Dairymen head says industry facing its problems

BY JOYCE BUPP
Staff Correspondent

HUNT VALLEY, Md. — For the first time he can remember, Dairymen Middle Atlantic division president Fred Butler sees the dairy industry confronting the supply, as well as the demand, side of the milk situation.

The West Virginia cooperative leader cited the advertising checkoff, decreased milk production per cow, rising commercial sales and government purchases sliced to nearly half, as a positive blend of factors bringing the supply more in line with demand.

Touching on the new national promotion, Butler noted that the dairy board is now the 43rd largest network television advertiser in the nation. Dairy farmers' pooled $50 million comprises the largest commodity advertising contract ever awarded, putting the dairy advertising drive above such promotional giants as American Express, Xerox and Stroh's Beer.

A referendum to continue the national advertising program will be upcoming, and must be passed by September, 1985, if current funding levels are to be kept intact.

Now, dairy farmers must look at the 1985 farm bill, Butler warns. Their efficiency and productivity are haunting the industry, and farmers are "farming themselves out of business."

"The main problem with federal farm programs," he added, "is that they are political creations and designed to serve political purposes, some of which are at odds with out way of thinking."

"Since 1933, farm bills have been designed to stabilize prices and save the family farm. Meanwhile, farm numbers have steadily declined and the farm commodities receiving the most help remain the farm commodities with the most marketing and income problems."

Butler guided the division's annual business session through discussion on a proposed policy change resolution and a changeover of several seats on the division board of directors.

Members unanimously turned down a membership standards resolution, initially proposed by District 3, Carroll County, Maryland, members.

That resolution called for the cooperative's members, rather than directors or staff, to be the group to establish whether new members could automatically be accepted as a member, under an open membership policy, and/or establish the standards for all new memberships, if restrictions were to be established.

Eight directors were ratified for seats on the division board, three returning incumbents and five new electees. Returning for three year terms are Samuel B. Foard, District 1, Jesse I. Burall, District 4, and Paul R. Waybright, District 13. New directors serving three-year terms are Joyce A. Bupp, District 7, Harry W. Hummel, District 11, Marlin E. Martin, District 12 and Albert H. Mellinger, District 14. Crawford R. Galt, new director from District 9, will fill an unexpired term of two years created with the resignation of the previous director.

Five retiring directors were honored for their combined 38 years of service to the board. They are Bailey Herring, 16 years, Leroy Bupp, six years, Kenneth Myers, seven years, Charles Stiles, six years and Kenneth Groff, three years.

Retiring directors of Dairymen, Inc. shown with Fred Butler, second from left., co-op division president; include, from the left, Charles Stiles, Bailey Herring and Leroy Bupp.

Leroy Bupp, Seven Valleys, York County, receives retiring director plaque from Fred Butler, president of Dairymen, Inc.

Milk hauler problems

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haulers. Compensation for the hauling of rejected milk as well as the proper rate to charge when the plant and distance the milk must be trucked is unknown are the current main problems. The present rate structure does not consider these factors and the haulers favored compensation when hauling to other than the home plant.

The regional problems were listed as follows:

1. At the plant in Schuylkill Haven, the hours of receiving milk should be changed. Due to the improper scheduling of tankers, and delay time in unloading, there is a great amount of traffic congestion.

2. It was noted that the facilities at the Allentown plant were good but there was still some delay time. There are also alleged problems with receiving room personnel damaging the tankers and causing problems with the drivers. The haulers suggested that cream tankers to scheduled at times that do not interfere with raw milk tankers.

3. The haulers expressed the most dissatisfaction with the Lansdale plant and its facilities. The unloading and washing facilities are not adequate, in addition to personality conflicts with receiving room personnel. Poor scheduling was also cited with foreign tankers such as those hauling spring water, orange juice and cream. Receiving operations were also shut down at times and tankers sent to other plants without added compensation due to the poor scheduling of milk tankers, irregardless of necessary milk requirements.

Haulers also complained of damage to their tankers by receiving room equipment and personnel and no compensation for going to the scales to be weighted.

4. At the Baltimore plant, the haulers stated that the receiving hours are not long enough. The tolerances on weight of loads are also too small. This is especially a problem on transport loads. There were also complaints on receiving room personnel.

The haulers agreed that a coordinated effort between LeHi Valley Farmers, Atlantic Processing, Inc., and the milk haulers could solve these problems. The possibility of forming a haulers association and hiring legal advice for bargaining was also agreed upon to clear up difficulties.

Additional regional meetings are being scheduled for the later part of November. Problems and possible solutions will be tabulated for future presentation to LeHi Valley Farmers and Atlantic Processing, Inc.

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replacement heifers waiting in barnyards and lots, production is anticipated to climb again come April and the end of the 15-month diversion program.

Based on the projection Collins figures a further 50-cent support price cut will probably still be needed, but will be offset by the lifting of the 50-cent diversion assessment charge.

Manager Collins, as well as corporate senior vice-president Jim McDowell, touched on the continuing assessments against member milk checks for the Ultra High Temperature milk plant in Georgia.

"UHT has been a disappointment," acknowledged McDowell, "although we believe it will be good for dairy farmers in the long run. We are committed to stopping the drain on milk checks."

He reiterated that corporate leadership took the best information available when the UHT program was put together. However, supermarket and consumer resistance to the product was underestimated.

Supermarkets favor selling highly-perishable milk, which brings the consumer back much more frequently, resulting in the increased sales of impulse buying. Shelf-life milk must also be paid for in full at receipt by supermarkets, while standard milk accounts are more flexible.

Consumers continue accepting the concept of a shelf-stored milk, but more slowly than market research had predicted. A core market for the UHT Farm Best quarts is growing slowly, while sales of the flavored Sip-Ups fluctuates with advertising.

Sunbelt, a milk pricing federation with cooperative and independent support through several southern states, began affecting the Southeast's dairy industry in early Septembe[r] Prices to dairy farmers w[...] raised in some parts of the Sunb[...] area, but McDowell labele[d] fledgling federation as "fra[...] with a greater per[cent] farmer particip[at...] the pricing goa[l] [...] reality.