

# Grain reserve provides corn marketing flexibility

WASHINGTON, D.C. — "U.S. corn farmers should examine very closely the marketing flexibility of and marketing options in placing corn in the three-year farmer-held grain reserve," stated Jack Parsons, first vice president of the National Corn Growers Association.

A corn farmer from Wapello, Iowa, active in both the Iowa Corn Growers Association and the National Corn Growers Association, Parsons cited several reasons why U.S. corn farmers should maximize corn marketing options this year by using the corn reserve.

"Based on USDA data, the national average price for corn is currently at \$2.38 per bushel and the national average loan rate is at \$2.40 per bushel," Parsons said in presenting a case for active utilization of the farmer-held grain reserve. "This distressed level of cash corn prices in the 1981/82 season to farmers is a combination of various factors, but continues to reflect the January 1980 decision to embargo corn and agricultural exports to the Soviet Union."

Parsons continued that "notwithstanding the current state of uncertainty about normalizing grain trade with the Soviet Union and little movement toward negotiating another US-USSR grain agreement, the National Corn Growers Association remains hopeful that negotiations for a new Long Term Agreement will proceed in the immediate future that will provide for significant sales and shipment of U.S. corn to the Soviet Union."

Until there is additional clarification from Reagan Administration officials about the level and terms of grain trade with the Soviet Union, Parsons advised that corn prices "could well remain depressed into calendar year 1982." Consequently, the NCGA First Vice President advised corn farmers to consider the following advantages of the corn reserve as a marketing tool and mechanism to obtain liquidity to improve cash-flow management during the low period of corn prices in the 1981/82 season: Reserve loan \$2.55 per bushel; annual storage \$0.26½ per bushel; total benefit \$2.81½ per bushel.

"Although the USDA Commodity Credit Corporation will charge 14½ percent interest on the reserve loan for the first year of the program," Jack Parsons stressed "that during the second and third years of the reserve program the interest rate will be waived for corn farmers."

By placing corn in the three-year reserve that does not have a "ceiling place on the level of participation," the Wapello, Iowa, corn farmer further explained that "farmers would only have to leave corn in the reserve until the national average price hits \$3.15 per bushel for a month before they would be required to either repay the loan for holding ownership to the crop or forfeit the crop to the Commodity Credit Corporation."

While the reserve loan rate varies from county-to-county in the United States, "the immediate cash-flow value of the loan plus storage payments vis-a-vis current

cash corn price level is obvious today. Parsons concluded that the three-year farmer reserve is a program that would be supported by the National Corn Growers Association, and it is a program devised to provide marketing flexibility to corn farmers during such depressed cash price period.

The National Corn Growers Association is made up of corn producers from 16 states, with the purpose of promoting the general welfare of U.S. corn farmers by maintaining and developing domestic corn production and price and income support programs consistent with a market-oriented grain economy. The activities of the organization are conducted through two offices, located in Des Moines, Iowa and in Washington, D.C. State members of the National Corn Growers Association include Colorado, Illinois, Indiana, Iowa, Kansas, Maryland, Michigan, Minnesota, Missouri, Nebraska, New York, North Carolina, Ohio, Pennsylvania, Virginia and Wisconsin.



## SNOW TIRE SPECIALS

### POLYESTER SNOW TIRES

SIZE	SALE	FET
A78-13.....	'30.50	1.68
B78-13.....	'32.00	1.77
C78-14.....	'32.00	1.77
E78-14.....	'36.00	2.29
F78-14.....	'37.50	2.42
G78-14.....	'39.75	2.57
H78-14.....	'40.25	2.59
G78-15.....	'40.50	2.85
H78-15.....	'42.00	2.71
L78-15.....	'45.00	2.83
L78-15 Belted Snow	'55.00	2.83
600x15.....	'33.00	1.85



FREE MOUNTING AND BALANCING ON TIRES

### RADIAL SNOW TIRES

SIZE	SALE	FET
AR78x13..P155/80-13	'47.00	1.74
CR78x13..P185/80-13	'49.00	1.87
CR78x14..P175/75-14	'50.00	2.13
DR78x14..P185/75-14	'51.50	2.29
ER78x14..P195/75-14	'52.00	2.35
FR78x14..P205/75-14	'53.00	2.54
HR78x14..P225/75-14	'58.50	2.93
FR78x15..P205/75-15	'53.50	2.60
GR78x15..P215/75-15	'58.00	2.78
HR78x15..P225/75-15	'60.00	2.98
LR78x15..P235/75-15	'64.50	3.41
155-15.....	'32.00	1.65
165-15.....	'33.00	1.86



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SIZE	SALE	FET
AR78x13..P155/80-13	'40.50	1.51
BR78x13..P165/80-13	'45.00	1.68
CR78x13..P185/80-13	'49.00	1.95
DR78x14..P185/75-14	'51.00	2.20
ER78x14..P195/75-14	'52.00	2.23
FR78x14..P205/75-14	'53.00	2.34
GR78x14..P215/75-14	'55.50	2.49
FR78x15..P205/75-15	'53.00	2.46
GR78x15..P215/75-15	'55.75	2.62
HR78x15..P225/75-15	'59.95	2.79
LR78x15..P235/75-15	'64.75	2.95

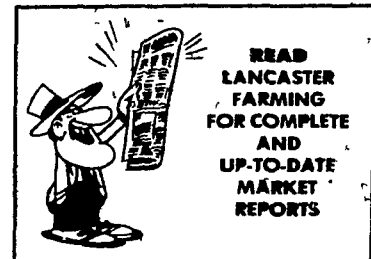


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