

# Supply-Demand Tightening Raises Milk Prices

Milk prices are at their highest level in history—with increases brought about by a tightening of the supply-demand relationship rather than government purchases of surplus dairy products, according to Hollis Hatfield, assistant director of the American Farm Bureau Federation's research division.

Hatfield, speaking at a June Dairy Month banquet in Belgium, Wisconsin, sponsored by the Ozaukee County Farm Bureau, explained that milk prices have risen appreciably only twice during the past 20 years and both rises match exactly the only two periods when the relationship between per capita production and consumption was relatively close. These

Originally headlined "Supply-Demand ratio Pushes Milk Prices to Record Level", this article on the impact of the supply and demand of milk on milk prices is reproduced in full from the June 8 issue of The American Farm Bureau Federation's Official News Letter.

periods were 1951-52 and 1966 to the present, he said

"Even though it may sound 'old hat' to say so, producer prices are affected by the relationship between the supply of milk and the demand of milk," he emphasized.

Hatfield pointed to two danger signals which might end

the current period of good milk prices — a continuing decline in the demand for milk, and a possibility of a buildup in milk production.

"One of the most discouraging actions by many agricultural leaders during the current period of rising milk prices has been the constant alarm about the decline in milk production. It is not only foolish but potentially costly, in terms of the dairyman's net income, to advocate increasing or even maintaining the present level of production when the demand for milk is moving downward," Hatfield explained.

In analyzing the future for milk, Hatfield predicted a continuing "good market, but not necessarily a growing market." "One of the current fads in

some parts of the country is the encouragement of dairyman to leave their cooperative and ship directly to a handler. The apparent sales pitch is that

such a contractual arrangement will put more money in the dairyman's pocket.

"One of the main reasons for recent cooperative mergers is to strengthen the dairyman's bargaining power. Encouraging producers to pull out of their cooperative and ship directly to a handler is milk marketing in reverse.

"In the milk business, where the sources of supply are numerous, a contract without a broad-based bargaining association can only lead to minimum prices and dealer domination of the market," Hatfield said.

## What's New?

### Look at Them L'Eggs!

"You'd better believe it!" reports Ed Priebe, Chicago consultant to the egg industry

Apparently a new panty hose package is being test-marketed in the Milwaukee area in supermarkets. The package is a large (2½" x 4") plastic pull-apart egg. The egg is supported in a clevee base and an attractive "egg free" display is provided for use in the food and drug stores.

"This may not sell eggs, but it will certainly remind many people of them. And that name L'EGG! It's a clevee bit of packaging—good merchandising

"And to think that a pair of panty hose would fit into a goose-size egg," commented Dr. L. A. Wilhelm, PENB president, when he was presented with the material—without the hose, of course

### Local Guernsey Gives 15,680 Pounds of Milk

Spring Lane Butterfat Amy, a six year old Registered Guernsey cow, owned by Raymond F. & Louise A. Witmer, Willow Street has completed an official DHIR actual production record of 15,680 pounds of milk and 789 pounds of butterfat in 305 days

two times a day milking, according to The American Guernsey Cattle Club

The testing was supervised by Pennsylvania State University.

# AGWAY

## INSECT PESTS OF LIVESTOCK

### How much are they costing you?

It's a fact that houseflies are carriers of many livestock diseases, and roundworms and tapeworms, too. That horn fly infestations can reduce milk production by as much as 20%. That cattle grubs account for 160 million dollars a year in livestock losses.

## AGWAY GUARDIAN PEST CONTROL PROGRAM

### Recommended Controls (first listed is first choice)

#### Dairy Barns

Residual Sprays: Agway Cygon® 2E, Agway Korlan® 24E or Rabon®\*

Space Sprays: Agway Dual® Stock Spray or Agway Livestock® Spray

Baits: Agway Sugar Bait Fly Killer, Snip® Fly Bands or Vapona® Sugar Fly Bait

Fumigation: Agway Vapona® Pest Strip

#### Animal Treatment

Sprays: Agway Dual Stock or Agway Livestock Spray

Dusts: 3% Ciodrin® Dust

Back-Rubber Preparation: Ciodrin® Concentrate or Agway Korlan® 24E

#### Milkroom

Agway Vapona® Pest Strip or Snip® Fly Band

#### Animal Treatment

Spray: Ciodrin® Concentrate

Dusts: Agway Louse Powder or 3% Ciodrin® Dust

Pick the right pesticide for the job. READ THE LABEL, observe the precautions, and follow the recommendations closely as to dosage, physical coverage of the infested area, number of applications, and placement of the pesticides.

Follow up. One application may not be enough for good control. For example, insect eggs present during a spray may hatch later and give you a whole new population to contend with. Watch for what happens after your treatment, and continue the control as the label indicates.

Your Agway man will help you work out a complete pest-control program. Agway specialists have selected the most effective formulations from among the thousands available. Each product has been thoroughly tested, and passed as effective for its intended use by the Agway Research Department.

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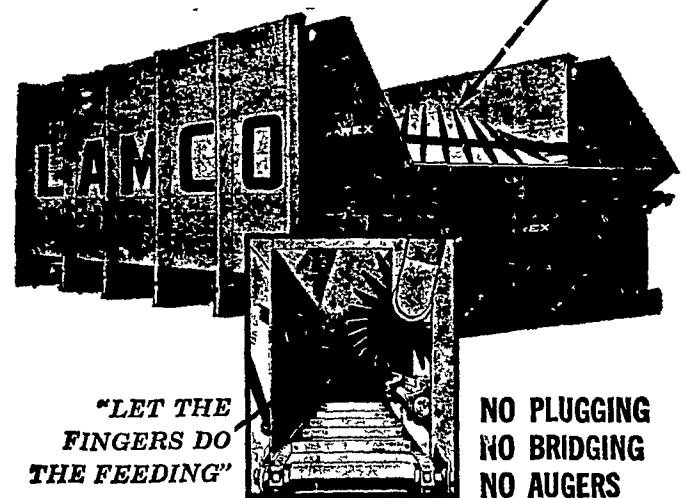
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