

On Squeezing Out Farm Prosperity

A theme long popular with national agricultural officials holds that greater prosperity is just around the corner for American farmers.

J. Phil Campbell, U.S. Under Secretary of Agriculture, summed it up in a speech in Hampton, S.C. June 27 as follows:

"In the present decade U.S. population is projected to increase from 205 million to about 230 million. Consumer income after taxes is expected to double, rising from \$630 billion last year to \$1,260 billion by 1980.

"This combination of more people with more income means increased demand for farm products. And when we introduce into the equation a continued, though slower, decline in the number of commercial farmers, the return per farm is projected to rise sharply."

It's logical. It sounds good.

But the rosy picture may or may not turn out to represent reality for the individual farmer.

Fewer Farmers

Actually, ever since World War II, the American farmer has been experiencing a steadily worsening price-cost squeeze. Each year, tens of thousands of those farmers east able to meet the growing squeeze have been forced off the farm.

This squeeze is the squeeze between steadily rising costs for equipment and supplies on the one hand and relatively stable prices for the products the farmer produces on the other.

Equally severe has been the growing cost of living, which means the farmer must make more profit each year to maintain the same standard of living.

Continuing Squeeze

What is to stop this squeeze from continuing into the next decade?

Will the cost of equipment and supplies quit going up? Probably not, they actually may go up faster, and more costly inputs may be necessary to remain competitive.

Will the prices the farmer receives go up fast enough to off-set these increasing costs? Probably not, unless farmers simply quit producing so much and force the consumer to bid up the prices of the available produce.

In the Age of Consumerism, when farmers make up six per cent of the population and the political strength of the nation is shifting increasingly to the metropolitan centers and their suburbs, can we expect the nation to support artificially inflated food prices? Probably we can, but only to a limited extent, like at the present.

Present programs and policies in some respects help keep prices to the farmer high, but their overall impact may be actually to concentrate farm ownership into fewer hands, thereby increasing the price-cost squeeze for the great majority of small farmers.

Voluntary Control

The greatest hope for maintaining high prices for farm products may be through voluntary production control programs by farmers through their farm organizations. This approach is being attempted by the egg industry at the present time. As control of the egg industry becomes concentrated in fewer hands, such an approach becomes increasingly possible.

But the swine industry also is in the midst of a major expansion. The swine industry and most other major farm income

production areas are highly diversified with thousands or millions of small producers accounting for most of the market volume. Such areas are a long, long way from any meaningful production control, other than the long-standing fear of market busts that occur when production gets out of control.

Milk Industry Approach

Another possibility for control appears to be the milk industry approach to maintaining relatively high milk prices — apparently a joint venture by farmers, milk firms of various types and the government. This approach involves both price and production controls.

But the milk industry lends itself to such controls more readily than most other farm enterprises because of the huge capital investments involved and highly complex marketing structure — both of which discourage ready movement of farmers in and out of the milk business.

A major question mark which hangs over the milk industry control program is continuing decline in per capita milk consumption. While per capita beef and poultry consumption have moved steadily upward, per capita milk consumption has declined steadily. At some point, it would appear, the decline of consumption will have to be stopped.

There are some indications that the milk industry is in the early stages of gearing up to challenge Coke and the other beverages which are making inroads into the milk market. Until milk meets the challenge to its markets, however, we don't see how the milk system, even though highly successful for dairy men now, can become a model for U.S. agriculture.

While the route of U.S. agriculture since World War II toward more production and fewer farmers has not been completely satisfactory, it offers more for the farmer and the nation than a route toward decreased production and loss of markets.

Overall, we see the decade of the 70's as a continuation of the decade of the 60's in presenting a continuing cost-price squeeze for farmers.

The 70's actually could be harder for many farmers to cope with, because the squeeze will continue in spite of larger farming units involving much greater inputs of machinery and capital.

Internationally, many previously undeveloped countries are beginning to develop substantial agricultural economies.

The U.S. has continually upgraded its output per acre and per man hour through improved seed, livestock, automation and know-how. While the U.S. undoubtedly will continue to compete in many areas of the international farm economy, the trends would indicate that foreign competition is one more area that will escalate the price-cost squeeze.

Pinching the Average Guy

R. W. Johanns wrote as follows recently in a national publication: "How good a farmer are you? What are your chances of being around 10 years from now? If you think you're doing an average job, don't feel too smug. One definition of an average farmer is, 'Someone who'll be out of business 10 years from now.'"

"One out of two farmers will be gone, and that includes the one who's just average. But many a farmer doesn't have anything to worry about; he doesn't worry because he doesn't know where he stands — good, bad, or indifferent! If he knew, he might worry and do something instead of waiting to have something done to him."

In the 70's, the pressures of higher costs of living will continue. Land prices and taxes probably will continue to rise. Increasingly higher paid non-farm jobs will continue to compete for farm labor and marginally successful farmers.

Altogether, this means that the pressures which weeded out millions of farmers since World War II will continue in the 70's.

It's by no means an impossible environment for the farmer who knows what he's doing and does it. But there will be continually less margin for error.

NOW IS THE TIME . . .

By Max Smith
Lancaster County Agent



To Use Horizontal Silos

The corn crop looks like another big one with all present storage facilities filled to capacity. Livestock producers who are getting the most from their corn by making it into silage, and who may be short of permanent silo storage, should consider silo storage should consider. Many tons of good silage may be made with these methods if the material is chopped fine, packed tightly and the air sealed out. Many producers will transfer the silage from the temporary storage into the upright silo for automatic feeding early next spring.

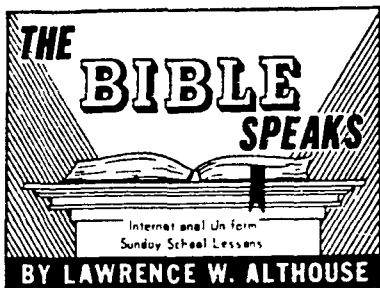
To Make Roof Repairs

It's quite easy to forget about repairing a leaking roof in dry weather because you don't need it. When it rains you should have made the repair but it's too wet to do it. Therefore, late summer or early fall is a good

time to get the roof in good shape for fall and winter rains. Many roof problems show up as leakage at chimneys, roof valleys, or vent pipes. In other cases wind storms may have loosened shingles or sections of roofing. The suggestion is to get the roof fixed before cold weather arrives.

To Manage Sorghum Hybrids

The growth on sudan grass and the sudan-sorghum hybrids this summer has been enormous because of the wet weather. If these crops have gotten ahead of the herd, they may be made into silage or hay, better into silage because of their coarseness. The new growth after clipping should be allowed to reach 18 inches for the sudan grass and 24 inches for the sudan-sorghum hybrids. To graze or green-chop them earlier is risky due to the possible prussic acid content.



INTERNATIONAL UNION
SUNDAY SCHOOL LESSONS
BY LAWRENCE W. ALTHOUSE
THE FLOOD
Lesson for August 9, 1970

Background Scripture: Genesis 6 through 9, Matthew 24:37-39, 2 Peter 2:4-10a, Deuteronomy 2: Peter 2:4-10.

The story of the great flood that covered the earth because of the sin of mankind is not limited to the saga of Noah in Genesis, but is found in the ancient literatures and oral traditions of peoples throughout the world. There is hardly a part of the world where there are not legends of a universal flood.

In 1873 George Smith of the British Museum discovered and published a "Chaldean Account of the Deluge," which had been translated from twelve tablets that had been found in the library of the Babylonian ruler, Ashurbanipal (688-626 B.C.) This account of a great flood has come to be known to us as the "Gilgamesh Epic."

Rev. Althouse

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"Tell no one"

The legend is the story of Gilgamesh, who, mourning the death of his friend, Enkidu, makes a long, hazardous journey to his ancestor, Utnapishtim, to learn the secret of eternal life. He tells Gilgamesh that long ago when the gods decided to destroy the earth, one of them, Ea, commanded Utnapishtim to build a ship in order to survive the great flood to come. He was not to warn his fellow citizens in any way.

For six days and nights, Utnapishtim, his family, and all the other living beings he could find, rode out the terrible storm. On the seventh day it ceased and eventually the boat came to rest upon a mountaintop. Disembarking at last, Utnapishtim, to show his gratitude, offered a sacrifice which pleased the gods.

The story is remarkably like that of Noah; yet there are important differences that make the Genesis saga greatly superior.

For one thing, there is a sense of purpose in the Noah story: the earth is to be destroyed, not at the whim of the gods as in the "G" epic, but because of the sinfulness of men. This is a truth which men must not ignore even today. When people revolt against God, when they set themselves against his universal laws, there is usually a painful price to pay, a natural consequence that follows.

A banquet of consequences

If a man defies the law of gravity (unless he invokes some counter-law), he will pay some consequences. There is nothing capricious or arbitrary about the direction in which he falls. And so it is when men defy God's moral order. There is eventually a price to pay. As Robert Louis Stevenson once said, "Sooner or later every man sits down to a banquet of consequences."

We also see a purposefulness in the selection of Noah. In the Babylonian epic, Utnapishtim was chosen simply because he was favored by Ea. In the story of Noah, however, the patriarch is chosen because God sees him as a righteous man, that there is in him something worth salvaging. So life is not capricious. Things do not "just happen." Often they are the results of living either in harmony with or in rebellion against God's order.

Turn and be saved!

Secondly, we see in the God of Noah a compassionate desire to save, rather than destroy. Ea rebuked Utnapishtim to warn his neighbors, but no such restriction was laid upon Noah. Even in the face of the retribution that is to come, there is a redemptive possibility. This was often true when God sent his prophets to call Israel of the terrible times ahead: if the people, even in the last moment, were to turn and repent, God would have been happy to receive them. God desired, not destruction, but the repentance of his people. It was their wickedness, not the vengeance of God, that caused their destruction.

The real truth of the story of Noah is not in that it agrees with so many flood epics throughout the world, but that it tells us so much about God, man, and the world in which we live.

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