

Butz comments on wheat sales

"It is unrealistic for anyone to say that the mild recovery of wheat prices prompted by the Russian wheat sales will cause the price of bread to go up in any appreciable amount," Secretary of Agriculture Earl L. Butz declared recently to representatives of southern State governments in Williamsburg, Virginia.

"Talk about wheat sales to Russia and you soon have an argument started," commented Paul H. Keeney Chairman of the Berks County Agricultural Stabilization and Conservation Committee. To set the story straight, he invites the public to read Agriculture Secretary Butz comments.

"The average price of wheat in Kansas City plunged \$1.70 per bushel from last October to this June, yet this did not reduce the price of bread. Now that

average wheat prices in July have recovered about 35 cents of the \$1.70 drop, it doesn't make sense to scream that this is going to increase bread prices

"The fact that wheat cost about 35 percent less in June than last October, and flour prices cost 3 cents a pound less, but this didn't reduce bread prices, proves one of two things: (1) Either the price of wheat that farmers get has little to do with the price that consumers pay for bread, or (2) somebody was making exorbitant profits during the last several months."

Secretary Butz explained that wheat prices recovered somewhat in early July in anticipation of sales to the Soviet Union and have dropped 5 cents a bushel since the sales were first announced on July 16. The latest figures show that Kansas City wheat prices will average about \$3.58 per

bushel in July - up 35 cents per bushel over the June average. "That bushel of wheat which cost 35 cents more in July will make about 70 loaves of bread. Thus for anyone to say that this mild recovery in the price of wheat will run up the price of bread is being unrealistic and unfair to the wheat farmers of American," Secretary Butz said.

"American agriculture has a tremendous productive capacity. Farmers are going to raise about one billion 400 million bushels more wheat in this country this year than U.S. consumers can use, so we have to export it. Thus far we have sold the Soviet Union about 125 million bushels out of this year's crop - or less than 10 percent of what we have available to export (about 30 million bushels will be out next year's crop). This is much less than we sold India last year. So to blame the sale to

Russia for an increase in food prices is being intellectually naive or dishonest.

"The same applies to the sale to Russia in 1972. In June 1972, the month before the sale of wheat to Russia, farmers were getting 2.6 cents for the wheat in a one-pound loaf of bread. In June this year, farmers were getting 3.6 cents for the wheat in a loaf of bread - or an increase of 1 cent. Yet bread prices at the store have gone up 10.9 cents per load since June of 1972.

"Some people who don't know wheat from chaff are drawing ridiculous conclusions about the effect of selling grain to Russia. The same people did the same thing in 1972. Food prices moved up in 1973 and 1974 for various reasons, such as worldwide crop reductions, the failure of monsoon rains in rice-producing countries which caused them to buy

wheat, the drastic reduction in the South American fish catch which is used for livestock protein feed, the increase in world population, the world wide boom in demand for food, price controls that disrupted livestock production cycles, galloping inflationary rises in costs, the worst drought in the midwest in a generation last year followed by an early frost, then the oil embargo.

"It is just as ridiculous to blame the ensuing food price rises simply on the 1972 Russian grain sale as it is to think now that selling grain to Russia is going to hike U.S. food costs

"If the reason for the three-year rise in food prices was as simple as the sale of grain to Russia, all we'd have to do is refuse to sell grain to Russia now and food prices would drop 40 percent to the levels of early 1972. That won't work. We sold Russia very little grain last year, but U.S. consumer food prices increased 14.5 percent - and more than three-

fourths of that increase took place after the food left the farm. That's where to look for the explanation of higher food costs," Secretary Butz concluded.

Silver Spurs

The Silver Spurs 4-H Horse and Pony Club held their monthly meeting at the home of Leslie and Michael Winpenny.

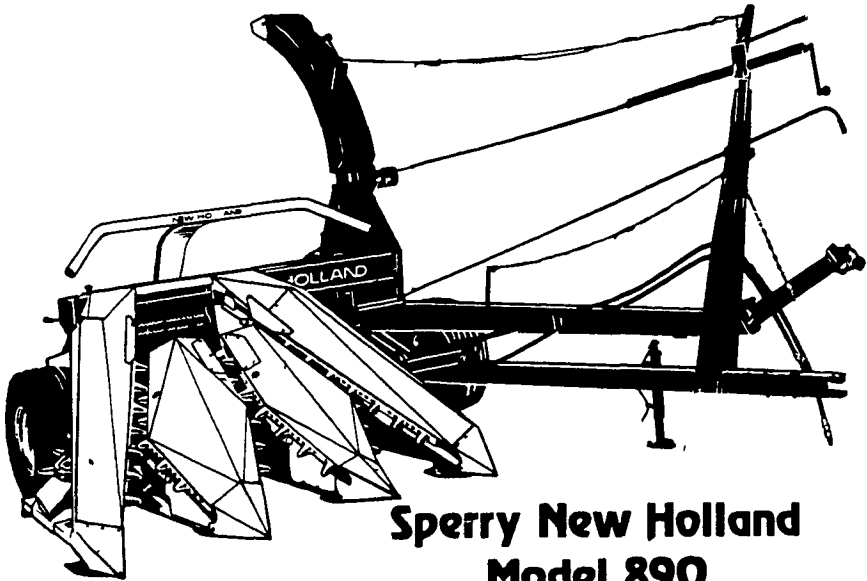
Final plans were made for the annual Open Horse Show to be held August 17 at the Lancaster Riding Club.

Members Randy Glick, Jim Glick, Cheri Gochnauer, Robert Stein and Patti Nauman gave a talk on their two week stay in Colorado.

The club chose Roberta Stein as the senior candidate and Daryl Friedrichs as junior nominee for the 4-H Queen contest.

The next meeting will be held at the home of Roberta Stein.

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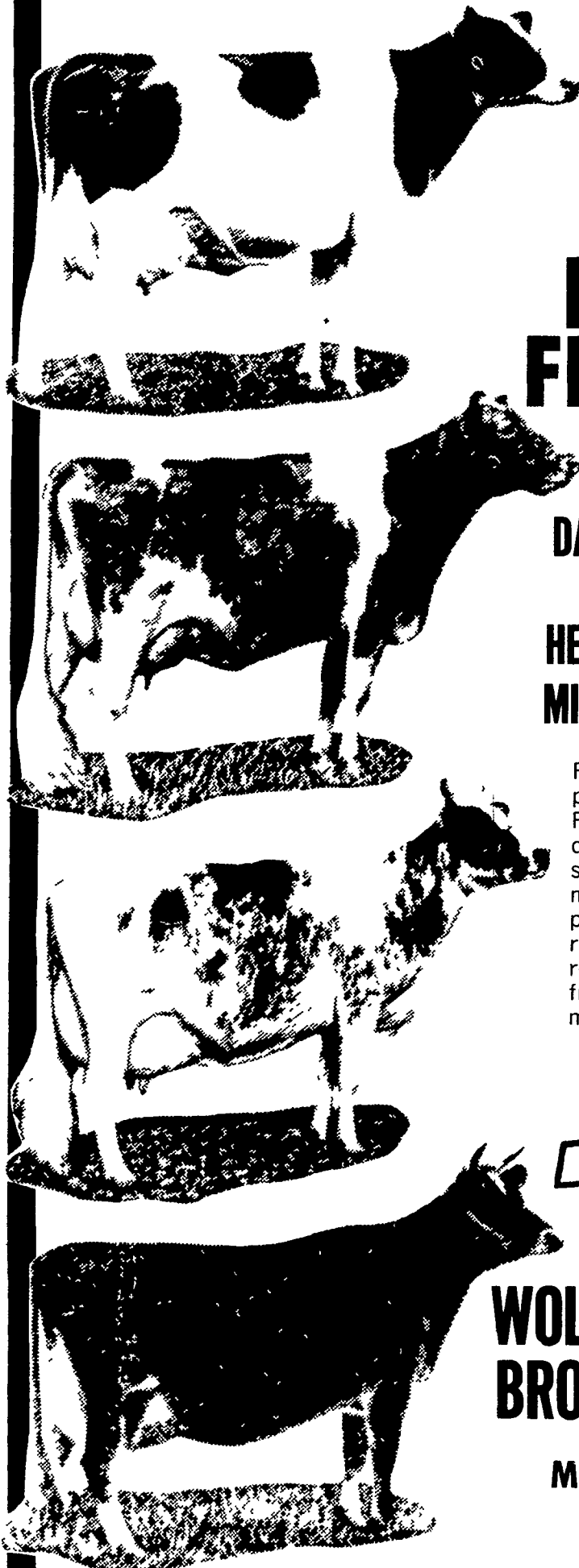
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