

KANSAS	COUNTIES	COUNTIES
OFFICE BUILDING	BARTON	HODGEMAN
1202	COCKERILL	JEWELL
15	CLARK	KEARNY
DEPT. OF AGRICULTURE	CLOUD	KIOWA
DEPT. OF COMMERCE	DECATUR	LANE
DEPT. OF EDUCATION	EDWARDS	LINCOLN
DEPT. OF HEALTH	ELLIS	LOGAN
DEPT. OF LABOR	ELLSWORTH	MEADE
DEPT. OF TRANSPORTATION	FINNEY	MITCHELL
DEPT. OF WELFARE	FORD	MORTON
DEPT. OF WILDLIFE	GOVE	NESS
DEPT. OF ZOOLOGICAL	GRAHAM	NORTON
DEPT. OF ZOOLOGICAL	GRANT	OSBORNE
DEPT. OF ZOOLOGICAL	GRAY	OTTAWA
DEPT. OF ZOOLOGICAL	GREELEY	PAWNEE
DEPT. OF ZOOLOGICAL	HAMILTON	PHILLIPS
DEPT. OF ZOOLOGICAL	HASKELL	PRATT
DEPT. OF ZOOLOGICAL		RAWLINS
DEPT. OF ZOOLOGICAL		REPUBLIC
DEPT. OF ZOOLOGICAL		ROOKS
DEPT. OF ZOOLOGICAL		RUSH
DEPT. OF ZOOLOGICAL		RUSSELL
DEPT. OF ZOOLOGICAL		SALINE
DEPT. OF ZOOLOGICAL		SCOTT
DEPT. OF ZOOLOGICAL		SEWARD
DEPT. OF ZOOLOGICAL		SHERIDAN
DEPT. OF ZOOLOGICAL		SHERMAN
DEPT. OF ZOOLOGICAL		SMITH
DEPT. OF ZOOLOGICAL		STAFFORD
DEPT. OF ZOOLOGICAL		STANTON
DEPT. OF ZOOLOGICAL		STEVENS
DEPT. OF ZOOLOGICAL		THOMAS
DEPT. OF ZOOLOGICAL		TREGO
DEPT. OF ZOOLOGICAL		WALLACE
DEPT. OF ZOOLOGICAL		WICHITA

Congress of the United States
House of Representatives
 Washington, D.C. 20515

MEMORANDUM FOR THE SPEAKER AND MEMBERS OF THE HOUSE OF REPRESENTATIVES
 SUBJECT: PRODUCTION COST INCREASES KEEP SQUEEZE ON FARM INCOME
 FOR RELEASE: WEEK OF AUGUST 14, 1967

PRODUCTION COST INCREASES KEEP SQUEEZE ON FARM INCOME

On August 2, 1967, Dr. Walter W. Wilcox, head of the Agriculture Department's Economic Research Department announced that the price of wheat was expected to decline through the month of August and then make a recovery in September. In effect, this announcement was an open invitation to grain speculators to get on the short side of the wheat market, for the crop and livestock forecasts of the USDA, as well as its price prediction, strongly influence commodity market trends.

Expenses Climb

As farm production expenses continue to climb to new record highs, American farmers are caught in an ever-tightening squeeze. Prices paid by farmers for the goods and services they must buy will predictably continue to rise as long as inflation continues in our Nation. Average prices for farm products are running 4% below a year ago while prices paid by farmers are up 3%. With the 1967 wheat crop now moving to market and with recordbreaking corn and soybean crops in prospect, farmers may receive lower prices for many of their commodities in the weeks ahead, even without the "dismal" forecasts by USDA officials, but not lower costs. In 1967, net farm income will be 60% lower than it was in 1947, in terms of constant dollars.

American farmers, along with retired people and others living on fixed incomes, are the principal victims of soaring costs which are pushed ever higher by the Federal Government's own fiscal policies. Many farmers could probably survive on today's agricultural prices if production costs were at the levels of 15 or 20 years ago but they cannot make it in an economy where the price of everything they sell is going down, or at best holds steady, while their production costs move higher.

Farm Population Declines

The inevitable result of all of this has been a continuing migration of farmers off the land. Since 1950, the U. S. farm population has declined from 23 million to 12 million. In 1950, more than 15% of the Nation's total population lived on farms; today it is less than 6%. Our changing agricultural economy obviously cannot absorb all of the younger farm people who would prefer to remain on the land. There would be room for many more thousands of these young men and women in agriculture if farm income were held at a level which would provide an attractive alternative to migration.

Today the Administration's attention centers on the rioting and violence in the cities, but it is time for emphasis to be given to the growing problems of rural America. Out-migration, fast-growing population in the United States and the mounting need for food and fiber abroad clearly indicate that American farmers will be called upon to increase production in the years ahead. A prosperous agriculture can meet the challenge. A bankrupt and depressed American agriculture cannot.