



A pastoral scene on the Fred Crider farm, Little Britain, Lancaster County.

Agricultural trends setting some records

By Dieter Krieg

NET INCOME FIGURES REVISED

Farmers probably haven't noticed it, but according to a report received by Lancaster Farming earlier this week, farmers made more money in 1974 than was previously calculated.

According to USDA's most recent statistics, net farm income for last year has been pegged at \$27.7 billion. Six months ago they had counted \$27.2 billion.

In an apparent effort to prove they and their computers do make mistakes, USDA admitted that this was the second time figures had to be revised. The 1973 net income figures, by the way, were also revised again. USDA's Economic Research Service had originally posted net farm income for 1973 at \$26.1 billion. Later it revised its estimate to \$32.2 billion, and just last week the computers spit out \$29.5 billion for the answer.

A NEW HIGH REACHED

"Higher prices for hogs, wheat, potatoes, cotton, milk and soybeans more than offset lower prices for cattle to boost the Index of Prices Received by Farmers five points (three percent) during the month ending July 15," begins a USDA newsletter dated August 4. It notes that the index was up 11 points from a year ago and at its highest point since March of 1974. It also marked the fourth straight month of increase.

Average national prices for July according to the news release, were as follows:

Hogs \$54.10 per cwt, up \$6.80, Cattle \$36.20, down \$2.30, Potatoes \$7.51, up \$1.35, Milk \$8.11, up 17 cents, Soybeans \$5.27, up 37 cents.

"Meanwhile," the news release states, "higher prices for food and fuel were mainly responsible for a one point boost in the Index of Prices Paid by Farmers. It was up 18 points from a year earlier, and record high."

The Ratio of Prices Received to Prices Paid advanced three points to 101. Last year it was 105 at this time.

WHEAT, CHAFF, AND PRICES

U.S. Secretary of Agriculture Earl Butz says U.S. farmers raised about 1.4 billion bushels more wheat than U.S. consumers can use this year, and that thus far the United States has sold about 125 million bushels to the Soviet Union. This is supposedly 10 percent of what is expected to be available for export.

Lashing out at critics of deals with the communists, Butz called opponents of the deal "unrealistic and unfair . . . intellectually naive or dishonest . . . people who don't know the wheat from the chaff (and are) drawing ridiculous conclusions."

The Secretary also noted that the fact wheat prices plunged \$1.70 per bushel from October to June did not reduce bread prices proves that . . . "either the prices of wheat that farmers get has little to do with the price that consumers pay for bread, or that somebody has been making exorbitant profits during the last several months."

FARM EXPORTS BOOMING

U.S. farm exports hit a record \$21.6 billion during the recently ended fiscal year, USDA reports. The fiscal year ended on June 30. The report noted that the main reason for this new record is that higher prices were being paid for agricultural commodities. Farm exports, when measured in tons, have actually declined 15 percent - from 100 million tons in fiscal 1974 to 85 million tons in fiscal 1975. A year earlier the total dollar value of farm exports stood at \$21.3 billion.

The USDA report indicated that feed grain exports fell 23 percent, but the value of those products increased seven percent.

In compiling the record, American farmers utilized 96 million acres - with one out of every three and a half acres going for export in 1974. Last year America exported two-thirds of its wheat and rice crops and more than half of the soybeans and cattle hides. About two-fifths of the 1974 tobacco

crop was exported; more than a third of all the cotton that was grown; and a fourth of the feed grains.

Farm exports outstripped farm imports by a whopping \$12 billion and tipped the trade balance to the plus side by a margin of \$2.2 billion. With that kind of a record, it can honestly be said that American farmers are keeping the U.S. economy afloat.

THE WORST IS OVER

The worst of the cost-price squeeze is over, according to economic outlooks received by Lancaster Farming.

Milk prices are expected to hold up better for the rest of this year than they did during the latter half of 1974. Contributing to a brighter outlook are prospects for lower feed costs because of the expected bumper crops, and the fact that government support prices for manufacturing milk are 63 cents higher than last year.

Wide price fluctuations are expected from week to week in the nation's feeder cattle markets. Cheaper feed grains are expected to spark more interest in feeder cattle, and big shipments of them are expected to become available. Large numbers of feeders are expected on the market, and along with it some mighty stiff competition for prices.

Fed cattle prices are likely to weaken in the months ahead, according to reports furnished by a Commonwealth National Bank bulletin. Choice steers may bring around \$44 to \$48 this month and \$43 to \$45 in September. Economists note that these figures assume normal grazing conditions and enough non-feds on the market to boost total slaughter to levels six to eight percent above a year ago.

Hog producers should be able to count on continued high prices, although prices may drop slightly from here on. Major market prices are being pegged at around \$50 per hundredweight for 200 to 240 pound butchers. Beef supplies and

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