

# DPAC connects with dairy producers in Midwest

By SHERRY BUNTING  
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MADISON, Wis.—“Individual commitment to a group effort—that is what makes a team work, a company work, a society work, and a civilization work.”

This quote from the famed Green Bay Packers coach Vince Lombardi set the tone for sharing ideas and dialog between groups of producers from different regions of the U.S on June 24 as they gathered for a dinner meeting organized by Family Dairies USA on the evening before the USDA / DOJ hearing in Madison, Wisconsin.

The purpose of the meeting was to discuss dairy reform, as there are opportunities for producers to “come together” and “get serious” about these efforts, said moderator David Cooper, general manager of Family Dairies, member of Midwest Dairy Coalition.

Cooper listed some topics, but supply management made up the majority of the discussion as attendees discussed the House (and now Senate) bill reflecting California’s Dairy Price Stabilization Program (DPSP), which is similar to the Holstein USA plan. Sherm Polinder, from the state of Washington, said he is four miles from the Canadian border, and it’s “like walking into a different world.”

Proponents of the DPSP bill say the point is to transform the sharp volatility of recent years to a wavy line—not a flat line—so instead of fluctuating from \$10-\$20, the milk price would have a more narrow spread of \$13-\$18.

Pennsylvania dairy producer and DPAC chairman Cliff Hawbaker said we have to think of “who we are as dairy farmers. Right now in the current system, we carry all of the price risk, and that’s the root of the problem,” he said. “We have to really think about how we want to manage supply for the



(Above) DPAC meets with the Family Dairies USA Board in Madison, Wisconsin. Clockwise from left: David Cooper, general manager, producer directors Joseph Schmidt (Iowa), John Rettler (Wisconsin), Allen Blommel (Minnesota, not visible), executive secretary Nancy Coughlin (not visible), president Peter Kleiman (Michigan), vice president Ken Wunderlin (Wisconsin), producer directors Susan Schultz (Wisconsin) and Randy Peterson (Wisconsin), and DPAC board members Duane Hertzler and chairman Cliff Hawbaker (both from Pennsylvania) and DPAC board member Alan Kozak (Ohio). (Below) Family Dairies, a member of the Midwest Dairy Coalition, organized a dinner meeting for producers from across the country to discuss dairy policy on June 24, the evening before the USDA / Department of Justice hearing in Madison, Wisconsin. Participants included Bob Cropp, retired professor emeritus, University of Wisconsin-Madison Cooperative Extension; Steve Etka, Midwest Dairy Coalition; Rod Nilsestuen, Wisconsin Secretary of Agriculture; Paul Toft, dairy producer and board chairman of Associated Milk Producers Inc. (AMPI) based in Minnesota and an officer on the National Milk Producers Federation (NMPF) Board; Ron Statz, Midwest regional dairy director, National Farmers Organization (NFO); Gene Paul, past national NFO president; Brad Nosbush, dairy producer, first district; Sue Schultz, Wisconsin dairy producer, Family Dairies USA; Randy Peterson, Wisconsin dairy producer, Family Dairies USA; Peter Kleiman, Michigan dairy producer, Family Dairies USA board chairman; Doug Row, Midwest dairy producer; Ken Wunderlin, Wisconsin dairy producer, Family Dairies USA; Samantha Zastrow, Family Dairies USA summer intern; Don Mielke, dairy producer, NFO, Congressman Kagen’s (WI) Ag Committee; Cliff Hawbaker, Pennsylvania dairy producer, DPAC chairman; Alan Kozak, Ohio dairy producer, DPAC; Duane Hertzler, Pennsylvania dairy producer, DPAC; Laura Covert, New York dairy producer, DPAC; Jack Fritz, Tennessee dairy producer, DPAC; Maury Cox, executive director, Kentucky Dairy Development Council; Sherm Polinder, Washington State dairy producer, Darigold; and David Cooper, general manager, Family Dairies USA.

Photos by Sherry Bunting



market. We are talking about legislating our last freedom that we have of what we can do at the farm level to make a choice.”

During a meeting with the Family Dairies earlier in the day, DPAC presented its cornerstone for change and found many areas of common ground on milk pricing reform—from price discovery, to fewer milk classes to competitive pay price replacing end product price formulas.

As for the “Foundation for the Future” set forth by National Milk Producers Federation, NMPF board member Paul Toft said “it is still changing.” The most recent version is available at: <http://www.nmpf.org/files/file/Foundation-for-the-Future-061010.pdf> )

Toft discussed some differences between the DPSP bills and the price stabilization part of NMPF’s plan. One is the DPSP (Costa bill) is triggered by a forecast; whereas, NMPF’s plan is triggered by milk-over-feed “margins.” Toft said they are still working on the margins, but he gave this example: If the margin trigger is \$6/cwt., and it’s less than that for two consecutive months, then the haulers will pick up all the producers’ milk, but the producers would only get paid for 98% of the milk they ship.

Some producers felt this may not be enough of a deterrent, especially if the plants and cooperatives would still receive the excess milk without paying for it.

The margins would be based on the difference between milk price and a universal feed cost calculation, which would also be the basis for the revenue insurance plan that is proposed to replace MILC payments. This catastrophic loss protection would trigger rarely—for economic situations like in 2009. It would not have triggered in 2002, 2003 or 2006.