

Bradford County Holstein Club Meets

FUTURES MARKETS

(Continued from page A16)

Grade AA butter is currently trading at around \$1.32 per pound. That translates roughly to a Class IV price of around \$12.64 per cwt. Current butter prices are high because inventories are seasonally very low. Butter production grew just 2.3 percent in 2000, while consumption (January through November) grew 1.9 percent. Demand for milk fat has been strong in recent years and butter production is the last residual use for milk fat. If the milk supply in 2001 grows just 1-2 percent, and that looks likely, butter will be very tight. So, looking at the futures prices, the market is expecting Grade AA butter prices to peak at roughly \$1.45 per pound this fall. Butter prices could get stronger than that.

These prices look fairly strong. Dairy producers may want to consider contacting their broker or cooperative and locking in some of their 2001 milk supply given these futures prices. My advice is to lock in some of your milk supply relative to the Class III futures for February through June. Hold off locking in too much milk thereafter since the outlook beyond the summer months is highly speculative at this point. I would also avoid a major commitment on Class IV futures contracts since I believe butter will be a limiting factor in the market place this year. However, if you feel comfortable with these prices, consider locking in a small part of your 2001 milk supply relative to the Class IV prices, particularly

during the first half of 2001.

Remember, a good strategy to follow is to set a limit regarding how much of your total milk supply to lock in during 2001. That number may be as low as 25 percent for those unfamiliar with futures markets, and may be as high as 50-75 percent for those with more experience.

A much better picture of the dairy markets will unfold when USDA releases the January milk production report on February 16 and the next dairy stocks report (cold storage report) on February 21.



TOWANDA (Bradford Co.)
— The Bradford County Holstein Club Annual Meeting was held Saturday, Jan. 27, 2001. New directors elected were Scott Walrath, Al Calkins, and Jeff Jenkins.

Dave Paddon, representative for the National Holstein Association was the main speaker during the meeting. Paddon discussed current issues of importance to members of the National Holstein Association.

In other business, the Brad-

ford County Holstein Club will have the in county tour on Sat., March 17 beginning at 11 a.m.

The tour will visit three farms, the Joe and Penny Kenyon Farm, the Richard Kingsley farm, and the Dale and Lyle Mattocks farm, all in the Springfield area of Bradford County. Milk and donuts will be provided courtesy of the Holstein Club. For more information, contact Dean Jackson at (570) 297-2838.

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 — 2.19 bu., 3.93 cwt.
- Wheat, No.2 — 2.41 bu., 4.02 cwt.
- Barley, No.3 — 1.57 bu., 3.35 cwt.
- Oats, No.2 — 1.35 bu., 4.21 cwt.
- Soybeans, No.1 — 4.32 bu., 7.22 cwt.
- Ear Corn — 59.77 ton, 2.99 cwt.
- Alfalfa Hay — 91.25 ton, 4.56 cwt.
- Mixed Hay — 92.50 ton, 4.63 cwt.
- Timothy Hay — 91.75 ton, 4.59 cwt.

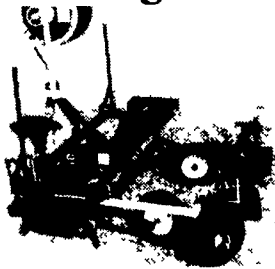
Cheese prices are going to be harder to predict. The milk supply grew 3.4 percent in 2000 while cheese production grew 3.7 percent. Total consumption of cheese (January through November) grew 2.1 percent for American Cheese and 5.5 percent for Other Cheese (mainly mozzarella). We ended the year with cheese stocks 11.8 percent ahead of a year ago.

Cheese production in December 2000, however, fell 2.2 percent below December 1999. There is concern that if the milk supply is off in 2001, cheese production will slow. However, even if the milk supply grows just 1-2 percent, less cheese production will be offset some by slower cheese demand. A soft economy in 2001 should translate into lower cheese sales. And, it is very possible people may be over reacting to California's production woes. No

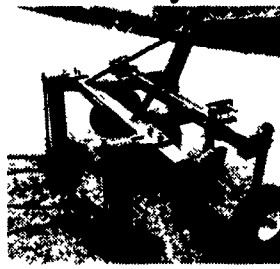
doubt California and Idaho will see slower growth rates for milk production. However, that is not the same as a big drop in production.

January cheese prices of \$1.12 per pound translated into a Class III price of \$9.99 per cwt. It will take a cheese price of around \$1.36 per pound to get a Class III price of \$12.15 per cwt. In my book a fall rally of \$1.36 per pound for cheese looks very reasonable. However, it is the market expectation of Class III prices between February and June that I am calling into question.

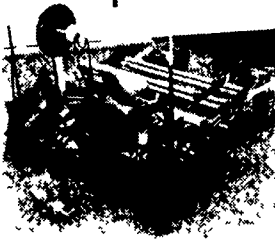
Heavy Duty Vegetable Machinery



Flat Bed Mulch Layer Model 345



Challenger 1800 Plastic Mulch Lifter



Raised Bed Mulch Layer with Auto-Ro Trak Model 2550



Model 1600 Water Wheel Transplanter, Trailer or 3-point

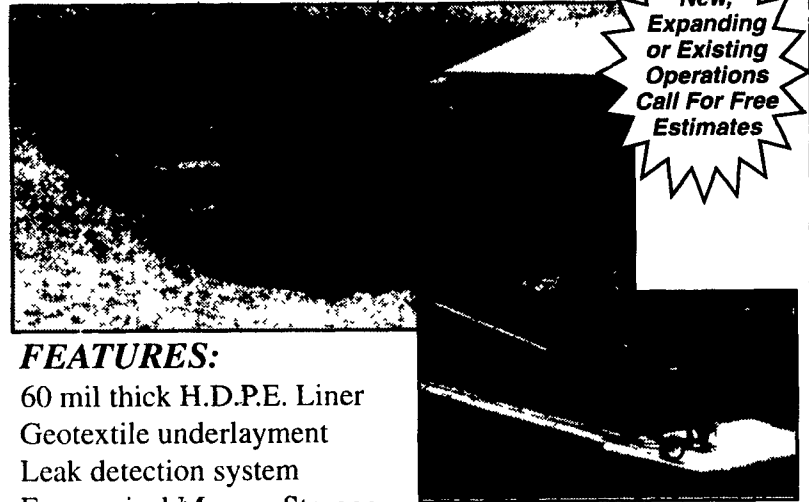
Call for Full Information on Equipment and Irrigation Catalog!



Mfg By
RAIN-FLO IRRIGATION
Phone (717) 445-6976 Fax (717) 445-8304

SITE EXCAVATION

Installation of H.D.P.E. Liner Systems for:
Dairy, Hog, and Veal Manure Storage Facilities
Golf Course and Recreational Ponds



New, Expanding or Existing Operations Call For Free Estimates

FEATURES:

- 60 mil thick H.D.P.E. Liner
- Geotextile underlayment
- Leak detection system
- Economical Manure Storage
- Seals manure in, subsurface water out
- Concrete ramp for manure agitation and pumping

MANADA CONSTRUCTION CO.

1942 Camp Swatara Road • Myerstown, PA 17067
Ph; (717) 933-8853 • Fax: (717) 933-8078



COWS LOVE IT!

Our palatable high-quality pasture mixtures



Early Order Discount

We blend several different pasture mixes using premium quality seed to fit your farm's soil and grazing management needs. We use grasses, clovers, and in some cases a grazing-tolerant alfalfa to make a blend that increases dry-matter intake and milk production.

\$10 Per Bag Rebate on Alfalfa*

BARENBRUG Forages For Profit
GREAT IN GRASS

Dealer Inquiries Welcome

KING'S AGRI SEED

Formerly Aaron King Seeds
Specializing in high quality forages and grazing since 1993
Fairview Fruit Farm, 96 Paradise Lane, Ronks, PA 17572
717-687-6224

- Also Available:
- B.G. 34 Ryegrass
 - Baralfa 54 & 32-IQ Alfalfa
 - Red & Alice White Clover
 - Chicory
 - Bromes
 - Timothy Reeds Canary
 - Green Spirit Ryegrass
 - Horsemaster
 - Orchardgrass
 - Kemal Festulolium
 - Fescue
 - Forage Soybeans
 - Forage Oats
 - Triticale
 - Cereal Rye

- Also available from —
- Kirkwood.....Herb Weaver.....717-529-2386
 - Snyder Co.....Edwin Martin.....Port Trevorton
 - Snyder Co.....Glenn Beidler.....570-539-8993
 - S. Somerset Co.....Leroy Brennehan.....486 Davis Rd
Apt. 1 Salisbury 15558
 - N. Somerset Co.....Marvin Thomas.....814-479-7570
 - Eastern Shore.....Mickey Stant.....410-673-2414
 - E. Drumore Seeds.....Henry King.....717-548-3376
 - Ephrata.....Carl Martin.....717-733-7155
 - Lancaster Ag Products.....717-293-9701
 - Little Britain.....Landis Weaver.....717-529-2609
 - Centre Co.....John Glick.....814-383-4529
 - Bio Farm Service.....717-687-7420, 800-216-1271
 - Dauphin Co.....Christ F. Fisher.....717-362-9038

- Churchtown.....Galen Martin.....717-445-5782
- Berks Co.....Paul Keller.....610-589-2614
- Perry Co.....Glenn Martin.....717-582-2730
- Atglen.....Sylvan Smoker.....610-593-2831
- Cochranville Ag Service.....717-529-5653
- York Co. Hakes Farm & Seed Service.....717-244-2754
- Manheim.....Lynn Fahnestock.....717-665-7655
- Lebanon Co.....Abner Stoltzfus.....717-949-2486
- White Deer.....Isaac Beiler.....570-547-7118
- Blo Farm Service.....Brian Futhy.....814-349-4333
- Tioga Co.....David Johnson.....570-324-2285

- Also Available:
- Blends for Intensive Grazing
 - Mega Green
 - Sudangrass
 - Brown Mid-Rib
 - Sorghum
 - HI Protein Corn
 - Brassicas

Lots of Seed In Stock

*Baralfa 42-IQ not included in rebate

Call or Write for Our New Product Information Guide, Packed with Lots of Good Info.

