

--- CHIT CHAT ---

By JOE COWLEY
Mail Tribune Farm Editor

Last week we mentioned this wheat surplus problem which poses one big problem for the nation and particularly for the politicians running for election or re-election. We have described the problem and the difficulties in solving it plus the different opinions on it.

To reach any conclusion of what government action program would be best we must figure that the United States is really one big food production plant, according to Harold F. Hollands, OSC agricultural economist.

Five things should be considered in the study of this problem: Powerful physical and economic forces affect all parts of this food plant directly or indirectly. Farmers all use the same resources—land, labor, and capital—and they compete for these resources among themselves and with non-farmers. People can only eat so much food. If he eats more of one type of food he eats less of another. Government restrictions or plans to take land out of production in one type of crop have caused a shift in production and total output has increased. Any government program for selected commodities helps some farmers a great deal, helps others only slightly, and really hurts some farmers, the OSC economist noted.

Some political observers claim that although farmers are now a minority group they have an important influence on voting. They claim it was mainly the farmers who brought Harry Truman in for his last presidential term. So, any study of the types of action-programs to solve the wheat surplus problem seems important with an election coming in November.

These proposed programs can be classified into six general types: commodity control with federal and state marketing agreements and federal and state marketing orders, product disposal, both domestic and foreign; price—rigid price supports, moving average of market prices and forward pricing; direct payments (no production control); wool; resource control (to influence production), conservation reserve, government leasing, land purchase, and land retirement, vocational training and employment agencies and decentralization of industry; and a combination of programs, flexible price supports, sugar act, wheat stabilization act of 1959, compensatory prices.

Commodity control is familiar to the members of the pear industry here and to the area's dairymen. The quota system as worked out by Southern Oregon Milk Producers could be called a marketing agreement. The Pacific coast industry operates under a winter pear marketing order to sell only specified quantities, sizes and volumes of pears during a particular marketing period.

Other states do have marketing orders for dairymen. These orders are similar to the marketing agreements. However, after a majority of eligible voters accept them they become compulsory and the government enforces these orders on all producers and market middlemen. The pear industry has used the marketing order effectively in Oregon, Washington and California for winter pears. In fact, on April 21 the winter pear handlers in the Medford district will elect representatives to the Winter Pear Control committee in Medford. This committee administers the Winter Pear Marketing Order covering the three states. It establishes the minimum grade, size and quality standards under which winter pears are marketed from these Pacific Coast states.

These marketing orders work for some commodities, particularly perishable ones which must be destroyed after they are held off the market for so long. However, the nonperishable commodities form stockpiles such as the Commodity Credit Corporation now has. Federal law also specifies marketing orders may apply to perishable or semi-perishable commodities whose production and marketing areas and/or marketing periods can be well defined and protected.

These marketing orders can be good in the short run by smoothing out price fluctuations and by adjusting quantities and qualities available to those buyers who will pay "reasonable" prices.

During recent years Oregon wheat farmers have been operating a product disposal program by promoting sale of wheat overseas, most recently in Japan. Through a series of promotion programs this seems to have been fairly effective. The Oregon wheat growers operate this program themselves. But most such programs assume the government will act as a large-volume distribution agency. If surpluses are distributed to needy people it has strong public appeal. Such a program is not only charitable, it reduces stocks without cutting production and helps the middlemen by keeping up a large volume operation.

According to Agricultural Economist Hollands, the three major methods of increasing food consumption through maintaining large incomes, lower food prices and higher nutritional levels were studied as possible methods to expand demand for farm products. However, he feels this would be ineffective as a single solution. It would mean raising the income for half the people in the United States. School lunches, food stamps and food donations will not solve the problem if current surpluses cannot be removed realistic income increases, lower prices or improved diets.

Farm Prices Rise OSC Reports Now; Hit 7-Year High

Corvallis—Farm prices showed plenty of spring zip in Oregon last month, more than making up for losses suffered during February, reports Mrs. Elvera Horrell, OSC extension agricultural economist.

The upturn in prices received by Oregon farmers in March was enough to push the farm price index in this state to the highest point since mid-1953, Mrs. Horrell found as she studied reports from the U.S. Department of Agriculture. All in all, Oregon farm prices rose 2 per cent last month.

Livestock prices accounted for the biggest share of this rise, ending up 3 per cent above February of this year. Prices paid for crops also moved up a little. As a result, Oregon farm prices stand just a shade above March, 1959.

Nationally, prices received by farmers moved up even more sharply than in Oregon, largely due to even greater strength in meat-animal markets.

Livestock prices moved up 5 per cent, corn prices edged up 1 per cent, and the combined index of all national farm prices gained 3 per cent over a month ago.

At High Level
But while national farm prices now stand at the highest level since last July, they are still nearly 2 per cent lower than a year ago, Mrs. Horrell said.

Cost of things farmers use for both farm operation and living expenses gained one-third of a per cent in March, and now stand 1 per cent higher than a year ago. But with prices received by farmers up 3 per cent, and prices paid by farmers up only 1 per cent, farm product purchasing power improved during the month ending March 15, Mrs. Horrell pointed out.

The parity ratio—the government's yardstick for measuring the relationship between prices received and

Also, how much a person can eat does not depend on how much he earns. A poor man has the same capacity as the rich man. Food promotion through advertising will not make either one eat any more although they may eat more of one food than they do of another. New uses of food products have often developed into new food items. Any industrial uses of commodities have resulted in product prices so low that the farmer cannot make any profit.

Trouble with exporting surpluses to foreign countries is that the governments of those countries do not always react favorably. Such programs may cause lower prices for competing commodities in the foreign country to which the wheat or other commodity is sent. Or the country may become dependent on the large scale import of a commodity and have it cut off when it cannot pay in full. Such a program may also compete seriously with commodities being shipped from other countries.

The difficulty with donations of surplus commodities is not enough volume can be donated to cut down on the surplus.

Actually, the big issue in the surplus control program seems to revolve around the word price. This covers programs which attempt to set prices, but do not directly regulate quantities produced or market. Examples of a price program are rigid price supports and forward pricing. A plan to support prices at the level of last year's average (or 90 per cent of it) with no production control would fall into this classification, also. This class of program should be examined from actual experience and by applying certain elementary principles of economics.

First, lower prices often increase production, according to experiences in some areas and some farms. Over the long haul farmers, like other businessmen must sell for high enough prices to cover their total cost of production or go out of business. How long farmers will hang on depends on several factors, the OSC experiment station economist notes. An important consideration, is what farmers think government programs will be in the future. However, if prices drop low enough and remain long enough production will naturally decrease.

The price which is established becomes the important one in affecting production if there is a stable, long time government program with no direct production control.

When price and quantity are charted and supply and demand curves set up, where the supply and demand curves intersect is called the point of equilibrium. In other words, water seeks its natural level, so do prices, according to the economist. Politically, and economically, the greater the difference between the government-set price and the equilibrium price, the more trouble there is. The big difficulty is that nobody can construct these two curves and determine accurately what the equilibrium price is.

As many critics of the present farm price control system argue, including the secretary of agriculture, the price would fluctuate around the natural level of the equilibrium price if there is no government control. However "free market" prices are too low for Congress. And so long as government-set prices are above the equilibrium price, surpluses will accumulate until prices are reduced, or production is reduced, and/or an adequate surplus removal program is established, according to the OSC economist.

Moving average of market prices is another type of price program which would support prices at the last three year average. Under this program it merely takes prices a little longer to seek their natural level. This is a similar program to forward pricing. This plan involves annual determination of the equilibrium price. Then the support price is announced so farmers can plan their operations. This way prices are evened out during the marketing year and from year to year.

Object of this program is to give advance price information and stability to agriculture. Supposedly, government would not do much commodity storing, perhaps only on a small yearly, small scale basis. This would not solve the wheat or agricultural program for those who think prices are too low. It also poses the question of whether government-held stocks actually would be sold at less than cost, probably in a declining market, in order to avoid large accumulations by the Commodity Credit Corporation.

This summarizes some of the main proposals in attempting to solve the wheat surplus problem. Direct payments (no production control), resource control (to influence production), combination and additional aspects of the problem will be discussed later.

State's Cattlemen Lagging Now On Current Calf Vaccinations

Salem—Cattlemen probably don't realize it, but they are letting their calf vaccinations lag.

If they don't pick up the gap—on March 1 a hefty 57,800 to go to reach fiscal 1959 figures—they may run smack into what they worked so hard to shed: blood testing on the farm.

State and federal officials say most eastern Oregon counties are behind on Bang's vaccinations. This is running in reverse anticipation under

the cull and dry cow testing program to maintain modified certified status. Contract calf shipments for feed lots may have reduced the number of eligible calves this year, but surveys are not conclusive at this point, says Dr. L. E. Bodenweiser, state veterinarian. He urges ranchers to make sure that no eligible calves are missed.

Dry Cows Tested
Now all cull and dry cows are blood tested as they go to slaughter. This screens out re-

actors and only affected herds are blood tested. But the new program also depends upon stepped up calf vaccination to include at least 80 percent of replacement heifers.

Some areas have finished vaccination for this year; that's what makes the program leaders apprehensive.

The new program for beef animals already has one western winner—Benton county, Washington. The federal and state veterinarians at Salem are advised the Washington state county achieved recertification under the cull-and-dry program on March 15.

Vaccination in dairy counties—where the milk ring test came in earlier than the short-cut program for beef areas—is on the increase. This is in line with the state plan to hold the modified status and stretch it into eventual eradication.

A modified-certified status-reactors is in not more than 1 per cent of the cattle or 5 per cent of the herds in any county—is good for three years. In beef cattle, the cull and dry cow tests must cover 5 per cent of the eligible cows annually, or 15 per cent over the three-year period.

Beef counties which had less than half the total of their fiscal 1959 vaccinations on March 1 were: Baker, Crook, Deschutes, Gilliam, Harney, Jackson, Jefferson, Klamath and Malheur.

Wasco and Sherman counties have a plus mark. Vaccinations in those counties are a combined 232 calves ahead of their last year totals.

Nearer the 1959 level, but still short from 60 to 5700 calf vaccinations, are Grant, Lake, Morrow, Umatilla, Union, Wallowa and Wheeler counties.

In another angle of the brucellosis program, officials report that Wasco and Wheeler counties have now joined others without quarantined herds.

Alfalfa Seed Tested Differently

Corvallis—A new use for an old machine may bring higher returns to Oregon alfalfa seed, growers in years ahead, predicts Harold Fennell, Oregon State college extension certification specialist.

Although Oregon already is recognized as an outstanding seed producing area, researchers at OSC are continuing to seek new methods of improving the state's seed crops.

Edvard Hardin, seed technologist at the OSC seed laboratory, has developed a way to use a dodder mill (seed separator) to check one pound samples of alfalfa seed for cleanliness.

In the past, a carload of alfalfa seed could be certified on the basis of a 50 gram sample. OSC extension certification specialists questioned the accuracy of this small a sample even though it met requirements set by the Association of Official Seed Analysts.

The one pound sample that can be tested in the dodder mill is about nine times larger than the 50 gram sample.

All alfalfa seed certified this year by the OSC laboratory is being checked with the dodder mill test. This means buyers of Oregon alfalfa seed can be sure they're getting the best seed available, Fennell emphasized.

The dodder mill Hardin uses for testing is a small laboratory model built by USDA agricultural engineers and the OSC agricultural experiment station seed process-

Some Shifts Seen In Spring Crops Planted in State

Corvallis—Oregon farmers plan to plant about the same acreage to spring crops this year, but they'll be shifting their crops around a little, reported Mrs. Elvera Horrell, OSC extension agricultural economist.

Studying a survey carried out by the USDA Crop Reporting Board, Mrs. Horrell found that Oregon farmers plan to plant 3 per cent more corn, 7 per cent more sugar beets, and harvest 3 per cent more hay this spring than last.

The state's farmers also plan to plant 15 per cent more spring wheat. And with no change reported in winter wheat planted last fall, this means an increase of about 2 per cent in total wheat acreage in Oregon this year, Mrs. Horrell said.

Compared to last spring, Oregon farmers indicated that they will reduce the total acreage planted to potatoes by 5 per cent, and cut back barley and oat acreages nearly 10 per cent.

Acreage Same
Nationally, farmers also expect to hold the line on total acreage planted this spring by almost balancing increased acreages of some crops with fewer acres planted to other crops. For instance, the nation's farmers say they will

whittle barley, oat and spring wheat acreage by around 3 per cent, and increase soybean plantings by 6 per cent. Total potato acreage is planned to be up about 2 per cent.

The nation's farmers also indicated they are planning to plant about the same acreages in corn, hay, sorghums, and flaxseed as last spring.

These planting intentions were revealed as the Crop Reporting Board interviewed some 80,000 farmers over the nation, Mrs. Horrell explained. But things could change, she emphasized. After learning what others plan to do, each farmer may change his mind. And price changes, available labor supplies, available loan money, and the weather could also change the picture, she pointed out.

Merrill shipping centers, according to the department records. Cars inspected at Merrill dropped from 195 in February to 72; at Pendleton track inspections were off 64 cars; at Astoria, receipts were off 33,000 bushels.

Egg Producers Hit Dollar Volume High

Dollar volume of business by the Oregon Egg Producers rose to 12.8 million dollars in 1959, H. R. Rohe, general manager, said today in his year-end report to the association's membership. This represented an all-time high for the 40 year old marketing and purchasing cooperative that is owned and operated by 5,000 Oregon farmers.

A total of 71,000 tons of feed were used by members in 1959, 5 per cent more than in the previous year. Farm supply volume rose over 8 per cent to \$425,000, the highest in the department's history.

Although there was a substantial cutback in production by Oregon poultrymen in 1959, the sale of eggs under the Nulade label in 1959, increased 15 per cent or 600,000 dozen over the previous year.

Through acquisition of the Fresh Foods company, Portland, on Jan. 1, 1959, the Oregon Egg Producers now operates the only U.S.D.A. approved poultry and turkey processing plant owned by local interests in the entire state. Rohe reported that the introduction of Nulade brand

prices paid by farmers—stood at 80 on March 15. This was up 2 points over the previous month, but still 2 points below a year earlier.

Rohe stated that in 1959 OEP continued to make substantial investments in plants and equipment as part of its long range program to offer the fully integrated services required by Oregon farmers.

Major Step Forward
A major step forward in egg handling procedures was made during 1959 with the installation of in-plant egg cleaning equipment in Portland, Eugene, Medford and Salem. Adoption of in-plant cleaning, which is available to all co-op members at no charge, relieves egg producers of one of the most onerous and time-consuming chores on the poultry farm, and assures a superior product for the consumer. Rohe pointed out that OEP is the first and only egg marketing organization in Oregon to offer this service to farmers.

Automated egg handling equipment, ordered in 1959, is scheduled for delivery during the last half of 1960. This equipment will enable the association to clean, size, grade, candle and package eggs automatically. Rohe stated this will be the first completely automatic egg handling operation on the Pacific coast.

A number of important steps were also taken to expand and improve feed manufacturing facilities. The Eugene mill, built in 1945, was completely modernized during the year. An electronic mixing system automatically controls the entire milling operation, increasing the output of the Eugene mill and eliminating the possibility of human error in preparing formula feeds.

In October, OEP purchased the Imperial Feed and Grain company, Hillsboro. Acquisition of the Imperial facilities provided much needed storage capacity and will enable OEP to expand its local grain purchasing program, which each year adds many thousands of dollars to the income of Oregon grain growers. The enlarged operation at Hillsboro will also provide for more efficient service to members located in northwestern Oregon.

Rohe pointed out that total assets of OEP increased over 1 1/3 million dollars during 1959 for a year end total of over \$5,300,000.

poultry won immediate consumer acceptance. During the first year of operating its own processing facilities, the co-op handled about 3 1/2 million dollars worth of fryers, fowl and turkeys for its members.

Patronage refunds are currently being distributed to members at the rate of 6 per cent on all formula feed purchases and 4 per cent on all farm supply purchases. Poultry department patrons are receiving refunds for the special retains of 1/2 cent per pound from poultry delivered during the year.

Refunds are being distributed in the form of capital certificates in multiples of \$20.00 with odd balances paid in cash. Members have the option of turning their certificates in for cash at the full face value or retaining their certificates, which bear 6 per cent annually, until they are recalled.

More than \$316,000 in cash was distributed to 1954 certificate holders. Before Christmas, OEP members received over \$150,000 in interest payments at the rate of 5 per cent on all outstanding certificate issues. As of the first of this year, all outstanding association capital certificates will bear interest at the rate of 6 per cent paid annually in cash. The 1959 refund distribution combined with the earlier payments, means that the Oregon owned cooperative is currently distributing over a one million dollars to its members, a welcome boost to local farm income.

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Report Summarizes Weed Control Work

Ray Hubbell, Jackson county weed control supervisor, met with the county weed control committee last night to survey results of the past year, lay out future plans and prepare a budget for submitting to the county budget committee.

In Hubbell's annual report covering the budget year of July 1958 through June, 1959 he noted that the weed control crews spent 934 hours controlling blackberries and brush on roadsides. Taking the second highest amount of time was ragweed control with 403 hours spent.

The department also sprayed about 124 acres or its equivalent for control of white top, the equivalent of 118 acres for control of puncture vine, 35 acres of White cockle, 242 acres of poison hemlock, yellow star thistle, six acres of Russian knopweed, 16 acres of Canada thistle, one acre of leafy spurge, 6 1/2 acres of Mariah mustard, 95 1/2 acres of ragweed, two acres of the secondary noxious weeds, Johnson grass and nine acres of Bermuda grass.

The crews sprayed 1,200 miles of roadside area for the county, 136 acres of state highway right of way, and 57 acres of ragweed control for the state department of agriculture.

Plots Summarized
Summarizing demonstration plot experience in 1958, Hubbell noted that Amino Triazole when applied to new regrowth of poison oak showed poor results, according to 1959 checks made. That applied to poison oak that had not been previously cut or sprayed, however, resulted in approximately 99 per cent kill.

Checks in 1958 showed little if any control from application of simazine and diuron applied to shoulders and ditches during the fall of 1957. However some results were found in the spring of 1959. More test work is needed, however.

Checks in 1959 also showed both Amino Triazole and dalapon used on cattails in the spring and summer of 1958 resulted in good control.

A mixture of 10 pounds of dalapon, 2 pounds of 2,4-D, and 8 ounces of spreader sticker per 100 gallons of water was applied to regrowth of grasses in roadside ditches. Because the ditches were full of water most of the year sey-

eral applications would be needed, Hubbell pointed out. This application did give good control, he added.

Simazine at 10 pounds and Amino Triazole at 4 pounds was applied to shoulder grasses and weeds in December, 1958. A spring survey showed good control of annual grass and weeds. Work done in other areas indicate Simazine rate may be lowered and 2,4-D added for better broad leaved weed control.

Cattail control from application of Dalapon looked good.

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