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# Lancaster Farming

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## Milk output up 11%; trend termed 'scary'

BY JAMES H. EVERHART

WASHINGTON — U.S. milk production in September was up 11 percent over year-earlier levels, recording a seventh consecutive monthly increase, USDA officials said.

The worsening situation is further clouded by the fact that the production pattern has changed markedly this year, dropping off much more slowly in the summer and fall than in previous years.

That change, noted Penn State extension service economist Jack Kirkland, is "scary."

Production in September was 11.960 billion pounds, up from the 10.777 billion recorded in September 1984.

Cow numbers continued their steady increase, jumping 51,000 from month-earlier levels, to 11.154 million. Last year, the herd totaled only 10.825 million.

Production per cow remained on the rise as well, jumping 7 percent, to 1,072 pounds, an increase of 76 pounds over last year's figures.

Beginning with a 11 percent rise in March, the monthly increases have accelerated steadily, widening the gap between this year's totals and those of 1984. March was the last month in the 15-month diversion program.

In Pennsylvania and New York, milk production climbed seven percent, while Maryland recorded a 15-percent increase in September.

Much larger increases were noted in the other states that are among the nation's top milk producers, according to USDA figures. Minnesota led the majors with a 17 percent increase over 1984 totals, while Wisconsin reported a 13-percent hike and California, a 10-percent increase.

Among the other states, Florida's dairymen increased their production by 14 percent, while Michigan and Ohio both recorded nine-percent increases.

One USDA official speculated that some producers have been holding onto cows that would normally be culled, awaiting the outcome of the Farm Bill debate (see story, this page) in Washington.

He added that, with the value of 100 pounds of concentrated rations running 85 cents below last year's levels, there's no reason why they shouldn't hang on.

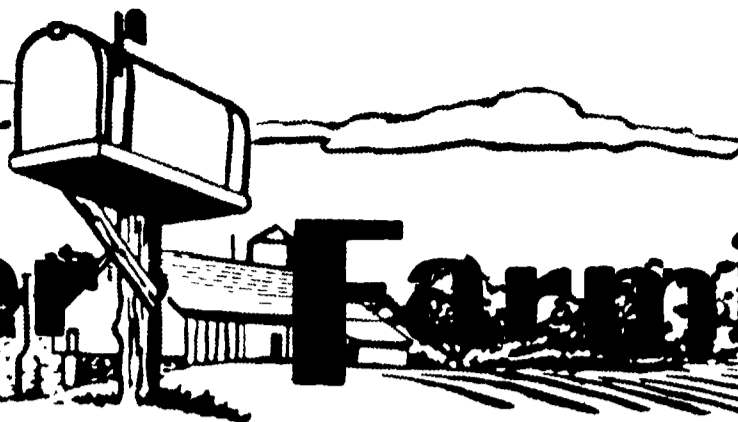
September figures were about 800 million pounds below the record-high production in May. However, in the three previous years, output had dropped an average of 1.4 billion pounds from May to September.

"Over the years, there's been a distinct monthly pattern in milk production," Kirkland noted. "This year, we've broken that seasonal pattern, and that's scary."

Any gains in consumption brought about by advertising or promotional patterns, he noted, are being dwarfed by the production increases. And thus producers can expect prices to drop even lower in coming months.

When asked about Kirkland's observations on the changing production pattern, Inter-State Milk Producers' economist James Fraher noted that "we have seen some funny things in there."

"We had a couple of months where there was a break in the pattern," added Fraher. "And it doesn't take much, if it's uncorrected, to get a real increase in production."



Increases in cow numbers, and in production per cow, drove the nation's milk production up 11 percent over year-earlier figures in September.

## Senate to begin Farm Bill talks

BY JAMES H. EVERHART

WASHINGTON — The U.S. Senate is scheduled to begin consideration of the Farm Bill next week, Congressional officials said.

Concluding its work on the federal deficit package this week, the Senate is expected to devote its full attention to 1985 agricultural policy legislation over the next two weeks.

The upper chamber will begin with legislation drafted by its Agriculture Committee. The Reagan Administration is finding the Senate bill much easier to live with than a House-backed version

passed last week.

The dairy title in the Senate bill includes none of the provisions that the Administration finds so objectionable in the House bill.

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

Administration officials in the past have 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 Administration has said it will not accept a dairy diversion program in the final legislation.

The Senate Committee's dairy title would

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

- Authorize the Secretary of Agriculture to reduce support prices 50 cents a year, beginning Jan. 1, 1987, if purchases are expected to exceed five billion pounds of milk a year.

- Require a \$1.00 a hundredweight price reduction, if purchases are expected to exceed 10 billion pounds.

- Give the Secretary authority to increase support payments 50 cents a hundredweight, if surplus purchases drop to two billion pounds or less.

- Order the Secretary to complete a study of Class I differentials, giving special attention to changes in cost of transportation.

The House's dairy title, very similar to the National Milk Producers Federation dairy unity proposal, gives the Secretary authority to institute a diversion program if government purchases exceed five billion pounds equivalent and would require a diversion plan if pur-

chases reached seven billion pounds.

As with the 15-month diversion program that expired April 1, producers would be paid \$10 a hundredweight to reduce their marketings, and would sign a two-year contract. The Secretary would also have the authority to accept bids at other payment rates under a 100-percent buyout plan.

Each year, the Secretary would be required to compute a preliminary support price, based on changes in cost of production compared to a base year. USDA would then be permitted to reduce that support figure 2.6 percent for every one billion pounds of milk surplus purchases over four billion. The maximum annual reduction would be 7.8 percent.

For the current marketing year, the formula would produce a support level of about \$11.74 a hundredweight.

The House's dairy title also establishes new differentials in 33 marketing orders, in an attempt to provide adequate supplies in the Southeast.

The Reagan Administration has objected to the House's proposal, citing its reliance on cost-of-production, rather than on marketing indicators. USDA's original draft of the Farm Bill called for sharp reductions in dairy price supports over the next few years, and attempted to make all pricing systems sensitive to marketplace realities.

The major differences in the legislation, especially on dairy provisions, would indicate that the Congress will have a lot of work to do in conference, after the Senate approves its bill.

The legislators are working on a 45-day extension of the 1981 farm legislation, which expired Oct. 1. The extension gives Congress until Nov. 14 to replace the legislation or pass another extension.

## State receives 2nd federal grant for Chesapeake Bay cleanup

BY JACK HUBLEY

LANCASTER — Pennsylvania's Chesapeake Bay cleanup effort received a \$2.175 million boost on

Wednesday, when the U.S. Environmental Protection Agency's James Seif presented a check to state Department of En-

vironmental Resources secretary Nicholas DeBenedictis for the 1985-86 project year.

This will double, in one year, the size of the Chesapeake Bay Program, said DeBenedictis, pointing out that last year's (1984-85) federal allocation amounted to \$1 million.

The presentation took place in conjunction with a meeting sponsored by the Chesapeake Bay Citizens Advisory Committee at Lancaster County's Central Park. The group is a broad-based consortium of 20 lay persons from Pennsylvania, Maryland, Virginia and the District of Columbia who act in an advisory capacity to the Chesapeake Bay Executive Council.

Federal contributions to the initiative must be matched dollar-for-dollar by the state, making Pennsylvania's total contribution for 1985-86 more than \$4 million.

The funds are distributed to the



State DER Secretary Nicholas DeBenedictis (right) received a check for \$2.175 million from EPA's James Seif on Wednesday for continuation of the Chesapeake Bay cleanup effort.