

TELEGRAM

Foreign Service of the
United States of America

INCOMING

AMEMBASSY BRASILIA

UNCLASSIFIED

R 091714Z DEC 70
 FM SECSTATE WASHDC
 TO RUQMGU/AMEMBASSY ANKARA 9527
 RUQMAT/AMEMBASSY ATHENS 5297
 RUQMBE/AMEMBASSY BEIRUT 8250
 RUE SBG /AMEMBASSY BOGOTA 7466
 RUE SBA/AMEMBASSY BUENOS AIRES 5230
 RUE HBAC/AMEMBASSY CANBERRA 4503
 RUD SVD/AMEMBASSY DAR ES SALAAM 3293
 RUF JCX/AMEMBASSY FORT LAMY 1868
 RUE SGT/AMEMBASSY GUATEMALA 5581
 RUD SVK/AMEMBASSY KAMPALA 3151
 RUD SLC/AMEMBASSY LAGOS 1528
 RUE SLM/AMEMBASSY LIMA 6277
 RUE SMDQ/AMEMBASSY MADRID 5308
 RUE SMG/AMEMBASSY MANAGUA 154
 RUE SMO/AMEMBASSY MEXICO 6994
 RUE HMO/AMEMBASSY MOSCOW 0664
 RUD SVC/AMEMBASSY NAIROBI 7147
 RUD SND/AMEMBASSY NEW DELHI 6783
 RUE HKPI/AMEMBASSY ISLAMABAD 0827
 RUESUA/AMEMBASSY RIO DE JANEIRO 2597
 RUESAL/AMEMBASSY SAN SALVADOR 3537
 RUQVAN/AMEMBASSY TEHRAN 6214
 RUSBAY/AMCONSUL BOMBAY 1461
 RUESUP/AMCONSUL SAO PAULO 1199

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CONTROL: STATE 200263
DATE DEC 10, 1970

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JOINT STATE/AGRICULTURE MESSAGE

1. ON DECEMBER 8 USDA ANNOUNCED NATIONAL AVERAGE 1971-CROP PRICE-SUPPORT LOAN RATE OF 19.50 CENTS PER POUND FOR MIDDLING 1-INCH UPLAND COTTON (MICRONAIRE .5 THROUGH 4.9) ON A NET WEIGHT BASIS, AVERAGE LOCATION. ON A GROSS WEIGHT BASIS SIMILAR TO THAT USED IN 1970 AND MOST EARLIER YEARS, THE 1971 LOAN RATE WOULD BE APPROXIMATELY 18.70 CENTS INCLUDING .45 CENTS MICRONAIRE PREMIUM; THUS THE 1971 LOAN RATE IS EQUIVALENT TO 2 CENTS PER POUND LESS THAN THE 1970 RATE OF 20.25 CENTS.
2. ALSO ANNOUNCED WAS THE NATIONAL COTTON PRODUCTION GOAL OF 11,993,500 BALES WHICH IS THE SUM OF ESTIMATED DOMESTIC CONSUMPTION, ESTIMATED EXPORTS, 5 PERCENT THEREOF FOR MARKET EXPANSION PLUS AN ADJUSTMENT NECESSARY TO PROVIDE ENDING STOCKS EQUAL TO 50 PERCENT OF AVERAGE OFFTAKE FOR THE THREE PRECEDING MARKETING YEARS.
3. TO BE ELIGIBLE FOR LOANS AND PAYMENTS, PRODUCERS MUST SET-ASIDE AND DEVOTE TO CONSERVING USES AN ACREAGE OF CROPLAND NOT TO EXCEED 20 PERCENT OF THE FARM BASE ACREAGE ALLOTMENT, PLUS THE CONSERVING BASE PREVIOUSLY ESTABLISHED FOR THE FARM. UNDER THE AGRICULTURAL ACT OF 1970, THE SET-ASIDE COULD HAVE BEEN AS HIGH AS 28 PERCENT OF THE ALLOTMENT. UNDER THIS ANNOUNCEMENT, PRODUCERS ARE GUARANTEED THAT IT WILL NOT EXCEED 20 PERCENT FOR 1971 AND IT MAY BE SET AT A LOWER FIGURE ON BASIS OF A FINAL DECISION PRIOR TO THE PROGRAM SIGNUP. 8&,70.
ROGERS
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