

'Ag leading the way to a better future' is theme of York agribusiness seminar

By JOYCE BUPP
York Co. Reporter

YORK, Pa. - "Agriculture Leading the Way to a Better Tomorrow" was the theme for the 14th annual York Area Agribusiness Seminar. Held at the Yorktowne Hotel, the event was sponsored jointly by the Penn State Extension Service and the Aea Chamber of Commerce.

Richard McDonnell, an agricultural economist with the Grain and Feed Division of USDA, opened the morning session. His address, "Russian Wheat Agreement," detailed the history of past Soviet grain buying and the purposes of the current U.S. - Soviet five-year grain purchase agreement.

Russian agricultural goals are established in the long-range economic "Five Year Plans." Because large grain-growing areas are subject to severe droughts, at least one of each five years traditionally produces an extremely poor crop. And, usually one in five years can be depended upon to produce a bumper crop, sufficient to feed the population and strengthen somewhat of a reserve.

"The usual reaction to lean years is belt-tightening, frequently in the form of livestock slaughter, causing a decrease in meat consumption," explained McDonnell. "Instead, in 1972, the Soviets chose to import large quantities of grain from outside sources."

McDonnell attributed this change in policy to a new trend in Russian economic problem-solving. Following the Krushchev administration, Kremlin leaders began leaning toward the revitalization of the country's agriculture with the long term goal of improving the diet of the average citizen.

Under the U.S. - Soviet sales agreement, Soviets are required to purchase at least six million tons of feed grains annually. Washington cannot halt these sales unless the supply of grains drops below established minimum levels of 225 million metric tons. The purpose of the agreement is not to limit sales, but to space them out over a period of years, lending more stability to the worldwide price fluctuations.

"These purchases are paid for in cash," McDonnell reassured questioners from the gathered farmers and businessmen. "Part of the 1972 purchases were financed by the C.C.C., but there are laws on the books now preventing such credit sales."

The U.S. government is not directly involved in the actual selling. All agreements are made privately between the Soviet buyers and independent grain corporations. Actual selling price is not widely-advertised information; and even the USDA says it does not know exact rates at which the Russians are buying the grain McDonnell indicated that the Depart-

ment believes, however, that the sales are being negotiated at market rates.

Under current maritime agreements, the shipping costs must be borne by the buyers; and one-third of the total export tonnage is required to be handled by American shipping.

In answer to questions concerning the oft-repeated rumor that Soviet-bought U.S. grain ended up in other countries, the economist noted that the American government had never found any concrete proof to document that claim.

"It is true that one to five million metric tons of grain are still being exported annually from the Soviet Union. Most of that goes to satellite countries, although some has found its way into Western Europe at times."

Trading energy materials for the needed grains was another possibility raised by audience questions. Although the Soviet Union is the world's largest producer of oil, most of it is utilized within their own boundaries. Only a small amount comes into the U.S.

Second speaker for the morning was H.D. Luttringer, vice president for Worldwide Marketing and Communications, Sperry New Holland.

"Mankind has three basic needs - food, clothing and shelter; the farmer provides for two of those three basics," stressed Luttringer. "No other business has made the tremendous strides that the farmer has made in providing these basics."

Tying the American farmer's productivity in with his location, Luttringer cited York and Lancaster counties as prime examples of economic growth brought about by successful agricultural foundations.

"We live in the 'green belt,' that four per cent of the earth's surface where the food comes from. And that's where the population is moving," he said.

"But machines have enabled the efficient farmer to be even more so," continued the Sperry executive. "Mechanical improvements, including the soft inflatable rubber tire, have speeded the modernizing of farm equipment."

Luttringer foresaw a continued improvement in mechanized farming, noting that each time crop hybridizers change the characteristics of crops, machinery engineers must

be right behind them, adapting machinery to row heights, width, and planting techniques.


"If we don't do it - John Deere will!" quipped Luttringer.

While he did not predict equipment costs dropping in the future, Luttringer emphasized that other farm costs have risen higher than machine costs. Her cited statistics of farm expense inflation, including an increase of 350 per cent in land costs, 255 per cent wage increased, and 239 per cent increased in fertilizer costs, compared with the 233 per cent jump in machinery prices.

Luttringer concluded his presentation with a film, "The Miracle Machine," produced by Sperry New Holland for principal use with non-farm viewing audiences. The entire production centers around

the marvelous efficiency of the modern combine, showing an American housewife how it contributes to every portion of the meal she prepares. Available

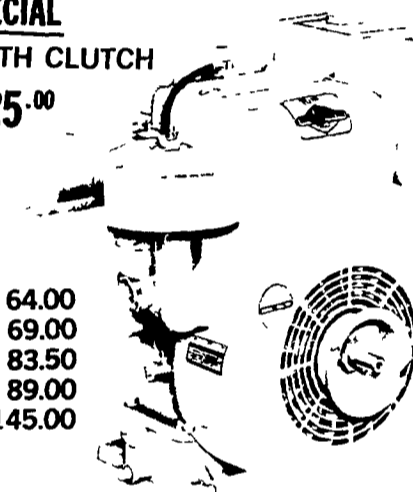
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