

# Lancaster Farming

VOL. 31 No. 21

Five Sections

Lancaster Farming, Saturday, March 22, 1986

\$7.50 per year

## 'Future' Conference sets agenda for change

### Best years are ahead, Scranton tells 'Future' participants

BY THE STAFF

HARRISBURG — Suits and ties. Flow charts and exhibits. Long-range planning and projections of prices, costs and demand.

If ever there was a conference that symbolized its subject, it was the "Future of Agriculture" Conference Wednesday and Thursday at the Holiday Inn in downtown Harrisburg.

The sessions, attended by several hundred both days, ranged broadly over the landscape of issues facing agriculture today.

And though the news — about prices and the overall outlook for individuals currently struggling to survive — was often bad, the overall tone was optimistic and progressive . . . a form of proof that, as one participant put it, "the hard times are bottoming out."

Penn State President Bryce Jordan set the stage by quoting a recent lecturer as noting that "agriculture is embarking on the third technological revolution in the 20th century."

Earlier in this century, he said, agriculture was transformed by the mechanical revolution, which substituted mechanical power for horsepower, and by the chemical revolution, which put a broad range of fertilizers, pesticides and herbicides at the average farmer's disposal.

Now, however, agriculture is on the verge of a revolution in both biotechnology and information, once again transforming the

landscape in power, input, labor and management practices.

With the industry at such a crucial crossroads, Jordan noted, the conference seemed an appropriate vehicle to begin mapping out the industry's future.

"The marvelous response we have had to the conference," he concluded, "is, I believe, a reflection of the deep level of

concern about agriculture that is present in our state."

That response included a variety of luminaries. . . guest speakers from top universities across the country, and leading officials from the state's educational, business and political establishments.

During Thursday's closing luncheon Lieutenant Governor William Scranton III took the podium, calling for a shift from

what he termed over-interference by government to a more competitive, market-oriented agricultural economy.

In order to insure the future of Pennsylvania's number-one industry, Scranton said that the

following aspects of agriculture should be emphasized:

•Marketing efforts must be intensified locally as well as

regionally and abroad.

•Productivity must be improved, not just in yields, but also in the technologies and techniques necessary to lower the cost of inputs.

•The ag sector must remain divers and flexible enough to react quickly and effectively to competition throughout the country.

•Research — The state's competitive edge can only be maintained by pushing forward the bounds of knowledge.

•Value-added products — An industry survives by learning how to add value to its basic commodities, Scranton said.

•Farmland preservation — Steps must be taken to insure the preservation not only of prime acreage, but of soil nutrients and tith, as well.

The Lieutenant Governor offered the Chesapeake Bay program as an example of the progress possible when divers sectors of society, in this case environmentalists, educational institutions, government and the farming community, unite in pursuit of a common goal "It's a model that clearly works, and we ought to be implementing it in other areas as well," he said.

"I think some of our best years are ahead of us in agriculture," Scranton concluded

*Additional coverage of the 'Future of Pennsylvania Agriculture' Conference begins on page A22.*



Lieutenant Governor William Scranton III provided the closing address at this week's Future of Pennsylvania Agriculture Conference. More than 430 ag leaders attended the two-day event held at Harrisburg's center city Holiday Inn.

## Pennsylvania Guernsey breeders convene in Lebanon

BY MARTHA J. GEHRINGER

LEBANON — The Guernsey Association has traditionally held lively state meetings. And this year's 55th annual meeting, convened at the Quality Inn here, proved to be no exception.

The point that caused the most discussion was the decision to reduce the number of voting districts in the American Guernsey Cattle Club from 15 to 7.

This redistricting will place Pennsylvania, formerly in a district of its own, in District Two with Ohio. The concern of this group was that in being grouped with Ohio, they might lose some representation.

Pennsylvania is currently second in the nation in Guernsey registrations. However, this redistricting was done so that each group would contain the same number of registrations.

This change will require an amendment to the constitution which will be voted on by the directors at the national convention.

The morning session also contained lively discussion on the overall state of dairying nationwide, at the conclusion of John R. Moulton's presentation on the future of the Guernsey breed.

The present situation is a result

of financial stress. "It's real, we're seeing it," Moulton said. The reasons for this stress, Moulton continued, are too much debt and the difference between cash flow and net profit. Also, for the past 19 years farmers have been living on their depreciation, Moulton explained.

The magic year was 1967. All support prices have been geared towards that year, Moulton noted. This provided the farmers a false sense of security since that year, while the price of milk was the highest, also had the worst net profit.

Management was adversely influenced when many consulting organizations encouraged farmers to add cows to increase cash flow, Moulton stated. He went on to describe this as possibly the worst thing that they could have done.

"To be successful one has to look at the net dollar or bottom line," Moulton continued. "The farmer that will survive is the one that opted for efficiency when his neighbor was out expanding," Moulton pointed out.

The Guernsey breed and all colored breeds are doing well on a net cash basis, and will continue to do well with good managers, Moulton said.

Maintaining, using and

analyzing good records for finances and production, Moulton noted, are the most important keys to success. Basing management decisions on sound facts from a variety of sources is also critical to the future, Moulton said. The development of a positive business attitude and an interest in marketing also are absolutely essential, Moulton added.

Agreeing that there are as many ways to succeed as there are managers, Moulton listed several "benchmarks for success" that he has found to be a common denominator among successful farms.

A debt load per cow of under \$2500 is important for the Guernsey cow to compete with the Holsteins on their level. Of equal importance is an income per cow of \$2000, Moulton said. This can readily be achieved with the Guernsey breed, he continued, provide the total solids advantage and fat differential are utilized.

Revenues of \$60,000 and production of 500,000 pounds of milk annually per man is necessary for the future, he continued. Maintaining an operating expense level of no more than 75 percent of cash income can be achieved with tight management, Moulton added.

The business meeting commenced with a report from president Wilmer Campbell. He asked the group, "Are we going to flood the market with inferior quality milk or offer the best possible, such as Golden Guernsey?"

"As Guernsey breeders we need to become aggressive in the market place. We must sell the Guernsey cow and her product. We must convince breeders that quantity is not the answer. Quantity bred in and quality bred out has only contributed to our surplus," Campbell said.

Emphasizing the need for quality Guernseys, he continued, "I am convinced there has never

been a better opportunity to breed good quality Guernsey cattle than today."

Campbell announced an agreement has been reached to sell the Guernsey Sales Pavilion Final settlement is expected sometime this summer. Ruth Ann John, assistant business manager, reported that the sales for this year were encouraging with increased averages on cows and bred heifers as compared with last year. Also there have been many requests from non-Guernsey breeders for Guernsey cows, she added. The shows the past year were well represented in every class on

(Turn to Page A19)

### Maryland tobacco auctions begin

The Maryland tobacco auction season opened officially on Tuesday with an address by Maryland Secretary of Agriculture Wayne A. Cawley, Jr. at the Marlboro Tobacco Market located in Upper Marlboro.

Beginning this week, Lancaster Farming will carry Maryland auction reports on page A17. Prices and volumes quoted are for three sales conducted at each of eight locations, for a total of 24 individual sales. All tobacco sold is Maryland Type 32.