

Look into Futures

By Dick Slay

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GRAINS — Grain markets this week began showing nervousness reminiscent of last summer's volatile trading. The short term trend is up, but conflicting fundamentals have made the recent price rise subject to a sharp correction.

Rumors about bad weather and possible export restrictions in Brazil and fears that soybean carry out will fall short of crushed demand have fueled rallies of July beans about the 8.70 level.

While crush rates usually drop off by July, traders are concerned that current shortages of oil could keep crush high. The heavy April-May export tender period is now over and large South American supplies are beginning to reach the market. It remains to be seen if South American beans will be enough to cool this hot market.

Provided the Brazilian's do not cut off exports altogether and the dollar remains strong, soybean demand could be restrained this summer. However, the tight supply situation and late plantings are setting the stage for an exciting summer.

July corn has rallied back toward 3.50 due to strong Chicago cash markets. Near term fundamentals are mixed. Exports will probably tail off through June and further gains should be limited by the lack of tenders and weak foreign currencies. However, corn planted after May 15 (over 50% of this year's crop), is subject to yield limitation because of summer heat.

Wheat has shown surprising

strength this week. Rumors of wheat problems in Russia and tight deliverable supplies at export terminals are lending support. We are told that large commercial elevators have bought futures in anticipation of possible increased export activity.

Many traders expect July beans to trade between 3.40 and 3.55 until export demand and U.S. crop progress is better known.

Hedgers are expected to take advantage of rallies to lock in prices for the new crop.

LIVESTOCK — After discounting a lot of bad news, live cattle futures appear ready to turn upward. Recent advances in feeder cattle are promising as feeders tend to lead the beef.

Traders are looking for June cattle above 67.00 to get confirmation of the turn around. The most recent Cattle On Feed Report showed that we have moved a great deal of beef through market channels recently.

Feedlots are current, packers are in the black and so long as the retail market maintains its seasonal firming trend, a summer rally is expected soon.

Hogs appear even more promising. Commercial packers continue to buy cash bellies at around 10.00 discount to July futures. By putting a short hedge on in July futures, they expect to profit from that spread narrowing.

Many hog traders are looking for steady Peoria prices of 50.50 or better to signal a turn around. However, with grain farmers busy planting, hog slaughter could be



Berks cowboy ropes hefty Holstein

Berks County cowboy Dennis Mays, R1 Leesport, is getting himself and his Quarterhorse stallion, "Thunder Bar," ready for the rodeo show circuit.

And what better way to practice roping than to throw a loop over the biggest cow in town. This hefty Holstein stands in front of the new Turkey Hill Minit Market in Leesport and attracts quite a bit of attention along Rt. 61 — even when it isn't being roped.

Mays operates a boarding stable and Quarterhorse breeding farm on the outskirts of Leesport, in addition to cropping some 200 acres. "Thunder Bar" and Mays, of "Just Acres" will soon be chasing and roping the smaller but more elusive variety of livestock.

artificially low. Short term, they are expect to go under 300,000.

The key, of course, is retail pork and how well consumers take the higher prices. With packers in the red, they will not be aggressive buyers.

Hog expansion is still limited as farmers await better grain supplies. Last year's drought is fresh in their minds and grain prices should not decline much before fall.

Most market analysts expect hog

expansion to begin once farmers can lock in profitable selling prices and continue as an adequate grain crop becomes apparent. Watching the futures prices in grain and livestock should give a good indication of price trends.

Noxious weed unit to meet

HARRISBURG — Public comment on additions or deletions of weed types to the Pennsylvania Noxious Weed Control Act of 1982 will be accepted at the Tuesday meeting of the Noxious Weed

Committee, according to state Agriculture Secretary Penrose Hallowell.

"The committee is setting aside time strictly for public comment concerning what flora should be included or deleted from the present list of noxious weeds in Pennsylvania," said Hallowell, noting that five forms of plantlife currently comprise the list. They include multiflora rose, Canadian thistle, chicory, marijuana and Johnsongrass.

The meeting will be conducted at 9:30 a.m. in Room 309 of the

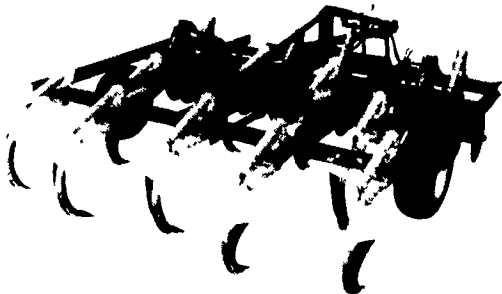
Agriculture Building, 2301 North Cameron Street, Harrisburg.

Members of the Noxious Weed Committee include: Secretary Hallowell; Department of Environmental Resources Secretary Nicholas Benedictis; Pennsylvania Game Commission Director Peter Duncan; Rep. Samuel Morris, chairman of the House Agriculture Committee; and Sen. Edward Helfrick, chairman of the Senate Agriculture and Rural Affairs Committee.

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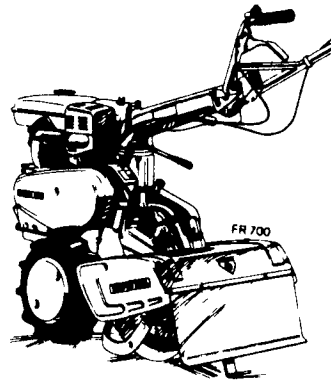
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