

From these data it is evident that peanuts make an important contribution to the production of pork in the peanut areas, a fact which is not evident from the statistics on disposition.

Exports.—In the period 1910-42 only about 1 percent of the domestic production of peanuts was exported. About 90 percent of the quantity exported was for edible use in Canada. During the 1930's most of the export market in Canada was lost because of competition with lower-priced peanuts from the Far East. Beginning with 1943, exports to Canada increased substantially, as Far Eastern peanuts were no longer available. Because of the world shortage of fats and oils immediately after the end of World War II, large quantities of peanuts from this country were exported to Europe for crushing. Total exports of peanuts from the United States rose from 63 million pounds (farmers' stock basis) in 1945 to 252 million pounds in 1946 and reached a peak of 762 million pounds in 1948 (see Figure 22). The principal countries to which shipments were made were France, Italy, Germany, and Japan. With the improvement in the world's supply of fats and oils and the decline in production of peanuts in this country (with the exception of 1953), very few peanuts have been exported since 1950. Exports in 1953 amounted to 227 million pounds (farmers' stock basis). Increase in exports in 1953 were due mainly to activities relating to the price-support program.

PROGRAMS AND POLICIES, 1933-55

In each year since 1933, with the exception of 1936-37, the United States Department of Agriculture has had a program in effect to support the price received by producers for peanuts. Details of the programs have varied from year to year, reflecting changes in production trends, and in the relative demands for peanuts for direct use in edible products and for crushing for oil and meal. These programs are noteworthy because of the influence they have had on the supply and utilization of peanuts and because somewhat similar programs may be continued in the future.

An outline of the stages through which the programs have passed and a brief appraisal of the effects of governmental programs on the disposition of commercial peanut supplies since World War II are desirable. Selected statistical data relating to the programs are given in Table 34.

The several peanut programs can be divided into three phases. The first phase became effective on January 27, 1934, and was made applicable to the 1933 crop. Processors of peanuts entered into marketing agreements in which they agreed to pay minimum prices to growers of \$65 per ton for Southeastern and Virginia-North Carolina Spanish-type peanuts, \$60 for Virginia-type⁶ and for Southwestern Spanish, and \$55 for Runner type. These prices represented about twice the season average price for the 1932 crops and proved to be too high to be practical. Processors stopped buying peanuts but they continued to process for farmers on a toll basis. The marketing agreement was terminated in the fall of 1934 at the request of the majority of the millers.

The next phase of the peanut program began with the 1934 crop after peanuts were designated as a basic agricultural commodity. The measure adopted did not guarantee minimum prices but an effort was made to increase the incomes of peanut growers by diverting peanuts from the edible trade to be crushed for oil and by adjusting production. In 1934 growers could obtain up to \$20 per ton for diverting up to 20 percent of their production to oil. They could also receive an adjustment payment of \$8 per ton on peanuts harvested in 1934, if they agreed to limit their 1935 acreage of peanuts picked and threshed to the average of 1933 and 1934. Payments were also made to processors to buy and crush farmers' stock peanuts. During the 1934 season approximately 154 million pounds of farmers' stock peanuts were diverted to crushing for oil. The diversion program for peanuts grown in 1935 was essentially the same as in 1934.

⁶ Later changed to \$65 per ton for Virginia type.

TABLE 34.—PEANUTS: ACREAGE, SUPPORT LEVEL, PRICE RECEIVED BY FARMERS, QUANTITY PLEDGED FOR PRICE SUPPORT LOANS, AND QUANTITY PURCHASED UNDER PRICE SUPPORT PROGRAMS: 1935 TO 1955¹

Crop year	Acreage			Support level ²		Average price per pound received by farmers	Quantity pledged for price support loans	Quantity purchased under price support programs ³
	Allotment	Picked and threshed	Percentage of allotment	Percentage of parity on Aug. 1	Per pound			
	Thousand acres	Thousand acres	Per cent	Per cent	Cents	Cents	Million pounds	Million pounds
1935		1,497				3.1		73
1936		1,660				3.7		
1937		1,658				3.3	173	166
1938	1,330	1,692	127			3.3	243	253
1939	1,345	1,908	142			3.4	26	60
1940	1,507	2,052	136			3.3	50	558
1941	1,610	1,900	118	68	4.3	4.7		379
1942	1,610	3,355	208	90	6.6	6.1		899
1943	1,610	3,528	219	90	7.1	7.1		297
1944		3,068		90	7.3	8.0	251	231
1945		3,160		90	7.5	8.3	309	95
1946		3,141		90	8.6	9.1	400	85
1947		3,377		90	10.0	10.1	383	508
1948	2,359	3,296	140	90	10.8	10.5	483	1,208
1949	2,629	2,308	88	90	10.5	10.4	345	774
1950	2,200	2,262	103	90	10.8	10.9	552	869
1951	1,889	1,982	105	88	11.5	10.4	253	540
1952	1,706	1,443	84	90	12.0	10.9	107	99
1953	1,679	1,515	90	90	11.9	11.1	457	297
1954	1,610	1,387	86	90	12.2	12.2	14	
1955	1,731	1,691	98	90	12.2	11.6	298	180

¹ Source: United States Department of Agriculture, Agricultural Marketing Service.

² Farmers' stock basis.

³ From 1937 through 1940, the Commodity Credit Corporation made nonrecourse loans to peanut cooperatives to finance, purchase, storage, and diversion of sale of farmers' stock peanuts by these cooperatives in order to facilitate a surplus-removal program of the Department of Agriculture.

⁴ Under the Agricultural Conservation program.

⁵ Support level originally announced at 85 percent of parity, or 6.2 cents per pound, but revised Oct. 3, 1942, before a substantial movement of eligible peanuts took place.

⁶ Marketing quotas and acreage allotments under Agricultural Act of 1938 suspended.

⁷ The original 1955 allotment of 1,610,000 acres was increased by 7.5 percent in May 1955.

The Supreme Court's decision in the Hoosac Mills case on January 6, 1936, invalidated the production control and processing-tax provision of the Agricultural Adjustment Act. Under the provisions of a new law (the Soil Conservation and Domestic Allotment Act, passed by Congress in February 1936) the two principal means of supporting the price of peanuts were continued. Peanuts continued to be diverted from edible use to be crushed. Instead of paying farmers to reduce the acreage of peanuts grown, payments were made for diverting land from soil-depleting uses to soil-conserving and soil-building uses. A base acreage was established for each farm on the basis of acreage picked and threshed in previous years. On the 1936 crop, growers received \$25 per ton of the normal yield per acre up to 20 percent of the base acreage used for non-soil-depleting crops.

The program for the 1936 crop was continued much on the same basis through the 1940 crop. In 1937, penalties were adopted for harvesting more than base acreages. These penalties were in forms of a stated deduction per ton on the normal yield per acre harvested in excess of the base acreage. These payments and penalties, which applied only to the farmers who participated in the agricultural conservation program, probably kept participating growers from expanding their acreage of peanuts picked and threshed. However, participating growers did have an incentive to increase yields, and nonparticipants brought about an expansion of acreage particularly in the Southwest. In 1940 a slightly increased acreage and a record yield resulted in a production 37 percent higher than in any previous year. As a result, diversion of peanuts to crushing for oil rose to a new peak; for the 1940-41 crop it was more than twice that in any previous year.

The third phase of the peanut-support program followed the large crop in 1940. New legislation was enacted on April 3, 1941, which amended the Agricultural Adjustment Act of 1938 to