Dairy assessment

(Continued from Page A26)

uses to collect income support payments on 92 percent of the total acreage eligible for planting to the basic crops (as long as 50 percent of the "permitted acreage" was actually used for the basic grop). That provision was interpreted by the Agriculture Department as allowing farmers to use the additional idled acreage for any nonprogram crops while still collecting income payments on 92 percent of permitted program acreage. H.R. 1614 would, in effect, ban eligibility for support payments on the additional idled acreage if a farmer uses it for crops which have not been specifically approved for this purpose by the Secretary of Agriculture - and that approval could be given only for commodities designated by the bill and only if planting a particular commodity on the additional idled acres would not drive down prices and incomes for existing producers of the commodity involved. (Note: The commodities which the Secretary could allow on additional idled acres, but only if this would not harm existing producers, include specifically designated relatively minor or

experimental crops, such as sweet sorghum, guar and kenaf, and do NOT include commodities such as dry beans, peanuts, tobacco, and potatoes.) Haying and grazing on the additional idled acres will be allowed, at the option of state Agricultural Stabilization and Conservation Committees, unless the Secretary of Agriculture rules this would have a serious adverse economic impact. The new rule on nonprogram crops would not apply to farmers who planted or contracted to plant such crops on additional idled land before Feb. 26, 1986. (Note: For producers who plant nonprogram crops on additional idled acreage without seeking income support payments on the acreage, the bill provides that planting history of the farmer's basic crop will be protected on up to half of his nonprogram crop acres in 1986 and 1987, up to 35 percent in 1988 and 20 percent in 1989, with no protection in 1990.)

The EXPORT ASSISTANCE **PROGRAMS** section reduces mandatory funding levels for two export promotion programs. In the Targeted Export Assistance program, which initially required the Agriculture Department to use \$325 million annually in cash or

commodities for each of five fiscal years beginning with 1986 (to combat unfair trade practices of other exporters), the new bill reduces the mandatory floor to \$110 million for the first three years and returns to \$325 million for the 1989 and 1990 fiscal years. In an Export Enhancement Program which initially required use of not less than \$2 billion in commodities as export "bonuses" during the period ending Sept. 30, 1988, the new law sets the minimum at \$1 billion but gives the Secretary of Agriculture discretion to go up to a total of \$1.5 billion.

The ADVANCE COMMODITY LOAN provision is a "sense of Congress" provision urging the Secretary of Agriculture to activate a section of the 1985 farm law which gives him discretionary authority to make advance commodity support loans to producers of any crop for which ordinary post-harvest support loans are available. The advance loans, if made, would be on a "recourse" basis, meaning that they must be repaid and cannot be satisfied by forfeiting the commodity collateral to the government. In addition, producers getting any such loans would have to protect their crops with crop insurance. Under H.R. 1614, the Secretary is urged to approve advance loans to producers who

cannot otherwise get enough credit to finance planting of 1986 crops. OTHER PROVISIONS of H.R. 1614 include:

Authority for wheat and feed grain growers to graze or harvest hay during at least five principal growing-season months on acreage held out of 1986 grain production to satisfy acreage reduction program requirements.

- A section requiring the Secretary of Agriculture to hold public hearings on - and to implement – a marketwide service payment plan allowing dairy cooperatives to get compensation for processing non-member milk and providing other services such as transporting milk from other areas.

A section reducing the salary level for the post of presidential Special Assistant for Agricultural Trade and Food Assistance which was created by the 1985 farm law. The level would be set at not less than the amount paid to Executive Level III officials (instead of the level I, cabinet Secretary level originally provided), and appointment of the new aide will be required by May 1, 1986.

- Discretionary authority for the Agriculture Department's Commodity Credit Corporation to export up to \$30 million worth of surplus commodities annually and

to use the money to finance research and development on external combustion engines which use non-petroleum fuels.

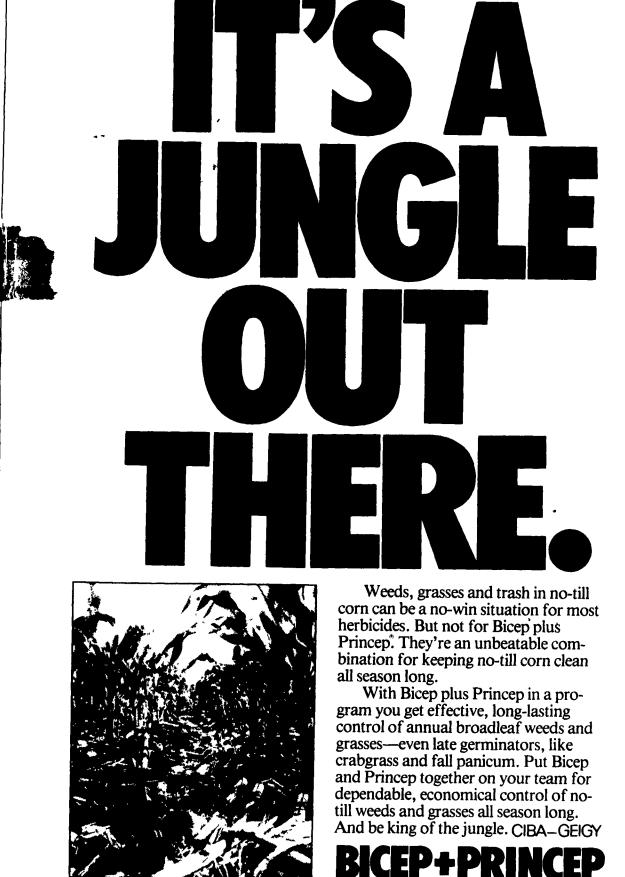
A directive to the Agency for International Development requiring submission by April 15 of a plan for using reserve funds for African famine relief.

- A directive requiring the administration to announce by March 31 the amount of surplus commodities owned by the Agriculture Department's Commodity Credit Corporation which will be available during the current fiscal year for overseas donation under a program (Section 416) provided by existing law.

- An extension of time for completing studies of quality control systems used in the food stamp program.

 A provision allowing federally licensed operators of grain warehouses to transfer stored commodities to other licensed warehouses under terms to be specified in regulations by the Secretary of Agriculture.







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