

Dairy Outlook Summary

Milk cow numbers increased from July through December 1974, the first such rise since 1953. Dairy farmers have reduced herd culling substantially in response to low slaughter cow prices, and the lack of off-farm employment alternatives likely has kept more dairy farmers in business.

Milk production held just above year-earlier levels in January. Farmers have cut back grain and concentrate feeding, thus limiting gains in output per cow. However, low slaughter cow prices

held the drop from a year ago in milk cow numbers to less than 1 percent.

Milk output may remain near year-earlier levels in coming months - perhaps through the first half of 1975. Production later this year will depend to a large degree on feed prices, on milk prices, on the cattle market, and on the general economic picture. If feed prices do moderate, some increase in milk production may occur later on this year.

Milk production on U.S. farms held about steady at 115.4 billion pounds in 1974,

following a 4 percent drop the previous year. After dropping in 1973, milk production per cow rose again last year by about 1½ percent, still below the long-term upward trend. Declines from a year earlier in milk cow numbers slackened during 1974, bringing the drop to about 1½ percent for the whole year.

USDA raised the support level for manufacturing milk to \$7.24 per 100 pounds effective January 4, 1975, up 10 percent from the previous \$6.57 level. The new support is 80 percent of the December parity equivalent price and 89 percent of the parity equivalent price as of the beginning of the marketing year (April 1, 1974). The new support price will remain in effect through the next marketing year which ends with March 1976. Support purchase prices for butter, American cheese, and nonfat dry milk were upped accordingly. In a companion action, USDA amended the pricing provisions of all Federal orders to bring minimum Class I prices for February and March into line with the higher price support levels.

Farm milk prices rose slightly in January, but at \$8.29 per 100 pounds averaged almost 7 percent under January 1974 prices. Manufacturing milk prices in January picked up with the boosts in price supports, following declines in December. Farm milk prices early this year may average slightly above fourth quarter 1974 levels, but will remain well below year-earlier record highs.

Cash receipts from dairying dropped below a year earlier in the fourth quarter. Meanwhile, production costs continued to climb by a fifth and many dairy farmers reported being caught in a severe cost-price squeeze. In 1974, farm cash receipts from milk and cream marketings totaled some \$9.4 billion, up 16 percent from 1973's \$8.1 billion. Gross dairy income could show smaller gains during 1975.

Wholesale dairy product prices rose in early January following the price support increase. Market prices are likely to hold close to CCC purchase prices through this summer's flush production months.

After dropping last summer, retail dairy prices have shown only moderate seasonal rises. Prices at retail in December 1974 were about 7 percent above a year earlier, about half the growth in all food prices. However, for all of 1974, retail dairy prices averaged 19 percent higher. We can expect to see some further rise in retail dairy prices, but certainly it will be more moderate than in early 1974.

Commercial disappearance of milk in all dairy products increased slightly in 1974. Butter sales closed out last year on a strong note, but cheese showed some weakness. Nonfat dry milk sales declined sharply as users cut back its use, reduced their inventories, and looked to substitutes. Fluid milk sales in major urban markets pulled a little above year-earlier levels by late 1974, following declines of 5 to 6 percent early in the year. Dairy sales may hold close to year-earlier levels in coming months. Retail dairy prices likely will rise more slowly than food prices generally. However, demand for dairy products could be weakened by declining consumer purchasing power, high unemployment rates, and inflationary pressures.

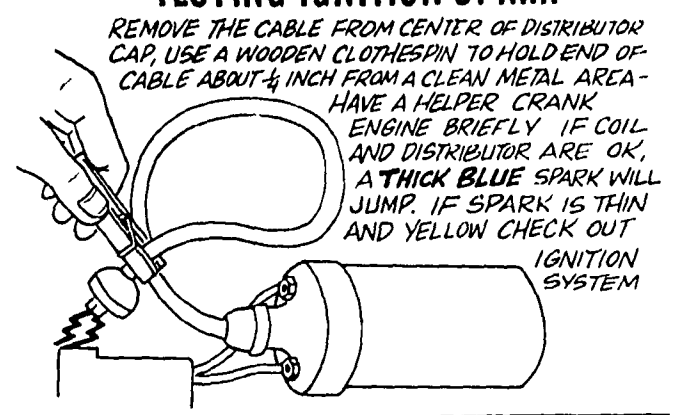
USDA removals of dairy products under the price support program have been running above year-earlier levels since last May. Butter and cheese purchases picked up in January with the higher support levels, while nonfat dry milk removals continue sizable.

Commercial dairy product stocks entering 1975 totaled 5.6 billion pounds milk equivalent, up over a sixth from a year ago. American cheese stocks accounted for most of the rise, with nonfat dry milk holdings also up substantially. Government stocks of butter and cheese remain relatively small, but nonfat dry milk stocks have increased substantially.

Dairy imports have slackened to more normal levels after mid-1974. Imports for 1974 totaled around 2.9 billion pounds milk equivalent, down from 3.9 billion pounds in 1973, but well above the average levels of recent years. Exports of most dairy products remain small, but sizable quantities of CCC-owned nonfat dry milk are being programmed for export under foreign aid programs.

Automobile Service Tips

TESTING IGNITION SPARK



PUBLIC SALE

OF FARM MACHINERY, PRODUCE, BUTCHERING TOOLS, HORSE DRAWN EQUIPMENT, SOME ANTIQUES, ETC.

On Farm located 10 miles West of Williamsport, just off Williamsport-Oval Rt. 654 Highway near Oval, PA, across from Nippenose Tavern

SATURDAY, MARCH 15, 1975

10:00 A.M.

John Deere 420 tractor w-WFE and live PTO, 3 pt. hitch, good condition; A full line of equipment including haying tools, etc. etc.

600 lb. Anvil with Hardy

3 Butchering Kettles and other butchering tools, riding and walking cultivators, spike tooth harrow, walking plows including 2-way Sulky plow, etc. 1500 bu. Ear Corn, 300 bu. Oats, 200 bu. Wheat, etc.

ANNA SCHULER
Owners

Auct.: Max Fraley & Sons
717-546-6631

Lunch Available

PUBLIC AUCTION

HOLSTEIN DAIRY CATTLE, FARM EQUIPMENT, HOUSEHOLD GOODS

SATURDAY, MARCH 15, 1975

AT 11:00 A.M.

LOCATION: 1 Mile South of Myerstown along Route 501, Jackson Township, Lancaster County, Pa

51 HEAD OF HIGH-GRADE HOLSTEIN DAIRY COWS
1 HOLSTEIN STOCK BULL

6 Cows, due near sale date; 14 Fresh since January 1, 1975; others in various stages of lactation. These Cows will be pregnancy checked and will have health charts. Milk weights day of sale.

FORD 5000 DIESEL

with Select-O-Speed, quick change wheels and wide front end.

Massey Harris No. 62 Self-propelled Combine, needs repairs; Ford 2-bottom 16-inch Trip Plow; International Disc Harrow; Cultipacker 3-point 2-row Cultivator; Vapam Applicator with plastic; 16-foot Portable Elevator; Field Sprayer; Dearborn Cordwood Saw;

Approximately 35-Ton Mixed Hay

30-Ft. Corn Silage in 20-Ft. Silo

6 Surge Milker Units; 2 Stainless Steel Milk Pails; 2 Stainless Steel Strainers; milk Cans; Milk Cooler; 4000 Tobacco Lath; Hog Feeder; Fog Master Sprayer; 2 Electric Fence Chargers; 2 Electric Water Heaters; Small Animal Clipper; Used Lumber, some 2-inch flooring; Hahn Eclipse Lawn Mower;

Butcher Equipment - Household Goods

Scalding Trough, Ladles; Stirrer; Meat Hooks; Tacklings; Sausage Stuffers; Meat Slicer; Electric Meat Grinder; Crocks and Earthen Jugs; Large Wooden Butter Churn; Rope Bed; Flour Chest; Green Jars; Dated Jars; Jelly Cupboard; Rocking Chair; Large Metal Wardrobe; Wood Chest; Carnival Dish and Vases; Apple Peeler; Set of Encyclopedia; Set of University of Knowledge Books; and many other items too numerous to mention.

SALE TIME - 11:00 A.M. Small Tools will be sold first then Household Goods after that Farm Equipment then Dairy Cattle. We plan to start selling Cattle at approximately 1.00 P.M.

SALE BY

MRS. PAUL B. HORNING

RD#2, Myerstown, PA
[717] 866-4001

Sale Conducted By:
JOHN E. AND PAUL E. MARTIN, Auctioneers
[717] 733-3511 - [717] 733-3305
Dale Hoover, Cattle Information [717] 867-2489
LUNCH AVAILABLE

PUBLIC SALE

OF FARM EQUIPMENT

MONDAY, MARCH 24, 1975

10:30 A.M.

Location: Approx 12 miles South of Lancaster, Pa, on Rt 272, then 1 mile West of the Buck on Rt 372

Tractors:

A.C. D 19, (2) A.C. WD's.

Equipment - A.C. 4-row No Till corn planter; A.C. 4 bottom snap coupler slat plow, A.C. No. 56F flail Chopper; N.H. No. 641 single row corn harvester; N.H. 475 manure spreader; N.H. 24 ft. bale elevator; N.H. M7 chuck wagon; A C 2 row corn planter.

Approx. 60 ton corn
172 yr. old Heifers

3 Surge milking units; Sputnik and pump, cow clippers, a few antiques and other items.

Full listing next week.

Sale by

JOYCE E. HESS

Aucts: Lee E. Mummau, 653-4906
J. Everett Kreider, 786-1545

BRICK HOUSE FARM, INC.

DAIRY SALE

LOCATION 2 miles North of Chestertown, just off route 213, turn on route 297 to Morris Road . . . Signs posted from Chestertown, Md.

MONDAY, MARCH 17, 1975

At 12:00 Noon

48 REGISTERED HOLSTEIN COWS,
(8 are grades)

We are overstocked and will offer entire herd of 96 head in pairs with the buyer taking first choice of each pair.

Artificially sired by KINGPIN, TOPPER, CHAR-CROSS, TRANSMITTER, LUCKY, TYPEBLAZER, and other SIRE-POWER BULLS . . . Artificially bred to "ELEVATION, LARRY, COUNTDOWN and others . . . Pregnancy examined monthly . . . T.B. and Bangs Accredited . . . HERD CLASSIFIED OCT. 1974 - DHIA Av. 15,866M - 593F

Featuring milking daughters of Sire Power:

Judy - 303d-19,410m-683f
Five-cent - 319d-20,230m-760f
Edson - 260d-18,110m-606f-inc.
Judith - 293d-19,270m-654f, inc.
Bellvue - 104d-6,760m217f-217f, 2y-inc.
Charm - 179d-9,410m-367f, 2y-inc.
Crown - 85d-5,030m-208f, 2y-inc.
Lucky 49d-3,970m-159f, 3y-inc.
Dolly 337d-16,490m-595f, 2y-inc.
127R68 - 357d-21,140m-786f (Gr)
Topsy - 398d-26,320m-986f (Gr)
Alice - 375d, 19,360m-637f

SALE HELD IN TENT, lunch, Catalogs at sale . . .

BRICK HOUSE FARM, INC.

WALTER T. MORRIS, JR. & SON

(owners) Chestertown, Md.
(301) 773-4763

H. Rudnick & Sons
Sales Managers & Auctioneers
Galena, Md. (301) 648-5100