

During February, 1968, our Association's loans were examined under the supervision of the Farm Credit Administration and the results indicate that 15.6% of our loan numbers which includes 22.2% of the dollars outstanding, have one or more major credit weaknesses. The most frequently mentioned weakness by the credit examiners is the borrower's repayment ability.

It is our opinion that farm prices are not adequate to return the price of production in many of these enterprises, particularly in the vegetable greenhouse, poultry and cattle feeding areas. There are several reasons for these low farm prices, but in our opinion, one of the main ones is the inequality of the import-export situation between the United States and other nations.

We do feel that it is very important that a serious study be conducted on these problems at a high level of government. Hopefully these inequalities could be resolved with a corresponding improvement in the farm price situation. This must be done in the near future if agricultural production is to remain in the hands of the farm family as we have known it traditionally.

Sincerely yours,

FRED CAMERON,
President.
JAMES DERAN,
General Manager.

Mr. HERLONG. Thank you very much. We appreciate your testimony. Are there questions? Mr. Conable.

Mr. CONABLE. You have of course a particular seasonal problem because of the high cost of your product and the periods of scarcity from a seasonal point of view.

Mr. NOWINSKI. Yes.

Mr. CONABLE. Are you asking for quotas and tariffs too? They both seem to be in your recommendations. Wouldn't one be enough to help you, or do you really feel you need them both?

Mr. NOWINSKI. We as a greenhouse industry certainly think a combination of the two would be very helpful.

Mr. CONABLE. You would like to see the quota adjusted seasonally, would you?

Mr. NOWINSKI. Right, depending on the amount of imports. All of this is predicated on what other growing areas produce such as Florida and Texas and California. Our price is determined by what these other areas produce.

Mr. CONABLE. I can see you have a high risk business there with lots of expenses.

Mr. NOWINSKI. Extremely high risk.

Mr. CONABLE. Thank you. That is all, Mr. Chairman.

Mr. HERLONG. Thank you. Thank you so much for your appearance.

Mr. NOWINSKI. Thank you.

Mr. HERLONG. The next witness is Mr. Luke F. Beckman.

Mr. BETTS. Mr. Chairman.

Mr. HERLONG. Mr. Betts.

Mr. BETTS. Mr. Beckman doesn't live in my district, but he lives awfully close to it. He lives in Mr. McCulloch's district. I would like to encroach upon Mr. McCulloch's prerogative to welcome him to the committee. I am sure he wouldn't object. He has been very patient waiting to be the last witness. I hope those who are still here will listen to him.

Mr. CONABLE. Of course he is farther from my district but he has some good friends there. I would like to say he is the last witness but not the least.