Dairy farmers to receive $10.95 for April milk

NEW YORK, N.Y. — Dairy farmers supplying milk plants regulated under the New York-New Jersey marketing orders during April will be paid on the basis of a uniform price of $10.95 per hundred pounds or 23.5 cents per quart. Market Administrator Thomas A. Wilson, who announced April's price, also stated that the uniform farm price was $11.12 per hundredweight in March 1979 and $9.60 per hundredweight in April 1978. The New York City area milk strike in effect almost the entire month, reduced the April 1979 uniform price by 11 cents per hundredweight. The uniform price is a marketwide weighted average of the value of farm milk used for fluid and manufactured dairy products.

The seasonal incentive fund removed a total of $2,693,189.03 or $.30 per hundredweight from the dairy farmers' uniform price for April. Deductions for this fund will continue through June and will be returned in the August through November uniform price calculations.

The total amount of milk received from the 17,699 dairy farmers supplying the New York-New Jersey Marketing Area was 897,729,678 pounds during April 1979. This was more than 30.7 million pounds above last year. The gross value to dairy farmers for milk deliveries was $100,409,530.46. Mr. Wilson explained that this included differentials required to be paid to dairy farmers but not voluntary premiums or deductions authorized by the farmer.

Regulated milk dealers (handlers) utilized 346,111,997 pounds or 38.6 per cent of the total amount of milk for Class I. The Class I milk is used for fluid milk products such as homogenized, flavored, low-test and skim milks. For April 1979, handlers paid $12.77 per hundredweight, or 27.5 cents per quart, for this milk compared with $11.25 a year ago.

The balance of the milk, 61.4 per cent, was used to manufacture Class II products including butter, cheese, ice cream and yogurt. For this milk the handlers paid $10.54 per hundredweight.

The uniform price is based on milk containing 3.5 per cent butterfat. For April 1979, a differential of 13.9 cents was applied to the price for each one-tenth of one per cent that the milk tested above or below the 3.5 per cent standard.

All prices quoted are for bulk tank milk received within the 201-210 mile zone from New York City.

Pa. poultry

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steaks, and turkey hams and are available for consumption every day of the year.

As might be expected, problems faced by the industry have also changed since 1950. With large operations concentrated in small areas, waste disposal has become a problem. This is especially true for large caged-layer egg operations with limited acreage located near or adjacent to heavily populated areas. Regulations regarding environmental improvement through abatement of water, air, noise, and odor pollution, plus zoning actions, will likely increase investment and operating costs and may, in some instances, result in cessation of business at a particular site. The energy shortage may also plague some producers. While fuel in the past has been a small and often ignored cost in the egg industry, future costs will be higher. While higher costs must be considered, the real problem may be one of certainty of supply rather than cost itself. However, higher energy costs mean higher transportation costs for inputs, primarily feed.

On the other hand, the industry finds itself a beneficiary of developments since 1950. The problem of fuel scarcity and higher fuel costs works to the advantage of the local producer and disadvantage of the far away producer attempting to compete for the same market. The area is more deficit now than it was 30 years ago, thus providing a larger local market for producers. Greater in-state grain production lessens the need for importing feed grains at increased freight rates, and development of environmentally-controlled housing has resulted in better performance by layers and broilers. In other words, the competitive position of Pennsylvania producers has improved relative to producers in competing areas.

Over the past 30 years broiler production has steadily increased in Pennsylvania. Turkey production declined during the 1950s but has expanded since 1962 to double its previous levels. Egg production declined over a period of about 20 years but has expanded over the past 2-3 years to a level higher than any previous period. The industry faces problems of higher energy costs and availability. It must face up to problems of a clean environment and operating in heavily populated areas. But the industry also finds itself in a better competitive position with respect to competing areas. Currently all three phases of the industry are in an expansive mood. It is quite likely that the decade of the 1980s will see a larger proportion of this nation's eggs, broilers, and turkeys produced and processed in the Keystone State.