



This was the Bicentennial Summer on the Luke Good farm near Lititz. Before we know, the Spring will pass into Summer and these scenes will be frequent.

Consumer

[Continued from Page 1]

impact is not expected until June.

The education director predicts that a Class II price of \$9.04 per hundred-weight will be the low for the year.

Blend prices are likely to average 12 to 15 cents higher than a year ago.

Smith acknowledged that the new support level is going to give some stability to the market and that it will

be especially beneficial to young farmers. "They'll need every penny of it they can get," he remarked.

Addressing himself to government farm programs in general, Smith told the gathering of dairymen that government farm programs are not for the farmer. Instead, they're to insure adequate food supplies. He

sees the nation's economy as continuing to be the victim of inflation; and hinted that it might be worse in years to come than it has been.

The NEDCO official informed the farmers that significant shifts are being seen within the dairy products market. Affected by changing trends are consumption patterns, cow numbers, production per cow, Class I and II utilization, profit margins, Federal Order memberships, and milk component values.

Skim milk, Smith pointed out, used to be an unmarketable item. Now it's priced the same as regular milk. The trend is illustrated by the statistic that per capita butter consumption used to be 16 pounds. That's fow down to just four pounds.

Smith went on to say that in 1905 butterfat was king, and paying prices were based on 4.2 per cent butterfat, as opposed to 3.5 per cent today.

Cheese is becoming the major pricing factor now, Smith exclaimed, and some figuring is being done on 3.2 per cent protein.

On the latter, Smith said that milk used to be valued two-thirds on butterfat content and one-third on solids-non-fat (SNF). Now the reverse is true, even though prices are not being paid according to the new emphasis. The new trend is a result of consumer buying

patterns. Fat is being pushed aside or entirely avoided, while protein is in demand.

The switch from butter pricing to cheese pricing is just one message the consumer is relaying to the farmer, says Smith. He emphasizes that consumers will be determining whether you (the dairyman) stay in milk production or not." He predicts it will take at least five years before the protein pricing system is adopted industry-wide. An 8.25 per cent minimum standard for SNF has already been established, he

indicated, and fast methods for milk protein testing have been developed. The program is being pushed in

New England, he said. Asked whether or not there was any direct correlation between butterfat and protein, Smith answered there was not.

Leon Musser, NEDCO district director from Lewisburg, gave a detailed account of milk production trends in the Northeast. He noted that the number of cows in the United States has dropped by nearly 50 per cent since 1962. Annual milk production per cow has increased in almost every year everywhere, but much greater than usual increases have been recorded since 1972. In Pennsylvania, production per year has increased about 500 pounds per cow over five years ago.

Consumption of dairy products is down, however. What's holding sales up is the fact that there are more people to feed.

Also affected by production trends and consumption patterns is the status of Federal Milk Marketing Orders. Order 2, which is the biggest in the Northeast, has dropped in its annual milk output by nearly one billion pounds. Class I utilization has declined in recent years from 53.9 per cent in 1968 to 49 per cent now. Member producers in Order 2 have dropped from 23,000 in 1971 to 19,000 this year. Similar trends have emerged in other Federal Orders in the Northeast, with the exception of Federal Order 4, which has gained a few dozen producers since 1971.

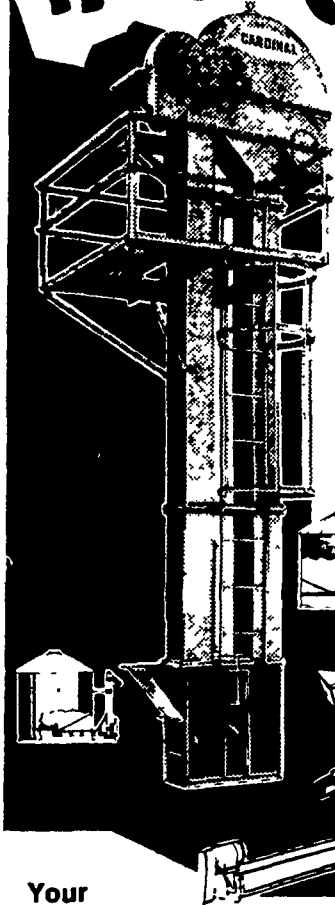
The decline in membership for Order 2 is of concern to a number of dairy industry officials since a lower than 50 per cent representation of dairymen will lead to the abolition of the Order. Smith pointed out the strength of the dairy industry in the Northeast by mentioning that 18 to 20 per cent of all the milk in the United States is produced there. An average of 60 per cent of that production goes for fluid purposes, while the remaining 40 per cent is designated for manufacturing use.



The CARDINAL Line

GRAIN HANDLING EQUIPMENT

if it's **Cardinal**
it works



**BUCKET
ELEVATORS**

The key to efficient grain handling and storage systems.

Built-in efficiency and long life of Cardinal equipment makes a big difference.

Your **CARDINAL MECHANIZATION CONTRACTOR**

COMPLETE LINE CARDINAL EQUIPMENT ON STOCK

WE SELL, SERVICE AND INSTALL

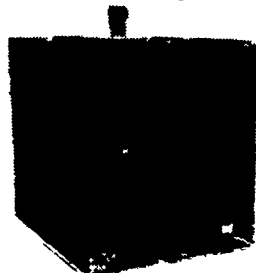
E. M. HERR EQUIPMENT, INC.

R. D. 1, Willow St., Pa.

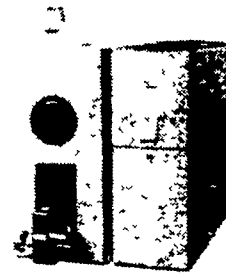
Lancaster Co.

717-464-3321

**CUT FUEL COSTS
WITH COMBINATION
WOOD AND OIL FURNACES**



FRONT VIEW



REAR VIEW

Saves Money — Easy to Install

Relieves Fuel Problems and Costs

- Burns wood and oil in separate combustion chambers
- Switches from wood to oil automatically
- Twin 10" blowers for quiet efficient operation
- Large fire box will take up to 24" wood
- Ten Year Warranty on Heat Exchanger
- Five Year Warranty on both combustion chambers
- Positive draft control for greater efficiency
- Both wood and oil fires thermostatically controlled

Your Security and Energy Center

HIESTAND DISTRIBUTORS INC.

Box 96

Marietta, PA 17547

Phone 717-426-3286

See Us at Root's Every Tuesday Night
Building No. 5