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JUL 13 1953

SUMMARY OF DROUGHT SITUATION AND ACTIONS TAKEN TO AFFORD RELIEF

July 9, 1953

1. Weather

Texas - Drought-breaking rains about a week ago in south central and eastern part, and scattered showers elsewhere brought negligible benefit. Situation continues about as bad as it has been in the west.

Oklahoma - Very little relief except in some local areas. Some planting of sorghums following those showers. Western two-thirds continues about as it was.

Colorado - No relief.

New Mexico - No relief.

Arkansas - Continues dry over the entire State. Have had no relief. Some good showers in the mountain counties but drought not broken. Early corn damaged beyond recovery. Late planted cotton not coming up. Scattered showers benefited some vegetables.

Kansas - No effective rains except in eastern third. Enabled them to plant a little more sorghum. Revived pastures but stock water short all over the State.

Missouri - Continues critical south of the river. Quite a little while since they had any rain there.

Arizona - No word regarding pastures being bad.

Mississippi - Beneficial rains except in northwest and north central. In area threatened with drought they have had no rain. Mississippi Valley from Cairo, Illinois, on down has had no rain since about May 19. Rest of the State seems to be doing fairly well.

Tennessee - Drought more critical in west and central parts during the week.

Kentucky - Dry spot in Owensboro-Morganfield area. In pretty bad shape.

2. Designations

The President has designated disaster areas under Public Law 875 as follows:

Texas	152	counties
Oklahoma	40	"
Kansas	77	"
Colorado	7	"
New Mexico	26	"
Arkansas	Counties not yet designated.	
Missouri	Request for designation of counties pending.	

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List of designated counties in first five States listed above is attached.

3. Funds

\$8 million has been allocated from President's Emergency Fund. \$6 million additional will be asked.

Congress has been advised that in connection with the new legislation requested (see 4. below), which contemplates making loans from the Department's Disaster Loan Revolving Fund, immediate consideration will have to be given to the need for increasing the fund. About \$16 million is presently available but collections which were anticipated this year may not materialize sufficiently to make an adequate total for the emergency.

4. Status of new legislation

Proposed legislation, developed out of conferences among Department officials, the President and his staff, and Congressional leaders, was introduced in the Senate as S. 2267 and in the House as H.R. 6054.

Hearings were held by the House Committee on Agriculture on Monday, July 6, and by the Senate Committee on Tuesday.

Floor consideration began in the Senate on Wednesday. The Rules Committee of the House cleared the bill for consideration on Wednesday and it is hoped that both houses will complete action and send the bill to the President within a few days and possibly by the end of this week.

5. Feed supplies, prices, shipments

A. Supplies of wheat and corn are virtually unlimited.

Oat supplies by commodity office, June 30, were as follows:

Chicago	3,707,000 bu.
Portland	138,000 "
Kansas City	6,000 "
Minneapolis	6,988,000 "
New Orleans	260,000 "
	<u>11,099,000 "</u>

Total inventory CCC cottonseed cake and meal, July 6 -	557,034 tons
Cottonseed meal - available in area to be pelletized -	100,000 tons
Supplies at Lubbock, Pecos, Roscoe already pelletized -	10,000 tons
Now being made into pellets in above area -	18,009 tons

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B. (1) CCC sale prices delivered in area:

Cottonseed meal	\$35.00	ton
Corn	1.00	bu.
Wheat	1.10	"
Oats50	"

(2) Above prices compare with farm prices of June 15 as follows:

	<u>Texas</u>	<u>Oklahoma</u>	<u>Colorado</u>	<u>Kansas</u>	<u>New Mexico</u>	<u>Arkansas</u>	<u>Missouri</u>
Cottonseed meal..	\$81.00	\$83.00	\$96.00	\$90.00	\$81.00	\$81.00	\$86.00
Corn	1.60	1.59	1.62	1.47	1.80	1.69	1.48
Wheat	1.85	1.86	1.81	1.80	1.86	1.84	1.85
Oats70	.74	.80	.77	.90	.77	.78

C. (1) Since program started, New Orleans Commodity Office has received orders for 10,298 tons of cottonseed pellets and meal. Shipping orders have been issued on 4,494 tons. (Above figures as of July 6.)

(2) As of July 8, feed grain orders placed with Dallas Commodity Office by drought committees were:

<u>Texas</u>	<u>No. of cars, cumulative</u>
Oats	61
Corn	125
Wheat	4
<u>Oklahoma</u>	
Oats	13
Corn	115
Wheat	0

(3) Data on shipments actually made against above orders to this date not available but supplies are moving steadily.

D. New Orleans Commodity Office has been designated to receive orders for and handle all cottonseed meal, slab coke, and pellets in connection with drought program.

Chicago Office designated to handle all oats shipments.

Kansas City office designated to handle all corn shipments.

Dallas office to handle all wheat shipments in Dallas area.

Above offices to furnish reports on orders placed by U.S.D.A. Drought Committees, quantities ordered, shipments weekly, as of c.o.b. each Friday.

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6. In the last 2 weeks, the U.S.D.A. has purchased a total of 8,872,500 pounds of canned and frozen beef with Section 32 funds to help relieve the cattle price situation, particularly in the Southwest. Purchases of canned beef have amounted to 8,057,500 pounds. Last week 126,000 pounds of frozen ground, dried, and duck beef was also purchased. This week the U.S.D.A. began purchases of ground beef-hamburger style in the amount of 688,000 pounds made from U. S. Commercial grade carcasses.

The U.S.D.A. has plans to buy nearly 200,000,000 pounds of beef and beef products which can provide an outlet for 800,000 to one million cattle during the run of grass cattle.

7. Steps taken to increase beef sales

Following the June 26 Drought Conference with the three committees, a task force of food industry representatives met here July 6 and developed plans for an all-out campaign to promote the sale of beef during the period August 1-September 30.

Action taken to implement this promotion includes: (1) A press release was issued July 7 announcing the program (2) Letters from the Secretary requesting cooperation are being prepared for all producer, distributor, professional and consumer associations throughout the country; (3) A Department fact sheet on the beef situation, scheduled to be off the press by Friday, July 10, and will be widely distributed through the producer, distributor, information media fields by Extension Service, Department and PMA information offices and PMA Food Distribution Branch (4) Supplemental materials dealing primarily with recipes and menus are scheduled for periodic release prior to and throughout the promotion period; and (5) Staff members of the Area offices of the Food Distribution Branch are now in the major markets contacting leading food distributors within the areas. Action already under way by industry groups includes:

The National Restaurant Association has sent their members a special bulletin calling for full cooperation of their industry. This bulletin went to approximately 165 thousand restaurant executives, operators, and associations representing approximately 80 percent of the public feeding industry in the country.

The Super Market Institute has sent a special bulletin to their entire membership of over 600 supermarket companies and has developed a full advertising and promotional campaign for the entire 2-month period.

The National Association of Food Chains, whose membership covers most of the large retail operators throughout the country, has officially approved and endorsed the beef promotion campaign and has urged all its members to get behind it 100 percent.

The National Association of Retail Grocers of the United States has sent a special bulletin to its membership of some 65 thousand retail store executives, associations, secretaries, and operators.

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Steps similar to those outlined above are already in the mill by the National Live Stock and Meat Board and by several other producer and processor groups, and many distributor and retailer associations. Specific action taken by many of these will be reported during the next several weeks.

8. Freight rates

Railroads have agreed to lower freight rates on Government-owned feed moving into drought area in carload lots. Conferences are proceeding on arrangements for moving foundation herds out of the area. Discussions center around proposal that shipments out of area be made at 85 percent of full rate and return shipments at 15 percent.

9. Committees, composed of local Department officials, farmers, and bankers, are being set up in each State to assist in administering the program. Committees are also being set up in each county to pass upon applications for feed and credit. Each county committee will be headed by the PMA chairman and will include the county agent, director of the Farmers Home Administration, a prominent farmer or rancher, and a local banker.

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