

Robert Lewis
Narrator

Carol Swenson
Interviewer

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CS: 00:00:05 —1983, and I'm at the home of Robert Lewis, north of Perham. This is Carol Swenson.

00:00:13 Okay. Why don't we start with some background information just to find out a little bit about your background, your birthdate and place.

RL: 00:00:21 Well, I was born in September 25, 1945 in Moorhead, Minnesota.

CS: 00:00:27 When did you come to this area?

RL: 00:00:28 We moved in here in the fall of 1959.

CS: 00:00:32 Okay.

RL: 00:00:33 We lived at Barnesville before that.

CS: 00:00:35 I see. What's your ethnic background? Nationality.

RL: 00:00:42 My mother is full blooded Norwegian, my dad was part Irish and part German.

CS: 00:00:48 Okay.

RL: 00:00:49 We're Catholic.

CS: 00:00:50 Uh-huh. What brought you to this area?

RL: 00:00:54 Well, we were in the dairy business, with my father. I was still in high school at that time. But we were at a farm over there that was suited primarily for grain farming. They raised potatoes and other crops there. We had a well that

wouldn't meet Grade A standards, and we were producing Grade A milk at the time. So we had an opportunity to sell that farm, and we found one over here that was a little better suited to the dairy industry. So we made the move to come over here.

- CS: 00:01:23 So you primarily stayed within the dairy industry as your basic operation?
- RL: 00:01:30 When we were involved in farming, yes, it was primarily all dairy.
- CS: 00:01:31 Okay. You said when you were, does that mean you have gotten out of farming or?
- RL: 00:01:41 Yeah, I'm no longer farming. I'm working full time with the National Farmers Organization now.
- CS: 00:01:45 Okay. What's your capacity with them?
- RL: 00:01:48 Well, I work at the specialty division, and we handle crops like sunflowers, buckwheat, millet, edible beans and flax. I work pretty much the three-state area of Minnesota, North Dakota and South Dakota, with those crops.
- CS: 00:02:03 Doing contracting—
- RL: 00:02:07 Contracting with the producers. Some organizational work as well, like contacting non-members and enrolling new people and their production.
- CS: 00:02:16 I see. Okay. Did you graduate from high school then and—
- RL: 00:02:21 Yeah. I graduated from Northwest School of Agriculture in Crookston.
- CS: 00:02:25 Oh. Okay.
- RL: 00:02:25 That was before they changed it in to a technical institute. They had a program up there, primarily for farm kids. We went six months instead of nine. But it was good, a good program for farm kids. They had a lot of agricultural background there. The Northwest School is an experiment station and we got involved in a lot of things out there that you couldn't get in other high schools.
- CS: 00:02:50 Um-hum. Did they cover like production and marketing and things like that?

RL: 00:02:55 Primarily the production. They do a lot of trials and things up there, fertilizers and feeds and all aspects of agriculture.

CS: 00:03:04 Um-hum. Did you get much of the historical background, I guess, of agriculture and the different things related to the history of agriculture?

RL: 00:03:13 Certain amount up there, we did, yes.

CS: 00:03:16 Okay.

RL: 00:03:17 Some of the classes related to things, how they did it in the past and how they've improved, and their methods and things like that. So you kind of got a lot of the history with it.

CS: 00:03:27 Um-hum. When did you get out of farming? Did you—

RL: 00:03:32 We sold the farm in 1974. My dad was killed in a car accident in 1968, and my brother and I farmed it until '74. It was kind of in that state type thing and we wanted to sell it. Looked like the best way to keep peace in the family and everything, so we decided to do that.

CS: 00:03:50 Okay. We were just talking earlier about when the organization first started going. NFO formed in '65 down in Iowa, and then started moving up north in different parts, I guess, throughout the country. It was mentioned that 1962 was kind of the time when things started happening in Otter Tail?

RL: 00:04:16 That's about when they started organizing in here. That's when my dad joined. At that time, I was kind of farming with him, was still in high school but do a lot of the work and was involved a little bit in some of the decisions. I remember they had a meeting in Perham. We went in, there was quite a few people there, and there were two organizers there from, I believe that one is from Iowa, one is from southern Minnesota. They talked till 3:00 in the morning.

CS: 00:04:44 Um-hum.

RL: 00:04:45 That was really interesting. We'd been to AFCS meetings on the new farm program and we didn't see anything much in that. Prices were poor at the time. Their ideas sounded logical, organize, get together, and do something about price.

00:05:06 We came home from the meeting, the next morning, a couple of fellows, one local fellow and one of the fellows that held the meeting, came out and dad joined. I guess we've been involved in it ever since. He worked for the organization also. He spent some time in North Dakota. I mean, it was quite a while he spent out in the eastern states, from Maine, New York, and all the way through there. So we've got quite a little background in the thing.

CS: 00:05:37 How many people were at that first meeting?

RL: 00:05:40 Oh, I would say there must have been 50 or 60, if I recall. It was in the old city hall, the building was pretty full. It was a good turnout for—

CS: 00:05:49 And everybody stayed till 3:00 in the morning?

RL: 00:05:51 The bulk of them did. That was exciting. People were kind of depressed, nothing much had been happening. The farm program didn't look like much. Dairy prices were terrible, it's primarily a dairy area. And here comes a couple of guys that give you an idea that maybe you could do something about this, get the prices up where they ought to be.

CS: 00:06:14 Who were the other local people that were involved with getting the meeting going?

RL: 00:06:19 I really don't know. We heard about it, I guess, on radio or something.

CS: 00:06:23 Ah, okay.

RL: 00:06:23 And just went into the meeting. Who's really basically setting it up, I'm not real sure. But after that, we were involved and I know we set up some meetings.

CS: 00:06:36 Um-hum. From how far away did people come to that meeting, do you have any sense of that?

RL: 00:06:44 I would say that most of the people at that meeting was from right around the immediate area. They had had other meetings in the county, I think they did one in Battle Lake, maybe Fergus Falls and some other areas. But I don't think they tried to bring in too far off. They were just more concerned about getting some people there and explaining their ideas.

CS: 00:07:07 Now, what month was that in '62?

RL: 00:07:11 I would say it was probably about September.

CS: 00:07:13 Okay. So that was just about the time when they were thinking of doing your holding action?

RL: 00:07:19 Yes, it would have been. Right. Certainly after we became members, they went into a holding action.

CS: 00:07:26 What else did you hear about the organization? Did they explain what they were doing as far as—or the ideas that they had that it was necessary to do some bargaining?

RL: 00:07:39 Well, actually back at that time, I don't think they were really into bargaining yet. If you go back in time, and you could read some of the things that we talked about here, but the organization started, like a lot of other militant organizations, protesting low hog prices on a little corner of Iowa. These people had gotten together and they thought that the thing to do was probably talk to some legislators and congressmen, from senators, whatever.

00:08:07 They soon found out that their cries fell on deaf ears. So, people thinking, I guess, like we all been, that supply and demand was what set our prices, we moved into this holding action type thing where we thought if we could hold products off the market, the buyer would be forced to raise its price to bring it up.

00:08:30 When we got into those things, we found that there was a lot of resistance from the buyers. They did everything they could to make it look like the cattle or the hogs or whatever it was holding was still coming in, even though we knew we were reducing numbers. It was only after the holding actions we found out that, by doing this, we didn't really have a program that would maintain a price. If we did affect the price, we raised it as soon as we started selling the cattle and the hogs, the price went down because the buyer was getting what he needed. So that's when they decided to move into the more of a bargaining, marketing type program.

CS: 00:09:13 Okay. So you pretty much joined right away then [inaudible 00:09:17] after that first organizational meeting. Yeah, as far as how the organization was forming in Otter Tail County at that time, at what point was that? Was there a county organization then or?

RL: 00:09:31 At that time there was no county organization. As this thing spread across the different states and counties, that when they had enough people, I don't recall the number, they had to have a certain number of members to charter.

CS: 00:09:46 Um-hum.

RL: 00:09:46 So the first thing was that there would be some people either from an adjoining county or organizer from the national office that had been sent out, would come in and help, hold some initial meetings and get some membership. Then those people would get together, form their charter. They applied to the national office for a charter. Then amongst themselves, they elected county officers, and that's the way the thing got started.

00:10:15 My dad was the first county chairman. This was, I believe, in December, when they had the first organizational meeting, when they had enough members to charter and they held their elections.

CS: 00:10:28 Okay. So, actually, when you were first joining, you were joining a national organization rather than a county?

RL: 00:10:33 With the understanding that, when we had enough membership in the county, that we would be forming a county structure.

CS: 00:10:40 Was that a strong emphasis on the part of the organizers, a goal for local group was to get enough people so you could—

RL: 00:10:48 Very much so. They've always been real strong in favor of strengthening of the local organization, grassroots. Most of the ideas from the organization usually stems from out here in the country. Members put the ideas together, it goes through the national convention and the board of directors, and if it's a workable program, then it'll come back out as a program that we'll use over the whole area.

CS: 00:11:19 How did you know who else is joining during—even though if it wasn't a local organization? Did you keep having meetings or—

RL: 00:11:28 Yeah, they had meetings. There was quite a few of these organizational meetings held. Some of the fellows that joined, like my dad, went down the road contacting other farmers. There were several neighbors around here that we

knew of. As they held those meetings in other areas, we learned of farmers in other areas that have joined. It kind of grew as you worked with it, so you knew that other people were joining.

- 00:11:58 Some people couldn't see it. It was, just like anything, you can have your ideas and somebody else got theirs. But I think the average farmer at the time was really looking for something. It was easy to enroll members, so, quite a few people did join.
- CS: 00:12:15 Okay. Did you keep contact then with a national—or one of the organization's organizers, throughout that time or did they keep contact with him as the key person?
- RL: 00:12:28 Well, really, I don't think there was a lot of contact with my dad or any special individual out here until they had their county officers and such selected. Because until that time, there really wasn't any one person that was somebody to tee off of. There was contact, but the fellows that came in to hold the meeting would contact the people that was probably the most interested at the meeting. I'm sure they did this in all of the areas where they held the meetings.
- 00:12:59 As far as going back to the county, until they were chartered and did have their county officers, it was pretty hard to pick out a guy and say "He's the guy we're going to tee off of."
- CS: 00:13:08 Okay. So, just from what you said, your family was supportive of what you were, you know, your father was doing and so on.
- RL: 00:13:18 Oh, very much so. We had went to the meeting together, the first one.
- CS: 00:13:24 Um-hum. Is your brother younger or older?
- RL: 00:13:25 He's younger.
- CS: 00:13:26 Okay.
- RL: 00:13:28 At the time, he was probably a little too young to be involved that much. I was just in high school and he was still in grade school. So we were naturally supportive of what our folks thought was right. But I was old enough at the time I went to the meetings, and that made sense to me.

- CS: 00:13:49 What about, you mentioned there's some people that didn't see it. Was that the prevailing mood to join at that time in the neighborhood?
- RL: 00:14:00 Oh, a lot of the farmers could see the advantage of being organized and working together, but there was a lot of things like people were more or less opposed to unions at the time. This looked like a move towards unionizing farmers. I guess they have similarities, collective bargaining used by the labor unions.
- 00:14:25 I think it's been a policy by people that want to keep farm prices low to—for them to tell farmers that it's not good that they have to pay more for their raw material inputs. If they can put the blame on labor union and whoever is charging them too much, rather than saying "Your problem is that you're not getting enough back from what you produce to cover those costs." Some people just the feeling that we were making another labor union and they didn't like it. So I guess that was normal.
- CS: 00:14:57 Was that kind of an either/or situation, sometimes you can find either a personality or an idea or a thought with people either very supportive or very much opposed to it, with no really middle ground? Or was there some—
- RL: 00:15:13 Oh, there was middle ground. There were more people that took some time to decide. They couldn't make the decision right away. Maybe the people that joined later influenced them or maybe they just had to take a little more time to think it over. But there were people that didn't join, that first meeting. Some of them joined months later. But then there were people that were really opposed to it and never did join.
- CS: 00:15:42 What was the membership at the time that you've actually joined, when you first—
- RL: 00:15:49 That's right. You mean nationally or—
- CS: 00:15:50 No. I'm thinking of in December when the county organization formed.
- RL: 00:15:55 I think the requirements were that there had to be 35 members in a county for a charter, if I recall. I'm not 100 percent sure on that. But that seems like the number, and I'm sure we were over that at the time. So we probably had maybe 50 from the county when they chartered.

- CS: 00:16:11 When it got going, were the majority of the farmers in the county members or what percentage would you say might have joined?
- RL: 00:16:22 That's hard to say, percentage-wise. I know the membership list in Otter Tail County was quite big. It comes out on a computer print-out, and it was several pages. But then Otter Tail County is a big county, so, percentage-wise, it's awful hard to say. I don't know, never really did sit down and figure out the numbers.
- 00:16:42 One of the things that the organization has always stressed is that those numbers don't mean too much. The strength is in the production that those people have. If you had the 10 largest farmers in the county, you'd have a lot of strength, just by the fact that you have that production. For bargaining purposes, it's never been general knowledge as to what the membership of the organization is. It would take away your ability to go out to buyers, if you want to call it that.
- CS: 00:17:17 Uh-huh, sure. What type of farmer, I guess I got two things that I'm thinking about, is that type of farmer was joining at that time in the '60s? And was there an area of the county that was stronger in terms of membership and support over another area?
- RL: 00:17:36 I think probably the, when this thing first came in, the dairy areas, people with cattle and hogs, were a little more ready to accept it than the grain farmers. So the western side of the county, which is primarily grain, was probably a little bit slower coming in. I'm not saying we didn't have members over there, but I'd say that percentage-wise we had more farmers joining in the east side of the county where it's heavier dairy and cattle and hogs, than we did in the west side of the county.
- 00:18:09 We were also more active in things concerning cattle and hogs than we were with grain at that point. The grain thing kind of came along a little bit later when we really got moving into some grain areas. So I think that maybe had a difference as far as to which kind of farmers joined.
- CS: 00:18:27 Uh-huh.
- RL: 00:18:29 But there were farmers from the western side that were charter members, when we chartered the county.

CS: 00:18:36 Were most of those farmers owners as opposed to renters, or—

RL: 00:18:40 I'd say the majority of them were owners, yes.

CS: 00:18:44 What type, were they a marginal type farmer or were they somebody who was more—

RL: 00:18:51 I would say we had a pretty good cross-section of all farmers. We had small farmers, we had some of the larger farmers. In our case, at the time, we were milking 45 cows and we farm the half-section of the land. By today's standards, it's not a great, big operation, but back then it was a fairly decent-sized operation. So, just calling out that and some of the neighbors around here that joined were all in that size range as far as producing.

00:19:23 We had some of the smaller farmers that joined. A lot of them joined just for the sentiment of the thing, not thinking it would really do them a lot of good, because some of them probably even worked out and farming became a kind of a second enterprise at that point. But I think we had a good cross-section of all the farmers.

CS: 00:19:42 Did they pay dues?

RL: 00:19:44 Yeah. Back at that time, it was \$25. Since then it's been raised to 75. This is per year. On commodities that are moved, there's some check ops that are taken for covering the cost of various programs. But you only pay those if you utilize the programs. So the dues has been basically the 25 and the 75.

CS: 00:20:09 Um-hum. You're saying that some of the farmers were joining for the sentiment of just for the support type of thing. What other reasons do you think motivated people?

RL: 00:20:22 Well, I think most people that joined seem to need to do something about their prices, and they had seen the farm programs come out and go by and never really alleviate their problems. They have seen other farm organizations try legislation and it never really worked to any extent, because as soon as you changed administration, you changed policies, and if you didn't have something that was working, it all went down the tube with the new administration. So they were looking for something that they could control and would stabilize their prices.

- CS: 00:20:56 Um-hum. You mentioned that your father did a lot of recruiting on his own, just going down the road and neighbors talking to each other. Was that the typical way the organization did their recruiting?
- RL: 00:21:12 In the early days that was basically how it was done. A couple of fellows, and they were usually a farmer from some other area that had joined in the same kind of way and got involved enough that he decided to go out and try to organize another state or another county, would usually come in and hold the initial meetings, and he would probably work with the local people for a short time. But most of it was done by other farmers that had joined, just going out trying to increase the number of members and accomplish their goal.
- CS: 00:21:43 What other ways did people—or did they use to advertise? You said you heard about the meeting on the radio.
- RL: 00:21:51 Yeah, I think that was just on one of these kind of programs where community events are announced. It was probably one of the best places they could get the word out. But after the county was chartered and there was some activity, they've done a lot of things they called 'sausage feast.' They would get some pork sausage made up and serve a meal, and usually the wives put on the meal and they would bring in a speaker from the national organization to speak, and people in the county would get out and sell tickets or whatever they had to do to get people there.
- 00:22:26 They were a big builder for the organization. They would get a lot of people in and they always had a good speaker and could get people enthused, and you probably had to follow it up afterwards by the farmers in the area contacting the farmers that had been there. But they always got new membership from those meetings.
- CS: 00:22:46 Um-hum. Were the speakers, their expenses and so on, paid by the local group to come in, or do the national organization—
- RL: 00:22:53 No, I think at that time the national paid for the speakers coming in. But I think they usually tried to work that out so that if he was coming into the area to speak, he went from here to another meeting so that they got a lot of mileage out of him when he's going down the road.

CS: 00:23:10 Did they have like a meeting afterwards or teaching any sort of recruiting methods or anything like that?

RL: 00:23:19 Not that I know of.

CS: 00:23:20 Okay.

RL: 00:23:20 Usually it was just get out there and tell them why you joined, and try to convince them. I think in recent years now, we've, as staff, I know that we use some professional techniques and things as far as approaching people and this and that. But at that time, it was pretty much all farmers running the thing and it was just farmer-oriented. Farmers are pretty good at devising a plan if they have to, so they did.

CS: 00:23:54 It sounds as though most of the farmers in the area were responsive to the urge to join and become active, I guess.

RL: 00:24:06 A good share of them were. Back at the time, I guess the biggest problem the organization had then was they had an idea but they didn't really have a system put in gear yet. So we lost a lot of enthusiasm in people while we were waiting for this thing to come along.

00:24:25 When they started the collective bargaining route, it was something totally new, it had never been done before. There hadn't been any other organization that had tried this, so there really wasn't anybody to look at and pattern yourself after. So, a lot of the things were done by trial and error. And there were some errors.

00:24:41 But they usually worked out for the better. If they made a mistake, they were smart enough to look at it, see what was wrong, and correct it, and go on from there. But in the process, a lot of people got a little discouraged by thinking something could be done and then it couldn't because they didn't have the structure or the system properly to handle it.

CS: 00:25:04 Did they have regular meetings then once you had your membership growing in the county and was organized?

RL: 00:25:11 Right. Once you chartered, then they have monthly meetings, and sometimes special ones if it was needed. But Otter Tail here has always been on the first Monday of the month. They moved their meetings around about the county so that, being such a big county, people can get in from different areas. They're usually quite well-attended.

CS: 00:25:33 There was just a once a month back then too?

RL: 00:25:36 Right.

CS: 00:25:37 What happened at the meetings?

RL: 00:25:39 Well, the basic things they'd have is the secretary, treasurer's report, things like that, and then there would be commodity reports. Part of it, officers and things that were elected, was committees for the various commodities. They would have information from the national on programs that were taking or going into effect that we were going to have a holding action or whatever it may be.

00:26:02 These county meetings is basically where the information was brought out to the people, what the plans were as far as coordinating things nationally or just in the county.

CS: 00:26:15 Was there a local county newspaper and newsletter that went around?

RL: 00:26:20 Otter Tail County still has one. I don't know just what year they started it. But basically it's for meeting notices and for a little information that needs to be gotten out to the people here. They went around, they solicited ads for the thing, to pay it. Several businesses run advertising on the paper and it's just pretty well accepted as a good piece of advertising by the people that use it for that.

And it's really informative, there's a lot of information in the thing. They'll go into things other than just organizational things. They may talk about a bankruptcy thing or something that some farmers could get caught in. If we can see it coming, we can let people know about it. So I mean, it's good for a lot of information other than just organizational things.

CS: 00:27:12 Is there a state newsletter too?

RL: 00:27:15 There's a state newsletter, and that's published by Diane Blonigan though at Paynesville. She is the state publicity person. This one goes out just periodically. It's primarily things that the state is involved in. At the state level, we do some lobbying. We're not political. But there are issues that come up that will affect you, and we're usually watching those. So she'll report on a lot of these things. Then, state conventions and whatever else would be happening. Usually she has reports and they're from different

commodity department people as to what's happening with their commodities.

- CS: 00:27:56 I can't remember, did you say how frequently the county one goes out?
- RL: 00:27:59 The county one goes out once a month.
- CS: 00:28:01 Okay. Then the state one is just periodic. Then, how about the national?
- RL: 00:28:07 The national is one that comes out monthly there too.
- CS: 00:28:09 Okay.
- RL: 00:28:10 That's called the NFO Reporter. They cover a lot of things in there. There'll be a lot of stories that are of interest to farmers, like that the packers and stockyards is investigating some firm that's under-grading or something like, will be letting people know about these things, along with the various organizational things that are taking place as far as programs the departments are coming out with or whatever.
- CS: 00:28:38 Okay. Can I go backwards a minute here? I am wondering if you could explain to me how the county organization is set up. You've mentioned different commodity you're buying, groups and so on. I'm not familiar with that.
- RL: 00:28:53 Okay. Well, they have a slate of officers, the president, a vice president, a secretary, and a treasurer. Then they have trustees that audit the treasurer's book each year. In addition to that, then they'll have committees. There are three different committees. One is for meat, one is for dairy, and one is for grain. There's usually five or more people on these committees, depending on what the county feels they need to adequately take care of the membership in the county.
- 00:29:21 These committees then will work with the commodity department heads, employing, like in grain, we've got a fellow down there by the name of Roger Slodick. He'll be moving information out to these commodity committees, and they will get the membership informed of this as far as what the programs are, things that we want to do, and things of this nature as well. Basically that's the committees that should be—you'd be working with if you were a

member. If you had information you wanted to get into the channels, that would be the right way for you to do it.

CS: 00:30:00 The bargaining that takes place now, at what level does that occur?

RL: 00:30:04 Well, it depends on the commodity.

00:30:10 Okay. Well, the collection point's out here, and the one we have at Fergus Falls, the cattle are collected there, but they'll be sold prior to their being collected. It varies from one kind of livestock to the other. The hogs, for example, we've got a contract with John Murrell. It's tied to several different markets, and there's a formula that they use for pricing the hogs. So when the member goes in there with hogs, they're priced out according to this formula, and they're graded right there at the collection point.

00:30:43 On cattle, they block their cattle like the week prior. Someone in Corning is responsible for the bargaining contact, various packers. By the following week, when the cattle is delivered, they will already have been sold. They usually sold one on the basis of the yellow sheet plus some premium for the fact that we've collected the cattle, different benefits that we can give the packer that's buying them.

00:31:12 When you get into the grains, we've got an office in West Fargo and we have a bargainer in there, the fellow that does the selling of grain. What he does is, out of the three-state area that's usually responsible for here is, Minnesota and North Dakota, South Dakota, he blocks the grain that he has available from the members to sell. Through the course of the week, he'll be working with this grain, making sales to the various buyers.

00:31:38 There's a lot of things that he can do if he knows grades and things, that the grain is—let's say it's low in protein, as an example, it's wheat, he can go in to the market and find the right kind of scale to sell it against, and will actually make the people a lot of money by doing these things.

00:31:55 With specialties, which I'm involved in, Tim Anister is the head of the department and he does the bargaining with sunflowers and buckwheat. We have a fellow by the name of Norm Carter that does the bargaining with the edible beans. We have a lady down there, we're not necessarily

male chauvinists, but she does the bargaining with millets and flax, her name is Doris McElwain. So, depending on the commodity and just how we have to handle it, but there is some level of bargainer as such that actually sells it.

- CS: 00:32:30 Okay. Do you have to be a member to sell through the NFO?
- RL: 00:32:35 You just have to be a member to sell. The grain department is now using a couple of contracts where, if you're a grain producer, and there's a fee that you pay when you commit the grain, then you can sell through us without being a member. Primarily though, to be legal under the Capper-Volstead Act, which we're legally operating under, we do have to have the person as a member in order to market his commodity.
- 00:33:05 But with this other type of a contract, where he pays the money when he signs the grain up, it's something that makes it legal for us to do it. I don't really understand all that. But the attorney says it's okay, so, it's okay. But other than that, yes, they do have to be a member.
- CS: 00:33:22 Okay. If you are a member, then, are you obligated to, if there is to be a holding action, do you have to hold or?
- RL: 00:33:34 No. One of the articles right in the membership agreement that you sign is just that you say you are a producer of agricultural products, that's one of those stipulations to be a member. It also says in there that you understand you're free to market your production as you choose until you complete a supplemental agreement. So, in other words, just being a member and being in support of the organization doesn't mean you have to sell your products through us. It doesn't mean you have to hold with us if we decided to have a holding action.
- 00:34:03 If you would sign your grain on a grain contract for sale, which would be the supplemental agreement, then you are committed to move that grain through our program. If we did make a sale and had a contract and you failed to deliver, we would be able to come out and force you to satisfy the contract. That's not to be rough on the guy that did it, but to protect those other members that may have been involved in the sale.
- CS: 00:34:31 Are there any other obligations as a member?

- RL: 00:34:35 Well, I guess just that you more or less present yourself as a presentable person. We, of course, encourage everybody to use the program. We'll find that in some areas, northern Minnesota as an example, we can't make that dairy program work up there because of the distance between producers, and we get so much freight on the milk that it's unfeasible. We would be running up such a freight bill moving milk out of there that we'd be doing them a disservice by handling their milk.
- 00:35:09 So the people that are members up there, if they do milk cows, use a regular market for their milk, whatever is available in the area. But they're members probably for some other programs that benefit them.
- CS: 00:35:20 Um-hum.
- RL: 00:35:23 It's kind of a thing that, if you're involved in it, you're going to use some of the programs, because it would be foolish to pay \$75 just to be a member if you didn't utilize them.
- CS: 00:35:36 Yeah. Okay. Going back I guess a little bit here. We talked about the organization as it first got going in Otter Tail County and the fact that they did send speakers out, and they had a lot to say about the conditions of farming at the time. Is that what their basic message was?
- RL: 00:36:07 They talked about the conditions of farming and they talked about our ideas of how we could change.
- CS: 00:36:14 Do they involve—how did they involve you as a group? Did they do anything like that?
- RL: 00:36:20 Oh, they would use descriptive things like their own operation, that if you're in the crowd and if you were a cattle producer, and this guy was describing how the cattle had been bought off his farm by some buyer that had kind of posed something a little shady on him, you kind of get involved, because you could remember having the same thing happen to you. In that way, I think, yeah, they did. They got you involved. But other than that, it was pretty much just a program where you had to tell the people what they could do to correct their own problems, and they either bought it or they didn't.
- CS: 00:37:01 How were your attitudes influenced by the—can you summarize that?

- RL: 00:37:06 Well, I think I learned a lot about markets and grades and different things like that that probably I never thought about before I was a member. Pricing milk, as an example. I never really knew what they based it off of. I just knew that they didn't pay enough. But when it gets right down to it, there's a, they call it the M and W series, the Minnesota-Wisconsin series price. What they do is they survey a certain number of plants in the two-state area and the average price that those plants are paying becomes the base price that they pay for milk basically all over the whole United States.
- 00:37:51 So, by being involved in Minnesota-Wisconsin with the dairy program, we've been able to force price levels higher on a contract that we've been selling. So when they survey these plants, the prices that they are paying has to be higher what you write as the base price, so, the whole base that they pay for milk in the whole United States. It's things like this that I've learned I had no idea of before.
- 00:38:18 Since I've been involved with the specialties, and I get into the grains a little bit because I work with a lot of the same people, I learned a lot of things about the grain market that I'm sure I would have never known otherwise. It's just that when you get involved in the actual marketing and pricing of the stuff, rather than just going through an elevator and saying "What's the price of wheat today?" you start running what they base these prices off of and you learn a lot of things like that.
- CS: 00:38:43 Did you learn who they were?
- RL: 00:38:46 Well, they is pretty much the big five grain companies, the big five and most—5 to 10 companies control the purchasing of most every commodity, whichever it may be, whether it's specialty crop or one of the major meats or whatever. I guess, when we talk about them, it gets to be the people that you're dealing with. When it gets right down to it, it's 5 to 10 large companies in every commodity.
- CS: 00:39:13 Would you say that it's typical of most of the farmers, at least in this area that you're familiar with, the understanding of how the marketing works, was pretty much what you knew of it before you got involved with the organization?

- RL: 00:39:29 Yes. In fact, we just had a drive, and this was out in Stearns County, and I know some fellows that was down on the drive, and it was primarily dairy. They were contacting dairy farmers, young farmers. They were trying to explain to them how milk was priced. They ran into people down there that didn't know what the M and W series was, similar to what I didn't know what it was back 20 years ago when we started getting involved.
- 00:39:54 But I guess it's something you just don't think about. You go to your co-op meeting and they tell you how they process their milk and how the co-op done as far as financially that year. But they don't get in to telling you how the milk is priced and things like that.
- 00:40:13 I think a lot of farmers are more aware of these things, even though they may not be members of the organization, because of the efforts that we've made to let people know about these things. But one fellow down there, this David, when we were talking M and W, he said, "Is that Montgomery Ward?" I mean that has to do with the price of milk, but it's something that people just, you know, they don't understand.
- CS: 00:40:38 Um-hum. Okay, you talked about the sausage feast and so on, and have good method of getting people involved. Were there other types of rallies and meetings that were held?
- RL: 00:40:53 Well, as time progressed and we got into moving commodities and things like that, there were pricing meetings and little things like that where you could people out to actually let them know what you're doing. They work quite well.
- 00:41:08 Back in about '71 I think it was, they had a program in grain, and also in sunflowers. But they were actually going for \$2.20 on wheat and 5 cents on sunflowers. Don't sound like much today, but back at that time it was a difference between the \$1.60 loan on wheat and the 2.20. They got a lot of people out to the meetings, just because people didn't believe it could even happen.
- 00:41:36 In essence, what happened, the wheat way past that, because in '72 we've seen the wheat go to \$5. A lot of it was as a result of these meetings. You got people believing that you don't have to just take \$1.60 for it, it could go

higher. It even influenced the trade thinking somewhat, the grain buyers.

- CS: 00:41:55 Um-hum. Were there any other types, the pricing meetings and so on, or is that basically what it was?
- RL: 00:42:05 Well, there's a lot of meetings that they have now. With the hog department, they've been holding some meetings just explaining different things that's going on in the markets as far as trends with the buyers and the kind of hogs they want to buy, and things like that. But farmers today again are kind of in the same situation they were back when we joined this. They're really financially pressed and they're looking for some answers.
- 00:42:32 We're dealing with another generation now I think. The young farmers are the easiest ones to talk to, but it's harder to get them to go to meetings. They're under so much pressure with their workload and they've all got kids in school and things like that that kind of tie up their spare time that they do have left. But going out and contacting them, using telephone a lot more now, is getting to be a way to get to people.
- 00:43:03 We did send out some mailings, this type things where you get a packet of little cards, and maybe for steel buildings or seed or whatever, and we send out some things. Those, we got a lot of responses from those. A lot of the new members that I signed last winter were people that had responded to those cards.
- CS: 00:43:21 So your recruitment method has changed quite a bit—
- RL: 00:43:24 Definitely.
- CS: 00:43:24 —in the last, well, 20 years.
- RL: 00:43:26 Definitely. Of course, we went from a position where basically all we had was farmers that decided to jump in and try to do something. They had a lot of experience as farmers, but they really had very little experience as far as being bargainers, as far as being organizers or whatever. They just did what worked. They didn't use any professional techniques or anything like that. Now we've got people heading up the departments that are looking for ways to expand the programs and they're using consulting firms and various other ways of getting information that can help us. Definitely helps.

CS: 00:44:09 So that even the complexion of the organization itself has changed, become—

RL: 00:44:13 Oh, dramatically.

CS: 00:44:13 —I would say more professional—

RL: 00:44:16 A lot more. Going back to the '71/'72 period when we were moving an awful lot of grain, we had one man in the area that was doing the business out of a shoebox. I mean, he bought—or he sold the grain he collected from the buyers, he had the records, and figured them out, or mailed the money out to the producers. Now everything is on a computer system. We've got a fantastic computer system for our accounting.

00:44:47 We had some fellows into our office in West Fargo a couple of weeks ago there, from the North Dakota. They're trying to start an export trading commission up there, to try to find ways to market North Dakota products. Their problem is that they don't have a system to locate the products and then a system to account for it. They can find the buyers overseas, but they don't have something over here to back it up to fill their sales.

00:45:13 So they were in looking at our system and they were really quite impressed. The girl that works in the office up there just happened to have a member's folder laying on her desk, and they asked her if she could check what he had on inventory. She keyed in to the computer and it showed the oats, the wheat, the corn, the barley, everything that he had stored out there, and the position that he wanted to sell some of it as far as want to sell some in January, want to sell some in March, or whatever. They were quite impressed with that system that they didn't think anybody else has.

CS: 00:45:48 So, as members then, you fill out information sheets or how much you're willing to sell?

RL: 00:45:59 Just this grain has been put on a contract for sale, that we talked about earlier.

CS: 00:46:03 Okay, with NFO. Okay.

RL: 00:46:04 With NFO.

CS: 00:46:05 All right.

RL: 00:46:05 So it's grain that when the farmer wants to sell it, we will be doing the marketing for him. This is the grain then that the bargainer out there takes to block together with other members' grain. There may be 25 members that have a semi-load apiece that they want to sell today, then he's got 25 semi-loads to sell. Rather than 25 guys selling one semi-load, it gives them a lot of bargaining ability. So this is basically what the idea is, is just to block the production together in bigger volumes so that you can bargain with it.

CS: 00:46:36 Okay. Going back to your earlier days again with your organization, what committees and offices have you held?

RL: 00:46:44 Well, I was county chairman for a number of years, I don't recall just how many. I was on the dairy committee.

CS: 00:46:50 Can you put some dates with that at all?

RL: 00:46:53 Oh. I guess it would have probably been '69, '70, '71, somewhere there.

CS: 00:47:02 Okay.

RL: 00:47:05 There was a lot of activity back then anyway. We were in dairy business so I was on the dairy committee, and worked with that quite a bit.

00:47:15 We had just started a dairy program in the area here when I was involved with the dairy thing, and we never did have a route right in my area that we were able to put our milk on, before we got rid of the cows. But in some of the county, we had routes and we were working on those routes and trucking and different things like that that we had to line up and take care of so that they could bargain for the milk. That was interesting.

CS: 00:47:44 So that was part of your work as a committee member.

RL: 00:47:47 Right.

CS: 00:47:48 To find those vehicle and contact some—

RL: 00:47:49 Right. We work with transportation, we work with setting up the routes and different things like that.

CS: 00:47:56 Was it difficult to find people who were interested in the transportation or in transporting?

- RL: 00:48:03 Not really. I guess the biggest problem we had was trying to convince somebody that was going to make an investment to buy a truck, that we weren't going to pull up tomorrow and not be there. It wasn't like the old co-op routes. They've been there for 50 years. So you had to convince him that the group was sound and they were going to stay with their commitment and that he would have milk to haul to pay for his truck.
- 00:48:29 But I think in some cases, I don't think it was a case in our county, but in some areas, the farmers actually went out and bought the truck and hired the guy to run it, and then probably in time ended up selling the truck to him and the route after he assessed that that was something that he could live on. But it took some coordination.
- CS: 00:48:46 Uh-huh. So you were, I guess, sounds like a very enthusiastic member at the time and sounds as though—
- RL: 00:48:54 I think everybody is enthusiastic that was involved at all. We maybe had a few people that just joined because they thought it was a good cause and they never went to any meetings or never did anything other than join. But the people that got involved that went to the meetings, there was always something going on. It was exciting.
- CS: 00:49:12 So you felt that there was progress being made.
- RL: 00:49:14 Oh, always. That was one of the things that the organizers always portrayed you, is that it was getting bigger, faster. If they wouldn't have done that, it wouldn't have went anywhere. I mean, they had to do that. But always got built up, it was always enthusiastic.
- CS: 00:49:30 Uh-huh. Talk about the good things that were happening and so on and things like that. Okay.
- 00:49:42 From your perspective, what do you think the reason that led the organization to be formed in the first—
- RL: 00:49:48 Well, I think you have to go way back to 1955 and it was just a little pocket of hog producers, I think it was in southern Iowa and part of Missouri, hog prices fell to just poverty levels. They organized just to try to do something about it. They were going to call attention to it. They tried going to legislators and tried to get something done there, but they soon found out that they didn't get anywhere.

CS: 00:50:13 Um-hum.

RL: 00:50:14 So then it progressed into the holding actions and all the way on up to where we are today. But basically it was formed just in protest of low prices.

CS: 00:50:24 Then the purpose coming, you know, what did they anticipate getting out of the organization?

RL: 00:50:31 Well, when they first organized, I'm sure they just thought that if enough of us get together and we go to the legislature or whoever we can get to listen to us, we're going to get some benefit. I think that was what they were looking for. Is there some way to raise their prices? But they found out that just making noise out here didn't really do the job. So that's how the thing progressed into what it is today.

CS: 00:50:55 Okay. What was their next action then after they discovered this, that they didn't really have a lot of political clout that—

RL: 00:51:02 Well, I think they first thought that the thing we got to do is get more people involved. So that was the idea of expanding it and going into more areas. As they started getting into more areas, they found that more people didn't get to the people they were trying to make contact with. So then they moved in to the holding action type thing where, if we hold the product away from the buyer, then he's going to have to raise the price and that'll take care of our problem. Like I think we said before, the problem came that when they let the product go to the buyer, then he didn't have to keep the price high, so the price went back down.

CS: 00:51:41 Um-hum. So the holding action then became their direct action of how they decided to—

RL: 00:51:50 To confront the problem and raise their prices.

CS: 00:51:54 How far did that go in Otter Tail County?

RL: 00:51:57 Well, we were pretty involved in here. The '62 one wasn't quite that much because they were just getting started. But '64 we got real involved. The milk holding action in '67 was a big one in this area because we had a lot of dairymen. We had dumping actions. We didn't have any milk to

dump. We dumped those before we—we never had in the tank, we just let it go out the drain.

00:52:24 So we had to try to get some publicity and get some people enthused about things, we had dumping actions, where we got milk direction, we went on picked up the milk that the guys had in their tanks, and we took it out to some field where we had news coverage, and we dumped it.

00:52:40 I can remember calling some of the fellows that I knew was holding the milk in the tank hoping that we'd have it won before the tank got full, and saying, "Hey, we need the milk to dump," and "Sure, come and get it." We rode with the tractors, they weren't paid for that. Then we had guys at that time, there were still some milk in cans, they brought it in cans, they brought it in pails, they brought it in anything they could haul it in. It was quite impressive, I guess, when you're seeing three, four big bulk trucks and a whole bunch of guys with cans, and all of a sudden they let it go and it was just a white river.

CS: 00:53:16 There was a mention, and this is Rory's material, about purchasing milk from some of the stores [inaudible 00:53:25] milk. So, what was that? She just covered it very briefly.

RL: 00:53:29 This thing came about in some of the grain areas. These meetings are being held at every county. I believe it was probably in Traill County, North Dakota where this idea came from. But some of the fellows was holding a meeting, and three or four dairymen was kind of jesting with the grain farmers that, yeah, you guys can support us, but you're not doing anything that's costing you any money. One of the fellows at the meeting walked up and threw some money on the table and he says, "Well, we'll buy you some milk to dump." Before they left, they had quite a bit of money from those grain farmers to do just that.

00:54:02 So it became a program then to go in to the stores and buy the milk and try to buy it out so that you could actually show a shortage. I can remember one of the guys talking about it up in Halstad where they'd went in and bought all the milk in the stores, and just as soon as they got done buying it, the truck would come to restock shelves. Well, they didn't know if they should do it again or let that be there. But that's where the idea of buying the milk out of the stores came from, I think, with that one meeting.

- CS: 00:54:31 I see. Do you think these actions or the milk dumping was a successful thing?
- RL: 00:54:37 Oh, yeah, it was very successful. We probably didn't get all the credit for it, but at the time we had petitioned the ag department to have some hearings and try to raise the support price, and they just said no. It wasn't going to hold any hearings, it wasn't going to do anything.
- 00:54:55 We went into the holding action, and it went for two weeks. Then they put an injunction on us to force us to deliver the milk. We did. But we had raised enough emphasis on the problem that they announced that there would be, they call them short-sleeved meetings I think, and the secretary of agriculture and some of his men were out and they held meetings right out in the areas. And they did raise the support price.
- 00:55:21 So if you go back to when we dumped that milk, milk prices weren't that good, I think they're about \$3 a hundred. Just shortly after that, we got a 50-cent increase in the price support, plus they stopped the 50-cent decrease that they had announced that was supposed to go into effect. So, in essence we got a dollar a hundred for the milk that we delivered after this thing. It kept a lot of dairymen in business. That dollar made a big difference.
- CS: 00:55:51 Um-hum. Do you think it was the publicity that was the effective part of it, rather than—certainly—or was there enough of a market shortage created to raise concern?
- RL: 00:56:06 I guess it depends on whose point of view you looked at, but I think we definitely shorted the milk. There were stores that were short of milk, they were out of milk. There was processors that were meeting with us and they were signing contracts with us. We had a program where we were going to call it—I think they called it phase two of the program, of holding action. They were going to go into these processors and sign a contract if they would process the milk in restorable product, whether it's powdered milk or butter or cheese. Then the farmer could continue to hold it, but it would be held in a storage position as a finished product, rather than us dumping it.
- CS: 00:56:48 Um-hum.

- RL: 00:56:50 Some of the processors that actually broke ranks with their own group, and they were signing the contracts with us. Then when the injunction was put on, some of them that had agreed to meet with us backed out. But in the meantime, we had definitely made some impact on their supplies or they wouldn't have wanted to meet with us. Of course, if you were on the processor's side thing and don't want this to happen, you'd definitely say there was no shortage. But there had been a shortage because there was a lot of milk dumped.
- CS: 00:57:24 Um-hum. What was the reaction in the area to doing that? Did people think it was wasteful and was there a criticism of that?
- RL: 00:57:33 I guess you have a certain amount of people that always think that way. But I compare it to the labor union. It's no more wasteful for a farmer to dump some milk that's unprofitable for him to sell than it is for a labor man to go on strike. I mean, he's got hours to sell, the farmer has milk or COGS or whatever to sell. If he goes on strike and don't produce those hours of work, he's throwing away time, a commodity that this is valuable to him as the product is to the farmer.
- 00:58:03 If you looked at it, they were losing money on the milk anyway. It wasn't even bringing you back to cost of production. So you didn't lose anything by dumping it. It was a kind of a no-lose situation actually.
- CS: 00:58:18 Um-hum. Hmm. Okay. So, how was it covered in the papers? Positively or—
- RL: 00:58:28 Kind of like all things that are a little controversial. If you see somebody dumping milk out there, it's kind of like when somebody gets shot or you got a terrorist thing or something like that, it's kind of glorified in the news. They covered it. They kind of made it real spectacular and kind of made it look to the people, the consumer, made it look bad, I'm sure, that you're dumping food. The only thing they didn't do is they didn't explain to the consumer why the producer was doing it.
- 00:59:03 We shot some calves one time. That was controversial. But when you really took a look at it, the calves are being shot anyway. Because if you were a dairyman at that time and you had this bull calf, you could talk to a sale barn and you

probably couldn't get \$2 for them. If you kept them and fed them, it costs you more to feed them than you could get for them when it was fed out. So you took this \$2 calf off the barn and you shot them, and what was the difference if they took them to an area and shot them all at once? There wasn't really anything being wasted that probably wasn't being wasted anyway.

- CS: 00:59:43 Um-hum. Was there a lot of that, the cattle, what year—
- RL: 00:59:50 Oh, I think that was probably in—I think that was probably in about '68 when they had that program where they shot a few of those calves. It wasn't that many calves shot. There was maybe two or three sites where they shot 50 or 100 calves.
- 01:00:07 There was a fellow, and you may have read articles about it, they gave him a calf, because he was protesting the shooting of these calves. They told him that he would have to take this calf home and he would have to feed it—
- CS: 01:00:36 Okay.
- RL: 01:00:37 So he had to make these records public so that people could see whether he made money or lost money feeding this calf. He took the calf home and put it in his garage. The name Big Mouth didn't come from what the calf ate, it came from what his wife and kids named it, because of him opening his big mouth and getting stuck with this calf. But it was interesting in the article, I think it was in the Minnesota Farmer, that they reported on this thing a year or so later.
- 01:01:06 But he had fed the calf, kept record of everything he fed. He bought straw and bought hay, bought grain, or whatever he fed it. Then he led it down to the local locker plant and butchered it. He figured the price that they quoted at the stockyard that day, and he lost something like 100 and some dollars on the calf. So it more or less proved the point that it wasn't profitable to feed them.
- 01:01:32 But it wasn't a real good comparison because he didn't have the investment that the farmer would have had. He just fed the calf in his garage. He led it down to the locker plant and he took for granted that he was going to get the top market price, which he probably wouldn't have. It would have

probably been graded down something below what the top quote was that day. But it was interesting.

- CS: 01:01:53 Hmm. Where was that? Was that in Minnesota?
- RL: 01:01:56 It was in Minnesota, but I can't remember just where the fellow is from.
- CS: 01:02:01 How did the businesses then respond to the holding actions? How have they responded?
- RL: 01:02:10 Again, I think it's dependent on the individuals' opinions, but the people that were directly involved with farmers, like the suppliers, even the bankers in the rural areas, I think they were pretty much in favor of the farmer doing something about raising its price, because he's having trouble paying for his supplies and whatever he was buying.
- CS: 01:02:29 Um-hum.
- RL: 01:02:30 I think they're a little more business-like, they understood it.
- CS: 01:02:35 How about other people in the community, the educators and so on? I know that I—I've heard some stories where children of people who have been involved with the NFO, they have had teachers make remarks to them and that sort of thing. Was there anything like that during that—
- RL: 01:02:55 Oh, yeah, there was a lot of that, back when we first became members.
- CS: 01:02:59 You were in high school at the time.
- RL: 01:03:00 Yeah, I was in high school.
- CS: 01:03:01 What kind of a feeling did you get?
- RL: 01:03:03 Oh, it was very controversial there too. We had some people that were members, and then we had some that were opposed to it. I guess that we were called communists. We were called different things. But we had a strong enough belief and that never really bothered me. I just tried to explain to them what we're doing. It was interesting. I think there was—may have been teachers that were a little opposed. I did have a social science teacher that pretty

much was in favor of the thing. We had a lot of support there.

- CS: 01:03:38 Did any of the teachers ever take you to task like in class or anything like that or not?
- RL: 01:03:44 No. Not really. I did some reports on organizational things and things that the organization was doing and got some good grades off.
- CS: 01:03:53 Wow. I guess that matters. How about in the church? Was there a support there as well?
- RL: 01:03:59 They're dependent I think in different areas and how strong your membership was on the church. The church that we belonged to, there was quite a few members in, and it was—we had meetings in the church. Some areas, I know of members telling about being a little rejected because of them being a member. It's dependent I think on the people in the parish and how they were.
- CS: 01:04:22 Um-hum. So, in some respects, probably the positive or negative attitude informs membership. Do you think that it was—was there kind of a feeling like it was the thing to do to become a member at the time? Or—
- RL: 01:04:42 There again, it's kind of in areas.
- CS: 01:04:44 Okay.
- RL: 01:04:45 I don't know if that was religious, ethnic or what caused it. It didn't seem to run on any certain church, it didn't to run on any certain nationality. But in certain areas, there was more rejection; in certain areas it was pretty well accepted.
- CS: 01:05:02 Uh-huh. Okay. Did you work with any other farm organizations or groups at the time?
- RL: 01:05:11 Oh, I guess we've always been involved one thing or another. My dad was on the board of directors for Cass-Clay Creamery and Fargo. That was a cooperative. We were Farmers Union members. We used them for insurance and other things that they provide. I guess, other than that, we've never really been as involved in any other organizations as we have been at home. But we've been involved in them.

- CS: 01:05:41 Um-hum. Did you get support from other farm groups in the area for the holding actions when that was going on?
- RL: 01:05:51 We never really got support from, like, say, the National Farmers Union, from the national yet. Really they can't do that because there's some laws involving collusion and things that, if they came out and supported us, they could stop our action.
- 01:06:08 We had a lot of support from local groups, so, maybe not every one of them, but a lot of the people involved. A lot of Farmers Union members held hogs when we did, just in support of what we were doing.
- CS: 01:06:21 Um-hum.
- RL: 01:06:22 So I got to say, yeah, we got some support from the other groups.
- 01:06:27 In later years we got into some situations where I think they thought we were competing with them, and there was some resentment. We went through a long, lengthy lawsuit with some dairy cooperatives over some producers that we put together in a milk route and was marketing the milk in another area. They brought a suit against us, saying that we were monopolizing milk markets. It was over a very small number of producers. Actually, if there was any monopolization, they were doing it because they were handling a lot more producers in the area.
- 01:07:06 That thing just went on for years and years, and it just finally went through I think it was the 7th District Court of Appeals. Of course, it was ruled in our favor. I don't know what the outcome is going to be. It hasn't sent a total settlement or anything yet. It's in the hands of Judge Oliver right now as far as what his decision is. Unless we make a settlement with them or something.
- CS: 01:07:31 Um-hum. This is in the Perham area here?
- RL: 01:07:34 No, this would be on a national level.
- CS: 01:07:35 Oh, okay. Right.
- RL: 01:07:38 But it's been a long, lengthy thing. I'm sure a lot of people read articles about it. People in this area involved with Mid Am or AMPI would understand it because they're involved in it, and they would probably have had, you know,

information from their cooperatives on how the lawsuit was going.

CS: 01:07:59 What about the Farm Bureau, where did that organization, the county one and whatever, come out on?

RL: 01:08:08 I can't really say that they've ever really been in strong support of us. However, their attitude is changing. We've been to several county meetings and district meetings and state meetings now where we've had Farm Bureau people actually speaking. In fact, I was out in Minot the first of the week and we had a Farm Bureau and Farmers Union representative there that spoke at the convention. That was a North Dakota State Convention.

01:08:34 So I think that they've kind of come to the realization that we're doing something they can't. They have services that the farmer needs, and we've never discouraged anybody from being a Farm Bureau member or a Farmers Union member, so long as he's a member for what they've been servicing with. They sell insurance and tires and have oil stations and a lot of other services. They can do a lot of the legislative work that we don't really have time to do.

01:09:05 We do have a guy in Washington, Chuck Frazer. He's probably one of the more respected lobbyists out there for farm groups. If you talk to any of your congressmen or senators, they know him. REA and different people like that use him a lot to help them get legislations through that they think is helpful to farmers.

01:09:27 Basically, our political involvement is more or less just kind of watchdog the political thing. And if there's something that we think is good, we'll push to get it through. If there's something we think that's bad for farmers, we'll work to repeal it or stop it from going through.

CS: 01:09:41 Your organization then doesn't support any particular candidates.

RL: 01:09:45 No. We never have. We've got Republicans and Democrats involved. As far as supporting a candidate, the only way we would support him would be that if he had been some congressman or somebody that was really active in helping farm legislation and stuff, we would come out and let our membership know that he was a good fellow to support,

and we would probably help to get people to know that he was working for them.

01:10:17 We don't make any financial donations to people or anything like that. We've got a thing they called GRIP now, it's grassroots and politics, and it's Chuck Frazer has a lot of things that he has to go to, meetings and things down there, where they'll be \$100 a plate or something like that. In order to get the support of these people, if you're a lobbyist, you have to attend these things. So, for the funding for him to go to those, that's where this comes from. Members make donations to GRIP, and the money in there is used then for him to do this lobbying work in Washington.

CS: 01:10:56 Hmm. Have you ever worked with trying to influence legislation at all?

RL: 01:11:01 Well, I guess we've all been involved with sending telegrams and making telephone calls and encouraging people to do that, for different things that come up, different bills that may have been going through or being worked on. The dairy bill that they are working on right now, we've encouraged a lot of people to just let their senators and congressmen know what they felt about it. We didn't necessarily say it's good or it's bad, it's indifferent, but let them know what you think.

CS: 01:11:27 Hmm. Okay. So you don't—sometimes come out and make stands on certain pieces of legislation—

RL: 01:11:32 Only if we can really see a benefit in. With this program here that they're talking, I think they call it the compromise bill for dairy thing, and it has to do with this dollar deduction that they're taking right now. We don't necessarily think it's the solution to the problem, but it's better than the one they're using right now. So we have kind of encouraged people to let their senators and congressmen know that they were in favor of it.

CS: 01:12:01 Do you do that through your newsletter and personal contact—

RL: 01:12:04 Through the newsletter and personal contacts. There may have even been, I think with the dairy patrons that we have, some information that went out with their milk checks, letting them know what the status of a bill was and keeping them informed on it, so that they at least knew what was

going on and were interested enough to let them congressmen know what they thought.

- CS: 01:12:24 Okay. What candidates, I guess, you could either put it as state candidates, a senator or whatever, do you think has been the best support?
- RL: 01:12:41 Be awful hard to say. There's been several of them that have come out and spoke at functions we have and done things like that.
- CS: 01:12:54 Who has supported or come closest to supporting or representing the organization?
- RL: 01:13:00 This one is a little hard to say. I guess we've had, at our national conventions, we've had fellows from both parties come out and speak. We've had a lot of people that go to Chuck Frazer a lot for information and everything. But as far as to say there's a certain individual that just really supported this, I couldn't name one.
- CS: 01:13:24 How about anybody who you've seen has been a disappointment as far as—
- RL: 01:13:33 There again, I really can't say that there's been any of them that's really fought us or anything like that, as far as senators or presidents or anything like that.
- CS: 01:13:41 Representatives, local.
- RL: 01:13:43 I guess one thing that, when Bob Bergland was Secretary of Agriculture, we were having a lot of problems with some of the members running into trouble with FHA and not being able to get to the right people to get solutions. He spoke at a national convention and this was being brought up at the convention. He advises to set up a committee in the county, finance committee. So really these guys didn't have anything to do with getting any money or anything like that, but if you were having a problem with FHA, we could go through one of Bergland's aides down there and we would get some action on the thing, so that the guy could get his answers as to whether or not he was going to get the loan or whatever the hold-up may have been.
- CS: 01:14:29 Um-hum.
- RL: 01:14:31 I'm sure that we helped some people out with that thing.

CS: 01:14:35 Okay. Has there been any particular issues within the organization that have divided it internally?

RL: 01:14:44 Well, I guess you have to go back to 1972, there was some strong movement at that time at the national convention to replace the chairman. There was, I don't know how you document it, but there's a lot of hearsay that there was some money from the grain trade spent to promote the guys that were opposing him that year.

01:15:13 It got to be a quite controversial convention. He was reelected and—

CS: 01:15:18 This was?

RL: 01:15:20 This was in 1972.

CS: 01:15:21 Yeah, okay. The chairman or the national—

RL: 01:15:23 Was Oren Lee Staley. Yeah.

CS: 01:15:25 Okay.

RL: 01:15:26 He was reelected then. I guess it was some people involved in that movement, a lot of them were from North Dakota, California, Texas, is probably the three strongest areas, that kind of broke ranks and went their own way. They started a group called American Grain and Cattle. They set it up as an export company and it was based out of Texas. If you remember Billie Sol Estes when they were doing some of the investigating and everything, they got into some of their records. So there was some evidence that it was a little bit shady.

01:16:04 But the American Grain and Cattle Company filed bankruptcy and left a lot of farmers out here holding a lot of unpaid accounts. In other words, they delivered grain or they delivered whatever they had contracted with them, and then when they went bankrupt, they didn't get their money. There was a bonding company involved and I don't know how it all worked. But some of the farmers in some areas got an attorney and they used up most of the bond and got 50 cents on the dollar. But then this left the rest of the people with nothing.

CS: 01:16:39 Did NFO step in at all and try to help them out—

RL: 01:16:41 There really wasn't anything we could do because we wasn't involved. They had went through American Grain and Cattle and made their contracts and sold their grain. It really wasn't our—we couldn't do anything about it. It wasn't in our organization at all. It was former members that had went with this thing.

CS: 01:16:59 Um-hum.

RL: 01:17:00 In fact, some of them are members today and came back after they, you know, seen what the problems were.

01:17:08 I think one of the strongest points we've got today is the system we use for paying the members for stuff we sell for them, whatever commodity it is. We use a trust system and it's set up under the Minnesota trust laws. The trust is a separate entity from NFO. If there's money to be paid NFO, for check offer, whatever it may have been for the movement of the commodity, the trust writes check to NFO, Incorporated.

CS: 01:17:35 Um-hum.

RL: 01:17:36 When the money is collected from the buyer, they figure that it first comes back to the member and everything is handled within that. Then within that, we have what we call a reserve system, where we retain a check op on all commodities that go through, that goes into the reserve. So that if we do have a buyer that defaults, for whatever reason, if it was bankrupt related or—and doesn't pay us for commodities that members delivered, then the reserve is used to pay the member. So he's in essence guaranteed 100 percent payment.

01:18:07 We see a lot of bankruptcies and things today with elevators and different things, and that I think is a real important item for a farmer. I know, if you sell, like a lot of these farmers today, with the volume they have and they sell 10,000, 20,000, 30,000 bushels of grain, they've got a lot of money out there. If this company happens to default right when their grain is in there, I'm sure it would break a lot of people.

CS: 01:18:35 Um-hum.

RL: 01:18:36 Where here the thing would be they'd be paid, they probably wouldn't even know what happened. Then whenever there is a settlement, the trust deals with that and

whatever would come out of it would go back into the reserve to help replenish it then.

01:18:50 That kind of got set up after we've seen what happened with the American Grain and Cattle thing and some of the things that happened back then.

CS: 01:18:58 Um-hum. Have there been any other problems since then?

RL: 01:19:02 Oh, no, nothing real drastic. I guess there's been a little bit of internal problems like a department head wasn't doing whatever we thought he should and may have been a little politics played and get replaced or something like that. But it's, for the size and scope of the organization, it works pretty smooth.

CS: 01:19:19 When you were talking earlier, you mentioned that one of the things that you saw the organizational problem in the beginning was that the mechanism wasn't quite there to implement the ideas and concepts. You feel that's been smoothed out and—

RL: 01:19:36 Oh, yeah. The mechanism is there now. Right now what we need is more volume again. Back when we had the meetings and the real enthusiasm, we had lots of people, but we didn't have a program as such that we could physically move the commodity and do the accounting and everything that has to be done. We didn't have that all set up.

01:19:57 We didn't realize what we had to have. That was why we didn't have it set up, I guess. But now that we've went through those things, and by the trial-and-error method on a lot of it, we've got the structure set up that we can bargain for the product, sell it, deliver it to the buyers, collect from the buyers, disburse the money back to the members, and everything that needs to be done.

01:20:18 I guess the thing we need right now is more volume so that we can get in to the bigger blocks, so that we've got more bargaining ability. There's a lot of things being done right now to increase the volume in all the commodities. And the programs are so much more attractive and it's a lot easier to increase the volume of people and see some benefit in using them right immediately.

01:20:42 With the hogs, the guys that's going through the collection point, invariably say they're coming out \$2 to \$3 a head

better than they are going somewhere else. Same with the cattle, we've got people telling us they're making \$30 a head on their steers.

- 01:20:57 We're not getting what we really want to get. Our ultimate goal is for the farmer to be able to say "It cost me this and I need to profit, so this is its price." Today we can only go to the buyer and say, I guess the market we've got today, we think because we've got this amount or this quality, or whatever we can sell them, we think we should have this much more. We can definitely shore in some benefits but we still can't say this is the price. That's what we want to do.
- 01:21:25 But the volume is coming in because of the benefits we can show to people, to the point that I think we're on the road to getting ourselves in a position to do that.
- CS: 01:21:33 Do you think the organization then is increasing again in size?
- RL: 01:21:37 Oh, definitely. I'm not so sure that the number of farmers is increasing, but the number of farmers overall has decreased dramatically since we started the organization. We may have less members in an area now and still have more production because of the volume that they produce.
- CS: 01:21:56 Um-hum.
- RL: 01:21:58 So it's kind of hard to say by numbers how we're doing. But by volume, we have a lot of production.
- CS: 01:22:03 Yeah. That's right. I remember with, oh, I guess in the '60s, there was a lot of concern, the violence, there is a cinema of violence that was going on. Do you think that worked against the organization?
- RL: 01:22:24 Oh, there's no doubt it did. People don't want to be a part of something that's not on the up and up or whatever. A lot of the violence I think was created by the press, talk about shooting trucks and things like that. There's a lot of people out here that just looked for a reason to do something like that. If it happened, it automatically had to be a member that done it. I don't think it always was.
- 01:22:51 So a lot of the things that probably happened, we got blamed for, even though we didn't do it. You can see the same thing when a union is at strike, you'll see violence,

and a lot of the times, I don't think the people involved in the strike are actually to blame, but they get blamed for it.

- CS: 01:23:08 Do you think it was local people that—or not just specifically this area, but I mean in general where there was a problem with violence, do you think that the perpetrators were local people or people that were just attracted to it?
- RL: 01:23:24 I don't know. It's really hard to say. I guess it all depends on—
- CS: 01:23:31 What was the local word at the time? I know there's always two versions of everything.
- RL: 01:23:35 Well, you always have the coffee shop talk.
- CS: 01:23:38 Yeah.
- RL: 01:23:38 What we ought to do is we ought to go roll them trucks over or something. But a lot of people liked to talk but they don't want to always do what they like to talk about.
- CS: 01:23:48 Um-hum.
- RL: 01:23:50 Then again, I think some of the violence that happened was probably just somebody that just for the fact that "Here's a good excuse for me to go out and have some fun and cut the tire on that truck, I'll do it, and they'll get blamed." So there's still some of that.
- CS: 01:24:03 Um-hum. As far as the county organization has gone, has it run fairly smoothly?
- RL: 01:24:12 Yeah, I'd say so. I don't think we've had any politics as far as any way trying to owe somebody else because he was doing a job or anything like that. There may have been at times somebody that was in a position that somebody else didn't think he should be there, but the normal thing to do was to make sure you had enough people at the next year's election to replace him. So it was a—
- CS: 01:24:38 That's happened a few times?
- RL: 01:24:40 That's happened, yeah. But it was good politics. It wasn't any, you know, where you actually got into any backstabbing or anything like that.

- CS: 01:24:48 Uh-huh. One of the goals of the organization that I came across, and you've mentioned it also, is making sure that control is in the hands of the farmers and that there are, you know, the ideas come from the ground level. Do you think the organization has been successful in meeting that goal?
- RL: 01:24:48 Oh, I think very much so. The membership has the opportunity every year to go to the national convention, and that's probably the highest authority in the organization. The policies are pretty well-established there. Then the board of directors, through the course of the year, would maintain the business, whatever has to be done.
- 01:25:28 But a lot of ideas that come from the country out here may go through the channels of an experimental area to see how it's going to work or whatever. But if the thing works, it's given all the chances to be used all over.
- CS: 01:25:44 Um-hum.
- RL: 01:25:45 So the membership has a lot of ability for input into the organization.
- CS: 01:25:50 It's basically through that process of channeling ideas forward. It's kind of like, I suppose, resolutions or whatever, you would pass it, local political convention, that sort of thing?
- RL: 01:26:01 Yeah, very much so. We go through a system every year where the resolutions are cited out at the district levels. We're organized in the congressional districts, and that's probably the most political arm of the organization. But from there, it progresses to the state. The resolutions or the bylaw changes that are going to be made have to progress from the district to the state, and then on to the national if they want to pursue them that far.
- 01:26:29 But I don't think there's been anything that's been proposed there that hasn't at least had the right procedure to be talked to and everybody had the right to vote it up or down.
- CS: 01:26:39 Um-hum. What do you think the strongest points of the organization were when it was just organized in the county here in the '60s?
- RL: 01:26:50 You mean the strongest points now or then?
- CS: 01:26:53 Then, and then we'll go to now.

- RL: 01:26:55 Okay. Well, back then, I think it was just that there was a definite need for people to do something about the prices and the things that they were contending with. It looked like the only hope at the time. The farm programs that was being presented was nothing, the legislation thing had been about worn out. I mean, the farmers union and some of the others had worked on legislation, and by the time they'd get it through, it'd be so watered down and plugged up with other things that didn't do you that much good. People were looking for another way. I think that was probably the strongest thing they had going for them, we got people wanting to do something.
- CS: 01:27:37 What do you think the strong points are today?
- RL: 01:27:39 Well, I think the strong points today are the programs they've got. We got the ability now to actually get into the markets and sell the stuff and come up with some benefits for the people.
- CS: 01:27:53 When you refer to programs, are you referring to the marketing programs?
- RL: 01:27:57 Right, the marketing programs. Whether we're talking in grains, we've got the grain department that's doing the bargaining and selling there, or whether it's the hogs, we've got the collection points that we're using and the contracts and stuff that they're operating under. With specialties we've got programs in the sunflowers and the buckwheat and the millets and all that where we're actually marketing the stuff.
- 01:28:19 Just the buckwheat as an example, right now the local markets on buckwheat are \$8 and \$9. We can't sell it every day. It takes time to move the stuff for the guys, but we've been moving most of it in 11, 11.50 range. If you're producing some buckwheat and you've got any amount, that's quite a difference. So there's definite advantages.
- CS: 01:28:43 Um-hum. What were the weakest points at that time, in the '60s?
- RL: 01:28:50 Well, I would say back then, we had all kinds of ideas and enthusiasm but we didn't have this mechanism to bargain for the stuff. If we did make a sale, we didn't have the program to go in and collect the money, get it back to the producers. We didn't have the people with the expertise to

do all these things. We were starting out with farmers and we were taking a farmer off the tractor and putting him in a position where he was dealing with one of the big five grain companies. Just some of these guys were just a little out of their league originally.

- CS: 01:29:28 Um-hum.
- RL: 01:29:29 Some of those same people have stayed there and progressively they've learned the business. They're good people now, but at the time they were just working out with not enough experience.
- CS: 01:29:41 Are the people that you hire today, people such as yourself, has a farming background or is it a mixture?
- RL: 01:29:49 It's a mixture. People with farming background are, in my estimation, are better employees. It's not just because I'm that way. But they understand the whole situation better. We've got people that worked for us that had never been on a farm, came right out of maybe some industry, maybe he was working with the hog industry and we hired him to bargain for us. He's real sharp on what the industry, he needs to know about the industry, but he doesn't really know what the farmer has to face out here. I mean, he can't relate as good to what the cost of production is as somebody that's been out at the farm.
- 01:30:29 But, oh, we've hired people that come out of all industries and kids out of college that's looking for a job, if we had a position for them and we felt they were capable, we give them a chance.
- CS: 01:30:44 What do you think the weak points are today?
- RL: 01:30:46 Oh, I think the weakest point we got today is that we don't—
- 01:30:55 Okay. Like I'm saying, I think the weakest point we got today is just that we don't have the volume we need. We're working on putting it together and we're going to be doing a lot of things this winter.
- CS: 01:31:05 Yeah, I was going to say, do you have a strategy planned or?
- RL: 01:31:08 Well, a lot of this is still being developed because we got our national convention coming up, what is it, 28th, 29th,

and the 1st of December. But at that convention, there's going to be a lot of things announced that we're going to be rolling on. There's some plans in grain, there's some plans that we have in specialties. I think we're going to have some things that we're going to entice a lot of people to come along in with us this winter.

- CS: 01:31:35 Does that mean your job is going to be bigger?
- RL: 01:31:38 Yes, it is. It sounds like I'm going to be covering a lot more area than I have been. Probably would be working with a few more people. In other words, the job that I've had has been primarily northwestern Minnesota, eastern North Dakota, and occasionally I get over to work with a guy in South Dakota. It sounds like now I'm going to have the three states and there's going to be somebody to replace me and they'll have somebody in the other states who will be working like that. So, be a lot more traveling. But I think it's kind of challenging.
- 01:32:17 Sunflowers is probably the biggest program that we have in specialties, in this area. We got the bulk of the sunflowers raised in North Dakota. So we have to concentrate there if we're going to get the volume we need.
- CS: 01:32:29 Um-hum. So I would assume that you feel that the organization is accomplishing its objectives.
- RL: 01:32:40 We're accomplishing them. I'd like to see it done faster. I think the biggest objective we got right now is to get a cost or a price out here that these guys can recoup their costs, so we don't keep losing farmers.
- 01:32:58 This year we had that drought and it's definitely affected prices. I don't know if it's affected them as much as it should in relation to the severity of the drought. But now you've got a situation where the farmer has price, nothing to sell. So that isn't going to save them either. If he gets a good crop next year and no price, he's still not going to make ends meet.
- 01:33:21 So you hear things like "We're down in the rails," severe area that drought has 45 to 50 percent of the farmers that might not be farming next year. They won't get finance. That's a pretty rough situation to look at.
- CS: 01:33:40 Um-hum.

- RL: 01:33:41 We've got an area up in Lake Pennington counties where those guys went through four years of crop failures due to the drought and flood and what-have-you. They're trying to do something to get those people from low-interest credit or something, but I don't know if they're going to do it. There's a good share of those people that just won't be there next year if something don't happen with the prices.
- CS: 01:34:09 Do you see your organization moving in and trying to recruit more people in areas like that to—
- RL: 01:34:16 Well, I think we're going to recruit more people in the areas where we can accomplish the most in terms of how much volume that we get. The dairy program, we'll put the most of our emphasis in Minnesota and Wisconsin. Because if we can affect the series price, we can raise the price level of all of the dairy products. But if we would go, say, into North Dakota, we could probably pick up some milk, but all we'd be doing is put on some patrons, we wouldn't be really affecting the whole picture. So we're going to concentrate where we can do the most.
- CS: 01:34:48 Okay. Why do you think the organization is accomplishing its goal?
- RL: 01:34:58 Well, I could see the, from my position, I can just see the increases in the volume that we're moving. And the benefits that we're giving the producers in terms of this additional volume, we can bargain for something better than they had last year, or better than the non-members getting just going in and selling it himself. So I think that's where we're really helping the guy out that's using the program.
- CS: 01:35:25 Um-hum. I like the video that you made. Would you do it all again?
- RL: 01:35:33 Oh, yeah.
- CS: 01:35:35 Is there any part that you'd do differently?
- RL: 01:35:40 Knowing what I know now, I'd have to say, yeah, there's a lot of things that we would do differently. Probably we wouldn't get the cart in front of the horse so many times. We would get one thing organized before we started doing something else. But I guess that was with the trial-and-error thing, that was the only way to do it. Sometimes you get the cart in front of the horse. So then you had to stop and get things reorganized again.

- 01:35:40 There's a lot of things like that you could do that would work a lot smoother, but you'd probably have to go through pretty much the same process if you had to do it all over again.
- CS: 01:36:14 Do you belong to any other farm organizations?
- RL: 01:36:17 I don't belong to any farmer organizations right now because I'm not a farmer anymore. But we did. Yeah, we were members of Farmers Union.
- CS: 01:36:24 Okay. What do you think about the American Agriculture Movement and the Minnesota collect?
- RL: 01:36:32 Well, basically, they came out to do the same thing that we started out to do back in 1955. They were under some stress because of the prices and they thought that the thing to do would be to organize some people and bring some attention to their problems, and that maybe they could get the congress or somebody to do something for them.
- 01:36:55 They tried the tractorcade. It wasn't very good. Because when you take a \$40,000 tractor and you drive it by some guy and say "I can't make it all throughout my farm," he just kind of looks at you like "What are you talking about?" The thing they didn't across again was a point that the \$40,000 tractor was financed and that they were able to lose it. So I guess there again, if they could go back and do some things over just like we were talking about earlier, they'd probably make some changes too. They moved now to more or less the legislative process.
- 01:37:33 I guess there's some things they can do. I'd just as soon have somebody doing that, and then we could work on what we're doing, we wouldn't have so much [inaudible 01:37:39].
- CS: 01:37:42 So, influencing legislation, is that a priority, do you think?
- RL: 01:37:47 Not necessarily. The only thing with legislation is there's some things that happen in there that could definitely affect your ability to do what you're doing or definitely affect farm prices and everything. We don't have cost of production, cost of profit for these guys yet, and until we can get them there, we got to give them everything we could get. If it's got to come from legislation or wherever it's got to come from, we got to take advantage of it.

- CS: 01:38:16 What in your assessment of the situation, do you see the bargaining as the thing that has to be dealt with, the marketing, that sort of thing? Or do you see legislation as the thing that can really make a difference for the farmer?
- RL: 01:38:40 Well, the biggest thing I think is going to be in the bargaining, because they can legislate out anything they want really and it won't be permanent. But if you can get yourself in a position that you got a contract to deliver your commodity on that can get you a profit, and you can start tying this thing down a year at a time or two years at a time, or whatever, then you know you can stay in business.
- 01:39:04 The thing with the legislation is that, if we weren't watching it and somebody wanted to, they could change the Capper-Volstead Act and we couldn't even do what we're doing. You just have to watch that so that you know what's going on down there.
- 01:39:18 Same with this dairy bill. I don't think the compromise dairy bill is going to make the dairymen a lot of money, but it will be better for them than what it's got today with the dollar assessment and no way of getting it back. Actually, they're going to force people to produce more milk because the farmer that has a cash flow need of x number of dollars, and if they take a dollar a hundred off his milk, the only way he can get it back is put in more cows. So if he has to milk 10 more cows to do it, he'll just put in more cows, and he's going to increase production.
- 01:39:52 The compromise bill, he still has a 50 cents deduction, but he has the ability that if he reduces his milk output, that he can get paid \$10 a hundred for what he cut back. This would encourage less production. So if you really got a surplus, it's a better program than what they're going with today.
- CS: 01:40:11 Do you believe that surpluses are there and that's the problem?
- RL: 01:40:15 Well, I guess we talked about surpluses and I shouldn't probably use the word because we try to tell people that we should change the word to inventories. If you drive by a car dealer and they've got 100 cars on their lot, they don't put up a sign and say a surplus sale. They have an inventory reduction sale or whatever they want to call it. Maybe they

give you a rebate to get you in to buy. But they work off an inventory. They never have a surplus.

01:40:43 If we look at this agricultural plant down here, like a business, like a manufacturing plant or whatever, if we produce more food than we can eat this year, I would think that the consumer would be satisfied to see a reserve there or an inventory or whatever you want to call it, rather than saying it's a surplus, and driving that guy out of business that's doing a good job of producing it for them. So I think we need to change the terminology. We need to start getting a farm inventory instead of a farm surplus.

CS: 01:41:17 Okay. So you would say production cuts and that type of program is not the solution for the problem?

RL: 01:41:26 There may be cases where we need those things. In fact, in the organization, we recommend from time to time, we just had a selloff this past summer. The number of hogs are going up too fast and we were going to have a surplus as such. So, rather than wait till this happens and then take a big cut in the hog price, we recommended that people call off 8 percent of their sales and sell them before they have the pigs so that you didn't have the numbers increasing.

01:41:54 It was pretty well accepted. I think in the beginning of next year we're going to see the results of this thing and higher hog prices because the people did cut back on inventory and so the hard numbers will be down.

01:42:07 We go along with those things if they need to be. It's just that there's kind of a fine line between where you have a reserve and where you have a surplus.

CS: 01:42:18 Does under-consumption come into, I guess, to the strategy planning or the way that you look at the markets?

RL: 01:42:32 I guess it's a problem you have to face. If people don't want to eat beef, then you're going to have to cut back on beef. But if they don't eat beef, they're going to eat something else in place of it. So if you're in control of this thing, supply management would be easily moved from one, say, producing hogs over to producing beef. If people didn't want to eat as much beef, they would eat pork or chicken or something in place of it.

- CS: 01:43:05 Okay. Let's see, we were talking about the other farm movements. Does NFO support these different movements, come out?
- RL: 01:43:20 Well, actually, we can't just go on here and saying we support you. It's just like if we have a holding action or some kind of a thing and they come out and say "We support it," it's collusion and there's some legal things. We can't go out and say "We support the American agriculture movement because this, this or this," or we probably shut down what they're doing.
- 01:43:43 What we try to do is work with them. We have a lot of meetings where we have their leaders in with our leaders and we share ideas and try to work together as much as we can. I don't think we've shut down anybody that's trying to do anything that would help raise the price, whatever it may be. But as far as coming out and actually saying, yeah, we're going to support them, we can't do it.
- CS: 01:44:09 Um-hum. Okay. So there is, I guess, an attitude of having a working relationship with—
- RL: 01:44:17 Right. I think the thing we try to impress on them is that, if Farm Bureau has a service that you can utilize, good, join them and use it. But we've got a program here that can benefit you, join us and use it too.
- CS: 01:44:33 Um-hum.
- RL: 01:44:34 With both of them, maybe we can make something work. But as far as we have a lot of people say, well, why don't the Farm Bureau and the Farmers Union and NFO get together? The way we're all structured, we can't. The way they're structured, they're in business, they're buying and selling. They can't legally collective bargain for a producer because they're structured wrong.
- CS: 01:45:02 Okay. So that was one of the other things that I was thinking of that I wanted to ask you about. In the material that I read, it very specifically states that NFO will not get into businesses and the business organization, and that's the reason why.
- RL: 01:45:18 Right. If we started buying commodity from a farmer and then selling it to a buyer, we could be taking away our ability to do what we're doing, collective bargaining. What we do is we take a member's production, we block it

together with several members or whatever we can get the biggest package we can go deal with, and then we go through the buyer, and we write contracts.

01:45:42 When we write the contracts, let's say we're delivering grain to Continental Grain Company, it'll be John Doe on the bill of lading and Continental Grain. The only thing that says about NFO on there is that it's an NFO grain bill of lading. So that we're not involved in the buying and selling thing of it all. That's where the trust then keeps the money separated, so that NFO doesn't even collect the money from the sale and disburse it to the member. This is another separate entity, the trust, and it's operated separately under trust laws.

CS: 01:46:17 Um-hum. Do you feel the way the system exists today, meaning marketing and buying and the corporations and so forth, that NFO can effectively bargain with the bigger grain companies, that they are in a position where they can?

RL: 01:46:40 Oh, very definitely. We got basically five companies that control the bulk of the purchases of grain, and in every commodity there's a limited number. You've got a few smaller companies that are in there that are always contending. It takes a very small percentage when you put it down to a weekly or daily basis. I mean, you think about the millions of bushels of grain out here that move in a year's time, and it sounds like you'd have to have an awful lot in order to be effective.

01:47:10 But the buyer is concerned on his day-to-day movements. If he needs 10,000 bushels to fill a ship, that's an important item to him, that you've got a lot of bargaining ability if you've got the ability to say "Okay, I'll put it in there for you by Friday."

01:47:25 So, small amounts get real effective in bargaining. When you've got small companies that are competing with the big companies, if you're controlling a small percentage of the volume, you can shift all your volume to one of them small companies and you'll compete with a big company because you're put in the same volume bracket as he is.

01:47:46 On the other hand, when you're putting this volume together, the buyers all have their own little areas where they could fill their supplies. If we take 10 percent of all of this volume away from them and we shift it over to some

other buyer, we've got them both vying for it because the one wants to keep it and the other one wants to get it back. So, just by moving commodity from place to place, you can really affect markets.

01:48:12 It works that in most every commodity, there's a low-priced area somewhere in the country and there's a high-priced area, and maybe, in order to make the low-priced area come up, you might have to move this production somewhere else. You may only recoup your cost of transportation by moving it, but you will create the competition that makes that buyer in that low-priced area bid up. So there's a lot of things you can do with small amounts, but the bigger amounts is easier to work with.

CS: 01:48:42 Is the NFO getting at all involved in like the credit system, farm credit, or credits, or—

RL: 01:48:51 You mean as far as—

CS: 01:48:53 —trying to help—yeah, or trying to help—

RL: 01:48:56 Well, the only thing we've got there is that, with this finance committee that's at a local level of selected people from the county, if we have a person out here who is in trouble with the banks or with FHA, and he can't get answers and he can't get his problems solved, we don't have any money to lend him, but we can get to the right people to help get his finance straightened out with his lender. I wish we had money to lend people, then we'd be in a lot more fluid position.

CS: 01:49:27 Has the membership at all gotten involved in stopping farm foreclosures?

RL: 01:49:35 I believe that there's probably been some individual members that's been involved with some of the sales where wore red bandannas and things like that, but not such that the organization itself has come out here and try to promote it or anything like that. But a lot of the people are members of both. So if they think that there's a reason to do this, they're going to definitely be involved.

CS: 01:50:03 What do you think should be done today to help solve the farm problems? Or what would you define—maybe it would be better to say what do you think the farm problem is and how we can?

- RL: 01:50:15 Well, I would say the problem with the farm, problem out here today right now is that we're selling a dollar's worth of goods for about 60 cents. We've been operating on 60 percent apparently for years. When you've got something that cost you a dollar to produce and you sell it for 60 cents, you're definitely going to run into trouble. This is what we've been doing. Now we can blame the high interest rates, we can blame the farm legislation, the farm programs, the PIC program, whatever we want to blame. But it gets right back down to the fact that we haven't been getting enough out of the commodity to keep people in business.
- 01:50:54 So we hear of people talking now real seriously about the solution to the farm program is marketing. We got to do a better job of marketing. Well, you could sell all of your products in the top, say, the top third of the market today, and you'd still lose money, because the market level never achieves what you need to take out of the market in order to stay in business.
- 01:51:20 Some farmers have been able to come up with better yields or better production rates on their cattle or their dairy or whatever and definitely are in a better position than some other farmers, but basically, for everybody to survive and make a living at it and be able to stay on the land, you're going to have to raise the general price level to where it shows you cost of production, cost of profit.
- 01:51:48 There isn't room in farming for inefficiency. I don't think that any of those people left anymore. We went through such a weeding out process, if you want to call it that. We went from something like 6 million farmers back in the '60s down to where we're down to, well, we say 2-1/2 million, but then some of the people that classify as farmers are the hobby farmers and things and they're not the actual producers. So it's hard to say just what figure we're at, but million, million and a half, that's actual, you know, basically making their living off farming. There can't be too many inefficient ones left in that group.
- CS: 01:52:29 Do you see farming as a—or farmers as private enterprise or do you see them more as like a union or workers?
- RL: 01:52:44 Well, I like to see them as private enterprise. I don't think too much of the corporate structure and people being under their control. I like to see people owning the land. I don't

see anything wrong with ma and pa and the kids milking a bunch of cows and paying their bills. It's a good program. It's got to be better than having a big corporation owning the thing, and somebody out here just working for a wage.

01:53:15 You see, when ma and pa and the kids are out there at 4:00 in the morning with the calf that was just born, you don't see that when you got a corporate structure and an 8:00 to 5:00 man. He just don't do it. He doesn't have the interest in something that he doesn't own.

01:53:34 Heck, you just look at the world food supply. We're the best at producing, we're the best-fed nation in the world. The only reason is the production ability that the farmer has. If we go to Russia or any of the other countries where they've got their socialism or government-controlled farming enterprises, or whether it's corporate or however, they just don't get the production units out of the same piece of ground or the same number of cattle or whatever as we do here. So it's pretty hard to beat a system that's proved itself.

CS: 01:54:14 Do you find it easier to work with and recruit a farmer that owns his own land as opposed to a tenant farmer?

RL: 01:54:24 I don't think it really makes too much difference anymore. Basically they're all making their return off the sale of the commodity they produce, whether they're renting the land or whether they're owning it. I think you maybe see a little more with the pride in ownership thing. The guy that owns his land is probably a better producer. He'll consistently probably have better quality and better yields and everything like that. A lot of the rented land is probably rented by somebody that also owns some land. So they're doing a pretty good job of that too.

01:55:03 I don't think we have too many tenant farmers that are just basically renting everything. They may rent a lot of their land but they still own at least their homestead and part of their land.

CS: 01:55:16 What directions do you see the NFO going in the future?

RL: 01:55:21 Well, I don't think we're going to be changing our direction just a whole lot. We may have to change with trends in production, we may have to change with how we go after recruiting new members, but the goal of the organization

has always been the same, or at least since '58 when they decided to go the collective bargaining route, is that we need to get ourselves in position that the producer can say "This is what it cost me and this is what I have to have for profit, and this is the price."

01:55:51 So I don't see us taking too many changes. Maybe a little change in the direction we go about getting there, but we're still going the same way.

CS: 01:56:04 Any other comments?

RL: 01:56:06 Not really.

CS: 01:56:08 Okay. Thank you very much for your time. This has been really interesting, to talk with you.