

Subject: **Milk Prices Easing at Dairy Case**

Summary: Milk prices eased off a bit in the second quarter of the year according to the American Farm Bureau market basket survey of food prices. Dairy farmers say the higher prices weren't unexpected because of a variety of cost of production factors.

Suggested Lead: After reaching historically high levels earlier in the year, milk prices are beginning to level off at the dairy case. Farmers say it's about time the prices they receive caught up with the higher costs of production. Ken Moore reports from Bentonville, Arkansas

TRT: **2:08**

Suggested supers: Bentonville, Arkansas
@ :18

Ryan Anglin
Bentonville, Arkansas
@ :29

Ken Moore
Reporting
@ 1:55

Milk Prices Easting

Suggested lead: After reaching historically high levels earlier in the year, milk prices are beginning to level off. Farmers say it's a matter of the prices they receive catching up with costs of production. Ken Moore reports from Bentonville, Arkansas.

TRT:

<p>Milk in dairy case/ Milk labels/ Anglin with cows in pasture/</p>	<p>VO/ RETAIL MILK PRICES ARE BEGINNING TO DECLINE, AFTER RISING SHARPLY EARLIER IN THE YEAR. ACROSS THE NATION, THE AVERAGE PRICE WAS \$3.50 A GALLON, BUT THAT WAS DOWN 37 CENTS IN THE SECOND QUARTER ACCORDING TO AMERICAN FARM BUREAU'S MARKET BASKET SURVEY. RYAN ANGLIN CHAIRS ARKANSAS FARM BUREAU'S DAIRY DIVISION AND HAS A 300-HEAD OPERATION IN BENTONVILLE. HE CITES A COUPLE OF REASONS FOR THE RISE IN DAIRY PRICES EARLIER THIS YEAR.</p>
<p>Sound bite Ryan Anglin Bentonville, Arkansas Milk jugs/</p>	<p>SOT/ THE FIRST THING WAS THE CANADIAN BORDER BEING CLOSED BECAUSE OF THE BSE ISSUE AND THERE'S NOT AN ABUNDANT SUPPLY OF DAIRY HEIFERS. AND THE OTHER ISSUE WAS THE MONSANTO BST CUTBACK IN PRODUCTION AND INCREASE IN PRICE. SO, THE THREE FACTORS WORKING TOGETHER HAS MADE FOR A CONSIDERABLE SHORT SUPPLY OF MILK.</p>
	<p>VO/</p>

Milk parlor scenes/	<p>AT THE SAME TIME, THE PRICE HANDLERS PAID DAIRY FARMERS FOR THEIR MILK WAS UP 55 PERCENT ...ANGLIN SAYS HE HASN'T SEEN THAT SHARP AN INCREASE FOR HIS PRODUCT IN YEARS.</p>
Cows in milk parlor and leaving/	<p>SOT/</p> <p>WE'RE SETTING RECORDS ON OUR MILK PRICES. WE'VE NEVER HAD 20-DOLLAR MILK A HUNDRED-WEIGHT BEFORE.</p> <p>I STARTED IN 1972, EQUIPMENT COSTS HAVE GONE UP DRAMATICALLY, COW PRICES ARE UP TO \$2,000 DOLLARS A HEAD FOR SPRINGER HEIFERS NOW, AND WE'RE NOT HAVING ANY WINDFALL, BUT WE'RE IN A POSITIVE CASH FLOW SITUATION NOW AND IT IS ENJOYABLE.</p>
Feeding cows/	<p>VO/</p> <p>THE SHARP RISE IN FUEL COSTS HAS ALSO IMPACTED THE PRICE FARMERS PAY FOR FEED AND HAY. RYAN IS A THIRD GENERATION FARMER AND ESTABLISHED HIS OPERATION IN 1972. HE'S ONE OF THE FEW DAIRYMEN LEFT WHO HASN'T OPTED OUT OF THE BUSINESS.</p>
Sound bite	<p>SOT/</p> <p>THERE ARE ROUGHLY 75,000 DAIRY FARMERS IN THE UNITED STATES TODAY. IF YOU WATCH THE SUPER BOWL, THERE'LL BE MORE PEOPLE AT THE SUPER BOWL THAN THERE ARE DAIRY FARMERS LEFT IN THE UNITED STATES, FOR COMPARISON.</p>
	VO/

<p>Supermarket check out scenes/</p> <p>Ken Moore Reporting</p>	<p>ECONOMISTS EXPECT RETAIL MILK PRICES TO CONTINUE TO EASE THROUGH THE REST OF THE SUMMER. AND WHILE THE PRICE PAID TO PRODUCERS DECLINED BY FIVE PERCENT IN THE SECOND QUARTER, ANALYSTS SAYS THEY SHOULD REMAIN UP THROUGH THE REMAINDER OF THE YEAR.</p> <p>IN BENTONVILLE, ARKANSAS I'M KEN MOORE REPORTING</p>