NFO Announces Strategy To Increase Dairy Income

AMES, Iowa-The National Farmers Organization's dairy department has launched a new dairy program called Milk Profits Plus+++.

"The program's goal is to stairstep milk producers' incomes nationwide to consistently profitable levels," said Al Scott, NFO dairy department director.

"We believe milk producers will more eagerly participate in a named program that provides a step-by-step plan to improve their income, both immediately and long-term."

Scott also explained that it is more efficient for NFO to market a named program like Milk Profits Plus.

"It gives a constancy to our

marketing message as we appeal to all U.S. milk producers to work together to improve their incomes through unified marketing efforts," he said.

Milk Profits Plus provides a four-step plan to improve and stabilize milk prices. They are:

• Unite milk producers behind the idea of building a powerful membership base that markets in interlocking fashion nationwide. Provide these producers with accurate "sell-side" milk market information that they do not normally get.

· Always represent the producers' perspectives and best interests by giving the media accurate information about milk markets and by testifying during legislative hearings and debates at the federal and state level and during federal milk marketing order hearings.

· Combine producers' milk production into powerful units that build maximum negotiating leverage in bargaining with buyers. Also, take a leadership role in helping milk producers develop their own system of inventory control.

• Floor milk prices and stabilize those prices by using commodity exchange strategies and tactics, negotiating floo: prices in supply agreements with buyers, and negotiating long-term forward contracts with milk processors.

'We know most milk producers need and deserve more income.'

Scott said. "Therefore, we've set three milk price goals for Milk Profits Plus. Our immediate goal was to attain and sustain a \$1/cwt increase in raw milk prices-and we have done that.

"Our mid-range goal is to achieve and secure \$13.50/cwt mailbox floor prices. Our longterm goal is to allow milk producers to obtain from the marketplace a milk price based upon their own calculated cost of production, plus to profits necessary to provide for their families and their futures."

Other benefits of Milk Profits Plus, in addition to nationwide collective bargaining for higher milk prices, include: trustprotected milk checks to guarantee payment against buyer default; accelerated payment via threetimes-a-month milk checks; direct deposit of milk checks; lost-milk income supplement plan; accurate weights and measures, and specialized field staff to assist in achieving and maintaining high quality milk.

"To help launch Milk Profits Plus, NFO dairy staff are helping milk producers calculate their full cost of production," Scott said. "That's the absolute first step in

successful bargeining for higher milk prices. We encourage any producer needing help in this process to contact us."

