

“Controlling
your
own destiny.”



DPAC Dairy
Policy
Action
Coalition

A coalition of grassroots dairy producers actively participating, with a unified voice, on policies and issues affecting milk pricing.

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DPAC's Cornerstones for Change

Improve market transparency—dilute CME influence.

- Mandatory electronic reporting of product prices on a **DAILY** basis.
- Auditing of price reporting on a **QUARTERLY** basis.
- Establish mandatory inventory reporting, with **AUDITING**.

Expand price discovery—reflect broad supply/demand factors.

- Add more dairy products to the price and volume reports to reflect **broad supply and demand factors**.
 - Current NASS reporting is limited to cheddar, butter, nonfat dry milk, whey; cheddar is the driver and is pegged to 0.4% of product traded on CME.
 - Italian cheeses (mainly mozzarella), are a fast growing production sector that is poised to surpass American style cheddar and colby, but prices are not currently reported.
 - Yogurt and other soft products are also fast-growing value centers that are not reported.

Simplify milk pricing system. *(Everyone agrees current pricing system is broken.)*

- **Simplify** 4 milk classes to 2.
- Establish **competitive** pay price system and move away from end-product-pricing formulas that pigeon-hole the milk.
- Encourage movement of milk to its **highest value use**.
- Local market premiums instead of class premiums; encourage **regional supplies** vs. concentration of milk supply in a few areas.

Redistribute price risk. *(Producers currently carry ALL the price risk.)*

- **End Dairy Price Support Program and guaranteed “make allowances.”**
- **Encourage competitive market-based manufacturing decisions** to be a consistent supplier of products in the world market and market those products without relying on other countries to market them for us.
- Continue to **participate in the national discussion on production management** as one of 12 organizations funding the economists’ analysis of stabilization plans.
- **Develop marketing models around the concept of “producing for a market”** as a means of sharing price risk, achieving a price into the future, and managing milk production.