

## Legislative priority

(Continued from Page A1)

they have incurred as a result of the Avian.

Using a formula of an average cleanup cost of 10 to 12 cents a bird, the proposed state program appears to go well beyond the approximate 10 million birds which have been killed to date. It appears that the proposed increased state funding includes the possibility of cleanup following any killing of birds with the mild Avian strain — if and when the final decision is made to add these birds to the depopulation schedule.

Meetings have been held during the past couple of weeks with representatives of the dairy industry on a bill which is expected to be introduced by Rep. Samuel Morris, chairman of the House Ag and Rural Affairs Committee, to get the Milk Security Fund back on a sound financial basis.

The proposed legislation is designed to close some of the gaps in the Fund which have resulted in its depletion by dealer bankruptcies.

A main feature is that the security aspect of the fund will not be on a pooled basis, as in the past, but on an individual dealer basis. Thus, an individual dealer's account in the fund would be credited with a certain amount, providing continuing protection for respective producers.

The individual dealer security arrangement would prevent a recurrence where a major bankruptcy by a dealer would deplete the entire fund.

If a dealer's financial condition can't show a ratio of 1.2 to 1 of assets over liabilities, there are two alternative plans for contributions to the fund.

If the dealer has bonding equal to 75 percent of the highest amount

owed to producers during any pay period of the previous year, no additional payment into the fund is needed.

But if the dealer has bonding between a minimum 30 percent level and the 75 percent level, a payment of two cents per hundredweight would be paid and credited to his individual security account.

Both of these pieces of major legislation are expected to receive the prompt attention of legislators.

Several other pieces of legislation are also of interest to the ag community.

Two bills limiting foreign investment in Pennsylvania agriculture have been introduced by Rep. Carville Foster, of York. These would reduce foreign acquisition of farmland from the present 100-acre limit to 10 acres and exclude foreign-owned corporations from receiving Pennsylvania Industrial Development Authority funds.

These restrictions on foreign investment have come out of concerns expressed by poultry producers, particularly in Adams County. These producers have pointed out that a lot of birds can be placed in confinement housing on a hundred acres. Their concerns pointed to both Japanese and West German interests in the poultry industry.

A bill to provide \$100,000 for crop damages has been introduced into the House Ag Committee by Rep. Eugene Smith, of Jefferson. The money is designed to go to farmers with crop insurance who suffer wildlife damage and have at least half of their land open to hunting.

Senate Bill 63 which has beefed up regulations controlling auctioneers and auction houses is awaiting the Governor's signature.

# Northern Tier Co-op gives report

TROY — As predicted by officials of Northern Tier Farmers Union Milk Cooperative, the market administrator of Federal Order #2 has successfully released money in The Producer's Settlement Fund which was geared for dairy farmers who formerly shipped milk to Scheps Cheese Company of Lemon, Pennsylvania.

Arden Tewksbury, Consulting Manager of Northern Tier, said the checks which amounted to approximately \$300 to the average shipper, were received by the former shippers of Scheps Cheese just prior to Christmas, 1983. While the monies received represent a small portion of the losses suffered by the dairymen, the avenue was opened and the first revenues imparted to the dairymen as a result of the bankruptcy.

Tewksbury related that under normal conditions, fluid milk handlers pay the difference between the fluid price and the blend price into the Producers Settlement Fund; then the market administrator remits the money to the manufacturing handlers so those handlers may use the money to pay the producers the blend price.

According to Mr. Tewksbury, when a bankruptcy occurs, the usual procedure is for the market administrator to retain the money in a special account and forward the funds to producers after an audit and other courses of action

have been taken.

William Sturges, president of Northern Tier, who also serves as chairman of the ex-Scheps Shippers Committee commented the following; many times Federal Milk Market Orders are criticized and even condemned by some dairymen, but here is one more instance which proves that dairymen benefit from the Federal Milk Market Orders.

In August 1983, Northern Tier Cooperative, with the support of Pennsylvania Farmers Union and Pennsylvania State Grange, formed the ex-Scheps Shippers Committee. The Committee engaged Attorney Marian Furman, from Harrisburg, to represent the producers in the bankruptcy process. Sturges said are the only real group that is representing the dairymen in these proceedings.

Tewksbury feels there are still three more possibilities in which ex-Scheps Shippers may receive money toward their losses.

1. There appears to be approximately \$200,000.00 in the Pennsylvania Security Fund which is geared for the ex-Scheps Shippers. However, a law suit filed by Eastern Milk Producers is preventing payment of this needed money to the ex-Scheps shippers. A hearing on the law suit is not expected until early spring of 1984.

2. Attempts are being made to recover some of the milk losses as

a direct expense of the bankruptcy. If this attempt is successful, it could generate \$450,000.00 additional funds for the ex-Scheps shippers.

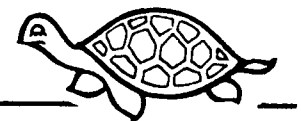
3. A strong attempt will be made by the secured creditors during January to convert the Court Proceedings from Chapter 11 to Chapter 7. This could mean quick liquidation of the assets of Scheps Cheese, i.e., dairy farmers would receive no additional money.

Both Sturges and Tewksbury agree that they are going to maintain a strong opposition to the conversion. Recent developments gave both farm leaders encouragement of a possible reorganization plan under Chapter 11 which would generate extra money for the ex-Scheps Shippers.

Carl Kaufman, State Director of Pennsylvania Farmers Union, affirmed his Organization and the Pennsylvania State Grange are still 100% behind the efforts of the ex-Scheps Shippers Committee. Kaufman stated he knew this bankruptcy would be tough, but leaders of Northern Tier have worked diligently on all aspects of the former shippers to Scheps Cheese.

Kaufman further praised the work being done by Attorney Marian Furman. He said, "It is rewarding to see an Attorney work so hard on behalf of dairy farmers".

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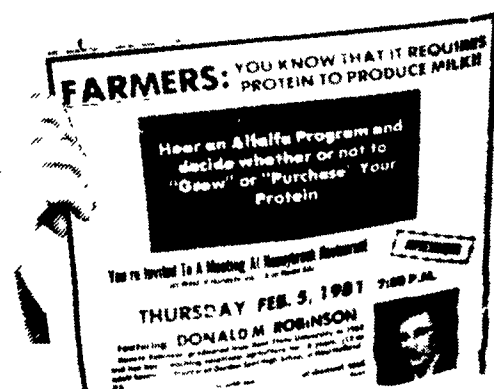
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