

NEDCO president decries illusion of prosperity

SYRACUSE, N.Y. — An alarming trend is pervading thought patterns of consumers building an illusion of false prosperity in the dairy industry, according to Edward McNamara, President of Northeast Dairy Cooperative Federation.

This fact, along with the call to continued support of the dairy parity program was brought forth by the coop leader at the National Milk Producers Federation's recent annual meeting held in New Orleans, Louisiana.

McNamara voiced this concern during his comments as part of a dairy leader panel responding to

the topic, "Is Parity Outmoded - What are the Alternatives".

In his commentary, McNamara said that, "The American dairyman can be proud of his record. He is a proud man, and will not stand for direct payment programs hinting of welfare. He is becoming wary of new methods to price his product, and of organizations who hint at his undue profitability creating inflation when the exact opposite is true."

The dairy executive cited figures from a survey of over four hundred northeast farms by the Springfield Credit Bank, its president

Howell Hughes and research analyst Peter Field.

"These figures do indeed suggest an alarming trend, not of over profitability but rather just the opposite, exclaimed McNamara.

The figures taken from the Bank's Agrifax Program, "show that in 1978, although average milk sales income increased by \$16,830 over 1977, expenses increased at an even faster rate to \$16,876, creating a net reduction of \$44 on gross milk revenue of \$113,000."

"In addition, from 1973 through 1978," McNamara said, "the farm price of milk has not been as high as the

index of prices paid by dairymen in any year.

Although increased prices for cull cows has been helpful in 1978, dairymen have relied mainly on inflated land, cattle, and machinery values to continue their operations.

"Cull cow sales on that \$130,000 operation amounted to \$4,600 income, while increased values of cattle, land and machinery amounted to almost \$12,000," he said.

These figures point out all too clearly where farmers are getting the dollars they use to purchase machinery, new buildings, etc., creating outward signs that make them seem prosperous to others.

McNamara said, "Dairymen have been increasing their debt load each year. If we have a down-turn in the economy and these values decrease, the dairyman is going to be out on a limb as his debt load becomes unmanageable in relation to lowering value of his assets."

McNamara further pointed out that the 80 percent parity price support program (signed by President Carter during the NMPF Convention), "has been responsible for lower dairy product prices to consumers, and while keeping dairymen in business at minimal profit, created tremendous efficiency. Very few businesses can point to the dramatic efficiencies that dairymen can."

"The following statement appeared in a national advertisement," he said... "We're in danger of having our prosperity slip away because the growth of productivity has slowed to almost zero, while wages and salaries have continued to climb. Ever-increasing inflation is the result. It's urgent that the trend be reversed. Tax reforms should be adopted to en-

courage investment in efficient equipment..."

"Technology, new machinery, computerized equipment, etc., have also been available to other businesses but they have not been able to match the farm rise in productivity per man," said McNamara responding to the advertisement.

"Some quick examples supporting this are: In 1925, 3.41 man hours per 100 pounds of milk were required as opposed to 0.37 hours in 1978. 8.7 quarts of milk per hour of labor could be purchased in 1959, in contrast to 12.9 quarts in 1978."

"Consumer groups, tread carefully say you gauge costs and merits of present programs, as these programs have maintained a sufficient supply of wholesome products for your tables at the most reasonable of prices for many years," warned President McNamara in his closing remarks.

He also suggested other areas in our economy may merit auditing much more than the already efficient dairy farmer and that more consumer-farmer dialogue is a must in understanding each other better.

Barn ventilation topic for Garden Spot Adult Farmers

NEW HOLLAND — The Garden Spot Adult Farmer Program is sponsoring a meeting on duct ventilation of barns on Tuesday, January 29, 1980, at 7:30 P.M. at the Union Grove School.

Speaker for the meeting will be Mr. Terry Weaver from Agri, Inc. in Farmersville.

One of the most limiting factors in livestock production in Lancaster County is the ventilation of barns and housing facilities. The use and remodeling of bank barns, old chicken houses, etc. has not taken into consideration the ventilation requirements of the livestock housed in them.

Opening windows and doors often creates more problems than it solves. One successful solution to getting adequate air volume into the building is by using ductwork, either plywood or plastic tubes. There are many factors to consider in such ductwork such as

source of air, correct inlet and outlet openings, and placement and size of fans if used.

The program will be aimed at presenting the principles of ventilation and how to use ductwork correctly. Refreshments will be served. For additional information, call Mr. Donald Robinson, Adult Farmer Instructor at 445-5041.



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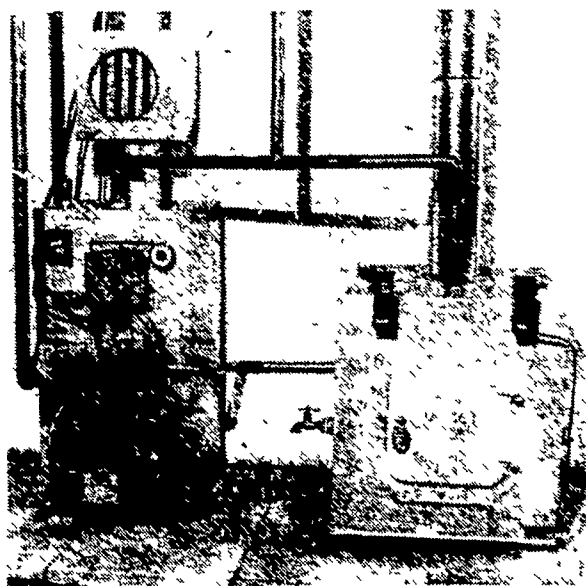
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