

# Farm Policy Pleases Few

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The main issue of agricultural politics remains unchanged. Some favor free enterprise, others want regulation with government fixing prices and carrying the risks, while a few seem to want both systems, however contradictory they may be.

The revelation that Earl L. Butz will remain as secretary of agriculture, instead of retiring, points toward a continued drive for free enterprise. This will suit some and irritate others, but Butz is not likely to reverse his program to keep American agriculture competitive on the world markets.

Butz has worked long and hard to develop these markets and farmers were doing pretty well selling for export until the government imposed price controls, export embargoes, and other restrictions. Such things may happen again, too.

Congress is consumer-oriented and is dominated by liberal Democrats who wouldn't want a Republican, especially Mr. Butz, to receive credit for a prosperous agriculture.

Butz received heavy criticism for his recommendation that President Ford veto the emergency target price revision. It was presented as an adjustment of the "Agriculture and Consumer Protection Act of 1973" and as such it would have done little for farmers and had little effect on retail food prices.

In its final form, the measure proposed that "target prices" be increased to 45 cents a pound on cotton, \$3.10 per bushel on wheat, and \$2.25 per bushel on corn. Dairy price supports were to be adjusted quarterly to at least 80 per cent of parity.

Target levels are based upon weighted average prices for the first five

months of the marketing year. Some time ago, this column reported the case of a Greer county farmer who sold cotton for 28 cents a pound when the target price was 38 cents. The weighted average for the specified period was above 38 cents, so he couldn't collect any payments from the government.

Well, the current price quoted at state markets for wheat is barely above the \$3.10 spelled out in the farm bill, but the outlook for payments would be dark if the market fell to \$2 per bushel.

The reason is that for the first several months of this marketing year, which began last July 1, the price of wheat was above \$3.50 per bushel. Just how the weighted average will be calculated is beyond our knowledge, but it is hard to see how it could fall below the lowest price level by any method.

Similarly, the price of corn has been \$2.50 per bushel or more, and cotton prices currently are above the target level.

When Congress acts in an "emergency", it often does something with side-effects about as bad as the original problem. In trying to avoid selling too much wheat, it set in motion an embargo that resulted in importing nations filling their orders from other na-

tions. When the embargo was lifted, the buyers weren't there and U.S. growers had a lot of price-depressing wheat left in their granaries.

Prices were further depressed when farmers responded to government requests that they plant more acres of crops. Generally, weather has been favorable for winter wheat, and Oklahoma may harvest an all-time record crop from 7.4 million acres planted.

The prospect was tempered somewhat after Billy Tucker, Oklahoma State University extension agronomist, made a tour of wheat-growing counties recently. He reported "an extremely large acreage of nitrogen-deficient wheat in the state," indicating lower yields.

Tucker traces the nitrogen deficiency back to the winter of 1973, when plant food materials became scarce because of the petroleum shortage. Residual nitrogen in the soil enabled growers to harvest fair yields in 1974, but the failure to replenish nitrogen last fall is showing up now, and it is too late to

apply the remedy for this year's crop.

The future supply of nitrogen fertilizer is uncertain. Edwin M. Wheeler, Washington, D.C., president of the Fertilizer Institute, blames the government for not backing up its requests for higher crop production with effective economic policies.

"U.S. fertilizer producers are urged to increase production of essential plant nutrients for farm production, yet government controls on well-head natural gas limits the feedstock for nitrogen fertilizer production," Wheeler asserted.

The Crop and Livestock Reporting Service will make its spring estimate of the 1975 wheat crop next Friday, May 9, based upon conditions reported May 1.

If it shows up as large as expected, growers had better hope that Secretary Butz's plan to step up exports succeeds. This country won't consume much more than a fourth of 2 billion bushels, and it won't make farmers any money piled in the barns and elevators, either with or without government loans.