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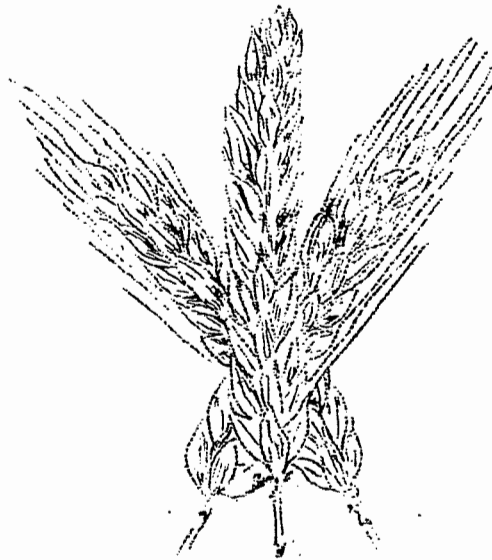
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SUPPORT PROGRAMS ON
NORTH DAKOTA AGRICULTURE

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THE EFFECTS OF WHEAT SUPPORT PROGRAMS
ON NORTH DAKOTA AGRICULTURE¹

By Perry V. Hemphill and Donald E. Anderson²

Wheat is the largest single source of cash income to North Dakota farmers. During the 7 year period from 1949 to 1955 North Dakota's wheat acreage declined from 10,552,000 acres in 1949 to 7,212,000 in 1955.³ Cash income from wheat dropped from \$251,188,000 in 1949 to \$197,838,000 in 1955. The reduced acreages and reduction in cash income from wheat in North Dakota can partly be attributed to the government support programs.

The government agricultural programs most important in North Dakota are the wheat acreage restrictions and the price supports on agricultural products. The price supports guarantee the farmers of North Dakota a minimum price for the major grain crops and some livestock products. The support prices have been above the market value of the products supported in many instances, and therefore gave the farmer a price higher than market value for his products. The farmers were given an incentive to comply with the wheat acreage allotment because failure to comply made him ineligible for any phase of the price support programs. Failure to comply with the allotment also made the farmer subject to payment of a penalty for overplanting his allotted wheat acreage.

Purpose of the Study

The North Dakota study was designed (1) to determine the effects of the government agricultural programs on North Dakota farms in 1954 and 1955; and (2) to determine the reactions of North Dakota farmers to certain phases of the agricultural program in effect in 1955.

Wheat accounted for 36 percent of North Dakota's total cash receipts for major agricultural products in 1954 and 40 percent of that total in 1955.⁴ Wheat accounted for 51 percent of the value of crop production in the state in both 1954 and 1955.⁵

¹This study is a portion of the North Central Regional Study, NCM-11.

²Associate Agricultural Economist and Assistant in Agricultural Economics, respectively.

³North Dakota Agricultural Statistics, Bulletin No. 408, Agricultural Experiment Station, North Dakota Agricultural College.

⁴Cash Receipts from Major Farm Commodities by States, Statistical Bulletin No. 166, United States Department of Agriculture, Agricultural Marketing Service, Washington, D. C., May 1956, p. 33.

⁵North Dakota Annual Crop Summary, 1953, 1954 and 1955, Agricultural Marketing Service, United States Department of Agriculture, Fargo, North Dakota.

Price supports and acreage restrictions have caused North Dakota farmers to reduce wheat acreage. Wheat acreage reduction has caused some changes in farming methods and organization. This study was designed to determine what these changes are and to interpret some of their basic economic implications.

The Sampling Procedure

The information obtained in this study was procured by the personal interview method. Enumerators interviewed 240 farmers in North Dakota during the summer of 1955.

The number of counties selected in the sample areas was based on the percent of the total wheat acreage of the three selected areas contained in each area. On this basis Grand Forks County was selected in the Red River Valley; Towner County in the durum area; and Stutsman, McHenry, McLean and Eddy Counties were selected in the general wheat area. The specific counties to be studied in each area were selected at random.

The number of samples taken in each county was determined by the percent of the total wheat acreage in all of the selected counties that each county contained. On this basis 38 schedules were taken in Grand Forks County, 13 in Eddy, 56 in McLean, 37 in McHenry, 44 in Towner and 52 in Stutsman.

The names of all farmers listed on the Agricultural Stabilization Committee wheat listing sheets in 1955 were used as the universe in each county.

The specific farmers included in the study were selected from these listing sheets at random. If the farmer selected was not readily available, the enumerator was instructed to select an alternate farm, according to a predetermined plan.

Size of Farm

Farms in this study ranged from 160 to 3,000 acres. The average size farm was 721 acres. Average farm size was 551 acres in the Red River Valley, 752 acres in the durum area and 746 acres in the general wheat area.

Age of Farmers

Farm operators in this study range in age from 25 to 77 years, with an average of 46. The age group of 25 to 40 years contained 35

percent of the farmers, 41 to 55 contained 44 percent, and the group of 56 and above contained 21 percent of the farmers in the sample.

Tenure Status

Thirty-three percent of the farmers interviewed owned all of the land they operated in 1955. Forty-nine percent owned some land and rented some, and 18 percent rented all their land. The tenant farms were generally operated on shares. Less than 1 percent rented land on a cash rent basis.

Farm Income

Fifty-six percent of the farmers in the sample reported a net income in 1954 of less than \$2,000, 31 percent reported a net income of from \$2,000 to \$3,999, 11 percent reported a net income of from \$4,000 to \$5,999, and 2 percent reported a net income of \$6,000 and above.

Almost half or 48 percent of these farmers reported that they received more than three-fourths of their income from grain. Thirty five percent received one-half to three-fourths of their income from grain and 14 percent received one-fourth to one-half of their income from grain. Only 3 percent of these farmers derived less than one-fourth of their income from grain in 1954.

EFFECTS OF THE ACREAGE ALLOTMENT AND PRICE SUPPORT PROGRAMS

The acreage allotment program reduced wheat acreage substantially in North Dakota from 1953 to 1955. However, the allotment program did not consistently reduce wheat production during this period. About 10 million acres of wheat were grown in North Dakota in 1953. Production on this acreage amounted to about 97 million bushels. In 1954 this wheat acreage was reduced 21 percent and wheat production went down 29 percent. In 1955, wheat acreage planted in North Dakota was 29 percent less than the 1953 acreage. However, wheat production increased 12 percent over the 1953 production figures (Table 1). This variation in wheat production partly explains the great influence of weather on the production of any grain crop. It is very difficult to control wheat production effectively with an acreage allotment program because of year to year variations in yields and continually improving technology.

It is very difficult to separate the effects of the acreage allotment from other uncontrollable factors, such as weather, disease, price trends and technological advances. Some of the changes mentioned in this publication may have resulted from a factor other than the acreage allotment program.

TABLE 1. PERCENTAGE CHANGE IN WHEAT ACREAGE AND PRODUCTION SINCE 1953, NORTH DAKOTA, 1953-1955

	Acreege	Percent Change	Production	Percent Change
<u>All Wheat</u>				
1953	10,333,000	--	97,304,000	--
1954	8,201,000	-21%	69,155,000	-29%
1955	7,350,000	-29%	109,336,000	+12%
<u>Spring Wheat</u>				
1953	8,454,000	--	85,208,000	--
1954	6,679,000	-21%	64,920,000	-24%
1955	6,345,000	-25%	96,596,000	+13%
<u>Durum Wheat</u>				
1953	1,879,000	--	12,096,000	--
1954	1,522,000	-19%	4,235,000	-65%
1955	1,005,000	-47%	12,740,000	+5%

Source: Agricultural Marketing Service, United States Department of Agriculture, Fargo, North Dakota.

Changes in Crop Acreages

This study indicates very little change in total crop acres per farm from 1954 to 1955. The average crop acres per farm in 1954 was 500 and 501 in 1955. There was no significant shift of land resources to other than crop uses during this period.

The three areas studied show a 7 percent reduction in wheat acreage from 1954 to 1955 (Table 2). The primary cause of the reduction in wheat acreage was a 26 percent decrease in durum acreage in 1955. A 2 percent increase in hard wheat occurred during this period.

The primary reason for the decrease in durum and increase in hard wheat acreage was that durum wheat had suffered from severe rust damage for several years prior to 1955. The susceptibility of durum wheat to rust damage caused many durum wheat farmers to seed hard wheat instead of durum in 1955. Seventy percent of the allotted wheat acreage was seeded to hard wheat in 1954 while 80 percent of the allotment was seeded to hard wheat in 1955. The wheat acreage allotted on the farms sampled decreased 13 percent from 1954 to 1955, but the

decrease in wheat acreage in 1955 was only a 7 percent. The reason for this was that the farmers were allowed to substitute 3 acres of durum for 1 acre of allotted hard wheat in 1955. It is evident the impact of the acreage allotment was much greater in the areas of the state that are restricted to the growing of hard wheat than it was in the areas suited to durum production.

TABLE 2. PERCENTAGE CHANGE IN CROP ACRES, 240 FARMS, NORTH DAKOTA, 1954-55

Crop	Red River Valley	Durum Area	General Wheat Area	Total Sample	State Average ^a
(Percent)					
All wheat	- 3	- 2	-10	- 7	-23.0
Spring wheat	- 2	+159	-11	+ 2	- 5.0
Amber durum	- 5	- 34		-26	-33.0
Flax	+16	+ 10	+ 1	+ 4	- 5.0
Barley	+ 2		+31	+14	+16.0
Oats		- 8	- 9	- 8	- 7.0
Rye		+113	+58	+60	+90.0
Corn	+17	- 35	- 1	+ 1	+10.0
Pasture and hay	+13	- 1	+ 7	+ 7	+13.1
Fallow	-13	+ 8	-10	- 7	—

^aCrops and Markets, United States Department of Agriculture, Agricultural Marketing Service, Washington, D. C., 1956, p. 5.

The acreage removed from wheat production by the acreage allotment was diverted to other cash crops, primarily rye and barley. The sample shows a 60 percent increase in rye acreage and a 14 percent increase in barley acreage from 1954 to 1955.

The Red River Valley decreased in wheat acreage 3 percent in 1955. The reduced wheat acreage in this area was diverted mostly to corn, flax, and pasture and hay.

The durum area's 2 percent decrease in wheat acreage in 1955 was diverted to rye, flax and fallow.

There was a 10 percent decrease in wheat acreage in the general wheat area in 1955. This diverted wheat acreage was seeded primarily to rye and barley.

An over-all decrease of oats and fallow occurred in the 3 areas studied. There were no indications that the decreases in the acreage of these crops can be correlated with the acreage allotment program.

Effect of Price Support Program on Farm Income

Fifty percent of the farmers interviewed stated they were receiving higher incomes as a result of the government price support program. Eleven percent said that they were receiving lower incomes, and 30 percent said they were receiving the same income as they would have without the program. Nine percent said they did not know if their income had been changed by the price support program (Figure 1).

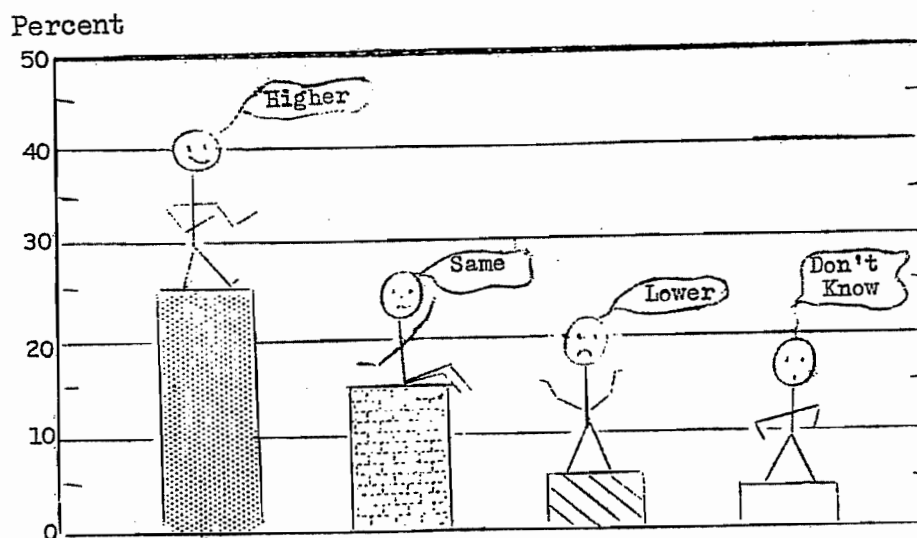


Figure 1. Effect of Price Support on Farm Income, 240 Farms, North Dakota, 1954

Farmers receiving higher or lower incomes were further questioned as to the reason for the change in income. Ninety-seven percent of these receiving higher incomes credited it to the support price, 26 percent to acreage restriction and 1 percent said neither of the two was accountable for the higher incomes. Some farmers gave both support price and acreage restriction as reasons for receiving higher incomes (Figure 2).

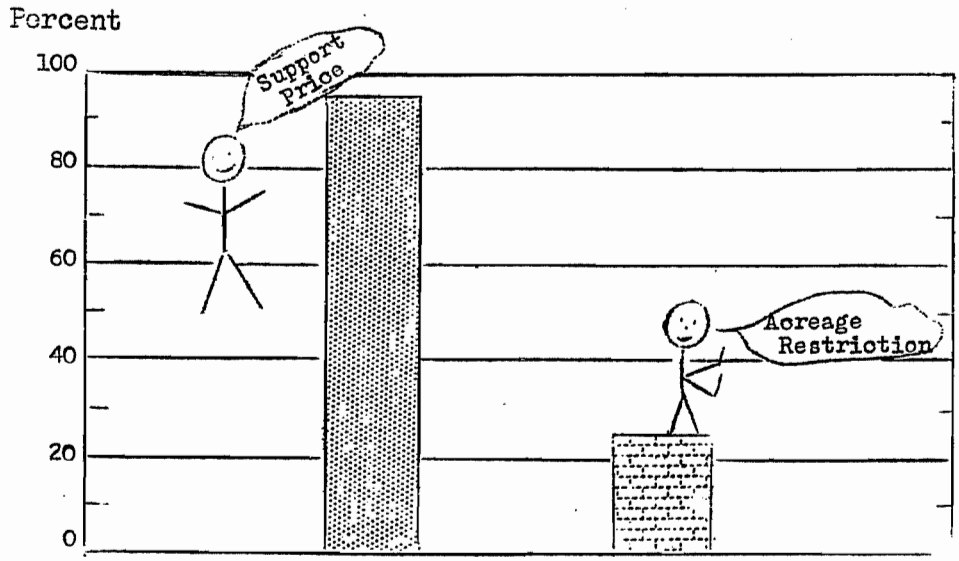


Figure 2. Reasons for Change in Income on Farms Receiving Higher Income, 121 Farms, North Dakota, 1954.

(Some farmers give more than one answer)

Farmers receiving lower income due to the price support program were more inclined to give both support price and acreage restriction as the reasons for the reduced income (Figure 3). Seventy-eight percent of the farmers receiving lower income stated the reduction in income was due to the support price and 63 percent said it was due to the acreage restriction.

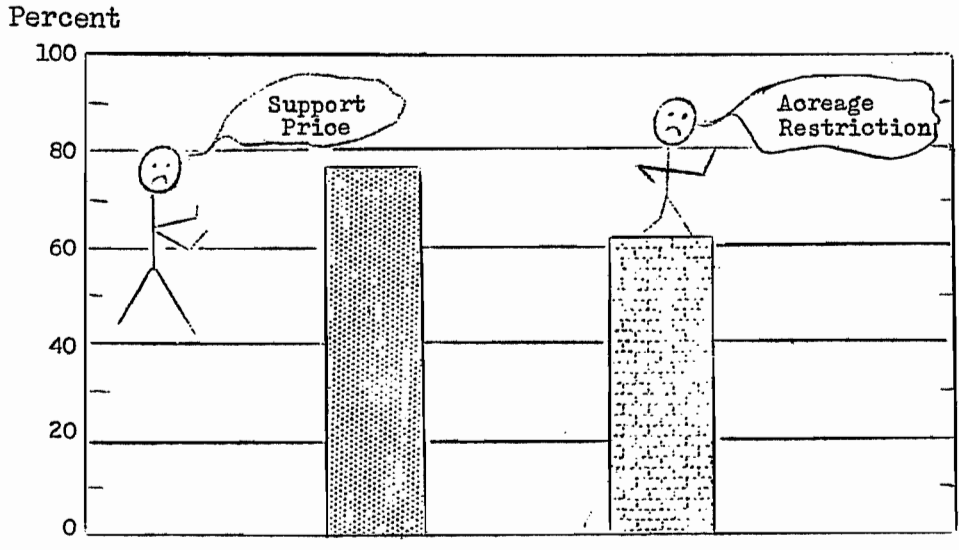


Figure 3. Reasons for Change in Income on Farms Receiving Lower Income, 27 Farms, North Dakota, 1954.

(Some farmers gave more than one answer)

Effects of the Support Program and Acreage Allotments on Wheat Acreage Planted

Forty-seven percent of the farmers interviewed said they would have seeded more acres of wheat in 1955 if no restriction on wheat acreage were in effect and prices were supported at current 1955 levels. Three percent would have planted less acres of wheat and 46 percent would have seeded the same acreage of wheat in 1955 (Figure 4). Four percent of the farmers said they did not know what their reaction would have been in this situation.

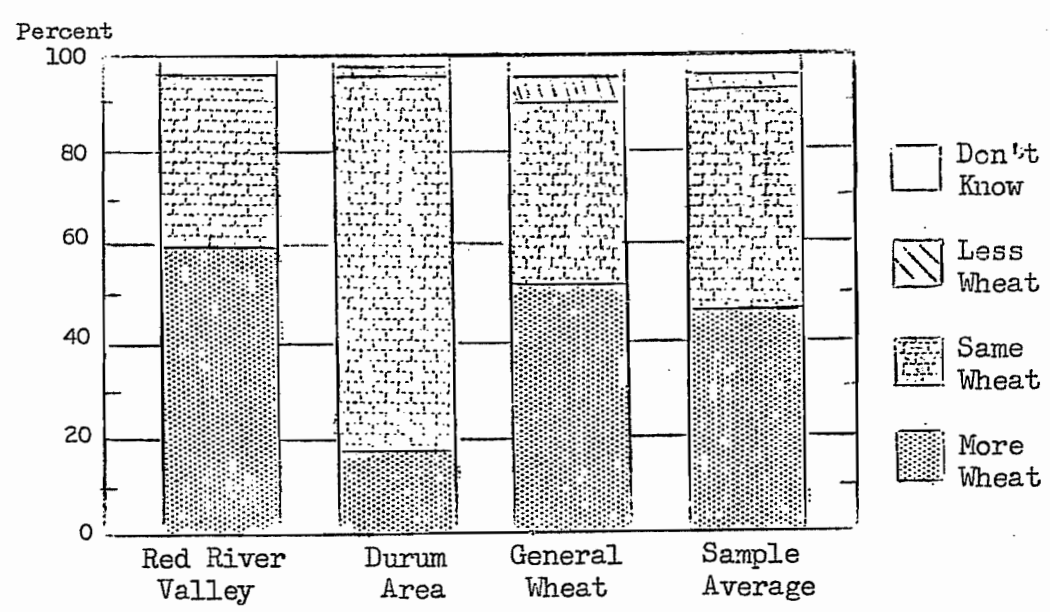


Figure 4. Changes in Planted Wheat Acreage if There Were No Government Acreage Allotments and Quotas, 237 Farms, North Dakota, 1955

The farmers interviewed were also asked the question: "How would your wheat acreage compare this year (1955) with the acreage you seeded last year, if there were no controls on production, but wheat prices were almost certain to drop to about \$1.50 a bushel and all other farm prices were expected to remain about the same as they are now?"

In response 21 percent would have seeded more acres of wheat, 33 percent would have seeded less, 40 percent would have seeded the same acreage and 6 percent did not know what they would have done under these circumstances (Figure 5).

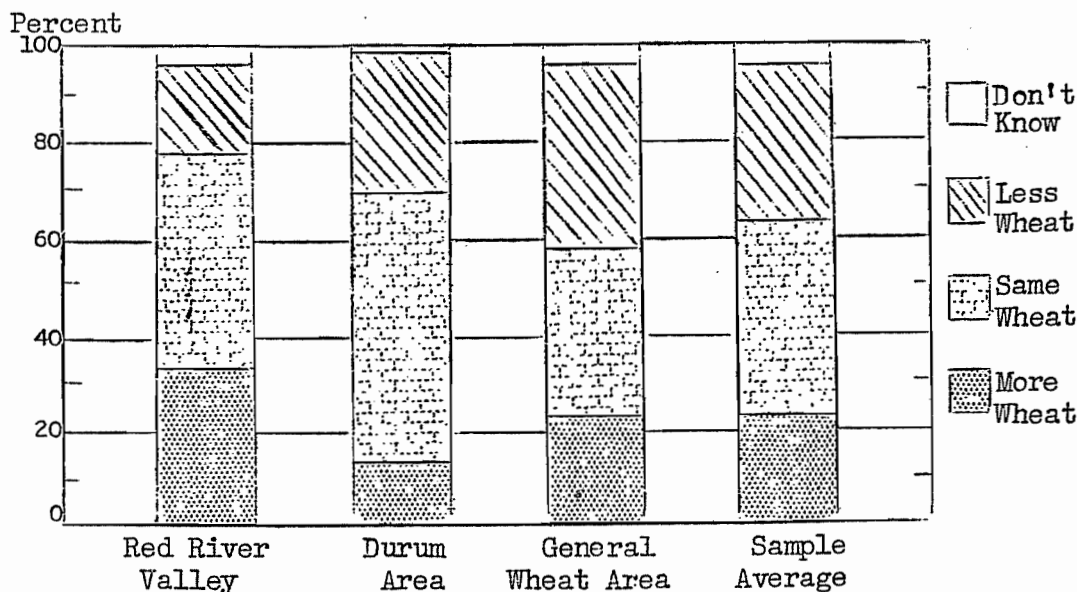


Figure 5. Changes in Seeded Wheat Acreage with No Production Controls and Wheat Price at About \$1.50 per Bushel While Other Farm Prices Remain the Same, 237 Farms, North Dakota, 1955

Reasons farmers gave who would have seeded more wheat were: "Wheat is the best cash crop for my farm," and "I must plant more acres of wheat at the lower price to make a profit."

The main reasons given for intended seeding of less acres of wheat in 1955, if prices were to drop to \$1.50 per bushel were: "It would be more profitable to raise other cash crops," "I could not make a profit raising wheat," and "I would increase feed production and raise more livestock."

The main reasons given for intended seeding of the same number of acres of wheat were: "Want to continue present rotation," "Wheat would still be the best cash crop," and "Satisfied with present wheat acreage."

These farmers were asked if their long run plans for the next several years would be the same as in 1955. Sixty-eight percent answered "yes", 25 percent "no" and 7 percent "did not know."

These responses indicate that farmers were price conscious and, if wheat prices would have been allowed to drop to \$1.50 per bushel in 1955, they would have decreased wheat acreage and increased acreages of other cash crops.

Effects of the Price Support Program
on Farm Cropping Programs

The farmers interviewed were asked if they were following a definite crop rotation. (It is recognized that the rotations referred to were cropping sequences rather than crop rotations, in many instances.) Of these farmers 78 percent were following a definite rotation in 1955. Sixty-one percent of the farmers having a definite rotation were following a 3-year plan and 32 percent a 4-year plan. The 4-year rotation predominated in the Red River Valley, and the 3-year rotation was predominant in the durum and general wheat areas.

Thirty-five percent of the farmers interviewed stated acreage allotments had caused them to change their cropping programs (Figure 6). The primary changes were: "Increased acreage of other grain crops," "Split up fields and upset rotation plans," "Resulted in better soil conserving practices," and "Increased acreage of grasses" (Table 3).

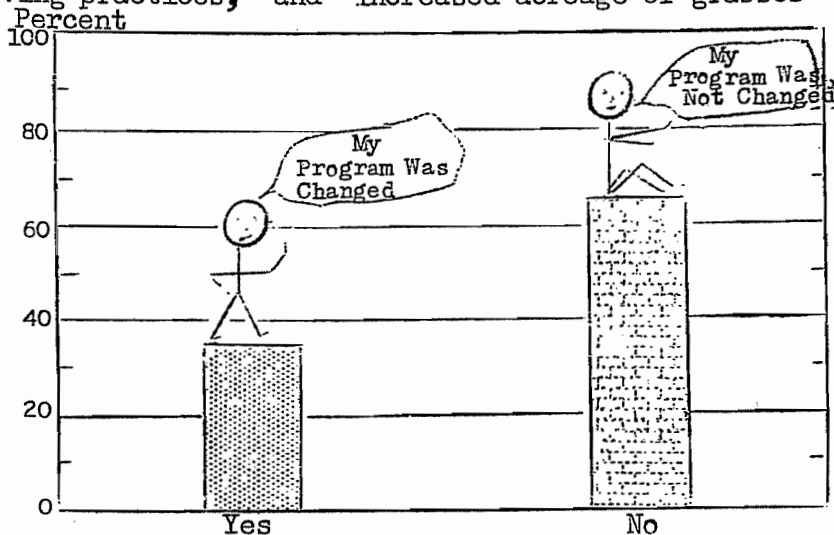


Figure 6. Proportion of Farms Changing Their Cropping Programs Because of Wheat Acreage Allotments, 240 Farms, North Dakota, 1955

TABLE 3. CHANGES IN CROP ROTATIONS CAUSED BY THE WHEAT ACREAGE ALLOTMENT, 84 FARMS, NORTH DAKOTA, 1955

Response	Percent of Farmers
1. Increased acreage of other grain crops	69
2. Split up fields and upset rotation plans	13
3. Resulted in better soil conserving practices	8
4. Increased acreage of grasses	7
5. Increased wheat acreage to protect wheat base	2
6. Forced out of wheat production	1
Total Percent	100

Changes in Fertilizer Application

Sixteen percent of the farmers interviewed were using fertilizer on wheat in 1953, 18 percent in 1954 and 20 percent in 1955 (Figure 7). The average rate of applying fertilizer per acre increased from 41 pounds in 1953 to 45 pounds in 1955 (Figure 8).

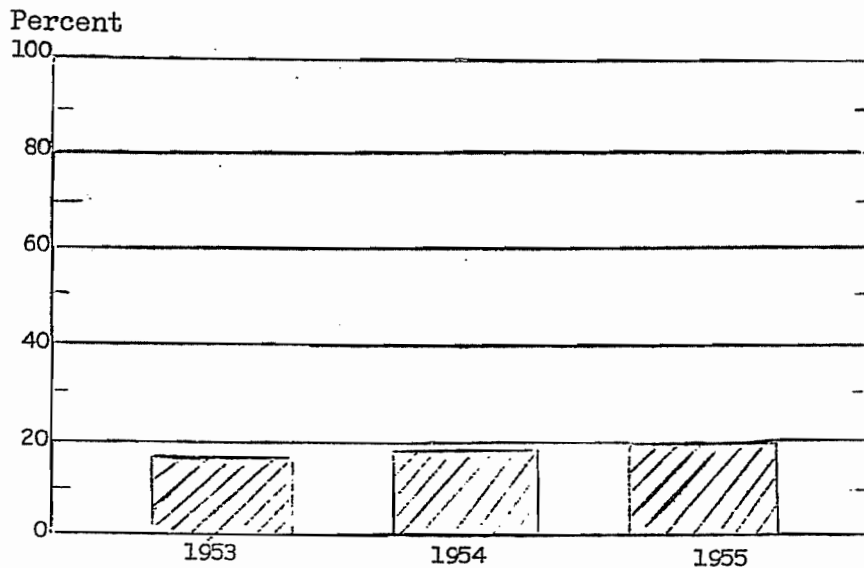


Figure 7. Percent of Farms Using Fertilizer on Wheat, 240 Farms, North Dakota, 1953-1955

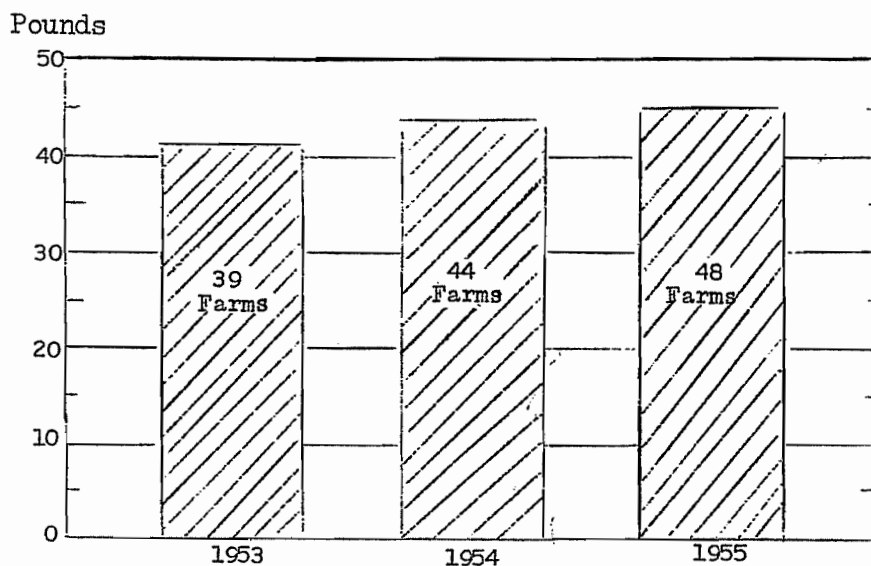


Figure 8. Pounds of Fertilizer Used Per Acre on Wheat, North Dakota, 1953-1955

There was a decrease in the number of acres of wheat fertilized per farm in 1954 and 1955 (Figure 9). Several factors may have been responsible for these decreases but at least part of the decrease was attributed to the reduction of wheat acreage allotted to farmers during these years.

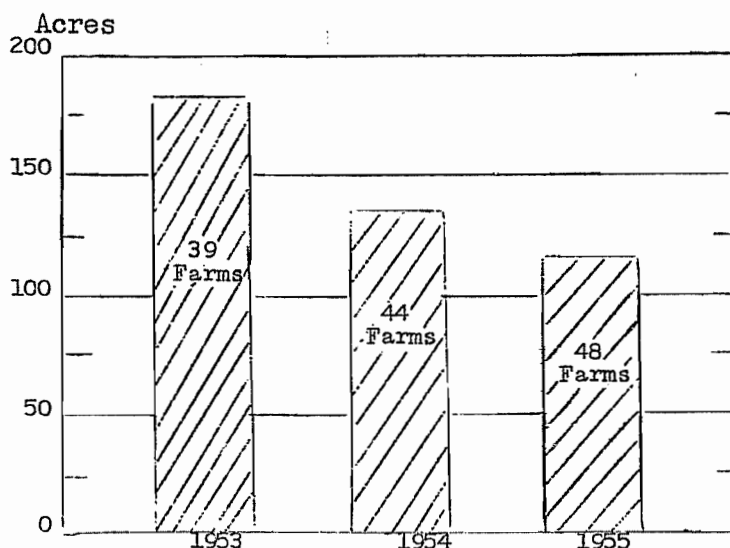


Figure 9. Average Acres of Wheat Fertilized Per Farm Using Fertilizer, North Dakota, 1953-1955.

Method of Selling Wheat

The price support program has modified the method farmers use in marketing wheat. Prior to the implementation of the price support program farmers had only 2 methods of selling wheat; either for cash at harvest time, or store the wheat and sell it for cash at some later date. The present support program provides an additional method of marketing wheat, since farmers can store the crop after harvest and secure a government loan on it which will yield the farmer a cash return shortly after harvest. Any time during the loan, the farmer may sell the grain on the market and repay the loan or he may deliver the grain to the government storage location at the end of the loan period. The length of the loan period varies as determined by the government. The normal loan period is from September through May.

The data gathered in this study indicated the amount of wheat sold under the loan program was related to the difference between the market price and the loan value of wheat at the time of harvest. The loan value of No. 1 Durum and No. 1 Dark Northern Hard Spring Wheat was \$2.26 in 1954.⁶ The average market price received by North Dakota farmers for

⁶ Grain Price Support Bulletin No. 1, United States Department of Agriculture, Commodity Credit Corporation, August 18, 1955.

No. 1 Durum was \$3.14 per bushel and for No. 1 Dark Northern Hard Spring Wheat was \$2.15 in September of 1954.⁷ The market price for durum was 88 cents above the average loan value in North Dakota while the market price for hard wheat was 11 cents below the loan value during the same period. The farmers interviewed revealed that, in 1954, less than one-fifth of the hard wheat but more than one-half of the durum wheat produced that year was sold within 30 days of harvest (Figure 10). The study also revealed almost one-half of the hard wheat produced in 1954 was placed under government loan while only 10 percent of the durum wheat was placed under loan during the same period.

One-third of both the hard wheat and the durum wheat produced in 1954 was stored by farmers without loan. The study does not directly reveal the use of this wheat but comments of the farmers interviewed indicated that part of it was placed under government purchase agreement and the remainder was to be used for seed.

This study revealed that approximately two-thirds of the 1954 hard wheat crop placed under government loan was stored on the farm and one-third was stored in commercial elevators. The comparison of elevator to farm storage was approximately the same for durum.

A comparison of farm storage and elevator storage indicates 63 percent of the 1954 hard wheat crop and 39 percent of the durum crop were stored on farms, and 18 percent of the 1954 hard wheat crop and 4 percent of the durum wheat crop were stored in elevators. This indicates that on-the-farm storage is of greater importance than elevator storage to North Dakota wheat farmers. The average available storage space per farm that met the Commodity Credit Corporation regulations was 4,850 bushels.

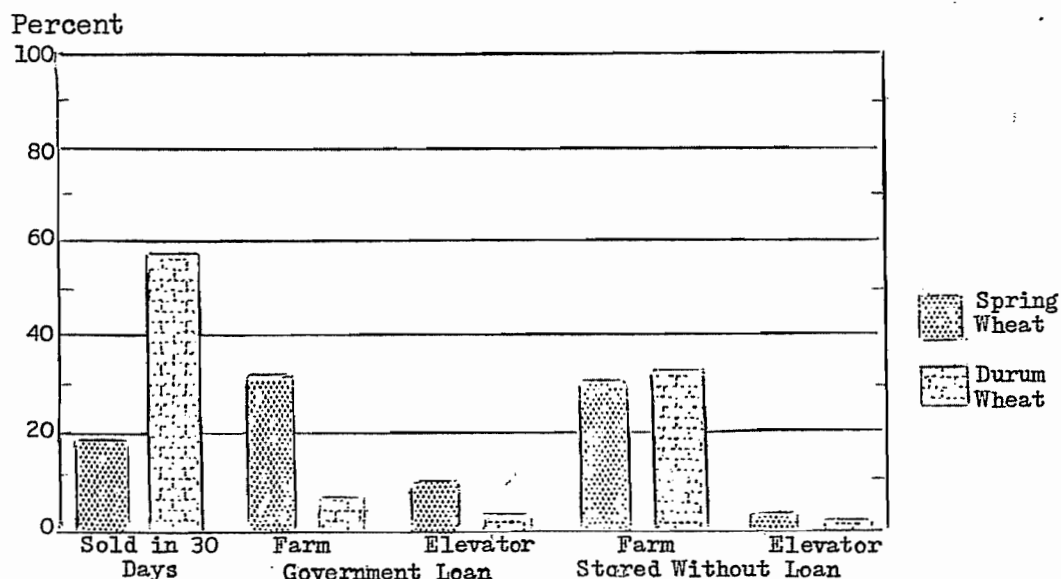


Figure 10. Method of Selling Wheat, 240 Farms, North Dakota, 1954

⁷Average Prices Received by Farmers, United States Department of Agriculture, Agricultural Marketing Service, Fargo, North Dakota, February 1, 1954.

REACTIONS OF FARMERS TO THE GOVERNMENT PRICE SUPPORT PROGRAM

This section deals with the reactions of the farmers interviewed in this study. These responses have been grouped to establish trends of thought on the price support program.

Reasons for Compliance with the Wheat Allotment

All farmers interviewed planned to comply with their wheat allotment in 1955 and only 1 did not comply in 1954. Sixty-two percent said the reason for compliance with the 1955 acreage allotment was to be eligible for the benefits of the price support program. Seven percent of the farmers said the allotments fitted their current cropping plans and they did not desire to seed more wheat. Seven percent said they complied to maintain their wheat acreage base. Four percent of the farmers thought they had no choice in the matter and believed they were forced to comply. The remaining small portion of the farmers gave varied reasons as shown in table 4.

TABLE 4. REASONS GIVEN FOR COMPLIANCE WITH ALLOTMENTS, 240 FARMS, NORTH DAKOTA, 1955

Reason	Percent of Farms
1. To be eligible for price support program	62
2. Allotment fitted in with cropping plans	7
3. To maintain wheat acreage base	7
4. Belief that there is no choice	4
5. Feels program is adequate and is in favor of it	4
6. Prefers to seed durum	4
7. To keep wheat production down and reduce surplus	3
8. Wheat is best cash crop for my farm	3
9. Other	6
Total	100

The reasons given for compliance with the acreage allotments in 1954 were essentially the same as those given for compliance in 1955. This indicates no significant change in the feeling of the farmers toward the acreage allotment between 1954 and 1955.

Reasons for Expected Change in Wheat Yields from 1954 to 1955

Many economists feel that the reduced wheat acreages resulting from the government allotment program have given farmers the incentive to follow more intensive practices on their existing wheat acreage in an

attempt to increase wheat yields. An attempt to evaluate this concept was carried out in this study by asking farmers what change was expected in wheat yields from 1954 to 1955, and to give their reasons for these expected changes.

Sixty-three percent of the farmers interviewed expected higher yields, 6 percent lower, 19 percent the same and 12 percent did not know (Figure 11). The 63 percent who expected higher yields were asked why they expected a change in yield from 1954 to 1955. Forty-nine percent said weather conditions were the reason for the expected higher yield and 32 percent said it was the anticipated absence of rust damage (Table 5). Two percent indicated the change in yield was due to increased fertilizer application and only 1 percent said it was due to planting wheat on their better quality land.

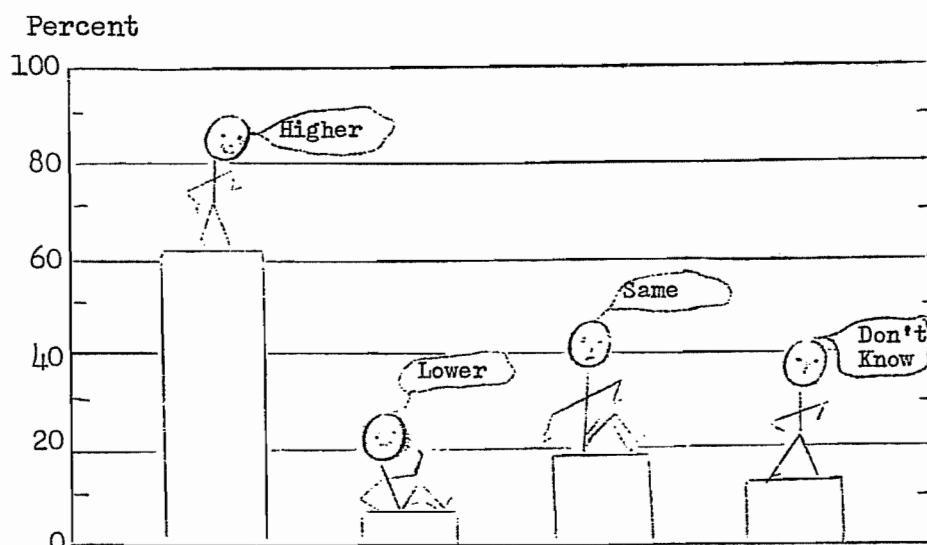


Figure 11. Percent of Farmers Expecting Change in Wheat Yield, 240 Farms, North Dakota, 1955

TABLE 5. REASONS GIVEN FOR EXPECTED HIGHER WHEAT YIELDS, 151 FARMS, NORTH DAKOTA, 1955

Reason	Percent of Farmers
1. Weather conditions	49
2. Absence of rust damage	32
3. Crop earlier than previous year	7
4. New varieties of wheat	4
5. Better stand	5
6. Increased fertilizer usage	2
7. Quality of land	1
Total Percent	100

These results do not substantiate the assumption that farmers are intensifying production methods and using better quality land to increase wheat production on the limited acreage they can seed under the acreage restriction. It appears that farmers feel that most significant factors that can be correlated to yield are weather conditions and disease damage.

The Continuance of Production Controls

Seventy-nine percent of the farmers interviewed believed production controls would continue for several years, 7 percent did not believe this to be true and 14 percent had no opinion (Figure 12). No significant area differences were noted in the reactions of farmers to this question.

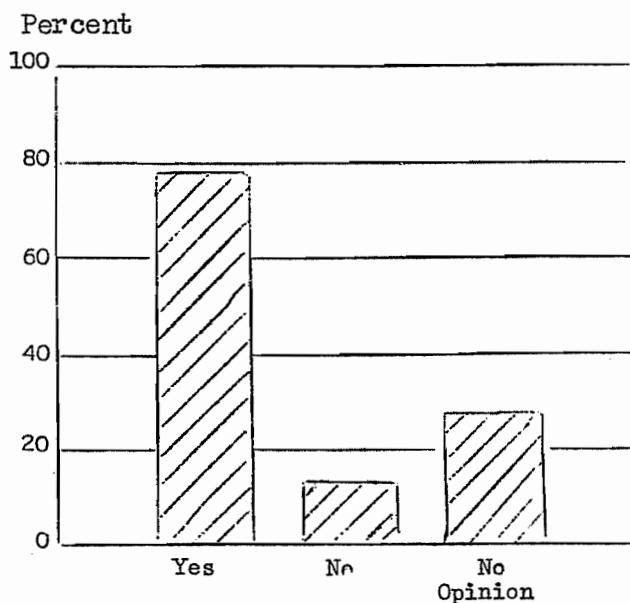


Figure 12. Percent of North Dakota Farmers Who Believe Production Controls Will Continue for Several Years to Come, 240 Farms, North Dakota, 1955

Main reasons farmers felt production controls would continue several years were: "Need production controls because of surplus due to overproduction," 35 percent; "need production controls to keep prices and farm income up," 30 percent; and "the farmers are in favor of controls," 17 percent (Table 6).

TABLE 6. REASONS FARMERS BELIEVE PRODUCTION CONTROLS WILL CONTINUE FOR SEVERAL YEARS TO COME, 189 FARMERS, NORTH DAKOTA, 1955

Reason	Percent of Farmers
1. Need production controls because of surplus due to overproduction	35
2. Need production controls to keep prices and farm income up	30
3. The farmers are in favor of controls	17
4. Controls are needed to protect the small farmer	5
5. Political influences	2
6. Promotes better farming practices	1
7. Other	10
Total Percent	100

Method of Disposal of Surplus Wheat

How to dispose of the surplus wheat the government has in storage has not been solved successfully. The farmers interviewed in this study were asked what they thought the government should do with surplus wheat that was in government storage. Forty-four percent of the farmers thought the government should give the surplus wheat to the needy people of the world. Thirty-five percent of the farmers interviewed thought the government should dispose of the surplus by selling it in foreign markets at reduced prices. Thirteen percent of the farmers interviewed thought the government should store the surplus to use in case of emergency. Eight percent of the farmers interviewed thought the government should sell the surplus for feed.

Voting on Wheat Quotas

Farmers in North Dakota voted in the wheat referendum in 1953, 1954 and 1955. This study revealed 98 percent of the farmers interviewed were eligible to vote in 1953, 99 percent in 1954 and 100 percent in 1955. Ninety percent of the eligible farmers voted in the wheat referendum in 1953, 89 percent in 1954 and 92 percent in 1955. Of the farmers in this study who voted, 99 percent voted for the referendum in 1953, 98 percent in 1954 and 97 percent voted for it in 1955.

The reasons given by 92 percent of the farmers who voted for the referendum in 1953 were: "To keep the present price support program in effect;" 5 percent said they voted for in the referendum to keep surplus down and 3 percent gave no reason. The reasons given for 1954 and 1955 were essentially the same as those for 1953.

Reactions to Method of Establishing the Acreage Allotment

The wheat acreage allotment for 1954 and 1955 was based upon the past history of wheat acreage for each farm. The farm acreage history for 1952 and 1953 was used as a base period for the 1955 wheat allotment.

The farmers in this study were asked if they thought the method of setting acreage allotments on the basis of past history was satisfactory. Fifty-three percent thought this method was satisfactory, 45 percent thought it was not satisfactory and 2 percent had no opinion (Figure 13). When the farmers who felt that the past history method of setting acreage allotments was satisfactory were asked why they felt that way, 56 percent said it was satisfactory because, "it is the best and fairest way to set the acreage allotment; "31 percent said, "it is the best way to curb overproduction and keep farm prices up; and 13 percent gave a wide variety of answers that did not establish any trend (Table 7).

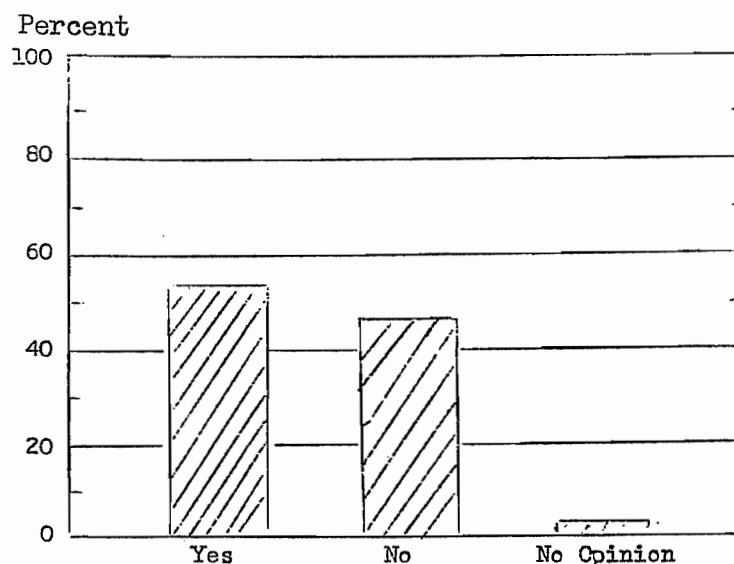


Figure 13. Proportion of Farmers Who Felt Acreage Allotments Based on Past History Were Satisfactory, 240 Farmers, North Dakota 1955

TABLE 7. REASONS FARMERS FELT ACREAGE ALLOTMENTS, BASED ON PAST HISTORY, WERE SATISFACTORY, 127 FARMERS, NORTH DAKOTA, 1955

Reason	Percent of Farmers
1. It is the best and fairest way to set the acreage allotment	56
2. It is the best way to curb overproduction and keep farm prices up	31
3. Other	13
Total	100

Forty-one percent of the farmers who thought acreage allotments based on past history were not satisfactory, said it was because "The small operator should get a larger percentage of his land allotted wheat than the large operation;" 28 percent said, "The acreage history should be based on a longer period of time;" and 21 percent said, "The allotment should be based on percent of total cropland" (Table 8).

TABLE 8. REASONS FARMERS FELT ACREAGE ALLOTMENTS, BASED ON PAST HISTORY, WERE NOT SATISFACTORY, 108 FARMERS, NORTH DAKOTA, 1955

Reason	Percent of Farmers
1. The small operator should get a larger percentage of his land allotted to wheat than the large operator	41
2. The past history should be based on a longer period of time	28
3. The allotment should be based on percent of total cropland	21
4. Other	10
Total	100

Answers to this question indicated nearly half of the farmers in the 3 areas were not satisfied with the method of establishing the wheat acreage allotment in 1955. The major objection was that the large farmer, who in many cases may have historically specialized in wheat production and devoted a large portion of his cropland to wheat, was allotted the same percent of his base acreage as the small farmer. The other objections are very closely related to the one just mentioned in that they suggested the period used for the base be extended over a longer period of years, or that the acreage allotment should be based on a percent of total cropland rather than the historical wheat acreage for the farm.

Reactions to Basis of Establishing Eligibility to Vote

Fifty-five percent of the farmers interviewed thought farmers should be allowed to vote on wheat quotas regardless of the number of acres of wheat grown. Reason given for this opinion was that this is the most equitable method of voting that could be established.

Thirty-seven percent of the farmers in the sample did not think it was fair to allow farmers to vote regardless of the number of acres of wheat grown (Figure 14). This group objected to this method of establishing eligibility to vote on the basis that the small wheat producer is

not concerned with the wheat allotment and price support program because wheat represents only an insignificant portion of his farm operation.

Twenty percent of the farmers interviewed suggested that a minimum wheat acreage be set and any farmer not having this minimum acreage should not be eligible to vote on the referendum.

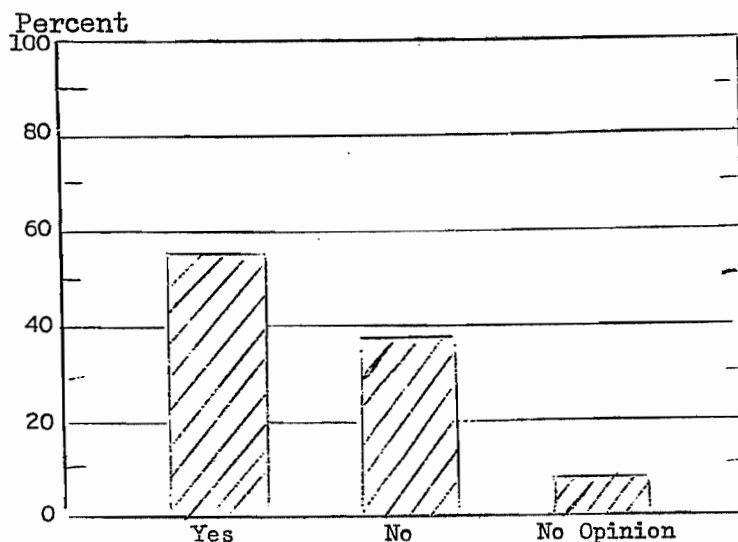


Figure 14. Reactions on Allowing Farmers to Vote on Wheat Quotas Regardless of the Number of Acres of Wheat Grown, 240 Farmers, North Dakota, 1955

Summary

This study evaluates the effect of the acreage allotment and price support programs on North Dakota agriculture. It also determines farmers' reactions to government agricultural policy. The analysis was based on personal interview schedules taken from 240 farmers in 3 selected wheat producing areas in North Dakota.

Acreage allotments decreased wheat acreage 7 percent in the 3 sample areas from 1954 to 1955. Wheat acreage was decreased 10 percent in the general wheat area, 3 percent in the Red River Valley and 2 percent in the durum area. The primary reason for the differing effect of the allotment in the 3 areas was special concessions made to durum growers during this period. The acreage diverted from wheat production by the allotment program was seeded primarily to rye and barley.

If wheat acreage had not been restricted in 1955, approximately one-half of the farmers interviewed would have seeded more acres of wheat. If the price of wheat had been allowed to drop to \$1.50 per bushel while other farm prices remained the same, only 21 percent of the farmers would have seeded more acres of wheat in 1955.

Fifty percent of the farmers interviewed in this study indicated they were receiving higher incomes as a result of the government price support program. The support prices on agricultural products was considered as the most significant reason for receiving higher income. Eleven percent of the farmers included in the sample indicated they were receiving lower incomes as a result of the price support program.

Thirty-five percent of these farmers changed their cropping programs as a result of the government price support program. The primary changes imposed by the program were increased acreage of other grain crops or splitting up fields and upsetting of rotation plans.

This study showed 19 percent of the hard wheat and 57 percent of the durum wheat produced in 1954 were sold within 30 days of harvest. Forty-seven percent of the hard wheat and 10 percent of the durum wheat produced in 1954 were stored under government loan, and 33 percent of both hard spring and durum wheat was stored without government loan. Sixty-three percent of the 1954 hard wheat crop and 39 percent of the durum crop were stored on farms, while only 18 percent of the hard wheat crop and 4 percent of the durum crop were stored in elevators that year.

One hundred percent of the farmers interviewed complied with the wheat allotment in 1955. The principle reason given for compliance was to be eligible for the benefits of the price support program.

Sixty-three percent of the farmers interviewed expected higher wheat yields in 1955. Reasons given by farmers for the expected higher yields were more favorable weather conditions and absence of rust damage.

Seventy-nine percent of these farmers said they believed production controls would continue for several years. The primary reasons for this opinion were, production controls are needed to reduce surplus and these controls are needed to keep prices and farm income up.

Forty-four percent of the farmers interviewed thought the government should give the surplus wheat to the needy people of the world; 35 percent thought the government should dispose of the surplus through foreign markets; 13 percent said the surplus should be stored for use in case of emergency, and 8 percent said the surplus should be sold for feed.

Almost all of the farmers in this study were eligible to vote in the wheat referendum in 1953, 1954 and 1955. Approximately 90 percent of these eligible farmers voted. Of the farmers who voted, 99 percent voted for in the referendum in 1953, 98 percent voted for in the referendum in 1955.

The study revealed dissatisfaction in the method used in establishing the allotted acreage for each farm was unsatisfactory because of inequities between large and small farms.

Over half of the farmers thought farmers should be eligible to vote in the referendum regardless of their wheat acreage. About one-third thought a minimum wheat acreage should be established in determining eligibility to vote in the referendum.