Tobacco farmers July

NAACP pledges to support black farmers in USDA fight

By Larry Bivins
Gannett News Service

ATLANTA — NAACP convention delegates voted Wednesday to support angry black farmers in their struggle for redress of decades of discrimination by the U.S. Department of Agriculture (USDA).

The farmers said systematic discrimination by the department has decimated their ranks and black-owned farmland. They said that although the department has acknowledged biased treatment of black farmers, it has been slow to act on remedies.

Black farmers have become "an endangered species," said NAACP President Kweisi Mfume. He urged the department "to take a more aggressive approach" toward resolving the issue.

Two class-action lawsuits, naming more than 500 black farmers as plaintiffs, have been filed against the USDA since February 1997. The most recent was lodged July 8.

"If you say you've done something wrong, why don't you correct the problem," said Philip Haynie III, a farmer from Reedville, Va.

"What happened in Tiananmen Square in China doesn't compare to what has happened to the black farmers by this government," said Eddie Slaughter of Buena Vista, Ga., referring to the 1989 massacre of student demonstrators by Chinese police.

By Erik S. Lesser, AP

In Atlanta: Farmer Philip Haynie III reflects beside 'Struggles' the mule during a prayer vigil Wednesday.

Haynie and Slaughter, vice president of the Black Farmers and Agriculturists Association, were among roughly 100 black farmers who demonstrated outside the federal building here before marching to the convention center, where the NAACP is holding its 89th annual convention.

The procession was led by the mule "Struggles," owned by National Association of Black Farmers President John Boyd, who has organized several protests in Washington, D.C.

Boyd, a farmer from Baskerville, Va., told more than 3,000 convention delegates, "I seriously believe that there is a conspiracy to take black farmers' land in this country."

At the turn of the century, blacks owned 14% of farmland in the United States, according to the Census Bureau. Today, that figure is less than 1%. The number of black farmers plummeted to 18,816 in 1992 from 925,710 in 1920.

In February 1997, Agriculture Secretary Dan Glickman pledged to take swift corrective measures after a task force found widespread discriminatory practices and came up with 92 recommendations.

Glickman told the NAACP delegates during a morning legislative session that he was working hard to try to "stop the exodus of black farmers" and loss of black farmland.

"This has meant the loss not just of economic opportunity, but a rich heritage," he said.

THE NEWS & OBSERVER
THURSDAY, JULY 16, 1998

Compensate black farmers, NAACP says

THE WASHINGTON POST

ATLANTA — The NAACP publicly embraced the nation's dwindling corps of black farmers and demanded Wednesday that the federal government compensate them for a long history of racial discrimination that has driven many farmers off their land.

The nation's largest civil rights group voiced support for a number of measures aimed at clearing the way for the government to resolve lawsuits and other complaints br ht against the Department of Agriculture by black farmers in recent years.

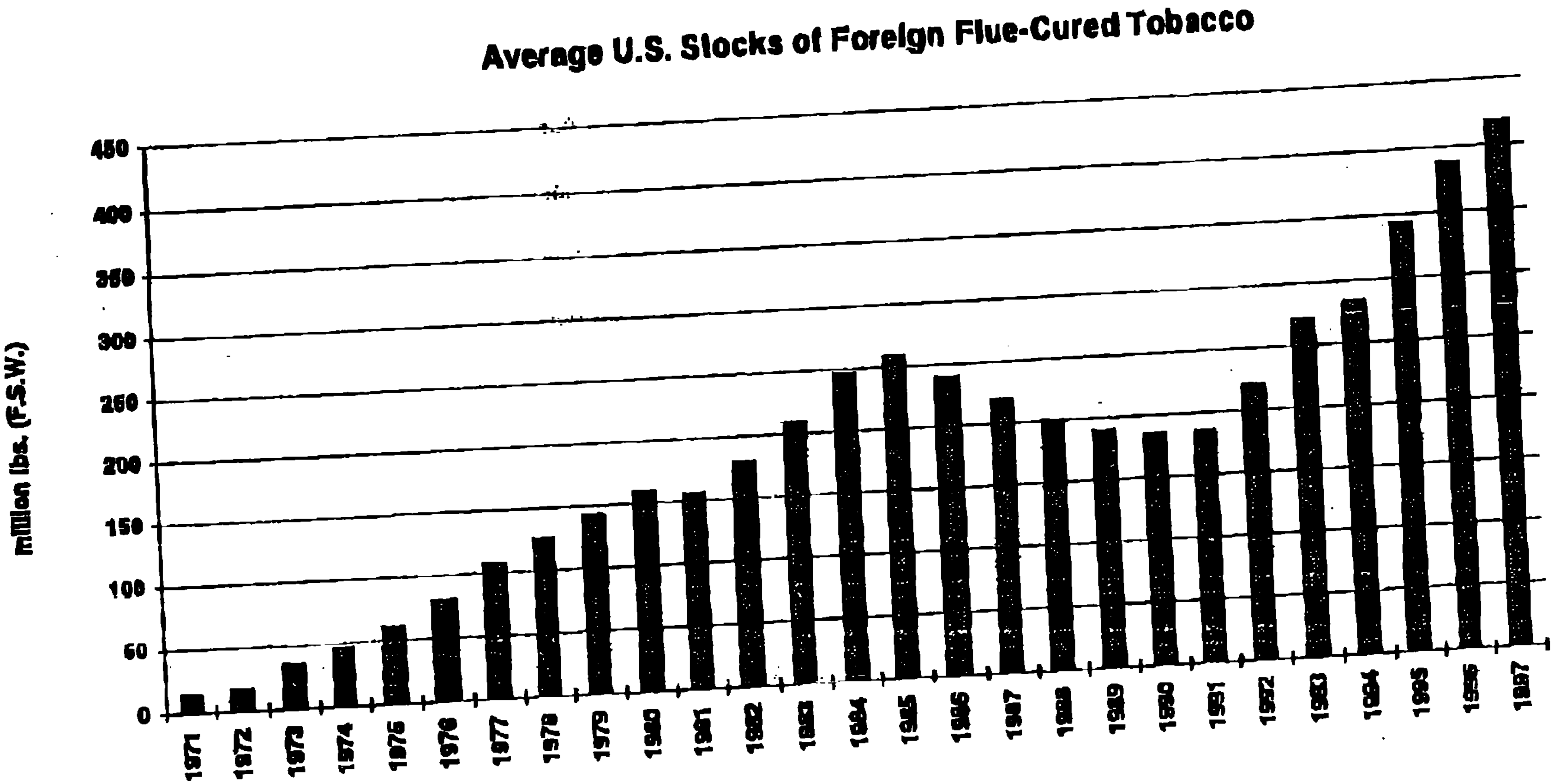
Thousands of NAACP members also heard from Agriculture Secretary Dan Glickman, who in a h acknowledged the department's racist past and promised to attack the vestiges of discrimination that remain within the agency. He said USDA will compensate farmers who can prove they were discriminated against.

"We need to pay reparations for documented cases of past discrimination," Glickman said.

There are two class-action lawsuits pending in U.S. District Court in Washington that seek a combined $3 billion for what the suits allege was the government's discrimination in administering farm credit and other aid to black farmers.

The suits allege that for years local USDA officials routinely denied or delayed loans to black farmers who often were shut out of the private credit market because of their race. When black farmers were granted USDA loans, they frequently were subjected to stifling conditions that hamstrung their farming operations, the suits allege. Many of those allegations have been acknowledged in internal USDA reports.

Black farmers say that history of discrimination has combined wit the difficulties faced by all sma farmers — the rise of more efficie agribusinesses and the growin importance of technology — t force a dramatic decline in the num ber of black farmers. In the 1920s nearly 1 million black farmer worked the land. Now, there ar 18,000 black farmers and thei ranks are dwindling at three time the rate of their white counterparts



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Flue-Cured Imports For Consumption, General Arrivals and Domestic Purchase Intentions

Marketing Year	(1) Imports For Consumption (mil. lbs.)	(2) General Arrivals (mil. lbs.)	Domestic Purchase Intentions (mil. lbs.)
1986	176.6	119.6	360.7
1987	209.7	165.9	355.0
1988	146.5	123.8	441.4
1989	109.0	120.8	543.8
1990	141.2	136.7	491.5
1991	137.6	166.1	483.5
1992	217.3	260.3	497.2
1993	193.3	187.1	473.0
1994	170.5	162.9	280.0
1995	162.5	214.6	569.9
1996	217.4	219.4 *	475.5
1997			535.5

(1) Imports for consumption are reported on marketing year (97 began 7/1/97)

(2) General arrivals are reported on calendar year - these numbers have been converted

* Complete Data For Marketing Year Conversion is Unavailable -Est. Based on 10 Months

Farrell Delman
President

EXECUTIVE SUMMARY

ES98-28
July 10, 1

SPECIAL THIS WEEK...

- Tobacco Weekly 98-28
- World Alert 98-28
- Legislative Bulletin 98-27
- Trademark Report 98-06
- Japan Tobacco Trade Barometer May 1998
- SCS First Quarter 1998
- CCS February 1998

Year 2000 Anti-Tobacco Campaign: Anti-tobacco forces will converge on **Chicago** on August 6-10, 2000 for the 11th World Conference on Tobacco OR Health, the first such conference to be held on US soil since the 1975 event. Goals of this 33rd anniversary of the American Cancer Society-co-sponsored meetings include examining the impact of tobacco advertising and promotion in the developing world and sharing "intelligence on worldwide strategies of the transnational tobacco companies" (PRNewswire 7/9). •On July 6, Imperial Tobacco, Gallaher, BAT and Rothmans won the right to launch a legal challenge to the **UK's** Scientific Committee on Tobacco and Health (SCOTH) report. Justice Moses ruled that the manufacturers should have b consulted and that damaging but unsupported remarks were made in the report. He found that an overall anti-tobacco bias had swayed its recommendations for a tobacco advertising ban and public smoking restrictions and demanded proof for the claims being made. •Teen "Tobacco Court" is coming to **Utah** this fall. An experiment aimed at reforming young smoking violators, it will operate out of small claims court and be run by temporary judges who can require community service, smoking education programs and levy fines of $250 (TW98-28, WA98-28).

The "Plan B" Mini-Settlement & Other Actions: In preparation for Monday's meeting of attorneys general in Durango, **Colorado**, negotiations have been underway over the past few weeks to resolve the 37 outstanding US State Medicaid suits at an estimated cost of $200-240 billion over 25 years, roughly in line with the States' $196.5 billion share of the June 1997 $368.5 billion package modified by the higher Minnesota settlement. According to today's New York Times, the talks, which began as a result of Washington State's pre-trial preparations, may have broken down on the issue of dollars and whether all 37 States wish to settle. Known as "Plan B," the deal would be struck solely with the States and include no limits on class action suits, less comprehensive marketing restrictions, and few additional efforts to reduce youth smoking. Although details remain sketchy, and industry spokespersons declined to comment, Sanford Bernstein analyst Gary Black said he has talked to industry lawyers, plaintiffs' attorneys and attorneys general who said they are moving "full speed ahead" and expect to announce a deal in late August in time for the November election plans of some attorneys general. He expects such a deal to generate a 35 cent per pack cigarette price increase and that certain youth access restrictions and local advertising and sponsorship bans would be included, but that Federal components, such as youth smoking reduction targets and increased FDA control, would be absent (Dow Jones 7/9, NYT 7/10, WSJ 7/10, AFX News 7/10, Financial Times 7/10). •Analysts suggest that litigation-driven price rises on premium brands will drive consumers back to discount brands. Companies have raised prices an average of 17 cents per pack over the past year. •The ongoing Federal criminal investigation of cigarette manufacturers, into allegations of false statements to government and conspiracy to conceal alleged health effects from

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to farmers
July

Off the Land

On the Northern Plains, Free-Market Farming Yields Pain, Upheaval

After Deregulation, Drop In Wheat Prices Compels Many Growers to Quit

The Effect Spreads South

By SCOTT KILMAN
Staff Reporter of THE WALL STREET JOURNAL

KENNEDY, Minn. – Cheap wheat and bad weather are doing to Nathan Johnson what they couldn't do to three preceding generations of his farming family.

They are defeating him.

Last year, a disease called scab wiped out half the wheat he planted on the land around his family's 1887 homestead near the Canadian border. And now, a glut of foreign wheat is pushing down the grain's price at the local elevator to an unprofitable $3 a bushel. These days, Mr. Johnson is trying to rent out his land and looking for work in the city.

Ignoring the plate of homemade cookies on the dining table, the lanky 33-year-old blond listens to the spring rain pelt the kitchen windows and contemplates moving his wife and two daughters out of the tidy farmhouse where he grew up. "We can't afford to lose any more money, and we know farming is only going to get riskier," Mr. Johnson says. "It's a heck of a deal."

An Ill Wind Blows

Across the Northern Plains, the long migration away from agriculture is turning into a stampede. From Montana to Minnesota, thousands who made their living growing wheat are quitting the bald prairie. A blizzard of barnyard auctions is sending chills down the Main Streets of the towns that live off farmers.

"We're doing a sale every day," says Brad Olstad of Steffes Auctioneers Inc. in Fargo, N.D. "Wheat is a dying crop."

Bad years are nothing new around here. Wheat prices were lower in 1990, when a similar coincidence of bumper harvests around the globe swamped the market. The drought of 1988 destroyed wheat fields. But none of that was as deadly to farmers as what is happening now: deregulation.

Two years ago, [illegible] began withdrawing from the decades-old business of protecting farmers against the vagaries of [illegible]

So much land and used farm equipment are flooding onto the local market that prices are sinking. The number of acres Kittson County farmers plant this month in wheat, long the staple of the local economy, could fall to the lowest level since World War II. Some fields might go fallow for the first time in generations.

For lack of wheat, one grain elevator was sold. For want of cash, growers are far behind on paying their bills from Main Street merchants. The merchants worry that the 40 or so farmers who are quitting might be joined next fall by scores more. It is a crushing loss for a county already so sparsely populated – mostly with descendants of Scandinavian immigrants – that the county atlas makes room for family pictures.

A Spreading Malaise

In North Dakota, so many are throwing in the towel that state officials got a federal grant last month to retrain hundreds of growers for other jobs. "I've never seen it as bad as this," says Roger Johnson, North Dakota Commissioner of Agriculture.

In the early stages of deregulation, the Northern Plains were the hole in the doughnut. Most everywhere else, the changes were a boon for growers. The Republican-controlled Congress repealed crop subsidies – along with controls on what and how much farmers could plant – at a time when soaring exports to the growing economies of Asia had lifted crop prices above Washington's old targets.

With prices higher and the freedom to plant without restrictions, growers in the Midwest and the Mississippi Delta have been furiously switching among crops, chasing the hot commodities. Corn has stormed the South. Soybean acreage has swelled by an area equal to all the farms in Michigan. Flush with cash, these farmers have been on a shopping spree. Sales of row-crop tractors jumped 12.5% last year. The average price of Midwest farm land climbed 9%.

But now, the inevitable is happening. U.S. stockpiles of grain are ballooning just as the currency crisis in Asia is strangling demand for American goods. Crop prices are sinking back to earth. The price of soybeans is 27% lower than a year ago. Corn is down 16%. And on top of this, the transition checks are beginning to shrink. Agriculture Department economists are slicing their forecast of this year's net farm income by $2.6 billion to $43 billion, down 17.8% from the 1996 record.

Deregulation is facing its first big political test. Across the Plains, wheat growers are crowding into town halls, co-op meeting rooms and high-school gymnasiums to listen to sympathetic legislators. Agriculture Secretary Dan Glickman, stumping in Aberdeen, S.D., in April for a farmer "safety net," addressed a standing-room crowd of 1,800 growers, twice what organizers had expected.

No Fight Left

On the Plains, Deregulation Yields Pain and Upheaval

Continued From First Page

"It's hard to make it here without government help," Mr. Swanson says. "But I'm tired of farming the government. I'm washing my hands of it," he says of what was a 1,100-acre wheat farm.

Indeed, farmers aren't as attached to their land as they were a decade ago. They learned a hard lesson from neighbors who hung on to their farms too long, losing their financial security for the trouble. The survivors of the 1980s are quicker to cut their losses and protect the family balance sheet.

After all, farming is becoming more a business and less a way of life. To keep up, growers today have to understand everything from genetically engineered crops and satellite mapping of soil types to hedging on the futures exchanges. The typical grain farm has assets of roughly $800,000.

Mr. Swanson's math is simple. The government subsidy that generates about a quarter of his wheat income is evaporating. Growing something more profitable is difficult this far north. So he has taken a job in a neighboring county at a bus-manufacturing plant where the starting wage is $12.80 an hour.

"I'm glad we got the chance to raise our kids in the country," Mr. Swanson says as his teenage sons chatter in the living room. "But they're almost grown up. . . . Now I've got to protect what we have."

Local bankers say they have never seen so many farmers quit on their own. While that is bad news for the local economy generally, it is limiting the fallout. With former farmers finding other ways to make a living, bad debts aren't snowballing as they did a decade ago; most farm banks on the Northern Plains are still healthy.

So Little Time

"Unless the bankers get worried, nothing will get changed in Congress," says Bob Bergland, Agriculture Secretary during the Carter administration, who lives in nearby Roseau, where his family grows wheat. "The hourglass is running out for a lot of farmers around here."

Wheat prices will surely rise again. But the long-term outlook is gloomy for places such as Kittson County, which was built on wheat and now seems handcuffed to it. The short summers stunt most other crops so farmers here can't navigate the markets as well as growers in the Midwest and the Delta.

And wheat prices are only going to get more volatile under deregulation. It grows here because it's so hardy. That also makes it a popular crop in a lot of other countries, so U.S. wheat faces the most foreign competition of any major crop—competition that many farmers can no longer meet.

Up the road in Kennedy, population
many farmers quitting that
dealer, farm-chemical
City Councilman Jay R. Larson

In the courthouse basement, the federal Farm Service Agency office is so swamped with requests for emergency loans that a copy-machine room and junk room were cleared out for space to take applications. "A lot of these farmers were your blue-chippers," says Kelly Turgeon, county director.

Jim Tunheim, the state legislator here, sits at his dining-room table, pointing all round him, in the direction of farmers he knows who are quitting. "Arnold, Lamar, Troy," he says. He stops at eight. "They should have called it 'Freedom to go broke.' We're going to disappear at this rate."

While most merchants are turning against deregulation, one exception is Steve Holmgren, manager of the Harvest States elevator, which buys farmers' grain and also sells farming supplies such as fertilizer. Mr. Holmgren expects half his customers to quit over the next several years. But he also figures that the farmers who pick up that land will be so big they probably will want help throughout the season, applying seed and fertilizer and pesticides. And they will need lots of advice.

"Farming used to be a no-brainer. You grew wheat, and if you couldn't sell it, the government bought it," Mr. Holmgren says, puffing on his pipe as wheat-futures prices flicker on the computer screen on his desk. "Deregulation is going to swallow the farmers who won't change."

He is sending employees to marketing workshops, setting up a Web site for customers and experimenting with crops such as canola, an oilseed popular north of border. He is arranging for 35 farmers to grow a genetically engineered version under contract with Monsanto Co., the St. Louis biotechnology company that designed the crop as a healthier substitute for cocoa butter.

Among those farms is one owned by the Rynning brothers, Robert and Timothy, fourth-generation wheat growers. About one-third of their 3,000-acre farm now grows canola.

"If we planted everything to wheat like we used to, we'd surely have lost the farm by now," says Robert Rynning, 34.

A Signature Scent

Changing crops has been hard. It requires different gear and knowledge of different diseases and bugs. The first time Robert planted canola, he left bare spots in the field; he hadn't properly adjusted the equipment for the tiny seed. Other surprises: The yellow flower smells like a wet diaper; and the bees attract bears.

The Rynnings made money on canola last year. But they can't plant much more; fields must be rotated to prevent
"We're still pretty much stuck with wheat," says Timothy Rynning, "and that makes vulnerable."

stopped posting farm-auction notices on the walls of his business. "It got too damn depressing," Mr. L says, seated at his desk beneath brightly colored fishing lures that dangle from the ceiling.

Farmers have yet to pay him $380,000 for the field chemicals they applied last year. So this spring, he is doing business on a cash-only basis. "It's never been this rough," says Mr. Larson, 38.

With farmland coming fast onto the market, real-estate prices in the county are slipping for the first time in a decade. Good-quality farmland that last year fetched $1,000 an acre now goes for $850. And while many farmers are quitting on their own, some are being turned away by their banker.

Difficult Refusals

"I've had to cut off a handful of guys, guys I've known forever, guys who are my friends," says Wayne Gjervold, manager of the Hallock branch office of local lender Farm Credit Services. "It hurts."

raising hopes for a good growing n. Standing in their barnyard, the Rynnings spot sandhill cranes flying i the fading sun. They laugh as their black Labrador leaps at frogs croaking from inside a pothole.

Eventually the conversation turns to buddies and neighbors who are leaving farming. Timothy Rynning worries about his wife, a teacher. School attendance is certain to shrink. "Even if we make it," Timothy Rynning says in the gathering darkness, "it's probably never going to be as much fun."