

Livestock experts outline plans to beef up meat industry

BY JACK HUBLEY

HARRISBURG — While the experts participating in the Future of Pennsylvania Agriculture's livestock panel may have disagreed on taste, they all concurred that innovative marketing and new product development are key elements in improving the profitability of the red meat industry.

Four industry leaders took part in a discussion on Thursday that outlined the strategies needed to revitalize an industry plagued with high production costs and flagging demand.

Pennfield Corporation vice president Ray Lehr noted that the marginal profits in the swine industry since 1982 have created many concerns. According to Lehr, there are more important concerns for the industry to address than the Canadian import situation.

"In my opinion, the biggest setback for the pork business is that it's always been viewed as a part-time venture," said Lehr, pointing out that Pennsylvania has the raw materials to become a major pork producing state, if producers are willing to strive for a higher degree of professionalism.

Producers must reduce their costs and improve methods of production, said Lehr, pointing out that, to be competitive with the poultry industry, pork producers will have to learn to produce a pound of pork on no more than three pounds of feed. Producers will also need to produce at least 4,500 market hogs per man an-

nually in order to realize adequate profits, Lehr said.

Along with the need for increasing hog numbers in the state, goes the need for stricter biosecurity, said Lehr. He emphasized that the responsibility for controlling disease rests on the shoulders of each pork producer. He also called for improvements in processing and updated waste management systems.

The pork industry must develop new products and marketing strategies to respond to the needs of a different age group of consumers, said Lehr. And along with the need for market development, goes the need to change public perceptions of pork as a fatty, unhealthy product.

According to panelist Doug Clemens, a shift in the public's perception of pork is indeed justified. In the past 20 years, said Hatfield Packing's hog procurement supervisor, producers have reduced pork's fat content by 10 percent. A three-ounce serving contains only 198 calories, he pointed out.

A shift to an electronic grading system will speed the transition to a leaner product by rewarding producers for growing quality, lean pork, Clemens said. As of July, Canada will be requiring that electronic grading be used by all packing houses processing more than 1,000 hogs a week, Clemens said.

Potter County sheep producer Blaise Alackness emphasized that sheep production is probably the brightest spot in the livestock industry's future, and concurred

with other panelists that stepped up promotion efforts are vital to the future of the red meat industry.

"We're sadly lacking," said Alackness, pointing out that New Zealand will spend \$16 million promoting its lamb in the United States this year, while the U.S. itself will spend only \$4 million on the same effort. Alackness called for a sheep checkoff program to increase promotion and research funds, and pointed out that the state Sheep and Wool Growers Association is already laying the groundwork for a producer-funded checkoff.

Alackness noted that Rocco Further Processing has been largely responsible for the current wave of optimism within the sheep industry, since the company announced that it intends to

process 1,000 lambs a week at its Timberville, Virginia processing facility. He pointed out that dairymen participating in the herd buyout would be wise to take a look at sheep production as an alternative livestock enterprise.

Blair County cattleman Paul Espy was another panelist who felt that the public has been fed a poor diet of nutritional information regarding red meat. Espy called for stepped up educational efforts in the school systems, where students are being told that red meat is unhealthy.

Espy also pointed out the need for new and attractive beef products, noting that "we haven't done a thing in the last 15 years."

Espy also called on cattlemen and researchers to decrease the amount of fat cover on beef car-

casses. "We have to have the marbling without the cover," Espy said. "We either have to breed it out, feed it out or cut it out."

One factor crucial to the public's acceptance of beef, said Espy, is the production of a quality product. "We ought to be selling a better quality product and charging for it," he said. "If it's convenient, good and nutritious people will buy it," Espy emphasized. "It doesn't matter too much what the price is."

Moderating the session was Dr. Lester C. Griel, acting head of Penn State's Department of Veterinary Science, who noted that Americans spend only 16 percent of their disposable income on food. "There is no other culture in the world that spends less on food," he pointed out.

The Farmer's View

Irish dairy venture

The promise of new business and new jobs all funded by a low-interest loan are enough of an enticement to make any deal look good in a depressed rural area. That's exactly the situation in a county in the state of Georgia. Unfortunately, it might look good right now but the same situation might be a bad thing for the farming economy, especially to the dairy business.

An Irish firm, Masstock, is attempting to start five dairy farm operations in Georgia with each supporting 2,000 cows, which would total more than 10,000 cows. It does seem a little illogical at this time when the federal government is making an effort to cut the milk production herd nationwide. But, if the firm can make money, the anticipated \$35 million investment could be understood.

Masstock is anticipating the creation of 800 processing jobs in Georgia, along with all of the added services that 10,000 cows would create for any given area. Farmers in the area of selling hay, straw, feed stuffs, etc., which would be a great boost for the local farm economy.

But there are a couple of small wrinkles in this deal that don't make a whole lot of sense. First, Masstock has made application to the Georgia industrial development fund for a low-interest loan; and secondly, there isn't any available information about how much money Masstock is actually investing.

The Georgia Farm Bureau Federation (GFBF), the largest general farm organization in that state, has publicly announced its opposition of the scheme, because it's poor use of state funds and places other dairymen in an unfair

competitive position. Other dairymen do not have the benefit of the low-interest loan program, nor special consideration when it comes to state taxes, which accompany the low-interest loan program.

GFBF got support in its effort with a resolution passed by the Georgia House calling for an investigation of the loan application of Masstock.

Moneys from the industrial development fund must be approved by the county commissioners in that Georgia county. Presently, the county commissioners are supporting the GFBF effort. But, keep in mind that county commissioners are subject to political pressure from the home folks and it will be difficult to turn down 800 new jobs plus the additional services and sales the dairies will generate.

It will be hard for local farmers with hay and feed supplies for sale to be opposed to an operation that could develop into a major local buyer. "Could" is the proper word to describe the situation, because there aren't any guarantees that Masstock will not be growing their own.

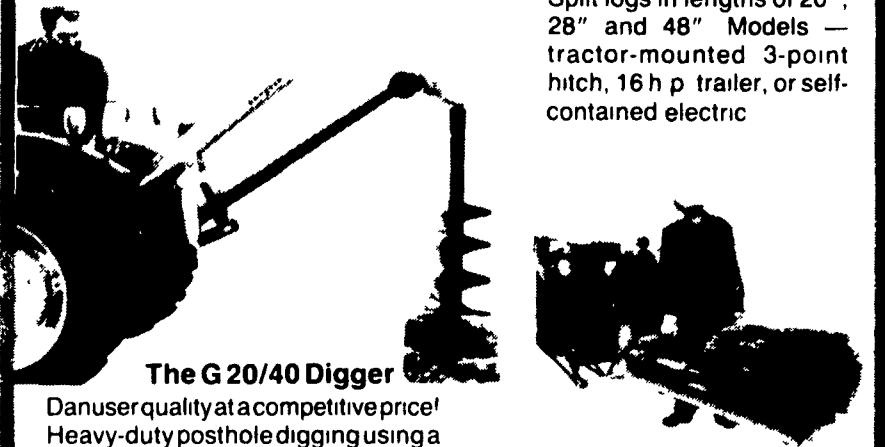
Unfortunately, Masstock is hoping that everyone involved will accept the "quick cure" without any real thought given to the long-term economic situation.

Now is not the time to be offering low-interest loans to any firm or person, domestic or foreign to invest in a 10,000-head dairy operation to compete with established dairy farmers. Hopefully, a more lasting and productive use of the low-interest monies can be devised than throwing another 10,000 cows into the production of milk.

Danuser® Workhorse

Log Splitters

Split logs in lengths of 20", 28" and 48" Models — tractor-mounted 3-point hitch, 16 h p trailer, or self-contained electric



The G 20/40 Digger

Danuser quality at a competitive price! Heavy-duty posthole digging using a Category I 20 to 40 h p tractor Five year Limited Warranty on gear box

The F-8 Digger

Industrial strength Fits most tractors with ASAE 3-point hitch with power take-off in Category I or II 4"-30" augers

Post Drivers

Friction wheel, drop-hammer design 25 blows/minute standard PTO or hydraulic



Distributed By

HAMILTON EQUIPMENT, INC.

567 South Reading Road, P.O. Box 478
Ephrata, PA 17522

Telephone (717) 733-7951

Please Contact Us For Your Nearest Dealer

GOLDEN LEAF TOBACCO CO. MAC BAILEY

We are now buying Type 41 & Type 609 Tobacco. If you have tobacco for sale please call our receiving station on Monday, March 24 or Tuesday, March 25 for an appointment for us to come to your farm to inspect your tobacco. Our hours are 8 a.m. until 4 p.m.

717-392-1281