

GRAND OPENING, SIGCO SUNFLOWER PLANT

COLBY, KANSAS

MARCH 28, 1989

THERE IS A POPULAR EXPRESSION THAT SAYS
"WHAT GOES AROUND, COMES AROUND." WELL, THAT
SIMPLE OBSERVATION SEEMS TO DESCRIBE THIS
EXCITING OPENING FOR SIGCO'S NEW CONFECTION
SUNFLOWER PLANT HERE IN COLBY. IT IS CERTAINLY
FITTING THAT WE ARE TODAY WELCOMING GROWTH IN
THE PRODUCTION AND COMMERCIALIZATION OF OUR
OWN NATIVE FLOWER.

THE LAND THAT WILL NOW BE PLANTED WITH
SUNFLOWERS TO FEED THIS FACILITY HELPS TELL THE
CHANGING STORY OF U.S. AGRICULTURE AND FARM
POLICY DURING THE PAST DECADE. TEN YEARS AGO, IT
WAS ALL WHEAT LAND. FOREIGN DEMAND SUPPORTED
WHEAT PRICES IN WESTERN KANSAS -- FAR AWAY FROM
DOMESTIC CONSUMERS.

TOUGHER COMPETITION OVERSEAS--AND TOUGHER
TIMES FROM MOTHER NATURE--TAUGHT US A PAINFUL
LESSON -- WE HAVE TO BE FLEXIBLE AND WILLING TO
LOOK AT NEW OPTIONS IF WE ARE TO SURVIVE.

NO DOUBT ABOUT IT, FOREIGN COMPETITION BIT
HARD INTO OUR MARKET SHARE AND PRICES FELL
THROUGH THE FLOOR IN THE EARLY 1980'S. MANY
PRODUCERS SWITCHED FIRST FROM WHEAT TO SUGAR
BEETS, WHICH HAD ESTABLISHED A SUPPORT PROGRAM
IN THE 1981 FARM BILL. IN FACT, KANSAS BEET
PRODUCTION WAS PROCESSED IN THE GREAT WESTERN
PLANT IN GOODLAND.

IN 1985, DURING DEBATE ON THE CURRENT FARM
BILL, I DID MY BEST TO KEEP THE GOODLAND PLANT
OPEN WHEN GREAT WESTERN FILED FOR BANKRUPTCY.
BUT THE NEW OWNERS WERE DETERMINED TO CLOSE
THE PLANT, AND SUGAR PRODUCTION BECAME
UNECONOMIC. NEVERTHELESS, WE DID MAKE CERTAIN
THAT SUGAR BEET FARMERS WERE REIMBURSED FOR
THE VALUE OF THEIR CROP WHEN GREAT WESTERN'S
ASSETS WERE DISTRIBUTED TO OTHER CREDITORS.

SO NOW WE SEE SOME OF THE SAME ACRES
PROVIDING A FOUNDATION FOR THE GROWTH OF A NEW
CROP -- SUNFLOWERS AND OTHER DRY-LAND CROPS.
WHAT GOES AROUND, COMES AROUND--AND ONCE
AGAIN, IT IS THE ECONOMICS OF FARM POLICY, AS WELL
AS THE MARKETPLACE, THAT ARE DRIVING PRODUCERS'
DECISIONS.

THE NEED FOR PLANTING FLEXIBILITY

THE MARKET-ORIENTED APPROACH ADOPTED IN
THE 1985 FARM BILL HAS BASICALLY BEEN SUCCESSFUL
IN ACHIEVING ITS INTENDED GOALS: ENHANCING U.S.
COMPETITIVENESS ABROAD WHILE PROTECTING THE
INCOME OF PROGRAM CROP PRODUCERS FROM LOWER
PRICES.

AT THE SAME TIME, NON-PROGRAM CROPS HAVE
SEEN THEIR MARGINS SQUEEZED AND THEIR ACREAGE
DIVERTED INTO GOVERNMENT-PROTECTED CROPS OR
THE CONSERVATION RESERVE. AND THE CROP-SPECIFIC
BASE PROGRAM CURRENTLY IN PLACE HAS PREVENTED
PRODUCERS FROM RESPONDING TO MARKET SIGNALS
THAT ENCOURAGE SWITCHING TO MORE PROFITABLE
ALTERNATIVES.

THERE ARE ANY NUMBER OF IDEAS CIRCULATING IN WASHINGTON ON HOW TO RESOLVE THIS RIGID BASE SITUATION, BOTH FOR PROGRAM AND NON-PROGRAM CROP PRODUCERS. I AM NOT HERE TO PROPOSE A NEW ONE. I WOULD ONLY SAY THAT WE NEED TO ADJUST POLICIES SO THAT THE MARKETPLACE, RATHER THAN GOVERNMENT PROGRAMS, IS THE PRINCIPAL FACTOR IN PRODUCTION DECISIONS.

THIS ISSUE OF SO-CALLED "FLEXIBILITY" BETWEEN
PROGRAM CROPS OR "SUBSTITUTION" OF
NON-PROGRAM CROPS ON BASE ACRES IS ONE ITEM
THAT SOME WOULD LIKE TO ADDRESS BEFORE
CONGRESS SITS DOWN TO WRITE THE NEXT MAJOR
FARM BILL. I WOULD BE INTERESTED IN YOUR VIEWS ON
THIS SUBJECT.

FARM LEGISLATION

WITH REGARD TO THE NEXT FARM BILL, I BELIEVE MOST FARMERS ARE REASONABLY SATISFIED WITH THE 1985 FARM BILL. INCOME HAS BEEN PROTECTED, AND THE U.S. HAS REGAINED SOME OF ITS LOST SHARE OF FOREIGN MARKETS IN THE PAST TWO YEARS. THE EXPORT ENHANCEMENT PROGRAM HAS BEEN PARTICULARLY IMPORTANT IN INCREASING WHEAT SALES ABROAD.

AND WE NOW HAVE THE ATTENTION OF THE EUROPEAN COMMUNITY, WHICH HAS BEEN PUT ON NOTICE THAT THE U.S. WILL RESPOND IN-KIND TO THE UNRESTRAINED USE OF EXPORT SUBSIDIES FOR WHEAT, VEGETABLE OIL, AND OTHER AGRICULTURAL COMMODITIES.

THERE HAS BEEN TALK ABOUT EXTENDING THE 1985 LEGISLATION FOR ONE OR TWO YEARS RATHER THAN DRAFTING A NEW BILL BEFORE IT EXPIRES WITH NEXT YEAR'S CROPS. MY VIEW IS THAT WE SHOULD BE ABLE TO DO A NEW FOUR OR FIVE YEAR BILL BY SOMETIME EARLY NEXT YEAR, BEFORE FALL PLANTING DECISIONS ARE MADE.

AND WE SHOULD MAINTAIN THE SAME AGGRESSIVE
STANCE ON EXPORTS TO KEEP THE PRESSURE ON THE
EC TO NEGOTIATE CONCESSIONS IN THE CURRENT
ROUND OF GATT TRADE TALKS. I, FOR ONE, AM NOT
CONVINCED THAT THE EUROPEANS ARE SINCERELY
INTERESTED IN TRADE REFORM WHEN IT COMES TO
AGRICULTURE. UNLESS AND UNTIL THEY DEMONSTRATE
A COMMITMENT TO CHANGE THEIR POLICIES, THE U.S.
SHOULD BE PREPARED TO WALK AWAY FROM THE AG
SIDE OF THE NEGOTIATIONS AND DEFEND OUR FOREIGN
MARKETS.

THE DROUGHT SITUATION

I KNOW MOST OF YOU TODAY ARE LESS CONCERNED WITH THE LONG-TERM PROSPECTS FOR FARM LEGISLATION AND TRADE NEGOTIATIONS THAN WITH WHETHER THE PERSISTENT DROUGHT IN WESTERN KANSAS AND NEIGHBORING AREAS WILL BREAK SOON. OTHER THAN THE EARLY 30'S, I CAN'T REMEMBER WHEN THINGS HAVE BEEN THIS DRY. AND IT WON'T HELP TO TEAR UP WHEAT IF WE DON'T SEE ENOUGH RAIN IN THE NEXT TWO MONTHS TO GET ANOTHER CROP IN THE GROUND.

I AM MONITORING THE SITUATION AND STAND
READY TO INTRODUCE LEGISLATION TO GET THE JOB
DONE IF THE ADMINISTRATION CAN'T--OR IS
UNWILLING--TO DELIVER RELIEF BY ADMINISTRATIVE
DIRECTIVES.

SO WE ARE HERE TODAY TO MARK THE OPENING OF
A NEW INDUSTRY HERE IN THE COLBY AREA, AND TO
REMINDE OURSELVES OF THE INVESTMENT OF TIME,
MONEY, AND HARD WORK WHICH WE ALL MUST MAKE
FOR THE FUTURE. WE ALL HAVE SEEN HARD TIMES,
AND WE ALL KNOW THAT IT IS OUR OWN INNER
RESOURCES THAT WILL PULL US THROUGH. TO THE
EXTENT THAT GOVERNMENT IN WASHINGTON CAN BE
CONSTRUCTIVE IN THIS EFFORT, I WANT YOU TO KNOW

THAT YOUR KANSAS DELEGATION -- PAT, NANCY,
MYSELF, AND THE OTHERS IN THEIR DISTRICTS -- WILL BE
READY TO HELP.