

Economists Predicting Tight Cash Flow Problems For Dairy Farmers

By Dr. J.W. Pou
A reduction in the price of raw milk that became effective March 29, "will aggravate the already tight cash flow problems" on North Carolina dairy farms, says a dairy marketing economist at N.C. State University.
"Dairy farmers everywhere are having a rough time, and those in North Carolina are no exception," said economist G.A. Benson.
In an unusual development, the State Milk Commission announced that the minimum price to farmers for milk utilized in

Class I (fluid sales) will be reduced by 50 cents per 100 pounds for the second quarter of the year.
The reduction was from \$16.28 to \$15.78 per 100 pounds - or from \$1.40 to \$1.357 per gallon. This is a cut of 4.3 cents per gallon.
Continuing studies by Benson indicate profits from dairy farming in North Carolina over the past two years have been low and most operators have been caught in a cash flow squeeze.
Many farmers apparently have stayed in dairying, even though unprofitable,

only because they had no choice. Farm prices generally have been depressed for the past two years, and off-farm employment opportunities have been limited.
Low prices for utility cows have discouraged dairy herd culling, and milk production has increased substantially to record levels.
In 1981 Tar Heel dairymen increased their volume of milk marketings by 21 million pounds or 1.5 per cent as compared with the year before, but Class I or fluid milk sales to con-

sumers declined by 30 million pounds or 2.7 per cent, according to preliminary figures from the N.C. Milk Commission.
When production outstrips sales, a smaller proportion of farm milk is utilized in Class I and a larger proportion goes into Class II (manufactured products). This means a lower blend price to farmers.
The North Carolina Class II price, adjusted monthly, ranged from \$12.73 to \$12.59 per 100 pounds during 1981, said Neil B. Sinclair Jr. of the Milk Commission staff. The Class I price was raised

to \$16.28 last July.
The proportion of N.C. milk going into Class I or fluid use decreased from 81.9 per cent in 1980 to 78.7 per cent last year, Sinclair said. This decline offset part of the July price increase for Class I.
The average blend price received by Tar Heel dairy farmers for their total grade A milk supply in 1981 was \$14.88, up from \$13.96 a year earlier.
Benson said the increase of 92 cents in the blend price was inadequate to cover the rise in farm production costs. As a result, he said,

most of the state's dairy farmers ended the year facing difficult cash flow problems.
At one time North Carolina had more than 5,000 grade A dairymen. As of last December the number was down to 1,249.
The immediate outlook for dairymen is "not encouraging," Benson said.
"Furthermore," he said, "the dairy provisions of the 1981 farm bill will have a moderating influence on the rate of increase in the North Carolina farm price of milk. Only modest increases can be expected over the next

several years."
The Federal Dairy Price Support Program was retained in the new Farm Act, but the levels of support were hotly debated. In the compromise that emerged, supports were approved at these minimum levels: \$13.10 through fiscal 1982, which ends Sept. 30, and \$13.25, \$14 and \$14.60 for fiscal years 1983 - 85 inclusive.
Minimum supports will be in effect as long as large dairy surpluses continue and net federal expenditures for the program exceed \$1 billion a year. When and if surpluses are

reduced and federal costs go down, higher supports are authorized.
Benson said it's possible that debate on the farm bill will be reopened and changes made to reduce federal expenditures for dairy supports. Such a development, he said, would make the outlook even less favorable for dairy farmers.



The average adult has 3,500 square inches of skin.

Belk Tyler

downtown edenton



Heavy-Duty Steam and Dry Iron from GE!
13.88 Everyday Low Price
Model F-63. Super all-metal iron that switches from dry to steam at the push of a button. 25 steam vents.

LIGHT 'N EASY® Iron by GE!
26.88 Everyday Low Price
Model F-310WH. Full size, lightweight iron. Cooler to touch. Break resistant. Uses most tap water. 1100 watts.

GE LIGHT 'N EASY® Full-Size Steam and Dry Iron
21.88 Everyday Low Price
Model F-316BL. Full size iron but only weighs 2.6 lbs. Features 'surges of steam'. Water window. Fast heat-up and cool-down.

GE LIGHT 'N EASY® Compact Steam and Dry Iron!
14.88 Everyday Low Price
Model F-203BL. Weighs only 1.6 lbs. Aluminum soleplate has 25 vents. Compact, lightweight!



GE Automatic 2-Slice Toaster
13.88
Everyday Low Price
Model T-17. Compact styling. Toast color selector for light or dark.



GE Toast-N-Broil Mini Oven
42.88 Everyday Low Price
Model T-114. Extra capacity oven. Top brown setting and 200° to 500° heating.



GE Deluxe TOAST-R-OVEN
33.88 Everyday Low Price
Model T-93B. Toaster oven offers 2-slice toasting, pop-open door and top-brown settings.



GE Continuous Cleaning Toaster
53.99 Everyday Low Price
Model T-131B. Toast 'n Broil bakes, broils, top browns 4 slices.

GE Compact Dryer for You!
15.88 Everyday Low Price
Model PRO-12. Compact, pistol dryer with 1200 watts.

GE Styling Dryer
16.88 Everyday Low Price
Model SD-10. Compact hair dryer with 1100 watts. Wide tooth comb, 3 settings.

Small GE TOUCH 'N CURL
9.88 Everyday Low Price
Model CS-6. Wave comb and cool tip end. Mist reservoir. High or low settings. Just for you!

GE Super Pro™ -6 1400 Watt Dryer
19.88 Everyday Low Price
Model Pro-6. Six blow dryer heat and air speed settings. Body waver attachment. Concentrator helps spot dry curls. Has bristles to hold even short hair. 1400 watts of power.

GE Portable Hair Dryer
26.88 Everyday Low Price
Model HD-21. Full performance bonnet dryer adjusts to fit all size rollers, even jumbo. 3 heat settings. Compact.

GE 3-Way Speedsetter
24.88 Everyday Low Price
Model HCD-7. GE Speedsetter mist/condition/dry. Makes curls fast. Heats up in 5 minutes.

GE Home Sentry® Smoke Alarm
15.88 Everyday Low Price
Model #8201401. Sounds a loud horn when smoke enters chamber.

BREW-STARTER™ 9-Cup Perculator Coffeemaker by GE
37.88 Everyday Low Price
Model DCM-15. Auto drip coffeemaker by GE.

9-Cup Perculator by GE
26.88 Everyday Low Price
Model P-15. Brew selector for custom brewing coffee. Hot water setting. Aluminum body, immersible cord.

3-Speed Deluxe Portable Mixer!
11.88 Everyday Low Price
Model M-24. Hand mixer: mixes, beats, stirs. Harvest and coffee almond colors. Easy-grip handle.

GE Food Processor! Fast and Efficient!
46.88 Everyday Low Price
Model FP-1. Slices, shreds, chops, blends and more. Stainless steel knife blade.

GE Automatic Can Opener
11.88 Everyday Low Price
Model #32. Easy-clean cutter and assembly. Harvest or almond.

GE Can Opener & Knife Sharpener
14.88 Everyday Low Price
Model EC-33. Automatically opens cans and shuts off when lid is cut. Plus super knife sharpener.

GE 12" Buffet Skillet with SilverStone®
34.88 Everyday Low Price
Model SK-47CAS. Non-stick, no-scour cleaning. High quality cast aluminum pan for even heat distribution. Lid tilts to 3 positions. Push button to eject temperature control. Immerse pan for easy cleaning.

Automatic Grill and Wafflebaker with Brown SilverStone® by GE
32.88 Everyday Low Price
Model G-48T. Use as a waffle baker, closed or open grill. Closed grilling for cheese sandwiches, open grilling for pancakes, eggs.