

One Northeast milk order advocated

By GARY MAYK

STOUCHSBURG — Dairymen in the northeast United States should be shipping under one milk order to even out prices producers receive, NEDCO District Director Leon Musser told a meeting of area farmers recently.

The meeting was one of 25 meetings across the Order No. 2 milkshed at which NEDCO representatives sized up the industry. The Cleona Milk Producers Cooperative co-sponsored the meeting held near this Berks County community.

Musser thinks the combination of the New York-New Jersey Order with either the Middle Atlantic Order (No. 4) or several smaller orders in western New York and Pennsylvania may be a step up for dairymen.

A federal task force is studying the possibility of a single northeast milk order, Musser said. The report has not yet been issued. Musser reminded producers that it's a complex subject.

Musser thinks a single order might solve some problems. "Order 2 has been pretty much of a dumping ground for excess milk from other orders," he said, adding that the problem has recently tapered off. "It would mean a higher price for the producer."

"There is very little justification for milk producers in the Northeast to receive different prices just because milk can't move from one order to another."

NEDCO and DairyLea, also represented at the meeting, are investigating possible order changes. Musser suggested that one possibility is to combine some unregulated areas into a new Northeast order. "We would get a more uniform marketing situation throughout the Northeast," he contended.

But he admitted that a new order would not please everyone. "It's going to benefit some and be detrimental to others," Musser said. "It's important that every facet be explored. But it certainly looks like it would make for a much more uniform and orderly distribution of milk in the Northeast."

NEDCO expects prices during the next year to rise by about a dollar per hundredweight. That depends on what support price level is accepted by the federal government.



Leon Musser



Ralph Smith

Ralph Smith, director of education for NEDCO, told the producers they can reasonably expect 80 cents more than the current \$10.44 support price.

"The support price changes Oct. 1 again," Smith said. "If there's no new law Oct. 1, the support price could drop back again to 75 per cent of parity."

The dairy experts were critical of efforts to restrict the bargaining power of cooperatives. Smith noted that the Justice Department wonders if more people would drink lower-priced milk that might result from less regulation.

And the President's Commission on Anti-Trust has suggested that cooperative mergers should be allowed only if no lessening of competition results, Smith said.

"We think that's far fetched... we think they're trying to put more restraints on cooperatives than other businesses," Smith asserted.

Cooperatives in Order 2 are struggling to maintain membership. Membership is down to less than 50 per cent in the milkshed. "We hope it's because the price is so

good," Smith said. "Of that, we're not so sure." He remains convinced that cooperatives are important in maintaining an orderly market for milk.

"A lot of younger farmers don't realize the necessity of a co-op," he explained. When some farmers recently were turned away by a regular customer, they became co-op members "simply because they had no other choice." "Since conditions have improved, they've already left," he said.

Musser noted some adjustments the milk industry has had to make in meeting consumer preferences. While whole milk consumption is down 22 per cent since 1970, low-fat milk consumption is up by 74 per cent.

"Butter consumption is down," he continued, "but cheese demand is up, so they offset each other." The drop in butter use since pre-World II days is staggering. Per capita butter consumption before the war was at 16-18 pounds. Consumption now is a mere 4.4 pounds per person. The bright spot in cheese. "Cheese growth is expected to grow on into the next couple of years," Musser forecast.

Production levels nationally have been holding up despite decreasing cow population. Larger herds are on the increase, a New York state survey shows.

Musser was somewhat critical of the base-excess plan used by farmers in Order 4. "The farmer does all he can to produce more milk in the Fall base period," he said. "I think we have enough milk now and more milk will keep the price down."

Whatever the price to the producer, the price paid by consumers for milk is a real food bargain, figures shown by the speakers revealed.

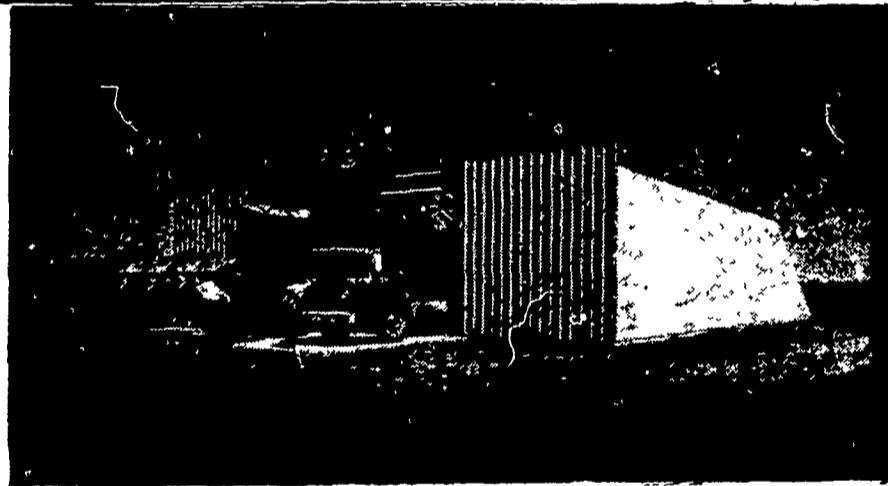
They cited a U.S. News & World Report survey in which only two food items, tomatoes and eggs, went up less than milk since 1967. The average American goods jumped 100 per cent from 1967 to 1978. Milk increased 76 per cent. Two other beverages increased by much more. Coffee headed the list at a 271 per cent increase. Cola by the carton jumped 123 per cent.

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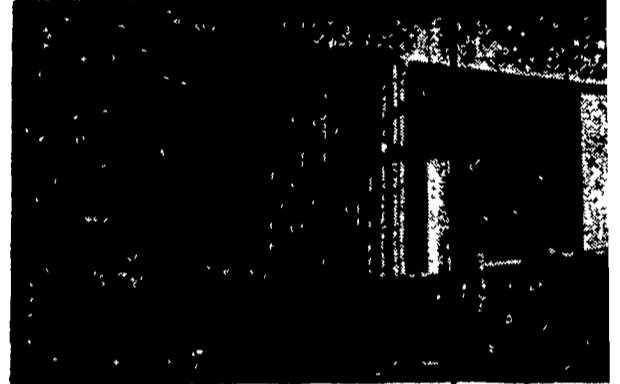
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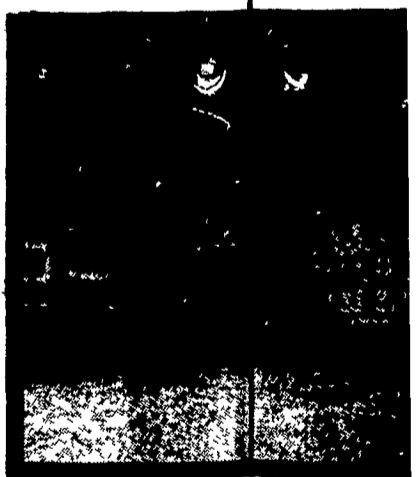
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