First minimum milk price was \$2.10/CW7

HARRISBURG — The first milk price order written by the Pennsylvania Milk Control Commission (now the Milk Marketing Board) was issued on February 28, 1937, on an emergency basis, less than two months after the law went into effect on January 2, of that year.

The order was written for the Eric Milk Marketing area which then included only the City of Erie and the countryside 20 miles around. Within two weeks the territory was enlarged.

The minimum Class I price to be paid for farmers in that order for one hundred pounds of 3.5% butterfat milk was only \$2.10 which was just over 4 2 cents per quart. The Class 2 price was set at \$1.40. The minimum price to the consumer was 10 cents a quart and 6 cents a pint. With inadequate refrigeration those days most dairies made two home deliveries daily and a pint each time was not uncommon - all in glass bottles, of course.

The minimum Class 1 farm price today for that Erie market is \$13.91, which is just over 30 cents a quart or seven and a half times more. The minimum price out-ofstores for the now popular gallon is \$1.88, which is only 47 cents a quart. This means the consumer pays about four and a half times more than he did in the Depression

Had the consumer price gone up at the same rate as that paid to farmers that gallon would cost \$2.65 instead of \$1.88. More efficient plants, higher volumes and other savings made this possible, according to Henry R. Geisinger, executive vice-president of the Harrisburg-based Pennsylvania Association of Milk dealers.

"The fact that farmers are getting more and consumers are paying less by comparison is understandable," the dealer spokesman added. "The Milk Marketing Law came into being because farmers during the pre-World War II depression were hard hit. They were going out of business and those remaining had difficulty maintaining any kind of quality, which was a threat to the public health. Thus, the General Assembly in a special session took action to protect the farmer and the Pennsylvania consumer.'

While the jump from 10 cents to 47 cents a quart might sound large it must be remembered wage scales also have changed drastically. Back in the '30s the average salalry was around \$20 a week or below and people raised families, bought homes, etc. The Pennsylvania Department of Labor says the average weekly wage today is about \$400. At that rate, the old 10 cents quart of milk should sell for \$2.00 instead of 47 cents a gallon would cost \$8.00.

If one considers milk as a beverage rather than "nature's most nearly perfect food", Geisinger said, it still is a tremendous bargain for Pennsylvania families. A recent chain store advertisement featured a two-liter bottle of a popular soda as a "special" for \$1.19. On a gallon basis that would be \$2.25 - for sugar, flavoring and carbonated water.

Farmers and dealers know there is much more to producing milk when all of the expensive equipment, sanitation practices, laboratory tests and refrigeration are considered. Milk must move from cow to customer in short order.

Over the 37 years since that first price order was written the Pennsylvania dairy industry in most part has continued to thrive and grow, at least from a farmer standpoint. While the Keystone State is only 33rd in size among the 50, we continue to be the fifth largest milk producing state in the

According to the Pennsylvania Crop Reporting Service, the top quality cows in Penn's Woods turn out around 10 billion pounds a year, which for the uninitiated is just under 5 billion quarts (2.15 pounds to the quart). This has a value of about \$1.5 billion today, a tremendous benefit to the economy of the Commonwealth, amounting

to over \$4 billion daily from bossy's production.

With the problems in the steel industry, agriculture has become the number one state business and more than 40 cents out of every farm dollar comes from milk. This is vital. In addition, the dealer executive continued, there are some 11,000 additional employees - not counting farm families and farm workers — who help to process, package and deliver milk, ice cream, cheese and other dairy products. That payroll amounts to about \$3.5 million weekly.

While milk production continues to increase, dealers have had problems. When Milk Marketing first began there were around 1,100 processors licensed in the state. Today, there are less than 100. Low profits and tough competition have had their effect and many old and familiar milk dealer names no longer exist, according to Geisinger

The Pennsylvania Milk Marketing Law does one more great thing for farmers in addition to guaranteeing a fair price. This is the bonding or the Milk Security Fund. The latter concept, which began in 1980, has run into some difficulty, but legislation has been introduced to provide added protection for farmers.

"Most states in the nation have no protection for dairymen," the milk dealer head stated," and farmers must take their chances the same as in other businesses. Texas, for example, has a maximum bond of about \$5,000 which would provide protection for about 96 minutes of production instead of the 40 days provided in the Pennsylvania Law.

Currently, dealers have filed

more that 500 million dollars worth of bonds to protect their farmers which does not include the 1 cent per hundredweight being paid by some 69 dealers into the Security Fund. This is protection unlike that provided dairy farmers

across the country.

The continued growth in the state's milk industry during these changing times must be attributed to the stability afforded by the Milk Marketing Law, according to Geisinger. It not only has provided some financial security but it has resulted in top quality products which continue to improve under the direction of the state Department of Agriculture.

Thus, the farmer has protection

and the consumer gets a great product at a fair price - lower than the national average, despite the fact farm prices in most areas are lower than here.

"Dealer margins are lower than in non-regulated states," the dealer spokesman said, "because there is some type of floor at the retail level so damaging price wars do not result. In many states such wars have occurred and many dealers were run out of business, thus losing markets for farmers. Later, when competition is gone it is strange to note prices above what they had been at the outset - consumers are charged whatever the traffic will bear.'

Chicken cooking contest to continue

GEORGETOWN, Del. — Despite cancellation of the 1984 Delmarva Chicken Festival due to the threat of avian influenza, the Delmarva Chicken Cooking Contest will continue. The contest will be held as a closed event and will operate under a set of rigid restrictions established by Delmarva Poultry Industry, Inc.'s Emergency Poultry Disease Task Force.

Previously a three-state competition, the Delmarva Cook-off has expanded to include 12 northeastern states and the District of Columbia. The first contest under the new format will take place on Saturday, June 9, in Salisbury, Md. Finalists, two from each of the eligible states, are currently being

notified of their selection. Names of the 26 finalists will be released by May 1.

While the cook-off will not be open to the public, a cookbook containing the recipes from the 1984 contest is in preparation and copies, at \$1.25 each, will be available from Delmarva Poultry Industry, Inc. after June 10. In addition to contest recipes, the booklet will include a collection of all-time chicken favorites, plus a section entitled, "Chicken With A Foreign Accent."

For further information on the Delmarva Chicken Cooking Contest, contact Delmarva Poultry Industry, Inc., R2, Box 47, Georgetown, Del. 19947



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