

Proposed Dairy Legislation Awaits Budget Axe

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WASHINGTON, D.C. — Almost all the "i's" have been dotted and the "t's" crossed on a new five-year farm bill, but dairy farmers are no closer to knowing the government's price support policy than they were in January.

That's because the very similar farm bill proposals approved to date by both the House of Representatives and the Senate are subject to ongoing efforts to reduce the federal budget deficit, according to farm lobbyists in Washington.

"They may have to rewrite major portions of the bill to agree with an as-yet undetermined budget savings requirement," Rob Nooter, assistant director of national affairs for the American Farm Bureau Federation, said last week. Nooter said the talk among farm lobbyists in Washington these days is of dollar numbers, specifically the number of billions that a budget agreement will require in savings from a farm budget that's expected to cost \$53-54 billion over the next five years.

That rewrite could spell major changes in the agreed-to provisions, particularly for dairy farmers, other analysts note. Steve Kerr, director of the Northeast Council of Farmer Cooperatives, said the battle will be waged between those who favor price cuts as the sole answer to the related budget and surplus problems in the industry and those who favor at least some form of modest supply control.

However, Kerr said, there don't appear to be many supply control options open to Congress, which has already ruled out another whole herd buyout program and also has shown little support for rigid quota systems. He suggested some type of temporary diversion program, whether for milk in gen-

eral or butterfat in particular, may be the best alternative the industry can realize.

Currently, both the House and Senate versions of the new farm bill require U.S. Department of Agriculture officials to implement a supply control program if surplus projections exceed certain levels, but the legislation does not specify the details. The bills also specify that the government support price cannot fall below the current \$10.10 a hundredweight level. Both provisions are under pressure from the Bush administration.

Secretary of Agriculture Clayton Yeutter has made no secret of his distaste for this proposed dairy policy. In a recent speech criticizing the proposed farm bills, he singled out their dairy provisions for special opprobrium. Yeutter said the establishment of \$10.10 as a rigid price floor would "bring production quotas or other draconian supply control measures." He also said current gains in milk production represent a "race for base in anticipation of regulated quotas."

However, any changes await action from the budget summit between members of Congress and the Bush administration. The House and Senate members of the farm bill's conference committee began meeting last week to iron out their differences, but all the major items affecting expenditures have been set aside pending a budget agreement, Nooter said.

Prospects for a new farm bill before the November elections are thus diminished. "If there's a budget agreement by Oct. 1, there's probably a 50-50 chance of a farm bill before they go home to campaign," Nooter said, but he didn't sound hopeful.

Robert Frederick, legislative director for the National Grange, said one possibility is that a lame

duck Congress will pass a new farm bill in December, as Congress did back in 1985. There is even sentiment for simply extending the provisions of that 1985 farm bill indefinitely, he said. That, too, would mean a continuation of the support price reductions of the last five years beyond the \$10.10 floor.

In yet another scenario, across-the-board budget cuts under provisions of the old Gramm-Rudman-Hollings deficit reduction program or some other authority may impose a direct assessment on dairymen at least temporarily. Some estimates have projected this fee at as much as 10.4 cents per hundredweight, which would collect about \$150 million annually.

Long gone from the list of possibilities is the component adjustment program, or CAP, that the

National Milk Producers Federation proposed at the beginning of the farm bill debate. The federation's idea was to impose a lower price on any milk component significantly in surplus. It would have worked as a kind of two-tier pricing system by component. The federation's proposed policy would have coupled this with some other form of standby supply control for milk in general and with support price adjustments keyed to surplus production levels. The federation originally had requested the support price floor be raised 50 cents, to \$10.60 for milk of average butterfat content.

National Milk, which serves as the chief lobbyist for most of the nation's dairy cooperatives, would like to preserve the supply management option as an alternative to continued support price reduc-

tions, according to Lisa Keller, a federation spokesman. She said the industry is prepared to accept the consequences of a budget reduction agreement, as long as they are imposed equitably among all farmers. In that regard, she noted that the government operates supply control programs for the other major commodities.

It was a point that Tom Camerello, the NMPF president, also made in replying to Yeutter's recent comments.

"Unlike wheat and feed grains, we don't have a permanent supply control program," he said. "In fact, of all major commodity programs, dairy is the only one currently without a supply management feature. I simply can't understand why dairy farmers are wrong to want to be treated like other commodities."

KILE Schedules 'Challenge Of The Breeds'

HARRISBURG (Dauphin Co.) — A unique Saturday evening program is being planned for the 1990 Keystone International Livestock Exposition (KILE) to be held October 4-8 in the Farm Show Complex.

This event, the "challenge of the Breeds," will pit four internationally recognized horse breeds — the Appaloosa, the Arabian, the Paint, and the Quarter Horse — against each other on Saturday evening, Oct. 6.

The animals, two from each breed, will be chosen by their respective breed associations. In order to compete, the horse must be owned by a Pennsylvania resident.

The six events in which each horse will be entered include:

- Pleasure Driving. Horses are asked to perform both ways at a walk and trot.
- English Pleasure. In English

tack, horses will perform both directions at a walk, trot, and a canter.

- Hunter Hack. In addition to performing on the rail, the horse will be asked to take two jumps.

- Western Pleasure. In western gear, the horse will walk, jog, and lope in both directions.

- Western Riding. The horse performs a prescribed course which demonstrates the performance of a well-mannered ranch horse.

- Barrel Racing. A timed event in the clover-leaf pattern is performed by the horse.

The horses will be judged at each of these events on a point system by a qualified judge. The winning horse will receive the distinction of being the Keystone Sovereign champion and will receive an award of \$1,000. The reserve champion will be awarded

\$500. Placings will be paid through eighth place.

This marks the second time that a "Challenge of the Breeds" event has been held in Pennsylvania. Last year's winner was "Paint Me Hobby" shown by Terry and Peg Helder from Wrightsville.

Jim Gallagher, chairman of the event and co-chairman of the KILE show, reports that the various breed associations are in the process of looking for "outstanding" horses. The horses not only must rate high in confirmation and performance, but must be very versatile.

In addition to the six events in the "Challenge of the Breeds," the draft horse hitch classes will be held during the evening. These classes consist of the 4-horse hitch, the 6-horse hitch, and the farm team, just to name a few.

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