

# Dairy Producers Watch Prices Plummet

AMES, Iowa — Unusually high hay costs in portions of the country, combined with farmer pay prices the same as those in 1979 have forced thousands of the nation's dairy farmers to the brink of a financial crisis. If conditions persist, it could mean higher dairy prices for consumers, and more price volatility for producers.

Beginning in the early '60s, the benchmark price dairy farmers were paid for their milk doubled every decade. They received \$3.11 per hundred pounds in 1963, \$6.30 per hundred pounds in 1973, and \$12.49 in 1983.

Dairy industry experts calculated that today producers should be receiving \$21.00 per hundred pounds of milk, just to equal the price they received in the late '70s. The current Basic Formula Price that USDA uses to calculate the majority of the milk prices in the U.S. is \$10.70. The most recent USDA dairy production cost index placed the average cost of milk production

at \$15.97 per 100 pounds.

A dairy producer petition movement is growing in many parts of the country, calling for the Secretary of Agriculture to intervene and stop the financial deflationary spiral. Petitions call for creating a minimum farmer pay price of \$14.50 per hundred pounds.

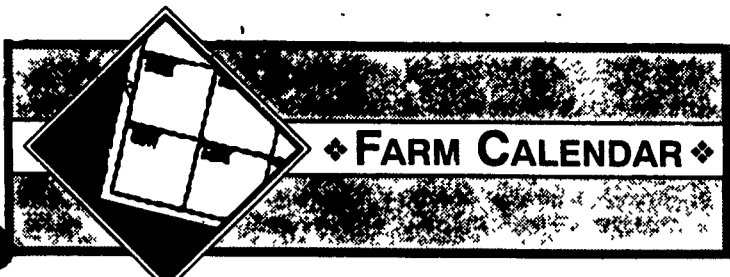
In the heart of dairy country, Minnesota and Wisconsin combined create the largest dairy producing sector in the U.S. Together, the states have lost nearly 13,000 producers in the last seven years. And the situation has grown worse since last fall. Milking cow herd replacements are down because milk production is not profitable, and producers are beginning to send more of their cows to slaughter, eventually shortening milk supplies.

"Many Americans take their food supply for granted," said Gene Paul, President of National Farmers, an organization repre-

senting thousands of the nation's dairy farmers. "Dairy farmers in this country have taken a financial beating, and untold numbers are going out of business, which should not only concern the dairy industry, but every U.S. consumer."

U.S. Senator Arlen Specter, (R-Penn.), has introduced legislation that would help restore hope to dairy farmers. The proposals would factor in feed costs and other cash expenses to determine the Basic Formula Price (BFP), which is the basis for the price farmers are paid for their raw milk.

"An important part of Specter's legislation was a renewed request for Agriculture Secretary Dan Glickman to stop the dairy devastation, by imposing a \$13.50 short term farmer pay price. We're asking the Senate Agriculture Committee to move this proposal to the forefront, for the good of producers and consumers," Paul emphasized.



## FARM CALENDAR

(Continued from Page A10)

a.m.  
Southeast Region 4-H Leadership Conference, Millersville University, Lancaster County, thru July 18.

Jacktown Fair, Wind Ridge, thru July 19.

**Wednesday, July 16**  
Jefferson County Holstein Show, Fairgrounds, Brookville, 9 a.m.  
York County Holstein Show, York Fairgrounds, York, 10 a.m.  
Somerset County Holstein Show, Fairgrounds, Meyersdale, 6:30 p.m.

**Thursday, July 17**

**Friday, July 18**  
Jim Lightfoot National South-

down Sale, Big E Fairgrounds, Mallory Agricultural Complex, West Springfield, Mass., thru July 19.

Wooster Garden Festival, Secrest Arboretum, OARDC, Wooster, thru July 19.

**Saturday, July 19**  
Pa. Shorthorn Breeders Association State Show, Hookstown Fairgrounds.

"New Generation" No-Till Field Day, Steve Groff Farm, Holtwood.

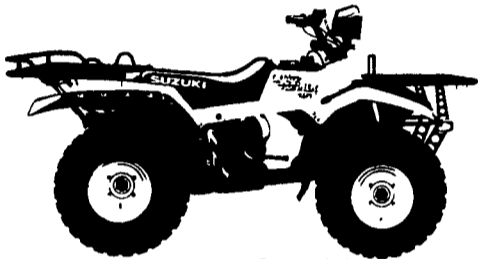
Cattlemen Summer Field Day, York County 4-H Center, 9 a.m.  
Shippensburg Community Fair, Shippensburg, thru July 26.

**Sunday, July 20**  
Friendly Horseman's Club Horse Show, Denver Showgrounds.

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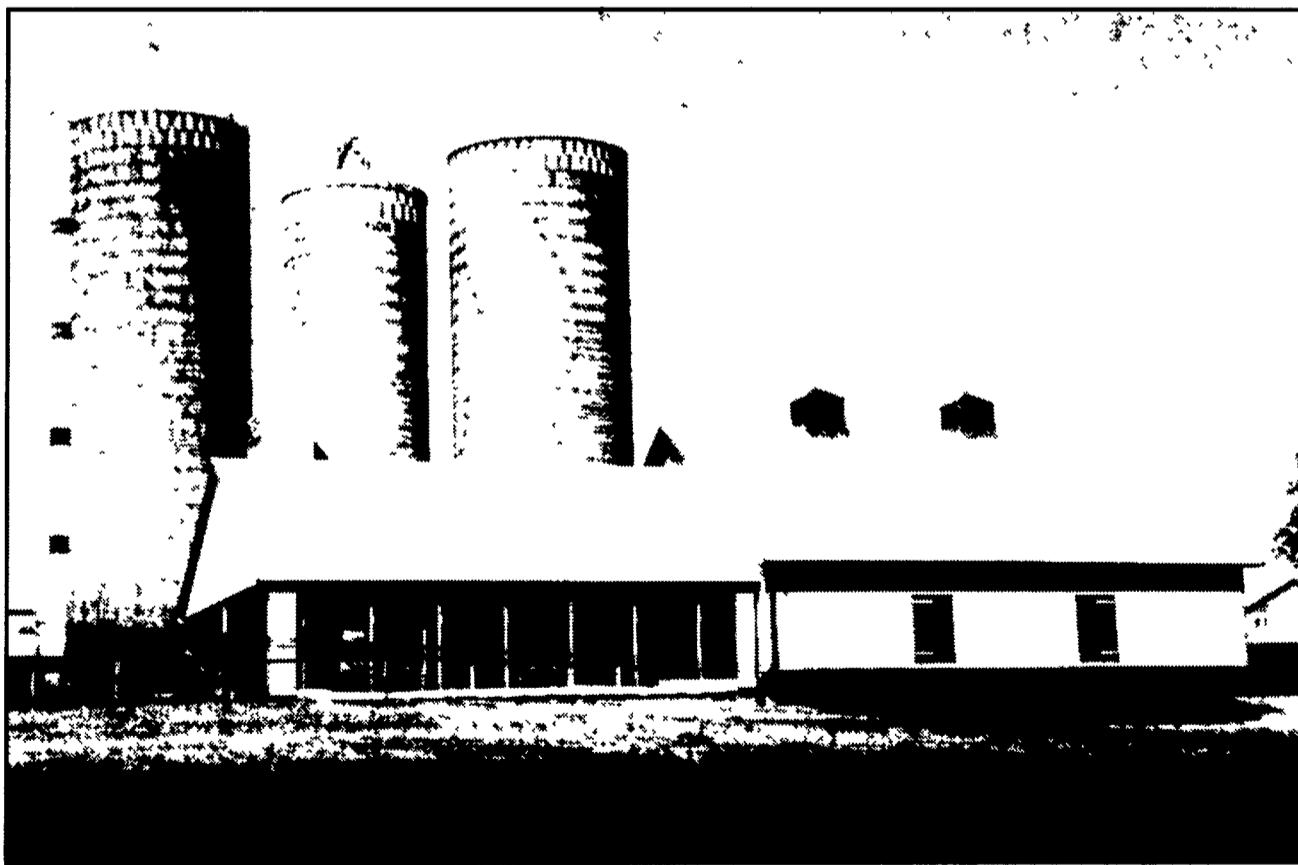
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