

Lancaster Farming

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FARM TRENDS

A summary of market
and commodity news
for the past week

by Dick Wanner

A Long Struggle for H.B. 1056.

House Bill 1056, the measure which would provide preferential tax rates for Pennsylvania farmland, was the subject this week of a public hearing at Millersville State College. This was the second in a series of four public meetings to be conducted by the House Ag Committee, chaired by Representative Francis Kennedy. The public hearings are no easy task for the committee members, but their real work will begin when they get ready to take the bill onto the House floor. Some definitions will certainly have to be sharpened, some compromises may be in order. Chairman Kennedy is still hoping for a ten-year rollback clause, in spite of opposition from some farmer groups like the Pennsylvania Farmers Association.

Hog Prices - Don't Bet on Where They'll Stop.

The excitement at Tuesday's sale after the FFA Hog Show didn't stop when the grand champion porker went for \$1.51 a pound. Buyers twitched their eyebrows and nodded their way to a 60.8-cent per pound average selling price.

Black Market Beef?

Rumors of black marketeering in beef cattle were rumbling through most of the major markets in the country, including Lancaster. Small buyers have suddenly become big buyers and lots of people, including IRS agents are wondering what they're doing with the extra production. Some restaurants and food chains are reportedly willing to pay higher than legal costs for beef and sell it at a loss just to keep their share of business until the September 12 price freeze deadline. In the west, beefmen are reportedly selling more meat to Japan, where beef retails as high as \$14 a pound.

Learn to Live with Feed Costs

Two weeks ago, soybean meal plummeted to \$150 a ton, and there was some feeling feed prices might follow meal back to what many consider "reasonable" prices. This week, cash meal price fob Decatur was again pegged well over the \$300 mark. Local feedmen see soybean meal prices hovering around \$250 to \$300 for at least the winter. New factors operating in the market place are blamed, at least in part, for keeping prices high even in the face of increased supplies. These factors include a ready market overseas, and increasing use of plant protein in consumer food products.

(Continued On Page 25)

Top Hog Brings \$1.51/lb.

FFA Show Pigs Average \$60.80

Barry Wissler had good reason to smile on Tuesday as his grand champion FFA hog left the sale ring during the 12th Annual Lancaster County FFA Swine Show and Sale. Wissler had just head the auctioneer say, "Sold! For \$1.51 to Walter M. Dunlap and Sons."

His 215-pound crossbred champ earned a check totalling \$324.65. The Ephrata High School junior figured out his expenses on the hog the day after the show, and found that they added up to \$74.61. His expenses included feed costs, the cost of the pig and all other costs. Wissler bought the pig from his father, Glenn, who

operates a hog farm near Ephrata.

Wissler's net of \$248.24 was higher than the total price paid for last year's champion hog owned by Marlin Smoker and Richard Bollinger, also of Ephrata High School. They split a check for \$229.60 for their hog.

This year's reserve grand champion was shown by Mike Grube of Warwick High School. His 210 pound porker was bought at 81 cents per pound by Lancaster Stock Yards.

A total of 195 hogs were sold by 35 boys. Thirty-nine of the hogs, however, were not eligible for the

(Continued On Page 25)

Committee Listens All Day. . .

Tax Critics, Backers At Millersville Hearing

"I'd say the chances are excellent for getting a ten-year tax rollback into a preferential farm tax bill," Francis Kennedy told LANCASTER FARMING on Wednesday. Kennedy, a Butler County dairy farmer, is a member of the Pennsylvania House of Representatives and is chairman of the house agriculture committee. He and all but three members of his 23-member committee were at Millersville State College all day on Wednesday to conduct a public meeting on House Bill 1056.

H.B. 1056, if enacted into law,

Farm Calendar

Saturday, August 4
Twin Valley FFA Barbecue,
Kurtz' Fishing Lakes
Monday, August 6
Great Dallastown Fair, August 6 - 11
Tuesday, August 7
6:30 p.m. -- Fulton Grange
Swimming party, home of Mr.
and Mrs. Earle Gilbert Sr.,
Port Deposit Rd., Md.
Lancaster County Farmers
Association meeting, Farm
and Home Center
(Continued On Page 4)

will allow farmland to be taxed on the basis of its value as farmland, rather than on the basis of its value on the open, speculative market. Such a move would tend to keep farm tax bills lower than they otherwise would be, especially in rapidly developing areas near urban centers.

Under the provisions of the proposed law, a farmer would enter into a contract with his county government to keep his land in agricultural use for a ten-year period. In exchange for keeping his farm in open space, the county would see that the farmer's taxes were computed on the basis of his farm's value as a unit of agricultural production. At the end of the ten-year period, the farmer could, if he chose, sell his land at its speculative value without any penalty.

If, however, he sold his land before ten years had passed, he would be compelled to pay a penalty. The penalty would amount to the savings the farmer realized through preferential taxation, plus five percent interest, compounded annually, on the amount of the savings.

For example, say a farmer's tax bill would be \$200 a year if his

tax were computed on the land's value as a speculative commodity. And, say that he pays only \$100 a year under the provisions of H.B. 1056. Over a period of five years, that farmer would save \$500 in taxes. If, at the end of five years he decided to sell his farm to a developer, he would have to pay a penalty amounting to the \$500 saved plus five percent interest. If he held onto his farm for ten years before selling, however, he would pay no penalty at all.

While it's generally agreed that a penalty provision is necessary if any preferential tax law is to work, the ten-year rollback has been criticized by many people, farmers among them, because it was felt to be too long a period.

However, Francis Kennedy, for one, has said that he feels the ten-year rollback is one of the bill's strong features, and he'd like to see it stay in. Donald Hershey, a Manheim farmer and chairman of the Lancaster County Farmers Association said, in testimony before the committee, that he too favored the ten-year rollback. His view on that point differs substantially from that of the Pennsylvania Farmers

(Continued On Page 14)

In This Issue. . .

	Page
Markets	2-4
Sale Register	29-30
Farmers Almanac	6
Classified Ads	33-35
Editorials	10
Homestead Notes	20
Kimberton Fair Results	13
Berks County Dairy	
Princess Contestants	36
4-H News	12
4-H Calendar	7
Lebanon County Plowing	
Contest Preview	19
Lebanon Fair Schedule	9
Galen Buckwalter Benefit	25

Weed Control Field Day Mon.

The Southeast Research Center (Research Farm) at Landisville will be the site of a Weed Control Field Day Monday, August 6 beginning at 1:30 p.m.

The field day this year will deal with weed control of No-Till and conventionally planted corn, soybeans, and tobacco. Dr. Nathan Hartwig will be in charge of corn pesticides, Dr. Richard Cole will cover soybean herbicides, and John Yocum will discuss tobacco weed control. Dr. Bill McClellan, Extension weed scientist, will be involved in all three areas under observation.

There are numerous plots to show in these three areas. Farmers, custom spray operators, salesmen, etc., are all invited.



Lancaster Farming Photo

Barry Wissler, an FFA student at Ephrata, is shown here with his 215-pound crossbred hog which took best of show honors Tuesday at the annual FFA Hogs Show. Walter M. Dunlap and Sons, Inc., bought the hog for \$1.51 per pound.