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MANCHESTER DAIRY SYSTEM

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Price Committee To Recommend New Formula

Unanimous agreement in principle on a new kind of formula for pricing fluid milk has been reached by the Boston Milkshed Price Committee. The decision to recommend a new formula to replace the present butter-powder formula in the Federal order was made at the third meeting of the committee which was held in Boston on Sept. 2nd and 3rd. Final decisions on minor aspects of the formula and on the content of the committee's report will be made at the next meeting of the committee scheduled for Sept. 19.

On April 23, Mr. Richard D. Aplin, Federal Milk Market Administrator, appointed a committee of economists representing producers, distributors, and college groups to make a thorough inquiry into the factors involved in pricing Class I milk. The committee held its first meeting on June 9 and its second meeting on July 31 and Aug. 1. The agreement to recommend a new formula was reached after an exhaustive study of the technical problems in milk pricing. The committee decided to make public its recommended formula following the meeting of Sept. 19 and to issue a complete report before Oct. 1.

Serving on the Boston Milkshed Price Committee are Dr. George F. Dow of the Maine Agricultural Experiment Station, chairman; James D. Lee of the market administrator's staff, secretary; Dr. Thurston M. Adams of the Vermont Agricultural Experiment Station; Dr. John D. Black, professor of economics at Harvard University; Wesley H. Bronson

(COMMITTEE, Cont. Page 2)

All Co-ops Request Price Increase

At a conference of representatives of nearly all of Boston's milk co-operatives on Sept. 3, a unanimous agreement was reached to ask Secretary of Agriculture Clinton P. Anderson to fix a Class I milk price of \$5.65 for Boston Oct. 1, by a "suspension order". The co-ops asked that

this price be fixed for October through January. This is an increase of 44 cents over the Aug.-Sept. level and the same Class I price in effect last fall.

This co-op front is a complete endorsement of the price program developed by some of the *Our Milk* co-ops on Aug. 15. (See Aug. *Our Milk*.)

A committee, including your Editor, Parke Kent, of Shelburne Co-op Creamery, and representatives of some other co-ops went to Washington Sept. 11 to push these demands. Represented at the Boston conference were Milton Co-op Dairy, the Bethel, Grand Isle, Shelburne, St. Albans, Cabot, Mt. Mansfield, Richmond, Granite City, Bellows Falls, Tunbridge, and Conn. Valley Co-op Creameries, United Farmers of New England, Northern Farms, Maine Dairymen's Assoc., and New England Milk Producers' Assoc. Your Editor, Dr. C. W. Swonger of NEMPA, Judge Geo. Thompson of Bellows Falls, and Sterry Waterman of Northern Farms comprised a committee which drafted the petition.

The co-ops based their request for a price increase on steadily mounting grain and labor costs, the poor quality of this year's hay crop, the small silage crop, and the prospect of insufficient milk in the pool to meet total fall demand. It is argued that there is no justice in denying farmers at least the price level of last fall, when their costs are higher and income prospects much less favorable than last fall—and that unless justice is done, the goal of the Milk Order—of enough milk—will not be met.

A PROCLAMATION

WHEREAS, the co-operative business enterprises of the State of Vermont have enabled our citizens to develop new and more stable markets for our farm products, promoted thrift through various co-operative credit agencies, electrified many farms and rural homesteads, secured supplies and insured against hazard to health, life and property, and

WHEREAS, the Vermont Co-operative Council has set aside the month of September for special activities of member co-operatives in their respective communities designed to inform the people of Vermont relative to the accomplishments and objectives of co-operatives, and

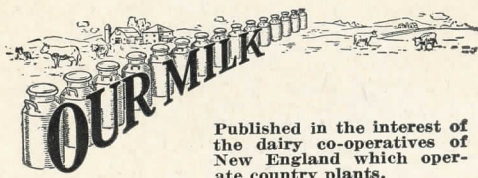
WHEREAS, co-operatives are playing an increasingly important role in the business world through their united service to the people of the state, and

WHEREAS, our citizens recognize the importance of the co-operative business of Vermont,

NOW THEREFORE, I, ERNEST W. GIBSON, Governor of the State of Vermont, do hereby proclaim the month of September, 1947 as

CO-OP MONTH IN VERMONT

And ask the citizens of the state to observe the activities of co-operatives in your respective communities.



12 Charles Street, Somerville 43, Mass.

CHESTER W. SMITH, Editor

Advisory Committee — John McGrath, chairman; Forrest Dodge, O. M. Sherbino, R. C. Sunderland, Joseph Trombley, Parke V. V. Kent, Albert H. Brown; Chester W. Smith, Sec'y-Treas.

CONGRESSIONAL HEARING ON FOOD PRICES IN BOSTON

Your Editor was called to testify on the present high prices of food, at a hearing in Boston on Sept. 16, called by the Congressional Joint Committee on the Economic Report. This committee is instructed to report to Congress by next Feb. 1 on its investigation of the present high prices of consumer goods. Representatives of consumers, labor, agriculture, manufacture, trade, and co-operatives were asked to present their views.

In explaining the problems of dairy-men and their own co-operatively-owned marketing machinery, your spokesman pointed out that both farmer and consumer milk prices are low, compared to many other foods. Also—that New England farmers have been caught in 1947 in a squeeze between rapidly mounting labor, grain and equipment costs on the one hand, and the poorest local crops of hay and corn silage in many years on the other. The only group in the milk industry which has recently improved its economic position is route-delivery men who, by resorting to a strike, have gained a five-day week at the expense of one cent per quart added to the consumers' milk bill.

Committee—Cont. from page 1)

of the Whiting Milk Co.; Chester W. Smith, economist for several large operating milk co-operatives; Dr. C. W. Swonger of the New England Milk Producers' Asso.; and Wm C. Welden of H. P. Hood & Sons, Inc.

Gov. Gibson Endorses Co-ops

At a two-day conference of 150 Farm Bureau executives at the Vermont School of Agriculture, Randolph, Vt., climaxed by a banquet, Governor Ernest W. Gibson declared, "Co-operatives stand between the people of this country and a Fascist form of government. The State of Vermont is a co-operative government and every citizen is a member of it." He also proclaimed September as the month to be set aside as "Co-op Month" in Vermont.

"When all our people have learned the principles of Co-operation, have learned to think Co-operatively and to act Co-operatively as a matter of habit; when men learn and practice the technique of sharing with the same zeal they now practice the technique of competition, the world will wonder why wars were ever fought and man will have reached his greatest era of social development." — A. B. MacDonald, Co-operative Union of Canada.

In discussing land use in Vermont, Gov. Gibson pointed out that while less land is farmed now than in former years, it is farmed more intensively. He also declared his opposition to the flooding of additional farm land for hydro-electric plants, and spoke of proposed future developments of the St. Lawrence Seaway and also of atomic energy as a means of power in Vermont.

Farm Bureau President Arthur H. Packard of Jericho presided at the concluding sessions. Other speakers included Murray D. Lincoln, president of the Ohio State Farm Bureau Insurance Co., Gordon Loveless, executive secretary of the Vermont Co-op Council, Dean J. E. Carrigan, of the UVM Agricultural College, and Senator Geo. D. Aiken, who reviewed the legislative program in Washington and spoke of the work in farm legislation that has been accomplished.

Lawrence Marvin, secretary of the Farm Bureau, said the organization is now in a position to expand its present services to the people of the state. During the meeting, the articles of amendment were changed to enable the Bureau to take over the Vermont Maple Co-operative at Essex Junction, following a vote of that body to sell earlier this month.

October 29th and 30th have been set as dates for the annual meetings of the Vermont Plant Operators, at Burlington, Vt.

John McGrath, President of Milton Co-op Dairy, is vacationing this month. He left Sept. 3, for Oregon, where he will meet a friend and motor through California and the South before his return.

OUTSIDE SALES JUMP

Pool sales to markets outside of Boston topped 15 million pounds in August. This is a jump of 10 million from June. These sales were running 40% to 55% below last year during the spring and early summer, but August sales are only 25% under last August. It begins to look now like these other markets may be calling for as much pool milk this fall as they did last year.

BOSTON MILK MARKET AUGUST, 1947

	1947	1946	1947 compared with 1946		1938-40 average	1947 compared with 1938-40	
			up	down		up	down
Blended Price (200-mile Zone) . . .	\$4.70	\$5.01		.31	\$1.98	\$2.72	
Class I Price	5.21	5.29		.08	2.59	2.62	
Class II Price	3.77	4.00		.23	1.24	2.63	
Butterfat Differential089	.094		.005	.035	.054	
Producer Milk Rec'd (mil. lbs.) . .	118.9	107.0	11.9		94.0	24.9	
Class I Milk Boston Area	61.9	63.8		1.9	50.6	11.3	
Class I Milk Outside Areas	15.3	20.4		5.1	5.3	10.3	
Per Cent Class II Milk in Pool . . .	35.1	21.6	13.5		40.4		5.3
Retail Price—Grain Ration, July	4.38	4.12	.26		1.80	2.58	
Labor per Mo. with Board, July	95.83	91.50	4.33		31.00	64.83	
Milk per day per Farm, July (lbs.)	330.7	309.1	21.6		217.0	113.7	
No. of Producers, July	13131.	12124.	1007.		15677		2546

The Dairy Situation At a Glance

Uppermost in the minds of *Our Milk* readers this month is the question: Will we get the 44 cent increase in the Class I price October 1—that all the co-ops are pushing for? Your Editor believes that a further fall increase is very likely,—if not by October 1, then probably for November and December at least, and possibly January. This would be no more than the Class I price level of last November, December and January.

Professors for Increase

The best clue to the expectation of an increase is the fact that the Boston Milkshed Price Committee, at its meeting on Sept. 3, unanimously agreed to recommend a new milk formula which, if *now* in effect, would fix the price at \$5.65. This is the level demanded by the co-ops for October. The committee of experts believes that the price should already be up to that level. This is extremely significant when you consider that four committee members are from outside the industry,—college professors and U.S.D.A. officials. A representative of the Dairy Branch who sat through every session of the committee felt that the prospects were good for getting the Secretary of Agriculture's advisors to endorse the new formula.

The New Formula

The new formula would base the price on four factors: national index of all wholesale prices, New England department store sales, and prices of dairy ration and farm labor in the Boston milkshed. This formula would give a high price now because all wholesale prices and grain prices are very high. The professors insist, however, that under such conditions, milk prices should be very high. The committee completely discarded the price of butter or skim powder as factors to put in a Boston Class I formula. This confirms the position of most Boston co-ops that the decision of the Dairy Branch—to adopt the New York butter-powder formula for Boston—in June 1946 was a great mistake.

The new formula so far is just a committee recommendation. It remains for producers to support it in a hearing and U.S.D.A. to adopt it before it becomes a part of the Boston Order. The Co-operatives are

planning another conference, to follow promptly the last meeting of the committee on September 19. The co-op group will report back to their respective directors, who will decide whether to take the big step of favoring pricing milk by a formula. They have opposed formulas up to now, particularly the ill-fated butter-powder scheme, but this new prospect may look a lot better. At least a great deal of study by New England's leading dairy economists produced it.

Butter Prices Soar

Butter prices have climbed steadily, a total of 10 cents per pound in the month ending Sept. 9, to reach 83½ cents wholesale in New York. This has pushed the wholesale cream prices in Boston above last year's level. Cream was \$33.89 per can the last week in August, compared to \$30.91 for the same week in 1946. The butter end of the butter-powder formula would probably contribute its share of a \$5.65 milk price for November, at present trends. It's the much lower powder price that would prevent the combined value from hitting the \$5.65 bracket. Powder prices are now 10¼ cents per pound, compared to 15½ cents last year. This is a difference of 5¼ cents, which is the equivalent of 30 cents per hundred pounds of milk.

Feed Prices Advance

The Vermont Ration Service reported a 16% dairy ration at \$89.32 per ton in mid-August. This is an all-time peak, and \$12 per ton over last fall's level. The U. S. corn crop was estimated by U. S. D. A. on Aug. 15 at 26% under last year, and 20% under the average of the last five years.

Marshall Plan

The foreign trade situation is prominent in the news these days. This is because many of the war-ravaged foreign countries have been buying American goods for the past eight months—mostly on credit, and are fast running out of credits. Secretary of State Marshall's plan is to provide many billions more in credits, when present balances run out, where countries will plan to match the funds with sound rebuilding of their own economy.

The Marshall Plan has great sig-

nificance for our dairy industry, as a major item in recent big exports has been wheat and milk powder. Under any new aid plan, it is known that demand for milk powder will be big, as experts now agree that it will take two more years to rebuild the European dairy industry to its pre-war level. Exports have been a major factor in preventing the appearance of domestic surpluses under our present high level of milk production. 1947 milk production is likely to be greater than any other year except 1945.

Prospects Look Good

* Prospects look fair for getting the Boston Class I milk price increased October 1. A committee composed of W. P. Davis and Dr. C. W. Swonger of the New England Milk Producers' Assoc., Parke Kent of Shelburne Co-op Creamery, and C. W. Smith of Co-op Dairy Economics Service met in Washington on September 11 with U.S.D.A. dairy officials. They are endeavoring to get Secretary Clinton P. Anderson to call a public meeting in Boston on September 20 to hear evidence of the need for the price increase. Nearly all of the co-operatives joined in asking that the price be increased Oct. 1—from \$5.21 to \$5.65 per cwt. for 3.7% milk at the 200-mile zone from Boston.

August Price \$4.70

The official blended price for the 200-mile zone for August is \$4.70, according to Administrator R. D. Aplin's August pool report. This is 31 cents less than farmers got for milk last August.

Milk Sales Increase

Boston consumers spent about 2% more money for milk in August than in July. July was 11% above June. This is revealed by the Administrator's August pool report just released. Volume of milk sales declined 2.3%, but the retail price advanced one cent per quart August 1. Farmers got 2.3% less money for August Class I milk than last year because the price was the same. It is evident now that a pronounced downward trend in consumption—that seemed to be developing three months ago—has not materialized yet. The prospects look fairly good now for increasing the price another cent per quart in October, without causing a serious break in sales. This is encouraging to dairymen, who need a cent per quart to get back to their last year's price level.

Join A Neighborhood Club

by Don Elbertson, Director of Education
Vermont State Farm Bureau

A neighborhood club is composed of people like you and me—who want to seek out situations of common concern and do something about them. This is its purpose—to help you, and in turn, to help others face problems at hand. This forms the attitudes and develops the co-operation necessary for solving future problems.

Your neighborhood club and your neighborhood co-op can work together to better your community. Some folks tend to be very active in the club and therefore in the co-op—because of the effect each has on the other. Let's dig deeply into the purpose and function of a neighborhood club, and then find out the connection between clubs and co-ops.

How Clubs Work

How does the club develop community good will? It runs on the energy generated through co-operation, mutual interest and understanding of its members' needs. A story is told of a certain newcomer to New York City who asked a newsman where North New York was. Very indignantly the newsman replied, in the Yorker's drawl, "Man, we don't have any North New York; all's we have is up-town, down-town, east-side and west-side." Similarly, the mutual interest developed by the club eliminates any North, South, East or West as such. This is the power which makes the club operate.



Organize a Club

The Vermont State Farm Bureau assists interested groups in organizing clubs. A club elects a chairman, discussion leader, secretary, and recreational leader from the group's members. There are no limits on the

numbers, although the most frequent number is 15. It's much easier for everyone to take part when the group is small and they meet in someone's home. There is much less effort to "win the debate," and the question at hand is explored much more thoroughly. And then—you react to your neighbor much more when you can see his face instead of the back of his head. You need not invest any money, but only your priceless co-operation, interest and understanding.

Now, after these officers have been elected for a year, the chairman calls meetings once a month in the members' homes. He aims to hold the group together and helps make its plans. The discussion leader develops ideas from all who attend. The secretary keeps adequate minutes, especially when there is a question of a legislative nature. The recreation leader helps everyone have fun together,—not just entertainment by a single person.

What It Does

What does a club do? It shares experiences—like two neighbors discussing recipes over the back fence. The club considers not only the interest of one or two—but thinks about and uses the suggestions of all its members. A neighborly association—from which everyone receives some benefit, according to how much co-operation, interest and understanding he puts into it—that's a Neighborhood Club. It's exactly what the name implies,—neighbors who desire to get together regularly to be helpful—to *work together* on the problems of individuals and groups within a neighborhood. It's your community's "mutual-benefit" insurance policy,—a forceful weapon to wage war upon intolerance, unfairness and misunderstanding. (Let me point out to you that I am using "you" here a lot because *it is Your club* based on *Your interest*. It is no one else's.)

The neighborhood club takes on a different dress in the democratic approach to community affairs. In the past, it has organized credit unions, P.T.A.'s, and co-op's, as well as helped prepare club members to speak be-

fore town meeting on typical problems such as education, street lighting, and appropriations for district health nurses. Club members have discussed legislation with their state representatives, and have stimulated them to action. By being interested in community problems, club members get the pulse of the nation's problems and are able to do something about their solution.



Co-op and Farm Bureau

The Farm Bureau's connection to all this is direct, because the neighborhood club is made up largely of farm people. It brings its weight to bear upon decisions reached, and thus assures proper action. The Farm Bureau interprets the aims of co-ops, their purposes and advantages, and develops understanding of them. And from this a feeling of betterment of rural life is secured and upheld.

In sum, the neighborhood club is the seed of good will. It is worth while for your milk co-op to multiply this seed by encouraging members to form clubs. Do you want to strengthen your co-operative in this way? Then form a neighborhood club! If you are interested, send your inquiries to Chester W. Smith, at the office of *Our Milk*, 12 Charles St., Somerville 43, Mass., or Don Elbertson, Vermont State Farm Bureau, 200 Loomis St., Burlington, Vt.

Dairy News

from

MILTON CO-OP DAIRY

WWSR

St. Albans - 12:15

Every Wednesday