

## Food Prices Headed Higher

(Continued From Page 31)

consumers and an upward pressure on food prices continues.

But with high grain, meat, and soybean prices, the American farmer has greater incentive to produce. Land formerly held idle goes into production and, if weather and other conditions are favorable, production will increase. If harvests increase more than does demand, prices will decrease, if not, they may increase. Future prices will depend on the American farmer's willingness to produce, his productivity, favorable natural phenomena, and the rate of increase in demand.

### The American Consumer's Alternatives

The above outlook will take time to occur. What can the American consumer do to fight high meat and food prices right now? One possibility is to reduce demand—either don't consume a particular food or consume less of it on a continuing basis. This will result in lower prices in the short run as available supplies exceed consumption and prices fall to move them into consumption. But the incentive to produce also falls and producers curtail production in response to lessened demand. In the long run less production results and prices again rise as the pricing mechanism allocates lower supplies to those most willing to pay for them.

Another possibility is to reduce the presently high ceiling prices

on meat. But if ceiling prices are imposed at levels that leave little profit for the producer, production incentive falls as does production. Furthermore, black market situations may arise with a less equitable distribution of product than prevailed before. Perhaps the best technique in the long run is encouragement of increased output adequate to meet the demands of both domestic and foreign buyers.

One might consider that the best solution to the problem is to either stop inflation or reverse its direction. This would be an extremely difficult task to accomplish in a democratic society. We must remember that many people are benefited by inflation and tough programs to curb it would bring howls of protest from many quarters. An example of this is our present attitude toward interest rates. With demand already high enough to fuel inflationary fires, we wish to keep interest rates low so not to hurt potential home owners, municipalities, etc. Demand continues to grow under cheap credit and U.S. dollars continue to flow abroad seeking better investment opportunities and contributing to our balance of payments problems.

Slowing or stopping inflation is a difficult task for any single nation to accomplish. Nations of the world are highly interdependent and chances of controlling inflation by any one nation in isolation are low. We may expect to see continued inflation for quite some time although perhaps the rate may be slowed down.

### Outlook Is Inflationary

So where does that leave us with respect to future food prices? The outlook is dictated by several inflationary factors. The cheapening of money all over the world means higher and higher prices of all goods and services, everywhere, food not excepted. Then, the possibility of further devaluation or cheapening of the dollar relative to other currencies of the world poses the threat of prices rising still higher in the United States than elsewhere. Prices of favored foods such as meat and other currencies of the world poses the threat of prices rising still higher in the United

States than elsewhere. Prices of favored foods such as meat and other livestock products will probably continue to be high as compared to prices of other foods as long as incomes and the level of living of the world increase.

Since its beginning the United States has only rarely experienced abrupt rises in the cost of living and, when it did, what went up eventually came down again—at least this was true until World War II. At present, the outlook is for a more or less continual or chronic inflation. The only uncertainty concerns how rapid the inflation will be. Successful management of the world's economies might keep the rates of price rises low enough so that various kinds of prices will not become out of balance. Whether it is rapid or slow, however, the continual inflation which is probably in store for the United States is something relatively new. It is not new for the world, however. Modern Germany, France, Italy, India, Brazil, and Argentina, to name a few, as well as many ancient powers have all been forced to accustom themselves to higher and higher prices as time passed.

Food prices may be considerably higher 10 years from now than they are today and may never be as cheap again as in the years before 1973. But let us not forget that prices are a relative matter. For example, in 1932 pork chops sold at two pounds for 25 cents—extremely low priced by today's standards and yet high for their day when incomes were extremely low. Beef at five dollars per pound will sound cheap in a few years if wages continue to rise faster than food prices, as they have during the last 20 years. Individual food prices often rise by spurts and tend to cause panic; whereas, wages and salaries rise more slowly but also more steadily and more surely. In the long run, however, it is quite likely that personal incomes will gain relative to food prices.

### Summary

Sharp increases in beef and pork prices after December 1972 have focused consumer attention on food prices.

Increasing demand for high protein foods relative to supply is chiefly responsible for rising food prices. Higher incomes all over the world are enabling people to consume larger quantities than

they have ever been able to afford before.

If society wants increased supplies of meat, it must pay prices high enough to encourage more production.

Higher costs of producing livestock occur as grain prices rise, and, grains throughout the world are required for human consumption as well as for some foreign nations eager to buy grain for their livestock production.

The basic culprit in rising prices is the inflation now existing throughout the free world—and in some non-free countries as well. Monetary policies of nations have overwhelmingly favored high government spending levels with deficit budgets and the creation of much larger amounts of money and credit to buy only slightly larger quantities of goods and services.

Inflation has not been uniform throughout the world, partly due to the differing degrees of success countries have had in conducting their internal and external financial affairs and partly to different rates of efficiency of production between nations.

Our balance of payments deficit was a prime factor in dollar devaluation, making our agricultural products more attractive to foreign buyers. Increased foreign demand creates an upward pressure on food prices.

Future prices will depend on the American farmer's willingness to produce, his productivity, favorable natural phenomena, and rate of increase in demand.

American consumers may be faced with food prices considerably higher 10 years from now than they are today and food may never be as cheap again as in the years before 1973. In the long run, however, it is quite likely that personal incomes will gain relative to food prices.

XXXX

Americans today are eating more meals away from home than ever before.

XXXX

Engineers at Sperry New Holland say a modern hay baler is capable of doing more than three times as much work per hour than its predecessor of 30 years ago, but its cost to the farmer has less than doubled.

## PUBLIC SALE OF VALUABLE FARM EQUIPMENT AND PERSONAL PROPERTY ON SATURDAY, AUGUST 4, 1973

at 10 A.M. Sharp at RD1, Wrightsville, Penna. Approx. ¼ mile south of the Craley Fire Hall on the road from Craley to New Bridgeville.

The undersigned will offer at Public Sale the following: Rubber tire wagon, Dearborn manure loader, 16 ft aluminum grain conveyor, grain binder, threshing machine self feeder with blower, tractor lift, peg harrow, dirt scoop, some new oak & poplar lumber, approx. 300 ft. of dired cedar lumber, horse mower, tobacco planter, tobacco scaffolding, 2800 tobacco lath, chain hoist, hammermill, roll of barb wire, log chains, two hole corn sheller, block and tackle, bench vise, bag truck, belts, cable and pulley, platform scales, 250 K Lincoln electric welder, 2 scalding troughs, 2 grain fans, drill press, and some of the usual small items off the wagon.

### ANTIQUES

Square back sleigh, bob sled, small gasoline engine, double butcher furnace, iron kettle, 5 iron hog troughs, 4 horse plows, horse cultivator, grain cradle, anvil, old Forge, wooden York chop mill, wooden wheelbarrow, milk cans single and double trees, hames, harness, pitch forks, old tools, wooden shaker fork and other articles too numerous to mention.

Not responsible for accidents on day of sale.

Terms cash

Oscar H. Gilbert

Jacob A. Gilbert, Auctioneer  
Phone 252-3591  
Robert Kline, Clerk

## MILKING HERD and BRED HEIFER DISPERSAL

WEDNESDAY JULY 25, 1973

12:00 P.M.

Located on the farm at RD2 Palmyra, along Rt. 341 in Upper Lawn, South Londonderry Township, Lebanon County. Appx. 4 miles south of Campbelltown off Rt. 322.

### 78 HEAD 78 GRADE HOLSTEINS

62 head of milking cattle and the balance are bred heifers.

Few outstanding records:

Naomi	17959	3.5	628
Roseann	20313	3.5	701
R. Bush	17551	3.5	614
Terisa	16300	3.7	606
Carol	15658	3.4	538

This is almost an entire herd of young ABC and ABS sired home raised cattle with lots of dairy character and plenty of potential. These cattle are presently being milked in a milking parlor and are not being overfed for high milk production. If in need of milk attend this sale. DHIA records furnished with the cattle.

SALE UNDER COVER. CATALOGS AVAILABLE. HEALTH CHARTS.

Sale under cover Catalogs available Health charts

CONDITIONS BY:  
**SAMUEL and GRACE GISH**

HARRY H. BACHMAN - Auctioneer  
Refreshments available

## MR. AND MRS. FRANK GUDINAS FARM DISPERSAL & REAL ESTATE SALE

The complete Farm Dispersal of Mr. & Mrs. Frank Gudinas will be Friday, July 27th beginning at 10:00 A.M. Located 7 miles north of Prattsburg, N.Y. 5 miles west of Branchport, N.Y. on the Italy Hill Road, 27 miles north of Bath, N.Y. Turn off Route 53 at Prattsburg on the Branchport Rd. ½ mile from the Blue Eagle Restaurant.

### 91 DAIRY CATTLE 91

This is a real milking herd. Mostly Holsteins, a lot of fresh and close Springers, several fall cows. A few outstanding Ayrshires. There are 56 Mature Cows, 22 2-yr. old Heifers, 2 Yearlings, 11 Grass Calves. A real Sale to make your replacements T.B., Blood Tested, Pregnancy Checked, and Interstated.

### FARM EQUIPMENT

1971 5000 Ford Tractor	Ontario Tractor Drill
1969 4000 Ford Tractor	Feed Mixer (new)
M. Farmall Tractor (wide front)	StarLine Spreader
No. 340 Ford Compact Loader	Ford Self-Unloading Wagon
Int. Baler with thrower	Papec Self-Unloading Wagon (like new)
N.I. Corn Picker (like new)	Heston Haybine PT-10 (new)
N.H. Elevator	Flat Bottom Bale Thrower Wagon
Ford 4-Bottom Plow	Post Hole Auger
Ford Chopper	Side Rake
Int. 12 Ft. Disc (Heavy Duty)	Sprayer
4-Row Corn Planter	
Hay Elevator	
Badger Blower with Automatic Silo Distributor (new)	

### MILKING EQUIPMENT

600 Gal. Bulk Tank, Pipeline Milker, Milking Equipment

### INDUSTRIAL EQUIPMENT

H D 11 E. A.C. Bulldozer (good), 181 I.H. Bulldozer (fair), Lowboy Trailer with Int. Tractor.

### FARM FOR SALE

320 Acre Farm, 2 Silos, Large Barn, Excellent Land and Level. Very good location. Nice Farm Home. Will be sold at Public Auction. Terms 10 percent down, day of Sale. Reasonable Down payment to Right Party. Owner will finance Balance. Your inspection is invited at anytime.

Terms on Personal Property - Cash Day of Sale.

Machinery will be sold at 10:00 A.M. - Farm will be Sold Just Before the Cattle Sale at approximately 12:30.

LUNCH WILL BE SERVED

## MR. & MRS. FRANK GUDINAS OWNERS

RONALD D. WEST, SALE MANAGER  
ROBERT SHAYLOR & VICTOR PIRRUNG, AUCTIONEERS  
ROBERT SLINGERLAND, CLERK

To be assured of a Top Auction or if you would like to sell your entire Personal Property outright, contact the best in the Auction and Dairy Business, Ronald D. West, R.D.1, Mansfield, Penna. Phone 717-724-1989, Robert M. Shaylor, Elmira St., Troy, Pa. Phone 717-297-3278 or Francis Courtright Fairway Lane, Horseheads, N.Y. Phone 607-739-2522.