



# MILK CHECK

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SCRANTON (Lackawanna Co.) — The Minnesota-Wisconsin Price Series (M-W) took another 45-cent hit in January bringing it down to \$10.89 on 3.5 percent milk. It is the lowest price since June 1991.

That makes the total drop \$1.70, since the peak last July. But, there are indications that the fall in prices will slow and may bottom out in March.

The last drop in cheese prices was 3 cents on blocks, taking it down to \$1.16 a pound on Jan. 15, and there has been no change in the last four weeks. Even in the five weeks before that, blocks fell only 1 cent compared to an 8 cent drop in the five weeks from Nov. 6 to Dec. 4.

Even though cheese markets have moved from "weak" to "unsettled" in USDA reports, the total drop now is 22 cents a pound since the peak in August. That translates into \$2.20 a hundred-weight for milk, but the M-W has fallen only \$1.70 in that time.

However, nonfat powder markets have strengthened in recent months and are competing with

cheese for milk supplies.

A good indication is the increase in the Class III-A price in Federal Order 4 that is now 11 cents higher than Class III. The Class III-A price was established in Federal Orders 1 and 4 to reflect the market price of butter and powder separately from cheese prices.

Certainly the drop in cheese prices has affected the Class III price, but powder prices have pulled up the Class III-A price to make it competitive.

#### More to Come

There's no doubt that there will be further drops in the M-W, but not so serious as during the last two months.

The low may be better than the \$10.40 expected, and start going up a little sooner in the spring.

It also appears that some cheese dealers are already starting to rebuild inventories and that's always a good sign. In addition, 1992 set a record high of \$13.7 billion in cheese with production of 6.5 billion pounds.

That was 6 percent higher than 1991, indicating a continuing strong demand for cheese. That's so, because nearly all of it went into commercial sales, exports, or government programs rather than

into Commodity Credit Corporation storages.

Of course, to match that was a record high in milk production of 152 billion pounds and December made the eighth consecutive month of year-over-year production increases, again, with no end in sight.

#### Looking Back

Even with that record high production nationally, milk prices in 1992 averaged out pretty well, compared to 1991.

The M-W price being the Basic Formula Price in all federal orders

## A.I. Signs Two Farms, Several Bulls

DEFOREST, Wis. — A Midwestern artificial insemination company has announced that it recently signed on two Pennsylvania farms and several Pennsylvania Holstein bulls for its testing program.

American Breeders Service, a division of W.R. Grace & Co.-Conn., has made several similar announcements in recent months.

Signing on as contract farms were the Alan Kozak farm of Prosperity, and the Nevin and Dennis Houtz operation in Spring Mills.

In the program, the farms are to use semen from young dairy bulls that are genetically tested by ABS. The company's program allows test herds to select which young bulls they would like to sample, while also allowing the option to ABS to send them semen from a non-specific young sire.

Proofs for the bulls are based on the production and type classification records of the daughters. It takes years to proof a bull.

ABS also announced its acquisition of six young bulls for testing

is a good indicator.

In 1991 the average M-W was \$11.05. In 1992 it was \$11.88, representing an increase of 83 cents or 7.5 percent.

At the same time, the average blend price in Order 2 increased from \$11.80 in 1991 to \$12.80 in 1992 for an 8.5 percent increase.

Sure, you could go back to 1989 and 1990 when you had record high prices for reasons that may

never occur again, but at least you should have seen some improvement in your bank balance in 1992 over 1991.

Of course these are not farm prices, but, unless you've seen important drops in your premiums or production, the percent differences should be close.

If you had a drop in production, be sure to apply for a refund at your local ASCS office before the deadline on March 15.

through its progeny program.

From Pen-Col Farms in Millville, ABS got 29 H7403 Jewels, a Long-Haven Traditi Perry-Et son from Pen-Col Gene Juliet-Et, a Bell Gene daughter with a Very Good mammary. His dam is backed by a Very Good Valiant daughter.

Plum Hill Holsteins and G. Sheypuk, of Jermyn, bred 29 H7409 Nu-Haven, a Rothrock Tradition Leadman son out of Valhalla Rex Marla, a Bell Rex daughter that produced more than 24,500 pounds of 3.5-percent protein milk as a 2-year-old. She is backed by an Excellent 90-point Chief Mark daughter.

George and Paul Sheypuk, of Jermyn, bred 29 H7397 Classifier, a Pickard-Acres Vic Kai son from Shey-Land Blackstar Cathy-Et, a Very Good 2-year-old with a record of almost 25,000 pounds of milk.

Classifier's dam scored an Excellent mammary and the grandam was an 88-point Dam of Merit Bell daughter.

Rick Wadel, of Shippensburg,

bred 29 H7367 Man Power that ABS acquired for testing. Man Power is a Long-Haven Traditiun Perry-Et son out of Wa-Del RC Blackstar Mandy-Et. His dam is backed by an 86-point Chief Mark daughter from the Kristeen family.

Donald and Jill Stonerook, of Martinsburg, bred 29 J3032 Diplomat, a Highland Duncan Lester son out of Stoney Hollow Partson Doris. Doris is a Fair Weather Parson-Et daughter. Diplomat's grandam is an 82-point Silver Beacon daughter.

Peter Kemmeren of Bainbridge, N.Y., bred 29 H7308 Kemview Vanetas Vision, but the bull was owned by Vaneta Syndicate of Canton before being accepted into the ABS testing program.

Vision is an Exranco Thor son from Kemview Blackstar Vaneta-Et, an 89-point Blackstar 2-year-old with an Excellent mammary and averaging more than 82 pounds of milk a day as a senior yearling. The grandam is an 88-point Enhancer daughter that produced almost 25,000 pounds of milk as a 2-year-old.

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