The Milk Check

TOM JURCHAK County Agent



Call Order

The news this month in Order 2 was the issuance of a "call order" by the Market Administrator. It wasn't big news in terms of the number of handlers or pounds of milk involved, but it was the first time in 35 years that it has happened. It was important news in that it demonstrates one of the basic requirements of federal milk marketing orders and the sensitivity of responding to changing marketing conditions. Since it happens so rarely I though it would be of interest to you to learn when and how it works and, in the learning, dispel some of the misconceptions about it.

Just to bring you up to date, the 'call order' was issued by the Market Administrator in Order 2, requiring all handlers in the pool receiving milk from producers to sell at least 10 percent of their receipts for fluid use during the month of December to maintain their designation as a pool participant. The order was issued on November 29 following a public meeting in Syracuse on November 20 where proprietary handlers and co-ops had an opportunity to give testimony on the need for such an order.

The authority for such action comes from one of the basic requirements of federal orders "to provide an adequate supply of fluid milk for the marketing area." However, it doesn't mean that there has to be a shortage of milk in stores, only that some handlers are having trouble getting all the milk they want for fluid use. So, the Market Administrator through the 'call order" tells handlers with less than 10 percent of their milk sold as Class I to move more of it into that use to be sure that every handler who wants it can get it. When to issue the order is based on the judgment of the Market Administrator, with no specific guidelines provided, but you can be sure he'll err on the side of too much rather than too little fluid

So, before you jump to the conclusion that there are widespread shortages of fluid milk in the Order 2 marketing area, let's see what a 10 percent call order would do. First, because are only a small number of handlers who regularly sell less than 10 percent of their milk for fluid use, it affected less than five percent of the

amount of milk involved in a pool that includes over 900 million pounds a month, it was probably less than one percent of the milk. So, while the numbers may not be large, it does demonstrate the quick action that can be taken by a Market Administrator to protect the interests of producers and consumers as part of this responsibility in administering the order.

Why Order 2? Well, each milk marketing order is a separate body of rules regulating the handlers (not the producers) in a specific marketing area. Each order may have different requirements that a handler must follow to participate in a pool or be a designated handler to sell a certain part of his milk for fluid use every month to maintain his designation. In Order 2 this is required only in the first year that a handler is "earning" his designation, and after that he can sell it for whatever use he wishes. However, the supply situation in Order 2 in December has happened before without the need for a call order when handlers voluntarily moved milk to fluid sales at the request of the Market Administrator, but this time a call order was thought to be necessary. Reasons for this are largely in the changing market structure in

uandlers. Then, considering the Order 2, especially in the last ten years. Milk production is at a record high and Class I utilization is at a record low. Even as late as 1975 over half the milk in the pool was fluid milk, but last year it was down to 38 percent. To market all this milk proprietary handlers and co-ops have expanded their capacity to make manufactured dairy products, particularly cheese, and, in fact, have become somewhat specialized in making some of these products. Today handlers generally are more reluctant to give up their supplies for other uses, so to be safe, the Market Administrator required them to do it.

Reports are that all handlers affected complied with the order so that fluid supplies will be ample for all handlers in December. Whether or not the order will be continued in January or February has not yet been announced by the Market Administrator, but you'll know before the end of this month.

Yes, Virginia

Yes, Virginia, there is a Santa Claus. At least it seems that way when December milk checks to producers shipping to Order 2 handlers will have an increase of eight cents over last month and 28 cents over last year. At \$13.91 for 3.5 milk at the 201-210 mile zone it

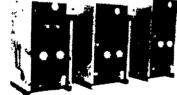
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(Continued from Page D25)

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96	3	3-5	298	21,225	811
Geary E Shade	_				
Paula	3	4-4	305	20,167	808
Globe Run Farms	_				000
Fashion	3	6-2	294	19,665	808
Chester&Carole Smith	-	2.4	205	00 427	007
223 211	3 3	3-4 6 1	305 305	20,437	807 750
Roland G Yoder	3	61	305	17,594	750
Billie	3	5-6	305	19.290	806
State Correctional	3	5.0	305	19,290	800
682	2	3-1	305	16 442	806
333	3 3	61	300	18 601	771
Max Isenberg	3	0 1	300	10 001	//1
Tinker	3	3-10	305	22,185	802
Maxine	3 3	5-3	305	22,253	761
Glenn Peachey	Ū	• •	500	22,200	, 01
Linda	3	6-6	305	22.646	790
Jillie	3 3 3	8-11	305	19,991	785
Brenda	3	6-6	305	17,715	778
Stella	3	4-4	305	22,365	753
Locust Lane Farm					
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0136	3	3-7	305	18,506	753
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1174	3	8-8	305	22,001	760
Willard J Yoder	_		205	10.400	776
125	3	5-6	305	19 428	776
N&N Farm Y 96	3	6.7	305	20.004	761
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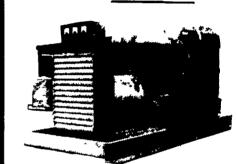
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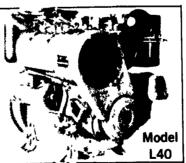
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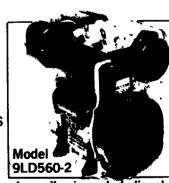
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