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Happy New Year!



A new day, as well as a new year, is dawning for agriculture. 1986 will bring the first real implementation of the 1985 Farm Bill and Farm Credit package, signed into law Monday by President Reagan. Only time will tell what effect the landmark legislation will have.

Meanwhile, farmers throughout the region are taking time to reflect on the year past, and plan for a future that can only be described as challenging. To all our readers, the staff and family of Lancaster Farming extend our warmest wishes for a happy and prosperous New Year.

President signs Farm Bill, Farm Credit aid

BY JAMES H. EVERHART

WASHINGTON — President Ronald Reagan this week signed the 1985 Farm Bill into law, ending almost a year of debate and discussion over agricultural policy.

At the same time, he initialed the emergency aid package for the Farm Credit System, a bill that roared through Congress in almost record time.

Taking note of the "Herculean effort" made by legislators in passing the bills, Reagan said the legislation would "help put America's farmers back in a competitive position in world markets."

The Farm Bill, the most expensive food and agriculture program in American history, would cost an estimated \$110 billion, \$52 billion of which would be allocated to commodity programs.

Defending the cost, Reagan added, "If things are not going well down on the farm, things cannot continue to go well in our cities and towns."

The Farm Credit legislation, the president added, gives the system a chance to "pool its considerable resources" to stage a recovery from its current financial woes. The legislation would create a new government body to absorb billions of dollars of the system's delinquent loans.

Admitting that he did not fully agree with all the provisions in the Farm Bill, Reagan said it "provides new hope for America's hard-working farmers and our rural communities."

The two pieces of legislation are, "a step forward for American agriculture," Reagan said, adding, "We must recognize, even while signing these bills, that there are no quick fixes."

Echoing the President's comments in a press conference after the bill signing ceremony, Agriculture Secretary John Block noted, "It's not going to be an easy winter."

The Farm Bill reflects much of the Reagan Administration's basic approach to farm policy, although the package differs markedly from

the proposal it sent to Capitol Hill last spring.

The focus of the administration's effort, Reagan said this week, is "to get farming more market-oriented," and less reliant on the "heavy hand of government."

"But since it's government that's been responsible for many of the farmers' problems, it's also only fair that government not now just abandon, but make an effort to help the farmers through the transition."

How the Farm Bill will work in conjunction with another historic law — the Gramm-Rudman deficit reduction package — has not been determined, Block said in response to a reporter's question. "It's just too early to predict" how the commodity programs would be affected by the deficit cutting measure, he said, though farm spending is not among the programs exempted from budget cutting.

In effect, the Farm Bill will lower milk prices 40 cents per hundredweight when the assessment to fund the whole-herd

buyout goes into effect.

The 18-month herd buyout plan would be implemented early in 1986, lowering the support price to \$11.20. On Jan. 1, 1987, the price would effectively drop 10 cents to \$11.10, as the listed support would be reduced 25 cents, while the assessment would be lowered 15 cents.

On Oct. 1, 1987, the assessment would end, but the support price would also be lowered to \$11.10.

Beginning Jan. 1, 1988, the USDA Secretary would be required to

make 50-cent annual cuts in the support price, if surplus purchases exceed five billion pounds a year. He would also be required to raise prices 50 cents, if annual surpluses drop below 2.5 billion pounds.

After the whole-herd program ends, the bill gives the secretary authority to implement either a whole-herd buyout or a diversion program, at his discretion.

The bill also would increase prices in some marketing orders, to reflect current transportation costs.

Office closed on New Year's Day

The office of Lancaster Farming will be closed in observance of New Year's Day holiday.

Advertisers and news sources are asked to meet the following deadlines for the Jan. 4 issue: Mailbox Market and public sale ads, Monday at 5 p.m.; General news, Classified Section B and display ads, Tuesday noon, all

other classified, 9 a.m. Thursday; and late-breaking news, noon Thursday.

Materials for Lancaster Farming's special Farm Show issue, to be published Jan. 11, should also be received at the Lancaster Farming office as soon as possible. News deadline is Monday, Jan. 6.