

# Farm Bill

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Therefore, about 93 percent of the milk produced in the Northeast was eligible for program payments.

Of the 29.5 billion pounds of milk produced in the 12 Northeast states during FY-1999 - 2001, about 22.8 billion pounds is eligible for the program payments during fiscal year 2002.

The amount of milk eligible for the program payment in the Northeast is subject to two limitations 1) a reduced marketing

year consisting of 10 months, and 2) a payment cap of eight million pounds per farm per year. Given a projected payment rate of \$0.77 per CWT, total CCC outlays for the Northeast Dairy Market Loss Program during fiscal year 2002 is estimated to be \$176.4 million.

So what impact will such a program have on individual dairy farms during the first year of the program? This was estimated in Table 2 below for fiscal year 2002. The program payment of \$0.77 per CWT was computed for four different size dairy farms in the Northeast. Only 10 of 12 months were eligible for the program payment in fiscal year 2002, thus milk marketings were adjusted accordingly. Farms marketing eight million pounds of milk per year would receive the program payment on roughly 6.67 million pounds (8 million pounds X 10/12). The analysis in Table 2 reveals that the 50 and 100 cow dairy farms would receive the program payment of \$0.77 on 100 percent of their milk marketings for a total of \$5,791 and \$11,582, respectively, in fiscal year 2002. The 500-cow unit would receive the payment rate of \$0.77 on 74 percent of their milk marketings for a total of \$51,477. The 1,000-cow unit

would receive the payment rate of \$0.77 on 37 percent of their milk marketings for a total of \$51,477.

per CWT the first year of the program, and \$0.57 per CWT over the next three years. This annual estimate, however, can

Table 1 Estimates of Program Payments under the Northeast Dairy Market Loss Program for Fiscal Year 2002

	Milk Marketings		Eligible for Payment <sup>1</sup>	CCC Outlays <sup>2</sup>
	FY 99-01 Base <sup>3</sup>	Pro rata Base <sup>3</sup>		
	Mil Lbs	Mil Lbs	Mil Lbs	Mil \$
New England	4,628	3,857	3,415	26.4
Connecticut	491	409	362	2.8
Maine	672	560	496	3.8
Massachusetts	398	331	293	2.3
New Hampshire	318	265	234	1.8
Rhode Island	28	24	21	0.2
Vermont	2,721	2,268	2,007	15.5
New York	11,902	9,918	9,036	69.8
Pennsylvania	10,961	9,134	8,857	68.4
Other Northeast	2,026	1,688	1,539	11.9
Delaware	156	130	118	0.9
Maryland	1,315	1,113	1,014	7.8
New Jersey	270	225	205	1.6
West Virginia	265	221	202	1.6
<b>Total Northeast</b>	<b>29,517</b>	<b>24,598</b>	<b>22,847</b>	<b>176.4</b>

<sup>1</sup> Average milk marketings for the FY 1999 - FY 2001 milk marketing years  
<sup>2</sup> The payments for fiscal year 2002 are for December 1, 2001 - September 30, 2002  
<sup>3</sup> Percent of milk that meets the 8 billion pound per year per farm cap on milk marketings  
<sup>4</sup> Assumes a program payment rate of \$0.772 per cwt

Table 2 Estimate of the FY 2002 Impact of the Northeast Dairy Market Loss Program on Individual Dairy Farmers, by Herd Size

	Units	Herd Size			
		50 cows	100 cows	500 cows	1000 cows
8 mil pound cap					
Milk marketings	Thou Lbs	900	1,800	9,000	18,000
Pro rata share	Thou Lbs	750	1,500	7,500	15,000
Amount eligible	Thou Lbs	750	1,500	6,667	6,667
Annual payment	Dollars	5,791	11,582	51,477	51,477

Note: assumes each cow produces 18,000 pounds of milk per year. Production caps are prorated given the premiums are available on 10 of 12 months. The analysis assumes a payment rate of \$0.772 per cwt.

### Conclusions

The Daschle compromise will result in a four year dairy program that will have three distinct features: 1) an extension of the dairy price support program, 2) a separate fluid safety net program for the Northeast, and 3) a counter cyclical payment program for the rest of the United States.

The Northeast Dairy Market Loss Program, designed for dairy producers in 12 Northeast states, will provide a federal payment whenever the federal order Class I price for Boston falls below \$16.94 per CWT. The Northeast Dairy Market Loss Program is estimated to generate an average program payment of about \$0.77

range from \$0.23 to \$0.91 per CWT. About 94 percent of all the milk produced in the Northeast will be eligible for the program payment.

The cost of this program will range from \$63 - \$252 million per year depending on market prices and the size of the program payments. Given average payments, the four-year cost of the program is estimated to be \$649 million. With an annual average program payment of \$0.57 per CWT, a Northeast farm with 50 cows producing 18,000 pounds of milk per cow would receive \$5,126 per year, and a farm with 100 cows would receive \$10,252.

## Pennsylvania Beef Expo Begins March 28

STATE COLLEGE (Centre Co.) — The Pennsylvania Junior Cattlemen's Association (PJCA) will hold their 12th annual Junior Steer and Heifer Preview Show at the 13th annual Pennsylvania Beef Expo, March 28-30 at the Penn State Ag Arena, State College.

The Expo is an excellent opportunity for PJCA members to exhibit their animals in a weekend of fun and education. Special educational demonstrations, exhibits and talks will be given on Thursday afternoon, March 28.

Since its creation in 1988, the Pa. Beef Expo has expanded to include activities targeted at both junior and senior cattlemen. This year's Expo begins with the PCA Awards Banquet and Annual Meeting, scheduled for Thursday, March 28 at Celebrations Hall, near the Nittany Mall, in State College.

Festivities will begin with a reception at 6:30 p.m. and dinner at 7 p.m. The association will recognize cattle producers with several awards including the Industry Service Award, Commercial Cattleman, Seedstock Breeder and Cattle Feeder of the Year.

One farm will be recognized with the Stewardship Award for dedication to preserving agriculture and the environment for future generations.

Other banquet highlights include announcement of the Pennsylvania Cattlemen's Beef Ambassadors. Banquet reservations can be made by calling or faxing the PCA office at (814) 238-5888 or by e-mail at llw@psu.edu.

### Tradeshow

March 29 will kick off the beginning of the Beef Expo Trade Show. The three-day trade show is an excellent opportunity to visit and ask questions of equip-

ment and pharmaceutical companies, as well as show supply, feed, and specialty exhibitors. Once again the trade show will also feature various displays of different beef breeds.

### Skillathon and Quiz Bowl

This year's Pa. Beef Expo will again provide juniors with an opportunity to test their knowledge at the annual Pa. Beef Expo Skillathon and Pa. Beef Expo Quiz Bowl.

This year's Beef Skillathon will be conducted Friday, March 29 from 8-10 a.m. at the Penn State Meats Laboratory, University Park. The Skillathon is an excellent opportunity for young beef enthusiasts to test their beef industry knowledge.

By incorporating project skills and industry basics in a series of mini-learning stations participants compete in areas such as identification of beef breeds, re-

tail cuts, feed ingredients and feed safety. Divisions for the Skillathon include senior (16-21), intermediate (12-15), and junior (8-11).

The Beef Expo Quiz Bowl will also take place on Thursday, March 28, beginning with preliminaries at 3 p.m. Any members of four PJCA, 4-H or FFA members are invited to compete. The competition will be divided into two divisions: 14- to 21-year-olds (seniors) and 8- to 13-year-olds (juniors). Primary Quiz Bowl topics will include nutrition, genetics, reproduction, animal health, marketing and promotion, and cattle breeds. The final Quiz Bowl competition will be at the annual PCA Awards Banquet to be conducted Thursday evening, March 28.

The Beef Skillathon and Quiz Bowl competitions are open to all PJCA, 4-H and FFA members. Individuals can join the PJCA for a \$5 annual membership fee at the contest site. Four-member PJCA county, club or school

teams in any division also are invited to participate. For more information contact Liz Smith at (717) 336-0553.

### Junior Shows

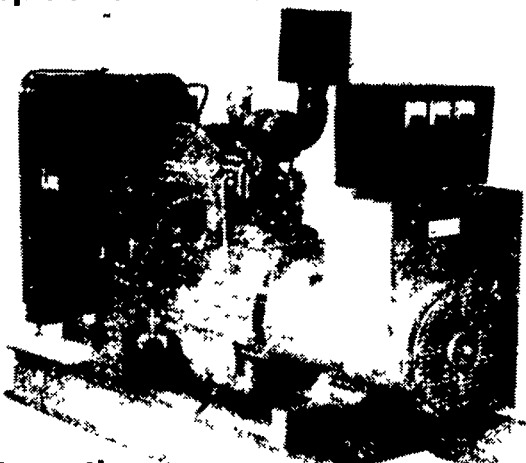
This year's Pa. Beef Expo Heifer Show will be conducted Saturday, March 30 at 8 a.m. and will sport more than seven different beef cattle breeds. All heifers born between September 2000 and October 2001 are eligible for the show.

The Junior Steer Show is scheduled for Saturday, March 30, following the conclusion of the heifer show. Light, middle, and heavyweight division champions will compete for grand champion laurels. The final showmanship competition will follow the steer show on Saturday. There will be no Expo events on Easter Sunday, March 31.

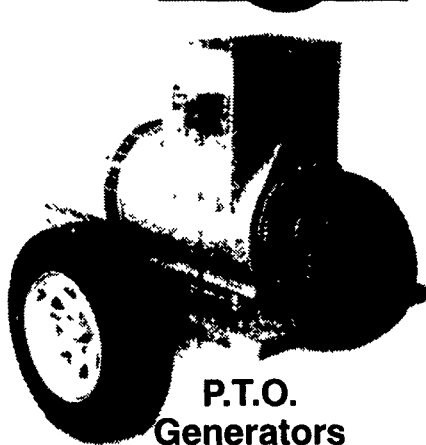
More information is available from Elizabeth Smith (717) 336-0553, the PCA office (814-238-5888 phone/fax), e-mail llw@psu.edu or on the PCA Website: www.pacattle.org.

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