

REMARKS OF SENATOR BOB DOLE (R - KANS)
FOOD MARKETING INSTITUTE ANNUAL CONVENTION

CONVENTION CENTER
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INTRODUCTION

PRESIDING OFFICER, MEMBERS, AND GUESTS OF THE FOOD
MARKETING INSTITUTE (FMI), I AM PLEASED TO BE A PART
OF THIS ANNUAL EDUCATION AND TRADE MEETING.

SOME OF YOU MAY RECALL THAT I WAS INVITED TO ATTEND YOUR
FALL MEETING LAST OCTOBER IN ATLANTA. I WAS UNFORTUNATELY
UNABLE, AT THE TIME, TO RESPOND TO YOUR KIND INVITATION.
THE ENERGY LEGISLATION, THE PANAMA CANAL AND THE STATE OF
THE AGRICULTURE KEPT ME IN WASHINGTON.

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YOUR WORKSHOP TOPIC S -- CORPORATE PLANNING AND MANAGING
BALANCE SHEETS, FINANCING BUSINESS THROUGH TAX MANAGEMENT,
LIMITED ASSORTMENT STORES (I.E. 7-11 STORES), THE
ELECTRONIC CASH REGISTER -- ALL OF THESE ARE TIMELY
SUBJECTS OF GREAT SIGNIFICANCE TO THE FOOD MARKETING
WORLD. THEY, AND YOUR INTEREST IN LEGISLATION, ATTEST
TO THE FACT THAT FMI IS COMMITTED TO KEEPING MEMBER
COMPANIES ABREAST -- AND EVEN AHEAD -- OF THE ISSUES
AFFECTING THE RETAIL/WHOLESALE FOOD TRADE.

FROM MY PERSPECTIVE I WOULD LIKE TO SHARE WITH YOU SOME
THOUGHTS ON RECENT NATIONAL FOOD AND NUTRITION ISSUES,
AS THEY PERTAIN TO THE FOOD MARKETING SYSTEM, AMONG THEM:

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- THE GROWING ROLE OF NUTRITION ON CAPITOL HILL.
- A PLACE FOR CHILD FEEDING PROGRAMS IN
GOVERNMENT REORGANIZATION,
- THE ROLE OF FOOD STAMPS IN WELFARE REFORM,
- AND THE FUTURE OF OUR CITY FOOD SYSTEMS.

II NUTRITION COMES OF AGE IN CONGRESS

IT IS ALMOST AN UNDERSTATEMENT THESE DAYS TO SAY THAT NUTRITION HAS COME OF AGE ON CAPITOL HILL. DURING THIS 95TH CONGRESS ALONE SEVERAL NOTEWORTHY ACHIEVEMENTS HAVE BEEN MADE CONCERNING BOTH NUTRITION EDUCATION AND HUMAN NUTRITION RESEARCH.

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TWO NEW NUTRITION COMMITTEES: WHEN CONGRESS REORGANIZED THE COMMITTEE SYSTEM, TWO NEW SUBCOMMITTEES WITH JURISDICTION OVER NUTRITION WERE ESTABLISHED: ON THE SENATE SIDE -- A SUBCOMMITTEE OF THE NEWLY NAMED AGRICULTURE, NUTRITION, AND FORESTRY COMMITTEE; CHAIRED BY SENATOR GEORGE MCGOVERN, OF WHICH I AM THE RANKING REPUBLICAN. ON THE HOUSE SIDE, THE NUTRITION EMPHASIS FALLS UNDER DOMESTIC MARKETING, CONSUMER RELATIONS, AND NUTRITION COMMITTEE.

SO FAR THIS YEAR THE SENATE NUTRITION COMMITTEE HAS CONCENTRATED ON LEGISLATION DEALING WITH THE CHILD NUTRITION PROGRAMS. APPROPRIATIONS FOR THESE PROGRAMS RUN OUT NEXT SEPTEMBER. FOR THE REMAINDER OF THIS SESSION WE ARE CONTEMPLATING OVERSIGHT HEARINGS IN 'HUMAN NUTRITION RESEARCH', AND 'NUTRITION AND THE CONSUMER'. THIS LATTER TOPIC SHOULD BE OF INTEREST TO THIS ORGANIZATION.

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POTENTIAL TOPICS TO BE COVERED ARE: NUTRITION LABELLING, FAST FOODS AND THE AMERICAN DIET, ENERGY USE IN FOOD PRODUCTION AND FOOD PROCESSING, AND OF COURSE NUTRITION INFORMATION FOR THE CONSUMER,

NUTRITION AND THE FARM BILL: THE FOOD AND AGRICULTURE ACT OF 1977 IS THE MOST IMPORTANT FOOD LEGISLATION TO COME OUT OF THE 95TH CONGRESS. THERE IS, I BELIEVE, GREAT SYMBOLIC SIGNIFICANCE IN THE JOINING TOGETHER OF FARM COMMODITY PROGRAMS AND FOOD STAMP REFORMS IN A SINGLE LEGISLATIVE PACKAGE.

AS YOU KNOW, IN THIS LAW WE SUBSTANTIALLY OVERHAULED THE 13-YEAR OLD FOOD STAMP PROGRAM, SEEKING A MORE SIMPLIFIED SYSTEM, ONE WHICH WOULD CONTROL THE ABUSES, AND PROVIDE A NATIONAL FOOD ASSISTANCE TO THE TRULY NEEDY APPLICANTS.

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IN DRAFTING THE FARM BILL, AG COMMITTEE MEMBERS PAID CONSIDERABLE ATTENTION TO THE NUTRITION AND HEALTH CONCERNS OF FARMERS AND CONSUMERS. NUTRITION EDUCATION SERVICES ARE TO BE PROVIDED TO FOOD STAMP USERS; AND THE DEPARTMENT OF AGRICULTURE WAS DESIGNATED THE LEAD AGENCY OF THE FEDERAL GOVERNMENT FOR HUMAN NUTRITION RESEARCH, WITH THE EXCEPTION OF DEALING WITH THE DIAGNOSIS AND TREATMENT OF DISEASE.

OVERSIGHT REPORTS: AT THE SAME TIME THAT WE'RE LOOKING AT NEW LEGISLATION, CONGRESS' INVESTIGATORY UNITS -- THE GAO, THE CONGRESSIONAL RESEARCH SERVICE, THE OFFICE OF TECHNOLOGY ASSESSMENT -- TOOK A CRITICAL LOOK AT HOW TAX DOLLARS ARE BEING SPENT IN NUTRITION -- FOR HUMAN NUTRITION RESEARCH, FOR NUTRITION EDUCATION, AND FOR FOOD ASSISTANCE PROGRAMS.

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I DON'T HAVE TO TELL YOU THE GRIM PICTURE. IN SHORT, THE FINDINGS SHOW THAT THE GOVERNMENT IS NOT ALLOCATING ENOUGH RESOURCES TO THIS PREVENTIVE HEALTH AREA. AND THE MANAGEMENT OF THOSE RESOURCES WHICH ARE BEING ALLOCATED CAN BE GREATLY IMPROVED. I AM ENCOURAGED THAT THESE REPORTS HAVE INSPIRED US TO STOP AND GIVE CLOSER ATTENTION TO THIS SIGNIFICANT PREVENTIVE HEALTH APPROACH.

III FOOD STAMPS AND WELFARE REFORM

CASHING OUT FOOD STAMPS: THE HISTORY OF A FOOD COUPON PROGRAM GOES BACK INTO THE 1930's. DURING THE DEPRESSION YEARS FOOD STAMP PURCHASES WERE RESTRICTED TO AGRICULTURE SURPLUS ITEMS. THE PROGRAM FOCUSED ON THE DISPOSAL OF OUR FOOD EXCESSES. TODAY THE FOOD STAMP PROGRAM IMPOSES NO RESTRICTIONS ON THE PURCHASE OF DOMESTIC FOOD ITEMS, THUS SHIFTING ITS ORIENTATION FROM FARM-ORIENTED CONCERNS TO THE NUTRITIONAL WELL-BEING OF THE RURAL AND URBAN POOR.

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ONE OF THE MORE CONTROVERSIAL COMPONENTS OF THE CARTER ADMINISTRATION'S WELFARE REFORM PROPOSAL -- HIS 'BETTER JOBS AND INCOME PROGRAM' -- IS THE CASHING OUT OF FOOD STAMPS. I AND OTHER MEMBERS OF THE SENATE AGRICULTURE COMMITTEE ARE ON RECORD AS OPPOSING CASH OUT.

IT'S IRONIC THAT THIS SO-CALLED 'REFORM PACKAGE' CAME JUST ON THE HEELS OF A MASSIVE OVERHAUL OF THE FOOD STAMP PROGRAM, REVISIONS INSURING THAT AMONG OTHER THINGS PARTICIPANTS WILL NO LONGER BE REQUIRED TO PURCHASE A PORTION OF THEIR STAMPS OR ELIMINATE THE PURCHASE REQUIREMENT (EPR).

FOOD STAMP PARTICIPATION AT THE BEGINNING OF 1978 WAS ABOUT 14½ MILLION, WITH THE TOTAL VALUE OF THE STAMPS ISSUED AT \$1.8 BILLION. WE EXPECT EPR TO INCREASE PARTICIPATION BY 10 ~~20~~ 15 PERCENT.

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FOOD STAMPS AND NUTRITION EDUCATION: OF COURSE I
RECOGNIZE THAT EPR MEANS FEWER TOTAL DOLLARS OF HOUSEHOLD
INCOME SET ASIDE SPECIFICALLY FOR FOOD. THE COMMITTEE
WAS WELL AWARE OF THIS WHEN WE SOUGHT TO REACH MORE OF
THE TRULY NEEDY BY ELIMINATING THIS SO-CALLED FRONT MONEY.
STATISTICS SHOWED THAT AS MANY AS 10 PERCENT OF THOSE
ELIGIBLE NEVER HAD ENOUGH MONEY TO EVEN PURCHASE FOOD
COUPONS.

THE NEED FOR INSTRUCTING FOOD STAMP RECIPIENTS ON THE USE
OF THE EXTENDED FOOD DOLLARS BECOMES PARAMOUNT AS A
RESULT OF EPR. IN ALL FOOD STAMP AND PUBLIC ASSISTANCE
OFFICES, THE CURRENT LAW CALLS FOR STATE AGENCIES TO
DISPLAY OR OTHERWISE PROVIDE INFORMATION ABOUT NUTRITION:
(1) WHAT NUTRIENTS ARE NEEDED IN THE DIET; (2) TIPS ON
WISE SELECTION OF FOODS TO PROVIDE THESE NUTRIENTS, (3)
THE RELATIONSHIP BETWEEN WHAT ONE EATS AND HOW ONE FEELS, ETC.

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THIS INCREASING EMPHASIS ON NUTRITION CONCERNS HAS HAD A SUBSTANTIAL IMPACT ON THE GENERAL WELL-BEING OF FOOD COUPON RECIPIENTS AS WELL AS A CITY FOOD SYSTEM,

FOOD STAMPS AND CITY FOOD SYSTEMS: IF THE FOOD STAMP PROGRAM IS TO CONTINUE TO SERVE THOSE IN NEED OF AN EXTENDED FOOD PURCHASING DOLLAR, SOMETHING MUST BE DONE TO SEE THAT FOOD STORES REMAIN IN THE AREAS OF THE BENEFICIARIES. I UNDERSTAND THAT NOWADAYS, LESS THAN $\frac{1}{3}$ OF THE NATION'S GROCERY STORE SALES ARE RUNG UP BY SMALLER STORES, OFTEN FAMILY-OPERATED; IN THE EARLY 1950'S THESE SMALL STORES CLAIMED OVER $\frac{1}{2}$ OF THIS MARKET.

ANOTHER STATISTIC: BETWEEN 1954 AND 1972 THE NUMBER OF GROCERY STORES IN THE UNITED STATES FELL FROM NEARLY 280,000 TO LESS THAN 195,000 -- A 30 PERCENT DECLINE IN 18 YEARS.

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A MAJOR ARGUMENT FOR PROPONENTS OF CASHING OUT FOOD STAMPS HAS BEEN THE NONEXISTENCE OF FOOD STORES IN CENTRAL CITY AREAS AS WELL AS RURAL AREAS WHERE THE PEOPLE LIVE.

IN DETERMINING POTENTIAL MARKETS FOR FOOD STORES IN URBAN AREAS, FOOD CHAINS OFTEN PROJECT MARKET DEMAND WITHOUT REGARD TO THE SOCIO-ECONOMIC STATUS OF NEIGHBORHOOD FAMILIES. THIS APPROACH REFLECTS THE VIEW THAT ALL INCOME LEVELS SPEND APPROXIMATELY THE SAME CONSUMABLE DOLLARS FOR FOOD DUE TO HIGH INNER CITY PARTICIPATION IN THE FOOD STAMP PROGRAM.

WHILE WE HAVE ACHIEVED A GREATER DEGREE OF EQUITY BETWEEN POOR AND NON-POOR FOOD CONSUMERS, AND BETWEEN FARM AND NON-FARM DELIVERY SYSTEMS IN THE INNER CITIES OF AMERICA, THE FOOD DELIVERY PROBLEM IN URBAN AREAS HAS EXPANDED.

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I DON'T HAVE TO TELL PARTICIPANTS AT THIS CONFERENCE HOW PROHIBITIVE LAND COSTS, HIGH LABOR RATES, STORE SECURITY, PILFERAGE, ESCALATING INSURANCE COSTS, AND CUSTOMER ACCESS PROBLEMS HAVE LITERALLY DRIVEN THOUSANDS OF FOOD CHAIN STORES OUT OF OUR CITIES AND INTO THE SUBURBS. WHAT CAN BE DONE TO REVERSE THIS ALARMING TREND? AND WHO HAS THE PRIMARY RESPONSIBILITY TO SUBMIT RESPONSIVE SOLUTIONS? IN MY VIEW, ONLY THROUGH JOINT EFFORTS BY FEDERAL, STATE, AND LOCAL GOVERNMENTS, PRIVATE ENTERPRISE, LABOR, AND THE CONSUMER MOVEMENT CAN WE BEGIN TO EASE THIS CRISIS.

CITY FOOD SYSTEMS - A JOINT EFFORT: LET ME FIRST SHARE WITH YOU SOME SUGGESTED FEDERAL POLICIES WHICH I BELIEVE SHOULD BE SERIOUSLY CONSIDERED. ESSENTIALLY, I BELIEVE THE FEDERAL ROLE SHOULD BE TO ENCOURAGE THE RE-ENTRY OF MODERN, CONVENIENT, AND ECONOMICAL FOOD CHAIN STORES IN INNER CITY AMERICA. TO THIS END, I BELIEVE TAX INCENTIVES COULD BE EMPLOYED.

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-- JOB TAX CREDIT. TO EASE UNEMPLOYMENT IN INNER CITIES, TO HELP BUSINESS HIRE THE HARD-CORE UNEMPLOYED, AND TO ALLOW A STABLE WORK FORCE IN URBAN AREAS I HAVE, FOR YEARS, ADVOCATED THE 'JOBS TAX CREDITS'. THE CONCEPT WAS ADOPTED BY CONGRESS IN 1977. AND THE PRESIDENT'S BUDGET STRONGLY INDICATED THAT THE EMPLOYMENT TAX CREDIT WOULD BE ALLOWED TO EXPIRE. HOWEVER, ACTION BY THE SENATE FINANCE COMMITTEE HAS LED ME TO BELIEVE THAT THE JOBS TAX CREDIT WILL BE EXTENDED AND IMPROVED.

I BELIEVE THAT A TARGETED TAX CREDIT WILL ENCOURAGE MORE JOBS FOR THE MONEY AND HELP MOST HARD-CORE UNEMPLOYED AND YOUNG PEOPLE, WHOSE UNEMPLOYMENT RATES RANGE AS HIGH AS 40 PERCENT IN MANY AREAS.

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-- TAX INCENTIVES. I THINK IT IS IMPORTANT THIS YEAR FOR CONGRESS TO LOWER THE OVERALL TAX BURDEN ON BUSINESS. A TAX CUT THROUGH A DECREASE IN THE CORPORATION TAX RATE, WITH A LIBERALIZATION OF THE INVESTMENT TAX CREDIT WOULD GO A LONG WAY IN GIVING PRIVATE ENTERPRISE A NEEDED BOOST. RAPID AMORTIZATION FOR NEW INVESTMENTS IN CITY FOOD STORES FOR NEEDED EQUIPMENT COULD ALSO ENCOURAGE NEW STORE CONSTRUCTION. SIMILAR TAX MECHANISMS CAN BE USED TO ENCOURAGE INNER-CITY REDEVELOPMENT GENERALLY, THUS IMPROVING THE CLIMATE FOR ALL INNER CITY INVESTMENT.

-- JOINT VENTURE. I ALSO BELIEVE THAT LOCAL, STATE, AND FEDERAL GOVERNMENTS AND BUSINESS GROUPS SHOULD ADOPT POLICIES WHICH ENCOURAGE INCREASED MINORITY-OWNED FOOD STORES IN URBAN AREAS. FEDERAL AND STATE GOVERNMENTS COULD EXPAND THE AVAILABILITY OF LONG-TERM, LOW INTEREST LOANS TO ATTRACT NEEDED COMMITMENTS FOR MODERN AND ECONOMICAL FOOD STORES.

YOUR REACTIONS TO THESE PROPOSALS ARE WELCOMED AND APPRECIATED.

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IV CHILD NUTRITION PROGRAMS
AND
GOVERNMENT REORGANIZATION

NOW TO MY THIRD POINT -- THE PRESIDENT'S REORGANIZATION
PLAN, OR PRP,

CHILD NUTRITION PROGRAMS - DHEW OR USDA? LAST APRIL 14TH
THE PRESIDENT ASKED CONGRESS TO CREATE A CABINET-LEVEL
DEPARTMENT OF EDUCATION, WHICH WOULD CONTROL OR TAKE
CONTROL OF SOME 164 OR SO EDUCATION PROGRAMS SCATTERED
AMONG THE GOVERNMENT, WITH A BUDGET OF \$17.5 BILLION AND
A STAFF OF 23,325. THE IDEA IS NOT NEW. THE RECORD SHOWS
THAT NEARLY 100 REORGANIZATION PLANS, AFFECTING SOME 240
DEPARTMENTS AND AGENCIES, WERE SUBMITTED BY PRESIDENTS
BETWEEN 1939 AND 1968.

THIS NEW DEPARTMENT WOULD INCLUDE MOST OF THE EDUCATION
PROGRAMS IN DHEW, HEAD START, THE OVERSEAS DEFENSE
DEPARTMENT SCHOOLS, THE BUREAU OF INDIAN AFFAIRS SCHOOLS,
AND FINALLY THE USDA CHILD NUTRITION AND NUTRITION EDUCATION
PROGRAMS.

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THE MERITS OF A NEW DEPARTMENT OF EDUCATION IS NOT THE ISSUE HERE. THE ISSUE IS THE TRANSFER OF FEDERAL FOOD PROGRAMS TO THE DEPARTMENT OF EDUCATION, INCLUDING THE NUTRITION EDUCATION WHICH SUPPORTS THE NUTRITIONAL GOAL OF THIS PROGRAM.

AMONG THE ADMINISTRATION'S MAJOR ARGUMENTS FOR SUCH A MOVE ARE:

- WOULD GIVE EDUCATION MORE BUDGETARY CLOUT
- WOULD ELIMINATE SCATTERING OF THE OVER 300 EDUCATION PROGRAMS IN SOME 40 FEDERAL AGENCIES, AND PROVIDE THE BASIS FOR A NATIONAL EDUCATION POLICY
- WOULD PROVIDE MORE PRESTIGE TO AN ENTITY THAT ENCOMPASSES NEARLY 1/3 OF THE POPULATION AS EITHER STUDENTS, TEACHERS, ADMINISTRATORS, ETC., DESERVES REPRESENTATION AT THE CABINET LEVEL.
- AND, OF COURSE, THE ALMOST \$3 BILLION BUDGET BASE THOSE PROGRAMS WOULD BRING TO A NEW DEPARTMENT OF EDUCATION.

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ON APRIL 18TH, I ALONG WITH THE OTHER 17 MEMBERS OF THE SENATE AGRICULTURE COMMITTEE DENOUNCED THIS MOVE. HERE ARE SOME OF OUR REASONS:

- WHY NOT WAIT UNTIL WE'RE READY TO OVERHAUL THE HEALTH AND WELFARE PROGRAMS
- WHY DO THIS AT A TIME WHEN IT IS BECOMING INCREASINGLY CLEAR THAT FOOD, AGRICULTURE, AND NUTRITION ARE INTERRELATED. I AM CONVINCED THAT AGRICULTURE AND NUTRITION MUST BE BROUGHT INTO CLOSER COORDINATION.
- WE CANNOT SUCCESSFULLY DEVELOP A NEW FOOD, FARM, AND NUTRITION POLICY WITH PROGRAMS FRAGMENTED ALL OVER THE EXECUTIVE BRANCH OF GOVERNMENT
- THE SCOPE OF THE DEPARTMENT OF AGRICULTURE MUST REMAIN BROAD AND DIVERSIFIED IF THE DEPARTMENT IS TO SERVE ITS CONSTITUENTS BETTER

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- THE ADMINISTRATION HAS OBVIOUSLY OVERLOOKED THE "SEPARATION OF POWERS" CONCEPT; TOO LITTLE ATTENTION IS BEING PAID TO THE IMPORTANCE OF THE EDUCATION COMMITTEES IN THE HOUSE AND IN THE SENATE.

- THERE HAS ALSO BEEN TOO LITTLE ATTENTION GIVEN TO OUR POLITICAL SYSTEM. INCREASED RATIONALITY HAS BEEN GIVEN AS THE DESIRABLE AND ATTAINABLE OBJECTIVE, BUT PROponents IGNORE THE POLITICAL ASPECTS OF EDUCATION WHICH MUST BE AT LEAST ACKNOWLEDGED IF THE REORGANIZATION IS TO HAVE EITHER INITIAL OR LONG-TERM SUCCESS.

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CENTRAL TO THE DEVELOPMENT OF A NATIONAL NUTRITION POLICY IS THE NATION'S FOOD ASSISTANCE PROGRAM -- IT REPRESENTS THE NUCLEUS OF OUR CURRENT NUTRITION EFFORT. AND AS I HAVE MENTIONED EARLIER, NUTRITION IS NO LONGER A FAD IN THIS COUNTRY, IT IS VIEWED IN ITS WELL-DESERVED POSITION AS A SERIOUS PREVENTIVE HEALTH MEASURE. WITH THIS NATION'S ANNUAL HEALTH CARE COSTS TIPPING THE \$150 BILLION A YEAR MARK, WE MUST BEGIN TO TAKE HEALTH PREVENTION MORE SERIOUSLY.

DOLE-MCGOVERN REORGANIZATION BILL: LAST FEBRUARY 8TH, SENATOR GEORGE MCGOVERN AND I INTRODUCED A BILL (S.2519) TO STRENGTHEN THE USDA'S LEAD ROLE IN THIS AREA OF NUTRITION RESEARCH AND NUTRITION EDUCATION. THE BILL ESTABLISHES A "DEPARTMENT OF FOOD, AGRICULTURE, AND RENEWABLE RESOURCES".

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BY TRANSFERRING APPROPRIATE BUREAUS AND DIVISIONS FROM THE DHEW AND THE INTERIOR DEPARTMENT, THIS REORGANIZATION PLAN WOULD ESTABLISH A DEPARTMENT TO BETTER PROMOTE THE GENERAL WELFARE OF THE NATION -- BY ASSURING COORDINATED ADMINISTRATION OF PROGRAMS FOR THE PRODUCTION OF FOOD AS WELL AS FIBER, AND PROMOTING THE BEST UTILIZATION AND CONSERVATION OF THE COUNTRY'S RENEWABLE NATURAL RESOURCES.

THIS LEGISLATIVE GESTURE MAKES CLEAR OUR COMMITMENT TO STRENGTHEN THE DEPARTMENT OF AGRICULTURE, AND TO FURTHER ESTABLISH CHILD FEEDING PROGRAMS AND FOOD STAMPS, AS WELL AS ALL THE OTHER FEDERALLY SUPPORTED FOOD ASSISTANCE PROGRAMS IN THE USDA.

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IN CONCLUSION

ADEQUATE FOOD SUPPLY: IN CONCLUDING, I WOULD LIKE TO SHARE WITH YOU TWO MORE ITEMS OF INTEREST.

I KNOW THAT AN ADEQUATE SUPPLY OF FOOD ITEMS IS OF CONSIDERABLE INTEREST TO ALL OF YOU. IN WRITING FARM LEGISLATION MY COLLEAGUES AND I TRY TO KEEP IN MIND NOT ONLY FAIR AND REASONABLE PRICES FOR FARMERS BUT ALSO A VIABLE FARM ECONOMY UNDER WHICH THE FAMILY FARM CONCEPT CAN SURVIVE AND CONTINUE TO PRODUCE SUPPLIES OF FOOD PRODUCTS, ADEQUATE TO MEET BOTH DOMESTIC AND EXPORT REQUIREMENTS.

CERTAINLY AT THIS TIME WE HAVE MORE THAN ADEQUATE QUANTITIES OF WHEAT AND FEEDGRAINS. CARRYOVER FIGURES FOR THESE GRAINS WILL TOTAL ABOUT 2.3 BILLION BUSHEL. PRICES ARE DEPRESSED AT THE FARM LEVEL, CAUSING REAL CONCERN THAT FARM BANKRUPTCIES WILL INCREASE TO SUCH LEVELS THAT THE ADEQUACY OF FUTURE FOOD SUPPLIES MIGHT BE JEOPARDIZED.

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WHILE THERE MIGHT BE A DIFFERENCE IN OPINION AS TO WHAT IS "A REASONABLE PRICE" TO INSURE A CONTINUOUS FLOW OF FOOD SUPPLIES, THERE IS NO WAY AROUND THE ECONOMIC FACT THAT FARMERS AS WELL AS ANY OTHER PRODUCER OF A PRODUCT CANNOT OPERATE FOR LONG UNLESS THEY CAN RECOVER THEIR PRODUCTION COSTS. CURRENTLY, MANY FARMERS ARE NOT ABLE TO DO THIS,

I MENTION THESE MATTERS TO YOU BECAUSE YOUR FUTURE AS BUSINESSMEN WITH A VITAL INTEREST IN A CONTINUOUS FLOW OF FOOD COMMODITIES IS NOT UNRELATED TO THE SURVIVAL OF THE FAMILY FARMER,

THANK YOU FOR YOUR ATTENTION.

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