"HERE WE GROW AGAIN!"

Synopsis of talk to be
given by

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Prospects are now good for a wheat crop this year. It isn't in the bin, yet, and there are still hazards to hurdle. Such as hail, or a wet harvest season, which last year cut several million bushels from Oklahoma's prospective wheat yields.

Wheat is a versatile crop. It can promise more and yield less, or produce more with the sorriest outlook than any crop we grow.

It is a good crop for farmers to grow -- if they can do so on a substantial scale. Which is what they can't do, because too much wheat already has been grown. At least, more than we can use up soon.

Last year's United States winter wheat crop was 702 million bushels. This year's crop may be larger. The forecast indicates 964 million bushels, plus an unknown quantity of spring wheat.

At the beginning of the year we had 1,377 million bushels of wheat in stock, 960 million of which was owned by the Commodity Credit Corporation.

One of the many paradoxical aspects of our agricultural production is that, even with this wheat surplus, USDA officials were fearful that there might not be enough wheat in the "free market" to take care of our needs between now and July 1.

Last year, after a long dry spell and with floods knocking out many crops in the spring, farmers were glad they put a big acreage in the soil bank. Kansas, Oklahoma, Texas, New Mexico and Colorado put 8.3 million acres of wheat land in the soil bank last year. For the 1958 crop, they cut this back to 2.4 million. And this was most of 3.9 million acres of winter wheat signed up for the entire nation.

People just won't eat as much wheat as we can grow. The days of big plates of hot biscuits and hugh stacks of flapjacks are gone. The boxes of cereals with tricky names and ready-mixed baking goods to save the homemakers' time haven't replaced the market. We still eat just about as many bushels of wheat as we did 50 years ago, although the population of the country has nearly doubled. The average wheat consumption per person has dropped from 5.2 bushels in 1909 to less than 3 bushels per person per year.

Lower prices on wheat apparently wouldn't help. This has been studied by the agriculture committee of the United States house of representatives.

Corn and other feed grains are so much cheaper than wheat that it can't compete successfully on a large scale as a feed crop. About 86 percent of the farmers in the commercial corn belt ignore acreage allotments, sacrificing part of their price support for volume. So corn dropped as low as 93 cents a bushel this past winter.

Shipping wheat abroad is another outlet, and last year the United States exported an amount equal to 58 percent of the 1956 wheat crop. This was 43 percent of the total world exports of wheat in 1956-57, which is a fairly substantial share.

We exported it. To say that we sold it might be misleading. Uncle Sam pays 80 cents a bushel export subsidy to get it out of the country. This is in addition to price support costs, whatever they may be.

Then only three bushels out of ten sold abroad are sold for cash. The rest of it moves into the various forms of barter, international exchange, or other foreign aid program.

Part of the Plains wheat growers' problem is that of getting enough acreage allotment to grow sufficient wheat to make a living.

Most wheat growers comply with the acreage allotments, even if corn growers don't.

As has often happened, there is a prospective temporary clogging of storage and transportation facilities. The government has come out with a plan to help farmers build more bins for farm storage.

A recent survey by the agricultural marketing service showed that since 1946, the number of railway cars has declined by 50,000 units, including 4,000 boxcars, which shows up as a car shortage at wheat harvest time. Although most farm commodities are shipped largely by truck, movement of wheat from elevator to terminal to mill is still principally by rail.

This same study timed movement of cars into and out of Enid and Wichita, two main terminals for this area. It showed that many time lags in getting the empty cars ready to load and the loaded cars on the road further complicated the handling of grain at harvest time.

The federal law provides for a minimum of 55 million acres of wheat to be authorized as acreage allotments each year. That is about twice as much as the country now needs, and in a good crop year we'd do with less.

All except ten states are now classified by USDA as commercial wheat states. Those ten won't have acreage allotments for the 1959 crop. The others do, and in addition any other farmer may seed up to 15 acres or produce up to 200 bushels whether he has an allotment or not. If all the wheat is used on the farm, this may be expanded to 30 acres, under a law recently passed by congress.

About one-third of the total wheat production is now grown in the eastern states, and farm for farm, they have far more allotments. In 1956, Ohio, Indiana, Illinois, Michigan and Pennsylvania produced nearly as much wheat as Oklahoma and Kansas together.

Acreage allotments have not solved the problem of making wheat production fit the market. Many believe they never will. Several proposed revisions are now under consideration.

One, which would affect wheat insofar as it is a feed grain, would lump corn, barley, oats, rye and grain sorghum into one big feed grain acreage allotment program. Some just want grain sorghum (which is not now under allotments) tied up with corn (which is under allotments which are generally ignored.)

Another plan would eliminate parity formulas and acreage allotments entirely, but tie the production control entirely to the economics of price trends. This is being talked by the American Farm Bureau Federation, but has not been adopted. It would offer a price support based upon 90 percent of the average price for the three previous market years for the crop. Thus heavier supplies would automatically depress prices and lower supports, while shorter supplies would bring a stronger market and thus higher supports to encourage more production.

Parity has been given so many different meanings and interpretations by various groups and individuals that its significance has just about been lost. Its usefulness as measurement of farm values always has been debatable, and its demise in favor of a simpler, more meaningful term would be a small loss.

For a review of what has happened in the wheat industry, obtain a copy of Oklahoma Agricultural Experiment Station Bulletin B-501. It is titled "Policies and Programs Affecting the Oklahoma Wheat Economy 1920-1957," by Nellis A. Briscoe and Adlowe L. Larson of the department of agricultural economics.

This summary won't tell you where the wheat growers are going, but it shows where they've been. This chart of the wheat growers'

past doesn't resemble a road map for the future. Even so, folks who are wondering where the wheat grower will turn next may be interested in knowing where he's been. This is tersely stated in a summary from the bulletin:

"The total agricultural policy of a nation is expressed in a complexity of laws and attitudes which are constantly subject to change and displacement."

Walter Garver, manager of the agricultural department of the Chamber of Commerce of the United States, was an Oklahoma visitor recently, speaking to the annual agricultural division dinner at Oklahoma State University. He said there are four delusions that hamper the solution to farmers' problem, namely:

1. The notion that we can set farm prices in Washington without unsatisfactory consequences;

2. The idea that we can take commodities into the hands of the government and find ways to get rid of them without interfering with the markets and the economy as a whole;

3. The belief that we can somehow control agricultural production in this country be commodities;

4. The delusion that agriculture's problems can be solved by the government supplementing farm income, somehow.

A prominent Oklahoma farmer said recently that he can find ways to solve his problems of farm production, but that he hasn't found any answer to what to do with his out-of-production farm land. He voiced the sentiment of thousands of farmers. Perhaps the greatest single need of Oklahoma agriculture today is a choice of new crops that can be grown on land once devoted to wheat, cotton, corn, peanuts and feed crops no longer needed.

Castor beans, which can be grown in Oklahoma, are an example of new crops, but there are production and marketing problems that need to be solved. We now grow about 5,000 acres of castor beans, which produce about 2 million pounds of oil. In 1956 the United States imported nearly 112 million pounds of castor oil.

Other oilseed crops that can be produced in Oklahoma include sesame and safflower. Last year a West Texas farmer produced nearly 400,000 pounds of sesame (985 lbs. per acre on 400 acres) that grossed $120 per acre. Sesame is increasing rapidly in Texas; why not in Oklahoma?

There may be opportunities with such crops as bamboo for paper pulp; candelilla for wax; sansevieria, phormium and ramie for cordage; dioscorea for drugs; guar for paper strength; tephrosia for insecticides; acerola, lychee and pistachio nuts as new foods.

Oklahoma needs a task force dedicated to finding these new crops and establishing a means to market them and get them used. Within the next five years, Oklahoma will likely lose additional cotton and wheat acreage, some of which is not fully utilized when put in grass or rough feed crops.

Only new crops and new markets for them appear to offer a way for Oklahoma farmers to boost their gross agricultural income. What can we do about it? What are we doing about it?