

# American ag

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Let's consider what has happened to agricultural exports.

During the past five years, agricultural exports have almost tripled in value, passing the \$22 billion mark in fiscal 1976. In the same time period, U.S. grain producers have provided more than 90 per cent of the increase in the world grain trade.

This year, one half of the grain crossing international boundaries will come from U.S. farms.

Five nations are now more than billion-dollar agricultural customers - Japan, the Soviet Union, the Netherlands, Germany and Canada. A half-dozen more are well past the half-billion-dollar level.

Thriving agricultural exports have had a strong impact on farm incomes in this decade. In the past five years, net farm income has averaged \$26 billion - more than double the level of the 1960's. That's when farmers produced a great deal of grain for the Commodity Credit Corporation instead of the marketplace.

The change has brought new life to the balance sheet of agriculture. By the end of this year, the value of farm assets should pass \$636 billion. That is a gain of \$49 billion this year, following a \$65 billion increase last year.

Of course, a \$3,925 an acre price tag for land, and hundreds of transactions in the \$2,000 an acre range have had an impact on the other side of the ledger, too.

At the end of the year, total farm debt will have passed \$102 billion - that's an increase of 12 per cent for the year.

Real estate and nonreal estate loans rose more rapidly this year than in 1975. Life insurance companies made a sharp expansion in their real estate loans. Interest rates eased a bit, but the record 8 to 10 per cent levels are expected to continue into 1977. Our USDA projections show that lending will rise further in 1977 because of strong demand and ample supply of credit.

This means financial savvy will continue to be a crucial skill for farmers and members of your profession. It's going to take more and more of your time.

The bottom line is clear, however. American agriculture is moving ahead today. It has the potential for even greater opportunity tomorrow.

I am confident when the economic history of this decade is written, American farmers and those who support him with goods, services and capital, will be recorded as economic super stars.

You can find vivid evidence of this if you travel from here down the Mississippi River to the Port of New Orleans. At the docks, you can see hundreds of Toyotas and Datsuns being unloaded from ships. As soon as the cars are removed, the same ships are loaded with thousands of tons of soybeans and other crops grown in Illinois, Iowa, Missouri and elsewhere.

This same scene is repeated at a score of other ports each day. The result, or bottom line is that agriculture makes a hefty contribution to our balance of payments.

This strengthens the dollar; generates jobs and helps pay for imported oil and other items. It benefits all Americans. There's a vital message here. One that affects the American Society of Farm Managers and Rural Appraisers, as you focus on the years ahead.

The demand for management and marketing know-how will continue to grow - at an accelerating pace. The premium will increase for those who can make more effective use of resources. It means you'll need to shift into high gear - and stay there. That's not enough, however.

**Value of farm assets for 1976 is \$636 billion; total farm debt for the year stands at \$102 billion.**

We must face other new realities, based on the fact that we are no longer a nation of farmers. In the national policy arena, the once powerful farm bloc no longer has the automatic attention of those who make our laws and chart our policy course.

Consumers, labor, and a number of other

groups have more clout than agriculture. The number of farmers continues to decline. That migration reached a peak during the 1950's and 1960's when we lost 100,000 to more than 200,000 farms a year. This decade that loss has declined to about 28,000 farms per year. Today, there are fewer than 2.8 million farms, and fewer than five per cent of the population today lives and works on our farms, compared with about 25 per cent 40 years ago.

face of it, this has more appeal than concern for the prosperity of American Agriculture.

The basic truth is clear. Consumers want low food prices. Farmers know that farm prices must be strong enough to pay the expense, and compensate for making new investments in agricultural efficiency. Both can best be served by the marketplace, not government meddling.

When it comes to farm policy, if you build high floors under farm prices, you also

*"I believe the number one item on the agenda is to help create better understanding of agriculture."*

*"The curtain is going down on the traditional separation of farm policy and food policy."*



Richard Feltner

Today, senators and congressmen represent many more city folks than farmers. Fifty years ago, there were 251 congressional districts in which the farm population constituted 20 per cent or more the total. Now, there are only 49 congressional districts with 20 per cent or more farm population.

This has profound implications for all of us.

Professionals such as farm managers and rural appraisers have a unique challenge. Let's put it in focus.

As we look ahead at new farm legislation in 1977, we can expect a clamor of voices calling for a cheap food policy. Low food prices have great seductive effect in Washington, D.C., St. Louis, Chicago and in hundreds of other cities and suburbs. On the

impose ceilings on farm prices at the same time. It's inevitable. Over the long pull, there cannot be adequate supplies of food produced in any country which has a cheap food policy. Farmers have to use technology and capital to even make a dent in the world food needs ahead. To do so, requires that farmers produce for the marketplace, not the government. Whether we like it or not, the curtain is going down on the traditional separation of farm policy and food policy. This requires us to do a better job than ever of explaining the agricultural facts of life to the public. It is no longer good enough that only farmers understand the economics of food production.

As we face new legislation next year, there's a fork in the road: Either we can

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### JOIN YOUR COUNTY FARMERS ASSOCIATION TODAY

Lancaster County Farmers Association plans their membership drive the week of December 13 thru 18. We need you for a member to help keep our association strong & effective. If you are not a member & wish to become a part of this growing organization, contact or send your \$30 membership dues to the membership chairman:

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