

Planning, Direction Needed For Successful Milk Marketing

STRONGSVILLE, Ohio — Self-direction and solid planning are needed strategies for dairy industry success, said two leaders from Milk Marketing Inc. at its midyear delegate meeting, July 14. The Columbus, Ohio meeting was held on the Ohio State University campus.

Two keys to these strategies are keeping dairy promotions active and working with Congress to develop "self-help" government dairy programs, explained Herman Brubaker, MMI president of the board and dairy producer from West Alexandria, Ohio.

The U.S. Department of Agriculture is asking dairy producers across the country to vote, once again, on the continuation of the National Dairy Board.

"A solution that has worked for the past eight years is the advertising and promotional activities of the National Dairy Board and our regional promotion programs," said Brubaker. "From the start of this 1983 program, dairy product sales have increased nearly 5 percent. Definitely, a success."

The MMI board of directors has bloc voted on behalf of its membership in support of the National Dairy Board's continuation. Through this program, reinforced by producer vote again in 1985, 15 cents for each 100 pounds of milk marketed goes into a national advertising and promotion fund. This fund now generates more than \$200 million a year.

"We knew that government support for our industry was dwindling; we could read the signs along the roadside and they said 'helping yourself was not only the best solution, but possibly the only solution,'" Brubaker told the delegates and guests. "Dairy producers could easily see that if they did not take action to reduce this surplus, the government would take action not to the liking of most producers."

Another self-help solution offered by Brubaker called for the creation of a National Dairy Stabilization Board to help decrease or control the mounting milk surplus. This board, funded by milk producers, involves four "triggers" for funding. If milk production would climb, assessments to dairy producers would increase by predetermined production schedules.

"Contact your congressional members and ask for their support to include this legislation as part of the deficit reduction bill that the House and Senate conferees will produce before adjourning in August," said Brubaker. "We don't have much time."

MMI's business future has everything to do with cooperation, planning and partnering on all fronts — from production to processing, said Don Schriver, MMI's chief executive officer. Cooperation is especially important during this unprecedented cycle of surplus milk supplies and low Class I demand, he explained.

"Right now dairy farmers are feeling the type of price disruption that occurs when farmers refuse to work together," noted Schriver. "But very recently producers who don't have the cooperative market guarantee that co-op members have are looking at those privileges with a better understanding."

Enhancing Class I market share is one of MMI's ongoing goals, said Schriver. He explained the present surplus and tightening de-

mand for Class I milk.

"This creates a new environment that calls for co-ops, farmers and processors to cooperate," he said. (Class I milk is used for bottled milk and receives a higher price than milk used in other dairy products.)

Schriver cited developments within the MMI region where producers were notified that their milk no longer had a home.

"The reality is that if MMI had all the milk marketed in Federal Orders 33, 36, 46 and 49, almost half of it would still be Class II and Class III," said Schriver. "That means that even though MMI markets more than 10 million pounds of milk every day, seven days a week, we must work harder to secure a larger share of the Class I milk sales."

Schriver also welcomed the board members of the Huntington Interstate Milk Producers Association who, in a recent letter to their members, recommended that their 500 dairy producers join MMI. Huntington's board recently approved a recommendation that it dissolve its cooperative organization.

Adding value to member milk through the manufacturing operations of Farmers Dairy Foods Inc.,

MMI's wholly-owned subsidiary is also an important step to realizing MMI's vision. Schriver said that the partnering process established with MMI and DMV USA has been a success. (In December 1992, MMI announced an international alliance with DMV USA, a division of the Dutch cooperative Campina Melkunie.)

"What all this means to MMI members is that they must do their share to support MMI's vision," said Schriver. "And that means members must stay involved, expect the unexpected, and control what they can. Primary to the overall effort is the production of high quality and nutritious milk."

With less milk manufacturing facilities in the marketplace, there are fewer homes for milk, reported Rod Carlson, MMI director of member service and marketing, and that makes market security a real issue for many producers. MMI, because of its cooperative methods of marketing, guarantees its members a market for their milk.

"If it had not been for those with enough vision to develop the cooperative way of doing business," said Carlson, "a lot more farmers would be without a market for their milk today."

This summer of heavy rains and

this past spring of hot, humid weather will make the marketing process that much more difficult, said Carlson.

To deal with these marketing conditions, a committee of MMI board directors, delegates and staff recommended changes in MMI's Quality Pricing Program. Their new recommended program, along with changes of certain federal order provisions, will allow dairy farmers to continue to receive higher prices for higher quality milk.

This fall Federal Orders 33, 36 and 49, through USDA, will implement its Multiple Component Pricing program whereby MMI, or other milk marketing organizations and processors, would pay farmers based on certain components of their milk. (Milk components include: protein, lactose, fat, calcium, ribo flavin and other minerals.) Farmers will continue to be paid on the volume, fat and now, because of the new program, the protein contents of their milk.

Carlson reported that dairy farmers with higher protein milk and lower Somatic Cell Counts will earn higher prices through the federal order program. Other criteria are needed also to earn the premiums. (A Somatic Cell Count is the number of white blood cells

that move into the udder during a possible inflammation.)

Carlson also reported that MMI projects a \$12.82 price per hundredweight on milk for 1993, a 30 to 40 cent decrease from one year ago. The price continues to fall because of increasing production and decreasing fluid sales. Carlson told the delegates that the dairy industry continues to see farmer sellouts at a rate of 5 to 10 percent per year. At the same time, milk production per cow has increased.

"It's those same people with vision, who invested in facilities to put milk into storable commodities and sell later, that ensure themselves a market," said Carlson. The financial investment of cooperative members to have the foresight to build these values — paid through their capital retains — builds on the success of the program, explained Carlson.

MMI is a 5,500-member dairy farmer-owned cooperative encompassing an eight-state Midwestern area including Ohio, Indiana, Pennsylvania, New York, Kentucky, West Virginia, Michigan and Maryland. Last year MMI marketed more than 3.9 billion pounds or 453 million gallons of milk.

Ram Sale, Sheep Field Day Set

UNIVERSITY PARK (Centre Co.) — The Pennsylvania Sheep and Wool Growers Association will hold their annual Performance Ram Sale and Sheep Field Day, Friday, August 6 and Saturday, August 7, in the Agricultural Arena at Pennsylvania State University. The events begin noon on Friday and run through evening on Saturday.

Prior to the Performance Ram Sale, rams from across Pennsylvania are collected at Penn State University, where they undergo a variety of testing and feeding programs to determine their rate of performance for lamb, meat, and

wool production. The rams are graded by a set of standards and are offered for sale to the public.

The Sheep Field Day will showcase a variety of activities featuring sheep and wool. Related industry representatives such as animal nutritionists, dog law enforcement officers, veterinarians, sheep and lamb marketing program board members, and experts on pasture and pasture management will be available.

In addition, there will be hand-spinning and weaving demonstrations by the Hill & Hollow Hand-spinners, plus sheep guard days

and herding dogs for just about any sheep flock size. A representative from the Waterside Woolen Mills will be available for discussions of wool processing.

Savory lamb dishes will greet the visitors with other delicious treats available for purchase.

Event organizers include Pennsylvania Sheep and Wool Growers President Joseph R. Vogel, Kempton, PA; John Courtney, Mercer, vice president; Pam Bryan, Shelocta, secretary; Ed Graham, Greensburg, treasurer; and Dr. Clair Engle, Pennsylvania State University.

Representative counties in

these activities will be Bedford, Berks, Bradford, Buck/Montgomery, Butler, Centre, Cumberland, Greene, Indiana, Lancaster, Lawrence, Mercer, Northumberland, Northwest, Somerset, Sullivan, Tioga/Potter, Washington, Wayne, Westmoreland, Wyoming, and York.

The Performance Ram Sale and Sheep Field Day are events open to the public. For more information, contact Joseph R. Vogel, (215) 756-4212 or Glenn Eberly, director of the Meat Animal Evaluation Center, (814) 238-2527.

Burdette Speaks At Holstein Club Picnic

BLAIN (Perry Co.) — Jim Burdette, owner of Windy Knoll View Farm, was the featured speaker at the annual Perry County Holstein Club summer picnic.

Burdette, who farms near Mercersburg, spoke first of his family, wife Nina, and their two sons Justin and Kyle, and the important role each one has in his life and success of the dairy operation.

Burdette's operation is known internationally for breeding industry elite Holstein cattle. In reviewing the success of his 18 years in the dairy industry, Burdette mentioned the early year's when Round Oak Rag Apple Elevation did so much to improve his foundation herd.

From those early days to the present time, 30 excellent cows have been bred by Burdette, one of the most significant being the 94 point, 2E Windy Knoll View Ultimate Pala. This cow is not only well known in the industry, but continues to strengthen the Windy Knoll View herd by the addition of daughters.

Four daughters currently milking include 88-point and 91-point Melvin daughters. The 91-point cow gained All-American honors as a calf. An 89-point Pala daughter from Astrojet is currently in the herd as is a 92-point Valiant

daughter from Pala, making a 37,000-pound record.

Burdette reviewed some of his successful embryo transfer work and overseas marketing, and concluded with an affirmation of the registered Holstein business, even in the current economic situation.

As part of the evening's activities, Club President Ben Dum, Ellittsburg, introduced the members of the Perry County Holstein Senior Quiz Bowl Team which recently captured first place in the national competition. Marel Raub,

Perry County dairy princess, addressed the group, stressing the importance of the upcoming industry referendum on the National Dairy Board.

The picnic, sponsored by the Perry County Holstein Club, was held at the Blain Picnic Grounds.

Dairy Referendum Called

LANCASTER (Lancaster Co.) — A national order establishing a dairy promotion, research, and nutrition education program was authorized by the Dairy and Tobacco Adjustment Act of 1983 and was fully implemented on May 1, 1984. The program provides for a 15 cents per hundredweight assessment on all milk produced in the United States by dairy farmers.

The secretary of agriculture has called for a referendum among producers to determine whether the Dairy Promotion and Research program should be continued. For the program to continue, a majority of the producers voting in the referendum must favor keeping the program.

The assessment is used for researching and developing new products to increase consumption of dairy products, educating consumers about the merits of milk

products and promoting dairy products nationally and locally. Some of the monies are returned to the state to help support local promotional efforts. Producers may request that 10 cents be returned to the state.

A producer engaged in the production of milk for commercial use during April 1993 is eligible to vote. In the case of a producer who is other than an individual, the business unit is regarded as the producer. Only one vote is permitted for each dairy farm business unit. A cooperative association may vote on behalf of its producer members. A producer member opposed to the cooperative's vote may cast an individual ballot.

The referendum period is August 5 through August 16. The voting will be conducted by mail and the ballots must be postmarked no later than August 16. Incom-

plete ballots or ballots postmarked after August 16 will not be counted.

Ballots are available at the Lancaster County ASCS Office or can be obtained by calling (800) 745-5417.

Producers with questions may call Glenn Shirk at the Lancaster extension service, (717) 394-6851, or Ray Brubaker at the Agricultural Stabilization and Conservation Service, (717) 397-6235.

