

NY Cattlemen choose new president

BINGHAMTON NY — Peter Nixon of Westfield was elected president of the New York Beef Cattlemen's Association at the annual convention Jan. 10 and 11 here.

Nixon succeeds Allen Peterson of Jamestown as head of the state organization. With his father Alastair Nixon he owns and manages Ballantree Angus Farm. He is also vice president of operations of the Chautauqua and Erie Telephone Corp. He is past president of the New York Angus Association and is a member of the Cornell University Animal Industry Council.

Henry Bono of Richmondville was elected vice president. He raises Polled Herefords with his son Ken at Elm Farm, and is president of Empire Polled Hereford Association.

Jeanne White of Auburn was re-elected secretary and Margaret Meckler of Frankfort was re-elected treasurer.

Several production awards were presented at the convention. Elton

Carlson of Wyoming was awarded the banner for having consigned the best pen of five feeder calves to any of the Association sponsored Feeder Calf Sales.

Wayne Heydon of Morrisville was recognized for having the highest indexing British bull on the 1984-85 New York Bull Test and Margaret Meckler of Frankfort was honored for having the highest indexing Continental breed bull on the same test.

Retiring president Allen Peterson gave the President's Award to Robert and Ruth Dennis of Jasper "for outstanding service as our public relations directors."

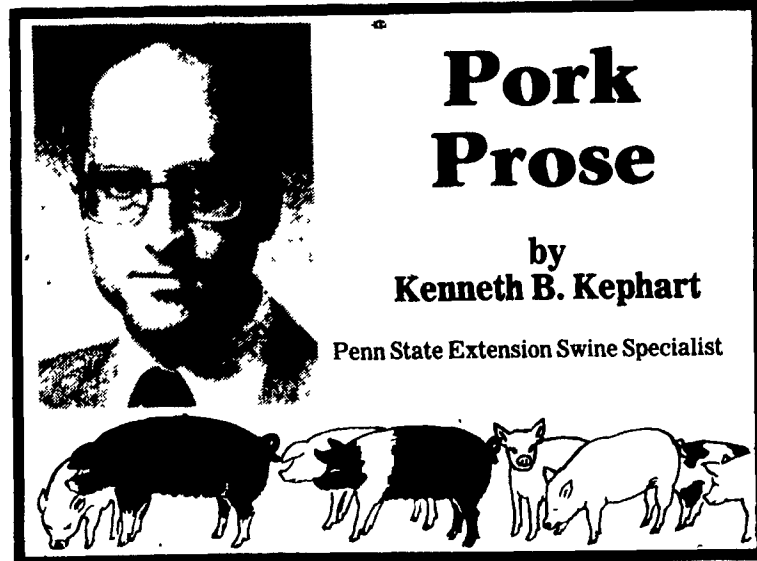
William Cisco of Lindley was named "Cattlemen of the Year"; Claire Barra of Catskill, "County Director of the Year" and Traci McKeon of Pavilion the recipient of the Outstanding Youth Award.

A successful two-day Trade Show was conducted in conjunction with the Convention, the first two-day session for the Cattlemen's Association. The New York Cat-



Peter Nixon

tlewomen held their convention in cooperation with the Cattlemen.



Marketing, Part 2

Last month's article covered the when and where of marketing hogs. We said that weight, day of the week and time of the year should enter into your marketing decisions. And where you market your hogs—whether it's directly to the packer, at the livestock auction or at a buying station—should also be considered. This month we'll discuss the how of marketing hogs.

HOW

There are at least five ways to sell hogs: on a carcass basis, on a live basis, with a hedge, with a forward contract, or with a feeding contract.

Carcass Basis

Selling on a carcass or "grade-and-yield" basis is probably the riskiest method since you must stand the loss of trim and carcass quality. If the carcass program pays more for high quality, you have the opportunity to increase your returns. But remember that grade and yield programs are not all the same.

Let's take three actual grade and yield programs and see how they fare with three different hogs—a poor hog, an average one and a good one.

Program A bases its carcass price on hot yield. If the load is above a standard yield, there's a bonus. If it's below there's a discount. Penalties exist for excessive backfat and underweight or overweight carcasses.

Program B includes actual backfat measurements and a muscling score. These two numbers along with carcass weight, determine the carcass price.

Program C does not record a muscling score but does use carcass weight and backfat to establish price.

Now we'll take the same three hogs through these programs. Our poor hog weighs 230 pounds live and has a 169-pound carcass, 1.5 inches of backfat and thin muscling. The average hog weighs 230 pounds live and has a 169-pound carcass, but only 1.1 inches of backfat and contains average muscling. The good hog weighs 230 pounds live, has a 176-pound carcass, 0.8 inch of backfat and thick muscling.

If the live market is \$50/cwt, what are each of these hogs worth in program A, B and C?

Program A
Poor Hog \$120.75
Average Hog \$120.75
Good Hog \$123.02
Program B
Poor Hog \$107.53
Average Hog \$113.85
Good Hog \$119.03
Program C
Poor Hog \$112.30

Average Hog \$115.33
Good Hog \$123.43

It's not hard to see the difference among these programs. To really know what you're getting in a grade and yield program, do two things. First divide your total payment by the total live weight. That's your live price per pound. Then compare that live price to other markets. Or better yet, on the same day or during the same week, take some hogs to other markets and see how the prices stack up.

Live Basis

Selling on a live basis removes some of the risk since the hogs will be owned by the packer by the time they reach the kill floor. But depending on where you sell the hogs, the possibility of receiving a premium for good hogs may be less with the live sale compared with the carcass basis.

Hedging Hogs

Using a futures contract to create a hedge protects your investment and "locks in" a certain level of profit. But futures contracts are not popular among hog producers. This is probably because the futures market is not well understood and many producers are not comfortable answering margin calls.

Forward Contracts

A forward contract offers the same protection as a hedge but without the basis risk and the margin calls. So it's a simpler way to lock in a profit. Forward contracts are offered by PACMA and several packers in the area. The buyer of your hogs creates the forward contract by locking in the futures market.

Feeding Contracts

The feeding contract is the least risky method. It includes a minimum payment for each hog or pound of pork marketed and under some conditions, may be the most profitable method of selling hogs. While feeding contracts are the least risky, they also offer the least amount of flexibility to the farmer. There's no guarantee that the company will continue to offer contracts to the producer and, in some respects, the producer under a full contract is an employee of the company writing the contract.

SUMMARY

Remember the three decisions in marketing hogs—when, where and how. If you ignore these three factors, you might say things will balance out and the price you get will be about average. And you'd be right. But if you make a serious attempt at marketing, your price could be \$3 above the average. Wouldn't that make it worth your effort?

Cattle Feeder's Day scheduled in Lancaster

LANCASTER — The Lancaster County Cattle Feeder's Day is scheduled for Friday, Jan. 31, at the Farm and Home Center, Lancaster. The theme for this year's event is "The Cattle Feeders Future."

Speakers will include Dr. Les Burdette, Penn State Extension beef specialist on "Economics and Management of Feedlot Cattle" and "A Beef Research Update"; H. Louise Moore, Penn State Extension economist on the

"Cattlemen's Future '86" and "Hedging/Forward Contracting"; Dr. Richard C. Croyle Biometrics Lab on "Water Quality and Cattle"; Mitch Woodward, Penn State Extension manure management agent on "Manure Nutrient Management" and Alan Musselman, director, Lancaster Ag Preserve Board on "Farmland Preservation."

Anyone interested in cattle feeding is invited to attend. No reservations are necessary. Lunch

tickets may be purchased at the door until 11:30 a.m. In addition to the formal program, there will be an opportunity to inspect commercial exhibits and visit other cattlemen. The event will begin at 8:30 a.m. with exhibit visitation and the program starts promptly at 9:30 a.m. This meeting, conducted by the Penn State Extension Service, concludes at 3:15 p.m. with a question and answer session.

Armstrong Co. entry wins draft horse pull

HARRISBURG — James Judge of RD 1, Cowansville, Armstrong County, drove his team the winning distance in the horse pulling contest in the Farm Show's large arena last week. The contest is one of the favorites for Farm Show visitors, as they pack the arena hours before the contest begins.

Judge's team pulled the sled with 7,500 pounds a distance of 25

feet ten inches. Second place in the heavyweight division was taken by Iseman & Moore of RD 3, Shelocta, Indiana Co., and third went to Dick Campbell of RD 2, West Sunbury, Butler Co.

The lightweight division was won by Lester Specht of RD 1, Friedens, Somerset County. His team pulled 7,000 pounds a distance of 21 feet four inches. Tom

Brown of RD 1, Stahlstown, Westmoreland County, was second, with third place going to Larry Rearick of RD 1, Creakside, Indiana County.

Gilbert Corl of State College, Centre County, won the six-horse hitch competition with his team of Percherons. Edward Johnson of New Alexandria, Westmoreland County, finished second with Clydesdales.

NCA lauds new beef checkoff program

DENVER, Colo., Enactment of the Beef Promotion and Research Act provides the beef cattle industry with an opportunity to mount a substantially expanded program of research, product development, and promotion and advertising, points out the National Cattlemen's Association.

The promotion act, signed into law by President Reagan as part of new farm legislation, provides for a uniform national check-off of \$1 per head. Under this enabling legislation, the industry may submit a proposed promotion and research order to the U.S. Department of Agriculture. After the order is implemented, possibly by late 1986, the industry will be able to generate an estimated \$60-70 million annually for promotion work at the state and national levels. This compares with a total of \$18 million under the current programs.

NCA and its affiliated associations had sought the Beef Promotion and Research Act and certain other provisions in the farm bill, NCA President Jo Ann Smith noted, and enactment of the check-off bill represents a major victory for the industry.

"The Beef Promotion Act and other farm bill provisions of importance to cattlemen would not have been possible without the support of the many cattlemen and women who contacted their members of Congress," Smith

said.

In developing a proposed promotion and research order, NCA will obtain input from members, affiliated associations and state and national beef councils. Then a proposed order will be submitted, and, after certain review procedures, the program may be initiated.

Under the promotion act, \$1 will be collected each time an animal is sold. An equivalent amount will be assessed on imported beef. Existing state and national beef councils will continue to be involved in the proposed new program.

A referendum on the program must be held within 22 months of initiation of the check-off. Fifteen percent of the funds assessed prior to the referendum will be placed in escrow for one-time refund requests for the period prior to the referendum.

Among other farm bill provisions of special interest to cattlemen are:

- The dairy program provides for an 18-month whole-herd buy-out, financed by a producer assessment, to begin in 1986. Participating dairy producers will sell their entire herds and remain out of production for at least three years. To offset the possible impact of increased dairy cow slaughter on cattlemen, the agriculture secretary must limit the total number of dairy cattle

