EFFECT OF ACREAGE CONTROL PROGRAMS ON CROP AND LIVESTOCK OPERATIONS ON SELECTED MICHIGAN FARMS

By

Charles Louis Beer

A THESIS

Submitted to the School for Advanced Graduate Studies of
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The author accepts full responsibility for any errors which may be present in the completed work.

Charles Beer

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AN ABSTRACT

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ABSTRACT

This study was designed to test the hypothesis that land taken out of the production of controlled crops is likely to be used to produce other feed or cash crops in order to make full use of available labor or other resources available on the farm. A second hypothesis is that price support programs are more likely to be used by those farmers in Michigan who have larger total production of crops.

The sample areas were selected to be representative of various important commercial farming areas of Michigan. Complete description of the sampling procedure and a brief census description of each area is given in Chapter I.

This study has been confined to the specific area of price support and acreage control programs. It shows the relationship between acreage control and the use of diverted acres on a group of sample farms. It also shows the changes planned in the livestock operations on these farms.

A large proportion of the farmers interviewed in this study made no use of price supports on their crops and many who did use supports used them on only one crop. It is worth noting that price supports and controls were administered through the basic crops on the assumption that sufficient interaction would occur throughout the crop and livestock programs to decrease the supply and increase the price. This and other studies indicate that there was little change in total crop acreage

although there was some reduction in the acreage of wheat. Only a small amount of the diverted acreage was left idle. The largest portion of it was planted to other feed or cash crops.

Approximately 3,300 acres were taken out of the production of controlled crops, (wheat and corn), because of the acreage allotments and marketing quotas by the 414 farmers interviewed in this study. Four crops accounted for the use which was made of 65 percent of this land. In the order of their importance, they are: Oats, 24 percent; dry beans, 16 percent; barley, 13 percent; corn, 12 percent. About 11 percent of the diverted acreage was used as summer fallow or idle land. One should note, however, that the total land in summer fallow and idle was less in 1954 than in 1953.

This study shows that 65 percent of the land removed from the production of controlled crops, (wheat and corn), in Michigan was used to produce other feed crops and 24 percent of the diverted acreage was used to produce other cash crops.

This extra production of feed crops, about 2,150 acres on 414 farms, would lead one to expect some expansion in livestock numbers to make use of the additional feed. Chapter III shows that approximately 440 tons of forage and 1,450 tons of feed grains would have been produced on the land diverted from allotments and planted to feed crops by the 414 farmers in this study. This would be sufficient feed to carry approximately 2,100 additional animal units of livestock on these farms.

Farmers with larger amounts of land in diverted acreage appeared more likely to be planning changes in livestock on their farms than

those farmers who had smaller amounts of land in diverted acreage. Examination showed that those farmers reporting diverted acres and planning livestock changes, were likely to be planning increases of beef or hogs in a much higher ratio than these two enterprises held in the overall sample of farmers interviewed.

The results of this study support the hypothesis that price support programs are more likely to be used by those farmers in Michigan. who have larger total production of crops (through larger acreages of these crops and better per acre yields).

This study also supports the hypothesis that land taken out of production of controlled crops is likely to be used to produce other feed or cash crops in order to make full use of available labor or other resources on the farm.

Other feed crops were produced on 2,150 acres of the 3,300 acres diverted from allotment crops. Only 10 percent, or about 330 acres, was planted to forage crops (hay or pasture). The remaining 1,820 acres of feed crop acreage consisted of feed-grains. Thus, the additional feed production on the 414 farms was approximately 1,890 tons of feed. This was made up of 440 tons of forage and 1,450 tons of feed-grains.

Contrary to expectation a relatively small amount of the diverted acreage was used for forage production. The use of diverted acreage for production of feed grains appeared to be encouraging the expansion of grain-consuming livestock on the sample farms.

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CHAPTER I

STATEMENT OF THE PROBLEM

Introduction

Price support and acreage control programs as they have operated in recent years are based upon supporting the prices of basic crops, and exerting acreage control over these crops through the use of allotments. It was hoped that a reduction in acreage would reduce the supply and thus increase the price of these crops on the open market. It was also a hope that acreage controls would reduce the feed grains available and in this manner reduce the supply of livestock and livestock products. This in turn was to cause an increase in prices received for these products.

The major objective of this study is to provide information on farmers' response to agricultural price support and control programs. This is done through a review of the actions which Michigan farmers have taken when faced with these programs. The actions taken by farmers is examined in respect to the overall effect which they have had upon crop and livestock operations on the selected Michigan farms.

The author hopes that sufficient information of this nature will eventually enable the people of the United States to establish a program, (this may include the idea of no program except in an emergency), for agriculture which will be both effective and politically acceptable.

On examination of past agricultural programs one finds that many times objectives or expected results of a given program were stated in general terms which could be interpreted by each interested group in almost any manner that they would like. This general terminology was necessary in order to secure passage of legislation which would put the programs into effect.

In other cases Congress was directing that a new idea be applied in trying to improve the conditions of agriculture. Terminology necessarily had to be vague so as to provide scope for experimentation and for the counsel of experts in administration of these programs. When such programs were put into operation the conflicts in interpretation were brought into sharp focus and became faults in the program. J. K. Galbraith states:

> There were four faults of the old program which were of commanding importance. I venture to suggest that there would be considerable measure of agreement on the list as follows: (1) the surplus problem; (2) the controls problem; (3) the trade problem; and (4) the discrimination problem.[1]

Galbraith defines these problems in more detail. He indicated that the costly inventories which the CCC (Commodity Credit Corporation) was forced to acquire because of the "surplus problem" were evidence that they had not planned for this result. Actions by the office of the Secretary of Agriculture would lead one to believe that he had not planned for them either. This, however, may be an unfair accusation

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[1]J. K. Galbraith, Farm Policy: The Current Position, JFE, Vol. 37, No. 2, May, 1955, p. 293.

since the Secretary was prevented from taking action which might have reduced the surpluses when Congress made 90 percent supports mandatory on some crops.

Of the controls which became necessary because of the surpluses, Galbraith states:

> Either the controls were politically acceptable and not very effective, or they were effective and politically disagreeable. The recent experience with controls over diverted acreage and it's abandonment during the election campaign suggests the nature of the difficulty.[2]

He indicates that "trade" problems arose when export subsidies and import restrictions were made necessary by the maintenance of United States prices above world market prices. These export subsidies and import quotas were in sharp conflict with our (United States Government) stated position on world trade.

The problem of discrimination, that is, the producer of one crop being favored over another by certain administrative decisions, looms large in the overall workings of any type of agricultural program which has yet been put into operation.

The decision as to whether a product would receive support or not has often been based on history, politics and the important detail of how successfully it can be stored. Then also, the establishment of quotas for either growing or marketing, tend to create a situation where the value of the quotas are capitalized into the value of the land on

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[2]Ibid., p. 293.

which these quotas exist since they restrict free entry into the production of the commodity involved.

Shepherd recognizes the conflict between effectiveness and political acceptability which makes it necessary to state objectives of a specific program in more general terms. He writes:

> In some cases, the objectives that are stated are not the real or primary objectives. The stated objectives of the original ever-normal granary were the stabilization of supplies and prices. There is good reason, however, to believe that the primary objective was rather to raise farm prices and thus increase farm income—to "stabilize them upward." But there would be opposition from consumers to this objective, whereas everybody is in favor of stabilization. Not until 1940 was the price-raising objective spelled out loud in the CCC quotation given above. In cases like these the original statement alone does not tell the whole story. Judgment is needed here to determine what the objective really was.[3]

Since many times there is some variation between the real or primary objectives of a program and the stated objectives of the same program, the author will try to draw some comparison between the stated objectives of the price support program being examined and the goals as viewed by farm leaders, non-farm leaders and members of Congress.

Hypothesis

The price support programs are more likely to be used by those farmers in Michigan who have larger total production of crops through larger acreages of these crops and through better per acre yields. Thus the programs provide aid for the farmers who are already above average in respect to income possibilities.

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[3]Geoffrey Shepherd, What Can A Research Man Do In Agricultural Ptice Policy? JFE, Vol. 37, No. 2, May, 1955, p. 308.

Land taken out of the production of controlled crops is likely to be used to produce other feed or cash crops in order to make full use of available labor or other resources on the farm. When other feed crops are produced on this land it is likely that livestock numbers will be increased in order to utilize these feed crops on the farm.

These ideas will be tested through the use of information obtained from farmers in Michigan about their farming operations and their actions and beliefs about agricultural programs which affect the management and operation of their farms.

Selection of Sample and Sample Area

The selection of the sample areas was based upon representation of various important commercial farming areas of Michigan. The sample represented areas where managerial decisions involved different kinds of alternatives as farmers adjusted to production controls. The selection was also made large enough to insure reliability of the final results of the survey.

Information was gathered through a field survey taken during the summer of 1954. The schedule was a 17 page questionnaire which had to do with farm size; special questions on controlled crops, that is, wheat and corn; crops grown in 1953 and in 1954 and the use made of diverted acreages; livestock changes made, 1953-1954 and plans for future changes; feed utilization; attitudes and some personal history of the farm operator.[4]

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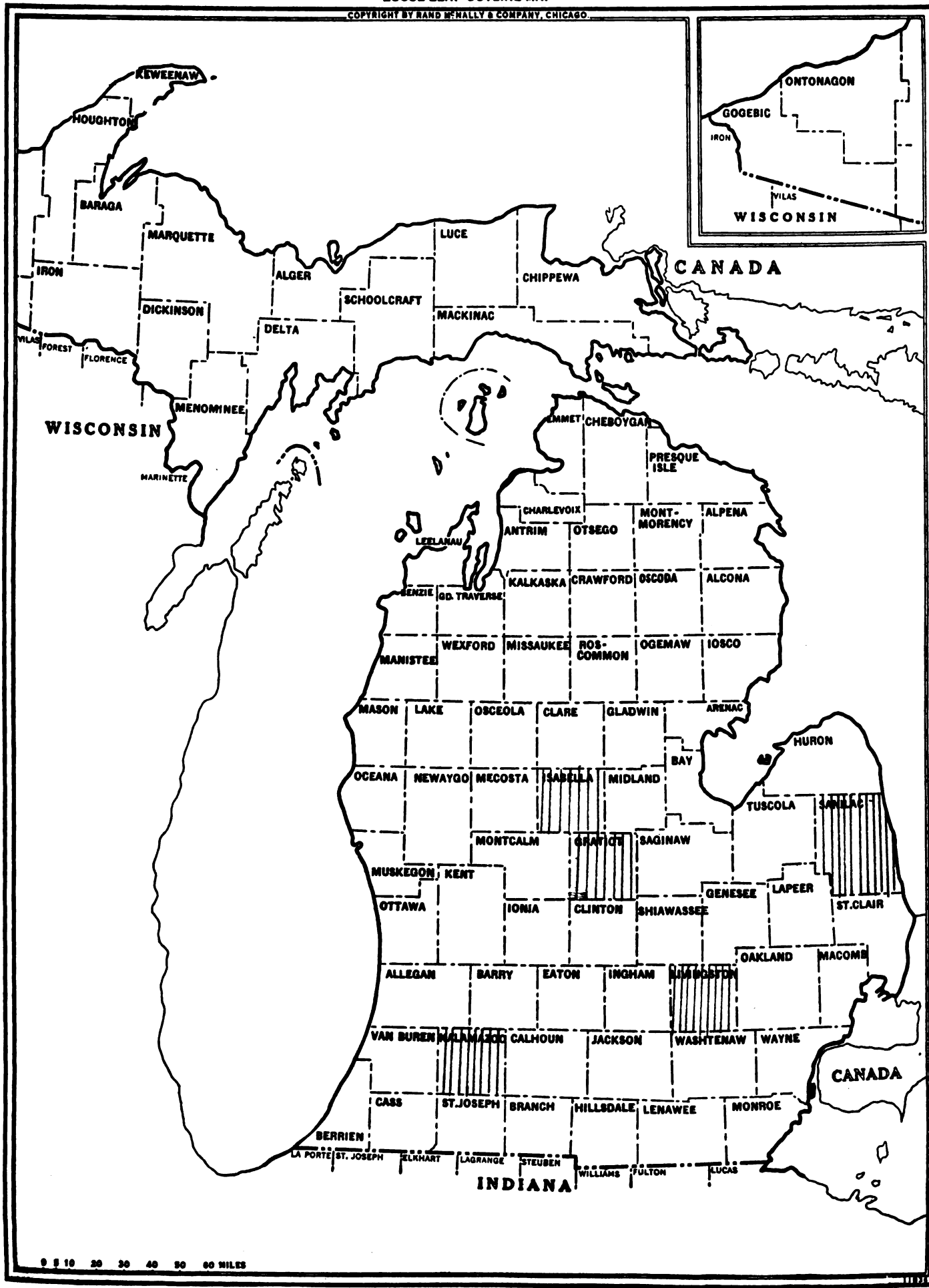
[4]A copy of the questionnaire is included in the Appendix.

The interviewers were instructed that if there was no one at home on the first call, to make two more calls on different days at different times of the day before abandoning attempts to establish contact with the farmer to be interviewed. The interviewers were furnished with instructions on interviewing procedures for this particular survey. They were also furnished with general instructions for interviewers. These instructions were all pointed at reducing the refusal rate to an absolute minimum, getting complete unbiased information and finally, creating a favorable impression of the survey and of Michigan State College.

The counties of Kalamazoo, Livingston, Sanilac and Gratiot-Isabella were chosen as being representative of their type of farming areas. (Gratiot and Isabella counties were considered as representative of one type of farming area.) The counties chosen represented heavy commercial agricultural areas where production controls would have the fullest impact. In some areas there tended to be a natural crop or enterprise to which one could shift the production capacities of the farm. In other areas the decisions on diverted acres were more difficult to make. The areas were selected because of their location in respect to markets, climate, soil types and off-the-farm job opportunities. This would reduce the possibility that the resultant managerial decisions would end in a shift to any one particular crop or enterprise. Nineteen townships were selected in the five counties. The location of these counties is shown on the map on the following page.



Census Information on Counties Selected

Wheat and corn are both important crops in Kalamazoo County. The 1950 census classified about 15 percent of the farms in this economic area as cash grain farms, 29 percent as dairy farms, 14 percent as livestock other than dairy and poultry and 24 percent as general farms.

A high proportion of the commercial farms in this area produce both wheat and corn. From 1940 to 1950 this economic area had an expansion of about 14 percent in corn acreage and about 65 percent in wheat acreage, even though the number of farms producing corn declined nearly 20 percent and the number of farms producing wheat remained very nearly the same.

In the Gratiot-Isabella area of Central Michigan the 1950 census classified 20 percent of the farms as cash grain, 30 percent as dairy farms, 5 percent as livestock other than dairy and poultry and 22 percent as general farms. The number of farms producing wheat increased by 20 percent in this area between 1940 and 1950. The acreage of wheat increased by more than two and one-half times, and the production of wheat by more than four times. The total production of corn increased during this same period even though the number of corn producers decreased by 25 percent and the corn acreage declined about 20 percent.

Sanilac County was selected as representative of the "thumb" area of Michigan. The 1950 census classified 42 percent of the farms as cash grain farms, 28 percent as dairy farms, 2 percent as livestock other than dairy and 22 percent as general farms. The wheat production in this area more than doubled in the 10 year period. It would appear that this was because the acreage of wheat harvested per farm was about double.

About the same production of corn came from fewer producers growing less acres of corn but obtaining higher yields.

Livingston County was chosen as representative of a dairy area. The 1950 census classified 38 percent of the farms in this county as dairy farms. Only 15 percent were classified as cash grain farms, 11 percent as livestock other than dairy and poultry and 18 percent as general farms. An increase in acreage per farm and increasing yields more than doubled the corn production in this county between 1940 and 1950. The acreage of wheat doubled during this period and the production more than doubled because of the increased yields obtained.

Townships within the counties were selected in such a way as to maintain an approximately uniform soil type within each of the economic areas. The individual farms were selected within these townships by drawing a random sample of farms from the wheat listing sheets of the county Agricultural Stabilization and Conservation Committee.

Specific parts of the survey have been used as the basis for three Master of Science theses and three articles.[5] The information in these studies will be drawn upon in this study where it appears useful.

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[5]Hsiang Hsing Yeh, Estimating Input-Output Relationships for Wheat in Michigan Using Sampling Data, 1952-54, M. S. Thesis, Michigan State University, East Lansing, Michigan, 1955.

William Delmer Murphy, Attitudes of Michigan Farmers Toward Government Production Control Programs as Shown by a 1954 Survey, M. S. Thesis, Michigan State University, East Lansing, Michigan, 1955.

Myron Eugene Wirth, Production Responses to Agricultural Controls in Four Michigan Farming Areas, M. S. Thesis, Michigan State University, East Lansing, Michigan, 1956.

Summary

Review of some agricultural programs indicates that often there is variation between the expected results of a program and the actual results achieved.

The objectives have been and still are, difficult to establish in a clearcut form. Controls have become necessary but in the nature of our system these controls were either politically acceptable and not very effective or they were effective and politically disagreeable.

This study is to test the idea that price support programs are used more by the above average farmers and thus do little to raise incomes of the low income groups. Also that the land taken out of production of controlled crops is planted to other feed crops and thus causes increase in livestock numbers in order to utilize these crops on the farm.

Sample areas were selected to be representative of various important commercial farming areas of Michigan.

Brief census descriptions for each of the areas are included in this chapter (Chapter I).

Dale E. Hathaway, "The Effects of Agricultural Production Controls in 1954 on Four Michigan Farming Areas," Quarterly Bulletin, Michigan Agricultural Experiment Station, Michigan State College, East Lansing, Michigan, Vol. 37, No. 4, May, 1955, pp. 565-573.

Lawrence Witt and Dale Hathaway, "Farmers' Plans to Change Livestock Numbers as Related to Agricultural Production Controls," Quarterly Bulletin, Michigan Agricultural Experiment Station, Michigan State University, East Lansing, Michigan, Vol. 38, No. 4, May 1956, pp. 511-519.

Delmer Murphy and Lawrence Witt, "Attitudes of Michigan Farmers Toward Control Programs," Quarterly Bulletin, Michigan Agricultural Experiment Station, Michigan State University, East Lansing, Michigan, Vol. 38, No. 4, May 1956, pp. 500-510.

CHAPTER II

REVIEW OF LITERATURE

Changing Policies

Agricultural policy of the United States undergoes almost constant change but much of it still is based upon the general principles which were introduced by the legislative action of the early thirties. Much of this legislation has been modified quite liberally by Congress and by the administrative agencies of both parties. Some has expired because of Supreme Court actions.[1]

The farm program which has been put on the books by Congress since 1932 includes:

> Federal funds loaned for getting farms electrified, for enabling small farmers to put in the next crop or buy a farm of their own and for doing earth moving and conservation work. A large bureau gives free technical advice on soil and water conservation; another regulates speculation on the commodity markets; another does scientific research and helps control diseases and pests; another looks after the price support program and acreage controls, when necessary; and another conducts an experimental insurance program against natural hazards.[2]

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[1]The Hoosac Mills case on which a decision was rendered by the Supreme Court on January 6, 1936 should be noted. This decision invalidated the production-control provisions of the Agricultural Adjustment Act. Other decisions include; Rickert Rice Mills, Inc. vs. Fontenot; United States vs. Liberty Rice Feed Mill, Incl; California Canning Peach Growers' Association vs. Myers, etc. (See pp. 97-107, Agricultural Adjustment Act, 1933-1935, United States Department of Agriculture, Washington, D. C., 1936.)

[2]Wesley McCune, Who's Behind Our Farm Policy? Frederick A. Praeger, Inc., New York, 1956, p. 5.

All of these items are part of our overall agricultural policy. Many of them are quite generally accepted while others are more controversial.

This study deals primarily with the price support program which is part of the overall agricultural policy. These programs were founded upon the general assumption that farm incomes were low because prices were too low and that an increase in price would bring about an increase in agricultural income. There was little concern over the possibility of surpluses being produced since the surpluses then existing were considered to be temporary attributes of the depression and low levels of urban purchasing power. As the programs developed, however, some longer run surpluses did arise. Controls were designed to reduce these surpluses. As these controls were placed upon the acreage of specific crops the acreage of these crops was reduced, but in many cases the total production, in bushels or tons, remained the same or increased because of technological advances. At the same time the acreage which was removed from production of controlled crops was being used to produce other cash or feed crops.

Why Government Price Support?—and Controls?

Much has been written about the farm situation during the 1930's. Farmers were told how they would be better off if they produced less of given commodities, in other words, restrict production as business had done and increase price. Government agencies were being formed and were gaining experience in administration of this type of program. Farmers

were also gaining experience as to how to fit the programs into their overall farm operation. The results achieved often differed from the results which had been expected or predicted. There was no universal agreement on exactly what should be done or how it should be accomplished. Most groups agreed that something should be done to aid farmers during the depression period. Many contend, however, that if in times of high employment, farmers do not find returns from farming comparable in overall terms to those that might be achieved in other occupations, enough of the more mobile farm workers will shift out of agriculture so that real incomes will be somewhat comparable in the farm and non-farm parts of the economy.

A more realistic view in terms of our present structure, both political and economic, may be expressed in terms used by J. K. Galbraith in discussing the farmers' effort to develop countervailing power.

> Such is the extraordinarily consistent record of the farmers' efforts to develop countervailing power, curiously enough, the whole effort is still viewed, even to some extent by farmers themselves, as vaguely artificial. While the word "emergency" has now disappeared from agricultural legislation, there is still a subjective feeling that someday it will pass away. The fact that the modern legislation is now of two decades' standing, that behind it is a long history of equivalent aspiration, that there is not a developed country in the world where its counterpart does not exist, that no political party would think of attacking it are all worth pondering by those who regard such legislation as abnormal.[3]

Whichever view one wishes to take (i.e. that government should stay out of farming or the latter one that government programs in agriculture are

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[3]J. K. Galbraith, "The Case of Agriculture," Readings in Agricultural Economics, Prentice-Hall, Inc., New York, 1955, p. 219.

here to stay) he must realize that American agriculture is highly dynamic. It has been going through a veritable revolution in technology[4] and this change is still underway, possibly at an even more rapid rate than we have seen up to now. At the same time, there have been substantial shifts on the demand side. Many of these also are still in process. The impact of these shifts varies greatly among commodities. This makes it even more difficult for any fixed formula, such as has been used during most of this period, to produce results which will be appropriate for price or actual operating purposes for any given year.

With this in mind, one might well take a brief look at government programs for agriculture in the United States. Many believe that this sort of action began in the Depression of the 1930's. Contrary to popular opinion, however, government controls were practiced long before this time. Attempts to control production were set up in the early days of the Virginia Colony.[5] In 1631 the Virginia Colonial Legislature passed a law

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[4]R. G. Bressler, Jr.,"Farm Technology and the Race with Population," Journal of Farm Economics, Vol. 39, No. 4, November 1957, pp. 849-864.

Lawrence Witt, "The Driving Force of Technology," American Farm Policy, The NUEA Discussion and Debate Manual 1956-1957, Artcraft Press, Colombia, Missouri, Vol. 1, 1956, pp. 175-188.

Sherman E. Johnson, "Changes in American Farming," Miscellaneous Publication No. 707, USDA, Washington, D. C., 1949.

Glenn Johnson, "Some Ideas and Facts about Supply Responses, Productivity and Incomes in United States Agriculture," unpublished paper prepared for presentation at a Harvard University Seminar, 1956.

[5]Edward Everett, "American Agriculture--The First 300 Years," "Farmers In A Changing World," 1940 Yearbook of Agriculture, USDA, 1941, p. 184.

fixing a minimum price for tobacco. A year later production had increased so much that it necessitated adoption of controls. A crop acreage curtailment and price-fixing agreement was signed between the colonial authorities and the principal merchants and officials were appointed to destroy inferior tobacco and if necessary, burn surplus crops.[6]

In 1906, some 250 years after production controls were adopted in Virginia, burley tobacco growers in Kentucky tried to organize to control output and raise prices. This program was soon abandoned as efforts to enforce controls brought outbreaks of violence by "night riders."[7]

The farmers of the 1920's were plagued with low prices and they saw (or thought they saw) a cure in higher prices for farm products.

Passage of several acts such as the Capper-Volstead Act in 1922, the Cooperative Marketing Act in 1926 and the Agricultural Marketing Act in 1929 indicated a movement of government into the field of cooperative marketing and surplus control measures in the agricultural arena.[8]

A federally subsidized farm program was begun between 1929 and 1932 which was far beyond any earlier attempts of this nature. Millions were spent in the field of agriculture to consolidate and coordinate the marketing activities of the cooperatives and to engage in stabilization operations, the latter primarily for wheat and cotton. Even these far

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[6]Ibid., p. 185.

[7]Harold G. Halcrow, Agricultural Policy of the United States, Prentice-Hall, Inc., New York, New York, 1953, p. 287.

[8]Theodore Saloutos and John D. Hicks, "Agricultural Discontent in the Middle West, 1900-1939," University of Wisconsin Press, Madison, Wisconsin, 1951, p. 405.

reaching policies fell short of solving the problem which faced agriculture in the 1930's. The legislative acts referred to in the paragraph above were among the measures used in an attempt to achieve these higher prices. It was not until the Agricultural Adjustment Act of 1933, however, that the government became involved in direct participation in farm operation.

The original Agricultural Adjustment Act of 1933 did not provide penalties for overplanting. Cooperation in an acreage control program was voluntary. Crop acreage control is a form of rationing of the productive agents available to the farm. The purpose of exercising this control was to direct the output of the farm.

Schultz and Brownlee say,

> In general the aim of crop acreage control ... has been primarily to reduce the production of feedstuffs on the assumption that this would curtail the output of livestock and livestock products which in turn, because of presumed inelasticity of demand for these animal products, would increase the income which farmers obtain from these products. Subsidiary aims have been the stabilization of livestock output through the use of corn-storage techniques and the conservation of soil resources.[9]

The idea that production would expand more rapidly than the demands of a normal economy was not given serious consideration up to this point. The main idea was to maintain price, assuming that higher prices would provide good farm income.

In 1938 an editorial in Wallaces' Farmer said,

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[9]T. W. Schultz and O. H. Brownlee, Effects of Crop Acreage Control Features of AAA on Feed Production in 11 Midwest States, Iowa State College Research Bulletin, No. 298, Ames, Iowa, April, 1942, p. 676.

> ... But the main importance of the AAA program this year to every farmer is that it gives the voluntary system a last chance to make good. If farmers fail to participate, if acreage increases, if corn prices drop, then those who want compulsion are likely to get their way next year.[10]

Later legislation, the Agricultural Adjustment Act of 1938, provided specifically for the establishment of marketing quotas for tobacco, corn, wheat, cotton, rice and peanuts.[11] These provisions with but minor modifications have been retained under the 1949 act.

A recent study[12] indicates that in general farmers had become accustomed to acreage allotments and had accepted them as part of routine farming. Many of the farmers had so established their farming operations and organization that they could continue operating under allotments without any great difficulty. Most of these farmers, however, had accepted the allotments with the idea that they could comply or not comply as the immediate situation dictated. If the program benefits were great enough they would comply, but if they thought they could achieve greater income

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[10] Wallaces' Farmer and Iowa Homestead, Wallace Publishing Company, Des Moines, Iowa, April 23, 1938.

[11] Marketing quotas are a more direct and effective device of supply control than are acreage allotments. They restrict the quantity of a product a farmer is permitted to sell, or produce, in a given year without a penalty. Marketing quotas are usually tied in with acreage allotments and have become a part of the production control machinery. The Bankhead Cotton Control Act of 1934 introduced penalty taxes on cotton ginned in excess of individual farm quotas. Similarly, the Kerr-Smith Tobacco Control Act of 1934 and the Warren Potato Act of 1935 provided for a tax on marketing in excess of individual quotas.

[12] W. D. Murphy, Attitudes of Michigan Farmers Toward Government Production Control Programs as Shown by a 1954 Survey, M. S. Thesis, Michigan State University, East Lansing, Michigan, 1955.

by raising larger acreages or if they needed the feed crops, they would not comply with the allotments. Marketing quotas, however, have made some change in this situation.

Recent Legislative Developments

In 1948, two years after the cessation of World War II, with the high wartime price supports scheduled to expire, Congress passed the Aiken Bill of 1948. Its objectives sought to bring about a return of the flexible price supports system prevalent before the war.

In principle, the Aiken Bill sought to restore to the market a part of its traditional function of guiding the farmer as to what is profitable to produce and how much of each product should be grown. It did not advocate the return to a completely free market but did drop provisions which caused "price pegging" during the war,[13] namely the Steagall Amendment.

The Aiken Bill contained provisions for flexible supports, (from 60 percent to 90 percent of parity) but these lower supports were postponed until 1950; thus, the principle was there, but in fact, supports were left high and rigid, as if the Steagall Amendment had been extended.

The Agricultural Act of 1949 which, with amendments in 1952 and 1954, is a modified version of the 1948 flexible principle actually superseded Title II of the 1948 act before it became effective. The relation of supply at the beginning of a crop year to the normal supply determines

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[13]"Price pegging" is a name often used to describe the act of supporting prices at a level other than the normal equilibrium price.

the rate of support (between 75 percent and 90 percent of parity). This applies to all "basic" crops except tobacco where the support is 90 percent when marketing quotas are in effect. Support was made mandatory for whole milk, butterfat, and other dairy products at 75 to 90 percent of parity and for tung nuts, wool[14] and Irish potatoes at 60 to 90 percent, with actual levels in that range to be determined by the Secretary of Agriculture.

With some modifications the 1949 act continued the parity formula which was modernized by the 1948 act. The main difference between "old" parity and "new" is that under the "old" formula relationships among the parity prices of various commodities were determined by the relationship that existed in a fixed base period, usually 1910-1914. The "new" formula determines parity by the relationships existing in the most recent ten-year period. Both formulas use 1910-1914 as a base for determining the ratio of prices paid to prices received. The "new" formula also includes consideration of wages paid farm labor. In addition, the 1949 act contained a step-down provision for support level reduction. It provided that parity price could be reduced, but not more than 5 percent per year under the new formula.[15]

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[14]Wool was given special recognition under Title VII of the Agricultural Act of 1954.

[15]A detailed discussion of this can be found in Agricultural Information Bulletin, No. 13, Price Programs of the United States Department of Agriculture, 1954.

The Agricultural Act of 1949 was amended in 1952 to provide for mandatory 90 percent supports on the "basic" agricultural commodities.

In 1954 as in 1948, Congress provided at least lip service to the concept of a flexible or variable price support program. The act provided in the main for a gradual transition to a variable price support program. It provides a permanent program of variable supports ranging from 75 to 90 percent of parity for wheat, cotton, corn, rice, peanuts and the non-quota types of tobacco, with a one-year transitional period for which the range was fixed at not lower than 82.5 nor higher than 90 percent of parity. The 1954 act also provided for a "commodity set-aside" on wheat, upland cotton, cottonseed oil, butter, nonfat dry milk and cheese in order to provide safeguards against interference with normal marketings of the supplies of such commodities.[16] Under Title VII of the same act, provision was made for encouraging annual domestic production of approximately three hundred million pounds of shorn wool at prices fair to both producers and consumers in a manner which will have the least adverse effects upon foreign trade.

The act states:

> The support price for shorn wool shall be at such incentive level as the Secretary, after consultation with producer representatives, and after taking into consideration prices paid and other cost conditions affecting sheep production, determines to be necessary in order to encourage an annual production consistent with the declared policy of this title: Provided, that the support price for shorn wool shall not exceed 110 percentum of the parity price therefor. If the support price so determined does not exceed 90 percentum of the parity price for shorn wool, the support

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[16]Title I, Agricultural Act of 1954, Congress of the United States, 1954.

> price for shorn wool shall be at such level, not in excess of 90 percentum nor less than 60 percentum of the parity price therefor, as the Secretary determines necessary in order to encourage an annual production of approximately three hundred and sixty million pounds of shorn wool.[17]

Some Recent Studies in This Area

The results of a study by Hathaway and Peterson[18] shows that only 25 percent of the 572 farmers interviewed in their study had used price supports in 1949. It also shows that a smaller percentage planned to use supports in 1950. This study also shows that farmers who operated larger farms made more use of supports than those operating smaller farms. In the case of wheat those with more than 500 bushels of wheat to sell made much more use of support prices on wheat than did those who sold a smaller quantity of wheat.

This study did not show any definite relationship between the use of price supports by a farmer and his education, debt status, years of farming experience, political inclination or general farm organization membership.

At the time of this study over one-fourth of the corn producers said allotments interfered with their management plans. This was the major reason for not complying with allotments given by one-half of the wheat, bean and potato producers interviewed.

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[17]Title VII, Section 703, Agricultural Act of 1954, Congress of the United States, 1954.

[18]Dale E. Hathaway and E. E. Peterson, Michigan Farmers and the Price Support Program, Technical Bulletin 234, Michigan State College, Agricultural Experiment Station, East Lansing, Michigan, December, 1952.

Michigan farmers who understood marketing quotas (30 percent of the total sample interviewed) were strongly opposed to them and were unwilling to accept controls to achieve price security. "Only one-fifth of those farmers who understood marketing quotas favored their use."[19] Those who failed to recognize the impact that marketing quotas might have on their businesses were more willing to accept them to achieve security. An understanding of what might be involved apparently reduced farmers' desire for a high degree of price security through government programs.[20]

About equal division of farmers existed in regard to the need for price supports. Even so, two-thirds of the farmers interviewed felt that some sort of floor under farm prices should be provided by the government.

More farmers opposed acreage allotments in 1950 than were in favor of them. A majority of the farmers who thought supports necessary in 1950 also favored the use of allotments. Three-fourths of the farmers said that farmers who complied with allotments should, if possible, use better production methods to offset allotments.

Many farmers opposed the compulsory provisions of the marketing quotas because of possible effects upon the feed supply for their livestock. Only one-fourth of the farmers interviewed were willing to accept

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[19]Dale E. Hathaway, E. E. Peterson and Lawrence Witt, Michigan Farmers and the Price Support Program, Technical Bulletin 235, Michigan State College, Agricultural Experiment Station, East Lansing, Michigan, December, 1952, p. 3.

[20]Ibid.

more production controls, including marketing quotas in order to achieve greater price security from the support programs.

In 1953, Hathaway[21] published an article in which he examined agricultural policy as it fits into a framework of farmers' desire for freedom. It is almost obvious that a problem of definitions arises here.

He considers values (i.e. freedom and security) in marginal terms and attempts to show how one can in this way explain the apparently irreconcilable value conflicts of the American farmer.

A study of this same group of farmers completed by Murphy indicates that a majority of them expect some government control to exist.

> Over 90 percent of the farmers interviewed indicated that they had given some thought about the possibility of continued acreage allotments and eight out of ten farmers thought the allotment program would be continued.[22]

About a quarter of the farmers said they would make few or no changes because of this. Sixteen percent indicated it would cause a change in their cropping system. Another 15 percent just didn't know what changes would be made. Intensive dairy farmers indicated a stronger belief that they would not have to change farm operations, than did crop farmers included in this survey.

When marketing quotas were discussed the farmers were not so willing to accept controls. In spite of this, however, only four out of ten, or

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[21]Dale E. Hathaway, Agricultural Policy and Farmers' Freedom: A Suggested Framework, JFE, Vol. XXXV, No. 4, November, 1953.

[22]Murphy, op. cit., p. 87.

40 percent, farmers took part in the 1954 balloting on marketing quotas for wheat.[23] Yet a majority of these cast their ballot in favor of marketing quotas.

This seems to support the idea that farmers are still somewhat indifferent to government programs and are willing to accept what is put before them by someone else. Perhaps this is because in most cases the imposed changes are small, particularly after possible compensating adjustments are made. It is likely that, since the required changes were small, farmers were not strongly enough opposed to the situation as it existed to take the action necessary to bring about change. In other words, if farmers had been more strongly opposed to marketing quotas a larger proportion of them could have voted on the referendum, and cast their ballot against marketing quotas.

Wirth[24] found that acreage allotments had little effect on Michigan corn producers in 1954. "Only about one-third of the state corn producers complied with allotments, production actually increased from 1953 to 1954."[25] He also found that those complying with corn acreage allotments and those not complying did not react differently with respect to farming practices on corn. There apparently was no strong motivation to encourage farmers to make greater than normal efforts to gain high yields.

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[23] Ibid., p. 92.

[24] Myron E. Wirth, "Production Responses to Agricultural Controls in Four Michigan Farming Areas in 1954," M. S. Thesis, Michigan State University, East Lansing, Michigan, 1956.

[25] Ibid., p. 81.

The existence of heavy penalties for non-compliance with wheat marketing quotas, however, seemed to be a strong enough motive to bring about compliance of 94 percent of the farmers producing wheat in Michigan. About two-thirds of the wheat growers indicated that they would have planted larger acreages of wheat if the same price structure had existed and allotments had not been in effect. The study indicated that only about seven and one-half percent of the growers had used their best land for wheat in order to increase yields. Thirty-five percent, however, increased the use of commercial fertilizer in order to increase yields. Further increases can be expected since 64 percent of those using fertilizer thought that they could profitably apply larger amounts on wheat.[26]

What Are the Objectives of Agricultural Policy?

One method to find the objectives of a given policy is to examine the legislative bill or statute which puts the policy into law. The Agricultural Act of 1949 states:

> It is hereby declared to be the policy of Congress, through the exercise of the powers herein conferred upon the Secretary of Agriculture, (a) to stabilize farm income and farm prices at a fair level, thereby protecting the purchasing power of farmers and assuring a high level of employment; (b) to protect the national security by maintaining adequate supplies of agricultural commodities and by keeping the national agricultural resources permanently productive; (c) to provide an adequate balanced and orderly flow of agricultural commodities in interstate and foreign commerce; and (d) to protect the interests of consumers by

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[26] Ibid., p. 80.

> maintaining a continuous and adequate supply of agricultural commodities at fair prices.[27]

This is the general pattern which has been followed in establishing the objectives of price support legislation for the past 20 years. The general idea seems to be that income should be supported for farm people in order that their purchasing power will not drop too drastically and that some protection should be provided to assure the consumer of adequate food at "fair" prices. Conservation of the natural resources of the nation and the development of good citizens have also been stated as objectives from time to time.

Recently the Department of Agriculture prepared a special report on problems of low-income farmers, entitled, "Development of Agriculture's Human Resources."[28] This was transmitted to Congress, accompanied by a message from the President which indicates what many believe to be the purpose of agricultural programs. The first paragraph of this message states:

> In this wealthiest of nations, where per capita income is the highest in the world, more than one-fourth of the families who live on American farms still have cash incomes of less than $1,000 per year. They neither share fully in our economic and social progress nor contribute as much as they would like and can contribute to the nation's production of goods and services.[29]

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[27]Section 3, Agricultural Adjustment Act of 1949, Congress of the United States.

[28]"Development of Agriculture's Human Resources," House Document, No. 149, 84th Congress, 1st Session, 1955, contains a reprint of the report itself, the President's message and the Secretary of Agriculture's letter of submittal.

[29]These income estimates are for 1950 and do not include non-money income in the form of housing and home produced food.

One cannot help thinking that this expresses the belief held by much of the non-farm population as to the purpose or objective of legislation on agricultural programs. They support these programs to help increase the income of the low-income farm people, not understanding that the actual program does little for the low-income farmer. The general public is woefully ignorant of the ineffectiveness of price supports in aiding the low-income families on the land; nor do they see the inadequacies in the overall averages as guides to farm price programs.[30]

Public opinion studies as well as some studies in communication have shown that a relationship exists between how strongly an opinion or feeling is "felt" and the willingness to act on these opinions. For example, an opinion or belief held by an active, vociferous minority can often be imposed upon a society who voice opposition to the given belief. This is possible because the majority does not feel strongly enough about their opposition that they are willing to act upon it, and thus they accept the belief to which they voice opposition rather than take action to oppose it. One might say they have accepted the belief by acquiescence. At this point, it is important to emphasize the influence of congressmen with seniority, who, working through the committee system which exists in Congress are able to exert an influence disproportionate to the group which they represent.

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[30]One needs only to cite the great use which politicians and special interest groups make of overall averages to support their arguments in favor of special legislation. This is particularly important since this ignorance of the general public enables use of figures on average income of all farm people to bolster the argument for programs to increase the incomes of commercial farmers for whom the figure is not representative.

Agricultural states and districts are represented more adequately in the House and Senate than are the non-agricultural groups, both by seniority and by more representatives and senators in relation to the amount of the population.

One's first thought on the results expected from agricultural programs, is that farmers would like to have higher prices since they readily associate higher prices with increased income. As a result of this desire for higher prices and the normal human desire to avoid work[31] of any sort, as much as possible, it has been easy to sell the various agricultural programs as being able to accomplish ends and objectives, while a little thought would show that these ends cannot be achieved by the suggested methods.

Section II of the Agricultural Adjustment Act declared that its policy was to seek to establish and maintain such a balance between production and consumption as would re-establish farm prices at a level that would give farm commodities a purchasing power equivalent to that commanded over the base period.

Close examination shows that this legislation attempted to raise prices through combined action of reducing supply and increasing demand.

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[31]Here reference is made to the work involved in thinking, not just jumping to conclusions, but rather thinking as a clear analytical process in which a person considers an action, its returns or benefits and its long run effects or consequences upon the individual and the society in which he is living. These returns and consequences must be considered in terms of tangible and intangible objectives where both must be reconciled with the overall set of values and goals which they as individuals and society hold or wish to attain.

(Reduction in supply through allotments and controls; increasing demand through purchase agreements and loans.) The objectives of individual legislators is difficult to obtain; however, it appears safe to assume that they believe that the price support legislation would correct the income situation of the farm group in relation to other sectors of the economy.

Will this action, however, raise the incomes of the farm group, especially the incomes of the "low-income" sector within agriculture?

Census figures for 1954 show that 25 percent of the farmers, 35,760 in Michigan, have gross sales of less than $2,500 per year. About seven percent of these farmers have gross sales of less than $1,200 annually. A 10 percent or even a 20 percent price increase will not do much to increase the net income of farmers in this situation.

The average gross annual sales of this 25 percent of Michigan farmers is about $1,550. About $500 of this is from the sale of field crops other than vegetables, fruits or nuts.

Corn and wheat are the two crops on which supports are most often used in Michigan. The farmers in this low-income 25 percent average about 250 bushels of corn and 80 bushels of wheat sold annually per farm.

Therefore, one needs to look for other objectives of agricultural policy or other means to obtain the objective of increased income.

Rainer Schickele, in his book on agricultural policy states:

> Public debate and congressional declarations leave no doubt that the fundamental purpose of farm price-support programs has been to raise the level of agricultural income. Farm income was considered inadequate in comparison with non-farm income and

> price supports were to raise it toward a level more nearly equivalent to that prevailing in cities and towns.[32]

He also indicates that the superior end of price support policy is to bring average income level of farm families into line with that of non-farm families and that the norm against which farm income is compared and toward which it is to be raised is not defined in terms of the subsistence and contributive principles established as the norm of income distribution. Instead, that norm is conceived in terms of equalizing average incomes of farm and non-farm families.

Much recent agricultural policy has been oriented toward the problem of unstable and low aggregate farm income. It has ignored the resource problem within agriculture, to which the often chosen instrument of price, properly applied, could make its principal contribution. In limiting attention to aggregate and average (per capita) farm income, it has bypassed still broader resource problems closely related to rural poverty. One-half of the nation's farms contribute less than one-tenth of total farm product sales. Price policy cannot, therefore, solve this economic problem. It is much more apt to continue to increase the disparity of agricultural income distribution. Some feel that low family incomes within agriculture must be supplemented by means which will promote rather than hinder human mobility. Rural education, health, nutrition and housing--through their contributions to the vigor and productivity of a major part of our next generation--are such means, warranting generous

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[32]Rainer Schickele, Agricultural Policy, McGraw-Hill Book Co., Inc., New York, 1954, p. 167.

Federal support. Once free of excess labor resources, agriculture will also have a legitimate claim to an average level of real family income fully equivalent to that of comparable non-agricultural employment. In this broadest sense, "parity for agriculture" must become one of our nation's foremost objectives.[33] Along this same line of thought, that is, that many people are not in complete agreement with the results which have been brought about by agricultural policies (whether these are the expected results or some results which were not expected, but just happened), a quotation from Murray R. Benedict seems fitting.

> Few will subscribe to the view that the farmer should be able to determine the price he will get and at the same time produce as much as he wants to produce. Urban businesses, even the largest of the corporations, cannot do that. They have more control over prices than the farmer has but not over price and volume. If a given level of price is to be maintained, the necessary adjustments in volume will eventually have to be made. [34]

In general it is extremely difficult to establish exactly the objectives of agricultural policy. Most groups will agree that the low-income situation should be changed and many agree upon the need for stability which would help avoid the erratic fluctuations of price and income. Agreement upon the proper or best method to achieve these objectives is much more elusive. This lack of agreement can almost always be traced to values and beliefs held by those whom a specific policy affects.

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[33]William H. Nicholls, "A Price Policy for Agriculture," Contemporary Readings in Agricultural Economics, Prentice-Hall, Inc., New York, 1955, p. 249.

[34]Murray R. Benedict, Can We Solve the Farm Problem, The Twentieth Century Fund, New York, 1955, p. 437.

The most important values which might be listed, according to Hathaway,[35] are family farm ownership; equality, at times called justice and which has come to be known as parity, but is essentially a concept of real farm income; and the value that is placed upon economic efficiency. Another value has become more prominent and should probably be considered also; it is the value of stability or security. (Stability as used here should be defined as freedom from erratic and completely unpredictable change of great magnitude which would cause serious loss of income or profit making ability of a large group of individuals.)[36] At various times different public programs attempt or are developed in an attempt to increase or improve the attainment of these social values. Sometimes the attainment of several of these values coincide and any one program may increase or help achieve a fuller attainment of a number of such values. At other times a program designed to attain one of these

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[35]Dale E. Hathaway, Agricultural Policy and Farmers' Freedom: A Suggested Framework, JFE, Vol. XXXV, No. 4, November, 1953, p. 498.

[36]Human abilities and money resources, once committed, are relatively immobile. Furthermore, in periods of abrupt change, especially in severe depressions, the alternative opportunities dry up and the choice is not there. This provides a strong argument for emergency aid for the group affected, but does not support the view that public aid should be provided continuously in such a way as to keep too many workers in that economic group, be it agriculture or any other group of our economy. The worker, urban or rural, who thinks he should get more than he does, as most of them do, can try for a raise or can seek another job, but if his demands are higher than those the market will pay, he must either accept what he can get or be unemployed. The situation of the farmer in a relatively free market is somewhat similar. His attempts to change the free market structure will also be limited by what the rest of the economy will allow through the present political framework. The farmer cannot put legislation into effect without at least acquiescent support of a majority of the rest of the economy.

values may conflict with other values and in many cases such programs may conflict with expected freedom of the farmer to operate his farm. Much of the time, results occur which are at great variance with the expected results of the program. This appears to be caused by our imperfect knowledge situation. In other words, the "facts" about what effect a given program will have may be quite different from what the "facts" actually turn out to be after the program is put into operation. Part of this change in "facts" undoubtedly is caused by rapid technological advance but much of it is the result of our imperfect knowledge of what the "facts" really are.

Added observation of who does what and why they do it, because of government programs, will help remove some of this imperfect knowledge about expectations as to the effects of a specific program.

If a farmer makes the decision to participate in the AAA program, the restriction placed upon his crop acreage makes it necessary for him to readjust the use of his resources. He has several alternatives for making this adjustment: (1) He may remove his poorest land from the production of controlled crops; (2) he may intensify his use of land by combining more labor and capital with it; (3) he may substitute crops which are as productive or even more productive, for the acreage of controlled crops not produced; or (4) by the use of soil building practices he may increase future yields.

Previous studies show that some of these alternatives have been put into practice. There has been much speculation about the type of crops

which have been grown on this diverted acreage and about the effect which the control programs have had, or will have, upon the livestock enterprises. The main purpose of this study is to examine these two questions in more detail. The next three chapters are devoted to this purpose.

Summary

Agricultural policy covers a very broad field and is intertwined with the general policy of the United States in many of its aspects. This study, however, is confined to the specific area of price support and acreage control programs. It shows the relationship between acreage control and the use of diverted acreages on a group of sample farms and the changes planned in livestock operations on these farms.

There are differences of opinion on the need for price support programs at present. Yet some type of agricultural program has been with us for over a century. The magnitude of the program has greatly expanded in the past 25 years. In the early stages of the programs there was no worry about surplus production. Voluntary cooperation was expected. However, in recent years surplus disposal and production controls have become very important.

These programs which were once considered an "emergency" measure, are now considered by many as a very permanent aspect of the general policy of the United States and tighter restrictions in the form of marketing quotas, are being put into effect. Some other modifications have been made in an attempt to bring support prices into more close

alignment with costs, for example the modernization of "parity" and the wool incentive level plan.

Previous studies show that larger farm operations made more use of price supports than did the small farms. These studies also indicate that there is something less than complete understanding about the operation of the programs among farm people.

Allotments alone did not induce a high rate of compliance; however, the existence of heavy penalties for non-compliance on wheat seems to be a strong enough motive to bring about compliance on this crop in Michigan. In this case, the farmers used better methods to increase the yields of wheat.

The objectives of agricultural programs are usually stated in quite general terms. Increased agricultural income is a generally accepted objective; however, there is little agreement on the method for achieving this objective.

CHAPTER III

CROP CHANGES ON MICHIGAN FARMS, 1953-1954

Introduction

The price support and acreage control programs as they operate are based upon supporting the prices of basic crops, and exerting acreage control over these crops through the use of allotments. It was hoped that a reduction in acreage would reduce the supply and thus increase the price of these crops on the open market. It was also assumed that ". . . the aim of crop acreage control for the corn belt has been primarily to reduce the production of feed-stuffs on the assumption that this would curtail the output of livestock and livestock products . . . ."[1]

With this in mind the writer chose to examine the shifts which took place on the farms where interviews were taken, in the use of land taken out of the production of the controlled crops as a result of the acreage allotments. The results of this examination are presented in the individual sections of this chapter. They discuss the changes which have occurred; the relationship between these changes and the use of price supports; the actual use made of diverted acreages; and the effect of allotments upon farm operations and organization.

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[1]T. W. Schultz and O. H. Brownlee, op. cit., p. 676.

Acreage Shifts Which Have Occurred, 1953-1954

This study showed little change in the total acreage of crop land from 1953 to 1954; however, a significant shift in the acreage of various crops did occur. In 1953, wheat made up 25 percent of the harvested acreage but declined to 16 percent in 1954. This was offset by an increase in corn for grain from 17 to 19 percent of the crop acreage; in oats, from 13 to 14 percent; in dry beans, 6 to 8 percent; and clover for pasture, 8 to 9 percent. There were also increases in the acreage of rye, barley, and sugar beets on these farms, but these crops accounted for a relatively small percentage of the total crop land.

There was a decrease in the summer fallow acreage but also a corresponding increase in idle land. These shifts in acreages under the control program differed considerably in different areas of the state. In Kalamazoo County wheat acreage declined from 27 to 17 percent of the cropland. The proportion of cropland planted to corn in 1954 remained the same as in 1953. There were sizable increases in idle cropland, clover for hay, barley, and alfalfa for hay.

In the central Michigan area, the acreage shifts were somewhat different. Wheat acreage declined and corn acreage remained about the same proportion of cropland as in 1953. The greatest increase was in dry bean acreage which increased from 15 to 22 percent of the cropland. There was also an increase in soybeans, clover for hay, and in alfalfa. This is an area in which dry bean production had declined since World War II and the controls on wheat seemed to reverse this trend.

In Sanilac County, which was not in the commercial corn area at the time of the survey and therefore not subject to acreage allotments on corn, there was a sharp increase in corn and oats acreage. There was also an increase in the acreage of dry beans over 1953, although not as much as in the central Michigan area. In addition to the reduction in wheat acreage, there was also a substantial reduction in the land in summer fallow associated with it.

Most of the acreage taken out of wheat in the Livingston County dairy area went into feed products. There was an increase in corn for grain, oats, clover for hay, and alfalfa in this area.

In the Kalamazoo County sample and the central Michigan area, the corn allotments were at least partially effective in preventing farmers from planting corn on acreage diverted from wheat. Thirty-four percent of the farmers interviewed in these two areas had complied with their corn allotment. Many who complied said they did so because they wanted price supports on corn. This was especially true in the central Michigan area. The reduction in corn acreage, however, was partially offset by farmers in the area who had not complied with corn allotments, many of whom had increased corn acreage. In these cases, the major reason given for not complying with allotments was the need for the corn for livestock feed.

Thus, where corn was produced as a cash crop there was a tendency to switch to other cash crops when possible or to alternative grain crops. Where there were no controls on corn or where the corn was fed, much of

the acreage diverted from wheat went to corn. The Kalamazoo area was the only area in which there was any increase in idle cropland and this was probably only a one-year reaction since some of the adjustments require longer periods.

Use of Price Supports by Farmers, 1953-1954

Michigan farmers interviewed in 1954 made use of price support programs on five crops in 1953 and 1954 according to the results of this study.

These crops were wheat, corn grain, dry beans, oats and soybeans. Some indicated that they would use the support price on barley in 1954. On only one crop did more than 20 percent of the producers make use of price supports in either year. This crop was wheat and even here just slightly more than 50 percent of the producers used supports. Table 3-2 shows this breakdown for each of the crops.

Table 3-2. Percent and number of producers using price supports on selected* crops--1953-1954.

	Crop					
	Wheat	Corn	Oats	Barley	Dry Beans	Soybeans
Percentage						
1954	53.4	12.8	3.7	17.2	22.6	27.8
1953	56.2	18.2	2.4	--	17.1	4.2
Average	54.8	15.5	3.0	8.6	19.9	16.0
Number						
1954	202	46	13	7	28	10
1953	212	60	8	0	18	1
Average	207	53	10.5	3.5	23	5.5

*Figures from 414 farmers interviewed in Michigan 1954 representing four general areas of the state.

One would normally expect that a greater proportion of producers would use supports on wheat than on the other crops since wheat is usually considered a cash crop. Because of this, however, one might expect an even higher percentage of producers would have used supports on wheat.

Only about 20 percent of the producers of dry beans, which are also a cash crop, made use of supports. Soybeans and corn are next in importance with about 16 percent of the producers making use of supports. Producers made very little use of support prices on oats with only about 3 percent of the producers using them. One might assume, however, that more use would have been made of supports in a less favorable "free" market price situation (especially in the case of dry beans.)

Table 3-3 shows the relationship between prices received by farmers and the average parity price for the two years which are covered by this study.

Table 3-3. Prices received as a percentage of parity prices for selected crops, 1953-1954.*

Years	Crop					
	Wheat	Corn	Oats	Barley	Dry Beans	Soybeans
1953	81.6	81.4	84.7	87.2	100.6	94.2
1954	82.2	80.5	85.2	79.5	88.5	108.0

*Source: Agricultural Prices, A.M.S., Washington, D. C., 1953-1954.

One might expect that the producers who sold a larger proportion of their crop would be more likely to use support prices or in other words

those who used support prices would sell a larger percentage of their total production. Table 3-4 supports this expectation except in the case of dry beans which are fed only when not fit for sale.

Table 3-4. Percentage of various crops sold by farmers. Comparison of farmers using support prices with those not using support prices, 1953-1954.

Use of Price Supports		Crop					
		Wheat	Corn	Oats	Barley	Dry Beans	Soybeans
1953	Yes	98.0	77.2	76.0	none	95.0	100.0
	No	90.3	41.1	38.0	48.0	100.0	91.0
1954	Yes	96.5	75.7	68.5	82.5	95.7	100.0
	No	91.2	42.1	34.1	20.9	99.2	88.3
Average	Yes	97.7	76.5	72.3	82.5	95.4	100.0
	No	90.7	41.6	36.1	34.5	99.7	89.7

One would also expect that the producer who has larger total production of a given crop would more likely use supports since he would be able to obtain the benefits over a greater number of bushels with small additional cost for securing the price support loan. Table 3-5 shows that this relationship exists for each of the crops under discussion.

The average total production of the farmers using support prices is considerably larger than the production of those not using supports, in each case shown. This varied from 40 percent larger in the case of dry beans to 104 percent larger with soybeans.

Table 3-5. Relationship between the use of support prices on selected crops and the total production per farm in Michigan, 1953-1954.

Use of Price Supports		Crop					
		Wheat	Corn	Oats	Barley	Dry Beans	Soybeans
		Bushels					
1953	Yes	1602	2846	1893	----	870	1200
	No	1019	1556	999	420	657	394
1954	Yes	1074	2547	2317	734	1102	565
	No	658	1810	1233	408	747	473
Average	Yes	1338	2696	2105	734	986	882
	No	838	1683	1116	414	702	434

Further examination shows that the yield per acre is slightly higher for the farmers who use support prices except in the case of soybeans, and the average acres per farm are greater on the farms where supports were used.

Tables 3-6 and 3-7 show these relationships by year and the average for the two years under study.

From this one can say that the farmers, who use better practices and raise larger acreages, are more likely to be the ones who use the support programs.

Table 3-6. Relationship between yield per acre and the use of support prices on selected crops in Michigan, 1953-1954.

Use of Price Supports		Crop					
		Wheat	Corn	Oats	Barley	Dry Beans	Soybeans
		Bushel Per Acre					
1953	Yes	33.2	54.9	37.8	----	22.7	24.0
	No	30.7	50.4	42.2	35.3	19.2	26.4
1954	Yes	33.4	58.7	52.3	40.7	21.2	23.6
	No	31.1	55.8	46.8	43.4	20.1	33.2
Average	Yes	33.3	56.8	45.0	40.7	22.0	23.8
	No	30.9	53.1	44.5	39.4	19.6	29.8

Table 3-7. Relationship between average acreage harvested per farm and the use of support prices on selected crops in Michigan, 1953-1954.

Use of Price Supports		Crop					
		Wheat	Corn	Oats	Barley	Dry Beans	Soybeans
		Acreage Harvested					
1953	Yes	48.2	51.8	50.0	none	38.3	50.0
	No	33.2	30.8	24.8	11.8	33.7	14.9
1954	Yes	32.2	43.4	44.3	18.0	51.8	23.9
	No	21.1	32.4	26.4	10.1	37.2	14.2
Average	Yes	40.2	47.6	47.2	18.0	45.0	37.0
	No	27.2	31.6	25.6	11.0	35.4	14.6

Use of Diverted Acreage

Approximately 3,300 acres of land were taken out of production of wheat and corn, because of acreage allotments and marketing quotas, by the farmers interviewed in this survey.

A study of the use made of this acreage shows that 24 percent of this land was planted to oats; 16 percent was planted to dry beans; 13 percent to barley; and 12 percent to corn. These four crops accounted for 65 percent of the acres diverted from wheat and corn because of allotments.

The remaining 35 percent was distributed as follows: Clover, 6.6 percent; summer fallow, 6.3 percent; idle land, 4.6 percent; soybeans, 4.4 percent; rye, 3.2 percent; spelt, 2.0 percent; alfalfa, 3.0 percent; sugar beets, 2.0 percent; corn silage, 0.2 percent; other, 2.7 percent.

Table 3-8 presents this information in a more detailed manner.

This study shows that total wheat acreage was decreased. The total acreage of corn was not decreased; however, the acreage of corn was decreased on the farms which complied with their corn allotment. In most cases, however, the land removed from production of wheat or corn on these farms was used to produce other crops for feed or sale.

Considering the acreage given in Table 3-8 and an average yield, one could expect about 441 tons of forage, 1,450 tons of concentrates for feed purposes along with 493,400 pounds of dry beans, 3,212 bushels of soybeans and 744 tons of sugar beets for sale as cash crops.

Table 3-8. Use of acreage diverted from wheat and corn in Michigan, 1954.*

Crop	Number of farms on which diverted acres were used for this crop	Total number of diverted acres planted to this crop	Percent of total diverted acres planted to this crop
	(Number)	(Acres)	(Percent)
Oats	63	800	24.0
Dry beans	41	541	16.3
Barley	35	426	12.8
Corn	34	400	12.0
Clover hay	8	127	3.8)
Clover pasture	7	68	2.0)6.6
Clover seed	2	27	0.8)
Summer fallow	13	207	6.3
Idle land	13	152	4.6
Soybeans	12	146	4.4
Rye	11	105	3.2
Alfalfa hay	7	97	2.9)
Alfalfa pasture	1	2	0.1)3.0
Spelt	8	67	2.0
Sugar beets	4	62	2.0
Corn silage	1	5	0.2
Other	12	91	2.7
Total		3,323	100.0

*Use made of diverted acres as reported by 414 farmers in the sample interviewed as part of this study in 1954.

Effect of Allotments Upon Farm Operation and Organization

The following questions were asked in order to see how the farmers felt allotments would affect their farm operation and organization. The questions are: "What effect do you think the allotments will have on your farming operations if they continue for a period of time? What changes, if any, do you plan to make in your present farm organization if the acreage allotments are continued?"

The answers given by farmers for the two questions fell into the same general categories but there was a different apportionment of the answers. (See Table 3-9)

Twenty-one percent of the farmers thought allotments would have no effect on their farming operations. Another 16 percent said they would change their cropping system, which probably meant that they would follow allotments. Thirteen percent said their incomes would be reduced and another 10 percent thought the allotments would put them out of business. Other farmers hesitated to say what the effects would be until they knew the exact nature of the programs.

Further study indicated that for the intensive dairy farmer, continued acreage controls would have less effect than it would have on cash crop farmers, according to the answers given by them. There were no similar differences between the other types of farmers and the cash crop farmers. The intensive dairy farmers probably felt that they already had a lot of land in pasture and hay. They also indicated that they needed most of the remaining acreage for feed crops and since they sold very little if any grain off the farm they would make little use of the

program benefits and thus would not comply with allotments. Farmers who had less than 140 acres of cropland were more likely to believe that allotments would have little or no effect on their farm operations than were the larger farmers. Many of these smaller farmers didn't think they would receive a serious cut in acreage and therefore the program would not affect them as far as farm operations were concerned.

Table 3-9. Effects that farmers believe continued allotments will have on farming operations and organization.*

Effects	Operations	Organization
No change or little effect	21.0	29.7
Will change cropping system	15.9	17.9
Will have less income	13.0	0.5
Be forced out of farming	10.0	2.9
Will change livestock programs	6.0	15.2
Depends on future programs	4.6	2.7
Strive to increase yields and production capacity	2.2	5.3
Farm according to allotments	1.9	3.4
Won't follow allotments	1.4	0.5
Other	11.4	3.6
Don't know	12.6	17.6
Total	100.0	100.0

*414 respondents on this interview

There was also a slight indication that farmers who were in a renting status were more likely to believe that the allotments would cause a reduction in income than were farm owners. This difference may have been due to the renter's uncertainty as to what action the landlord would take in respect to allotment programs.

When considering how allotments might affect their farm organization almost three out of ten farmers thought there would be little or no change needed. About 18 percent indicated they would change their cropping system and 15 percent were going to change their livestock program. Slightly over 5 percent of the farmers interviewed volunteered that they would try to increase crop yields.

Summary

A large proportion of the farmers interviewed made no use of price supports on their crops and many who did use them did so on only one crop. To be exact, price supports on wheat were used by just over one-half of the farmers who were interviewed, and less than 20 percent of the farmers interviewed used supports on other crops. The farmers most likely to use supports were those producing crops for sale; those producing larger total amounts of the crops and the farmers who had on the average, both, larger acreages and better yields per acre than the average for the given crop.

It is worth noting that price supports and controls were administered through the basic crops on the assumption that sufficient interaction would occur throughout the crop and livestock programs to decrease the

supply and thus increase the price. However, this and other studies indicate that there was little change in total crop acreage although there was some reduction in the acreage of wheat. While the acreage of wheat was reduced there was little or no reduction in the total production, in terms of bushels available for feed or sale, because of the use of better technology in the production on the reduced acreage. Meanwhile, only a small amount of the diverted acreage was left idle. The largest portion of it was planted to other feed or cash crops.

Approximately 3,300 acres of land was taken out of the production of wheat and corn because of acreage allotments and marketing quotas, by the farmers interviewed in this study. Four crops accounted for the use which was made of 65 percent of this land, they are; oats, 24 percent; dry beans, 16 percent; barley, 13 percent; and corn, 12 percent. About 11 percent was used for summer fallow or idle land. One should note, however, that the total land in summer fallow or idle was less in 1954 than in 1953.

This study shows that about 65 percent of the land removed from production of controlled crops was used to produce other feed crops, and 24 percent was used to produce other cash crops. This extra production of feed crops, about 2,150 acres on 414 farms, would lead one to expect some expansion in livestock numbers on the farms to make use of this feed. Chapter IV considers the livestock changes made or planned on the farms where interviews were taken.

When asked how they expected allotments would change their farming operations, 30 per cent of the farmers interviewed thought there would

be little or no change needed on their farms, about 18 percent indicated that they would change their cropping system and 15 percent were going to change their livestock system. Five percent volunteered information that they would try to increase crop yields through the use of more productive resources.

The study also indicated that the use of diverted acreage will be likely to differ from one area to another depending on what crop will yield the maximum advantage to the farm operation in the use of his remaining resources, but in very few cases can it be expected that it will remain idle or unused. For example this study shows a large portion of the diverted acreage used for the production of feed crops by the dairy farmers in Livingston County and the production of dry beans in the Sanilac County area.

CHAPTER IV

LIVESTOCK CHANGES MADE AND PLANNED ON SAMPLE FARMS

Introduction

Chapter III has shown that feed supplies on many farms were as large or larger after controls were applied to certain crops as before. It is necessary therefore to trace through the changes in livestock in order to view the total effect of the control programs on the farm operation. In order to do this, one must consider the changes which have occurred in the livestock enterprise and raise the following questions for study.

What changes have occurred? How many of these changes were because of controls? How many for other reasons? Are there other significant factors which should be considered? Then, what changes are planned in the near future in the livestock enterprises? How do the changes planned because of the control programs compare with those changes planned for other reasons? Is there a significant relationship between the changes made for other reasons and the control programs? Also of interest is the relationship between those who have made changes because of the control programs and those who are planning changes in the future because of these same programs.

It would be expected that there may be some relationship between the use made of the diverted acreages on a given farm and the changes being

carried out or planned in the livestock enterprise of the farm. These interrelationships are discussed in more detail in Chapter V.

Changes Made in Number of Livestock Units, 1953-1954

A total of 265 out of 333 livestock farmers made some changes in livestock units on their farms from 1953 to 1954. Consideration of the total group is shown in Table 4-1.

This shows that 80 percent of the farmers made some change in the number of livestock units raised in the year from July 1, 1953 to July 1, 1954. Fifty percent of them increased the number of livestock units while 30 percent decreased the number of livestock units on their farms during this year. Twenty percent of them made no change in the number of livestock units on their farms during this period.

Table 4-1. Change and direction of change in livestock numbers which occurred from 1953 to 1954 on farms in the sample on which livestock was raised.*

Farms on which changes were made:	Number	Percent
Increase - - - -	165	50
Decrease - - - -	100	30
Farms on which no changes were made:	68	20
Total	333	100

*Of the 414 farmers interviewed, 333 had some livestock on their farms.

Further examination shows that about one-half(48 percent) of those who had increased the number of livestock units on their farms planned to

make additional changes in livestock in the near future. A similar number planned no additional change. Four percent said they didn't know or gave no answer to the question about additional changes planned. Sixty-one out of the 100 who had decreased livestock units from 1953 to 1954 said that they planned to make additional changes on their farms; 33 said they did not plan further change. Six said they didn't know or gave no answer about additional changes in livestock. About 80 percent of those planning additional change in each case were planning to increase the number of livestock units on the farm. This relationship is shown in Table 4-2.

Table 4-2. Relationship between changes made in livestock numbers from 1953 to 1954 and changes planned in the near future.

Plans for future action	Change made in livestock units 1953-1954			Total Group
	Increase	Decrease	No change	
	Percent	Percent	Percent	Percent
Additional change planned	48	61	34	48.5
No additional change planned	48	33	63	44.5
No answer given	4	6	3	7.0
Total	100	100	100	100.0

Fifty-one out of the 333 farmers who had livestock said that they had plans for a second change in their livestock operation. That is they planned to change more than one type of livestock. Some planned to increase one and decrease the other, some planned to increase two types of livestock, and some planned to decrease two types of livestock.

Thirty-eight, (75 percent) of those who had plans for a second change planned to increase livestock on their farms while 13, (25 percent) planned to decrease livestock numbers in this second change. Thirty-two of the 38 who were planning increases in the second change, also planned to increase the numbers of livestock in the first change also, the other 6 had plans to decrease the other type of livestock.

Eleven of the 13 who were planning to decrease livestock numbers in the second change intended to increase some other type of livestock in the first change which they planned to make. Only two had plans to decrease in both the first and the second change which they said they planned to make. In other words most of the decreases in one type of livestock were at least partially offset by increases in some other type of livestock for the farm.

Reasons Given for Change Made From 1953 to 1954

A comparison of farmers, who indicated that they had made changes in livestock because of government controls, with the total group of farmers who had livestock shows some interesting results. Table 4-1 shows that 265 farmers made some change in livestock on their farms from 1953 to 1954. When asked, "Have you made any changes in your livestock numbers because of the acreage allotments on your crops?", 45 farmers answered "yes", 278 answered "no", and 10 gave no answer to the question. A comparison of the changes made by the group who said that they had made changes in livestock numbers because of allotments is shown in Table 4-3.

Table 4-3. Change and direction of change which occurred between July 1, 1953 and July 1, 1954 on farms where the operators said that they had made changes in livestock numbers because of allotments.

Farms on which changes were made:	Number	Percent
Increase	26	58
Decrease	13	29
Farms on which no changes were made:	6*	13
Total	45	100

*These 6 said they had made changes because of allotments, however, the records show no change in numbers of livestock on the farm.

Comparison of Table 4-3 and Table 4-1 shows that a slightly higher percentage of the farmers who said that they had made changes because of allotments did make changes in number of livestock units during the year than was true for the sample as a whole. Fifty-eight percent of this group increased the number of livestock units while only 50 percent of the entire sample increased the number of livestock units during the year. Table 4-4 shows that 62 percent of this group planned additional change in livestock on their farms. Thirty-six percent said that they planned no additional change and two percent gave no answer about future change. This table also gives a more detailed breakdown for comparison with Table 4-2 which gives similar information for the entire group of 333.

Table 4-4. Relationship between changes in livestock numbers made from 1953 to 1954 and changes planned in the near future on farms where changes were made because of allotments.

Plans for future action	Change made in livestock units, 1953-1954			Total group
	Increase	Decrease	No Change	
	Percent	Percent	Percent	Percent
Additional change planned	58	77	50	62
No additional change planned	42	23	33	36
No answer given	0	0	17	2

A comparison of these two tables shows that a larger percentage of the farmers, who had made changes because of allotments, were planning additional changes than was true for the entire group who had livestock on their farms. The exact figures are 62 percent compared with 49 percent.

Changes Anticipated and Reasons for These Planned Changes

One would normally expect that one of the ways in which farmers could and would adjust to the control programs would be by a change in their livestock operation. Table 4-3 shows that 45 out of 333 farmers said that they had made changes in livestock because of allotments on their farms. Thirty-nine of these changed the number of units of livestock on their farm during the period from July 1, 1953 and July 1, 1954. This is out of a group of 265 who had made some change in livestock numbers during that period.

When asked, "Do you plan to make any future changes in livestock numbers?", about one-half (169 out of 333) indicated that they had plans

for future changes. If they said that they had plans for changing livestock in the future, they were also asked, "What are these changes?" and "Why do you plan to make these changes?" Table 4-5 gives this information in terms of the type of livestock involved as well as the direction of change which was planned. These figures, Table 4-5, show that 8 percent (27 farmers) planned to decrease livestock numbers; 42 percent (141 farmers) planned to increase livestock numbers. This accounts for 50 percent of the farmers who had livestock. Table 4-6 shows that 45 percent planned no changes and 5 percent did not answer the question about change.

Table 4-5. Farmers' plans for changing livestock numbers, by type of livestock and direction of change involved.

Plans to increase	Number of farmers planning changes by: Type of livestock	Direction of change
Dairy	52	
Beef	44	
Hogs	36	
Other	9	
		141*
Plans to decrease		
Dairy	18	
Other	9	
		27**

*Of these farmers, 29 were planning increases in several types of livestock; 11 were planning a decrease in one and an increase in another.

**Six of these farmers were increasing another type of livestock; two were decreasing several types.

Table 4-6. Number and percentage of farmers planning change in livestock, compared with those not planning change.

	Number	Percent
Total number of farmers planning change	169	50.5
Farmers planning no change	149	44.7
Farmers giving no answer about change	15	4.8

Twenty percent of those farmers planning increases in livestock numbers expected to increase at least two types of livestock, ten percent planned to decrease one type of livestock while increasing another. One-fifth of the farmers who planned decreases were planning to increase other types of livestock and only two persons reported plans to decrease several types of livestock. This data indicates that control programs are probably encouraging some expansion in livestock production.

The reasons given for the planned changes in livestock operations were grouped into eight groups for ease of classification. These groups are given in Table 4-7 and 4-8. Table 4-7 shows a breakdown of the reasons for change given by the whole group of 169 farmers who indicated that they had plans for change in livestock. Table 4-8 shows a similar breakdown for a sub-group (of the 169 farmers), who had made previous changes in livestock because of allotments and were planning additional changes in the near future. The two of the tables are presented in sequence for the purpose of comparison. Eight farmers indicated that the reason for their planned change in livestock numbers was because of

allotments or government action; (see Table 4-7). Table 4-8 shows that four of these eight are farmers who had made previous changes because of acreage allotments on their crops.

A closer examination of these tables, however, shows that some of the other reasons which were given can be quite closely associated with the allotment program. The use of diverted acres to grow forage or other feed grains would give a surplus of feed which a farmer would be able to use by increasing his livestock operation or by changing from one type of livestock to another. One may well assume that the reduction in acreage of cash crops, say wheat, would cause an income decrease and therefore an increase in income was necessary because of the government program. This income increase was sought by 49 farmers in this sample through plans to increase their livestock.

An aggregation of this sort will give one a total of 95 farmers, (or 56 percent of those planning changes) who planned their changes because of the government programs. If one included only Items 1, 2, and 6 in this aggregation thus eliminating the income increase, Item 4, there would be a total of 46 farmers (or 27 percent) who were planning changes because of government action.

A sort was also made in order to examine the relationship between size of livestock operation and plans for future change in their operation.

The 333 farmers were grouped by the number of animal units on farms in 1954, and then examined in respect to percentage planning change,

Table 4-7. Reasons given by farmers for the changes which they planned to make in the livestock operations on their farms.

Reason given for change	Total group of 169 farmers who indicated plans for change	
	Number	Percent
1. To use additional forage	24	14
2. To use additional corn or other crop	14	8
3. To use less labor or because of labor problem	21	12
4. To increase income	49	29
5. Have unused space	11	7
6. Need something to use labor	5	3
7. Allotments or government	8	5
8. Other	31	18
No answer	6	4
Total	169	100

Table 4-8. Reasons given by farmers who had made previous changes in livestock numbers because of allotments for the additional changes which they planned to make in the livestock operations on their farms.

Reason given for change	Group of 28 farmers who had made changes because of allotments and were planning additional changes	
	Number	Percent
1. To use additional forage	5	18
2. To use additional corn or other crop	2	7
3. To use less labor or because of labor problem	1	4
4. To increase income	10	36
5. Have unused space	0	0
6. Need something to use labor	0	0
7. Allotments or government	4	14
8. Other	4	14
No answer	2	7
Total	28	100

Table 4-9; direction of planned change, Table 4-10; intention to increase livestock, Table 4-11; and intention to decrease livestock, Table 4-12.

Those farmers with ten animal units or less were more likely to be planning change than the farmers who had more than ten animal units. See Table 4-9.

Table 4-9. Change planned compared by livestock on farm, 1954.

Change planned	Number of animal units on farm, 1954				
	0	1-5	6-10	11-20	21--
	----------Percent----------				
Yes	83.3	52.9	62.0	44.1	50.5
No	16.7	38.2	34.5	48.8	46.7
Don't know	0	8.9	3.5	7.1	2.8
Total	100	100	100	100	100
Number of farms	6	34	29	84	180

Further examination shows that the major portion of farmers planning decreases in size of livestock operations had large livestock enterprises, that is more than 20 animal units. Table 4-10 presents this information in more detail.

The major portion of the increases planned were being planned by farmers who had more than ten animal units of livestock on their farm in 1954. (See Table 4-11). One hundred four out of 141 farmers planning changes were in the group which had over 10 animal units on their farms.

Table 4-10. Direction of planned changes by number of animal units on farm, 1954.

Direction of change	Number of animal units on farm, 1954					Total of sample
	0	1-5	6-10	11-20	Over 20	
Increase	5	18	18	33	71	141
Decrease	-	-	4	4	19	27
No answer	-	-	-	-	1	1
Number of farms	5	18	22	37	91	169

Table 4-11. Intentions to increase livestock on farm compared by amount of livestock on farm and type of livestock to be increased.

Type of livestock increased	Number of animal units on farm, 1954					Total number
	0	1-5	6-10	11-20	Over 20	
Dairy	1	4	5	11	31	52
Beef	2	9	6	11	16	44
Hogs	2	4	3	9	18	36
Other	-	1	-	2	6	9
Total	5	18	14	33	71	141

There is not a great amount of difference between those planning increases in dairy, beef and hogs, although there is a much larger number of dairy farms in the total sample, than there is of beef or hog farms. Thus it may be concluded that dairy farmers were less likely to expand in dairy but rather to expand by adding other types of livestock to their operation.

The farmers who were planning decreases in livestock numbers were mostly dairy farmers who had more than 20 animal units in 1954. Two-thirds of those planning decreases were planning to decrease dairy, one was planning a decrease in hogs, and 8 were planning to decrease other livestock. None of the farmers interviewed were planning a decrease in beef cattle or feeders.

Table 4-12. Intention to decrease livestock on farm, compared by amount of livestock on farm and type of livestock to be decreased.

Type of livestock decreased	Number of animal units on farm, 1954					Total number
	0	1-5	6-10	11-20	Over 20	
Dairy	-	-	1	2	15	18
Beef	-	-	-	-	-	0
Hogs	-	-	-	-	1	1
Other	-	-	3	2	3	8
Total	-	-	4	4	19	27

Age of Operator and Plans for Change

The plans for change in livestock numbers are less likely to be made by farmers over 65; 70 percent of this group reported that no changes were planned on their farm. See Table 4-13.

Younger farmers were more likely to be planning changes in their livestock operations. In most cases, the changes planned by the younger farmers were plans to increase livestock numbers.

Table 4-13. Relationship between age of operator and plans for changes in livestock operations.

Changes planned	Age of operator					
	Under 25	25 35	36 45	46 55	56 65	Over 65
	Percent					
No change	39	38	43	46	56	70
Increase livestock	53	59	50	42	30	26
Decrease livestock	8	3	7	12	14	4
	100	100	100	100	100	100
Farmers reporting	13	67	92	65	50	23

It is not possible to attribute these increases or decreases entirely to the control program. Some of the changes would be expected to occur as part of the normal life cycle. It appears, however, that farmers under 50 years of age were more likely to make adjustments in an attempt to maintain or increase their size of business.

The differences were even more apparent when an analysis was made of a group of specialized dairy farmers. Over 50 percent of the farmers under 45 years of age were planning increases in livestock, while nearly all of the farmers planning decreases were 45 years of age or older.

About two-thirds of the younger farmers planning change were planning to increase their dairy enterprise; many also planned to add other livestock as well as increasing their dairy operation. See Table 4-14.

Table 4-14. Relationships between planned changes in livestock operations by specialized dairy farmers and age of operators.

Changes planned	Age of operator					
	Under 25	25 35	36 45	46 55	56 65	Over 65
	Percent					
No change	43	46	41	43	48	88
Increase livestock	57	51	53	44	30	12
Decrease livestock	0	3	6	13	22	0
	100	100	100	100	100	100
Farmers reporting	7	35	51	23	23	8

Slight differences existed between the part-time and full-time livestock farmer. It appears that the part-time farmers who have any livestock are willing and able to expand as readily as other farmers. The major difference seems to be that a larger portion of the part-time farmers have no livestock at all.

Summary

Almost one-half of the farmers interviewed were planning changes at the time of the study. Eighty percent of the group made changes during the 1953-1954 year. About 20 percent said that they had made changes because of allotments.

Of the farmers planning changes in livestock more than four-fifths of them were planning to increase livestock. Thus over 40 percent of the farmers interviewed in this study were planning to expand livestock.

As a result of this study, Witt says:

> . . . production control programs for one or a few commodities not only shift the pressure to supplies and prices of other crops, but to other livestock, especially to dairy and beef cattle after a period of time. Such shifts must be borne in mind in planning or revising extended farm programs.[1]

This survey did not deal with the size of the planned changes which farmers were to make. It appears safe to assume that these changes, in total, would be governed to some extent by the additional feed available. Chapter III shows that 441 tons of forage and 1,450 tons of feed grains were produced on the land diverted from allotment crops on the 414 farms in this study. This would be sufficient to carry approximately 2,100 additional animal units of livestock on these farms.

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[1]Lawrence Witt and Dale Hathaway, Farmers' Plans to Change Livestock Numbers as Relates to Agricultural Production Controls. Quarterly Bulletin, Michigan State University, East Lansing, Michigan, Vol. 38, No. 4, p. 519.

CHAPTER V

INTER-RELATIONSHIP BETWEEN CROP CHANGES AND PLANNED CHANGES IN LIVESTOCK ON SAMPLE FARMS

The preceding two chapters (III and IV) discussed separately the crop changes and the livestock changes which have occurred on the sample farms. This chapter presents the inter-relationships which exist between the crop and livestock changes made or planned on these farms.

To do this the writer examined the farms reporting diverted cropland acreage and compared them with the farms reporting no diverted cropland acreage. These comparisons were made in respect to type of farm, acreage of cropland, plans to change livestock and reasons given for planned changes in livestock.

The term "no diverted cropland acreage" means that a farmer had no acreage on which he was required to change cropping plans because of allotments on wheat or corn. This was because in some cases the regular rotation called for less than the allotted amount of the crop; on other farms, the plans were to reduce wheat below allotment and to disregard the corn acreage allotment, thus having no diverted acreage on the farm because of allotments.

Compared by Type of Farm

Comparison by type of farms as to whether there was or was not diverted acreage shows that a higher percentage of dairy farms and crop

farms were in the group with no diverted acres, while the other five types of farm categories had a higher proportion reporting diverted acreage. Table 5-1 presents this material in more detail. Such farms (dairy and crop) may have put less emphasis on wheat and hence were able to stay within the allotment minimum of 15 acres of wheat.

Table 5-1. Distribution of farms by type of farm; farms reporting diverted acreage compared with farms reporting no diverted acreage.

Type of Farm	Farms reporting diverted acreage		Farms reporting no diverted acreage		All Farms	
	Number	Percent	Number	Percent	Number	Percent
Dairy	80	19.4	116	27.9	196	47.3
Beef	22	5.3	17	4.1	39	9.4
Hogs	15	3.6	7	1.7	22	5.3
Other	11	2.7	5	1.2	16	3.9
General	11	2.7	9	2.2	20	4.9
Less than 5 A. U.	23	5.6	17	4.1	40	9.7
No Livestock (crop)	36	8.7	45	10.8	81	19.5
Total	198	48.0	216	52.0	414	100.0

Compared by Acreage of Cropland on Farm

Comparison of the two groups by acreage of cropland shows that a larger proportion of the farms with less than 140 acres of cropland reported no diverted acreage, while a greater proportion of the farms with 140 acres of cropland or more reported diverted acreage. Sixty percent of the farms with less than 140 acres of cropland reported no diverted

acreage as compared with 40 percent for the group reporting diverted acreage. Table 5-2 presents this information for each group by acreage of cropland.

Table 5-2. Distribution of farms by acreage of cropland; farms reporting diverted acreage compared with farms reporting no diverted acreage.

Acreage of Cropland	Farms reporting diverted acreage		Farms reporting no diverted acreage		All Farms	
	Number	Percent	Number	Percent	Number	Percent
0 - 69	12	2.9	26	6.2	38	9.1
70 - 99	22	5.3	28	6.7	50	12.0
100-139	35	8.5	51	12.3	86	20.8
140-179	46	11.2	38	9.2	84	20.4
180-219	30	7.3	25	6.0	55	13.3
220-259	21	5.1	21	5.1	42	10.2
260-299	9	2.2	11	2.7	20	4.9
300-Over	23	5.6	16	3.9	39	9.5
Total	198	48.0	216	52.0	414	100.0

Amount of Diverted Acreage per Farm

It is interesting to note that the amount of land in diverted acres per farm is concentrated between 1 and 20 acres in all four areas, (Table 5-4); however, in Area 1, Kalamazoo County, there are a substantial number in the 20 to 29 acres per farm group.

Fifty-four, or 12 percent, of the farms reported diverted acreage of 20 acres or more. Almost one-half of this group was in Kalamazoo County.

Table 5-3 shows the breakdown by area of those farms reporting use of diverted acreage and those farms reporting non-use of diverted acreage. Table 5-4 gives the breakdown of the farmers who reported use of diverted acres by area and by the size of diverted acreage per farm.

Table 5-3. Comparison of the number of farms reporting diverted acreage with farms reporting no diverted acreage by area.

Area	Farmers reporting diverted acreage		Farmers reporting no diverted acreage	
	Number	Percent	Number	Percent
Kalamazoo	63	61.2	40	38.8
Isabella-Gratiot	62	56.3	48	43.7
Sanilac	34	34.0	66	66.0
Livingston	39	38.6	62	61.4
Total Sample	198	48.0	216	52.0

Table 5-4. Comparison of farms reporting diverted acreage by amount of diverted acreage per farm and by area.

Area	Average amount of diverted acreage per farm						Total Number
	1-9	10-19	20-29	30-39	40-49	50-over	
	Number						
Kalamazoo	15	23	15	3	5	2	63
Isabella-Gratiot	24	24	5	4	3	2	62
Sanilac	11	14	3	3	3	0	34
Livingston	16	17	5	0	1	0	39
Total	66	78	28	10	12	4	198
Percent	33	40	14	5	6	2	100

It appears that the larger number of farms reporting diverted acreage in Kalamazoo and Gratiot-Isabella, is due to the fact that acreage controls existed on both wheat and corn in these counties, while in Sanilac County the controls existed only on wheat since Sanilac County was not in the commercial corn area at the time of this survey. Livingston County was in the commercial corn area but was selected as representative of the dairy area and thus apparently had to make less adjustment to than was necessary in the livestock and crop areas.

Relationship Between Use of Diverted Acreage and Plans for Livestock Changes

A large proportion of the farmers in Kalamazoo and Isabella-Gratiot counties who planned to make changes in livestock in the near future also reported diverted acreage on their farms. In Sanilac County the major portion of the farmers planning livestock changes reported no diverted acreage on their farms.

If Sanilac County where corn was not covered by acreage allotment, is eliminated, one finds that 62 percent of the farmers who planned changes in livestock on their farms also reported diverted acreage.[2]

Next it seemed logical to examine the data for some relationship between the crops grown on the diverted acreage and the type of livestock change planned.

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[2]Since corn production in Sanilac County was not subject to restrictions imposed by allotments, a smaller proportion of the total farmers sampled were faced with the problem of acreage diverted from allotment crops. The improvement of drainage facilities in the county also made possible an increase in feed production on many farms and a corresponding increase in livestock numbers to utilize this feed supply.

Table 5-5. Comparison of farmers reporting diverted acres and farmers reporting no diverted acres in relation to their plans to change livestock.

	Area	Farmers reporting diverted acres		Farmers reporting no diverted acres	
		Number	Percent	Number	Percent
Farmers planning livestock changes	Kalamazoo	33	70	14	30
	Gratiot-Isabella	27	59	19	41
	Sanilac	13	34	25	66
	Livingston	18	47	20	53
	Total	91	54	78	46
Farmers planning no live-stock changes	Kalamazoo	30	54	26	46
	Gratiot-Isabella	35	55	29	45
	Sanilac	21	34	41	66
	Livingston	21	33	42	67
	Total	107	43	138	57

One hundred ninety-eight farmers reported diverted acreage on their farms. Ninety-one of the 198 planned to make some change in the livestock enterprise on their farm. Only 78 of 216 farmers reporting no diverted acres were planning livestock changes. In order to examine these in more detail it became necessary to show the relationship between the type of crop planted on the diverted acreage and the farmer's intention regarding the change in livestock on this farm. Table 5-6 was set up to show this relationship. There were 6 farms on which part of the diverted acres was

put to 3 different uses, (for example some was planted to corn, some was planted to sugar beets and some was left idle) and 38 farms on which part of the diverted acres was put to two different uses. The remaining 154 farms used the diverted acres for only one use. The totals in Table 5-6 are therefore greater than the number of farms involved. But it was felt that this was the only way to examine the data to look for relationships between the use made of diverted acreage and the planned changes in livestock.

Twenty-one out of 34 farmers planting corn on the diverted acreage reported that they had no plans for livestock changes, as did 8 out of 12 farmers who left the diverted acreage idle.

Nine out of 13 raising rye, 21 out of 35 raising barley and 4 out of 5 raising sugar beets on the diverted acreage reported that they planned to make changes in the livestock on their farm. The farmers using their diverted acreage for other purposes were about evenly distributed between those planning livestock changes and those reporting no changes in livestock planned.

Examination of the relationship between the crops grown on diverted acreage and the type of livestock to be changed does not show any major concentration in any one group. See Table 5-7.

It is interesting to note that of the farmers reporting use of diverted acreage and also planning livestock changes, 33 percent of them planned a change in dairy stock, 28 percent planned a change in beef, 26 percent planned a change in hogs and 13 percent planned a change in other stock. A review of the total sample as to type of farm shows

Table 5-6. Relationship between use of diverted acreage and plans for livestock changes on farms which reported diverted acreage.

Use made of diverted acreage	Livestock change planned	No livestock change planned	Total
Spelts	4	4	8
Corn	13	21	34
Oats	23	22	45
Rye	9	4	13
Barley	21	14	35
Dry beans	22	18	40
Sugar beets	4	1	5
Soybeans	5	6	11
Clover (hay)	4	2	6
Clover (pasture)	4	4	8
Alfalfa (hay)	3	3	6
Summer fallow	6	7	13
Clover (seed)	1	1	2
Idle land	4	8	12
Other	6	4	10
Total	129	119	248
Total farms involved	100	98	198

47 percent are dairy farms, 9 percent are beef farms, 5 percent hog farms and 4 percent other. This shows that the plans to change dairy are less than proportionate while the plans to change beef, hogs and other types of livestock are more than proportionate for the total sample. Moreover it is clear that livestock changes are not limited to roughage consuming animals, but may involve any livestock.

Table 5-7. Relationship between use made of diverted acreage and the type of livestock which farmers, reporting diverted acreage, planned to change.

Use made of diverted acreage	Type of livestock to be changed			
	Dairy	Beef	Hogs	Other
Spelts	2	1	0	1
Corn	5	3	5	0
Oats	6	8	6	3
Rye	4	4	1	0
Barley	7	2	10	2
Dry beans	7	8	2	5
Sugar beets	0	3	1	0
Soybeans	2	1	1	1
Clover (hay)	3	0	1	0
Clover (pasture)	2	0	2	0
Alfalfa (hay)	1	0	0	2
Summer fallow	2	1	3	0
Clover (seed)	0	0	1	0
Idle land	1	2	1	0
Other	2	0	2	2
Total farms	33	28	26	13
Total fields	44	33	36	16

This supports the hypothesis that crop allotments cause an increase in general livestock on farms.

No clear-cut relationship between crops grown on diverted acreage and the type of farm appeared to be present. However, the dry beans and sugar beets were concentrated in Isabella-Gratiot and Sanilac counties

and the barley was raised on diverted acres mostly in Kalamazoo County. Eight farmers produced spelts. These were all in Livingston County.

In a more detailed classification the number of farms in any one group is too small to be very reliable.

Comparison of Reasons Given for Livestock Change and Use of Diverted Acres

The farmers at the time of the interview, were asked to give reasons for the planned change in livestock. These reasons were examined in order to make comparisons between those reporting diverted acreage and those reporting no diverted acres; also to compare by direction of change planned and by amount of diverted acreage reported in use.

Table 5-8 gives a comparison of reasons given by farmers for planned changes in livestock compared by farms with and without diverted acreage their farms.

The farmers reporting use of diverted acreage gave "utilization of corn or other crop" as a reason more than twice as often as those reporting non-use of diverted acreage. The same situation was true where "allotments or government" was given as a reason.

Chapter IV shows that the majority of livestock changes planned were to increase the amount of livestock. Table 5-9 presents the relationship between reasons given for planned changes in livestock and the direction of these changes. Those planning decreases most often said they were doing so to use less labor or to increase income. One reported a planned decrease because of allotments or government. See Table 5-9.

Table 5-8. Comparison of reasons for planned changes in livestock given by farmers who reported diverted acreage and by farmers who reported no diverted acreage.

Reason for change	Farmers reporting diverted acreage		Farmers reporting no diverted acreage	
	Number	Percent	Number	Percent
1. To utilize additional forage.	12	13	12#	15
2. To utilize additional corn or other crops.	10	11	4#	5
3. To use less labor or labor problems.	11	12	11	14
4. Increase income from change.	22	24	27	35
5. Have unused building space.	4	4	5	7
6. Need something to use labor.	2	2	3	4
7. Allotment or government.	6	7	2	3
8. Other	25*	27	13**	17

*Includes 6 who gave no answer.

**Includes 2 who gave no answer.

#These appear to be inconsistent answers at first glance, however, some of this inconsistency may be explained by the fact that the farmer had not been making full use of his available feed supply prior to this time. Or he may have made some change in his cropping practices which gave him a larger feed supply.

A comparison by size of diverted acreage in use shows that none of the farmers with less than 10 acres in diverted acreage said they were planning livestock change to use additional forage, while 17 percent of those with 10 to 19 acres and 20 percent of those with 20 acres or more gave this reason for planned livestock changes. More of the farmers with 10 to 19 acres of diverted land gave labor problems as a reason for change than did those with less than 10 acres or those with 20 acres or more.

Table 5-9. Relationship between reasons given for planned changes in livestock and the direction of these changes: Farmers reporting no diverted acreage compared with those reporting diverted acreage.

Reason for change	Farmers reporting diverted acreage				Farmers reporting no diverted acreage			
	Direction of change				Direction of change			
	Increase		Decrease		Increase		Decrease	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
1. To utilize additional forage.	12	15	-		12	19	-	
2. To utilize additional corn or other crops.	10	13	-		4	6	-	
3. To use less labor.*	6	8	4	33	5	8	6	43
4. Increase income.	18	23	4	33	24	38	3	21
5. Have unused building space.	4	5	-		5	8	-	
6. Need something to use labor.	2	3	-		3	5	-	
7. Allotment or government.	5	6	1	8	2	3	-	
8. Other	22	28	3	25	8	13	5	36
Total	79	100	12	100	63	100	14	100

*One farmer gave this reason for planned change but did not indicate direction of change planned.

Twenty-eight percent of the farmers with 1 to 9 acres in diverted acreage gave "increased income" as reason for change, 26 percent of those with 10 to 19 acres gave this reason and 16 percent of those with 20 acres

or more gave it as a reason. Table 5-10 presents this comparison in numbers of farms and percentages. It represents the 92 farm operators who reported both use of diverted acreages and plans for livestock changes on their farms.

Table 5-10. Comparison of reasons for planned changes in livestock by size of diverted acreage reported.

Reason for change	Acreage of diverted land per farm					
	1-9 Acres		10-19 Acres		20 Acres or More	
	Number	Percent	Number	Percent	Number	Percent
1. To utilize additional forage.	-	0	7	17	5	20
2. To utilize additional corn or other crops.	4	16	3	7	3	12
3. To use less labor or labor problems.	2	8	7	17	2	8
4. Increase income from change.	7	28	11	26	4	16
5. Have unused building space.	1	4	2	5	1	4
6. Need something to use labor.	1	4	-	0	1	4
7. Allotment or government.	1	4	3	7	2	8
8. Other*	9	36	9	21	7	28
Total	25	100	42	100	25	100

*Includes those giving no reason.

An attempt was made to determine the rations which were being fed livestock on the farms in this study. The author hoped that by doing this he could better estimate the possible livestock expansion or contraction as a result of the change in feed production brought about by controls. The ration and crop utilization information obtained in the questionnaire was not sufficient to accomplish this end. Therefore, estimates were based upon standards available.

Summary

Comparisons made in respect to type of farm, acreage of cropland, plans to change livestock and reasons given for planned changes in livestock indicate that farms of 140 acres or more are more likely to have made use of diverted acreage on their farms than those with smaller farms.

Most of the farms with diverted acres reported that they had from 1 to 20 acres; only 12 percent of the farms reporting diverted acres reported more than 20 acres of diverted land on their farm.

Farmers with larger amounts of land in diverted acreages appeared more likely to be planning changes in livestock on their farms than were those farmers who had smaller amounts of land in diverted acreage. A large proportion of the farmers in Area 1, Kalamazoo County and in Area 2, Isabella-Gratiot counties, who planned to make changes in livestock also had made use of diverted acreages on their farms. In Sanilac County, where only wheat adjustments influenced the amount of diverted acreage on a given farm this relationship did not exist, but census figures show an increase in the corn acreage which one can assume is partly responsible for the planned livestock changes.

No major concentration is shown in the relationship between livestock changes planned and the use made of diverted acreage by any group of farmers. Further examination shows that those farmers reporting diverted acres who were planning livestock changes, were likely to be planning increases of beef or hogs in a much higher ratio than these two enterprises held in the overall sample of farmers interviewed. There apparently was enough flexibility in feed supplies or feeding practices or both, to permit a wide variation in the kind of livestock expanded. A larger sample may have shown some more definite relationships in this area of the study. It seems reasonable to expect, however, that grain consuming livestock would be increased in order to use the additional feed crops (more grain than forage) which are being produced on the land being removed from the production of controlled crops on the farms in Michigan.

The single reason which was given the most often in response to the question of why they planned to change livestock, was "to increase income." About one out of four farmers reporting diverted acreage gave this as a reason for livestock changes planned, while one out of three of those reporting no diverted acreage gave this as a reason for their plans to change livestock numbers on their farm.

"To utilize additional corn or other crops," was given as the reason for planned livestock change by farmers who reported diverted acreage more than twice as often as it was given by those farmers reporting no diverted acreage. The reason, "Allotment or government" was given at about the same ratio by these two groups.

Those planning changes which would decrease livestock numbers said they were doing so "to use less labor" or "to increase income." Only one said that the planned decrease was because of allotments.

A much larger sample would have been of value when examining the detail which is indicated by the breakdown shown in this chapter. Because of the size of the sample there are too few individuals in many groups to provide conclusive information. They can, however, indicate some ideas which are presented above and which can use further study at some later time.

CHAPTER VI

SUMMARY AND CONCLUSIONS

Summary

Newspapers occasionally state that farmers have voted production controls on themselves as a means of getting a particular level of price support. What is not stated is that these controls had been watered down by law to such a point that they do not really control production. Review of agricultural programs supports the point that often there is variation between the expected results of a program and the actual results achieved by the program.

There are differences of opinion on the need for price support programs at present. Yet some type of agricultural program has been with us for over a century. The magnitude of the program has greatly expanded in the past 25 years. In the early stages of the programs there was no worry about surplus production. Voluntary cooperation was expected. However, in recent years surplus disposal and production controls have become very important. The agricultural programs which were once considered an "emergency" measure, are now considered by many as a very permanent aspect of the general policy of the United States and tighter restrictions in the form of marketing quotas, are being put into effect. Some other modifications have been made in an attempt to bring support prices into more close alignment with costs, for example the modernization of "parity" and the wool incentive level plan.

This study was designed to test the hypothesis that land taken out of the production of controlled crops is likely to be used to produce other feed or cash crops in order to make full use of available labor or other resources on the farm. A second hypothesis is that price support programs are more likely to be used by those farmers in Michigan who have larger total production of crops (through larger acreages of these crops and through better per acre yields.) Thus the programs tend to provide aid for the farmers who are already above average in respect to income possibilities.

The sample areas were selected to be representative of various important commercial farming areas of Michigan. Complete description of the sampling procedure and a brief census description for each of the areas is given in Chapter I.

This study has been confined to the specific area of price support and acreage control programs. It shows the relationship between acreage control and the use of diverted acres on a group of sample farms. It also shows the changes planned in the livestock operations on these farms.

Previous studies show that larger farm operations made more use of price supports than did the small farms. These studies also indicate that there is something less than complete understanding about the operation of the programs among farm people.

Allotments alone did not bring about a high rate of compliance; however, the existence of heavy penalties for non-compliance on wheat seems to be a strong enough motive to bring about compliance on this

crop in Michigan. In this case, the farmers used better methods to increase the yields of wheat.

A large proportion of the farmers interviewed in this study made no use of price supports on their crops and many who did use them did so on only one crop. To be exact, price supports on wheat were used by just over one-half of the farmers who were interviewed and by less than 20 percent on other crops. The farmers most likely to use supports were those producing crops for sale, those producing larger total amounts of the crops, and the farmers who had on the average both larger acreages and better yields per acre than the average for the given crop.

It is worth noting that the price supports and controls were administered through the basic crops on the assumption that sufficient interaction would occur throughout the crop and livestock programs to decrease the supply and thus increase the price. However, this and other studies indicate that there was little change in total crop acreage although there was some reduction in the acreage of wheat. This reduction in acreage of wheat did not bring about a proportionate reduction in total bushels of wheat produced. The major portion of land diverted from the production of wheat or corn was planted to other feed or cash crops.

Approximately 3,300 acres of land was taken out of the production of wheat and corn by the 414 farmers interviewed because of the acreage allotments and marketing quotas. Four crops accounted for the use which was made of 65 percent of this land. In the order of their importance they are; oats, 24 percent; dry beans, 16 percent; barley, 13 percent;

and corn, 12 percent. About 11 percent of the diverted acreage was used as summer fallow or idle land. One should note, however, that the total land in summer fallow or idle was less in 1954 than in 1953.

This study shows that about 65 percent of the land removed from the production of controlled crops (wheat and corn) in Michigan was used to produce other feed crops and 24 percent was used to produce other cash crops. This extra production of feed crops, about 2,150 acres on 414 farms, would lead one to expect some expansion in livestock numbers on the farms in order to make use of this additional feed. Chapter IV considers the livestock changes on the farms involved in the study.

The farmers' opinions on the effect of continued allotments upon their farm operations shows that 30 percent of them thought there would be little or no change needed on their farm, about 18 percent indicated that they would change their cropping system and 15 percent said they were going to change their livestock system if allotments were continued. Five percent volunteered information that they would try to increase crop yields through the use of more productive resources.

The study also indicates that the use of diverted acres will be likely to differ between areas of the state depending on which crop will yield the maximum advantage to the farm operation in the use of his remaining resources, but in very few cases can it be expected that the land will remain idle or unused. For example, this study shows a large portion of the diverted acres used for the production of feed crops by the dairy farmers in Livingston County and the production of dry beans in Sanilac County.

About one-half of the farmers interviewed were planning livestock changes at the time of the study. Eighty percent of the 333 livestock farmers interviewed made some changes in livestock units on their farms from July 1, 1953 to July 1, 1954. About 20 percent said that they had made livestock changes because of allotments. More than four-fifths of the farmers planning changes in livestock were planning to increase the numbers of livestock on their farm. When one compares this with the total sample it shows that 40 percent of the farmers interviewed in this study were planning to expand livestock.

This study did not deal with the size of the planned changes which farmers were to make. It appears safe to assume that these changes, in total, would be governed to some extent by the additional feed available. Chapter III shows that approximately 440 tons of forage and 1,450 tons of concentrates (feed grains) were produced on the land diverted from allotment crops on the 414 farms in this study. This would be sufficient feed to carry approximately 2,100 additional animal units of livestock on these farms.

Comparisons made in respect to type of farm, acreage of cropland, plans to change livestock and reasons given for planned changes in livestock indicate that farms of 140 acres or larger are more likely to have made use of diverted acreage on their farms than those with smaller farms.

Most of the farms using diverted acres reported that they had used from 1 to 20 acres. Only 12 percent of the farms reporting use of diverted acres reported use of more than 20 acres of diverted land on their farm.

Farmers with larger amounts of land in diverted acreages appeared more likely to be planning changes in livestock on their farms than were those farmers who had smaller amounts of land in diverted acreage. A large proportion of the farmers in Kalamazoo County and Isabella-Gratiot Counties who planned to make changes in livestock also had made use of diverted acreages on their farms. In Sanilac County where only wheat adjustments influenced the amount of diverted acreage on a given farm this relationship did not exist, but census figures show an increase in the corn acreage which one can assume is partly responsible for the planned livestock changes because of its impact upon feed supplies.

No major concentration is shown in the relationship between livestock changes planned and the use made of diverted acreage by any group of farmers. Further examination shows that farmers, reporting diverted acres who were planning livestock changes, were likely to be planning increases of beef or hogs in a much higher ratio than these two enterprises held in the overall sample of farmers interviewed. A larger sample may have shown some more definite relationships in this area of the study. It seems reasonable to expect, however, that this type of livestock would be increased in order to use the additional feed crops, (more grains than forage), which are being produced on the land being removed from the production of controlled crops on the farms in Michigan.

When the farmers were asked why they planned to change livestock, the reason which was given most often was "to increase income." About one out of four farmers reporting diverted acreage gave this as a reason

for livestock changes planned, while one out of three of those reporting no diverted acreage gave this as a reason for their plans to change livestock numbers on their farm.

"To utilize additional corn or other crops," was given as the reason, for planned livestock change more than twice as often by farmers who reported diverted acreage, as it was given by those farmers reporting no diverted acreage. The reason, "Allotment or government" was given at about the same ratio by these two groups.

Those planning changes which would decrease livestock numbers said they were doing so "to use less labor" or "to increase income." Only one said that the planned decrease was because of allotments.

A much larger sample would have been of value when examining the detail which is indicated by the breakdown shown in Chapter V. Because of the size of the sample there are too few individuals in any one group to provide much conclusive information. They can, however, indicate some ideas which are presented above and which can use further study at some later time.

Conclusions

The results of this study support the hypothesis that support programs are more likely to be used by those farmers in Michigan who have larger total production of crops (through larger acreages of these crops and better per acre yields). Chapter III shows that the farmer who uses support programs is more likely to have larger total production of the crop, (Table 3-5), higher yields per acre, (Table 3-6), and larger

acreages of the crop on his farm, (Table 3-7), than the farmer who does not use supports. This chapter also shows that the farmer who sells a higher proportion of his crop is more likely to make use of support programs, (Table 3-4), than the farmer who feeds a larger proportion of his crop.

This study also supports the hypothesis that land taken out of production of controlled crops is likely to be used to produce other feed or cash crops in order to make full use of available labor or other resources on the farm. And where other feed crops are produced on this land it is likely that livestock numbers will be increased in order to utilize this feed. Chapter III shows that 2,150 acres out of 3,300 diverted from allotment crops was planted to other feed crops. It also shows that only 10 percent or about 330 acres was planted to forage crops (hay and pasture).

About 11 percent, 359 acres, was left idle or used for summer fallow. About 25 percent of the diverted acreage was used to produce other cash crops, such as dry beans, soy beans, rye and sugar beets.

The additional feed production on these 414 farms amounted to about 1,891 tons of feed. This consists of 441 tons of forage and 1,450 tons of feed grains.

Chapter IV shows that a little more than 50 percent of the farmers who had livestock on their farms planned to make future changes in livestock. The great majority of these plans were for an increase in livestock numbers.

The author would like to suggest that future studies of this nature be designed so that a shorter questionnaire could be used. The length of time required for each interview seemed to tire the interviewee and consequently less complete and reliable answers. A point in question is the part of the questionnaire on feed usage and rations fed to livestock. The author feels that this would be valuable information. However, he feels that more reliable information could be obtained by a second visit to these same farmers with a shorter questionnaire requesting only this information.

Another conclusion one can draw although it is not specifically stated in this study is that farmers do not care for cross-compliance as part of the allotment program. Prior to the time interviewing was begun on the survey the United States Department of Agriculture announced that cross-compliance would be in effect as part of the 1955 allotment program. However, before planting time for the 1955 crop this announcement had been on, the cross-compliance requirement had been removed by the Administration.

This cross-compliance feature has reappeared under another name as part of the Soil Bank program. It will be interesting to watch the progress of this program as it also removes the possibility of using acreage diverted under the Soil Bank program from being planted to other crops.

If wise decisions are to be made in the area of farm policy the non-farm people as well as the farm people must be well informed. In order

to do this we must find the facts and systematically interpret them so the people will be capable of setting up a program which is both politically acceptable and economically feasible to accomplish the desired results.

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APPENDIX

APPENDIX

No. _____

- Copy - Questionnaire Used in the Study - Copy -

Michigan State College
Farm Management Survey

The information obtained in this questionnaire is intended to be used only for the purpose of research. All information pertaining to individuals will remain confidential and the names of persons cooperating in this survey will not be made public.

County_____ Township_____

Interviewer	Date	Time Begun	Time Ended	Completed

1. How many total acres are in the farm or farms you are operating in 1954?_____ How many did you farm in 1953?_____

	1954	1953
2. How many acres of cropland (tillable acres)?	_____	_____
3. How many acres of permanent pasture (not woods)?	_____	_____
4. How many acres of woodlot?	_____	_____
5. How many acres in buildings, etc.?	_____	_____
Total	_____	_____

6. You mentioned you are farming _____ acres of tillable land. How many acres of it are idle and not being used for field crops or pasture in 1954?_____ In 1953?_____

7. What proportion of your total income is from farming? _____ %

   a. (IF LESS THAN 100%,) What is your major source of non-farm income?

_____

No._____

8. a. What is your ownership or tenure status on the land you farm?

1. Own all of land you farm? _____
2. Own some land and rent additional land? _____
3. Rent all of land that you farm? _____
4. Manage farm for someone else as hired manager? _____
5. Operate land in partnership with someone else? _____
6. Other _____

b. (IF PART OF LAND OPERATED IS RENTED) how many acres of land is rented? _____

First I have some questions about some of the things you do in producing and using your wheat:

9. a. How many acres of wheat will you harvest in 1954? _____ A.
b. How many acres of wheat did you harvest in 1953? _____ A.
c. How many acres of wheat did you harvest in 1952? _____ A.

(IF WHEAT ACREAGE WAS REDUCED FROM 1953 TO 1954:)

d. What were the reasons for your reduction in wheat acreage?

_____

_____

e. Were there any other reasons for your reduction in wheat acreage?

_____

_____

f. How many acres of wheat would you have planted in 1953 (for the 1954 harvest) if there had been no acreage allotment? _____ A.

10. a. What was your wheat yield per acre in 1954? (expected) _____ bu.
b. What was your wheat yield per acre in 1953? _____ bu.
c. What was your wheat yield per acre in 1952? _____ bu.

Now I'd like to ask you about some of your production practices for wheat:

11. On the crop	Use Cert. Seed?	Fertilizer lbs. Anal /A.	N. Top Dr. lbs. Anal. /A.
a. Planted in 1953 Harvested 1954			
b. Planted in 1952 Harvested 1953			
c. Planted in 1951 Harvested 1952			

No._____

12. a. Under the most favorable conditions what is the highest wheat yield you think you can get on your farm? _____ bu./A.

(IN ASKING QUESTION 11b INSERT THE ANALYSIS OF FERTILIZER THAT FARMER HAS MOST RECENTLY USED ON HIS WHEAT.)

b. What is the greatest amount of _____fertilizer that you can profitably apply on wheat on your farm? _____lbs./A.

c. Do you believe nitrogen top-dressing for wheat would be profitable on your farm?

Yes_____; How many pounds per acre can you profitably use? _____lbs. of N.

No _____.
D.K._____.

13. a. Did you use your best field or best portion of the field for wheat this year?
Yes_____; Why did you choose the best land for wheat?_____

_____

No._____ Why did you consider the land not put into wheat less desirable for wheat production?_____

_____

14. a. Did you vote on the wheat marketing quota in 1953?

Yes_____; How did you vote? yes____
no ____
No_____. N.A.___
D.K._____. Don't remember____

15. Did you vote on marketing quota for the 1955 wheat crop? (July 23, 1954)

Yes____; How did you vote? yes____
no ____
No ____. N.A.____
D.K.___. D.K.____

Now I'd like to ask about corn:

16. a. How many acres of corn did you plant in 1954? _____A. How much will you harvest for grain? _____A. For silage? _____A.

b. How many acres of corn did you plant in 1953?_____A.
c. How much did you harvest for grain?_____A. For silage?_____A.

d. How many acres of corn did you plant in 1952?_____A. How much did you harvest for grain?_____A. For silage?_____A.

No._____

17. a. Did you receive an acreage allotment for corn this year?

Yes_____; What is your corn allotment?_____

No _____.

D.K._____.

b. How many acres of corn would you have planted this year if there were no acreage allotments on corn? _____A. For grain?_____A. For silage?_____A.

18. a. (CHECK ANSWERS TO 15a & 16a AND ASK THE PORTION THAT APPLIES IN EACH CASE. BE SURE TO MARK OUT PART OF QUESTION NOT ASKED.)

Why (did) or (didn't) you comply with your corn allotment?_____

Now I'd like to ask you about some of your production practices for corn:

19.	Plant Rate /A.	Fertilizer lbs. /A.	Fertilizer Anal.	Side Dr. lbs. /A.	Side Dr. Anal.	Plow down Alf. or Clov. Sod
a. Planted in '54						
b. Planted in '53						
c. Planted in '52						

20. You indicated that you have reduced your wheat acreage. (IF COMPLIED WITH CORN ALLOTMENT) you also reduced your acreage of corn.

a. About how many acres have the acreage allotments on wheat and corn caused you to change the use of, from what you would have planted if there were no allotments_____A.

b. What use have you made of this acreage removed from wheat (and corn)?

21. (CHECK THE CROPS WHICH THE FARMER REPORTS EXPANDED ACREAGE BECAUSE OF ALLOTMENT ON WHEAT OR CORN AND ASK ABOUT THOSE FIRST. THEN ASK ABOUT EACH OF THE OTHER CROPS IN THE ORDER LISTED. TOTAL THE ACREAGE OF CROPS IN 1954 AND CHECK WITH FIGURE ON 1ST PAGE.)

Column No. 1	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Crop	A. Inc. due to allot.	A.Har. 1954	Yield /A. 1954	Total Prod. 1954	Sale 1954	Feed 1954	Use Supp. 1954 crop Yes No	A.Har. 1953	Yield /A. 1953	Total Prod. 1953	Sale 1953	Feed 1953	Use Supp. 1953 Yes No
11. Wheat													
12. ___Corn, grain													
13. ___Corn, silage													
14. ___Oats													
15. ___Rye													
16. ___Barley													
17. ___Beans													
18. ___Sugar Beets													
19. ___Soybeans													
20. ___Potatoes													
21. ___Clover, Past.													
22. ___Clover, hay													
23. ___Alf. Pasture													
24. ___Alf. hay mix.													
25. ___Alf. silage													
26. ___Perm. Past.													
27. ___Summer fallow													
28. ___Idle													
___Other _____													
Total													

(THE TOTAL IN COLUMN 1 SHOULD EQUAL THE ACREAGE REMOVED FROM CONTROLLED CROPS FROM QUESTION 20a. THE TOTAL IN COLUMN 3 AND 9 SHOULD EQUAL THE TOTAL CROPLAND IN QUESTION 2 PAGE 1 FOR THE RESPECTIVE YEARS.)

No. 101

22. a. Do you usually follow a regular sequence of crops in a field?

Yes _____; What is your crop sequence?_____

_____

No _____;
D.K._____.

23. a. Do you have any of your cropland that is not in your regular sequence?

Yes _____; Why? _____

_____.

No _____.
D.K._____.

24. a. Have the acreage allotments on wheat and corn caused you to make changes in your crop sequence?

Yes_____; What changes?_____

_____

How do you feel about these changes?_____

_____

No._____.

25. a. Leaving aside the problem of crop sequence or rotation have the acreage allotments caused you any other problems in carrying out your cropping program?

Yes_____; What are these problems?_____

No_____. _____

Do you have a problem of what to do with parts of fields?

Yes_____; How do you feel about them?_____

_____

_____

_____

No._____.

No._____

26. a. Have you made any changes in your livestock numbers because of the acreage allotments on your crops? Yes_____ No _____

b. (IF THE ANSWER IS YES, ASK WHAT KIND OF LIVESTOCK HAS BEEN ADJUSTED, CHECK THIS CATEGORY AND GET THE DATA FOR THEM. THEN COMPLETE THE LIVESTOCK INVENTORY AND LIST THE REASONS FOR ALL CHANGES IN THE APPROPRIATE SPACE BELOW.)

Cd. No.	Kind of Livestock	No. on hand July 1, 1954	No. on hand July 1, 1953	Direction of change	No. of change
51	1. Dairy cows				
52	2. Heifers (Dairy)				
53	3. Beef cows (Breeding)				
54	4. Feeder cattle				
55	5. Bred sows				
56	6. Hogs on feed				
57	7. Laying hens				
58	8. Pullets				
59	9. Broilers				
60	10. Turkey, geese, etc.				
61	11. Sheep, ewes				
62	12. Feeder lambs				
63	13. Other_____				
64	14. Other_____				

(IF THERE HAVE BEEN CHANGES IN LIVESTOCK NUMBERS IN ANY CATEGORY, ASK WHY FOR EACH ONE AND LIST THE REASONS BELOW BY NUMBERS.)

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____

c. Do you plan to make any future changes in livestock numbers?

Yes_____; What are these changes? _____

_____

Why do you plan to make these changes? _____

_____

No _____.
D.K._____.

27. Now I'd like to ask about what you feed your feed crops to. I know thia is a difficult question but I'd like your best estimate. Let's go one by one over each of the crops you produced in 1953.

Column No. 1	(2) Wheat bu.	(3) Corn Grain bu.	(4) Corn Silage tons	(5) Oats bu.	(6) Rye bu.	(7) Barley bu.	(8) Soy-beans bu.	(9) Clov. Past. A.	(10) Clov. Hay ton	(11) Alf. Past. A.	(12) Alf. Hay ton	(13) Alf. Sil. ton	(14) Perm. Past. A.	(15) Temp. Past. A.	(16) Other
1. Produced for feed															
2. Purchased for feed															
3. Total fed															
4. Milk cows															
5. Heifers															
6. Beef breading															
7. Beef feeding															
8. Hogs															
9. Laying hens															
10. Growing chicks															
11. Broilers															
12. Turkey, geese, etc.															
13. Sheep, ewes															
14. Feeder lambs															
15. Horses, mules															
16. Other _____															
Total															

No.

(THE TOTAL IN ROW 1 SHOULD BE GOTTEN FROM COLUMN 13 PAGE 4, FOR EACH COMMODITY. THEN PURCHASES OF EACH COMMODITY SHOULD BE ADDED IN AND THE TOTAL FED COMPUTED. AFTER THIS DIVISION IS MADE BETWEEN THE CLASSES OF LIVESTOCK THESE SHOULD BE TOTALED AND THE TOTAL SHOULD EQUAL THAT IN ROW 3 FOR EACH COMMODITY.)

28. Now I have asked you how much of each crop you expect to produce in 1954. Using these estimates of total production could you give me some breakdown on how you will feed each crop. This would be the same kind of thing we just did for the 1953 crop production.

Column No. 1	(2) Wheat bu.	(3) Corn Grain bu.	(4) Corn Silage tons	(5) Oats bu.	(6) Rye bu.	(7) Barley bu.	(8) Soy-beans bu.	(9) Clov. Past. A.	(10) Clov. Hay ton	(11) Alf. Past. A.	(12) Alf. Hay ton	(13) Alf. Sil. ton	(14) Perm. Past. A.	(15) Temp. Past. A.	(16) Other
1. Produced for feed															
2. Purchased for feed															
3. Total fed															
4. Milk cows															
5. Heifers															
6. Beef breeding															
7. Beef feeding															
8. Hogs															
9. Laying hens															
10. Growing chicks															
11. Broilers															
12. Turkey, geese, etc.															
13. Sheep, ewes															
14. Feeder lambs															
15. Horses, mules															
16. Other _____															
Total															

(THE TOTAL IN ROW 1 SHOULD BE GOTTEN FROM COLUMN 7, PAGE 4, FOR EACH COMMODITY. THEN PURCHASES OF EACH COMMODITY SHOULD BE ADDED IN AND THE TOTAL FED COMPUTED. AFTER THIS DIVISION IS MADE BETWEEN THE CLASSES OF LIVESTOCK THESE SHOULD BE TOTALED AND THE TOTAL SHOULD EQUAL THAT IN ROW 3 FOR EACH COMMODITY.)

No.

No._____

29. Dairy Cattle: (IF THERE ARE NO DAIRY CATTLE ON THE FARM, CHECK HERE AND GO TO THE NEXT CATEGORY OF LIVESTOCK._____)

At the present time:

1. a. How many pounds of grain per day are you feeding milk cows that are now milking? _____lbs.

   b. In the grain you feed your milk cows, what does this mixture consist of per 1000 pounds of feed?_____

   _____

   _____

   c. Do you feed your dairy cows a commercial supplement in addition to home grown grains?

   Yes_____; What is it?_____

   _____

   No _____.

2. Approximately how many pounds of grain per day do you feed a dairy cow during the period from December 1 to March 1? _____lbs.

   How many days do you feed grain? _____

   _____

3. Are you now feeding hay to your milk cows? Yes_____ No _____

4. Approximately how many pounds of hay per day do you feed a dairy cow during the period from December 1 to March 1? _____lbs.

   How many days do you feed hay? _____

   _____

5. Approximately how many pounds of silage do you feed per cow per day during the period from December 1 to March 1? ____lbs. of corn silage.
   ____lbs. of grass silage.

6. Do you anticipate any changes in <u>what</u> you feed your dairy cattle during next year?

   Yes ____; What changes? _____

   _____

   What are the reasons? _____

   _____

   No _____.

No. _____

7. a. Do you anticipate any change in the amounts of various feed fed to your dairy cattle during the next year?

Yes ____; What changes? _____

_____

What are the reasons? _____

_____

No _____.

30. Hogs: (IF THERE ARE NO HOGS ON THE FARM, CHECK HERE AND GO TO THE NEXT CATEGORY OF LIVESTOCK. _____)

1. Do you self-feed fattening hogs during the entire fattening period?

Yes ____; What is your grain mixture per 100 lbs. of grain fed in a self-feeder? _____

Does this mixture differ for different ages and weights?

Creep feeding? _____

_____

Weaning to 100#? _____

_____

100# to market? _____

_____

Do you feed grain to fattening hogs in addition to that fed in the self-feeder? _____

How long do you have fattening hogs on a self-feeder?

_____

No ____. _____

Do you feed commercial supplement to your fattening hogs in addition to home produced grain?

Yes ____; What is that supplement? _____

_____

No _____. _____

2. Do you plan to make any changes in your feeding of fattening hogs during the next year?

Yes ____; What changes? _____

_____

Why? _____

_____

No _____.

No._____

31. Feeder Cattle: (IF THERE ARE NO FEEDER CATTLE ON THE FARM, CHECK HERE AND GO TO THE NEXT CATEGORY OF LIVESTOCK._____)

1. a. What weight do you normally buy your feeder cattle?_____lbs.

b. What grade of cattle do you attempt to market? _____

_____

c. At what weight do you normally sell your beef cattle?_____

d. How long is your normal feeding period for beef? _____

2. a. Do you feed grain to your beef cattle?

Yes____; What is the grain mixture you feed your cattle?____

_____

What is the rate per day at which you feed grain to your beef cattle?_____

Do you feed a supplement in addition to the grain mentioned above?

Yes ____; What supplement? _____

_____

No._____.

3. Do you anticipate any change in your cattle feeding methods during the coming year?

Yes _____; What changes? _____

_____

_____

Why do you plan these changes? _____

_____

No_____.

32. Poultry: (IF THERE IS NO POULTRY (50 OR LESS) ON THE FARM, CHECK HERE AND GO TO THE NEXT CATEGORY OF LIVESTOCK. _____)

1. a. What is your present whole grain mixture for laying hens?

_____

b. What is your present mash mixture for laying hens?_____

_____

c. Do you feed a supplement in addition to the grain mentioned above? Yes_____; What is it? _____

_____

No _____.

No._____

2. a. What is your present whole grain mixture for growing chicks (if any)? _____

   b. What does your growing mash consist of?_____

   _____

   c. Do you feed any supplement in addition to those mentioned?____

   _____

3. a. What is your whole grain mixture for broilers (if any)?_____

   _____

   b. What does the ground feed mixture for broilers consist of?____

   _____

   c. What, if any, supplement is fed in addition to the feed mentioned above?_____

4. Do you anticipate any changes in your poultry feeding during the next year?

   Yes_____; What are they?_____

   _____

   What reasons? _____

   _____

   No._____.

33. Have you given any thought to whether we will continue to have acreage allotments on some crops for several years? Yes_____ No _____

    How do you feel about the possibility of acreage allotments every year for several years? _____

    _____

    _____

    _____

34. What effect do you think the allotments will have on your farming operations if they continue for a period of time? _____

    _____

    _____

    _____

No._____

35. What changes, if any, do you plan to make in your present farm organization if the acreage allotments are continued?_____

_____

_____

_____

36. This year, for the first time in more than ten years, we have marketing quotas on the wheat crop. According to the law, all farmers who produce more than 15 acres of wheat must comply with their acreage allotments, or pay cash penalties of about $1.12 per bushel on each bushel produced on all of the acreage over their allotments.

a. If the wheat is sold, do you believe the government will enforce the penalty of $1.12 per bushel on the farmers who exceed their allotments?

Yes____; Why?_____

_____

No _____. Why?_____

D.K.____.

b. If all of the wheat is fed on the farm, do you believe the government will enforce the penalty on farmers who exceeded their wheat acreage allotments?

Yes____; Why? _____

_____

No _____. Why? _____

D.K. _____

37. It has been announced that next year there will be cross-compliance on all crops with acreage allotments. This means that a farmer will have to comply with the acreage allotments on all crops which have them or get no price supports on any of his crops. In addition, each farm which has more than 10 acres removed from controlled crops will receive a total farm acreage allotment that will include the controlled crops plus the 1953 acreage of other crops. Compliance with this total farm allotment will also be necessary on those farms which get one, in order to receive any price supports.

a. Will you comply with acreage allotments on the individual crops?

Yes _____; Why? _____

_____

_____

No _____. Why? _____

D.K. ____. _____

No._____

b. Will you comply with a total acreage allotment on your farm if you receive one?

Yes ____; Why? _____

_____

No _____. Why? _____

D.K.____. _____

38. a. How would your wheat acreage compare with that which you harvested in 1953 if there were no controls but the price you expected to receive was one-third lower than for last year's crop?

(1) _____ D.K.

(2) _____ About the same

(3) _____ Decrease wheat acreage

(4) _____ Increase wheat acreage

b. Why would you take this action? _____

_____

_____

c. (IF WHEAT ACREAGE WOULD BE CHANGED, ASK:) What other crops would you increase (or decrease) to offset the changes in wheat acreage?

_____

_____

_____

_____

d. Why would you choose that crop or crops?_____

_____

_____

_____

39. a. How would your corn acreage compare with that harvested in 1953 if there were no controls but the price you expected to receive was one-third lower than last year's crop?

(1) _____ D.K.

(2) _____ About the same

(3) _____ Decrease corn acreage

(4) _____ Increase corn acreage

No._____

b. Why would you take this action? _____

c. (IF CORN ACREAGE WOULD BE CHANGED, ASK:) What other crops would you increase (or decrease) to offset the changes in corn acreage?

d. Why would you choose that crop or crops? _____

40. Price support programs are usually based on some percentage of parity; that is, we say that cotton is supported at 90 percent parity. Do you believe that all commodities being supported should be supported at the same percentage of parity at any given time--say, right now?

Yes _____; Do you think that all products are supported at the same percentage of parity now?

Yes _____.

No _____; Which products do you feel are being treated less favorably in relation to others by being supported too low?

Which, if any, products do you believe are being supported relatively higher than other crops?

D.K._____.

No._____

No _____; How should the support level for an individual commodity be determined? _____

_____

_____

Which products, if any, do you feel are being supported too low at the present time? _____

_____

_____

Which products, if any, do you feel are being supported at too high a level? _____

_____

_____

D.K._____.

41. Two farmers were talking about ways to keep farm prices and incomes from falling too low. They didn't agree on how perishables like butter and eggs should be supported. One of the farmers, Mr. Black, said he favored the present method by which the government buys direct from processors and stores the products in order to hold prices up. Mr. Wood, on the other hand, said that he favored a plan under which farmers would sell all their perishable products, like eggs, for whatever they would bring. If these prices were so low that they would be below the support level, then the government would make direct payments to farmers in order to bring their incomes up.

a. As you see it, what are the advantages of Mr. Black's suggestion that our government continue its present plan of buying perishables direct from processors and storing them?_____

_____

_____

What are the disadvantages? _____

_____

_____

_____

b. Have you ever heard of Mr. Wood's idea, that our government would allow perishable products to sell for whatever they would bring and then pay farmers direct, if necessary, to bring their income up?

1. Yes, _____
2. No, _____
3. D.K. _____.

No. _____

(a) What do you feel are the advantages of such a plan?

_____

_____

_____

(b) Disadvantages? _____

_____

_____

_____

(c) In general, assuming perishables are going to be supported, which of the two ideas for handling perishable products do you prefer?

1. Purchase from processors _____
2. Direct payments to farmers _____
3. D.K. _____

42. Approximately how long have you been farming as a farm operator?

_____ 1. Less than five years.
_____ 2. Five to ten years.
_____ 3. Eleven to fifteen years.
_____ 4. Sixteen to twenty years.
_____ 5. Over twenty years.
_____ 6. N.A.

43. Would you mind telling me your age?

_____ 1. Under 25
_____ 2. 25-35
_____ 3. 36-45
_____ 4. 46-55
_____ 5. 56-65
_____ 6. Over 65

44. How many of your family live on this farm? _____

45. Do you usually go to the meetings held by your county agricultural agent if they deal with a product you produce? Yes ___ No ___ N.A.___

46. Do you belong to one or more of the general farm organizations?

_____ 1. Farm Bureau
_____ 2. Grange
_____ 3. Farmers Union
_____ 4. Farm Bureau and Grange

No. _____

_____ 5. Farm Bureau and F. U.
_____ 6. Grange and F. U.
_____ 7. All three
_____ 8. Other _____
_____ 9. None

I would like to get your name and mailing address correctly.

NAME _____

ADDRESS _____

_____

_____