# Herd buyout details

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Dairymen operating more than one herd production unit cannot sign up just one. All herds carrying a producers name must go in the buyout program together.

Bid acceptance lies totally within the discretion of the Secretary of Agriculture and there could be a greater number of bids accepted from one region of the country than another. This discretionary power would allow the Secretary to eliminate larger amounts of production, at possibly higher bids, in certain regions of the country, while rejecting lower bids in areas of milk deficits.

According to Collins, composition of a herd may also weigh heavily in the acceptability of a bid. A herd which would sell out a large number of heifers, along with milking cows might be accepted more quickly because of the need to eliminate large numbers of dairy animals.

A dairyman can bid on any or all of the three "disposal periods" of cattle, and at different bid prices. If the bid is accepted, USDA will decide the actual date the herd will go to slaughter, balancing the flow of cattle so as not to disrupt the red meat market.

While marking of cattle for slaughter has not been spelled out, Collins speculates that a branding procedure may be used. And regulations do address the problem of potential cheating in the buyout program: a fine of $5,000 per cow for violating herd buyout regulations.

The biggest question — what kind of bidding figure might be realistic — remains unanswered. That figure hinges on individual debt load, financial situation and future plans.

A diaryman with plans to go back in business at the end of the five-year program will have to take startup costs into consideration when figuring a bid price.

Since cattle will be sold during the first year of the bid payout, bidders may wish to defer additional income that year, to cut down on taxes. Or a farmer who plans to sell his farm toward the end of the five years, might prefer to take the bulk of his payments earlier.

Collins suggest that farmers also consider the difference in value of cows being sold for beef, rather than dairy prices. Dairymen selling costly breeding or high-producing herds for slaughter will have to figure that loss in their bid cost.

Production must also be taken into consideration. A high milk-production base will help offset the cow value loss more effectively than a low milk production base.

Future use of the farm is a valid consideration as well. Can it be used profitably to produce crops and will it provide a family home, or must another living area be found?

Also outlined were other measures of the 1985 Farm Bill that will probably effect area dairy farmers.

One change set for May 1 is increased hauling differentials in 35 of the 44 Federal Milk Marketing Orders. On a local basis, Collins projects hauling differentials to increase Order 2 Class I price by approximately 30 cents and Order 4 Class I by about 25 cents. This, in effect, reflects the cost of getting milk from where it is produced to where it is needed.

Another measure headed for procedural hearings would implement marketwide service payments. This would mean reimbursement to handlers for helping to balance surplus milk through manufacturing plants or for hauling it to deficit areas.

Even for dairymen not considering a buyout bid, March 1 may be a critical date. That's when the Gramm-Rudman "balanced budget" legislation could become reality. With 4.3-percent cuts on budget items, there is speculation that the support price for milk might drop by an estimated 50 cents per hundredweight.

Follow up that possibility with the April 1 40-cent-per-hundredweight contribution to the buyout program, and dairy farmers could be looking at a 90 cent-per-hundredweight cut in support price.

Hauling differential increases and eventual reimbursement for marketwide services could ease this cost cut in certain regions, especially those deficient in milk.

And Collins speculates that if Gramm-Rudman budget cuts slice milk prices, the 25-cent-per-hundredweight drops in the support price scheduled for Jan. 1 and Oct. 1, 1987 would not take effect.

Local ASCS offices will be administering the provisions of the buyout. Final details on regulations are expected to be in their hands by the beginning of February.

If the herd buyout program fails to eliminate the substantial milk surpluses, the Secretary is authorized to implement a diversion program.

## Maple Producers set annual meeting for Jan. 27

HONESDALE — The Northeastern Pennsylvania Maple Producer's Association Annual Meeting and Dinner will be held on Monday, Jan. 27, starting at 10 a.m., at the Pleasant Valley Grange Hall, Route 191, north of Honesdale.

Ed Curtis, president of the Pennsylvania Maple Syrup Producer's Council and the Northeastern Pennsylvania Maple Producer's Association, will give a report about the 1986 Pennsylvania Farm Show maple activities and other state maple activities. Other association business will also be conducted at this meeting.

Three educational speakers will be featured. They include: Bob Lamb, from Lamb Naturalflow, Inc., New York, who will present a program titled, "The Beginning of Plastic Tubing for Maple Producers."

The second speaker will be Lloyd Sipple, publisher and editor of "The Maple Syrup Digest." Lloyd will present a program entitled, "Making Maple Sugar and Maple Cream."

The third speaker will be Jim Finley, Extension forestry specialist at Penn State University. Jim will be explaining and demonstrating how to check the density of maple syrup to be sure it is coming off of the evaporator at the proper time. Jim is hoping to be able to demonstrate this technique by testing different maple syrup samples submitted by area producers. Area maple syrup producers are asked to bring samples of their 1985 maple syrup to the meeting so that this demonstration can be conducted. Also, Jim will have other timely information about the maple industry to share with the group.

A maple syrup film titled, "Pure Maple: Frost and Fire" will be shown.