

The Dairy Business

By **Newton Bair**

So, What's New?

Most of the pleasure in something new is getting ready for it. Even Christmas morning is a letdown compared to all the preparation and anticipation. So, maybe New Year's day won't be so blah if we do a little dreaming in anticipation of its arrival, and then don't take it too seriously.

We wouldn't be human if we did not look ahead a little bit. We can dream and hope all we want, it costs nothing and builds up the ego. Jump into the future as far as you want and make it as grand as you can. Build a new barn, trade in the old pickup, pave the road to the

farm. Put in a new kitchen, add a room for Grandpa and Grandma, and pay off the mortgage. Might even buy Mom a new coat and take the whole family on a vacation to Florida.

What the heck, it's only a dream so do it right while you're at it.

I've been dreaming a lot lately, so I jotted them all down so they can be confirmed when they come true.

Six dollar corn and \$17 beans and \$19 milk! And the misses will smile all the way to the mall.

The church will pay off the mortgage, republicans will control

the Senate, Israel and Iran will build a combined Mosque-Synagogue on the Gaza Strip, and the U.S. will make Japan and Taiwan the 51st and 52nd states.

Eastern Siberia will crack off from Asia and float over to California, making it necessary to build bi-lingual schools in the western States. While South Africans will move to Australia and make a fortune selling the game of apartheid to the Kangaroos.

Lee Iacocca will head up the new GM-CHRY-FOR-YOTA Corp. The new OPEC headquarters in Dallas will sponsor a Foundation for Destitute Diggers, and oil will become a collectors item at \$100 a drop (including bucket).

Hold on, I'm not through dreaming yet.

We'll fill in the Chesapeake Bay with York County and Lancaster

County mud (with a little cheaper imported stuff from upper N.Y.), and then dine on synthetic oysters every Thursday night.

Harrisburg will fight it out with Washington D.C. to become the Carp and Catfish capital of the East, with a DIRTY POOL in every back yard.

Purdue and Reddenbacher will form a syndicate to make popped chicken the National emblem (before it gets on the endangered species list).

Now, before those dreams start to sound a little silly, I want to assure you that planning ahead and dreaming can not only be fun but profitable as well. Remember that dreams can be within the realm of common sense as well as nonsense. Some dreams actually come true, if they are backed by a little persistence, education and hard work. A dash of imagination

and initiative will also help. It might even take a push from within to get it going.

Before your hopes and dreams for the New Year get really weird and out of hand, I would suggest that you eat a light dinner before retiring on Wednesday night.

Go easy on the potato stuffing and gravy, and lay off the onions. A sip of white wine (medicinal) is allowed, but avoid Irish coffee und Schnapps. Get to bed before the Times ball bounces on Broadway, and I'll guarantee that you will wake up Thursday morning feeling like a New Year has Dawned!

You might even let your wife and kids sleep in for once. The cows won't mind the quiet in the barn, and you might even learn something new if you listen closely to their gossip while the milk flows.

Cows dream too, you know. Happy New Year!

Economists Predict Better Dairy Year

ITHACA, N.Y. — New York State's dairy industry, the backbone of the state's \$3 billion agricultural industry, may fare better in 1987 than in 1986, a Cornell University dairy specialist says.

"Improved farm milk prices and stable production costs should provide most New York dairymen with better returns in 1987," predicted Wayne A. Knoblauch, an agricultural economist at the New York State College of Agriculture and Life Sciences at Cornell.

These and other factors, including a better supply-demand situation, lower assessments and fewer uncertainties of dairy policy, should make 1987 a better year for dairy farmers, he said.

Speaking at the Agribusiness Situation and Outlook Conference at Cornell on Dec. 16, Knoblauch predicted that 1987 "could be a turnaround year for dairy farm profits."

Walter C. Wasserman, a Cornell Cooperative Extension dairy marketing specialist, who also spoke at the conference, agreed with Knoblauch's projections.

"Financial stress on dairy farms will not be eliminated, but the situation will not likely become worse," Knoblauch said. "A combination of factors, especially strengthening milk prices and stable production costs, should lead to an improved situation."

Knoblauch said that many New York dairy farmers have earned excellent profits despite financial problems.

A recent survey showed that 73 percent of New York's dairy farmers were in a fairly good position financially, he said. Only 7 percent of the farmers faced serious financial difficulty.

"Although this is a small group, it represents a serious hardship for the families involved in the struggle to stay on the farm and for those forced to leave farming," he said.

The dairy herd buyout program that went into effect in 1986 should improve the supply-demand dramatically at mid-year, Knoblauch said.

He added that lower milk sup-

plies nationally, coupled with robust commercial demand for milk and dairy products, may reduce government stocks of dairy products to barely maintenance levels.

In his presentation, Wasserman said, "The prospect of substantially reduced expenditures for the dairy price support program in 1987 should stave off any interest in making major dairy policy changes during the year."

He estimated the 1987 farm milk price at \$11.91 per 100 pounds, an increase of 20 cents over 1986. He said that the greatest part of this increase will result from a 15-cent reduction in the assessment effective Jan. 1.

New York's total milk production in 1986 is estimated at nearly 22 billion pounds, up 1.5 percent from 1985. With 10,000 cows scheduled to be removed from the New York herd in 1987 under the buyout program, the state's total milk production in 1987 is expected to decline by about 2 percent, Knoblauch said.

Although the number of cows

decreased by 1.5 percent across the nation in 1986 under the buyout program, milk production increased by 1 percent to a record of 145 billion pounds.

With an additional national decline of 4 percent in the numbers of cows in 1987, total milk production could drop by 2 percent to 142 billion pounds.

Wasserman said that milk supplies in the Northeast are likely to decline by between 2 and 3 percent in 1987, resulting in "an extremely tight market" favorable to farmers during the late summer and fall.

Knoblauch said that production costs including feed, machinery, energy, fertilizer and other items are likely to remain stable in 1987.

Improving milk prices, stable production costs, strong commercial demand for dairy products, the positive impact of the dairy herd buyout program and other factors should make 1987 a turnaround year for dairy farmers, Knoblauch and Wasserman said.

MMI Returns \$2.6 Million

STRONGSVILLE, Ohio — More than \$2.6 million of equity refunds was returned to the dairy farmer members of Milk Marketing Inc. during 1986, according to Don Schriver, director of member relations and public affairs for MMI.

Of the \$2.6 million, approximately \$1.66 million was paid in December as regular redemptions to the members and inactive former members of Miami Valley Cooperative Milk Producers Association and Milk, Inc., both predecessor cooperatives that helped form the 1978 MMI merger.

"With this refund for 1986 the total redemption from MMI to its

members will total \$16 million since MMI was organized in 1978. This is in the line with board policy to have a 10 year revolving plan for member financing of the cooperative. The ability to redeem member equities is the result of MMI's commitment to keep the ownership in the hands of the users. Redemptions are paid 100 percent in cash," explained Schriver.

The remaining redemption amount, after paying the \$1.6 million, has been allotted to retired members of MMI age 68 and older, \$632,000, to estates, \$269,000, and to hardship cases, \$47,000.

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