

1987 basic burley quotas expected to be lowered

The six major American cigarette manufacturing companies have told the U.S. Department of Agriculture that they plan to purchase 10 million pounds less burley tobacco this year than in 1986, thus adding weight to predictions that the 1987 basic crop quota will be reduced by the maximum of 6 percent.

The 3.3 percent decrease in intended purchases by the companies would total 293.7 million pounds, compared to 303.7 million pounds expected to be purchased from the '86 crop. An audit will be held by USDA later this year after the market closes to determine the exact amount of the 1986 crop purchased by the companies. Recent legislation provides that companies have to purchase at least 90 percent of their stated intentions, or face penalties.

The quota by law has to be set by Feb. 1, and since that date falls on a Sunday it is expected to

be announced on Friday, Jan. 30. Robert Miller, a USDA representative, told directors of the Burley Tobacco Growers Cooperative Association and other burley industry leaders last week that figures involved in establishing the basic quota for 1987 indicate the maximum cut if company's expectations of purchases remained the same as the previous year.

Miller, a tobacco-peanuts group leader and agricultural economist in the Commodity Analysis Division of the Agricultural Stabilization and Conservation Service of USDA, said reductions in intended purchases by these companies would add additional needs for the maximum reductions in the basic quota.

Prior to Miller's presentation of his figures, however, directors of the cooperative association went on record as favoring basic quotas to remain the same as in 1986.

Miller said that under a

government formula, farmers' basic quotas this year would total 464 million pounds, or a drop of 29.5 million pounds compared to the 493.5 million established in 1986. He said that based on burley supplies and other factors in figuring quotas, it would be justified lowering quotas by 15 percent if not limited to the maximum of 6 percent for the next three years. After that, the maximum cut increases to 10 percent.

On the other hand, effective quotas -- quotas farmers are actually allowed to market -- are expected to increase this year, compared to 1986. Many farmers were not able to produce their 1986 quota because of dry weather. They will be allowed to make up the underproduction in 1987. Last year's effective quota of 488.5 million pounds is expected to increase by 55 million pounds to 543.5 million this year, or a 12.5 percent increase.

Miller also said the price support for burley would most likely be reduced by one-tenth of a cent a pound, or from \$148.80 a hundredweight to \$148.70 in 1987. He said calculations of lower costs of production initiated the lower support price.

Sales of burley through Jan. 18 total 409.7 million net pounds. The Lexington market, usually the last one open for the season in the belt, has set Wednesday, Feb. 4 as its last regular scheduled sale this year.

Dairymen are producing more milk/milk prods.

U.S. dairymen produce more milk and milk products than consumers buy. As a result, government programs that buy up excess supplies are used to stabilize the industry.

But dairy programs may change in the future, according to University of Kentucky agricultural economist, Craig Infanger and Robert Beck.

"A sentiment to control the supply of milk through mandatory quotas seems to be growing, especially among some congressmen who feel that the government is spending too much on dairy programs," Infanger said.

Under most versions of the quota notion being discussed,

"ELECTRIC PROJECT" (Cont. From 13)

We will meet at each school immediately after school and should be finished at 4:45 p.m. You should plan to pick up or make transportation arrangements for your child to get home.

The following dates are scheduled for each school for grades 4-6:

- Broadhead - Monday, Feb. 23rd
- Livingston - Wednesday, February 25th
- Roundstone - Monday, March 2nd
- Mt. Vernon - Wednesday, March 4th will be at Agriculture Service Center

Permittion slips must be turned in to the teacher by Feb. 13 so we will be sure to have enough lamp kits. The \$7.00 fee will be paid on the first meeting day.

KU proposes to lower rates

Electric rates for all retail customers would be reduced by 99 cents per kilowatt hour, a proposal filed Monday is approved by the Kentucky Public Service Commission.

The proposed new rates would be implemented in two phases and would reduce the average residential customer's monthly bill by a total of about \$1.04 when fully effective.

The new rates reflect the effects of the Federal Tax Reform Act of 1986, in accord with the PSC's order of Dec. 11. Phase one each farmer would be allocated a marketing quota, based on past production. He would be able to receive some governmental support for the milk he produces within his quota, but any overproduction would be penalized through considerably lower prices for that milk, Infanger said.

Because consumer demand for milk does not increase substantially when it becomes cheaper, the supply/demand function does not work particularly well in curbing overproduction, Beck said.

Basically, the quota system would attempt to assure that the supply of milk is more in balance with demand by estimating demand and then allocating a proportional share to each dairyman," Beck said.

Before dairymen decide whether a proposed quota system would be a favorable one, they need to find out the particulars of it, Infanger said.

Among the particulars dairymen need to consider are how the quotas will be allocated, what the level of payment for the milk and excess milk will be, and how quotas will be transferred from one dairyman to another, Infanger said.

Infanger and Beck have organized a publication that addresses the question of mandatory supply management in dairying that is available by writing them at Department of Agricultural Economics, 500 Agricultural Science Building South, University of Kentucky, Lexington, KY 40546.

rates would be in effect from March 1 through Dec. 31, 1987. The average residential and phase two rates with the total decrease would become effective on Jan. 1, 1988.

Commenting about the rate reduction, President W.B. Beckhman stated, "KU's rates are already among the lowest in the nation and this rate reduction continues to keep us in a position of providing very favorable rates for our customers."

For the 10 months remaining in 1987, the average residential customer's monthly bill would be reduced by 99 cents, reflecting the tax changes for the full 12 months of the year. With the rates proposed for 1988 and following years, the average residential bill would be lowered an additional 5 cents to reflect the tax changes that would become effective Jan. 1.

The Company's annual revenue for 1987 would be reduced approximately \$9.7 million as a result of the phase one rates. For 1988 and subsequent years, KU's

annual revenues would be an additional \$3.3 million. Total annual revenue reductions would be about \$13 million, or 2.85 percent.

KU provides electric service to 362,500 customers in communities and rural areas in 77 counties in Western, Central, Northern, and Southeastern Kentucky.

FAT FACTS
Reporter: Elizabeth T. Mullins

As it is, "Fat Can Be Healthy" in a health magazine, it gave me great comfort.

Of course, too much fat increases one's susceptibility to heart disease. Diabetes fat people have an advantage over skinny ones in one respect. It seems that the overweight have stronger and sturdier bones.

Fat people also lose less bone tissue as they grow old. Osteoporosis is less among heavy people than those of normal weight. (Cont. to 14)

NAPA is 5 games ahead of second place team in league

NAPA maintains their first place lead in the Rockcastle Mixed League at Maroon Lanes in Richmond with 46 1/2 wins and 25 1/2 losses. In second place is the Pin Busters at 41 1/2 and 30 1/2 and the Top Guns have third place at 39 and 33.

High team play for the week went to the Pin Busters with a 2,374. The Low Rollers were second with a 2,366 and the Rebels II were third with a 2,240.

The No Names took high team game with an 824. The Pin Busters were second with an 819 and the Low Rollers, third, with an 812. Jack Noe took high men's series with a 527. Sam Mullins was second with a 512 and Henry Vanzant was third with a 511. Roy Winstead had high

men's game with a 193. Bill Reynolds was second with a 191 and Jack Noe, third, with a 190.

Evelyn Mullins took high women's series with a 538. Alice Faulkner was second with a 478 and Tammy Wilson, third, with a 474. Evelyn Mullins also had high and second high women's game with a 204 and 189 and Tammy Wilson was third with a 182.

High men's average is held by Bill Reynolds with a 183. Jack Noe is second with a 178 and James Noe, third, with a 173.

Debbie Bugg has high women's average with a 165; Evelyn Mullins is second with a 164 and Alice Faulkner, third, with 151.

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