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F&H Foundation elects directors



New Directors for the Lancaster County Farm and Home Foundation were elected for three-year terms, Thursday night, during their 19th annual meeting at the Farm and Home Center. Elected, from left, were Henry Reist, Mount Joy; Mary Martin, R2 New Holland, re-elected; Clarence Keener, R1 Manheim, re-elected; Elam Bollinger, R7 Manheim, re-elected; J. Clayton Charles, R2 Lancaster; Roy Brubaker, Lititz, re-elected; Raymond F. Witmer, Willow Street.

PMMB explains new accounting

BY SALLY BAIR
Staff Correspondent

HARRISBURG — A hearing scheduled by the Milk Marketing Board last Friday to explain new accounting procedures to reflect unit costs of production and to allow comments on the proposed changes met with many questions from dealers, but little opposition to its implementation.

The only witness to present formal testimony was James Wagner, vice president of finances for the Johnstown Sanitary Dairy. Speaking as a member of a special committee of the Pennsylvania Milk Dealers Association which studied the proposals, Wagner said, "We congratulate the Milk Marketing Board and its staff" for its attempt to update the existing accounting procedures. The committee recognized that they are not perfect but it is believed that the amendments, as published, are a step in the right direction.

Earl B. Fink, Jr., executive director of the Milk Marketing

Board, expressed surprise at the bigger-than-expected turnout for the hearing, but noted, "The milk dealers were very receptive to the proposed system. Other comments were favorable."

The system is being changed in compliance with a directive by Commonwealth Court Judge Craig who reversed a price increase ordered by PMMB. At that time Judge Craig called unit cost an essential part in determining price.

The major portion of last week's hearing was devoted to a presentation by the accounting firm of Main Hurdman, who explained the proposed system of gaining unit cost of each kind of product.

Roy Byers, Main Hurdman representative, explained that the system is based on the development of unit costs based on the size of the container, the type of product and the area in which it is marketed.

Components of unit costs, ac-

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Moore predicts "feast" for beef farmers

BY SHEILA MILLER

LANCASTER — Cheap grain and a diminished inventory of cattle are two reasons cited by Penn State Extension Economist Lou Moore for a brighter outlook for Pennsylvania's cattle feeders in 1983. Moore's promising predictions were heard here at the Farm and Home Center Tuesday, as roughly 200 beef feeders from Lancaster and surrounding

counties listened intently to any glimmer of profit-making forecasts.

Although the latest U.S. Department of Agriculture statistics were only announced late this week, the ag economist based his theories on USDA's July 1, 1982, inventory of cattle which showed beef cow numbers down 4 percent, replacement heifers down 2 percent, and last spring's calf crop

reduced by 3 percent. All pointing to less available cattle for the market.

Moore pointed out that the USDA figures for cattle on feed were somewhat misleading, showing a constant increase over the past five months. However he noted that these figures correlated to the fact that younger cattle were being run into feedlots due to the availability of cheap grain and a

poor winter wheat stand in many areas of the Midwest. Otherwise, he said, these animals would have stayed out on pasture, as grassfed beef.

Any hints of a profitable year came as good news to the local cattle feeders who have realized incomes in the red, for the most part, over the past several years. Only four months of 1982 gave cattle feeders "plus-side" com-

penation for their hard work, Moore noted.

Reviewing per capita consumption and red meat availability, he pointed out that the amount of beef Americans eat each year has remained about the same during the past two years, whereas the amount of pork and poultry has increased in most diets due to price differences and the

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Banker assures

"affordable" interest

LANCASTER — Hamilton Bank's Darvin Boyd shared "good news" with local beef farmers here at the Farm and Home Center, Tuesday. Looking at the money situation, the Lancaster banker predicted that the prime lending rate could drop to 10 percent by "late winter, early spring" this year, and should only climb back up to 11.5 percent by the end of 1983.

This relatively low interest rate (compared to last year's rates which neared the 20 percent mark) will be based on supply and demand, he explained.

While interest rates of 10 percent might seem like "cheap" money for farmers to cash in on, Boyd warned that this money is actually "expensive relative to the inflation rate." He noted that while inflation has dropped to 3.9 percent, interest rates will remain at least 4-6 points above the rate of inflation.

Looking back over the past three

years, Boyd explained how interest rates in the United States were directly affected by the country's monetary and fiscal policies. He credited the Federal Reserve Board for "getting inflation under control."

"Now we must stimulate the economy and get production going again, while constantly monitoring inflation," Boyd said. Positive signs of economic recovery, he added, are at least 4-6 months away, since unemployment continues high, industrial production remains low, and large corporation bankruptcies are at their highest levels since the Great Depression. The nation's rate of recovery will hinge on the federal government's efforts to control spending and taxation, he said.

Boyd told farmers that the U.S. is now in its eighteenth month of recession — previously, the longest recession on record since World

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Joining in a discussion on starting beef cattle on feed during Tuesday's Lancaster Co. Cattle Feeders' Day were: from left, cattle feeder Ken Rohrer; cattle jockey Jimmy Hoar with Kreider Cattle Co.; cattle feeder Earl G. Martin; and veterinarian Dr. George Zimmerman.