

The dairyman's herd buyout dilemma

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will be in the upper ranges. Can he offset some of his family expenses with off-farm income or other agricultural pursuits — non-dairy ones, of course? Then, his bid will be in the lower range.

Or has he retired his debts, for the most part, in preparation for a graceful exit from farming? Then, maybe the lower ranges — and an accepted bid — are in the future.

Those mid-range producers, especially the ones looking for a non-dairy farming future, have an especially tricky set of calculations to make, Shirk said.

Suppose their bid enables them to make a smooth transition to crop-farming or beef production, two of the alternatives discussed most often. But what if the profit from the new operation is not sufficient to service their debt? Such a scenario is possible, Shirk insists, because of the relatively high profit of the dairying enterprise, compared to other farming operations of similar size.

Part of the reason for the increasing bid estimates, explains Inter-State Milk Producers economist James Fraher, is the tight restrictions USDA has imposed on participants.

The department, he noted, chose to make the program a five-year buyout, rather than three years. And it has attached some fairly stiff penalties to discourage cheating, he said.

USDA's intent, he added, is to make sure participants stay out of dairying — and don't return after five years.

"They were criticized after the diversion program, for being too easy on participants," said Fraher. "And they're not going to do that again."

Extension dairy expert Jack Kirkland said that many of the dairymen in the state are having trouble coming to terms with the strategy of a competitive bid for the buyout.

"It's like bidding for any kind of contract," said Kirkland. "It's a

gaming strategy they haven't had to deal with before."

Nevertheless, he said, they simply must accept the fact that their bids may well shape their financial futures. And either extreme — a bid that's too low to cover expenses or one that's too high to be accepted — could prove to be an individual producer's undoing.

Whatever the outcome for individuals, Kirkland said, the producers who remain may well have to look forward to continuing surpluses, with advances in genetics and biotechnology looming just around the corner.

"Excess production is going to keep cropping up over the next few years," he said. "And it's going to keep weeding out the less efficient producers."

YORK — Ever heard the "pig out-workout" syndrome?

That's just one way Dr. Tom Brewer describes the gourmet food and physical fitness trends sweeping the country, and changing the eating habits of America.

Brewer, Penn State extension ag economist, told producers at the York-Lancaster vegetable meeting they can cash in on consumer demands for fresh and natural foods.

Population changes are also affecting food marketing. A growing "older" population, more single households as well as double income families, better education and willingness to try new foods are all reflected in changing consumer patterns.

With more spendable income available, price is not a major deterrent in food shopping; customers are willing to pay for what they want.

"Tomatoes and strawberries in January are things that consumers have come to expect," says Dr. Brewer. "They've become more quality and value conscious."

Both supermarket and food service establishments have responded to the "fresh" wave with expanded produce sections and attractive salad bar offerings. One recent supermarket produce section survey turned up an average of 140 different fresh vegetable and fruit items, compared with an average of 65 items just seven years ago.

Increasing volumes of fresh items are coming from South America and the Caribbean areas. While retailers show interest in obtaining local supplies of fresh produce, large wholesale volumes are often involved. Such large volume needs may prohibit smaller producers from locking in supply contracts.

"Whoever provides the quality, the variety, the packaging, is who will serve the future markets," Brewer warned.

Other topics covered at the annual vegetable growers meeting included no-till cropping, weed, disease and pest control and nutrient runoff and its impact on the Chesapeake Bay.

York County Holstein Club sets barn meeting

DILLSBURG — Doug and Joanne Cope will host the York County Holstein club's spring barn meeting on Tuesday, March 4, beginning at 1 p.m.

The Cope's Four-Co farm is owned by Doug and Joanne, and his parents John and Helen Cope. The operation has been milking since April, 1985, with a 48 head herd now averaging 19,900 milk and 560 fat, and a 62-pound daily average.

York County Holstein members and other interested representatives of the Holstein and dairy industry are invited to attend

Four-Co farm is located on the west side of Route 74, about five miles north of Wellsville, and one mile south of Northern High School. Snow date is March 11.

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