

# ...with promotions, exports, and market based policies

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product areas that you could mention?

Not yet, but I think what we need to do is take a look at the production that we have here in Pennsylvania. We have to identify the products we are producing in Pennsylvania.

LF: What kind of time table are you looking at?

I hope to have this new program up and running by the new fiscal year, which is June. That doesn't mean it's all going to be accomplished. But we're putting in place a program that will operate for many, many years.

LF: What's your reaction to attempts by producer groups to take over closed processing plants, like the efforts of the Pennsylvania Farmer's Association's PACMA organization with Clover Packing and Shamokin Packing?

I think this type of initiative is what we need in Pennsylvania. Cooperatives to provide outlets for the farmers and come up with a product that is ready for the market. I think it's excellent. Where we have the supplies, why don't we do the processing?

I think there is a potential here for cooperative type activities. You've got to look at that private industry. And if there is a void in that private industry then is there an opportunity for farmers to meet that need through a cooperative venture.

LF: Do you feel producers are sufficiently knowledgeable to direct their own marketing efforts?

I'll use the dairy promotion board as an example. Very knowledgeable industry. They work with a professional agency under contract. That agency takes

its leads and its direction from the dairy promotion board. The agency comes in and presents proposals, suggestions. Then the board reacts and modifies. I think their producers are very knowledgeable. They know their existing markets and their existing products.

LF: Where else do you see some potential for commodity groups to be more aggressive in their own promotion?

The Egg Market. A public order has just been published where public hearings on a mandatory national marketing of eggs. This is one area. We do some work in marketing PA eggs. We are a large egg producing state.

I know the mushroom industry is interested in working with us. The PA bakers association has expressed interest in working with us. These are ones that come to mind that we've had conversations with recently.

The apple industry is another. LF: Can you tell us any specific plans you have to increase exports of Pennsylvania agricultural products?

Exports have declined in Pennsylvania. However, in the value-added category, they increased 25% in 1982-1984. This includes food processing, forestry industry, livestock and by products such as hogs. On the other hand, during the same 2-year period we lost over \$100 million in bulk commodities, corn and soybeans for example.

While we lost \$100 million in bulk we gained roughly \$100 million in the high value type of commodity.

Really that's where a lot of our strength is. We have some of the best hardwoods in the country. There is a demand for high quality red oaks and this type of lumber.

Because of Pennsylvania's diversity we are not totally dependent upon the bulks, wheat, corn, and soybean. I think the great potential immediately for Pennsylvania is in the food processing, forest industry, and by products of livestock.

The value of the American dollar increased greatly, and thus, we lost our competitive position. That's why it's important for us to get a balanced budget. Secondly, a lot of countries in the past 5-10 years have emphasized agriculture as a priority. Countries that formerly imported our wheat now are self-sufficient and are indeed out competing with us in the world market. Many of these countries have government subsidies. The world market has changed.

LF: Are there are other major programs you hope to address during your remaining year in office?

The other major initiative that the Governor did talk about was in animal and poultry health. We are going to start out by taking a look at the legislation and regulations that govern the health programs conducted by the department. They're 50 years old and don't reflect the health problems that industry faces today. We have to take a look at what is the mission of the Department of Agriculture. What are the problems that our PA livestock and poultry producers are facing. Are we doing our jobs in terms of surveillance, diagnostic work and the whole area of research? What is the level of research? Is it adequate? We'll be putting together an advisory group to work with the department as we look at these rules, regulations, and our mission.

LF: What direction do you think national farm policy should take in the future?

Our programs have got to be geared towards getting some sort of equal agreement in supply and demand.

They've got to be geared towards getting the federal government out of agriculture in terms of mandatory controls, purchases, cause too much we're producing for an artificial market.

We've got to eventually get to an economic system whereby we are producing to meet the needs of a market. A market which we are encouraging, which we are creating.

We have been very good in terms of production. Our farmers are the most cost efficient, productive, business people in the world. But we did not really pay attention to the market system.

Then the government got into it. We've got to eventually get the government backed out and let product markets be the free enterprise that they should be and that they are.

LF: Generally, what's the financial situation for the average Pennsylvania farmer? Are a lot of our farmers going to go out of business over the next few years, as national surveys would suggest?

I feel we're going to lose less than a lot of our sister states. For a variety of reasons.

Our farmers are not as deep in debt as our national average is much lower. That's good for the financial health of Pennsylvania farmers.

On the average we are a family farm state. That means generally we are not as dependent upon paying labor costs.

We are extremely diverse agriculturally. So we are not totally dependent on the large feed grain crop. Our farmers have the flexibility to adjust their production to meet merging market needs.

Again we have a competitive advantage because of our location; we're close to the population centers. We can get our products to market with lower transportation costs.

Pennsylvania also is an excellent state in soil and climate.

Pennsylvania farmers really have a lot going for them.

What most people don't realize is that even in the golden age of agriculture we had farmers going belly-up.

We have people go into all sorts of businesses that are not good business managers and they go belly-up.

You'll always have people going into any business who don't know how to manage it then some years later they're bankrupt.

We're going to have that. That's the way the free enterprise system works.

We also have efficient operators. They're not going to go belly-up.

I think the number of farmers in Pennsylvania that will be hurt and can't make it is substantially lower for these five or six reasons I mentioned.

You've got to remember one thing, right now we are burdened with surpluses and low prices, and you take food for granted.

All you have to do is shut off the food supply for one day—food is a must and farmers produce the food. There will always be a demand for food. Pennsylvania by its very structure will be competitive.

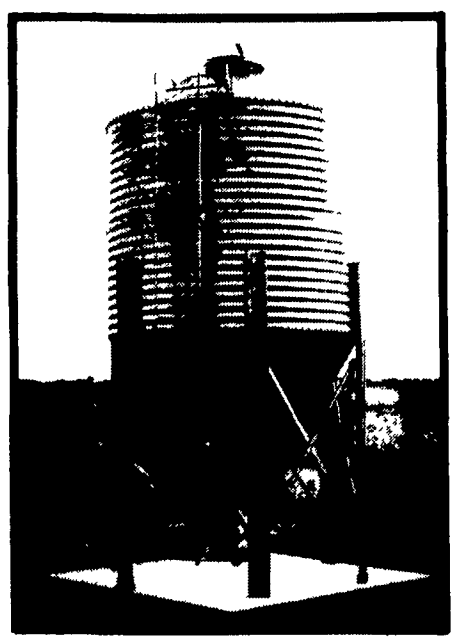
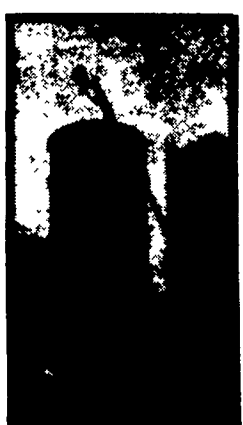
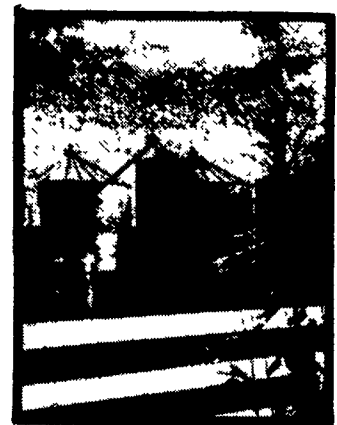
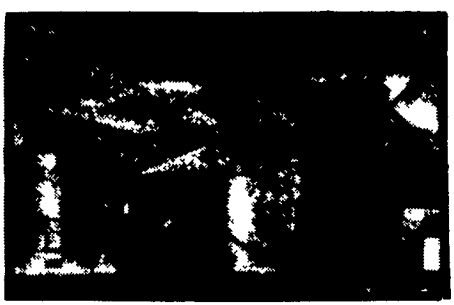
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