

Northeast Dairy Survival

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Hileman, Tyrone, operates a 700-acre farm with 450 milk cows and raises corn, alfalfa, and soybeans. He's a member of Land O'Lakes.

The Hilemans milk three times a day in a double-6 herringbone, milking 22 hours a day. They use a Hispanic workforce.

A heifer grower finishes the calves. The average age to first calving is 22 months.

For processors to invest in the Northeast, processors must first take steps to increase milk production, noted Hileman. Dairy remains at a crossroads in the Northeast and more production is necessary. After all, plants continue to sprout in California, Idaho, New Mexico, and even South Dakota.

The problem is, there isn't enough milk being produced in the ag areas of the Northeast to provide a better source for major processors. Banks are losing their ag expertise and don't know how to keep the dairy infrastructure from crumbling.

"If we do nothing, we will continue to lose the advantages that dairy producers now enjoy," Hileman said. "We must overcome the stagnation of tradition in managing our farms."

The key: find ways to get more milk per cow. Dairies may have to adopt a three-times-a-day milking schedule and other management improvements.

Quinten Frey, president of Turkey Hill Dairy, Conestoga, noted that despite the popularity of their ice cream and milk products, the number one "cash crop," he said for the minute market enterprise is "our iced tea product."

That product was introduced in 1971 and continues to be a mainstay in the minute market stores and supermarkets across the Northeast.

Many ice cream producers are moving to the smaller half-gallon of ice cream, including Edy's brand, from 64 to 56 ounces, noted Frey. That's 13.5 percent less ice cream per package. The reason: shrinking margins at the retail level.

Frey noted that Turkey Hill remains committed to the ice cream market.

Frey noted his grandfather, Amour Frey, founded the company, in 1931, starting home milk delivery door to door in Columbia. (The company has the Turkey Hill Sheep Skin Deed from 1768 to prove there really is a "Turkey Hill.")

From 1931-1954, home delivery was the mainstay. In 1954, the company started making ice cream and sold lots of other snacks and commodities.

In 1967, the store opened its first convenience

store along Columbia Avenue, which is still open. Today, Turkey Hill Dairy company operates 235 stores in the region.

The growth of supermarket demand has contributed to the company's overall livelihood. In 1980, Turkey Hill began supermarket sales of ice cream. Supermarket sales of milk also began and, in the 1980s, included stores throughout Pennsylvania.

In 2001, a \$25 million expansion doubles capacity for fluid milk product, refrigeration, and storage. Total sales topped \$200 million (compared to \$20 million in 1980), and products are shipped to 15 states in the Northeast.

Frey said the company is the Number 6 leading ice cream brand nationwide, and the number one in refrigerated iced tea. They employ more than 540 nonunion associates, generating 100 million quarts of ice cream per year and 115 million milk and iced tea units.

The facility encompasses 207,000 square feet and the company has 27 acres near Conestoga. The plant has its own on-site water and wastewater management.

Milk continues to be a part of a good diet. Flavored milk sales are up 7 percent with more getting to the coveted marketing segment, he noted — children. Flavors include chocolate, mocha, strawberry, and vanilla.

Milk products are slowly replacing the soda dispensers in schools.

According to studies, milk is the "third most popular reason to go to a convenience store," Frey said.

