DISJOINTED STRATEGY HURTS EFFORT

JUN. 18 1978

Farm Strikers' Game Plan Fails

By Ferdie J. Deering

The only way a strike can become fully effective is for strikers to shut off goods or services involved, compelling the victims to surrender to demands of the strikers.

This has not happened in the farm strike. In December, a Guthrie farmer

Second of Series

declared: "I think that in about a week stores will start running out of bread because mills will run out of flour."

But when farmers there bought some 500 loaves of bread in an effort to create a bread shortage, it failed. A similar bread buy-out fell flat in Tonkawa. A bread shortage hasn't materialized in Oklahoma or any place else. Consumers still complain about food prices — not about food supplies.

When the strike was initiated in December, this writer received a number of calls and letters seeking support for it. Since the American Agricultural Movement (AAM) had no officers and no procedure, as other farm organizations do, for determining policies through vote of membership, AAM's spokesmen's statements varied.

When asked "Who are you striking against?", respondents mentioned at least a dozen targets, ranging from President Carter to consumers. In the end, AAM lobbied Congress to enact laws that would institute more federal controls over agriculture.

When callers were asked "Who will you negotiate with on your demands?", answers included the U.S. Department of Agriculture, wholesalers, the administration and others.

When asked "Who will do the negotiating for farmers?", replies were vague. Some implied that the nation's two million farmers would do their own negotiating with the nation's 218 million consumers. Neither group had then or has now designated negotiators.

Initial legislative proposals by AAM were somewhat more specific, suggesting rigid regulations to be administered by a national board of agricultural governors.

The plan called for the board to establish cost of production indexes for covered commodities, provide loans equal to cost of production, set up national commodity reserves, and enforce strict procedures for production, management and adjustment.

These controls would determine farm prices, regulate use of land, set crop bases and acreages, and allocate marketing quotas to farmers for domestic consumption and export markets.

Each of these provisions had been proposed previously and many have been enacted into law. Some may have helped farmers in their efforts to obtain equitable prices; others might not.

Nevertheless, Congress responds to loud demonstrations, and in order to appease strikers and get them out of Washington, a farm bill was passed. It was not new legislation and it did not contain the provisions AAM had demanded.

What Congress did was to amend target prices and loan levels specified in existing laws. These actions pacified strikers for the time being, but prices are still far short of parity.

A significant shortfall of AAM was the announced intent to shut down completely production of crops and livestock. Although supporters quickly realized they had overstated their position and revised demands to allow planting of half normal acreages, estimates show overall plantings are not far from normal.

Wheat acreage reduction has been substantial, but farmers had reduced plantings in early fall, before the strike was called in December. Part of the planted acreage was plowed up or grazed off before harvest, but this was due to requirements of the farm program, rather than to pleas from AAM.

In order to qualify for target price supports and crop loans, farmers must comply with all federal farm programs. Few can risk loss of benefits, regardless of their attitudes toward the strike.

Cattlemen and feeders began adjusting herds downward three years ago when heavy supplies and beef imports resulted in money-losing prices. Present prices are due to that adjustment, rather than to shortages induced by the AAM strike.

AAM probably had some success in persuading farmers to reduce input purchases. For those with large debts and limited cash, economizing was a natural and often necessary thing to do.

City people are apt to feel dropoffs in sales to farmers more quickly than they notice reduced production.

Farmers and ranchers spend about 75 cents of every dollar income for supplies, equipment and other production costs. The remainder pays taxes, mortgages, interest and maybe a profit.

There is no doubt that the producer himself is last in line to share returns on what he grows, and this share frequently is too small. How he can get a fair share is still the question.

(To be continued next Sunday)

#2

SUNDAY BUSINESS < Agri-Business Column - June 18, 1978 - page 1 <<

By Ferdie J. Deering

~~13~~ 15

Second in a Series

The only way a strike can become fully effective is for strikers to shut off goods or services involved, ~~co~~compelling the victims to surrender to demands of the strikers.

This has not happened in the farm strike. In December, a Guthrie farmer declared: "I think that in about a week stores will start running out of bread because millers will run out of flour."

But when farmers there bought some 500 loaves of bread in an ~~efff~~effort to create a bread shortage, it failed. A ~~sh~~ similar bread buy-out fell flat in Tonkawa. A bread shortage hasn't materialized in Oklahoma or any place else. Consumers still ~~a compaccompalin~~ complain about food prices; not ~~aou~~ about food ~~supple~~ supplies.

When the strike was initiated in December, this writer received a number of calls and letters seeking support for it. Since ~~AAM~~the American Agricultural Movement (AAM) had no officers and no procedure, as other farm organizations do, for determining policies through vote of membership, AAM's spokesmen's statements varied.

When asked "Who are you striking against?", respondents mentioned at least a dozen targets, ranging from President Carter to consumers. In the end, AAM lobbied Congress to enact laws that would institute more federal controls over ~~a gricul~~ agriculture.

MORE <<

When callers were asked "Who will you negotiate with on your demands?", answers included the U.S.Department of Agriculture, wholesalers, the ~~Admins~~Administration and~~others~~ others.

When asked "Who will do the negotiating for farmers?" replies were vague. Some implied that the nation's two million farmers would do their own negotiating with the nation's 218 million consumers. Neither group had then or has now designated negotiators.

Initial legislative proposals by AAM were somewhat more specific, suggesting rigid regulations to be administered by a national board of ~~agricultr~~ agricultural governors.

The plan called for the board to establish cost of production indexes for covered commodities, provide loans equal to cost of production, set up national commodity reserves, and enforce strict procedures for production,~~mana~~ management and adjustment.

These controls would determine farm prices, regulate use of land, set crop bases and acreages, and ~~issux and~~ allocate marketing quotas to farmers for domestic consumption and export markets.

Each of these provisions had been proposed previously and many have been ~~enacc~~enacted into law. Some may have helped farmers in their efforts to obtain equitable prices; others might not.

Nevertheless, Congress ~~resonds~~responds to loud demonstrations, and in order to appease strikers and get them out of Washington, a farm bill was passed. It ~~ws~~ was not new legislation and it did not contain the provisions AAM had demanded.

What Congress did was to amend ~~tar~~ target prices and loan levels specified in existing laws. These actions ~~pax~~ pacified strikers for the time being, but prices are still far short of parity.

A significant shortfall of AAM was the announced intent to shut down completely production of crops and livestock. Although ~~supported~~ supporters quickly realized they had overstated their posi-

~~tion and reduced demands for~~ <<

tion and revised ~~demnds~~ demands to allow planting of half normal acreages, estimates show overall plantings are not far from normal.

Wheat acreage reduction has been substantial, but farmers had reduced plantings in early fall, before the strike was called in December. Part of the planted acreage was plowed up or grazed off before harvest, but the this was due to requirements of the farm program, rather than to pleas from AAM. ~~to destroy the crops.~~

In order to qualify for target price supports and crop loans, farmers must comply with all federal farm programs. Few can risk loss of benefits, regardless of their attitudes toward the strike.

Cattlemen and feeders began adjusting herds downward three years ago when heavy supplies and beef imports ~~result~~resulted in money-losing prices. Present prices are due to that adjustment, rather to than to shortages induced by the AAM strike.

AAM probably had some success in persuading farmers to reduce input purchases. For those with large debts and limited cash, economizing was a natural and often necessary thing to do.

City people are apt to feel drop-offs in sales to ~~farmes~~ farmers more quickly than they notice reduced production.

Farmers and ranchers spend about 75 cents of every dollar income for supplies, equipment and other production costs. The remainder pays taxes, mortgages, interest, and maybe a profit.

There is no doubt that the producer himself is last in line to share returns on what he grows, and this share frequently is too small. How he can get a fair share is still the question.

(To be continued next Sunday)

*ET