

# NFO rep says world demand will offset grain embargo

BY DON CUNNION  
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DOYLESTOWN — The rapidly expanding world demand for feed grains will more than offset any temporary price setbacks caused by the embargo on sales to Russia, Orva Kanerva, NFO grain representative, told some 50 Bucks County farmers at a meeting, Wednesday in the Neshaminy Manor Center near here.

Kanerva pointed out the population explosion changes in dietary habits and the shift from rural to urban living in all parts of the world are major factors in a massive increase in demand for high-protein foods.

Even if, he said, once a major exporter of wheat, now is an importer of grain.

The United States, he said,

will be called on to supply a major share of the world's grain needs.

He noted the U.S. now accounts for 50 percent of all wheat moving in international trade and that most other grain producing countries, including Canada, have had static outputs the last few years.

"While Canadian wheat output has remained virtually the same for the last five years, U.S. production has gone from 3580 million bushels to a projected 5400 million bushels for 1980."

Despite their tremendous expansion in grain production, U.S. farmers continue to depend on a 200-year-old marketing system run by private operators who are more interested in volume than price, Kanerva said.

"Most farmers will be

individuals and try to out-guess the market. As a result, three percent sell on a rising market, half of one percent sell at the top of the market, but 90 percent wind up selling at the bottom of the market."

"The present marketing system reacts to all kinds of things he said. "Most of them psychological in nature. But the underlying factor is that it depends on a plentiful supply of grains at relatively low prices

"These low prices have been a driving force in increasing the efficiency of U.S. farmers, but they also have forced many of them out of business over the years. We're now to the point where a million farmers produce most of the food and fiber moving in commercial channels."

But cheap grain isn't necessary in world trade, he said.

"You hear the grain traders insist the world market won't pay higher prices for U.S. grain, that they'll go elsewhere. But where can they go? No other countries can come anywhere near meeting world grain needs. The grains just aren't there. They're here - in the U.S."

How can farmers beat the time-honored, conventional marketing system? Kanerva offered an answer: Sign up with NFO to sell the grain for them under a binding contract.

Copies of the contract, passed out at the meeting, provide for both immediate sales and deferred sales. Under the latter, a grain grower can commit a fixed number of acres or bushels for a period of up to five years, thus providing the NFO with a "bank" from which to draw for negotiated sales.

"This reserve supply will enable NFO to negotiate for the best possible prices in massive quantities in the world market," Kanerva said.

The "immediate sale" portion of the contract is designed to provide producers with needed operating cash.

Kanerva pointed out that NFO, which started out as a protest organization, nowadays operates chiefly as a marketer of grain, milk, livestock and specialty products, such as sunflower

seeds, for its members. It sells on commission.

The meeting, one of 175 being held around the country under the title of "Stop the Drop" in grain prices, was called together

by Bill Garges, Bucks County NFO president.

Brief talks were given by J.H. Rushing, hog representative, and Warren Marsh, grain representative

## Government regulation reducing dairy drugs

NEW ORLEANS, La. — Government regulation is discouraging research on animal health problems and limiting the range of products available for less numerous species of food-producing animals, a drug industry spokesman has charged.

Dr. John Crissinger told dairymen attending the annual meeting of the National Milk Producers Federation the increasing cost of securing government approvals for new animal drugs, and of defending drugs already approved, means that research must be directed toward the largest possible market.

Crissinger, a veterinarian, is marketing manager for American Cyanamid Company's Professional Veterinary Products line.

Crissinger pointed out that, because of the cost of meeting regulatory requirements, few if any pesticides are being developed for vegetable and fruit crops.

"The market is simply too

fragmented to justify development costs in most instances," he explained.

"We find this scenario already occurring in animal agriculture," he cautioned.

"Dairy cattle will remain an important market, but in the long run veal calves and cull cows may well be affected."

In today's Washington climate, the speaker said, individual interest groups are finding they can no longer stand alone.

While dairymen have been effective in advancing their interests, Dr. Crissinger urged them to seek the wider

constituencies which will be necessary in the future.

"Build support not just for milk but for the dairy industry among consumers and in our own communities," he urged. Dr. Crissinger pointed out that the average dairy farmer manages a larger capital investment than most independent businessmen in most communities.

"You probably are respected in your community as an important businessman," he said. "Use this leadership position to help build support for your industry."

## Apple holdings off

HARRISBURG — Pennsylvania apples in cold storage on November 30, 1979 totaled 291,939,000 pounds, or 6,951,000 boxes of 42 pounds each, according to the Pennsylvania Crop Reporting Service.

Apple holdings are down 9,736,000 pounds (or three percent) from a year ago.

York Imperial apples are most abundant with 2,236,000 bushels in cold storage.

Three apple varieties closely ranked in cold storage include: Golden Delicious apples at 1,113,000 bushels; Red Delicious at 1,082,000 bushels; and Rome Beauty apples at 1,009,000 bushels.

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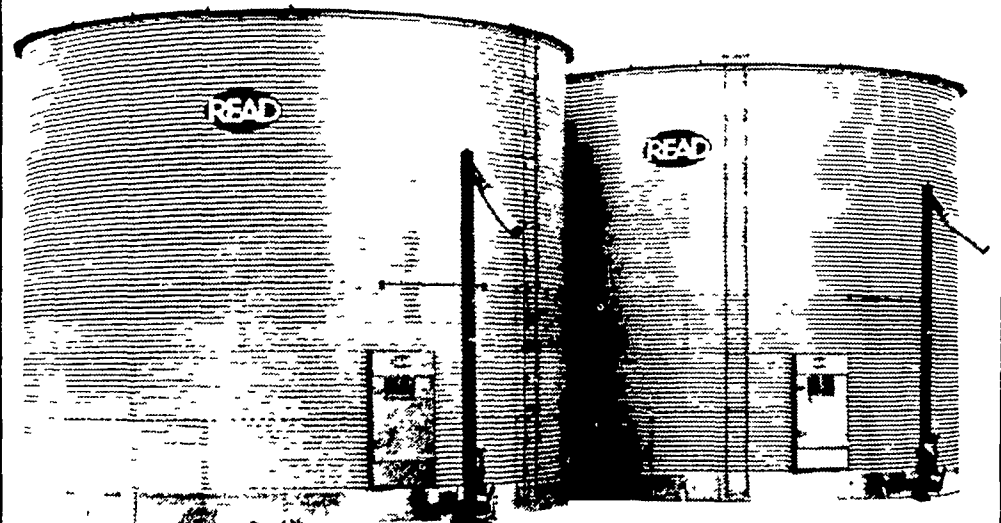
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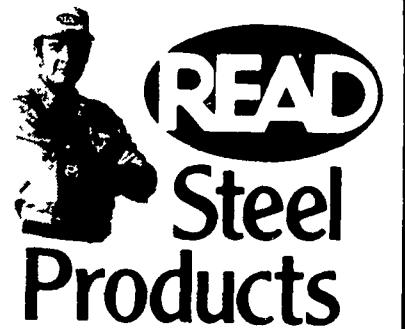
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