THE aim of this paper is to explore the more important economic consequences of policies designed to place more of our farm land into grasses. I propose to do this under the following headings: (a) The substitution and price effects of increased roughage output; and (b) the influence of federal programs on the production of roughages and their use.

SUBSTITUTION AND PRICE EFFECTS

A shift in the use of farm land to more roughages and less feed grains has ascertainable effects upon livestock output and consequently also upon livestock prices. Such a change in cropping practices alters the price-cost structure of feed stuffs. Roughages become cheaper relative to feed grain. How much cheaper they become is a function of two variables, i.e., the amount of land shifted from feed concentrates to roughages, and the rate of substitution of roughages for concentrates in feeding livestock.

The actual shift from feed grains to roughages is likely to be moderate, certainly within any short period of time. Farmers do not alter their cropping practices radically even when induced to do so through state and federal action programs. Furthermore, acreages transferred, for example, from corn to grasses do not reduce corn output proportionately; a 10% cut in corn acreage does not bring the output of corn down as much simply because the best land is maintained in corn and also because improvements in rotations occasioned by more grasses have a favorable subsequent effect upon corn yields which further offsets the effects of a given cut in the acreage devoted to corn. The composition of the total feed supply has not changed nearly as much as has been commonly supposed. In the Corn Belt, farmers probably will continue to produce a ratio of feed concentrates to roughages only moderately different from that of 10 or 15 years ago.

The second condition which determines the price effects of relatively larger supplies of roughages is to be found in the substitution ratios which raises the question: To what extent may roughages be substituted for concentrates in the feeding of livestock pound for pound, acre for acre? This query is essentially technical; accordingly, it is a problem for production specialists to solve, with this important proviso—what actually counts is not the rates of substitution which prevail under controlled experimental conditions, but those which exist under day-to-day actual farming conditions in the feed lots where feed is fed to livestock.

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