

**The original documents are located in Box 2, folder “Grain” of the Norman Ross
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P.L.
C154

THE WHITE HOUSE
WASHINGTON

- stop Mr. HAN
Grain sales (export)

Farm Land And Prices
High Prices of land
Foreign Purchases

- Hold sales valid through
21% stock P.L. for
following year

- 5% gain per year on
speculation purchases

THE WHITE HOUSE

WASHINGTON

1972 Roll back of prices
And then \$70 profit on
his investment.

Poor and wooded land
for development had been
good land for agriculture

Grain

1972-	\$1.25	bu	west
1973.	2.50	"	"
1974.	4.50	"	" farm level

THE WHITE HOUSE
WASHINGTON

Cord

1972. \$1.25 bu
1973. \$2.00 bu
1974. \$3.75 bu

Soybeans

1972. \$2.75 bu
1973. \$5.50 bu
1974. \$8.90 bu

No export out of station how
much will have 2070
for stockpile for food
- Spring wet / Summer - dry
Fall - Frost

THE WHITE HOUSE

WASHINGTON

7.50 for more departing
on wheat

Corn for animal feed

75% corn for beef, chicken

cattle, hogs. Corp is considered

as farm as gold,

SAVE from exports

20% corn

15% wheat

20% Soybean

} reserve

THE WHITE HOUSE

WASHINGTON

Livestock

Beef (steers)

Cow only has one calf per year.

If feed is high have sacks
calf 100 lbs

If feed is reason keep
calf and raise 1,000 lbs
steer

Milk

If feed is high sacks

If feed is reason sacks x

THE WHITE HOUSE

WASHINGTON

Hope

Take 6 months to year to be
produced for (M. J. J. J.)
- It's a fact it's not close work
raise

Chris Kars

- our production for last 15 years
90% of reduction from his years -
bracket
- Today it's large companies
hospitals
- with large gain from
will continue to cut back.

THE WHITE HOUSE

WASHINGTON

If grain does not go down
with but price - beef, chicken
Pork.

- Prices will go up
Labor will go up
And then every thing else

- High inflationary pressure
Must be kept down to
prevent depression
1928 inflation
1930 depression

THE WHITE HOUSE
WASHINGTON

- High interest will keep
people from expanding and
shop for more buying
would like to see the
President
Vice President

Kennedy

- our man from end from state
to give advice for Agriculture
Department
- want business men in a hurry

THE WHITE HOUSE
WASHINGTON

Going to Pm.
Come class Again

December 18, 1974

MEMORANDUM FOR: SALLY BLOOM
FROM: *Phyllis Suckin*
~~JOHN ROSS~~
SUBJECT: I. Hall

J. Ross
I met with Isadore Hall on November 20 to listen to his ideas and suggestions concerning agriculture.

He talked about export controls -- stopping grain sales; discussed farm land and prices; rolling back prices for land investments. He suggested setting up various grain reserves. Talked about relief situation for the livestock industry and the poultry industry.

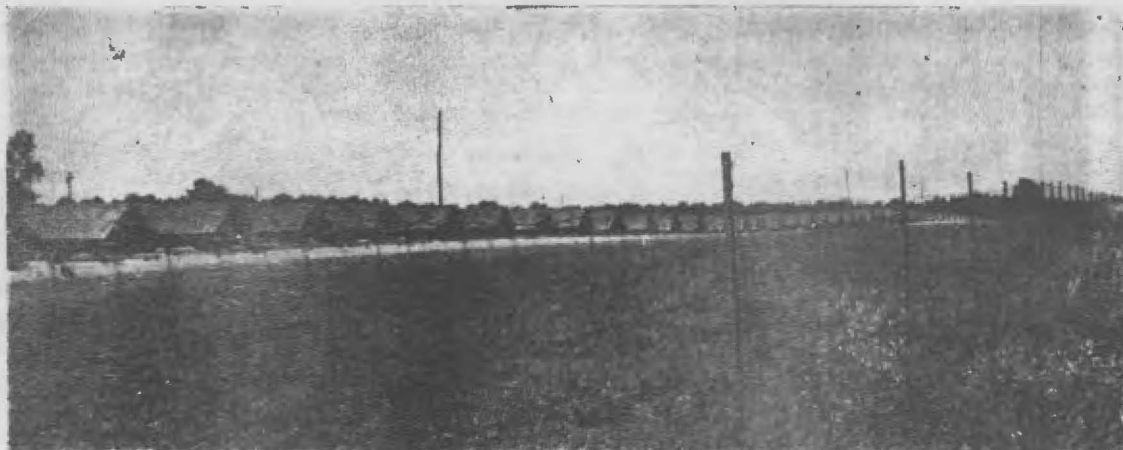
He suggested also setting up a one-man committee from each State to give advise on general agriculture.

On the whole, Mr. Hall has very good viable ideas concerning agriculture.

Jm. Ross
I recommend that Secretary Butz meet with Mr. Hall.



Alfalfa-clover range for the Hall farms pullets. South Jersey poultry plant covers 850 acres with a present capacity of something over 100,000 birds.



FANCY PULLETS FROM NEW JERSEY



THE CHICKEN came first! That is Isadore Hall's answer to the oft-asked question. And, well it might be, too, for the Hall poultry farms in Elmer, New Jersey, with a present capacity of 100,000 birds, had as its humble beginning a single hen purchased back in 1915. Bought for the express purpose of becoming the main course at a holiday dinner, Bidy had other ideas. Someone must have tipped her off. She found a nice secluded spot in the barn, made a nest, and proceeded to lay and hatch twelve eggs. To Izzy, as he is known to all his many friends, then only nine years old, fell the task of caring for the chicks and thus was started the Hall poultry farms.

Slow But Steady Expansion

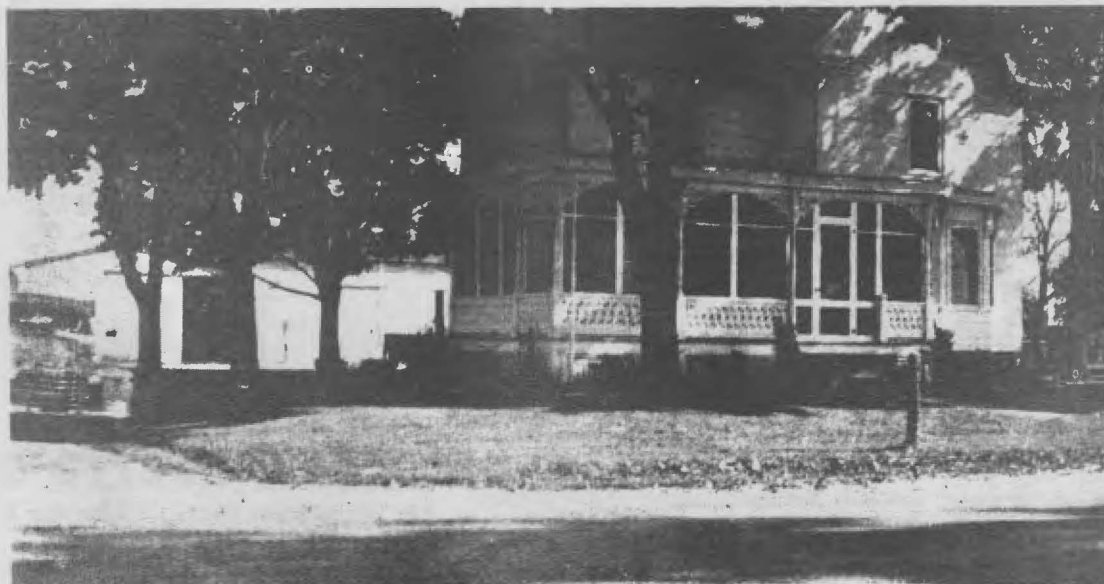
Over the years the enterprise grew slowly but surely. Only the minimum was taken from the business with the

largest part of the profits going right back into further expansion and improvement. The Hall family in 1915 moved from Monroeville to Elmer, New Jersey where they had bought an eighty-one acre farm. Land holdings were expanded in 1935 by the addition of another farm of one hundred sixty four acres and again in 1938 by the purchase of a third farm of one hundred seven acres. All these properties are within a few miles of Elmer and are in one of the most intensively cultivated and productive areas of New Jersey.

In the early years of the Hall operation Izzy and his father, Joseph Hall, besides slowly expanding their own poultry production, were actively engaged in buying and shipping live poultry to the Philadelphia and Atlantic City markets. It was an eight hour trip from Elmer to the Quaker City by the horses and

wagons then used and a twelve hour haul to the famous shore resort. This, of course, was all changed when improved roads were put through and in the '30s the poultry business expanded quite rapidly, and by 1940 the Hall farms were the largest poultry raising venture in New Jersey. With the war further expansion was impractical but today the farms are still among the largest in the state as far as poultry production is concerned.

With the slow expansion policy followed, it is natural to find that small housing units were used for they could be added a few at a time at a rather nominal investment. These small colony houses, and there are over one hundred fifty in use today each accommodating several hundred birds, are located in fields planted to clover and alfalfa and they house the birds from the time they



From this substantial house Hall directs the operation of his farms. An extensive feed business is operated from the large barns located in the rear.

arrive from the Morris Poultry Farm in Bishopville, Md., as day-old chicks until they are nine to ten weeks old. At this stage of development the birds are put out onto range.

Range Growing Widely Used

The ranges, and again alfalfa fields are used, are divided into long rectangular areas by temporary wire fences and each area contains a single row of range shelters which provide protection from the sun and storms. These fenced range areas are shifted generally once in a season providing clean ground and a new feed crop for the birds. This range growing of pullets, and Hall is devoting his entire production to pullets for the live poultry market in the New York Metropolitan area, has resulted in a very superior type of meat bird, one that brings "top market" regularly on the highly competitive and quality conscious New York market.

A deterrent to any further expansion of this range growing is the high labor cost involved. This factor became a controlling one before World War II and the last actual expansion on this extensive layout was the construction of an eight hundred foot house that accommodates over twenty thousand birds. It is simple to see that tending the Buckeye brooder stores, the feed and water pans, the windows and any other general maintenance is much simpler and is accomplished in far less time in a single large house than it is in a series of colony houses scattered over a large area. According to the experience on the Hall farms one man tending a "long house" can equal the output of at least three men working with the colony type.

Hall admits that the birds off the range are slightly superior in quality to the others, but the difference is not great enough to effect market returns that will make up for the difference in the labor cost. Anyway the Hall reputation for quality is well established and by careful management it is being rigidly maintained. The days that Hall loads are handled at New York City's live poultry terminal it is a pretty safe bet that the top price on the "Pullets, Cross, 4½ lbs. up" classification will be set by the birds from Elmer, New Jersey. "What's Barker doing on his pullets?" is a familiar question on those mornings. The Barker Poultry Corporation of Newark, New Jersey, operating

a wholesale house there as well as at the New York Terminal, has been the sole outlet for the Hall broilers and pullets for upward of twelve years.

Specialize in Cross Pullets

Until recently Cross-Rock broilers and pullets were raised and marketed with the broilers moving out after twelve to thirteen weeks, averaging about three and a half pounds per bird and the pullets going four and a half to five pounds after nineteen weeks. For the past few years, however, all effort has been concentrated on the pullets and an envi-



As the sun slowly sets in the west, thousands of Cross pullets come out of the long rows of range shelters to get their evening meal.

able reputation has been built up.

The supervision of this extensive poultry production operation is carried on from an office in the Hall home located conveniently near the center of Elmer and about equi-distant from the three farms. Besides the pullet production about one hundred acres of corn are harvested each year and a sizable hay crop is produced. Back a few years ago when labor was a bit more plentiful large volumes of tomatoes were raised for this is right in the heart of the famous Jersey tomato belt.

The hay is marketed right through Izzy's own feed outlet. Immediately behind his home are extensive barns and there a large feed business is maintained. The full line of feeds of Hales & Hunter of Wilmington, Del. is handled and their Red Comb feeds are used exclusively on the Hall farms.

Profitable Sidelines

Well satisfied with his farms and his high quality poultry Izzy Hall is even prouder of his family. In 1936 he married Ruth Kirshner of Camden and two daughters, Doloros and Elaine were born in 1937 and 1940 respectively. The substantial white house on Main Street is not only the nerve center of the poultry operation, but it is the meeting place for the neighborhood children and all in all a very busy place.

The specializing in pullet production for meat purposes has expanded noticeably in recent years. The demands of the Jewish trade in the New York Metropolitan area are largely responsible, for this call is increasingly for yearling fowl and pullets and less and less for the heavy older fowl, which in the past came largely from the Tennessee-Kentucky Illinois-Indiana area.

Now in New Jersey and New York and in all the New England states there is a rising trend in the production of these efficient poultry meat producers.

Cross pullets seem to be dominant in Jersey but through most of New England the Red and Black pullets and yearling fowl stand out, with Black pullets and fowl meeting with very favorable buyer acceptance in the New York market. The rather widespread production of sex-linked chicks in some sections of New England lends itself admirably to this pullet production for the barred cockerels find a ready market in the

Del-Mar-Va broiler section and the Black pullets are used on the local farms.

A comparison of the average New York wholesale prices for the Black and Cross pullets shows little to choose between the two, though if top prices only are compared the Crosses will be found to run one or two cents above with the Blacks another cent or two over Reds.



HALES & HUNTER CO

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Mills at

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Walter W. Goepfinger

WALTER W. GOEPPINGER

**CHAIRMAN OF THE BOARD
NATIONAL CORN GROWERS ASSOCIATION
P. O. Box 358
BOONE, IOWA 50036, U. S. A.**

**TELEPHONE
515-482-2708**

10-19-1974

Phone:
Boone, Iowa
515-432-2703

NATIONAL CORN GROWERS ASSOCIATION
Suite 208, 906-9th St., Boone, Iowa 50036 USA



A STRATEGIC GRAIN RESERVE PROPOSAL

THAT KEEPS THE GRAIN AND THE POWER TO SELL IT COMPLETELY IN THE PRODUCERS HANDS

1. The proposal eliminates the main point of criticism and difference of opinion between many farmers and farm organizations, namely government control of sale of any of the grain in the reserve.
2. This outline of the idea will deal only with corn. It can, however, be made applicable to other grains and soybeans.
3. From a political and practical standpoint, a proposal that eliminates necessity for passage of any additional U.S. farm legislation over and above what is now already on the books has great merit. This will save an immense amount of time and avoid any diminution of the program that might come about as the result of political bargaining or compromise.
4. This proposal requires no change in the present farm law and can be smoothly operated within the framework of it.
5. First, the U.S. Government would determine how large a corn reserve would be desirable. For sake of simplicity let us say that a figure of one billion bushels is chosen. That would amount to about two months present average consumption of our crop which consumption will ordinarily be between 5.6 and 6.0 billion bushels.
6. Ever since 1933 when the first corn loans were made, they have all been "Non-Recourse" loans. Under this type of loan the borrower is not held responsible when the loan comes due for repayment of the principal and interest should the corn's market value be less than total of amount due in dollars. When the loan is due, all he need do to pay the loan off is deliver to the Commodity Credit Corporation the number of bushels of corn of the grade specified as security for the loan, regardless of what the corn will bring on the market at time of delivery of the corn to the CCC.
7. A corn loan made "With Recourse" would require the borrower to pay the loan off in cash when due, including principal and interest. The corn would merely represent the security behind the loan during the loan period.
8. This proposal would set up a structure which would use both types of loans.
9. Since the present 1973 farm law states that the U.S. Secretary of Agriculture shall make available to producers loans on each crop of corn at a level of not less than \$1.10 per bushel nor in excess of 90% of parity, it would appear that he could do the following after the size of the corn reserve desired had been decided:

A. Announce that a "Recourse Corn Loan" would be available to all corn producers participating in that year's voluntary Feed Grain Program on a first come first served basis on the first billion bushels that were offered for loan. The loan would be made at 90% of parity. With current parity \$2.73 per bushel, this would put the loan at \$2.45 per bushel. The CCC would make the loan at 3% interest and the loan would not be due until the end of five years. During that time, the farmer would have the right to pay off the loan at any time in cash and sell the corn on the open market or do with it whatever he wished. Only the market price level would tell the farmer when to sell, not the government or the Secretary. The farmer would get the low interest 3% loan but would have to furnish the storage for the corn, either on his farm or elsewhere. He could rotate the corn under the loan in order to maintain quality if he so desired.

(Over)



Strategic Grain Reserve Proposal

file -
meetings

9. (Continued)

- B. At the same time that the Secretary announces the "Recourse Loan" at 90% of Parity he announces that the regular corn loan will continue as a "Non-Recourse" corn loan available to farm program participants but at a level of 75% of parity, not \$1.10 as it has been and is now. 75% of present parity is \$2.05 and with the loan at this figure, it would protect the "Recourse Loan" borrower with a floor under the corn market not too far away from his \$2.45 loan. No resale program would be offered to the "Non-Recourse" borrowers. In addition, should the CCC take possession of any of this \$2.05 loan corn in satisfaction of the loan in case the corn market hung close to that figure for a full year and the price wasn't attractive enough to make the farmer sell and pay off the loan, the CCC would not be able under the present law to sell any of the takeover corn for less than 115% of what they took the corn in at. On the basis of a \$2.05 loan takeover this would limit CCC resales to a minimum of \$2.36 per bushel.
- C. Since the Secretary is authorized under the current law to limit the acreage planted to feed grains on the farm to a percentage of the farm's acreage allotment, he can utilize the law to keep production well in balance with consumption and thus prevent a large takeover of corn by the CCC of the "Non-Recourse Loan" corn at the \$2.05 level. This would make the Strategic Reserve Corn the largest segment of grain available to the market in case of need.
10. By having five years before the corn under loan in the Strategic Reserve must be paid off, the man who borrows at the \$2.45 level has an opportunity to cash in on a substantially higher market than \$2.45 during a period of shortage which is quite likely to take place some time over a five year period. The man with the \$2.05 loan can only speculate one year at a time or pay off the loan at the end of the first year and "buy his corn back" if he wants to continue to hold the corn. To stimulate use of the higher loan in order to get corn put in the reserve, the interest rate on the "Recourse Loan" would be only 3% versus around 9% on the "Non-Recourse" loan, but the producer would have to pay all storage costs for the period he holds the grain, which could be up to 5 years.
11. There are undoubtedly some facets of this proposal that have to be thought out by farmers and others closely associated with corn agriculture, but by and large it offers farmers a way to avoid any government control of the sale of the corn in the reserve. Thus, it seems as though it provides the necessary common ground of agreement which does not exist now among politicians, farmers and farm organizations on the matter of a corn grain reserve.

John W. Curry, President
National Corn Growers Association

Walter W. Goeppinger, Chairman of the Board
National Corn Growers Association

Addendum:

Corn Sealing History: During the last 11 years the least that has been sealed is 216 million bushels of 1965 corn. The most was 952 million bushels of 1971 corn which was a large crop after the short crop of the corn blight year of 1970. Next highest was 467 million bushels of 1967 corn which followed the drought year crop of 1966. Average for the 11 years has been about 389 million bushels of corn put under seal per year.

10-19-1974

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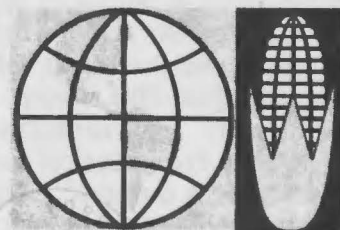
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NATIONAL Corn Letter



PUBLISHED BY NATIONAL CORN GROWERS ASSOCIATION TO INFORM MEMBERS OF ASSOCIATION ACTIVITIES IN LEGISLATION, RESEARCH, MARKET DEVELOPMENT.

NATIONAL CORN GROWERS ASSOCIATION

November, 1974

BOONE, IOWA

POOR YIELDS FROM CHAFFY CORN REDUCE OUR 1974 YIELD FORECAST TO 4, 651, 353, 000 BUSHELS based on conditions as November 5, down 21, 345, 000 Bu. from our October 7 forecast. The disappointing results from the frosted fields that matured as chaffy and light test weight corn have more than offset excellent yields reported sometimes on the same farm. Early yield reports were optimistic because farmers generally picked their driest corn first. This tended to be the earliest planted and therefore also yielded the best. When heavy continuous rains stopped planting for three to four consecutive weeks, optimum planting time was long past and these potentially low yielding fields were the ones caught by frost.

FROST INJURED CORN IS LOW IN BOTH PROTEIN AND ENERGY AND POUND FOR POUND DOES NOT PRODUCE THE SAME RESULTS IN CONVERSION TO MEAT, MILK & EGGS AS FULLY MATURE CORN.

Its usefulness in the wet and the dry milling industries is still more undesirable. All these factors mean that our 1974 crop's 4, 651, 353, 000 bushels will not produce the same amount of food or industrial products as 4, 651, 353, 000 bushels of mature corn. Maybe corn whiskey will even be short !

OUR REDUCED SUPPLY WITH ATTENDANT HIGHER PRICES IS DRASTICALLY CUTTING CONSUMPTION. Drops in livestock and poultry numbers caused corn consumption during 3 months July to Oct. to decline 14% from year ago, and there's more adjustment to come yet. With our small crop, it's a must.

FOLLOWING IS OUR CORN CONSUMPTION TABLE FOR THE MARKETING YEAR JUST ENDED 9-30-75:

U.S. Corn Carryover on 10-1-73 (Smallest since 1952)	709, 500, 000 Bu.
1973 Total U.S. Production For Corn As Grain	5, 543, 500, 000 Bu.
Total Available For Domestic Use & Export 10-1-73 to 9-30-74	6, 253, 000, 000 Bu.

Now Deduct Anticipated Usage 10-1-73 to 9-30-74:

Livestock & Poultry Feed	4, 156, 421, 000 Bu.
Food & Industrial Use	430, 000, 000 Bu.
Exports	1, 185, 133, 000 Bu.

Total Usage 10-1-73 to 9-30-74	5, 771, 554, 000 Bu.
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Estimated U.S. Corn Carryover 10-1-74 (Smallest since 1948)	481, 446, 000 Bu.
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HERE IS OUR BALANCE SHEET FOR THE NEW CORN MARKETING YEAR BEGINNING 10-1-74:

Estimated U.S. Corn Carryover on 10-1-74 (Smallest since 1948)	481, 446, 000 Bu.
--	-------------------

Estimated 1974 Total U.S. Production For Corn As Grain	4, 651, 353, 000 Bu.
--	----------------------

Total Estimated Available For Domestic Use & Export 10-1-74 to 9-30-75	5, 132, 799, 000 Bu.
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Now Deduct Anticipated Usage 10-1-74 to 9-30-75:

Livestock & Poultry Feed	3, 509, 565, 000 Bu.
Food & Industrial Use	450, 000, 000 Bu.
Exports	833, 000, 000 Bu.

Total Usage 10-1-74 to 9-30-75	4, 792, 565, 000 Bu.
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Estimated U.S. Corn Carryover 10-1-75 -----(Pipeline vacuum point) ----	340, 234, 000 Bu.
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WORLD ECONOMIC CONDITIONS CREATE GREAT QUESTIONS AS TO THE FUTURE, BUT PEOPLE MUST EAT

We therefore believe that 833, 000, 000 bushels of corn can be exported by us this marketing year.

CORN EXPORTS 10-1-74 to 11-1-74 WERE 55, 758, 000 BU. VS. 94, 639, 000 BU. A YEAR AGO.

Thus it is evident that farmers and corn processors overseas are making rapid downward adjustments as unprofitable feeding ratios are afflicting their operations too. But numerous foreign corn growing areas have been adversely affected in addition to ourselves. They include France where we estimated that the crop would be down about 10-15% from a year ago when we inspected their fields in September. France is largest corn producer in Europe and exports just about half her 400 million bu. production, mostly to other EEC countries. World grain picture has recently tightened considerably. All Grains total for 1974-1975 year now estimated at 916 million tons vs. 933 in Sept. and 970 in Oct. a year ago. Looks like every grain will be needed.

MEXICO'S 50 MILLION TORTILLA EATERS GOT CHILLING NEWS FROM LAST MONTH'S EARLY FROST.

Damage was so extensive that Mexico is now contracting to buy large amounts from us for delivery during the next 12 months. We visited with CONASUPO'S officials (their CCC) while in Mexico last month inspecting corn fields and saw that they were buying rice from China too when in their big warehouses. Corn conditions are far from perfect in the Danube basin and Russia didn't get all she wanted and needed from Sec'y. Simon and Pres. Ford when Russian corn & wheat purchase was negotiated downward first week of October.

WHITE HOUSE ACTION IN EARLY OCTOBER TOOK US OUT OF THE "FREE TRADE" CATEGORY OVERNIGHT

The Corn Letter has stated numerous times when arguing in behalf of a producer structured and oriented corn grain reserve that food will be treated as a public utility and become regulated as soon as there is threat of shortage—just like water, electricity, gas, public transportation and other mass necessities. And so Oct. 4 it happened. Few farmers approved of how it was done or how it occurred, but it has. Now we are told we still have a free market but approval of export contracts can be cancelled on a moment's notice. Reminds us of childhood's quixotic rhyme - "Mother may I go out to swim, Yes, my darling daughter. Hang your clothes on a hickory limb, but don't go near the water".

From here on no foreign buyer will feel the security he did in the past in his U.S. grain purchase contracts. Furthermore, the prices of corn and soybeans, our two largest and most valuable Corn Belt crops, have been depressed sufficiently to absorb the new risk factors in handling export contracts. This means the farmer pays the cost of the risk, not the consumer. Neither the U.S. nor the foreign grain merchant can be blamed for this as they can no longer hedge in the futures market and be sure they have a hedge to unwind. Certainly they don't if the U.S. government says just before loading that the contract can't be consummated. New government precedents have been set and we are in a different marketing era, never to return to the old.

DESPITE INJURY TO THE CORN MARKET BY NEW GOVERNMENT GRAIN SALE POLICY, FARMERS ARE HOLDING. Only corn moving is being applied on sale contracts made earlier in the season. Producers look for \$4 corn after harvest and it can happen. We think high will be some time in early winter unless there's another short crop in 1975. World situation is tight and farmers have a 6th sense that it is.

IN SEPTEMBER CORN LETTER WE EXPLAINED NCGA'S NEW COMBINATION GRAIN RESERVE AND DUAL CORN LOAN PROPOSAL. This called for establishing a one billion bushel corn reserve via a 5-year 3% Recourse Corn Loan at 90% of parity. Producer would pay storage costs. Present farm law permits corn loans up to 90%. Currently parity is \$2.74 bu. and 90% is \$2.45. Producer could sell his corn anytime he chose during the five years and government would have no ability to call loan before maturity. At maturity the producer would have to pay off the loan's principal and interest and could not deliver the corn to CCC in satisfaction of the loan. Hence government would not come into possession and control of the grain. The decision as to when, to whom and at what price to sell would rest entirely in the hands of the producer. Thus, it would be the market that would induce the producer to move it out of the reserve, not the government.

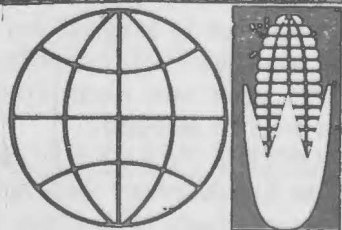
Simultaneously with initiation of the above Recourse Loan at 90% of parity, a Non-Recourse loan would be made available at 75% of parity. This would protect the Recourse Loan borrower with a floor under the market not too far away from the 90% loan and tend to keep the market above 90% as the Secretary must by present law reactivate the acreage adjustment segment of the law if supplies exceed demand. Our suggested program would eliminate the need for passage of Strategic Grain Reserve legislation, could be set up immediately, and keep full control of the corn in the hands of producers.

THREE NCGA DIRECTORS WILL ATTEND THE WORLD FOOD CONFERENCE IN ROME AND DISCUSS OUR LOAN PROPOSAL WITH OTHERS THERE FROM THE U.S. AND OTHER COUNTRIES. They will also evaluate and advise on the many other proposals that will be brought before the assemblage. The conference marks a turning point in world recognition of a food crisis being more important than one in oil or currencies, as noted by the large attendance from every country. We'll bring you details in December Corn Letter.

SEPTEMBER AND EARLY OCTOBER FREEZES MADE HOG FEED OUT OF LOTS OF SEED CORN FIELDS ACROSS THE NATION. Already drought hurt, seed corn supplies from U.S. fields will be mighty short now, so if you didn't cover your 1975 needs as we suggested in August Corn Letter you'd better move fast. Some seed companies are planting propagation fields in deep south, Latin America and other warm areas this winter. U.S. FEED GRAINS COUNCIL CORN MKT. DEVELOPMENT TEAMS WERE HOSTED BY US IN CORN BELT IN OCTOBER. Our French Director, Roger Boiry of Paris, was accompanied by head of the Animal Science Division of the French Agronomic Institute. Another team of nine Japanese corn processors was headed by Nobuhisa Fukuoka, Mgr. Japan Corn Starch Ass'n. Hiroyasu Ohyama of our Tokyo office accompanied them as advisor. In addition a five man Japanese team from Toyomenka Trading Co. of N.Y. and Tokyo came to discuss the supply and demand picture and see harvesting of good corn and frost damaged grain.

CORN YIELD CONTESTANTS - PLEASE SEND IN YOUR HARVEST REPORTS AS SOON AS POSSIBLE to speed up processing and make for early announcement of results. Be sure to use your check list on the 2nd page of your harvest form and notarize all signatures before mailing. December 15 is deadline.

ANNUAL MEETING APRIL 2, 3 & 4 in DES MOINES. EXCELLENT SPEAKERS HAVE ALREADY ACCEPTED.



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FARMING COSTS

*Received this
from Frank
Malley*

The following is a list of equipment needed to farm one section of land (640 acres) in an area that needs irrigation which will raise wheat & feed grain.

Equipment costs are up to date.
Maximum life time of machinery is 5 years
Depreciates 20% per year straight line.

Tractors	1 for Plowing	\$27,000	\$ 73,000.00
	1 for follow-up	23,000	
	1 for Planting	23,000	
Drill (Planter-Wheat)			6,000.00
Lister Double Row (8) Planter (Feed Grains)			8,000.00
Disc - Level Beds and mulch after harvest.			4,650.00
Irrigation Wells	- Need 4 wells per section at \$30,000 ea		
	4 motors for each well pump	6,000 ea	
	Natural gas hook ups	12,000	
	Irrigation Tubes for 4 wells	2,400	
	Dam Stops \$375/ea	2,400	
	Ditcher	1,000	
	Blade	1,000	
	Culverts \$200 ea x 8	1,600	
		TOTAL	165,150.00
Harrow (Spike Tooth) To even level of beds			2,400.00
Rotary Hoe - To break crust.			3,000.00
Rolling Cultivator - Control weeds and help crop to get air			6,000.00
Bedder - Preparation for planting.			3,200.00
Land Plane - To make all lands level for water.			6,000.00
Shop Building (Cuts costs in half of having it done on outside) Equipment, tool, etc.			10,000.00
Culti-Packer - Control row erosion while irrigating.			2,400.00
Deep Chisel - Break Ground			3,000.00
Deep Turn Over Plow - Put organic humus back into soil			3,000.00



Field Cultivator - Necessary for all purposes	3,000.00
Stalk Shredder - SE	4,400.00
Combine - SE	42,000.00
Grain Trucks - 2 per section at \$16,000 each	32,000.00
Farm Pick Up Trucks - 2 per section at \$7,000 each	14,000.00
Grain Cart - Haul grain from field combine to trucks.	4,000.00
Water Furrow Equipment - For Irrigation 8 row at \$400.00/row	3,200.00
Row Cultivating Equipment - For Irrigation.	4,000.00
Harrow (Spring Tooth) mulch land to prepare seed beds even	3,600.00
Depreciation 20%	81,200.00

TOTAL COSTS

487,200.00

** SE - means self-explanatory.



FARMING FACTORS WITH WHEAT AND FEED GRAIN

Wheat Season starts first of September and end July 1st.
Approximately 30 farming weeks.

Various Diseases..

Mosaic - root disease which is in the soil; you never know it has effected the crop until harvest whereby you get no return from your crop. Only solution is to rotate crops next season to feed grain or other crop. This should be done for 3-5 years before you can take the chance again.

Streak Mosaic is where it only effects the crop in streaks. This is a vi: created by various insects. Same procedure must be done if your crop is effected:

Crops must be sprayed for flea beetles, flea hoppers, two types of green bugs, 1. hot weather 2. cold weather; two types of spider mites, 1. red 2. bank grass leaf spider; army worms, cut worms, wire worms, grub worms, grasshopper infestations.

Red rust or black rust could effect crops and this is caused by humidity in the air.

Smut - plant disease called stalk or grain smut; usually happens in month of May.

Irrigation is a must in this particular area because if they would have had to depend upon the rain in the last 15 years, they would have had two crops. This past year would have yielded nothing.

To purchase land in this particular area; land irrigated with wells already on them would cost approximately \$1,000/acre; without wells would be approximately \$500.00/acre. Therefore, one section of land with wells would be \$640,000.00.

Land can be leased by paying the landlord 1/3 of the crop delivered free; his investment is 1/3 of the fertilizer and the taxes which are generally \$15.00/acre for a total cost of \$9,600.00/section.

Irrigation - three types throughout country.

1. Flood
2. Sprinklers
3. Row

Farmers sell to the local Co-Ops or the majors; Co-Ops then sell to the regionals and the majors; the regionals sell to the majors and export; the farmer gets return on their money only from the Co-ops if the Co-Op makes a profit after expenses. Major grain companies can buy the wheat, sell to the millers or export and the farmers get no portion of that profit.

Ideal situation is for farmers to stabilize prices and sell for export which can be done through Co-Ops. The farmer must have some return on the investment if he is to be back next year.



Page Two
Farming Factors

Farmers sell their wheat to the various local Co-Ops. The Co-Ops in sell theirs to the regionals and for a hopeful \$.25 profit or hopeful \$.50/Bushel and also to the major grain companies which are Continent Cargill, Cook.

They, in turn, sell to the millers such as General Mills, Pillsbury, General Foods who, in turn, sell to the end users such as major chain bakeries, wholesalers, etc. or for foreign export. The regionals sel to the majors or foreign export.

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If it is for feed grain, he can borrow at least \$100.00/acre at 10%. Sometiems the farmers get so deep in debt, that either the bank canno afford to let him go under or they foreclose. They lose approximatel 15% of the farms this way every year and also approximately 20% of th tenant farmers a year and these statistics increase every year.



COST BREAKDOWN WHEAT

The following figures are based on one section of land (640 acres) planted only in wheat.

Seed	\$10.90/Bushel + 90 lbs/acre	\$6,509.00/s
Fertilizer	\$30.00/acre	19,200.00
Insurance - Covers hail and acots of God at \$30/acre 10% Deductible **See Foot Notes		19,200.00
Harvest - \$7.00/acre if farmers equipment is owned if equipment is hired		4,480.00 11,200.00
Miscellaneous - Includes Maintenance Oil, grease, plubs, etc. \$50.00/wk x 30 x 4		6,000.00
Fuel - \$124.00/day = 135 days Needed for pick up, tractors, combines		16,740.00
Hired Labor - 2 men at \$9,000.00/each		18,000.00
Farmers Time - \$4.80/Hour 7 days per week 12 hours per day 84 hours per week \$400.00/week x 20 weeks per season		<u>12,000.00</u>

(Own Eqp.)	TOTAL EXPENSES	\$ 116,259.00
(Hired)		122,979.00

YIELD 35 Bushels per acre for 600 acres at \$4.25/Bushel
or \$148.75/acre

RETURN FOR SALE OF GRAIN 89,250.0

Hired	\$ (33,720)
Owned	(27,009)

* * * * *

If you do not own your land, you rent it from the Landlord who pays 1/3 of the expenses of the fertilizer, and who receives 1/3 of the return and the your figures would be as follows: Most farmers today cannot afford to buy their own land.

Own equipment farmers expenses are	109,259.00
Sales of grain	<u>59,500.00</u>

Farmers Loss (\$49,759.00)



Page Two
Cost breakdown on wheat

Hired Equipment expenses	113,379.00
Sale of grain	59,500.00
	<u>(\$53,879)</u>

Landlord receives	
Sale of grain	\$ 29,750.00
Landlord expenses 1/3 fertilizer	9,600.00
Landlord expenses taxes	<u>9,600.00</u>
	\$10,550.00



COST BREAKDOWN FEED GRAIN

The following figures are based on one section of land (640 acres) planted only in feed grain.

Seed	15 lbs/acre at \$1.00/lb = \$15.00/acre	\$ 9,600.00
Fertilizer	\$45.00/acre	28,800.00
Insurance	\$30.00/acre	19,200.00
Irrigation	\$4.50 x 8 times per season = \$36.00/acre	23,040.00
Harvest	Owned Equipment	4,480.00
	Hired	11,200.00
Miscellaneous	Includes maintenance, oil, grease, plugs, etc. \$75.00/wk x 28 wks	8,400.00
Fuel	\$150.00/day x 190 days Used for trucks, tractors, combines.	28,500.00
Labor	3 men at \$9,000 each	27,000.00
Farmers Time	\$400/wk x 28 wks	11,200.00

TOTAL EXPENDITURES

Owned Equipment	\$153,920.00
Hired	160,640.00

YIELD	5,500 Lbs/Acre	RETURN	165,000.00
	\$5.00/100 wt. = \$275.00/acre	Profit (Own Eq)	4,360.00
		(Hired Eq)	11,080.00

If you do not own your land, you rent it from the landlord who pays 1/3 of the expense of the fertilizer and who receives 1/3 of the return and then your figures would be as follows: Most farmers today cannot afford to buy their own land.

Own equipment farmers expenses would be	144,320.00
	110,000.00
Loss	(34,320.00)

Hired equipment expenses would be	151,040.00
2/3 sale of grain	110,000.00
	(41,040.00)

Landlord expense of fertilizer	9,600.00
Landlord receives 1/3 grain	55,000.00
Landlord would pay taxes	9,600.00

Net to Landlord would be	33,800.00
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If it is for feed grain, he can borrow at least \$100.00/acre at 10%. Sometimes the farmers get so deep in debt, that either the bank cannot afford to let him go under or they foreclose. They lose approximately 15% of the farms this way every year and also approximately 20% of the tenant farmers a year and these statistics increase every year.



WHEAT STATISTICS

<u>YEAR</u>	<u>LOW</u>	<u>HIGH</u>	<u>AVERAGE</u>
1971	\$.95/Bushel	\$2.55/Bushel	\$ 1.52/Bushel
1972	1.34/Bushel	2.58/Bushel	1.46/Bushel
1973	1.97/Bushel	5.12/Bushel	3.07/Bushel

* * 550,000 Bushels **

MILO STATISTICS

1971	\$1.75/CWT	\$2.70/CWT	\$ 1.87/CWT
1972	2.00/CWT	2.85/CWT	2.46/CWT
1973	2.45/CWT	5.00/CWT	3.77/CWT

* * 190,000,000 LBS **

CORN STATISTICS

1971	\$1.09/Bushel	\$1.20/Bushel	1.14/Bushel
1972	\$1.29/Bushel	\$1.73/Bushel	1.45/Bushel
1973	\$2.30/Bushel	\$2.75/Bushel	2.59/Bushel

* * 350,000 Bushels * *

Sunray Co-Op serves parts of a fiveCounty area and handles about 35% of wheat and feed grains. Three other Co-Ops handle 30%. Balance is left in the hand of independent grain companies. Sunray Co-Op sells about 85% of the wheat to the regional corporations and the rest to the independent. Feed grain is sold locally to feed lots until they go under, which doesn't look too far away.

These figures were computed over a three year period and it was noted in this study that most of the farmers received the lower ~~costs~~ ^{prices} and it was one or two that received the high price, therefore, making the average price erroneous because the farmers never actually receive that price. The majority of the time, the larger portion of the farmers have sold at the lower cost. U.S.D.A. and the public then feel that the farmer is making a killing and the figure allows the major (Continental, Cargill, & Cook) to receive the profit - - not the farmer - - because the majors bought it at the lower figure and sold it as the market went up, then received their profit and the farmers receive no portion of that profit.



FACTS ON LIVESTOCK INDUSTRY

As you will note from the cost breakdown with figures based on one head of cattle, that the severe loss the farmer is incurring is destroying the entire cattle farmer throughout the country.

The farmer cannot understand why if he is the man that feeds the nation, then why does this same nation let him starve to death. They are tired of Henry Kissinger flying around the world selling the farmer's futures down the drain and watching him put an end to the farmer. If every farmer got off of his plows and just stopped and did nothing, not only would this nation starve, but a great portion of this world would also. At the rate the farmer is going under, this will be true within two to three years.

The figures that are being imported into this country relative to red beef is overwhelming. To date the United States has imported

15,750,000 tons of beef.

If you extend these figures, you will note that this equals 31,500,000, pounds of beef at \$.59/lb. This would amount to \$179,550,000,000 that the American cattlemen are losing to foreign cattlemen. Out of this figure the brokers that handle the meat from the foreign country to the packer receives \$.04 which would amount to \$1,260,000,000 that is being deprived and passed on to the American consumer.

The countries that are importing the beef are as follows:

- 5,000,000 tons from Australia
- 3,500,000 tons from New Zealand
- 1,250,000 tons from Central America
- 6,000,000 tons from France, Africa, Switzerland, Netherlands and South America.

The majority of the products come into our country in chucks, shanks, clods, and hamburger. The hamburger is not even registered in the figures above. This hamburger has to be reground and mixed with fat.

The acid chemical content of this meat is much lower than American beef. The difference is like day and night. This beef does not even compare to our standards. It is a tougher and stringier beef.

The top round and bottom round and strips are another large import. These are used for products such as t.v. dinners and in rapid cooking meals.

Portions of the meat that comes in particularly such as meat loaf in tv dinners contain horse, goat, sheep, dog and old cattle mixed in together. It comes packaged in boxes and frozen and is never graded by the USDA. Customs never inspects the boxes or should I say rarely inspects these boxes to see if it actually contains beef. The percentage of beef is small and the American public is eating it every day.



COST BREAKDOWN LIVESTOCK

One Calf - Medium Choice - Steer	300 Lbs (Purchase Price)	
	\$.85/lb	\$ 255.00
Six Months Feed/Care	\$7.00/Month	36.00
Medicine	\$5.00/Head	5.00
Miscellaneous Expenses	\$10.00/Month	
Cowboys		
Vet Bills		
Feeders		
Water		
Hay		
Fencing		120.00
Calf is then removed to feed on grass for six months	\$7.00/mo	42.00
Death Loss 3%		<u>10.14</u>
		468.14
Interest Paid to Bank 10%		<u>46.81</u>
		514.95
Total wt at this time	750 Lbs at \$.20/Lb	<u>150.00</u>
	Total loss per calf	(364.95)

1,000 head of cattle returned back to pasture because of tremendous loss sustained by this particular farmer.



COST BREAKDOWN - LIVESTOCK

One Medium Choice Calf	wt 300 lbs at \$.85/lb 9/73	\$ 255.00
Feed	6 Months at \$6.00/month	36.00
Medicine	\$5.00/Head	5.00
		<u>325.60</u>
Death Loss 3%		9.77
		<u>335.37</u>
Miscellaneous Expenses	\$10.00/Month	<u>120.00</u>
Cowboys		
Vet Bills		455.37
Feeders		
Water		
Hay		
Fencing		

At this time calf is put in feed lot at wt of 500 lbs at a cost of \$.79/Lb. He is then fed up to 1200 lbs. At this time he has gained 700 lbs at \$.58/lb

	406.00
	<u>861.37</u>
Interest Paid (Banks) 10%	<u>86.13</u>
Total Investment	947.50
Sold at 1200 Lbs at \$.32/Lb	384.00
Loss per cow	<u>(\$563.50)</u>



COST BREAKDOWN FEED GRAIN

The following figures are based on one section of land (640 acres) planted only in feed grain.

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