

Mix reviews dairy

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The states contributing the most to CCC purchases are Wisconsin and Minnesota, combined they account for two-thirds of all CCC purchases. Along with California, the three states account for 85 percent of all CCC purchases. The Northeast presently makes up only eight percent of CCC purchases.

Mix gave a brief synopsis of a conference held May 18, between Secretary of Agriculture John Block and the dairy subcommittees of both the House and Senate. They met in an attempt to get an agreement between the administration and both houses of Congress that they can mark-up in a bill and take to the full House and Senate Agriculture Committees, and then to the floor.

The proposal that came out of the meeting contained the following points according to Mix: -It would leave the current legislation, the 50 cents assessment, in place until October 1, 1983.

-Before then, new legislation would be enacted to lower the support price to \$12.60 (by 50 cents).

-A diversion payment of 10 cents per hundredweight would be paid to producers who cut production by 5-30 percent from their 1961/82 base. This diversion payment would be payable thru December 31, 1984 and would be funded by monies collected from the 50 cents assessment.

-A mandatory 15 cents per hundredweight would be deducted for advertising and promotion. Credit would be given up to 10 cents per hundredweight for present advertising and sales promotion payments.

-On January 1, 1985 if the Secretary of Agriculture estimates the CCC purchases to be more than 6.0 billion pounds of milk equivalent per year, this support price will drop another 50 cents to \$12.10.

-If that wasn't sufficient to reduce purchases then the support prices would drop another 50 cents on July 1, 1985 to \$11.60.

In response to this proposal Mix attempted to estimate its impact. A one dollar decrease in the price of milk per hundredweight would mean a \$260 million decrease in the Northeast, according to Mix. That decrease would translate into a \$1.3 billion drop in the overall economy of the Northeast because a factor of five is used for dollar drop on the farm to the overall economy.

Mix stressed the importance of high sales per cow if the dairyman is going to survive these lower prices. He said there are three key factors that will determine those who stay in business and those who are forced out. Those factors are: debt service per cow, pounds of milk sold per cow, and milk price legislation.

"I believe the net affect of these key factors for the year ahead will be such that perhaps eight to ten percent of Northeast dairy farmers will be forced out of business by 1985," Mix predicted.

Alot of people are giving higher percentages for drop out, said Mix. The longer the surplus lasts, the bigger the drop out will be.

Mix brought a bit of pertinent history before the conference that dealt with the dairy surplus problem in 1953-54. Purchases by the CCC hit a record high, for that time, of 11.3 billion pounds of milk equivalent. Build-up of CCC purchases lasted for 21 months, and increases in cow numbers peaked at 10 months.

Mix said that this time around there is no evidence that cow numbers have peaked yet. The number of cows has been increasing for the last 39 consecutive months.

"Therefore, the problem we

have is more deeply entrenched than it was before," Mix pointed out. "At that time the Secretary of Agriculture dropped the support price 70 cents, in today's dollars that is equal to \$2.39. It took 18 months to bring production in line with consumption in 1953-54. We are more deeply entrenched this time, thus there will be a longer turn around time, probably a minimum of two to three years."

In his concluding remarks Mix said, that unless we experience a miracle along the lines of consumption, a reduction in cow numbers by 1.2 million will be needed by 1990. Other factors he pointed to, to correct the surplus problem were a mandatory 15 cents per hundredweight for advertising and sales promotion, increased standards for solids-not-fat, and increasing exports.

"I'm an optimist," said Mix. "I believe the cycle has turned before and it will turn again, but it's going to take a broad understanding of the situation we are in by all dairymen, We can't go on thinking that all we have to do is put on more cows to maintain a cash flow.

Pequea Valley Grange to meet

PARADISE — The newly organized Grange in the Paradise-Strasburg area, Pequea Valley Grange No. 2078, will hold its next meeting on Friday, at the Paradise Township Municipal Building.

Officers elected at the last meeting include: Robert Coates, Master; Roy Witmer, Overseer; Dorothy Zimmerman, Lecturer and Ruth Clark, Secretary.


Carl Meshey, Paradise Township supervisor, spoke to the Grange about the past activities and future plans of Paradise Township. A game conducted by Dottie Stauffer was won by Sandy Weir and the door prize was won by Robert Coates.

Regular meetings of the Pequea Valley Grange No. 2078 will be held on the second and fourth Fridays at 8 p.m. at the Paradise Township Building. Anyone interested in becoming a member of this community organization is welcome to come to Friday's meeting.

Additional information can be obtained from Robert Coates 442-4134 or Dottie Stauffer 548-2909.



Officers of new Pequea Valley Grange in Lancaster County include, front row from left, Ruth Clark, Dorothy Zimmerman and Roy Witmer; back row, Clair Hillard, left, and Robert Coates.



HORN OF PLENTY

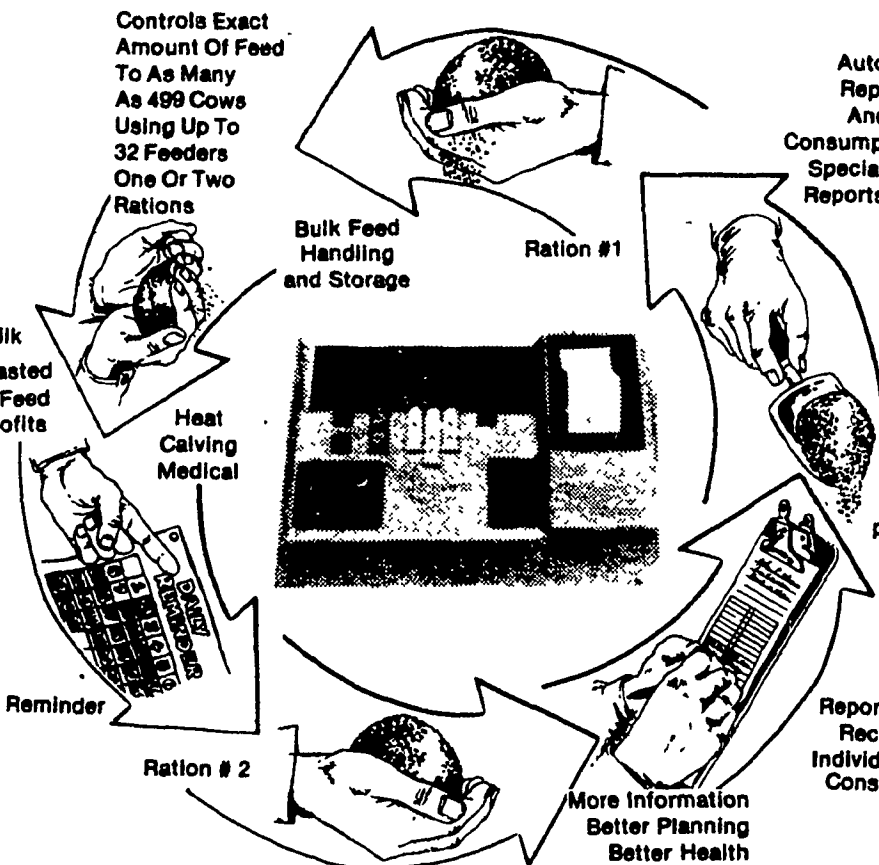
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