# Moore

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being, Moore said. "There's no way to lock in a profit when October futures are selling for $36.60. That's less than it costs to grow them. It's going to be a tough period of adjustment for the beef industry because of low retail prices and the increasing costs of most inputs."

Speaking on the general state of the economy, Moore said that although inflation is currently running at a 12.2-percent annual rate, inflation is no longer the country's major concern. "We'll be fighting recession the rest of the year," he said, "and some of the things we do to fight recession may actually increase the rate of inflation."

He said '74 farm income at around $27 billion will be down five billion from 1973, but still good compared to 1972. Grain farmers have been the big winners in the past two years, while livestock farmers have been losers, Moore noted.

Farmers intend to plant about the same amount of corn they planted last year, Moore said. Sorghum intentions are up 10 percent, barley up 8 percent, wheat up 26 percent and soybeans up 8 percent. The only loser in feed grain intentions was oats, which is down some four percent from 1974. Sugar beets, Moore commented are up 22 percent as a result of recent sugar prices.

"But we've got to remember," Moore cautioned, "that these planting intentions are only an indication of what farmers think they'll do as of January 1. Corn prices are backing off right now, and I'd expect to see farmers taking another look at their corn intentions. I think corn acreage will start moving down a little bit and soybeans will move up.

"The psychology of the market has changed drastically since mid-December. The change may have come about partly because of a USDA report showing 15 percent fewer hogs on feed. I don't know if the corn price is going to continue dropping. It does seem, though, as if the market thinks we're going to have adequate corn. The futures are sinking. December futures right now are $2.77, but by next December that might look like a pretty good price."

The beef situation continues confusing, according to Moore. "We have a record numbers of cattle, but fewer numbers in feedlots. The total buildup in the U.S. cattle herd between January 1, 1969, and January 1, 1975, was 23.0 million head, a 21 percent increase. Feeder cattle supply is up, but so is calf slaughter. Average steer weights at slaughter are down 42 pounds to 1100 pounds."

Moore was followed on the dais by William Jones, a Penn State meat specialist, who talked about the coming changes in meat grades and yield grading. Present grading practices, Jones asserted, lead to the production of wastey cattle, containing too much fat at a time when consumer preferences are switching to less marbling and more lean.

Virgil Crowley, a farm management specialist from the University, talked about the various computer aids available to Pennsylvania farmers. Two which are available through county extension offices are the least cost ration program and feed lot analysis. The least cost ration program tells a farmer what to put inot his feed mix to achieve his nutritional goals at the least possible price. The feed lot analysis program tells a feeder the price he'll need to break even on a particular lot of cattle.

Other, more complicated programs which Crowley discussed were the linear farm program, and the farm simulator. The linear program can help a farmer to decide on the best possible mix of crops and livestock. It takes into account his limiting resources, yield expectations and uses enterprise budgets for each farm enterprise. This program is also available through extension offices at a cost of $150.

The farm simulator program is being tried out on several selected farms. It looks at the same facts the linear program examines, plus machinery inventories and debt structures. This program predicts profitability of farm operations over a ten-year span, and tells a farmer what he can expect during those ten years in the way of net return, net worth and taxes paid.

Dr. Erskine Cash, from the animal science department at Penn State, talked to the audience about feed additives and silage making.

Lester Burdette, a Penn State livestock extension specialist, told the feeders they have to reduce feed costs if they wanted to stay in business. He said the most important thing to do was to take advantage of the knowledge they already had. He said they should look for and evaluate new methods and ideas, they shouldn't be afraid to change if the cahnge will make money, and they should remember that not all new ideas are good ideas.

"I'm always being asked how to grow beef with marbling," Burdette said. "And I know how to get marbling. Buy black feeders. If you want to grow to choice with less grain, buy black."

One important source of additional revenue that many cattlemen overlook, Burdette noted, is running hogs with the steers. The hogs, he pointed out, can use the nutrients that steers often waste.

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