

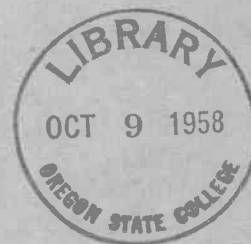
54

**HOW OREGON RYEGRASS SEED GROWERS**

**VIEW THEIR PRICE PROBLEMS**

**by**

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## HOW OREGON RYEGRASS SEED GROWERS VIEW THEIR PRICE PROBLEMS

by

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### Summary

1. Growers in Linn County, hub of the ryegrass seed production area of Oregon and the nation, believe they can produce seed at a lower price per pound than ~~any~~ other growers.
2. Most growers favoring more market promotion favor the commission approach because they believe:
  1. It is the fairest method.
  2. Growers should pay their own promotion and advertising costs.
3. Four out of five growers who considered meetings their most important source of information concerning the commodity commission favored promotion.
4. Principal objections to a commission are:
  1. It will not raise the price.
  2. It is another expense.
5. More than half the ryegrass seed growers are not in favor of acreage controls and price supports, but the majority believe some kind of federal control may be necessary before satisfactory prices are obtained.
6. Of those opposed to all forms of federal control, about a third believed a commodity commission might be of some value and another third was undecided.
7. Most ryegrass seed production is in the hands of growers who have been producing seed for many years. Only 6% have been producing seed for five years or less.



### Introduction

Under provisions of the Oregon Agricultural Commodity Commission Act, ryegrass seed growers voted in April of this year to decide if a ryegrass seed commission should be established.

The Commission failed to receive the necessary majority of votes even though prices of both common and perennial seed were at their lowest in over 15 years. This led to many questions, such as: Why do some growers favor a commission? Why do others look on this type of organization with disfavor? Also, in a depressed price situation how do growers view some form of federal control? What price do growers believe they must receive to make a living? How do ideas vary with age of grower and size of farm? To obtain information on these and related points, a sample of 101 growers (61 from Linn County) was interviewed.

Perhaps this summary will provide growers, dealers, extension workers, officials, and others with information and leads on how growers view their own problems and more important, what they have done and propose to do about them.

### Growers' Views on Market Promotion

What is a minimum price? Growers were asked to estimate what they believed could be a minimum seed price that would allow them to stay in business. A summary of these estimates is shown in table 1.

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Table 1. Median Estimated Price, Per Pound, of Seed --  
101 Oregon Growers - 1957

Item	Common cents/lb.	Perennial cents/lb.
Linn County	5 1/2	7
Other Counties <sup>1/</sup>	6	8
Total Sample	6	7

<sup>1/</sup> Includes Benton, Lane, Marion, Polk, and Yamhill.

Farmers in Linn County, where 900 of the 1400 growers in the state live, have indicated they are in a position to produce both common and perennial ryegrass seed for a lower average price than farmers in the other counties. For the area as a whole, the estimated price needed to give a reasonable return ranged from 4 to 10 cents a pound for common, and from 4 to 14 cents a pound for perennial. In Linn County no farmer said he needed more than 8 cents a pound for common or 10 cents a pound for perennial. When the survey was made, growers were being offered 3 1/2 to 4 cents a pound for common and 4 1/2 to 5 cents a pound for perennial.

What growers think of promotion. Growers were asked if they favored some type of promotion to help raise the price of ryegrass seed. Responses of the 101 growers are summarized below:

	Percent
1. In favor of promotion	59.0
2. Not in favor of promotion	20.5
3. Undecided	20.5

When the grower's age was considered, 69% of the 35 youngest growers were found to favor promotion as compared with only 54% of the 35 oldest farmers.

When classified by farm size, more larger operators favored promotion than did smaller ones. Forty-three % of the 35 smallest operators favored some form of promotion, whereas 66% of the 35 largest ones favored this type of program. Small farmers frequently indicated they believed promotion would



be of most benefit to the larger operators.

Not everyone favoring promotion believed in commission approach. Although 59% of the 101 growers favored promotion to help raise the price, only 44% wanted a commission. Those not favoring the establishment of a commodity commission and yet favoring promotion were undecided as to best method or believed in one of the following as a way to raise prices:

1. Promotion by both grower and dealer.
2. Promotion by dealers alone.
3. Promotion by county agent and extension service
4. Promotion through a cooperative.

What Growers Think of a Commodity Commission

Where growers learned about proposed commodity commission. As shown in table 2, meetings were considered the most important source of information. Several meetings were sponsored by the Farm Crops Committee of the Linn County Agricultural Council and other groups before a vote was taken on the proposed commission. Neighbors and other individuals, including county agents and dealers, were the second most important information source.

Eighty-three % of the growers who said meetings were their most important source of information on the commission favored promotion. Only between 40 and 45% favored promotion when any other information source was considered most important.

Table 2. Most Important Sources of Information Concerning Commission, 101 Oregon Growers - 1957

Information Source	Growers
	Percent
Meetings - - - - -	37
Neighbors or other individuals - - -	28
Newspaper - - - - -	18
Mail - - - - -	15
Other - - - - -	2
Total - - -	100



There is considerable evidence that growers who attended any of the meetings considered this their most important source of information. Meetings to discuss the proposed commission were not held in all counties.

Reasons for favoring a commodity commission are listed below with the first two being most frequently mentioned:

1. Commission is most fair--taxes all who benefit.
2. Growers should pay for their own promotion and advertising.
3. Commission could help improve price and expand use.
4. Commission might help stabilize the market.
5. Commission could help educate growers.

A number of growers believing in promotion looked on a commission with disfavor because they felt:

1. It is too expensive.
2. It is another tax.
3. Dealers should help promote the product.
4. It favors large growers.
5. It won't help avoid overproduction.

The first two were mentioned most.

Criticism of commission by growers not believing in any kind of promotion comes largely under two headings:

1. Commission will not help raise the price.
2. Commission is too costly--just another expense.

Reasons for not voting on proposed commission are shown in table 3. Three growers felt the large operators should decide for or against a commission. Four others felt the commission was not the solution, or the assessment was too high so stayed home. Two said they did not want to get involved in this sort of thing so did not vote at all. Some among this group were either mildly or strongly hostile toward the proposed commission and registered their protest by not voting. A considerable number of those not voting felt they were not well enough informed. For various reasons, this group had not been sufficiently motivated to indicate a preference.



Table 3. Reasons for not Voting on Proposed Commission, 39 Oregon Growers-1957

Reasons	Growers
	Percent
Didn't care or were not interested - - - - -	28
Didn't feel well enough informed - - - - -	26
Did not want to vote for commission- - - - -	23
Forgot - - - - -	15
Other - - - - -	8
Total - - - - -	100

Growers' Attitudes toward Federal Controls

Acreage controls and price supports. Sixty-two % of the growers did not favor acreage controls and price supports as a method of improving their economic position. Only 25% favored this type of program and 13% were undecided.

Volume control in marketing. Growers were asked what they thought of permitting each grower to sell a specified number of pounds each year. This would enable growers to farm intensively or extensively to produce the specified volume depending on what they believed would yield the best return. More than half (54%) favored this type of federal program, with several giving it enthusiastic endorsement. Nearly one-third (30%) were opposed to this type of federal program and 16% were undecided.

Of the growers opposing volume control all but three also opposed acreage controls and price supports. Of those against all forms of federal control, one-third favored the proposed commission and another one-third were undecided about it.

Is the ryegrass seed industry changing? Some people believe many farmers started producing ryegrass seed during the previous four or five years when prices were generally high, but survey data do not support this notion. Only



6% of the interviewed growers had been producing ryegrass seed less than six years. The large production increase during the past few years was largely due to the same farmers devoting more acreage to ryegrass seed production and getting higher yields per acre.

Average number of years in  
ryegrass seed business

All counties, 101 growers - - - - - 19  
Linn County, 61 growers - - - - - 20

Importance in farm organization. Table 4 shows ryegrass seed as the most important enterprise on nearly three out of four farms growing ryegrass in Linn County but on less than half the farms in neighboring counties.

Table 4. Importance of Ryegrass Seed Production in  
Farm Organization, 101 Growers, Oregon, 1957

Item	Growers' indicated ratings		
	Most important	Second	Third
	Percent	Percent	Percent
Linn County - - - - -	72	16	8
All other counties - - - -	42	25	17

Size of farm. Ryegrass seed farms in Linn County average about 100 acres smaller than in neighboring counties, but the proportion of owned to rented land is about the same over the entire area. (See table 5.) Linn County growers devoted a much larger proportion of their land to ryegrass seed than did farmers in other counties.

According to the survey data, common and perennial ryegrass seed growers reduced acreage by an average of 13% and 9% respectively between 1956 and 1957. Reduction in Linn county acreage was greater than in some of the neighboring counties because many Linn county growers voluntarily agreed to reduce acreage in order to reduce total production. Acreage taken out of ryegrass seed was planted to spring grains, pasture, or other grass seeds.



Table 5. Average Farm Size and Acres in Ryegrass Seed, Oregon, 1957

Item	Owned	Rented	Farm	In Ryegrass
	Acres	Acres	Total Acres	Seed Acres
Linn County - - - - -	303	214	517	212
Other counties - - - - -	373	252	625	152