

# The Milk Check

**TOM JURCHAK**  
County Agent



### Nature's Way

While Congress and the dairy industry have been trying for two years to bring milk production back in line with consumption, mother nature may provide the solution within two months. Already 15 counties in Pennsylvania have applied for emergency assistance claiming losses of hay and corn crops of \$155 million. Most of this was in the southern tier and central Pennsylvania counties but is likely to include many more before the crop year ends. In addition, Secretary of Agriculture John Block is meeting with the governors of 26 states on September 2 in Chicago to review the problem nationally and explore the ideas for emergency assistance that may be needed. Right now, the only assistance available is low interest Farmers' Home Administration emergency loans going now for eight per cent. Most of the disaster assistance for crop failures was shifted to the Federal Crop Insurance Program two years ago but here in Pennsylvania only four per cent of the corn in the affected counties was covered.

Of course, no one knows for sure what the final effects will be from the weather and the PIK program but best guesses now are pegging feed prices for dairy farmers at a 25 per cent increase this fall and winter. And, as you've heard in this letter many times before, the second greatest impact after milk prices on milk production is food costs. Fred Hughes, Penn State University Extension farm management specialist, figures that such an expected rise in feed costs plus the dollar drop in milk prices could cut "income over feed

costs" by \$250 per cow. That's hard to take and a lot of dairymen, large and small, will have to make some major adjustments to survive. It is estimated that the average in Pennsylvania DHIA herds is already up to one pound of grain for 2.5 pounds of milk because of favorable feed price-milk price ratios in the past. That has provided much of the reason for our production increases that have been consistent nationally over the last 52 months.

Nature's way of bring milk production down may be more painful than man made methods but it may also be more effective. It certainly eliminates the wrangling between industry groups, legislators and tax payers but that will be no consolation in the months ahead when many producers will be struggling - harder than ever - for survival.

### Second 50 Cents

On Tuesday, August 23, President Reagan vetoed Senate Resolution 149 so the starting date for the second 50 cent assessment on all milk will be September 1 rather than October 1. This makes the total deduction of one dollar on all milk but maintains the support price at \$13.10 where it has been all year. The difference between the first and the second 50 cent deduction is that the second one is refundable to producers who reduce their milk production 8.4 per cent below their base. As explained in the last newsletter, the base period is from October 1980 to September 1982 and your base production will be the average of the two corresponding months for

each year. For September it will be the average of September 1981 and September 1982. Because September is the last month of the marketing year a separate refund payment will be made for that month to those who apply. After that the refund payments will be made after six months or the end of March and a final adjusted payment after the end of September 1984.

You won't be able to make application for the September 1983 refund until you get your milk check in October. In the meantime, however, you could be digging out your milk check stubs for the base period and deciding if you want to participate in the program. If you do, you will have to take the initiative to apply for refunds because this is one time, I believe, that the county ASCS staff will not be beating the bushes for participation. They already have your money so it will be up to you to do what's necessary to get back the second 50 cents.

### 66 Per Cent Savings

With the total assessment now at a dollar a hundred the Commodity Credit Corporation hopes to collect \$1.4 billion next year to offset two thirds of the \$2.1 billion cost of the dairy price support program. That would bring the cost down to about \$700 million compared to this year's cost of nearly \$3 billion. This is the real attraction to Congress and the administration but it all hinges on how much participation producers provide. These predictions were made before the full impact of increasing grain prices hit the fan. It may be that participation by farmers would be

involuntary because of higher grain prices and lower milk prices but either way the dairy price support program should cost less in 1984. Unless USDA resurrects the old Emergency Livestock Feed Program and sells grain at bargain prices to producers in disaster designated counties as they did in the past.

### Participation

Speaking of participation, Friday, August 26, was the deadline for sending claim forms to the Pennsylvania Milk Marketing Board for producers owed money for milk shipped to Shep's Cheese Company and the participation was close to 100 per cent in this case even though it was the third request made by the PMMB. Compiling and auditing all the claims will take several weeks before final figures will be available on how many producers and how much money is involved. The information is needed not only for the bankruptcy proceedings but for any returns that may come to producers from the Security Fund or the Producers Settlement Fund. Not quite as high is the par-

ticipation in the Ex Sheps' Producers Committee which is now up to about half of the Sheps shippers and still growing. The ESP Committee was organized largely through the efforts of the Pennsylvania Farmers Union and the Pennsylvania Grange to represent the producers at bankruptcy proceedings and to recover the money due for milk shipments made after July 25 the date the bankruptcy was filed. They have already obtained "ex officio" status on the creditors committee and expect to have a full membership as more producers participate. There's still time to join. Bill Sturges of Wellsboro is the chairman.

Thanks to Dairylea, Sheps producers have the 28 days normally provided under the law to find new markets for their milk and by August 31 when the Dairylea pickups were discontinued all suppliers found alternative markets. Thanks again to Dairylea for providing a cushion in the crisis and another example of co-ops rising to the occasion when producers are threatened.



## HIGH PRESSURE WASHING

OF POULTRY HOUSES AND VEAL PENS

**BARRY L. HERR**

1744 Pioneer Road, Lancaster, Pa.  
Phone: 717-464-2044

Enjoy the AFFORDABLE security of STRONG, LONG-LASTING HIGH TENSILE FENCES by KENCOVE

Kencove prices are hard to beat! Order early for discount prices FREE GUIDE



Call these toll free numbers:

In PA, 800-442-6823 Outside PA, 800-245-6902

RD #1 Blairsville PA 15717

**KENCOVE FARMS**

Master Card Visa

UPS Delivery

412-459-8991

The Fence Of

The Future

## 1983 OLEY VALLEY COMMUNITY FAIR

Routes 73 and 662  
Oley, Pa. 19547

SEPTEMBER 15, 16, 17, 1983  
PROGRAM

### THURSDAY, SEPTEMBER 15, 1983

- Watermelon Seed Spitting Contest
- Lamb Trimming and Blocking Contest
- BROADWAY BUCKAROOS

### FRIDAY, SEPTEMBER 16, 1983

- Farm Tractor Pulling Contest
- Log Sawing Contest
- GOSPEL HAARMONY BOYS

### SATURDAY, SEPTEMBER 17, 1983

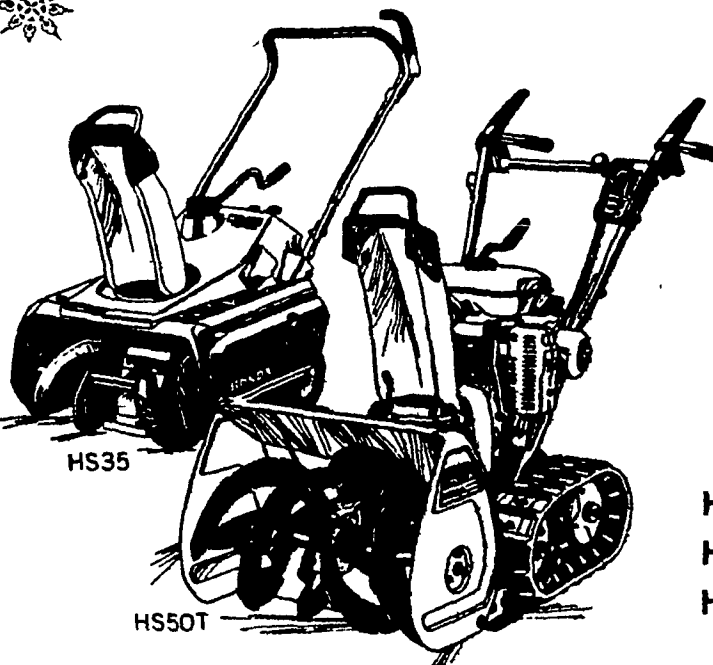
- Bale Throwing Contest
- Antique Auto Show
- Garden Tractor Pulling Contest
- Pie Eating Contest
- OLEY SUMMER COMMUNITY THEATER
- Strolling Dutch Band
- 9:30 P.M. - Auction of Fair Exhibits

Live Broadcasting: WEEU (Thursday, Friday, Saturday)  
WBYO (Thursday, Friday)

NOTE: No Public Seating Available. Bring Your Own Chairs

## THINK SNOW, THINK HONDA

SAVE ON THESE OFF SEASON PRICES  
10% DOWN AND PAY THE BALANCE NOVEMBER 1ST



Honda's snowthrower and snowblowers can really get you out from under. Our single-stage snowthrower has an exclusive auger paddle system that's semi-self-propelled and strong enough to break through hard snow.

And our new, 2-stage 5 HP heavy duty snowblower features a choice of wheels or tracks for greater snow-gripping ability than most conventional models.

### MODELS AVAILABLE

	LIST	SALE
HS-35	\$446	<b>\$396</b>
HS-50W	\$934	<b>\$794</b>
HS-50T	\$1,011	<b>\$897</b>

Monday, Thursday, Friday 'til 9:30  
Tuesday, Wednesday, Saturday 'til 6:00

Phone 717-665-2407

Elm, PA  
**Bomberger's**