

● Outlook

(Continued from Page 1)

favor the latter possibility, and look for a gradual rebuilding of herds starting next year.

Feeder cattle prices advanced sharply last spring and continued strong through the summer in response to demand for feedlot placements. The outlook for above-average wheat pastures and relatively good pasture conditions this fall and winter is presently aiding feeder prices. The experts look for prices to make a strong seasonal rise through the winter, with this added strength carrying through next year. The demand for feedlot placements, as well as demand for heifers as additions to breeding herds, will give considerable strength to prices.

Cow prices have averaged somewhat above 1964 levels this year, even though slaughter has been up 30 percent. Strength in cow prices resulted from reduced slaughter rates of other nonfed cattle, smaller imports of beef, and some increase in demand for herd cows. This trend is expected to continue throughout 1966.

So the outlook for fed cattle—good—although cattlemen will apparently be paying higher prices for feeders.

HOGS

The peak hog market this year was accounted for by smaller supplies, strong consumer demand, and generally higher prices of other red meats.

The outlook calls for continued high price levels for next year, perhaps moderately above this year's prices. However, most of the strength in hog prices is seen occurring during the first six to eight months of the year. Prices toward the end of the year are expected to be below the levels of this fall, as slaughter supplies gain. How much supplies will gain, and price will fall, will depend upon late spring and fall farrowings next year.

In September of this year, the number of hogs and pigs on farms in the 10 Corn Belt States was 12 percent below a year earlier. The number of sows farrowing in those states in June-November 1965 is estimated at eight percent smaller than a year earlier. But hog producers are beginning to take steps to reverse the down-trend in hog production that began in 1963. Although only a small gain in production by late 1966 is anticipated from spring farrowings, if late spring and fall farrowings increased by 10 percent or more the resulting larger supplies could sharply lower prices in late 1966 and 1967.

Hog outlook — continued high prices through most of 1966 with the main question mark being the peak farrowing period, March to May.

DAIRY OUTLOOK

Prospects for dairy farmers for 1966 are seen as somewhat better than 1965, on all fronts. It is expected that production will increase by about one-half billion pounds, but still not reaching 1964 peaks. Commercial demand will increase moderately, surplus levels will remain at about 1965 levels, and prices will rise slightly.

The decline in 1965 milk production is attributed to more favorable returns in alternative enterprises, particularly livestock. Many mid-west dairymen reportedly changed to livestock produc-

tion because the return was greater.

Milk cow numbers have fallen every year since 1953, from 21.7 million then, to 15.5 million this year. This decline has been offset, however, by an average annual production increase of 220 pounds of milk since 1955. Average output increased this year, and the experts see no reason why next year shouldn't bring another jump of 200 pounds per cow.

Although domestic consumption of dairy products — military and civilian — is expected to increase slightly in 1966, the trend toward reduced per capita consumption is also expected to continue. The drop is mostly in butter, cream, evaporated and whole milk, whereas, per capita use of cheese, ice cream, condensed and dry whole milk, and non-fat dry milk is steadily rising.

Dairy product exports are presently running about one-third below 1964 record levels, largely because of lower supplies here and increas-

ed output in other countries. Limited U.S. supplies, larger Foreign sales of 1966 are ex-foreign supplies, and trade expected to be close to this year's levels, due again, to Imports of dairy products,

though still small in relation to U.S. production, are expected to hit approximately one billion pounds milk equivalent, a 10 percent increase over this year's imports. Excess supplies abroad, lower U.S. milk production and surplus in 1965, and U.S. prices above world levels are encouraging other countries to seek markets here for their dairy products.

Outlook for dairy farmers for 1966—slightly better than 1965, but with some increases in domestic production and in imports clouding the issue somewhat. If surpluses are contained, the key to higher dairy profits may lie in increased Food For Peace purchases. Livestock will continue to be an attractive alternative for many dairymen, and this should act as an effective brake on over-production.

OUTLOOK FOR POULTRY AND EGGS

BROILERS

Broiler production will probably begin the year about 10 percent above 1965 levels, and may continue higher through next summer.

(Continued on Page 7)

MILK PRODUCTION, COW NUMBERS, AND MILK PER COW

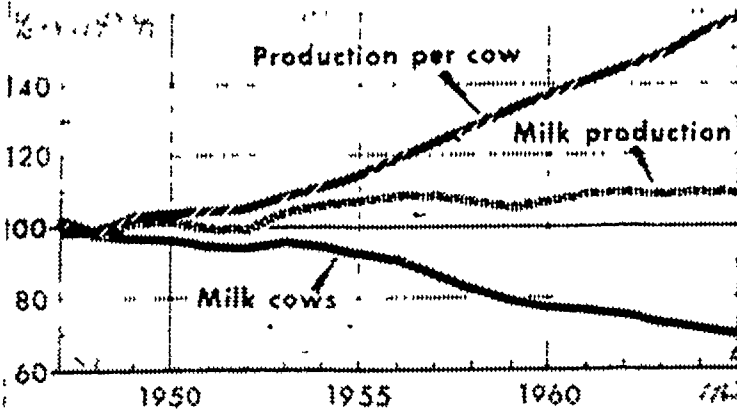


CHART NO. 3 — In terms of percent of 1947-49, the above chart shows the changes that have taken place in the dairy industry in the past 15-20 years, and each of these trends is expected to continue its present direction. Total milk production is presently a shade above 1950 levels; production per cow has increased nearly 60 percent; and number of cows has declined by approximately 30 percent.

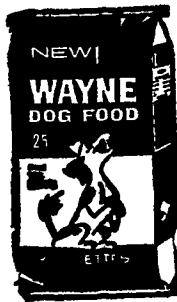


Make Beef

Economically and Efficiently with **WAYNE CATTLE FEEDS**

Convert grain, roughage and pasture into beef economically and efficiently. Feed your cattle dependable supplements backed by research... as are Wayne Cattle Feeds. Whatever your needs, we have a Wayne Cattle Feed that will economically and efficiently fit into your particular program.

Most Wayne Cattle Feeds are available with or without stilbestrol, others are available with aureomycin alone or in combination with stilbestrol.



MOUNTVILLE FEED SERVICE
R. D. 2, Columbia

HERSHEY BROS.
Reinholds

POWL'S FEED SERVICE
R. D. 1, Quarryville
R. D. 2, Peach Bottom

H. M. STAUFFER & SONS, INC.
Witmer

HEISEY FARM SERVICE
Lawn and Bellaire

DUTCHMAN FEED MILLS, INC.
R. D. 1, Stevens

GRUBB SUPPLY CO.
Elizabethtown

WHITE OAK MILL
R. D. 4, Manheim

MILLPORT ROLLER MILLS
R. D. 4, Lititz

ROHRER'S MILL
R. D. 1, Ronks

C. E. SAUDER & SONS
R. D. 1, East Earl

MILLERSVILLE SUPPLY CO.
Millersville

Your Best Buy Is Corbel Belgium BALER TWINE

9,000 ft. per bale (325 lbs. tensil strength)
10,000 ft. per bale (290 lbs. tensil strength)
Made From Pure No. 1 East African Fiber

\$7.60 Per Bale
25 Or More Bales \$7.25

Twine will not be delivered until after April 1, 1966 with cash terms up to May 1, 1966

Available at these dealers:

E. R. Kreider
521 Willow Road
Lancaster, Pa.

Melvin M. Martin
R. D. 1
Lititz, Pa.

Willis B. Krantz
R. D. 1
Quarryville, Pa.

Elam N. Martin
R. D. 1
Leola, Pa.

Edgar M. Martin
R. D. 2
New Holland, Pa.

J. Melvin Mast
R. D. 2
Parkesburg, Pa.

Jacob S. Ober

R. D. 1 Conestoga, Pa.

DEALER ORDER FORM

Name
Address
Tele.
Township
Place my order for ... bales 9,000 ft.
Place my order for ... bales 10,000 ft.
Refer order to dealer listed above

Distributed By —

EASTERN STATE DISTRIBUTING CO.

R. D. 2

Lititz, Pa.