

# Look into Futures

By Dick Slay

THOMSON MCKINNON SECURITIES INC.

(800) 336-0241

## GRAINS

Despite this week's minor rally in grains, the market tone is soft. Continued strength in the dollar has caused concern for exports.

Brazilian soybeans, a new wheat crop and barrish corn stocks report, all indicate an adequate supply of grain to satisfy world demand.

Soybean oil continues to hold up

the grain complex despite the bleak demand for soybean meal. The imminent rebound in Malaysian palm oil (42 cents per pound) is expected to temper gains in soybean oil (34 cents per pound). Any weakness in oil has made bean traders very nervous since oil has never been able to carry the soybean complex alone.

Reserve corn is likely to remain

in release status. The 3.25 trigger price is 20 cents below current price and until new crop prospects are better known, prices should be hard pressed to reach that level.

New crop prospects continue to concern the market. Although the south is well behind and the midwest is 5 to 20 percent behind normal, most analysts believe another two week setback is needed to spur markets upward.

New crop prices have shown difficulty rallying on weather fears.

December corn has found resistance at 3.06 for the past two months. November soybeans have found new resistance at 7.25 after forming a double top at 7.40 to 7.45. July wheat has moved back toward 3.40 after rallying near 3.60 on fears of winter damage and increased export activity. Many market watchers look for new crop

prices to fall dramatically once weather prospects improve.

## LIVESTOCK

Livestock markets have finally discounted all the negative news that could be found. Concerns about weather, large supplies and east coast strike and soft demand had forced cattle and hogs to recent lows. June cattle found support below 66.00 per hundredweight and on a key reversal day moved back to 67.00. Traders warn that retail demand must pick up in order to fuel this move upward.

Packer margins are still weak and boxed beef has been disappointing — below 1.00 per pound. Until those margins improve, commercial buying should be soft. However, current feedlots create the potential for a strong move upward.

Pork has followed much the same, of course. However, the retail tone is much firmer than beef. With packer margins in the black, and the spring hog run near an end, commercial buying interest should remain keen.

Since the recent reversal day in July, hogs from under 57.00 to 59.00 per hundredweight, market watchers are looking for cash prices to rally. The large futures premiums are indicative of bullish expectations, but cash must follow suit in order to sustain that trend.

In short, although supplies are adequate in all livestock, the key unknown is demand. This no one can predict. Good cookout and planting weather will spur demand and temporarily slow marketing of hogs fed by grain producers. We are all waiting for the sunshine.

## Packer agrees

WASHINGTON D.C. — Louis Kline, Inc., a meat packer at Hollidaysburg, Pa., and Louis Kline, its owner, have agreed to a \$20,000 civil penalty and a cease and desist order, a U.S. Department of Agriculture official reports.

B.H. (Bill) Jones, head of USDA's Packers and Stockyards Administration, said Kline agreed to the order to settle charges of paying on false weights for livestock purchased on a carcass basis from farmers in Maryland and Pennsylvania.

Kline was also charged with making fraudulent deductions from funds due to livestock sellers by falsely claiming that some carcass parts had been condemned by federal inspectors.

Jones said \$15,000 of the civil penalty was suspended, providing Kline does not violate the cease and desist order for five years.

In agreeing to the order, Kline neither admitted nor denied the charges in an administrative complaint filed by USDA last June in an administrative complaint under authority of the Packers and Stockyards Act.

### Martin Cow Control Equipment:

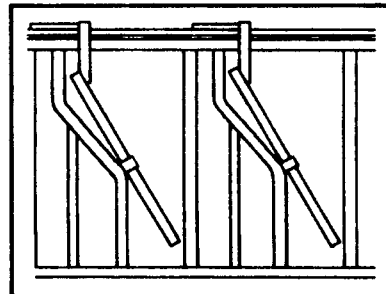
# Headlocks & Loop Stalls



Designed and engineered for safe, dependable and maintenance-free herd management. Built with rugged steel to last longer. Won't rot or splinter.

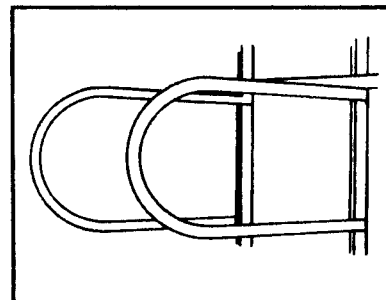
### Self-Locking Headlocks

Manage stock more efficiently. Cow locks itself in position by placing head through opening and lowering it to feed. Each section also locks and releases manually with simple turn of lever. Feeding can be controlled, veterinary work performed safely. Available in 10' and 12' sections to provide from 4 to 8 stalls per section.



### Galvanized Loop Stalls

Simplify bedding area cleaning without floor obstructions. Install or remove in minutes. Standard lengths: 5' for 6' bed, heifers and young stock; 6' for 7' bed, adult animals. Frame tubing construction: 55,000 lbs. min. yield high-strength steel, .109" wall. Top rail: 2" O. D. tubing, .083" wall.



Strength Engineered For LONG LIFE... by



841 Kutztown Road  
Myerstown, PA 17067  
Phone: (717) 933-4151

### PENNSYLVANIA

Brandt's Farm Supply  
Elizabethtown, PA  
(717) 367-1221

Dill's Farm Equipment  
Marion Center, PA  
(412) 286-9606

Thomas Dunlap  
Jersey Shore, PA  
(717) 398-1391

A.L. Herr & Bro.  
Quarryville, PA  
(717) 786-3521

Histand's Farm & Home Service  
Rome, PA  
(717) 744-2371

William Hobensack's Sons  
Ivyland, PA  
(215) 675-1610

R.S. Hollinger & Son, Inc.  
Mountville, PA  
(717) 285-4538

C.B. Hooper & Son  
Intercourse, PA  
(717) 768-8231

Marshall Machinery Inc.  
Honesdale, PA  
(717) 729-7117

Red Wing Farm  
Fleetwood, PA  
(215) 944-0401

W & J Dairy Sales  
Oxford, PA  
(717) 529-2569

Zimmerman Farm Service  
Bethel, PA  
(717) 933-4114

DELAWARE  
Delridge Supply Inc.  
Greenwood, DE  
(302) 349-4327

MARYLAND  
Farmers Supply Co.  
Westminster, MD  
(301) 848-6776

## Contact Your Local Martin Dealer

## No one has the sprayer for your spraying job like Century does.



NEW tandem axle trailer available with 300 and 500 gallon sprayers. Minimizes boom bounce and sloshing of liquid in tank, less soil compaction, better boom action with less tipping at ends, adjustable wheel spacing.

Whatever your acreage, your crops, your chemicals, your spraying practices, there's a Century sprayer that matches your needs.

Century Spray King trailer sprayers, for example. Choose from 12 different models, each available with from four to eight different equipment options. Choose from 200, 300, 500 and 720 gallon tank capacities — 21, 28, 35, 42 and 47 ft booms. Centrifugal or roller pumps. Manual, electronic or new Pilot Light automatic spray controls.

And because these are Century sprayers, you're assured of all the rugged construction, innovative features and dependable performance that have earned these products a reputation for quality and value.

See us today for full information, and a look at the colorful, new 40 page Century catalog — the most complete reference available on sprayers and spraying equipment.



Century has the sprayer for every spraying job.

"For your nearest dealer, please contact —"

**HAMILTON EQUIPMENT, INC.**

Wholesale Distributors  
567 South Reading Road

P.O. Box 478 Ephrata, PA 17522  
PHONE: 717/733-7951