

UEP director reports on egg exports, foreign investment

MANCHESTER, NH — More than 50 egg and broiler producers attended the fall annual meeting of the New Hampshire Poultry Growers Association last week here at the Chateau Restaurant. The producers heard reports from the University of New Hampshire on egg production tests, control and/or elimination of MG, and the current promotional efforts by the Brown Egg Council.

The afternoon's keynote speaker was Ken Klippen, director of member services for United Egg Producers, Atlanta, Georgia. He reviewed the ongoing efforts and programs of UEP, rooted in trying to secure the best monetary returns for its members consistent with supply and demand. He focused on two topics: efforts to curb foreign investments in the U.S. egg industry, and government

support of egg exports.

Klippen reported that earlier in the year exports were depressed, the market was spiraling down, and UEP was advocating molting programs and early-kill to lessen supplies.

"Yet, reports were coming in that new facilities were being built," he said. Recanting the economists' rule of thumb, every percentage change in supply reflects a five percent change in price in the opposite direction, Klippen rhetorically asked "who were these producers building houses?" Inquiries revealed that foreign investors had built new

facilities or had plans to build, and as a percentage of the nation's layer population accounted for 5-8 percent of the total.

"At the UEP Denver meeting of the board of directors," Klippen said, "a resolution passed with the intent to limit entry into the egg business by foreign investors, and that such entry would be greeted by a hostile environment." Klippen used an analogy demonstrating UEP's concern with the influx of foreign investors, displacing farm families due to the rigid supply and demand relationship in the egg industry. He added that two-thirds of the egg-laying poultry parent seed stock is foreign owned.

Model legislation has been adopted by UEP for use by the state poultry groups in combating this influx. Klippen noted that federal legislation in curbing foreign investors was unlikely.

In covering the topic of government support of egg exports, Klippen renamed the subject "a tale of frustrations in dealing with the bureaucracy." He traced the development of mideastern markets being taken by the European Economic Community and Brazil through their subsidy programs.

He emphasized that exports accounted for two percent of last year's production amounting to \$70 million, "a market we hated to lose," he said. "Furthermore, we discovered that chick placements in November and December were up 50 percent in the Netherlands and 20 percent in France clearly indicating their intentions to capture more of our markets in July and August, the peak periods of U.S. egg exports."

Klippen recalled several UEP meetings and much correspondence with USDA's Under Secretary of Agriculture Seeley Lodwick and Secretary John Block relative to the ineffectiveness of the GATT (General Agreement on Tariffs and Trade). UEP proposed

a program whereby the Administration could implement their "get tough" policy with the EEC. Entitled "Investment for Free Trade", the proposal, explained Klippen, was a short-term subsidy to aid the U.S. to compete with the EEC. He added that the proposal would help balance the trade deficit, generate tax revenues and increase employment to meet the demands of new markets.

Finally, Senator Jesse Helms added his export amendment to the Agriculture Act of 1982 that provided the authority to the Secretary of Agriculture to spend \$175-190 million annually for three years for export assistance, noted Klippen. Following passage in both houses of Congress under the title of the Omnibus Reconciliation Act of 1982, the President signed the bill into law in August as PL 97-253.

"Both UEP and United Egg Association appealed to its membership," said Klippen, "soliciting support in providing direction to the secretary to spend a portion of the authorized funds on an egg export subsidy."

In mid-September, egg exports received a boost, he added, when the Mexican tender for 500,000 cases was issued. At this time, the Commodity Credit Corporation issued a statement providing loan guarantees to the Mexican government and specifying that \$19.8 million was tagged for eggs.

Late October, "just before the elections," said Klippen, the Administration announced plans to provide export assistance in its new 3-year, \$1.5 billion "blended credit" program blending government export credits with government private credits to lower the interest rate to importing countries. In 1983, \$500 million had been tagged, utilizing \$100 million from the \$175 million fund.

"Still," said Klippen, "there remains \$75 million to be utilized. We will go back to our membership and solicit their support in securing these funds for the egg industry."

Wrapping up his presentation, Klippen was optimistic about the immediate future. He noted that egg-type breeders in September were down 42 percent from August, and 8 percent from this period last year. Klippen concluded with an indication that the nation layer flock most likely would be 1-3 percent smaller in the first few months of 1983.

FARMERS NOTICE

We now have a new type side spreading semi-liquid manure spreader, holds 675 gal. Easy pulling ground drive.

Very accurate spreading to less than 1000 gal. per acre.

Corten sheet metal used. List price \$1795.00

I will demonstrate on my farm Mon. Nov. 15 - 22 - 29 and Dec. 13 - 20 7:30-11:00 A.M.

Elam M. Stoltzfus
Amish Rd. Box 210 RD 1
Kinzers, Pa. 17535



Old Guard
Mutual Insurance Company

Lancaster, PA 717-569-5361

"Friend of Farmers since 1896."

Farmer in Bradford County loses 160 cows in \$750,000 barn fire. Is your insurance adequate to cover such a loss? Our agent in your area will gladly give you a quotation without obligation.

R.T. DUNN, Inc.

P.O. Box 266, Mechanicsburg, PA

KEITH LEHMAN

R.D. #4, Lititz, PA

GALLEN INSURANCE, INC.

842 Lancaster Ave., Reading, PA

RAYMOND N. SWARTLEY, JR.

641 H. Schwenk Mill Road, Perkasie, PA

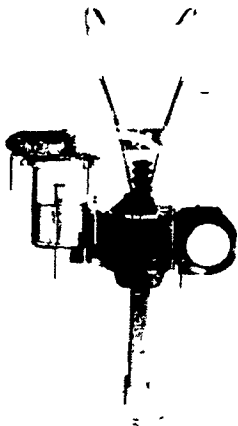
DE LAVAL
YEAR-END SPECIAL!

Receive a **FREE**

HP-100 PULSATOR

for Each DV-300™ Milker Unit Purchased by December 15, 1982.

Here's affordable semi-automation for both STANCHION BARNs and PARLORS, high or low line systems.



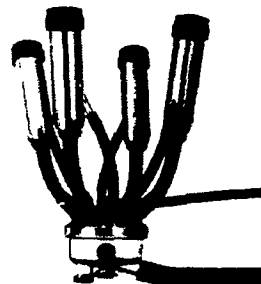
Call or stop by today for details.

DE LAVAL
MILKER TRADE-IN
ON COMPETITIVE MILKER UNITS

\$60

FOR YOUR USED COMPETITIVE MILKER UNIT when you buy a De Laval® Unit*

Move Up to De Laval Super FLo-Vu™ Units Now and Save!



*Includes claw, short and long air tubes, teat cup shells and liners, milk tube and pulsator.

Offer ends December 15 ... Call or stop in today!

SERVICE WHEN YOU NEED IT

J.B. ZIMMERMAN & SONS

West of Blue Ball, PA on Rt. 23

(717) 354-4955

815 E. Main St., Anville, PA

(717) 867-5143

CECIL DAIRY SERVICE

RD 1, Rt. 274

½ Mile South of Rising Sun, MD 21911

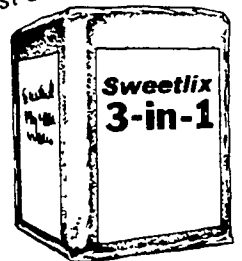
(301) 658-6923

Minerals Everyday — Not Just Once In Awhile

The Sweetlix® 3-in-1™ Block is best because it provides what your cattle need every day — the correct consumption of minerals, vitamins and salt.

- Adds More Feed Value to Any Roughage
- Blackstrap Molasses to Stimulate Appetite
- Labor Saving Blocks Cost Only Pennies a Day

When the need arises, also feed Sweetlix High-Energy-Protein (H.E.P.) Blocks. Ask about our "special offer."



GEHMAN FEED MILL INC.

44 N. Third Street
Denver, PA 17517