

Big slaughter, low prices paint near-term hog picture

WASHINGTON, D.C. — For pork producers the next few months promise more of the same—continuing large slaughter and low prices. But some improvement may begin after midyear.

Last December 1, producers reported 67 million hogs and pigs on U.S. farms, 11 percent more than a year earlier, and the biggest December inventory since 1970.

All of the increase came from 14 percent more market hogs. The number of hogs kept for breeding held about steady.

There were 19 percent more heavy market hogs that will reach market weight during first quarter 1980. Those that will reach market weight in the second quarter were up 7 percent. This means that hog slaughter during January-June may be near record levels.

Producers indicated December-May farrowings will be about 7.2 million head, roughly the same as a year ago. Actual farrowing may differ, of course, due to changing feed costs and hog prices. But if intentions are realized, hog slaughter after midyear would be near the high levels of second-half 1979.

With the current large output, consumers will be eating the most pork since 1971, 36 to 38 pounds per person in the first half of 1980 alone.

Moreover, large supplies of competing meats probably will boost total red meat and poultry consumption to record levels, too.

This means consumers will be able to switch to other meats if the price of one increases relative to the price of others. This is likely to prevent any substantial rise in meat prices anytime

soon. Furthermore, incomes aren't expected to keep pace with inflation. Unemployment also is expected to rise, reducing the buying power of many Americans.

High interest rates and heating costs will leave less spending money in the paycheck. So consumers may not be willing to spend as much of their income on pork and other meats as in the past.

The large supply of meats and prospects of a sluggish economy suggest hog prices may range in the upper \$30's during the first quarter of this year, and the mid-\$30's during the second.

If the economy recovers as anticipated, farmers could see a July-December average in the low \$40's. And it could get better later in the year if spring farrowings were to taper off.

Returns near \$40 per hundredweight would cover

cash expenses for most farrow-to-finish producers but would not cover total costs. The return to labor and management would be small.

There is little farmers can do now to affect prices in 1980 because it's too late to significantly change the number of hogs that will go to market.

Marketings in the first half

will come from current inventories. Second-half marketings will come either from sows currently farrowing or from those already bred for farrowing this spring.

But farmers can vary the weight at which they market hogs to get the best return. First, keep weights down when market prices are declining.

The lowest hog prices are expected in the spring, so by keeping weights down during this period, farmers can cut feeding costs and reduce the amount of pork reaching the retail market.

Prices are expected to strengthen in late spring or early summer, so feeding hogs to heavier weights at that time could be profitable.

ABS has booklets on prostaglandin

DE FOREST, W.I. — To help cattlemen and dairymen better understand the use of prostaglandin as an aid to artificially inseminate beef cattle and dairy heifers, American Breeders Service has just published two new technical booklets on "Synchronization of Beef Cattle With Prostaglandin" and "Planned Breeding of Dairy Heifers With Prostaglandin."

"For years ABS has been helping cattlemen and

dairymen breed more productive and profitable cow herds," says Russ Berna, director of marketing at ABS. "Now with our knowledge of prostaglandin even more producers are turning to ABS for herd improvement," adds Berna.

With prostaglandin, the heat cycles of beef cattle and dairy heifers can be controlled to occur within a precise time interval.

This allows cattlemen to concentrate their A.I.

program and dairymen to plan-breed their heifers at a pre-determined date and time. Heat synchronization and planned breeding also increases the opportunity to make faster genetic progress by using the best A.I. proven sires available.

Both ABS booklets describe procedures for using prostaglandin to plan-breed dairy heifers and synchronize the heat cycles of beef cattle. In addition, important management and A.I. practices necessary for a successful breeding program are highlighted.

Cattlemen and Dairymen can receive a free copy of either "Synchronization of Beef Cattle With Prostaglandin" or "Planned Breeding of Dairy Heifers With Prostaglandin" from their local ABS representative. Or contact American Breeders Service, DeForest, Wisconsin 53532.

Md. firm told to stop violations

CRESAPTOWN, Md. — Cumberland Stock Yards, Inc., operator of a livestock market at Cresaptown, Md., has been ordered to stop violating trust account and payment requirements of the Packers and Stockyards Act.

The firm, which draws livestock from western Maryland, consented to the order.

It neither admitted nor denied the charges in an administrative complaint filed by the U.S. Department of Agriculture, and waived oral hearing.

Cumberland Stock Yards, Inc., was ordered to cease and desist from:

Failing to properly maintain its custodial account for proceeds due consignors of livestock; and

Issuing insufficient funds checks and failing to pay when due the proceeds due consignors.

The firm was also suspended for seven days.

The P&S Act is a fair trade practices law. It promotes and maintains fair and open competition in the buying and selling of livestock, meat and poultry.

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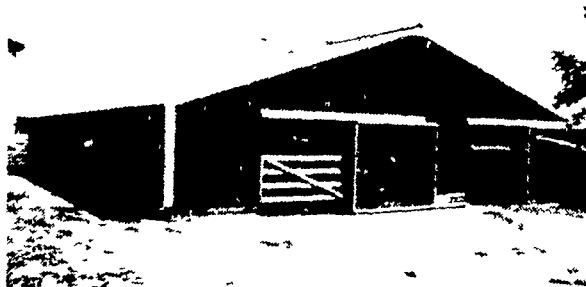
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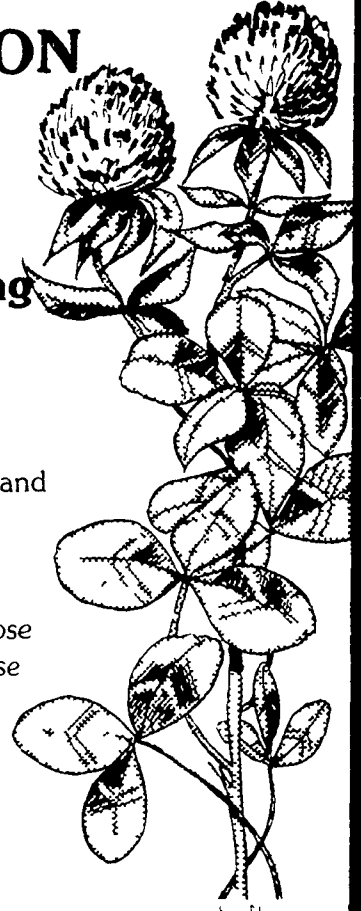
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