

Rice Acreage May Be Cut in '56

large carry-over of rice supply into 1955-56 marketing year plus 1955 crop creates special hazard for California growers

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The long-run outlook for marketing California rice appears to be good, but the short-run outlook is anything but good.

If further acreage limitations are imposed for the 1956 rice crop, California producers will face the possible loss of export markets, reduced incomes from smaller planted acreages, and the need to divert land to other uses where that is possible.

There is good demand for California rice in its major export market—the Asiatic area—particularly the Japanese market, which prefers the type and the high quality of rice produced in California. Furthermore, the Asiatic area is becoming a deficit rice-producing area, while its populations are increasing. At the same time, rice production is not expected to increase materially in the principal Asiatic exporting countries of Burma and Thailand.

Rice Supply on August 1

The 1955 rice crop of the United States amounted to 48 million hundredweight—cwt. When added to the 1954-55 carry-over of 24 million cwt., rough basis, on hand August 1, the 1955 crop created a supply total—for the 1955-56 marketing year—which has been estimated to be 26% above the normal supply established for 1955-56 by the Secretary of Agriculture.

Approximately two million cwt. of the national carry-over on August 1 was in private hands. The remainder was owned by the CCC—Commodity Credit Corporation—and because California had no carry-over at the end of her marketing year on September 30, the entire carry-over was in the southern states. The large carry-over in CCC hands resulted from the purchase of 25.8 million cwt.—approximately 54% of the total 1954 production—of southern rice.

No deliveries of California's 1954 rice crop were made to the CCC because—by April 1, 1955—the crop was largely sold or being held for regular buyers. Apparently little or no additional California milled rice was available after April 1, assuming the movement to island territories and domestic markets was equal to the previous year.

The large carry-over on hand August

1 was 78% larger than anticipated last year when 1955 acreage allotments and marketing quotas were proclaimed.

Unless the noncommitted rice inventory of CCC is reduced substantially before the end of the year, it appears that the Secretary of Agriculture will be required by law to proclaim an acreage allotment for the 1956 crop, which will be below the allotment for 1955.

The CCC-owned, noncommitted inventory of rice on August 3 was estimated at 2,966,000 cwt. rough rice and 10,171,000 cwt. milled rice, although rice handled through private channels had largely been sold.

Sales made by a governmental agency are more limited in scope than those made by private trade, and—although some export concessional sales of CCC-owned rice have been made this year—such sales are limited because of the international political implications involved.

CCC-owned rice obtained under the 1953 and 1954 price-support programs was offered in August for sale for export at 105% of parity plus handling charges as specified by law. However, it is not expected that any appreciable reduction in the CCC noncommitted inventory will result from such sales. In the southern states, new crop milled rice was being offered in August at prices lower than those being asked for the government stocks.

1955-56 Marketing Year

It appears that rice supplies for the 1955-56 marketing year will be at record levels—approximately 15% higher than in 1954-55—despite the fact that acreage allotments were placed on the 1955 crop. In determining the need for rice quotas on the 1955 crop, the total supply of rice for the 1954-55 marketing year was estimated at 66,857,000 cwt. This was 17.6% above normal supply and 7.6% above the marketing quota level.

With a higher than estimated 1955 crop, supplies for this marketing year are estimated to be 26% higher than the normal supply. It may be possible that the normal supply for the 1956-57 marketing year will vary from the amounts established for 1955-56. However, it is likely such adjustment would be down-

ward, in light of the slow movement of southern rice into export markets.

The likelihood for further acreage limitations on the 1956 rice crop is based on the assumption that no appreciable reduction in the CCC-owned inventory of rice will occur during the next several months.

Present legislation requires the Secretary to proclaim marketing quotas when the total supply of rice exceeds the normal supply by more than 10%. Therefore, because the rice supply for the 1955-56 marketing year is 26% above the normal supply figure used in calculating acreage allotments for the crop year 1955, the Secretary will be required to proclaim acreage allotments for the 1956 crop year unless the normal supply increases. However—under present conditions—normal supplies for the 1956-57 marketing year can only be lower than present normal supplies.

Legislation passed in the 84th session of Congress amended Section 352 of the Agricultural Adjustment Act of 1938 to prohibit 1956 national acreage allotments below 85% of the final allotments established for 1955. Consequently, the Secretary of Agriculture cannot establish a national acreage allotment for the 1956 rice crop of less than 1,638,573 acres. California's apportionment of such an allotment would be approximately 306,000 acres in contrast to the final 1955 allotment of 350,299 acres.

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NEMATODES

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ments are impractical. In these tests a maximum feasible treatment, limited in severity by voltage breakdown of the soil and temperature rise from the dissipated electrical energy, produced no discernible reduction in number of nematodes surviving in the treated samples.

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