## World demand dips for U.S. grain, says nat'l president

WASHINGTON, D.C.-"The early expectation of a significant performance in U.S. grain exports in 1983 must be reduced in light of the softening of world demand for grains combined with the excessive use of grain export subsidies by the European Economic Community," Jack Parsons concluded following a two-week trip to the Soviet Union and Western Europe.

Jack Parsons, a corn farmer from Wapello, Iowa, who is the President of the Board of Directors of the National Corn Growers Association, participated in the November 16 - 18, 1982, meeting of the US-USSR Trade and Economic Council in Moscow, the Soviet Union, and also the recently concluded meeting of the General Agreement on Tariffs and Trade in Geneva, Switzerland.

In addition to representing American corn farmers in these major international meetings, the NCGA farmer president also traveled to Paris and Bonn, the respective capitals of France and West Germany, as a member of the congressional delegation led by Senator Bob Dole (R-Kan).

Both Dole and Parsons addressed the US-USSR Trade and Economic Council, to encourage the governments of both countries to develop a mutually beneficial grain and agricultural trading structure and policy to meet the requirements of the 1980's. Senator Dole attended these meetings in his capacity as Chairman of the Committee on Finance of the U.S. Senate, which has primary responsibility for bilateral and international trading agreements.

Following meetings with various agricultural and trade officials in Moscow, Parsons commented that he had concluded that "the Soviets will purchase corn and other commodities from the United States only if these commodities are not readily available on a comparable quality basis and competitively priced from other major countries. In essence, the Soviet Union will

purchase only residual supplies from the United States during calendar year 1983, with the outlook for no more than eight to ten million tons of corn and wheat expected to be sold to Russia."

The Corn Grower President gave as evidence of the reduced expectation of U.S. grain exports to the Soviet Union the following factors:

Canada has additional supplies of coarse grain and feed quality wheat that will be offered with the availability of short-term commercial credit guaranteed by the Canadian Government.

- Record wheat and grain production in the European Common Market countries particularly France - will be offered to Russia at highly subsidized export prices along with attractive short-term credit terms.

- The improved grain production prospects in Argentina that will be available for export in early 1983 will be sold to the Soviet Union, especially corn and grain sorghum that are provided for in the Argentine-Soviet long-term grain agreement.

 $\sim$  Higher than expected wheat production in the Eastern European countries provide additional exportable grain supplies to the Soviet Union.

- Additional offers of grain to the Soviet Union from nontraditional grain exporting countries such as Spain and

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Austria - all of which the Soviet balance with domestic and foreign Union will purchase.

While the export market for U.S. corn farmers is bleak for calendar year 1983," Parsons continued, "the outlook for price recovery is not as bleak if there are additional programs and incentives for reduced production and increased domestic utilization of corn: the alcohol fuels industry; the industrial sweeteners industry; and the improved economic climate for expanded livestock operations in the United States.

The NCGA President also reiterated his organization's position that "American corn farmers should comply in the 1983 'acreage reduction program' and any additional measures that may be offered by Secretary Block to bring U.S., grain supplies into

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demand."

Parsons concluded that during 1983, the National Corn Growers Association will continue to support two major goals: to support continued efforts by the U.S. Administration to press the European Economic Community to reduce, if not eliminate, export subsidies on grains and sugar products; and to encourage both the U.S. and Soviet governments to enter into negotiations for a meaningful and enlarged grain agreement to serve the mutual interests of the two countries in the 1980's. He emphasized that these are the long-term priorities of the National Corn Growers Associaton, with the MCGA support for the acreage reduction program in 1983 only as a shortterm necessity.

"A combination of these efforts and programs should return profitability to corn farming on the basis of maximizing production from efficient tarming operations," Parsons forecasted.

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