

Mr. CORDARO. Mr. Daddario do you have any questions?

Mr. DADDARIO. No. Thank you very much, gentlemen

Mr. CORDARO. Thank you very much.

As our next panel of witnesses, we have Mr. Frazier, Mr. Hamilton, and Mr. Johnson.

In the interest of time, please summarize your statements. What we're principally interested in here is finding out what the end user's prospective is. There's a great deal of information that the Department of Agriculture collects, analyzes, and disseminates. There's a good deal of information that comes out of the Congress. Congress is intrinsically dependent upon that information which comes from the executive branch. They are also intrinsically dependent upon information that come to them from the various farm groups and farmers. Congress in this case has asked OTA to make an assessment, to identify ways to improve its capacity to analyze this information and to make independent analyses of the validity of the information coming on a timely basis.

Could we begin with Mr. Johnson?

STATEMENT OF REUBEN JOHNSON, NATIONAL FARMERS UNION

Mr. JOHNSON. First let me commend very highly the colloquy that Senator Humphrey carried on with the representatives of the Department of Agriculture. Certainly the line of his questioning and discussion with the USDA witnesses demonstrated his deep understanding of the function of the whole bureaucracy and particularly the Department of Agriculture and its statistical gathering operations.

Let me also say that I appreciate deeply the pressure of time the Senator is under because I was at a hearing this morning regarding our grain inspection system which he chaired most effectively and is one of the important developments in the testimony that I've heard in regard to the grain inspection system.

Second, I may shock a few people for making this statement-but we in the Farmers Union generally find the Department of Agriculture's statistical information and related resources to be highly useful to us.

As I reviewed the areas of concern in my organization I would make several comments in terms of some general areas that we follow quite closely in terms of agricultural reporting.

The first one of these I'd mention would be what we call the cost-price squeeze.

We are constantly reading the indicators on price levels and what movement they are taking. In this connection when we talk about cost-price squeeze, we relate directly to measurement provided by the parity formula. This formula is set forth in the basis agricultural statutes. Statutory law and I stress this point, relating to agriculture, and dating back to 1938.

The parity formula dating back to the 1938 Agricultural Act has been amended on several occasions-it's been modernized. It still functions, we think, to accurately portray how well farmers are doing—relating the prices they receive to the prices they pay in the calculation of the 'parity ratio.' We are greatly dismayed by the fact that Secretary Butz never uses the term. He completely ignores it, and it is a tragedy that we have a Secretary of Agriculture who ignores a con-