

# BASIC PROVISIONS OF 1973 FARM ACT

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ON AUGUST 10, 1973, President Nixon signed into law the "Agricultural Consumer Protection Act of 1973" (S. 1888). Commonly known as the 1973 Farm Act, this legislation replaces the Agricultural Act of 1970, which expired on December 31, 1973.

This four-year bill applies to the 1974 crop and remains in force through the 1977 crop. It encourages maximum production of wheat, feed grains and cotton. Its objective is substantially different from the 1970 act, which had as a primary goal the reduction of surpluses and support of farm incomes through incentive payments to farmers to set aside portions of their crop land. Under the 1973 act annual payments to individual farmers under one or more of the individual crop programs are limited to \$20,000 per person, as compared with \$55,000 per crop under the 1970 act. Individual eligibility requirements correspond with those in the 1970 act. There are no acreage set-aside programs for any commodities during the 1974 crop year. However, production-adjustment authority is retained from the 1970 act, should it be needed in the future.

For wheat, feed grains and cotton, the 1973 act establishes "target" or guaranteed prices that are in effect the lowest prices producers can expect to receive. When market prices are above the target prices during a specified five-month period of the crop year, no government payments will be made to producers. If market prices drop below the target prices, however, government deficiency payments reimburse the producer for the difference, resulting in per-unit returns equal to the target prices.

The apparent intent of the target price concept is to encourage U. S. farmers to increase production in the face of strong world demand for food and fiber. At the same time, government payments to agricultural producers should decline during periods when market demand-supply forces result in relatively high prices. For example, U. S. farm prices for wheat and corn were above the target prices in July and August of 1973, while cotton prices received by farmers during those months were slightly below the target price. Federal costs are expected to be lower during the 1974 and 1975 crop years than they have been under present programs during the past three years.

The target prices specified in the bill apply to the 1974 and 1975 crops. The legislation includes a target price escalator provision for the 1976 and 1977 crop years. Adjustments to reflect changes in farm production costs and per-acre yields from 1975 to 1976 will be used to calculate 1976 target prices. A similar modification will be made in 1977, based on the adjusted 1976 target prices.

## Wheat

The 1974-75 target price for wheat is \$2.05 per bushel (\$3.42 per cwt), 41% below the average U. S. farm price in July-August 1973. During each of the 1967-72 crop years, however, season average farm prices were below \$2.05 per bushel. Although the 1974 national acreage allotment is set at 55 million acres, its only purpose is to calculate government deficiency payments if they become necessary next year. To calculate the number of bushels eligible for the payment, multiply the farm allotment by the projected yield established for the farm. There are no set-aside or conserving-base requirements—maximum production is encouraged. Producers may substitute any crop (except those with marketing quotas) to preserve allotments and still be eligible for target price payments. Non-recourse loan levels are increased from \$1.25 to \$1.37 per bushel of wheat. The 75¢ per bushel processing certificate is no longer required. It is estimated that this policy change will reduce wheat processors' procurement costs by about \$400 million per year.

## Feed grains

Target prices for the 1974 and 1975 crops are: (1) corn, \$1.38 per bushel (\$2.46 per cwt.); (2) grain sorghum, \$1.31 per bushel (\$2.34 per cwt.); and (3) barley, \$1.13 per bushel (\$2.35 per cwt.). These prices are substantially below the prevailing market prices of July and August 1973, but they are higher than the season average prices received by U. S. farmers for these feed grains between 1967 and 1972. The revised non-recourse loan rates are: (1) corn, \$1.10 per bushel (\$1.96 per cwt.); (2) grain sorghum, \$1.05 per bushel (\$1.87 per cwt.); (3) barley, \$.90 per bushel (\$1.87 per cwt.); (4) oats, \$.54 per bushel; and (5) rye, \$.89 per bushel. The soybean loan rate remains at \$2.25 per bushel.

No feed grain planting restrictions or conserving base set-aside requirements are in effect for 1974. A 1974 feed grain allotment of 89 million acres has been established only for computing deficiency payments if required. Producers may substitute other crops to preserve their feed grain allotments and remain eligible for payments under the target price program.

## Cotton

The new act's cotton target price of 38¢ per pound is higher than the season average price received by U. S. farmers any year between 1967 and 1972 and is above U. S. farm prices prevailing in July and August of 1973. It is greater than recent market prices for American Upland cotton but is below recent American Pima cotton prices. The 1973 act increases the government loan rate from 19.5¢ to 25.26¢ per pound. The program requires no set-aside or conserving-base compliance, with an 11-million-acre allotment established only for government payment purposes. The same skip-row planting rules in effect for the 1971-73 crop will apply in 1974.

USDA's reported production goal is 14.8 million bales in 1974, representing a 15% increase over the 1973 estimated crop of 12.9 million bales. The brisk foreign demand for U. S. cotton, which has contributed to the present high prices, is expected to continue through next year, according to government officials.

## Dairy

The dairy products price support level was raised by 5% to 80% of parity for the remainder of this marketing year and for the next marketing year beginning April 1, 1974. This support level of \$5.61 per cwt for milk is near July 1973 market prices. Dairy price support levels will be set by the administration for subsequent marketing years covered by the act.

Continuing decreases in U. S. milk production since last November have generated industry requests to increase the support level to 90% of parity. However, the Nixon administration did not wish to raise the support level to 80% of parity under the 1973 Farm Act, and it is unlikely to use its administrative authority to further enhance the dairy price floor. The act authorizes additional imports of nonfat dry milk in an attempt to meet the milk-products shortage and dampen further price increases.

## Food stamps

The 1973 act extends the Food Stamp Program through June 30, 1977. All states are required to implement the food stamp program in every political subdivision by June 30, 1974. Coupon allotments will be adjusted semi-annually to allow for food price changes. Food coupons may now be used to purchase imported foods, including meats, as well as seeds and plants for home gardens. The bill offers extended benefits to elderly, blind and disabled persons, as well as to drug addicts and alcoholics under certified treatment or rehabilitation programs. Food stamps must be available for issuance to qualified persons twice monthly, and they may be deducted from public assistance checks if the participating household so elects.

## Other provisions

The 1973 act establishes a long-term program for sharing the cost of conservation practices on private lands. This provision will be implemented in lieu of the controversial Rural Environmental Assistance Program (REAP) and Water Bank programs, which the Nixon administration refused to fund in fiscal year 1973. The new act supports permanent conservation practices under contractual agreements with farmers for up to 25 years.

A forestry incentive program established by the act is intended to encourage increased production of timber on small tracts of private land. Financial and technical assistance will be offered landowners under a government/owner contract. The new act eliminates the requirements for state approval of loans and grants under the Rural Development Act.

## Conclusion

The 1973 Farm Act (S. 1888) represents a significant change in U. S. farm price and income policy. Its target prices are designed to encourage increased production of basic food and fiber crops: no government farm program since World War II has explicitly pursued this objective. The act is a compromise between the administration's desire to move the government out of agriculture, and congressional pressures to support farm prices and incomes at relatively high levels. Producers of those agricultural commodities covered or affected by the act should carefully assess the probable impact of the program on their operations during its four-year duration.

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# Control of

## STRAWBERRY FRUIT

### *caused by Botrytis*

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**S**TRAWBERRY FRUIT ROT caused by *Botrytis cinerea* is a serious disease in central coastal areas. The disease can be found on all varieties during most of the fruiting season. Plants are particularly susceptible during periods of persistent rains in the spring, or low fog during the summer—both conditions leaving plants moist all night and part of the day.

Infected fruit first show one or more light tan soft spots on the surface. The spots enlarge rapidly until the entire fruit is affected. In conditions of high humidity, surface mycelium develop, producing an abundance of spores giving the characteristic appearance of "gray mold" (*Botrytis*). Although the fungus usually attacks through senescent petals, stamens or other delicate plant tissue, it is also able to penetrate the unbroken skin of the berry.

## Newer systemics

Studies were initiated in 1971 to determine if some of the newer systemic fungicides (Benlate, Topsin M, Mertect) help control this disease. Four tests were conducted, two in 1972 and two in 1973. Two were in commercial fields and two on experimental plots near Watsonville. In each test the foliar sprays were applied when the first flowers began to open in the spring. The treatments were repeated every 14 days, except during rain. On those occasions the treatment interval was reduced to seven days. Sprays were applied with a hand sprayer operated at a constant 35 psi. All applications were

made at a rate of 300 gpa. A spreader sticker, Triton B1956, was added at a rate of 6 ounces per 100 gallons of water. Polyethylene bed mulch was used on all plots.

## 1972 tests

Winter-planted Tioga, summer-planted Tufts and second year Shasta varieties were used in the 1972 tests. The Tioga plots consisted of four replications and 18 plants per plot planted 6 inches apart (34,862 plants per acre). Total yield in weight, number of berries and number of rotten berries per plot is shown in table 1. Sample harvests were taken on the Tufts and Shasta plots during the 1972 picking season. A single application was used for each fungicide with four replications of 12 plants per plot. As shown in table 2, all three fungicides significantly reduced the percentage of fruit infection. Mertect treatments at the 16 oz rate showed significantly more rot on several picking dates than the other treatments. There was no significant difference between

TABLE 1  
TREATMENT, YIELDS AND BOTRYTIS INFECTION LEVELS  
FOR WINTER PLANTED TIOGA, 1972 HARVEST

| Treatment      | Rate/<br>100 gal | Grams of<br>fruit/<br>plant | No. fruit<br>infected/<br>plant |
|----------------|------------------|-----------------------------|---------------------------------|
| Check          | —                | 354a*                       | 58a*                            |
| Topsin M (70W) | 6 oz             | 388b                        | 4b                              |
| Topsin M (70W) | 12 oz            | 431c                        | 2b                              |
| Benlate (50W)  | 8 oz             | 379b                        | 4b                              |
| Mertect (42%F) | 16 fl oz         | 398b                        | 9b                              |
| Mertect (42%F) | 32 fl oz         | 384b                        | 8b                              |

\* Numbers not connected by a common letter sign, differ at 1% level.