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Senate dairy proposal earns USDA's blessing

BY JAMES H. EVERHART
WASHINGTON — The Senate Agriculture Committee has drafted dairy legislation that the

Reagan Administration is finding much easier to live with than a House-backed version it criticized strongly last week.

The dairy title the Committee has favored in its Farm Bill deliberations was originally introduced by Vermont Republican

Patrick Leahy. It includes none of the provisions that the Administration finds so objectionable in the title adopted by the House Agriculture Committee.

and other Farm Bill topics, Oakes noted that the Administration will not accept an interim extension of the present farm legislation when the current law runs out.

Specifically, it does not authorize a diversion program, relying instead on pricing mechanisms to control milk surpluses.

An extension, he said, would send the wrong signals to Congress, and allow the legislators to think the administration would accept less radical change than it now seeks.

John Oakes, a special assistant to USDA Secretary John Block, said the Senate proposal is "very close" to what the Administration wanted in a dairy title, and will be "much more acceptable" than the proposed House legislation.

The Senate Committee's dairy title, which is listed as the main proposal for consideration by the committee, would:

He specifically noted that the plan did not include a dairy diversion program, a provision the Administration will not accept in any final legislation, he said.

- Set the support price at \$11.60 a hundredweight when the bill goes into effect on Oct. 1.

- Authorize the Secretary of Agriculture to reduce support prices 50 cents a year, beginning Jan 1, 1987, if purchases are ex-

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Holstein, 4-H Dairy Shows



Some of the state's finest cows were on display this week at Holstein and 4-H Dairy Shows in York and Lancaster. For the results, turn to page A22 for the Lancaster County Holstein and 4-H shows, and page A24 for the York County Shows. Karen Kauffman, above, holds her Lancaster County Junior Champion.

ITC gives mixed ruling on Canadian pork imports

BY JAMES H. EVERHART
WASHINGTON — The U.S. International Trade Commission Thursday formally imposed an import duty of \$3.21 a hundredweight on live Canadian hogs brought into this country.

real emotional issue."

But Canadian pork producers now may simply shift gears and process the pork first before shipping into this country — a practice that may, in effect, be encouraged by the ITC ruling.

The only obstacle that prevents Canadian processors from doing just that is the "obsolete" condition of their plants, compared to American facilities, says Harness. And labor rates are also comparatively high.

When asked if the ITC may simply be recognizing the reality that the Canadian pork industry cannot really compete in the processing of pork, Harness conceded the possibility but noted that the ruling still leaves open the chance of a later challenge to the nation's ailing pork industry.

The duties are designed to counteract the impact of production subsidies the Canadian government is paying its pork producers.

As a result of the government subsidy, Canadian exports — especially live hogs — to this country tripled in 1984, driving down prices in the ailing pork industry.

And though the action this week will not stem the flow overnight, it

is expected to result in long-term improvements in prices.

The ruling concludes a process that began last November when the National Pork Producers Council made a formal complaint to the U.S. Commerce Department about the subsidies — and the resulting flood of Canadian pork imports.

After both a preliminary and final investigation, the Commerce Department sided with the NPPC, and imposed a preliminary duty. That action required Canadian exporters to post a bond, equal to the amount of the duty, on all pork brought into this country after April 2.

As a result of the ITC action today, all money collected from the preliminary duty will be paid into the U.S. Treasury.

The amount of the duty is \$3.21 a hundredweight on live hogs and \$4.03 a hundredweight on pork products.

At the time of its original complaint, NPPC quoted economist Glenn Grimes as saying the duties, if imposed this summer, would cut Canadian imports by 10 to 15 percent for the rest of 1985, and by as much as 30 to 50 percent thereafter.

Former Ag Secretaries offer Farm Bill views

WASHINGTON — Four former Secretaries of Agriculture have met with members of the Senate Agriculture Committee, and delivered to the committee their joint recommendations for the future direction of farm policy.

Those meeting with the committee were Dr. Orville Freeman, who served under Presidents Kennedy and Johnson, Dr. Clifford Hardin, who served President Nixon, Dr. Earl Butz who served Presidents Nixon and Ford, and Bob Bergland who served President Jimmy Carter.

Senator Jesse Helms, Chairman of the Agriculture Committee, asked for former Secretaries during a previous visit to Capitol Hill to "put their heads together and come up with some recommendations for the Agriculture Committee on the elements that must be in the 1985 farm bill." Their statement was the response to that request, and Helms thanked them for their contribution to the farm bill process.

"The degree of consensus these distinguished Americans reached in their recommendations speaks to the importance and urgency of making significant modifications in farm policy," said Helms. "This bipartisan consensus is gratifying, because their recommendations follow precisely the direction toward which the Agriculture Committee is now moving in its farm bill markup."

"While the Committee has by no means concluded its work, it has clearly indicated, through a mixture of straw votes and tentative agreements, a substantial agreement with the recommendations made by the Agriculture Secretaries. This lends hope that we can produce the kind of farm bill that a large majority of Senators can support."

The statement issued by the former Secretaries of Agriculture

follows:

Proper recognition of the internationalization of American agriculture during the past 15 years is the highest priority item that must be considered in the development of the 1985 Farm Bill

In order to serve farmers and the Nation well, the 1985 Farm Bill should expand farm markets, raise farm income, and stimulate growth in farm exports.

To do that, the 1985 Farm Bill must recognize that the economic health of farmers and agriculture depends heavily on strong and growing export markets.

Agriculture has changed tremendously in the last 15 years. Markets for American farmers have become international. Even now, we export half or more of our wheat and cotton, nearly half of our soybeans and rice, and one-fourth of our feed grains.

Farmers produce food and fiber

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Fair coverage



Fair season is underway once again in the Middle Atlantic states.

The main event this week is the Lycoming Fair, which is covered in detail, beginning on page B16.

Also look for news items about upcoming events throughout B and C sections.