

Lancaster Farming

Serving The Central and Southeastern Pennsylvania Areas

Vol. 20 No. 42

Lancaster Farming, Saturday, September 6, 1975

\$3.00 Per Year

Improved farm outlook seen

By Dieter Krieg

Note: This report is compiled from the following sources of information: 1. The 12th annual Northeast Regional Outlook Conference which was held in Lancaster this past Wednesday and Thursday with specialists and economists from a number of agricultural colleges in attendance; 2. Recently received bulletins from the Departments of Agriculture in Washington and Harrisburg; 3. Reports from private businesses; and 4. The Wall Street Journal.

There are some important thoughts to keep in mind in interpreting these trends and assumptions. Dr. John Crothers, a marketing specialist at the University of Maryland, who spoke on the grain and feed outlook, described the agricultural outlook as involving "massive uncertainty." Stirring up some laughter, he likened this "anything may happen" condition to mothers who 20 years ago had their little daughters vaccinated in places they thought wouldn't show.

Jessee Cooper, Penn State extension ag economist, who served as chairman for the Thursday session, stressed that "You can't ignore what's happening over the fence... there's a lot of interrelationship between ag businesses." That statement became more apparent all throughout the conference as speaker after speaker noted that what happens in one market will have an effect on the others.

Dairy

The House Agriculture Dairy Subcommittee has scheduled hearings in Pennsylvania for Sept. 19 to determine if the dairy crisis is real and what Washington might be able to do about it. This follows a USDA denial last month to milk producers' requests for a hearing to consider emergency adjustment of fluid milk prices to bring them more in line with production costs.

Milk supplies could shrink, according to some sources, if government action is not forthcoming soon. Representative William C. Wampler, ranking Republican on the House Agriculture Committee, warned that "unless the governments acts, and acts soon enough, it is inevitable that even greater numbers of dairy farmers will sell out or go bankrupt. The Virginia congressman noted that 18

percent of the nation's dairymen have quit in the past three years, leaving only 300,000 in business.

"Any continuing reduction in the number of milk producers can only cause a

scarcity of milk supply and could even bring about rationing," Wampler said in a full page statement which appeared in the Washington Post.

Opinions about a milk

shortage are mixed. Production is expected to continue slightly below a year earlier, but a "steady to stronger" trend in milk prices this fall should avoid short supplies. Wampler

himself notes that although there have been shortages and rationing of other food items, there has never been a national shortage of milk.

Wampler believes that a "worse dairy crisis" can still

be averted if the Administration and Congress act immediately.

Fred Webster of the University of Vermont Extension Service claims: "Low cull cattle prices and unemployment are widely believed to have discouraged many dairymen from culling or even selling out." According to Virgil Crowley, Penn State, dairy and beef culling programs would be better off to go ahead now rather than later because of expected drops in prices.

Butter sales have increased by 25 to 30 percent, Webster reported, with prices rising right along with it, due in part to the lower butter production. The Vermont dairy specialist noted that there is a shift in manufactured dairy products which is going from hard products such as butter, cheese and non-fat dry milk, to soft items like ice cream and cottage cheese. "We're moving to a better situation as far as supply and demand are concerned," he explained.

Webster pointed out that it normally takes 10 months for farmers to respond to marketing conditions. The price increases for dairy products seen at the store now won't be noticed on the farm until October or November. Webster predicts rising prices this fall and says dairymen "are in for a new ballgame."

Prices are expected to go up - although it is not certain by how much and how soon - because of declining production and stocks. The Minnesota - Wisconsin price series is expected to go up to \$8.10 this winter and remain there for the first half of 1976.

Webster expects "high feed prices and a lag in farmer optimism behind price changes to cause enough culling this fall to restrict production well into next year. He also expects the economics of dairying to force more operators into bigger operations and notes the average herd in Vermont now has 60 cows. His figures show larger dairy farms making more profit than the smaller ones, he said.

One observation the professors made while in Lancaster was that a small glass of milk costs 40 cents; a larger one goes for 60 cents.

Price Index

Prices received by farmers during August remained unchanged when compared to July of this year. Lower Prices for cattle, potatoes and

(Continued on Page 14)

In This Issue

FARM CALENDAR	10
Markets	2-6
Sale Register	64
Farmers Almanac	8
Classified Ads	37
Life on the Farm	10
Homestead Notes	38
Home on the Range	43
Junior Cooking Edition	44
Sale Reports	71
Country Corner	38
York Fair	49
Canning	45
E-Town Fair	61
What's New	50
Milk Hauling	18
Dairy Show	18

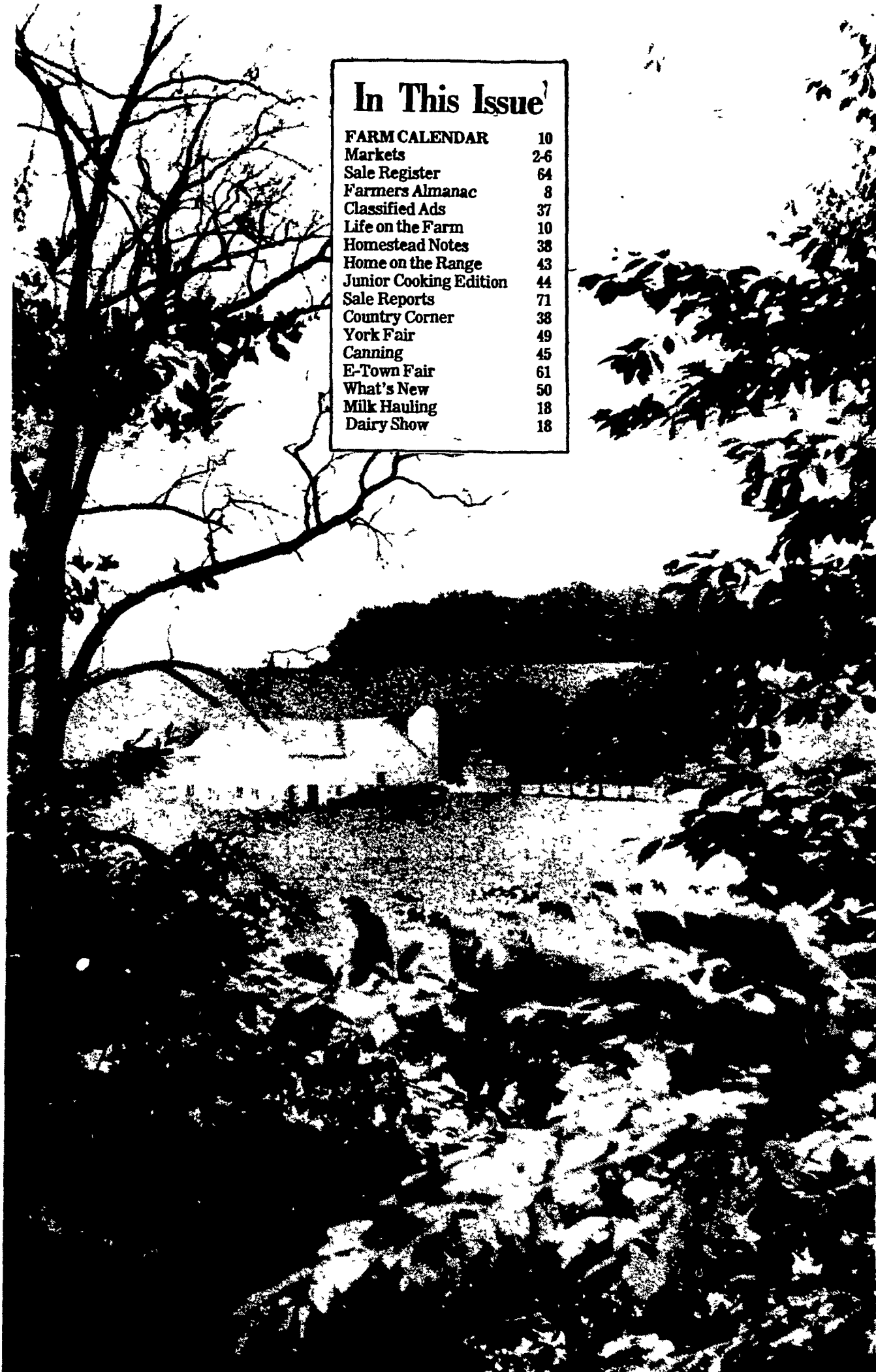


Photo by Dieter Krieg

A look into the past - the former Cyrus Ferguson farm, near Oxford, 15 years ago.