

Argentina should gain from Russian embargo

UNIVERSITY PARK — The effect of the U.S. embargo on the Soviet Union is going to be more of a "tough inconvenience" than a "real hardship" says Penn State economist Louis Moore.

However, the real beneficiary appears to be Argentina which has been able to sell all the grain produced there at substantially higher than world prices. They have increased their own balance of payments and reversed their usual position of having to sell at lower than world prices, according to Moore.

For Russia it means paying higher prices while purchasing considerably less than they would like. The embargoed grain amounts to 17 million tons and Moore

calculates that the Russians will be able to make up about 10 million tons from other sources. Included in that 10 million will be a certain amount of grain "transshipped" through other countries, possibly through some western European countries including France.

For the past few years the Soviet Union has been attempting to increase its beef production and cattle herd

size Moore feels that this is where the most impact will be felt.

"The Soviets will be forced to buy some beef from foreign markets, starve or slaughter cattle they hadn't planned to, and get some cattle through the winter on a minimum amount of grain and then hopefully put them out on what will develop as food pastures this spring," adds Moore.

This will be the first time in recent years that the Russians will have to purchase meat from foreign markets.

The impact of the embargo on the American economy will be a lowering of the total volume of exported grain. The government is attempting to export the surplus to other countries but there just are not enough markets.

The net impact on domestic farmers will be an

increase in carry-over or the amount of grain in storage.

"Our carry-over last year was 1.3 billion bushels and this October it is expected to be 1.8 billion bushels, an increase of a half a billion bushels," Moore predicts. This will mean lower prices for farmers.

Moore sees two effects on every American. First, the two to three billion dollars in lost foreign revenue will be

picked up by the federal government.

"This is a double edged sword," he adds, "because not only is the government having to pay a few billion dollars, but a few billion will be lost in foreign trade increasing the trade deficit."

For consumers this will tend to keep the price of grain related products down slightly—at least for a little while.

York farmers to sponsor conference

YORK — The York County Farmers' Association has announced plans to sponsor two youth to the annual Pennsylvania Farmers Association Youth Conference, scheduled for June 24 through 27 at Elizabethtown College.

Qualifications for youth who wish to be considered for sponsorship include completion of the 11th or 12th grade of high school in June, 1980. Applicants for the expense-paid conference need not be farm youth, nor must they be members of the Farmers Association.

Selection by a panel of judges will be based on a written application, ability to express themselves on a selected topic, attitude and appearance. Further information on the youth conference, and applications, are available from Mrs. Leroy Bupp, Box 153, Seven Valleys, PA, or by calling 428-1865.

Deadline for applications is May 10.

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