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Lancaster 4-H'er Ellen Lewis and her lamb Pee Wee are getting ready to celebrate Pennsylvania 4-H Week, March 16 to 23. For a story on Ellen's 4-H career, turn to page B16. Turn to pages B2 and C2 for other stories featuring 4-H'ers.

Herd buyout participation greater than anticipated

BY JAMES H. EVERHART

WASHINGTON — Reports from throughout the country indicate dairy farmers participated in the controversial herd buyout plan in a varied and vigorous fashion.

Although formal reports will not be available for several weeks, USDA officials indicated bidding activity was greater than they expected — and the range of bids was "staggering."

"Participation was much higher than anticipated," indicated one ASCS official who asked not to be identified. "It was twice what we needed, from all reports."

Bid totals, he said, ranged from a low of \$1.96 a hundredweight to \$350, with the greatest activity in the \$20 to \$40 range.

"We're just encouraged that dairy farmers participated so strongly," the official said. He indicated that the department felt the positive response was a vote of confidence for the program.

Reports from throughout the

region indicated that participation was surprisingly high in many areas — approaching 20 percent in some cases.

Statewide participation was 19.4 percent in New York, with bids ranging from less than \$10 to a high of \$225. And in Delaware, participation averaged about 13.4 percent.

In Pennsylvania, ASCS officials declined to provide figures, but indicated participation was higher than in the dairy diversion program which ended in March 1985. The Keystone State had 1,221 participants in the earlier production-control program.

Bids will be submitted to the Commodity Credit Corp. office in Kansas City, where they will be tabulated and evaluated. Dairymen whose bids are being accepted will be notified over the next several weeks.

Producers had until March 7 to enter a bid in the producer-funded

Herd Termination Program, as the buyout is formally titled.

Passed as a Farm Bill compromise negotiated late last year in the U.S. Congress, the buyout is designed to permanently remove up to 12 billion pounds of dairy production capacity.

Funded by a 40-cent assessment on producers, the program pays participants to sell off their dairy animals for export or slaughter and keep their facilities out of dairy production for five years.

The buyout purchases are to occur in three separate time periods over the next 18 months, to lessen the impact of the program on the meat industry.

Experts indicate that the length of time involved effectively discourages herd buyout participants from returning to the industry in five years. Nothing bars "buyout" dairymen from engaging in other non-dairy agricultural enterprises, however.

Assessment to replace Gramm-Rudman cut

WASHINGTON — President Reagan has indicated that he will sign a package of revisions to the 1985 Farm Bill, including a provision substituting a 12-cent dairy assessment for a 55-cent reduction in support price.

The measure, passed by the Congress late last week, is the dairy industry's response to the Gramm-Rudman-Hollings budget-cutting measure. The Gramm-Rudman cuts, which went into effect March 1, would have pared 55 cents per hundredweight from the price the Commodity Credit Corporation pays to purchase surplus dairy products.

Those reductions would have been in addition to a 40-cent assessment to be levied on producers beginning April 1, to fund the new herd buyout program.

The dairy industry proposed the assessment, since it would be distributed across all the milk produced in the country, not just the 10 percent of production sold in surplus to the CCC. The CCC purchase price pays an important role in setting dairy prices across the country, and the reductions required by Gramm-Rudman eventually would have reduced

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Watching as the bids are opened

BY JOYCE BUPP
Staff Correspondent

YORK — All that was missing was the batch of little, white ping-pong balls with numbers on them, bouncing around in a see-through container.

With that exception, the Monday afternoon opening of York County's dairy herd buyout bids assumed a sort of lottery flavor. About half the audience held potential "winners," or contract bids, while the remainder were merely on hand as interested spectators.

When all the envelopes had been opened, contracts unfolded and second bids overruled earlier ones in cases where bidders had reassessed figures before the deadline, a total of 37 dairy families had played their hand in the buyout game.

Low bid in York County was \$10, for participation in the first buyout period, to begin April 1 and run through August 31. High bid was \$80, and was for the third period of the buyout, March 1 through August 31 of 1987.

The 37 individual bidders put in 96 separate bids, most bidding a figure for each of the three buyout periods. A few, however, bid into only one or two of the three periods.

Of the total 96 bids, 25 were in the \$40-\$50 range. Second high group was in the \$20-\$30 range, with a total of 21 bids. Another 20 bids came in the \$30-\$40 range. And, there were 15 bids each in both the \$10-\$20 range, and for \$50 and over.

There were a few cases of the same bid price across the



Presiding over York County's dairy buyout bid openings were, from left, ASCS committeemen Wilson Nace, Geary Huntsberger, chairman Richard Deardorff and office manager Peggyann Carnill.

board, for all three buyout periods. A few others ranged as much as \$20 difference from one bid period to another. Most, however, ranged a few dollars from one period to another, apparently dependent on a bidder's personal preferred time to exit the dairy business, if selected.

A local accounting specialist on hand to hear the price bids privately ventured a guess that perhaps five to nine of the bids might win consideration.

The number of participants, according to York ASCS office head Peggyann Carnill, was about what had been expected. Most apparently pondered the issue, and "crunched" numbers right up until the Friday, March 7, deadline.

"We had 28 come in on Friday," she affirmed. "It was really busy."

Bidders will know March 28 how they can begin planning their future.

According to Ms. Carnill, the bids opened Monday were forwarded to Kansas City for nationwide tabulation. From there, numbers compilations go to Washington, D.C. for final consideration and selection by newly-confirmed Secretary of Agriculture Richard Lyng. Announcement of selected bids is to come March 27, with letters going out to producers the following day.

One dairymen, on hand to hear the bids, matter-of-factly shrugged his shoulders and grinned as ASCS chairman Richard Deardorff announced the final bid figure.

"Look's like I'm still in production; my bid was too high. Now I'm going home and build a silo."

Guernsey breeders meet in Lebanon



Pennsylvania Guernsey breeders were meeting at week's end for their 55th Annual Meeting in Lebanon. For complete coverage of the meeting, awards banquet, and sales see next week's Lancaster Farming. And for a feature on one interesting operation, turn to page A24.