

Brown Swiss breeders organize protein pricing

When you start talking about protein pricing of milk in Western Ohio these days, the area Brown Swiss breeders start grinning from ear to ear. Last November, Fisher Cheese Plant at Wapakoneta, Ohio started paying producers 17 cents per point of protein over 3.2% along with the traditional 16.9 cents per point of fat over 3.5% ... And the Brown Swiss producers are extremely happy to receive a price for their milk that more closely reflects the value of their quality product.

The story behind the change is interesting and can be used as an example of what breeder involvement can do. The story goes like this ...

Wayne Cline of Ka Wa Farm, Union City, Indiana attended the Central National Brown Swiss show at Madison, Wisconsin. While at the show, Wayne had the opportunity to visit with many of the Wisconsin breeders. These Wisconsin breeders told Wayne about their milk marketing and emphasized that they were making as much as \$1.50 more per hundredweight of milk since being paid for the protein in their milk.

Well, this made Wayne "mad" since he knew that his Brown Swiss milk was worth just as much as the Wisconsin milk. Wayne returned home and contacted his milk marketing representative, National Farmers Organization (NFO) and told them what he had learned.

Along with an NFO representative, Wayne visited Fisher Cheese Plant at Wapakoneta where they talked with the manager. The manager was soon convinced that the high protein milk would actually increase cheese yields, and agreed to a 90-day trial period.

The next step was getting a truckload of milk organized. Again, Wayne and the NFO representative took to the road to convince other breeders. Wayne's strongest argument was that they should try the new system, and "if you don't like making the extra money, you can just quit!"

Some of the breeders jumped at the chance to receive extra income from their milk, while other breeders hung back, waiting to see what happened. One problem was that Milk Marketing, Inc. (MMI)

was very influential in the area, and several breeders wanted to remain loyal to this cooperative which had been successfully marketing their milk for many years.

Eventually however, a truckload of milk was rounded up and included Brown Swiss herds owned by Wayne Cline; Ken Eiting, Minster; Johann Acres, St. Marys; Shem Drown, Bellefontaine; Palmer Hoffman, Mingo; Wayne Sliker, St. Paris; and John Reichert, Maria Stein. Several Jersey herds completed the load, and without this intra-breed cooperation, a truckload couldn't have been put together.

The 90-day trial period quickly passed. With both the producers and Fisher Cheese extremely satisfied with the results, a two-year contract was established. Dave Smith, manager of Fisher Cheese, noted that there were "positive results in cheese yields from the high protein milk" and that protein pricing was the coming thing.

Producer Comments

And what do the area Brown Swiss breeders say? Shem Drown

at Bellefontaine, Ohio ships around 1,200,000 pounds of milk per year and his 65-cow herd averages 4.2% fat and 3.6% protein. Shem noted that when comparing the January prices with and without the protein differential, he made an additional \$1100 income due to the protein differential. He figures that he should make almost \$8600 more this year. This is an extra income that he didn't expect to earn until a protein pricing market was established! This protein payment has also influenced some of Shem's management decisions, as he is paying more attention to predicted differences for protein when breeding his cows.

Jay and Larry Fledderjohann of Johann Acres, St. Marys were quick to point out that they didn't have to do any additional work to gain the extra dollars. They also remarked that they couldn't understand why a Brown Swiss breeder would not want to take the protein premium when it was made available to them. (NOTE: At this time, the high protein milk is picked up every other day, and several herds need to have their milk picked up daily. Another problem is that hauling charges are slightly higher. However, compared to the extra income, for most herds, the additional costs are very worthwhile.)

Ken Eiting of Ken-Ir Farm, Minster, was one of the first breeders to make the change. He strongly feels that the only way to make the Swiss breed realize its full potential is to market her high quality milk effectively. Ken recalled a meeting just two years ago where he was a speaker. Everybody laughed then about

protein pricing. They told Ken that testing for protein was alright, but that he would never be paid for protein. Ken's 34-cow herd has a 4.3% fat test and relatively low protein test of 3.5%. However, he still receives about 62 cents/cwt. more for his milk due to the protein differential.

MMI Joins In

Since NFO took the initiative in establishing this protein market, many high protein breed producers switched marketing representatives so that they could take advantage of the increased income. In order to ship milk with NFO, these producers are required to pay a 1% marketing charge and they also become members of NFO. Most of the producers have felt that this was a small price to pay compared to the income gained.

When MMI realized that it had more to lose than gain by opposing the high protein payment, they also joined in and got a shipment of high protein milk for Fisher Cheese. Approximately 20% of the milk now sent to Fisher is high protein milk. Brown Swiss breeders included on the MMI shipment are; R Hart Farm, Wapakoneta; Will Do It Farm, St. Marys; and St. Charles Seminary, Carthagena.

The word has gotten out and now many breeders from around the area have become interested in receiving fairer payment for their milk. With the work and involvement of Wayne Cline, and the courage of those breeders willing to first make the change in markets as an example, the potential for equity in milk pricing in the area is unlimited.

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