

# A Crucial Question on Feed Wheat

Statement by the Oregon Farm Bureau Federation

The concept of the multiple pricing had its beginning in the Pacific Northwest. Senator McNary of Oregon, along with Representative Haugen of Iowa, introduced into Congress in 1924, a bill which became known as the McNary-Haugen plan. The control features of this bill occupied a prominent place in the struggle over farm legislation during the late 20's.

The wheat certification plan that will be voted upon May 1 bears little similarity to the multiple price schemes of the 1920's. Although much of the attention was focused on wheat, the original McNary-Haugen plan applied to wheat, cotton, wool, cattle, sheep, hogs and rice. One similarity between the two-price plans of the past and the 1964 version of the wheat certification plan is that all have provided two prices for wheat.

The original multiple price plans were proposed to raise the price of wheat. Senator McNary saw a two-price plan as a means of both raising the price of wheat and still not price all wheat out of the feed grain market. Another essential feature of the earlier two-price plans sponsored chiefly by Washington and Oregon wheat growers was that they be permitted unlimited production of wheat to be sold at the feed or export market price.

The 1964 wheat certificate plan does provide a two-price structure for wheat but it provides only a very limited amount of wheat for feed.

In fact sheet No. 4 we attempted to explain the "substitution" clause. This is the provision in the law which allows wheat to be planted on feed grain acres, IF there is a feed grains diversion program in effect for 1964.

It seems likely that Congress will enact new feed grains legislation along the lines of the emergency feed grain programs of 1961-62 & 63. The House has already passed a bill which essentially extends the emergency program for two more years.

The emergency feed grain programs which have been in force for the last two years have imposed a tremendous disadvantage on the Pacific Northwest. These programs created a disparity on the price of feed grains between the Pacific Northwest and the Midwest that at one point reached \$16 per ton.

Government grain pricing programs have made it almost impossible for our livestock and poultry producers to compete. A recent bulletin published by Oregon State University states that in 15 of the past 17 years Nebraska farmers could put pork in Portland cheaper than Oregon farmers. The report states: "The major cost of production differential between Oregon and the Midwest stems from grain prices in two areas."

The crucial question is if the certificate plan is approved by wheat producers and Congress enacts new feed grain legislation, can wheat in the Pacific Northwest be fed in competition with corn and milo in the Midwest?

Much of the support for the 1964 wheat certificate plan in Oregon stems from the historical belief that it will make wheat available

for feed. But will it? There seems considerable reason for doubt.

Without the "substitution clause" there would be practically no feed wheat, but assuming it is in effect, what will likely happen?

There is little doubt that farmers in the Pacific Northwest would elect to plant wheat on their oats, rye and barley acres. Wheat yields on most Oregon farms exceeds yields from barley or other feed grains. The new Gaines wheat will give a wheat producer an actual yield which will exceed in normal yield. These two considerations are not generally true in other areas of the United States outside the Pacific Northwest.

In other areas it is doubtful that farmers would elect to substitute wheat for corn or milo. The USDA publication "Wheat, the Program for 1964" states on page 12, "Production of wheat as feed is expected to take place mainly in the barley-producing areas of the Northern Plains and the Pacific Northwest."

This same USDA publication shows that only in the Columbia Basin, Oregon does wheat exceed feed grains in production pounds per acre.

All non-certificated wheat, including wheat that is produced on feed grain acres will be supported at \$1.30 per bushel or about \$43 per ton. The question is: At \$43 per ton can we afford to feed wheat in this area? The answer depends largely on what the price of feed grains will be in the Midwest.

Assuming a national loan rate of \$38.20 per ton on corn, and \$34.20 per ton on milo we would come up with these projections. In Central Kansas milo would be supported at \$32.40 per ton. Non-certificated wheat in Umatilla County would be supported at \$43.50 per ton. Under these conditions the spread would be too great to allow wheat to be fed.

Under the emergency feed

grain programs the Secretary has been able to keep the market of corn and milo below the loan price. This was done to penalize the non-cooperator or the producer who did not participate in the feed grains program.

"It should also be noted that, if a wheat producer wanted to plant wheat on his feed grain acres, it would be mandatory that he participate in the feed grains program. This would mean that he would have to divert a portion of his feed grain base to soil conserving uses."

While some wheat will be fed at \$1.30 per bushel in this area, reasonable projection would lead one to believe the price spread between wheat in our area and feed grains in the Midwest will be too great for us to compete.

The supporters of the wheat certificate plan have not demonstrated "how" we will be able to feed wheat in these areas. This is one of the most crucial questions involved in the wheat referendum so far as Oregon is concerned.

## Safety Bills at Half-Way Point

Oregon's current legislature is demonstrating grace concern over the problems of highway deaths and injuries.

A bill to require seat belts in new cars sold in Oregon after November, 1964, has passed both Houses and been sent to the Governor. Two other major traffic safety proposals have reached the half-way point in the legislative process.

Bills to add maximum speed limits to the basic rule and to permit police arrest on reasonable grounds already have won House approval and now await Senate action.

A fourth bill in the traffic safety package, implied consent on chemical tests for intoxication, failed to pass in the Senate by a vote of 13-15.

If the Senate follows the House lead in giving approval to the two remaining bills it will represent the most significant legislative advances for traffic safety in Oregon in many years," according to Howard L. Eddy, executive secretary of the Oregon Traffic Safety Commission.

The traffic death record on Oregon highways so far this year amply demonstrates the need for strengthened traffic laws. Traffic claimed 145 lives in the first 118 days of the year.

## NOTICE OF THE OREGON WHEAT COMMISSION PUBLIC BUDGET MEETING

NOTICE IS HEREBY GIVEN that a public meeting will be held, pursuant to ORS Chapter 578, the Oregon Wheat Commission Act, in the Supreme Court Room, Umatilla County Court House, Pendleton, Oregon, on Wednesday, May 29, 1963, from 1:30 p.m. to 3:30 p.m., upon a proposed budget for operation of the Oregon Wheat Commission during the fiscal year July 1, 1963 to June 30, 1964.

At this meeting any producer of wheat in Oregon has a right to be heard with respect to the proposed budget, a copy of which is available for inspection under reasonable circumstances in the office of each County Extension Agent in Oregon.

For further information, contact the Oregon Wheat Commission, Box 438, Pendleton, Oregon.

Dated this First Day of May, 1963.

ATTEST: Floyd Root, Chairman  
Winn Tuttle, Administrator

## Wheat Shipments Far Above Last Year

Rail shipments of wheat during the January-March quarter totaled 10,585,000 bushels, up 39 percent from the corresponding 1962 months and were 4 percent above the 5-year average for this quarter.

Since July 1, 1962, rail shipments have totaled 40,088,000 bushels of wheat brought into the Pacific Northwest from outside producing areas. This compares with 3,542,000 bushels for the corresponding 9 months of the 1961 crop year and average shipments of 35,042,000 bushels.

## Oregon Field Work Limited to Spraying and Fertilizing

Generally, land preparation and spring planting operations were pushed back another week. Field work was limited to weed spraying and fertilizing as rains continued to delay widespread soil fitting and seeding.

Grain and hay crops that have been fertilized are showing good color and growth, but there is

much acreage, particularly in western Oregon, still to be seeded. Fescue and bent grass stands are near normal in development, while ryegrass seems to be lagging.

Livestock over the State are

still receiving considerable amounts of hay to supplement short, early grass. Pastures generally were too wet and soft for cattle on most Willamette Valley floor lands. Cold temperatures are low ranges in eastern Oregon.

## Exports Up For Quarter

Wheat exports during the January - March quarter of 1963 to sharply from the 21,625,000 bushels shipped overseas during the first quarter.

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