

DFA Board Issues \$24 Million In Patronage To Members

KANSAS CITY, Mo. — The board of directors for Dairy Farmers of America (DFA) recently approved and distributed \$24.4 million in member patronage to dairy farmer members who marketed milk through the cooperative in 1999.

The allocation of earnings is equal to seven cents per hundred pounds (hundredweight) of milk produced and marketed by members in the 1999 calendar year.

"This patronage continues a commitment that DFA founders made to members in 1998," says DFA Board Chairman Herman Brubaker, a dairy producer from West Alexandria, Ohio. "That is, DFA is committed to pursuing a course of financial stability that is reflected through this time-honored co-op practice of returning earnings, in the form of patronage, to members."

Members, who were fully capitalized in DFA, received 100 percent of their member patronage in cash. Those, who were not fully capitalized, received 20 percent of their patronage in cash with the balance applied to their DFA equity accounts.

According to Charles Beckendorf, a Tomball, Texas producer who chairs DFA's Finance and Budget Committee, the cash portion paid out to members totaled \$6.1 million. "The base capital program is critical to the success of DFA, nearing the completion of its third business year," says Beckendorf.

"Every dynamic business needs equity to sustain growth and build markets. The equity our dairy farm families hold in DFA allows us to seek out new market opportunities and maximize earnings through investment in modern processing facilities and joint ventures that add to the bottom line earnings of our organization."

Last month DFA announced the repayment of more than \$25 million in previously invested equity by former members. Included in the equity retirement package was: \$9.6 million to fully retire the equities of 9,300 members of predecessor cooperatives who last marketed milk through their co-op before 1991; \$10 million in early equity retirement; \$2.5 million in estate payments; \$1.6 in over capitalized accounts, and \$1.4 million for age retirements.



Tiffany Dean's grand champion market lamb sold for \$2.50 per pound to Farmers First Bank in Quarryville represented by Joe DeLong.



Mandie Holloway's grand champion hog sold for \$3.00 per pound to Farmers First Bank represented by Joe DeLong.



Tiffany Dean's reserve champion market hog sold for \$3.30 per pound to Strasburg Market Basket, Strasburg, represented by Josh Brown and Bill Fisher.

Allison Hughes's reserve champion market lamb sold for \$2.25 per pound to Engle Printing, Mt. Joy represented by John Hemperly.



Jessica Schmidt's reserve grand champion steer sold for \$2.10 per pound to Ferguson and Hassler, Quarryville, represented by Chip, Jim, and Tim Hassler.



Katrina Frey's grand champion steer sold for \$4.75 per pound to Musser's at the Buck, represented by Gray Musser.



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