

Speakers Address Dairy Issues

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Maryland Correspondent

ORLANDO, Fla.— Addresses to the National Milk Producers Federation (NMPF) Annual Meeting and Dairy Summit were intended to be informative and challenging to the members as they face the 1990's.

The Honorable Fowler C. West, commissioner, Commodity Futures Trading Commission, gave his views on "The Future in Dairy."

West said, "Dairy farmers need the ability to limit their production and there must be some compensation for what they are giving up. The pending bill tried to do this, but it seems a bit unfair to put those costs on the back of the dairy farmer entirely. There is a national interest in maintaining an efficient dairy industry."

West encouraged members to continue to press for justice for dairy farmers. "Bear in mind," he said, "that all is not lost because the bill was not brought up. It was not defeated."

He said he feels dairy farmers are fortunate to have a House Subcommittee and committee with excellent leadership and with bipartisan outlook hardly matched elsewhere in the House or Senate.

"Listen to their counsel," he pleaded, "and be prepared as an organization to leave decisions of strategy largely to them. They must navigate through rough legislative waters."

NMPF will fragment their legislative influence if they are not unified within their organization West said.

He said NMPF needs to keep working, and to be open to other ideas and problems of others.

"It is not easy, but your welfare

and dairy's contributions to the world are worth the effort," he said.

Quoting the late Congressman Poage, West said, "It's better to get 50% of something than all of nothing."

Sen. James M. Jeffords, R-Vt., gave his thoughts on the "Future Role of Government in Agricultural Programs." He said he is optimistic and believes it is possible to regroup and reenergize efforts to support passage of an effective dairy program.

He recommended launching an aggressive communication program and building new coalitions of support. Direct talks between dairy farmers and beef producers to explain how dairy programs have operated in the past and what is at stake in the future is a necessity.

United States imported 1,000,000 cows this past year to meet the beef demands of consumers.

"If a reduction of the dairy herd is necessary, it is in both interests that the additional cows be removed in a way to minimize the impact on beef prices," he said. "The price cut, bankruptcy route will eventually put all the excess dairy cows on the beef market. But it is a slow and dehumanizing process. Let dairy farmers exit with dignity instead of bankruptcy."

He said the dairy industry ought to be considered the consumers' hero. The tremendous gains in dairy farmer productivity have done more to increase the number of people served by WIC nutrition programs and have provided more food to the needy than any other industry, he said.

A successful dairy strategy can be devised, but it is important to build as broad a coalition as possible, Jeffords said.

John E. "Jack" Gherty, president and CEO of Land O' Lakes Inc., addressed the issue of "A Dairy Cooperative Looks at World Markets."

Gherty said there is some movement toward reduced subsidies and trade barriers in some nations and feels that will result in greater opportunities for world

trade in dairy products.

Gherty noted that currently, global trade in dairy products constitutes less than 5% of total dairy production. Though small, this trade is critically important to nations like Australia and New Zealand which export a significant portion of their national production.

He explained that the United States produces 16% of the world's milk production, European countries 25%, Australia 2%, and New Zealand 2%.

The United States exports 1%, European countries 10%, Australia 25%, and New Zealand 85%.

United States has 4% of the world trade while European countries have 60%, Australia 8% and New Zealand 15%.

With regard to the value of dairy exports, the United States is \$289 mm, European countries \$3,540 mm, Australia \$409 mm, and New Zealand \$1,039 mm.

Gherty said that the United States would do significantly better in world markets if trade rules gave us a level playing field, because we enjoy a very favorable competitive position in terms of efficiency and cost of production.

According to Gherty, the only dark cloud he sees is our own government and its lack of substantive commitment of fair trade rules for the U.S. dairy industry.

Since 1980, Land O' Lakes has attempted to carve out a plan and gain some experience in world markets. Using a two-fold strategy, the cooperative has launched efforts in international marketing and economic development activities.

"We got involved in the international arena because we felt we couldn't afford to sit on the sidelines and watch the forces of globalization move along without us," Gherty said. "Now, 10 years later, we're convinced more than ever that moving from international isolation to international involvement will play a significant role in our ability to serve the long term interests of our members."

The experience and exposure didn't come cheaply, but Gherty said he remains convinced that it's

been beneficial for Land O' Lakes.

Gherty said, "We can look at the world market as an opportunity, a challenge, or a threat. What we can't afford to do is operate as if the world market was of no concern to us."

He said other cooperatives should include international activity in their annual business plans, aggressively seeking international experiences for the board members and staff.

The National Dairy Board export advisory task force, the Dairy Export Incentive Program and USDA market promotion programs are resources available to cooperatives interested in international activity.

Gherty said he challenges cooperatives to keep focused on projects that will benefit their members.

"It's a difficult decision to cut your losses and abandon a project that's becoming too expensive. But don't lose sight of the fact your goal is to benefit farmers."

James J. Miller, leader of the Dairy Analysis Section in the Economic Research Service for

USDA gave "USDA's Economic Outlook for Dairy."

According to Miller:

— 1992 is expected to be characterized by little expansion in milk production, slightly higher farm milk prices and improved commercial sales of dairy products.

— The dairy sector will face challenges associated with possible changes in Federal Milk Marketing Orders and possible partial removal of trade barriers under GATT.

— Expansion plans in 1992 probably will be conservative primarily because income prospects are not too bright. The exit rate of dairy farms is not expected to be as large as during 1991.

— Milk production is expected to finish the year 1991 about even with a year earlier. Milk production in 1992 is projected to stay close to 1991 during most of the year. Milk cow numbers probably will average well below a year earlier.

— Milk surplus to decline in 1992 with U.S. exports of dairy products expected to increase substantially from a year earlier.

Best SCC Management Keeping Cows Clean, Cool

SUSQUEHANNA (Wayne Co.) — Sometimes there are no secrets, no "tricks to the trade," as they say.

In the case of the dairy farm managed by James Slocum and wife Joan, simply keeping the cows clean and moisture-free, keeping the stalls cool, and keeping an eye on the stock garnered the farm the honor of the state's top-ranked herd in mastitis management.

According to Pa. DHIA records, the Slocum farm had a linear score improvement of 34 percent, and an overall somatic cell linear score of 1.9. By keeping the somatic cell count (SCC) low by careful management, the farm was best in the state.

"There's really no secret to it," said Joan Slocum. "Nothing fan-

cy, really. We lowered the vacuum on the pipeline down to 13.5 (most milk with a setting of about 14, I think). We also keep the temperature at about 37 degrees in the barn. And all cows are treated the same — no one gets anything special."

Also, the cows' teats are washed off and the milkers are kept dry from cow to cow. The farm uses sawdust supplied by shavings from a furniture factory as bedding, which provides cow comfort and absorbs moisture to help manage SCC.

The Slocums have been dairying for 24 years. The farm manages 25 registered Holstein and 20 replacement stock, and includes 500 acres (80 of which are tillable). The herd includes Red and White Holsteins. Milking is from a stall barn to pipeline.

Potato Club To Meet

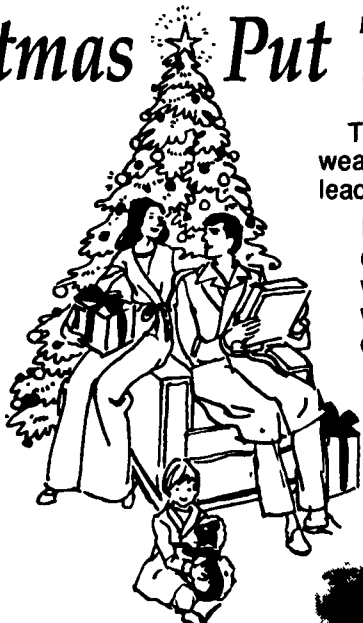
ITHACA, N.Y. — The Empire State Potato Club's annual meeting will be held on Wednesday, January 29, during the 1992 New York State Vegetable and Direct Marketing Conferences at the Riverside Convention Center, Rochester, N.Y.

The meeting will be at 4 p.m. in the Genesee Room of the Holiday Inn/Genesee Plaza. Business of the Association will be conducted, plans for the coming year discussed, as well as the election held of members of the board of directors.

The Empire State Potato Club Inc. was established in 1928 for the benefit of potato growers around the state. One of its major events each year is Empire Farm Days. It publishes a newsletter and is involved in a number of other projects on behalf of New York's potato growers. For more information about the organization, contact the executive secretary, Chris Kimball-Peterson, at (607) 722-9588.

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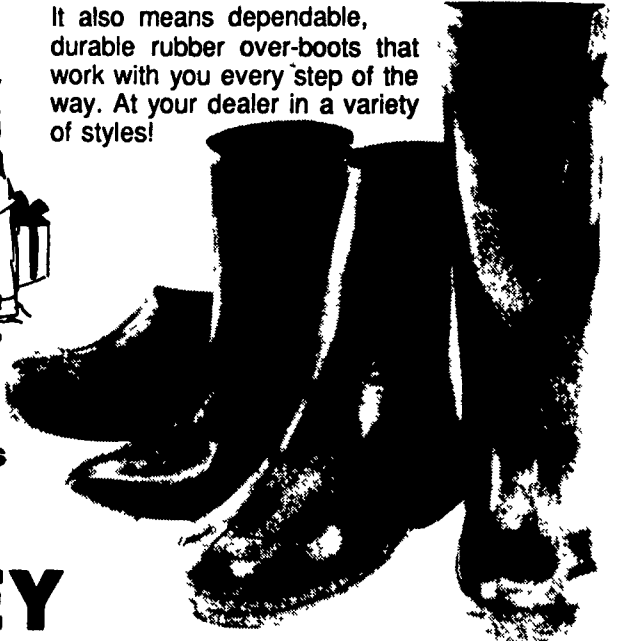


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