

The Milk Check

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Reprieve

The on again, off again 50 cent assessment is now off again for the fourth time (or is it the eighth?) following a temporary restraining order by federal judge Matthew Perry on May 5 in South Carolina. The ruling put the assessment on "hold" for 20 days to May 25 when the judge says "the parties can anticipate a full opinion". It seems the judge is convinced he made the right ruling the last time on January 11 when he stopped the assessment because of violations of the Administration Procedures Act which the Secretary of Agriculture corrected. However, he still feels that "any remedy comes under the heading of administrative law rather than constitutional law".

Specifically the injunction prevents the Secretary and the CCC from collecting any of the assessments and if they have collected any it should be "returned forthwith". That takes care of the Secretary but it doesn't say anything about handlers particularly for milk received from producers between April 16 and May 5 when the assessment was "on". Anyway, I doubt that there are any producers or handlers losing sleep over it and with the track record that this con-

troversy has had in the courts nobody believes anything any more. However, you do have to credit the farm organizations and co-ops who have worked to stop the assessment. They have done that, at least so far. But what started out as a nice, clean surgical cut to get rid of the assessment legally has turned into something of a bloody mess and the longer it's delayed the more likely it will be ended or given legislative legitimacy by Congress.

Order 2 Pool

Last month for the second time this spring, producer receipts to Order 2 handlers went over a billion pounds a month, making it the highest for April in 16 years. On a daily basis this was a million pounds a day more than in March and with no increase in Class I sales your utilization dropped to 36.7 making a record low for April in Order 2. The Class II price dropped six cents from March with four cents of that coming from a seasonal adjustment in the Order and two cents from a lower Minnesota-Wisconsin price. The Class I price also dropped three cents as the result of a lower M-W from January to February.

Putting all these together - lower Class prices and a lower Class I utilization - they cost you six cents

on your blend price for April compared to March. The biggest cut once again was a 10 cent increase in your Louisville Plan payment from 20 cents to 30 cents a hundred. The total of 16 cents dropped the Uniform Price from \$13.01 in March to \$12.85 in April. This is just three cents more than last year but 15 cents less than April 1981 which was the record high for the month in Order 2.

Spring Flush

The seasonal flood of milk from farms to manufacturing plants has already started with some Federal Order changes made several months ago in anticipation of the expected deluge. There's no question that increases in manufacturing plant capacity by both cooperatives and proprietary handlers here in the northeast is a blessing now but other changes were made - mainly by cooperatives - that you should be aware of. In Order 4 handlers got a transportation credit of 3.6 cents for Class II milk that had to be hauled more than 200 miles to non pool plants for processing. Order 36 suspended its Louisville plan payments by producers and got a drop of 40 cents a hundred in the price of milk going into butter, powder and cheese. The changes are not without some cost to the producer but they're a lot cheaper than some of the costs paid in the past to find a home for "homeless" milk.

On The Senate Side

What has been leaked as a compromise between the Administration and the Senate Agriculture Committee would keep the 50 cent assessment and make it mandatory to September 1984 to eliminate the court challenges. The "plan" would also drop the support price 50 cents starting October 1983 along with a one year paid diversion. After that the support price would be dropped 50 cents a year until government

purchases fall below five billion pounds of milk equivalent. Here again we see parts of different pieces of legislation that were introduced earlier and compromised into a proposal just as we found in the House two weeks ago. All it does, however, is give us more clues on what they're thinking in Congress without any solid choices being made before the water is tested. Sort of trial balloons that we're getting to test the reaction of the industry. The encouraging thing about all this is that the Senate, House and the Administration appear to be doing their compromising together with the hope of bringing very similar bills to a floor vote when the time is right. This in contrast to last year when each came out with very different bills that finally produced the camel that we have today when the conference committee got through working them over.

Back At The House

Meanwhile, back at the House Agriculture Committee where things are a little further along than in the Senate, they have a new bill called the "Dairy Production Act of 1983" and designated HR

2822. This is the work of the dairy subcommittee that combined parts of the National Milk Producers' Dairy Compliance Program with a few wrinkles added from the Dairy Surplus Reduction Act of the so-called Wisconsin coalition. The major difference between the Senate and the House proposals is that the Senate version uses the 50 cent assessment and the 50 cent drop in the support price to finance the diversion payment. In other words, everyone pays but only those who reduce production get anything back.

In the House proposal the diversion payments for those who reduce production are paid for out of penalties (up to \$12.00 a hundred) on surplus milk of producers who have increased production. The support price stays where it is now at \$13.10 without any deductions. It also puts limits on what is considered surplus milk so that no matter how high your production goes your blend price won't be more than a dollar less than it is now. Both proposals include producer contributions for promoting milk and dairy product consumption.

Chestnuts heifer tops Guernsey Sale

LANCASTER — The 328th Special Guernsey Sale brought in buyers from several states along the eastern seaboard, but the top selling heifer went to Lancaster County's own Scott and Elsie Wolf of Quarryville. The sale was held May 19 at the Guernsey Sale Barn.

The Wolff's placed the top bid of \$1500 to purchase Chestnuts Premier Bettie. Bettie is a two year old heifer bred in September to Yellow Creek M Gaiter. Bettie was consigned by John Carroll of Cordova, Md.

A complete dispersal of the

Russell Ricker and Sons herd was held in conjunction with the Special Sale. A total of 60 Guernseys and 11 Holsteins were sold.

Sale receipts for the 60 head of Guernseys totaled \$45,175, with a sale average of \$752.

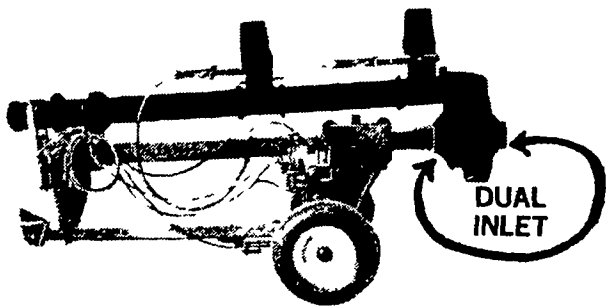
The sale total of the 11 Holsteins was \$10,500, with a sale average of \$954.

Top selling Holstein, Performer Apollo Candi, sold for \$1725 to Rabbit Ridge Farms of Lititz. Candi, a heifer bred to the Ace bull, was consigned by Ruth and Russell Ricker.

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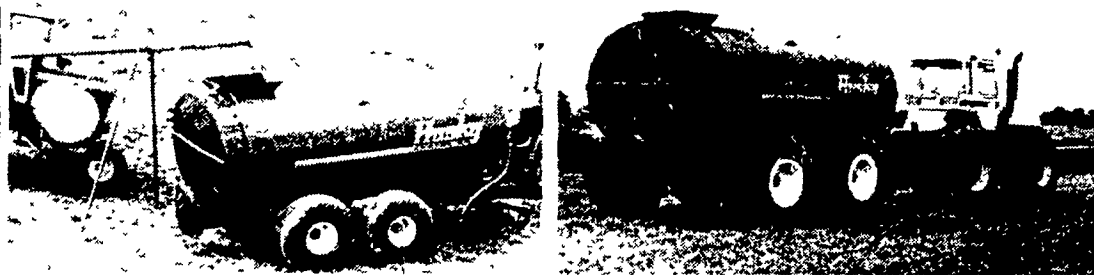


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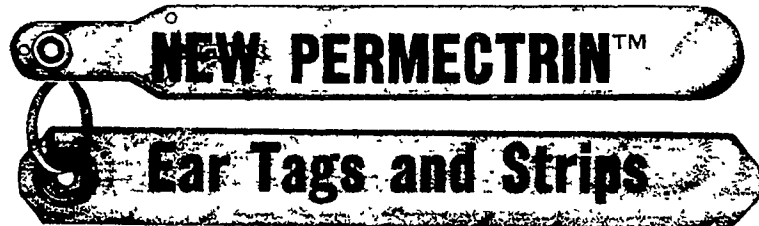
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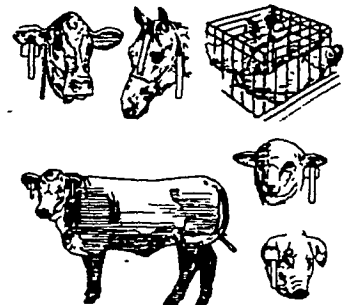
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