

# The Milk Check

**TOM JURCHAK**  
County Agent



### Recess Reaction

It seems Congress has to squeeze off a piece of dairy legislation in the last few days before it takes a recess. This time it was the Senate where a dairy bill was passed by a voice vote on October 7, the final session before a week's Columbus Day recess. It included much of the "compromise" bill and was sent to the House where it went to the Agriculture Committee on Wednesday, October 19. Two good reasons for the action were that the administration agreed to wait for target price freezes for feed grains and the dairy bill also contained the tobacco price support program so there was extra help for passage. However, it did take two days debate and the defeating of amendments for: a straight price support cut; elimination of the incentive program; freezing Class I prices, including only Federal Order milk; and, setting an \$85,000 limit on incentive payments.

Like the "compromise" bill worked out by Senate-House-Administration meetings months ago it includes a 50 cent cut in the support price from \$13.10 to \$12.60 and a 50 cent assessment to finance a diversion payment program for farmers who lower production below their base.

The diversion program will last 15 months starting January 1, 1984. After that the Secretary will have the discretion for further price support cuts of 50 cents on April 1, 1985 to \$12.10 if CCC purchases for the next year are expected to exceed six billion pounds of milk equivalent. On July 1, 1985 another 50 cent cut in the support price could be made or if CCC purchases were expected to be below five billion pounds there could be an increase of 50 cents in the support price. The bill also included a 15 cent deduction for advertising and promotion with a referendum to be held by September 30, 1985 to decide whether it should be continued after two years.

### Differences

There were some important differences, however, that were not in the "compromise". Dates, of course, had to be changed and generally the whole program was shifted three months from October 1 to January 1 with the diversion program still covering 15 months. The "effective" date has become the first day of the month following the signing by the President and the earliest expected is December 1.

Two very important changes were the calculation of bases by

quarters (every three months) and the discretion of the Secretary to reduce the diversion payment below \$10 during the first quarter to minimize the effect on pork and beef prices as dairymen sell their cows.

Both milk marketed and bases would be calculated by quarters for producers who volunteered to participate in the diversion payment program. The milk marketed from January to March 1984 would be compared to the producers' marketings between January to March 1982. A similar comparison would be made for the periods April to June and July to September. In the fourth quarter of October to December the base period would be the marketings for the same months in 1981. The diversion payment would remain at \$10 a hundred for reductions below the base except for the first quarter when the Secretary has the discretion to lower it.

In the meantime, nothing has changed as far as the Dairy Refund Program is concerned. You can still apply for any September refunds that are due you if you reduced marketings 8.4 per cent below your September base and you can establish your base with you ASCS for your 12 months starting October 1. It is expected that you will be paid whatever you earn under the Dairy Refund Program now in effect when and if it is replaced by new legislation. So, continue to participate in marketing reductions if it is profitable for you and if new legislation is passed you may get your refund sooner than expected. However, it appears more likely than ever that marketing bases will be a part of new legislation so once again for the umpteenth time I suggest that you get yours down on paper at the ASCS office even if you only use it for future reference.

### All Time Records

Producer shipments to Order 2 handlers broke the all time records for three consecutive months this year - July, August and September - for shipments made in these months since the producers voted in the Order in 1938 - 45 years ago. Pricewise it was only the second highest for September. At \$13.75 it was eight cents less than the record of \$13.83 set in 1981. However, it was 16 cents better than August thanks to a nine cent increase in your Louisville Plan pay back from 35 to 44 cents a hundred. You also gained seven cents in your blend from a four per cent increase in the Class I utilization to 41.6 because of a ten

per cent increase in Class 1 sales in September over August due to school lunch programs. The Minnesota-Wisconsin price stays about where it has been since last Spring now at \$12.48 for September. So, the only hope for increases in the blend price in the months ahead must come from declining production and the resulting increase in Class I utilization. Considering the dollar deduction from \$13.75 to \$12.75 you're looking at the lowest September price since 1979 when it was \$12.51. However, it appears that even lower milk prices and higher feed prices lie ahead and producers must adjust their management to survive.

## Family Workshop Scheduled

**YORK** — The Cooperative Extension Service and the Family-Child Program will co-sponsor a workshop aimed at strengthening the family on November 10 from 8:45 a.m. to noon at Saint Matthew's Lutheran Church, York. It is aimed at parents of young children, up to age eight.

The topics to be discussed include improving communication, handling family conflict, family-centered activities and preschool readiness skills development.

Local workshop leaders include Mary Ann Nyer, Dr. Allen Greenstein of the York Guidance Center, and county Extension agent Joan Lamberson. The keynote speaker will be Dr. James Van Horn of Penn State University.

Registration forms may be obtained by calling the Extension office at 757-9657.

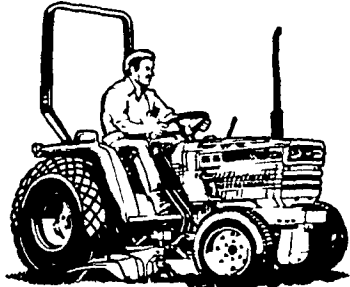
Child care will be available at the church for a nominal fee.



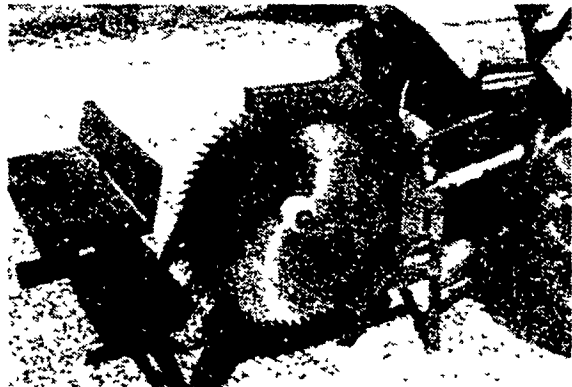
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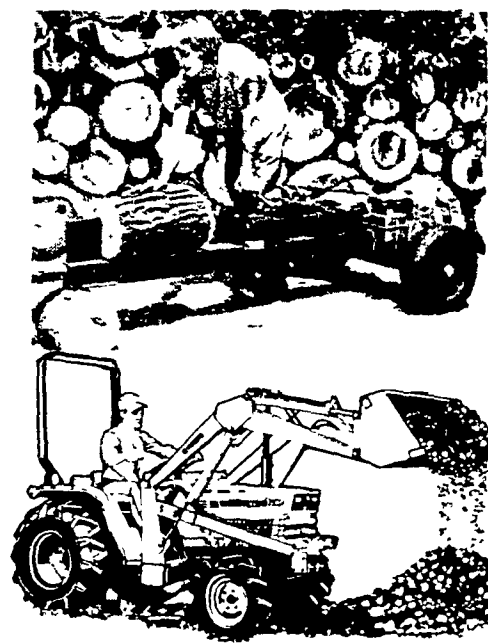
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