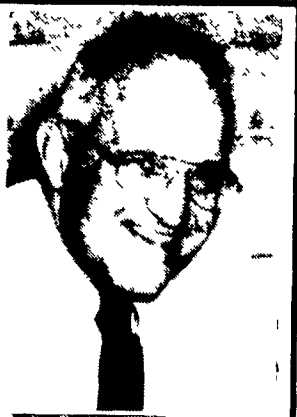


The Milk Check

TOM JURCHAK
County Agent



Last Chance

The newly elected Directors, representing the independent producer members of the Regional Cooperative Marketing Agency, joined with the directors elected by the cooperative members for their first meeting together last Friday in Albany. They decided to start negotiations with dealers for over-order pricing after one more sweep for new members in Pennsylvania. The goal is to give all farmers who want to join a last chance opportunity to sign contracts with RCMA before the July 10 meeting of the Board of Directors when negotiating strategies will be developed.

News releases to the media and press conferences with legislators will be part of the plan to gain support and membership for RCMA. County coordinators and other volunteers will be provided with new information and urged to sign up neighbors who are not yet members. All of Pennsylvania will be a part of this effort to get new members but 12 of the most important dairy counties have been chosen for more intensive activity. These include Susquehanna, Bradford, Tioga, Wayne and Lycoming in the northeast and Lancaster, Cumberland, Berks, Chester, Franklin, Centre and Lebanon in the central and southern areas.

Every opportunity provided by June Dairy Month activities will be used to publicize the benefits of RCMA membership to all dairymen and provide a last chance to participate before negotiations start for over-order prices from Maine to Maryland.

Normally, the spring flush of milk at this time of the year does not provide the best opportunity for negotiating premiums above the minimum prices provided by Federal Orders but this year is not a normal year. Milk supplies are up seasonally around the nation and market prices have fallen

below the support levels. However, here in the Northeast supplies are short enough to have handlers concerned about getting enough milk to meet their needs in the months ahead.

Fluid milk handlers have some protection for their supplies through a "call order" that is likely to be used by the Market Administrator this year but cheese and soft product manufacturers may have to use premiums and contracts to get an adequate supply for their needs. Some of this activity is already occurring with some jockeying for position by handlers even now during the spring flush. For these reasons the RCMA directors have decided to start planning the marketing strategy for their members, strengthen their position with additional contracts, and go for over-order pricing this summer. Remember, only the RCMA member with signed contracts will receive any premiums negotiated so decision time is here for many dairymen who chose to wait and see.

Lots of Reasons

There's no shortage of reasons for the short supply situation here in the northeast and you've heard some or all of them before. The Dairy Termination Program with only three more months to go and the increase in commercial sales have gotten most of the attention for lower production and rightly so. Without the Dairy Termination Program we would have 12 billion pounds more milk to sell since last April and that would have eliminated the price increases over the previous year that you've had since last August. It turned production around 8 percent over the previous year last March to 3 percent under this March.

You still had record high milk production last year but with the increases in commercial sales you're selling only half as much to the government as last year. In

fact your commercial sales of 135 billion pounds last year was more than your total production in 1981. These are all national averages and don't explain the short supply here in the northeast.

In this area you have reduced production a lot more than the national average and it may be because of the number of farms that have stopped producing milk. People who should know claim we are losing two farms to milk production for every farm in the Dairy Termination Program.

Nationally, prices are below support levels and everyone shares equally in the lower milk prices in spite of supply differences between regions. Other areas use over-order pricing to adjust farm prices to local marketing conditions and that is the strategy that's being proposed now here in the Northeast. If you feel the time is ready make your move now. Don't wait to be asked.

Closer to Home

Even though production is down 3 percent nationally, here in Order 2 it has been five percent lower than last year each month since January. In fact April production in Order 2 was the lowest for that month since 1984, the year of the Milk Diversion Program, and yet the blend price has dropped 91 cents since January. Of course the Class prices in Federal Orders come from the Minnesota-Wisconsin Price Series and that has dropped 70 cents since January to \$11 in April. So, you know you have more cuts coming in your blend price before it bottoms out in May or June.

The blend price or Uniform Price for April in Order 2 is \$11.55 which is 24 cents better than last year but far less than the 64 cents difference you had in January. That M-W price of \$11 is 7 cents below the support price for 3.5 milk and can't go much lower but that's what is sending the price signals to Order 2 in spite of your production falling faster than the national average.

Even though your blend price in Order 2 was 24 cents higher than last year it was 37 cents lower than last month. Your Louisville Plan payment increased from 20 cents in March to 30 cents in April so the difference in the market price was 27 cents. Most of that came from a 43 cent drop in the Class I price reflecting the same drop in the M-W back in February. Class II prices fell 7 cents corresponding to a similar drop in the M-W last month. In April the M-W fell only 3 cents more to \$11 but it was a 24 cent drop in March so you'll have a total of 27 cents coming out of your Class I price through June.

Your best hope for better prices this summer will have to come from any premiums that can be negotiated with handlers or offered by co-ops for the relatively short supply that faces them in the months ahead particularly in

Order 2. The decision you need to make now is whether or not you want to negotiate those premiums individually and take what you can get or do it through an organization to get all the market will bear.

30 YEARS AGO THIS WEEK

-The coming June Dairy Month is described by the American Dairy Assn. as "probably the largest food festival ever attempted during a 30-day period."

In Pennsylvania the observance will be the realization of long-range planning the end result of four years of organizing and overcoming defeatist attitudes and sagging interest.

-Milk production per cow in herds of crop reporters averaged 21.76 pounds on May 1, according to the Crop Reporting Board. This is four per cent above the previous record high for May 1, 1956, and is 17 per cent above the May 1 average.

Total milk production in April of this year was 11,428 million pounds, one per cent above April, 1956, and nine per cent above average for the month.

-Lancaster County Agent Matthew M. (Max) Smith received a Superior Service Award here Tuesday at ceremonies in the Sylvan Theater on the Washington Monument Grounds.

The award is one of the highest honors the Department of agriculture can bestow.

-Medical specialists of the U.S. Air Force have been conducting regular examinations of more than 50 middle-aged Air Force

executives in connection with the part played by diet and stress in heart disease.

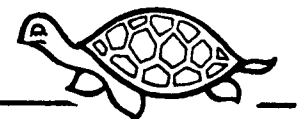
They have found that the amount of cholesterol in the blood can be controlled by limiting the amount of fat in the diet of some individuals but that in other instances dieting had little effect in reducing the blood cholesterol when men were in demanding positions and under great stress.

This conforms to findings by Dr. Ancel Keyes of the University of Minnesota that much of the cholesterol in the blood is made in the body and not derived from fats in the diet.

-The State's heaviest infestation of tent caterpillars in ten years is about the end but will be followed in a week or ten days by the appearance of a more destructive pest known as the "bag worm."

Only unsprayed apple and wild cherry trees have been damaged by tent caterpillars which now can be seen in numbers crossing roads and defoliating trees, in which they've built cobweb-like tent homes, according to Dr. Thomas L. Guyton, director, Bureau of Plant Industry, Pennsylvania Department of Agriculture. They may seek shelter in nearby houses but will do no damage there, he said.

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