

Beef prices defended

COLUMBIA, Mo - The current increases in beef prices are needed to put the cattle industry back on a "sound financial basis," says a University of Missouri-Columbia agricultural economist.

Market forces in response to the cattle industry's "worst depression since the 1930's" may cause prices to go up by as much as 35 per cent over 1976 levels, says Joe Meisner, a food policy specialist.

"Beef price increases this spring are a market reaction to a complex set of forces, mainly the result of a four-year reduction in cattle herds caused by adverse

economic and weather conditions," says Meisner.

"Substantial price increases are needed if cattlemen are to recover their losses and get their business back on a sound financial basis."

Meisner says the share of consumers' incomes spent on beef in the next two years is likely to be similar to that of 1973, the last high point in the beef price cycle.

"At the same time, beef supplies at least as large as the 1973 levels of 110 pounds per capita (that's based on carcass weight, before trimming and cooking) will likely be available through

most, if not all, of this period.

"There is no evidence at this point that consumers will not have adequate supplies of red meat," Meisner says.

Another UMC agricultural economist, Glenn Grimes, minimized the importance of the recent rise in the quotas of imported beef.

"From a hard, economic standpoint, this will have a very minimal impact on the prices of live cattle and on beef," Grimes says. The additional imported beef will only amount to about one per cent of total U.S. beef consumption, he notes.

Meisner says the large

supply of beef produced since 1973 could have only been consumed "at substantially lower prices in real terms—that is, with the effect of inflation removed.

"Likewise, if per capita supply drops back to the 1973 level of 110 pounds per capita from the 129 pounds in 1976, the market could experience a substantial price increase over the next two to three years—perhaps 30 per cent over the 1976 level.

"Counting inflation and increased demand due to higher incomes, it could rise by as much as 35 per cent over the 1976 average," he says.

However, Meisner emphasizes that consumer beef prices have lagged behind the general inflation in the last few years.

Citing the beef price survey by the National Cattlemen's Association, Meisner says May beef prices were up on the average "only six per cent from the previous high in 1975, while the over-all Consumer Price Index has increased 18 per cent and average consumer disposable income has increased 27 per cent since 1975.

"Also, the share of disposable income spent on beef in 1977 was the lowest it has been in more than two decades, at 2.13 per cent.

"Since per capita beef supplies and consumption have been on an upward trend, it's obvious that retail beef prices in real terms

New approach found for controlling insects

COLUMBIA, Mo - A new approach to insect control has been uncovered by a University of Missouri-Columbia entomologist who found that some insects hibernated because of a "juvenile hormone" secreted from a gland inside their heads.

By manipulating the hormone, G.M. Chippendale believes he can either extend insects' hibernation or abort it. Either tactic could disrupt the insect's life cycle and kill it.

Chippendale says his have been on a long-term downward trend.

"With the share of the consumer's dollar spent for food and for beef on a long-term downward trend, the basic cause of inflation obviously is in other sectors of the economy."

Meisner notes that cattlemen's returns on investment have been negative in the past four years.

"Beef at the food counter comes only if the many operations involved in bringing a calf from its infancy on through its grazing period and eventually to the retail store can all cover their costs."

research offers three potential ways hormones might be used to disrupt insect hibernation (diapause).

• One way would be to throw active insects into an early diapause and therefore curtail their feeding.

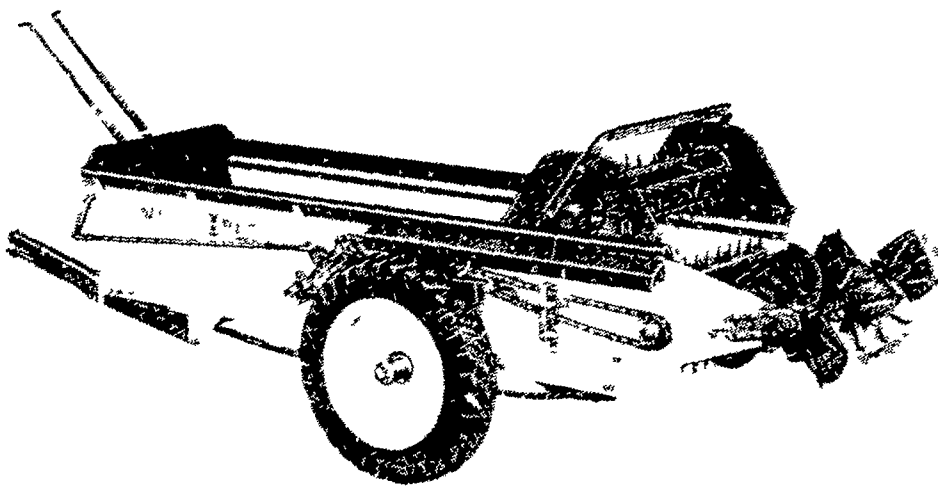
• Another would be to bring insects out of diapause during the winter when they would starve because no food would be available to them.

• Keep the insects in diapause, causing them to use up their food reserves and die.

The UMC researcher says future insect control will include "tailor-made pest controls," including insect growth regulators, sex attractants and perhaps anti-hormones playing an increasing role in pest management practices.

When frying chicken for a picnic, the National Broiler Council says cool in the refrigerator, not at room temperature. Wrap in foil and place in an insulated cooler for traveling.

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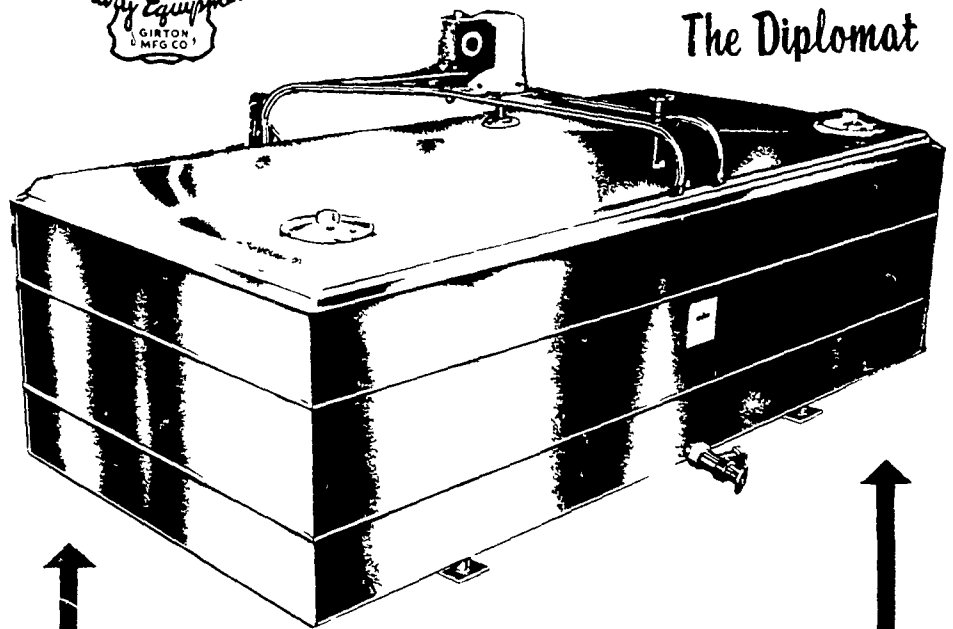
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