

# Commodity Conference Examines Challenges Farmers Face

LOU ANN GOOD

Lancaster Farming Staff  
GRANTVILLE (Dauphin Co.)

— The tough challenge farmers face to lay plans to meet changing government regulations, fickle consumers, industry mergers, and participation in world markets was tackled at the Commodity Outlook Conference. Sponsored by the Pennsylvania Farm Bureau, the day-long conference was held both in Dauphin and Indiana counties this week.

Because future success is measured by two major rules: consumer demand and how farmers react to the rapid changing and totally unpredictable market, the Farm Bureau brought together a group of experts to help farmers examine the issues and develop a positive vision.

Dr. Luther Tweeten, economic professor at Ohio State University, said that he can predict with certainty that the 1988 market will bring many changes to agriculture industry.

It is important to look at world trends because agriculture changes are determined by global happenings and not limited to what happens in the state and nation, Tweeten said. The past also plays a role.

Diagrams charting production yields for cereal, vegetable, melon, dry beans, roots and tubers for the past 25 years, show a consistent increase. At the same time, the diagrams reveal a slowing of growth. For example, in 1961, the annual percent of growth in cereals was 3.20 percent. In 1996, the growth rate had slowed to 1.51 percent despite the population increase.

Cereal, Tweeten said, is the most important crop because it provides about half the calories for all the people of the world and is a key item in food supply.

This increase in yields but slowing of percent of increase shows a consistent pattern for all commodities. He sees no basis for optimism if the trend continues.

On the demand side, the slowing down in percentage of crops is offset by the slowing down in the percentage of population.

"For centuries the population has increased, but a turn-around in that trend will have a profound impact on agriculture.

Projections from several reliable sources predict there will be zero population growth by the year 2100 and some predict it as early as 2030.

In 1961, yield increases were higher than population demand, farm prices fell, and surpluses were stockpiled.

By the year 2000, yields will probably be below the increase in demand, which is good news for farmers but not consumers since this translates into higher food prices.

The food shortage will mostly affect people in countries where the food supply is already tight.

"We do not have government playing a stabilization role as in the past. I think those days of carryover are over," Tweeten said, although he predicts the government will maintain some payments after 2002, the safety net for farmers will be more to rely on reverse insurances than on government intervention.

Tweeten doesn't see the government's lack of involvement in stabilization as having a highly negative impact.

"We are getting back to a more normal situation of earlier

decades. Variability is consistent with earlier decades. While a drought may drastically reduce corn production in one area, it is balanced out by other areas."

Tweeten sees an inherent instability in the market from global warming, higher yields, and percentage of deviation.

"Instability is the number one problem of production agriculture," Tweeten said.

He was not encouraging on the outlook of small family farms.

"Family farms would disappear in a generation if not for generous mothers and fathers," Tweeten said.

He said that statistics prove there is more profit for factory-type farms. "Larger farms produce food at lower cost. The statistics on this are startling."



Sec. of Agriculture Samuel Hays Jr. vows to defend the farmer's right to farm.

Farms are considered commercial size when they produce \$100,000 in sales annually. Tweeten considers these farms will profit in the future as long as they are managed well.

While there are pressures to expand farm size, Tweeten said that other forces must be taken into consideration.

In particular, he foresees the odor problem becoming more offensive to the non-farming community that will refuse to tolerate smells. While it can be expensive for small farmers to control odors, a study shows that a large hog operation could correct the odor problem in a manure lagoon for as low as ten cents a head.

"Large operations have all the advantages," he said.

The two percent decline in family farms a year will continue.

"Small farms can survive but will need off-farm income," he said. The drawback is that farmers will become weary of subsidizing a hobby farm and sell out.

During lunch time conversation, several farmers of small family farms were not discouraged by Tweeten's prediction of the family farm.

"It has worked for us in the past and it will continue to work," an Amish farmer said of the help that parents give to children beginning to farm.

Tweeten display statistics showing that livestock production is moving to the cornbelt. Tweeten expects this trend to continue because the cornbelt has open spaces and low labor costs.

As far as trade exports, Tweeten said that American can compete favorably with the world market as



Individual commodity sessions are led by commodity experts from the American Farm Bureau Federation, from left, David Miller, Dr. Mark Jenner, and Dr. Ken Olson.

long as unfavorable regulations are not imposed on them.

America's food supply is the safest in the world, which makes it attractive to buy. Some countries have a problem trying to pay for all they want to buy. In some cases, extending credit to them will pay off in the long run as they a more stable economy. A case in point, he said, is Mexico, which has repaid with interest the money loaned to them during their economical upheaval.

"We want to keep a vested interest in these countries," he said.

He sees exports to the Asian market as short-run pain and is optimistic about the long term rewards.

On the other hand, he said that some countries such as Africa will probably never be a reliable source because they need to get their governing policies in order; otherwise, it's only dumping money.

In a fiery speech, Secretary of Agriculture Sam Hayes Jr. promised to work earnestly to protect farmers' opportunities to produce more than ever before. He said that in a great rush of environmental judgement, Pennsylvania had forced steel and textile industries to relocate. He vowed to keep that from happening to agriculture.

"Agriculture must be a profitable reward for your hard work,

management, and risk taking," Hayes said.

Hayes, who has traveled extensively to Poland and many countries, spoke of how he believes American farmers fit into the trade picture.

He told of visiting a 300-acre dairy farm run under the Communist regime when more than 700 employees were milking 200 cows. Since the fall of the Communist regime, Hayes visited the same farm now using 15 employees. While these countries are making strides to improve managing farms, Hayes believes it will be a long time before countries, which were formally communistic, will be able to crawl out from what he calls "a painful bomb crater—economically, socially, and politically.

Hayes said many dissimilarities exist in Asian countries. It is important to look at each country differently and concentrate on relationship building time to develop markets.

While Australia and New Zealand are serious competitors in the Asian market, Hayes said that he has been told repeatedly that countries prefer our products. Unfortunately the cost of transportation is formidable.

While farmers are in "an export mode," Hayes cautioned them to

not forget home, since the state itself is the number one consumer.

During the afternoon, members broke into groups for a more in-depth look at the commodity in which they were interested. The dairy session was led by Dr. Kenneth Olson, public policy dairy specialist with AFBF. Dr. Mark Jenner, economist for AFBF, led the poultry commodity group. The livestock session was led by David Miller, commodity and program coordinator for AFBF.

Richard Prether, public relations manager for the Farm Bureau, said that the commodities conference was held to revitalize commodity groups within the organization. "Participation by farmers is the best way to get information to farmers," he said.

About 150 members attended the Dauphin County conference held on Wednesday and 100 members attended the Indiana County conference held on Thursday.



Dr. Luther Tweeten, economic professor at Ohio State University, said that he can predict with certainty that the 1988 market will bring many changes to agriculture industry.

## California Jersey Produces/1,990 Pounds Fat

REYNOLDSBURG, Ohio — A new United States Jersey production record has been set for fat production, making 1997 the year that milk, fat, and protein records for Jerseys were broken.

BW Champs Lou W546, VG-84% produced 26,620 pounds Milk, 7.5 percent 1,990 pounds Fat, 4.5 percent 1,206 pounds Protein in 365-days at 4 years, 11 months of age, on 3X milking.

The new fat leader was owned by Brentwood Farms, Orland, Calif.

This record breaking cow did not receive special treatment in Brentwood herd. After completing her outstanding record, "Champs Lou" died one week after calving from complications of a hardware operation.

Said Bob Bignami, of Brentwood Farms, "She left us with a Stonerun Sooner Freddy and WF/L&M Duncan Booker calves. Though she was never

pictured, she was sharp and clean with tremendous box capacity."

"Champs Lou" was a daughter of Champion, a son of Highland Magic Duncan, PTI + 196, and M.G. Master MC Lou, EX-95%. Champion has a PTA of +.11% Fat, and has sired a number of high-testing daughters.

Another Champion daughter, BW Champs F203, ranks third for all-time fat production with 1,951 lbs. and was the 1995 All American grand champion cow.

The previous top fat record of 1,976 pounds was set in 1996 by GR J-Kay Nevada Babette.

In fall of 1997, a new United States milk production record of 365 days 3X 38,030 lbs. milk 4.6% 1,732 lbs. fat 3.5% 1,333 pounds, protein DHIR V was set by Queen-Acres Boomer Celeste owned by James L. and Sharon L. Osborn, Keymar, Md. In addition, a new protein record was set by Barbs MBSB Dayetta-ET,

with a 365-day record, at 3.6, of 35,910 lbs. milk 4.0% 1,439 lbs. Protein, and 4.0% 1,451 lbs. protein, verified.

According to Bob Bignami, owner of Brentwood Farms, "Champs Lou" was just a regular cow. "She had always been a good, steady producer, but we never paid extra attention to her," Bignami said. Bignami noted that herd consultant John Batchelder noticed her record and told him, "Here's one that might do something." That something was to test 7 percent for fat on all but one of her months in production.

The Brentwood herd average 17,291 lbs. milk, 838 lbs. fat and 650 lbs. protein on 551 lactations, 3X milking, in 1996. That ranks them fourth in the nation for protein and milk production, and fifth for milk production, in herds with 300 records and over.