

FUTURES MARKETS

(Continued from page A16)

government's main index for inflation.

Overall, the U.S. economy is very robust. It is expected to grow at a strong rate of 4-5 percent the first quarter of 2000. That should continue the very solid demand for dairy products. The CPI index will be watched carefully in the future for any further signs of inflation.

Cheese and butter prices continued to weaken this week at the Chicago Mercantile Exchange. Barrel cheese prices fell slightly from \$1.0775 per pound on Monday, April 10 to \$1.07 by Friday, April 14. Block prices fell from \$1.1075 per pound on Monday to \$1.10 by Friday. The good news is that both blocks and barrels won't likely fall any further as they are

officially right at support price levels. According to USDA, the Commodity Credit Corporation (CCC) continues to purchase surplus Midwestern process cheese. The CCC also recently purchased 680,000 pounds of barrel cheese at \$1.1225 per pound for April to June delivery. This purchase was outside the price support program.

Butter prices also weakened further this week at the Chicago Mercantile Exchange. Grade AA butter prices fell from \$1.0675 per pound on Monday to \$1.04 by Friday. USDA reports very good sales activity related to the

Easter/Passover holiday. Feature activity in grocery stores continues to move a lot of product. Cream supplies, however, are readily available resulting in "near capacity production schedules."

The milk production and cold storage reports due next week should provide interesting information regarding future price directions. The market will be looking for March cow numbers in 20 major dairy states to at least

level off. If that happens, it should signal that the milk supply is beginning to respond to low milk prices. Combined with strong demand for milk and dairy products, a slow-down in the milk supply will help raise milk prices the second half of the year.

For more information on market and federal order data, see my Penn State Dairy Outlook website at: <http://www.aers.psu.edu/dairyoutlook/>.

Table 2. NASS Weekly U.S. Average Survey Prices

	8-Apr-00	1-Apr-00	25-Mar-00	18-Mar-00	11-Mar-00
Cheese:					
500 lb. Barrels 1/	1.0817	1.0824	1.0848	1.0891	1.0845
40-lb. blocks	1.0976	1.0976	1.1047	1.1012	1.0956
Butter	1.0799	1.0458	0.9870	0.9537	0.9436
Nonfat dry milk	1.0094	1.0055	1.0107	1.0073	1.0108
Dry whey	0.1775	0.1752	0.1780	0.1779	0.1773

Source: Dairy Product Prices, NASS, USDA

(<http://usda.mannlib.cornell.edu/reports/nassr/price/dairy/1999/>).

1/ Adjusted to 39% moisture.

Farmer Productivity Not Due To Age

ITHACA, N.Y. --In the agricultural world, the common belief is that a farmer's efficiency increases to its maximum in the middle years and then decreases with age.

Not so, say Cornell University researchers. They have found that a farmer's productivity has less to

do with efficiency decreases due to age and everything to do with using the latest agricultural technology.

"There indeed seems to be a life cycle effect, but it appears for different reasons than we thought. Productivity increases, reaches a plateau and then decreases. Younger farmers tend to start out with older technology, and that's why they're not as productive. And the older farmers as a group do not keep buying new technology in their waning years because it's not cost effective, and that's why they're not as productive," says Loren Tauer, Cornell professor of agricultural economics and a researcher with Cornell's Agricultural and Financial Management Program.

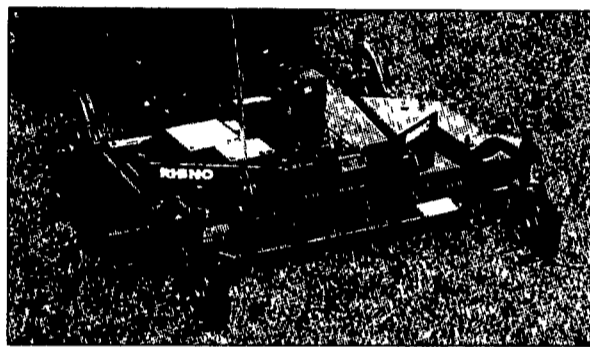
Beginning farmers are building equity, he says, and they often start with equipment that is old. On the other hand, older farmers are making a business decision to forgo purchasing a new \$200,000 combine, rationalizing that the next farmer on their land can buy it.

The research paper, "Farmer Efficiency and Technology Use with Age," by Tauer and Nazibrola Lordkipanidze, a Cornell graduate student in agricultural economics, will be published in the April 2000 issue of the journal Agricultural and Resource Economics Review.

Tauer explains that even if older farmers see a decrease in productivity, this study shows that older, experienced farmers are still using older technology efficiently. "Seeing a decrease in production isn't always devastating," he says.

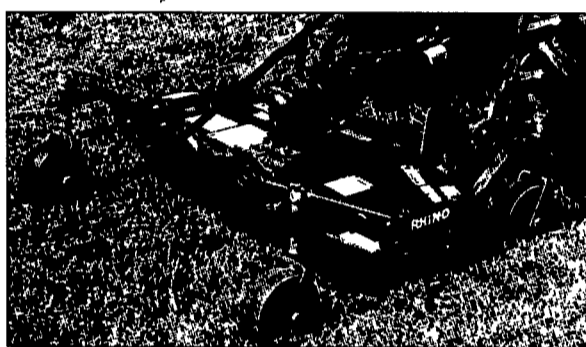
Tauer says the U.S. Department of Agriculture the federal agency that funded the research, is seeking to find ways to sustain the productivity of America's farmers, whose average age increased from 52 in 1987 to 54 in 1997.

19 WAYS TO A PERFECT FINISH!



BREEZE

- Approximate Mowing Widths of 48", 60", & 72"
- Rear Discharge
- Ideal For Small Lawns And Estates



WHIRLWIND

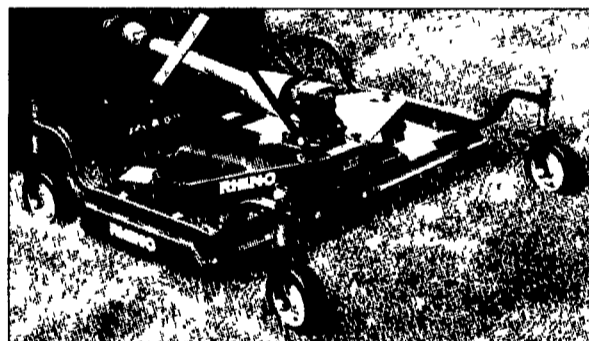
- Approximate Mowing Widths of 60" & 72"
- Deep Section Deck For Increased Air Flow
- Ideal For Lawns, Estates, Parks, and School Grounds



FM

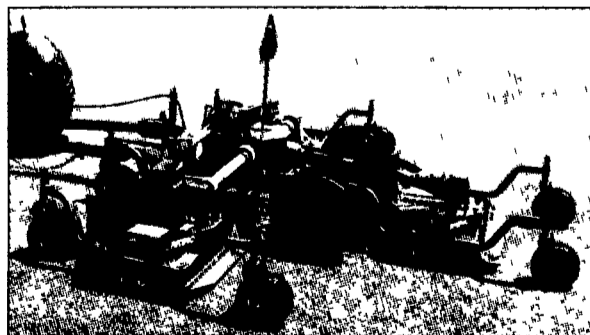
- Approximate Mowing Widths of 60", 72", 84", & 100"
- Side Or Rear Discharge Models
- Ideal For Lawns, Estates, Parks, School Grounds, or Sod Farms.

Rhino®
Finishing
Mowers Are
The Place To
Start For A
Perfect
Finish!



GROUNDSCKEEPER

- Approximate Mowing Widths of 60" & 72"
- Rear Discharge
- Ideal For High-Use, Commercial-Type Applications



TURF FLEX®

- Six Models With Approximate Mowing Widths Ranging From 136" Up To 284"
- Rear Discharge
- Ideal For Sod Farms, Parks, Sports Fields, and Golf Course Roughs

The complete line of quality finishing mowers from Servis-Rhino includes 5 series and 19 different models. When you need a perfect finish mowing lawns, estates, school grounds, parks, golf course roughs, sports fields, or sod farms, Rhino has a finishing mower right for you.

Visit our website at www.servis-rhino.com or call 1-800-356-6282 for more details!



An Alamo Group Company
PO Box 712 Secum Texas 78156
830-572-3080

Servis-Rhino and Turf Flex are registered trademarks of Alamo Group Inc.
© 1999 Alamo Group Inc.