EFFECTS OF GOVERNMENT LOAN AND PURCHASE PROGRAMS UPON DOMESTIC MARKET SUPPLIES OF FARM PRODUCTS IN THE POSTWAR PERIOD

By

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A THESIS

Submitted to the College of Agriculture, Michigan State University of Agriculture and Applied Sciences in partial fulfillment of the requirements for the degree of

MASTER OF SCIENCE

Department of Agricultural Economics

1957

ACKNOWLEDGMENTS

The author wishes to express his gratitude to the many people who assisted in the development and completion of this thesis.

Special thanks are expressed to Dr. Dale Hathaway for his aid in developing the framework of this study and constructive criticisms during the course of its progress.

Thanks are also expressed to other members of the Agricultural Economics staff for their helpful suggestions made during the development of this thesis.

Cooperation given the author by Mr. Thomas Thornburg of the Fiscal Analysis Branch, Commodity Credit Corporation, U. S. Department of Agriculture greatly facilitated the collection of much of the data used in this study.

The financial assistance provided by Dr. L. L. Boger, Head of the Agricultural Economics Department made it possible for the author to complete this study.

Appreciation is also expressed to Mrs. Patricia Cothern for typing the final manuscript.

Thanks are also expressed to the secretarial staff of the Department of Agricultural Economics for assistance given during the development of this paper, especially Miss Joyce Arts who typed the first draft of this paper.

The author assumes full responsibilities for any errors that remain in this manuscript.

John F. Stollsteimer

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Approved Dale E. Hathaway

ABSTRACT

The purposes of this study were (1) to measure the volume of major agricultural commodities removed from and added to the aggregate supply of agricultural commodities available in commercial domestic markets by CCC programs during the postwar period, and (2) to relate these removals and additions to currently published indexes of farm output, farm marketings, and farm marketings and home consumption.

Data on the physical quantities of the major agricultural commodities removed from and added to the available supply of agricultural products by CCC programs were obtained from both published and unpublished records of CCC operations.

These data plus base weight values used in the published indexes of total farm output, total farm marketings, and total farm marketings and home consumption were used to construct indexes of CCC removal, CCC additions, and net change in available supply as a result of CCC programs. These indexes are comparable to published indexes. Applying the mathematical concepts underlying index numbers, the indexes of net change were used to adjust the published indexes and obtain three new indexes.

These adjusted indexes are measures of (1) farm output not removed from available supply by CCC programs plus CCC domestic sales during the marketing years, (2) farm marketings and home consumption excluding the quantity removed by CCC, plus CCC domestic sales during the calendar year, and (3) farm marketings to buyers other than CCC, plus CCC domestic

sales during the calendar year. The adjusted indexes were computed for each of the major commodities or commodity groups which have been involved in CCC programs during the postwar period. Value aggregates for each of the sub-series were then summed and indexes of removal, additions, and net change constructed which are comparable to the published indexes of total farm output, total farm marketings, and total farm marketings and home consumption.

CCC programs were found to be equal to a substantial portion of total farm output, total farm marketings, and total farm marketings and home consumption. The net impact of CCC programs on the available supply of agricultural products in the 1948-1955 marketing years was found to have ranged from an addition to that supply equal to 2 per cent of current production to a decrease equal to 9 per cent of current production. In relation to total farm marketings and home consumption, CCC programs were found to have had a net impact on the available supply of agricultural products ranging from an increase equal to 1 per cent to a decrease equal to 8 per cent of current farm marketings and home consumption during the 1949 through 1956 calendar years. During the 1949 through 1956 calendar years, CCC programs have had a net effect ranging from an increase in available supply equal to 1 per cent of current marketings to a decrease equal to 9 per cent of current marketings. The effects of these programs on the available supply of individual commodities and commodity groups have been of a much greater variability than these aggregate values.

These percentage changes in supply figures and an estimate of price

flexibility of demand were used to estimate the income transfer resulting from CCC programs. Given the assumptions made in determining this income transfer we have found this transfer to be equal to as much as one-third of gross farm income and/or cash receipts from marketings in certain years.

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CHAPTER I

INTRODUCTION

In the absence of governmental action, the markets in which most agricultural products are sold meet rather well the requirements of perfect competition. Even though there are exceptions, it still seems safe to say that a major portion of the agricultural production of the United States is sold in markets with the following characteristics: (1) There are a large number of sellers, no one of which can influence market price by his production policy; and (2) prices are determined in markets where a large number of sellers offer the commodities, and a large number of buyers bid for these offerings.

The aggregate demand for agricultural products is related to conditions in other sectors of the economy. Primary causes of short-run changes in demand are changes in income, employment, and export demand. This linking of demand for agricultural products to fluctuations in other segments of the economy provides the possibility of wide fluctuations in the demand for agricultural products.

The aggregate supply of agricultural products is relatively stable from year to year. Variations in yields, total acres, and total productive inputs applied will affect the total volume of agricultural production. However, history has shown that these variables do not produce large year-to-year shifts in the aggregate supply of agricultural products.

The above discussion has centered on aggregate supply and demand in

agriculture. For individual commodities, year-to-year variations in output are important variables affecting prices received by agricultural producers. Whether price changes are associated with changes in demand or supply, the effect of the shifts in prices upon the producers' total revenue will depend upon the price elasticity of demand for either the aggregate output or the individual commodity under consideration.

The price elasticity for all food at the farm level is generally considered to be approximately 0.25. Price elasticity for individual commodities range from a low of about .10 to values above unity.[1]

The implications of an inelastic demand for agricultural products are of considerable importance when considering the impact of variations in the available supply[2] of these commodities on the income of farmers. The inelastic demand indicates that lower prices, which might occur with an increase in available supply or decreased demand, will result in lower total gross income to producers. With relatively stable production expenses, lower gross income usually results in lower net income also.

These circumstances have prompted people in agriculture to attempt various alterations of the market structure we have described. In the absence of any individual control of market supply, these attempts have been primarily through some form of governmental program for agriculture.

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[1]Price elasticity for both individual commodities and all food at the farm level have been estimated by a large number of workers. Richard J. Foote, "Price Elasticities of Demand for Non-Durable Goods", unpublished paper presented at a conference sponsored by the National Bureau of Economic Research, October, 1955, provides a fairly complete tabulation of these estimates and type of measurement used to obtain the estimate.

[2]Available supply as used here is defined as that quantity which moves freely in normal commercial marketing channels with no restriction as to selling price.

Benedict and Stine[3] have classified the devices used by government to increase the bargaining power of farmers into six categories: (1) attempts to create an improved system of marketing based on producer-controlled cooperatives, (2) holding operations designed to stabilize the flow of nonperishables onto the market, (3) efforts to cut and hold down farm production with a view to bringing supplies into better adjustment with demand, (4) measures designed to transfer buying power from consumers or the Treasury to farm groups, (5) marketing agreements intended to stabilize the industry and strengthen prices, and (6) efforts to maintain prices by means of government loan and purchase programs. This study is primarily concerned with the latter programs and their effects on the available supply of major commodities in the commercial market.

Government Loan and Purchase Programs

Price supports by means of government loan and purchase programs have been carried out since 1933 when loans were first made available to corn and cotton producers. The level of support provided, means of providing this support, and general objectives of a program depends upon the authorizing legislation.

The following is a relatively complete list of legislation pertaining to loan and purchase programs.[4]

> In the Agricultural Adjustment Act of 1938, the Congress enacted the first comprehensive legislation dealing with price supports.

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[3] Murray R. Benedict and Oscar Stine, The Agricultural Commodity Programs (New York: The Twentieth Century Fund, 1956), p. XX (Summary).

[4] Compilation of Statutes Relating to Soil Conservation, Marketing Quotas and Allotments, Soil Bank, Crop Insurance, Sugar Payments and Quotas, Price Support, Commodity Credit Corporation and Related Statutes. Agricultural Handbook No. 113 (Washington, D.C.: U. S. Department of Agriculture, January, 1951), p. 150.

Additional legislation thereafter included:

The act of April 3, 1941 (providing for loans on peanuts).

The act of May 26, 1941, as amended (providing for loans on basic commodities through the 1946 crop).

Section 4 of the act of July 1, 1941, as amended (the so-called "Steagall Amendment" which provided that if the Secretary of Agriculture issued an announcement requesting the expansion of production of a non-basic agricultural commodity, he should provide price support on such commodity for two years after World War II).

Section 8 of the Stabilization Act of 1942, as amended (providing for loans on basic commodities for two years after World War II).

The act of July 28, 1945, (providing for loans on tobacco).

Much of this legislation expired with termination of the wartime emergency and was succeeded by the Agricultural Act of 1948. The Agricultural Act of 1949 superceded or repealed prior legislation, effective for the 1950 and subsequent crop years. The Agricultural Act of 1954 and the Agricultural Act of 1956 made significant changes in the 1949 act.

Loans and purchases by Commodity Corporation (hereafter called CCC) have been the primary means of providing price support to producers under each of these authorizing acts. There are three methods used to provide price support---loans, purchases, and purchase agreements.

Loans provide price support in two ways: (1) providing the farmer with a cash return for the commodity at support levels during the time period for which loans are available, and (2) strengthening market prices of the commodity by reducing the supply available in the market. However, repayment of these loans at a future point in time will constitute an increase in the market supply.

These loans are "non-recourse"---that is, delivery of the commodity at the specified time will be considered payment in full regardless of what has happened to the commodity price during the intervening period. By necessity, these loans are made only on storable commodities such as grains, cotton, and tobacco.

Purchase agreements are a second form of price supports provided in

the authorizing legislation. A purchase agreement is, as the term would indicate, an agreement on the part of CCC to purchase from the producer, at the support price, any quantity, up to the maximum quantity stipulated in the agreement, that the producer desires to deliver to CCC. A purchase agreement reduces available supply only when the commodity is actually delivered to CCC.

Direct purchases are a third method used to support prices. Generally speaking this type of support is used only when loans and purchase agreements are not feasible. Butter, cheese, and nonfat dry milk are the most important products covered by purchase programs, although cottonseed, flaxseed, and other commodities have been handled in this fashion. This type of operation has the effect of reducing current market supply at the time of the purchase.

The above description of the general nature of government loan and purchase programs indicates in a general manner how the programs might affect the commercially marketable supply of agriculture products which are covered by the legislation. However, if we are to be more cognizant of the effects of these programs on the available supply of the commodities under consideration it is necessary to examine the individual commodity programs. A more detailed examination of the individual commodity programs is presented in the chapters dealing with the available supply of individual commodities in the postwar period.

Government Disposal Program

The use of government loan and purchase programs to attain the price support objectives, as set forth in the authorizing legislation, has resulted in substantial quantities of agricultural products becoming the

property of the CCC, which is the agency responsible for carrying out these programs. Disposal of these stocks in domestic markets is authorized and/or restricted by a variety of legislation.

Section 407 of the Agricultural Act of 1949 as amended sets forth the general conditions under which sales of CCC stocks in the domestic market can take place.[5]

> The Commodity Credit Corporation may sell any farm commodity owned or controlled by it at any price not prohibited by this section. In determining sales policies for basic agricultural commodities or storable nonbasic commodities the Corporation should give consideration to the establishing of such policies with respect to prices, terms, and conditions as it determines will not discourage or deter manufacturers, processors, and dealers from acquiring and carrying normal inventories of the commodity of the current crop. The Corporation shall not sell any basic agricultural commodity or storable nonbasic commodity at less that 5 per centum above the current support price for such commodity, plus reasonable carrying charges. The foregoing restrictions shall not apply to (A) Sales for new or byproduct uses; (B) Sales of peanuts and oilseeds for the extraction of oil; (C) Sales of seed or feed if such sales will not substantially impair any price support program; (D) Sales of commodities which have substantially deteriorated in quality or as to which there is a danger of loss or waste through deterioration or spoilage; (E) Sales for the purpose of establishing claims arising out of contract or against persons who have committed fraud, misrepresentation, or other wrongful acts with respect to the commodity; (F) Sales for export; (G) Sales of wool; and (H) Sales for other than primary uses. Notwithstanding the foregoing, the Corporation, on such terms and conditions as the Secretary may deem in the public interest, shall make available any farm commodity or product thereof owned or controlled by it for use in relieving distress (1) in any area in the United States declared by the President to be an acute distress area because of unemployment or other economic crisis if the President finds that such use will not displace or interfere with normal marketings of agricultural commodities and (2) in connection with any major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress as amended.

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[5] Ibid., pp. 160-161.

> Nor shall the foregoing restrictions apply to sales of commodities the disposition of which is desirable in the interest of the effective and efficient conduct of the Corporation's operations because of the quantities involved, or because of age, location, or questionable continued storability, but such sales shall be offset by such purchases of commodities as the Corporation determines are necessary to prevent such sales from substantially impairing any price support program, but in no event shall the purchase price exceed the current support price for such commodities. ....the Secretary is authorized in connection with major disaster determined by the President to warrant assistance by the Federal Government under Public Law 875, Eighty-first Congress (42 U.S.C. 1855) as amended to furnish to established farmers, rangers, or stockmen, feed for livestock or seeds for planting for such period or periods of time and under such terms and conditions as the Secretary may determine to be required by the nature and effect of the disaster.

The foregoing section provides for various types of sales and certain other types of distribution of commodities acquired by CCC through price support operations. Donations are also authorized for certain domestic users under section 416 of the Agricultural Act of 1949.[6]

> In order to prevent waste of commodities acquired through price support operations by the Commodity Credit Corporation before they can be disposed of in normal domestic channels without impairment of the price support program or sold abroad at competitive prices the Commodity Credit Corporation....is authorized in the case of food commodities to donate such commodities to the Bureau of Indian Affairs and to such State, Federal, or private agency or agencies as may be designated by the proper State or Federal authority and approved by the Secretary for use in the United States in nonprofit school-lunch programs, in the assistance of needy persons, and in charitable institutions, including hospitals, to the extent that needy persons are served.

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[6] Ibid., p. 165.

Section 32 of Public Law 320, Seventy-fourth Congress authorizes the use of funds obtained through tariff collection on dutiable imports to finance the donation of surplus commodities to groups similar to those described above.[7]

Section 202 of the Agricultural Act of 1949, as amended, states that CCC shall make available to the Administrator of Veterans' Affairs and the Secretary of the Army such dairy products as these two individuals certify can be utilized in rations of Army, Navy, and Air Force personnel, and hospital patients under their jurisdiction.[8] These individuals must certify that these donations are in excess of the usual quantities of dairy products being purchased in normal trade channels.

The foregoing discussion covers the major types of distribution of CCC stocks in domestic markets or to domestic users. The magnitudes of these distributions have varied from year to year in the postwar period. The relationships between these magnitudes, the magnitude of government loan and purchase programs, farm output, and farm marketings are examined in greater detail in later sections of this thesis.

Scope and Purpose of Study

A general objective of this study is to contribute to the knowledge concerning the aggregate impact of government loan and purchase programs on American agriculture in the postwar period. A more specific purpose is to measure the change in available supply of major commodities in the domestic market as a result of these programs during the time period being considered. This measure includes reductions in supply as a result of loan

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[7] R. Schickele, Agricultural Policy (New York: McGraw-Hill Book Company, Inc., 1954), p. 227.

[8] Agriculture Handbook No. 113, op. cit., p. 155.

and purchase programs, and additions to the available supply of these same commodities through sales and other forms of government distribution of stock accumulated through price support operations.

Making use of statistics developed in the attainment of the previous objective it is proposed to relate the magnitude of government loan, purchase, and disposal programs to currently published series of farm output, farm marketings, and farm marketings and home consumption.

Perhaps the most important objective of this study is to provide statistics which are useful in evaluating the impact of government programs on the level of agricultural prices and the income of farmers during the 1949-1956 period.

This study is concerned with the impact of government loan and purchase programs on the available supply of the following commodity groups: (1) dairy products, (2) feed grains, (3) food grains, (4) oil crops (excluding tung nuts), (5) cotton, (6) tobacco, and (7) vegetables. Sub-indexes for each of the above commodity groups are published for the index of total farm output, farm marketings, and farm marketings and home consumption.

Currently published sub-indexes for each of these are adjusted in an attempt to better indicate the available supply of each of these commodity groups. Each of the total indexes are then adjusted to reflect changes made in the individual commodity groups. After these adjustments are made, which facilitate calculation of the percentage change in supply of agricultural products available in the commercial markets during a given year, a first approximation of the income transfer resulting from these programs is presented. Details of the methodology are explained in the following chapter.

CHAPTER II

METHODOLOGY

In order to fulfill the stated purpose of this study an aggregative measurement of quantities is necessary. The tool employed to accomplish this measurement is the commonly used index number. The construction and use of index numbers involves several problems of which both the builder and user should be aware.[1] Some of these problems are:

1. Definition of purpose for which the index is being compiled.
2. Selection of commodities or commodity groups to be included in the index.
3. Selection of sources of data.
4. Collection of data.
5. Selection of base period.
6. Problems arising due to aggregation.
7. Selection of weighting system.

No unique method of solving these problems is presented, but rather the problems are pointed out in order to help evaluate the methods used.

In order to become more familiar with the particular tools used in

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[1] The general problems of index numbers are discussed in the following literature:

a) I. Fisher, The Making of Index Numbers (Cambridge, Massachussetts: Houghton Mifflin Co., 1927).
b) Ragnar Frisch, "The Problem of Index Numbers", Econometrica, Vol. IV (1936), pp. 1-38.
c) W. Leontief, "Composite Commodities and The Problem of Index Numbers", Econometrica, Vol. IV (1936), pp. 39-59.
d) F. E. Croxton and D. J. Cowden, Applied General Statistics (New York: Prentice-Hall, Inc., 1955), pp. 394-448.

this measuring process, examination of the two series used in this study seems appropriate.

The Index of Farm Output

The index of farm output is a measure of year-to-year shifts in the volume of farm production available for eventual human use.[2] Three major sub-groups are combined to make up the total index of farm output. The three series used are the production of crops, the production of livestock and livestock products, and feed used by farm horses and mules.[3]

The index of crop production includes the total constant dollar value of all crops produced regardless of how they are finally utilized. No deductions are made for seed or quantities fed to livestock. In calculating the index of farm output the value of production of hay seeds, pasture seeds, cover crop seeds, and feed used by farm horses and mules are excluded.

The index of production of livestock and livestock products includes the total constant dollar value of production of all livestock and livestock products except horses and mules. In the index of total farm output, the value of feed consumed, other than pasture, is subtracted from livestock production to avoid double counting. In essence, a value-added concept is used to measure net livestock production.

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[2] G. T. Barton, et al, Manuscript of Statistical Handbook being prepared by the Agricultural Marketing and Research Services, U. S. Department of Agriculture, Chapter 23, p. 12.

[3] Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, June, 1956), p. 6.

The index of feed used by farm horses and mules includes the estimated constant-dollar value of feed, other than pasture, consumed by these animals. This value is subtracted from the sum of crop production in the computation of the index of farm output.

An algebraic summation of constant-dollar values for the following terms yields the constant-dollar value of total farm output.

(Total Crop Production + Total Livestock Production - Livestock Feed Other Than Pasture) - (Horse & Mule Feed + Hay, Pasture and Cover Crop Seeds) = Total Farm Output.

Twelve commodity groups make up this index. The livestock and livestock products index includes meat animals, dairy products, and poultry and eggs. The crop index is made up of feed grains, food grains, hay and forage, vegetables, fruits and nuts, sugar crops, cotton, tobacco, and oil crops. An individual index is published for each of the commodity groups listed. The index is computed by the value aggregate method, with the base period for both prices and quantities being 1947-1949.

The Index of Farm Marketings and Home Consumption

The index of volume of farm marketings and home consumption is a measure of changes in the quantities of farm production entering the marketing system in the form of sales by farmers or direct consumption in farm households.[4] Measurement of the physical volume of agricultural commodities associated with gross farm income is the primary purpose of this index. Products sold or consumed during the calendar year are

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[4] Barton, et al, op. cit., p. 21.

included in the current year's index regardless of when they were produced.[5]

Sales to the government through price support programs are considered the same as a commercial sale in the construction of this index. With respect to government price support loans this index is influenced in the following manner.[6]

> The marketing component of the index includes net quantities placed under Commodity Credit Corporation loans, just as net receipts from loans are included in cash receipts from farm marketings. Quantities placed under loan are included in the marketings index for the month in which the loan is made. If later the loan is repaid and the commodity redeemed the quantity so redeemed is a deduction in the marketings index for the month of repayment.

As stated previously, the currently published index is a measure of quantities entering the marketing system or consumed on home farms which are associated with gross farm income. However, it would seem that if we are concerned with the volume of farm products entering the marketing system that we must take into account government removal, through loan and purchase programs, and government additions through disposal programs. The currently published index is, therefore, used to construct an adjusted index of farm marketings and home consumption which is hoped to be a closer estimate of the actual quantities which are available in the commercial domestic market. This is not to imply that the currently published index is not measuring what it is designed to measure, but rather that with government loan, purchase, and disposal programs in operation it may no longer be the relevant measure if one is concerned with the volume of farm products entering the domestic market.

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[5] E. W. Greve and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, July, 1956), p. 5.

[6] Ibid., p. 7.

The Index of Farm Output and the Index of Farm Marketings and Home Consumption Compared

The index of total farm output measures the volume of farm production when it is produced. The index of farm marketings and home consumption measures quantities entering the marketing system or consumed on home farms without reference to the time of production. The main difference between the two measures is in year-to-year timing. Changes in farm inventories are reflected differently in the two indexes. When farmers sell more than they produce the index of farm marketings and home consumption will likely be higher than the index of output, but when farmers are building inventories the index of output will probably exceed that for marketings and home consumption.

General Method of Adjusting the Two Indexes to Show the Relationship Between the Magnitude of Government Loan and Purchase and the Published Series

The general formula for an index number constructed by the value aggregate method is $\frac{\sum P_0 \ Q_1}{\sum P_0 \ Q_0} \times 100 = I_1$

Where: I_1 = Index number of quantity Q_1

P_0 = Price in the base period

Q_0 = Quantity in the base period

Q_1 = Quantity at time T_1

I_1 might be thought of as the published index of either total farm output or farm marketings and home consumption. As indicated earlier both of these indexes are computed by the value aggregate method. To change I_1 by a quantity equal to Q_2 the following formula is appropriate:

$$\frac{\sum P_0 \ Q_1}{\sum P_0 \ Q_0} - \frac{\sum P_0 \ Q_2}{\sum P_0 \ Q_0} = \frac{\sum P_0 \ (Q_1 - Q_2)}{\sum P_0 \ Q_0} = I_3$$

When:

$$\frac{\sum P_o \ Q_1}{\sum P_o \ Q_o} = I_1 \quad \text{and} \quad \frac{\sum P_o \ Q_2}{\sum P_o \ Q_o} = I_2$$

Then:

$I_1 - I_2 = I_3$

I_2 = Index of quantity by which I_1 is changed

I_3 = Index of new quantity ($Q_1 - Q_2$)

I_2 can be thought of as an index of net change (this index is explained in detail in the next section) and I_3 as an index of availability (also explained in the next section).

In the following discussion we will refer to quantities such as I_2 and I_3 as indexes. It should be pointed out that these are always based on either the index of farm output or the index of farm marketings and home consumption. By this we mean the same base weights are used for these values as for the published series. Perhaps it would be more accurate to refer to these series as adjustment factors rather than indexes. However, the term index is used as it seems to describe more accurately these values as they are used here.

Adjustment of the Index of Farm Output

This index measures output during a given calendar year. Normally output produced during a given year becomes part of the available supply in commercial markets over the marketing year following the time of production. A marketing year has been defined as any period during which substantially all of a crop is normally marketed by producers thereof.[7]

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[7] Agriculture Handbook No. 113, op. cit., p. 164.

However, the operation of government loan and purchase programs makes it possible that portions of this production will not move into the commercially available supply and, therefore, will not exert their normal economic influence. The fact that production during a given calendar year normally becomes part of the available supply during the succeeding marketing year has prompted us to use the individual commodity marketing years as the relevant time periods over which to measure the change in available supply with respect to the index of total farm output. Dairy product purchases to support milk prices are an exception to this case. Milk, as produced on farms, is very close to being a non-storable item. Therefore, milk becomes part of the available supply almost immediately upon production. We have, therefore, used the calendar year as the time period over which to measure the change in availability of dairy products in relation to the index of total farm output.

The adjustment of the index of total farm output was performed in three steps: (1) calculation of removal from available supply by CCC loans and purchases, (2) calculation of additions to available supply as a result of CCC sales in the domestic market, and (3) calculation of net change in available supply resulting from government loan, purchase, and disposal programs.

Four factors were used to measure removal from available supply resulting from government loan and purchase programs. These factors are: (1) quantity of current crop acquired by CCC at the close of the marketing year through direct purchase and/or purchase agreements, (calendar year applies to dairy products), (2) quantity of current crop delivered to CCC in payment of loans at the close of the marketing year,

(3) quantity of current crop covered by CCC loans that are outstanding at the close of the marketing year, and (4) quantity of commodity represented by the repayment of loans on other than the current crop. A loan on the current crop that is repaid during the marketing year is not considered as affecting available supply during the year, although it may shift the time of availability.

Net CCC removal from the commercially available supply during the marketing year was computed using the following formula:

$P_{t_1} + LD_{t_1} + LO_{t_1} - RP$ = Net CCC removal during the t_{th} marketing year.

P_{t_1} = Quantity of commodity produced during the t_{th} year acquired through purchases and purchase agreements at the close of the t marketing year.

LD_{t_1} = Quantity of commodity produced during the t_{th} year delivered to CCC in payment of loans at the close of the t_{th} marketing year.

LO_{t_1} = Quantity of commodity produced during the t_{th} year covered by CCC loans outstanding at the close of the t_{th} marketing year.

RP = Quantity of commodity produced in years t minus 1 on which CCC loans are repaid during the t_{th} marketing year.

When:

$$RP = (LO'_{t_o} + LD'_{t_o}) - (LO'_{t_1} + LD'_{t_1})$$

LO'_{t_o} = Quantity of commodity produced in years t minus 1 covered by CCC loans outstanding at the beginning of the t_{th} marketing year.

LD'_{t_o} = Quantity of the commodity produced in years t minus 1 that has been delivered to CCC in payment of loans at the beginning of the marketing year.

LO'_{t_1} = Quantities of the commodity produced in years t minus 1 covered by CCC loans outstanding at the close of the t_{th} marketing year.

LD'_{t_1} = Quantities of the commodity produced in years t minus 1 that have been delivered to CCC at the close of the t_{th} marketing year.

There are three possible courses of action available to producers who own commodities on which there are CCC loans outstanding at the beginning of the marketing year. The possibilities are: (1) The loan can remain outstanding throughout the marketing year, (2) the commodity can be delivered to CCC in payment of the loan, and (3) the loan can be repaid and the commodity redeemed by the individual or group taking out the loan.

A loan which remained outstanding throughout the marketing year would cancel out in the equation as it would appear in loans outstanding at both points in time. A loan outstanding at the beginning of the marketing year subsequently delivered to CCC would also cancel out as it would be positive as loans outstanding and negative as a quantity delivered to CCC in payment of the loan. Only if a loan is repaid will there be a residual value, as such a loan would be represented positively in loans outstanding at the beginning of the marketing year and not be included in either value at the close of the marketing year. This residual is considered to be repayments of "old" crop loans.

Once net CCC removal has been determined it is possible to construct an index of removal resulting from government loan and purchase programs based on the index of total farm output. For an individual commodity the procedure is as follows. A value aggregate comparable to the one represented in the published index can be obtained by multiplying the quantity removed by CCC by the base period price used in the index of total farm output. To obtain an index number the value aggregate of CCC removal is divided by the base period value aggregate. To compute an index of removal

for a commodity group the value aggregates of CCC removal for individual commodities are summed, and this value aggregate is divided by the group value aggregate in the base period.

Additions to the commercially available supply in domestic markets during the marketing year were measured through the determination of values for two factors----CCC sales in the domestic market, and other forms of domestic distribution by CCC. The commodities involved in these sales or other distribution are made up of commodities acquired through price support operations.

In order to measure additions it was necessary to determine CCC sales and distribution in the domestic market by months and sum the proper combination of months to obtain additions during the various commodity marketing years.

These quantity figures on additions and base weight prices allow the construction of value aggregates of CCC additions. These value aggregates can be converted to an index of additions by dividing them by the appropriate base period value aggregates.

An index of net change in the commercially available supply based on the index of total farm output can be constructed making use of statistics developed in the indexes of removal and additions. This is accomplished by subtracting the value aggregate of CCC additions from the value aggregate of CCC removal. This manipulation yields a value aggregate of net change. The index of net change is obtained by dividing the value aggregate of net change by the appropriate base period value aggregate of the published index.

This index of net change is then added algebraically to the published index of farm output for individual commodities, for commodity

groups, or for the total index. The resulting index is a measure of production which is available to be sold in commercial markets plus CCC sales in the domestic market.

Adjustment of the Index of Farm Marketing and Home Consumption

Many of the same techniques used to adjust the index of farm output are used in adjusting the index of farm marketings and home consumption; yet, the adjustments are sufficiently different to warrant a separate description.

As mentioned earlier, this index measures physical volume of farm commodities entering the marketing system or being consumed on home farms during a given calendar year regardless of when the commodities were produced. Therefore, the calendar year is used as the relevant time period over which changes in available supply resulting from government loan and purchase programs are measured.

As with the index of farm output removal from additions to and net change in available supply were determined in order to carry out the adjustment of the index.

Three factors measured at two different points in time were used to determine net CCC removal from the commercially available supply during the calendar year. Net CCC removal by calendar year was determined by solving the following equation:

$(P_{t_1} + LD_{t_1} + LO_{t_1}) - (P_{t_0} + LD_{t_0} + LO_{t_0})$ = Net CCC removal by calendar year.

When:

P_t = Quantity of individual commodity acquired by CCC through direct purchases or purchase agreements at the close of

the calendar year (December 31).

LD_{t_1} = Quantity of individual commodity acquired through deliveries of commodity in payment of loans at the close of the calendar year (December 31).

LO_{t_1} = Quantity of the individual commodity covered by CCC loans outstanding at the close of the calendar year (December 31).

P_{t_o} = Quantity of the individual commodity acquired through direct purchases and purchase agreements at the beginning of the calendar year (January 1).

LD_{t_o} = Quantity of the individual commodity acquired through deliveries of the commodity in payment of loans at the beginning of the calendar year (January 1).

LO_{t_o} = Quantity of the individual commodity covered by CCC loans outstanding at the beginning of the calendar year (January 1).

Here no distinction is made by crop year because of the nature of the index being adjusted. Repayments of old loans are not distinguished in this calculation, but rather the net impact of loans outstanding is reflected in the removal figure.

A loan outstanding at the beginning of the calendar year can be repaid, the commodity can be delivered to CCC, or the loan can remain outstanding throughout the calendar year. If a loan remains outstanding it will have no effect on removal as it will cancel out. If the loan is delivered to CCC it will have no effect on removal as it will be positive in deliveries at time T_1 but negative in loans outstanding at time T_o. This is the proper treatment of such deliveries as such a loan will have been counted as a positive removal in the previous calendar year. If a loan is repaid, it will have the effect of reducing removal due to a negative effect at time T_o and zero effect at time T_1.

An index of removal related to the index of farm marketings and home consumption was constructed in the same manner as described for the index

of farm output but using base weights, prices, and value aggregates for the index of farm marketings and home consumption. Additions to available supply with respect to the index of farm marketings and home consumption were measured by months, and these values were summed to yield calendar year additions. An index of CCC additions was constructed in the same manner as for the index of total farm output using price and value weights from the index of farm marketings and home consumption.

The indexes of net change based on the index of farm marketings and home consumption and the adjusted indexes of farm marketings and home consumption to reflect availability were constructed in the same manner as the index of total farm output.

The method of adjusting the index of farm marketings and home consumption described in the preceding paragraphs contains a number of implicit assumptions. One of these is that all commodities moving out of CCC stocks and into domestic market channels have an equal impact on the available supply of the commodity being distributed. With various types of "give away" programs in operation, plus sales at various prices, such an assumption might well be misleading. In order to account for these various types of distribution a second adjustment of this index was performed. In an attempt to reflect the relative impact of various types of distribution on the available supply of the commodity under consideration, the following method was used. In constructing the index of CCC additions price weights were used which gave different weights to the various types of distributions. Distributions which are considered to be in direct competition with regular commercial sales are weighted at base weight prices. Other distributions are weighted at less than base weight prices. The exact price

weight assigned to these distributions depends upon the author's judgement as to how nearly they substitute for the commodity as sold in the commercial market or some other commodity being used by the recipient.

Estimating Income Transfer

In adjusting the index of farm output and the index of farm marketings, statistics are developed which allow calculation of the percentage change in the available supply of farm products with respect to these two measures resulting from CCC programs. Percentage change in availability can be determined by dividing each index of net change by the appropriate published index. Given the percentage change in supply of farm products and an estimate of price flexibility of demand for total farm output it is possible to make an estimate of the income transfer resulting from these programs.

Price flexibility of demand is the ratio of percentage change in price to the percentage change in quantity demanded.[8] The reciprocal of price elasticity of demand is often used as the coefficient of price flexibility of demand. Recognizing the many limitations of such usage we have used the reciprocal of an estimated price elasticity of demand for total farm output as an estimate of price flexibility of demand for farm output in making estimates of income transfer.

This estimate of price flexibility of demand in conjunction with the percentage change in supply yields an estimate of the percentage change

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[8] For a detailed explanation of price flexibility of demand see William A. Cromarty, "Economic Structure in American Agriculture" (Unpublished Ph. D. dissertation, Dept. of Agriculture Economics, Michigan State University), pp. 180-184.

in price due to CCC programs. If it is assumed that producers will market the same quantities of agricultural products during a given year with or without CCC programs this percentage change in price is also the percentage change in income.

The methods described above are used to determine a first approximation of the income transfer resulting from CCC programs.

Sources of Data

All removal figures shown in this thesis, with the exception of those of dairy products, were computed from data published in the Report of Financial Condition and Operation of Commodity Credit Corporation. This report is published monthly by the Commodity Stabilization Service of the U. S. Department of Agriculture. Data on CCC removal of dairy products were obtained from the March, 1957, issue of the Dairy Situation, which is published by the Agricultural Marketing Service of the U. S. Department of Agriculture.

When this study was undertaken in the fall of 1956 there were no consistent data available on CCC sales in the domestic market during the postwar period. Since that time data on calendar year purchases and distribution of dairy products have been published.[9] There is still no published source of CCC domestic sales of other commodities. These data were obtained from sales ledgers maintained by the Fiscal Analysis Branch of Commodity Credit Corporation in Washington, D.C. These ledgers are summaries of sales reports by the commodity offices located in various parts of the United States.

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[9] Dairy Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1957).

Information on the base weight used in constructing the index of farm marketing and home consumption is published in New Index Numbers of Farm Marketings and Home Consumption by E. W. Grove and M. F. Cannon of the Agricultural Marketing Service, U. S. Department of Agriculture. Price weights used in the index of total farm output were obtained from Dr. James Cavin, Head, Statistical and Historical Research Branch, Agricultural Marketing Service, U. S. Department of Agriculture. Base period value aggregates used in the index of total farm output were obtained from an unpublished manuscript of a statistical handbook compiled by the Agricultural Marketing Service, U. S. Department of Agriculture.

CHAPTER III

THE DAIRY PRICE SUPPORT PROGRAM

The purchase of dairy products to support prices received by dairy farmers originated in 1933. Purchases prior to the end of World War II were relatively small, exceeding one billion pounds of milk equivalent only in 1938.[1]

The support or stabilization of milk and butterfat prices is provided in the Agricultural Act of 1949 and the Agricultural Act of 1954.[2] This support or stabilization has been and is currently provided by Commodity Credit Corporation buying or offering to buy any quantity of butter, American cheese, and nonfat dry milk that processors are willing to deliver at specified prices.

These products, rather than fluid milk, are purchased because of greater ease of storage. Additional reasons for purchasing these particular dairy products include their widespread production in the industry, ease of distribution in either foreign or domestic markets, and their availability in bulk carload lots, which are unbranded facilitating both storage and distribution.

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[1] Dairy Situation (Washington, D.C.: U. S. Department of Agriculture, May, 1949), Table 11, p. 17.

[2] Agriculture Handbook No. 113, op. cit., pp. 155-156.

By offering to purchase all offerings of butter, American cheese, and nonfat dry milk at specified prices it is expected that surplus manufacturing milk or butterfat will be channeled to these three products. By maintaining the demand at the processor level for these products of milk it is hoped that the price support objective of some percentage of parity price will be maintained at the producer level. The buying price established by CCC for butter, American cheese, and nonfat dry milk is calculated to return the support price to the farmer from whom the milk was purchased by the processor.

Purchases of dairy products for price support purposes in the postwar period were of small importance prior to 1949.[3] Disposition of stocks, acquired through these purchases, in the domestic market began in the same year but did not reach major proportions until 1950.

In the following sections the index of total farm output of dairy products and of farm marketings and home consumption of dairy products are adjusted to show the relation of the magnitude of government purchases and distributions of dairy products to the currently published series. Physical quantities of the individual dairy products represented by the indexes of removal and additions are shown in Tables 1a through 1b of the appendix.

In constructing these indexes, products purchased and distributed by CCC have been converted to their equivalent at the farm level. Butter was converted to butterfat at the rate of .826 pounds of butterfat per

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[3] The only purchases prior to this time, after cessation of hostilities, were in 1947 when 211,311,000 pounds of nonfat dry milk were purchased. Dairy Situation, March, 1957, op. cit., p. 20.

pound of butter.[4] Cheese was converted to milk equivalent at the rate of 10 pounds of milk per pound of cheese.[5] This milk equivalent of cheese was valued as wholesale milk. Dry solids—notfat—are not valued in the adjustment of the indexes because the milk equivalent of butter and cheese includes this portion of the milk.[6]

Magnitude of CCC Purchase and Disposal Programs in Relation to Total Farm Output of Dairy Products

The index of removal shown in column 2 of Table 1 is a measure of the volume of government purchases of dairy products based on the index of farm output of dairy products. A comparison of the two indexes (removal and total output) in 1949 will serve as an illustration of this point. In 1949 the index of total farm output of dairy products stood at 101, while the index of removal was equal to 1.64. This means that the volume of total farm output of dairy products available to be sold in commercial, domestic markets could be represented by an index number of 99 rather than 101 as the remaining output was sold directly to government. Such a comparison of these two indexes for each of the postwar years, when CCC purchases of dairy products were of importance, will provide an indication of the portion of total production being sold directly to government and the portion of production available to be sold in commercial channels.

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[4]Rudolph Froker and Clifford Hardin, Paying Producers for Fat and Solids-notfat in Milk (University of Wisconsin: February, 1942), Research Bulletin 143.

[5]Agricultural Statistics, 1955 (Washington, D.C.: U. S. Government Printing Office, 1956), p. IX (Introduction).

[6]Dairy Situation, May, 1949, op. cit.

TABLE 1.-Volume of CCC removal from and additions to the available supply of dairy products during the postwar period in relation to total farm output of dairy products

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	101	1.64	0.22	-1	100
1950	101	2.57	2.32	0	101
1951	100	.01	.40	0	100
1952	101	.22	.01	0	101
1953	106	7.10	1.32	-6	100
1954	107	6.53	2.96	-4	103
1955	108	3.38	2.43	-1	107

Sources: Column 1--Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, 1956), pp. 8-9.

Columns 2-3--Computed from data in appendix and base weights used in the index of total farm output.

Column 4--Column 2 minus column 3.

Column 5--Column 1 minus column 4.

The index of CCC additions is a measure of the volume of CCC dispositions of dairy products in the domestic market. This index provides a means of determining the importance of CCC distributions in the domestic market in relation to total farm output of dairy products. In 1950 the index of total farm output was equal to 101. The index of CCC additions was equal to 2. In the absence of CCC purchases this would mean that the total quantity of dairy products available in the domestic market could be represented by an index number of 103 based on the index of total output. Two quantities are represented in such an index number: (1) farm output equal to 101, and (2) CCC domestic distributions equal to 2.

The index of additions would indicate that CCC distributions of dairy products have never been large in relation to total output of dairy products. However, a year-by-year comparison of the index of additions with the index of removal indicates that CCC additions in some years have been of sufficient magnitude to substantially offset CCC purchases. In one year(1951) distributions in the domestic market exceeded purchases, resulting in a net addition to available domestic supply.

The index of net change is a measure of the net impact of government purchase and distribution programs on the quantity of dairy products available in commercial domestic markets relative to farm output of dairy products as measured in the index of total farm output. In an earlier example we have shown that if only government distributions are considered the change in available supply during 1950 would be a plus 2.32 in terms of index numbers. However, when CCC purchases are considered (a minus 2.5 in index numbers) we find that the net change in available supply is equal to a minus .25.

The adjusted index is a measure of farm output of dairy products not sold to CCC plus CCC distributions in the domestic market. From 1949 through 1953 this index (the adjusted index of farm output) centered at the level of 100 and flucuated very little. In 1954 this index began to move upward and reached a level of 107 in 1955. This index would indicate that CCC activity stabilized the quantity of dairy products, measured in terms of production, available over the 1949-53 period. The rise in this index during 1954 and 1955 indicates that the quantity of dairy products available to be sold in commercial markets was rising. This rise in the available supply of dairy products appears to be due to increasing farm output of dairy products accompanied by steady to

falling CCC removal and a higher level of CCC additions.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Farm Marketings and Home Consumption of Dairy Products

The index of removal shown in Table 2 is a measure of the volume of dairy products sold to CCC based on the index of farm marketings and home consumption. This index measures sales to CCC as a part of the total index of farm marketing and home consumption. If this index is compared with the published index of farm marketings and home consumption of dairy products it is possible to determine the relative importance of sales to CCC as compared to other sales and home consumption dairy products. In 1949 sales

TABLE 2.-Volume of CCC removal from and additions to the available supply of dairy products during the postwar period in relation to farm marketings and home consumption of dairy products

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	101	1.64	0.21	-1	100
1950	101	2.57	2.32	0	101
1951	99	.01	.40	0	99
1952	100	.22	.01	0	100
1953	105	7.09	1.31	-6	99
1954	106	6.52	2.95	-4	102
1955	107	3.37	2.42	-1	106
1956	110	3.25	2.74	-1	109

Sources: Column 1--1949-1954 E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, 1956), p. 16. 1955-1956 telephone conversation with E. W. Grove, U. S. Department of Agriculture, Washington, D.C.

Columns 2-3--Computed from data in appendix and base weights used in the published index of farm marketings and home consumption.

Column 4--Column 2 minus column 3----Column 5--Column 1 minus column 4.

to CCC were equal to a volume that would yield an index number of 1.64 when measured in terms of the index of farm marketing and home consumption of dairy products. The published index is equal to 101. If sales to CCC were not included in this index it would be equal to 99 rather than 101. In more precise terms, this means that farm marketings to buyers other than CCC and home consumption of dairy products could be represented by an index number of 99.

The index of additions shown in column 2 of Table 2 is a measure of CCC distributions in the domestic market measured in terms of the index of farm marketings and home consumption. Comparison of this index with the total index of farm marketings and home consumption facilitates the determination of the relative importance of these distributions in terms of other sales and home consumption of dairy products for each year during the time period under consideration. To illustrate the meaning of this index the volume of CCC distributions in 1954 will be considered. In that year CCC disposed of a volume of dairy products in the domestic market which yields an index number of 2.95 when measured in terms of the index of farm marketings and home consumption. This means that the total quantity of dairy products entering the domestic market or being consumed on home farms could be represented by an index number of 109, with the marketings and home consumption index equal to 106 and the index of additions equal to 3. CCC purchases are not considered in this example.

The index of net change is a measure of the net change in quantity of dairy products entering the domestic market as a result of CCC purchases and disposals. The net effect of these two programs has varied from a net addition represented by an index of .39 in 1951 to a reduction

of 5.77 in 1953.

The adjusted index of farm marketings and home consumption is a measure of the quantity of dairy products sold to buyers other than CCC and used on home farms plus CCC distributions in the domestic market. From 1949 through 1953 this index was stable at a level of 100. In 1954 the index began to rise and continued to do so in both 1955 and 1956. The action of this index would indicate that the quantity of dairy products sold to buyers other than CCC and used on home farms plus CCC domestic distributions was relatively constant from 1949 through 1953. The rise in this index in 1954, 1955, and 1956 indicates that these same quantities have risen substantially during the past three years. The forces causing this index to rise seem to be (1) a rising level of total farm marketing and home consumption, (2) a lowering of the level of CCC purchases, and (3) a relatively high level of CCC distributions.

Magnitude of CCC Purchase and Disposal Programs in Relation to Farm Marketings and Home Consumption of Dairy Products When the Various Types of CCC Distributions Are Considered

In Table 3 indexes are presented which measure the same quantities of dairy products considered in the previous sections.

The published index and the index of removal in Table 3 are precisely the same as those shown in Table 2.

In the index of additions in Table 3 various types of CCC distributions are weighted differently in an attempt to account for varying recipient demand for the products being distributed. Commercial, domestic sales are weighted at base weight prices. Transfers to the Army and Veterans Administration Hospitals are also weighted at base weight

prices.[7] Donations of dairy products under either Section 32 or 416 programs were weighted in the following manner. Butter is valued at the 1947-49 average price of oleo. This value is used because it is felt that much of the donated butter is used as a substitute for oleo. Cheese that is donated is valued at 55 per cent of its base weight, which deflates the value of donated cheese at a rate comparable to the one used for butter. It is hoped that such a weighting system will yield an index of additions which will provide a better indication of the effects of these additions on the available supply of dairy products.

TABLE 3.-Effects of CCC programs on the available supply of dairy products when various types of distributions are weighted to reflect their impact on available supply

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	101	1.64	0.15	-1	100
1950	101	2.57	2.05	-1	100
1951	99	.01	.40	0	99
1952	100	.22	.01	0	100
1953	105	7.09	.93	-6	99
1954	106	6.52	2.18	-4	102
1955	107	3.37	1.79	-2	105
1956	110	3.75	1.85	-2	108

In years when there were no domestic donations of dairy products the index of additions shown in Table 3 is the same as the one shown in

[7]Discussions with several Army Quartermaster Corp officers who have worked or are currently working in military food procurement and distribution provide the basis for this weighting. There is general agreement that these transfers become part of the general supply and act as nearly perfect substitutes for dairy products obtained in commercial markets.

Table 2. In other years when CCC donations were a small part of total domestic distributions this index changes slightly. In years when these donations were large in volume the index of additions in Table 3 differs markedly from the one shown in Table 2. In 1950, 1955, and 1956 domestic donations were of sufficient magnitude to change the adjusted index from the one presented in Table 2 in which all CCC distributions are weighted equally.

The adjusted index presented in Table 3 represents farm marketings and home consumption of dairy products excluding sales to the government, plus CCC domestic distributions weighted to reflect user demand. As mentioned earlier such weighting changes the adjusted index in three of the eight years being considered. From this it would appear that it is helpful to know the type of distribution taking place when evaluating the effect of these distributions on the available supply of dairy products. However, it should be pointed out that such a weighting changed the index of availability by only one index number in each of the instances when a change did take place.

CCC Purchases and Distributions of Dairy Products in the Postwar Period Related to the Farm Marketings of Dairy Products as Measured in the Index of Farm Marketing

When the volume of government purchases and/or distribution is compared to total farm marketings of dairy products it is an even greater share of the total than it was shown to be in the previous three comparisons.

In Table 4 a set of indexes are presented which relate the sub-index on marketing to the volume of government purchases and distributions.

TABLE 4.-Volume of CCC removal from and additions to the available supply of dairy products during the postwar period in relation to farm marketings of dairy products

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	102	1.92	0.25	-2	100
1950	102	3.02	2.72	0	102
1951	100	.01	.47	0	100
1952	102	.26	.01	0	102
1953	108	8.32	1.54	-7	101
1954	111	7.65	3.47	-4	107
1955	113	3.96	2.84	-1	112
1956	117	4.40	3.22	-1	116

Sources: Column 1--Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1957), p. 9.

Columns 2-3--Computed from data in appendix and base weights used in the published index of farm marketings.

Column 4--Column 2 minus column 3.

Column 5--Column 1 minus column 4.

The index of removal shown here is a measure of government purchases as a part of total farm marketings. Comparing this index with the published index shows the relation of sales to government to other farm marketings of dairy products.

The index of additions in Table 4 relates government distributions to farm marketings and provides an indication of the importance of these distributions as a part of total farm marketings of dairy products.

The index of net change is a measure of the net change in the volume of dairy products entering the domestic market as a result of CCC purchases and distributions. When evaluating the effect of government purchases

and distribution on the quantity of dairy products available to meet market demand a measure such as this seems to be the relevant one.

The adjusted index of farm marketings is a measure of farm marketing to buyers other than CCC plus CCC distribution. The level of this index provides an indication of the quantity of dairy products in commercial domestic channels. The index varied, but slightly, around the level of 100 from 1949 through 1953. In 1954 the index rose sharply to a level of 107. In 1955 and 1956 the steep rise continued reaching a level of 116 in 1956. This indicates that despite a substantial purchase program the quantity of dairy products moving in domestic market channels has increased substantially during the past three years.

CHAPTER IV

THE FEED GRAINS PROGRAM

The first governmental program for a feed grain was initiated in 1933 when Commodity Credit Corporation offered loans to growers on 1933 crop corn.[1] Price supporting loans have been available on barley and grain sorghums since 1940 and on oats since 1945.[2] Purchase agreements have been available since 1947 for corn[3] and 1948 for the other feed grains.[4]

Loans made to growers on farm stored grain are secured by a chattel on the grain. Loans on warehouse stored grain are secured by a promissory note secured by a warehouse receipt. The grower may pay off his loan at any time up to the maturity date at its face value plus any accrued interest. Reseal programs which allow extensions of the loan beyond the maturity date have been in operation during several of the postwar years. The placing of a quantity of feed grains under government loan has the effect of reducing the available supply. If these loans are repaid during the current year, this reduction is short-lived and really does not reduce the available supply but rather shifts the availability to a later date. However, if these loans are not repaid and are either outstanding at the

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[1] Corn Price-Support Loan Operations, 1933-1952 (Washington, D.C.: U. S. Department of Agriculture, 1953), p. 1.

[2] Agricultural Commodity Programs, op. cit., p. 227.

[3] Corn Price-Support Loan Operations, loc. cit.

[4] Benedict and Stine, op. cit., p. 229.

close of the year or if the commodity is delivered to CCC a reduction in the available supply results. These loans can remain outstanding into the next marketing year which provides the possibility of repayments of loans on other than the current crop. Repayments of such loans have the effect of adding to the available supply during the year in which they occur. Such repayments may either partially or totally offset any reduction in available supply resulting from loans made on the current crop.

Purchase agreements are also available as a means of price support on feed grains. These agreements have been used less than loans, but have been important in some years. Purchase agreements reduce the available supply only when the commodity is actually delivered to CCC.

Corn is the major feed grain and the only one of the four designated as basic commodity under price support legislation. Support for the other feed grains is provided under the authority to support other non-basic agricultural commodities.

Relatively strong demand for feed grains plus a small corn crop in 1947 held feed grain prices above support level from the close of World War II through the 1947 marketing year.[5] In 1948, however, a record corn crop accompanied by a decline in demand for feed grains caused prices to decline and CCC to become an important factor in the market.

Although there are no currently available data on CCC sales of feed grains in domestic markets prior to July 1, 1949, there is a strong indication that such sales were of small importance during the period July 1, 1946, through June 30, 1949. Data on total feed grain sales during this

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[5]The marketing year for oats and barley is from July 1 through June 30; for corn and grain sorghums the marketing year is from October 1 through September 30.

time period indicate that the sales were of relatively small volume.[6] Data on CCC stocks of feed grains over this same period indicate a large share of these stocks were committed for foreign distribution.[7] These committments of CCC stocks would indicate that during this period a substantial portion of total CCC sales were in foreign markets. The physical volumes of feed grains represented by the indexes of removal and additions are shown in Tables 2a through 5d in the appendix.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Total Farm Output of Feed Grains

In 1948 a record corn crop was harvested in the United States. The index of total output of feed grains was at a record level of 116. With these conditions prevailing CCC became an important outlet for feed grain producers. In 1948 the index of CCC removal was equal to 10.80, which represented a quantity of feed grains equal to slightly more than 9 percent of the total farm output of feed grains. With few CCC sales in the domestic market an index number of 105, based on the index of total farm output, would be a relatively accurate measure of the quantity of feed grains produced and available to be sold in commercial domestic markets with the remaining output being removed from supply by CCC loans and purchases. A comparison of the index of removal shown in Table 5

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[6]Total feed grain sales from July 1, 1946, through June 30, 1949, were as follows: barley, 20,107,482 bushels; oats, 10,404,805 bushels; grain sorghums, 10,455,794 cwt., and corn, 9,047,664 bushels. Report of Financial Condition and Operations, Commodity Credit Corporation as of June 30, 1947, 1948, and 1949 (Washington, D.C.: U. S. Government Printing Office, 1947, 1948, and 1949).

[7]Report of Financial Condition and Operation, Commodity Credit Corporation as of June 30, 1947, June 30, 1948, and December 31, 1948 (Washington, D.C.: U. S. Government Printing Office, 1947, 1948, and 1949).

with the published index of farm output of feed grains provides an indication of the magnitude of CCC removal of feed grains in relation to total farm output of feed grains.

TABLE 5.-Volume of CCC removal from and additions to the available supply of feed grains during the postwar period in relation to total farm output of feed grains

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1948	116	10.80	---[a]	-11	105
1949	103	7.39	.79	- 7	96
1950	104	-1.51	1.68	3	107
1951	97	.21	3.08	3	100
1952	102	7.18	1.53	- 6	97
1953	101	10.52	5.22	- 5	96
1954	105	9.95	1.77	- 8	97
1955	111	12.71	2.24	-10	101

[a]Estimated to be equal to zero.

Sources: Column 1--Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, 1956), pp. 8-9.

Columns 2-3--Computed from data in appendix and base weights used in the index of total farm output.

Column 4--Column 2 minus column 3 rounded to the nearest whole number.

Column 5--Column 1 minus column 4.

An explanation is in order for the figures presented for 1950. The removal index is a measure of the quantity of feed grains produced during year t and delivered to CCC at the close of tth marketing year plus the quantity of feed grains produced during year t on which CCC loans are outstanding at the close of the tth marketing year minus the quantity of feed grains produced in years t minus 1 on which loans are repaid during the tth marketing year. This index indicates

a net addition to available supply during the 1950 marketing year. At the beginning of the feed grains marketing years in July and October of 1950 substantial quantities of 1949 crop feed grains were in the hands of producers, but under CCC loans. With feed grain prices rising during the marketing year a large portion of these loans were repaid. This rise in the price of feed grains also caused the quantity of 1950 crop feed grains delivered to CCC or remaining under loan at the close of the marketing year to be relatively small. The net effect was that the quantity of feed grains represented by repayment of "old" loans exceeded the quantity removed from supply by CCC loans and purchases, resulting in a negative index of removal. CCC domestic sales during the 1950 marketing year were equal to an index number of 1.68. In total, CCC operations of previous and the current year resulted in a net addition to the available supply of feed grains equal to an index number of 3.21 in terms of the index of total farm output of feed grains.

The index of additions, which is a measure of CCC sales of feed grains in the domestic market as a part of total farm output, was equal to 3.08 in 1951. The quantity of feed grains represented by this index number was equal to more than 3 per cent of the total farm output of feed grains in 1951. The majority of these sales were commercial sales of corn.

During the 1953 marketing year CCC removal and additions were both equal to rather large portions of total farm output of feed grains; removal was equal to 10.5 per cent, and additions were equal to 5 per cent. CCC sales during the 1953 marketing year consisted mainly of out-of-condition corn sales with over 146 million bushels of such corn being sold in

domestic markets from October 1, 1953, through September 30, 1954.

CCC removal of feed grains continued high during 1954 and reached a peak in 1955 with total CCC removal of feed grains equal to 11.5 per cent of the total farm output of feed grains.

Examination of the index of net change presented in Table 5 indicates that the net effect of CCC activities on the available supply of feed grains in relation to the total farm output of feed grains has ranged from a reduction equal to 10 per cent to an increase equal to 3 percent. Such a variation in the impact of government programs on the available supply of feed grains indicates that any evaluation of the program's effect should consider CCC removal, CCC additions, and the part that each has played in yielding the results obtained. This index also indicates that CCC programs have tended to offset variation in farm output of feed grains. This was especially true during the 1951-1955 period.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Farm Marketings and Home Consumption of Feed Grains

As indicated in the opening section, CCC was not an important outlet for feed grain producers prior to the 1948 marketing year. In terms of volume delivered to CCC corn was by far the most important feed grain involved in price support programs at that time. Therefore, adjustment of the index of farm marketings and home consumption of feed grains on a calendar year basis from 1949 through 1956 will include the majority of CCC activities in feed grains, from the close of World War II through calendar year 1956.

In Table 6 indexes are presented which provide an indication of the relative importance of CCC removal in relation to total farm marketings and home consumption of feed grains and the importance of CCC sales in the domestic market in relation to these two factors. The fact that relatively small quantities of feed grains are marketed or consumed on home farms renders quantities removed from or added to the available supply of feed grains by CCC programs a relatively large part of the total farm marketings and home consumption of feed grains.

TABLE 6.-Volume of CCC removal from and additions to the available supply of feed grains during the postwar period in relation to farm marketings and home consumption of feed grains

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	121	36.84	0.43[a]	-36	85
1950	112	20.15	2.79	-17	95
1951	88	3.13	6.07	3	91
1952	91	-2.80	14.22	17	108
1953	107	29.27	7.18	-22	85
1954	125	32.83	13.18	-20	105
1955	136	35.90	5.04	-31	105
1956	135	34.68	6.15	-29	106

[a]Represents domestic sales during the last 6 months of 1949 only.

Sources: Column 1--1949-1954--E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, 1956), p. 16.

Columns 2-3--Computed from data in appendix and base weights used in the published index of farm marketings and home consumption.

Column 4--Column 2 minus column 3 (rounded to the nearest whole number).

Column 5--Column 1 minus column 4.

In 1949 large quantities of corn from the record crop of 1948 were marketed. These marketings, plus other factors, caused a general lowering of feed grain prices in commercial markets. Under these conditions CCC loans and purchase agreements became an attractive arrangement for feed grain producers. The degree of attractiveness is indicated by the high level of the index of CCC removal based on the index of farm marketings and home consumption. In 1949 CCC removal was equal to 30 per cent of total farm marketing and home consumption of feed grains.

The index for removal for 1950 is equal to 20.15, but in arriving at this index number counterbalancing factors have been considered. These two factors are deliveries to CCC, and repayments of loans. For example, 330.8 million bushels of corn were delivered to CCC in payment of loans during 1950 plus 53.9 million bushels that were delivered to CCC in fulfillment of purchase agreements. Offsetting these large removal figures are large quantities of corn on which loans were repaid. The net change in loans outstanding on corn during 1950 was a minus 168.5 million bushels. This same type of activity was carried on in other feed grains with repayment of loans on oats exceeding removal by loans and purchases.

With feed grain prices rising during 1952 feed grain producers, and especially corn and grain sorghum producers repaid loans on large quantities of their 1951 crop during the 1952 calendar year, resulting in a negative index of removal for the year. CCC sales were also very high in 1952 with domestic sales of corn equal to 198.6 million bushels. These corn sales plus other feed grain sales yield an index of additions equal to 14.22 which represents a quantity of feed grains equal to 16 per cent of total farm marketings and home consumption of feed grains.

During 1954 CCC loans and purchases removed more than 360 million bushels of corn from the available supply. During that same year CCC domestic corn sales were equal to 147.5 million bushels. Of total domestic corn sales out-of-condition sales were equal to 131 million bushels. CCC corn sales were equal to slightly more than 40 percent of corn removal during 1954. These large CCC corn operations are the primary reasons for the high level of the indexes of removal and additions during that year.

In 1955 the index of CCC removal rose to 35.90--only slightly under the high point for the time period considered in this study. CCC removal was equal to more than 27 per cent of the total farm marketings and home consumption in 1955.

In 1956 CCC removal continued to be an important part of total farm marketings and home consumption with the removal index equal to 34.68. Total CCC operations in 1956 resulted in an adjusted index of 106--slightly higher than in 1955.

Examination of the adjusted index indicates that despite heavy removal by CCC the index has been stable for the past three years at a level much higher than in any of the other years examined except 1952. However, the reason for this higher level in the past three years appears to be for two reasons. In 1954 the adjusted index was forced upward by a higher level of CCC sales in domestic markets. In 1955 and 1956 CCC sales were back at a more normal level but total farm marketings and home consumption had risen sufficiently to hold the adjusted index at approximately the same level. This higher level of the adjusted index indicates that greater quantities of feed grains have been available in

domestic, commercial markets during the past three years.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Farm Marketings and Home Consumption of Feed Grains When Various Types of CCC Sales Are Considered

In the previous section reference has been made to two types of CCC sales of feed grains in the domestic market, these being commercial sales, and out-of-condition sales. Feed grains have also been supplied to domestic users under the emergency feed program. To reflect the relative impact of each type of sale on available supply, different price weights have been assigned to each in constructing the index of additions shown in Table 7.

TABLE 7.-Volume of CCC removal from and additions to the available supply of feed grains in relation to farm marketings and home consumption of feed grains when various types of CCC sales are weighted to reflect their impact on available supply

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	121	36.84	0.42[a]	-36	85
1950	112	20.15	2.70	-17	95
1951	88	3.13	5.95	3	91
1952	91	-2.80	14.21	17	108
1953	107	29.27	6.71	-23	84
1954	125	32.83	11.93	-31	104
1955	136	35.90	4.65	-31	105
1956	135	34.68	5.69	-39	106

[a]Represents sales during the last 6 months of 1949 only.

Commercial sales are weighted at base weight prices. Out-of-condition sales, which are sales of CCC stocks which have been declared out of condition and/or unfit for further storage, are weighted at 90 per cent of

their base weight price. Assignment of such a price weight to out-of-condition sales is somewhat arbitrary, but there are indications that such a price weight is fairly accurate in estimating the relative impact of commodities sold as out-of-condition on available supply.[8] Distributions under the emergency feed program were weighted on the basis of the degree of substitution of the commodity being distributed for grain sorghums. Corn distributed under this program is weighted at 90 per cent of the base price of grain sorghum and oats at 45 per cent of the base price of grain sorghums.[9]

Use of these weights yields an index of additions which is slightly lower than the one presented in Table 6 for each of the years under consideration. These changes were sufficiently large in only two years (1953 and 1954) to change the adjusted index from the one presented in Table 6, and then only by a single index number. This lack of change in the indexes should not be used to imply that sales other than commercial sales have been unimportant. Emergency feed sales have never been of sufficient size to influence the indexes. Out-of-condition sales have been a large part of total CCC sales of feed grains in some years, but, given the weighting system used, very large out-of-condition sales fail to shift the indexes by any great amount.

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[8]A review of receipts of grain by carload lots at the Chicago terminal market published daily in the Wall Street Journal which distinquishes between CCC grain and other grain indicates very few cars of CCC grain contain more than 10 per cent damage. A major portion contain considerably less.

[9]These price weights assign a value to each of these feed grains which is approximately equal to the relative feeding value of the two grains and grain sorghum, but at less than the value of grain sorghum due to a lack of effective demand.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Total Farm Marketings of Feed Grains

Home consumption of feed grains as measured in the index of farm marketings and home consumption is a very small part of the total quantity represented in the index. Therefore, a comparison of the volume of CCC removal from and additions to the available supply in relation to the index of farm marketings yields a very similar set of relationships as shown in Table 6.

Indexes in Table 8 indicate that CCC removal and additions have been a large proportion of total farm marketings in the postwar period. The adjusted index of farm marketings represents the quantity of feed grains entering domestic markets from produce sales to buyers other than CCC plus CCC sales in domestic markets, plus the net change in the quantities under loan. The spread between this index and the published index provides an indication of the relative importance of CCC activity in relation to total farm marketings and the removal and addition indexes provide an insight into the reasons for this spread.

Examination of the magnitude of CCC loan, purchase, and domestic sales of feed grains in relation to total farm output, farm marketings, and home consumption of feed grains indicates that governmental programs have influenced substantial portions of these total quantities. However, these indexes indicate that the flow of feed grains to and from government has varied in both direction and volume. The timing of the changes in the direction of this flow has very likely had a dampening effect on price fluctuations in the feed grains. It would be expected that this dampening effect would work in either direction—that is, an increase in the available supply should tend to push prices down in the same way that a decrease

in available supply should tend to hold prices up.

TABLE 8.-Volume of CCC removal from and additions to the available supply of feed grains during the postwar period in relation to farm marketings of feed grains

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	121	37.25	0.43[a]	-37	84
1950	113	20.27	2.82	-18	95
1951	88	3.16	6.13	3	91
1952	91	-2.83	14.38	17	108
1953	107	29.60	17.26	-22	84
1954	125	33.20	13.33	-20	105
1955	136	37.33	5.10	-32	104
1956	135	35.07	6.22	-29	106

[a]Represents sales in the last 6 months of 1949 only.

Sources: Column 1--Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1957), p. 9.

Column 2-3--Computed from data in appendix and base weights used in the index of farm marketings.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

CHAPTER V

THE FOOD GRAINS PROGRAM

Three food grains have been involved in price support programs during the postwar period. These food grains are rye, rice, and wheat.

In terms of value or volume wheat has been by far the most prominent in government price support operations. Provision for price support loans on wheat were first made in 1938.[1] Wheat prices have been supported during the postwar period by means of loans and purchase agreements. Strong export demand for wheat from 1945 through 1947 held wheat prices above the support level through the 1947 marketing year.[2] A record wheat crop in 1947 restored depleted supplies, and a large wheat crop in 1948 pushed wheat prices below the support level. During the 1948 marketing year CCC loans and purchase agreements became an important outlet for wheat producers.

Rye is an important crop in some states but is not a large part of the overall crop program. CCC loans have been available on rye since 1939. Support has been provided in the postwar period by means of loans and purchase agreements. The rye program has not been large in total or as a part of the total production. Rye prices remained high through the

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[1] Wheat Stabilization Activities (Washington, D.C.: U. S. Department of Agriculture, June, 1955), p. 1.

[2] The marketing year for wheat and rye is July 1 through June 30, and for rice August 1 through July 31.

1947 marketing year, but declined sharply in 1948.[3] With prices declining during the 1948 marketing year rye producers began to make use of CCC loans and purchase agreements which were available to them.

Rice is defined as a basic commodity by price support legislation. Loans have been available to rice producers since 1933, but prior to 1948 very little rice was pledged for CCC loans. During the period under consideration price supports have been available to rice producers in the form of loans and purchase agreements. With the removal of price ceilings on rice at the close of World War II rice prices rose sharply.[4] With prices rising during 1946 and 1947 CCC loans and purchases were of small importance. However, falling prices in 1948 and 1949 resulted in substantial quantities of rice being placed under CCC loan and/or delivered to CCC through purchase agreements.

The foregoing would indicate that the impact of CCC removal on the available supply of food grains from the close of World War II through the 1947 marketing year was of small importance. The impact of CCC additions on the available supply of food grains during this same period cannot be precisely determined because of a lack of data on CCC domestic sales prior to July 1, 1949. However, there are strong indications that CCC domestic sales of food grains were small prior to July 1, 1949.[5]

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[3]Seasonal average price per bushel received by farmers for rye from 1946-1948 was as follows: 1946, $1.92; 1947, $2.26; 1948, $1.46. Agricultural Statistics, 1955, op. cit., p. 14.

[4]Seasonal average price per bag received by farmers for rice from 1945-1949 was as follows: 1945, $3.98; 1946, $5.00; 1947, $5.97; 1948, $4.88; 1949, $4.10, ibid., p. 19.

[5]Sales of food grains not specifically marked for export from July 1, 1946, through June 30, 1949, are as follows: wheat, 38,672,552 bushels; rye, 10,566 bushels. Report of Financial Condition and Operations, CCC as of June 30, 1947, 1948, and 1949, op. cit.

Various relationships between the volume of food grains involved in CCC loan, purchase, and disposal programs and farm output and farm marketings and home consumption of food grains are described in the following sections. The physical volume of the individual food grains represented by the indexes of removal and additions are shown in Tables 6a through 8d of the appendix. In constructing these indexes milled rice has been converted to rough equivalent at the rate of 1.52 pounds of rough rice per pound of milled rice.[6]

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Total Farm Output of Food Grains

In Table 9 a group of indexes is presented which show the magnitude of CCC removal from and additions to the supply of food grains available in domestic markets related to total farm output of food grains as measured in the index of total farm output.

The index of removal shown in Table 9 is a measure of the quantity of food grains removed from the available supply by CCC loan and purchase operations based on the index of total farm output of food grains. The index numbers presented in column 2 of Table 9 represents CCC removal of food grains as a part of the index of total farm output of food grains. In 1953 the index of total farm output of food grains was equal to 96, and the index of CCC removal of food grains based on the index of total farm output was 36.17. If CCC sales of food grains in the domestic market are disregarded this removal index would indicate that an index number of 60, based on the index of total farm output, would be representative of the quantity of food grains produced in 1953 and available to be sold in

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[6] Agricultural Statistics, 1955, op. cit., p. X (Introduction).

commercial domestic markets. In percentage terms CCC removal was equal to 38 per cent of the total farm output of food grains in 1953.

TABLE 9.--Volume of CCC removal from and additions to the available supply of food grains during the postwar period in relation to total farm output of food grains

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1948	103	23.04	---[a]	-23	80
1949	89	19.24	1.52	-18	71
1950	83	2.30	1.54	- 1	82
1951	81	6.46	.60	- 6	75
1952	105	28.81	.89	-28	77
1953	96	36.17	1.09	-35	61
1954	85	35.55	5.43	-30	55
1955	80	26.23	1.84	-24	56

[a]Estimated to be zero.

Sources: Column 1--Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, 1956), pp. 8-9.

Column 2-3--Computed from data in appendix using base weights used in published index of farm output.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The index of removal of food grains represents a much greater quantity of wheat than either of the other two food grains. The quantities represented by the index number for 1948 will be used as an example. In that year the index of CCC removal was equal to 23.04 with the amount of wheat represented equal to 265.9 million bushels. The remaining quantity of food grains represented by this index number is less than a million

bushels of rye and slightly over 10,000 hundred-weight of rice. This overriding influence of wheat on the removal index is the primary reason for this index being positive during the 1950 marketing year. The quantity of rye and rice on which "old" loans were repaid during the 1950 marketing year exceeded the quantity removed by loans and purchases, but removal of wheat was sufficient to keep the index positive.

A year-by-year comparison of the index of removal and the published index of farm output indicates the part of total output that has been removed from available supply by CCC loan and purchase programs. Such a comparison shows that CCC removal has been an important part of total farm output of food grains during each of the marketing years considered with the exception of 1951.

The index of CCC additions in Table 9 is a measure of CCC sales of food grains in the domestic market, by marketing year, in relation to total farm output of food grains as measured in the index of total farm output. A comparison of the index of additions shown in Table 9 with the published index of total farm output of food grains reveals the relative importance of these additions to total farm output. Such a comparison indicates that CCC domestic sales of food grains have been a rather small percentage of total farm output of food grains during each of the marketing years considered with the exception of 1954. In 1954 domestic sales of food grains by CCC were equal to 6 per cent of total farm output of food grains. A substantial increase in the domestic sale of rice during the 1954 marketing year was the primary reason for the sudden rise in the index of CCC additions for 1954.

The index of net change is a measure of the net change in the available supply of food grains as a result of CCC loan, purchase, and disposal programs in relation to total farm output of food grains. This index indicates that CCC activity has lowered the available supply of food grains available in domestic markets by an amount equal to a rather large percentage of total farm output of food grains in six of the eight years considered.

The adjusted index is a measure of the quantity of food grains produced and not removed from available supply by CCC loan and purchase programs plus CCC sales in the domestic market. The index indicates the quantity of food grains being produced and available to be sold in commercial domestic markets. The general trend in this index appears to be downward indicating that smaller quantities of food grains have been available in domestic markets during the latter part of the period considered. The lower level of this index appears to be due to a lower level of total farm output of food grains coupled with a continued high level of CCC removal.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Farm Marketings and Home Consumption of Food Grains

As indicated in the opening section of this chapter, CCC loans and purchases of food grains were of small importance prior to the 1948 marketing year. The indexes presented in Table 10 have been constructed by calendar year from 1949 through 1956. CCC activity during the 1948 marketing year prior to January 1, 1949, is not measured in these indexes.

TABLE 10.--Volume of CCC removal from and additions to the available supply of food grains during the postwar period in relation to farm marketings and home consumption of food grains

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	98	33.46	0.91[a]	-33	65
1950	81	11.36	1.73	-10	71
1951	77	2.99	.77	- 2	75
1952	98	21.93	1.28	-21	77
1953	96	39.25	.59	-39	57
1954	92	37.88	3.27	-35	57
1955	81	31.36	5.20	-26	55
1956	85	28.99	2.17	-27	58

[a]Represents domestic sales during the last 6 months of 1949 only.

Sources: Column 1--1949-1954, E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, 1956), p. 16. 1955-1956 telephone conversation with E. W. Grove, Agricultural Marketing Service, Washington, D.C.

Column 2-3--Computed from data in appendix and base weights used in published index of farm marketings and home consumption.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The index of removal shown in Table 10 is a measure of CCC removal as part of total farm marketings and home consumption of food grains. A comparison of this index with the published index of farm marketings and home consumption provides an indication of the importance of CCC removal in relation to total farm marketings and home consumption of food grains. During 1953 the index of removal was equal to 39.25 which represents a quantity of food grains equal to 41 per cent of total farm marketings

and home consumption. An index number of 57, based on the index of farm marketings and home consumption, would be representative of farm marketing to buyers other than CCC and home consumption of food grains in 1953. A like comparison for each of the postwar years considered indicates that CCC removal has been an important part of total farm marketings and home consumption of food grains. The index of removal for 1951 indicates that CCC removal was equal to a quantity of food grains that can be represented by an index number of 2.99, based on the index of farm marketings and home consumption. However, deliveries to CCC during 1951 were to a large degree offset by loan repayments during that year. Rye removal was negative during 1951 with loan repayments exceeding removal by loans and purchases.

The index of CCC additions of food grains shown in Table 10 is a measure of the quantity of food grains sold in domestic markets by CCC as a part of the total index of farm marketing and home consumption. Using the quantity sold during calendar year 1954 as an example, we find CCC sales of food grains in domestic markets equal to an index number of 3.27 based on the index of farm marketings and home consumption. An index number of 95 would be an accurate representation of the quantity of food grains available in domestic markets or consumed on home farms. This index number is a measure of farm marketings (including those to CCC) and home consumption of food grains, plus CCC sales of food grains in domestic markets. CCC sales have not been equal to a large part of total farm marketings and home consumption of food grains during the majority of the year considered. However, in 1955 CCC domestic sales were equal to 6 per cent of total farm marketings and home consumption of food

grains. In relation to CCC removal of food grains, additions have not been large. This results in a rather large negative index of net change during most of the year considered.

The index of net change shown in Table 10 is a measure of the net impact of CCC loan, purchase, and disposal programs on the supply of food grains available in domestic markets based on the published index of farm marketings and home consumption. This index is a measure of the flow of food grains to and from government indicating both direction and quantity. A comparison of this index with the published index of farm marketings and home consumption shows the net effect of CCC loans, purchases, and disposals on the available supply of food grains in relation to total farm marketings and home consumption. Such a comparison indicates that CCC has had a net effect equal to a substantial portion of farm marketings and home consumption during all but one of the years considered. This index also indicates that the change has always been a reduction in the available supply which has been as high as 41 per cent of total farm marketings and home consumption.

The adjusted index in Table 10 represents farm marketings and home consumption of food grains excluding the quantity removed by CCC plus CCC domestic sales of food grains in the domestic market. The level of this index appears to have been stabilized at a level of approximately 57 during the 1953 through 1956 period. Total farm marketings and home consumption of food grains, as measured in the published index, have fallen steadily over this same period. Varying levels of the index of net change, due to varying levels of CCC removal and additions, have been the reasons for the constant level of this index. The stable index level indicates

that CCC programs have stabilized the supply of food grains available in commercial, domestic markets during this time period.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Farm Marketings and Home Consumption of Food Grains When Various Types of CCC Sales Are Considered

The index of removal, the published index, and the adjusted index shown in Table 11 are precisely the same as those shown in Table 10. The index of additions shown in Table 11 has been constructed using varying price weights for each type of CCC sale. Commercial domestic sales of food grains are weighted in the index at base weight prices. Out-of-condition sales are weighted at 90 per cent of their base weight value. Distributions of wheat under the emergency feed program are valued at the base weight price of corn on the basis of the likely substition of this product for corn.

TABLE 11.-Effects of CCC programs on the available supply of food grains when various types of CCC sales are weighted to reflect their impact on available supply

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	98	33.46	0.91[a]	-33	65
1950	81	11.36	1.70	-10	71
1951	77	2.99	.76	- 2	75
1952	98	21.93	1.27	-21	77
1953	96	39.25	.58	-39	57
1954	92	37.88	3.12	-35	57
1955	81	31.36	5.13	-26	55
1956	85	28.99	2.10	-27	58

[a]Represents domestic sales during the last six months of 1949 only.

Total CCC sales of food grains in domestic markets have been relatively small during the postwar years considered in this study. The very small difference between the indexes of additions shown in Table 11 and Table 10 indicates that sales other than commercial domestic sales have been relatively small during the postwar period. From this it would seem that a lumping of all CCC distributions of food grains into one category would not lead to serious errors. However, if out-of-condition sales of wheat continue to grow as they have during 1955 and 1956 it will become increasingly important to consider these distributions as a separate part of the total.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Farm Marketings of Food Grains

The indexes presented in Table 12 indicate the volume of food grains involved in CCC loan, purchase, and disposal programs in relation to farm marketings of food grains. The physical quantity of food grains represented by the home consumption component of the index of farm marketings and home consumption index of food grains is rather small. Therefore, CCC removal and additions are approximately the same proportion of farm marketings as they are of farm marketings and home consumption. The indexes shown in Table 12 are slightly higher but are generally the same as those shown in Table 10. These indexes indicate that CCC removal has been a large portion of total farm marketings of food grains during seven out of the eight years considered. Comparison of the adjusted index with the published index indicates that the net impact of CCC activity has been to lessen the quantity of food grains available in domestic markets during

the time considered.

TABLE 12.--Volume of CCC removal from and additions to the available supply of food grains during the postwar period in relation to farm marketings of food grains

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	98	33.56	0.91[a]	-33	65
1950	81	11.40	1.74	-10	71
1951	77	3.01	.78	- 2	75
1952	98	21.99	1.29	-21	77
1953	96	39.37	.60	-39	57
1954	91	37.99	3.28	-35	56
1955	80	31.46	5.21	-26	54
1956	84	29.08	2.81	-27	57

[a]Represents domestic sales during the last six months of 1949 only.

Sources: Column 1--Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1956), p. 9.

Column 2-3--Computed from data in appendix using base weights used in published index of farm marketings.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The foregoing sections indicate that CCC programs have influenced quantities of food grains equal to a substantial portion of the total quantity of food grains represented in the published indexes of farm output and farm marketing and home consumption. There is also an indication that CCC removal has far outweighed CCC additions in almost every year. The fact that there have been substantial additions of rye and rice in

certain years is not shown by these indexes due to an aggregation problem. The adjusted indexes, which are measures of the available supply of food grains with respect to farm output or farm marketings and home consumption of food grains, indicate that the available supply of food grains was relatively low in 1949, rose somewhat during the Korean conflict, and since that time have been stable at a level below earlier postwar levels. Stability of the available supply of food grains during the past four years has been accomplished by varying the amount of CCC removal to compensate for changes in farm output and farm marketing and home consumption of food grains.

CHAPTER VI

CCC COTTON PROGRAMS

CCC price supporting loans have been available to cotton producers continuously from 1933 to date with the exception of the 1936 marketing year.[1] These loans may be obtained by cotton producers in three different ways.[2]

Probably the most common method of obtaining a loan is by delivering ginned cotton to a warehouse approved by CCC and obtaining a warehouse receipt for the quantity delivered. After the cotton has been classed the producer can obtain a loan through CCC with the warehouse receipt and classification slip serving as collateral for the loan.

Members of cooperative marketing associations can obtain loans through their associations. The producer obtains a loan directly from the association. The association, in turn, uses the documents covering the cotton as collateral to obtain a loan from CCC.

It is also possible for the producer to obtain a loan on farm stored cotton. The farm storage must be approved by the local ASC committee, and the loan is secured by a chattel mortgage.

Loan cotton is that cotton upon which the producer has obtained a loan

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[1] Cotton Review of Commodity Credit Corporation Programs (Washington, D.C.: U. S. Department of Agriculture, December, 1954).

[2] Price Programs, Agriculture Information Bulletin No. 135 (Washington, D.C.: U. S. Department of Agriculture, 1955), pp. 4-5.

from agencies other than cooperative marketing associations. When the producer delivers his cotton to the marketing association warehouse he loses control of its disposition. In disposing of loan cotton the producer has three alternatives open to him. He may (1) sell his "equity" in the cotton under loan. The equity represents the difference between the amount due on the loan and the amount the producer can receive in the local market. The selling of equity simply involves the signing of the equity transfer on the producer loan statement in the presence of a witness authorized by the county ASC committee. The buyer of the equity must then repay the loan within a specified time period. (2) The producer may repay his loan and sell the cotton in the open market. (3) He may choose not to repay his loan and allow CCC to take possession of the cotton in payment of the loan.

The fact that producers can sell their equity in loan cotton makes it easier for this cotton to re-enter the available supply than possible when loans must be repaid by the producers before selling the commodity. Other than this, loans on cotton have the same effect on available supply as on other commodities.

Purchase agreements have been available to producers of upland cotton in the postwar period, but rather small quantities have been delivered to CCC as a result of these agreements.

Another unique characteristic of the cotton program is the operation of producer pools by CCC. Producer pools are made up of cotton on which loans have not been repaid at the final maturity date. CCC has, at times, placed this cotton in a pool and sold it for the producer's account, each

producer sharing in the receipts at a rate based on the quantity of cotton contributed to the pool. The effects of these sales on available supply are the same as any other CCC sale or the repayment of an "old" loan by a producer.

Participation by cotton producers in postwar loan and purchase programs was small prior to the 1948 marketing year.[3] The primary reason for this is that cotton prices remained strong during the 1945 through 1947 marketing years. Cotton prices exceeded the support level during most of these three years. In 1948 cotton production rose substantially and cotton prices tended to fall to approximately the loan level. Under these circumstances cotton producers placed substantial quantities of cotton under CCC loans, with large quantities remaining under loan at the close of the marketing year.

The following sections are concerned with the relation between CCC removal from and additions to the available supply of cotton and total farm output and total farm marketings of cotton. Only CCC removal and additions of upland cotton have been measured in this study. Governmental programs for both American Egyptian and extra long staple cotton have been in operation during the postwar period. However, it is felt that the net effect of these programs on the available supply of cotton has been relatively small. The physical quantity of upland cotton represented by the indexes of removal and additions are shown in Tables 9a through 9d in the appendix. A conversion rate of 500 pounds per bale has been used in

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[3] Producers pledged very little cotton for loans during the 1945-1947 marketing years with a majority of these loans being repaid prior to the close of the marketing year. Quantities pledged are as follows: 1945, 216,000 bales; 1946, 146,000 bales, and 1947, 280,000 bales. Cotton, Review of Commodity Credit Corporation Programs, op. cit., pp. 18-19.

this study.[4]

Magnitude of CCC Loan and Purchase Programs for Cotton in Relation to Total Farm Output of Cotton

The index of CCC removal shown in Table 13 is a measure of CCC removal of cotton as a part of the index of total farm output of cotton. The importance of CCC removal has varied considerably during the postwar period, ranging from 0 to 40 percent of the total cotton production. In 1953 the index of total farm output of cotton was equal to 115 and the index of CCC removal equal to 35.07. This would indicate that in index number of 80 could be used to represent the quantity of cotton produced in 1953 and available for sale in commercial markets. Practically all CCC removal of cotton represented in this index is a result of the loan program.

The index of CCC additions shown in Table 13 is a measure of CCC sales of cotton in the domestic market in relation to total farm output of cotton. The index was equal to a number greater than 1 in only two of the years considered. This indicates that CCC sales of cotton in domestic markets have been vary small during most of the years considered. Only in 1950 were these sales a substantial part of total production. During the 1950 marketing year CCC sold 3.1 million bales of upland cotton in the domestic market. The quantity of cotton sold by CCC in the domestic market in 1950 was equal to 31.5 per cent of total farm output of cotton during that year. During both the 1949 and 1950 marketing years CCC sales of cotton were of sufficient magnitude to offset CCC removal and result in a net addition to the available supply.

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[4]Agricultural Statistics, 1955, op. cit., p. IX (Summary).

TABLE 13.--CCC removal from and additions to the available supply of cotton during the postwar period in relation to total farm output of cotton

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1948	104	26.43	[a]	-26	78
1949	113	2.55	4.47	2	115
1950	70	.02	22.00	22	92
1951	106	2.24	.49	- 2	104
1952	106	12.88	.01	-13	93
1953	115	35.07	.75	-34	81
1954	96	8.46	.55	- 8	88
1955	103	42.00	.90	-41	62

[a] Estimated to be equal to zero.

Sources: Column1--Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, June, 1956), pp. 8-9.

Columns 2-3--Computed from data in the appendix and base weights used in the published index of farm output.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

That the change in available supply of cotton as a result of CCC programs has varied in both direction and magnitude is evidenced by the index of net change shown in Table 13. During the 1950 marketing year the net effect of CCC programs was to raise the available supply of cotton by an amount equal to 31.5 per cent of cotton production during that year. The reverse of this situation existed in 1953 when CCC reduced the available supply by an amount equal to 30 per cent of that year's crop.

The adjusted index, which represents cotton produced and not removed from available supply by CCC plus CCC sales of cotton in the domestic market,

has fluctuated rather widely over the time period considered. From a relatively low level in 1948 this index rose sharply in 1949 and remained relatively high through the 1951 marketing year. During the 1952 through 1955 marketing years the level of this index has tended downward, indicating a lowering of the available supply of cotton in relation to production. The lower level of this index during the latter portion of the time period considered appears to be due to heavy removal by CCC with practically no sales in the domestic market.

Magnitude of CCC Loan and Purchase Programs for Cotton in Relation to Farm Marketings and Home Consumption of Cotton

In the published index of farm marketings and home consumption, home consumption of cotton is considered to be 0. Therefore, the indexes presented in Table 14 are actually indexes of farm marketings of cotton.

The index of CCC removal shown in column 2 of Table 14 is a measure of CCC removal of cotton as a part of total farm marketings of cotton. For example, in 1953 the index of farm marketings of cotton was equal to 124 and the index of CCC removal to 38.50. From this it would seem that in index number of 85 would be representative of farm marketings of cotton if CCC removal is excluded from the marketings index. CCC removal was equal to 31 per cent of total farm marketings in 1953. The index of removal for 1950 is equal to a minus 12.38 indicating a net addition to the available supply of cotton. Heavy repayments of loans during calendar year 1950 were due to rising cotton prices prior to the takeover date for the 1949 cotton crop.

The outstanding characteristic of the index of CCC additions of cotton, based on the index of farm marketings of cotton, is its extremely

low level in all except one of the years considered. This index indicates that domestic CCC sales of cotton have been a very small part of total farm marketings of cotton during the postwar period. Calendar year 1950 is the one exception to this statement. During that year CCC sold 3.7 million bales of upland cotton in the domestic market. These sales were equal to 28 per cent of total farm marketings during that year.

TABLE 14.-CCC removal from and additions to the available supply of cotton during the postwar period in relation to farm marketings and home consumption of cotton

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	116	8.35	0.42[a]	- 8	105
1950	79	-12.38	22.35	35	114
1951	93	3.22	.54	- 3	90
1952	102	3.44	.02	- 3	98
1953	124	38.50	0.00	-39	85
1954	101	6.49	.65	- 9	95
1955	101	29.41	.50	-29	72
1956	99	25.50	.74	-25	74

[a]Includes sales during the last six months of 1949 only.

Sources: Column 1--1949-1954, E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, July, 1956), pp. 16-17. 1955-56 telephone conversation with E. W. Grove, U. S. Department of Agriculture.

Column 2-3--Computed from data in the appendix and base weights used in published index of farm marketings and home consumption.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The index of net change shown in Table 14 is a measure of the net

impact of CCC programs on the available supply of cotton in relation to total farm marketings of cotton. The index indicates that this impact has fluctuated widely, but has been negative in all but one year. In 1950 the net impact of CCC programs was to increase the available supply of cotton by an amount equal to 44 per cent of farm marketings of cotton during that year. This abrupt shift in the direction of the flow of cotton between CCC and the available supply came at a time when cotton prices were rising. A priori reasoning would indicate that such an increase in supply would tend to dampen the price rise.

The adjusted index, which is a measure of farm marketings of cotton, excluding CCC loans and purchases, plus CCC sales of cotton in the domestic market has tended downward during the time period considered. It is interesting to note that in 1950 the published index of farm marketings of cotton was at its low point for the time period considered, but the adjusted index, which includes CCC domestic sales, was at a peak. The downward trend in this index indicates that CCC activity has tended to limit the available supply of cotton during the latter part of the time period under consideration.

There have been no domestic sales of cotton other than commercial, domestic sales which must be made at 105 per cent of the current loan rate plus reasonable carrying charges. The lack of any other type of domestic distribution is one of the reasons for the generally low level of domestic sales.

In general it appears that CCC programs have tended to adjust the available supply of cotton to meet changes in demand. Total distribution

(mill consumption plus exports) of cotton fell rather steadily from 1950 through 1955.[5] Over this same period the adjusted indexes have also marched downward rather steadily. This lowering of the adjusted indexes has been accomplished by large scale removal of cotton by CCC to compensate for continued high levels of production and marketing.

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[5] The Cotton Situation, (Washington, D.C.: U. S. Department of Agriculture, April, 1957), Table 15, p. 25.

CHAPTER VII

THE TOBACCO PROGRAM

When referring to tobacco it is necessary to recognize that there is a great deal of variety within this commodity classification. Seven major kinds of tobacco are defined in price support legislation as being types of the basic commodity known as tobacco.[1] These are: Flue-cured, Burley, Fire-cured, Dark Air Cured, Virginia Sun-cured, Maryland, and cigar tobacco.

CCC price support loans have been made to tobacco producers through their cooperative associations since 1936. Although there exists a great variety in the types of tobacco listed above, the operation of these loan programs have much the same effect on the available supply regardless of the type of tobacco under consideration.

Recognizing a certain amount of variation among producing regions the following is a generalized description of how producers obtain a price support loan on tobacco.[2-3]

Producers who belong to one of the seventeen producer cooperative associations in the United States and Puerto Rico may obtain advances on tobacco at the price support level. The associations, under contract

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[1] Tobacco Price Support and Related Operations (Washington, D.C.: U. S. Department of Agriculture, 1949).

[2] Ibid., p. 2.

[3] Agriculture Information Bulletin No. 135, op. cit., pp. 5-6.

with CCC, handle all operations connected with making advances to producers. The operations of these associations are financed by loans from CCC.

If the offered price on tobacco sold at auction is below the published loan rate, the lot is automatically consigned to "loan". The producer is then paid for his tobacco at the current loan rate for the grade of tobacco he is selling. The warehouse man who advances the grower the proceeds of the loan is reimbursed by the marketing association with funds borrowed from the CCC.

The tobacco that is placed under loan by the association is dried, packed, and held in storage for the account of the association. This tobacco is marketed over time by the association at prices established jointly by these associations and CCC.

The procedure for obtaining a loan on cigar leaf tobacco is much the same except that cigar leaf is not sold at auction. Producers of cigar leaf deliver their product to warehouses maintained by the marketing associations and receive their advance or loan on the basis of the grade delivered and the published support price of the grade.

Purchase agreements have also been made available to tobacco producers, but little if any tobacco has been supported in this manner.

The importance of CCC price support loans on the available supply of tobacco is pointed out by Johnson in his review of the Burley tobacco program.[4]

> ....Each year since non-recourse price supporting loans were set up in 1940, a portion of the crop has been subject

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[4]Glenn L. Johnson, "Burley Tobacco Control Programs", Bulletin 580, Kentucky Agricultural Experiment Station, University of Kentucky, Lexington, Kentucky, February, 1952, pp. 56-57.

to possible diversions from commercial purchases to grower association stocks, the associations having administered the lending operations under federal price support programs. Thus, two quantities are jointly determined in the auction period. These two quantities are:

1. The U. S. season average price received by farmers for burley tobacco

2. The amount of burley tobacco which has to "go" to associations (i.e. be removed from the market by direct price supporting loans) if the support price is to be attained

Another important variable affecting the total available supply of tobacco is the repayments of old loans by these associations and the selling of accumulated stocks obtained in earlier years.

The impact of government programs on the available supply of tobacco has been brought about by the two factors described above. That is, by diversion of current production to producer marketing associations, and the subsequent sales of stocks obtained in this fashion.

Quantities of tobacco actually becoming the property of CCC have been rather insignificant but substantial amounts have been influenced by the loan operations carried on through the grower marketing associations. Before examining the impact of CCC programs on the available supply of tobacco, some explanation of methodology is necessary. The available supply of tobacco is that quantity of tobacco which moves freely in commercial markets with no restrictions as to selling price. It has been argued that tobacco held by cooperative marketing associations is part of the available supply.[5] However, this tobacco fails to meet

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[5]Letter from Arthur G. Conover, Head, Tobacco and Specialty Crops Section, Statistical and Historical Research Branch, Agricultural Marketing Service, U. S. Department of Agriculture, June 27, 1957. This letter is included as pages 174 and 175 of the appendix.

the criterion of available supply as defined in this paper. It is not argued that this tobacco is not available "at a price". However, the prices at which various lots of tobacco held by these associations are available are determined at the beginning of the marketing year and thereafter remain stable throughout the marketing year. This inflexibility of price places a definite limitation on the availability of this tobacco.

In the preceding paragraph the term marketing year was mentioned with respect to tobacco. For all kinds of tobacco except flue-cured the marketing year is from October 1 through September 30. For flue-cured the marketing year is from July 1 through June 30. In this study we have chosen to use the July-June period as the marketing year for all types of tobacco.[6] Such a decision is necessary due to the non-availability of data on repayments of loans by type of tobacco. This means that all types of tobacco are treated as a single commodity.

The problems of such an aggregation are recognized. However, for this particular study these problems are not so large as they might be in others. In both the index of farm output and the index of farm marketings and home consumption all types of tobacco are treated as a single commodity and weighted at a single price. Therefore, in the construction of indexes to relate CCC programs to total farm output or marketings this type of aggregation can not be avoided.

This study starts with the 1948 marketing year. It is recognized that CCC programs for tobacco during the postwar period were of importance prior to that time, especially during the 1946 and 1947 marketing years. However, a lack of precise data for these earlier years prevents including

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[6] Ibid.

them in this study.

Indexes which facilitate a comparison of the magnitude of CCC loan, purchase, and disposal programs for tobacco with total farm output and farm marketings and home consumption of tobacco are presented in the following sections. The physical quantities of tobacco which are represented by the indexes of removal and additions are shown in Tables 10a through 10c in the appendix.

Magnitude of CCC Loan, Purchase, and Disposal Programs for Tobacco in Relation to Total Farm Output of Tobacco

The index of removal shown in column 2 of Table 15 relates CCC removal to total farm output of tobacco. A comparison of this index with the published index of farm output of tobacco indicates the importance of CCC removal in relation to total tobacco production. CCC removal has ranged from an index number of minus 3.19 to a plus 10.45. The fact that this index has been negative indicates that repayment of "old" loans has been relatively high in at least one year. In reality the repayment of "old" loans has been relatively important in almost every year considered. In 1948, for example, 204.4 million pounds of tobacco were removed from the available supply by CCC loans. However, during that same year "old" loans were repaid on 195.2 million pounds of tobacco. This means that net removal of tobacco during the 1948 marketing year was only 9.1 million pounds. Table 10c in the appendix shows the relative importance of loan repayments in other years. The index of CCC removal is primarily a measure of the net impact of CCC loan operations on the available supply of tobacco. Only very small quantities of this tobacco have been delivered to CCC, but substantial quantities have remained under loan for several years.

TABLE 15.--Magnitude of CCC removal and resulting net change in the available supply of tobacco during the postwar period in relation to the total farm output of tobacco

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of Net Change (3)	Adjusted Index (4)
1948	98	0.45	0	98
1949	97	-1.79	2	99
1950	101	-3.19	3	104
1951	115	6.63	- 7	108
1952	112	5.73	- 6	106
1953	102	4.46	- 4	98
1954	111	10.45	-10	101
1955	112	3.50	- 4	108

Sources: Column 1--Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, June, 1956), pp. 8-9.

Column 2--Computed from data in the appendix and base weights used in the index of total farm output.

Column 3--Column 2 rounded to the nearest whole number.

Column 4--Column 1 minus column 3.

The fact that CCC has never become the owner of large quantities of tobacco necessarily limits the quantity of tobacco that can be added to the available supply by CCC sales in the domestic market. There is no available data on domestic sales of tobacco by marketing year. However, data on CCC domestic sales by calendar year from 1949 through 1956 indicate that total sales in the domestic market have been very small in quantity.[7] By necessity no index of CCC additions of tobacco by marketing years is shown in Table 15. However, because of the small volume of CCC sales, it

[7]See Table 10b in the appendix.

is felt that this omission is not of great importance.

The index of net change shown in Table 15 is simply the index of removal rounded to the nearest whole number. The index is a measure of the net impact of CCC programs on the available supply of tobacco. This net impact ranged from an increase in available supply equal to 3 per cent of current production to a decrease in available supply equal to 9 per cent of current production. The quantity of current production remaining under CCC loans at the close of the marketing year rose substantially from 1949 through 1955. The index of removal and in this case the index of net change did not rise in the same proportion because of heavy loan repayments during the later years considered.

The adjusted index, which is a measure of tobacco produced and not removed from available supply by CCC, has tended to rise during the time period considered. This indicates that CCC activity has not completely offset the rise in tobacco production that has taken place. The average year-to-year percentage change is less in the adjusted index than in the published index of total farm output of tobacco.[8] The coefficient of variation is also less in the adjusted index.[9] These two tests indicate that CCC programs have tended to dampen changes in the quantity of tobacco available in domestic markets which are associated with changes in tobacco production.

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[8]Average percentage change = $\frac{\left(\frac{I_o}{I_1}\right)}{N}$. Average percentage change for the index of farm output is equal to 5.57 and the adjusted index is equal to 4.14.

[9]Coefficient of variation $\left(\frac{s}{\bar{x}} \cdot 100\right)$ is equal to 3.9 for the adjusted index and 6.8 for the published index of farm output of tobacco.

Magnitude of CCC Loan, Purchase, and Disposal Programs for Tobacco in Relation to Farm Marketing and Home Consumption of Tobacco

In the published index of farm marketings and home consumption, home consumption of tobacco is considered to be equal to zero. Therefore, the indexes presented in Table 16 are actually based on an index of farm marketings of tobacco and relate CCC operations to total farm marketings of tobacco.

TABLE 16.--Magnitude of CCC removal from and additions to the available supply of tobacco during the postwar period in relation to farm marketings and home consumption of tobacco

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	92	0.96[a]	0	- 1	91
1950	98	-3.81	.02	4	102
1951	111	4.17	0	- 4	107
1952	104	7.93	0	- 8	96
1953	100	2.49	.01	- 2	98
1954	106	6.20	.05	- 6	100
1955	110	16.34	.07	-16	94
1956	103	1.63	0	- 2	101

[a]Includes sales during the last six months of 1949 only.

Sources: Column 1--1949-1955, E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, July, 1956), p. 16. 1955-56 telephone conversation with Mr. E. W. Grove, U. S. Department of Agriculture.

Columns 2-3--Computed from data in the appendix and base weights used in the index of farm marketings and home consumption.

Column 4--Column 2 minus column 3(rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The index of removal shown in column 2 of Table 16 is a measure of the net quantity of tobacco removed from available supply by CCC, based on the index of farm marketings and home consumption of tobacco. This index is primarily a measure of the net effect of CCC loans on the available supply. It includes both removal by loans and additions as loans are repaid. The index shows that CCC removal has risen substantially from 1949 through 1955. The sharp drop in CCC removal during 1956 was caused by heavy loan repayments during that year. A comparison of removal with total farm marketings indicates that removal has been equal to from 1 to 15 per cent of the total farm marketings of tobacco during years that removal was a postive value. During 1950 the index of removal was negative and equal to 4 per cent of total farm marketings of tobacco.

The index of CCC additions shown in Table 16 is a measure of CCC sales of tobacco in the domestic market in relation to total farm marketings of tobacco. The extremely low level of this index indicates that CCC sales of tobacco in the domestic market have been very small during the period considered. Total domestic sales of tobacco by CCC from January 1, 1949 through December 31, 1956, are equal to 5.2 million pounds of tobacco. Largest single year sales were during 1955 when 1.6 million pounds of tobacco were sold by CCC in domestic markets. Even in that year these sales were equal to an index number of only .07 based on the index of farm marketings and home consumption of tobacco. In relation to either CCC removal or total farm marketings these sales have been an insignificant factor.

The index of net change shown in column 4 of Table 16 is a measure

of the net effect of CCC operations on the available supply of tobacco in relation to farm marketings of tobacco. Due to the very low level of CCC additions this index is very much like the index of removal and reflects the same movements as that index.

The adjusted index shown in Table 16 is a measure of farm marketings of tobacco, excluding that quantity removed by CCC plus CCC sales of tobacco in the domestic market. This index shows somewhat less fluctuation than the published index of farm marketings and home consumption of tobacco, indicating that CCC activities have tended to even the flow of tobacco into domestic markets. The level of this index rose sharply from 1949 through 1951 reaching a level of 107 in 1951. From this level the index fell to 96 in 1952. There appears to be a slight upward trend in the values of this index from 1952 through 1956, indicating that the supply of tobacco available in domestic markets tended upward during this period. However, shifts in CCC removal largely offset shifts in marketings.

CCC price support programs for tobacco have tended to stabilize the available supply of tobacco by dampening year-to-year shifts in the availability of production and farm marketings. However, the absolute level of the adjusted indexes, which reflects availability of production and marketings have tended to rise during the period considered. This indicates that CCC action has tended to limit the rise in available supply but has not been able to offset completely the rise in production and marketings.

CHAPTER VIII

THE POTATO PROGRAM

Price support operations for potatoes have probably drawn more public criticism than any other price support program. General dissatisfaction with the program resulted in abandonment of price supports for potatoes after the 1950 marketing year.[1] Prior to this time, potato prices were supported primarily by means of purchases and loans.[2]

Purchase programs were the principal means of support used in the 1948-1950 period. Purchases were made at prices calculated to return a given per cent of parity to potato producers. Although these purchases were made at the farm level, at the local market level, and at the terminal market level, their effect on the available supply of potatoes was much the same. Loans were available to growers and dealers through the 1949 growing season. Thereafter this method of support was replaced by direct purchases.[3]

Both CCC purchases and loans have the effect of reducing the available supply of potatoes. Substantial quantities of potatoes were purchased

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[1] In this paper the marketing year for potatoes is considered to be July 1 through June 30.

[2] R. W. Gray, V. L. Sorenson, and W. W. Cochrane, The Impact of Government Programs on the Potato Industry (University of Minnesota, June, 1954), p. 39.

[3] Ibid., p. 41.

by CCC during the 1948-1950 period. The quantity of potatoes placed under loan in this time period was rather small compared with amounts purchased. The large potato price support operations which were carried out during both 1946 and 1947 are not considered in this study.

In the following sections indexes are presented which relate the magnitude of CCC loan and purchase programs for potatoes to total farm output and total farm marketings and home consumption of vegetables. The aggregation problems that are present in these relationships are recognized. However, if CCC removal is to be related to these two published indexes, these are the only comparisons that are possible. Irish potatoes make up approximately 24 per cent of the index of farm output of vegetables and 23 per cent of the index of farm marketings and home consumption of vegetables. With these relatively low percentages being represented by potatoes it is very possible that shifts in the other commodities could easily offset shifts caused by potato removal.

The physical quantities of potatoes represented by the indexes of removal are shown in Tables 14a through 14b in the appendix. No indexes of additions are shown because very few of the potatoes removed by CCC re-entered domestic market channels.

Magnitude of CCC Removal of Potatoes in Relation to Total Farm Output of Vegetables

The index of removal shown in Table 17 is a measure of CCC removal of potatoes in relation to total farm output of vegetables. From the level of this index one might estimate that CCC removal was equal to a substantial portion of total potato production. This was found to be true. When CCC

removal by marketing year was compared with total potato production it was found that this removal was equal to 42 per cent in 1948, 32 per cent in 1949, and 35 per cent in 1950.[4]

TABLE 17.-CCC removal of potatoes from 1948-1950 in relation to total farm output of vegetables

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of Net Change (3)	Adjusted Index (4)
1948	103	7.62	-8	95
1949	99	4.60	-5	94
1950	101	5.68	-6	95

Sources: Column 1--Changes in Farm Production and Efficiency (Washington, D. C.: U. S. Department of Agriculture, June, 1956), pp. 9-10.

Column 2--Computed from data in the appendix and base weights used in the index of total farm output.

Column 3--Column 2 rounded to the nearest whole number.

Column 4--Column 1 minus column 3.

The adjusted index, which is a measure of farm output of vegetables excluding the quantity removed by CCC, appears to fluctuate less than the index of farm output of vegetables. This could be caused by CCC removal offsetting changes in potato production, which are reflected in the index of total farm output of vegetables.

[4]Potato production in the United States during 1948-1950 is as follows: 1948, 449,895,000 bushels; 1949, 366,528,000 bushels; 1950, 402,353,000 bushels. Agricultural Statistics, 1955, op. cit.

Magnitude of CCC Removal of Potatoes in Relation to Total Farm Marketings and Home Consumption of Vegetables

The index of CCC removal shown in Table 18 is a measure of CCC removal of potatoes in relation to total farm marketing and home consumption of vegetables. A comparison of this index with the published index indicates the importance of this removal as a part of total farm marketings and home consumption of vegetables. The volume of CCC removal of potatoes ranged from 4 to slightly more than 5 per cent of total farm marketings and home consumption of vegetables during the 1949-1951 period.

The index of net change shown in Table 18 is equal to the index of removal rounded to the nearest whole number.

The adjusted index is a measure of farm marketings and home consumption of vegetables, excluding potatoes removed by CCC. The fact that this index is lower than the published index indicates that CCC removal of potatoes was of sufficient magnitude to lower the aggregate supply of vegetables, including potatoes available during the three years considered.

CCC Removal of Potatoes in Relation to Farm Marketings of Vegetables

Examination of the indexes in Table 19 indicates that CCC removal of potatoes during 1949 through 1951 was equal to from 6 to 7 per cent of total farm marketings of vegetables.

The exact relationship between the level of these indexes and CCC removal is relatively difficult to ascertain because of the small percentage of the total index represented by potatoes. However, it does appear that CCC removals during the 1948-1950 marketing years and 1949-1951 calendar years were of sufficient volume to shift the published indicators of total

vegetable output, marketings, and home consumption to somewhat lower levels.

TABLE 18.-CCC removal of potatoes during 1949-1951 calendar years in relation to farm marketings and home consumption of vegetables

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of Net Change (3)	Adjusted Index (4)
1949	98	4.90	-5	93
1950	99	5.08	-5	94
1951	100	4.41	-4	96

Sources: Column 1--E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D. C.: U. S. Department of Agriculture, July, 1956), pp. 17-18.

Column 2--Computed from data in the appendix and base weights used in the index of farm marketings and home consumption.

Column 3--Column 2 rounded to the nearest whole number.

Column 4--Column 1 minus column 3.

TABLE 19.-CCC removal of potatoes during 1949-1951 calendar years in relation to total farm marketings of vegetables

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of Net Change (3)	Adjusted Index (4)
1949	99	6.32	-6	93
1950	100	6.55	-7	93
1951	103	5.69	-6	97

Sources: Column 1--Farm Income Situation (Washington, D. C. : U. S. Department of Agriculture, March, 1957), p. 9.

Column 2--Computed from data in the appendix and base weights used in the index of farm marketings.

Column 3--Column 2 rounded to the nearest whole number.

Column 4--Column 1 minus column 3.

CHAPTER IX

OIL SEED PROGRAMS

During the postwar period there have been governmental price support programs in operation for all four of the crops classified as oilseeds in the index of farm output and farm marketings and home consumption. CCC purchases and distributions of tung nuts are not considered in this study because they represent an insignificant part of the index of farm output and farm marketings and home consumption of oilseeds.[1] CCC programs for the other three oilseed crops are of a widely varied nature and warrant separate descriptions.

A large variety of price support measures have been used in programs relating to peanuts. These have included rental and benefit payments, acreage allotments, conservation subsidies, marketing quotas, CCC loans, direct governmental purchases, export subsidies and two price plans.[2]

Grower cooperatives have played an important role in the peanut program. The cooperatives served as the agent for price support purchases before 1952 and have acted as a loan agency since that time. Prior to 1952 the cooperatives were authorized to buy peanuts at prices set by the U. S.

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[1] In the base period tung nuts were equal to 0.4 per cent of the index of farm output and farm marketings and home consumption of oilseeds.

[2] Benedict and Stine, op. cit., pp. 147-165.

Department of Agriculture. They also disposed of peanuts as directed by the Department. They were paid for services rendered and reimbursed for any losses incurred by selling peanuts below costs.

Since 1952 peanut producers have been able to obtain price support through both loans and purchase agreements. Loans on peanuts may be obtained two ways.[3] The producer desiring a price support loan can deliver his peanuts to a cooperative which has entered into a loan agreement with CCC. In delivering his peanuts the producer makes the cooperative his agent to handle and market the peanuts on his behalf or to pledge the peanuts to CCC as security for a loan. The producer relinquishes all claim to the peanuts when he delivers them to the cooperative warehouse. At this time he is paid the full price support value of the peanuts by the cooperative.

Loans are also available on peanuts in approved farm storage. Under this arrangement the producer retains control of the commodity. The producer may deliver the peanuts to CCC upon maturity of the loan or redeem his loan at any time by repaying accrued interest. Purchase agreements are also available to producers through cooperatives or directly with CCC.

Disposition of stocks obtained by these cooperatives before 1952 were controlled by CCC. Stocks held under loan arrangements are controlled in a somewhat less formal manner, if at all. These cooperatives have repaid loans on rather substantial quantities of peanuts during several of the postwar years.

Strong demand for both nuts and oil during the 1945 and 1946 marketing years maintained prices above the support level.[4] During the 1947 marketing

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[3] Agricultural Information Bulletin No. 135, op. cit., pp. 6-7.

[4] The marketing year for peanuts is August 1 through July 30. For flaxseed it is July 1 through June 30, and for soybeans October 1 through September 30.

year the demand was weakening and CCC diverted some peanuts to oil. During the 1948 marketing year the situation was such that if the announced support price was to be maintained, large quantities of peanuts had to be taken over by CCC. From 1948 through 1956 CCC has been an important outlet for peanut producers at a number of times.

Governmental programs for flaxseed were primarily intended to stimulate production prior to the close of World War II. Since that time the price support aspect of these programs has become much more important. Both loans and purchases have been used as a means of support for flaxseed prices. CCC price support operations for flaxseed were small before the 1948 marketing year. With the removal of price ceilings in 1946, flaxseed prices advanced sharply and remained high through part of the 1948 marketing year. With heavy production and falling demand, CCC loans and purchases became an important outlet for flaxseed producers in 1948. Since 1948 CCC loan, purchase, and disposal programs have played a rather important part in determining the quantity of flaxseed available in domestic markets.

The first price program for soybeans was started in 1941 not as a price support measure but rather to encourage production.[5] Price supports were first used in 1942 in order to maintain the announced price. This was due to more of a transportation problem rather than because of a lack of demand.

Soybean prices have been supported in the postwar period through use of non-recourse loans and purchase agreements. Total CCC activity in soybeans has not been large because of the high demand in the postwar years with prices generally above the support level.[6]

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[5] Benedict and Stine, op. cit., p. 169.

[6] To compare average price per bushel of soybeans received by farmers and the support price for soybeans see pages 125 and 466 of Agricultural Statistics, 1955, op. cit.

In the following sections indexes are presented which relate CCC removal from and additions to the available supply of oilseeds to the total farm output and farm marketings and home consumption of oil seeds. The physical quantities of the individual oilseeds represented by the indexes of removal and additions are shown in Tables 11a through 13 d of the appendix. In constructing these indexes farmers stock peanuts have been converted to shelled equivalent at the rate of .663 pounds of shelled peanuts per pound of farmers' stock peanuts.[7] This study covers only the 1948 through 1955 marketing years and the 1949 through 1956 calendar years. It is known that CCC operations, especially in peanuts, were rather large during the 1947 marketing year. The absence of complete data for this earlier period precludes including it in this study.

Magnitude of CCC Loan, Purchase, and Disposal Programs for Oilseed in Relation to Total Farm Output of Oilseed

The index of removal shown in Table 20 is a measure of CCC removal of oilseeds based on the index of farm output of oilseeds. However this index represents a widely varying mixture of oilseeds during each of the years considered.

The index of CCC removal of oilseeds was equal to 20.73 in 1948. The quantity of oilseeds represented by this index number is equal to 19 per cent of total farm output of oilseeds in 1948. Large quantities of all three of the oilseeds being considered were removed by CCC during the 1948 marketing year. Flaxseed removal was especially high, being equal

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[7] Conversion Factors and Weights and Measures for Agricultural Commodities and Their Products (Washington, D.C.: U. S. Department of Agriculture, 1957).

to more than 24 million bushels. Soybean removal was also relatively high at 11.3 million bushels. Soybean removal exceeded this level only in 1954 when 15.5 million bushels were removed from the available supply by CCC loans and purchases.

TABLE 20.--Volume of CCC removal from and additions to the available supply of oilseeds during the postwar period in relation to total farm output of oilseeds

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1948	109	20.73	[a]	[a]	[a]
1949	100	9.69	10.60	1	101
1950	116	5.43	9.43	4	120
1951	106	3.49	4.49	1	107
1952	104	3.68	.53	-3	101
1953	102	10.45	2.34	-8	94
1954	116	7.95	3.15	-5	111
1955	129	1.77	2.75	1	130

[a] Exact value unknown.

Sources: Column 1--Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, 1956), pp. 8-9.

Columns 2-3--Computed from data in appendix using base weights used in published index of farm output.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

In 1949 the index of CCC removal fell to 9.69. Soybean and flaxseed removal fell off sharply during that year, but peanut removal was slightly higher than in 1948.

The primary reason for the index of removal remaining relatively high

during 1950 and 1951 was the large scale removal of peanuts by CCC during those two years. During the 1950 marketing year CCC removed 547.9 million pounds of peanuts, which is the greatest quantity of peanuts removed during a single year in the time period considered. Flaxseed removal was negative in 1950 and equal to less than a quarter of a million bushels in 1951. Soybean removal was negative in 1950 and very low during 1951.

In 1953 there was an upturn in the index of removal, as removal of all three oil crops rose sharply. During the 1954 marketing year CCC continued to remove rather large quantities of soybeans and flaxseed. However, peanut removal was negative in that year.

In 1955 CCC removal was at its lowest ebb for the time period under consideration. Flaxseed removal was very low (32,300 bushels) and soybean removal was negative. Peanut removal was also low but of sufficient volume to cause the index to remain positive.

A comparison of the index of removal of oilseeds with the published index of total farm output of oilseeds indicates the importance of CCC removal in relation to total oilseed production. Removal by CCC loans and purchases has ranged from 1 to 19 per cent of the total farm output of oilseeds during the time period considered.

The index of CCC additions shown in Table 19 is a meausre of CCC oilseed sales in the domestic market based on the index of total farm output of oilseeds. When this index is compared to the published index of total farm output oilseeds, the importance of these sales relative to total oilseed production can be seen. CCC domestic oilseed sales have been equal to from 2 to 10 per cent of current production during the 1948 through 1955 marketing years. The high level of this index in 1949 through 1950 was caused by the large domestic flaxseed and peanut sales. During the

1951 marketing year flaxseed sales were much lower, but peanut sales remained high. Soybean sales were an important part of CCC domestic oilseed sales only in 1954. Eight million bushels of soybeans were sold in domestic markets by CCC during the 1954 marketing year.

A comparison of the index of additions with the index of removal indicates that CCC sales of oilseeds in domestic markets have been greater than CCC removal of oilseeds in four of the seven years in which we have data on our sales.

The index of net change is a measure of the net impact of CCC loans, purchase, and disposal programs on the available supply of oilseeds. It indicates that these programs have resulted in an increased available supply during four of the eight year considered. The exact value of this index in 1948 is unknown, but it is assumed to be negative. The net impact of CCC operations on the available supply of oilseeds has ranged from a decrease in available supply equal to 8 per cent of current production to an increase equal to 3 per cent of current production. The large number of positive values in the index indicates that CCC domestic oilseed sales have been in important factor influencing the available supply of oilseeds during a number of postwar years.

The adjusted index is a measure of oilseed production, excluding the quantity removed by CCC loans and purchases, plus CCC domestic oilseed sales. The year-to-year movements in the index have varied in both direction and size. The year-to-year percentage change in this index is greater than the year-to-year percentage change in the published index of farm output of oilseeds. This appears to be caused by manipulation of CCC inventories to meet wide year-to-year variations in the demand for

oilseeds. The apparent ability of commercial demand to absorb greater quantities of oilseeds than were being produced in a number of years resulted in CCC selling rather large quantities of oilseeds in domestic markets and accentuating the year-to-year shifts in available supply. The absolute level of this index appears to be rising during the time period under consideration. The level of this index in 1955 indicates that available production was 30 per cent greater in that year than in 1949.

Magnitude of CCC Loan, Purchase, and Disposal Programs for Oilseeds in Relation to Farm Marketings and Home Consumption of Oilseed

The index of CCC removal shown in Table 21 is a measure of CCC removal of oilseeds based on the index of farm marketings and home consumption of oilseeds. A comparison of this index with the published index of farm marketings and home consumption of oilseeds indicates the importance of CCC removal in relation to total farm marketings and home consumption of oilseeds. CCC removal has been equal to from 3 to 16 per cent of the total farm marketings and home consumption of oilseeds from 1949 through 1956. The importance of the individual oilseeds in this index was less varied than in the index of removal based on total farm output of oilseeds. Examination of the data on CCC removal of oilseeds by calendar year shown in the appendix will give a more complete picture of the individual commodities represented by this index.

The index of CCC additions shown in Table 21 is a measure of CCC oilseed sales in domestic markets based on the index of farm marketings and home consumption. Examination of this index in relation to the published index of farm marketings and home consumption of oilseeds reveals the im-

portance of these sales in relation to total farm marketings and home consumption of oilseeds. CCC domestic oilseed sales were equal to slightly less than 10 per cent of total farm marketings and home consumption of oilseeds during the 1950 calendar year. Large domestic sales of flaxseed and peanuts account for the high level of the index of additions in that year. Domestic sales of soybeans were of importance only in 1955 when 10.6 million bushels were sold in domestic markets. The level of the index dropped off sharply from 1950 through 1953. The low level of CCC additions during 1952 and 1953 may be partially caused by the low level of CCC stocks of oil crops during those two years.[8] The level of this index has risen since 1953 but has not reached the high level it attained in the early 1950's.

TABLE 21.--Volume of CCC removal from and additions to the available supply of oilseeds during the postwar period in relation to farm marketings and home consumption of oilseeds

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	107	14.01	7.19[a]	- 7	100
1950	114	7.79	11.60	4	118
1951	102	5.59	8.04	2	104
1952	112	1.27	2.45	- 1	113
1953	107	17.58	1.52	-16	91
1954	101	3.65	2.62	- 1	100
1955	146	11.61	4.70	- 7	139
1956	153	12.28	1.60	-11	142

[a] Represents domestic sales during the last six month of 1949 only.

[8] Report of Financial Condition and Operations of Commodity Credit Corporation as of June 30, 1952 and 1953 (Washington, D.C.: U. S. Government Printing Office, 1952 and 1953), Schedule 16.

Sources (for Table 21): Column 1—1949-1954, E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, 1956), p. 16. 1955-1956 telephone conversation with E. W. Grove, Agricultural Marketing Service, Washington, D.C.

Column 2-3—Computed from data in appendix and base weights used in published index of farm marketings and home consumption.

Column 4—Column 2 minus column 3 (rounded to nearest whole number).

Column 5—Column 1 minus column 4.

A comparison of this index with the index of CCC removal indicates that CCC additions have been sufficient to totally offset CCC removal in a number of years. CCC additions exceeded CCC removal in three of the eight years considered. This means that CCC programs brought about a net addition to available supply during those three years.

The index of net change is a measure of the net impact of CCC programs on the available supply of oilseeds based on the index of farm marketings and home consumption of oilseeds. This index indicates that both CCC removal and additions have had an important part in CCC operations in oil crops. The impact of CCC operations has ranged from a decrease in available supply of oilseeds equal to 15 per cent of current farm marketings and home consumption to an increase equal to 3 per cent of current farm marketings and home consumption of oilseeds.

The adjusted index is a measure of farm marketings and home consumption of oilseeds, excluding the quantity removed by CCC, plus CCC domestic sales of oilseeds. The general level of this index appears to rise over the 1949-1956 period, with a very sharp upturn in 1955. Total farm marketings and home consumption of oilseeds rose rather sharply during calendar year 1956, but a high level of CCC removal coupled with a very low level of CCC domestic sales restricted the rise of the adjusted index.

The average year-to-year percentage change in the adjusted index is greater than in the published index of farm marketings and home consumption of oilseeds. This appears to be caused by shifts in the direction of the flow of oilseeds between the available supply and CCC. The shifts have tended to accentuate year-to-year shifts in farm marketings and home consumption of oilseeds.

Effects of CCC Programs on the Available Supply of Oilseeds When Various Types of CCC Sales are Considered

CCC has sold large quantities of oilseeds in domestic markets during a number of postwar years. Practically all CCC sales of flaxseed and soybeans have been made at 105 per cent of the current support price. CCC has sold large quantities of peanuts at less than the current support price. These sales have been primarily to oil processors.

In the index of additions shown in Table 22 commercial, domestic sales of oilseeds are weighted at base weight prices. All other domestic sales of oilseeds by CCC are weighted at 90 per cent of their base weight value. The exact degree to which oilseeds sold at less than the current market price substitute for other oilseeds is unknown. However, there is little reason to believe that these commodities are not a relatively good substitute for oilseeds from other sources.

A comparison of the index of additions in Table 22 with the index of additions in Table 21 indicates that using the system of weighting described above does not change the index of additions to any large extent. Only in 1950 was the change in the index of additions great enough to shift the index of net change and then only by a single index number. This would indicate that CCC domestic oilseed sales, other than commercial

sales, are of relatively small importance. In total this is true; however, sales of peanuts at less than 105 per cent of the current support price have been a large part of total peanut sales during the postwar period.

The adjusted index shown in Table 22 differs from the one shown in Table 21 in only one year--1950. In that year peanut sales at less than 105 per cent of the current support price were sufficient to cause the index to be lower by 1 point.

TABLE 22.-Effects of CCC programs on the available supply of oilseeds when various types of CCC sales are weighted to reflect their impact on available supply

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	107	14.01	7.08[a]	- 7	100
1950	114	7.79	11.25	3	117
1951	102	5.59	7.56	2	104
1952	112	1.27	2.24	1	113
1953	107	17.58	1.49	-16	91
1954	101	3.65	2.48	- 1	100
1955	146	11.71	4.64	- 7	139
1956	153	12.28	1.47	-11	149

[a] Represents domestic sales during the last six months of 1949 only.

Magnitude of CCC Loan, Purchase, and Disposal Programs for Oilseeds in Relation to Farm Marketings of Oilseeds

Home consumption makes up a very small portion of the total index of farm marketings and home consumption of oilseeds. For this reason the indexes presented in Table 22 are very similar to those presented in Table 20. The level of the indexes of removal and additions are slightly higher indicating that CCC activity is a greater share of farm marketings of

oilseeds.

The index of net change shown in Table 23 indicates that CCC oilseed programs have had a substantial influence on the flow of oilseeds into domestic markets. The fact that this index contains both positive and negative values indicates that CCC programs have both increased and decreased the supply of oilseeds available in domestic markets during the postwar period.

TABLE 23.-Volume of CCC removal from and additions to the available supply of oilseeds during the postwar period in relation to farm marketings of oilseeds

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	108	14.04	7.20[a]	- 7	101
1950	114	7.81	11.63	4	118
1951	102	5.61	8.07	2	104
1952	112	1.28	2.46	1	113
1953	107	17.63	1.52	-16	91
1954	101	3.66	2.62	- 1	100
1955	145	11.74	4.71	- 7	138
1956	152	12.32	1.61	-11	141

[a]Represents domestic sales in the last six months of 1949 only.

Sources: Column 1--Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1956), p. 9.

Columns 2-3--Computed from data in appendix using base weights used in published index of farm marketings

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The rising level of the adjusted index indicates that greater quantities of oilseeds have entered domestic markets during the latter

portion of the period considered.

The overall effect of CCC programs on the available supply of oilseeds during the 1948-1956 period appears to have been to adjust available supply to current demand. In 1948 with heavy production and falling demand CCC removed large quantities of oilseeds. With rising demand during the next three years large quantities of CCC stocks of oilseeds re-entered the domestic markets. It appears that this adjustment of the available supply to meet demand continued during the remaining years being considered. CCC programs did not result in a more stable available supply of oilseeds. This is indicated by the wide variation in the adjusted indexes. However, CCC actions may have tended to dampen price fluctuations by adding to supply when demand was strong and lowering the available supply when demand was weak.

CHAPTER X

THE AGGREGATE IMPACT OF CCC PROGRAMS

In the preceding chapters the volume of CCC removal from and additions to the available supply of the major agricultural commodities involved in price support programs in the postwar period have been examined. In this chapter total CCC removal and total CCC additions will be related to total farm output and total farm marketings and home consumption.

Indexes which relate total CCC removal from and additions to the aggregate supply of agricultural products to total farm output, total farm marketings, and total farm marketings to home consumption are presented in the following sections. Lack of data on CCC domestic sales prior to July 1, 1949, places some doubt on the precision of the index numbers representing CCC additions during the 1948 marketing year and the 1949 calendar year. However, the fact that total CCC sales of corn, wheat, cotton, and dairy products were very small before July 1, 1949, leads the author to believe that the aggregate impact of CCC domestic sales prior to that time was not great enough to change the indexes presented in the following tables.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Total Farm Output

In Table 24 a group of indexes are presented which relate the volume of CCC removal from and additions to the available supply of agricultural commodities to total farm output.

The index of removal shown in Table 24 is a measure of aggregate CCC removal of farm comodities based on the index of total farm output. A comparison of the index of removal with the published index provides an indication of the importance of CCC removal in relation to total farm output. For example, in 1953 the index of total farm output was equal to 108 and the index of CCC removal to 11.29. This means that an index number of 97, based on the index of total farm output, could be used to represent total 1953 farm output that was available for sale to buyers other than CCC. The remaining output being removed from the available supply by CCC loans and purchases.

The level of the index of CCC removal is determined to a large extent by the level of removal of three commodities—wheat, corn, and cotton. Dairy products and tobacco are also relatively important in determining the level of this index.

CCC removal during the 1948 through 1955 marketing years has ranged from 1 to 10 per cent of current production. CCC removal has been equal to approximately 5 per cent or more of total farm output in six of the eight years being considered. Only in 1950 and 1951 was CCC removal substantially less than 5 per cent of current production. This indicates that CCC loans and purchases have removed a substantial portion of total agricultural production in every marketing year from 1948-1955 except

those when the Korean conflict was in progress. Total farm output has been rising rather steadily since 1950. Aggregate CCC removal rose over this same period but by a smaller amount than farm output.

TABLE 24.-Volume of CCC removal from and additions to the available supply of agricultural commodities during the postwar period in relation to total farm output

Marketing Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1948	104	8.56	[a]	- 9	95
1949	101	4.98	1.20	- 4	97
1950	100	.99	3.38	2	102
1951	103	1.30	1.06	0	103
1952	107	6.25	.47	- 6	101
1953	108	11.29	1.70	-10	98
1954	108	8.62	1.67	- 7	101
1955	112	10.37	1.32	- 9	103

[a] Estimated to be very close to zero.

Sources: Column 1—Changes in Farm Production and Efficiency (Washington, D.C.: U. S. Department of Agriculture, 1956), pp. 9-10.

Columns 2-3—Computed from data in the appendix and base weights used in the published index of total farm output.

Column 4—Column 2 minus column 3 (rounded to nearest whole number).

Column 5—Column 1 minus column 4.

The index of additions shown in Table 24 is a measure of total CCC sales in the domestic market based on the index of total farm output. A comparison of this index with the published index of farm output indicates the importance of these sales in terms of total farm output. Total CCC domestic sales have been equal to from one-half of 1 per cent

to slightly more than 3 per cent of current production during the 1948 through 1955 marketing years. CCC domestic sales were at a peak during the 1950 marketing year. Cotton sales during the 1950 marketing year are an important reason for the index of additions being at the high level it attained in that year.

A comparison of the index of additions with the index of removal indicates that CCC sales have been relatively small in relation to CCC removal during a majority of the years considered. Only in 1950 were domestic sales by CCC greater than CCC removal. However, in 1951 these sales were sufficient to cancel CCC removal.

The index of net change shown in Table 24 is a measure of the net impact of CCC programs on the available supply of agricultural commodities based on the index of total farm output. This impact has ranged from a decrease in available supply of agricultural commodities equal to 9 per cent of current farm output to an increase in available supply equal to 2 per cent of current production. This index has been negative in six, positive in one, and equal to zero in another of the eight years considered. The wide range of values in this index indicates that CCC programs have had a widely varied effect on the availability of farm output. The presence of both positive and negative values in this index indicates the importance of considering both CCC removal and additions when appraising the effects of CCC programs.

The adjusted index in Table 24 is a measure of total farm output, excluding products removed from the available supply by CCC plus CCC domestic dispositions. The average year-to-year percentage change in the

adjusted index is precisely the same as that in the published index. The coefficient of variation is somewhat less in the adjusted index. These tests indicate that CCC programs have not dampened year-to-year shifts in the aggregate supply of agricultural products associated with changes in total farm output, but that the programs have limited the range over which these changes have taken place. The absolute level of the adjusted index appears to be rising. This indicates that dispite heavy CCC removal, rising farm output is causing the level of the aggregate supply of agricultural products available to be sold in commercial markets to rise.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Total Farm Marketings and Home Consumption

In Table 25 a group of indexes are presented which relate total CCC removal and additions to total farm marketings and home consumption. A comparison of this index with the published index of total farm marketings and home consumption provides an indication of the importance of total CCC removal in relation to total farm marketings and home consumption. Total CCC removal has ranged from 1 to 9 per cent of total farm marketings and home consumption. CCC removal has been equal to more than 7 per cent of total farm marketings in all but three of the eight years considered. The three exceptions are calendar years 1950-1952.

The index of CCC additions is a measure of total CCC sales in domestic markets based on the total index of farm marketings and home consumption. Total CCC sales of agricultural commodities have been equal to from 1 to 3 per cent of total farm marketings and home consumption during the calendar years 1949 through 1956. CCC domestic sales exceeded CCC

removal during only one year, that being 1950. CCC domestic sales during 1951 and 1952 were sufficient to substantially offset CCC removal. During the other five years considered total CCC domestic sales have been relatively small when compared with total CCC removal.

TABLE 25.-Volume of CCC removal from and additions to the available supply of agricultural commodities during the postwar period in relation to total farm marketing and home consumption

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	103	7.11	.39[a]	-7	96
1950	99	2.26	2.84	1	100
1951	101	1.35	.84	-1	100
1952	104	2.22	1.19	-1	103
1953	108	10.11	.80	-9	99
1954	109	7.28	1.79	-5	104
1955	112	8.88	1.35	-8	104
1956	117	7.90	1.15	-7	110

[a] Represents CCC domestic sales during the last six months of 1949 only.

Sources: Column 1--1949-1954, E. W. Grove and M. F. Cannon, New Index Numbers of Farm Marketings and Home Consumption (Washington, D.C.: U. S. Department of Agriculture, 1956), pp. 17-18. 1955-1956 telephone conversation with E. W. Grove, U. S. Department of Agriculture, Washington, D.C.

Columns 2-3--Computed from data in the appendix and base weights used in the published index of farm marketings and home consumption.

Column 4--Column 2 minus column 3 (rounded to nearest whole number).

Column 5--Column 1 minus column 4.

The index of net change shown in Table 25 is a measure of the net impact of CCC programs on the available supply of farm products based on

the index of farm marketings and home consumption. The wide range in the values of this index plus the presence of both positive and negative values indicates that the net impact of CCC programs during the calendar years from 1949 through 1956 has been of a widely varied nature. It has ranged from an increase in the aggregate supply of agricultural products available to meet market demand equal to 1 per cent of current farm marketings and home consumption to a decrease equal to 8 per cent of current farm marketings and home consumption.

The adjusted index in Table 25 is a measure of farm marketings and home consumption, excluding agricultural commodities removed from the available supply by CCC, plus CCC domestic sales of agricultural products. The average year-to-year percentage change in the adjusted index is the same as for the published index of total farm marketings and home consumption. The coefficient of variation is equal to 5.6 for the published index and 3.8 for the adjusted index. These two tests indicate that the values of the published index are dispersed over a wider range but that year-to-year shifts are of equal importance in either index. From this it would appear that CCC programs have limited the range over which the aggregate supply of agricultural commodities available to meet market demand has varied during the postwar period. However, these tests also indicate that CCC programs have not lessened year-to-year changes in the flow of agricultural commodities into that supply available to be sold in domestic markets or consumed on home farms.

Magnitude of CCC Loan, Purchase, and Disposal Programs in Relation to Total Farm Marketings

The home consumption component of the index of farm marketings and

home consumption has become a relatively minor part of the total index. For this reason a comparison of the volume of CCC programs with total farm marketings shows a set of relationships similar to those presented in the previous section.

Indexes in Table 26 indicate that CCC programs have been an important factor influencing the supply of agricultural commodities available in domestic markets during the postwar period.

TABLE 26.-Volume of CCC removal from and additions to the available supply of agricultural commodities during the postwar period in relation to total farm marketings

Calendar Year	Published Index 1947-49 = 100 (1)	Index of CCC Removal (2)	Index of CCC Additions (3)	Index of Net Change (4)	Adjusted Index (5)
1949	103	7.70	.42[a]	- 7	96
1950	100	2.45	3.08	1	101
1951	101	1.46	.91	- 1	100
1952	105	2.41	1.29	- 1	104
1953	110	10.96	.87	-10	100
1954	111	7.89	1.94	- 6	105
1955	115	9.62	1.45	- 8	107
1956	118	8.56	1.24	- 7	111

[a]Represents CCC domestic sales for last six months of 1949 only.

Sources: Column 1—Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, 1957), p. 9.

Columns 2-3—Computed from data in the appendix and base weights used in the published index of farm marketings.

Column 4—Column 2 minus column 3 (rounded to nearest whole number).

Column 5—Column 1 minus column 4.

The index of removal shown in column 2 of Table 26 is a measure of

CCC removal based on the index of total farm marketings. This removal has been equal to from 1 to 10 per cent of total farm marketings during the calendar years from 1949 through 1956.

The index of CCC additions shown in Table 26 is a measure of CCC domestic sales in relation to total farm marketings. From the level of this index it would appear that CCC sales have not been a large part of total farm marketings during a majority of the years considered. Yet in 1950 CCC sold a quantity of agricultural commodities equal to 3 per cent of total farm marketings. Total CCC domestic sales have been equal to from 1 to 3 per cent of current farm marketings during the calendar years from 1949 through 1956. The fact that CCC domestic sales have been equal to a significant part of total farm marketings indicates that these sales are important factors to consider when evaluating the impact of government programs on American agriculture.

The index of net change shown in Table 26 is a measure of the net change in the available supply of farm products as a result of CCC programs based on the index of total farm marketings. The net impact of CCC programs during the calendar years from 1949 through 1956 has ranged from an increase in available supply equal to 1 per cent of current farm marketings. to a reduction in available supply equal to 9 per cent of current farm marketings. These values indicate that CCC programs have exerted considerable influence on the flow of agricultural products into domestic markets.

The adjusted index shown in Table 26 is a measure of farm marketings excluding those quantities removed from supply by CCC plus CCC sales in the domestic market. The average year-to-year percentage change in this index

is equal to 3.6 as compared to 2.8 for the published index. The coefficient of variation is 4.61 for the adjusted index and 6.04 for the published index. These two tests indicate that CCC programs may have accentuated year-to-year shifts in available supply while limiting the range over which these shifts occurred.

From these three comparisons it would appear that CCC programs have tended to limit the range over which the aggregate supply of agricultural commodities available to be sold in commercial markets or consumed on home farms has varied in the 1948 through 1956 period. It appears that CCC programs have not appreciably decreased year-to-year shifts in the available supply of agricultural commodities. There is some indication given that CCC operations may have accentuated year-to-year variations in available supply. In all three of the adjusted indexes the general trend appears to be upward. This indicates that despite large scale removal operations CCC programs have not completely offset the rising levels of farm output, farm marketings, and farm marketings and home consumption.

CHAPTER XI

ESTIMATES OF INCOME TRANSFER

Government loan and purchase programs have been the primary means of supporting farm prices during the postwar period. Operation of these programs has generally resulted in a lower aggregate supply of agricultural commodities available to meet market demand in a given year than the available supply which would have existed had these programs not been in operation. However, in at least one year these programs have had the effect of raising the available supply of agricultural products. These shifts in the available supply of agricultural commodities have undoubtedly caused agricultural prices to be somewhat different than they would have been had agricultural producers marketed their entir production in commercial markets. Changing of price levels in commercial markets results in consumers paying either more or less for agricultural commodities than would have occurred had governmental programs been absent. Changes in farm income as a result of these price changes constitute an income transfer between the farm and non-farm sector of the economy.

The estimates of income transfer presented in the following tables are based on two assumptions: (1) That agricultural producers would have marketed the same quantities of agricultural products within each year considered with or without CCC programs in operation, and (2) that

the coefficient of price flexibility of demand for agricultural production is equal to four.[1] With these assumptions plus the percentage change[2] in available supply resulting from CCC programs, a first approximation of income transfer as a result of these programs is presented in Tables 27 and 28. The assumption of an equal quantity of agricultural products with or without CCC programs means that the percentage change in price caused by changes in available supply is also the percentage in income.

The estimate of income transfer in Table 27 is based on (1) the percentage change in available supply of total farm output, and (2) realized gross farm income excluding government payments and including changes in farm inventories. The percentage change in the available supply is determined by dividing the index of net change based on the index of farm output by the index of total farm output.

If the assumptions are realistic it is evident that CCC programs have resulted in rather sizable income transfers between the farm and non-farm sectors or the economy. The income transfer figures are not cost to the government, but rather they are the difference in value of farm output resulting from changes in the available supply as a result of CCC programs. During all years except 1950 this income transfer has been from the non-farm to the farm sector of the economy. However, in 1950

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[1]This coefficient of price flexibility of demand is the reciprocal of an estimated price elasticity of demand for total farm output of .25.

[2]Percentage change in supply is obtained by dividing the index of net change by the published index upon which it is based. Indexes of net change resulting from CCC programs based on the index of total farm output, total farm marketings, and total farm marketings and home consumption are presented in the previous chapter.

large CCC domestic sales resulted in an increase in the available supply of agricultural commodities. We have estimated that these sales caused market prices to be lower by an amount sufficient to lower gross farm income by 2,614.4 million dollars. This means that these sales limited the rise in farm prices to an extent that the value of farm output was reduced by 2,614.4 million dollars. This would amount to an income transfer from the farm to the non-farm sector equal to that amount.

TABLE 27.-Estimated income transfer as a result of CCC programs based on changes in the availability of farm output

Calendar Year	Total Gross Farm Income[1] Million Dollars (1)	Per cent Change in Available Supply (2)	Per cent Change in Income (3)	Transfer of income from non-farm to farm sector Million Dollars (4)
1948	36,081	-8.6	34.4	12,411.8
1949	30,589	-3.9	15.6	4,771.8
1950	32,681	2.0	- 8.0	- 2,614.4
1951	38,084	0.0	0.0	0.0
1952	37,321	-5.6	22.4	8,359.9
1953	34,296	-9.2	36.8	12,620.9
1954	33,672	-6.4	25.6	8,620.0
1955	33,050	-8.0	32.0	10,576.0

[1]Excluding government payments but including the net change in farm inventories.

Sources: Column 1—The Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, July, 1956), p. 19.

Column 2—Computed from data in Chapter X of this thesis.

Column 3—Column 2 multiplied by the coefficient of price flexibility of demand.

Column 4—Column 1 multiplied by column 3.

In 1953 CCC programs reduced the available supply of agricultural commodities by an amount equal to 9.2 per cent of current production. Lowering available supply by this amount has been estimated to raise the value of total farm output by 12,620.9 million dollars. This rise in the value of farm output due to CCC programs can be thought of as an income transfer from the non-farm to the farm sector of the economy.

In Table 28 we have presented estimates of income transfer based on the percentage change in available supply as a result of CCC programs in relation to total farm marketings. The estimates of income transfer in Table 27 and Table 28 differ widely because of the different time periods over which the change in supply is measured.

TABLE 28.-Estimated income transfer as a result of CCC programs based on changes in the availability of farm marketings

Calendar Year	Cash Receipts from Marketings[1] Million Dollars (1)	Per cent change in available supply (2)	Per cent change in Income (3)	Transfer of Income from Non-farm to Farm Sector Million Dollars (4)
1949	27,864	-6.7	26.8	7,467.5
1950	28,405	1.0	- 4.0	- 1,136.2
1951	32,909	- .9	3.6	1,184.7
1952	32,538	- .9	3.6	1,171.3
1953	31,169	-9.0	36.0	11,220.8
1954	29,714	-5.4	21.6	6,418.2
1955	29,264	-6.9	27.6	8,076.8
1956	29,999	-5.9	23.6	7,079.7

[1]Excluding government payments.

Sources: Column 1—The Farm Income Situation (Washington, D.C.: U. S. Department of Agriculture, July, 1956), p. 28.

Column 2—Computed from data shown in chapter X of this thesis.

Column 3--Column 2 multiplied by the coefficient of price flexibility of demand.

Column 4--Column multiplied by column 3.

The income transfer figures in Table 28 are estimates of the difference in the value of farm marketings resulting from the operation of CCC programs from 1949 through 1956. During each year except 1950 CCC programs lowered the available supply of farm products in domestic markets. In 1956 CCC programs lowered the available supply of agricultural commodities by an amount equal to 5.9 per cent of current farm marketings. With a coefficient of price flexibility of demand of 4, this would mean that farm prices would have been lower by 23.6 per cent had the quantity removed by CCC been sold in commercial markets. Under these circumstances the value of farm marketing would have been lower by 7,079.7 million dollars.

The accuracy of these estimates of income transfer hinge rather heavily on the degree of realism in the two assumptions set forth. If they are relatively accurate CCC programs have resulted in some rather sizeable income transfers between the farm and non-farm sectors.

CHAPTER XII

SUMMARY AND CONCLUSIONS

To determine the effects of CCC programs on the domestically available supply of major agricultural commodities involved in price support programs two factors have been considered: (1) removal from the domestically available supply of agricultural commodities by CCC loans and purchase programs, and (2) additions to that supply through CCC domestic disposal programs.

The fact that CCC programs have had a significant impact on the available supply of various agricultural commodities has been pointed out in various parts of this study. The exact nature of this impact has varied from year to year and from commodity to commodity within a given year.

Institutional factors surrounding the individual commodity programs appear to have had an important influence on how CCC programs have affected the available supply of the individual commodities. With commodities such as cotton, for which no domestic sales have been made at less than 105 per cent of the current support price, very small amounts of the commodity removed by CCC have re-entered domestic market channels except during periods of rising prices. For commodities involved in domestic donation programs such as dairy products, rather substantial quantities have re-entered the domestic market at various times including times when prices were falling. This is also the case with commodities which have

been sold as out-of-condition. These sales have been made during times of both rising and falling prices. Out-of-condition sales of corn represent a significant part of total domestic corn sales.

Indexes based on the published indexes of farm output, farm marketings, and farm marketings and home consumption have been used in comparing the volume of CCC loan, purchase, and disposal programs with total farm output, farm marketings, and farm marketings and home consumption. CCC programs have had a net effect on the available supply of individual commodities ranging from a net addition equal to 31 per cent of current production to a reduction equal to 40 per cent of current production. It so happens that these extreme values both apply to cotton, but very large percentage changes have also occurred in other commodities and commodity groups. The net effects of these programs on the aggregate supply of agricultural commodities have ranged from an increase equal to 2 per cent of current production to a decrease equal to 9 per cent of current production. The net effect of these programs in relation to farm marketing and farm marketings and home consumption are equal to slightly higher percentages of the total due to the lesser quantities involved in these totals.

The fact that these programs have raised the available supply of individual agricultural commodities in a number of years and the aggregate available supply in 1950 indicates that CCC sales in domestic markets must be considered if one is to fully evaluate these effects of CCC programs on the available supply of agricultural products during the postwar period.

The effects of CCC programs on year-to-year shifts in the available

supply of agricultural products appears to vary from commodity to commodity. With some commodities such as food grains, feed grains, and dairy products CCC programs have tended to dampen year-to-year shifts in the domestically available supply associated with changes in the level of production or marketings. With other crops, notably oilseeds, these programs appear to have added to the year-to-year variations in available supply. In the aggregate it appears that CCC programs did not reduce year-to-year variations in the available supply associated with changing levels of production and may have accentuated shifts in the quantity of agricultural products entering domestic markets.

The range over which the availability of individual commodities has varied appears to have been limited by CCC programs. In most instances these programs have tended to limit the rise in availability associated with rising levels of production and marketings. However, there have been years when CCC domestic sales held the available supply above the level it would have attained had these sales not taken place. In a general sense it appears that these programs have tended to limit the rise in the available supply of agricultural products, but have not been able to offset completely rising levels of farm output and marketings.

In light of the fact that CCC removal and additions have been equal to rather large parts of the published indexes, it would seem that the adjusted indexes developed in this study might be more relevant measures if one is concerned with production available to be sold in commercial markets or farm marketings to buyers other than CCC. It would seem that these indexes provide a more accurate picture of the quantity of farm production available to meet market demand or the quantity of agricultural

commodities entering domestic markets.

In weighting CCC domestic distributions into indexes of additions two different methods were used. In one set of indexes all domestic distributions are weighted equally. In another set additions were weighted to reflect their impact on the available supply of the commodity distributed. In most instances it was found that such a weighting system did not change the indexes appreciably. However, for dairy products, in which domestic donations have played an important part in total domestic distributions, such a weighting system results in significantly different indexes of additions. The fact that use of such a weighting system did not radically shift the indexes of additions does not indicate that CCC sales, other than commercial sales, are unimportant, but rather it shows that in the judgment of the author there is very little difference in the impact of commercial sales and out-of-condition sales on the available supply of the commodity being sold.

CCC programs exist primarily to maintain the income level of the farm sector of the economy. These programs necessarily result in an income transfer from the non-farm sector of the economy. This transfer results from CCC programs holding farm prices above their equilibrium level by restricting the available supply of agricultural commodities.[1] However, in at least one year CCC programs resulted in a greater available supply of agricultural commodities. Under these circumstances farm prices were held below their equilibrium level. The exact amount of income transferred

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[1]We use the term equilibrium price to mean the price that would have existed had agricultural producers marketed the same quantity of agricultural products but with CCC programs not in operation.

between the farm and non-farm sectors as a result of these programs is not known. However, estimates based on changes in available supply as measured in this study indicate that this income transfer has very likely been substantial in a number of postwar years.

Relationships which have been examined in this paper far from exhaust the list which need to be examined when evaluating CCC programs. I shall not attempt to list the numerous research projects which appear to be needed to evaluate completely present and past farm policy in the United States. However, it is hoped that information developed in this study will prove useful in performing objective evaluations of CCC programs as they have operated in the postwar period.

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APPENDICES

APPENDIX A

TABLE 1a.--CCC purchases of dairy products by calendar year, 1949-1956

Calendar Year	Butter (Million pounds)	American Cheese (Million pounds)	Non fat Dry milk (Million pounds)
1949	114.3	25.5	325.5
1950	127.9	108.9	351.6
1951	.2	.8	53.6
1952	16.1	2.8	51.5
1953	358.9	291.0	587.4
1954	324.8	275.1	650.6
1955	162.4	150.0	555.7
1956	164.7	187.9	754.1

Source: Dairy Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1957), p. 21.

TABLE 1b.--CCC distributions of dairy products by calendar year, 1949-1956

Item	Creamery butter							
	1949	1950	1951	1952	1953	1954	1955	1956
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Commercial sales:								
Domestic	2.6	113.3	26.8	---	4.0[1]	16.3[2]	2.7	2.1
Export	---	---	---	---	---	1.7	14.7	23.9
Non-commercial export sales	---	5.5	---	---	---	11.4	26.6	2.8
Transfers:								
To International Cooperation Administration	---	---	---	---	---	9.1	3.6	18.3
To Section 32	15.0	4.2	---	---	71.0	36.0	---	94.6[3]

TABLE 1b-Continued

Item	1949	1950	1951	1952	1953	1954	1955	1956
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Creamery butter								
To U. S. Army	—	—	—	—	15.1	29.7	41.4	29.4
To Veterans Administration	—	—	—	—	—	.9	2.7	2.1
Donations, Section 416:								
Domestic	—	36.4	—	—	—	77.2	96.4	—[4]
Foreign	—	37.9	—	—	28.1	130.5	177.9	51.6[5]
Total distribution:								
Domestic[6]	17.6	153.9	26.8	—	90.1	156.4	135.7	121.9
Foreign	—	43.4	—	—	28.1	156.4	230.3	102.9
Grand total	17.6	197.3	26.8	—	118.2	312.8	366.0	224.8
Cheddar cheese								
Commercial sales:								
Domestic	—	25.7	7.9	1.1	5.3	33.3[2]	8.7	1.4
Export	—	—	—	—	—	.3	4.0	11.9
Non-commercial export sales	—	71.9	.8	—	.5	—	6.8	—
Transfers:								
To International Cooperation Administration	—	—	—	—	—	4.1	16.0	30.4
To Section 32	—	—	—	—	17.4	19.7	—	131.7[3]
To U. S. Army	—	—	—	—	—	1.3	2.2	1.7
Donations, Section 416:								
Domestic	—	20.5	—	—	—	58.0	71.3	—[4]
Foreign	—	8.5	—	—	14.3	78.9	115.2	125.0
Total distribution:								
Domestic	—	46.2	7.9	1.1	22.7	112.3	82.2	135.1[7]
Foreign	—	80.4	.8	—	14.8	83.3	142.0	167.4[8]
Grand total	—	126.6	8.7	1.1	37.5	195.6	224.2	302.5

TABLE 1b-Continued

Item	Nonfat dry milk							
	1949	1950	1951	1952	1953	1954	1955	1956
Commercial sales:								
Domestic:								
For human consumption	—	30.8	31.5	19.5	0.1	4.4	1.3	1.1[9]
For animal feed	—	10.0	17.5	7.4	2.5	578.3	15.6	21.9
Export	—	2.7	5.9	—	—	2.2	89.0	81.3
Non-commercial export sales	140.8	187.1	83.5	20.2	99.2	142.9	75.3	48.9
Transfers:								
To International Cooperation Administration	—	—	—	—	—	11.6	15.5	43.9
To Section 32	15.4	4.0	1.4	9.5	7.5	4.2	—	141.7[3]
To U. S. Army	—	—	—	5.9	6.8	.1	.3	.1
Donations:								
Section 416:								
Domestic	—	12.4	11.0	—	—	56.5	71.3	—[4]
Foreign	—	71.2	54.6	—	79.9	186.3	365.3	400.8
Research	—	—	—	—	.1	—	.1	.3
FAS	—	—	—	—	—	—	.1	.2
Total distribution:								
Domestic[6]	15.4	57.2	61.4	42.3	11.3	643.5	88.5	165.4[7]
Foreign	140.8	261.0	144.0	20.2	184.8	343.0	545.3	575.1
Grand total	156.2	318.2	205.4	62.5	196.1	986.5	633.8	740.5

1Includes salvage, 0.3 million pounds.

2Excludes quantities of butter and cheese sold to CCC in March 1954 but contracted for repurchase by private firms after April 1, 1954. Quantities excluded: Butter, 5.1 million pounds:

TABLE 1b-Continued

cheese, 86.6 million pounds.

[3]Includes domestic donations under Section 416.

[4]Included with Section 32.

[5]Includes overdelivery of 1.1 million pounds during prior years.

[6]Includes donations to U. S. Army under PL-690, 1954-56, part of which was used abroad.

[7]Includes 0.3 million pounds of Cheddar cheese and 0.3 million pounds of nonfat dry milk transferred to penal institutions.

[8]Includes 0.1 million pounds donated to FAS.

[9]Resold to original vendor.

Source: Dairy Situation (Washington, D.C.: U. S. Department of Agriculture, March, 1957), p. 22.

TABLE 2a.-CCC removal of corn by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1949	75,746,437	30,553,437	322,788,599	429,088,473
1950	53,965,818	330,508,265	-168,523,084	215,950,999

TABLE 2a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1951	1,060,242	88,371,475	- 60,422,194	29,009,523
1952	48,060	6,858,364	- 37,354,100	- 30,447,676
1953	53,741,327	143,619,610	158,390,326	355,751,263
1954	78,247,610	376,764,807	- 94,800,392	360,212,025
1955	44,282,240	249,228,060	28,608,035	322,118,335
1956	41,102,150	315,903,279	35,251,585	392,257,014

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948-December 31, 1956)

TABLE 2b.-CCC sales of corn by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949(last six months only)	3,953,697	1,146,843	---	5,100,540	22,917,135	---	28,017,675
1950	17,969,683	11,350,421	---	29,320,104	31,414,761	---	60,734,865
1951	65,904,823	15,471,140	---	81,375,963	15,420,489	---	96,796,452

TABLE 2b-Continued

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1952	198,009,231	690,157	___	198,699,388	18,651,728	___	217,351,116
1953	46,574,924	40,356,814	8,155,039	95,086,777	18,489,551	___	113,576,328
1954	16,566,102	131,069,251	29,076,696	176,712,049	31,274,950	___	207,986,999
1955	3,680,325	51,205,812	3,711	54,889,848	58,807,505	8,299,275	121,996,628
1956	4,648,764	63,134,292	___	67,783,056	45,368,435	5,760,262	118,911,753

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 2c.-CCC removal of corn by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1948	15,536,832	6,686,799	347,381,042	___	369,604,673

TABLE 2c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1949	456,207	8,280,637	210,065,806	___	212,802,640
1950	24,017	1,050,813	21,751,956	100,541,403	- 77,714,617
1951	___	50,887	5,717,801	___	5,768,688
1952	5,496,871	14,683,797	277,812,172	11,427,458	286,565,382
1953	8,802,452	31,587,428	312,885,106	___	353,274,986
1954	11,061,696	58,071,557	137,724,052	___	206,857,305
1955	9,802,521	53,504,976	291,166,252	___	354,473,749

Source: Computed from data published in the Report of Financial Condition and Operations, (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 2d.-CCC sales of corn by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949	14,742,376	9,348,741	___	24,091,117	36,927,695	___	61,018,812

TABLE 2d-Continued

Marketing Year	Commercial, Domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1950	50,062,062	13,204,924	—	63,266,986	23,832,458	—	86,999,444
1951	114,542,522	6,691,803	—	121,234,325	9,746,880	—	130,981,205
1952	52,235,325	7,239,036	42,100	59,516,461	17,053,751	—	76,570,212
1953	18,830,116	146,571,203	37,109,432	202,510,751	24,757,271	—	227,268,022
1954	4,964,750	47,401,021	812,313	53,178,084	51,115,742	6,575,440	110,869,266
1955	4,761,312	72,492,581	—	77,253,893	55,474,837	5,784,644	138,513,374

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 3a.-Removal of oats by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1949	6,782,385	9,707,228	17,026,933	33,516,546
1950	138,396	3,389,977	-14,291,384	-10,763,011
1951	63,217	994,089	- 2,028,681	- 971,375

TABLE 3a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1952	37,616	553,521	3,193,448	3,784,585
1953	3,016,045	8,366,911	28,733,843	40,116,799
1954	5,710,880	33,430,686	18,023,904	57,165,470
1955	6,337,887	51,664,982	- 5,035,017	52,067,852
1956	3,494,864	37,312,531	-21,074,249	19,733,146

Source: Computed from data published in the Report of Financial Condition and Operations (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 3b.-CCC sales of oats by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949 *	248,010	212,003	—	460,013	2,241,008	—	2,701,021
1950	1,874,833	150,910	—	2,025,743	346	—	2,026,089
1951	2,507,125	51,494	—	2,558,619	3,296,978	—	5,855,597
1952	2,027,380	1,987	—	2,029,367	778,542	—	2,807,909
1953	938,859	60,313	12,639,476	13,638,648	3,251	—	13,641,899
1954	10,579,881	1,000,075	1,992,527	13,572,383	2,613,872	—	16,186,255

*Last six months of 1949 only

TABLE 3b-Continued

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1955	14,551,981	3,011,179	2,602	17,565,762	20,439,472	4,716,246	42,721,480
1956	11,475,335	2,643,765	___	14,119,100	24,648,902	29,589	38,797,591

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 3c.-Removal of oats by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1948	4,569,343	7,747,709	4,034,939	19,932	16,332,059
1949	10,948	2,085,785	5,061,052	94,273	7,063,513
1950	1,038	117,875	1,753,153	2,963,853	- 1,091,787
1951	4,100	328,184	1,942,535	1,701,652	573,167
1952	2,618,078	6,595,172	4,578,339	1,720,356	12,171,233

TABLE 3c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1953	1,381,378	17,204,230	18,572,817	625,854	36,532,571
1954	4,142,705	36,482,593	15,041,902	—	55,667,200
1955	2,890,565	25,414,947	14,658,753	—	42,964,265

Source: Computed from data published in the Report of Financial Condition and Operations Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 3d.-CCC sales of oats by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949	978,061	357,034	—	1,335,095	2,241,354	—	3,576,449
1950	1,710,911	100,263	—	1,811,174	2,373,141	—	4,184,315
1951	3,754,325	33,641	—	3,787,966	1,403,597	—	5,191,563
1952	738,183	1,192	—	739,375	300,350	—	1,039,725

TABLE 3d-Continued

Marketing Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Emergency feed sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1953	3,974,246	790,655	14,068,278	18,833,179	1,593	___	18,834,772
1954	18,595,736	2,046,205	25,879	20,667,820	10,351,440	3,439,571	34,458,831
1955	3,421,262	4,052,232	___	7,473,494	22,286,051	1,306,264	31,966,709

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 4a.-Removal of barley by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (bushels)	Quantity delivered to CCC in payment of loans (bushels)	Net change in loans outstanding (bushels)	Net CCC removal (bushels)
1949	17,594,535	20,980,340	11,488,164	50,063,039
1950	3,622,965	21,409,022	- 3,210,271	21,821,716
1951	231,842	4,257,596	-14,414,288	-10,156,692
1952	169,266	2,083,023	- 6,679,795	- 4,427,506
1953	790,461	1,828,694	24,044,261	26,663,416
1954	4,531,609	23,201,904	50,824,445	78,557,958
1955	8,669,062	83,348,817	-14,219,041	77,798,838
1956	9,943,171	74,307,599	-19,498,833	64,751,937

TABLE 4a-Continued

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 4b.-CCC sales of barley by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949(last six months only)	594,522	209,526	804,048	9,209,229	—	10,013,277
1950	6,562,907	118,960	6,681,867	6,726,495	—	13,408,362
1951	2,762,496	38,048	2,800,544	13,336,169	—	16,136,713
1952	3,746,787	4,952	3,751,739	11,262,528	—	15,014,267
1953	1,116,375	51,574	1,167,949	3,986,129	—	5,154,078
1954	422,469	1,910,024	2,332,493	14,528,188	—	16,860,681
1955	1,241,620	1,253,489	2,495,109	57,165,950	9,511,671	69,172,730
1956	1,578,029	1,500,749	3,078,778	56,728,201	12,136,755	71,943,734

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 4c.-CCC removal of barley by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1948	9,841,450	18,936,254	8,646,080	27,170	37,396,614
1949	178,452	11,847,328	6,344,903	—	18,370,683
1950	104,320	2,611,977	1,930,903	2,940,979	1,706,221
1951	51,590	1,206,155	2,546,083	1,268,385	2,535,443
1952	511,841	1,233,896	774,028	1,669,953	849,812
1953	2,458,371	13,949,683	12,105,053	183,947	28,329,160
1954	6,954,528	73,063,851	10,565,126	—	90,583,505
1955	8,771,383	59,029,935	8,300,832	—	76,102,150

Source: Computed from data published in the Report of Financial Condition and Operations, (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 4d.-CCC sales of barley by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949	4,698,819	324,234	5,023,053	9,827,982	—	14,851,035

TABLE 4d-Continued

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1950	3,691,068	20,999	3,712,067	15,436,376	—	19,148,443
1951	2,754,130	25,398	2,779,528	10,931,996	—	13,711,524
1952	3,535,654	—	3,535,654	6,427,520	—	9,963,174
1953	301,410	175,363	476,773	4,378,176	—	4,854,949
1954	729,011	2,995,437	3,724,448	23,876,227	5,968,050	33,568,725
1955	1,028,679	2,759,090	3,787,769	86,482,357	4,948,991	95,219,117

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 5a.-CCC removal of grain sorghum by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1949	3,858,130	32,112,666	6,204,765	42,175,595
1950	5,152,518	72,135,703	-12,181,418	65,106,803
1951	206,903	16,864,650	10,268,953	27,340,506
1952	5,861	350,943	- 8,943,580	- 8,586,775
1953	97,350	841,838	21,424,583	22,363,771
1954	1,436,530	36,764,738	-24,813,941	13,387,326

TABLE 5a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1955	2,359,911	100,245,390	1,847,816	104,453,118
1956	239,513	86,365,793	-44,263,391	42,341,915

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 5b.-CCC sales of grain sorghum by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949*	111,500		111,500	12,588,951		12,700,451
1950	2,148,810	2,043,525	4,192,335	41,606,796		45,799,131
1951	1,058,518	1,405,356	2,463,874	44,712,278		47,176,152
1952	1,615,478	568,605	2,184,083	4,799,390		6,983,473
1953	102,963		102,963	1,040,238		1,143,221
1954	1,714,563	2,625,463	4,340,026	15,946,443		20,286,469
1955	4,187,361	2,306,295	6,493,656	53,328,833	2,526,181	62,448,670

*Last six months of 1949 only

TABLE 5b-Continued

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1956	9,019,373	2,230,491	11,249,864	52,225,145	1,847,673	65,322,682

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 5c.-Removal of grain sorghum by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1948	3,823,976	32,106,783	52,316	—	35,983,075
1949	5,232,805	70,789,973	2,170,018	11,051	78,181,745
1950	—	16,361,041	370	361,033	16,000,378
1951	2,525	281,395	—	—	278,870
1952	97,315	829,686	26,970	—	953,971
1953	1,458,400	36,538,973	294,280	10,360	38,281,293

TABLE 5c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1954	2,371,986	100,156,153	201,965	37,281	102,692,823
1955	209,031	86,223,583	15,795	6,208	86,442,201

Source: Computed from data published in the Report of Financial Condition and Operations, (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 5d.-CCC sales of grain sorghum by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949	1,641,810	2,018,656	3,660,466	30,141,460	—	33,801,926
1950	1,049,655	942,480	1,992,135	55,475,191	—	57,467,326
1951	525,183	1,056,350	1,581,533	11,109,996	—	12,691,529
1952	127,490		127,490	883,430	—	1,010,920
1953	314,041	1,196,383	1,510,424	5,997,363	—	7,507,787

TABLE 5d-Continued

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1954	3,432,865	2,408,525	5,841,390	38,318,260	1,833,835	45,993,485
1955	7,670,800	2,166,370	9,837,170	61,295,120	2,570,020	73,702,310

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 6a.-CCC removal of wheat by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1949	75,354,844	211,467,021	92,547,338	404,674,560
1950	4,305,641	245,748,090	-124,005,434	126,048,297
1951	1,418,072	47,189,354	- 16,034,241	32,573,185
1952	6,778,260	85,807,147	179,704,376	272,289,783
1953	43,139,393	349,046,306	83,373,301	475,559,000
1954	31,993,120	444,766,756	- 62,320,117	414,439,759
1955	17,878,764	382,775,426	-135,594,763	265,059,427
1956	21,129,322	251,351,291	- 22,395,672	250,084,941

TABLE 6a-Continued

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 6b.-CCC sales of wheat by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949(last six months only)	10,722,646	391,825	—	11,114,471	77,331,976	—	88,446,447
1950	12,374,079	3,948,031	—	16,322,110	101,986,489	—	118,308,599
1951	7,460,538	1,860,004	—	9,320,542	172,279,862	—	181,600,404
1952	13,494,039	690,269	—	14,184,308	78,625,585	—	92,809,893
1953	5,164,896	2,089,031	—	7,253,927	66,434,568	—	73,688,495
1954	19,281,326	9,658,883	2,866,018	31,806,263	141,879,580	—	173,685,843
1955	8,034,425	6,000,190	11,749	14,046,364	165,108,414	77,187,340	256,342,118
1956	5,145,786	7,168,281	—	12,314,067	206,309,816	90,902,950	309,526,833

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 6c.-CCC removal of wheat by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1948	57,364,371	208,589,750	16,284,814	768,723	281,470,212
1949	3,199,727	224,554,090	28,497,941	1,729,007	254,522,751
1950	215,828	35,870,621	8,901,173	13,253,965	31,733,657
1951	4,205,585	74,813,926	11,567,288	3,403,879	87,182,920
1952	39,474,101	332,180,951	22,459,519	442,786	393,671,785
1953	24,201,199	386,377,301	71,391,340	—	481,969,840
1954	17,070,843	361,739,233	11,284,072	—	390,094,148
1955	17,932,757	229,867,520	27,609,410	—	275,409,678

Source: Computed from data published in the Report of Financial Condition and Operations, (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 6d.-CCC sales of wheat by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949	14,771,541	2,625,417	—	17,396,958	131,056,292	—	148,453,250

TABLE 6d-Continued

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Emergency feed sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1950	16,246,350	2,892,850	—	19,139,200	165,403,995	—	184,543,195
1951	6,277,220	1,358,715	—	7,635,935	129,549,282	—	137,185,217
1952	11,603,321	14,125	—	11,617,466	44,465,879	—	56,083,325
1953	4,876,305	8,037,694	3,129,811	16,043,810	111,488,539	—	127,532,349
1954	17,373,933	7,251,636	45,788	24,671,357	183,716,180	40,849,115	249,236,652
1955	6,773,412	7,087,361	—	13,860,773	162,016,186	103,734,611	279,611,570

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 7a.-CCC removal of rye by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and/or purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1949	514,205	533,288	216,867	1,264,360
1950	131,031	783,525	472,860	1,387,398
1951	12,797	11,526	- 812,176	- 787,853
1952	3,127	1,181	- 281,308	- 277,000
1953	23,886	103,031	3,426,837	3,553,754
1954	776,130	4,221,320	1,708,791	6,706,241

TABLE 7a-Continued

Calendar Year	Quantity acquired through purchases and/or purchase agreements (Bushels)	Quantity delivered to CCC in payment of loans (Bushels)	Net change in loans outstanding (Bushels)	Net CCC removal (Bushels)
1955	918,008	6,718,696	3,737,147	11,373,851
1956	1,636,600	11,999,962	-6,915,077	6,721,845

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 7b.-CCC sales of rye by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949 *	35,533	18,967	54,500	190,120	—	244,620
1950	27,398	18,598	45,996	1,128,318	—	1,174,314
1951	42,538	3,476	46,014	288,000	—	334,014
1952	86,365	—	86,365	—	—	86,365
1953	12,793	13,553	26,346	—	—	26,346
1954	95,093	944,571	1,039,664	1,742,872	—	2,782,536
1955	178,918	1,504,882	1,683,800	4,993,758	—	6,677,558

*Last six months of 1949 only

TABLE 7b-Continued

Calendar Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1956	161,488	2,314,031	2,475,519	8,220,001	—	10,695,520

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 7c.-CCC removal of rye by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1948	323,702	464,991	174,160	—	962,853
1949	41,154	306,793	478,968	—	826,915
1950	—	5,834	46,616	116,578	- 64,128
1951	—	2,529	19,871	67,022	- 44,622
1952	16,443	67,288	29,646	21,449	91,928
1953	282,278	2,175,491	2,264,583	—	4,722,352

TABLE 7c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase and purchase agreements at the close of the marketing year (Bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (Bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (Bushels)	Repayment of old loans (Bushels)	Net CCC removal (Bushels)
1954	640,150	4,824,865	1,319,335	—	6,784,710
1955	1,461,704	10,844,054	542,405	—	12,848,163

Source: Computed from data published in the Report of Financial Condition and Operations, (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 7d.-CCC sales of rye by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1949	52,022	31,762	83,784	789,539	—	873,323
1950	45,247	9,379	54,626	797,341	—	851,967
1951	51,609	—	51,609	17,858	—	68,927
1952	58,736	—	58,560	—	—	58,560

TABLE 7d-Continued

Marketing Year	Commercial, domestic sales (Bushels)	Out-of-condition sales (Bushels)	Total domestic sales (Bushels)	Export sales (Bushels)	P. L. 480 sales (Bushels)	Total CCC sales (Bushels)
1953	53,736	48,687	102,423			102,423
1954	97,600	1,127,174	1,224,774	3,117,824	—	4,342,598
1955	204,825	3,127,508	3,332,333	6,387,894	—	9,720,227

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 8a.-CCC removal of rice by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (cwt.)	Quantity delivered to CCC in payment of loans (cwt.)	Net change in loans outstanding (cwt.)	Net CCC removal (cwt.)
1949	605,375	5,751	1,109,831	1,720,957
1950	3,219,466	825,642	- 1,025,293	3,019,815
1951	18,831	40,027	1,959,212	2,018,070
1952	41,724	478,043	- 1,974,057	- 1,454,290
1953	5,741	270	946,010	952,021
1954	4,955,172	1,126,717	12,403,682	18,485,571

TABLE 8a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (cwt.)	Quantity delivered to CCC in payment of loans (cwt.)	Net change in loans outstanding (cwt.)	Net CCC removal (cwt.)
1955	29,556,438	17,973,367	- 1,398,337	46,131,468
1956	27,615,540	15,854,562	- 1,621,923	41,848,180

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 8b.-CCC sales of rice by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (cwt.)	Out-of-condition sales (cwt.)	Total domestic sales (cwt.)	Export sales (cwt.)	P. L. 480 sales (cwt.)	Total CCC sales (cwt.)
1949 *	8,039	—	8,039	—	—	8,039
1950	2,036,106	25,305	2,061,411	673,257	—	2,734,668
1951	41,444	34,617	76,061	256,243	—	332,304
1952	616,517	—	616,517	2,828	—	619,345
1953	2,991	—	2,991	—	—	2,991
1954	3,126,397	4,080	3,130,477	—	—	3,130,477

*Last six months of 1949 only

TABLE 8b-Continued

Calendar Year	Commercial, domestic sales (cwt.)	Out-of-condition sales (cwt.)	Total domestic sales (cwt.)	Export sales (cwt.)	P. L. 480 sales (cwt.)	Total CCC sales (cwt.)
1955	19,987,733	316,922	20,304,655	856,482	696,230	21,857,367
1956	5,022,227	155,125	5,177,352	3,234,700	9,280,571	17,692,623

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 8c-CCC removal of rice by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (cwt.)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (cwt.)	Quantity of current crop covered by loans outstanding at the close of the marketing year (cwt.)	Repayment of old loans (cwt.)	Net CCC removal (cwt.)
1948	5,524	5,220	564	—	11,308
1949	2,343,640	732,429	202,798	44	3,278,823
1950	—	7,690	—	96,544	- 88,854
1951	39,335	477,671	1,017	—	518,023
1952	—	—	5,670	608	5,062

TABLE 8c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (cwt.)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (cwt.)	Quantity of current crop covered by loans outstanding at the close of the marketing year (cwt.)	Repayment of old loans (cwt.)	Net CCC removal (cwt.)
1953	2,440,932	875,326	282,746	5,670	3,593,334
1954	20,117,316	15,058,479	2,588,660	18,963	37,745,492
1955	14,456,897	15,558,812	311,531	—	30,357,240

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30,1956).

TABLE 8d.-CCC sales of rice by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (cwt.)	Out-of-condition sales (cwt.)	Total domestic sales (cwt.)	Export sales (cwt.)	P. L. 480 sales (cwt.)	Total CCC sales (cwt.)
1949	1,411,764	2, 359	1,414,123	1,735,397	—	3,149,520
1950	718,740	57, 184	775,924	213,650	—	989,574
1951	257,722	—	257,722	259,071	—	516,793

TABLE 8d-Continued

Marketing Year	Commercial, domestic sales (cwt.)	Out-of-condition sales (cwt.)	Total domestic sales (cwt.)	Export sales (cwt.)	P. L. 480 sales (cwt.)	Total CCC sales (cwt.)
1952	224,701	—	224,701	—	—	224,701
1953	813,372	1,102	814,474	—	—	814,474
1954	20,188,003	123,802	20,311,805	343,654	305,962	20,961,421
1955	3,301,768	269,999	3,571,767	2,482,511	3,596,225	9,650,502

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 9a.-CCC removal of upland cotton by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (bales)	Quantity delivered to CCC in payment of loans (bales)	Net change in loans outstanding (bales)	Net CCC removal (bales)
1949	—	2,781,075	-1,380,728	1,400,347
1950	—	83,356	-2,129,015	-2,045,659
1951	9,368	2,937	520,720	533,025
1952	—	234,871	333,995	568,866
1953	690	—	6,363,130	6,363,820
1954	702	1,676,964	- 604,754	1,072,912

TABLE 9a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (bales)	Quantity delivered to CCC in payment of loans (bales)	Net change in loans outstanding (bales)	Net CCC removal (bales)
1955	9,810	6,048,909	-1,197,356	4,861,363
1956	47	6,033,672	-1,818,341	4,215,378

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 9b.-CCC sales of upland cotton by calendar year, 1949,1956

Calendar Year	Commercial, domestic sales (bales)	Out-of-condition sales (bales)	Total domestic sales (bales)	Export sales (bales)	P. L. 480 sales (bales)	Total CCC sales (bales)
1949 *	69,402	—	69,402	—	—	69,402
1950	3,694,060	—	3,694,060	—	—	3,694,060
1951	89,568	—	89,568	8,235	—	97,803
1952	2,589	—	2,589	—	—	2,589
1953	—	—	—	—	—	—
1954	107,380	—	107,380	—	—	107,380

*Last six months of 1949 only

TABLE 9b-Continued

Calendar Year	Commercial, domestic sales (bales)	Out-of-condition sales (bales)	Total domestic sales (bales)	Export sales (bales)	P. L. 480 sales (bales)	Total CCC sales (bales)
1955	81,955	—	81,955	1,340	81,847	165,142
1956	123,507	—	123,507	6,980,031	176,145	7,279,683

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 9c.-CCC removal of upland cotton by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (bales)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (bales)	Quantity of current crop covered by loans outstanding at the close of the marketing year (bales)	Repayment of old loans (bales)	Net CCC removal (bales)
1948	—	—	3,818,657	41,919	3,776,738
1949	—	—	402,813	31,825	364,988
1950	—	—	2,937	—	2,937
1951	35,645	—	285,158	—	320,803

TABLE 9c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (bales)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (bales)	Quantity of current crop covered by loans outstanding at the close of the marketing year (bales)	Repayment of old loans (bales)	Net CCC removal (bales)
1952	93,098	—	1,799,779	51,152	1,841,725
1953	—	—	5,126,815	115,687	5,011,128
1954	—	—	1,640,269	431,286	1,208,983
1955	—	—	6,053,211	50,938	6,002,273

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 9d.-CCC sales of upland cotton by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (bales)	Out-of-condition sales (bales)	Total domestic sales (bales)	Export sales (bales)	P. L. 480 sales (bales)	Total CCC sales (bales)
1949	639,643	—	639,643	—	—	637,643
1950	3,143,471	—	3,143,471	8,235	—	3,151,706

TABLE 9d-Continued

Marketing Year	Commercial, domestic sales (bales)	Out-of-condition sales (bales)	Total domestic sales (bales)	Export sales (bales)	P. L. 480 sales (bales)	Total CCC sales (bales)
1951	70,784	—	70,784	—	—	70,784
1952	1,274	—	1,274	—	—	1,274
1953	107,469	—	107,469	—	—	107,469
1954	79,809	—	79,809	1,429	59,530	140,768
1955	129,574	—	129,574	1,831,080	23,849	1,984,503

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 10a.-CCC removal of tobacco by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (pounds)	Quantity delivered to CCC in payment of loans (pounds)	Net change in loans outstanding (pounds)	Net CCC removal (pounds)
1949	—	—	20,508,213	20,508,213
1950	—	2,716,469	- 84,107,934	- 81,391,465
1951	—	1,493,408	87,549,519	89,042,927
1952	—	—	169,050,810	169,050,810
1953	—	1,560,288	51,647,784	53,208,072
1954	—	—	132,225,456	132,225,456

TABLE 10a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (pounds)	Quantity delivered to CCC in payment of loans (pounds)	Net change in loans outstanding (pounds)	Net CCC removal (pounds)
1955	—	—	348,710,683	348,710,683
1956	—	—	34,875,198	34,875,198

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 10b.-CCC sales of tobacco by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (pounds)	Out-of-condition sales (pounds)	Total domestic sales (pounds)	Export sales (pounds)	P. L. 480 sales (pounds)	Total CCC sales (pounds)
1949*	—	—	—	3,534,420	—	3,534,420
1950	452,769	—	452,769	—	—	452,769
1951	—	—	—	—	—	—
1952	930	—	—	—	—	930
1953	132,795	—	132,795	1,449,261	—	1,582,056
1954	206,000	835,345	1,041,345	—	—	1,041,345
1955	—	1,596,988	1,596,988	—	—	1,596,988

*Last six months of 1949 only

TABLE 10b-Continued

Calendar Year	Commercial, domestic sales (pounds)	Out-of-condition sales (pounds)	Total domestic sales (pounds)	Export sales (pounds)	P. L. 480 sales (pounds)	Total CCC sales (pounds)
1956	—	72,409	72,409	—	—	72,409

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 10c.-CCC removal of tobacco by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (pounds)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (pounds)	Quantity of current crop covered by loans outstanding at the close of the marketing year (pounds)	Repayment of old loans (pounds)	Total CCC removal (pounds)
1948	—	—	204,437,618	195,290,633	9,146,985
1949	—	—	97,151,520	133,288,544	- 36,137,024
1950	—	—	122,333,712	186,618,238	- 64,284,526
1951	—	—	218,585,661	84,916,272	133,669,389
1952	—	—	253,071,756	137,616,444	115,455,312
1953	—	—	241,335,584	151,362,553	89,973,031
1954	—	—	329,524,262	118,859,115	210,665,147

TABLE 10c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (pounds)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (pounds)	Quantity of current crop covered by loans outstanding at the close of the marketing year (pounds)	Repayment of old loans (pounds)	Total CCC removal (pounds)
1955	—	—	344,458,505	273,930,887	70,527,618

Source: Computed from data published in the **Report** of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 11a.-CCC removal of soybeans by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (bushels)	Quantity delivered to CCC in payment of loans (bushels)	Net change in loans outstanding (bushels)	Net CCC removal (bushels)
1949	3,610,313	6,751,997	69,504	10,431,814
1950	7,633	76,682	2,265,181	2,349,496
1951	789	29,132	667,731	697,652
1952	16	56,867	963,796	1,020,679
1953	266,719	3,453,998	15,488,109	19,208,826

TABLE 11a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (bushels)	Quantity delivered to CCC in payment of loans (bushels)	Net change in loans outstanding (bushels)	Net CCC removal (bushels)
1954	19,358	123,786	- 593,394	- 450,205
1955	448,789	15,088,133	- 833,136	14,703,786
1956	—	101,602	26,267,597	26,369,199

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 11b.-CCC sales of soybeans by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1949(last six months only)	4,686,396	82,165	4,768,561	3,769,719	—	8,538,280
1950	978,951	16,474	995,425	1,005,780	—	2,001,205
1951	2,214	—	2,214	—	—	2,214
1952	50,774	—	50,774	1,936	—	52,710
1953	2,211,630	169,039	2,380,669	30,853	—	2,411,522
1954	1,335,201	97,407	1,432,608	3,414	—	1,436,022

TABLE 11b-Continued

Calendar Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1955	9,041,839	1,580,856	10,622,695	4,479,586	—	15,102,281
1956	199,829	10,885	210,714	23,791	—	234,505

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 11c.-CCC removal of soybeans by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (bushels)	Repayment of old loans (bushels)	Total CCC removal (bushels)
1948	4,429,034	6,692,010	180,012	—	11,301,056
1949	7,411	32,111	149,099	75,024	113,597
1950	—	28,564	65,093	148,961	- 55,304
1951	8	56,867	24,404	—	81,279
1952	162,076	2,537,093	1,319,317	24,404	3,994,082

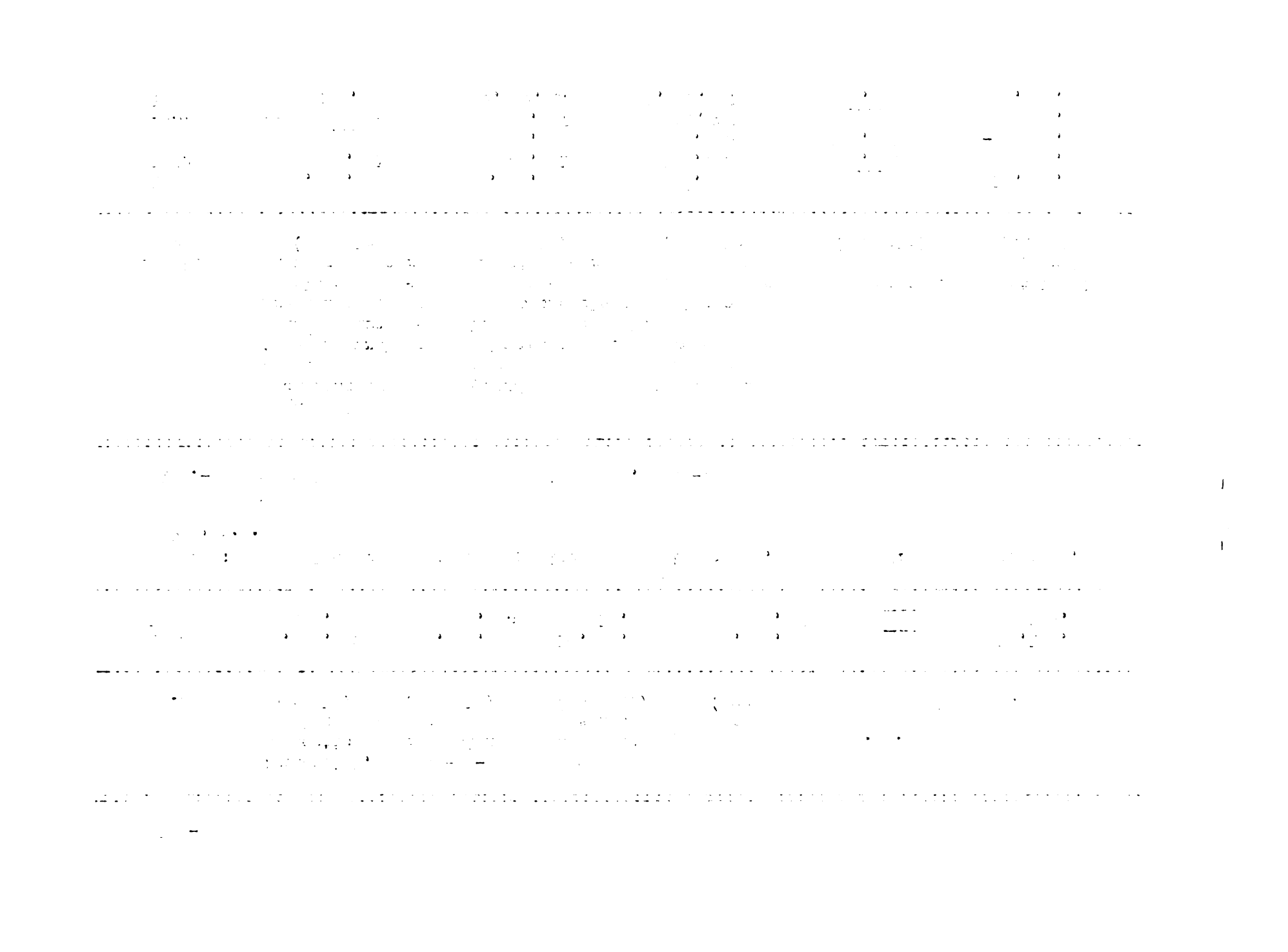

TABLE 11c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (bushels)	Repayment of old loans (bushels)	Total CCC removal (bushels)
1953	1,046	13,659	92,817	285,027	- 177,505
1954	425,082	14,818,070	412,199	100,172	15,555,179
1955	---	1,496	24,832	121,931	- 95,603

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 11d.-CCC sales of soybeans by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1949	1,984,012	31,086	2,015,098	3,284,653	---	5,299,751
1950	5,365	---	5,365	3,088	---	8,453
1951	50,365	---	50,365	1,936	---	52,301
1952	100,986	---	100,986	432,992	---	533,978

TABLE 11d.-Continued

Marketing Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1953	—	153	153	179,666	—	179,819
1954	6,782,392	1,224,686	8,007,078	668,485	—	8,675,563
1955	2,462,043	476,991	2,939,034	3,834,892	—	6,773,926

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 12a-CCC removal of peanuts by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (pounds)	Quantity delivered to CCC in payment of loans (bushels)	Net change in loans outstanding (bushels)	Net CCC removal (bushels)
1949	606,942,951	—	72,351,897	534,591,054
1950	347,081,088	—	171,858,001	518,939,089
1951	657,552,471	—	-172,588,578	484,963,893
1952	85,302,585	—	- 82,904,462	2,398,183
1953	—	98,006,938	200,361,489	298,368,787
1954	—	164,597,588	-255,035,524	- 90,437,936
1955	—	4,001,644	184,166,802	188,168,446
1956	9,789,385	167,810,146	- 5,401,710	172,197,821

TABLE 12a-Continued

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 12b.-CCC sales of peanuts by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (pounds)	Domestic oil and edible sales (pounds)	Total domestic sales (pounds)	Export sales (pounds)	P. L. 480 sales (pounds)	Total CCC sales (pounds)
1949*	258,760,970	90,054,690	348,815,660	87,291,033	—	436,106,693
1950		322,164,005	322,164,005	50,659,800	—	372,823,805
1951	10,895,093	451,942,957	462,838,914	4,516,886	—	467,355,800
1952	—	202,027,821	202,027,821		—	202,027,821
1953	—	21,167,678	21,167,678	34,843,461	—	56,011,139
1954	—	122,082,205	122,082,205	131,680,468	—	253,762,673
1955				98	—	98
1956	1,842,710	124,816,930	126,659,640	13,104,588	—	139,764,228

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

*Last six months of 1949 only

TABLE 12c.-CCC removal of peanuts by marketing year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (pounds)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (pounds)	Quantity of current crop covered by loans outstanding at the close of the marketing year (pounds)	Repayment of old loans (pounds)	Total CCC removal (pounds)
1948	524,300,604	—			524,300,604
1949	524,914,761	—	10,550,787	24,785,678	510,679,870
1950	512,791,192	—	45,703,343	10,550,782	547,943,753
1951	357,221,037		28,764,598	45,703,343	340,282,292
1952	—	12,226,997	54,480,924	28,764,598	37,943,323
1953	—	195,337,218	21,108,678	1,072,822	215,373,074
1954				19,474,404	19,474,404
1955	9,579,944	131,325,888	38,577,436	—	179,483,268

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 12d.-CCC sales of peanuts by marketing year, 1949-1955

Marketing Year	Commercial, domestic sales (pounds)	Domestic oil and edible sales (pounds)	Total domestic sales (pounds)	Export sales (pounds)	P. L. 480 sales (pounds)	Total CCC sales (pounds)
1949	254,866,102	212,647,907	467,514,009	103,727,117	—	571,241,126
1950	7,687,578	439,344,909	447,032,487	43,111,997	—	490,144,484
1951	3,207,515	295,281,761	298,489,276	4,516,886	—	303,006,162
1952	—	40,933,901	40,933,901	—	—	40,933,901
1953	—	125,121,170	125,121,170	160,661,337	—	285,782,507
1954	—	15,635,765	15,635,765	5,863,650	—	21,499,415
1955	—	110,756,227	110,756,227	291,580	—	111,047,807

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 13a.-CCC removal of flaxseed by calendar year, 1949-1956

Calendar Year	Quantity acquired through purchases and purchase agreements (bushels)	Quantity delivered to CCC in payement of loans (bushels)	Net change in loans outstanding (bushels)	Net CCC removal (bushels)
1949	2,524,591	905,264	6,704,324	10,134,179
1950	846,415	8,424,722	- 6,361,236	2,909,901
1951	29,994	126,500	295,920	452,414
1952	61,095	11,508	1,649,157	1,721,760
1953	2,034,339	3,612,457	10,696,794	16,343,590

TABLE 13a-Continued

Calendar Year	Quantity acquired through purchases and purchase agreements (bushels)	Quantity delivered to CCC in payment of loans (bushels)	Net change in loans outstanding (bushels)	Net CCC removal (bushels)
1954	1,735,965	14,537,576	-7,871,566	8,401,975
1955	1,848,835	7,469,044	848,202	10,166,081
1956	2,421	79,890	5,790,925	5,873,236

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 13b.-CCC sales of flax seed by calendar year, 1949-1956

Calendar Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1949 *	3,877,181	1,047	3,878,228	59,040	—	3,937,268
1950	14,006,783	30,665	14,037,448	1,520,406	—	15,557,854
1951	5,511,890	32,169	5,544,059	1,037,117	—	6,581,176
1952	518,871	—	518,871	—	—	518,871
1953	1,114,632	37,051	1,151,683	—	—	1,151,683
1954	1,538,145	114,818	1,652,963	9,733,234	—	11,386,197
1955	2,991,411	234,250	3,225,661	1,603,950	—	4,829,611

*Last six months of 1949 only

TABLE 13b-Continued

Calendar Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1956	345,412	10,404	355,816	—	—	355,816

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 13c.-CCC removal of flax seed by marketings year, 1948-1955

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (bushels)	Repayment of old loans (bushels)	Total CCC removal (bushels)
1948	23,436,527	794,775	228,915	33,597	24,486,620
1949	364,994	6,634,213	2,286,379	101,075	9,184,511
1950	—	1,130	106,430	420,231	- 312,671
1951	3,323	6,832	184,615	—	194,770
1952	1,209,538	3,312,451	310,420	177,316	4,665,093
1953	1,844,719	11,868,305	3,000,644	8,495	16,705,173

TABLE 13c-Continued

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (bushels)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (bushels)	Quantity of current crop covered by loans outstanding at the close of the marketing year (bushels)	Repayment of old loans (bushels)	Total CCC removal (bushels)
1954	1,577,201	6,425,313	665,950	—	8,668,464
1955	—	15,782	163,003	146,427	32,358

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

TABLE 13d.-CCC sales of flax seed by marketing year 1949-1955

Marketing Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1949	10,934,032	8,537	10,942,569	208,001	—	11,150,570
1950	9,926,950	64,761	9,991,711	2,333,520	—	12,325,231
1951	3,048,643	—	3,048,643	75,042	—	3,123,685
1952	195,973	—	195,973	—	—	195,973

TABLE 13d-Continued

Marketing Year	Commercial, domestic sales (bushels)	Out-of-condition sales (bushels)	Total domestic sales (bushels)	Export sales (bushels)	P. L. 480 sales (bushels)	Total CCC sales (bushels)
1953	2,127,832	78,745	2,206,577	2,257,319	—	4,463,896
1954	1,955,270	118,877	2,074,147	7,661,371	—	9,735,518
1955	1,663,418	198,901	1,862,319	1,418,279	—	3,280,598

Source: Sales ledgers maintained by Fiscal Analysis Branch, Commodity Credit Corporation, Washington, D.C.

TABLE 14a.-CCC removal of potatoes by calendar year, 1949-1951

Calendar Year	Quantity acquired through purchases and purchase agreements (cwt.)	Quantity delivered to CCC in payment of loans (cwt.)	Net change in loans outstanding (cwt.)	Net CCC removal (cwt.)
1949	47,636,944	—	1,733,737	45,903,207
1950	57,140,217	—	-9,510,688	47,629,529
1951	41,345,885	—	—	41,345,885

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, December 31, 1948 through December 31, 1956).

TABLE 14b.-CCC removal of potatoes by marketing year, 1948-1950

Marketing Year	Quantity of current crop acquired by CCC through purchase and/or purchase agreements at the close of the marketing year (cwt.)	Quantity of current crop delivered to CCC in payment of loans at the close of the marketing year (cwt.)	Quantity of current crop covered by loans outstanding at the close of the marketing year (cwt.)	Repayment of old loans (cwt.)	Total CCC removal (cwt.)
1948	76,895,758	—	829,540	—	77,725,298
1949	46,884,999	—	840,078	829,540	46,895,537
1950	58,795,707	—	—	840,028	57,995,679

Source: Computed from data published in the Report of Financial Condition and Operations of Commodity Credit Corporation (Washington, D.C.: U. S. Government Printing Office, June 30, 1948 through September 30, 1956).

APPENDIX B

UNITED STATES DEPARTMENT OF AGRICULTURE
AGRICULTURAL MARKETING SERVICE
WASHINGTON 25, D. C.

June 27, 1957

Mr. John F. Stollsteiner
Department of Agricultural Economics
Michigan State University
East Lansing, Michigan

Dear Mr. Stollsteiner:

In reply to your letter of June 7, I am enclosing the two tables that you sent but in modified form. Upon checking the data which you had included in the tables, I found that you had assumed the marketing year for tobacco as a whole to be October-September. For flue-cured, the largest single class of tobacco, the marketing year is July-June. For all tobacco types combined, I consider it preferable to regard July-June (same as fiscal year) as more satisfactory than October-September. For analytical purposes, the July-June period is more useful and comparable data can be compiled more readily. Therefore, I have inserted at the bottom of your tables the data on that basis for 1949-50 through 1955-56.

I would like to comment on your reference to "removal from and additions to the commercially marketable supply." Tobacco when placed under CCC loans is not in any sense a "set-aside" or really removed from the available supply. It is available to all purchasers (dealers, exporters, and manufacturers) at stipulated prices by grades. The tobacco under loan is held by farmers' cooperative associations and is always included in stocks and considered a part of supply in governmental publications reporting such figures.

With reference to the question as to whether tobacco under loans and in the hands of the marketing association could move directly into the export market, you also raised the question as to whether the "sales" and "other distributions" in your table 2 could be broken down to show export and domestic sales. There are no figures available which would provide such a breakdown. The farmers' associations when they dispose of tobacco, usually do so to dealers or manufacturers. The dealers may export the tobacco or sell to other dealers and manufacturers. It is probable that sizable quantities of tobacco have been sold by the associations to dealers who immediately export such tobacco. However, there is no quantitative breakdown of what was exported and what went into channels for ultimate domestic use.

2-Mr. John F. Stollsteiner-6-27-57

I hope this infirmation will be of some help to you and regret that because of pressing work, we could not compile and send you this information earlier.

Very truly yours,

Arthur G. Conover

Arthur G. Conover, Head
Tobacco and Specialty
Crops Section
Statistical and Historical
Research Branch

Enclosures-2

Date Due

Nov 12 '58			