

Lancaster Farming

Vol. 19 No. 5

Lancaster Farming, Saturday, December 22, 1973

\$2.00 Per Year

FARM TRENDS

A summary of market
and commodity news
for the past week

by Dick Wanner

Merry Christmas to All!

We here at Lancaster Farming would like to wish you all a happy holiday season, and thank you for your interest in and support of our efforts over the past year.

Thanks For Your Replies

Last week we included a note on the front page asking readers to inform us if they received their papers after Saturday. We received a number of calls this past week, and we'd like to thank everyone who responded. Hopefully, these efforts will result in better deliveries to everyone.

Financial Outlook for '74

(The USDA's annual Outlook Conference was held last week in Washington. Predictions were flying fast and furious, and one of the most cogent was the prognostication offered by C. Kyle Randall, chairman of the Outlook and Situation Board, on farm financing for the coming year. His comments appear below.)

The value of assets in the farming sector as of January 1, 1974, will total \$441 billion, up 15 percent from a year earlier. Farm real estate makes up 2-3 of these assets. Total debt claims against these assets at \$80 billion were up 9 percent. With the value of assets increasing faster than debt, debt amounted to 18 percent of assets compared to 19 percent a year earlier. The ratio of net income from farm sources to total debt outstanding is one measure of farmers' ability to service their outstanding debt commitments. This ratio is expected to be about 36 percent by the end of 1973, up some 4 percentage points from the ratio reported for the end of 1972.

Farm real estate prices were rising rapidly in late 1972 and early 1973. They continued to rise sharply into November 1973. Preliminary data suggest that the November 1972 to November 1973 increase in per acre land prices averaged 20 percent nationally. This would be a record for land price increases in any 1-year period. It would mainly reflect farmer optimism over income and commodity prices and readily available but higher cost loan funds. Farm operators continue to buy land for enlargement purposes and invest in capital improvements. Land prices will continue rising sharply but the rate of increase will be below the rate of about a fifth anticipated for 1973.

Local Survey Shows . . .

Ag Equipment Shortage Looms

Local farm equipment dealers are forecasting a shortage of farm equipment next year. Their views are backed up both by the Farm and Industrial Equipment Institute in Chicago, and by Sperry New Holland, the local manufacturer that sells farm equipment around the world. In a Lancaster Farming survey, dealers contacted said, "Buy early, or you might not get what you want."

"Corn planters are on allocation to dealers, and most dealers have sold all the corn planters they can get," we were told by Mert Messick, an International Harvester dealer from Elizabethtown.

"Tractors are scarce, too," Messick said. "Some farmers have bought tractors from us even though it'll be some time before we can deliver. I'd say if anybody wants to buy any piece of farm equipment, he'd better get his order in now."

Four major factors are creating the machinery crunch, Messick feels. Farmers have had

a good year, they've got more money and they're spending it. And the manufacturers are having trouble keeping up with the demand. With the end of the soil banks, more land is being put

back into production, and that calls for more machines.

Perhaps the biggest reason local farmers are buying more and more machinery is that farm

(Continued On Page 23)

Agway's Hess Says . . .

For Higher Prices Grow Good Tobacco

"If farmers are willing to produce tobacco for markets other than the cigar filler market, they'll increase their average prices," Mark Hess, manager of Agway's Garden Spot Unit, said this week during a Lancaster Farming interview. Hess also heads up Agway's tobacco marketing effort for Type 41 tobacco, and was instrumental in getting the U. S. Department of Agriculture to set up a grading system for the crop in 1965.

"We can get a premium for our best tobacco," Hess continued, "but it won't come from the cigar filler buyers. Southern buyers will pay a premium, but we've got to give them the kind of tobacco they want." Hess was quick to point out that the Agway marketing effort channeled most of its tobacco to traditional cigar filler market, but because all Agway tobacco is graded, buyers who want a particular quality are

able to get it and they're willing to pay extra for that choice.

Under the Agway setup, farmers sell their tobacco to Agway, at which time they get an advance cash payment. The advance is determined on the basis of the estimated selling price. The bulk of the crop will classify as X-grade, which is straight stripped or pull-off tobacco. X-1 is fine quality

(Continued On Page 5)

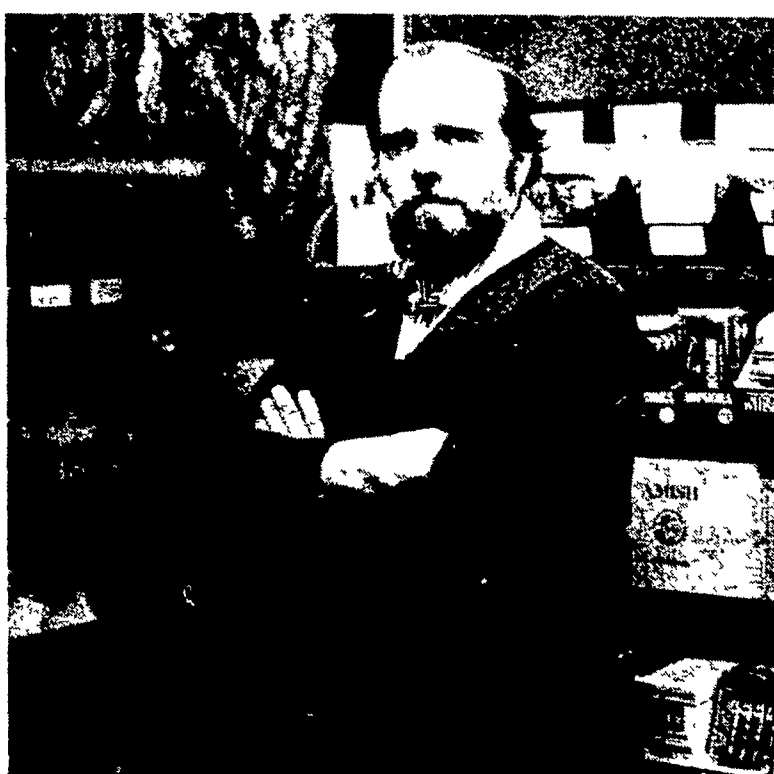
In This Issue

Markets	2-4
Sale Register	34
Farmers Almanac	6
Classified Ads	37
Editorials	10
Homestead Notes	22
Home on the Range	24
Lebanon Co. DHIA	14

Farm Calendar

Tuesday, December 25
Merry Christmas

Thursday, December 27
1:00 p.m. - Lancaster County 4-H and FFA Corn and Tobacco Roundups, Farm and Home Center.
Lancaster County Swine Producers Board of Directors meeting, Farm and Home Center



Bob Nielsen, proprietor of the Sweet Briar Tobacco Shop in Intercourse, says there's too much paper in most American cigars. "Europeans, and even some Americans, can make an all-tobacco cigar that sells for a dime. Why can't the big companies do the same?" he wonders.

"What This Country Needs Is A Good 10¢ Cigar . . ."

"Europeans produce a good, all-tobacco cigar. I don't see why American cigar companies can't do the same," Lancaster Farming was told in an interview with Bob Nielsen, proprietor of the Sweet Briar Smoke Shop in Intercourse. "I buy some all-tobacco cigars from P. T. Wattell in Red Lion, and I sell them for a dime. Dime cigars from the major companies, though, are loaded with paper. And a lot of them just aren't good smokes."

Nielsen feels the American cigar-buying public has been duped by advertising put out by the big cigar companies. "American tobacco products are made quick, fast and cheap. And

they're loaded with paper. One man who worked for a cigarette company told me he saw paper made to look exactly like tobacco, and it had 27 different chemicals in it. Think that good for your lungs?"

To illustrate his point about quality differences in cigars, Nielsen cut up one of his 25-cent European cigars and compared it with another one, a six-cent "second" from an American manufacturer. There were indeed chunks of paper in the American variety, and only tobacco in the European one. "All this paper produces a harsh smoke. But this," holding up the short, dark European cigar, "is a mild smoke. Even though it looks

strong Do you want to try it?"

This writer must confess that while the Wanner family are good customers for Lancaster County milk, eggs, meat and produce, our contribution to the tobacco industry is nil. Nevertheless, in the interest of objective reporting, I felt compelled to at least attempt an evaluation of quality differences between American and European cigars. Previous cigar-smoking experiences, usually occasioned by someone's baby, had left me with a bad taste in the mouth and even headaches. I was not predisposed to enjoy any cigar, no matter what the country of its origin. But - smoking that European cigar

(Continued On Page 36)