

A Letter From the Wheat Belt

Pat 9/1/73

A number of people here in Washington have begun to see the danger in the fertilizer shortage, but no one has put the case better than Mrs. Dixon. Her letter arrived the other day from southeastern Kansas, where the ground is now being prepared for planting the wheat. Fertilizer supplies this month will affect not only grain prices next summer, but beef prices next spring. Modern fertilizers enable farmers like the Dixons to graze beef cattle all winter on the growing wheat, sell the cattle in the spring, and a few weeks later harvest a normal wheat crop. But that takes a lot of nitrogen in the soil.

The Dixon family's troubles are a brilliantly clear illustration of the desperate dilemmas into which the country has fallen in its struggles with food and prices. The Nixon administration is trying to hold down the cost of food by expanding production. The Dixons' wheat acreage this October will be 30 per cent greater than last year's. Bigger crops require more fertilizer and the producers cannot meet the soaring demand. Nitrogen fertilizer is made from natural gas, already severely in shortage.

In the Dixons' area, one major supplier is W. R. Grace and Co., which operates a plant nearby in Joplin, Mo. The plant manager, D. E. Warren, says that his gas supply was cut off 46 days last winter and was reduced by 9 per cent last month. Since his gas suppliers have warned him to expect similar disruptions again this winter, Mr. Warren is installing propane tanks for supplementing the natural gas flow. But, he points out, propane is also in shortage and it is six times as expensive as natural gas.

The domestic price of nitrogen fertilizer is held down to \$40 a ton by the federal price controls. But the export price is uncontrolled and it is now about \$75. That is why manufacturers give preference to foreign buyers. Mrs. Dixon complained to her congressman, Joe Skubitz (R-Kans.), who talked to the Agriculture Department. Subsequently a large oil company made some unexpected deliveries in Mr. Skubitz's district, but that was only temporary relief. Mr. Skubitz favors decontrol of the price, on grounds that his constituents would rather pay more than be crippled by shortages in the crucial planting weeks.

Sept. 3, 1973

Dear Sir:

My husband and two sons farm approximately 2,000 acres of wheat land in Sumner County, Kansas. We are not big farmers, nor are we small.

There is now a widespread and critical shortage of fertilizer and planting time is near. If we do not get enough fertilizer, we will not be able to produce much wheat. Thousands of farmers are in the same boat. (Also we cannot get, at any price, tractors, tractor tires, rims, wheat drills, baling wire, machinery parts, to mention a few, and we are rationed on gasoline—alho, as a housewife, I can fill up at any major station 20 miles away with no questions asked.)

Oil companies make fertilizer. We are told by our suppliers that they cannot get fertilizer (anhydrous ammonia) because: 1. There is a shortage of natural gas needed to make it. 2. Forty-five per cent of the fertilizer is being shipped overseas at much higher profits. (A dealer of some 30 years told us that when he sent his trucks to Houston, the supplier refused to fill them while his driver watched the fertilizer being loaded on ships for export.) 3. The railroads are weeks delivering carloads that should arrive in days.

Excuses will not grow crops.

Meanwhile, you city people had better get off your office chairs and start writing your congressmen too (or anyone else that you think might help) or next year there may not be any food.

Respectfully,

S. J. Dixon

The real crisis is coming next spring, when fertilizer demand will reach its annual peak. American farmers will need about 10.1 million tons of nitrogen fertilizer for the year ending next June, the Agriculture Department estimates, but supplies will be only about 9.1 million tons. This means a shortage of 1 million tons here in the United States. Meanwhile our exports are projected at 1.7 million tons.

Sens. Hubert Humphrey (D-Minn.) and Robert J. Dole (R-Kans.) called a meeting last Monday at which they pressed the administration and the industry for a solution. Senator Humphrey asserted that a million-ton shortfall of fertilizer would reduce American production of feed grains next year by 20 million tons: "If this oc-

curs," he said, "the effects will be catastrophic. Retail prices will go into the stratosphere." The Agriculture Department is supposed to come up with an answer. But, in truth, the possibilities are neither numerous nor attractive. Decontrol would contribute to inflation immediately. Continued price control would mean shortages now, causing further inflation later. The only other choice would be export controls which, as the administration has learned, are fearfully destructive of our relations with other nations that count on us for vital supplies. Senator Humphrey took the issue into the hearings on the confirmation of Henry Kissinger as Secretary of State. Dr. Kissinger apparently had not anticipated questions on fertilizer. But he may discover that it has more to do with his work over the coming years than many of the more conventional pre-occupations of diplomacy.

When the Nixon administration began to push for maximum farm production, no one gave much thought to fertilizer requirements. Now that the industry needs more gas, the government still is not prepared to say who should have less. Nobody in Washington worried much about rising fertilizer exports until the word of shortages began to trickle back from the farm states. City dwellers, bewildered and outraged by the cost of food, are demanding explanations. Those explanations might well start with the Dixon family, scouring southeastern Kansas for dealers able to sell them anhydrous ammonia for their fields before the winter wheat goes in.