Answers sought

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membership includes thousands of dairymen in the Northeast, including Pennsylvania and Delaware, on March 1 voted to study a supply cut-back program.

On a related issue, a delegate body of 200, one from each of the Co-op's locals, resolved:

"Whereas the cost of handling surplus milk is becoming an ever increasing burden on co-op members, now therefore be it resolved that Eastern Milk Producers Cooperative, Inc. do everything possible to have milk orders provide for the cost of handling surplus milk and that costs be charged to all producers within a given federal milk marketing order."

Eastern's study and concern exemplifies the severity of the situation. It is, however, just one approach.

Boyd Gartley, director of member and public relations for Inter-State Milk Producers, favors a plan which would bring more money into advertising campaigns and increase sales. Such a move would boost incomes while chopping burdensome surpluses.

Inter-State, with headquarters in suburban Philadelphia, along with other major dairy cooperatives in the Northeast, has been urging members to assess their production and marketing patterns. Surplus production has caused IMPCO to make additional charges to cover extraordinary marketing costs. The same has been true with other dairy organizations.

Inter-State and its sister cooperative in Baltimore, Maryland Cooperative Milk Producers, are both very much looking forward to the opening of their jointly owned Holly Milk plant near Carlisle which is presently being constructed at a cost of more than $8 million. Completion is expected in mid-Spring. Once that plant is in production, some of the Northeast's milk "overflow" will be eased somewhat.

Eastern, a Syracuse, N.Y. based cooperative with nearly 8000 members, explains its cut-back studies: "Certain efficiencies have to be made." An example – which would not directly affect the surplus situation – is the curtailment of every day farm pick-ups. Inter-State is considering a move in that same direction and may offer inducements to dairymen to get them to buy larger bulk tanks. Otherwise, higher stop charges will be reflected in hauling rates. A streamlining of the hauling program will not do much to cut surplus production, but it will at least help to keep costs down, co-op officials explain.

Thinning herds to decrease milk production is being considered by many dairymen, especially lately since cull cow prices moved up significantly. Auction prices this week are ranging in the low to mid thirties per hundredweight according to information received at **Lancaster Farming**.

"This is an excellent time for dairymen to cull herds, and thus assisting in the cut-back of milk production," said Lisle Dutton, public relations director for Eastern. "If dairymen cut back, they'll see their per unit costs drop," the cooperative official added.

"Volume of milk production isn't the answer to profits," Inter-State's Jim Sumner observed. "More and more of your successful dairymen are beginning to find that out," he added.

Dutton explains that the industry has been faced with so much milk, that Class I utilization has been forced down, Class II milk has increased, and blend prices have declined as a result, regardless of price supports.

The National Milk Producers Federation, an organization which is headquartered in the Washington D.C. area, is cautiously optimistic about future milk supplies. Statisticians in the NMPF office have noticed that although milk production is still increasing, the upward trend is slowing down. This gives NMPF marketing specialists some encouragement to believe that the situation isn't entirely out of hand.

NMPF statistics show that national milk production for January of this year was up by one per cent over January of 1977. Total milk production in 1977 was two per cent above production in 1976.

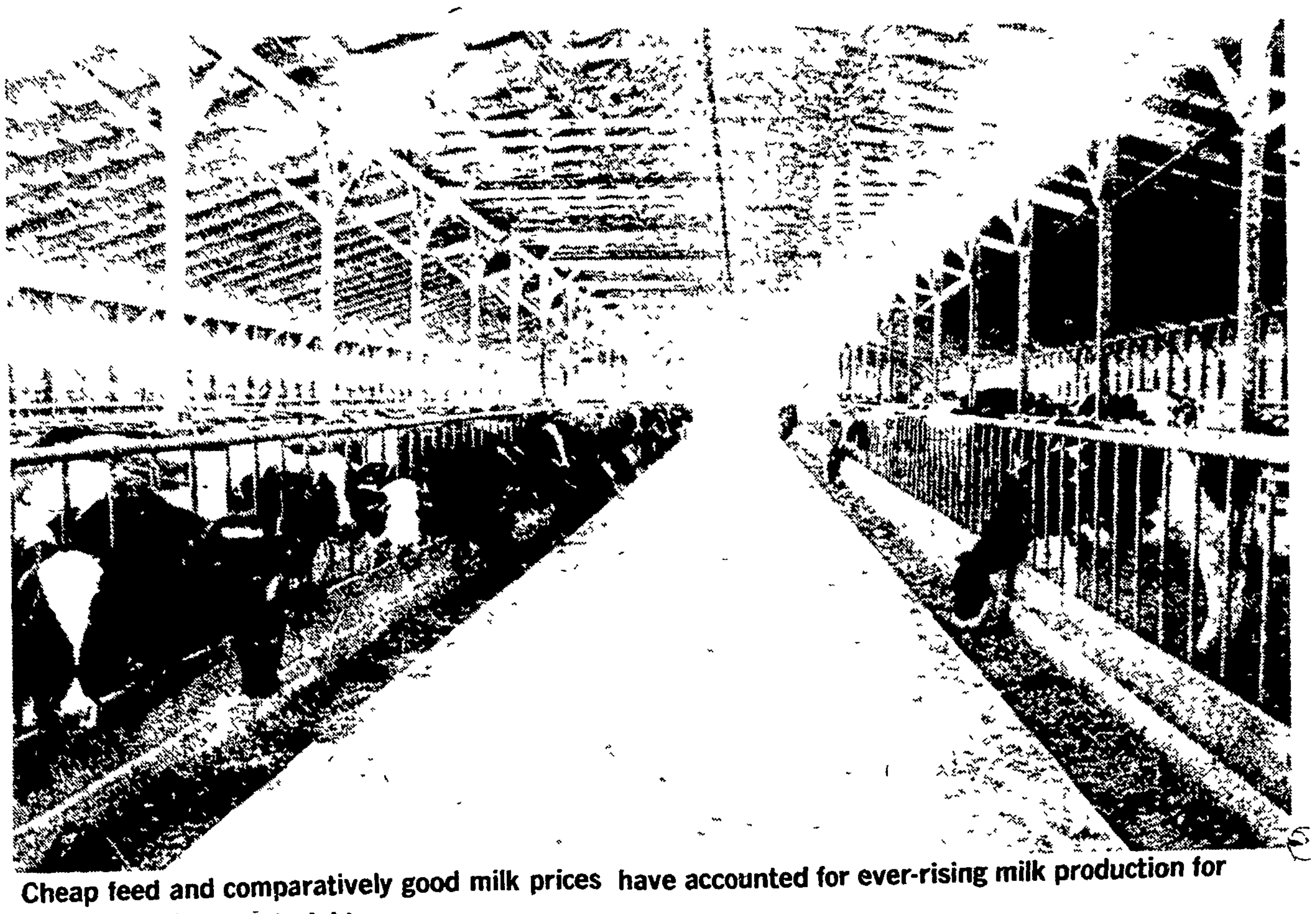
Looking at figures more closely related to Pennsylvania, Inter-State's assistant economist, William F. Newell, revealed the following trends:

Pennsylvania dairymen produced some 7.14 million pounds of milk from 700,000 cows in 1975. In 1976, they produced 7.5 million pounds from 706,000 cows. Last year, 7.8 million pounds of milk were produced, while cow numbers declined to 703,000. Cow numbers are remaining steady, says Newell, but due to increased per cow production, the Keystone State's milk production for 1978 is estimated at slightly over 8 million pounds.

Although better beef prices are causing some dairymen to thin herds, the availability of cheap feed has not stimulated the market too much, Newell continued to observe.

Concern over surplus milk production can be described as casual to alarming, depending on sources of information. In fact, a good many dairymen are not at all concerned.

Milk marketing experts, and numerous knowledgeable dairymen are urging that the industry undertake some self-help measures before it is too late.



Cheap feed and comparatively good milk prices have accounted for ever-rising milk production for more than 2½ years straight.

Multitude of variables affect fruit industry

LANCASTER – Everything from the 1977 Farm Bill to diet changes to the energy problem are uncertainties that will have their effects on fruit growers, says Arnold Lueck, Lancaster County Extension Agent.

Addressing a gathering of fruit growers on Wednesday morning, Lueck outlined those uncertainties on which the orchardists and fruit producers should keep tabs.

First of all, says Lueck, one of the non-agricultural variables which will have an effect on the industry is the current trade deficit as well as the United States inflation rate which has increased by five per cent in recent years.

Energy, of course, is of deep concern, as well as the tax program. President Carter and any moves he makes will also put its mark on the fruit producing industry as well as the stock market, the falling dollar, and the social security program.

Ticking off the agricultural variables bound to affect fruit growers in the future, Lueck named farm income, the farm strike, the 1977 Farm Bill, the weather, diet changes, and the dismembering of the USDA.