

Livestock cycles the topic at marketing congress

DENVER, Colo. — Can livestock cycles be eliminated? Probably not — but they can be altered or modified, a variety of speakers said during the recent Livestock Marketing Congress '79, held here.

Livestock industry officials, spokeswomen for consumer groups, members of the academic community and several other speakers gathered here June 13 to 15 to discuss this year's Congress theme, "Riding the Cycle: Are there Workable Alternatives for the Industry and Consumer?"

Conducted by Livestock Merchandising Institute, Kansas City, Mo., this year's Congress probed three possible alternatives to boom and bust cycles: more government involvement, or better management, either by producers or the industry itself.

Several nationally-known speakers offered their suggestions for controlling the cycle during a final session moderated by Bill Monroe, executive producer and moderator of television's "Meet the Press." In general, they called for such things as better dissemination of information and more cooperation among various sectors of the industry.

Given the diversity of this panel, many Congress observers were surprised to learn that the panelists were in agreement on two controversial issues — their opposition to meat boycotts, and their support for deregulation of the trucking industry. Polling the session five panel, Monroe also found they agreed in principle on the need for the countercyclical meat import bill, currently before Congress.

Kathleen O'Reilly, executive director of Consumer Federation of America, told over 550 registrants at the Denver

Marriott that they should work for "consistent, comprehensive and stable" policies in all sectors affecting the livestock industry. "Consumers want high quality, nutritious and fairly-priced" livestock products, she said.

More study of livestock cycles and better education of the industry itself was called for by Lauren Carlson, president of the National Cattlemen's Association. He also suggested that the financial community, a vital part of the livestock industry, should have a better understanding of how cycles work.

Tom Dougherty, counsel for the National Center for Economic Alternatives, offered a three-point program for controlling the cycle: the continuation of the domestic grain reserve, better management of the nation's livestock product import and export programs, and the passage of the countercyclical meat import bill.

Barbara Keating, president of Consumer Alert, Inc., warned the audience to avoid government involvement in the livestock industry — a hotly debated topic in an earlier session — and advocated "a combination of industry and producer cooperation."

William Rusher, publisher of the National Review, called for attempts to make the marketplace "more sensitive and more responsive." Also warning against government involvement, Rusher echoed the request for "improved information and improved decision making" by livestock producers as a way to tame the cycle.

The vice chairman of the board of Iowa Beef Processors, Dale Tinstman, asked for "open cooperation between all segments of the industry," as well as "more

research, education and communication."

Other program sessions dealt with alternatives to "riding the cycle."

Dr. Edward Uvacek, Jr., livestock marketing specialist and associate professor at Texas A&M, followed an audio-visual history of livestock cycles and gave the opening session audience an update on the current cycle. He said retail prices for choice beef should be between \$2.50-\$2.60 per pound for the rest of the year, up about 10 cents per pound from current price levels.

Warning the audience to be wary of federal price controls on beef, he said such controls "are not necessarily economic, (but rather) political decisions, and they do buy some votes sometimes." Uvacek also said the best price levels for producers in the current cattle cycle should be between 1980-1984.

Noting that beef prices are "high . . . and of course we are going to see some reaction from it," Uvacek added that "the best cure for high prices, as far as the consumer is concerned, (is) high prices," which stimulate production.

The pros and cons of more government involvement in the livestock industry was the theme of the second session, and it found the two speakers sharply divided. Dr. Murray H. Hawkins, marketing professor at the University of Alberta, said "governments and other regulatory bodies must be involved" in taming the cycle, while Orville K. Sweet, executive vice president of the National Pork Producers Council, flatly ruffled out such assistance.

"Government, with all its good intentions, has a real struggle when it comes to being efficiently helpful," he said.

Government involvement "would be welcome" in the areas of international market development and forward contracting, Dr. Hawkins said. He added, however, that government "price and supply controls have little future in the livestock industry, (and) marketing orders and growth stimulation policies have also fallen into disrepute in some quarters."

But Sweet, saying that citizens "have begun to organize and build defenses against the continued encroachment of the dollar-gobbling bureaucracy," claimed that government regulation "has become a major factor" in the nation's rate of inflation.

Opening luncheon speaker Dr. Sheldon Stahl, director of economic studies for the Tulsa-based Williams

Companies, also focused on inflation in his address. "Inflation is public enemy number one . . . if we are serious about fighting inflation, we are going to have to endure some pain, and if we think we can get rid of this monster without enduring pain, then maybe we believe in the tooth fairy — but I don't."

An industry-managed (Turn to Page 125)

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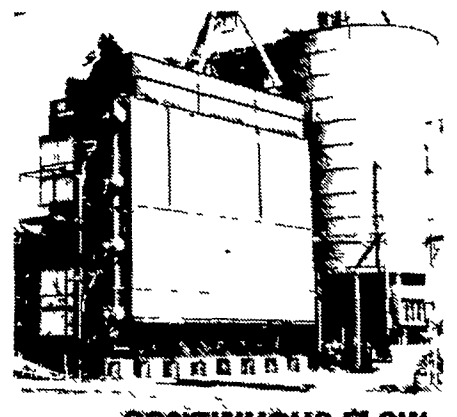
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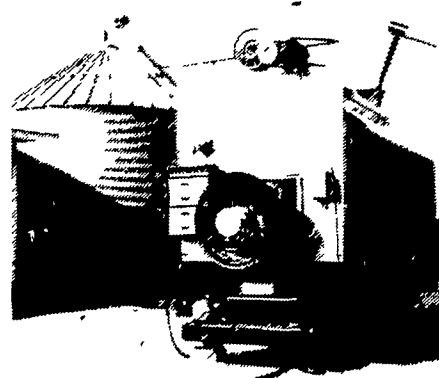
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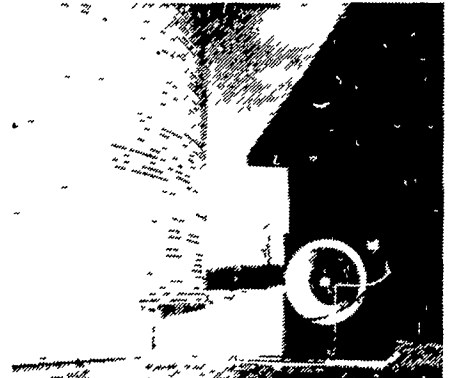
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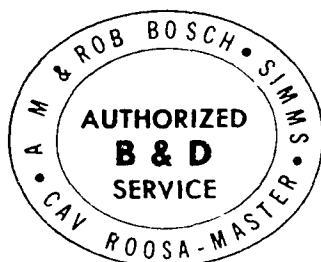
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