Dairy Situation And Outlook

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Milk production continues to run ahead of a year ago despite weather related problems in California, parts of the Southeast and Northeast. California in particular has faired quite well under the earlier El Nino related wet weather. For March, compared to a year ago, California reported milk per cow down .8% (weather related), but because milk cow numbers were 3.7% higher, total milk production was up 2.9%. Reports are that California is aggressively purchasing dairy replacements for cows culled due to weather related health problems.

Better milk prices and lower feed costs are encouraging California dairy farmers to push for more milk production. Other states experiencing declines in milk per cow were Washington, -0.3%; Arizona, -10.0%; New Mexico, -4.3%; Texas, -1.0%; and Florida, -9.2%. Texas and Washington had respectively, 3.3% and 1.5% fewer milk cows,

Florida had no change in milk cows, and Arizona and New Mexico had respectively, 4% and 6% more cows. As a result, the net change in March milk production was: Arizona, -6.1%; New Mexico, +1.4%; Washington, -1.8%; Texas, -4.3%; and Florida, -9.3%.

Despite milk production being down 9.3% for Florida, milk production was still relatively strong for the season, and winter tourist were departing and lowering demand, so Florida still had more than enough milk for beverage needs and was shipping milk out of the state to find a manufacturing home.

Milk production continues to expand at a rapid pace in Idaho. For March, Idaho had 7.6% more milk cows that averaged 7.7% more milk which increased total milk production 15.9%.

In the Northeast, milk cow numbers were down 0.4% for New York, 4.2% for Ohio, 2.0% for Michigan, with no change for Pennsylvania. Milk per cow was up in each state (OH and PA 4%, and NY and MI 0.7%). As a result, total milk production was up 3.6% for Pennsylvania, just 0.3% for New York, and down, respectively 0.3% and 1.3% for Ohio and Michigan.

Milk cow numbers continue to be well below year ago levels for other southeastern states. For example, March cow numbers were down 7.5% for Kentucky, and 8.1% for Missouri. Although milk per cow was strong for each of these two states, up 4% and 6%, it was not enough to offset the decline in milk cow numbers. Total milk production was down 3.7% and 2.3%, respectively for Kentucky and Missouri.

Milk cow numbers remain well below year ago levels in Wisconsin and Minnesota, down respectively, 1.9% and 3.4%. Milk per cow, however, was strong, being up 4.5% and 2.2%. The net was a 2.8% increase in total milk production for Wisconsin and a decline of 1.2% for Minnesota.

In summary, Marchl milk production for the U.S. was up 1.0%, compared to increases of 0.6% for February and 0.9% for January. For the first 3 months, milk cow numbers average 1.2% lower, milk per cow averaged 2.1% higher, and accumulative milk production was up 0.8%.

Farm level milk prices have held at record levels for this time of the year despite increased milk production and increased stocks of dairy products. The average all milk price for March was a record $14.50 per hundredweight for the U.S., for Wisconsin $14.40 and for California $13.20.

The average U.S. all milk price has surpassed the $14.00 mark for six straight months. Although the March BFP dropped $.51 from February, $13.32 to $12.81, it was a March record. The previous March high was $12.77 in 1994. The $12.81 March BFP was $.32 high than a year ago.

With milk prices above a year ago and the price of corn, soybeans, and cottonseed all lower than a year ago, the milk feed price ratio is also improved from a year ago. The March milk feed price ratio was 1.71 compared to just 1.54 a year ago. Hay prices in recent weeks have also declined in the West. The improved relationship between feed prices and milk prices is favorable to increase milk production.

Increased milk production this spring will put pressure on milk prices. However, the lows of 1997 are not predicted. Last year the 40 pound cheddar bock price on the CME averaged just $1.1588 per pound and brought down the May BFP to a low of $10.70 per hundredweight. As of April 9, CME 40 pound cheddar blocks were $1.30 per pound, down $.085 since March 20, and cheddar barrels were $1.26 per pound, down $.0375 since March 20.

The price spread between blocks and barrels is now more normal, about 4 cents per pound. Grade AA CME butter has held at $1.345 since then. But with cheese prices down this much, the April BFP will likely drop close to $12.00.

We can expect additional declines in cheese prices for the immediate weeks ahead. Cheese stocks are higher than a year ago. February 28 stocks of natural American cheese were 405 million pounds, up 6.9% from a year ago. Butter stocks were 44 million pounds, up 22%. But nevertheless, CME 40 pound cheddar blocks may not drop below $1.26 per pound this spring keeping the BFP at $11.40 per hundredweight this coming May.

The spring flush in the southeast has made additional milk available for manufacturing. This milk along with some milk from the southwest seeking a higher price home have entered the Chicago market order area. The result, has been a sharp drop in the over order premiums negotiated by dairy cooperatives.

Over order premiums in neighboring orders are also affected. For example, over order premiums from March to April for selected cities are as follows: Chicago, Il, $2.03 to $1.59; Minneapolis, MN, $1.37 to $.65; Des Moines, IA, $1.43 to $.65; and Kansas City, MO, $1.38 to $.60. Since these are low class I utilization markets, the impact on farm level blend milk prices are less than $.10 per hundredweight, but nevertheless are a decline in potential net pay prices.

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Average Farm Feed Costs For Handy Reference

To help farmers across the state to have handy reference of commodity input costs in their feeding operations for DHIA record sheets or to develop livestock feed cost data, here's last week's average costs of various ingredients as compiled from regional reports across the state of Pennsylvania.

Remember, these are averages, so you will need to adjust your figures up or down according to your location and the quality of your crop.

Corn, No.2y — 2.87 bu., 5.13 cwt.

Wheat, No. 2 — 2.94 bu., 4.90 cwt.

Barley, No. 3 — 1.85 bu., 3.96 cwt.

Oats, No. 2 — 1.67 bu., 5.21 cwt.

Soybeans, No. 1 — 6.28 bu., 10.48 cwt.

Ear Corn — 85.12 ton, 4.26 cwt.

Alfalfa Hay — 146.25 ton, 7.31 cwt.

Mixed Hay — 133.75 ton, 6.69 cwt.

Timothy Hay — 123.75 ton, 6.19 cwt.

Chester County Dairy Milk Lines

Steven Dietrich
Extension
Dairy Agent

Chester County Dairy Promotions

The Dairy Promotion Committee in Chester County has embarked on another ambitious program year for 1998. Over the years, the county has been very active in promoting dairy products through a wide range of programs, and 1998 is no exception The heart of our fund raising is focused on the "Dairy Wagon," a trailer from which members of the dairy community sell milk, ice cream, and milk shakes at events from June to October. The committee is always in need of help, so dairy families should seriously consider promoting their own product by working in the "Dairy Wagon" this summer Contact Lester High (610) 469-1211, George Lamborn (610) 932-3305, or Charlene Ranck (717) 442-9008 if you can spare a few hours for a worthwhile cause Your help would be greatly appreciated!

This Spring, Take Time for Farm Safety

With the arrival of spring, there often seems to be more work to do than time available to get it done Manure needs to be hauled, fields need to be tilled and planted, and so on Amidst all of this chaos and confusion, safety can quickly fall by the way side or be forgotten completely.

Most of us know proper safety measures; however, often times we fail to take enough time to use them properly Here are a few quick facts to remember while completing our spring time chores

Tillage -

-Be careful of the razor sharpness of tillage wear points and bolts. When changing tillage points, never try to hold the bolt head with your hands.

-Always make sure a safety lock is in place before climbing under the machine to perform this task.

Spraying -

-Protective Gear This goes without saying. Always follow the label and protect yourself appropriately.

-Fire Extinguishers - A class ABC extinguisher should be kept up to date and carried on each piece of self-propelled equipment (tractors, trucks, etc.) but especially on pesticide sprayers. Many times we realize the toxicity of farm chemicals and guard ourselves with protective clothes, however, we forget how flammable they can be.

-Clean Wash Water - Always have an adequate supply of fresh wash water along while spraying

Planting -

-Since numerous seeds are protected with various types of seed treatment, follow many of the same precautions as spraying

-Never oil chains while the machine is moving.

Forage Production -

-Never hand feed material into a forage harvester. The material and you can be taken in quicker than you can let go of it.

-When unloading silage at a forage blower, always be careful and avoid contact with the rotating shafts around you. Always keep shirt tails tucked in, and never wear loose fitting clothes. **Never, ever,** climb or reach over a rotating PTO shaft!

General -

- Carry First Aid Kits and refill them when necessary. Dirty grease rags in a tool box don't count as bandaging material.
- Take small breaks periodically throughout the day. This is proven to greatly enhance your alertness and work output.

Remember, safety takes a little extra time. However, considering the loses you may experience if you fail to heed these warnings, it may be time well spent.