

Dairy Outlook Good for '73

Rising milk prices, a good supply of replacement heifers, and slow decline in dairy cow numbers favor another gain in U.S. milk production for 1973 and a further boost for cash receipts from dairying according to a report from the USDA's Economic Research Service. Higher ration prices and poor roughage quality in some areas may limit the rise in output next year to about a billion pounds of milk.

Milk production increases slowed a little in September, and fourth quarter output is likely to run 1 to 1½ percent above a year earlier. This would boost 1972 output to about 120½ billion pounds from 118.6 billion last year.

Commercial disappearance of milk in all dairy products probably will increase about 3 percent this year, after holding fairly stable since 1967. A smaller gain about in line with the population increase appears more likely for 1973.

Contributing to this year's gain

are higher meat prices, increasing incomes, relatively small rises in retail dairy prices, aggressive dairy promotion programs, and the broadened food stamp program.

Sales of cheese and fluid skim and lowfat milk are gaining most. Consumers are also buying more butter, frozen desserts, and cream items.

For the first time since the mid-1950's, per capita consumption of milk equivalent in all dairy products is rising.

Increased commercial demand for milk and dairy products pushed up 1972 farm milk prices, despite larger milk marketings by farmers and no change in dairy supports since April 1971. Farmers will average about \$6.05 per 100 pounds for milk this year, up some 3 percent from 1971.

Farm milk prices should continue above year-earlier levels early next year, but after the first quarter they will also depend on the price support level to be determined for the 1973-74 marketing year.

Larger milk marketings and somewhat higher prices in prospect for 1973 point to a boost in dairy cash receipts from \$7.1 billion in 1972. Farmers will gross almost 5 percent more from milk and cream marketings this year, but rising production costs are limiting gains in net income.

Wholesale dairy prices are now up seasonally. Normal seasonal increases are strengthened this year by the strong demand for dairy products. Retail dairy prices up less than 1 percent from a year earlier in the third quarter, may rise more strongly the rest of this year and early next year.

For all of 1972, retail dairy prices should average about 1½ percent higher than 1971, the smallest rise in 7 years.

Through October this year, CCC sold 8.5 million pounds of butter and 13.3 million pounds of nonfat dry milk back to the domestic industry as the result of increased demand and reduced commercial supplies.

USDA removals of dairy products from the commercial market likely will be down to the equivalent of some 5¼ billion pounds of milk from 7.3 billion pounds in 1971. Milk production is expected to increase more than sales, and removals in 1973 may be somewhat larger than this year.

Government stocks of dairy products are below a year earlier. Although its butter holdings are ample, CCC has no uncommitted stocks of American cheese or nonfat dry milk.

Commercial stocks of American cheese are up in response to continued strong demand. By year-end, total dairy product stocks may be somewhat

under 1971's 5.1 billion pounds milk equivalent.

Imports of dairy products will likely exceed last year's 1.3 billion pounds milk equivalent, but dairy exports probably will be down.

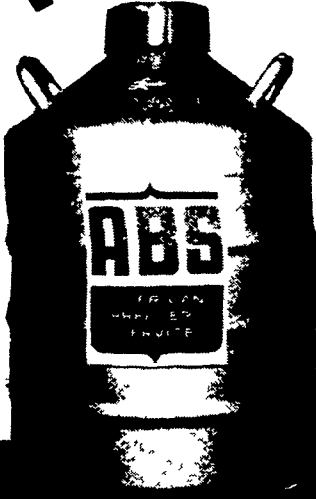
Increasing world milk production is causing a buildup of butter stocks.

Larger world dairy supplies are limiting opportunities for U.S. dairy exports and causing

By Reservation
There are about 250 Indian reservations in the United States. These areas range in size from tiny settlements in California to the Navajo reservation of more than 15 million acres in Arizona, New Mexico and Utah.

more countries to fill their import quotas to the United States than last year.

The MODERN WAY



One of the modern aspects of cattle improvement is the Direct Herd Program pioneered by ABS, whereby cattlemen breed their own cows. Over the past 18 years, over 16,000 men and women have learned to inseminate their own cows, and to manage their A.I. breeding programs through training received at ABS A.I. Management Schools. Take the Direct Herd route to better cattle... for YOUR profit. Contact

Gary Willier
545 Spring Ave.
Lititz, Pa. 17543

Al School
Paradise, Pa.
December 11-15

AMERICAN BREEDERS SERVICE
DeForest, Wis. 53532

WHY RE-TIE ANOTHER BALE?

THE TWINE WITH THE EXTRA HIGH KNOT STRENGTH



EXTRA HOLLAND BALER TWINE

— the ball with the wooden plug —
— 9,000' and 10,000' —

Made from No. 1 East African fiber —
The finest available

EARLY SEASON DISCOUNTS
ORDER NOW

P. L. ROHRER & BRO., INC.
SMOKETOWN Phone Lanc. 397-3539

FIDELITY ALTERNATOR

BUILT IN LANCASTER



FACTORY SERVICE SINCE 1895

LOADSTAR

WHY ACCEPT A LIGHT DUTY "STAND BY" GENERATOR WHEN YOU CAN HAVE FIDELITY'S CONTINUOUS HEAVY DUTY LOADSTAR INDUSTRIAL ALTERNATOR AT A SAVING BECAUSE YOU Buy Direct


Super Motor Starting Capability
All Helical Gear Drive - No Chains or Belts

FREE DEMONSTRATION on Your FARM without obligation

Buy one FIDELITY LOADSTAR Alternator in your life time,
It's the only one you'll ever need.

FIDELITY ELECTRIC COMPANY INC
332 NORTH ARCH STREET
LANCASTER PENN. 17603
TEL 717 397-8231

ON DISPLAY NOW!



TWO GREAT NEW UTILITY TRACTORS

- 40 pto HP and 52 pto HP models (gas and diesel)
- Lightning flash shift (8F-4R speeds) synchromesh transmission
- Planetary final drive
- Big, rear fuel tank—new "walk-through" styling
- Big capacity live independent hydraulics
- Precision draft control 3-point hitch with infinite rate response
- Hydrostatic power steering, adjustable seat, Dyna-Life® clutch, hydraulic wet disc brakes
- Options include twin-shaft 540/1000 RPM IPTO and differential lock.

ALL NEW INTERNATIONAL 454 and 574

WAVIER OF FINANCE NOW AVAILABLE.

MESSICK FARM EQUIP. ELIZABETHTOWN 367-1319	COPE & WEAVER CO. NEW PROVIDENCE 786-7351
KAUFFMAN BROS. MOUNTVILLE 285-5951	C. B. HOOBER & SON INTERCOURSE 786-8231
INTERNATIONAL HARVESTER Sales and Service EPHRATA 733-2283	