

AGRI-BUSINESS NEWS

City Dwellers Have Romantic View of Ranching

What the rodeo has done to preserve a sentimental image of the American cowboy, Hollywood and advertising have done to sustain the image of the cattle rancher.

To city dwellers, cattle ranching may appear to be an enviable combination of physical activity and outdoor living that keeps one close to nature and the changing seasons. It conjures up a picture of a rugged, sun-tanned baron on horseback squinting beneath a broiling sun as he surveys his vast herd.

This is the romantic view. In real life, the rancher is more likely to spend most of his time studying such things as market conditions, price trends, interest rates, the beef supply-demand situation, contracting, hedging, alternate market outlets, or figuring how to survive drought and the cattle market depression.

He can't do that while riding Old Paint. Success in the cattle business is directly related to how much a rancher knows about how cattle and the products from cattle are marketed, according to Steve Marks, Oregon State University Extension economist.

"The real competition in the U.S. beef industry occurs in the marketing process," he says. How extensive is that competition? In Oregon about 13 thousand individual and corporate ranching operations compete with each other for a share of the national beef market. Oregon ranchers, in turn, compete with more than one million other beef producers across the U.S. Foreign beef operators slice the market pie even thinner.

"Faced with competition like that, ranchers have to stay informed about all levels of the marketing process," says Marks. "There is practically no such thing as an information overload."

Thanks to Hollywood, people all over the world are familiar with two marketing functions, the roundup and the cattle drive. In the language of today's marketing economist, these are called assembling and transporting. And while they are important, there is more to marketing than the Western movie implies.

Other marketing functions may be less dramatic, but they are certainly equally important. These include making arrangements for financing the cattle business; buying breeding stock, feed and supplies; grading;

knowing cattle market conditions such as supply, demand prices, and price trends; risk-bearing; and selling cattle to the rancher's greatest economic advantage.

Each function is a complex world of its own. Financing, for instance, involves much more than simply talking with the local banker. It means knowing the various sources for loans, interest rates, repayment schedules and other terms. It takes into account constantly changing tax regulations and government programs and policies that affect the cattle rancher's marketing decisions.

Once cattle leave the ranch, other marketing functions and merchandising come into play. These include processing and packaging, storage, quality control, and product differentiation. These functions are performed by people off the ranch.

Why do beef producers need to know what happens to beef at each step between the ranch gate and the dinner table?

Because the efficiency of the people who process, distribute and retail beef affects the price the rancher ultimately receives for cattle and the price consumers pay for beef.

"Considerably more money is spent for food than farmers or ranchers get for it," Marks says.

For instance, out of each dollar the consumer spends for Choice beef, roughly 43 cents goes to pay the marketing costs of getting the beef from the ranch gate to the supermarket meat display case.

Given those middleman costs, it pays beef producers to be well-informed about the market system so that they can identify the real problems and opportunities within the system and work to implement efficient marketing alternatives beneficial to all segments of the beef industry and to consumers.

As much as ranchers might like to model themselves after the idealized Hollywood image, to be successful indeed, to survive—they must constantly study the cattle marketing process. It doesn't leave much time for the good manager to develop saddle sores.



THE ABOVE PHOTO was taken over the weekend as the grain harvest was well underway. However, the recent showers have

temporarily halted the harvest but with clear skies again, the machines should be rolling soon.

Livestock Feed Assistance Program

Congressman Al Ullman today announced that he expects significant improvements to be made soon in the Federal Emergency Livestock Feed Assistance program.

Ullman said he has been assured by Congressman Tom Foley (D-Wash.), Chairman of the House Agriculture Committee, that he will actively support transfer of the program from the Federal Disaster Assistance Administration in the Department of Housing and Urban Development to the Department of Agriculture. An agriculture bill, previously accepted by the Senate, includes a provision that would establish such a program and a House Agriculture subcommittee has reported a similar bill. In the weeks ahead Foley will head the House delegation that will meet with conferees of the Senate to resolve differences in the agriculture legislation adopted in each chamber.

Ullman said the emergency program has been of scant assistance to Oregon farmers and ranchers since 19 counties in the state became eligible for emergency assistance.

Governor Evans Urges Continuation Of Wheat Research Program

Governor John Evans of Idaho says he will urge that the Pacific Northwest Regional Commission, of which Idaho is a member, continue its support of a research program aimed at making Northwest wheat available for export to China.

Because of Dwarf Bunt spores in Northwest wheat, a

tance during the past three months.

"Agency regulations have seriously reduced the effectiveness of the program," Ullman said. "Arbitrary cut-off dates, coupled with inadequate, last minute extensions have made it almost impossible for livestock owners to make intelligent decisions on herd management."

Ullman said some of these problems could be solved by assigning principle responsibility for the livestock feeding assistance program to the Department of Agriculture instead of the Federal Disaster Assistance Administration in the Department of Housing and Urban Development. "Agriculture is the department of government where the unique problems of farmers and ranchers are clearly understood," said Ullman.

"If nothing else, I am confident that the Department of Agriculture's keen understanding of livestock planning problems will result in regulations which greatly improve the delivery of these vitally needed benefits," Ullman said.

penalty is assessed against that wheat in the export trade. The research is intended to correct the condition.

"It is important to our wheat industry to expand our export business," Evans said. "I will urge that the Pacific Northwest Regional Commission continue its support of this valuable study."

BUY-SELL-RENT-HIRE... Classified Ads DO IT BETTER

Tank Fee Deletion Proposed

In a Notice of Intended Administrative Action issued July 18, the Oregon Department of Agriculture is proposing to delete the licensing fees for two classifications of tanks, type J (tanks under 500-gallon capacity) and type K (tanks 500 and over gallon capacity). The deletion is proposed because the department currently lacks the testing services for such weighing and measuring devices.

Persons having any evidence or data to submit regarding the proposal should direct it to Kendrick Simila, State Department of Agriculture, Agriculture Building, Salem, Oregon 97310. If anyone is desirous of a public hearing on the proposal, such a request should also be directed to Simila. Deadline for receiving the evidence and data and the requests for hearing is Monday, August 15, 1977, at 5 p.m.

A public hearing will be set for a later date if requests for such a hearing are received from ten or more persons or from an association having ten or more members.

Lee and Hoffman said that anyone, age 18 and over may participate. They will need to complete an entry blank, and follow the rules outlined. Each contestant will need to have his own tractor weighed and they said Western Farmers has agreed to permit

use of their scales. A \$5.00 entry fee will be charged.

Entry blanks are available through the County Extension Office, 889-9129, by contacting Mrs. Alice Murphy, 889-9391, or from the Chairman.

Oregon's 'Lamb Crop Down

Oregon Crop and Livestock Reporting Service estimates the Oregon lamb crop at 269,000 head, down ten percent from a year earlier. Producers saved 109 lambs per 100 ewes, one year old or older on hand January 1.

Preliminary estimate of wool produced in Oregon this year is 3.5 million pounds, down 5 percent from last year. The decline is the result of having fewer stock sheep on hand for shearing than a year earlier.

The average fleece weight for all sheep shorn in 1977 is 7.4 pounds, same as 1976.

The 1977 United States lamb crop is estimated at 8.5 million head, a 4 percent decline from 1976 and 13

percent smaller than in 1975. The January 1, 1977 inventory of breeding ewes one year old and older totaled 8.8 million head, down six percent from a year earlier. Ewe lambs under one year on January 1, 1977 totaled 1.4 million head, up 4 percent from last year.

Wool shorn and to be shorn in the United States during 1977 is estimated at 106.1 million pounds, grease basis, 4 percent less than in 1976 and 12 percent below 1975. The number of sheep and lambs shorn and to be shorn is estimated at 12.9 million head, a 5 percent decline from last year. The average fleece weight for 1977 is 8.19 pounds compared with 8.06 pounds in 1976.

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DR. MIKE MEHREN, Pacific Kenyon Corporation's chief nutritionist, displays the company's improved high energy plus protein solid feed livestock supplement—PK Energy Plus—which is being marketed throughout the Northwest this summer.

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