

MMI exec sees promotion as key to dairy's future

STRONGSVILLE, OH — The dairy industry will survive to enjoy a prosperous future if its producers and marketing organizations work cooperatively, face the industry's current problems and plan, with vision, for the 1990s.

So said James P. (Tom) Camerlo, chairman of United Dairy Industry Association (UDIA) and vice chairman of National Milk Producers Federation (NMPF), in his address to more than 200 dairy producer delegates of Milk Marketing Inc. (MMI). Camerlo, a Colorado dairy farmer, was the keynote speaker during MMI's 1985 mid-year annual delegate meeting recently, at the Fawcett Center, Columbus, OH.

Camerlo's vision of the 90's sees an expanded form of the current dairy promotion program reaping greater profits for dairy farmers and opening new markets for the industry. (With the passage of the 1983 Dairy Compromise, dairy farmers were assessed 15 cents for every 100 pounds of milk sold. The assessment monies, which funded the industry's 1984-85 product research and advertising program, totaled over \$200 million.)

Because of the success of this year's promotional program, Camerlo estimates that producers in 1990 will support a 25 cent assessment, instead of 15 cents, for a promotions program.

"The dairy industry will sell an additional four billion pounds of milk this marketing year because of the dollars dairy farmers are putting into the program. That is

approximately a \$2.20 return on every dollar they invested. We sold 3.5 billion pounds more milk last year. Now, there are several reasons for that, but don't ever underestimate the main reason — we finally invested in a product promotion program. And, it is paying off," said Camerlo.

Camerlo urged MMI's delegates to assume a leadership role in continuing to support such programs, assessing market needs and implementing plans that will advance the dairy industry into the future. Electronic technology, genetic research, changing consumer markets and the economic machine, which is already in motion, will spiral agriculture into an era of fewer farmers, more efficient dairy operations and higher producing cows.

"We must work together in unity to develop a plan that will take us into the 90s. As we do this, we must ask ourselves some serious questions," commented Camerlo. Key among those questions are, what degree of prosperity will producers enjoy, and how will the industry meet the needs of tomorrow?

According to Camerlo, the industry's prosperity will be based upon how well it upholds a total marketing concept. That concept involves strong, efficient marketing organizations; productive farm operations; product research, development, and promotion; and legislative involvement.

A total marketing plan for the 1990s must meet the changes within the industry and on the farm

— changes that are right around the corner, said Camerlo.

"We are going to lose some farms, particularly in this next couple of years. By 1990, only 150,000 commercial dairy operations will supply the majority of milk consumed in the United States — that is a drop from the estimated 200,000 farmers who are now classified as commercial dairy farmers," he added.

Continued genetic and technical improvements will increase average milk output per cow by at least 30 percent. Embryo transplants and growth hormones, as well as self-attaching milking machines and on-farm computers that immediately access farmers to information, will allow farmers to handle more cows, and will prompt the growth of herd sizes and farm productivity.

Likewise, marketing organizations will get larger, and processing capabilities, more efficient. Camerlo pointed to ultra filtration and the continuous cheese making process which produces 10 percent more cheese. That means that one pound more cheese will be processed out of every 100 pounds of milk.

Camerlo's 1990's vision finds consumers paying less for dairy products, dairy producers reaping greater profits and dairy products moving into a more competitive

market position.

"More milk will be marketed for a better profit to dairy farmers and at a lower price to our consumers. I think we have an excellent opportunity here, if we work together, now, and plan how we're going to handle the situation. The greater efficiencies on farm and in processing facilities will no doubt let us compete more than the imitation products that are on line today," added Camerlo.

He cautioned, however, that without continued nutrition research, and product development the dairy industry's degree of prosperity will fade. Faced with longer life expectancies, an older population, and an increasingly nutrition-conscious consumer, Camerlo challenged MMI delegates to keep an open mind about new product development and marketing concepts that will fit the needs of a vast array of new audiences.

Dairy Marketing

"There is a question we are going to have to ask ourselves as dairy farmers. That is the question of blends. Blends have been a bad word to dairy farmers in the past. But where are they going to fit in the 90s? Do we need to seriously look into selling not only REAL dairy products, but maybe also dairy components to be used in other food products or for other uses. We know, for example, that we can develop low cholesterol milk and butter to meet the diets of those people who need to consume less cholesterol. Should we be working on those kinds of products?" asked Camerlo.

Camerlo summarized his message as an issue of survival and encouraged producer support and leadership in the trying times ahead:

"We do have problems in American agriculture today and they are serious. We have to address the problems and show the leadership that our forefathers demonstrated that made this industry the most efficient in the world. To keep it that way, it has now become YOUR time to lead," said Camerlo.

Market expert hired by ADA/DC

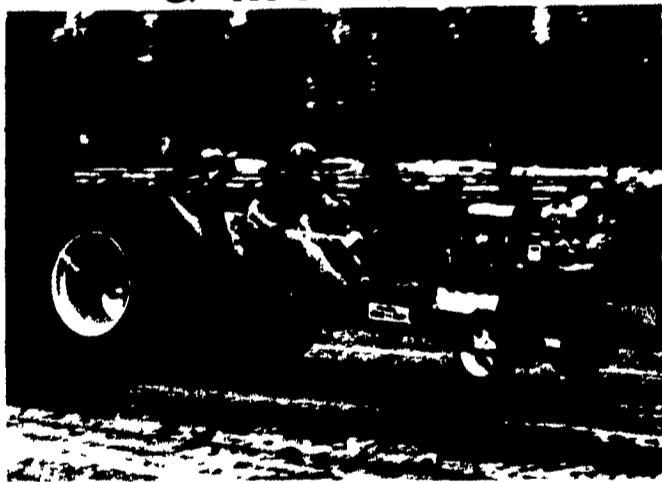
SYRACUSE, NY — Brian Ward, executive vice president of the American Dairy Association and Dairy Council has announced the appointment of Anne Marie Diverio to the position of dairy marketing specialist.

In this position, Ms. Diverio will be involved in the advertising and promotion of dairy products within ADA/DC's consumer promotion department. She will be responsible for accounts throughout the Eastern New York State region, and will represent ADA/DC at trade shows, conventions and seminars.

Ms. Diverio graduated from Montclair State College of New Jersey with a Bachelor of Science degree in Nutrition/Food Administration. She has done graduate work in conjunction with completing a dietetic internship program at Indiana University and New York Medical College. She has attained certification as a registered dietitian. Her business experience is in marketing and sales.

Currently a resident of Camillus, NY., Ms. Diverio is originally from Maywood, NJ.

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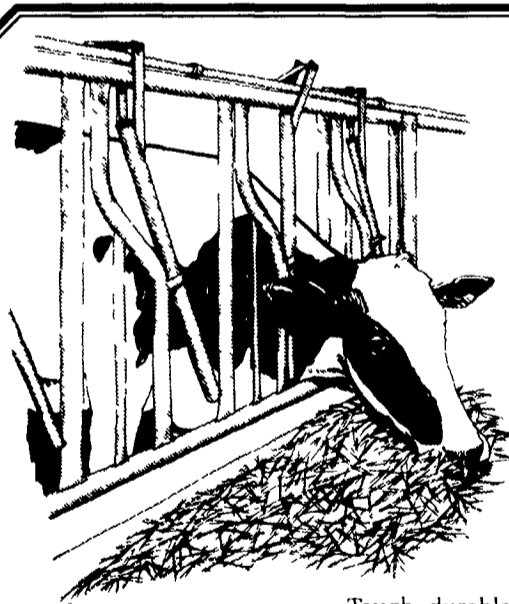
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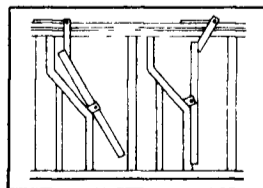
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