

REMARKS OF SENATOR BOB DOLE  
MID-AMERICA DAIRYMEN , INC.  
REGIONAL YOUNG COOPERATOR AND MEMBERSHIP MEETING  
FRIDAY, JUNE 28, 1974 7:30 PM  
SABETHA, KANSAS

*D. A. Dole  
Aug - Sept. (Re)*

*Mid-America Dairymen  
Inc. -  
Young Cooperator  
Meeting -  
Sabetha, Kansas  
June 28, 1974*

ONE OF THE VERY REAL PROBLEMS YOU AS FARMERS HAVE FACED OVER THE YEARS HAS BEEN YOUR INABILITY TO EXERCISE A DIRECT INFLUENCE IN THE MARKETPLACE. NO MATTER WHAT YOU PRODUCE, WHEAT, MILK OR FEED GRAINS YOU DO NOT HAVE MUCH MARKETING STRENGTH STANDING ALONE.

THROUGH THE CREATION OF ORGANIZATIONS SUCH AS MID-AMERICA DAIRYMEN, INC., YOU HAVE TAKEN A GREAT STEP TOWARD DEALING WITH THIS PROBLEM. YOU HAVE DEVELOPED COMPETITIVE MARKETING STRENGTHS AND ABILITIES THAT YOU COULD NEVER GAIN BY WORKING ALONE.

WHAT AND WHO YOU ARE

UNFORTUNATELY, THERE ARE THOSE THAT TEND TO LOOK AT SUCH CO-OPERATIVE ORGANIZATION AS JUST ANOTHER BUSINESS THAT BUYS FARM COMMODITIES. SOME OF THIS ATTITUDE SPRINGS FROM A LACK OF UNDERSTANDING OF WHAT YOU ARE AND WHO YOU ARE . . . OF WHAT THE COOPERATIVE DOES AND WHO BENEFITS. SOME OF THIS LACK OF UNDERSTANDING ARISES FROM A DESIRE TO RETURN TO THE "GOOD OLD DAYS" WHEN THE FARMER WAS SIMPLY A PRICE TAKER AND DID NOT WORRY ABOUT INFLUENCING THE MARKETING OF HIS PRODUCE.

FOR THE FIRST OF THESE MISLED GROUPS --THOSE WHO DON'T KNOW "WHAT YOU ARE" -- ALL OF US CONCERNED WITH AGRICULTURE AND WITH THE DAIRY INDUSTRY MUST ACCEPT THE TASK OF INFORMING THESE PEOPLE. THEY MUST BE SHOWN THAT COOPERATIVES ARE "PEOPLE ORGANIZATIONS". THEY MUST

BE CONVINCED THAT THE COOPERATIVE IS AN ORGANIZATION OWNED AND OPERATED BY FARMERS FOR THEIR BENEFIT. FOR THE LATTER GROUP, THOSE WHO DON'T KNOW "WHO YOU ARE", WE MUST BE DETERMINED TO DEFEND COOPERATIVE PRINCIPLES AND THOSE FACTS THAT HAVE MADE COOPERATION POSSIBLE, EFFECTIVE, AND COMPETITIVE.

PRICES LAG BEHIND COST

THE DAIRY FARMER HASN'T HAD AN EASY TIME OF IT IN THE LAST FEW YEARS. YOUR OPERATING COSTS HAVE INCREASED. WHILE MILK PRICES HAVE GENERALLY ADVANCED, THEY HAVE LAGGED BEHIND GAINS IN PRODUCTION COSTS. OF COURSE, WE ALL KNOW WHAT HAS HAPPENED TO MILK PRICES IN THE LAST FEW MONTHS.

I AM NOT ONE OF THOSE PEOPLE, NOR ARE ANY OF YOU THE TYPE OF

PERSON, WHO BELIEVES THAT WE CAN SOLVE ALL OF THE PROBLEMS OF OUR PEOPLE BY ACTION IN WASHINGTON, BUT I DO BELIEVE THAT WE CAN -- AND SHOULD -- TAKE SOME ACTIONS WHICH WILL HELP LAY THE GROUNDWORK FOR SOLUTIONS.

IN THE CASE OF AGRICULTURE AND THE DAIRY INDUSTRY, THIS IS A CONTINUING PROPOSITION. WE WORKED ON THIS HARD A YEAR AGO. WE HAVE BEEN WORKING ON IT THIS YEAR AND WILL BE CONTINUING IN THE FUTURE.

AT THIS TIME A YEAR AGO, CONGRESS WAS IN THE FINAL STAGES OF WRITING THE FARM LEGISLATION THAT WAS FINALLY ENACTED AS THE AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973. WHEN THE SENATE AGRICULTURE COMMITTEE WROTE THAT LEGISLATION, WE INCLUDED A NUMBER OF PROVISIONS WHICH WERE AIMED AT STRENGTHENING THE MARKETING CAPABILITIES OF THE DAIRY FARMER.



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--NEED TO CONTROL DAIRY IMPORTS--

THESE INCLUDED AMENDMENTS TO THE AGRICULTURAL MARKETING AGREEMENT ACT WHICH WERE DEVELOPED BY THE COMMITTEE ON THE BASIS OF TESTIMONY BY DAIRY FARMERS, COOPERATIVE LEADERS FROM ACROSS THE COUNTRY, AND THE NATIONAL MILK PRODUCERS FEDERATION. IN ADDITION, AN AMENDMENT I OFFERED TO THE FARM BILL PROVIDED FOR A CLEAR AND DEFINITE LIMITATION ON THE LEVEL OF DAIRY PRODUCT IMPORTS THAT COULD BE BROUGHT INTO THIS COUNTRY.

UNFORTUNATELY, A GOOD MANY OF THE COMMITTEE'S PROVISIONS OF THE FARM BILL AS THEY APPLIED TO DAIRY WERE STRICKEN FROM THE BILL DURING A RATHER BITTER FIGHT ON THE SENATE FLOOR. THE FIGHT DIDN'T GET AT THE BASIC QUESTION OF WHETHER OR NOT THESE MEASURES WERE NEEDED-- THE

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SENATE MADE ITS DECISION LARGELY ON THE BASIS OF OPPOSITION BY THE DEPARTMENT OF JUSTICE TO THE PROPOSED CHANGES IN THE MARKETING ACT.

WE WERE ABLE TO GET A NUMBER OF NECESSARY FEATURES INCLUDED IN THE FARM BILL, INCLUDING MY AMENDMENT TO INCREASE THE DAIRY PRICE SUPPORT LEVEL FROM 75 TO 80 PERCENT OF PARITY THROUGH MARCH 31, 1975.

IN A SPEECH TO THE SENATE EARLY IN APRIL, I SAID, QUITE SIMPLY, "DAIRY FARMERS NEED HELP." I AM CONVINCED OF THIS. AND I SEE THIS NOT ONLY AS A NEED TO MAINTAIN A LARGE AND VITAL SEGMENT OF AGRICULTURE, BUT AS A NEED TO ASSURE MILLIONS OF CONSUMERS OF THE CONTINUED AVAILABILITY OF ADEQUATE SUPPLIES OF MILK AND DAIRY PRODUCTS -- THE MOST NUTRITIOUS FOOD PRODUCED.

IN THAT SENATE SPEECH, I SAID, "UNLESS WE PROVIDE PROPER INCENTIVES TO OUR DAIRY FARMERS, MILK PRODUCTION WILL CONTINUE TO DROP AND OUR

CONSUMERS WILL SUFFER THE RESULTS OF THIS NEGLECT."

AND THIS NEGLECT CAN TAKE A GREAT MANY FORMS -- FAILURE TO RECOGNIZE THE LEGITIMATE INCOME NEEDS OF FARMERS. FAILURE TO RECOGNIZE THE ADVERSE IMPACT THAT UNNEEDED AND FOREIGN SUBSIDIZED DAIRY PRODUCT IMPORTS CAN HAVE ON THIS MARKET.

RIGHT NOW, THE SENATE FINANCE COMMITTEE IS WORKING ON THE TRADE REFORM ACT. THIS PROPOSED LEGISLATION PROVIDES THE BASIC AUTHORITY FOR THE UNITED STATES TO PARTICIPATE IN A GENERAL ROUND OF TRADE NEGOTIATIONS AIMED AT EXPANDING WORLD TRADE. AMERICAN AGRICULTURE HAS MADE GREAT CONTRIBUTIONS TO THE NATION'S TRADE POSTURE. HERE IN KANSAS WE KNOW HOW IMPORTANT THIS IS TO OUR WHEAT PRODUCERS.

BUT THERE HAVE BEEN SOME SUGGESTIONS THAT THE DAIRY INDUSTRY COULD BE TRADED AWAY AS A PART OF THESE TRADE TALKS. I AM OPPOSED TO ANY

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SUCH MOVE JUST AS I HAVE BEEN OPPOSED TO UNNECESSARY AND UNNEEDED IMPORTS OF DAIRY PRODUCTS. AS WE PROCEED TO WORK ON THE TRADE REFORM ACT, I WILL BE WORKING WITH OTHER MEMBERS OF THE FINANCE COMMITTEE TO SEE THAT THERE IS NO TRADE-OFF OF THE DAIRY INDUSTRY.

FOR THE LAST YEAR AND A HALF, THE DECISION-MAKING ON MANY MATTERS RELATING TO THE DAIRY INDUSTRY HAS BEEN LARGELY REMOVED FROM WHERE IT BELONGS -- IN THE DEPARTMENT OF AGRICULTURE. MANY OF THE ACTIONS THAT BY LAW ARE TO BE TAKEN BY THE SECRETARY OF AGRICULTURE WERE BEING DICTATED BY THE COST OF LIVING COUNCIL. HOPEFULLY, THAT WILL CEASE AS THE COST OF LIVING COUNCIL GOES OUT OF BUSINESS COMPLETELY WITHIN THE NEXT FEW DAYS.



ECONOMIC CONTROLS DON'T WORK

PRICE CONTROLS ON AGRICULTURE CANNOT AND DO NOT WORK. SIMILARLY, SHORT-TERM ACTIONS WHICH WERE URGED BY THE COST OF LIVING COUNCIL TO EXPAND IMPORTS AND HOLD DOWN DOMESTIC PRICES, CAN AND DO CREATE IMBALANCES IN AGRICULTURE WHICH HURT THE PRODUCER AND DON'T BRING ANY BENEFIT TO THE CONSUMER EITHER. IN FACT, SUCH ACTIONS WILL HURT THE CONSUMER IN THE LONG RUN BY DECREASING PRODUCTION AND INCREASING THE COST OF FOOD.

JUST LAST WEEK THE AGRICULTURE COMMITTEE ACTED ON A PROPOSAL I ADVANCED TO SEND A STRONGLY WORDED RESOLUTION TO THE PRESIDENT SETTING FORTH OUR VIEW THAT A STRONG AND VIABLE LIVESTOCK AND DAIRY INDUSTRY IS ESSENTIAL TO OUR NATION. THIS RESOLUTION CALLS FOR A ROLLBACK OF BUTTER, BUTTEROIL, CHEDDAR CHEESE, AND NONFAT DRY MILK IMPORTS TO THE LEVEL

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RESOLUTION ASKS FOR ACTION

THIS IS MORE THAN MERELY A SUGGESTION OF WHAT WE ON THE COMMITTEE FEEL SHOULD BE DONE. AS A PART OF THE RESOLUTION, WE HAVE CALLED FOR A REPORT WITHIN THIRTY DAYS OF THE PROGRESS THAT IS BEING MADE ON THESE ACTIONS.

I WILL BE PURSUING THESE ACTIONS WITH A GOOD DEAL OF VIGOR AS THEY ARE ABSOLUTELY ESSENTIAL.

IN OTHER ACTION LAST WEEK, THE SENATE APPROVED A MODIFIED VERSION OF MY BILL TO PROVIDE A PROGRAM OF GUARANTEED LOANS TO AID LIVESTOCK PRODUCERS WHOSE CONTINUED OPERATIONS ARE THREATENED BY LOW PRICES FOR LIVESTOCK AND LIVESTOCK PRODUCTS INCLUDING MILK. LOANS ARE NOT THE

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FINAL ANSWER TO PROBLEMS SUCH AS THIS. THE ANSWER IS AN IMPROVED PRICE. BUT THE ASSURED AVAILABILITY OF CREDIT WILL PERMIT PRODUCERS TO CONTINUE THEIR OPERATIONS UNTIL THIS ADVERSE SITUATION CAN BE TURNED AROUND AND WE CAN GET THAT PRICE.

STRENGTH IS MEMBERS

THE COMPETITIVE EFFECTIVENESS OF YOUR COOPERATIVE WILL BE IN PROPORTION TO THE NUMBER OF WELL-INFORMED MEMBERS YOU HAVE.

YOU MUST KEEP YOUR MEMBERSHIP AND THE NON-MEMBERSHIP INFORMED OF WHAT YOU ARE DOING AND WHO IS DOING IT. THAT COUPLED WITH MILKING YOUR COWS TWICE A DAY SHOULD KEEP YOU PRETTY BUSY.

YOU CAN BE ASSURED THAT MYSELF AND MANY OTHER SENATORS ARE AWARE

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AND GREATLY CONCERNED WITH THE SITUATION OF DAIRY FARMERS TODAY. WE  
SHALL CONTINUE TO INITIATE AND SUPPORT LEGISLATION THAT WILL ASSIST  
YOU IN IMPROVING YOUR INCOME.