

# Time to think of grain marketing

NEWARK, DEL. — After last year's drought, many farmers are very reluctant to forward price grain again this year. But according to University of Delaware extension marketing specialist Carl German, indications are that a profitable marketing plan for their 1984 crops must take advantage of any preharvest pricing opportunities that occur. "Marketing years following a short crop generally make a major downward price adjustment prior to the next harvest," the specialist says.

Although futures markets aren't an exact forecast of prices to

come, he says they do indicate what may happen and should be used as a barometer in making sales decisions. Futures markets generally anticipate a lower harvest market far ahead of time. Nearby corn and soybean futures (old-crop) are trading around 40 to 80 cents per bushel higher than new-crop December and November futures.

According to German, a comparison of new-crop futures prices during October (fall harvest) with new-crop futures the preceding April shows that after short crop years, October corn bids average only 85.5 percent of the April level. During normal years, October

prices were down only about 2 percent from April.

Similarly, October soybean prices have averaged only 80.8 percent of the April level in years following short crops. In other years, prices have inclined by an average of only 3.5 percent over the same period.

Based on these precedents, the economist says substantial downside price risks exists this year. This means that November soybean futures could dip below \$6 and December corn could drop down to the \$2.65 level this fall.

"Since the market discounts a large crop well in advance, it will

be impossible for growers to lock in the current higher prices for 1984 production unless they act soon," German says. "Strong old-crop markets generally lend support to new-crop bids this early in the season. So there's a good opportunity right now to forward price a portion of your 1984 corn and soybean crops."

For now, he says, cash contracting will be the best choice in most cases for forward pricing a part of this year's crop. "This is because of the favorable basis-difference between the cash contract bid and the appropriate futures—being bid into prices this

spring. Advancing sales to around the 20 percent level at this early stage in the marketing year will help give your marketing plan needed flexibility and should prevent the temptation to become overcontracted before harvest."

Hedging is the other main pricing option open to growers. A hedge provides some pricing flexibility beyond that offered by a cash contract, German says. However, farmers who hedge must fully understand the process.

Either a forward cash contract or a hedge will permit producers to accomplish the same goal—to start a marketing program now.

## Grange opposes Domestic Content Bill

WASHINGTON, D.C. — "Damaging to American farmers, exporters and broad national interests," is what Edward Andersen, Master of the National Grange, has charged in testimony on Capitol Hill opposing the domestic content bill (S.707).

Anderson also warned that passage of the legislation could trigger massive trade conflicts which could result in a world depression. He also pointed out that the bill is in violation of America's international commitments and obligations under the General Agreement on Tariffs and Trade and invite retaliatory actions from the European Community and Japan.

"U.S. farmers and the entire agricultural community, among the hardest hit of all sectors during our economic downturn, can ill-

afford risking further decline in our vital \$35 billion export market," said Andersen. "Farmers are not just exporters," Andersen said, "but consumers as well and are concerned about the obvious increase in automobile costs that would result if the domestic content bill become law."

Citing figures that a domestic content law would add \$1,000 to the price of an imported car, Andersen also observed that the bill would result in a net "job-loss" and be detrimental to the long-term interests of the automotive industry workers whom it aims to help. "It reduces incentives for the auto industry to become more competitive and does not deal with the central problems underlying unemployment in the auto industry," he said.

## TOBACCO GROWERS Attention!

Is there a special grade of fertilizer for tobacco?

**YES**

Corn grades can reduce quality in tobacco.

If your dealer wants to sell you corn fertilizer for tobacco, Call us!

We offer 6 different analysis of tobacco grade fertilizers.

Also - call us for complete tobacco spraying service.



**BULK BLENDS**  
**MASTER FARMER**  
**ANHYDROUS AMMONIA**

**ORGANIC PLANT FOOD CO.**

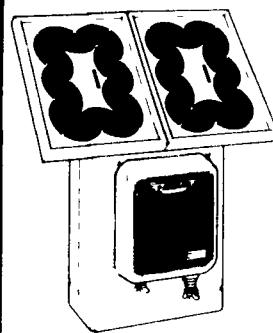
2313 NORMAN ROAD, LANCASTER, PA.  
PHONE: 717-397-5152

Hours: Mon.-Fri. 7 to 5, Sat. 7 to 12



**MAGNUM 12 SOLAR - PAK**

Model MAG. 12-SP, 12V. Battery Operated



Solar powered, uses free energy from the sun. Low impedance for maximum power, longer life, no operating costs. America's first solid-state solar powered electric fence. Solar-Pak has all the great Magnum 12 features plus solar-power. Complete with sealed 12-V. Gel battery. Weather-proof, portable outdoor model. Charges up to 25 miles of fence. UL listed.

Prices As Low As  
**\$249.95**

Made in U.S.A.

2 Year Warranty, Including Lightning Damage, With Prompt Local Service Available  
• Other models available, including Hi-Line Fencers.

— SALES AND SERVICE —  
If Your Local Dealer Does Not Have It, Contact

**PEQUEA BATTERIES**

Ronks, PA 17572  
Distributor & Warranty Station for Parmak

## CONTACT US

For  
**MANURE HANDLING EQUIPMENT**

Semi- and Liquid Spreaders -  
Ground Driven - Easy Running  
Priced Reasonably

**PIT ELEVATORS**

**ALLIS CHALMERS AND WISCONSIN POWER UNITS**  
**COMPACT ROTO BEATERS**



Smaller Improved Model  
2 Sizes To Choose From

**HAND-O-MATIC BUNK FEEDERS**  
**NOW IN STOCK FOR EASY SILAGE DISTRIBUTION**

**PLATE SHEARING & PRESS BRAKE WORK**

**COMBINATION MOWER & CRIMPER UNITS**

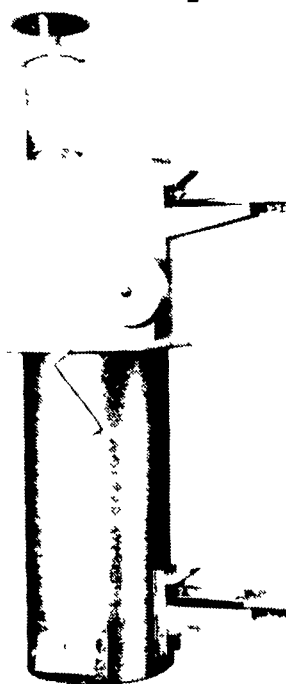
**SMUCKER**  
**WELDING & MANUFACTURING**

2110 Rockvale Road  
Lanc., PA 17602  
PH: (717) 687-0772

## SHENANDOAH INCINERATORS - A SANITARY ALTERNATIVE FOR ON FARM DISPOSAL

To Help Prevent the Spread of Disease

The sanitary way to get rid of animal carcasses is with a Shenandoah incinerator. It's pollution controlled and convenient to use. It's also extra efficient because we've lined the burning chambers, and in some models even the afterburning chambers, with one and a quarter inches of refractory cement. That keeps the heat up and the energy costs down.



Choose among eight easy-to-install smoke and odor controlled models. You even have the option of burning gas or oil.

Ask your local Shenandoah dealer about efficient, inexpensive incinerators. You'll find out how our bright ideas in farm equipment can mean a bright spot in your day. And still leave a green spot in your wallet.

**S Shenandoah**  
Bright ideas in farm equipment.

**COMPLETE SYSTEMS, EQUIPMENT, SALES, INSTALLATION, SERVICE FOR CATTLE, HOG, POULTRY AND GRAIN**

**AGRI-EQUIPMENT, INC.**

2754 CREEK HILL RD., LEOLA, PA 17540  
PHONE: 717-656-4151

STORE HOURS:  
Mon.-Fri.  
7:30 to 4:30  
Sat.  
7:30 to 11:30  
(Parts Only)