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profit motives stare up at you demanding harsh decisions and reallocation of resources I implore you to look beyond the year-end report to the lifetime value of your commitment and gauge those investments right along with mergers and restructuring.

"Because some day I hope to God that when my babies grow up someone will still be providing the programs and services that are currently offered through PCC. I, too, just want what is best for our cooperative members. I believe that this organization has fulfilled a vital role in the cooperative community in the past. With your support and visionary thinking, I believe that it is possible that it can continue to evolve and remain a valuable part of the cooperative community in the future." ----- Crystal Smithmyer, Executive Director's Report, PCC Annual Business Meeting.

Brosius Announces 13 Counties For **CHEMSWEEP**

HARRISBURG (Dauphin Co.) Agriculture Secretary Charles C. Brosius announced that 13 counties have been selected for the 1997 "Chemsweep" program, which enables farmers in the affected counties to safely dispose of outdated and unwanted pesticides.

"This program is good for farmers, consumers, and the environment," Brosius said. He noted that the 13 counties scheduled for the 1997 cleanup are Allegheny, Beaver, Cameron, Clarion, Clearfield, Clinton, Cumberland, Elk, Forest, Montgomery, Perry, Susquehanna, and Warren.

The addition of these counties brings to 56 the total number of Pennsylvania counties which have participated since the beginning of the program.

Registratin is under way through county Penn State Cooperative Extension offices through Dec. 31. Applications for the program will be mailed to farmers in the affected counties in October or can be obtained from county extension offices or the

Collections are funded through pesticide product registration fees paid by chemical manufacturers, and do not place a financial burden on farmers or taxpayers. Farmers, Christmas tree growers, fish hatchery managers, mushroom producers, nursery, and greenhouse operations and commercial pesticide enterprises are eligible to participate.

Collection of pesticides from farms which sign up during the registration period will take place in the spring of 1997. Growers may be instructed to deliver their unwanted pesticides to a central collection site or have their pesticides picked up directly from their storage locations by MSE Environmental, Inc. - a hazardous waste disposal company under contract with the department.

Since November 1995, more than 330,000 pounds of waste pesticides were collected, bringing total collections to 430,000 pounds since the program began



Editor.

Recently, several news stories have been written regarding higher prices that consumers are paying for dairy products. After the average person read the stories, they would have to assume the reason for the price increases is related to higher prices the dairy farmers are paying for the feed grains. Furthermore the consumers would assume, because the dairy farmers are paying an accelerated price for grains, this would automatically mean a higher price paid to dairy farmers.

Unfortunately, this assumption is a far cry from the truth. The reality is --- The prices paid to dairy farmers does not in any way reflect the actual cost of producing milk. During the last 20 years many dairy farmers and some farm organizations have been trying to have Congress implement a new pricing formula that would truly represent the dairymen's actual cost of producing milk.

Such a formula would return a fair price to the dairy farmer, and at the same time the formula would stabilize prices to consumers.

In reality one year ago when feed prices started to increase to the farmers, the prices paid to dairy farmers for milk certainly did not keep pace with the cost of grain. Actual prices paid to dairy farmers in March of 1996 was \$13.48 per cwt., while in March of 1981 the price was \$13.20 per cwt. This means in March of '96 dairy farmers were paid approximately

main reason for the price increase is because of less milk being produced nationally. The reduced proportion can in all probability be traced to weather conditions across the country and in many cases dairy farmers are feeding less grain to their cows, consequently less milk is being produced.

When there is a sharp decrease in the production of milk nationally (3-4%) this places a squeeze on the manufacturing plants in the upper mid-west which in essence forms a higher price for manufactured milk in that area. Consequently this means a higher Basic Formula Price, which raises milk prices across the country.

The same thing is true in reverse — when there is more milk produced the extra milk creates less pressure on milk supplies for manufacturing plants in the upper mid-west, when the Basic Formula Price goes down, and sometimes dramatically, which, for sure creates lower prices for dairy farmers, but the lower prices to dairy farmers, is not, in many cases, reflected to consumers as they purchase dairy products."

Consumer Prices

The dramatic upswing in the price for butter is a clear example how consumers are being ripped off and the dairy farmers are being blamed.

On January 5, 1996 the Chicago Mercantile Price for a pound of butter was 80¢ per lb. By the end of June the price went as high as \$1.55 per lb., which forced a dramatic increase to consumers.

Of the 75¢ per lb. increase in the wholesale price of butter, only 12¢ a lb. was received by dairy farmers.

At the same time the butter prices escalated dramatically; cheese prices remained stable. even though in most cases manufacturers pay the same price for cheese milk as they do for milk used for butter.

Fluid Milk

In Pennsylvania, the Pa. Milk Marketing Board establishes minimum prices on the retail price of milk. This minimum price is tied directly to the price that milk handlers pay for fluid milk. The retail price is adjusted ½ cent per pound (upward or downward) for every 18¢ per cwt. movement in the fluid price.

October's minimum price will be \$2.67 and most likely November's price will be \$2.71 per gallon.

In all probabilities these consumer retail prices will level out around \$2.75 per gallon. This still is only a ¢20 a gallon increase in 6 years or 3½ ¢ per gallon average increase cost per year. Pro Ag's opinion is that consumers will pay the \$2.75 per gallon for milk when they realize that the increase price will go to the dairy farmers.

However, Pro Ag is urging an investigation regarding the rip-off of consumers on the butter prices.

A survey is going on in California where consumer prices for fluid milk has gone up to \$3.73 per gallon in several supermarkets, even though the farm price is cheaper than Northeastern Pennsylvania.

We in Pro Ag also feel that Pennsylvania Milk Marketing Board plays a key role in maintaining reasonable prices to the consumers of milk.

> Officials, Pro Ag Meshoppen



