

Lancaster Farm Bureau Bucks CWT Proposals

PARADISE (Lancaster Co.) — On June 3, the board of directors of the Lancaster County Farm Bureau (LCFB) voted, without dissent, to abstain from support for the program called Cooperatives Working Together (CWT) as proposed by the National Milk Producers Federation (NMPF) headquartered in Arlington, Va. The LCFB is taking a position different from a recent 14-to-2 vote of the statewide Pennsylvania Farm Bureau board to support CWT.

"Trying to raise prices by limiting supply in an open marketplace is foolish, ineffective, and counterproductive, especially as we look at the long run," said Don Ranck, board vice president and policy development chair. Ranck owns a small dairy and large farm bed and breakfast in Paradise.

"The CWT proposal is an attempt to create an illusion of unity in trying to raise low farmgate milk prices, when in reality it has the potential to be the most corrupt and divisive in the history of the organized dairy industry in the U.S.," he warned.

"The CWT program is not an idea that was tried in the debate of policy development among elected Farm Bureau members, nor through elected cooperative delegate review. It was hastily contrived in a back room somewhere, and is now being foisted onto Farm Bureau members and cooperative members in a top-down approach, very much counter to the mission statements of Farm Bureau and of most cooperatives, so the serious flaws in it were never worked out," said Ranck.

Others see serious problems. "It is more advantageous to in-

vest in advertising and product promotion than to try to limit supply," said Al Wanner, LCFB board member and owner of a 400-cow dairy near Narvon. Wanner prefers to see substantive changes to the current CWT program, rather than have no program to enhance farmgate milk prices. "But we also do not see the USDA using the Dairy Export Incentive Program to its maximum allowable level, nor adequate administration of the new Milk Income Loss Contract program," Wanner noted.

Steve Hershey, Elizabethtown, LCFB board president and owner of family-operated herds of more than 250 cows, noted that dairy farmers who use the tools of contracting, forward pricing, or hedging will be big losers if a program like CWT goes through.

"My family would stand to lose up to \$800 per month in the next year if the CWT program is implemented," said Hershey. "Why would we support a program that works against the tools of marketplace economics that we already have?"

The NMPF board is scheduled to meet in late June to decide whether the CWT program has the support of producers of at least 80 percent of all milk production in the U.S. Chairman of the NMPF board James P. (Tom) Camerlo, owner of a 500-cow dairy near Florence, Colo., also recently elected chairman of the board of Dairy Farmers of America, by far the largest cooperative in the U.S., is making the assumption that 80 percent is needed to implement the program, according to Gordon Hoover, NMPF board member and owner of a 110-cow herd in Narvon, neighbor to Wanner.

"Hoover is on the road promoting the program, trying to drum up support, even though there are serious misgivings about the basic premises on which it is built," said Ranck. "Hoover is also secretary of the corporate board of Land O'Lakes Cooperative, so it appears to some that both he and Camerlo have conflicts of interest."

Ranck and Hoover are both former presidents of the board of LCFB, and both hold elected leadership positions in the Land O'Lakes Cooperative, which has offices in Carlisle and in Minneapolis, Minn. "We agree on the vast majority of solutions to problems, but on this issue we are diametrically opposite," said Ranck.

There are others who are outlining clear problems with the CWT concept. Ken Bailey, Penn State dairy economist (see his column on page A16), posted to his Website at <http://dairyoutlook.aers.psu.edu> a balanced article showing why CWT looks attractive at initial glance, but he delivers a stinging criticism of the concept on which it is based. "At first glance, it sounds like a good plan," said Bailey.

"It will be viewed in Washington circles as a self-help program that won't cost the U.S. Treasury a dime," he notes. "And dairy producers who have been facing low milk prices since nine-eleven will be glad that something, anything, is being done."

"But we can't have our cheese and eat it, too," he continued. "We must choose between government price supports and supply management or marketplace economics, we can't have it both ways, he concluded."

12 Ways To Boost Dairy Income — This Year

George DeVault

Special To Lancaster Farming

By becoming a more aggressive, direct marketer, there is almost no end to the ways you can increase income from a dairy farm. Here are just 12 ideas:

1. Get a raw milk license and start selling milk directly.
2. Bag up manure and sell it for garden fertilizer.
3. Solicit school tours of your farm.
4. If you have a stocked pond, open it for fee fishing. In winter, rent it out for ice skating parties.
5. Plant a pumpkin patch on a few conveniently located acres this month. Come fall, you can make money on pick-your-own pumpkins.
6. Offer hayrides, especially haunted hayrides in October. This will compliment your pumpkin patch and provide a market for bundles of corn stalks and other seasonal decorations.
7. Sell straw or spoiled hay for garden mulch.

8. Sell firewood.

9. Sell large rocks, even boulders to landscapers.

10. Offer freezer beef, pork, or other meat products.

11. Add value to your milk by turning it into yogurt, cheese, cream, or ice cream.

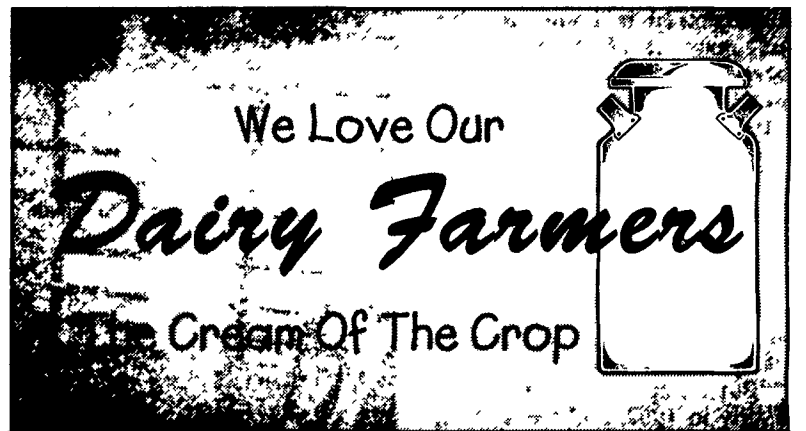
12. Get certified as an organic dairy to boost the value of what you produce.

But how do you reach customers to do any of this?

A good place to start is by participating in the open gate farm tour that most county extension offices sponsor each year. It will bring hundreds, maybe even thousands of customers out to your farm — for free.

You can also get free publicity by getting the local newspaper or TV station to do a feature story on the changes you're making. Reporters are always looking for a good — good news — story about farmers.

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