

The Cattle Cycle

Compared to a five percent increase for 1980, average annual retail beef prices for 1981 are expected to increase 10-15 percent. As of November 1980, the average retail choice beef price was \$2.42 per pound. With cattlemen now in the rebuilding phase of the cattle cycle, total beef production for 1981 is expected to increase one percent over 1980. However, total meat production (red meat and poultry) is expected to decrease 1.9 percent. When combined with overall inflation, this decrease should lead to higher meat prices in all categories.

The Cattle Cycle Continues To Play A Dominant Role in determining current and future beef supplies and, hence, prices. The industry is now in the herd rebuilding phase of the cycle, during which cattlemen retain young female calves (heifers) in their herds for future reproduction. As a result of this herd expansion, cattle numbers are expected to total 115.5 million as we begin the new year, up from 111 million in 1980 but still far below the 1975 peak of 132 million head. Beef production will also be up slightly (about one percent), with 1981 per capita consumption expected to total 79 lbs. (retail weight), compared to 78 lbs. in 1980.

Producers respond to profits, not prices. And 1980 was a year in which profit opportunities for cattlemen were few and far between. Prices for choice steers and feeder cattle were actually lower than the year before, while the costs of production were up substantially. Losses incurred by cattlemen in 1980 were doubly devastating because this was expected to be a profitable time, a time in which cattlemen could recoup losses and repay loans taken out during the largely unprofitable period from 1976-78. The upshot for consumers? With the profit incentive diminished, cattlemen have slowed the herd rebuilding process, meaning a longer time before production increases can lead to more beef at stable prices.

The Cattle Industry Is A Capital-Intensive Business, which is why recent high interest rates are of great concern to producers. Many cattlemen market cattle only once or twice a year and consequently must operate on borrowed capital. The "cost of money" (interest rates) has a lot to do with a cattleman's profit or loss potential -- and his ability to rebuild his herd. As a result, spiraling 1980 interest rates (up as high as 21 percent) cut heavily into producer profits, forcing many into a loss situation by year's end.

Weather Conditions And Inflation are two other major factors behind a surge in beef production costs. Last summer's drought reduced the nation's feed grain crop to 192 million tons, leaving it 18 percent below 1979's total and the smallest harvest since 1976. Less feed grain on the market will push feed prices upward, adding to cattle production costs. Inflation is expected to cause other costs to rise significantly, as well. According to the USDA, fertilizer prices are expected to rise 20 percent, fuel costs 22 percent and labor costs 9 percent. Combined, these factors mean an ever-higher break-even price for cattle producers and feeders.

Higher Retail Beef Prices do not necessarily mean increased profit for wholesalers and retailers. As of November 1980, beef wholesalers were netting

only half a cent per pound of beef sold. This minuscule profit margin can be attributed to rising production costs, such as packaging, refrigeration, transportation, labor and other such expenses. At the retail level, net profit is currently 2.25 cents per pound of beef sold. Here, as with the wholesaler, increased production costs have left a very slim profit margin. All totaled, the wholesale/retail profit share is only 1.13 cents

of every dollar of beef sold. **Tip For Consumers:** In times of rising prices for beef, consumers should be aware of the many economical ways to stretch their beef dollar. Purchasing subprimal cuts (and cutting the beef at home), for example, can save the consumer anywhere from 20 to 50 cents per pound. Consumers should also watch for beef specials; buy on a basis of cost-per-serving rather than cost-per-pound;

use reliable, economical recipes and discover many other cost-saving measures. The Meat Board's pamphlet, "A Dozen Ways to Stretch Your Beef Dollar," is a valuable tool for consumers in their fight against inflation. It is offered free to those sending a self-addressed stamped long envelope to: A Dozen Ways, Beef Industry Council of the Meat Board, 444 N. Michigan Ave., Chicago, Ill. 60611.

Cooking Contest From page 18

few moments, stir, then add another layer of pastry until all pastry is used. Replace lid and continue cooking about 15 minutes until dumplings are done. (You may prefer to take chicken from the pot before adding pastry and remove the bones. Return chicken after the pastry has finished cooking.)

- Sweet And Sour Chicken (1969 winner)
- 2 broiler-fryer chickens, cut in serving pieces
- 1 bottle (8 ounce) Russian salad dressing
- 1 envelope (1 3/8 ounce) dry onion soup mix
- 1 jar (10 ounce) apricot preserves

Mix together Russian

dressing, soup mix and preserves. Place chicken in single layer, skin side up, in large shallow baking pan; pour preserves mix on chicken. Bake at 350° for 1 hour or until done, basting occasionally with the pan drippings. Serve hot with plain rice and the sweet and sour sauce. Makes 8 servings.

Small Fruit Sale Set

Forsyth County 4-H members and leaders are sponsoring a Small Fruit Sale as a fundraising project this year to benefit the Forsyth County 4-H Club Foundation, Inc. The plants being sold are strawberries, grape, blueberry, blackberry and raspberry. Order forms are available at the 4-H office, 1450 Fairchild Drive, Winston-Salem. Each of the varieties offered has been selected by Extension Horticulture Agents, Lonnie Pell and Roger

Galloway, to suit Forsyth and surrounding county soils.

For the strawberry plants, the Extension Service recommends the purchase of Albritton, Apollo, Atlas and Earlibelle. These varieties will give excellent results in our area.

The Blueberry varieties are all excellent producers, but to receive pollination for the plants, at least two varieties must be planted. The plant itself, because of growth habit and shape, makes a good border plant,

serves as a screen, and can substitute as a piece of shrubbery.

The Forsyth County 4-H organization is very appreciative of the support of local citizens and friends of 4-H. This fundraising effort will help 4-H provide continued educational opportunities for boys and girls.

Additional information and plant order forms may be obtained from the Forsyth County 4-H Office, 1450 Fairchild Drive, Winston-Salem, telephone number, 767-8213.

Bowman Gray Takes Step Toward Cure for Hypertension

A hormone discovered last year at the Bowman Gray School of Medicine has been shown capable of causing high blood pressure. High blood pressure or hypertension is a leading cause of death among blacks.

Bowman Gray researchers have reported that injection of the hormone, called endoxin, into research animals causes a significant and long lasting increase in blood pressure. Moreover, they have uncovered one way in which endoxin works to increase blood pressure.

The research, supported by funds from the North Carolina Heart Association, was conducted by Dr. Phillip M. Hutchins, associate professor of physiology; Walter C. Plunkett, a graduate student in physiology; Dr. Kenneth A. Gruber, research assistant professor of medicine; and Dr. Vardaman M. Buckalew, professor of medicine and physiology.

According to the researchers, endoxin was obtained from dogs and was injected in small amounts into rats which ordinarily have normal blood pressure. The rat's blood pressure began to rise slowly, reached its peak within an hour and remained abnormally high for an hour and a half.

In an effort to find an explanation for how endoxin works, the researchers examined the hormone's effect on tiny blood vessels in one specific muscle. The vessels are so small that they cannot be seen with the

naked eye. It is in the microscopic blood vessels throughout the body that blood pressure is regulated. Naturally occurring chemicals in the body (vasoconstrictors) regulate the process by causing constriction and relaxation of the vessel walls. In their studies, the

researchers found that endoxin makes the vessel walls more sensitive to the chemicals which cause them to constrict.

Work continues at the medical school to determine if endoxin is responsible for high blood pressure in humans.

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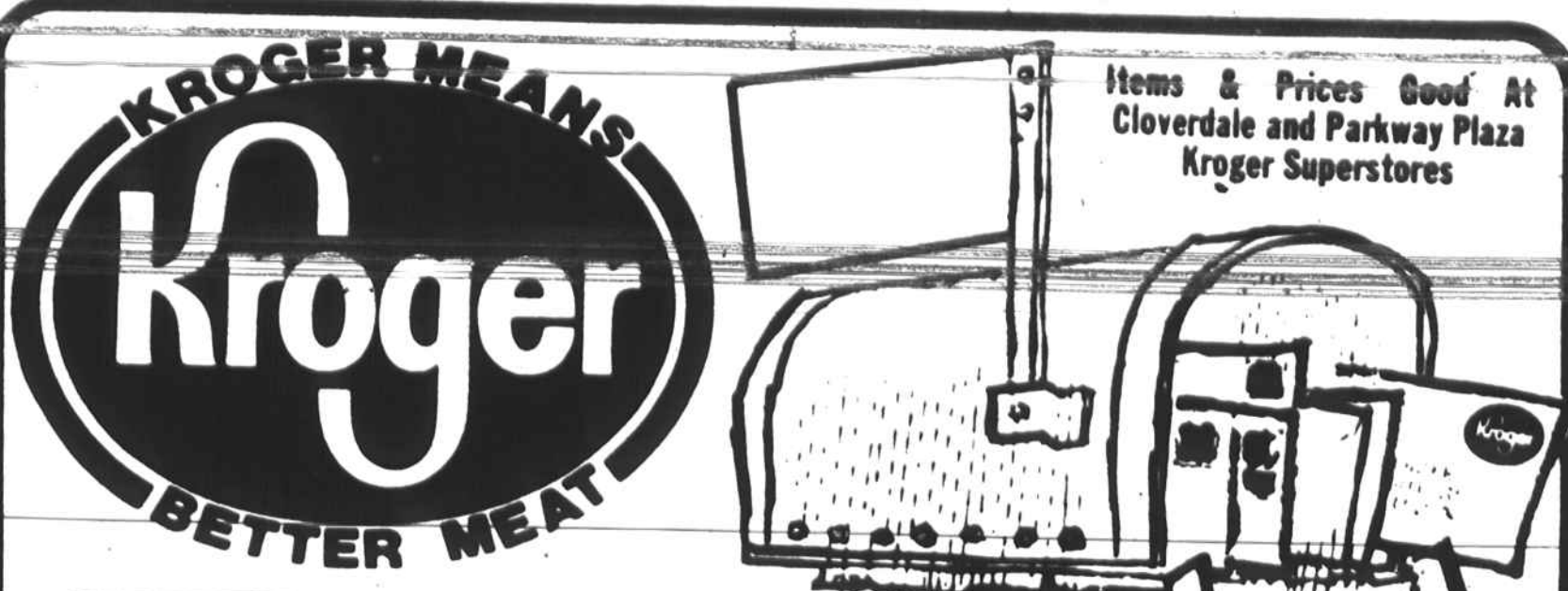
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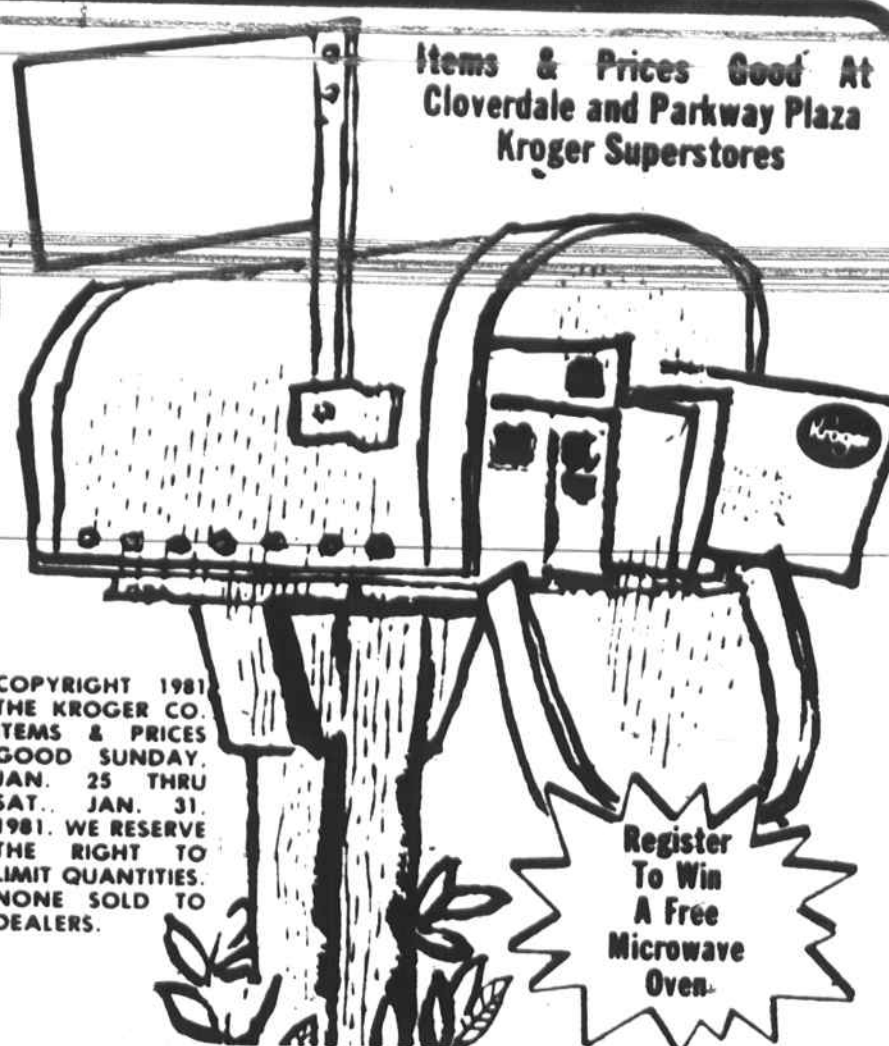
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