

# Price Support Program Endorsed For New Dairy Policy

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program was the most highly endorsed subject presented.

"The members of the Pennsylvania Farmers' Association favor a price support system where supply and demand are balanced by the market. We believe the best way to accomplish this balance is through a price support level that is automatically adjusted according to the amount of net dairy products purchased by the federal government," said Donald Ranck, representing the Pennsylvania Farmers Association.

Ranck supported PFA's position by citing the history of the system between 1949 and 1980. When the system was operating during this time, CCC purchases averaged 4.7 billion pounds.

"The support purchase program is a well chosen tool to achieve the goal of stabilizing producer prices, while simultaneously ensuring consumers an adequate supply of reasonably priced milk and dairy products," noted James Fraher, economist for Atlantic Dairy Cooperative. He added that the price must be realistic and related to government purchases as well as changes in producers productivity.

Supply management received marginal support from the day's speakers. Robert Pardoe of the Pennsylvania State Grange took the opportunity to denounced quotas. "The biggest beneficiary of a quota system is the government purchase program. The price result in Canada's quota program does not seem to be very enticing," he said.

Fraher explained, "ADC does not, as of this time, support an alternative to current Federal dairy policy."

Ranck advised, "PFA is convinced that most Pennsylvania dairy farmers do not support supply management programs for the dairy industry."

Advocating a supply management system were four members of the Pennsylvania Farmer's Union. Arden Tewksbury said that PFU supports "a milk supply management program to assure dairy farmers an adequate price for his product, and the protection that other farmers will not over produce in a fashion that would destroy prices at the farm level."

He added, "We strongly oppose any value being given to quotas, bases, etc. It is extremely wrong to have the milk production at a farm be worth more than the actual farm."

Tewksbury touched on a supply management program a third time. He noted that the approval of bovine somatotropin would necessitate such a program.

"The impact of somatotropin and other technologies on the structure of the dairy industry is difficult to predict," according to Dr. William Chalupa, professor at the University of Pennsylvania. "Somatotropin has the potential to increase the probability of survival and financial performance of small and large dairy farms." However, he added, the product is not for everyone.

Chalupa concluded that until experiments determining on-farm responses and effects upon health of dairy cattle are completed, present fears may be over reactions.

Dr. David S. Kronfeld, professor at the University of Pennsylvania, cautioned against believing some of the studies published by the drug

companies researching the product, alleging the results did not show the entire picture. He noted that nearly 170 out of 1,000 farmers in one study did not benefit from using BST.

He noted that a research project he had planned, but was unable to attain funding for, would have explored the relation of the product to stress and disease. Kronfeld noted additional studies on these subjects will be necessary prior to the Food and Drug Administration approval of BST.

Most of the speakers testifying urged the Commission to seek a method to preserve the family farm.

Jane and Glen Seidel, dairy farmers from Womelsdorf, stated, "Presently, we are replacing dairy families with dairy corporations." They advised the Commission to consider the social impact this move will have.

In the new policy the Seidels noted farming must contain hope for the young, dignity for the old and a fair income for the group in between. They cautioned against letting other countries gain an upper hand in the GATT negotiations.

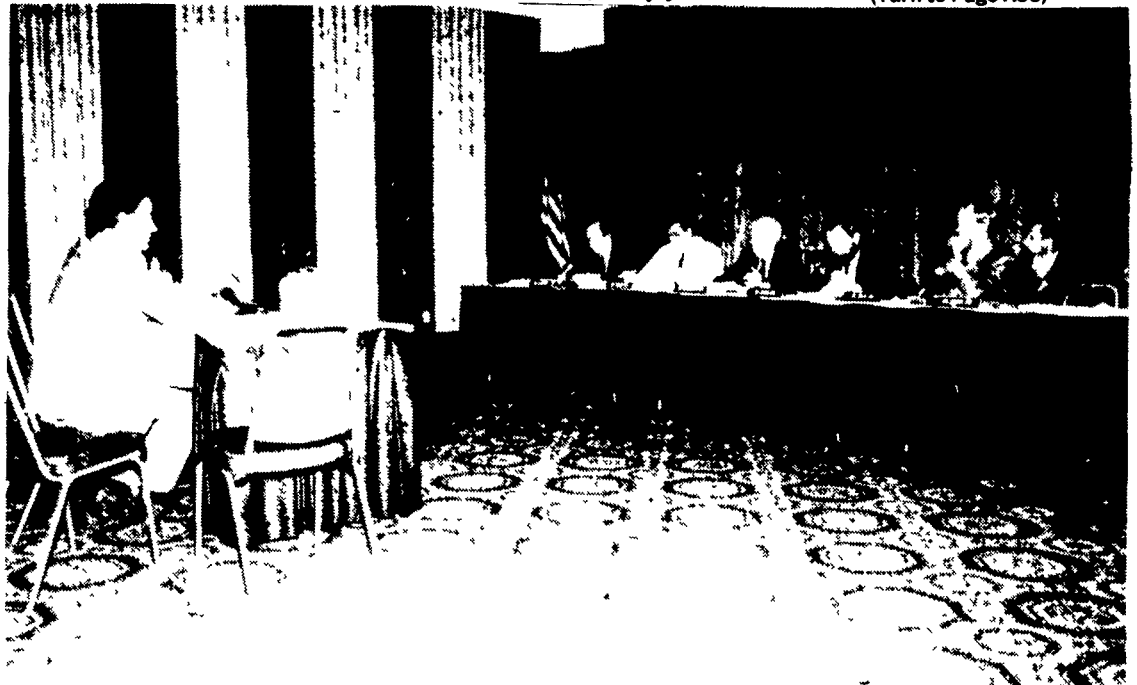
Robert Rumler, retired chairman of the National Holstein Association, noted that no other market commodity enjoys the

same protection as dairy products on the world market. Dairy products will be influenced by the current GATT negotiations with European countries, he added.

"We should forego efforts to enter into the generic export market," he said, because of our inability to be competitive in this area. The United States can be competitive in the specialty market.

Rumler supports using the current dairy programs as a framework for future policy, reserving room in the policy for the results of the GATT negotiations.

He recognized that the government (Turn to Page A30)



Donald Ranck (left), a dairy farmer from Paradise, testified Wednesday at the hearing held by the National Commission on Dairy Policy in Harrisburg. The 18-member Commission, comprised of dairy farmers from across the country, will report to Secretary of Agriculture Richard Lyng which direction the dairy community wants the dairy policy to head.

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