

DAIRY WEEK

DAIRY MARKET PRICE COMMENTARY

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Milk, Butter, Cheese

Pressured By Spring 'Flush'
NEW HORK — The spring "flush" continues to spread through the US and is pressing on fluid milk prices as supplies are beginning to exceed demand in many regions.

In Florida and the southeast, ideal weather conditions have kept output at peak production levels. Florida shippers were moving 16 to 18 loads of milk out of state each day, according to the USDA's Dairy Market News.

In the northeast, Class I prices were firm due to storm warnings. However, condensed skim and fluid cream prices were weaker due to fluid milk surpluses that were said to be moderate to heavy, according to the USDA.

In the western US, production is high due to cool nights that have balanced higher daytime temperatures.

Total March milk output in the 20 major producing states totaled 11.5 billion pounds, up 3% on a year-to-date basis, according to the USDA. Per cow output in these states averaged 1,491 pounds, up 22 pounds from March 1996. The number of cows on farms in the 20 states was 7.73 million-head, down from 8.63 million-head from March 1996. First-quarter 1997 milk production was 38.8 billion pounds,

down 0.6% from the first quarter of 1996. The average number of milk cows in the US during this period was 9.26 million-head, down 133,000 head on a year-to-date basis, according to the USDA.

NATIONAL CHEESE EXCHANGE

At the National Exchange in Green Bay, Wis., cheddar cheese prices weakened in line with lower milk prices. Cheese barrels were down 4.75 cents per pound at \$1.17 per pound while 40-pound blocks were down 5¢ to \$1.20 per pound Friday.

Seven cars of blocks traded. The market closed with bids on 3 cars of blocks unfilled and offers for 10 cars of barrels uncovered.

Cash cheddar trading will shift to the Chicago Mercantile Exchange May 1.

BUTTER

Butter prices also felt the pressure of building milk supplies. Grade AA butter at the Chicago Mercantile fell 13¢ to 91¢ per pound while Grade A was down 13¢ to 80¢. Grade B dropped 14¢ to 78¢ per pound.

GRAINS

Wheat prices firmed amid crop concerns in the US and overseas. Traders said the market was underpinned by the recent freeze damage in the hard red winter wheat belt, although loss esti-

mates continue to vary from less than 100 million bushels to more than 200 million. CBT Jly wheat settled at 4.44 ¼ per bushel Friday.

Corn is seen riding the coattails of higher wheat prices. Demand is keeping old-crop contracts firm, while new-crop finds pressure from the impending large crop. As farmers head to their fields, demand for corn in the cash market is pushing basis levels up. CBT Jly corn settled at 3.00 ¼ Friday. Friday's USDA cattle-on-feed

report was termed neutral to slightly supportive. The increase in feed demand shown by the data was mostly accounted for in the last quarterly stocks report, according to traders.

FUTURES

Dairy futures contracts followed the downward trend in the dairy cash markets.

At the Coffee, Sugar, and Cocoa Exchange, May fluid milk futures settled up 13 points at 11.45c Friday but the contract lost 58 points on the week.

The June BFP contract settled at 12.01c Friday, down 6 points from Thursday and 6 points for the week.

BFP trading has received a favorable start, traders said. Total open interest Friday was 254 contracts.

The Chicago Mercantile Exchange's (CME) June butter contract settled at \$1.0275c Friday, down 4.25c for the week.

CME June fluid milk settled at \$12.75 Friday, down 75 points for the week.

Comprehensive Dairy Evaluations Now Available Quarterly

BELTSVILLE, Md. — The U.S. dairy industry will be able to pinpoint some of the best bulls and cows three months sooner than usual, thanks to a doubling in the number of dairy evaluation reports issued each year through the U.S. Department of Agriculture. The Dairy Herd Improvement Association provides the information for the reports.

Starting May 5, the reports will be issued quarterly rather than semi-annually and will evaluate each animal based on all its relatives enrolled in the Dairy Herd Improvement Association program. The reports which animals are outstanding in characteristics such as milk yield; milk composition; somatic cell score, an indication of resistance to the disease mastitis; and productive life, a measure of longevity and animal well-being.

Farmers and businesses specializing in artificial insemination and embryo transfer rely on the dairy evaluations to help identify

the best animals for breeding.

"Finding out sooner which animals are top quality just makes sense," said geneticist Duane Norman, who heads the ARS Animal Improvement Programs Laboratory here, where the evaluations are calculated. "If a farmer identifies a high-performing cow when she's younger, it's possible he can get more offspring from her during her lifetime."

Increasing the number of evaluations will also enhance international marketing opportunities for the U.S. dairy industry.

"We don't want to make U.S. artificial insemination organizations wait up to six months before knowing the quality of their bulls,

that puts them at a disadvantage with breeders and businesses in other countries who receive their evaluations as frequently as monthly," said Norman. "Each generation of livestock improves over the last, so the sooner U.S. breeder can take advantage of that, the better."

Advances in computer power and streamlined processing procedures have cut the time needed to prepare the report from eight weeks down to five, Norman said. The reports will be issued in May, August, November and February.

USDA has provided the bull evaluations to the dairy industry since 1935 and cow evaluations since 1964.

Annual Spring Seminar

LANCASTER (Lancaster Co.) — The Pennsylvania Emu Farmers Association (PEFA) will be holding its annual spring seminar, Saturday, May 17, focusing on farm management, marketing, and profit, in Lancaster.

This is a don't-miss event for anyone serious about emu farming for profit. The guest speaker will be Joe Cates, a Texas farmer and marketer. Also featured will be emu product vendors and emu food vendors.

The seminar will be held at the Farm & Home Center, 1383 Arcadia Road, Lancaster. Registration

will be from 8 a.m.-9 a.m. with the following costs: PEFA Members (preregistered) \$7 per person. Nonmembers (preregistered) are \$10 per person. At the door, \$13 per person will be charged.

After 1 p.m. the public is invited to, free or charge, meet with Pennsylvania emu farmers, visit with emu vendors, and learn about farm management, marketing, and profits from Joe Cates.


Take advantage of this opportunity to learn about emu farming. For directions and additional information, contact Vicki Grove, (717) 284-2551 or Sharon Altland, (717) 432-8965.

Llama Lecture

KENNETT SQUARE (Chester Co.) — The last of three lectures for the 1996-1997 Public Lecture Series offered by The University of Pennsylvania School of Veterinary Medicine will take place Thursday, May 15, at 7 p.m. in the Woerner Amphitheater of the George D. Widener Hospital at New Bolton Center, the large animal campus for the veterinary school in Kennett Square.

"Introduction To the Llama" is scheduled Thursday, May 15 (approximately one hour). This lecture is designed to introduce the "newcomer" to llamas. It covers behavior, housing, nutrition, vaccinations, deworming, and general care. There will be a question/answer period. If time allows and depending upon the audience, a brief discussion of reproduction and health care issues will be included.

While these courses are free, reservations are required, and must be made as space is limited. Please call the Communications Office at NBC, (610) 444-5800, extension 2182 for more information and reservations.



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