

Drought killing some U.S. farms

WASHINGTON, D.C. Drought conditions are more serious and widespread than previously indicated, with important economic implications, according to the results of the Agriculture Council of America's special Farm Line held last week to discuss the drought. The drought has just about wiped out the cattle industry

in South Dakota and in many counties in Wisconsin and Minnesota and will soon affect these areas total economy no matter when the rains come. Farming in South Dakota is at a standstill with little bank money for farm loans and absolutely no new Federal crop insurance applications being taken

This and similar disaster conditions in the upper Midwest, parts of the Southern Delta region and in other spotted areas were voiced by farmers and farm businessmen who talked with a panel of drought assistance experts representing Federal agencies on ACA's toll free Farm Line.

For others also, farmers crop insurance is unavailable. Many banks won't make operating loans to farmers who can't insure against crop losses. The severe financial implications of the widespread drought were driven home in an unusually large number of calls to the panel of experts, which in-

cluded USDA's William Walker, assistant secretary for Rural Development, and Seelye Lodwick, associate administrator of the Agricultural Stabilization and Conservation Service. Walker, who still farms in Tennessee, talked with Iowa's Deputy Commissioner of Agriculture Thatcher Johnson who said the depleted ground moisture could have ramifications where there is already more than a billion dollar crop loss. Walker assured Johnson that he would try to be responsive.

Typical of a pattern of farm communities during hard times, the real economic consequences are yet to come. Schools supported by taxes from an agricultural base will have to operate on less as will the farmers and businesses, he said.

ACA Chairman E. I. Shug' Hatcher said. (Caller response may have been the highest we've ever experienced. All ten phones were in constant operation and we ran well beyond the normal four hour period. We know many people were unable to get through but there was no way we could alleviate the jam up.")

Many Upper Midwest farmers, saying that conditions are worse than the 'Thirties', are poorly cushioned financially because higher operating expenses have left little margin for savings against "dry days," one Minnesota banker said.

Flying over some sections of Minnesota and South Dakota, one can see the farms are devoid of livestock, he said. Joe Dabler, a banker and cattle farmer from Canistota, South Dakota, said "that eighty per cent of the state's cattle have been liquidated and farm-related businesses suffered a 45 per cent drop in sales, and could worsen by spring."

In Miller, the largest cattle county in South Dakota, the livestock market has sold forty per cent more cattle since June than in any previous year. Normally cattle sales "here are slow at this time," said Jay Anderberg, owner of Miller Livestock Market, "but 13,500 head went through here Wednesday." The prices are holding up but the cattle are "thinner and younger," he said.

Repeated many times, they said, "We don't want hand-outs." But they did ask that the government make money "available to them when it rains," "when it gets good again" and farming operations can continue.

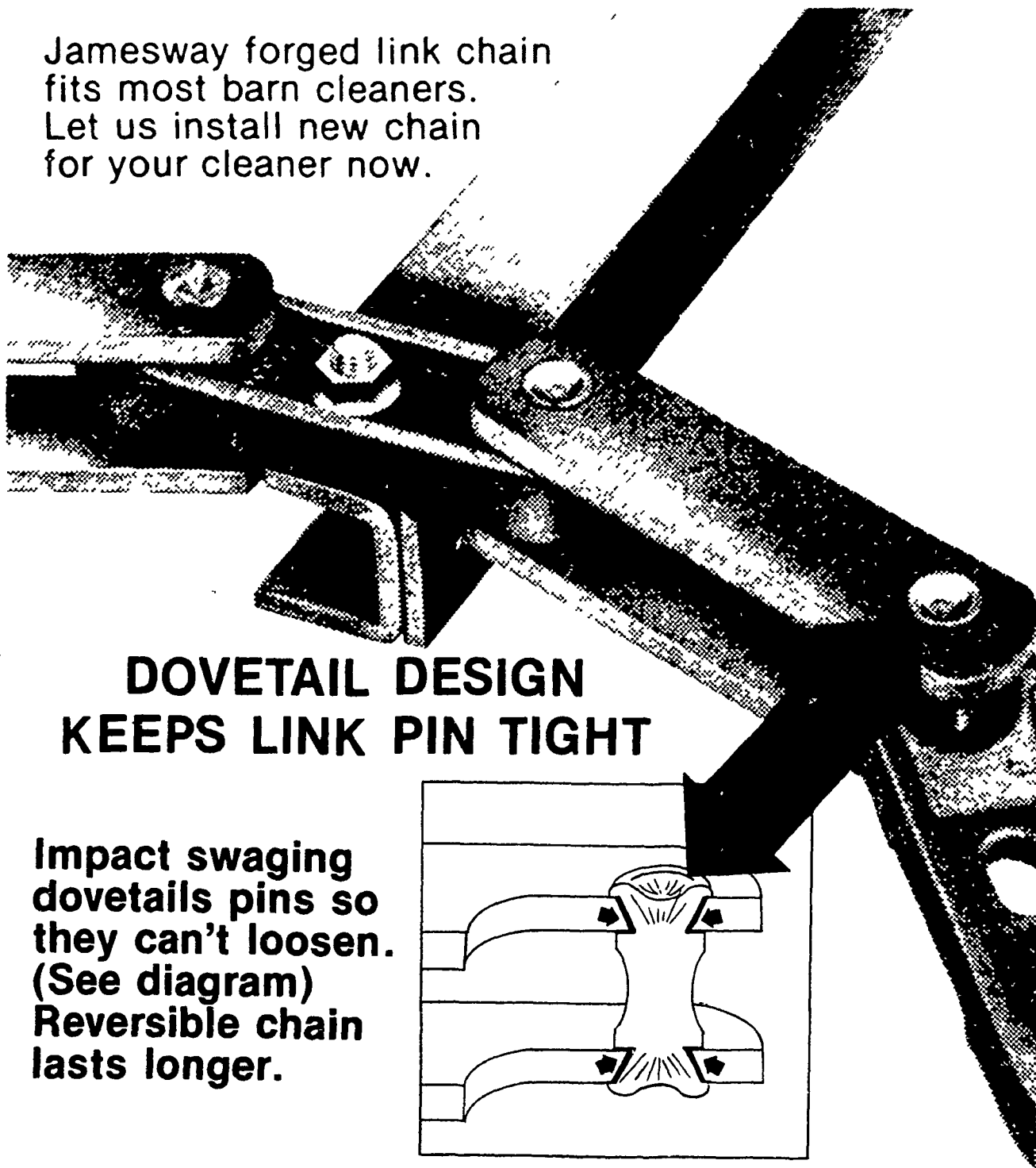
As a non-political and non-legislative organization, ACA operates the Farm Line not to advocate any particular position of its own, but strictly to provide a forum for the discussion of major agricultural issues. Earlier programs covered topics such as estate taxes, government regulation, land use and resource allocation. ACA WATS lines were busy from the beginning to end of each session as callers spoke directly with experts on the subject.

The Agriculture Council of America, founded in 1973, is made up of individual farmers, farm and commodity organizations and companies that supply the farmers. Its purpose is to improve communication between farmers and urban consumers.

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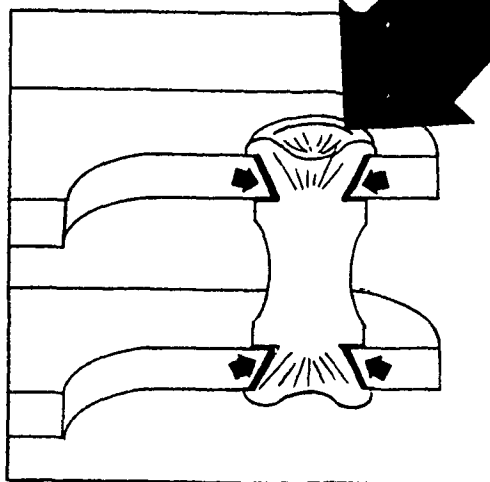
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