preceding 5 calendar years, with such adjustments as are necessary for trends in yields and for abnormal conditions.

State allotments result from the apportionment of the national acreage allotment among States on the basis of each State's share of the national allotment for the preceding year. A small acreage is set aside for "new" peanut farms before the national allotment is divided among the States.

Tobacco

Marketing Quotas

National. Not later than December 1 for flue-cured tobacco, and February 1 for other kinds of tobacco, the Secretary of Agriculture must proclaim and call for a referendum on marketing quotas—for the 3 succeeding marketing years—for any kind of tobacco whenever:

1. The total supply (of a kind of tobacco for which quotas have never been proclaimed) at the beginning of the marketing year exceeds the reserve supply level;

2. The marketing year is the last in a 3-year period during which quotas have been in effect;

3. A marketing quota previously proclaimed is not in effect because of disapproval by growers in a referendum (with one exception, described below under "Marketing Quota Referendum");

4. Prior to November 10, the Secretary is petitioned to proclaim quotas by one-fourth or more of the farmers engaged in the production of a kind of tobacco for which quotas have been disapproved in 3 successive years since 1952.

State. The national marketing quota is apportioned among the States on the basis of the total production in each State during the 5 years preceding the year in which the quota is proclaimed, with ad-

justments for abnormal conditions and trends in production. Production from excess acreage for 1955 or any subsequent year will not be used in the apportionment. A small percentage of the national marketing quota is made available for allotment through county ASC committees to "new" farms and for adjustment of allotment on old farms.

Marketing Quota Referendum.

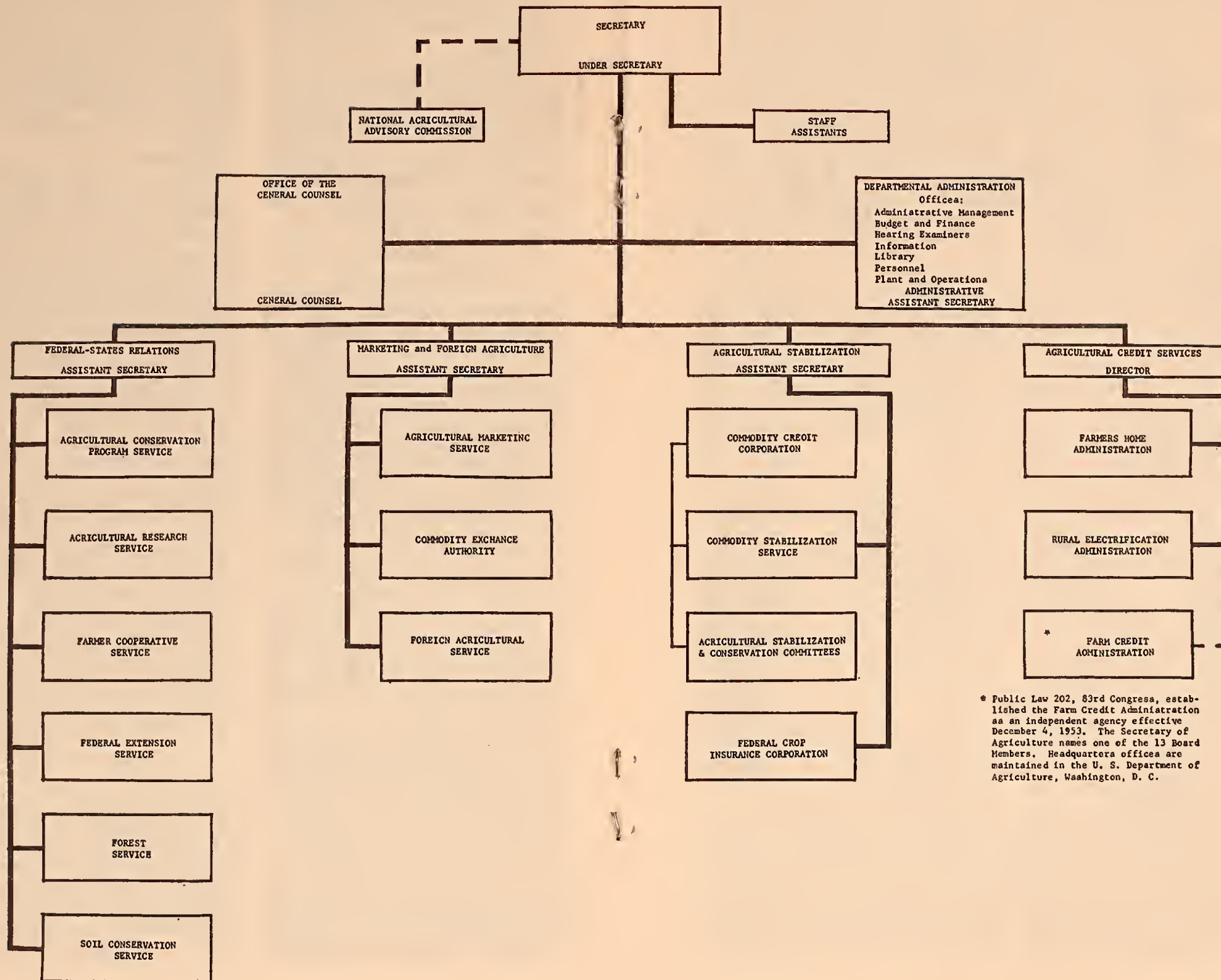
When a marketing quota is proclaimed and a referendum is held, growers may vote for quotas for 3 years or they may vote against quotas. If at least two-thirds of the growers voting approve quotas, a referendum is not held again for 3 years, although the Secretary is required to announce each year the amount of the annual marketing quota not later than December 1 for flue-cured tobacco and February 1 for other kinds of tobacco. If more than one-third of the growers voting disapprove, the marketing quotas will not be in effect, and another referendum will ordinarily be held the following year. However, a national marketing quota may not be proclaimed for any year in the 3-year period for which farmers have disapproved previously proclaimed quotas in 3 successive years subsequent to 1952, unless, prior to November 10, one-fourth or more of the farmers engaged in the production of such tobacco petition the Secretary to proclaim quotas for each of the next 3 succeeding marketing years.

Acreage Allotments

State. The State marketing quota is converted to a State acreage allotment on the basis of the average yield per acre during the preceding 5 years, with appropriate adjustments for abnormal conditions of production and for trends in production.

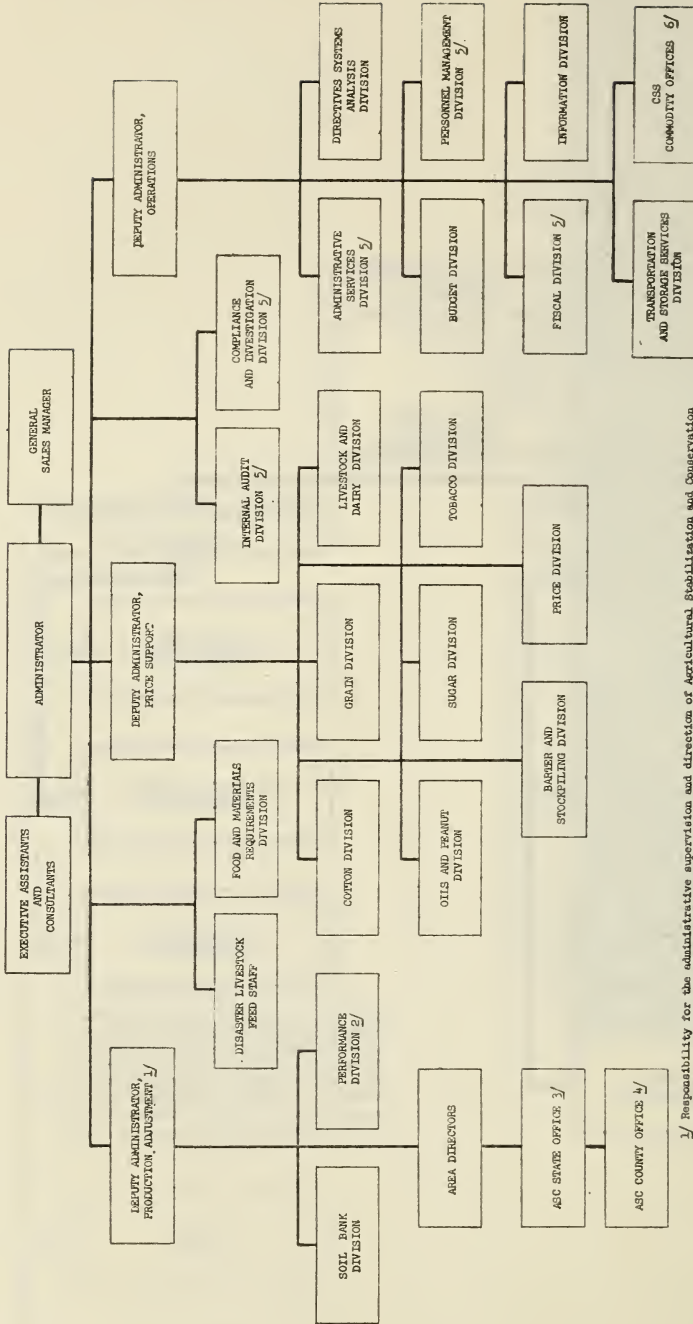
Farm. The State acreage allotment is allotted to farms on the

UNITED STATES DEPARTMENT OF AGRICULTURE



* Public Law 202, 83rd Congress, established the Farm Credit Administration as an independent agency effective December 4, 1953. The Secretary of Agriculture names one of the 13 Board Members. Headquarters offices are maintained in the U. S. Department of Agriculture, Washington, D. C.

U. S. DEPARTMENT OF AGRICULTURE COMMODITY STABILIZATION SERVICE



1/ Responsibility for the administrative supervision and direction of Agricultural Stabilization and Conservation State and county offices has been assigned to the CSS by the Secretary of Agriculture pursuant to Reorganization Plan No. 2 of 1953.

2/ Maintains and directs Aerial Photography Laboratories at Washington, D. C. and Salt Lake City, Utah.

3/ One office in each State, the Territory of Hawaii, and in Puerto Rico.

4/ One office in each State and County (see Commodity Office Numbers).

5/ Maintains and directs the operations of State, County and Office locations: Cincinnati, Ohio; Dallas, Texas; Evansston, Illinois; Kansas City, Missouri; Minneapolis, Minn.; New Orleans, La.; and Portland, Oregon.

basis of past acreage, adjustment for abnormal weather and plant disease; land, labor, and equipment available for the production of tobacco; crop-rotation practices; and the soil and other physical factors affecting the production of tobacco.

Penalties. Tobacco produced on an acreage in excess of the farm tobacco allotment is subject, upon marketing, to a marketing quota penalty equal to 75 percent of the average market price for the previous year. The tobacco marketed from farms having an acreage in excess of the farm allotment is not eligible for price support.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal in writing to the county ASC office and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to an appropriate Federal or State court for a review of his case.

Rice

Acreage Allotments

Rice acreage allotments are required every year unless the Secretary dispenses with them under the emergency provisions of the law.

National. The national acreage allotment of rice is that acreage which, at the national average yield of rice for the 5 preceding calendar years, will produce an amount of rice adequate, together with the estimated carryover from the marketing year ending in the calendar year for which such national acreage allotment is determined, to make available a supply not less than the normal supply. December 31 is the latest date for proclaiming the national rice acreage allotment. By law, the national acreage allotment for 1957 and subsequent years may not be less than the total acreage allotted in 1956.

State. The national acreage allotment, less a reserve of not to exceed 1 percent for adjustments in allotments for farms receiving inadequate allotments because of an insufficient State or county allotment, is apportioned among the States in the same proportion that they shared in the total allotment in 1956.

County. The State acreage allotment, less a reserve of not to exceed 3 percent for new farms, is apportioned to counties on the same basis as the national allotment is apportioned to States. In States or administrative areas where farm allotments are determined on a producer basis, the State or administrative area allotment is apportioned directly to the producer who in turn assigns such allotment to the farm(s) on which he will produce rice in the State, or administrative area, as applicable.

Old Farms. (a) Producer Basis. The State acreage allotment less a reserve of not to exceed 3 percent for new producers, is apportioned to farms owned or operated by persons who have produced rice in the State in any 1 of the 5 preceding calendar years on the basis of past production of rice in the State by the producer on the farm, taking into consideration the acreage allotments previously established for the producer; abnormal conditions affecting acreages; land, labor, and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

(b) Farm Basis. The county acreage allotment is apportioned to farms on which rice has been produced in any 1 of the 5 preceding calendar years on the basis of past production of rice on the farm, taking into consideration the acreage allotments previously established for the farm; abnormal conditions affecting acreage; land, labor,

and equipment available for the production of rice; crop-rotation practices; and the soil and other physical factors affecting the production of rice.

New Farms. (a) Producer Basis. Up to 3 percent of the State allotment may be apportioned to producers who have not produced rice in the State in any 1 of the past 5 years.

(b) Farm Basis. Up to 3 percent of the State allotment may be apportioned to farms on which rice has not been planted during any of the past 5 years.

Marketing Quotas

The Secretary is required to proclaim marketing quotas on rice when the total supply of rice exceeds the normal supply by more than 10 percent. (A "normal supply" of rice is a year's estimated domestic consumption and exports plus a 10-percent allowance for carryover.) December 31 is the latest date for proclaiming the marketing quotas. Within 30 days after a proclamation of rice marketing quotas, a referendum must be held among farmers engaged in the production of the immediately preceding crop of rice, to determine whether such farmers are in favor of or opposed to such quotas. At least two-thirds of the farmers voting in the referendum must approve marketing quotas if they are to remain in effect.

The marketing quota of rice for any farm on which the rice acreage allotment is not exceeded is the actual production of rice on the farm. If the farm rice acreage allotment is exceeded, the marketing quota for the farm is the actual production of rice less the normal production of the excess acreage of rice on the farm. If the total production of rice on the farm is less than the normal production of the farm acreage allotment, the farm marketing quota would be the actual production even if the farm acreage allotment had been exceeded.

When marketing quotas on rice are in effect, producers who harvest rice in excess of their farm acreage allotment are subject to a marketing penalty on the excess rice. The marketing quota penalty is equal to 65 percent of the parity price per pound for rice as of June 15 of the calendar year in which such crop is produced.

Review of Quotas. Any farmer who is dissatisfied with his marketing quota may appeal and have the determination reviewed by a review committee appointed by the Secretary. If still dissatisfied, the producer may appeal to a Federal District Court—or to any court of record in the State having general jurisdiction, sitting in the county or district in which the appellant's farm is located—for review of his case.

PRICE SUPPORT AND INCENTIVE PROGRAMS

Price-support operations carried on by the U.S. Department of Agriculture through the Commodity Credit Corporation seek to establish price minimums or "floors" for a number of agricultural commodities.

Price supports are mandatory for the basic commodities—wheat, corn, cotton, tobacco, peanuts, and rice—

and for the following designated nonbasic agricultural commodities: Wool and mohair, tung nuts, honey, milk, butterfat, and the products of milk and butterfat. Beginning with the 1959 crops, price support is also mandatory for oats, rye, barley, and grain sorghums. For other nonbasic agricultural commodities, price supports are permis-

sive, at the discretion of the Secretary of Agriculture, except that whenever the price of either cottonseed or soybeans is supported the price of the other must also be supported at such level as the Secretary determines will cause them to compete on equal terms on the market.

During recent years, price support has been made available for such nonbasic commodities as flaxseed, soybeans, dry edible beans, cottonseed, and gum naval stores.

Methods of carrying out price supports vary by commodities. Generally, for storable commodities, the methods used are farm- and warehouse-storage loans, and purchase agreements. Direct purchases are used when necessary, usually for perishable commodities. Wool and mohair prices are supported through incentive payments.

Duties of County Committees

1. Counsel and advise the county office manager with respect to special or unusual cases not covered in official instructions.

2. Supervise the determination of producers' eligibility for price support.

3. In the case of cotton, appoint loan clerks and witnesses for equity transfers.

4. Make sure that all cases involving theft, fraud, conversion, or other irregularities are reported promptly to the State ASC committee.

5. Make the determinations required by regulations and instructions covering price supports.

Peanuts

Price support is mandatory for peanuts, a "basic" commodity. The support level ranges between 75 and 90 percent, depending upon the supply.

Method of Support. The producer may obtain price support on peanuts in three ways:

1. He may deliver peanuts to a warehouse that is under contract with a peanut association which, in turn, has entered into a loan agreement with CCC. The warehouseman, on behalf of the association, draws a draft in favor of the producer for the full price-support value of the peanuts—less a flat deduction, per ton, to cover the cost of inspection, warehousing, and other handling charges. The draft, drawn on a lending agency approved by CCC, may be cashed or credited to the producer's account at any commercial bank.

2. Loans are available to eligible producers on eligible peanuts in approved farm storage. Producers apply for the loans at the county ASC office, which arranges for inspection of the storage facilities and for inspection, sampling, and grading of the peanuts. After it is determined that the producer, the peanuts, and the storage facilities meet CCC's requirements, the county office determines the amount of the loan and prepares and approves the loan documents. The producer, with the loan documents, obtains his loan from any approved lending agency or from the county office. The producer may deliver the peanuts to CCC upon maturity of the loan, or redeem them prior to delivery to CCC by repaying the amount of the loan, plus interest and charges.

3. A producer may obtain a purchase agreement through the county office after paying a small service charge and signing a document that specifies the maximum amount of peanuts he may elect to sell to CCC. CCC agrees to purchase at the loan rate any quantity of peanuts the producer elects to deliver up to and including the maximum quantity covered by the agreement. The peanuts may be stored on or off the farm except that those stored off the farm must be stored on an identity-preserved basis.

If the producer who signs a purchase agreement wishes to sell the peanuts to CCC, he will have a 30-day period specified by CCC during which he must notify the county committee in writing of his intention to sell. The producer shall deliver the peanuts in accordance with delivery instructions issued by the ASC county office.

Acreage Allotments and Marketing Quotas. When marketing quotas are in effect, a producer to be eligible for price support must not pick and thresh in excess of the larger of one acre or the farm acreage allotment established for his farm.

Grains and Related Commodities (Flaxseed, Soybeans, and Dry Edible Beans)

Price support is mandatory for wheat, corn, rice, oats, rye, barley, and grain sorghums. If the price of either soybeans or cottonseed is supported, the Secretary is required to support the price of the other commodity at such level as will cause these commodities to compete on equal terms on the market.

For wheat, the level of price support may range from a minimum of 75 to 90 percent of parity, depending upon the supply.

For rice, the support may range from 75 to 90 percent of parity for the 1959 and 1960 crops. For the 1961 crop, the range is 70 to 90 percent of parity; beginning with the 1962 crop, the range is from 65 to 90 percent of parity.

When allotments are in effect, producers are required to comply with their farm allotment to be eligible for price support on the commodity. If producers disapprove marketing quotas for rice or wheat, the available price support drops to 50 percent of parity. The level of support for wheat in the designated noncommercial wheat area is 75 percent of the level to

cooperators in the commercial wheat area.

For corn, the price-support level is 90 percent of the average price received by farmers for the 3 preceding calendar years, but not less than 65 percent of parity. The law authorizes adjustments in the price received by farmers for corn to offset the effect of marketing abnormal quantities of low-grade corn in any year.

For oats, barley, rye, and grain sorghums, the Secretary of Agriculture, in determining the price-support level, is required to take the following factors into consideration: (1) The supply of the commodity in relation to the demand; (2) the price levels at which other commodities are being supported and, in the case of feed grains, the feed values of such grains in relation to corn; (3) the availability of funds; (4) the perishability of the commodity; (5) the importance of the commodity to agriculture and the national economy; (6) the ability to dispose of stocks acquired through a price-support operation; (7) the need for offsetting temporary losses of export markets; and (8) the ability and willingness of producers to keep supply in line with demand.

For flaxseed and dry edible beans, price support may be made available, within the range of 0 to 90 percent of parity, at the discretion of the Secretary of Agriculture.

Method of Support. Price support is made available to farmers through farm- and warehouse-storage loans and through purchase agreements.

Loans

Loans are nonrecourse in nature; that is, the producer has the right to deliver the commodity after maturity in the quantity and quality described in the loan documents in full satisfaction of his loan.

Most price-support loans are made through private financial institutions, usually local banks. The financial institution provides the money to the farmer and holds the certificate of interest, which is one of the loan papers made out in the county office. CCC also makes some loans through the county ASC office. All loan repayments are made at the county ASC office.

In the case of farm-stored commodities, an inspector from the county ASC office inspects the adequacy of the producer's farm storage facilities, measures the quantity stored, takes a sample of the commodity to be tested for grade or eligibility, and affixes a seal to the bin or crib. If the producer can meet requirements, the county office makes out a note and chattel mortgage. If the loan is to be made by a financial institution, a certificate of interest is also made out. The producer, after signing these documents, may obtain a loan from a financial institution or from the county office by sight draft drawn on CCC.

For commodities stored in warehouses approved by CCC, the producer presents his warehouse receipt to the county ASC office and signs a note. The producer then obtains his loan from a financial institution or from CCC through the county ASC office. If the loan is to be made by a financial institution, the county office also makes out a certificate of interest.

The producer may repay his loan at any time before the note matures; he is charged interest only for the period the loan is in effect. For 1958 crops, the rate of interest was 3½ percent. After payment, the canceled note is returned to the producer. In the case of a farm-storage loan, the mortgage is released, and in the case of a warehouse loan, the warehouse receipt is returned to the producer. If the producer delivers the commodity to

CCC in repayment of the loan, there is no interest charge to the producer, and CCC pays any interest charges that might be due a financial institution. However, in the case of defaulted loans on farm-stored commodities or loans obtained through fraud, interest will be at the rate of 6 percent per annum from the date of default or the date of disbursement, respectively.

Purchase Agreements

A producer obtains a purchase agreement through the county office after paying a small service charge and signing a document that specifies the maximum amount of the commodity he may elect to sell to CCC after the loan maturity date. CCC agrees to purchase at the loan rate any quantity the producer elects to deliver, up to and including the maximum quantity covered by the agreement.

The producer must, within a 30-day period specified by CCC, declare his intention to deliver under the purchase agreement. If the commodity is stored in an approved warehouse, the producer turns over to the county office warehouse receipts representing the quantity of the commodity he elects to offer. In the case of a commodity stored in other than approved warehouse storage, the producer notifies the county ASC committee of his intention to deliver and, after the issuance of delivery instructions, makes delivery to the place designated by CCC.

Tobacco

Tobacco price support is mandatory at 90 percent of parity for those years and kinds of tobacco (except fire-cured and dark air-cured) for which marketing quotas are in effect. For practical purposes, the support level for fire-cured and dark air-cured (including Virginia sun-cured) tobacco is

fixed at the support level of the 1957 crop until such time as 90 percent of parity rises above the 1957 support rate. When marketing quotas are disapproved, no price support is available. Growers who exceed their farm acreage allotments are not eligible for price support.

The support level for Puerto Rican tobacco (type 46) is as provided in the Agricultural Act of 1949, as amended, in which the support is based on the supply percentage.

Administration. Tobacco price support is carried out through producer marketing cooperatives. Agreements between the cooperatives and the Commodity Credit Corporation provide for handling and storage of tobacco placed under price support. The price-support loans are nonrecourse, and mature on demand.

In areas where tobacco is marketed through the auction system, price support is available to eligible growers through the auction warehouses.

In non-auction market areas, price support is made available to eligible growers directly by the cooperative association.

Cotton (Upland and Extra Long Staple)

Price support is mandatory for eligible upland cotton and extra long staple cotton.

Method of Support. Cotton prices in 1959—and also 1960, if the Choice (A) and (B) programs are in effect then (see Production Adjustment Activities, p. 10)—are supported by means of *purchases* from producers of eligible Choice (A) upland cotton and *loans* on eligible Choice (B) upland cotton and on extra long staple cotton. The cotton must be either stored in approved warehouses or represented by bills of lading for shipment to approved warehouses.

Purchases and loans will be made by persons and firms which meet requirements prescribed by the Commodity Credit Corporation and which have entered into agreements with CCC to make purchases from or loans to producers, or they will be made directly by CCC through the New Orleans CSS Commodity Office.

When the applicable farm acreage allotment for upland cotton or for extra long staple cotton is knowingly exceeded, the kind of cotton in noncompliance is ineligible for price support. The two kinds of cotton are treated independently, and one cannot be substituted for the other.

Level of Support. The level of support for each kind of cotton (upland or extra long staple) is determined as follows:

If producers have not disapproved marketing quotas for upland cotton for a particular crop year, the level of price support for such kind is based on the supply percentage (the relationship of total supply to normal supply) at the beginning of the marketing year, with a maximum level of 90 percent of parity. The minimum levels of support for Choice (A) upland cotton are 80 percent in 1959 and 75 percent in 1960. The minimum levels of support for Choice (B) upland cotton are 65 percent in 1959 and 60 percent in 1960.

If producers have not disapproved marketing quotas for extra long staple cotton for a particular crop year, the level of price support is mandatory at a level between 60 and 75 percent of parity.

If producers have disapproved marketing quotas on any crop of upland cotton or of extra long staple cotton, the level of price support for such crop of such kind of cotton will be 50 percent of parity.

Administration. In the field, the cotton price-support program is ad-

ministered through the New Orleans CSS Commodity Office. However, the State and county committees have certain responsibilities in connection with the appointment of loan clerks and witnesses. Warehouses and lending agencies are approved by the New Orleans office. Loans are disbursed by approved lending agencies and the New Orleans office. Payment for purchases will be made by approved purchasing agencies or by the New Orleans office if CCC purchased the cotton direct from the producer.

Milk and Butterfat

Prices of milk and butterfat, "designated nonbasic commodities," are supported at such levels from 75 to 90 percent of parity as the Secretary of Agriculture determines will assure an adequate supply. The law provides that support may be carried out by purchase of or loans on milk and dairy products. The support has been carried out by purchases of butter, cheese, and nonfat dry milk solids and by special programs to increase milk consumption among school children, military personnel, and veterans hospital patients.

Administration. Purchases are made by CSS Commodity Offices from processors and handlers.

Cottonseed

Price support for cottonseed is discretionary with the Secretary of Agriculture, who determines the support level (within a range of 0 to 90 percent of parity) after considering such factors as supply, support levels for other commodities, and importance of the commodity. However, whenever the price of soybeans is supported, the price of cottonseed must be supported at such level as the Secretary determines will cause these commodities to compete on equal terms on the market.

Method of Support. Prices for cottonseed have been supported by means of nonrecourse farm-storage loans and, if necessary, through purchases. Such purchases are made from producers at the support level, or from participating ginneres at the guaranteed program price.

Administration. Loans and purchase programs in the field are administered by State and county committees through their designated employees. Lending agencies are approved by the county committee. Loans are disbursed through sight drafts by approved lending agencies and by designated employees.

The New Orleans CSS Commodity Office is in charge of the storage and handling of all CCC-owned cottonseed after delivery of the cottonseed to an oil mill or an approved storage facility, and the sale, crushing, and processing of cottonseed, and the transportation, storage, handling, and sales of products therefrom, if any.

Tung Nuts

Price support for tung nuts, a "designated nonbasic agricultural commodity," is mandatory at a level not less than 60 nor more than 90 percent of parity as determined by the Secretary after considering such factors as supply, support levels for other commodities, and importance of the commodity.

Method of Support. Prices for tung nuts are supported by means of purchase agreements. Nonrecourse loans and purchase agreements are available for producer-owned tung oil at a rate equivalent to the support price for tung nuts.

Administration. The county ASC offices receive applications for price support, make out necessary documents, disburse drafts for tung oil represented by loan documents and for tung nuts or tung oil tendered under purchase agreements. The county committees purchase

for CCC from approved lending agencies the notes evidencing loans secured by warehouse receipts issued by approved warehouses.

County committees take delivery of eligible tung nuts on the basis of the weight and oil content which is shown by an analysis made by an approved chemist.

Honey

Price support for honey, a "designated nonbasic commodity," is mandatory at not less than 60 percent nor more than 90 percent of the parity price. The level of support is determined by the Secretary of Agriculture after considering such factors as supply, support levels for other commodities, and the importance of the commodity. Prices of honey are supported through farm storage loans and purchase agreements.

Administration. Loans and purchase agreements for honey are handled in about the same way as for grain and related commodities.

Wool and Mohair

The National Wool Act of 1954, as amended, calls for the support of prices for wool and mohair marketed in the period between April 1, 1955, and March 31, 1962. The act specifies that shorn wool shall be supported at an incentive level which will encourage an annual production of 300 million pounds; the support, however, cannot be more than 110 percent of parity. Provision is made for support of pulled wool and mohair at levels in relation to the support for shorn wool.

Method of Support. Payments will be made to producers of shorn wool after the end of the marketing year in an amount sufficient to bring the average price received by producers for all wool sold during the marketing year up to the an-

nounced incentive level. An individual producer's payment will be determined by applying to his net sales proceeds the percentage payment rate needed to bring the average price received by all producers up to the support level.

Pulled wool price support is carried out by making payments on sales of lambs that have never been shorn regardless of whether they are sold for replacement, feeding, or slaughter. Then, if the new owner sells the lambs without shearing them, his lamb payment will be adjusted downward by the amount due on the weight of the lambs purchased. Likewise, if he shears the lambs and sells the wool, his wool payment will be adjusted downward by this same amount. In this way, the original producer and the later feeder or breeder-owner share in the payments. Price-support payments for pulled wool are based upon the hundredweight of unshorn lambs sold, adjusted downward for any purchases of unshorn lambs.

Mohair price-support payments, if required, will be made in the same way as incentive payments on shorn wool, except that no downward adjustment is made for purchases of young goats. Since the beginning of the program April 1, 1955, mohair prices have been above the support level, and thus far it has not been necessary to make any mohair payments.

Applications for payments are filed with the ASC county office serving the county in which a producer's farm or ranch headquarters is located.

Gum Naval Stores

Price support for gum naval stores (rosin and turpentine) is discretionary with the Secretary of Agriculture at any level between 0 and 90 percent of parity. In determining the support level, the Secretary takes into consideration

such factors as supply, support levels for other commodities, and importance of the commodity. Prices for gum naval stores are supported only through nonrecourse loans.

Method of Support. The producer desiring a loan on turpentine and rosin obtained from his crude pine gum executes a Producer's Marketing Agreement with the American Turpentine Farmers Association Cooperative (ATFA). To be eligible for price support, a producer must follow approved conservation practices on his naval stores plantation.

Usually the producer delivers his crude pine gum to an approved processing plant-warehouse location and pays charges, such as processing fees, initial storage, and the Federal inspection fee. Loans are made on the processed turpentine or rosin, or, under specified conditions, on unprocessed turpentine or

rosin content of the crude pine gum. The loan papers are transmitted by the warehouseman to ATFA, which, after checking producer and collateral eligibility, sends the documents to the Dallas CSS Commodity Office for audit, custody, and payment to the producer or his designated payee.

Administration. ATFA conducts the field administration of the loan program as the agent of CCC.

County ASC committees have no administrative responsibilities.

Loan availability expires December 31, but producers' redemption rights extend to the following July 1, at which time the loan matures, if payment is not demanded earlier by CCC; thereafter, CCC may sell the collateral. Any sum remaining after application of sales proceeds to the satisfaction of total loan indebtedness under current and prior programs is returned to ATFA for distribution to producer-members.

STORAGE ACTIVITIES

Farm Storage Facility Loans

Under the farm storage facility loan program, any farmer, landlord, or producer-partnership may borrow up to 80 percent of the cost of new storage bins, cribs, or other approved storage structures. The structure must meet requirements for storage under the price-support program. All immovable structures and all movable structures on which the amount loaned exceeds \$1,000 must be insured in the amount loaned for the life of the loan. Insurance requirements for movable structures on which the loan is less than \$1,000 are determined by the State committee.

Application for a loan may be made at any county ASC office in the continental United States and Alaska. Loans will be made direct by CCC except that a loan may be made by an approved lending

agency, if requested by the borrower, upon specific approval of the Deputy Administrator for Operations, CSS. Loans may be obtained on structures for storage of wheat, corn, oats, rye, barley, soybeans, dry edible beans, rice, peanuts, cottonseed, and flaxseed. The loans, which bear interest at the rate of 4 percent per year, may be paid off over a 5-year period, with the first installment payable on the first anniversary of the loan.

Administration. County committees must:

1. Determine that the facility is needed and that the bushel-capacity proposed is in keeping with program objectives.

2. Approve loans up to \$2,500. (Loans above that amount must be referred to the State ASC committee with the recommendation of the county committee prior to the issuance of a commitment.)

3. Determine that the amount of the loan does not exceed the percentage of the total cost established as a maximum for the State by the State ASC committee.

4. Consider requests for extension or deferment of current installments.

5. Call loans when required.

6. Consider requests for subleasing of facility.

7. Consider requests for use of facility for other than approved commodities.

Mobile Drying Equipment Loans

This program is designed to help any farmer to purchase mobile drying equipment (such as air circulators, ventilators, tunnels, and power fans, or any combination thereof, and mechanical driers of a mobile type).

The maximum amount to be loaned on any single mobile drier or any mobile equipment suitable for conditioning of grain is 75 percent of the assembled and delivered cost, exclusive of farm-labor costs. Loans will be made direct by CCC through the county ASC offices in the continental United States and Alaska, except that a loan may be made by an approved lending agency, if requested by the borrower, upon specific approval of the Deputy Administrator, Operations. Loans are repayable over a 3-year period, with the first payment due on the first anniversary date of the loan.

Loans are available to purchase equipment for use in conditioning of corn, oats, barley, grain sorghums, wheat, rye, soybeans, flaxseed, rice, dry edible beans, peanuts, and cottonseed.

Loans are not available for the purchase of equipment for use in connection with the conditioning of commodities which the borrower intends to purchase or store for others.

Loans are secured by chattel mortgages on the mobile drier or equipment, or by other security instruments approved by CCC. Insurance is required on all equipment mortgaged to secure the loans, regardless of the amount of the loan.

Duties of the County Committee

1. Determine that the drying equipment is needed.

2. Approve loans up to \$3,000. Applications for loans over \$3,000 must be submitted to the State ASC committee prior to the issuance of a commitment.

3. Determine that the amount of the loan does not exceed the percentage of the cost established as a maximum for the State by the State ASC committee.

4. Consider requests for extension or deferment of current installments.

5. Call loans when required.

Uniform Storage Agreements

General. Storage activities are conducted by the Commodity Credit Corporation, which executes uniform storage agreements with commercial warehousemen wishing to store price-support and Government-owned commodities and whose facilities are found to be suitable for such storage.

The agreement does not guarantee that CCC will use the facilities after approved, and it does not obligate the warehouseman to accept price-support commodities for storage. The agreement sets forth the terms and conditions under which commodities will be received, stored, and loaded out in the event the warehouse is utilized for the storage of price-support commodities.

Administration. CSS Commodity Offices are responsible for the warehouse storage programs in their respective areas. Conse-

quently, applications for approval, inspections, and all matters pertaining to operations under the agreement are handled by these offices.

Price Support. Warehouse receipts, in order to be eligible collateral under price-support programs, must be issued by a warehouseman who has been approved by CCC and is operating under the provisions of the agreement.

Agreements are in effect for grain, rice, dry edible beans, and seed.

CCC Storage

As of the beginning of 1959, CCC owned about 238,000 grain storage structures having a total storage capacity of approximately 988 million bushels.

Why bought. These bins were bought at times when existing storage facilities were not adequate to take care of the grain which was expected to be delivered to CCC under price-support operations.

How used. CCC-owned bins are used for storage of grain acquired under price-support operations when available commercial storage facilities are inadequate. When not needed for storage of CCC-owned

grain, the county committee may rent CCC bins to farmers or grain warehousemen.

Where situated. Most CCC-owned bins are erected on sites leased through county committees, although a few sites have been purchased by CCC.

Duties of County Committees

County committees work through the county office manager to see that the following duties are carried out properly:

1. Leasing of bin sites.
2. Supervision and maintenance of sites, bins, and equipment.
3. Supervising receipt and withdrawal of CCC-owned grain at bin sites.
4. Supervision, inspection, and maintenance of grain stored at bin sites or in leased emergency facilities.
5. Reporting monthly to the State committee on the quantity and condition of grain stored.
6. Renting bins to farmers or grain warehousemen, and checking rented bins to be sure that they are being used in accordance with the rental agreement.

SUGAR ACT PROGRAMS (BEET AND CANE)

The major objectives of the Sugar Act are to maintain a healthy domestic sugar industry, to assure adequate sugar supplies to consumers at reasonable prices, and to promote our general export trade.

Determining Sugar Requirements. Each December, the Secretary of Agriculture is required to determine how much sugar will be needed to meet United States requirements for the subsequent calendar year. Prior to such determination, a public hearing is held at which all interested persons, including consumers, industrial users, wholesalers, refiners, sugarcane and

sugar beet processors, and producers, may present views and recommendations on the subject.

Establishing Quotas. After requirements are determined, each domestic and foreign producing area supplying the United States with sugar is assigned a quota representing its share of the United States market. In apportioning the first 8,350,000 short tons of the United States sugar requirements, the law assigns fixed quotas amounting to 4,444,000 short tons, raw value, to the domestic areas and approximately 980,000 short tons,

raw value, to the Republic of the Philippines. The balance of the 8,350,000 tons is apportioned 96 percent to Cuba and 4 percent to other foreign countries.

Beginning in 1956, and continuing through 1960, requirements for market growth in excess of 8,350,000 tons are apportioned 55 percent to domestic areas, and 45 percent to foreign countries other than

the Philippines. Beginning in 1957, Cuba has been supplying about 30 percent and full-duty countries as a group about 15 percent of the market-growth apportionment to foreign countries.

Quotas, established when United States requirements equal 8,350,000 and 8,700,000 tons, and increases in quotas for each 100,000-ton increase in requirements, appear below :

Area	Quotas for individual areas when requirements are—		Increase in quotas for each 100,000 tons increase in requirements above 8,700,000
	8,350,000	8,700,000	
	<i>(Short tons, raw value)</i>		
Domestic beet.....	1, 800, 000	1, 886, 806	22, 382
Mainland cane.....	500, 000	580, 588	6, 887
Hawaii.....	1, 052, 000	1, 053, 022	12, 491
Puerto Rico.....	1, 080, 000	1, 101, 069	13, 062
Virgin Islands.....	12, 000	15, 015	178
Philippines.....	980, 000	980, 000	0
Cuba.....	2, 808, 960	2, 912, 525	29, 590
Other foreign countries.....	117, 040	170, 975	15, 410
Total.....	8, 350, 000	8, 700, 000	100, 000

Establishing Marketing Allotments. One important function of the sugar program is to promote orderly marketing. This can sometimes be accomplished through quotas. However, quotas may not suffice, especially when supplies in the producing areas materially exceed the quotas. If the Secretary believes that the pressure of supplies in an area is likely to result in disorderly marketing, he must allot the quota fairly among processors who market sugar. This allotment assures each marketer of an equitable share of the market, removes the "fear" element, and permits the conduct of business on a more stable day-to-day basis. As of April 1959, marketing allotments had been in effect for the Mainland Cane Sugar Area from 1953 through November 17, 1958, and

for the Domestic Beet Sugar Area from 1954 through November 17, 1958. Hearings had been held for allotting the 1959 quotas for these two areas but the orders had not yet been issued. From 1949 to June 6, 1957, it was necessary to allot Puerto Rico's mainland and local consumption quotas, and the direct-consumption portion of its mainland quota had been allotted for each of the years 1948-59.

Establishing Proportionate Shares (Acreage Allotments). The language of section 302(a) of the Sugar Act, in effect, defines a proportionate share as the individual farm's share of the total quantity of sugar beets or sugarcane required to be processed to enable an area to meet its quota (and provide a normal carryover inventory), as estimated by the Secretary. When

the indicated sugar supply for an area is greater than the quantity needed to fill the quota and provide a normal carryover, proportionate shares must be restrictive to assure each individual producer of sugar beets or sugarcane an opportunity to produce his fair share of the quota and carryover requirements. As of April 1959 restrictive proportionate shares had been in effect in the beet sugar area for the 1955 through 1959 crops; in the mainland cane sugar area for the 1954 through 1958 crops; and in Puerto Rico for the 1952-53, 1953-54, and 1954-55 crops.

Making Conditional Payments. The act provides for direct payments to growers ranging from 80 cents per 100 pounds of sugar for production of less than 350 tons of sugar per farm, down to 30 cents per 100 pounds for production in excess of 30,000 tons per farm. The average payment for all domestic producers is about 68 cents per 100 pounds.

In addition, the act provides payments for bona fide abandonment of planted acreage and crop deficiencies resulting directly from drought, flood, storm, freeze, disease, or insects. The payment is computed on the basis of specified percentages of the farm's normal yield.

Congress appropriates funds annually for sugar act payments. However, a tax on sugar provides funds to the Federal Treasury which more than offset the total of

all conditional payments plus the costs incurred in administering the sugar act. This tax is one-half cent a pound, raw value, on all sugar processed or imported for direct consumption.

To qualify for conditional payments, producers: (a) Must not employ child labor; (b) must not market sugarcane or sugar beets in excess of farm proportionate shares; (c) must pay fair wages to field laborers as determined by the Secretary; and (d) if they are also processors, must pay fair prices as determined by the Secretary for sugar beets or sugarcane purchased from other producers.

Duties of County Committees

1. Conduct hearings and make decisions on wage claims of laborers.

2. Determine: (a) Abandonment and deficiency areas; (b) farms qualifying for abandonment and deficiency payments; (c) areas qualifying for prevented acreage credit; and (d) farms qualifying for such credit.

3. Determine from available records compliance with all applicable requirements such as: Proportionate share (acreage), prohibition against use of child labor, and wage rates paid to workers.

4. Approve reports to State ASC offices on child labor violations, wage claims, and wage rates.

5. Certify producers' applications for payment.

MISCELLANEOUS

Emergency Feed Program

The Emergency Feed Program makes CCC stocks of surplus feed grains available to farmers and ranchers for feeding foundation herds of livestock—cattle, sheep, and goats—in designated "disaster areas."

County ASC committees perform the following duties:

1. Accept applications for assistance from individual farmers.

2. Determine eligibility and extent of assistance to be provided individual applicants, except applications of ASC State and county committeemen and applications

showing 1,000 or more animal units, which are handled by others in CSS authorized to approve such applications.

3. Issue farmers' purchase orders in accordance with approved applications.

4. Handle requests for extension of time for expired purchase orders.

5. Enter into agreements with feed dealers wishing to distribute feed to farmers under the program.

6. Issue dealer certificates for the face value of purchase orders which have been properly filled out and have been presented to the county ASC office.

7. Handle requests for extension of time for expired dealer certificates not in excess of \$1,000 face value.

8. Replace lost, stolen, or destroyed purchase orders and dealer certificates, where warranted.

9. Make spot checks to determine whether the provisions of the feed dealer's agreement with respect to each farmer's purchase order have been observed.

10. Report violations of the provisions of the program to the ASC State committee and recommend appropriate action in line with the nature of the violation.

Disposal of CCC-Owned Surpluses

Commodities acquired under price-support programs are disposed of in various ways, but mainly through sales. Export sales are

made at world market prices, and sales for domestic use are generally made at the market or minimum prices determined in accordance with existing statutes (usually at 105 percent of the current support price plus handling costs).

Commodities stored in commercial storage facilities are sold or disposed of by the CSS Commodity Offices. Commodities stored in CCC bins may be sold by the county offices under the supervision of the State ASC committees.

National. Sales programs, including terms and conditions of sales and prices, are determined in Washington and transmitted to the State ASC offices. Prices are usually announced on or about the first of each month, but under special conditions prices or price changes may be furnished any time when the need arises.

State. The State ASC office is responsible for supervising and instructing county ASC offices with respect to sales policies, terms, and conditions of sales and prices within the authority delegated to it. The State office is responsible for the auditing of sales and inventory reports received from county offices and for the submission of required documents to the CSS Commodity Offices.

County. County ASC offices are generally responsible for sales of commodities stored in CCC-owned bins in accordance with instructions from the State ASC committee and existing CSS directives and regulations.

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