Cargill executive opposes national grain board

Speaking for the National maintain prices above Grain and Feed Association, a Cargill executive recently told two congressional subcommittees that the association is strongly opposed to a bill that would make the government the sole agent for export grain sales.

Robert Kohlmeyer, a member of the NGFA's International Trade Committee, said the bill (H.R. 4237), which would create a national grain board, is "unnecessary, unworkable and self defeating. It will not, in our view, contribute to a stronger agriculture, and we urge its defeat."

He testified before a joint hearing of the House Agriculture Committee's Livestock and Grains Subcommittee and Department Investigations Oversight and Research Subcommittee.

Kohlmeyer, a senior merchant of Cargill, said the assumptions underlying the bill are wrong and that it cannot achieve its goals for either export pricing or domestic marketing.

The bill is sponsored by Rep. James Weaver, D-Ore. He challenged the premise from backers of H.R. 4237 that it would enable the United States to raise prices of its exported grains.

"Proponents who believe that the major grain-

WASHINGTON, D.C. - exporting nations can economically justified levels wrong," said are Kohlmeyer. "A comparison of world grain and petroleum markets shows why.

> "The Organization of Petroleum Exporting Countries (OPEC) controls more than half of world oil output. The leading grainexporting nations control less than one-fifth of world grain and rice output.

"Oil is a depletable resource of limited supply stored easily and cheaply in the ground. Grain is a renewable resource It can be grown in virtually all nations. And, at today's interest rates, annual storage costs approach 20 percent of the grain's farmgate value.

"So, while OPEC can control world oil output by cutting back its production, grain exporting nations can't effectively control world grain supplies. The inability to control output destroys the potential to control prices.

Equally unworkable, said Kohlmeyer, is H.R. 4237's stated domestic market goal "to provide price and supply stability in domestic markets."

"Crops fluctuate from one year to the next,' Kohlmeyer said. "The United States is not immune to these fluctuations. For example, the 1974 corn crop fell nearly 25 percent below the previous crop while last year's corn crop jumped more than 10 percent.

"To keep prices and supplies steady in the face of such production fluctuations would prove unacceptably expensive. Acquiring enough corn to offset the 1974 shortfall, for example, would cost \$3 billion at today's prices, with annual carrying costs of \$500-\$600 million '

Such an approach, Kohlmeyer concluded, was "rejected nearly two decades ago because the costs of supply management were spiraling out of sight. Today, those costs would be much greater and the task more complex.'

Kohlmeyer reminded the subcommittee members that the current hearings are not the first to be held on the concept of a national grain beard. It was argued just 3¹/₂ years ago that a national grain board would do a better job than the current system of private marketing with governmental oversight and support.

"Less is heard of such arguments today," the Cargill executive said, "perhaps because the evidence since 1975 has confirmed the performance capabilities of the present system. A review of the record of the private system shows, said Kohlmeyer, that:

*U.S. grain exports have continued to expand, from 2.7 billion bushels in 1974/75 to about 4.2 billion bushels this year.

*The United States has established and stocked a farmer-held grain reserve of about 35 million tons.

*New arrangements have been established to protect against "surprise" purchases by countries like the Soviet Union.

*The U.S. farmer has been better served by his private marketing system than have farmers with state trading boards

"The incentives of a private marketing system have encouraged modernization in grain storage, handling and transportation facilities unmatched in any state-board system Kohlmeyer said "For example, while US grain exports rose 50 percent, Canadian exports have stagnated, snarled in

transportation shortages that Canadian farm now have to pay \$85 million to help unwind through grain hopper-car purchases."

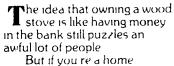
Because of private marketing, the U.S share of world grain exports has risen from less than 40 percent to about 55 percent over the last 20 years, Kohlmeyer said, adding that market shares of statetrading competitors have declined in the same period "Less obvious but equally

true, the private marketing system gets U.S. farmers better prices for their crops," said Kohlmeyer. He cited a study by North Dakota State University showing that North Dakota farmers on average received 32 cents per bushel more for their wheat between 1973 and 1975 than did Manitoba farmers.

"In other words," said Kohlmeyer, "the current balance between public and private roles works well. It harnesses the strengths of the -private enterprise system -- the ability to innovate and the willingness to invest — to the strengths of government — a supporting framework of policies to cushion unacceptable social costs and a system of oversight to ensure fair play "Compared to the current

system, a national grain board could not offset its disadvantages with new benefits for farmers and consumers.'





owner nothing could really make more sense

Particularly when you know that the cost of electricity oil gas & coal is skyrocketing

And particularly when vou know about Nashua

Check and compare your fuel bills before and after you own a Nashua Doubleheat Woodstove and you'll feel twice warmed Because the Nashua Doubleheat with its 5 minute heat producing time and its powerful blower that actually recycles the total volume of air in your home in less than an hour simply 01978H5A In atent Pending saves you money Constantly Dependably Without demanding attention every time you turn around Gather the family around your Nashua Feel the warming fire Watch the flames leap the embers glow through the Vvcor* brand glass* window And immediately you'll experience one of man's most secure most satisfying pleasures The Nashua Doubleheat Woodstove It's security you can depend on Today and tomorrow Find out just how well by sending us \$1 We'll send you full color literature, decision making data on all 4 Nashua Woodstoves, our helpful Home , Energy Survey plus the name of your nearest Nashua Dealer

teams rated

Horse judging

READING - Over 30 4-H members from seven counties recently participated in the Regional 4-H Horse Judging Contest

Five classes of horses including Appalossa, Morgans and Quarter Horses were judged. Official Judge was Dave Steigerwalt from Fleetwood

Top ten seniors were from first to tenth Sharon Aldınger, York; Cheryl Clayton, Berks, Jean Pierce, Lebanon; Donna Fenzo, Delaware, Wren Rodel, Bucks; Sharon Kelly, Cumberland; Kelly Preston, York, Sandy Fatzinger, Cumberland, Jill Kreidler, York; and Donna High, Franklın

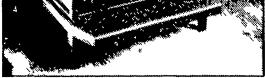
Team placings were from first to fifth: York, Berks, Cumberland, Lebanon and Bucks

Junior individual winners were from first to tenth Lori Reiner, Berks, Toni Sweeney, Berks; Michelle Swavely, Berks, Ann Lansberry, Lebanon, Lynette Brown, York, Beth Kırkpatrıck, Franklın; Lısa Caples, Berks, Michelle Johns, Franklin, Michelle Smith, Lebanon, and Brenda

Miller, Lebanon. Berks County won the Junior Team title Members were Lori Reinert, Kutz-

town; Lori Sweeney, Oley, and Michelle Swavely, Barto, Lebanon County had the second place Junior team





*Corning Glass Works Code 7913

(

