

On the Changing Farm Economy

What does the Southern Leaf Blight and the unusually high prices for nearly all grains mean to the individual farmer?

This question of what to do in response to the unusual grain situation is confronting many farmers.

Southeastern Pennsylvania grows huge quantities of grain, but basically this is a grain deficit area. Most farmers feed their crops; they sell their grain indirectly, in forms such as milk, beef and pork.

In addition, local farmers buy and use large quantities of grain from other areas, particularly for production of eggs and poultry.

Higher Feed Costs

It is clear that farmers who buy most or all of their grain, possibly in the form of feed, are hit immediately with higher production costs. With broilers in a condition of over-supply and prices low, this increased cost means greater losses for the producer until such time as the over-production eases or demand is somehow increased to bring prices to the producer to a higher level.

A similar situation exists with eggs. With egg supply just beginning to feel the brunt of the unprecedented laying flock build-up in the first half of 1970, the one-cent per dozen or more cost increase represented by the higher grain prices couldn't have come at a worse time.

The situation is different for the large proportion of local farmers who grow most of their grain. These include many of the milk, beef and pork producers. The crop they now have or soon will have in storage is worth more.

But if this crop is fed out, the farmers may or may not realize the increased value of the crop. The return to the farmer who feeds his crop depends on the market for his final product.

Higher Costs Not Reflected

So far, the market for the final product — milk, eggs, poultry, beef and pork — has not adequately reflected this increase in feed costs.

For most local farmers, therefore, the grain situation means either that the farmer is facing increased costs due to higher feed costs or that he isn't getting adequately compensated for the more valuable grain he is feeding.

What's the solution?

Short-term it would appear some farmers with grain could benefit by not feeding it out, but selling it.

Long-term, this may or may not prove wise. One local grain dealer said he expects meat prices to begin to rise within six

to eight months in response to the higher grain costs. Also, any cutback in production of poultry and livestock now could cause a decreasing supply at a time when demand for meat and meat products has been on a long-term upswing.

While the livestock and poultry situation could change dramatically within the next year, so could the grain situation. While the USDA this month has projected a crop 13 per cent under its July 1 estimate, some authorities disagree, claiming the loss is greater; it is generally agreed that no one will have clear picture until the harvest is complete.

Strong Meat Demand

Under the USDA's current estimate, the corn crop would be the smallest since 1966. But corn usage has increased substantially since 1966. Americans are learning to demand meat on the table. Corn is a basic ingredient in continuing expansion of U.S. beef, pork and poultry production.

What will happen to the farm economy when more animals have less corn? In part, the answer will be higher corn prices, usage of corn now in storage, and substitution of other grains.

The question for the individual farmer who is in a flexible position is this: should he take a short-term profit now by selling his grain, or should he wait and hope that the increase in the price for his finished product comes soon enough and big enough to pay him to keep on producing?

The decision will hinge on many factors, including the farmer's overall operational set-up, his financial ability to pass up sure short-term gains in favor of more risky long-term prospects, the farmer's evaluation of whether he wants to have his facilities idle, whether his grain profits would be substantial enough to carry him for awhile.

A State of Flux

The only sure thing is that these are unusual times for the farmer. Costs and returns are both in a state of flux.

The farmer must be prepared to re-evaluate his own situation periodically in relation to the changing farm economic situation. The farmer who properly evaluates both costs and returns in relation to his own farming operation is the farmer who is giving himself the basic tools for success.

Unfortunately, the job for the farmer is being made considerably more difficult by the fact that the economic situation which exists today likely will be considerably different a few weeks or a few months from now.

Framingham Says

Various knowledgeable farmers and farm organizations particularly in the dairy industry have been elated recently by the so-called Framingham study.

The diet study in Massachusetts involved cholesterol and the relationship between diet and heart disease.

Preliminary reports from the study had indicated there is a definite relationship between heart disease and diet. Supposedly cholesterol found in some foods

built up in the body, making a person more likely to have a heart attack.

But the final version of the Framingham study was released recently and it concluded that DIET HAS LITTLE OR NOTHING TO DO WITH CHOLESTEROL BUILDUPS and heart attacks.

This conclusion has caused a great sigh of relief among knowledgeable farm producers and farm organizations, which had previously been compelled to defend their products against the charge that they caused build-ups of cholesterol in the body and therefore contributed to a high rate of heart disease.

Remember, for instance, all that scare about cholesterol in eggs and how egg men were trying to convince the housewife that hubby wouldn't die of heart disease if she fed him plenty of eggs?

The egg men were right, says Framingham, because diet has little or nothing to do with cholesterol buildups.

Repeat that Diet has little or nothing to do with cholesterol buildups.

Remember egg producers, meat producers and dairymen: Framingham says diet has little or nothing to do with cholesterol buildups.



NOW IS THE TIME . . .

By Max Smith
Lancaster County Agent

To House Farm Machinery

Pool management is indicated when farm machinery is permitted to rust out rather than to wear out. Since many pieces of machinery will not be used until next spring, it should be placed under a roof in order to protect it from rain and snow. Rust is still the major enemy of most machinery and will shorten its life. A machinery shed with at least a roof and two sides is a good place to keep equipment during the winter. Barns will offer the protection but concentrates the investment in one place in case of fire. All working parts should be greased a storage time in order to prevent rust.

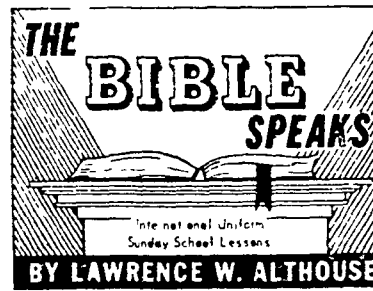
To Observe Electrical Overloads

Many farmers continue to add new pieces of equipment both in the barn and in the home. In many cases the original wiring may not be heavy enough to

stand the extra load. When lights flicker at the time additional motors kick on, it is a signal that the wiring may be too light to carry the extra load. When fuses blow, it is a definite sign of a short or an overload and the line should be checked; never insert a stronger fuse because of the danger of fire.

To Prevent Rodent Infestation

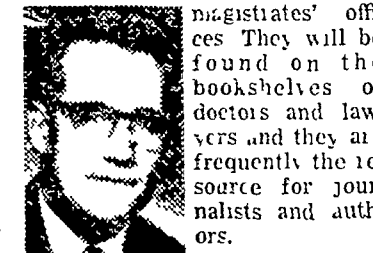
Cold weather will soon be here and rats and mice will be migrating toward farm buildings. All possible nesting places and sources of feed should be eliminated before they arrive. A good clean-up program and poison bait stations should discourage a greater rat population. The storage of corn this fall should include rodent protection. All farmers are urged to take special effort now to keep their premises free from all rats and mice. They are filthy and dangerous.



WHY THE BIBLE?
Lesson for October 18, 1970

Background Scripture: Nehemiah 8:1-8
Psalms 119:9-16, Acts 17:10-12, 1 Corinthians 12:31 through 14:1, 2 Timothy 1 through 2
Devotional Reading: Psalms 119:33-48.

Nearly every home has at least one Bible. There is hardly a motel or hotel room without one. Every library has a collection of Bibles in various editions and translations. You will find Bibles in most courts of law and



Rev. Althouse: What is the Bible?

magistrates' offices. They will be found on the bookshelves of doctors and lawyers and they are frequently the resource for journalists and authors.

Some people value it as literature, praising its poetry and narrative. Still others regard it as a book of enlightened fairytales and myths that were helpful to less civilized people, but are of no more value to man today. There are those too who regard the Bible as the verbatim transcript of God's pronouncements to men, while to others it is a lawbook of statutes and laws.

While men continue to disagree on the nature and authority of the Bible, it is helpful sometimes to consider what the Bible often says about itself. For

example, the writer of 2 Timothy refers to "sacred writings" (3:15). To be "sacred" is to have special relationship to God. These writings of men are "sacred" because of their relationship to God, because he is able to speak to men through them. We regard them with reverence, then, not because in themselves they are an object of reverence, but because they bring us into communion with the One whom we do revere. Christians do not worship a book, but the God to whom the book brings us closer.

Secondly, the writer of 2 Timothy tells us that this scripture ("sacred writings") is inspired by God (3:16). To inspire means to "breathe into." Thus we are saying that God has breathed into these writings his own life-giving spirit. They come alive in people's hearts because he infuses them with his power and life.

Closer to God

The Bible is always intended to serve as a channel through which God is able to speak to us and help us. It is like a window in that regard its purpose is to allow us to see something beyond it. We do not concentrate on the window, but on what we can see through it. So it is with the Bible: its purpose is to point beyond itself.

The writer of 2 Timothy makes this clear when he lists the various functions of Bible study. It is "profitable for teaching" (3:16). The purpose of this teaching is not so that we will come to "know" the Bible, but rather that we will come to know God in Christ.

Its purpose is also "reproof," says the writer. In other words, the Bible helps us to combat that which is untrue. Whenever the Christian seeks to combat a popular evil, the Bible is always his best resource. It is a yardstick by which we measure both men and the world in which we live.

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