Congressional Record - National Wheat Institute

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Mr. MANSFIELD. Mr. President, it is a coincidence, yet nonetheless significant, that this year's "Day of Bread" observance on October 6 occurred almost simultaneously with the formation of the National Wheat Institute. Day of Bread is a symbolic expression of international gratitude for the staff of life. As such it serves to focus worldwide attention on the great contribution wheat makes to the human diet, and the important qualities that make wheat a major weapon in the fight against hunger and malnutrition. This year's observance is enhanced considerably by the formation of a new organization which will attempt through a national research and promotion program to make wheat even more attractive and beneficial to people at home and abroad.

NATIONAL WHEAT INSTITUTE

The work of the State wheat commission in my own State and in the nine other commercial wheat States has proven beyond a doubt that research and promotion funds can be put to constructive use to increase utilization of this basic commodity.

Basic and applied research authorized by these commissions have played a major role in unlocking the nutritional secrets of wheat. But until now, their activities have lacked cohesive and comprehensive support on the national level.

Now, for the first time, a program that is national in scope is being implemented.
to seek expanded exports and to achieve an elusive, yet basic, objective of the American wheat producer: to break the 40-year-old cycle of declining per capita consumption.

Based in Washington, the National Wheat Institute will focus on two areas of critical importance: First, research on enrichment, fortification, and market development; and second, a change in public attitude that, hopefully, will bring about more widespread appreciation for what wheat is and nutritional qualities.

Figures on per capita U.S. wheat consumption for the past 40 years vividly dramatize the need for such a program. During that period, flour consumption has dropped from 169 pounds to 112 pounds, and even though the rate of decline has slowed sharply in recent years, the net result is that Americans now are eating about a third less wheat than previously.

The trend is especially distressing to the American producer, who finds himself hemmed in by a somewhat static domestic market in which population increase alone provides room for growth. In addition, the wheat producer is plagued by the same chronic ills that plague other major segments of agriculture: his costs for supplies, equipment, taxes—virtually everything he buys—continue to rise, but his prices stay the same.

From his standpoint, the formation of this new organization is indeed a hopeful development. As we examine the potential it offers, we should consider how this organization came about, and how it will be funded.

During the 1968-69 farm program year, here was an accumulation of approximately $4.2 million in the Wheat Inverse Subsidy Pool, which was established as a means of keeping our wheat competitive with world prices. Because of pricing arrangements under the International Grains Agreement during 1968, world prices for wheat were about 25 cents per bushel below the year held our domestic prices—the only recent year in which such conditions have prevailed. Fewer payments from the pool were needed to keep our wheat moving into international trade. And, the books at USDA showed a balance of $4.2 million at the end of the program year.

The mere disbursing of a pool of that size would pose considerable difficulty—especially since approximately 823,000 wheat producers participated in the program. More than half the refunds to producers would be for less than $3.

And so, Congress, by a unanimous vote in both Chambers, approved legislation that gives the producers the opportunity to accomplish jointly what they could not possibly do alone: to sponsor a comprehensive program designed to increase utilization and to improve their overall competitive position.

I emphasize the point that Government funds are not involved in this program. It is a program for the point that this is not a scheme to usurp funds that rightfully belong to producers. The right of the individual to withdraw his production and form his own cooperative or to be adequately safeguarded. The legislation passed by Congress provides for a 90-day period in which any producer can withdraw his contribution to the fund—and none of the money can be spent until that 90 days has expired.

I believe the great majority of producers will recognize the opportunity to participate in a program of this kind—that they will quickly recognize and accept the challenge to achieve a common objective.

Certainly this is the quickest way for wheat producers to generate needed and dramatic in fact; it is also the least painful way finacially. Actually the possible refunds would only amount to 0.5 percent times the producers 1968 certificate payment involved: 229,000 would be for less than a dollar; 417,000 would be for between $1 and $5.70; and only about 5,000 producers are eligible for a refund of more than $50.

The most important questions from the producer's standpoint are: Who will administer the funds once a determination has been made of how much money is available? What potential does the program offer? What projects would the Institute undertake?

First, the funds will be administered by wheat producers, the Institute's board of directors. These producers will also represent the general farmer organizations who founded the National Wheat Institute: U.S. Durum Growers, NFO, Farmers Union, National Grange, and National Association of Wheat Growers. The Board will have an ex officio member from USDA, and the Secretary of Agriculture will also approve specific program projects.

In addition to this organization structure, the Institute will also have an advisory council of representatives of other segments of the wheat industry, such as the Millers National Federation, the American Bakers Association, the Millers National Federation, the Flour Institute, and others. And the advice and counsel of technical advisers from universities and research organizations will also be available to the Institute.

The exciting side of this story is that such an undertaking may well trigger a major shift in emphasis for wheat, a shift in which there is less concentration on conspicuous production, and much greater emphasis on intelligent consumption.

In the past few decades, the American wheat producer has made tremendous strides from a production standpoint. Per acre yields nationally have risen dramatically in the past 20 years—from about 20.7 bushels per acre—the 1940-60 average—to about 30.7 bushels per acre in 1969.

Yet, wheat has fallen far short in the critical areas of utilization. Exports have risen, yes. But not enough. In addition, the wheat industry has been unable to combat effectively the present deplorable consumption pattern.

The solution to this problem will be difficult at best; it will require a fundamental change in public attitude.

When the economy of a nation improves significantly, as ours has in recent years, the traditional foods in the diet—usually those high in starch content—relatively increase in utilization. In the United States we have seen a terrific increase in consumption of meat in the past decade or so, and this trend has been general upgrading of the diets of consumers primarily because meat is an excellent source of protein.

Yet converting grain into animal protein is expensive: 20 pounds of feed to make one pound of beef; about 2 pounds of feed to make a pound of chicken; and about 3 pounds of feed to make a pound of eggs. Most of the underdeveloped countries cannot afford to make that conversion.

Here we can, and while we have no national example of increase in consumer demand for meat, we have also seen a decrease in demand for starch-based foods.

Most Americans have become extremely diet conscious. The unfortunate aspect for wheat is that breads are distinguished in the public mind as high calorie, high starch content—clear of it you do not want to get fat. It is unfortunate because the facts speak otherwise. The nutritionists make an excellent case for wheat as part of the diet—the possibilities through enrichment and fortification hold fantastic potential—but only if basic research is applied on a practical level. This coupled with more intelligent consumption on the part of the public can have a strong positive impact for wheat.

This dual challenge should serve as a goal for the national Wheat Institute.

The experts seem in general agreement that traditional uses provide the greatest potential for expanded domestic wheat utilization. Still we need to know a great deal more about established eating habits. More knowledge about consumption patterns is needed in order for nutritionists to make good value judgments about the overall role bread plays in our diet. Once this is known, enriched and fortified products can be made more attractive in terms of taste and texture and also from an economic standpoint. For example, considerable evidence now exists that fortification of enriched foods represents the most appropriate way to improve the iron content of the American diet.

And so to increase domestic consumption, wheat needs new and improved products; there is an urgent need for an organization that will not only help develop these products, but will also promote them with the general public.

The Institute's other major target area—exports—is equally promising. Most of the world's population still depends on cereal grains as its primary source of caloric intake. And of the world's total acreage planted to cereals, 31 percent is devoted to wheat.

Japan recently became our first billion dollar customer for agricultural products, and if its example of wheat usage is followed by the developing nations, the possibilities for increased wheat exports are staggering. But again, these nations will develop as good customers for American wheat only as a result of
sound technological, economic and market development work.

The role of wheat and other cereal grains in combating world hunger will become increasingly important; the basic problem of nutritional deficiency boils down to one of finding a digestible and acceptable balance of proteins. And in many countries livestock sources are out of the question for cost reasons for many years to come. The problem is made especially complex because even if sufficient good quality food is available, getting it into the diet of illiterate, unguessing and unbelieving people may still be impossible. The obstacles here again challenge the initiative of the wheat industry because centuries' old habits, traditions, taboos and methods must be erased or circumvented. Whole national habits of eating, cooking, serving, preparing, marketing, growing, processing, storing, and selling are involved.

Yet, the technology needed to overcome these problems is emerging at a rapid rate.

The National Wheat Institute should give a significant boost to the effort already underway to put this technology to work. Some of our competitors, such as Canada with its central marketing organization, are making major strides in this field, and it is essential that we keep pace with them.

I am especially encouraged that the Nation's wheat producers will have for the first time at the national level a source of guidance and assistance in the critical area of increased utilization.

It represents a major opportunity to attack wheat's persistent and perplexing problem of underconsumption at home, and meet the challenge of expanding exports abroad.