

DPAC Executive Board & Activities Report

February 12, 2011

Jan. 17, 2011 — Teleconference preparation for meeting with House Ag Cmte in D.C.

- Rob Barley (PA), Daniel Brandt (PA), Dave Forgey (IN), Ben Shelton (NC), Joe Borgerding (MN), Denny Wolff, Sherry Bunting, Bernie Morrissey and David Cooper (WI) discussed plans for Jan. 25 meeting in Washington, D.C.

Jan. 18, 2011 — Reedsville, PA – Sherry Bunting spoke at East Gate Feed meeting

- Presentation on status of the dairy industry (as a reporter) to 60 dairy producers included information on NMPF's Foundation for the Future (FFTF) and update on DPAC Cornerstones. Only two people in the group knew anything about FFTF and there was quite a bit of concern among the dairy producers regarding the margin-triggered supply management piece.

Jan. 18, 2011 — Northern Tier PA – Dairy producer meetings

- Bernie Morrissey and Dale Hoffman updated Northern Tier PA dairy producers on DPAC progress at Morrissey Insurance meeting for farm customers in the Northern Tier.

Jan. 25, 2011 — Washington, D.C. – DPAC met with House Livestock, Dairy and Poultry Subcommittee Chairman Tom Rooney (R-Fla.) and House Ag Committee professional staff John Goldberg on dairy policy for 2012 Farm Bill

- Rob Barley (PA), Daniel Brandt (PA), Dave Forgey (IN), Ben Shelton (NC), Joe Borgerding (MN), Sherry Bunting, Bernie Morrissey and Amos Stoltzfoos traveled to Washington, D.C. to share Cornerstones for Change and concerns about NMPF's Foundation for the Future (FFTF).
- Rob Barley's written comments (Introduction) are attached or posted at: http://www.dpac.net/publication_files/r-barley---01-25-11.pdf
- Daniel Brandt's written comments (CME) are attached or posted at: http://www.dpac.net/publication_files/d-brandt---01-25-11.pdf
- Dr. Ben Shelton's written comments (Trust) are attached or posted at: http://www.dpac.net/publication_files/b-shelton---01-25-11.pdf
- Dave Forgey's written comments and examples (Global Markets) are attached or posted at: http://www.dpac.net/publication_files/d-forgey---01-25-11.pdf
- Joe Borgerding's written comments (Free Markets) are attached or posted at: http://www.dpac.net/publication_files/j-borgerding---01-25-11.pdf
- Two articles were published in Farmshine: Posted at DPAC website: http://www.dpac.net/publication_files/dpac-in-dc-020411-update.pdf
- DPAC Update and News Release is attached or available at <http://www.dpac.net/news/dpac-meets-with-house-subcommittee-chairman-tom-rooney/>
- News Release sent to media across the country: Published so far at Dairy Webmall, Progressive Dairyman, blurb in Dairy Profit Weekly, follow up requests from Hoard's Dairyman, Dairy Star, local paper in Logansport, Indiana, etc.
- **Bottom line result of meeting:** Chairman Rooney said he would create the opportunity and environment for DPAC to be part of the process.
 - Sherry Bunting provided packets and contact information for Denny Wolff to Chairman Rooney's legislative aide Hannah Walker

- Thank you notes were sent to Congressman Joe Pitts (R-Pa.), Chairman Rooney (R-Fla.) and Chairman Frank Lucas (R-Okla.) – **All DPAC board members rec'd emailed or mailed copies of these Thank You Notes**

Jan. 26-27, 2011 — Ohio Grazing Conference – Alan Kozak had DPAC materials available at a booth during the two-day event.

Jan. 27, 2011 — East Earl, PA – Sherry Bunting manned DPAC booth and gave brief presentation of DPAC Update to 200 dairy producers at Hooper Feeds Meeting.

Jan 31, 2011 Meeting with Lancaster County Delegation to PA House of Representatives postponed to Feb. 22.

Feb. 2-3, 2011 — Lancaster, PA – Sherry Bunting, Paige Eshelman and Bernie Morrissey distributed DPAC Update information and Cornerstones for Change at 2011 PA Dairy Summit.

Feb 4, 2011— Board-to-Board Conference Call between DPAC and National Dairy Producers Organization (NDPO) postponed by NDPO until after World Ag Expo.

- Gary Genske (NDPO Treasurer) contacted Sherry Bunting (DPAC Secretary) by cell phone on Feb. 2 to say that NDPO wants to postpone the 2/4 conference call and will contact DPAC when they are ready to have a conference call.
- He also indicated that NDPO is preparing to write a bill for Congress that would include supply management, country of origin labeling, some sort of index pricing idea, and more.

Feb. 8-10, 2011 — New Holland, PA – Bernie Morrissey and Sherry Bunting distributed DPAC Update information and Cornerstones for Change at Sensenig Feed Mill dairy customer meeting (300+).

Feb. 8, 2011 — Facebook – DPAC Board member Laura Covert from New York (Media & Information Action Group) started DPAC on Facebook.

Feb. 8, 2011 — Multi-State Teleconference – DPAC Board Member and Chairman of Southeast Dairy Coalition Ben Shelton called a meeting of SEDC and DPAC to follow up on D.C. meetings and other nationwide developments.

- Much discussion of Foundation for the Future (FFTF) and whether to ask economists Nicholson and Stephenson to run specific questions through the models.
- **Background...** On the call, we had most all SE states represented along with Dave Forgey and Joe Borgerding from Midwest and Cliff, Rob, Duane and Bernie from Pennsylvania. We also had a dairy producer delegate from SE state Farm Bureau and directors of such organizations as Georgia Milk, Kentucky Dairy Dev Council and North Carolina Dairy Advantage.
- **Consensus revolved around question of: Should DPAC / SEDC build coalition that flat out opposes NMPF FFTF?** *(as pertains to Denny Wolff's potential upcoming meeting with NMPF and House Subcommittee Chairman Tom Rooney... doesn't seem like we have much common ground at this point but technically the answer to this question should be taken up by the full DPAC board for action or directive at Feb. 17 board meeting)*
- FFTF adds more layers, doesn't solve core issues, doesn't really have much positive impact on the overall net at the end of the day.
- DPAC has not taken a position for or against supply management: Is it time to take a general position in favor or opposition to supply management?
 - Recognize supply management accelerates consolidation (acknowledged in Chicago by Stephenson and as shown historically in other industries)

- Assessment by the group on conference call: Volatility really is not the industry's most severe problem.
- Policy needs to be competitive in world markets - FFTF does not necessarily do that as exports are less than baseline under that modeling - leave U.S. still as world supply balancer.
- **Validation that DPAC's focus to date on functioning markets, transparency and price discovery represent the core issues.**
- Validation that about the only thing worthwhile in NMPF FFTF at this time is the removal of price support program. Call participants okay with giving up MILC but felt Wisconsin would have issue with that.
- Recognized that if FFTF goes through ... producers are stuck with it for at least 5 years and maybe longer under "bloc voting."
- Recognized FFTF introduces many unknowns.
- Recognized supply management (via FFTF) would pull disproportionately more revenue out of Southeast, Northeast, Midwest.
- The west, particular Calif, seems most intent on supply management. How can we bring them into supporting other initiatives we can agree on?
- Available tools (like LGM-Dairy) would be more useful in dairy like for other commodities if core issue of dysfunctional markets and U.S. competitiveness in world markets were addressed
- Core issues are missing from FFTF.
- **Recognized the need for DPAC to look at writing an alternative bill or to have a more detailed and expertly-worded legislative approach that provides an alternative to FFTF and focuses on the national and international issues all regions can agree on.**
- **Bottom Line: Not much common ground on FFTF at this time.**
- **Next Step** on the part of the SE Dairy Coalition: Continue their contact with Calvin Covington to pull together contacts for a follow up meeting with participants from Calif, Idaho, Vermont, Wisconsin, Southwest states, along with 3 or 4 SEDC board members and 3 or 4 DPAC board members.
- Tentative date for DPAC / SEDC meeting: March 7-8.
- Purpose to develop more specific details within Cornerstones for Change framework and consider possible development of a legislative language for a bill.
- Question that needs to be definitively answered: Does DPAC want to take aggressive position against passage of FFTF?

Feb. 9, 2011 — Observations from Denny Wolff

- Denny was unavailable for Feb 8 conference call but after reviewing the notes made this observation:
 - "Challenging FFTF will send a clear message to Congress that all dairy farmers do not agree with FFTF.
 - FFTF does address removing the Dairy Product Price Support Program and offers a government-subsidized margin insurance that would be different than the LGM Dairy that only allows you to lock in future margins that are not always profitable margins.

- The best way to address FFTF maybe to state that DPAC can not endorse FFTF because it adds yet another layer of government intervention with mandatory supply management and does not address the problems with the existing federal order system.

Feb. 10, 2011 — Harrisburg, PA – Duane Hertzler testified before the PA House Agriculture Committee at the “Dairy 101: From Cow to Consumer” hearing called by Chairman John Maher.

Duane’s testimony is attached or available online at:

http://www.dpac.net/publication_files/d-hertzler-testimony-to-pa-house-ag-cmte.pdf

- Denny Wolff, Bernie Morrissey, Cliff Hawbaker, Zach Meck, and Nelson Troutman also attended along with other dairy farmers.
- Denny shared this overall report of the “educational” hearing which was intended to be a starting point for understanding the PA dairy industry before looking at any changes to PA Milk Marketing Law:
 - John Fry and Lolly Leshner (Center for Dairy Excellence) showed the trends in the dairy industry and what PA does in the form of CDE educational programs to assist its dairy farmers.
 - Paul Hoge did a presentation on the sanitation inspection service for PA and the Grade A milk requirements.
 - First Panel:
 - Mike Evanish did an overview of the dairy farmer’s challenges the past three years.
 - Dave Graybill overview of his farm and PA Farm Bureau dairy policy.
 - Duane Hertzler – for DPAC – gave a quick overview of his farm and was the only person to get into the issues and suggest changes for state and federal policy.
 - Walt Moore – for Professional Dairy Managers of PA – gave a virtual tour of his farm on his power point and talked about PDMP and how they help dairy farmers.
 - Second panel:
 - Dr. Bruce McPheron, PSU Dean of Agriculture discussed College of Ag science and that enrollment is healthy.
 - Dr. Joan Hendricks, VME, Dean Univ. of PA School of Vet Medicine talked about the shortage of large animal vets and the lack of students attending from a farm background.
 - Dr. Darcie Stolz, VMD, explained what it is like being a large animal vet and how there is a shortage.
 - Katrine L.S. Parmley-Gates of the Cumberland Valley Cooperative discussed the coop and how they supply feed and supplies to their region.
 - Mike Firestine talked about the Fulton bank and how large the ag portfolio is and the tough times they have faced.
 - 3rd panel:
 - PA Milk Marketing Board (PMMB) Chairman Richard Kriebel talked about how PMMB operates and the need for a third-party independent study before any changes are made to PMMB operations regarding the over-order premium and the state’s Milk Marketing Law.
 - Todd Rutter, president of Rutter’s Dairy (milk bottler) talked about how he hates changes and surprises, and he can’t set his prices until USDA comes out with the minimum price.

- Jim Madigan of Dairylea Cooperative, talked about how the cooperatives offer a needed service to dairy farmers.
- Joyce Bupp, Tom Wakefield, and Richard Mosemann: ditto.
- Erick Coolidge (PA producer and member of USDA Dairy Industry Advisory Committee), along with Dr. James Dunn, professor of economics at Penn State, talked about “supply and demand.” Coolidge reported that DIAC is coming to some conclusions on how to deal with the needed changes to dairy policy, but provided no details.

February-March 2011 — Mailings and Information Packets

- Sherry Bunting sent follow up packets to John Beiler of the Old Order Amish Steering Committee and to Floyd Nolt of the Mennonite Leadership with Cornerstones for Change, Updates, and copies of Thank You notes to Congressmen after Washington D.C. meetings. At January breakfast meeting, Mr. Nolt and Mr. Beiler indicated desire to be informed and to help where possible in correspondence. Sherry also put both Mr. Nolt and Mr. Beiler on subscription list for free weekly Farmshine.
- Sherry Bunting sent packet to Dale Herr of the National Hoof Trimmers Association. Denny Wolf is speaking on DPAC and dairy policy at their July Convention in Lancaster. We’re asking for free booth space to distribute packets and make contacts.
- Dave Forgey has half a dozen packets for upcoming opportunities to interact with members and leadership of U.S. Senate Ag Committee.
- Packets will be put together and mailed to all DPAC and SEDC board members and ad hocs with request to write a personal note and provide these packets to your State Ag Secretary or Commissioner; members of the U.S. House and Senate Agriculture Committees that may be in your state’s delegation; and your County Commissioners and/or State Senators and Reps.

OTHER NEWS

Feb. 11, 2011 — Washington D.C. teleconference –Dairy Industry Advisory Committee

- Still working on language and wording for their final report to Secretary Vilsack.
- Will meet by phone conference again on Feb. 18

UPCOMING EVENTS (February – July 2011)

February 11-12 – DPAC board member Sue Schultz of Wisconsin will distribute Cornerstones for Change and other information at Family Dairies annual business meeting (300+)

February 15 – DPAC to meet with PA Senate Ag Committee leaders in Harrisburg, PA.

February 15 – DPAC to participate with 30 other organizations in third conference call on NMPF Foundation for the Future Q&A with Jerry Kozak.

February 18-19 – DPAC board member and SEDC chairman Ben Shelton will distribute Cornerstones and other information at North Carolina Dairy Producers Convention.

February 21-26 – Tony White, ad hoc member from Tennessee Dairy Producers Association requested 400 copies of Cornerstones and other materials, plus a 4-minute DVD for six meetings across the state of Tennessee.

February 22 – DPAC to meet with members of the Lancaster County delegation to the PA House of Representatives at a location in Ephrata, PA.

February 25 – DPAC board members Cliff, Rob, Dan, Duane and Dale to meet with members of the PA Milk Dealers Association in Harrisburg, PA to better understand each other's perspectives of federal and state dairy policy.

March 7-9 time frame – DPAC / SEDC / Dairy Roundtable.

March 15-16 – DPAC board member Sue Schultz of Wisconsin will distribute Cornerstones for Change and other information at Professional Dairy Producers of Wisconsin Convention (1000+). Sherry will provide DVD for that also.

March 23 – Sherry Bunting invited to speak on status of dairy industry (as a reporter) during Turner Dairy Farms (milk bottler) annual meeting in Indiana County (western PA). She is permitted to spend a portion of her talk on DPAC.

March 24 – Possible meeting in Holmes County, Ohio if we can arrange. Sherry B. will be passing through and we have materials and DVD.

March 25 – DPAC board member Dave Forgey working with Indiana Professional Dairy Producers to host meeting on dairy policy w/ DPAC in state of Indiana. Sherry B. would be passing through and could attend w/ materials and DVD.

March 27-April 2 – Possible meetings in Upper Midwest in conjunction with Family Dairies' District Meetings and Wisconsin Public Service Farm Show in Oshkosh. Family Dairies is providing a list of questions via DPAC board member Sue Schultz.

July 22 – Denny Wolff invited to speak about dairy policy and DPAC at National Hoof Trimmers Association Convention, which will be in Lancaster, Pa. this year.

Respectfully submitted

***Sherry Bunting*, DPAC Correspondence Secretary**

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