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## THE DEVELOPMENT OF AGRICULTURAL POLICY

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Agricultural policy is a very broad subject in which Agricultural Economists have a direct interest. Development of Agricultural Policy is complex and frequently is not well understood.

### I. THE GOALS OF CURRENT AGRICULTURAL POLICY

The "supreme test" of Government policy, agricultural or other, is how it affects the prosperity, morale, and well-being of the people. There must be goals to meet this test. Current agricultural policy has been developed in an effort to achieve the following goals:

1. A secure future for agriculture and the preservation of a sound agricultural system.
2. Maintain the principles, benefits, and values of private enterprise and maintain competitive conditions.
3. An efficient, productive, prosperous, and free agriculture.
4. An efficient marketing system.
5. An agriculture which will conserve and enrich our soil, water, and forest facilities.
6. An agriculture in which the family farm predominates.
7. Obtain in the market place satisfactory prices and returns to farmers to enable them to share equitably in the over-all economy.

### II. THE BROAD STRUCTURE OF AGRICULTURE

It is unrealistic to develop policy or programs in terms of a statistically-computed average farmer. U. S. agriculture is made up of millions of individually operated units, with very great differences in type, size, kind of operation, and income. Agricultural policy concerns all kinds and types of farms.

The basic facts of the composition of agricultural plant serve as one of the bases for agricultural policy. The problems of the part-time and residential farms, which comprise almost one-third of the total farms in the United States, are quite different from the small and medium full-time commercial farms and the larger commercial farms.

The problems of the 56 percent of all farms, which in 1954 accounted for only 9 percent of the total farm marketings, are not the same as those of the fewer than 3 percent of all farms which account for around one-third of the total marketings of farm products, and with other farms which contribute substantially to farm marketings.



	Number of Farms	% of Total Farms	% of Total Dollar Output	% of Acres Used
<b>I. Commercial farms having market sales of:</b>				
\$25,000 or over	134,000	2.8	31.3	22.4
\$10,000 to \$24,999	448,945	9.4	26.9	20.8
\$ 5,000 to \$ 9,999	706,929	14.8	20.5	19.0
\$ 2,500 to \$ 4,999	811,965	17.0	12.1	14.1
Total over \$2,500	2,101,839	44.0	90.8	76.3
<b>II. Small full-time commercial farms having market sales of:</b>				
\$1,200 to \$2,499	763,348	16.0	5.7	8.8
Less than \$1,200	462,427	9.7	1.4	3.9
Total, less than \$2,500	1,225,775	25.7	7.1	12.7
<b>III. Part-time, residential and other farms</b>				
	1,455,404	30.4	2.0	11.0

The farm population has been decreasing at the average rate of about 500,000 per year since 1935. But the structure of agriculture still is predominantly the family farm. The average size of farm is increasing, mostly as a result of the dropping out of many very small farms.

Farming is a complex segment of the economy, and U. S. farmers have shown great skill in increasing output, in total and per man-hour. They are adjusting to great changes in modern technology and mechanization. The continually increasing productivity is an important factor which is considered in agricultural policy.

### III. DEVELOPMENT OF AGRICULTURAL POLICY AND PROGRAMS

Basic consideration in the development of agricultural policy and programs include:

1. The probable results of the proposed policy and programs.
2. The cost of the program - to Government and to agriculture.
3. The administrative feasibility of conducting such a program.
4. The legislative history and legal requirements.
5. The kind of program or programs in force or which have been undertaken previously.
6. The economic situation.

7. Tradition, customs, etc.

IV. TYPICAL STAGES IN DEVELOPMENT AND ADOPTION OF AGRICULTURAL POLICIES

1. Recommendations of individuals, farm organizations, National Agricultural Advisory Commission, CCC Advisory Board, and USDA analysts.
2. Formulation of position by USDA and recommendation to the President.
3. Consideration by Council of Economic Advisors, Bureau of Budget, etc.
4. Presidential consideration and message to the Congress.
5. Hearings by the Congress.
6. Legislation passed by the Congress.
7. Legislation becomes law after signature by the President.

V. RECENT PROPOSED CHANGES IN AGRICULTURAL POLICY

President's 1958 recommendations for a new farm, food, and fiber program:

1. The Conservation Reserve Program of the Soil Bank should be strengthened, and the Acreage Reserve Program terminated after the 1958 crop.
2. Authority to increase allotments for cotton, wheat, rice, peanuts, and tobacco should be provided.
3. Authority should be provided for the Secretary of Agriculture, in accordance with criteria which the Secretary will propose to the Congress, to increase allotments up to 50 percent above the levels determined by existing formulas.
4. Acreage allotments for corn should be eliminated.
5. The escalator clauses in the basic law should be abolished.
6. The over-all range within which price supports may be provided should be substantially widened.
7. Price supports for cotton should be based on the average quality of the crop.
8. The membership of the Commodity Credit Corporation Advisory Board should be enlarged and the Board's responsibilities increased.
9. The Agricultural Trade Development and Assistance Act should be extended.
10. Research efforts aimed at increasing industrial uses of farm products should be expanded.
11. Extend the National Wool Act.

12. Continue the special school milk program.
13. Broaden the sources of funds for the Rural Electrification Administration.
14. Require State participation in programs to relieve the effects of drought or other natural disaster.
15. Improve conservation accomplishment by restricting cost-sharing to those practices which achieve longer-lasting conservation benefits.

VI. INDUSTRY INITIATED OR SPONSORED PROPOSALS FOR NEW AGRICULTURAL POLICY

New proposals do not necessarily come directly to or through the Department of Agriculture. Industry may make approach directly through Members or Committees of Congress - sometimes with the Department and Congress. Committees of Congress, in considering proposals involving agricultural policy, usually seek the opinion of the Department. Proposals are analyzed in the Department, and report and recommendations are submitted regarding them.