

# Look into Futures

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**GRAINS** — As expected, the break in soybean oil has led to the breakdown of the soybean complex. July oil and beans failing to penetrate 40 cents and 9.00 respectively was seen as a major failure and precipitated a 5 cent drop in oil and a 1.00 drop in beans.

Malaysian exporters have been offering palm oil 60.00 to 90.00 per metric ton below South American prices. This indicates that oil in the near term is not as tight as was previously thought. However, Oil World Magazine recently stated that the summer oil stock situation could become very tight again.

Soybean meal continues to be plagued by over crushing, very poor domestic use and weak basis levels at export points like the Gulf of Mexico. Only rumors of large export business have been able to rally July meal over 200.00 per ton in the past five months.

Europe which normally is an active buyer of US soybean meal, has been noticeably absent from the market and has been doing most of their business with cheaper South American sources.

Apparently Malaysian and South American supplies of oil and soybean products are satisfying current demand as bottom prices and basis levels have softened.

Short term activity in corn exports have firmed July prices around 3.50 level. With wheat supplies soon to hit the market, corn demand will be hand-to-mouth and traders will keep an eye on potentially cheaper wheat as a possible substitute.

Rumors of a drought in Russia affecting 60% of their crop sent the wheat market to 3.75 — fueled by speculation and computer buying. However, with 3" of rain last week and continued scattered showers throughout the central belt of Russia, price has eased back to 3.55. Prices should remain firm until the U.S. harvest is in full swing.

Russian and Chinese import requirements will play a large part in determining the price of '84 wheat. Russian needs will be dependent on their own production.

Chinese officials have continually backed down from making commitments as to their long term grain agreement with the U.S. A major action by either of these parties could swing wheat either significantly higher or lower.

**LIVESTOCK** — Poor cash markets have continued to plague the livestock markets. However, expected drop off in kill rates and a bullish Hog and Pigs Report (June 21st) are getting the bulls stirred up in this market.

July hogs recently made a bottom at 56.00 and are gathering momentum for a run at the recent high of 60.00.

Although hog slaughter has stayed firmly above 300,000, there are indications that this number should drop off very significantly in the next month. Uncertainty about the direction of cash prices for pork products — especially pork bellies has restrained the rally in hogs. Packers in both hogs and cattle are in the red, but with hopeful expectations of a firming cash market there has been increased willingness on the part of packers to buy into this market. In the cattle trade, activity has been very light with packer margins significantly in the red and retail featuring of beef going rather poorly. There has been little buying interest in this market. Many traders expect the 62.00 mark to be supported in the August cattle. And they also note that the deferred contracts (Oct. and Dec.) in both cattle and hogs should continue to out perform the nearby month.

Many livestock producers are anticipating a strong rally into the upcoming Hogs and Pigs Report. They indicate that that rally will provide the best opportunity to hedge their third and fourth quarter of production for 1984.

With anticipated higher prices for red meat and lower feed prices in the fall, broiler flocks are being increased at a very strong rate. For 1984 producers expanded 4% above last year and this increase in broiler supply should pressure red meat prices later this summer and

into the fall.

While many producers generally wait for a certain supply of cheap grain to begin expanding their livestock herds, more progressive producers are looking to the futures market for indications of

input costs and output prices. With indications of large grain acreage being planted this year and a rallying livestock market, many producers find the profit levels available now to be very attractive.

In closing, market analysts expect the Hogs and Pigs Report to be very bullish but note that unless the cattle market turns around to some degree, hogs will have a hard time maintaining prices above 60.00.

## NOTICE OF AMENDMENT OF AVIAN INFLUENZA GENERAL QUARANTINE MEASURES

This document amends quarantine measures established March 15 1984 by the Pennsylvania Department of Agriculture for the control and eradication of Lethal Avian Influenza in the Commonwealth of Pennsylvania. Whereas the prevalence of Lethal Avian Influenza in Pennsylvania has been reduced and the State-Federal Avian Influenza Task Force has recommended that that area of the Commonwealth west of the Susquehanna River be released from State and Federal general quarantines the general quarantine imposed by the Pennsylvania Department of Agriculture upon York Adams and Cumberland Counties is hereby rescinded however inasmuch as withdrawal of the Federal quarantine order from any part of Pennsylvania is contingent upon maintenance by the Pennsylvania Department of Agriculture of appropriate surveillance and control measures in the area released from quarantine release of York Adams and Cumberland Counties from general quarantine by the Commonwealth is contingent upon and will be continued only so long as the poultry industry cooperates with Task Force surveillance activities.

Amendment of the quarantine notice published February 25 1984 in Lancaster Farming and in Pennsylvania Bulletin, Vol 14 No 18 May 5 1984 consists of a definition of the area remaining under general quarantine stipulation of the conditions under which the quarantine may be withdrawn and minor amendment of the restrictions upon movement of poultry and eggs within the quarantine area.

The effect and purpose of these quarantine rules is to restrict the intrastate movement of live poultry and other birds poultry products and other articles related to the production marketing or disposal of those avian products into within or from Lethal Avian Influenza infected premises and the infected area. These quarantine actions are pursuant to the declaration of Secretary of Agriculture Penrose Hallowell on November 4 1983 that avian influenza was a dangerous transmissible viral disease of poultry subject to quarantine action (This declaration was published in the Saturday November 5 1983 Pennsylvania Bulletin, Vol 13 No 45).

### EFFECTIVE DATE

This document is effective immediately and the quarantine and procedures apply to all actions pursuant to authority granted to the Pennsylvania Department of Agriculture by the Act of 1929 April 17 P.L. 533 the Act of 1913 July 22 P.L. 928 the Act of 1929 March 28 P.L. 110 and appropriate amendments to the Acts and Administrative Code of 1929 April 9 P.L. 177 No 175 Section XVII.

Further information may be obtained by contacting Dr. Max A. Van Buskirk Jr. Director Bureau of Animal Industry telephone (717) 783 5301.

### AVIAN INFLUENZA QUARANTINE RESTRICTIONS

Pursuant to the authority granted to the Pennsylvania Department of Agriculture by the Act of 1929 April 17 P.L. 533 the Act of 1913 July 22 P.L. 928 the Act of 1929 March 28 P.L. 110 and appropriate amendments to said Acts and Administrative Code of 1929 April 9 P.L. 177 No 175 Section XVII and in conjunction with the determination by the United States Department of Agriculture that an emergency situation exists (9 CFR Part 81) The Pennsylvania Department of Agriculture imposes the following quarantine and rules and regulations to help prevent the further spread of Avian Influenza and imposes a general quarantine upon that portion of Pennsylvania bounded on the west by the Susquehanna River beginning at the Pennsylvania Maryland border and extending north to Interstate Highway 83 bounded on the north by Interstate Highway 83 beginning at the Susquehanna River and continuing to its intersection with Interstate Highway 81 and by the continuation of Interstate Highway 81 to its intersection with the Lebanon County line thence north and east along the Lebanon County line to its intersection with the Berks County line thence east along the Berks County line to its intersection with Route 61 thence south along Route 61 to its intersection with Interstate Highway 78 and thence northeasterly along Interstate Highway 78 to its intersection with the Berks Lehigh County line bounded on the east by the Berks Lehigh County line to its intersection with the Berks Montgomery County line thence by the Berks Montgomery County line south to its intersection with US Highway 422 thence by US Highway 422 south to its intersection with Pa Highway 100 thence by Pa Highway 100 south to its intersection with the Pennsylvania Delaware State line and bounded on the south by the Pennsylvania Delaware State line beginning with its intersection with Pa Highway 100 and extending south west to its intersection with the Pennsylvania Maryland line and thence by the Pennsylvania Maryland line west to the Susquehanna River.

Reduction or removal of the General Quarantine area established March 15 1984 is contingent upon maintenance of surveillance of all commercial poultry flocks in that area following removal of the general state and federal quarantine. Surveillance shall consist of regular collection and submission of appropriate biological tissue and or environmental specimens from every commercial poultry flock and such other requirements as may be deemed appropriate by the Department for evidence of lethal avian influenza virus (H5N2) of Pennsylvania origin.

In addition to conditions imposed by the general quarantine all flocks and premises located within the Commonwealth known to be infected with or suspicious of avian influenza shall be placed under Special Quarantine. After Special Quarantine is established it shall be unlawful for any owner or person without a special permit in writing from an officer or agent of the Department of Agriculture to sell exchange lease lend give away allow to stay remove or allow to be removed any animal or animals or any products goods material containers vehicles cars conveyances or other article on property named or described in an order of special quarantine (1929 April 17 P.L. 533 §5).

I Interstate movement of poultry and other birds poultry products and any other articles related to the production marketing or disposal of those avian products from the quarantine area herein described and other premises quarantined because of Lethal Avian Influenza shall comply with Part 81 of Title 9 of the Code of Federal Regulations (9CFR).

II Avian Influenza herein referred to as Lethal Avian Influenza for the purposes of this quarantine action shall be defined as infection of poultry and other birds with H5N2 Type A influenza virus. In interstate movement of poultry and other birds poultry products and other articles related to production marketing or disposal of those avian products into within or from the area of general quarantine herein described and from other quarantined premises shall be subject to the following restrictions:

A No birds eggs poultry products manure litter or other contaminated materials shall be removed from flocks or premises quarantined by the Department because of infection with Lethal Avian Influenza.

B No poultry or poultry products including but not limited to chickens ducks geese turkey pigeons exotic fowl (except caged pet birds) and game birds raised in captivity shall be moved within or from the area of general quarantine described herein nor removed from quarantined premises except by permit of the Pennsylvania Department of Agriculture.

1 Permit may be issued for movement within the quarantine area of live poultry from flocks monitored by the Department free of avian influenza antibody and not known to be harboring or shedding Lethal Avian Influenza virus.

(a) Day old chicks and pullets originating from breeding flocks located in the quarantined area may be moved within the present quarantined area providing the hatching eggs have met permit requirements (2).

(b) Pullets originating from flocks located in quarantined area may be moved within the present quarantined area.

(c) Game birds including pigeons raptors pheasants quail and chukars but not including wild turkeys may be moved within or released within the quarantine area.

(d) Poultry may be moved within the quarantine area direct to

slaughter facilities within the quarantine area providing samples from each flock are made available at slaughter for avian influenza surveillance testing.

2 Permits may be issued for movement of hatching eggs from breeder flocks located in the present quarantine area described herein to approved hatching facilities in the present quarantine area if:

(a) the breeder flock is monitored by the Department for signs of Lethal Avian Influenza and

(b) the breeder flock remains free of Lethal Avian Influenza infection and

(c) at least 30 eggs from each shipment of eggs from each flock are tested for Lethal Avian Influenza antibody (eggs may be moved and set while testing is in progress) and

(d) such hatching eggs are fumigated in accordance with the following procedures:

(1) The eggs shall be fumigated in an airtight enclosure equipped with a fan to circulate the gas.

(2) The eggs shall be placed on wire racks in wire baskets or on cup type flats stacked outside of the egg cases (to permit air circulation) and exposed to circulating formaldehyde gas.

(3) The formaldehyde gas shall be provided by mixing 0.6 gram of potassium permanganate with 1/2 cc of formalin (37.5 percent) for each cubic foot of space in the enclosure. The ingredients shall be mixed in an earthenware or enamelware container having a capacity at least 10 times the volume of the total ingredients.

(4) The gas shall be circulated within the enclosure for 20 minutes and then expelled.

(5) The temperature in the enclosure during fumigation shall be at least 70°F (21°C) and the relative humidity above 70 percent and

(e) such hatching eggs are transported on new or sanitized packing materials.

(f) hatching eggs in an incubator less than 18 days that have originated from a flock determined to be infected with Lethal Avian Influenza shall be immediately destroyed. Potentially exposed eggs must be removed from the hatchery in a manner so as to prevent contamination of other eggs in the hatchery and these eggs shall be burned or buried in an approved landfill. The contaminated hatching equipment shall be cleaned disinfected and fumigated before new eggs are set following removal of infected or exposed eggs.

3 Day old chicks hatched in the quarantined area originating from breeder flocks located outside the quarantine area may be issued permits to move from the quarantine area if:

(a) the chicks have not been exposed to Lethal Avian Influenza contaminated eggs birds equipment or shipping material and

(b) are transported in clean and sanitized vehicles inspected and approved by the Department.

4 Fertile eggs fumigated according to 2 (d) may be moved by permit from the quarantine area only to approved facilities for use as SPAFAS eggs or embryonated eggs for vaccine production.

5 Permits may be issued for movement within and from the quarantine area of table use eggs from flocks monitored by the Department and not known to be infected with Lethal Avian Influenza virus and which have been sanitized and packed in unused or sanitized flats and crates.

6 Nest run eggs (that is non sanitized eggs) from flocks monitored by the Department and not known to be infected with Lethal Avian Influenza virus may be moved within the present quarantine area to approved facilities for sanitizing and packing. Packing and shipping materials used for transporting nest run eggs (non sanitized) shall be disposed according to protocol established by the Department or sanitized prior to removal from the processing plant and necessary precautions shall be taken to minimize exposure of sanitary eggs packing materials and equipment to contaminated eggs packing materials and equipment. Sanitized eggs shipped from the processing plant shall be packed only in new packing materials.

7 Permit may be issued for movement from the quarantined area described herein of slaughtered and dressed poultry originating from flocks which have been monitored by the Department and not known to be infected with avian influenza virus.

8 Permits may be issued for movement into or within the quarantine area described herein of poultry and eggs from flocks quarantined because of the presence of Lethal Avian Influenza antibodies.

(a) Live birds may be moved from flocks monitored by the Department and not known to be infected with Lethal Avian Influenza virus for slaughter in plants under federal inspection in the quarantine area described herein if equipment and vehicles utilized to transport these birds shall be considered under quarantine until proper C & D has been certified by an official representative of the Task Force.

(b) Table eggs from flocks not known to be shedding Lethal Avian Influenza virus may be moved only to processing plants located within the quarantine area. Flats and crates utilized to transport these eggs shall be cleaned and sanitized or destroyed before reuse or removal from the plant.

9 Disposal of dead poultry cull eggs refuse litter other contaminated articles originating from the quarantined area described herein and other premises quarantined because of avian influenza shall be only according to instructions issued by the Department.

C Quarantine of premises and flocks infected with or suspicious of Lethal Avian Influenza may be released when:

1 flocks and premises infected with Lethal Avian Influenza are depopulated and

(a) all poultry carcasses and parts thereof eggs litter manure and other refuse has been properly disposed of and

(b) the premises have been cleaned and disinfected and rid of insect and rodent vectors in accordance with protocol established by the Task Force and

(c) no live poultry are taken onto the premises for a 30 day period after Task Force approval of C & D and

(d) the Department has determined that Lethal Avian Influenza has been eradicated and that the premise can be safely repopulated.

2 flocks and premises quarantined because of Lethal Avian Influenza antibody are

(a) depopulated and the premises are cleaned and disinfected or

(b) the flock has sero-converted negative and there have been no clinical signs or epidemiologic evidence of Lethal Avian Influenza virus for at least 30 days.

3 hatcheries quarantined because of contamination with Lethal Avian Influenza virus are depopulated and

(a) all eggs and other contaminated refuse are properly disposed of and

(b) the premises are cleaned and disinfected and fumigated in accordance with Department protocol and

(c) samples of dust from the environment are virus culture negative.

D Birds may not be added to flocks or brought onto premises quarantined for avian influenza except by permit of the Department. Additions to quarantined flocks without permit of the Department may result in condemnation of any part of or all of the flock and forfeiture of any right to indemnity from the Department for condemned birds in the flock concerned. Additions to quarantined flocks without permit may also result in cancellation of permits to move poultry or poultry products from such flocks.

June 8, 1984  
PENROSE HALLOWELL  
Secretary of Agriculture  
Commonwealth of Pa

## Eastern's dairy products division enters new market

SYRACUSE, N.Y. — Michael H. Donovan, general manager of Eastern Milk Producers Cooperative Association Inc., a 4,300 member Syracuse-based dairy co-op., announced recently that agreements have been completed to expand its Dairy Products Division into the state of Ohio.

The agreements with the Ohio State Grange will make the cooperative's quality dairy products available to 11,000 Grange members throughout 40 Eastern Ohio counties. Truck routes and stops are currently being planned to best service the new customers.

Additional plans are being made to extend Eastern Milk Producers distribution system to include the 9,000 members of Milk Marketing Inc. (MMI), a 7-state cooperative headquartered in Cleveland. The

plan includes the purchase by Eastern of butter and other dairy products from MMI for direct sales to customers in the new operating areas.

Eastern's Dairy Products Division, headquartered in Canton, Pa., was started just four years ago as a simple "products to producers" distribution system. In the short time since then, it has been developed to include extensive truck delivery routes as well as a large warehouse and retail store at Canton, Pa., and retail stores in Wellsboro, Pa., and Newark, N.Y.

Anthony Schlesier, Cooperative Relations Manager of Eastern Milk Producers, commenting on the announcement added, "It's truly a program of farmers helping themselves by marketing their products directly to consumers through cooperative action."