

# Leaders Agree: Establish Dairy Organization, Work On Funding

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HARRISBURG (Dauphin Co.)  
— The gulf between planning and actually doing must be narrowed if dairying is to survive in Pennsylvania.

And it won't happen unless groups with different priorities learn to set aside their differences and work toward helping dairy farms thrive, according to experts who spoke Thursday morning at a meeting of Pennsylvania dairy stakeholders at the Dixon University Center in Harrisburg.

More than 80 producers, processors, legislators, bankers, and agri-industry related representatives met at a forum to vote to establish a formal group in Pennsylvania and discuss methods to finance that organization.

Since June 1992, industry meetings have been held to address this issue. At several times in 1993 through 1995, the Pennsylvania Dairy Industry Futures Committee (PDIFC) has met to focus on all industry stakeholders. As a result, in June 1994 and 1995, two state dairy forums were held. A mandate was given to Penn State and

the state Department of Agriculture to convene a stakeholders group to decide on future structures.

At the Thursday meeting, stakeholders were brought together for the same reason — to decide if a representational organization is necessary. But this one focused on ways to finally organize it.

However, those who attended agreed that attempts could be hampered to establish an organization now. This is because of the transitions taking place — the lack of a Farm Bill (the current version under review has no provisions for the dairy industry), the dissolution of federal support payments, the uncertainties regarding new markets as a result of the North American Free Trade Agreement, and the continuing search for a Penn State dean.

But there are models that could be followed. At the meeting, 11 discussion groups were established. Of the 83 in attendance, all voted unanimously to establish an organization for Pennsylvania that could mirror successful ones in other states.

The organization could be simi-

lar to the Minnesota Dairy Leaders Roundtable, established in 1992, or the Ohio Dairy Strategic Planning Task Force, established in 1993.

Representatives of the Minnesota and Ohio organizations spoke to the dairy stakeholders Thursday morning.

Edward Frederick, Minnesota Extension Service, University of Minnesota and facilitator of the Minnesota Dairy Roundtable, spoke about the literal "growing pains" of the "structure, not organization" established to recapture the 1990 market share of total U.S. milk production.

When Frederick worked for extension from 1958-1964, there were 130,000 dairy farms in the state. In 1990, that number had shrunk to 14,000 farms. While 40,000 are employed in some aspect of the dairy business in Minnesota today, associated employment is actually about 85,000, amounting to an annual \$3.5 billion industry.

This is happening while Minnesota is dropping production to less than 10 billion pounds of milk yearly. Where once they had 6.8 percent of the market share in 1990, in 1995, that number dipped to 6 percent.

Clearly, there was a need to do something to stop the state from "losing its production, market, and infrastructure." As a result, the roundtable was formed. Stakeholders in the roundtable oversee the Minnesota Dairy Partnership, Inc., approved by the roundtable in December 1992. The partnership, a collaborative partnership between the entire dairy sector in the state, the University of Minnesota, and related industries, was established to "bring them together" and work for the benefit of the entire dairy industry, according to Frederick.

Altogether, 350 people are involved in the non-profit roundtable structure and partnership. Proposed funding for the partnership is \$500,000 per year for three years, half from the dairy sector and half from the state of Minnesota. The money is to be allocated to committees in charge of marketing, supply, services, and farm, trade, and breed organizations.

Plans are under way to pass



Stakeholders in the Pennsylvania dairy industry met on Thursday at Dixon University Center. From left, Donald Schriver, CEO, Milk Marketing, Inc.; Charles Brosius, secretary of agriculture; and Edward Frederick, facilitator of the Minnesota Dairy Leaders Roundtable.

through legislature a bill to establish the Minnesota Dairy Development Fund, to set up a fund in perpetuity trust to fund the partnership.

In the meantime, the activities of the roundtable "set a tone" for the industry, said Frederick.

Donald Schriver, CEO, Milk Marketing, Inc., spoke about the Ohio Dairy Strategic Planning Task Force established in December 1993.

"If you put your minds to it, you can make some major changes," Schriver told the stakeholders on Thursday.

The task force is assisted by the Ohio State University's College of Food, Agricultural, and Environmental Sciences, Ohio State University Extension, and Ohio Sen. Grace Drake. A steering committee, comprised of industry leaders, appointed panels to assess the industry in environmental, finance, legislative areas, marketing, and production.

Like Minnesota's Roundtable, the Ohio task force's mission statement emphasizes the goal of strengthening overall profitability and long-term viability of the Ohio dairy industry, said Schriver.

The state slipped from 6th to 9th place in overall productivity. With that in mind, Schriver said it was important to change the "mentality" of thinking that "we have to own the farm." If we are locked in our current thinking, we can't move projects to promote the industry along.

He told the stakeholders to think about the efforts of the dairy producers in Wyoming County, N.Y., who meet and are doing many things to strengthen their representation in the marketplace.

A proposed forum, the Ohio Dairy Industry Forum (similar to the Minnesota Roundtable's dairy partnership), would act to provide ways to facilitate production, processing, marketing, promotion, and other supporting activities for the industry. It would be composed of 11 members — two producers, two processors, one retailer, one support industry, one consumer representative, one Ohio State representative, one representative from the Ohio Department of Agriculture, and two ex-officio members of the state legislature.

The financing would be provided by processors, lenders, and state sources.

Overall, those who attended the stakeholders forum agreed that the industry is in trouble and something needs to be done.

Several industry leaders indicated their commitment to funding the organization.

The purpose of the meeting was to "search for direction and determine your desire, your commitment to the future of dairying in Pennsylvania," said Charles Brosius, Pennsylvania secretary of agriculture.

Brosius asked the forum, "Will we have dairy farms in Pennsylvania in the future or will they be in New Mexico or someplace else?"

## Lancaster Farmland Trust Receives Overwhelming Support

LANCASTER (Lancaster Co.)—Lancaster Farmland Trust announces the end of its 1995-1996 Annual Funding Campaign. The Campaign kicked off in mid-September of last year and ended successfully four months later in mid-January. The Campaign goal was the highest ever — \$160,000 — and it the most money that LFT has ever successfully raised from the Lancaster community.

Right on the coattails of the Campaign's success, the Trust received welcomed news from the William Penn Foundation in Philadelphia. The Foundation awarded the Trust a grant of \$550,000 to be used over a three-year period. The grant will be held in the Trust's Land Preservation Fund and will be used exclusively toward the preservation of prime agricultural land in Lancaster

major concern in the public sector is the preservation of farmland in Lancaster County," said Phyllis Whitesell, president of the Board of Trustees for Lancaster Farmland Trust.

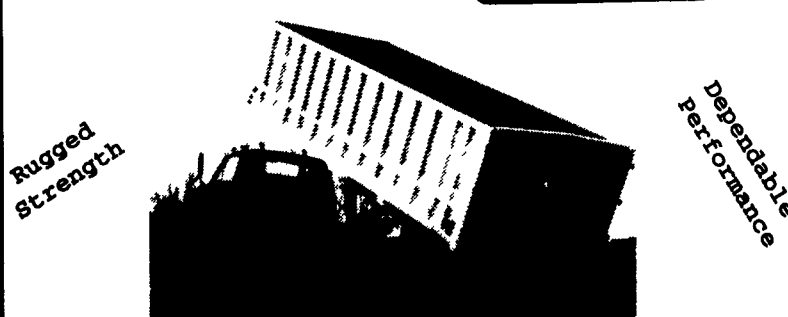
Lancaster Farmland Trust is a not-for-profit organization actively working to preserve farmland in Lancaster County. It is committed to supporting farmers who are good stewards of the land and to encourage the growth of the agriculture industry, recognizing that our farm heritage has enriched the lives of all citizens.



County. The grant is meant to aid Lancaster Farmland Trust in its plans to preserve at least 30 farms over the next three years. This is the third grant made by the William Penn Foundation to Lancaster Farmland Trust and is the largest gift provided to the organization. Combined with other grants received from the Foundation, it represents nearly a million dollars gifted to the Trust for the express purpose of preserving Lancaster County's precious farmland.

Lancaster Farmland Trust is overwhelmed at this generous display of financial support for its efforts. "We feel strongly that the generous support received from individuals as well as the generous support received from foundations such as the William Penn Foundation is strong evidence that a

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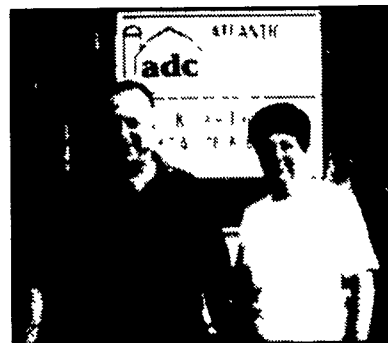
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