

RCMA To Petition New York For Minimum Milk Price

SYRACUSE, N.Y. — The Regional Cooperative Marketing Agency (RCMA)'s proposals to bolster falling milk prices for farmers were discussed during the agency's annual meeting on December 7.

President William G. Zuber, a dairy farmer from Churchville, N.Y., told the approximately 130 delegates and directors that RCMA is working on two fronts to create an economic safety net for dairy farmers.

"The federal government, which used to provide the milk producers' safety net through its support price, has continually lowered that support price until it is below what farmers need in order to stay in business," Zuber said. The 1990 Farm Bill set the nationwide support price at \$10.10 per hundred pounds of milk.

"As farmers have watched that former source of security continually erode, it has become clearer than ever that we must act ourselves in order to protect our livelihood. That is what the current RCMA proposal will do," he added.

RCMA, with 22,000 dairy-farmer members in the 11 Northeastern states, is preparing to file a petition under New York State's Rogers-Allen Law. The petition will ask Richard McGuire, commissioner of Agriculture and Markets, to set minimum prices in New York State for both Class I milk, which is used for fluid consumption, and Class II milk, which is used for making dairy products such as cheese, ice cream and butter.

An RCMA task force has been formed to work with the organization's lawyer to draft the petition, which is expected to be filed early in January. The commissioner would then call a hearing to consider the merits of the petition, and then could issue an order establishing minimum prices in New York State.

At the same time, RCMA is trying to implement its own plan for premiums by negotiating with milk handlers across the Northeast, Zuber said. RCMA proposes to establish target milk prices on all milk using the Minnesota-Wisconsin price as its basis. When the Minnesota-Wisconsin price drops below the target price, RCMA premiums would trigger in, making up the difference. The opposite is also true: when the

Minnesota-Wisconsin price rises above the target price, the proposed premiums would end.

The Minnesota-Wisconsin price has dropped about \$5 since December 1989, which means a significant reduction in farmers' incomes. Economists are predicting milk prices will remain depressed throughout 1991.

"Dairy farmers need a proposal like this in order to stay in business," Zuber said. "Without such a program, we will again see the large number of dairy auctions that we witnessed in the mid 1980s. If that happens, milk handlers will lose important sources of local milk, and the market will return to the economic chaos we experienced in the last 12 months.

"Consumers will also be the losers," he added, "because they will lose parts of their supply of fresh, locally produced milk. And,

as local supplies shrink, consumers' cost per quart will increase. Therefore, it is for the good of the whole Northeast dairy industry to implement RCMA's proposal."

RCMA has successfully supplemented dairy farmers' incomes in the past. From 1987 through 1989, it distributed \$70 million in premiums to its members. President Zuber is optimistic the organization will again offer premiums when dairy farmers' prices are low.

Zuber and Carmen L. Ross, RCMA executive director, highlighted some of the agency's successes during the past year, including opposition to proposed changes in the federal milk marketing orders that would have reduced dairy farmer income in the Northeast by more than \$100 million annually, improved col-

lection of money owed to RCMA, increased office efficiency and reduced operating expenses, and increased membership.

Since all dairy farmers benefit from RCMA's activities, Ross said the organization will put increased emphasis on signing up new members in 1991. RCMA represents approximately 90 percent of the dairy farmers in the Northeast, but wants to expand that number in order to more effectively implement its programs.

In other action relating to declining milk prices, the RCMA directors endorsed a petition to Secretary of Agriculture Clayton Yeutter to suspend the Louisville Plan for one year. This plan is designed to encourage milk production in the fall, when production usually is lower, by seasonal-

ly increasing prices, and discourage it in the spring by reducing prices.

However, farmers have higher costs in the spring, when they must buy seed, fertilizer and other items related to planting their crops. This year, they will have trouble meeting those expenses because of the falling prices. To help ease the anticipated cash-flow problems, RCMA directors endorsed the petition from major dairy cooperatives to suspend the Louisville Plan this one year.

RCMA directors and delegates were encouraged in their efforts to gain higher prices for milk by Congressman James Walsh (R-N.Y.), a member of the House of Representatives Agriculture Committee, and New York State Senator Nancy Lorraine Hoffmann (D-Syracuse).

Ohio Dairy Farmers, Ohio State University Ag Leaders To Meet

STRONGSVILLE, OH. — How strong is the Ohio dairy industry? Can regional competition spell trouble for Ohio's dairy producers? These and other topics will lead off the annual meeting and joint seminar of the Ohio Dairy Farmers Federation (ODFF) and The Ohio State University (OSU), Jan. 7-8, 1991.

The meeting will be held at the Stouffer Dublin Hotel, Dublin,

Ohio.

"Our theme is Ohio dairying in the 1990s, and we plan to take a close look at the critical issues that we face," said ODFF President Charles Lausin. "This joint meeting gives us a chance to work more closely with OSU and the extension service. In fact, on the evening of Jan. 7 we are planning a reception for some of the University's agricultural leaders so

we can discuss Ohio's dairy industry."

The business meeting will start at 3 p.m. on Monday, Jan. 7. The seminar will adjourn on Tuesday at 3 p.m. Registration is \$40. The special room rate at Stouffer Dublin Hotel is \$60 for a single and \$65 for a double. The hotel is located near the intersection of I-270 and Route 161 in Dublin, Ohio.

Send your registration fee to ODFF Annual Meeting, c/o COBA/Select Sires, 1224 Alton-Darby Road, Columbus, Ohio

43228. Call the hotel directly at 614-764-2200 for reservations.

The Ohio Dairy Farmers Federation is an association of Ohio dairy groups that joined together with a purpose of improving Ohio dairy farming through legislation, education and research. Members include NOBA, Inc., Milk Marketing Inc., Ohio DHIA, COBA/Select Sires, Inc.; The Ohio State University; Ohio Ayrshire Assoc.; Ohio Brown Swiss Breeders Assoc.; Ohio Guernsey Breeders Assoc.; Ohio Holstein Assoc.; and Ohio Jersey Breeders Assoc.



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