



# business in nebraska

*University of Nebraska-Lincoln News*

No. 2

Vol. 51

Number 323, August 1971

PREPARED BY THE BUREAU OF BUSINESS RESEARCH, COLLEGE OF BUSINESS ADMINISTRATION

## AGRICULTURE AND HOME-GROWN INDUSTRY

"What's ahead for agriculture?" and "What's ahead for industry?" are interrelated parts of the larger question, "What's ahead for Nebraska?"

It is generally agreed that the state's industrial development depends to a considerable extent upon both the productive and the financial well-being of its agriculture. This close relationship is evidenced by year-to-year changes in the state's industrial mix as shifts are made to meet the changing needs of agriculture.

Adaptation of manufacturing to the developing needs of agriculture is dramatically illustrated by industrial response to the expansion of irrigation farming. New plants have been established throughout the state, many of them in small communities, to produce a wide range of irrigation equipment and supplies. There has been also a concomitant increase in the production of fertilizers and other agricultural chemicals required by irrigation farming.

The bountiful production made possible by irrigation should lead also to establishment of good markets close at home—the kinds of markets that are available when manufacturing plants are built within the state to process the food and fiber produced here. To the extent that this happens, agriculturally-related industry assures to Nebraska the "value added" by manufacturing which in turn benefits all segments of the economy.

The interrelationship of Nebraska agriculture and industry is seen also in the fact that development of geographically-dispersed manufacturing plants provides employment within the home community for rural persons displaced by farm technology and, in addition, offers the opportunity for necessary supplemental farm income for farm families whose land holdings are insufficient to return adequate income from on-the-farm sources alone.

### INDUSTRIAL EMPLOYMENT 1960 TO 1970

Data on Nebraska employment have particular relevance to the main emphasis of this article on agriculturally-related home-grown industries. Analysis of the data shows that as a result of the decline in agricultural employment in the sixties, total non-agricultural employment constituted 83.6 percent of all Nebraska employment in 1970, contrasted to only 74.1 percent ten years before. Although the rate of increase was 27.5 percent in manufacturing employment and 19.1 percent in nonmanufacturing nonagricultural employment, manufacturing employment as a percentage of total nonagricultural employment changed less than one percentage point (from 14.6 percent to 15.6 percent).<sup>1</sup>

Over the past decade the state's rate of increase in total employment, 5.5 percent, was only slightly more than the rate of

population growth, 5.1 percent. The total number in the work force exhibited a slightly larger rise, 5.7 percent, but unfortunately the rate of increase in number of persons unemployed was also higher, 9.3 percent. Both total employment and total work force as percentages of the state's population increased very slightly; from 43.7 percent to 43.9 percent, and from 45.0 percent to 45.2 percent, respectively. Agricultural employment declined one-third (33.4 percent) and as a percentage of total employment dropped 9.6 percentage points.

Manufacturing employment as a percentage of total population exhibited a one percentage point increase, 5.7 percent compared to 4.7 percent and as a percentage of total employment rose to 13.1 percent in 1970 from 10.8 percent in 1960. But the disturbing fact remains that whereas all nonagricultural employment as a percentage of total employment rose 9.5 percentage points, manufacturing employment as a percentage of total non-agricultural employment increased only slightly.

Despite the one-third decline in agricultural employment in Nebraska, the needs of agriculture as a segment of the economy have proliferated. Plants established to meet the new needs of agriculture have contributed generally to the gains in manufacturing employment recorded from 1960 to 1970 and appear to have potential as the source of sizable future gains.

### INDUSTRY MIX IN A NEBRASKA COMMUNITY

Although the industries in any given medium-sized community typically exhibit considerable diversity, there is usually a predominance of firms that manufacture equipment and supplies needed by the surrounding farm community and of those that process the products of the area. The city of York has been chosen to exemplify this predominance of agriculturally-related industry.

With a 1970 population of 6,778, York had in mid-1971 approximately 320 men and 65 women (almost 6 percent of the population) employed in nine principal manufacturing plants. Two of these plants, the York Packing Company which prepares pork products, and Sunflower Beef Packers which, as the name indicates, deals in beef products, are food processors. A third firm, Consolidated Blenders, manufactures alfalfa meal, pellets, and other alfalfa products. More than 52 percent of all those who work in York manufacturing plants are employed by these three firms which depend on agriculture for their raw materials. Three other firms, employing approximately 90 workers, produce essentially agribusiness equipment: the York Foundry and Engine Works makes equipment used in handling farm products, and both the Kroy Metal Company and the Scott-Hourigan Company manufacture irrigation equipment.

(Continued on page 2)

<sup>1</sup>Numerical data from Employment Security Division, Nebraska Department of Labor; calculations by the Bureau of Business Research.

(Continued from first page)

There are three other major manufacturing firms in York: Champion Homes, with 136 workers, builds mobile homes; the Trixie Manufacturing Company, with 47 employees, produces women's apparel; and the York Concrete Products Company, with 11 employees, makes concrete blocks.

#### *York Foundry and Engine Works*

For further examination of one of the manufacturing companies in York, the York Foundry and Engine Works has been chosen as an example. It is one of Nebraska's longtime industries, dating back to 1882, although the present owners, the R. A. Freeman and the Don R. Freeman families, have no record of the original owners. The company manufactures material-handling equipment including belt and bucket elevators, belt conveyors, and allied equipment to make a complete material-handling service. The volume of business has shown steady growth since 1941 and is now in the low million-dollar category. Products are sold across the nation through national advertising to building contractors. The firm, which also exports to several Latin American countries, has 19 full-time employees on the payroll.

Manager Don Freeman advises potential entrepreneurs to make a very careful study of the sales potential for the products to be manufactured before beginning operations and to be sure of having adequate finances to overcome unpredictable problems which may arise.

#### INDUSTRIES THAT SUPPLY AGRICULTURAL NEEDS

In virtually every sizable community, as in York, and many smaller communities as well, one or more examples can be found of industries that support agriculture by manufacturing machinery, equipment, chemicals, or other supplies required for farming and ranching. Specific firms cited here are to be regarded as representative of many such establishments that are geographically dispersed throughout the state.

In compiling information about the industries described, inquiry was made as to what advice owners and managers would offer to other Nebraskans who are thinking of establishing manufacturing or processing plants. The response, which was almost unanimous, can be summed up succinctly as "be sure you have plenty of working capital." Because it appears that this point cannot be overemphasized, however, each individual's specific advice is cited in connection with the description of his company.

#### *Hastings Irrigation Pipe Company*

Expansion of irrigation in Nebraska has led both directly and indirectly to extensive industrial development. One industrialist who early saw this opportunity is Paul Hohnstein. In 1949 he started to manufacture welded aluminum pipe in a small machine shop in Hastings. Although sales volume developed steadily, the period of most rapid growth came between 1962 and 1968, coinciding with a period when the number of acres under irrigation in Nebraska exhibited an increase of about 34 percent. The Hastings Irrigation Pipe Company now markets complete irrigation systems nationwide, although the dealership network is concentrated in states of the midwest and the great plains areas. In suggestions to other entrepreneurs, Mr. Hohnstein emphasizes that sound financial backing is a "must," together with a good credit reputation.

#### *Heinzman Engineering, Inc.*

Among other firms that have been serving Nebraska irrigators for many years is this company that began manufacturing aluminum tubing for irrigation systems at Phillips in 1944. The in-

dustry was founded by the late S. E. Heinzman, whose three sons, W. W., F. Dale, and S. Wayne Heinzman, own and operate the company now located in Grand Island. From sales at the bottom of the five-figure column in the early years, the business has grown to an annual sales volume in seven figures. Distribution of products is concentrated in eight midwestern states. Forty full-time and 10 part-time employees are involved in the total operations of this company, which combines manufacturing with distribution of some irrigation items produced by other firms.

#### *Geis Irrigation Company*

An example of the way in which the multiplier effect of agriculture operates is the fact that the Kroy Metals Company in York is one of a number of suppliers of the Geis Irrigation Company, which has its headquarters in York. Through various store locations the firm serves Nebraska, Kansas, and eastern Colorado with irrigation pipe, storage facilities, and grain dryers, and has a sales volume in the multimillion dollar category. Paul Geis, owner of the firm, and Harold Haeker, manager, emphasize that acquiring top people and financial backing are the most important keys to success in any enterprise such as theirs.

#### *Piester Manufacturing Company*

Another industry supportive of agriculture is the Piester Manufacturing Company of Minden, which was started by George Piester, owner and manager, in January, 1965, to manufacture dry fertilizer spreaders, bulk feed bodies, tractor-mounted grain augers, grain slingers, and paunch spreaders. His firm, which employs nine full-time workers, and in the winter months about the same number of part-time workers, also shows the multiplier effect of industry because it procures materials used in manufacturing from suppliers in Omaha, Lincoln, and Columbus, as well as from out-of-state sources. Mr. Piester, whose company distributes its products nationally, is considering entering the export market. Steady growth of the company has demonstrated his belief that if a man has a good product which meets a need, he should "just go to work."

#### *Tomsicek Manufacturing Company*

Some years ago Marvin L. Tomsicek of Ithaca started manufacturing in his farm shop a number of products that were helpful to him in his farm operations. Soon his neighbors heard about his inventions and wanted to buy the kinds of farm equipment he was making. The business began to grow, a plant was established in the village of Ithaca, and the Tomsicek Manufacturing Company now distributes products all over the United States. The product line includes about fifty items, including cattle chutes and guards, various kinds of trailers, truck racks and booms, feeders, sprayers, tanks, three-point pens, portable buildings, and a new product, a bike especially designed for farm use and recreation. The Tomsicek Manufacturing Company exemplifies the need for sufficient start-up capital and expansion financing, because the company often has orders for custom-designed equipment which at present it cannot afford to produce.

#### *Orthman Manufacturing, Inc.*

Another manufacturing firm that developed as an offshoot of a farm shop was started in 1964 by Henry Orthman of rural Lexington. Mr. Orthman, present owner and manager, reports that the business showed a profit from the beginning, and that gross sales in 1971 will exceed \$500,000. Incorporated in 1967, the plant now employs 12 full-time and 15 part-time workers in production of a line of tubular row-crop tool-carriers and accessories. It also manufactures specialized machine attachments for

major line implement. Through franchised dealers, 90 percent of the sales are in Nebraska, Iowa, and Kansas.

*Daniels Manufacturing Company*

Supportive of the livestock industry and typical of many such enterprises is the Daniels Manufacturing Company of Ainsworth. Duane Daniels, president and owner of 92 percent of the stock, began manufacturing in 1958 and in 1966 went to full-time production of feedlot fencing, gates, and portable corral units. Business was moderate, then increased rapidly after 1966 when the firm was incorporated, new emphasis was put on quality rather than price, and the company began participating in dealer sales. The sales volume rose 208 percent from 1967 to 1970, with 1971 sales indicating continued extensive growth. The plant, which has up to 15 full-time employees and several part-time workers, markets its products through direct sales and a dealer organization in Nebraska and surrounding states.

In advising others who are considering starting a local industry, Mr. Daniels says: "Make sure you have three times the operating capital you think you will need. Incorporate with those who work with you and give each a part in the operation, turning the different areas of business over to competent people."

*Arkfeld Manufacturing and Distribution Co., Inc.*

In contrast to enterprises that have been developed by the present owners is the Arkfeld Company of Norfolk, which had its origin in 1920 when John Arkfeld, the grandfather of G. L. Arkfeld, now president of the firm, constructed a cattle and hog waterer for his own use. John Arkfeld's neighbor wanted a livestock waterer like it and a new industry came into being. Although automatic livestock waterers, now made in 30 sizes, are still a principal product of the Arkfeld Company, the firm has added other items of manufacture from time to time. It produces several sizes of prefabricated pump houses and since 1960 has been making livestock scales and hopper feed scales.

Arkfeld equipment is sold through distributor dealers in states ranging from coast to coast. An effort is made to provide year-round employment for the 20 full-time and 5 part-time employees, but this depends somewhat upon business conditions. To a considerable extent the sales volume of industries such as Arkfeld tends to fluctuate as hog and cattle production fluctuates, and the business tends to prosper in fairly direct proportion as livestock producers prosper.

Throughout the years the company has tried to follow the precept of the founder, "make sure the customer is satisfied."

*Apache Manufacturing Company*

Proof that industry can thrive in a small community is another manufacturing plant which serves the livestock industry. Located in Hoskins, a village with 271 residents, this firm, owned by Rudolph and Verna Evert and managed by Mr. Evert, makes many kinds of equipment needed by hog raisers and also produces calf feeding stalls and pickup stock racks. The plant provides year-round employment for six full-time employees, and the volume of sales has more than doubled since the Everts purchased the firm in December, 1968.

*York Manufacturing Company*

Located at Henderson, only a few miles from York, this firm has 65 full-time employees. It was started in 1958 when Paul Friesen and G. L. Schmidt, who were competitors in irrigation businesses, became convinced there was money to be made in the manufacture of grain drying and storage equipment and decided to join forces to prove it. The enterprise, which is now a closed

Published three times in February, September, October, and December, and twice in other months, by the University of Nebraska-Lincoln Office of Publications, Nebraska Hall, Lincoln, Nebraska 68508. Second class postage paid at Lincoln, Nebraska.

Vol. 51 Lincoln, Nebr., August 17, 1971 No. 2

**BUSINESS IN NEBRASKA**  
 Issued monthly by the University of Nebraska-Lincoln as a public service and mailed free within the state upon request. Material published herein may be reproduced with proper credit.

UNIVERSITY OF NEBRASKA	BUREAU OF BUSINESS RESEARCH
<i>Regents:</i>	Member, Association for University Business and Economic Research
J. G. Elliott	Robert J. Prokop
Kermit R. Hansen	Robert Raun
Robert R. Koefoot	Edward Schwartzkopf
James H. Moylan	Kermit Wagner
D. B. Varner, <i>Chancellor</i>	E. S. Wallace, <i>Director</i>
Joseph Soshnik, <i>President</i>	E. L. Hauswald, <i>Associate Director</i>
University of Nebraska-Lincoln	Edgar Z. Palmer, <i>Statistician</i>
	Mrs. Dorothy Switzer, <i>Editorial Assistant</i>
	Walt Oxford, <i>Data Supervisor</i>
C. S. Miller, <i>Dean</i>	<i>Graduate Research Assistants</i>
College of Business Administration	William Brunsen
University of Nebraska-Lincoln	Michael Cleary
	Kenneth Greiner

corporation with four stockholders, began to make money after the first year of operation and soon had a sales volume in seven figures, with the period of most rapid growth being between 1964 and 1968 when the number of irrigated acres increased almost 31 percent in York County and over 29 percent in the 16 counties comprising the East Region, as in the state generally.

York Manufacturing Company distributes its products throughout the midwest through its distributor and dealer organization, has done considerable export business in Central and South America, and has also exported to such distant places as Africa and Australia.

As a suggestion to prospective entrepreneurs the firm manager advises: "Maintain adequate working capital, work hard, and communicate with companies that have already solved the problems you are having."

**INDUSTRIES THAT PROCESS FARM PRODUCTS**

Although only a small proportion of Nebraska feed grains are fed to Nebraska livestock and only a small proportion of the state's livestock and other products are processed here, home-grown industry has begun to display considerable diversity in processing food and kindred products.

*Grant Bean and Seed, Inc.*

Harland J. Hutt looked about him at the increasing production of pinto beans in the vicinity of his home community and decided that processing and packaging this product had commercial possibilities. His company, which began business in Grant in 1969, now has a payroll that includes 15 full-time and 2 part-time workers. The firm provides a good market for local growers and distributes its products not only throughout the United States but in Mexico as well. Mr. Hutt advises a prospective entrepreneur to be alert to the possibility of processing whatever specialized crops may be produced in a given community, but suggests that before starting in business one should be sure that the required number of workers will be available for seasonal employment.

*Ravenna Cheese Company*

When in the 60s there began to be a marked decline in the demand for butter, other uses were sought for Nebraska milk production. LeRoy Wadzinski of Ravenna was among those who saw the potential in the manufacture of cheese. His plant, opened in April, 1967, has had a more than five-fold increase in sales volume since that date. As the business has prospered it has provided

(Continued on page 6)

### Review and Outlook

Nebraska's business activity in May was still below that of the same month last year. Measured in physical volume terms (see Table 1), the general level of business was down 3.4 percent. Although bolstered by past rises in prices, the dollar volume was only 1.7 percent above last year's—a rise less than the general price level rise. Excepting March, Nebraska has now been off last year's pace since December. This is in contrast to the U.S. which, as a whole, has been approaching a physical volume of general business activity that is 5 percent above last year's.

In the state, banking activity, which reflects the spending activities occurring in a number of sectors of the economy, continued at a level above that of last year. Higher levels of retail

sales and cash farm marketings continued to generate an increased flow of money transactions. Construction activity showed some improvement. Manufacturing employment edged up while other employment held at a level about 2 percent higher than last year. Neither construction activity nor manufacturing employment was as yet up to its last year's levels.

The indicators shown in Table 1 reveal that, generally, the state is now behind the U.S., especially in construction activity, insurance sales, and retail activity. Some strength is indicated, however, in the state's employment indicators.

Regionally, as shown in Table 3, May was a month of gain over last year in net taxable retail sales. All but four of the state's (Continued on page 5)

All figures on Table 1 and 2 are adjusted for seasonal changes, which means that the month-to-month ratios are relative to the normal or expected changes. Figures in Table 1 (except the first line) are adjusted where appropriate for price changes. Gasoline sales for Nebraska are for road use only; for the United States they are production in the previous month.  
E. L. HAUSWALD

#### NEBRASKA'S ECONOMIC INDICATORS

##### 1. CHANGES FROM PREVIOUS YEAR AND PREVIOUS MONTH

MAY, 1971 Indicators	Percent of Same Month a Year Ago		Percent of Preceding Month	
	Nebraska	U.S.	Nebraska	U.S.
Dollar Volume Index . . . .	101.7	109.6	90.0	97.6
Physical Volume Index . . .	96.6	104.9	86.9	97.5
Bank debits (checks, etc.) . .	103.1	106.8	90.6	98.4
Construction activity . . . .	91.6	110.8	95.3	99.4
Retail sales . . . . .	101.5	102.9	96.2	99.5
Life insurance sales . . . . .	96.2	102.0	92.5	90.4
Cash farm marketings . . . .	110.1	109.1	70.7	106.2
Electricity produced . . . . .	86.2	103.2	85.5	96.9
Newspaper advertising . . . .	NA	NA	NA	NA
Manufacturing employment . .	98.5	95.7	99.8	100.4
Other employment . . . . .	101.9	101.4	100.1	100.3
Gasoline sales . . . . .	137.4	109.5	118.3	103.5

##### 2. CHANGES FROM THE 1948 AVERAGE

MAY, 1971 Indicators	Percent of 1948 Average	
	Nebraska	U.S.
Dollar Volume Index . . . .	339.1	462.4
Physical Volume Index . . . .	193.6	249.8
Bank debits (checks, etc.) . .	257.7	472.5
Construction activity . . . . .	206.2	173.0
Retail sales . . . . .	160.5	189.3
Life insurance sales . . . . .	347.9	477.8
Cash farm marketings . . . . .	205.5	184.3
Electricity produced . . . . .	368.9	541.7
Newspaper advertising . . . .	NA	NA
Manufacturing employment . .	166.3	122.2
Other employment . . . . .	154.5	179.2
Gasoline sales . . . . .	248.3	260.8

##### 3. NET TAXABLE RETAIL SALES<sup>1</sup> OF NEBRASKA REGIONS (Unadjusted for Price Changes)

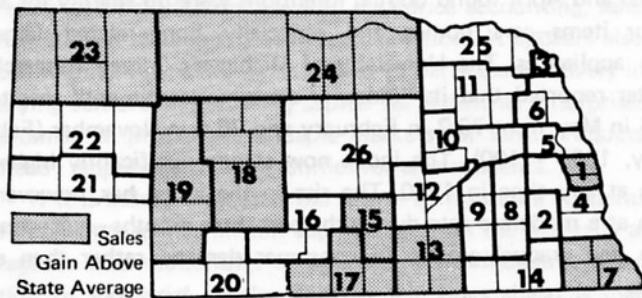
Region <sup>2</sup> and Principal Retail Trade Center	May, 1971 as Percent of May, 1970	1971 Year to Date as Percent of 1970 Year to Date
<i>The State</i>	<u>108.2</u>	<u>106.4</u>
1 (Omaha) . . . . .	109.3	107.9
2 (Lincoln) . . . . .	113.1	105.7
3 (So. Sioux City) . . . . .	98.2	104.6
4 (Nebraska City) . . . . .	104.9	100.8
5 (Fremont) . . . . .	104.2	106.1
6 (West Point) . . . . .	94.2	100.3
7 (Falls City) . . . . .	100.3	106.6
8 (Seward) . . . . .	101.8	103.3
9 (York) . . . . .	108.8	106.3
10 (Columbus) . . . . .	111.2	104.3
11 (Norfolk) . . . . .	101.5	101.4
12 (Grand Island) . . . . .	108.7	106.0
13 (Hastings) . . . . .	108.9	109.4
14 (Beatrice) . . . . .	106.7	103.7
15 (Kearney) . . . . .	104.9	109.3
16 (Lexington) . . . . .	110.6	105.7
17 (Holdrege) . . . . .	108.8	107.0
18 (North Platte) . . . . .	112.6	112.2
19 (Ogallala) . . . . .	109.3	113.8
20 (McCook) . . . . .	109.7	105.7
21 (Sidney, Kimball) . . . . .	97.4	99.9
22 (Scottsbluff) . . . . .	107.5	103.2
23 (Alliance, Chadron) . . . . .	115.7	109.6
24 (O'Neill) . . . . .	106.1	108.9
25 (Hartington) . . . . .	107.2	99.3
26 (Broken Bow) . . . . .	99.6	106.0

<sup>1</sup>Sales on which sales taxes are collected by retailers located in the state, including motor vehicle sales.

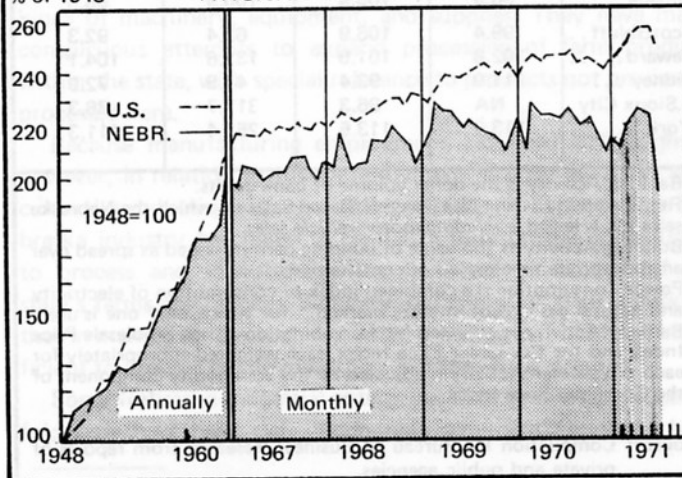
<sup>2</sup>"Planning and development" regions as established by the Nebraska Office of Planning and Programming and shown in the map below.

Source: Compilations by Bureau of Business Research from data provided by the Nebraska Tax Commissioner.

##### 1971 YEAR TO DATE AS PERCENT OF 1970 YEAR TO DATE IN NEBRASKA'S PLANNING AND DEVELOPMENT REGIONS



##### % of 1948 PHYSICAL VOLUME OF BUSINESS



(Continued from page 4)

twenty-six regions had higher sales volumes this year. For the state as a whole, the dollar volume of sales was more than 8 percent above that recorded for the same period last year. Twelve regions had year-to-year sales gains above the state's.

Taxable sales for the state for the first five months of the year, taken as an aggregate, were 6.4 percent ahead of the same period last year. Of the twenty-six regions, nine had year-to-date sales gains above the state's. Regions 21 (Sidney, Kimball) and 25 (Hartington) were the only two regions falling behind last year's pace for the five-month period.

Of the twenty-three principal trading centers for which data are available (see Table 4), only thirteen registered levels of banking activity in May, 1971, above those of May last year. Seven of these had gains that were above the state's gain of 2.8 percent. The number of centers falling below last year was, however, greater in May than in April. Thus, some slackening of the economic activity appeared to have occurred in several of the state's principal trading centers—at least in the short run.

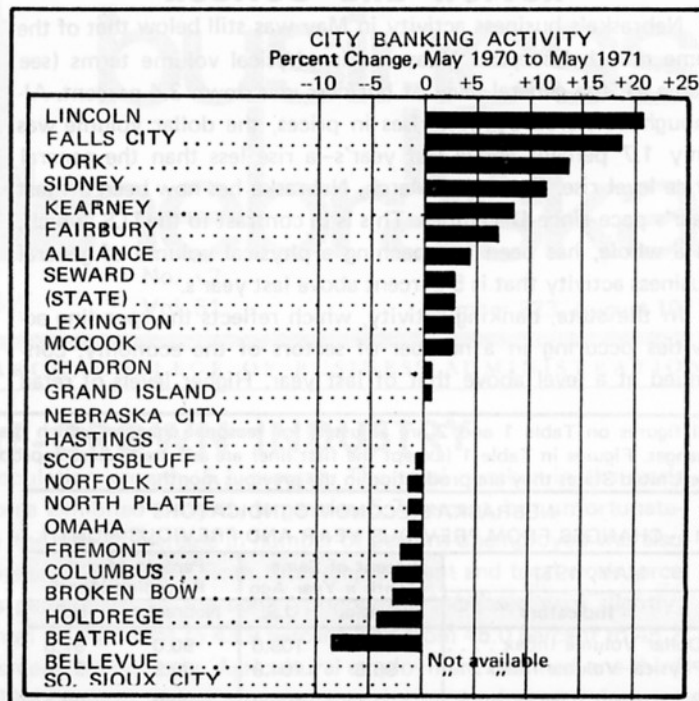
Five of the state's centers, Broken Bow, Fremont, Norfolk, Sidney, and South Sioux City, showed taxable sales, as adjusted for price change, in May below last year's levels. Table 4 reveals that a number of the centers that reported retail activity for May above last year's levels had, somewhat contradictorily, levels of banking activity below last year's. There are, of course, activities other than retail trade that generate changes in banking activity. Localized contractions of employment and the consequential declines in payrolls and expenditures are factors that contribute to localized declines in money transactions.

An analysis of data available elsewhere reveals that thirteen of the twenty-five trading centers, for which city indicators are being reported in Table 4, recorded percentage gains in their January-through-May, year-to-date, 1971 net taxable retail sales exceeding that of the state as a whole. In the order of the percentage gains, twenty-four centers are shown below. One center, Falls City, reported a five-months sales volume that was 5.6 percent lower than that for the same period in 1970.

Trading Center	Percent Change	Trading Center	Percent Change	Trading Center	Percent Change
Alliance	+15.0	Kearney	+7.5	Columbus	+5.4
Holdrege	+13.6	Omaha	+7.4	Fremont	+5.4
Bellevue	+13.4	Chadron	+7.0	Lexington	+5.0
N. Platte	+12.5	Fairbury	+6.9	Neb. City	+4.9
Hastings	+12.1	S.Sioux City	+6.6	Norfolk	+4.4
York	+11.8	McCook	+6.2	Scottsbluff	+2.9
Seward	+11.5	Grand Island	+6.0	Lincoln	+2.6
Beatrice	+ 7.9	Broken Bow	+5.6	Sidney	+0.5

One related matter worthy of note follows. Consumer buying plans continue to anticipate future price rises. The National Conference Board's latest national consumer survey covering March and April found buying intentions were up sharply for all major items—cars, homes, and, especially, home-related, large-item appliances. The University of Michigan's Survey Research Center reported that its "index of consumer sentiment" rose to 81.6 in May from 78.2 in February and 75.4 in November (February, 1966 = 100). The index now stands significantly higher than at any time in 1970. The rise in the index has, however, been at a moderate rate during the past three months—suggesting slow and gradual growth in consumer demand rather than a surge.

E. L. H.



4. MAY, 1971, CITY BUSINESS INDICATORS

The State and Its Trading Centers	Percent of Same Month a Year Ago			
	Banking <sup>1</sup>	Retail <sup>2</sup>	Building <sup>3</sup>	Power Consumption <sup>4</sup>
	(Adjusted for Price Change) <sup>5</sup>			
<i>The State</i>	102.8	104.0	104.3	99.8
Alliance . . . .	104.3	127.1	431.8	92.1
Beatrice . . . .	90.7	109.2	65.4	100.7
Bellevue . . . .	NA	106.9	NA	NA
Broken Bow . .	97.2	93.4	280.5	110.4
Chadron . . . .	100.2	101.7	NA	97.5
Columbus . . . .	97.2	112.3	78.7	113.5
Fairbury . . . .	106.7	105.7	32.9	90.9*
Falls City . . .	118.4	100.8	49.7	89.9
Fremont . . . .	98.6	98.8	63.1	94.4*
Grand Island .	100.2	101.4	68.2	86.2
Hastings . . . .	99.9	109.6	103.1	116.4
Holdrege . . . .	95.6	108.8	136.4	110.6
Kearney . . . .	107.8	102.4	182.7	106.1
Lexington . . .	102.5	103.7	27.5	NA
Lincoln . . . .	120.8	106.5	91.0	106.8
McCook . . . .	102.4	104.5	520.9	112.5
Nebr. City . . .	100.0	104.8	336.5	89.5
Norfolk . . . .	99.2	99.4	91.6	112.0
No. Platte . . .	99.0	108.1	197.2	105.4
Omaha . . . . .	98.9	105.9	100.9	98.5
Scottsbluff . .	99.4	106.9	63.4	92.3
Seward . . . . .	102.8	101.5	132.6	104.1
Sidney . . . . .	111.0	93.4	41.5	72.9
S.Sioux City . .	NA	96.3	317.7	86.3
York . . . . .	113.6	113.5	251.4	111.3

<sup>1</sup>Banking Activity is the dollar volume of bank debits.  
<sup>2</sup>Retail Activity is the Net Taxable Retail Sales on which the Nebraska sales tax is levied, *excluding motor vehicle sales*.  
<sup>3</sup>Building Activity is the value of building permits issued as spread over an appropriate time period of construction.  
<sup>4</sup>Power Consumption is a combined index of consumption of electricity and natural gas except in cases marked \* for which only one is used.  
<sup>5</sup>Banking Activity is adjusted by a combination of the Wholesale Price Index and the Consumer Price Index, each weighted appropriately for each city; Retail Activity is adjusted by the commodity component of the Consumer Price Index.

Source: Compilation by Bureau of Business Research from reports of private and public agencies.

# DR. VERNON RENSHAW

The Bureau of Business Research is pleased to announce that Dr. Vernon Renshaw will join the staff on September 1 as Chief Statistician with the rank of Assistant Professor. He comes here from a position as Assistant Professor of Economics at the University of Idaho.

Dr. Renshaw received his Ph. D. degree from the Massachusetts Institute of Technology and also has two B.A. degrees (in Economics and Mathematics) from Washington State University,

from which he was graduated in 1966 with Phi Beta Kappa honors. He held a National Science Foundation graduate fellowship, 1966-68, and a Department of Labor Doctoral Dissertation Grant, 1969-70.

"The Role of Migration in Labor Market Adjustment" was the subject of Dr. Renshaw's dissertation and of a paper he presented at the New Manpower Researchers Conference in Washington, D.C. in September, 1969.



Dr. Renshaw's experience includes work as an economist with the Regional Economics Division of the Office of Business Economics, U.S. Department of Commerce, and a year as a teaching assistant at M.I.T. He has co-authored with his brother, E. Renshaw, articles in the *Southern Economic Journal*, *Decision Sciences*, *Financial Analysts Journal*, and the *Journal of Risk and Insurance*.

Areas of primary interest for Dr. Renshaw include regional and environmental economic problems, labor mobility, and manpower economics. In his position here he will have supervision of our annual city and county population estimates, our new index of state business activity, and other statistical matters.

Dr. Renshaw, who is 27 years old and single, succeeds Dr. Edgar Z. Palmer, former Director of the Bureau, and Professor of Statistics, Emeritus, who returned to the staff last year to serve as interim Statistician, and whose work in population analysis and estimation has been particularly valuable.

experienced financial difficulties. When he said "business has been lousy so far this year" one longtime manufacturer apparently spoke for many others who have reported that 1971 sales have been "down." It seems likely that the heavy capital requirements mentioned almost unanimously by firms covered in this report are closely related to other problems not mentioned specifically.

There is evidence in Nebraska that small manufacturers in particular are aware that they would benefit from whatever management advice can be made available to them, especially with reference to marketing research, cost/price accounting, sales and distribution techniques, and credit practices. It appears also that community financial interests need to participate actively in supplying venture and working capital for industrial enterprises that promise to provide dependable markets for farm products and steady employment opportunities for area residents.

If it is indeed clear that the future of Nebraska economic development depends on full capitalization on the mutually advantageous interrelationship of agriculture and industry, the direction of industrial development in the years ahead is then unequivocal.

DOROTHY SWITZER

(Continued from page 3)

an outlet for milk from producers in the surrounding area and now gives employment to 18 full-time and four part-time employees. An outlet for the product is assured because it is distributed through one of the large national cheese companies, hence Wadzinski and his staff can concentrate their efforts on production quality. They have found, as many have, that hard work is essential to success—and adequate capital helps.

*Tyler Popcorn Company, Inc.*

A business started as a farm sideline by Floyd Tyler of Chapman in 1935, which in its first years sold only about 2,000 pounds of popcorn, then processed by hand, to local stores and theaters, has grown into a corporation which regularly has eight full-time and a varying number of part-time employees, and annually distributes approximately 12 million pounds of fully-processed popcorn. Although sales to wholesalers, repackers, and theaters are concentrated in the United States, Canada, and Mexico, the firm also exports overseas.

It took approximately 15 years for Tyler Popcorn to develop into a full-scale business, operating as it does now in the purchase of both white and yellow popcorn from local farmers on a contract basis, fully processing and packaging the product "ready to pop," and distributing it worldwide. From his experience, James R. Hodtwalker, production manager, suggests when establishing such an industry to "start small and build slowly."

*Nebraska Beef Packers, Inc.*

Representative of the many small packing plants that have been established in the state in recent years is this plant which was incorporated at Gordon on July 1, 1970, by Rudy Stanko, Sr., manager and founder. Within six months the firm began to show a profit and now has a weekly sales volume in six figures. The company specializes in boneless beef, which is sold throughout the local area, with daily delivery also to the Denver area. Variety meats, liver, hearts, and tongues are exported to other countries. The plant provides a market for cattle feeders in several states and provides year-round employment for 40 workers. Mr. Stanko seems to have demonstrated his credo that "proper management can always bring in the dollars."

## WHAT THE RECORD SHOWS

Across the length and breadth of Nebraska there are countless examples of agriculturally-related industrial development, each of which deserves recognition and encouragement. Nebraskans have demonstrated their ability to adapt product lines to changing market conditions. They have shown creativity and inventive genius in meeting the developing needs of agriculture for new kinds of machinery, equipment, and supplies. They have made conspicuous attempts to expand processing of farm products within the state, with special reference to products not previously processed here.

Because manufacturing employment increased only slightly, however, in relation to total employment in a period when agricultural production was expanding rapidly, it appears that Nebraska industry has failed to capitalize fully on the opportunity to process and manufacture the increased production of the state's farms and ranches. Similarly, net migration figures indicate that in many counties such industrial development has been insufficient to provide employment for displaced rural persons.<sup>2</sup>

Some Nebraska industrial enterprises have been highly successful; some have been only moderately remunerative; others have

<sup>2</sup>See *Business in Nebraska*, April, 1971.