

PROBLEMS OF LOCAL FARM PROGRAM ADMINISTRATION;
TWO CASE STUDIES

by

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INTRODUCTION

Public administration is the process of fulfillment or execution of the policies and programs which policy makers perceive are necessary in the service of society. Public administrators, then, are those delegated the responsibility of putting into effect policies which other groups legislate. But this does not mean that administrators themselves have no policy making power. Appleby has pointed out that:

Administrators are continually laying down rules for the future, and administrators are continually determining what the law is, what it means in terms of action, what the rights of parties are with respect both to transactions in process and transactions in prospect.¹

Thus, administrators have a wide range of activities to coordinate. At one extreme they interpret the policies made by other groups, and at the other they apply these interpretations to current situations. Between these extremes the administrators must make decisions about which regulations apply to each situation. It is in this range that the true responsibility of public administration lies.

Gaus has justified this delegation of authority to administrators as follows:

It is, indeed, because we wish to have the advantage of the special knowledge of experience of experts, and the simplicity and economy of investigation and procedure of the administrative agency, that we have

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Paul H. Appleby, Policy and Administration, p. 7.

turned over many problems of regulation to the administrative tribunals. Thus there has grown up a wide area of discretion in which the finality of decision by the administrative authority is accepted.¹

It is because of the specialized knowledge which administrators have, and the impossibility that legislators can have similar knowledge of a wide range of problems, that responsibility is delegated to them. This places upon administrators a responsibility similar to that of legislators----to serve the public to the best of their knowledge and ability. Unless this burden of responsibility is realized and fully accepted by administrators, they may fail to achieve the intent of the legislators when turning policies into action programs. If this occurs, the public will not be served to their best interests.

In a free and representative democracy, this administrative responsibility is felt to be most properly carried by individuals or groups acquainted with the local situation. Thus, for many decades the road building program was carried out by administrators on the township level of government; later it was transferred to the county when it was shown conclusively that this group was more able to execute these programs satisfactorily.

In local areas, public programs affect individuals and groups directly. These programs have a different effect on the public than does an indirect program such as government inspection of foods and drugs. A program with a direct approach carries a different kind of responsibility with it than does an indirect

¹ John M. Gaus, The Frontiers of Public Administration, p. 28.

program. The amount of participation in a program of direct contact with the public is greatly dependent upon the trust and confidence which this public places in the administration. Thus, the success of the program is dependent upon the administrators' successfully conveying an acceptance of responsibility and trust as well as successfully interpreting and executing policies and programs. Gaus and Wolcott have pointed this out:

It is in the local area that the need for ultimate coordination of programs is greatest. All national, regional, and state efforts should be undertaken with this fact in mind so far as is humanly possible.¹

Public programs and their administrators represent to individuals what their government is and what it stands for; it is important for local public administrators to accept this fact. Thus, individuals, "created equal" under the Constitution, must be treated in a fair and equitable manner without regard to race, creed, or color, or economic circumstance. Policies and programs should be so adjusted as to affect individuals in similar circumstances in a fairly uniform fashion.

It is to local administration and administrators that this study is directed. For the past three decades, federal programs for agriculture have reached out to the individual farm---to limit production, maintain prices, or conserve resources. Overall policy has been determined at the national level, but the programs have been administered on a county by county and farm by farm basis. To carry out this task within the framework of the

¹ John M. Gaus and Leon O. Wolcott, Public Administration and the United States Department of Agriculture, p. 385.

theory and practice of local self-government, the farmer committee system was established. This system of administration came into being when the first AAA program was established in 1933.

M. L. Wilson, an early administrator of the AAA, later stated:

The first question that was raised was, since it would touch all farmers, would it be possible to administer. In the discussion at that time both by committees of Congress and by others on the outside who are interested, the great question was raised that you never could administer---or if you did administer it you would have what we would call hordes of bureaucrats representing the Government dealing with farmers.

Now it was under those circumstances that this idea of administering a program of the Federal Government with farmers through a committee system originated, and my recollection is of hearings before members of committees of Congress and the discussion among farm organizations and otherwise, was to take a leaf out of the book of cooperatives, that the cooperatives was a democratic institution, and that these programs are really partnership programs with the Federal Government in which the Federal Government was doing certain things for the farmers of the country, and that there were obligations on both sides, and that by conceiving this as a partnership and conceiving this as a cooperative in essence, you said to the farmers of a county: 'Those who participate in this program form a cooperative.'

Elected boards, now called Agricultural Stabilization and Conservation (ASC) committees, administer federal farm programs, making local program decisions within the framework of policies established by Congress, by the Secretary of Agriculture, and by State Committees.

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United States Senate, Subcommittee of the Committee on Agriculture and Forestry, Hearings, Administration of Farm Programs by Farmer Committees, 84th Congress, 1st and 2nd Sessions, p. 36.

The county ASC committee has three farmer-members, elected annually. All persons in the county having an interest in a farm as owner, tenant, or sharecropper are eligible to vote. To hold office as a committeeman, a farmer must be eligible to vote in the committee elections, reside in the county, and meet certain other minimum requirements designed primarily to insure that political activity is not involved in committee decisions or operations. About 90,000 farmers serve annually as committee members in the United States. They carry a large measure of responsibility in seeing that the farm programs are administered effectively at the local level.

PURPOSE OF STUDY

The general aim of this study is to discover some of the problems---the successes and failures---of selected farmer committees which administer federal farm programs in order to help appraise their role in future farm programs. The first network of farmer committees was established to handle the farm programs of the 1930's. Hardin has explained one of the reasons for this as follows:

...a vast amount of help was needed to sign up millions of farmers, inspect their fields, and certify them for payments. In the south, county agents appointed farmer committees to assist in local administration. In the midwest, producer' control associations were formed from committeemen elected by farmers. Elections spread, and in 1936 the Congress directed the Secretary (of Agriculture) to employ local and state committees to administer the program.¹

¹ Charles M. Hardin, The Politics of Agriculture, pp. 115-116.

The farmer committee system was thus born out of need and was:

...characterized by two important concepts:
 (1) The democratic process of electing committeemen in counties and communities, and (2) the belief that the person best able to administer a farm program in the most practical way, with the most beneficial long term results, is the farmer himself.¹

The system has survived through many administrative reorganizations, as Hardin points out:

The committee system remained as the AAA (Agriculture Adjustment Administration) through some ten organizations from 1933 to the creation of the FMA in 1945. The letters AAA were probably dropped in 1945 in order to deprive the agency of an important symbol and thus to diminish its political influence.²

Within this statement Hardin also suggests one of the problems arising out of an organization as large as the farmer committee system. It was a potential political force with a network of membership which reached into all corners of the nation. The power which it controlled in handling farm programs made it an entity to be watched. It was watched closely, Hardin points out, as attested by the ten reorganizations in the twelve years from 1933 to 1945.

But along with its problems, the system has also been looked upon as extremely successful. Senator Aiken has pointed out some of the activities which it has handled in the past:

Not only have they served to administer the crop adjustments and the Agricultural Conservation Program

¹ United States Senate, Subcommittee of the Committee on Agriculture and Forestry, Hearings, Administration of Farm Programs, 84th Congress 2nd Session, September 10, 1956, p. 2.

²

Charles M. Hardin, The Politics of Agriculture, p. 116.

but during World War II and the Korean Affair these men were agricultural leaders who assisted in administering the wartime activities of the Department of Agriculture. The local offices became centers of information for producers, encouraging them to increase production to meet production goals. State, county, and community committeemen played a vital role in a host of emergency measures ranging from the distribution of vital information to the rationing of supplies and promoting war bond drives in rural communities.¹

Thus, the farmer committee system has enjoyed a long tenure of success. This success has not been without controversy or change, however. As late as 1954 provisions for conducting committee elections were amended to remove the power of incumbent committees to conduct the elections for the succeeding year. This change was reported to have been made because of numerous complaints received by the Department of Agriculture that the local elections tended to perpetuate the committeemen already in office. Regulations were amended to place the handling of elections in the hands of an independent election board,² a procedure which has since been a source of controversy.³

The committee system's ability to conduct farm programs seemed to be adequate during the first two decades of federally sponsored programs for agriculture. Farm programs, though new, were relatively simple and not very restrictive of farm operations.

¹ United States Congressional Record, 86th Congress, 2nd Session, June 10, 1960, Vol. 106, p. 11449.

² United States Senate, Subcommittee of the Committee on Agriculture and Forestry, Hearings, Administration of Farm Programs by Farmer Committees, 84th Congress, 1st and 2nd Sessions, p. 8.

³ Ibid.

During the 1930's, the programs were either of an emergency nature, or were based on soil conservation, with the committees supervising federal payments to farmers for soil conserving practices. In the 1940's the main emphasis turned to increasing production for the war effort. It was not until the middle 1950's that farm surpluses began to be an extremely difficult problem, and the possibility of effective control over farm production loomed as a possibility for the future. The Soil Bank, begun in 1956, added a complex new program to the long-standing acreage allotment and price support operations. This trend to even more stringent and complex programs may continue in the 1960's if farm productive capacity continues high and if downward pressure on farm prices becomes more intense.

The possibility of broad expansion of land retirement programs and of making administrative distinctions among regions was suggested by President Eisenhower in his budget message to Congress for the 1961 fiscal year:

Authority to bring additional land into the Conservation Reserve expires after the 1960 crop year. Legislation is proposed to extend this authority through the 1963 crop year and to expand the program by increasing the basic limitation on the amount of payment that may be made in any calendar year from \$450 million to \$650 million. Specific authority will be requested for the Secretary of Agriculture to give special considerations, in allocating conservation reserve funds, to those States and regions where curtailment of production of wheat or other surplus commodities is consistent with long range conservation and production-adjustment goals.¹

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Bureau of the Budget, The Budget of the United States Government of the Fiscal Year Ending June 30, 1961, p. 145.

If such programs continue and expand as part of federal farm policy and possibly even more complex programs, the need for capable administration at the local level will be even greater. It is to examine this level of administration that this study was undertaken, in hopes of contributing toward an appraisal of the capacity of local administration to handle future farm programs.

POSTWAR FARM SURPLUSES

Even before the Second World War, there were clear warnings of trouble with the agricultural programs. Surpluses were building up in Commodity Credit Corporation (CCC) hands, and only the war prevented extreme accumulation of stocks and a possible breakdown of the agricultural program. The need for postwar relief prevented surplus accumulation in the late 1940's, but by 1950 large quantities of storable commodities had again accumulated, as the farm economy geared to war needs proved too productive for peacetime demands, and as price supports were continued without adequate production controls. Added to this were several years of above average weather and rapid adoption of new technologies, both tending to increase the average yield per acre of crops.

The initial postwar effort to revise the farm program and thus to avoid excessive stocks and resulting high costs, was the Agricultural Act of 1948. Flexible price supports, which vary depending upon the carry-over of stocks from the previous year, were included in the Act. The greater the surplus carry-over, the lower the price support level was to be for the next year's crop.

Thus, the lower price was supposed to lower the quantity subsequently produced. But these lower supports were initially not to become effective until January of 1950.

The 1948 Act had been an election year bill, passed by a Republican controlled Congress. Government leadership changed somewhat, later that year; the new administration felt there was no assurance that flexible supports were capable of reducing output. Thus, 1949 legislation continued fixed support prices through 1954. Growth of stocks was held down by the extreme demands of the Korean War from 1950 through 1953. After the war ended, the buildup of surpluses began again, precipitating a major controversy by 1960.¹

The Agricultural Act of 1954 provided once more for price supports geared to carry-overs, beginning with the 1955 crop.² The national acreage allotment for wheat was also reduced. But even with lower prices and smaller acreages, surpluses of certain basic crops continued to be produced, as shown in Figure 1. By late 1955 there was a general concensus among economists and in government that other measures must be taken if overproduction was to be ended. One of the main items on the agenda of Congress

¹ History of farm policies and programs is from Benedict's, Farm Policies of the United States, 1790-1950.

² Murray R. Benedict and Oscar C. Stine, The Agricultural Commodity Programs, p. 126.

Stocks of Most Storable Products Again Increase in 1955

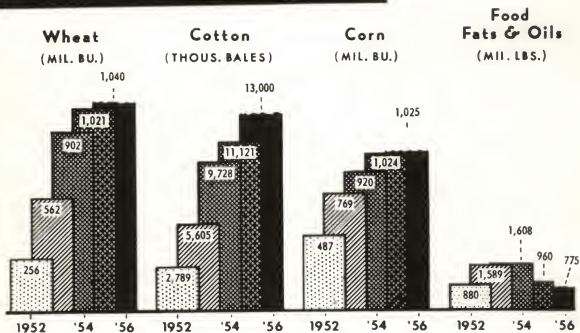


Figure 1. Carryover of major commodities, 1952 through 1956.¹

¹

House of Representatives, Hearings Before the Committee on Agriculture, part 1, February 21 and 22, 1956, p. 17.

early in 1956 was a revival of land removal programs, somewhat reminiscent of the AAA program of 1933.

That program included, among other provisions, authority for the Secretary of Agriculture to enter into voluntary agreements with farmers to reduce acreages of basic crops. For agreeing to reduce production, the farmer received supplementary income payments from the federal government, related to the amount of land not harvested. This program operated until the Supreme Court invalidated it on January 6, 1936. After this blow to agricultural policy, main reliance for federal aid to agriculture was placed on soil conservation payments for several years. By 1956, the farm surplus crisis was serious enough to cause Congress to make another try at land retirement and the difficult administrative problems connected with it.

THE SOIL BANK

On January 9, 1956, President Dwight D. Eisenhower, in his message to Congress, proposed the establishment of a Soil Bank.¹ To implement the recommendations of the President, bills were introduced in both houses of Congress during the second session of the 84th Congress. Hearings were held on these bills by the committees designing agricultural policy for both the House and the Senate. These hearings resulted in the introduction and the passage of a bill, HR 10875, known officially as the "Agricultural

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House of Representatives, Committee on Agriculture, Hearings, General Farm Legislation, part 1, 84th Congress, 2nd Session, p. 3. Summarization of President's message by Secretary of Agriculture, Ezra Taft Benson.

Act of 1956." This bill was signed by the President, and became Public Law 540 on May 28, 1956.

Title One of this bill was known as the Soil Bank Act. This was broken down into two parts, subtitles (a) and (b), known respectively as the Acreage Reserve and the Conservation Reserve programs.

Under the Acreage Reserve program, the Secretary of Agriculture was authorized to formulate and carry out a program for the 1956-1959 crops of wheat, cotton, corn produced in the commercial corn producing area, peanuts, rice, and certain types of tobacco. Under this program, producers would be compensated for reducing their acreage of the commodity below their farm acreage allotment or their farm base acreage, whichever would be applicable. To be eligible for such compensation, the producer was required to:

1. Reduce his acreage of the commodity below his farm acreage allotment
2. Specifically designate the acreage so withdrawn from the production of such commodity
3. Not harvest any crop from, or graze this acreage without permission from the Secretary of Agriculture.

Participants were to be compensated through the issuance of negotiable certificates, redeemable by the Commodity Credit Corporation in cash, or at the option of the holder, in grain within the limits prescribed by the Secretary. Compensation under this program was withheld until it was definitely established that the producer had fulfilled his share of the contract. Contracts under the Acreage Reserve were for one year's duration only.

Subtitle (b), called the Conservation Reserve, was a longer-run program designed partly to promote conservation of resources. Under this section, the Secretary was authorized to enter into contracts for periods of not less than three years. These contracts bound producers to:

1. Establish and maintain protective, vegetative cover for the contract period
2. Harvest no crop from the acreage diverted
3. Not graze this acreage unless permission is granted from the Secretary.

In return for such agreements by the producer, the Secretary agreed to:

1. Bear such part of the cost as he deems necessary to effectuate the purposes of this program
2. Make an annual payment to the producer for the term of the contract. The rates of payment were to be established by the Secretary and were to provide a fair and reasonable return on the land under the contract.

. Purpose of Soil Bank

The acreage reserve was designed as a temporary program to halt the increase of supplies of the basic commodities held by the government. This over-supply was felt by the administration to be a temporary situation brought on by governmental intervention in the agricultural economy, especially by the price support program.

The purpose of the Conservation Reserve was of a longer-run nature. Contracts under this portion were for a period of from

three to ten years. Since this portion covered only non-basic crops in the original bill, it could not be expected to solve the surplus situation, except in indirect ways. The over-all purpose is stated in the bill:

It is hereby declared to be the policy of the Congress and the purpose of the title to protect and increase farm income, to protect the national soil, water, and forest and wildlife resources from waste and depletion, to protect interstate and foreign commerce from the burden and obstructions which result from the utilization of farmlands for the production of excessive supplies of agricultural commodities, and to provide for the conservation of such resources and an adequate, balanced, and orderly flow of such agricultural commodities in interstate and foreign commerce.¹

One of the ultimate purposes of the bill was production adjustment. It is to this element of the program that later case studies are directed. The continued growth of surpluses, despite efforts of Congress and the USDA, was beginning to worry Congressmen. Some feared that unless drastic action was taken on the part of Congress, public opinion would turn against the farmer. With the advent of the Soil Bank, many legislators felt that here was the answer, conservation of resources while removing the tremendous surpluses which hovered over the market, holding down prices of agricultural commodities.

When the bills were discussed in Congress, definite ideas were aired as to the amount of land it would be necessary to remove in the acreage reserve program if the correction of surpluses was to take place. Following are figures of the goals

¹ Ibid., p. 188.

which were specified at that time:

Table 1. Acreage to be removed under acreage reserve program to correct the overproduction of certain basic crops.

Crop	Years	
	1956 ¹	1957 ²
(Millions of Acres)		
Cotton	3-5	3.5-4.5
Wheat	12-15	12-15
Corn	4-6	4.5-5.5
Rice	.3	.2

¹ House of Representatives, Hearings Before the Committee on Agriculture, part 1, February 21 and 22, 1956, p. 4.

² House of Representatives, Subcommittee of the Committee on Appropriations, Hearings, Department of Agriculture Appropriations for 1958, 85th Congress, 1st Session, part 6, p. 214.

Although the greater part of the acreage goals specified were removed from production, the buildup of surpluses continued unabated. Various reasons have been given for this, as discussed in the following pages.

The Soil Bank in Action

Contracts for placing land in the soil bank were initiated following passage of the bill in May of 1956. Although it was quite late in the 1956 crop year, contracts were offered to farmers to place land which had been planted to major crops in the soil bank program. For example, although wheat harvest in much of the Great Plains area was less than a month away, the Agriculture Department through local county ASC offices set up the pro-

gram to bring land then in wheat into the soil bank. Any farmer who entered the program was required to destroy the crop which was growing on the land placed in the program. A major factor which entered in administering the program was the severe drought in the Great Plains area. The regulations sent to each county contained provision for drought situations; a rate of \$6 per acre was set for this land. These same regulations also had provisions for estimating the value of the crop on the land and paying a rate according to the value of the crop or the productivity of the land. It was left to the individual county committee to decide which regulations applied to the situation.

Research on the soil bank program was carried out at Kansas State University late in 1957 and early in 1958 by Schnittker and Smythe. They estimated that wheat not produced because of the acreage reserve in various areas of Kansas cost the federal government from \$.85 to as high as \$10.70 per bushel. The estimated cost per bushel depended upon the amount of rainfall in different localities in 1956 and the yield result of the 1957 crop. Eastern Kansas, for example, had the lowest estimated rate per bushel reduction (\$.85), but it also had the lowest percentage (9.7%) of wheat allotment placed in the acreage reserve. Western Kansas had the highest estimated rate (\$10.70), and also it had the highest percentage (74.5%) of total allotment placed in the program.¹ It can be seen that the program bought reduced produc-

¹ John A. Schnittker and Patrick E. Smythe, An Appraisal of the Acreage Reserve Program for Wheat, Agricultural Economics Report No. 79, March, 1958, p. 14

tion at a high price in some areas. Schnittker and Smythe stated:

Certainly the Soil Bank money was a welcome addition to the incomes of Western Kansas Farmers and to the whole Great Plains' economy. But the stated intent of Congress was to buy production adjustment, not to provide drought relief. Programs of this nature, with effects scarcely related to apparent intent, do not breed public confidence in farmers, their representatives, or in public administrators.¹

Another possible reason the soil bank has failed to achieve the stated intent of Congress is due to certain key regulations not being implemented. Isolated examples of such happenings have appeared, but as far as is known these are not a widespread phenomena. For instance, the Casa Grande Valley Country Club of Arizona early in 1957 received a cotton allotment and placed this acreage in the 1957 acreage reserve program. In February of 1957, upon instructions from Washington, the Club's cotton allotment was cancelled, since no cotton had been planted on the land for the past three years, a requirement of soil bank regulations. In April, 1957, the latter action was rescinded by the Arizona State Office, and the Club was given the allotment which it again placed in the acreage reserve for a compensation of \$2,362.50. In October, 1957, the Commodity Stabilization Service (CSS) of Washington instructed the State ASC office to cancel the allotment and soil bank agreement. Although no payment was finally made, the question could be posed, "Who issued the allotment in the first place?" and "Who was responsible for the pressure which caused the State ASC committee to reverse the instructions from

¹ Ibid., pp. 12, 14.

CSS, Washington?" This is an example of public administrators failing to serve the public which elected them and who expected these men to serve honestly to the best of their ability.

A second similar affair was found in the Arizona cotton program. In this instance, one producer in Arizona was allowed to place his total acreage allotment of 1404 acres in the acreage reserve. For this he received \$214,983.80 in compensation. While he contributed to a reduction of surpluses by this measure, as president of another firm he planted 4,639.5 acres of cotton on land which had no acreage allotment. The report for 1957 states:

The 1957 (Acreage Reserve Program) regulations provide: 'No producer entering into an agreement with the Secretary hereunder shall employ any scheme or device which would tend to defeat the purpose of the government.'¹

However, this did not stop this producer from completely bypassing the original purpose of the soil bank by using a technicality in another provision of the Agricultural Act, which permitted him to pay a relatively small penalty for producing the cotton without benefit of an acreage allotment. While he was nullifying the purpose of the soil bank, he benefited as the recipient of the largest payment made in 1957 under the cotton program.

Although regulations existed which might have been sufficient to deter any producer from thwarting the purposes of the soil bank,

¹ House of Representatives, Subcommittee of the Committee on Appropriations, Hearings, Department of Agriculture Appropriations for 1959, 85th Congress, 2nd Session, part 1, p. 297.

in the case cited the regulations were not enforced. Thus, the program did not bring about the production adjustment which its proponents expected. However, it is questionable if it was an inherent fault of the program itself, or a fault at level of administration.

A different type of disparity, although nonetheless important, was found in the acreage reserve program for 1956 in North and South Dakota. Both these states were hard-hit by the drought of previous years. Yet, for the 1956 acreage reserve program for wheat, the two states fared differently. A report early in 1957 stated:

Officials of South Dakota questioned the disparity between the rates per acre paid under the ARF in that state as compared to its neighbor, North Dakota. Records indicate that the average payment per acre for wheat in North Dakota (\$14.18) was approximately double that of South Dakota (\$7.32). Most of payments in South Dakota were at \$6.00 minimum rate for failed crops; whereas in North Dakota "desk appraisals" were made assuming good weather and normal growing conditions at time of appraisals.¹

Considering that it was June 8, 1956, before the program was initiated, the probable yields of any wheat could have been estimated for the harvest just a few weeks away. Administrators in these two cases handled similar problems in very different fashions.

These are some examples of the type of deviations which arose under the administration of the soil bank program for previous years. Some and possibly all this error was accidental or due to

¹ House of Representatives, Subcommittee of the Committee on Appropriations, Hearings, Department of Agriculture Appropriations for 1958, 85th Congress, 1st Session, part 6, p. 145.

natural human variation when surrounded by different situations. It is possible that these failures were caused by lack of communication from the Federal Department of Agriculture through the state ASC offices to the local farmer committee administrators. But it is apparent that many of these deviations were at the local level.

Since the effectiveness of local administration is the subject of this study, the case studies conducted lie in this area. The objective is to determine the extent to which the production adjustment aspect of the conservation reserve (CR) program was achieved. In order to attain this objective, a two county study of the 1960 conservation reserve program and its administration has been undertaken. The specific hypothesis studied is that the conservation reserve program has achieved a reduction in production comparable to the cost of operating the program.

CASE STUDIES OF ADMINISTRATION OF THE CONSERVATION RESERVE

Before beginning the actual case studies it is necessary to gain a conception of how the program was placed in action and some of the regulations pertaining to the conservation reserve program for 1960. These regulations were conceived in the Agriculture Department in Washington and then sent to the state ASC offices. These offices sent a copy of these regulations to each county ASC office for use by the local committee in administering this program. Thus all state and county offices received identical regulations and instructions on how to administer the program.

To acquaint county committees with these regulations, regional meetings were held during August, 1959, at which state ASC representatives presented the procedures to be followed in placing the program in action. These meetings were designed to remove much of the differences in interpretation of the regulations by individual committees, and thus, the program would be more uniformly administered. These explanatory meetings, together with the regulations which each county received, gave all committees the same base from which to initiate the program.

The Regulations

The local committee's first task under this program was to place on each farm in the county a productivity rating. Regulations pertaining to this task state:

1. The county committee shall identify an adequate number of farms which are of average productivity for the county to enable them to adequately assess the typical county average farm. Such farms shall be assigned a productivity index of 100 per cent.
2. The simple average for all such farms in the county shall be between 99 and 100 per cent.¹

So that the committees would thoroughly understand what the index was to contain and how to set it up, the regulations further stated:

It is intended that the indexes established by the county committee shall be judgement ratings

¹ United States Department of Agriculture, Reference Handbook No. 1-S. B., Conservation Reserve Program Regulations, part 17, p. 181.

taking into consideration the opinions of those taking part in the ratings and the committee's general knowledge of the farms involved. ...it is intended that the indexes fairly represent the relative productivity of the farms. The county committee shall take into consideration any other facts available to it including:

- (a) Available yield data, including data furnished by the farmer
- (b) Land classification suitability data
- (c) Soil Survey information.¹

By following these instructions and using the available data, the committee placed an index value on each farm in the county. With the index, a rental rate was set by multiplying the farm index by the county average rental rate. For example, if the county average per acre rental rate was \$10 and the farm productivity index number was 120, the value placed on the farm was \$12 per acre. This was the amount offered to the operator if he placed only a part of his land in the program. However, if he placed his total farm in the program, he was offered an additional ten per cent bonus. This original value was the amount offered for a farm of a certain productivity; if a plot from any farm was offered for the program, a performance supervisor inspected the plot to determine if it was of a productivity equal to the rest of the farm. If such a plot was not of an equal productivity when compared to the remaining part of the farm, the performance supervisor was to lower the index value for that plot by an amount related to its productivity.

¹ Ibid., p. 166.

To place land in the program, the farmer was required to offer his land for rental at a price which was at least ten cents under the amount offered by the committee. This requirement was designed to encourage farmers to bid their land into the program at near the same net return as would be forthcoming if the land was farmed. A second encouragement for the farmer to do this was the fact that if he bid too high and others bid under him, he could possibly be left out of the program if there were not sufficient funds to cover all land offered for rental. This provided an incentive for farmers to offer their land at rates comparable to the net returns from farming.

With such a system of checks and incentives, the payment under the program was to represent the potential net returns from farming the land placed in the program. Such payment was to cover the net return to the land and represented no return to cover any cost of labor or other variable inputs of farming.

Once the committee completed indexing the farms in the county, it was a relatively simple matter to put the program into action.

Contracts were signed with farmers who agreed to place their land under the program. The farmer was subjected to certain requirements, such as planting a cover crop for which costs were shared; in return, he received a yearly rental fee for the duration of the contract.

Methodology of Case Studies

The appraisal, which was carried out to determine how effectively the program is achieving production adjustment, followed much the same procedure the committee initiated when placing it in action. Data were obtained concerning individual contracts from the local ASC offices. These data included the legal description of the farm, a map of each farm displaying the plots placed in the program, and the productivity rating given the plots or farms placed in the conservation reserve.

Three methods of comparison to determine the potential productivity of the land placed under the program were used---soil maps, a personal appraisal, and value of the land from tax records. By use of these methods, the value of the payment under the conservation reserve program was compared with the potential productivity of the land.

CLAY COUNTY

Clay County issued seventeen contracts for the 1960 conservation reserve program. Total funds for this program were spent, and one operator who offered land was turned down due to this lack of funds. Several of the contracts signed approached the \$5000 limitation placed on any one operator by the program.

Soil Map Comparisons

Soil maps of Clay County show generalized classes of land with the relative degree of care or management required for safe and permanent use. Each class is broken down to show whether, in general, the soils are tight, sandy, stony, or of some other combination. There are seven classes of land, with classes one through four suitable for cultivation and with conservation practices ranging from no special practices to limited use and intensive care of the soil. Classes five through seven are not suitable for cultivation, but they are usable for grazing or woodland. (There was no class five land in Clay County.)

Comparing the farms placed in the conservation reserve program on these maps, twelve were of class three land, which is suitable for cultivation with intensive conservation practices. Five farms were of class four rating, which suggests limited use as well as intensive soil practices; one contract included class six land, which, according to the maps, is not suitable for cultivation. Table 2 is a comparison of the class of land in the farm with the productivity index number given the farms under the conservation reserve program.

The regulations for the conservation reserve program stated that soil maps were to be consulted in setting the productivity index. If this were done, the index established should vary according to the map. Land with a class three rating should have a higher index value than does class four land; as is revealed in the

table, there is no trend established in this direction. Class four land is rated 95 for two farms and 100 for three farms, while

Table 2. Class of land and productivity rating of farms placed in Clay County 1960 Conservation Reserve Program.

Farm number	Class of land	Productivity index number
5, 6	3	105
2, 7, 9, 10, 12, 17	3	100
11, 14, 15	4	100
1, 16	3	95
4, 8	4	95
3, 13	3	85

some class three land is given even a lower index value of 85. Effectiveness of cultivation, degree of erosion, and other factors may account for such variations.

Personal Observation of Farms

A visit to the farms entered in the 1960 conservation reserve program was quite helpful in verifying results of the soil map comparisons as well as bringing out some new discoveries. Almost all the land observed was rolling upland with a very limited depth of topsoil; this factor verified the class three and four ratings of the soil maps. Only one farm was rated as significantly above average in productivity (index considerably above 100), and this farm was withdrawn from the program several months after the farmer signed the original contract. This action was com-

pleted by making a special appeal to the Department of Agriculture in Washington.

Examples of land of extremely poor productivity were farms 3, 11, and 13. Farm number six appeared to be about average productivity for the county, but the plots placed in the program were extremely hilly upland and represented the poorer land in the farm. The index value given this farm was lowered 15 per cent by the performance supervisor. Although this action taken by the performance supervisor was a step in the right direction, the conclusion of the researcher after his visit to the farms was that the 15 per cent lower index value given the plot was not sufficient to show the difference in productivity between most of the land in the farm and the contracted acreage. Farm number twelve was another rolling, heavily ditched farm which did not appear to be of average productivity for the county although an index value of 100 was placed on it.

Some examples of farms of more nearly average productivity were farms 4, 7, 9, and 14. These farms generally were of less slope, had better soil characteristics, and more nearly approached the average value placed on the land by the committee.

The general conclusion drawn from the personal visits is that most of the land placed in the program in Clay County is of lower than average productivity for the county and would give low net returns from farming. The range of index values placed on this land is extremely narrow as compared to the variation observed in the land. Thus, farms four and fourteen are probably worth the

index value of 100, but the index value of 85 placed on farms three and thirteen was not sufficiently lower to show their actual relative productivity.

Appraised Value of Farms

A comparison was also made of the conservation reserve payment with the appraised value of the contracted land. Clay County had just completed an appraisal and had current 100 per cent valuations on all property. Land values, however, represent chiefly the discounted expected net return to land as a factor of production, not discounted net returns from all factors used in production. While the conservation reserve program is a land rental program, it must also compensate the producer for expected net returns from other farm resources used on land, if it is to be attractive to producers.

It is likely, however, that land prices are also a reasonably good indicator of expected gross production from cultivating different qualities of land. It was mainly gross production which the county committees were instructed to assess in setting rental rates per acre. It is of interest, therefore, to compare valuations and rental rates on conservation reserve tracts.

In Table 3, it is seen that the conservation reserve rate per acre is much lower as a per cent of land value on highly productive land (9.3%) than on lower quality land (16.1%). If the program were bidding against gross returns as crudely measured by land values, low quality land would be attracted most readily. Instead, the conservation reserve rental rate is probably weighed

Table 3. Clay County comparisons.

Farm Number	Productivity Index Number Set by Farmer Committees	100% Valuation Per Acre of Land Only	Conser- vation Reserve Payment, Per Acre	Conser- vation Reserve Payment as Per Cent of Land Val- ue
19*	125	187.15	17.50	9.3
15*	120	112.91	16.80	14.9
6.	105	92.63	14.70	11.6
5	105	67.55	14.70	21.8
7	100	105.33	14.00	13.3
18	100	89.43	14.00	15.6
2	100	88.04	14.00	15.9
9	100	87.64	14.00	16.0
11	100	86.81	14.00	16.1
12	100	82.10	14.00	17.1
16	100	75.62	14.00	18.5
14	100	65.83	14.00	21.2
10	100	63.17	14.00	22.2
4	95	106.48	13.30	12.5
17	95	104.75	13.30	12.7
1	95	96.70	13.30	13.8
8	95	76.19	13.30	17.6
13	85	86.13	11.90	13.8
3	85	76.39	11.90	15.6

*Farms not placed in the conservation reserve program

against expected net returns to all resources used in production. Such expected net returns would normally be greater from cultivating highly productive land than from cultivating unproductive (low-priced) land in a similar fashion. Therefore, a much wider range of payment rates would be required to either match gross land productivity as indicated by land values, or to match expected net income from different qualities of land as indicated by theory and experience.

Returning to Table 3, it is interesting to note that there are no farms in the program with a relatively high productivity rating. If the index properly represents the relative productivity of the land in the county, it is assumed that land from all ranges of productivity would be attracted into the program. As is apparent in Table 3, only farms with a rating of 105 or below entered the program. This would seem to further verify the tentative conclusions above that the alternative offered farmers through this program was not as attractive for highly productive land in the county as it was for lower quality land.

If this is true, and the data of Table 3 seem to indicate that it is, then the committee have failed to set up this index properly. The instructions, which all county committees received prior to the setting of this index state: "It is intended that the indexes...of the farms involved...fairly represent the relative productivity of these farms."¹ It is the "relative produc-

¹ USDA, Reference Handbook Number 1-S. E., Conservation Reserve Program Regulations, part 17, p. 166.

tivity" which is most important; thus, the index value of one farm should have the same relationship to that farm's productivity (presumably gross) as the index value of any other farm has to its productivity. In the examples shown in Table 3, this is not the case. The index value of average farms has a different relationship to their productivity than does the index value of highly productive farms to their productivity, (as indicated by comparing farm nineteen with any other farms). This is shown by the ranges of the productivity index (column two), and the range of the valuation per acre (column three). The range of the productivity index is 147 per cent, from 85 to 125, while the range of land values is 297 per cent, from \$63.17 per acre to \$187.15 per acre. To actually represent the potential productivity of the land shown by the values placed on the land, the index would have had to vary from approximately 60 to 165.

Upon contacting one of the committeemen of Clay County, this discrepancy was brought out and justification for it was requested. He explained that the index was set up in this manner because it was felt that very little of the highly productive land would be placed in the conservation reserve program, regardless of the payment set. Therefore, rather than set the index very high for this type land and set the index low for the poor land in the county, the committee felt that it would be better to set the index lower for the good land and hold the index for the poor land up in order to provide a higher incentive for the poor land to come into the program. In this way, the index would still balance out between 99 and 101 per cent.

This lack of variation in the productivity index tended to cause the poorer quality land to be offered too high a monetary incentive for the production adjustment which was achieved if the land was placed in the program. Some correction of this was possible, though, with the bid system which farmers were required to go through to enter the program. In this county the average price at which farmers bid their land into the program was \$1.14 per acre below the offered rate. The range was from \$3.00 below to only \$.10 below, which was the smallest amount which farmers could bid below the offered rate and still be considered eligible to enter the program. It was interesting to note that the farmers who bid \$3.00 under the offered rate were farms 3, 5, and 15 (Table 3); this factor tends to point out that these operators also felt the productivity rating placed on their farm overestimated the potential productivity of the land. The greater majority of farmers tended to bid only a very small amount under the offered rate, which meant that the bid system contributed rather insignificantly toward buying production adjustment with this program in Clay County.

SALINE COUNTY

Data obtained concerning the conservation reserve program for this county showed only nine contracts placing land in the program. Total funds allotted for the program were not spent and some were returned to the Federal Government. The location of the Saline County farms, productivity index ratings of each, and a map of the individual plots placed in the conservation reserve were secured from the county office.

Soil Maps Comparisons

Saline County soil maps represent a thorough soil survey which was completed in 1959. The land of the county is classed according to types of soils. For each type soil, a productivity rating of the two main crops, corn and wheat, is given; such ratings are stated in bushel amounts. (This information is given in Appendix Table 1).

To determine the productivity of the farms in this county, the individual farms were located on the soil maps. By taking a weighted average of the different soil types on each farm, it was possible to determine the potential gross productivity of the farms in bushel amounts. Net incomes were estimated, subtracting all variable costs of production, the depreciation cost of the equipment used to produce the crop, and the cost of seed for the crop from gross incomes. These variable costs were obtained from unpublished data at Kansas State University. The variable costs calculated per acre of wheat on a 320 acre farm amounted to \$7.65.

These costs include gas, oil, upkeep of equipment, and cost of labor used in production.

The depreciation costs, or costs of owning the machinery, were obtained from the 1959 summary and analysis report of the farm management associations of Kansas. This study gave the investment cost per acre of machinery for the different types of farming areas of Kansas. For Area 1, the investment per acre was \$20.71. By using a straight line method of depreciation over a ten year period, a yearly per acre cost figure of \$2.07 can be derived. This figure gives the cost per acre of the equipment used to produce a crop of wheat.

The cost of seed wheat was placed at \$2.00 per bushel with a planting rate of one bushel per acre or a total cost per acre of \$2.00 for seed wheat.

By deducting these costs of production from gross income, it is possible to estimate a net income figure per acre of land. This value is the figure producers probably weight against the conservation reserve payment in deciding to contract land under the program. A comparison of these calculated net returns with the payment rates under the program should help give some indication of the effectiveness with which local administrators achieved the main purpose of the program, production adjustment.

In column one, Table 4, contracted farms are listed by number. Farm numbers one through nine are farms with at least some or all of the crop land in the conservation reserve program for 1960. Farms ten through sixteen represent farms of low productiv-

Table 4. Saline County comparisons.

Farm Number	Productivity Index Number	Appraised Value Per Acre	Calculated Gross Income Per Acre	Calculated Net Income Per Acre	Conservation Reserve Payment Per Acre
12*	145	84.86	31.67	21.95	20.30
13*	140	50.00	25.05	15.33	19.60
11*	135	45.31	27.15	17.42	18.90
10*	120	57.10	21.17	11.45	16.80
16*	100	32.50	19.91	10.19	14.00
6	95	30.48	18.90	9.18	13.30
2	80	30.00	19.00	9.28	11.20
5	80	22.18	16.29	6.57	11.20
3	80	21.09	14.66	4.94	11.20
1	80	20.00	16.83	7.11	11.20
7	80	18.75	16.29	6.57	11.20
9	80	18.75	15.38	5.66	11.20
8	75	19.37	14.48	4.76	10.50
4	75	17.92	15.20	5.48	10.50
14*	70	19.06	15.02	5.30	9.80

*Farms not placed in 1960 conservation reserve program

ity and farms of high productivity in the county. They represent farms chosen at random and are used to compare the productivity index set by the farmer committee for the extreme ranges of productivity with the actual calculated productivity of these farms. Column two is a productivity index set by the farmer committee, and it is a percentage figure which represents the value of the productivity of the land when multiplied by the value of \$14 per acre, the county average net income per acre. (The range of the Saline County index is much wider than the Clay County index.) Column three is the appraised value per acre of the farms and this appraised value will be explained in the next section. Column four is the calculated gross income per acre of the farms; column five represents the farms' calculated net incomes. The conservation reserve payment set for the farms is indicated in column six.

With the aid of this table, it is possible to draw some conclusions concerning the conservation reserve program and its handling in Saline County. The productivity index (column two) is the key to buying gross production adjustment with the soil bank program. If this index correctly represents the actual production possibilities of the land in the county, then each dollar spent for land rental buys about the same decrease in production, regardless of quality of land.

Studying Table 4, it can be seen that the index on farms shown varies from a low of 70 to a high of 145. This was also the total variation of the index in Saline County; thus, farm twelve represents one of the most highly productive farms in the county,

and farm fourteen, one of the lowest productive farms. Since this index (column two) is a percentage figure, it is possible to find the monetary value associated with this index by multiplying the index number by the payment for average land in the county, \$14 per acre. Thus, land with a productivity index number of 145 would be paid \$20.30 per acre ($145 \times \14) under the conservation reserve program, while the farm with index number 70 would be paid \$9.80 per acre ($70 \times \14). This is a percentage variation of 207 per cent.

The method of calculating columns four and five has already been explained. One point must be remembered with reference to columns four and five; they are calculated as estimates of average production over a period of years, rather than any one specific year. Thus, column five values represent the net return farmers could reasonably expect from farming over a period of several years.

Comparing column five with six, one point becomes apparent. For the farms actually in the 1960 conservation reserve program, the payment is much higher than the calculated net returns to production (as indicated by land quality) would warrant. Looking further, it can be noted that the only farms for which the index has an approximate fit are the higher productivity farms in the county. For the low productivity farms, the index gives values much too high when compared to the estimated production possibilities of the land. Looking at farm three (Table 4), it can be seen that the payment is two and one fourth times the calculated net

income for that land. If the estimated production is accurate, this is a substantial overpayment for the reduction in production which was effected by placing this farm in the program and a wind-fall to the farm operator, who might have contracted for a much lower rate. Another example of possible overpayment is farm nine; this farm had a rental value of \$11.20 per acre placed on it, if it were consigned to the program. This was twice the value of the calculated net income from this farm. Further examples of possible overpayment are also apparent in Table 4.

Another measure of the appropriateness of this index is the range of the two columns. Column five has a range of 414 per cent, and column six, 207 per cent; this means that the range of actual productivity is 414 per cent while the conservation reserve index range is only 207 per cent. The conclusion drawn is that the index does not have sufficient variation to cover the wide variability in Saline County land. Thus, the more productive land is underpaid and does not enter into the program, while the less productive land does come into the program and is overpaid.

Although the index does not appear to have sufficient variation when net returns are considered, which is actually what the conservation reserve payments are replacing, if the gross returns are considered, the variation is more nearly correct. Since the county committees were instructed to use gross productivity as the guide in setting up the index, it appears that instructions were fairly closely followed in this instance. But this does not mean that production adjustment of the proper magnitude was achieved with the funds expended. It does supply reason for the lack of

variation and the resulting overpayment for poorer quality land.

Tax Appraisal Comparisons

The appraised value of land in the conservation reserve program in Saline County is given in Table 4, column three. These values do not represent the full value of the land, but rather, are the appraised values which are used as a base to determine the land taxes. Comparing their range with the range of the payments under the conservation reserve is one method of testing the range of the program's payments. The ranges should be nearly equal since both the value set on land and the conservation reserve payment are directly connected to the productivity of the land. The value placed on land is mainly the capitalized value of the net returns, while the conservation reserve payment is replacing the net returns which would result if the land were farmed. Thus, the ranges of the two groups of values on the same plots of land should be very similar.

Studying column two, Table 4, the range of the appraised value of the land is 445 per cent. Column six, the program's payment, has a range of 207 per cent, less than one half the range of column two. This factor suggests that the productivity index does not have sufficient variation to truly represent the variation in productivity of land in Saline County, unless the range of appraised values per acre is completely unreasonable.

Personal Observations and Comparisons

A visit to each farm that had land in the conservation reserve program of 1960 provided a means of verifying the tendencies revealed in the other comparisons. All plots of land in the program in this county were definitely below the average productivity of cultivated land in Saline County, an observation which supports the index number designation somewhat. Four of the nine contracted farms or parts of farms were rocky type soils; one farm, number nine, had rock outcropping which would make it nearly impossible to farm. Approximately 25 per cent of the land placed in the program on this particular farm was of this type soil. Although the land was given an index value of 80, this over-estimated its production possibilities. Some of the land committed to the program did not appear to be technically eligible to be entered because it had probably not been farmed in the past three years.

Generalizing on the other farms visited, it was noted that all were rolling upland with only two farms of fair productivity. Farms two and six were terraced with a two-to-four per cent slope, although most of these two farms were pasture land. Farms 1, 4, and 8 were hilly upland farms which would have a high cost of operation and a resulting low net return. For the most part, all these farms were of a very low productivity, and the productivity seems to have been over-estimated by the payments under the program. If the productivity index had sufficient variation to cover the actual variation of the net returns to these farms, the same land might have been retired at lower cost.

SUMMARY AND CONCLUSIONS

The county committee system has functioned for almost three decades, handling the farm program at the local level. However, its function has not been without change; administrative re-organizations have been relatively frequent. The latest occurred in the early 1950's when the regulations covering elections were changed to provide for an independent election board to conduct the election of committeemen for the coming year.

County committees functioned quite well in administering the farm programs during their first two decades. These programs were relatively simple and easy to administer. With the advent of the Soil Bank in 1956, the problems of the committees began to increase. The following three years of administering such a program have emphasized some of the problems of handling programs which are considerably more complex. With the possibility of even more involved agricultural programs in the future, the problems of administration may be even greater. A conception of one of these complex programs and the problems associated with it was gained with the two county study of the 1960 conservation reserve program.

Production adjustment is being achieved with the conservation reserve program, but the size or amount of this adjustment is difficult to measure. Of interest, also, is the cost of achieving reduction in total production. Data of these case studies tend to reveal this cost as greater than necessary for the adjustment effected. Comparing the rental payments under the program with the net returns which farmers could reasonably expect from farming the

land over a period of time, tends to demonstrate that the amount paid for an acre of land removed from production must be greater to attract the land to non-use. This is considering only the economic viewpoint, the net returns which must be replaced. If a farmer considers more than just the economic returns when choosing to quit farming, a greater inducement than just replacing his net income must necessarily be offered to remove his land from production. If this is true, possibly the cost of removing this land from production is not too great. However, from an economic viewpoint, the type of land removed is receiving a greater payment than is justified.

The major cause of this overpayment seems to be a failure of productivity indexes for which farmer committees are responsible to reflect satisfactorily gross returns or net returns. The failure of this index to have sufficient variation to cover the actual variation in land productivity may result in overpayment on less productive land. Such land makes up most of the land placed in the program in the counties studied.

The causes of the insufficient variation in the productivity index could be due to many reasons. It is possible that the committees rely more heavily on the gross returns to the land when setting this index. These returns would not have as much variation as would the net returns. Another possibility is that the committee is subjected to pressures which make it difficult to distinguish between farms with nearly the same productivity because of the possibility that the farmer would become quite disturbed when told his farm was not rated as high as his neighbor's.

To prevent this possibility, the committees may use less variation when rating farms, and only when farms vary considerably do they vary the rating placed on the farms.

If more complex land retirement programs are adopted, affecting possibly all or nearly all farms in many regions, the farmer committee system may face far greater administrative problems than those previously cited.

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APPENDIX

APPENDIX

Table 1. Estimated average acre yield of principal crops in Saline County, Kansas.

(Yields in columns A obtained under common practices; those in columns B obtained with improved management; absence of a yield figure indicates crop is not commonly grown under the management level indicated.)

Soil Types	Wheat		Corn	
	A	B	A	B
	Bu.	Bu.	Bu.	Bu.
Albion loam-----	10	15	17	20
Albion coarse sandy loam, shallow phase-----	--	--	--	--
Arkansas fine sandy loam-----	14	20	35	40
Assaria silt loam-----	15	21	25	30
Assaria silty clay loam-----	12	20	17	30
Benfield silty clay loam, shallow phase-----	7	18	12	15
Benfield silty clay loam-----	13	18	20	30
Berg silt loam-----	15	23	25	35
Berg silty clay loam-----	7	14	--	--
Bonaccord silty clay loam-----	16	24	28	35
Bonaccord silty clay loam--Solonetz complex-----	10	15	16	22
Carlson silty clay loam-----	--	--	--	--
Cloud silty clay loam-----	3	7	--	--
Detroit silt loam-----	19	26	40	45
Detroit silty clay loam-----	18	26	35	40
Detroit silt loam, overwash phase-----	12	18	25	35
Ebenezer silt loam-----	10	17	14	20
Ebenezer silty clay loam-----	7	12	10	20
Ebenezer loam-----	9	17	11	20
Ebenezer silt loam, colluvial phase-----	13	19	20	30
Edalgo silty loam-----	6	10	12	16
Elmo silt loam-----	14	21	25	35
Elmo silty clay loam-----	11	16	20	35
Elmo loam, terrace phase-----	14	21	32	40
Elmo silt loam, terrace phase--	14	21	35	40
Englund silt loam-----	8	12	13	20

Table 1 (cont.)

Soil Types	Wheat		Corn	
	A	B	A	B
	Bu.	Bu.	Bu.	Bu.
Englund silty clay loam, very shallow variant-----	3	7	--	--
Falun fine sandy loam-----	16	21	28	35
Fore clay-----	13	16	15	20
Fore silty clay loam, deep over-silt-----	14	18	32	40
Geary silty loam-----	13	18	25	35
Hall silt loam-----	17	26	35	45
Hall silt loam, brown subsoil variant-----	17	26	35	45
Hallville loam-----	8	10	--	--
Hallville loam, shallow phase---	6	8	--	--
Hedville loam-----	--	--	--	--
Hedville stony loam-----	--	--	--	--
Hobbs silt loam-----	15	23	30	40
Humbarger silt loam-----	16	23	34	40
Humbarger loam-----	15	18	25	35
Idana silt loam-----	13	23	20	30
Idana silty clay loam-----	10	18	17	30
Kipp silt loam-----	12	12	18	20
Kipp silty clay loam-----	10	12	17	20
Kipson silt loam-----	9	11	--	--
Kipson shaly silt loam-----	3	6	--	--
Lancaster loam-----	10	14	15	30
Lancaster loam, shallow phase---	7	10	12	25
Lancaster fine sandy loam-----	9	13	12	25
Lancaster fine sandy loam, shallow phase-----	7	9	10	20
Langley silt loam-----	16	22	35	45
Langley silty clay loam-----	12	22	28	40
Langley silt loam--Solonetz complex-----	11	15	20	30
Lanham silt loam-----	6	9	12	20
Lincoln loamy fine sand-----	10	13	15	15
Lindsborg silt loam-----	3	5	--	--
Lockhard silt loam-----	15	22	25	30
Lockhard loamy fine sand, over-blown phase-----	11	16	15	15
Longford silt loam-----	15	18	25	30
Longford silty clay loam-----	10	15	15	30
Malmgren silt loam-----	12	16	20	30

Table 1 (cont.)

Soil Types	Wheat		Corn	
	A	B	A	B
	<u>Bu.</u>	<u>Bu.</u>	<u>Bu.</u>	<u>Bu.</u>
Marydel silt loam-----	16	23	40	45
Marydel loam, poorly drained variant-----	14	18	20	35
Marydel fine sandy loam-----	15	20	30	40
Marydel loamy fine sand-----	10	15	15	20
McPherson silt loam-----	16	20	26	30
Muir silt loam-----	16	26	40	45
New Cambria silty clay loam-----	16	25	30	40
Niles silt loam-----	15	19	25	30
Niles silty clay loam-----	12	17	18	30
Ninnescah silt loam-----	14	18	30	35
Pratt fine sandy loam-----	10	14	15	18
Rentide silt loam-----	13	16	11	15
Rentide silty clay loam-----	10	15	9	15
Rentide silt loam, moderately shallow phase-----	7	12	9	15
Rokeby silt loam-----	15	20	25	30
Roxbury silty clay loam-----	18	24	35	40
Salemburg silt loam-----	15	22	37	45
Shellabarger silt loam-----	13	20	25	35
Shellabarger loam-----	12	20	25	35
Shellabarger fine sandy loam-----	10	16	20	30
Smoky Butte silt loam-----	15	24	35	45
Smolan silt loam-----	14	18	22	30
Solomon clay-----	15	19	15	25
Solomon clay, low lime variant-----	10	14	12	25
Stimmel silt loam-----	16	21	30	35
Stimmel silty clay loam-----	12	20	25	35
Sutphen silty clay-----	16	20	30	35
Tescott silt loam-----	13	18	11	20
Tescott silty clay loam-----	8	13	8	20
Tobin silt loam-----	15	26	30	45
Vernon silty clay loam-----	6	10	--	--
Wabash silty clay loam-----	15	21	32	40
Westfall silt loam-----	10	18	15	30
Westfall silty clay loam-----	9	17	12	30
Windom loam-----	16	23	32	40
Windom fine sandy loam-----	16	23	32	40
Windom loamy fine sand, sandy substratum variant-----	10	15	15	20
Yordy loam-----	14	18	18	25
Yordy silty clay loam-----	12	18	15	25

Table 1 (cont.)

Soil Types	Wheat		Corn	
	A	B	A	B
	<u>Bu.</u>	<u>Bu.</u>	<u>Bu.</u>	<u>Bu.</u>
Yerdy loam, shallow phase-----	9	14	10	12
Yerdy silty clay loam, shallow phase-----	7	13	10	12

PROBLEMS OF LOCAL FARM PROGRAM ADMINISTRATION;
TWO CASE STUDIES

by

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Administration of federal farm programs has long been felt to be done most effectively by local farmer committees. Such a belief was based on concepts of freely elected administrators, as well as the concept that individuals acquainted with the local situation are best able to turn policy directives into action programs.

The system of farmer committees functioned quite well during the early period of relatively simple and modestly restrictive farm programs. However, as farm output has greatly outrun the demand for farm products, federal legislation has turned to more complex, restrictive type programs. This trend became apparent with the Soil Bank Program which was initiated in 1956 and may continue to an indefinite date.

Experience with the Soil Bank Program from 1956 to 1958 was not over-complimentary to its administrators. Problems of drought relief payments, unequal treatment of groups of individuals, and instances of individuals completely by-passing the original intent of the program have appeared to haunt its administrators. With these events as past history, the possibility looms that farmer committees may be unable to administer restrictive and complex farm program most effectively.

The intent of this study was to determine how one program, the Conservation Reserve for 1960, was administered in two counties. From the findings of these case studies it is possible that some assessment of the abilities of farmer committees to handle future farm programs may be possible.

The principal consideration of the case study of the 1960 Conservation Reserve Program was to determine if production adjustment was achieved. Furthermore, if reduction in total production was effected, was the cost properly related to the results achieved. Consideration was also given to the effectiveness with which the county committees followed the regulations they received regarding this program.

To determine if production adjustment at the proper cost was achieved, three methods of comparisons were used. Soil map comparisons of the plots of land placed in the program were studied; personal observations of the plots of land were made; and thirdly, comparisons of the values of land obtained from tax records with the values of the payments under the Conservation Reserve Program were conducted.

Soil maps were helpful in determining the classes of land which were being placed in the program. Most of the land in this study was class three or lower, with a predominance of the land having poor soil characteristics. If all farms in the counties had been properly rated by the local committees, according to their productivity, it would seem that a sample of the other classes of land would have appeared in the program. This lack of better quality land was partially explained, at least, by the lack of variation in the range of classification of the land in the counties. A majority of the land was classified as average, with the classification extending above average and below average only a nominal distance, not sufficient to cover the actual range of productivity

of the farms. From this, it is possible to understand why more productive land does not enter the Conservation Reserve, while poorer quality land makes up the majority of land in the program. The lack of range causes the better land to have insufficient monetary inducement to be taken out of production, while the poorer land has not only sufficient inducement but is actually over-compensated for retiring it from production.

Personal visits to the farms with land actually in the program confirmed the soil map observations. All land placed in the program was of low productivity with only two farms in one county being of average or above average in productivity. In one county all the land in the program was definitely below average productivity. Much of the land was composed of rocky type soils, with severe restrictions on its use due to serious erosion problems. These facts would have caused such land to have a higher than average cost of operation; and with a low productivity, the net returns to this type land would be quite small. The Soil Bank payment, which is to replace these net returns, was substantially greater than the estimated net returns to such farms would have been. Thus, the personal visits tended to illustrate that the cost of the production adjustment achieved was too great.

The value of the land placed in the program compared to the payments under the program tends to show a significant difference between the higher quality or productivity land and the less productive land. The tendency verified the lack of sufficient range in the productivity index for which county committees were responsible.

The overall tendency of the study seemed to reveal that production adjustment was being achieved but at greater than necessary cost. Some of this overpayment seemed to be caused by the procedures which the county committees followed in setting the program into action. However, it was also possible that much of the estimated overpayment could have been caused by the regulations which were sent to the county committees.

Signs of difficulty were apparent in the handling of this program. If future farm programs become even more encompassing, complex, or restrictive, the farmer committee system may experience ever greater administrative problems.

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