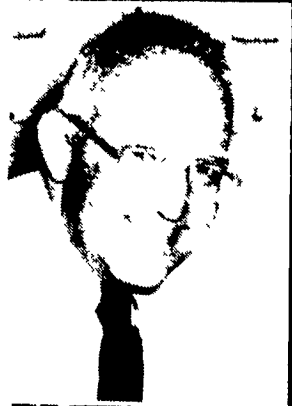


# The Milk Check

**TOM JURCHAK**  
County Agent



## June Dairy Month

Every year for the last four years when I've come to June Dairy Month my tune has been the same - milk producers at the crossroads. And we had a lot of crossroads in the last four years with opportunities to change direction but we went straight through on the same road. Our supply problem started in 1980 and since that time cow numbers have increased four percent; production per cow up 10 percent for a total increase in milk production of 13 percent when commercial sales increased only 1.5 percent. As a result there was an eight fold increase of government purchases from two billion to 16 billion pounds of milk equivalent.

There were a number of reasons for the supply/demand problem and one of them was a price support program that was not responsive to the changes taking place. Not that there was anything basically wrong with the program, it was just that changing it was not politically smart. Producers, generally, got what they wanted until April 1981 when the cost of

price supports reached \$2 billion and the government was buying 10 percent of the milk.

That winter we got the first change in the support program since 1977 but nobody was happy. Since then we've had four changes all of which were employing the same solutions in different degrees. Some lasted a year, some only six months. The industry had never before experienced so much confusion and uncertainty that was reflected all the way from the farm to retail sales.

At that time, there seemed to be no light at the end of the tunnel and everything that was tried produced howls of protest from one or another part of the industry or the country. These were the years when I said we were at the crossroads with an opportunity to change direction but we went straight ahead on the same road. However, I don't believe that it was all a waste of time because, perhaps unconsciously, we were experimenting with changes and getting used to new ideas. It was hard to give up some old programs that really had a good track record

for the past 30 years and try something new when no one could guarantee success. Headlines that screamed "milk tax" two years ago now say "contributions". A 50 cent "assessment" that was supposed to ruin the industry (even though it was refundable) is still in effect but it's part of a "self help" program to lower supplies.

Our attitude about some of these programs has changed more than the programs. Sure we've changed some from a 50-cent refund to a \$10 diversion payment and we've gone national and mandatory with advertising and promotion but all of these were just a matter of degree. Certainly, none of them are new. We've been talking advertising and promotion since June Dairy Month started 47 years ago, and Lorton Blair in Bradford County, Pa., has been promoting voluntary diversion programs for 10 years. It's just that now we have, hopefully, accepted the idea that there are changes that must be made to improve your market position and we should try some new ideas.

Certainly, the adjustment will be difficult for some producers but perhaps you should view it as a Penndot detour - a temporary hardship for a permanent improvement. But don't be so hard on your leadership. Organization officers and directors were going through some of the same uncertainties as you and if you blamed them too much in the past then give them extra support now because I really believe you've come a long way in solving your own problems. Sure, the solutions are not yet here but your attitude toward the problem has changed.

We still have to wait until next

Spring to really evaluate the diversion program and if we missed the mark at least we'll know how to do it better the next time if we want to use it again. The advertising and promotion program will take longer to prove itself and that too may not produce results that will satisfy everyone but future changes could be made it make it more effective. You may even decide to raise the "milk tax" in the future but, at least, I hope you give it a fair trial.

We're a long way from being out-of-the-woods in the milk business but we'll have another opportunity to pick the marketing tools that we want to include in the 1985 Farm Bill profiting from our past mistakes and approaching the task with an open mind. That's why I feel that this June Dairy Month you're turned the corner at the crossroads and headed for a brighter future.

## Signs of the Times

If I sound optimistic about milk marketing it's because I am. I admit I keep looking for good news and there has been a fair amount lately. Sure, you can say I'm making mountains out of mole hills but it's been so long since I've seen a mole hill that maybe I'm excused. Take the Minnesota-Wisconsin price for May. It was \$12.08 for 3.5 milk and that was one cent more than April. One cent certainly seems small but I

thought it was good news because that's the first time there's been an increase from April to May since 1979 and that was because of an increase then in the support price.

If one cent doesn't impress you how about 5.5 cents? That was the jump that Chicago butter prices took the first week of June. No one I talked to remembers when butter jumped five cents in the Spring but that put it within three-fourths of a cent of the support price which is \$1.49 a pound. The best sign is a Uniform price in Order 2 for May that was \$12.26 - only 10 cents less than April and all of that from a 10-cent increase in your Louisville Plan payment from 30 cents in April to 40 cents in May.

That 10 cent drop in the blend price between April and May was the lowest in Order 2 since 1980. Sure, it was 38 cents less than last April but up until now prices this year have been about 50 cents a under a year ago because of the support price cut. So all of these are signs that marketing conditions are improving and you can place the credit wherever you wish, but most of it belongs to you.

Finally, if you're in the Milk Diversion Program; qualify for a second quarter payment and would like to have the money, check with your ASCS office and see if they won't take your weight slips for June milk marketings so you can collect early.

## AMI elects officers

KENNETT SQUARE — Officers of the American Mushroom Institute for 1984-85 were elected during the Board of Directors meeting on June 4. They will serve for a one year term.

They include: Chairman: Tom Brosius, Charles C. Brosius, Inc., West Grove.

President: Naz Paloni, Jr., N. Paloni & Sons, Hockessin, Del.

1st Vice President: Joseph DeNorscia III, N. Basilio & Son, P.O. Box 696 Kennett Square.

2nd Vice President: Steve Vincenti, Rosedale Mushroom Corp., P.O. Box 188, Norway Road, Kennett Square.

Secretary: Richard Forte, A & F

Mushrooms, 523 Schoolhouse Road, Kennett Square.

Ass't Secretary: William Diviney, Modern Mushroom Farms, Inc., P.O. Box 655, Kennett Square.

Treasurer: Frank DiMarco, DiMarco Mushrooms, 109 E. Avondale-New London Road, West Grove.

Ass't Treasurer: Joseph Versagli, Jr., J.P.V., Jr. Mushroom Co., P.O. Box 909, Avondale.

Vice Chairman: Richard Edwards, 16 Pine Drive, Oxford.

Past President: Henry M. Roberts, R.K.R. Mushroom Farms, Box 394, Avondale.

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