Gramm-Rudman 'meat-ax' replaced by 12-cent assessment

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prices for all dairy products, whether sold in surplus or not.

The 12-cent assessment approved by Congress last week would raise the same amount of money as the 4.3-percent cut in CCC spending required by Gramm-Rudman.

USDA officials did not indicate when the President would sign the legislation into law.

According to Kika de la Garza, chairman of the House Agriculture Committee, the bill would:

• Restore much of a potential reduction in farm-by-farm "program yields" used in calculating income support payments for grain, cotton and rice farms;

• Provide that Gramm-Rudman budget cuts in the dairy price support program during fiscal 1986 will be made by increasing a previously-scheduled assessment on the price received by dairy farmers for all milk sold in the 48 continental states;

• Prevent the use of land taken out of grains, cotton and rice (under a special provision allowing producers to collect target price income payments on land idled beyond normal surplus-reduction requirements) to produce pricedepressing surpluses of other commodities;

• Revise previously-authorized export assistance programs and make other changes in several farm programs; and

• Express the sense of Congress that the Secretary of Agriculture should make advance commodity support loans available to eligible farmers who cannot otherwise borrow money for spring planting.

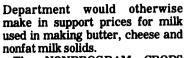
"This bill makes some needed corrections and changes in farm programs that Congress adopted in 1985. Some of the specific provisions are complicated, but the bottom line of what we have done is clear and simple — it is to help protect the income of farmers during this critical period for American agriculture," de la Garza said.

The bill passed by the House, H.R. 1614, was identical to a measure approved by the Senate on Wednesday and was similar to bills adopted earlier by the House Agriculture Committee. The final version did not include a House Agriculture Committee provision extending the deadline for farmer bids in a dairy surplus reduction program, but de la Garza said he and other Congressional leaders will make a bipartisan appeal to the administration to delay the program enrollment deadline until April 1 by administrative action.

Major provisions of the bill include:

- The FARM PROGRAM YIELD section: This will revise a part of the 1985 farm bill which could confront some farmers with cuts in the "farm program yields" used in calculating income support payments for individual grain, cotton and rice producers. Under H.R. 1614, any cuts produced by a new yield formula included in the 1985 farm bill would be limited, in effect, to no more than 3 percent for 1986 crops and no more than 5 percent for 1987. This would be done by giving producers in-kind commodity payments to offset the impact of any yield reductions imposed by the 1985 formula which go beyond the new 3 percent and 5 percent limits. For the purpose of calculating program yield averages in 1988 and beyond, no farmer's 1986 yield could be set more than 10 percent below the 19**85 level**.

DAIRY COST-The **REDUCTION section: This section** will provide full compliance with the Gramm-Rudman deficit reduction requirements for the current fiscal year by increasing a scheduled all-milk price reduction - usually referred to as an assessment on dairy farmers without requiring a steep, disruptive slash in the prices paid by the Agriculture Department for surplus dairy products purchased under its price support program. The assessment had previously been scheduled to take effect April 1 and to run at a rate of 40 cents per hundred pounds until Dec. 31 to offset costs of a new program under which farmers will reduce surpluses by taking whole herds out of production. Under H.R. 1614, the added assessment will be in effect from April 1 through Sept. 30 and cannot exceed 12 cents per hundred pounds. This will replace a reduction of 55 cents per hundred pounds which the Agriculture



The NONPROGRAM CROPS

section revises a part of the 1985 farm law applying to grain, cotton and rice producers who cut acreage by more than the amount required under surplus control programs for those crops. The 1985 law would have allowed farmers who use the additional idled acres for conservation or other approved

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