Milk Check Biggest Drop In History

MEDINA, Ohio — "When dairy farmers in western Pennsylvania and eastern Ohio receive their March partial milk check, they will be shocked -- just as I am -- to see the advance milk price of \$12.22 per hundredweight(cwt).

After realizing record milk prices in December and January we are now seeing the largest monthly drop in history--\$1.72 below February's advance price.

This is disturbing to local dairy farmers because milk is in short supply in Pennsylvania which does not warrant this substantial price decline. More importantly, the recent drop in our March advance price is just an indication of the milk prices we will be receiving in subsequent months, said Lowell Friedline, an independent dairy farmer from Somerset County.

The problem, according to Friedline, is that milk prices for western Pennsylvania and eastern Ohio are based on national marketing conditions. Since the nation's milk supply is increasing to the same level as last year, our milk price is falling even though our milk production in January was down 8-percent compared to a year ago.

Paul Mader, an independent dairy farmer from Harrison County, Ohio, sees the same thing hap-

pening in Ohio.

"Milk production in Ohio is also lagging far behind the national trend. In January, U.S. milk production was at the same level as last year, but milk production in Ohio was down six percent,' Mader said. "The law of supply and demand in eastern Ohio and western Pennsylvania should keep the milk price from falling, but apparently it is not and we are experiencing a \$1.72 per cwt drop in our milk price," he said.

"Obviously, local dairy farmers have little control over the milk price they receive. If we are to maintain a viable dairy industry in western Pennsylvania and eastern Ohio, we need to stabilize our milk price. Particularly at a time when our milk production cost is not falling like the milk price. For example, since last spring, I have been supplementing my dairy ration with more than the normal amount of soybean meal in order to help offset the poor quality of feed we have harvested during last year's extraordinary wet spring,' Friedline said.

Both Friedline and Mader accepted a position as director for the Producers' Equalization Agency to represent dairy farmers in an effort to address the dilemma of lower prices, high milk production costs and a falling milk

"We have established a dairy farmers organization to help stabilize the current milk price. Our organization is designed to price milk which would provide an over-order premium to all dairy farmers in western Pennsylvania and eastern Ohio in the form of a third check," Friedline said.

'We do not intend to market milk, so dairy farmers would continue to receive their normal milk check and ship their milk to the plant of their choice. The cost of operating the agency (about one cent per cwt) would be taken from premiums after they have been collected and therefore dairy farmers would not have to pay any dues. This organization should be acceptable to all dairy farmers in western Pennsylvania and eastern Ohio and provide a solution to the problem that we are now experiencing," Friedline said.

"To make this agency work, dairy farmers in western Pennsylvania and eastern Ohio must become involved by learning more about current marketing conditions and the agency. Then the vast majority of dairy farmers in western Pennsylvania and eastern Ohio must agree to price their milk by signing a marketing agreement," Friedline said.

Wins Buttermaker Award

SOUTHAMPTON (Bucks Co.) - Holly Milk, a subsidiary of Atlantic Dairy Cooperative, is the 1990 recipient of Land O'Lakes "Master Buttermaker" award.

Presented at Land O'Lakes annual meeting in February, the award recognizes outstanding achievement in manufacturing the Land O'Lakes brand butter. Selection is based on reguar examination of critical manufacturing processes and practices, such as sanitation, product flavor and overall quality.

"It's great," Holly's chief operating officer William L. Schreiber said of winning the award, which he believes exemplifies Holly's commitment to teamwork and excellence.

This was a team effort from beginning to end," Schreiber said. "Everyone plays a role, from the person unloading the milk trucks to those in charge of monitoring the butter process."

Holly Milk, headquartered in Mt. Holly Springs, began producing butter for Land O'Lakes in February 1981. The more than 25 million pounds of butter processed in 1989 was sold in bulk and one-

Holly processes butter an average of six days a week. A total of 20 employees, working four shifts, oversees the manufacturing

According to Schreiber, the butter manufactured at Holly is sent to one of several Land O'Lakes distribution centers. From there the butter is delivered primarily to stores in Pennsylvania, Connecticut, New York and New Jersey.

Competition for the Master Buttermaker award is "intense between the facilities which produce Land O'Lakes butter," said Dick Fogg, group vice president of dairy foods for Land O'Lakes.

"This year, Holly Milk's superior performance edged out a number of excellent competitors from other facilities," he said. "We salute their achievement."

Land O'Lakes is a food and agricultural cooperative headquartered in Minnesota. Holly Milk is the manufacturing division of Atlantic Dairy Cooperative, which represents nearly 3,600 dairy farm families in a sevenstate region.



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