

WEST TEXAS Country Trader



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The Slatonite
The Tullia Herald

Turkey's Eudy ends long ag education career

■ Was top ag educator, FFA advisor for the state

AUSTIN — After 35 years of service to Agricultural Education, Turkey native Jay Eudy, Texas State Director for Agricultural Education and State FFA Advisor, has decided to retire.



EUDY

A retirement reception will be held for Eudy on Saturday, Nov. 20, from 2 to 4 p.m. in the cafeteria of the new Extension Building of the state capitol. Eudy retired effective Sept. 30.

Eudy, who grew up on a

farm near Turkey in Hall County, graduated with bachelor and masters degrees from Texas Tech University.

Prior to embarking on a teaching career, Eudy graduated from Army Airborne and Ranger Schools and served in the Army for four years. Eudy commanded a company in the 101st Airborne Division for over two years and served as advisor to the Royal Arabian Infantry School in Saudi Arabia.

Eudy, who originally planned a career in the Army, recounted recently the turn of events that led him home to become an ag home town, a tour of duty that lasted 20 years.

He had just gotten out of the Army when he decided to take his young family and drive from Fort Campbell, Ky., to visit his parents in Turkey. Eudy had no firm plans for the future, though he had had received one other job offer to teach ag at a Texas high school.

"When I pulled in the

driveway, I was met by one of the school board members who saw me driving through town and intercepted me," Eudy said. "The man told me my old ag instructor had just resigned, and he wondered if I might like the job."

Eudy checked out the job, took it and remained on board in Turkey from 1958 to 1978. He then became area consultant for the Texas Education Agency in Plainview in 1978 and was named State Director for Agricultural Education for the Texas Education Agency in Austin in 1983.

During his service to agricultural education and the FFA, Eudy has held numerous positions of leadership and has received many professional honors. He organized and was instrumental in establishing the Texas FFA Foundation.

From classroom teaching to consulting and directing, he has provided leadership for both students and teachers. For 10 years, he has

given direction to the largest agricultural education program in the nation, with 1,400 ag science

Wheat meet coincides with Amarillo ag show

AMARILLO — A "Wheat Symposium" sponsored by the Texas Wheat Producers Board and the annual meeting of the Texas Wheat Producers Association have been set for Thursday, Dec. 2.

The sessions will be held in the Amarillo Civic Center in cooperation with the Amarillo Farm & Ranch Show.

Texas producers concerned by low harvest-time prices, increasing environmental issues, threatened loss of beneficial chemicals and changing world trade alliances and marketing strategies, will gather to regroup for challenges ahead, according to the leaders.

Ben Scholz, chairman of the TWPB, will chair the morning symposium.

Registration begins at 8:30 a.m.

Dr. Kim Anderson, grain and livestock marketing economist at Oklahoma State University, will address the "Wheat Situation and Outlook."

Stanley Porch, vice chairman of U.S. Wheat Associates, the Texas U.S. producers foreign market development arm, will discuss "The Challenge of World Markets in a Changing Grain Economy." Porch is a wheat producer from Wanblee, S.D.

Bruce Knight, director of governmental affairs of the National Association of Wheat Growers of Washington, D.C., will delve into the "Legislative and Administrative Challenges Ahead."

teachers in 950 schools.

In the past eight years, Texas' ag science classroom enrollment has increased by 50 percent.

Texas is the largest and one of the fastest growing state FFA Associations in the nation, with 58,000 members.

He is the namesake of the Jay Eudy Fellowship, established through the Texas FFA Foundation by friends of Eudy, to fund an endowed internship for ag science and technology. A statewide goal of \$200,000 has been set for the endowment.

Contributions to the Jay Eudy Fellowship may be sent to the Texas FFA Foundation, 614 E. 12th Street, Austin, 78701. Those wishing to attend the retirement reception may make reservations by calling 1-512-472-3128.

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AgReview



South Plains
Ag News

Nov. 18

XMAS OPEN HOUSE, DIMMITT — Dimmitt's annual Christmas Open House and associated events will be from 6 to 9 p.m. on Nov. 18.

"Light up the Holidays — Dimmitt Style!" is the theme, with many Dimmitt businesses planning to open during the extended hours.

Nov. 21

NAZARETH TURKEY DINNER — The Nazareth Christian Motehrs will hold a Thanksgiving dinner from 11:30 a.m. to 2 p.m. in the Nazareth Community Hall.

Tech lab suffers 'stress' over pork label

■ It's vital not 'pork' claims Albin

By DANNA RYAN

A&M Extension Journalist

What exactly do plants "stress" about? Why do they worry?

It may sound like a far fetched thing to ask but, unfortunately, it's a question that's been asked by opponents of the Institute for Plant Stress Research in Lubbock.

In fact, some skeptical watchdog groups in Washington have labeled the Lubbock-based institute a "pork barrel" project.

Meanwhile, supporters of the project — whose first phase of greenhouses remains empty on the campus of Texas Tech and in need of further funding — argue that the pork barrel label is inaccurate.

The Plant Stress Lab project was developed by a Blue Ribbon panel of USDA scientists in 1979 to develop a detailed understanding of how some plants survive and grow under extreme temperatures and limited moisture. Since its beginning 13 years ago, the project has been a cooperative program with USDA/ARS, Texas A&M University and Texas Tech University.

Lab supporters say bene-

fits of the lab include development of new varieties and production systems which will help stabilize crop yields across the Great Plains. Research conducted at the facility will enable the region to stay economically abreast on both international and domestic crop commodity markets.

The research emphasizes three main areas: stress physiology, genetic enhancement

and advanced production systems. The Lubbock site was chosen because of its unique geographical location. All crops that can be grown in the Great Plains area can be grown in Lubbock.

The site is also near a major university, which will enable interaction with university personnel.

The project is headed by Dr. Sam E. Curl, Dean of the College of Agricultural Sci-

ences and Natural Resources at Tech. Dr. Dick Auld and Dr. Bob Albin also play vital roles in presenting the project to Congress each year.

Being labeled as a pork barrel project may have served to tarnish the project's image, in some people's eyes, and added to the economic crunch encountered in funding it, some say.

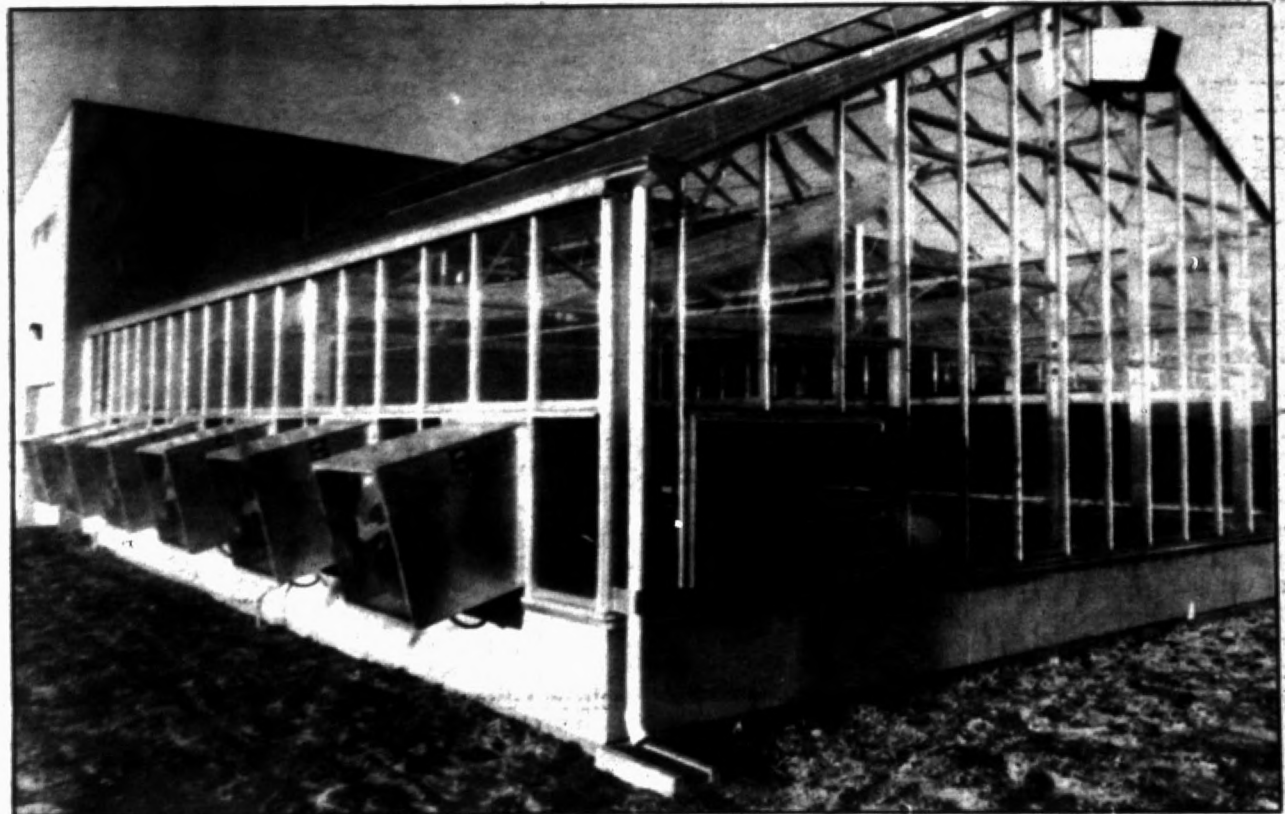
Albin said the project has all the appearances of a

"pork barrel" approach, but originally did not begin as one.

The plant stress lab at Tech does not constitute a "pork barrel" project because of its broad purpose to serve the good of the people, not only in the Lubbock area, but across the country.

Albin said for something to be labeled a pork barrel

See PORK, Page 5



Gordon Zeligler

Stress lab awaits funding

Though it received enough funding for completion of this research greenhouse, the Institute for Plant Stress Research on the Tech campus still awaits needed monies to bring it into being.

Price dip improves stocker grazing outlook

A few weeks ago it was nearly impossible to pencil out a profit on winter stocker or winter feedlot activities, given expected prices for next March, April and May.

But, with the price decline in feeder cattle and calves in recent weeks, stocker grazing and feedlot finishing activities show more potential to be profitable from fall 1993 through Spring 1994. Of course that depends also on the accuracy of the assumptions for sale prices, average daily gains and costs of production listed in this paper.

Last year at this time the price outlook for selling feeders during the March-May period did not show any profits from stocker grazing. November through May cattle feeding operations, however, did show expected profits. As you will remember the cold, wet weather in the midwest slowed feedlot marketings and caused prices of both fed cattle and feeder cattle to rise to record highs. This enhanced profitability for all cattle operations in Texas considerably.

Carrying weaned calves forward to winter grazing or feeding operations rather than selling them as weaned calves is a form of retained ownership. Retained ownership is merely a marketing alternative that sometimes can be used under particular market situations. Retained ownership is by no means a panacea for marketing cattle.

The purpose of this article is to illustrate a method of evaluating whether to retain ownership of weaned calves or sell them at weaning.

Table 1 provides the production assumptions, in-purchase prices and calculated costs for each of the three production alternatives using steers. Most of the information in the table is self explanatory. A few of the variables listed in the table, however, do need some explanation.

Average daily gain (ADG) used in this text, for example, is gross average daily gain. To go from ADG to net gain, the ADG must be adjusted for shrinkage. For example the net daily gain for winter grazing steers would be 1.34 pounds per day not the gross ADG of 1.5.

A management fee is listed for each production alternative. For example, the management fee for "Winter Grazing" steers is \$10 per head, Table 1. The management fee



LIVESTOCK MARKET UPDATE

Dr. Ernie Davis

is included in the \$67.03 per hundredweight total cost of gain.

It is our belief that cattlemen must be paid for their management skills as well as their labor. Management should

Table 1: Production Assumptions for November-March Winter Stocker Grazing, November-May Stocker Graze-Out and November-May, Feedlot Finishing, Steers, 1993-1994.

Alternative	Winter Grazing	Stocker Graze-Out	Feedlot
	Nov. 1, 1993	Nov. 1, 1993	Nov. 1, 1993
In-weight (lb.)	500	500	550
In-price (\$/cwt.)	\$86.00	\$86.00	\$83.00
Average daily gain (lb.)	1.50	1.85	3.10
Death Loss (%)	1.00	1.00	1.00
Shrink (% of final weight)	3.00	3.00	3.00
Days on feed	134	195	195
Management fee (hd)	\$10.00	\$15.00	\$15.00
Total cost of gain (\$/cwt.)	\$67.03	\$54.25	\$60.60
Interest rate	7.5	7.5	7.5
Net gain	180	335	570
Pay weight (lb.)	680	835	1120
Out-date	March 15, 1994	May 15, 1994	May 15, 1994
Breakeven price (\$/cwt.)	\$81.80	\$74.00	\$71.60

be costed in just as much as cash costs during the planning and evaluation stage. If there is no return to management, cattlemen should re-examine their production alternatives. Also included in the total cost of production are interest charges, equipment expenses and hired labor.

A land charge is not included since it is assumed that winter pasture is leased at a rate of 35 cents per pound gained.

Should the winter pasture lease rate be higher than 35 cents per pound gained, say 40 cents, then the total cost of gain for winter grazing of steers increased from \$67.15 cwt. to \$72.22 cwt and the breakeven price increases from \$81.8 cwt. to \$83.15 cwt.

Therefore, stocker operators must carefully evaluate all their input costs as well as their sell price for the stocker cattle. Table 2 lists the production assumptions, in-purchase prices and calculated costs for the three production alternatives using heifers.

Production budgets provided a breakeven price for each production alternative for both steers and heifers. As shown in Tables 1 and 2 the breakeven prices are relatively high for the winter grazing stocker production alternative evaluated in this paper, but look reasonably attainable for the stocker graze out program. For cattlemen to lower or improve their breakeven position they would need to lower the initial purchase price of the steers or heifers, lower the total costs of gain or increase the average daily gain.

Table 3 illustrates various breakeven situations given different rates of gain and varying prices for steer calves in a November-March winter grazing operation. For example, if the purchase price was \$82.00 per hundredweight and the net gain was 1.34 per day as is illustrated in Table 3, the breakeven sales price would be \$78.75 per hundredweight. If, instead, the steer calf was purchased at \$78.00 per hundredweight with the same net ADG (1.34), the breakeven price would be reduced to \$75.69 per cwt. If the purchase price continued to be \$78.00 per cwt. and the net ADG improved to 1.72, the breakeven sales price would

See BEEF, Page 6

Don't cuss a farmer with your mouth full

Addressing the public's mistrust of agriculture

By **MIKE BARNETT**
Editor, Texas Agriculture

It's not nice to cuss a farmer with youth mouth full.

The sooner American consumers learn that lesson, the better off they, and the farmers that put food on their table, will be.



BARNETT

According to one who makes his living from the land. After all, this opinionated South Texas farmer says, the general public gives very little thought to where their food comes from. "Everybody takes their food for granted," he relates. "The people that are killing us are in the cities... the people who's children think milk comes from a carton."

Q.M. Priday would like to see a change in the public's attitude toward a beleaguered agricultural industry. This fourth generation cotton and grain farmer seeks not

sympathy, but understanding and support for his profession.

PUBLIC MISTRUST of agriculture has been bred, he maintains, by a national media that would rather deal in controversy than in fairness. Misinformation, he says, is being presented to young children through public schools. And mismanagement of government resources, he feels, has resulted in a bureaucracy out of control.

He says his beloved profession is suffering unfair attacks from all sides. The farmer gets blamed for everything from poisoning the food supply to destroying the ozone layer, he says. And according to Priday, these outside influences are putting the family farm in jeopardy. Environmentalists, the media and Congress increasingly determine how farmers can farm, this San Patricio County farmer maintains.

WHAT'S MISSING from the equation is common sense. And unless common sense is restored, he says, the family farm is likely to become a thing of the past.

Guest Viewpoint

Priday would like to set the record straight.

For example, one thing the consuming public doesn't understand is that farmers are not out to poison the food supply or the environment, he says. And consumers are justifiably concerned, he adds, because of sensationalism and misrepresentation by the national media.

Farmers will not pursue profit by misusing pesticides to control crop diseases and insects, he stresses. Their families, after all, are involved in the operations.

"My contention has always been, that my wife goes out there and runs cotton module builders in the summer. My body's running tractors, my oldest soon runs the spray rig. Do people think we're so stupid that we're out there using methyl parathion for deodorant?" he asks.

THEN AGAIN, there's a basic misunderstanding about pesticide use.

"It's funny," Priday says. "The same people that don't want you to use a pesticide on a crop will run around the house after one fly with a can of Raid, and spray it all over."

But the misunderstandings don't stop with food safety. Another perception is that farmers are feeding at the public trough, siphoning billions of taxpayer dollars to support a lavish lifestyle.

"Everybody thinks that the \$58, \$60 billion expense or allocation for the USDA comes to me and my colleagues to buy a new Cadillac, when in fact the biggest percentage goes to food stamps, commodity programs for schools, and for university and various experiment station research," Priday says. "In reality though, as I told somebody not long ago, it's heck when your ambition is to have a good enough year to break even."

PRIDAY REMINDS

consumers that farming is not like a store. First, if a farmer loses a crop due to excessive wet weather or from drought, he can't just turn around and reorder. "Twelve months go by before we can recycle," he says. "We can't go back and reload and go back next month or next week like a store, who can call a warehouse and get a truckload of merchandise."

Second, farmers are price takers — they can't raise their price when expenses increase. "So we absorb the cost," he says.

Many of those costs, he charges, are being unnecessarily added by an out-of-control federal bureaucracy. Priday hints that government bureaucrats have two purposes. "They have no real interest in anything but perpetuating their bureaucracy and advancing their own career," he says.

This results in excessive government regulation, he says, which is "occupying us with administrative activities totally useless and not productive and wasting vast amounts of money. It is just ridiculous as we are trying

desperately to continue surviving in an agricultural venture that is challenged on every side by inane and useless regulations."

EVEN WITH THE challenge of zealous government regulation, food safety concerns and uncertain income, the American public enjoys bargain basement prices for the highest quality food.

"We've got the cheapest food in the world... and nobody knows that," Priday says. "Not many people give it much thought that we pay less or our earned income for food than any other country, probably on earth."

He doesn't think it will take a food crisis to reshape the public's attitude toward their food supply. He hopes consumer's stomachs will eventually lead them back to the land.

"People care about farming. They just don't understand about farming," he admits. "We simply want people to understand we're a fairly critical cog in the national well being."

(Barnett is Editor of Texas Agriculture, the monthly newspaper of the Texas Farm Bureau.)

Computer enlisted in fight against wheat disease

WASHINGTON (AP) — A new Agriculture Department computer program is available to help Pacific Northwest wheat growers fight rusts, smuts and other diseases.

The computer program, called MoreCrop, "predicts which wheat diseases will be most likely, and why," said Roland F. Line of the Agricultural Research Service. "It suggests options a grower in the Northwest can use to control the diseases, or enables the grower to custom-design and test a control system on his own."

Diseases such as stripe rust can reduce yields by 20 percent or more, Line said.

To cope with such diseases, options may include planting earlier or later, picking a resistant wheat

variety or using a different crop rotation. The computer program delivers "flexible options a grower can reason out, rather than fixed recommendations," said Line, a plant pathologist at the Wheat Genetics, Quality, Physiology and Disease Research Unit in Pullman, Wash.

In order to make predictions, MoreCrop prompts a grower to identify a field's geographic region, agronomic zone, crop rotation, tillage method, planting data, irrigation and wheat variety. The grower can modify the program's default values for weather and disease history.

"It takes as little as five minutes for an experienced user to plug in the data and get a prediction," Line said. "It should save far-

mers time and money, and it will save me a lot of time, too."

"Until we developed this program, if a farmer or extension worker wanted help on a disease problem, I might have to spend a half-hour or more on the phone or a day in the field getting background information and explaining options," Line said.

MoreCrop gives growers an on-screen explanation of why a specific disease may

or may not occur. They can also get advice about the types, amounts, timing and need for chemical applications. The program includes a library of information on resistant wheat cultivars, rust races, maps and a glossary.

Predicting wheat disease is especially complex in the

Northwest, Line noted.

"The Northwest has more variable weather conditions, year to year and during the growing season, than other wheat-growing regions in North America. Because of the environmental variations, we also grow more types of wheat, have more kinds of man-

agement systems and more kinds of diseases," he said.

The Northwest had a colder-than-normal winter early this year, Line said.

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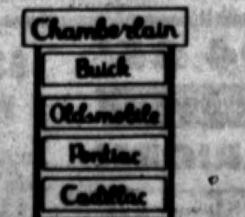
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"It's downhill all the way!"

Question & Answer

Free trade agreement sparks complex debate

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Many recent questions from readers have concerned the proposed North American Free Trade Agreement. NAFTA, an agreement among the governments of the United States, Mexico and Canada to eliminate trade barriers, would create the world's largest free trade zone, with 360 million consumers and an annual production of \$6.4 trillion. The pact has yet to be considered by Congress and has in the meantime inspired national debate. Opponents, especially organized labor, fear jobs will be lost to Mexico, where wages are lower, if the agreement is adopted. Supporters say approval would boost the economies of all three countries. The Atlanta Journal-Constitution's Cynthia Mitchell answers some common questions:

QUESTION: Who originated NAFTA?

ANSWER: In 1989, the United States and Canada implemented a free trade agreement that lowered tariffs and other trade barriers between the two countries. Soon after, Mexican President Carlos Salinas de Gortari, who had been lowering his country's trade barriers, expressed an interest in expanding the agreement to all three countries. Former President George Bush and Brian Mulroney, then Canada's prime minister, agreed, and negotiations began. In August 1992, all three heads of state signed the agreement.

QUESTION: What will

the congressional approval process involve?

ANSWER: Once President Clinton submits NAFTA to Congress, which he is expected to do this fall, it has 90 legislative days — as opposed to calendar days — to approve or reject the agreement. It must pass each house by a simple majority.

QUESTION: What are the tariffs and what would happen to them?

ANSWER: While Mexican President Salinas has dramatically lowered tariffs on imports over the last few years, tariffs for U.S. products going to Mexico still average 10 percent. Some are much higher, such as the 20 percent levy on automobiles, and those on auto parts, which average 13 percent. Under NAFTA, tariffs would be cut in half immediately and reduced to zero over 10 years.

In comparison, U.S. tariffs on imports from Mexico average 4 percent.

About 70 percent of Mexican goods now subject to import duties would cross the American or Canadian borders without tariffs by Jan. 1, 1994. The rest would be gradually eliminated. Most economists predict purchases by both countries will increase under NAFTA.

QUESTION: Opponents say millions of American jobs are at risk if the pact is approved; supporters say 1 million jobs will be created. How do the sides come up with such different conclusions?

ANSWER: Ross Perot,

who has said 5.9 million jobs are "at risk," got his number from analyst Pat Choate, who used standards defined by a promotional brochure for a fledgling investment fund, Ameri-Mex, which wants to buy about a dozen small "low-to mid-technology" companies and move them to Mexico. Choate counted jobs provided by all U.S. companies that fit Ameri-Mex's criteria, plus numerous others — including aerospace and defense firms that would not be allowed to move to Mexico for national security reasons.

The administration based its estimate on the most optimistic projections of how much exports would rise and applying the widely used formula that every \$1 billion in exports supports 19,100 jobs.

QUESTION: With the estimates of the impact on jobs so divergent, who are we supposed to believe?

ANSWER: A big reason the predictions are so different is that politicians and interest groups — not economists — have gotten most of the airtime.

And though conservative and liberal economists don't usually agree, 300 leading economists from both ends of the political spectrum recently signed a letter to President Clinton supporting NAFTA. The experts agree "the effects on the U.S. economy — both good and bad —

would be small." They support the agreement because freeing trade generally raises the incomes of all countries.

Paul Krugman, a trade economist at the Massachusetts Institute of Technology, told the New York Times: "The anti-NAFTA people are telling malicious whoppers. The pro-NAFTA side is telling little white lies."

QUESTION: What is Mexico's biggest export to the United States and the United States' biggest export to Mexico?

ANSWER: Mexico's biggest export to the United States is crude oil, at \$4.4 billion in 1992, followed by motor vehicles at \$2.6 billion. Total exports were \$35.2 billion. The United States' largest export is car parts and accessories, totaling \$3.9 billion in 1992, and telecommunications is second at \$2.6 billion. Total exports were \$40.6 billion.

QUESTION: What is the difference between wages here and in Mexico?

ANSWER: The average U.S. wage is 5.25 times higher than that of the average worker in Mexico. A study by the World Bank, however, says that when factors such as poor education, ineffective management, outdated machinery, and inefficient transportation are factored in, Mexican workers are about one-fifth as productive as

Americans. Factoring in productivity, U.S. wages are just 2.6 percent higher than Mexico's, the study concludes.

QUESTION: Companies have already left the United States to go to Mexico, so what will NAFTA do to change the trend?

ANSWER: In most industries, companies are free to build plants in Mexico, and many have. But because most tariffs on U.S. exports to Mexico are a lot higher than on goods coming here — and will come down under NAFTA — many companies say NAFTA will make it easier for them to sell to Mexico from their U.S. plants, and decrease the motivation to move a plant there.

Most labor unions, however, believe the lower tariffs will make companies more likely to move plants there to take advantage of lower wages. Economists concede some jobs will be lost, but say more, higher-paying jobs will be created in the long term.

There have been some industries, such as banking and power generation, in which the Mexican government has barred or limited U.S. investment. NAFTA will lift those restrictions, however, and several U.S. banks, including NationsBank, and power companies, including Southern Co., say they would increase their investments there, which would

increase sales and employment here.

QUESTION: How would the proposed commissions on labor and the environment work?

ANSWER: Critics of NAFTA have expressed concerns that Mexico's environmental controls and labor standards are laxer than those in the U.S. Side agreements would establish commissions designed to make sure that all countries impose tighter environmental controls on their factories, and set basic standards for wages and working conditions. Mexico accepted the authority of the commission to impose fines against violators; Canada saw that as violation of its sovereignty and will turn such cases over to its court system.

QUESTION: It is my understanding that Mexico provided \$25 million dollars for public relations in support of NAFTA. Who got the money?

ANSWER: Public records show that Mexico spent at least \$14 million on lobbying last year.

Most of the money has gone to a handful of lobbying firms, a public relations firm and a law firm. Mexico also has hired three high-profile Hispanics — former Navy Secretary Edward Hidalgo, former New Mexico Gov. Toney Anaya and former White House chief of protocol Abelardo Valdez.

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PORK

From Page 2

project, it must be more of a self-interest program with benefits only to a localized area.

The project is estimated to cost \$12 million, which will cover the research cost and construction of the main building. The project still lacks \$8.5 million needed for final completion.

Albin said that chances for funding look promising, and there are many positive aspects about it. The plant stress projects has already been allocated funds, while some projects have not, and the USDA has declared the lab as one of its top priorities.

"It's a bonafide, accepted program," declared Albin. "We believe it will be funded. The question is just when. We don't have to sell the program, just promote it." (This article, by Texas Tech ag communications student Danna Ryan.)

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Farmer support of NAFTA depends on crop grown

By KEITH BRADSHER

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PAGE, N.D. — When the talk at Ralph and Cleo Thompson's farmhouse social shifted from the cold, wet weather to the North American Free Trade Agreement, it quickly became apparent that here in the rural Midwest, where you stand on the agreement depends on what you grow.

Mark Johnson picked at the roast beef on his plastic plate while explaining his opposition to the pact, which would eliminate tariffs and other trade barriers among Canada, Mexico and the United States.

IN THE PAST, said Johnson, a wheat farmer in these parts, free-trade arrangements have only meant that "Canada's been shipping wheat down here for years, but you never see any going the other way."

Wes Belter grows corn and raises cattle, so he had a different view. American farmers need the trade deal so they can sell more food abroad, he insisted. "If we're going to be isolationists," Belter said, "then we might as well get rid of two-thirds of the farmers in North Dakota."

Farmers are divided because the trade agreement would probably raise prices for some crops and hold down prices for others.

Mexico has a big appetite for corn, so eliminating steep tariffs there on American corn would push prices up. But wheat is a different story; the Canadians grow lots of it and the trade deal would help them compete with American wheat farmers.

BECAUSE TODAY'S farmers are really small business owners on tractors, often well-educated and politically active, their views of the trade accord have weighed heavily on dozens of members of Congress, who are scheduled to decide the pact's fate less than two weeks from now.

With the outcome of the Senate vote and particularly the House vote in doubt, President Clinton is scrambling to woo rural lawmakers by offering special deals to some farmers, but not for others.

The effort is already showing results with sugar beet farmers here.

Standing next to two 30-foot piles of freshly harvested sugar beets that cover the area of a football field and are popular with local teen-agers on four-wheelers, Craig Hertsgaard, a sugar beet farmer near Kindred, N.D., said this week that he opposed the trade pact because it might allow in a flood of Mexican sugar.

BUT AFTER THE administration announced Wednesday a reinterpretation of the agreement that would limit Mexican sugar shipments, Hertsgaard said that he supported the pact. "I think the benefits will

outweigh the detriments to my farm," he said.

The position of North Dakota's two senators and lone representative is clear: they all oppose the free-trade agreement. For while corn and sugar beet crops are limited to the moist land near the Red River, which is North Dakota's eastern border, wheat is grown the length and breadth of the state.

While all three members of Congress cite many concerns about the pact, their overall opposition makes sense from a purely political standpoint: where they stand reflects what their constituents grow.

The presence of farmers growing wheat, corn, sugar beets and many other crops within a few miles of each other here has resulted in more discord than in many farm towns, which tend to rely on one or two crops.

The agricultural abundance here reflects the geologic history of eastern North Dakota, where an Ice Age lake left behind a 100-foot thick layer of black silt, some of the richest soil in America.

BUMPY WITH large clods and strewn with almond-colored chaff from the autumn harvest, the broad fields look today like vast plates of black beans with crumbled tortilla chips on top.

Winds race from the far, flat horizon, braked only by the long lines of barren Chinese elm and box elder along the roads, and the occasional ash tree with its still-clinging leaves turned yellow as ripe squash by the November frost.

The peaceful fields give no hint of the struggle among local farmers over the NAFTA, as the trade pact is known. While the American Farm Bureau Federation, the nation's largest farmers' association, has endorsed the pact, its North Dakota chapter has been conspicuously silent, paralyzed by its divisions.

Some of the divisions are good-natured. "Some of the corn people get a kick out of teasing the sugar people," said Bill Pietsch, the executive vice president of North Dakota Farm Bureau, before Clinton reinterpreted the sugar clauses of the pact.

BUT THE TONE is beginning to get nasty, particularly in comments to outsiders. "Farmers around here buy a lot of farm equipment from Canada," whispered Jerry Melvin, a corn, barley, wheat and sunflower farmer who juggled a plastic foam cup of coffee and a slice of cake in an orange Halloween napkin at the Thompsons' social on Sunday.

"Sometimes they're a little hypocritical in their beliefs."

In contrast to this week's sugar deal, the administration has been unwilling to appease wheat farmers, who have demanded that special quotas be imposed on certain wheat imports

from Canada. Farmers here contend that the wheat is subsidized, a contention that Canadian officials deny.

NAFTA would open up agricultural trade between Mexico and the United States and between Mexico and Canada.

BUT IT WOULD leave in place the current rules for agricultural trade between the United States and Canada, which were set by the 1988 United States-Canada Free Trade Agreement.

These rules have allowed thousands of trucks full of Canadian wheat to be driven down into the northern border states, holding down wheat prices. The rules have also prevented the wheat farmers from winning anti-subsidy tariffs on Canadian grain.

Mickey Kantor, the U.S. trade representative, said several times in mid-October that such quotas might be justified.

But he went silent on the subject after Canada's Liberal Party won national elections on Oct. 25 and threatened to hold up the free-trade accord if the quotas were put in place.

Wheat farmers sipping coffee before dawn this morning at a cafe counter in Tower City had nothing good to say about NAFTA because of the experience with Canada.

When Harley Hanson, an old International Harvester baseball cap on his graying hair, turned to Doug Richman on his left and asked his opinion of the trade agreement, his neighbor held out his right thumb horizontally and then slowly turned it downward.



Ready for winter

Woody Williams/Canyon News

Most of Randall County's fields got a good status report recently, with sorghum mostly cut and baled and wheat coming along — though in need of moisture. "We didn't get enough rain on the milo, but we got what we needed at the right time," commented Gary Kuhlman of Canyon.

Times de-'mythologizes' NAFTA free trade pact

© '93 The New York Times

Debate over the North American Free Trade Agreement has been overheated. Critics proclaim the pact — which would eliminate most tariffs and trade barriers with Mexico and Canada over the next 15 years — a national catastrophe, threatening jobs, wages and the environment. Proponents claim NAFTA will boost employment and that its environmental provisions are a lovely shade of green.

The truth is more mundane. NAFTA would have a modest economic impact in Mexico but a trivial impact on the U.S. economy. Mexico is too small to threaten U.S. firms, and U.S. tariffs are already so low that elimination couldn't possibly lead to a flood of Mexican imports. NAFTA spells neither economic salvation nor ruin.

Will jobs disappear? Ross Perot warns that NAFTA will take jobs away from up to 6 million Americans — based on the absurd calculation that the agreement threatens every worker in industries that use a lot of

labor. The administration says that NAFTA will boost employment. Neither is correct.

Trade pacts affect where people work, not how many people work. Under NAFTA, more Americans would find work in service industries (like insurance) and high-tech manufacturing (computers) for export to Mexico; fewer Americans would work in glass-blowing and apparel industries that would lose out to Mexican imports. But overall employment would not change. With or without NAFTA, the U.S. unemployment rate will again hover around 6 percent once the economy recovers.

Unfortunately, the workers displaced by Mexican imports won't be the ones who find the extra work in export industries. Fortunately, the number of displaced workers would be small. The Congressional Budget Office estimates that, over 10 years, NAFTA would add fewer than 500,000 to the 20 million workers who'll be displaced for other reasons.

BEEF

From Page 2

drop to \$70.51. Breakeven prices are most sensitive to changes in ADG.

Table 4 illustrates various breakeven situations occurring when the price of the steer calf is changed and the cost of gain is changed. In comparing the changes in Table 3 and 4, that is, changes in net ADG and cost of gain, it would appear that cattlemen would benefit most by improving their net ADG. Lowering cost of gain and the price of the incoming animals are also beneficial, however.

Under the "most likely" price scenarios used in the analysis of this paper, the fall to winter stocker production alternative looks a bit "iffy." However, by taking advantage of the futures March contract with an expected premium basis of \$2.79 cwt. for steers, the winter grazing strategy looks more inviting than my "most likely" price scenario. Hedging with the futures market looks like a good bet for the winter grazing production alternative.

The graze-out production alternative looks good for both steers and heifers. Both the cash and futures pricing strategies indicate good profit margins for both steers and heifers. Because, currently the May Feeder Cattle Contract is

Alternative	Winter	Stocker	Feedlot
	Grazing	Graze-Out	
Table 2			
In-date	Nov. 1, 1993	Nov. 1, 1993	Nov. 1, 1993
In-weight (lb.)	500	500	550
In-price (\$/cwt.)	\$79.00	\$79.00	\$76.00
Average daily gain (lb.)	1.30	1.65	2.90
Death Loss (%)	1.00	1.00	1.00
Shrink (% of final weight)	3.00	3.00	3.00
Days on feed	134	195	195
Management fee (hd)	\$10.00	\$15.00	\$15.00
Total cost of gain (\$/cwt.)	\$67.71	\$57.84	\$64.00
Interest rate	7.5	7.5	7.5
Net gain	154	297	532
Pay weight (lb.)	654	797	1082
Out-date	March 15, 1994	May 15, 1994	May 15, 1994
Breakeven price (\$/cwt.)	\$77.11	\$71.83	\$70.10

trading at a higher price than my "most likely" May cash price scenario, hedging is shown as the better pricing strategy for the graze-out production alternative. Locking in a \$6.06 cwt. or \$50.56 per head profit on steers is not a bad deal!

The direct to feedlot production strategy, also looks great. Profits are good with steers at \$4.40 per hundred-weight or \$49.28 per head and heifers at \$5.90 cwt. or \$63.84 per head. This is a relatively large profit margin for the risks incurred. Under the production costs and assumptions contained in this paper there appears to be an opportunity to hedge with futures given the expected 2.09 basis holds for next spring. Without a premium basis, say a zero basis, at best the hedger would be "locking in" about a \$1.00 cwt. profit. The gamble on the basis, along with the discounted June futures contract relative to the expected May 1994 cash market, is about as good as the gamble on the spring cash market. However, from now until market date there may be good opportunities to hedge at a higher June futures contract price and "lock in" a higher profit margin on the fed cattle.

The "optimistic" and "pessimistic" price scenarios were provided for those not agreeing with the "most likely" price scenario. With the additional two price scenarios cattlemen may also evaluate the economic situation with higher or lower prices next March and May.

(Dr. Ernie Davis, Livestock Marketing Specialist with the Texas A&M Extension Service, is an authority on the livestock markets.)

	Table 3			
	80	130	180	230
Net Gain	80	130	180	230
Net ADG	0.60	0.97	1.34	1.72
Sales Wt.	580	630	680	730

Price \$/Cwt.	Table 4				
	Breakeven Sales Price per Cwt. for Feeder				
78.00	\$88.75	\$81.70	\$75.69	\$70.51	\$65.99
82.00	\$92.32	\$85.00	\$78.75	\$73.35	\$68.65
86.00	\$95.90	\$88.29	\$81.80	\$76.19	\$71.31
90.00	\$99.48	\$91.58	\$84.85	\$79.04	\$73.97
94.00	\$103.05	\$94.88	\$87.90	\$81.88	\$76.63

Flood is 'haymaker' causing fodder shortage

By STEVE ROSENFELD
AP Business Writer

DES MOINES, Iowa (AP) — Agriculture's 1993 ordeal by flood and mud in the Midwest and drought in the South is delivering yet another haymaker — a shortage of fodder that could spell years of trouble for cattle producers.

In Iowa, for example, the government estimates hay production has fallen to its lowest level since 1949, and farmers say the forage that survived is low in nutrients.

At best, farmers will pay more to feed their cattle through winter at a time when flood losses already are hammering their bottom line. At worst, they either will dismantle breeding herds or put their cattle at risk of death or serious illness.

"We deem this as a very serious problem," says Daryl Strohbehn, a beef cattle specialist at Iowa State University.

"It's a real nightmare," says Mike Sesler, who raises purebred Angus cattle near the southeast Iowa community of Danville.

The culprit is the relentless rains of spring and summer that kept Iowans from getting to fields to harvest hay. Instead of three or four cuttings during the growing season, many farmers had just

one. Often, by the time a farmer could get the hay out of his fields it had lost most of its nutritive value.

"We were short on tonnage and short on quality," Sesler said.

The U.S. Department of Agriculture this past week estimated Iowa's hay production at 5.64 million tons, down 15 percent from 1992 and the lowest in 44 years.

"The hay harvest has been a struggle all year," the government said. "Drier weather in late September and early October allowed farmers to put up some better quality hay. However, winter hay supplies will be very short, even though farmers harvested a considerable amount of hay from government acres that were opened up for haying."

While U.S. hay production is estimated to have increased 3 percent this year, to more than 154 million tons, Iowa is not alone with shortages.

Production is off nearly 10 percent in Kansas, about 15 percent in both Mississippi and Oklahoma, more than 20 percent in Texas and almost 30 percent in Georgia. The problem either was too much rain or not enough.

Wisconsin hay production was up 13 percent from last year but still was down

almost 24 percent from two years ago in that leading dairy state.

Lee Faris, who farms near Mount Ayr in south central Iowa and is president-elect of the Iowa Cattlemen's Association, said those with shortages now will be feeling the pain later.

"Most people have enough hay right now. We're using feed we normally use in the winter for fall feed," Faris says.

Strohbehn says farmers should be making arrangements to supplement their feed before winter hits.

A harsh winter, especially one that is wet and muddy, "seems to drain the cow of her energy and weakens the animal. We can have death loss in the breeding stock," Strohbehn says.

The threat is even more serious to calves born next spring or to livestock bred next year for 1995 calvings.

"A great deal of calves born weak do not survive. That's more of a concern right now — making sure that doesn't happen," Strohbehn says. "If a large share of our producers do not respond to this situation by improving the nutrition of the hay we have in Iowa we are probably looking at substantial decreases in the calving rates of our Iowa beef cows and I wouldn't be surprised if

there were some death losses."

Supplementing feed won't be cheap, even with some generous hay donations from farmers around the country and the government's permission to harvest hay from acres taken out of production under conservation programs.

Premium hay for dairy herds is now fetching up to \$145 a ton in Iowa, compared with \$80 to \$100 a ton in normal years, according to the Iowa Department of Agriculture. The agency's hay hotline has logged some 650 calls since it was reactivated in late June and is trying to match buyers and sellers.

Farmers who turn to corn to supplement their feed may have to invest in troughs or similar equipment to serve the grain to their livestock.

Corn, the nation's most important livestock feed, also is more expensive this year. The government expects the harvest to be 27 percent smaller than last year's record production nationwide and 40 percent lower in Iowa.

David Curnes, who raises hogs and cattle near Osceola in south central Iowa, says that because of his poor corn crop he already has reduced his herd of 1,200 feeder pigs. He also plans on selling 10


percent to 15 percent more of his cattle breeding stock than he normally would cull from his herds this fall.

"The problems will be more serious this spring and next fall. A pretty good 1992 harvest kind of tided us through this year. Next year

will be tougher," he says.

Sesler says he hopes farmers don't dismantle their herds because of scarce or costly feed.

"When you've sold the cow, you've sold the factory," Sesler says.



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