

Milk Marketing Update focuses on cooperation

BY WENDY WEHR

CHAMBERSBURG — Have a question about milk marketing? The men with the answers — representatives of all the major co-ops and an independent milk handler, the executive secretary of the Pa. Milk Marketing Board, a member of the National Dairy Promotion and Research Board, and an Extension milk marketing specialist — were at the Milk Marketing Update held in Chambersburg on Dec. 3.

And why were they gathered? It wasn't an exclusive upper echelon meeting, a policy-makers-only session. They came together at the invitation of the Franklin County dairy extension agent to talk with local dairy farmers about milk marketing.

But only a handful of farmers, about 25 to 30, took advantage of the opportunity to learn more about milk marketing and to share their thoughts about the tough problems facing the dairy industry today.

Throughout the day's discussions and remarks, the role of cooperation in successful marketing emerged as a primary concern. In the morning, participants hashed out the problem of infighting and lack of cooperation among the co-ops, while in the afternoon PFA president Keith Eckel attributed the achievements of the national promotion program to the remarkable cooperation of the board members.

In the first session of the day, each co-op representative briefly

described what his organization has to offer the dairy farmer. In addition, Wallace Willig, manager of milk marketing at Hershey Chocolate Company, shared the point of view of an independent handler.

Taking part in the program were: H. Eugene Lawson, Capitol Milk Producers; Boyd Cook, assistant manager, Dairymen, Inc.; Earl Forwood, president, Eastern Milk Producers; James Fraher, Inter-State Milk Cooperative; Norman Sollenberger, Lehigh Valley Farmers; and Richard Fries and Paul Hornbaker, Maryland and Virginia Milk Producers.

While many of the co-ops have similar offerings, such as quality programs, and many have also gone through hard times and rebounded from internal problems, each has distinct philosophies and goals.

The challenge, remarked Inter-State economist James Fraher, "is to return a price to our members that will keep them in business." He continued by saying that Inter-State is going about that in two ways: by seeking a fair basic price in the new farm legislation, and by carrying out Inter-State's activities profitably.

In choosing a co-op or other market, Fraher later added, each dairy farmer must ask himself, "What is my philosophy?" and "What are my financials?"

One farmer asked whether a dairy farmer can assume his co-op will take responsibility for good marketing. To this question Boyd Cook, of Dairymen, Inc., responded that each dairyman has a responsibility to work in the co-op, to work within the philosophy of the co-op, for the benefit of all dairymen.



Keith Eckel, PFA president and member of the National Dairy Promotion and Research Board, expressed his enthusiasm about the cooperation of board members in promoting dairy products.

But the morning discussion often returned to cooperation, or lack of it, among the organizations. While Sollenberger, the Lehigh representative, went so far as to claim the other co-ops were giving Lehigh a bad name, the other representatives remarked on their co-ops' often unsuccessful attempts to coordinate and combine efforts.

Even when milk haulers have runs that duplicate those of other co-ops, for instance, they haven't

been able to join together to save resources. However, Earl Forwood, who emphasized his co-op's efforts at industry cooperation, did note that Eastern has successful agreements with Dairylea.

And internal personality conflicts were blamed for some co-op problems as well. Each member of the panel placed differing values on the importance of strong farmer-directors, and the need for well-trained marketing and management professionals to run the organization.

One simple but effective idea for balancing the input of the farmer-members and management personnel was noted by Eugene Lawson. He explained that the directors of Capitol always meet in executive session before meeting with management, so that the directors express their ideas in a united manner.

While this lack of cooperation lent a note of discouragement to the morning session, in the afternoon Keith Eckel emphasized the positive results that have sprung from the cooperation of the members of the National Dairy Promotion and Research Board.

The national promotion board was created, reminded Eckel, because there is a serious surplus situation in this nation with regard to supply. "The monies are not in Washington now for an expensive support program," he added.

He stated that the 36 members of the board, despite their varied interests, agreed to sit on the board and develop a program because they are committed to selling the product.

"By May 16, scarcely two months after the board was seated, they approved a \$50.6 million contract for advertising and promotion of dairy products," he cited as further evidence of the cooperation of the board members.

Eckel explained that the national board chose UDIA for the advertising contract for two reasons: expediency and coordination. Because the national board wanted to see results as soon as possible, UDIA, with its advertising program already in place, was the logical choice. Furthermore, because UDIA has input from farmers at the regional and state level, there seemed to be the greatest opportunity to put together a coordinated ad campaign.

The national board's concern for showing the quickest results possible to the dairy farmers, said Eckel, is because of the upcoming



Tom Jurchak's easy going manner during the Franklin County Milk Marketing Update did not belie the serious economic situation that dairymen are facing.



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