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The future for agriculture was never more secure and full of promise. Efficient farmers will continue to prosper — now and for the future farming can depend on . . .

The Solid Future For Agriculture

THERE ARE THOSE who take a dim view of what is ahead because we are again struggling with problems of managing so-called "surpluses." Instead we should be thankful that we have this abundance—instead of the hunger and meager existence that plagues three fourths of the world's population.

During the course of the negotiations for renewal of the International Wheat Agreement, we were repeatedly reminded that the problem of millions of millions of people in many of the 46 nations represented in the conference, is not one of how high will be the level of diet—but a question of "whether the people will have any diet." For example, drouth stricken Pakistan is now rationing wheat at 12 ounces per person per day. Starvation and widespread malnutrition are constantly plaguing the world—and no solution is in sight.

"Surpluses should not be dealt with as problems—but as opportunities. They stand as a challenge to management—all the way along the line, from the farm to national and world leadership. Leadership needs frankly to admit failure to the extent that it fails to successfully move abundant production into use when there are unsatisfied needs in the United States and around the world.

Abundant production gives the opportunity to expand markets—both at home and abroad. Plenty of wheat, beef, butter, cheese and other farm products hold the possibility of high level diets for more of our people.

Reserves of farm products stand as insurance against want when crops fail.

Surpluses help give security during these years of world tension—and against needs in the event of a major war. Abundant production offers the opportunity to shift away from high cost production to more efficient farming. It gives the opportunity to shift the farm output to meet changing demand and new conditions. Big production permits conserving and building soil fertility as a further reserve against future national and world needs.

Let's deal with "Surpluses" as opportunities that challenge the management ability of farmers, those who serve agriculture, and state and national ship.

Basis Is Rapid Population Upsurge

The solid future for agriculture is emphasized by such facts as these: The rapid population upsurge in the United States continues—we now have more than 159 million people and there is no end to the increase in sight. The Census estimates 190 million population by 1975. Within 5 years the greatly increased number of children born during the war period will begin having children, which may speed up the population upsurge even more.

In the U. S. Department of Commerce is a huge machine that counts up the population growth. Every 8 seconds a baby is born. Every 21 seconds someone dies. Every 2 minutes an immigrant moves in and every 17 minutes one leaves the country. The net gain is one person every 12 seconds. Every 12

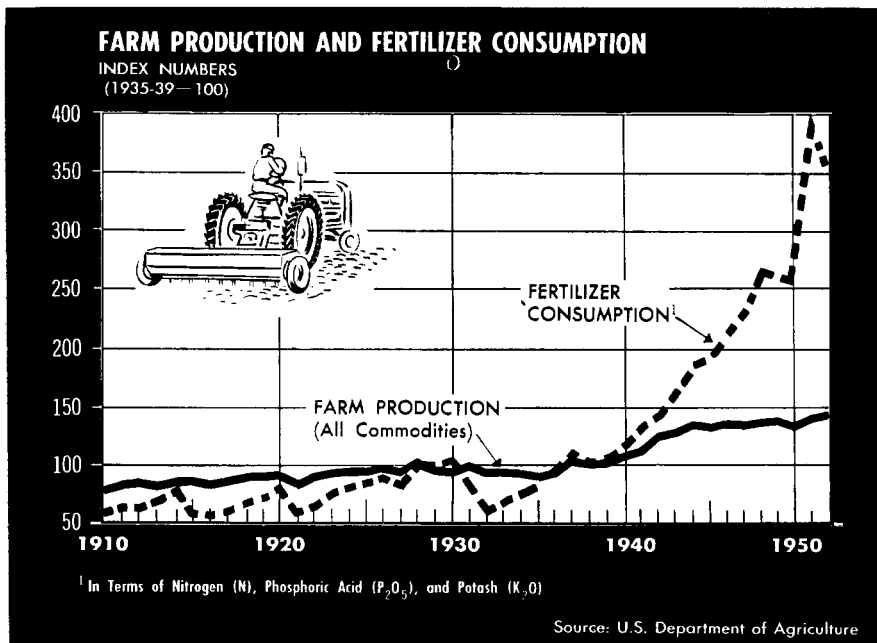
seconds there is thus created for farmers a demand for almost 1600 more pounds of food per year. And that food will be bought in the highest priced, and most sought after market of the world—the United States of America.

Every second our farms, to keep up with the demand, must step up production—68 pounds of beef and veal, 72 pounds of pork, 4 pounds of lamb and mutton, 186 quarts of milk and cream, 8 pounds of cheese, 17 pounds of condensed and evaporated milk, and 16 pounds of ice cream (based on 1952). Such growth in markets helps strongly to insure future farm prosperity.

Our people, especially the youth and young people, are accustomed to and expect high level diets. After 15 years of increasing incomes and full employment, consumers are using increased quantities of meat, milk, eggs, fruit and vegetables. They will resist being forced toward a cereal, potato and gravy diet.

Our capacity to increase farm production may be slowing down. By 1920 we had plowed up most of our good land. Since then the chief additions to food acres have come largely from the release of land formerly required to feed work stock, by the replacement of horses and mules with tractors. That source of new food acres has been about exhausted.

Research people in the Department of Agriculture under Byron T. Shaw question whether discoveries are being made fast enough to meet additional food needs for the future. Studies strongly suggest that new knowledge is not being



broken into fast enough. We should err on the side of more knowledge than we need, rather than less.

Farm Production Has Levelled Off

During the last war period and the era of rapid mechanization and increase in fertilizer use—farm production shot up 33%. This was from 1939 to 1948.

For the past 5 years there has been little increase despite record high prices of farm products and regardless of generally favorable weather for crops. In fact, 1948 is the only year in the last 10 in which the previous peak food production of 1943-44 has been approached.

Farm production efficiency has more than doubled in the last 50 years. This rapid rate of progress stands as a challenge for the future—especially when it is realized that it will be more difficult to get such big production increases in the years ahead.

Crop production has been increased one-third in just 25 years. Milk production per cow is 20% more than 25 years ago and egg output per hen has gone up more than twice as much. The output per man hour of labor in agriculture has been doubled in 25 years.

This rapid production upsurge—followed by the leveling off of the past 5 years—plus the knowledge that weather has been generally favorable—creates doubt about the amount of farm production expansion for the years ahead. "Surpluses" may not pile up as rapidly as many now expect.

The huge stocks we hear so much about are not an indication of excessive productive capacity as much as a failure or prevention of the movement of the products into markets.

A high level of employment and earnings for workers must be maintained if farm prosperity is to continue. The customers of farmers must have money with which to buy high level diets if

prices of farm products are to continue at profitable levels.

The United States is the primary market for the products of American farms. Our country imports about as much food as we export. Farmers should never overlook the fact that they have a huge stake in a high level of industrial activity in the United States—the profitable market for their products is here at home.

This Administration is dedicated to a sound economy in which there will be incentives to work, practice thrift and go forward with industrial growth and expansion.

The role of government is highly important in making it possible for farmers to have a solid and dependable future.

But care must be taken not to develop the attitude shown in a recent cartoon:

A farmer was on his dilapidated front porch, lolling back in his chair, whittling, while he waited to hear what would be done in far off Washington about farm programs.

As Secretary Benson says in his agricultural policies, "Too many Americans are calling on Washington to do for them what they should be willing to do for themselves.

"Individual freedom and citizenship responsibility depend upon the principle of helping the individual to help himself. It is possible through individual and group action to solve many problems and achieve objectives locally with a minimum of Federal assistance and control."

Farmers can go forward in complete confidence that governmental farm programs will be improved—and help increase their prosperity. Present farm programs can be improved. To deny that fact is to say the future holds no progress. We will move forward.

But those who sit and whittle and wait for Washington to create farm prosperity for them do not deserve to succeed. Farmers who push forward with the ag-

gressiveness, thrift, and able management that is so characteristic of farm families, will find future governmental programs of increasing help.

We are now in the process of getting the best judgment from all across the nation on how improvements can be made in the farm programs. Over 100 special committees are or will be participating in this work. Farmers have freely sent in suggestions and are being consulted. The procedure was reviewed in advance by the National Agricultural Advisory Committee. The last of June the committee will check some of the preliminary findings and offer further guidance.

Congress has the exceedingly difficult task of developing sound legislation for agriculture. We are bending every effort to be of help. The process in which we are now engaged will enable us to respond to the requests of Congress with the best judgments that can be brought together. Farmers, farm organizations, agricultural industry leadership, agricultural colleges and various other agencies—along with the great United States Department of Agriculture—have a great reservoir of knowledge out of which can be built more workable programs for farmers. We are at work bringing together these judgments in an effort to render the best possible service to Congress which will in turn benefit farmers and the nation.

Profits Are Caught in Cost-Price Squeeze

The cost-price squeeze on farm profits is the major problem confronting farmers. The price advantage of farmers of the past 10 years, as measured by the parity ratio, has been eliminated. For the past 7 months the ratio has fluctuated in a 7% range below 100, which is full parity. After the "Joy Ride" of prices during the years of war and artificial inflation, farm prices and profits have taken major downward adjustments.

Now we face the challenge of whether farming can be maintained on a profitable basis without war—and without unsound inflation and other damaging artificial programs. We believe it can.

To achieve secure and prosperous farming for the years ahead is the task before us. All of the great agricultural industry must team up to maintain farm prosperity. Farmers cannot accomplish it alone—even with governmental help. Farmers would be quite helpless in our modern economy if they did not have all the services of industry to enable them to produce and sell in a way to operate profitably. The fertilizer industry is among those businesses making a major contribution to profitable farming. It will continue to make possible further increases in the output of crop and pasture lands to help insure the solid future for agriculture.

There is no substitute for a good job of farming. After inflation "Joy Ride" this fact will become increasingly apparent. Almost anyone who engaged in farming could make profits when prices and profit margins were abnormally high. Now comes the testing period. Premiums are again being paid for efficient and capable farm management.

Farmers who have efficient farm units and who are capable farmers will continue to make profits. This is especially true for family farms which are the solid backbone of our agricultural economy.

Even though the law compels restrictions on the acreage of some crops, farmers and those working with them must continue to push for high yields per acre to maintain and increase profits. We must strive constantly for the best in farming.

Cutting the costs of producing farm products is a sure method of maintaining and increasing farm profits. The objective is to reduce the costs per bushel, per pound, per ton. Too often when prices decline farmers cut expenditures on essential items in their effort to get costs down. That is why fertilizer sales have declined in the past—and possibly, why fertilizer demand has not been higher this year.

To meet declining prices, it is often wise to spend more rather than less for many production items. For example costs per pound or per bushel can often be reduced by spending more for—protein feeds for livestock, higher producing dairy cows, improved, higher yielding seeds, chemicals to protect crops and livestock, irrigation, fertilizer.

Spending more for fertilizer has been one of the most dependable ways to cut costs and increase profits. Fertilizer will continue to stand near the top among items that farmers can use to ensure their continued prosperity.

The Ohio Bankers Association has this to say: "Unit costs of production are important, particularly from the standpoint of withstanding price declines. Historically, farmers have tended to cut fertilizer expenditures in times of declining agricultural prices, and in most cases this is the most damaging type of economy to practice. By reducing fertilizer applications and, consequently, reducing yields, the farmer pushes up his unit cost of production. In the face of declining agricultural prices, the individual farmer must not let rising unit production costs hurry him into red ink."

"Dollars and cents in land use," says the University of Illinois, "has caused a rapid increase in fertilizer. The question now is, will a high-level balanced fertility program pay off in 1953 and later years?" The answer of the University is "Yes."

"One of the best ways for many farmers to lessen the 'squeeze' of lowering prices with high costs is to adopt a 'pay-

as-you-go' fertility build-up program that will increase production more rapidly than it increases costs."

High yields per acre heads the list of "success factors" as shown by cost accounts of farmers. High yields—per acre, per animal, and per hen—almost always ensure farming profits. That is why liberal use of fertilizer will be so important in the years ahead.

"Agriculture's capacity to produce" has been studied, with all the States joining the U. S. Department of Agriculture in research. It was a 5-year look ahead to 1955. On top of the rapid rise in production that had taken place since 1939, the state and national authorities said that if higher output was needed there could be added another 20% above the 1950 production. This would be an increase in farm output averaging 4% per year. The report cautioned that "the estimates are not forecasts of what farmers will do." It shows what farmers could attain within five years.

It was clear in the minds of the authorities that farmers would fall short of the output which they can profitably produce, and the results thus far show that they are not moving forward as rapidly as they should. They need even more aggressive selling by the fertilizer companies and their dealers.

The Opportunity for Fertilizer Companies

Fertilizer companies and their dealers have an increasing opportunity to render major service to farmers in the period just ahead. It will take more effective sales campaigns and more able salesmen to help induce farmers to buy all the fertilizer they should use. Sound selling should be geared accurately to the needs of each farmer based on his crops, types of soils, and climate. Such a program, while maintaining or increasing the fertilizer business, will also be a valuable service to the farmer customers.

Fertilizer production must continue to expand if farmers are to be able to get all they should use to get higher crop yields. It too has the job of holding costs down so as to help farmers meet their cost-price squeeze with fertilizer they can afford to buy. The industry is to be commended on the fact that fertilizer prices have not advanced as much as many other items farmers buy. At the same time it has pushed forward with progress and expansion that have made possible rapid increases in fertilizer use by farmers.

More attention should be given to a balanced approach to farming. Fertilizer alone cannot ensure high and profitable yields. To be certain that farmers get the most from fertilizer, the companies making it need to promote all the good farming practices.

The best of fertilizer and liberal ap-

plications will not get high yields if the seed used is of low vitality or of poor varieties. Diseases and pests must be controlled. Planting must be on time and with good tillage. Drainage must be effective. Water must be held in the soil as needed. Irrigation will continue to increase in importance. All these and more are needed to get the most profitable returns from fertilizer.

Russell Coleman, in the June 12th Fertilizer News, says, ". . . the time is right to bear down hard on the effects of fertilizer usage on unit costs of production, profits per acre, and the farmer's ability to withstand price declines . . . We believe that increased efforts are needed to convince farmers, bankers, landlords and others that fertilizers are indispensable production tools, indispensable cost cutters, and indispensable profit earners and profit savers.

"Impending increases in supplies of fertilizers, coupled with unsettled farm markets, underline the need for improved salesmanship in the coming year . . ."

Farmers can go forward with confidence that farming will continue to give security and profitable employment for their families. Let's add up some of the factors that are the basis for such confidence in the future.

1. Abundant production gives opportunities to expand markets both at home and abroad. "Surpluses" should be dealt with as opportunities—not problems.

2. The rapid population growth in the United States and for the world is developing more and more pressure for food—and ever a more desperate cry for food from hungry and starving people.

3. Farm production increases have slowed down.

4. A high level of employment and confidence in the economy will help maintain farm prosperity.

5. Congress will improve the governmental farm programs—there will be major progress building on the experience of past years.

6. We believe that farm prosperity can be achieved without war, artificial inflation, and other destruction.

7. The cost-price squeeze can be met by all segments of the agricultural industry working together—assuming we have sound governmental programs.

8. There is no substitute for a good job of farming—efficient farmers will continue to prosper.

9. Costs of production can be cut. Use of more fertilizer is an example of what can be done.

10. Industries which promote more efficient farm operations, through their sales and purchase programs, help ensure future farm prosperity.

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