

## Pa. State Grange Praises Dairy Farmers

HARRISBURG (Dauphin Co.) — The leader of the Pennsylvania State Grange said the organization is proud to recognize the accomplishments of dairy farmers, as the Grange continues to work to increase producer profitability.

"With June being recognized as national and state dairy month, the Pennsylvania State Grange congratulates dairy farmers and their families for providing nutritious foods while pumping over \$1.5

billion into the state's economy," William Steel, Grange master (president) said recently.

"The Pennsylvania State Grange reaffirms its commitment to be a voice for the dairy industry in legislative affairs," he said.

As an advocate for rural Pennsylvania, the Grange is a leading force in agricultural and rural issues. The Grange with more than 31,000 members in 66 counties, is a rural, agricultural and communi-

ty service organization dedicated to improving the lives of rural Pennsylvanians through legislative action, offering member service and participating in community affairs.

In the face of falling milk prices during the last quarter of 1996, the Grange successfully petitioned the Pennsylvania Milk Marketing Board to continue the 80-cent over-order premium through April 1998. The over-order premium is

the mandated price paid, above the federal price for milk.

The Grange also helped change the milk pricing formula after calling for an investigation for potential manipulation of the pricing system under the now-defunct National Cheese Exchange. Milk prices are now determined by a United States Department of Agriculture national survey of cheese manufacturers.

"This is a better system because it automatically negates one manufacturer or company from artificially setting the price," said Brenda Shambaugh, State Grange legislative director. "This change is a good starting point."

The Pennsylvania State and National Grange have both urged the United States Congress to establish a new federal order minimum price that is near the cost of production, which reflects actual market conditions, and one that is adjusted annually for inflation.

"A severe problem for dairy farmers is market volatility," Shambaugh said. "We believe that incorporating this type of pricing

mechanism would lessen the instability we have seen throughout the industry in recent months."

Shambaugh said the Grange backs the reforms of the federal marketing order system, mandated under the provisions of the Federal Agriculture Improvements and Reform (FAIR) Act, as long as producers are given adequate time to transition from federal programs to international market forces governed by supply and demand.

"As we make the transition from production decisions governed by federal program parameters, and toward decisions based on the market's underlying supply and demand forces, it is imperative that United States dairy farmers are ready to compete in a world marketplace," Shambaugh said.

According to Shambaugh, the Grange supports reducing the number of orders in the program and other changes that are to have a positive impact on dairy farmers.

The Grange has called for reducing the number of federal orders from 32 to between 10 and 12.

## Dairy Farm Profitability Can Have Many Different Management Styles

EVERETT NEWSWANGER  
Managing Editor

MANHEIM (Lancaster Co.) - In a summary of Northeast dairy farm profitability, Jonas Kauffman from the Pennsylvania Farm Credit Financial Partners, told a group of ag leaders Thursday morning that for a dairy farm to be profitable, a combination, rather than a single factor, is needed.

Speaking to the Ag Issues Forum, Kauffman based his comments on the new compilation of data that shows how dairy farmers, different in management style, can still be profitable. In the breakdown of various management styles in the Farm Credit records keeping system, Kauffman listed these categories:

- Good with cows.
- Labor efficient.
- Superior milk price.
- Low cost.
- Generalist.

The farmers that are good with cows spend more time and money on cow production. Average milk sold of 23,923 pounds per cow is the highest among the five styles. This high production allowed these farmers to achieve cost of production of \$13.83 with the third highest net earnings per cow.

The efficient labor farmers managed the second highest herd average that resulted in milk sold per worker of over one million pounds. Farms in this management style averaged 54 cows per worker, well above average.

Superior milk price came from certain locations or from the colored breeds. Most farmers don't have much control over the price of milk they receive, but quality pre-

miums, protein or specialty markets contributed to the profitability of these farms.

The low production cost group had a cost of \$11.49 per cwt. Although milk per cow and milk per worker are below the top profit group, these farmers have implemented tight cost control to achieve their profits.

The generalist farmer is a good all-round manager, and although profits are somewhat less than the other styles of management, these farmers are able to respond quickly to adverse situations in their busi-

ness. Many of the smaller farms are in this category.

There was a significant increase in dairy farm earnings in 1996, giving the highest net earnings since 1979. Still, many farms were not profitable with a good management needed. At the same time while earnings volatility continues, some dairy farmers consistently achieve superior results.

Like any other business, the profitability picture is dependent on keeping good records and knowing how to use them to better manage the farm.

## Potato Diversion Program

WASHINGTON, D.C. — The U.S. Department of Agriculture Agricultural Marketing Service (AMS) has announced plans to pay potato growers to divert 1996 crop fresh Irish potatoes to charitable institutions and livestock feed.

The program applied to all types of Irish potatoes except sweet potatoes.

The USDA Farm Service Agency offices across the nation have application forms and are the agency accepting them. Contact a local FSA office (in the blue pages of a phone book) for an application form and more information.

The entire program is to run 60 days and acceptance based on the number of requests and the availability of funds.

However, the deadline for submitting applications to sell potatoes in the higher-paying charitable foods diversion is past — it

was June 11.

The program application window for that diversion opened May 29, though the USDA announcement was made with short notice. The program paid \$1.50 per hundred pounds of potatoes that were graded as U.S. No.2 (fairly clean). For those the USDA arranged and paid for transportation of the potatoes to charitable institutions.

The application deadline for the program diverting potatoes for use as livestock feed is July 28.

The price paid for those potatoes is 75 cents per hundred pounds of U.S. No.2 processing grade potatoes.

All potatoes must meet applicable grade requirements and be inspected and certified by federal, state, or USDA inspectors.

The program is national in scope and all growers are eligible to apply.

## \$5 Million For Avian Influenza

(Continued from Page A1)

1997-98 fiscal year, which doesn't start until July 1. The amendments authorize the immediate ability to access that \$5 million, while maintaining the rest of the spending to be held off until the next fiscal year.

The legislation specifically calls for the allocation of "\$5 million for the eradication of avian influenza in this commonwealth. These funds are to pay for indemnification and as a depopulation incentive for live birds and poultry products destroyed during depopulation procedures, for manpower, equipment, and supplies, needed to destroy and dispose of infected poultry, and to clean and disinfect affected premises and other preventative and control measures and other necessary expenses incurred by the (PDA) due to the avian influenza outbreak."

The \$5 million is to be available through June 30, 1998.

In related actions, the Senate approved a resolution that directs the state Department of Agriculture to make a report to the Senate Ag and Rural Affairs Committee on the avian flu within 90 days.

The report is to be done in consultation with the poultry industry

and a final report is to be issued within nine months.

The final report is to "... contain a plan to improve control and regulation of the 'live market' industry; a plan to establish an insurance, or an 'insurance-like' program, to deal with possible future outbreaks of this disease, or others of similar character; the rigorous enforcement of (state laws) particularly those provisions requiring the reporting of animal disease and those provisions relating to penalties; and...

"... That the final report contain a long-range risk reduction plan that includes specific research plans, biosecurity regulations for the poultry industry and the framework for destruction of flocks should an outbreak occur in the future."

In other action in Harrisburg, the Senate Ag and Rural Affairs Committee on Tuesday approved the nomination of Acting Secretary of Agriculture Sam Hayes to be secretary, as well as the nomination of Luke Brubaker, owner/operator of a 450-cow dairy farm in Lancaster, to serve on the Pennsylvania Milk Marketing Board.

More action is expected in Harrisburg regarding these issues this coming week.

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Tuesday, June 24, 1997 Farm and Home Center, Lancaster, PA (Arcadia Rd. off Rt. 72)  
11:30 - 12:30 PM Lunch Provided  
12:30 - 12:45 PM Phil Clemens, President and CEO  
12:45 - 1:45 PM Jeff Amer, Technical Services  
1:45 - 2:15 PM Questions/Answers

Thursday, June 26, 1997 Weaver Markets, Adamstown, PA (Rt. 897 and 272)  
7:00 - 8:00 PM Jeff Amer, Technical Services  
8:00 - 8:15 PM Phil Clemens, President and CEO  
8:15 - 9:15 PM Questions/Answers  
Dessert Provided

Monday, June 30, 1997 Country Fare Restaurant, Myerstown, PA (Rt. 422, East of Myerstown PA)  
7:00 - 7:15 PM Dwight Woelkers, Director of Sales  
7:15 - 8:15 PM Jeff Amer, Technical Services  
8:15 - 9:15 PM Questions/Answers  
Dessert Provided