United States Department of Agriculture, Extension Service and Agricultural Adjustment Administration, Cooperating
Washington, D. C.

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WEEKLY NEWS SERIES, No. 467
(General Story)

NORMAL PRODUCTION OF BUTTER EXPECTED

With total milk production of the nation on June 1 estimated at 4 percent above that of the same date last year, normal butter production may again be expected, according to officials of the dairy section of the Agricultural Adjustment Administration.

Production of manufactured butter during the first 4 months of 1935 was 40,000,000 pounds less than production for the same period in 1934, but at the same time, consumption of butter decreased 86,000,000 pounds. Imports for this period of approximately 17,500,000 pounds of butter did not offset the decline in production brought about by feed shortage resulting from drought.

Butter imports averaged more than 13,000,000 pounds from 1923 to 1927, but decreased from 1927 to 1935. The tariff on butter was increased from 8 to 12 cents in 1926, and to 14 cents in 1930. Butter imports usually are concentrated largely in the first 4 months of the year and decline with lower prices which accompany increased domestic production when pastures become available.

The number of milk cows June 1, 1935, was 5 percent less than on June 1, 1934, but production per cow was 9 percent higher. The national average production per cow per day was 16.4 pounds on June 1 this year, as compared with 15.4 pounds on the same date last year, and a five-year average of 17.3 pounds for this date.

On June 1 national pasture conditions were 77.7 percent of normal, compared with 53 percent of normal last June and the average of 81 percent for the past 10 years.

10039 (6-13-35)

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WEEKLY NEWS SERIES, No. 468
(Corn-Hog Story)

CORN-HOG RULING PERMITS ACREAGE LEASE OR RENTAL

Farmers who have applied for or signed 1935 corn-hog contracts may arrange to operate additional land not under contract or to rent out a portion of their farming unit under contract, under a new ruling of the Agricultural Adjustment Administration which is designed to meet emergency conditions such as sickness, flood, or loss of work stock.

Before the new ruling was issued, a contracting producer was obligated to have all land operated as a part of his farming unit under some corn-hog contract and to operate all of this land throughout the contract year.

If, because of emergency conditions, a contracting producer must rent out a portion of the land included in his farming unit, the new ruling permits him to do so, provided: (1) That within 10 days after he ceases operation of the land, a statement is filed with the county allotment committee giving the names of the parties involved in the transaction and showing whether both are contract signers, the specific reasons for the action, and a description of the area dropped; (2) stating that no hogs are farrowed on the land rented out, and (3) stating that no corn is planted on this land if the land is to be operated by a non-signer. If the dropped land is to be operated by another contract signer, corn may be planted on it but the originally established corn acreage allotment of both contract signers must remain unchanged.

(more)

10040

If a contracting producer desires to operate additional land not covered by a corn-hog contract, he may do so, but the ruling specifies: (1) That no corn is to be planted on the additional tract in 1935 even though the new land would have a corn base if it were under contract; (2) that all hogs farrowed on the additional tract after it was acquired are to be included in the determination of hogs produced from 1935 litters, and (3) that the contract signer operating the new land shall file with the county allotment committee within 10 days after beginning operation a signed statement naming the parties involved in the transaction and describing the acreage acquired.

Although the new ruling permits a contract signer to rent out a part of his farm or to lease additional land, Claude R. Wickard, chief of the Administration's corn-hog section, points out that the signer's corn and hog production allotments remain as they were originally established under his 1935 contract.

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WEEKLY NEWS SERIES, No. 469
(Wheat Story)

WHEAT OUTLOOK STRESSES NEED FOR ADJUSTMENT

With an indicated wheat crop for 1935 of 671 million bushels, based on the June crop report of winter wheat of 441 million bushels and an indicated spring wheat crop of 240 million bushels, Agricultural Adjustment Administration officials foresee an adequate amount of wheat from the 1935 crop that could be used for any available export outlet, ______________________________ State Director of Extension says.

Last year the wheat crop was 496 million bushels, the lowest in 41 years, and in 1933 it was 529 million bushels. The carry-over on July 1 this year is expected to be between 150 million and 170 million bushels.

Although even when the drought was at its worst, there was no danger of a shortage of wheat, the rainfall of the spring has so improved conditions that a surplus of wheat is likely to result, unless severe conditions affect the spring wheat crop between now and harvest time.

"The implication of the crop report for wheat farmers is that they must once more face the problem of what to do with wheat for which there is no home market and for which foreign outlets are limited", George E. Farrell, director of the Division of Grains of the Agricultural Adjustment Administration, says.

"Through the wheat program of the Agricultural Adjustment Administration, farmers have the means to meet this problem through cooperating to adjust their production to market outlets. Through the adjustment payments farmers are

(more)

protected against lower prices if these result as from larger crops.

"During the last year wheat farmers have had a concrete demonstration of the advantage of the wheat program in protecting them against price disparities between what they have to buy and what they get for what they sell. Even though the country has been on a domestic basis for wheat for the last year, wheat prices have not reached parity, and it has only been through the adjustment payments that farmers were able to receive a parity return on their domestic allotments.

"If it required the provisions of the wheat program to give farmers this protection during the years when the two shortest wheat crops in 40 years were harvested, it seems likely that the provisions will be even more necessary with normal wheat crops", Mr. Farrell said.

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WEEKLY NEWS SERIES, No. 470
(Wheat Story)

COUNTY COSTS OF WHEAT PLAN ARE ANNOUNCED

Farmers of ______________ county who are members of the county wheat production control association spent _____ cents a bushel of their allotment payment of 29 cents a bushel to pay the costs of the association during the first year of its operation, County Agent ______________ (Name of Agent) reports. This was purely for county expenses, as national expenses are paid from the national Agricultural Adjustment Administration budget.

A national report of the expenditures of county associations in administering the local phases of the wheat program for the first year shows that the local cost of _____ cents compares with the State average of _____ cents per bushel and the national average of 1.42 cents per allotted bushel. The lowest cost in this State was in _________ county where the cost was _____ cents a bushel, and the highest was in ______ county where the cost was ______ cents a bushel.

Note to ________(Editor or County Agent): This story might be given additional local interest by the president or treasurer of the local wheat association or the county agent who can give additional information on the county association and information on the budget. The following table shows the costs by counties in this State for the first year of operating the wheat program:

Note to Extension Editors: The enclosed copy of Bulletin W-60 contains the information you will need to make up a table for your State showing cost of operation in each county. Cost of operation is shown in column 4.

United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 471
(Wheat Story)

SURVEY SHOWS
WHEAT PROGRAM
COSTS ARE LOW

________________ farmers cooperating in the wheat adjustment program
(Name of State)
spent, on the average, _____cents per bushel of their allotments for the costs of operating their county wheat production control associations during the first year of the program, according to a national compilation just made by the Agricultural Adjustment Administration. The average cost for the Nation as a whole was 1.42 cents a bushel. The farmers received benefit payments of 29 cents a bushel on their allotments.

Both the adjustment payments and the local costs are based upon the bushel allotments of producers. The lowest cost was in Georgia where the State average was .8 cents a bushel and the highest was in New Jersey where the average was 4.3 cents a bushel. The Kansas cost was 1.2 cents, that for North Dakota was 1.4 cents, in Washington it was 1 cent, and in Illinois it was 2.3 cents a bushel.

Expenses of administering the wheat program in Washington are not paid by the farmers, but are paid out of the general budget of the Agricultural Adjustment Administration.

The expenses of the county associations during the first year include much of the cost of organizing the wheat program and getting the first contracts signed. George E. Farrell, director of the Division of Grains of the Agricultural Adjustment Administration, points out that the cost for the first year was less than the early estimates, as it was expected that the average cost of the program would be about 2 cents a bushel.

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NOTE TO EDITORS:

The following table shows, by States, the cost per allotted bushel for the first year of the wheat program:

		(In cents)			(In cents)
1.	Georgia	.8	20.	Minnesota	1.9
2.	California	1.0	21.	Michigan	2.0
3.	New Mexico	1.0	22.	Montana	2.0
4.	Washington	1.0	23.	Wyoming	2.0
5.	Oklahoma	1.1	24.	Utah	2.1
6.	Kansas	1.2	25.	Missouri	2.2
7.	Texas	1.2	26.	Tennessee	2.2
8.	Oregon	1.3	27.	Ohio	2.3
9.	Delaware	1.3	28.	North Carolina	2.3
10.	Idaho	1.4	29.	Nevada	2.3
11.	Nebraska	1.4	30.	Illinois	2.3
12.	North Dakota	1.4	31.	Indiana	2.5
13.	West Virginia	1.4	32.	New York	2.7
14.	South Dakota	1.5	33.	Virginia	2.9
15.	Arkansas	1.6	34.	Kentucky	3.1
16.	Arizona	1.7	35.	Wisconsin	3.4
17.	Maryland	1.7	36.	Pennsylvania	3.7
18.	Colorado	1.8	37.	New Jersey	4.3
19.	Iowa	1.9			

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WEEKLY NEWS SERIES, No. 472
(General Story)

86 PERCENT VOTE FOR ADJUSTMENT ON FIVE CROPS

The democratic principle of majority rule has governed in four agricultural adjustment referenda through which producers of five of the nation's principal farm commodities have expressed their opinion during the past eight months on continuance of agricultural adjustment programs.

More than 86 percent of the total vates cast in referenda on corn-hog, cotton, tobacco and wheat programs favored continuance, and the percentage of farmers who participated, compared to the total number of those who were eligible to vote, was considerably higher than the usual percentage of eligibles voting in civil elections

The total vote cast in the four referenda was 2,918,678. Of this number, the vote in favor of continuing the adjustment programs was 2,511,109, and the total of those opposing was 407,983.

The total vote was divided as follows: in the corn-hog referendum, 535,690; on the Bankhead Cotton Act, 1,521,887; on the Kerr-Smith Tobacco Act, 394,540; in the wheat referendum, 466,561.

The vote for a continuance of the respective programs was; corn-hogs, 374,585; cotton, 1,361,347; tobacco, 370,907; and wheat, 404,270.

In the corn-hog referendum approximately 70 percent of the votes cast were in favor of continuing the adjustment program. This was the lowest percentage supporting the program in any of the referenda. The percentages in the other three referenda were as follows: cotton, over 89 percent; tobacco, over 97.3 percent; and wheat, over 86 percent.

Those voting on the Kerr-Smith Tobacco Act voted on the basis of acreage and more than 92 percent of the acreage was voted in favor of continuance of the Act. This was the only program under which voting was on an acreage basis.

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WEEKLY NEWS SERIES, No. 473
(General Story)

GOVERNMENT TO
PURCHASE DAIRY
PRODUCTS AGAIN

Dairy farmers of ___(State or county)____ will be aided substantially by the plans of the Government to purchase approximately one million pounds of cheese, five million pounds of butter and five million pounds of dry skim milk.

The Agricultural Adjustment Administration has asked for bids on these commodities which will be turned over to the Federal Surplus Relief Corporation for distribution to needy families. The buying will be done under the direction of the Bureau of Agricultural Economics.

Bids on American cheese will be opened June 24, and all that is purchased must be of U.S. Grade No. 1. Storage cheese must be aged not less than 20 days. Deliveries must be completed before August 1.

Bids on butter will be opened June 25, and both fresh and storage butter will be purchased. Deliveries of fresh butter will be made at weekly intervals beginning July 1.

Dry skim milk bids will be opened June 29, and only Class A "Extra" grade for human consumption will be accepted. Deliveries must begin on July 8, and must be completed by September 30.

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WEEKLY NEWS SERIES, No. 474
(Corn-Hog Story)

CORN-HOG FARMERS SIGNING MORE THAN MILLION CONTRACTS

More than a million 1935 corn-hog contracts, involving rental and benefit payments of approximately $186,000,000, are in preparation for farmers participating in the production adjustment of these commodities this year, Claude R. Wickard, chief of the Administration's corn-hog section, has announced.

State statistician reports from the 48 States as of June 10 indicate that 1,032,500 contracts are in some stage of completion for the final signature of applicants. More than three-fourths of the cooperating farmers live in the 10 States commonly known as the Corn Belt.

On account of the combinations of contracts made possible this year and because many small operators have discontinued adjustment, the total number of 1935 contract applications is about 10 percent less than the 1,155,000 contracts signed in 1934. Mr. Wickard pointed out, however, that the number of corn acres to come under the 1935 contract will total about 53,780,000 acres as compared with the aggregate base acreage of 55,310,000 acres for 1934 signers.

Though the minimum reduction required in corn adjustment under the 1935 contract is only 10 percent of each signer's base as compared with 20 percent last year, cooperating farmers are making about the same adjustment as in 1934 because of the great decrease in livestock numbers and because they feel the need for the crop income insurance afforded by the benefit payments, which are distributed regardless of weather conditions, Mr. Wickard explained. He pointed out,

(more)

however that with anything like favorable weather during the remainder of the growing season, corn production this year will be ample for all domestic requirements and sufficient to replenish reserves depleted by the drought.

According to preliminary reports from the States, the number of hogs on which benefit payments are to be made total about 4,800,000 head, or less than 7 percent of the annual hog production of the United States in 1932 and 1933. The 1935 signers are pledged to hold their market hog production only 10 percent under their individual base averages as compared with the 25-percent reduction in 1934.

Recent reports received by the corn-hog section from the State Boards of Review indicate that about 300,000 of the 1935 contracts will be ready for transmittal to Washington by July 1, and nearly twice that number during July.

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United States Department of Agriculture, Extension Service and
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RELEASE: Monday, July 1.
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WEEKLY NEWS SERIES, No.475
(Wheat Story)

________FARMERS REPRESENTED AT WHEAT CONFERENCE

________________wheat growers were represented by ______________________
(State) (Name)
of ______________________, prominent wheat producer of this State, at a confer-
(Town)
ence held in Washington, D. C., July 1 and 2 at which leading wheat producers of the Nation conferred with Agricultural Adjustment Administration officials on the provisions of the new contract for the forthcoming wheat adjustment program.

Wheat production control associations of ____________________________ and
(State)
other wheat producing States have been asked to submit suggestions for the formulation of the new program to the Division of Grains of the Agricultural Adjustment Administration. Wheat farmers who conferred in Washington considered the suggestions from control associations in the States which they represented.

Following the conference with representatives of wheat producers, preparation of the final draft of the new contract was started and the contracts will be printed and submitted to producers as soon as possible.

NOTE TO EXTENSION EDITOR: Attached is a list of names and addresses of farmers who were asked to confer with Adjustment Administration officials on the new wheat contract.

10103 (6-27-35)

J. P. Paulsen	Tulare, S. Dakota
H. E. Slusher	Lexington, Missouri
Elmer Lundberg	Dimondale, Michigan
Henry Heiland	York, Pennsylvania
L. M. Stone	Hanford, California
Tracy T. Showalter	Harrisonburg, Virginia
J. W. Evans	Montevideo, Minnesota
Saul E. Hyer	Logan, Utah
A. E. Olson	Pullman, Washington
A. C. Utterback	Clinton, Kentucky
Frank A. Kirkpatrick	Frankfort, Indiana
Walter E. Burrell	Newmarket, Maryland
John Mermis	Gorham, Kansas
Rudolph E. Nordby	Genesee, Idaho
R. B. Gist	Canyon, Texas
A. S. Marshall	Ellendale, N. Dakota
William H. Steen	Pendleton, Oregon
C. R. Titlow	Osborn, Ohio
Sherman Stookey	Belleville, Illinois
W. P. Ridley	Columbia, Tennessee
Leroy Smith	Lamar, Nebraska
Richard T. Cann	Kirkwood, Delaware
J. R. Roberts	Medford, Oklahoma
A. R. Anderson	Sidney, Montana

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WEEKLY NEWS SERIES, No. 476
(Cotton Story)

1935 BANKHEAD TAX SET AT SIX CENTS PER POUND

The tax on the ginning of cotton under the Bankhead Act for the 1935-36 cotton season, which begins the first of August, has been set at 6 cents per pound for all cotton in excess of allotments.

The determination of the tax is established under the law as one-half of the average price on 10 designated spot cotton markets for a representative period. This base price has been determined by the Secretary of Agriculture as being 12 cents per pound, which automatically fixes the tax itself at 6 cents per pound. The price for the 1934-35 season was found to be 11.34 cents, which placed the tax at 5.67 cents per pound. The price is figured on the basis of 7/8 middling spot cotton.

Producers are furnished tax exempt certificates to the amount of their allotment, with which they pay the ginning tax on their cotton up to the total allotted to them. On any excess above their allotment they are required to pay the ginning tax when the cotton is ginned.

The markets designated for determining the average price were: Augusta and Savannah, Georgia; Dallas, Houston and Galveston, Texas; Little Rock, Arkansas; Memphis, Tennessee; New Orleans, Louisiana; and Norfolk, Virginia.

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WEEKLY NEWS SERIES No. 477
(Cotton Story)

FLOODS WILL NOT AFFECT
COTTON BENEFIT PAYMENTS

Cotton farmers whose lands have been flooded, will receive the same rental and parity payments that would have been made if these crops had not been damaged by floods. The terms of the cotton contract state that the regular rental and benefit payments will be made in 1935 to contracting producers, even if they do not plant any cotton because of drought or flood, according to ______________________.
(County agent or State official)

"This clearly means", he said, "that contracting farmers, no matter if all or part of their crop is damaged, will get exactly the same rental and benefit payments and tax certificates that they would have received if there had been no floods.

"The regulations also provide that producers may sell tax exempt certificates in case they do not grow their full allotment of cotton covered by the certificates.

"This is a form of crop insurance that partially protects farmers against loss of income even in cases where their cotton crop is completely destroyed by adverse weather conditions."

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10105 (6-27-35)

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WEEKLY NEWS SERIES, No. 478
(General Story)

GOVERNMENT SEED SUPPLIES PLANTED 4 MILLION ACRES

Seed stocks conserved by the Agricultural Adjustment Administration and made available to farmers in the 1934 drought area have been sufficient to plant more than 4 million acres this spring and represent a potential production of 60 to 80 million bushels of grain this season.

Efforts of the Federal Seed Conservation Committee insured producers against shortage of seed in localities where it was necessary to supplement the supply available from growers and regular trade channels. Sales of the conserved seed stocks to farmers, according to the most recent report, included approximately 1,700,000 bushels of seed wheat, 2,850,000 bushels of seed oats, 600,000 bushels of malting barley seed, 175,000 bushels of feed barley seed, 100,000 bushels of seed flax and 1,000,000 pounds of grain sorghum seed.

With planting requirements supplied, the remaining reserves of the Government's emergency drought seed supply have been transferred to the Federal Emergency Relief Administration and the Soil Conservation Service of the Department of Agriculture. Supplies turned over to the Relief Administration are being distributed for use both as seed and as feed. Supplies turned over to the Soil Conservation Service will be used in erosion control projects.

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10106 (6-27-35)

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WEEKLY NEWS SERIES, No. 479
(Cotton Story)

DOUBLE BENEFITS
RESULTING FROM
COTTON PROGRAM

Double benefits result from the cotton program of the Agricultural Adjustment Administration which provides price insurance in favorable years and crop insurance in unfavorable years, it is pointed out by Cully A. Cobb, director of the Division of Cotton.

"In favorable crop years", he says, the operation of the program serves to keep down burdensome and excessive supplies of cotton which would depress the market, thus providing, in effect, actual insurance to producers against such prices as prevailed in the 1931-32 and 1932-33 seasons.

"In unfavorable crop years", producers who suffer the loss of a portion of their crop through uncontrollable causes receive adjustment payments on rented acres, and parity payments on their production quotas, just the same as if they had had normal crops. In addition, they receive an income from the sale of their surplus tax-exemption certificates, the total sales of which last year amounted to more than $26,000,000. Contracting producers whose cotton crops were flooded this year will receive the same sort of crop insurance as those whose cotton crops suffered from the drought last year.

"Most of the $26,000,000 distributed from the sale of surplus tax-exemption certificates last year went to growers in the drought areas, and these sales of certificates helped save the day for them. Transactions amounting to about ten million dollars were made within the counties, and the remainder was through the Surplus Tax-exemption Certificate Pool conducted by the Agricultural Adjustment Administration. This added income was of tremendous assistance to farmers with production below their allotments.

"Both seller and buyer benefitted by the sale and purchase of the certificates. The seller was able to add to his cash income. The buyer was able to buy tax-exemption certificates at 4 cents a pound and did not have to pay the 5.6 cents a pound ginning tax under the Bankhead Act."

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WEEKLY NEWS SERIES, No. 480
(Cotton Story)

LASTING IMPROVEMENT GOAL OF COTTON PLAN

Objectives of the cotton adjustment program of the Agricultural Adjustment Administration have been outlined by Cully A. Cobb, Director of the Division of Cotton, in response to questions about the long-time aims of the program.

"The Agricultural Adjustment Administration", says Mr. Cobb, "has been working from the beginning with definite objectives, planned not merely for temporary relief of unsatisfactory conditions, but to create over a period of years a stabilized and established agricultural industry paying to producers a fair return comparable to returns received by manufacturing and business.

"These objectives include the following basic points: (1) To adjust supplies of American cotton to the demand for such cotton at a fair price to the producer, and to maintain a proper balance between supply and demand. (2) To increase the cotton producer's annual income to a level which will enable him to maintain a standard of living equal to that maintained by people in other occupations. (3) To enable cotton producers individually to organize their farming operations so as to make the best possible use of land and labor. (4) To free women and children from labor in the cotton fields of the South.

"Great strides have been made toward the realization of the first two objectives. The world carry-over of American cotton was approximately 12,900,000 bales at the beginning of the 1932-33 season, a year later it was 11,600,000 bales, at the beginning of the 1934-35 season it was down to 10,600,000 bales, and it is now estimated that on August 1, at the beginning of

(more)

the 1935-36 season it will have been reduced to 8,500,000 or 9,000,000 bales. Besides this reduction in the actual cotton, under the adjustment program the emergency campaign of 1933 prevented the production of approximately 4,000,000 bales of cotton which might have been added to the already huge unsaleable surplus in the carry-over.

"The effective reduction of the cotton surplus, the stabilizing effect of the cotton loan policy, and the adjustment program with its rental and benefit payments to cooperating farmers, have accomplished much toward bringing the cotton producers' income to a point of equality with the earnings of workers in industry and commerce.

"Much remains to be accomplished toward the other two objectives, which are social in their nature, but they are definite parts of our program and will receive their share of attention in the long-time plan of improving the conditions of the cotton producer."

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WEEKLY NEWS SERIES, No. 481
(General Story)

BUTTER COMPETITION IS LARGELY DOMESTIC

Domestic competition in the form of oleomargarine furnished more than eight times the volume of substitutes for American butter that importations of foreign butter supplied, during the first quarter of 1935, according to E. W. Gaumnitz, Chief of the Dairy Section of the Agricultural Adjustment Administration.

During the first quarter of 1935 imports of foreign butter amounted to 17,393,167 pounds, while domestic production of oleomargarine was 145,609,720 pounds.

Imports of foreign butter during the period from January 1 to June 1, which were about 20 million pounds, represented about 3.3 percent of the domestic creamery butter manufacture. Had butter been produced during the winter months in normal amounts or at the present production rate, the amount of foreign butter entering this country would have been considerably less.

Scarcity of domestic supplies, together with relatively high and sudden increases in consumer prices for butter, played an important part in the shift to oleomargarine, according to Mr. Gaumnitz. He pointed out that foreign imports were an incidental transaction to firmer American prices, inasmuch as records show that foreign imports always attain highest volume when domestic dairy prices are considered by producers as satisfactory.

Imports of foreign butter have decreased with the narrowing of the margin between London and New York quotations. It is not anticipated that any considerable volume of Danish, New Zealand, or Australian butter will be diverted to this country during the next few months. This is because of the fall in domestic

10134 (MORE)

prices caused by a wave of new production throughout the principal butter regions of this country.

Increased butter production at the advent of the into-storage season naturally reacted to depress domestic prices. In the course of three or four weeks the butter import situation has changed. For the time being at least, imports have become an unimportant market factor. Instead, the Government has resumed purchases of surplus butter for distribution to persons on relief rolls. A total of 3,284,500 pounds of Government purchases of butter were awarded June 27.

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United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 482
(Rye Story)

CROP FORECAST EMPHASIZES NEED FOR RYE PROGRAM

Additional emphasis has been placed on the need for a rye program by the July 1 Federal crop report which indicates a 1935 crop of 53,100,000 bushels, the largest since 1924 and a crop more than 20 million bushels greater than domestic needs. The average yearly consumption of rye in the United States is 32 million bushels.

"Both price and production figures show why leading rye farmers and Agricultural Adjustment Administration officials are working together on the development of a production adjustment program for rye", says George E. Farrell, director of the Division of Grains, of the Agricultural Adjustment Administration.

"On June 15", he says, "even before so large a rye crop was expected, the estimated average farm price was 53.7 cents a bushel. At that time the fair exchange, or parity, value was 91.4 cents a bushel, making the average farm price 37.3 cents below parity. During 1934 and the first part of 1935 the farm price had averaged about 71 cents a bushel, but at that time rye had been on an import basis. When favorable yields of rye and other grains were forecast, the price began to drop.

"The 32,000,000 bushels consumed each year in the United States are used in these ways: 6,000,000 bushels are used for seed; 8,500,000 for distilling; 7,500,000 for flour; and 10,000,000 for feed, commercially and on farms."

(more)

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Rye, by act of Congress, has been a basic commodity since last year. Secretary of Agriculture Henry A. Wallace announced on July 2 that benefit or rental payments on rye would be made. The next day representatives of rye farmers of 14 States met in Washington to discuss details of a program with Adjustment Administration officials.

Reports from Washington on the rye conference show that the growers and Adjustment Administration officials favored a four year program to run parallel with the new wheat program, but with some flexibility with respect to new rye contracts each year. They favored administering the rye program through machinery already set up for wheat production control, so that expenses would be held down.

It was felt that base production figures should be based only on rye allowed to mature as grain, excluding rye used as hay or for soil improvement. If this plan is adopted contract signers could plant as much as they wished. Allotments would be only for mature rye harvested or fed in the field to animals.

Those at the conference also believed that benefit payments should be made on that portion of the crop used domestically for human consumption. This would be about 16,000,000 bushels, or about half of the annual disappearance of rye as grain.

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United States Department of Agriculture, Extension Service and
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Washington, D. C.

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WEEKLY NEWS SERIES, No. 483
(General Story)

AAA IS BUYING DAIRY PRODUCTS

In a program for the dual purpose of removing surpluses of dairy products from the market and of providing food for distribution to families on relief, the Agricultural Adjustment Administration, beginning June 27, has awarded contracts for the purchase of a total of 8,312,650 pounds of dairy products.

Purchases to be made as a result of awards already made include 1,300,000 pounds of fresh butter, 50,000 pounds of Cheddar cheese, and 6,962,650 pounds of dry skim milk. Also the Administration has requested bids on an additional 5,000,000 pounds of butter and 2,000,000 pounds of American cheese. All purchases are turned over to the Federal Surplus Relief Corporation for distribution to families on relief.

It is also anticipated by the AAA to make further purchases of both butter and cheese, either on bids, or on the open market. The purchases are being made from funds appropriated under authority of the Jones-Connally Act. A fund of $19,500,000 is available and these awards made thus far have obligated a total of $809,000.

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10154 (7-12-35)

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WEEKLY NEWS SERIES, No. 484
(Wheat Story)

CROP FORECAST STRESSES NEED OF WHEAT PLAN

"The July 1 Federal crop report indicating a 1935 wheat crop for the United States of 731 million bushels brings forcibly to the attention of American wheat farmers the fact that they still have a production adjustment problem," says George E. Farrell, director of the Division of Grains of the Agricultural Adjustment Administration.

"This indicated crop is over 100 million bushels greater than our normal domestic requirements", Mr. Farrell says. "The July 1 carry-over is estimated at approximately 160 million bushels, and this, with a 731 million bushel crop will mean supplies for the current marketing year of 891 million bushels. After taking out the normal domestic requirements of 625 million bushels, there remains for export or carry-over approximately 266 million bushels. Even if damage from rust proves more severe than indicated, there seems certain to be more than enough wheat for our domestic use.

"The possibilities for export are limited. The problem facing the American wheat farmer is that of balancing his production with available domestic and foreign markets and at the same time providing an ample reserve supply for domestic use. The fact remains that the available wheat acreage in this country is about 66 million acres, and that the top acreage for which domestic and foreign outlets can be found is about 56 to 58 million acres. The new wheat contract which soon will be offered to farmers will provide them with a method for controlling their own production", Mr. Farrell says.

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WEEKLY NEWS SERIES, No. 485
(Wheat Story)

50-53 MILLION ACRE SIGN-UP IS WHEAT GOAL

Preparations for the new wheat campaign to sign up from 50 to 53 million acres of the Nation's wheat land are being rushed at Agricultural Adjustment Administration headquarters in Washington, ________________ State Extension Director has been informed. The necessary forms are being printed as rapidly as possible.

"The new wheat program offers a new challenge to the farmers of America," George E. Farrell, Director of the Division of Grains, says. "The original program was carried out in years of unprecedented drought. Now the drought appears broken and the program of adjustment faces a more difficult test than any it has met thus far."

Wheat leaders and officials of the AAA are aiming at a sign-up of from 50 million to 53 million acres. The first program placed approximately 51,400,000 acres under contract. The large favorable vote in the wheat referendum by noncontracting farmers indicates that many who did not sign contracts before may do so this time.

The available wheat acreage in the country is about 66 million acres. The average yield <u>per planted acre</u> for the last 10 years has been 12.5 bushels. As our average domestic requirements are 625 million bushels a year, this means that 50 million acres at average yields will furnish our domestic requirements.

Present export outlets are so limited that it is considered extremely unlikely that the wheat production of more than 6 to 8 million acres can be exported. Subtracting the total of 56 to 58 million acres from the 66 million acres of available wheat land leaves from 8 to 10 million acres that need to be taken out of wheat production.

The wheat officials consider that the major part of this reduction will have to be made by contract signers. They believe that if wheat prices in the United States should come down to world levels, a number of noncontracting growers will voluntarily decrease production.

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WEEKLY NEWS SERIES, No. 486
(Corn Loan Story)

REPAYMENTS ON 1934 CORN LOAN NEARLY COMPLETE

As under the 1933 corn loan program, when the Government realized 100 per-cent on loans made on farm-stored corn, complete liquidation of the money advanced to farmers on 1934 corn is expected within a few days, the Commodity Credit Corporation has announced.

The 15,689 farmers who took advantage of the 1934 program had repaid all but $148,310 of their borrowings on July 20. Though these loans were due and payable on July 1, Commodity Credit officials point out that, as in connection with any loan, a short period is required for liquidation.

Under the 1934 program, approximately $11,038,390 was advanced to farmers on 20,067,818 bushels of corn at the loan value rate of 55 cents a bushel. These loans went to farmers in Colorado, Illinois, Indiana, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio, and South Dakota.

The volume of loans during the past season was not as large as under the first program in 1933 because of considerably higher corn prices and the limited supplies of corn on farms. Under the original program, the $120,500,000 advanced by the Government placed 270,000,000 bushels of corn in storage. No loss was reported on the 197,000 loans involved.

Though a corn loan will be made available again this fall, Agricultural Adjustment officials state that it is too early to determine probable corn supplies on hand this fall and therefore impossible to establish the loan value rate at this time.

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The corn loan program is recognized by the Agricultural Adjustment Administration as a valuable device for carrying reserve supplies from one year to another, provided that it is coupled with sound production control. Consequently, only those farmers participating in the corn-hog adjustment program are eligible for a corn loan. The Administration further points out that the corn loan program enables producers to market their crop in more orderly fashion and to take advantage of price increases.

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WEEKLY NEWS SERIES, No. 487
(Corn-Hog Story)

PAYMENTS START ON
CORN-HOG CONTRACTS

Distribution of the first installment of corn-hog payments to farmers throughout the country who are cooperating in the 1935 adjustment program is now under way, according to reports from Washington.

The first block of payments, 61,478 checks totaling $4,004,914.95, which left Washington for 33 states on July 27, marked the beginning of first payments on more than a million 1935 corn-hog contracts. A total of 129,147 checks amounting to nearly $8,262,000 had been mailed to cooperating producers before August 1. This is slightly less than 10 percent of the $84,850,000 due farmers in the first installment. Total corn-hog payments under the 1935 contract will amount to about $186,000,000.

First-payment checks now being distributed represent approximately two-fifths of the total corn payment and one-half of the total hog payment due farmers participating in this year's adjustment program. In the first installment, the producer receives $7.50 of the total of $15 to be paid per head on the adjustment of 10 percent in hog production, and 15 cents of the 35 cents to be paid per bushel on the production estimated for the acreage retired from corn production.

The final installment, which does not become due until after January 1, 1936, includes the balance due, less the pro-rata share of expenses incurred in local administration of the program.

Every effort will be made to get first-payment checks to farmers as early

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as possible, Claude R. Wickard, chief of the Administration's corn-hog section, said recently. He pointed out, however, that the rate of distribution will depend largely upon the rate at which contracts are transmitted to Washington for final acceptance. Less than 200,000 contracts had arrived in Washington for final audit prior to August 1.

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WEEKLY NEWS SERIES, NO. 488
(Wheat Story)

AAA HEAD SAYS NEW WHEAT PLAN SAFE FOR FARMER

In announcing last week that the new wheat contract would call for a reduction from the base acreage of 15 percent, Chester C. Davis, Administrator of the Agricultural Adjustment Act, assured farmers that they need feel no hesitation about signing the new contract because of court cases pending which involve the Adjustment Act. The contract is expected to be ready in final form some time this month. Several reasons why farmers should feel free to sign contracts were emphasized by Mr. Davis as follows:

First, the new amendments to the Adjustment Act, as passed by both Houses of Congress, specifically enact the rates of the processing tax, thus meeting fully the question of delegation of legislative power, which was decisive in every instance in which lower courts held the processing tax provisions of the original Act unconstitutional.

Second, the provisions of the new contract permitting termination by the Secretary of Agriculture at the end of any year, and allowing grower withdrawal at the end of the first two years, give ample machinery for ending the program in the event of an adverse decision by the Supreme Court.

Third, signers will be fully protected as to compensation for actual performance of compliance with the contract, up to the time of termination.

"The Government would have both a moral and a legal obligation to compensate farmers for performance up to the date of such a decision," Mr. Davis said. "The Government, in fairness and honesty, would pay, and legally would be bound to pay in full for their compliance up to that time, but not beyond that time."

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WEEKLY NEWS SERIES, No. 489
(Rye Story)

EXPECT TO OFFER AAA RYE PROGRAM IN NEAR FUTURE

A proposed rye adjustment program, developed along the lines recommended by growers who came to Washington early in July, is expected to be offered to farmers soon by the Agricultural Adjustment Administration.

Rye is a basic commodity under the Agricultural Adjustment Act and there has been a strong demand for an adjustment program, especially since the crop this year is expected to be much larger than last year, and because prices have been lower.

Although details of the proposed contract will not be made public until the program is ready to be offered to farmers, Adjustment Administration officials say that it will provide adjustment payments to cooperating producers. Producers may be asked to make their adjustments on the basis of harvested rather than seeded acreage. The reason is that the abandonment of rye varies widely from year to year, as does also the use of rye for hay and pasture. A four-year program, to correspond with the new wheat program, is proposed.

Farmers who plan to seed rye this fall and who intend to sign adjustment contracts on their rye production should keep in touch with the county agents for further information on the program when it is announced.

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10231 (8-3-35)

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WEEKLY NEWS SERIES, No. 490
(Corn-Hog Story)

PAYMENTS ASSURED CORN-HOG SIGNERS

More than one-sixth of the total first installment of adjustment payments due under 1935 corn-hog contracts has been distributed to farmers participating in this year's program, W. O. Fraser, of the Agricultural Adjustment Administration's corn-hog section, has announced. Nearly 235,000 checks totaling $15,531,010.05 had been mailed to cooperating producers by August 10.

Though some farmers, especially those who have made adjustments in corn and hog production for 1935 but have not had their contracts completed and approved, have been concerned about their payments, adjustment officials state that the corn-hog program has been affected in no way by the large number of suits filed to restrain collection of processing taxes.

Chester C. Davis, administrator, also said recently that even if an adverse decision on the Agricultural Adjustment Act should be given by the Supreme Court at some future time, "the Government would have both a moral and a legal obligation to compensate farmers fully for performance up to the date of such decision." Whereas, all compliance under 1935 corn-hog contracts will have been performed before any decision is reached by the high court, farmers are assured that they will be paid to the full extent of their compliance in 1935.

Adjustment payments under 1935 corn-hog contracts will total approximately $186,000,000. The final installment of over $101,000,000 does not become due until after January 1, 1936.

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10272 (8-9-35)

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WEEKLY NEWS SERIES, No. 491
(General Story)

AAA PLANS TO HOLD SEED GRAIN RESERVE

The Agricultural Adjustment Administration is holding its remaining supplies of adapted seed grains which may be needed if drought and rust damage continues unchecked until harvest season ends in the spring wheat States of the Northwest.

Reports from Washington describe that seed supply as being made up of 3,100,000 bushels of spring wheat; 1,000,000 bushels of durum wheat; 80,000 bushels of flax; 150,000 bushels of malting barley; and 60,000 bushels of trebi barley. Also the Seed Conservation Committee is holding the best of the seed oats reserve, consisting of 500,000 bushels adapted to the Northwest.

Dr. M. A. McCall, chief cerealist of the Department of Agriculture, Bureau of Plant Industry, will personally take charge of a study of grain conditions in the northwestern States where the seed may be needed. Dr. McCall's report will be the basis of a decision whether to continue with the seed conservation program.

In the meantime, the AAA has stopped sale or transfer of what is left of its adapted seed supply, which the AAA bought last year when drought conditions seriously threatened the seed supply. Nineteen million bushels were bought to insure farmers against shortage in case they had been unable to save enough of their own grain, or were unable to buy seed through regular commercial channels. All emergency needs were met, and some grain was still left over

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when a few months ago the emergency seemed to be over. The AAA had begun to sell some of the surplus on the open market, or transfer quantities needed by the Soil Conservation Service and the Resettlement Administration.

"The reserved seed grain supplies will be held until we find just what the need for them will be", said Joseph F. Cox, chairman of the Government Seed Conservation Committee. "In the meantime the committee urges farmers of the Northwest to save enough of their current crops for seed use. Farmers know from previous experience that seed grain not too light weight due to the effects of rust and drought, if properly stored to protect germination, will usually give satisfactory results when planted the following spring. Plump, clean seed is of course superior. However, if actual shortage of seed grain develops in any sections, the Government is keeping in a position to meet the emergency as it did last year."

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WEEKLY NEWS SERIES, No. 492
(General Story)

REPORT WISE USE OF AAA SHIFTED ACREAGE

The constructive use of land shifted from surplus-producing basic crops under adjustment contracts is one of the most significant phases of the Agricultural Adjustment Administration program, according to ________________, (local authority) who points out that as planting time draws near, farmers who have signed adjustment contracts are giving thought to the most valuable use of contracted or rented acres.

The adjustment administration recently reported that, this year, more than 27,500,000 acres, or 1 acre in every 12 acres of cultivated land, was taken out of surplus crop production. ______________________________ says that the use of these rented or contracted acres has been the most important factor in bringing about the largest annual increase of soil-building legumes, and soil-conserving hay and forage crops, ever reported in the United States.

"The last crop report shows that acreage of alfalfa in 1935 is 1,750,000 larger than last year, an increase from 11,482,000 to 13,198,000, or 14 percent", said ______________________. "Soybean acreage increased 1,200,000 acres, or 29 percent, and hay acreage increased by 5,384,000 acres. This means that farmers are definitely using their contracted acres to build up soil fertility and to prevent erosion, and, in so doing, are moving toward a better balance in crop distribution."

The total 1935 rented acres are divided among crops as follows: wheat, 4,912,000; corn, 11,969,000; cotton, 10,293,000; and tobacco, 430,000.

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10274 (8-9-35)

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WEEKLY NEWS SERIES, no. 493
(Wheat Story)

WHEAT ACREAGE INCREASE OFFSET TO CROP DAMAGE

The change in 1936 wheat plantings made possible by the Agricultural Adjustment Administration placing the 1936 acreage adjustment at 5 percent instead of 15 percent is intended as an offset to the severe crop damage which occurred in July, ________________________________ says.
(State Extension Official or County Agent)

This action was taken to assure the consumers of the country of continued ample supplies of wheat, and to protect farmers against another possible year of bad wheat weather. Adjustment Administration officials also considered the fact that world wheat supplies are smaller and that there might be better export possibilities at the end of another crop year.

The announcement means that the individual farmer may plant all but 5 percent of his base acreage, instead of all but 15 percent as was originally planned before the severe crop damage was shown by the crop report for August 1.

The action will have no effect upon adjustment payments to farmers, Adjustment Administration officials say, as contract signers will receive a sufficient amount to assure them parity returns on their domestic farm allotments. If prices are good next year farmers will have more wheat to sell at the higher price under this plan, and if prices should be lower, growers have the protection of the adjustment payments on their allotments.

If crops are average, the increased acreage, estimated at 5,200,000 acres, should bring the total crop to more than 800 million bushels. Even very poor crops would assure ample wheat for our domestic needs of 625 million bushels. A better than average crop would mean more wheat for export or carry-over.

The increase in acreage is considered a consistent use of the flexible provisions of the Adjustment Act to keep wheat production in line with available markets.

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10287 (8-17-35)

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WEEKLY NEWS SERIES, NO. 494
(Cotton Story)

USE OF RENTED ACRES IMPROVES FARM PRACTICE

The use of acres shifted from cotton production under the adjustment program has been a powerful influence to better farm practices in the opinion ~~of Cully~~ A. Cobb, director of the Agricultural Adjustment Administration Division of Cotton.

During 1934 about 14,000,000 cotton acres were rented by the Government and retired from cotton production. Surveys by the AAA show that for the most part retired acres have not lain idle. It is estimated that this year the number of cotton rented acres will approach 15,000,000 when all the contracts are assembled. Although definite figures are not yet available, estimates show that the retired land again is being put to constructive use.

"For a long time it has been recognized that one-crop farming is dangerous", Mr. Cobb says. "Areas which do not raise enough food and feed for their own use simply multiply their difficulties. Continuous cotton planting, without, at least, winter rotation, subjects the soil to exhaustion through erosion and depletion of plant food which results in fields having to be abandoned.

"In the cotton adjustment program, the excess cotton acres have been rented, and farmers have been encouraged to turn them to sound uses."

The replacement crops section of the AAA last summer made a study in five major cotton producing States -- Georgia, South Carolina, Arkansas, Oklahoma, and Texas. The study indicated that all but about one-fiftieth of the rented cotton acres in those States had been put to constructive use.

The study indicated that the rented acreage was used largely in producing food and feed for home use on the farm and for soil improvement and erosion preven-

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(MORE)

tion, including terracing and strip-cropping, it being contrary to the contract to produce crops for sale on the contracted acreage. Estimates showed that about three-fourths of the rented cotton acreage was planted to home food and feed crops, chiefly corn, wheat and oats, soybeans, cowpeas, sorghums, Sudan grass, lespedeza, and Mung beans. About one-tenth was planted to new seedings of permanent pastures and meadow crops, chiefly lespedeza, alfalfa, sweetclover, Dallis grass, fescue grass, carpet grass, and hop clover. About one-eighth was used for soil-improvement crops, for pasturing livestock produced for the farm family, and to be turned under. These crops include cowpeas, soybeans, winter peas, lespedeza, hairy vetch and Mung beans.

Next in importance was erosion prevention, involving in many cases terracing and strip-cropping of the land planted to lespedeza, sweetclover, Sudan grass, cowpeas, hegari and adapted grasses. It is estimated that a very small percentage (about one-fiftieth) of the rented acreage was idle land. In Arkansas and Tennessee, considerable interest was taken in the planting of trees, chiefly black locust, for farm woodlot purposes, and it was reported that all available seedlings were used.

In commenting on conditions in the Cotton Belt since the adjustment program began, Mr. Cobb said "The South is doing the best job of farming in its history."

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WEEKLY NEWS SERIES, No. 495
(Corn-Hog Story)

PRODUCERS DISCUSS CORN-HOG PROBLEMS

The open-minded and unselfish attitude of county corn-hog allotment committeemen, as evidenced recently in their midwestern state conferences, was commended this week by Claude R. Wickard, corn-hog section chief of the Agricultural Adjustment Administration. The conferences, attended by more than 3,000 committeemen, were held in Michigan, Missouri, Kansas, Illinois, Ohio, Indiana, Wisconsin, Kentucky, and Minnesota, for the purpose of discussing present and future corn-hog adjustment programs.

Many constructive criticisms and suggestions for making future corn-hog programs more flexible and more adapted to improving national welfare were offered by the committeemen, Mr. Wickard said. "These farmers, key men in the local administrative set-up, are particularly interested in developing an adjustment program that will bring about a balance between the farmer and the consumer -- a program that will maintain fair hog prices to the farmer and adequate supplies of pork and pork products for the consumer", he stated.

At each meeting Mr. Wickard explained the amendments to the Agricultural Adjustment Act, discussed administrative problems, and outlined the steps to be taken in considering an adjustment program for 1936. These steps include hearings, a referendum and the formulation of a definite program.

The reports of the conferencesindicate that allotment committeemen are generally well pleased with the administration of the 1935 program. Relative to 1936, the censensus was in favor of retaining present established corn and hog base except for 10 to 15 percent of the bases which are in need of revision. In the adjustment of bases, the committeemen felt that more discretion should be left to the within definite lines of procedure set up by the Agricultural Adjustment Administra tion.

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WEEKLY NEWS SERIES, No. 496
(General Story)

AAA AMENDMENTS TO INSURE AND STRENGTHEN ACT

The amendments revising the Agricultural Adjustment Act to meet questions of constitutionality, also strengthen and clarify the legislative foundation of the farm program in the light of experience gained during the past two years, according to ______________________________
(State Extension Official or County Agent)

To insure the constitutionality of the Act, the following provisions have been made:

First, the authority of the Secretary of Agriculture has been defined and limited to make it clear that Congress is not delegating power to an administrative officer, but directing him to perform certain functions for which definite guides and standards have been set up.

Second, all previous and existing taxes, benefit payments, and contracts instituted prior to the adoption of the amendments are legalized and ratified by Congress. The processing taxes in effect are directly levied by Congress at their present rates, and specific rates are set for barley, rye, and flax. Provision is made for adjustment of tax rates in accordance with a specified formula.

Third, the operation of the Act is rigidly limited to interstate commerce and the interstate commerce clause is redefined to bring it in line with language used by the Supreme Court in previous decisions. Provision is made for cooperation of Federal and State Governments.

Strengthening and clarifying provisions include the following:

Mortgage interest rates and land tax rates may be taken into consideration

in arriving at parity price, or fair exchange value.

If the provisions allowing adjustment of the rate of processing taxes are held invalid, the specific rates of tax set by Congress are to be in effect.

The ever-normal granary plan, which contemplates the holding on farms of reserve supplies of certain non-perishable crops for use in periods of possible shortage, and to protect both farmers and consumers from undue price fluctuations, is incorporated in the farm program.

Provision is made for limiting imports of competing farm products when they materially interfere with adjustment programs. An annual appropriation equal to 30 percent of the customs receipts, estimated to yield about $90,000,000, is made available for the purpose of subsidizing exports, domestic production, diversion of surpluses from normal channels of trade, and for financing adjustment payments.

The procedure for marketing agreements is clearly outlined in accordance with needs which have become evident since the original Act became law. Potatoes have been made a basic commodity and provision is made for specific control methods for this crop.

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WEEKLY NEWS SERIES, No. 497
(General Story)

AMENDMENTS TO
ASSIST ORDERLY
MARKETING EFFORT

The recently enacted amendments to the Agricultural Adjustment Act offer greater opportunity to growers of nonbasic crops to promote orderly marketing of their products and to increase their income through utilization of marketing agreements, according to ______________________________
(State Extension Official or County Agent)

"As amended, the Act provides that the Secretary of Agriculture may enter into marketing agreements with handlers, producers and associations of producers for the purpose of increasing to parity, or fair exchange value, prices received by growers. After a marketing agreement has been perfected and accepted by a majority of the industry, 'orders' may be issued under certain specified conditions to make the agreement binding on the entire industry. The term 'license' has been discarded and 'order' substituted to conform with general procedure used by the Federal Trade Commission and the Interstate Commerce Commission.

"The operation of orders is rigidly limited to interstate commerce, and the interstate commerce clause is redefined to bring it into line with language previously used by the Supreme Court in decisions on this question.

"To eliminate any question of improper delegation of legislative authority, the Act now enumerates the commodities to which orders may be applicable. These are as follows: fresh and dried fruits, except apples and all fruits for canning other than olives; vegetables, including canned asparagus, but no other vegetables for canning; pecans, and walnuts, naval stores, soybeans, milk and tobacco.

"Orders can be issued only after hearings on a proposed marketing agreement

10338 (more)

and its supporting order", stated____________________. Methods that may be used in orders are clearly stated set forth as follows: Allocating the amounts of the commodity, by grade, size or quality, if necessary, which handlers may market in the current of interstate or foreign commerce; elimination or control of surpluses, and equalization of the burden of the surplus control among all growers; filing of price schedules by handlers; and establishment of reserve pools of commodities. Except in the case of milk for which minimum producer prices are authorized no authority is given for orders to fix either minimum prices to producers or minimum resale prices.

"The Secretary of Agriculture can issue an order after 50 percent of the handlers approve a marketing agreement, and after two-thirds of the producers, by number or volume, favor issuance of an order. One exception to this is California citrus fruits, in which case 80 percent of the handlers must sign the agreement, and 75 percent of the growers must favor issuance of an order.

"An important feature of the amended Act is the provision that in the case where more than 50 percent of the handlers are unwilling to enter a marketing agreement, but where at least two-thirds of the growers desire to have an agreement, the Secretary may issue an order containing the terms of the agreement, if such action be approved by the President, and the Secretary has determined that two-thirds of the producers favor the issuance of such an order. When 80 percent of California citrus handlers refuse to sign an agreement, the Secretary may still issue an order, provided that 80 percent of the producers favor issuance of the order, and such order is approved by the President.

"Orders may be terminated at the end of a marketing year when the Secretary finds that an order, or a provision of an order, obstructs or does not tend to effectuate the purpose of the Act, or when a majority of the producers

of the commodity favor termination of the order.

"For violation of orders, immediate injunction may be had against violators, and it is also provided that a fine of from $50 to $500 may be imposed."

The Act as now amended, ______________________ pointed out, does not affect those marketing agreements and licenses now in force, but it is believed that new agreements, supported by orders, will be substituted as rapidly as possible.

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WEEKLY NEWS SERIES, No. 498
(Corn-Hog Story)

AAA AMENDMENTS IMPORTANT FOR CORN-HOG MEN

Farmers cooperating in the corn-hog production adjustment program have had their contracts, adjustment payments, and the processing taxes legalized and ratified by Congress through the amendments to the Agricultural Adjustment Act.

The processing tax rates fixed by Congress are those now in effect -- \$2.25 per hundred live weight on hogs and 5 cents per bushel on corn. These rates are to remain in effect until December 31, 1937, unless it is found necessary to adjust them in order to effectuate the declared policy of the Act, or unless certain conditions occur as set forth in the amendments. After 1937, authority has been given the Secretary of Agriculture to issue regulations determining the tax rates in accordance with the formulae and standards prescribed by the Act.

The Secretary of Agriculture has been given authority to increase processing tax rates by not more than 20 percent in order to offset refunds on exports and on products exempt from tax because of their use by charitable and State institutions. He is required to reduce the rates, however, if investigation shows that these rates cause a sufficient decrease in consumption to bring about an accumulation of surplus stocks or depress prices. If the average farm price for corn or hogs during a period of 12 months -- the last two months of the previous marketing year and the first 10 months of the current marketing year -- is above fair exchange value, downward adjustments are required in corn and hog processing taxes.

Under the new program, mortgage interest rates and tax rates per acre are taken into consideration, along with the price of articles farmers buy, in

determining parity price of fair exchange value of basic agricultural commodities.

In addition to payments for adjustments in production, benefit payments have been authorized for removal of surpluses, for the expansion of foreign and domestic markets, and on the production of the domestically consumed part of basic agricultural commodities. Thirty percent of annual customs receipts may be used to aid in making payments for accomplishing these objectives.

Corn loans, which have been announced as a part of the 1935 corn-hog program, will be one phase of the ever normal granary plan which has been provided for in the amendments. This plan provides for the storing of surplus corn and other grains on the farm until they are needed, thus insuring against possible shortages and wide price fluctuations. The plan will not only aid producers to take advantage of price increases, but will tend to stabilize supplies and prices and indirectly to maintain a more constant level of livestock production.

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10349 (9-5-35)

United States Department of Agriculture, Extension Service and
Agricultural Adjustment Administration, Cooperating
Washington, D. C.

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WEEKLY NEWS SERIES, No. 499
(General Story)

AMENDMENTS HAVE BASIS FOR EVER NORMAL GRANARY

A basis for the ever-normal granary, under which farmers may receive short-time credit on stored farm products to relieve them of forced marketing, and at the same time to provide adequate reserves of agricultural commodities to protect consumers from shortage, is incorporated in the amendments to the Agricultural Adjustment Act.

The amendments make possible for the first time a national program of this type. The basis of the ever-normal granary is the familiar idea of crop loans on commodities which can be stored without damage. The corn loans of 1933 and 1934 were good examples of how such loans can take surpluses off the market for use in years of shortage, and give farmers the full benefit of price increases.

The ever-normal granary plan would provide protection for both consumers and producers and protects both the Government and the farmers from loss through the provisions which authorize the Secretary to make payments in kind.

Under this plan, in bumper crop years the Government would make loans at low rates of interest on farm products that could be stored on the farm, or near the farm. Such stored commodities would be definitely off the market and thus would not depress market prices. If, in the next year, supplies were smaller and prices were higher, farmers could pay off the loans and sell the stored commodities. But, if prices stayed low, they might elect not to repay the loans but

instead to let the Government take title to the pledged commodities.

In the past, the weak point of loans on farm commodities has been that there was no means by which the commodity pledged for a loan could be absorbed. It thus became a surplus. However, the amendments provide that the Adjustment Administration could use some of the proceeds of processing taxes to take title to the stored commodities, without moving them from the farms, and could arrange with producers to make adjustments which would offset the surplus, and to receive the stored commodities in payment for such adjustments. Thus the surplus would be absorbed, and at the same time consumers would be protected from any possible shortage, as the stored commodity would guarantee adequate consumption reserves.

"The amendments specify that such arrangements with producers must be voluntary, and that in turning back commodities to producers in lieu of adjustment payments, such commodities must be the same as those in connection with which the adjustment payment is being made -- except that corn may be used in connection with hog adjustment. This means that wheat farmers could, if they wished, take wheat instead of cash benefit payments, and corn or hog producers could take corn in lieu of cash benefit payments, provided this was done as part of an adjustment program.

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United States Department of Agriculture, Extension Service and
Agricultural Adjustment Administration, Cooperating
Washington, D. C.

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WEEKLY NEWS SERIES, No. 500
(Tobacco Story)

TOBACCO ACT EXTENDED BY AMENDMENTS

Further provisions to place the tobacco industry on a sound economic basis are embodied in the new amendments to the Kerr Tobacco Act passed at the last session of Congress, it is pointed out by ______________________.
(State official or county agent)

Amendments to the Kerr Tobacco Act provide for the extension of this act to April 30, 1939. The amendments also stipulate that the tax shall be in effect with respect to any type of tobacco for any year the growers controlling two-thirds of the land customarily engaged in the production of that type of tobacco favor the tax. Provision is also made for simplification of the method of conducting the referendum.

Under the provisions of the act as originally passed, the Secretary of Agriculture was authorized to issue tax-payment warrants to noncontracting producers who could not obtain an equitable allotment under the contract. The amount of tobacco, in any county, for which warrants could be issued was limited to 6 percent of the amount of tobacco for which warrants were issued to contracting producers in that county. The act, as amended, makes available for issuance by the Secretary of Agriculture, warrants covering an amount of tobacco of any type equal to 3 percent of the amount of tobacco of such type for which warrants are issuable or issued to all contracting producers. In view of the fact that 95 percent of the tobacco grown from 1931 to 1933, inclusive, was produced by growers now under contract, it is thought that, with the change from the county basis for issuing tax-payment warrants to noncontracting growers, a more equitable distribution of

available allotments among such growers can be made.

The Kerr Tobacco Act as amended also provides that the Secretary of Agriculture shall issue tax-payment warrants to a person who because of religious or moral scruples is unwilling or unable to become a contracting producer, provided the tobacco produced by such noncontracting grower is no more than the quantity that could have been grown under contract.

By the amendments, the proceeds of the taxes collected under the Kerr Tobacco Act are made available to the Secretary of Agriculture for rental or benefit payments to growers participating in the tobacco production program.

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WEEKLY NEWS SERIES, No. 501
(Wheat Story)

AAA AMENDMENTS MEAN GAINS FOR WHEAT FARMERS

The amendments to the Agricultural Adjustment Act passed by the last session of Congress enable wheat farmers to hold gains already made by validating all the adjustment payments, processing taxes, and programs already in effect.

The amendments also enact into law until December 31, 1937, the present wheat processing tax rate of 30 cents a bushel. In general the tax is to be the difference between the average farm price and the parity price, plus not more than 20 percent of the difference to cover credits, refunds, and exemptions.

An important feature of the amendments provides that farm mortgage interest rates and tax rates per acre must be considered in computing the fair exchange value of a commodity. This would increase the fair exchange value of wheat about 3 cents a bushel, based on the price on July 15.

If wheat prices reach or go above parity, certain minimum taxes may be levied to assure continuity of the programs. These taxes are to be based upon the prices during the first 10 months of a marketing year and the last two months of the preceding marketing year. Provision is made for adjustment of the processing tax rate in accordance with a specified formula. If this provision should be determined an improper delegation of authority, the tax rate reverts to 30 cents per bushel as set by Congress.

Wheat farmers have an added protection against new surpluses through the amendments that allow payments for removal of surpluses, for expansion of domestic or foreign markets, or for the production of the domestically consumed portion of

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any basic agricultural commodity. Such payments would be financed from the 30 percent of gross customs receipts appropriated by Congress for this purpose.

Under the ever-normal granary plan provided in the amendments, if the need arose, wheat could be stored in years of heavy production for use in years of possible shortage.

Another protection which the amendments give to wheat farmers is found in the provision making it possible for the President to limit imports of commodities competing with commodities for which adjustment programs are in effect.

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WEEKLY NEWS SERIES, No. 502
(General Story)

AAA AMENDMENTS PROTECT FARMERS FROM IMPORTS

Provisions added to the Agricultural Adjustment Act by the recently enacted amendments can be used to protect American farmers from undue competition of imported agricultural products, according to ______________________.
(State official or county agent)

Under the act as amended, ______________ points out, the President is given authority to limit imports of any agricultural commodity which tends to render an agricultural adjustment program ineffective. If the President has reason to believe the imports of a commodity, or articles made from it, are tending to offset the beneficial results of any adjustment program, he is directed to have an immediate investigation made by the United States Tariff Commission. Such investigation shall be given preference over others.

If the investigation indicates that imports are tending to nullify the adjustment program, the President is directed to set quotas to limit the total quantities of such commodities that may be imported. Quotas limiting imports, however, cannot reduce the average annual imports of a commodity by more than 50 percent of the annual average imported during the period July 1928 to July 1933.

"It should be emphasized," said ______________, "that the imports of agricultural products during the past year did not affect the adjustment programs, as they were really not displacing products which American producers had for sale. They were supplementing drought shortages in American supplies. Furthermore, the presence of some imports was concrete evidence that American farmers were receiving prices for the first time in many years that were above the world price plus the tariff."

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WEEKLY NEWS SERIES, No. 503
(General Story)

REDUCED MEAT SUPPLY RESULT OF THE DROUGHT

That the temporary shortage of meat supplies and current reduced numbers of livestock on farms are the direct result of last year's unprecedented drought is pointed out by ______________________, ____________ county agricultural agent.

What many people, city consumers in particular, fail to realize is the close relationship that exists between meat supplies and livestock feed supplies, Mr. _________________ says. Therefore consumers have been easily misled by those opposed to agricultural adjustment into believing that current small livestock and slaughter supplies have resulted from the so-called "little pig program" of two years ago, the 1934 corn-hog contract, and the drought livestock purchases last year.

Meat supplies are determined by the number of livestock coming to market, and market supplies of livestock depend largely upon the quantity and cheapness of feed available. When the harvest of feed is small -- as was the case last year -- the numbers of livestock going to market the following year is always small.

This is especially true with regard to hogs, Mr. ________________________ continues, for each year hogs consume nearly one-half of the Nation's corn crop. Last year the corn crop was cut a billion bushels by one of the worst droughts in the history of this country; hence the sharp reduction in the hog population and the small numbers of hogs now going to market.

The production of oats and barley dropped more than 50 percent, and the total supplies of feed grains harvested in 1934 equalled but 60 percent of the

average for the five years from 1928 to 1932. Hay production, upon which cattle depend heavily for winter feed, dropped over 40 percent from the five-year average, and in many sections pastures failed completely. This great reduction in feed supplies can only be attributed to last year's drought, County Agent ___________ explains, for the harvest of hay and emergency crops and crops planted on the 36 million acres held out of corn, wheat, cotton, and tobacco more than equalled in feeding value the amount of corn that may have been raised last year on the 13 million acres held out of corn.

As a result of greatly reduced crops of feed grains, hay, and forage by the drought last year, large numbers of livestock were sold to bring about a balance between livestock and feed supplies in order that remaining animals on farms could be maintained through the winter and spring and until a new crop of feed would become available. But this forced liquidation, Mr. _______________ points out, would have been much greater and more severe on consumers if the adjustment programs affecting meat animals had not brought about an advanced reduction of hog numbers and thereby saved millions of bushels of corn and other feed for use last fall and winter when livestock feed was greatly needed.

Livestock and slaughter supplies will continue short throughout the year. Recent Government reports, however, are encouraging: the number of sows to farrow this fall will be about 20 percent higher than last fall; hogs will be marketed at heavier weights this winter than a year ago; and larger marketings of grain-fed cattle are expected on the market during the first half of 1936 than during the corresponding period in 1935. It is anticipated, therefore, that the shortage in meat supplies will terminate by next spring.

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United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 504
(General Story)

MORE PORK NOW RESULT OF PIG AND SOW BUYING

Hog slaughter probably would have been smaller this summer without the advance adjustment in hog numbers brought about by the emergency pig and sow buying program nearly two years ago and the 1934 corn-hog program, it is pointed out by ______________________ (State official or County Agent) in reviewing the beneficial effects of the adjustment programs prior to the unprecedented drought last year.

The slaughter of the 6,200,000 pigs in the fall of 1933 brought about a timely adjustment in hog numbers in advance of the drought and saved from 60 to 70 million bushels of corn which otherwise would have been used to finish these animals for market during the late winter and early spring of 1934 when the hog and pork markets were already glutted, Mr. ____________ says.

If these pigs had been finished for market they would not have increased the present supply of meat, for pork products are relatively perishable and rarely held in storage over six months. The feed saved to carry a larger number of animals through the drought period has increased the amount of meat available to consumers this summer.

Smaller spring farrowings under the 1934 corn-hog contract helped to bring about a further material reduction in hog numbers in advance of the drought and thereby provided for a more orderly liquidation of hog numbers -- a liquidation that was made necessary because of the extreme shortage of feed. Without this advanced adjustment, a drought-relief pig buying program would have been necessary

last summer, the hog market would have been demoralized, a much larger number of spring pigs would have been sacrificed at light weights, and much valuable feed would have been virtually wasted starting pigs which could not possibly have been fed out in view of the feed shortage.

In summarizing the situation recently, G. B. Thorne, director of the division of livestock and feed grains in the Agricultural Adjustment Administration, said: "Obviously, these benefits of the adjustment programs were unforeseen when the programs were put into effect, but the advantages which were gained are none the less real. The planned reduction in hog numbers by the amount formerly but no longer exported served, by chance, to minimize the severity of the more drastic reduction which the drought would have brought about."

In addition, the 1933 corn loan program assisted farmers to store 270,000,000 bushels of corn -- one-tenth of the normal crop -- on their farms and carry a substantial portion of it forward into 1934 when it was greatly needed. The liberalization of all corn, wheat, cotton, and tobacco contracts to permit the planting of emergency crops on more than 36 million contracted acres, more than offset the amount of corn that might have been raised last year on the 13 million acres held out of corn by contract signers.

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WEEKLY NEWS SERIES, No. 505
(General Story)

REPORT SHOWS STATE PROGRESS IN BANG'S TEST

A total of _____ herds of cattle in the State of __________ have been tested for Bang's disease during the 13 months ending August 1, 1935, according to

____.
(County agent or State agricultural college official)

The Bang's disease eradication program is now under way in all States except California and Wyoming, where plans are being made for early participation in this testing work.

The number of cattle contained in the herds which have been tested for Bang's disease in ____ total _______ head. Of the _______ herds tested, ______ herds were found to be infected with Bang's disease. These infected herds contained ________ cattle of which ____ were reactors to the test. Of the total number of cattle in herds found to be infected with Bang's disease, ____ percent were reactors. Only ____ percent of all cattle tested in this State for Bang's disease reacted to the test.

Eradication of Bang's disease is being carried out on a Nation-wide scale on a cooperative basis between the states and the Federal Government. The work is conducted by the Bureau of Animal Industry of the United States Department of Agriculture, under rules and regulations prescribed by the Secretary of Agriculture. Funds for this program were made available to the Agricultural Adjustment Administration by the LaFollette amendment to the Jones-Connally Act. The Nation-wide testing program started in July 1934. Indemnities are paid to owners of cattle which show a positive reaction to the Bang's disease test. Additional funds for

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the continuance of the testing work were made available by the first session of the Seventy-fourth Congress which just closed.

For the country as a whole, a total of 237,483 herds were tested for Bang's disease in the 13 months ending August 1, 1935. These herds contained 3,654,604 head of cattle. Of the herds tested, 89,463 herds were found to contain infected cattle. The number of cattle in infected herds totaled 2,020,637 of which 410,846 were found to be reactors to the Bang's disease test. On a percentage basis, 20.33 percent of the cattle in infected herds reacted. Of the total number of cattle in all herds tested, including necessary retests, 11.24 percent were found to react to the Bang's disease test.

(more)

Summary of Bang's Disease Work; July 1, 1934 to August 1, 1935, inclusive

State	Herds Tested	Number of Cattle in These Herds	INFECTED				
			Herds	Number of Cattle in These Herds	Number of Reactors	% Reactors in Infected Herds	% Reactors of Total Cattle Tested
Me.	703	12,102	314	6,941	1,561	22.49	12.90
N. H.	328	7,433	169	4,369	794	18.17	10.68
Vt.	413	13,054	247	9,212	1,804	19.58	13.82
Mass.	89	3,060	56	2,111	424	20.09	13.86
R. I.	20	865	11	543	57	10.50	6.59
Conn.	218	7,158	136	4,876	847	17.37	11.83
N. Y.	1,366	34,951	838	26,147	3,661	14.00	10.47
N. J.	284	16,122	204	14,612	1,159	7.93	7.19
Pa.	7,721	128,053	2,299	58,510	10,918	18.66	8.53
Ohio	19,358	215,418	6,486	93,950	23,922	25.46	11.10
Ind.	9,743	127,789	4,704	76,393	16,437	21.52	12.86
Ill.	3,973	75,666	2,442	53,848	13,564	25.19	17.93
Mich.	6,109	88,804	2,700	48,286	10,923	22.62	12.30
Wis.	38,239	680,281	15,981	354,113	81,787	23.10	12.02
Minn.	30,990	490,204	12,988	256,750	52,673	20.52	10.75
Iowa	4,849	94,351	2,951	68,598	15,652	22.82	16.59
Mo.	10,068	138,026	3,539	68,512	12,559	18.33	9.10
N. Dak.	3,003	46,462	631	13,522	3,166	23.41	6.81
S. Dak.	56	1,504	37	1,259	208	16.52	13.83
Nebr.	1,755	29,604	783	17,825	3,523	19.76	11.90
Kans.	1,810	49,357	1,170	38,656	8,212	21.24	16.64
Del.	541	10,769	250	5,894	1,089	18.48	10.11
Md.	1,478	26,294	778	17,378	3,562	20.50	13.55
Va.	13,473	159,985	3,456	79,266	11,527	14.54	7.21
W. Va.	8,344	70,191	1,373	22,624	4,147	18.33	5.91
N. C.	2,439	56,807	1,175	36,343	5,021	13.82	8.84
S. C.	943	24,893	395	16,449	1,942	11.81	7.80
Ga.	592	23,324	289	15,575	2,670	17.14	11.45
Fla.	1,168	48,813	823	42,067	10,544	25.06	21.60
Ky.	9,094	107,693	2,542	46,631	9,849	21.12	9.15
Tenn.	2,066	47,844	1,223	34,662	6,796	19.61	14.20
Ala.	515	36,809	338	22,799	4,979	21.84	13.53
Miss.	856	25,198	724	23,766	4,113	17.31	16.32
Ark.	4,971	46,740	1,027	23,819	5,045	21.18	10.79
La.	213	8,100	124	6,108	971	15.90	11.99
Okla.	7,049	153,838	4,125	112,066	19,401	17.31	12.61
Tex.	2,031	91,088	1,366	77,037	16,068	20.86	17.64
Mont.	1,285	30,571	581	19,023	3,959	20.81	12.95
Idaho	5,534	67,064	1,595	27,153	4,864	17.91	7.25
Wyo.	0	0	0	0	0	0	0
Colo.	35	2,467	24	2,276	183	8.04	7.42
N. Mex.	538	11,825	152	7,274	960	13.20	8.12
Ariz.	231	6,348	120	4,599	757	16.46	11.93
Utah	2,722	27,866	1,022	17,441	2,820	16.17	10.12
Nev.	855	18,390	414	13,332	1,691	12.68	9.20
Wash.	10,344	105,163	2,700	52,606	9,858	18.74	9.37
Oreg.	19,071	186,261	4,161	75,416	14,179	18.80	7.61
Calif.	0	0	0	0	0	0	0
U. S.	237,483	3,654,604	89,463	2,020,637	410,846	20.33	11.24

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WEEKLY NEWS SERIES, No. 506
(General Story)

DAIRY PRODUCTS
BOUGHT BY AAA
FOR RELIEF USE

A total of 66,257,659 pounds of butter, valued at $15,677,768, was bought for relief distribution in the Government's dairy products purchasing program from its beginning in August 1933 to the middle of September of this year, according to figures supplied by the Agricultural Adjustment Administration to ______________ (County agent or ______________ State extension official). Of this total, a little over 3,000,000 pounds remains to be delivered.

Other purchases of dairy products by the Government since August 1933 include: Cheese, 17,970,382 pounds, valued at $3,041,820; dry skim milk, 13,488,463 pounds, valued at $845,150; evaporated milk, 37,595,984 pounds, valued at $1,974,647. All of these products had been delivered to the Government for relief distribution up to the middle of September of this year, with the exception of 5,000,000 pounds of dry skim milk which remained to be delivered.

From the beginning of flush spring production about March 1, 1935, to the middle of September, the Government purchased for relief distribution a total of 1,215,404 pounds of butter, valued at $192,455.81; 5,292,171 pounds of cheese, valued at $961,419.46; 8,324,280 pounds of dry skim milk, valued at $496,012.28; and 36,621,584 pounds of evaporated milk, valued at $1,923,849.14.

Under the purchase program persons on relief have been supplied with much-needed dairy products; abnormally large, price-depressing storage stocks have been reduced, and a considerable degree of stability has been restored to the market for these products, with benefit to milk producers.

Dairy products have been purchased largely with funds made available to the Agricultural Adjustment Administration in special appropriations by Congress and advances from the Treasury under the terms of the Agricultural Adjustment Act. They are distributed for relief purposes by the Federal Surplus Relief Corporation.

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WEEKLY NEWS SERIES, No. 507
(General Story)

AAA CONTRACTS FOR BASIC CROPS ARE SIMPLIFIED

Adjustment contracts for basic crops are becoming more simplified, especially with regard to adjusted acreage, it is pointed out by Chester C. Davis, Administrator of the Agricultural Adjustment Act.

"During three seasons of experience", Mr. Davis said, "the AAA has developed basic commodity contracts that are unified in their essentials, and are greatly simplified. The replacement crop feature in particular has been improved, so that contracting farmers can develop their own sound rotation systems by using the acres of their farms for the purposes which suit them best, and still protect producers of other commercial crops from competition.

"The new wheat and tobacco contracts leave free play for the best farming practices that fit each particular farm in adjusting the use of land shifted from wheat and tobacco to other constructive uses."

Each of the new contracts now reads:

> Use of Adjusted Acreage and Other Land--To use on this farm in each contract year in which the contract is operative, for soil-improving or erosion-preventing crops, pasture, fallow, forest trees, and such other purposes as the Secretary (of Agriculture) may prescribe, an acreage not less than the normal acreage devoted to such uses on this farm plus an acreage equal to the adjusted acreage under this and all other contracts with the Secretary with respect to this farm.

Under the early contracts the contracted acres were definitely marked off in the fields where the crop under contract was grown.

Mr. Davis said that he expects that this simplified principle will be followed in other new contracts.

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WEEKLY NEWS SERIES, No. 508
(Peanut Story)

PEANUT VALUES ON FARM SHOW GAIN SINCE AAA

Since the agricultural adjustment program on peanuts was initiated the farm value of this product increased to $20,913,000 in 1933 and to $29,671,000 in 1934, according to ______________________ (State Extension Official or County Agent). In 1932, prior to the initiation of the A. A. A. peanut program the farm value of the crop was $12,947,000.

The present outlook indicates that the farm value of the 1935 peanut crop will be nearly the same as that of the 1934 crop. In addition, growers will receive benefit payments of about $3,582,783 under their 1935 contracts. There were no benefit payments either in 1933 or 1934.

The acreage allotted under 1935 peanut production adjustment contracts for ______ (State) is ________ acres, while the total allotted acreage under such contracts for the 12 peanut producing States is 1,256,920 acres. Benefit payments for 1935 to growers in ________ are expected to total $____________.

A recent hearing was held in Washington, D. C. upon a proposed peanut adjustment and peanut diversion program. The terms of a proposed new 1936-1939 contract for adjustment in acreage or in production for market of peanuts and for rental or benefit payments in connection with such adjustment contracts were studied.

Consideration also was given at the hearing to the terms of a proposed plan for removing quantities of peanuts grown in 1935 from the normal channels of trade and commerce. Under this proposal peanuts would be used for oil manufacture and certain payments in connection with the plan would be arranged.

The diversion payment for peanuts diverted to oil in 1934 amounted to

$750,583.15 for 76,555 tons of peanuts. The quantity remaining from the 1934 crop for the normal edible trade was about 380,000 tons which was larger than the average consumption for the years 1924 to 1930 by about 13 percent.

The current average farm price for peanuts is 3.25 cents a pound while the fair exchange value is 6 cents a pound.

1935 Allotted Acreage and Estimated Benefit Payments

	Allotted Acres	Estimated Benefit Payments
Virginia	138,602	$546,729
North Carolina	217,444	985,101
Tennessee	4,818	17,668
Georgia	447,686	1,030,078
Florida	47,462	100,857
South Carolina	5,367	13,080
Alabama	189,301	452,218
Texas	181,927	367,493
Oklahoma	33,807	68,290
New Mexico	477	1,207
Kentucky	9	18
Arkansas	19.8	44
Total	1,266,919.8	$3,582,783

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WEEKLY NEWS SERIES, No. 509
(Wheat Story)

WHEAT TAX IS SMALL FACTOR IN DISCOUNTS

The discounts which spring wheat farmers are receiving on the light weight wheat of this year's crop, are due mainly to factors other than the processing tax, according to officials of the Agricultural Adjustment Administration. Much of the crop graded low test because of the prevalence of rust and because of the excessive heat during the ripening period.

Although slightly more light weight wheat than ordinary weight wheat is required to make a barrel of flour, the processing tax on the extra wheat is only a small proportion of the total discounts which the farmers are taking.

The A. A. A. points out that in cases where the discount amounts to as much as 30 cents a bushel for 50-pound wheat, the amount that actually can be attributed to the processing tax figures out to about 4 cents a bushel, when the wheat is made into flour.

In 1916, when rust damage was comparable to that of this year and there was no processing tax, discounts were also heavy. The factors usually considered as causes of discounts of the light weight wheat are (1) that it requires somewhat more of the low test weight wheat to make a barrel of flour; (2) the cost of milling the lighter wheat is higher; (3) the flour produced from light weight wheat is of less value than that produced from heavy weight wheat because a smaller proportion of the total flour is patent grade; (4) the uncertainty on the part of the buyer as to the ability of the operating miller to handle a large quantity of such wheat in the mill, and (5) a large supply of low test weight wheat tends to depress

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the price of low grade wheat out of proportion to the price paid for higher grades.

Baking tests made by the Department of Agriculture show that the light weight wheat makes flours which are high in protein, have good baking strength, give good loaf volume and texture of bread and indicate an ability to carry a fair percentage blend of flours of much lower protein content, but that the bread produced is of darker color, and higher ash content. It is the last two factors that present the chief problems to the millers, as these factors are important in commercial baking.

Based upon past milling and baking experiments of the Department of Agriculture, the number of bushels of clean wheat needed at various test weights to produce a barrel of flour is as follows:

With wheat weighing 60 pounds per measured bushel, 4.60 bushels; with 56-pound wheat, 4.8 bushels; with 54-pound wheat, 4.96 bushels; with 52-pound wheat, 5.14 bushels; and with 50-pound wheat, 5.26 bushels.

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WEEKLY NEWS SERIES, No. 510
(Tobacco Story)

CIGAR TOBACCO INCOME DOUBLES WITH A.A.A. HELP

Farm income from cigar-leaf tobacco was about 80 percent more in 1934 than in 1932. Acreage required to produce the 1934 crop was 60 percent less than that required for the 1932 crop. These results were attained under the Agricultural Adjustment program according to ____________________.
(State extension official or county agent)

Farm income of cigar-leaf tobacco was approximately $17,000,000, including benefit payments, in 1934. Prior to the initiation of a cigar-leaf tobacco program under the Agricultural Adjustment Act, the farm income of the 1932 crop was $9,500,000.

In 1932, 130,000 acres were planted to cigar-leaf tobacco, whereas in 1934 only 52,000 acres were planted.

The 1935 income from 63,500 acres of all types of cigar-leaf tobacco, including benefit payments, is expected to be slightly more than last year's income.

The benefit payments for 1935 will be somewhat reduced but the estimated increased tobacco income will more than offset this reduction. All benefit payments made to cigar-leaf growers come from the cigar-leaf tobacco industry.

Of the 41,000 cigar-leaf tobacco growers in the United States and Puerto Rico in 1935, 37,000 are operating under contracts or agreements with the Secretary of Agriculture.

All of the Connecticut Valley Shade-Grown tobacco, type 61, was produced subject to the marketing agreement and license for that type of tobacco in 1935. Georgia-Florida Shade-Grown tobacco, type 62, was produced on 217 farms, all of which were covered by contracts with the Secretary of Agriculture in 1935.

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All except about 100 farms on which cigar binder tobacco was produced in 1935 were covered by contracts with the Secretary. Of the farmers producing filler, types 41-44, in 1935, less than a thousand were not under contract with the Secretary. The majority of the above filler type growers who refrained from signing contracts are located in Pennsylvania and failed to sign because of religious or moral scruples.

Under the adjustment program the surplus supply of cigar-leaf tobacco has been reduced 180,000,000 pounds during the past three years. The excess supply on October 1, 1935 is estimated to be 64,000,000 pounds.

Cigar tobacco producers who attended a recent conference in Washington in connection with the proposed 1936-1939 contract were unanimous in their expressions of desire to continue the cigar tobacco program. They also testified that cigar tobacco producers throughout the United States are in a much better financial position, as a result of three years of production adjustment, than they have been for many years past, despite the fact that some farmers still hold stocks of old tobacco in excess of normal stocks.

The 1936-1939 contract for domestic filler and binder producers will be available to the farmers before the marketing season for the 1934-1935 crop is well under way. Some of the features embodied in the new contract are as follows:

The contract will cover the four-year period 1936-1939. Any farm that was eligible in 1935 for a cigar tobacco contract may be covered by a new contract, this contract to be subject to termination by the grower or by the Secretary at the end of any year.

The base acreage under the 1933-1935 contract will be used with such adjustments as will make the base more equitable between farms, and more nearly in line with the amount of tobacco required for consumption and the amount of tobacco planted on each farm in recent years.

The maximum reduction from the base required under the new contract will be 40 percent.

The adjustment payment under the new contract will be divided among the operator, share-tenants, share-croppers, and landlord in the same proportion that each shares in the total acreage of tobacco produced on the farm in each year in which the contract is in effect. Share-tenants and share-croppers will be safeguarded against loss of their proportionate share in the tobacco crop during any year in which the contract is in effect.

The adjusted acreage on each farm, which is that part of the base tobacco acreage that is required to be left out of tobacco production, under the contract will be devoted to pasture, soil-conservation, crops for home consumption, or may be fallowed.

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United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 511
(Cotton Story)

TAX-EXEMPTION CERTIFICATES TO BE AT 5 CENTS

The transfer price of cotton tax-exemption certificates issued to producers under the Bankhead Act has been lowered from 5 cents to 4 cents per pound effective October 21, according to an announcement of the Agricultural Adjustment Administration received by ____________________. These certificates permit the ginning and sale of cotton without paying the Bankhead tax, up to the amount represented by them.

The change in price of certificates makes it necessary to close immediately the Special Surplus Cotton Tax-Exemption Certificate Pool, and to open a new pool. The Special Pool was opened several months ago for the transfer of certificates between cotton producers. Sales of the Special Pool were terminated October 19, 1935. It will be liquidated as soon as returns of sales are completed and the operations have been audited. Producers participated in the Special Pool under trust agreements stipulating that they would receive five cents per pound on their pro rata shares of the amount of the certificates which could be sold by the pool.

Approximately 40 percent of the certificates placed in the Special Pool have been sold and 191,557 participating producers will be offered an immediate opportunity to transfer their pro rata shares of the unsold certificates to the regular 1935 National Surplus Cotton Tax-Exemption Certificate Pool about to be opened, E. L. Deal, Certificate Pool Manager, said. Certificates from the new pool will be sold at the new transfer price of four cents.

Otherwise, a producer's pro rata share of the unsold certificates will be

delivered to him as soon as practicable after the pool is liquidated. Funds received from sales by the Special Pool will be prorated and distributed to participants in it upon completion of the auditing of their individual accounts, after expenses are deducted.

The National Pool, which operated in 1934, distributed $15,842,162.91 to 402,074 participating producers in 18 cotton-growing States. Producers who bought certificates from the National Pool saved approximately $6,680,000. This was the difference between the price of the certificates made available by the pool and the established tax rate for the 1934-35 crop year. That pool was operated at a cost slightly greater than one percent of the gross cash receipts. The expense was borne by the participants.

Mr. Deal has advised producers now holding a surplus of certificates to surrender them to the 1935 National Pool inasmuch as present indications point to only a slight margin between the latest Government crop estimate of 11,464,000 bales and the approximate total of all certificates available for use during the current crop year. It is believed that the maximum carry-over in surplus certificates for the current crop year will not exceed 200,000 bales. If the producers do not live in the same State, transfers of certificates between producers must be handled by the National Pool.

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WEEKLY NEWS SERIES, No. 512
(General story)

MARKET ORDERS
REPLACE LICENSES
FOR SPECIAL CROPS

Under amendments to the Agricultural Adjustment Act recently adopted, marketing agreements are supported by Orders in place of Licenses, according to ______________________________________.
(State Extension official or county agent)

The crops for which Congress has authorized marketing agreements and orders are fresh and dried fruits, except apples and except all fruits for canning other than olives; vegetables, including canned asparagus but no other vegetables for canning; pecans and walnuts; naval stores; soybeans; milk, and tobacco.

In accordance with these changes in the Act, hearings on new agreements supported by orders now are in progress. The first of these - an agreement supported by an order covering English walnuts - has already gone into effect.

The Agricultural Adjustment Administration has followed the policy of leaving the initiative in working out marketing agreements to the industry affected. Before an agreement is put into operation, the Agricultural Adjustment Administration makes certain that the program is practical of administration and that a majority of growers indicate their desire for the agreement. At the time the amendments were passed, 23 marketing agreements, which had been sought by the industries concerned, were in operation.

In each of these, control of a potential surplus situation has been effected through means best adapted to each particular crop. Most of the existing agreements cover tree crops which were not subject to acreage control,

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and therefore other principles have had to be followed to effect the desired results.

For improving the situation of growers of canning peaches and asparagus in California, the principle adopted has consisted of fixing the quantity to be canned for the season. In the case of prunes, raisins, and walnuts, reserve percentages, representing quantities that would tend to create surpluses, have been impounded, to be handled later when and as deemed best by the control committee. In the case of a number of commodities, minimum prices to be paid producers have been set up, and in others, the grade, size, and quality that can be shipped have been limited. A number of agreements have produced the desired results through setting up the volume to be shipped during specified successive periods, as in the case of California deciduous tree fruits, Tokay grapes, Florida celery, California fresh asparagus, early potatoes, and California oranges and grapefruit.

The 23 marketing agreements in effect at the end of 1934 represented crops having a farm value in 1934 of $244,266,000, as against a farm value in 1933 of $196,755,000. The number of producers interested in the production of these crops was estimated at approximately 211,400.

Administration of these agreements and licenses has been conducted by control boards, or committees, nominated by the industry and appointed by the Secretary. The members of these committees are selected from growers, shippers and others, and vary in number according to the terms of the various agreements. The duties of the committees have been in general to supervise the operation of the agreements and licenses, to act as intermediaries between the Secretary and licensees, and to investigate and report violations.

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WEEKLY NEWS SERIES, No. 513
(Cotton Story)

RATE OF BANKHEAD
TAX IS FIXED AT
5.45 CENTS POUND

The price of 10.90 cents per pound for lint cotton has been determined by the Agricultural Adjustment Administration as the average of the prices on the 10 designated spot cotton markets for a representative period. This average is used as the base for determining the rate of the tax on the ginning of cotton under the Bankhead Act, says ______________________ (State Extension official or County Agent). This determination by the Secretary of Agriculture, under the Act, automatically fixes the new tax rate at 5.45 cents per pound of lint cotton. This new rate became effective October 21.

The Bankhead Act, following a vote of 89.5 percent of the cotton producers who participated in the referendum last December, was continued in operation for the present crop year. It has been in operation since April 21, 1934.

Cotton produced in excess of allotments under the Bankhead Act is subject to the ginning tax. This tax is 50 percent of the average central market price of 7/8-inch middling spot cotton on the 10 designated spot cotton markets for a representative period. The tax, according to the Act, may not be less than five cents per pound of lint cotton.

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WEEKLY NEWS SERIES NO. 514
(Potato Story)

POTATO PROGRAM
OBJECTIVE STABLE
PRODUCTION, PRICE

Elimination of the wide fluctuations in potato production and prices is the chief objective of the potato program proposals which representatives of the Agricultural Adjustment Administration discussed with growers, handlers and State extension officials in the chief potato producing areas of the country in a series of conferences which started October 21.

Discussions at these conferences include the proposed program for increasing returns from the 1935 crop, sales allotments for the 1936 crop, changes which growers have suggested for the Potato Act and other plans which have been suggested to the Agricultural Adjustment Administration for meeting the potato problem.

It was pointed out at these conferences that parity price to growers for the principal commercial areas is about a cent a pound and that in recent weeks growers in most areas received less than half of parity. The attitude expressed at the conferences was that the proposed program for the 1935 crop would be worth while if prices for this year's crop could be increased to about three-fourths of parity. This would represent an increase of fully 50 percent to growers, and an increase of less than 20 percent in consumers' cost. At present, in many sections, the growers' return is less than his out-of-pocket costs of producing his crop.

The proposed program for increasing returns to growers from their 1935 crop includes, first, a diversion plan under which growers would be paid 25 cents per hundred pounds for diverting to such uses as starch, potato flour or alcohol and livestock feed up to 10 percent of their crop from grades not lower than

(MORE)

U. S. No. 2; second, marketing agreements to regulate flow to market of interstate shipments from surplus producing states.

Hearings are being held on marketing agreements requested by growers and handlers in the states of Idaho, Wyoming, Colorado, Nebraska, North Dakota, South Dakota, Minnesota, Wisconsin and Michigan.

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WEEKLY NEWS SERIES, NO. 515
(Potato Story)

SPUD PRODUCERS, CONSUMERS GAIN FROM STABILITY

Both producers and consumers would benefit from the elimination of the wide fluctuations in potato production and prices, it is pointed out by Agricultural Adjustment Administration officials who have been conferring with potato growers, handlers, and State Extension officials in the important potato growing areas of the country.

Discussion at these conferences of wide fluctuations in potato production and price brought out the fact that consumers pay less and producers get more for crops of moderate size than the average for large crops and small crops. The difference in cost to consumers is accounted for by the difference in handling costs which are between 10 and 15 cents per bushel less for moderate crops than the average for large crops and small crops.

Producers receive about the same price per bushel for moderate crops as the average for large crops and small crops but their total returns are greater from moderate crops because they are able to move more potatoes into the channels of trade.

In small crop years, producers are unable to supply normal consumer demand and in large crop years demand is not elastic enough to absorb the increased supply. In the small crop year of 1925, producers received high prices but they lacked about 50 million bushels of having enough potatoes to supply normal consumer demand. In the large crop year of 1928, producers received low prices and had nearly 50 millions of bushels of potatoes more than consumers could use.

Stable prices and production would also tend to result in the elimination of inferior potatoes which are now marketed and consumers would receive better potatoes.

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WEEKLY NEWS SERIES, No. 516
(Corn Story)

45-CENT LOAN
ON CORN READY
ON DECEMBER

The 1935 corn loan of 45 cents a bushel which has just been announced will be administered much like similar loans made last year and the year before, ________________, county agent says. ________________ has received some information on the new loan from the Agricultural Adjustment Administration in Washington.

"Loans will be made to eligible farmers through the Commodity Credit Corporation", ________________ said. "The 1935 loan really is a continuation of the policy begun in 1933 with the idea of helping farmers market their crop in an orderly manner. Loans made to 213,000 farmers under the two earlier programs have been repaid 100 percent.

"The 1935 loans will be available on and after December 1. They will be made only to farmers who are cooperating in the AAA adjustment program for corn and hogs, and they will be made only in states which have uniform warehousing laws that cover storage of grain on farms.

"To be eligible for loans corn must be husked and stored in the ear in suitable cribs that are sealed in accordance with state law. Cribs must be so built that corn can be stored properly for two successive years. Loans will be made only on corn which would grade No. 3 or better if it were shelled. Under the two other loan programs the grade requirement was No. 4. The idea of that change is to encourage saving the better grades and feeding the lower grade corn as promptly as possible so as to prevent spoilage."

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WEEKLY NEWS SERIES, No. 517
(Corn-Hog Story)

941,403 FARMERS VOTE 6 TO 1 FOR CORN-HOG PROGRAM

Nearly a million farmers voted in the corn-hog referendum October 26, and the proportion of votes in favor of continuing the adjustment program was more than 6 to 1, ____________________ county agent announced, after receiving a tabulation of official returns from the Agricultural Adjustment Administration in Washington.

"All of the votes were not in when the tabulations were made", ____________ said. Those that were in showed a total of 941,403 ballots cast, with 813,063 farmers favoring a new adjustment program and 128,340 in favor of discontinuing adjustment.

"Nearly 200,000 farmers who are not signers of this year's contract voted. They favored having a new program by a margin of 2 to 1. Contract signers were more than 10 to 1 in favor.

"Last year 579,716 farmers voted on the same question. Two out of three of them favored the 1935 program. A vote of 44,026 of those who voted last year were not contract signers. Those voted two to one against having a program.

"Figures on the vote in ________________ (state) showed that farmers here were (stronger / about as strong / less strong) for a new program than the Nation as a whole. Out of ___________ votes cast, ______________ were in favor of a new program, and_____________ were against one. ___________ of those who voted were not contract signers. Contract signers voted____ to 1 in favor of a program. Nonsigners voted________ to 1 (in favor of / against) a program.

"Reports from Washington say that the AAA is getting ready to work out the details of a new contract with the help of representative corn-hog farmers."

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WEEKLY NEWS SERIES NO. 518
(General Story)

BREAD PRICE RISE ANALYZED BY AAA CONSUMERS COUNSEL

Tracing the trend of bread prices since the low point of 1933, Donald E. Montgomery, Consumers Counsel of the Agricultural Adjustment Administration, cites the changes in cost of ingredients and changes in bakers' and retailers' margins.

Retail bread prices and ingredient costs together touched bottom in February 1933. At that time the average loaf of bread sold at retail for 6.4 cents. Ingredients cost about 1.8 cents. Retailers' and bakers' margins were 4.6 cents. Out of this margin had to come all other costs connected with the baking and marketing of bread before any profit could be figured.

In the recovery years prices and costs started uphill and climbed fast. A drought in the spring wheat area in 1933 cut down some of the surplus. A processing tax of 30 cents per bushel of clean wheat added about one-half cent to the cost of a pound loaf. Due mostly to increase in flour prices, costs of ingredients at the end of 1933 reached 2.74 cents, retail bread prices had reached 7.9 cents, and bakers' and retailers' margins were 5.16 cents.

Then a terrific drought--the worst in 50 years--wiped out millions of bushels of wheat in 1934.

Drought also reduced the supply of hogs and shot up the price of lard, but, since less than a third of an ounce of lard is used in a loaf of bread, the price of lard could jump many cents before it would make a significant difference in the cost of a loaf.

At its high point in 1934, the price of white bread had reached 8.4 cents.

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Ingredients of a pound loaf cost 3.1 cents, so that bakers' and retailers' margins averaged close to 5.3 cents.

In the spring of 1935 an attack of black stem rust on the hard red spring wheat growing in North and South Dakota and Minnesota occurred. Rust not only reduced the quantity of wheat--it also caused a considerable amount of wheat to be low in test weight. "Low-test" wheat yields less flour and a lower proportion of high grade flour.

Flour prices started up in early September, but the increase in the different types of flour has been uneven. It has been highest in the case of flour made from hard red spring and winter wheats, but generally somewhat less in the case of flours from soft wheats. This difference in the increased price of various types of flours has major importance to bakers and consumers. If bakers use only types which have suffered most reduction in supply and greatest increase in price, their flour costs now probably are a third of a cent greater on a loaf than they were a year ago. Bakers who wish to keep their costs as low as possible, might be expected to use a larger proportion of cheaper flour now than ordinarily.

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WEEKLY NEWS SERIES, No. 519
(Corn-Hog Story)

COTTON EXPORTS
GAIN; EXCHANGE
KEY TO TRADE

Exports of American cotton show a gain of 119,000 running bales in October 1935 over the same month in 1934 with the outlook that exports should be somewhat greater for this season than last according to an announcement of the Agricultural Adjustment Administration just received by ______________________
(State Extension Officer or County Ager

The seasonal exports tabulated a gain of 62,000 bales, indicating that August and September exports were running behind the same two months of last year. Exports in October 1934 were 592,000 bales; in 1935, 711,000 bales.

W. B. Camp, Assistant Director, Division of Cotton, in explaining reasons for the increase and also in pointing out difficulties in the channels of exporting cotton, said:

"This increase in exports is due in some degree to the change in the U. S. cotton loan policy which has made a larger percentage of American cotton available to world trade. On November 1, but 33,193 bales had gone into the 10-cent loan. The change in loan policy also has brought the price of American cotton more nearly in line with the prices of all foreign cotton.

"Another factor entering into the increase of exports of American cotton was the depletion last year of the foreign supply of American cotton; more was consumed from stocks than was purchased.

"While there are many reasons why foreign countries have not been taking their normal quantity of American cotton, one of the main difficulties has been in the matter of obtaining foreign exchange. This was particularly true of Germar and to some extent of Italy and Poland.

"Of the monetary gold supply of $21,924,000 in the world, approximately $9,368,000,000 is held in the United States. This makes it difficult for foreign countries to pay with gold for American cotton. England, for instance, has $1,595,000,000 of gold and Germany $38,000,000.

"Foreign countries owe the United States, including war debts, more than $20,000,000,000, which decreases their ability to get exchange to purchase American cotton, and the discontinuance of the policy of lending money to foreign countries to purchase American cotton further decreases their ability to buy it.

"The continuance of the United States policy of refusal to accept goods in payment for cotton adds another difficulty. The tariff wall is so high that it makes it impossible for foreign countries to exchange goods for cotton."

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WEEKLY NEWS SERIES, No. 520
(Corn-Hog Story)

CORN-HOG CONTRACT FOR 2 YEARS NOW IS BEING PREPARED

Work has been started on the contract for the new two-year adjustment program for corn and hogs following conferences in Washington of producers, State agricultural specialists, and Agricultural Adjustment Administration officials on fundamental details of the new program.

Since a major adjustment problem is to prevent an excessive production of hogs in 1937, a contract of more than one year's duration is necessary, it was pointed out at the Washington conference. A two-year contract, it was thought, would be welcomed by farmers in order that they might plan their farming operations more than one year in advance.

The main objective of the new program will be to maintain a balance between the production and consumption of corn and hogs during the next two years. To accomplish this objective, it will be necessary to (1) prevent an excessive production of corn in 1936 and 1937, (2) allow an increase in next year's pig crop that would be at least as great as it is estimated would take place were no adjustment program in effect, and (3) prevent an excessive increase in the 1937 pig crop.

The Adjustment Administration has recommended that corn production next year be limited to 95 million acres, or about 10 million fewer acres than would be likely to be harvested without adjustment. This would require an aggregate adjustment of approximately 20 percent on the part of all contract signers. Depending upon the 1936 corn crop and the demand expected next fall for the 1937 crop, a maximum aggregate corn reduction of 25 percent has been proposed for 1937.

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Proposed hog adjustments are calculated to provide for a 30 percent increase in Federally inspected slaughter in 1936-37 above the slaughter expected in the present marketing year which began October 1, 1935. It is believed that a permitted hog production equal to 100 percent of the base will allow for the desired increase in hog numbers next year.

The new corn-hog contract will require that an area at least equal to the number of acres held out of corn be added to the usual area of the farm devoted to soil-improving and erosion-preventing uses.

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WEEKLY NEWS SERIES, No. 521
(Potato Story)

POTATO GROWERS SHOULD APPLY FOR 1936 SALES QUOTA

All potato growers who expect to sell potatoes in 1936 should apply for their 1936 sales quotas in order to obtain tax exemption stamps to cover these quotas in accordance with the provisions of the Potato Act which applies to potatoes harvested after December 1, 1935.

Application should be made to ______________ not later than _________. Allotments will be made on the basis of sales history of growers. Growers should submit with their applications all records available which will assist in establishing their sales records for recent years. Individual allotments within counties will be made by committees of growers except in counties where very few individuals sell potatoes.

Under the provisions of the Potato Act, growers with allotments not exceeding five bushels will be exempt from adjustment. Growers whose allotments are above five bushels will be subject to such adjustment as may be necessary to bring the total sales of all growers in the county within the county allotment. This will be necessary in order that the total of all county allotments does not exceed the State allotment.

Tax exemption stamps, sufficient to cover the sales allotment of each grower, will be issued prior to the beginning of the marketing season. Provision may be made under the Act for transfer of tax exemption stamps to enable growers who have exceeded their quota to obtain additional stamps from growers who have not produced sufficient potatoes to fill their sales quota. This plan would tend to balance the effect of a short crop in one area and a

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surplus crop in another area. The privilege of selling tax exemption stamps would be a form of crop insurance for growers whose yields were reduced by adverse weather conditions.

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Note to Editors:

This story for release when preparations have been made in your State for receipt of applications from growers for allotments.

United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 522
(Corn-Hog Story)

100% CORN-HOG BASE FOR 1936 AS IN NEW CONTRACT

Drafting of the new corn-hog contract, has been started and will be along the lines recommended by producers and state agricultural specialists in conference with corn-hog officials in Washington, November 4 to 9. Adjustment Administration officials are of the opinion that the new contract may be announced in early December.

The conference unanimously approved the proposal that contract signers be permitted to produce 100 percent of their base hog production in 1936. This provision in the new contract is designed to permit a 30-percent increase in hog production next year, thereby providing for a total production 20 percent under the average of 1932 and 1933. It was the wish of producer representatives that each signer of a new contract be required to raise at least 50 percent as many hogs as the number in his base in order to receive the maximum payment for adjustment. A payment of $2.50 for each hog produced up to 50 percent of the signer's base was recommended.

The goal in corn adjustment is 95 million acres in 1936. The new program thus will provide for shifting 10 million acres out of corn and into soil-improving and erosion-preventing crops.

The new contract proposed by the conferees would call for an optional adjustment of from 10 to 30 percent in the base corn acreage of individual signers in 1936, with the requirement that participating farmers produce at least 25 percent of their base acreage. Deductions would be made in the corn payment if a signer's planted acreage is less than 25 percent of the base, and no payment

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would be made if no corn is planted in 1936. It was suggested that an optional adjustment of 10 to 25 percent in corn production also receive consideration. Corn adjustment payments would remain at 35 cents a bushel as in 1935.

Producer representatives agreed that corn payments should be made in two installments. The first payment, to be made after first compliance is checked, would be as large as is practicable. The proposed method for payment on adjustments in hogs would require but one payment, to be made as soon as possible after final compliance is checked in 1936.

The conference unanimously approved the establishment of corn and hog bases by an "appraisal method" which it is believed will permit the assignment of equitable bases to producers regardless of whether or not they have previously participated in corn-hog adjustment programs. The proposed method would provide that community corn-hog committeemen appraise the farm to be operated by each applicant for a contract and would recommend the base for corn and for hogs on each farm in 1936. The committeemen would take into account the production record in recent years, the type of farming followed, the kind of soil, the topography of the land, the equipment, and other factors pertaining to corn and hog production on each farm. County quotas would limit the aggregate acreage of corn and the total number of hogs that could be assigned to contract signers within each county.

The inclusion of corn for silage in the corn base, to eliminate the necessity for checking compliance as to the use made of the corn, also was recommended.

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WEEKLY NEWS SERIES, No. 523
(Potato Story)

POTATOES SHOW HEAVY FARM USE AND SHRINKAGE

Marketing of the national tax-exempt potato sales allotment of 226,600,000 bushels would require production of a 350,000,000 to 355,000,000 bushel crop, according to the Agricultural Adjustment Administration.

"This difference between production and sales", says A. E. Mercker, chief of the Potato Section, "is the portion of the crop used for seed, sold to starch and other potato products manufacturers, fed to livestock, lost through shrinkage, or consumed on the farm on which the potatoes are produced."

Average production for the years 1929 to 1934, inclusive, was 349,655,000 bushels, of which approximately 217,155,000 bushels were sold. The remaining 132,500,000 bushels were not sold. Of the unsold portion of the crop an average of 69,581,000 bushels were consumed on the farms on which the potatoes were produced. Another 33,567,000 bushels were required for use as seed. An additional 2,800,000 bushels were manufactured into potato starch, potato flour, or other products.

This leaves a balance of around 26,552,000 bushels that were fed to livestock or lost through waste and shrinkage. This 26,522,000 bushels was composed largely of diseased, frosted, misshapen, or otherwise damaged potatoes.

______________________'s portion of the national tax-exempt allotment has been
(Name of State)
set at ________________ bushels. To provide this sales volume, it is estimated that production for the State would have to be approximately ____________________ bushels. ________________'s allotment is ______ percent of the national total.
(State)

Under regulations prescribed by the Commissioner of Internal Revenue, sales of potatoes for export, followed by exportation, are not subject to tax.

State	Percent proration of U.S. sales	Proration applied to U.S. quota of 226,600,000 bushels.	Estimated production necessary under average conditions to supply sales quotas
	Percent	Bushels	Bushels
Maine	14.77	32,799,000	38,723,731
New Hampshire	.43	955,000	1,299,320
Vermont	.54	1,199,000	2,077,990
Massachusetts	.66	1,466,000	1,862,770
Rhode Island	.17	377,000	443,529
Connecticut	.76	1,688,000	2,002,372
New York	8.25	18,321,000	26,135,520
New Jersey	2.76	6,129,000	6,404,389
Pennsylvania	6.36	14,124,000	21,829,984
Ohio	2.50	5,552,000	10,397,000
Indiana	.76	1,688,000	4,906,976
Illinois	.27	600,000	3,614,457
Michigan	6.65	14,767,000	24,489,220
Wisconsin	5.20	11,548,000	21,912,713
Minnesota	6.19	13,746,000	25,646,522
Iowa	.63	1,399,000	6,857,840
Missouri	.67	1,488,000	4,708,860
North Dakota	2.24	4,974,000	9,211,110
South Dakota	.55	1,221,000	4,111,111
Nebraska	2.31	5,130,000	8,300,970
Kansas	1.00	2,221,000	4,271,153
Delaware	.11	244,000	463,878
Maryland	.95	2,110,000	3,009,986
Virginia	4.66	10,348,000	13,016,352
West Virginia	.43	955,000	3,304,498
North Carolina	1.97	4,375,000	6,878,930
South Carolina	.90	1,999,000	2,399,759
Georgia	.15	333,000	824,257
Florida	1.39	3,087,000	3,118,180
Kentucky	.47	1,044,000	3,689,046
Tennessee	.24	533,000	2,790,576
Alabama	.60	1,332,000	2,165,853
Mississippi	.10	222,000	898,785
Arkansas	.41	910,000	2,964,169
Louisiana	.54	1,199,000	1,924,558
Oklahoma	.55	1,221,000	2,637,149
Texas	.86	1,910,000	3,304,498
Montana	.36	799,000	1,902,381
Idaho	7.58	16,833,000	20,329,710
Wyoming	.91	2,021,000	2,850,494
Colorado	4.56	10,126,000	13,758,152
New Mexico	.09	200,000	260,416
Arizona	.09	200,000	250,000
Utah	.65	1,443,000	1,815,094
Nevada	.20	444,000	535,585
Washington	2.62	5,818,000	7,373,891
Oregon	1.78	3,953,000	5,298,928
California	3.16	7,017,000	7,805,339
TOTAL		222,068,000	344,778,001
2% Reserve		4,532,000	7,036,284
U. S. TOTAL	100.000	226,600,000	351,814,285

10617 (11-14-35)

United States Department of Agriculture, Extension Service and Agricultural Adjustment Administration, Cooperating
Washington, D. C.

RELEASE: Immediate
DISTRIBUTION: EXCLUSIVE TO State extension editors

WEEKLY NEWS SERIES, No. 524
(Potato Story)

OPPORTUNITY TO IMPROVE QUALITY UNDER POTATO ACT

Marketing of the potato crop under the sales allotment plan provided by the Potato Act which will be administered by the Agricultural Adjustment Administration, offers opportunity for grade and quality improvement such as has never before been afforded potato growers, according to J. B. Hutson, administrator of the division which includes the Potato Section.

"Past efforts of the large majority of growers and shippers who have favored more rigid grading of potatoes and diversion from market of undergrade or diseased stock, have been largely thwarted", says Mr. Hutson, "by the minority who have taken advantage of every opportunity to move their poorly graded or inferior potatoes into consumptive channels. These inferior potatoes have had much to do with unsatisfactory market conditions and with adversely affecting the returns to growers from well graded and high quality offerings."

One of the main purposes of the potato program is to assure consumers an adequate and more uniform supply of potatoes. For this purpose, the grower is provided with tax-exempt stamps sufficient to cover his entire sales allotment.

When the grower realizes the true value of these stamps, it is not probable that he will use them on undergrade or inferior potatoes, especially as any surplus of tax-exempt stamps could normally be transferred to other growers at more than the value of the undergrade potatoes upon which they might use them.

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10618 (11-14-35)

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United States Department of Agriculture, Extension Service and
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Washington, D. C.

RELEASE: Immediate
DISTRIBUTION: EXCLUSIVE TO State extension editors

WEEKLY NEWS SERIES, No. 525
(Potato Story)

1936 POTATO SALES ALLOTMENTS TO BE MADE BY GROWERS

Individual potato sales allotments for the 1936 crop, under the provisions of the Potato Act, will be made by county committees made up of growers, according to ________________ (State extension official or county agent). The Potato Act applies to potatoes harvested after December 1, 1935.

Allotments will be made on the basis of the past sales history of the farm and the grower, except in the case of new growers who may be given allotments from a reserve set aside for this purpose. After grower applications have been filed, State sales allotments will be apportioned to counties by a State committee of growers and these county allotments will be apportioned to individual growers by the county grower committee.

"The Potato Act," says J. B. Hutson, division director of the Agricultural Adjustment Administration supervising the potato program, "makes it mandatory that the administration proclaim national and state allotments. These were announced November 1 and the work of determining grower allotments is already under way in some of the early producing States."

Of the national potato sales allotment of 226,600,00 bushels for 1936, announced by the Secretary of Agriculture, ________ (State)'s share is ________ bushels. The national allotment is equal to the average sales of potatoes for the years 1929 to 1933.

In the past, between 64 and 65 percent of the potato crop has been sold when the national production has approximated the average of recent years and

(more)

consumption has been near present levels. On this basis, sales of 226,600,000 bushels would be accompanied by a total production of from 350,000,000 to 355,000,000 bushels. Taking into account present and prospective demand conditions, such a crop on the basis of past relationships, would result in growers' prices approximating parity.

The slightly more than one-third of the normal potato crop which is not marketed includes those consumed on the farm, those used for seed, fed to livestock, or manufactured into other products, and culls graded out before the potatoes are marketed.

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United States Department of Agriculture, Extension Service and
Agricultural Adjustment Administration, Cooperating
Washington, D. C.

RELEASE: Immediate
DISTRIBUTION: Cotton States

WEEKLY NEWS SERIES, NO. 526
(Cotton Story)

COTTON PROGRAM BENEFITS SPREAD TO ALL SECTIONS

Discussing the necessity for the continuation of a cotton adjustment program, W. B. Camp of the Agricultural Adjustment Administration, Cotton Division, told State Agricultural Commissioners at their recent meeting in Washington, D. C. that the benefits of the cotton program are not confined to the South but extend to all sections of the country through the purchasing power of the cotton grower.

In demonstrating that the cotton problem was not sectional but national in scope, he stated that cotton directly produces pay rolls in the North and East through the spinning mills and other branches of textile manufacture. Also, he showed that industry of the North and East receives a large proportion of the cotton producer's income through the goods and equipment that must be bought.

"Cotton furnishes directly the livelihood for 14,500,000 people in the United States", Mr. Camp said. "Eleven million of these people are on the 2,200,000 cotton farms in the South and Southwest, and they are dependent upon cotton for the greater part of their incomes. Three million more individuals are supported by cotton textile manufacturing in all of its branches. Another 500,000 people are dependent upon the miscellaneous uses of cotton, upon the ginning of it, the compressing of bales for shipment, upon the merchandising and handling of raw cotton. There are many more millions indirectly affected by the merchandising of finished products of cotton and the financing of it from the planting to the sale of finished products."

It is the AAA's contention that a program for the benefit of the growers of cotton, who are in the vast majority, would, in the long run, be most profitable for the handlers who, in the past, have emphasized volume. A volume production system, as formerly practiced, often resulted in a double loss to the grower because every acre used to produce surplus cotton could have been put into needed food and feed crops. Big yields, large exports and ruinous prices have been the history with but few exceptions of unadjusted production of cotton, Mr. Camp said. He showed by actual figures that the cotton adjustment program had practically doubled the prices of cotton, raising them from about 6 cents per pound in 1932 to 12½ cents in 1934, and increasing the farmer's cash income from $465,000,000 in 1932 to $895,000,000, including compensation for adjustment of cotton acreage, in 1933, and $822,000,000, including benefit payments in 1934.

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United States Department of Agriculture, Extension Service and
Agricultural Adjustment Administration, Cooperating
Washington, D. C.

RELEASE: Immediate
DISTRIBUTION: EXCLUSIVE TO State extension editors

WEEKLY NEWS SERIES, No. 527
(General Story)

FARM SURPLUS CUT BY PURCHASES FOR RELIEF PURPOSES

Expenditures by the Federal Government for removing price-depressing surplus agricultural commodities from normal channels of trade and distributing them to the needy and unemployed played an important part in conserving agricultural resources, and in improving marketing conditions and prices for a number of farm products, according to ______________________________________.
(county agent or State extension official)

"The program for removing and conserving surplus agricultural products under the provisions of the Agricultural Adjustment Act was first inaugurated during the latter half of 1933", ______________ said. "During the drought of 1934, this program was coordinated with certain drought relief activities. Surplus farm products were turned over to the Federal Surplus Relief Corporation for distribution to persons on relief."

According to a report received from the Commodities Purchase Section of the Agricultural Adjustment Administration, programs for removing and conserving surplus agricultural commodities involved an expenditure of $204,156,727 up to November 1, 1935. Of the total amount expended, approximately $187,540,089 has been or will be recovered either in cash or in the value of commodities used by the Government for relief distribution.

It is pointed out that between the total expenditures in surplus removal operations, and the inventory value of recovered or recoverable relief supplies there is a difference of $16,616,638, but these programs have resulted not only in the acquisition of the supplies enumerated, but in conserving foundation

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10659

livestock herds, and seed, feed, and forage supplies during the 1934 drought, and in improving marketing conditions and prices for a number of agricultural commodities.

The surplus removal activities included purchases, for relief distribution, of hogs and pork products, dairy products, and sugar. Drought relief activities included buying and salvaging for relief use, of surplus cattle, sheep and goats which otherwise would have died of thirst or starvation. Also, feed, forage, and stocks of adapted seed varieties were conserved for sale and distribution to farmers in drought-hit areas for planting in 1935.

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United States Department of Agriculture, Extension Service and
Agricultural Adjustment Administration, Cooperating
Washington, D. C.

RELEASE: Immediate
DISTRIBUTION: EXCLUSIVE TO State extension editors

WEEKLY NEWS SERIES, No. 528
(Potato Story)

POTATO PROGRAM
FUNDS PROVIDED
BY McCARL RULING

Ruling as to the availability of funds for the Potato Section of the Agricultural Adjustment Administration has been made this week by Comptroller General McCarl at Washington, according to ______________________, who is in charge of administering the potato program for _________________.
(State)

Under this ruling, an amount equal to the estimated proceeds from the taxes imposed by the Potato Act for the period December 1, 1935, to April 1, 1936, may be made available for use by the Potato Section.

Only early potatoes from such areas as southern Florida, south Texas, and southern California move prior to April 1. It is anticipated by the Potato Section that some producers of these early potatoes will market a quantity of potatoes in excess of their tax-exempt allotments. The Potato Section estimates tax collections between December 1, 1935, and April 1, 1936 at around $25,000.

This tax fund will take care of a portion of the administrative expenses during movement of the early potato crop. Provision of funds after that time will depend upon rulings from the office of the Comptroller General and action by Congress when it reconvenes in January.

J. B. Hutson, Director of the Division in charge of the Potato Section, says: "We anticipate that probably less than a total of one percent of the entire crop will be taxed under the Potato Act. Not more than one percent of the annual crop will be sold during the winter period covered by the tax collection estimate

(more)

to be made on or about December 1.

"The money derived from this estimate would permit printing, engraving, and distribution of enough tax-exemption stamps to cover the part of the crop sold prior to the opening of the next session of Congress. The work that can be done under the Agricultural Adjustment Act will include that connected with the 1935 program and such work as can be done in connection with the investigation being undertaken under Section 8 of the Agricultural Adjustment Act."

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United States Department of Agriculture, Extension Service and
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Washington, D. C.

RELEASE: Immediate
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WEEKLY NEWS SERIES, No. 529
(Tobacco Story)

BURLEY AND DARK TOBACCO CONTRACTS GREATLY SIMPLIFIED

The new Burley, fire-cured, and dark air-cured tobacco contracts for 1936-1939 are much simpler than the contracts now in effect for 1934-1935, according to ______________________________.
(county agent or State extension official)

The simplicity of the new contract is expected to greatly reduce the number of suspensions and to reduce the delay in making payments. It also will reduce the amount of work and the expense of preparing and handling the contracts.

Although the new contract covers the 4-year period, 1936-1939, it is flexible so that growers who sign up have the opportunity of terminating their contracts at the end of any contract year by notifying the county agent's office not later than November 1 of such year. The contract also provides that the Secretary of Agriculture may suspend operation of the contracts for any year or may terminate them at the end of any year.

The 1936-1939 contract is printed on the front and back of one sheet of paper. In addition to the operator's name and the description of the farm, the contract contains only two figures, the base acreage and the base production. The operator is required to sign only once. It is not necessary under the new contract to obtain the signatures showing the consent of all persons who may have an interest in the land. The person who operates the farm signs as operator and payment will be made only after the operator has complied for the year.

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The contract does not contain any data or options for calculating the base, since these calculations are made on a separate summary prepared in accordance with the procedure set forth in administrative rulings, before the new contract is signed by the producer.

The new contract provides that the contract signer shall name a substitute payee, when the contract is signed, to whom payment will be made in case of the operator's death, legal incompetency, or disappearance after full performance of the provisions of the contract with respect to any year. This provision will reduce the necessity for the execution of court orders, letters of administration, and similar authorizations which caused considerable inconvenience in connection with payments under the present contract.

Another provision which greatly simplifies the new contract is an administrative ruling to the effect that if there is any change in the legal status of the operator under the contract after the contract has been accepted by the Secretary, the contract will be terminated, and a new contract may be executed for the new persons operating the farm, or parts of the farm. This takes care of cases where the operator dies, becomes incompetent, abandons the farm, sells or rents all or any part of the farm, or adds more land to the farm. Any of these changes under the old contract required suspension of the contract until a form was executed to furnish proof of the change in legal status of the contract so that the contract might be modified and continued by the new persons. Such changes under the new contract will be handled by terminating the contract and executing a new one.

The contracts are now being printed and should be available in counties for signing about December 1. Further announcement in each county will be made as soon as the contracts are received and ready to be signed.

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10661 (11-21-35)

United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 530
(General Story)

BENEFIT PAYMENTS NOT AFFECTED BY RICE TAX RULING

Action of the United States Supreme Court in issuing a temporary injunction against the collection of processing tax on rice does NOT affect the constitutionality of the Agricultural Adjustment Act, or the availability of funds for rental and benefit payments to cooperating farmers, according to information received by ______________________ (county agent or State extension official) from the Agricultural Adjustment Administration.

In this case, Rickert Rice Mills, Inc., sought to enjoin collection of the processing tax on rice in a Federal district court, but the court dismissed the case on the ground that it did not have jurisdiction in such a suit, under the recent amendments to the AAA. The company then brought an appeal to the Supreme Court solely on the question of whether the district court had jurisdiction. The Supreme Court granted a temporary injunction against the taxes pending its decision on the question of jurisdiction.

"The Solicitor of the Department of Agriculture advises", said ______________________ "that a reversal of the decision of the district court by the Supreme Court will merely send the suit back to the district court for a decision, and that the question before the Supreme Court in this case does NOT affect the processing tax on rice, and will have no effect on availability of funds to make rental and benefit payments to farmers. The funds for such payments are advanced by the Treasury, out of the general funds of the Treasury, to meet the current expenditures of the AAA."

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10671 (11-27-35)

United States Department of Agriculture, Extension Service and
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Washington, D. C.

RELEASE: Immediate
DISTRIBUTION: EXCLUSIVE TO State extension editors

WEEKLY NEWS SERIES, No. 531
(Tobacco Story)

NEW CONTRACTS
PROVIDE YEARLY
TOBACCO PAYMENTS

The new 1936-1939 Burley, fire-cured, and dark air-cured tobacco contracts provide one payment for each year in which the contracts are in effect, according to ______________________ .
(county agent or State extension official)

One adjustment payment will be made as soon as practicable after the operator has complied with all the terms of the contract for the year for which the payment is made. If the price of tobacco declines, growers will receive larger adjustment payments under the contract, and if prices rise growers will receive smaller payments. Minimum rates of payment are specified for the first year.

Except for the minimum rates for 1936, the rate of payment in each year will depend upon the average price of all of that type marketed in that year, and will be an amount which, when added to the farm price, will tend to bring the returns to the growers of not less than parity on the quantity of that type used in this country.

A minimum rate of payment for Burley tobacco of not less than $2.25 per 100 pounds of base tobacco production for the farm is guaranteed for 1936, the first year in which the contract is in effect. For dark air-cured tobacco, a minimum rate of not less than $1.50 is guaranteed for 1936. However, the rate of payment for 1936 may be greater than the minimum rate specified, depending on the price of the 1936 crop.

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10672

J. B. Hutson, Division Director supervising tobacco programs, points out that the method of calculating the payment to equal the difference between the average farm price and the parity price of all the tobacco grown insures that insofar as possible and funds permit, contract signers will receive an amount approaching parity price for that part of their crop which is used in this country.

About 93 percent of the Burley tobacco is consumed domestically, and three-fourths of the dark air-cured tobacco and about one-third of the fire-cured tobacco are consumed in this country. No processing tax is collected on exported tobacco.

The payments under the contract will be made directly to the operator and to each tenant or share-cropper in the same proportion as their interests in the crop.

All contracting growers of the same kind of tobacco will get the same rate of payment, but since the payments are based on the number of pounds of base tobacco production for a farm, the amount of the payment will be somewhat larger for those growers with larger yields, as compared with growers with lower yields.

Mr. Hutson points out that the minimum rate of payment of $2.25 per 100 pounds of base production in the case of Burley tobacco will materially increase the grower's returns for the tobacco grown under contract. As an illustration, a grower with a 1,000 pound base would receive at least $22.50. In the case of a 60 percent allotment, this payment would amount to more than 3.7 cents for each pound allotted.

Another illustration of the amount of the minimum payment is to calculate the payment per acre. A grower with a 10-acre base and an 800-pound yield per acre would get at least $180. In the case of a 60 percent allotment, this would amount to $30 for each acre of the allotment.

The new contract has been approved and is now being printed. Further announcements will be made in each county when the contracts are received and ready to be signed.

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United States Department of Agriculture, Extension Service and
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Washington, D. C.

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WEEKLY NEWS SERIES, No. 532
(Potato Story)

PROVISIONS OF
POTATO ACT IN
EFFECT DEC. 1

Provisions of the Potato Act of 1935 as they apply to potatoes harvested and sold on or after December 1, 1935, became effective at midnight on November 30.

"Potatoes harvested and sold after that time are to be handled in accordance with the allotment, packaging and stamp features of the Act", says ________ ________________________________, state potato agent in charge of administering the potato program in ________________________.
(State)

Growers and handlers who sponsored the Potato Act from its inception more than a year ago are watching with interest the initial application of its provisions in the states of Florida and Texas and in southern California. First potatoes to come within the provisions of the Act will be harvested and marketed from these sections during the month of December. Signing of potato growers' applications and making of grower allotments has been in progress for some weeks in the early states.

National and state tax-exempt sales allotments were announced November 1. There is not much relationship between these allotments and the production estimates of total or state crops due the wide variation in percentage of potatoes sold. During past years some states sold as low as 16 percent whereas states in which production is largely commercial have sold as high as 95 percent.

Administrative rulings, particularly with reference to grower allotments, packaging regulations, and records to be kept by growers and handlers have been simplified and shaped to follow as nearly as possible the established customs within the industry and be applicable with a minimum of effort.

Members of the National Potato Advisory Committee -- composed of growers from early, intermediate, and late-crop potato sections - met in Washington to review the regulations and instructions. Import quotas, restricting the quantity of foreign potatoes to be sold under tax-exempt provisions of the Act, are being prepared.

Forms for allotment applications will soon be available in states where signing is not already in progress. Announcement as to the procedure to be followed in applying for allotments will be made by__________________________ through county agent offices and growers committees as soon as these forms are available.

The national sales allotment of 226,600,000 bushels and the individual grower allotments into which this will be distributed by state and county committees will not be taxed. Tax-exempt stamps will be given to each grower for his allotment. Arrangements are now being completed in the early states where harvesting will begin in December, which will eliminate delay and confusion in placing the stamp and packaging provisions into operation.

Potatoes have advanced in price since the Agricultural Adjustment Administration made its surplus diversion proposal in October, and it now appears that unless conditions change, growers in only a few producing areas will avail themselves of the diversion program and marketing agreements for the 1935 crop. The Adjustment Administration, however, is proceeding with hearings so that marketing agreements may be available should there be a later need and demand for them from the surplus late states.

Freezes in the West removed a portion of the surplus which the Adjustment Administration had planned to remove from the market through diversion plans.

10673 (11-27-35)

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United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 533
(Cotton Story)

INCREASE WORLD CONSUMPTION OF U.S. COTTON SEEN

Larger world consumption of American cotton in the 1935-36 season than last season is now indicated, according to the Agricultural Adjustment Administration. Lower price of American cotton this year in relation to foreign growths, improvement in business activity, together with prospects for further improvement, and the replenishing of depleted stocks of American cotton abroad, are some of the factors that point toward larger consumption. Stocks of American cotton in European ports totaled but 356,800 bales on November 22, 1935, as compared with 758,000 bales for the corresponding date last year.

The 1935-36 American cotton crop of 11,141,000 bales is expected to bring growers larger returns than the crop of 1934-35. The total farm value of the 1934-35 cotton crop, together with benefit payments, was $860,000,000. The farm value of the 1932-33 crop, before the cotton adjustment program was inaugurated, was $483,887,000.

Prospects for maintaining a balance between supply and consumption and the maintenance of prices that will make fair returns to producers, depends to a large extent upon the success of the 1936 cotton adjustment program, which, it was pointed out, brought the average price received by producers per pound of lint cotton from 6.5 cents in the 1932-33 crop year, to 12.4 cents per pound in the 1934-35 crop year, nearly doubling the cash income to producers.

Without an adjustment program American cotton acreage in 1936 undoubted-

(more)

ly would show expansion throughout the Belt, and, assuming a production of average yields, the world's supply of American cotton would again pile up to price-breaking proportions; for present indications point to a comparatively small decrease in the already burdensome world carry-over of American cotton August 1, 1936. Briefly, without an adjustment program production would go up and prices come down.

The adjustment program is designed to find and maintain the point of production which will balance supply with demand and which will give the grower the greatest returns, and at the same time avoid the two extremes of drastic adjustment and unlimited production, the latter inevitably leading to over-production, burdensome supply, and starvation prices.

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United States Department of Agriculture, Extension Service and
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Washington, D. C.

RELEASE: Immediate
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WEEKLY NEWS SERIES, No. 534
(Corn-Hog Story)

GIVE PROVISIONS OF 1936-37 CORN AND HOG CONTRACT

The 1936-37 corn-hog adjustment contract has been approved and contract applications will be offered to ________________ (State) farmers in January, ______ ______________, State extension director, has been notified by the Agricultural Adjustment Administration.

The new contract follows closely the recommendations made by producer-representatives and State agricultural specialists in conference early last month in Washington, Mr. ____________ said. Details of the contract soon will be discussed at a meeting of State corn-hog officials, and will be fully explained at local meetings which will be held during the application sign-up campaign in January.

The two-year contract, effective as of December 1, 1935, requires that the signer produce for market in 1936 at least 50 percent of his market hog base and not more than 100 percent of his base if he is to receive the maximum hog adjustment payment. The cooperating producer also must plant to corn at least 25 percent of his corn base next year but not more than a percentage which is within the permitted optional range of 70 to 90 percent of his corn base.

Corn and hog bases under the new program will be established by appraisal by community committeemen in accordance with standards prescribed by the Secretary. This undertaking, new to commodity adjustment programs, is designed to permit the assignment of equitable bases to all producers regardless of whether or not they have previously participated in corn-hog programs or farmed previous to 1936.

An additional major change from the 1935 contract is the provision that an acreage equal to the land held out of corn production, known as the "adjusted corn acreage" under the new contract, be devoted to soil-improving or erosion-preventing

crops. The area used for these crops must be in addition to the acreage normally devoted to such uses on the farm.

For complying with the hog adjustment provisions of the 1936-37 contract, the participating producer will receive his entire hog payment as soon as possible after final compliance has been checked after the close of each year. The 1936 rate will be at $1.25 per head for each hog in the base, less the pro rata share of the local administrative expenses. Deductions will be made at the rate of $2.50 per head if the producer fails to raise 50 percent of his base hog numbers and $5.00 per head if he raises more than his assigned base number.

Corn adjustment payments in 1936 will be made in two installments, about August 1 and December 31, at the rate of 35 cents a bushel multiplied by the appraised yield and the number of adjusted acres. Deductions will be made for local administrative expenses as heretofore.

The rates of adjustment and rates of payments for 1937 will be announced by the Secretary by November 30, 1936, and will be determined from the outlook for supplies and prices at that time. A contract signer, however, will not be required to plant more than 25 percent of his corn base nor make an adjustment below 75 percent of his base in 1937. To secure the maximum hog payment in 1937, the signer will not be required to produce more than 60 percent nor asked to produce less than 75 percent of the assigned market base. The rate of payment on corn in 1937 will not be less than 30 cents per bushel and the rate on hogs will not be less than $1.25 per head on the number in the base.

The new corn-hog contract is to be in full force from December 1, 1935 through November 30, 1937, unless the Secretary: (1) terminates all corn-hog contracts with respect to 1937 by an announcement not later than November 30, 1936, or (2) approves an application made by a contract signer not later than April 1, 1937, for termination of his original contract, or (3) terminates a contract because of non-compliance.

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United States Department of Agriculture, Extension Service and
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Washington, D. C.

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WEEKLY NEWS SERIES, No. 535
(Tobacco Story)

SOIL IMPROVEMENT IS ENCOURAGED BY TOBACCO PROGRAMS

The new Burley, fire-cured and dark air-cured tobacco contracts for 1936-39 encourage the use of adjusted acreage for soil-improving and soil-conservation crops, it is pointed out by ______________________.
(County agent or State extension official)

The contracts provide that the acreage of soil-improving or erosion-preventing crops, pasture, fallow, and forest trees be increased by an amount equal to the adjusted acreage for the farm. The adjusted acreage for tobacco is the acreage retired from tobacco production or the difference between the base acreage and the allotted acreage of each farm.

In addition, an administrative ruling provides that the operator under a tobacco contract may use any of his land for the production of food crops for consumption on the farm covered by the contract and for feed crops for the maintenance or production of livestock or livestock products for consumption on the farm. The operator is limited only in the acreage of crops planted for sale, or for feed for livestock to be sold, except as may be provided by other contracts between the operator and the Secretary.

"The tobacco programs are an important factor", says ______________ "in the increased use of erosion-preventing and soil-improving crops and in the production of a more abundant supply of food and feed crops for home use."

The new tobacco contracts will soon be available and announcements will be made in each county when they are ready for growers to sign.

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10710 (12-6-35)

United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES, No. 536
(Potato Story)

LARGE POTATO CROP
MAY BE PRODUCED
EXEMPT FROM TAX

____________ (Potato Agent), state potato agent for ____________ (State) predicted today that ____________ (State) would be able to produce about ________ (1) bushels of potatoes without growers having to purchase tax stamps, although the state's tax-exempt sales allotment is only ________ (2) bushels.

The figures were based on calculations of the Potato Section of the Agricultural Adjustment Administration covering past production and sales records for ____________ (State) compiled by the Federal Crop Reporting Service.

____________ (Potato Agent) set ________ (See column 1 of attachment) bushels as the estimated production ____________ (State) could have under its ________ (Column 2) bushel tax-exempt sales allotment without paying the three-quarters of a cent per pound tax. That difference represents the portion of the potato crop in this state normally used for seed, consumed at home, fed to livestock, wasted, or otherwise unfit for human consumption.

____________ (Potato Agent)'s estimate indicated that ____________ (State) would be able to produce nearly as many potatoes as has been its custom without growers being subjected to payment of any tax. The production estimated under the sales allotment plan of the AAA compares very favorably with the state's average crop of ________ (Column 3) bushels for the five years, 1929-34.

____________ (State) sold an average of ________ (Column 4) percent of its total potato production during the five years 1929-34, according to compiled reports by growers, crop reporters, and census statistics. The balance of the crop for the state was consumed on the farms on which the potatoes were produced. The average of potatoes sold by state growers during this period was ________ (Column 5)

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(MORE)

bushels, whereas their tax-exempt sales allotment for the 1936 crop is set at

____________________ bushels.
(Column 2)

"Under the sales allotment plan of the Agricultural Adjustment Administration, every ____________________ (State) potato grower can sell just as many good quality potatoes as he has ever sold at a fair price", says ____________________ (Potato Agent).

The Potato Act does not keep any grower from producing as many potatoes as he may wish. It does not even require that the potato grower who grows potatoes for his own use and the use of his farm tenants apply for a sales allotment. Growers can give away all the potatoes they want. The only requirement is that potato growers obtain tax exempt allotments for that portion of their crop they desire to sell.

10711 (12-6-35)

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AVERAGE PRODUCTION OF POTATOES, PERCENTAGE OF CROP SOLD, AND PRODUCTION BASED ON AVERAGE SALES, IN THE PERIOD 1929-34, WITH APPORTIONMENT OF UNITED STATES SALES ALLOTMENT

State	Est. prod. from which sales quota would be obtained	Appor. applied to U. S. quota of 226,600,000 bu.	Average production 1929-34	Est. % sold of harvested 1929-34 av.	Est. sales 1929-34 av.
	1,000 bu.	1,000 bu.	1,000 bu.	Percent	1,000 bu.
Maine...........	38,678	32,799	46,658	81.6	38,073
New Hampshire...	1,299	955	1,456	70.8	1,031
Vermont.........	2,078	1,199	2,315	55.6	1,287
Massachusetts...	1,863	1,466	1,914	75.8	1,451
Rhode Island....	442	377	361	82.0	296
Connecticut.....	2,002	1,688	1,969	81.2	1,599
New York........	26,163	18,321	26,510	67.5	17,894
New Jersey......	6,404	6,129	7,277	92.1	6,702
Pennsylvania....	21,830	14,124	23,696	62.3	14,763
Ohio............	10,397	5,552	10,272	51.4	5,280
Indiana.........	4,907	1,688	4,758	33.1	1,575
Illinois........	3,614	600	3,502	16.0	560
Michigan........	24,489	14,767	23,150	58.1	13,450
Wisconsin.......	21,913	11,548	22,398	50.7	11,356
Minnesota.......	25,647	13,746	25,480	51.6	13,148
Iowa............	6,599	1,399	5,757	20.4	1,174
Missouri........	4,709	1,488	3,847	30.4	1,169
North Dakota....	9,211	4,974	7,769	52.0	4,040
South Dakota....	4,111	1,221	3,149	28.6	901
Nebraska........	8,301	5,130	7,840	59.5	4,665
Kansas..........	4,271	2,221	3,574	50.1	1,791
Delaware........	461	244	461	50.9	235
Maryland........	3,006	2,110	3,040	67.6	2,055
Virginia........	13,000	10,348	12,574	76.6	9,632
West Virginia...	3,293	955	3,052	27.9	852
North Carolina..	6,879	4,375	7,745	61.2	4,740
South Carolina..	2,400	1,999	2,458	80.2	1,971
Georgia.........	824	333	1,078	38.9	419
Florida.........	3,124	3,087	2,656	95.1	2,526
Kentucky........	3,676	1,044	4,096	27.3	1,118
Tennessee.......	2,791	533	3,445	18.4	634
Alabama.........	2,166	1,332	2,674	59.2	1,583
Mississippi.....	902	222	922	23.7	219
Arkansas........	2,964	910	2,790	29.6	826
Louisiana.......	1,925	1,199	2,473	60.0	1,484
Oklahoma........	2,637	1,221	2,977	44.6	1,328
Texas...........	3,310	1,910	3,935	55.6	2,188
Montana.........	1,898	799	1,843	40.5	746
Idaho...........	20,330	16,833	20,834	79.7	16,605
Wyoming.........	2,850	2,021	2,278	68.3	1,556
Colorado........	13,758	10,126	11,916	70.9	8,448
New Mexico......	260	200	449	74.0	332
Arizona.........	250	200	228	77.1	176
Utah............	1,813	1,443	1,922	76.6	1,472
Nevada..........	536	444	348	79.8	278
Washington......	7,374	5,818	7,122	76.0	5,413
Oregon..........	5,299	3,953	5,157	71.8	3,703
California......	7,805	7,017	7,301	86.6	6,323
2% Reserve	7,029	4,532	-----	----	-----
Average	-----	-----	-----	63.1	-----
Total	351,461	226,600	349,426	----	219,067

United States Department of Agriculture, Extension Service and
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WEEKLY NEWS SERIES no. 537
(Cotton Story)

COTTON PAYMENT BASIS IS CHANGED BY NEW CONTRACT

With the design of simplifying operation of the cotton program the new four-year cotton adjustment contract provides for a single payment to cooperating producers in 1936, reports ______________________ (County or State extension official). Heretofore there have been three separate payments.

The single payment will be not less than 5 cents per pound on the average yield of lint cotton on the land withheld from production under the contract for 1936 according to an announcement by the Division of Cotton of the Agricultural Adjustment Administration. The average payment would approximate $8.60 per acre, virtually the amount which was paid in 1935 and slightly more than was paid in 1934. This payment is to be made as soon as practicable after compliance with the terms of the contract has been determined, and checking of compliance is to be started as soon as the planting season is over in any county.

In normal cases, payments will be made directly to the persons entitled to share in the crop or its proceeds.

The following basis has been fixed for the division of payments between landlords and all tenants or share croppers on a farm under contract: 37-1/2 percent of the payment is to go to the person furnishing the land; 12-1/2 percent to the person furnishing the work stock and equipment; and the remaining 50 percent is to be divided between the landlord and tenant in the proportion that the cotton or its proceeds is divided.

(more)

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The rate and manner of payment applies to the 1936 cotton contract and program. The rate and manner of payment for 1937 and the succeeding contract years will be determined by the Secretary of Agriculture on the basis of conditions at the time that future contracts are drafted, and announced not later than November 15, of the preceding year.

Previous to this contract that cotton producers will be offered for 1936, rental payments have been made in two installments. The first was made in the spring and the second after compliance had been determined. Later, a parity payment was made after most of the cotton crop had been gathered.

The rental payment was based on the average yield of the land taken out of production; it amounted to 3-1/2 cents per pound of lint for the 1935 crop. The parity payment, based upon a producer's average production for domestic consumption, which amounted to approximately 40 percent, during the base period was 1-1/4 cents per pound for 1935.

In addition to simplifying the operation of the program, economies will be effected in operating costs and in time, officials point out.

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WEEKLY NEWS SERIES, No. 538
(Cotton Story)

COTTON ADJUSTMENT
UNDER NEW CONTRACT
ESTIMATED FOR 1936

In announcing the new four-year cotton adjustment contract and the program for 1936, the Agricultural Adjustment Administration has set up a plan intended to continue the work of adjusting the supply of American cotton to the world demand, says ________________________________.
(county or State extension official.)

This, of course, involves adjustment of the acreage planted to cotton. The national base acreage quota has been fixed at 44,500,000 acres for 1936.

Estimates of the acreage and production resulting from the adjustment required and permitted vary, but the estimate of acreage to be planted in 1936 is around 31,800,000 acres, a reduction of 12,700,000 acres from the base. With average yields, this would result in production slightly in excess of 11,500,000 bales next year.

The minimum adjustment required for 1936 will be a reduction of 30 percent below the base acreage established for individual farms. The producer, however, will have the privilege of reducing to a maximum of 45 percent below his base acreage. Somewhere between these two points of 30 and 45 percent reduction the actual adjustment is expected to rest. The adjustment required in 1934 ranged from 35 to 45 percent from the base; in 1935 it was fixed at 25 percent with the option of increasing it to 35 percent. The adjustment for contract years following 1936 will be determined by the Secretary of Agriculture in conformity with conditions indicated for the specific contract year.

On the basis of 478 pounds net weight, the cotton crop in 1933 was 13,047,000 bales; in 1934, 9,636,000 bales; and in 1935, 11,141,000 bales, according to the Government estimate of November 8.

Economists have figured what the price of cotton might have been in the terms of the value of the "old" dollar and also the "new" dollar both with and without cotton adjustment programs.

Without cotton adjustment programs and no change in the gold content of the dollar, the economists declare the price of 7/8-inch middling cotton in the 1934-35 season would have been from 5 to 7 cents. Actually, the average price for the 9 months, August to April, was 12.34 cents.

The major factor in the increase was the cotton adjustment program. Both in the field and in conferences held in Washington cotton growers expressed sentiment for the continuation of cotton programs.

In addition to practically doubling the price of cotton, growers have been paid for taking prescribed acreage out of cotton. In 1933, 10,497,000 acres were taken out and the growers received adjustment payments amounting to $178,761,000 including approximately $66,000,000 profits on cotton options. In 1934, 14,550,000 acres were retired and payments were $115,800,000. In 1935, 14,000,000 acres were taken out and benefits were $123,000,000.

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WEEKLY NEWS SERIES, No. 539
(Tobacco Story)

TENANT'S INTEREST
IS PROTECTED BY
TOBACCO CONTRACT

Provisions to protect the interest of share-tenants and share-croppers are included in the new 1936-1939 tobacco contract for Burley, Fire-cured and Dark Air-cured tobacco, according to ______________________.
(County agent or State extension official)
These provisions apply to both the proportion of the crop grown by tenants, and the tenant's share in the benefit payment to be made under the contract.

The operator under the new contract agrees not to reduce the number of share-tenants and share-croppers growing tobacco on the farm below the number growing tobacco on the farm in 1935. The contract also provides that the proportion of the tobacco acreage grown by share-tenants or share-croppers, shall not be reduced below the proportion grown by share-tenants and share-croppers on the farm in 1935.

______________________ points out that this provision
(County agent or State extension official)
is intended to insure that tenants and share-croppers will have a place to live in, and an opportunity to grow as large a proportion of the tobacco crop as in 1935.

This provision in the new contract is generally similar to the provision in the present contract for 1934-1935. Committeemen of tobacco growers have indicated that they believe this provision is desirable because it assures tobacco tenants a fair share in the benefits derived from the program, both from improved prices for tobacco, and from the benefit payments under the contract.

The new contract provides one payment at the end of each year in which the contract is effective. If share-tenants or share-croppers grow tobacco on the farm under contract in 1936, the payment will be divided between the landowner and the tenants and share-croppers in proportion to their interest in the tobacco crop.

10737 (12-12-35)

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WEEKLY NEWS STORY, No. 540
(Potato Story)

CONSUMERS EXEMPT FROM PENALTIES OF SPUD ACT VIOLATION

Housewives and other consumers may buy potatoes in bulk or packages in the usual way without fear of violating the stamp and closed container sections of the Potato Act according to the Agricultural Adjustment Administration's interpretation of the regulations issued by the Bureau of Internal Revenue this past week.

"The Potato Act provides that only buyers who knowingly purchase potatoes which are not packed in closed and stamped containers at the time of first sale, are subject to the penalties", says ____________________, State Potato Agent in charge of the potato program for ____________________ (State). "This means that a buyer would not violate the Act in this respect unless he purchased potatoes direct from a grower, knowing that the grower had not complied with the requirements of the law."

"Most retail sales of potatoes do not in any manner come within the scope of the Potato Act." The Act says that first sale of potatoes harvested and sold on or after December 1, 1935 shall be in closed containers bearing tax-exempt or tax-paid potato stamps. First sale means only the initial sale by the producer and potatoes sold by retailers do not represent first sale unless the retailer is also the grower of the potatoes he is selling. Retailers or dealers, therefore, may resell potatoes loose in paper bags or in any other container and the consumer need have no concern when tax-exempt or tax-stamps are not on the package.

Virtually all potatoes now being offered were harvested prior to December 1, 1935. These potatoes do not come within the requirements of the Potato Act

(more)

which affects only crops actually harvested on or after December 1.

South Florida, South Texas, and Southern California are now digging from the winter crop. Some few late fields from the fall crop in Oklahoma are also being harvested. Tax-exempt stamps have been supplied to these sections and are being affixed to the containers in which the potatoes are shipped.

Only about 1 percent of the total potato crop of the United States is normally dug between December 1 and March 1. The other 99 percent of our crop comes from States which harvest during the nine months from March 1 to December 1. None of the potatoes of the 1935 crop for these States comes within the requirements of the Potato Act and the large quantities of late crop potatoes now stored or on their way to market from the late crop States are not subject to the provisions of the Potato Act.

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WEEKLY NEWS SERIES, NO. 541
(Potato Story)

POTATO ALLOTMENTS FOR SMALL GROWERS NOT TO BE REDUCED

Potato growers whose average annual sales of potatoes during the years 1932-1935 were 50 bushels or less will be exempt from sales allotment adjustment and will receive tax-exempt allotments equal to their past average of sales, according to ________________, state potato agent for ____________.

"If a grower's past sales during the base period, 1932-1935, were 50 bushels of potatoes annually", says ________________, "he will receive tax-exempt stamps for the potato allotment year which began December 1, 1935, equal to 50 bushels of potatoes. If his average sales were 30 bushels, he will receive tax-exempt stamps equal to 30 bushels."

Farms which produce five bushels of potatoes or less annually were originally exempted under the provisions of the Potato Act from any reduction in tax-exempt allotment below their past average sales. The increase in the exemption was possible under subsection (2) of section 205 of the Act.

The Potato Act, under which sales allotments are made, does not apply to the farmers who grow potatoes for home use, their livestock, or for tenants, and these farmers should not file applications for allotments. Growers may also give away all of the potatoes they wish but any grower who plans to sell any potatoes should apply for a sales allotment in order to obtain tax-exemption stamps.

The recent ruling does not mean that the small grower may receive

(more)

a sales allotment of 50 bushels, but only for that quantity which he actually has been selling during the base period. Growers producing in excess of 50 bushels will be treated on an equal basis in apportioning state and county quotas all over the country.

In increasing the exemption to small growers to 50 bushels, the Agricultural Adjustment Administration followed the unanimous recommendations of the National Potato Advisory Committee, made on November 21, 1935.

Study of data available from the 1934 census of agriculture indicates that the exemption of 50 bushels will require a slightly larger downward adjustment, probably NOT more than one percent, in the sales allotments to farms selling more than 50 bushels of potatoes than would be required if the exemption were NOT allowed, according to ______________________________.

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WEEKLY NEWS SERIES, No. 542
(Potato Story)

POTATO PARITY BASE IS SET FOR ____________ STATE

The term "parity", or "parity price for potatoes", the price objective of the Potato Act, is explained by ______________________________ (county agent or State extension official).

"Parity price for potatoes", he says, "is that price at which a bushel of potatoes will purchase as much of the things farmers buy as that same quantity of potatoes would have purchased on the average during the period from August 1919 to July 1929."

Parity price for potatoes varies with variations in the prices of the things the potato grower buys. It is different for various States and areas.

As an example, the average price received for a bushel of potatoes by ______________ (State) growers during the base period was ____________ (Column 1). That meant that a bushel of potatoes during that period bought ____________ (Column 1) worth of the things the potato grower needed to produce his crop or feed and clothe his family.

In 1934, the average price of commodities the farmer bought was 78.78 percent of what it had been during the base period so the parity price would thus be 78.78 percent of the base period average price of potatoes. This percentage of the base period price for ______________ (State) was ______________ (Column 2) so a parity price of ____________ (Column 2) would have given a bushel of potatoes the same purchasing power in 1934 as the ____________ (Column 1) price gave that bushel of potatoes during the base years.

The average farm price for a State usually runs considerably above the average price in the commercial sections as the State average takes into consideration small lot sales to local grocers, hotels, or direct to consumers. These small lot sales are normally on a higher price basis than the sales in strictly commercial areas, yet they aggregate a considerable volume as is shown by their effect on the State averages.

(MORE)

State	1919-28 10-year average price	Parity price for 1934 crop	1930-34 5-year average price
	Cents per bu.	Cents per bu	Cents per bu.
Surplus Late:			
Maine - - - -	99.1	78.0	38.0
New York - -	117.0	92.1	55.2
Pennsylvania-	120.5	94.9	67.2
3 Eastern -	110.6	87.1	49.7
Michigan - -	92.1	72.5	46.2
Wisconsin - -	89.7	70.6	43.4
Minnesota - -	87.0	68.5	38.0
North Dakota-	87.0	68.5	43.8
South Dakota-	101.4	79.8	57.6
5 Central -	89.3	70.3	42.4
Nebraska - -	106.7	84.0	61.0
Montana - - -	109.2	86.0	70.0
Idaho - - - -	91.3	71.9	36.8
Wyoming - - -	119.5	94.1	55.8
Colorado - -	93.7	73.8	43.4
Utah - - - -	108.0	85.0	44.8
Nevada - - -	112.0	88.2	70.0
Washington -	101.7	80.1	50.2
Oregon - - -	108.2	85.2	57.0
California -	141.9	111.7	72.6
10 Western-	106.3	83.7	48.8
Total 18 Surplus	100.2	78.9	46.5
Other Late:			
New Hampshire	141.3	111.3	72.0
Vermont - - -	130.3	102.6	64.6
Massachusetts	154.7	121.8	79.0
Rhode Island-	163.3	128.6	79.0
Connecticut -	159.3	125.4	77.0
5 New England	145.6	114.7	73.1
West Virginia	144.3	113.6	89.8
Ohio - - - -	140.5	110.6	69.6
Indiana - - -	137.9	108.4	69.6
Illinois - -	169.0	133.1	80.0
Iowa - - - -	125.7	99.0	75.2
5 Central-	140.5	110.6	73.6
New Mexico -	178.4	140.5	81.0
Arizona - - -	197.9	155.8	111.0
2 Southwest	186.9	147.2	91.0
Total 12 Other-	141.6	111.5	73.8
Total 30 Late -	105.7	83.2	49.9

State	1919-28 10-year average price	Parity price for 1934 crop	1930-34 5-year average price
	Cents per bu.	Cents per bu.	Cents per bu.
Intermediate:			
New Jersey -	133.7	105.3	75.4
Delaware - -	120.7	95.0	71.6
Maryland - -	129.1	101.7	71.8
Virginia - -	125.4	98.8	75.2
Kentucky - -	162.0	127.6	86.2
Missouri - -	151.1	119.0	80.2
Kansas - - -	155.0	122.1	73.6
7 Intermediate	135.4	106.6	75.3
37 Late & Interm.	109.3	86.1	52.6
Early:			
North Carolina	138.2	108.8	76.4
South Carolina	156.7	123.4	83.0
Georgia - - -	204.0	160.6	99.4
Florida - - -	227.0	178.8	123.8
Tennessee - -	161.2	126.9	89.2
Alabama - - -	205.1	161.5	83.6
Mississippi - -	205.4	161.8	87.6
Arkansas - -	183.0	144.1	74.0
Louisiana - -	188.3	148.3	76.0
Oklahoma - -	184.1	145.0	73.8
Texas - - - -	222.8	175.4	95.8
11 Early- -	179.3	141.2	85.1
TOTAL U. S. - -	113.8	89.6	55.7

10740 (12-12-35)

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WEEKLY NEWS SERIES, No. 543
(Rice Story)

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RICE PROGRAMS COVER 4 YEARS OF ADJUSTMENT

New production adjustment programs for rice produced in the South, in California, and in Hawaii have been approved by the Secretary of Agriculture, according to ____________________.
(County agent or State extension official)

The proposed programs provide for contracts for a four-year period, 1936-1939. The contracts for the various classes of rice produced in the three areas are now being prepared and will be ready to submit to growers before the 1936 planting season begins.

The State base figures assigned by the Secretary under the proposed programs are as follows:

State	Base Acreage	Base Production	
Arkansas	152,569	2,058,558 barrels	(162 lbs.)
Louisiana	415,569	4,373,930 "	
Missouri	500	6,500 "	
Texas	161,452	2,256,155 "	
California	103,000	2,928,765 bags	(100 lbs.)
Territory of Hawaii	1,700	69,000 CWT	(100 lbs.)

The Southern program, covering the classes of rice produced in Arkansas, Louisiana, Texas, and Missouri, and the California program, follow the present programs, in these two areas, under which contracts covering crops produced in 1935 are now in effect. A program for the adjustment of production of rice grown in the Territory of Hawaii is being proposed for the first time.

The three proposed programs are similar to the 1935 rice programs under which benefit payments were made to contracting producers for adjustment of their acreage to their individual allotments. The proposed programs provide

(more)

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for the assignment of base acreage and base production figures to individual producers based upon their 1935 allotments and quotas, with such dowrward or upward adjustments as will tend to correct inequalities among the producers. The proposed programs also contain provisions whereby producers who did not participate in the production of rice during the base period may be eligible to sign a 1936-1939 contract. However, the total assignments of base figures in each State may not exceed the State base figures.

The proclamation of the findings based on investigations and evidence submitted at a rice hearing on October 2, 1935 show that the average current farm prices for the 1935 crops of Southern California, and Hawaiian rice were less than the parity price or fair exchange value as defined in the Agricultural Adjustment Act.

Evidence presented at the hearing indicated that without adjustment programs in 1936, rice growers would normally be expected to expand their plantings materially in 1936. Without adjustment an excessive increase in production would result in a considerable decline in farm prices, according to the findings.

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WEEKLY NEWS SERIES NO. 544
(Rye Story)

CROP INSURANCE
FEATURE APPLIES
IN RYE PROGRAM

The crop-income insurance features of the new four-year rye program will apply to the 1936 crop, even though farmers sign their rye adjustment contracts after the crop was planted, ______________ (Extension official or county agent) in charge of the rye program in ________ (State), has been informed by the Agricultural Adjustment Administration.

This means, __________ says, that farmers who planted for harvest as grain at least 54 percent of their average rye acreage as determined in their contracts, will be eligible for adjustment payments, even if weather conditions are such that the crop does not reach maturity. In certain areas, where the fall was very dry after the planting of rye, some producers have feared that they would not be able to sign contracts and receive adjustment payments for 1936. This belief is unwarranted, __________ says, and he urges farmers who seeded rye in the fall of 1935 to investigate the rye program, even though it appears that their entire seeded crop may not reach maturity.

The rye program provides for an adjustment payment for 1936 of at least 35 cents a bushel on the farm allotment, which is 30 percent of the average annual rye production of the producer as determined in his adjustment contract. The first installment of the 1936 payment under the contract is to be 20 cents a bushel, and will be paid as soon as possible after the completion and acceptance of the contracts. Under the rye program, farmers may plant as much rye as they wish, provided their harvested acreage is held to 75 percent of their average annual acreage, or to any acreage above that percentage which may be determined by the Secretary of Agriculture for the 1936 crop year if United States requirements and the export situation warrant a larger harvest.

10770 (12-20-35)

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WEEKLY NEWS SERIES, No. 545
(General Story)

LAND CONSTRUCTION
IS STRESSED FOR
ADJUSTED ACREAGE

Constructive use of the adjusted acres retired from basic commodity crop production is now uniformly stressed in all adjustment contracts as an essential part of the contract agreement, it is pointed out by ______________________ (State extension official). Contract signers agree to use their adjusted acreage for the planting of pasture, erosion-preventing and soil-improving crops, farm wood lots, or fallow.

The new provisions for the use of adjusted acreage not only are positive in requiring constructive adjustments that improve rotations and serve to build up the soil but are more flexible than those previously in effect, leaving the entire matter to the contract signer of increasing anywhere on the farm the acreage of "extensive crops" equivalent to the acreage of "intensive" basic commodity crops retired under contract. The program easily fits in with long-time rotation plans and permits the selecting of cultivated land damaged by erosion or most depleted in fertility for seeding to legumes and grasses for soil-improvement and conservation purposes.

Instead of saying that the actual acres taken out of a basic crop must be the ones used for the purpose of meeting the contract, the new contracts state that a total acreage equal to the adjusted acreage of basic crops retired in the contract must be devoted to the constructive "extensive" uses designated in the contract.

While great increases in pasture and meadow crops and soil-improving crops occurred during the three-year period of emergency adjustment and are reflected in the census reports and other official State and Federal statistical reports. ______________________ says he is sure that more rapid progress in constructive adjustment that will increase the acreage of erosion-preventing and soil-improving crops will result under the provisions of the new contracts.

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WEEKLY NEWS SERIES, No. 546
(General Story)

RAILROAD WORKERS FIND WAGE GAINS EXCEED FOOD RISE

The average employed railroad worker is able to purchase with his earnings, 16 percent more food at present than he could in 1929, according to one of a series of studies being made by the Agricultural Adjustment Administration aided by other agencies, to insure that the agricultural programs keep step with changing consumer situations and needs.

The study shows that at present the earnings of a million employed railroad workers average 93 percent as much as they did during 1929, while retail food prices are only 80 percent of the 1929 level, thus giving the employed worker's food dollar 16 percent more purchasing power than it had in 1929.

At the bottom of the depression, food prices had fallen so low -- to 58 percent of the 1929 level -- that despite the fact that rail workers' wages were only 80 percent of 1929, they could still buy about 38 percent more food products than in 1929, according to ______________________.
(State extension official.)

Costs of living, other than food, are shown by the study to have been practically unchanged during the past two and a half years. At the bottom of the depression these costs averaged about 81 percent of the 1929 level, indicating that the employed railroad worker was able to maintain his predepression purchases of nonfood items. At the present time the average earnings of the employed rail worker will buy about 11 percent more goods and services, other than food, than in 1929. Thus, earnings per person employed on railroads declined during the depression less than food prices declined, and the rise in

earnings from the low point in 1933 to the present has been more than the rise in food prices.

However, L. H. Bean, economic adviser of the AAA, who made the study, pointed out that a large amount of unemployment still exists among rail workers, as in October 1935, 1,030,000 workers were employed in Class I railroads as compared to 1,690,000 during 1929. Assistance to unemployed workers depends not on lower food prices, which are in balance with employed workers' earnings, but rather on an increase in industrial activity and increased industrial production, according to Bean. A larger volume of industrial production would mean more carloadings, increased traffic, and additional employment, he says.

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WEEKLY NEWS SERIES, No. 547
(General Story)

CONSUMER INCOME
CERTAIN TO AFFECT
RETAIL FOOD PRICES

The trend of consumer income will have an important influence on the trend of retail food prices during the new year, according to Donald E. Montgomery, Consumers' Counsel of the Agricultural Adjustment Administration.

"If there is a marked rise in consumer buying power during the coming year, as is expected, retail food prices will be higher because of that fact than they will be if no such rise takes place," Montgomery said. Not all foods will respond in the same degree to that influence, but all of them will respond in some degree.

This does not mean, however, that retail food prices generally will be higher during the next year than they are now. Larger supplies of some foods for the coming year will tend to offset increased consumer buying power so that prices may hold at present levels or go lower, he said. For those consumers, at least, who participate in the expected improvement in incomes, the food price outlook may prove distinctly favorable before the end of 1936.

Meat prices have risen more rapidly than most other foods from the low levels which they reached during the depression and are of most concern to consumers. The seasonal rise in pork prices from December to March is expected to be less than usual and lower prices may be expected in the second half of the year for pork and other meats.

Fruits and vegetables are expected to be in abundant supply from 1935 crops and should be cheaper; dairy products will also be more plentiful; flour and bread prices should not change greatly from present levels until the new

(more)

wheat crop is known, when, if planting prospects prove out, lower levels should prevail. Potatoes may be expected to be higher than the relatively low levels of 1935. Poultry prices are expected to remain near present levels during the early months of 1936 but will probably be lower after May. The downward trend of egg prices may continue during the remainder of the winter unless increased consumer buying power or severe weather conditions check this tendency. Rice production was higher in 1935 than in 1934 but the carryover was small and prices are expected to be higher, depending somewhat upon export demand.

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WEEKLY NEWS SERIES, No. 548
(Sugar Story)

U. S. AND FOREIGN
SUGAR QUOTAS ARE
ALLOTTED FOR 1936

Sugar consumption for the United States for 1936 has been estimated at 6,434,088 short tons, and quotas to cover this amount of sugar have been established by the Secretary of Agriculture in connection with the sugar program of the Agricultural Adjustment Administration, ______________ ________________ in charge of
(State director sugar program)
the sugar program in______________announces.
(State)

The estimate of total consumption is about equal to the average of the distribution of sugar during the last two years. The marketing allotment for beet sugar remains the same, 1,550,000 short tons, and the marketing allotment for cane sugar produced in the continental United States remains at 260,000 tons.

After these allotments to the United States sugar producers, the following amounts were determined as the quotas for the following areas: Cuba, 1,852,575 tons; Philippine Islands, 998,110 tons; Puerto Rico, 801,297 tons; Hawaii, 941,199 tons; Virgin Islands, 5,264 tons; full-duty countries, 25,643 tons.

The quotas stabilize the sugar market for all sugar producers supplying the United States market by limiting the amounts of sugar which can enter the United States from each of the various areas. When the sugar entries for consumption from any area for the year reach the quota limit, no further entries are admitted from that area except under bond pursuant to special regulations.

The quotas for the offshore areas taken together are about 75,000 tons larger than last year, but they are still about 238,000 tons less than the receipts from these areas in the three "most representative years" out of the nine years preceding the sugar program. The quotas for the domestic cane and beet sugar producers, on the other hand, are about 200,000 tons larger than the average production for the highest three years out of the nine years preceding the program.

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Weekly News Series No. 549
(General Story)

IMPORTANT AAA WORK ASSURED CONTINUANCE

Continuance of marketing agreements and orders, removal of surplus farm products, increasing export markets, and eradication of diseases in dairy and beef cattle, as provided under the Agricultural Adjustment Act, is assured under a ruling of the Comptroller General.

Of particular interest to dairymen are the licenses in effect for milk distributors in 30 marketing areas. In addition, marketing agreements and licenses are in effect for the evaporated milk industry and for the dry skim milk industry. It is contemplated that milk marketing agreements and licenses issued under the provisions of the Agricultural Adjustment Act will be replaced by marketing agreements and orders as provided under the amended Act.

Thirteen marketing agreements and 12 licenses are in effect for shippers of fruits and vegetables. Marketing agreements and orders as provided under the amended Act are contemplated by growers to replace existing agreements and licenses developed before the Agricultural Adjustment Act was amended. One new agreement and two orders have been made effective for handlers of oranges and grapefruit grown in California and Arizona and for handlers of walnuts grown in California, Oregon, and Washington.

A marketing agreement and an order for handlers of celery grown in Florida now are before the industry for approval. Proposed marketing agreements for Colorado vegetables and western Washington vegetables are being revised in accordance with evidence presented last month. A proposed marketing agreement and order for handlers of watermelons grown in North Carolina, South Carolina,

Georgia, and Florida will be considered in a series of five public hearings.

Under the provisions of Section 32 of the recent amendments to the Agricultural Adjustment Act, and with other funds made available by Congress programs are being conducted for the diversion of surplus farm products from the normal channels of trade. Section 32 appropriates a sum equal to 30 percent of gross receipts of customs duties to be used to encourage increased domestic consumption and increased exportation of agricultural commodities.

Expenditures for the removal of surplus agricultural commodities, exclusive of the drought relief purchases, have totaled more than 34 million dollars for hogs, pork products, butter, cheese, evaporated milk and dry skim milk, and sugar.

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WEEKLY NEWS SERIES, No. 550
(General Story)

REPORT RECORD SUPPLY GRASS, LEGUME SEED

Never before in the Nation's history have the available supplies of seed of grasses and legumes in general been as large or the situation so favorable from the farmer's standpoint for large increases in pasture and meadow crops, according to J. F. Cox, chief of the replacement crops section of the Agricultural Adjustment Administration.

Mr. Cox bases his statement on seed production and carry-over figures of the Bureau of Agricultural Economics of the United States Department of Agriculture. He points out that supplies and prices of grass and legume seeds are of particular importance because of the Nation-wide interest in increasing the acreage of soil-improving and erosion-preventing crops.

The supply of bluegrass seed is ample greatly to increase farm usage and there is enough red top seed to plant several times the usual acreage. The available supply of timothy seed is larger than ever before recorded. Fairly large surpluses, in excess of normal usage, are reported for orchard grass, rye grass, and meadow fescue. The supply of brome grass and crested wheat grass seed, adapted to Western and Northwestern conditions, is greatly increased over last year.

The supply of alfalfa seed is reported to be fairly large. The supply of red clover and alsike is below normal but seed of lespedeza, which has gained rapidly in the southern Corn Belt and northern Cotton Belt, is available in large quantities. Production of lespedeza seed was not as large in 1935 as

in 1934, but the carry-over was large and supplies are ample for a continuance of greatly increased plantings. Sweetclover seed is available for normal usage and some surplus.

The Sudan grass and grain sorghum seed crops were the largest ever harvested. The seed supply of many varieties of sweet sorghums is much below normal but many of the grain sorghum varieties, of which there is such a large supply, are valuable for forage and erosion preventing purposes.

The soybean crop was more than twice as large as in 1934, and seed is available for further increases in acreage. The cowpea and velvetbean crops increased substantially. A large carry-over of hairy vetch seed with a greatly increased 1935 production was reported. The supply of field peas is sufficient to plant an acreage 50 percent larger than the 1935 acreage.

Wholesale prices for seed, as reported by G. C. Edler of the Bureau of Agricultural Economics, are generally lower than last year and lower than during the five years from 1929 to 1933. Red clover is about one-fifth lower than last year and alfalfa and sweetclover about one-fourth lower. Kentucky bluegrass seed prices are less than last year. Red top is about one-third of last year's price and Sudan grass about one-fourth of last year's price. Timothy seed is much lower in price.

Normal planting of pasture and meadow crops is about 28 million acres. At the average rate of seeding used by farmers, there is enough seed of pasture and meadow crop grasses and legumes to increase the normal plantings of these crops by approximately 50 percent or about 15 million acres. Enough seed of soybeans, velvetbeans, field peas, and cowpeas is available to plant 15 million acres more than is normally planted to these annual legumes.

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