

Monfort on Beef

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industry. Cattle were slaughtered when they came off the rangeland. They came off in batches and the slaughter for a few months was very high. The rancher got paid very little since for a few months was very high. The rancher got paid very little since he was marketing at the same time as all his neighbors. Packing plants worked 12 hours a day, seven days a week. Consumers had lots of beef, and then it quit. The cattle were all marketed and everyone waited until the next year, the next harvest time.

Lots of farmers, my dad included, saw this as an opportunity. He had hay and barley to sell, others had corn, the Great Western Sugar Company had beet pulp, and so some farmers bought some of those surplus cattle, fed them some feed and marketed them three or four months later. As the practice grew, the rancher

didn't have to sell his cattle quite so cheap, the packing plants and their employees could produce and work year around, the consumers had a year around supply of beef and dad and other farmers had a market for their feed stuffs.

Almost by accident we found that the consumers really preferred our fed cattle to what they had been eating and so we created a demand for "choice" beef. But, now we know that we went too far.

With the ever increasing supplies of feed grains at economical prices, with a tremendous infusion of "tax shelter money", with expanding affluence of the consumers and their obvious preference for this fed beef, we kept buying younger and younger feeder cattle, putting more and more of the weight on in the feedlots, becoming more and more dependent on and wasteful of our feed grains... and

the bubble burst last year. It was bound to happen. It had to happen because we were using too much feed, because we were getting more costs in our cattle than the consumer could or would pay and because we were building up too big a national cow herd and producing too many calves.

Back to my answer. Cattle are bad converters of grain, but awfully good converters of grass and roughage into protein. To maximize our food resources we will produce large amounts of beef. To use up available feedstuffs and spread marketings and provide quality beef, we will have feedlots... cattle on feed.

But, we might as well get used to maximizing our production on grass and roughage and finishing the yearlings and 2-yr old cattle in the feedlots. If we combine the weight from grass and roughage with a minimum feeding time, we are converting about 3 pounds of grain... grain not normally consumed by humans, into one pound of edible beef. That is good and efficient conversion and it is a practice that will prove energy and nutritionally efficient under careful analysis for years to come.

Question No. 2. Do we have too many cattle in the U.S. and too little grain? What will be done about it?

Non-expert answer No. 2. We have too many cattle, primarily too many beef cows. We are producing more calves than we can market profitably and don't have the roughage to keep those calves on forage longer. Therefore, we must reduce our cow numbers by about 20 percent. We will do that by converting them into hamburger and eating 125 to 128 pounds of beef per capita each year for the next 3 to 4 years.

Too little grain, yes! But, enough feed grain for the type of cattle feeding I have suggested. Price of feed

grain plus the lack of liquidity in the cattle feeding, hog raising and poultry business is rationing our grain supply enough to cover the 2 billion bushel "shortfall" in our corn crop last year. This has been an amazing adjustment, an adjustment that I was worried we could make, but one that we have. Daily it becomes more apparent that we are not overusing our feed grains even with the very short crop.

Question No. 3. But, shouldn't the U.S. use all of their grains to help feed the world? Shouldn't we quit over consuming while others are starving?

Non-expert answer No. 3. World population can and is expanding faster than any potential increase in agricultural production. The number one question here is not how we divide up our foodstuffs, or even who pays for what, but... how do you stop population growth that exceeds our ability to feed that population. Other nations must provide those answers. We do little long term good by exporting food that keeps others alive if those who are kept alive simply reproduce and need ever larger amounts of food. Thomas Malthus told us this fact in 1798 in what is now called the Malthusian theory.

I happen to believe that our food responsibilities lie in this order:

1. Take care of our own people... we have many poor and many out of work people here in the U.S.

2. Sell to customers who have and will be dependent upon the U.S. for food supplies but who are acting responsibly population-wise and demand-wise

3. Provide humanitarian assistance to those suffering from drought, poor crops and the like.

Not listed here is the need to deprive our own American people of a better than average food supply to take on worldwide commitments that we can never keep. Perhaps some sociologists and archbishops want to live on the same kinds and

amounts of food as do the hungry in Bangladesh... but, if they spent 8 or 9 hours on a combine or on the boning table in our packing plant, they would neither want to nor think they should.

Question No. 4. What can the government and the USDA do to help what is a very sick industry, the cattle industry?

Non-expert answer No. 4. First, they can get realistic about some things. They had better realize that weather is apt to be not as good for the next 20 years as it has for the past 20 years and adjust their estimates of production of grains, particularly feed grains. While they are at it, they might just as well realize what all of us knew all along, that the acreage coming back into production from the soil bank was the worst acreage we had and that they better not figure it for 100 bushels per acre corn production.

They have some other goofy figures, too. I see that they are projecting food price increases of 15 percent for the year. They do this by computer, computers that don't realize that the consumers aren't going to pay that much. I would guess that this is triple what food prices will increase... we might even have some decrease. There is a demand side to the supply-demand equation.

The USDA can help a great deal by talking facts to the American people. These facts can include the fact that we are entering a period of time when grain supplies will be tight, that we need to conserve them as much as possible and therefore we are going to change the grading standards of beef.

This would make a far better speech for Dr. Butz than the one he gives where he talks grandly of growing 200 bushels tomorrow where

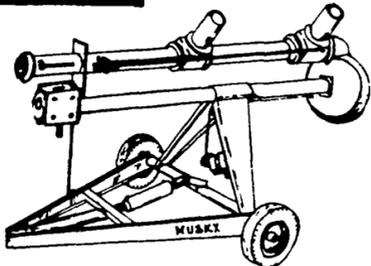
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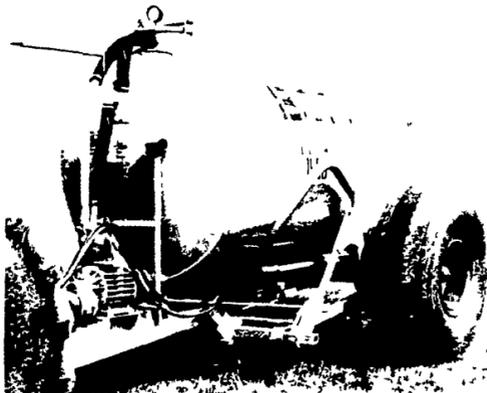
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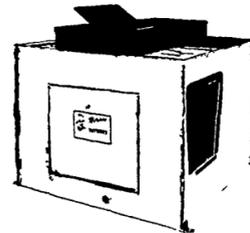
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