

# Seminar Teaches Optimism Tempered By Realism

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**LANCASTER** (Lancaster Co.) — Don't underestimate the competition.

Threatening words, but reality for farmers who are jockeying for position in a global economy.

Marcia Zarley Taylor, editor of "Top Producer," a business magazine for executive farmers, said at the agri-educational seminar sponsored by First Union Bank last week, that the Brazilian frontier is impacting U.S. agriculture more than any other influence in the past 20 years.

Two years ago, Taylor took her first trip to the Brazilian interior. What she saw opened her

eyes to many myths that the U.S. agriculture community accepts as truth.

Brazil, the size of 48 continental U.S. states, is not a wasteland as previously viewed. Treat the soil with phosphate and lime and they produce 40 bushels of soybeans per acre. Land is being cleared for planting at amazing speed. Two men can clear an average of 100 acres daily.

A second trip Taylor took to Brazil confirmed the following realities:

■ It's not soil quality but water that counts.

Brazil has 80 percent of the world's fresh water supplies with 50-80-inches falling during the growing season, which is like free irrigation.

In 30 years, farmers who have raised crops in the area have never known a weather disaster. Brazilians are adapting to the latest technology and are learning to maximize the free irrigation by double cropping soybeans followed by corn in the same season.

■ Brazil holds about 225 million arable acres, with only 10-20 percent of that being farmed today, but a frenzy of expansion continues to increase. Compare their acreage with the U.S., which plants 60 to 72 million acres of soybeans in the U.S. annually.

■ The U.S. is not the lowest cost producer. Brazilians are cost effective in everything.

The smallest Brazilian farmers farm 6,000 acres and large farmers 30,000 acres. Using modern equipment, Brazil can produce crops much more economically. Former transportation problems are being solved. Rivers are the roads that need no asphalt or steel. Water routes have cut costs on imported fertilizer and on shipping out soybeans.

"Transportation improvements are geared for exports. All expansion will go to global markets," Taylor said.

■ Brazil has displaced France as the world's largest poultry exporter in recent years.

"There is no reason why pork can't be next," Taylor said. Despite textbook theories that hogs couldn't be raised in the tropics because confinement would cause respiratory infections, Brazilians are raising hogs and chickens without problems with respiratory diseases.

Of the hog facility Taylor visited, she said, "It was the cleanest, best smelling one I've ever visited."

Taylor challenged the audience to be cost effective in everything and to guard the homegrown market with care. Despite the opposition, Taylor believes, the U.S. has the potential to exploit value-added produce.

The economic outlook, marketing, and federal policy changes were addressed by G. David Orr, vice president and chief economist for First Union;



"Food represents national security. Do we want our food imported?" asks Dr. David Kohl.

H. Louis Moore, ag economics professor; and David Kohl, ag economics professor.

Orr revealed how economic predictions can be misleading when they are based on wrong statistics. Orr explained the reasons he believes that the economy will continue to thrive but slow down.

Moore said that while the overall economy has experienced the largest economic growth ever, agriculture has faced obstacles of drought, fickle export markets, and fluctuating grain and livestock supplies.

Any improvement in ag prices since the beginning of the decade is due to drought.

Moore injected humor by telling farmers who want better prices to "pray for drought elsewhere."

Although Pennsylvania farmers receive only one percent of government payments, what happens nationwide affects them.

For example, last year farm income nationwide was the second best in income during the 1990s. However 39 percent of that income was from government and emergency payments. Take away those payments and the income would be the worse year instead of one of the best.

An election year shows promise of helping farmers because farmers are in bad shape and politicians will want to appease them.

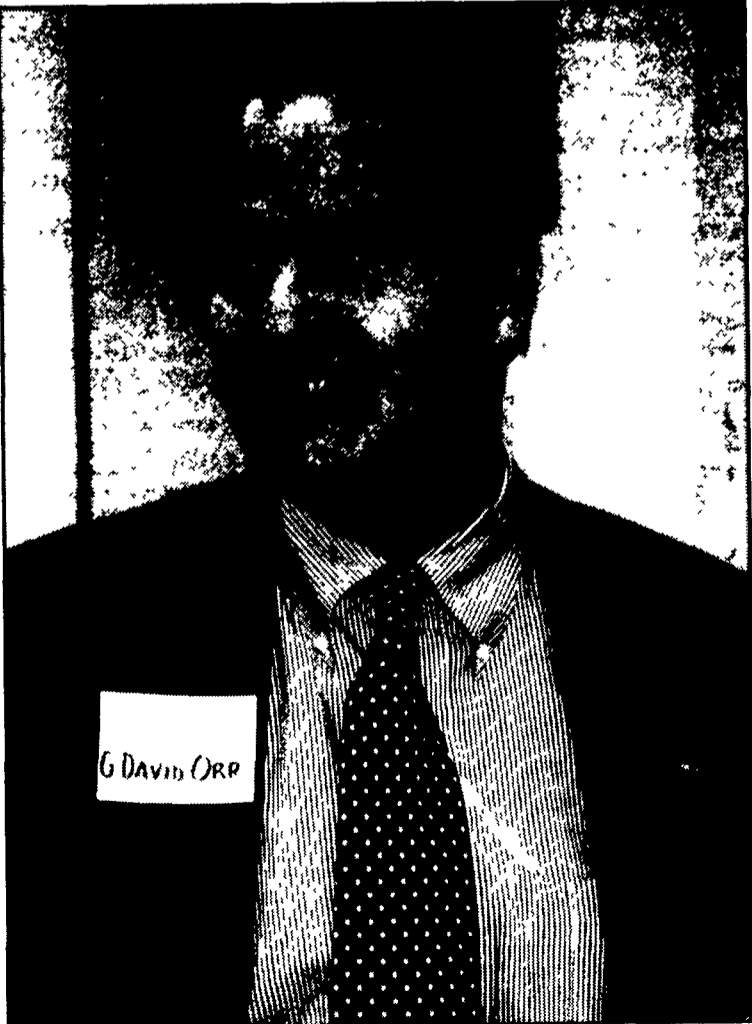
European trade barriers reflect the European Union's inability to compete economically with the rest of the world. Moore sees this as a delay tactic that will disappear with time.

Kohl challenged, "Food represents national security. Do we want our food imported?"

A new mindset of agri-entrepreneurs are needed to offset farm prices. Kohl said that too much electronic clutter causes people to focus on what's



Marcia Taylor's insight dispelled the common myths that have clouded American agriculture and given the U.S. soybean industry such a sudden and cruel across-the-board price jolt since 1997.



David Orr explains complicated financial charts in layman's language.



Participants at Agriculture 2000, from left, are John Blanchfield, G. David Orr, Sarah Boyd, David Kohl, Marcia Taylor, Jennifer Zimmerman, Darvin Boyd, Ronald Hanson, and H. Louis Moore.