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~~THE~~ PRESIDENT HAS SEEN *dg.*

THE WHITE HOUSE

WASHINGTON

October 30, 1974


MEETING WITH LIVESTOCK, POULTRY
and OTHER AGRICULTURAL LEADERS

Wednesday, October 30, 1974

2:00 - 3:30 p.m.

(Presidential Participation - 1 Hour)

The Cabinet Room

From: William J. Baroody, Jr. 

I. PURPOSE

To discuss the problems of the livestock and poultry industry with recognized leaders of organized groups and with individual farmers.

II. BACKGROUND, PARTICIPANTS AND PRESS PLAN

A. Background:

This meeting was called because during your campaign swing in the West you promised to meet with this segment of agriculture to personally listen to their concerns. You have also been urged by a large number of Senators and Congressmen to meet with industry leaders and individual farmers. This meeting keeps that commitment.

B. Participants:

See Tab A for industry participants. The principal government participants are Secretary of Agriculture Earl Butz, William Seidman and Deputy Treasury Secretary Steve Gardner.

C. Press Plan:

Photos in the Cabinet Room. After the meeting, Secretary Butz will meet with the press along with several of the principal participants. No major policy announcements will be made.

III. TALKING POINTS:

(See Tab B for a brief summary of the current livestock situation.)

- I am aware of the cost-price squeeze in which America's livestock and poultry producers find themselves. I have recently met with representative groups of Senators, Congressmen and farmers who have outlined to me the practical problems that these producers in their respective States are faced with.
- I understand the concern of the dairy producers that the United States dairy price system should not be allowed to be undermined by efforts of foreign dairy producers and that our markets should not be the dumping ground for the world's beef.
- I am disturbed by the disparity between the reduced earnings of the cattle and dairy farmer and the higher prices charged to consumers. I have asked the new Council on Price and Wage Stability to examine the reasons behind this gap which is paid to the farmer and what must be paid on the other end of the line by the individual consumer.
- To help in the grain situation, we are monitoring grain export sales daily to accomplish an equitable sharing of our grain supplies and we have announced an all-out production effort to increase feed grain supplies next year.
- Now I would like to hear from you. Starting with Mr. Van Vleck (President of the American National Cattleman Association) we will go around the table. I hope each of you will make your comments as forceful as you want, but as brief as you can, to give everyone an opportunity to be heard. After I leave, Secretary Butz, Bill Seidman and the other government officials here will stay on for 30-45 minutes to discuss these matters with you in more detail.

THE WHITE HOUSE

WASHINGTON

ATTENDANCE LIST
WEDNESDAY MEETING, OCTOBER 30

Milton J. Brown
President
National Livestock Feeders Asso.
Route 6
Mt. Pleasant, Michigan 48858
(517) 773-5461

James Conkwright
Route 4
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(Hereford Breeders of Texas)

Edward Covell, Jr.
President
Day Shore Food Inc.
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Easton, Md. 20601
(301) 822-3000

Glenn Deen
President
Texas Cattle Feeders Asso.
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Amarillo, Texas 79109
(806) 948-4163

Harvey Ebert
Executive Vice President for
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Wray W. Finney
Beef Cow/Calf Operator
Fort Cobb, Oklahoma
(405) 643-2697
(405) 643-2625

Roger Fleming
Secretary-Treasurer
American Farm Bureau Federation
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Park Ridge, Illinois 60068
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Robert Frederick
Legislative Director
National Grange
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NA 8-3507

Marvin Garner
Executive Vice President
National Pork Producers Council
4715 Grand Avenue
Des Moines, Iowa 50312

Glenn Lake, President
Board of Directors
National Milk Producers Federation
Michigan Milk Producers Association
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(313) 533-7007

W. Gordon Leith
Chairman of the Board
National Council of Farmer Cooperatives
Farmland Industries, Inc.
P. O. Box 7305
Kansas City, Missouri 64116

Don F. Magdanz
Executive Vice President
National Livestock Feeders Association
309 Livestock Exchange Building
Stockyards
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Horace McQueen
Cattleman
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Hilmar G. Moore
President
Texas & Southwestern Cattle
Raisers Association
900 Hillcrest
Richmond, Texas

Herman Natwick
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Ada, Minnesota 56510

B. J. Neill
Route 1
Bolivar, Missouri
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Richard Price
Dairy Farmer
Stockton Road
Phoenix, Maryland
(301) 771-4425

Harold B. Steele
Hog Farmer
1701 Towanda Avenue
P. O. Box 901
Bloomington, Illinois 61701

James T. Taylor
Rancher
Wytana Livestock Company
Bozeman, Montana

James T. Traweek
Dairyman
Box 100
Stevensville, Texas

Gordon Van Vleck
President
American National Cattleman Asso.
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Plymouth, California
(209) 245-6761

Lew Waltz
National Turkey Federation
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Reston International Center
Reston, Virginia 22091
(703) 860-0120

Sam Washburn
President
National Lamb Feeders Asso.
Fowler, Indiana 47944

George Watts
President
National Broiler Council
1155 15th Street, N. W.
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296-2622

LIVESTOCK SITUATION

America's livestock producers find themselves in a tremendous cost-price squeeze. A principle cause for the lower livestock prices has been the increase by farmers of livestock production. Pork supplies in 1974 will run about 7 percent higher than in 1973. Beef supplies in 1974 will run about 7 percent higher than in 1973, a new record.

The slack in the economy makes consumers somewhat less robust buyers of meat, although they bought 8 percent more meat per person through August at 6 percent higher prices than a year ago. In the first three quarters of 1974 consumers spent about 4.2 percent for their disposable income for red meat. This is the same as for the average of the full 1973 year; is the same as in the full 1965 year; and is less than the 4.7 percent spent in 1955 and 1960.

The margin between farm livestock prices and consumer meat prices has widened considerably from a year ago. Retail meat prices through the first 8 months of 1974 averaged 6 percent higher than in the first eight months of 1973. Thus retail prices have not come down as much as they could to help move the larger meat supplies into consumption more readily.

The farm retail spread for a 1,000-lb choice steer (compares farm value with retail value) in the second quarter of 1974 was \$232 per animal, up from \$190 in the second quarter of 1973 and \$163 for the full year 1970. The farm to retail spread similarly for a 220-lb hog was \$58 in the second quarter of 1974 compared with \$43 in the second quarter of 1973, and \$43 for the full year 1970.

A late, wet spring, dry summer and early frost have reduced expected grain yields, and have caused a bullish market for feed grains and soybeans. This creates problems for the entire livestock industry until the next harvest season.

Reflecting consumer resistance to high retail milk prices, consumption of fluid milk was down 5 percent for the first half of this year compared to a year ago. Fluid milk sales are currently 1.1 percent below 1973 levels. Declines in fluid milk sales released more milk for use in processed dairy products. Stocks of dairy products have increased, prices dropped, and the Department of Agriculture made substantial purchases under the price support program.

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Poultry -
Foreign sales.

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Alan Smith

Cattle -
Imports -
Re-established
Financing -
Tax Policies -
no change.
Export beef.
P.L. 480.

Dairy -
Imports -
Marketing Order -
Support Price level -
Wogs -
Canada -
Research -

MR. PRESIDENT

YOU HAVE BEEN IN THIS MEETING SIXTY
MINUTES AS SCHEDULED.

YOUR NEXT APPOINTMENT IS AT 3:45 P.M.

PRESIDENT'S LIVESTOCK CONFERENCE

SEATING ARRANGEMENTS:

- A. We recommend that you have place cards on the table for seating the livestock representatives.
- B. We recommend that the following ten people be asked to speak for 5 minutes each in the following sequence, which can be done by seating them across from the President from his right to his left so that he can call on the first person and suggest that they speak in turn from the first person going left:

1	Gordon VanVleck	Beef cow-calf
2	Glenn Lake	Dairy
3	Marvin Garner	Hogs
4	Roger Fleming	General farm group
5	Milton Brown	Beef feeder - Corn Belt
6	Glenn Deen	Beef feeder - Southwest Feedlot
7	Gordon Leith	General farm group
8	George Watts	Poultry
9	Melvin Sprecher	Dairy
10.	John Scott <i>Bob Fortwick</i>	General

- C. The remaining people could be seated in this arrangement if that is practical:

11.	Wray Finney	Beef cow-calf
12.	Harold Steele	Hogs
13.	Sam Washburn	Lambs
14.	Edward Covell	Poultry-Broilers
15.	Richard Price	Dairy
16.	Hilmar Moore	Beef cow-calf
17.	Lew Waltz	Poultry
18.	Don Magdanz	Beef feeder - Corn Belt

- D. I do not have background on the other livestock people who have been invited.
- E. The following four people will be present from the Department of Agriculture:

Secretary Butz
Clayton Yeutter, Assistant Secretary
Don Paarlberg, Director of Agricultural Economics
Claude W. Gifford, Director of Communication

- F. Attached are additional background papers on the livestock situation.