

**Penn State
FARM AND DAIRY
Business Seminar of the Week**

John C. Becker
Thomas A. Brewer
Jesse G. Cooper
Virgil E. Crowley
Larry C. Jenkins

With These Participating Professors

Jack J. Kirkland
Milton E. Madison
William T. McSweeney
H. Louis Moore
James W. Pease
Blair J. Smith
Alvio O. Voigt

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tising isn't likely to expand total domestic purchases of onions. It may though, expand purchases of some onions while reducing purchases of others.

With all the emphasis on fiber in the diet, per capital levels of fruit and vegetable consumption have been rising while per capita beef consumption has been falling. Is this cause and effect? Could the beef industry reverse its trend with a big promotional campaign? Would the fruit and vegetable industries retaliate with campaigns of their own? Would consumers then consume more fruits and vegetables or more beef or more of each and less poultry and milk for example.

Who knows who would gain and who would lose? If such a situation were to occur, as it has between poultry and pork, Northwestern apples and those from other regions and regionally produced onions to mention but a few, we can be reasonably sure of the following:

- Consumers will be better informed about the merits of various food products as well as their shortcomings which will likely be pointed out by those promoting products that compete for space in the consumer's stomach. Informed consumers make better choices and a more efficient marketing system might result. Furthermore much of the promotional effort subsidizes other consumer items such as radio and television entertainment and magazines and newspapers. Consumers probably benefit.

- The producers of the commodity may gain also, particularly if their products possess qualities that are now of greater importance to some people due to newly discovered needs of those consumers. Of if on balance they convince consumers to eat a little more of their product even though they might eat a little less of someone else's.

- The industries that do the advertising and promotion gain. Indeed that is the reason they are in business and such activities are the source of their incomes.

What's that you say? You believe advertising is more of a defensive strategy than an offensive one. Perhaps you are right but I caution, defense may be important too. The entire purpose of this column is not to evaluate the value of commodity advertising. That you'll each have to do, taking into account costs incurred and any perceived short- and long-run benefits. I am simply trying to encourage you to give the general topic some thought

Perhaps you'll come to the same conclusion I have. There is no way that advertising and promotion can increase domestic consumption of food to levels that will result in substantial increases in all farm prices. Some may gain but others will lose and it is conceivable that with many, costs may exceed

gains.

In addition to promotion and advertising there is another possibility for the improvement of the agricultural marketing system. The system can look for ways of becoming more efficient. The profit motive pushes all marketers in that direction.

LANCASTER — The Chesapeake Bay Program cost-sharing funding agreements are ready for signups.

It is designed to improve water quality and reduce nutrient loading of streams and waterways that flow into the Susquehanna River. Cost-sharing is being offered to

Initially, improvements in efficiency might lead to higher prices for agricultural products. However the profits gained as a result of increased efficiency may not be reflected in either lower consumer prices or higher farm prices both of which would benefit farmers producing the product.

Farmers, if they want their share of efficiency gains, will generally have to rely on competition among marketers to provide it. If it doesn't, they can pool their individual supplies and bargain collec-

landowners in the Chickies Watershed, but applications will be classified from low to high priority scored on established guidelines in the District Office.

Robert Gregory, Administrator for the Lancaster County Conservation District is asking all inter-

tively with users of their farm product to obtain their shares of efficiency gains or they could vertically integrate into the market and provide competition for existing buyers. The latter alternative requires a great deal of resolve on the part of farmers, a unanimity of approval among affected farmers and lots of capital. Many farm groups have done it and some, though not all, have been very successful.

The domestic marketing system works well. Consumers are provided with a wide variety of high

quality foods requiring only a small percentage of their incomes. The system can be improved. It can and will attempt to reach out to overseas markets. Whether or not the system will be successful in that effort will be determined more by international politics than by the strength or quality of the marketing system's efforts.

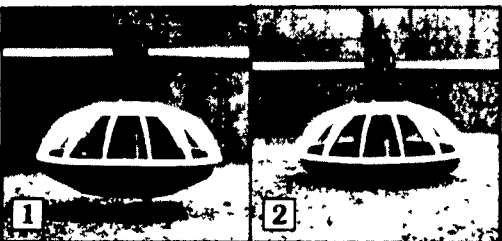
The system can and will become more efficient. It can and will continue to better meet our consumers perceived needs. It cannot guarantee a "satisfactory price" for all that farmers want to produce.

CHORE-TIME®

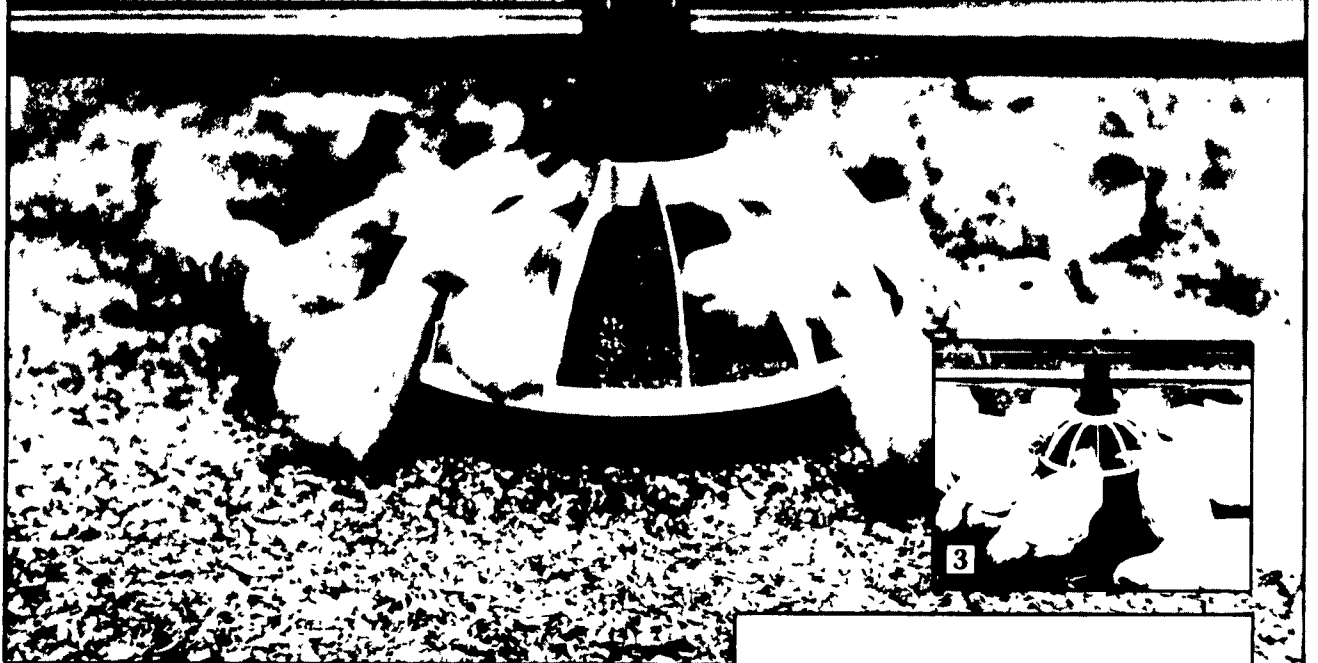
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I imagine a feeder: (1) that's rustproof and gives you all the advantages of Chore-Time's famous Model C—plus even more features... (2) that automatically opens when it's lowered to the floor, so it fills the pan with feed—to attract chicks from day one... (3) that, when raised off the floor, adjusts itself to low feed level, saving feed as you finish out the birds.

Chore-Time imagined it... then designed it... and tested it extensively. And now poultrymen are flocking to it because of all the advantages it offers them. The 2000 feeder—we have it now. And you can get it—for new installations or for remodeling—and start reaping its benefits.

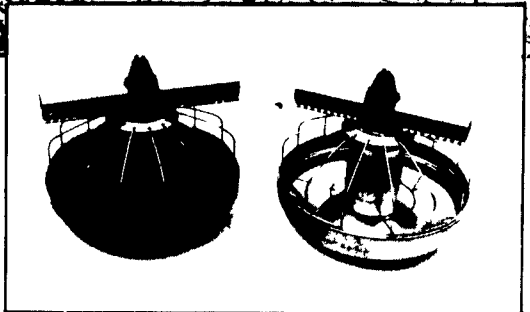


AUTOMATICALLY PILES FEED HIGH SO CHICKS SEE IT AND START EATING RIGHT FROM THE PAN



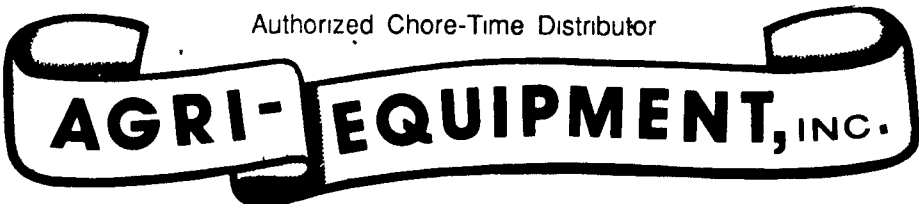
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NOW—A CHOICE OF PANS WITH THE FAMOUS MODEL C Model C—the most popular feeder in the entire broiler industry—is now available with either galvanized or rustproof polypropylene pan.



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