

Milk security

(Continued from Page A1) described the bill as a compromise approach. "It's a good start and provides needed protection for dairymen," he said.

The compromising started over the weekend when Pennsylvania Farmers' Association backed off its hard-line demand for a two cent contribution by dealers, conceding "passage is necessary even without additional funding."

The State Grange, Pennsylvania Farmers' Union, and six major dairy cooperatives in the state all had supported SB 1287 as written. They were the driving forces for the one cent contribution rate which now is law.

The State Association of Milk Dealers argued in favor of farmer contribution to the fund and wanted no dealer contribution at all.

A later proposal, advanced last November by Secretary of Agriculture Penrose Hallowell and supported at the time by the State

Grange, called for split financing, with farmers and dealers each contributing one cent to the fund.

The co-ops opposed this plan, Hallowell backed away from it, and the Grange changed its policy to agree with the co-op stand asking for a one cent contribution solely from the dealers.

In the meantime, Pennsylvania Farmers' Association delegates picked up on the two cent contribution idea, but asked funding only from the dealers.

On March 26, the Grange, PFA, Farmers Union, co-ops, and ag political leaders met to state publicly their support for SB 1287 as drafted by Senators Patrick J. Stapleton and Frank J. O'Connell. Despite its attendance at the meeting, PFA continued to argue for a two cent dealer contribution.

Political realities, including strong lobbying by the Milk Dealers Association, dictated this would not become law.

PFA supported the bill in all other particulars.

Leadership in both the Senate and House gave the bill priority, streamlining its movement through the agriculture committees and the floors of both chambers.

The various farmer associations, the Pennsylvania Department of Agriculture, Governor Richard Thornburgh, and the State House and Senate agricultural leadership all had expressed cautious optimism that SB 1287 could become law sometime in June in honor of dairy month.

The House cleared the bill on the last day of June, but it needed an extra two days to return to the Senate for concurrence on the technical changes and the sub-dealer provisions which were written in.

As a whole, the farm community offered no regret that the bill actually became law during the month of July. It was a measure dairymen long have needed to protect themselves against one of their many problems: dealer failures.

Here's a quick sketch of Security Fund's provisions

LITITZ — The milk security fund established by SB 1287 attempts to cover all milk produced and consumed within the Commonwealth of Pennsylvania.

Milk from other states and purchased by dealers in Pennsylvania must be included in the coverage of the dealer's bond.

While not included in the version passed, the stated intent of the general assembly was to speed up the final milk payments as soon as possible.

The new law agrees with old law that final payment to farmers is to be made no later than the 15th day from which the milk was received.

Two funds are established. The first, dealer contribution fund, would accrue to the Milk Producers' Security Fund. The second,

co-op contribution fund, would accrue to a Cooperatives' Security Fund.

Cooperatives are allowed to vote themselves out of the Cooperatives' Security Fund. It is doubtful any co-op will vote itself in.

Handler funding will be at the rate of a penny per one hundred pounds milk purchased until the fund reaches \$4 million.

Title to milk shall be deemed to have transferred from producer to buyer at the point of shipment of the milk.

Therefore, milk produced in the Commonwealth and flowing to a buyer outside the state is intended to be covered by the fund.

The out-of-state buyer would be required to obtain a license from Pennsylvania Milk Marketing Board.

Claims will be allowed for 75 percent of losses. No claims against the fund will be allowed for sales to dealers not licensed by the Milk Marketing Board.

Milk purchased from

producers outside the state and sold within the state must be included in the dealer's coverage.

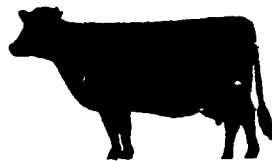
If a bond or alternative security option is chosen by the dealer, the total amount of security must cover any consecutive two month period during the current year.

Withdrawals from the co-op security fund are allowed only in the case of adjudicated bankruptcy in an amount not to exceed 90 percent of the amount due.

Adjustment will be made for sales of butter, cheese, and non-fat dry milk manufactured for sale to the Commodity Credit Corporation by a dealer or co-op participating in the fund.

Dealers and co-ops will be eligible for rebates and credits for those manufactured products.

The state house is expected to act in an upcoming session to require speedy payment for milk so a farmer's money is not held by a buyer for as much as 55 days as currently is the practice.



Legislative roundup

Last minute flurry gets several bills passed

HARRISBURG — A rush of activity to beat the Wednesday night deadline on the current legislative session saw several important farm bills go to the governor for his signature.

Among them was the senate's passing of SB 1287, the milk security fund, 48-0. See story on page 1 of this issue.

The senate also passed Senate Bills 965 and 986 by votes of 184-0 and 179-4. The eminent domain provision in the second bill drew 'nays' from four Pittsburgh area legislators.

Those bills, known as the Knapp bills, were passed with minor changes that write Allegheny County (Pittsburgh) and Philadelphia County out of the laws. They also apply only to agricultural land

The bills were shepherded through the legislature by the Grange who went to bat for the Knapp family. In their case a school had condemned their farmland and then attempted to sell it for development as a shopping center.

Should the Governor sign the bills as expected, farmers will be protected from such land speculation by municipal bodies. The 12 year rollback will cover the Knapp family who now will be able to buy back their lands.

Also passing at the last moment was HB 2460 which will declare Johnsongrass a noxious weed. The House sent the measure to the Senate where it probably will be acted upon next fall.

Although the House also

passed SB 414, the 'bute' bill dealing with medication in racehorses, the senate decided to non-concur on changes made by the House.

SB 414 also should be acted upon in the fall when the legislature reconvenes.

Likewise HB 1794, the nuisance ordinance, remains tied up in Senate committee.

The measure would prevent any municipality from passing a law restricting normal farming practices like spreading manure or applying lime.

The legislature probably will reconvene about the third week in September.

In the meantime, farmers have plenty of time to talk to their legislators, comment on the session's work accomplished, and discuss future bills.

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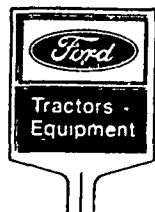
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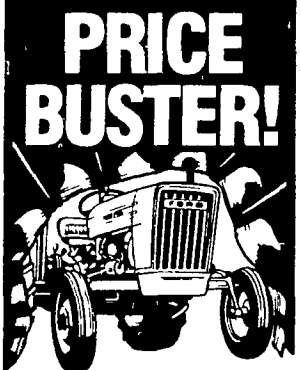
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