

# Lancaster Farming

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## 1985 - a year to remember in agriculture

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LANCASTER — It was, to borrow from Charles Dickens, the best of times and the worst of times.

The year 1985 may be remembered as a watershed or turning point. A break-even proposition or disaster. The last of the bad years, or the end of the good ones.

But no matter how it's viewed, the clear assumption is that it will, in fact, be remembered.

It was a year of national politics, with ag leaders on center stage virtually all year.

Agriculture moved into the limelight in February, when the Reagan Administration proposed its comprehensive 1985 Farm Bill.

After months of wrangling and debate, the Congress passed the bill and it was signed into law just two days before Christmas — or eight days before year's end. And while the Farm Bill crawled

through Congress, emergency legislation to benefit the Farm Credit System raced through Capitol Hill in record time.

The year began with the system admitting to some trouble. But by the third quarter, Farm Credit leaders were appearing before Congress, asking for a \$5 billion line of credit from the federal government.

Meanwhile, the national economy and the federal deficit occupied the attention of national farm leaders, many of whom proclaimed that the best farm bill Congress could pass in 1985 was a balanced budget amendment.

They didn't get an amendment, but Congress did pass a comprehensive deficit reduction package designed to bring the nation's spending under control by the 1990s.

The strong dollar hampered ag sales abroad, although the Reagan Administration did launch an export bonus program that was beginning to spur some sales in markets lost to foreign competitors.

Meanwhile, prices received by farmers nationwide declined about 5 percent over the year, with no major recovery in sight. Beef prices were down an average of \$2.20 a hundredweight and hogs were down \$3.30.

Corn prices dropped 10 percent to \$2.31 a bushel, wheat prices declined 22 cents to \$3.16, and soybeans dropped 81 cents to \$5.01. Eggs were one of the few bright spots among the major categories, increasing about eight cents to 66.2 cents a dozen.

Milk prices were also reduced as the nation's milk production soared after the producer-funded diversion program ended in March. Several months achieved all-time records, as output increased by double-digit figures.

By year's end, the growing gap between year-earlier figures began to narrow, as milk support price reductions apparently took effect.

Dairy producers took some of the responsibility for their own destiny in 1985, overwhelmingly endorsing a multi-million-dollar promotions program in a referendum. National, regional, state and local promotions organizations viewed the outcome as a vote of confidence, and attacked their ambitious agendas with added vigor.

Throughout the agricultural industry, consolidation was the watchword among major equipment manufacturers.

Among the major manufacturers, a German firm purchased Allis Chalmers' ag equipment division to become Deutz-Allis,

Case and International Harvester merged to form J I Case, and Ford announced plans to purchase the New Holland operation from the parent Sperry Corp.

The first of the new dairy additives, isoacids, made their debut, as experts looked nervously over the horizon at bovine growth hormones, expected to arrive in three to five years and boost milk production per cow by 20 percent or more.

Regionally, milk producers got some more bad news with the financial failure of the Northeast Dairy Cooperative Federation. At year's end, NEDCO officials were in federal bankruptcy court, while producers had lost an estimated \$15 to \$20 million.

In Pennsylvania, Dr. Richard Grubb was appointed state Agriculture Secretary, replacing Penrose Hallowell, who resigned in March after serving in the first six years of the Thornburgh Administration.

Portions of the upstate area spent much of the year trying to recover from a tornado which did more than \$35 million in damage to agricultural operations in June.

And though unsuccessful in their attempts to win passage of a statewide program, ag land preservation supporters could find

a lot to cheer about in the creation of the Friends of Agriculture organization in Lancaster County.

"Friends" co-founder Amos Funk of Millersville was named the Pennsylvania Farmer's Association's Man of the Year, in recognition of his three decades of work in the land preservation and conservation fields.

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### Lancaster Tobacco

With this issue, Lancaster Farming inaugurates its Pennsylvania tobacco auction report. Labeled "Lancaster Tobacco," the report will summarize the three weekly tobacco auctions being conducted at Martin's Sale Barn, Intercourse, by Pennsylvania Tobacco Auction, Inc.

The report will appear on page A17, and will include the total pounds sold, an average price for all tobacco sold and two price breaks by grade; one for the three top grades (tops, middles and bottoms) and one for outgrade tobacco.

The report will continue through February, or until all area production has been sold. Lancaster Farming will provide Maryland auction reports beginning in March.

### Farm Show times

HARRISBURG — Workers are gearing up for the start of the Pennsylvania Farm Show next weekend.

A schedule for the annual ag extravaganza appears on page C13