

Meat supplies should drop, followed by price rise

LANCASTER — In the second quarter, meat production will decline seasonally and is expected to total three to four percent below a year earlier.

In the face of financial losses, hog producers are cutting production; the March 1 hog inventory was down eight percent from last year and the breeding inventory was down 11 percent. This suggests substantial year-to-year declines in pork output for the rest of this year.

In addition, because of reduced placements of cattle on feed last fall, fed cattle slaughter will drop sharply this spring. Nonfed slaughter is also expected to decline in the spring as grazing begins.

Broiler production is likely to continue above year-earlier levels, but smaller supplies of red meats will raise farm prices for poultry as well as for pork and beef.

Retail meat prices are also forecast to rise this spring, substantially exceeding year-ago levels.

In the first quarter, retail prices for red meats were around five percent higher than last year, while those for poultry were about 10 percent higher.

During the first three months of 1981, total meat production was record large — about three percent greater than last year.

Mild winter weather was conducive to above-average rates of gain for cattle and hogs, causing shorter-than-normal feeding periods and, in many cases, heavier-than-usual average

weights. Drought-reduced forage supplies and high production costs resulted in large nonfed slaughter, further boosting meat supplies.

These large meat supplies helped hold down livestock and poultry prices in the first quarter.

Primarily because of lower-than-expected farm prices in the first quarter, net farm income through the winter probably did not improve from last fall's low levels. Even so, net income for all

of 1981 will still substantially surpass the 1980 estimate of about \$22 billion.

Cash receipts for crops may be up six to 10 percent from 1980, and livestock receipts could rise nine to 13 percent.

However, total production expenses are expected to climb nine to 13 percent this year, with fuel, feed, fertilizer, and agrichemicals leading the rise.

Farmers' planting intentions

reveal that the total acreage seeded to 1981 crops may surpass 1980 by about two percent.

With average yields, 1981 crop production will be substantially larger than last year's drought-reduced levels.

Supplies of seed, fertilizer, pesticides, and fuel are readily available, but at higher prices than last year.

Retail food prices in 1981 are still forecast to increase 10 to 15 per-

cent from last year; current indicators suggest a rise of nearly 12 percent.

The farm value of foods will account for nearly a third of the increase, while marketing costs will account for about half.

Higher red meat and poultry prices will have the most significant impact, because these items account for nearly 35 percent of consumer food expenditures.

Shenk firm honored

LITITZ — Shenk's Farm Service, 501 E. Wood's Dr., Lititz, has been honored for outstanding salesmanship by the Dairy Equipment Co.

The Lititz firm was honored for achieving the highest sales during 1980 both regionally and throughout the entire Northeast and Canada.

Shenk's has also been recognized for having the top sales record for Thermastor heat recovery units for the first two months of 1981 in

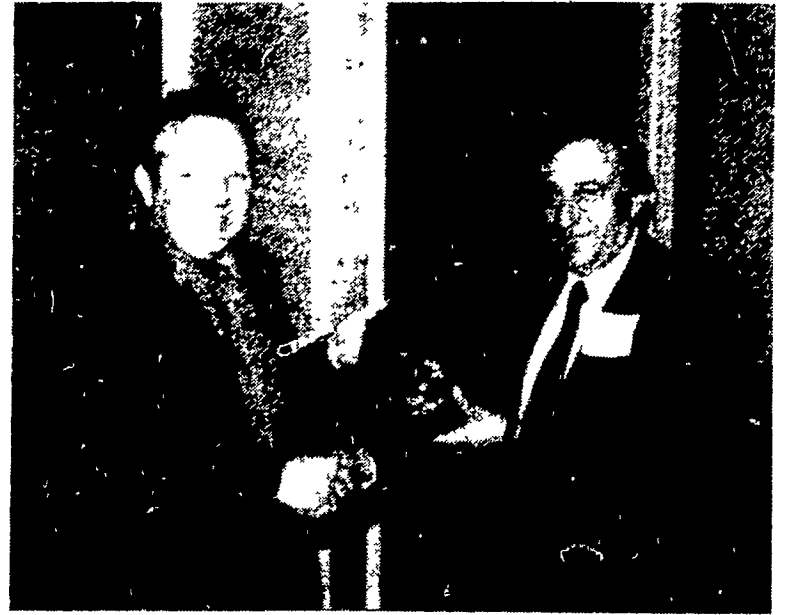
the Eastern Region.

The largest dealer in the Northeast for the line of Dairy Equipment Co. products, Shenk's has been operating to serve the dairy industry since 1973.

The firm sells, services and installs milking equipment systems, including the custom design of farm installations, with strong emphasis on a program of continuing service.

Shenk's employs a total force of 16, including two route salesmen, two additional sales personnel, four in the milker division, three in refrigeration and five in the office and parts departments.

Dairy Equipment Co. is one of the largest equipment manufacturers serving the dairy industry, with a product line that includes Bou-Matic milking systems, Dair-Kool bulk tank cooling systems and Thermastor heat recovery systems.



Sales plaque honoring Shenk's Farm Service, Lititz, is presented to Ray Shenk, left, by Joe Moreau, regional sales manager for Dairy Equipment Co.

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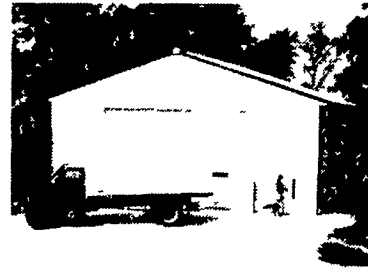
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