

Beef and hog future looks promising

By DIETER KRIEG
UNIVERSITY PARK — Fifty-eight per cent of the cattle slaughtered in the Northeast last year were killed in Pennsylvania, and for hogs, that figure stands at a commanding 85 per cent. Pennsylvania ranks eighth among all states in hog slaughter and 12th in cattle slaughter.

Such bits of information lead Penn State's agricultural economist H. Louis Moore to believe that these segments of farming, at least, are bullish in the Keystone State. Moore's audience on Thursday, when he revealed those statistics, was a group of 110 bankers who are interested in making loans to farmers. His message was that for the near future, lenders should feel pretty secure, because the returns are likely to be there so that producers can pay back their debts.

Pennsylvania is improving its position as a livestock marketing state. Moore began. The state's share of the national hog kill stood at 51 per cent in 1965, and for cattle it was 46 per cent. Another indicator of the importance of packing houses in the Keystone State is that 40 per cent of the federal meat inspectors are stationed here.

Turning his attention to current prices and projections, Moore commented: "Cattle prices have surpassed beyond all my expectations and it looks like they'll stay strong." He noted that the supply of cattle for the first quarter of this year is down by nine per cent, compared to a year ago. Calf and cull cow inventories show the greatest decrease.

Explaining the situation, the agricultural economist said: "Cattle herds have



Lou Moore

been cut back ever since 1975. We have now experienced a 16 per cent decline - the sharpest ever. Rebuilding is now underway."

Moore said the number of cattle on feed is down six per cent, heifers on feed are

down 14 per cent, and 17 per cent fewer cows are being sent to market, compared to this time a year ago. All this indicates that livestock is being retained at the farm for breeding purposes. Rebuilding is underway.

The beef output for 1979 will be eight to 10 per cent below what it was a year ago, Moore predicted. Veal and cull cows will be shortest in supply, meaning that cow-calf operators will be in a position to realize the best profits among cattlemen. Feeder cattle prices have already increased by 75 per cent over what they were a year ago, the agricultural economist pointed out.

The message to bankers is that there will be a demand for money so that cattlemen can expand.

The hog farmers have also been expanding, and as is evidenced in southeastern Pennsylvania where new 480-sow units are being opened, growth continues. There has been an appreciable increase in pork supplies, and that accounts for the drop in prices. Live hog prices are already \$6 per hundredweight less than they were a year ago, and the slide is likely to keep going, Moore predicts. "After July 1, prices will come down some more," he said. His explanation: "Hog prices were too good in 1977-78, and it spurred on a major expansion." An 18 per cent increase in production, compared to a year ago, translates into lower prices in this case.

Moore speculates that the

stage is set for the consumer to shift from beef to pork because of the supply and price situation. "The processors are already swinging that way," Moore noted, pointing out that more pork is being used now for such items as hot dogs.

Summarizing his presentation, Moore said: "Beef is short and demand is high; hog supplies are up and will affect beef marketing. Hog prices will decline substantially in the second half of the year - possibly to the break-even point."

With all this going on, the Penn State economist sees increased beef imports as a definite consideration by the Carter Administration, but he's not concerned because other nations don't have big supplies of beef either.



Hog prices will go down, farm economists predict. That's due to farrowings for the first quarter of 1979 being up 16 per cent over a year ago. For the last quarter a 24 per cent increase is anticipated. For the year, hog farrowings will be up 18 per cent.

4-H meeting held

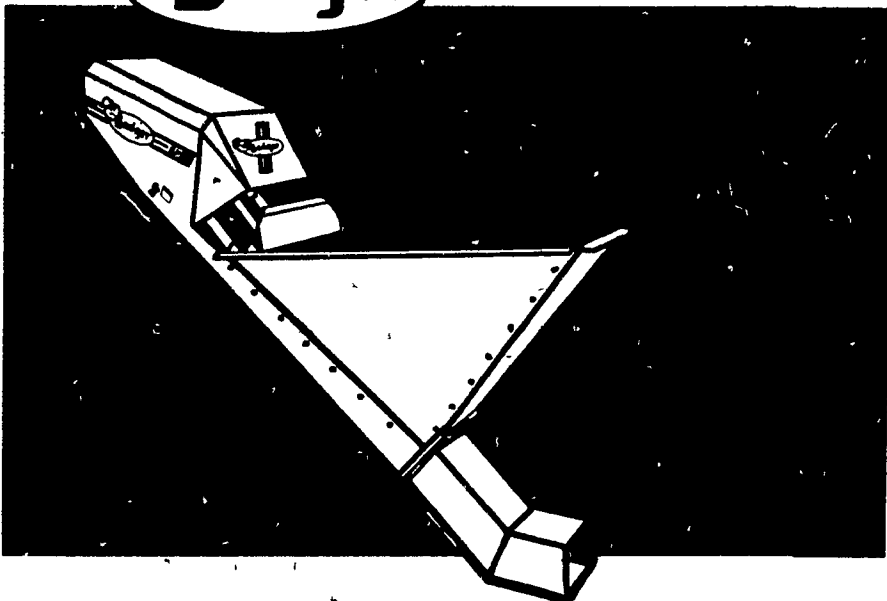
MILLERSVILLE — The Penn Manor Community 4-H Club held its first meeting on Monday, April 30, at the Missey Greider, treasurer; Eshelman Elementary School. Ninety-three members joined 18 different projects. Officers were elected as follows: John

Charles, president; Jim Stauffer, vice president; Nanette Musser, secretary; Yvonne Eshelman, song leader; Guy Eshelman and Tim Hess, game leader heads; Mary Ann Beale, Jeffrey Breneman, and

Jeffrey Barley, game leaders; and Virginia Smith, news reporter.

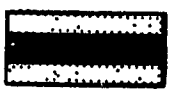
After the elections the club watched a slide show, "4-H Something To Sing About," presented by Lancaster County 4-H Extension Agent Linda Frantz.

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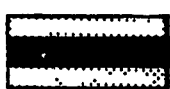


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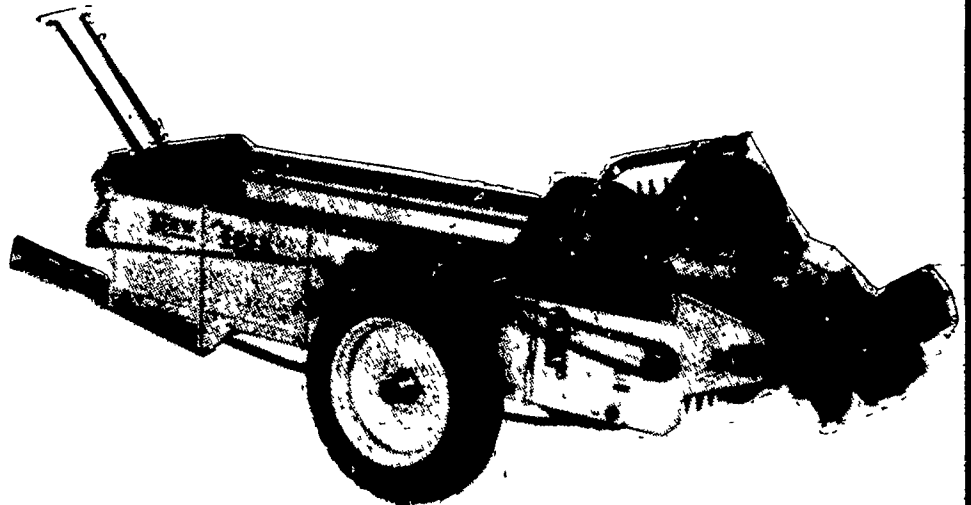
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