

Inter-State District 11 primed on promotion

BY TRISH WILLIAMS

COCHRANVILLE — Milk promotion, what is being done and how to gear up for higher milk sales, was the central focus of discussion Thursday at the Inter-State Milk Producers Cooperative, District 11 annual meeting.

Dairymen were told by Dick Norton, manager of the Atlantic Dairy Association, that whether they were involved previously in voluntary milk promotion programs, that, "We will all be partners in promotion in 1984."

Norton, was referring to the mandatory 15 cents deduction for a national milk promotion program that is scheduled to begin sometime this spring. Discussions among dairymen at the meeting seemed to indicate a stronger tendency to support a long range promotion program than participation in the Milk Diversion Program.

Inter-State's 1983 schedule of operating expenses also pointed to this trend towards more promotion. Last year the milk marketing cooperative spent \$71,191 dollars on promotion, more than double the amount that was spent the previous year.

Officials of Inter-State are seeking an amendment to the present voluntary milk promotion program in Federal Order 4, reported James Fraher, economist for Inter-State. The amendment being sought calls for a reduction in the amount voluntarily contributed from 14 cents per hundredweight to 10 cents. This comes as a result of the new national promotion program, which mandates a 15 cent deduction, of which 10 cents can be contributed to an existing promotion program.

Fraher told members that there would be no suspension of the Order 4 base period next fall due to the new Milk Diversion Program. He said, Inter-State did not request a freeze on bases from Order 4 because they felt it would be unfair to dairymen who were not participating in the diversion program.

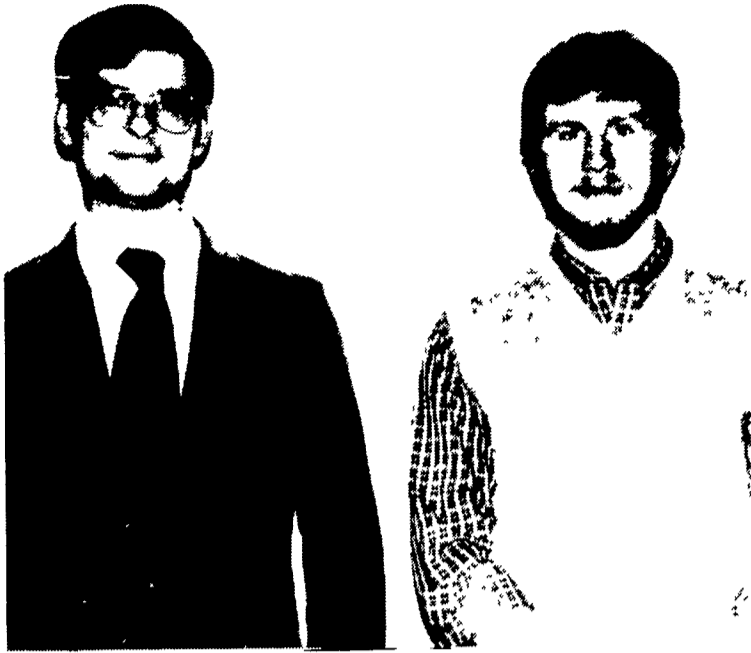
"Present guestimates for participation in the program indicate a reduction in overall production of about six percent," the economist said

He advised farmers to plan on a \$1 reduction in the price of milk throughout the diversion program when figuring whether to contract to reduce their production.

Inter-State made a net margin of \$993,772 in 1983, Fraher said. Improvements were made at the Holly milk plant during 1983, that will give the co-op more flexibility. The improvements were costly, but makes the Holly plant better equipped to work as a balancing plant, and so should result in increased profits in the future.

Fraher also reported as a result of increased interest in component pricing by members, a committee has been formed to work toward implementation of a component pricing system.

Steve Mason, Oxford local delegate to the Inter-State annual meeting, reported on the new quality premium program which



Newly elected presidents to the two district 11 locals are Steve Mason, Oxford local, left, and Duane Hershey, Cochransville local.

became effective on Jan. 1. The program pays producers who meet stringent quality standards a seven cents premium per hundred weight for their quality milk. Mason said, Inter-State producers last year received the highest average gross income since the co-op's inception. Inter-State has expanded its marketing area, mainly into New York City, he added.

"You can count as one of your

blessings that you are in one of the most populated areas of the United States," Dick Norton told members.

Speaking on the power of promotion, Norton said, we need to be more aware of age demographics, listen more carefully to consumers' desires and spend most of our advertising dollars where largest concentrations of people are, the urban areas.



A 25 year membership award was presented to the William Hostetter Family. Accepting the award from Steve Mason on behalf of the family is Bill Hostetter, right.

Norton made a colorful audio-visual presentation of milk advertisements that will be aired on TV, radio and billboards in the coming year.

Following the program, newly elected officers of district 11 were announced. Serving the Cochransville local will be, Duane Hershey, president; Charles Harris, vice president; Harry Troop, secretary-treasurer; Harry

Troop, Terry Stauffer, and James McClellan, delegates; and, Williams Shepherd, hauling committee.

Serving the Oxford local will be, Stephen R. Mason, president; Charles Moore, vice president; Hoopes Yarnall, secretary-treasurer; Charles Moore, William Hostetter, Joel Brown, and James Pebble, delegates; and William Shepherd, hauling committee.

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