

Historic Extremes Define 1998

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pening within a constantly metamorphosing social and business context, that seems to have nothing really to do with the changing numbers of the calendar (except for computers, of course), despite the drama and hype that goes with going from the 1900s to the 2000s.

For example, two years ago the general public talked less than ignorantly about cloning.

This year "cloning" is a common topic of conversation for the general public.

The practice of cloning — reproducing offspring genetically identical to one parent — has seen great development. It's difficult to find someone who hasn't heard of it.

Of course, each has his own perspective upon the events of the past year, and his own experiences concerning the impacts of change.

However, it must be considered that what has happened did not happen only to an isolated group. It has happened to all.

Also, it seems that this year is part of a true change in the human experience. It seems it could be more than people revisiting history.

It is one marked by vast advancements in technologies of communication, information storage and transfer, medicines, and genetic understanding.

And, perhaps more importantly, widespread access to it.

It's difficult to determine, but if all the technological advancements didn't serve as a catalyst, the advancements were helped by the declared end of the Cold War with the Soviet Union and its Communist Party rule, as well as the apparent successes in South Africa, and the increased global sharing of desire and definition of a "good life."

Instead, perhaps this should be considered an historic era — the era of questions.

The lack of a common political enemy (other than terrorism) for free-trade partners has created a new dilemma — what's the next step?

Are free-trade pioneers to become global powers? If so, then arch enemies or complicit partners?

Are unions a quickly disappearing animal headed for extinction in the world of business, or are they about to explode in support and become globalized in the coming years?

Are the current low fuel prices in the United States dependable or merely a gracious, but temporary truss against economic collapse?

Are the record number of United States' bankruptcies among young people a sign of things to come, a lost sense of responsibility for avoiding overwhelming debt, or merely a reflection of a public education and social system that offers as little punishment as it does reward?

Is the longest running period of economic growth in the United States a reason to crow, or keep low?

Coupled with historically low interest rates, a widespread lack of personal savings, and other portends of long-term economic weakness, some speculate that the domestic economic pendulum is poised to swing the other way, equally hard and long.

Others look to the boon in middle-income investments in Wall Street (through 401K plans, etc.) as a solid enough reason to

envision an extended period of stable, but slow growth, as the rest of the world's economies develop and stabilize.

The past year has seen further trade developments under the General Agreement on Tariffs and Trade, and the North American Free Trade Agreement.

For those dealing internationally, it is too soon to say that globalization of businesses is a foregone conclusion, especially for those businesses producing and supplying agricultural commodities, energy or other types of commodities linked to a nation's political autonomy.

The economic collapses within the Asian nations and the longer-term trends of power changes within those communities and cultures provides much uncertainty for free trade and the United States economy.

South Africa is a growing power in market development, as are countries of South America, and they both seem to offer developing markets of strength.

In the meantime, not only are people being asked to learn and operate under a new set of laws of trade, they are being asked to consider the viability of existing philosophical and cultural laws, especially as they relate to business and self-protection.

More simply, people are being asked to decide the usefulness of their own local expectations of behavior as they are tested through laws affecting global trading.

It raises more questions.

Does every contract need to be in writing?

Is it okay to attempt to sell low or domestically illegal quality product to the world, retaining higher quality for local sales?

Is it okay in principle to relocate a highly regulated United States' business to another nation, with comparatively little regard for labor and environment, in order to make a quicker and bigger buck selling back to United States consumers?

Is it okay in principle for American agricultural cooperatives to relocate operations to foreign properties, or grow beyond competitiveness?

If it is okay for a publicly traded company to do the same, why not a wholly owned cooperative?

If nothing else is certain, this seems to be: predictions are not to be trusted.

There were some hallmark events in 1998 that seem to indicate possibilities for the next years, even if those hallmarks for the United States have been extremes and surprises.

Politically, 1998 brought an impeached president, and new questions about the effectiveness of elected representation in government when fewer than 50 percent of eligible voters exercised their rights, and even fewer have the ability to finance the publicity campaigns needed to effectively market candidates.

Partisan politics returned from thinly veiled hiding during the year, though it seemed to have mostly served Republicans poorly, providing a public perception of unstable leadership in the U.S. House of Representatives that some have described as spineless elitism.

The Democratic Party didn't advance its reputation, neither.

Of those who actually voted in November, Pennsylvanians re-elected Gov. Tom Ridge handily.

Casual and pundit talk of Ridge's consideration as a national

candidate in 2000 for vice president or president has grown, and support of that possibility was given weight when the Republican National Committee announced Philadelphia as the site for its 2000 convention. (Various reports suggest Texas Gov. George Bush II as a strong potential presidential candidate.)

Though alternative political parties — such as the Libertarians — seemed to dwindle in support since the 1996 presidential election, a former professional wrestler was elected governor of Minnesota in November.

On another level, the year can be expected to remain in the memories of some as the last year to raise hogs, or dairy farm, or to own a farm.

Hog market prices are well below the cost of production, blamed on a domestic glut due to the failure of intended exports.

The National Farmers Organization has recently called upon the federal government to buy up excess hogs and use the meat for public welfare programs, such as school lunches, public food pantries, and soup kitchens.

Independent hog producers seem to be the most affected, while those integrated operators with protective contracts are expected to ride out the unprecedented low prices.

The industry is expected to emerge even more integrated than before.

Grain prices also dropped heavily, again blamed upon the lack of export markets.

In fact, to cut to the chase, the only commodity production industry apparently faring well is the dairy industry, which has been experiencing all-time high base prices during the past several months and very favorable feed prices.

However, the increase in price received at the farm gate only began in the summer, following a period of low dairy prices and high feed costs.

That period eliminated production on many farms, though continued expansions of some of the herds picked up the slack.

After several months, the milk price received at the farm caught up to the reported shortages of butterfat during early summer.

The shortage of butterfat led to higher butter and cheese prices.

For a period, the combination of butter and cheese price increases resulted in a temporarily strange pricing situation, where drinking milk prices didn't increase, but manufacturing value increased significantly.

At one time during the year, the U.S. Food Manufacturers Association lobbied the United States government to allow increased imports of butterfat, though the request was decried by the dairy industry and denied.

The argument against increasing the importation of butterfat was simply that the current system shouldn't be changed just because the manufacturers are starting to feel the impact of supply-and-demand pricing for United States dairy product.

Dairy producers noted that there was no outcry from the manufacturers when dairy producers went out of business because they received below cost-of-production prices.

The weather for the year was ironic, if nothing else.

Growing degree days were two weeks ahead of normal going into summer, and continued at about

that pace through the season.

On Feb. 17, 1998, the Susquehanna River Basin Commission (a 100-year federal/state compact with authority over the flows of the Susquehanna River) had officially taken the last counties off of its "drought watch" status. Those counties included York, Lancaster, Lebanon and Chester in Pennsylvania, and Harford and Cecil in Maryland.

That concern began July 17, 1997, when all the counties in the Susquehanna River Basin had been declared to be a state of drought watch.

Rain came early and often in 1998 and by the Feb. 19 withdrawal of drought watch, all those counties received above normal rainfall for the year.

Though early wet and warm weather allowed some weed growth to advance to reproductive stages before crop planting season, and some were only able to work fields late in the planting season, the rest of the summer growing season seemed to fair well.

By the second week of June, corn planting in the area was about complete, soybeans were behind and 85 percent of the hay was reported good to excellent in condition, but the Pennsylvania Agricultural Statistics Service had already noted a lack of rain.

Rainfall came at fortuitous times later in the summer, and was not much concern by harvest.

However, the streams across the northern tier of Pennsylvania suffered low flows during the summer of 1998 and the Susquehanna River and its tributaries are in serious trouble going into 1999.

The Delaware River Basin is similarly in a state of high concern.

Record high temperatures during the first two weeks of December and drought conditions throughout the state provided a false "spring" for many plants, and many insects began to re-emerge from hibernation — wasps, hornets, etc.

For golf course superintendents and others who grow various grasses with irrigation, it meant an extended season of growth.

Weeds began to emerge in post-harvest tilled and re-seeded fields, and that could possibly be good if the cold kills those weeds and it results in less weed emergence in the spring.

Successful antlered deer hunters were forced to head to butcher shops immediately, in the near 70-degree temperatures across the northern tier.

The state Department of Conservation and Natural Resources Bureau of Parks banned open fires and smoking on state forest lands, while the Pa. Game Commission banned the same on game lands.

The Pennsylvania Emergency Management Council, headed by Lt. Gov. Mark Schweiker, on Dec. 15 advised the governor that conditions exist to declare a drought emergency for 12 counties.

By Dec. 18 Gov. Ridge had officially declared a state of drought emergency for those counties — Bedford, Blair, Cambria, Clarion, Clearfield, Crawford, Elk, Jefferson, Lycoming, Snyder and Somerset.

There are three levels of drought declaration, according to severity of dryness.

The first level, a drought warning, carries with a provision for voluntary conservation measures and a 5-percent reduction in water use.

The second level is a drought

watch, and carries a provision for voluntary reduction of 10 percent of the water use.

The Lt. Gov. can declare those two levels.

Drought emergency status carries more weight and can only be declared by the governor.

"My drought emergency declaration will allow state agencies to make emergency resources available," Gov. Ridge said in a news release.

"We'll allow municipalities in those areas to enforce water-conservation measures, ban non-essential use of water and receive emergency water resources. We'll work to provide appropriate resources to assist Pennsylvanians in areas where we have water emergencies. We'll monitor conditions statewide and provide additional assistance should conditions worsen."

That statement was made before an arctic front entered the state and began freezing the ground.

Cold air is also dry air, since cold air can't accommodate as much water vapor as can warm air, arctic fronts can easily exacerbate drought conditions.

Frozen ground prevents any rainfall from beginning to immediately percolate and filter through the soils into aquifers.

But reaching historic extremes in temperature and rainfall during the year, and ending up being the warmest year on record, were not the only weather events of note.

A series of tornadoes tore through the state the first week of June.

Gov. Ridge requested federal disaster aid for Allegheny, Berks, Chester, Delaware, Lancaster, Monroe, Montgomery, Philadelphia, Pike, Somerset and Wyoming counties.

The damage was great. In the business world, there were several additional mergers and consolidations.

The New York Coffee, Sugar & Cocoa Exchange ended 1997 with a record volume of traded contracts, and about the same time the trading company announced its previous year's activity, a federal program attempting to educate dairy farmers to the use of using dairy futures options contracts to manage profits was announced.

The Pennsylvania Direct Marketing Association worked on rejuvenating itself into an effective organization for agricultural entrepreneurs seeking ideas and products to help their businesses.

A number of Lancaster area tobacco farmers formed a marketing cooperative recently after Jane Balmer, Lancaster County Farm Bureau president and tobacco farmer, spearheaded efforts among growers to take their marketing into their own hands.

The 438 tobacco growers on the cooperative, as of mid-December, were left with a mostly unsold 1997 tobacco crop in storage while they worked to harvest a 1998 crop.

The local tobacco auctions folded, and tobacco buyers, after picking out the top quality 1997 product and then offering low prices for the rest, stopped sales discussions when buyers attempted to hold out for a more reasonable price.

Tobacco companies, however, have been sued by a coalition of U.S. states' attorney generals, and face high charges to their business profits, though global tobacco consumption and demand increased.

The cooperative is seeking ways

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