

Production costs

(Continued from Page D19)

prices. Why should management cost more or less, as feed prices increase or decrease, respectively? The prices of feed, since they are valued at market prices in the USDA-COP studies, are largely outside the control of the dairy farm manager.

Milk equivalents

Milk equivalents of income from the sales of cull cows and calves are now excluded from the denominator in computing the cost of producing milk on a hundredweight basis. The rationale the USDA used for making the change was that distortion in the estimates of the "true" cost of producing milk would otherwise occur during periods of wide variation in the price of milk relative to the price of beef. What is ignored, however, is the more important, even wider variation in feed prices that also occurs over

time. And yet the USDA continues to include feed at market value rather than at the cost of producing it, which accentuates the effect of fluctuations in feed prices on the estimates of the cost of producing milk.

The major weakness of the approach now being taken with regard to the handling of income from the sales of cull cows and calves is that the per hundredweight cost for the several cost items are overstated — they are assisted totally to the milk produced, whereas they were in fact used to produce the joint products, meat and milk. There is a final adjustment to costs that accounts for the value of cull cows and calves, sold, of course, but one can only hope that other users of the USDA reports read that far. Furthermore, the danger exists that someone will compare feed costs per hundredweight of milk

produced in the 1974 and 1979 reports, and assume all the change was due to changes in either or both feed prices and quantities. In fact, part of the change was due simply to the change in the way the sales of cull cows and calves were incorporated into the computations. Thus a cursory look at the estimates across time may be misleading to readers of the USDA reports.

Other weaknesses or shortcomings of the USDA-COP studies may be mentioned. Many of these were recognized by the developers of those reports, and thus is not meant to be personally critical of those workers. The 1974 results, in particular, were prepared under severe time restrictions and had to be hurried at a rate beyond what might reasonably be expected to yield good results. Furthermore, the questionnaire that was used for the dairy survey was but a modified version of the one that was designed for surveys of crop costs. It was not a very good instrument to use for the diversity and multiplicity of enterprises that

are found on many dairy farms. Some dairy farms in Pennsylvania have as many as six or eight different crops, with fields from which several crops are taken. Furthermore, some crops yield multiple products such as grain and straw, or hay, silage, and seed.

For each crop on the farm, the dairyman was asked to recall information concerning acres rented, acres harvested, yields, seed quantities and costs, fertilizer quantities, and costs for each different formulation and application, and the kinds, quantities, and costs of herbicides, insecticides, and fungicides that were used during each chemical application. Then, detail for each crop operation — plowing, disking, mowing, loading, hauling, etc. — was requested. Included here were such things as acres covered; times covered; truck, tractor, and other equipment used; price paid and year of purchase for each piece of equipment used; total acres on which the equipment was used; and total hours the equipment was used during the year. All

of the foregoing would have been difficult enough to recall for a one-crop wheat farm in South Dakota. The effect of interviewer and respondent fatigue on accuracy of answers on a typical Pennsylvania dairy farm must have been notable.

There were also serious weaknesses in the design or format of the questionnaire itself. For example, estimates of the numbers of dairy cattle on hand at the beginning and end of the year and of the number that died during the year appeared on page 3 of the questionnaire. The number of calves born appeared on page 26, and the number of dairy animals sold was on page 36. Finally, the number purchased was recorded on page 38. Thus, dairy cattle numbers could be reconciled only by referring to data on four different pages! Worse yet is the fact that interviewers did not attempt any such reconciliation while in the field because they were not instructed to do so. When the schedules were later edited

(Turn to Page D21)

Comfortable protection. Red Wings

RED WING SHOES

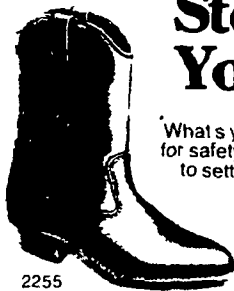
ASK THE MAN WHO WEARS THEM

SUPER SOLE SAFETY BOOTS

Steel Toes? You Guess!



2219



2255

What's your style. If your job calls for safety steel toes, there's no need to settle for what you can get. With Red Wings, you get what you want! Stop in

SIZES A EEE / 5-15 Not all sizes in all widths

You've earned your Wings!



Red Wings



2220

• Safety Steel Toe
• Tough Long wearing Urethane Sole
In Stock No Waiting

WAYNE'S DRY GOODS
HOURS: Daily 8:30 A.M. to 6:00 P.M. Friday 11:30 A.M. to 5:00 P.M.
271 W. MAIN STREET — KUTZTOWN, PA — PHONE 215-683-7686



Cocalico Equipment Co.

Specializing in Drainage Work and Pipe Outlet Terraces.

OUR MACHINES ARE EQUIPPED WITH LASER BEAM CONTROL

★ In Stock Heavy Grade Tubing which Exceeds SCS Specifications. Insides 2", 3", 4", 6", 8", 10", 12" and 15"

Also Available 18" Tubing.

★ Also Pipe And Fittings For Tile Outlet Terraces.



COCALICO EQUIP. CO.
FARM DRAINAGE & EXCAVATING
RD #3, DENVER, PA 17517 PH: 215-267-3808



ALL PURPOSE CART



* 2 Sizes In Stock
* 8 Cu. Ft. Assembled w/Solid Front \$124.00
* 15 Cu. Ft. Assembled w/Removable Front \$168.00

OR W'L. MAKE THE SIZE YOU ORDER

• Made of 1/2" Exterior Plywood
• Edges Protected w/Galvanized Sheet
• Finished w/Treated Redwood Stain
"GREAT FOR LAWN, GAARDEN AND FARM USE"

Elam M. Ebersol

558 Gibbons Rd.
Rd 1, Bird-in-Hand, PA 17505
1 1/2 Mile N. of Bird-in-Hand, PA



Fiberdome INC ...made to last

Fiberdome Storage Bin

Fiberdome Forage Funnel

Fiberdome Feed Cart

Fiberdome Calfhutch

MADE TO LAST WITH FIBERGLASS — from FIBERDOME

Fiberdome is practically dent-proof. Stands up to long periods of hard use. Contents stay fresh because fiberglass absorbs little or no heat. Because there is very little condensation on the inside, moisture cannot alter the contents of material being stored. Fiberglass is rust resistant. Acids and salts can't hurt it.

Economical to Use • Simple to Install • Easy to Operate • Eliminates Dirty Chutes • Directs Flow of Feed • Saves Wear on Silo Chutes • Adapts to Any Make Silo

The only all-fiberglass feed cart • Built exterior white gel-coat interior • 14 bushel capacity (4.93 Hectoliter) • Immune to silage acids does not rust • Easy to load unload and sanitize

Insulation value provides warmth in winter while remaining cool in summer • Hutch may be nested for compact storage • Hutch is easily moved by use of firmly imbedded I-bolts • Studies show respiratory problems disease and calf mortality are reduced when hutches are properly used

Fiberdome Cattle Waterer
Get a cool, clean and constant water supply using no energy.

With the MIRAFOUNT Waterer from Fiberdome you'll have the finest operating, lowest cost energy and money saving livestock waterer on the market today. The thermal engineering and special design of the seal corks enables MIRAFOUNT to work in all kinds of weather.

Fiberdome INC ...made to last

P. O. Box 11 Lake Mills, WI 53551

For more information contact your nearest dealer

PHILLIPS FEED SERVICE INC.
Germansville, PA
215-767-3819
Bath, PA
215-837-6061

DEVRIEZE FARM EQUIPMENT
Milanville, PA
717-729-7988

TROY AGWAY CO-OP, INC.
Troy, PA
717-297-2880

THOMAS DUNLAP
Rt. 220, Jersey Shore, PA
717-398-1391

CHESTER INGRAM
Bellefonte, PA
814-383-2798

JAMES L. GOOD
Sales & Service
Box 139B
Clarksburg, PA
412-459-8052

SOLLENBERGER SILO
Chambersburg, PA
717-264-9588

GUTSHALL'S SILO REPAIR WORK
Womelsdorf, PA
717-933-4616

FARM BUREAU
Souderton, PA
215-723-4355
Mifflinburg, PA
717-966-1047

TERRE HILL SILO CO., INC.
Terre Hill, PA
215-445-6736