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REPORT TO THE CONGRESS

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Audit Of Commodity Credit Corporation Fiscal Year 1972

B-114824

Department of Agriculture

BY THE COMPTROLLER GENERAL OF THE UNITED STATES

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DEC. 18, 1972

COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

B-114824

To the President of the Senate and the
Speaker of the House of Representatives

This is our report on the audit of the Commodity Credit Corporation, Department of Agriculture, for fiscal year 1972.

Our audit was made pursuant to the Government Corporation Control Act (31 U.S.C. 841).

Copies of this report are being sent to the Director, Office of Management and Budget, and to the Secretary of Agriculture.

Elmer B. Staats

Comptroller General
of the United States

Contents

ABBREVIATIONS

CCC Commodity Credit Corporation

GAO General Accounting Office

COMPTROLLER GENERAL'S
REPORT TO THE CONGRESS

AUDIT OF COMMODITY CREDIT
CORPORATION, FISCAL YEAR 1972
2 Department of Agriculture 42
1 B-114824

D I G E S T

WHY THE AUDIT WAS MADE

The Government Corporation Control Act requires the General Accounting Office (GAO) to make an annual financial audit of the Commodity Credit Corporation (CCC). 250

OPINION ON FINANCIAL STATEMENTS

In view of the character and scope of CCC's operations--particularly commodity inventories and loan collateral--it was not practicable for GAO to perform all the steps of examination and verification needed to reach an independent, overall opinion concerning the accuracy and fairness of the financial statements. (See p. 20.) Therefore GAO cannot express an opinion that CCC's financial statements present fairly its financial position at June 30, 1972, and the results of its operations for the year then ended. GAO believes, however, that

--CCC's accounting methods provided a generally satisfactory record of its financial transactions and

--CCC's financial reporting system generally was adequate to supply management with information for conducting its affairs. (See p. 22.)

FINANCIAL OPERATIONS

CCC reported a $3.46 billion loss for fiscal year 1972--$600 million less than the $4.06 billion loss for 1971. (Price-support and related operations normally result in a loss.) Such losses are reimbursable through appropriations. The $600 million reduction was due primarily to a $450 million decrease in set-aside payments under the feed grain program. (See p. 8.)

At June 30, 1972, unreimbursed losses totaled $7.52 billion--$4.06 billion for fiscal year 1971 and $3.46 billion for 1972. An appropriation act approved in August 1972 provided for reimbursing the fiscal year 1971 loss. (See p. 8.)

In fiscal year 1972 CCC expended $6.9 billion for price-support and related activities. Most of this was for price-support loans ($2.7 billion) and direct payments ($2.9 billion) to producers. (See p. 9.)

Also CCC incurred costs of $1.4 billion for special activities authorized by various statutes and financed through special appropriations. (See p. 13.)

Accounts and notes receivable at June 30, 1972, totaled almost $4 billion, an increase of $480 million during the year. These receivables represent over half of CCC's total assets. They pertain mainly to CCC's financing of commercial exports of agricultural commodities under Public Law 480 and under its export credit sales program. (See p. 16.)

DEC. 18, 1972

MATTERS GAO REPORTED TO THE CONGRESS OR BROUGHT TO CCC's ATTENTION

In a report to the Congress (B-142011, Apr. 12, 1972), GAO pointed out that a statutory payment limitation of $55,000 a person under the 1971 cotton, wheat, and feed grain programs had caused no significant reduction in CCC expenditures. Producers were not prohibited by law or related regulations from changing their farming operations and organizations to reduce the financial impact of the limitation; consequently, producers made such changes to spread program payments among more persons. (See p. 5.)

Also the administration of the limitation needed improvement to insure that payments were valid, accurate, and in compliance with applicable laws and regulations; the Department took corrective actions. (See p. 6.)

CCC specified in its procurement announcements that, in purchasing certain processed commodities, it would not consider discounts for prompt payment as a factor in evaluating offers. CCC could benefit by taking advantage of cash discounts for prompt payment of competitive-bid purchases. Another Department agency, whose purchases were paid for by the same administrative office, was benefiting from cash discounts. In response to a GAO suggestion that the discount policy be reevaluated, CCC said the matter was under review. (See p. 7.)

RECOMMENDATIONS OR SUGGESTIONS

This report contains no recommendations or suggestions.

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report is submitted to the Congress, as required by law, to present the results of the annual audit of CCC's financial statements and such other information as necessary to keep the Congress informed on the operations and financial condition of CCC.

CHAPTER 1

INTRODUCTION

The Commodity Credit Corporation (CCC), a wholly owned Government corporation, was created as a corporation under a Delaware charter in 1933 to stabilize, support, and protect farm income and prices; to assist in maintaining balanced and adequate supplies of agricultural commodities; and to facilitate their orderly distribution. CCC was reincorporated in 1948, as a Federal corporation within the Department of Agriculture, by the Commodity Credit Corporation Charter Act (15 U.S.C. 714).

CCC's principal operations are price-support programs for agricultural commodities, including storing, handling, and disposing of commodities acquired under the programs; cropland set-aside programs; and export activities under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1691)--commonly known as Public Law 480--which are financed by appropriations authorized under statutes providing for the activities.

CHAPTER 2

ORGANIZATION AND MANAGEMENT

CCC is managed by a Board of Directors, subject to the general supervision and direction of the Secretary of Agriculture, who is an ex officio Director and the Chairman of the Board. The Board consists of six additional members appointed by the President of the United States with the Senate's advice and consent.

A bipartisan advisory board of five members, appointed by the President, surveys general CCC policies and advises the Secretary. CCC officers are designated according to their positions in the Department.

CCC has no operating personnel of its own. Its activities are carried out mainly by the personnel, and through the facilities, of the Department's Agricultural Stabilization and Conservation Service and the Agricultural Stabilization and Conservation State and county committees. Other Department agencies and offices and commercial agents also carry out certain phases of CCC's activities.

The Agricultural Stabilization and Conservation Service administers CCC's activities through its central office in Washington, D.C., and its three commodity offices in Kansas City, Missouri; Minneapolis, Minnesota; and New Orleans, Louisiana. The commodity offices acquire, store, transport, and dispose of agricultural commodities.

The Agricultural Stabilization and Conservation State and county committees carry out certain of CCC's price-support and related activities within the States and counties. There are 50 State offices, a Caribbean area office, and about 2,800 county offices serving about 3,000 counties. The State committees supervise the county committee activities in their respective States.

CHAPTER 3

CERTAIN MATTERS GAO REPORTED TO THE CONGRESS

OR BROUGHT TO CCC'S ATTENTION

PAYMENT LIMITATION INEFFECTIVE

In a report to the Congress,[1] we pointed out that the payment limitation of $55,000 a person under the 1971 cotton, wheat, and feed grain programs had caused no significant reduction in CCC expenditures.

From 1966 to 1970 CCC annually paid between $2.5 billion and $3.3 billion directly to growers under the upland cotton, wheat, and feed grain programs. The Congress, concerned about the cost of these farm programs and about the number of large individual payments, enacted legislation in 1970 limiting to $55,000 the total of direct Federal payments a person could receive annually under each program.

Congressional committees considering the legislation had reported that a $55,000 ceiling would have reduced 1969 payments by about $58 million. We estimated that such a limitation would have reduced 1970 payments by about $68 million. These calculations excluded consideration of potential program changes or changes that growers might have made in their farming operations or organizations to reduce the limitation's financial impact.

Because the authorizing legislation and related regulations for the limitation did not prohibit producers from doing so, many changed their farming operations and organizations to reduce the financial impact of the limitation. The primary result of such changes was the spreading of program payments among more persons--individuals or entities. Some

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[1]"Payment Limitation Under 1971 Cotton, Wheat, and Feed Grain Programs Had Limited Effect On Reducing Expenditures" (B-142011, Apr. 12, 1972).

changes permitted persons to hold interests concurrently in several entities receiving program payments. Thus the persons, in effect, received more than $55,000. Other changes allowed some producers to receive additional payments indirectly.

We reviewed the operations of 98 producers in six States who had received more than $55,000 under any of the three 1970 commodity programs to examine the effect of the limitation in 1971. These producers had collected nearly $25 million in program payments in 1970 and individual payments to them ranged from about $64,000 to $3.5 million.

In 1971 these 98 producers would have been eligible to receive about $22.5 million without the payment limitation. Had these producers each been considered as a single person, they would have received about $5.4 million--a saving of $17.1 million. Largely because of actions the producers took to reduce the impact of the limitation, savings in payments amounted to only about $356,000. A Department study showed nationwide savings to the Government of only $2.2 million.

We recommended that, to improve administration of the limitation and to insure that payments subject to the limitation were valid, accurate, and in compliance with applicable laws and regulations, the Department (1) develop a system for obtaining information on farming interests of program participants so that the payment limitation could be applied fully and fairly, (2) provide for periodic reviews at a higher organizational level of the propriety and consistency of county and State committee determinations, and (3) improve the system for controlling payments to persons having more than one producer identification number.

The Department substantially agreed with our recommendations and took corrective actions. We said these actions, if effectively implemented, would significantly strengthen administration of the payment limitation.

FINANICAL BENEFITS AVAILABLE THROUGH CASH DISCOUNTS

In a letter dated April 27, 1972, to the Executive Vice President, CCC, we stated that CCC could benefit by taking advantage of cash discounts for prompt payment of competitive-bid purchases. CCC purchases various processed agricultural commodities under competitive bids. In fiscal year 1972, purchases of wheat products alone amounted to $106 million.

CCC specified in its procurement announcements that, in purchasing wheat flour and certain other processed commodities through the Minneapolis Commodity Office, it would not consider discounts for prompt payment as a factor in evaluating bids. Another Department agency, whose purchases were paid for by the same administrative office, was benefiting from cash discounts.

CCC had decided in 1967 that it was not practical to consider discounts for prompt payment. Administrative procedures and related factors, on which this policy was adopted, changed and the reasons for the decision appeared to be outdated. For example, one reason was that contracting officers, when evaluating offers, were not in a position to know the conditions that would prevail at the paying office when the vendor submitted his invoice and, therefore, could not determine if CCC would be able to avail itself of an offered discount. We suggested that CCC reevaluate its discount policy.

CCC told us in November 1972 that a task force was reviewing contract terms and that the matter of cash discounts was under review.

CHAPTER 4

SELECTED HIGHLIGHTS OF FISCAL YEAR 1972 OPERATIONS

$3.5 BILLION REALIZED LOSS REPORTED BY CCC

CCC's price-support and related operations normally result in a loss. For fiscal year 1972 CCC reported a realized loss of $3.46 billion (recorded loss before adjusting allowances for losses on loans, commodity inventories, and receivables), which was $600 million less than the $4.06 billion loss for 1971. This decrease was due primarily to a $450 million decrease in set-aside payments under the feed grain program.

Most of the loss resulted from payments totaling $2.4 billion to producers for setting aside cropland from production of feed grains, cotton, and wheat. Inventory operations resulted in a $454 million loss, including $268 million for commodities donated. Interest expense amounted to $375 million. Export subsidies totaling $117 million--to bridge the difference between U.S. prices and lower world prices--were paid on wheat (and wheat products), tobacco, and rice. CCC's comparative statement of income and expense for fiscal years 1972 and 1971 is on page 24.

The following analysis shows the realized loss for fiscal year 1972 and for the 10-year period 1963-72 according to commodity (and products) or category of expense.

	1972	1963-72
	(000,000 omitted)	
Commodities:		
Feed grains	$1,194	$13,524
Cotton	816	7,510
Wheat	675	4,739
Dairy products	215	2,469
Peanuts	113	470
Rice	37	356
Tobacco	27	219
Other	32	371
Total	3,109	29,658
Expenses:		
Interest expense net of interest income	254	3,411
Operating and other expenses	94	699
Realized loss	$3,457	$33,768

The graph on page 10 shows the upward trend of annual realized losses during the 1963-72 period in total and by major components.

In fiscal year 1972 the Congress appropriated $4.21 billion to reimburse CCC for losses, compared with a reimbursement of $3.36 billion in fiscal year 1971. A summary of changes in the amount of unreimbursed losses during fiscal year 1972 follows.

	Amount (billions)
Unreimbursed losses, June 30, 1971	$8.27
Less reimbursements in fiscal year 1972	4.21
Loss, fiscal year 1971	4.06
Plus loss, fiscal year 1972	3.46
Unreimbursed losses, June 30, 1972 (See sch. 3, p. 25.)	$7.52

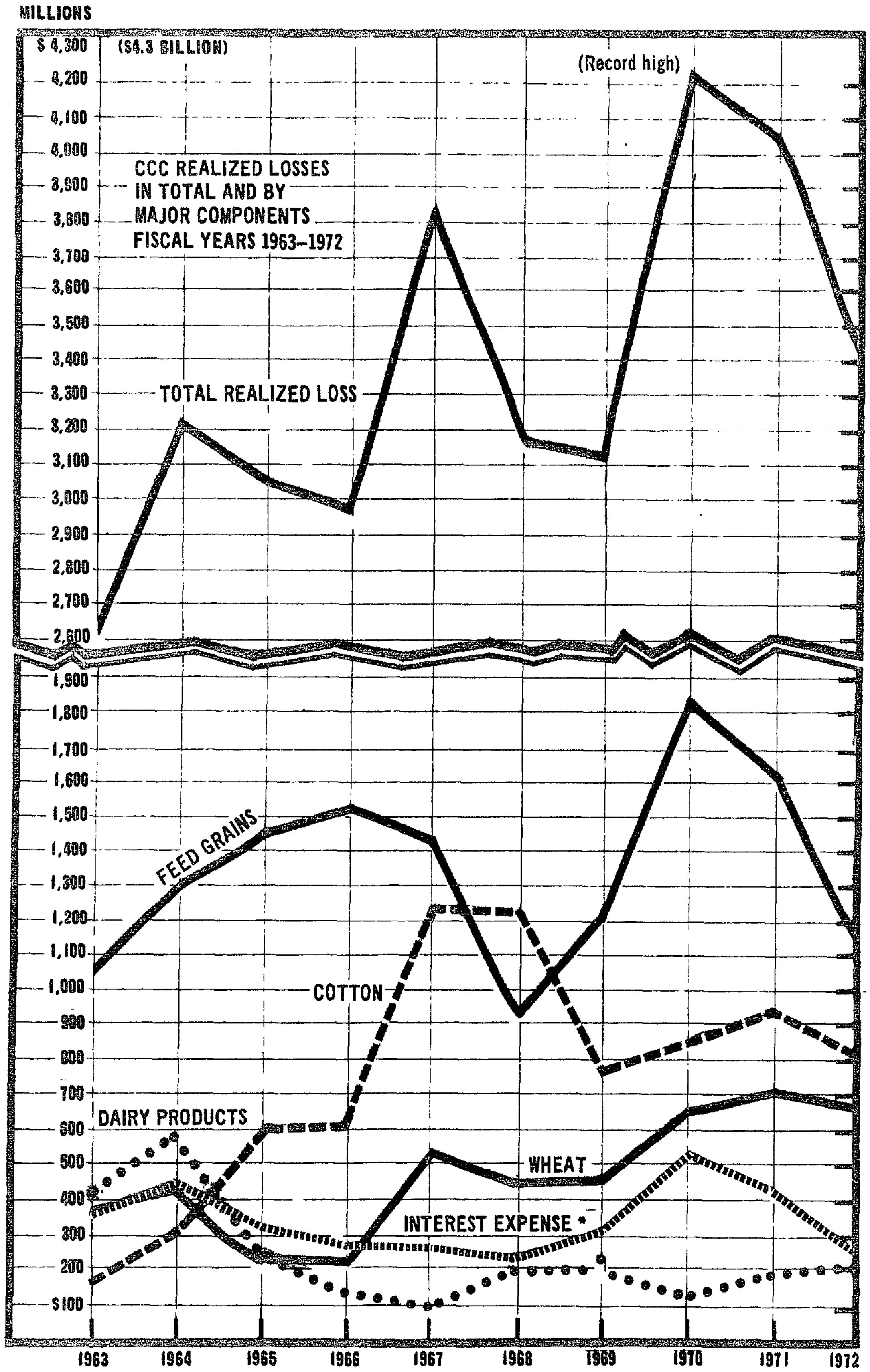
The agriculture appropriation act for fiscal year 1973, approved August 22, 1972, provided for reimbursing $4.06 billion (86 Stat. 600), CCC's fiscal year 1971 loss.

Also CCC incurred costs of $1.4 billion for special activities authorized by various statutes and financed through special appropriations. Comments on these activities begin on page 13.

$6.9 BILLION EXPENDED FOR PRICE-SUPPORT AND RELATED ACTIVITIES

In fiscal year 1972, CCC expended $5.6 billion in nonrecourse price-support loans[1] and direct payments to

[1] The loans are nonrecourse because CCC accepts the commodity collateral in full settlement of a loan.



* Net of interest income

producers. Also CCC spent almost $1 billion on inventory transactions and about $300 million on other activities, including $79 million for storing grain serving as collateral for its price-support loans extended beyond original maturity dates. A summary of expenditures during fiscal year 1972 follows.

	Total expenditures	Price-support loans	Direct payments to producers	Inventory: Purchases	Inventory: Storage and handling expenses	Inventory: Transportation expenses	Storage expenses on loan collateral	Export subsidies
	(000,000 omitted)							
Commodities:								
Feed grains	$2,485	$1,246	$1,053	$ 54	$ 57	$23	$52	$ -
Wheat	1,645	544	885	44	50	32	27	63
Cotton	938	114	824	-	-	-	-	-
Dairy products	397	-	-	385	4	8	-	-
Soybeans	376	376	-	-	-	-	-	-
Rice	220	166	-	25	3	1	-	25
Peanuts	179	150	-	28	1	-	-	-
Wool	113	-	113[a]	-	-	-	-	-
Wheat products (mainly flour)	108	-	-	106	-	-	-	2
Vegetable oil	90	-	-	90	-	-	-	-
Tobacco	87	60	-	-	-	-	-	27
Blended foods	40	-	-	40	-	-	-	-
Flaxseed	24	16	-	2	4	2	-	-
Other	28	9	-	15	3	1	-	-
	6,730	$2,681	$2,875	$789[b]	$122	$67	$79[c]	$117
Storage facility and equipment loans	120							
Total	$6,850							

[a] Subject to special reimbursement. (See p. 15.)

[b] Includes $23 million of loan collateral taken over in excess of value of loans defaulted.

[c] $74 million for collateral stored on farms and $5 million for collateral stored in commercial warehouses.

BEST DOCUMENT AVAILABLE

$427 MILLION INCREASE IN COMMODITY LOANS

At June 30, 1972, CCC's investment in commodity loans totaled $2.3 billion, a $427 million increase over the investment at June 30, 1971. The major loan increases were $519 million for feed grains and $190 million for wheat. Tobacco loans decreased $213 million. Commodity loan activity during fiscal year 1972 is summarized as follows:

	Total	Feed grains	Tobacco	Wheat	Soy-beans	Cotton	Rice, peanuts, and other
	(000,000 omitted)						
Loan balance, June 30, 1971	$1,850	$ 595	$885	$246	$ 80	$ 32	$ 12
1972 fiscal year activity:							
Loans made	2,681	1,246	60	544	376	114	341
Repayments	-2,014	-628	-273	-316	-431	-120	-246
Loans canceled by CCC acquisition of collateral	-157	-98	-	-38	-	-2	-19
Loans charged off	-82	-	-	-	-	-	-82
Other transactions	-1	-1	-	-	-	-	-
Net change	427	519	-213	190	-55	-8	-6
Loan balance, June 30, 1972	$2,277	$1,114	$672	$436	$ 25	$ 24	$ 6

The $82 million of loans charged off pertained almost wholly to peanuts. Loans on peanuts are made through producer associations and the collateral is pooled. Proceeds from sales of such collateral are applied to repayment of loans, and the unpaid balance is written off as a loss.

CCC's investment in grain loans at June 30, 1972, totaled $1.6 billion. Of this amount, $609 million represented loans that CCC had extended beyond their original maturity dates. The collateral for the grain loans aggregated about 1.6 billion bushels of grain, of which 1.3 billion bushels, or 83 percent, were stored on farms; the remainder were stored in commercial warehouses. Producers were earning storage income from CCC on 566 million bushels of farm-stored grain serving as collateral for loans that had been extended beyond their original maturity dates.

$118 MILLION REDUCTION IN COMMODITY INVENTORIES

At June 30, 1972, CCC's investment in commodity inventories amounted to $1.1 billion, a $118 million decrease from the investment a year earlier. The major decreases were $43 million in cotton--practically eliminating the cotton inventory--and $41 million in dairy products.

During fiscal year 1972 loan collateral taken into inventory through default amounted to $180 million. In 1971 the takeover amounted to $647 million. CCC's inventory activities during the year ended June 30, 1972, are summarized in the following table.

	Inventory June 30, 1971	Additions: Purchases	Additions: Loan collateral acquired	Deductions: Inventory sold	Deductions: Donations	Deductions: Adjustments (increase)	Inventory June 30, 1972
	(000,000 omitted)						
Wheat	$ 488	$ 37	$ 44	$ 83	$ -	$ (2)	$ 488
Feed grains	347	25	114	106	2	1	377
Dairy products	172	385	-	251	177	(2)	131
Flaxseed	72	1	12	14	-	26[b]	45
Oils (mainly linseed and tung)	22	-	1	16	-	(17)[b]	24
Cotton	48	-	1	44	-	-	5
Rice	47	24	8	60	10	(7)	16
Wheat products, mainly flour	-	106	-	70	34	-	2
Vegetable oil products	1	90	-	68	22	-	1
Blended food products	1	40	-	41	-	-	-
Peanuts	1	28	-	29	-	-	-
Other	9	30	-	14	23	1	1
Total	$1,208	$766	$180[a]	$796	$268	$ -	$1,090

[a]Includes $23 million of collateral in excess of value of loans ($157 million) defaulted.

[b]Mainly involves processing flaxseed into linseed oil.

$1.4 BILLION IN REIMBURSABLE COSTS FOR SPECIAL ACTIVITIES

Under certain laws CCC performs special activities and receives appropriated funds either as partial reimbursement for costs incurred or as advances. Because the special activities are financed separately from CCC's price-support and related programs, these costs are not included in CCC's net loss of $3.5 billion as shown in schedule 2. The special activities cost $1.4 billion for fiscal year 1972--about $100 million above the fiscal year 1971 costs. The principal special activity, exporting agricultural commodities under Public Law 480, cost $1.3 billion. A summary showing the costs incurred and the funds received by CCC for these activities during fiscal year 1972 follows.

Activity and authority	Unreimbursed costs at June 30, 1971	Fiscal year 1972 activity: Costs incurred	Fiscal year 1972 activity: Appropriations and other funds received	Unreimbursed costs (appropriated funds in advance of expenditure (-)) at June 30, 1972
	(000,000 omitted)			
Public Law 480:				
Title I	$109	$ 770	$1,168	-$289
Title II	154	524	454	224
	263	1,294	1,622	-65
National Wool Act of 1954 (7 U.S.C. 1781)	75	117	75	117
Total	$338	$1,411	$1,697	$ 52

Title I of Public Law 480 provides for CCC to finance the sale of agricultural commodities for dollars on credit terms or for foreign currencies. Title II provides for Government donations of agricultural commodities for distribution in foreign countries. A summary of costs incurred under Public Law 480 by type of transaction during fiscal year 1972 follows.

	Title I	Title II	Total
	(000,000 omitted)		
Commercial export sales of agricultural commodities (suppliers' invoices)	$648	$ -	$ 648
Payments to suppliers for export differentials	49	-	49
Disposition of CCC inventories (included as sales in CCC's statement of income and expense)	-	403	403
Ocean transportation	73	118	191
Other	-	3	3
Total	$770	$524	$1,294

About 41 percent of the Public Law 480 costs pertained to wheat exports. The following summary shows the costs by commodity or by other category.

	Amount (000,000 omitted)
Wheat	$ 510
Rice	234
Vegetable oil products	131
Feed grains	106
Dairy products	103
Cotton	89
Blended food products	44
Tobacco	24
Other commodities	2
	1,243
Ocean transportation for commodities donated through nonprofit voluntary agencies	48
Other	3
Total	$1,294

Under the National Wool Act of 1954, price-support payments to producers amounted to $113 million and related expenses were $4 million. This act authorizes appropriations to reimburse CCC.

$480 MILLION INCREASE IN ACCOUNTS AND NOTES RECEIVABLE

Accounts and notes receivable at June 30, 1972, totaled almost $4 billion, compared with $3.5 billion a year earlier. These receivables represent over half of CCC's total assets. Of the receivables at June 30, 1972, $3.3 billion pertained to CCC's financing of commercial exports of agricultural commodities under Public Law 480 and under its export credit sales program. A summary showing activity under the two programs during fiscal year 1972 follows.

	Balance June 30, 1971	1972 fiscal year activity: Financing by CCC	Collections	Net increase	Balance June 30, 1972
	(millions)				
Public Law 480	$2,269.1	$576.6	$115.8	$460.8	$2,729.9
Export credit sales	489.0	392.7	299.8	92.9	581.9
Total	$2,758.1	$969.3	$415.6	$553.7	$3,311.8

Under Public Law 480 CCC finances agricultural exports through long-term credit agreements with foreign governments and foreign trade entities. Repayments are to be made periodically in dollars over periods not to exceed 40 years.

The accounting treatment for Public Law 480 receivables is explained in note E to the financial statements. (See p. 29.) As stated in the note, past-due installments on principal and interest at June 30, 1972, totaled $6.6 million. The most significant delinquencies were (1) $1.2 million due from the Dominican Republic, whose debt was $49.1 million, (2) $3.8 million due from Chile, whose debt was $46.2 million, and (3) $447,000 due from Bolivia, whose debt was $21.4 million. In July and August 1972, CCC collected $898,000 on delinquent accounts, but none of this pertained to these three debts.

During the year, the Arab Republic of Egypt was $5 million in arrears on principal and interest. This amount, however, was consolidated by agreement into a separate debt for installment repayments with interest to 1978. The balance of the original credit--$11.4 million--was to be repaid in installments to 1986 in accordance with existing contracts.

A summary showing the net activity in the Public Law 480 accounts during fiscal year 1972 and the balances due from the debtors at June 30, 1971 and 1972, follows.

	Balance June 30, 1971	Net increase or decrease (-)	Balance June 30, 1972
	(millions)		
Foreign governments:			
Indonesia	$ 445.7	$ 97.8	$ 543.5
India	398.8	25.1	423.9
Korea	161.0	115.0	276.0
Yugoslavia	206.0	5.8	211.8
Israel	150.9	45.4	196.3
Pakistan	135.0	49.1	184.1
Brazil	120.3	-5.0	115.3
Morocco	51.1	22.4	73.5
Turkey	64.7	-1.8	62.9
Ceylon	43.2	18.2	61.4
Tunisia	47.3	12.4	59.7
Philippines	32.2	17.8	50.0
Dominican Republic	38.7	10.4	49.1
Chile	45.7	.5	46.2
Colombia	30.2	3.6	33.8
Zaire	29.8	-	29.8
Ghana	22.1	6.0	28.1
China (Taiwan)	26.0	-1.9	24.1
Bolivia	17.6	3.8	21.4
Uruguay	19.6	-1.0	18.6
Guinea	15.2	4.8	20.0
Egypt	16.3	.4	16.7
Afghanistan	11.6	5.0	16.6
Greece	15.1	-1.1	14.0
Lebanon	5.4	5.8	11.2
Ecuador	6.8	3.9	10.7
Other	76.8	7.7	84.5
	2,233.1	450.1	2,683.2
Foreign trade entities	36.0	10.7	46.7
Total	$2,269.1	$460.8	$2,729.9

Under its export credit sales program, CCC finances purchases of agricultural commodities by foreign importers on a deferred-payment basis for periods up to 36 months. Repayments are to be made under an irrevocable letter of credit issued in favor of CCC by a bank acceptable to CCC. The following table shows the amounts financed by CCC in fiscal year 1972 by commodity.

	Amount (millions)
Commodities:	
Wheat	$114.6
Cotton	79.0
Vegetable oils	47.9
Corn	42.0
Tobacco	41.9
Barley	16.4
Rice	13.5
Other	15.6
	370.9
Capitalization of past-due interest on debt of Arab Republic of Egypt	21.8
Total	$392.7

The $21.8 million shown in the preceding table represents unpaid interest on a $63 million past-due balance owed CCC by the Arab Republic of Egypt as of January 1, 1972. The consolidated amount of $84.8 million was scheduled for installment repayments with interest to October 1976. By June 30, 1972, the balance was reduced to $84 million by a $11.7 million repayment offset by $10.9 million in new financing of exports. By September 30, 1972, CCC had collected $24.5 million, including $1.2 million of interest, on the consolidated debt.

The following table shows the $581.9 million balance of receivables under the CCC export credit sales program at June 30, 1972, according to country of the importer.

	Amount (millions)
Korea	$ 84.8
Egypt	84.0
Philippines	64.9
Yugoslavia	58.3
Poland	46.7
Romania	42.4
Morocco	33.9
Peru	31.1
Iran	30.1
Greece	27.7
Tunisia	11.3
Thailand	10.1
Other	56.6
Total	$581.9

CHAPTER 5

SCOPE

Our audit consisted of two major phases: (1) an examination of CCC's financial statements as of June 30, 1972, modified as required by circumstances (see below), and (2) a review of how CCC carried out selected commodity programs and activities, including the controls for safeguarding CCC's assets and protecting the Government's interests.

Our examination was performed at the headquarters office in Washington; the commodity offices in Kansas City and New Orleans; and the data processing center in Kansas City. We reviewed and appraised audit work of the Office of the Inspector General, Department of Agriculture. Where appropriate, we relied on this work and modified the scope of our audit.

EXAMINATION OF CCC FINANCIAL STATEMENTS

Our examination of CCC's financial statements was directed primarily toward arriving at a conclusion as to their reliability and usefulness for disclosing financial information concerning CCC's affairs. The examination, except as noted below, was made in accordance with generally accepted auditing standards and included such tests of the accounting records and such other auditing procedures as we considered practicable and reasonable in view of the effectiveness of CCC's internal control and the audit work of the Office of the Inspector General.

In view of the unique character and vast scope of CCC's operations--particularly commodity inventories and loan collateral--it was not practicable for us to perform all the examination and verification steps which would be necessary to reach an independent, overall opinion concerning the accuracy and fairness of the financial statements in presenting the financial position of CCC at June 30, 1972, and the results of its operations for the year then ended.

The principal step omitted was an independent verification of CCC-owned commodities and of commodities stored as collateral for loans. Such work would have been not only costly but also extremely difficult because of such factors as the great number and diversity of storage facilities and locations; the general impracticability of determining by independent confirmation, inspection, or other means the quantity and condition of grain stored in public warehouses on a commingled basis or stored on farms; and the large quantities of commodities in transit.

Periodically the Agricultural Marketing Service, Department of Agriculture, physically examines CCC commodity inventories and collateral stored in commercial warehouses to verify the quantity and quality of these commodities. During fiscal year 1972, Service examinations covered 10,000 warehouses storing grain, cotton, and other agricultural commodities. This number included 1,900 warehouses examined by States under cooperative agreements. On the average the warehouses were examined twice during the year.

We did not verify the reasonableness of CCC's substantial allowances for losses on disposition of price-support inventories and loans. The allowances are based on estimates which are not susceptible to audit verification. For example, the amounts that CCC realizes on disposition of its commodity inventories depend on a number of complicated and interrelated factors, such as changes in domestic and worldwide supply and demand, various legislative restrictions on disposal of commodities, time and manner of disposal, and effect of commodity dispositions on domestic and world prices. For these reasons the actual losses can differ materially from the amounts estimated by CCC even though the procedures followed in computing the allowances indicate that the estimates are reasonable in the light of the information available when they are prepared.

CHAPTER 6

OPINION ON CCC FINANCIAL STATEMENTS

The financial statements--Comparative Statement of Financial Condition (sch. 1), Comparative Statement of Income and Expense (sch. 2), Analysis of Deficit (sch. 3), and Statement of Source and Application of Funds (sch. 4)--and the notes to financial statements are the same as those published in the Commodity Credit Corporation's Report of Financial Condition and Operations as of June 30, 1972.

CCC's loss from operations does not include CCC special activities costs, which CCC pays from appropriated funds received in advance of expenditures or as reimbursements for financing extended. Comments on these costs, which CCC accounts for separately, begin on page 13.

For the reasons explained under "Examination of CCC Financial Statements" (see p. 20), we cannot express an opinion that CCC's financial statements (schs. 1, 2, 3, and 4) present fairly its financial position at June 30, 1972, and the results of its operations for the year then ended. We believe, however, that CCC's accounting methods provide a generally satisfactory record of its financial transactions and that its financial reporting system is, in general, adequate to supply CCC's management with information for conducting its affairs.

COMMODITY CREDIT CORPORATION

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

JUNE 30, 1972 AND 1971

	June 30, 1972	June 30, 1971
ASSETS		
CASH	$ 147,605,846	$ 150,902,222
LOAN PROGRAMS:		
Commodity (net) (note B)	2,272,647,708	1,842,217,930
Storage facility and equipment	196,819,301	139,322,397
LOAN TO SECRETARY OF AGRICULTURE FOR RURAL ENVIRONMENTAL ASSISTANCE PROGRAM	-	27,200,000
COMMODITY INVENTORIES (net) (notes A and B)	947,779,158	1,088,561,722
ACCOUNTS AND NOTES RECEIVABLE (net) (note C)	3,964,837,518	3,484,507,612
ACCRUED INTEREST RECEIVABLE	36,962,775	52,220,922
FIXED ASSETS (net)	7,853,587	11,542,713
OTHER ASSETS (net)	27,878,183	23,363,113
TOTAL ASSETS	$ 7,602,384,076	$ 6,819,838,631
LIABILITIES		
ACCOUNTS PAYABLE	$ 218,459,077	$ 227,575,515
ACCRUED INTEREST ON U.S. TREASURY BORROWINGS	256,103,884	364,529,184
ACCRUED LIABILITIES	84,782,418	102,926,938
TRUST AND DEPOSIT LIABILITIES	368,139,222	170,769,393
DEFERRED CREDIT FOR P.L. 480 RECEIVABLES--CREDIT SALES FOR DOLLARS (note E)	2,729,934,390	2,269,154,961
OTHER LIABILITIES	17,459,416	17,659,844
TOTAL LIABILITIES	3,674,878,407	3,152,615,835
INVESTMENT OF U.S. GOVERNMENT		
BORROWINGS FROM U.S. TREASURY (note F)	11,501,009,577	11,977,236,802
CAPITAL STOCK	100,000,000	100,000,000
	11,601,009,577	12,077,236,802
Less deficit (schedule 3)	7,673,503,908	8,410,014,006
TOTAL INVESTMENT OF U.S. GOVERNMENT	3,927,505,669	3,667,222,796
TOTAL LIABILITIES AND INVESTMENT OF U.S. GOVERNMENT	$ 7,602,384,076	$ 6,819,838,631

The notes following schedule 4 are an integral part of this statement.

The General Accounting Office opinion on this statement is included in chapter 6.

SCHEDULE 2

COMMODITY CREDIT CORPORATION

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

FISCAL YEARS 1972 AND 1971

	Fiscal year 1972	Fiscal year 1971
REALIZED GAINS AND LOSSES--PROGRAM:		
Commodity inventory operations (note N):		
Sales of commodities	$ 798,881,998	$1,801,341,425
Cost of sales	796,591,854	1,681,361,586
Net gain(-) on sales	-2,290,144	-119,979,839
Cost of commodities donated	267,974,044	240,817,177
Storage and handling expense	121,298,621	133,754,760
Transportation expense	67,222,833	61,741,883
Net loss on commodity inventory operations	454,205,354	316,333,981
Set-aside payments:		
Cotton	823,948,814	917,498,476
Feed grains	1,053,309,271	1,503,617,279
Wheat	491,959,483	488,174,687
Total set-aside payments	2,369,217,568	2,909,290,442
Other program costs and recoveries:		
Reseal loan storage expense	78,721,613	110,126,017
Export payments	116,934,219	176,092,474
National Wool Act payments	112,766,757	71,913,507
Loan and other charge-offs	82,427,240	54,108,346
Research expense(-gain)	-55,934	39,646
Other program costs	26,889,358	11,018,517
Special recoveries authorized:		
National Wool Act	-112,766,757	-71,913,506
Research expenses	55,934	-39,646
Net other program costs and recoveries	304,972,430	351,345,355
Net realized loss-program	3,128,395,352	3,576,969,778
INCOME AND EXPENSE--GENERAL:		
Income:		
Interest on loans	71,421,454	79,417,598
Other interest income	49,087,974	45,112,549
Other income	52,938	784,742
Total income	120,562,366	125,314,889
Expense:		
Interest expense	374,582,009	544,660,218
General overhead expense (net) (note O)	74,157,206	60,860,294
Other expense	836,701	776,622
Total expense	449,575,916	606,297,134
Net expense--general	329,013,550	480,982,245
TOTAL REALIZED LOSS	3,457,408,902	4,057,952,023
ADJUSTMENTS (-GAINS) OF ALLOWANCES FOR LOSSES--PROGRAM:		
Allowance for losses on loans	-3,207,000	-18,014,000
Allowance for losses on commodity inventories	22,999,000	42,697,000
Allowance for losses on accounts and notes receivable	-380,000	889,000
Net adjustment of allowances for losses--program	19,412,000	25,572,000
NET LOSS TRANSFERRED TO DEFICIT (schedule 3)	$3,476,820,902	$4,083,524,023

The notes following schedule 4 are an integral part of this statement.

The General Accounting Office opinion on this statement is included in chapter 6.

COMMODITY CREDIT CORPORATION

ANALYSIS OF DEFICIT

FROM INCEPTION IN 1933 TO JUNE 30, 1972

	Cumulative to June 30, 1971	Fiscal year 1972	Cumulative to June 30, 1972
TOTAL REALIZED LOSS EXCLUSIVE OF COST OF WARTIME CONSUMER SUBSIDY PROGRAM	$46,368,503,998	$3,457,408,902	$49,825,912,900
COST OF WARTIME CONSUMER SUBSIDY PROGRAM	2,102,281,073	-	2,102,281,073
	48,470,785,071	3,457,408,902	51,928,193,973
ALLOWANCES FOR LOSSES--PROGRAM	138,731,000	19,412,000[a]	158,143,000
NET OPERATING LOSS	48,609,516,071	3,476,820,902	52,086,336,973
LESS:			
Reimbursement for net realized loss (15 U.S.C. 713a)	39,601,346,834	4,213,331,000	43,814,677,834
Appropriation for the postwar price support of agriculture (60 Stat. 8)	500,000,000	-	500,000,000
Loss recovered under the Foreign Aid Act of 1947 (22 U.S.C. 1411)	56,239,432	-	56,239,432
Recovery of emergency feed program losses (69 Stat. 62)	41,915,799	-	41,915,799
	40,199,502,065	4,213,331,000	44,412,833,065
Net deficit (schedule 1)	$ 8,410,014,006	$ -736,510,098	$ 7,673,503,908[b]

[a]Represents adjustment of allowances for losses.

[b]Comprised of the following:

Unrestored realized losses by fiscal year:	
1971	$ 4,057,952,006
1972	3,457,408,902
	7,515,360,908
Allowances for losses, June 30, 1972	158,143,000
Net deficit, June 30, 1972	$ 7,673,503,908

The notes following schedule 4 are an integral part of this statement.

The General Accounting Office opinion on this statement is included in chapter 6.

SCHEDULE 4

C O M M O D I T Y   C R E D I T   C O R P O R A T I O N

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FISCAL YEAR 1972

FUNDS PROVIDED:	
Borrowings from U.S. Treasury	$ 6,422,306,159
Reimbursement for realized losses by appropriations	4,213,331,000
Sales of commodities	798,881,998
Inventory settlements for differences in grade, location, and quantity (net)	3,787,604
Proceeds of domestic wheat marketing certificates	392,571,678
Repayment of loans by producers	2,077,874,203
Repayment of loans by Secretary of Agriculture	62,200,000
Interest income	120,509,428
Other	3,157,965
Decrease in working capital items	56,352,120
Total funds provided	$14,150,972,155
FUNDS APPLIED:	
Repayment of borrowings from U.S. Treasury	$ 6,898,533,385
Cost of commodities purchased	766,457,516
Acquisitions of loan collateral in excess of value of loans defaulted	23,034,790
Storage, transportation, and processing expenses	188,995,497
Loans to producers	2,801,113,596
Reseal loan storage expense	78,721,613
Loan to Secretary of Agriculture	35,000,000
Export payments	116,934,219
Payments under the cotton, feed grain, and wheat programs	2,761,789,246
Interest expense	374,582,009
State and county office expenses	33,103,000
Custodian and agency expenses	366,284
Administrative expenses	39,960,636
Purchases of nonexpendable equipment	515,682
Other	31,864,682
Total funds applied	$14,150,972,155

The notes following schedule 4 are an integral part of this statement.

The General Accounting Office opinion on this financial statement is included in chapter 6.

COMMODITY CREDIT CORPORATION

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1972

A. Commodity inventories

Inventories are valued at acquisition cost plus the cost of any packaging or processing performed after acquisition. The amount of cost allocated to dispositions of commodities, acquired under price-support programs and generally stored without lot or crop year segregation, is computed on the basis of national average unit cost of the oldest crop year of the commodities for which any quantity remains in the inventory accounts. Cost allocated to other dispositions from price-support inventories is computed on the basis of actual lot cost or average unit cost for the crop year inventory from which the specific lots were removed. Actual lot cost or average cost, without regard to crop year, is the basis for costing dispositions from supply and commodity export program inventories.

B. Allowances for losses on loans and inventories

Allowances for losses on commodity loans and commodity inventories are the estimated loss on ultimate commodity dispositions. To the extent practicable, these estimates are based on estimated recoveries from foreseeable dispositions of the commodities. Estimated recoveries for commodities which are in excess of foreseeable dispositions are generally based on the lowest of cost, market price, or the Corporation's price for export sales. Allowances are not established for commodities in the supply and commodity export program inventories because they are usually acquired pursuant to commitments providing for disposition on a basis calculated to recover full costs to the Corporation.

At June 30, 1972, the estimated allowances for losses amounted to $4,711,000 on loans and $142,316,000 on inventories. At June 30, 1971, allowances for losses amounted to $7,918,000 on loans and $119,317,000 on inventories.

C. Allowances for losses on accounts and notes receivable

Allowances for losses on accounts and notes receivable are based on the estimated recovery value of the respective assets. At June 30, 1972, allowances on these assets totaled $6,116,000 and at June 30, 1971, amounted to $6,496,000.

No allowance has been provided for possible losses on dollar credit sales under the Agricultural Trade Development and Assistance Act of 1954, P.L. 83-480, because the full amounts of the receivables will be recovered from appropriations. (See note E.)

D. Allowance for losses on investments

Under the Corporation's Export Credit Sales Program letters of credit were received which were issued by the New York Branch of Intra Bank, S.A.L., Beirut, Lebanon, amounting to about $21.8 million. This bank ceased operations October 15, 1966. CCC and the three other major creditors of Intra Bank (the Governments of Lebanon, Kuwait, and Qatar) entered into an agreement for the settlement of claims of CCC and other creditors against Intra Bank. The agreement provided, among other things, that CCC would be an organizing stockholder in a new investment corporation to be established under Lebanese law. The assets and liabilities of Intra Bank S.A.L. were transferred to two newly created entities which succeeded Intra Bank--Intra Investment Company, S.A.L. and Bank Almashrek, S.A.L. The amount of the account receivable and the interest thereon was transferred to an investment account representing the Corporation's investment in Intra Investment Company, S.A.L. and Bank Almashrek, S.A.L.

The agreement by its terms does not prevent CCC from pursuing its rights under United States law with respect to assets of Intra Bank in the United States. The Corporation has recovered a substantial amount on its claim from the liquidation of assets of Intra Bank in New York. As of June 30, 1972, $9.7 million had been recovered and credited to the investment account to reduce the cost of the Corporation's investment. Although there is insufficient financial information available to make a specific determination as to the present value of the investment, an estimate of $5 million has been established as an allowance for loss on the investment. This allowance is based on the relationship between the recoveries and anticipated future recoveries, and the stated value of stock in the Intra Investment Company and Bank Almashrek which have been allocated to CCC.

E. Receivables for Public Law 83-480, credit sales for dollars

The amounts due for financing, under long term credit arrangements, deliveries of agricultural commodities and products thereof under agreements entered into with foreign governments and private trade entities pursuant to P.L. 83-480 are carried on the Corporation's books as receivables. Accrued interest is added on June 30 each year. The principal amounts financed during the fiscal year less amounts of principal and interest installments collected is recovered from annual appropriations made by Congress for P.L. 480 programs. Therefore, the total amount of the long-term credit receivables is offset by a deferred credit account. As of June 30, 1972, past-due installments of principal and interest on receivables due from foreign governments amounted to about $6,573,000. Of this amount $898,000 was paid during July and August 1972.

F. Borrowing authority

CCC operations are financed largely by borrowings from the U.S. Treasury, under its statutory borrowing authorization of $14,5 billion, this amount being the limit on borrowings that may be outstanding at any one time. As of June 30, 1972, CCC's actual borrowings from the Treasury amounted to $11,501,009,577. This left a statutory borrowing authority available of $2,998,990,423.

G. Liability for payments under 1972 set-aside programs for feed grains, wheat, and upland cotton

Pursuant to legislation applicable to 1972 crops, the Corporation will make set-aside payments to producers of feed grains, wheat, and upland cotton. Preliminary payments under these programs were not due until after July 1, 1972, and the amounts cannot be determined until compliance with the terms of the program has been accomplished and verified. Additional amounts may be payable under these programs dependent on the relationship of national average market prices for the first five months of the marketing year and the final rates of payment determined in accordance with the legislative authorization. At June 30, 1972, the Corporation was contingently liable to make such payments in the following estimated amounts:

	(in millions)
Feed grains	$1,884
Wheat	1,023
Upland cotton	810

Of the amount shown for wheat it is estimated that $390 million will be recovered by the sale of domestic wheat marketing certificates to processors. These estimated amounts are not recorded as liabilities in the accounts.

H. <u>Liability for payments under the 1972 extra long staple cotton program</u>

The Corporation will make payments to producers pursuant to legislation applicable to the 1972 crop of extra long staple cotton. At June 30, 1972, the Corporation was contingently liable to make such payments in an estimated amount of $4.9 million. Such payments were not due until after July 1, 1972, and the amount cannot be determined until compliance with the terms of the program has been accomplished and verified. The estimated amount is not recorded as a liability in the accounts.

I. Commitments to acquire or dispose of commodities

Contracts to acquire commodities are not reflected in the accounts, but the amounts of firm contracts are considered as contingent liabilities. The approximate contract values of undelivered commodities under firm contracts to acquire such commodities as of June 30, 1972, were as follows:

Commodity	Value
Barley	$ 2,500,328
Blended food products	6,687,839
Butter	4,851,496
Cheese	6,608,340
Corn products	1,381,620
Milk, dried	19,110,530
Peanuts, shelled	236,889
Rolled oats	1,379,923
Soybean oil	9,747,797
Vegetable oil products	3,041,656
Wheat	13,814,876
Wheat products	32,566,422
Total	$101,927,716

Sales commitments and other disposition commitments are not shown in the accounts but are considered in establishing allowances for losses.

J. Export payments

The Corporation was contingently liable at June 30, 1972, to make export payments (including, in the case of wheat flour, refund of the value of processor certificates) on sales registered or declared, or export offers accepted, for which documents evidencing exportation had not been submitted, in the following approximate amounts:

Commodity	Amount
Rice	$16,481,135
Wheat	10,553,829
Wheat flour	2,351,257

These contingent liabilities are not shown in the financial statements.

K. Letters of commitment

Letters of commitment issued to banking institutions authorizing the banks to reimburse exporters in dollars for sales of commodities made under P.L. 83-480, are not shown in the financial statements. As of June 30, 1972, the amount of outstanding letters of commitment was $149,749,549.

L. Claims

Amounts due the Corporation arising from claims that are definitely known or can reasonably be established are recorded currently as accounts receivable. On claims established under programs for which the Corporation will be reimbursed on an actual cost basis and on certain claims established in the maximum amount chargeable, notwithstanding improbability of collection, credit is deferred until actual recovery is made. This deferred credit is shown under "Other Liabilities". An allowance for losses is provided on other claims where collection is doubtful. Amounts of claims on which adequate proof has not been established are not recorded as accounts receivable but are recorded for control purposes. It is estimated that such claims amounted to $6,336,018 as of June 30, 1972.

Claims against the Corporation for which the amounts are definitely known or can reasonably be established are recorded as accounts payable. Amounts of claims which are not considered valid by the Corporation are not shown as accounts payable but are recorded for control purposes. Claims in this category were estimated at $2,659,065 as of June 30, 1972.

M. Potential value of freight transit rights

The Corporation had substantial quantities of grain and relatively small quantities of other commodities stored in commercial warehouses at inland locations with freight bills covering the inbound shipments registered for transit purposes under arrangements which permit use of the registered freight bills to reduce the freight costs on outbound shipments. Because of uncertainty as to when outbound shipments will be made and as to the ultimate destinations it is not practicable to place a dollar value on the potential freight reductions to be realized from the registered freight bills. No value is recorded in the accounts for such potential savings.

The Corporation also had cotton stored in commercial warehouses at inland locations which had been shipped in by rail under tariffs providing for transit rights. Part of the costs of inbound freight on such cotton may be subject to refund after the cotton is shipped out. The Corporation usually obtains any recoveries of cotton transit value in connection with sales of the cotton. Potential recoveries on cotton in inventory at June 30, 1972, have been estimated at less than $100,000. This amount is not recorded in the accounts.

N. Commodity inventory operations

Cost of sales and cost of commodities donated, as shown in the Comparative Statement of Income and Expense, represent the acquisition cost of the commodities plus the cost of any packaging or processing performed after acquisition. Storage and handling and transportation expenses pertaining to inventories are shown separately in this statement.

O. General overhead expense

The general overhead expense for fiscal year 1972 and for 1971 excludes $17.3 million and $16.5 million, respectively, of expenses financed with funds appropriated to the Agricultural Stabilization and Conservation Service (ASCS)

Substantially all of CCC's operating expenses are paid, as authorized by law, from an ASCS consolidated fund account covering operating expenses for both CCC and ASCS activities. This consolidated account is funded by an ASCS appropriation and by transfer of CCC corporate funds subject to limitations specified in the annual appropriation act. The amount of operating expenses is distributed to CCC and ASCS activities on the basis of budgetary workload statistics.

For expenses in fiscal year 1972, CCC transferred the maximum amount authorized -- $77,256,000 -- to the consolidated account. The cost distribution showed that expenses applicable to CCC activities amounted to $94.6 million, or about $17.3 million in excess of the amount contributed to the expense fund by CCC.

P. Pooled payment-in-kind certificates

Pursuant to legislation which authorized issuance of payment-in-kind certificates, the Corporation assisted producers in marketing their certificates by making cash advances to them for the full value of the certificates. The certificates were pooled and marketed from the pools for immediate use by the purchasers to obtain delivery of commodities from the Corporation's inventories. Because the certificate payments for which advances were made have been recorded as expense and the amounts advanced are not repayable, the advance and the offsetting obligation to redeem pooled certificates are not shown in the Statement of Financial Condition. At June 30, 1972, the amount of the obligation to redeem pooled cotton and feed grain certificates was $692,294,177 and $8,864,242,909 respectively. The same amounts had been advanced.

PRINCIPAL OFFICIALS OF
THE COMMODITY CREDIT CORPORATION
DEPARTMENT OF AGRICULTURE
DURING FISCAL YEAR 1972

	Tenure of office	
	From	To
BOARD OF DIRECTORS		
Clifford M. Hardin (Secretary of Agriculture)	Jan. 1969	Nov. 1971
Earl L. Butz (Secretary of Agriculture)	Dec. 1971	Present
J. Phil Campbell (Under Secretary of Agriculture)	Jan. 1969	Present
Clarence D. Palmby (Assistant Secretary of Agriculture)	Jan. 1969	June 1972
Carroll G. Brunthaver (Assistant Secretary of Agriculture	June 1972	Present
Richard E. Lyng (Assistant Secretary of Agriculture)	Mar. 1969	Present
Thomas K. Cowden (Assistant Secretary of Agriculture)	Sept.1969	Present
Kenneth E. Frick (Administrator, Agricultural Stabilization and Conservation Service)	Apr. 1969	Present
Don Paarlberg (Director, Agricultural Economics)	Mar. 1969	Present
OFFICERS (note a)		
PRESIDENT:		
Clarence D. Palmby (Assistant Secretary of Agriculture)	Jan. 1969	June 1972

	Tenure of office From	To
OFFICERS (note a) (continued)		
PRESIDENT (continued):		
Carroll G. Brunthaver (Assistant Secretary of Agriculture)	June 1972	Present
EXECUTIVE VICE PRESIDENT:		
Kenneth E. Frick (Administrator, Agricultural Stabilization and Conservation Service)	Mar. 1969	Present
VICE PRESIDENTS:		
Raymond A. Ioanes (Administrator, Foreign Agricultural Service)	Apr. 1962	Present
Clayton Yeutter (Administrator, Consumer and Marketing Service)	Oct. 1970	Jan. 1972
George R. Grange (Acting Administrator, Consumer and Marketing Service--renamed Agricultural Marketing Service)	Jan. 1972	June 1972
Ervin L. Peterson (Administrator, Agricultural Marketing Service)	June 1972	Present
Edward J. Hekman (Administrator, Food and Nutrition Service)	July 1970	Present
Carroll G. Brunthaver (Associate Administrator, Agricultural Stabilization and Conservation Service	Feb. 1969	June 1972

	Tenure of office From	To
OFFICERS (note a) (continued)		
VICE PRESIDENTS (continued):		
Clifford G. Pulvermacher (General Sales Manager, Export Marketing Service)	Apr. 1969	June 1972

[a]CCC officers are designated according to their positions in the Department.

Copies of this report are available from the U. S. General Accounting Office, Room 6417, 441 G Street, N W., Washington, D.C., 20548.

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