Editorials

Firm Prices for Purebred Cattle

MONTANA - WYOMING growers of purebred cattle must be gratified over the good prices offered for their registered stock, both at private treaty and at auction sales this fall. Livestock breeders are not always so fortunate. Purebred livestock prices can go up or down sharply within a short period of time. It all depends on the weather, the roads, the price of commercial stock and perhaps even the results of last Saturday's ball game. No one knows for sure.

With a dry season behind them, there was talk of depressed calf and yearling prices early in the fall. And a possibility of short feed supplies this winter in certain areas had to be considered. Purebred breeders approached the fall sale season with considerable apprehension.

But what happened? Six association sales reported a combined average price on 222 bulls sold of $571 per head. These sales were held in Great Falls, Chinook, Malta, Dillon, Shelby and Billings. Last year these same associations averaged $581 on 205 bulls, and the year before, $628 on 206 head.

Comparatively, good quality steer calves were selling in the neighborhood of 28 cents at the beginning of this fall's purebred sales season. In 1960, they were bringing about 25 cents, and in 1959, around 30 cents.

Among the many items purchased by the rancher, there are few that offer more value than a good registered bull in the $500 price bracket. Consider the money invested by the breeder in his own cow herd and in high-priced herd sires, plus his extra investment in time, management and record keeping, the cost of registration, fitting and exhibiting. Consider also that after use the bull still has a salvage value generally more than half its original cost.

It has been noticeable that the top quality bulls selling at auction have brought strong prices and spirited bidding. Tail end, or poorer quality animals on the other hand, arouse much less interest, with prices down to their value as slaughter animals. Or, in many cases, no bids at all.

This is a trend which is undoubtedly good for the industry, but mighty tough on the consignor whose cattle are of inferior quality, or not well known nor proven, or on the wrong end of the sale order.

Barley Program Penalizes Montana

AS MORE INFORMATION comes out regarding the 1962 federal barley program, it becomes clearer that the effect of the program will be to seriously penalize Montana growers. In setting up the specifications of the program USDA administrators assumed that there is a shortage of malting barley since a premium is paid for barley of that kind.

So it was provided that a producer of malting barley would be eligible for price support if he plants barley only of an acceptable malting variety and if his acreage is not in excess of 110 per cent of the farm's 1959-60 average barley acreage.

But in order to comply with the program a producer of barley not designated as a malting variety has to reduce his acreage 20 per cent.

While this preferred treatment of malting barley was no doubt well intentioned and was based on the assumption that there is a shortage of good malting barley, the actual effect of the malting barley preference is to favor the producers of malting barley varieties to the serious disadvantage of the producers of barley not designated as "malting."

The principal reason why the program as now established is clearly inequitable is that a great deal of the barley of malting varieties goes on the market as feed barley. It is the quality, more than the particular variety, that is in demand by maltsters and for which they pay a premium.

In an average year only 20 to 25 per cent of the annual U.S. production of barley is used by the maltsters. The remainder is used as feed. Thus when producers of so-called malting barley are permitted an increase of 10 per cent in their plantings, they are actually being given acreage that is taken away from the producers of non-designated varieties who are required to reduce their acreage 20 per cent in order to comply with the program.

On the basis of figures compiled by Professor Eslick of Montana State College (see article on P. 9 of this issue), a 20 per cent across-the-board reduction in barley acreage in the important 8-state area, including Montana would result in a reduction of 2,167,000 acres in 1962 planting.

But because of the privilege extended to producers of malting barley there would be a reduction of only 305,606 acres on a full compliance basis of which 244,967, or 80 per cent, would come from Montana's acreage.

The permitted increase in the states producing varieties designated as "malting" would mean a still larger proportion of the so-called malting barley going into the feed market in competition with feed barley produced elsewhere.

Such a seriously inequitable effect of the 1962 program clearly demands correction. Some Montana brewers use Compana barley, Montana's leading variety, for malting purposes with very satisfactory results. There would thus be some basis for designating Compana as a malting barley for program purposes.

Unless this or some other method is utilized by administrators at Washington to adjust the gross inequity in the program as now being administered and unless full consideration is given to properly adjusting county production averages because of the drought conditions which prevailed during the base period, many Montana barley growers may feel compelled to stay out of the barley program.

Straws in the Wind

Provisions of the Soil Bank program limit each producer to annual payments of not more than $5,000. In 1957 a Colorado farm operator purchased a 6,960 acre farm for $139,200. He then proceeded to "cash rent" the land to 6 other individuals who placed 3,379 acres of the land under soil bank contracts. The cash rent payable to the land owner approximated the amounts payable under the soil bank contracts. These contracts were for a period of 10 years and during that time the land owner stood to realize some $271,000. Secretary of Agriculture Freeman has taken the position that such contracts constitute an evasion of the maximum payment limitation and has therefore cancelled them.

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In making up your Christmas gift list why not give some thought to using farm products. Most recipients would be delighted to receive a good cut of meat, a turkey, a few dozen eggs, some cheese or any other good farm or ranch eatable. If you and a few million other farmers and ranchers would follow this practice, it would put an appreciable dent in the agricultural surplus.

* * *

Range improvement through reseeding and/or fertilization has proved profitable to stockgrowers in numerous instances. Mountain meadows particularly seem to respond well to such treatment. It is best to experiment with a few acres before going ahead on any large scale project of this kind.

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Wayne Bratten, president of Montana Stockgrowers Assoication, believes that the stability of the cattle industry is threatened by possible arbitrary government reduction of grazing on public lands. Bratten points to the increasing emphasis on recreation, wild life and urban development to the disadvantage of grazing, forestry and mining.

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Farm numbers in Canada are shrinking faster than in the United States. Between 1951 and 1959 the number of people on Canadian farms dropped 27 per cent. In U.S. the reduction was 16 per cent.

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The performance of universities and colleges in producing a reservoir of brain power and skilled manpower is a critical element in sustaining economic development of the west, in the opinion of Governor Albert D. Rosellini of Washington. "Certainly, those of us in Government realize that the maintenance of our educational systems is, without doubt, our paramount responsibility," says Rosellini.

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