Northern Tier producers hear component pricing argument

BY JANE BRESEE Staff Correspondent

NORTH TOWANDA, - The Bradford County Jersey Cattle Club hosted dairy producers from the Holstein and Guernsey Cattle Clubs to hear a possible solution to the national milk surplus problem given by Guy M. Crews, representative from National All-Jersey, Inc. of Columbus, Ohio.

Crews, a veteran of marketing Jersey milk for many years, advocated that the surplus could be alleviated two ways: by raising the minimum standards of fluid milk as California did by raising the butterfat from 3.2 percent and solids-not-fat content from 8.35 percent to 8.7 percent and by imposing end product pricing on Class II and Class III milk.

End product pricing means that milk would be priced on its ability to yield butter, powder, cheese, etc. Milk containing higher fat and higher solids-not-fat content produces more cheese. Crews said, citing a study by Rodney Brown of the University of Utah. End product pricing would raise the value of this milk \$1-2 dollars a hundred weight, he estimated.

were enforced nationally, it would eliminate half the overproduction.

The price incentive for higherfat, higher solids-not-fat milk would reward those who produced it and lower the incentive to produce merely for volume, he said.

Crews stated he had taken his idea to most of the major milk cooperatives. "The real important marketing people, the co-op leaders, believe in this," he said, "but are afraid what producers' votes might do to them."

Considering the country's mood against surplus, Crews admitted he is worried that if the National Milk Producer Federation two-tier plan is put before Congress, it 'might fly", but he does not favor the National Milk plan because the world market cannot s and the surplus being dumped on is.

End product pricing has been successfully tried in several cheese plants in the Minnesota-Wisconsin area, Crews said.

Using the success in the record high milk consumption per capita in California as an example time and again, Crews maintained that

Crews claimed that if this plan if the cooperatives and producers joined forces and pushed this plan, it could be adopted during the Reagan administration by changing regulations, not Federal Orders. The Department of Agriculture officials say they will not enforce milk production controls, Crews reported, so the surplus problem must be attacked another way.

Crews concluded his talk by asking the dairy producers to urge their cooperative leaders and dealers to adopt the plan he presented.

Tom Noble, president of the Bradford County Jersey Cattle Club, welcomed the 60 dairy producers from three counties. Officials present were Laverne McCarty, Sullivan County director of Eastern Milk Producers' Cooperative; Richard Kingsley, president of the Bradford Holstein Club; Ben Wilcox, president of the Bradford County Guernsey Club; Dave Norman of Tioga County, and Eugene Harris of Bradford County, both state directors in the Jersey Cattle Association; Carl Gore, president of the Bradford-



Bradford County Jersey Cattle Club director William Swingle, left, of Canton poses with Guy M. Crews of the National All-Jersey, Inc. Crews spoke to assembly dairy producers on component pricing as a possible solution to surplus.

Sullivan County Farmers' and Jake Guffey, Bradford County Association; and Orville Yoder Extension agents.

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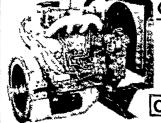


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