

Lancaster Farming

VOL. 30 No. 30 Five Sections Lancaster Farming, Saturday, June 1, 1985 \$7.50 per Year

PennMar seeks support to buy packing plant

BY JACK HUBLEY

LANCASTER — United we stand. And divided, we're out of the hog business. This message rang loud and clear at a meeting held by the Pennsylvania Farmers Association's marketing division, PACMA, and the newly formed PennMar Cooperative at Lancaster's Farm and Home Center on Wednesday night.

"If you're going to exist as an individual farm, you're going to have to compete with the big integrators," PennMar president Gene Eisenbise told Lancaster County hog producers. "And you

can become your own integrator by joining with other farmers."

Eisenbise emphasized that pork producers hoping to earn a living strictly on the production end faced a bleak future. Farmers willing to become involved in the processing and marketing of their product would be the survivors, he said.

And the PennMar Cooperative offers one avenue of involvement, Eisenbise pointed out. Organized in Selinsgrove three months ago, PennMar's mission is the purchase of the Shamokin Packing Company.

According to Eisenbise, PennMar has an agreement to buy the plant for \$1 million, a figure that includes \$750,000 for the building, plus \$250,000 for trucks and inventory.

An additional \$450,000 will be needed for improvements to the facility, comprised mostly of additional freezer space to bring the plant up to capacity. And \$300,000 will be slated for a research and development fund and a contingency fund. A \$1 million open line of credit will also be established, bringing the total package to \$2.75 million, according to PennMar financial advisor John Cole.

One big advantage in acquiring the Shamokin plant is that the co-op won't be resurrecting a dead horse, according to PACMA's director of marketing development Howard Goss. The Shamokin plant is a profitable concern, says Goss, and generates about \$14 million-worth of business annually. Zoning, sewer and water are all adequate, Goss added.

PennMar reports that 27 producers have already bought into the program by purchasing one share of common stock at \$1,000. But additional investors are needed, and Eisenbise estimates that a total of 100 producer-members will be able to keep the plant running at capacity, based on

the co-op's preliminary estimates of average per-farm market hog production. The Shamokin plant can handle 600 hogs and 30 cattle a day, Goss said.

In addition to a share of common

stock, producers will be required to buy commodity stock in order to market their animals. The fee will be \$1 per hog and \$5 per steer marketed. Goss emphasized that

(Turn to Page A38)

'Target' vs. 'Shotgun'

USDA weighs approach to ag export credits

BY JAMES H. EVERHART

WASHINGTON — Controversy continues to swirl around the topic of agricultural exports, as the USDA prepares to announce its program to use U.S. ag surplus stocks as bonuses to encourage other countries to buy our farm commodities.

Although originally indicating satisfaction with the Administration plan, the American Farm Bureau is now expressing considerable anxiety over indications that the USDA will be pressured into accepting a "shotgun" approach that would "dump" U.S. surplus commodities on the international market.

Instead, Farm Bureau officials said, the nation's largest farm organization favors a plan to

target bonus commodities to those markets where the U.S. has lost its trading share as a result of unfair trading practices of competitors.

"If we change the original purpose of the program, which is to recapture markets lost because of export subsidies, we will wreak havoc with international farm trade," said AFB President Robert Delano.

Delano, who returned recently from a trade mission to Australia, New Zealand, Singapore and Indonesia, said our Pacific allies are worried about the program outlined by USDA last week.

"They are concerned that we will dump our surpluses on world markets, which would depress world prices further and hurt those

(Turn to Page A33)



PennMar president Gene Eisenbise discusses the purchase of Shamokin Packing with Lancaster County hog producers. Seated are PennMar financial advisor John Cole (left), and Royal Palmer and Howard Goss of PACMA.

INPUTS: The things that go into dairying

LANCASTER — Once again, Lancaster Farming launches its exclusive coverage of the dairy industry, in recognition of National Dairy Month.

Coverage this week will deal with "Inputs," or the raw materials that are needed to maintain a successful dairy operation.

We've attempted to take a look at the less obvious requirements — like capital, knowledge and labor — as well as the more widely acknowledged inputs like grain and feed.

In succeeding weeks, we'll deal with many other dairy topics like production, genetics, breeding, pricing, marketing, products and promotion.

In each, we'll try to provide coverage that is comprehensive and, yet, specific... dealing with the larger issues as well as the more specialized concerns of individual dairymen.

Here's a rundown of the stories presented in this week's edition:

• **Labor:** Paul and Dave Countryman of Somerset County have a new worker in their 80-cow barn — the first Farmtronix computerized stanchion feeder installed in the East. For more on their interesting operation, turn to page D2.

• **Crops:** Many of the region's top dairymen have received a lot of advice and assistance over the years from local Crop Management Associations. CMAs assist local farmers with duties as varied as insect, disease and weed

control, seeding, fertilizer requirements and a host of other issues. For more, turn to page D12.

• **Feed:** Can a dairyman make a "go" of it by purchasing all his feed? David Dum thinks so, and, as a result, he's had more time to devote to cow-oriented tasks — and opportunities. Read more on Dum's Lancaster County operation on page D20.

• **Capital:** Jim and Norma Warner of York County have proved that you can build a dairy barn without going into hock. After years of following a philosophy of "don't buy it unless you have the money," they have a full-fledged dairy operation. For more on the Warners and their "dream-come-true," turn to page A22.

• **Housing:** Dry-cow handling has been a concern of the Smyser brothers in York County for years. They recently solved some of these problems by building an attractive, airy, dry cow and maternity barn. Turn to page A20 for more on their efforts.

• **Knowledge:** With the dairy business' growing complexity, there's a need for well trained and educated dairy professionals. Kim Stroud, Kathy Strock, Nancy Jarrett and Sylvia Cooper have received training at the area's top ag schools, and are making varied contributions to the industry. Read about these dynamic ag women on page B2.

Other stories of interest to dairymen include dairy princess activities and an interview with

Pennsylvania Dairy Princess Lynette Loper. Readers can find those stories in Lancaster Farming's B section.

Once again, Lancaster Farming will publish dairy- and milk-oriented recipes throughout dairy month. Readers who send in a

recipe will receive a free gift, in appreciation. Please address all recipes to the Home Editor, in care of Lancaster Farming.

JUNE IS DAIRY MONTH



Week 1:

Inputs

- Labor D 2
- Crops D12
- Grain D20
- Housing A20
- Capital A22
- Knowledge.... B 2

at Lancaster Farming