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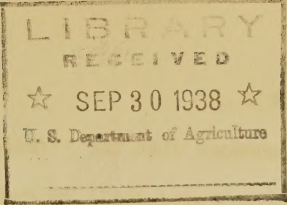
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Prepared for use of officers and employees of the Agricultural Adjustment Administration.  
(September, 1938)

CALCULATION OF RATES OF PAYMENT UNDER THE AGRICULTURAL CONSERVATION PROGRAMS FOR 1938 AND 1939

Apportionment of Funds and Calculation of Rates of Payment for 1938: The Department of Agriculture Appropriation Act for 1939 appropriates \$500,000,000 for payments to producers, including payments under the naval stores program and in the insular region, and for administrative expenses in connection with the Agricultural Conservation Program for 1938. For calculating rates of payment, this total has been divided as follows:

Payments Under Conservation Program. . . . .	\$475,000,000
Administrative Expenses: Washington and Regional . . . . .	5,000,000
State Offices . . . . .	10,000,000
Reserve Fund . . . . .	<u>10,000,000</u>
Total . . . . .	\$500,000,000

The allowance for administrative expenses is determined in accordance with the provisions of Section 392(b), Title III, of the Agricultural Adjustment Act of 1938.

The reserve fund has been set up to cover the cost of developing the regional laboratories provided for in Section 202(a), Title II, of the Agricultural Adjustment Act of 1938 and to provide a sum that can be used in meeting any other contingent expenses that may be incurred in 1938.

The distribution of the funds among the several commodities, including payments under the naval stores program and in the insular

region, has been determined in accordance with the formula laid down in Section 104 and the proviso that no rates shall be reduced more than 10 percent below the rate originally announced before the passage of the Act, which is contained in Section 105, Title I, of the Agricultural Adjustment Act of 1938.

Section 104 reads:

"The funds available for payments (after allowing for estimated administrative expenses, and not to exceed 5 per centum for payments with respect to range lands, noncrop pasture lands, and naval stores) shall be allocated among the commodities produced with respect to which payments or grants are to be computed. In allocating funds among the commodities the Secretary shall take into consideration and give equal weight to (1) the average acreages planted to the various commodities (including rotation pasture), for the ten years 1928 to 1937, adjusted for abnormal weather and other conditions, including acreage diverted from production under the agricultural adjustment and soil conservation programs; (2) the value at parity prices of the production from the allotted acreages of the various commodities for the year with respect to which the payment is made; (3) the average acreage planted to the various commodities during the ten years 1928 to 1937, including the acreage diverted from production under the agricultural adjustment and soil conservation programs, in excess of the allotted acreage for the year with respect to which the payment is made; and (4) the value based on average prices for the preceding ten years of the production of the excess acreage determined under item (3). The rate of payment used in making payments to the producers of each commodity shall be such that the estimated payments with respect to such commodity shall equal the amount of funds allocated to such commodity as herein provided. For the purpose of allocating funds and computing payments or grants the Secretary is authorized to consider as a commodity a group of commodities or a regional or market classification of a commodity. For the purpose of computing payments or grants, the Secretary is authorized to use funds allocated to two or more commodities produced on farms of a designated regional or other classification to compute payments with respect to one of such commodities on such farms...."

Section 105 reads:

"Notwithstanding (Section 104) payments with respect to farming operations carried out in the calendar year 1938 and based upon any soil-depleting crop for which special acreage allotments are established shall be made at not less than 90 per centum of the rates announced by the Secretary prior to the enactment of this Act."

The amounts available for payments, acreages allotted, normal yields, estimated percentage participations, and rates of payment by

commodities or by groups of commodities are summarized in Table I; while the basic calculation with respect to the portion of funds going to the several commodities in 1938 are shown in Tables II and III. <sup>1/</sup>

The amounts available for payments are adjusted for the estimated proportion of the funds for each commodity that will be necessary for the increases in small payments provided for in Section 102, Title I, of the Agricultural Adjustment Act of 1938. The adjustment factors were estimated on the basis of tabulation showing the number and size of payments by regions under the Agricultural Conservation Program for 1936. The adjusted amounts available for payments, after allowing for the increases in small payments, are entered in the third column of Table I.

The acreages allotted for each commodity, or the estimated acreages that can qualify for payment, are shown in the fourth column, the estimated percentage participation in the fifth column, and the normal yield per acre in the seventh column of Table I.

The acreage allotted times the normal yield times the estimated percentage participation divided into the adjusted amounts available for payments gives the payment rates per unit of yield for the several commodities, and these payment rates are shown in the eighth or final column of Table I. Rates shown in this final column are the rates announced in the 1938 Agricultural Conservation Program Bulletin, as amended April 16, 1938.

An allotment of funds for the payments with respect to restoration land is not shown in Table I. But since most of the acreage which is being designated as restoration land would otherwise qualify in the

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<sup>1/</sup> The calculations in these tables are based on data available as of September 1, 1938, some of which are still subject to revision.

non-depleting classification, the savings with respect to soil-conserving payments will be sufficient to allow a payment of 50 cents per acre of restoration land.

The basic calculation with respect to the proportion of the funds going to the several commodities in 1938 is shown in Table II. The basic data with respect to acreage in the ten-year period 1928-37 and the percentage distribution of the proportion of the funds allocated on this basis are shown in columns 1 and 2. The parity value calculations are shown in columns 3 and 4, the acreage sacrifice calculations in columns 6 and 7, and the value sacrifice calculations in columns 8 and 9. To obtain the basic allocation, these four percentage distributions are averaged, and this average is shown in the tenth or last column.

It may be noted, however, that no acreage item is shown for commercial vegetables, and that the value item includes only the estimated value of commercial vegetables after deducting a value per acre equal to the average value of the other crops in the general soil-depleting group. The vegetable item is handled in this manner since vegetable land is included in the general soil-depleting allotment and receives both the regular allowance on the acreage in this allotment and an additional \$1.50 per acre to allow for the higher value per acre of the products produced on vegetable land.

The rates of payment with respect to range and noncrop open pasture land are the same as the rates originally announced on October 23, 1937, while the rates of payment with respect to naval stores are the same as those announced on October 16, 1937. Five percent of the funds available for payment is allocated to these items, as provided for in Section 104.

The amounts available for payment to the several commodities, as indicated by the average percentage distribution calculated in Table II, are shown in the first column of Table III; while the amounts actually allocated for payment and used in the first column of Table I are shown in the last column of Table III. Only \$473,500,000 of the \$475,000,000 total available for payments is distributed on the basis of the percentages calculated in Table II, since an additional allocation of \$1,500,000 to commercial potatoes and two types of tobacco, dark and Georgia-Florida Type 62, is necessary in order to maintain the rates for these commodities at the level provided for in Section 105. The allocation of this additional sum is shown in the second column of Table III.

The amounts shown in the first column are also subject to three further adjustments, in line with the provision in Section 104 which authorizes the Secretary "...to use funds allocated to two or more commodities produced on farms of a designated regional or other classification to compute payments with respect to one of such commodities on such farms ...." These include:

(1) A transfer of \$3,432,000 to cotton, flue-cured, Burley, and dark tobacco to offset the effect of subtracting one and one-half times the acreage of these crops in the Class B area from the total cropland in order to obtain the acreage in other cropland eligible for payment; and the transfer of \$2,573,000 from the general diversion classification to cotton as an offset to the sum saved by subtracting one and one-fourth times the acreage of cotton in the Class A area from the total soil-depleting allotment in order to obtain the soil-depleting acreage eligible for the general diversion payment.

(2) A transfer of \$20,054,000 from the non-diversion general classification, and of \$14,087,000 from the non-depleting classification to the combined non-diversion general and non-depleting classification as a cover for the non-diversion general acreage and the portion of the non-depleting acreage included in this combination for purposes of payment.

(3) A transfer of \$1,250,000 from corn to the general diversion classification in order to allow for an increase of approximately 5 percent in the productivity indices and rates of payment on general diversion acreage in the commercial corn area. This transfer was made since it was estimated that a slightly larger sum was available for corn than was required for payment at the 10-cent-per-bushel rate with the estimated participation of slightly under two-thirds of the corn acreage, and since it was believed that the increase in the general diversion rate in the commercial corn area, where general crops and corn are usually grown in combination, would tend to result in an increased participation and a more effective expenditure of the funds involved.

Apportionment of Funds and Calculation of Rates of Payment for 1939: The tentative rates of payment under the Agricultural Conservation Program for 1939, as announced August 16, 1938, were calculated on the same basis and in the same manner as the rates of payment for 1938.

The calculations of the tentative apportionment of funds as between the several commodities and groups of commodities are shown in Table IV (which is similar to Table II). The data used in these calculations are the same as the data used in calculating the 1938 apportionment, except that:

(1) An additional 3,250,000 acres of summer fallow has been added to the non-depleting crop acreage in column 1, in order to allow for the inclusion of an acreage of summer fallow which was classed as neutral and excluded from the calculation of the soil-conserving allowance in 1938, but which will be considered in calculating the soil-conserving allowance in 1939.

(2) Commercial peanuts, which were carried as a separate commodity in 1938, have been included in the general non-diversion classification for 1939. If a special allotment is established for peanuts in 1939 a separate allocation and rate will be computed.

(3) The acreage allotment for wheat has been decreased from 62,500,000 acres for 1938 to 55,000,000 acres for 1939; the aggregate acreage allotment of tobacco has been decreased from 1,587,000 acres in 1938 to 1,525,000 acres in 1939; the rice acreage allotment has been increased from 850,000 acres for 1938 to 900,000 acres for 1939; and the acreage allotment for general diversion crops has been increased from 104,000,000 acres in 1938 to 106,750,000 acres for 1939. With the exception of cotton and wheat, the acreage allotments used in these calculations are tentative and not to be considered as final.

(4) The average prices used in calculating the value sacrifice in column 9 have been brought forward one year by averaging in the estimated prices for 1938 and dropping the prices for 1928.

The tentative calculation of the rates of payment under the Agricultural Conservation Program for 1939 is shown in Table V (which is similar to Table I). The allocation of funds to the several commodities as shown in the first column, is calculated directly from the percentages shown in column 10 of Table IV, with the exception of the transfer of the funds



allocated to 50,000,000 acres of non-depleting cropland to the combined non-diversion general and non-depleting classification. That is, the transfers used in arriving at the sums to be paid across on several of the commodities in 1938 have been eliminated for 1939. The small payment adjustment factors used for 1939 are the same as those used for 1938, and attention already has been called to the estimated changes in acreages allotted for 1939 as compared with 1938. The tentative estimates of participation for 1939 are based upon current information with respect to participation in the Agricultural Conservation Program for 1938, with allowance for the earlier announcement of the program for 1939 and for the effect of the additional parity price payments that will be available for corn and wheat in 1939.

It will be noted that the estimated participation and rates of payment per unit for each of the commodities or groups of commodities are stated in terms of an approximate estimate, or a range, and that the several types of tobacco are grouped under a single head. As indicated in the title of both tables IV and V, the calculations for 1939 are tentative and will be subject to some revision after the several acreage allotments are finally determined and certain additional data are obtained. The acreage allotment for corn in the commercial corn area, for example, cannot be determined exactly until the size of the corn crop is more definitely known than at present; and no attempt has yet been made to establish goals or acreage allotments for each of the several types of tobacco for which special bases are now being carried, but it is assumed that the allotments will total about 4% less than in 1938. The estimated participation for the several commodities are tentative, also, and it is quite possible that more precise estimates

can be made after better information is available with respect to participation under the Agricultural Conservation Program for 1938.

It is believed, however, that the formula for apportionment of funds as between the several commodities is sufficiently stable and that the estimates with respect to the small payment adjustment factor, acreage to be allotted, probable participation, and normal yields are all sufficiently close so that the final rates of payment for 1939 will fall within the ranges indicated for corn, cotton, wheat, and rice, and very close to the approximate rates indicated for the other commodities in Table V.

A comparison of the sums finally allocated to the several commodities for 1939 (first column, Table V) with the sums allocated in 1938 (first column Table I) will indicate that the sum allocated to wheat has been increased, while the sum allocated to cotton, corn, and general diversion crops has been decreased.

Of these changes, the increase in the sum allocated to wheat is chiefly due to the decrease in the allotted acreage from 62,500,000 to 55,000,000 with the consequent increase of the acreage sacrifice from 8,092,000 to 15,592,000 acres, although some part of the increase is also due to the increase in the allotment of general diversion crops which reduces the funds allocated to this classification and results in a slightly greater allocation to the several special crops than would have otherwise been the case for 1939. The decrease in the funds allocated to corn is due to the increase in the allocation to wheat, offset in part by the fact that no funds are transferred from corn to the general diversion classification. The decrease in funds allocated to

cotton is due to the change in the wheat acreage allotment, and to the fact that no funds are transferred from the diversion and non-diversion general classifications as was the case in 1938. The elimination of this transfer does not affect the amount of money allocated to farms in the Southern Region, and it will be noted that the allocation to the general and non-depleting classification has been increased as compared with 1938.

The reduction in the cotton rate of payment from 2.4 cents in 1938 to 1.8 to 2.0 cents in 1939, it should be noted, is due to (1) the decrease in the sum allocated to cotton, and (2) the increase in the estimated participation from the 79.5 percent used in calculating the rate of payment for 1938 to the 86.0 to 95.5 percent estimate indicated for 1939. Participation was only about 60 percent in 1937, and this, together with the drastic cut required and the fact that acreage allotments would not be available until planting time was well started, all combined to suggest that participation would not exceed 80 percent for 1938. Actually, however, current indications are that participation will be about equal to or above 90 percent and that the actual amount paid on cotton under the 1938 program at the 2.4-cent rate will be above \$140,000,000. Had participation for 1938 originally been estimated at 90 percent, the \$120,000,000 directly allocated to cotton would have resulted in a calculated rate of about 2.0 cents per pound, while the \$125,500,000 allocation (which included the funds transferred from general crops to cotton) would have resulted in a rate of about 2.1 cents per pound.

PARITY PAYMENTS ON THE 1939 CROP

Section 303 of the Agricultural Adjustment Act of 1938 authorizes the making of parity payments to producers of cotton, wheat, corn (in the commercial corn-producing area) rice and tobacco, in order to provide returns to such producers as nearly equal to parity price as the available funds will permit. The sum of \$212,000,000 has been appropriated to make these parity payments in connection with the 1939 crop.

The appropriating legislation provides for dividing this sum among these five commodities in the following manner:

1. One-half is to be apportioned among the commodities in proportion to the amount by which the returns from each commodity fails to reach the parity income.
2. One-half is to be apportioned among these five commodities in the same proportion that they share in the allocation of funds under the Soil Conservation and Domestic Allotment Act in connection with the 1939 Agricultural Conservation Program.

It is provided, however, that the rate of payment for any commodity shall not exceed the amount by which the average farm price for the 1938 crop up to January 31, 1939, falls below 75 percent of the parity price. Any funds which otherwise would be allocated to a commodity, but are not needed for such commodity because of this limitation, will be apportioned among the other commodities so as to provide returns equal as nearly as possible to a uniform percentage of the parity price up to 75 percent of the parity level. The parity income for each commodity is to be determined on the basis of a normal year's domestic consumption and exports and the parity price. In determining income received from each commodity the farm



TABLE I.- AMOUNTS AVAILABLE FOR PAYMENT, ACRES ALLOTTED, NORMAL YIELDS, ESTIMATED PERCENTAGE PARTICIPATION, AND RATES OF PAYMENT UNDER AGRICULTURAL CONSERVATION PROGRAM FOR 1938

Item	Available	Small	Adjusted	Acres	Estimated	Normal Yield	Payment
	for	Payment	Amount				
	Payment	Adjustment	for	Allotted	ation	Unit	Yield Unit
	\$1,000	Percent	\$1,000	1,000 Acres	Percent		Cents
Cotton	125,581	112.5	111,628	27,568	79.50	lb.	2.4
Corn, Commercial	84,832	105.0	80,792	40,491	62.75	bu.	31.8
Wheat	63,951	105.0	60,049	62,500	66.50	"	12.0
Potatoes, Commercial	7,115	107.5	6,819	1,567	67.75	"	164
Peanuts, Commercial	1,610	110.0	1,464	1,330	70.60	lb.	3.8 $\frac{1}{2}$
Rice	1,605	105.0	1,529	850	66.00	owt.	21.8
Tobacco:							
Flue-Cured	5,218	110.0	4,744	874	65.75	lb.	825
Burley	1,159	110.0	1,054	452	58.50	"	800
Dark	1,588	110.0	1,444	171	67.75	"	815
Cigar Filler-Binder	1,013	110.0	921	87	81.50	"	1,000
Georgia-Florida Type 62	36	105.0	34	2.8	67.75	"	1.8
General and Non-Depleting	34,141	112.5	30,848	91,323 $\frac{2}{3}$	47.50	acre	70.0
Diversions General	79,593	105.0	75,898	100,697 $\frac{2}{3}$	62.75	"	125.0 $\frac{1}{4}$
Non-Depleting	32,870	105.0	31,305	105,000 $\frac{2}{3}$	59.50	"	50.0
Vegetables, Commercial	4,631	107.5	4,308	4,500 $\frac{2}{3}$	63.75	"	150.0
Orchards	6,065	107.5	5,642	4,000 $\frac{2}{3}$	70.50	"	200.0
Range and Other $\frac{1}{3}$	23,675	various	-	-	-	various	various

1. 5.4 cents per bushel for early; 3.6 cents for late. 2. Estimated non-diversion general and associated non-depleting acreage which can qualify for the 70-cent composite payment. 3. Estimated allotted acreage of diversion general, after deducting acreage for which allowance is included in cotton payment. 4. Rate to be adjusted by productivity, with average productivity of acreage eligible for diversion estimated at 96.0 percent, so that effective average per acre rate is \$1.20. 5. Estimated non-depleting acreage which can qualify for 50-cent payment. 6. Estimated acreage of vegetables which can qualify as commercial acreage in 1938. 7. Estimated acreage of bearing orchards which can qualify as commercial acreage in 1938. 8. Allowance for range, noncrop pasture and naval stores combined.

TABLE II.- ESTIMATED DISTRIBUTION OF ACRES, 1928-37, OF ESTIMATED PARITY VALUES, 1938, OF ACRES ALLOTTED, 1938, AND OF ACREAGE AND ESTIMATED VALUE SACRIFICES, 1938

Item	1928-37 Acres <u>1</u>		Parity Value		Acres Allotted		Average Sacrifice		Value Sacrifice		Average Cols. 2, 4, 7, and 9
	1,000	%	\$1,000	%	1,000	%	1,000	%	\$1,000	%	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	
All Crops	437,500	95,000	8,927,969	95,000	-	38,948	95,000	836,861	95,000	95,000	
Cotton	41,472	9,005	1,140,779	12,139	27,568	13,904	33,914	407,250	46,231	25,322	
Corn, Commercial	51,359	11,152	1,075,158	11,441	40,491	10,868	28,509	208,053	23,618	18,180	
Wheat	70,592	15,329	876,112	9,323	62,500	8,032	13,737	78,188	8,876	13,315	
Potatoes, Commercial	1,686	.368	232,931	2,478	1,567	128	.312	15,093	1,713	1,213	
Peanuts, Commercial	1,400	.304	64,401	.695	1,330	70	.171	1,765	199	.340	
Rice	955	.207	43,527	.463	850	105	.256	3,781	429	.339	
Tobacco											
Flue-Cured	1,011	.220	136,278	1,450	874	137	.334	19,779	2,245	1,062	
Burley	458	.099	63,642	.677	452	6	.015	917	104	.234	
Dark	258	.056	14,215	.151	171	87	.212	6,736	765	.296	
Cigar Filler-Binder	122	.026	15,382	.154	87	35	.085	5,096	579	.214	
Georgia-Florida No. 62	3	.001	1,330	.014	2,3	.2	.001	107	.012	.007	
General Depleting Crops	156,250	33,929	3,275,004	34,948	158,250	5,500	13,415	88,110	10,002	23,048	
Vegetables, Com. <u>2</u>	-	-	367,952	3,915	-	-	-	-	-	-	
Non-Diversion	46,750	10,152	910,489 <sup>3</sup> / <sub>3</sub>	9,588	54,250	-	-	-	-	-	
General Diversion	109,500	23,777	1,996,563 <sup>3</sup> / <sub>3</sub>	21,245	104,000	5,500	13,415	88,110	10,002	17,110	
Alaska, Hawaii, Puerto Rico:	750	.163	48,500	.516	-	16	.039	1,996	.227	.236	
Commercial Orchards	4,000	.869	400,000	4,256	-	-	-	-	-	-	
All Non-Depleting <u>4</u>	107,175	23,272	1,540,810	16,395	-	-	-	-	-	-	
Range and Other <u>5</u>	-	-	-	-	-	-	-	-	-	-	

1. Acres planted, including acres diverted. 2. Estimated value of commercial vegetables, after deducting an average value per acre equal to that of the other crops in the general soil-depleting group. 3. Estimated breakdown between diversion and non-diversion general based on average productivity indices for the acres involved. 4. Includes noncrop open pasture, and acreage diverted less increase in allotment for general non-diversion. 5. Allowance for range.

TABLE III.- DISTRIBUTION OF FUNDS AS BETWEEN COMMODITIES, AND TRANSFERS, ADDITIONS, AND COMBINATIONS FOR PURPOSES OF PAYMENT UNDER AGRICULTURAL CONSERVATION PROGRAM FOR 1936

Item	Allocation from Table II	Transfers Subtracted	Transfers Added	Additions under Section 106	Amount Available for Payment
All Payments	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000
All Crops	473,500	41,396	41,396	1,500	475,000
Cotton	449,825	41,396	41,396	1,500	451,325
Corn, Commercial	119,900	-	5,681 <sup>2</sup> / <sub>2</sub>	-	125,581
Wheat	86,082	1,250 <sup>3</sup> / <sub>3</sub>	-	-	84,832
Potatoes	83,051	-	-	-	83,051
Peanuts	5,767	-	-	1,348	7,115
Rice	1,610	-	-	-	1,610
Tobacco:	1,605	-	-	-	1,605
Flue-Cured	5,029	-	189 <sup>4</sup> / <sub>4</sub>	-	5,218
Burley	1,061	-	96 <sup>4</sup> / <sub>4</sub>	-	1,157
Dark	1,402	-	37 <sup>4</sup> / <sub>4</sub>	149	1,588
Cigar Filler-Binder	1,013	-	-	-	1,013
Georgia-Florida Type G2	33	-	-	3	36
General Diversion	81,016	2,573 <sup>5</sup> / <sub>5</sub>	1,250 <sup>3</sup> / <sub>3</sub>	-	79,693
General Non-Diversion	23,486	23,486 <sup>6</sup> / <sub>6</sub>	-	-	-
General and Non-Depleting	-	-	34,141 <sup>7</sup> / <sub>7</sub>	-	34,141
Non-Depleting	46,957	14,087 <sup>8</sup> / <sub>8</sub>	-	-	32,870
Commercial Vegetables	4,631	-	-	-	4,631
Commercial Orchards	6,065	-	-	-	6,065
Alaska, Hawaii, Puerto Rico	1,117	-	-	-	1,117
Range and Other	23,675	-	-	-	23,675

<sup>1</sup>/ Sums necessary to maintain rates of payment on commercial potatoes, dark tobacco, and Ga.-Fla. 62 tobacco at 90 percent of the rates originally announced Oct. 23, 1937, as provided for in Section 105. <sup>2</sup>/ Transfer from diversion and non-diversion general as offset for general acreages blocked from payment by cotton provisions. See notes 5 and 6. <sup>3</sup>/ Transfer to general diversion of approximately 1.5 percent of funds allocated to corn, in order to increase rate of payment on general diversion acreage in commercial corn area. <sup>4</sup>/ Transfer from non-diversion general as offset for acreage blocked from payment by tobacco provisions. See note 6. <sup>5</sup>/ Estimated reduction in payments on general diversion acreage on cotton farms in Class A areas by subtracting 1.25 times cotton allotment from total depleting goal. <sup>6</sup>/ Transfers of \$3,482,000 to cotton, flue-cured, Burley, and dark tobacco is offset to sum saved by subtracting 1.5 times the allotments for these crops in Class B areas from total crop land to obtain acreage in other cropland for payment, and transfer of remaining \$20,054,000 to general and non-depleting combination. <sup>7</sup>/ Transfer of \$20,054,000 from non-diversion general, and of \$14,087,000 from non-depleting, to cover portions of non-diversion general and non-depleting acreages included in combination. <sup>8</sup>/ Subtraction for estimated proportion of non-depleting which will qualify for payment under general and non-depleting combination.



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TABLE IV.- TENTATIVE CALCULATION FOR DISTRIBUTION OF FUNDS, AGRICULTURAL CONSERVATION PROGRAM, 1938

Item	1928-37 Acres		Parity Value		Acreage Allotted		Acreage Sacrifice		Value Sacrifice		Average	
	1,000 Acres	%	\$1,000	%	1,000 Acres	%	1,000 Acres	%	\$1,000	%	Coils. 2, 4, 7, and 9	(10)
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)		
All Crops	440,750	95.000	8,886,112	95.000	-	45,640	95.000	816,556	95.000	95.000		
Cotton	41,472	8.339	1,140,779	12.192	27,568	13,904	30,268	373,379	43.450	23.710		
Corn, Commercial	51,359	11.070	1,075,158	11.481	40,431	10,868	23,658	198,099	23.053	17.318		
Wheat	70,592	15.216	770,379	8.233	55,000	15,592	83,942	143,104	16.653	18.511		
Potatoes, Commercial	1,695	.365	232,331	2.486	1,567	128	.279	14,999	1.746	1.219		
Rice	955	.206	48,085	.492	900	55	.120	1,916	.223	.260		
Tobacco	1,352	.399	221,328	2.369	1,525	327	.712	40,422	4.704	2.046		
General Depleting Vegetables, Com.	157,650	33.980	3,395,589	36.261	162,400	2,750	5.386	42,441	4.939	20.291		
Non-Diversions	48,150	10.378	978,230	10.447	56,650	-	-	-	-	.982		
General Diversions	109,500	23.502	2,049,357	21.885	106,750	2,750	5.986	42,441	4.939	14.103		
Alaska, Hawaii, Puerto Rico	750	.182	48,500	.518	-	16	.035	1,996	.232	.237		
Commercial Orchards	4,000	.962	400,000	4.272	-	-	-	-	-	1.283		
Non-depleting Crops	110,425	23.801	1,564,363	16.706	-	-	-	-	-	10.127		
Range and Other	-	-	-	-	-	-	-	-	-	5.000		

Based on 1938 calculation of distribution of acreages, parity values, acreage allotments, and sacrifice values, with the following changes: (a) 1928-37 non-depleting acreage includes an estimated additional 3,250,000 acres summer fallow, (b) commercial peanuts included in general non-diversion, (c) acreage allotment for wheat decreased to 55,000,000 acres, allotment for tobacco decreased to 1,525,000 acres, rice allotment increased to 900,000 acres, and general diversion allotment increased to 106,750,000 acres, (d) value of sacrifice based on estimated average prices for 1929-38 instead of 1928-37.

TABLE V.- TENTATIVE CALCULATION OF RATES OF PAYMENT, AGRICULTURAL CONSERVATION PROGRAM, 1939

Item	Allocation	Small	Adjusted	Acreage	Estimated	Normal	Payment
	from	Payment	Amount				
	Table IV	Adjus- ment	for		Participation	Yield	Per
	Factor	Factor	Payment		Unit	Unit	Yield Unit
All Payments	\$1,000	%	\$1,000	1,000	%		Cents
Cotton	475,000						
Corn, Commercial	112,623	112.5	100,109	27,568	85.50-95.00	1b.	1.8-2.0
Wheat	82,251	105.0	78,334	40,491	61.00-76.00	bu.	8.0-10.0
Potatoes, Com.	87,927	105.0	83,740	55,000	69.50-78.00	bu.	16.0-18.0
Rice	5,790	107.5	5,886	1,567	About 70.00	bu.	About 3.0
Tobacco	1,235	105.0	1,176	900	60.00-75.00	cwt.	8.0-10.0
General and Non-Depleting	39,760/1	various	-	1,525	various	lb.	various
General Diversion	66,989	112.5	55,542	105,650/1	About 48.00	acre	About 70.0
Non-Depleting Vegetables, Com.	33,071/2	105.0	65,799	106,750	About 60.00	"	About 100.0
Orchards	4,666	107.5	4,440	110,000/2	47.50-57.50	"	About 50.0-60.0
Range and Other	6,094	107.5	5,669	4,500	About 64.50	"	About 150.0
Alaska, Hawaii, Puerto Rico	23,750	various	-	4,000	About 71.00	various	About 200.0
	1,126	various	-	-	-	various	various

1. Calculated by combination of 55,650,000 acres non-diversion general and 50,000,000 non-depleting and corresponding allocations of \$24,725,000 and \$15,032,000.

2. Balance after subtracting allowance for non-depleting acreage which will qualify for payment under combined general and non-depleting classification. See note 1.



price to be used is the average for that part of the marketing year ending January 31, 1939. These parity payments will be made on the normal yield of the farm acreage allotment established under the 1939 Agricultural Conservation Program, provided such acreage allotment is not exceeded.

Although the final parity payment rates for 1939 can not be determined until after January 31, 1939, it is estimated that the cotton rate will be between 1.8 and 2 cents per pound, the corn rate (in the commercial area) between 5 and 6 cents per bushel, the wheat rate between 10 and 12 cents per bushel, the rice rate between 12 and 15 cents per hundred pounds, while it is probable that no parity payments will be made on tobacco as farm prices will apparently exceed 75 percent of the parity level.

