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INTRODUCTORY REMARKS

Mervin G. Smith, Chairman

National Committee on Agricultural Policy

Considerable information is available on the pros and cons of each type of agricultural program or policy. Some of this information has been presented at our previous conferences and published in the proceedings. Material has recently been assembled in the Hearings of the Subcommittee on Agricultural Policy of the Joint Economic Committee of Congress. Many other reports have been published.

Your program committee felt that organizing and condensing this resource material in some logical order would help extension policy specialists to combine it in various ways for use in different types of programs and situations. A part of the conference was, therefore, centered around "Approaches to Solving the Income Problem of Commercial Agriculture." The major approaches, as outlined by various economists, but especially by George Brandow at last year's National Policy Conference, include: (1) open market, (2) changing market demand, (3) changing market supply, (4) changing the competitive structure, and (5) transferring income by means outside the market. Two or more of these approaches may be combined in specific programs.

The above five approaches were divided into the following nine topics: (1) subsidizing consumption at home and abroad; (2) finding new uses for agricultural products; (3) changing consumer preferences through promotion and advertising; (4) practicing multiple pricing in the market or multiple pricing to the producer; (5) restricting inputs; (6) direct restraints on marketings; (7) transfer payments and non-money supplements to income; (8) letting the problem work itself out in the open market; and (9) vertical and horizontal integration in agriculture and related industries.

Commercial agriculture was defined to include farms with sales of \$2,500 and over. Forty-four percent of all United States farms reported in the 1954 Census of Agriculture fall into this class, and these farms sold 91 percent of all farm products marketed in 1954. This classification was used to avoid confusing programs for commercial agriculture with those for low-income farmers. Programs for the latter group are a separate and distinct problem and require different approaches.

Each topic was assigned to a work group with a resource person and a chairman. The resource persons met to organize their assignments, and prior to this conference developed and sent to members of

their respective groups preliminary material to be reviewed at the conference. The chairman led the discussion at the work group sessions and helped the resource person finalize the report for the proceedings. The following items were suggested for inclusion in each work group report:

1. Specific objectives of the program.
2. Description of the program and procedures for administering it.
3. Existing or past programs that illustrate the approach.
4. Effects of program on:
 - a. Production and distribution of production.
 - b. Demand and distribution of consumption.
 - c. Income and distribution of income.
5. Summary of general implications of approach.
6. Supporting tables and charts as needed.
7. Bibliography.