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Montana Woolgrowers Association

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Senator * or Department*: **BAUCUS**

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Prepare one form for insertion at the beginning of each record series.
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Record Type*: Speeches & Remarks

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* "required information"
Thank you, Bob.

As I prepared for this Convention and thought through the events of this year, I thought about a book I read a few years ago. It was by an historian named Arthur Schlesinger, and it was called The Disuniting of America.

As the title implies, Schlesinger is worried. He fears the "centrifugal forces" of special interest politics are tearing this country up, and I think he’s got a point.


The repeal of the Wool Act really drove that home to me. Some people talk about it as a "war on the West." I don’t see that. I don’t see hostility. But what I do see in the Wool Act repeal -- and other issues like water rights, the mining law, the farm program or grazing fees -- is indifference. Unwillingness to think about the other guy’s point of view. I see easy votes without much thought about what they mean to ordinary people trying to make an honest living. And I don’t like it.

WOOL ACT REPEAL

I’ll talk a little more about that later. But for now I’d like to review the situation we’ve got today, and the directions I think we can go to keep a strong and profitable sheep industry in Montana and the United States.

We took a big hit this year. There’s no getting around it. But we need to see it as a challenge, not a defeat. We’ve got some options and some time to think about them.

I, along with others, worked very hard during the Wool Act debate. Our opponents simply had the votes this year. But we did hold off the amendment that would have created an immediate, cold-turkey cut-off, and replaced it with a two-year phaseout.

That means wool growers won’t just be dumped out in the cold. The phaseout will take us through to the next Farm Bill in 1995 -- and that gives us time to come up with a
new approach.

That’s a big challenge, and we’ll have to face it together. So over the next months and years, I need to hear what you’re thinking. And today I’ll say a bit about my ideas, but I’ll be as brief as I can because I want to hear from you.

WHERE TO FROM HERE?

Let’s start from the beginning. The Wool Act has been eliminated and will not be revived in a similar form. A lot of problems will result from that. First of all is the effect this debate had on prices. You and I watched the lamb market swing wildly up and down this summer. Producers tried to sell down before prices dropped further. Most were unsuccessful, and in fact prices dropped even more rapidly as a result.

In the long term, the lamb markets and infrastructure may also suffer. If livestock or producer numbers in the area fall, smaller processing plants will close. That in turn would reduce competition and compress the market for lamb-sellers.

We do not have many easy choices. But we do have some options, and we should start thinking about them now. They fall into two areas: first, new ways to involve the government in support for the industry; and second, ways the industry itself can develop new products and find new markets.

NEW APPROACHES TO A WOOL PROGRAM

One idea is a promotional assessment on either wool or lamb to promote our goods and boost demand for them. And many other industries use such an industry-wide assessment. Many of you are familiar with the beef industry checkoff. A new one was just created at the request of the cut flowers industry. If wool producers see an assessment as a good alternative, we could work toward creating it in the 1995 farm bill.

Another example to look at is the way Canada uses sheep to control weeds. As part of its farm program, Canada pays producers to graze sheep in infested areas. In Montana, where weeds are a critical concern for farmers, this could improve our land resources and also give a shot in the arm to the sheep industry. Montana State University has conducted research in this area for a number of years, and it looks promising.

Of course, it’s going to be hard work getting any new program. I don’t want to kid anybody about that. So we should also try very hard to develop new products and find new markets.

NEW PRODUCTS AND MARKETS

One example is the agreement between the American Sheep Industry Association’s
Wool Council and Japan, in which Japan is buying American wool to use as futon filler. Japan will buy 370,000 pounds of wool this year, almost doubling last year’s 200,000 ton purchase.

We should be looking for options like that. And as we look for new markets, Montana wool growers start with a big advantage. We produce premium quality wool, and we can accomplish a lot in specialty markets and niche marketing. That holds true for export markets as well as domestic markets.

Second, we can also take a lesson from producers in other parts of the country. For example, some of the sheep operations in Wisconsin and Minnesota have begun producing sheep cheese. The United States imports 46 million pounds of cheese a year, and there’s a lot of room for more American producers. One of the operations in Minnesota produces 10,000 pounds of sheep cheese a year, up from 1,500 pounds five years ago. They thus increase the value of their stock without putting in much extra money.

And finally, modern research can help wool growers develop new and innovative products. These can pop up well outside what we traditionally think of as wool or even agricultural markets.

One very promising example is the American Sheep Industry Association’s support for research to develop an oil spill control product. Wool can absorb up to 30 times its weight in oil. It also offers an extra environmental advantage, in that it is biodegradable and doesn’t have to go into a landfill afterwards. They’ve also developed wool “mitts” that help clean up birds and water mammals that get coated with oil.

In another part of the country, an Ohio farmer came up with a similar product -- an oil absorbing mat -- to use in factories. He also sells a wool-based mulch that can replace pesticides in gardens and landscaping. We should look at these and other innovations very carefully.

GRAZING FEES

I’m not offering any of these options as the final word. I want to get your views on them, and your suggestions for other alternatives. We’ve got to look at them all, and we have a few of years to think them through. But at the same time, we can’t sit back and relax on the other issues.

That’s particularly true in the case of grazing fees. Most of you probably followed the debate pretty closely this year, so I won’t spend too much time reviewing it. The Senate did manage to delay the draconian increase Interior Secretary Babbitt proposed in February. We also blocked Senator Reid’s slightly less burdensome legislative proposal.

But that won’t last forever. The Senate gave ranchers a breathing space. But it will
last for months rather than years. The Secretary of the Interior can raise the fees without legislation, and he can do it as early as next July or August.

I think it’s a sure bet that grazing fees will go up next year. The only question is how much. So this winter, industry must look very closely to decide which parts of the Secretary’s proposal will work, and which will just hit the smaller producers too hard. Producers have to be engaged at every step if we hope to get a reform proposal instead of a punitive proposal.

THE GOOD NEWS -- NAFTA AND ANIMAL DAMAGE CONTROL

Finally, although I’ve been pretty downbeat today, the year wasn’t all bad. I spent much of the last month on the NAFTA debate, and I’m happy to say the agreement offers wool growers some real opportunities.

The problems we faced in Mexico were not only the tariffs, which NAFTA will abolish. An even bigger issue was Mexico’s use of sanitary and phytosanitary concerns to block out sheep shipments entirely. NAFTA forces Mexico to abandon that practice and adopt scientific standards instead. That will mean major new export opportunities, which we ought to be working on now.

And another piece of good news came on animal damage control. The Bureau of Land Management finally completed its assessment of the environmental effects of animal damage control activities on federal lands. And as you’ve probably heard, the BLM very sensibly concluded that ADC activities should continue at the level before they were shut down in April. You and I worked very hard to find an interim solution; and I think the BLM’s conclusion proves us right.

CONCLUSION

So there’s some good news with the bad. But on balance -- there’s no doubt about it -- we had a very tough year.

And whether it’s grazing fees or broader issues of range management, we won’t have an easy time of it next year either. All of us must work very hard to get our concerns across, and to make Washington understand what these issues really mean to people on the ground in the West. So stay in touch with me, and Bob Gilbert and Larry Myers and his team.

I talked earlier about Dr. Schlesinger’s book The Disuniting of America, and the indifference I see in Washington to our concerns in the West. I feel it very deeply. It makes me angry. But to be fair, it works both ways. Easterners feel the same way about some of the positions we traditionally take on issues like the Brady bill or assault weapons. And we have to listen to them if we want them to listen to us.
The only solution on these issues -- or any issues -- is for both sides to listen a bit more. To look at problems with an open mind instead of an opinion carved into granite. And sometimes to make a compromise. If we do this more often, I think all of America will be better off for it.

Sometimes in Congress you just don’t have the votes. That’s part of the job. Win some and lose some. But the Wool Act affects the people I grew up with. My roots are in this industry. So I think the repeal hit me a bit harder than usual.

But all of us from ranching families have taken blows before and gotten through it. We go back a long time in this state.

Mike Malone at MSU traces the industry back to Jesuit priests at the St. Ignatius Mission in the 1850s. The Montana Wool Growers Association was founded in 1883, a hundred and ten years ago. Since then, we’ve been through much worse than the Wool Act repeal. Freezing winters, financial panics, accommodation with the homesteaders, droughts, depressions and radical change in the international market. Through it all, wool growing families were part of the backbone of Montana.

That won’t change. We were here a hundred years ago, and Wool Act or no Wool Act, we will be here a hundred years from now. I am totally convinced of that. Why? Because like my father used to tell me and John, tough times don’t last but tough people do. And I’d bet the people in this room will prove him right again.

Thank you very much.