Agriculture:
What's ahead for 1983?

The beginning of a new year may be a time of renewed hopes for most people, but many farmers are starting 1983 with more dread than hope.

The reason is painfully clear: The long-awaited economic recovery that was to get the economy moving has been delayed.

"A continuation of sluggish economic growth, characteristic of the past four years, is likely for most of 1983," says Dr. Larry D. Jones, Extension specialist in agricultural economics in the University of Kentucky College of Agriculture.

Jones offers the assessment in the current issue of "Kentucky Agri-Business News," a publication of the College of Agriculture which carries the 1983 outlook for the general economy as well as general agriculture, burley tobacco, grain and soybeans, livestock and dairy.

Writers are all agricultural economists.

General economy

Jones notes that the expected recovery which would get people back to work and provide some demand stimulus for agricultural commodities has been delayed for three basic reasons. These are increased unemployment, less spending and more saving by consumers, and a continuation of high interest rates.

"The long-awaited recovery could begin as soon as the first quarter of 1983," said Jones. "But most likely it will be mid-1983 before a sustained recovery can be expected."

Unemployment will be very slow to decline and consumer income increases also will be slow, according to the economist. Interest rates are not expected to decline much further from current levels, he added.

"Short-term rates could move down another point or two; however, brief upward movement also could materialize depending on federal reserve monetary policy and loan demand," Jones said.

He expects short-term rates in the 10-12 percent range. Long-term rates are expected to slowly decline as 1983 unfolds.

General agriculture

Despite easing in cost pressures, 1983 is shaping up as the fourth poor income year for many farmers, says Dr. W. Wilson Hourigan.

There are bright spots in the 1983 outlook," he notes. "Livestock prices strengthened last year and grain and oilseed prices have moved up in the past few weeks. Reduced inflation and lower interest rates will encourage demand and will greatly ease pressure on farmers' expense and borrowing costs," Hourigan observed.

The specialist said supply adjustments also are likely, but the expected strength of these corrections will not be enough to greatly improve commodity prices this year.

"We thus foresee, barring the unexpected, continuing pressure on crop prices, modest gains in livestock prices and continued low returns in farming in 1983," reports Hourigan.

On balance, he sees little basis for much improvement. Cash receipts to livestock producers are expected to improve slightly, reflecting prospects for somewhat smaller output and a modest firming in demand.

On the crop side, with prices expected to remain under pressure, it will be difficult for marketing receipts to move above last year.

"At the same time, prospects for further progress against inflation and lower interest costs are encouraging and suggest that little increase in production expenses is likely," Hourigan said.

While these tentative indications give little reason to expect cash flow or net returns in farming to improve much from 1983 levels, Hourigan pointed out that a sudden change in weather patterni affecting global production or a major change in farm programs could alter this outcome.

Burley tobacco

The burley tobacco situation has changed substantially during the last two years. Previous record crops and a 1982 crop which exceeds the effective quota have resulted in total supply in trade and under price support at 1,361 million pounds — a supply sufficient to last 3.1 years at present use rates, reports Dr. D. Milton Shuffett.

Domestic use is at the lowest level since 1943. And Shuffett says, "Higher wholesale prices, increased federal and state excise taxes and continued anti-smoking activities likely will reduce cigarette consumption in 1983.

Exports during the 1981-82 marketing year were at a record high of 141 million pounds.

"Carryover of quota for 1983 will be very low due to many producers using 110 percent of their quota in selling the 1982 crop," the economist said. He projects the basic quota for 1983 at 646 million pounds, the minimum prescribed by legislation.

However, Shuffett added that the quota will be above the current total use rate of 605 million pounds per year in domestic and export markets.

The price support formula for the 1983 burley crop indicates prices supports at about $1.95 per pound, according to Shuffett. But he expects the support price to be around $1.84 per pound.

"The discretionary reduction in the scheduled price support increase for the 1982 crop by the secretary of agriculture, as allowed under the no-net cost tobacco program approved in July 1982, and the prospects for increasing supports by less than the scheduled amount in 1983 due to large pool stocks of burley likely will result in the lower price support," explained Shuffett.

(The basic quota for the 1983 burley crop will be announced by Feb. 1. A producer referendum will be held within 30 days after the announcement for producers to vote on whether to have production controls and price supports for the 1983, 1984 and 1985 crops. At least two-thirds of those voting in the referendum must favor production controls and supports for the program to remain in effect.)

Grain, soybeans, wheat

Dr. Steven K. Riggins notes that the economic outlook report was written prior to the release of some important U.S. Department of Agriculture reports, such as the final estimates of 1982 production for all the major commodities. The agricultural Supply and Demand Estimates were due Jan. 14; the Grain Stocks report on Jan. 21; the revised Agricultural Supply and Demand Estimates on Jan. 24, and the first report on farmers' Planting Intentions Feb. 17.

"Farmers should make every effort to obtain these reports and to understand their implications," urges the economist.

CORN — Riggins says significant price improvement in 1983 will not come from demand side variables unless some currently unknown factor, such as a large new grain agreement with the Soviet Union, is announced.

A preliminary analysis by the specialist indicates that many Kentucky producers should consider the 20 percent Reduced Acreage Program (RAP) for corn. "The analysis indicated a harvest season equivalent price of at least $2.75 per bushel was required for a non program participant to do as well as he would have done by participating in the RAP," said Riggins.

Further analysis indicates that Kentucky corn producers will need around $2.20 per bushel, harvest season equivalent price, for their Payment-in-Kind program grain to be as well off as if they had remained at the RAP (20 percent reduction) level.

"As a guess, the government programs will do very well if they reduce the 1983 corn harvest by 15 percent compared to 1982," Riggins said.

Prices should be higher during 1983-84 than they were in 1982-83, but the chance of prices going much above the $2.65 loan rate, even by late winter of 1984, are not good, according to the specialist.

"If this view is accurate, farmers should seriously consider forward pricing opportunities that may be created by weather problems or other news, and they should give strong consideration to the RAP," suggested the economist. He added, "If they choose to participate in the PIK program, they also may want to think about the possibilities of forward pricing the PIK corn and using the Farmer Owned Reserve for 1983 production if the market is weak."

SOYBEANS — If the South American crop is about as large as last year's reduced harvest, the use of U.S. soybeans may be 50-60 million bushels greater during 1982-83 than the current USDA forecast of 2.138 billion bushels.

"However, the stage would be set for some modest price improvement if 1983 U.S. production was reduced from last year's record level," notes Riggins. If acreage decrease doesn't increase, an average U.S. yield of 30 bushels or less per acre would provide impetus for a good recovery in soybean prices, he said.

WHEAT — The wheat situation is very similar to the corn outlook, according to Riggins.

"Exports have been very weak, even though the Soviets finally started buying, and the U.S. will end the 1982-83 marketing year with very large stocks," he said.

Total 1983 U.S. wheat production should decline because of the RAP and PIK programs, Riggins noted, but production may not decline enough to lower stocks much, if any, during the 1983-84 marketing year.

Riggins said an analysis of the Reduced Acreage Program indicates that most Kentucky producers should participate in the wheat program at the 20 percent level of reduced acreage.

"However," he added, "unless the final Payment-in-Kind program is substantially different from current proposals, Kentucky producers cannot afford to give up any more acres of wheat-double crop soybeans than required for the RAP."

Livestock

CATTLE — Slaughter cattle prices have been the controlling force of the cattle market, according to Dr. A. Lee Meyer who says the supply of cattle going to slaughter will be large into the first half of 1983.

The number of cattle in feedlots is the highest since 1978 and about 15 percent above last year. Slaughter weights will be lower due to a high proportion of heifers in feedlots and the tendency of feedlots to sell at lighter weights than in the recent past, the economist said.

"Hog numbers are down, a factor which is likely to increase beef demand because consumers will see pork prices rise and beef prices fall," noted Meyer.

When offsetting factors are combined, the specialist sees an indication of a slight upward movement of slaughter cattle prices into the first half of 1983. He predicts choice slaughter cattle in Kentucky are likely to average near $60 per hundredweight during the first half of this year.

The spring feeder cattle supply is likely to be relatively large and keep feeder cattle prices moving near slaughter cattle prices. "This would put first half yearling steer prices in the low $60s and steer calf prices in the mid $60s at major Kentucky markets. Heifers are likely to average near $50 per hundredweight for most weights.

Slaughter cattle prices may move into the mid $60s on the strength of demand and low slaughter weights. Feedler cattle prices could rise $3-$5 more than slaughter cattle prices with heifer prices benefitting most.

Currently, the longer run cattle outlook appears positive, according to Meyer.

"This cattle cycle has turned down earlier than usual due to lower than usual prices," he explained. "Selling of cows probably will continue into 1983 with the lower supply possibly increasing prices by the end of 1983 or early 1984 if the drop in beef supply is not offset by larger supplies of other meats."

Meyer recommends that producers who plan to stay in the cattle business and who can run an efficient operation watch the market carefully and be prepared to expand. "However," he noted, "prices are unlikely to increase enough and stay up to support a high-cost operation."

HOGS — Most of 1983 will be profitable for hog production, according to Meyer. Kentucky area hog prices are likely to average between $54 and $56 per hundredweight during the first quarter. Prices are likely to trend slowly up through the second and third quarters, with summer prices in the low $60s a strong possibility.

Meyer said prices are then expected to decrease with a fourth quarter average in the mid to low $50s. "This price forecast follows a somewhat seasonal pattern and averages $1 to $4 over last year," said the specialist.

He noted that prices typically drop to low points during the spring and fall and peak in late summer. "Sellers should account for these usual price movements in their planning," reminds Meyer.

Dairy

The coming year probably holds more uncertainties for the dairy producer than any period of time in the past two decades, says Dr. Robert L. Beck.

"The current record level of milk production continues to be the overriding factor which not only influenced provisions of the current support program, but also most likely will lead to further revisions of the program in the months ahead," Beck said.

A 9 cents per hundredweight assessment which became effective Dec. 1 and another 50 cent assessment scheduled to take effect April 1 means the dairy producer faces a significant drop in the price of milk and a resultant decrease in cash flow, reports the economist.

"Reaction by dairy producers to the deductions authorized by changes in the dairy price support program will play a key role in determining the amount of milk produced in 1983," said Beck. "If farmers react quickly, production for 1983 is likely to be unchanged from 1982," he predicted. "However, if producers delay reacting until after the spring flush production period, 1983 output will show a sizeable increase over 1982."

Feed prices are likely to show little upward movement and will trail year-earlier levels at least through the first half of 1983. The milk-feed price relationship will move lower, but will remain above the 1982 level, says Beck. But if the milk price is adjusted to account for the deductions, the milk-feed price relationship will move below year-earlier levels.

The all-milk price in 1983 is expected to be little changed from 1982. However, the effective returns per hundredweight received by farmers for milk in 1983 could average six percent or more below 1982, considering the deductions, calculates Beck.

Under the current price support program, the level of support will continue at $13.10 per hundredweight for manufacturing milk with 3.67 percent fat.

Retail dairy product prices are expected to average slightly higher in 1983 because of higher farm-to-retail marketing costs. Wholesale dairy product prices are likely to remain near current levels at least through mid-1983, according to Beck.

Carlisle Church of Christ
Frank W. Cleaver, Minister
Phone 289-7474

Source of Faith

I prayed for faith and thought it would strike me like lightning. But faith did not come. One day I read, "Now faith comes by hearing and hearing by the word of God." (Romans 10:17). I had closed my bible and prayed for faith. I now began to study my Bible and faith has been growing ever since.

Come Visit With Us!

SUNDAY: Bible Study 10 A.M. — Worship 11 A.M. — Worship 6 P.M.
WEDNESDAY: Bible Study 7 P.M.

Special Evening of Musical Entertainment at Saltwell United Methodist Church
Saturday, Jan. 29 at 7:00 p.m.

★ Musicians and Singers (individuals and groups) will be donating their time and talents to benefit the Rev. Troy Miller Ministerial Education Fund.

★ Rev. Miller is attending Asbury College, Wilmore, Ky.

— Everyone Welcome! —

All Georgia's Cardinal Chinaware & Jewelry
25% off
Hopkins Drug Co.
Your Prescription our speciality
289-2274

Now We're Centel
We're Celebrating a New Name, New Look

OVC Telecommunications, Inc., and Carlisle/Paris Cable TV, are about to unveil an impressive new look as we change our name to Centel Cable Television Company of Kentucky.

We're still the same people, though, in the same offices, with the same commitment: to provide our subscribers with the best cable television service possible. But please just call us Centel. . .your old friend with a new name.

OVC CENTEL
Centel Cable Television Company of Kentucky
Local Address: 230 Main St., Paris
Local Phone: 987-5542

Saltwell

By Mrs. Fred Hollar

Mrs. James Snapp and Mrs. E.V. Delaney were in Lexington the past Monday. Mrs. Delaney entered Nicholas County Hospital on Tuesday for treatment and remains a patient there. She had several visitors during the week.

Robbie Doyle spent Saturday with Mr. and Mrs. Orville Doyle.

The Headquarters Youth and a few adults enjoyed a skating party at Charlie's Roller Rink on Tuesday night.

Word was received this week of the serious illness of Shelly Gaunce, who entered the hospital in Versailles suffering from a severe heart attack at his home Wednesday. Rev. Roy Hunt, James Gaunce, Mr. and Mrs. Harvey Gaunce were among many who had visited him during the week.

Mrs. Hazel Snapp spent several days the past week with Mr. and Mrs. Keith McCord and son Jodie and also guests Melissa and Amanda Pickrell of Paris.

Mrs. Fred Hollar received a surprise on Sunday when she arrived from church and found a lovely birthday cake and ice cream and delicious meal prepared by her family at her home. Those enjoying the meal were Mr. and Mrs. Hollar, Mr. and Mrs. Sterling Hollar, Layne Hollar, Mr. and Mrs. Bill McCord and son Jodie and also guests Melissa and Amanda Pickrell of Paris.

Mrs. Fred Hollar received a surprise on Sunday when she arrived from church and found a lovely birthday cake and ice cream and delicious meal prepared by her family at her home. Those enjoying the meal were Mr. and Mrs. Hollar, Mr. and Mrs. Sterling Hollar, Layne Hollar, Mr. and Mrs. Bill George, Mr. and Mrs. Gary Hollar, Chris and Tracy, Mike Sowell and Gladys Kenney. Mrs. Hollar also received many lovely gifts honoring her 68th birthday.

Mr. and Mrs. Glen Thacker and daughters Glenda and Suesnne spent Saturday with his mother, Mrs. Callie Thacker of Ravenna, honoring her 82rd birthday.

Mrs. Joanne White and Mr. and Mrs. Vaughan Mattox visited Mr. and Mrs. Phillip Mattox and son Brandon on Sunday afternoon. They also visited Mr. and Mrs. Mike Mattox and children Jeremy and Amanda on Saturday.

Mr. and Mrs. Strauder Hollar had as visitors during the week Stanley Storey, Mrs. Bobby Brady, Mrs. Hazel Snapp, Mr. and Mrs. Ray Bullock, Glen Thacker, Mr. and Mrs. Fred Hollar, Gary Hollar, Gladys Kenney, Layne Hollar and Jessica Thacker.

The community was saddened to hear of the death of Mrs. George Barlow in Lexington on Friday. Mr. and Mrs. Barlow were both born and reared in the Headquarters vicinity and had many friends and relatives here who regret her passing. Funeral and burial were in Lexington on Monday.

Mrs. Orville Doyle and Mrs. Bobby Brady were Thursday dinner guests of Mrs. Lola Florence, Cynthiana.

Rev. Roy Hunt and James Gaunce visited T.B. Mynear in a Cincinnati hospital on Saturday. Mr. Mynear had eye surgery there earlier in the week but hopes to return home soon.

Livestock Market Quotes

PARIS STOCKYARDS
Jan. 19-20, 1983

CATTLE
Receipts 576

SLAUGHTER COWS
Price trend 1.00 higher
Utility 36.00-42.00
Cutter 30.00-36.00

SLAUGHTER BULLS.
Price trend 1.00 higher
Yield grade 1-2 46.00-54.00

VEALERS
Price trend Steady
Choice 75.00

FEEDER STEERS (med 1, 1-2 monthly)
Price trend Steady to 1.00 lower
300-400 lbs. 62.00-68.50
400-500 lbs. 62.00-68.50
500-600 lbs. 61.00-65.75
600-700 lbs. 58.00-61.00
700-800 lbs. 56.00-61.00
900-1000 lbs. 56.45-58.75

HEIFERS (med 1, 1-2 monthly)
Price trend Steady to 1.00 lower
200-400 lbs. 51.00-56.50
400-500 lbs. 51.00-56.50
500-600 lbs. 52.00-54.50
600-700 lbs. 51.00-52.75
STOCK COWS 300.00-410.00
COWS W/CALVES 385.00-540.00
SLAUGHTER HOGS
Receipts 322
BARROWS, GILTS
Price trend .75 higher
U.S. 1-2, 210-240 lbs. 56.85
SOWS
Price trend Steady to 1.00 higher
U.S. 1-2, 335-615 lbs. 49.00-51.25
BOARS
Over 300 lbs. 42.00
MEAT HOGS
220-395 lbs. 49.25-54.00

FARMERS STOCK YARDS INC.
Flemingsburg, Ky.
Jan. 22, 1983

Hogs receipts, 112 — Packers 60.00, Heavies 58.00, Sows 46.00-57.00, Boars 44.00-52.50, Shoats 8.00-59.00.

Cattle receipts, 218 — Steers 40.00-65.00, Heifers 36.00-54.50, Baby Beeves 42.00-65.00, Slaughter Cows 27.00-46.00, Slaughter Bulls 44.00-54.25, Calves by head 200.00-560.00, Cow & Calf by head 340.00-920.00, Stock Bulls 440.00-647.50, Stockers 73.00-230.00.

Calves receipts, 92 — Top Veals 69.00-80.00, Medium 54.50-69.00, Others 15.00-120.00.

Total receipts — 721.

Special Feeder Cattle Sale Wednesday, Feb. 9, at 2 p.m.

In sale Saturday, Jan. 29, consignment of 12 cows, mixed in color, 4 have calves by side, rest heavy springers.

Special Dairy Cattle Sale Thursday, Feb. 17, at 1:30 p.m.

Tobacco Market News

Burley — Type 31

Burley tobacco auctions were marked by improved quality but lower grade averages during the sixth week of sales. The Federal-State Market News Service reports the percentage placed under loan increased a little over the last week before Christmas. Volume was heavy at practically all markets Monday and Tuesday but became light at several points the latter part of the week. About nine markets have closed for the season in the East Tennessee, North Carolina and Virginia area. Gross sales this week totaled 130,309,277 pounds and averaged $181.35 per hundred — up $1.88 from the previous sales week. The season figure stands at 717,761,581 pounds averaging $180.32. For the first 39 sales days last year 681,038,243 pounds averaged $180.47. Resales amounted to 18,239,344 pounds this week and 56,391,350 pounds for the season.

Averages were lower by mainly $1 per hundred for around 55 percent of the grades. This caused several grades to average the same as their support price. Due to the amount of resale tobacco auctioned, which carries no support, some grades are averaging less than the support level. Top average was $195 for B1F.

This week's marketings consisted of less wet and fifth quality while the percentage of better quality increased. Also, tobacco designated as "mixed-stripped" decreased slightly. By areas flyings accounted for around six percent of sales, cutters 17, leaf 46, mixed 17, tips 6 and various nondescripts 4.

The Burley Cooperatives received 37.8 percent of sales this week and 37.9 percent for the season. During the same period last season, less than one percent was placed under loan.

The U.S. Crop Reporting Board in the January release sets the 1982 Burley production at 801,355,000 pounds. By this, around 82 percent of the crop has been sold.

Detailed Sales Data through Dec. 15, 1982
Reported by AMS
(from Farm Mgt.66 and warehouse records)

	Pounds
Leaf purchase (Item 17)	587,373,116
Leaf purchase, non-auction (Item 9)	19,511,417
Other purchases, non-auction (Item 23)	3,139,364
Resales, auction (Item 18)	40,106,866
Resales, non-auction (Item 24)	166,870
(Net final, subject to revision)	

Corn, soybean yields high

Final numbers are in for most 1982 crops and the high yields expected have generally been received according to the Kentucky Crop and Livestock Reporting Service. Kentucky farmers produced a record 157.9 million bushels of corn with the highest ever average yield at 106 bushels per acre. The previous record yield was 102 bushels, set in 1976 and equaled in 1979. Many farmers averaged between 120-160 bushels per acre. U.S. corn farmers produced a record 8.40 billion bushels with a record breaking average yield of 114.8.

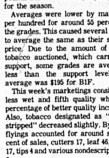
Soybean farmers also had a good production year in Kentucky with 33.1 million bushels and an average yield of 32 bushels per acre. Production was only slightly less and yield was only a half bushel below the record highs set in 1979. U.S. soybean production was up 14 percent from 1981 and was a record high 2.28 billion bushels.

The favorable growing season was also reflected with outstanding hay crops. Alfalfa growers in Kentucky received a record average yield of 3.8 tons per harvested acre, while all other hay equaled the record high of 1.9 tons per harvested acre. Farmers harvested 1.56 million acres of hay across the Commonwealth.

Vita-Bath
Fashion Flair Salon & Gifts
Main St., Millersburg — Ina Powers, Owner

25¢ OFF Coupon
Our Leggs fit your legs.
SUPER STRETCH PANTYHOSE AND STOCKINGS
Leggs®
Get a new pair of Leggs at our Leggs Boutique today.
Coupon Void After 2-5-83

The Carlisle Drug Co.



North Street Shop
Mon. thru Fri. Evenings 5 to 8; Sat. 9 to 5; Sun. 1 to 4
For Her on Valentine's Day
Valentine Cushions
Spring Banner House Tote and mini bags with matching accessories, doll beds, wooden items, new cushions, dolls, Humpty Dumpies, puff paint, piece goods, afghans, lots more.
Reduced Cushions & Purse Covers
Anna Lee Lawson
542 Sharon Way
Carlisle, Ky. 40311 — Phone 289 2332

think IGA — YOU'RE A LITTLE CLOSER AT YOUR HOMETOWN GROCER
Prices effective through Sunday, Jan. 30, 1983
We reserve the right to limit quantities. None sold to dealers.

Miracle Whip 89¢ (Buy 2 Get 1 Free Coupon)
Red Kidney Beans 3/49¢ (Buy 2 Get 1 Free Coupon)
Wisk 99¢ (Buy 2 Get 1 Free Coupon)
White Cloud 49¢ (Buy 2 Get 1 Free Coupon)
Pork and Beans 3/59¢ (Buy 2 Get 1 Free Coupon)
IGA Soft Drinks 2/99¢ (Buy 2 Get 1 Free Coupon)
Parkay Margarine 39¢ (Buy 2 Get 1 Free Coupon)
Buttermilk Biscuits 3/49¢ (Buy 2 Get 1 Free Coupon)
Free Dictionary — Welcome to Walt Disney World
Instant Coffee $3.99
Pepsi Cola $1.39
Anti Freeze $2.99
Macaroni and Cheese 3/$1
Cup-A-Soup 49¢
Pops-Rite Popcorn $1.39
IGA Tortilla Chips 79¢
Polar Bars $1.59
Ice Milk $1.29
TableRite USDA Choice Round Steaks $1.79
Boneless
Smoked Picnic 99¢
Whole Pork Loin $1.59
Webber Sausage $3.89
Fisher Bologna $1.69
Top Round Steak $2.49
Bottom Round Steak $2.29
Fisher Wieners $1.19
Beef Liver 79¢
Hamlet Ham Halves $2.89
Wellwood Bacon $2.09
Breaded Fritters $1.09
Canned Hams $7.99
USDA Choice Whole Sirloin Tip Steak $19.90
Sliced Slab Bacon $12.90
Shucker's Jellies 89¢
Strawberry Preserves $1.29
Chili with Beans 69¢
Luck's Beans $1.89
Frozen Dinners 69¢
Banquet Cream Pies 69¢
IGA Sandwich Bread 2/99¢
Fruit Filled Rolls 89¢
IGA Buttermilk 99¢
French Fried Potatoes $1.99 (Buy 2 Get 1 Free Coupon)
Bucket Fried Chicken Sale $6.49
Deli Ham $2.99
American Cheese $2.49
Potato Salad $1.39
French Bread 79¢
Cookies $1.59
Red Grapes 69¢
Oranges 4 lbs. $1.39
Apples 9/99¢
California Avocados 4/$1
White Grapefruit $1.19
Slicing Tomatoes 49¢
White Potatoes 99¢
Fresh Broccoli 69¢
Fresh Kale 89¢
Fresh Spinach 89¢
Flemingsburg — JERRY'S IGA FOODLINER — Carlisle