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# NEWS from U.S. Senator Bob Dole

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Statement by Senator Bob Dole  
before the  
Subcommittee on Agricultural Production, Marketing, and  
Stabilization of Prices

Emergency Hearing on Crop Production

Thursday, August 15, 1974

Mr. Chairman, I appreciate your awareness of a critical problem facing the Nation's farmers as a result of the current drought conditions and I commend you for scheduling this emergency hearing.

There has been a great deal of concern expressed about the condition of U. S. crops. Before the August crop report was issued, there were many stories out of the Midwest referring to crops as being "lost" or "destroyed". This is true in Kansas.

### Rains Didn't Help

On my recent trips to Kansas, I have seen the corn burning up from lack of moisture. In the past two weeks, we have received some rain, but far too late to fill out shriveled, dried-up ears on brown, fired plants.

Late yesterday I received a report from the state director of the Agricultural Stabilization and Conservation Service indicating that 46 of the state's 105 counties be designated as disaster areas due to drought conditions.

### 90% Damage

These counties are located in the eastern one-third of the state in what is largely the dryland feed grain producing area. Twenty-one counties reported only ten percent or less of normal production. Fifteen counties have 11 to 25 percent of normal production, and ten counties report 26 to 60 percent of normal production. This is indeed a disastrous situation. I have been in contact with the Governor and the Department of Agriculture, and, following designation, emergency loans from the Farmers Home Administration will be made available as fast as the agency can process the designation and applications. Further study is being made to appraise the availability of feed for livestock and 76 counties indicate a potential shortage of feed to carry the producers through the winter months. If needed, the Department of Agriculture will make emergency feed available during the winter to protect foundation livestock herds.

### Crop Report Reflects Damage

The Monday crop production report for the USDA reported a drop in Kansas' corn production from last year's 154 million bushels to 96 million bushels; and grain sorghum from 218.4 million to only 108.5 million bushels. Soybeans were reduced from 26.4 to 14.7 million bushels. The losses of this production and the further losses it will incur in closely related livestock production will further increase the impact.

I understand that the Monday crop production report must be considered in respect to the lag time during which this data is accumulated and therefore the report does not reflect the rains which occurred in early August. In Nebraska, Iowa, and some other major feed grains producing states, this rain could bring about some improvement in these projections. However, from my own observation, the Kansas corn and grain sorghum crops were beyond help when the rains came. I doubt that the soybeans production will be increased to any extent by the added moisture.

### Billion Dollar Loss

Several efforts have been made to assess the dollar value of the Kansas drought damage. However, the total damage will not be known until the last crop is harvested. The hay crop and pasture stand in the state have been damaged and will contribute measurably to the total assessment. So far, total damage to Kansas agriculture has been estimated at a billion dollars or more. That figure could double when the additional losses in livestock production, processing, distribution, and general economic impact is evaluated.

I am pleased our farmers are receiving a fairer price for their crops. Kansas City cash wheat yesterday was \$4.41 1/2, Chicago corn was \$3.87, and cotton was 54.4¢ per pound in Memphis. The drought conditions caused some of this increase, but generally our farmers have been enjoying better prices for the past year or two and I hope they continue.

During the past few years, the farmers have improved their productive capacity both in number of acres and in capital investment in improved techniques and machinery. We are all familiar with the inflationary costs that would be incurred in such expansion. That investment must be protected.

### Controls Threaten Investment

So I am concerned that after these farmers have taken their improved income and reinvested it in their ability to boost production -- that some now advocate export restraints that would effectively "bust" the price. Kansas farmers would not only lose through drought damage, but would lose again through the resulting reduction in market prices. The losses would be great -- both immediate and long term due to retaliation in export losses.

The preliminary supply and demand report issued Tuesday indicates that while production is down, there is reason to project that due to reduction in feedlot placements, demand is also down (corn disappearance was down from 4.7 billion domestic usage last month to 4.2 billion this month), and there should be sufficient feed grains for our needs.

### Demand Also Down

In addition, the reports indicate that with higher prices for these grains, the export demand is leveling off and we should have adequate supplies for those markets also.

Sweeping export controls would destroy markets that American agriculture has spent many years to build. Our experience of last year with soybean export controls showed us that customer nations immediately began to look for other supplies of proteins and oils. A logical thing to do -- that's what we did when the Middle East producers embargoed petroleum sales to the United States.

Our limitation on soybean exports was short-lived and it later came to be regarded as a temporary aberration in our world trade policy. A new decision, in 1974, to impose export controls on major farm commodities would convince many overseas customers that they could no longer depend on the United States as a supplier.

### Export Reliability At Stake

If American agriculture were only a marginal producer for the world, perhaps our reputation for dependability would not be important. But that is not the case: we cannot view the export market as simply an outlet for agriculture in certain years of surplus. The fact is that American farmers depend on overseas markets to take over half of their wheat, rice, and soybeans, and around a fifth of their corn production, and a fourth to a third of our cotton and tobacco. This is an every-year proposition -- essential to the American rural economy.

But again, my most serious concern is how any proposed system of controls is likely to affect American farmers. It is not the fault of farmers that they are faced with drought. Are we to tell farmers -- now that they have increased their capital investment in the interest of national and world food security -- that their government intends to restrict markets as an act of official policy?

This is no time to weaken agriculture's confidence in the future. American farmers have provided, and are providing, the principal mainstay against food shortages in many parts of the world. I speak of commercial markets as well as non-commercial -- Japan as well as Bangladesh. The Japanese must import one-third of their food -- this year and for generations to come. Bangladesh -- the Sahel -- need emergency supplies this year, as well as assistance in meeting future food problems.

### Farmers Need Encouragement

Americans -- and the world -- look to the American farmer to meet a substantial share of these needs at a time when world carryovers are down and inflation is taking a toll everywhere. If the American farmer is to live up to these demands, he must be sure of his markets, year in and year out.

### Consumer Must Be Protected

I do not say a shortage is not possible, for any threat to an adequate and reasonable food supply to our citizens deserves the most careful consideration. I support Chairman Talmadge's statement that exports should be monitored very closely, and that some consideration should be given to contingency plans for restraints.

Hasty action with export embargoes or rigid controls at this time could cause long range damage to the ability of our farmers to supply food for our domestic needs, let alone any exports.

We must protect agriculture, our food production plant, which I feel is this Nation's greatest economic asset. I am confident that we will continue to expand production to meet our domestic needs and to export some production, if the profit incentive to our farmers is maintained. Over-reaction with sweeping export controls could destroy the production capacity of this system.