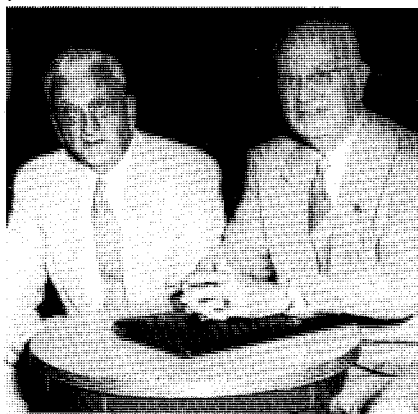


Benson Prescribes Conservation and Better Marketing for Farm Problems

THE GOAL OF AMERICAN AGRICULTURE is useful, permanent abundance, according to Secretary of Agriculture, Ezra T. Benson, and that is the goal toward which we should be moving. To be useful, abundance must be marketed and for that reason the present Administration is focusing more attention on agricultural marketing than it has ever received before. To maintain the abundance we must conserve and build our natural resources. Emphasis must be placed on farming efficiency, balanced farming, new technology, and on the research and education which help to make all of these aims possible. This was the message Secretary Benson delivered in two speeches before the spring meetings of the American Plant Food Council and the National Fertilizer Association within the past two weeks.

In departing from his prepared speech before NFA Mr. Benson made clear that he does not favor rigid price supports as the answer to the major and long term problems of agriculture today. In a convincing plea for support of the Administration's approach to the agricultural situation, the Secretary declared that regardless of political consequences, he would not support any program which

W. T. Wright, board chairman of APFC, with Rep. Charles B. Hoeven (R-Iowa) who defended the House Agriculture Committee's recommendation to extend 90% parity another year



he did not think was in the best interests of the welfare of the people of the U. S.

Secretary Benson said that there is no sense in wasting our resources or in attempting to put a damper on progress in farming efficiency. He said that we must use all available measures to improve our resources. We must push ahead with research and we must market what we produce.

Secretary Benson said that in the recent past, marketing not only has been neglected, it has been discounted. Where the market reacted unfavorably against rigid prices, the remedy was to clasp the lid on production. Under present law that is still the remedy. The farmers, he said, as well as the nation, are entitled to a more common sense price support program than that which has been built on the scarcity approach.

Better Products Will Find Markets

If agricultural products are to find greater markets, the Secretary declared, better and more desirable products must be developed. As an example of a very successful venture along this line, he mentioned the small white turkey which has been a success because it gives housewives what they want. On the other hand, he said, cotton has lost most of its tire cord market because it has been out-researched and outpromoted by rayon and nylon.

Mr. Benson indicated that if we are to develop better and more desirable products which will find greater markets, and are to keep step with the rapidly increasing population, we must produce more and produce it more economically. Noting some of the results of research in increasing yields per acre and reducing costs per unit of product, the Secretary pointed out that in Illinois it has been shown that irrigation and the use of nitrogen fertilizer can boost normal 80-bushel corn yields to 150 bushels and higher. In Wisconsin adequate liming and fertilizing have increased yields on some farm products from 20 to more than 100%. In the Great Plains, application of 25 pounds of nitrogen per acre in-



Secretary of Agriculture Benson spoke to members of the two fertilizer associations outlining his thoughts on the farm problem

creased wheat yields in some areas by an average of 10 bushels per acre.

For abundance to be permanent, said Mr. Benson, we must conserve and build our natural resources. For this reason, he said, he believed that soil and water conservation stand very high among the things we must give attention.

Mr. Benson pointed out that four times since the Great Plains region has been settled, drought has been so severe and persistent as to cause great hardships for most of the people and great damage to the land. These droughts he said, forced radical temporary changes in land use. But the wet regions that followed each major drought encouraged farmers and ranchers, especially newcomers, to resume the types of land use that had proved so inadequate during each long drought. This must not be allowed to happen again, he said, and we must take care to use our improved knowledge of farming to save our land.

Rep. Charles B. Hoeven (R-Iowa) chairman of the House Subcommittee on Fertilizer and Farm Machinery,

speaking before the APFC, offered some comments in defense of the agreement of the House Committee on Agriculture, to extend the present 90% parity formula for basic commodities one year beyond January 1, 1955. He said that if farming is to be prosperous there must be products from the farm for sale at prices which consumers can afford to pay. Agriculture must have an income that will enable it to buy its proportionate share of our total production of consumer goods. He said that the consumer should be advised that out of each dollar

the consumer receives as his income, only 26% is used for food. Of the dollar spent, only 45 cents goes to the food farmers. He declared that if farmers gave away their wheat, the price of bread would fall less than 3 cents a loaf. He said that the widely publicized figure for farm programs, 16 billion dollars, gives a false impression of the amount of money expended for the support of farm products.

Congressman Hoeven estimated that if gains are balanced against losses for price supports on the six basic commodi-

ties, the loss for 20 years amounts to only \$109,191,773. All price support activities on basic commodities and perishables produced a loss of only \$1,320 million in 20 years, he said, which is only a bit more than the size of subsidies given to business in the single year 1952.

Congressman Hoeven warned that consumers can depend on disappearance of their jobs if farm returns for foodstuffs fall to nonprofit levels. Agriculture's purchasing power creates high employment as sure as general prosperity helps agricultural sales, he said.

Fertilizer Financing Needs Attention

WHITE SULPHUR SPRINGS, W. VA.—Better sales development programs are needed in the fertilizer industry if it is to reach the great potential obviously available, declared Harold Dinges, Spencer Chemical Co. speaking as a member of a panel on "What Makes Fertilizer Move?" before the spring meeting of the National Fertilizer Association here last week. Mr. Dinges said that the industry should not look back in satisfied fashion on the increases in fertilizer sales during the past 10 years, but should consider actual sales as compared with recommendations by state agricultural experiment stations. In several states, those recommendations are now 100% to more than 200% above current sales. Furthermore, he said, the progress in encouraging fall application of fertilizer has been relatively small. While pasture fertilization has been getting increasing attention in some areas of the country, it still has not been put across generally on the basis of its economic value.

In considering ways to take advantages of these opportunities, Mr. Dinges brought out the often repeated point that the dealer is the weakest link in the chain of fertilizer distribution. While he ad-

mitted that this may be true, he also emphasized that he does not expect that situation to change in the near future.

Manufacturers Should Act. Sales development on the part of the fertilizer manufacturer is at least a part of the answer, declared Mr. Dinges. For example, he said, every fertilizer manufacturer who has a sales organization on the road should plan a program whereby each salesman will get at least 5 farmers a year either to use fertilizer on crops where they have used none before or to try increased rates above normal application where fertilization has been used previously.

Collective action in the fertilizer industry toward sales development is a difficult problem, said Mr. Dinges. For the most part this job has been left to the colleges and at one time it appeared that the state plant food societies would be the answer to the problem. It now appears, he said, that this thing is too big and too important to be done piecemeal. The real answer, he suggested, lies in the hands of one of the two fertilizer associations. He suggested it to NFA as a possibility.

The Banker's View. The fertilizer industry must realize and admit its own

fault in the field of finance before a solution to some of its big problems is possible, declared O. E. Anderson, secretary of the Ohio Bankers' Association. Furthermore, it must realize that no single answer will cover the entire problem.

Mr. Anderson said that he sometimes doubted whether the average fertilizer dealer is really interested in having banks or anyone but himself handle the credit needs of his customers. He criticized the loose view of cash discounts which is taken by many fertilizer manufacturers and suggested that the occasional use of guaranteed, maximum margins to the dealer is also a part of the fertilizer industry's financing problem.

There are approximately 12,000 banks in the United States with resources of less than \$10 million dollars each that can truthfully be classed as country banks. These, said Mr. Anderson, are the institutions which must handle practically all of the credit needs of the fertilizer industry at the level of retailer and farmer if anyone is to do it properly and completely. But the average country banker knows very little about the fertilizer financing problem, he said, and he must be better educated.

Mr. Anderson suggested that every fertilizer dealer outlet be encouraged frequently and consistently to contact his local banker well in advance of the sales season and give him a detailed picture of the prospective movement of fertilizer in that community, the names of farmers likely to need assistance, and a general analysis of any possible trouble spots. Banks, he said, are as willing to take over the credit obligations of a fertilizer dealer as they are that of an automobile dealer in a community.

University Point of View. George E. Smith, University of Missouri, said midwestern farmers are just beginning to appreciate that the elimination of soil fertility as a factor in crop production is the most fundamental step in lowering production costs and maintaining farm income. He indicated that farmers are now learning that organic material does not always furnish all of the nitrogen and

Members of the panel on "What Makes Fertilizer Move" included: George E. Smith, U. of Missouri (left); H. H. Tucker of the Coke Oven Ammonia Research Bureau; Harold R. Dinges, Spencer Chemical; and O. E. Anderson of the Ohio Bankers Associations

