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April milk production up at least 2% over '84

BY JAMES H. EVERHART

Milk production throughout the Northeast increased at least two percent in April, causing concern that the dairy industry is once again headed for unhealthy surpluses.

The increase, dairy economists note, is in apparent response to favorable grain prices, and only partly a result of the end of the federal dairy diversion program.

Two weeks ago, USDA officials confirmed that the nation's milk output in March climbed 1.1 percent over previous-year levels.

At that time, dairy experts indicated that a spring flush of

surplus milk could have dire consequences for the dairy industry, both in the marketplace and in the U.S. Congress, where new dairy legislation will be formulated later this year.

Officials at Eastern, NEDCO and Inter-State cooperatives all say preliminary figures show milk production is up a solid two to three percent since April 1.

Sketchy information available from Federal Order No. 4 (Middle Atlantic region) would seem to confirm those trends. In Order No. 2, however, conflicting reports indicate a smaller increase, or even possibly a decline in April,

over previous-year levels.

"Everybody is seeing an increase," said Robert Dever, assistant general manager at Inter-State, "and it's more than anyone had anticipated."

The current surge in production, according to Eastern's manager of economics and governmental relations, Joe Mathis, is actually a typical springtime increase.

"It would appear that we are going to experience a more normal flush situation this year, than we did in 1984," he said.

Last year, he said, the negative economic situation and the dairy

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Milk production throughout the Northeast appears to be experiencing a normal spring flush, as production figures rise to new highs.

Farmers seek balanced budget and expanded foreign markets

BY SUZANNE KEENE

WASHINGTON, D.C. — While each commodity group would like to see a farm bill that caters to its individual interests, all share a common desire for a balanced budget and expanded foreign markets.

In a panel presentation at the USDA's Farm Women Forum in Washington last week, commodity representatives stressed the need for a farm bill around which all farmers can unite — a fiscally responsible plan with a market orientation.

Tom Cook of the National Cattlemen's Association seemed to be speaking for many on the panel when he said farmers are willing to take their share of the budget cuts necessary to reduce the deficit. However, Cook added, they believe other parts of the budget left untouched by Reagan's proposed plan should be cut as well.

Panel members were also concerned about the effect of the strong dollar on farmers' ability to compete in the world market. All said they would like to see expanded foreign markets and are taking steps to achieve that goal.

Darwin Stolte, U.S. Feed Grains Council, said his organization is

concentrating its efforts on developing world markets, especially in Third World countries where it sees the greatest potential for market growth.

"We see more per capita purchasing power in these economies," he said. Per capita

growth in these areas has shown a 13 to 19 percent annual increase, while in developed countries the rate is only seven to nine percent.

Stolte said he sees the world market expanding, but questioned whether the United States will be

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Strong dollar, excess supply, plague agriculture markets

BY SUZANNE KEENE

WASHINGTON — The strong value of the dollar, dwindling foreign markets and excess supplies are creating problems for many farmers, a panel of market experts told participants in USDA's Farm Women Forum in Washington last week.

Panel members shared their knowledge of the current foreign and domestic markets for various commodities and made projections about future prices and markets.

Prices for all grains are running close to loan rates, said Eileen Manfredi, World

Agricultural Outlook Board With supply outstripping demand, "We do not see a rosy outlook for grains next year," she reported. The excess supply should mean depressed prices in the future.

Both U.S. and foreign supply prospects are bright, with good corn and wheat crops expected this year. Manfredi said. But while supply is good, domestic demand for grain has been static. Demand could increase, but it probably won't rise enough to affect prices, she said.

Foreign demand is also in a

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Other co-ops drafted in plan to aid NEDCO

BY JAMES H. EVERHART

ALBANY, NY — New York State Commissioner of Agriculture and Markets Joseph Gerace is spearheading a high-level effort to offer financial help to the troubled Northeast Dairy Cooperative Federation, Inc.

Gerace reportedly held a meeting between NEDCO officials and heads of other dairy co-ops to find ways in which the other organizations could help bolster NEDCO's sagging fortunes.

And although the commissioner's office declined to disclose the nature or substance of the talks, Deputy Commissioner Edgar King said the department is having "almost daily" conversations with the ailing federation, regarding its current financial status and measures proposed to alleviate some of the problems.

"It's no secret in the trade that NEDCO is meeting with other people in the trade, hoping to find a

solution to their problems," King said.

In a related matter, the Department also disclosed that it has launched an investigation into the "price war" situation that is blamed for some of NEDCO's woes.

The department has subpoenaed the records of virtually every major player in the central New York fluid milk market, including NEDCO and other producer organizations like Dairylea, and some major handlers in New York City.

According to Thomas Conway, counsel to the Commissioner, the investigation is designed to determine "if there is destructive competition," in violation of state law.

The department ordered the investigation after receiving complaints of "sales below cost by a number of different dealers," Conway said. The inquiry, initiated

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INSIDE this issue



Though Dave Reinecker is probably best known through his activities with the state and national Pork Councils, there isn't much about farming—or life, for that matter—that doesn't interest this enterprising Adams County farmer. Read about the Reinecker operation on page A-22.



Anne and Marty Grey of York find that running is a great way to keep fit. While many farm folks claim they just don't have time for exercise, the Greys say their health is important enough to make time. For more on the Greys, turn to page B2.