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THE NATIONAL GRANGE, despite considerable differences of opinion at its annual meeting, adopted a policy statement calling for temporary retention of price supports at 90 per cent of parity. The statement inferred that a change-over to flexible supports at this time would run seriously afoul of the present overhang of farm surplus stocks.

Grange suggestions emphasized market development through programs such as export promotion, sales campaigns, and a food stamp plan to increase the consumption of low income groups. Also proposed were multiple price plans, production payments, marketing agreements, and, ultimately, flexible supports.

The National Farm Bureau, like the Grange, contains sharp differences of opinion among its membership. However, the Illinois group recently came out foursquare for flexible supports.

THE NATIONAL MILK PRODUCERS' FEDERATION asked for continuation of the 90 per cent of parity support level for milk and butterfat, pending enactment of "self-help" enabling legislation approved recently at the Federation's annual convention.

The self-help plan is designed to shift price support expenses to farmers. A Dairy Stabilization Board would be set up to perform support operations about the way CCC is doing now. The Board would borrow up to 500 million dollars from CCC to get the program going, would set price support levels, and would purchase enough dairy products to bring prices up to those levels.

However, farmers would have to pay for the supports through fees. The Internal Revenue Bureau would collect these fees from dairy farmers and turn the money over to the Board. The amount of a farmer's fee would depend on the amount of dairy products he produced, as well as on the Board's activity. That is, fees would be raised when support purchases were heavy, and vice versa.

It would seem that such a Stabilization Board would face most of the problems now associated with CCC's dairy support program, plus a few others. The Board would be under constant pressure to set supports at very high levels, and the organization could have acute financial and surplus disposal difficulties. The assessments against farmers would pose especially knotty problems. For example, farmers producing Grade A milk for fluid consumption undoubtedly would object to being assessed a large fee to pay for butter supports.

Critics point out that the history of stabilization boards is not a happy one. In the past, in times of stress, neither their resources nor their management has been adequate to the task.

NO DRASTIC CHANGE will be made in the price support program next year. This was the essence of a speech by John H. Davis, Assistant Secretary of Agriculture. Addressing the convention of the National Milk Producers' Federation, Mr. Davis stated: "There is an idea afoot that the Administration early next year will come up with a brand new farm program that will be designed to go into operation immediately. It would probably take three or four years to make any radical changes in the present farm program. And we shouldn't scrap the present program unless we come up with something better."

Mr. Davis indicated that the Administration probably would take a piecemeal approach to working out a new farm program, developing it commodity by commodity over the next three years. USDA's industry advisory committees have been studying commodity problems, and some proposals have already been made. For example, the wheat committee recommended a two-price system to Secretary Benson. More recently, a group of peanut processors proposed a two-price plan for that commodity. It is reported that a similar program is being considered for rice.

Advisory committees have been discussing flexible supports for corn, rye, oats, and barley. The corn plan would provide for supports within a range of 75 to 100 per cent of parity, depending on the size of corn supplies. That is, the larger the carry-over of old corn plus the crop of new corn, the lower would be the support level. However, in no case would it go below 75 or above 100 per cent of parity. The supply-support scale would be set up so that corn supplies as large as we now have would be associated with a support level of 90 per cent of parity.

The wool committee is reported to be considering a "direct payment" plan. This would provide for the Government to give wool growers a direct payment equal to the difference between the support price and a lower "free" market price. However, some form of "self-finance" would be provided to raise the funds for the subsidy.

PRICE SUPPORT LOANS and inventories of the CCC amounted to 4,053 million dollars as of September 30. The previous high was 4,036 million as of February 28, 1950. The CCC sustained a net realized loss of 47 million dollars in carrying out this program during the months of July, August, and September.

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Most people agree that ultimately the present price support program must be improved. For example, *Wallace's Farmer*, which has been opposing Secretary Benson, carried the following editorial in the November 21 issue. "What kind of a farm program will Congress work out at the next session? There are two great dangers:

1. That Secretary Benson will succeed in breaking the farm program up into 48 parts, turn it back to the states, and weaken the part of the Federal Government in farm affairs.

2. That Congress will take what looks to be the easy course and simply extend the present act. Opposition to Benson may lead to undiscriminating acceptance of the present program.

Of these two dangers, the second may now be the greater. Mr. Benson has lost support. Few of his ideas will get into law. Not many Congressmen are willing to back him.

But there is a great danger that the present farm program will simply be extended for two years. That won't do. Times have changed since the farm act was passed."

L. John Kutish -- Agricultural Economist