

Farming's Futures

By David K. Sauder
Commodity Advisor
Trade Tech, Lancaster



This Farming's Futures column begins a new year and a new series of articles designed to give farmers a more systematic picture of the commodities market.

Your many questions in the past have helped us determine areas of interest to our readers. In addition, we have found a general lack of information about what the commodities market does and how farmers can use it.

Please continue to send us your questions and tell us specific things about commodities you would like covered. Material from your letters is used in the Farming's

Futures column to cover subjects of interest.

Some of the scheduled subjects in this new series include: types of orders, techniques of the trading floor, spread trading, leverage, opening an account, and a historical background.

To get us into the series, we start with an overview of the commodities market.

Although commodity futures trading volume increased sevenfold in 15 years, the fact is that most people don't understand futures trading. And they're naturally apprehensive about

getting into a fast-moving market that can provide big profits—and big losses.

This information is designed to acquaint the reader with the concept of futures trading and the futures exchange as an institution by presenting basic facts on futures. It will explain what they are, why they exist, how orders are executed, and where to get additional specialized information.

Examples will be drawn from the Chicago Mercantile Exchange (C.M.E.), one of the world's largest futures exchanges with several million contracts traded annually, and from its International Monetary Market Division (I.M.M.) and its Associate Mercantile Market Division (A.M.M.). The I.M.M. is the largest public market of its kind dealing in such financial instruments as foreign currencies, U.S. Treasury bills, and U.S. silver coins, and such metals as gold and copper. The A.M.M. is concerned with trading in lumber, eggs, potatoes, milo (yellow sorghum), butter, and frozen turkeys. Trading in live cattle, live hogs, feeder cattle, and frozen pork bellies (uncured, unsliced slabs of bacon) and certain other meat

products is done on the C.M.E.

Individuals and companies buy and sell contracts for future delivery of "carloads" or lots of agricultural products, so-called because early-day agricultural contracts specified delivery of enough of a commodity to fill a railroad car. All contracts specify the quantity, delivery period, the date on which trading terminates, approved delivery points, and delivery procedure for each commodity traded. With the exception of foreign currencies and U.S. Treasury bills, quality also is specified.

Participants in the futures market may be classified into two groups: hedgers, who use the market as an insurance policy;

and speculators, who use it for the reason implied by the very term.

Any person who buys an automobile for future delivery or pays a yearly subscription for a magazine acts similarly to a "buy" hedger by setting a price for a product to be delivered at some future time. By the same token, a salaried worker sells his services to an employer for a set price, not at all unlike a "sell" hedger.

Next week's Farming's Futures column will continue our look at the commodities market.

If you have questions about futures trading, send your questions to Farming's Futures, Lancaster Farming Newspaper, Box 366, Litzitz, PA 17543.

FFA to honor Blair Countians

HARRISBURG — Three Blair Countians will be honored at the mid-winter convention of the Pennsylvania FFA in the Forum Building Wednesday afternoon.

Mrs. Dawn Baker, R1, Martinsburg, will receive an honorary Keystone Farmer Degree as the mother of a third son to receive the state's highest FFA degree.

Jay Baker is among the approximate 320 recipients of this year's Keystone Degree. Brothers,

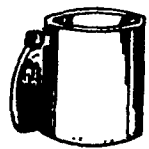
Bradley and Brian, received the degree in 1976 and 1977, respectively.

Their father, the late J. Donald Baker, received the degree in 1956.

Mr. and Mrs. Ralph Glass, of R1, Roaring Spring, will receive a special citation for their support of the Central Cove FFA Chapter. The couple has presented an award to the outstanding vo-ag senior in the Central Cove FFA for the past several years.

SEPTIC TANKS

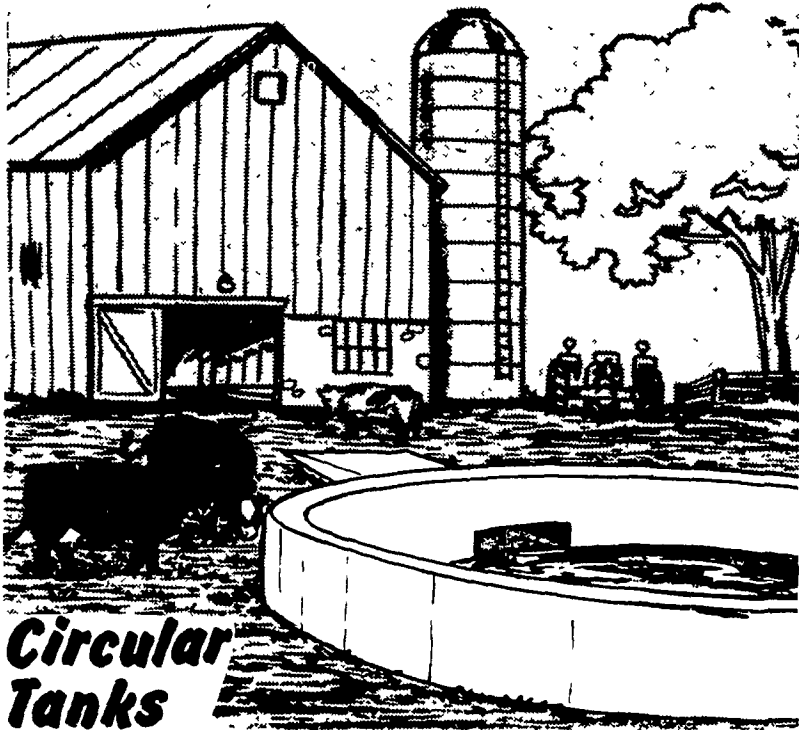
Drain Fields - Filter Beds
Specializing in Sewage Systems
All Types on Lot



Dynamic Masonry Contractors

GORDONVILLE MIKE FISHER & LARRY HERR 687-6801
SPECIAL FARM PRICES FREE ESTIMATES

POURED REINFORCED CONCRETE CONSTRUCTION



Circular Tanks

SIZES & LAYOUTS TO YOUR SPECIFICATIONS

We are qualified to handle any poured concrete job you may need. We use a practical aluminum forming system to create concrete structures of maximum strength and durability. For a highly satisfactory job at an affordable price, get in touch with us.

POURED FOR DURABILITY

Groffdale

POURED WALLS

BRICK CHURCH RD. LEOLA, PA. 17540

FOR SALES & LAYOUT KEN GROFF (717) 687-6668, days & evenings
GROFFDALE POURED WALLS (717) 656-2016
JAKE KING (717) 656-7566

JANUARY SALE ON

LOMBARDINI ENGINES

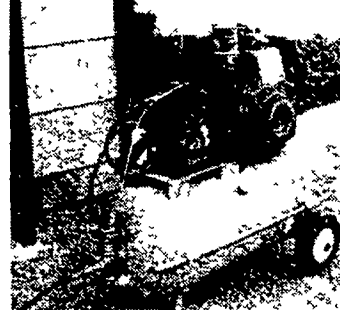
The Powerhouse

26 Different Models Designed to Fit Most Gasoline Engine Applications
1 Year Warranty, All Direct Injection For Easy Starting

Lombardini Diesel Uses 1/2 or Less Fuel Than Gas Engines.
Less Downtime Than Gas Engines.



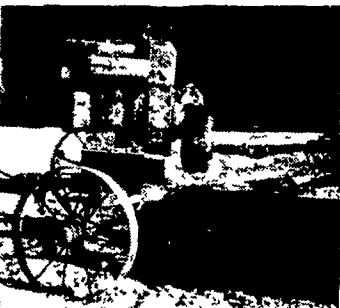
Model L-40 Engine
With Milker Setup



Air Compressor



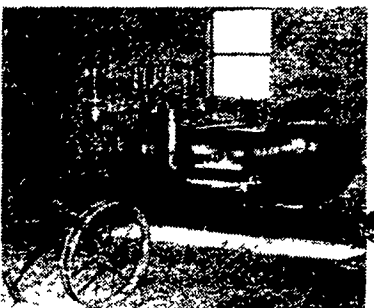
Model 530 Engine
With Binder



Model L-27 With 4 to 1
Clutch Reduction



Model 720 Engine
On Baler



Model L-54 Engine With
Cut-ditioner

- Model L20, 14 1/2 H.P. Continuous @ 1800 R.P.M. or 25 H.P. SAE @ 2200 R.P.M. w/electrics **\$2675**
- Model L27 w/starter, 20 1/2 H.P. continuous at 1800 R.P.M. or 34 H.P. SAE @ 2200 R.P.M. **\$2905**
- Model L40 w/starter, 30 H.P. continuous @ 1800 R.P.M. or 48 H.P. SAE @ 2200 R.P.M. **\$3585**
- Model 720 with Rope Start, 17 SAE H.P. @ 3000 R.P.M. **\$1385**
- Model 530 with Rope Start, 8 1/2 SAE H.P. @ 3600 R.P.M. **\$945**

★ SALE GOOD
JANUARY 1 THRU
JANUARY 30th

10% DOWN WILL
HOLD AT THESE
PRICES FOR IN-
STALLATION UNTIL
MAY 1, 1982

CALL US FOR USED DIESELS
DIESELS OUR SPECIALTY

Let Us Know Your Service Problems
24 Hour Service - Check Our Prices

Authorized sales, service and parts. Call today for a quotation

Distributor
HOOVER DIESEL SERVICE

PH: 717-656-6133
2998 West Newport Rd. Ronks, Pa. 17572
2 1/2 miles East of Leola - Along 772

Dealer

B.B. DIESEL SERVICE

PH: 717-786-2173
RD 3, Quarryville, Pa. 2 Miles west of
Georgetown on Furnace Road