

## MMI is 'on the move'

STRONGSVILLE, OH — A renewed sense of optimism and a brighter outlook for the dairy producer members of Milk Marketing Inc. (MMI) set the pace at MMI's mid-year delegate meeting, at the Fawcett Center, Columbus, OH.

Opening the meeting, MMI President Herman Brubaker, West Alexandria, OH told more than 200 delegates that their Association was on the move in the support of continued advertising funding, upcoming dairy legislation for the 1985 Farm Bill, and the development of new marketing techniques. The pending acquisition of a cheese manufacturing facility was also announced.

"We have selected the theme 'On the Move' because we are working hard on a path that will continue to provide innovative, progressive marketing ideas for our Association. But no matter where we look for solutions, the answer is still found in the cooperative philosophy of strength in unity," emphasized Brubaker.

The strength of the nation's dairy producers who are pooling advertising funds for the promotion, research, and development of dairy products is, according to Brubaker, one of the best examples of dairy unity throughout the country.

Presently the \$200 million annual fund is generated by dairy producers nationwide who pay a portion of the milk income to maintain this program. The fund was created by the Dairy Compromise Bill in 1983, and that same legislation calls for a nationwide dairy farmer referendum, now scheduled Aug. 1 through Aug. 20,

to determine if farmers are willing to continue the support of this program.

Brubaker reported that MMI will bloc vote in favor of the referendum on behalf of MMI's 8,500 members. The bill permits cooperatives to bloc vote for its membership.

Brubaker then charged the delegates with the responsibility of encouraging other dairy producers who are not members of cooperatives to vote 'yes' for the program's continuation.

Dairy unity was once again the central theme for the current write-up of the 1985 Farm Bill's dairy provisions. Dubbed the "Dairy Unity Plan" because it was co-sponsored by leaders of both major political parties and because it resolved some of the regional marketing problems within the industry, the plan was passed by the U.S. House Agriculture Committee.

The five-point plan supported by MMI is based on a proposal by the National Milk Producers Federation, a Washington, D.C. dairy lobbying organization. It calls for the continuation of a price support program that will allow a fair return on investments for dairy producers, while providing an adequate supply of dairy products for consumers.

But Brubaker warned the dairy producers that the bill is a long way from becoming law. "It is a proposal that offers a viable method to correct the current dairy overproduction and a method to decrease government costs. But much work needs to be done to convince all of Congress and the administration of its merits. We must not assume,

because we have strong industry support, that this plan will become law." Brubaker asked for help from all dairy producers to contact their congressional representatives and urge support for this bill.

Merle Koppenhafer, MMI director of finance and Paul Ramsey, MMI board treasurer, reported that the Association, because of its strong financial position, was able to redeem \$2.2 million in member equity for the year ended June 30, 1985. MMI's equity redemption program is a return of patrons' previous investments that members pay into the capital retains program. Because MMI is a cooperative, all members pay into its capital retains program and their money to revolved back to them on a ten year basis or when a dairy farmer retires at or after age 70. The money paid into the cooperative by its members is used for capital expenditures.

Since MMI was formed by a merger of five other dairy cooperatives in 1978, equities earned in predecessor cooperatives are now being returned to eligible members. "We are right on schedule in the return of our member's equity, following the ten year plan developed at the time of the merger," said Koppenhafer. It is anticipated that all equities from predecessor cooperatives will be redeemed by 1988.

MMI General Manager Gordon Riehl in his message to the delegates discussed the Association's new Quality Premium Pricing Program. The program's development, requested at last December's annual delegate meeting, will be implemented on September 1, 1985.

This new program could offer

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members the opportunity to receive an extra 10 cents for each one hundred pounds of milk they produce. Riehl indicated that information about this program will be made available to members as soon as possible.

Riehl also reported that the Association has agreed in principle to purchase the 'Farmer's Cheese' plant in New Wilmington, PA.

Riehl stated that this facility, located in a large dairy-producing area, has the capability of processing nearly 80 million pounds of milk per month. Its product marketing territory stretches from the midwest to the east coast and it specializes in the production of Italian cheeses, the fastest growing segment in the cheese market.

Order 4 milk  
\$12.57 for June

ALEXANDRIA, Va. — Middle Atlantic Order Market Administrator Joseph D. Shine has announced a June 1985 base milk price of \$12.57 per hundredweight and an excess milk price of \$11.01. The weighted average June price was \$12.47 and the butterfat differential for the month was 16.3 cents.

The base milk price was down 42 cents from May and was 80 cents below last June. The weighted average price dropped 35 cents from May and was 89 cents lower than a year ago.

Shine said that the June volume of producer milk pooled under the order, 509.2 million pounds, was 35 million pounds or 7.3 percent more than last June, but up only 0.1 percent over June 1983. The average daily delivery per producer of 2,506 pounds in June was up 209 pounds or 9.1 percent from a year earlier and was up almost 4 percent over June 1983. A total of 6,774 producers supplied

Order 4 pool handlers during the month, 111 fewer than last June.

Class I producer milk totaled 208.0 million pounds and accounted for only 40.85 percent of total producer milk receipts in June, the lowest Order 4 Class I utilization percentage on record. The June 1984 Class I utilization was 46.78 percent from last year.

The volume of Class II milk was up 48.7 million pounds from a year earlier. Base milk accounted for 87.45 percent of total June producer milk deliveries, down sharply from 93.09 percent last June. The average butterfat test of producer milk was 3.53 percent in June compared with 3.55 percent a year ago.

Order 4 pool handlers reported Class I in-area milk sales of 187.8 million pounds during June, an increase of almost 4 percent from a year earlier, after adjustment to eliminate variation due to calendar consumption.

ADA-DC plans  
promos for  
Ice Cream  
Month

SYRACUSE, NY — The American Dairy Association and Dairy Council will promote through a series of promotions taking place throughout New York State.

The main promotion involves supermarket chains and convenience stores. Point of purchase materials promoting ice cream will appear in the frozen food aisles of stores all over the state. The materials encourage consumers to bring home ice cream.

The theme for the promotion is "Ice Cream the Beautiful." It will be backed by \$4.5 million in national television advertising purchased by the National Dairy Board. Two commercials have been developed for the program showing people singing about their favorite ways to eat ice cream.

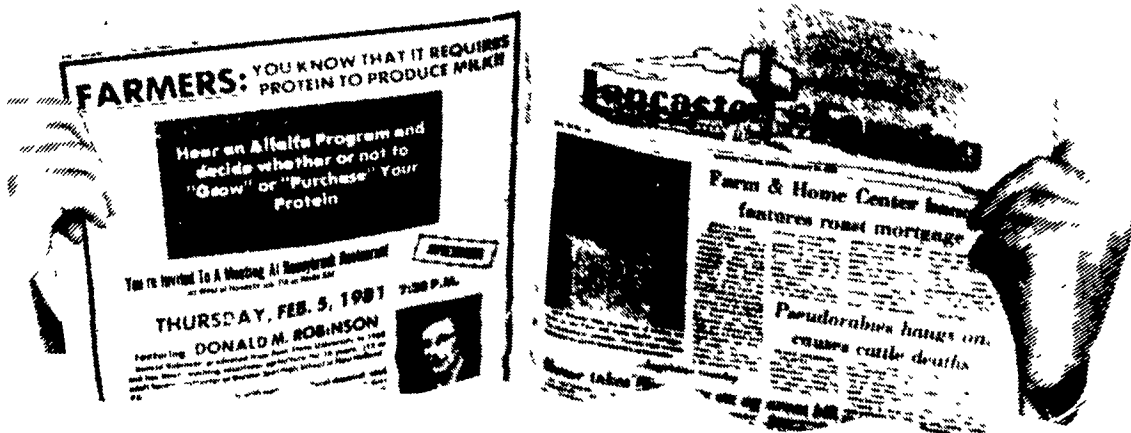
In addition to the generic campaign, brand manufacturers are planning to promote their products as well, with over \$8 million in projected advertising expenditures. This unified effort on the part of generic and brand promotion is the first of its kind in the dairy industry.

ADA/DC will also promote ice cream locally in several food service outlets. Restaurants at all New York State Thruway stops have been provided with ice cream promotional materials. In addition, several Perkins restaurants will feature an ice cream float throughout the month of July.

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