

DPAC Executive Board & Action Group Activities Report

October 11, 2010

August 10 & 12 — EASTERN PENNSYLVANIA – DPAC Update Meetings for producers and agribusiness, sponsored by Sensenig’s Feed Mill and ADM Alliance Nutrition

- Both meetings had turnout of over 125 producers. Both meetings were covered in separate Farmshine articles and reports are available at DPAC website as noted below.
- For the August 10 meeting in Martindale, Bernie and Sherry along with Board members Nelson Troutman and Paul Horning were panelists. PA State Senator Mike Brubaker attended toward the end of the meeting and answered some questions on state issues.
 - Martindale meeting: “Keeping the Faith”:
<http://www.dpac.net/news/culture-and-future-on-front-burner/>
- For the August 12 meeting in Kinzers, Bernie, Sherry and Denny Wolff, along with Board members Jake Esh and Dan Stoltzfus were panelists. The meetings were covered in Farmshine and reports are available at the DPAC website:
 - Kinzers meeting: “A year after pasture meeting...”
http://www.dpac.net/publication_files/one-year-after-pasture-meeting.pdf

August 17 — ROCK SPRINGS, PENNSYLVANIA — DPAC meets with members of Congress at Ag Progress Days:

- During Ag Progress Days near Rock Springs, Pennsylvania on August 17, DPAC had an impromptu meeting with three members of the U.S. House Agriculture Committee: Rep. Tim Holden, who is the House Ag Committee vice-chair and represents Pennsylvania’s 17th district covering portions of Lebanon, Berks, Schuylkill, Dauphin and Perry Counties; Rep. Kathy Dahlkemper, representing Pennsylvania’s third district covering seven counties in Northwestern Pennsylvania; and Rep. Glenn Thompson, representing Pennsylvania’s fifth district covering 17 North Central and Northwest counties.
- “We explained the need for “daily” (not “weekly”) in the language for electronic reporting of dairy product prices and volumes,” said Dennis Wolff, a lifelong dairy farmer and former state ag secretary who serves as DPAC’s government relations consultant. Wolff arranged the meeting between the members of Congress and DPAC board members. Chairman Cliff Hawbaker, a Franklin County dairy producer, vice-chair Daniel Brandt, a Lebanon County dairy producer, and Jeremy Meck, a Berks County producer attended—along with a dozen other dairy farmers who heard about the meeting. Carl Shaffer, Pennsylvania Farm Bureau President, was also present for this meeting.
- The meeting was reported in *Farmshine* and a report is available on the DPAC website at: <http://www.dpac.net/news/daily-reporting-still-on-front-burner/>

August 20 — TELECONFERENCE — Milk Marketing Models Subcommittee met by teleconference

- The Milk Marketing Models Subcommittee had its first meeting by teleconference August 20 at 1:00 p.m. Present were: Cliff Hawbaker, Rob Barley, Dale Hoffman, Alan Kozak, Duane Hertzler and Bryan Gotham (arrived later to the call). Secretary Sherry Bunting also was on the call.
- Concept Discussed: Identify and produce for a market; build alliances; “farmer marketing service.” The Milk Marketing Models Subcommittee (3-M) will facilitate market research and modeling for informational purposes.

- Purpose: To identify markets and develop marketing models that could work in regions with different market conditions. Formulate questions and appoint producers from each of the “four diverse regions” to start conducting one-on-one interviews all using similar template of questions.
- Parallel Policy Discussion: One Class vs. Two Class vs. Modified Three Class. And define “competitive pay price.” Plan to discuss with professionals and outside experts.

August 26 — MADISON, WISCONSIN by TELECONFERENCE — Denny Wolff, Sherry Bunting, Duane Hertzler, Bryan Gotham and others from DPAC participated in the teleconference to review second draft of “Volatility Report.”

- Drs. Mark Stephenson and Chuck Nicholson reported some adjustments to the report unveiled in Chicago in July. They had also met with Scott Brown at FAPRI who had conducted the economic analysis of the NMPF Foundation for the Future. The 15 organizations that had funded the report comparing NMPF FFTF, Agri-Mark’s MMP program and the Costa/Sanders bill (Holstein Plan), had a few more suggestions and questions to incorporate into the final report. One thing they wanted to see is a comparison of the Costa/Sanders bill if it used the same type of margin trigger as FFTF instead of using the milk-feed ratio. Again, all three programs showed a good effect in curbing the extreme volatility, with very little effect on cumulative net farm income.

August 27 — EPHRATA, PENNSYLVANIA — Exec Board and PA State Issues Action Group Meeting on Senate Bill (stranded premiums).

- Expect Sen. Brubaker will introduce legislation in Ag Committee when Assembly returns from recess.
- The five points of legislative change have “percolated” in the House and Senate and there have been 2 hearings on the Senate side.
- Denny Wolff is the point-person assisting Sen. Brubaker’s office with drafting the bill through the Legislative Reference Bureau. PDA counsel Brook Duer is also an essential resource.
- Zach Meck and Nelson Troutman will invite Sen. Mike O’Pake (minority leader of Senate Ag Committee) to a meeting, possibly at Zach’s farm.
- Rob Barley is contacting Sen. Mike Waugh; Jim Kennedy in contact with Sen. Elder Vogel.
- Denny reported that New Jersey is working in similar fashion on their over-order premium.
- **Five proposed changes to statute are:**
 - 1) Specify that title of milk changes from farmer to dealer at the point of shipment (farm). *Language exists in milk security law. This item was also suggested by PMMB in letter of response to governor last winter.*
 - 2) Expand PMMB’s authority to include retail stores. *Language for this can be found in prior statute before mid-80s change. This item was also suggested by PMMB in letter of response to Governor last winter.*
 - 3) Establish a producer settlement fund that receives premium dollars and distributes premium dollars back to all farmers equally by basing distribution on volume of production and not on utilization. *New language.*

- 4) Expand the PMMB to 5 members (*currently 3*).
- 5) Modify definition of “producer” by removing the word “cooperatives.”

August 27 — EXEC BOARD UPDATE ON DAILY REPORTING — This report was previously emailed to Board members on Aug. 30:

- Denny received a message from Jake Kuhns at Rep. Holden’s office that House Ag Chair Collin Peterson is willing to meet. Peterson’s chief of staff would be in contact with Denny.
- Staff from a Congressman’s office in Ohio (not on Ag Committee) contacted DPAC Board member to encourage DPAC to “back off” on the “daily” reporting or could lose the electronic reporting already in the bill as “weekly.”
- Exec Board discussed this and decided they believe DPAC should continue the process set in motion at the Aug. 12 Board meeting for “daily” reporting until all legislative options are exhausted.
- Stories ran in late August and early September by newspaper and email providing information to dairy producers to contact their members of Congress before the House votes on the Mandatory Reporting bill in mid-September.
- Denny urged us to keep the message simple on the daily reporting: 1) CME is too thinly traded; 2) Daily reporting dilutes the CME; 3) Daily reporting improves the timeliness of information on dairy market conditions. Talking points provided and posted on DPAC website at: http://www.dpac.net/publication_files/daily-reporting-talking-points-2.pdf
- Denny and Sherry collaborated on research of the Southeast group’s Aug. 5 “action items” in preparation for second Southeast meeting Sept. 9 in Atlanta. See separate document “SE-ActionItems-Research-Info(090910)”

August 30 — TELECONFERENCE — Executive Board teleconference on Bylaws and other matters

- The Executive Board and Ad Hoc Members Action Group met by teleconference to prepare for Sept. 9 Southeast meeting in Atlanta and to edit the version of the Bylaws as amended by the attorney. Present by phone were: Cliff Hawbaker, Rob Barley, Daniel Brandt, Bernie Morrissey, Sherry Bunting, Alan Kozak, Duane Hertzler, and Denny Wolff.
- Bylaws were edited to send back to Attny Lawrence Tabas.
- Cost for Cliff, Rob, Alan and Sherry to travel to second Southeast meeting in Atlanta, Georgia was approved.
- Executive Board also approved Bernie Morrissey’s request to hire an administrative assistant to specifically assist him with the fundraising (mailings, phone calls, databases, etc.). Paige Eshelman will work as a 1099 independent contractor, not an employee. This will be confirmed by action of the full board in October.
- Exec Board also discussed with Denny Wolff the “Next Steps” for DPAC:
 - Denny will reach out to PA Dept. of Ag and PA Farm Bureau (and other organizations) to join DPAC in the Senate legislative effort on the PA Milk Marketing Law.

- On “daily” reporting at the federal level, Denny rec’d call from NMPF asking DPAC to “back off” the “daily” reporting requirement because of concerns about losing what is already in the bill for electronic reporting as “weekly.”
- Exec Board noted that all DPAC is asking for is the appropriation for the authority that already exists in the Farm Bill. It has been an interesting process.
- Exec Board decided “no backing off.” – “Want to stand for something”
- Offer a timing compromise, but put it in the bill. Phase in daily over six months after electronic reporting implementation?
- **Exec Board gave another call to action to activate dairy producers to once again call, fax, and meet with members of Congress.**

September 1 — WOOSTER, OHIO — DPAC Board member Alan Kozak participates in Senator’s Dairy Roundtable:

- U.S. Senator Sherrod Brown (D-Ohio) conducted a Dairy Forum and invited DPAC to participate. DPAC Board Director Alan Kozak, who has a dairy farm in Holmes County, Ohio, represented DPAC. A story ran in the local paper. Here is a link:

<http://www.the-daily-record.com/news/article/4888174?page=0>

September 2 — OP/ED RUNS IN VARIOUS PAPERS — “David and Goliath” The case for “daily” reporting by Dennis Wolff

- Op/Ed published in *Farmshine*, *Lancaster Farming*, *Dairy Profit Weekly*, *Harrisburg Patriot* and led to Editorial in *Harrisburg Patriot* as well as an interview request with *Progressive Dairyman* and *Hoard’s Dairyman*. Link to “David and Goliath” at DPAC website:
<http://www.dpac.net/news/david-and-goliath/>
- To read the follow up 9/26 Editorial written in the *Harrisburg Patriot* (by the paper’s editorial board), here is the link:
http://www.pennlive.com/editorials/index.ssf/2010/09/dairy_farmers_need_assistance.html

September 8 — HAMBURG, PENNSYLVANIA — Agriculture Town Hall Meeting hosted by State Senator David Argall with Sen. Mike Brubaker as special guest.

- Sen. Mike Brubaker, who chairs the Senate Committee on Agriculture and Rural Affairs, has had two hearings since last December on the issue of milk pricing. He told a dozen farmers attending an Agricultural Town Meeting hosted by Sen. David Argall near Hamburg, Berks County Sept. 8 that, “The system has changed. It’s time to take a look at the laws to deliver a sustainable benefit to the dairy farms.”
- Sen. Brubaker stated further that the 25-cent per gallon over-order premium paid by consumers on every gallon of milk, is, after all, “the farmers’ quarter, and this issue of where that quarter is going needs to be solved.”

September 9 — ATLANTA, GEORGIA — DPAC meets with Southeast producers. Southeast Dairy Coalition is born...

- Southeast Dairy Coalition will serve as a regional steering committee and affiliate with DPAC on national dairy policy.
- As a follow up to the Aug. 5 multi-state meeting in Athens, Tenn., dairy producers from Virginia, North Carolina, Georgia, Kentucky, Tennessee, Mississippi and Arkansas returned to the table on Sept. 9—this time in Atlanta, Georgia—where they voted to form the Southeast Dairy Coalition.
- Three producers from Florida, and one from Alabama, who had attended the August meeting in Tennessee, were unable to make the September meeting in Georgia; however, they each indicated their keen interest to participate as the coalition moves forward. The group is also reaching out to South Carolina and Louisiana to bring the number of states to 11.
- On regional issues, the Southeast Dairy Coalition (SDC) will serve as a steering committee bringing together multiple Southeast organizations. On national issues, SDC will provide a communications link and be affiliated with the Dairy Policy Action Coalition (DPAC), whom they thanked for inspiring them to come together as a regional assembly of dairy producers.
- Dr. Ben Shelton, a North Carolina dairy producer and veterinarian, was elected to chair the SDC. They also agreed on one producer from each state to form the core working group.
- Three DPAC board members—Cliff Hawbaker and Rob Barley, both of Pennsylvania, and Alan Kozak of Ohio—traveled to Atlanta to participate in the meeting, which focused on establishing a vehicle for the region’s producers to get organized and represent themselves in the policy decisions that will affect their combined futures.
- By the end of the day, several Southeast producers were also appointed to DPAC action groups: Steve Harrison of Loudon, Tenn. will serve on the supply management action group and Roger Jefferson of Chatham, Va., on the milk marketing models subcommittee. Jack Fritz, Springfield, Tenn., already serves on the milk pricing action group.
- “We need to support DPAC on the national issues that affect all of us, even if we haven’t figured out exactly what to do on our regional issues,” Shelton said. “We see these issues like training as a diver in the Olympics: A lot of work and preparation for a three-second dive.”
- “This is not an event. It is a process,” said Hawbaker. “DPAC’s purpose is to take the ideas of dairy farmers and focus on those things we agree on around the U.S. Truth and transparency is a core issue at the national level, and we are looking to the Southeast Dairy Coalition to surface the issues that concern your region.”
- This meeting was reported in *Farmshine*. A report also appears on the DPAC website at: http://www.dpac.net/publication_files/southeast-dairy-coalition-born.pdf

September 14-15 — WASHINGTON, D.C. — DPAC meets with members of Congress on Sept. 14 one day before House Vote on Mandatory Reporting Sept. 15

- Partial victory seen in passage of Mandatory Price Reporting, but DPAC continues quest for 'daily' reporting.
- The Mandatory Price Reporting Act of 2010 (H.R. 5852) passed the House on voice vote under suspended rules Wednesday morning, Sept. 15 one day after Congress returned for its brief September session before they again recess to campaign before the November elections.
- Along with Denny Wolff and Sherry Bunting, DPAC Board members Cliff Hawbaker, Dan Z. Stoltzfus, Nelson Troutman and Paul Horning spent the day before the bill's passage in Washington D.C., meeting with Congressional ag staffers and looking for last minute options to amend the language to "daily" instead of weekly reporting for dairy product prices and sales volumes. Deb Windecker and Art Graves (New York), Sheryl Vanco (PA), Shorty Miller (Texas) and others were in town for the NFU fly-in. They joined DPAC in discussions with staff for House Ag Committee members from PA, OH, and NY.
- But to no avail. The table had been set by the House Ag Committee and the Senate's companion bill (S. 3656) had already been passed in similar "suspended rules" fashion last month. Under "suspended rules," a bill passes without opportunity for amendment, and individual votes are not recorded. This process is reserved for non-controversial bills that have bipartisan support.
- Truly, this bill was non-controversial in the House and Senate from the standpoint that it reauthorizes mandatory daily reporting for the beef, pork and livestock. It is also non-controversial from the standpoint that it directs USDA to establish a mandatory electronic reporting system for dairy.
- **But dairy producers were expecting to see their product reporting to also be daily,** mainly because the 2008 Farm Bill includes a section (1510), which authorizes the establishment of electronic reporting and "more frequent" reporting, along with quarterly auditing of the processor price and volume reports.
- **For DPAC, the action is viewed as a partial victory.** But as producer members told Congressional ag staffers Tuesday: "It really feels like a loss because the effort to gain 'daily' reporting was viewed as a key to diluting the influence of the CME on producer milk prices and a way to ensure greater marketplace transparency for dairy producers."
- One thing was clear from the visits, **there is no question that DPAC's attention to this part of the 2008 Farm Bill is what pushed the Mandatory Reporting at least this far.** Producers need to continue to build unity and action because getting done what's already in the previous Farm Bill has proven, itself, to be a battle.
- DPAC will continue to work on the issue with members of Congress on the Ag Appropriations side, where their focus began back in January of 2010.
- Full story was reported in Farmshine and a report is available at the DPAC website at http://www.dpac.net/publication_files/dpac-in-dc---update.pdf

September 17 — HARRISBURG, PENNSYLVANIA — DPAC participated in a meeting with various other state and producer organizations to discuss changes to Milk Marketing Law

- DPAC participants included Denny Wolff, Bernie Morrissey, Sherry Bunting, Daniel Brandt, Zach Meck, Nelson Troutman, Rob Barley, Dale Hoffman, Rita Kennedy (for Jim Kennedy).

September 22 — MADISON, WISCONSIN by TELECONFERENCE — DPAC joins funding organization for teleconference before release of “Volatility” report...

- After many months of study, discussion and input, economists Mark Stephenson, University of Wisconsin, and Chuck Nicholson, Cal Poly, released their Analysis of Proposed Programs to Mitigate Price Volatility in the U.S. Dairy Industry late Wednesday (Sept. 22), after the 59-page report was discussed by teleconference with representatives of the 15 funding organizations.
- The report was funded by stakeholder organizations, including: AMPI, Agrimark, DFA, Dairy Farmers Working Together, DPAC, Darigold, Family Dairies USA, Holstein USA, Milk Producers Council, NFO, St. Albans Co-op, Northeast Dairy Leadership Team (H.P. Hood, Dairylea, Jefferson Co. Ag Dev Corp., PA Center for Dairy Excellence, NY Center for Dairy Excellence, NODPA, Upstate Niagra Co-op), Upper South Milk, and Western United Dairymen.
- Drs. Stephenson and Nicholson, along with Dr. Scott Brown from the University of Missouri, attended the Dairy Industry Advisory Committee meeting in Washington D.C. on Sept. 23 to answer questions.
- Dr. Stephenson will also provide a presentation of the information at World Dairy Expo in Madison, Wis., on Sept. 29 from 1:00 to 3:00 p.m. in Mendota Room 3.
- The Report compared three dairy stabilization programs to a projected baseline through 2018 using a sophisticated model with literally thousands of equations and parameters to predict interactions and behavior in the marketplace. The programs were compared to baseline with and without “shocks.” Shocks are the occurrence of completely unexpected supply and demand factors.
- The three programs analyzed were: National Milk Producers Federation [Foundation for the Future](#), Agrimark's Marginal Milk Program and the Dairy Price Stabilization Program ([Costa/Sanders Bill](#)).
- The bottom line is all three programs mediate the volatility (trim the peaks and troughs) under normal conditions and when “shocks” were introduced. But none of the programs impact anything very much in the long range cumulative picture of the all-milk price or total milk production.
- There were interesting thoughts to draw from this report, and the funding groups will evaluate it and get feedback from their memberships before having a follow up conference call in October to discuss next steps.
- The full report is available online at:
http://dairy.wisc.edu/Volatility/Analyses_of_Volatility_Programs.pdf

September 22 — PA MILK DEALERS GET INJUNCTION on stranded premiums ...

- The Pennsylvania Association of Milk Dealers has sued the Pennsylvania Milk Marketing Board (PMMB), saying the Board's June decision, to change the over-order premium calculation for dealers who purchase milk from dairy farms both in and out of state, "violates interstate commerce rules" and would cause "irreparable fiscal harm to the dealers."
- The PMMB Order A-968 was set to take effect October 1, 2010. Last week, however, U.S. Middle District Judge William Caldwell issued a preliminary injunction putting the Order on hold until the dealers' lawsuit against PMMB is resolved.
- Joining the PA Association of Milk Dealers in their lawsuit against PMMB are a Maryland dairy farm that ships to Rutters Dairy, based in York, Pa. and an Ohio dairy farm that ships to the Sharpville, Pa. milk plant owned by Dean Foods, based in Dallas, Tex.
- Pennsylvania Secretary of Agriculture Russell Redding expressed his disappointment this week over the federal court injunction that temporarily stalls the state Order, which would generate higher milk payments to the state's dairy producers. This change was slated to bring an estimated \$6.7 million in "stranded premiums" back to dairy producers.
- "Stranded premiums" is a term that refers to the portion of a 25-cent-per-gallon portion of the state-minimum milk price that consumers pay at retail, which is intended for the dairy producers, but which processors have had the ability to keep in certain instances rather than return to the producers.
- Full report appeared in *Farmshine* and is posted at DPAC website:
<http://www.dpac.net/news/pa-milk-dealers-sue-pmmb-over-change-in-premium-calculation/>

September 22 — HARRISBURG, PENNSYLVANIA – Sen. Mike Brubaker introduces Senate Bill 1480 to amend PA's Milk Marketing Law

- After two hearings and many discussions with groups of dairy producers and members of the dairy industry, Pennsylvania Senator Mike Brubaker (R-36th) introduced Senate Bill 1480 Tues., Sept. 21. "I introduced the legislation amending the Milk Marketing Law of 1937 to start a legislative discussion about how the state-mandated Pennsylvania Milk Marketing Board (PMMB) over-order premium is distributed to dairy farmers in the Commonwealth," said Sen. Brubaker, chairman of the Senate Committee for Agriculture and Rural Affairs in an interview with *Farmshine* on Wednesday, Sept. 22.
- "The Senate Agriculture and Rural Affairs Committee held two hearings, and I have been involved in countless meetings, discussions and personal conversations regarding this issue with interested parties on all sides, as have many of my colleagues," the Senator said. "What became clear to me through the course of these events is that our dairy farmers are struggling, and while we have a valuable tool in the Milk Marketing Law, the use of this tool may not be as effective as it could be to assist Pennsylvania's producers."
- Sen. Brubaker also noted under the current law, "the processor and the retailer are guaranteed a profit—but the dairy farmer is not."
- The same law that guarantees cost recovery and a profit to the processor and the retailer also includes a statement about the profitability of the dairy farmer, and gives PMMB the authority to set a state over-order premium that is built into the state minimum retail price

paid by consumers to retailers and the state minimum wholesale price paid by retailers to dealers on qualifying milk, which is then to be passed back to the farm level in the producer pay price. The over-order premium is meant to support the state's dairy farming industry and is based on the conditions that all dairy farmers experience.

- The definition of qualifying milk is: Milk produced, processed and sold to consumers in Pennsylvania. Therein lay some loopholes in the current law, including changes that were made in the 1980s that reduced some prior authorities PMMB once had to track "qualifying" milk and identify potential breaks in the chain.
- "We are looking forward to working with the Legislature and continuing our efforts to bring more benefit to Pennsylvania dairy farmers from the PMMB's over-order premium and minimum retail pricing," said Ag Secretary Russell Redding, when asked for his thoughts on the proposed legislation during a break at the All-American Dairy Show in Harrisburg Wednesday.
- Other organizations also commented. Full story appeared in Farmshine and is available at the DPAC website at:
<http://www.dpac.net/news/pa-sen-brubaker-introduces-bill-to-amend-pa-milk-marketing-law/>

PA Senate Bill 1480 is available at:

<http://www.senatorbrubaker.com/agriculture/2010/092910/SB1480.pdf>

September 28-29 — HARRISBURG, PENNSYLVANIA — DPAC attends Senate Ag Committee meeting, but SB 1480 is withdrawn for this legislative session.

- PA Senate Bill 1480 did not get "buried," but it was withdrawn from the 2010 legislative session on Sept. 28. The Senate Ag and Rural Affairs Committee demonstrated in a meeting on 9/29 that they are "going to dig in and come back to this issue" with full fervor next session.
- At issue is a comprehensive overhaul of the state's Milk Marketing Law. As reported previously, state Senator Mike Brubaker (Lancaster County) introduced S.B. 1480 on Sept. 21. It was then referred to the Ag Committee, which he chairs, and was put on the schedule for consideration this Wednesday, Sept. 29.
- In what Brubaker called "a relatively unconventional committee meeting without a bill," the contents of S.B. 1480 were discussed at the Capitol even though the bill had been withdrawn from the 2010 legislative session late in the afternoon of Sept. 28 because Committee members requested more time for additional information, and there were only four days left in the current legislative session.
- A full story on this appeared in Farmshine and is posted at the DPAC website at:
<http://www.dpac.net/news/pa-senate-ag-committee-will-dig-in-to-milk-bill-in-2011/>
- An audio replay of the 9/29 Senate Ag Committee meeting is available at:
<http://www.senatorbrubaker.com/agriculture.htm>

Sept. 28-October 2, 2010 – MADISON, WISCONSIN – DPAC makes some contacts at World Dairy Expo

- E-Zee Milking Equipment provided space at their Nu-Pulse booth at World Dairy Expo where a poster and flyers were available. We did not have the resources to have a manned booth there this year, but several Board members were seen in Madison for the Expo and took opportunities to talk to fellow dairy producers.

- DPAC Board Director Alan Kozak of Clover Patch Jerseys, Millersburg, Ohio, was a special guest at World Dairy Expo providing a virtual tour of his dairy Wednesday. He developed two slides mentioning DPAC in his presentation.
- Sherry Bunting was at Expo working for another customer; and while at that booth, she made contact with many dairy producers and learned that two things are concerning them: SCC / milk quality was a concern in terms of restoring producers' "pride in their product," by enforcing and reducing the SCC limits to end commingling of very high SCC milk with quality milk having a low SCC. Producers also indicated their profound disappointment in Congress passing the mandatory reporting without making it daily. Market transparency and price discovery still rank very high with producers as the first course of action.
- Sherry Bunting and Maury Cox (from KY Dairy Dev. Council) met with Sue Schultz and David Cooper from Family Dairies USA for "Badger Club grilled cheese(!)" on Friday, Oct. 1 at World Dairy Expo. We discussed competitive pay price, milk classification, and other milk pricing issues. Family Dairies is open to working with DPAC on common ground issues. Simplifying milk classes to fluid (drinkable) and manufacturing (all other uses)—along with a competitive pay price system instead of product-price-formulas w/ set make allowances is one area to develop more concrete policy and consensus for.

October 7 — STATE COLLEGE, PENNSYLVANIA and by Teleconference — DPAC Milk Marketing Models Subcommittee has second informational meeting.

- Rob Barley, Cliff Hawbaker, Duane Hertzler, Dale Hoffman, Denny Wolff, and Sherry Bunting met in person for the second meeting of the Milk Marketing Models Subcommittee. Alan Kozak (Ohio) and Ben Shelton (North Carolina) joined the meeting by teleconference. A special guest was also consulted as the Committee discussed ways to identify markets; develop marketing models; and to view milk pricing from a blank-page perspective. Part of the purpose is to inform the discussion on national dairy policy in the area of market structure and milk pricing methods.
- Paul Christ's name came up as someone DPAC may want to consult as an expert on "competitive pay price" and a one class / two class pricing system. He is knowledgeable, respected by USDA, and already involved in Maine's proposal; but may be willing to do some expert analysis for DPAC.

UPCOMING EVENTS

October 15 — Conference call (2:00 p.m. Eastern Time) of 15 funding organizations to follow up after release of Drs. Stephenson's and Nicholson's "Volatility Report"

November ?? — DPAC BOARD REORGANIZATION : Second Thursday of November?

Respectfully submitted

Sherry Bunting, DPAC Correspondence Secretary

October 11, 2010