

RCMA Head Discusses Northeast Milk Markets

"The move by the Regional Cooperative Marketing Agency (RCMA) to institute premiums starting September 1, 1987, on Class I milk sold to milk handlers in 11 Northeastern states already has some handlers scurrying around the countryside promising higher prices to dairymen and offering reasons why RCMA will not work."

This was the comment made today by Ed Anna, RCMA Executive Director. He pointed out that the premiums being offered by some handlers are "short run" and are part of an effort "to divide RCMA's 27,000 organized dairy farmers." Some milk dealers, he said, recognize the need for improving dairy farmers' income and have agreed to pay the RCMA premium which they believe will help stabilize dairy markets.

"Dairymen should not be fooled by the premiums offered by some milk handlers," said Anna. "These temporary premiums may seem like a lot of money now, but they are, in fact, only pennies when compared to the improved prices that organized RCMA dairymen can get through RCMA this coming Spring when farm milk prices are predicted to drop sharply."

RCMA is a cooperative established by dairy cooperatives and independent dairymen for the purpose of unifying farmers' efforts to improve the price received for milk at the farm. It is a bargaining organization authorized under the federal Capper-Volstead Act.

"Supply and demand conditions for milk here in the Northeast and the overall decline in dairy farm numbers have been major factors behind the formation of RCMA,"

said Anna. "Average per farm net income has also declined."

Anna explained that milk supplies in the Northeast are low due to the federal government's wholeherd buyout program, plus the effects of financial hardships experienced by the region's dairy farmers. Dairymen are also faced with a further drop in prices due to a \$.25 dairy support price cut on October 1 and a probable \$.50 cut on January 1, 1988. This could result in an average loss of \$.75 per hundredweight of milk produced in 1988 as compared to 1987. RCMA premium pricing would allow dairymen to avoid some of this loss of income, not only in the Fall months immediately ahead, but during the Spring months next year when premiums currently being offered will disappear.

In order to get the pricing program started, RCMA announced on July 10 a market value price above the September minimum market order Class I (fluid) milk price. RCMA's Board of Directors said the action represented a move toward pricing that more accurately reflects the supply-demand conditions that now exist for milk.

"Dairymen must stick together through RCMA and not be baited into leaving the program because of temporary handler premiums," said Anna. "RCMA pricing can last longer and put many more dollars in dairymen's milk checks than handler premiums can. Dairymen must refuse to permit their milk to be picked up by a handler who will not pay the RCMA market value premium."

Approximately 95 percent of the 29,000 dairy farmers in the 11 Northeastern states are under con-

tract to RCMA, either individually or through their cooperatives. The contracts stipulate that the producers will market their milk through RCMA and will not deliver milk to those handlers who refuse to pay the RCMA premium. RCMA agrees to move such milk to other markets. The dairyman whose milk is moved from its present market will be paid in full for his milk by RCMA. Some handlers see the RCMA contract as a threat to their ability to control their milk

supplies and are attempting to discourage participation in RCMA.

The RCMA market value premium is based on an analysis of all key factors affecting the price of milk and will always be established at a level that reasonably reflects the true value of milk in the marketplace, said Anna. It is estimated, he said, that announced price increase would add only about \$1.80 per year to the milk bill of the average consumer (base-

d on an increase of a cent-and-a-half per quart).

"Dairy farmers need this money to pay for labor, management, supplies and other costs and to help generate a fair profit on their substantial farm investments," said Anna, "and the important thing is that this RCMA money will go directly to where it's needed most — back to the farm. The success or failure of RCMA is now in the hands of farmers . . . they must stick together to make it work."

Gypsy Moth Update For Schuylkill

Craig R. Morgan, Schuylkill Conservation District Manager and County Gypsy Moth Coordinator, announced today that the Bureau of Forestry aerial and ground checks revealed heavy defoliation on 17 acres of land and moderate defoliation on 363 acres of land in Schuylkill County. The defoliation occurred along the Lebanon-Schuylkill County line on the south side of the second Mountain and midway between the Lebanon-Schuylkill County Line and Ravine along the second Mountain. Heavy defoliation also occurred in Dauphin County near Tower City and the Mahantongo Valley. Large numbers of egg masses present in these areas could result in defoliation in areas of Western Schuylkill County because of "Blown In" Gypsy Moth Larvae in 1988. Also, there is always the possibility of a "Hot Spot" in the County Morgan said. If anyone feels they have a large number of new egg masses around their home they should conduct the following survey to determine the Gypsy Moth population.

Count all of the new egg masses in a circular plot within a radius of 18.64 feet approximately (18'7 1/2"). Multiply the number of egg masses counted by 40. This gives you the approximate number of egg masses/acre. In most cases an average of 3 or 4 plots is required to give the best estimate of insect population. The guidelines require a minimum of 250 (healthy) egg masses per acre to be considered for spraying, among other factors. Healthy egg masses are medium (larger than a dime but smaller than a quarter) or large sized (larger than a quarter). Old egg masses are soft and spongy to the touch and may be discolored, while new egg masses are hard or firm when touched and are white

or light colored.

Just because a landowner did not experience gypsy moth problems this past year does not mean that the moth have not infested their land with eggs which could cause defoliation in 1988, Morgan added. "So if you live near the Western portion of Schuylkill County I would advise you to conduct the above survey to prevent an out break in '88," Morgan concluded.

If anyone conducts the survey and has an average above 250 egg masses per acre they should call Morgan at the Conservation District office at 429-1744 by September 15th to register for the proposed spray program for 1988.



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