

Dairy support level should remain at 80%

WASHINGTON, D.C. — Rotten weather and potential crop failures have helped at least one segment of agriculture.

The Carter Administration has announced it will make no request to Congress asking that USDA be allowed to forgo the semi-annual price adjustment due October 1.

At the same time the Administration indicated it would not press to have the dairy price support level lowered from 80 percent of parity to 75 percent. One proposal under consideration would have required the drop if Commodity Credit Corporation

stocks were to reach a certain level.

Large purchases of surplus dairy goods, many of them by CCC, were cited as a major incentive for a potential change in the dairy support program.

As the law stands now, dairymen will receive 80 percent of parity adjusted semi-annually to keep up with inflation.

With no change forthcoming in current regulations, dairymen can pencil in an upward adjustment in dairy support prices of between 75 cents and \$1 per hundredweight, effective October 1, 1980.

Whether the oversupply in

milk production will be augmented because of the support price hike remains to be seen.

But the near disaster in crop production in the midwest which was taken into the government's thinking on the dairy support question, seems to have been the dominant factor in the final decision.

Less grain production should mean higher feed prices for cows.

USDA and other agricultural analysts said they figured dairymen would cut back on the amount of feed given cows, thus cutting production.

Consumer and farmer groups were asking whether it would be good policy for a government agency to encourage more dairy production in the face of a great oversupply.

Of course, any major drop in milk output could chew away the surplus and confuse the milk marketing system.

The thinking of farm leaders that the adjustment would be needed to meet higher costs of production,

including a projected grain price boost, apparently carried the battle in Washington.

Also entered on the economic graphs was the possibility that poultry and red meat prices could jump in the last quarter of this year or early the first quarter of 1981. An increase in those areas would make dairy products more attractive to the consumer.

A number of arguments against a price increase fell by the wayside.

The nation's dairy herd is well culled, so little decrease will come from animals leaving the milking string.

Per cow milk production is expected to continue to increase due to the better genetic makeup of the cows now on farms.

But as farmers well know, economic projection remains one of the most imprecise of sciences.

While an increase in support prices now seems a certainty, the ultimate effect the increase will have on both farm and consumer prices remains to be seen.

At present it looks as though farmers will have something under a dollar per hundredweight more support under their milk checks, a figure which could cost the consumer between one and two cents per quart more for milk at the store — CH

York plowmen to compete

in county contest

YORK — County plowmen will compete for honors in the level and contour divisions this Tuesday when the Joe Stump farm off Route 30 west hosts the annual York County plowing contest.

The first furrow will turn at 12:30 sharp as entrants in both the small and large plow divisions will compete on level land and contour category entrants take to the hills. Winners will represent York County at the state plowing competition, scheduled for Saturday, August 16, at Hershey Estates.

Each plowman is responsible for supplying his own equipment.

The host farm is on Hull Drive, just behind the

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Use of water for livestock (red meat, poultry, eggs, and milk) is expected to increase from 1.9 billion gallons a day to 2.5 billion gallons a day by the year 2000.

Leisureville Apartments on Route 30, west of York. Sponsor of the competition is the Agriculture Extension Office.

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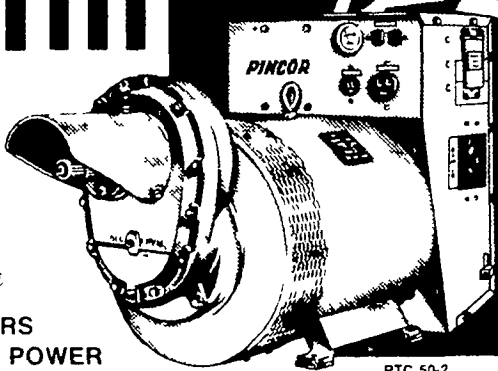
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