Value-Added Dairy Markets Work

DOUG MARTIN PFGC Conference High Protein Milk Market

The only high protein milk market in Federal Order #4 was started in 1987 as a result of the cooperative efforts of Calvin Covington of American Jersey Cattle Association, Pete DeBaugh of Dairymen, Inc./DFA, Bill Dietrich and Lester Martin of the Cumberland Valley Jersey Breeders, and Jefferson Cheese in Hancock, Md.

Jefferson Cheese was willing to consider this venture for the highquality and high-yielding milk that Jersey and Guernsey dairy farmers could supply.

In the beginning, high protein milk producers from Westminster, Lancaster, and the Cumberland Valley went together to make a tanker load of high protein milk. Today, there are 12 producers making about 40,000 pounds a day. All are in the Cumberland Valley between Newville, Pa. and Hagerstown, Md.

Jefferson Cheese is very pleased with the milk we are supplying. This load ranks as the cleanest and highest quality milk they receive and

also yields the most cheese per CWT.

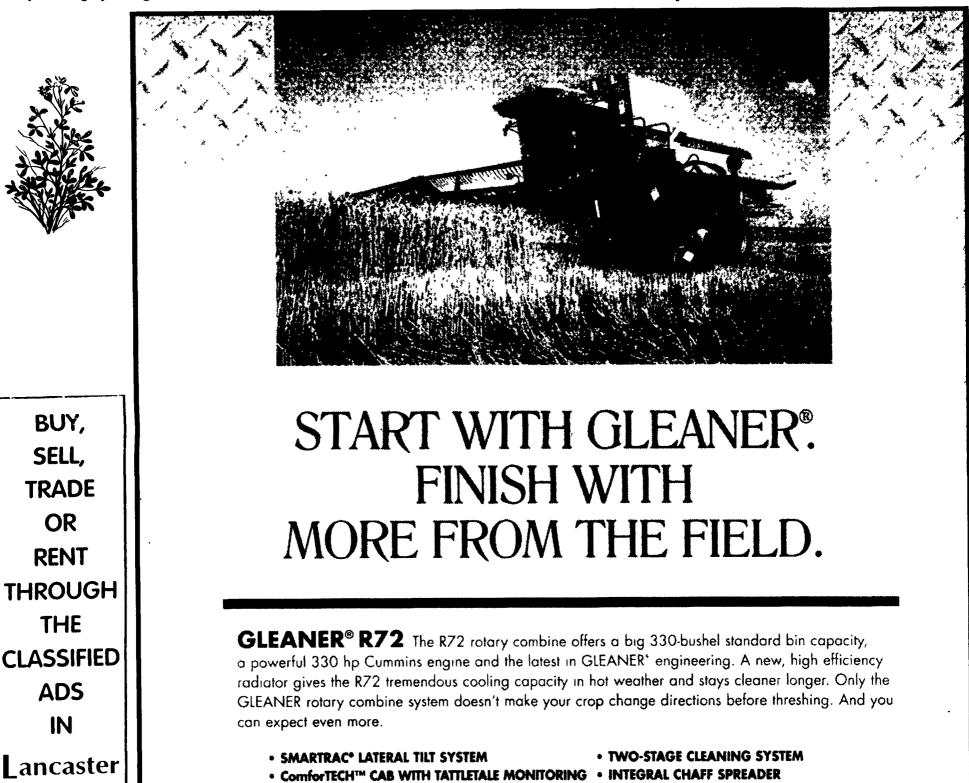
We were paid 15 cents a point above 3.2 percent protein and below 400,000 SCC. Above 400,000 SCC the premium was not available as this reduced the amount of cheese yield in the milk. This amounted to an extra \$1,100 per month in 1988. We shipped 143,348 pounds in November 1988 and received a bonus of 76 cents per CWT.

In November of 1999 we shipped 342,000 pounds and received a bonus of 42 cents per CWT which amounted to \$1,400 in extra prem-

ium. The price we receive was reduced when the Federal Order started to pay for solids/non-fat, and starting in January 2000, the changes in the milk marketing will affect this again, and we are not sure what the effect will be.

In the 10+ years that we have enjoyed this market, we have received an added value for our high protein milk of more than \$150,000.

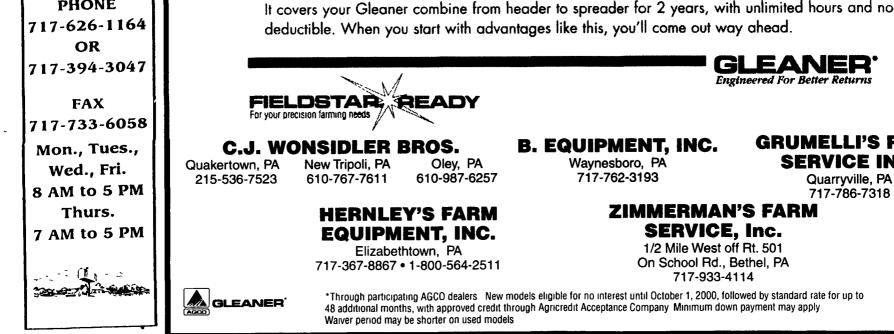
This has been a real-life demonstration of one of the possibilities that can result when people work together to create new and different markets.



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