

Futures Market misunderstood

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as Agricultural
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Future Market is
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Sound familiar? It
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Future market is a
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market is that the futures trading prices will follow the live market changes and that, at time of delivery, the two prices will be essentially the same. (The difference representing delivery cost.) Unfortunately, many cattlemen misunderstand the future market quotation. They assume it is a forecast of the future. In fact, some analysts even publicly state that it is. They say, after all, it is a consensus of the best opinions of traders and, therefore, represents a consensus forecast. The fallacy here, however, is that

the seller of that last contract is betting the price will be lower and the buyer is betting it will be higher. They both agree on only one thing - the traded price level will not be the price level in the future. Thus, the futures market price quotations are non-forecasts - or a consensus of what the price will not be.

Many feedlots and cattle producers watch the future market price more than the cash market. This may occur because the futures' price quotations are very widely publicized and, therefore, are easily found. The sad part of this story is that some cattlemen actually let the futures market price influence them strongly in their dairy

management and decisions. Now, if they did, and then hedged on the futures market, that would make sense. Unfortunately, however, this is not usually the case. In fact, the typical reaction is to let the futures quotation dictate the cash market position. It's another case of the tail wagging the dog.

Let me urge you to please recognize that supply and demand are the only true factors of price. These two factors should be the major influence in your pricing decisions during a particular time period. Don't let someone interject this third dimension - someone's guess about the future - into your current marketing decisions.

Porkecue contest set

ANNAPOLIS, Md. - The Seventh Annual Maryland Porkecue Cook-Off is now open to all lovers of backyard pork barbecuing. The contest itself will be held on Friday, September 2nd in conjunction with the Maryland State Fair at Timonium.

The Porkecue Cook-Off is held annually to demonstrate new uses of pork produced by Maryland farmers each year. Participation awards will be given to all the finalists. Cash prizes varying from \$100 to \$30 will be presented to the top six recipes along with a champion chefing award.

This year's contest is open to all residents of Maryland and the District of Columbia and is sponsored by the Maryland Pork Producers Association in cooperation with the Maryland Department of Agriculture.

To enter the contest, submit a favorite pork barbecue recipe by July 29th. Entries are to be mailed to: MPPA, in care of Leo Kahl, Box 142, Perry Hall, Maryland, 21128.

Entries should include the name of the dish, a list of ingredients with the amount of each to be used, preparation instructions and the length of time needed for preparation (not to exceed one hour), name, address and telephone number. It is important to consider in the cooking plans for the contest that gas outdoor grills will be used.

Ten finalists will be chosen from the entries submitted. They will be notified by August 5th.

Chinese Zodiac

The Chinese Zodiac contains 12 animals, and each comes around five times in a 60 year cycle. 1977 is the Year of the Snake.

Pleading Ignorance

A man charged with theft showed up in court without an attorney. "Do you want me to assign you an attorney?" the judge asked. "No," replied the defendant. "If it's alright with you, I'd like to throw myself upon the ignorance of the court."

Irrigation can affect soybeans

Should farmers irrigate soybean? Indications are that, under the right conditions, irrigation can substantially increase soybean seed yields.

According to extension agronomists at the University of Delaware, irrigation prior to blooming has little effect on yield, but irrigation in drought periods during flowering and pod fill can increase yields substantially.

If a farmer has equipment and irrigation water available, irrigation definitely should be considered for soybeans. However, even with extreme drought, early irrigation before flowering will seldom increase yields and late irrigation may have little effect on full season varieties.

Reports of irrigation research have been under way for the past eight years at the Virginia Truck and Ornamentals Research

Station at Painter, Va. Though tests there included standard soybean varieties normally grown in that experiment station area, strains and varieties used did cover a wide range of maturities.

Water was applied by overhead sprinklers at the rate of one inch per application when available soil moisture dropped below 50 per cent of field capacity in the upper eight inches of soil. Soil moisture was determined by use of gypsum blocks placed about six-to-eight inches below the soil surface. Readings were made at two-to-three day intervals throughout the growing season.

The decision to irrigate must be made by the individual farmer, based on cost of irrigation and expected returns. Factors that also should receive special consideration include soil type and equipment.

Sale averages are up for reg. Brown Swiss

BELOIT, Wis.-In 1977 the average selling price of registered Brown Swiss reached another new high. Not only did the overall average go over the \$1100 mark, an increase was also seen in each of the age categories. These selling averages are figured from the auction sales reported in the Brown Swiss Bulletin, the breed's official publication.

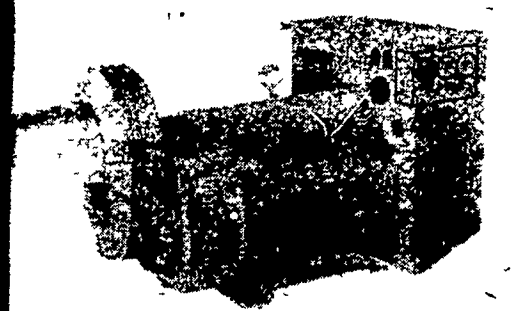
This year 1258 registered Swiss sold for the overall average of \$1107.77 compared to \$1023.64 a year ago and \$451.78 10 years ago. In 10 years the average selling price of a registered Brown Swiss at public auction has almost tripled.

In the different categories, 528 cows averaged \$1337.23 (\$1226.55 in 1976), 362 bred heifers averaged \$1022.42 (\$993.26 in 1976), 342 open

heifers averaged \$677.77 (\$674.20 in 1976) and 26 bulls averaged \$3291.50 (\$1412.87 in 1976).

High selling Brown Swiss during the 1976-77 fiscal year was RES King Royal 171310, a bull purchased by a syndicate for \$30,000. Top View Star S 587587 was the top selling female at \$10,000. She also was purchased by a syndicate. Both animals sold in the 2nd St. John Invitational Sale on March 5, 1977 in Glendale, Ariz. The St. John Sale had the highest average of the year when 49 head averaged \$3272.44. "King Royal" is the third highest selling Brown Swiss bull ever to sell at auction. "Star S" was the eighth highest cow and the St. John Invitational was the second highest sale average in the history of the Brown Swiss breed.

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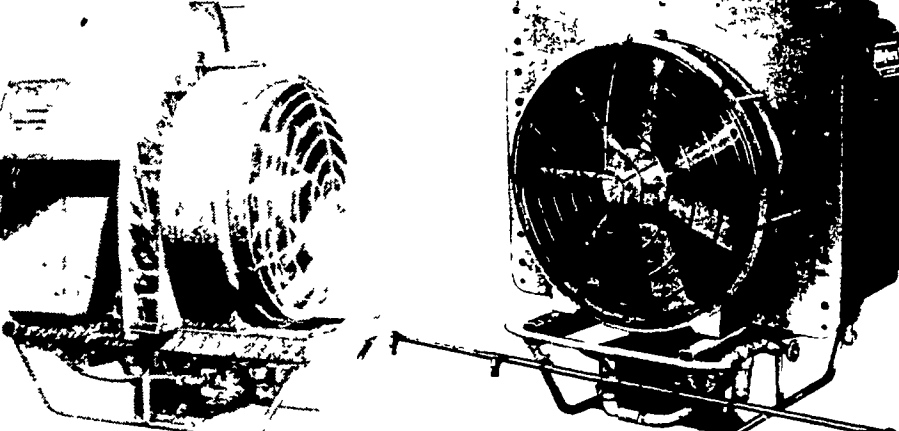
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