Dairy Farmers Can 'Niche Market' Products to World

JOANNE F. MORVAY Adams Co. Correspondent

CENTENNIAL (Adams Co.) - Niche marketing of specific products such as premium ice cream or blended cheeses appears to be the best way for American dairy farmers to break into the world arena, said Russell C. Redding, Pennsylvania's deputy secretary of agriculture.

Redding, a former Adams County dairy farmer, discussed dairy export opportunities and the 1995 Farm Bill with members of the Adams County Holstein Association at its recent banquet.

Redding said he expects the upcoming Farm Bill will "really throw the dairy industry to the free market."

If that happens, dairy farmers are going to have to create an export market for their product with very little help from the federal government — and they'll be doing it at a time when dairy farmers and processors from other nations are getting aid from their own governments to expand into the American market.

Redding said a New Zealand company recently expanded into Pennsylvania, purchasing a processing facility here with plans to move its product through the port of Philadelphia.

While the market appears saturated to American farmers, it appeals to New Zealand and other countries because it's a cash market and there are proven consumers of dairy products here.

The United States has an average surplus of five billion pounds

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of milk annually, Redding pointed out. To sustain profitability and survive without government subsidy, American dairy farmers are going to have to find a market for that milk, he said.

The world market is the easiest alternative, though it is not without risks.

Redding said opportunities for exporting bulk commodities seem limited because of stiff competition from New Zealand and

But some American companies are finding international success by selling one type of dairy product. Premium ice cream has found a home in Japan, where consumers appreciate the high quality and taste of the American product, he said.

The market for blended cheeses and yogurt also offers much opportunity, Redding said.

"But part of the challenge is getting (American) farmers to focus on the export market," he

Many processing lines are not set up to package products for overseas shipping and foreign markets, Redding said. The cost to retool the lines can be considerable and there is no guarantee of

But states that have aggressively pursued these markets — California and jurisdictions in the Midwest and the Southwest - are finding it is worth the effort.

"The greatest opportunity has been and continues to be in Mexico - even with the financial problems there and the devaluation of the peso," Redding said.

Pacific Rim countries such as Japan and South American countries like Brazil, Argentina and Colombia also prefer U.S. dairy products.

State agriculture officials

remain very interested in creating an export market for Pennsylvania dairy products, Redding said.

And while some might think such an effort will only benefit Pennsylvania's dairy industry, Redding offered a sobering statistic that illustrated how important expanding into the world market could be.

Pennsylvania dairy represents about 40 percent of the state's economy.

"What happens to the dairy industry really affects what happens as a whole to this commonwealth," Redding said.

Cooperative Leaders To Hold Director Institute

UNIVERSITY PARK (Centre Co.) — Pennsylvania Cooperative Directors can learn more about their roles as cooperative leaders at the twelfth Director Institute being held at the Nittany Lion Inn at The Pennsylvania State University, January 17-19, 1996.

The Institute is designed to provide support for both new and experienced directors, offering education about communication, strategies, performance evaluation, financial information, and a variety of other issues facing cooperative leaders.

Speakers include University personnel, cooperative staff, and business leaders. In addition to the formal sessions, there is the opportunity to interact with other directors and managers, sharing concerns and challenges.

Hal Doran, Interim Institute Director, said, "Cooperatives face both rapid change and economic pressure, and the Institute gives directors the foundation they need to provide clear direction. We want to provide information that will allow cooperative directors to be positive, strong leaders." Over 259 directors have graduated from the Institute in its 12-year history, along with participation by 70 cooperative management people from throughout the Northeast.

Secretary of Agriculture Charles C. Brosius, who will be a keynote speaker, encouraged directors to attend, saying, "Cooperative directors in the '90s face critical decisions about the future of their cooperatives. They must constantly reassess their mission, and evaluate the services they provide to their memberowners. This Institute will help board members gain the insight they need to fulfill their obligations."

Before his appointment as secretary of Agriculture by Governor Tom Ridge on March 1, 1995. Brosius served as vice-chairman of the Board of Agway, Inc. He was also a Director of Telmark. Inc. and a Director of The Agway General Agency and The Agway Insurance Company.

Brosius owns and operates with his wife Jane and three sons a commercial mushroom farm in Chester County.

For more information about the Institute, please call Kate Smith or Lora Zimmerman at 814-863-0644 or Hal Doran at 814-466-7294.

Brown Named Director

SOMERSET (Somerset Co.)—Robert Brown has accepted the county extension director position for Penn State Cooperative Extension, Somerset County, effective Nov. 1.

Brown has been conducting agricultural programs in Somerset County for the past 22 years.

Agricultural programs have focused on dairy production and management for both adults and youth. Brown has provided strong leadership to the 4-H dairy program and young farmer programs. In addition, Brown has conducted many other educational programs in other areas of agriculture.

Most recently, Brown has been working with other agents to conduct Dairy MAP programs that teach business management skills to farmers. He will continue to conduct agricultural programs in addition to his new assignment as county extension director.

As county extension director, Brown will provide administrative and programmatic leadership to the staff of Somerset County. He has accepted this position upon the retirement of Marie L. Kieffer, former county extension director and family living agent.



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