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Lancaster Farming

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Field work for farmers in the Northeast has progressed on schedule as the weather provided excellent working conditions. Even with some relief from drought conditions as rain fell in some areas, the Pennsylvania Ag Statistics Service reported 37 percent of the soil moisture rated very short, 47 percent short, and 16 percent adequate. Elsewhere in this issue Gov. Tom Ridge, added 12 new counties to the drought watch he initiated several weeks ago to put all but the Northwest part of the state on voluntary water conservation alert. Barley harvest was nearly completed this week, and pasture conditions declined due to the warm, dry weather. The corn crop condition remained variable with height

across the area set at 20 inches. Soybeans had emerged and looked mostly fair to good. Many farmers cut hay for haylage or to make quality hay because of the good drying conditions. As farmers look forward, they report that they are hauling manure, and spreading fertilizers on harvested fields. In the photo, Shawn Burkholder in an Amos Eby Co. truck was spreading lime Monday afternoon on John Stoltzfus' farm at the corner of Oak Hill and Black Horse Roads just south of Paradise. A slight breeze and the backlight from the sun provide a nice soft picture composition for the farm in the background. *Photo by Everett Newswanger, editor.*

Dairy Options Pilot Program Design Offers Farmers Opportunity To Set Floor Price

VERNON ACHENBACH JR.

Lancaster Farming Staff
LANCASTER (Lancaster Co.) — A group of 52 dairy farmers met in Lancaster at the Farm and Home Center this spring for the second meeting in a series of meetings that kicked off the U.S. Department of Agriculture's Risk Management Agency administered \$10 million Dairy Options

Pilot Program (DOPP).

The nationwide program is designed to help dairy farmers transition completely away from federal government price support programs.

Pennsylvania was selected as the first state to participate. Nationally the goal was to include 42 counties in seven states, broken down to six counties per selected state.

The goal was to have 100 participants per county, but the participation has been less. However, that fact doesn't affect the program or those who have elected to participate.

(If there would have been more than a 100 applications, a lottery would have been held to determine who could participate.)

The written objective of the program is, "To ascertain whether 'put' options can provide dairy producers with reasonable protection from price risk," according to USDA officials.

As with other agencies and divisions of the USDA, the USDA Risk Management Agency is a renamed agency with additional responsibilities. It had been the agency that handled the federal crop insurance program, and it still deals with crop insurance.

According to the agency's Director Larry Atkinson, the agency has expanded its purview in

order to better serve in stabilizing United States agriculture during the transition, especially the dairy industry.

Crop insurance and commodity trading tools have long been used by that grain production sector to protect against price drops, especially during bumper crop years.

But there has been little to no use of such protections by the dairy industry, and there is no federal milk price insurance program. It wasn't until 1993 that dairy futures began being offered as trading contracts.

While other livestock and commodity production sectors are also being phased out from federal sup-

port pricing, the dairy industry appears ripe for focusing initial efforts by the USDA in preparing the agricultural production industry for the scheduled removal of a commodity price safety net.

After this year, there are to be no more federal price supports.

There are several reasons for selecting the dairy industry.

The poultry industry has largely become integrated and dependent upon contractual relationships between producers and processors and feed manufacturers. Production costs and margins seem fairly well controlled through the integration.

The swine industry has been on

track toward a similar integrated structure, especially with last fall through this year swine prices to independent producers ridiculously below the cost of production.

The dairy industry is still described as largely peopled by independent producers, although more and more dairy industry decision-makers have expressed confidence that the majority of it too is headed toward contractual production, or at least some form of integration — which perhaps could be best described as a type of private quota system.

The fate for independent dairy producers is not clear, however,

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PDA Presents Ag Research Symposium II

VERNON ACHENBACH JR.

Lancaster Farming Staff
HARRISBURG (Dauphin Co.) — Publicly sponsored, ongoing agricultural research administered through the Pennsylvania Department of Agriculture protects and ensures the well-being of the state's agricultural industry, and holds the promise for expanding opportunities for entrepreneurialism.

That notion was reinforced through the second annual PDA Agricultural Research Symposium, recently held in a meeting room in the East Wing of the Main

Capital Building in Harrisburg.

With a backdrop banner that proclaimed, "Products for the Planet," state secretary of Agriculture Samuel E. Hayes Jr. stood behind a podium bearing the seal of Pennsylvania, and welcomed the audience, making note of the

local FFA chapter members in attendance, as well as officials.

Hayes has been especially aggressive in several areas relating to agricultural and economic well-being — education, marketing, research, product development,

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Lancaster Farming Issue Notes

The photo pages of the award winners from the Pennsylvania FFA Activities Week and Summer Convention starting on page B15 will be of special interest. Also to celebrate Independence Day, the office of *Lancaster Farming* will be closed Monday, July 5. Our office will reopen for regular business hours on Tuesday, July 6, at 8 a.m.