

Surplus, consolidation, prices, production control...

BY MARTHA J. GEHRINGER
LANCASTER — Adjustments, mergers, regionalization, fewer cows in fewer herds, a lower market value for milk, but an overall positive long run picture were some of the predictions for the future by a panel at the Lancaster Dairy Day.

These panelists were addressing the topic, "Our future, where are we going and how do we adjust."

The panel members were: Robert Dever, assistant general manager of Inter-State Milk Producers; Stephen Graybeal, a dairyman from Peach Bottom; Gordon Hoover, a dairyman from Gap; Robert Kindig, president of Pennsylvania DHIA and a dairyman from Conestoga; and Daniel Martin, vice-president of Inter-State and a dairyman from Manheim.

Dever explained that we will be seeing more consolidation on both the processing and production ends. He went on stating there would be very strong processing and farm related organizations in the future.

This will be a change, he continued, as the industry is "heading towards a limited number people being involved in the business."

Martin commented on that the increasing number of non-farm businesses becoming involved in the dairy field is a positive move. Dever supported this view explaining, "large food oriented organizations will be able to bring new innovations in marketing to the dairy industry."

The power of the cooperatives was another point which all members of the panel agreed upon. Graybeal commented that

"Cooperatives have a responsibility to return the assessment through better markets and a better price for the product."

Hoover, while commenting that he is relatively new to dairying, feels that the cooperatives have the power to make needed changes. "NMPF, a collection of cooperatives, was partially responsible for the new dairy bill." This bill, Hoover feels is a good one.

Cooperation among all farm organizations, and working together is a trend that is developing, Dever noted. He further explained that this cooperation is a must for the future, in developing farm policy and other concerns for the farmers.

Kindig noted this cooperation is evident in DHIA on a national level. They are working to reduce certain costs, such as that of developing software programs, by spreading them out over a greater area. He also noted that everything is not compatible nationwide and there will be regionalization.

Explaining that these differences exist and the barriers are too difficult to hurdle, Dever affirmed the increase in regionalization. He continued that it will always be the northeast versus the south versus the midwest versus the west.

The panel was asked by moderator Glenn Shirk their feelings on how price could be enhanced.

Dever noted that "Until we can get a better handle on the supply and demand, price will not go up."

Kindig explained that DHIA expects the price of milk to drop even further and has been en-

couraging the producers to find ways of reducing costs in order to stay in business.

The consumers want cheap food, Martin explained, and the only way to achieve this is to have more food than the market needs. The government invented the price support to achieve cheap food.

He continued that the support price allows the production overrun and provides a little profit for the producer. While he agreed that as long as milk was being produced in surpluses, prices would not be raised. He also pointed out the support program

worked well until the last few years when the level rose too high. Martin feels this program will work well again once we get it back in line.

Martin suggested a supply management program is needed to maintain this cheap food supply and at reasonable profit for farmers.

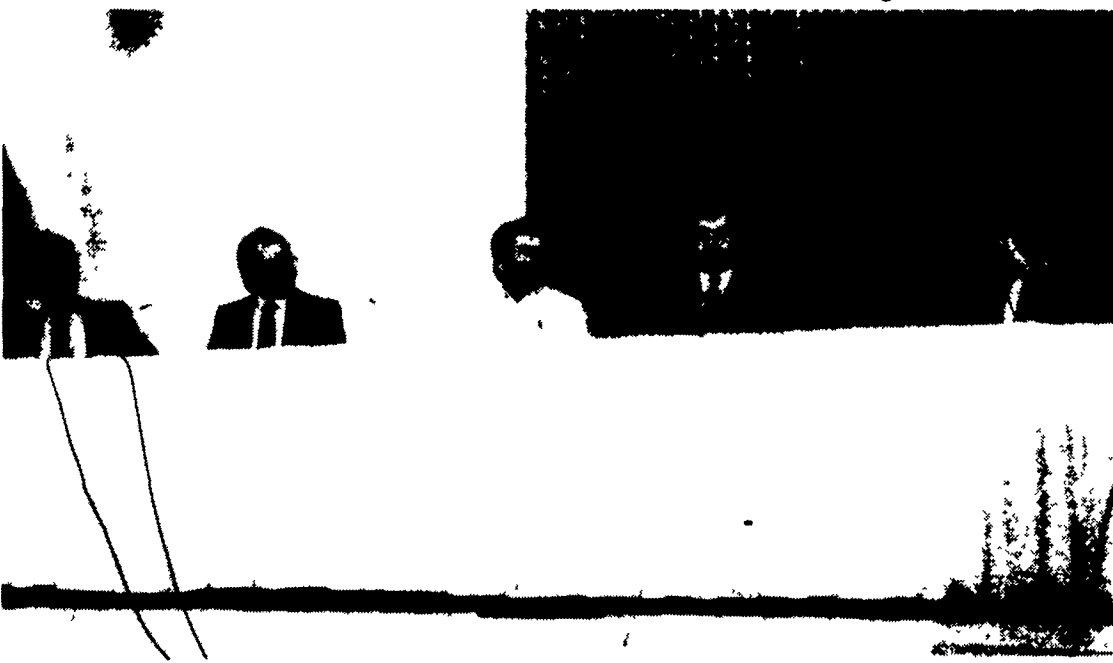
Graybeal however disagreed because he feels that quotas maintain the status quo and resembles central planning. It is his feeling that down the road this will encounter disaster when the markets and supplies change.

Dever noted that at the meetings he attended, he got the impression that farmers do not want a quota system.

This panel was the second of two panel discussions on the agenda. The morning's panel focused on the topic of herd management.

This panel included: Dale Hershey, Manheim; Timothy Kissling, Robeson; Glenn Burkholder, Washington Boro; and Nelson Wenger, Manheim.

Kissling stated that the basis for his feeding program are forages. He feeds good forages to his heifers and uses a total mixed ration for his milking herd. He feeds no hay

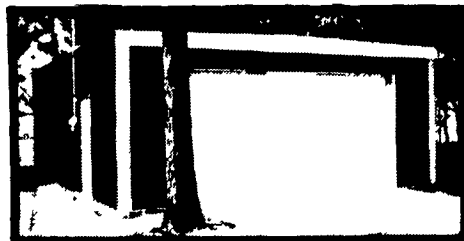


The dairy herd management panelists were, left, Dale Hershey, Tim Kissling, Glenn Burkholder and Nelson Wenger, Glenn Shirk, extension agent, moderated this discussion.

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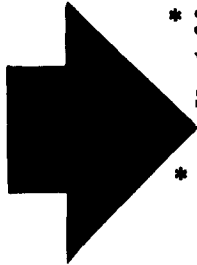
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