FOR RELEASE: NOON, SATURDAY APRIL 1, 1972 CONTACT: JACK MCDONALD 202-872-1600

HUMPHREY PLEDGES 90 PER CENT FARM PARITY

EAU CLAIRE, Wisc., April 1, Senator Hubert H. Humphrey of Minnesota, today pledged that he will raise farm support prices to 90° per cent of parity if he is elected President.

"American agriculture and the family farmer are getting the short end of the stick. I intend to use the legal tools now at the disposal of the President and the Secretary of Agriculture to see that the farmer gets economic justice," Senator Humphrey declared.

He added, "I also pledge to use to the maximum extent all programs designed to establish an equitable standard of living for our family farmers. None of the tools now on the federal law books will rust in my hands if I am granted the opportunity to unleash the greatest economic revival rural America has ever seen."

"Parity is at the lowest level since the Depression. Farm prices, especially for feed grains and wheat, are far below what they were even twenty years ago."

"On top of that," Senator Humphrey declared, "we have a Secretary of Agriculture who defeated the proposed 25 per cent increase in price supports for feed grains and wheat, who vetoed his option to make advance payments to farmers cooperating in the wheat and feed grain programs, and who lowered the parity price to only 78 per cent on dairy price supports."

Humphrey repeated, "I firmly believe that all producers of raw materials need the cost of production plus a reasonable profit. I believe that the production of this kind of new wealth represented by agricultural output will generate the kind of earned income to get/economy rolling again not only throughout rural America but for the entire economy."

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U. S. DEPARTMENT OF AGRICULTURE

USDA WILL RESUME EGG PURCHASE PROGRAM IF NEEDED:

WASHINGTON, March 23—Assistant Secretary of Agriculture Richard E. Lyng assured egg producers today that the U.S. Department of Agriculture stands ready to resume its egg purchase program if prices to producers take another downward dip after Easter.

Mr. Lyng pointed out that even though egg prices traditionally rise in the period just before Easter, this year they are still below last year's low prices for this period, and consumers are enjoying an unprecedented good buy. After Easter, as demand declines, egg prices traditionally drop. If that pattern is followed this year, producers could experience real hardship. Egg prices in March were the lowest since 1968.

Since last July, Mr. Lyng noted, USDA has bought 17.2 million pounds of egg mix for distribution to needy families. This is the equivalent of 22 million dozen eggs. The purchases, which were discontinued Dec. 8, 1971, are made with funds authorized under Section 32, Public Law 74-320.

USDA also lends support to the sale of eggs by promoting them through its Plentiful Foods Program. Eggs are the featured item on the list of Plentiful Foods for April. They will also be on the list for May. Including those upcoming months, eggs will have been on the USDA monthly list of plentiful foods nine times since last July.

USDA 1037-72

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Sent

MEMORANDUM

APRIL 15, 1972

TO: Senator

FROM: Dan S.

SUBJ: Pennsylvania Farm Issues for Lancaster Visit

The market value of the state's agricultural products has been rising since 1964 although the farm area has declined almost 2 million acres during the same period. From 1965 to 1970, the number of farms declined by 21,000.

Average age of farm operators is 50.5 years. Pennsylvania is one of the top two ice cream producers in the nation, it is third in the nation in production of evaporated and condensed milk.

Sources of Farm Income

| Dairy Products | 438 |
|--------------------|-----|
| Eggs | 10% |
| Cattle and calves | 12% |
| Hogs | 3% |
| Broilers | 38 |
| Corn | 48 |
| Potatoes | 2% |
| Apples | 28 |
| Mushrooms | 5% |
| Greenhouse Nursery | 4 % |

1. Pennsylvania farmers rely primarily on dairy products for the income. Moreover, they do not have a tradition of use of price supports, such as we have in the West North Central states. They, probably becquese of religious heritage, do respond to humanitarian appeals.

Except for the western part of the state, dairy income comes primarily from fluid milk sales. Therefore, the basic pricing depends on the functioning of the milk marketing order systems (rather than price supports for manufacturing milk). Thus, the milk price discussion should be referred to in the following order: (a) School Milk Program -- The leadership which you have provided to prevent the Administration from getting rid of the School Milk Program. This successful congressional resistance is providing a market for 2.5 billion additional half pints of milk per year. Not only is this providing additional nutrition for children, but is also teaching children good food habits which will lead to market development over time.

(b) Food Stamp Program -- Your successful leadership to expand the Food Stamp Program. This is increasing the ability of low income consumers to purchase additional quantities of dairy and meat products.

(c) School Lunch Program -- Your successful effort to expand the School Lunch Program with special emphasis on free and reduced price lunches for the poor. This is most meaningful in the low income areas, but also has implications in terms of increased demand for Pennsylvania produced products.

(d) Price Supports -- Your continued struggle to raise the price support level for manufacturing milk above the current \$4.93 per cwt. -- 79 1/2 percent of parity. Thus far, you have not succeeded, but intend to press forward on this issue legislatively as a member of the AGriculture Committee.

2. Pennsylvania egg producers are in deep trouble. Lancaster County is the largest producer of eggs and poultry in the state. Eggs are selling much below cost, and many producers are bankrupt. This critical situation should be approached as follows:

A. Criticize the USDA for the reluctance to prop up egg prices, as evidenced by the attached press release.

B. Attack the difference between what the farmer receives and the prices paid by consumers, especially at the restaurant and hotel level. Use a mend from a top hotel or restaurant.

C. Lack of bargaining power. Farm Bureau is pushing Bargaining and is powerful in Pennsylvania. (Bargaining power discussions should be kept general enough to encompass the views of the total farm audience so that **you don't** lose NFO and FU members. The same approach could be used in discussions of fruits and vegetables, especially in the apple and potato sections).

D. Your Proposed Rural Development program should be most meaningful in the rural areas of Pennsylvania. Many small towns in Pennsylvania, as in other states, are losing population and business opportunities rapidly. You can discuss this without any additional information. This is an item which can be discussed in both rural and urban areas.

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