

Speech given at
NATIONAL YOUNG FARMERS INSTITUTE MEETING

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I wonder how many dirt farmers we have with us this morning? I also wonder how many would fit the definition of a dirt farmer written for our magazine by a man who was one about 30 years ago? He said: A dirt farmer is a man who starts out with nothing, loses money on everything he grows, and comes out even at the end of the year.

A real dirt farmer can shape up an axe handle from a persimmon sprout and put it in with a dull pocket knife. He has a serviceable set of harness fashioned from baling wire, feed sacks and a few scraps of leather.

A dirt farmer is the world's greatest optimist. He believes that the fact he has come this far is proof that he can continue to the end. After a hard week's work he drives miles to church because his heart still holds the eternal truths that richer worldly wiser men have lost. . .

He regularly does a half day's work before sunup and another halfday after sundown. He buries last year's disappointments with the spring breaking and lives for the future.

While those in agriculture zoom toward a somewhat uncertain future, many of us hang onto remnants of a rather erratic past, making the puzzling present a passel of paradoxes.

Farmers are being starved out of business because they grow too much food.

Americans have more food to eat than anybody else in the world, so half the country has gone on a diet. The more food we have to supply us with energy, the more machines we invent so we won't use our energy. The cheaper food gets, the more consumers complain about cost of food. The more the government tries to help the farmer, the worse shape the farmer finds himself in.

I share your disappointment that the Secretary of Agriculture could not be here today. Perhaps you are accustomed to accepting substitutes and we can get along.

I don't know what the secretary might have chosen as his subject, but I am quite confident that it would have been different from the one I have selected: "UNCLE SAM WILL NOT SOLVE YOUR FARM PROBLEM!". This is my conclusion after watching Congress and the USDA work on it for more than 35 years. They have been struggling with it longer than that, but that's as long as I have been observing their efforts closely.

I arrived at this conclusion years ago. When I was appointed editor of a major farm magazine, I decided that I should become acquainted with all of the agencies serving the farmers, as well as the farmers and stockmen themselves. I got along pretty well with all of them except the United States Department of Agriculture. It still baffles me. After considerable research and study, I found that I was not the only one who did not and does not comprehend this giant political monstrosity.

After publishing a number of magazine articles on the subject, I wrote a book about it, which was published 25 years ago. Let me read you a paragraph from this book's final chapter a quarter of a century ago.

"The USDA has failed primarily because its solutions have been based on the theory of providing an artificial foundation for farm prices, and its methods have been to build more and bigger agencies to handle the problems. Both the USDA and its approach to the farm problem need to be brought down to a hard, practical business basis. Farmers, like any other businessmen or manufacturers, must have prices that include the cost of production plus a reasonable margin of profit. To achieve this end either by artificial limitation on production as a longtime program or by cash payment from the public treasury may help temporarily, but the whole scheme is likely to collapse sooner or later because such programs do not solve the fundamental problem of utilizing the wealth that we have."

I make no claims to being a prophet or fortune teller, because this observation was simply obvious to anyone who looked at agriculture, its problems and their solution from a business basis. It was apparent a quarter of a century ago, and it is plain today.

Although USDA dates back more than 100 years, major farm programs began just about 40 years ago. At that time the cry was to save the family farms. The programs didn't do that.

Since 1930 the number of farms has declined by two-thirds, farm population has dropped from 30 million people to 10 million people while the nation's population has increased more than 60 percent. The farmers gross income, his investment and his expenses have gone up. His profits, and the buying power of his dollars have gone down. Many farm commodity prices are no higher now than they were in the 1920's or 1940's.

Farmers have mechanized, automated, chemicalized, fertilized and motorized to adjust to changes and progress that have come about so rapidly that we gasp as we try to understand them.

By no means are all of these changes bad. Most are for the better. But neither can we attribute all of them to Congress and the USDA. Possibly most of these elements of farm progress would have occurred if we had not had a farm program. We don't know. What we do know is that over the years, through war, peace, drouth, flood, blizzard, high prices, low prices, food rationing, bumper crops and crop failures, the changes have marched relentlessly onward.

We must also admit that Uncle Sam's many and devious efforts to save the family farms have not been what was needed to solve the millions of individual farm problems in our nation's agricultural economy.

During this same period it has been my privilege as an agricultural journalist to meet and interview seven secretaries of agriculture.

One of my predecessors, Carl Williams, had left his position as editor of The Farmer-Stockman to serve on the ill-fated Federal Farm Board under President Hoover. This Board hoped to hold farm commodities off the market until prices got better. It didn't work. The depression made prices worse, and the board failed.

Then came President Roosevelt and his choice as Secretary of Agriculture, Henry A. Wallace, the first secretary I met. He was noted for the AAA, for plowing under every third row, for shooting little pigs and for his effort to establish an ever-normal-granary. Mr. Wallace was a sincere, dedicated man with original ideas, but they didn't solve the farm problem.

Mr. Claude Wickard succeeded him, with what seemed to me to be a policy to go on with what we have and maybe something will turn up. It didn't. He had a relatively short tenure.

Then President Truman appointed Clinton P. Anderson, who tried to reorganize USDA into a more practical type of bureau. He couldn't accomplish it for political reasons. None of the members of Congress wanted their relatives and friends taken off the USDA payroll, even if they weren't needed.

USDA kept on growing. Somewhere about here a bill was introduced in Congress proposing a law that USDA could never have more employees than there are farmers. It also failed. We might need it yet.

The next Secretary of Agriculture was Charles F. Brannon, the Farmers Union leader who was convinced that rigid high price supports to provide full parity for farmers would do the job. Mr. Brannon didn't get all he asked for from Congress, but what he did get left the farm problem for his successor to solve.

An almost diametrically opposite approach was advocated by Ezra Taft Benson, President Eisenhower's appointee. He proposed sliding scale, flexible price supports with minimum restrictions on farmers and maximum free market at full parity. Congress didn't give him what he asked for, either.

In 1961 Orville Freeman marched into office with a dreamy plan for supply management in which the Secretary of Agriculture would serve as a sort of marketing czar, with almost dictatorial authority vested in the government to adjust farm commodity supply to demand. He failed to get what he wanted in two or three national referenda, and his economic advisers went back to their ivory towers.

The present secretary, Mr. Clifford Hardin, appears to be more precisely what the Secretary of Agriculture is supposed to be, which is administrator of farm laws passed by Congress. Sometimes I think both the public and the Secretaries have come to regard the officials as creators of farm policy more than as administrators. Anyhow, Mr. Hardin has not strongly advocated revolutionary programs of his own, but he did support the present compromise extension farm program.

It is one which does not seem to bring a great deal of enthusiasm from anyone and some farm organizations are highly critical of it. One this week described it as more of a welfare program than a farm program. It may be the best that could have been brought out of Congress, and certainly we needed something to bridge the gap. But just as certainly, I do not expect it to solve the major problems of agriculture. Neither do I expect it to solve the farm problem that is your farm or your ranch. It won't do it.

As a matter of fact, you might logically raise the question as to whether Congress even wants to solve the farm problem. A certain member of the House Agriculture Committee has told me on more than one occasion that he does not have a plan to solve the farm problem and does not want one. He said, "I hope my opponent has one. If I can get my opponent committed on a farm program, no matter what it is, I can beat him." He has been in Congress quite a while.

Farm organizations are fine institutions, but they do not seem to have all of the answers either. They agree on some objectives, but differ on methods. The major farm organizations

use the best democratic means that I know of for sounding out the sentiment of their membership and adopting policies according to the votes of the majority of those attending meetings. But most of their members do not attend meetings, and none of these organizations have any effective means of holding members to policies they may adopt. The farm organizations are valuable and useful and will keep on working for the betterment of agriculture. Let's hope that you will keep on working through your organization and with others toward the goals that you believe in.

But I have sounded a discouraging note about these institutions and USDA as a means of solving the farm problems. I had just as well add some others.

The educational institutions, agricultural colleges, the experiment stations, the farm magazines and other agricultural communicators are not likely to come up with any brilliant solution either. Who then, will solve the farm problem that exists on your farm or ranch?

My opinion is that the only farmers and stockmen who will make it through the skyrocketing 70's will be those who are good enough managers to run their businesses in spite of what's happening to them. They will run their businesses in spite of tricky markets, government controls, subsidies, high costs, bad weather, and fickle consumers.

A few days ago I read a magazine article entitled, "The Ten Best Managed Companies in the United States." It was based upon interviews with top executives of General Motors, IBM, P&G, Xerox, Caterpillar et al. One executive said: "Management is the

cause; everything else is the effect." Another declared:
"There is no such thing as marketing skill by itself. For a company to be good at marketing, it must be good at everything else, from research and development to manufacturing, and from quality controls to financial controls."

May I suggest these words of wisdom also apply in a very large measure to the operation of your farm? Do you have one of the ten best managed farms in the state? In the county? In your community?

Your time is most valuable when you are engaged in management projects. Granted that you must do much of the actual work, perhaps most or even all of it on your farm, you are worth more as a manager than as a laborer. If you have to pay \$2 an hour for farm labor, that is just what your own time is worth when you are doing farm labor jobs. But when you are doing your management work--maybe long after sundown--your time may be worth \$10, \$25, \$50 or even more per hour.

Management is the most important thing that you do, but after talking with thousands of farmers over 35 years, I am convinced that most of them leave it until everything else is done and they are so tired that they can't give it their best efforts.

What is good farm Management? Management is studying the capabilities of the resources you command to fit them together profitably. Management is devising the most effective way of achieving your production and marketing goals at the least cost, and then executing your plan. Management is producing commodities of the grade and quality that the buyer wants at the time the buyer wants them.

Management is seeking out and utilizing the kind of livestock suited to your setup, using best adapted varieties of crops, efficient methods, faster equipment, proper fertilizer and chemicals to save time and labor and costs. Management is carrying through on operations as far as may be practical for you, feeding your grain, fattening calves, perhaps even packaging some products. Management is taking advantage of research results, reading, asking, sifting and applying new methods and materials, or shifting to new crops and new enterprises. Management is knowing what the score is, utilizing modern electronic computers to provide you with up-to-minute profit and loss statements, etc., to guide you in vital daily decision making.

The farmers who make it through the slippery, skyrocketing seventies will be those who use their best skills to become the best qualified managers. You want to survive and succeed. That is why management is the most important thing that you do.

No matter what the government does, no matter what your farm organization may do or say, and regardless of what may happen on other farms and in other areas, you are the man who has the final responsibility for solving the farm problem on your farm.

Uncle Sam won't do it, Congress can't do it, your suppliers and buyers have their own problems, so you must do it.

I wish you success in your undertaking. At a bankers meeting it was observed that to start farming nowadays you need about as much money as it takes to start a bank, and about as much nerve as it takes to rob one.

Your presence here is evidence that you have the nerve,
and know where to get money without robbing a bank, and I
believe that you have the managerial skills needed to win.
More power to you!