

MILK MARKET NEWS

Federal Order No. 4 Mid-Atlantic Market Area November base price drops

Middle Atlantic order prices for producer milk deliveries for the month of November were \$13.93 per hundredweight for base milk and \$12.47 for excess milk. The November weighted average price was \$13.93 and the butterfat differential for the month was 17.1 cents.

The base milk price was down eight cents from October, and the weighted average price also dropped eight cents. The November base milk price was 14 cents higher than last year.

The advertising withholding rate, which is deducted from the base and excess milk prices but not the weighted average price, was 13 cents a hundredweight and the amount withheld totaled \$615,528.60.

The gross value of producer milk during November was \$65.8 million compared to \$63.2 million a year ago. Order No. 4 prices are announced for 3.5 percent milk f.o.b. plant location within 55 miles of Philadelphia and also within 75 miles from the nearer of Washington, DC or Baltimore, Md.

There is a 6-cent direct-delivery differential applicable to producer milk received at plants located within 55 miles of Philadelphia.

Producer milk receipts totaled 473.5 million pounds during November, an increase of 0.7 percent from October, on a daily basis, and up 13.4 million pounds or 2.9 percent from a year ago.

Class I producer milk totaled 234.1 million pounds and accounted for 49.45 percent of total receipts. A year ago Class I producer milk totaled 234.0 million pounds and represented 50.86 percent of total milk receipts. Base milk accounted for 91.36 percent of total

November production compared to 90.31 percent last year.

There were 7,112 producers supplying pool handlers in November, a decline of 246 from a year ago. The average daily delivery per producer was 2,219 pounds for the month, an increase of 11 pounds from October and 135 pounds or 6.5 percent higher than the November 1980 average. The average butterfat test of producer milk increased from 3.72 percent in October to 3.79 in November.

Middle Atlantic order pool handlers reported Class I in-area milk disposition of 198.0 million pounds during November, a drop of 3.0 percent from a year earlier, after adjustment to eliminate variation due to calendar composition.

January Class I price stays the same

The Order 4 Class I milk price for January 1982 is \$15.30 per hundredweight for milk testing 3.5 percent butterfat. This price is unchanged from December and is also the same as last January's Class I price. During the early part of 1981 the Class I milk price was running about nine percent above the previous year.

The \$15.30 price is based on the November 1981 Minnesota-Wisconsin manufacturing milk price of \$12.52 per hundredweight, adjusted to a 3.5 percent butterfat content, plus a \$2.78 Class I differential.

International dairy trade U.S. imports down

Dairy product imports by the U.S. during August were, on a milk equivalent, fat-solids basis, 3 percent below a year earlier — the first time since January that they have been down from year-earlier levels.

Imports during September also declined, by about 12 percent. The

sharp increase in July offset these declines leaving milk equivalent imports for July-September at 576 million pounds, 14 percent more than third-quarter 1980. For January-September, milk equivalent imports were up 18 percent.

This slowing in the rate of imports reflects a more even distribution of imports over the whole year, after two years of extraordinarily heavy imports during the last months of the year.

These extra heavy shipments in the later quarters of both 1979 and 1980 can be attributed, respectively, to the fear of imposition of countervailing duties in early 1980 and to the delay in imports from New Zealand, due to its production on problems. Finally, the weak economic conditions in the United States may be a factor in recent lower imports. Nonetheless, imports for all of 1981 are expected to exceed the 1980 level.

Quota cheese imports, which were up about a third during January-July, were up about a sixth through September. Most of the slowing was because American-type, blue-mold, and 'other' cheese imports were relatively small during August-September. During the first nine months of 1981, imports of cheese subject to quota were only slightly below year-earlier levels.

Casesin and lactose imports were both larger during September than a year earlier, leaving January-September imports of the two down about a fifth and a third, respectively.

U.S. production rises; Russia suffers poor grain crop

For the 36 major milk-producing countries of the world, cow's milk production in 1981 is expected to be up slightly from the 1980 output

of nearly 382 million metric tons (842 billion pounds).

Milk production may be up six percent for India and will likely increase about three percent for the United States.

Gains of more than two percent are expected for Canada and Brazil. However, several important milk-producing areas are experiencing difficulties. Output continued to decline during 1981 in the Soviet Union as the country again suffered from feed grain and forage supply problems.

Production in New Zealand and Australia, during the 1980-81 marketing year declined as weather conditions hurt pastures,

and output per cow management, particularly in Australia.

For the 10 European Community countries, which account for nearly 30 percent of world milk output, cow numbers have declined, while output per cow increased. Thus, total EC milk output appears to have nearly stabilized, with less than a one percent gain expected for both 1981 and 1982.

Next year, world milk output is expected to increase about one percent from year-earlier levels, with more normal weather conditions anticipated for Australia.

Output in the Soviet Union is not expected to show much gain from the 1981 level.

Poland receives \$30 million in USDA food

WASHINGTON, D.C. — Although Polish citizens are now receiving \$30 million of USDA food shipments, Poland's livestock industry is still without aid, said USDA spokesman David Lane.

The food donation was announced by President Reagan on Nov. 25, shortly before the Communist-bloc country instituted martial law. Lane said the U.S. donation included flour, food grain, non-fat dry milk and vegetable oil.

The shipments are being administered by the Catholic Relief Services and C.A.R.E. — two organizations the Reagan administration "fully trusts," said Lane.

The administration, said Lane,

was on the verge of announcing a large credit guarantee for feed grain to Poland, but the program was scrapped days before the martial law take-over. The feed grain, which included corn, barley, sorghum and oats, would have benefitted Poland's large poultry industry, now suffering amid the turmoil, said Lane.

The program's shortcoming was the result of an uncertain financial situation in Poland and possible misuse of the U.S. feed, Lane noted.

"We could not be sure that the feed would get to the people that really needed it," he explained, citing possible interceptions by the government or military. — DT

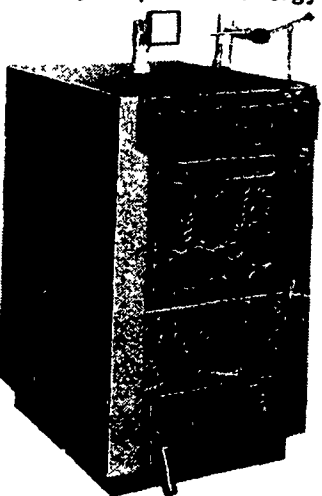
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