



## Business News

### Mid-Atlantic Reports Profitable 3d Quarter

BALTIMORE, MD. — The Farm Credit Bank of Baltimore reported 3rd quarter net earnings of \$5.9 million on a loan portfolio that topped \$3 billion during the quarter, according to recently released combined financial statements of the bank and its 18 affiliated associations located across Maryland, Delaware, Pennsylvania, Virginia, West Virginia, and in the Commonwealth of Puerto Rico.

"The agricultural economy in the Mid-Atlantic region continues to show stability as reflected by our increasing loan volume and the soundness of our loan portfolio's credit quality," said Gene Swackhamer, president of the bank, which is the region's largest agricultural lender.

"This is the 12th consecutive quarter we have experienced continued loan volume growth. While we are pleased with this trend, we want our customers to continue to enjoy stable farm income, dependable off-farm income, and secure collateral values," said Swackhamer.

He reported loan volume at the quarter's end was \$3.05 billion, an increase of 2% or \$60.4 million over the previous quarter and

8.6% or \$242.7 million above third quarter 1989. Mr. Swackhamer commented that credit quality across the region had not changed significantly since year-end 1989, and expectations are for credit quality to remain stable throughout the remainder of this year. He attributed this stability to a well-diversified agricultural economy, off-farm income, and conservative lending practices.

Declining property values, which have had a negative impact on some financial institutions in the Northeast and Mid-Atlantic states, have had minimal effect on the loan portfolio of the bank and its associations to date, according to the bank's quarterly financial statement.

Net income of \$5.9 million was recorded for the third quarter 1990, compared to \$3.1 million for the second quarter and \$4.3 million at September 30, 1989. Bank officials attributed the fluctuations in net income to an improving trend in net interest income offset by the recording to expenses associated with the investment in stock of the Farm Credit System's Financial Assistance Corporation in the second and third quarters of 1990.

### U.S. Soybean Farmers Find E.C. Proposal Unacceptable

ST. LOUIS, Mo. — American soybean farmers are voicing strong opposition to the agricultural proposal announced last week by the European Community (EC) in conjunction with General Agreement on Tariffs and Trade (GATT) negotiations. The proposal includes rebalancing, a provision which the American Soybean Association has rejected as conflicting with the goals of the GATT process.

"Quite frankly," said ASA President Merle N. McCann, "we find it amazing that the commission continues to ignore world opinion that meaningful agricultural trade reform is needed. The soybean farmers of American find the latest EC proposal totally unacceptable and we are calling on Congress and the administration to 'fight fire with fire.' Enough is enough!"

McCann said that soybean farmers across the country are eager to see a resolution of the problems with the EC's GATT-illegal oil-seed subsidy program. "However, the EC's proposed rebalancing plan is not a solution and is inconsistent with the objectives of the current round in the GATT negotiations."

Rebalancing, which is one of the prominent elements of the EC's proposal, would result in the establishment of import duties and quotas on soybeans and soybean products imported by the EC. The European Community has maintained duty-free tariff bindings on

the two commodities since 1962 as a result of an agreement reached in exchange for concessions in other areas.

"The duty-free tariff bindings were the basis of ASA's 301 unfair trade petition against the EC," said McCann. "Any attempt to reimpose tariffs through rebalancing would go against the GATT panel's ruling in favor of the U.S. in the 301 complaint."

ASA said the rebalancing proposal is opposed by most major trading nations outside of the European Community. In addition, members of the U.S. Congress have expressed their opposition to the proposal through a Sense of the Congress resolution included in the 1990 Farm Bill.

The EC proposal, which includes no specific commitment to cut export subsidies, also includes even fewer effective reductions in import access barriers than the EC originally discussed. In addition, it effectively instructs EC representatives not to reduce supports in a way that will increase imports.

"The European Community is a big importer of U.S. soybeans and products," said McCann. "However, it is imperative that any agreement on agriculture in the GATT negotiations benefit American agriculture. Rebalancing is not the solution. Any GATT agreement that includes rebalancing is totally unacceptable to American soybean farmers."

## Software Improves Beef Checkoff Tracking

ENGLEWOOD, Colo. — State beef councils recently increased their ability to monitor the collection of beef checkoff dollars because of an upgrade in the software program used to record checkoff collections.

In accordance with the Beef Promotion and Research Order, \$1 per head is collected every time a live bovine animal is sold. The law stipulates that individuals and organizations (called "collecting persons") who pay producers for cattle are responsible for collecting and remitting the checkoff

assessment. In the 44 states with Qualified State Beef Councils, the checkoff assessments are remitted to the state beef councils.

State beef councils use a computer system to record beef checkoff collections. Until recently, states were limited in their ability to monitor remittances from collecting persons. The upgraded system will allow states to better monitor compliance with the checkoff through easy and regular cross reference of collections received against collecting persons such as individuals, auction

markets, cattle dealers, and packers.

"The program will allow state beef councils to identify collecting persons that have not been regular in their remittance," said Ben Earle, compliance manager for the Beef Promotion and Research Board.

The checkoff collection software and upgrade was developed by the board and is used by more than 20 state beef councils. The system is also available to states using other computer systems to record checkoff collections.

### Pioneer Releases Software Guide

DES MOINES, Iowa — Pioneer Hi-Bred International, Inc. has released a comprehensive catalog of its agricultural computer software and education products. The free, full-color publication is being distributed to thousands of farmers throughout the U.S. who own computers.

According to Pioneer Product Line Manager Willona Graham Goers, "The products and services featured in our 40-page catalog have been designed to help enhance the productivity and profitability of farming operations by assisting producers with their management and marketing decisions. We are committed to helping farmers prepare for the 'Computer Age' of the 1990s."

Included in the catalog is information on the new Pioneer Dollar-Wise Advanced Farm Accounting

Program. "With this program," said Goers, "producers can easily enter inventory information to receive net worth statements and inventory reports which reflect current market values."

The catalog also features the new Dollar-Wise Crop Production Program. Developed by Pioneer, the program is designed to assist farmers in tracking and analyzing their past crop inputs and activities as well as planning for the year ahead.

According to Goers, the Pioneer software catalog contains more than 70 proprietary programs on everything from crop and livestock production to field mapping, marketing, financial management, and word processing. A free trial offer is also available for a limited time on select Pioneer

Decision Aids.

To help farmers learn more about the uses and applications of ag software, the catalog includes on-site and teletraining educational opportunities as well as the Pioneer Hotline Support Service designed to answer producers' questions by telephone.

The catalog also contains information on regional computer workshops to be held throughout the country in January. The two-day sessions, which are open to the public, will consist of mini-seminars on both basic and advanced computer program applications.

To receive a free catalog, contact (800) 338-5878, extension 230, between 8 a.m. and 5 p.m. Central Time, Monday through Friday.

## Poultry Marketers: What's Valuable To Customer?

LANCASTER (Lancaster Co.) — A national survey of consumer satisfaction with items they purchase has produced some interesting and valuable information for poultry marketers. Fabian Linden, executive director of The Conference Board's consumer research center, reported the surveys findings in the June issue of "Across the Board."

Consumers rated their level of satisfaction for 150,000 products and services that are generally available to them. In a sample of 7,000 households, consumers were asked to give each item a rating of "good," "average," or "poor," indicating the value received from goods or services purchased.

The poultry industry can be proud of the way consumers perceive poultry products' value. Poultry purchased for home consumption received the best rating of all the items. The rating system used the percentage of consumers rating the product "good," plus half the percentage of consumers rating the product "average," to come up with point totals for each item. Poultry scored nearly 70 points on the rating system, which indicates consumers really think they get good value for money spent on poultry products. Lawyers, on the other hand, were near the other extreme with a little over 20 points. More than half of the respondents gave lawyers a "poor" rating and only 5 percent

gave them a "good" rating. The average for all items was between 40 and 50 points.

The value perceived by consumers for money spent on college tuition (professors' services) was a bit below average at around 35 points. Professors are ranked between dentists and doctors.

The top ten items, led by poultry, were, video rentals, TV sets, fruits and vegetables, appliances, meat, pet food, haircuts, fish, and electricity. Restaurant meals came in next with a rating of 55 points. Other surveys have shown the number of poultry dishes being offered at restaurants growing rapidly in recent years and consumers' high level of satisfaction with meal value is good news for poultry marketers.

While many food items for home consumption and restaurant meals are rated high, fast foods are not. Poultry has been a growing portion of fast food offerings over recent years. Consumers must be buying fast food because it's fast, not because it provides good value.

Many of the items rated as less satisfying than average were in the service category. Auto and home repair, insurance, fast food, air fares, mass transit, hotels, cable TV, bank charges, sports events, movies at theaters, credit card charges, and hospitals all got below average ratings. While the U.S. is becoming more of a service economy, it seems consumers

are still more satisfied if they get something substantial to carry home with them when they spend their money.

The survey found ratings given by young and old consumers showed very little difference. Air fares were one of the few areas where age was significant. Senior citizen discounts have been effective in increasing the perceived value of air travel for older consumers. Foreign cars also reflected ratings sensitive to consumer age. While overall foreign cars gained about four more rating points than U.S. cars, most of the 50-plus age group gave higher ratings to U.S. cars.

Very similar ratings were given to items by consumers from all regions of the country and across all income levels. Cars provided an exception. Northeast and West Coast regions and high-income consumers gave foreign cars the highest marks.

High-income consumers were a little more satisfied with poultry, fruits, and vegetables and a little less satisfied with fast food than were lower income consumers. This may reflect more concern and knowledge on their part about health and diet issues. There also should be an opportunity for poultry marketers to sell more value added products in supermarkets and to penetrate upscale restaurants with more poultry entrees than in the past.



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