

Tobacco Auctions

(Continued from Page A1)

also being sold by Paradise Tobacco Sales in Paradise and Garden Spot Tobacco Auction in Blue Ball.

Paradise opened the auction season on Monday with 280,000 pounds of tobacco on the floor. "It was basically a no-sale day," said the company's spokesman Eric Probst. Farmers rejected bids ranging from 10 cents to 90 cents a pound offered by seven southern buyers.

About 11 percent of the tobacco offered at Garden Spot on Tuesday was sold, according to general manager Bill Mowbray. Prices ranged from 10 cents to a dollar on the 22,000 pounds sold, with the better grades averaging 75 to 80 cents, Mowbray said.

On Tuesday afternoon, Pennsylvania Tobacco Auction halted its sale in Quarryville when prices failed to meet buyers' expectations. A second PTA sale scheduled for Wednesday was also cancelled.

Buyers and sellers had a second chance to come to terms at Paradise on Thursday. This time 16,000 pounds of the 280,000 pounds of 609 offered was sold. Prices hit the 85-to-90-cent range for top grades, with middle grades averaging 45 to 50 cents, said Probst. Thursday's sale was an improvement on Monday's opener, Probst said.

Despite the slow start, auction management expects to see an upturn in the market. Garden Spot's Bill Mowbray said that this year's early start didn't help matters. "We started a week earlier than last year," he pointed out. "Three or four years ago hardly any tobacco moved before the first of the year."

Mowbray emphasized that the soft market has nothing to do with acceptance of the new auction system. "The buyers aren't out in the field either," he said. "The orders probably just aren't in yet."

One reason for the lack of buyer enthusiasm, Mowbray speculated,

was the 71 million pounds of burley tobacco released by the federal government to buyers this summer. Part of 1983's production, the tobacco was sold "in the strip," or already processed, at bargain basement prices. Mowbray said that the burley could serve as a substitute for the 609 tobacco grown in Pennsylvania.

Mowbray said that this year's lower quality tobacco is also contributing to lower prices. "We didn't have as good a growing or curing season this year," he said. "Last year conditions were right."

Joe Irvin, a buyer from Ideal Leaf in Virginia, concurs. "The quality of the tobacco isn't what it was last year," he said at Paradise on Thursday. Irvin, who comes to Pennsylvania every year to buy 609, also complained that much of the tobacco had been baled at too high a moisture content.

Ken Brubaker, of Keystone Tobacco Marketing Group, also believes that moisture content hurt farmers this week. Keystone's function is to promote Pennsylvania tobacco to southern buyers, but Brubaker was clearly unhappy with what Pennsylvania

brought to those buyers this week. "Farmers need to take steps to keep as much of the dampness out of the tobacco as possible," Brubaker said. He explained that the moist tobacco generates heat when compressed into bales and eventually rots.

Bill Mowbray predicted that the quality of the tobacco would improve as the season progresses. Tobacco on the floor right now was the last to go into the barn. "It was planted last and harvested last and it didn't have the warm curing season," he said. "There's probably better tobacco still out on the farms."

Joe Irvin, who said that he hadn't bought any auction tobacco as of Thursday morning, vowed to go to the farms to buy tobacco if farmers were interested in selling. "I'll buy tobacco direct just like I always have, if the farmer calls me up," he said.

But not all tobacco growers were willing to revert to the traditional marketing system. Carl Schnupp of Lititz grows 15 acres annually and said he'll stay with the auc-

tions. Schnupp, whose better grades brought him \$1.05 to \$1.30 per pound over the block last year, was surprised that the market took a steep drop this year.

"I could have sold it last year on the farm, but I didn't," Schnupp said. If approached by buyers to sell his tobacco on a private treaty basis, Schnupp said, "I'd tell them I prefer the auction."

As for the the rest of this year's auction season, Schnupp was optimistic. "I look for it to get better," he predicted.

"I don't see a cause for real concern," said Bill Mowbray. "Just the fact that farmers are supporting the auction is a good sign. You don't go from zero to 100 miles an hour in one day."

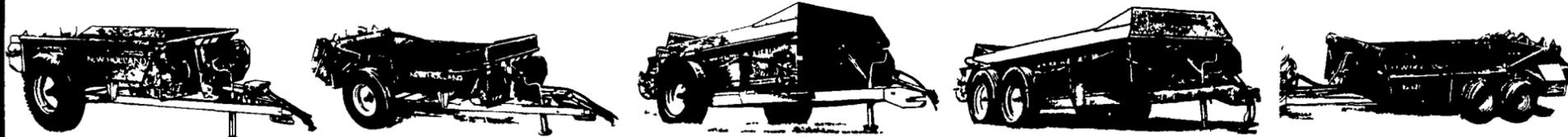
After coaxing buyers to up their bids at Paradise on Thursday, auctioneer Mitch Ashby believed that prices would improve. "It's going to take some time," he said. "The farmers need the auctions. It's the fairest way to sell your product."



PRICES REDUCED

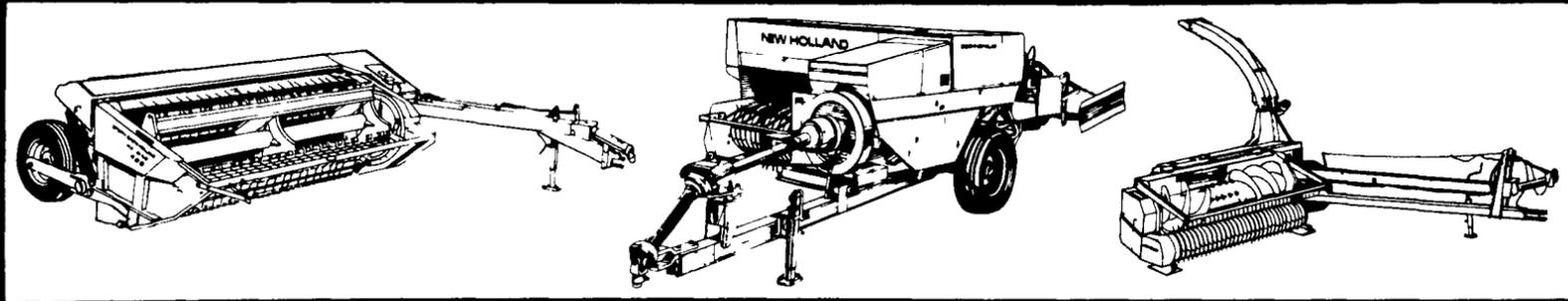


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