counties, according to a 5-year historical base, and among farms on a 3-year basis. A national allotment of 17.7 million acres under present legislation, would require a 28% reduction from 1953 acreage nationally, and California would have its acreage reduced 49%. Arizona and New Mexico would experience similar reductions.

Alternative measures were proposed in Congress for the purpose of getting the allotments more up-to-date in terms of production patterns.

One compromise bill would have placed a floor of 22 million acresplus 500,000 for contingencies-under the national cotton acreage allotment. It also would limit individual state reductions from the 5-year base acreage to $22\frac{1}{2}\%$ for southern states and $27\frac{1}{2}\%$ for western states. This proposed legislation, however, would yield a national acreage allotment only 9% below the 1953 estimated acreage. The reduction for the nine major cotton-producing southern states would have varied from 3% to $22\frac{1}{2}\%$ and would have approximated 8% on the average. The three western states-California, New Mexico, and Arizona-would have been reduced the maximum— $27\frac{1}{2}$. Cotton supplies would approximate those of 1953 and carry-over at the end of the next marketing year would have been substantially greater than that estimated for 1953-54. A similar bill died in the Senate Agricultural Committee in the closing hours of Congress.

Adjustment Problem

If any production control program is in effect in 1954-regardless of which allotment base or limit regulation is used -California's cotton acreage will be reduced. Under present legislation a maximum planted acreage of 717,000 would be forthcoming and California would fare better in cotton acreage, than it did during 1950, the last year when acreage allotments were in effect. That year only 586,000 acres of cotton were in cultivation on July 1 but the adjustment problem facing cotton farmers will be more difficult. The acreage to be diverted to alternative crops in California would be approximately 687,000 acres.

California cotton producers must make major decisions regarding their resources and enterprises.

Poultry Grading

state grading system for meat poultry could improve marketing

John C. Abbott

Sound marketing practices for meat poultry would be promoted by the standardization of grading at the processing point and in the retail trade.

If grade differentials were in force at these stages, there would be a real economic incentive to carry them back to the producer as a specific expression of consumer preference. If all wholesale outlets for country buyers bought on a grade basis even the hucksters would have to recognize the same standards in making their purchases at the farm and reflect back approximately the same differentials. All birds would incur the same selective treatment at the processing point.

Under present marketing conditions poultry producers who raise only first quality stock are rarely paid full value for their birds. The usual method of flock run pricing glosses over differences between birds and between growers. In this way buyers cover losses on that proportion of their total purchases which prove inferior, by broadening margins over their whole turnover. Thus skilled poultrymen are inadequately rewarded, and the inefficient subsidized. Too lenient an approach to quality differences may work to the general detriment.

California turkey growers, for example, are dependent on substantial sales to the Eastern seaboard. A consistent grade premium is the best counter to adverse differentials in the freight charge.

In home markets, too, it is vital that consumers receive poultry meat of exactly the quality they expect. Short run sales of inferior birds at so-called-cutrate prices may prejudice the long run interest for the future.

Canadian Grading Policy

The Canadian grading policy — in force three or four years—aims at presenting Canadian poultry to world markets as a uniform high quality product. At the same time it offers home consumers the choice between carefully processed, inspected and graded poultry in standard commercial channels, and ungraded birds direct from the farms.

The regulations apply to designated urban areas, with population concentrations requiring servicing through a full chain of poultry marketing intermediaries. They do not apply to a producer who sells, transports or delivers direct to a consumer dressed poultry produced on his own farm.

All poultry processing plants require a license, a registration number and a certificate. All poultry handled must be graded and marked with the number of the station. Thus, any bird appearing on a retail counter in the designated cities can be traced to its killing point. For success, such a measure presupposes enforcement on a statewide basis with full power to revoke licenses for noncompliance and impose penalties for deliberate fraud.

Four main grades are employed, indicated by colored metal tags clamped onto the wing of the bird. The grade A represents the bulk of the supply of high quality, well finished, and properly dressed poultry.

The processor — whose registration number appears on the birds—is responsible for conformation, flesh, amount of fat, and dressing, tears, pin feathers, discoloration from bruising, or improper bleeding, of any dressed or eviscerated poultry sold or delivered to a buyer. The registered station is responsible for condition—discoloration from storage, putrefaction or dryness—24 hours after delivery to or defrosting by the buyer.

No person may publish any untrue, or misleading advertisement with respect to dressed or eviscerated poultry offered or held for sale or distribution.

The actual grading is carried out by employees of the processing firm who have been trained and certified as approved graders. Government inspectors maintain a check inspection service to ensure that birds are graded according to the required specifications. The combination of confidence in individual integrity and frequent surprise checks may in the long run be more efficient than forcing all birds under the eyes of a government grader.

Grading in California

The United States Department of Agriculture's Poultry Branch policy favors close association with industry preference as opposed to active campaigning for compulsory adoption. Detailed fed-

Concluded on next page

Chester O. McCorkle, Jr., is Assistant Professor of Agricultural Economics, University of California, Davis.

Trimble R. Hedges is Associate Professor of Agricultural Economics, University of California, Davis.

The second article in this four-part report, to be published next month, will estimate acreage shifts and the net change in the production pattern of cotton and alternative crops.

Harvest Practices

Sevillano olive growers may affect yields and returns by management

Careful timing of the picking of Sevillano olives—and prompt handling after picking—may increase returns to growers by amounts greater than the harvesting costs.

Reports by growers in the Corning area indicate 1952 harvesting costs ranged from \$54 to \$82 per ton. Of the total harvesting costs, 83% was for picking and 17% was for supervision and hauling.

The tonnage, size distribution, and quality of olives picked are affected by the stage of maturity at picking time and the instruction and supervision of pickers. It is the grower who decides when to pick and whether all sizes will be picked, or the smaller fruits are to be left for later picking or abandoned.

In limited tests conducted in 1952 the total increase in tonnage was not so great when the smaller sizes were left for a second picking as it was when all fruit was left on the tree for a single picking late in the season.

Picking before the final upsurge in fruit size—just before the fruit starts to color—causes the loss of 25% to 45% of, potential tonnage. The loss in potential gross income is even greater because the smaller sized fruit sells at a lower price per pound.

Too late harvest will cause comparable loss in total tonnage—because of freezing or cold winds which cause a shriveling of the fruit.

_ Gordon R. Sitton

Differences in time of maturity among orchards—because of weather, fruit set or physical conditions—make it possible for growers to pool their pickers and pick the more mature orchards first.

Growers at Corning attempted to standardize — at the beginning of the 1952 season — on a single price for picking, of $2\frac{1}{2}$ c per pound, but deviations were made as the season progressed to cover varying conditions of tree height, density of fruit set and time of season. Picking rates generally paid for a 40pound box ranged from \$1.00 to \$1.50.

Time required for clean picking varies according to the average number of olives per pound, and the fruit density tree surface per box.

For the average picking conditions observed in the study — size count, 49 olives per pound; tree surface per 40pound box, 729 square feet—the average net labor requirements were 0.94 manhour per 40-pound box.

Estimates of labor required include time spent in moving and climbing ladders. Idle time was not included but would add 6.7%.



Shrinkage in size after picking causes a change in the proportion of olives in the various size grades and a decrease in average value per ton of fruit picked.

POULTRY

Continued from preceding page

eral grade specifications are available but their application is left to the discretion of individual traders. The result in California is that few chickens retailed locally carry U. S. grade labels. Some co-operatives and large private processors selling in out-of-state markets station a federal grader in their production line. Thus all their throughput might be graded to federal standards even though trade brands were used in distribution. Employment of a federal grader would involve high costs for firms processing only for a limited number of hours each day.

Moreover there is some doubt as to the commercial acceptability of the federal grade specifications in their present form. One investigation found that the weighting of different grade factors was out of touch with their economic value in contemporary markets. Thus birds might be reduced a grade because of skin tears to which many sections of the trade did not attach a differential equivalent to one whole grade step. The present federal specifications are designed for birds displayed whole on retail counters rather than for produce sold cut up, frozen or ready cooked.

Thus a double set of obstacles stands in the way of general adoption of the federal grading system as presently constituted. The actual specifications await revision to bring them in line with current trends in processing and merchandising technique. Employment of a specialized federal grader may be impracticable in many plants with the present dispersion of processing facilities. Eventually concentration as a result of scale economies and recognition of the technical revolution in handling meat poultry may clear away these obstacles.

In the meantime different processing techniques and adherence to the policy of advertising specific brands are likely to preclude the adoption of uniform grading. A state grading system based on a modified form of the Canadian model could prove a vital factor in keeping California meat poultry producers in the forefront of the market.

John C. Abbatt is Junior Agricultural Economist, University of California, Davis.