- Mel Bevamer -FokuButtuBrott + Mary Januar Para

IT IS A GENUINE PLEASURE FOR ME TO PARTICIPATE IN THIS FOUR-STATE REGIONAL CONFERENCE OF THE ASSOCIATED MILK PRODUCERS INC. AND I WANT TO ESPECIALLY THANK YOU FOR HOLDING YOUR MEETING HERE IN MINNESOTA. IT PERMITS ME THE OPPORTUNITY NOT ONLY TO SEE MANY OF MY DAIRY FRIENDS FROM THE MID-WEST, BUT ALSO TO SPEND DOME TIME WITH MY MINNESOTA CONSTITUENTS.

Mr. Beseamer, Mr. Butterbrodt Mr. Nelson, Mr. Hansen

DIRECTORS AND DELEGATES TO THIS REGIONAL CONFERENCE,

HAPPENING IN OUR COUNTRY TODAY AND IN PARTICULAR, WITHIN AGRICULTURE AND OUR DAIRY INDUSTRY.

When I returned to the United States earlier this year,
I asked for and received an appointment to the Committee on
Agriculture and Forestry.

Some of my friends, including some right here from Minnesota, were advising me against seeking such an appointment.

I'LL TELL YOU WHAT I TOLD THEM:

"AGRICULTURE IS ONE OF MINNESOTA'S AND THE NATION'S MOST IMPORTANT INDUSTRIES......FURTHERMORE, IT WAS IN RURAL AMERICA THAT THIS COUNTRY GOT ITS START, AND MUCH OF THIS COUNTRY'S FUTURE GROWTH AND PROSPERITY WILL BE IN RURAL AMERICA."

THE COMMITTEE ON AGRICULTURE SERVES AS A NATIONAL POLICY FORUM TODAY ON THESE VITALLY IMPORTANT MATTERS.

IF WE ARE TO REMAIN THE BEST FED AND BEST NOURISHED
PEOPLE IN THE WORLD--AND FOR A SMALLER PERCENTAGE OF OUR
FAMILY INCOME THAN AT ANY OTHER TIME IN THE HISTORY OF MANKIND-WHO UNDERSTAND THIS INDUSTRY AND THE IMPORTANT PART IT
PLAYS IN OUR NATION'S DAILY LIFE, MUST BE WILLING TO
PARTICIPATE IN THESE POLICY COUNCILS OF OUR FEDERAL GOVERNMENT. IT IS HERE THAT SO MANY OF THE DECISIONS ARE MADE
THAT AFFECT THAT INDUSTRY AS WELL AS THE PEOPLE IT SERVES.....
NAMELY THE ENTIRE AMERICAN PUBLIC.

If we are also to stem the migration of people from our nation's farms and rural communities to our already overcongested and overpopulated cities, we must learn more about why this is happening and what to do to reverse it.

WE KNOW SOME OF THE CAUSES OF THIS MOVEMENT OF PEOPLE.

IRONICALLY, IT HAS BEEN DUE IN PART TO THE SUCCESSES OF AMERICAN AGRICULTURE.

IN 1920, WE HAD A FARM POPULATION A DROP FROM 30 PERCENT OF THE NATION'S TOTAL POPULATION TO LESS THAN 5 PERCENT.

AND WE CONTINUE TO SEE AN OUTMIGRATION FROM OUR RURAL AREAS OF ABOUT 600,000 PEOPLE A YEAR.

THE AVERAGE U.S. FARMER CAN NOW PRODUCE AS MUCH BEFORE BREAKFAST AS HE DID IN A FULL DAY 30 YEARS AGO:

Last year at produced enough food, fiber and other farm commodities to meet the equivalent of his own needs and those of 45 other people. In 1960 he produced enough for only 26 people and 30 years ago only enough for 10. The productivity of the American farmwarter these past 10 years has been increasing by 6 percent a year. Meanwhile, output per man-hour in nonagricultural industry increased by only 3 percent a year.

Just Look at what has happened in your own industry. In 1924, we had 21.5 million milk cows, in this country.

Today we have only 12.5 million. And, in 1924 the dairy farmer got only 4,000 pounds of milk per cow, whereas today he gets almost 9,500 pounds.

YES, AGRICULTURE IS A CHANGING INDUSTRY AN INDUSTRY WHOSE PRODUCTIVITY IS DOUBLE THAT OF THE NON-AGRICULTURAL SECTORS OF OUR ECONOMY.

OF THE 3 MILLION FARMS IN THIS COUNTRY TODAY, 400,000 PRODUCE 70 PERCENT OF ALL FARM MARKETINGS, ANOTHER 400,000 PRODUCE AN ADDITIONAL 20 PERCENT. IN OTHER WORDS, LESS THAN ONE MILLION FARMS IN THIS COUNTRY PRODUCE 90 PERCENT OF ALL THE FOOD AND FIBER SOLD IN THIS COUNTRY OR ABROAD, AND THAT GIVEN AWAY THROUGH OUR VARIOUS GOVERNMENT PROGRAMS.

OUR AGRICULTURE HAS MADE, AND CONTINUES TO MAKE, AT LEAST SIX SPECIFIC CONTRIBUTIONS OF MAJOR IMPORTANCE TO OUR NATION'S ECONOMY.

- (1) IT HAS BEEN, AND STILL IS A MULTIPLIER OF THE NATION'S MANPOWER, REQUIRING FEWER PEOPLE EACH YEAR TO PRODUCE MORE AND MORE FOOD AND FIBER.
- (2) It's progress has resulted in a steadily Lowering of FOOD COSTS RELATIVE TO INCOME.

- (3) DESPITE THE RAPID DROP IN FARM POPULATION,

 AGRICULTURE CONTINUES ITS MAJOR CONTRIBUTION

 TO THE NATIONAL ECONOMY WITH ITS STEADILY

 GROWING PURCHASES OF GOODS AND SERVICES, EXPECTED

 TO REACY ALMOST \$57 BILLION THIS YEAR.
- (4) IT CONTINUES TO LEAD THE LIST IN IMPORTANCE
 WITH RESPECT TO EXPORTS, CONTRIBUTING OVER
 50 PERCENT OF OUR COUNTRY'S TOTAL FAVORABLE
 BALANCE OF TRADE IN ALL PRODUCTS, DESPITE THE
 FACT THAT IT MAKES UP ONLY 25 PERCENT OF TOTAL
 EXPORTS

(5) It is the world's number one weapon in the war

ALIZATION OF RURAL AMERICA. IT IS STILL THE BIGGEST SINGLE INDUSTRY, THE BIGGEST SINGLE SOURCE OF EMPLOYMENT, AND THE BIGGEST SINGLE PRODUCER OF INCOME IN COUNTRYSIDE USA.

THE DAIRY INDUSTRY ALONE PROVIDES JOBS FOR 235,700 EMPLOYEES AND A PAYROLL OF MORE THAN \$1.4 BILLION ANNUALLY.

"Yes, as Charles Dudley Warner once said, "Blessed Be agriculture.'" But then he added, "If one does not have too much of it.'"

BETWEEN 1965 AND 1970 MILK PRODUCTION WENT DOWN WHILE PRICES TO PRODUCERS WENT UP. HOWEVER, LAST MONTH MARKED THE 18TH CONSECUTIVE MONTH THAT U.S. MILK PRODUCTION WAS ABOVE THE SAME MONTH OF THE PRECEDING YEAR.

USDA ECONOMISTS NOW PREDICT THAT MILK PRODUCTION
MAY RISE THIS YEAR BY OVER 1 BILLION POUNDS OVER LAST YEAR'S
117.4 BILLION POUNDS.

THE RECENT 27 CENT INCREASE IN THE PRICE SUPPORT LEVEL THAT MANY OF US IN THE CONGRESS HELPED SECURE MAY CAUSE YOU MORE HARM THAN GOOD IF YOU FAIL TO FIND EFFECTIVE MEANS OF CONTROLLING MILK PRODUCTION AND EXPANDING YOUR MARKETS.

FACED AS YOU ARE WITH A PERSISTENT DECLINE IN TOTAL
PER CAPITA CONSUMPTION OF MILK AND DAIRY PRODUCTS -- DOWN
23 PERCENT SINCE 1950 -- THE DAIRY INDUSTRY MUST GET BEHIND
AN EFFECTIVE AND COMPREHENSIVE PROMOTION PROGRAM TO REVERSE
THIS DOWNWARD TREND.

THE NEW ADVERTISING AND PROMOTION LAW WE PASSED SHOULD HELP IN THAT REGARD.

CONTROLLING THE PRODUCTION OF THE MANY INDIVIDUAL PRODUCERS IN THIS INDUSTRY IS OBVIOUSLY NOT AN EASY TASK, ZI RECOGNIZE THAT THE DAIRY INDUSTRY HAS TRADITIONALLY BEEN A HIGHLY FRAGMENTED INDUSTRY ITS PROBLEMS REMIND ME OF THE HUSBAND AND WIFE WHO WERE FUSSING AT EACH OTHER A BIT. . (AS MOST HUSBANDS AND WIVES DO ON OCCASION). . . THE WIFE SUDDENLY POINTED OUT THE WARPANTE A BEAUTIFUL TEAM OF HORSES PULLING AN ENORMOUS LOAD UP A STEEP HILL AND SAID:

"Why do we bicker so? Why can't we pull together like that team?" The husband answered: "Why, that's easy, honey, they JUST GOT ONE TONGUE BETWEEN 'EM."

Well, with the help and leadership of men like Dave PARR AND HAROLD NELSON YOU ARE MOVING RAPIDLY TOWARD ACHIEVING A MORE UNIFIED INDUSTRY.

As one who has agonized over the problems and promise OF AGRICULTURE FOR MANY YEARS, I WANT TO PERSONALLY APPLAUD YOUR MAGNIFICENT SELF-HELP EFFORTS.

THE CREATION OF THE ASSOCIATED MILK PRODUCERS, MID-AMERICA DAIRYMEN, DAIRYMEN INCORPORATED AND MILK INCORPORATED AND OTHERS HAS BEEN A COMMENDABLE MOVEMENT.

But, unless agreement is reached among these groups regarding the essential elements of a "total marketing program" for their industry the progress you have made so far towards consolidation will be disipated and lost by devisiveness and indecision.

MANAGEMENT OF SUPPLY...NEW METHODS FOR PRICING....

PROMOTION OF NEW MARKETS....TAILORING OF PRODUCTS TO MEET

CONSUMER DEMANDS....AND, PROVIDING THE CAPITAL NEEDED TO

RESTRUCTURE THE OUTMODED PROCESSING AND TRANSPORTATION

SYSTEMS OF THE INDUSTRY....ALL GO TOWARD MAKING UP THIS

"TOTAL MARKETING PROGRAM" OF WHICH YOU HAVE HEARD DAVE

AND HAROLD TALK SO FREQUENTLY...

COOPERATIVE MARKETING OF MILK ON A REGIONAL BASIS WORKS,
YOU HAVE ALREADY PROVEN THAT: I THINK YOU HAVE A CONCEPT
WITHIN WHICH COMMERCIAL DAIRY FARMING CAN NOT ONLY SURVIVE,
BUT FLOURISH:

THROUGH YOUR SELF-HELP EFFORTS, DAIRY FARMERS HAVE THE OPPORTUNITY FOR ACHIEVING A FAIR RETURN ON THEIR INVEST-MENT AND LABOR.

ALTHOUGH YOU ARE NOT GOING TO BE ABLE TO ESTABLISH MONO-POLISTIC OR UNREALISTICALLY HIGH PRICES--BECAUSE THE GOVERNMENT WOULDN'T PERMIT IT AND YOU WOULD NOT WANT IT--YOU CAN, IF SUFFICIENTLY ORGANIZED, ESTABLISH STABLE AND GROWING MARKETS, AND A FAIR PRICING STRUCTURE FOR YOUR PRODUCT.

LIKELY BE FORCED TO PLAY AN EVEN LARGER ROLE IN YOUR INDUSTRY.

Your way. . . THE COOPERATIVE WAY. . . IS CLEARLY THE BEST WAY FOR FARMERS TO MANAGE THEIR BUSINESS AFFAIRS, GOVERNMENT IS, AND WILL LIKELY CONTINUE TO BE INVOLVED IN THE DAIRY INDUSTRY.

IT OPERATES PRICE SUPPORT PROGRAMS AND FLUID MILK PRICING AND OTHER REGULATORY PROGRAMS AFFECTING THE INDUSTRY, IT MAKES IMPORT AND EXPORT POLICY DECISIONS AND PURCHASES SUBSTANTIAL AMOUNTS OF DAIRY PRODUCTS YEARLY FOR USE IN VARIOUS FOOD PROGRAMS.

ALL OF THESE DEICISIONS AFFECT YOUR MONTHLY MILK CHECKS:

BUT PUBLIC PROGRAMS CAN NEVER BE ENOUGH IN OUR FREE ECONOMY TO GIVE THE FARMER THE STRENGTH HE NEEDS IN THE MARKET

PLACE. HE IS GOING TO HAVE TO DO MORE HIMSELF TOWARD IMPROVING HIS OWN BARGAINING POWER.

OVERNMENT CAN PROVIDE THE FRAMEWORK WITHIN WHICH SOUND COMMODITY PROGRAMS CAN BE CARRIED ON FOR THE MUTUAL BENEFIT OF PRODUCERS AND CONSUMERS BUT THEIR OPERATION AND ADMINISTRATION SHOULD BE HANDLED BY PRODUCER GROUPS THEMSELVES.

A STRONG COMMERCIAL AGRICULTURE WILL NOT SOLVE ALL OF THE PROBLEMS OF RURAL AMERICA NOR WILL IT SOLVE THE PROBLEMS OF OUR TROUBLED CITIES, BUT A STRONG, PRODUCTIVE AGRICULTURE IS ESSENTIAL TO THE HEALTH AND WELL-BEING OF PEOPLE LIVING IN EITHER THE CITIES OR THE COUNTRYSIDE.

YES, WE LIVE IN AN AGE OF "ABUNDANCE" AND IF WE CAN LEARN TO MANAGE ITS USE AND PROPERLY REWARD THOSE WHO HAVE MADE IT POSSIBLE, EVERYONE CAN BENEFIT--PRODUCER, PROCESSOR AND CONSUMER.

LI WANT TO COMMEND AND CONGRATULATE YOU FOR THE FINE BEGINNINGS YOU HAVE MADE TOWARD DESIGNING SOLUTIONS TO THE PROBLEMS OF THE DAIRY INDUSTRY.

THOSE OF US IN THE CONGRESS FROM OUR FARMING AREAS WILL CONTINUE TO MOVE FORWARD WITH OUR EFFORTS TO ADJUST GOVERNMENT PROGRAMS TO MEET THE CHANGING NEEDS OF MODERN COMMERCIAL AGRICULTURE. WE WILL ALSO BE DOING MORE IN THE FUTURE TO MEET THE NON-FARM CREDIT NEEDS OF FARM FAMILIES AND OTHER RURAL RESIDENTS AND THE RURAL COMMUNITIES THAT SERVE AS FARMERS' SERVICE CENTERS. RURAL AMERICA NEEDS MORE JOBS, INCREASED INCOMES, AND BETTER COMMUNITY FACILITIES AND SERVICES. NEEDS AS I HAVE MENTIONED EARLIER, THAT HAVE OFTEN BEEN CREATED DUE TO THE SUCCESS OF AGRICULTURE.

RESPONDING TO THESE COMPANION NEEDS IS WHY WE ARE COMPANION NEEDS IS WHY WE ARE COMPANION TO OVERHAUL AND UP-DATE THE FARM CREDIT ADMINISTRATION LAWS AND PROGRAMS. AND HAVE INTRODUCED LEGISLATION TO ESTABLISH AN ENTIRELY NEW FINANCIAL AND CREDIT SYSTEM FOR RURAL AMERICA TO MEET ITS PRIVATE AND PUBLIC NON-FARM DEVELOPMENT NEEDS -- THE HUMPHREY-TALMADGE FARM AND RURAL DEVELOPMENT ACT OF 1971.

The demand for farm credit more than doubled from 1960 to 1970, with farm debt rising from \$24.8 billion in 1960 to \$58.1 billion in 1970. Several studies by university economists and others have concluded that farm debt in 1980 will likely range from \$90 billion to \$140 billion.

Much of that demand for additional credit will come from the dairy industry which requires a much higher level of capital investment than many other segments of agriculture. In the Report on Rural Financial Assistance that the President

JUST FILED WITH THE SENATE AND HOUSE AGRICULTURE COMMITTEES,
IT IS REPORTED THAT RURAL BANKS FACE A MAJOR PROBLEM IN
MEETING FUTURE FARM CREDIT DEMANDS:

"ONE PROBLEM IS THAT THE RATE OF INCREASE IN DEPOSITS IN RURAL BANKS IS MUCH LOWER THAN THE RATE OF INCREASE IN FARM CREDIT DEMANDS. IN THE LAST DECADE, RURAL BANK DEPOSITS ROSE ABOUT 70 PERCENT WHILE FARM DEBT INCREASED 134 PERCENT. THESE TRENDS WILL LIKELY CONTINUE, INDICATING THAT--UNLESS NEW CAPITAL SOURCES ARE TAPPED OR UNLESS THEY DEVOTE A CONSIDERABLY LARGER SHARE OF THEIR LOANS TO AGRICULTURE--RURAL OPERATING BANKS WILL PROVIDE A DECLINING PROPORTION OF FARM CREDIT NEEDS."

WITH THE ADMISSION THAT RURAL BANKS ARE NOT LIKELY

TO MEET FUTURE FARM CREDIT NEEDS, HOW ARE THEY GOING

TO MEET THE NON-FARM CREDIT NEEDS OF RURAL AMERICA UNLESS

WE HELP MAKE IT POSSIBLE FOR THEM TO DO SO?

THE PRESIDENT'S REPORT FAILS TO ADDRESS ITSELF TO THIS AND OTHER SERIOUS QUESTIONS RELATED TO THE EXPANDING NEEDS OF A DEVELOPING RURAL AMERICA.

His report instead promotes his Special Rural Revenue Sharing and Executive Reorganization proposals——The Latter of which calls for the abolishment of the Department of Agriculture.

WHILE WE HAD HOPED THAT THIS REPORT--WHICH WAS REQUIRED BY TITLE IX OF THE AGRICULTURAL ACT OF 1970--WOULD HELP US BETTER UNDERSTAND HOW TO MEET THE FUTURE CREDIT REQUIREMENTS OF AGRICULTURE AND NON-FARM RURAL AMERICA, IT TURNS OUT TO

BE TOTALLY UNRESPONSIVE IN THAT REGARD.

MR. NIXON IS MAKING IT OBVIOUS THAT HE DOES NOT WISH TO HAVE MEMBERS OF HIS ADMINISTRATION DISCUSS ANY LEGISLATIVE INITIATIVES OTHER THAN HIS OWN REVENUE SHARING AND REORGANIZATION PROPOSALS.

In case Re Mixon doesn't read the Congressional Record
I wish to make it clear to him that his Special Rural Revenue
Sharing proposal and his reorganization measure affecting
the Department of Agriculture are destined for failure
in the Congress if he persists in maintaining such a rigid
and uncompromising position.

As of today, the Humphrey-Talmadge Farm and Rural Development Act of 1971--S.2223--has 25 co-sponsors. The Nixon Rural Revenue Sharing Bill--S.1612 has only Need I say more, Mr. Nixon'.

However, I don't want/to be said that I am not a fair-minded man. Therefore, I urge you to look at both of these proposals and decide for yourself as to which one will do more for Rural America. Then let your Congressman and Senator know which one you support and which one you want them to support:

AGRICULTURE IS OUR COUNTRY'S GREATEST SUCCESS STORY-HEADING THE LIST ELSEWHERE IN THE WORLD AS THE MOST
ADMIRED ACCOMPLISHMENT THAT THIS COUNTRY HAS ACHIEVED.

AND EACH OF YOU HAVE PLAYED AN IMPORTANT PART IN GETTING US WHERE WE ARE TODAY. IN KNOW YOU WILL CONTINUE TO PROVIDE THE LEADERSHIP AND THE DIRECTION THAT WE WILL NEED TO CONTINUE TO IMPROVE AND STRENGTHEN THIS INDUSTRY.

AGAIN, I CONGRATULATE YOU ON WHAT YOU HAVE ACCOMPLISHED AND SALUTE YOU ON THE ADMIRABLE GOALS THAT YOU HAVE SET FOR THE FUTURE.

Minnesota Historical Society

Copyright in this digital version belongs to the Minnesota Historical Society and its content may not be copied without the copyright holder's express written permission. Users may print, download, link to, or email content, however, for individual use.

To request permission for commercial or educational use, please contact the Minnesota Historical Society.

