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Received  
Aug 20 -

THE WHITE HOUSE  
WASHINGTON

August 20, 1974

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p*

Dear Gene:

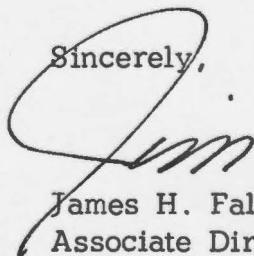
I have received your correspondence concerning the Department of Agriculture's proposed relocation of facilities out of your State.

I am advised that this is a matter of considerable complexity, which will require further study by the Department and I am, therefore, referring your inquiry to Joseph R. Wright, Assistant Secretary of Agriculture for Administration.

My best advice to you would be to follow up with the Department so that your views can be known as their decision-making process develops.

With best personal regards,

Sincerely,



James H. Falk  
Associate Director  
Domestic Council

Mr. Gene Anderson  
Special Assistant to the Governor  
State Capitol Building  
Raleigh, North Carolina 27611

cc: Joseph R. Wright, Jr.  
Norm Ross ✓

*Thanks again  
for the nice  
plug.*



THE WHITE HOUSE  
WASHINGTON

Mr. Ross met with Mr. Magdanz  
on Sept. 12 to discuss his  
concerns.



# National Livestock Feeders Association

309 Livestock Exchange Building

Omaha, Nebraska 68107

Phone: 731-5427

## Livestock Feeders "Meat" The Nation

August 21, 1974

### OFFICERS

#### President

**Milton J. Brown**  
Mt. Pleasant, Michigan

#### Vice-Presidents

**Donald Hunter**  
Centerville, South Dakota

**Richard A. Hyde**  
Hastings, Iowa

**Tom Monier**  
Walnut, Illinois

**Melvin O. Kusk**  
Fairmont, Nebraska

### DIRECTORS

**Rowland McClymont**  
Holdrege, Nebraska

**Thomas Shockman**  
LaMoure, North Dakota

**Robert Cherry**  
Oswego, Illinois

**Kemp Woods**  
Smithville, Missouri

**Lauren Carlson**  
Chokio, Minnesota

**Robert C. Gilmore**  
DeKalb, Illinois

**Woodrow Collins**  
Meadow Grove, Nebraska

**Baxter Freese**  
Wellman, Iowa

**Paul Rooney**  
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**John Ludens**  
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**Tom Baxter**  
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**Charles Berg**  
Chokio, Minnesota

**Oscar Bredthauer**  
Grand Island, Nebraska

**Homer White**  
Antioch, Illinois

**Irving Anton**  
LaPorte City, Iowa

**Herbert Albers, Jr.**  
Wisner, Nebraska

**Mr. C. A. Gracey, Manager**  
Canadian Cattlemens Association  
325 - 590 Keele Street  
Toronto, Ontario M6N 3E3 CANADA

Dear Mr. Gracey:

I am the one who should be surprised with our exchange of correspondence rather than you. It seems rather obvious your alarm stems from the fact you have been unable to convince us to your way of thinking. In your letter of July 4 you started out by expressing disappointment in the attitude of the N.L.F.A. even to the point of considering urging the Canadian government to withdraw the offer it had made to accept fed cattle from the United States. You then went on to register objections and disturbance and even said at one point we were absurd.

Then you followed with a brief explanation of what you are urging your government to do in the future including the imposition of quotas and "flood" control that would indicate a new posture with the American market. I don't think we were any more blunt in stating we were disgusted with the Canadian government and setting out the facts in the case as they are.

We are fully aware of the recent actions which have been taken with regard to certifying cattle with respect to DES. We cannot agree however with your statements about concessions which have been made and that the conditions are reasonable. Likewise we are completely aware of the quotas that have now been imposed - exclusively against the United States in the case of fed cattle - coming simultaneously with the lifting of the embargo that employed DES.

You may be as critical of our government as you choose to be and we certainly are not in sympathy with actions it fails to take or moves it makes. However it is only factual to realize that failure on the part of our government to take action results from some kind of inborn fear that violations of trade agreements and of GATT will be committed. You have expressed regret that your government chose a quota system on live cattle rather than a system of ascending tariffs recommended by your association. I point out to you that both the quotas imposed and the ascending tariff system are illegal under GATT as was the surcharges imposed on fed cattle and beef last November. These agreements are all "bound" and your government has chosen to ignore them. While I

**Don F. Magdanz**  
Exec. Vice President and Treasurer

**Myrtle Beckius**  
Chief, Accounting Department

**B. H. (Bill) Jones**  
Exec. Vice President and Secretary

**Byron Phillips**  
Director of Public Relations



Mr. C. A. Gracey, Manager  
Canadian Cattlemens Association  
August 21, 1974  
Page 2

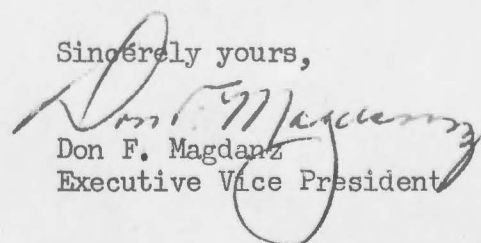
cannot give you details at this moment I understand from our officials in Washington that similar moves have been made by the Canadian government in the past involving other products.

Taking all of these situations into consideration it is very "surprising" that you cannot understand our attitude. If we are successful in prevailing on the U. S. government to impose restrictions on imports of all agricultural products from Canada - and we have not abandoned this effort - we will be doing nothing more than what the Canadian government has done to the U. S. on quite a number of occasions and what many other countries have done to the U. S. by establishing embargoes, bans and other forms of import restraints.

I might add that not all livestock people in Canada are taking the same attitude that you are with respect to trade between the two countries. I have had letters from people in western Canada who are not critical of our position at all knowing full well they can hardly expect to sell unlimited numbers of feeder cattle to United States buyers when their own country puts quotas on importation of fed cattle from the United States. You might keep in mind that the U. S. market for feeder cattle from western Canada is quite important to those people, although under the circumstances this year, to which the Canadian government has made some contribution, that market will not be very good.

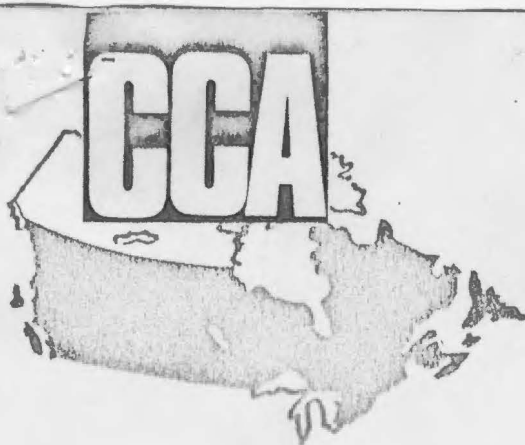
At this stage in this game we have no intentions of sending any delegations to Canada; however, I repeat the thought and suggestion made in the last paragraph of my July 18 letter. That is before you attempt to prevail on your government to take any similar action in the future such as those alluded to in both of your letters, your association and your government would be well served to sit down and talk with us ahead of time rather than afterwards.

Sincerely yours,

  
Don F. Magdanz  
Executive Vice President

DFM:na





## CANADIAN CATTLEMEN'S ASSOCIATION

PRESIDENT: GEORGE MORRIS, R.R. 1, MERLIN, ONTARIO

EASTERN OFFICE  
325 - 590 KEELE STREET  
TORONTO, ONTARIO M6N 3E3  
PH. (416) 766-6871  
C. A. GRACEY, MANAGER

WESTERN OFFICE  
211 - 118 - 11TH AVENUE S.E.  
CALGARY, ALBERTA T2B 0X5  
PH. (403) 269-6677  
C. J. MILLS, SECRETARY  
AND WESTERN REPRESENTATIVE

August 8, 1974.

AUG 16 1974

Mr. Don F. Magdanz,  
Executive Vice President,  
National Livestock Feeders Ass'n,  
OMAHA, Nebraska. 68107

Dear Mr. Magdanz:

Having just returned from holidays, yours was one of the first letters I read, and the first to which I now reply. I thought when I wrote to you on July 4th, that my remarks, while somewhat plain, were friendly and constructive; and your reply is, to say the least, surprising.

As I stated in my letter there have been two distinct issues before us-the issue of unlimited importations from the U.S. and the issue of DES certification. The central purpose of my letter to you was to attempt to explain these two issues and to gain your understanding. Since you choose not to accept my assurance that, in the view of the Canadian Cattle-men's Association, these were distinct and separate issues, we may as well discontinue discussions on the matter.

Since you wrote to me on July 18th, however new steps have been taken by our Government and by yours. Your Government has finally agreed to certify cattle in the manner prescribed by our Government and imports are once again allowed. This confirms the fact that our Government was operating in good faith and that the suspension of imports these past several weeks was entirely the result of your Governments reluctance to meet the reasonable conditions required by our Government.

At the same time our Government has dealt with the second issue, that of unlimited imports, by establishing a quota on live cattle and beef imports. We regret that our Government saw fit to choose an absolute quota rather than the system of ascending tariffs our Association suggested. Nevertheless, the level of the quota, at 82,835 head for live cattle and 125.8 million pounds for product, approximates the average rate of importations during the past five years and is in our view, an reasonable quota since 83,000 head of live cattle approximates 4 or 5% of our total fed cattle slaughter.

We of course do hope to maintain close communications with the American industry as the future unfolds. My belief that communications between cattlemen and their organizations can help resolve problems to mutual benefit has not been shaken. Our Association has a continuing, regular and cordial exchange with various officers and officials of the American National Cattlemens Association, and while we have had considerable differences of opinion, we have always been able to discuss these differences frankly and in a friendly atmosphere. We are prepared and eager to develop the same working relationship with your Association.

I would suggest that the new developments mean that a meeting between our Association officials and yours might be useful. You must appreciate that the present programs are for one year only suggesting that more permanent measures may be under consideration for the longer term. Our Association will be interested in these future directions and most keenly interested in exchanging views with our American counterparts prior to finalizing our own views. If your organization deems a meeting useful we would welcome a delegation at any time.

Notwithstanding the exchanges you and I have had, your people will find our Association dedicated to the same philosophies you express and dedicated also to the North American concept in beef cattle marketings. I trust we do not let present difficulties get so out of hand as to damage constructive communications.

Yours very truly,



C.A. Gracey,  
Manager.

CAG:MLM



August 21, 1974

Receive Farm Family of the Year

Friday, August 23, 1974

12:30 p. m. (10 minutes)

The Oval Office

From: Norman Ross

I. Purpose

To demonstrate your interest in the development of rural America by receiving the fourth annual Farmers Home Administration National Farm Family of the Year.

II. Background, Participants and Press Plan

- A. Background: The annual competition for the Farmers Home Administration National Farm Family of the year began with hundreds of farm families from across the country. Competition was narrowed to thirty-five State winners, then to five National contestants and finally to the Fowler family of Alaska. Families are selected not just for assets of land and money, but for having worked hard as a family to improve itself and for becoming an economic and social asset to their home community.

Mr. and Mrs. Julian V. Fowler of Fairbanks, Alaska, is the 1973 National Farm Family of the Year. The Fowler's have four children and operate one of the most successful dairy farms in Alaska.



**Page Two**

**B. Participants:**

**Mr. and Mrs. Julian V. Fowler (wife - Roberta)**  
**Under Secretary Campbell**  
**James Bostic, Deputy Assistant Secretary**  
**Frank Elliott, Administrator, Farmers Home Administration**  
**Kenneth Keudell, Oregon State Director, Farmers Home**  
**Administration**  
**Senator Theodore F. Stevens**  
**Congressman Don E. Young**  
**Norm Ross**

**C. Press Plan: Meeting to be announced. Press photo opportunity in the Oval Office.**

**III. Talking Points**

- 1. I'm glad to have this opportunity to pay tribute to you as the outstanding American farm family and commend you for your work in the development of your community.**
- 2. Today less than five percent of our people live on farms and produce the food to feed our people the best that they have ever been fed.**
- 3. We must continue to bring new people into agriculture and give greater emphasis to the development of rural communities in an effort to make rural America a better place to live and work.**





✓ COPY TO NORM ROSS

received  
Aug 27  
Dand W. G. ...  
file

OFFICE OF THE GOVERNOR  
INDIANAPOLIS, INDIANA 46204

1974 AUG 27 AM 11 04

OTIS R. BOWEN, M. D.  
GOVERNOR

August 22, 1974

JK  
The Honorable Gerald R. Ford  
President of the United States  
The White House  
Washington, D.C. 20025

Dear President Ford:

Conditions of weather in this part of the country have precipitated an agricultural situation which may approach the posture of economic disaster to Indiana farmers as the harvest period advances. These conditions in Indiana are not universal which creates circumstances quite different from those which would indicate a general or total disaster situation.

Steady and heavy rainfall during late April, throughout May, and into early June, coupled with drought during the entire month of July, have combined to cause widespread problems. Because these conditions of weather were not universal throughout the state, we find highly satisfactory crops mixed with seriously stunted crops. The difference arises from each individual farmer's time of planting in competition with weather conditions. Indeed, even on the same farm one will find a potentially bountiful crop on the part of the acreage while remaining acreage contains extremely poor yield, or perhaps none at all.

To magnify the problems arising from earlier weather conditions, it needs to be mentioned that once the July drought was broken, rainfall throughout the state was uneven. In some areas the "crop was potentially saved" while in others the rainfall provided almost no help.

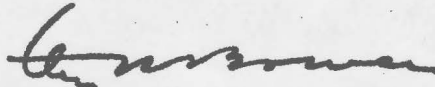
One additional difficulty was occasioned by a substantial number of farmers throughout the state incurring problems arising from the April 3 tornado. The aftermath of clean-up and rehabilitation on a substantial number of farms delayed planting, thereby guaranteeing that the heavy spring rains referred to above would have maximum ill effect in getting crops planted in those specific areas.

President Ford  
Page 2  
August 22, 1974

All of the above makes it impossible at this point to determine if there is justification in requesting a disaster declaration. Lieutenant Governor Robert D. Orr is heading a task force to monitor the situation on a continuing basis. We are requesting County Disaster Committees in all 92 counties to make a farm-by farm analysis of crop damage. We will have a much better determination of the extent of the emergency as we reach the harvest period.

The purpose of this letter is simply to put you on notice that at a later date we may request that the State of Indiana be declared a disaster area in respect to this year's crop so that our farmers may be privileged to benefit from such assistance measures as are available under the law when a disaster is declared.

Kindest personal regards,



Otis R. Bowen, M.D.  
Governor

ORB:1kd

cc: The Honorable Earl L. Butz  
Secretary of Agriculture



DW

UNITED STATES DEPARTMENT OF AGRICULTURE  
ECONOMIC RESEARCH SERVICE  
WASHINGTON, D.C. 20250

FOR OFFICIAL USE ONLY

August 23, 1974

SUBJECT: Events during August 17 through August 23, and their impacts

THROUGH: C. Kyle Randall, Outlook & Situation Officer  
Ben Blankenship, Acting Director, DI

PREPARED BY: Raymond L. Bridge, Division of Information

Calendar of Release Dates

|            |      | : Economic Research*<br>: Service | : Statistical<br>: Reporting Service | : Other<br>: Agencies     |
|------------|------|-----------------------------------|--------------------------------------|---------------------------|
| Mon. Aug.  | 19 : |                                   | Cold storage                         |                           |
| Tues.      | 20 : |                                   |                                      |                           |
| Weds.      | 21 : |                                   |                                      | Personal Income; CPI      |
| Thurs.     | 22 : | Cotton Situation                  | Exports                              | Gross National Product, B |
| Fri.       | 23 : | Nat'l Food Situation              | Turkeys                              |                           |
| Mon.       | 26 : |                                   | Peanut stocks &<br>processing        | Exports & Imports, Census |
|            | :    |                                   | Rice stocks                          |                           |
| Tues.      | 27 : | Demand & Price Sit.               |                                      |                           |
| Weds.      | 28 : | Feed Situation                    |                                      |                           |
| Thurs.     | 29 : | Feed Situation                    | Exports                              |                           |
|            | :    |                                   | Livestock slaughter                  |                           |
| Fri.       | 30 : |                                   | Dairy Products                       |                           |
|            | :    |                                   | Com. fertilizers                     |                           |
|            | :    |                                   | Agr. Prices                          |                           |
| Mon. Sept. | 2 :  | -----HOLIDAY-----                 | HOLIDAY-----                         | HOLIDAY                   |
| Tues.      | 3 :  |                                   | Poultry Slaughter                    |                           |
| Weds.      | 4 :  | Dairy Situation                   |                                      |                           |
| Thurs.     | 5 :  |                                   |                                      | Plant & Equipment, BEA    |
| Fri.       | 6 :  |                                   |                                      | Employment, BLS           |

\*For Situation Reports, day summary is released.

Publications off press August 19-23, 1974

Economic Research Service

Evolution of the Small Watershed Program: Changes in P.L. 566 Watershed  
Protection and Flood Control Prevention Program, 1954-1972, AER-262

Improving the Export Distribution System for Fresh Fruits and Vegetables, MRR-102

Econometric Models of Cash and Future Prices of Shell Eggs, TB-1502

Factors Associated with Level of Living in Washington County, Mississippi, TB-150



## WEATHER

Rain fell across the eastern two-thirds of the Nation last week, but the Far West got none. Crops and pastures through much of the Corn Belt benefited, as did Southeastern corn, especially late-planted stands. Soybeans made good progress with nearly normal growing conditions, and were ahead of last year in the South. Western range feed supplies were short to adequate. (8/20 SRS Weather & Crop Bulletin)

### SRS Assesses Weather

In a special mid-month evaluation, SRS field offices reported that rain since August 1 might firm up the forecast level of corn production, but that continuing rain was needed to replenish soil moisture. They felt rain might help soybean yields a little. But SRS warned that late-planted crops this year are especially vulnerable to early frosts. (8/19 Press Release, SRS)

## COMMODITY NEWS

### Soybean Possibilities

If soybean production turns out at 1.3 bil. bu., as indicated August 1, 1974/75 disappearance of 1.4 bil. bu. would cut the 1975 carryout to 75 mil. bu., and farmers would probably receive an average of \$8/bu. If the crop picks up to 1.37 bil. bu. because of better weather, and assuming lower demand conditions than now envisioned, the 1975 carryout would remain at this September's level and farmers might get \$6 to \$7/bu. Finally, if the crop turns out only 1.25 bil. bu., 1975 ending stocks would be squeezed to around 50 mil. bu., and prices boosted to around \$9. (8/21 Quarterly Memo, CED-ERS)

### Wheat Demand Off Some

Demand for wheat is likely to slacken in 1974/75. While tight feed grain supplies and large discounts on low-quality wheat in the East may spur wheat feeding and consumers may hold wheat-product consumption at last season's somewhat enlarged level, exports may drop under 1 bil. bu. Mid-1975 stocks could increase 40% above the low July 1, 1974, level. Although early season prices have been supported by farmers who have held wheat off the market, and although prices will continue sensitive to world supply and demand crosscurrents, if stocks are building and a big 1975 crop appears likely, prices may weaken in the first half of next year, and farmers may receive an average of \$4/bu. for all of 1974/75. (8/21 Quarterly Memo, CED-ERS)

### Less for Rice

With a bumper crop pushing prospective 1974/75 rice supplies to a record 114 mil. cwt., farm prices are easing, although current uncertainties about world demand are forestalling any sharp price break. Farmers may get \$11/cwt. for 1974-crop rice, down from \$13.80 in the past season. (8/21 Quarterly Memo, CED-ERS)

### Tobacco Outlook

Grown largely outside drought areas, flue-cured tobacco output may be up a tenth and burley up a fifth for 1974. But 1974/75 supplies would be lower for both because of smaller carryins. And with expected use topping the levels of crop production, look for further working off of stocks during the year ahead. U.S. cigarette output is headed for another gain, and our tobacco exports may maintain their record 1973/74 pace. (8/21 Quarterly Memo, CED-ERS)

### Fruit Supplies Same, Prices Up

At 10.8 mil. tons, the 1974 deciduous fruit crop about matches last year's utilized output. Although grower-level prices have been generally declining seasonally, they are moderately higher than last year for most items. Frozen fruit and berries, as well as dried fruit, should be in adequate supply for the coming year. But canned noncitrus fruit stocks will remain tight because of reduced carryin levels. Reflecting higher grower costs and supply pressures, processing fruit prices are being negotiated at levels moderately to sharply higher than last summer...Consumer prices for fresh fruit will hold above year-earlier levels for the rest of 1974, reflecting less citrus fruit remaining this summer, higher marketing costs, and strong demand. Fruit processors will pass on accelerated cost of sugar, cans, and transportation to consumers. So both domestic and exported fruit could find some consumer resistance to high prices. (8/19 Review Copy, \_\_\_\_\_)  
Fruit Situation FDS-254, CED-ERS)

### Beans and Peas to be Cheaper

Dry edible beans and peas, compared to last year, will be a better buy for consumers and processors this fall. The pea crop is double last year's, while beans are up 24%. This should allow plenty for domestic use and export markets, but lower prices for growers. (8/21 Early Price Warnings, CED-ERS)

### More Potatoes, Firm Prices

This fall's potato crop, forecast at 276.5 million cwt., would be 8% above 1973. Grower prices should be the same to slightly lower compared with fall 1973. For both fresh and processed end uses supplies should be generous and selected wholesale price declines are likely. (8/21 Early Price Warnings, CED-ERS)

### Cattle Profits

Feedlot operators' profits this summer are marginal even with a higher fed cattle market, but at least feed and feeder purchase costs are beginning to be covered. Those who bought feeder steers this spring at around \$30 should be out of the woods a bit by fall. The profit potential for cattle bought in mid-summer remains dubious. Weather is still the key:

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continued dryness would further increase feeder cattle supplies, but it also could reduce feed grain production--upping future feeding costs. (8/21 Quarterly Memo)

### Poultry Prospects

Even with July-September marketings expected 1% below a year earlier, broiler prices are only showing a small seasonal increase this summer. However, a sharp decline in broiler marketings later this fall may result in less than usual seasonal price declines...The seasonal turkey price increase during the main September-December marketing season should be modest because of large supplies of frozen turkeys and of other meats... Look for continued lower egg production through 1974. Egg prices will likely rise in late summer and fall--but still be well below 1973 levels.

### Less Wool

Less wool and firm prices will hold both exports and mill use down this year. Reflecting the fiber situation generally, firm wool prices to producers are in the offing for 1974. (8/21 Quarterly Memo, CED-ERS)

### Market Price Quotations

After relaxing during the week, grain prices rallied on Thursday in anticipation of a bullish Export Report. Livestock prices continued to edge down but poultry, egg, butter, and cheese prices all worked higher.

Average wholesale commodity prices at stated markets

|               | KANSAS CITY    |                     | CHICAGO    |                | Soybean          | Soybean   | Cottonseed: | Cotton      |
|---------------|----------------|---------------------|------------|----------------|------------------|-----------|-------------|-------------|
| Month and day | Wheat #1: Hard | Flour: Baker's Std. | Corn No. 2 | Soybeans No. 1 | meal 44% protein | oil, spot | oil, crude  | SLM 1-1/16" |
|               | Winter         | Patents FOB         | Yellow     | Yellow         | bulk             | plant     | Valley      | spot        |
|               | :              | :                   | :          | :              | Decatur          | :         | :           | price       |
|               | per bu.        | per cwt.            | per bu.    | per bu.        | per ton          | per lb.   | per lb.     | per lb.     |
| 1973          | Dollars        | Dollars             | Dollars    | Dollars        | Dollars          | Cents     | Cents       | Cents       |
| Aug. 15       | 4.65           | 10.75               | 3.24       | 9.92           | 320.00           | 39.50     | 38.00       | 64.85       |
| 1974          | :              | :                   | :          | :              | :                | :         | :           | :           |
| July 15       | 4.38           | 10.70               | 3.31       | 6.58           | 134.00           | 38.75     | 39.00       | 54.25       |
| Aug. 16       | 4.32           | 9.95                | 3.68       | 7.63           | 142.00           | 45.25     | 48.00       | 50.85       |
| Aug. 19       | 4.32           | 10.10               | 3.68       | 7.43           | 136.50           | 44.10     | 49.00       | 50.00       |
| Aug. 20       | 4.28           | 10.00               | 3.59       | 6.96           | 130.00           | 42.80     | 49.00       | 48.58       |
| Aug. 21       | 4.33           | 10.20               | 3.56       | 7.16           | 134.50           | 41.55     | 47.00       | 48.90       |
| Aug. 22       | 4.45           | 10.50               | 3.66       | 7.41           | 146.00           | 40.45     |             |             |

|               | OMAHA                |               | NEW YORK    |                    | CHICAGO         |                   |                      |
|---------------|----------------------|---------------|-------------|--------------------|-----------------|-------------------|----------------------|
| Month and day | Barrows & gilts U.S. | Steers Choice | Cow Utility | Eggs, Fancy: Large | Broilers: plant | Butter: 92- score | Cheese: 40-lb. block |
|               | 1-3 220- 240 lbs.    | 900- 1,100    | :           | Grade A            | grade 1/2       | :                 | :                    |
|               | per cwt.             | per cwt.      | per cwt.    | per doz.           | per lb.         | per lb.           | per lb.              |
| 1973          | Dollars              | Dollars       | Dollars     | Cents              | Cents           | Cents             | Cents                |
| Aug. 15       | 59.25                | 55.38         | 39.25       | 76.50              | 2/ 59.49        | 75.50             | 78.88                |
| 1974          | :                    | :             | :           | :                  | :               | :                 | :                    |
| July 15       | 37.88                | 43.00         | 21.50       | 46.50              | 33.50           | 2/ 60.57          | 84.50                |
| Aug. 16       | 40.25                | 47.88         | 25.25       | 56.00              | 35.50           |                   |                      |
| Aug. 19       | 40.12                | 46.12         | 24.75       | 56.50              | 35.75           | 67.75             | 84.50                |
| Aug. 20       | 38.75                | 46.12         | 25.25       | 57.50              | 35.75           |                   |                      |
| Aug. 21       | 38.88                | 46.12         | 25.25       | 59.50              | 37.75           | 67.75             | 85.50                |
| Aug. 22       |                      |               |             |                    |                 |                   |                      |

1/ Pooled truck lot. 2/ Prices for Monday or day nearest 15th.

July Cold Storage Stocks

| Item            | % Change from month earlier | Year earlier |
|-----------------|-----------------------------|--------------|
| Beef            | -8                          | +34          |
| Pork            | -18                         | +44          |
| Chicken         | +2                          | +100         |
| Turkey          | +25                         | +66          |
| Shell eggs      | +22                         | +100         |
| Frozen eggs     | +4                          | +20          |
| Butter          | +11                         | -8           |
| American cheese | +1                          | +54          |

Meat Price Spreads

Farm-retail price spreads in the second week of August dropped sharply. The spread between farm and wholesale levels had narrowed with a sharp boost in live animal prices.

## BEEF AND PORK PRICES AND SPREADS

|                                                                                                           | Last<br>year                       | : | Current<br>year | : | Week ending |   |               |   |           |   |            |   |            |
|-----------------------------------------------------------------------------------------------------------|------------------------------------|---|-----------------|---|-------------|---|---------------|---|-----------|---|------------|---|------------|
|                                                                                                           | Aug. 3/ 73                         | : | June 3/ 74      | : | July 3/ 73  | : | July 27 1/ 2/ | : | Aug. 3 2/ | : | Aug. 10 1/ | : | Aug. 17 1/ |
| Choice grade beef:                                                                                        | Cents per retail pound             |   |                 |   |             |   |               |   |           |   |            |   |            |
| Retail value.....                                                                                         | 144.2                              |   | 132.2           |   | 137.9       |   | 141.1         |   | 140.4     |   | 142.0      |   | 5/         |
| Carcass value.....                                                                                        | 112.0                              |   | 90.2            |   | 103.6       |   | 102.6         |   | 106.4     |   | 108.6      |   | 107.6      |
| Net farm value.....                                                                                       | 108.3                              |   | 77.7            |   | 90.9        |   | 93.4          |   | 94.2      |   | 100.9      |   | 99.4       |
| Spreads:                                                                                                  |                                    |   |                 |   |             |   |               |   |           |   |            |   |            |
| Farm-carcass.....                                                                                         | 3.7                                |   | 12.5            |   | 12.7        |   | 9.2           |   | 12.2      |   | 7.7        |   | 8.2        |
| Carcass-retail...                                                                                         | 32.2                               |   | 42.0            |   | 34.3        |   | 38.5          |   | 34.0      |   | 33.4       |   | 5/         |
| Farm-retail.....                                                                                          | 35.9                               |   | 54.5            |   | 47.0        |   | 47.7          |   | 46.2      |   | 41.1       |   | 5/         |
| Pork:                                                                                                     |                                    |   |                 |   |             |   |               |   |           |   |            |   |            |
| Retail value.....                                                                                         | 131.5                              |   | 93.7            |   | 103.7       |   | 107.1         |   | 106.2     |   | 106.7      |   | 5/         |
| Wholesale value....                                                                                       | 113.0                              |   | 64.1            |   | 77.0        |   | 75.4          |   | 77.9      |   | 73.5       |   | 79.3       |
| Net farm value.....                                                                                       | 99.2                               |   | 47.1            |   | 62.2        |   | 59.9          |   | 60.3      |   | 63.0       |   | 65.3       |
| Spreads:                                                                                                  |                                    |   |                 |   |             |   |               |   |           |   |            |   |            |
| Farm-wholesale...                                                                                         | 13.8                               |   | 17.0            |   | 14.8        |   | 15.5          |   | 17.6      |   | 10.5       |   | 14.0       |
| Wholesale-retail.                                                                                         | 18.5                               |   | 29.6            |   | 26.7        |   | 31.7          |   | 28.3      |   | 33.2       |   | 5/         |
| Farm retail.....                                                                                          | 32.3                               |   | 46.6            |   | 41.5        |   | 47.2          |   | 45.9      |   | 43.7       |   | 5/         |
| Market Prices:                                                                                            | Dollars per 100 pounds live weight |   |                 |   |             |   |               |   |           |   |            |   |            |
| Choice steers,<br>U.S. average.....                                                                       | 53.83                              |   | 37.70           |   | 43.97       |   | 45.14         |   | 45.91     |   | 48.84      |   | 48.22      |
| Barrows and gilts<br>7 Midwest markets.                                                                   | 56.69                              |   | 27.40           |   | 36.31       |   | 35.30         |   | 36.02     |   | 36.84      |   | 38.55      |
| 1/ Preliminary. 2/ Revised. 3/ Published. 4/ 4-week average. 5/ Available next week.<br>(ERS, CED, 8/23 ) |                                    |   |                 |   |             |   |               |   |           |   |            |   |            |

1/ Preliminary. 2/ Revised. 3/ Published. 4/ 4-week average. 5/ Available next week.  
(ERS, CED, 8/23 )

## ECONOMIC TRENDS

Farm Prices Boosted

The sharp reduction in U.S. grain crop expectations has forced significant upward revisions in estimates of crop prices for the second half of 1974. Livestock prices are also revised upward but to a lesser degree...Crop prices have strengthened since spring and will continue high through the second half of 1974. Even with the recent rains, and assuming a late frost this fall, there seems little likelihood of weakness in crop prices, particularly feed grains and soybeans, over the next several months. Crop prices in 1974 are likely to average 31% above 1973 levels...Larger



second half red meat production will offset much of the production adjustments in broilers, eggs, and milk and lead to only moderate rises in farm prices. For the year, prices received by farmers for livestock and livestock products could average 6% below 1973...However, prices received for all farm products in 1974 will average about 8% higher than last year. They will likely continue upward into 1975 as feed grain supplies dwindle and livestock inventories are worked down to levels compatible with range and pasture conditions and financial developments. A stronger price advance could result if crop conditions were to deteriorate further, or if nonfed cattle slaughter were slowed by improved moisture conditions on ranges. (8/23 Statement for USDA Outlook Briefing, ERS)

#### Farm Income Tradeoff

The reduced crop production prospects leave the farm income picture for the remainder of 1974 extremely volatile. However, the reduced farm marketings will be more than offset by farm prices averaging higher for all of 1974 than 1973:

Thus, farmers' cash receipts in 1974 will increase by around \$7½ billion over 1973. But realized gross income will rise only about \$6 billion; Government payments will fall nearly \$2 billion. Meanwhile, an expected \$12 billion increase in production expenses will more than cancel the gains in gross farm income and reduce net farm income to around \$27 billion, a drop of slightly over \$5 billion from the record \$32.3 billion of last year. This would, however, far exceed the incomes of any other prior year.

#### Economic Indicators

Statistics released this week indicate that the real GNP fell only 0.8% in the second quarter, less than first estimated. But the price deflator was higher--9½%. For the rest of 1974, and early 1975, we look for real GNP hovering around the zero-growth mark. Inflation may continue around the second-quarter level, before slowing a little early next year... The consumer price index rose 0.8% in July, less than in preceding months. Retail food prices slacked 0.4% after seasonal adjustment, while other prices trended higher...The drop in retail food prices occurred despite higher farm prices for farm food commodities in July. Consequently, the farm-retail price spread for the market basket dropped 3%, halting a widening trend since February. However, the spread was 27% higher than last July. Farm-retail spreads dropped sharply for beef, pork, poultry, eggs, oilseed products, and fresh vegetables, but widened for fruits and dairy products...The total retail cost of the food market basket dropped 0.3% in July, unadjusted. We estimate from fragmentary price data that the cost will reverse in August, rising 2-3%. Price rises for beef, pork, eggs, oilseed products, and sugar will figure most. But look for lower retail prices of potatoes, lettuce, tomatoes, poultry, and dairy products. Farm-retail spreads may decrease further if farm prices continue rising rapidly. Retail food prices for all of 1974 will probably average 15% above 1973. Prices rose 14½% last year.

Trimming Meat Margins

A departmental task force on Meat Margins has concluded that the steep rise in marketing margins for beef and pork during late 1973 and early 1974 reflected mainly inflationary costs coupled with "seriously distorted market relationships and higher profit rates in meat processing and retailing." The price of meat might be lowered 5¢/lb. if several efficiencies were adopted on a wide scale: assembly-line butchering at point of slaughter, which would enable packers to ship retailers vacuum-packed chilled beef or frozen cuts, improved transportation information and scheduling and use of large double-trailer trucks and modification of current labor contracts to allow efficient use of retail meat personnel. In addition, the task force called for timely revision of grade standards, with a view to meeting consumer preferences, more rapid and complete reporting of current data on meat prices and spreads, and enhanced communication and public understanding of the economics behind the meat they eat. (8/26 Task Force Report Draft, ERS)





Energy Needs in 1980

Food and fiber sectors of agriculture use about 13% of the total yearly U.S. energy needs. In 1970, the total sector used between 6,100 to 8,600 trillion Btu's according to several studies. In 1970, we estimated that five portions of the total sector used 4,667 trillion Btu's. Of this figure, farm production used 22%; farm family living 12%; food processing 28%; marketing and distribution 18%, and selected input industries 20%. By 1980, the energy needed by these selected food and fiber industries is projected to rise 11.3%, to 5,196 trillion Btu's, while total food and fiber is expected to rise 8% to 10%. It is possible, however, with energy costs on the rise that better management and technology may provide savings in use per unit of output. (8/19 Report to Senator Humphrey, NEAD-ERS)

## FOREIGN DEVELOPMENTS

World Food Outlook

World food production in 1974/75 is dropping below last year's record levels while world food needs continue to climb. Grain reserves will remain small and grain markets will continue very tight...World wheat output, now estimated less than 1973/74 at 360 mil. M.T., is down from last month because of reductions in the USSR (5 mil. M.T.), United States, Australia, Canada, and India. The USSR adjustment reflects inadequate rainfall in the new lands...Dry weather in India, Thailand, South Vietnam, and the PRC plus flooding in Bangladesh is holding world rice output several million tons below the record 310 mil. M.T. of 1973/74. Rice prospects in other countries are excellent...With large losses in the U.S. crop, world feed grain production is now forecast at 580 mil. M.T., 18 mil. below last year's record. Other leading export nations are increasing output less than hoped earlier. Production of small and mixed grain, locally important for feed, is off in parts of Asia and Africa, further tightening the world situation.

World grain trade may be at the lowest level since 1971/72, with 9 mil. M.T. less wheat and 19 mil. M.T. less feed grains moving. The drop reflects the impact of high prices (extremely difficult to assess) on demand, especially for feed grains, as well as reduced availabilities in export nations. Feed use of wheat is likely to increase and feed grain stocks will be drawn down.

Largely because of U.S. soybeans, world oilseed output is expected to drop a little. The potential impact is mitigated by larger beginning world soybean stocks, more Peruvian fishmeal, and rising Brazilian soybean exports. (8/26 Outlook Briefing, ERS-FDCD)

U.S. Exports Hold Up

Despite a sharp drop in volume (perhaps 25 million tons below the 100 mil. M.T. record of 1973/74), higher prices may hold the value of U.S. farm exports at a near-record \$20-\$21 bil. in 1974/75. U.S. wheat and flour exports may drop 4-7 mil. M.T., and feed grain shipments may be down 17-22 mil. M.T. Lower exports are in store for cotton, tobacco, and livestock and products. But look for a big boost in rice exports from our bumper crop, larger soybean and soybean meal shipments, and exports of fruits and vegetables similar to 1973/74. (8/26 USDA Outlook Briefing, FAS)

Philippine Flood

Although much of Central Luzon has been under water for the past two weeks, flooding appears to have peaked. If so, damage to rice is not likely to be as great as 1972, when flooding was more extensive and lasted longer. About half the 100,000 hectares flooded currently are rice lands. (8/23 E. Wayne Denny, FDCD-ERS)

Egypt, Iran Import More Grain

Egyptian grain imports are rising this calendar year to around 4 mil. M.T., including about 3 mil. M.T. of wheat, 400,000 M.T. of flour, and the remainder in corn. We are expected to provide about a third of the wheat and much of the corn. Investments and grants from oil-rich Arab nations have bolstered Egyptian purchasing power. (8/19 John Parker, FDCD-ERS)...With an expected boost in wheat production shrivelled by dry weather, Iran will need wheat imports of about 1.3 mil. M.T. in 1974/75. Purchases of 1 mil. M.T. of U.S. wheat have already been made. (8/21 Michael Kurtzig, FDCD-ERS)

Japanese Feed Grain Imports

About half of Japanese feed grain imports during 1974/75 may come from us, compared with about 70% in 1973/74. We may provide over half the corn but less than half of total sorghum imports. (8/20 Bruce Greenshields, FDCD-ERS)

Russian Beef Buying

The USSR has apparently received a trial shipment of 11,000 M.T. of European surplus beef and may have signed contracts for a total of 75,000 M.T., at a price of 34 cents/lb. (8/2 Agra Europe)



Indian Grain Picture Emerges

It currently appears that Indian grain production may total about 98 mil. M.T., down from 106.5 mil. M.T. in 1973/74. Dry weather is reducing coarse grains 3 mil. M.T. and rice 2 mil. Wheat production is already off about 2½ mil. M.T. Even including larger exports during calendar 1974, total food grain supplies of 104.3 mil. M.T. would be down from the record 111.8 mil. of 1973, in the face of annual population growth of 13 mil. people. Grain imports may total 6 mil. M.T. this year, compared with 4.7 mil. in 1973. Wheat procurement for deficit areas by the Government has declined sharply this year, but India has deferred wheat purchases this summer to conserve foreign exchange and wait on possible lower U.S. wheat prices. (8/26 John Parker, FDCD-ERS).

| Marketing Year Exports, 1973/74 |       |                  |               |                              |                 |         |
|---------------------------------|-------|------------------|---------------|------------------------------|-----------------|---------|
| Commodity                       | Week  | Cumulative       | Outstanding:  | Total                        | :USDA forecast, |         |
|                                 | ended | exports to date: | export sales: |                              | marketing year  |         |
|                                 |       |                  |               | <u>Million metric tons</u>   |                 |         |
| Feed grains                     | 8/4   | :                | :             |                              |                 | 43.7    |
|                                 | 8/11  | :                | :             |                              |                 |         |
|                                 |       | :                | :             |                              |                 |         |
|                                 |       | :                | :             | <u>Million bushels</u>       |                 |         |
| Corn                            | 8/4   | : 1112           | :             | 157.7                        | 1285.3          | 1225    |
|                                 | 8/11  | : 1135           | :             | 142.2                        | 1277.1          |         |
|                                 |       | :                | :             |                              |                 |         |
| Wheat                           | 8/4   | :                | :             |                              |                 | 1148    |
|                                 | 8/11  | :                | :             |                              |                 |         |
|                                 |       | :                | :             |                              |                 |         |
| Soybeans                        | 8/4   | : 528            | :             | 53.1                         | 580.7           | 550     |
|                                 | 8/11  | : 531            | :             | 48.5                         | 579.5           |         |
|                                 |       | :                | :             |                              |                 |         |
|                                 |       | :                | :             | <u>Million running bales</u> |                 |         |
| Cotton                          | 8/4   | : 6.0            | :             | .9                           | 6.9             | 6.2 1/2 |
|                                 | 8/11  | :                | :             |                              |                 |         |
|                                 |       | :                | :             |                              |                 |         |

| Marketing Year Exports, 1974/75 |            |                            |                            |       |                               |  |
|---------------------------------|------------|----------------------------|----------------------------|-------|-------------------------------|--|
| Commodity                       | Week ended | Cumulative exports to date | Outstanding: export sales: | Total | USDA forecast, marketing year |  |
| <u>Million metric tons</u>      |            |                            |                            |       |                               |  |
| Feed grains                     | 8/4        | :                          | 14.1                       |       | 29.7-23.8                     |  |
|                                 | 8/11       | :                          | 18.9                       |       |                               |  |
| <u>Million bushels</u>          |            |                            |                            |       |                               |  |
| Corn                            | 8/4        | :                          | 472.3                      |       | 900-750                       |  |
|                                 | 8/11       | :                          | 607.7                      |       |                               |  |
| Wheat                           | 8/4        | : 95.9                     | 309.3                      | 405.2 | 1000-900                      |  |
|                                 | 8/11       | : 117.0                    | 339.2                      | 456.2 |                               |  |
| Soybeans                        | 8/4        | :                          | 363.3                      |       | 535-515                       |  |
|                                 | 8/11       | :                          | 449.3                      |       |                               |  |
| <u>Million running bales</u>    |            |                            |                            |       |                               |  |
| Cotton                          | 8/4        | : .009                     | 4.2                        | 4.29  | 5.2-4.7                       |  |
|                                 | 8/11       | : .08                      | 4.2                        | 4.28  |                               |  |

( 8/22 SRS Exports Report)

1/ 480-1b bales

August 27, 1974

Dear Mr. Cooper:

This is in reply to your July 29 letter to President Nixon. You expressed concern over the recent decline in milk prices and the sharp rise in the price of feeds and other items involved in the cost of producing milk. I appreciate the opportunity to discuss this matter with you.

We have received requests from dairy farmer cooperatives throughout the country for hearings to increase Class I prices, and to increase the price support level to 90 percent of parity. The Department of Agriculture shares your concern for maintaining an appropriate level of income for dairy farmers. Not only do we recognize their need for a level of dairy farm income commensurate with other sectors of the economy, but we are aware that such income must provide an incentive for the production of adequate supplies of milk.

Increasing the dairy price support level to 90 percent of parity would bring higher consumer prices for milk and milk products, reduced consumption, and increased purchases by the Commodity Credit Corporation (CCC). We believe such action would be inappropriate at this time when there is strong consumer resistance to higher retail prices.

In spite of higher production costs, milk supplies are generally adequate. July production nationally was 0.2 percent above a year ago, compared with the 3.2 percent drop at the beginning of the year. July was the first month since September 1972 that milk production was above the same month a year earlier. At the same time that supplies have been increasing, demand fell as a result of consumer resistance to higher milk prices. Federal order Class I sales, for example, are down about five percent.



Although recent Class I prices (which are based on the Minnesota-Wisconsin manufacturing milk prices) have declined significantly from earlier levels, they remain substantially above prices of last year. Class I prices should increase in the months ahead as production declines seasonally. It is reasonable to expect that the M-W price in the coming fall months will reach the \$7.49 "floor" that many producers have been proposing for use in setting Class I prices.

In view of the above stated considerations, the Department of Agriculture has concluded that there is no need for our making any adjustment in the normal operation of the order pricing. Accordingly, the requests for a Class I price hearing have been denied.

Thank you for taking the time to give us your views.

Sincerely,

Norman E. Ross, Jr.  
Assistant Director  
Domestic Council

Mr. Charles F. Cooper  
President  
The Central Ohio Co-operative  
Milk Producers, Inc.  
519 E. Eleventh Avenue  
Columbus, Ohio 43211

NROSS/pt 8-27-74  
cc: Ross - Agri/gen  
White House central files





aug. 27, 1974

Sent to  
Korolov 8/27  
for their final  
preparation, as  
requested

funny -  
on record

Subject: Suggested Reply to Letter of  
August 13, 1974, from the Honorable John Tower,  
United States Senate, Washington, D. C.

Honorable John Tower  
United States Senate  
Washington, D. C.

Dear Senator Tower:

Thank you for your letter of August 13, 1974, concerning the drought conditions in Texas and the Midwest.

The Department of Agriculture is fully aware of these drought conditions in Texas and many other areas of the United States. The field officers are providing us with current information regularly on the situation. You can be assured that the Department is concerned about the drought and the impact it is having not only on farmers and ranchers, but the impact it will have on cost of food for the American consumer.

As you know, the Secretary of Agriculture has designated several Texas Counties eligible for Farmers Home Administration (FmHA) Emergency loans. Also, Governor Dolph Briscoe has requested the Department to designate seven additional Texas Counties. These counties are currently under consideration in the Department and we have requested the Department to advise you when a final decision is reached on these requests.

Mr. J. Lynn Futch, the Texas FmHA State Director, 3910 South General Bruce Drive, Temple, Texas 76701, telephone 817-873-1711, has advised us that his County Supervisors are developing the information necessary to support requests for additional Texas Counties. This information is being provided to the local FmHA county governing bodies. The Secretary can designate a county as an Emergency loan area whenever a natural disaster causes farm property or production losses which result in a general need for agricultural credit and the local FmHA county governing body makes a formal request that the county be designated. The FmHA county governing body request is made to the Governor who in turn makes a request for designation to the Secretary.

All requests received by the Department will be given prompt consideration.

We appreciate your interest.



**August 19, 1974**

**Dear Senator:**

**Your August 15 letter reporting on drought conditions in Texas and the Midwest has been received. I will make certain that President Ford receives this information immediately. In addition, it will be shared with both his agricultural and economic advisors. Your first-hand report will be most helpful and we will be in touch with you as soon as possible.**

**With warm regards,**

**Sincerely,**

**Tom C. Kerelegos  
Deputy Assistant  
to the President**

**The Honorable John Tower  
United States Senate  
Washington, D.C. 20510**

**✓ hcc: with incoming to Ken Cole/Norm Ross for Draft Reply ASAP**

**TCK:VO:emw**



4  
JOHN TOWER  
TEXAS

*Disaster aid*

8-16

COMMITTEES:  
ARMED SERVICES  
BANKING, HOUSING AND  
URBAN AFFAIRS  
JOINT COMMITTEE ON  
DEFENSE PRODUCTION

**United States Senate**  
WASHINGTON, D.C. 20510

August 15, 1974

The President  
The White House  
Washington, D. C.

BT  
Dear Mr. President:

Drought conditions throughout Texas and the Midwest have reached the critical stage. In Texas alone it is estimated that prolonged heat and the overwhelming need for rainfall has already cost the agricultural industry over \$2 billion. Farmers are confronted with the probability of total crop failure, while the lack of range grasses has forced ranchers to flood the market with livestock not yet ready for sale. And, even though recent precipitation has occurred, the outlook continues to be grim. The simple truth is that these rains have come too late.

Already certain counties in Texas have been declared disaster areas, and from my contact with Texans, there will be additional requests for such declarations and relief. I certainly support these desired actions and encourage prompt approval in order that these counties may become recipients of federal disaster relief programs at the earliest possible date.

I believe we would be committing a serious error if we do not provide badly needed assistance to farmers and ranchers who now find themselves in a precarious condition through no fault of their own.

Sincerely yours,

*John Tower*  
John Tower



THE WHITE HOUSE

WASHINGTON

August 21, 1974

MEMORANDUM FOR MIKE DUVAL  
FROM: WARREN HENDRIKS  
SUBJECT: MIDWEST AND TEXAS DROUGHTS

Attached is a letter to the President from Senator Tower regarding the Midwest and Texas droughts.

As you can see from the copy of Tom Korologos's acknowledgment we have been asked to draft a further reply for Tom's signature. However, since the drought situation has changed somewhat since Tower wrote you may prefer to talk with Tom rather than just provide him with a written response.

Your appropriate action!

*Norm - please coordinate answer w/ Tod. ASAP*  
*Thanks!*  
*olsh*



file

COUNCIL OF ECONOMIC ADVISERS  
WASHINGTON

HERBERT STEIN, CHAIRMAN  
WILLIAM J. FELLNER  
GARY L. SEEVERS

PM 5 30

August 29, 1974

MEMORANDUM FOR: COUNSELLOR RUSH

FROM: Gary Seevers *Gary*

SUBJECT: Preparations for the Meeting with The President  
September 17, 1974

It is important that we begin to plan for the September 17 meeting with the President. I would like to suggest the following format for addressing the issues.

Short-run issues arising from the U.S. crop shortfall

First of all, we should review the 1974 crop outlook in light of the latest domestic crop report (due September 11) and an update of the world outlook. Better information on India, PRC and USSR will be available by then. Although the crop situation could change by mid-September, this seems unlikely.

Tight grain supplies have created three serious short-term problems.

1. The implications for food prices and inflation. Before the crop shortfall, we faced a very favorable outlook--an annual rate of increase of 5 percent or less. Now it looks as if food prices will increase at a rate of 10 percent, and perhaps higher, over the next 18 months.

2. The problem of rationing exports. Present policy is to let prices do the rationing. We are trying to reduce the impact, however, by encouraging other countries to follow policies so they will share in the adjustment to reduced feed supplies. Bilateral consultations have been held with the EC, Japan and USSR to this end. Additional informal consultations are planned. However, the President should be presented the option of holding down exports with controls. It seems to me that the argument against controls is as follows: restraining exports to any reasonable level would have only a small beneficial impact on food prices, but it would have large adverse consequences for overall foreign and economic policy. Nevertheless, guidance and support from the President that our current approach is the right one will be essential.





3. The problem of food-aid for FY 1975.

Presidential decisions will be required regarding the level and country composition of food-aid. Difficult trade-offs among foreign policy, budget policy and food prices will be involved. OMB is coordinating this effort and it may not be appropriate to deal with this issue in depth on September 17.

Longer-run issues

We have now had two years of tight food supplies with rising prices in the developed countries and growing concern about food insecurity in the LDC's. The 1974 crop situation points to at least another year of tight supplies, and a good chance that supplies will remain tight longer. For the United States and other DC's, this has changed the character of the "farm problem" from chronic excess capacity to one of serious price instability and the adjustments that entails. For the LDC's this has led to legitimate concern about the adequacy of food supply in the face of population growth. One reason for tightened food supplies, of course, has been stepped up imports by the centrally-planned countries and this may continue for some time.

Against this background, U.S. agricultural policy has undergone a major transition. Nearly all programs that have restricted production and supplies in the past have been relaxed or redirected toward expansion of supplies. There is little else that can be done in the short run.

However, the new situation has increased the importance of longer-run matters.

1. The World Food Conference. The issues to be addressed at the WFC will require Presidential attention at some point. They include:

- grain reserves policy. A preliminary position has been approved by the CIEP and Food Committee but more work is in progress.
- future food-aid policy. Work is under way on formulating a long-run food-aid policy once the FY 1975 decisions are made.



- technical assistance to expand food production in LDC's.
- U.S. policy toward financing fertilizer exports to LDC's, and thus diverting fertilizer away from U.S. producers whose demands will remain high for some time.

2. Our approach to agricultural trade problems in the MTN's. This is a complex matter with a long history. It seems to me that the old "structural" issues associated with excess supply are being superceded by the "instability" issues associated with tight supplies. USG thinking probably has not made this transition as yet.

3. A series of specific matters relating to improving productivity in our farm and food economy.

I believe it would be unrealistic to expect the President to absorb all these issues by September 17, or for us to deal with them effectively in one meeting. The WFC, in particular, probably deserves separate treatment closer to the November Conference.

#### Recommendations

1. The September 17 meeting should address the short-term problems. We should set the stage for decisions on "export policy" and FY 1975 food-aid.

2. The advance briefing papers should contain a paper on the WFC prepared by Ambassador Martin. This paper should be designed to alert the President to the problems and issues that the USG will face at the Conference. If time permits, we can discuss the WFC in general terms but should not expect decisions. *at the meeting*

*should* 3. The MTN's and other long-run matters should be deferred to a later date.

*K. R.*  
\_\_\_\_\_  
APPROVE

\_\_\_\_\_  
DISAPPROVE

received  
Sept 4

UNITED STATES DEPARTMENT OF AGRICULTURE  
OFFICE OF THE SECRETARY  
WASHINGTON

OFFICE OF PERSONNEL

SEP 3 1974

Mrs. Warren Dennison  
150 N. Baldwin Road  
Owosso, Michigan 48066

Dear Mrs. Dennison:

Mr. Norm Ross has informed us of your interest in employment with the Department of Agriculture.

The majority of positions with this Department are in the competitive service and are filled by persons who have competed under an appropriate Civil Service Commission examination announcement. We have enclosed a few which may be of interest to you. You should apply directly to the Commission for a notice of eligibility.

In addition, we have enclosed a copy of the pamphlet "Working for the U.S.A.," which explains how to apply for Federal jobs and a few of our Agency publications which describe various Agencies of the Department's functions.

When you have obtained an eligibility rating from the Commission, you may wish to send us an application along with a copy of your notice of rating. We will be happy to review your qualifications for employment at that time.

Your interest in this Department is appreciated.

Sincerely,



S. B. PRANGER  
Director of Personnel

cc: Norm Ross, White House

Enclosures



UNITED STATES GOVERNMENT

# Memorandum

TO : :

DATE: September 11, 1974

FROM : Gary Seevers  
Council of Economic Advisers

SUBJECT: Farm Prices

The attached price charts are used internally at CEA and may be of interest to you, especially in a period of rapid movements in farm prices. They plot weekly (Tuesday) prices of leading farm-food commodities during 1974. The solid line is the cash price; the other two lines are futures contract prices. The arrows identify weeks when the WPI was sampled.

The cash prices of the same commodities are shown below, along with percentage changes from a week, a month and a year earlier.

|                                          | Price<br>Sept. 10,<br>1974 | Percent change from previous |       |       |
|------------------------------------------|----------------------------|------------------------------|-------|-------|
|                                          |                            | Week                         | Month | Year  |
| Steers, Omaha choice,<br>cwt. ....       | 43.75                      | -.8                          | -8.1  | -9.3  |
| Hogs, Omaha, cwt. ....                   | 35.50                      | -2.7                         | -5.1  | -17.4 |
| Broilers, dressed "A"<br>N.Y. lb. ....   | .4402                      | -.4                          | 21.4  | -16.9 |
| Eggs, Large white<br>Chicago doz. ....   | .63-1/2                    | 2.4                          | 15.5  | -8.0  |
| Wheat, No. 2 ord. hard<br>K.C. bu. ....  | 4.36                       | 4.1                          | -2.5  | -15.5 |
| Corn, No. 2 yel.<br>Chicago bu. ....     | 3.50                       | 2.3                          | -7.2  | 40.6  |
| Soybeans, No. 1 yel.<br>Chicago bu. .... | 7.23                       | 3.6                          | -10.2 | 7.1   |
| Sugar, Raw N.Y. lb. ...                  | .34                        | -2.9                         | 7.9   | 211.9 |



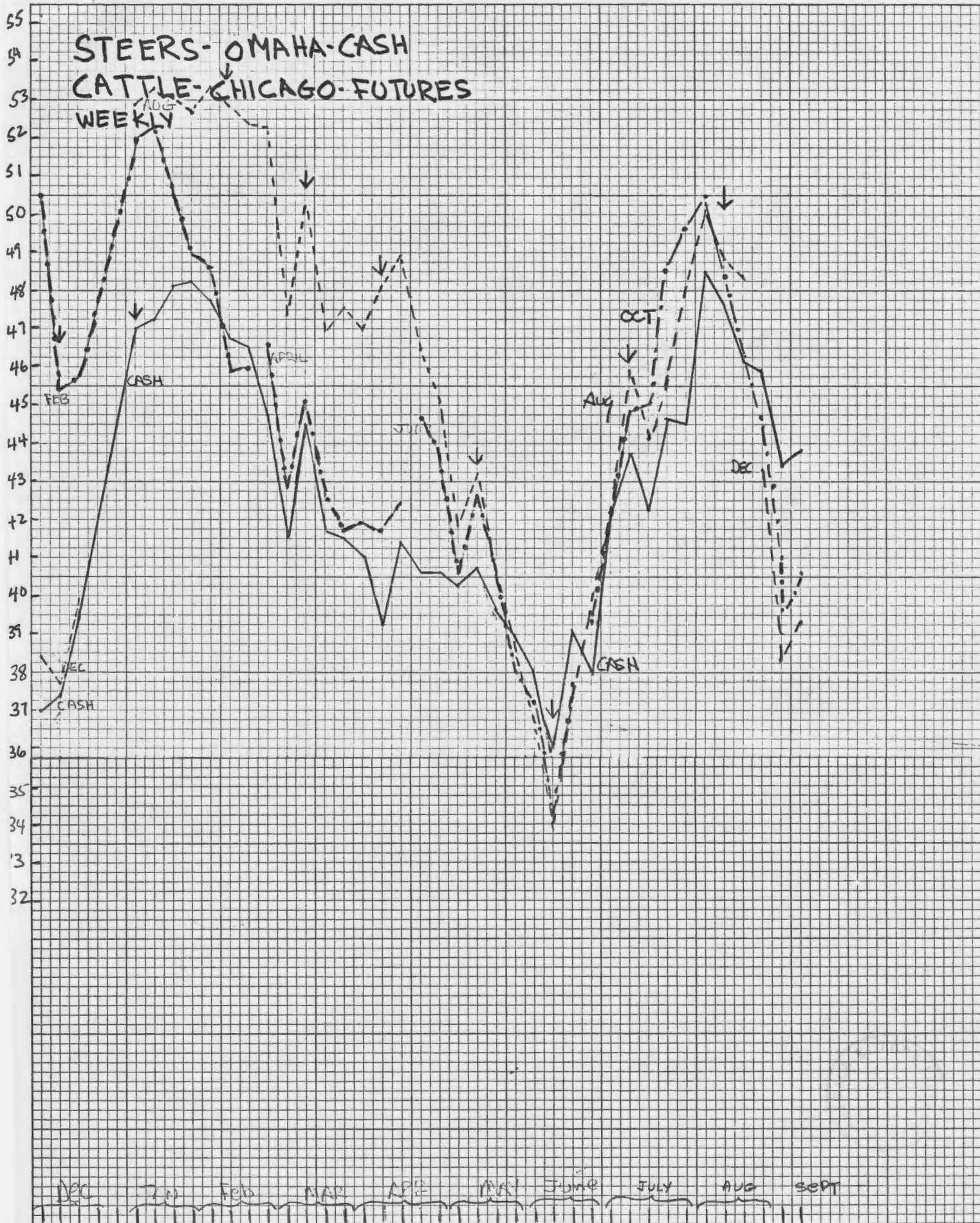
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Buy U.S. Savings Bonds Regularly on the Payroll Savings Plan

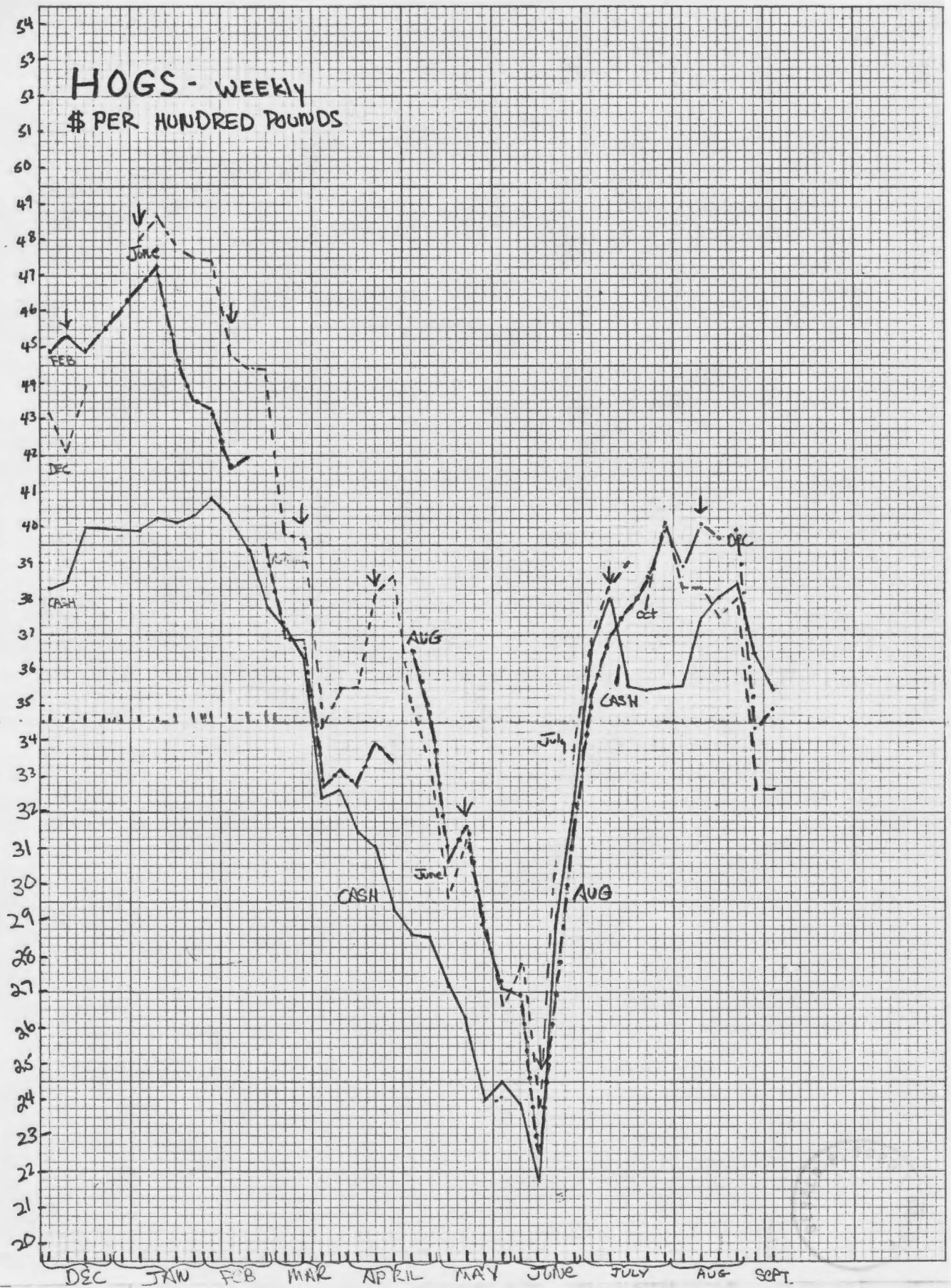




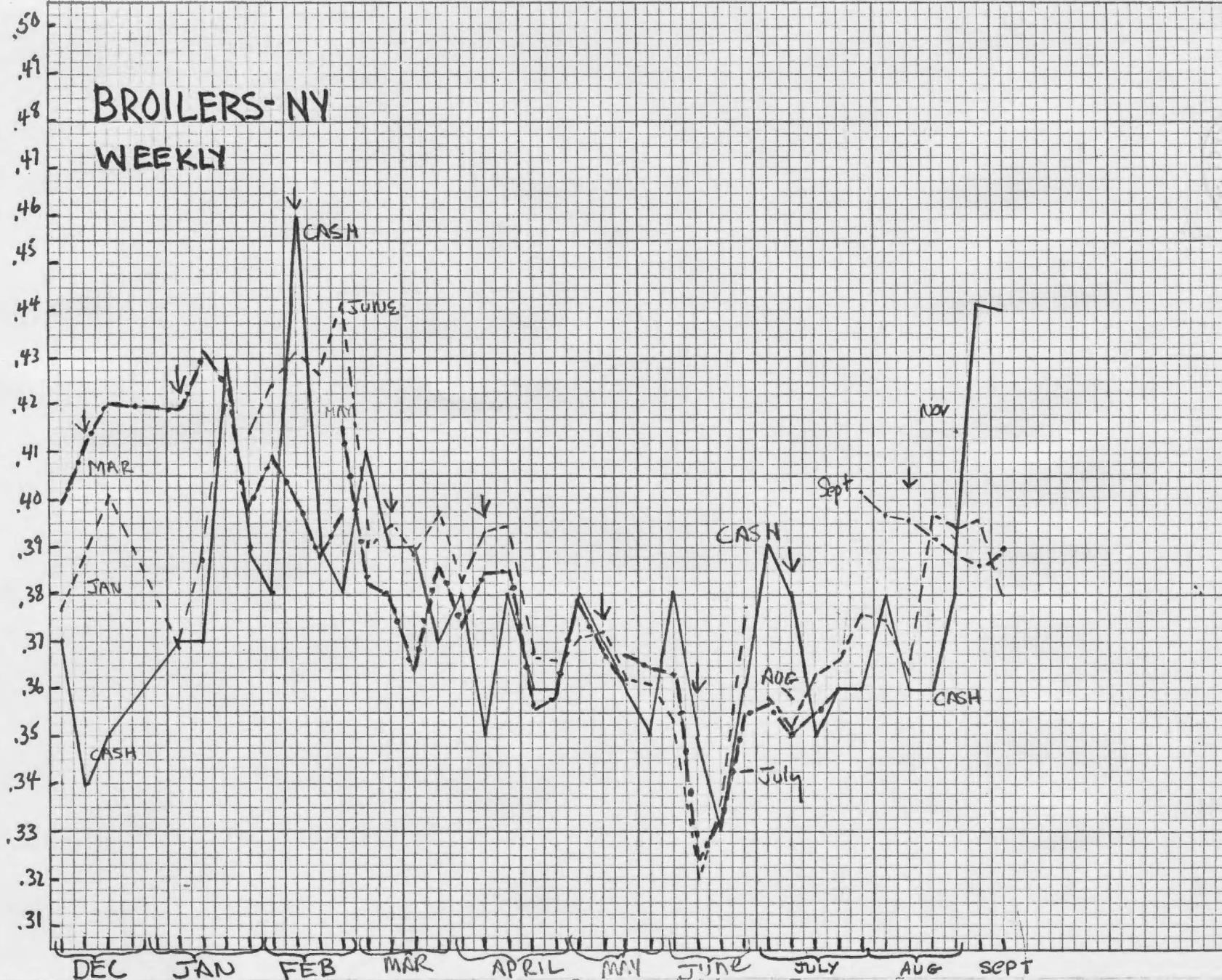
# STEERS-OMAHA-CASH CATTLE-CHICAGO-FUTURES







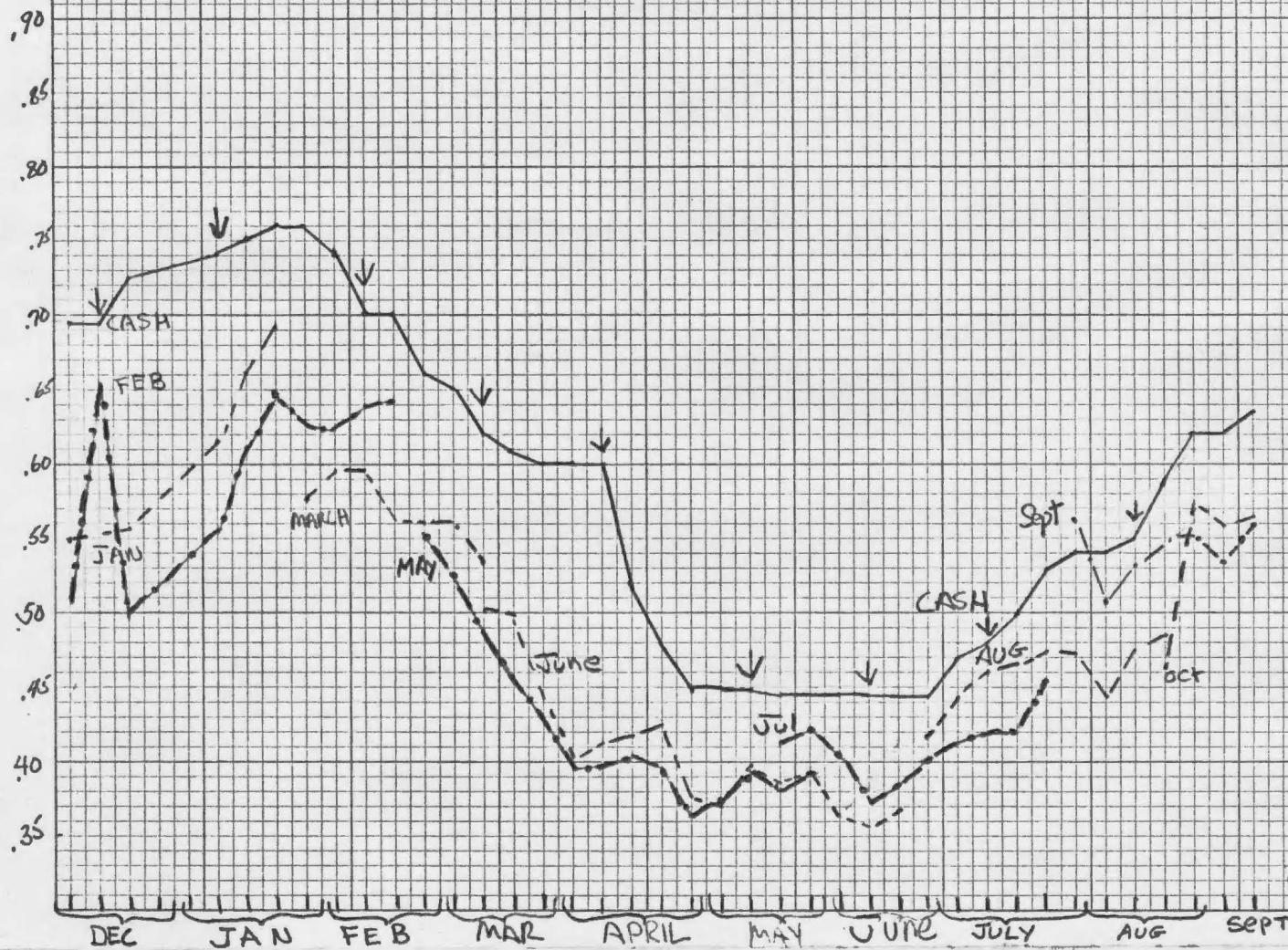
# BROILERS- NY WEEKLY





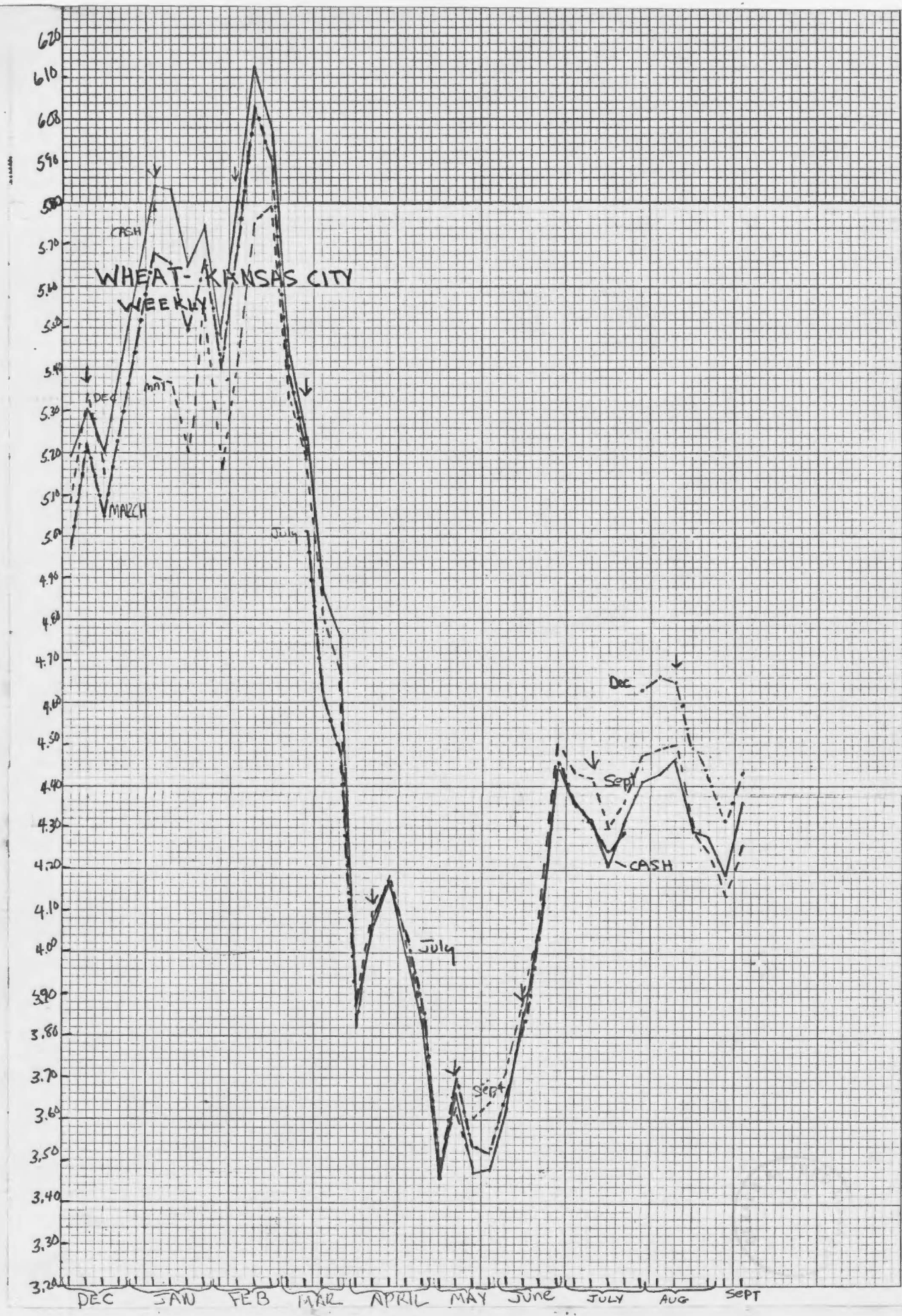
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# EGGS-CHICAGO large white weekly

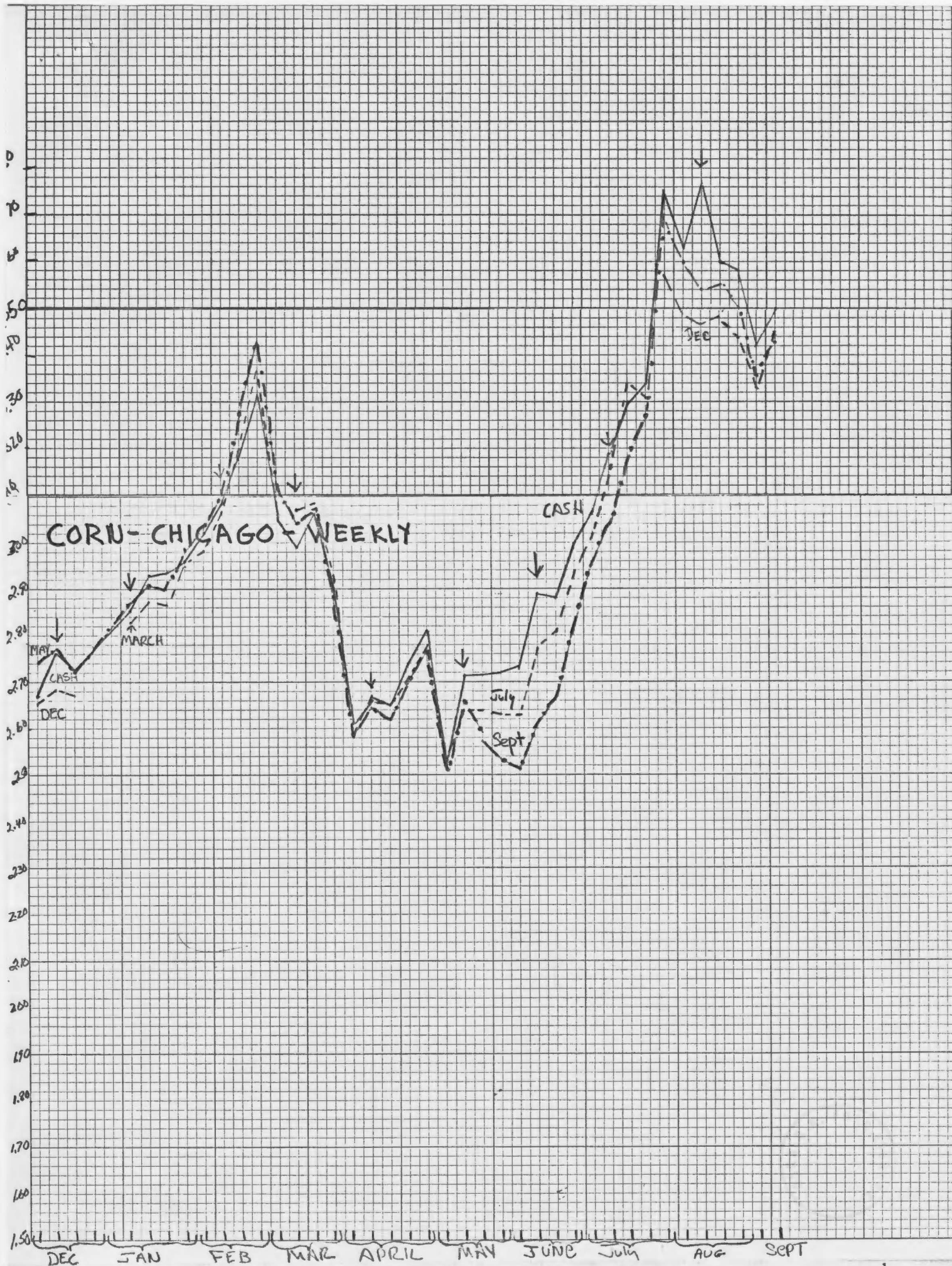


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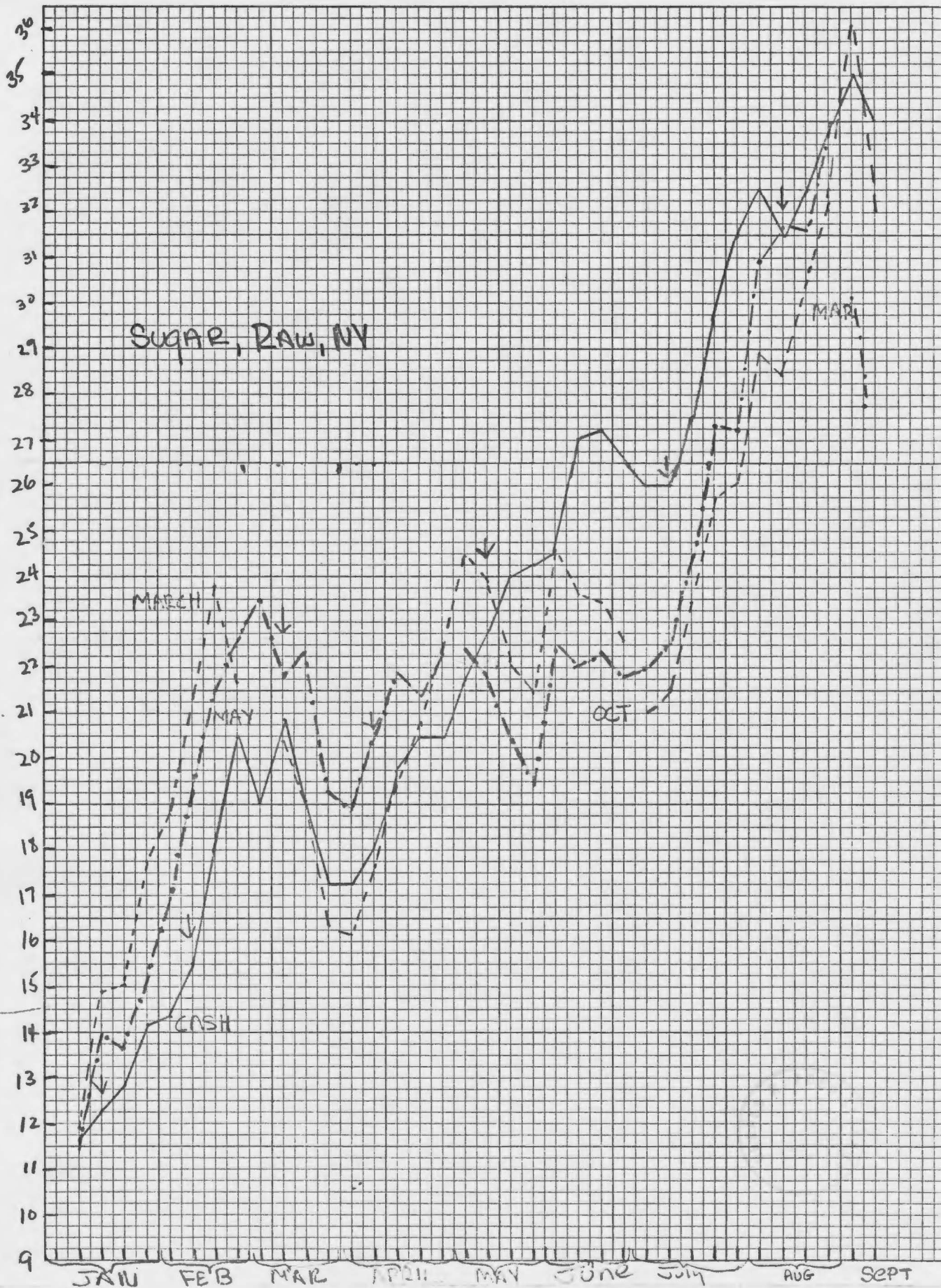






# SOYBEANS-CHICAGO-WEEKLY





September 11, 1974

MEMORANDUM FOR: WARREN RUSTAND

FROM: NORM ROSS

SUBJECT: Request from Tony Dechant, President  
of National Farmers Union, for a meeting  
with the President

I do not recommend the President to meet with Tony Dechant at this time. The National Farmers Union is a very visible and active political organization which has not supported Administration positions and are not philosophically in our corner.

I do, however, recommend that the President meet with a farm group and that group be the American Farm Bureau Federation. A schedule proposal is attached. After the meeting with William Khkfuss, President of the American Farm Bureau Federation, a meeting with Tony Dechant could take place whenever the President's schedule permits. A joint meeting is not recommended.

Attachment

NROSS/pt 9-11-74  
cc: Wh files  
Mike Duval  
Ken Cole





THE WHITE HOUSE  
WASHINGTON

September 4, 1974

TO: Don Brock

FROM: Norman E. Ross, Jr.

Attached are letters from individuals  
who want to meet with the President.

I would appreciate your recommendation  
and appropriate response.

Attachments:

Ltr fr Nat'l. Assn. of Farmworker Programs

Ltr fr Nat'l. Farmers Union

Tele. fr Nat'l. Livestock Feeders Assn.

(Milton J. Brown)





AUDIENCE  
(OPEN)

NATIONAL ASSOCIATION OF FARMWORKER PROGRAMS

Post Office Box 203  
Brawley, California 92227  
Telephone: (714) 344-6300

August 20, 1974

The President  
The White House  
Washington, D. C. 20500

Dear Mr. President:

The National Association of Farmworker Programs, through its ten regional representatives, would like to request a meeting with you to discuss some of the pressing problems and possible solutions affecting migrant and seasonal farmworkers. There are more than one million such workers in the United States, most of whom live daily with poverty, poor education, malnutrition and unstable employment prospects.

The National Association of Farmworker Programs is an association of the programs directly serving the farmworkers through assistance in education, health, economic development and training. Some of the principal areas of concern which we would like to discuss with you include the following:

- (1) A national, federally-coordinated strategy regarding policies affecting farmworkers.

EXAMPLE: Federal agencies use many different definitions of the term "farmworker." Regulations published by the Department of Labor utilize different definitions than those used by the Department of HEW. As a suggested solution, the Office of Management and Budget could set up guidelines in these areas applicable to all federal agencies.

- (2) Continued and strengthened involvement of local communities and farmworkers themselves in the programs.

EXAMPLE: Programs should be tailored to the needs of the group to be served. Consultation with, and sensitivity to, the farmworker and his needs is an essential pre-requisite to effective programming. This type of consultation and sensitivity is one reason for the success of the programs we represent.

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| ACTION             |
| T/D                |
| SCHEDULE BD.       |
| DATE RECEIVED      |
| AUG 27 1974        |
| RMN MESSAGE        |
| SPEAKERS BUREAU    |
| OTHER              |
| APPOINTMENT OFFICE |



The President  
Page Two

- (3) The need for a mechanism to obtain better data on the conditions, numbers and needs of farmworkers on a national basis.

EXAMPLE: The sources of data currently available are often conflicting, inconsistent or incomplete. An example of a possible solution would be a memorandum from OMB to all federal agencies regarding criteria for data gathering, analysis and dissemination in the area of our nation's farmworkers.

- (4) The fact that recently-published Regulations indicate that some of these areas of concern are not reflected in the proposed guidelines.

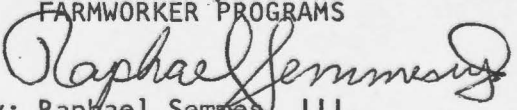
EXAMPLE: Safeguards designed to ensure fairness in the reviewing of funding requests must be strengthened in order to permit all interested parties the opportunity to compete on the same basis for available funds.

These are only a few of the issues and examples that we would like to discuss with you, at your convenience. The regional representatives had planned to be in Washington toward the end of this month and the beginning of next month. We shall, however, plan our visit to coincide with the appointment you may grant us, Mr. President.

We feel that these are matters of great national importance and welcome the opportunity to discuss them with you personally and work together toward some real solutions.

Sincerely yours,

THE NATIONAL ASSOCIATION OF  
FARMWORKER PROGRAMS

  
By: Raphael Semmes, III.  
Regional Representative



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PMS THE PRESIDENT

THE WHITEHOUSE

WASHINGTON DC 20500

RESPECTFULLY REQUEST YOU GIVE SERIOUS CONSIDERATION TO HAVING  
A CONFERENCE IN NEAR FUTURE WITH LEADERS OF THE LIVESTOCK INDUSTRY.  
WE ARE IMPRESSED WITH YOUR INTEREST IN MEETING WITH VARIOUS  
GROUPS AND REPRESENTATIVES TO APPRAISE PARTICULAR PROBLEM AREAS  
IN THEIR BUSINESS INTERESTS. NLFA STRONGLY SUPPORTS YOUR DETERMINED  
EFFORTS TO ARREST INFLATION-THE NUMBER ONE PROBLEM FACING FARMERS  
AND THE COUNTRY AS A WHOLE. LIVESTOCK INDUSTRY-CATTLE, HOGS  
AND SHEEP-IS MOST IMPORTANT SEGMENT OF AGRICULTURE. STRONG AGRICULTUR  
AL ECONOMY ESSENTIAL TO WELLBEING OF ENTIRE NATION. WILL APPRECIATE  
RESPONSE TO ME DIRECTLY, OR TO OUR HEAD OFFICE, 309 LIVESTOCK

The White House

Washington T/D

ACTION

SCHEDULE BD.

1230 DATE RECEIVED

1974 AUG 26

PM 1 08

AUG 27 1974

RMN MESSAGE

SPEAKERS BUREAU

OTHER *Edwin Schless*

APPOINTMENT OFFICE

FORM 0805 PRINTED BY THE STANDARD REGISTER COMPANY, S.A.

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7 MILTON J BROWN PRESIDENT NATIONAL LIVESTOCK FEEDERS ASSOCIATION

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Aug. 26  
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THE WHITE HOUSE

WASHINGTON

August 26, 1974

MEMORANDUM FOR

NORM ROSS

FROM:

WARREN HENDRIKS

SUBJECT:

AGRICULTURAL PRODUCTION

Attached for appropriate handling is a letter from Tony Dechant of the National Farmers Union. Mr. Denchant indicates he would like the opportunity to share with the President several ideas he has on how we might improve world marketing of our agricultural production.



**THE WHITE HOUSE**  
**WASHINGTON**

Date: August 22, 1974

MEMO FOR:      KEN COLE

FROM:            DAVID PARKER

The attached is for your appropriate handling.

Thank you.

9



National  
Farmers Union

Office of the President

August 19, 1974

Audience  
open

The Hon. Gerald Ford  
The President  
The White House  
Washington, D. C.

Dear Mr. President:

I would welcome an opportunity to share with you several ideas on how we might move toward more orderly world marketing of our agricultural production.

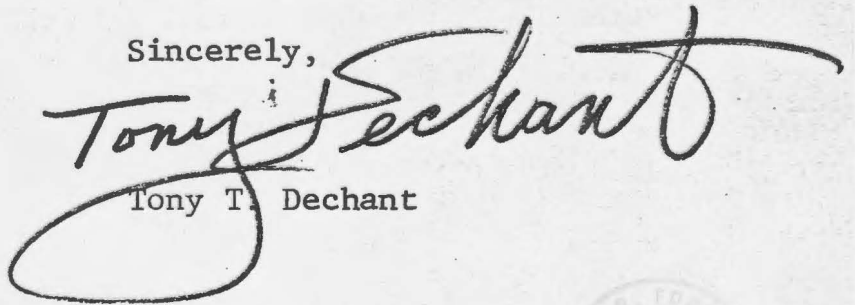
In recent months, I have met with a number of the world's agricultural leaders and I believe the World Food Conference in Rome during November offers an excellent forum for the United States to give the leadership that the nations of the world are anxiously looking for.

It has been much too long since we last visited. We still recall, with pleasure, your presence at our national convention in Minneapolis several years ago.

We will do all we can to support your efforts in unifying this great nation.

I do want to be helpful, and I wish you well.

Sincerely,

  
Tony T. Dechant



21

NATIONAL ASSOCIATION OF  
FARMWORKER PROGRAMS  
Post Office Box 203  
Brawley, California 92227



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**Special Delivery**

The President  
The White House  
Washington, D. C. 20500



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# United States Senate

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## MEMORANDUM

Per our telephone conversation.

Don E. Shasteen

*file*



## United States Senate

WASHINGTON, D.C.

September 26, 1974

The Honorable Gerald R. Ford  
The President  
The White House  
Washington, D. C.

Dear Mr. President:

As you already know, the livestock market in the United States has been declining since the first of the year. With the continued downward trend in market prices, we are now faced with a serious crisis in our livestock industry that threatens the very future of meat supplies to feed the nation.

Cattle producers this year have been operating at net losses averaging \$9.00 or more per hundred weight through the first seven months of this year. This represents a loss of \$95.00 or more per head, and for a typical family livestock operation of 100 head, a total loss of \$9,500.00. Prices paid for cattle in March of this year were \$2.25 or more below those of March, 1973, and prices of August were down \$5.40 or more from the same month a year ago. These losses are occurring while costs for production of livestock are continuing to skyrocket.

The Congress acted to provide relief for the livestock industry in the emergency livestock loan legislation which recently became law. However, this was only a temporary and artificial means of dealing with the problem, and it was more concerned directly with providing operating funds for livestock operations in the current tight money situation.

It is evident that something much more effective must be done if we are to save our livestock industry. In view of the current market situation, the cattle producers will not have sufficient income to pay off the interest and principal on the extended financing provided by the emergency loan program.

We now request that specific actions be taken to help turn the livestock market around, and we commend four proposals to you for implementation:

- (1) Reimposition of meat import quotas;
- (2) Stepped-up government purchases of beef for the various federal food programs;



Received Sept 27

The Honorable Gerald R. Ford  
The President  
Page 2

(3) A new program for color-coding of a portion of all food stamps to mark them for use only in the purchase of fresh meat; and

(4) Initiation of a new program that the federal government purchase livestock on the open market for slaughter in the U.S. and shipment to foreign countries in lieu of American dollars those countries are now receiving for food aid.

The first two proposals aren't new, but we feel they are necessary and will contribute significantly to increased demand and higher prices for meat. Our third proposal is new, and we think it would provide significant increases in meat demands to help the market. It also takes advantage of an existing federal program and would require little additional administration and expense.

The fourth proposal--government purchase of livestock for overseas shipment--would have the most far-reaching benefits. Such action would have a three-fold effect: it would help the livestock market in the U.S., it would provide jobs for Americans in the slaughter and shipping industries, and it would reduce the outflow of American currency by substituting beef in current aid programs.

We would appreciate your assistance in this very serious matter.

Sincerely,

*Roman L. Hruska*

ROMAN L. HRUSKA, USS

*Carl T. Curtis*

CARL T. CURTIS, USS

