

# Unemployment Insurance a Possibility for Farmers

Studying a "what if" situation, economists and sociologists of Pennsylvania State University are analyzing the potential effect of extending Federal unemployment insurance to farm workers.

In charge of the Penn State study are Dr. James S. Holt and Dr. Rex H. Warland of the Department of Agricultural Economics and Rural Sociology, College of Agriculture, at University Park.

Drs. Holt and Warland are making the study at the request of the U. S. Department of Labor which turned to the Agricultural Experiment Station at Penn State for analysis of the effect of extending unemployment insurance.

Congress had considered such a proposal in 1970. If the proposal should become reality, average benefits would vary from \$318 to \$375—depending on the coverage provision. Benefits would vary from 2 to 2.8 per cent of total taxable wages—again depending on coverage.

The study also found that a much higher proportion of migrants, for example, would be beneficiaries of short-term unemployment insurance than non-migrants. Although migrants studied made up only 15 per cent of the farm labor force in Pennsylvania, they accounted for half the total benefits estimated to be received by workers surveyed. As for estimated cost rates, this

was relatively low in Pennsylvania and ranged from 1.9 to 2.9 per cent of taxable payrolls. This cost was comparable to the present cost of non-agricultural coverage, Drs. Holt and Warland report.

They believe the low cost rate would be due to the fact that about 25 per cent of the labor force do not qualify as potential beneficiaries. These are persons with very low normal levels of employment. Also, some workers succeed in combining two or more seasonal jobs, thus reducing the period of unemployment.

Even of farms where seasonal employment is concentrated, there are substantial numbers of permanent workers. These permanent workers have little unemployment but contribute heavily to the taxable wage base. This factor, plus the predominance of dairy and poultry farms in Pennsylvania with relatively little seasonal labor, also contributes to the low labor cost.

Employers' rates of contributions, where workers experience substantial unemployment, would rise—possible to

the maximum of four per cent of taxable payrolls. However, the cost of benefits to firms whose workers have substantial unemployment may exceed four per cent. For migrant worker employers, this could come to about 7.5 per cent of taxable earnings.

If unemployment insurance should be extended to all agriculture in Pennsylvania, it would add an estimated 63 million dollars to the approximately \$12 billion in taxable payrolls presently under the Federal system, Drs. Holt and Warland point out. This is an increase of less than one-half per cent.

The number of covered employers would increase by less than five per cent, they claim, even after a generous allowance for employers of few workers. Such employers were not well represented in the survey sample.

## March Butter Production Down

Production of creamery butter in the United States during March was estimated at 106,775,000 pounds, the Crop Reporting Board reports, four per cent less than March 1971. In the four leading butter-producing states, output was down one per cent in Wisconsin, nine per cent in Minnesota, seven per cent in Iowa, but up 19 per cent in California.

The January-March production total for 1972 at 307,640,000 pounds is two per cent less than the 1971 total for the same period of 312,605,000 pounds.



Harold Knechel  
Harleysville, Pa.

"The Harvestore System was the way I had to go to make a good living and keep my family interested in farming..."

My family tells me we are handling 110 cows easier than 60. The same acres of high moisture corn will last four months longer than dry corn. Our butterfat test is up 2% and milk is up 2,000 lbs per cow. Before our new set-up, we produced \$30,000.00 worth of milk. We had to invest some borrowed money but we will sell \$110,000.00 worth of milk in 1971."

### PENN-JERSEY HARVESTORE SYSTEMS, INC.

New Holland, Pa.  
Phone: (717) 354-5171  
1971 HARVESTORE DEALER OF THE YEAR

**PARADISE SUPPLY**  
GORDON B. RESSLER, OWNER

FOR BETTER RESULTS TRY  
**PARADISE SUPPLY 14 & 16 FLAKE DAIRY FEED**

ALSO  
**PARADISE SUPPLY FITTING FEED**

Paradise, Pa. 17562 717-687-6292

# RED ROSE DAIRY BOOSTER PELLETS



A new feed which contains 10 grams of Methionine Analog per pound. It is designed for use as a "top dress" feed, or for use in Red Rose Supplement mixes.

Red Rose customers are getting excellent results with feeds containing Methionine Analog. This new feed is needed where dairymen feed in milking parlors or use supplement mixes.



FOR FEEDING DIRECTIONS CONTACT  
YOUR LOCAL INDEPENDENT RED ROSE DEALER

IN QUARRYVILLE AREA

**RED ROSE FARM SERVICE, INC.**

MAIN OFFICE  
N. CHURCH ST.  
QUARRYVILLE, PA.  
786-7361

NEW PROVIDENCE, PA  
GRAIN ELEVATOR  
786-3427  
BUCK, PA.  
284-4464

IN ATGLEN AREA

**BROWN & REA, INC.**

ATGLEN, PA.  
215-593-5149