

Dairy Pipeline

By Glenn A. Shirk

> **Extension Dairy** Agent

Adjusting to Change

The dairy industry is undergoing many changes. Chances are, these changes have already affected you and your dairy business, and they will continue to do so.

Agricultural surpluses have affected the prices of your feed. milk and cattle. Farm real estate values have dropped. Governmental policies (farm bills, deficit reduction, fiscal policies, federal

marketing orders, surplus purchases, support prices, foreign trade policies, etc.) have affected interest rates, farm prices and marketing strategies.

Ag industry personnel have had to adjust to a depressed farm economy. This has affected the cost, the quality and the availability of goods and services you depend upon. And then, there is the concern of where will all this

new technology (somatotropin or growth hormone, cloning, gene splicing, computers, etc.) lead us.

The forces that affect you and your business are very complex. Some are beyond your control. Some you can control. Others you can only hope to influence.

These changes and uncertainties can be a confusing and unsettling experience. If we can remain flexible and make necessary adjustments, weathering these stormy times can be strengthening experience.

To accomplish this, you need a clear vision of where you have been, where you are heading, where you would like to be, and how you might get there. You also need to be knowledgeable about the forces that are acting upon you and your business.

An idea of changes that might have to be made to help keep your business on course would also be beneficial. In other words, you have to make informed decisions. Your DHIA records and good farm records can help you keep close tabs on your business so that you will be in a better position to tune your management more finely.

The dairy industry has been

adjusted to these changes, too. Efforts are going on to organize dairymen into associations so they can bargain more effectively for higher milk prices (over-order pricing). The tools already exist for dairymen to accomplish this. Interest in supply management has been growing. Co-ops are merging and processing plants are being sold. More emphasis is being placed on dairy produce promotion and research, on product quality and on component pricing of milk.

DHIA is also becoming more flexible as they attempt to be sensitive to producer and industry needs. As dairymen become more astute businessmen, and as computer technology moves into the barn, DHIA is challenged with offering a greater variety of testing options and management reports to its members.

Soon, Pennsylvania DHIA members will be able to directly access their records at the processing center via home computer. At the same time, DHIA is also attempting to upgrade its field services, and preserve the integrity of DHIA records.

Farmers today have to make some very big and complex decisions. They need to be well informed in order to make intelligent decisions. They need to keep tabs, not only on their own business, but on the many external forces that also impact on their business. They need to remain flexible enough to be able to adjust to changes when necessary.

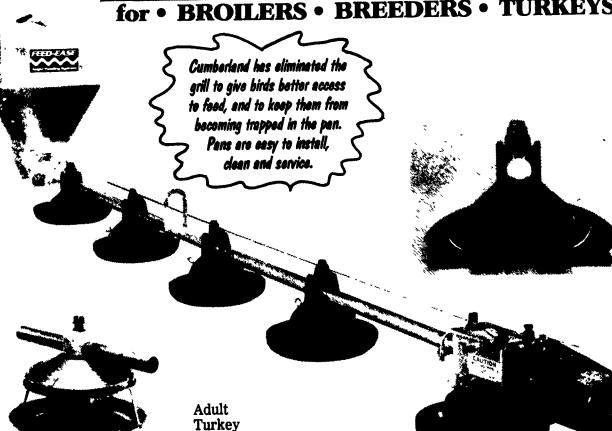
Many dairymen have adjusted well to these changes in recent years. They have found their niche, and are now pursuing the future with optimism. They are probably driven by the belief that "the future belongs to those who conquer it." I share with them that same optimism and belief.

The dairyman of tomorrow does not just react to or succumb to change; he attempts to influence change in the right direction. It is a responsibility we all share. It means being well informed and acting responsibly. It means being knowledgeable about your business, about your farm organizations and co-ops, about world events, about proposed legislation, etc.

Of course, you can't expect to be completely knowledgeable about everything. That's why we have directors and representatives. And so, it's important for you to know them, to learn how they think, to learn what the organization or government is doing (to you or for you), and to share your ideas and concerns with them, and to support them when they represent you.

We operate in a time of change. We have the opportunity to influence many of these changes. Let's take advantage of the opportunities so that the future may in fact belong to us.





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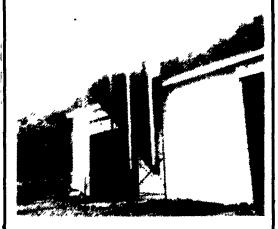
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