

High beef prices foreseen because of Texas drought

By Debbie E. Warren

Battalion Reporter
Beef that costs \$1.50 a pound this week will cost about \$1.80 a pound this spring, says an economist with the Texas Agricultural Extension Service. Economist Richard A. Edwards says the drought in west Texas is forcing cattle ranchers to sell or slaughter their cattle because they can't afford to feed them.

"Right now we're seeing relatively low beef prices," Edwards says. "The projections say we're going to see beef prices not only go back to what they were, but to a higher level. These cattle that would normally be going through the cycle on a consistent basis aren't going to be there."

"In essence, we're going to have a shortage of cattle and therefore, the prices will be bid up on the lower amount coming in."

Edwards says consumers will be faced with a 20 percent increase by spring. That figure is based on government projections of the number of cattle in the system.

There has been no government aid for the cattle industry, Edwards says. Government aid has gone primarily to farmers producing crops.

"The drought has been significant enough that it has dried up a lot of the normal grazing," Edwards says.

The drought has injured the grain crop so much that the price to feed the cattle has gone up significantly. The farmer is faced with a double-edged sword, Edwards says.

"He can't maintain the cattle on his own ranch and to feed them would cost so much that he almost has no alternative other than to get rid of them, or get rid of a number of them anyway," Edwards says.

He says the cattle ranchers who must sell their cattle will have limited options as to what they can do with their land.

"The land they are ranching on doesn't have many alternatives," he says. "It's basically ranch land in terms of Texas people. The type of soil and the heat is not conducive to raising anything but cattle."

The only crops effected by the drought are corn, soybean and cotton, Edwards says.

"Of course corn and soybean are used so much in feed grains in our animal industries that they will have an effect on ranchers," Edwards says.

Cotton has been effected as well, but when you consider how much cotton goes into a \$25 shirt, the effects of the drought are rather insignificant. It will make a big difference to the cotton farmer, but at the consumer level, a 10 cent increase per pound of cotton is not going to effect the price of retail garments too much, Edwards says.

He says the drought will effect poultry prices also because the industry is dependent on feed grains. When feed prices go up, poultry farmers will be in the same position as cattle farmers, but on a smaller scale.

Edwards says the best way the consumer can prepare for the price increases is to buy beef and poultry products now at the reduced prices and store them.

"If you see a really good buy at the meat market or supermarket, buy substantial quantities and put them in your freezer," he says. "That would be just about the only thing you can do now. Those prices are going to be going up."



Members of Company N-1 manhandle logs onto a bonfire loading truck at the cutting this weekend. *staff photo by Gary...*

Beef, swine industries fear dairy legislation

United Press International
TOPEKA, Kansas — If dairy men are paid to reduce milk production, an estimated 1.5 million additional cows will be slaughtered in the first half of 1984, creating an economic "disaster" for beef and swine producers, the executive vice president of the Kansas Livestock Association says.

John Meetz said the dairy legislation passed Oct. 7 by the Senate is a "rip-off of consumers, taxpayers and livestock producers."

He is especially displeased with the paid diversion provision of the legislation, he says.

"It's simply not fair to expect livestock producers to bail out the dairy industry," Meetz said. "While the beef and swine industries have historically stayed on the sidelines relative to dairy subsidies, the paid diversion program will have a serious economic impact and that makes it everybody's business. This proposal is indefensible."

The dairy legislation is attached to a tobacco subsidy bill already approved by the House. The bill now goes back to the House, but a House Agriculture Committee spokesman says Rep. Kika de la Garza, D-Texas and chairman of the Agriculture Committee, plans to move this week to bypass House debate and go straight to a House-Senate conference on the final version of the bill.

The legislation would attempt to reduce overproduction that cost the government \$2.7 billion during the last fiscal year by paying dairy producers to reduce their milk output. It would also assess them 50 cents for every 100 pounds produced and slightly reduce the price support level.

"That will be a disaster for beef and swine producers. It will cost them millions of dollars in reduced market prices for animals," Meetz said. "Beef and swine market prices are depressed and even with increased dairy cow slaughter, meat supplies are approximately 3 percent higher than a year ago."

"It makes absolutely no economic sense for the government to continue subsidizing prices at above market, creating huge surpluses costing taxpayers billions of dollars and, at the same time, reduce the price of the plus," Meetz said.

"Furthermore, if dairy men are paid to reduce milk production, livestock economists estimate that 1 to 1.5 million additional cows will be slaughtered during the first half of 1984."

"That will be a disaster for beef and swine producers. It will cost them millions of dollars in reduced market prices for animals," Meetz said. "Beef and swine market prices are depressed and even with increased dairy cow slaughter, meat supplies are approximately 3 percent higher than a year ago."

Reagan authorizes committee sets '84 campaign in motion

United Press International
WASHINGTON — President Reagan legally becomes a candidate for re-election today with a multimillion-dollar political machine already running and advisers "100 percent convinced" he will run.

In a late morning Oval office meeting with Sen. Paul Laxalt, R-Nev., Reagan plans to sign a letter authorizing a "Reagan-Bush '84" campaign committee to open for business.

Although Reagan could still back out, and has insisted he is not ready to say yes, all his key advisers believe he is in the race to stay.

"I'm 100 percent convinced the president is going to run," Edward Rollins, Reagan's chief political adviser, said Sunday.

Asked what the effect on the Republican Party would be if Reagan chose not to run, White House chief of staff James Baker said flatly, "That's not going to happen."

Laxalt, national chairman of the Republican Party, told reporters last week Reagan's intention to sign the document establishing the committee, a formality required by the Federal Election Commission.

When Reagan puts his name on the letter to the FEC, he will legally be a candidate.

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