USDA Recommends Merger Of 3 Eastern Milk Orders

The U.S Department of Agriculture has recommended that three eastern milk orders be merged and that two new areas be added to the areas covered under the orders.

Under the recommendation, the Washington D C, Delaware Valley and Chesapeake Bay orders would become one, and an unregulated part of southern Delaware and all of Loudon County, Va, would be added

The USDA decision is based on a public hearing held Aug 4 22 in Baltimore and King of Prussia, and another hearing held in Maryland in October

Making the request for the merger hearings was Penn-marva Dairymen's Cooperative Federation, which represents a majority of dairy farmers supplying the three markets Other groups also supported the proposal

The proposed merger order would set minimum prices to dairy farmers for milk sold to dealers operating in the designated market area Retail prices would not be set

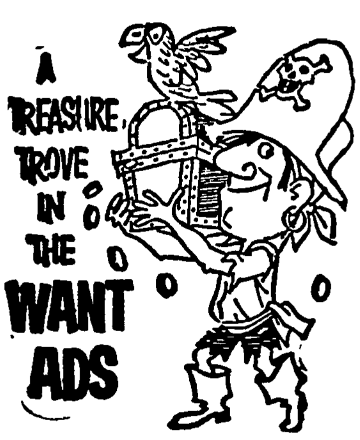
Under the merged order, dealers would continue to pay for milk according to how it is used Milk use classification would be generally the same as now provided.

Class I covers fluid or bottled milk and Class II covers manufacturing use milk Cream now classified as Class I would come under Class II and fluid mixtures of cream, milk and skim milk which contain more butterfat than is normal for milk would be under Class II

As proposed by the USDA, the bottling milk price paid to farmers for milk with 3 5 per cent butterfat would be $7 11 per hundredweight plus any amount by which the monthly Minnesota Wisconsin manufacturing milk plant pay price exceeds $4 33 for the preceeding month

The Class II price would be the monthly Minnesota Wisconsin manufacturing plant pay price, but would not exceed a butter milk powder formula price.

The USDA's decision recommends against the adoption of cooperative provisions for the merged order.



Egg Producers Issue Mandatory 5% Option

A mandatory option calling for 5 per cent of the total egg production of the six regional cooperative members of United Egg Producers has been invoked by U E P's management

Under the rules of the mandatory call, each regional coop will assign 5 per cent of its production to U E P's control for four consecutive weeks beginning March 30th The call may be extended for two more weeks if required.

This historic mandatory option call was made on the advice of U E P's Executive Committee at a meeting held in the nationwide coop's offices in Atlanta last week

The mandatory option call was granted to U E P's management at the Board of Directors meeting held in Chicago this past December

The March-April call will give U.E.P.'s management the largest trading block of eggs under the control of one trader in the history of the industry. U E P. will use the eggs to fill its current trading commitments

In further action, U E P's Executive Committee approved a million dollar budget for the calendar year 1970 The budget will be recommended for adoption by the full Board at the Annual Meeting scheduled for April 24th in Texas The exact location for the Annual Meeting has not yet been selected

The Executive Committee also gave much attention to the alarming rate of increase in chick placements Figures and charts were presented which showed an all time record egg-type hatch is forthcoming this year unless immediate and drastic steps are taken to avoid it.

The hatch trend indicates the industry could suffer a "massive bust" lasting from 18 to 24 months beginning as early as August or September of this year Plans were approved by the Executive Committee to warn producers of this dangerous trend by every means possible