

# Lancaster Farming

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## Many mergers seen in future of co-ops

BY SALLY BAIR  
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HARRISBURG — To launch October as Co-op Month, cooperatives in Pennsylvania took a look at their future this week.

And what did they see?

Here are a few glimpses into the co-op crystal ball from a session on "A Look into the Future" at the annual meeting of the Pennsylvania Association of Farmer Cooperatives at the Downtown Holiday Inn, Harrisburg, Monday:

— Co-ops cannot be all things to all people.

— There will be many consolidations and mergers ahead for co-ops.

— Sounder business policies must be adopted.

— Farmer loans may be tied to world market prices.

— Over the long haul the future is optimistic, while there may be hard times ahead.

And to set the stage for the PAFC annual meeting, the official proclamation declaring October as Co-op Month was presented by state government representatives.

Secretary of Agriculture Penrose Hallowell read the proclamation signed by the governor which read in part, "to recognize that Pennsylvania cooperative organizations and institutions play an important part in meeting the needs of many of our citizens and in improving our communities." The proclamation noted that cooperatives are among the leading business enterprises in the Commonwealth, with more than three million owner-members.

In proclaiming October as Cooperative Enterprise Month in Pennsylvania, the Governor said, "I urge all citizens to recognize the benefits gained by belonging to

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Robert Delano, center, president of the American Farm Bureau Federation, chats with John Pitzer, left, former PFA president from Adams County; and Dale King, current president of the Adams County Farmers Association.

## Farm Bureau head visits Adams

BY DICK ANGLESTEIN

GETTYSBURG — Robert Delano, Farm Bureau president, sandwiched a visit to the annual meeting of the Adams County Farmers Association Tuesday night between corn harvesting on his Virginia farm and a trip to Australia and offered the following comments at a free-wheeling press conference prior to his prepared address:

—The only new element in the 1985 Farm Bill will likely be a marketplace rather than a big government orientation. But other than that there probably won't be too many changes.

—He believes in the long run farmers are better off today than they were four years ago.

—John Block has been a pretty good ag secretary, but the job is an impossible one with all of the different interests to try and satisfy.

—The future of Northeastern agriculture lies in more specialization, such as fruits and vegetables, to satisfy the large nearby metropolitan markets.

—Yes, the Northeast generally does get shortchanged in federal

ag legislation and programs, with favor still going to the South and Midwest.

—More debate is still needed on how to handle the dairy situation in the new Farm Bill, but one thing is

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## Avian quarantine lifted

HARRISBURG — The avian flu quarantine in southeastern Pennsylvania, imposed nearly a year ago, has finally been lifted, Pennsylvania, Agriculture Secretary Penrose Hallowell announced Thursday morning.

However, one farm in the quarantine zone that has not been disinfected and several others that have not yet completed their thirty-day downtime, will remain under the quarantine until they are approved, he said.

The quarantine was imposed last October in an effort to combat the avian flu. Over 16 million birds were killed in Pennsylvania because of the highly contagious poultry disease that has cost the federal government almost \$50 million to fight.

Lifting of the quarantine will allow poultry farmers to resume normal trade with other states and nations. There are currently 23 nations with trade restrictions on U.S. poultry products.

*Some improvement seen in 1984; financial base remains secure*

## Pa. dairy farm profits cut in half in 1983

### Dairy Exclusive

BY LARRY C. JENKINS  
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UNIVERSITY PARK — According to a recent study of farm business records, Pennsylvania dairy farm earnings dropped more than 50 percent last year. Net farm income declined from an average of \$16,985 or \$283 per cow in 1982 to \$7,343 or \$118 per cow in 1983. Bad weather, lower milk prices, and higher feed prices were largely responsible for the cut in profits.

A somewhat better year is expected in 1984, primarily due to improved weather conditions which permitted dairy farmers to rebuild their forage inventories.

This should help offset further declines in milk prices.

Farm records for 1982 and 1983 from more than 800 Pennsylvania dairy farms were included in the study, which was conducted by farm management Extension at Penn State. Farms selected had milking herds averaging 60 cows and were limited to owner-operator units. Only those farms with more than 98 percent of net income from sales of milk and dairy stock were included. The purpose of the study was to determine both the amount and reason for reduced dairy farm income.

Feed costs higher

Increased feed prices was one factor responsible for lower dairy farm profit in 1983. Pennsylvania dairy producers increased spending for feed last year by an average of \$2,666 per farm or \$43 per cow. Purchased feed accounted for 39 percent of total feed cost and approximated \$500 per cow in 1983.

Raised feed is responsible for 61 percent of total feed cost on Pennsylvania dairy farms. This second component of feed cost had a large impact on dairy farm earnings last year.

The amount of raised feed used is measured by the change in feed inventory and by disappearance of crops produced during the year. Inventory increases when amount of feed placed in storage during a



Larry Jenkins

year exceeds amount used. If use exceeds amount placed in storage, inventory is reduced.

Bad weather

The amount of stored feed in inventory was substantially reduced in 1983. Dairy farmers were unable to replace stores of feed due to poor weather conditions. Daily feed requirements exceeded amount of feed harvested, therefore stored feed inventory and end-of-year inventory decreased. Numerous empty or near empty silos, hay barns, and granaries appeared by May, 1984.

The reduced value of stored feed inventory last year averaged \$8,594 per farm or \$139 per cow on farms studied. In order to secure an accurate measure of net farm earnings, reductions must be in-

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