

National Young Cooperators Hold Dairy Summit

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SAN DIEGO, CA. — The 74th annual Young Cooperators Leadership Conference was held at the Dairy Summit of the National Milk Producers Federation last week in San Diego.

Elmer Paper, YC Leadership Committee Chairman and a director from Swiss Valley Dairies, welcomed the more than 150 Young Cooperators from all over the country. "This is the land of opportunity," he said, "to make new dairy friends, to see the process of dairy policy development in the making, to share farm know how and to have fun."

NMPF Chief Executive Officer, Jim Barr, challenged the YC's to learn cooperative principles, "so when we get another hite at the farm bill apple, we'll be ready".

When NMPF President, Tom Camerlo welcomed the young producers, he said, "I see the future of the dairy industry in this room". He told the YC's, "leadership must pass from generation to generation in order to survive." The need to become as involved and prepared as possible for these leadership positions is why the YC program of the NMPF is so important.

"There's always opportunity in tough times," Camerlo said, "I think we are facing some real opportunities in the coming couple of years. You are the elite, the cream of the crop. It will be up to you to lead this dairy industry through the 1990s and beyond."

Nine couples and a single dairywoman were selected by their peers at the YC caucuses to comprise the 1991 National YC Advisory Council. They will help plan the YC program for the 75th Dairy Summit to be held in Orlando, Florida in 1991. David and Robbin Martin, Manheim, Pa., representing Atlantic Dairy Cooperative; Roxanne Gabel, Newport, Pa., representing Eastern Milk Producers, and Ralph and Terrie Shank, Hagerstown, Md., representing MD and VA Milk Producers Cooperative were among those chosen.

**Former Secretary
Of Agriculture
Keynote Speaker**

Bob Bergland, CEO of the National Rural Electric Coop. Assn., was the keynote speaker for the YC Showcase Luncheon. The luncheon was held at the San Diego Convention Center adjacent to the hotel. The Convention Center is an architectural wonder with its unique roof and nautical ceiling design — a Teflon-coated permanent tent-like structure that resembles sails.



Senator Patrick Leahy, chairman of Senate Committee on Agriculture.



Elected to the young cooperator advisory committee at the NMPF convention were (back) left to right, Roxanne Gabel, Newport, and Ralph and Terrie Shank, Hagerstown, Md. In front, are David and Robbin Martin, Manheim.

Changing times and changing values have changed attitudes about cooperatives. Bergland related his earliest recollections of the importance of cooperation to his family in northern Minnesota. In 1936, his father was instrumental in a co-op to get forty families to pay \$5.00 each to bring electricity the five miles to their rural community. He told of his mother's "tears of joy" the day electricity arrived, changing their lives forever — a chance to break the bonds of poverty.

"The role of cooperatives in our society is quite clear," he said. "We have to develop good service to maintain support from a membership that doesn't remember the day the co-op was organized and who hasn't operated his or her business in a community without a co-op being there."

Bergland warned the assembled dairy co-op leaders of the inherent dangers of disunity. "If dairy families, like electric families, like any other segment of society, choose to 'disorganize', I can tell you the consequences will be too awful to contemplate!"

Markets are run by fad, by fear, by war. Markets are as unsettled and dangerous as the world itself. The effectiveness of cooperatives is in the ability to think together by developing consensus policy and then carrying the message to your lawmakers.

Cooperatives are affected, touched and driven by things we can not control. You're outnumbered under the law of large numbers, but in a democracy, that doesn't mean that you are lost. The majority rules, but isn't always right.

You're not going to buy from someone you don't like, or has mistreated you or your spouse. "Cooperatives must provide exceptional service and must be involved in political action in order to survive the world's changes," stated Bergland, former Secretary of Agriculture to the Carter Administration. "I don't believe you have to put yourself under the control of anybody. I think you can control your own destiny if you will. That's where the role of cooperatives comes in," concluded Bergland.

Another speaker at the Summit was U.S. Senator Patrick J. Leahy. Leahy is Chairman of the Senate Committee on Agriculture, Nutrition and Forestry where he has a vital role in legislative matters affecting dairy farmers.

"The fundamental decision the dairy industry must decide is whether it wants stability or growth as Congress wrestles with future dairy policy— we can not have both," Leahy said. "Do you want controls on production, someone telling you how much milk to produce, but with price stability?" he asked. "Or do you want to decide on your own how many cows you will milk and have price instability?"

If you choose stability, there is a cost. It would keep the current number of farmers in business, but you probably will not be able to grow. You will no longer be looking to improve your efficiency or modernize.

If you choose growth, how much is it worth? The recent rise and fall of dairy prices in response to supply and demand have proven that markets work. But, when a market works, there is uncertainty Leahy admitted, pointing to the fact of the past year record high and low prices for milk.

Senator Leahy made it clear to the audience that the dairy industry is at a crossroads as the demands of the federal budget deficit dictate the government can no longer afford to run an effective dairy price support program.

"We are in a budget crisis— the United States is running in the red to the tune of 250 billion or more per year. We've just come through ten years of buying prosperity," the Vermont Senator stated. Everything is on credit cards for someone else to pay. "It is now due!"

Leahy discussed the 1990 Farm Bill at length, noting that Congress was able to stop the Administration's price cutting policy and avert its efforts to keep some sort of supply management program out of the legislation. A support price floor of \$10.10 is contained in the five year bill as is a mandate that the Administration develop some sort of supply management program. The Senator

stressed that in the final analysis, though many in the industry may disagree, dairy farmers were fortunate that the Farm Bill did not contain any further price cuts.

When the Budget Summit began, the Democrats proposed a cut of 7 billion in agriculture spending. The Administration asked for 24 billion in cuts. In the end, a 13.6 billion reduction in agriculture spending was required—a 24% cut.

Leahy says, "When we set about the very difficult budget task, we kept one principle in mind, every commodity should share the burden".

Corn, wheat, cotton, rice, sorghum, barley, oats, all took a hit through triple base. A producer who received payments on 100 acres this year will only receive payments on 85 acres next year, a 15% reduction. In addition, changes for the 1994 and 1995 crops of wheat and feed grains will take almost a billion dollars out of those commodities.

Sugar, peanuts and tobacco will put market service fees or assessments on the table to help to reduce the deficit.

Dairy is expected to put up five cents per hundred weight this year and 11¼ cents per hundred weight for 1992-1995. This should generate 700 million over the next five years.

With the \$10.10 freeze, the cost of the dairy program over the next five years is likely to be about \$4 billion—almost \$1.9 billion more than a continuation of the 1985 farm bill would have cost.

The Senate Ag Committee Chairman also commented that, in his opinion, the General Agreement of Tariffs and Trade (GATT) will not progress very far because the European Community will not change its bargaining position. That position is bad for U.S. Agriculture, including dairy, he said. Emphasizing the view of many of the speakers at the NMPF meeting, Leahy observed that no agreement is better than a bad agreement and promised that he will oppose any attempt to sacrifice Section 22 import protection without the U.S. receiving something of equal value in return.

The Senator concluded his

remarks by challenging the U.S. dairy industry to take an active role in determining their destiny, not only for the short run, but also for the future. "The ball is in your court. I cannot urge you enough to accept this challenge. Only you can answer the question about stability or growth."

Senator Charles Stenholm, Chairman of the House Agriculture Subcommittee on Livestock, Dairy and Poultry to address (NMPF) on "Dairy Policy in the 1990's."

"Grow or decay, there is no such thing as stability in any industry", Stenholm began. He urged the dairy leaders to choose an option that would promote the growth of the industry to serve the needs of our domestic and world market for dairy products. Agriculture is the foundation of our country.

"I, assuredly, do not like everything in the 1990 Farm Bill dairy title and would have written several provisions differently, and perhaps better," Stenholm commented. "But, in the end, I view it as a respectable work product that balances many sensitive, often divergent interests, and that does chart a course for the future."

The new farm bill is about the future, and the future means change. "The 1990 Farm Bill should help American farmers adjust to a rapidly changing world, and make those changes work to their advantage," he said. The bill contains key provisions which should help the industry set a course through the hazards and shifting influences that have emerged. These include:

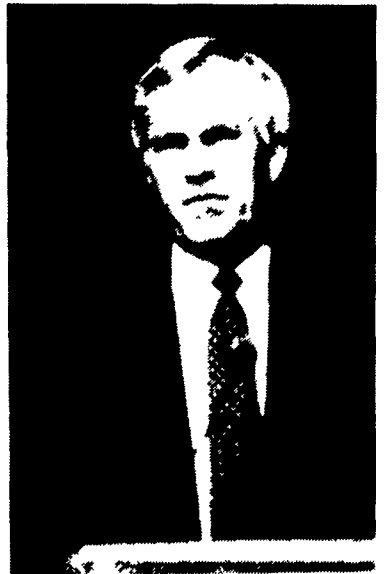
* The federal budget process and the continuing need to reduce the cost of farm programs, including dairy. A major accomplishment was establishing a new budget baseline for the dairy program.

* The GATT negotiations and the emerging realization that regardless of what happens with GATT, the international marketplace will play an increasing role in the profitability of U.S. dairy farmers. (Previously at the meeting, Sen. Patrick Leahy and Reps. Kida de la Garza and Harold Volkmer commented that "no GATT agreement is better than an agreement that's bad for agriculture." Stenholm differed by saying, "No agreement will be bad for agriculture.")

* Changing consumer attitudes about the food they eat and competition from other food products.

One aspect of the bill remains unresolved—the type of supply

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Senator Charles Stenholm, chairman, House Agriculture Subcommittee on Livestock, Dairy and Poultry.