Dairy co-op reps present marketing policies

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BERMUDIAN SPRINGS — Why should I get involved in milk marketing? It's so complicated and prices have been good for the last two or three years. Can't we leave the pricing alone? These and other questions were answered at a recent meeting of Adams County dairymen and representatives in the field of milk marketing held at Bermudian Springs High School.

Highlighting the evening was a panel discussion involving representatives from three different milk cooperatives who discussed the impact of the current supply and demand situation, the structure and policies of their individual co-ops, and the upcoming milk referendum.

Prior to the panel, area marketing agent Larry Yager outlined the forthcoming referendum of Pa.'s milk promotion program. He detailed

the advantages of milk promotion and urges support for the referendum.

Also, William Johnstone, Extension Agricultural Economist, presented an update on component pricing.

Johnstone stated that, "Producers realize that in general their income will not be greatly enhanced by component pricing. It just means that what is there will be divided differently among different kinds of producers."

He gave examples of what different regional markets are attempting in the area of component pricing. He stated that Milk Marketing Incorporated, which is based in the Pittsburg - Cleveland area, has a tentative program for payment for protein and butterfat that would also involve running at least four somatic cell counts on each producer during the implementation phase.

Payment according to somatic

cell count would also be part of their payment program. Johnstone explained that dairy science has long known that high somatic cell counts can change the balance of the protein in milk. Instead of having casein as the source of protein, the high somatic cell count changes it so that more of the protein and solids not fat are in a soluble form and go out with the whey. So, the higher, a somatic cell count, the less product derived because a higher proportion of the protein is in a soluble form. Whether this progam goes through depends heavily on the Pittsburgh markets according to Johnstone.

A panel of milk cooperative representatives discussed changes in their respective co-ops structure, their antibiotic policies, hauling costs, and the problem of surplus milk. Moderated by Larry Yager, panel members included Jay Waybright from Dairymen Inc., Kathy Gill representing

Interstate Milk Producers, and Max Sumser speaking for Lehigh Valley.

All three co-ops have undergone structural and marketing changes in recent years. Gill highlighted Inter-State's purchase of one-half of the Holly plant from Dairymen Inc. According to Gill, Inter-State feels this provides a better means for farmers to manage their market and aids in preventive measures to handle the surplus problem. She also informed the group that Inter-State now has a Capital Retention Fund where farmers can invest in the cooperative. She also stated that the co-op has joined Atlantic Processors Inc. in an effort to contract for a standard market.

Waybright summerized his coop's greatest change as having changed from Maryland Co-op to Dairymen Inc. He states that 1,100 Maryland producers have now become part of Dairymen's 8,000 members. He said the change has allowed for increased marketing and absorption areas. Dairymen Inc. now has a 70 percent Class I utilization.

Speaking for Lehigh Valley, Sumser outlined that what was once Lehigh Farmer is now split into Lehigh Valley Co-op, which is just involved in bargaining, and Atlantic Processors Inc., who has the assets and liabilities.

Antibiotics in milk can be costly to both the producers and the processors. Each representative detailed his co-op's policy.

Gill stated that Inter-State will pay the farmer for one-half of the milk dumped at the farm the first time a fieldman is called and the tests are positive. If the milk gets into a tanker, the farmer is liable for the entire contents of the tanker. If the milk gets into a silo, the farmer is still liable for the

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Wenger to speak Thursday

TERRE HILL — The Eastern Lancaster County Adult Farmer Program will sponsor an educational meeting at 7:30 p.m. on Thursday to look at legislative problems facing farmers in the area.

State Rep. Noah Wenger will be the speaker for the evening. Representative Wenger, a farmer himself, will discuss those topics having direct effect on Lancaster County agriculture.

Representative Wenger will be giving-up his seat in the House of Representatives this year and is running for a seat in the State Senate.

All interested persons are invited to hear Representative Wenger speak at the Eastern Lancaster County Alternative School. The school is located on Route 625, two miles north of Route 23.

